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PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, SECOND SESSION

SENATE—*Tuesday, August 1, 1978*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. EDWARD ZORINSKY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of our fathers and our God, we thank Thee for the work which has been done, for the work now being done, and for the work which, by Thy grace, will be done in this place. May we the people's representatives reveal our democracy at its best by sound legislation, doing well what must be done, and leaving undone what is of dubious value or harmful. Brace us and make us strong and wise for the duties of this day. Draw us together as one body to do Thy will and to follow the light which leads to Thy promised kingdom. And if we love and serve Thee as we ought, shelter us in Thy fold at evening where we may be at peace.

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 1, 1978.

To the Senate:

Under the provisions of rule 1, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable EDWARD ZORINSKY, a Senator from the State of Nebraska, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ZORINSKY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—H.R. 12934

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 965, H.R. 12934, an act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes, is called up and made the pending business before the Senate, there be a time agreement thereon as follows: One hour on the bill to be equally divided between Mr. HOLLINGS and Mr. WEICKER, 30 minutes on any amendment, 30 minutes on any debatable motions in relation thereto, and 15 minutes on any point of order, if such is submitted to the Senate for discussion, and that the agreement be in accordance with the usual form.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 12934 (Order No. 965), an act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending Sept. 30, 1979, and for other purposes, debate on any amendment or debatable motion shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any appeal or point of order which is submitted or on which the Chair entertains debate shall be limited to 15 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Connecticut (Mr. WEICKER): *Provided*, That the Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, I yield such remaining time as I may have to the Senator from North Carolina (Mr. MORGAN).

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

Mr. STEVENS. Mr. President, I reserve our time, if that is agreeable with the majority leader. Mr. MORGAN has the first special order and my order follows. I may use the time of the leadership during the presentation of my remarks.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina (Mr. MORGAN) is recognized for not to exceed 15 minutes.

NUCLEAR POWERPLANT LICENSING

Mr. MORGAN. Mr. President, I have a real complaint to lay before the Senate. I want to express my concern and my outrage over the handling of applications for nuclear powerplant licensing by the Government.

Recently, Chairman Joseph Hendrie of the Nuclear Regulatory Commission testified before the House Subcommittee on Energy and Power that proposals for accelerating the time for granting licenses were unacceptable to him. While I am not challenging his reasoning in this instance, for I do not know the substance of the proposed changes in licensing procedures, I am concerned that this is an attitude which may be prevalent in the nuclear regulatory machinery; that is, go slow, go slow, go slow.

Well, Mr. President, I think that we should be deliberate in granting licenses for nuclear power facilities and I recognize the great power controlled by the electric utilities in their nuclear plants. I believe that the industry has attempted to comply with the Government's efforts to protect the public welfare. The nuclear industry has as many regulations and requirements and rules as any sector of our society, yet, the industry has seen fit to move ahead and comply with Government controls. The Government now does everything from licensing processors of nuclear fuels to setting standards for the guards at nuclear powerplants.

Mr. President, I am no special advocate of nuclear power nor have I sought to single out nuclear power for special treatment. Personally, I feel that our en-

ergy problems need to be handled by a program of balanced energy development. My point here is that the Nuclear Regulatory Commission is creating uncertainty and unnecessary delay.

A case in point, and one that I want to address briefly, is that of Duke Power Co.'s proposed Perkins facility near Mocksville, N.C. Duke Power Co. has been a leader in nuclear power and has an unblemished record of safety. In May of 1974. Duke Power presented a plan to build six nuclear plants, three each in North Carolina and South Carolina. All six units would be the same with only the times of construction and plant locations being different. Public hearings were held before the Atomic Safety and Licensing Board and the hearing record was closed.

On June 15, 1978, the Nuclear Regulatory Commission, which was a party to the hearings, petitioned to have the hearing record reopened, and, thereby, delayed a final decision on Duke's application. The basis for the request, as I understand it, is that the NRC wanted to present additional, I repeat additional, information on alternative sites. The NRC had already presented evidence concerning alternative locations but because of some recent appeals in other cases, they felt that they should enhance the size of the record on alternate sites. The reporting that alternative sites are not available is required by the Environmental Protection Act. The Licensing Board approved the NRC's request on July 14 and the record has been opened again. Everything is completed, except this exercise in record building.

Mr. President, as I stated, there is every reason for caution, but here we find an agency simply trying to anticipate every administrative contingency. NRC is not acting to protect the public, but rather to avoid a possible challenge to its determination by another agency.

Well, this situation has a very bad effect on Duke Power and other companies in the nuclear business. First, the companies are presented with overlapping Federal coverage and Catch-22-type regulations. Next, they are confronted with complex issues between State and Federal regulators.

Now they are confronted with the problems of dealing with the NRC. How can a company secure capital from investors when licensing from the Government is so convoluted and time consuming? Companies have erred on the side of presenting too little information because they are afraid of raising questions in the mind of the NRC which will require more information and create more delay. So we have a vicious cycle of suspicion, the end of which is a loss of a lot of energy for the consumer.

Furthermore, there are questions about the scope of appeals boards and what they intend to do. Finally, how does a company build a plant when there is no certainty about regulations? In other words, if a regulation is drawn up at the time a power company applies for a license, what happens when a new regulation comes in and the company is half way into construction and has spent tens of millions of dollars or, more likely, hundreds of millions of dollars? There is simply no certainty in this business. Here we have a case of Duke Power willing to take all the risks and the company finds itself held up on its application of over 4 years so that the NRC can enlarge the hearing record and present additional information, because of cases that have developed since the original application of Duke Power was filed. The agency delays that now exist are compounded by additional decisions, new regulations, and an increasing mountain of redtape? Duke Power Co. is moving to comply with the NRC request for additional information. My concern is whether this will be sufficient for action to be taken. Will the Licensing Board now, after 4 years—after 4 long years—make a decision?

In this case, I welcome the efforts of the House Subcommittee on Energy and Power to try to find ways to streamline the application process. The public safety must be insured. That is paramount. But unnecessary delay and overregulation injures the public in many ways as well. I am addressing a letter to Chairman Joseph Hendrie of the NRC, expressing my concern and irritation with this continuing delay which I am sure affects the power companies within the States of many of my fellow Senators and the consumers of energy all over America.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Alaska is recognized for not to exceed 15 minutes, plus the 4 minutes given to him by the majority leader.

The Senator from Alaska.

Mr. STEVENS. I thank the Chair.

MINERAL RESOURCES ON FEDERAL LANDS

Mr. STEVENS. Mr. President, I should like to call the attention of the Senate and the public generally to the report of the Comptroller General, which was issued on July 27 of this year. It is entitled "Interior Programs for Assessing Mineral Resources on Federal Lands Need Improvements and Acceleration." This is an assessment program which was expanded, at my request, through appropriations that were added to the Interior Department appropriations bill through the assistance of the committee, particularly my good friend who is chairman of that subcommittee, the majority leader of the Senate.

This report deals with the program that is underway to assess the mineral content of Federal lands in the United States. It points out that, according to the Department of the Interior itself, the United States imported 50 to 100 percent of its requirements for 23 of 32 major mineral commodities in 1976; and that Interior predicts that the United States could depend upon imports for one-half of all basic raw materials by 1985.

Having made that analysis of the situation, the report goes into the need for the information that would come from a viable mineral assessment program. The Interior Department, in which I had the privilege of serving for over 4 years, is the main source of information with regard to the mineral content of public lands, particularly the assessment of the domestic mineral reserves and resources of the whole United States.

The Bureau of Mines is our main source of information on the reserves. The U.S. Geological Survey is our source on domestic mineral resources, and it does the assessment of those resources. These are two compatible systems and I have done everything I can to support the program of the U.S. Geological Survey in making these assessments.

The scope of the review by the Comptroller General is very interesting. It has made a review of the assessment program of the U.S. Geological Survey, obtaining information from program plans, from reports, correspondence, other documents. It states that it has discussed the program with the headquarters and regional officials from Agriculture and Interior, and that it has solicited comments from the Federal and State Governments, the mining industry, and others about the need for, use of, and suggested improvement of information about the nonfuel mineral potential of Federal lands. As this report points out, the Public Land Law Review Commission warned, in 1970, that increasing reliance on foreign supply sources may be hazardous and recommended making mineral resource investigations on public land, one, before a permanent situation arises; and, two, as a basis for land use planning.

In order to further that goal, as I said, we have substantially increased the amounts of money that are available for this purpose. It is one of the basic contentions in the so-called Alaska lands dispute that, as to the extent to which we know the mineral content of these Federal lands in Alaska that the extreme environmentalists want to set aside before that knowledge is gained, the U.S. Geological Survey has informed the Energy Committee in a briefing that less than 5 percent of the lands that the environmentalists seek to lock up have received a so-called level 3 investigation. That is the level normally used by Congress in making wilderness decisions.

This report issued by the Comptroller General is the most critical report I have seen of the work of the U.S. Geological Survey. I must believe, knowing that Survey and its personnel the way I do, that the Survey has been throttled by those people who have infiltrated the administration from the extreme environmental organizations. Mr. President, I think it is a very serious matter. I hope that the Senate will, as I said, give consideration to the viewpoint of the Comptroller General's people with regard to this. Let me read to you the section of this report entitled "Quality of Re-

source Estimates Reduced." It appears on page 14 of the report:

QUALITY OF RESOURCE ESTIMATES REDUCED

A Survey program analysis found that some aspects of the resource estimates were not given full attention, and we received similar comments from other Survey officials. Primarily, adequate scientific expertise was not always available. This contributed to reducing the quality of resource estimates of the first 10 areas completed in Alaska—36.5 million acres of Federal land.

For example, our analysis of Survey records and discussions with cognizant officials indicated that:

Experienced economic geologists were not involved in the studies in most areas. This could have produced an inadequate understanding of the geologic framework of the mineral deposits.

Scientists with mineral exploration expertise were not involved in the geochemical studies. Also, the purpose of the geochemical studies was in most cases not clearly understood by those involved, and the study results were not thoroughly interpreted. Therefore, the geochemical sampling and the data analysis were of reduced value for making reliable estimates of available resources.

Specialists in evaluating hydrocarbon potential and low-grade chemical resources were not used; thus, not enough attention was given to studying the availability of these resources.

Too few geophysicists and geostatisticians were assigned to the program to give adequate time to the work required.

In some cases, scientists were reassigned to other Survey programs before their work was completed in the areas; as a result, the quality of the work probably suffered.

A Survey official stated that staffing problems would increase when the program expands to the lower 48 States because there were too few scientists with special skills to absorb the additional workload.

Mr. President, I cannot express my indignation over that comment sufficiently.

There are management problems involved.

I would hope that chapter 4, which is entitled "Conclusions and Recommendations" will be given attention.

In the recommendations, the GAO recommends that the Secretary establish an advisory committee or other suitable mechanism to help Survey prepare long-range plan for completing a mineral resource assessment.

The recommendations asked Interior to submit to the appropriate congressional committees for use in the fiscal year 1980 budget authorization process a detailed plan and funding proposal for completing the resource assessment in the minimum feasible time.

But the real problem about this is what is sort of in between the lines. I interpret this report to mean that the U.S. Geological Survey has been given a group of people to do this work from the policy level of the Department, people who probably have had a course in geology somewhere in their college career, but they are not geologists. They are not geophysicists. They are not geostatisticians. They are not the people who should be doing this work on behalf of the people of the United States to find out what is the mineral potential of the lands in my State.

As a consequence, we cannot read the report without getting the conclusion that the mineral assessments that have been delivered to the Congress affecting Alaska's public lands involved in the so-called Alaska Land D–2 controversy are not worthwhile. They are not reliable. They have reduced the reliability of the estimates of the available resources.

To me, that is probably the worst thing I have ever seen come out of any Government agency dealing with the U.S. Geological Survey.

Again, I would defend the Survey. I know those people. I know their expertise. I know the kind of job they have done in the past.

I read an article recently that was entitled "The Environmentalists Have Come Out of the Cold."

What has happened is that the people doing the hiring in the Department of the Interior have assigned to the Geological Survey unqualified personnel to conduct these assessments.

I think if we examined into it deeply enough, we would find we have members of the Sierra Club, the Wilderness Society, Friends of the Earth, on a paid vacation in my State, picking up rocks and bringing them back when they do not even know what they are.

The reliability of this information, that is supposed to be the basis for the most historic piece of Federal legislation dealing with public lands in the history of the United States, and that is what it has been termed, has now been thrown into serious question.

I intend to discuss that with my good friend, the chairman of the Energy Committee, and I intend to make it a matter of thorough discussion as far as the appropriations process for the Department of the Interior is concerned.

But I think we can do nothing but serve warning upon the Department of the Interior that we are going to demand an explanation of why people who have the experience necessary to make an adequate, reliable assessment have not been assigned to the most critical area of the assessment program, and that is the lands that are going to be locked up in Alaska.

Again, these are not Alaskans complaining. This is not the mining community complaining. This is not the State of Alaska complaining.

This is an arm of the Congress, the Comptroller General of the United States, saying that the program that has been put in place for assessing the mineral resources on Federal lands needs improvements in acceleration.

This report specifically deals with the first 10 areas completed in Alaska. No one who reads it can reach any conclusion but that we have a series of reports coming out of the Department of the Interior not worth the paper they were printed on.

I think that this report demands more of an analysis by the Department of the Interior.

Incidentally, printed on page 20 is a reply of the Department of the Interior that comments concerning this. It is interesting to find out that one of the comments the Department of the Interior makes is that in addition to these efforts it says that it has used as far as the surveys are concerned, most of the "hard" information that goes into the total national mineral inventory comes from the private sector, which does considerable research and makes a major share of the mineral discoveries.

Yet that sector of our economy is the one sector the Department of the Interior has banned, has refused to permit access to Alaska's lands in order to determine the mineral resources of these lands they want to lock up.

I think it is unfortunate that a Deputy Assistant Secretary of the Interior was called upon to make a weak response to this very severe criticism of the GAO report.

I hope that the committees of the Congress, both here and in the House, that have jurisdiction over not only the legislative committees, but the appropriations committees, look into the use of the Federal funds involved.

Mr. President, we are talking about a serious amendment. This is money that goes into the millions every year. I do not think that money ought to be used for a paid vacation for some extreme environmentalist who has studied geology once or twice somewhere along his or her career. I think we need the most expert people to make this determination on the lands that are to be locked up forever, if these extreme environmentalists have their way.

THE EXTREMIST COALITION ATTACK ON ENERGY COMMITTEE PROCESS

Mr. STEVENS. Mr. President, today I have joined my colleague, Mr. GRAVEL, in objecting for the first time to the meeting of the Energy Committee, and I will object and urge the minority leader not to join the majority leader with regard to the hearing scheduled for this evening.

I do that, because of the bulletin that was brought to my attention yesterday that was issued by the so-called Alaska Coalition in which the coalition has attacked the process that is going on in the Energy Committee of attempting to find a consensus which would meet the national interest and at the same time protect the Alaskan interest, a process that I have supported so far.

In this bulletin, this coalition has pointed out that there are changes being made in the Senate committee.

I read from the bulletin:

We cannot predict what kind of bill the Committee will approve, but it may be significantly weakened. Thus, we must press for support on the key issues from every Senator in order that all the strength and features of the Metcalf-Durkin bill can be adopted on the Senate floor.

If the process we are following in the committee to attempt to find a consensus is going to be attacked by this extremist coalition without regard to its merit, and that is what they say—they say no cuts are acceptable; no changes are accept-

able; they want the Metcalf bill plus the Durkin amendments and nothing else—then perhaps we should change our whole approach. Perhaps we should just face this thing on the basis that if that is their position—all or nothing at all—that is the better position to face.

I have placed my political career on the line. I have gone home and told Alaskans that we will have to find an answer. We are trying to find a reasonable ground, not of compromise but of consensus. We are trying to define the national interest and are trying to meet it. We are trying to define the Alaskan objections and to get provisions to meet those objections. That is a legitimate, honorable way to try to solve problems.

But if these extremists are going to continue to undermine the process, no matter how hard I work with the committee to find a solution, then what is the use? What is the use of asking our friends, the members of this committee, to spend long hours trying to resolve the matter, trying to find a middle ground, trying to find the answers to issues, if these environment extremists conduct themselves this way?

Incidentally, they are nonprofit organizations. I always understood that the law prohibited them from becoming involved in lobbying. They say, "Write your two Senators immediately." They want their active support.

Incidentally, they say in the bulletin that the "campaign has been very expensive and additional funds are needed to carry it to a successful conclusion. Your donations will help us to achieve that goal."

I have written today to ask the Treasury Department if this is a violation of Federal law. I also have written today to the Post Office Department to ask on what basis they can use a nonprofit mailer for a piece of lobbying literature.

I think it is now time for us to draw the line on these extremists who refuse to recognize that in a process of democracy, the crucible of democracy is in fact hard work to find the solutions to problems that are presented, not on the basis of a "take it or leave it we're the only people in the world" attitude, and that is what this expresses.

I have asked the members of the coalition to meet with me today. If they refuse to do so, I will have further comments to make in the Senate tomorrow.

SPECIAL ORDER

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from California (Mr. HAYAKAWA) is recognized for not to exceed 15 minutes.

S. 3360—MINORITY EMPLOYMENT OPPORTUNITIES IN TRANSPORTATION ACT

Mr. HAYAKAWA. Mr. President, I am introducing today legislation designed to encourage localities to remove restrictive regulations on taxis and jitneys. This bill is a revised version of the amendment I offered to the national mass transportation assistance bill last year.

This legislation has two basic goals. First, it would reduce the restrictions and initial capital investment needed to enter the taxi or jitney business, thus creating employment and business opportunities for the less fortunate in our economy. Second, it would allow taxis and jitneys to play a greater role in our transportation systems.

Specifically, the bill sets out maximum requirements and restrictions that could be imposed on an individual seeking to enter the taxicab or jitney business by any State or locality receiving Federal mass transit funds and prohibits the granting of funds under this act to any State or locality that maintains more stringent restrictions and regulations on these businesses. The bill establishes maximum standards for regulations which would insure the safety and reliability of the operator and the vehicle. It provides for insurance requirements. However, it specifically prohibits a locality from establishing minimum rates and fixed routes for taxis and jitneys. Finally, it provides a system of compensation for individuals who have recently invested in taxi permits or medallions in order to operate a taxi under the existing rules of the game.

The maximum allowable requirements are:

First. A requirement that the operator have a valid motor vehicle operator's license.

Second. A requirement that the operator have a valid chauffeur's or hacker's license, at a cost not to exceed $35, which license may be granted after requirements—in addition to those required for the regular motor vehicle operator's license—reasonably necessary to assure a knowledge of streets, locations, and traffic laws of the locality are met by the operator.

Third. A requirement that the motor vehicle to be used must pass any regular motor vehicle inspection required by the State or locality.

Fourth. A requirement that proof of motor vehicle insurance be furnished to the same extent as required by operators of similar vehicles in the locality.

Fifth. A requirement that ownership of the motor vehicle—or in the case of ownership by someone other than the operator, the approval of the ownership for the commercial use proposed—be demonstrated.

Sixth. A requirement that the operator periodically pass a medical examination.

Seventh. A requirement that the operator not have been convicted of a felony and not have committed an excessive number of motor vehicle violations.

Eighth. A requirement that the operator be 18 years of age or older.

Ninth. Regulation of transporting of hazardous substances.

Tenth. Prohibition of direct or indirect involvement in criminal activities by the operator.

I should like to make it clear that these requirements are the maximum permissible and are not mandatory. For instance, if a city wants to allow 16-year-olds to drive taxis, it could do so under this provision.

On the other hand, these requirements are all-inclusive. Therefore, a city would not, for instance, establish a residency requirement or an education requirement. It could not require any special equipment on the vehicle other than that required to pass the regular private auto inspection. It could not require that the insurance be purchased from particular companies. It could not prevent an individual from using his own private vehicle as a taxi or jitney, so long as he met the maximum requirements.

Entry into the taxi business in all but a few cities is strictly limited. Some cities franchise certain companies to operate in the city and forbid any other operation. In most cases, the number of taxis each company can operate is limited. Other cities sell taxi permits or medallions to anyone wishing to operate a taxi. The supply of such medallions is very limited, however. In order to obtain a new permit from the city or State, the applicant must prove public necessity and convenience. In many cities, a new permit has not been issued since the end of World War II. Consequently, in most cities using this system, medallions change hands at a very high price, sometimes higher than $40,000.

I believe in testifying on this subject before, I quoted the price of $50,000 for a taxi permit in New York City as compared to $36,000 for a seat on the New York Stock Exchange. I heard figures of $33,000 for a taxi permit in Los Angeles, $28,000 in San Francisco, and many similar figures throughout the country, and these are due to the fact that these permits are issued on a very limited basis, then are made transferable so that a permit usually bought for perhaps $50 10, 20, or 30 years ago continues to change hands at higher and higher prices as time goes on.

Other regulations and restrictions, such as special equipment requirements, make the business unprofitable for an independent operator. Consequently, most cities have very few taxis operating relative to the size of the populations and, therefore, very poor taxi service.

This is true in so many cities in the United States, including especially the cities I am most familiar with, Los Angeles and San Francisco.

In the absence of these restrictions and entry fees, the taxi and jitney business would offer employment and business opportunities for low-skilled individuals with little capital. No technical skills are needed to drive a cab and insurance is not very costly. Thus it is an

industry which, operating in a competitive environment, would offer great opportunity for the unskilled unemployed. My bill would eliminate the artificial barriers to entry and allow new entrants to compete effectively.

My colleagues are familiar with my concern that Government policies have destroyed the bottom rungs of the economic ladder. The economically disadvantaged in our society will never achieve economic success if there are no bottom rungs of the ladder to start from. What we must do is to restore some bottom rungs in the economic ladder, so that the person who is willing to work, who is ambitious, who is determined to make his place, can find a place to start.

Removing restrictive regulations on taxis and jitneys would restore a rung at least, to the ladder. By operating his own taxi, an individual can get himself off the public dole, learn to operate a little business, and most importantly, restore his self-respect and pride. The benefits of easier entry into the taxi business would not even just benefit the hard-core unemployed and poor. The laid-off steelworker or aeronautical engineer could temporarily support his family by operating his car as a jitney while he searches for a new job.

I might add that this legislation would provide opportunities for increasing the number of individuals not only the presently unemployed. To help people help themselves, Mr. President, is our goal. If it is, we should encourage localities to remove their extensive restrictions on taxicabs and jitneys. I believe this bill will give them that incentive.

Furthermore, a more competitive taxi and jitney industry would enhance the overall transportation system. Many of the large mass transit systems, especially fixed-rail systems, cannot generate an efficient level of ridership, because of their inflexible service. Competitively priced taxis and jitneys could supplement and complement the large mass transit systems, adding the flexibility necessary to make them attractive to the American people and to get them out of their private autos.

Regular taxi service would also be improved. For instance, look at this from the point of view of the minority customer. I encountered this repeatedly in Chicago and continuously encountered it in San Francisco. There are only a limited number of taxis. If you are a member of the minority race and you want to go to the Southside or the Westside of Chicago or Fillmore in San Francisco, there will not be many white operators who will take you there at all, despite the fact that they paid $30,000 for a certificate of public convenience and necessity.

If you are a member of the public, your convenience and necessity requires you to get to the Fillmore in San Francisco, you cannot find a cab to take you there. When you need a cab, you are just out of luck.

When you need a cab, they will not even take you there.

This problem can be solved the same way minorities solved it in the past before the regulations, or as some do right now, illegally. They got into business for themselves to take care of the neighborhoods and the people the regular system will not take care of. And this, of course, at the present time is especially true of New York City.

In general, a freer market for taxis and jitneys will mean better service at cheaper rates. There will be more taxis on the streets of our major cities, thereby enhancing the transportation system.

I have received some inquiries as to why the goal of reforming regulation of the taxi and jitney business should be tied to the funding for mass transit. I think there is a good reason: Many of the local restrictions and regulations on taxis were enacted at the urging of large mass transit companies when they began to encounter financial difficulties early in this century. It was argued that competitively operated taxis and jitneys would skim the most profitable business from the bus and rail lines. Regulation of taxis and jitneys, however, did not solve the financial woes of the transit companies. The Federal Government should not, therefore, subsidize transit companies in cities where competitive taxi and jitney operations are prohibited, destroying jobs and business opportunities for the less fortunate. And if taxis and jitneys did provide the flexibility needed for mass transit, they would contribute to the utilization of the transit systems.

In fact, it would get more people out of their cars. As you know, Mr. President, if the mass transit system is inflexible and you are home, not within walking distance of a station, then you take the car to the mass transit station and once you are in the car you might just as well go all the way downtown in it, and this is the kind of thing we would like to cut down in order that more people use the transit systems, and this is far from being a loss to mass transit. It is believed to be an adjunct to the mass transit system in my offering of this legislation.

I hope my colleagues, therefore, will see the wisdom of this proposal and give it their full consideration.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Minority Employment Opportunities in Transportation Act."

SEC. 2. The Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following new section:

"MINORITY EMPLOYMENT OPPORTUNITIES IN TRANSPORTATION

"SEC. 19. (a) Notwithstanding any other provision of this Act, no assistance under this Act may be made available to assist mass transportation service in any locality which maintains or enforces any restriction or requirement relating to the operation of the taxicab business or of any other passenger transit service involving vehicles with 12 or less revenue seats except the following:

"(1) A requirement that the operator have a valid motor vehicle operator's license.

"(2) A requirement that the operator have a valid chauffeur's or hacker's license, at an annual cost not to exceed $35, which license may be granted after requirements (in addition to those required for the regular motor vehicle operator's license) reasonably necessary to assure a knowledge of streets, locations, and traffic laws of the locality are met by the operator.

"(3) A requirement that the motor vehicle to be used must pass any regular motor vehicle inspection required by the State or locality of similar vehicles operated in the vicinity.

"(4) A requirement that proof of motor vehicle insurance be furnished to the same extent and in the same amount of coverage as such insurance is required of all taxicab or other passenger hire operators of similar vehicles.

"(5) A requirement that ownership of the motor vehicle (or in the case of ownership by someone other than the operator, the approval of the owner for the commercial use proposed) be demonstrated.

"(6) A requirement that the operator periodically pass a reasonable medical examination.

"(7) A requirement that the operator not have been convicted of a felony, and not have committed an excessive number of motor vehicle violations within the past 2 years.

"(8) A requirement that the operator be 18 years of age or older.

"(9) Reasonable regulations relating to the transportation of hazardous substances.

"(10) The prohibition of criminal activities, directly or indirectly, by vehicle operators.

"(b) A locality which receives assistance under this Act may not regulate taxicab rates, fares, or routes, except that a locality may establish a schedule of maximum rates and zones to which those rates apply, in order to protect the consumer.

"(c) The Secretary shall establish a procedure for the payment of, and shall pay, claims by persons who, prior to the date of enactment of this section, made bona fide investments (as defined by the Secretary for the purpose of this section) in order to obtain medallions or comparable special permits to enter or continue in the taxicab business, and may pay claims by persons for other expenditures made by them to comply with requirements which this section prohibits and which, as a result of the application of this section, a locality has repealed, except that no payment under this section may be made with respect to insurance premiums. The amount of any such payment shall not exceed:

"(1) 90 percent of the amount invested in the case of an investment made 1 year or less prior to such repeal,

"(2) 79 percent of the amount invested in the case of an investment made more than 1 year but not more than 2 years prior to such repeal,

"(3) 67 percent of the amount invested in the case of an investment made more than 2 years but not more than 3 years prior to such repeal,

"(4) 54 percent of the amount invested in the case of an investment made more than 3 years but not more than 4 years prior to such repeal,

"(5) 39 percent of the amount invested in the case of an investment made more than 4 years but not more than 5 years prior to such repeal,

"(6) 23 percent of the amount invested in the case of an investment made more than 5 years but not more than 6 years prior to such repeal.

"(7) 5 percent of the amount invested in the case of an investment made more than 6 years but not more than 7 years prior to such repeal

No payment shall be made for any investment made more than 7 years prior to such repeal. Notwithstanding any other provision of this Act, any sums available to the Secretary for grants under section 3 of this Act shall be available for the payment of claims under this subsection."

(d) Ordinances and regulations in compliance with this section must be uniformly applied and nondiscriminatory.

LOCAL PUBLIC WORKS ADMINISTRATIVE AUTHORIZATIONS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 3243, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 3243) to authorize the appropriation of funds to provide for additional administrative expenses associated with the implementation of the Local Public Works Capital Development and Investment Act of 1976, as amended.

There being no objection, the Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 1 hour, to be equally divided and controlled by the Senator from North Dakota (Mr. BURDICK) and the Senator from Vermont (Mr. STAFFORD) with 30 minutes on any amendment, except an amendment to be offered by the Senator from Connecticut (Mr. WEICKER) on which there shall be 1 hour and with 15 minutes on any debatable motion, appeal, or point of order.

The Senator from North Dakota is recognized.

Mr. HAYAKAWA. Mr. President, will the Senator from North Dakota yield for a unanimous-consent request?

Mr. BURDICK. I yield.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that Mary Getty, of my staff, be accorded the privilege of the floor during the discussion of this legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HAYAKAWA. I thank my friend from North Dakota.

Mr. BURDICK. Mr. President, I ask unanimous consent that the following staff members of the Committee on Environment and Public Works have the privilege of the floor during the consideration and votes on S. 3243: John Yago, Richard Harris, Richard Greer, Bailey Guard, and Jackie Schafer.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, this is a modest bill, reported out of the Committee on Environment and Public Works unanimously.

The purpose of the bill is to authorize an appropriation of $3,788,000 to the Economic Development Administration for these remaining months of fiscal year 1978 and $10,607,000 for fiscal year 1979 to cover necessary administrative expenses, including program evaluation costs associated with carrying out what is popularly known as the local public works program.

Of the original $6 billion appropriated by Public Law 94–447 and Public Law 95–29 for rounds I and II of the local public works program, $25 million was set aside to cover necessary administrative expenses, including expenses for program evaluation. This increase in authorization is required because of two major factors. First, the amended legislation of round II of the local public works program contains a number of administrative requirements which were not present when the original manpower estimates were made for the budget of administrative expenses. These special provisions required a significant expansion of the monitoring and evaluation effort and resulted in increased administrative costs.

The second factor reflects the increased number of projects approved under round II. On the basis of the average project size in round I, approximately 4,000 round II projects were anticipated under the program. The smaller size of the project proposals submitted under round II resulted in the actual approval of 8,554 projects, thus dramatically increasing the administrative workload.

The Congress passed and sent to the President on July 20 a supplemental appropriation for the black lung program (H.J. Res. 945). The bill contains the $3,788,000 supplemental request for the LPW administrative expenses for these last months of fiscal year 1978, and is expected to be signed shortly. However, these funds cannot be made available to EDA, until the bill before us becomes law. Nor can the remaining $10 million for fiscal year 1979 be appropriated until this bill passes Congress.

To my knowledge, Mr. President, no Member of the Senate objects to this administration-requested legislation. I hope it can pass here by voice vote.

THE PROPOSED WEICKER AMENDMENT

I have been advised that the Senator from Connecticut has announced his intention to offer an amendment to this bill that amends section 204 of the Public Works and Economic Development Act. This is EDA's authorizing legislation. It would change a new program authorized in 1976 from a loan program to a grant program.

As chairman of the Subcommittee on Regional and Community Development of the Environment and Public Works Committee, I believe it my responsibility to pass on to the Senate the administration's objections at this time to the Weicker amendment. First, the administration is concerned that the amendment might jeopardize the speedy passage of this bill. Second, they fear that the adoption of this amendment may result in an increased appropriation this year of $125 million for fiscal year 1979—which is in excess of the President's budget request for EDA programs. Third, the administration asks that we review the proposal in the Environment and Public Works Committee before the Senate considers the proposal.

As subcommittee chairman, I would prefer that the Senator from Connecticut withdraw his amendment to the pending bill and accept an invitation to come before the subcommittee on Thursday, August 3, this week, to explain and discuss his proposal. My request does not mean that I am opposed to what he wishes to do, but to give the authorizing committee an opportunity to review it with him. On Thursday we have scheduled a closer examination of the administration's request for an increase in EDA's title IX authorization from $100 million to $180.5 million. Because EDA alleges that it can achieve what the Weicker amendment proposes within its present title IX authorities, simultaneous consideration of Senator WEICKER's proposal makes a good deal of sense.

Mr. President, the Senator from Connecticut has developed his proposal openly. He has informed both Chairman RANDOLPH and myself of his proposal which he earlier introduced as S. 3026. Unfortunately, I did not learn until late last week of his intention of offering an amendment to the pending bill at the present time.

Mr. President, we would like to see this bill emerge in its present form without riders and without amendments because it is neecssary for the proper administration of what we consider a very good program.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. STAFFORD. Mr. President, the bill before the Senate, S. 3243, was reported from the Committee on Environment and Public Works bv unanimous voice vote. It is not controversial, and provides a modest sum for the Economic Development Administration to continue to administer the $6 billion Local Public Works Capital Development and Investment Act which was authorized by this committee in 1976, and amended in 1977. Specifically the bill authorizes $3,788,000 for fiscal year 1978 and $10,607,000 for fiscal year 1979. These amounts are in addition to approximately $12 million already obligated for this purpose in fiscal year 1977 and $10 million in fiscal year 1978.

The cost of administering the local public works program has been well under 1 percent of the total expended for the local projects assisted by this legislation. The actual need varies from the estimates for program administration costs for two main reasons: First, $4 billion worth of round II grants were allocated according to a formula which had the effect of reducing the average project size and more than doubled the number of grants to be administered; and second, the cost of administering the requirement that 10 percent of each round II grant be applied to minority business enterprises was much greater

than expected. Both these factors were difficult to foresee when the administrative cost estimates were prepared.

The costs to be covered by the new authority are as follows:

(In thousands of dollars)

	FY 1978	FY 1979
Salaries and general support	$2,203	$5,447
Department evaluation and staff support	20	------
SBA for bonding	130	------
Section 110 evaluation	120	------
EDA evaluation	480	2,000
OMBE support	335	------
Departmental Auditors	500	3,160
Total	3,788	10,607

In the judgment of the committee, the administration's request for these additional funds is reasonable. The Appropriations Committee also agrees, and earlier provided the $3.788 million for fiscal year 1978 subject to authorization in the urgent black lung supplemental appropriation bill which is now awaiting the President's signature. Thus it is important that we provide this authority very expeditiously.

At this point, I would like to emphasize the special interest of the committee in the evaluation that is currently being made of the local public works program. The bill before us includes an additional $2.48 million for this purpose, which we consider a critical part of the administration of this enormous program.

In our report to the Senate, we directed the Economic Development Administration to provide this committee with certain information by July 1 concerning the employment effects of the LPW program, which was designed as a countercyclical measure to offset the unemployment effects of the recession then afflicting the economy. If I may quote from the report:

The committee ordered the bill reported and instructed the Secretary of Commerce to furnish the Committee, by July 1, 1978, information on the characteristics of persons employed and projects approved under the Local Public Works program. Such characteristics shall include information and analysis respecting the types of projects approved, the labor intensity of projects approved, the persons employed including their prior employment status, the average time of employment on a project, the types of skills required, and the cost per job.

The Economic Development Administration has been collecting data since January 1977 as projects have actually been undertaken using, for example, a Payroll Reporting Form (ED–746) and a special Employee Characteristic Study. The Committee is especially interested in having information on projects as they were actually carried out, as distinguished from how they were planned or what their employment effects were projected to be.

On June 30, Mr. President, the following letter to the chairman of the full committee, the distinguished Senator from West Virginia (Mr. RANDOLPH), was sent by the Assistant Secretary for Economic Development in reply to our request and, Mr. President, I ask unanimous consent that the text of that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF COMMERCE,
Washington, D.C., June 30, 1978.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I appreciate the Committee's recognition of the urgency of our request for additional Local Public Works (LPW) administrative funds. Your report of this bill on June 26 will speed action on our supplemental appropriation request.

I am also aware of your Committee's desires, as expressed in the Senate Report Number 95–957, for information on the characteristics of persons employed and projects approved under the LPW Program. We share your interest and as you know, the Agency has been working for some time on an extensive evaluation of the LPW Program which has not been a small undertaking. I know you recognize both the technical difficulties of such an effort and the problems associated with using a large number of temporary employees to accomplish it.

As you know, we furnished the Committee and each member of Congress an extensive LPW status report in January which included summaries of projects by type, size and other characteristics of the approved projects. Since that time we have been analyzing our information and will be in a position by July 12 to provide refined data. This information will include data on Round I approved projects by work type, project type, and size of grant award, the distribution of Round I approved projects by proposed total cost, and the units of state and local government funded in Round I of the program.

Further, it is anticipated that certain information on persons employed under Round I—such as prior employment status, length of employment on the project, skilled versus unskilled—and on project labor intensity will be available by the end of July 1978. This information will be preliminary in nature in that it will be based on a subset of our 65 percent sample encompassing approximately 800 projects on which sufficient data are available.

A complete picture of the direct employment impact of the LPW Program cannot be drawn until construction on all projects in the sample is complete. At present, construction is complete on less than one-half of the Round I projects, and reporting of data on our ED–746 form lags approximately three months behind construction. These data must be reviewed upon receipt by EDA, and much of the data requires follow-up verification by our staff working with the project coordinators. Although we are, of course, making every effort to expedite the evaluation, the staff resources available and the technical problems accompanying such a complex undertaking limit our possibilities for expediting this effort without significantly increasing its cost.

Additionally, specific data on the characteristics of individual LPW employees will be obtained. As has been discussed with your staff, this being accomplished through a survey to be initiated for EDA by the Bureau of Census later this summer. The data will be made available to EDA in January 1979, and a report on this particular aspect of the evaluation will be prepared in spring 1979.

I hope that this report on providing the requested information is helpful to you. We look forward to discussing the results of our evaluation with the Committee.

Sincerely,

ROBERT T. HALL,
Assistant Secretary for Economic Development.

Mr. STAFFORD. Even with the information which will be provided to the committee today, the Economic Development Administration will not be able to provide a complete picture of the employment effects of the LPW program, since there remains some $3.6 billion left to be spent. Yet this information would be especially useful to the committee in its consideration of the new $3 billion labor intensive public works bill which the Carter administration has proposed as part of the urban policy. That proposal is in many respects similar to the local public works program, and even more so with the recent changes the administration has made to its original LIPW proposal.

I would like to take this opportunity to emphasize the importance which many members of this committee place on the evaluation, and our interest in a thorough and expeditious report on the impact which the $6 billion local public works program has had on jobs and on the economy. I recognize that the EDA has provided the committee with projections of this impact. We are much more interested at this stage, however, in its actual impact.

With this understanding, I am happy to recommend to my colleagues their support for S. 3243, a bill to provide for additional administrative expenses associated with the implementation of the Local Public Works Capital Development and Investment Act.

At this point, Mr. President, I yield the floor and reserve the remainder of my time.

Mr. RANDOLPH. Mr. President, the Environment and Public Works Committee of the Senate has had a continuing and successful interest and action in the matters that are contained in the legislation now before us.

I have, as always, listened with intense interest to those members of the committee who are especially active in this area. The managers of the bill: The chairman of the Subcommittee on Regional and Community Development, the able Senator from North Dakota (Mr. BURDICK), and the ranking minority member of our committee, the knowledgeable, helpful Senator from Vermont (Mr. STAFFORD) are active leaders in economic development matters. I use adjectives in expressing appreciation to them because they deserve these words from me.

In our committee of 15 members, there is not a partisan approach to the problems that come within our jurisdiction. There are differences of opinion, but a difference there is a difference to be understood.

In this specific instance, we are considering a bill that frankly comes to the Congress from the Carter administration. It would authorize $14.395 million,

and these moneys would be used for the necessary additional administrative costs associated with rounds I and II of the local public works program. These funds will insure that the LPW staff can remain constant.

The requirement, I would say to my colleagues, for reports to Congress—which very frankly were developed not so much as a looking over the shoulder but for a knowledge of what was being done as this program went forward—were developed as a part of round II. These reports and analyses were designed to provide the Congress with maximum knowledge about the countercyclical effect of this public works jobs legislation.

The approach of providing jobs through public works projects was a matter of concern at various times here with debate as Senators will recall. When the countercyclical approach of the public works effort came into being by the action of Congress, there were expanded duties which were placed upon the employees of the Economic Development Administration. I have a very high esteem for the Economic Development Administration. It came from our committee in 1965, and has been continued with great success in bringing into being projects that not only give employment to persons but also providing projects and programs which have left the communities richer. Very frankly, from the standpoint of facilities, these programs have given the citizens of areas all over the Nation, in every State, opportunity for a better life.

But in connection with the requirement of this program that I have mentioned, there was necessity for a greater amount of employee's time than had been anticipated. It is natural that this should occur. The funds authorized by this bill are to continue—not for any other expenditure—the current LPW staff through the remainder of fiscal year 1978 and all of fiscal year 1979.

It will provide for Congress the type of reports—not sketchy reports, but reports in detail, and analyses which can be understood of a project developed under the round II authorization.

I, of course, hope that there will be unanimity within the Senate on this measure. I do not understand the concern of the very active Senator from Connecticut (Mr. WEICKER). Although I have not talked personally with him about his problem, I do pledge to him, as others in our committee have pledged to him that there will be a hearing. It will be a very prompt hearing on Thursday of this week, and the able Senator from Connecticut can at that time present his proposal rather than ask that we take action on it today.

Once again, Mr. President, the Senate is given the opportunity to consider, pass, and bring to fruition not just these dollars that are necessary for the continuing effectiveness of the program, but it gives us the opportunity to express for the RECORD the importance of such programs and projects to the United States. The strengthening at the community level all over this country by this public works type development which is of a lasting nature which provides as well the employment of men and women doing a worthwhile type of work.

The ACTING PRESIDENT pro tempore. Who yields time?

AMENDMENT NO. 3332

(Purpose: To change a loan program to a grant program)

Mr. WEICKER. Mr. President, I call up my amendment No. 3332, and ask that it be reported.

The PRESIDING OFFICER (Mr. RIEGLE). The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an amendment numbered 3332.

Mr. WEICKER. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following:

SEC. 2. Section 204(a) (including the title of such section) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3144(a)) is amended to read as follows:

"REDEVELOPMENT AREA GRANT PROGRAM

"SEC. 204. (a) If a redevelopment area prepares a plan for the redevelopment of the area or a part thereof and submits such plan to the Secretary for his approval and the Secretary approves such plan, the Secretary is authorized to make a grant to such area for the purpose of carrying out such plan. Such plan may include industrial land assembly, land banking, acquisition of surplus government property, acquisition of industrial sites including acquisition of abandoned properties with redevelopment potential, real estate development including redevelopment and rehabilitation of historical buildings for industrial and commercial use, rehabilitation and renovation of usable empty factory buildings for industrial and commercial use, and other investments which will accelerate recycling of land and facilities for job creating economic activity. Any such grant shall be made on condition (1) that the area will use such grant to make loans to carry out such plan, (2) the repayment of any loans made by the area from such grant shall be placed by such area in a revolving fund available solely for the making of other loans by the area, upon approval by the Secretary, for the economic redevelopment of the area. This section shall not apply to any redevelopment area whose designation as a redevelopment area would be terminated or modified under section 402 of this Act except for the provisions of section 2 of the Act entitled 'An Act to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for titles I through IV through fiscal year 1971', approved July 6, 1970 (Public Law 91-304).".

Mr. WEICKER. Mr. President, I ask unanimous consent that Ann Burke and Carmelo Bramante of my staff be granted the privileges of the floor during the course of this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Connecticut is recognized under a time agreement for 1 hour, with 30 minutes under his control.

Mr. WEICKER. Mr. President, I expect to take not more than about 10 minutes on this amendment. It will be my intention to withdraw it in the light of my conversations with the distinguished leadership of the Public Works Committee and the possibility, indeed the certainty, that hearings will be held which relate to it later on next week.

On June 9, 1978, the Senate Appropriations Subcommittee on State, Justice, Commerce, and the Judiciary marked up H.R. 12934, the Departments of State, Justice, Commerce, the Judiciary, and Related Agencies appropriations bill, fiscal year 1979 and discussed and agreed to report language concerning EDA's section 204 program. The report language is as follows:

The subcommittee believes that there is an ever increasing need in this country for the formation of partnerships between the private sector and local governments to build, strengthen, and stabilize through economic development activities the economies of local communities. The Economic Development Administration's section 204 redevelopment area loan program provides an avenue and the economic tools needed to help build this relationship. However, as the law is presently written the program is inoperable.

The subcommittee urges the Senate Committee on the Environment and Public Works to take the necessary steps to make section 204 a viable program by changing it from a Federal loan program to a Federal grant program. The subcommittee in addition requests the Senate Committee on the Environment and Public Works to act as expeditiously as possible so that this program may be utilized in fiscal year 1979.

The subcommittee will give serious consideration to providing full appropriations for the section 204 program when the Economic Development Administration's fiscal year 1978 supplemental request comes before the subcommittee later this year.

Now, Mr. President, I have been assured by the distinguished Senator from Vermont personally, and I also gather from the very fine comments of the distinguished chairman of the committee, that an opportunity will be held to hear this concept before their committee in a matter of several days. I think it is important that it be heard, and I think it is important that this committee act because aside from the rhetoric coming forth from the White House so little has been done in the sense of economic development within our cities. Picture-taking sessions do not substitute for jobs. If there is to be a vital economy, with jobs flowing therefrom in our cities, then I think it should be done through the avenue of free enterprise, not through additional bureaucracy, not additional urban banks, as have been proposed to be run by three different agencies of government.

EDA is the most successful economic tool ever devised in this town over the past several years, and the oversight has been a source of great credit to the Committee on Public Works. The urban initiative through EDA is going to have to come from the legislative branch of Government. I do not expect to see it rise in the executive branch of Government because it is too busy in conducting its turf battles to see to the problems of America's cities.

Mr. President, the amendment I offer today was originally introduced earlier this year as S. 3026, the Redevelopment Area Grant Act. This legislation has the support of the National Association of Counties, the National Association of Regional Councils, the National Association of Development Organizations, and the National Congress for Community Economic Development.

The purpose of the amendment is to change section 204, the redevelopment area loan program, from a Federal loan program to a Federal grant program, as it was originally intended. In its original form, section 204 would have provided for a $125 million Federal grant program for the establishment of local revolving loan funds. As a grant program, EDA would make grants in redevelopment areas to local governments or public local development corporations who would in turn establish a revolving loan fund to provide long-term, low-interest loans to private industry to advance economic development in the area. The interest received from the loans returning to the revolving loan programs could then be used for future loans.

During consideration of the 1976 amendments to the Public Works and Economic Development Act of 1965, Congressman ROBERT ROE of New Jersey, introduced an initiative very much like the one I am discussing today. Unfortunately, when the legislation went to conference, the conferees changed the Roe initiative to a Federal loan program. EDA spent months trying to write regulations for the program but ran into all sorts of obstacles, such as:

First. Many cities and counties under their State constitutions may not borrow money.

Second. Many cities and counties cannot legally loan money to private businesses.

Third. How is repayment of the loan handled in the case of a redevelopment area de-designation?

Four. Who is responsible for repayment of the loan? Could a local government or public local development corporation be held liable for the full amount of the loan in the case of default by private business?

Five. Fiscally pressed cities which may be dangerously close to their debt limit or have a poor credit rating would not be able to add more loan obligations.

Because of these difficulties in administering this section, the administration reprogramed the small amount appropriated for section 204 for fiscal year 1978 ($15 million) into title IX which among several other eligible activities has experimented with local revolving loan funds.

However, section 204 as a Federal grant program would solve almost all of the logistical problems, and would offer a viable economic tool for leveraging private business investments to create and retain permanent jobs and stabilize local tax revenue bases.

Currently, ERA has granted funds for four local revolving loan funds (LRLF) out of its title IX program. LRLF's have been recently established in Gary, Ind.; Philadelphia, Pa.; Baltimore, Md.; and Del Norte County, Calif.

It is becoming clear that local governments are developing the capacity to propose sound priorities regarding local economic growth and the knowledge to take the appropriate actions to implement them. Many Federal grant programs require too much redtape and allow only certain activities to be funded so that areas end up with projects they did not really want but knew they would not get any Federal funding if they did not comply with the eligible activities. Section 204 provides that a redevelopment area must submit an area-wide economic development plan outlining the areas' economic development goals and programs. However, at the same time, section 204 is very flexible, allowing for many different kinds of eligible activities in many different forms.

I hope the committee will accept what I consider an important concept because I believe EDA's section 204 program, as amended, is potentially the most promising economic tool we have today for establishing and fulfilling local economic development priorities. I have received letters from the mayors of Seattle, Wash.; Akron, Ohio; Norfolk, Va.; and St. Petersburg, Fla. strongly endorsing this change in the section 204 program.

As Mayor Thomas of Norfolk, Va., wrote me:

> Municipal budgets, particularly those of older urban core cities, have become so seriously constricted that virtually no locally-generated funds are available for either traditional capital improvement or public/private venture capital. Although several federal programs seek to fill that gap, some with success, one glaring deficiency is the need for revitalization of old central commercial areas. The severe distress of such areas is in large measure a function of the movement of consumer dollars to the suburbs. This movement has left seriously unused and under-used facilities in the downtown which must be recycled.
>
> Perhaps the single largest difficulty in dealing with this dilemma is finding capital funds which can bear the extraordinarily high initial risks involved with defining and implementing the regeneration of an entire section of a city. Private capital cannot assume those initial risks.
>
> A source of public capital must be injected in a manner which will encourage private capital to follow.

Mayor Royer of Seattle wrote that:

> Not only would (the Sec. 204 revolving loan fund) offer cities a viable economic tool for leveraging private business investments, but it would also help build and maintain permanent jobs.

Mayor Ballard of Akron, Ohio, agreed that section 204 programs should be changed from a loan to a Federal grant program because in Akron's case, accepting a Federal loan would be similar to a bond sale; our debt capacity would be reduced by the amount of the loan. A grant program would provide the benefits intended under the loan program, yet not negatively affect the city's debt capacity.

Mr. President, I ask unanimous consent that the letters referred to in my remarks be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE MAYOR,
Seattle, Wash., June 8, 1978.

Hon. LOWELL P. WEICKER, Jr.,
U.S. Senate, Russell Senate Office Bldg., Washington, D.C.

DEAR SENATOR WEICKER: It was with great interest that I read the copy of your proposal and floor statement on S. 3026, the Redevelopment Area Grant Program Act. The City of Seattle faces many of the problems that you discussed in your statement. Like many other cities, Seattle, too, is restricted from borrowing money and may not loan money to private businesses.

I heartily endorse your proposal to change the Economic Development Administration's Sec. 204, the Redevelopment Area Loan Program, from a federal loan program to a federal grant program. Not only would it offer cities a viable economic tool for leveraging private business investments, but it would also help build and maintain permanent jobs.

Thank you for keeping me abreast of the actions taken by the Senate Appropriations Subcommittee as they regard the Economic Development Administration.

Sincerely,

CHARLES ROYER.

CITY OF AKRON, OHIO,
June 13, 1978.

LOWELL WEICKER, Jr.,
U.S. Senate, Senate Office Building., Washington, D.C.

DEAR SENATOR WEICKER: I would like to thank you for your letter informing me of the progress of the Senate Appropriations Subcommittee's action on the Economic Development Administration Sect. 204 Program. I am greatly interested in the program and your suggested changes in it.

I agree with the proposal to change Sect. 204 from a federal loan program to a federal grant program. In Akron's case, accepting a federal loan would be similar to a bond sale; our debt capacity would be reduced by the amount of the loan. A grant program would provide the benefits intended under the loan program, yet not negatively affect the City's debt capacity.

I would like to suggest a further change in the program's orientation, one that I think can gain the support of the nation's leading institutions. I believe that the Sect. 204 program should be designed to encourage local governments to develop a partnership with the lending institutions. Although a "public" bank, acting as a lender of last resort, can be an important tool for leveraging private investment, I believe government should not attempt to compete with private lending institutions, but should work with local banks to promote their investment in the community, increasing their awareness of local needs and investment opportunities. Local government can play an important role in ensuring that its businesses have access to an adequate source of capital to support their growth needs.

The City of Akron has developed a special loan program to involve local banks in the City's economic development programs. Using Community Development funds, the City subsidizes the interest on real estate acquisition, rehabilitation, and working capital loans from a pool of Akron banks to businesses in the Central Business District and in Neighborhood Business Districts. Although this loan program is not a true revolving loan program, it is popular with Akron's businesses and banks for two major reasons.

First, Akron's businesses have access to a low-interest loan pool and become similar with the banks, making it easier for them to obtain conventional funding at a later date. Secondly, Akron's banks gain new industrial and commercial customers. I think this program is successful from the City's viewpoint because it results in business expansion and the banks' involvement in the local economic development process, and it does not depend on a continuing government loan or other involvement to sustain the growth and investment it stimulates.

I am sure other cities also have established similar programs designed to meet their unique needs. The Sect. 204 program could be an important boost to these types of programs. I would suggest that the program be written liberally enough to permit its use not only for direct loans but also for loan subsidies and guarantees, and other locally-designed programs which meet the objectives of the federal program—to provide low-interest loans in support of economic development.

I have enclosed some information describing Akron's programs. I hope this information is of use to you in your efforts to prepare a loan program supportive of local economic development efforts.

Sincerely,

JOHN S. BALLARD,
Mayor.

CITY OF NORFOLK, VA.,
June 5, 1978.

Hon. LOWELL WEICKER, JR.,
U.S. Senator, Russell Building,
Washington. D.C.

DEAR SENATOR WEICKER: Thank you for your letter of May 18 regarding your activities on the EDA FY–1979 budget. Your work on the Section 204 Redevelopment Area Loan Program is particularly encouraging.

As you are aware, municipal budgets, particularly those of older urban core cities, have become so seriously constricted that virtually no locally-generated funds are available for either traditional capital improvement or public/private venture capital. Although several federal programs seek to fill that gap, and some with success, one glaring deficiency is the need for revitalization of old central commercial areas. The severe distress of such areas is in large measure a function of the movement of consumer dollars to the suburbs. This movement has left seriously unused and underused facilities in the downtown which must be recycled.

Perhaps the single largest difficulty in dealing with this dilemma is finding capital funds which can bear the extraordinarily high initial risks involved with defining and implementing the regeneration of an entire section of a city. Private capital cannot assume those initial risks.

A source of public capital must be injected in a manner which will encourage private capital to follow. I believe such a source is the Section 204 revolving loan fund which you have discussed.

In our past experience, neither SBA nor EDA loan programs have been structured or administered to achieve the ends mentioned above. Although useful in some ways, they appear to be couched too heavily in traditional pay-out requirements to be very useful in depressed large commercial areas. In short, they fail to assume the required level of initial risk.

I support and applaud your efforts in these matters. If I may assist you further, please let me know.

Sincerely,

VINCENT J. THOMAS,
Mayor.

CITY OF ST. PETERSBURG, FLA.,
May 26, 1978.

Hon. LOWELL WEICKER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WEICKER: Thank you for your letter of May 18 concerning the progress of the Senate Appropriations Subcommittee's actions with regard to the Economic Development Administration.

I am very pleased that my comments, which I had relayed to you previously, proved to be helpful. I am also very pleased that you are keeping me informed of continuing developments.

I have reviewed the copy of the Congressional Record you forwarded to me and I believe your proposal to change EDA's Section 204 from a Federal loan program to a Federal grant to be a sound idea.

As Mayor of the City of St. Petersburg, I would fully endorse S. 3026 as a progressive and timely piece of legislation.

Again, I wish to thank you for keeping me informed on this matter.

Sincerely,

CORINNE FREEMAN,
Mayor.

Mr. WEICKER. As the chairman and the ranking member of the Environment and Public Works Committee knows, the Public Works and Economic Development Act of 1965 (PWEDA) must be reauthorized by 1980. I believe it is vital that section 204 retain its visibility as a distinct and important program within PWEDA. This can be accomplished by removing the obstacles that prohibit section 204 from being an operable program before PWEDA is reauthorized.

If the section 204 program is not changed this year, I am extremely concerned that during the PWEDA reauthorization process, section 204 will be dropped as a separate program and merely become an eligible activity under the title IX program. Should this happen, I believe congressional intent and oversight will be lost. In addition, there would be no guarantee that adequate funding would be provided to establish successful local revolving loan funds or that local revolving loan funds would be funded at all.

Furthermore, the section 204 program, as amended, would offer in 1979 a viable economic tool to local units of Government for leveraging private business investments to create and retain permanent jobs and stabilize local tax revenue bases.

I believe it is safe yet unfortunate to say that many of the urban legislative initiatives pending before the Congress today will not be acted upon this year. My purpose in introducing this amendment, however, is in no way intended to circumvent or replace those urban economic initiatives. My measure is, instead, an effort to insure a high priority for rural and urban economic development during the next 18 months while Congress addresses those initiatives.

I have spoken with the distinguished chairman of the House Subcommittee of Economic Development about my amendment and he plans to take similar steps during House Public Works full committee markup of Economic Development Administration legislation.

Again, I urge the committee and my colleagues to accept this concept. It has been acted on once before by Congress and accepted.

Again, I can only urge the committee to stick to the original legislative initiative and a vehicle and a mechanism which is in being, not to what has been proposed in the way of assistance by the administration. For those who are hoping that the urban bank will solve all our cities problems, may I point out that it is difficult enough for anyone to get a loan from one of the Federal agencies, never mind an agency administered by three of them.

Section 204 is that vehicle already in being. Of course, the concept of economic recovery through private enterprise gains credibility as each day goes along. Not governmental jobs but real jobs and real growth accomplished by the proper utilization through the section 204 grant program.

Mr. RANDOLPH. Will my colleague yield?

Mr. WEICKER. I yield the floor.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. RANDOLPH. I wanted to comment in the affirmative about the need for the incentives for private industry in the creation and, frankly, the continuance of jobs. I will use an illustration—though there are many—where the funds from EDA with the assistance of banks in the State of West Virginia, and the companies involved where able to stabilize a situation and bring forth a new firm with it attendant employment opportunity.

Mr. President, I ask unanimous consent that three articles which appeared in the New York Times of April 2, 1978, which discuss the EDA business loan program be printed at this point in the RECORD.

There being no objection, articles were ordered to be printed in the RECORD, as follows:

EDA, QUIET LENDER OF LAST RESORT

(By Julius Duscha)

WASHINGTON.—President Carter's proposed National Development Bank, the core of his package to revitalize distressed areas, both urban and rural, has its prototype in a little-known business-loan program that the Commerce Department's Economic Development Administration has run as a lender of last resort for business in areas of high unemployment.

The budget-conscious Administration was so impressed with the achievements of the 13-year-old program—it has provided $412 million to 421 businesses, the agency reports, creating or saving 95,000 jobs at an average cost of $3,500 a job—but found it so lean and hungry that President Carter has asked Congress to double its appropriations for the 1978 fiscal year ending Sept. 30.

At present the business development loan program of $54 million, including some funds to help companies seriously hurt by imports, amounts to slightly more than 10 percent of the agency's $500 million budget. The remainder is for such public works programs as roads, sewers and community development.

Although some critics have criticized the

loan program for being dominated by excessively cautious lending officers who are unwilling to link it to the agency's community development work, such as training minorities, the bankers with whom the loan program coordinates lending generally give it high marks.

"We see E.D.A. as the nation's economic development agency," said Robert T. Hall, the Assistant Secretary of Commerce in charge of the agency, in an interview. "We are trying to deal with problems wherever they are—rural, urban, suburban—and whatever their cause."

Although most E.D.A. business development loans and guarantees have gone to small businesses in small towns and rural areas, the emphasis of the program has rapidly been switching in the last few years to urban areas and larger businesses—and since 1974 Congress has given the E.D.A. responsibility for helping such import-impacted industries as steel and shoes and for aiding communities hurt by the closing of military bases or other Federal facilities or by businesses' shutting or moving plants.

The average E.D.A. loan is about $1 million for 17 to 18 years, well under the legal limits of $10 million and 25 years for both working capital and fixed assets. Interest rates are determined by the cost of Government borrowing and currently range from 7½ to 8 percent. E.D.A. loans generally result from bank referrals and must be complimented by commercial loans, generally on a 50–50 basis. They are processed through one of the agency's six regional offices in Philadelphia; Atlanta; Chicago; Austin, Tex.; Denver, and Seattle. For a company to be eligible for an E.D.A. loan, it must be situated in an area where unemployment has exceeded the national rate by 100 percent for one year, 75 percent for two years or 50 percent for three years.

The agency is asking Congress for supplemental appropriations of $67 million. It also has a $100 million loan fund to help steel companies hit by imports and a $63 million fund to aid communities where military bases or other facilities have been closed. The steel fund, which will be used primarily for guaranteeing some $500 million in loans, was made available from some $225 million that has accumulated in loan repayments, both principal and interest. It had been tied up for years because of Congressional wrangling over "back-door financing"—relending money without formally reappropriating it—but with the death of Congressman John J. Rooney, Democrat of New York, the issue also died.

Eighty-five percent of the business-development money available goes for loans, the rest for loan guarantees. And although companies must prove that they have been turned down by all possible sources of commercial financing for the full amount before the E.D.A. will consider them, the default rate is a surprising'y low 8 percent. By comparison, Glenn S. Waldron, director of the agency's Office of Business Development, says, the rate is less than 1 percent for commercial banks.

Nevertheless, many businessmen are reluctant to turn to the E.D.A. because of the mountains of material it requires in a loan application—answering questions about the "five M's," money, markets, materials, manpower and management—and only one in 20 loan inquiries ever results in a loan, although 90 percent of the actual applications are accepted. The E.D.A. staff counsels businessmen on the requirements.

An application requires not only extensive financial statements, both personal and business, but also projections about the proposed business, its feasibility, its management and a detailed pay-back schedule. Environmental-impact, affirmative-action and occupational-safety statements are also required.

Once a loan is made or guaranteed, the E.D.A. monitors it closely, frequently requesting financial statements, carefully examining payrolls, checking production records and advising businesses on management and financial problems.

The E.D.A.'s roots go back to 1961, when the Area Redevelopment Administration was established in the Commerce Department to deal principally with the problems of depressed areas in West Virginia, Kentucky and the other Appalachian states. When the A.R.A. was reorganized into the E.D.A. in 1975, its programs emphasized public-works grants to areas with heavy unemployment. The loan program was an afterthought put into the agency at the insistence of the Senate Banking Committee.

The Nixon and Ford Administrations viewed the E.D.A. as an unwanted heritage from the Johnson and Kennedy years. It was kept alive largely through the strong backing of such Senators as Jennings Randolph, Democrat of West Virginia, Chairman of the Senate Environment and Public Works Committee, and Howard H. Baker, Jr. of Tennessee.

To build support for the agency, Congress extended its reach beyond Appalachia to areas throughout the country that have serious economic problems. Today three-quarters of the nation is eligible for E.D.A. grants and loans. In 1976 and 1977 the E.D.A. also distributed $6 billion in supplemental public-works grants voted by Congress.

Steven J. Lee, a financial consultant to the Bankers Trust Company of New York, said after studying the E.D.A. loan program that "numerous jobs would be lost and expansive opportunities bypassed if it were not for the combined efforts of E.D.A. and the private lending sections." He added that "the Federal Government has added a successful tool that will provide needed funds to smooth out some of the rougher edges in the free-enterprise section."

But in some nonbanking circles the E.D.A.'s loan program has been criticized as being too cautious and not closely enough integrated with the agency's public-works efforts. For example, David Hash, vice president of the Baltimore Economic Development Corporation, would like to see the E.D.A. tie interest rates to such things as the hiring of black youths and persons on welfare and reduce the rates in return for these social actions.

Assistant Secretary Hall replies that "the high proportion of 'belly-up' loans would dry up our sources of funds and would not create jobs or develop new bases." Like commercial lenders, the E.D.A. remains concerned primarily with the soundness of its loans and points to its record of creating jobs at small cost to the Government as justification for its policies.

An Appalachian Travail

Martinsburg, W. Va.—When the Economic Development Administration lent $1 million to an Appalachian area veneer plant here 12 years ago, it adopted a problem child.

When the loans were made, unemployment was 9.8 percent in Martinsburg, which is in the West Virginia panhandle, 75 miles west of Washington, in the heart of the area that inspired the Kennedy Administration to start the E.D.A. Now Martinsburg is a thriving city of 20,000 with, among other employers, a General Motors parts distribution center and an Internal Revenue Service computer center. Nevertheless, survival has, at times, seemed doubtful for what is now Erath Veneer.

The E.D.A. loan and $400,000 from three local banks went to Boyd Cummings, the plant's original owner, after the plant burned down. He tried to expand, found the demands of the bigger business too rigorous and sold it to a toy company, a buyer found with E.D.A. assistance. For a year the expensive veneer-production machinery was abandoned in favor of toy making, an abortive effort. Again with E.D.A. help a buyer was located: George Erath, who had another veneer plant in Rocky Mount, Va., and a face plant (where veneer strips are assembled into larger pieces for table or desk tops, or other furniture needs) in North Carolina, as well as a sales operation. But the Martinsburg plant drained too much of his time, and he sold it to his brother John.

Today the veneer plant, which sold 70 million feet of oak, ash, cherry, hickory, poplar and pine veneer last year, employs 90 persons working two shifts. Its sales totaled $3 million, John Erath says, but he will not disclose its profits, although he says it is in the black. Buyers both in this country and abroad—40 percent of its market is overseas—manufacture furniture and paneling.

Mr. Erath's success where others have failed—he is doing three times the business the plant did nine years ago—reflects his willingness to immerse himself in all aspects of his operation from buying logs to selling veneer.

"I used to be able to find time to play golf or tennis," Mr. Erath said, "but not any more. I work 10-hour days six days a week, and I don't know anybody who's running a successful manufacturing business who doesn't work 10 hours a day. I also have been traveling 100,000 miles a year trying to sell our veneer."

A thorough man, Mr. Erath keeps 25 brightly colored loose-leaf notebooks on one side of his large, veneered desk. In them he has recorded all of the sales the company has made since he took over.

"When you're sometimes dealing in sales of from $150,000 to $200,000 worth of veneer at one shot, you've got to know what you're doing—and what you did in the past," he said. "Veneer from a particular tree," he pointed out, "may be worth only 10 cents a foot to a manufacturer of panelling, but because of its grain pattern that same wood may be worth 15 cents to a man making desks."

Mr. Erath learned the wood veneer business as a salesman, but he has discovered since taking over the plant here in 1975 that to survive he also must have the old-fashioned instincts of a woodsman and a trader and be a sophisticated production and financial expert.

"If something goes wrong out there in the plant," said Mr. Erath, a handsome man of 37 with thick black hair, "I've got to help fix it. If we are short of working capital, I've got to find the money. And all the while we're working with wood—the most unpredictable of commodities, every tree is different—and dealing in a business where trading is more important than pricing."

He is enthusiastic about the E.D.A. and its loan program. E.D.A. officials have helped him with technical, management and sales advice when he needed it, and he frequently goes to Washington to consult with them. They have been particularly helpful, he said, in financing inventories and other short-term debts. Moreover, the 1967 interest rate of 4.6 percent on the 17-year loan, of which $500,000 is still outstanding, is "like being given money," he says. Under E.D.A. policy the commercial loans were paid off first.

Born in Chicago the son of a night watchman, Mr. Erath, went to junior college at night while doing church-related social work with black street gangs in Southside Chicago during the day. After four years he became discouraged and decided to join his brother in a veneer-sales business in North Carolina, where George Erath had gone after a short stint as a pitcher in the San Francisco Giants baseball farm system.

The veneer business, Mr. Erath indicated, is about as tough as working with Chicago

street gangs or trying to make the major leagues. There are 30 veneer plants in the nation, mostly east of the Mississippi and about the size of Mr. Erath's, and competition is intense.

Although huge machines that look like gargantuan versions of meat slicers found in delicatessens cut logs into veneer strips no thicker than 1/32nd of an inch, the industry is labor intensive and depends heavily on the judgment of log buyers and operators of huge sawing machines that prepare logs for the veneer machines and on the skills of men who cut the veneer strips.

Erath employs two log-buyers who range the woods from West Virginia to New York State seeking straight logs at least 12 feet long and 18 inches in diameter. They must be able to judge the grain of the logs expertly because the better the grain the more valuable the veneer. Once the logs arrive at the plant they must be carefully cut into pieces that will yield the best looking veneer, softened for 24 hours in hot water in steam vats, sliced into veneer strips while still wet, quickly dried, neatly trimmed and stacked and bundled.—J.D.

A CAPITAL ENTERPRISE

WASHINGTON.—James E. Adkins, a 41-year-old Harvard graduate turned produce marketer, often brooded as he passed Washington's historic Farmers' Market. Partially burned and vandalized in the 1968 riots, it was shut down. Could he bring it to life? Mr. Adkins wondered.

Now he's preparing to do so. With a $1.7 million loan from the Economic Development Authority, a $1.4 million loan from the Prudential Insurance Company of America and $150,000 of his own, he plans to break ground on May 6 for a two-block project in inner Washington, restoring the market and building a supermarket, bank, pedestrian mall and parking area.

The project is an example of the E.D.A.'s new emphasis in its business loan program—it hopes to help turn urban ghettos across the country, where incomes are low and unemployment is high, into healthier areas. The Bureau of Labor Statistics puts unemployment in Washington's inner city at 25 percent.

When the Redevelopment Land Agency, Washington's urban renewal agency, assembled the two-block package in 1973, Mr. Adkins won it easily—he was the only bidder. But after that things didn't go so easily. He first approached the E.D.A. a year ago. Eight months later the E.D.A. finally approved the project after minutely combing through the three-inch stack of material that he, his lawyer and an economic consulting firm had prepared. In the meantime six-months of negotiations with an insurance company for part of the financing collapsed, and he had to open new talks with Prudential.

When asked how much of his own time he had put into the project, Mr. Adkins replied, "You wouldn't want to put sweat time into it, would you? I literally lived with this day and night for a year."

Of the E.D.A. loan, $1.6 million is repayable over 25 years at 7¾ percent interest. The other $100,000, which is for working capital, is a seven-year loan at 7 percent. The Prudential loan is for 25 years at 9¼ percent. Mr. Adkins also has a commitment from the Riggs National Bank in Washington for a $3.2 million construction loan, which will be repaid with the other two.

At one corner will be a modern supermarket operated by Giant Foods, a regional supermarket chain with headquarters in Washington. Mr. Adkins worked out an unusual arrangement with Giant after Safeway, the leading chain in the capital, rebuffed him. Cater-corner from the supermarket is the 92-year-old Old Street Market, a handsome brick building with an imposing tower that has officially been designated as a historic landmark.

Mr. Adkins will refurbish the interior and rent stalls to farmers and others to sell fresh fruits, vegetables, meats, seafood, fried chicken, hamburgers, country ham and cheese sandwiches, half smokes and other sausages. On another corner he plans a new branch bank building, although no bank has yet contracted for it. There will also be parking spaces for 166 cars and a pedestrian mall on the property. Mr. Adkins will own all the land and buildings.

The supermarket will be jointly leased by Giant, the District of Columbia Development Corporation and the Shaw Community Citizens Pact, a nonprofit community action organization. Giant, which is investing $1 million in fixtures and inventory, says it hopes that the involvement of Shaw Community will help minimize pilferage, vandalism and other problems of operating inner-city stores. To date, however, in Washington as in other big cities, supermarket chains have been closing store after . . .

Giant says it expects its store, which will be the first new chain supermarket to be built in Washington during the last 10 years, to do an annual business of $12 million. Management consultants have projected the Farmers Market business at $5 million to $6 million. The project overall is expected to employ nearly 250 persons, many of them from the immediate neighborhood, where family incomes average only $13,000.

Situated between O and P Streets and 7th and 9th Streets in northwest Washington, the property is about halfway between the Capitol and the White House. It is in the middle of the Shaw School urban renewal area filled with two-story brick row houses close to 100 years old, many of which are now being restored. To the north of the project is Howard University and Freedmen's Hospital, both growing institutions. To the south will soon rise one of the campuses of the new University of the District of Columbia; a stop on Washington's new Metro subway system will not be far away, and some white families are starting to move back into what has been an all-black neighborhood.

"I want this project to be looked upon almost as a family type thing," Mr. Adkins said. "Sure, I hope to make some money, but I also want to render a service to the community. That's what it's all about."

Mr. Adkins was born in Alcoa, Tenn., and raised on a farm near Macon, Ga. After college he went to work first for Monsanto Chemical in Ludlow, Mass., and then with the National Crime Commission in Washington, where he met the owner of a small grocery store. He became intrigued with the business, bought it in 1969 and quickly discovered that there was money to be made in a well-run grocery store, particularly in its produce section.

In 1972 he opened a separate produce store and a year later he sold the grocery store. From fresh fruits and vegetables he branched out to seafood and now also has two seafood stores, one in Washington and the other in suburban Marlow Heights, Md. In addition, he owns trucks that haul fruits, vegetables and seafood to his stores from up and down the Atlantic Coast. At this point, he says, he has not yet decided whether he will operate any stalls in the new project or simply serve as a developer . . .

Mr. RANDOLPH. The assistance of EDA has meant that private industry was able to move forward. I do believe, and the testimony in our State would prove, that this EDA money joined with the money raised locally by the community development group from the banks and others working together, with EDA as a catalyst, prove that a Government program of this type rather than displacing a private sector in its entirety is very valuable. Would my colleague agree?

Mr. WEICKER. Yes, I would certainly agree with the distinguished Senator from West Virginia. Also, and this is like carrying coals to Newcastle, whatever I support in this area of the EDA program the chairman has reviewed many, many times. Indeed, it is to the chairman to whom I am looking for the initiative which I have found to be lacking, very frankly, downtown, in this area of helping urban and rural areas. Never mind new programs. Here we have a tremendous program whicl. has been under the oversight of the Senator from West Virginia and which works. That is what is important. Before we devise anything new, let us make certain that, based upon the experience we have to date, we improve upon it.

The mayors of cities all over the United States will say, "This is a tremendous program and we want it. It works." The only difficulty they have, as I cited before, is that sometimes just for a constitutional or some other reason, they cannot utilize a loan program.

That was not the initial concept of the Congress. So I certainly agree with my colleague from West Virginia. I just hope that we get to the meat of this issue and take this initiative and have the program work even better, rather than wait for a new one.

Have we even had the legislation yet from the administration? Is it on the floor yet? Has it gone through committee? There is no way that it is going to be in effect for at least 2 or 3 years. Believe me, when you are out of a job, that is a long time to wait.

Mr. STAFFORD. Mr. President, I yield myself such time as I may consume off the bill.

First, I want to express my appreciation to the distinguished Senator from Connecticut (Mr. WEICKER) for withdrawing his amendment at this time, and to join with the chairman of the full committee and the chairman of the subcommittee in extending an invitation to him to be with us on Thursday so we can fully examine his proposal at that time. I can assure him, and I will again before I conclude, of our sympathetic attention to his proposal before our subcommittee.

To deal with certain deficiencies, I compliment Senator WEICKER on introducing his bill, S. 3026, which, as he has pointed out, proposes to turn that section of the bill from a loan to a grant program for the purpose of establishing revolving fund for local economic development by private investors in our distressed communities.

Without addressing the specific merits of his proposal, toward which I am personally sympathetic, I would like to mention several reasons why I believe it is important to consider his bill in our committee, as we now will do rather than attempt to add to the pending bill, S. 3243.

The proposal to change the redevelop-

ment area loan program into a grant program represents a major change in the agency's program, which the authorizing committee ought to examine with care. Although the redevelopment loan program authorized $125 million for each of fiscal years 1977, 1978, and 1979, this program has, to date, had only $15 million appropriated, in fiscal year 1978. Senator WEICKER has announced his intention of seeking the full $125 million for fiscal year 1979.

Thus, we are talking about embarking on a much larger program than the administration has planned for the next fiscal year. It is important that the committee examine the effect this will have on the Agency's workload.

Further, this program has never been considered by the Senate even as a loan program. It was originally proposed as a grant program by the House in conference on the reauthorization of the Public Works and Economic Development Act in 1976. As part of the conference process, the Senate Members accepted this new program, but insisted on it being drawn up as a loan program. This was the unanimous position of the Senate conferees at that time. To change the redevelopment area loan program into a grant program would be a major change in the thinking of the authorizing committee. It is a change which the Members ought to make with the care which committee consideration would allow.

Finally, it is important to understand how this program will fit into the other programs which the Economic Development Administration, and indeed the rest of the Carter administration, has proposed to deal with the problems of the Nation's urban areas. EDA has asked Congress to approve the transfer of $15 million appropriated for section 204 in fiscal year 1978 into its title IX program, which assists communities having economic adjustment and long-term deterioration problems.

Through title IX the EDA has had some experience with establishing revolving loan programs in cities. In recent testimony before the House Economic Development Subcommittee, Assistant Commerce Secretary Robert Hall stated that it would be EDA's policy to support local revolving loan funds through title IX to the extent they are identified as high-priority projects in approved local investment strategies. As a general matter EDA intends to make the revolving loan fund tool available as part of the long-term economic development program.

In view of the administration's position on this program, and on the Weicker amendment, I believe it would be appropriate to further discuss this matter when Assistant Secretary Hall appears before the Regional and Community Development Subcommittee on Thursday, August 3, to discuss the title IX program. We will be able to question him in some detail about the urban policy and the part that revolving funds can play in meeting the administration's objectives.

So, I repeat, I join in extending an invitation to Senator WEICKER to appear also on Thursday, if his schedule permits, to present his proposal to the other members of the subcommittee, so that it can be fully examined in the context of the title IX program and the urban policy of this administration, and I might say, on its own completely. I want to assure my colleague that he will be given our sympathetic attention.

Mr. President, I understand that, in my opening remarks, I inadvertently placed my colleague, the distinguished Senator from North Dakota (Mr. BURDICK), in North Carolina. I know that any State would be glad to claim him as their Senator, including my own, but I do apologize for making that geographic error.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Are there further amendments?

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there be no amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

Mr. WEICKER. Before doing that, I ask unanimous consent that William E. Twilley of Senator THURMOND's staff be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

I assume the Senator from North Dakota withheld his request?

Mr. BURDICK. Yes.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is all time yielded back?

Mr. BURDICK. I have yielded back my time.

Mr. STAFFORD. I yield back the minority's time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from New Hampshire (Mr. DURKIN), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from South Dakota (Mr. McGOVERN), the Senator from Tennessee (Mr. SASSER), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE) is necessarily absent.

The result was announced—yeas 85, nays 5, as follows:

[Rollcall Vote No. 272 Leg.]

YEAS—85

Abourezk	Gravel	Morgan
Allen	Griffin	Moynihan
Baker	Hansen	Muskie
Bayh	Hart	Nelson
Bellmon	Hatch	Nunn
Bentsen	Hatfield, Mark O.	Packwood
Biden	Hatfield, Paul G.	Pearson
Bumpers	Hathaway	Pell
Burdick	Hayakawa	Percy
Byrd, Robert C.	Heinz	Randolph
Cannon	Hodges	Ribicoff
Case	Hollings	Riegle
Chafee	Huddleston	Sarbanes
Chiles	Humphrey	Schmitt
Church	Jackson	Schweiker
Clark	Javits	Scott
Cranston	Kennedy	Sparkman
Culver	Laxalt	Stafford
Curtis	Leahy	Stevens
Danforth	Long	Stevenson
DeConcini	Lugar	Stone
Dole	Magnuson	Talmadge
Domenici	Mathias	Thurmond
Eagleton	McClure	Tower
Eastland	McIntyre	Wallop
Ford	Melcher	Weicker
Garn	Metzenbaum	Williams
Glenn	Morgan	Young
Goldwater	Moynihan	Zorinsky

NAYS—5

Bartlett	Helms	Roth
Byrd, Harry F., Jr.	Proxmire	

NOT VOTING—10

Anderson	Inouye	Sasser
Brooke	Johnston	Stennis
Durkin	Matsunaga	
Haskell	McGovern	

So the bill (S. 3243) was passed, as follows:

S. 3243

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby authorized to be appropriated to the Secretary of Commerce, in addition to the funds previously authorized, not to exceed $14,395,000, to remain available until September 30, 1979, to provide for additional administrative expenses including program evaluation cost associated with implementation of the Local Public Works Capital Development and Investment Act of 1976, as amended.

Mr. BURDICK. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMITTEE MEETINGS

Mr. NELSON. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Ju-

diciary be authorized to meet during the sessions of the Senate on Wednesday, August 2; Thursday, August 3; and Friday, August 4, 1978, to consider the equal rights amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, again on behalf of the majority leader, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate today, August 1, 1978; Wednesday, August 2, 1978; and Thursday, August 3, 1978, to hold hearings on organized crime activities in southern Florida.

The PRESIDING OFFICER. Without objection, it is so ordered.

ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1978

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2090, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2090) to extend for three additional years the authorization of titles I, II, III, IV, V, VI, VII, VIII, and IX of the Economic Opportunity Act of 1964, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Human Resources with an amendment in the nature of a substitute.

The PRESIDING OFFICER. Time for debate on this bill is limited to 1 hour, to be equally divided between and controlled by the Senator from Wisconsin (Mr. NELSON) and the Senator from New York (Mr. JAVITS), with 30 minutes on any amendment, and with 15 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. JAVITS. Mr. President, in order to give the manager of the bill a chance to get here, I ask unanimous consent that we have a quorum call, without the time being charged to either side.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. NELSON. I yield.

Mr. LEAHY. Mr. Presdent, I ask unanimous consent that Susan Brannigan, of my office, be accorded the privilege of the floor throughout all debate and votes today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that Scott Ginsburg, Lori Hansen, Jim O'Connell, and Diane Kamino be granted privileges of the floor during consideration of S. 2090, the Economic Opportunity Act Amendments of 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that the privilege of the floor during debate and voting on this measure be accorded to two members of Senator STEVENS' staff, Lisa Gowdy and Sally Crossman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, the legislation before the Senate today, S. 2090, is a comprehensive package which extends for 3 years, revises and updates many of this Nation's antipoverty programs. This bill does not create any new programs. Rather, this bill only seeks to build upon the success of the programs now operating in every State and in thousands of communities all across this country.

S. 2090 extends the community action program, Community Services Administration, Head Start program, Follow Through program, special emphasis programs, community economic development program, services to migrants and farmworkers, special programs to combat rural poverty, and the Native American programs for 3 years. In addition, the bill makes administrative and operational changes in several of these programs.

Let me briefly summarize the major provisions of the legislation before us.

COMMUNITY ACTION

At the heart of the Nation's efforts to eliminate poverty is community action. This concept is the basic Federal approach to local assistance programs for the poor. Community action is just what the name implies——a community marshaling its own abilities, tapping State and Federal resources, recruiting professionals and enlisting volunteers to solve the problems of its own low-income citizens.

There are currently 879 community action agencies located in the 50 States and the Trust Territories. Community action agencies operate in 2,211 U.S. counties, more than two-thirds of the Nation's counties. Fourteen million persons participate annually in these locally based and operated programs.

With administrative and other funds from the Community Services Administration, along with specific program grants from various Federal agencies, community action agencies combine imagination, resourcefulness, and hard work to combat poverty. In fiscal year 1977, approximately $330 million was available for community action local initiative funding. Community action agencies used their local initiative funds to generate over $2 billion from Federal, State, and local sources for human service programs in their local communities.

In testimony before the Human Resources Committee, the administration requested that the Federal share for community action programs be returned to the 80-percent level.

Current law provides that the Federal share can be no more than 60 percent with the local share to be 40 percent. In support of the return to the 80-percent Federal share, Director Grace Olivarez pointed out that the Department of Labor's CETA program and the Department of Housing and Urban Development's low-income housing assistance program do not require any non-Federal share. Other poverty programs which originated in the Office of Economic Opportunity and are now administered by other agencies, like Head Start, Follow Through, and specific Native American programs, retain the 80/20 ratio. Community action agencies have been unable to conform to the required increase to 60/40 in local financial support. Director Olivarez indicated that CSA has been compelled to issue broad criteria for waiver, because the current local share requirement is unrealistic and forces CSA to continually revise its waiver criteria. Nearly one-third of all grantees have required waiver of the local share requirement.

CSA has testified that an 80/20 match requirement would be strictly enforced. S. 2090 specifies an 80 percent Federal share.

SERVICES TO MIGRANTS AND SEASONAL FARMWORKERS

Of the 26 million people living in poverty, as defined by the Office of Management and Budget, over 5 million, or more than 20 percent, are migrant and seasonal farmworkers and their dependents. This group of poor persons often has been overlooked and has not received the special attention which has been needed. In recognition of this, S. 2090 would reorganize the Economic Opportunity Act to create a separate title for migrant and seasonal farmworkers. Programs for migrant and seasonal farmworkers are currently carried out under part B of title III, the rural poverty programs. Removal of the migrant and seasonal farmworkers programs from the rural program title to an independent title is intended to indicate the attention the Community Services Administration should give to the unique needs and characteristics of rural poverty and the poverty experienced by migrant and seasonal farmworkers.

To meet the special needs of rural areas and migrant and seasonal farmworkers, this legislation provides for the addition of public and private nonprofit agencies as eligible grantee under the community food and nutrition, rural housing development and rehabilitation, and the emergency energy conservation programs.

HEAD START PROGRAM

During review of the Economic Opportunity Act in both the Senate and House authorizing committees, concern developed regarding the application by HEW of the statutory formula for distribution

of Head Start funds to the States. Both the Congressional Research Service and the General Accounting Office found that HEW had not followed the existing statutory formula in the Department's planned allocations for fiscal year 1978.

Prior to the enactment of a statutory formula in 1974, effective in 1975, no allocation formula existed to guide the distribution of Head Start funds. As a result, Head Start funds were not distributed in an equitable manner to all States. Both the Congressional Research Service and a former Administrator of the Head Start program in its early years have indicated that funds were directed to States on a subjective and arbitrary basis. This resulted in Head Start funds being heavily concentrated in only a few States, while many other States with large poverty populations received a disproportionately small allocation of available Head Start funds.

The intent of and the principles supporting the formula enacted in 1975 were to target money to poverty populations and to equalize the distribution of Head Start funds. In its attempt to improve the current formula, the committee, again, accepted these principles as a base to work from. The committee reviewed the distributional effects of the 1978 allocations HEW made to the States. Data prepared by the Congressional Research Service revealed that 24 States received less Head Start funding than they were eligible for based on their poverty populations. The remaining States received more than what they were eligible for based on their poverty populations, with one State receiving as much as 479 percent of what the State was eligible for based on the State's poverty population. There were two primary reasons for this situation—the hold-harmless and the cost-of-living increases granted to all States in every fiscal year since fiscal year 1975. The formula set forth in S. 2090 will narrow the range in the level of Head Start funding, taken as a proportion of the poverty population, among the various States. It was designed with the premise that all States should receive 100 percent of what they are eligible for based on their poverty populations. The formula reflects the intent that over time all States should eventually receive only poverty formula funds, because the need for a hold-harmless will disappear as the distribution of allocations among the various States is equilazed by application of the formula.

This formula guarantees that each State will receive 100 percent of what each State is eligible for based on its poverty population relative to the total poverty population. The situation where a State is actually reduced below the 100 percent level of its funding eligibility in order to hold a State harmless at a specific level would not occur in the future because a hold-harmless provision is not attached to the formula. Hold-harmless payments would, instead, be made out of the Secretary's reserve. A State, would, therefore, always be assured that it would receive its relative total share of Head Start allocations.

With this distribution formula, a cost-of-living factor is unnecessary because as appropriations are increased to reflect, in part, cost-of-living increases, the cost-of-living increase would be passed on automatically to the States through the formula. As appropriations increase, each State will be eligible for increases from the funds distributed according to relative poverty populations. This will reduce dependency on hold-harmless payments, and in fact, all States will gradually convert to total funding based on their relative share of the poor. Until States reach total funding allocations according to their poverty population, S. 2090 would guarantee a percentage of their fiscal year 1978 funding level through a declining hold-harmless level. These hold-harmless payments would be made by use of the Secretary's discretionary fund of up to 20 percent of total Head Start funds.

The declining hold-harmless level will, over time, close the gap in allocation levels between States. However, S. 2090 would enable the Secretary to cushion the effects of the declining hold-harmless, especially in those States where the excess of what States should receive based on their poverty population is relatively marginal as compared to all States which are in excess of what should be distributed according to relative poverty populations.

S. 2090 also specifies an order of priority for the use of reserve funds.

FOLLOW THROUGH PROGRAM

The Follow Through program was originally intended to maintain and expand upon the gains made by Head Start and similar preschool programs. The services provided in the Follow Through program are intended to be very similar to Head Start services, taking into account that the ages of children served differ in each of these programs.

S. 2090 would specify the comprehensive services the Follow Through programs should provide, including educational, heaith, nutritional, social, and other comprehensive services. Each of these services is very necessary to meet the needs of the Follow Through child.

In addition, S. 2090 would eliminate the Follow Through section 553 entitled "Research, Demonstration, and Pilot projects; Evaluation; and Technical Assistance Activities." This section would be replaced by four new sections—research, demonstration and pilot projects; announcement of research, demonstration and pilot projects contracts; evaluation; and technical assistance and training.

Testimony and supplement statements submitted to the committee indicated great concern over the administering agency's failure to evaluate all the goals of the Follow Through program. The expansion of the scope of these activities, through the establishment of separate sections devoted to each activity, is done to emphasize the importance of these activities. The new sections parallel similar responsibilities for the Head Start program.

COMMUNITY ECONOMIC DEVELOPMENT

The Committee on Human Resources was concerned that some community development corporations had failed to meet the goals of the community economic development special impact program. S. 2090, therefore, specifies new conditions for community development corporations. In order to receive funding, a program would have to specify in detail its development goals and development timetable. Continued funding in future years would be dependent upon the extent to which the development goals and timetable has been met.

S. 2090 would also specify that financial assistance to community development corporations be made available, first, for deposit to the order of a grantee having demonstrated successful program performance, within 30 days following the approval of a grantee agreement, or second, whenever the Director deems appropriate, through a line of credit within 30 days of approval of the grantee agreement. Under this section, grantees with demonstrated successful program performance would receive their funding through full deposit to the order of the grantee. Grantees having less than successful program performance would be placed on the line-of-credit funding.

Although this is a brief summary of the provisions in S. 2090, I believe it does highlight the major program changes. I have prepared a much more detailed description of the bill which, without objection, I will enter into the RECORD.

Mr. President, I believe S. 2090 is a fine example of the Human Resources Committee's commitment to making reforms, revisions, updates, and additional improvements in the Nation's antipoverty programs. The continuation of these antipoverty programs will reaffirm the Nation's commitment to fighting poverty through coordinated approaches at the Federal, State, and local levels. The provisions of S. 2090 will help assure the continued vitality and improvement of these essential programs.

I urge my colleagues to join me in supporting S. 2090.

DETAILED EXPLANATION OF S. 2090

After the initiation of the war on poverty, this country dedicated itself to bringing its resources to bear on the problems experienced by poor persons. The primary vehicle for the Nation's antipoverty efforts has been and currently is the Economic Opportunity Act. Signed into law nearly 14 years ago, the purpose of the act was to break the vicious cycle of poverty by attacking not only the consequences of poverty, but the causes as well. The goal of the antipoverty efforts to provide the less fortunate with equal access to the Nation's resources, economic opportunity, personal dignity and self-respect originally was carried out by the Office of Economic Opportunity. Since 1974 the Community Services Administration has been the administering agency.

Alleviation of the causes of and the problems associated with poverty has been frustrated by our economic troubles and by the attempts of a previous administration to dismantle the antipoverty programs. Since 1970 the Nation's economy has been beset with periods of high unemployment, excessively high inflation, major and minor recessions, and unstable growth. These

factors have had a serious negative impact on the poor and have served to perpetuate the vicious cycle of poverty that many Americans must endure. These factors also have limited the scope of this Nation's antipoverty efforts.

To complicate this economic situation, antipoverty workers, the poor, congressional, and other supporters of the antipoverty programs were forced to devote much time and energy to rescue the Nation's antipoverty programs from attempts by the Nixon administration to totally dismantle these programs. While the attempts of the Nixon administration to dismantle the Office of Economic Opportunity and the antipoverty programs did not succeed, they left antipoverty efforts fragmented, poorly managed, and demoralized.

In response to this situation a new and separate independent agency, the Community Services Administration, was created by the Congress in the Head Start, Economic Opportunity, and Community Partnership Act of 1974. The primary function of the new Community Services Administration was to serve as the central agency within the Federal Government for developing, testing, and operating programs to reduce poverty in the United States. The act also provided that the Department of Health, Education, and Welfare administer the Head Start and Follow Through child development programs.

Since 1974, much progress has been made by the Community Services Administration. To name just a few of the accomplishments:

Formal evaluations of all grantees have been reinstituted.

Upon its own initiative and using previously appropriated funds the Community Services Administration originated a comprehensive weatherization and energy-saving program for the poor at the time of the fuel crisis and the extremely cold winter weather. Working through its network of community action agencies, homes were weatherized—insulated and made more energy efficient—using cooperatively purchased materials, as well as volunteers and job trainees. As of December 31, 1977, the agency had weatherized 268,252 homes at an average cost of $233 per home.

The Community Services Administration held 10 highly successful public policy forums around the Nation to hear from the poor, their representatives, and community leaders about the problems of poverty and what new directions should be taken in an effort to alleviate the problems. President Carter attended one of these forums in Detroit.

The Community Services Administration has established a new management and monitoring process for all programs and grantees.

A complete reorganization of the headquarters office and the regions has been implemented.

The agency has pioneered in the development of programs for the handicapped. Although nearly one-fourth of the poor are handicapped, little attention has been paid to the development of programs to meet the special problems of the handicapped poor. CSA has developed a barrier removal for the handicapped project and has also initiated crafts work programs.

Over the past 3 years, however, congressional committee reports and reports issued by the General Accounting Office have raised concerns about the administration and management of the poverty programs by the Community Services Administration. While the attempts of former President Nixon to dismantle the antipoverty effort had serious and long-lasting ramifications for the antipoverty programs, not all of the problems which were identified can be attributed solely to the actions of previous administrations. The reports emphasized that certain program failures and abuses of Federal funds have not been aggressively pursued by the Community Services Administration.

Under the guidance of its present Director, Graciela Olivarez, the Community Services Administration has been addressing the problems identified in these reports. The progress of the Community Services Administration in eliminating its administrative and programmatic problems was closely examined during this Congress by the Subcommittee on Employment, Poverty, and Migratory Labor. A staff report prepared for the use of the subcommittee, entitled "Report on the Programs Authorized Under the Economic Opportunity Act of 1964," was issued in May of 1978.

It is the view of the Human Resources Committee that improvements in agency operations and program administration must continue to be aggressively pursued so that the Community Services Administration can resume its prominent role as the primary Agency designated to advocate and serve the needs of the poor.

This bill represents the Human Resources Committee's determination to make those changes which will correct operational or administrative problems. The Congress has a responsibility to evaluate on an ongoing basis the antipoverty programs and respond to their problems. The Subcommittee on Employment, Poverty, and Migratory Labor and the Human Resources Committee will continue to monitor the Agency's operations and review the antipoverty programs to insure that scarce Federal dollars are utilized effectively and efficiently. These amendments to the Economic Opportunity Act are a result of the monitoring efforts which the committee has been conducting.

Mr. President, as I mentioned before, this bill does not create any new programs. The bill extends the Community Action program, Community Services Administration, Head Start program, Follow Through program, special emphasis programs, community economic development program, services to migrants and farmworkers, and the Native American programs for 3 years. In addition, the bill makes administrative and operational changes in several of these programs. Let me briefly discuss the major provisions of the legislation before us.

COMMUNITY ACTION PROGRAMS

At the heart of the Nation's efforts to eliminate poverty is community action. This concept is the basic Federal approach to local assistance programs for the poor. Community action is just what the name implies—a community marshaling its own abilities, tapping State and Federal resources, recruiting professionals, and enlisting volunteers to solve the problems of its own low-income citizens.

There are currently 879 community action agencies located in the 50 States and the trust territories. Community action agencies operate in 2,211 U.S. counties, more than two-thirds of the Nation's counties. Fourteen million persons participate annually in these locally based and operated programs.

With administrative and other funds from the Community Services Administration, along with specific program grants from various Federal agencies, community action agencies combine imagination, resourcefulness, and hard work to combat poverty. In fiscal year 1977, approximately $330 million was available for community action local initiative funding (section 221 of the Economic Opportunity Act). Community action agencies used their local initiative funds to generate over $2 billion from Federal, State, and local sources for human service programs in their local communities.

RESEARCH AND DEMONSTRATION

The purpose of the research and demonstration authority found in title I of the Economic Opportunity Act "is to stimulate a better focusing of all available local, State, private, and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, including persons of limited English-speaking ability, in rural and urban areas to attain the skills, knowledge, and motivations and secure the opportunities needed for them to become fully self-sufficient."

The Community Services Administration has used this research and demonstration authority and the research and pilot project authority in section 232 to conduct a variety of successful research and demonstration projects. These projects have included rural housing development and services, crime victimization of the elderly, barrier removal for the handicapped, disadvantaged youth service delivery, weatherization activities, a single-purpose application and automatic referral system, and the improvement and integration of Federal services at all levels. Many of these research and demonstration projects are jointly funded with other Federal agencies. The successful Head Start program, Follow Through program, weatherization, Job Corps, and the legal services program all began as demonstration and pilot projects at the Community Services Administration, formerly the Office of Economic Opportunity. These were projects successful enough to become full-fledged programs which are now administered by other agencies.

In fiscal year 1978, the Community Services Administration received $7.5

million for research and demonstration activities, although there was no explicit appropriation authority in title I of the act. S. 2090 adds a new section 106 which authorizes such sums as may be necessary for fiscal years 1979 through 1981, to provide explicit appropriation authority for such activities.

The National Advisory Council on Economic Opportunity—established under title VII of the act—indicated in its 1977 annual report that the Council had found an impressive record of research and demonstration, innovative program design, and comprehensive service integration carried out by many local community action agencies. The Advisory Council recommended that the majority of Community Services Administration research and demonstration funds be directed to grantees at the local level.

An excellent example of the successful research and demonstration activities carried out by local community action programs is the weatherization demonstration projects conducted by community action agencies in Maine and Wisconsin. These demonstration projects attempted to determine ways to reduce the adverse impact of the winter weather on the poor, and were later expanded to the national level. The national Community Services Administration weatherization program proved so successful that the Department of Energy now has a weatherization program based on the concept developed by local community action agencies.

The Community Services Administration should utilize whatever funds are available under its broad research and demonstration authority to primarily direct such funds to the successful initiatives of local efforts, and build national program, planning and research models, and demonstrations upon successful local activities.

COMMUNITY ACTION AGENCIES

The community action concept, although once controversial, has proven to be an effective mechanism for delivery of services and for communities to marshal their own resources to combat poverty. Community action programs enjoy wide acceptance and support from State and local officials and civic leaders. Because community action agencies are actually located in poor communities and work with and are known by the low-income citizens in such communities, other Federal, State, and local programs have come to view community action agencies as the best means by which to reach low-income persons. In many areas the local community action agency is the only viable organization that local residents interact with on a regular basis. The most identifiable community resource in many rural areas of the country is the local community action agency.

During review of the community action program and the Community Services Administration, testimony was received by the Committee suggesting several administrative improvements that could be made in the program. The Administration had also requested several changes. S. 2090 incorporates several of these recommendations.

The administration's recommendation that community action boards be required to have a minimum of 15 board members is contained in S. 2090. This will insure that a minimum level of community participation exists for all community action boards.

Testimony presented by several witnesses suggested that CSA should be required to review all agency regulations on a regular basis. The National Advisory Council has made the same recommendation in its annual reports. S. 2090 requires the Director of CSA to annually review all agency regulations, in order to revise and update program requirements.

In testimony before the committee, the administration requested that the Federal share for community action programs be returned to the 80 percent level.

Current law provides that the Federal share can be no more than 60 percent with the local share to be 40 percent. In support of the return to the 80-percent Federal share, Director Grace Olivarez pointed out that the Department of Labor's CETA program and the Department of Housing and Urban Development's low-income housing assistance program do not require any non-Federal share. Other poverty programs which originated in the Office of Economic Opportunity and are now administered by other agencies, like Headstart, Follow Through, and specific Native American programs, retain the 80/20 ratio. Community action agencies have been unable to conform to the required increase to 60/40 in local financial support. Director Olivarez indicated that CSA has been compelled to issue broad criteria for waiver because the current local share requirement is unrealistic and forces CSA to continually revise its waiver criteria. Nearly one-third of all grantees have required waiver of the local share requirement.

Local community action agency directors also testified that the local share requirement was impossible to meet in many areas, especially those that are rural. Many agencies have to spend a great deal of time attempting to locate the local share necessary to meet the requirement. This time is often wasted because local funding is not available. Witnesses stated that this time could be better spent serving the community.

CSA has testified that an 80/20 match would be strictly enforced. S. 2090 specifies an 80-percent Federal share.

The administration and public witnesses requested that community action programs operated under title II be extended for 3 fiscal years. Continuation of these programs for 3 years was cited as necessary to foster stability and continuity for effective budgeting, planning, and delivery of services. S. 2090 would extend the community action programs for 3 fiscal years.

SPECIAL EMPHASIS PROGRAMS

Special emphasis programs are designed to meet or deal with particularly critical needs or problems of the poor which are common to a number of communities. During committee hearings, testimony was received from several public witnesses specifying improvements that are needed in some of the special emphasis programs area.

Representatives of migrant and farmworker programs indicated that often community action agencies are not able or willing to meet the special needs of migrants and farmworkers. The migrant and farmworker groups have had a very difficult time obtaining special emphasis program grants. This situation occurs because community action agencies were given sole responsibility or first priority for special emphasis program grants.

The purpose of the special emphasis programs is to attempt to meet the special needs of various low-income groups. A community action agency is often the agency which can best meet those needs. However, for a variety of reasons, such agencies may not be able to meet these needs. Other public or private nonprofit agencies should be eligible for special emphasis program grants in order to meet the special needs for which these programs were intended.

S. 2090, therefore, would make public or private nonprofit agencies eligible on an equal basis with community action agencies for community food and nutrition program grants, rural housing development and rehabilitation program, and the emergency energy conservation program grants. Any competition for grants which might occur should prove healthy for these programs, and should insure that low-income persons with special needs will receive the best possible assistance.

SUMMER YOUTH RECREATION PROGRAM

The administration requested that the administrative authority for the summer youth recreation program be returned from the Department of Labor to the Community Services Administration. The Director of the Community Services Administration currently delegates administrative responsibility for this program to the Department of Labor. However, since most grantees are community action agencies this delegation has created unnecessary administrative layers and increased paperwork. S. 2090, therefore, would return administrative responsibility for this program to the Director of the Community Services Administration.

DEMONSTRATION EMPLOYMENT AND TRAINING OPPORTUNITIES PROGRAM

Under the Community Services Administration's broad demonstration authority the agency has conducted employment and training projects. The local community action agencies have also conducted numerous employment and training projects. One of the Community Services Administration's recent successful endeavors in this area has been the supported-work concept. Supported work programs provide supportive services, in addition to employment and training, to hard-core, low-income, unemployed persons. The supported work concept has received wide acclaim for its success rate with these structurally unemployed persons.

There are sizable numbers of low-income persons with unmet special needs in the employment area. The committee decided that these special needs could be addressed by a special emphasis employment and training opportunities program. This special emphasis program will enable the Community Services Administration to focus more directly on special needs related to employment and training.

Therefore S. 2090 provides for a demonstration employment and training opportunities program in section 222, where the other special emphasis programs are located. The addition of this special emphasis program will enable the Director to establish experimental employment and training programs and projects for low-income persons who are unemployed or under-employed with special emphasis on youth, the structurally unemployed—especially those dependent on public assistance, single heads of households with dependent children, older workers and veterans. Grants under this program are to be made available to community action agencies, community development corporations and other public or private nonprofit organizations and agencies for experimental programs and activities, including, but not limited to: providing innovative approaches to employment and training programs, which may include supportive services; developing linkages for low-income persons to achieve transition from unemployment or federally subsidized employment to nonsubsidized employment; and developing training programs to place disadvantaged youth in the private sector, with special consideration for community development corporations.

The purpose of this program is to place increased emphasis on the Community Services Administration's role in the development of new and innovative approaches to employment and training programs. Activities uder this program should not duplicate the services of other Federal, State, or local employment and training programs. Where feasible these activities should supplement and work with existing programs.

The supported-work statewide demonstration program now being conducted in Wisconsin is an example of the kind of experimental programs which are to be carried out under this new authority. The Community Services Administration should expand on efforts such as this. It's a good investment for the poor and this country of our precious and limited resources.

WEATHERIZATION PROGRAM

The administration requested that weatherization activities be eliminated from the authorized activities under the emergency energy conservation program. The committee received testimony from community action agency directors and associations that the ability for the Community Services Administration and its grantees to conduct weatherization activities was necessary, because the weatherization program under the Department of Energy was not totally able to meet the special needs of low-income persons. The deletion of weatherization from authorized activities would preclude the Community Services Administration from conducting weatherization activities. The Community Services Administration weatherization program has been highly successful, and until such time as the Community Services Administration weatherization activities are duplicative the agency should be permitted to conduct weatherization activities. S. 2090 does not eliminate the weatherization authority. Therefore, current law would stand. In its FY 1979 Report to the Budget Committee, the Human Resources Committee recommended that CSA energy activities be funded at a $200 million level.

SERVICES TO MIGRANTS AND SEASONAL FARMWORKERS

Of the 26 million people living in poverty, as defined by the Office of Management and Budget, over 5 million, or more than 20 percent, are migrant and seasonal farmworkers and their dependents. This group of poor persons often has been overlooked and has not received the special attention which has been needed. In recognition of this, S. 2090 would reorganize the Economic Opportunity Act to create a separate title for migrant and seasonal farmworkers. Programs for migrant and seasonal farmworkers are currently carried out under part B of title III, the rural poverty programs. Removal of the migrant and seasonal farmworkers programs from the rural program title to an independent title clearly is intended to indicate the attention the Community Services Administration should give to the unique needs and characteristics of rural poverty and the poverty experienced by migrant and seasonal farmworkers.

To meet the special needs of rural areas and migrant and seasonal farmworkers, this legislation provides for the addition of public and private nonprofit agencies as eligible grantees under the community food and nutrition, rural housing development and rehabilitation, and the emergency energy conservation programs.

To conform the act in order to implement these changes, S. 2090 would delete the obsolete title IV, "Comprehensive Health Services"; delete part B of title III, "Assistance for Migrant, and Other Seasonally Employed, Farmworkers and Their Families," and place these programs in a new title IV. The current title III, "Special Programs To Combat Poverty in Rural Areas," would remain as a separate title for rural poverty programs.

HEAD START PROGRAM

During the review of the Economic Opportunity Act Amendments of 1977 by the House Education and Labor Economic Opportunity Subcommittee, concern developed regarding the Department of Health, Education, and Welfare application of the statutory formula for distribution of Head Start funds to the States.

The House subcommittee requested a report from the Congressional Research Service (CRS) concerning the effects of various formula options being considered by the House subcommittee. The Congressional Research Service discovered, and the Government Accounting Office later confirmed in a legal opinion, that the Department of Health, Education, and Welfare (HEW) had not followed the existing statutory formula in its planned allocations for fiscal year 1978. The Congressional Research Service found that HEW had misinterpreted the formula requirements to available funds. This planned allocation would have resulted in 16 States receiving less than these States were minimally guaranteed under the formula provided under section 513 of the act.

After the House and Senate authorizing committees conducted several hours of negotiating sessions with HEW's Administration for Children, Youth, and Families regarding the application of the statutory formula, HEW agreed to accept the congressional interpretation of the formula—which the Congressional Research Service and the Government Accounting Office had identified.

The agreement reached on the correct reading of the current statutory formula procedure was as follows:

Of the funds appropriated—

(1) Up to 2 percent set aside for the territories;

(2) Up to 20 percent set aside for the Secretary's discretionary reserve;

(3) Distribute 50 percent of the remaining funds among the States based on the relative number of public assistance recipients in each State compared to all States. Distribute the other 50 percent of the remainder among the States based on the relative number of related children living with families with incomes below the poverty line in each State as compared to all States; and

(4) If after completion of the above steps any State would receive less than the amount obligated for use by Head Start programs in the State for fiscal year 1975, such States would be increased to the fiscal year 1975 level. The hold-harmless provision could be accomplished by either ratably reducing all States over their 1975 hold harmless level or through the use of discretionary funds.

However, no agreement could be reached on what the effective hold-harmless level actually should be. Even though the statutory formula specifically prescribed fiscal year 1975 as the hold-harmless level, the Appropriations Committees in fiscal year 1976, fiscal year 1977, and fiscal year 1978 had indicated in report language that all existing grantees should receive cost-of-living increases. In addition, the question of what States should receive a fiscal year 1978 cost-of-living increase was also an issue which could not be settled.

Members of the House Education and Labor Economic Opportunity Subcommittee did reach agreement on what they believed to be the correct application of the formula, the hold-harmless level, and cost-of-living increases. In a letter to Secretary Califano dated November 30, 1977, the subcommittee indicated that Head Start funds should be distributed according to the statutory formula, except that the House letter also instructed the Secretary to make additional allocations to the States using the discretionary reserve. If after the application of the statutory formula and the 1975 hold-harmless any State would receive less than its fiscal year 1977 level, the Secretary was instructed to use discretionary funds to bring such States to their 1977 allocation level.

The controversy over the Head Start allocation formula was of such concern to the Subcommittee on Employment, Poverty, and Migratory Labor that much additional data and information was requested from the Congressional Research Service and HEW concerning the history of the formula and the formula's effects. All of this information was reviewed very carefully before any suggested changes in the current formula were recommended.

Prior to the 1975 formula, no allocation formula existed to guide the distribution of funds. As a result, Head Start funds were not distributed in an equitable manner to all States. Both the Congressional Research Service and a former administrator of the Head Start program in its early years indicated that funds were directed to States on a subjective and arbitrary basis. This resulted in Head Start funds being heavily concentrated in only a few States, while many other States with large poverty populations received a disproportionately small allocation of available Head Start funds.

The intent of and the principles supporting the 1975 formula were to target money to poverty populations and to equalize the distribution of Head Start funds. The committee did not receive any indication from any group, individual or agency that these two principles are or can be disputed.

In its attempt to improve the current formula, the committee, again, accepted these principles as a base to work from. The committee reviewed the distributional effects of the 1978 allocations HEW made to the States. Data prepared by the Congressional Research Service revealed that 24 States received less Head Start funding than they were eligible for based on their poverty populations. The remaining States received more than what they were eligible for based on their poverty populations, with one State receiving as much as 479 percent of what the State was eligible for based on the State's poverty population. There were two primary reasons for this situation—the hold-harmless and the cost-of-living increases granted to all States in every fiscal year since fiscal year 1975. The formula set forth in S. 2090 will narrow the range in the level of Head Start funding, taken as a proportion of the poverty population, among the various States. It was designed with the premise that all States should receive 100 percent of what they are eligible for based on their poverty populations. The formula reflects the intent that over time all States should eventually receive only poverty formula funds, because the need for a hold harmless will disappear as the distribution of allocations among the various States is equalized by application of the formula.

S 2090 would provide that of the funds appropriated for the Head Start program, the Secretary of HEW should distribute the funds as follows:

1. Up to 2 percent set aside for the territories;

2 Up to 20 percent set aside for the Secretary's reserve; and

3. Of the remaining 78 percent of the funds, 50 percent should be distributed to the States based on the relative number of children ages 0 through 5 in a State, and the other 50 percent based on the relative number of AFDC recipients in a State as compared to the total number of AFDC recipients.

This formula guarantees that each State will receive 100 percent of what each State is eligible for based on its poverty population relative to the total poverty population. The situation where a State is actually reduced below the 100 percent level of its funding eligibility in order to hold a State harmless at a specific level would not occur in the future because a hold harmless provision is not attached to the formula. A State, would, therefore, always be assured that it would receive its relative total share of Head Start allocations.

With this distributional formula, a cost-of-living factor is unnecessary because as appropriations are increased to reflect, in part, cost-of-living increases, the cost-of-living increase would be passed on automatically to the States through the formula. Any appropriation increase beyond a cost-of-living increase is distributed for expansion purposes to the States based on relative need.

S. 2090 also specifies that the reserve is to be used in accordance with the following order of priority:

1. Equal consideration for funding is to be given to Indian and Migrant Headstart programs and to services for handicapped children, with the additional provision that Indian and migrant programs shall receive no less for any subsequent fiscal year than were obligated for use by such programs in fiscal year 1978 including cost-of-living adjustments for fiscal year 1979 and thereafter;

2. Training and technical assistance activities, which at a minimum, are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities;

3. Hold harmless payments to be available, if necessary, to maintain each State in fiscal year 1979 at a level of funding equivalent to its fiscal year 1978 funding level; in each fiscal year subsequent to fiscal year 1979, hold harmless payments are to be made available according to the following percentages of the fiscal year 1978 base allocation: 90 percentum for fiscal year 1980, 80 per centum for fiscal year 1981, 70 per centum for fiscal year 1982, 60 per centum for fiscal year 1983, 50 per centum for fiscal year 1984, 40 per centum for fiscal year 1985, 30 per centum for fiscal year 1986, 20 per centum for fiscal year 1987, 10 per centum of 1988, and no hold harmless payment for fiscal year 1989, except that hold harmless payments shall not be less than a State's allocation in fiscal year 1975; and

4. The remainder in accordance with the criteria and procedures as the Secretary shall prescribe by regulation. Additional financial assistance may be provided by the Secretary of Health, Education, and Welfare to a State for purposes other than assistance to Indian and Migrant programs, services for handicapped children, and training and technical assistance activities, only if a State's allotment under the poverty formula payments and hold harmless payments does not exceed 175 percent of the amount the State is eligible to receive under the poverty formula.

As appropriations increase, each State will be eligible for increases from the funds distributed according to relative poverty populations. This will reduce dependency on hold-harmless payments, and in fact, all States will gradually convert to total funding based on their relative share of the poor. Until States reach total funding allocations based on the poverty formula, S. 2090 would guarantee a percentage of their fiscal year 1978 funding level. In fiscal year 1979, for example, S. 2090 would provide that if a State receives less under the poverty formula than such a State received in fiscal year 1978, the State is guaranteed to receive a hold-harmless payment sufficient to bring it to its fiscal year 1978 allocation. In 1980, S. 2090 guarantees such a State receive at least 90 percent of its fiscal year 1978 allocations. The hold-harmless guarantee declines 10 percent per year until the 1975 base your allocation to any individual State is reached. The 1975 allocation hold-harmless floor is intended to reflect the unadjusted appropriation received by a State in fiscal year 1975, exclusive of cost-of-living increases, the hold-harmless level refers only to a State's payment for fiscal year 1975, and has no bearing on the number of children that were enrolled during that time or the number of staff that were employed.

The declining hold-harmless level will, over time, close the gap in allocation levels between States. However, S. 2090 would enable the Secretary to cushion the effects of the declining hold harmless, especially in those States where the excess of what States should receive based on their poverty population is relatively marginal as compared to all States which are in excess of what should be distributed according to relative poverty populations.

S. 2090 would also provide that when appropriations are equal to or exceed $800,000,000, the Secretary shall not reserve more than 20 percent of $800,000,000 or 15 percent of the funds appropriated, whichever is greater.

FOLLOW THROUGH PROGRAM

The administration recommended that the Follow Through program be extended for only 1 year. The Subcommittee on Employment, Poverty, and Migratory Labor requested the Secretary of Health, Education, and Welfare to provide justification for such a limited extension and also to provide an explanation of any other plans it had for the Follow Through program. HEW did not respond to these requests.

During the subcommittee's review of the Follow Through program much testimony was received and date submitted indicating that the Follow Through program has been successful in the communities where it operates. For example, Follow Through children achieve academic grade level averages at or above the median, are absent less, experience fewer juvenile behavior problems, and juvenile crime rates for students are lower in Follow Through classrooms. Follow Through programs were found to provide meaningful employment opportunities for parents. In fact, many local programs offer educational and training opportunities for parents. Some of these parents have earned college degrees after

becoming involved with the Follow Through program. Finally, local community support for the Follow Through program was found to be exceptional.

Testimony received from Follow Through program directors, supplemental information submitted to the committee, and contacts made by parents of Follow Through participants indicate that the comprehensive and preventive focuses of the Follow Through program have not been sufficiently recognized and emphasized by the Office of Education. However, most of the local programs have attempted to recognize the comprehensive nature of the program, as well at the program's emphasis on community and parental involvement, including the education and employment of parents. Like Head Start, these unique characteristics of the Follow Through program are responsible for making these programs so successful.

S. 2090 would specify the comprehensive services the Follow Through programs should provide, including educational, health, nutritional, social, and other comprehensive services. Each of these services is very necessary to meet the needs of the Follow Through child. Follow Through originally was intended to maintain and expand upon the gains made by Head Start and similar preschool programs. This objective should continue to be emphasized. The services provided in the Follow Through program are intended to be very similar to Head Start services, taking into account that the ages of children served differ in each of these programs.

In order to provide the Follow Through program with the stability and continuity necessary for effective program operation and planning, S. 2090 extends the program for 3 fiscal years.

S. 2090 would eliminate the section 553 entitled "Research, Demonstration, and Pilot Projects; Evaluation; and Technical Assistance Activities." This section would be replaced by four new sections—research, demonstration, and pilot projects; announcement of research, demonstration, and pilot projects contracts; evaluation; and technical assistance and training.

Testimony and supplemental statements submitted to the committee indicated great concern over the administering agency's failure to evaluate all the goals of the Follow Through program. The expansion of the scope of these activities, through the establishment of separate sections devoted to each activity, is done to emphasize the importance of these activities. The new sections parallel similar responsibilities for the Head Start program.

It was suggested by several witnesses, and very recently requested by the Department of Health, Education, and Welfare that the Follow Through program provide services through the sixth grade. Pilot projects of this nature are, of course, to be encouraged. It is necessary, however, that such projects be evaluated as to their long term and short term successes. Where successful outcomes are realized, such projects should be expanded.

S. 2090 also would delete the obsolete section 621, which provides that the Director of CSA delegate the administrative responsibility for the Follow Through program to the Secretary of HEW, where program functions are to be carried out in the Office of Education. The statute currently gives administrative responsibility for the program directly to the Secretary. The delegation language is, therefore, obsolete.

It is intended that the Secretary determine where the Follow Through program can best be carried out within the Department of Health, Education, and Welfare. The Office of Education has not demonstrated sufficient sensitivity to the program's purposes, therefore hindering the potential of this vital program.

Since the Follow Through program was originally intended to supplement and expand on a Head Start experience, these two programs more appropriately belong within the same administration in HEW. The Administration for Children, Youth, and Families has demonstrated its commitment to the comprehensive and preventive services provided by the Head Start program. The Follow Through program is in need of the same level of commitment.

COMMUNITY ECONOMIC DEVELOPMENT

The Committee on Human Resources was concerned that some community development corporations had failed to meet the goals of the community economic development special impact program. In the past, the economic development concept has not received total support by the Community Services Administration. This administration, however, does appear to be committed to correcting program problems and making improvements which will enable the program to expand successfully.

S. 2090 specifies new conditions for receipt of financial assistance for community development corporations. In order to receive funding, a program would have to specify in detail its development goals and development timetable. Continued funding in future years would be dependent upon the extent to which the development goals and timetable had been met.

S. 2090 would also specify that financial assistance to community development corporations be made available, for deposit to the order of a grantee having demonstrated successful program performance, within 30 days following the approval of a grantee agreement; or, whenever the Director deems appropriate, through a line of credit within 30 days of approval of the grantee agreement. Under this section, grantees with demonstrated successful program performance would receive their funding through full deposit to the order of the grantee. Grantees having less than successful program performance would be placed on the line-of-credit funding.

Although the 1972 amendments to the Economic Opportunity Act specified that the Small Business Administration should prescribe such regulations as were necessary and appropriate to insure the availability of Small Business Administration programs to community development corporations, the Small Business Administration has failed to issue any regulations and has refused, either directly or indirectly, to make its programs available to community development corporation enterprises.

S. 2090 would revise the 1972 language to mandate that the SBA "promulgate regulations to insure the availability to community development corporations of such programs as shall further the purposes of this title, including programs under section 8(a) of the Small Business Act." SBA regulations enabling CDC's to participate in the procurement preference minority set-aside program should be issued immediately.

S. 2090 would extend for 3 fiscal years the authorization for title VII, community economic development programs. The authorization for appropriations would be increased to $80 million for fiscal year 1979, and such sums as are necessary for the remaining 2 fiscal years.

Mr. President, I believe S. 2090 is a fine example of the Human Resources Committee's commitment to making reforms, revisions, updates, and additional improvements in the Nation's antipoverty programs. The continuation of these antipoverty programs will reaffirm the Nation's commitment to fighting poverty through coordinated approaches at the Federal, State, and local levels. The provisions of S. 2090 will help assure the continued vitality and improvement of these essential programs.

I urge my colleagues to join me in supporting S. 2090.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, as ranking majority member of the Human Resources Committee and its Subcommittee on Employment, Poverty, and Migratory Labor, I join our subcommittee chairman, the Senator from Wisconsin (Mr. NELSON), our committee chairman the Senator from New Jersey (Mr. WILLIAMS), The Senator from Massachusetts (Mr. KENNEDY) and others, in urging our colleagues to support S. 2090, the Economic Opportunity Amendments of 1978.

The committee bill would extend for three additional fiscal years the authorization of appropriations for the programs administered by the Community Services Administration; as well as the Headstart and Follow Through programs, which are administered by the Department of Health, Education, and Welfare.

More specifically, S. 2090 would reauthorizes titles I (research and demonstration), II (urban and rural community action programs), III (special programs to combat poverty in rural areas), V (Headstart and Follow Through), VI (administration and coordination), VII (community economic development), VIII (native American programs), IX (evaluation) of the Economic Opportunity Act of 1964, as amended, and place authority for programs to assist migrants, the seasonally employed and farmworkers and their families in a new title IV.

COMMUNITY ACTION

Mr. President, the community action programs authorized under title II of the Economic Opportunity Act would be extended for 3 more years (fiscal years 1979–81) under the bill we bring to the Senate today. The essence of these programs is "local initiative," the concept of locally inspired community action to ameliorate the disadvantages associated with endemic urban and rural poverty.

Section 210 provides criteria for the designation of local community action agencies and for the operation of local community action programs, to focus resources upon the goal of self-sufficiency for the poor; section 212 describes the specific powers and functions of CAA's, such as planning and program evaluation, initiating and sponsoring projects, establishing procedures to involve the poor and encouraging community-wide participation; and section 221 prescribes the range of anti-poverty activities for which Federal financial assistance may be provided, including programs in employment, education, housing, consumerism, family planning, alcoholism and drug abuse treatment, health, nutrition and community betterment.

The CAP programs, as they are known, are catalysts for bringing the entire community together in concentrating its resources on the multifaceted problems of the poor. The local CAA is the umbrella organization under which all of the neighborhood projects in the community are organized, so that Federal, State and local funds can be focused in order to assist low income families to help themselves. The objectives are self-sufficiency; the reduction of dependency; and the elevation of the human spirit—human dignity is the thrust and goal of these local initiative programs.

There are 878 community action agencies in the United States, serving 2,212 of the Nation's 3,141 counties. These CAP programs serve 86 percent of the poor people in the United States, with programs like Headstart, elderly feeding, weatherization, basic nutrition, WIC, drug rehabilitation, rural transportation, bilingual education, ex-offenders, and recreation.

Mr. President, the main problem with these programs in recent years has been lack of money. Not only did the appropriations remain around the $330 million level for several years, (appropriations were increased to $369 million in the current fiscal year) the value of which was eroded by persistent inflation, but also Public Law 93–644, the 1974 law, stipulated that the Federal funds matching share would decline from 80 percent in fiscal year 1975 to 60 percent in fiscal year 1977. Thus, in just 2 years the local CAA's were required to double their contribution to the local programs, an especially awesome burden.

S. 2090 proposes to remedy this onerous problem for local communities by specifying an 80 percent Federal share for the 3-year life of the bill. I fought hard for the 80–20 arrangement in the section 221 local initiative program and, indeed, I was joined in 1976 by the Senator from Connecticut (Mr. WEICKER) in introducing a bill (S. 3098) to set the Federal contribution at 80 percent. Our other Federal programs for low income persons, such as CETA and the low income housing assistance program administered by HUD, require no local share whatsoever, and other OEO programs, like Headstart, have retained the 80–20 ratio. I believe the time has come to set this matter straight and make it genuinely possible for local poor communities to help themselves.

Title II also contains in section 222 authorization for a number of "special emphasis programs". These are designed to deal with particularly severe needs of the poor by targeting Federal funds at special purposes, to wit: first, community food and nutrition; second, senior opportunities and services; third, environmental action; fourth, rural housing; fifth, emergency energy conservation services; and sixth, summer youth recreation. Authorizations for these special programs are as follows: $30 million for nutrition; $10 million for senior opportunities; $65 million for energy conservation; and $17 million for summer youth recreation.

S. 2090, in addition both to making public or private nonprofit agencies eligible equally with CAA's for the nutrition and rural housing programs and to returning administrative responsibility to CSA for the summer youth recreation program, would establish a new special emphasis program: "Demonstration Employment and Training Opportunities."

Mr. President, I wish to call the attention of the Senate especially to this important provision of S. 2090. In January of this year, I introduced, as part of my comprehensive manpower action program, a bill (S. 2435, title II) to provide special subsidies for the hiring and training of disadvantaged youth who reside in poverty areas, in local community development corporations established under title VII of this act. My view was that we needed special efforts to reach poverty youth—especially of minorities—and that our antipoverty programs were well suited to that mission.

During our subcommittee markup of this bill our chairman, the Senator from Wisconsin (Mr. NELSON) argued that unfair competitive advantage might be afforded firms which could utilize this cost subvention. I then proposed that special emphasis be concentrated upon the training needs of poor, minority youth. Upon further discussion in our subcommittee, among Senators NELSON, RIEGLE, CRANSTON, CHAFEE and myself, we concluded that what is needed is a "jobs basket" of special, experimental employment, and training programs, targeted at public assistance recipients, single heads of households, older workers, veterans, and of course, youth.

Therefore, S. 2090 would establish a new program aimed at providing innovative approaches to the job and training needs of the disadvantaged. Grants will be made to CAP's and other public and private non-profit organizations to support special programs, particularly those designed to improve the transition of the poor from unemployment or federally assisted employment to unsubsidized employment; and, those training programs designed to place disadvantaged youth in the private sector. In selecting organizations to operate the latter programs, special consideration will be given to the CDC's which, in my judgment, are best suited to carry out this program. We intend to utilize to a very high degree private enterprise.

We are especially interested in the transition from any form of public employment or unemployment to private employment, passing through a training stage.

I would like to emphasize to the Senate what we found in the way of the importance of intermediary voluntary organizations which deal with the individual's problems, many of whom are untrained even for the business of getting up in the morning and going to work.

We find the intermediary organizations, among them the very well-known Opportunities Industrialization Centers and SER, which is heavily in the Hispanic field, and the Vocational Foundation of New York, many of these through the country, to be very admirable transition organizations, giving us an assurance of a much greater degree of of success in their transition than we have heretofore had, and we propose in the bill that there be real concentration on that situation.

Of course, the appropriations will be the big question for section 222(7), but I would hope we could start out at $25 million and reach $50 million by fiscal year 1981.

We must bear in mind that title II is all about: Self-sufficiency and human dignity. Having and keeping a good job at a decent wage is the best way to deal with the plague of dependency that has swept our Nation. The poor want jobs most of all, not handouts—and section 222(7) can begin to help stimulate job and employability development at the local level.

I am deeply indebted to Senator NELSON for his wisdom and personal contribution to the development of this new program which can bring so much to the lives of so many of our poorest Americans.

HEAD START AND FOLLOW THROUGH PROGRAMS

Mr. President, two significant programs which are extended for an additional 3 years under title V of the committee bill are "Head Start" and "Follow Through." Both provide a comprehensive range of health, nutrition, education, parental involvement, and social services to support child development. I wish briefly to describe each of these important programs.

Project Head Start was established by Congress in 1965 as part of President Johnson's "Great Society" program. Today it is funded at about $865 million and serves roughly 400,000 disadvantaged preschool children in both urban and rural areas.

Two key features which have contributed enormously to the success of Head Start are the extensive involvement of parents in the local programs and Head Start's diverse and flexible delivery system. The Federal Government works with the participating families in each

community to select the best possible grantee for that community. These have included community action agencies, local government agencies, private nonprofit agencies, public schools, higher education institutions, and others. The intent is that the grantee selected in each locality be best suited to address the specific needs of that community. Once again, then, Mr. President, we can observe the local initiative that is fundamental to this principle of community partnership with the Federal Government.

Seventy percent of all Head Start programs remain outside the public schools, offering the comprehensive services that are key to their effectiveness. Sixty-five percent of all Head Start children are nonwhite, Hispanic or Indian, while a minimum of at least 10 percent must be handicapped.

The great success of the Head Start program is demonstrated in a recent study conducted by George Washington University. This study concludes that participation in full year Head Start programs produces significant gains in intelligence and achievement, a positive impact on the health and nutritional practices of children, gains in a participant's self-concept when the program includes a high degree of parent participation, and other benefits for children and their families. The Senate rightfully can take great pride in the fact of it's long-term commitment to the Head Start program—a poverty program that has accomplished all we had hoped for it in 1965.

The Human Resources Committee, in its review of the Head Start authorization, was deeply concerned about apparent departmental misinterpretations of the statutory formula contained in section 513. During review of the Economic Opportunity Amendments of 1977 by the House Education and Labor Committee the gentleman from Minnesota (Mr. QUIE) discovered a discrepancy between the Department of Health, Education, and Welfare and the Congressional Research Service in respect of the interpretation and application of the statutory distribution formula for Head Start funds.

Under HEW's interpretation of the provisions of section 513, the hold-harmless and cost-of-living increases were calculated for each State first, and then the distribution formula was applied to the remaining funds. The result for fiscal year 1978 would have been that 16 States would have received less than the minimum amount they were guaranteed under the formula. Under the HEW method, my own State of New York would have received almost $2 million less than its entitlement. In other words, Mr. President, according to CRS the Agency applied the hold-harmless out of proper order and projected cost of living increases for each State on top of those levels.

The Congressional Research Service (CRS) and the General Accounting Office (GAO) concluded that in its planned allocations of fiscal year 1978 funds HEW had not followed the statutory formula. In the judgment of the House and Senate committees and of GAO and CRS, the correct sequence was that the formula should be applied before the hold-harmless and cost-of-living increases are determined.

Since occurrence of the formula controversy last year, the Human Resources Committee has closely monitored this issue and has considered several approaches to remedying the egregious inequities in the distribution of Head Start funds that have characterized the program since the preformula period before 1974. In my judgment, something had to be done to correct the severe imbalances that made it possible for some States to serve 30 and 40 percent of their eligible children while other States, my own included, received only enough funds to serve 12 and 15 percent of their eligible children.

Simply stated, 24 States received less than they were eligible for based on their poverty populations and the remaining States received more than they were eligible for based on their poverty population. I agreed that we did not want to force children or staff out of Head Start programs but felt strongly that we had to begin the process by which States would receive funds according to their relative shares of the poverty population. Thus, I was amenable both to permitting all currently enrolled children to complete Head Start programs and to grandfathering all present staff, but I felt that the practice of concentrating funds in a few fortunate States while high poverty population States received so little, relative to their numbers, had to end.

Our committee deliberated very carefully on this matter and, while personally I was against the idea of perpetuating the 1975 hold-harmless floor for States, I believe the approach adopted by the committee at least begins the process under which the distribution of Head Start funds to the States will be equalized according to their relative needs, and I urge my colleagues to support it.

Accordingly, the formula in S. 2090 reflects the intent of the committee that ultimately all States should be treated equitably; that every State will receive 100 percent of the amount it is eligible for based on its poverty population relative to the total national poverty population.

In respect of the hold-harmless question, the committee adopted the Nelson-Javits proposal to cushion the effect of the formula on previously high benefit States by phasing down from the fiscal year 1978 levels. Thus, in fiscal year 1979, previously hold-harmless States will receive 100 percent of their fiscal year 1978 allocations if the formula would allocate less than this amount.

In fiscal year 1980, that State would receive 90 percent of the fiscal year 1978 level; in fiscal year 1981 it will receive 80 percent of the fiscal year 1978 level, and so on until all hold-harmless payments are phased out. However, in order further to cushion any disruptive effects, the fiscal year 1975 unadjusted allocations will serve as a kind of circuit breaker or floor under this phase-down process. No State will receive less than its unadjusted fiscal year 1975 allocation.

In respect of increases in title V appropriations based upon cost-of-living adjustments, these are to be allocated according to the formula in the bill. Cost-of-living adjustments are not to be added on to the percentage—of 1978—amounts received by the hold-harmless States. Cost-of-living increases are to be distributed automatically according to the formula; they are not to be used to elevate a State's allocation above whatever percentage of 1978 allocations it is entitled to receive for that year.

I wish to emphasize for my colleagues that the provisions of section 513 concerning the distribution of funds represent a rather delicate compromise worked out among those on both sides of this question. For my own part, and as I have already suggested, I had some problems swallowing the idea of establishing a 1975 floor on State allocations. If I had my druthers, no floor would be placed on the stepped phasedown from the fiscal year 1978 hold-harmless levels; this would be the optimal way to achieve complete equity in the distribution of funds.

The compromise initiates the phase-in of total formula reliance; minimizes disruption of existing Head Start programs; and provides States with an identifiable level of funding below which States will never fall. I commend it to the Senate and urge its adoption.

Mr. President, part B of title V authorizes the Follow Through program for an additional 3 years.

Follow Through extends the principles and practices of Head Start into the early elementary grades. Like Head Start, this program is based on local community and parental involvement and affords disadvantaged children and parents an opportunity to take part in positive learning experiences.

Follow Through originated in the Office of Economic Opportunity and is administered today by the Office of Education, HEW. The administration recommended that this program be extended for only 1 additional year, however. I feel that this recommendation was not supportable.

During the reauthorization hearings, testimony was received from directors of Follow Through programs throughout the country, including a representative from the Bank Street College in New York, where the program originated. The testimony confirmed my own view that Follow Through is achieving its purpose and improving the lot of the children, parents, and local communities. Data presented showed that school attendance has been significantly higher for Follow Through participants and that the children now discuss their school experiences at home and expect their parents to take an interest in their work and ideas. In addition, Follow Through programs offer meaningful employment and educational opportunities for the parents themselves.

Mr. President, Follow Through programs have proven to have a most positive impact on children, parents, and local communities. The Human Resources Committee carefully considered the Follow Through program and, in the

end, decided that a 3-year extension of this vital program is fully warranted by the facts.

COMMUNITY ECONOMIC DEVELOPMENT

Mr. President, the committee bill also extends for 3 more years the authorization of title VII of the Economic Opportunity Act—authored principally by the late Senator Kennedy of New York and myself in 1966.

The purpose of this program, Mr. President, is as stated in section 701, "to encourage the development of special programs by which the residents of urban and rural low income areas may, through self-help and mobilization of the community * * * improve the quality of their economic and social participation in community life in such a way as to contribute to the elimination of poverty and the establishment of permanent economic and social benefits."

The principle behind title VII—Community Economic Development—is, at one and the same time, both extremely simple and deeply profound; to wit, that the poor themselves can organize and mobilize local resources in order to stimulate community economic development. The idea is that local Community Development Corporations (CDC's) will receive Federal venture capital which will be used to leverage local resources and to save, expand, or attract private businesses in heavily impacted urban and rural poverty areas. This is really the essence of the community partnership concept Bob Kennedy and I had in mind that the Federal Government and local organizations would be working partners in community revival by marshaling local capital.

Section 712(a) describes the kinds of activities CDC's sponsor, including, first, community business and commercial development programs, in which financial and other assistance, including debt and equity capital, is used to locate businesses so as to provide ownership and employment opportunities; second, community physical development programs, including industrial parks and housing to create new community facilities and improve the environment; third, training and public service employment programs and related services which support and complement community development programs; and fourth, social service programs which support and complement business and commercial development programs, such as child care, health services, credit counseling, energy conservation and recreation.

Mr. President, it is true that performance of CDC's has been somewhat mixed in recent years. The report of the House Committee on Government Operations documented some serious administrative and management weaknesses at the Federal level and in some of the local CDC's. This and other adverse developments prompted OMB, in its original preparation of the Federal budget for fiscal year 1979, to propose a draconian reduction in appropriations for title VII from $48 million to $5 million. While the Senator from Massachusetts (Mr. KENNEDY) and I were somewhat successful in having $20 million of the original cut restored, nevertheless, the President's budget request came in at only $25.8 million.

The community economic development program, it is true, has suffered greatly from the severe recession of 1974–75; the failure of many areas of our country to experience any significant economic revival following the recession; and, most significantly, the inability of some of the more heavily impacted poverty areas to sustain viable business enterprises.

I continue to believe, however, that the successes like Bed-Stuy Restoration and Harlem Commonwealth in my own State of New York and among the other 41 CDC's in 29 States, the District of Columbia, Puerto Rico and the Virgin Islands, demonstrate that this program is efficacious; that it can and does work to improve the quality of life in poverty-stricken communities.

This view has been confirmed recently in the 10th annual report of the National Advisory Council on Economic Opportunity, whose statutory mandate is to advise the Director of CSA in policy matters and to review the effectiveness and operation of programs under the act. The Advisory Council concluded with respect to the CDC program that "the concept of CDC's is viable and, with enlightened and forceful leadership at the national level and financial and operating expertise at the local level, the present inadequacies can be overcome."

More significantly than this, the Advisory Council explained that CDC's must be evaluated on the basis of a standard of performance that takes into account the circumstances in which they operate. Citing data from a study conducted by the Urban Institute, the Council concluded:

> Quite aside from the management aspects, much criticism of CDC performance has been based on criteria that are unrealistic for the circumstances in which CDCs operate. Developing a successful business venture is not easy in the best of circumstances; in depressed areas the risk of failure rises sharply.
>
> CDCs are sensitive to the nation's economy, and a recession such as that experienced in the past few years compounds the problems in the ghettos,the barrios and the pockets of rural poverty where CDCs operate. Therefore, any reasonable measure of CDC performance in recent years must be evaluated within the larger context of conditions that prevailed in the economy as a whole.
>
> A recent independent evaluation of three successful CDCs indicates that even the most successful should not be expected to become fully self-sustaining in less than 15 to 20 years.[55] Considering the economic conditions and the deterioration of the communities in which they operate, the long-term subsidy of CDC projects should be anticipated at the outset, and this factor should be taken into account when evaluating the performance of a CDC.

On the basis of these and other considerations, the Council reached the conclusion that "no antipoverty effort could have a greater or more long range impact on alleviating poverty then CDC programs." This conclusion, from our Government's own highest level advisory body, which has been charged by statute with the responsibility for evaluating our antiproverty programs, stands on its own.

The CDC program Bob Kennedy inaugurated and I cosponsored on the streets of Brooklyn is a beacon of hope during this time of discouragement and despair. Many of the old guard who enlisted in the war on poverty over a decade ago became disenchanted by the torturously slow progress they observed in breaking the poverty syndrome. They failed to realize what Bobby Kennedy and I understood fully that, like our experience with the CDC program, there are no sensational breakthroughs. There are only small miracles—experienced by children, who will better understand our society; by mothers, who yearn to have gainful employment; and by the elderly, who can grow old with dignity because of health and nutrition programs funded under the Economic Opportunity Act.

Mr. President, the CDC program, like our whole antipoverty effort, is about human dignity, self-help, and self-respect. These are not quantifiable goals; not measurable as in the parlance of the military. Instead, these are goals in terms of the human spirit, not merely observed in jobs gained or output produced, but felt in the hearts of men. I hope we would be able to bear this in mind as we consider the bill today.

Mr. President, there are some specific and minor modifications the Human Resources Committee has made in title VII. Most importantly, the financial assistance provisions of section 714 have been clarified, to make clear the intent of the committee that CDC's which have demonstrated successful program performance shall have financial assistance made available through demand deposit accounts payable to the order of the program grantee.

The committee understands the administration's wishes to bring CDC's into conformance with the line of credit approach to program funding, but concludes that CDC's are so unique and so business-oriented that they must be free to operate with greater flexibility and in a business-like way. The tether implied in the line of credit approach to funding CDC's is inappropriate, in my judgment, for a business development program, hence the committee's intention that successful CDC's receive a deposit account.

Finally, Mr. President, I wish to address a particular useful proposal respecting CDC's offered by Senator KENNEDY and myself and adopted by the committee. Under it, a new section 704 would be established authorizing the President to appoint investment advisory boards composed of national or local business leaders at the Federal, regional, State, and local levels. These boards would advise CDC's or, at the national level, the Office of Economic Development, in business practices, investment decisionmaking and, in general, would foster improved working relationships between business, the community and the Federal Government in addressing poverty and poverty-related problems. I be-

lieve the investment advisory boards could be very helpful in improving the business orientation of CSA and in strengthening the linkages between CDC's and the local business community. There is an opportunity for mutually beneficial communication between local businesses and CDC's in most areas, and these boards could maximize those possibilities.

Mr. President, we in the Senate have come a long way both from the halcyon days of the mid-sixties when our anti-poverty effort was just getting underway with great expectations and from the days when efforts were being made to dismantle the programs completely. Today it is said that we need to be more realistic; that we have to plant our feet firmly under us and not raise false expectations about what is achievable in American society. But anyone who, like me, has been to the Harlems, the south Bronxes and the many other devastated areas of our country knows that we are weakened as a Nation while we have such abject poverty amid plenty.

I hope, Mr. President, that we will not become deaf to the pleas of the poor, the sick and the hungry of our country; that we will not sacrifice our dream for a land of equal opportunity on the altar of expediency.

Our colleague, Bob Kennedy, my colleague from New York of revered memory, reminded us so often, and I quote:

We should not just see things as they are and say "why?"; we should see them as they should be, and say "why not?"

Mr. President, I commend S. 2090 to the Senate and urge its enactment.

I yield the floor.

● Mr. DOLE. Mr. President, the Senator from Kansas is quite familiar with the good work being done in his home State by community action agencies and some of the other organizations that receive funds under this bill. Based largely on my contacts in Kansas, I am pleased to join in support of this legislation. Likewise, I have a particular interest in certain programs authorized under this legislation—and would like to make a few comments about those aspects of this bill.

WEATHERIZATION

In Kansas, some of the most important work being done in this area is on weatherization of homes for the elderly. Basically, by insulating homes community action agencies can help people fight spiraling energy costs. In Kansas, and in many other States, the high cost of energy has had a tragic effect on the budget of elderly citizens in older, drafty homes. The unanticipated skyrocketing of heating and electric bills have taken their toll in Kansas—and CSA is trying to lessen the impact through their weatherization program. As an added dividend, this program is helping us find our way out of the energy crunch by cutting down on the total amount of energy required to heat homes.

NUTRITION SERVICES

The nutrition services provided under this act basically serve as a backup to services offered under the Federal Government's other major food programs. Almost half of the persons eligible for food stamps do not, in fact, receive them, and less than 25 percent of those eligible for benefits under the WIC nutrition program receive the food supplement. Many children are not receiving services offered under the child nutrition programs.

While the reasons for this nonparticipation may be varied, a good many exist because of the individual's confusion or misunderstanding about the program.

By offering nutrition services at the local level, the CSA is able to provide a backup to the outreach of the larger food programs. The community food and nutrition program was specifically created in 1968 for this purpose—not to replace, but to augment programs such as food stamps and WIC. Not only does it provide food, but it also assists the disadvantaged by showing them how to grow and cultivate their own foods.

MAJOR SERVICES

The opportunities provided under this bill for services assisting senior citizens are varied. Through the senior opportunities and services program, the CSA works to help soften problems brought on by old age.

Decent food, shelter, and health care are major hurdles for senior citizens to clear. Under the SOS, seniors can either receive services or be referred to the proper agency for assistance with these and other problems.

In addition, many of the programs, such as weatherization and energy saving programs, benefit directly senior citizens, and help to alleviate their difficulties.

HEAD START

Outside of CSA, this bill also provides the authorization for the Head Start program. Few, if any, other programs can boast of such an impressive record of accomplishment. Since it began in 1965, over 6 million disadvantaged preschool children have benefited from programs offered by Head Start. It offers services relating to health, education, nutrition, and social services in general to children and their parents across the country.

In fact, because of Head Start's recognized success there was a widespread protest when the administration suggested transferring Head Start from HEW to the proposed Department of Education. Persons argued that this successful program had a good track record, was operating efficiently, and was thriving. It made no sense to risk its health by grouping it with other education programs. Head Start is much more than just an education program. It serves to administer the total needs of a child, so that he may be prepared to derive maximum benefit from public education.

Studies done on Head Start children indicate that the program is working as planned. Head Start children perform at the same rate or better in reading skills than their peers, and show an improvement on standardized intelligence or ability tests. The child's self-concept and level of maturity seem to be improved after participation of child and parent in Head Start. In addition, Head Start children exhibit signs of better health as a result of services through Head Start.

It is important to note that recent emphasis has been given to serving handicapped children under the Head Start program. In fiscal year 1976 approximately 32,000 children with disabilities were served, and I expect that the number will grow. Ten percent of Head Start slots in the States are directed toward handicapped children.

Many of the benefits derived from the Head Start program are realized because it is popular not only among professionals, but among volunteers and parents. In fiscal year 1977, Head Start employed nearly 68,000 persons to operate the program. In addition, about 95,000 volunteers were used. This clearly indicates the popularity of the program, and the support which it enjoys in the community.

FOLLOW THROUGH

As a sequel to Head Start, the Follow Through programs was created to literally "follow through" with these children to maintain progress realized in preschool activities. Originally started in 1967, this program, too, has grown considerably. Although attempts have been made to phase it out by the administration, each time it has survived to continue serving disadvantaged youth.

Like Head Start, Follow Through also concentrates on serving the total needs of the student, including medical and dental care, nutrition, psychological and social services, and career opportunities. This program also emphasizes the role of the parent in the child's education.●

Mr. NELSON. Mr. President, I yield to the Senator from Pennsylvania who wants to call up an amendment.

The PRESIDING OFFICER (Mr. HODGES). The Senator from Pennsylvania.

UP AMENDMENT NO. 1545

(Purpose: To eliminate fuel bill payment delinquency as the sole criteria for eligibility under the Emergency Fuel Assistance Program)

Mr. SCHWEIKER. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) proposes an unprinted amendment numbered 1545.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, line 17, insert the following:

Section 5(d) is further amended by adding after the word "feasible,"

"Eligibility for any of the programs authorized under this section shall not be based solely on delinquency in payment of fuel bills."

Mr. SCHWEIKER. Mr. President, for the last 2 years the Community Services Administration has directed a program

known as the emergency fuel assistance program. This program has received widespread support in the Senate because of our deep concern for the many poor families and individuals who are particularly hard hit by rising fuel costs and extremely cold winters.

Last year, the Congress appropriated $200 million for this program. Soon afterward I began receiving letters from my constituents in Pennsylvania stating that the funds distributed under the program were going to those who had not paid their fuel bills—those who had paid their bills, regardless of their very low incomes, were ineligible for any type of assistance.

In other words, those who scrimped and saved all winter to pay their fuel bills, those who did without other necessities, could not qualify for any assistance. Others with identical incomes who did not or could not pay their fuel bills, were, in a payment to the fuel companies, reimbursed for up to $250 of their outstanding debt.

I know that none of my colleagues wants to encourage bill payment delinquency. I also know that my colleagues share my strong support for a program which can help out poor people in such a critical way. However, the message my constituents have received from their experience last winter is clear. If they do not pay their bills they will receive some assistance from the Federal Government for their fuel expenses—if they do pay their bills, regardless of their income, or what they had to do to get the money, they are out of luck.

The overwhelming majority here are the elderly poor who cannot stand the thought of leaving a bill unpaid, and would do without many other necessities such as food and clothes before they could ignore an unpaid bill. These people have as much right as anyone else to participate in this program.

In anticipation of problems like this, the Appropriations Committee included strong report language with the supplemental appropriation to assure that any emergency fuel assistance program would not be a program which encouraged bill delinquency. Apparently this language was not enough.

The President has promised that he will deal with the problems of the emergency fuel assistance program by constructing a comprehensive program. I applaud his intentions, but have yet to see any real movement in this direction. Because of the likelihood that no such program will be in place, in the near future, and also the likelihood that this program will be continued for another year and administered by the Community Services Administration, I ask my colleagues to accept my amendment. It would simply require that eligibility for any program set up under the general authority for the emergency fuel assistance program would not be based on fuel bill delinquency. Surely the Community Services Administration will have adequate time to set up a program which will be more equitable in its distribution of funds, and not encourage delinquency of payment of bills.

I have discussed this amendment with the managers of the bill, Senator NELSON, and Senator JAVITS and they have indicated no problems with it. Basically it is a very simple amendment. It provides that eligibility for the emergency fuel assistance program shall not solely be based on the criteria of delinquency in the payment of fuel bills.

Originally, it was the intent of the Congress to help poor families and individuals who were particularly hard hit by rising fuel costs and extremely cold winters. Unfortunately, the way the program is presently run, unless you do not pay your bills, you do not get any help. This is obviously a problem for a lot of senior citizens who dig deep into their pockets because they do not want to be delinquent in their bills.

They are being discriminated against in favor of those who do not pay their bills.

So the word has gone out in Pennsylvania to not pay your bills, and then the Federal Government will help you with your fuel bills.

This amendment has been proposed to overcome this serious problem, and it is consistent with the intent of S. 2090.

Mr. NELSON. Mr. President, I appreciate the Senator from Pennsylvania preparing this amendment. As a matter of fact, it was called to our attention a number of times in the past couple of winters, creating exactly the same kind of problem the Senator from Pennsylvania would wish to correct.

It is a perfectly sound proposal, and I am willing to accept the amendment as a good addition to this bill.

Mr. JAVITS. Mr. President, I am willing to accept the amendment and I congratulate the Senator on this constructive addition.

Mr. SCHWEIKER. I thank the distinguished Senators very much.

I yield back my time.

Mr. JAVITS. We yield back our time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (UP amendment No. 1545) was agreed to.

UP AMENDMENT NO. 1546

(Purpose: To make technical corrections)

Mr. NELSON. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes an unprinted amendment numbered 1546.

The amendment is as follows:

On page 10, lines 20 and 21, strike out "summer youth recreation" and insert in lieu thereof, " 'Summer Youth Recreation' ".

On page 11, lines 7 and 8, strike out "demonstration employment and training opportunities" and insert in lieu thereof, " 'Demonstration Employment and Training Opportunities' ".

On page 17, line 18, strike out "HEAD START" and insert in lieu thereof: "HEADSTART".

On page 18, line 10, strike out "Head Start" and insert in lieu thereof "Headstart".

On page 18, line 13, strike out "Head Start" and insert in lieu thereof "Headstart".

On page 19, line 16, strike out "not".

On page 20, line 8, strike out "families" and insert in lieu thereof "recipients".

On page 21, line 7, strike out "Head Start" and insert in lieu thereof "Headstart".

On page 23, line 9, strike out "Section" and insert in lieu thereof "The first sentence of section".

On page 33, line 21, strike out "local".

Mr. NELSON. Mr. President, this is a technical amendment to the committee bill. This technical amendment is to correct several minor errors in the drafting of the committee bill, S. 2090. It makes no substantive changes in the bill at all.

It has been cleared by the minority leader on his side, and I am prepared to yield back all of my time.

The PRESIDING OFFICER. Is all time yielded back on both sides?

Mr. JAVITS. I yield back our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (UP amendment No. 1546) was agreed to.

UP AMENDMENT NO. 1547

(Purpose: To prohibit the Director of the Community Services Administration from applying population requirements or restrictions as the sole eligibility criterion for community action agency designation)

Mr. NELSON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes an unprinted amendment numbered 1547.

The amendment is as follows:

On page 8, between lines 3 and 4, insert the following:

SEC. 4. (a) Section 210(c) of the Economic Opportunity Act of 1964 (42 U.S.C. 2790(c)) is amended by inserting after the first sentence thereof the following new sentences: "The Director, in determining whether a county or multicounty unit is eligible to be served by a community action agency under this title, shall not apply, as the sole criterion for eligibility, any requirement or restriction relating to the number of individuals residing in the county or multicounty unit if at least 20 percentum of the families and unrelated individuals residing therein have incomes below the poverty line as determined by the Bureau of Census from the most recent census or survey. However, a new community action agency may not be designated under section 210(a) within a county or multicounty unit if—

"(1) such county or multicounty unit has a population of less than 50,000,

"(2) such county or multicounty unit was served by an existing community action agency on June 1, 1978, and

"(3) the new community action agency would serve a smaller geographical area than that served by an existing community action agency on June 1, 1978.".

Page 8, line 4, strike out "Sec. 4. (a)" and insert in lieu thereof "(b)".

Page 8, line 8, strike out "(b)" and insert in lieu thereof "(c)".

Page 8, line 14, strike out "(c)" and insert in lieu thereof "(d)".

Mr. NELSON. Mr. President, I submit an amendment on behalf of Senator

JOHNSTON, myself, and Senator JAVITS. This amendment would prohibit the Community Services Administration from imposing population requirements as a sole condition of eligibility for the designation of a community action agency. The amendment directs the Community Services Administration to disregard population as the sole criterion for eligibility in the designation of community action agencies in a county or multicounty unit whenever at least 20 percent of the families and unrelated individuals residing in such areas are living in poverty.

As provided for in this amendment, the Community Services Administration could not impose an arbitrary population minimum as a sole criterion for determining whether a county or multicounty unit was eligible to have a community action agency designated within the county or multicounty unit. However, the Community Services Adminstriation would still be able to establish eligibility criteria including, but not limited to: The county or multicounty unit's ability to generate the required non-Federal share; their capacity to receive other Federal, State, and local funding; assurances that the unit of local government has not rejected reasonable opportunity to combine with other areas for a community action agency; ability to mobilize local resources; and the ratio of administrative and program costs to services provided.

The amendment also contains a provision which prohibits the designation of a community action agency if three conditions are met. The prohibition on the designation of a new community action agency within a county or multicounty area applies only if: First, the county or multicounty area has a population of less than 50,000; second, the county or multicounty unit was served by an existing community action agency on June 1, 1978; and, third, the new community action agency would serve an area less than that served by an existing community action agency on June 1, 1978.

This amendment has been drafted to protect existing community action agencies and the areas served by existing agencies. In addition, funding for an existing community action agency should not be reduced as a result of the provisions of this amendment.

Mr. President, I believe this amendment will eliminate an artificial barrier to consideration for designating a community action agency, which had been established by the Community Services Administration. It will permit many rural county and multicounty units to have the opportunity to be considered for the designation of a community action agency without being subjected and refused due to population size.

Mr. President, this has been cleared on the minority side. I think it is a good, sound amendment.

I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I consider this a very sound amendment. Though I am a big city person personally, my State is also a very heavily rural State, and I have the utmost sympathy with the rural poor, and will do everything I can at any time to give them more comparability with the urban poor.

This amendment is entirely acceptable to me, and I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

UP AMENDMENT NO. 1548

(Purpose: To provide specific appropriation authorization ceilings, and for other purposes)

Mr. NELSON. Mr. President, on behalf of myself, the Senator from Idaho (Mr. MCCLURE), and the Senator from New York (Mr. JAVITS), I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) for himself and others, proposes an amendment numbered 1548:

On page 7, beginning on line 23—

Mr. NELSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, beginning on line 23, strike out everything from "such" through "years" on page 8, line 2 and insert in lieu thereof: "$5,000,000 for fiscal year 1979, $6,000,000 for fiscal year 1980, and $8,000,000 for fiscal year 1981".

On page 14, strike out lines 1 through 6 and insert in lieu thereof: (b) Section 244(2) of the Act is amended by striking out "$15,000" each time it appears and inserting in lieu thereof "$18,000".

On page 14, strike out lines 21 and 22 and insert in lieu thereof: "$3,000,000 for fiscal year 1979, $5,000,000 for fiscal year 1980, and $7,000,000 for fiscal year 1981.".

On page 17, beginning on line 15, strike out everything from "such" through "years" on line 17 and insert in lieu thereof: "$3,000,000 for fiscal year 1979, $5,000,000 for fiscal year 1980, $8,000,000 for fiscal year 1981".

On page 23, line 12, strike out "$90,000,000" and insert in lieu thereof "$70,000,000".

On line 13, strike out "$110,000,000" and insert in lieu thereof "$85,000,000".

Beginning on line 13 and ending on line 14, strike out "$130,000,000" and insert in lieu thereof "$100,000,000".

On page 29, line 11, strike out "$80,000,000" and insert in lieu thereof "$70,000,000".

On line 12 and 13, strike out "and such sums as may be necessary for each of the two succeeding fiscal years" and insert in lieu thereof "$85,000,000 for fiscal year 1980 and $105,000,000 for fiscal year 1981".

On page 35, strike out lines 4 and 5 and insert in lieu thereof: "$4,000,000 for fiscal year 1979, $7,000,000 for fiscal year 1980, and $10,000,000 for fiscal year 1981.".

Mr. NELSON. Mr. President, Senator MCCLURE raised some concerns he had in regard to the authorization levels actually specified in the committee amendment and the "such sums" authorizations provided for in the committee amendment. This amendment I have offered is the result of the cooperative effort of Senators MCCLURE, JAVITS, and myself to address Senator MCCLURE's concerns.

The amendment would lower the authorization for appropriations ceilings for the Follow Through program to $70,000,000 in fiscal year 1979, $85,000,000 for fiscal year 1980, and $100,000,000 for fiscal year 1981; and for the community economic development program to $70,000,000 in fiscal year 1979, $85,000,000 in fiscal year 1980, and $105,000,000 in fiscal year 1981.

In addition, the amendment would establish authorization ceilings of $5,000,000 for fiscal year 1979, $6,000,000 for fiscal year 1980, and $8,000,000 for fiscal year 1981 for research and demonstration; $3,000,000 for fiscal year 1979, $5,000,000 for fiscal year 1980, and $7,000,000 for fiscal year 1981 for special programs to combat rural poverty; $3,000,000 for fiscal year 1979, $7,000,000 for fiscal year 1980, and $8,000,000 for fiscal year 1981 for migrant activities; and $4,000,000 for fiscal year 1979, $7,000,000 for fiscal year 1980, and $10,000,000 for fiscal year 1981 for evaluation. The amendment would also establish $18,000 as the compensation limit for community action employees.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. NELSON. I yield the floor.

Mr. JAVITS. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I would like to pay a tribute to Senator MCCLURE. I know his views. He is just as much for the poor as I am, but he thinks we waste an awful lot of money. I rather admire his insistence in being specific on the figures.

The figures have been substantially reduced. Our colleague from Wisconsin did not mention that, but I think we should mention it. We have come down from $90 million to $70 million for the first year on Follow Through, and thereafter we reduced the figures consistently. We have come down from $80 million to $70 million on community economic development, and thereafter reduced the figures in keeping with that.

The Senator, especially in the present atmosphere, could have made quite an issue of this, and perhaps reduced it even more, I do not know; but he gave us his honest appraisal of what he considered to be fair, and we worked with him and arrived at an agreement.

I thought the figures we had were fair or I would not have voted to put them in, but nonetheless these are matters of judgment, and I respect the judgment of our colleague from Idaho.

Most importantly, this is an illustration of the fact that in a matter as sensitive and human as the antipoverty program, our colleague Senator MCCLURE preferred to deal with the ultimate fact rather than give some display of his own ideological views. Either way, I admire that, and consider it a very creditable example of the way in which we should operate in the Senate; and I thank him very much for his cooperation.

Mr. MCCLURE. I thank the Senator for his comments. I appreciate the fact that we have been able to work out an agreement on the ceilings, not only for

the next fiscal year but for the succeeding fiscal years, which I think was a matter of extreme concern to me and to some others.

I think we have been able to resolve it in the way in which the Senator from New York usually conducts himself, with an open-minded inquiry as to what could be done to accommodate differing points of view. I appreciate the fact that the Senator from New York and the Senator from Wisconsin have offered this amendment, and do support it.

Mr. NELSON. I yield back the remainder of my time.

Mr. JAVITS. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing, en bloc, to the amendment (UP No. 1548) of the Senator from Wisconson (Mr. NELSON).

The amendment, en bloc, was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAVEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1549

(Purpose: To revise the poverty line determination for States with extremely high cost of living levels)

Mr. GRAVEL. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL) proposes an unprinted amendment numbered 1549:

On page 23——

Mr. GRAVEL. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, between lines 3 and 4, insert the following: (i) Section 525 of the Act is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) (1) In defining the official poverty line as required by subsection (b) of this section, the Director of the Office of Management and Budget shall establish the poverty line so that in any State in which there is a metropolitan area which has a lower living standard income level which is at least 25 per centum above the urban United States average lower living standard income level, the poverty line shall be adjusted upward by a per centum calculated by adding three-fourths of the per centum difference between the lower living standard income level of the State and the urban United States average lower living standard income level.

"(2) For the purposes of paragraph (1)—

"(A) the term 'lower living standard income level' means that income level (adjusted for regional and metropolitan and urban and rural differences and family size) determined annually by the Secretary of Labor upon the most recent 'lower living standard budget' issued by the Bureau of Labor Statistics of the Department of Labor; and

"(B) the term 'urban United States average' means the average designated by the Secretary of Labor for all urban areas of the United States issued in conjunction with the lower living standard income level.".

On page 28, between lines 19 and 20, insert the following:

(j) Section 625 of the Act is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) (1) In defining the official poverty line as required by subsection (b) of this section, the Director of the Office of Management and Budget shall establish the poverty line so that in any State in which there is a Metropolitan area which has a lower living standard income level which is at least 25 per centum above the urban United States average lower living standard income level, the poverty line shall be adjusted upward by a per centum calculated by adding three-fourths of the per centum difference between the lower living standard income level of the State and the urban United States average lower living standard income level.

"(2) For the purposes of paragraph (1)—

"(A) the term 'lower living standard income level' means that income level (adjusted for regional and metropolitan and urban and rural differences and family size) determined annually by the Secretary of Labor upon the most recent 'lower living standard budget' issued by the Bureau of Labor Statistics of the Department of Labor; and

"(B) the term 'urban United States average' means the average designated by the Secretary of Labor for all urban areas of the United States issued in conjunction with the lower living standard income level.".

On page 28, line 20, strike out "(j)" and insert "(k)".

On page 28, line 24, strike out "(k)" and insert "(l)".

Mr. GRAVEL. Mr. President, this amendment provides that in any State where there is a Bureau of Labor Statistics lower urban family budget which is at least 25 percent above the urban U.S. average, the Director of the Office of Management and Budget shall adjust the poverty line upward by a percent calculated by adding three-fourths of the percent difference between the lower family budget of that State and the urban U.S. average family budget to the existing poverty level.

Mr. President, OMB issues one poverty guideline for the lower 48 States and provides a 15-percent upward adjustment for Hawaii and a 25-percent upward adjustment for Alaska. A 25-percent adjustment woefully understates the cost-of-living problem in my State. It is based on a 1949 law creating the civil service cost-of-living allowance, which allows a 25-percent tax-free pay supplement to Federal employees in Alaska. When poverty guidelines were first issued in 1967, the Office of Economic Opportunity recommended a 37-percent adjustment. The Bureau of the Budget rejected this recommendation. Today, the nearest estimation of poverty, the Bureau of Labor Statistics lower family budget, shows that the Anchorage index is 166 compared with an urban U.S. average of 100.

If one were to examine the areas of the United States generally thought to be high cost areas, it would be quite clear that the problem in Alaska is a totally different magnitude. For instance, the index for New York is 108, Boston 111, Washington, D.C. 106, and San Francisco 109. Compare this to Alaska's 164.

Mr. President, Anchorage is the only city in the Nation for which the poverty guideline for a four-person family is less than half of the equivalent BLS urban family budget. The cost of goods and services in other Alaskan cities and especially in the rural areas is considerably higher than in Anchorage. The State of Alaska has compiled some figures for remote areas of my State, based on an urban U.S. average of 100 and an Anchorage index of 159. The indexes for certain areas in Alaska are.

Aleutian Islands	201
Barrow	181
Bethel	207
Dillingham	201
Fairbanks	183
Galena	213
Nome	201
Valdez	189

This higher rural cost of living is currently recognized by a wide range of institutional adjustments, including cost-of-living entitlements for employees and programs of the State government and the per diem allowances for Federal employees. A Federal employee who travels to Anchorage receives a per diem allowance which is 69 percent above the U.S. maximum rate.

Mr. President, this is the equivalent of a person from the Office of Economic Opportunity traveling to the State of Alaska to examine what the situation is there with respect to poverty, and he gets a 69-percent differential, recognizing the difference in the cost of living, but the people he is ministering to can only get 25 percent, and they are the poor—a gross, gross, gross inequity.

If he goes to Barrow, he or she gets a per diem 126 percent above the U.S. rate. Yet the poverty guideline for low-income residents is adjusted a woeful 25 percent. By contrast, rural areas in the rest of the United States invariably have a lower estimated cost of living than urban centers.

What has been the result of this inequity? A recent New York Times news article indicated that an official of the Community Services Administration felt that the poverty guidelines are unrealistically low for the entire Nation and that the Bureau of Labor Statistics data are considerably more reliable.

If the data we have—we do not have to spend any more money to find out what is going on—we have this BLS data for Anchorage. Unfortunately, we do not have it for the rest of the State, but we will be content to accept an adjustment based upon the data we have.

The official is quoted as saying:

Those poverty guidelines limit participation . . . There are probably millions of people who are not eligible because the figures are what they are. Some of the great inequities involve people who are just marginally above the poverty level.

In Alaska, this effect is particularly pronounced. I wish to quote from a letter from Alaska's Commissioner of Community and Regional Affairs.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAVEL. I quote from the letter:

Our Governors have repeatedly asked for more realistic guidelines to allow Alaska's poor to avail themselves of programs designed to assist low-income people, but not low income Alaskans. Access to Head Start programs are denied to children because the father had a good fishing season last year. Yet, if the income were viewed from what the earned dollar would buy in Virginia or North Dakota, these children would be eligible. Weatherization programs, so badly needed in Alaska's extreme climatic conditions, are denied because people worked for six weeks fighting the ravaging tundra fires. They would be eligible in Maine or Idaho, except for the price and wage structure.

Mr. President, the State of Alaska recently contracted with the respected firm of Robert R. Nathan Associates in Washington, D.C., to study the problem of Alaska's cost of living and Federal poverty guidelines. The basic recommendation contained in the study is that Alaska's poverty guideline should be 60 percent above the Lower 48 level.

The amendment I offer today will peg the poverty level in high cost areas to the Bureau of Labor Statistics data. The proposed adjustment would only take place in those areas where there is clear evidence of a cost-of-living problem of a large magnitude, as measured by the 25-percent figure.

The adjustment would work in this way. Metropolitan area A in State B has a lower living standard income level as determined by BLS to be 50 percent above the U.S. average. State B shall be eligible for an adjusted poverty level. Such adjustment would be three-fourths of the 50 percent, or 37.5 percent.

I think this is very, very generous and leaves a great margin between the discrepancies involved.

Presently, only two States would be affected by this amendment. Honolulu, Hawaii, has a lower living standard income level 27 percent above the U.S. average, making Hawaii eligible. Anchorage, Alaska, has a lower living standard income level 66 percent above the U.S. urban average, making Alaska eligible.

The poverty level for a nonfarm family of four for 1978 is $6,200. For Hawaii, the poverty level would be adjusted upward by 20.2 percent to $7,452.

This is nothing that is going to rack the budget of the United States.

For Alaska, the poverty level would be adjusted upward by 49.5 percent to $9,269.

I am not adjusting it up to the full 66 percent. I am only adjusting it up to the 49.5 percent, to $9,269.

Approximately 15,608 people would be added to the poverty population in Hawaii. In Alaska, about 12,449 would be added.

Mr. President, there seem to be two arguments against this amendment. First, it has been argued that this amendment would create uncertainty as to the distribution of Federal funds under programs which employ the poverty level. This argument is based on the assumption that adoption of the amendment would have a major impact on formula allocations. This seems ridiculous in light of the magnitude of numbers being discussed here. There are currently about 24 million poor persons in the United States. My amendment would add 28,000 people to the poverty classification, or 0.11 percent. Alaska currently has 0.13 percent of the Nation's poor people. Under the amendment, this would increase to 0.19 percent.

The second argument raises the specter of precedent, that adoption of this amendment would create a precedent for opening eligibility to Federal programs on a cost-of-living basis. Let me remind my colleagues that this precedent already exists. As a matter of fact, the Domestic Volunteer Services Act, which was recently reauthorized upon the recommendation of the Senate Human Resources Committee, contains a provision allowing the Director of ACTION to adjust income eligibility levels "as appropriate to local situations." Under that provision, the Director adjusts the income eligibility levels according to the amount of the State supplemental security income supplement.

The level for Alaska is 53 percent of the U.S. average, which, of course, is higher than what would be the case in what I am asking for today, of 49.5 percent.

Mr. President, this amendment would have a distinctly minor impact on the distribution of Federal funds. But as a matter of equity, this amendment proposes to refine the definition of poverty to include many people who are "truly poor."

I hope this amendment is acceptable to the managers of the bill.

I appreciate the time that I have taken of the Senate in this regard. I reserve the remainder of my time.

Mr. NELSON. Mr. President, Senator GRAVEL has redesigned the poverty index to compensate those areas of the country which have an extremely high cost of living. Senator GRAVEL testified before the Human Resources Subcommittee on Employment, Poverty, and Migratory Labor regarding his concern that the cost of living in Alaska is so disproportionately high in comparison to the other 48 continental States. In response to this situation in Alaska, Senator GRAVEL is proposing to more adequately define poverty "in any State in which there is a lower living standard income level which is at least 25 percent above the urban U.S. average lower living standard income level."

Mr. President, this amendment has a very serious technical flaw. The flaw is that the lower living standard income level is not measured by State. Rather, the Bureau of Labor Statistics (BLS) measures the lower income level by four regions of the country—the Northeast, North Central, South, and West. The BLS also measures lower living income level for a family of four in 40 standard metropolitan statistical areas. According to the BLS, it would be statistically impossible at this time to produce a lower income standard level in the 50 States.

Senator GRAVEL's amendment as it is now drafted could not be implemented.

Mr. President, at the time of the implementation of the Economic Opportunity Act (1964), the newly established Office of Economic Opportunity accepted as its official definition of poverty a statistical measure of poverty developed by the Social Security Administration. This measure was designated by the Bureau of the Budget and later by its successor agency, the Office of Management and Budget, as the official statistical series to be used to measure poverty. The OEO/CSA poverty index is based on this poverty index, which OMB recognizes as the official program definition of poverty.

Sections 525 and 625 of the Economic Opportunity Act require that all programs under the act use the OMB official poverty line and that the poverty line be revised annually according to the increase in the consumer price index. There is one national poverty guideline (varied by household size) for the 50 States and the District of Columbia. The poverty guidelines for Alaska and Hawaii, however, are adjusted 25 percent and 15 percent, respectively, above the national average level. These adjustments for Alaska and Hawaii were established by OMB arbitrarily on the basis of the salary adjustments specified by the Civil Service Commission to Federal employees in Alaska and Hawaii. Currently, CSA poverty guidelines are:

Non-farm family of 4:

National	$6,200
Alaska	7,750
Hawaii	7,130

The Gravel amendment would amend sections 525 and 625 to provide that for any State with a lower living standard income level (as defined by the Bureau of Labor Statistics) which is at least 25 percent above the urban U.S. average lower living standard income level, the poverty line for that State shall be adjusted by adding three-fourths of the difference between the State's lower living standard income level and the urban U.S. average lower living level to the national poverty level.

Mr. President, I must emphasize at this time that the Economic Opportunity Act is the cornerstone of all Federal statutes, programs, and efforts aimed at the reduction of poverty in this country. It is under the authority of this act that the first official poverty index for Federal program use was designated by the Office of Economic Opportunity. As a result of the enactment of this act the Office of Management and Budget was compelled to designate an official governmental poverty index for statistical use and for program use. Any changes we make here today in the poverty index formulation will have an impact far beyond the programs authorized by the Economic Opportunity Act.

IMPACT ON THE ECONOMIC OPPORTUNITY ACT

Raising the poverty line for any State will impact on both the numbers of people eligible for all the programs under the act and will affect the distribution of funds under the Head Start program. Neither the Human Resources Committee nor the Senate have had the opportunity to examine the impact of this amendment on the numbers of persons that would be affected by this change. I do not believe we should proceed with this amendment until such pertinent data is available to us.

IMPACT ON OTHER STATUTES

There are four other statutes which contain direct reference to section 525 or 625 of the Economic Opportunity Act for purposes of defining poverty. The programs affected are the food stamp program, a nutrition education program, VISTA, the foster grandparents program, and CETA. Any change in the way in which poverty is determined under the Economic Opportunity Act will directly impact on these programs and their authorizing statutes. In addition, the Senate recently passed S. 3085, the Child Nutrition Amendments of 1978. This legislation contains a direct reference to section 625 of the Economic Opportunity Act, which would affect the eligibility factors for participation in the national school lunch free and reduced-price meals program.

There are also at least 294 other statutes which contain references to "poverty," "poor," and "low income." The terms are used with reference to an eligible population or to guide the distribution of funds, but are often not defined or are left to the discretion of OMB.

The direct impact of this amendment on entitlement programs alone will mean significant increases in Federal expenditures in the States affected.

The amendment will introduce a new and different measure, the BLS lower living standards income level, to determine poverty. This measure would benefit many States if it were applied to all the States—the national lower living standard is $10,481 compared to the national poverty standard of $6,200 for a family of four. For example, the cost of living in States like New York and California is known to be much higher than most other States. In fact, the national poverty index probably does not adequately portray a realistic poverty level for these States. If we were to prescribe a change in the poverty index for Alaska and Hawaii through the use of a totally different measure of standards of living, it might be equally important to do so for States like New York and California, or for different regions of the country. However, since the Bureau of Labor Statistics does not compute the lower living standard on a State-by-State basis, this would not be possible at this time.

The use of the lower living standard or a percentage of it for all States would greatly expand the number of people counted as living in poverty and would result in sizable increases in Federal expenditures. Changes such as this would never be made by the Human Resources Committee or the Congress without substantial evidence that such changes would affect a more realistic measure of poverty. The Gravel amendment should be subjected to an evaluation and hearing process which would enable such evidence to be established before an action is taken that will impact on programs which are beyond the purview of the the Economic Opportunity Act.

Mr. President, I believe it would not be advisable to accept the Gravel amendment. I do not dispute the Senator's belief that the current poverty index may not be the best measure for determining poverty in Alaska and Hawaii. I suspect that if this is true for Alaska and Hawaii, it is true for other States as well.

I do not believe we have any evidence before us that substantiates why the amendment's prescribed technical adjustments in the poverty line are the best and most accurate method for determining poverty levels in these States. I think we should have the opportunity to examine various approaches to such adjustments and to build an adequate record substantiating such adjustments.

In addition, it is vital that, before any such changes are made, we thoroughly evaluate and understand the ramifications such changes could have for other programs.

Mr. President, let me say to the Senate that the distinguished Senator from Alaska appeared before the Committee on Human Resources on two items. One was this poverty index adjustment item; the other was the Head Start program, on which he made a very compelling argument that there was a problem, especially in the smaller rural communities of Alaska concerning a small number of children not being eligible to participate in the Head Start program. We made adjustments to meet that situation, because we were satisfied, after looking at it, that the Senator from Alaska was correct, even though the administration opposed the change that we made. The distinguished Senator from Alaska may very well be right that some change, some formula change, some accommodation, ought to be made respecting the circumstances raised by the Senator's poverty index adjustment amendment.

I am not here arguing the merits of that question. What I am saying is that we have looked at it and we do not know what the answer is exactly, at this time. I commend the Senator from Alaska for raising the question.

I say to him, as chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, that I view it as an important question and that, because of his conscientious attention to it and calling it to our attention, I am prepared to hold hearings later this year, call in the experts from the administration, the Bureau of Labor Statistics, and carefully evaluate the the standard that we are using; making sure, at the same time, that any changes we make do not create another discriminatory situation—if this is, in fact, a discriminatory situation—against any other States or municipalities in the country, because it is an issue with ramifications for several other statutes.

I reluctantly advise the Senator from Alaska that I cannot agree at this time to go along with the amendment the Senator has suggested, but that we are willing to have hearings on it and, at that time, hear further from the Senator from Alaska. In the meantime, we shall ask the Bureau of Labor Statistics and other appropriate agencies to come back and advise us.

From other statistics I have looked at on the cost of living, for example, there are other places in the United States where the increase in the cost of living, according to the Bureau of Labor Statistics, is higher than the increase in Alaska. I would be concerned about making an adjustment that suddenly had ramifications across the country which we had not anticipated.

I understand that our distinguished colleague, the senior Senator from New York, wished to comment on this issue in general and some other aspects, perhaps, in particular.

Mr. President, I ask unanimous consent that Babette Polzer of Senator CRANSTON's staff be granted the privilege of the floor during the debate, consideration of the rollcalls on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, I identify my position as being that of Senator NELSON as he has stated it. I am sympathetic to the problems of Alaska. I want to do anything I can to help further, if that is justified by the facts.

He has already pointed out that the lower living standard budget is not the only standard; a comparable standard, in this situation and perhaps the closest one we have now—which by no means forecloses the matter—is the consumer price index. On the consumer price index, Anchorage does, in fact, better than many other places in the United States. For example, the latest Bureau of Labor Statistics figure for the Middle Atlantic region shows Anchorage at 184 in the cost-of-living index, with 1967 as 100. That same index shows New York to be 194, Chicago to be 189, Detroit to be 192, the suburbs of Los Angeles, including Los Angeles, to be 191. Philadelphia to be 191, and so on. The point is that other data show that other areas of the country have very high costs of living, too. Alaska is not alone.

Mr. President, I ask unanimous consent that this table, insofar as it relates to the consumer price index for urban consumers, issued by the U.S. Department of Labor, may be made part of the Record in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
[Selected areas, all items index, 1967=100 unless otherwise noted]

Area[1]	Indexes				Percent change to May 1978 from—	
	February 1978	March 1978	April 1978	May 1978	May 1977	March 1978
U.S. city average	188.4	189.8	191.5	193.3	7.0	1.8
Chicago, Ill. Northwestern Ind	164.7	186.3	187.5	189.0	8.4	1.4
Detroit, Mich	185.6	188.4	190.2	192.3	7.3	2.1
Los Angeles-Long Beach, Anaheim, Calif	186.5	187.4	189.6	191.5	7.3	2.2
New York, N.Y.-Northeastern New Jersey	190.8	192.2	193.5	194.6	5.4	1.2
Philadelphia, Pa.-New Jersey	188.2	189.6	190.8	191.7	4.7	1.1
Anchorage, Alaska		180.7		184.2	[2] 4.6	1.9
Baltimore, Md		195.7		198.0	[2] 7.2	1.2
Boston, Mass		188.2		190.7	[2] 4.0	1.3
Cincinnati, Ohio-Kentucky-Indiana		192.3		197.5	[3] 9.3	2.7
Denver-Boulder, Colo		195.1		198.5	[2] 8.0	1.7
Miami, Fla		102.2		102.8		.6
Milwaukee, Wis		186.3		188.7	6.0	1.3
Northeast Pennsylvania		187.0		190.0	6.1	1.6
Portland, Oreg.-Washington		191.7		195.3	[2] 9.2	1.9
St. Louis, Mo.-Illinois		184.0		189.5	[3] 7.5	3.0
San Diego, Calif		191.4		195.5	8.3	2.1
Seattle-Everett, Wash		187.2		193.5	9.8	3.4
Washington, D.C.-Maryland-Virginia		191.5		194.7	6.9	1.7
Atlanta, Ga	186.1		188.5			
Buffalo, N.Y	187.5		189.0			
Cleveland, Ohio	186.6		190.3			
Dallas-Fort Worth, Tex	186.7		189.3			
Honolulu, Hawaii	178.0		181.4			
Houston, Tex						
Kansas City, Mo-Kansas	163.8		188.9			
Minneapolis-St. Paul, Minn.-Wisconsin						
Pittsburgh, Pa						
San Francisco-Oakland, Calif	189.2		192.0			

[1] Area includes the urban portion of the corresponding standard metropolitan statistical area-(SMSA) for Los Angeles-Long Beach, Anaheim which is an aggregation of 2 SMSA's and for New York and Chicago which are the more extensive standard consolidated areas. Area definitions are those established for the 1970 census and do not include revisions made since 1970.

[2] Annual rate based on 10-mo change.
[3] Annual rate based on 11-mo change.

Mr. JAVITS. Also, it is to be noted that the poverty line, as defined in the act in sections 525 and 625, relates to the percentage changes in the Consumer Price Index rather than the changes in the lower living standard cost, the budget.

So for these reasons, Mr. President, I am concerned, as is Senator NELSON, and oppose the amendment. I realize that the Senator wishes to press it and have a vote and, of course, he shall have it. I believe that notwithstanding the vote, whatever it may be, and I hope the amendment is rejected, or a motion to table, if made, is sustained, I shall dedicate myself, as Senator NELSON has said, to trying to find, perhaps, a better resolution.

We realize the problems, of course. We realize them also for certain other cities in the United States, as I have just mentioned, and it may be we have to consider the whole problem. It may be that that will open up such a can of worms that it will not be very good for the poor.

So these are considerable, and here are some millions as against 25,000 who might benefit from this amendment in Alaska.

So for those reasons of justice, Mr. President, because of our interest in the basic objective of this legislation, I join with Senator NELSON in opposing the amendment.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. GRAVEL. Mr. President, I am really very surprised at the quality of opposition arguments from two very distinguished Members of the Senate, for whom I have great admiration and great respect, and have always found them to be very sensitive to the wants of the poor and the needy.

To begin with, starting with my good friend from New York (Mr. JAVITS), I do not think he is telling me and the rest of the Nation and the people of New York City that the cost of living is higher in New York City than it is in Anchorage, Alaska.

If that is what he is telling me, I would like to get that very clear. What I will do is be happy to pay for a trip for anybody he wants to send to Alaska, to go into a supermarket and have that person come back and tell us. I do not think, with a straight face, he can tell me or anybody else the cost of living in New York is higher than it is in Alaska.

That is really the figures they are throwing out, a CPI of 184. Actually, I do not think it is a very fair approach and certainly not up to the caliber of the distinguished Senator from New York.

He is using the rate of change, of recent change, and there has been a higher rate of change very recently. There was not during the construction of the Alaska pipeline, our inflation rate was 17 percent per year for 3 years.

So the inference made by the distinguished Senator is not, clearly not, that the cost of living is more in New York because that is what the cost of living right there is in New York. It is 108, and in Anchorage it is 159. That is the difference in the cost of living, and that is considerable.

So I would hope my colleague would not take umbrage of the manipulative statistics that have been put out.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. JAVITS. I yield 5 minutes to the Senator on the bill.

Mr. GRAVEL. I thank my colleague.

One can play with figures, but I think these figures are very clear. I think just empirical observation makes it very clear the cost of living is considerably higher in the State of Alaska.

So I think it was an unfortunate use of figures to try to make a point. I think the point does not exist. The poor are poor and, when it costs more to live in an area, there are more people that come under the umbrella of being poor.

We can tun our back on that. We can then move to what my distinguished colleague from Wisconsin served up, and this caused me great chagrin, I can understand why there is so much gobbledygook downtown with the bureaucracy because that is what has been served up right here.

My amendment has already been modified, so that we used the Metropolitan Area Bureau of Labor Statistics data. Now, those statistics are there. We do not have to reinvent the wheel.

I think the statement by my colleague with respect to "they can't do it," they are already doing it for CETA. So there is no reason why we cannot do it.

I listened to the rest of the figures. The impact, as I said in my statement, is a minuscule six one-hundredths of 1 percent. That is the impact.

Now, I do not know why this is receiving such resistance from two distinguished Members who have demonstrated throughout their careers great sensitivity to the poor.

I think they are captives of the staff. I think they are captives of the Federal bureaucracy. They want to have hearings. How much time does the committee have?

Mr. NELSON. If the Senator will yield on that point, I object to his rhetoric. The Senator came in with a proposal before the Human Resources Committee regarding the Head Start program. The administration opposed the Senator's proposal. I said to the administration, "You are wrong." We accepted it because we thought the facts justified it.

In this case, there are a number of imponderables that are not settled. They need hearings, and the only person that we have not yet heard from is the Senator from Alaska.

The Senator from Alaska may be prepared to legislate off his sleeve, the Senator from Wisconsin is not. When we have the facts, if they are justified, I will support the Senator from Alaska. But until then, I will not.

Mr. GRAVEL. Let me just say that the facts are not so difficult to get. We can make a Federal project out of getting the facts. That seems to be what we are about.

Let me just explain the amendment that the Senator was generous in giving me, and I want to thank——

Mr. NELSON. We have looked at the amendment.

Mr. GRAVEL. I am very grateful.

Mr. NELSON. There are contradictions in there. We have pointed them out. We know what the amendment does. We do not know what the impact or ramifications are.

We are prepared to give the Senator a hearing, so we can hear from the Bureau of Labor Statistics, and from the Senator from Alaska. But we are not prepared to shoot in the dark and take an amendment of this kind.

Mr. GRAVEL. I just want to outline to my colleague, the purpose of that other amendment. I came to the committee with two proposals, one very minor, one which impacts six one-hundredths of 1 percent, the other proposal was Head Start.

We have communities in Alaska where there are little kids who, because their fathers earn money, cannot go to a Head Start school. There happen to be two or three sometimes in these village communities.

So the committee in its largesse was willing to let them go to school rather than suffer the stigma of being the only children in the village, one or two, not being able to attend school.

It did not cost the Federal Government 1 sou. It did not take any great imagination in terms of the program.

All it did was open one's heart a bit to look at logic and say that it is a ridiculous situation in a community of 500 not to let two little kids go to school regardless of what color they were.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRAVEL. I will be happy to debate it at some length and will submit another amendment——

Mr. JAVITS. I yield an additional 5 minutes to the Senator.

Mr. GRAVEL. I thank my colleague for yielding me an additional 5 minutes.

I do not mean to get overwrought about this, but I think we are making a Federal case out of something that does not exist. It does not take a tremendous amount of intelligence to look at the impact. The impact is so minuscule.

We are talking about people, dealing with 24 million poor people. I am talking about 12,000 in Alaska, talking about aiding 28,000. It is a field of 24 million people and the Senator is worried about the impact.

We are going to spend more time and waste more money holding committee hearings and bringing the people down from the Executive up to the Hill, the amount of cost that will be involved there will have more impact on the budget than this will.

It is not very complicated to understand what it means to be poor.

Mr. NELSON. All right, we will withdraw the offer to have a hearing.

Mr. GRAVEL. Good. Since we cannot have a hearing on the subject, and I agree with my colleague, I think it would be unwise. I think anybody can look at this to see the impact.

Does my colleague from Wisconsin think in the field of 24 million, 28,000 is going to have any real impact on the budget?

That is really what it is. Those are the numbers involved.

The Senator had an objection with respect to the amendment, and we have satisfied that objection. We do not have the ability to go into all these communities. Those are statistics made available by the State. But we do know what it is for Anchorage, and we have that, and it is the Federal Government that develops those statistics for Anchorage.

We are not saying, "Open the doors of the Federal Treasury." We are saying, "If you are 25 percent above the cost of living, then we trigger into place a formula."

I cannot understand the intransigence of the committee which generally, in my mind, has performed beautifully, under the able leadership of sensitive men. I do not know why they would dig in their heels on this, when we have had repeated meetings on the subject. It is not as if I am asking for a great deal. These people are poor. They do not have any representation.

Mr. NELSON. That is right.

Mr. GRAVEL. They do not have any constituency. They are forgotten. It is a tragic situation.

I do not know why the committee will not bend a little, in a little human kindness, just to let these people have a little break—28,000 people who are poor.

I am not opening up the entire field, because obviously there are more poor people than that. But I have segregated it. I have started it at an area that has 25 percent or more, and then I am not taking all of it. I am only taking three-fourths of it.

This is only an attempt, as I have said, to try to accommodate the committee. I hope the distinguished chairman, who is a man of great sensitivity and a man of great heart, will reevaluate his position.

I am not asking for a great deal. I am just asking for a little toehold for 28,000 people who are truly poor, who will not get the benefits of Federal programs. It is just not right. I do not need a large, rhetorical argument. It is just not right. I do not understand why the committee has not been more receptive, more sensitive to this. It just baffles me.

Then I am responded to with the possibility of a hearing. I appreciate the courtesy that would be extended to me in a hearing, but I do not want to use the time of my colleagues more than necessary in this regard. I do not think this is terribly complex. I believe that anyone who can read the English language can recognize that we have a Federal Government agency that collects figures; these figures apply to all the major areas of the United States; and these figures show that we have a very high cost area and that that high cost area could be accommodated to some degree with respect to its poor people.

We look at the U.S. average, using 100. New York City has 108. That does not speak to the rapid changes that may take place in New York City. I am sensitive to New York City. I am going to try my best to rehabilitate that great metropolis, which I think is the capital of the world.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. GRAVEL. If there is additional time and they are prepared to yield it to me, I am prepared to take it.

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL. I am approved to vote.

Mr. JAVITS. Mr. President, I think we are at somewhat of an impasse.

I have heard the Senator. We cannot coerce him, but he cannot coerce us, either. That is our view.

We feel that it is not just 28,000 people. It is a basic policy which may affect other people. There are some high-cost areas in the United States in other places, as well as in Alaska and in Hawaii.

I have no built-in animus against this. I will study the matter very carefully. We have lots of bills here. This is not a big, controversial matter. We can bring it in at any time.

I agree with the Senator: If he does not feel he wants a hearing, forget it.

It should not be a matter of saying to us, "You have to take this because you are humanitarian people." What are we here for?

Mr. GRAVEL. I just want to make the point that it is not setting a precedent. If it were, I would be happy to get my hearing and marshal my forces.

Right now we have the anomaly whereby the Senator could send his staff person to Alaska to see if I am telling the truth about the cost of living, and that person would get a 69 percent per diem, while the poor person in Alaska who is being investigated will get only a 25 percent differential. Now it is a question of making it equitable.

Mr. JAVITS. As to the Consumer Price Index, I have dealt with many figures in my life, and I know the superficial attitude. A hotel may cost a lot, a meal may cost a lot, and a pair of pants may not. When I cited these figures, they are not my figures. They are the Consumer Price Index. That is another way of figuring it. It is a way of dealing with it which is in the law.

Senator NELSON pointed out the imperfections in the standard of the Senator from Alaska. We say that within the next 30 days we will look into this matter carefully and see if we can work out something which will do justice in this matter, and that if we do, it will be on whatever bill comes out of the Committee on Human Resources. That is the way I feel about it.

I have no desire to be mean to Alaska or Hawaii. It is the furthest from my mind. But he is absolutely right: How can we shoot in the dark on a standard which the Senator has chosen—I am sure in complete good faith—but which does not coincide with the scheme in which this program is run and in which the statistics are run?

The only reason I have not yielded the Senator any further time is that it seems to me we have exhausted the possibilities of debate. If the Senator wishes to speak further, I will yield him any time I have.

Mr. GRAVEL. I do not know whether we are at an impasse. I can appreciate that in a very real fashion if I were to importune that you have to take something, from a human, personal point of view, the Senator will say, "We are not going to be bullied into something we do not think is right."

I am prepared to accept that impasse. I do not enjoy being placed in that position.

Mr. JAVITS. Neither do I.

Mr. GRAVEL. I say to my colleague that I do not think we need a hearing. If the Senator from New York will give me the assurance that he will put his good mind to it and that it would not take a long time, and if the Senator from Wisconsin would make the same assurance—forget the hearing, just put his good mind to it and just think out the situation—and in 30 days say, "Senator GRAVEL, the heck with your deal; come in and fight us," we will fight you until hell freezes over.

The administration has led us down the primrose path of rigor mortis and not doing anything, but we can do anything we want.

In my view, the figures are there, I think it is adequate. Because of the normal press of business you cannot deal with every detail or injustice that goes on in the Nation. I understand that.

I do not want to get into loggerheads with you over it. If I could get the promise of the Senators as to their personal attention on this subject within the next 30 days, I think I will come off pretty well in the issue.

Mr. NELSON. We will have it studied.

I point out to the Senator that when the Senator from Alaska appeared before the committee, he did not have an amendment. He argued the concept. When he finally provided an amendment, we pointed out the defects in the amendment.

The hearing was in March. Last night, for the first time, the staff got the final amendment. So we have been going through a series of amendments because the Senator, who is confident he is right about this, could not produce an amendment to implement what he was arguing for.

There are problems here that the Senator is ignoring and that should be made a part of the RECORD. The standard of poverty was developed as a result of this legislation starting back in 1964, and that standard is now used in four other statutes. The word "poverty" is used in dozens of statutes.

We have no notion, nor does the Senator from Alaska, as to what lawsuits may be started if we make an amendment here, with somebody else then coming in under some entitlement program and saying, "You have made this statutory change and it has these ramifications, and we make this claim based upon it."

The Senator should understand that although it involves only a tiny amount of money in the State of Alaska, in the entire picture it may involve a whole series of lawsuits.

That issue should be settled before we legislate on it. As far as I am concerned I oppose legislating on it until we have had the opportunity to have a full exploration of that issue.

As I said to the Senator I will conduct hearings at the earliest possible convenience on this issue, or ask for a study. I will not make a commitment that I will come back with a proposal in 30 days or 60 days. In fact, I doubt very much whether there is any vehicle or any opportunity this session to make that change. However, if we had a clear and compelling answer which was a correction of the statute that should be made and could be made without ramifications for several other statutes, I say fine. I will be willing to do it.

All I said to the Senator is that I am happy to have hearings on it and happy to hear from all the witnesses that the Senator from Alaska would recommend and from the administration and see whether we have a solution. If we can do it in the next 60 days or so, we will be prepared to do that.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. NELSON. I yield.

Mr. JAVITS. One other thing occurs to me. There are adjustments made throughout the administrative process. The Senator from Alaska asked me to apply my mind to it, and I will. I would do it even if he did not ask me. But he asked me to. It may be that administrative action is possible. I take it there is administrative action now. It may be some other administrative action is possible in which case we could get very fast action.

I suggest it is up to the Senator if he wants a vote. In a vote, the Senator may win. But I suggest that, if he wishes, it will help his case that we frame in the next few minutes a study amendment so that the statute calls for a study of this question with a report within 90 days or 60 days. I think 90 days would be necessary. Then we will have an authoritative base for action, and it may be that in the course of doing that, we will find that administratively relief is possible. We are certainly sympathetic.

Mr. NELSON. Mr. President, may I say to the distinguished Senator from New York and the distinguished Senator from Alaska, the fact of the matter is that the 25-percent adjustment for Alaska and the 15-percent adjustment for Hawaii was established by an administrative action of the OMB, some several years ago. They have the authority, I take it, based upon that to make a further adjustment.

I am prepared to have the whole question reviewed and get the input from OMB, the Bureau of Labor Statistics, and anyone else and see what we come out with in the next 90 days. I do not think we need an amendment on that on the statute at all. I am willing to say we will proceed to get all the information we can. If necessary, we will hold a hearing and also see what kind of a report we can assemble.

I will not make any commitment in advance on what interpretation I will put on the report or what I might support or oppose.

Mr. GRAVEL. Mr. President, let me assure my colleague I would not preempt any thought of him putting on an interpretation. Obviously, there are facts to be garnered, and we could see the facts differently or see them in unison.

I do like the idea of a study. The committee can initiate this just by letter.

Mr. JAVITS. By committee action I will undertake to join with Senator NELSON in requesting the study and the report within 90 days which the committee has for its findings in the matter.

Mr. GRAVEL. I am satisfied with that and in that regard will vacate the yeas and nays and withdraw the amendment.

Mr. President, I ask unanimous consent to vacate the yeas and nays.

The PRESIDING OFFICER (Mr. FORD). Is there objection to vitiating the yeas and nays?

Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JAVITS. I thank the Senator.

Mr. GRAVEL. I thank my colleagues for accommodating us in this regard.

We were at an impasse.

Mr. President, I seek recognition for a few minutes.

Mr. JAVITS. I yield 3 minutes on the bill.

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. GRAVEL. I thank my colleague.

Mr. President, I wish to make it clear that there is nothing to be gained by digging oneself in a hole and not being able to get out of it. But I do feel very strongly about this.

To me it may be clearer than it would be to others because we pay these cost-of-living differentials. I always wonder how the poor people get by when those of us who are fairly well paid have difficulty getting by.

So I only hope and look forward very anxiously to the results of this study and suggest to my colleague that there will be other opportunities this year, perhaps with the CETA bill, that will be coming to the floor. If we choose to, and if the Senator joins me, we could handle and solve this problem before the year is out.

I thank my colleague.

Mr. NELSON. Mr. President, let me congratulate the distinguished Senator from Alaska for his brilliant tactical maneuver that got him everything he was entitled to.

Mr. GRAVEL. That is a debatable question.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. NELSON. I yield.

Mr. KENNEDY. Mr. President, I join in commending the Senator from Wisconsin and our colleague, the Senator from New York, on an excellent proposal.

I strongly support the legislation.

Mr. President when those who have been economically deprived have needed a vehicle to express their desires and become part of the political process they have used the Community Services Administration and the community action agencies.

When community residents have seen the need for quick action to meet new but pressing problems, it has been the Community Services Administration and the CAA's which have speedily developed the programs and worker tirelessly to implement them.

When community residents have seen the need for shaping an economics infrastructure which they knew would best serve the needs of that community

it has been the Community Services Administration and the community development corporations which have set about putting the people into business. When community residents have seen the need for comprehensive developmental services for preschool children and their families, it has been CSA though the head start program that has insured that youth from low-income families start off with the same opportunities as their peers from higher income areas.

That is why I am glad to see the Economic Opportunity Act Amendments of 1978 come to the floor. That is why I shall support this vital piece of legislation. That is why I expect it to be warmly endorsed by my colleagues.

This bill provides for the continuation of the Community Services Administration and the programs that it administers as well as the head start and follow through programs which are administered by the Department of Health, Education, and Welfare.

What we are continuing here is the very backbone of a people's movement to secure economic rights for themselves and their neighbors.

There are now 879 community action agencies, involving some 14 million people, operating throughout the country. These organizations coordinate the energies and the ingenuity of community residents. It is the people themselves who set the priorities, marshall the Federal, State, and local resources, and set about solving their problems, and forging forward to higher community standards. The programs in which they engage are as broad as the problems and the opportunities that they face. They range from transportation programs to drug abuse programs, from nutrition for the elderly, to recreation and training for youths; from emergency fuel assistance to advocacy in the city council and the State legislature.

Some of these programs deserve special mention.

Beginning with the fuel crisis of 1973, CSA and the community action agencies have been involved in a comprehensive effort to make the homes of the poor more energy efficient through the energy and weatherization program. By the end of 1977, the CAA's had weatherized over a quarter of a million homes at an average cost of only $233 a home. This program saves poor people from harsh winter winds and harsh winter bills; it provides training to people who are unemployed; and it helps to alleviate energy demands.

So, too, the senior opportunities and services program of CSA has attempted to alleviate the multitude of problems facing the millions of Americans over 60—especially the 6.5 million of them who are poor. In 46 States, Puerto Rico, and the Virgin Islands, 200 SOS projects try to alleviate the inadequate diets, the poor housing and the medical problems faced by our older citizens.

The community food and nutrition program attempts to make real for millions of Americans the promise that we have made that no one in America should go unfed. We have a food stamps program; but only half of the eligible people are served by it. We have a women, infants, and children (WIC) program, but only a quarter of those eligible are receiving assistance. Close to half of the poor children in day-care centers do not have access to food programs. The community food and nutrition program takes on these problems, it reaches out to tell people about the programs available to them; it supplements those programs. It helps the poor become more self-sufficient by producing some of their own food.

CSA has also helped fund the State Economic Opportunity Offices which provide technical assistance to the CAAs, are advocates for the poor in State chambers and coordinate Federal programs to insure that the needs and voices of the poor are heard.

Head start programs have provided health, educational, nutritional, and social services to more than 6 million children and their families. The program employs nearly 68,000 professionals and nonprofessionals. Many of the 95,000 volunteers who committed themselves to head start are parents of the head start participants. Increasing numbers of handicapped preschool children are being served by head start in its full year program.

Head start programs have had a significant impact on the child development field often leading the way in the delivery of health services to preschool children and the benefits of parent involvement.

The follow through program, which began operation in 1967 with a modest $15 million funding level, has returned benefits tenfold to low-income disadvantaged elementary school children and their families. Follow through children are achieving at or above grade level, are absent less, experience fewer juvenile behavior problems. Congress can rightfully be proud that it resisted attempts by the previous administration to phase out the program. In 1976–77, 75,000 children took part in the instruction, medical and dental health, nutrition, psychological and social services and 7,500 paraprofessionals, many of whom are parents of follow through children, have been offered staff development and career advancement opportunities.

Mr. President, a program which is very close to my heart is the one which says to community residents that they should determine their destiny in that most important of areas, economic development. I have worked long and hard with Mr. JAVITS, Mr. NELSON, and other Members of this body to make sure that we allow community residents to rebuild their communities through community development corporations. CSA currently funds 43 of these organizations and the best of them show what a community can do to rebuild itself. In Bedford-Stuyvesant, in east Boston, and throughout the urban and rural areas of this country, economic activity is being regenerated, people are being put to work and goods are being produced because we have said to the community residents that they should determine how to do it.

Community Development Corporations deserve to be in the center of our redevelopment efforts. Community Development Corporations use the entrepreneurial talents of the people who live in the community. The people who make the decisions know the kinds of operations which have the greatest social benefit for the community.

CDC's use local talent, so community people can learn how to become better businessmen and women. In a capitalist society such as ours one of the most important things that someone can learn is how to be a capitalist. It is a hard thing to teach in school. People learn it by seeing it done. They learn through the Community Development Corporations.

People in the community not only know which operations are most helpful to the community, but they know which kinds of operations are most likely to survive in the community. In other words, not only do they know what the local community needs, they have a better sense of what the local community has for export.

Perhaps the most important thing which sets apart community economic development from other kinds of enterprises is this: Every penny that a CDC venture brings in; every idea that a CDC manager has; every extra effort that a CDC employee makes is returned straight to the community. The CDC's do not make their money in the inner-city in order to establish a plant in Korea. They make their money from sales—in the inner-city or to buyers throughout the country, and then see where they can put their next inner-city enterprise.

So Community Development Corporations are vital to the rejuvenation of our cities and countryside.

Mr. President, this strong bill gives strong support for the continuation of these programs. Several amendments to the bill have strengthened the role of CSA, the CAA's and the CDC's. I would like to make mention of them.

The Community Action Agencies will now receive an 80-percent Federal match for their programs, rather than the 60 percent they receive under current law. The CAA's have been particularly burdened by the need to come up with 40 percent of the cost of running programs. It has been especially difficult in the poorest communities, where the Community Action Agencies are most needed. It has been particularly difficult in the communities where the CAA's have been most innovative and aggressive. Thus, CAA officials have had to spend vast amounts of time trying to gather the non-Federal funds, only to come up short and have to spend time getting a waiver. Nearly a third of grantees have required waivers under the curernt 60 percent/40 percent ratio.

We have established a new title IV, to increase emphasis on migrant and seasonal worker services. We know how difficult it is to provide a decent life for people who travel to work the earth. We have tried to do it through many pieces

of legislation. But we must do more for the education, training, health, and child care needs of these people. The special emphasis we provide in the new title IV should move us in the direction of a humane life for migrant and seasonal workers.

Both the Community Action Agencies and the Community Development Corporations will also be able to expand their programs to meet one of the greatest problems facing poor communities, the burden and the tragedy and the waste of unemployment. Under the demonstration employment and training opportunities program, established in section 222, the Director of CSA can establish programs for low-income people who are unemployed or underemployed. In keeping with the experimental and innovative nature of the programs in which CSA invests, the CAA's and the CDC's have a broad mandate—they can provide supported work, provide transportation to private jobs and develop links between youth training programs and CDC enterprizes.

In addition to the employment and training program we have made other changes and opened other opportunities to the Community Development Corporations. The CDC's offer vast potential. Everything must be done to see that this potential is realized.

We have authorized the President to establish Advisory Community Investment Boards. The most successful CDC's are often those which have involved private investors. These investors either put facilities in the CDC development or have invested in CDC ventures. But many CDC's have a hard time getting to know the business, investment, and banking communities. This reauthorization allows the President to establish boards composed of business people, investors, and others whose fields of endeavor are related to the activities undertaken by CDC's. These boards would advise the CDC's and CSA on methods by which they would make opportunities attractive to private investors; would advise businesses and investors of CDC opportunities on how the business community might involve CDC's in projects which they are about to undertake; and advise the CDC's and private investors how they might engage in mutually beneficial efforts.

We have also changed title VII so that a CDC will have to provide a detailed set of development goals and a development timetable in order to be funded under the act. Continued funding of a CDC would be dependent, to a great extent, on how well the timetable and goals have been met. This condition is intended to make it much easier for the CDC's which have done well to get quick funding; it will also cause the Office of Economic Development in CSA to give careful scrutiny to funding for those organizations which have not been able to perform. Of course, sometimes the inability to perform stems from factors far beyond the control of the CDC's. But sometimes, the CDC's themselves have not been run most effectively. Support for CDC's has not expanded as fast as the soundness of the concept would dictate. This stems in large part from the criticism some have directed at the performance of some CDC's. Putting funding on a performance basis should strengthen those which have been well managed; and make us more careful with those which have not been well managed. This combination should meet these criticisms and help the CDC's, and the appropriations given to CDC's should expand in the years to come.

A final significant change in title VII is that which directs the Small Business Administration to open its Section 8(a) program, among its other programs, to CDC's. For too long, the Small Business Administration has refused to allow CDC's or their subsidiaries to participate in these programs. But we intend for SBA programs which will be of assistance to CDC's to be open to CDC's. The section 8(a) program and other programs which will help the CDC's should be opened to them as quickly as possible. Of course, these programs must be open to CDC subsidiaries and investments as well, since the CDC's undertake most of their efforts through these vehicles.

Mr. President, the act which we reauthorize today is one which reaches out to all in America who have been voiceless; to all in America who have gone without; to all in America who have yearned to shape their own destiny but who have been denied the tools. We are, in this act, providing the forum; we are reaching the needy and we are placing the tools in their hands. That is why this act, providing the forum; we are reaching the needy and we are placing the tools in their hands. That is why this act and the programs which operate through it and the people who operate with it, present such opportunity to us. I strongly support its reauthorization and expect my colleagues will, as well.

The PRESIDING OFFICER. Is there further amendment to be proposed?

Mr. NELSON. Mr. President, I understand there are no other amendments other possibly than the amendment by Mr. MORGAN.

I understand that no one on our side requires a rollcall on final passage.

What about the distinguished Senator from New York?

Mr. JAVITS. I have made inquiry and there does not seem to be a demand for rollcall on this vote on final passage.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

Mr. JAVITS. Mr. President, I ask unanimous consent that it be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield 5 minutes to the Senator under the bill.

The PRESIDING OFFICER. The Senator has 5 minutes on the bill.

UP AMENDMENT NO. 1550

(Purpose: To extend Federal recognition to Indian tribes recognized as such by any State)

Mr. MORGAN. Mr. President, I represent, of course, the State of North Carolina. In the State we have about 50,000 Indians residing within the State, which is the largest number of Indians to be found in the East.

Less than 10 percent of these Indians are officially recognized by the Interior Department. But we do have six major tribes: The Coharie, Haliwa, Lumbee, Person County, Tuscarora, and Waccamaw-Siouan.

Now, these Indians are recognized by the State of North Carolina. I had an amendment prepared which would have made it clear that these Indians would have been entitled to any benefits under this bill, even though they are not recognized by the Department of the Interior.

So I would ask the distinguished manager of the bill if it is his understanding that these Indians, who are recognized by the State but who do not live on Government reservations, would be eligible for benefits under this bill.

Mr. NELSON. Whatever benefits may be available under the bill and the Economic Opportunity Act, I take it, they would be eligible for since the Senator's State does recognize the tribes the Senator is concerned about. The language in the Economic Opportunity Act, under "Definitions," section 813(2), reads:

(2) "Indian reservation or Alaskan Native village" includes the reservation of any federally or State recognized Indian tribe, including any band, nation, pueblo, or rancheria, any former reservation in Oklahoma, any community under the jurisdiction of an Indian tribe, including a band, nation, pueblo.

So the answer to that would be yes, the answer is in the affirmative.

Mr. JAVITS. Mr. President, I would concur with that and in addition, for additional support of that interpretation, I would refer the Senator to section 803 (a) in which financial assistance for native American projects is called for. That reads:

SEC. 803. (a) The Secretary is authorized to provide financial assistance to public and nonprofit private agencies, including but not limited to, governing bodies of Indian tribes on Federal and State reservations, Alaskan Native villages and regional corporations established by the Alaska Native Claims Settlement Act, and such public and nonprofit private agencies serving Hawaiian Natives, and Indian organizations in urban or rural nonreservation areas, for projects pertaining to the purposes of this title.

Therefore, even at the extreme, the Senator might have to get his help from the Secretary under this bill through a nonprofit private agency, which he would anyhow, community action programs, in order to qualify under 803(a).

I would suggest, too, Senator, that the

Senator offer the amendment for the record, so that it may be clear as to the definition which he is making technical.

Mr. MORGAN. I thank my distinguished colleague. I do believe it would be a good idea, Mr. President.

So I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. MORGAN) proposes an unprinted amendment numbered 1550.

Mr. MORGAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, line 22, insert the following:

SEC. . (a)(1) Any Indian tribe in the United States which, on the date of enactment of this Act, is an Indian tribe which is officially recognized as such by any State, shall be entitled to make application to the Secretary of the Interior (hereinafter referred to as the "Secretary") for designation as a federally recognized Indian tribe.

(2) Upon the receipt by the Secretary of any such application timely filed by any Indian tribe, the Secretary, if he determines that such tribe was a tribe officially recognized by a State on the date of the enactment of this Act, shall publish such determination in the Federal Register. On and after such date of publication, such tribe shall be considered to be a federally recognized Indian tribe and entitled to benefits received by other federally recognized Indian tribes under Federal law by virtue of their status as Indians, as determined by the Secretary.

(b) In no case shall any Federal recognition conferred by this section be considered as having been conferred for any period prior to the date of the enactment of this Act.

(c) No application pursuant to the first subsection of this section shall be received by the Secretary after the expiration of the twenty-four month period following the date of enactment of this Act.

Mr. MORGAN. Mr. President, the amendment I am proposing today would grant official Federal recognition to any Indian tribes so recognized by the State in which they reside. This would end the present injustice, which especially affects my State of North Carolina, whereby many Indian tribes are discriminated against by the Department of Interior for the purposes of Indian programs under their jurisdiction.

Some simple facts should make this problem clear. There are approximately 50,000 Indians residing in North Carolina, which gives the State the largest Indian population of any State east of the Mississippi River, and the fourth largest Indian population in the country. However, less than 10 percent of these Indians (only the Cherokee Tribe), is officially recognized by the Interior Department. The other six major tribes, the Coharie, Haliwa, Lumbee, Person County, Tuscarora, and Waccamaw-Siouan, have never been so recognized, and thus are ineligible for all programs operated by the Bureau of Indian Affairs.

That these 45,000 Indians are actually Indians has been confirmed by both the State government and other Federal agencies. The State began providing assistance to these tribes in 1885, and has done so ever since. In 1887, North Carolina established the first Indian college in the country for their benefit, Pembroke State University. The State has established a commission of Indian affairs, which is expected to bring "resources into focus for the implementation or continuation of meaningful programs for the Indian citizens of the State of North Carolina, to provide aid and protection as needs are demonstrated, to assist Indian communities in their social and economic development," and other things.

North Carolina's Indian tribes have also been recognized as Indian tribes for programs operated by many other Cabinet agencies, including the Departments of Health, Education, and Welfare, Labor, Agriculture, and Housing and Urban Development. Specifically, Federal funds are flowing to these Indians, because they are Indians, for title XX social services, CETA programs, Indian education programs in HEW, a community food and nutrition project under the Community Services Administration, and others.

One of these tribes, the Lumbee, has been explicitly recognized by the Congress, in 1956, when it passed the Lumbee Act. In addition, some of these Indians have been hired by the Bureau of Indian Affairs under the Indian preference programs which are in effect for employment in the Bureau. But they cannot benefit from the Bureau's programs, because the Department of the Interior has inexplicably continued to deny these groups representation.

In short, we have a situation where the people of North Carolina consider 45,000 people to be Indians, a fact confirmed by almost half the Cabinet agencies and partially confirmed by the Congress and the Bureau of Indian Affairs. But they cannot benefit from Bureau of Indian Affairs programs.

This simply makes no sense. My amendment will correct this injustice in North Carolina and in any other State, very few at best, where a similar situation occurs.

Because it is a matter of record, I withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right and the amendment is withdrawn.

Mr. MORGAN. I thank my distinguished colleagues. This is a rather important issue in North Carolina. I might say that as early as 1887 our State established an all-Indian college, and now it is a very fine Indian university. They are very proud of their heritage, but in some of the Federal programs they are left out, because they do not have a reservation and a government of their own.

I thank my colleagues, Mr. President.

Mr. CRANSTON. Mr. President, I support S. 2090, the "Economic Opportunity Amendments of 1978," as reported from the Committee on Human Resources on May 15, 1978. This measure, of which I am pleased to be a cosponsor, would extend the authorization of appropriations for the Community Services Administration and the antipoverty programs conducted under the Economic Opportunity Act of 1964, as amended, through fiscal year 1981, including the Headstart program and the weatherization program conducted by CSA—both of which have been of particular concern to me through the years.

Mr. President, the need for these antipoverty programs to continue is as strong today as it was when they first came into existence in the 1960's with the establishment of the Office of Economic Opportunity—the predecessor of the Community Services Administration. I remain convinced of the need for an independent agency at the Federal level to serve as an advocate for the poor. Although the history of CSA and OEO has been scarred by threats of dismantlement, stagnant levels of funding in the face of double-digit inflation, and internal problems ranging from personnel abuses to poor management practices, I believe that in reauthorizing these programs through fiscal year 1981, the agency will have an opportunity to reorganize, revitalize, and implement new policy and program initiatives. These new directions will be necessary to continue to meet the present and future challenges and battles of combatting poverty.

Mr. President, at this time, I would like to make a number of brief comments on particular provisions in the bill as reported.

LOCAL MATCHING REQUIREMENT

First, I am pleased that this bill would restore the original 80 to 20 matching share for local initiative programs. I supported legislation in the 94th Congress which would have restored this match but, unfortunately, no action was taken on the measure in the Senate. This declining share requirement—which was enacted in 1974 as part of Public Law 94-644 and which for fiscal year 1978 mandates a 60 to 40 match—has proved to be an unusually burdensome one for many of the more than 860 community action agencies—CAA's—nationwide. These CAA's are the principal vehicles for the provision of services at the local level and represent the heart of the antipoverty program. They serve the needs of poor Americans through health, housing, nutrition, economic development, youth development, consumer affairs, and other programs tailored to the particular multifaceted concerns of individual communities.

Since CAA's have been unable to increase local financial support in the amounts mandated by law, CSA has extensively used the waiver authority provided for in the 1974 law. Last year, 266 of the CAA's received waivers of the 60 to 40 requirement. I believe that when almost one-third of the local initiative programs require administrative relief to finance their ongoing efforts, serious questions arise about the necessity and equity of the underlying requirements. I'm delighted that this measure will restore the original 80 to 20 match.

WEATHERIZATION

Second, this measure retains the authority for CSA to carry out weatherization programs of old or substandard dwellings for the poor. Originally, Mr.

President, the administration had requested that this authority be repealed in this legislation as part of its plans to consolidate all weatherization efforts into a Department of Energy.

As one who has consistently supported the weatherization program conducted by CSA and as the author of the Federal Energy Administration's (FEA) authority to conduct such efforts—section 413 of the Energy Conservation and Production Act (Public Law 94-385)—I support the committee's decision to retain this authority in the Economic Opportunity Act. I believe that there is a need to develop an effective program that will both conserve our energy resources and, most importantly, be sensitive and responsive to the special needs of the poor for weatherization assistance. Although the program currently being conducted by the Department of Energy funnels the vast majority of funds through the local CAA's, there appear to be some problems—as noted in the committee report on this measure—"because the weatherization program under the Department of Energy was not totally able to meet the special needs of low-income persons." Specifically, local CAA's have advised me that DOE's program entails considerably more paperwork at the local level and that it has a cost-per-dwelling that exceeds that of the CSA program. I share the concerns of my colleagues on the Human Resources Committee in this regard. The CSA weatherization program has been very successful and, since deletion of the weatherization authority from the law would preclude CSA from undertaking such activities in the future, I am pleased that the committee has decided to retain this authority until such time as an unduplicative program that effectively serves the needs of the poor is ongoing.

HEAD START

Third, Mr. President, I am delighted that the subcommittee has incorporated into this bill the provisions of S. 2081, the "Headstart Extension Act of 1977," which I introduced on September 9, 1977. The provisions of this measure will allow the important mission of the Head Start program to be continued through fiscal year 1981 and make certain technical amendments to the legislation which, I believe, will further enhance the effectiveness of this extremely worthwhile program.

As my colleagues may be aware, Mr. President, we encountered some rather serious problems in developing a funding formula for the Head Start program this year in light of difficulties that had arisen in the implementation of the formula in the past. I worked very hard with the members of the committee to develop the new formula which I believe is an equitable and balanced provision serving the interests of all our Nation's children.

Mr. President, there is another issue of critical importance affecting the Head Start program which has recently been resolved in a very favorable manner. As my colleagues may recall, on June 22, I introduced with Senator BROOKE and 26 other cosponsors an amendment to S. 991, the "Department of Education Act of 1977." My amendment would delete Head Start from among those programs that would be, by law, or could be administratively transferred to the new Department of Education. I was delighted that on July 11, Senator RIBICOFF, chairman of the Governmental Affairs Committee and the sponsor of S. 991, moved this amendment to S. 991 at the Governmental Affairs Committee markup of this legislation. His motion was unanimously accepted by the Governmental Affairs Committee. I am convinced that this decision by the Governmental Affairs Committee was a wise one and will serve the best interests of the Head Start program.

CONCLUSION

Mr. President, in closing, I urge the Senate to approve unanimously S. 2090 as reported, in order to allow for the continuation of important and effective programs aimed at helping to meet the needs of the more than 23 million poor in our Nation.

● Mr. HATCH. Mr. President, I intend to vote for the bill we are currently asked to consider, S. 2090, the CSA reauthorization. But I do so with serious reservations, and I wish to briefly explain what these are.

In so doing, I would first like to extend my congratulations and express my admiration and respect for the men whose legislative efforts—in my opinion—cleaned up the reported version of this legislation—my colleagues on the Senate Human Resources Committee, and especially those who serve with me on the Subcommittee on Employment, Poverty, and Migratory Labor. I was delighted to join with many of them in supporting or cosponsoring corrective amendments to the bill, amendments which we were grateful to see become a part of S. 2090 as it was finally reported for floor action.

These amendments will improve both the effectiveness and adminstration of the Head Start program, that part of the bill deserving our most energetic backing. It is the one Federal program which most effectively improves the lives of millions of poor children and their families. In providing educational, health, and nutrition services for the indigent poor, this legislation is directly benefiting all of us. I say this on the assumption that the inevitable consequence of poverty is dependence. Economic dependence in a free economy is a disease—a disease whose parent is poverty. Reasonable and proper Federal efforts to eradicate this disease where possible certainly deserve our support. Hopefully, our amendments which are intended to reform the bill and its program will accomplish this. In particular, several of our amendments provide for a more equitable funding allocation formula—one which is not injurious either to the small or the large States which deserve assistance. One amendment I was pleased to cosponsor with Senators KENNEDY and JAVITS improves the accuracy of the criteria used to determine a State's aid formula. This amendment requires that statistics be computed on the basis of all four quarters of a year rather than only three consecutive months as determined by the Secretary—which is the current practice. Another amendment, first offered by Senator NELSON, should significantly improve the allocation formula so that we do not have repeat instances of some State Head Start programs receiving more than is their properly delegated share. I am especially glad to note that the many smaller States which have run efficient and effective Head Start programs—including my own State of Utah—will benefit by this bill, doing so without inflicting additional damage on our economy or putting the "sting" on the taxpayer. In short, I believe that this bill, S. 2090, provides us with the opportunity to improve CSA and the operation of the Head Start program.

However, for lack of legislative sins of commission, there are the sins of ommission. I speak of the things this bill does not do, which it ought to do. I said earlier that poverty is the parent of economic dependence. Poverty is apparently also the parent of big and sloppy Government. Anyone who reads newspapers is familiar with the reported—and in many cases confirmed—abuses; abuses by Federal bureaucratic offices; abuses committed in the name of poverty.

Reviewing the legislation we are here asked to consider, I must note that it does not address all of the areas of administrative abuse which have earned such widespread public scrutiny and press attention. I note, however, that the remedy for these abuses requires more of an administrative than a legislative cure. It requires more effective and energetic attention by the Department of HEW to assure that the program we reauthorize serves the needs of the poor rather than feather the beds of the public relations and Federal bureaucratic offices which stand to gain by our actions here today.

The Community Services Administration is only one of many Federal agency offices guilty of what I call "The Core Abuse." This abuse is the tendency of all public agencies of Government to spend more of their appropriated sums of money than is necessary in order to seek increased appropriations for the following fiscal year. Nearly every other problem connected with CSA's operation can be traced to this core abuse. The promises of agency secretaries, like the results of grand Government reorganization schemes, no matter how well intended, have proven to be totally ineffective. We continue to see more money spent on surveys, studies and administrative hiring while direct funding of food and services to the indigent poor remains steady on a horizontal to downward sloping curve. A recent article by UPI correspondent, Mr. Donald Lambro, presents the statistics and analyzes the problems I have cited. I submit this article for the RECORD for the benefit of my colleagues. In the near future I intend to introduce legislation intended to correct this major abuse, and I solicit the support of my colleagues who are interested in supporting this corrective effort.

The article follows:

"POVERTY INDUSTRY" HAS AWESOME POLITICAL CLOUT

(By Donald Lambro)

The investigation revealed:

Millions of dollars in poverty funds are going to a little-known white collar "industry" of social advocacy organizations, welfare groups, economists, nutritionists, lobbyists, academic researchers, consultants and other experts.

Millions more are being spent on studies, surveys, research reports, data retrieval systems and other materials, a lot of which ends up on government shelves.

There remains costly duplication among competing departments and agencies in the fields of housing, nutrition, energy conservation and economic development.

Overhead cost in some cases swallows up 50 per cent or more of grants and contracts.

Neither the executive branch nor Congress has tried to evaluate the effect of the programs on reducing poverty.

A look at the budgets of the Community Services Administration, Legal Services Corp., Job Corps, Head Start and summer youth employment, among others, reveals most got increases from the Congress this year after "being starved," as one poverty worker put it, under the Nixon and Ford administrations.

Since Lyndon Johnson declared his "War on Poverty" in 1964, the United States has spent more than $22 billion in the name of the poor.

Some say the government has spent enough on services to lift every man, woman and child out of poverty three times over. But today an estimated 26 million Americans remain beneath the $5,850 poverty line for a family of four.

Some programs can be shown to have helped the poor, particularly children. Some community action projects have earned the tribute of federal and local officials alike. Some have run into heavy criticism.

United Press International spent six weeks investigating the anti-poverty effort that was launched as a centerpiece of Johnson's "Great Society" and has continued through two presidencies—despite any impression that Richard Nixon ended it when he dismantled the Office of Economic Opportunity in his term.

Nearly all of OEO's original programs were "Spun off" to different departments and agencies, and remain alive today with even bigger budgets—cumulatively spending about $4 billion a year. (At its peak in 1960, OEO's total budget was $1.9 billion.)

The UPI inquiry centered on the Community Services Administration, the successor to OEO's key community action agency.

Start is up to $625 million, a $150-million jump. Legal services at $225 million is almost double. Community Services has increased to $600 million, up from $511 million.

The focus of the federal anti-poverty effort always has been on community action, under which a network of local agencies was created to help the poor.

This approach provided jobs and experience for poverty workers but, as the House Government Operations Committee found last year, it also produced "inexperienced or self-seeking local boards which in turn led to instances of mismanagement and outright graft."

More than 12 years after the agencies were established under OEO the committee said it was still uncovering "major areas of weakness, inefficiency and ineffectiveness."

Before Nixon dismantled OEO, local agencies received up to 90 per cent of their money from OEO to run projects like Head Start and the Job Corps.

Today, the Community Services Administration provides administrative funds and local agencies must get project money from other federal and state sources. The local agencies now are spending more than $1.5 billion a year.

Last year CSA operated with a total budget of $511.2 million plus an extra $282.5 million to weatherize homes and pay fuel bills for the poor.

Some $370 million of this year's $600-million CSA budget goes to local agencies for planning, research, administration, salaries and some new projects.

An internal study in 1975 found 21 per cent of CSA's funds went for administration, which the report said was "considerably higher than expected."

CSA has no figures on how much of its money actually reaches the poor. A random check of CSA budget items shows a lot of it goes to finance hundreds of private non-profit groups known as "conduits."

Many of these groups lobby Congress, publish magazines and newsletters and organize political action. Others conduct research which few people will ever read.

"An industry of associations—particularly here in Washington—has sprung up around the poverty program," said a Senate staffer who monitors poverty programs. "All of them are feeding on it one way or another."

An example, is a $1-million grant to the National Association of Farmworker Organizations for energy training-technical assistance. A CSA official said nearly $600,000 would go to local farmworker groups for research and development projects to develop skills among the poor in the energy field.

Forty per cent of the grant will go for program directors, research professionals, training staff and other specialists, plus literature, conferences and travel.

CSA will spend more than $9 million this year on energy-related research and development projects, mostly through outside professional firms.

They include: $366,000 to the Urban Institute for an analysis of its winterization program: $45,000 to study fraud by energy companies; $$72,380 to produce a television film on energy conservation; $700,000 to a Massachusetts legal research firm to produce studies promoting utility rate structure reform; $40,000 for an energy conservation motivation study.

Grants sometimes are approved because CSA—like many other government agencies—does not want to be caught with any unspent funds.

One case involved two $73,000 grants to farmworker groups in Rochester, N.Y., and Boise, Idaho, to increase participation by women in their organizations. More than $26,000 of each grant went for administrative costs. Another $29,000 was earmarked for development of a data collection system.

"Their project was not fully delineated," a CSA official said, "but we approved it anyway."

We have to have all of our money out by the end of the fiscal year or else we must return the balance to the Treasury," she explained. "It was getting down to the deadline. Congress doesn't like it when you have money left over at the end of the year."

CSA spends more than $28 million a year in the field of food and nutrition. Much of that goes to groups for reports on nutrition programs and "advocacy assistance"—lobbying—for federal food programs. One such group is the Washington-based Food Research Action Center which this year got $550,000 from CSA. The money went, in part, to help FRAC lobby Congress for expansion of the food stamp program and other food programs.

A FRAC lobbyist said, "We testify at hearings, meet with members of Congress and their aides to influence legislation, draft amendments, and help with speechwriting for members.

"We try to get as many benefits as we can, and seek to expand those benefits through appropriate legislation," he said.

CSA money also helped finance a successful FRAC lawsuit against food stamp cuts by the Ford Administration.

The Community Nutrition Institute got $200,000 to "develop a National Strategy for Indian Programs." A CSA official said that amounted to "making contact with Indian groups around the country" to organize support for CSA programs.

Some who get CSA money are former OEO officials or groups like the Private National Center for Community Action Inc., once a training arm of OEO. This year it got $750,000.

The center publishes a monthly magazine, *National Center Reporter*, containing articles about welfare, consumers and the poor. Other publications include *Legislative Update*, a newsletter, plus catalogs like "Where the money Is," which lists federal funding programs. Printing costs exceed $132,000.

On of CSA's richest conduits is the National League of Cities-Conference of Mayors. It developed a system of counseling centers for disadvantaged Vietnam veterans, into which CSA is funneling $2.3 million. Overhead runs more than $617,000, of which $170,513 is spent by CSA just to handle paperwork.

CSA records show the league spends $229,000 on staff, $168,000 on consultants and $58,000 on travel. Individual items include $90,000 for a computer firm in Detroit and another $70,000 in consultant services.

The League gets another $600,000 to operate 10 of the 27 centers. CSA sends an additional $850,000 for salaries and overhead to its own regional offices, which channel the money to local proverty agencies to run the remaining 17 centers.

CSA also awards research grants, some of which produce reports which appear to go nowhere after they are completed.

One grant for $8,155 was awarded in September 1977 to an organization in Washington for a study on poor rural women in Appalachia. According to CSA's Deborah Bloom, researchers "will go into the community, find out who are the community leaders, how many went to college, the jobs they have, and identify those women who are active in organizations."

She said the report will go directly to her and after she has read it, be fed into CSA's computer.

No anti-poverty program seems to draw more fire than the Office of Economic Development. Using $48 million a year, this Community Services Administration agency provides capital for local businesses to provide jobs for the poor.

"It was a lousy program then and it still is," says Sar Levitan, a George Washington University economics professor who was one of the anti-poverty program's architects. "It has never worked out."

By October 1976, OEO was operating 36 special impact economic development programs that have received more than $300 million in federal assistance.

OEO estimates that local community development corporations employ 776 people, but the businesses they back provide 5,516 jobs. A House Government Operations subcommittee chaired by Rep. Cardiss Collins (D.-Ill.) figured out that each job is costing taxpayers $18,000.

"I am absolutely shocked," Ms. Collins told government auditors. "I find this figure to be absolutely appalling."

One OEO venture is a bankrupt pool table company acquired in 1972 after a private consultant warned the firm's financial projections and management were faulty. To date, the business has lost $295,000.

"Many of these areas are so economically depressed that we are just pouring good money after bad and getting little if any return," said a Commerce Department official involved in economic development programs.

In the last nine years, $55 million has been poured into New York's Bedford-Stuyvesant area to refurbish abandoned housing, save declining businesses, and boost employment.

Despite this, unemployment is up from 6 per cent in 1970 to over 15 per cent in 1976. Vacant housing doubled between 1972 and 1976 to 2,000 units. And more than 24 per cent of the area's businesses employing some 6,000 persons pulled out between 1969 and 1974.

Almost half the money went into housing. But officials say rehabilitation costs so much "local residents cannot afford to buy these homes."

"The more I learn about it, the more it becomes clear to me that it is like throwing a tablespoon of water on a fire," Rep. John Conyers (D.-Mich.) declared at a hearing on the program.

The program duplicates a number of others in the Small Business Administration, the Economic Development Administration, the Office of Minority Business Enterprise and agencies in the departments of Housing and Agriculture.

Duplication also extends to CSA's community food and nutrition program which seeks to insure that the poor have a chance at food stamps and school lunches.

Agriculture spends $50 million a year on similar outreach activities, $20 million more than CSA. The program uses more than 6,000 extension service paraprofessionals in half of the nation's counties who go door-to-door in cities like Detroit and Newark as well as in poor rural areas.

"We're essentially delivering the same service," a USDA official said. "There is obviously considerable overlap in what we're doing."

Overlap also is seen in CSA's minigrants; averaging $2,000 each, to establish community gardens for the poor. Agriculture runs an identical service.

Some CSA spending is so vague that congressional staffers admit confusion. This year $30 million—$10 million more than last year—is for "policy research" aimed at developing income maintenance policies.

"We couldn't tell what they were doing with the money," said a Senate aide.

These and other criticisms have weakened congressional confidence in the anti-poverty program.

Although she still believes CSA "can work," Rep. Collins says the agency "should not be expanded until it first cleans up its act."

No one in Congress has criticized the program more than Sen. Abraham Ribicoff (D.-Conn.), one of its original enthusiastic supporters.

In his 1972 book, America Can Make It!, the liberal Democrat declared, "Our anti-poverty efforts failed." He said the poor need money, not social services.

Ribicoff found that in OEO's first six years, some $600 million was spent on private firms for evaluation, technical assistance and consultation. He said, "There is big money in poverty—big money for everybody, that is, except the poor."

"I wouldn't change a single word I wrote," he said in a recent interview. "I started with high hopes. It sounded good. But when you analyzed what's been accomplished, the balance sheet indicates they have generally been failures."

Sar Levitan, director of George Washington University's Center for Social Policy Studies, disagrees. He says the anti-poverty program was a key factor in easing poverty. He concedes, however, there is no hard proof.

"What you want to measure is not measurable," he said in an interview.

Even so, Levitan says the Vietnam War with its resulting low unemployment "was the most important single thing that brought people out of poverty."

On the other side, conservative political activist Howard Phillips, Nixon's choice to abolish OEO, says the program was used as a political vehicle by left-wing activists.

"I saw health programs where the main concern was registering voters," Phillips says. "The war on poverty had no impact on poverty, except for the people who were employed by it."

At its hight, he said, "81 per cent of OEO's funds went in one form or another to overhead."

Thomas Sowell, a black economics professor at UCLA, says, "To be blunt, the poor are a gold mine. By the time they are studied, advised, experimented with and administered, the poor have helped many a middle-class liberal to achieve affluence with government money."

In a New York Times Magazine article, Sowell said, "The total amount of money the government spends on its many anti-poverty efforts is three times what would be required to lift every man, woman and child in America above the official poverty line by simply sending money to the poor."

CSA employs 110,000 people in its 866 local community action agencies, half of whom are said to be from the poor. Forty-four per cent of those working in metropolitan area agencies are making between $10,000 and over $15,000 a year. A sampling of salaries paid to major city community action directors ranges from $22,000 to $48,000 a year.

More than 1,000 people work in CSA's Washington headquarters and its 10 regional offices. CSA regional directors earn from $36,171 up to $47,500 a year. The CSA director gets $57,500.

Criticism is not limited to outside economists and members of Congress. Some CSA project and grant managers privately voice doubts about the anti-poverty program's effectiveness.

"So much of what I see here," said one, "has little impact on the day-to-day lives of the poor. A lot of what we spend is going to an entirely different group of people organized to help the poor. I'm not sure how much of that gets to the poor."

Much of the disillusionment, some poverty workers say, stems from cases of abuse and mismanagement of the sort uncovered by the House Government Operations Committee.

Last summer the panel charged that CSA has not served the nation's poor adequately; that too often funds "are not properly accounted for"; and that CSA programs have shown "an unacceptably high number of failures and serious problems."

CSA supporters say it is wrong to judge the agency now because it has been through "rough times" under the Nixon and Ford administrations, with sharp budget cuts and seven different directors.

Miss Grace Olivarez, President Carter's new CSA director, has made some changes and is earning a reputation for a get-tough attitude.

In one instance, she refused to deal with New York City's anti-poverty agency after its directors hired a person convicted of misappropriating poverty funds. The board also resisted holding a new election when its term expired.

Last year she suspended funds going to national poverty associations when the House committee disclosed that they were spending federal funds for travel and other activities with no CSA monitoring. In another case, she closed down three economic development projects which were losing money, saying "they just didn't have the capitalist mentality."

Still, she defends her program and its accomplishments, charging that CSA has been "victimized, brutalized and demoralized" by the congressional probes.

But she suggests the original goal of eradicating poverty was "unrealistic to begin with."

"If they tripled our budget, we could not eradicate poverty," she told an interviewer. "I don't think we can ever eradicate poverty in its totality."

Meanwhile Carter's reorganization pledges hang over the poverty agency. There is speculation that CSA, now independent, may be assigned to the Department of Health, Education and Welfare or merged with some other agency.

When told of UPI's findings, an official involved in reorganization planning said, "Our analysis is following the very same thinking you are describing. We must figure out how they [anti-poverty programs] are related to other programs in the government. The proliferation is incredible."

Has the War on Poverty program been successful? When all is said and done, no one really knows.

Some experts point to the success of individuals who once worked for the poverty program as proof of progress. This makes Ribicoff angry.

"That's a very insidious use of logic and a very poor justification for a program. I would be more impressed if anyone could point to someone who was poor who elevated himself out of poverty because of the program's services."

One congressional investigator, who has spent the past six years examining the CSA program, put it this way: "Some community action agencies do virtually nothing with their funds. Others are very effective and innovative. Has it reduced poverty? Frankly, it's impossible to tell."●

Mr. ROBERT C. BYRD. Mr. President, S. 2090, the Economic Opportunity Act Amendments of 1978, extends for 3 additional years the authorization of titles I, II, III, V, VI, VII, VIII, and IX of the Economic Opportunity Act of 1964.

I would like to commend Senator NELSON, chairman of the Subcommittee on Employment, Poverty and Migratory Labor of the Human Resources Committee, and Senator JAVITS, the ranking minority member, for their diligent efforts in preparing the bill for Senate action.

Extension of the various sections of the Economic Opportunity Act will provide continued assistance for economic development, local community action, child development, senior citizen, Native American, and nutrition programs which, collectively, are an important part of this Nation's commitment to assist the disadvantaged. The Economic Opportunity Act, signed into law 13 years ago, was designed to break the devastating cycle of poverty. Continuation of this task under S. 2090 will reaffirm that promise to fight poverty through coordinated approaches at the Federal, State, and local levels.

In his role as chairman of the Subcommittee on Employment, Poverty, and Migratory Labor since 1969, Senator

NELSON has increased our awareness of the pain and suffering endured by poverty-stricken individuals and families. A primary supporter of economic opportunity initiatives, he has authored an array of legislation designed to upgrade the lives of disadvantaged persons. The bill before us represents one of the more ambitious initiatives the Government has undertaken. Such programs as urban and rural community action programs, special programs to combat poverty in rural areas. Head Start, and Follow Through, Native American programs, represent a few of the innovative undertakings contained in titles I, II, III, V, VI, VII, VIII, and IX of the Economic Opportunity Act amendments.

S. 2090 reflects Senator NELSON'S sensitivity to and knowledge of the needs of this Nation's poor and underprivileged. As chairman of the Subcommittee on Employment, Poverty, and Migratory Labor, he has conducted extensive hearings and review of the impact of these programs. His continued advocacy and expertise on the subject of economic opportunities for the disadvantaged has resulted in greater public support for these programs.

The bill improves upon the existing act in a number of ways. For example, it addresses the problems found in the current allocation formula for distributing funds under the Head Start program. Begun as a pilot project in 1965 as part of the war on poverty, Head Start has provided comprehensive developmental services, including nutrition, medical and dental, education, psychological and social services to disadvantaged preschool children. The program, which currently serves 349,000 children in 1,200 communities, has been successful. It has been shown that its services substantially improve the well-being of children who participate. However, there is evidence that many needy and eligible children are not being served. Changes made in the allocation formula will insure that funds will be equitably targeted and distributed to States with low-income children who are not currently being served, but who are otherwise eligible.

The bill expands the scope of the Follow Through program, which is designed to sustain and expand upon the gains made by children in Head Start or similar preschool programs. Follow Through provides comprehensive developmental services—specified in S. 2090—including instruction, medical and dental health, nutrition, psychological and social services, staff development, and career advancement for parents who are employed by the program.

A demonstration program for employment and training opportunities is established by the bill. This program will place increased emphasis on the Community Services Administration's role in the development of new and innovative approaches to employment and training programs.

Again, Mr. President, I would like to thank the distinguished floor manager, Mr. NELSON, and the subcommittee and committee members who have contributed to the preparation and reporting of this timely piece of legislation.

The PRESIDING OFFICER. The bill is open for further amendment.

If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

Mr. NELSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 2090.

The PRESIDING OFFICER. Without objection, it is so ordered

The question is on the engrossment and third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The PRESIDING OFFICER. All time having been yielded back, the question is, Shall the bill pass?

The bill (S. 2090), as amended, was passed as follows:

S. 2090

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Amendments of 1978".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to extend and revise programs under titles I, II, III, IV, V, VI, VII, VIII and IX of the Economic Opportunity Act of 1964.

RESEARCH AND DEMONSTRATIONS

SEC. 3. Title I of the Economic Opportunity Act of 1964 (hereinafter referred to as "the Act") (42 U.S.C. 2711 et seq.) is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 106. There are authorized to be appropriated for the purpose of carrying out the provisions of this title $5,000,000 for fiscal year 1979, $6,000,000 for fiscal year 1980, and $8,000,000 for fiscal year 1981.".

URBAN AND RURAL COMMUNITY ACTION PROGRAMS

SEC. 4. (a) Section 210(c) of the Economic Opportunity Act of 1964 (42 U.S.C. 2790(c)) is amended by inserting after the first sentence thereof the following new sentences: "The Director, in determining whether a county or multicounty unit is eligible to be served by a community action agency under this title, shall not apply, as the sole criterion for eligibility, any requirement or restriction relating to the number of individuals residing in the county or multicounty unit if at least 20 per centum of the families and unrelated individuals residing therein have incomes below the poverty lines as determined by the Bureau of Census from the most recent census or survey. However, a new community action agency may not be designated under section 210(a) within a county or multicounty unit if—

"(1) such county or multicounty unit has a population of less than 50,000;

"(2) such county or multicounty unit was served by an existing community action agency on June 1, 1978; and

"(3) the new community action agency would serve a smaller geographical area than that served by an existing community action agency on June 1, 1978.".

(b) Section 210(d) of the Act (42 U.S.C. 2790(d)) is amended by inserting ", in accordance with regulations promulgated by the Director," after "determines".

(c) The first sentence of section 211(b) of the Act (42 U.S.C. 2791(b)) is amended—

(1) by inserting ", and not less than fifteen" after "fifty-one"; and

(2) by inserting "currently holding office" after "officials" the first time it appears in clause (1).

(d) Section 213 of the Act (42 U.S.C. 2796) is amended by adding at the end thereof the following new subsection:

"(c) The Director shall annually review, for the purposes of updating and simplifying, all relevant regulations and guidelines applicable to programs funded under this Act.".

FINANCIAL ASSISTANCE TO COMMUNITY ACTION PROGRAMS

SEC. 5. (a) Section 222(a) is amended—

(1) by redesignating paragraph (5) thereof as paragraph (1);

(2) by redesignating paragraph (7) thereof as paragraph (2);

(3) by redesignating paragraph (10) thereof as paragraph (3);

(4) by redesignating paragraph (11) thereof as paragraph (4);

(5) by redesignating paragraph (12) thereof as paragraph (5); and

(6) by redesignating paragraph (13) thereof as paragraph (6).

(b) The fourth sentence of section 222(a)(1) of the Act, as so redesignated by subsection (a), is amended to read as follows: "The Director is authorized to carry out the functions under this paragraph through the Secretary of Agriculture and the Secretary of Health, Education, and Welfare in a manner that will insure the availability of such supplies and services, nutritional foodstuffs, and related services through a community action agency or local public or private nonprofit organization or agency.".

(c)(1) The second sentence of section 222(a)(4) of the Act, as so redesignated by subsection (a), is amended to read as follows: "Financial assistance under this paragraph shall be provided to nonprofit rural housing development corporations and cooperatives or local public or private nonprofit organizations or agencies serving areas which are defined by the Farmers Home Administration as rural areas, and shall be used for, but not limited to, such purposes as administrative expenses; revolving development funds; nonrevolving land, land development, and construction writedowns; rehabilitation or repair of substandard housing; and loans to low-income families."; and

(2) The third sentence of section 222(a)(4) of the Act, as so redesignated by subsection (a), is amended by inserting "and programs under the Comprehensive Employment and Training Act of 1973" after "Mainstream programs".

(d) Section 222(a)(5) of the Act, as so redesignated by subsection (a), is amended by inserting the following new sentence at the end thereof: "In carrying out programs to lessen the impact of the high cost of energy to migrants, other seasonally employed farmworkers, and Native Americans, the Director shall utilize local public or private nonprofit organizations or agencies where feasible. Eligibility for any of the programs authorized under this section shall not be based solely on delinquency in payment of fuel bills.".

(e) Section 222(a)(6) of the Act, as so redesignated by subsection (a), is amended to read as follows:

"(6) A program to be known as Summer Youth Recreation designed to provide recreational opportunities for low-income children

during the summer months. Funds made available for this paragraph shall be allocated by the Director among community action agencies where feasible, or other public or private nonprofit agencies where no such community action agency exists or is able to administer a program, to provide recreational opportunities for low-income children during the summer months.".

(f) Section 222(a) of the Economic Opportunity Act of 1964 is amended by adding the following new paragraph at the end thereof:

"(7) A program to be known as Demonstration Employment and Training Opportunities designed to establish experimental employment and training programs and projects for low-income persons who are unemployed or underemployed, with special emphasis on youth, the structurally unemployed (especially those dependent on public assistance), single heads of households with dependent children, older workers, and veterans. The Director is authorized to make grants to community action agencies, community economic development corporations (as designated under title VII of this Act), and public or private nonprofit organizations and agencies for experimental programs and activities including, but not limited to, providing innovative approaches to employment and training programs, which shall, if necessary, make available to participants comprehensive supportive services; developing programs and linkages for low-income persons to achieve satisfactory transition from either unemployment or federally subsidized jobs to employment that is not federally subsidized; and developing training programs, with special consideration for community development corporations, designed to place disadvantaged youth in the private sector. The Director and the Secretary of Labor shall assure a full exchange of information concerning the employment and training programs subject to their respective jurisdictions in order to assure the most effective and responsive demonstration programs and activities. Any employment and training activities assisted in whole or part with funds made available under this paragraph shall be subject to the applicable conditions, labor standards, and benefits set forth in the Comprehensive Employment and Training Act of 1973 and other related laws.".

(g) The first sentence of section 225(c) (42 U.S.C. 2812(c)) of the Act is amended to read as follows: "Unless otherwise provided in this part, financial assistance to a community action agency or other agency pursuant to sections 221 and 222(a) shall not exceed 80 per centum of approved costs of assisted programs.".

SUPPLEMENTAL PROGRAMS AND ACTIVITIES

SEC. 6. (a) Section 230 of the Act (42 U.S.C. 2824) is amended—

(1) by striking out "may" in the first sentence and inserting in lieu thereof "shall"; and

(2) by striking out "may" in the second sentence and inserting in lieu thereof "shall, to the extent feasible,".

(b) Section 231(a) of the Act (42 U.S.C. 2824(a)(1)) is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(5) to advise the Director and the chief executive of the State on the status and impact of State and Federal programs and services affecting low-income people in the State; and

"(6) to assist programs funded under section 221 and section 222 in coordinating and utilizing services available through other State agencies.".

(c) Part C of title II of the Act (42 U.S.C. 2824 et seq.) is amended by striking out section 236 and by redesignating section 237 as section 236.

(d) Section 236 of the Act, as so redesignated by subsection (c), is amended by striking out "two" and inserting in lieu thereof "six".

GENERAL AND TECHNICAL PROVISIONS

SEC. 7. (a) Part D of title II of the Act (42 U.S.C. 2832 et seq.) is amended by striking out section 240.

(b) Section 244(2) of the Act is amended by striking out "$15,000" each time it appears and inserting in lieu thereof "$18,000".

(c) Section 245 of the Act is amended by striking out "eleven" and inserting in lieu thereof "fourteen".

SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

SEC. 8. (a) Title III of the Act (42 U.S.C. 2855 et seq.) is amended—

(1) by striking out the title "PART A—RURAL LOAN PROGRAM";

(2) by striking out part B and part C thereof; and

(3) by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 307. There are authorized to be appropriated for the purpose of carrying out the provisions of this title $3,000,000 for fiscal year 1979, $5,000,000 for fiscal year 1980, and $7,000,000 for fiscal year 1981.".

(b) Section 301 is amended by striking out "part" and inserting in lieu thereof "title".

ASSISTANCE FOR MIGRANT, AND OTHER SEASONALLY EMPLOYED, FARMWORKERS AND THEIR FAMILIES

SEC. 9 Title IV of the Act (42 U.S.C. 2701 et seq.) is amended to read as follows:

"TITLE IV—ASSISTANCE FOR MIGRANT, AND OTHER SEASONALLY EMPLOYED, FARMWORKERS AND THEIR FAMILIES

"STATEMENT OF PURPOSE

"SEC 401. The purpose of this title is to assist migrant and seasonal farmworkers and their families to improve their living condition and develop skills necessary for a productive and self-sufficient life in an increasingly complex and technological society.

"FINANCIAL ASSISTANCE

"SEC. 402. (a) The Director may provide financial assistance to assist State and local agencies, private nonprofit institutions and cooperatives in developing and carrying out programs to fulfill the purpose of this title.

"(b) Programs assisted under this title may include projects or activities—

"(1) to meet the immediate needs of migrant and seasonal farmworkers and their families, such as day care for children, education, health services, improved housing and sanitation (including the provision and maintenance of emergency and temporary housing and sanitation facilities), legal advice and representation, and consumer training and counseling;

"(2) to promote increased community acceptance of migrant and seasonal farmworkers and their families; and

"(3) to equip unskilled migrant and seasonal farmworkers and members of their families, as appropriate, through education and developmental programs to meet the changing demands in agricultural employment brought about by technological advancement and to take advantage of opportunities available to improve their well-being and self-sufficiency by gaining regular or permanent employment or by participating in available federally assisted employment or training programs.

"LIMITATIONS ON ASSISTANCE

"SEC. 403. (a) Assistance may not be extended under this title unless the Director determines that the applicant will maintain its prior level of effort in similar activities.

"(b) The Director shall establish necessary procedures or requirements to assure that programs under this title are carried on in accordance with other programs or activities providing assistance to the persons and groups served.

"TECHNICAL ASSISTANCE, TRAINING, AND EVALUATION

"SEC. 404. The Director may provide directly or through grants, contracts, or other arrangements, such technical assistance or training of personnel as may be required to implement effectively the purposes of this title.

"SPECIAL RESPONSIBILITIES

"SEC. 405. The Director shall be responsible for coordinating programs under this title with other Federal programs designed to assist or serve migrant and seasonal farmworkers, for reviewing and monitoring such programs, and for insuring that programs assisted under this title cooperate with and receive the cooperation of programs assisted under section 221 in communities which such programs mutually serve. Programs under this title shall be administered at the national level.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 406. There are authorized to be appropriated for carrying out the purposes of this title $3,000,000 for fiscal year 1979, $5,000,000 for fiscal year 1980, $8,000,000 for fiscal year 1981.".

HEADSTART PROGRAM

SEC. 10. (a) Section 512 of the Act (42 U.S.C. 2928a) is amended by striking out "1975 through 1977" and inserting in lieu thereof "1979 through 1981".

(b)(1) Section 513(a) of the Act is amended to read as follows:

"(a)(1) Of the sums appropriated pursuant to section 512 for any fiscal year beginning after September 30, 1978, the Secretary shall allot not more than 2 per centum among Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, according to their respective needs.

"(2) In addition, the Secretary shall reserve not more than 20 per centum of the sums so appropriated for each fiscal year (subject to the provisions of subsection (b)) for use in accordance with the following order of priorities:

"(A) Discretionary funding shall be given with equal consideration to Indian and Migrant Headstart programs and to services for handicapped children, except that there shall be made available, for use by Indian and migrant Headstart programs, nationally, (i) no less funds for fiscal year 1979 and thereafter than were obligated for use by Indian and migrant Headstart programs in fiscal year 1978 and (ii) cost-of-living adjustments shall be made in fiscal year 1979 and thereafter. Such cost-of-living adjustments shall, at a minimum, reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the United States Department of Labor.

"(B) Training and technical assistance activities which, at a minimum, are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities.

"(C) Hold-harmless payments shall be

made available, if necessary, to maintain each State or territory in fiscal year 1979 at a level of funding equivalent to its funding level for fiscal year 1978. For the fiscal year 1979 and for each succeeding fiscal year thereafter, such hold-harmless payments shall be made available according to the following percentages of the fiscal year 1978 base allocation: 90 per centum for fiscal year 1980, 80 per centum for fiscal year 1981, 70 per centum for fiscal year 1982, 60 per centum for fiscal year 1983, 50 per centum for fiscal year 1984, 40 per centum for fiscal year 1985, 30 per centum for fiscal year 1986, 20 per centum for fiscal year 1987, 10 per centum for fiscal year 1988, and no hold-harmless payments thereafter, except that no State's hold-harmless payment under this subparagraph shall be less than the amount the State received in fiscal year 1975.

"(D) The remainder in accordance with such criteria and procedures as the Secretary shall prescribe by regulation. Additional financial assistance may be provided to a State for purposes other than assistance to Indian and migrant programs, services for handicapped children, and training and technical assistance activities, only if such State's allotment for a fiscal year under subparagraph (C) of this paragraph and paragraph (3) is not greater than 175 per centum of the amount such State is eligible to receive in that fiscal year under paragraph (3) of this subsection.

"(3) The remainder shall be allotted among the States, in accordance with the latest satisfactory data available, so the equal proportions are distributed on the basis of (A) the relative number of recipients receiving payments under the program of aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act in each State as compared to all States and (B) the relative number of related children from birth through five years of age living with families with incomes below the poverty line in each State as compared to all States.".

(2) Section 513 of the Act is amended by redesignating subsections (b) (but not the reference to subsection (b) in subsection (a)(2)), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively; and by inserting the following new subsection after subsection (a):

"(b) Whenever funds appropriated pursuant to section 512 for any fiscal year beginning after September 30, 1978, are equivalent to, or exceed $800,000,000, the Secretary, pursuant to the provisions of subsection (a)(2), shall reserve not more than 20 per centum of $800,000,000 or 15 per centum of the funds so appropriated, whichever is greater.".

(c) Section 514(c) of the Act (42 U.S.C. 2928c(c)) is amended by adding at the end thereof the following new sentence: "The Secretary shall require that parents and area residents affected by the program be significantly involved in the selection of Headstart agencies.".

(d) Section 515(b)(1) of the Act (42 U.S.C. 2928d(b)(1)) is amended by inserting "participate directly in decisions that" before "influence".

(e) Section 517(b) of the Act (42 U.S.C. 2928f(b)) is amended by striking out "six" and inserting in lieu thereof "twelve".

(f) Section 518(a) (42 U.S.C. 2928g(a)) of the Act is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking out "Such" in the second sentence and inserting in lieu thereof "Except as provided in paragraph (2) of this subsection, such";

(3) by redesignating "(1)" and "(2)" as "(A)" and "(B)" respectively;

(4) by striking "(1)" after "clause" and inserting in lieu thereof "(A)"; and

(5) by adding the following new paragraph:

"(2) Whenever a Headstart program is operated in a community with a population of one thousand or less individuals and (A) there is no other preschool program in the community, (B) the community is located in a medically underserved area as designated by the Secretary pursuant to section 330(b)(3) of the Public Health Service Act and is located in a health manpower shortage as designated by the Secretary pursuant to section 332(a)(1) of such Act, (C) the community is in a location which, by reason of remoteness, does not permit reasonable access to the type of services described in clauses (A) and (B), and (D) not less than 50 per centum of the families to be served in the community are eligible under the eligibility criteria established by the Secretary under paragraph (1) of this subsection, the Headstart program in each such locality shall establish the criteria for eligibility; except that no child residing in such community whose family is eligible under such eligibility criteria shall, by virtue of such project's eligibility criteria, be denied an opportunity to participate in such program.".

(g) Section 523(b) of the Act (42 U.S.C. 2928(b)) is amended—

(1) by inserting "(1)" after "subsection (a)";

(2) by striking out "subsection (b)" and inserting in lieu thereof "subsection (a)(2)"; and

(3) by striking out "thirty" the second time it appears therein and inserting in lieu thereof "ninety".

(h) Subsection 523 (c) and (d) of the Act (42 U.S.C. 2928(c)(d)) are amended by striking out "Director" each time it appears and inserting in lieu thereof "Secretary".

FOLLOW THROUGH PROGRAM

SEC. 11. (a) Section 551(a)(3) is amended by striking out "the Secretary determines" and by inserting "educational, health, nutritional, social, and other" after "comprehensive".

(b) The first sentence of section 552(a) of the Act (42 U.S.C. 2929a(a)) is amended to read as follows:

"(a) There are authorized to be appropriated for carrying out the purposes of this part $70,000,000 for fiscal year 1979, $85,000,000 for fiscal year 1980 and $100,000,000 for fiscal year 1981.".

(c) Part B of title V of the Act (42 U.S.C. 29 et seq.) is amended—

(1) by striking out section 553;

(2) by redesignating section 554 as section 557; and

(3) by inserting the following new sections after section 552:

"RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

"SEC. 553. (a) The Secretary may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or in otherwise furthering the purposes of this part.

"(b) The Secretary shall establish an overall plan to govern the approval of research, demonstration, or pilot projects and the use of all research authority under this part. Such plan shall set forth specific objectives to be achieved and priorities among such objectives.

"ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECT CONTRACTS

"SEC. 554. (a) The Secretary shall make a public announcement concerning—

"(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this part; and

"(2) the results, findings, data, or recommendations made or reported as a result of such activities.

"(b) The public announcements required by subsection (a)(1) of this section shall be made within thirty days of making such grants or contracts, and the public announcements required by subsection (a)(2) of this section shall be made within ninety days of the receipt of such results.

"(c) The Secretary shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this part shall become the property of the United States.

"(d) The Secretary shall publish summaries of the results of activities carried out pursuant to this part not later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such summaries.

"EVALUATION

"SEC. 555. (a) The Secretary shall provide, directly or through grants or contracts, for the continuing evaluation of programs under this part, including evaluations that measure and evaluate the impact of programs authorized by this part, in order to determine their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanism for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program or project evaluation.

"(b) The Secretary shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this part. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this part.

"(c) In carrying out evaluations under this part, the Secretary shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this part about such programs and projects.

"(d) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

"(e) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this section become the property of the United States.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 556. The Secretary may provide, directly or through grants or other appropriate arrangements, (1) technical assistance to Follow Through programs in developing, conducting, and administering programs under this part, and (2) training for specialized or other personnel which is needed in connection with Follow Through programs.".

DAY CARE PROJECTS

SEC. 12. Section 583 of the Act (42 U.S.C. 2933) is amended by striking out "ten" and inserting in lieu thereof "thirteen".

ADMINISTRATION AND COORDINATION

SEC. 13. (a) Section 601(c) of the Act (42 U.S.C. 2941(c)) is amended to read as follows:

"(c) The Administration shall be an independent agency. The Director shall have the responsibility for carrying out titles I, II, III, IV, VI, VII, and IX of this Act.".

(b) Section 601 of the Act (42 U.S.C. 2941) is amended by striking out subsections (e), (f), (g), and (h).

(c) Section 602(d) of the Act (42 U.S.C. 2942) is amended by striking out "with the approval of the President,".

(d) Section 605(a) of the Act (42 U.S.C. 2945(a)) is amended—

(1) by striking out "twenty-one" and inserting in lieu thereof "fourteen"; and

(2) by striking out the second sentence and inserting in lieu thereof the following: "At least one-half of members appointed to serve on the Advisory Council shall include low-income persons or representatives of the poverty population or the programs that affect the poor, and the remainder of the membership of the Advisory Council shall be comprised of people who are representative of the public in general and appropriate fields of endeavor related to the purposes of this Act.".

(e) Part A of title VI of the Act (42 U.S.C. 2941 et seq.) is amended by redesignating section 610 as section 609 and section 610-1 as section 610.

(f) Section 610(b) of the Act, as so redesignated by subsection (e), is amended by striking out "$6,000" and inserting in lieu thereof "$8,000", and by striking out "he" and "his" and inserting in lieu thereof "such person" or "such person's" respectively.

(g) Section 611 is amended by striking out "his" wherever it appears and inserting in lieu thereof "a person's".

(h) Section 615 of the Act (42 U.S.C. 2965) is amended by striking out "eleven" and inserting in lieu thereof "fourteen".

(i) Section 620 of the Act (42 U.S.C. 2970) is amended by striking out the last sentence thereof.

(j) Part A of title VI of the Act (42 U.S.C. 2940 et seq.) is amended by striking out section 621, and by redesignating section 622 through 628 as section 621 through 627.

(k) Section 631 (42 U.S.C. 2974) is amended—

(1) by striking out "his" in subsection (a), and inserting in lieu thereof "the member's"; and

(2) by striking out "him" and "his" in subsection (c) and inserting in lieu thereof "the Executive Secretary" and "the Executive Secretary's" respectively.

COMMUNITY ECONOMIC DEVELOPMENT

SEC. 14. (a) Section 703 of the Act (42 U.S.C. 2981(b)) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 703. For the purpose of carrying out this title, there are authorized to be appropriated $70,000,000 for fiscal year 1979, $85,000,000 for fiscal year 1980 and $105,00,000 for fiscal year 1981. Any sums appropriated under this section shall remain available until expended.".

(b) Title VII of the Act (42 U.S.C. 2981 et seq.) is amended by inserting the following new section after section 703:

"ADVISORY COMMUNITY INVESTMENT BOARDS

"SEC. 704. (a) The President is authorized to establish national, regional, State, and to establish national, regional, State, and local Advisory Community Investment Boards (hereinafter referred to as Investment Boards), as the President deems appropriate. Such Investment Boards shall be composed of fifteen members appointed, for staggered terms and without regard to the civil service laws, by the President, in consultation with the Director. Such members shall be representative of the investment and business communities and appropriate fields of endeavor related to this title. The Investment Boards shall meet at the call of the chairperson, but not less often than three times a year. The Director and the administrator of cummunity economic development programs shall be ex officio members of the Investment Boards.

"(b) The Investment Boards shall promote cooperation between private investors and businesses and community development corporation projects through (1) advising the Director and the community development corporations on ways to facilitate private investment; (2) advising businesses and other investors of opportunities in community development corporation projects; (3) advising the Director, community development corporations, and private investors and businesses of ways in which they might engage in mutually beneficial efforts.".

(c) Section 712(a) of the Act (42 U.S.C. 2982a(a)(11)) is amended—

(1) by striking out "economic and" in paragraph (1), and inserting "and commercial" after "business";

(2) by inserting "physical" after "community" in paragraph (2);

(3) by inserting before the semi-colon in paragraph (3) a comma and the following: "and in section 222(a)(7) of this Act";

(4) by striking out "economic" in paragraph (4) and inserting in lieu thereof "business and commercial"; and

(5) by inserting "recreation services," after "energy conservation," in paragraph (4).

(d) Section 713(b) of the Act (42 U.S.C. 2982b(b)) is amended by striking out "an" and inserting in lieu thereof "a substantial".

(e) Section 713 of the Act (42 U.S.C. 2982b) is amended by adding at the end of thereof the following new subsection:

"(d) Financial assistance for commercial development under this part shall not be extended until the community economic development program that has applied for assistance under this title has specified in some detail its development goals and its development timetable. The Director, in providing continued financial assistance to a community economic development program, shall give serious consideration to the experience that program has had in meeting development goals or in adhering to development timetables.".

(f) Section 714 of the Act (42 U.S.C. 2982c) is amended to read as follows:

"FEDERAL SHARE

"SEC. 714. (a)(1) Assistance provided under this title to any program described in section 712(a) shall not exceed 90 per centum of the cost of such program including costs of administration unless the Director determines that the assistance in excess of such percentage is required in furtherance of the purposes of this title. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

"(2) The assistance referred to in paragraph (1) shall be made available (A) for deposit to the order to grantees which have demonstrated successful program performance, under conditions which the Director deems appropriate, within thirty days following approval of the grant agreement by the Director and such grantee, or (B) whenever the Director deems appropriate, in accordance with applicable rule and regulations prescribed by the Secretary of the Treasury, and including any other conditions which the Director deems appropriate, within thirty days following approval of the grant agreement by the Director and such grantee.

"(b) Property acquired as a result of capital investments made by any community development corporation with funds granted as its Federal share of the cost of programs carried out under this title, and the proceeds from such property, shall become the property of the community development corporation and shall not be considered to be Federal property. The Federal Government retains the right to direct that on severance of the grant relationship the assets purchased with grant funds shall continue to be used for the original purpose for which they were granted.".

(g) Section 722(b) of the Act (42 U.S.C. 2983) is amended by inserting "or local public and private non-profit organizations or agencies" after "local cooperative associations".

(h) The first sentence of section 731(a) of the Act (42 U.S.C. 2984(a)) is amended to read as follows:

"(a) The Director is authorized to make or guarantee loans (either directly or in cooperation with banks or other organizations through agreements to participate on an immediate or deferred basis) to community development corporations, to families and local cooperatives and the designated supportive organizations of cooperatives eligible for financial assistance under this title, to community action agencies and other community-based organizations eligible for financial assistance under title II of this Act, or to public and private non-profit organizations or agencies, for business facilities and community development projects, including community development credit unions, which the Director determines will carry out the purposes of this part.".

(i) Section 742(a)(2) of the Act (42 U.S.C. 2985a(a)(2)) is amended—

(1) by striking out "prescribe such" and inserting in lieu thereof, "promulgate";

(2) by striking out "as may be necessary and appropriate"; and (3) by inserting ", including, but not limited to, programs under section 8(a) of the Small Business Act" before the period.

(j) Title VII of the Act (42 U.S.C. 2981 et seq.) is amended by striking out section 745 and by redesignating sections 746, 747, 748 and 749 as sections 745, 746, 747, and 748, respectively.

(k) Section 746(b) of the Act, as redesignated by subsection (j), is amended by inserting "and demonstration projects" after "research".

NATIVE AMERICAN PROGRAMS

SEC. 15. Section 814 of the Act (42 U.S.C. 2992d) is amended by striking out "1977" and inserting in lieu thereof "1981".

EVALUATION

SEC. 16. Title IX of the Act (42 U.S.C. 2995 et seq.) is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 904. There are authorized to be appropriated for the purpose of carrying out the provisions of this title $4,000,000 for fiscal year 1979, $7,000,000 for fiscal year 1980, and $10,000,000 for fiscal year 1981.".

TECHNICAL CONFORMING AMENDMENTS

SEC. 17. (a) Titles I, II, III, IV, VI, VII, and IX of the Act are amended by striking out "he", "his" or "him" wherever it appears and refers to the Director and inserting in lieu thereof either "the Director" or "the Director's", whichever is appropriate; and by striking out "He" wherever it appears and inserting in lieu thereof "The Director".

(b) Titles V and VIII of the Act are amended by striking out "he", "his" or "him" wherever it appears and refers to the Secretary and inserting in lieu thereof either "the Secretary" or "the Secretary's", whichever is appropriate; and by striking out "He" wherever it appears and inserting in lieu thereof "The Secretary".

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. NELSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NELSON. Mr. President, I wish to thank the distinguished Senator from New York (Mr. JAVITS) for his great cooperation in working out this legislation, as well as his staff; as well as Scott Ginsburg and Lori Hansen of the majority staff of the Subcommittee on Employment, Poverty, and Migratory Labor.

Mr. JAVITS. Mr. President, I, too, wish to express my satisfaction in working with the Senator from Wisconsin, as I have for so many years, in complete concord on this matter. I would like to thank, too, the staff of the majority already named, and the staff of the minority, Jim O'Connell, and Diane Kamino.

REGIONAL RAIL REORGANIZATION ACT AMENDMENTS OF 1978

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2788, which the clerk will state by title.

The assistant legislative clerk read as follows:

Calendar 815, S. 2788, a bill to amend section 216 of the Regional Rail Reorganization Act of 1973 to authorize the purchase of an additional $600 million of the series A preferred stock of the corporation, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation with an amendment in the nature of a substitute.

The PRESIDING OFFICER. The time for debate on the bill is limited to 2 hours, to be equally divided between and controlled by the Senator from Nevada (Mr. CANNON) and the Senator from Kansas (Mr. PEARSON), with 30 minutes on any amendment except an amendment to be offered by the Senator from Maine (Mr. MUSKIE), on which there shall be 2 hours; and with 15 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may put in a quorum call without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEE MEETING

Mr. ROBERT C. BYRD. On behalf of the minority leader and myself, and under the provisions of rule XXV, paragraph 7(a), I hereby file notice that we are granting a waiver to the Committee on Energy and Natural Resources to enable it to meet during the session of the Senate today between 2:30 and 4:30 p.m.

The PRESIDING OFFICER. Where?

Mr. ROBERT C. BYRD. The committee will be meeting in the Dirksen Office Building, in room 3110. I thank the Chair.

The PRESIDING OFFICER. The Chair is always delighted to help the majority leader.

REGIONAL RAIL REORGANIZATION ACT AMENDMENTS OF 1978

The Senate continued with the consideration of S. 2788.

Mr. ROBERT C. BYRD. I ask unanimous consent that I may put in a quorum call without the time being charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President I ask unanimous consent that Mr. Stuart Brahs of my staff be accorded the privilege of the floor throughout the entire consideration and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that Sally Rogers of Senator THURMOND's staff may be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll, without the time being charged to either side.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Will the Senator yield?

Mr. LONG. Yes, I yield.

Mr. CANNON. Mr. President, I ask unanimous consent that Tom Dougherty of Senator GLENN's staff and Aubrey Sarvis of the Commerce Committee staff be granted privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, S. 2788, to amend section 216 of the Regional Rail Reorganization Act of 1973 to authorize the purchase of an additional $1.2 billion of series A preferred stock for ConRail, was the subject of hearings by the Senate Committee on Commerce, Science, and Transportation on April 13, 1978. The hearings on this additional money request were held in conjunction with general oversight hearings on the first 2 years of ConRail's operations.

The bill as originally introduced authorized the purchase by the U.S. Railway Association of $600 million of ConRail series A preferred stock to cover ConRail's anticipated financial shortfall during fiscal year 1979. On May 9, 1978, the committee ordered S. 2788 reported with an amendment in the nature of a substitute, providing for a multiyear authorization of $1,200,000,000 for the purchase by the U.S. Railway Association of ConRail's series A preferred stock. This $1.2 billion will flow to ConRail over a 5-year period, controlled through the appropriations process and the U.S. Railway Association. As will be explained in more detail below, the bill also directs ConRail to establish an employee stock ownership plan by transferring from the U.S. Railway Association shares of the series A preferred stock which the Association purchases from ConRail.

ConRail began operations as a successor corporation to the six bankrupt Northeast railroads on April 1, 1976. Although there was some recognition that ConRail might need additional Federal funds to obtain self-sustainability, at the conveyance of the bankrupt properties and the startup of operations of ConRail, the financial forecast assumed that the $2.026 billion actually appropriated out of the $2.1 billion authorized would be the total Federal investment required to revitalize the Northeast region's rail freight system.

It has now been 2 years since the physical transition of the bankrupt railroads into the ConRail system has become final. Since that time, ConRail's losses have netted out to be close to the losses projected in the final system plan—over $500 million. More significant than the total level of losses, however, is the fact that losses in 1977 were greater than in 1976. The final system plan projected a decline in losses in 1977 with no losses by 1979. The ConRail trend has been in the opposite direction. Therefore, although ConRail during its first 2 years of operations managed to stay roughly within the parameters estimated in the final system plan, the history of the last 4 months actually indicates that the gap between final system plan projections and actual operating results will continue to widen over the next several months and years.

Although developed with some uncertainty as to the Corporation's actual configuration, the final system plan projections reflected the most acceptable judgment in 1975 about ConRail's future performance. Because of a host of operational difficulties involved in revitalizing the Northeast rail system, these judgments have proven to be overly optimistic. Indeed, the Congress and others began to receive early indications, even prior to February 15, 1978, at which time ConRail submitted its 5-year business plan to the U.S. Railway Association, that its projections for the next 5 years would indicate that substantial additional amounts of Federal financial assistance would be required.

That business plan, submitted to the U.S. Railway Association on February 15, 1978, estimated an additional $1.3 billion of Federal financial assistance and $1 billion of private equipment financing over the next 5 years. This is to enable ConRail to continue rehabilitation of the railroad and to become profitable. Despite certain accomplishments in meeting the final system plan projections, it is now certain that ConRail will not make the financial progress at the rate projected in the final system plan. The two most important factors underlying this condition are that: First, ConRail's revenue base is now projected to be lower than the final system plan projection, and second, Con Rail's physical capability to provide needed services is not as strong as expected. ConRail have revealed through its 5-year business plan that it expects to carry some 52 million tons less coal than projected in the final system plan. Additionally, the condition of the fleet of cars conveyed to ConRail has resulted in an accelerated retirement of cars and a corresponding increased need for more cars.

Over the next 5 years the plan revealed, ConRail's revenues are expected to total $18.9 billion. That is $1.7 billion less than predicted in the final system plan. This is a direct result of a cumulative shortfall of total tons of freight carried.

Total expenditures on physical assets will be $10.5 billion, which is $677 million more than projected. This higher expenditure will necessitate revenue growth in order to internally generate sufficient cash to meet the expenditure.

Under the circumstances of our having made a commitment to reorganize rail service in the Northeast and Midwest under the Railroad Revitalization and Regulatory Reform Act of 1976, and based upon recommendations of the Secretary of Transportation, the committee proceeded to approve the authorization request for the full $1.2 billion, but not without one condition.

The committee expects that its action will facilitate private sector investment confidence. Equally important in securing this confidence, however, is the committee amendment requiring the Corporation to establish an employee stock ownership plan.

The committee was aware of the existence of many employee stock ownership plans where the dual principles of employee ownership and participation, coupled with the clear perception of the connection between efficient operations and ultimate profitability have contributed to a firm's success. One often cited example is the South Bend Lathe Co., in which the employees used an ESOP to purchase the company in 1975. Earnings have just about doubled in the last 2 years on sales that have increased substantially.

Subsequent to final committee action on these provisions, but prior to full Senate approval, the Department of the Treasury expressed to us some concerns they had on certain technical aspects of the employee stock ownership provisions. These concerns related principally to the interaction between creating a new class of owners in the Corporation, the employees, and the uncertain future of Con Rail itself and the ongoing efforts to settle the valuation litigation. For example, concern was expressed about the Government's role and interest in any future capital restructuring of ConRail, should that prove necessary. Concern was also expressed that ConRail's future ESOP be linked to productivity increases, and that aspects of a direct grant, without a repayment requirement by ConRail, be avoided.

The Treasury Department has legitimate concerns in this area, and in an effort to cooperate and coordinate our efforts, which are happily headed in the same direction, I propose to delete the committee amendment and substitute in its place a new ESOP provision. This new provision still mandates the plan to be established, but avoids the problems raised by some of the detailed provisions of the earlier amendment.

The substituted amendment continues to make investment by the Association in the final $345 million of ConRail series A stock contingent on the ESOP being established, and continues to provide for immediate vesting, but contingent upon increases in productivity. In addition, within 1 year from the effective date of this provision, the Corporation and the Association are to submit to the Congress the proposed employee stock ownership plan, together with recommendations on any amendments that may be required to facilitate the final implementation of the employee stock ownership plan.

UP AMENDMENT NO. 1551

(Purpose: To provide for the implementation of an Employee Stock Ownership Plan for ConRail)

Mr. LONG. Mr. President, I send that amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes unprinted amendment numbered 1551.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all from page 2, line 25 through page 9, line 2 and insert in lieu thereof the following:

"(f)(1) The Association shall not invest the final $345,000,000 of the additional investment in the Corporation authorized by the Regional Rail Reorganization Act Amendments of 1978 unless and until (a) the Corporation has in effect an employee stock ownership plan which satisfies the requirements of paragraphs (2) and (3), and (b) the requirements of the other paragraphs of this subsection have been satisfied.

"(2) The employee stock ownership plan shall:

"(A) provide:

"(i) for a transfer to the plan and allocation to the accounts of plan participants in periodic installments of Series A preferred stock of the Corporation with a stated redemption value of at least $345,000,000 or any other securities in an amount determined by the Association, with the concurrence of the Finance Committee, as constituting a meaningful interest in the Corporation, or any combination thereof so determined by the Association, with the concurrence of the Finance Committee;

The use of Series A preferred stock to fund the Employee Stock Ownership Plan shall not be interpreted to relieve ConRail of the responsibility for repaying in full to the United States Railway Association its indebtedness as represented by all shares originally issued under Public Law 94–210 and this Act.

"(ii) for immediate vesting of the rights of participants to such securities upon allocation, subject to defeasance as a result of the plan's termination which termination shall occur in the event that, by the end of the 120th month beginning after the month in which securities or interests therein are first allocated to participants' accounts, the Corporation has not attained for two consecutive quarters positive net income and a freight labor cost to freight revenue ratio equal to the average such ratio for all Class I railroads in 1977, as determined pursuant to procedures adopted by the Corporation pursuant to regulations promulgated by the Association with the concurrence of the Finance Committee;

"(B) be an employee benefit plan which is designed to invest primarily in employer securities;

"(C) meets such other requirements (similar to requirements applicable to employee stock ownership plans as defined in section 4975(e)(7) of the Internal Revenue Code of 1954) as the Secretary of the Treasury or his delegate may describe;

"(D) have been approved by the Board of Directors of the Corporation to the extent and in the manner which may be required by the Corporation's articles of incorporation and bylaws then in effect; and

"(E) have been prepared in consultation with, and been approved by, the Association and the Finance Committee.

"(3) Notwithstanding any other provision of law, if a plan does not meet the requirements of section 401 of the Internal Revenue Code of 1954—

"(A) stock transferred under paragraph (2) and allocated to the account of any participant under paragraph (2) shall not be considered income of the participant or his beneficiary under the Internal Revenue Code of 1954 until such stock or dividends are actually distributed or made available to the participant or his beneficiary and, at such time, shall be taxable under section 72 of the Internal Revenue Code of 1954 (treating the participant or his beneficiary as having a basis of 0 in the stock);

"(B) no amount shall be allocated to any participant under the plan in excess of the amount which might be allocated if the plan met the requirements of section 401 of the Internal Revenue Code of 1954; and

"(C) the plan must meet the requirements of sections 410 and 415 of the Internal Revenue Code of 1954.

"(4) The Corporation shall adopt such terms and conditions governing the securities or interests therein to be transferred to the plan (including limitations on voting rights) as the Association, with the concurrence of the Finance Committee, determines are necessary to protect reasonably the interests of the United States in the litigation pursuant to Section 303(c) of this Act and in the event of any action to further reorganize or restructure the Corporation's assets or capital structure.

"(5) The Corporation, the Association, and a representative appointed by the Chairman of the Railway Labor Executives' Association as representative of all the classes or crafts of employees of the Corporation shall engage in negotiations to agree upon a plan in ac-

cordance with the provisions of this subsection. The parties shall incorporate their agreement into a written plan instrument specifying the terms and conditions set forth in this subsection and such other terms and conditions as they made decide upon, with the concurrence of the Finance Committee, unless the parties are unable to reach an agreement on the plan following the exertion of every reasonable effort to do so, in accordance with the Railway Labor Act, in which event, the Corporation and the Association, with the concurrence of the Finance Committee, shall establish a written plan with such terms and conditions as they may agree upon in accordance with this subsection. Within one year after the effective date of this subsection, the Corporation shall transmit a draft of such plan to the Congress and shall report on its progress in establishing and administering the plan. The report shall include recommendations of contractual and statutory provisions necessary to reasonably (a) exempt any Trustee of the plan, the Corporation, the Association, any member of the Finance Committee, and any other person from any fiduciary duty, responsibility or liability for the acquisition of, investment in, or retention of any security or interest therein of the Corporation or for any other transaction contemplated by this subsection and (b) provide for the United States to indemnify, defend, and hold harmless such persons against any and all liabilities, claims, actions, judgments, amounts paid in settlement, and costs and expenses actually incurred in connection with any matter so exempted in which it is determined that such persons were acting in good faith and in a manner they believed to not be opposed to the best interests of the plan.

"(6) Within 14 months of the effective date of this subsection, the Association shall report to the Congress on the draft plan and on any legal obstacle to the ability of the Corporation to effectuate and implement an employee stock ownership plan of the nature contemplated by this subsection, including specific recommendations on amendments to this subsection and other relevant laws which would harmonize the requirements of this subsection with those other laws. The Department of Transportation and the Department of Treasury, as each finds appropriate, shall provide separate comments to the Association for inclusion with such report.

"(7) For the purposes of this subsection, the officers of each duly authorized representative of the crafts or classes of the employees of the Corporation who have been given leaves of absence by the Corporation to serve as such officers, are to be eligible to participate in such plan on the same basis as are employees whose employment is governed by a collective bargaining agreement with the Corporation.".

Mr. LONG. Mr. President, this amendment is recommended by the Treasury, the Department of Transportation, and the U.S. Railway Association.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Might we vote on the amendment?

I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to UP amendment No. 1551 submitted by the Senator from Louisiana.

The amendment was agreed to.

AMENDMENT NO. 3406

(Purpose: To direct the Consolidated Rail Corporation to reconstruct the railroad bridge over the Hudson River at Poughkeepsie, N.Y.)

Mr. RIBICOFF. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF) for himself, Mr. MOYNIHAN, Mr. WEICKER, and Mr. JAVITS, proposes amendment No. 3406.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. MOYNIHAN). Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert a new section as follows:

SEC. 4. (a) The Consolidated Rail Corporation shall (1) carry out such reconstruction of the railroad bridge over the Hudson River at Poughkeepsie, New York, as is necessary for the purposes of this section and make appropriate repairs and improvements in rail yards and tracks which service the rail system using such bridge, (2) restore freight service on such system at least to the extent provided prior to the fire damage to such bridge in 1974, and (3) take appropriate steps to promote the use of such system.

(b) There is authorized to be appropriated to the Secretary of Transportation not to exceed $9,000,000 for making payments to the Corporation to cover costs incurred pursuant to subsection (a)(1).

The PRESIDING OFFICER. The Senator has 30 minutes on this amendment.

Mr. RIBICOFF. Mr. President, this amendment is being submitted on behalf of Senator MOYNIHAN, Senator WEICKER, Senator JAVITS, and myself.

Mr. President, on May 8, 1974, the railroad bridge spanning the Hudson River at Poughkeepsie, N.Y., was severely damaged by fire. This was a vital rail freight link to and from numerous points in Connecticut and elsewhere in New England. After over 4 years, however, no meaningful action has been taken to repair the Poughkeepsie Bridge and to restore this critical structure to a useful condition.

Shortly after the fire, the now-defunct Penn Central Railroad sought Federal aid under the Regional Rail Reorganization Act to make repairs. In January 1975, a three-party agreement was reached under which New York State and Penn Central would share the cost of the repairs and the U.S. Department of Transportation would assume that portion of Penn Central's share exceeding $350,000—the approximate amount of the insurance settlement. This agreement was not formally concluded, however, and was never signed. Since the ConRail takeover of the Penn Central, that agency has refused to repair the bridge and restore rail traffic over it.

The Poughkeepsie crossing and processing through the yards at Maybrook, N.Y., represents the shortest route between New England and Metropolitan New York and the Atlantic seaboard. ConRail refuses to recognize this fact and now route freight traffic along the Hudson River's west shoreline to Selkirk, N.Y.—an unnecessary detour of about 150 miles. As a consequence, countless delays are reportedly experienced by Connecticut and other New England shippers.

Last summer Governor Grasso's rail advisory task force reported that express freight trains could make the trip between New Haven and Washington, D.C., in under 17 hours, using the Poughkeepsie Bridge, and from Boston to Washington in just over 20 hours. It is clear, therefore, that one of the most important reasons to reopen this span is to provide faster and more direct rail freight service along the vital Northeast corridor.

The Pennsylvania Transportation Department reported that the Poughkeepsie route saves about 120 rail miles on one-way movements from Pennsylvania to Connecticut. This agency also calculated that—

Since it requires the consumption of at least 30 cents per car mile and one-fourth gallon of fuel per car mile to move a freight car, ConRail is wasting $3.6 million and 3 million gallons of fuel annually by not utilizing the Poughkeepsie Bridge.

Repairing this route will save at least 2 car days per car round trip, resulting in another $1.2 million annual saving.

The Senate recently adopted the coal conversion conference report which mandates the use of coal use for most new plants and many existing plants. However, the energy conservation objectives of this important measure will be thwarted by the failure to repair and reopen the Poughkeepsie Bridge. This bridge is a major gateway for coal to the Northeast—a region in which many power producers must now rely on costly foreign oil. The shipment of coal from the fields of Pennsylvania, Virginia, West Virginia, and Kentucky must now be diverted to the Selkirk crossing, thereby delaying the delivery of coal and unnecessarily adding to the cost. For utility companies in Connecticut and Long Island, for example, the Poughkeepsie Bridge is the most feasible and direct route for coal shipments.

Mr. President, the bridge at Selkirk is often closed on account of bad weather. Yet this is ConRail's only gateway to New England. If this one bridge were destroyed by a natural disaster or sabotage, New England and its important defense industry would be isolated. Without question, the current situation represents a substantial threat to our national security.

It is important to note, Mr. President, that the repair of the Poughkeepsie Bridge is an integral part of the final system plan for restructuring railroads in the Northeast and Midwest, prepared by the U.S. Railway Association under the provisions of the Regional Rail Reorganization Act of 1973. This bridge is intended to be part of ConRail's interconnecting main secondary main line system.

Far too many communities in Connecticut have been adversely affected by the disruption in rail service which has occurred since the May 1974 fire. This situation has also had a harmful economic impact on many areas in eastern

New York. I fear that the future of the Northeast railroad reorganization plan is seriously jeopardized by the failure of ConRail to repair the bridge and restore service.

For the past few years the charred remains of the Poughkeepsie Bridge has been an eyesore in that community. More recently, however, it has become a serious hazard and is a threat to the safety and welfare of that city. Mayor Jack Kennedy of Poughkeepsie advised me that the ruined bridge is rapidly deteriorating and that ties and other portions of the bridge are actually falling into homes situated underneath it. Tragically, a teenager recently fell from the bridge and was killed. Nevertheless, ConRail refuses to act.

ConRail opposes reconstruction of the bridge because it points out that only one round-trip service was operated over it at the time of the fire. However, that agency fails to note that this condition resulted from a significant downgrading of service by the Penn Central Transportation Co. In the last years of the New Haven Railroad's operation, 12 daily through-trains utilized the Poughkeepsie Bridge route with approximately 231,772 carloads interchanging annually at Maybrook. This fact has been verified by the Connecticut Transportation Department. In the period 1954–68, the share of New England rail traffic using the Poughkeepsie Bridge route in preference to other New England rail gateways increased from 22 percent to 30 percent.

The amendment I offer today would authorize up to $9 million for the Department of Transportation to make available to ConRail to reconstruct the bridge and make appropriate repairs and improvements in rail yards and tracks which service the system using that bridge. ConRail is also to restore freight service on the Poughkeepsie Bridge system at least to the level provided prior to the May 1974 fire. While there has been some disagreement over the exact cost of the reconstruction and related repairs, I am informed that $9 million is the figure endorsed by ConRail.

Mr. President, members of the Connecticut and New York congressional delegations have attempted to work with ConRail over the past 4 years to resolve this situation in a constructive manner. Unfortunately, our request for aid have been unsuccessful. We have no other alternative other than the amendment I have offered. In view of the importance which the Poughkeepsie Bridge represents to future rail freight service in the Northeast, I urge the adoption of this amendment.

Mr. President, the distinguished manager of this bill is deeply concerned with the whole problem of energy saving, and certainly the saving of 150 miles for a bypass is significant. We are talking about not only saving some $5 million but also about saving the cost of this extra 150 miles.

In addition, we are requiring the utilities in New York and New England to shift to coal, and that coal will have to come over this route, and it will be almost impossible to do so.

The distinguished Senator from New York (Mr. MOYNIHAN), who I understand lives near that area, can attest to the fact that Selkirk is often out of commission because of bad weather.

So we are in a great dilemma. The Governors and the transportation authorities of both the State of New York and the State of Connecticut feel that this is essential for the economy of their States and the orderly transportation facilities of that entire region.

(Mr. HARRY F. BYRD, JR., assumed the Chair.)

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to my distinguished colleague from New York.

Mr. MOYNIHAN. Mr. President, the senior Senator from Virginia has been kind enough to relieve me as Presiding Officer so that I may take this moment to endorse the statement of my distinguished friend and neighbor, the Senator from Connecticut (Mr. RIBICOFF). I should like to confirm the point he makes.

The Hudson River is the largest geographic barrier between the Northeastern United States and the coal fields of the Appalachian region in Pennsylvania, in West Virginia, and farther south. There are now but two railroad bridges across the Hudson River, and one is not operating.

A national transportation network that would leave Pennsylvania that exposed scarcely justifies the name. Surely, it does not represent the kind of national planning and regional concern that Congress committed the Nation to when it began the Railroad Association and the ConRail system.

The Selkirk Bridge is exactly what the Senator from Connecticut says. It is frequently immobilized by winter weather. The weather patterns farther south, at Poughkeepsie, are sufficiently different so that it is not likely that one would be out of commission when the other is.

If there is a national defense interest here, if there is an energy interest here, it is emphatically advanced by taking advantage of the fact that a bridge was there. The abutments and the fittings are all in place. A very modest expenditure in terms of capital investment would restore the bridge.

It seems to us that the case has been made most emphatically by Senator RIBICOFF, and I commend it to the managers of the bill. We thank him for the initiative he has taken in the matter.

Mr. RIBICOFF. I thank my colleague.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I join my colleague in thanking Senator RIBICOFF for this initiative. I adopt what my colleague said about New York.

I wish to add two points.

One, the reason I joined in this amendment, I say to Senator LONG, and I know he is deeply interested, was that a burning of a bridge should not be a substitute for a legitimate abandonment for cause.

That is what this is really all about. That bridge burned down in 1974. That is 4 years ago. Now ConRail wants to use that as a reason for abandoning it without any real justification and proof for the fact that that route should be abandoned. Four years have not made all that difference.

Our State is suffering worse than ever, and that mid-Hudson area is suffering among the worst of any parts of the State. So when they estimate, and I am sure they gave the Senator the same figure they gave me, that their study shows that the investment will produce a return of, I think it was 1.6 percent, what they do not estimate is the effect upon the economy of that area and, therefore, the mutual interests, one, in improving the traffic and, two, in doing something for the economy of an area of my State which is one of the worst hit by unemployment and the shift of economic activity.

It is for those reasons—and I did investigate the thing carefully and listened to the other side—that I join Senator RIBICOFF and thank him for this initiative.

The PRESIDING OFFICER (Mr. MOYNIHAN). Who yields time?

Mr. CANNON. Mr. President, I rise to regretfully oppose this amendment.

There are a number of very, very good reasons, and I will give a few of them to my colleagues.

First, we have given ConRail the responsibility for operating this railway system to try to get away from Congress having to do the day-to-day operation of these railroads that are in difficulty.

Once having given them that I hope that we will leave it up to ConRail to make the recommendations, the necessary studies, and the determinations.

If this amendment were to pass, this would insure that Congress would become the final arbiter in all this type of decisionmaking. This would be only the opening of the floodgate in that many actions of a similar nature, actions which are unpleasant obviously to areas that have to have some of the services curtailed.

I wish to read into the RECORD a memorandum on the study on this very bridge situation.

The Poughkeepsie Bridge was extensively damaged by fire in May 1974 and has not provided rail service since that time. Because the rebuilding of the Poughkeepsie Bridge was a subject of contention during 1976, the United States Railway Association, at the request of the Tri-State (New York, New Jersey, Connecticut) Regional Planning Commission, undertook to make an independent study of the economic feasibility of re-opening the bridge. The study concluded that reconstruction of the bridge was not justified since present day volumes of rail traffic could be handled through Selkirk with no overall reduction in service. Further, depending on the assumptions projected, the study concluded that reconstruction of the bridge would generate a possible range of +2.2% to a negative return on the investment required. In 1976 USRA estimated that $6.9 million would be required to restore service on the bridge route. At current rates of inflation, the reconstruction cost would be unacceptably high.

And I believe that figure is around $9 million at the present.

In determining the economic feasibility of reconstruction, consideration was given to the complexity of railroad operations which involves many more factors that should be evaluated in addition to extra mileage and fuel costs associated with the longer route for north-south traffic. The apparent cost of handling some traffic extra miles is offset by other factors including track maintenance, capital investment, capacity of switching yards, and additional handling which would be incurred if the bridge were reopened.

As a result of the intensified competition which railroads in the region have encountered from the trucks, there is a smaller amount of traffic available for the railroads. If the Poughkeepsie Bridge was reopened, it would be difficult to maintain equivalent service to all points when the traffic flow through Selkirk was partially diverted via Selkirk and partially diverted via Allentown, Pennsylvania or Croxton, New Jersey. As a result of the splitting of traffic, smaller and higher cost (per car) trains would be required to ship smaller train size lots of traffic.

And let me repeat that:

Smaller and higher cost (per car) trains would be required to ship smaller train size lots of traffic.

Moreover, it does not follow that the reconstruction of the Poughkeepsie Bridge would assist the Delaware and Hudson Railroad.

Competition can only be established if comparable or better service can be provided. If the D&H were to bring traffic to Binghamton for movement via Conrail direct to Connecticut and Long Island over the Poughkeepsie Bridge, the time delay and additional handling costs of an extra interchange at Binghamton and other locations would more than offset the potential advantage. The opening of the Poughkeepsie Bridge would not automatically enhance the D&H's competitive position in the region.

One of the cardinal principles of the Final System Plan was that the strategy and recommendations discussed in the FSP should not represent commitments by or for Conrail. The FSP which recommended conveyance of the bridge to Conrail, was never intended to represent the only possible operations and facilities plan by which Conrail could achieve successful results. It was expected that Conrail management would build upon the findings of the FSP to develop and refine its own operating scheme. The USRA study has shown that reconstruction of the bridge would be uneconomic.

And I repeat that, Mr. President:

The USRA study has shown that reconstruction of the bridge would be uneconomic. Conrail's management should be praised, not criticized, for prudently avoiding unjustifiable capital expenditures.

Accordingly, I submit that an amendment requiring the reconstruction of the Poughkeepsie Bridge would cause an unwarranted financial drain on Conrail's limited resources and could require the transfer of federal financial assistance from essential rail services. Such potential diversion of federal assistance from cost-justified business undertakings will only postpone the day when Conrail can achieve viability.

Mr. President, I have two letters that I wish also to read into the RECORD, and one of them is a letter from Mr. John L. Sweeney, Vice President, Government Affairs, of ConRail, to the distinguished chairman of the subcommittee. He says as follows:

The passage of an amendment requiring ConRail to reconstruct the Poughkeepsie Bridge would represent a major turn-about in the status of ConRail. To date, Congress has seen fit to insulate this new railroad from the many pressures that have been exerted on the railroad that can only be described as political in origin.

We have received countless inquiries from Members of Congress as to why certain facilities have been closed, why other facilities have been downgraded, why certain members of our work force have been transferred, why certain employee claims have been denied—and other questions of a similar nature.

Up to now, the Congress has been adamant in refusing to intervene. Rather, it has allowed the system which it established to prevail, a system in which the presidentially-nominated and Senate-confirmed members of the United States Railway Association Board of Directors, along with the Trustees of the bankrupt estates, choose the ConRail Board of Directors. This Board of Directors, in consultation with the management that it employs, makes decisions on how the company can best solve the Northeastern rail problem.

The passage of an amendment requiring the reconstruction of the Poughkeepsie Bridge would open a floodgate of requests for similar actions throughout the ConRail system. Furthermore, it would stimulate vigorous opposition to future decisions which the company must make on similar questions—questions where hard answers are necessary if the Corporation is to realize any chance to become independent of the need for continued Federal funds.

The passage of such an amendment would insure that Congress would become the final arbiter in all such decision making.

Attached for your information is a fact sheet explaining ConRail's position on the economics of the Poughkeepsie Bridge. But the pros and cons of this individual project are far less significant than the basic question of whether or not the Congress wishes to intervene and thereby begins to duplicate the process which has led to such great difficulty in bringing about a rational route structure for Amtrak.

In addition, Mr. President, I have a letter here I would like to read into the record from the president of the U.S. Railway Association directed to myself:

U.S. RAILWAY ASSOCIATION,
Washington, D.C., August 1, 1978.

Hon. HOWARD W. CANNON,
Chairman, Committee on Commerce, Science and Transportation, Subcommittee on Surface Transportation, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In considering an amendment directing the Consolidated Rail Corporation (Conrail) to reconstruct the Poughkeepsie Bridge, the Senate may want to consider this measure's likely impact on the railroad. As President of the agency created by Congress to serve as the federal banker and principal investor in Conrail, I am obliged to point out that using federal funds may not be prudent, in this instance, given the already large and growing investment of taxpayers' dollars in Conrail.

This amendment will set a precedent which will only lead to the further politicization of Conrail. By requiring an expenditure of at least $9 million for an investment which, on the basis of current information, lacks economic justification, the amendment will encourage sponsors of other similar projects to legislate managerial decisions for Conrail.

In 1976, the United States Railway Association (USRA) studied the likely consequences of re-opening the bridge.

I may say that study, Mr. President, considered four different alternatives in this connection, and the decision then was made after a very careful and a very comprehensive study that this would not be an economic reconstruction program.

The study, a copy of which is attached, found that handling traffic through Conrail's yard at Selkirk, New York, is more efficient than rebuilding the bridge. Selkirk probably would become under-utilized; to compensate, New England service would be slower since some cars would be held longer at Selkirk to make up trains. Thus, it is possible that neither Conrail nor the shippers in the New England region would benefit from the proposed amendment.

The Association is analyzing the New England rail network with the New England Regional Commission (NERCOM) as part of the effort to rationalize and revitalize rail operations in the Northeast. In order to determine the relevance of the 1976 study of the Poughkeepsie Bridge, we think that regional planning is more appropriate than making a decision without hearing from all interested parties. The USRA—NERCOM New England rail analysis already is underway.

Should an ad hoc approach to restructuring be adopted, our ability to protect the federal investment in Conrail would be constrained severely. Equally serious, the independence of Conrail management would be undermined, thereby placing in jeopardy its status as a free enterprise.

Mr. President, that is the statement from the man in charge of the U.S. Railway Association whom Congress has selected to run this operation. Amendments of this type effectively take away from the USRA the management decisions that Congress intended for them to make. It would open the floodgates, as was stated in the letter, and I think we have to question where this matter would end.

Mr. President, in conclusion I ask unanimous consent to have a copy of the study made by the U.S. Railway Association printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

ANALYSIS OF BENEFITS OF REHABILITATION AND USE OF THE POUGHKEEPSIE BRIDGE AS A RAIL ROUTE TO SOUTHERN NEW ENGLAND AND NEW YORK CITY

BACKGROUND

The first rail crossing of the Hudson River was established at Albany in 1866, and in 1875 a second route was opened via Mechanicville. The Poughkeepsie Bridge was opened in 1888, and provided until it burned in 1974 the only rail crossing of the Hudson south of the Albany area.

Three major gateways have competed for New England and New York City traffic in recent years:

(1) The Albany-Mechanicville area bridges over the Hudson

(2) The New York Harbor carfloat operations

(3) The Poughkeepsie Bridge

The Poughkeepsie Bridge was the New Haven Railroad's Major outlet to the West and South, and for many years a heavy volume of traffic moved over the bridge as part of through routes with the L&HR, Pennsylvania Railroad and the Erie Railroad (later EL).

The Penn Central merger of 1968, the inclusion of the New Haven Railroad in that system in 1969 and the opening of the new Selkirk Yard in 1969 led to a radical change in routing of New England and New York City traffic. By 1974 the New York Harbor

carfloats had been discontinued as a through route and the Poughkeepsie Bridge was handling only one train a day each way. The bulk of the traffic was moving via Selkirk and being classified (along with other New England traffic) at the large modern yard at that point.

On May 8, 1974, a fire damaged the ties and some structural members on about 800 feet of the Poughkeepsie Bridge. The bridge has been out of service since. The Trustees of Penn Central received an insurance settlement of $359,000 as a result of the bridge fire. Negotiations were held between Penn Central and the New York State Department of Transportation to arrange for additional funds for repair of the bridge. There was a wide range of cost estimates for repair of the bridge as well as sharp differences of opinion regarding the benefits to be derived from reopening the Poughkeepsie Bridge route. On the assumption that funds from the State of New York and the insurance proceeds would provide for repair of the bridge, the Final System Plan included the Poughkeepsie Bridge as part of a secondary through-freight route to serve former NH points between Hopewell and New Haven. The State of New York has declined to contribute its funds toward repair of the bridge without an assurance that service over it would be resumed, or passage by Congress of legislation which would allow a competitive railroad system to operate on the route. Since beginning operations in April, 1976, ConRail has indicated that it has no plans to institute service in the bridge route.

PARTICIPATING ORGANIZATIONS

The present study was initiated at the request of the Tri-State Regional Planning Commission (Representing New York, New Jersey and Connecticut). Representatives of Tri-State, New Jersey Department of Transportation, CONRAIL, and USRA participated in defining the planning approach and in establishing the traffic watershed to be considered in the study. The detailed analytical work was carried out by USRA staff utilizing the Blocking and Scheduling Model developed for the Final System Plan Analysis by Stanford Research Institute. Engineering studies and cost estimation for reopening the Bridge route was done by T. K. Dyer, Inc. The cost of the study was absorbed by USRA.

SUMMARY OF CONCLUSIONS

The Dyer Study indicated an investment of at least $6.9 million would be required to restore service on the bridge route. The study indicated an overall deterioration in service to Southern New England and the New York City area if the bridge were reopened, due to the disaggregation of the traffic flows.

The analysis also concluded that the scheme causing least deterioration in service (Scheme 3b as described below) would result in a simple return on investment as follows:

	Percent
At 1973 traffic levels	2.2
At 1978 traffic levels	1.5
At 1985 traffic levels	2.0

Other schemes of operation analyzed resulted in a lower rate of return or a negative return on the investment required.

PLANNING APPROACH

USRA's four-month 1973 data base was utilized to identify origin-destination traffic flows that could logically move over the bridge. It was decided to define a "watershed" that included all traffic between the following groups of gathering points:

A. West of the Hudson River:

1. Potomac Yard and North.
2. Hagerstown and North.
3. Pitcairn and East.
4. Binghamton and East.

B. East of the Hudson River:

1. New Haven, Hartford, Bridgeport, Danbury, Derby, Waterbury, and Hopewell.
2. New York City area including Yonkers and Fresh Pond Junction.

With the concurrence of Tri-State, it was assumed that traffic from outside the watershed area would continue to move into New England via Selkirk Yard as there would be no potential mileage or transit time advantage via the Poughkeepsie Bridge.

FOUR SCHEMES OF OPERATION

For purposes of the analysis, four schemes of operation were defined, simulated, and analyzed.

Scheme 1

"No Bridge" case: Blocking strategy and train operations make no use of the Poughkeepsie Bridge. This case reflects the current CONRAIL operation. It differs from the Final System Plan in that it eliminates the Poughkeepsie Bridge route, the Wallkill Valley, and the Lehigh & Hudson River as main lines. The bridge would remain closed and the above described trackage would be used only as branch lines.

This scheme was utilized as a base against which to measure the effect of the three other schemes involving use of the Poughkeepsie Bridge.

Scheme 2

Minimum use of bridge via Croxton: Blocking strategy and train operations used the Poughkeepsie Bridge Route for Hopewell, Danbury, Derby, Waterbury, New Haven, and Hartford traffic from the watershed area west of the Hudson River as previously defined. Croxton was used as the key yard for sorting traffic for points east of the Hudson River. Traffic to and from the New York City area was not considered in this scheme. This scheme results in a movement of 146 cars/day over the bridge (based on a 365-day year).

Scheme 3a

Maximum use of the bridge via Croxton: Blocking strategy and train operations used the Poughkeepsie Bridge Route for the same southern New England points as in Scheme 2 plus additional New York City area gathering points. (Yonkers, 72nd St., 33rd St., Mt. Vernon, Oak Point, and Fresh Pond Jct. [LIRR]). The key sorting yard is, again, Croxton.

Scheme 3a contemplates operation of an Oak Point train via Dykemans and the Harlem Division to Melrose Junction and Port Morris. The necessary connection at Dykemans is presently in use by ConRail.

This scheme results in a movement of 281 cars/day over the bridge (based on a 365-day year).

Scheme 3b

Maximum use of the bridge via Allentown: For this case the blocking and train strategy uses Allentown as the key yard instead of Croxton, thus reducing the capital investment required. Traffic to both the southern New England and New York City area gathering points is considered. This scheme results in a movement of 281 cars/day over the bridge (the same as in Scheme 3a).

CAPITAL COSTS

T. K. Dyer, Inc. was engaged to make an independent engineering study to determine the cost of the following capital investments which would be required for operation of the various schemes:

1. The difference between rehabilitation of the following line segments to meet Local Freight Standards (10 mph) *vs.* Secondary Main Route Standards (30 mph):

a. Phillipsburg–Maybrook (L&HR).
b. Maybrook–Highland.
c. Poughkeepsie–Hopewell.
d. MQ (Campbell Hall Junction)–Maybrook.

2. Repair of fire damage and rehabilitation of the Poughkeepsie Bridge to allow operation of heavy through freight trains at the Pre-1974 speed of 12 mph. The rehabilitation envisioned would put the bridge in shape for use as part of a permanent route.

3. Construction of a connection in the northeast quadrant at MQ (Campbell Hall Junction) between the Graham Line and the Maybrook Branch (former EL) to allow direct movement from the westbound Graham line to Maybrook.

4. Construction of the west leg of the wye at Marion Junction in Jersey City to allow direct movement between Meadows and Croxton. This project included the cost of electrification of the new connection and receiving tracks at Croxton.

5. Construction of a connection at Melrose to allow movement from the eastward main to the Westchester Avenue Branch.

6. Rehabilitation of sufficient tracks at Croxton and Allentown to allow an increase in throughput of:

a. 150 cars/day and assembly of 2 large and 3 small blocks.

b. 300 cars/day and assembly of 4 large and 7 small blocks.

Capital costs for the various operating schemes are detailed in Exhibit A.

ANALYSIS OF VARIOUS OPERATING SCHEMES

The USRA 1973 four-month data base was utilized to determine the origin-destination flows between the "watershed" area west of the Hudson River and southern New England and the New York City area. During the period there were no unit train flows that would use the bridge, and the intermodal traffic was negligible.

Blocking plans were established for the various schemes and were run through the SRI Blocking Model. Several runs were made to refine the blocking plans so as to make them as realistic and efficient as possible. It should be noted that the entire CONRAIL system was modeled for each run in order to track "ripple effects" of changes in operation throughout the system.

The next step was to utilize the SRI trains model to define trains and schedules for movement of the various blocks. For eastbound traffic it was assumed that present arrival times of cars at Potomac Yard, Enola and other key yards within the watershed would not change, since the origin points of these cars are widely dispersed outside the area. Schedules were established to flow these cars to Selkirk, Croxton or Allentown for sorting according to the various schemes of operation and then train schedules were established to move the cars to final destination. The same process was applied in a separate analysis of westbound traffic. It was assumed that the minimum connection time for a car to get through Selkirk, Croxton or Allentown was six hours. Cars may, however spend much longer periods in these yards awaiting the departure of outbound trains. An attempt was made to run trains at optimum times, taking into consideration the volume of traffic awaiting movement and required arrival times at final destination to make a day's market or to meet the midnight per diem deadline.

The simulations strove to keep trains within realistic size limits (80–120 cars), taking into account the traffic available, physical characteristics of the route, and service requirements. An attempt was made to maintain equivalent service to all points. It was found, however, to be very difficult to maintain equivalent service to all points when the unitary flows (moving via Selkirk

in Scheme 1) were disaggregated to move partly via Selkirk and partly via Allentown or Croxton. A balance was struck that maintained the best possible service without operation of uneconomic short trains.

The scheduling of trains took into account the fact that it is not always necessary to operate trains on a daily basis when there is no market to meet over the weekend. Where service requirements and traffic volumes allowed, some trains were operated only five or six days per week.

The results of the operating analysis were activity counts for each scheme of key activity measures that are directly correllated with the cost of running the railroad.

COST ANALYSIS

USRA's Fnancial Department provided the unit cost figures used in the cost analysis. For the most part these costs were system average costs based on the ICC Form A, inflated to 1976 levels. Estimates of the annual cost of maintaining the Poughkeepsie Bridge after rehabilitation were provided by T. K. Dyer, Inc.

Cost factors utilized included the following:

(1) Train miles @ 5.775315. Includes crew cost, train supplies and crossing protection.

(2) Car miles @ .085496. Includes 55 percent of car repairs, depreciation and net rents.

(3) Track maintenance per gross ton mile @ .001473. This is a system average figure, including normalized maintenance of track, tunnels, bridges, and signals, and depreciation of fixed plant. Actually, such costs vary inversely with density and thus concentration of traffic on higher density lines usually reduces unit maintenance of way costs. The average figure used is comparable to a tonnage-specific figure for a track handling about 15 million GTM/year.

(4) Locomotive Unit miles @ 1.568706. This figure includes locomotive repair, servicing, fuel, and depreciation. It was assumed that each train in the study area would run with an average of 3.5 units.

(5) Car days @ 2.745093. This figure includes the 45 percent of car repairs, depreciation and net rents not included in the car mile figure.

(6) Switching cost. The site-specific cost of switching a car at several yards under study was developed from historic cost records. Where no specific cost was available the system average cost of 7.94/car was used. The switching cost per car used was as follows:

Croxton	7.97
Allentown	7.29
Selkirk	3.53
Oak Island	7.97
Oak Point	7.97

Cost of switching the same number of cars into one more block at various minor points estimated at 1.50/car.

(7) Normalized maintenance of the Poughkeepsie Bridge after rehabilitation was estimated by Thomas K. Dyer, Inc. at $300,000. This figure was in addition to the track maintenance cost per GTM used above because of the unique nature of a major structure such as the Poughkeepsie Bridge.

(8) Switch engine hours @ 52.366. This includes crew, fuel, locomotive maintenance and ownership. This figure was required to develop cost savings that would accrue to an existing CONRAIL operation (Train MD–6) that would benefit from the construction of the west leg of the wye at Marion Junction. These savings are not enough to justify the connection, but it was felt that equity required that the resulting savings be credited against the capital cost of the new connection.

RESULTS OF PRELIMINARY ANALYSIS

Operating costs for the various schemes were compared to the capital cost of required rehabilitation and construction. An analysis was also made to measure the impact of each operating scheme on service levels by measuring the variance of car days under each scheme.

The results of an analysis of Scheme 1 versus Schemes 2, 3a, and 3b indicated the following:

	Scheme 1	Variance from base		
		Scheme 2	Scheme 3a	Scheme 3b
Annual operating cost savings (increased expense)	Base	($760, 179)	$222, 061	$149, 553
Capital cost	do	$12, 902, 580	$14, 468, 480	$6, 679, 210
Simple return on investment (percent)	do	Nil	1.5	2.2
Service improvement (degradation) in car-days per year	do	(46, 410)	(108, 060)	(28, 452)

Note: Further details are provided in exhibit B.

REVIEW BY INTERESTED PARTIES

CONRAIL and the Tri-State Regional Planning Commission were given an opportunity to review preliminary results of the analysis and to comment on the methods and assumptions used.

This review resulted in the following suggestions for improving the analysis:

(1) Preliminary analysis assumed that only one block would be made for LIRR interchange and that a separate Hunt's Point perishable block would not be made. Current service commitments require that three blocks be made for the LIRR, and that Hunt's Point perishable traffic be separated from the Oak Point cars. These separate blocks were included in the final simulation.

(2) It was suggested that specific cost figures be developed for each train operation rather than using system average cost figures. This suggestion was considered and rejected by USRA staff. It was felt that specific cost figures would omit many indirect costs that were captured in the system average cost figures and that on the whole the average figures would give a more accurate result. Train mile figures for trains operating in the New York City area were, however, carefully reviewed to insure that costs were not being understated.

(3) It was pointed out that the Blocking Strategy used in the analysis required a number of yards to make more blocks than they presently make, although no increase in costs had been included. USRA staff reviewed this factor, and in the final analysis added costs for increased blocking where they were judged applicable.

(4) Use of a system average figure for track maintenance per gross ton mile operated was reconsidered since traffic was being taken off of high density lines (such as the West Shore) where the incremental cost of track maintenance per GTM was low, and rerouted over lower density lines (such as the Poughkeepsie Bridge route) where the incremental cost of track maintenance per GTM was high.

An alternative analysis of track maintenance cost was done to test the significance of this factor on total operating costs. Records of maintenance cost for track carrying varying densities of traffic were utilized to establish tonnage-specific figures per GTM.

Use of these tonnage-specific figures for tonnage moving over the various links (rather than the system average figure of .001473) resulted in a net increase in operating costs of almost $1 million per year for Scheme 3b. These figures were not utilized in the final analysis of Scheme 3b, but it should be pointed out that there is merit in the arguments for the use of tonnage-specific figures, and that use of these figures would reduce the return on investment of Schemes 3a and 3b to zero.

(5) There is serious concern over the condition of the underwater portion of the bridge piers. The capital cost estimates for rehabilitation of the bridge include $200,000 for a thorough underwater inspection of the piers, and a detailed inspection of structural members, and it is of course contemplated that these inspections would be carried out as the first step of any rehabilitation of the bridge. Rehabilitation cost figures do not include the cost of major repairs to the piers which might be required as a result of these inspections.

(6) The capital cost of upgrading Allentown Yard was omitted in the preliminary analysis. It was suggested that an amount similar to that used in the Croxton Schemes be included for upgrading Allentown. This was included in the final analysis.

(7) The mainlines between Potomac Yard, Enola and Marion Junction are presently electrified, and maximum operating efficiency would be maintained by providing for electrification of the new connection at Marion Junction and of the receiving tracks in Croxton Yard.

The service detriment could have been entirely removed by running extra trains where required to avoid delaying cars, but it was felt that this would be an unrealistic solution because it would have resulted in increasing costs far out of proportion to the benefits of any improvement in service.

PARTICIPANTS

The following people participated in definition, analysis or review of this study:

Tri-State Regional Planning Commission:
Mr. J. E. Mahoney.

New Jersey Department of Transportation:
Mr. D. Webb.

Consolidated Rail Corporation (ConRail):
Mr. W. F. Wulfhorst.
Mr. R. B. Hasselman.
Mr. H. R. Ring.
Mr. S. Cherry.

United States Railway Association:
Mr. C. W. Hoppe.
Ms. L. M. Vass.
Mr. D. R. McCulloch.
Mr. V. Hand.
Mr. L. A. Kaufer.

The conclusions of this study represent the independent judgment of USRA staff.

EXHIBIT A

CAPITAL COSTS—POUGHKEEPSIE BRIDGE STUDY

Capital item	Scheme 1—No Bridge-Base	Scheme 2—Min Use via Croxton	Scheme 3a—Max Use via Croxton	Scheme 3b—Max Use via Allentown
Repair fire damage only (maximum estimate)	NR	1,705,000	1,705,000	1,705,000
Rehabilitate bridge	NR	2,140,000	2,140,000	2,140,000
Rehabilitate approaches, 10 mph vs. 30 mph:				
(1) Phillipsburg-Maybrook	100,000	100,000	100,000	239,500
(2) Maybrook-Highland	69,690	229,500	229,500	229,500
(3) Poughkeepsie-Hopewell	975	121,375	121,875	121,875
(4) MQ-Maybrook	5,430	17,700	17,700	5,430
Connection at MQ	NR	55,000	55,000	NR
Connection at Marian Jn	NR	5,510,000	5,510,000	NR
Electrification Marian-Croxton	NR	2,550,000	2,550,000	NR
Upgrade yd capacity:				
Croxton	NR	650,000	915,000	NR
Allentown	NR	NR	NR	915,000
Connection at Melrose	NR	NR	1,300,000	1,300,000
Total	176,095	13,079,075	14,644,575	6,655,305
Variance from Scheme		12,902,950	14,463,480	6,679,210

Note: Benefit to existing traffic due to construction of new connection at Marian Junction is included in operating savings economies.

EXHIBIT B

POUGHKEEPSIE BRIDGE STUDY OPERATING COST VARIANCE—SAVINGS (INCREASED COST) SCHEME 1 VS. 2, 3a AND 3b, 1973 VOLUMES

Item	Unit Rate	Statistical Status	Scheme 1	Scheme 2 Units/yr	Scheme 2 5/yr	Scheme 3a Units/yr	Scheme 3a 5/yr	Scheme 3b Units/yr	Scheme 3b 5/yr
Train Miles	5,775,315	Final manual	Base	(67,160)	(337,370)	(3,650)	(21,079)	(41,975)	(242,419)
Car Miles	******	Final computer	Base	4,965,960	424,569	9,613,510	822,344	3,347,930	739,367
Gross Ton Miles (*** *** *** ***) ***:	1,001,773	Final manual	Base						
Cars				266,920,200	393,173	516,994,300	761,533	464,822,700	684,633
Locos				(32,509,400)	(43,774)	(1,738,500)	(2,134)	(20,567,750)	(30,295)
*****				(1,679,000)	(2,473)	(91,250)	(134)	(1,049,375)	(1,545)
Loco Unit Miles: 3.5 Units Train	1,563,706	Final manual	Base	(235,060)	(308,740)	(12,775)	(20,040)	(147,075)	(230,740)
Car Days:									
Via Bridge	2,745,093	Final manual	Base	(46,410)	(127,399)	(103,060)	(296,631)	1,430	3,925
Via Selkirk								(29,382)	(32,023)
Switching Cost:									
Croxton	7.57	Final computer	Base	(55,500)	(442,335)	(105,600)	(841,632)		
Allentown	7.29			(800)	(6,561)	(1,200)	(8,743)	(91,440)	(666,597)
Selkirk	3.53			56,700	200,151	107,700	330,181	106,560	376,156
Oak Island	7.97			(15,300)	(121,941)	(22,200)	(176,934)	5,040	40,165
**** *****	1.53			(26,100)	(39,150)	(30,900)	(46,350)	(30,960)	(46,148)
Oak Point	7.97					(11,930)	(94,683)	(11,380)	(94,633)
Operational Savings:									
***** *****	52,366	3.5 *****	Base	1,277	66,871	1,277	66,871	NA	NA
***** *****		*****							
***** *****		*****							
***** *****		*****							
Jct. Connection:									
******** ******** ** ***** *******			NA	(300,000)		(300,000)		(300,000)	
Total				(760,179)		222,061		146,553	
Capital Cost				12,602,980		14,463,430		**, ***, 315	
***** (percent)				nil		1.5		2.2	

FOUGHKEEPSIE BRIDGE STUDY—SCHEME 1 VS. 3b 1973, 1978, 1985 OPERATING COST VARIANCE—SAVINGS (INCREASED COST)

EXHIBIT C

Item	Unit rate	Statistical status	1973 Units/yr	1973 3/yr	1978 Units/yr	1978 5/yr	1985 Units/yr	1985 5/yr
Train Miles	5.775315	Final Manual	(41,975)	(242,419)	(30,859)	(178,220)	(25,367)	(149,390)
Car Miles	.085796	Final Computer	3,647,930	739,367	7,107,883	607,696	7,136,212	614,392
Gross Ton Mile (Track Maint) (Systems Average Freight.):								
Cars (* * *)	.001473	Final Manual	484,323,700	684,693	382,048,930	562,758	386,259,217	558,957
Locks (* * *)			(20,567,550)	(30,296)	(15,170,910)	(22,273)	(12,674,330)	(23,670)
Caboose (* * *)			(1,249,375)	(1,545)	(771,475)	(1,136)	(646,375)	(952)
100 Unit Miles 3.5 units/Tr	1.568706	Final Manual	(147,095)	(230,749)	(103,006)	(169,430)	(20,530)	(142,021)
Car Devp:								
Via Bridge	2,745,093	Final Manual	1,430	3,925	1,152	3,162	1,297	3,560
Via Selkirk			(298,82)	(32,028)	(24,085)	(66,115)	(27,103)	(74,400
Switching cost:								
Croxton	7.97	Final Computer						
Allentown	7.29		(91,340)	(666,597)	(74,973)	(546,553)	(33,179)	(606,374)
Selkirk	3.53		106,560	367,158	35,163	304,155	95,115	335,755
Oak Island	7.97		5,040	40,163	2,611	20,908	2,984	23,782
Minor Points	1.50		(30,960)	(46,440)	(24,613)	(36,927)	(26,356)	(42,234)
Oak Point	7.97		(11,830)	(94,683)	(9,698)	(77,293)	(10,444)	(33,235)
Correcting Savings for existing traffic resulting from Marian Jct Convection.	NA	NA	NA	NA	NA	NA	NA	NA
Normalized Maint. on Poughkeepsie Bridge	$300,000/yr			(300,000)		(300,000)		(300,000)
Total				149,553		100,633		131,113
Capital cost				6,679,210		6,679,210		6,679,210
ROI (percent)				2.2		1.5		* * *

Mr. CANNON. I would urge my colleagues to seriously consider when we are told by the managers that it is not economic, that it is, in effect, a waste of taxpayers' funds, that it is not carrying out the responsibilities that we have imposed on ConRail, I submit the amendment should not be accepted, as much as I would like to help my very good friends and my seat colleague here to solve a problem in his part of the country. But it is just not an economic solution.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. Mr. President, how much time is left on this amendment?

The PRESIDING OFFICER. Three minutes are left to the proponents of the amendment and 2 minutes left to the opponents.

Mr. DANFORTH. In the 2 minutes, at least 1 of the 2 minutes, left of the opponents, Mr. President, it seems to me that really the question here is whether we allow ConRail to be managed pro-

fessionally or whether Congress tries to impose its will on the professional managers of this organization.

The Department of Transportation, ConRail itself, the U.S. Railway Association have all looked into the question of rebuilding the Poughkeepsie Bridge, and they have all opposed it. It would seem to me that we would be making a serious mistake if we were to impose our political will against the professional managers of ConRail, and really that ConRail would never fulfill what I think its potential is, of becoming a viable economic entity, if we are continually trying to build bridges or have other operational changes in ConRail for the sake of our constituents.

I think I have done a fairly good job in the Senate of trying to help out the East Coast. I am kind of getting used to it now, and enjoying it. But I think this is really going a little bit too far and, for that reason, I oppose the amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. I can understand the desire of my colleagues from Nevada and Missouri in asking Congress not to interfere with the management of ConRail. But when you get a situation where they are absolutely wrong, I think the time has come for Congress to have its input.

In the final analysis we do vote the funds year in and year out to keep ConRail going.

I want to point out that the U.S. Railway Association report was specifically rebutted by the Tri-State Regional Planning Association's report. They point out that the Selkirk detour is not the best route for rail traffic between some 10 States, and between Connecticut, New York City, and Long Island. Traffic moving on this southwest-northeast axis would be better served by the Poughkeepsie Bridge.

Concerning costs, I think it should be further pointed out that the State of New York has offered $486,000 toward the repair of the bridge, and the State of Connecticut has offered $450,000 on top of that. Then there is available $359,000 from the insurance settlement from the fire. So we do have a total of more than $1.3 million available. The costs are higher due to inflation and the failure to move ahead.

I would like to sum up by pointing out the following:

The bridge is the shortest route between New England and Metropolitan New York and the Atlantic seaboard;

The Poughkeepsie route avoids a 150-mile detour to Selkirk, N.Y.;

It is the major gateway for coal to the Northeast from Pennsylvania, Virginia, West Virignia, and Kentucky coal fields;

Repair of the Poughkeepsie Bridge was recommended by the U.S. Railway Association's final system plan;

There is only one bridge crossing the Hudson above New York City, thereby representing a national security threat in the event of disaster or sabotage;

The yard at Selkirk is frequently shut down, because of bad weather;

Because of rerouted traffic to Selkirk, much rail traffic from southeast New York and southern New England has been lost to truckers; and

The deteriorated condition of the bridge poses a safety hazard.

It seems to us that restoration of the Poughkeepsie Bridge has been supported continuously by the Connecticut and New York transportation departments.

We feel it is absolutely essential to do the job and to take care of the problems of New England and New York. I do believe we should rely upon both these associations.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. CANNON. Mr. President, I ask unanimous consent that Martha Moloney of Senator FORD's staff; Doug Svendson, Bill Johnson, and Tim Lynch of the committee staff be permitted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. I ask unanimous consent that Butch Almstedt of my staff; and Matt Scocozza of the Commerce Committee staff be accorded the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Connecticut. The yeas and nays have been ordered.

Mr. ROBERT C. BYRD. Mr. President, would the managers of the bill and the chairman of the committee and the author of the amendment and others have any objection to setting this amendment temporarily aside and let me call up an amendment which, I think, has a good chance of being accepted? I ask this only because I am supposed to be down at the Appropriations Committee right now handling the markup of my Interior appropriation bill.

I ask unanimous consent to that effect, if there is no objection.

Mr. LONG. No objection.

Mr. DANFORTH. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1552

(Purpose: To provide for monitoring of the Consolidated Rail Corporation)

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an unprinted amendment and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 1552.

Mr. ROBERT C. BYRD. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, after line 2, insert a new section as follows:

SEC. 4. Section 307 of the Regional Rail Reorganization Act is amended by inserting after subsection (b) a new subsection (c) as follows:

"(c) Monitoring of the Corporation.—(1) The Association shall also report to the Congress, in accordance with this subsection, on the policies of the Corporation and the results of such policies with respect to operations, cost containment, and marketing.

"(2) Within 90 days after the date of enactment of this subsection, the Association shall (A) subdivide each such policy area into constituent parts or groups of parts which are specific and significant, (B) identify the most appropriate indicia to reflect accurately such parts or groups of parts, and (C) (i) determine any and all deficiencies in data used to compute the values of such indicia including consistency and clarity of definitions, timeliness of data entry, editing and validation of input data, and processing, and (ii) outline the efforts of the Association and Corporation to correct the deficiencies and the results of such efforts. On or before the end of such 90-day period, the Association shall submit to the Congress such methodological information and additional information which the Association deems necessary or appropriate to further the purpose of this title.

"(3) Using such indicia, the Association shall report on (A) the relationship of each constituent part of groups of parts to the Corporation's revenue and capital and operating expenses, (B) the extent to which such parts or group of parts contributes to profits or losses, (C) the efforts of management to contain or reduce the contribution of such part or group of parts to losses, (D) the results of such efforts, and (E) such other information as the Association deems necessary or appropriate.

"(4) The Association shall (A) transmit to the Congress the first such monitoring report pursuant to paragraph (3) at the end of the first calendar quarter which begins after the end of the 90-day period for preparation and submission of the methodological information pursuant to paragraph (2), (B) report such monitoring information to the Congress at the end of the first quarter of each calendar year thereafter, (C) update methodological and monitoring information periodically as the Association deems necessary or appropriate, but in no case less frequently than once a year, and (D) where the results of such updating are statistically significant or relevant to Congressional policymaking, report them and the reasons for their significance at the end of the calendar quarter in which the updating occurred."

Mr. ROBERT C. BYRD. I will state to the distinguished Senator from Connecticut (Mr. RIBICOFF) that this probably will not take more than 3 or 4 minutes, so I will not discommode him.

Mr. LONG. We are willing to take the amendment.

Mr. ROBERT C. BYRD. Mr. President, the problems of the old Penn Central and other bankrupt railroads seem to proliferate. ConRail, the successor to the bankrupt lines, has been in business for only 2 years and 3 months. During this period, the Federal Government has invested about $2.1 billion, but revenues still are not sufficient to cover mounting losses.

Indeed, in its May 1978 report to the Congress, the U.S. Railway Association—ConRail's Federal banker—states that over the next 5 years the Corporation probably will need Federal funds in addition to its latest request for $1.3 billion. The Railway Association's assessment is

supported by the Interstate Commerce Commission, which regulates rail rates, and the Federal Railroad Administration, which advises the Secretary of Transportation on rail matters.

Testifying before congressional authorizing and appropriating committees this year, ConRail's management expressed belief that the course it is pursuing will resolve problems over which it has control. Prior to this testimony, ConRail prepared a confidential memorandum for prospective institutional investors regarding equipment leasing. It states that ConRail cannot assure that it will be able to implement its plan for improving those operations on which its profitability goals depend, such as efficient utilization of plant and equipment.

Where does this leave us? ConRail tells Congress that it can solve its problems and tells prospective investors that it can make no promises. The Railway Association calculates that in order to turn a profit ConRail probably will need Federal funds in addition to those contained in this authorization.

These conflicting and nebulous assessments lead me to conclude that more concrete information is needed in order for Congress to make sound budgetary projections. Planning is essential to contain the Federal deficit.

In its April 1978 study of ConRail's profitability, the General Accounting Office recommends that—

[S]ystematic reporting of efficiency improvements could help the Congress monitor how well ConRail is meeting its goals.

The purpose of my amendment to S. 2788 is to provide the Congress with such a report.

First, the amendment directs the Railway Association to prepare and submit to the Congress methodological information to monitor three areas of its business: Operations, cost containment, and marketing. The association would use its discretionary authority to subdivide these areas and determine how to represent them.

For example, a significant part of yard operations is switching. The number of missed switches would serve as an indicator of this part of yard operations.

Selecting subdivisions and appropriate indicators to monitor them would comprise the initial methodological report. It must be completed and transmitted to Congress for review wihin 90 days after enactment.

As the report accompanying the bill documents, the committee sought assurances that the association would intensify its financial oversight activities. In making such assurances to the distinguished chairman, Senator CANNON, the president of the association, Mr. Donald Cole, stated that monitoring "* * * is the only reasonable course of action." He went on to say:

By identifying serious problems as early as possible, the Association will have time to work with ConRail to seek solutions to them.

The amendment before us is structured to provide for such an early warning report.

The committee's action to assure improved oversight predates that correspondence. Guided by the chairman of the Surface Transportation Subcommittee, Senator LONG, and full committee chairman, Senator CANNON, the Senate already facilitated broadening the scope and staff of the association's monitoring operations. In developing and fortifying their in-house monitoring capability, the marketing staff, for example, has become "* * * an integral part of our monitoring capability," according to the president of the association in correspondence with Senator CANNON referred to earlier.

This amendment also is consistent with the work of the Senate Appropriations Committee and its Transportation Subcommittee on which I serve. Both the full committee chairman, Senator MAGNUSON, and the subcommittee chairman, Senator BAYH, are particularly knowledgeable about rail matters. In order for proper budgetary planning, the committee noted in the report accompanying the ConRail appropriations measure that it needs "* * * more specific, relevant, and timely (oversight) information."

I do not envisage that the monitoring report provided for in my amendment would substitute for the specific information requested by the Appropriations Committee, nor would they be mutually exclusive. On the contrary, they share a common data base, although the data would be organized differently in each report.

The perspective of each report also differs. The monitoring report is more descriptive; the information which the Appropriations Committee requested is more evaluative. As such, they are complementary.

Not only does my amendment complement the efforts of both the authorizing and appropriating committees as well as the association, but also it provides a useful oversight tool for each Senator. My amendment envisions that the periodic reports will be concise and understandable—essential elements of effective communication.

The amendment is structured so that the report focuses on those areas of ConRail's business which contribute significantly to losses. The report would indicate the steps management is taking to bring those losses under control and the results of such efforts. A Senator could judge for himself how well ConRail is meeting its goals.

I believe that we have an obligation to the customers and the communities served by ConRail as well as to all taxpayers to assure that the railroad performs according to sound operational and financial principles. This amendment provides a mechanism which is simple, reasonable, and effective to hold the Railway Association, ConRail, and Congress accountable for the fulfillment of that obligation.

The amendment is designed to encourage efficiency which not only would minimize ConRail's dependence on the Federal Treasury, but also it would help to alleviate the national boxcar shortage and some of our energy problems. It also would help to improve business and employment conditions in the Northeast—the last region of the country to recover from the severe 1974–75 recession. No less important, cutting operating costs and improving service would make recent rate increases less inflationary.

The manager of the bill knows about the amendment, since I have discussed it with him.

Mr. LONG. Mr. President, this is an amendment seeking a report on efficiencies and improvements. We have no objection.

Mr. DANFORTH. The amendment is acceptable to this side.

Mr. President, in addition to the names previously mentioned, I ask unanimous consent that Mal Sterrett of the Commerce Committee staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. Is all time on the amendment yielded back?

Mr. ROBERT C. BYRD. I understand that Mr. CANNON wanted to be joined as a cosponsor of the amendment. I ask unanimous consent that the names of Mr. CANNON, Mr. BAYH, and Mr. McGOVERN be added as cosponsors of the amendment.

I thank the manager of the bill (Mr. LONG) for his cooperation, and I yield back the remainder of my time.

Mr. LONG. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3406

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Connecticut (Mr. RIBICOFF). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from New Hampshire (Mr. McINTYRE) is absent on official business.

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent because of death in family.

I further announce that, if present and voting the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

The result was announced—yeas 48, nays 45, as follows:

[Rollcall Vote No. 273 Leg.]

YEAS—48

Baker	Hatfield, Paul G.	Pell
Bentsen	Hathaway	Percy
Brooke	Humphrey	Ribicoff
Bumpers	Jackson	Riegle
Byrd, Robert C.	Javits	Sasser
Case	Kennedy	Schweiker
Chafee	Magnuson	Stennis
Chiles	Mathias	Stevens
Church	Matsunaga	Stevenson
DeConcini	McGovern	Stone
Dole	Melcher	Talmadge
Domenici	Metzenbaum	Weicker
Durkin	Morgan	Williams
Eagleton	Moynihan	Young
Gravel	Muskie	
Hart	Nunn	
Hatfield, Mark O.	Packwood	

NAYS—45

Allen	Garn	McClure
Bartlett	Glenn	Nelson
Bayh	Goldwater	Pearson
Bellmon	Griffin	Proxmire
Biden	Hansen	Roth
Burdick	Hatch	Sarbanes
Byrd, Harry F., Jr.	Hayakawa	Schmitt
Cannon	Heinz	Scott
Clark	Helms	Sparkman
Cranston	Hodges	Stafford
Culver	Hollings	Thurmond
Curtis	Huddleston	Tower
Danforth	Laxalt	Wallop
Eastland	Leahy	Zorinsky
Ford	Long	
	Lugar	

NOT VOTING—7

Abourezk	Inouye	Randolph
Anderson	Johnston	
Haskell	McIntyre	

So Mr. RIBICOFF's amendment (No. 3406) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 1553

Mr. LONG. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The clerk will state the amendment.

The second assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an unprinted amendment numbered 1553:

On page 9, after line 2, insert the following:

SEC. 4. Section 505 of the Railroad Revitalization and Regulatory Reform Act (45 U.S.C. 825) is amended by (a) striking the last sentence of subsection (d)(3) thereof; and (b) striking "purchase under this title after September 30, 1978," and inserting in lieu thereof ", after September 30, 1979, make commitments to purchase under this title" in subsection (e) thereof.

Mr. LONG. Mr. President, this amendment was requested by the Department of Transportation. The amendment lifts the $100 million ceiling on trustee certificates. It extends the rail assistance program under title V of the 4R Act from September 30, 1978, to September 30, 1979. It raises the ceiling on the amount of certificates that may be purchased. With more railroads threatened with bankruptcy, the Department of Transportation recommended that this ceiling be lifted and that the program be extended for the additional year.

I know of no objection to the amendment, Mr. President. I yield back the remainder of my time.

Mr. DANFORTH. It is acceptable to this side, Mr. President.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT 1554

(Purpose: To provide for relocation expenses of the General Manager of the Alaska Railroad)

Mr. DANFORTH. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The second assistant legislative clerk read as follows:

The Senator from Missouri (Mr. DANFORTH) proposes unprinted amendment numbered 1554:

On page 9, after line 2, insert the following new section:

"SEC. 4. (a) The first section of the Act entitled 'An Act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes', approved March 12, 1914 (38 Stat. 305; 43 U.S.C. 957), is amended by insertnig after 'to fix compensation of all officers, agents, or other employees designated by him;' the following: 'and, not withstanding any other provision of law or regulation, to fix relocation, travel and transportation expenses for the General Manager of the railroad designated under this Act'.

(b) This section shall apply to the General Manager serving on the date of enactment of this section with respect to relocation, travel, or transportation expenses were incurred before or after the date of enactment of this section."

Mr. DANFORTH. Mr. President, the reasons for this amendment stem from an unfortunate set of circumstances involving the present general manager in 1976. At that time, the Department of Transportation was involved in an intensive search for a qualified individual to serve as the chief executive officer of the Alaska Railroad, which is the Nation's only federally owned and operated railroad. Representations were made to the individual who was subsequently recruited that transportation and relocation expenses would be paid for him. Those expenses were actually paid by the Department of Transportation. Since that time, the General Accounting Office has determined that no authority existed to provide travel and relocation expenses to an individual who is not already in Government service. Accordingly, the Department must seek reimbursement for approximately $5,000 from this individual in spite of their 1976 written committment to cover same.

At this time, I would like to point out that relocation from the Lower 48 to the State of Alaska is a substantial expenditure and is sometimes a controlling issue as to whether or not an individual accepts a position. Accordingly, travel and relocation expenses have traditionally been extended to each new general manager in the past.

This amendment will honor the 1976 commitment made to the present general manager and it will insure that the Department will have the clear authority to make similar commitments to all future general managers.

This amendment is offered at the request of Senator STEVENS of Alaska. I ask that it be accepted at this time.

Mr. LONG. Mr. President, this amendment covers a very limited situation. I believe it is appropriate that we take the matter to conference. I have no objection.

I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Missouri.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DANFORTH. Mr. President, I join Senator LONG in supporting this bill to provide additional funding authorization for the ConRail system.

On April 1, 1976, ConRail began operations with a $2.026 billion Federal investment as the successor to seven bankrupt and deteriorated railroads. At the time, Congress expected that this investment would enable the massive 17,000-mile rail system to become profitable by 1980. Unfortunately, the $2.026 billion has proven to be insufficient. The legislation we are now concerned with increases the Federal commitment to ConRail by $1.2 billion for a total Federal commitment of $3.226 billion.

The hearings conducted on this bill revealed that many of the factors in increased costs were beyond ConRail's control. The severe winters of 1977 and 1978, a coal strike, rising labor costs, escalations in the prices of steel and timber, and longer than expected downtimes for repairs are some of the contributors to ConRail's present situation.

The major problem is decreased traffic flow. It now appears that early projections of ConRail's traffic have not been realized. Specifically, the originating traffic throughout the ConRail system has not increased at the rate contemplated in the final system plan. Fortunately, ConRail's operations have shown continued increased efficiencies to help close the financial gap.

In the 94th Congress, the bill creating ConRail, S. 2718, originally contained a provision which estimated a $3 billion Federal investment. The Department of Transportation and Office of Management and Budget strongly supported a $2.1 billion Federal investment. In retrospect, the Senate's original figure was quite close to the amount which we now believe necessary to insure ConRail's essential service will be maintained.

The $1.2 billion in additional funding provided in this bill will be supplemented by $960 million in private equipment financing. ConRail is optimistic that it will be able to generate this private capital.

This bill demonstrates the continuing support of Congress for ConRail. The private sector has demonstrated its support in massive equipment financing already accomplished and planned over the next 2 years.

Mr. President, the bill before us is essential to the future of our national transportation system. It is especially essential to our Nation's railroads, and to industry in the Northeast. I urge my colleagues to support this bill.

● Mr. MUSKIE. Mr. President, the Senate now has before it S. 2788, the Regional Rail Reorganization Amendments of 1978. The purpose of this bill is primarily to authorize additional funding for purchase of ConRail securities by the U.S. Railway Association. Of course, we are all disappointed, but not surprised, that additional Federal investment in ConRail is needed. I certainly hope that this increased authorization will provide sufficient assistance to permit ConRail to attain financial self-sufficiency as a private, for-profit corporation.

I would like to say a few words about the potential impact of this bill on the Federal budget for fiscal year 1979. The first budget resolution approved by the Congress assumes a need for additional support for ConRail, as was recommended by the Commerce Committee in its March 15 report to the Budget Committee. Further, the funding level contemplated by the Appropriations Committee for this bill is consistent with the target spending totals in the first budget resolution. Full funding of the new authorizations in S. 2788 would cause our budget targets for fiscal year 1979 to be exceeded, but, fortunately that is not expected.

Mr. President, ConRail represents a unique attempt to solve a difficult problem through Federal investment in a private corporation. If this attempt succeeds, the Federal investment will be fully repaid. I continue to hope that will happen.

I commend my colleague, Senator LONG, and the Commerce Committee for their attention to this matter of repayment in the provisions of the bill which establish an employee stock ownership plan. The language of the bill as reported raised some question as to whether establishment of the ESOP would reduce ConRail's obligation to repay the Government. However, the amendment accepted by the distinguished floor manager clarifies that nothing in this bill relieves ConRail of the responsibility of repaying the U.S. Railway Association and, therefore, the U.S. Treasury, its full indebtedness, meaning the indebtedness that is created when appropriated funds are used to purchase ConRail securities. I am aware that our investment may or may not pay off: It is a risk. But the congressional budget process was established to keep an eye on the expenditures and receipts implied by the legislative actions of the Congress. Therefore, I am grateful that the proposed statute is now clear about what is intended regarding future Federal receipts.

Mr. President, I know that all Senators are hopeful that the Federal Government will be reimbursed in full for its investment in ConRail, and I commend Senator LONG for taking pains to keep our hopes alive.●

● Mr. GARN. Mr. President, I wish to state that were there a rollcall vote on the ConRail bill, I would have cast my vote in the negative.●

The PRESIDING OFFICER. The bill is open to further amendment. Are there further amendments?

If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, upon the disposition of the bill now before the Senate, the ConRail bill, the Senate proceed to the consideration of calendar order No. 755, S. 2759, which has been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I recognize that ConRail is an established fact.

I believe that it was a mistake for the Federal Government to bail out the Penn Central and five other northeastern railroads in the legislation of 1973, and I opposed that legislation. Of course, that is now history.

One of the principal reasons for my opposition to the Regional Rail Reorganization Act of 1973 was my belief that ConRail would turn out to be a sponge for ever-increasing amounts of tax dollars.

The legislation before us today confirms that suspicion. It asks for an additional $1.2 billion in Federal funding for ConRail, which is an addition of 60 percent to the original Federal investment of just over $2 billion.

But more than that, I think the Senate should face the fact that the sum of $1.2 billion is probably far less than ConRail actually will require over the next 5 years.

This is not mere conjecture on my part: the U.S. Railway Association, in its report to Congress on ConRail performance in 1977, projects the need for Federal financing through 1982 as somewhere between $1.1 billion and $3.8 billion. Admittedly, the figure of $1.2 billion falls between these extremes, but USRA comments in its report that the ConRail estimate of its needs is so close to the optimistic end of the range that it has a low probability of being achieved.

I think the probability is indeed very low. The real probability is that ConRail will be back before the Congress for more billions, not once again but many times again.

Analyzing ConRail's problems, USRA comments that several factors have contributed to its continuing difficulties. Of these, some are clearly beyond ConRail's control, such as two harsh winters and several strikes in major shipping industries.

On the other hand, USRA also observes that ConRail "has provided poor service" and "has not come to grips with its car utilization problem." It also is critical of the fact that ConRail has by far the highest ratio of labor costs to revenues of all major railroads.

And to top it off, ConRail paid its top officials $417,000 in incentive bonuses in 1977—a year in which the road lost $367 million.

I suggest that the Government has an obligation to the taxpayers to ride herd on ConRail's management performance. It seems to me obvious that not enough is being done in this area.

I have little optimism that large deficits will be avoided in the future operations of ConRail. But at least the Congress and the administration, through the appropriate committees and agencies, should insure that such losses as occur are those which cannot be avoided. Waste and mismanagement cannot be tolerated.

I shall vote against S. 2788, and I shall continue to oppose further Federal funding for ConRail until its management begins to show the responsibility in handling public funds which the taxpayers of our country have a right to demand.

Mr. President, I ask unanimous consent that an excerpt from the U.S. Railway Association report to Congress of May 31, 1978, concerning ConRail financial estimates, be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

RANGE OF PROBABLE FUNDING REQUIREMENTS

The Association has made independent forecasts of Conrail's revenue, net income, and Government funding needs. These forecasts are used to monitor Conrail's current performance and to evaluate Conrail's Government funding estimates. The forecasts are based on recent information affecting operating expenses, which was not necessarily available at the time Conrail put its plan together. They also are based on the assumption that Conrail's projected business strategies are followed throughout the 5-year period. The key assumptions used to develop USRA's recent forecasts for 1978–82 are described in Annex C.

On the basis of its analysis, the Association questions Conrail's ability to achieve its ambitious maintenance and capital improvement goals within its projected expense levels during the next 5 years, particularly in view of Conrail's difficulties in effectively controlling certain operating costs during 1976 and 1977. Of even greater potential significance, in terms of Conrail's funding requirements, is that Conrail's maintenance expenses and capital programs are relatively unresponsive to changes in volume. Thus, a modest percentage shortfall in volume and revenue can produce a substantial increase in funding requirements and in USRA's opinion Conrail's volume and revenue forecasts appear to be overly optimistic based on experience to date.

As part of its analysis of Conrail's business plan, the Association developed range forecasts of Conrail's additional Government

funding needs and performed a sensitivity analysis for the purpose of:

Examining and testing the validity of the underlying asumptions in Conrail's business plan over which Conrail has some control—that is, volume, transportation expenses, equipment rents, maintenance costs, payroll taxes, and capital improvement expenditures; and

Determining whether Conrail's 5-year financial projections are, in fact, both reasonable and likely in the context of a broad, yet meaningful, range.

The Association's range analysis projects optimistic and pessimistic funding levels which represent limits approximating 80 percent of the probability range of likely outcomes. This range spans the reasonable lower and upper funding levels that might result from Conrail's business plan.[1]

USRA's range projections show that Conrail may require funding of as little as $1.1 billion under opimistic assumptions. However, the pessimistic projection indicates a potential requirement of $3.8 billion through 1982. These compare to Conrail's estimated funding requirement of $1.3 billion.

USRA's forecasts of revenues, net income and the estimated range of additional Government funding required for Conrail are summarized in Table 9.

TABLE 9. SUMMARY COMPARISON OF CONRAIL'S BUSINESS PLAN TO USRA RANGE PROJECTIONS, 1978–82

[Millions of dollars]

Item	ConRail business plan	USRA range projections	
		Optimistic	Pessimistic
Additional Government funding	$1, 283	$1, 086	$3, 793
Net income (loss)	($35)	$239	($2, 380)
Revenues	$21, 612	$21, 926	$19, 697

Conrail's funding need of $1.283 billion falls within the range of the possible extremes, but it is so close to the optimistic end of the range that it has a low probability of being achieved. The Association's analysis indicates a significantly greater likelihood that Conrail will require substantial funding beyond the $1.3 billion requested (perhaps as soon as 1980).

Mr. CANNON. Mr. President, I am prepared to yield back our time.

The PRESIDING OFFICER. Do both managers of the bill yield back their time?

Mr. DANFORTH. I yield back our time.

The PRESIDING OFFICER. All time having been yielded back, the question is, shall the bill. as amended, pass? The bill, as amended, was passed as follows:

S. 2788

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Railway Association Amendments Act of 1978".

SEC. 2. (a) Section 216(a) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(a)) is amended by striking out "$1,100,000,000" and inserting in lieu thereof "$2,300,000,000".

(b) Section 216(b)(2) of such Act (45 U.S.C. 716(b)(2)) is amended by striking out "$1,100,000,000" and inserting in lieu thereof, "$2,300,000,000".

(c) Section 216(f) of such Act (45 U.S.C. 726(f)) is amended by striking out "$2,100,000,000" and inserting in lieu thereof "$3,300,000,000".

SEC. 3. Section 216 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726) is further amended by redesignating subsection (f) thereof as subsection (g) and by inserting immediately after subsection (e) thereof a new subsection as follows:

"(f)(1) The Association shall not invest the final $345,000,000 of the additional investment in the Corporation authorized by the Regional Rail Reorganization Act Amendments of 1978 unless and until (A) the Corporation has in effect an employee stock ownership plan which satisfies the requirements of paragraphs (2) and (3), and (B) the requirements of the other paragraphs of this subsection have been satisfied.

"(2) The employee stock ownership plan shall:

"(A) provide:

"(i) for a transfer to the plan and allocation to the accounts of plan participants in periodic installments of Series A preferred stock of the Corporation with a stated redemption value of at least $345,000,000 or any other securities in an amount determined by the Association, with the concurrence of the Finance Committee, as constituting a meaningful interest in the Corporation, or any combination thereof so determined by the Association, with the concurrence of the Finance Committee. The use of Series A preferred stock to fund the Employee Stock Ownership Plan shall not be interpreted to relieve ConRail of the responsibility for repaying in full to the United States Railway Association its indebtedness as represented by all shares originally issued under Public Law 94–210 and this Act;

"(ii) for immediate vesting of the rights of participants to such securities upon allocation, subject to defeasance as a result of the plan's termination which termination shall occur in the event that, by the end of the 120th month beginning after the month in which securities or interests therein are first allocated to participants' accounts, the Corporation has not attained for two consecutive quarters positive net income and a freight labor cost to freight revenue ratio equal to the average such ratio for all Class I railroads in 1977, as determined pursuant to procedures adopted by the Corporation pursuant to regulations promulgated by the Association with the concurrence of the Finance Committee;

"(B) be an employee benefit plan which is designed to invest primarily in employer securities;

"(C) meets such other requirements (similar to requirements applicable to employee stock ownership plans as defined in section 4975(e)(7) of the Internal Revenue Code of 1954) as the Secretary of the Treasury or his delegate may describe;

"(D) have been approved by the Board of Directors of the Corporation to the extent and in the manner which may be required by the Corporation's articles of incorporation and bylaws then in effect; and

"(E) have been prepared in consultation with, and been approved by, the Association and the Finance Committee.

"(3) Notwithstanding any other provision of law, if a plan does not meet the requirements of section 401 of the Internal Revenue Code of 1954—

"(A) stock transferred under paragraph (2) and allocated to the account of any participant under paragraph (2) shall not be considered income of the participant or his beneficiary under the Internal Revenue Code of 1954 until such stock or dividends are actually distributed or made available to the participant or his beneficiary and, at such time, shall be taxable under section 72 of the Internal Revenue Code of 1954 (treating the participant or his beneficiary as having a basis of 0 in the stock);

"(B) no amount shall be allocated to any participant under the plan in excess of the amount which might be allocated if the plan met the requirements of section 401 of the Internal Revenue Code of 1954; and

"(C) the plan must meet the requirements of sections 410 and 415 of the Internal Revenue Code of 1954.

"(4) The Corporation shall adopt such terms and conditions governing the securities or interests therein to be transferred to the plan (including limitations on voting rights) as the Association, with the concurrence of the Finance Committee, determines are necessary to protect reasonably the interests of the United States in the litigation pursuant to Section 303(c) of this Act and in the event of any action to further reorganize or restructure the Corporation's assets or capital structure.

"(5) The Corporation, the Association, and a representative appointed by the Chairman of the Railway Labor Executives' Association as representative of all the classes or crafts of employees of the Corporation shall engage in negotiations to agree upon a plan in accordance with the provisions of this subsection. The parties shall incorporate their agreement into a written plan instrument specifying the terms and conditions set forth in this subsection and such other terms and conditions as they may decide upon, with the concurrence of the Finance Committee, unless the parties are unable to reach an agreement on the plan following the exertion of every reasonable effort to do so, in accordance with the Railway Labor Act, in which event, the Corporation and the Association, with the concurrence of the Finance Committee, shall establish a written plan with such terms and conditions as they may agree upon in accordance with this subsection. Within one year after the effective date of this subsection, the Corporation shall transmit a draft of such plan to the Congress and shall report on its progress in establishing and administering the plan. The report shall include recommendations of contractual and statutory provisions necessary to reasonably (A) exempt any Trustee of the plan, the Corporation, the Association, any member of the Finance Committee, and any other person from any fiduciary duty, responsibility or liability for the acquisition of, investment in, or retention of any security or interest therein of the Corporation or for any other transaction contemplated by this subsection and (B) provide for the United States to indemnify, defend, and hold harmless such persons against any and all liabilities, claims, actions, judgments, amounts paid in settlement, and costs and expenses actually incurred in connection with any matter so exempted in which it is determined that such persons were acting in good faith and in a manner they believed to not be opposed to the best interests of the plan.

"(6) Within fourteen months of the effective date of this subsection, the Association shall report to the Congress on the draft plan on any legal obstacle to the ability of the Corporation to effectuate and implement an employee stock ownership plan of the nature contemplated by this subsection, including specific recommendations on amendments to this subsection and other relevant laws which would harmonize the requirements of this subsection with those other laws. The Department of Transportation and the Department of Treasury, as each finds appropriate, shall provide separate comments to the Association for inclusion with such report.

[1] The Association's optimistic and pessimistic estimates of funding levels represent an attempt to indicate a potential reasonable range in funding requirements. However, a possibility remains that Conrail's performance could be worse (or better) than the range projections show.

"(7) For the purposes of this subsection, the officers of each duly authorized representative of the crafts or classes of the employees of the Corporation who have been given leaves of absence by the Corporation to serve as such officers, are to be eligible to participate in such plan on the same basis as are employees whose employment is governed by a collective bargaining agreement with the Corporation".

SEC. 4. (a) The first section of the Act entitled "An Act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes", approved March 12, 1914 (38 Stat. 305; 43 U.S.C. 957), is amended by inserting after "to fix compensation of all officers, agents, or other employees designated by him;" the following: "and, not withstanding any other provision of law or regulation, to fix relocation, travel and transportation expenses for the General Manager of the railroad designated under this Act".

(b) This section shall apply to the General Manager serving on the date of enactment of this section with respect to relocation, travel, or transportation expenses were incurred before or after the date of enactment of this section.

SEC. 5. Section 505 of the Railroad Revitalization and Regulatory Reform Act (45 U.S.C. 825) is amended by (a) striking the last sentence of subsection (d)(3) thereof; and (b) striking "purchase under this title after September 30, 1978," and "inserting in lieu thereof ", after September 30, 1979, make commitments to purchase under this title" in subsection (e) thereof.

SEC. 6. (a) The Consolidated Rail Corporation shall (1) carry out such reconstruction of the railroad bridge over the Hudson River at Poughkeepsie, New York, as is necessary for the purposes of this section and make appropriate repairs and improvements in rail yards and tracks which service the rail system using such bridge, (2) restore freight service on such system at least to the extent provided prior to the fire damage to such bridge in 1974, and (3) take appropriate steps to promote the use of such system.

(b) There is authorized to be appropriated to the Secretary of Transportation not to exceed $9,000,000 for making payments to the Corporation to cover costs incurred pursuant to subsection (a)(1).

SEC. 7. Section 307 of the Regional Rail Reorganization Act is amended by inserting after subsection (b) a new subsection (c) as follows:

"(c) MONITORING OF THE CORPORATION.—(1) The Association shall also report to the Congress, in accordance with this subsection, on the policies of the Corporation and the results of such policies with respect to operations, cost containment, and marketing.

"(2) Within 90 days after the date of enactment of this subsection, the Association shall (A) subdivide each such policy area into constituent parts or groups of parts which are specific and significant, (B) identify the most appropriate indicia to reflect accurately such parts or groups of parts, and (C)(i) determine any and all deficiencies in data used to compute the values of such indicia including consistency and clarity of definitions, timeliness of data entry, editing and validation of input data, and processing, and (ii) outline the efforts of the Association and Corporation to correct the deficiencies and the results of such efforts. On or before the end of such 90-day period, the Association shall submit to the Congress such methodological information and additional information which the Association deems necessary or appropriate to further the purpose of this title.

"(3) Using such indicia, the Association shall report on (A) the relationship of each constituent part or groups of parts to the Corporation's revenue and capital and operating expenses, (B) the extent to which such parts or group of parts contributes to profits or losses, (C) the efforts of management to contain or reduce the contribution of such part or group of parts to losses, (D) the results of such efforts, and (E) such other information as the Association deems necessary or appropriate.

"(4) The Association shall (A) transmit to the Congress the first such monitoring report pursuant to paragraph (3) at the end of the first calendar quarter which begins after the end of the 90-day period for preparation and submission of the methodological information pursuant to paragraph (2), (B) report such monitoring information to the Congress at the end of the first quarter of each calendar year thereafter, (C) update methodological and monitoring information periodically as the Association deems necessary or appropriate, but in no case less frequently than once a year, and (D) where the results of such updating are statistically significant or relevant to congressional policymaking, report them and the reasons for their significance at the end of the calendar quarter in which the updating occurred.".

The title was amended so as to read:

A bill to amend the Regional Rail Reorganization Act of 1973 to authorize the purchase of an additional $1,200,000,000 of the series A preferred stock of the Corporation, and for other purposes.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 2788.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Will the Senator withhold that suggestion?

Mr. DANFORTH. Yes.

Mr. ROBERT C. BYRD. Mr. President, will the Chair lay the next bill before the Senate?

DOMESTIC VIOLENCE PREVENTION AND SERVICES ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Calendar Order No. 755, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 2759) to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and assist the victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Human Resources with an amendment in the nature of a substitute.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Susanne Martinez, Jack Wickes, Jack Andrews, Patricia Markey and Jon Steinberg be granted privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, S. 2759, the proposed Domestic Violence Prevention and Services Act, was introduced on March 16, 1978. Joining me in cosponsoring the bill were Senators HARRISON WILLIAMS, JR., JACOB K. JAVITS, DONALD W. RIEGLE, JR., S. I. HAYAKAWA, JENNNINGS RANDOLPH, CLAIBORNE PELL, EDWARD M. KENNEDY, ROBERT T. STAFFORD, WENDELL R. ANDERSON, BIRCH BAYH, JAMES ABOUREZK, and PATRICK J. LEAHY. Senators SPARK M. MATSUNAGA, MIKE GRAVEL, MURIEL HUMPHREY, MARK HATFIELD, and EDWARD BROOKE subsequently joined in cosponsorship.

BACKGROUND

Mr. President, I chaired hearings held by the Subcommittee on Child and Human Development of the Committee on Human Resources on March 4, 1978, in Los Angeles, Calif., and on March 8, 1978, in Washington, D.C., with respect to domestic violence and domestic violence programs and possible legislation. Over 35 witnesses provided oral testimony and numerous others have forwarded written testimony to be included as part of the record. Those providing oral testimony included representatives of the administration, State officials, service providers, law enforcement personnel, researchers, and representatives from the American Bar Association, the National Association of Social Workers, the American Psychiatric Association, the Coalition of Family Organizations, the National League of Cities, the California Commission on the Status of Women, the California Coalition Against Domestic Violence, and the National Coalition Against Domestic Violence.

Following the introduction of S. 2759 on March 16, each of the scheduled witnesses who provided oral testimony at the hearings was sent a copy of the bill as introduced and requested to submit written comments. Those written comments have been included as part of the hearing record. Amendments made by the subcommittee and by the full committee were generally in response to the comments received from witnesses and other interested organizations and individuals.

Throughout the hearings and in the numerous written communications received by the subcommittee, the extent of the problem of domestic violence and the need for Federal leadership and in-

volvement was repeatedly stressed. Witness after witness testified about the growing incidence of domestic violence, the enormous social costs of this problem—both for the victims and society, in general—and the inability of existing programs to meet the growing demand for assistance and shelter for domestic violence victims and their dependents.

On April 6, 1978, the Subcommittee on Child and Human Development considered and unanimously ordered S. 2759 favorably reported to the full Human Resources Committee, with an amendment in the nature of a substitute. On May 3, 1978, the Human Resources Committee met and, after making a number of amendments, unanimously ordered reported the bill reported by the subcommittee, with an amendment in the nature of a substitute.

NEED

Mr. President, the subcommittee heard testimony which demonstrated the proportions of this phenomenon and its tremendous social costs. For example, at the hearing before the subcommittee on March 8, 1978, Dr. Blandina Cardenas, Commissioner of the Administration for Children, Youth and Families in the Office of the Human Development Services, Department of Health, Education, and Welfare, testified:

Representatives from various agencies throughout the Department have recently begun meeting to discuss the extent of our knowledge in this area, what we see as a proper Federal role, and where we are headed. We have learned that spousal violence occurs in epidemic proportions.

Other studies suggest that the number of wives suffering extreme violence at some time in their marriage may be as great as 5 million, with some being battered regularly. Recent studies funded by the National Institute on Mental Health found that nearly 2 million American couples have used a lethal weapon on one another during their marriage—not including threats—and that, among randomly selected couples, one of six during a single year had engaged in violent acts—such as beatings, throwing objects at one another, or threats with a knife or gun. The study further showed that when the entire period of marriage, rather than just 1 year, was the focus, the estimate increased to approximately 30 percent of all couples having experienced domestic violence in some form.

Mr. President, consideration with respect to this problem must be given to the role of police officers.

Police officers responding to domestic violence calls frequently become victims themselves. Testimony before the subcommittee indicated that approximately one-fifth of all deaths of police officers and 40 percent of all injuries which occur in the line of duty occur in domestic violence interventions. Statistics on the percentage of time law enforcement officers expend on domestic violence incidents are staggering.

Maxine Waters, an assemblywoman in the State of California, testified as follows at the March 4 hearing regarding the tremendous drain on police resources generated by domestic violence:

In San Francisco, the police reported 50 percent of the calls that they received were family disturbances. In Atlanta, domestic disputes are the most troublesome area for police on the night shift, accounting for 60 percent of all calls. At Boston City Hospital, approximately 70 percent of the assault victims received in the emergency room are women who have been attacked in their homes.

At this point, I should like to read from a letter I received from the International Association of Chiefs of Police in support of this bill, dated July 20, 1978:

Domestic violence is a rapidly growing problem within our society. Many police officers are injured and killed annually while responding to a domestic violence call. Therefore, the IACP has a great interest in the passage of this legislation.

I have enclosed several copies of our statement and additional copies are available if you need them. We hope that the Senate will recognize the seriousness of this problem and we urge the immediate consideration of this bill.

Mr. President, I ask unanimous consent to have this letter printed in the RECORD at this point, together with a letter from Frank E. Fitzsimmons, general president of the International Brotherhood of Teamsters.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GAITHERSBURG, MD.,
July 20, 1978.

Senator ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development, Russell Senate Office Building, Washington, D.C.

DEAR CHAIRMAN CRANSTON: Pursuant to the request by Jack Wickes of your subcommittee, the International Association of Chiefs of Police (IACP) would like to submit a statement reflecting our position on S. 2759, the "Domestic Violence Prevention and Services Act."

Domestic violence is a rapidly growing problem within our society. Many police officers are injured and killed annually while responding to a domestic violence call. Therefore, the IACP has a great interest in the passage of this legislation.

I have enclosed several copies of our statement and additional copies are available if you need them. We hope that the Senate will recognize the seriousness of this problem and we urge the immediate consideration of this bill.

Thank you for allowing us the opportunity to present our views.

Sincerely,

GLEN R. MURPHY,
Director, Bureau of Governmental Relations and Legal Counsel.

WASHINGTON, D.C.,
June 28, 1978.

Hon. ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the International Brotherhood of Teamsters, I would like to express our support for S. 2759, the Domestic Violence Prevention and Services Act. We support this legislation for public policy reasons as well as for the benefit of our members employed in the law enforcement field.

Domestic violence is a widespread problem that has been ignored for many years. Since it generally occurs at home among family members, special treatment must be given to detecting and preventing these acts and assisting the victims.

Domestic violence not only takes its toll on the families and victims, but also on the law enforcement personnel who are called to the scene. A significant and increasing number of law enforcement officers are injured or killed while handling family disputes. It is estimated that 20% of all deaths of police officers and 40% of all injuries occur during domestic violence calls. Under S. 2759 funds could be used to provide special training for police to deal with domestic violence intervention.

The Teamsters Union represents several thousand law enforcement officers. Because this legislation should reduce the overall number of incidents of domestic violence and provide better training and preparation for handling family disputes, our members should be safer and more effective in their jobs.

We congratulate you for taking steps to remedy this problem. In the interests of the safety of our members and society as a whole, we endorse the Domestic Violence Prevention and Services Act.

Sincerely,

FRANK E. FITZSIMMONS,
General President.

Mr. CRANSTON. Mr. President, more information on the need for this legislation and the difficulty present resources have in meeting current needs is included in the excerpts from the committee report which I will ask be inserted at the end of my statement.

PURPOSE OF THE COMMITTEE BILL

Mr. President, it is the purpose of the committee bill to stimulate the participation by States, local communities, nonprofit private organizations, and individual citizens in efforts to prevent domestic violence and assist victims and dependents of victims of domestic violence; to establish regional centers to provide technical assistance and training, as appropriate, with respect to domestic violence programs to interested States, local communities, nonprofit private organizations, and other interested groups, officials, and persons; to establish an interagency council to seek to coordinate Federal programs with respect to domestic violence; and to provide for research and reporting programs relating to domestic violence.

The Federal-State local partnership program outlined in the committee bill is designed to meet the immediate short-term needs of domestic violence victims for refuge and support as well as to focus on the long-term needs of victims and the need for activities to reduce the incidence of the problem.

Mr. President, in order to grapple successfully with this pervasive and complex problem of "epidemic" proportions, a widespread commitment is necessary—and not just from the Federal Government. Resolution of the problem is dependent upon the efforts of States and local communities. Although all levels of Government, including the Federal Government, must be involved in seeking solutions, interested private citizens and groups themselves must continue to take the lead. I stress the importance of supporting grassroots involvement in our efforts to deal with this problem.

The need for a comprehensive partnership approach, involving private citizens

and all levels of government, is evidenced by the wide range of problems faced by victims of domestic violence beyond the need for emergency shelter. These problems relate to the judicial system, public assistance programs, law enforcement agencies, the medical community, and social services agencies.

The committee bill would establish a framework for addressing domestic violence problems and strive to stimulate the involvement of various levels of government, nonprofit private organizations, and individual citizens in seeking a resolution.

DISCUSSION OF COMMITTEE BILL

GRANT PROGRAMS

Mr. President, in order to assist in supporting the establishment, maintenance, and expansion of programs and projects to prevent domestic violence, and to assist victims and dependents of victims of domestic violence, the committee bill would authorize a State grant program. To be eligible, a State would be required to meet a non-Federal share requirement and to establish a State citizen's panel on domestic violence. The amount of the non-Federal share that each State would be required to provide in cash is to be used in the same manner as are funds appropriated under the committee bill.

The committee bill would also establish a limited direct Federal grant program—designed as a gap filler—to provide assistance to programs and projects in areas where projects are most needed; for example, rural areas. Limitations on the amount which can be awarded to projects and programs in a State not participating in the program are also included. The limitations are designed to strike an appropriate balance between providing needed assistance to local projects and programs in nonparticipating States while, at the same time, not making it beneficial for a State to decide not to provide its State match and, hence, not participate in the program established by the committee bill.

STATE CITIZEN PANELS

In addition to the State-grant program and the gap filling direct Federal grant program, the committee bill includes additional features designed to stimulate the involvement of States, local communities, nonprofit private organizations, and individual citizens in efforts to resolve this problem. For example, each State participating in this program, as a condition to receiving funds under the State-grant program, is required to establish a State citizen panel on domestic violence. Membership in the panel will provide the opportunity for interested individuals and responsible officials to participate in planning and developing activities within the State with respect to domestic violence. The panels should fulfill a key role in evaluating statewide needs and the extent to which programs and projects meet those needs. After such evaluation, the panels would make specific recommendations, to the chief executive of the State and to the agency administering the program, on the domestic violence activities and services to be conducted or caused to be conducted by the State and on the distribution by the State of grants to local public agencies and nonprofit private organizations.

The panels would also play an integral role in the formulation of long-range goals and timetables for the implementation of the programs within the State. Further, the panels would be in a position to assure that the State implements the program in accordance with the purposes and provisions of the committee bill.

REGIONAL DOMESTIC VIOLENCE CENTERS

Mr. President, an additional important component in the committee bill's design to stimulate and support the involvement of States, local public agencies, nonprofit private organizations, and private individuals is the requirement that the Secretary make grants or enter into contracts with public and private entities to provide for no less than one regional center on domestic violence to be located in each region of the United States.

Too often organizations, local public agencies, and individuals at the local level are not provided the technical assistance to enable them to utilize existing programs and projects to the maximum advantage. The regional centers would be able to fulfill the need of local nonprofit private organizations, local public agencies, and States for much-needed information with respect to Federal and State domestic violence programs and projects, resource availability and the steps necessary to apply for and become eligible for such resources, and information concerning the establishment of local programs and projects with respect to domestic violence. Other important roles for the regional centers would include the provision of training and outreach services to States, local public agencies, and nonprofit private organizations.

Mr. President, I believe that formation of the regional centers will provide the opportunity for organizations and individuals with expertise in this area to participate in an official capacity in efforts to resolve the problems of domestic violence. The participation of individuals knowledgeable about domestic violence as regional center grantees or contractors is extremely important.

FEDERAL INTERAGENCY COUNCIL

Mr. President, another feature of the committee bill which should be highlighted is provision for an interagency Federal council to assist in coordinating, at the Federal level, programs, for the prevention of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence. The role of this interagency council would be to identify, assess, and seek to coordinate all Federal programs, projects, and plans for programs and projects providing services and support in carrying out research with respect to domestic violence, and make recommendations, as appropriate to the President and the Congress in regard to coordination of policy and the development of objectives and priorities for all Federal programs regarding the prevention of incidents of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence.

There are many different Federal programs that could be utilized by local communities and nonprofit private organizations for domestic violence projects and programs, and the council should facilitate greatly the coordination among them.

OVERSIGHT AND EVALUATION

Mr. President, the committee bill is specifically designed to facilitate Congress efforts in overseeing the implementation of the programs established under the act. Because the amount of the grants authorized to be distributed to a single entity under the committee bill would generally be limited to no more than $35,000 in any 1 fiscal year, it is imperative to the success of this program that grantees not be required to spend an inordinate amount of time, energy, and money complying with paperwork requirements. In this regard, the committee has structured S. 2759 in a manner designed to reduce, to the maximum extent feasible, the paperwork burden of the national center, participating States, and particularly grantees.

Even though the amount of grants to be distributed under the committee bill would be small, Congress has a responsibility for assuring the appropriate expenditure of Federal dollars. Thus, the committee bill attempts to balance the responsibility for accountability against excessive paperwork requirements. The bill is designed to reduce the amount of paperwork required by grantees, yet still provides for appropriate oversight, reporting, and evaluation responsibilities. These provisions were designed in conjunction with representatives from the General Accounting Office.

As my colleagues may be aware, Mr. President, the Comptroller General—in November of 1977—released a report on congressional oversight efforts, entitled "Finding Out How Programs Are Working; Suggestions for Congressional Oversight" (PAD 78–3, November 22, 1977). That report outlined recommendations for planning and carrying out congressional oversight. The GAO staff was a great help to us in designing and drafting the committee bill, and we are grateful for their assistance. Mr. President, there are a number of provisions included in the committee bill, dealing with oversight activities, that I would like to highlight.

Under section 8(b)(2) of the committee bill the Director of the National Center on Domestic Violence would be required to keep the Congress fully and currently informed on the administration and implementation of the act. The committee bill includes specific reporting provisions designed to help insure that the necessary information is provided to the executive branch and Congress without requiring the maintenance and submission of unwarranted paperwork by States and participating projects and programs. For example, section 10 would require the national center to provide Congress with a concise report providing specific information on the programs authorized under the committee bill, and section 7 would require that State reports submitted pursuant to that section be concise and specific.

Under section 3 of the committee bill,

State citizen panels on domestic violence would be established and charged with the responsibility of overseeing within the State the implementation of Federal, State, and local programs and projects carried out under the committee bill. Any recommendations made by the panel to the chief executive of the State, the designated State agency, or the State legislature pursuant to their responsibilities under the committee bill are required to be included as part of the annual State report submitted to the national center. I expect that the State citizen panels would play an important role in keeping State legislatures and administrative officials informed regarding the progress of State programs and projects under the committee bill.

Another important component of the oversight framework is the evaluation provision. Under that provision, the Secretary would be required to review, evaluate, and report to the Congress, not later than 3 years after the date funds are first obligated for grants to States, as to the effectiveness of the programs administered and operated under the committee bill. This review and evaluation is to be conducted and prepared by persons not directly involved in the administration or operation of the programs and is designed to provide information on specific matters which Congress will need in order to appraise the effectiveness of activities conducted under the act. In addition, the committee bill also includes provisions requiring the Secretary, in planning the evaluations required to be conducted, to consult with the Director of the National Center and to advise appropriate committees of the Congress. The intent of this consultation requirement is to assist the Secretary in: First, identifying important issues and questions concerning the effectiveness and impact of the committee bill that should be answered by the evaluation; second, designing the data collection instruments and procedures that will produce valid and useful information within the limits of time and cost; and third, developing criteria, standards, and measures of comparison to reflect the actual activities under the committee bill.

In sum, Mr. President, the committee, with the help of the Government Accounting Office, has established in the bill a framework for effective oversight and evaluation and, as a result, has, in all liklihood, limited, to the maximum extent possible, the amount of unnecessary paperwork required to be submitted by participating States, local public agencies, and nonprofit private organizations. The oversight provisions included as part of the committee bill are designed to assist Congress, the executive branch, and the States in identifying problems that may arise in the implementation of the legislation, before—not after—large amounts of time, effort, and resources have been invested.

As chairman of the Subcommittee on Child and Human Development, I intend to monitor closely the progress of implementation of these provisions. Through active oversight, Congress will be in a position to help resolve, in a timely fashion, any problems that may arise and, if necessary, modify the legislation to accommodate those problems.

RESEARCH

Mr. President, another key provision of the proposed "Domestic Violence Prevention and Services Act" is the authorization of research to be conducted with respect to domestic violence. Under the committee bill, 7 percent of the moneys appropriated would be earmarked for domestic violence research.

Mr. President, much remains to be discovered about this pervasive and complex problem. The amounts made available for research should assure a continuing search for the causes of this problem, and successful models for providing assistance to victims. I believe that an integral aspect of any research program should be the conduct of research in conjunction with the provision of services at the local level.

AUTHORIZATIONS

Finally, Mr. President, the committee bill would authorize the appropriation of $30 million for each of the next 5 fiscal years. Some might feel that more resources are needed to deal with the problems of domestic violence, but I believe that we must move forward in this area in a prudent, fiscally responsible fashion. The appropriation levels authorized in this committee bill attempt to do this.

CONCLUSION

Mr. President, the program to be established by the committee bill is designed to stimulate the involvement and utilization of nonprofit private organizations, individuals citizens, and various levels of government. The hearings held by the subcommittee clearly illustrated the need for Federal action in this regard. Yet, I think that we must realize that the problems are complex. There are no simple answers. To overcome the problem, to develop any type of successful program, commitment is necessary—and not just from the Federal Government.

Any resolution of the problem will be dependent upon the efforts of States and local communities. All levels of government, including the Federal Government, must be involved in seeking solutions. The role of the Federal Government should be to stimulate, encourage, and support local community, private organizations, and individual citizen activity.

Mr. President, before closing there are many people I wish to thank for their contributions and efforts on this bill. Excellent technical advice and assistance was provided by Blandina Cardenas, Commissioner, Administration for Children, Youth and Families, Office of Human Development Services, Department of Health, Education, and Welfare. In addition, Jim Rich, Frank Ferro, and Margie Siegel, all of HEW, were most helpful.

Robert Kershaw of the General Accounting Office spent many hours working on the oversight and evaluation provisions of the committee bill, and his efforts were very beneficial.

Recognition is also due for Sandy Wallace of Senator ANDERSON'S staff, Chris Burch with Senator KENNEDY, Pat Markey with Senator WILLIAMS, and Craig Polhemus with Senator RIEGLE. All worked extremely hard in developing this legislation. In addition, I also thank Dr. John Backer and Ginny Eby of the staff of our subcommittee ranking minority member (Mr. HAYAKAWA) and Jack Andrews with Senator JAVITS for their contributions. Finally, I greatly appreciate the very fine efforts of the members of the subcommittee staff: Jack Wickes, Susanne Martinez, Bonnie Connors, and Hollie Cutler.

Finally, and perhaps most importantly, I wish to thank the many interested individuals, organizations, and local public agencies whose efforts and concerns to provide assistance to victims of domestic violence and prevent domestic violence caused the subcommittee and the committee to focus on the need for Federal leadership and involvement in this area.

Mr. President, the program established by the committee bill is designed to stimulate the involvement and utilization of nonprofit private organizations, individual citizens, and various levels of government.

The hearings held by the subcommittee clearly illustrate the need for Federal action.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point appropriate excerpts from the committee report.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[Excerpts from S. Rept. No. 95–824]

SUMMARY OF S. 2759 AS REPORTED

The basic provisions of the committee bill are summarized below. In establishing a new domestic violence program in HEW, the committee bill would:

(1) *State Citizens Panels* (section 3).—Require each State, in order to qualify for a grant under the new Act, to establish a State citizens panel on domestic violence.

(2) *Grants* (section 4).—Authorize two different types of domestic violence grants—Federal formula grants to States and direct Federal grants to localities. Of the total amount appropriated for the new Act, 85 percent would be for both types of grants. Of that amount, 80 to 85 percent would be for grants to qualifying States (distributed on the basis of population—each State eligible for a minimum of one-half of 1 percent (section 5)) and the remainder would be available for direct Federal grants to local public agencies and nonprofit private organizations with not less than 50 percent set aside for nonprofit private organizations (subject to limitations on the amounts that may be expended under direct grants in a State not qualifying for the State formula grant program). No direct Federal grant to a local public agency or a nonprofit private organization and no State grant to a nonprofit organization may exceed $35,000 in any 1 year, and the total amount of such grants over a 5-year period may not exceed $60,000.

(3) *State Grant Provisions* (section 6).—Require that State applications must provide that:

(a) not more than 15 percent, or $125,000, whichever is the lesser, will be used for administration of the State program.

(b) not more than 10 percent but not less than 5 percent will be used for administrative expenses of the panel.

(c) not less than 25 percent nor more than 40 percent of the sums remaining (after State administrative and panel expenses) will be used for activities and services conducted or caused to be conducted by State agencies.

(d) the remainder of the fund (between 35 percent and 55 percent and as much as 70 percent depending upon the amount expended by the State and by the panel for administrative expenses) will be distributed by the State through grants to local public agencies and nonprofit private organizations, with not less than 50 percent set aside for nonprofit private organizations and with special emphasis on the support of community-based projects of demonstrated effectiveness, particularly shelters.

(e) no grant will be made to any nonprofit private organization in excess of $35,000 in 1 year or a total of $60,000 over a period of 5 years except that, for the purpose of providing or maintaining a shelter, a State, from the funds it contributes under the non-Federal share provision, may augment such grant up to $50,000 in any 1 year and a total of $100,000 over a period of 5 years.

(4) *National Center on Domestic Violence* (section 8).—Establish in the Office of the Secretary of HEW an identifiable administrative unit to serve as the National Center which shall be headed by a Director, appointed by the Secretary and compensated at a rate not less than the rate prescribed for GS–16.

(5) *National Information and Resources Clearinghouse* (section 8).—Require the Director to provide for an information clearinghouse with respect to domestic violence.

(6) *Regional Centers on Domestic Violence* (section 8).—Direct the Director to make grants or contracts for the operation of regional centers to carry out technical assistance, training, and outreach activities in each region.

(7) *Research* (sections 9 and 17).—Require that 7 percent of the moneys appropriated will be used for domestic violence research (at least 50 percent to be transferred to the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) for research to be conducted by the Institutes within ADAMHA pursuant to a joint agreement between the Director of the National Center and the Administrator of ADAMHA).

(8) *Confidentiality* (section 11).—Apply the provisions of section 408 (including the penalty in subsection (e)) of the Drug Abuse Office and Treatment Act of 1972 (relating to confidentiality) to the records of any individual subject to any program, project, or activity under the new act.

(9) *Evaluation* (section 13).—Require the Secretary to evaluate and report to Congress, not later than 3 years after the date funds are first obligated under the act, as to the effectiveness of the domestic violence programs administered and/or operated under the new act by the National Center and ADAMHA.

(10) *Interagency Coordinating Council* (section 14).—Establish a Federal interagency council to seek to coordinate Federal programs with respect to domestic violence, and promote the use of volunteers serving under the Domestic Volunteer Service Act of 1973 in domestic violence programs.

(11) *Non-Federal Share* (section 15.)—Require a State, in order to be eligible for a grant under the new act, to provide in cash, for expenditures in accordance with provisions of the act, an amount equal to a percentage of the amount of the Federal funds that the State receives in its grant, determined as follows:

Fiscal years:	Percent
1979	0
1980	30
1981	40
1982	50
1983	65

(12) *Oversight* (sections 7, 8, 10, 12, and 13).—Establish the Director as the individual directly responsible for overseeing all programs and activities carried out under the new act; require annual submission of concise State and national reports providing specific information; and mandate the conduct of an evaluation by the Secretary to answer specific questions (See GAO report on congressional oversight, PAD–78–3 of Nov. 22, 1977).

(13) *Authorizations of Appropriations* (section 17).—Authorize the appropriation to HEW of $30 million for fiscal year 1979 and each of the succeeding 4 fiscal years, specifying that, of the sums appropriated each year, 85 percent shall be used for grants, 8 percent of operation of the HEW center on domestic violence and regional support centers, and 7 percent for research (at least half by the Institutes of the Alcohol, Drug Abuse, and Mental Health Administration).

NEED FOR FEDERAL LEGISLATION

THE GROWING PROBLEM OF DOMESTIC VIOLENCE

Domestic violence has become increasingly a matter of public concern and attention in the past few years. Often viewed as a "hidden" societal problem, a growing awareness of the dimensions of this phenomenon and its tremendous social costs has steadily developed among individuals who deal on a daily basis with the victims and the consequences of domestic violence. At the hearing before the Subcommittee on Child and Human Development on March 8, 1978, Dr. Blandina Cardenas, Commissioner of the Administration for Children, Youth, and Families in the Office of the Human Development Services, Department of Health, Education, and Welfare, testified:

* * * [R]epresentatives from various agencies throughout the Department have recently begun meeting to discuss the extent of our knowledge in this area, what we see as a proper Federal role, and where we are headed. *We have learned that spousal violence occurs in epidemic proportions.* (Emphasis added.)

The "epidemic proportions" of the domestic violence problem were repeatedly documented in the testimony presented at the subcommittee hearings as well as in the findings and reports of investigators in this field. Suzanne Steinmetz, Ph.D., representing the Coalition of Family Organizations at the March 8 hearing testified regarding national data gathered on domestic violence:

"In a given year you are likely to have 3½ million severely battered women. I am talking about the kind of woman that would need shelter or some kind of hospital intervention or police intervention. I am not talking about hitting or slapping. You are also, in that same year, likely to have one-quarter of a million battered husbands. You will have a 5 million battered siblings, about 350,000 severely battered children and battered elderly, for which we have no national or even local estimates * * *."

Other studies suggest that the number of wives suffering extreme violence at some time in their marriage may be as great as 5 million, with some being battered regularly. Recent studies funded by the National Institute on Mental Health found that nearly 2 million American coupes have used a lethal weapon on one another during their marriage—not including threats—and that, among randomly selected couples, 1 of 6 during a single year had engaged in violent acts—such as beatings, throwing objects at one another, or threats with a knife or gun. The study further showed that when the entire period of marriage, rather than just 1 year, was the focus, the estimate increased to approximately 30 percent of all couples having experienced domestic violence in some form.

Sandra Ramos, executive director of Shelter Our Sisters in Hackensack, N.J., testified that 58 percent of the women surveyed by her organization reported having been beaten or hit by husbands or boyfriends and 34 percent of those surveyed reported having been beaten with some regularity—at least once per month.

Crime statistics and implications

The dimensions of this problem are also revealed in homicide and police statistics. FBI figures show that annually approximately 12 percent of all murders occur between spouses. Domestic quarrels were reported to be a factor in 31 percent of 255 homicides occurring in Atlanta, Ga., during 1972. In Detroit, 23 percent of the homicides were reported to be between spouses. In California, 1 of 3 female homicides is murdered by her husband.

The testimony at the hearings indicated that in incidents of spouse murder, the police were frequently involved in prior calls for assistance. For example, in 85 percent of the cases of spouse murder in a single year in Kansas City, Mo., police were summoned at least once before the murder occurred, and in 50 percent of the cases they had been called five or more times before the homicide.

Police officers responding to domestic violence calls frequently become victims themselves. Testimony before the subcommittee indicated that approximately one-fifth of all deaths of police officers and 40 percent of all injuries which occur in the line of duty occur in domestic violence interventions. Statistics on the percentage of time law enforcement officers expend on domestic violence incidents are staggering.

Maxine Waters, an assemblywoman in the State of California, testified as follows at the March 4 hearing regarding the tremendous drain on police resources generated by domestic violence:

"In San Francisco, the police reported 50 percent of the calls that they received were family disturbances. In Atlanta, domestic disputes are the most troublesome area for police on the night shift, accounting for 60 percent of all calls. At Boston City Hospital, approximately 70 percent of the assault victims received in the emergency room are women who have been attacked in their homes."

Information provided to the subcommittee by La Casa De Las Madres, a shelter for battered women in San Francisco, Calif., indicated that during 1973, the San Francisco Bureau of Family Relations, a subdivision of the district attorney's office, reported that 1,228 complaints of marital violence were processed. La Casa De Las Madres suggested that these figures represented "just the tip of the iceberg since few cases of marital violence ever reach the district attorney's office." This information also revealed that in San Francisco in 1974, one-fourth of all known murders were of marital or quasi-marital origin.

Police statistics show the growing dimension of the problem: Boston police received 45 domestic disurbance calls a day, or 18,000 calls a year. In Oakland, Calif., police recorded 16,000 domestic disturbance calls in one 6-month period. According to the testimony of the American Bar Association, the FBI estimates that statistics on these kinds of reported crimes represent less than 10 percent of the total number of "wife-beatings" that occur.

Mr. Kenneth A. Merritt, the Director of the Youth and Family Services Bureau of the Hayward Police Department in California, indicated in written testimony that in the city of Hayward, prior to the funding of a program by the California Council on Criminal Justice utilizing family counselors, the Hayward police department was receiving approximately 100 calls for assistance each month specifically related to domestic violence. Police officers in this community were spending an average of 48 minutes per call. Because of the high risk factor associated with domestic violence responses, two officers responded to every call of this nature result-

ing in approximately 90 minutes of officer time per call. The monetary cost of each of these calls—with equipment, supervision, communication system auxiliary personnel—was approximately $200 per hour.

Mr. Merritt indicated, however, that as a result of the institution of the family disturbance oriented project, the total number of calls to the Hayward Police Department for crisis intervention in domestic disputes was reduced from 100 average calls per month to approximately 40, the recidivism rate for domestic disturbances was reduced from 50 percent to approximately 19 percent and the amount of police officer time spent on the domestic disturbance calls was reduced from 45 minutes to approximately 18 minutes per call. Thus, while the drain on law enforcement personnel resources generated by domestic violence is currently high throughout the Nation, there is evidence to suggest that, with proper training and resources, the incidence of police intervention and expenditure of time can be reduced.

THE VICTIMS

Socioeconomic aspects

Studies of the incidence of domestic violence have found that it permeates all socioeconomic levels. The recent study funded by the National Institute on Mental Health indicates that there is as much violence in the families of the college educated as among those with less formal training.

La Casa De Las Madres confirmed this in its written submissions, as follows:

"It must be noted that family violence is not specifically a working class, ghetto, or a particular ethnic group's problem. Studies indicated that almost as much woman and child beating goes on in the middle class as in the working class. It may be, however, that in the high density conditions of working class homes and neighborhoods, family violence isn't as easily hidden as in more spacious environments. Too, the poor often have no resort other than police, while the more affluent turn to marriage counselors and psychiatrists; consequently, the crime statistics seem to reflect greater violence among the working class."

Curdina Hill, a member of the board of directors of Casa Myrna Vasquez, an emergency shelter for battered women in South Boston, described the relationship between domestic violence and economic deprivation:

"* * * the incidence of family violence is even higher among minority women who live in urban environments, because our problems are intensified by poverty, they are intensified by high unemployment, poor housing conditions, poor access to social services and health services."

Beverly Monasmith, the Director of Rosasharon, a shelter for battered women and their children in Los Angeles, Calif., told the subcommittee:

"In order to understand battering it is first necessary to explode some of the myths. Two common misconceptions are:

"(1) Family violence only occurs in 'those' neighborhoods, that is, low socio-economic, uneducated environments; and

"(2) Women enjoy being beaten; otherwise they would leave.

"The facts are that:

"(1) Battering occurs in all neighborhoods, among all classes, races, ages, and occupations; and

"(2) Many women do not have options available to them. They may have no money of their own to feed themselves or their children if they leave the abuser who is the breadwinner; many have limited education and no job skills or experience. Economic dependence is a major factor here. Friends and family are often reluctant to become involved."

Harriet and Alyce, two domestic violence victims who appeared before the subcommittee, testified to the same effect. Both had sought aid from relatives, and Harriet had also sought assistance from friends, but to no avail in each case.

Economic dependence

La Casa De Las Madres made a similar observation:

"Why does a woman remain with a violent man to get beaten time and time again? The most compelling reason is economic: Most women simply do not have the economic skills necessary to support themselves and their children."

The economic dependence of the battered spouse upon the abuser is illustrated by the backgrounds of domestic violence victims seeking assistance from various programs. An assault crisis center in Michigan reported that 84.3 percent of the victims seeking their assistance had children, and more than half of the victims were unemployed. Another Michigan project in Ann Arbor reported that 57.4 percent of the victims who contacted the project were unemployed and 86.1 percent had children, with 73 percent having between one and three children five years of age or under. Almost half of these women required medical attention as a result of the assault.

Barbara Star, Ph.D., from the School of Social Work at the University of Southern California, testified:

"Women (and men) remain in violent situations because there are so few alternatives available that promote change. There are not many shelters where victims and their children can find refuge. Financial and legal supports for victims are limited."

Victims with children

The high incidence of victims with young children also has numerous apparent implications. Not only does the presence of young children increase the potential economic dependence of the spouse, but the children themselves frequently become victims of the domestic violence in the home.

Parents Anonymous, a national organization which assists in the development of local self-help groups for parents who abuse their children, reports that in almost every one of its over 750 chapters there are mothers who are victims of spouse abuse. Parents Anonymous also reports that in some instances child abuse is a matter of physical proximity; that is, the child receives the abuse that was intended for the spouse.

This relationship has become so apparent that all of the Child Abuse Demonstration Treatment Centers funded under the Child Abuse Prevention and Treatment Act (Public Law 93-247, as amended by Public Law 95-266), provides some services either directly or indirectly to abused spouses. For example, a project funded under the child abuse program in San Diego amended its intake policy to accept referrals of abused spouses in families with small children because the program staff had found that there was a significant incidence of children being hurt "accidentally" in situations when the spouse was the target of the assault. In addition, the project had discovered a clear pattern of childhood histories involving intra-familial violence in cases of spouse abuse, as well as child battering. They found that the perpetrator or the victim had experienced violence either as a victim or as a witness during childhood. This project was described by Dr. Cardenas, HEW Commissioner of the Administration for Children, Youth, and Families, as having "come to the conclusion that, in many cases of family violence, the victim is whichever family member happens to be available."

Ms. Edith Blackhall from Milwaukee, Wis., a professional social worker and program administrator of the child protection program in Milwaukee County, testified that in Milwaukee County it is estimated that there is a battered woman in one of every three referrals of a battered child.

The cycle of generations of family violence

Not only does domestic violence pose immediate physical and emotional threats to the well-being of children, but the research data indicate an overwhelming correlation between violent childhoods and subsequent violence. A 1975 study of battered wives showed that in many instances both the batterer and the victim had violent childhoods. An analysis of a survey conducted for the National Commission on the Causes and Prevention of Violence also reported a strong association between exposure to violence, either as an observer or a victim, during childhood and violent behavior as an adult. These patterns have been found to continue over several generations in studies of child abuse—a cycle in which the battering parents had experienced abuse from their own parents. As La Casa De Las Madres pointed out in submitted materials—

"Women victims of child beatings often become child abusers as adults. And biographical data suggests that they also become victims of marital violence: Women who have grown up in a violent home are even more likely than other women to accept their beatings as a natural part of marriage. This cycle, in which violent home begets violent home, is a compelling reason for the intervention which an emergency shelter could provide."

Sandra Ramos of New Jersey also testified:

"Another factor in wife-beating is the model of violence that children receive from their parents. Children who see their parents using violence to solve their problems grow up with the view that violence is an acceptable way to deal with frustration. They, in turn, will use violence as adults—toward their wives and toward their children."

Clearly, children, whether the unintended victims in physical violence between their parents, or the focus of intentional domestic violence, carry the damage resulting from these experiences throughout their later lives. Dr. Suzanne Steinmetz described this phenomenon to the subcommittee in the following terms:

"In spite of the pervasiveness of family violence and its effect on a large number of individuals, the cost to society goes beyond the destruction faced by individuals and their families. A childhood characterized by brutality, personal experience with violence, death, and extremely unfavorable home conditions were found to be common background factors for 33 adolescents who committed murder. In a study of children who killed, it was reported that not only did parents use extremely cruelty towards the child but their cruelty was condoned by other family members. Studies of adolescents who committed partricide reveal that the victims parents was cruel and frequently beat other members of the family, especially the child's mother * * *."

Dr. Barbara Star testified that in the course of her research in the area of family violence in general and on wife battering in particular, less than one-third of the women but close to one-half of the men, grew up in a family environment where they witnessed or experienced violence. Dr. Star observed, "violence is transmitted from generation to generation."

Passing on the violence

The director of the National Center on Child Abuse and Neglect, Douglas J. Besharov, testified before the House Committee on Science and Technology in February of this year that, of the validated cases of officially reported child abuse and neglect from 25 State analyzed by the American Humane

Association, the child protective investigation revealed that the spouse was also assaulted in almost 20 percent of the cases, though not necessarily in the same incident. Mr. Besharov indicated that data also indicated that in 30 percent of the officially reported cases, in the same household in which the adult male is assaulting the mother, the mother is assaulting the children.

Prof. Richard J. Gelles, testifying about his research on violence in the family at hearings held last year by the Subcommittee on Child and Human Development on the extension of the Child Abuse Prevention and Treatment Act, made the same point:

"* * * [w]ives who are abused by their husbands tend to turn their violence on their children * * *. [T]here is a need for effective research and service programs which examine the entire range of family violence and the interrelationships of various types of violence in the home."

Modality of treatment

While there is currently insufficient research data available to explain the overlapping syndromes of child maltreatment and spouse abuse, these interrelationships are widely recognized. This relationship, however, does not lead to the assumption that they necessarily should be treated together or in the same way. Mr. Besharov, in his testimony, pointed out:

"* * * in child abuse cases the victim need not seek protection on his or her own. And properly so. We have devised a system in which third parties, primarily concerned professionals and friends, can take child protective action. In cases of spouse abuse, however, it is the victim, usually the abused woman, who must seek out help for herself—against many odds."

Thus, although the committee feels that the correlation between incidents of spouse abuse and child abuse provides added necessity for dealing with this problem, this relationship does not necessarily indicate that these problems can—or should—be handled in the same fashion. Each problem warrants the concerted attention and efforts of each level of government and an informed citizenry in seeking out ways to reduce the incidence and consequent damage generated by these forms of domestic violence.

INSUFFICIENCY OF PRESENT RESOURCES TO MEET THE NEED

In the face of the growing "epidemic" of domestic violence, many citizen's groups and local communities have begun efforts to provide assistance and services to the victims of domestic violence and their families. Yet, it is clear that present resources are insufficient to meet the level of need.

Those shelters and programs that have been established have indicated they receive enormous numbers of requests for assistance from the communities they serve. James Walsh, executive director of the Victims Information Bureau of Suffolk County (VIBS), N.Y., testified:

"Since beginning operation in June 1976, we have received over 9,000 calls on our hotline and have seen 875 clients in our counseling section. Ninety-six percent of the callers and clients are victims of spouse abuse * * * VIBS has conducted research, community education and training programs * * *. Through that research, we have been able to accurately project that there are 25,000 abused spouses in Suffolk County and 96 percent of them are battered women."

Ms. Edith Blackhall, program administrator of the Child Protection Program in Milwaukee County, Wis., told the subcommittee that in Milwaukee County—

"It is estimated that between 30,000 and 50,000 women are battered each year. Each month, a shelter must be found for at least 50 women and their children. Each day, the crisis line for battered women receives 10 calls per day for help."

Susan Naples, from the Women's Transitional Living Center in Orange County, Calif., testified:

"We're the only shelter serving Orange County, which has 26 cities and a population in excess of 1.8 million residents. We opened in January 1976 and since that time we have served over 700 clients and we have received over 2,700 logged requests for shelter and other services."

These programs, the committee found, served many women and children in need of shelter and other assistance. Yet, the testimony at the hearings demonstrated that many victims are turned away because of limited facilities and resources. For example, Haven House, a shelter in Pasadena, Calif., reported that it turned away 400 people seeking assistance in the month of October 1977, alone. In Hayward, Calif., during February of this year, the emergency shelter program refused 146 requests for services because the shelter was full and funding did not permit further expansion. During 1977, this program provided shelter for 437 women and 476 children for a total of 5,967 bednights. Yet, the program was unable to provide services to almost twice the number served who had asked for assistance. Some 1,776 women and children were turned away because of limited facilities.

Steven Ybarra, assistant secretary for health and welfare of the State of California, testified before the subcommittee on the lack of resources to meet the level of need:

"The number of resources in California to serve the victims of domestic violence is totally inadequate. In 1977, there were about 14 facilities providing protective shelters and these shelters were concentrated in only eight counties in the State. We have 58 counties and therefore 50 of the 58 have no shelter programs * * * Senate bill 91 was passed in 1977 and became effective in January of this year. It appropriates a total of $280,000 for 2 years. The sum of $30,000 is for professional staff in the State Department of Health, and the other $250,000 is to partially finance the establishment of four to six pilot projects to provide protective shelter and only other support services to victims of domestic violence and their children * * *. In response to this legislation, incidentally, California has received about 200 requests for applications. It is anticipated that between 50 and 100 proposals will be received. The law provides for a minimum of four and a maximum of six projects may be funded. The unmet need is obvious."

Susan Malone Back, Ph. D., Director of the HEW Services to battered women project, operated by the Colorado Association for Aid to Battered Women, which is conducting a national study of services to battered women, indicated that her project has located approximately 500 shelters and alternative services for battered women throughout the country. Some of these programs have secured Federal financial assistance from sources such as HUD's community development block program, revenue sharing funds, and the ACTION Agency, as well as funds from the Law Enforcement Assistance Administration and Community Services Administration. Others have obtained staffing money through the Department of Labor's CETA program. While the Federal Government is involved through these agencies and programs in providing some services to help the victims of domestic violence and fund research activities into the causes and epidemiology of domestic violence, these Federal activities are inadequate, unfocused, and fragmented. Missing and badly needed is a cohesive, coordinated thrust. The committee believes that there can be no doubt that current resources—from Federal or other sources—are inadequate to meet the demand.

CURRENT FEDERAL ACTIVITIES

Services

The curent Federal activity in the area of domestic violence involves a number of different agencies with little meaningful coordination or comprehensive strategy.

As indicated peviously, demonstration programs and projects funded under the Child Abuse Prevention and Treatment Act have, out of necessity, provided some services to battered spouses as well as battered children. The administration for children, youth, and families has also supported the development and dissemination of a design for a 24-hour comprehensive emergency services program in Nashville, Tenn., which emphasizes services to enable children and families to remain in their homes in most cases, rather than move to shelters. In some cases, however, this program provides shelter in emergency situations for children. These children are often accompanied by their mothers, who in a number of instances had also been battered. Dr. Cardenas, in her testimony, indicated that the administration has proposed, in their fiscal year 1979 budget request, an increase of over $1 million in seed money to be provided under section 426 of the Social Security Act for grants to 35 States and local governments to develop these programs.

Under existing law, State social services programs, funded under titles IV–B and XX of the Social Security Act, can provide funds that may be used for services to combat the problems of domestic violence. Title IV–B provides protective and support services for children and their families. However, only approximately $56 million has been appropriated under title IV–B in recent years for these activities and the bulk of this money is used for foster care maintenance programs for abused and neglected, children. Title XX permits States to provide services for abused, neglected, or exploited children or adults; however, title XX currently limits shelter care to emergency care of children—not adults—in danger of abuse or neglect.

In testimony before the subcommittee, Dr. Cardenas indicated that the administration recognized the need for funding authority for shelter care for battered adults as well as children and stated that the administration would be proposing to the Congress language to amend title XX to allow States to use the funds for emergency shelter for a limited time period as a protective service to an adult in danger of physical or mental injury, neglect, maltreatment, or exploitation.

Other Federal agencies have been involved in various fashions in the domestic violence area. A number of on-going domestic violence programs have received staffing assistance through the Comprehensive Employment and Training Act (CETA) programs operated by the Department of Labor. The ACTION Agency has sponsored 10 pilot centers to provide a focal point in the communities in question for the exchange of information and the development of "how-to" manuals, as well as providing volunteers to work in the community to develop volunteer resources and to identify activities designed to reduce family violence. The Law Enforcement Assistance Administration (LEAA) in the Department of Justice has provided funding for domestic violence programs through its victim/witness assistance program and has recently established a family violence program to provide support for three or four comprehensive model programs, using a community-wide approach involving the active participation of all relevant criminal justice, social service, medical, and mental health agencies.

Research

In addition to supporting activities related to the provision of services to victims of

domestic violence and their families, various Federal agencies have been engaged in research activities relating to domestic violence. Some of the research activities funded through the Child Abuse Prevention and Treatment Act have touched upon domestic violence as it relates to child abuse. Additionally, a research effort has been ongoing in the National Institute of Mental Health (NIMH), an Institute of the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) since 1968. In testimony before the subcommittee, Dr. Gerald R. Klerman, Administrator of ADAMHA, described some of these activities. A project funded by NIMH recently studied a nationally representative sample of 2,143 families. The study found that one of six couples had a violent episode, defined by the researchers as any act intended to cause physical pain or injury to a spouse, ranging from slapping to severe physical assault. These researchers projected that an estimated 7½ million couples had a violent episode during this period and projected that, if the entire U.S. population had been interviewed, the number of spouses admitting to using physical force on one another would be approximately 26 to 30 percent.

The NIMH study also found that approximately 4 percent of the violent episodes involved the use of a knife or gun in the attack upon the spouse and that about 5 percent of the spouses interviewed were severely beaten at some point in their marriage.

The committee recognizes the need to continue and expand research activities into the causes and inter-relationships involved in domestic violence. In the meantime, however, the committee believes that the need for immediate assistance and services to the victims of domestic violence and their families is well documented and fully justifies the programs to be established under S. 2759.

Although the committee finds the current activity carried out by various Federal agencies to be useful and worthwhile insofar as they go, the development of a cohesive and comprehensive Federal program, through the establishment of a focal point for the coordination of ongoing and new Federal activities, is clearly needed on the Federal level.

This is what S. 2759 as reported in designed to do. The committee stresses that a detailed description and discussion of the provisions of the committee bill (including expressions of committee intent and views regarding the provisions) are included in the following discussion and the section-by-section analysis set forth at the end of this report.

DISCUSSION

The committee wishes to discuss its views on the appropriate mechanisms for addressing some of the critical aspects of the domestic violence problem, as depicted in the preceding section "need for legislation," and how the committee bill deals with these aspects.

SUPPORT OF EMERGENCY SHELTERS

The committee believes that one of the most important needs in the area of domestic violence is to provide financial assistance to organizations establishing and operating emergency shelters for domestic violence victims and their dependents. Although the committee bill also seeks to develop mechanisms to deal with the long-term problems associated with domestic violence, these problems cannot even be addressed unless resources are developed in the communities to take victims immediately out of danger.

The committee strongly believes that emergency shelter programs are critical elements in any effort to deal with the problems of domestic violence. Accordingly, the committee bill provides that States, in the distribution of grants to local public agencies and nonprofit private organizations, give special emphasis to supporting community-based projects of demonstrated effectiveness, particularly shelters. In addition, the committee bill provides, only for the purposes of providing and maintaining a shelter, that a State may augment the amount of Federal funds in a grant made by the State out of its non-Federal share contribution.

The need for these shelters as a first step toward dealing with the problem of domestic violence was reiterated repeatedly throughout the hearings. Susanne Wilson, vice mayor of the city of San Jose, Calif., testifying on behalf of the National League of Cities, on March 8, succinctly stated the problem:

"The necessity for providing funds for shelters and counseling is obvious. We cannot even begin to address the causes of or the solutions to family violence until we first provide a mechanism to take victims immediately out of life-threatening situations. Shelters should not be seen as the answer to the problems of battered women and children, but as a first step in a comprehensive program to solve all facets of this problem. It is our belief, however, that until we can get shelters in those communities that need them, we will not be able to take effective action."

Beverly Monasmith, director of Rosasharon in Los Angeles, also commented on the critical need for emergency shelter facilities for domestic violence victims as follows:

"• • • [I]t [emergency housing] is especially important to victims of abuse. If a woman is turned away and has to return to the violence she or her children may not have another chance to ask for help • • •.

"If a battered woman is fortunate enough to find space at a shelter, she will be provided a support system which includes 24-hour residence, freedom from fear, time to consider her options, counseling for herself and her children, referral to legal, medical and welfare aid, if needed, as well as job training and employment. Young children will be provided with structured day care and school age children will continue their education. Should the woman choose to return to the abuser, the shelter provides referral to family counseling with the husband and follow-up services."

Betty Stephens, chairperson of the California Commission on the Status of Women, struck the same theme in testimony on March 4 in Los Angeles:

"The need for long-range funding for the establishment of ongoing shelters for victims of domestic violence is paramount. Daily, the California Commission hears about women whose alternatives are to stay in all-night restaurants, in bus stations, or at home where they are exposing themselves to further battering and abuse. The very few shelters existing in California provide safe refuge, but are not able to meet the need for services."

As noted earlier in this report, the administration has also recognized the need for providing funding authority for shelter care for battered adults as well as children.

A comprehensive program to deal with domestic violence must meet the immediate, short-term needs of the domestic violence victim for refuge and support as well as focus on the long-term needs of victims and the need for activities designed to reduce the incidence of the problem. In order to grapple successfully with this pervasive and complex problem of "epidemic" proportions, to the committee believes that a widespread commitment is necessary—and not just from the Federal Government. Resolution of the problem is dependent upon the efforts of States and local communities. Although all levels of government, including the Federal Government, must be involved in seeking solutions, interested private citizens and groups themselves must continue to take the lead.

Associated problems

The need for a comprehensive approach, involving private citizens and all levels of government, is evidenced by the wide range of problems faced by victims of domestic violence beyond the need for emergency shelter. These problems relate to the judicial systems, public assistance programs, law enforcement agencies, the medical community, and social services agencies. Numerous witnesses throughout the hearings on domestic violence discussed these problems.

Vice Mayor Wilson described in the following terms some of the problems in the public assistance programs:

"Women who leave their homes, by and large, leave their financial support behind them. In order for them to survive, to make decisions, and to find on their own a means to resolve their individual situation, our social service system and other institutions must become more immediately responsive to their needs. One way to do this is for our aid to families—primarily welfare programs such as Aid to Families with Dependent Children—to provide emergency welfare assistance to these women. Family violence victims should be given priority and should not have to wait weeks and weeks just for an appointment to see a welfare worker to determine eligibility. This has been done in at least one State, Minnesota; and for that reason, we believe this type of assistance deserves exploration by the Federal Government to see how it can be implemented in other States."

Beverly Monasmith highlighted an anomaly with respect to public assistance agencies:

"Few public agencies understand the problems faced by battered women. They have been traced by their husbands through county Department of social services records because the woman is required to provide her address in order to qualify for the aid she needs. It is certainly unrealistic to ask a woman to go back to the violent home until she qualifies for aid—she could be dead by then. And she may be denied the aid if she is still living with the abuser. Another catch-22."

Jennifer Fleming testified concerning the following problems encountered by victims when dealing with the police department:

"Inadequate training, call overload, poor attitudes, and fear of injury often result in the rejection of the rule of law which makes it a crime to assault another person. Instead, call screening and arbitrary decisionmaking often determine how effective the police response turns out to be. If there is enough of a neighborhood disturbance, if the use of a weapon is involved, or if there is serious injury, the battered woman will find the police more responsive. Without these variables, however, calling the police can be of little help."

Lina Soccio, deputy probation officer in Riverside County, Calif., pointed out:

"During the past 10 months, I have interviewed numerous law enforcement officers, including patrolmen, lieutenants, captains, district attorneys, judges, private attorneys and social service workers. And the most common feeling, and I think the problem right now for law enforcement, is the frustration they feel."

The judicial system too, poses many pitfalls for victims, as Jennifer Fleming described in the following testimony:

"When the abused woman attempts to prosecute her spouse, she finds long delays, encouragement to drop charges and reluctance to issue warrants on the part of staff within district attorney's offices, reduction of charges from assault to harassment, lack of sympathy, and a general perception of her problem as trivial and unimportant. In addition, fear of retaliation by the husband

leaves the battered women reluctant to prosecute in the first place * * *.

"Changes need to occur that will insure an effective response when the severely battered woman seeks to prosecute her husband."

And yet, as Ms. Fleming points out, even when prosecution is undertaken successfully: "Incarcerating an abusive spouse is certainly not the answer in many cases of wife abuse * * * alternatives to incarceration need to be explored."

SPECIAL RELATIONSHIP TO ALCOHOL AND DRUG ABUSE

The committee wishes also to note the special relationship between domestic violence and alcohol or drug abuse. Statistics gathered by various projects dealing with domestic violence. For example, the correlation between alcohol or drug abuse and domestic violence. For example, the domestic violence project in Ann Arbor, Mich., found that 58.9 percent of the spouse abusers also abused alcohol and 20.7 percent abused drugs. This project also reported that 66.7 percent of the assaults involved the use of alcohol and 12 percent involved the use of drugs.

Dr. Gerald Klerman, Administrator of the Alcohol, Drug Abuse, and Mental Health Administration testified that one study reported that 52 percent of violent husbands have histories of problem drinking or alcoholism. There are indications that intoxication is a precipitating factor in many cases of child abuse. The largest American study on the subject reported that 38 percent of child-abusing parents had histories of drinking problems. Other studies have shown that up to 63 percent of child abuse cases are alcohol related.

Dr. Klerman also testified that evidence suggests that alcohol treatment programs can be an important factor in diminishing the frequency of violence in the family unit. For example, Dr. Klerman testified, 35 percent of the persons entering alcoholism treatment programs, funded by the National Institute on Alcohol Abuse and Alcoholism (NIAAA), reported fighting and quarreling with others as a measure of their behavioral impairment; 6 months later, there was a reduction of 39 percent in those in the treatment programs who were reporting this behavior.

To explore the relationship between alcohol and violence and to understand the role of the family in drinking behavior, NIAAA is currently funding two research studies in the area of conflict and aggression and three research studies on the family.

Betty Stephens, in her Los Angeles testimony, described the following findings of the Abused Women's Aid in Crisis random sample from hundreds of cases of women who had called the organization for assistance and information:

"The sampling indicated a high incidence of alcoholism associated with domestic violence.

"Ninety percent of the men involved in relationships exceeding 7 years duration were reported to have alcoholic * * * problems.

"About 85 percent of the violent husbands had either an alcoholic and/or other drug problems. These men were inclined to beat their wives at a higher frequency, either when under the influence of drugs (including alcohol) or when sober; and their violence was usually characterized by physical assault with or without a weapon, usually leading to serious injuries, and including sexual assault.

"More than 80 percent of the men who drank occasionally were inclined to beat their wives only when under the influence of alcohol.

"In relationships of less than 3½ years duration, a very high percentage of concurrent alcohol and hard drug use was reported, usually leading to constant violence."

The committee believes that this interrelationship between violence in the family and alcohol and drug abuse warrants further investigation and research. The committee has thus included NIAAA among the Federal agencies eligible to participate in the research activities authorized under the committee bill and eligible for participation on the Federal Interagency Domestic Violence Council established under section 14 of the committee bill.

DISCUSSION OF BASIC COMMITTEE APPROACH TO PROVIDING FEDERAL FINANCIAL ASSISTANCE

The committee, in viewing the pervasive nature of the problem, its complexity, and the multiple levels of government involved, determined that the best legislative approach was one which would cause the involvement, in a major way, of State and local governments and nonprofit private organizations. Thus, the committee bill is designed to stimulate Federal, State, and local efforts with respect to domestic violence with a specific set-aside for projects operated by a nonprofit private organizations.

To stimulate the involvement of States, the committee bill establishes a State formula grant program. Of the funds appropriated for the overall grant program, 80 to 85 percent will be for grants to the States. Beginning in fiscal year 1980, States will have to contribute, in cash, a non-Federal match of 30 percent of the amount of Federal expenditures within the State. This required matching contribution rises to 65 percent in fiscal year 1983, or approximately 39 percent of the total amount to be expended in the State under the committee bill.

By including States as partners in efforts to grapple with this problem, the committee is attempting to generate more money to establish and maintain domestic violence programs and projects. For example, in fiscal year 1980, a non-Federal share contribution requirement of 30 percent would (if all States participate) result in availability of an additional $6 million, and, over the last 4 years of the program, as much as $37 million of non-Federal dollars could be generated for purposes of preventing domestic States participate) result in availability of and dependents of victims of domestic violence.

If States were not included in this program, it is likely that very few would become involved in efforts to resolve the problem. The Federal Government would be almost the sole source of funds for projects. The committee believes that this would be unfortunate. As discussed previously, the problem is widespread, pervasive, and complex. Testimony indicated that in many instances State laws, rules, regulations, and courts caused many of the difficulties faced by victims. Thus, the committee believes that stimulation of State efforts with respect to this problem is extremely important.

The committee has also elected to limit to $35,000 in any 1 year and $60,000 over a period of 5 years the amount of each individual grant which may be made by a State with its Federal formula grant funds to a particular nonprofit private organization and directly by the Federal Government to a local public agency or nonprofit private organization. (As previously noted, for purposes of providing or maintaining a shelter, a State is permitted to augment that amount up to $50,000 in any 1 year and $100,000 over a 5-year period from the moneys it contributes under the non-Federal match requirement.) The committee believes that it is at the local level where the most effective work can be done to resolve this problem. By limiting the amount of dollars which can be awarded to any one entity, the committee bill is designed to provide the opportunity for the largest possible number of local communities and community-based nonprofit organizations to become involved and increase the likelihood that victims will find assistance relatively close to their homes.

COST ESTIMATE

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510), the committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from enactment of S. 2759, as reported would be as follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 2759.

2. Bill title: Domestic Violence Prevention and Services Act.

3. Bill status: Ordered reported by the Senate Committee on Human Resources on May 3, 1978.

4. Bill purpose: The act would authorize the appropriation of $30 million a year for 5 years. The purpose of the act is to increase the participation of States, local communities, nonprofit private organizations, and individual citizens in efforts to prevent domestic violence and assist victims and dependents of victims of domestic violence; to establish regional centers on domestic violence to provide technical and training assistance to States, local communities, nonprofit private organizations and other groups: to establish a national center on domestic violence; to establish a Federal interagency council to seek to coordinate Federal programs with respect to domestic violence; and to provide for research, evaluation, and reporting activities relating to domestic violence.

5. Cost estimate:

	Millions
Fiscal year 1979	
Authorization levels	30
Net cost	17.1
Fiscal year 1980:	
Authorization levels	30
Net cost	30
Fiscal year 1981:	
Authorization levels	30
Net cost	30
Fiscal year 1982:	
Authorization levels	30
Net cost	30
Fiscal year 1983:	
Authorization levels	30
Net cost	30

The costs of this bill fall within budget function 500.

6. Basis for estimate: According to the legislation, 85 percent of the authorization is designated for grants to States and localities, 7 percent to research, and the remainder for the operation of a National Center on Domestic Violence. Costs were calculated for these three authorization levels by using Department of HEW spend-out rates for similar prgram areas. The spend-out rates reflect start-up time for these new programs.

7. Estimate comparison: None.

8. Previous CBO estimate: CBO provided a previous estimate on S. 2759 on April 24. The bill was amended by full committee, but the amendments had no effect on the authorization level.

9. Estimate prepared by: Cy Karr (225-7766).

10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

* * * * *

SECTION-BY-SECTION ANALYSIS OF S. 2759 AS REPORTED

Section 1:

Establishes the short title of the bill as the "Domestic Violence Prevention and Services Act."

FINDINGS AND PURPOSE

Section 2:

Makes congressional findings and sets forth the purpose of Act. Congressional findings include that:

(1) A significant number of homicides, aggravated assaults, and assaults and batteries occur within the home between adult members of families;

(2) The reported incidence of domestic violence represents only a portion of the total number of incidents of domestic violence;

(3) A large percentage of police deaths in the line of duty result from police intervention in domestic violence situations;

(4) Domestic violence is a complex problem affecting families from all social and economic backgrounds; and

(5) The effectiveness of State laws and State and local community programs in identifying and preventing domestic violence and assisting victims and dependents of victims of domestic violence is not readily ascertainable.

The purpose of the Act is to—

(1) Increase the participation by States, local communities, nonprofit private organizations, and individual citizens in efforts to prevent domestic violence and assist victims and dependents of victims of domestic violence;

(2) Establish regional centers to provide technical assistance and training, as appropriate, with respect to domestic violence programs, to interested States, local communities, nonprofit private organizations, and other interested groups, officials, and persons;

(3) Establish an interagency council to seek to coordinate Federal programs with respect to domestic violence; and

(4) Provide for research and reporting programs relating to domestic violence.

STATE CITIZEN PANEL ON DOMESTIC VIOLENCE

Section 3:

Requires the establishment in each State of a citizen panel on domestic violence in order to provide an opportunity for citizen participation in planning and developing activities to prevent domestic violence and assist domestic violence victims and their dependents and provide citizens familiar with domestic violence problems with an opportunity to make recommendations with respect to resolving such problems.

Each State, in order to qualify for a grant authorized under section 4 of the committee bill, is required to establish a State panel on domestic violence to be composed of between 9 and 15 members, chosen by the Governor, or the chief executive, after soliciting and considering recommendations from interested organizations and individuals. Members shall include individuals with experience in the provision of services in the areas of law enforcement, health care, alcohol and drug abuse, social work, and social services (such as Social Security Act, title XX) and members of the general public. To assure that citizens familiar with the problems of domestic violence are given an opportunity to participate and that the panel is sufficiently representative of individuals who have been victims and individuals who have experience in the provision of services to victims, not less than one-third of the members of each panel must be individuals who have been victims of domestic violence and one-third of the members shall be individuals with experience in providing community services with respect to domestic violence.

The Committee believes that the one-third requirements will assure that victims of domestic violence and individuals with experience in providing services to victims will play an integral role in State efforts with respect to domestic violence. Many shelters for victims and their dependents use peer counseling as a part of their program of assistance to victims who have sought refuge. Individuals who have served as peer counselors would seem to be ideal candidates for selection to the panel.

The responsibilities of a panel include oversight within the State of the implementation of Federal, State, and local programs and projects under the committee bill, including consideration of the extent to with geographic distribution of grants by the States under section 4(a) equitably takes into account the distribution of population within the State. Another panel responsibility is to make recommendations, as appropriate, to the chief executive of the State, the State legislature, the agency designated as the State agency responsible for the administration of the programs under section 6(a)(3) and the Secretary with respect to panel functions. The panel is also responsible to the extent feasible, for examination and evaluation of other Federal, State, and local programs providing services in the State that are or could be used in relation to the prevention of domestic violence and the provision of assistance to victims and their dependents. The panel is also required to coordinate its activities with the appropriate regional center on domestic violence established under section 8(c) of the bill.

After considering statewide needs with respect to domestic violence and evaluating the extent to which existing programs and projects meet such needs, the panels are to make recommendations to the Governor and to the designated State agency with respect to the activities and services conducted by or caused to be conducted by State agencies, the distribution of funds to be made through grants to local public agencies and nonprofit private organizations, and plans for effectively meeting such statewide needs.

The panel's role with respect to consideration of statewide needs and making plans for effectively meeting such needs is an important one. Though the evaluation of the extent to which existing programs and projects are meeting needs within the States, the panel should be able to make informed recommendations to the chief executive of the State with respect to the distribution of grants and the conduct of services by the State. The committee expects that each panel, as part of its recommendations with respect to the distribution of funds to local public agencies and nonprofit private organizations, will assure that the State is providing the required "special emphasis" (under section 6(a)(2)(D)) on the support of community-based projects of demonstrated effectiveness, particularly those operating shelters. Although the committee bill does not mandate a State to include a long-range plan as part of the State application under section 6, the committee believes that the panel should be in an excellent position to develop long-range plans for meeting statewide needs. Panels may wish to include in any such long-range plans formulations of goals and time tables for meeting any such goals.

In addition to the matters described above, a panel also is authorized to study and make recommendations, if appropriate, in other areas of concern, to the chief executive of the State, the State legislature, the designated State agency, the Secretary, and the Congress. Such other areas include State criminal and civil laws relating to domestic violence, the extent to which the State judicial systems affects victims and perpetrators of domestic violence, the development of a uniform law enforcement reporting system with respect to incidents of domestic violence, the relationship between incidents of domestic violence and drug or alcohol abuse, the effectiveness of Federal, State, and local domestic violence programs and projects and the way they could be improved, and such other areas relating to domestic violence as the panel deems appropriate.

Any recommendation made by the panel to the chief executive, the designated State agency, or the State legislature with respect to those areas of concern the panel is statutorily directed or authorized to examine and make recommendations on, are required to be included in the State report required to be submitted by the State under section 7. Inclusion of such recommendations in such report should assure that recommendations made by the panel are given requisite attention by State officials and by the Secretary. Further, such inclusion will enable Congress to oversee more effectively the performance of the panels, and the relationship between the panels and the States.

Members of the panel who are not regular full-time employees of the United States would, while attending meetings of the panel or otherwise engaged in business of the panel, be entitled to compensation at a rate equal to a per diem amount established by the State wherein the panel is located, plus reimbursement for travel, subsistence, and other necessary expenses incurred in carrying out the functions of the panel, subject to the expenditure limitation provided for under section 6(a)(2)(B) (providing that not more than 10 percent, or less than 5 percent, of the amount allotted to a State under section 4(a) is to be expended for administering the panels). The committee expects each State to establish a reasonable per diem rate taking into consideration the needs of the individual panel members and the cost-of-living within the State. Each panel member is eligible for such per diem assistance for each day he or she is engaged in the performance of duty as a member of the panel. The State has discretion to determine the amount of travel and subsistence money to be provided. Each panel should be responsible for determining its own budget and making its own determinations with respect to expenditures. Thus, within that budget, and subject to the limitation on panel expenditures, and in order to assure that all members of the panel have an equal opportunity to participate in the panel's activities, the committee expects that each State will provide reasonable reimbursement for panel members' activities while attending meetings and otherwise engaged in the business of the panel.

GRANTS AUTHORIZED

Section 4:

Authorizes the Secretary to make two different types of domestic violence grants—formula grants to States under subsection (a) and direct Federal grants under subsection (b). Of the amounts appropriated and available for grants, 80 to 85 percent would be for grants to States under subsection (a) and the remainder would be available for direct Federal grants to local public agencies and nonprofit private organizations under subsection (b).

Under subsection (a), the Secretary is authorized, in accordance with the provisions of this act, to make formula grants, through the Director of the national center on domestic violence provided for under section 8, to States which meet the non-Federal share provision required under section 15 and have established the State Citizen's Panel on Domestic Violence pursuant to section 3. The State grants are to assist in supporting the establishment, maintenance, and expansion of programs and projects to prevent incidents of domestic violence and assist domestic violence victims and their dependents.

Under subsection (b), the Secretary is authorized to make direct grants to local public agencies and nonprofit private organizations for projects designed to prevent incidents of domestic violence and to assist victims and their dependents. The amount of grant which may be made by the Secretary to any one nonprofit private organization or local public agency may not exceed $35,000 in any 1 fiscal year, and the total amount of such grants from HEW over a period of 5 fiscal years may not exceed $60,000. This limitation replicates the limitation of the amount of grants the States can make, except that the limitation under this subsection is also applicable to local public agencies. To the maximum extent feasible, not less than 50 percent of the moneys provided in direct Federal grants

shall be for grants to nonprofit private organizations. The committee has qualified this set-aside so as not to require funding of grants regardless of quality. However, if sufficient qualifying applications are submitted by nonprofit private organizations, the committee expects at least 50 percent of the Secretary's discretionary funds to be allocated to those applicants.

There is a limitation on the amount which may be provided under direct Federal grants in any fiscal year to entities located in a State which did not qualify in the previous year for assistance under the State formula grant program. The total amount of grants made in such a nonqualifying State shall not exceed the following percentages of the amount of funds allotted under section 5(a) for a State grant under section 4: Fiscal year 1979, 50 percent; fiscal year 1980, 45 percent; fiscal year 1981, 40 percent; fiscal year 1982, 35 percent; and fiscal year 1983, 30 percent. This limitation is designed to strike an appropriate balance between providing needed assistance to local projects and programs in non-participating States while, at the same time, not making it beneficial for a State not to provide its State match and, hence, not participate in the program established in the bill.

The committee emphasizes that direct Federal grants should be made to projects located in areas where those projects are most needed—with particular attention to gap filling and funding innovative projects. The committee emphasizes that rural areas should be given close attention by the Secretary to determine if rural needs with respect to domestic violence are being adequately met by State programs. In the same way, the Secretary should examine closely the needs of urban areas and pay particular attention to the need for providing bilingual, bicultural services in certain areas with high proportions of persons with limited English language capacity.

ALLOTMENT OF FUNDS

Section 5:

Provides in subsection (a) that each State (defined) by section 16(b) as each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and, except as otherwise provided, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands shall be allotted for payment in a grant under section 4(a) an amount which bears the same ratio to the sums available for State grants as the population of such State bears to the population of all States. Exceptions to this general rule include:

1. No State in any fiscal year shall be allotted less than one-half of 1 percent of the amounts available for State grants; and

2. Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands, in any fiscal year, shall each be allotted not less than one-eighth of 1 percent of the amounts available for State grants.

Subsection (b) of section 5 provides that funds allotted to any State shall remain available for use for programs under the Act by such State until the end of the sixth month (March 31) of the fiscal year for which the sums have been appropriated. If at the end of the sixth month, the sums allotted to any State have not been paid because of the State's failure to qualify (for evample, because of a failure to establish the panel under section 3 or to provide, in cash, the amount of the non-Federal share required under section 15), the Secretary shall distribute or reallot those sums in two ways:

1. Fifty percent to each qualified State (a State which is eligible for grants under section 4(a)) in an amount which bears the same ratio as the population of such qualifying State bears to the population of all qualifying States; and bears to the population of all qualifying States; and

2. The remaining 50 percent in direct Federal grants under section 4(b) to local public agencies and nonprofit private organizations.

If the Secretary determines that reallotment of an amount less than 50 percent in direct Federal grants would more effectively carry out the purposes and provisions of the committee bill, he or she may distribute more than 50 percent to the qualifying States (and less than 50 percent in direct Federal grants). However, not less than 30 days prior to making any such determination, the Secretary is required to advise the appropriate committees of the Congress and publish in the Federal Register a statement, with supporting reasons, of the Secretary's intention to make such determination. The Secretary may also make available for reallotment any allotted or reallotted sums made in a grant to a State which the Secretary determines, after consultation with the State, will not be used during the fiscal year for carrying out the provisions of the bill. Those States which the Secretary has determined will not use any of the amounts paid in grants under section 4(a) will not be eligible for reallotment.

Those sums made available by the Secretary after reallotment and distributed to the States either through the State grant program (section 4(a)) or the direct Federal grant program (section 4(b)) would remain available to the State and Federal Government for obligation and expenditure until the end of the fiscal year following the fiscal year in which such sums became available.

APPLICATIONS

Section 6:

Requires the chief executive of a State, in order for any grant to be made to such State under section 4(a), to submit a grant application to the Secretary at such time and in such manner as the Secretary may reasonably require. Each such grant appliaction shall—

(1) Provide that funds paid thereunder will be used only for programs and projects to prevent incidents of domestic violence and to assist domestic violence victims and dependents;

(2) Provide, with respect to funds paid to a State under section 4(a) for any fiscal year, that—

(a) Not in excess of 15 percent of the funds, or $125,000 whichever is the lesser, will be used for the administration of the program;

(b) Not in excess of 10 percent (but not less than 5 percent) will be used for the cost of administering the panel established under section 3;

(c) Not less than 25 percent nor more than 40 percent of the funds remaining (after the use of such funds for administering funds remaining (after the use of such funds for administering the State program and administering the panel) will be used for activities and services with respect to domestic violence to be conducted by or caused to be conducted by State agencies;

(d) The remainder of the funds will be distributed to local public agencies and nonprofit private organizations with special emphasis on the distribution of such funds for the support of community-based projects of demonstrated effectiveness, particularly these operating shelters; and

(e) Not less than 50 percent of the amount distributed by the State will be distributed to nonprofit private organizations within the State;

(3) Provide assurances that no grants of funds to a nonprofit private organization in any one fiscal year will exceed $35,000 and that the total amounts of such grants over a period of 5 fiscal years to any single nonprofit organization will not exceed $60,000; provided, however, for the purpose of providing and maintaining shelters, a State may augment the amount of Federal funds with State matching funds provided under section 15 up to a total grant of $50,000 in any year and $100,000 over a 5-year period (that is, State supplementation of $15,000 and $40,000, respectively);

(4) Set forth procedures designed to assure an equitable distribution of funds to local public agencies and private nonprofit organizations.

(5) Set forth procedures for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid in the grant, including funds distributed by the State to local public agencies and nonprofit private organizations;

(6) Specify the State agency to be designated as responsible for the administration of the program;

(7) Provide for making such reasonable reports as provided for in section 7 in such form, at such times, and containing such additional information as the Secretary may deem essential to carry out the purposes and provisions of the bill and for keeping such records and affording such access as the Secretary may deem essential to assure the correctness and verification of the required reports;

(8) Provide assurances of and procedures for compliance with the provisions of section 11 relating to confidentiality; and

(9) Provide such other assurances and include such other information as the Secretary deems essential to carry out the purposes and provisions of the bill.

Subsection (a) provides further that, in making grants to nonprofit private organizations and local public agencies, a State shall, whenever feasible, provide reasonable assurances to the grantees of the level of future support which each such grantee is likely to receive from the State, assuming continuation of an adequate level of Federal assistance under the bill.

The committee has undertaken to limit the information required to be included as part of the State's application. The committee expects that such a curtailed State application will permit each State to spend greater amounts of time on aspects of administration other than writing the application, such as monitoring and evaluating the program. The committee has also sought to reduce the amount of paperwork required and would expect that such reduction would result in a reduction of the costs of administering the State program. The levels of 15 percent, or $125,000, whichever is the lesser, are ceilings only; the committee believes that each State, in light of reduced State plan and reporting requirements, should examine its program carefully and determine, after such examination, the amount of administration dollars needed. States should not automatically expend 15 percent of their State grant for administration. At the same time, it is important that the State panel have adequate funding in order to carry out its responsibilities; hence, a minimum of 5 percent of a State's grant is set aside for expenses of the panel.

The committee believes that, with respect to the use of funds for administering the panel under section 3, the panel should make its own determinations with respect to the allocations of its funds.

The committee bill requires that the State conduct or cause to be conducted activities and services with respect to domestic violence and mandates the expenditure on such activities or services of 25 percent to 40 percent of the State formula grant funds remaining after administrative and panel expenditures. The committee believes that domestic violence is a complex problem best

met by the combined efforts of the State and local governments, private nonprofit organizations, and the Federal Government. It is important that all levels of government be involved in seeking solutions to this comprehensive problem. The bill provides leeway for the exercise of State discretion with respect to the activities and services it will carry out. It is possible that the State may wish to provide additional grant moneys to organizations and local public agencies participating in programs under the bill. The State may wish to provide moneys to sponsor VISTA volunteers; it may wish to provide services itself to areas not served under the grant program; or it may wish to concentrate its own activities on the support of shelters, services to rural or urban populations, or assuring that bicultural, bilingual services are available where needed.

The committee notes that the State reports required to be submitted under section 7 must include specific information with respect to the amount used for the services provided and activities conducted or caused to be provided or conducted by the State, broken down by agency and by types of services and activities conducted or caused to be conducted. The committee intends to examine carefully the reports to ascertain the extent to which States are conducting or causing to be conducted activities and services in accordance with the purposes and provisions of the bill.

The committee emphasizes that the requirement that not less than 50 percent of the funds distributed to local public agencies and nonprofit private organizations must go for grants to nonprofit private organizations within the State is a floor—not a ceiling. The bill further requires that, in the distribution of funds through grants to local public agencies and nonprofit, private organizations, the State place special emphasis on the support of community-based projects of demonstrated effectiveness, particularly those operating shelters. The committee stresses the importance of assuring compliance with the special emphasis requirement. Testimony in hearings before the Subcommittee on Child and Human Development revealed that shelters have served as one of the most successful methods of providing assistance to domestic violence victims and their dependents. Thus, the committee intends to examine carefully the provisions that each State makes with respect to providing such special emphasis and the committee expects the State panel to be involved in assuring that the requisite special emphasis is provided.

The committee also highlights the exception to the normal $35,000 to $60,000 limitation. The State may augment, for the purposes of providing and maintaining shelters, the amount of these grants up to a total of $50,000 in any 1 year and $100,000 over a 5-year period. The value of shelters, as demonstrated in the hearings, substantiated the need for providing an exception with respect to this funding.

The committee also notes the requirement that the State set forth procedures to assure an equitable distribution of funds within the State. Under section 3, the panel is required to consider the extent to which the geographic distribution of grants by the State is equitable, taking into account the distribution of population within the State. The committee believes that those responsible for the administration of the State program and the panel should work together closely with respect to assuring this equitable distribution.

The committee also notes that it has attempted to reduce the paperwork and recordkeeping burden on the States and participating local public agencies and nonprofit private organizations by limiting additional information or reports to that information which the Secretary deems essential to carry out the purposes and provisions of this bill or to assure the correctness and verification of such reports. In this regard, the committee has not required that the State application include goals and timetables with respect to the implementation of the State program. Nevertheless, those administering the program on the State level may be benefitted by working together with the panels to develop such goals and timetables. The committee intends to evaluate whether the absence of a requirement that goals and timetables be submitted is beneficial. The committee stresses that the lack of this requirement does not mean the States should not undertake long-range planning with respect to the implementation of the program. Any such long-range planning should be done in consultation with and in coordination with the State panel.

The committee also calls attention to the requirement that the States undertake to provide reasonable assurances to a grantee of the level of future support which such grantee is likely to receive from the State. The committee has received many comments and recommendations from individuals involved in operating shelters indicating that the year-to-year existence between grants presents a major hindrance to making any long-range or comprehensive services plans. Thus, in order to assist such organizations, the State should undertake every effort to provide reasonable assurances of likely future support.

No direct Federal grant may be made under section 4(b) unless an application is made to the Secretary at such time, in such a manner, and containing or accompanied by such information as the Secretary deems essential to carry out the purposes and provisions of the bill—particularly that provisions requiring the Secretary to report to the Congress with respect to grants made under section 4(b). In addition, a number of the provisions with respect to State formula grant applications are also made applicable to the Federal application. For example, those provisions with respect to limitations of programs and projects to prevent incidents of domestic violence and assist victims and their dependents, such procedures for fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of funds, and provisions for making reports and providing assurances of procedures for compliance with the confidentiality requirement.

The Secretary is authorized to approve any application submitted under this section which meets the appropriate requirements of this section, and the Secretary may not disapprove any State application for a formula grant except after reasonable notice thereof and notice of an opportunity for a hearing.

STATE REPORTS

Section 7:

Requires that each State receiving a grant under section 4(a) prepare and submit to the Secretary on or before December 1 of each year a concise report providing specific information on the implementation of domestic violence programs and projects under the bill. Specific information required to be included in each such report includes information for the preceding fiscal year (both with respect to funds provided under this bill and the funds provided by the State under section 15 (non-Federal share) as follows:

(1) The amount used to administer the State grant program;

(2) The amount used to administer the panel and any recommendations made by the panel under section 3 to the chief executive of the State, the designated State agency, or the State legislature;

(3) The amount used for services provided and activities conducted or caused to be conducted by the State, broken down by agency and by types of services and activities conducted by or caused to be conducted by such agency;

(4) The number, recipients, and amounts of grants to local public agencies and nonprofit private organizations;

(5) The number of persons estimated to have been assisted in projects operated by nonprofit private organizations and by local public agencies; and

(6) Such other specific information as the Secretary may deem essential to carry on the purposes and provisions of the bill. Prior to requiring any such additional information, the Secretary is required to advise the appropriate committees of the Congress and each participating State of the reasons for requiring the information.

The information required to be included in the State report is limited in order to reduce, to the maximum extent possible, the amount of paperwork and recordkeeping required of States, local public agencies, and private nonprofit organizations. The reports, however, should provide necessary factual information upon which the Congress and the Secretary should be able to judge the progress of the program.

NATIONAL CENTER ON DOMESTIC VIOLENCE

Section 8:

Requires the establishment, within the Office of the Secretary of Health, Education, and Welfare, of an identifiable administrative unit to serve as the national center on domestic violence. This provision affords the Secretary discretion as to the structure and location of such a unit within the Department of Health, Education, and Welfare.

The Director shall—

(1) Be responsible for overseeing all programs and activities carried out under this Act;

(2) Seek to coordinate, through the interagency council established by section 14(b), all Federal programs and activities (including research activities) carried out with respect to the prevention of domestic violence and the provision of assistance to domestic violence victims and their dependents to the extent such programs relate to domestic violence;

(3) Take whatever action is necessary to keep the Congress fully and currently informed with respect to the administration and the implementation of the bill; and

(4) Provide for the establishment and operation of a national information and resource clearinghouse for matters with respect to domestic violence in order to collect, analyze, prepare, and disseminate information relating to the prevention of domestic violence and the provision of assistance to victims and their dependents; serve as an advocate for the prevention of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence and establishment of State and local domestic violence information centers; and, provide appropriate assistance to persons or organizations interested in preventing domestic violence or providing assistance to victims and their dependents.

The Secretary through the Director, is mandated by subsection (c) to make grants to public or nonprofit private entities or to enter into contracts with public or private entities to provide for not less than one regional center on domestic violence to be located in each region of the United States, as designated by the Secretary. Funds for the operation of a center or centers within each region shall be allocated to each such region, to the maximum extent feasible (taking into account the geographical needs of each region), in an amount from sums made available for any fiscal year that bears the same ratio to the total amount of the sums as the

population of the region bears to the total population of the United States.

Each center, in coordination with the activities carried out by the national clearinghouse, shall provide technical assistance, training, and outreach services to States, local public agencies, and nonprofit private organizations participating in or interested in participating in programs and projects authorized by the bill. The regional centers shall also inform all such entities and all other interested parties, officials, and organizations about alternatives sources of assistance available with respect to the prevention of incidents of domestic violence and the provision of assistance to domestic violence victims and their dependents.

The committee stresses the important role that the regional centers will play. Too often organizations and individuals at the local level are not given the necessary technical assistance to enable them to utilize existing programs and projects to the maximum advantage. In this regard, the committee foresees the regional centers playing an active and vital role in providing local organizations and individuals with much-needed information with respect to resource availability and the steps necessary to apply and be approved for grants.

In addition, many communities and areas are in need of information with respect to establishing a shelter, and regional centers should be equipped to provide technical assistance in this regard also.

RESEARCH

Section 9:

Mandates in subsection (a) that the Secretary, through the Director, conduct, directly or by grant or contract, research activities and demonstration projects on domestic violence. Under subsection (b), not less than 50 percent of sums made available for the purposes of research (7 percent of the sums appropriated under this bill are to be available for research conducted under this section) would be made available by the Secretary through the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) for use by the Institutes within ADAMHA for research activities jointly agreed to by the Director of the National Center and the Directors of the Institutes to which such sums are made available.

The committee believes that the required transfer of a portion of available research dollars will be beneficial because it will result in the conduct of research by a variety of disciplines.

The requirement of a joint agreement between the Director and the ADAMHA Administrator, should provide an effective program plan for the committee to examine and assess the conduct of domestic violence research. Under section 10, national center reports, information with respect to research is required to be submitted; for example, section 10(5) requires the submission each year of the names of grantees, the nature of the research activities conducted or caused to be conducted, and section 10(4) requires that information be submitted with respect to the total amount of funds made available to the Administrator of ADAMHA and by such Administrator, to the Institutes within ADAMHA for research activities. The committee expects that a broad range of research will be conducted under this section and encourages the conduct of research at the local level in combination with the delivery of services.

NATIONAL CENTER REPORTS

Section 10:

Requires the Secretary, through the Director, to submit to the Congress on or before February 1 of each year a concise report providing specific information on the program authorized by the committee bill. This report, designed for the purpose of furnishing information to aid Congress in its oversight activities, is required to include, for the preceding fiscal year, the following information:

(1) The name of each State receiving a grant under section 4(a) and the amounts of funds paid in such a grant by allotment and reallotment;

(2) The total amounts of funds reallocated to each State under section 5 and the amounts of such reallotments distributed in direct Federal grants to each State by the Secretary;

(3) A listing, by region, of the contracts and grants made and the amounts of funds provided thereunder, for the establishment of regional centers on domestic violence under section 8(c);

(4) The total amount made available to the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration and by such Administrator to the Institutes within such ADAMHA for research activities under section 9;

(5) The names of grantees, the nature of the research activity, and the amounts of funds granted for research activities conducted or caused to be conducted under section 9;

(6) A tabulation of data collected under section 7(a) (States reports) concerning grants made to the States under section 4(a) (State formula grants);

(7) Information with respect to grants made under section 4(b) (direct Federal grants) including:

(a) The number of such grants;

(b) The number, and the amount thereof, of grants made in States not receiving or not utilizing in full, such States' allotments of funds for a formula grant under section 4(a);

(c) The number of grants made, and the percentage of all amounts so granted, to projects conducted in rural areas; and

(d) The percentages of funds paid in grants to nonprofit private organizations, and the names, locations, and the amounts of all grants made to such nonprofit private organizations; and

(8) Any recommendation which the Secretary determines to be appropriate for improving the programs authorized by the bill.

The committee underscores that the emphasis in the national report is on the submission of raw data. The material required should not necessitate the submission of a lengthy report. By requiring the submission of specific information with respect to the administration and implementation of this program, the committee hopes to facilitate its own and HEW's efforts to ascertain whether and to what extent the program is working as intended.

CONFIDENTIALITY

Section 11:

Requires the application of the provisions of section 408 relating to confidentiality (including the penalty in subsection (e)) of the Drug Abuse Office and Treatment Act of 1972 (Public Law 93-282) to the records of any individuals subject to any program, project or activity assisted under the provisions of the Act.

Section 408, with respect to confidentiality, provides that except as provided in this section, the records of any patient shall be confidential and be disclosed only for certain purposes and under express circumstances. Such express circumstances under which disclosure is permitted include:

(a) Prior written consent, but only to the extent, under such circumstances, and for such purposes as provided in regulations; and

(b) Without written consent:

(1) To medical personnel to the extent necessary to meet a bona fide medical emergency.

(2) To qualified personnel for the purposes of scientific research and management audits; and

(3) If authorized by an appropriate court of competent jurisdiction.

The section applies the confidentiality provisions after the patient has ceased to be a patient. Any person who violates any provision is subject to a fine of up to $500 for the first violation and up to $5,000 in the case of each subsequent offense.

The committee emphasizes that this provision applies only the confidentiality provisions of such Act. Thus, any individual participating in a program under this Act (for example, a woman seeking refuge in a shelter) would be protected by the application of the confidentiality provisions.

AUDIT PROVISION

Section 12:

Specifies that the Secretary and the Comptroller General of the United States or any of their duly authorized representatives shall, until the expiration of 3 years after the completion of the program, project, or activity authorized or assisted under the bill, have access, consistent with the provisions of section 11 (confidentiality), for the purpose of audit and examination, to any books, documents, papers, and records of recipients which in the opinion of the Comptroller General, after consultation with the Secretary, may be related, or pertinent to, the grants and contracts authorized to be made under the bill.

The committee has required that any audit under this section by the Comptroller General be preceded by consultation with the Secretary. The committee understands that it is the General Accounting Office's normal procedure to consult with the agency or department head prior to an audit of a program or project within such agency's or department's jurisdiction. Thus, the requirement of prior consultation does no more than formalize an ongoing practice.

The committee emphasizes that this preconsultation requirement is not intended to affect or curtail in any way GAO's normal audit responsibilities. Rather, the provision is intended to assure the confidentiality of the individual's records and as much coordination as possible between GAO and HEW with respect to audits. Many of the recipients of assistance under this program will be small, community-based nonprofit private organizations which could be financially burdened by a series of audits from different sources—the State, HEW, or GAO. Thus the committee believes that it is important that audit activities should be coordinated to the maximum extent possible and that burdensome audits be scrupulously avoided by all parties.

EVALUATION

Section 13:

Mandates the Secretary to review, evaluate, and report to the Congress, not later than 3 years after the date funds are first obligated for State grants after the date of enactment of this Act, as to the effectiveness of the programs administered and operated by the National Center in Domestic Violence and the Institutes within the Alcohol, Drug Abuse, and Mental Health Administration. Such review is to be conducted and the report prepared by persons not directly involved in the adimnistration or operation of such programs. The review and evaluation shall include examination of—

(1) the extent to which public awareness of the problem of domestic violence has been increased;

(2) the extent to which the availability and the effectiveness of services with respect to domestic violence has been increased;

(3) the extent to which assistance made available under the bill has served as a catalyst for State and local community involvement and support (financial and otherwise) for projects with respect to domestic violence;

(4) whether limiting the dollar amount of grants which may be awarded in any one fiscal year or over a five-year period has provided more opportunities for communities and nonprofit private organizations to establish, maintain, and expand projects under the bill;

(5) whether such limitations have resulted in stimulating State, local governmental, and community financial support for projects with respect to domestic violence;

(6) the extent to which projects assisted under the bill have continued, without assistance thereunder, to provide services with respect to domestic violence;

(7) the extent to which regional centers established pursuant to section 8(c) have assisted States, local governments, and communities, and nonprofit private organizations in utilizing other available sources of funding to support projects with respect to domestic violence;

(8) the extent to which the interagency domestic violence council established by section 14(b) has assisted the Director in coordinating at the Federal level programs for the prevention of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence;

(9) the extent to which the Center has provided the necessary relevant information and assistance with respect to domestic violence to participating and interested States, local public agencies and communities, and nonprofit private organizations; and

(10) the extent to which research activities conducted pursuant to section 9 have improved understanding of the causes, effects, and incidence of domestic violence, and to which information developed in such research activities have been useful to projects providing services relating to domestic violence.

The committee believes that a specific program evaluation conducted by individuals not directly involved in the administration or the operation of the program is of extreme importance. The evaluation to be submitted will address specific areas of interest to the committee and should be beneficial at the time the committee considers reauthorization.

COORDINATION OF FEDERAL PROGRAMS

Section 14:

Requires, in subsection (a), that the Director, in seeking to coordinate programs with respect to domestic violence, providing information, carrying out clearinghouse functions, and in making grants and contracts under the bill, give particular attention to the availability for assignment of VISTA volunteers and of assistance for the conduct of or grants under the ACTION Agency's special volunteer programs and under the national older American volunteer programs, the retired senior volunteer program, and the senior companion program.

The committee points out that under the bill there are a number of different ways in which various programs under the ACTION Agency can be utilized by a local agency or by a private nonprofit organization. It is possible that VISTA volunteers or RSVP's or Senior Companions can be assigned by the ACTION Agency to various communities to work on projects with respect to domestic violence. An alternative, however, is the sponsorship by grantees of VISTA volunteers. A VISTA volunteer can be a local resident (in fact more than 50 percent of VISTA volunteers work in their home communities). A VISTA volunteer would be available for assisting in doing many of the things necessary to get a program such as a shelter started in a community—such as organizing and fundraising.

Section 14 in subsection (b) directs the establishment of a Federal Interagency Domestic Violence Council to assist the Director in coordinating at the Federal level programs for the prevention of domestic violence and the provision of asssitance to domestic violence victims and their dependents. The Council is to be chaired by the Director and shall include representatives of the Department of Justice (including the Law Enforcement Assistance Administration), the Department of Housing and Urban Development, the Department of Labor, the Department of Commerce, the Department of Agriculture, the Department of Defense, the ACTION Agency, the Community Services Administration, appropriate Institutes within the Alcohol, Drug Abuse, and Mental Health Administration, and representatives of such other agencies as the President shall designate.

The role of the Council shall be to identify, assess, and seek to coordinate all Federal programs, projects, and plans for programs and projects providing services or support in carrying out research with respect to domestic violence, and shall make such recommendations as it deems appropriate to the President and the Congress with respect to coordination of policy and the development of objectives and priorities for all Federal programs regarding the prevention of incidents of domestic violence and provision of assistance to victims and their dependents. The Council is required to meet not less often than four times each year.

The committee notes that there are many different Federal programs which could be utilized by local communities and nonprofit private organizations to provide assistance to programs and projects with respect to domestic violence. For example, programs which have been utilized by some existing shelters to assist in either operating or establishing shelters or providing individuals to work within such shelters include HUD Community Development Block Grants, revenue sharing, VISTA volunteers, LEAA grants, National Institute on Alcohol Abuse and Alcoholism grants, and CETA workers. There are probably additional agencies and additional programs which could be utilized to provide moneys for a shelter or for another program with respect to domestic violence. The role of the Council is to coordinate, to the maximum extent possible, these policies and develop objectives and priorities for all Federal programs.

PAYMENTS; NON-FEDERAL SHARE

Section 15:

Mandates in subsection (a) that payments made pursuant to grants or contracts under the bill may be made in installments and in advance by way of reimbursement with necessary adjustments on account of overpayments and underpayments.

Under subsection (b), a State will be eligible for a grant under the bill only if the State makes available for expenditures, for the same purposes for which funds appropriated under the act may be used, funds in cash in the amount which bears the following proportion to the amount of Federal assistance provided in each of the following fiscal years: Fiscal year 1979—0 percent; fiscal year 1980—30 percent; fiscal year 1981—40 percent; fiscal year 1982—50 percent; fiscal year 1983—65 percent.

The committee notes that, although the State will be required to provide a non-Federal share of 65 percent in fiscal year 1983, in relation to the numbers of dollars being expended in the State, a 65-percent non-Federal share is, in fact, equal to approximately 39 percent of total expenditures.

DEFINITIONS

Section 16:

Provides certain definitions. The terms defined for purposes of the bill include the following:

(1) "Center" means the National Center on Domestic Violence established under section 8;

(2) "Director" means the Director of the Center;

(3) "domestic violence" means any act or threatened act of violence, including any forceful detention of an individual, which results or threatens to result in physical injury; and is committed by a person eighteen years of age or older against another such person to whom such person is or was related, or by a person of any age against another person with whom such person is or was residing in a relationship of husband and wife;

(4) "panel" means the State citizen panel on domestic violence established pursuant to section 3;

(5) "Secretary" means the Secretary of Health, Education, and Welfare; and

(6) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and, except as otherwise provided, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

Section 17:

Authorizes the appropriation of $30 million for fiscal year 1979 and for each of the 4 succeeding fiscal years in order to carry out the provisions of the bill; and further provides that of the sums appropriated for any fiscal year, 85 percent will be used for making State formula and direct Federal grants under section 4; 8 percent will be used for the operation and activities of the Center under section 8 (incuding operation of the clearinghouse and regional technical assistance centers); and 7 percent will be used for research conducted or caused to be conducted under section 9.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Sherri Kramer be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, as an original cosponsor of S. 2759, the Domestic Violence Prevention and Services Act, I am pleased to support this legislation. S. 2759 will provide for Federal assistance to State and local activities to help victims of domestic violence, and will facilitate proper coordination of efforts at all levels of government to alleviate its burdens.

This bill was carefully developed after thorough hearings conducted by the Subcommittee on Child and Human Development of the Human Resources Committee, of which I am ranking minority member, and was unanimously reported to the Senate by the full committee. Specifically, S. 2759 will assist States and local communities in their efforts to protect and care for victims of domestic violence. In order to qualify for program grants, a State must establish a citizen panel on domestic violence, a portion of whose membership shall include victims of domestic violence and service providers.

The panel will examine statewide needs for domestic violence prevention and services and make recommendations to the appropriation designated State agency regarding the proper distribution of grants to local agencies and private nonprofit organizations. The major proportion of Federal assistance is earmarked for these community efforts at preventing domestic violence and caring for its victims, with particular emphasis on shelters for battered spouses and

children. By providing for an escalating State match of Federal support, the new domestic violence program is one of Federal encouragement of State and local efforts rather than a solely Federal program.

S. 2759 also provides for proper coordination within the Department of Health, Education, and Welfare of the Federal domestic violence prevention and research effort and will enable the Federal Government to offer information and technical assistance for domestic violence prevention and treatment to a range of State and local programs.

Mr. President, domestic violence is not restricted to any one segment of our society, but affects the whole spectrum of American economic and social life. Previous efforts to combat this pervasive and difficult problem have been minimal and largely inadequate in relation to its vast dimension. State social service programs provide funds for shelters and supportive services to victims of domestic violence through titles IV–B and XX of the Social Security Act, yet such support is sporadic and underdeveloped. What minimal State and local efforts do exist can and must be encouraged, expanded, and improved through appropriate Federal help.

In my own State, private nonprofit organizations such as the Coalition for Abused Women, and the Victims' Information Bureau of Suffolk County have begun innovative programs for comprehensive crisis intervention, advocacy, and counseling for victims of domestic violence. S. 2759 will enable support to be targeted to such public and private nonprofit programs which most closely serve the needs of domestic violence victims in their communities.

The time is at hand, Mr. President, for concerted assistance to encourage and support State and local services to prevent domestic violence and care for its victims. This bill will enable us to begin a comprehensive and coordinated effort to help thousands of people affected directly or indirectly by the tragic consequences of domestic violence. I urge my colleagues to give S. 2759 their support.

Mr. ANDERSON. Mr. President, I am pleased to join with Senator CRANSTON and Senator KENNEDY in supporting S. 2759, the Domestic Violence Prevention and Services Act, which provides a comprehensive approach to the problem of domestic violence and to meeting the needs of battered women and their families.

Until only recently, society's treatment of wife abuse to a large degree has been evasive and cavalier. Violence in the home has often been regarded as an embarassment to be swept under the rug and ignored, but certainly as nothing to commend public attention or concern. During the past year, however, it has become increasingly clear that wife battering a major social problem in this country, with some researchers estimating that nearly 5 million women are subjected to extreme violence at the hands of their husbands sometime during the marriage. This surprisingly widespread violence is shattering lives and imprinting its brand on adults and children alike. Sadly enough, children who witness violence between parents often repeat the behavior they have seen and grow up to be battered or battering adults.

Although great strides have been made in the recognition of and attention to domestic violence, some very basic, elementary misconceptions still persist, and I want to take this opportunity to clarify these issues and dispel some widely held myths about wife abuse.

MYTH

Domestic violence does not happen in "nice" families.

FACT

Dr. Blandina Cardenas, Commissioner of the Administration for Children, Youth and Families within the Office of Human Development at HEW testified that "spousal violence occurs in epidemic proportions." What's more, studies find that it pervades all socioeconomic groups, and is as likely to occur in college-educated families as in those of lower levels of academic achievement. There is no ironclad profile of a violent family. Abuse occurs among all classes, ages, races, occupations, and within every type of community.

MYTH

Women verbally provoke the violent behavior of their husbands, and "ask for" the battering.

FACT

The stereotype of "nagging wife" persists and some people believe that for that reason abuse is justified. No matter what a women may say to her husband, wife abuse is a crime. Moreover, provocation by the wife is not necessarily a factor. Del Martin, author of "Battered Wives" describes situations where husbands beat their wives just for overcooking dinner or expressing political or religious views.

MYTH

Existing social services, community involvement, and law enforcement activities provide adequate means for handling the problem, and there is no need for additional support for education, training, or service programs.

FACT

Although a number of excellent programs have been started at the community level, they have had to operate on a shoestring. Funding for these efforts has been minimal and severe financial constraints all too often prevent service to all but a small percentage of those in need. To a large degree, traditional law enforcement and social services mechanisms have not adequately helped battered women. Time after time, women have been blamed for the violent behavior of their husbands, discouraged from prosecuting them even in cases of severe injury, and told to "kiss and make up." Police reluctance to deal with domestic violence may be based in fear. More police have been killed trying to solve domestic quarrels than in any other aspect of their work.

Senator CRANSTON, through his chairmanship of the Subcommittee in Child and Human Development, has taken active leadership in combatting these myths and misunderstandings through public hearings before the subcommittee, and through the development of comprehensive legislation to prevent and treat domestic violence. It has been a privilege to work with Senator CRANSTON and other members of the full Committee on Human Resources in framing a consensus bill which draws on the best efforts and ideas of legislators, the administration, public and private agencies engaged in domestic violence prevention and treatment, and most importantly grassroots community service providers and shelter operators.

Some of the battered women's advocates and service providers we worked with expressed legitimate, helpful concerns about insuring an effective program. Questions were raised about the possibility of well-intentioned Federal funds going to support "ivory-tower" research with little relevance to the real needs of battered women. The need to assure program stability and continued funding beyond a limited 2- or 3-year authorization was also expressed, and the problems community organizations experience in cutting through redtape and bureaucratic obstacle courses to obtain support were brought to our attention. The legislation before the Senate is designed to meet these concerns by providing funds through State grants on a matching basis, beginning with 100 percent Federal funding in the first year, to be reduced yearly until the State assumes full program costs after 5 years. This approach insures stability and continuity for programs within participating States.

Additionally, direct Federal startup grants will be available for projects across the country not adequately served by the State programs, and a percentage of both the State and Federal grants is reserved for direct community service programs. Regional resource centers will provide technical assistance to community groups seeking support, and link them to available resources at all levels of government, as well as within the private sector. State citizen panels, including representation by individuals who have experience in providing community services and by victims of domestic violence, will oversee the implementation of the program. And finally, the bill will fund research efforts to examine the causes and characteristics of family violence to provide new tools for its prevention and treatment.

I truly believe, Mr. President, that this country is evolving toward an era of humanity, responsibility, and respect for the dignity and rights of individuals. The Domestic Violence Prevention and Services Act, by providing alternatives to the desperation and isolation that imprison victims of spouse abuse, is a significant, promising movement in this direction.

Mr. CRANSTON. Mr. President, I urge the Senate's support of this very necessary legislation.

At this point I yield the floor to my colleague from California who is the ranking minority member of the subcommittee. I am delighted that he is here to work in tandem with me on this legislation at this time and that he is a cosponsor of the legislation.

Mr. HAYAKAWA. I thank my senior Senator.

Mr. President, I am a cosponsor of this legislation as a member of the Human Resources Committee. Since the date of my cosponsorship of this legislation, however, Proposition 13 has been passed by our fellow citizens in the State of California, and there is a way in which it is possible that I may have to, in some respect, either modify my position or state some reservations.

Mr. President, I ask unanimous consent that my staff member, Jenny Eby, be accorded the privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HAYAKAWA. Mr. President, I ask unanimuos consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, I take this occasion to make a few comments on this legislation.

As I was saying, Proposition 13 has been passed by my State since this legislation was written and since the time of the hearings and since the time of my cosponsorship of it, and the people of California very definitely declared their discontent with rising taxation and rising costs of government and this, of ocurse, with $30 million a year involved will increase the cost of government.

But there is one other aspect of this proposed legislation, and that is that each State is free to take part in it or not to take part in it, and if the people of the State of California do not wish to take part in it they are still free to disengage themselves from it. are they not?

Mr. CRANSTON. Yes. The participation by the State, is totally voluntary.

Mr. HAYAKAWA. It is totally voluntary.

Mr. CRANSTON. Yes; as far as individual State's participation is concerned.

Mr. HAYAKAWA. There is one other comment I wish to make, and that is this: Although I have read this report of the Committee on Human Resources to accompany this legislation, I remain puzzled by the fact that it is stated that 5 million wives a year are suffering from being beaten up and in 2 million families one or the other spouse has used lethal weapons against the other and the incidence of domestic violence is growing very rapidly in, as it says, epidemic proportions; but at no time is there any attention paid to the question of why this is the case. In other words, is it being reported more fully with the result that the number seems to increase, or is there some social malaise that is penetrating society that people turn on each other with violence more than they used to? These questions are not answered.

Mr. CRANSTON. If I could respond briefly to that request.

Mr. HAYAKAWA. I wish the Senator would do that.

Mr. CRANSTON. It is a valid question. It is one that I and others do not know the answer to. That is why there is an emphasis on research in the bill to seek those answers. I think without those answers we cannot really find the solution to the problem.

Mr. HAYAKAWA. So the bill provides for relief of the victims of this violence. At the same time does it encourage research into this area?

Mr. CRANSTON. Yes.

Mr. HAYAKAWA. In what ways is this research to be conducted?

Mr. CRANSTON. Seven percent of the money appropriated will be earmarked to research the problem under section 9 of the bill. The bill tries to assist in finding the causes, while we are trying to help the victims.

Mr. HAYAKAWA. I thank the Senator for the reply.

Insofar as the whole program entails voluntary participation on the part of the States, despite my reservations of the further extension of Federal activity and the creation of new programs within the Government, I withdraw any objections and am prepared to act on the legislation.

Mr. CRANSTON. I am delighted that the Senator has come to that view. I share his concerns about Federal intrusion and the growth of bureaucracy. This bill is deliberately written to avoid those problems. I am delighted that we are in agreement.

I know of no amendments, and if there are none, I think we are ready to act on the committee amendments.

Mrs. ALLEN. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield to the Senator from Alabama.

Mrs. ALLEN. Mr. President, I speak in support of S. 2759, the Domestic Violence Prevention and Services Act.

Domestic violence is a problem which has tremendous consequences for all levels of government. Legislation before the Senate provides for Federal leadership and coordination of efforts to deal with these problems.

Law enforcement officials in my State of Alabama have indicated both the need for this legislation and their support for the approach of utilizing local and State public and private agencies which S. 2759 provides.

To make the gentlemen present here today feel just a bit better, I think I, as a woman, should bring forth the astounding fact that there are many battered men. It seems there are, in our society, many women who regularly and with considerable expertise, beat up their poor husbands, and these citizens should most certainly be considered objects worthy of our help also.

This insidious problem has become such a prevalent "thing" in our modern society that it is now called a syndrome, the battered wife, the battered child, the battered husband syndrome.

Group psychiatric treatment has revealed that people who indulge in this unfortunate family pattern of inhumane action do so as a continuing facet of individual family experience. Nearly all of the aggressors were victims themselves of family violence.

The statistics involved in domestic violence in our country are staggering, and I do hope that all of the Senate Members will help the two Senators from California vote this worthy project in. We need it very, very much.

I thank the Senator.

Mr. CRANSTON. I thank the Senator from Alabama very, very much. We are honored by her support and her fine, heartfelt statement.

Mr. President, we are ready for action on the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The PRESIDING OFFICER. The Senator from California (Mr. HAYAKAWA).

Mr. HAYAKAWA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I thank my colleague. We are ready to act now.

The PRESIDING OFFICER. The question, is, Shall the bill pass? (Putting the question.)

So the bill (S. 2759), as amended, was passed as follows:

S. 2759

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Violence Prevention and Services Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) a significant number of homicides, aggravated assaults, and assaults and batteries occur within the home between adult members of families;

(2) the reported incidence of domestic violence represents only a portion of the total number of incidents of domestic violence;

(3) a large percentage of police officer deaths in the line of duty result from police intervention in domestic violence situations;

(4) domestic violence is a complex problem affecting families from all social and economic backgrounds; and

(5) the effectiveness of State laws and State and local community programs in reporting and preventing domestic violence and assisting victims and dependents of victims of domestic violence is not readily ascertainable.

(b) It is the purpose of this Act to increase the participation by States, local communities, nonprofit private organizations, and individual citizens in efforts to prevent domestic violence and assist victims and dependents of victims of domestic violence; to establish regional centers to provide technical assistance and training, as appropriate, with respect to domestic violence programs to interested States, local communities, nonprofit

private organizations, and other interested groups, officials, and persons; to establish an interagency council to seek to coordinate Federal programs with respect to domestic violence; and to provide for research and reporting programs relating to domestic violence.

STATE CITIZEN PANELS ON DOMESTIC VIOLENCE

SEC. 3. (a) In order to provide an opportunity for citizen participation in planning and developing efforts to prevent domestic violence and assist victims and dependents of victims of domestic violence, and provide citizens knowledgeable about the problems of domestic violence with an opportunity to make recommendations with respect to resolving such problems, each State, in order to qualify for a grant under section 4(a), shall establish a State citizen panel on domestic violence (hereinafter referred to as the "panel").

(b) A panel shall be composed of not less than nine nor more than fifteen members appointed by the chief executive of the State (after soliciting and considering recommendations from interested organizations and individuals) and shall include individuals with experience in the provision of services in the areas of law enforcement, health care, alcohol and drug abuse, and social work and services, and members of the general public. Not less than one-third of the members of a panel shall be individuals who have experience in the provision of community services with respect to domestic violence, and not less than one-third of the members shall be individuals who have been victims of domestic violence.

(c) (1) A panel shall—

(A) oversee within the State the implementation of Federal, State, and local programs and projects under this Act, including consideration of the extent to which the geographic distribution of grants by the State under section 4(a) is equitable, taking into account the distribution of population within the State, and, to the extent feasible, examine and evaluate other Federal, State, and local programs providing services in the State that are or could be used in relation to the prevention of domestic violence or the provision of assistance to victims and dependents of victims of domestic violence;

(B) coordinate activities under this section with the appropriate regional center on domestic violence established pursuant to section 8(c); and

(C) (i) after considering statewide needs with respect to domestic violence and evaluating the extent to which existing programs and projects meet such needs, make recommendations to the chief executive of the State and to the designated State agency with respect to activities and services conducted by or caused to be conducted by State agencies under this Act, the distribution of funds to be made through grants to local public agencies and nonprofit private organizations, and plans for effectively meeting such statewide needs, and

(ii) make such recommendations to, as appropriate, the chief executive of the State, the State legislature, the designated State agency, and the Secretary with respect to the functions it carries out under this paragraph.

(2) In addition to the recommendations described in paragraph (1)(C) of this subsection, a panel may study and make recommendations to, as appropriate, the chief executive of the State, the State legislature, the designated State agency, the Secretary, and the Congress with respect to—

(A) State criminal or civil laws relating to domestic violence;

(B) the extent to which the State judicial system affects victims and perpetrators of domestic violence;

(C) the development of a uniform law enforcement reporting system with respect to incidents of domestic violence;

(D) the relationship between incidents of domestic violence and drug or alcohol abuse;

(E) the effectiveness of Federal, State, and local domestic violence programs and projects and the ways such programs may be improved; and

(F) such other matters relating to domestic violence as the panel may deem appropriate.

Any recommendation made by the panel to the chief executive of the State, the designated State agency, or the State legislature pursuant to this subsection shall be included in the State report required to be submitted pursuant to section 7.

(d) Members of a panel who are not regular full-time employees of the United States shall, while attending meetings of the panel or otherwise engaged in the business of the panel, be entitled, subject to the expenditure limitation in section 6(a)(2)(B), to compensation at a rate equal to a per diem amount established by the State wherein the panel is located for each day they are engaged in the performance of their duties as members of the panel, and may, if determined by such State, and subject to the expenditure limitation in section 6(a)(2)(B), be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the panel.

GRANTS AUTHORIZED

SEC. 4. (a)(1) In order to assist in supporting the establishment, maintenance, and expansion of programs and projects to prevent incidents of domestic violence and to assist victims and dependents of victims of domestic violence, the Secretary is authorized, in accordance with the provisions of this Act and through the Director, to make grants to States that meet the non-Federal share and other requirements of this Act.

(2) No grant may be made under this subsection unless a panel has been established pursuant to section 3.

(b)(1) The Secretary, through the Director, is authorized to make grants to local public agencies and nonprofit private organizations for projects designed to prevent incidents of domestic violence and to assist victims and dependents of victims of domestic violence.

(2) No grant may be made under this subsection in any fiscal year to any single entity in excess of $35,000, and the total amount of such grant over a period of five fiscal years to any single entity shall not exceed $60,000.

(3) The amount of grants made under this subsection in any fiscal year to entities located in a State which did not qualify in the previous year for assistance under section 4(a) of this Act shall not exceed the following percentages of the amount of funds allotted under section 5(a) for a grant to such State for such fiscal year; for fiscal year 1979, 50 per centum; for fiscal year 1980, 45 per centum; for fiscal year 1981, 40 per centum; for fiscal year 1982, 35 per centum; and for fiscal year 1983, 30 per centum.

(c)(1) Not less than 80 per centum nor more than 85 per centum of the sums appropriated for any fiscal year under section 17 and made available for grants under this section shall, except as otherwise provided in section 5, be used for grants to States.

(2) To the maximum extent feasible, not less than 50 per centum of the amount made available for grants under subsection (b) of this section from sums appropriated under section 17 shall be used for grants to nonprofit private organizations.

ALLOTMENT OF FUNDS

SEC. 5. (a) From the sums appropriated for any fiscal year under section 17, each State shall be allotted for payment in a grant under section 4(a) an amount which bears the same ratio to such sums as the population of such State bears to the population of all States, except that—

(1) each State shall be allotted not less than one-half of 1 per centum of the amounts available for grants under section 4(a) for the fiscal year for which the determination is made; and

(2) Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands shall each be allotted not less than one-eighth of 1 per centum of the amounts available for grants under section 4(a) for the fiscal year for which the allotment is made.

For the purpose of the exception contained in clause (1) of this subsection only, the term "State" does not include Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands.

(b)(1) If by the end of the sixth month of the fiscal year for which sums have been appropriated under section 17, the amount allotted to a State has not been paid to such State in a grant under section 4(a) because of such State's failure to qualify, in accordance with the provisions of this Act, for such a grant, the Secretary shall make reallotment of the total amounts not so paid, as follows:

(A) not less than 50 per centum in grants to States so qualifying, each State to be paid an amount which bears the same ratio to the total amount to be reallotted as the population of such qualifying State bears to the population of all qualifying States; and

(B) the remaining 50 per centum in grants under section 4(b) unless the Secretary determines that a lesser per centum would more effectively carry out the purposes and provisions of this Act.

Not less than thirty days prior to making a determination pursuant to clause (B) of this paragraph that less than such 50 per centum would be made available for grants under section 4(b), the Secretary shall advise the appropriate committees of the Congress and publish in the Federal Register a statement, with supporting reasons, of the Secretary's intention to make such determination.

(2) The Secretary may make available for reallotment in accordance with the provisions of paragraph (1) of this subsection such amounts paid in any fiscal year in a grant to a State under section 4(a) as the Secretary determines, after consultation with such State, will not be used by such State during such fiscal year for carrying out the provisions of this Act.

(3) For the purposes of paragraphs (1) and (2) of this subsection, a State which the Secretary, pursuant to paragraph (2) of this subsection, has determined will not use any of the amounts paid in a grant pursuant to section 4(a) shall not be eligible for a reallotment of funds under either such paragraph.

(4) Funds made available by the Secretary through reallotment pursuant to paragraph (1) or (2) of this subsection shall remain available for expenditure until the end of the fiscal year following the fiscal year in which such funds become available for reallotment.

APPLICATIONS

SEC. 6. (a) No grant may be made under section 4(a) unless the chief executive of the State submits an application to the Secretary at such time and in such manner as the Secretary may reasonably require. Each such application shall—

(1) provide that funds paid under this Act will be used only for programs and projects within such State to prevent incidents of domestic violence and to assist victims and dependents of victims of domestic violence;

(2) provide with respect to funds paid to a State under section 4(a) for any fiscal year that—

(A) not in excess of 15 per centum of such funds or $125,000, whichever is the lesser, will be used for the administration of the program for which application is made;

(B) not in excess of 10 per centum but not less than 5 per centum of such funds will be used for the cost of administering the panel established pursuant to section 3;

(C) not less than 25 per centum nor in excess of 40 per centum of such funds as are remaining after the use of funds for the purposes described in subclauses (A) and (B) of this clause will be used for activities and services with respect to domestic violence conducted by or caused to be conducted by State agencies; and

(D) the remainder of such funds will be distributed through grants to local public agencies and nonprofit private organizations, but not less than 50 per centum of such remainder will be used for grants to nonprofit private organizations within the State, with special emphasis on the support of community-based projects of demonstrated effectiveness, particularly those operating shelters;

(3) provide assurances that no grant of funds to a nonprofit private organization will exceed $35,000 in any fiscal year and that the total amount of such grants over a period of five fiscal years to any single nonprofit private organization will not exceed $60,000: *Provided,* That, notwithstanding the provisions of section 15(b), a State may augment such a grant with State funds to provide a total of Federal and State assistance not exceeding $50,000 in any year and $100,000 over a five-year period for the purposes of providing and maintaining shelters;

(4) set forth procedures designed to assure an equitable distribution of funds within the State;

(5) set forth procedures for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid in the grant, including such funds distributed by the State to local public agencies and nonprofit private organizations, under this Act;

(6) specify the State agency to be designated as responsible for the administration of the program;

(7) provide for making such reasonable reports as provided for in section 7 in such form, at such times, and containing such additional information as the Secretary may deem essential to carry out the purposes and provisions of this Act, and for keeping such records and affording such access thereto as the Secretary may deem essential to assure the correctness and verification of such reports;

(8) provide assurances of, and procedures for, compliance with the provisions of section 11, relating to confidentiality; and

(9) provide such other assurances and include such other information as the Secretary deems essential to carry out the purposes and provisions of this Act.

In making grants pursuant to paragraph (2)(D) of this subsection, a State shall, whenever feasible, provide reasonable assurances to its grantees of the level of future support which each such grantee is likely to receive from the State, assuming continuation of an adequate level of Federal assistance under this Act.

(b) No grant may be made under section 4(b) unless an application is made to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems essential to carry out the purposes and provisions of this Act, particularly section 10(7). Such application shall comply, as applicable, with the provisions of clauses (1), (5), (7), and (8) of subsection (a) of this section.

(c) The Secretary shall approve any application that meets the requirements of subsection (a) or (b) of this section, and the Secretary shall not disapprove an application for a grant under section 4(a) except after reasonable notice and notice of an opportunity for a hearing.

STATE REPORTS

SEC. 7. (a) For the purpose of furnishing information to the Congress to aid in its oversight activities, each State receiving a grant under section 4(a) shall submit to the Secretary, on or before December 1 of each year, a concise report providing specific information on the implementation of programs and projects under this Act. Each such report shall include (both with respect to funds paid under this Act and provided by the State pursuant to section 15 of this Act) information for the preceding fiscal year as to—

(1) the amount used to administer the State program;

(2) the amount used to administer the panel and any recommendations made by the panel to the chief executive, the designated State agency, or legislature of the State pursuant to section 3(c)(2);

(3) the amount used for services provided and activities conducted, or caused to be provided or conducted, by the State, broken down by agency and by types of services and activities conducted or caused to be conducted by such agency;

(4) the number, recipients, and amounts of grants to local public agencies and nonprofit private organizations;

(5) the number of persons estimated to have been assisted in projects described in clauses (3) and (5) of this subsection; and

(6) such other specific information as the Secretary may deem essential to carry out the purposes and provisions of this Act.

(b) Prior to requiring any specific information under clause (6) of this subsection, the Secretary shall advise the appropriate committees of the Congress and each participating State of the reasons for requiring such information.

NATIONAL CENTER ON DOMESTIC VIOLENCE

SEC. 8. (a)(1) There is established within the Office of the Secretary an identifiable administrative unit to serve as the National Center on Domestic Violence.

(2) The Center shall be headed by a Director who shall be appointed by the Secretary and shall be compensated at a rate not less than the rate prescribed for a GS–16 under section 5332 of title 5 of the United States Code.

(b) The Director of the Center shall—

(1) be responsible for overseeing all programs and activities carried out under this Act and shall seek to coordinate, through the interagency council established by section 14(b), all Federal programs and activities (including research activities), to the extent such programs and activities relate to domestic violence, carried out with respect to the prevention of domestic violence or the provision of assistance to victims and dependents of victims of domestic violence;

(2) in order to aid the Congress in its oversight activities, take whatever action is necessary to keep the Congress fully and currently informed with respect to the administration and implementation of this Act; and

(3) provide for the establishment and operation of a national information and resource clearinghouse for matters with respect to domestic violence in order to—

(A) collect, analyze, prepare, and disseminate information relating to the prevention of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence;

(B) serve as an advocate for the prevention of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence, and of State and local domestic violence information centers; and

(C) provide appropriate assistance to persons or organizations interested in preventing domestic violence or providing assistance to victims and dependents of victims of domestic violence.

(c) The Secretary, through the Director, shall make grants to public or nonprofit private entities or enter into contracts with public or private entities to provide for not less than one regional center on domestic violence to be located in each region of the United States as designated by the Secretary. Funds for the operation of a center or centers within such region shall be allocated to each such region, to the maximum extent feasible (taking into account the geographical needs of each region), in an amount from sums made available for any fiscal year for the purpose of this subsection that bears the same ratio to the total amount of the sums so made available as the population of such region bears to the total population of the United States. Each such regional center shall, in coordination with activities carried out under subsection (b)(3) of this section, provide technical assistance, training, and outreach services to States, local public agencies, and nonprofit private organizations participating or interested in participating in the programs and projects authorized by this Act, and shall inform such entities and all other interested parties, officials, and organizations of alternative sources of assistance available with respect to the prevention of incidents of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence.

RESEARCH

SEC. 9. (a) The Secretary, through the Director, shall conduct, directly or by grant or contract, research activities and demonstration projects on domestic violence.

(b) Not less than 50 per centum of the sums made available for any fiscal year for the purposes of this section shall be made available by the Secretary, through the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, established under section 201 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1974 (Public Law 93–282) (42 U.S.C. 3511), for use by the Institutes within such Administration for such research activities on domestic violence as are jointly agreed to by the Director and the Directors of the Institutes to which such sums are made available for the conduct, directly or by grant or contracts of such research activities.

NATIONAL CENTER REPORTS

SEC. 10. For the purpose of furnishing information to aid the Congress in its oversight activities, the Secretary, through the Director, on or before February 1 of each year, shall prepare and submit to the Congress a concise report providing specific information on the programs authorized by this Act. Each such report shall include for the preceding fiscal year—

(1) the name of each State receiving a grant under section 4(a) and the amounts of funds paid in such a grant by way of allotment and reallotment;

(2) the total amounts of funds reallotted pursuant to section 5 and distributed pursuant to section 4(b);

(3) a listing, by region, of the grants and contracts made, and the amounts of funds provided thereunder, for the establishment of regional centers on domestic violence pursuant to section 8(c);

(4) the total amount of funds made available to the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration and, by such Administrator, the Institutes within such Administration for research activities pursuant to section 9;

(5) the names of grantees, the nature of the research activity, and the amounts of funds granted for research activities conducted or caused to be conducted pursuant to section 9;

(6) with respect to grants made under section 4(a), a tabulation of the data described in section 7(a);

(7) with respect to grants made under section 4(b)—

(A) the number of such grants:

(B) a listing, by State, of the number of grants made, and the amounts of funds paid thereunder, for projects in States not receiving or not utilizing in full such State's allotments of funds for grants under section 4(a);

(C) the number of grants made, and the percentage of all amounts so granted, to projects conducted in rural areas; and

(D) the percentage of funds paid in grants to nonprofit private organizations and the names, locations, and the amounts of all funds paid in such grants; and

(8) any recommendation which the Secretary determines to be appropriate for improving the programs authorized by this Act.

CONFIDENTIALITY

SEC. 11. The provisions of section 408 relating to confidentiality (including the penalty in subsection (e)), of the Drug Abuse Office and Treatment Act of 1972 (Public Law 92-255; 21 U.S.C. 1175) shall be applied to the records of any individuals subject to any program, project, or activity assisted under the provisions of this Act.

AUDIT PROVISIONS

SEC. 12. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after the completion of the program, project, or activity authorized or assisted under this Act, have access, consistent with the provisions of section 11, for the purpose of audit and examination, to any books, documents, papers, and records of recipients which, in the opinion of the Comptroller General, after consultation with the Secretary, may be related, or pertinent to, the grants or contracts authorized to be made under this Act.

EVALUATION

SEC. 13. (a) The Secretary shall review, evaluate, and report to Congress, not later than three years after the date funds are obligated for grants under section 4(a) for the first time after the date of enactment of this Act, as to the effectiveness of the programs administered and operated pursuant to this Act by the National Center on Domestic Violence and the Institutes within the Alcohol, Drug Abuse, and Mental Health Administration. Such review, evaluation, and report shall be conducted and prepared by persons not directly involved in the administration or operation of such programs. Such review and evaluation shall include examination of—

(1) the extent to which public awareness of the problem of domestic violence has been increased;

(2) the extent to which the availability and the effectiveness of services with respect to domestic violence has been increased;

(3) the extent to which assistance made available under this Act has served as a catalyst for State and local community involvement and support (financial and otherwise) for projects with respect to domestic violence;

(4) whether limiting the dollar amount of grants which may be awarded in any one fiscal year or over a five-year period has provided more opportunities for communities and nonprofit private organizations to establish, maintain, and expand projects under this Act;

(5) whether such limitations have resulted in stimulating State, local governmental, and community financial support for projects with respect to domestic violence;

(6) the extent to which projects assisted under this Act have continued, without assistance under this Act, to provide services with respect to domestic violence;

(7) the extent to which regional centers established pursuant to section 8(c) have assisted States, local governments, and communities, and nonprofit private organizations in utilizing other available sources of funding to support projects with respect to domestic violence;

(8) the extent to which the interagency domestic violence council established by section 14(b) has assisted the Director in coordinating at the Federal level programs for the prevention of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence;

(9) the extent to which the Center has provided the necessary relevant information and assistance with respect to domestic violence to participating and interested States, local public agencies and communities, and nonprofit private organizations; and

(10) the extent to which research activities conducted pursuant to section 9 have improved understanding of the causes, effects, and incidence of domestic violence, and to which information developed in such research activities has been useful to projects providing services relating to domestic violence.

(b) In planning for the evaluations required to be conducted under this section, the Secretary shall consult with the Director and advise appropriate committees of the Congress. As part of the evaluation, the Secretary, to the maximum extent feasible, shall consult with appropriate State officials and panel members, local community officials, providers of services, nonprofit private organizations, and individuals who have been victims of domestic violence.

COORDINATION OF FEDERAL PROGRAMS

SEC. 14. (a) In seeking to coordinate programs with respect to domestic violence, providing information, otherwise carrying out clearinghouse functions, and making grants and contracts under this Act, the Director shall give particular attention to the availability for assignment of VISTA volunteers serving under part A of title I of the Domestic Volunteer Service Act of 1973, as amended (Public Law 93-113), and of assistance through the conduct of or grants to special volunteer or demonstration programs under part C of title I and through grants and contracts made under title II of such Act.

(b)(1) In order to assist the Director in coordinating at the Federal level programs for the prevention of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence, a Federal interagency domestic violence council is established. Such council shall be chaired by the Director and shall include representatives of the Department of Justice (including the Law Enforcement Assistance Administration), Department of Housing and Urban Development, Department of Labor, Department of Commerce, Department of Agriculture, Department of Defense, ACTION Agency, Community Services Administration, appropriate Institutes within the Alcohol, Drug Abuse, and Mental Health Administration, and representatives of such other agencies as the President shall designate.

(2) The council shall identify, assess, and seek to coordinate all Federal programs, projects, and plans for programs and projects providing services or research support with respect to domestic violence and shall make such recommendations as it deems appropriate to the President and the Congress with respect to coordination of policy and development of objectives and priorities for all Federal programs regarding the prevention of incidents of domestic violence and the provision of assistance to victims and dependents of victims of domestic violence.

(3) The council shall meet not less often than four times each year.

PAYMENTS; NON-FEDERAL SHARE

SEC. 15. (a) Payments pursuant to grants or contracts under this Act may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(b) A State shall be eligible for a grant under section 4(a) only if such State makes available for expenditures for the same purposes for which funds appropriated under this Act may be used, funds in cash in an amount which bears the following proportion to the amount of Federal assistance provided in each of the following fiscal years: for fiscal year 1979, 0 per centum; for fiscal year 1980, 30 per centum; for fiscal year 1981, 40 per centum; for fiscal year 1982, 50 per centum; and for fiscal year 1983, 65 per centum.

DEFINITIONS

SEC. 16. As used in this Act, the term—

(1) "Center" means the National Center on Domestic Violence established under section 8;

(2) "Director" means the Director of the Center;

(3) "domestic violence" means any act or threatened act of violence, including any forceful detention of an individual, which—

(A) results or threatens to result in physical injury; and

(B) is committed by a person eighteen years of age or older against another such person to whom such person is or was related, or by a person of any age against another person with whom such person is or was residing in a relationship of husband and wife;

(4) "panel" means the State citizen panel on domestic violence established pursuant to section 3;

(5) "Secretary" means the Secretary of Health, Education, and Welfare; and

(6) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and, except as otherwise provided, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 17. There are authorized to be appropriated $30,000,000 for fiscal year 1979 and for each of the four succeeding fiscal years in order to carry out the provisions of this Act. Of the sums so appropriated for any fiscal year, 85 per centum shall be used for making grants under section 4; 8 per centum shall be used for the operation and activities of the Center under section 8; and 7 per centum shall be used for research conducted or caused to be conducted under section 9.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. HAYAKAWA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I want the RECORD to show that I voted "no" on passage of S. 2759, the Domestic Violence Prevention and Services Act.

However, my vote was not cast in the belief that the Committee on Human Resources, which reported the bill to the Senate, was in error as to the scope or

seriousness of the problem of domestic violence.

My opposition was based on these considerations:

First. In my view, domestic violence is a matter for local government to deal with, to the extent that any government involvement is justified.

Second. This legislation would establish an entirely new Federal program in the already bulging Department of Health, Education, and Welfare. Why should the Federal Government become involved in the problem of family disputes?

Third. It authorizes new spending of $30 million a year for 3 years at a time when the Government is running deficits in the neighborhood of $50 billion a year.

Fourth. The bill plunges into full-scale operation of an untested grant program, instead of trying out the concept on a pilot basis with a modest funding level.

Fifth. The legislation authorizes grants not only to States, localities, and nonprofit organizations, but also to individual citizens. Eligibility criteria are extremely vague.

It is important to note that, on May 23, the House of Representatives rejected legislation similar to S. 2759. The measure was called up under suspension of the rules, and thus required a two-thirds vote for passage, but it did not even secure a majority.

It was defeated by 205 to 201.

Furthermore, the first-year funding for the program, as set forth in the House bill, was $15 million, or one-half the level authorized in the Senate bill. In the second year, the House bill would have provided $20 million, or two-thirds the amount called for by the Senate. After the second year, the House authorization rose to the Senate level of $30 million.

Yet, after debate in the House, even this more modest measure was rejected, overwhelmingly.

I believe that the Senate should have rejected S. 2759.

This country is now experiencing double-digit inflation. The deficit spending of the Federal Government is, in my opinion, one of the chief causes, if not the chief cause, of this outrageous rate of inflation.

I think that the citizens of the United States—the hard-working taxpayers, as well as the retired persons on fixed incomes—need protection from the devastating ravages of inflation far more than they need any new, multimillion-dollar programs at HEW.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. THURMOND. Mr. President, I compliment the distinguished able Senator from Virginia for the position he has just taken on this piece of legislation and for the splendid remarks he made on the subject. Furthermore, I wish to be associated with the remarks he made on this subject.

Mr. HARRY F. BYRD, JR. I thank the Senator from South Carolina (Mr. THURMOND). I hope that if this legislation comes back in the form of a conference report, we might be able to take another look at it. On the other hand, the way the very heavy vote in the House of Representatives suggests, it is not likely to pass that body, so maybe things will turn out satisfactorily, anyway.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAVEL). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, with Senators permitted to speak for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on July 28, 1978, he approved and signed the following acts:

S. 947. An act to declare certain federally owned land known as the Yardeka School land to be held in trust for the Creek Nation of Oklahoma.

S. 1291. An act to declare that certain lands of the United States situated in the State of Oklahoma are held by the United States in trust for the Cheyenne-Arapaho Tribes of Oklahoma, and to authorize the Secretary of the Interior to accept conveyance from the Cheyenne-Arapaho Tribes of Oklahoma of certain other lands in Oklahoma to be held in trust by the United States for such tribes.

S. 1582. An act relating to the settlement between the United States and the Ak-Chin Indian community of certain water right claims of such community against the United States.

MESSAGES FROM THE HOUSE

At 4:45 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, returning, pursuant to a request of the Senate, the bill (S. 3342) to name a lake which has been completed as part of the Papillion Creek basin project as the "Standing Bear Lake," together with all accompanying papers.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 1, 1978, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 920. An act relating to the disposition of certain recreational demonstration project lands by the State of Oklahoma.

S. 2463. An act to amend the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87) to raise certain authorized funding levels contained therein, and for other purposes.

S.J. Res. 102. A joint resolution entitled "American Indian Religious Freedom".

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-4050. A communication from the general counsel, General Accounting Office, reporting, pursuant to law, on the status of budget authority that was proposed, but rejected, for rescission; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry, jointly, pursuant to order of January 30, 1975.

EC-4051. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Federal Seed Act (53 Stat. 1275) to update its provisions, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4052. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the strategic need and cost effectiveness of stretching the C-141 aircraft; to the Committee on Appropriations.

EC-4053. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, nine reports of violations of the Anti-Deficiency Act (Section 3679, Revised Statutes), and of Department of Defense Directive 7200.1, "Administrative Control of Appropriations within the Department of Defense"; to the Committee on Appropriations.

EC-4054. A communication from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, on property acquisitions of emergency supplies and equipment; to the Committee on Armed Services.

EC-4055. A communication from the Acting Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed Letter of Offer to the United Kingdom for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-4056. A communication from the general counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize the commandant, Defense Intelligence School, to award the degree of master of science of strategic intelligence; to the Committee on Armed Services.

EC-4057. A communication from the Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations), transmitting a draft of proposed legislation to further amend the act of August 29, 1974, as

amended (Public Law 93-397; 10 United States Code 8202 note), relating to the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force; to the Committee on Armed Services.

EC-4058. A communication from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report of the actions taken by the Export-Import Bank under from April 1, 1978 through June 30, 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-4059. A communication from Under Secretary, Department of Energy, reporting, pursuant to law, on plans to revise the uranium enrichment services criteria so as to permit the recovery of imputed interests on the natural uranium contained in those inventories at the DOE enrichment plants needed to provide enrichment services; to the Committee on Energy and Natural Resources.

EC-4060. A communication from the chairman, Resource Conservation Committee, transmitting, pursuant to law, a report entitled "Status Report on Solid Waste Disposal Charge Analysis"; to the Committee on Environment and Public Works.

EC-4061. A communication from the Secretary of Agriculture and the Secretary of the Army, transmitting drafts of proposed legislation, first, to deauthorize the Cross Florida Barge Canal Project, and for other purposes; second, to provide for restoration of the Oklawaha River portion of the project and disposition of other lands and facilities outside the Oklawaha River area; and third, to authorize study of the Oklawaha River for potential addition to the National Wild and Scenic Rivers System; to the Committee on Environment and Public Works.

EC-4062. A communication from the Chairman and members of the Federal Election Commission, urging that appropriate steps be taken to exempt the Federal Election Commission and its staff from collective bargaining with, and representation of employees by, labor unions which maintain political action committees or which endorse or support Federal candidates; to the committee on Governmental Affairs.

EC-4063. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the cost effectiveness of two alternatives for obtaining the additional antisubmarine warfare capabilities the Navy will need to meet future Soviet submarine threat; to the Committee on Governmental Affairs.

EC-4064. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the classified aspects of the view of the Nation's oceanographic assets; to the Committee on Governmental Affairs.

EC-4065. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Interior Programs for Assessing Mineral Resources on Federal Lands Need Improvements and Acceleration," July 27, 1978; to the Committee on Governmental Affairs.

EC-4066. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Alaska Railroad: Its Management is Being Improved; Its Future Needs to be Decided," July 27, 1978; to the Committee on Governmental Affairs.

EC-4067. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Strategic and Critical Materials Stockpile Will be Dificient for Many Years," July 27, 1978; to the Committee on Governmental Affairs.

EC-4068. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Revenue Estimates Under Various Methods of Taxing Americans Abroad," July 27, 1978; to the Committee on Governmental Affairs.

EC-4069. A communication from the USPS records officer, finance group, U.S. Postal Service, transmitting, pursuant to law, proposals for five systems of records; to the Committee on Governmental Affairs.

EC-4070. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Liquefied Energy Gases Safety," July 31, 1978; to the Committee on Governmental Affairs.

EC-4071. A communication from the Executive Director, National Commission on Libraries and Information Science, transmitting, pursuant to law, a report on a proposed new system of personal records; to the Committee on Governmental Affairs.

EC-4072. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, a document entitled "Health Education Assistance Loan Program—Adoption of Interim Final Regulation Regarding a Program of Federally Insured Loans to Graduate Students in Schools of Medicine, Osteopathic Medicine, Dentistry, Veterinary Medicine, Optometry, Podiatry, Public Health and Pharmacy"; to the Committee on Human Resources.

EC-4073. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1977-78 report on the health consequences of smoking; to the Committee on Human Resources.

EC-4074. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, a document entitled "Experimental Program for Opportunities for Advanced Study and Research in Education"; to the Committee on Human Resources.

EC-4075. A communication from the Administrator, Veterans' Administration, transmitting, pursuant to law, a report on the activities of the Veterans' Administration for the transition quarter ending September 30, 1978, and the fiscal year ending September 30, 1977; to the Committee on Veterans' Affairs.

EC-4076. A communication from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting, pursuant to law, a report on "Federal Stabilization Policy: The Role of State and Local Government"; to the Committee on Environment and Public Works and the Committee on Finance, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a report transmitted by the Chairman of the Commission on Intergovernmental Relations, entitled "Federal Stabilization Policy: The Role of State and Local Government," be referred jointly to the Committee on Environment and Public Works and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-765. A petition for the redress of grievances from a citizen of Austin, Tex.; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted;

By Mr. EAGLETON, from the Committee on Appropriations, with amendments:

H.R. 13125. An act making appropriations for Agriculture, Rural Development, and related agencies programs for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 95-1058).

By Mr. DOLE, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment and an amendment to the title:

S. 3092. A bill to amend the Federal Meat Inspection Act to require that meat inspected and approved under such act be produced only from livestock slaughtered in accordance with humane methods (Rept. No. 95-1059).

By Mr. PROXMIRE, from the Committee on Appropriations, with amendments:

H.R. 12936. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 95-1060).

By Mr. MAGNUSON, from the Committee on Appropriations, with amendments:

H.R. 13467. An act making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes (Rept. No. 95-1061).

By Mr. CRANSTON, from the Committee on Veterans' Affairs:

Special report of the Committee on Veterans' Affairs pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 95-1062).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HAYAKAWA:

S. 3360. A bill to amend the Urban Mass Transportation Act of 1964 to increase minority employment opportunities; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. EASTLAND:

S. 3361. A bill for the relief of Mr. Danilo Zamora-Miranda and Mrs. Nidia de los Angeles Oliverio de Zamora; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself and Mr. CHILES):

S. 3362. A bill to require that the Administrator of General Services provide additional information in his annual reports concerning records management and disposition; to the Committee on Governmental Affairs.

By Mr. CANNON (for himself and Mr. PEARSON):

S. 3363. A bill to amend the Federal Aviation Act of 1958 in order to promote competition in international air transportation, provide greater opportunities for U.S. air carriers, create a structure and establish goals for developing U.S. international aviation negotiating policy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LEAHY (for himself and Mr. STAFFORD):

S. 3364. A bill to amend the Internal Revenue Code of 1954 to clarify the treatment of certain individuals engaged in the harvesting of timber for purposes of employment taxes; to the Committee on Finance.

By Mr. NELSON:

S. 3365. A bill to cancel the registration of 2,4,5-T, and any other pesticide containing

2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD), under the provisions of the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HAYAKAWA:

S. 3360. A bill to amend the Urban Mass Transportation Act of 1964 to increase minority employment opportunities; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. HAYAKAWA when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. BENTSEN (for himself and Mr. CHILES):

S. 3362. A bill to require that the Administrator of General Services provide additional information in his annual reports concerning records management and disposition; to the Committee on Governmental Affairs.

● Mr. BENTSEN. Mr. President, the American people are tired of paying more and more for Federal Government which daily becomes less and less effective. They are fed up with the growing costs and gargantuan deficits of an ever-expanding big government. They want the Federal Government to operate in a rational fashion and a stop put to wasteful Government expenditures.

In short, the American people want the Federal Government to give them their money's worth.

Mr. President, Government spending must be cut through elimination of waste and inefficiency. The American people, quite clearly, are fed up with the big, bloated, bungling bureaucracy in Washington, but they are correctly suspicious of empty anti-Government rhetoric. They want concrete proposals to make Government work more efficiently.

The bill I am introducing today represents one concrete step which can be taken immediately to achieve this goal.

Mr. President, about the only thing the Federal Government seems to do well these days is produce a monumental and alarming volume of paperwork.

For example, it has been estimated that Federal agencies spend over $200 million to operate over 60,000 copying machines that produce over 8 billion pages a year alone. That is about 40 pages a year for every man, woman, and child in the Nation. And this is only one source of Federal paperwork production.

Too many of those 8 billion pages a year remain in existence too long after their initial use. In effect, they become records which require an awesome amount of storage space. As of the end of 1977, total Federal records storage occupied more than 33 million cubic feet of space in General Services Administration record centers and archive holdings, and in agency office and storage space. This amounts to the space which would be occupied by 33 Washington Monuments and represents a more than 30-percent increase in Federal record storage requirements since 1951.

Data issued by the National Archives and Records Service (NARS) of the General Services Administration indicate the cost of such storage this year will exceed $153 million. That sum reflects the cost of storage in two distinctly different and extremely important categories: First, NARS record storage centers; and second, record space utilized within Federal agencies themselves. What makes the distinction between the categories important is the fact that NARS record center storage space costs 65 cents per cubic foot compared to the $7.87 per cubic foot cost of space used by agencies on their own premises. Some 19 million cubic feet of storage space is presently utilized by Federal agencies on their own premises.

If just one-half of the records stored by individual agencies in their own offices were transferred to NARS storage centers, $70 million of the taxpayers hard-earned money could be saved each year. And millions more could be saved if unneeded and unused records were destroyed.

Under the Federal Records Act Amendments of 1976, NARS is authorized to intervene in the records storage and management practices of all Federal departments and agencies. One of the basic functions of NARS is to require departments and agencies to shift as much of their records as possible to its record centers. A second and equally important assignment requires NARS to have departments and agencies make out schedules for the disposal of records when their period of usefulness has been exhausted.

NARS is required to make annual progress reports to Congress and OMB concerning agency implementation of its recommendations. In its most recent report, NARS stated that more than half of the 401 recommendations it has made in recent years to such agenices as the Departments of Agriculture, Interior, Labor, NASA, and others have not been implemented. The report notes that "none of the agencies' responses provided adequate information on the reasons for not implementing recommendations."

Mr. President, this kind of bureaucratic indifference to the waste of public moneys has got to be stopped. The only way to stop it is to make each agency accountable to the American people and to Congress for its failure to follow commonsense recommendations designed to save the taxpayers money.

Accordingly my bill requires NARS to include in its reports along with the list of agencies which are not complying with its recommendations an estimate of how much this failure to comply is costing the taxpayer each year on an agency by agency basis and collectively.

With this provision, agencies will know that their failure to comply with the recommendations of NARS will be highlighted in its reports to Congress and OMB. The one thing bureaucrats who refuse to "clean up their act" fear most is a high profile. They want to be left alone, hidden out of the public eye so that they do not have to trouble themselves with irrelevant activities such as saving the hard-pressed taxpayer some money.

Enactment of my bill would give the Congress a sword to hold over the heads of agencies who refuse to take steps to implement the recommendations of NARS. It would enable us to offer legislation to cut a noncomplying agency's budget by the amount which could be saved if it implemented sensible records management and storage recommendations.

Mr. President, on June 29 of this year, I began a legislative initiative designed to curb the tendency of the Federal bureaucracy to expand and intrude upon the average citizen and to waste his money. The bill I introduce today is another in a series aimed at getting the Federal Government off his back and out of his pocket.●

By Mr. CANNON (for himself and Mr. PEARSON):

S. 3363. A bill to amend the Federal Aviation Act of 1958 in order to promote competition in international air transportation, provide greater opportunities for U.S. air carriers, create a structure and establish goals for developing U.S. international aviation negotiating policy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INTERNATIONAL AIR TRANSPORTATION COMPETITION ACT OF 1978

● Mr. CANNON. Mr. President, I am introducing today a bill to restructure and redirect our international aviation negotiating policy. This bill is a vehicle to focus hearings the aviation subcommittee will conduct on August 22, 23, and 24.

For a number of years I have been deeply concerned about this country's lack of a basic, permanent policy for conducting aviation bilateral negotiations. My concern has been increased by the changing and often fragmented approach to negotiations by the various agencies involved in the process. Such a lack of organization has, in the past, put the United States at a considerable disadvantage in the negotiating arena and resulted in agreements which did not facilitate the goals of our country's passengers or international airlines.

My concerns were brought to a head with the adoption of Bermuda II, our bilateral agreement with Great Britain. In this negotiation the United States put together a new, make-shift negotiating structure came away with an agreement which is the greatest step backward in 40 years of attempting to bring market-oriented competition to international aviation.

Since that time, however, I have been encouraged by the way this administration has gotten their act together. The administration is in the final process of adopting a strong, pro-competitive policy statement of goals for future bilateral negotiations. Further, State, DOT, and CAB have been working well together in recent negotiations, due mainly to the individuals involved and their common goals. I do not know that everything we have accepted in recent bilaterals with the Netherlands, Belgium, and Israel are

correct, but I do know that they have gotten back to the right basic direction after the disappointment of Bermuda II. I believe this administration can be proud of their progress in this area.

Unfortunately this very recent success has been the exception rather than the rule under the current law. What I am suggesting is a structure for negotiations which will hopefully assure that the cooperative partnership of the agencies directly involved will continue. The bill also insures the input of and consultation with local government and industry representatives.

The past has also caused concern in the area of Presidential use of Sec. 801 authority. Presidential involvement in carrier selection for new international routes or U.S. carrier fare matters simply has not been grounded in foreign policy concerns, primarily because such decisions do not affect overall foreign policy. Presidential concerns of a broad foreign policy nature can and should be handled in the bilateral negotiations process. When the CAB has selected a carrier on economic grounds after a judicial and open process, I believe it is harmful to our international stature and the President's image to use the executive powers to overturn a carrier selection for political reasons.

Another concern which is reflected in this bill is to give the charter carriers a more equal opportunity to compete. The supplemental airlines in the past have provided the only competitive spur and low fare opportunity in a cartelized international airline system. I would like to untie those carriers' hands in today's competitive market.

And finally, in the interest of balance I believe we must recognize the need of our basic international airline, Pan Am, to weave into its system a domestic structure as we open the competitive opportunities on international routes.

Specifically, the bill I am introducing does the following:

Creates a new policy declaration for international aviation in the Federal Aviation Act putting an emphasis on fostering competition and recognizing the need to maintain an international airline system. Recognizes the need to provide primarily international carriers with domestic route opportunities.

Creates an Office of International Aviation Negotiations in the Executive Office of the President, headed by a Director and Chief Negotiator. Under the Director are three Special Counsels, one appointed by State, one by DOT, and one by CAB. There is also created an advisory council made up of other agencies, as well as local government and industry representatives. Pro-competitive negotiating policy guidelines are established for the Office.

President's 801 authority is narrowed to approval of CAB decisions concerning foreign air carriers.

Permits charter carriers to sell a portion of their foreign charter trips directly to the public.

Provides each U.S. supplemental airline with five scheduled, international routes after a 7 month CAB proceeding.

Permits mergers of scheduled and supplemental air carriers.

I want to emphasize that these concepts are ideas which I look forward to considering during hearings. I do not have any preconceptions that portions of this bill should not be changed, so I welcome constructive suggestions.

I ask unaminous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 3363

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Air Transportation Competition Act of 1978".

DECLARATION OF POLICY

SEC. 2. Section 102 of the Federal Aviation Act of 1958 (49 U.S.C. 1302) is amended—

(a) by inserting "(a)" after the words "Sec. 102";

(b) by renumbering subsections (a) through (f) as paragraphs (1) through (6), respectively;

(c) by adding after the word "Act" the words "with respect to interstate and overseas air transportation,"; and

(d) by adding the following new subsection (b):

"(b) In the exercise and performance of its powers and duties with respect to foreign air transportation, the Board shall consider the following, among other things, as being in the public interest and in accordance with the public convenience and necessity:

"(1) The maintenance and furtherance of a high degree of safety in foreign air commerce;

"(2) The maximum degree of competition consistent with maintaining an international air transportation system which facilitates commerce among nations, encourages air carriers and foreign air carriers to offer prices and services which are responsive to market demand, provides travel opportunities for the widest possible segment of the public, and meets the needs of the Postal Service and the national defense.

"(3) The prevention of unfair, deceptive, predatory, or anticompetitive practices in foreign air transportation, and the avoidance of undue industry concentration, excessive market domination, monopoly power, and other conditions that would tend to allow one or more air carriers or foreign air carriers unreasonably to increase prices, reduce services, or exclude competition in foreign air transportation.

"(4) The desirability of giving expedited treatment to foreign air carriers from nations with whom the United States has entered into the least restrictive air transportation agreements.

"(5) The need to provide domestic route authority to air carriers with extensive international operations in order to provide a better integrated air transportation system, prevent waste of available capacity, and strengthen the competitive position of U.S. international air carriers."

SALE OF CHARTER TRIPS BY DIRECT CARRIERS

SEC. 3. Section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371) is amended by adding the following new subsection:

"(p) The Board shall permit air carriers directly engaged in the operation of aircraft to organize and sell directly to the public charter trips in foreign air transportation to the following extent:

"(1) During the first year following enactment of this subsection, 10 percent of the total number of charter trips flown by the carrier in foreign air transportation during the previous year;

"(2) During the second year following enactment of this subsection, 25 percent of the total number of charter trips flown by the carrier in foreign air transportation during the previous year;

"(3) During the third year following enactment of this subsection, and each year thereafter, 40 percent of the total number of charter trips flown by the carrier in foreign air transportation during the previous year."

SCHEDULED AUTHORITY FOR SUPPLEMENTAL CARRIERS

SEC. 4. Section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371) is amended by adding the following new subsection:

"(q) Each air carrier holding a certificate of public convenience and necessity to perform supplemental air transportation under subsection (d)(3) of this section, and which operated more than 50 million revenue passenger miles in foreign air transportation during the 12 months ended March 31, 1978, is eligible to obtain a certificate to engage in scheduled foreign air transportation in no more than five nonstop city-pair markets under the following procedures:

"(1) No later than 60 days after enactment of this subsection, each such carrier may file with the Board a list of city-pair markets in which it seeks nonstop scheduled authority under this subsection;

"(2) Any interested party supporting or opposing such authority shall have 60 days from the date of filing by the supplemental carrier in which to file comments and documentary evidence in support of or in opposition to the grant of such authority;

"(3) Each supplemental carrier shall have 30 days from the filing of such comments to file a reply;

"(4) Within 60 days after replies are due, the Board shall issue an order granting or denying the applications for such new authority.

"The Board shall grant such authority unless opponents can prove that a grant would cause irreparable harm to the traveling public and that denial is required by the public convenience and necessity. Nothing in this subsection shall limit or prevent the grant to perform scheduled air transportation under subsection (d) of this section or section 416."

FOREIGN AIR CARRIER PERMITS

SEC. 5. Section 4028 of the Federal Aviation Act of 1958 (49 U.S.C. 1372) is amended as follows:

(a) Subsection (b) is amended to read:

"(b) The Board is empowered to issue such a permit if it finds (1) that the applicant is fit, willing, and able properly to perform such foreign air transportation and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder, and (2) either that the applicant has been designated by its government to perform such foreign air transportation under the terms of an agreement with the United States or that such transportation will be in the public interest."

(b) In subsection (d), strike the words "Such application shall be set for public hearing and the", and insert in lieu thereof the word "The".

CONSOLIDATION OF SCHEDULED AND SUPPLEMENTAL AIR CARRIERS

SEC. 6. Section 408(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1378) is amended by adding the following additional proviso:

"*Provided further,* That there is a rebuttable presumption that any consolidation or merger of the properties of an air carrier and supplemental air carrier is in the public interest."

INTERNATIONAL RATEMAKING AGREEMENTS PROHIBITED

SEC. 7. Section 412 of the Federal Aviation Act of 1958 (49 U.S.C. 1382) is amended by adding the following new subsection:

"Foreign air transportation

"(c) Notwithstanding any other provision of this section, the Board shall not approve any contract or agreement affecting foreign air transportation that limits the level of capacity among air carriers and foreign air carriers in markets in which they compete or which fixes rates, fares, or charges between or among air carriers and foreign air carriers (except for joint rates, fares, or charges)."

PRESIDENTIAL AUTHORITY

SEC. 8. Section 801 of the Federal Aviation Act of 1958 (49 U.S.C. 1461) is amended as follows:

"President of the United States

"SEC. 801(a) The issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any permit issuable to any foreign air carrier under section 402 shall be subject to the approval of the President.

(b) Any order of the Board pursuant to section 1002(j) of this Act suspending, rejecting, or canceling a rate, fare, or charge for foreign air transportation by a foreign air carrier, and any order rescinding the effectiveness of any such order, shall be submitted to the President before publication thereof. The President may disapprove any such order when he finds that disapproval is required for reasons of the national defense or the foreign policy of the United States not later than ten days following submission by the Board of any such order to the President."

INTERNATIONAL NEGOTIATIONS

SEC. 9. Section 1102 of the Federal Aviation Act of 1958 (49 U.S.C. 1502) is amended as follows:

"International agreements

"SEC. 1102 (a) Office of International Aviation Negotiations

There is establish within the Executive Office of the President, the Office of International Aviation Negotiations (hereinafter in this section referred to as the "Office"). The Office shall be headed by the Director and Chief Negotiator for the Office of International Aviation Negotiations (hereinafter in this section referred to as the "Director") who shall be appointed by the President, by and with the advice and consent of the Senate. As an exercise of the rulemaking power of the Senate, any nomination of the Director submitted to the Senate for confirmation, and referred to a committee, shall be referred to the Committee on Commerce, Science, and Transportation. The Director shall hold office at the pleasure of the President, shall be entitled to receive the same allowances as a chief of mission, and shall have the rank of Ambassador.

"(b) Special Counsel

Within the Office there shall be three Special Counsels. One shall be appointed by the Civil Aeronautics Board, one appointed by the Secretary of Transportation, and one appointed by the Secretary of State. The classification, level of compensation, and duration of appointment shall be determined by the appointing agency. The compensation of each Special Counsel shall be paid for by the appointing agency. The Special Counsels shall be assigned full-time to the Office, shall serve as liaisons between their appointing agencies and the Office, and shall assist the Director in performing the functions of that office.

"(c) Duties of the Director and Functions of the Office.

The Director shall be the chief representative of the United States in all negotiations dealing with international aviation. The Director shall report directly to the President and the Congress, and shall be responsible to the President and the Congress for monitoring the administration of international aviation agreements. The Director shall be the chairman of the Aviation Policy Committee and the International Aviation Advisory Counsel established under this section. In addition, the Director shall be responsible for such other functions as the President may direct.

"(d) Powers of the Director

The Director and Chief Negotiator for the Office of International Aviation Negotiations may, for the purpose of carrying out the functions of that office—

(1) subject to the civil service and classification laws, select, appoint, employ, and fix the compensation of such officers and employees as are necessary and prescribe their authority and duties;

(2) employ experts and consultants in accordance with section 3109 of Title 5 and compensate individuals so employed for each day (including travel time) at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of Title 5 and while such experts and consultants are so serving away from their homes or regular place of business, to pay such employees travel expenses per diem in lieu of subsistence at rates authorized by section 5703 of Title 5 for persons in Government service employed intermittently;

(3) utilize, with their consent, the services of personnel, and facilities of other Federal agencies;

(4) promulgate such rules and regulations as may be necessary to carry out the functions vested in the Director;

(5) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Office and on such terms as the Director may deem appropriate, with any agency or instrumentality of the United States, or with any public or private person, firm, association, corporation, or institution;

(6) accept voluntary and uncompensated services, notwithstanding the provisions of section 665(b) of Title 31; and

(7) adopt an official seal, which shall be judicially noticed.

"(e) Use of Other Federal Agencies

The Director shall, to the extent deemed necessary for the conduct of international aviation policy, draw upon the resources of, and consult with, Federal agencies in connection with the performance of the functions of the Office. The Department of State, Department of Transportation, and Civil Aeronautics Board shall cooperate with the Director in providing assistance and personnel upon the request of the Director to engage in the preparation for and conduct of international aviation negotiations.

"(f) Authorization of Appropriations

There are authorized to be appropriated to the Office of International Aviation Negotiations such amounts as may be necessary for the purpose of carrying out its functions for fiscal year 1979 and each fiscal year thereafter any part of which is within the 5-year period beginning on January 1, 1979.

"(g) Development of International Aviation Policy

The international aviation negotiation policy of the United States shall be coordinated by a permanent Aviation Policy Committee chaired by the Director and Chief Negotiator of the Office of International Aviation Negotiations and comprised of the three Special Counsels referred to in subsection (b), and any other members as may be appointed from time to time by the President. The Aviation Policy Committee shall consult on a regular basis with the International Aviation Advisory Counsel which shall be comprised of representatives from groups, agencies, and organizations designated by the Director to include a wide spectrum of views and interests. These shall include representatives of the President's Domestic Counsel, the Department of Commerce, the Department of Defense, airport operators, scheduled air carriers, charter air carriers, airline labor, consumer interest groups, travel agents and tour organizers, and any other groups, institutions, or interest groups which the Director deems to be appropriate. The International Aviation Advisory Counsel shall advise the Aviation Policy Committee on both broad policy goals and individual negotiations, when appropriate.

"(h) Goals for International Aviation Policy

In formulating United States international air transportation policy, the Congress intends that the Aviation Policy Committee shall develop a negotiating position which emphasizes the greatest degree of competition that is compatible with a well-functioning international air transportation system. This includes, among other things:

(1) freedom of air carriers and foreign air carriers to offer fares and rates which correspond with consumer demand;

(2) the fewest possible restrictions on charter air transportation;

(3) the maximum degree of multiple and permissive international authority for United States air carriers so that they will be able to respond quickly to shifts in market demand;

(4) the elimination of operational restrictions to the greatest extent possible;

(5) the integration of domestic and international air transportation;

(6) an increase in the number of nonstop United States gateway cities;

(7) opportunities for carriers of foreign countries to increase their access to U.S. points if exchanged for benefits of similar magnitude for U.S. carriers and the traveling public with permanent linkage between rights granted and rights given away; and

(8) the elimination of discrimination and unfair competitive practices faced by U.S. airlines in foreign air transportation, including excessive landing and user fees, unreasonable ground handling requirements, undue restrictions on operations, prohibitions against change of gauge, and similar restrictive practices.

"(1) Observer Status for Congressional Representatives

The director shall grant to at least one representative of each House of Congress the privilege to attend international negotiations as an observer if such privilege is requested in advance in writing.

"(j) Actions of the Board and Secretary of Transportation

In exercising and performing their powers and duties under this Act, the Board and the Secretary of Transportation shall do so consistently with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries, and shall take into consideration any applicable laws and requirements of foreign countries and the Board shall not, in exercising and performing its powers and duties with respect to certificates of convenience and necessity, restrict compliance by any air carrier with any obligation, duty, or liability imposed by any foreign country: *Provided*, That this section shall not apply to any obligation, duty, or liability arising out of a contract or other agreement, heretofore or hereafter entered into between an air carrier, or any officer or

representative thereof, and any foreign country, if such contract or agreement is disapproved by the Board as being contrary to the public interest."

SECTION-BY-SECTION ANALYSIS

SECTION 2. DECLARATION OF POLICY

The Civil Aeronautics Board's current ambiguous policy directives in section 102 of the Federal Aviation Act are eliminated with respect to foreign air transportation, and new directives are established. The Board is required to allow competition to the greatest degree consistent with maintaining a functional international aviation system. Anticompetitive practices are to be eliminated wherever possible. Special expedition shall be given to carriers of countries with whom the U.S. has pro-competitive international aviation agreements.

SECTION 3. SALE OF CHARTER TRIPS BY DIRECT CARRIERS

Under current CAB regulations, air carriers are not allowed to market charter transportation directly to the public. This section would permit a limited amount of direct marketing by carriers involved in charter trips in foreign air transportation. Over a three year period, the authority would be phased in—during the first year, 10 percent of the total number of international charters flown during the previous year may be sold directly to the public by the operator, during the second year the percentage is 25 percent, and in the third and subsequent years, the percentage is 40 percent.

SECTION 4. SCHEDULED AUTHORITY FOR SUPPLEMENTAL CARRIERS

This allows each major supplemental carrier (Capitol International Airways, Evergreen International Airlines, Overseas National Airways, Trans International Airlines, and World Airways) to obtain scheduled authority in up to five international markets on a highly expedited basis. The Civil Aeronautics Board is required to conduct a proceeding to grant such authority in no more than seven months. The Board shall approve all requests for such authority unless opponents can prove that a grant would cause irreparable harm to the traveling public and that denial is required by the public convenience and necessity.

SECTION 5. FOREIGN AIR CARRIER PERMITS

This section eases the procedural requirements for licensing foreign air carriers under section 402 of the Federal Aviation Act by eliminating the requirement for a formal hearing on applications and by permitting the Board to issue a permit without the traditional "public interest" test if the foreign air carrier has been designated by its government to perform requested foreign air transportation under the terms of a bilateral air transportation agreement with the United States.

SECTION 6. CONSOLIDATION OF SCHEDULED AND SUPPLEMENTAL AIR CARRIERS

A rebutable presumption is created that any consolidation or merger between a scheduled air carrier and a supplemental air carrier is in the public interest and hence should be approved by the Board under section 408(b) of the Federal Aviation Act.

SECTION 7. INTERNATIONAL RATEMAKING AGREEMENTS PROHIBITED

The Civil Aeronautics Board is directed to disapprove any agreements filed under section 412 of the Federal Aviation Act among air carriers and foreign air carriers which fixes rates or limits capacity. The existing practice of the International Air Transport Association in setting rates in foreign air transportation would be prohibited. Carriers, however, would still be able to agree to set joint rates, fares, or charges.

SECTION 8. PRESIDENTIAL AUTHORITY

The authority of the President under section 801 of the Federal Aviation Act to review and disapprove decisions by the Civil Aeronautics Board with respect to international matters is modified to apply only to decisions affecting foreign air carriers.

SECTION 9. INTERNATIONAL NEGOTIATIONS

This section creates a new office within the Executive Office of the President named the Office of International Aviation Negotiations. The Office is headed by the Director and Chief Negotiator who is appointed by the President with the advice and consent of the Senate and has the rank of Ambassador. The Director is assisted by three Special Counsels who are appointed (one each) from the Department of State, Department of Transportation, and the Civil Aeronautics Board. Each is assigned full time to the Office and is the liaison between the appointing agency and the Office.

The Director is responsible for conducting all the international air transportation negotiations of the United States and for coordination the international aviation policy of the United States. To do this, a permanent Aviation Policy Committee is created which is chaired by the Director and is comprised of the three Special Counsels and any other members as may be appointed from time to time by the President. The Committee in turn shall consult on a regular basis with the International Aviation Advisory Counsel. The Counsel shall be comprised of representatives from organizations, agencies, and other groups selected by the Director to provide a wide spectrum of views and interests. At a minimum the groups shall include representatives of the President's Domestic Counsel, the Departments of Commerce and Defense, airport operators, scheduled air carriers, charter air carriers, airline labor, consumer interest groups, and travel agents and tour operators.

A statement of Congressional intent is included which emphasizes the greatest degree of competition that is compatible with a well-functioning international air transportation system.

Finally, the existing section 1102 is retained and observor status in international negotiations for representatives of the Congress is created.●

By Mr. LEAHY (for himself and Mr. STAFFORD):

S. 3364. A bill to amend the Internal Revenue Code of 1954 to clarify the treatment of certain individuals engaged in the harvesting of timber for purposes of employment taxes; to the Committee on Finance.

RELIEF FOR VERMONT LOGGERS FROM CERTAIN IRS REGULATIONS

Mr. LEAHY. Mr. President, today I wish to join my distinguished colleagues from Vermont, Senator STAFFORD and Congressman JEFFORDS, in introducing legislation that would relieve the onerous, unjust burden recently placed upon Vermont loggers by an arbitrary shift in the audit position applied to them by the Internal Revenue Service.

That policy shift, without justification, and contrary to the congressional mandate contained in the Tax Reform Act of 1976, defines as "employees" loggers who for some 200 years have been considered independent contractors. It then assesses those members of the industry who have traditionally purchased their services with retroactive income and withholding taxes of staggering proportions. As I testified last week before the Senate Finance Committee, this recent IRS policy must be vehemently opposed. It challenges the very integrity of small enterprise, and, perhaps more to the point, the very future of independent loggers in Vermont and across the country.

I urge my colleagues to join Senator STAFFORD and me in supporting this legislation. The measures we propose here today are not neatly contrived to further some parochial interest or cause, but rather seek to redress what I perceive to be a grave and fundamental wrong. The recent IRS audit policy shift indeed represents an unjust and arbitrary disruption of a vital, traditionally strong and independent sector of our rural economy, the lumber industry.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3364

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF CERTAIN INDIVIDUALS ENGAGED IN THE HARVESTING OF TIMBER FOR PURPOSES OF EMPLOYMENT TAXES.

(a) SOCIAL SECURITY TAX.—Subsection (b) of section 3121 of the Internal Revenue Code of 1954 (defining employment) is amended by striking out "or" at the end of paragraph (19), by striking out the period at the end of paragraph (20) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(21) service performed by an individual in the harvesting of timber, or in the transportation of timber from the place where harvested to market, under an arrangement pursuant to which—

"(A) such individual furnishes (directly or through a lease) the equipment necessary for the performance of such service,

"(B) such individual has no set hours or days during which such individual must perform such service, and

"(C) remuneration for such service is determined solely on the basis of such individual's production."

(b) UNEMPLOYMENT TAX.—Subsection (c) of section 3306 of such Code (defining employment) is amended by striking out "or" at the end of paragraph (17), by striking out the period at the end of paragraph (18) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

(19) service described in section 3121(b)(21)."

(c) WAGE WITHHOLDING.—Subsection (a) of section 3401 of such Code (defining wages) is amended by striking out "or" at the end of paragraph (16), by striking out the period at the end of paragraph (17) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(18) for service described in section 3121(b)(21)."

(d) SELF-EMPLOYMENT TAX.—Paragraph (2) of section 1402(c) of such Code (defining trade or business) is amended by striking out "and" at the end of subparagraph (E), by striking out the semicolon at the end of subparagraph (F) and inserting in lieu thereof ", and" and by adding at the end thereof the following new subparagraph:

"(G) service described in section 3121(b)(21);".

(e) CONFORMING AMENDMENTS TO SOCIAL SECURITY ACT.—

(1) Subsection (a) of section 210 of the Social Security Act is amended by striking out "or" at the end of paragraph (19), by striking out the period at the end of paragraph (20) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(21) Service performed by an individual in the harvesting of timber, or in the transportation of timber from the place where harvested to market, under an arrangement pursuant to which—

"(A) such individual furnishes (directly or through a lease) the equipment necessary for the performance of such service,

"(B) such individual has no set hours or days during which such individual must perform such service, and

"(C) remuneration for such service is determined solely on the basis of such individual's production."

(2) Paragraph (2) of section 211(c) of the Social Security Act is amended by striking out "and" at the end of subparagraph (E), by striking out the semicolon at the end of subparagraph (F) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(G) service described in section 210(a)(21);".

SEC. 2. REPORTING REQUIREMENTS

(a) GENERAL RULES.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"SEC. 6050B. REPORTING REQUIREMENTS WITH RESPECT TO CERTAIN INDIVIDUALS ENGAGED IN THE HARVESTING OF TIMBER.

"(a) REPORTS.—Each person who pays during any calendar year remuneration for services described in section 3121(b)(21) shall submit to the Secretary (at such time, and in such manner and form, as the Secretary shall by regulations prescribe) information respecting—

"(1) the identity of each individual performing such services; and

"(2) the aggregate of the remuneration paid to each such individual during such calendar year for such services.

"(b) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—Every person making a return under subsection (a) shall furnish to each individual whose name is set forth in such return a written statement showing—

"(1) the name and address of the person making such return, and

"(2) the aggregate of payments to the individual as shown on such return.

The written statement required under the preceding sentence shall be furnished to the individual on or before January 31 of the year following the calendar year for which the return under subsection (a) was made."

(b) PENALTIES.—Section 6652 of such Code (relating to failure to file certain information returns, registration statements, etc.) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) RETURNS AND STATEMENTS REQUIRED BY SECTION 6050B.—In the case of each failure—

"(1) to make the return required by section 6050B(a) with respect to any individual, or

"(2) to furnish a statement required under section 6050B(b) to any individual,

on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid (on notice and demand by the Secretary and in the same manner as tax) by the person failing to so make the return or furnish the statement, $50 for each such failure, but the total amount imposed under this subsection on any person for all such failures during any calendar year shall not exceed $500."

(c) TECHNICAL AMENDMENT.—Subsection (a) of section 6041 of such Code (relating to information at source) is amended by striking out "or 6049(a)(1)" and inserting in lieu thereof "6049(a)(1), or 6050B".

(d) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following new item:

"Sec. 6050B. Reporting requirements with respect to certain individuals engaged in the harvesting of timber."

SEC. 3. EFFECTIVE DATES.

(a) SECTION 1.—Except as provided in subsection (c), the amendments made by section 1 shall apply with respect to services performed after December 31, 1954.

(b) SECTION 2.—The amendments made by section 2 shall apply with respect to calendar years beginning after the date of the enactment of this Act.

(c) TRANSITIONAL RULE.—If any person—

(1) paid, before the date of the enactment of this Act, remuneration for services described in section 3121(b)(21) of the Internal Revenue Code of 1954 (as added by section 1), and

(2) treated the remuneration so paid as subject to the taxes imposed by chapter 21 of such Code

then the amendments made by section 1 shall not apply to the remuneration so paid.

By Mr. NELSON:

S. 3365. A bill to cancel the registration of 2,4,5-T, and any other pesticide containing 2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD), under the provisions of the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. NELSON. Mr. President, I am today introducing legislation that would require the immediate suspension of all sale and uses of the herbicide, 2,4,5-T and any other pesticide containing the dioxin, 2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD). I ask unanimous consent that the bill, an amendment to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), be printed in the RECORD following these remarks, along with several articles discussing the matter. Such an immediate ban is necessary, in my view, while we determine whether the substance is safe for further exposure to humans.

For more than 10 years, scientific evidence has been mounting that the by-product, TCDD, of the defoliant, 2,4,5-T poses a serious health hazard at very low dosage levels. No one disputes this. In laboratory tests, only 6 parts of the dioxin per 10 billion parts (bodyweight) was lethal. The Science Policy Research Division of the Library of Congress in 1973 did an extrapolation for us; it showed that, assuming a lethal dose in experimental animals is directly equivalent for man, one medicine drop of the dioxin TCDD would kill 1,200 people.

2,4,5-T, a defoliant widely-used in Vietnam, where it was also known as "Agent Orange," and in the United States, apparently cannot be manufactured without the dioxin contaminant, TCDD.

Although the substance appears to biodegrade fairly rapidly under some circumstances, humans who have been exposed seem to be manifesting health problems similar to those identified in laboratory animals exposed to low doses of TCDD. These include: spontaneous miscarriages, birth defects, death, skin disorders, liver abscesses, numbing of limbs, reduced sex drive, and personality changes. Scientific evidence in laboratory animal tests also show oncogenic effects (tumor inducing), fetotoxic effects, cleft palate, kidney anomalies, and mutagenicity (genetic changes). The latter was observed in examination of people exposed to TCDD in a chemical plant accident in Seveso, Italy, on July 10, 1976. Other human health problems that have been identified with TCDD or 2,4,5-T exposure include: chloracne and liver disorders, damage to internal organs, and nervous system disturbances.

According to EPA records, there have been more than 100 special episodes and industrial accidents involving 2,4,5-T, resulting in human and environmental exposure, on top of the general spraying and other uses of the substance since production of it began in the United States in 1948. EPA records that 122 companies hold Federal registrations and formulate 424 registered products using 2,4,5-T.

Although there is variability in EPA's records as to the amounts of 2,4,5-T used in the United States, available figures indicate that more than 12 million pounds are produced in the United States annually. More than 700,000 pounds of 2,4,5-T was imported into the United States during 1971 to 1974; almost 22 million pounds of both 2,4,5-T and 2,4-D, another dioxin-based herbicide were exported from the United States in 1974.

REGULATORY STATUS

In 1970 the EPA banned the use of 2,4,5-T on food crops intended for human consumption, except rice; and for use around the home, recreation sites, aquatic areas, and ditch banks. Use is allowed on rice crops, range and pasture land, forests, and to clear utility, railroad highway, and telephone line rights-of-way the largest use in the United States of 2,4,5-T.

In 1974, EPA began proceedings to ban 2,4,5-T altogether, but withdrew cancellation and information-gathering proceedings because of an inability to monitor food for TCDD residues with analytical precision.

The EPA currently has placed 2,4,5-T in a regulatory category requiring proponents of its use to provide evidence that the substance is safe for continued use, rebutting a presumption by EPA that it is not safe—the status is known as "rebuttable presumption against registration."

EPA has a variety of regulatory options for controlling the use of 2,4,5-T under the FIFRA Act. All of them, with the exception of "emergency suspension" section 6(c)(3), require lengthy review and administrative procedures; mean-

while, the substance remains in use. EPA has never invoked the emergency suspension section, which would remove the substance from use.

The provision that I propose would strengthen the EPA's hand to immediately remove the substance from sale and use, without further proceedings, pending further investigation.

While I consistently have opposed such special item legislation as an unwise way to regulate and legislate, I believe some extreme action is necessary to call attention to the extraordinary circumstances caused by continued use of 2,4,5-T.

Legislation that I have introduced five times in the past 10 years was aimed at curtailing or halting the use of 2,4,5–T, both in Vietnam and in the United States.

We were alerted to potential human health problems from exposure to 2,4,5-T as far back as 1968, through the research, among others, of: Dr. James Allen, University of Wisconsin Primate Research Center; F. H. Tschirley of the U.S. Agriculture Department, CONGRESSIONAL RECORD, July 16, 1970; Gordon H. Orians and E. W. Pfeiffer, zoologists, "Ecological Effects of the War in Vietnam," Science magazine, 1970, CONGRESSIONAL RECORD, July 16, 1970; Dr. Arthur W. Galston, biologist, CONGRESSICNAL RECORD, August 25, 1970; Drs. A. H. Westing, plant physiologist, and E. W. Pfeiffer, animal physiologist, and others, "Report on Herbicidal Damage by the United States in Southeastern Cambodia," CONGRESSIONAL RECORD, August 25, 1970; Dr. Jacqueline Verrett, FDA scientist; and Dr. Matthew Meselson, Harvard University, CONGRESSIONAL RECORD, April 11, 1973. Recent research by Wilbur McNulty of the Oregon Regional Primate Research Center corroborate findings of Dr. Allen's of adverse health effects of TCDD on monkeys. The findings of these and other scientists are documented in the CONGRESSIONAL RECORD starting in 1969.

I ask unanimous consent that a statement of mine on the subject, delivered January 17, 1973, be printed in the RECORD following these remarks, together with an article describing McNulty's findings.

In my view, there is enough scientific evidence to warrant stopping use of 2,4,5-T, with its extremely toxic byproduct, TCDD, while we determine whether or not there is a safe level of exposure for humans. There are some 10 possible alternatives to 2,4,5-T, according to EPA. While they may cost more to accomplish similar objectives, the hazard of continued exposures to 2,4,5-T outweighs the cost.

The evidence is increasing daily that people who have been exposed to the deadly substance both in the United States and Vietnam are experiencing the same terrible reactions known to result from exposure of laboratory animals to TCDD.

While there is dispute over the long range effects of the substance on humans, there is no dispute over its toxicity.

It seems to me that we should act to curtail exposure pending additional scientific studies to determine whether there is a safe level.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 3365

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of the Environmental Protection Agency shall, immediately without further proceedings, cancel the registration of 2,4,5-T, and any other pesticide containing 2,3,7,8-tetrachlorodibenzo-p-dioxin (TCDD), under the provisions of the Federal Insecticide, Fungicide, and the Rodenticide Act.

FOREST SERVICE UNMOVED BY DIOXIN CONTROVERSY

(By Nancy K. Eskridge)

Amid charges that it is putting timber production above public safety, the U.S. Forest Service is going ahead with plans to spray a deadly defoliant on national forests. The weed- and brush-killing agent, 2,4,5-T, has been widely used in the United States since 1948. But in recent years opposition to its use has grown, an in April EPA announced it would review 2,4,5-T, with an eye to taking it off the market.

Environment groups have lobbied for a ban on 2,4,5-T for years, focusing on a trace contaminant called 2,3,7,8-tetrachlorodibenzoparadioxin. Commonly known as dioxin or TCDD, the chemical is created as a byproduct of the 2,4,5-T manufacturing process. Dioxin is "one of the most toxic chemicals known, capable of killing laboratory animals in extremely small (parts per billion) amounts," according to EPA.

The disastrous effects of large-scale defoliation operations using dioxin-containing products same to light during the Vietnam war, when the United States military used the infamous "Agent Orange" to clear jungles and expose enemy troops. The Defense Department brought this defoliation program to an end in 1970, following reports of birth defects in mice and rats exposed to the herbicide. To protect women of child-bearing age from its potential teratogenic effects, USDA simultaneously banned the use of 2,4,5-T in household products and in parks, lakes, waterways, and recreational areas. However, "some five million pounds" of 2,4,5-T were used in this country in 1976, according to EPA estimates, primarily for brush control on livestock grazing land and on rights-of-way areas such as highway ground, utility lines, and railroad tracks.

In July 1976, a tragic explosion in a chemical plant in Seveso, Italy, spewed noxious vapors laced with dioxin over a densely populated area, killing animals and vegetation. The people of Seveso were evacuated rapidly, and few have subsequently shown signs of serious illness, other than skin rashes. But since dioxin may persist in the environment and in the tissues of people exposed to it, the long-range effects of the Seveso explosion will not be known for years.

To cast light on this problem, James Allen of the University of Wisconsin Primate Research Center fed dioxin to female rhesus monkeys in amounts comparable to those consumed by people eating contaminated vegetables, fish, or wildlife. After three months of a daily dosage of 500 parts per trillion (quantities far smaller than those EPA considers "safe") the monkeys began to lose hair and eyelashes and to develop skin problems. After six months the eight monkeys were bred, but only five conceived, and four of these aborted in the second month of pregnancy. By the end of the study, five of the eight monkeys had died from an almost complete lack of both red and white blood cells. Allen reported. The surviving animals showed near-total depletion of red and white blood cells, disrupted reproductive cycles, and massive hemorrhaging.

Allen is distressed by the "distinct likelihood that 1,200 or so Italians were exposed to levels that closely resemble the levels we fed to monkeys." Other researchers have found minute traces of dioxin in the milk of lactating mothers living in Oregon and Texas, near regions where 2,4,5-T had been sprayed, indicating that dioxin can pass through the food chain. "The problem with dioxin is that the toxic level may be so low for humans that we can't detect it," Allen said. "And dioxin isn't readily disposed of by the body, so even tiny doses build up over time."

Meanwhile, the long-term effects of the Vietnam defoliation program are just now coming home to roost: Hundreds of veterans are claiming damages for injuries they say were caused by extensive exposure to Agent Orange during the war. Scientists speculate that the Vietnam vets may have accumulated dioxin in their body fat with no initial symptoms. Years later, when they became sick and lost weight, the breakdown in body fat released the dioxin into the body, causing the symptoms to appear. The Veterans Administration dismisses these symptoms—listlessness, fatigue, impaired eyesight, and weight loss—as "random" and has so far denied the dioxin-related claims.

SAFETY REVIEW

Many pesticide, agriculture, and forestry officials argue that 2,4,5-T is the only effective, economical weapon for controlling plant life and that it does not pose a serious health hazard. Dow Chemical, one of the principal producers of 2,4,5-T, claims that the herbicide has compiled "an enviable safety record." Forestry officials, under pressure from the Carter administration to increase timber production, say that trees can be grown faster if 2,4,5-T is available to suppress weeds and shrubs that compete with growing seedlings for light, water, and nutrients.

EPA dces not believe current use of the chemical poses an imminent or emergency threat to people or to the environment, according to Deputy Administrator Barbara Blum. "But findings of birth defects and cancerous tumors among laboratory animals exposed to 2,4,5-T indicate that it may cause the same problems among people," she said.

The decision to review the use of 2,4,5-T—technically, a "rebuttable presumption against registration"—was based on accumulating evidence of its adverse effects, EPA said. In studies conducted by NIH, Dow Chemical, and other research groups, 2,4,5-T and dioxin have killed fetuses and caused birth defects in mice, rats, hamsters, and birds and have caused leukemia and lung, liver, and other tumors in mice and rats. Moreover, EPA calculations show that an "ample margin of safety" may not exist for people who apply the herbicide or for people who are exposed to it through aerial spraying.

Blum said the EPA review will focus on long-term carcinogenic and teratogenic effects and will include analyses of breast milk, rice, and fish for residues. EPA cancelled hearings on the use of 2,4,5-T in 1974 because of difficulties in measuring dioxin residues in people, wildlife, and the environment. Since then, the agency has found parts-per-trillion levels of dioxin in samples of beef cattle, birds, and other wildlife.

Despite requests from the National Wildlife Federation and other environmental groups to suspend the use of 2,4,5-T until the EPA safety study is completed, the Forest Service has made only minor changes in its forest defoliation program. In an interim policy statement issued 27 April, USDA As-

sistant Secretary Rupert Cutler said he will "personally review" all Forest Service decisions to use dioxin-contaminated herbicides. This review will not cause serious delays in field applications, Cutler said, and will not affect previousy approved projects.

The process of scientific review and public comment on 2,4,5-T may take a year, EPA estimates, and "in the meantime, 2,4,5-T may continue to be sold and used."

[From the Milwaukee Journal, July 13, 1978]

HERBICIDE USE, U.S. INACTION STIR PROTESTS ACROSS NATION

(By Bob Wyrick)

WASHINGTON, D.C.—Early this year 105 nursing mothers in the Pacific Northwest donated milk samples to the Environmental Protection Agency to check for the presence of a deadly contaminant from the herbicide 2,4,5-T. The mothers still are waiting for the EPA to tell them whether they passed along a poison to their infants.

Four years ago 50 nursing mothers in Mississippi and Arkansas donated milk samples to EPA for the same analysis. They, too, are still waiting.

The milk samples from both groups of women remain in a darkened freezer in a government lab in Bay St. Louis, Miss., and EPA officials can offer no assurances on when they will be analyzed for traces of a cancer causing chemical.

The female volunteers are not the only people anxious for action regarding 2,4,5-T by EPA, the federal agency that regulates herbicides. In northern California the Hoopa Indians are waiting. The tribe relies on continued spraying of 2,4,5-T to protect 5,000 acres of timberland in which it has invested.

In southern Oregon the Klamath Indian tribe is waiting—but it opposes the spraying, which it fears is poisoning its salmon fishing industry in the Klamath River.

Although the EPA has begun tests on the herbicide, the agency had to wait for the development of a means to study a residue in it. That methodology was developed only recently, and EPA has been trying for several months to put together a contract proposal for analyzing a large number of animal and human specimens.

Wisconsin is waiting, too. The Legislature allowed a bill that would ban the herbicide die after the Department of Agriculture, Trade and Consumer Protection said action on it would be premature before an EPA evaluation.

Some people have tired of waiting.

In rural Minnesota two years ago a landowner named Harmon Seaver fired into the sky with a high power rifle, driving off a U.S. Forestry Service helicopter attempting to spray a section of timber near his small property. A jury of his peers and neighbors, agreeing with Seaver's contention that the spray would poison his drinking water, acquitted him of assault charges.

In Oregon City, Ore., 23 persons were arrested last year for holding a "camp-in" to block Publisher's Paper Co. from spraying the herbicide on 350 acres of company property. The spraying was done in spite of—and on top of—the protesters.

The incidents—and there are many more—add up to what one EPA official called a grass roots protest against the use of herbicide components of Agent Orange, the deadly defoliant that was sprayed on Vietnam by American troops and caused incalculable environmental damage.

One major component of Agent Orange, known chemically as 2,4,5-T, is the most important chemical used in American forestry today, according to William H. McCredie, assistant vice president for environmental affairs of the National Forest Products Association.

McCredie, whose organization represents the major timber companies in America's powerful, $80 billion a year wood products industry, says the annual yield of timber would be reduced by 40% without the use of 2,4,5-T, which kills hardwoods and scrub timber that would smother the growth of firs and other softwoods.

The timber industry used the herbicide without any public stir until about seven years ago, when it was publicly identified with Agent Orange. That is when the protests began in areas of intensive forestry such as the Great Lakes states, the Pacific Northwest and Arkansas and Mississippi.

The problem is that the manufacture of 2,4,5-T always produces an unwanted chemical contaminant called TCDD in minute quantities.

EPA has verified some outside tests that show that TCDD is a cancer causing substance. The contaminant is less than one-tenth part per million parts of 2,4,5-T but is so lethal that scientists suspect it could cause genetic and other damages to human beings at levels lower than one part per trillion.

Since the warning flags were raised in laboratory studies in the early 1970s, the EPA has been confronted with two questions about the herbicide. First, how toxic is it to human beings? Second, how much of it is getting into human beings who live near spraying sites or eat animals that graze in sprayed areas?

After about seven years the federal agency does not have an answer to either question, and the EPA has been slow to take any action that would satisfy either side in the controversy.

EPA officials now say everyone will have to wait until fall when tests begin. Then they will have to wait for results.

[From the CONGRESSIONAL RECORD, Apr. 11, 1973]

THE USE OF 2,4,5-T FOR RANGELAND MANAGEMENT

(Statement of Senator GAYLORD NELSON, Pesticide Conference—Madison, Wis. January 17, 1973)

The controversy over the use of 2,4,5-T represents both the typical and classic case concerning the public policy questions at issue whenever it is proposed to introduce a new and active agent into the marketplace. The issue is the same whether the products involved are pesticides, herbicides, food additives, prescription drugs or toxic substances produced or used in the industrial process. The major public questions raised involve such important matters as safety, efficacy and risk benefit ratio.

The dramatic proliferation of the use of these agents in foods, drugs, herbicides, pesticides and industrial production is a recent phenomenon. While it is certainly true that many of these agents have significantly, even spectacularly, improved health care, the preservation of food, agricultural production, and industrial production, it is also true that many of these agents are dangerous, useless, or both, and many other useful agents are widely misused or overused and present serious environmental and public health hazards.

While we have been prolific in the development, production and use of a multiplicity of potent "miracle" agents we have been derelict in establishing a sound protocol for testing their safety and efficacy and controlling their use. It was not until 1938 that we passed legislation requiring scientific proof of safety for drugs and not until 1962 that we added the requirement of effectiveness. Legislation establishing genuinely effective controls over food additives, herbicides, pesticides and toxic susbtances has lagged far behind. Finally Congress has begun to recognize the problem and pass legislation establishing better standards of scientific proof for safety and efficacy as well as controls over marketing and use.

Everyone is aware of the controversy over the use of 2,4,5–T for pastureland improvement. The proponents of its use, including some scientists at the University of Wisconsin and elsewhere as well as the Sponsors of Scisafety studies have not been made on 245–T. has been adequately tested for safety and presents no problem from that standpoint. No one doubts that the proponents are conscientious and sincere and there is no quarrel over the objective of designing better techniques for pastureland improvement so long as they are environmentally sound.

Furthermore, no valid criticism lies against the farmers who have used 2,4,5–T. They after all, are entitled to rely upon the government to set the standards for safety licensing and use.

Nevertheless, contrary to the position of the proponents it is quite clear that adequate safety studies have not been made on 245–T. The product contains dioxin, the most toxic synthetic agent known. Since it is present in only very, very small amounts this fact has induced considerable unjustified complacency about its use. It is also dangerous in very, very small amounts, both as a toxic and teratogenic agent.

Some information about its toxicity is relevant at this point.

Next to botulinum toxin, dioxin is the most toxic agent known to man. In laboratory tests, only 6 parts of dioxin per ten billion parts (bodyweight) was lethal.

The Science Policy Research Division of the Library of Congress made an extrapolation for us which showed that assuming a lethal dose in experimental animals is directly equivalent for man, then one medicine drop of dioxin would kill 1,200 people.

Not only is dioxin extraordinarily toxic, it is also teratogenic. Dr. Jacqueline Verrett of the Food and Drug Administration reports that in chick and mammalian studies, dioxin is "some 100,000 to a million times more potent" than the tranquilizer thalidomide, and caused a large number of birth defects in Europe.

Dr. Matthew Meselson of Harvard, headed the Herbicide Assessment Commission of the American Association for the Advancement of Science. That Commission went to Vietnam to study the impact of defoliation which included the use of 2,4,5–T. Dr. Meselson has devoted the past several years to developing sophisticated methods for detecting dioxin. I spoke at length with Dr. Meselson He stated that "because of the slow acting nature of the dioxin, because of the susceptibility of the young, I myself would consider that the traditional safety factor of 100 should be increased so that in my own opinion I would say that we should strive to have no more than one part per thousand billion of dioxin in our own bodies." "But I do believe," he said "that from a toxicological point of view that we have an unparalleled problem here. We're been a little bit hypnotized by hearing that there is no more than even a tenth of a part per million of dioxin in the current production batches of 2,4,5-T. We've been hypnotized into thinking that that must be negligible. And it is a welcome improvements, I'm sure. But I'm not at all sure it is negligible. It may, in fact, be quite serious."

Last year in a letter to William D. Ruckelshaus, Administrator of the Environmental Protection Agency, Dr. Meselson stated that ". . . . there are simply no existing measurements showing that dioxin levels in human tissue and in the food chain in areas where 2,4,5-T has been used are below the levels that might constitute a public health hazard."

Proponents of this agent, nevertheless, assert that there are adequate scientific studies. The fatal flaw in the proponents' assertion

lies in the fact that questions remain to be answered in two major areas of concern. 1) We don't know the effect on living creatures of long-term, low level exposure of dioxin. And 2) we don't know whether bio-magnification occurs and if so, what is its significance.

Dr. Matthew Meselson has stated categorically that "there's no monitoring program anywhere in the world for dioxin in the tissues or in food."

And on the important question of bio-magnification, adequate studies have not been conducted. If bio-magnification does occur it presents a potential environmental and public health hazard of the first magnitude. Bio-magnification was one of the major problems involving DDT. What may have been an innocent amount of DDT at the beginning of the food chain increased geometrically up the food chain until it became a lethal concentration for some creatures at the end of the food chain.

In one 1966 University of Wisconsin study of DDE, the persisting environmental breakdown form of DDT, one part of the pesticide in the sediment of Lake Michigan multiplied to 40 times that amount in the body of small invertebrates. It jumped to 370 times that amount by the time it reached the alewives in the food chain. And at the end of the food chain, the herring gull contained 16 thousand times the amount of DDE that was originally found in the Lake's sediment.

Here is what the Herbicide Assessment Commission of the American Association for the Advancement of Science had to say on the question of the potential hazard of dioxin in 2,4,5-T:

Its potential importance lies in the fact that it is exceedingly toxic, may be quite stable in the environment, and being fat soluble, may be concentrated as it moves up the food chain into the human diet.

The National Science Foundation, the National Academy of Science, and the Library of Congress advise me that they are unaware of any adequate scientific studies on the question of biological magnification of dioxin.

The U.S. Department of Agriculture has recently made a preliminary study of biological accumulation of dioxin in an aquatic environment, which indicates that biological magnification does occur.

For emphasis I repeat that most of the tests that must be done before we know where we stand have not yet been done. There is *no* relevant information on dioxin in food and human tissue. There are *no* adequate studies on long-term toxicity even in lab animals. And there is only one preliminary study of bio-magnification and it shows that it does occur.

There is a very fundamental public policy issue at stake here which, it seems to me, we must confront headon. The issue is this: are we going to permit the widespread use of potent and toxic agents without requiring prior adequate scientific safety tests? From the public interest standpoint, it seems to me there is no way to answer that question except in the affirmative. We have had ample tragic experience with the widespread use of potent agents without having required prior scientific studies.

My recommendation last fall that 2,4,5-T should be withheld from use until adequate safety studies have been performed has been widely criticized as irresponsible by proponents of its use. My conclusion was not based upon any independent scientific expertise of my own. I have no such credentials and claim none. It was based upon extensive exploration of this issue with distinguished scientists knowledgeable in the field.

You will be interested to know that the scientists at the United States Environmental Protection Agency have reached a conclusion exactly opposite from that reached by those professors at the University who have been vocal in their criticism of my position.

The Environmental Protection Agency informed me last week that they intend to cancel the use of 2,4,5-T for rangeland purposes. They state that the cancellation would apply to the kind of pastureland treatment for which it has been used in Grant County. They advise me that:

"We have not been able to establish a finite tolerance for this use . . ."

That cancellation would go into effect this month except for an injunction issued against the Agency involving a lawsuit over an entirely different use of 2,4,5-T. However, the Environmental Protection Agency has advised my office that once that lawsuit is concluded and the injunction lifted they will cancel the use of 2,4,5-T for rangeland purposes.

It is instructive to note that the scientists at the Environmental Protection Agency after reviewing all the available scientific studies as well as all information supplied by the manufacturer concluded that there was not sufficient scientific evidence available to enable them to establish a safe tolerance level.

This is exactly the point at issue. This is what the controversy is all about.

Herbicides and pesticides are valuable and useful tools properly used, in proper amounts under appropriate circumstances. However, they cannot serve the best interests of the farmer, agriculture or the public if they are overused, misused or introduced into the marketplace without adequate studies on the question of safety and without any understanding of the environmental ramifications of their use.

Unfortunately we have not followed these sensible guidelines very well in the past. I would hope we would do better in the future.

When appropriate scientific studies have been made it may well be that a safety tolerance level can be established. If so, the EPA no doubt will authorize its use under proper standards and guidelines. If such safety tolerance levels cannot be established, obviously it should not be used.

MISCARRIAGES SUFFERED: MONKEYS SHOW EFFECTS OF DIOXIN

(By Richard Colby)

An Oregon scientist said Wednesday that pregnant rhesus monkeys given the controversial chemical dioxin in a controlled experiment suffered miscarriages in most cases.

The scientist, Wilbur McNulty of the Oregon Regional Primate Research Center, reported that two animals given the heaviest doses of dioxin have died during the experiment, which is still under way at the center.

McNulty said he was submitting the data to the U.S. Environmental Protection Agency, which is considering withdrawing its approval of two agricultural herbicides—2,4,5-T and Silvex—that contain dioxins as an unwanted contaminant.

In the experiment, McNulty said, he is attempting to learn what effect varying dioxin dosages have on pregnant females.

Dioxins, including a substance called TCDD, an abbreviation of its chemical name, are suspected of causing birth defects as well as miscarriages.

Proponents of the herbicides say dioxin amounts released in the environment by spraying with 2,4,5-T and Silvex are too small to be of harm.

Starting with 14 pregnant female rhesuses, McNulty gave 10 of the animals TCDD doses three times a week, between the 20th and 40th days of their 5½-month pregnancies. The test period is over a time considered crucial to fetal development.

The four "control" animals received the same amounts of corn oil used to administer the chemicals via stomach tube, but without dioxins. The purpose was to see if the feeding method itself would have an effect.

(Rhesuses seldom eat during early pregnancy, necessitating the tube nourishment.)

With a month left in the animals' pregnancies, none of the control group has aborted. One out of four receiving the lightest dioxin accumulation, .2 of a microgram per kilogram of body weight aborted McNulty said. The normal rhesus abortion rate is 10 percent.

Of four receiving a higher, one-microgram accumulation, three animals aborted and one developed a slight case of chloracne, a skin rash associated with chemical poisoning.

Two that were given dioxins accumulating to five micrograms, or 5,000 parts per trillion parts of food in the usual monkey diet, appeared well at first after treatment, although both aborted.

Later, they developed symptoms of dioxin poisoning, one dying after seven weeks and the other after 14 weeks, McNulty said.

(A gram is about 3.5/hundredths of an ounce and a microgram is a millionth of that. A kilogram equals about 2.2 pounds.)

Because births have yet to occur, whether any of the offspring will show deformities is unknown, McNulty noted.

The EPA, which has regulatory authority over chemicals including herbicides, has given manufacturers and others until Aug. 4 to comment on the herbicides' possible effects on humans.

TCDD is produced in small amounts during the manufacture of 2,4,5-T and Silvex, although its production is an unintended byproduct during the process.

Eight women living around Alsea, a Benton County community in the Coast Range southwest of Corvallis, have asked the EPA to investigate possible effects of the pesticides' use in the area for controlling unwanted growth on U.S. Bureau of Land Management property.

The women say that since 1973, they have suffered a total of 11 miscarriages.

The EPA, McNulty noted, usually establishes a "safe" tolerance level for humans based on a hundredth of the maximum level at which no effects are noted on laboratory animals.

Assuming the .2-microgram level is such a maximum, he said, a pregnant woman could eat or take in via skin absorption about a fifth of a teaspoon of either herbicide over three weeks in early pregnancy.●

ADDITIONAL COSPONSOR

S. 3296

At the request of Mr. TOWER, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 3296, the Federal Trade Commission Regulatory Review Act.

AMENDMENTS SUBMITTED FOR PRINTING

NATIONAL DEFENSE STOCKPILE ACT—S. 2635

AMENDMENT NO. 3407

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL submitted an amendment intended to be proposed by him to S. 2635, a bill to authorize the disposal of 11 materials from the national and supplemental stockpiles.

TAX STATUS OF INDEPENDENT CONTRACTORS—S. 3007

AMENDMENT NO. 3408

(Ordered to be printed and referred to the Committee on Finance.

Mr. DOLE submitted an amendment intended to be proposed by him to S. 3007, a bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employers.

Mr. DOLE. Mr. President, on July 24, the Subcommittee on Taxation and Debt Management held hearings on S. 3007, a bill affecting the tax status of independent contractors. As a result of those hearings, I am submitting an amendment to my original proposal.

DEPARTMENT OF EDUCATION—S. 991

AMENDMENT NO. 3409

(Ordered to be printed and to lie on the table.)

Mr. PERCY (for himself, Mr. TALMADGE, Mr. MCGOVERN, Mr. DOLE, Mr. ABOUREZK, Mrs. ALLEN, Mr. ANDERSON, Mr. BARTLETT, Mr. BELLMON, Mr. BENTSEN, Mr. BROOKE, Mr. BURDICK, Mr. CASE, Mr. CHILES, Mr. CLARK, Mr. CRANSTON, Mr. CURTIS, Mr. DANFORTH, Mr. EASTLAND, Mr. GOLDWATER, Mr. HANSEN, Mr. PAUL G. HATFIELD, Mr. HAYAKAWA, Mr. HELMS, Mr. HODGES, Mr. HUDDLESTON, Mrs. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON, Mr. KENNEDY, Mr. LEAHY, Mr. LUGAR, Mr. MCINTYRE, Mr. MELCHER, Mr. MORGAN, Mr. NELSON, Mr. NUNN, Mr. PROXMIRE, Mr. RIEGLE, Mr. ROTH, Mr. SCHMITT, Mr. SPARKMAN, Mr. STENNIS, Mr. STONE, Mr. TOWER, Mr. WALLOP, Mr. YOUNG, and Mr. ZORINSKY) submitted an amendment intended to be proposed by them, jointly, to S. 991, a bill to establish a Department of Education, and for other purposes.

● Mr. PERCY. Mr. President, I am submitting today, along with 47 of my colleagues, an amendment to S. 991, the bill which creates a Department of Education. This amendment prevents transfer of the child nutrition programs from USDA to the new department. While I strongly support the creation of a Department of Education, and as a cosponsor, I commend Senator RIBICOFF for this initiative, I feel strongly that the child nutrition programs do not belong there. There are a number of sound reasons for keeping these programs in USDA.

First, a Department of Education will be dominated by educators. Educators have had a history of obstructing the placement of these programs within the schools. In testimony received by the committee, the Food Research and Action Center, a nonprofit antihunger advocacy center, stated that—

> A good portion of our effort has been in the area of School Lunch and School Breakfast Program expansion. Time after time we have found that State and local Boards of Education have been at best uninterested, and at worst obstructionists, in this expansion effort. FRAC and/or Legal Services attorneys have brought numerous lawsuits seeking to expand school lunch programs in local areas. These lawsuits, brought on behalf of low-income plaintiffs, resulted in the establishment of school lunch programs in Hartford, Connecticut; Bridgeport, Connecticut; Mount Vernon, New York; Cleveland, Ohio; and the State of Rhode Island, among others. In many of these areas, litigation would not have been required if state and local Boards of Education and education administrators had viewed the school food programs as integral parts of an educational environment.
>
> In short, in the past, poor people have not been able to look to education administrators and policy makers to spearhead the need for school food programs. Instead, these administrators have often taken the position that such programs are expensive, administratively burdensome, and must take a distant backseat to other education priorities.

In addition to FRAC's testimony, the Children's Foundation testified that it is completing a study on barriers to the implementation of the school breakfast program. The study is entitled "I'd Rather Go to Hell Than Run a Breakfast Program." This was the direct quote of a local school official. It is indicative of the view that many such officials have of these programs.

Second, the transfer will jeopardize the funding of the child nutrition programs. Since educators have not generally viewed nutrition programs as a vital part of the educational process, it is reasonable to assume that a Federal Department of Education would be no more responsive to the importance of such programs. When faced with budgetary constraints, these programs will be seen as expendable. This would be particularly true of those child nutrition programs with little or no connection to school systems, such as the summer food and day care feeding programs.

Third, USDA would still keep the research support vital to these programs. USDA is increasing its research in both nutrition and agricultural economics. It would be counterproductive to remove the child nutrition programs from a department that is presently equipped to do research in areas directly related to the improvement of these programs.

Fourth, although the administration has pledged its continued support for the commodities aspect of these programs, this guarantee may become worthless several years down the road as the programs become dominated by educators. Moreover, we must not lose sight of one of the original reasons behind the creation of the school lunch program, which was commodity support. Instead of paying farmers not to grow crops, we are paying them for their surplus crops and using those surplus crops to feed hungry children. This is a much more efficient use of taxpayers' money. As the entire Senate Committee on Agriculture brought to our attention:

> The school lunch program today constitutes the only effective means through which the Secretary of Agriculture can provide price and market stability to those farm commodities that do not enjoy the protection of government price support programs.

Fifth, the transfer is opposed by a broad spectrum of groups, including agriculture groups, child-oriented public interest groups, nutritionists, and school food administrators. This grouping includes the American School Food Service Association, which is the largest national association representing people who direct, manage, and work in school nutrition programs at the State and local level. These groups have worked the closest with and are the most knowledgeable on the child nutrition programs.

Sixth, the President's reorganization project is presently conducting a study of the Federal nutrition effort. This study is not scheduled to be completed until next year. As a result, the transfer of these programs at this time would be premature.

Regarding nutrition education, I would again like to quote one of our witnesses, Mr. Hendrik Wentink of the Poultry and Egg Institute of America. He states,

> . . . while nutrition education historically has nowhere received the emphasis it has deserved, it cannot be disputed that the USDA is exerting aggressive leadership in the area today. Secretary Bergland has formed a Human Nutrition Policy Committee to coordinate all USDA nutrition programs including food assistance, safety, quality research and education. Interim regulations to implement nutrition education grants to the states under the 1977 Child Nutrition Act amendments have been promulgated. The Department is conducting a novel nutrition awareness project which will test out a multimedia approach for issuing and reinforcing nutrition messages. Authority under recent amendments of the National School Lunch Act to prohibit the sale of "junk food" in participating schools is being invoked. The focus of Extension activities is being expanded to reach urban areas more effectively. The very substantial Expanded Food & Nutrition Program within the Extension Service is developing a special program to emphasize nutrition counseling for food stamp users. And these are far from all the fronts of the USDA's nutrition education campaign.

It has been stated that the best place for nutrition education is in the schools. I agree. But I also ask, if educators are so interested in nutrition education, why have they not instituted these programs in the schools? The answer, of course, is that they are not interested. In fact, they are so disinterested that they have actually promoted nonnutritious "junk foods" in the schools. In order to raise extra money, they have candy and soda machines in the schools. These junk food machines compete with the nutritious lunches served in the school cafeteria. Congress recognized this problem, a problem created by educators, last year when it mandated USDA to ban the sale of junk foods that compete with the school lunch program. USDA has responded to that mandate and that ban is going into effect this summer. How can we justify transferring these programs to a Department which will be dominated by such insensitive interests?

The question has been asked, "Where will these programs best operate and serve our Nation's children?" The answer is that they will best operate and serve our children in USDA. As the former ranking minority member of the Select Committee on Nutrition and Human Needs, I have watched with great satisfaction the growth of the child nutrition programs. Due to the work of the Nutrition Committee, we have come

to understand that it is vitally important that our food, nutrition, and agricultural policies be coordinated. As Senator TALMADGE stated in a letter to the committee, cosigned by the entire Senate Committee on Agriculture, Nutrition and Forestry, USDA is the best place for achieving maximum coordination. In the letter, he states:

GAO in a recent report on nutrition research, found "a lack of central focus and coordination" to be the number one barrier to progress in the area. We feel certain that progress in evolving a food and agricultural policy is equally dependent on having a central focus. If the development of a national energy policy demanded a new Department of Energy to coordinate and pull together all aspects of the problem, then we insist that the same principle applies to the development of a national food, nutrition and agriculture policy. The nutrition programs should not be sent to other agencies or departments; indeed the food-related functions of other departments should be consolidated within the Department of Agriculture.

As I have shown, educators have a marked disinterest in nutrition education and in the school feeding programs. On the other hand, USDA had demonstrated great interest and enthusiasm. Transfer of these programs would not solve any problems, it would create new ones. The child nutrition programs should and must remain in a broad-based Department of Agriculture. It is for these aforementioned reasons that I submit this amendment.●

NOTICES OF HEARINGS

COMMITTEE ON AGING

● Mr. CHURCH. Mr. President, the Committee on Aging will conduct a hearing on "Vision Impairment Among Older Americans," on August 3 beginning at 10 a.m. in room 6226 of the Dirksen Senate Building.

The hearing will open a committee inquiry into issues surrounding the special needs of persons whose sight becomes less dependable with passing years, even to the extent of total loss, and whether the many special programs to help the visually impaired are responsive to these needs.

Witnesses scheduled to appear are:

Dr. August Colenbrander, professor of opthalmology and medical director of the Pacific Medical Center's Low Vision Clinic;

Gerald R. Friedman, O.D., optometrist, Retina Associates;

Douglas Inkster, Ed. D., director, New York Infirmary, Center for Independent Living; and

Donald H. Wedewer, director, Division of Blind Service, Florida.●

COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, August 8, 1978, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

Thomas A. Wiseman, Jr., of Tennessee, to be U.S. district judge for the middle district of Tennessee vice Frank Gray, Jr., retired.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.●

ADDITIONAL STATEMENTS

THE SNAIL DARTERS

● Mr. THURMOND. Mr. President, in a recent decision, the Supreme Court stopped the construction of a $116 million dam in east Tennessee. Work on the Tellico Dam, under construction since 1967, finally ground to a halt after years of litigation.

The stopping of so massive a project after more than 95 percent of it was completed and more than $100 million expended reveals a lack of foresight. It indicates a need for many of us to exercise more prudent judgment when dealing with taxpayers money.

The Tellico Dam versus the snail darter should prove an invaluable lesson to us all. A fine editorial by the Spartan Radiocasting Co. deals with this issue and offers some interesting observations on the judicial and legislative roles in controversies of this type.

Mr. President, in order to share this editorial, "The Snail Darters," with my colleagues, I ask that it be printed in the RECORD.

The editorial follows:

THE SNAIL-DARTERS

The Supreme Court shocked the nation in a recent ruling that work on a nearly completed TVA $116 million dam must cease because Congress had passed a law protecting a three-inch fish known as the snail darter.

The decision could have certain significance that the general public may not appreciate.

Congress, in bowing to minority and pressure groups, has been passing all kinds of legislation which has not been thought through. Such was the legislation to protect endangered species. Instead of naming the wildlife to be protected, Congress left the door wide open for most any action Washington bureaucracy or extreme environmentalists dreamed up. They went to court to protect a fish that was unknown six years ago and has been transferred to another river by TVA, so that the snail-darter will probably continue to be propagated. But the Supreme Court has ruled that before the TVA dam can be completed, Congress must amend the law to name the endangered species it seeks to protect or to set up some guidelines to determine what constitutes endangered species.

If this means that the Supreme Court now intends to read the Congressional Record to determine what was the intent of Congress in passing a legislative statute, it will be a victory for democratic government. In years past the members of the Supreme Court have interpreted the law according to their own preconceived predilections rather than what was the intent of the elected representatives of the people in enacting legislation.

While on the Court, the late Justice James F. Byrnes was bitterly assailed by certain groups because of a decision he wrote on a teamsters trucking law. Mr. Byrnes based his decision on what was the intent of Congress in passing the law in question. He did not believe the Court should usurp the powers delegated to the Legislative Branch of government under the Constitution. Subsequently, as everyone knows, the Supreme Court proceeded to usurp powers belonging to both the Executive and Legislative Branches of government and even those reserved to the states under the Constitution.

In addition to forcing the Congress to be more explicit in writing legislation and contributing to the bloated Washington bureaucracy, the "snail-darter" decision could have another wholesome effect. It could open the eyes of Congress as well as the people on how impractical certain proposals of the environentalists and consumer-protecting agencies are and, unless more carefully screened, could play havoc with the American economy.●

SUSAN McDANNOLD WINS WEST VIRGINIA NATIONAL TEENAGER PAGENT ESSAY CONTEST

● Mr. RANDOLPH. Mr. President, on July 8, 1978, I had the privilege of being present for the Miss West Virginia national teenager pageant in Charleston, W. Va. As a part of that contest, each of the 47 contestants wrote an essay on "What's Right About America."

The essays by the young ladies were very meaningful to me and the several hundred persons in the audience.

Mrs. Kelly George, of Charleston, was the State director of this worthwhile event.

I ask to print in the RECORD, following these remarks, the six final essays chosen by the judges. The winning essay was given by Miss Susan McDannold of St. Albans, W. Va. She was also honored by being chosen Miss West Virginia National Teenager.

The essays follow:

WHAT'S RIGHT ABOUT AMERICA

America is a great country, a land of wealth. This wealth can be clearly seen in many ways. It lies in the fact that America is a free country . . . a democracy . . . of the people by the people, and for the people. She is a land of unlimited opportunities, rich in natural resources, abundant with wildlife. But the true wealth, the real greatness of America lies in her unfailing belief in her youth. It lies in the confidence she has in the strength and potential of her young people, to carry on what is left to be finished, and also to set and pursue new goals of their own. It is this undying faith that has made America the great nation it is today. As long as she believes in her youth . . . America can never be wrong!

WHAT'S RIGHT ABOUT AMERICA?

Listen . . . What do you hear? A voice. My voice. Being an American citizen, I am free to be here, participate, speak out, and be heard. Though I am not rich, powerful, or influential, I am an important cog in the wheel of democracy. I am free to voice my opnions, publicly and privately, regarding my government, religion, politics, and ethics. No other citizen in the world enjoys such freedoms. Whether in the East or West, the North or South, the mountains or the plains, my government listens and hears my voice; this, to me, is what makes America right!

OUR BEACON OF HOPE

What is right about America? Oh sure, we've got problems— perhaps more problems than solutions. Yet what about all of America's beauties, her physical beauties—the majesty of her rivers and mountains, her rich and varied resources, and the cathedral silence of her green forests.

And what of America's freedoms—of speech, religion, equality, justice, independence, and peace.

But the biggest "right" about America is her peoples. Her strength comes from within them—their ideas and their ideals. In a world which blacks out individual freedoms, our America stands as a lighthouse to all the freedom loving people everywhere.

Her beauties, her freedoms, her peoples—this is what is right with America.

MELTING POT OF THE WORLD

We are! The people are the United States. We have the ideas, the dreams, the goals for which to strive, and the ability to make them materialize. America is the melting pot of the world. It is made up of different races, different cultures, different beliefs, and different ages that work together to make a better nation. We have a past to look back on and a future to look forward to with our children leading the way. God has led our country for two hundred years and is still guiding her in the way of progress toward a better life.

WHAT'S RIGHT ABOUT AMERICA

One's own country can be taken for granted. Last summer I had the privilege of living with a family in Europe. I learned to appreciate America more.

Freedoms of speech, press and religion, besides equality of America's people are rights not to be taken lightly.

What a joy to take the hand of a child, talk with him and love him for himself, not because he is Protestant, Catholic or Jewish, but because he is a human being.

Where else in the world can I develop myself more fully to help myself, my community, my State, and my country, America.

WHAT'S RIGHT ABOUT AMERICA

A nation is only as great as its people. And the people of America continue to contribute to its greatness.

Americans possess many unique characteristics. Always striving for betterment in their inter-personal relationships and in their careers, they are also known for their concern for relieving the suffering of those less fortunate.

Another unique aspect of the American people is their determination. Many begin with no resources and continually pursue and achieve their dream of success.

Finally, Americans, though diverse, share a common language and heritage. This sense of community enables one to feel among friends anywhere in America.●

ADM. BEN MOREELL

● Mr. DOLE. Mr. President, Adm. Ben Moreell, founder of the famed Seabees, passed away at age 85 on Sunday and I would like to take this opportunity to comment on his outstanding record of public service and private achievement. He was a truly magnificent man and I hope that his life will serve as a model for future generations of military officers, civil engineers, businessmen, and political activists.

Admiral Moreell wore all of those hats—and wore them well. Because he believed that Americans needed to be ever vigilant in the enterprise of preserving our Republic, his widely varied career demonstrated a continuing interest in the well-being of our Nation.

ORGANIZER OF THE SEABEES

As Chief of the Navy's Civil Engineers during World War II, he organized the Seabees and oversaw their tremendous contribution to the war effort. This is perhaps his best known achievement—it has been said that he supervised more construction than any other man in history, not excluding the Pharoahs. At one time over 258,000 men were in the Seabees and under his command.

The background leading up to this post was in the field of concrete construction—an area in which he pioneered. In fact, he was later selected by the American Society of Civil Engineers as one of the 10 men who contributed the most to the advancement of construction techniques. Certainly, it speaks well of the Navy to have had such a man in charge of the Seabees.

Although civil engineering may seem like a rather dry field in light of his other areas of achievement, it happened that he was able to put his expertise in that field into service for this country at a time when military construction was anything but a mundane matter. During the Second World War (then) Rear Admiral Moreell rose to the test and displayed positively brilliant service as head of the Seabees. His service is best described in the citation for his Distinguished Service Medal, presented in 1945:

Displaying great originality and exceptional capacity for bold innovation, he inspired in his subordinates a degree of loyalty and devotion to duty outstanding in the naval service, to the end that the fleet received support in degree and kind unprecedented in the history of naval warfare.

While still in the Navy, President Truman placed him in charge of a major portion of the Nation's petroleum industry when it was seized by the Government in the face of a 1945 strike. During another strike he was placed in charge of the coal mines after the seizure of the Nation's bituminous coal industry in 1946. His service in these rather difficult situations brought plaudits from a wide variety of sources.

After retiring from the Navy in 1946, he became president of Turner Construction Co. of New York. One year later he joined Jones & Laughlin Steel Corp. and began a career that included the posts of president, chairman of the board, and chief executive officer.

As a civil engineer, admiral, administrator, and high-level corporate businessman it could be said that Ben Moreell had enough careers for several men—and enough successes to last several lifetimes.

But all of that was not enough for Ben Moreell. He had a strong interest in the future of our country and a deep interest in national policy. It is in this context that many current Members of the Senate know him best.

In 1958, he and two other concerned citizens, Charles Edison, former Secretary of the Navy and former Governor of New Jersey, and Henning Prentis, founded the Americans for Constitutional Action, doing so in the face of political developments that were less than encouraging.

In 1958, it seemed that conservatism was on the wane, certainly one might have gotten that impression from reviewing the election returns of that year. But Ben Moreell had the strength of his convictions, and disagreed with the general drift of our country in the direction of more government. Twenty years later, it appears that the Nation may be catching up with Ben Moreell as our people turn against increased spending and more government. In some measure—this is due to the work of the ACA and Admiral Moreell.

He was an avowed opponent of that philosophy of government that says, "tax and tax, spend and spend, elect and elect."

Admiral, civil engineer, statesman, corporate businessman, Ben Moreell built a life of accomplishment on a solid foundation of ability. We have a great deal to thank him for.

Let me express my condolences to his widow, Jessie, and his two daughters, Mrs. Marion M. Jordan of Pittsburgh, and Patricia Moreell of Boca Raton, Fla. I know they played an important role in the life of this great man. No doubt, his concern for other people and for succeeding generations arose, in part, from his interest in his own family.●

INTERVIEW WITH GOVERNOR LONGLEY OF MAINE

● Mr. HARRY F. BYRD, JR. Mr. President, editor Marvin Stone of U.S. News & World Report, devoted his editor's page to an interview with Governor Longley of Maine. Governor Longley was elected as an Independent, the only Governor so elected in the Nation.

Governor Longley's comments make so much sense they probably will not be as well received in Washington as they should.

I shall quote only two and then put the entire editor's page of U.S. News & World Report in the RECORD.

The two quotes from Governor Longley which most impressed me are these:

1. One of the things I have found in government is that if there's a door open for spending, it'll be spent.

2. We must have more involvement by people and less control by politicians . . . too many politicians and elected officials, spend only about 10 percent of their time, or less, doing the jobs they were elected to do and a good 90 percent of their time seeking re-election or starting a new program that will help insure re-election at the expense of the taxpayer.

I submit for the RECORD the editorial page from the August 7 issue of U.S. News & World Report.

[From the editorial page, U.S. News & World Report, Aug. 7, 1978]

YANKEE WHO TAMES BUREAUCRATS

(By Marvin Stone)

AUGUSTA, MAINE.—It is worth anyone's time to visit with James Longley, Maine's governor for the past 3½ years. For Jim Longley is one of a vanishing species—he brings a businessman's hardheaded, Yankee realism to government.

Longley was a wealthy insurance executive when he was coaxed into running as an independent, pledging to serve one term. This promise he is keeping, much to the regret, it is said, of a majority of Maine's voters.

When he took office, the state had suffered the largest deficit in its history and an even larger one threatened, unless Longley raised taxes by up to 100 million dollars. The state was run by entrenched, free-spending bureaucrats. "One of the things I found in gov-

ernment," he says, "is that if there's a door open for spending, it'll be spent."

He set about applying what he calls his bottom-line test: Who is the beneficiary of this spending? "And very frequently I found that the special interests and the bureaucracy were the beneficiaries, not the people."

Longley tightened the screws. He brought in top administrators, both Democrats and Republicans. The state's payroll was pruned by almost 2,000 people, or 16 percent. Welfare rules were tightened, cheaters set adrift. Millions were saved on needless travel by officials, duplication in the departments eliminated.

Much of this came only after prolonged head knocking with a recalcitrant Legislature. The result? Maine ended this fiscal year with a surplus of 41 million dollars. In March, 20 million was returned to taxpayers. The governor has called a special session of the Legislature for September to consider further tax relief.

So Longley's observations—and philosophy, if you will—are worthy of note. What follows is extracted from a lengthy conversation at the governor's residence in Augusta:

Chipping away at pride. "Government is obsessed with the idea that it can be the great equalizer, that it can guarantee every man, woman and child the same pay, the same house, the same clothes, the same health care. Many of the welfare and unemployment checks we put into the mail only serve to chip away a little of the pride and dignity of the individual."

Standards. "Government is too often served by people who couldn't meet the standards government expects and requires in the business world and doesn't always apply to itself."

Too much intrusion. "Washington has moved too much into state, local and private affairs. It has become almost an uncontrollable socialistic system that negates and inhibits individual initiative, pride and dignity. I don't think many people really want to be on welfare, or on unemployment. But if our system encourages them to do that, we've got a self-defeating system. We had much catching up to do from the standpoint of humanitarian considerations, but we've gone overboard to the extent that it's now counterproductive. Although well-intentioned, the way Washington has moved in has been unrealistic and expensive."

Overregulation. "I recognize Washington must sometimes intervene to prevent abuse of civil rights, but when government steps in, the tendency is to overregulate. It brings in guidelines, and the proliferation of agencies, and harassment, expense and waste. Sometimes I think the purpose is for more job perpetuation for bureaucrats than it is humanitarian."

Free gifts? "Gifts from Washington are not always free. I found that frequently money from Washington that came in grants and seed-money programs ended up costing the taxpayers money. A great many programs developed under the Great Society [of Lyondon Johnson] ended up dumping costs on state and local governments. Frequently, I found that the special interests and the bureaucracy were the beneficiaries more than the people. Much of the money that came from Washington really perpetuated a bureaucracy of university professors moonlighting."

Work programs. "The federally financed work programs under the Comprehensive Employment and Training Act (CETA) have become political footballs and counterproductive. Contrast them with President Roosevelt's work programs of the 1930s—the WPA, PWA and CCC. What Roosevelt did was to put people on productive jobs. They built roads. They built libraries—things that society can use. And it brought some dignity and kept some pride in the work ethic. I'm not suggesting that we put people to work digging ditches. But much better they dig ditches and feel like they've earned a paycheck than stand in a soup line with their hands out. We've gone one step lower than the soup lines. We say we'll give you money to buy liquor, beer, soup or whatever you want, even though jobs are available."

Professional politicians. "After almost four years in government, I am convinced that the changes necessary to get America back on the course designed by our Founding Fathers cannot be entrusted solely to the two major political parties. We must have more involvement by people and less control by politicians. Unfortunately, I feel that real party professionals, and too many politicians and elected officials, spend only about 10 percent of their time, or less, doing the jobs they were elected to do and a good 90 percent of their time seeking re-election or starting a new program that will help insure re-election at the expense of the taxpayer and more and more cancerous inflation due to the malignant growth and expense of government bureaucracies."

Breaks for business. "There is need for better understanding of business problems by lawmakers. It is sad and dangerous that politicians too many legislators and members of Congress, feel that a tax break for business is not as poltically popular as a social-welfare program. There are far too many people holding seats in legislatures who know absolutely nothing about business and who are far more interested in winning the next election than they are in looking to the future to improve the long-range economic stability of a state or nation."

Limits on taxes. "California's Proposition 13, putting a limit on property taxes, is a message to elected officials that 'you're not doing your jobs.' It's a message to officials that are spending and to bureaucrats that are taking advantage of the spending. I think it's a modern Boston Tea Party. The concept of changing laws by petition and referendum [by which Proposition 13 was adopted] is not a new one in America but one which I submit has been underutilized. The real changes are going to come in America through a combination of an independent movement that will make the two parties more responsive to the will of the people and through a far greater utilization of the petition and referendum process to amend our Constitution and change our laws."

Americans waking up. "What is happening in America today is not such much a disenchantment with the two political parties, although that's part of it. What's happening is more of a realization of the working men and women, the middle Americans, that they're the ones being impacted adversely with inflation and taxes. And inflation is a tax. To the extent that it erodes purchasing power, it's a tax."

Editor's postscript: As noted previously, Governor Longley will not run for re-election this November, honoring his pledge of four years ago. He would prefer to return to the business world.

We asked him what his reaction would be if the President invited him to bring his talents to Washington, to serve the nation as he has served Maine. His response: "I hope I am not confronted with having to make that decision."

For the nation's sake Jimmy Carter could do a lot worse than putting the governor to work.

THE UNITED STATES AND THE REPUBLIC OF CHINA

● Mr. CURTIS. Mr. President, from June 6 to 9 of this year there occurred an interesting conference in Taipei, the seat of government of the Republic of China on Taiwan. Called the Seventh Sino-American Conference on Mainland China, and sponsored by several academic institutions in the Republic of China and the United States, the conference was attended by some 100 scholars and specialists on mainland China from China and the United States, as well as a few other countries.

Scholars and specialists at the conference included representatives of such American universities as Harvard, Princeton, Rutgers, Michigan, Pennsylvania State, George Washington, Georgetown, Virginia, Stanford, and many others. Participants in the conference covered many aspects of the recent political, economic, social, and other developments within mainland China in the course of their discussions. Former Ambassador U. Alexis Johnson participated in the entire conference, and gave a keynote address at the beginning. On the whole, the participants agreed, it was a very worthwhile and informative conference.

Mr. President, our friends on Taiwan are understandably concerned—as I am myself—about the course of American policy toward Communist China and toward the Republic of China on Taiwan. They are especially concerned that the administration may make the irreparable mistake of withdrawing recognition from the Republic of China in the course of seeking to establish "normal" relations with the People's Republic. On the final day of the conference, several participants addressed this question of United States-Chinese relations. One of them was Dr. King-yuh Chang, deputy director of the Institute of International Relations in Taipei.

In his paper, entitled "Washington-Peiping Relations: Three Levels of Analysis," Dr. Chang, among other things, went into the arguments that are advanced by many in the United States who advocate precipitate and total recognition of the mainland regime. He formulated five major arguments used by the advocates of instant recognition, and effectively rebuts them. For one thing, he demonstrates that the so-called Japanese formula for relations between a foreign country and the Republic of China has worked poorly even for Japan, and that it could not possibly be used as a model for American policy.

Since I believe that Dr. Chang's arguments constitute a valuable contribution to the ongoing debate over U.S. policy toward China, I commend that portion of his paper to the attention of my colleagues and ask that it be printed in the RECORD.

The material follows:

PROCEEDINGS OF THE SEVENTH SINO-AMERICAN CONFERENCE

Since 1972, the United States government has repeatedly reaffirmed its treaty commitment to the Republic of China. The United States made no commitment in the Shanghai Communique to sever diplomatic relations with the Republic of China and to abrogate the mutual defense treaty.

As Washington-Peiping relations have not progressed much since the agreement to set up liaison offices in 1973, some American scholars have advocated normalization in accordance with Peiping's three conditions. They assert they have no intention of harm-

ing the Republic of China, because the status quo on Taiwan would remain the same even if the United States shifts its diplomatic recognition from Taipei to Peiping and terminates the mutual defense treaty. The following points summarize their views:

1. The Japanese formula which has worked for Tokyo-Peiping relations can equally work for Washington-Peiping relations.

2. The mutual defense treaty was concluded in a period of cold war. This treaty is now irrelevant and immaterial. Besides, the American people would not support United States military intervention in the Taiwan area even if hostilities break out today.

3. It is unnecessary for the United States to demand that Peiping refrain from the use of force to settle the Taiwan question, because, due to internal and external constraints—such as Peiping's own military weakness, the hostility between Peiping and Moscow, Peiping's dependence on Washington and Tokyo, the military strength of the Republic of China—Peiping is unlikely to use force against Taiwan.

4. The Republic of China is militarily strong, politically stable and economically prosperous; it can withstand the blow of a severance of diplomatic and military ties with the United States.

5. If the Taiwan question is not set aside in order to normalize relations with Communist China now, Washington-Peiping relations may deteriorate and the United States may get involved in a new war.

Can these assertions stand the test of close scrutiny?

First, the so-called "Japanese formula" has no relevance to the current situation. Japan has continued its substantive relations with the Republic of China after shifting diplomatic recognition from Taipei to Peiping only because the American commitment to the Republic of China has been maintained.[38] Furthermore, to say that the Republic of China's substantive relations with Japan have not suffered is simply untrue. For instance, since September 1972, Japan has not extended any official aid or credit to the Republic of China. Very little Japanese capital has supported the ten major construction projects. Japanese investors seems to have limited their investment in Taiwan to short-term projects. In addition, the airlines agreement episode clearly indicates that Communist China may again exert pressure on Japan to disrupt the existing economic relations between Tokyo and Taipei.

Even today, when the diplomatic and security ties between Washington and Taipei are intact, the Chinese Communists are putting pressure on American companies that maintain trade and other links with the Republic of China. It is certain that the Chinese Communist would increase such pressure if formal ties between Washington and Taipei were broken. Therefore, the Japanese formula is not a formula that can be adopted by the United States because it does not meet the needs of security and it cannot really meet the needs of substantive relations with the Republic of China in the long run.

Second, the Sino-American mutual defense treaty was concluded in 1954 as one treaty among others to maintain peace and security in the Asia-Pacific area. It was signed about five years after the government of the Republic of China had shifted its seat to Taipei. It applies to the area effectively under the control of the government of the Republic of China—Taiwan and the Pescadores. The treaty is to remain in force indefinitely. There has been no fundamental change of circumstances or material breach of the treaty that warrants its unilateral abrogation by the United States.

The Republic of China has faithfully fulfilled its obligations under the treaty by strengthening its free institutions, improving the economy of the nation and the welfare of the people, and by increasing the combat readiness and defense capabilities of the armed forces.

The treaty is just as essential to the security of the Republic of China today as it was in 1954. With half a million well trained and equipped armed forces, the Republic of China "continues to make a major contribution to the security of the long East Asian island chain stretching from Japan to Indonesia, on the integrity of which depends the security of the vital shipping lines on the periphery of all of Asia and, hence, the United States strategic defense of the West Pacific."[39] It is untrue to say that the mutual defense treaty is irrelevant and immaterial to both the Republic of China and to the United States.

It was claimed in some quarters that after the War Powers legislation in 1973 and after the Vietnam debacle in 1975, the American people would not support United States military efforts in the Taiwan area even if an armed attack occurred against the Republic of China. Therefore, in this view, the continuation or discontinuation of the mutual defense treaty would make no difference. To this assertion one American scholar has commented:

"If we are to measure the validity of our commitment on the basis of presumed or actual public opinion in a completely abstract situation, in the absence of any incident or clearly perceived threat, no American commitments will seem credible. Yet in the event of crisis, public and official reaction may be quite different."[40]

Even if the United States commitment to the Republic of China is considered in abstract terms, the American people are quite willing to support it. In a survey of opinion leaders in America by Brown University conducted in July–August 1977, a high percentage of Americans favored the maintenance of military ties with the Republic of China. The result was: two per cent had no opinion; five per cent favored reducing involvement to arms sales only; sixteen per cent favored reducing involvement to informal security assurances and providing arms sales; thirty-six per cent favored maintaining formal security guarantees and providing military aid; and forty per cent favored maintaining current security commitments and military presence.[41] According to this recent survey, at least 76 per cent of the United States opinion leaders favor formal military ties with the Republic of China.

Third, the Chinese Communists have repeatedly and openly asserted that they would not rule out the use of force to solve the "Taiwan question." Hua Kuo-feng has ordered the "People's Liberation Army" to make "all the preparations necessary for the liberation of Taiwan."[42] Peiping obviously would not tolerate any military links between Washington and Taipei if the United States switches recognition. If today the Chinese Communists are attacking the United States for its interference in China's domestic affairs," this attack would become even more violent after Washington recognizes Peiping. It is hard to imagine how the United States could continue normal relations with the Republic of China in such circumstances.

The Chinese Communists undoubtedly will attempt to improve their armed forces to challenge the Republic of China, to isolate Taiwan economically, to use political pressure and military threats, and to create a sense of panic and despair in Taiwan. Having lost its legal standing, it would be extremely difficult for the United States to play any effective role in maintaining continued peace and prosperity in the Taiwan area.

Fourth, it is illogical to contend that the Republic of China is strong, stable and prosperous, therefore, it should be "rewarded" by derecognition and termination of the security treaty by the United States. Japan and the NATO countries, all are more prosperous, and many of them are much stronger, than the Republic of China, but still need United States security commitments. Why should the Republic of China be singled out as the first ally to forego the security arrangements and diplomatic ties with the United States?

Fifth, up to now trade and exchanges are being conducted between Washington and Peiping, and contact points and regular communications lines are being maintained. The lack of diplomatic ties is certainly not the cause for the limited relations between the two. If the United States has to make vital concessions to avoid deterioration of existing relations with Peiping, there will be no end to the process.

Furthermore, if past experience serves as any guide, countries with full diplomatic relations with Communist China often do not maintain close ties with Peiping. There is no reason to believe that American derecognition of the Republic of China would win any long-lasting gratitude or respect from Peiping. On the contrary, the Americans will merely be considered defeatists.[43]

Peiping has so far benefited far more than Washington has from this new relationship. While the United States obtained the now-defunct Indochina settlement (partly with Chinese Communist help) and is supposedly able to play Peiping against Moscow, the Chinese Communist obtained the following: the withdrawal of American forces from Indochina and the end of a possible military thrust to mainland China; tacit American support to fend off the USSR; trade and technology transfer from the United States; improved relations with Japan and Western Europe; replacing the Republic of China in the United Nations; expansion of diplomatic relations at the expense of the Republic of China; and strains in American-Japanese relations.[44]

Communist China is a totally managed society with a poor economic and social well-being record. The Republic of China is a pluralistic society with one of the best economic and social records in Asia. In the broad area of human rights—civil, political, economic and social—the record of the Republic of China is far better than that of Communist China. The American people and the United States government have made a significant contribution to the progress of the Republic of China. Should this progress be terminated by an American administration which upholds human rights?

The United States is a democracy. The will of the people should be the guide to political action. In this respect, opinion polls have consistently indicated that a large majority of Americans favor retention of the existing relationship with the Republic of China, including diplomatic ties and the mutual defense treaty, even if they hope that the United States could also improve relations with Communist China.[45]

FOOTNOTES

[38] Robert A. Scalapino, "A Statement for the Subcommittee on Asia and Pacific Affairs, Committee on International Relations, House of Representatives," September 20, 1977 (Mimeographed), pp. 15–16.

[39] Ray S. Cline, *op. cit.*, p. 11.

[40] Robert A. Scalapino, *op. cit.*, p. 30.

[41] Michael Y. M. Kau, Pierre M. Perrolle, Susan H. Marsh and Jeffrey Berman, "Public Opinion and Our China Policy," *Asian Affairs*, Vol. 3, No. 3 (January-February 1978), p. 141.

[42] Hua, "Government Report, 1978," *op. cit.*, p. 35.

[43] For instance, in March 1975, Chiang Ch'ing (Mao's wife) appraised the Nixon-

Kissinger Talks in mainland China in this way:

"During the talks Kissinger revealed that the United States intended to abandon the Asian area of the Pacific. Kissinger is like every other reactionary class politician in history. He is only an adventurer and a defeatist. Nixon and Kissinger admitted that the power politics pursued after the Second World War are not practicable today. The U.S. must return to the real world. It cannot go on interfering with other countries' sovereignty and interests. Kissinger spoke of the balance of power. This shows that he recognizes the existence of contradictions but does not seek to resolve them under new conditions in struggle. On the contrary, he wants to avoid antagonism. This is an ostrich policy."

Text translated from the Chinese by *China News Analysis*, Hong Kong, issue of June 20, 1975. Quoted in Oscar Gass, "The 'Normalization' of United States Relations with China," *The Washington Review*, April 1978, pp. 37–38.

[44] Donald Brandon, *op. cit.*, pp. 94–95.

[45] For a summary of recent findings on this subject, see Ralph N. Clough *et al.*, *op. cit.*, pp. 133–147.

TAX REVOLT—WHAT IS THE ISSUE?

● Mr. HATHAWAY. Mr. President, on July 30, the Washington Post ran an article entitled "Tax Revolt: A Cure or a Curse?" The issue debated in this excellent piece is a fundamental point for our Senate debate on tax policy, and the bill to be considered by the Finance Committee.

I ask that this article be printed in the RECORD.

The article follows:

TAX REVOLT: A CURE OR A CURSE?

(NOTE.—This exchange between conservative economist Arthur Burns and liberal economist Walter Heller is excerpted from the forthcoming issue of Public Opinion magazine. The discussion, moderated by author Ben Wattenberg, took place in late June at the American Enterprise Institute.)

Ben Wattenberg. Since the passage of Proposition 13 in California in early June, the country has been awash in explanations of that legislation and its impact across the country. All the tax revolt hoopla seems to be predicated on the idea that something very new has happened. Dr. Heller, is all this really new? Or is it an old drama played out on a new stage?

Walter Heller. Ever since the 1930s when I was a graduate student in public finance, and as long as I can remember, people have rebelled against high taxes. There have been movements, if you will, that have reflected that rebellion, most notably in the 1950s when Colin Clark, in a sense, sparked one by saying that any nation whose taxes went above 25 percent of its national income was bound to go into unrelenting inflation.

Then, too, there was a constitutional amendment movement in the 1950s to limit federal income and estate taxes to a top rate of 25 percent. They tried the route of memorializing Congress to call a constitutional convention, and some 30 states took action. Some of my colleagues cite that experience as kind of a precedent for today's revolt and say that this, too, is going to fall of its own weight. I disagree.

I believe there are sharp differences between those more or less sporadic movements of the past and this taxpayer revolt of the present. Today we see a strong reaction to what people regard as excessive government, as inefficient spending, and as inroads of inflation that are unfair in terms of their property and income taxes, in particular.

Wattenberg. Do you agree with that, Dr. Burns?

Arthur Burns. I have been hoping for a good many years that we might have a taxpayer revolt. I don't remember the revolt of the 1950s that Walter speaks of. It made very little impression on me.

I think we are closer to having a tax revolt in this country at present than at any time in the past that I can recall, but I am not yet convinced that the American public has spoken clearly on the subject. This may be a passing mood; I hope not. But if it is a tax revolt, I am delighted and I hope it prospers.

Wattenberg. Dr. Burns, assuming that there is a tax revolt, why have you long awaited it? Why is it good? What is it telling us about the people in this country?

Burns. I think people have been watching our government grow at the federal, state, and local levels, year in and year out, pretty much. People have come to feel that while taxes have been going up and governmental spending has been going up, they were not getting their money's worth in the way of governmental services.

They see a huge bureaucracy all around them. They see the government becoming ever bolder as a redistributor of income. People in the middle class—which is the more creative and the more productive part of our economic society—feel that they have been neglected. And to a large degree, they are right.

To be sure, we have had cuts in income taxes at the federal level, but these reductions have applied to people in the lower income brackets. Taxes for the middle and upper income groups have been rising. And people at all income levels have been suffering from inflation.

More and more people are therefore saying to themselves: "We see our government doing more, spending more, taxing more, but our problems—economic and social—are not going away; they are not being solved." So there is a great deal of unhappiness and frustration in our country, particularly on the part of the middle class.

Wattenberg. And you are suggesting that if that tax revolt succeeds, it will be beneficial to the society as a whole?

Burns. I have little doubt about that. Our federal government is fundamentally responsible for the inflation that we have been having. Our government is largely responsible for the decline in business and consumer confidence. The huge increase in spending has not solved our urban problems. If anything, it has added to them.

Our economy is not functioning as it should. Business capital investment is lagging. To restore confidence in our nation's economic future, we ought to cut back on governmental spending, cut back on taxes, cut back on regulation. And I think that this is what people feel to an increasing degree.

One thing that surprises me and why I am uncertain about the genuineness of a tax revolt is that, as yet, I don't see anything significant in the Congress in the way of reaction to the Jarvis-Gann Proposition in California.

The Congress seems to be going on its old-fashioned way. Yes, we have had a few cuts here and there, but they don't amount to much.

Heller. I take quite a different view of this.

First of all, yes, of course, there is a lot of unrest about taxes, and the middle class is particularly restive. But the idea that they have been taking the major beating from tax increases as against the lower income groups is open to considerable question.

The fastest growing tax in the United States has been the payroll tax. And that certainly is about as regressive a tax as one could find. While we have been cutting income taxes, with recent emphasis on the lower income groups, the payroll tax has been growing very sharply and rapidly as a percentage of the total tax take.

Now, that is just a question of fact and, while I would agree that the delivery systems of government leave a great deal to be desired, that we are not getting as much as we should for our government dollar and, while I would also agree that we should be cutting taxes from time to time—I have been associated with some fairly sizable tax cuts in this country and I have been advocating a tax cut now—at the same time, I think it is terribly important to ask: What does this tax revolt accomplish?

Does it accomplish efficiency of government? Does it accomplish a cutback of what we might consider government supernumeraries, and superfluous services, and so forth, or does it just blindly hobble local government?

One of the things I have always been interested in—and this is one of the reasons I was an early advocate of no-strings revenue sharing back in 1957—is seeing that we have strong, decentralized, pluralistic self-government at the local level. I think this is an attack on that.

Secondly, what happens to services when you have a tax revolt like this? What services are cut down eventually? In the California case, they will buffer it for a year or so, but in the last analysis, who wins? Who loses? Is it the poor? Is it the aged? Is it the ill? Is it the disadvantaged—at the expense of preserving services for the middle class? I think the jury still has to be out, and I doubt that the tax revolt is a very good way of getting an efficient solution to that problem.

Furthermore, I don't like it if it ties up government with constitutional limitations. One of the ways in which democratic representative government can be effective is by responding to changes in the economic situation, changes in preferences, changes in circumstances. I don't like to see those things embedded in the Constitution.

One has a whole array of questions that have to be answered before we can decide whether the effects of the tax revolt are going to be negative or salutary.

Furthermore, as far as the overall federal, state and local tax levels are concerned, I don't know whether this is much comfort to the American people—obviously, it isn't at the moment—but our U.S. taxes are less than 30 percent of the gross national product.

Wattenberg. As compared to rates in European countries in the high 40s or so?

Heller. In the 35–40, 45–50 range. The only major industrial country below us is Japan.

The questions of fairness in the distribution of tax burdens, efficiency in the delivery of services, inadvertent tax increases that arise from inflation—in other words, where inflation takes the place of the legislature, in effect, and stealthily and inadvertently increases taxes—I think those questions need to be faced. We have a big agenda there. I just don't think that this slashing and crashing about in taxes, the way Jarvis-Gann has done, is the way to go about it.

Burns. I would have preferred a more rational approach to cutting back on governmental spending and on taxation than the Jarvis-Gann way. I still hope that might happen in the future.

I was an enthusiastic proponent of the Congressional Budget Reform Act, but I am disappointed with what has been accomplished under it. I don't see rational techniques accomplishing the result that Walter seeks and that I, too, seek. A meat-axe approach, arbitrary though it be, may perhaps be the only way, the nature of man in the

political arena being what it is, to cut back on governmental spending.

Governmental spending is a larger factor in our economy than the figures you cite would suggest, Walter. According to my calculations, governmental expenditures at all levels now constitute 37 percent of the net national product and about 33 or 34 percent of the gross national product. And the proper comparison is with the net national product; in other words, the dollar value of the nation's true production of goods and services. That proportion has been growing steadily across the decades.

I have asked myself the question, "What would I have done if I were a Californian?" I would have been somewhat unhappy voting for the Jarvis-Gann proposition, but I still would have voted for it in order to force economies on our governments.

Heller. I read it a little differently than you do, Arthur. I think there is a considerably new mood in both the White House and the Congress. We have a fiscal conservative in the White House, and there are more and more people in Congress that have gotten the fiscal message from the voters.

Take those freshman and sophomore classes in Congress: Do you recall the great fear that there was going to be an opening of the spending pores by this new wave of liberals? But in fiscal matters, they have proved to be quite conservative. The anti-spending voice of the people is being heard. And the introduction of that congressional budget procedure was one reflection of it. Now, that isn't working perfectly, but at least it didn't go down the tube the way the procedure did in 1947–48 after the Hoover Commission recommended a similar reform. It has made congressional budgeting more systematic and responsible.

Burns. Walter, I have no quarrel with anything except your conclusions. From where I sit, I see this country experiencing a fairly rapid expansion of economic activity. I also see the federal budget deficit—instead of diminishing or vanishing, as used to be American practice during business-cycle expansions—I see the budget deficit mounting. If you call that fiscal conservatism, I can only reply that you must mean by that, that things could be a lot worse. True, the rhetoric that we hear about the budget is conservative, but that is an old and familiar story.

Heller. Well, let's take a different cut at it. We are agreed that it did get up to 23 percent or so of the GNP in the early seventies. We can also agree that if Carter is able to carry out his 1979 budget plan, 1½ percent real growth in federal spending as against 3 to 4 percent growth projected in GNP, the proportion will drop and continue the move toward Carter's target of 21 percent of GNP. And that, it seems to me, is a valid if not by any means complete answer to the charge that government is expanding like some kind of protoplasmic blob. This is a genuine effort and one on which there will be very considerable congressional cooperation.

Burns. I like Mr. Carter. I don't question his conservative instincts. I don't question his intentions. I don't question his striving for a balanced budget eventually. All I say is that the net result so far of his efforts and congressional efforts has been to expand the federal budget deficit at a time when economic activity is increasing quite rapidly. I see a budget deficit this year, including off-budget outlays as we should, of $65 billion. I see a deficit as large as or larger than that next year. I ask myself the question: do we have responsible financial management by our government at the present time? If responsible management of fiscal affairs means that the managers take reasonable account of future contingencies, then I am bound to conclude that our federal finances are being mismanaged.

Walter, you know as well as I do that in the kind of world we live in, sooner or later a recession is likely to come along. Make the assumption quite arbitrarily that a recession will get under way this year sometime, or next year, or the year after. Now, if we run budget deficits of the magnitude that we have been having, the deficit in a year of recession could easily rise to $100 billion or $125 billion. I am very much afraid that if we ever got into a situation like that, it might take 10 or 20 years for this country to get back to anything like economic or financial stability.

Heller. Arthur, you paint too black a picture. Our governmental budget deficits, as a whole, are a smaller proportion of GNP than in Germany and Japan, among others. And as long as state and local governments run a $30 billion surplus and foreign goverments run a near-$25 billion trade surplus against us, the federal deficit mainly serves to offset those surpluses. Undesirable as the big federal deficit may be, it's not about to do us in.

Wattenberg. In recent years the case has been made that people in this country feel that they have lost control over their own destiny. Now in a democratic society, aside from its economic impact, is this a healthy social phenomenon for people in California to be able to pick up the "2-by-4s," in Sen. Alan Cranston's words, and say, "By God, I still run this place."?

Burns. I would say that it will tend to rejuvenate the human spirit, that it will make people feel that they can have an effective voice in what is happening in our country, that it will make people feel that they have repudiated those whom they had sent into legislative halls, and that those who are there may be disciplined as a result.

Heller. I am afraid that I can't interpret this California vote as people grabbing control of their own destiny. It was a blind, self-interest-motivated lashing out at government. Now, whenever one makes a statement like that one has to go and say there were some genuine grievances but simply to say, "I want to lower taxes for myself," is not my idea of a national crusade for re-establishing one's own destiny. That certainly applies as well to putting a provision into the state constitution requiring a two-thirds vote of both houses of the state legislature to enact any new taxes to take the place of the old.

Burns. That latter is the one part of the Jarvis-Gann amendment that I would certainly applaud. As a matter of fact, at the risk of shocking you, Walter, I would like to see the federal government proceed on the principle that if there is to be a budget deficit of any magnitude, that should be voted by a three-fifths or a two-thirds majority of the Congress. Now, that is a reform that I would like to see carried through.

Heller. That is shocking. In terms of sensible, sound, responsible economic management, Arthur, I am shocked.

Burns. I think we need to introduce some firm discipline into the management of fiscal affairs. Simple majority government has led us into the position in which we now find ourselves—with deficits persisting year in and year out, with deficits feeding inflation year in and year out, with inflation itself accelerating in this country at a time when the rate of inflation is diminishing in most other parts of the world. The legislating of deficits by simple majority rule has led to a depreciation of the dollar in foreign exchange as well as in domestic markets. It has led to great uncertainties about the future of free enterprise in our country. It has led also to a lowering of our national prestige.

Whether the rule should be a two-thirds majority in order to run a deficit, or a 60 percent majority, I don't much care. But in view of the experience that we have gone through, something more than a bare majority is needed to regain responsibility in financial and economic management.

Heller. I surely agree that we need far better economic and financial management, but that involves, for example, a much better coordinated Federal Reserve monetary policy and government fiscal policy. If you, in effect, tie one hand—the fiscal hand—behind your back, I think it will distort the management of U.S. economic policy.

Burns. It would make it certainly more difficult to run large deficits.

Heller. Yes, it would.

That, of course, raises the question: What is the source of our inflation in this country? You attribute it all to deficits. I didn't hear anything about monetary policy or the quantity of money, but I would just as soon pass on that.

Burns. You are granting too much, Walter.

Wattenberg. Has there been an attitudinal shift in the workplace that people no longer want to work as hard as they did; that the success goal is missing?

Heller. Ludwig Erhard used to tell me, "The world-famous German diligence has disappeared. "He told me that in the fifties, and he told me that in the sixties, and now I am hearing it in the seventies.

Burns. And it has been true each time.

Heller. But how do you reconcile this supposedly weakening work ethic with the fact that women are rushing into the labor force and the further fact that in spite of allegations that people are so comfortable on welfare, there are throngs of applicants when companies announce new job openings in areas of high welfare incidence? Surveys show that people like to work, basically. Maybe they are not working as hard as they did.

Burns. I think we have conflicting trends. On the one hand, more and more people are entering the labor force: that is in part a result of the pressure on family budgets caused by inflation. On the other hand, the average individual wants longer vacations, more holidays, sick leave and longer coffee breaks. People aren't working the way they used to. So you have these opposite trends.

Actually, I think that what has been happening in our society is that people, as individuals, are willing to put less and less effort into the economy, but still want to draw more and more out of the economy. They find that they are not achieving their objectives and that is frustrating.

It's become very difficult to draw more and more out of the economy. If you get an increase in wages, that is soon nullified by inflation. People generally know this but they overlook the fact that their willingness to put effort into production is diminishing. And they are only beginning to understand that government is diverting to itself an increasingly large part of the nation's production.

Heller. But remember, Arthur, that people know from their experience in the sixties that they could put in less and less effort or at least less time and draw out more and more because productivity grew so much that in one decade, per capita income, after taxes, in real terms rose—what was it, somewhere between 25 to 30 percent? And they decided to take out a good chunk of that in leisure.

Burns. But, you see, we had a fairly healthy environment for investment after 1962, and we do not have a healthy environment for investment at the present time. Venture capital investment is virtually dead in our country. Investment in large new projects is not proceeding at all rapidly. The spirit of innovation, of business enterprise, of capital investment is not what it was at that time. I think that persistent inflation, which has led to the deterioration of profits since the mid-1960s, has weakened the spirit to

invest. That is the major difference between then and now.

Wattenberg. And yet, the material level of well-being in this country is at an all-time high today. Can't you interpret that as progress, if you work less and get more? Isn't that also progress?

Burns. Well, now wait. First of all, the rate of improvement in material welfare has slackened.

And when you have a slackening of the overall rate, then the number of individuals whose position has not improved materially, or who feel that it has not improved, tends to increase. I think this is what has been happening, and it is a source of spreading dissatisfaction.

Heller. Yes. And, Arthur, I think you and I might also agree that the rapid events in the sixties built up expectations that are not being fulfilled in the seventies, partly because we have had two recessions in the first half of the seventies after none for eight years in the sixties.

Burns. Yes. People want more and more out of the economy, and they are being frustrated; they are not getting it.

CURRENT U.S. POPULATION

● Mr. PACKWOOD. Mr. President, I wish to report that, according to U.S. Census Bureau approximations, the total population of the United States as of August 1, 1978, is 219,110,884. In spite of widely publicized reductions in our fertility levels, this represents an increase of 1,675,005 since August 1 of last year. It also represents an increase of 191,449 since July 1, 1978; that is, in just the last month.

Over the past year, therefore, we have added more than enough people to fill the city of Detroit, Mich. In the last month, we have added more than enough people to fill the city of Grand Rapids, Mich.●

DECLINE IN U.S. TECHNOLOGICAL SUPERIORITY

● Mr. STEVENSON. Mr. President, an article entitled, "King of the Mountain—Are We Still Playing the Game?" in the July 1978 issue of Mechanical Engineering, published by the American Society of Mechanical Engineers, outlines issues resulting from the Nation's declining technological superiority. The United States still has a technological lead in three areas—computers, heavy electronics, and aerospace. However, continued reduction in Federal support of basic scientific research and development will eventually erode this technological lead and contribute to the loss of markets.

The Subcommittee on Science, Technology and Space has conducted a series of hearings to examine the status of U.S. science and technology efforts and the Federal R. & D. budget. The need for sensible research and development policies for the United States is clear. Development of such policies is a priority of the subcommittee.

I commend this article to my colleagues and request that it be printed in the RECORD.

The article follows:

KING OF THE MOUNTAIN—ARE WE STILL PLAYING THE GAME?

Most Americans, even the most cynical, feel that this is the greatest country in the world. We assume U.S. prowess in every area of national endeavor, including superiority in trade and scientific and technical efforts. But recently, it seems we can no longer take our superiority in trade for granted. Many nations are seriously competing with and dominating markets once thought to be to the exclusive domain of American industry.

The reasons the U.S. is losing its leading edge in many markets—especially high-technology markets—are complex. Several Congressional hearings have been called to ask "What went wrong—why aren't we King of the Mountain any more?" Are we truly losing ground to our international competitors in fields such as electronics, and other high-technology areas, and if we are, is that necessarily bad? If it is bad, what should the U.S. do about it?

The Facts. There is no doubt that this Nation is becoming less competitive in high-technology markets. Today there are no 35-mm cameras or color TV's manufactured in this country; we once dominated those markets. We maintain a technological lead in only three high-technology areas—computers, the aerospace industry, and heavy electronics. Of these three areas, the Japanese are spending massive amounts to make themselves competitive with the U.S. in the computer industry.

Why is This Happening? While the reasons are complex, we can make a few generalizations. Each year, we are spending a smaller percentage of our GNP on basic research and development. On the other hand, our main competitors have increased their R&D efforts. The reasons for decline of R&D in this country are many. Some cite industry's lack of venture capital and tax policies that don't encourage investment in R&D. Others point out that this is the era of the big company, and while large corporations excel in production and marketing, traditionally the smaller more innovative companies make the technological breakthroughs. Some have explained our decreasing dedication to R&D as a reaction: As other countries have taken a larger part of our markets in television manufacture, steel, and other fields, American industry has tended to retrench into a position of "Let's produce what we know how to produce, as well as we can—spend the least for the most result." Still another explanation is the syndrome popularly referred to as "not invented here." That is, the technology policymakers in this country, both at the governmental and industrial level, are now in their 50s and 60s. The last working-level contact they had with engineering innovations was 20 years ago, when this nation was an unchallenged leader. The prejudice they still have that no one can do anything better than we can has made them less inclined to adopt from and copy foreign innovations, which, by the way, is precisely what our foreign competitors did to achieve their position in high-technology markets. The end result is that, because we invest less in basic R&D, we are not able to maintain the leading edge in technology and therefore, are less able to develop new products and refinements on old products and direct them toward new markets.

What's the Problem? What if we are losing that leading edge, and we lose a few bucks, and even a few jobs? Surely things will even out in the long run . . . we'll do other things better . . . become (as indeed we have done) a more service oriented rather than goods producing economy.

There is one school of thought that states that it is better (or at least as good) to be a close second rather than a technological innovator. After all, the technological innovator gets to make all the mistakes; the close second merely capitalizes on what he did. So, what's the problem?

The problem is, precisely, that we, as a nation, have not developed a policy or posture on this subject. Clearly, we are worried about it. One only has to look at the number of Congressional hearings scheduled on this subject to know that policymakers in Congress are worried. And clearly the Executive branch of government is worried. In the past weeks we have been invited to two meetings called by the Office of Science and Technology Policy—an arm of the White House—where they urged the academic and technical community to lobby Congress for more R&D money to be put into the budget. But our concern is sporadic—not pervasive or directed. Within the government different branches react differently to the problem. The Department of Commerce continually brings up the necessity for building up our high-technology industries, pointing out threats to heavy electronics and computer industries from other nations. At the same time, the antitrust division of the Justice Department has several actions aimed against IBM and AT&T which are designed to make them more competitive with smaller U.S. companies, but will, almost certainly, make them less competitive with Japan and Germany and other overseas competitors. Our sporadic concern coupled with our country's fantastic ability to put off decisions to the last possible moment could be a recipe for disaster.

We, as a nation, are continually working with a short lead time. Our national budget is planned on a yearly basis. Our Congressmen are elected every 2 yr—making them more concerned with the short-term effect of their votes than with long-term ramifications. These, and other more complex elements in our society have given us a talent for ignoring long-term questions. Coupled with this is that undying belief that the U.S. is always Number 1. If we avoid formulating a policy and taking a position on our losing the competitive edge in overseas markets, it is not too difficult to foresee the day when we wake up and say, "By God, our technical lead in the world has vanished—we've got to do something about it, and we've got to do it NOW!" What will that instant fix be? Probably a knee-jerk reaction of "Pull up the drawbridge—slap on the tariffs against foreign-produced goods." This has already started to happen: witness the call for quotas and tariffs in the shoe industry, the screw and fastener industry, and the steel industry recently. That is a quick fix, but not a constructive response to competition. History tells us that for Germany and Japan, being cut off from world markets was a significant factor in both World Wars.

The time for sensible and more considered decisions is running out. Within a few years, this country will lose unrecoverable ground to competitors (if our aim is to stay No. 1) and that's when desperate cries for action will be heard. Our modern world is fraught with complexities over which we have no direct control, e.g., the petroleum supply situation and the availability of certain raw materials. It is unconscionable for us to surrender an aspect of economic life that we can control.●

IMPERIAL GOVERNMENT

● Mr. GARN. Mr. President, a few years back, our colleague, Senator PAT MOYNIHAN, wrote an unsightful and prophetic article on U.S. foreign policy. Part of the fallout from that effort was an appointment as Ambassador to the United Nations, where he served as usefully as our present Ambassador does uselessly. The article I mention was originally published in Commentary magazine, and I mention that fact because Senator MOYNIHAN has now written another article, published by Commentary which may prove to be even more insightful and prophetic than the other.

In the article, entitled "Imperial Government," Senator MOYNIHAN explores the changing nature of the checks and balances that exist among the three branches of Government in the United States. Building on an insight of James Q. Wilson, who noted that organizations come to resemble their adversaries, Senator MOYNIHAN discusses the development of the Bureau of the Budget (now called OMB), and its congressional reciprocal, the CBO; the construction of the Executive Office Building to house the President and his staff called forth the reciprocal response whose culmination on Capitol Hill is the monstrosity going up across the street, the Philip Hart Building; the FBI provided security information to the executive branch. There is now talk of equipping congressional committees with similar investigative powers, in order to screen Presidential appointments. Indeed, Senator MOYNIHAN does not mention it, but the Appropriations Committees have long employed professional FBI agents in their investigations; the CIA gave the Executive access to foreign intelligence. In response, we created select committees with access to all that information, and some control over it as well; when the President got a science adviser (and then a whole Office of Science and Technology), we set up a Congressional Office of Science and Technology; the President's Council of Economic Advisers is echoed by our Joint Economic Committee; again, Senator MOYNIHAN does not mention the Council on Environmental Quality. Part of that function is performed for us by standing committees, part by the (presently) unofficial Environmental Study Committee.

Thus, Senator MOYNIHAN outlines for us the Iron Law of Emulation. And its operation is not, he suggests, limited to the relations between the executive and legislative branches. As power shifts increasingly to the judiciary, institutional forms will follow to administer it. For, as Senator MOYNIHAN notes, the modern lawsuit does not end with the judgment:

> The lawsuit does not merely clarify the meaning of the law, remitting the parties to private ordering of their affairs, but itself establishes a regime ordering the future interaction of the parties and of absentees as well, subjecting them to continued judicial oversight.

Indulging himself in what he calls a "large (and unsupported) forecast," Senator MOYNIHAN warns that the growth of administrative institutions in the three branches of Government will lead to "Government by submerged horizontal bureaucracies." To some extent, this Government already exists, as we all know. Its logical conclusion, our colleague shows us, is a government divorced from its roots and its legitimacy. It is "a great falling away of democratic, elective Government."

Mr. President, the wisdom of our colleague needs to be more widely accessible. Let me do my part by submitting the article for the RECORD so that it can be made available to all our colleagues.

The article follows:

IMPERIAL GOVERNMENT

(By DANIEL P. MOYNIHAN)

The question of size and of effectiveness in American government is beginning to take on aspects of constitutional as against merely political debate. For the better part of a century now, those who have objected to the size of government, especially the national government, have typically been objecting to the new functions the government was seeking to carry out. There was always, that is, a not especially well hidden agenda in the objection to government growth as such. Of late, however, we encounter the argument that government growth has not added to the effectiveness of government, but may even have impeded it. The question appears even where it is not directly posed. Thus, a year after the inauguration of President Jimmy Carter the nation was awash with wonder that so much was being attempted and seemingly so little achieved. At first, political explanations were put forward for this, principally that the President's difficulties were of his own making. But then, with increasing frequency, commentators began asking whether the more important explanation was perhaps to be found in the way our government at present works, or does not work. It is a matter that deserves inquiry.

Further, to the degree that we are dealing with a question of constitutional dimension, it deserves inquiry carried forward in the spirit of the framers of the Constitution, which was very much a scientific spirit.

The establishment of the American government in the latter part of the 18th century was a distinctive event in many ways, but in none more than the belief of those involved that they were acting upon scientific principles. These included principles of political science which was seen as a branch of an essentially unified science. Hamilton noted, in the ninth *Federalist* paper, that previous republics had had such stormy histories that republicanism had admittedly fallen somewhat into disrepute. This tendency, however, could be overcome thanks to progress in political science:

> The science of politics, however, like most other sciences, has received great improvement. The efficacy of various principles is now well understood, which were either not known at all, or imperfectly known to the ancients.

Hamilton went on to cite, as examples of "new discoveries," the various constitutional institutions with which we are now familiar: separation of powers, the system of checks and balances, popular representation in the legislature, the independent judiciary, and so on.

Whatever the impression, American government has maintained this early disposition. American political science has for the most part been a pragmatic discipline while American political scientists have not always been impractical men. The sixth president of the American Political Science Association became the twenty-eighth President of the United States. The profession continues in the service of government largely conceived.

It is in order, then, to expect that there should now be forthcoming a considerable effort to diagnose what so many consider to be the sickness of government in our time, a sickness associated with grossness, with the proposition that government is too big and doesn't work.

Within the federal government (and probably at other levels also) developments now several generations old have caused the executive branch to become greatly enlarged, and, apparently in consequence, to function with greater difficulty. These developments have more recently appeared in the legislative branch, which commences to have similar difficulties. And they are now beginning to appear within the judiciary as well, where, it may be forecast, the same difficulties will also shortly appear.

In the effort to understand this process, a good place to begin is with the familiar notion that by creating three branches and a system of checks and balances which enabled each to empede the functioning of the others, the framers of the Constitution built conflict into the American system. They thought it was inevitable, and on the whole desirable. If they had a disposition, it was for more, not less.

This was a bold idea then and it remains a bold idea today. Most governing systems assume an inherent and ever more manifest harmony of interests and compatibility of behavior. Marxists, for example, presumably still await the withering away of a conflict-free Soviet state. As we look at the experience of the two systems of government, those who devised the American one surely emerge as men who knew more about what the world is really like. Or, alternatively, who were more honest about it.

In that same spirit of realism, James Q. Wilson—the political scientist of our generation who has most usefully studied bureaucracy in its various adversarial modes—holds that organizations come to resemble the organizations they are in conflict with. If one football team begins using offensive and defensive squads, its opponents will soon be doing so too. The German sociologist Georg Simmel pointed out in the early years of the century that organizations in conflict may wish their opponents to resemble them, even, surprisingly, in the degree of their power. Elaborating on Simmel, Lewis Coser writes:

> "If . . . there exists a rough balance of power, as in pluralistic, multi-group societies, the more strongly organized adversary may actually prefer that the weaker not fight with "unconventional weapons" (corresponding to a different organizational structure), but use weapons similar to his own, making it possible to fight according to comparable rules."

This insight clarifies many otherwise inexplicable phenomena, as in labor relations where after a certain point big employers clearly preferred to deal with big unions; or, conversely, where early on Samuel Gompers, seeking to organize American workers, encouraged employers to organize as well.

The applicability of this theory—which might be called the Iron Law of Emulation—to American government is clear. We may put it thus: whenever any branch of the government acquires a new technique which enhances its power in relation to the other branches, that technique will soon be adopted by those other branches as well.

Consider the Bureau of the Budget (now called the Office of Management and Budget), which was established in 1921. The Bureau of the Budget gave the President an enormous advantage over the Congress. In this all-important function of government, the President had a unified, centralized command as against a dispersed and often internally divided congressional force. Congress sustained defeat after defeat as successsive Presidents raised federal expenditures to ever new heights. Interestingly, it was only when the time came that Congress for once wished to spend more money than the President—which is to say during the impoundment controversy with President Nixon in 1973–74—that Congress created a Congressional Budget Office of its own, and a rough equivalence of competence with respect to the techniques of fiscal management and disputation was achieved.

It might have been supposed that the executive would have resisted this, but the evidence (confirming Simmel) is otherwise. The executive seems almost to have welcomed the

appearance at the other end of Pennsylvania Avenue of an organization similar to its own with which to conduct the annual Battle of the Budget. We can assume that at OMB it is much more agreeable to be dealing with officials at the CBO who know what the GNP deflator for the last fiscal year is, and who care.

This migration of technique from the executive to the legislative has been going on from the beginning of the 20th century. Further thought would likely produce a more respectable taxonomy, but present purposes will be served by a list that begins with buildings and ends with attitudes.

In 1902 President Theodore Roosevelt built the West Wing of the White House, where the Oval Office is located. Of a sudden the President was an executive. He no longer worked in his living room, but had an office building in the manner of the business leaders of the age. (Here one observes the federal government as a whole adopting the techniques of the business world with which it was then increasingly in conflict.) The very next year the House of Representatives voted itself an office building, and the year after that the Senate did also.

As is well known, each branch continues to build more office buildings for itself, each of which fills up (such are the demands of the conflict with the other branches) until overcrowding requires yet another building.

The man who has traveled abroad has an advantage in certain kinds of arguments over the one who has not. President and Congress stayed home until 1905 when President Theodore Roosevelt went to Panama. Next, President Taft went there also. Then President Wilson went to Paris. A generation later, Presidents spent an important segment of their time traveling in other countries. In 1954, Congress began to provide easily accessible funds for its own travel abroad. By now, presidential and congressional groups crisscross each other in the farthest reaches of the planet. The practice seems to have begun of Presidents' arranging to meet Congressmen abroad, possibly because of difficulty in getting their schedules together in Washington.

The Presidency acquired an investigative organization, the FBI (technically in 1908, but reaching its famous status in 1924, with the appointment of J. Edgar Hoover as director), which was a formidable if not always straightforward weapon. There is now discussion in the Senate of establishing an investigatory arm for such purposes as screening presidential appointees, a function now performed by the FBI.

Access to foreign intelligence is a key element in getting one's way in disputes over foreign policy. In 1947, the Presidency obtained the Central Intelligence Agency, and for a period was uncontested master of the intelligence "secrets." Congress retaliated not by establishing an intelligence service of its own, but by creating, in 1976, the Senate select Committee on Intelligence with complete access to CIA information. The House, in 1977, established a similar committee.

In 1962, the Presidency acquired the Office of Science and Technology, having previously, in 1957, established the President's Science Advisory Committee. In 1974, Congress acquired the Office of Technology Assessment with an Advisory Council that serves essentially the same function that PSAC once did. (Like the Congressional Budget Office, the Advisory Council to the Office of Technology Assessment was first headed by a Democrat who had been displaced from an equivalent or comparable position in the executive branch when a Republican administration came to power.)

Economic knowledge is, of course, another characteristic technique of modern organization. In 1946, the Presidency obtained the Council of Economic Advisers, a powerful institution not really matched by the Joint Economic Committee established by the same legislation. Still, the staff of that committee does give Congress its own experts with which to dispute those of the President.

This pattern—of the executive branch acquiring a new technique, followed one, two, or three decades later by an equivalent action on the part of the Congress—is now well set; and it has come to involve the Congress in a great many executive functions. Thus in 1963, the Presidency acquired the Special Representative for Trade Negotiations. In 1973, the Senate Finance Committee established a Subcommittee on International Trade whose members are official advisers to the President's trade negotiators. In part, this mixing of functions may be seen as an attempt by one branch to prevail in conflict by coopting the other, which it invites into the decision-making process so that the final decision will be supported. But in even larger part it is an instance of the Iron Law of Emulation.

A more subtle process involves the emulation by one branch of another in order to eliminate any appearance of disparate levels of legitimacy. In 1941, the executive branch established the Committee on Fair Employment Practices. In 1975, members of the House established a Fair Employment Practices Committee (with an interesting mix of Representatives and staff members). A Senate bar on employment discrimination was adopted in 1977.

Similarly with ethical standards. For members of the executive, such standards, including financial disclosure, were promulgated by President Johnson in 1965. The House created a Committee on Official Conduct in 1967. In 1976, the Commission on the Operation of the Senate, chaired by former Senator Harold Hughes, advocated the adoption of explicit standards. The task was completed by a committee chaired by Senator Gaylord Nelson, and resulted in the Senate's adoption of such a code in April 1977.

The bureaucratized and differentiated structure of the executive and, increasingly, the legislative branches has not yet appeared in the judiciary. But there are signs that the judiciary is beginning to take on functions which are invariably associated with bureaucratization and differentiation. This is the rise of what Abram Chayes, in a May 1976 Harvard Law Review article, has called "public-law litigation." Traditionally, adjudication has been understood to be a process for resolving disputes among private parties, which have not been privately settled. But Chayes holds that this traditional view cannot account for much of what is now actually happening in federal trial courts. Civil litigation increasingly involves determination of issues of public law, whether statutory or constitutional, and frequently terminates in an ongoing affirmative decree. The lawsuit does not merely clarify the meaning of the law, remitting the parties to private ordering of their affairs, but itself establishes a regime ordering the future interaction of the parties and of absentees as well, subjecting them to continuing judicial oversight.

Professor Chayes contends that such a role for the courts, pursued through decrees in class-action suits, is unprecedented and raises serious concerns of legitimacy. He allows that the experience so far has been mixed. Reapportionment decrees, as an example, have in his view worked well, but it remains to be seen how successful federal judges will be at running mental institutions. He is, however, optimistic.

[D]espite its well-rehearsed inadequacies, the judiciary may have some important institutional advantages for the tasks it is assuming:

First, and perhaps most important, is that the process is presided over by a judge. His professional tradition insulates him from narrow political pressures, but, given the operation of the federal appointive power and the demands of contemporary law practice, he is likely to have some experience of the political process and acquaintance with a fairly broad range of public-policy problems.

Second, the public-law model permits ad-hoc applications of broad national policy in situations of limited scope. The solution can be tailored to the needs of the particular situation and flexibly administered or modified as experience develops with the regime established in the particular case.

Third, the procedure permits a relatively high degree of participation by representatives of those who will be directly affected by the decision. . . .

Fourth, the court, although traditionally thought less competent than legislatures or administrative agencies in gathering and assessing information, may have unsuspected advantages in this regard. . . .

Fifth, the judicial process is an effective mechanism for registering and responding to grievances generated by the operation of public programs in a regulatory state. . . .

Sixth, the judiciary has the advantage of being non-bureaucratic. It is effective in tapping energies and resources outside itself and outside the government in the exploration of the situation and the assessment of remedies. It does not work through a rigid, multilayered hierarchy of numerous officials, but through a smallish, representative task force, assembled ad hoc, and easily dismantled when the problem is finally resolved. . . .

But if the federal courts are going to make law (a legislative function) and enforce law (an executive function)—which is what Chayes' term "the public-law litigation model" implies—they are inevitably going to find themselves in conflict with the legislative and executive branches. In that conflict they will be just as inevitably led to adopt the techniques of the other two branches in order to prevail in the ensuing conflict; and, as Simmel would have it, they will be encouraged to do so. They will thus develop a "rigid multilayered hierarchy of numerous officials" of their own.

On this point I find Donald L. Horowitz, in his fine study, *The Courts and Social Policy* (1977),* rather more persuasive than Chayes. After examining four cases of "public-law litigation," Horowitz concludes:

"The four cases make plain the impotence of the courts to supervise the implementation of their decrees, their impatience with protracted litigation, and their limited ability to monitor the consequences of their action. Called upon increasingly to perform administrative functions because they are not burdened with administrative rigidities, the courts are also not blessed with administrative capabilities."

What experience suggests, however, is that if an organization in need of administrative capabilities does not have them, it will seek to acquire them.

Politics, as Maurice Cranston contended in his inaugural lecture at the London School of Economics (1971), is an argument about the future. Rarely, one would add, is any person or party entirely correct. Usually predictions are significantly wrong, and this is the problem the courts confront. Up until now, the primary task of the federal courts as been to rule on the meaning of existing laws, the Constitution foremost. The judges and justices can with some equanimity rule on just what the Founding Fathers intended, for it is extremely difficult to prove they are wrong, and, in any event, they never *are* wrong until they themselves so decree. (Thus the *Brown* [1954] decision declared *Plessy* v. *Ferguson* [1896] to have been wrong. At this moment a considerable number of scholars,

* See also his article, "Are the Courts Going Too Far?," COMMENTARY, January 1977.

notably Walter Berns in his recent *The First Amendment and the Future of American Democracy* [1977], hold that the Court's interpretation of the "establishment clause" of the First Amendment is simply wrong. But until the Court changes its mind, the interpretation stands.)

But what about predictions of the future, where most of us mostly are wrong and can be shown to be? What about predictions of the therapeutic consequences of one form of psychiatric aid as against another? A court without an elaborate bureaucracy to fuzz the results and conceal its mistakes will soon be judged no court at all, but merely a panel of well-intentioned amateurs exposed to all the world as bumblers. The Court will get a bureaucracy.

And more, if some "master plans" are implemented. In 1975, the Architect of the Capitol was authorized by Congress "to prepare studies and develop a Master Plan for future developments within the United States Capitol Grounds, for the future enlargement of such grounds. . . ." Phase II of the Architect's report appeared in August 1977. Note these passages concerning the Supreme Court:

"The Office of the Marshal and the Administrative Assistant to the Chief Justice have outlined the Court's current and future space needs based on trends in employment and the Court's load. Since 1970 there has been a steady increase in support positions. To maintain the high quality of judicial consideration of an increasing case load, additional law clerks, secretarial, and messenger positions were added to the staffs of the Justices' Chambers. This has also led to the creation of a Legal Office staffed by career professionals. Of similar importance has been the appearance of career professionals in various offices of the Court to meet the challenges that have been experienced throughout the federal and state Judiciaries."

In predictable response, the executive has been getting itself judges. In August 1972, the title Hearing Examiner within the executive branch was changed to Administrative Law Judge. Indeed, there are now 1,071 administrative-law officers in the executive branch who are formally designated Administrative Law Judge, almost 600 more than the total of federal District and Appellate Judges. Twenty-nine agencies of the executive branch now have such judges; the Social Security Administration alone has 660. In the meantime, there are another 100 examiners, attorneys, and appeal-board members within the executive branch who seem to have appropriated the title of Administrative Judge, though this is not a "proper" civil-service category.

Once again, a more elaborate taxonomy will perhaps be developed some day, but the general pattern seems distinct. We don't yet think of this as a generalized pattern, but we behave as if the pattern had become geneneral. Thus in the 1930's the congressional party (as it were) directed its strongest attack against the growth of the executive under the New Deal. A generation or so later, the presidential party in the person of Gerald Ford attacked the "Billion Dollar Congress". In that same election year, the successful candidate, Jimmy Carter, attacked both, with special emphasis on the "bloated, horrible bureaucracy."

In recent Senate hearings Claiborne Pell of Rhode Island, an exceptionally careful and perceptive committee chairman, observed that the Senate budget for Fiscal Year 1978 was to be greater than the budget of seventy-four countries. The Washington *Post Magazine* of April 23, 1978 featured on its cover a story entitled, "The Senate: Snarled in Bureaucracy?" This story, well done, was nonetheless perfectly recognizable as the same story that began to be written about the executive a generation or so earlier. The judiciary's time is at hand, as evidenced by the appearance of scholarly works—like Nathan Glazer's "Towards an Imperial Judiciary" (*Public Interest*, Winter 1975)—which will in due course be followed by journalism.

The most consequential result of all this is overwork. It may come as a surprise to the public to learn that persons in positions of authority in government are overworked, but almost all are. (Whatever, if anything, scientific management may have to say on the subject, I offer the impression that overwork begins at some point between a sixty- and seventy-hour work-week made a year-round routine.) To be sure, persons who are overworked do not necessarily achieve a great deal. Overwork typically appears at a point where productivity begins to fall off. The whole of modern government is made up of men and women trying to jam ever greater resources into the ever tightening angle of an asymptotic production curve.

Overwork begins as a technique, a new way of achieving a goal, usually that of prevailing in conflict. But it soon becomes a condition in its own right, rather like bureaucracy itself. And as with most of the techniques we have discussed, overwork first appeared in the executive.

In general, the modern economy has brought about an inversion of effort as between managerial and production workers. What were known as "bankers' hours" certainly obtained in the government offices of the 19th century when there really wasn't that much for bankers or bureaucrats to do. Recall Trollope's portrait, in *The Three Clerks* (1874), of Mr. Fidus Neverbend, the premier workaholic in the civil service of his time:

"Mr. Fidus Neverbend was an absolute dragon of honesty. . . .

"A quarter of an hour spent over a newspaper was in his eyes a downright robbery. If he saw a man so employed, he would divide out the total of salary into hourly portions, and tell him to a fraction of how much he was defrauding the public. If he ate a biscuit in the middle of the day, he did so with his eyes firmly on some document, and he had never been known to be absent from his office after ten or before four."

This compulsive wretch worked a full six-hour day!

Or consider the rather more inspiring figure of Henry L. Stimson as Secretary of State during the administration of President Hoover, a time of vast international crisis. Hoover responded by spending ever more time on the job; Stimson responded by horseback riding. In *On Active Service in Peace and War*, Mr. Stimson and McGeorge Bundy write:

"Mr. Hoover was a worker, capable of more intense and prolonged intellectual effort than any other man Stimson ever met; his cure for all his troubles as President was more and harder work. Stimson was not made that way; his strength depended on regular rest, substantial vacations, and constant physical exercise, nor did he accept as suitable exercise Mr. Hoover's game of medicine ball—it seemed to him as dull as weight lifting, and about as refreshing. More and more after the middle of 1930, Stimson found himself oppressed by the official atmosphere of Washington."

As with much else in the New Deal, then, overwork began with Hoover, and was soon institutionalized. Government became something of a trial of strength. Those in the Cabinet and the White House not capable of sixteen-hour days were driven from the field as inexorably as were the fainthearted and weaklimbed in the tournaments of medieval courts.

Inevitably, overwork in time appeared in Congress. President Roosevelt's Hundred Days are so designated because his first Congress met March 9, 1933, and went home June 15, not to return until the following January (for a long session that lasted until June 18). To the Jeffersonian mind, after all, a great attraction of Washington as the seat of government was that it turned malarial in April, so that a Congressman who stayed on until May might not be back in December! But with the 1930's, sessions began to lengthen. Then came war, and the first session of the 77th Congress (1941) met for 365 days. After the war, the duration of sessions dropped back, but in the 1960's it lengthened again. The first session of the 91st Congress (1969) ran 355 days. The Congress is now almost permanently in session.

The number of votes per session has increased considerably more than the number of days. In the first session of the 83rd Congress (1953), there were 80 votes in the Senate and 71 in the House. In the first session of the 95th Congress (1977), there were 636 and 706 respectively. A congressional study committee in 1977 found that for one-third of their day, Members of the House were supposed to be in at least two places at once, this being the result of multiple committee assignments.

Time, of course, is what is most in demand in an overworked institution. Energy is what is most lacking. "Energy in the executive," said Hamilton, "is a leading character in the definition of good government." Something not different is the case with the legislative. But energy is the first quality to disappear when the workload becomes too heavy. Energy and creativity.

Thus, in the sixteenth month of the Carter administration the Wall Street Journal reported "combat fatigue" had already set in: "A key White House aide talks of leaving. The general reason: loss of the exhilaration needed to endure seventy-hour work weeks." Good men and women, who should be just about, in an earlier image, getting their second wind, were already used up. An absurd waste, but part of the system they were caught up in. To relieve the burden, President Carter proposed just the wrong remedy. In February 1978, he asked Congress to authorize an additional 100 "supergrade" and "executive-level" employees for his immediate White House staff. This is surely startling in a chief executive who came to office not just formally pledged to cut the size of his office (as Presidents now routinely do) but seemingly determined to do so. Any new top executive will, of course, require that those already there work even harder to keep up with one another.

Overwork is typically followed by efforts to improve efficiency along lines of what is termed organizational rationalism. The first such effort in the executive, the Commission on Department Methods, headed by Assistant Secretary of the Treasury Charles Hallin Keep, was established in 1905. President Franklin D. Roosevelt established the more noted Committee on Administrative Management, headed by Louis Brownlow, in 1936. The first congressional committee of this sort was the Joint Committee on the Organization of Congress, established at the end of 1944 and chaired by Senator Robert LaFollette, Jr., of Wisconsin. Many of its recommendations became part of the landmark Legislative Reorganization Act of 1946. It was this law which established "professional" committee staff for the Congress, the congressional variant of the civil service, to be appointed "without regard to political affiliations and solely on the basis of fitness to perform the duties of the office."

The most recent, and notable, effort in the legislative branch was the Commission on the Operation of the Senate established in 1975. The report, *Toward a Modern Senate*, was notable for a refreshingly candid statement of the nature of a Senator's day—"long, fragmented, and unpredictable. On the average, Senators put in an eleven-hour day"—and a

not less candid statement of the goal to help Congress organize to counter the expanding power of the Presidency and the executive branch, "an expansion that recently threatened to upset the constitutional separation of powers. . . ." Predictably, the commission proposed that the Senate adopt more of the techniques of the executive.

Already the legislative branch had acquired one of the more important powers of the executive, the Congressional Veto, which was created by the Reorganization Act of 1932, and serves very much as does the executive veto provided in the Constitution. In 1975 alone, congressional veto provisions were incorporated into fifty-eight laws.

As in the case of its acquisition of judges, the executive branch has responded in turn to competition from the legislative by emulating some of *its* techniques. We could, for example, interpret the establishment, and now proliferation, of independent regulatory commissions—standing committees, as it were—as a legislative technique planted in the executive. This began, of course, with the Interstate Commerce Commission in 1887, an era of relative congressional ascendancy over the Presidency.

Another, subtler, example—and one suggestive of the damage that the Iron Law of Emulation has done—may be found in the way Presidents now seem to negotiate with and mediate among their bureaucracies, much in the manner of House and Senate conferees working out their differences over a bill. Thus in the spring of 1978, after one full year of interdepartmental negotiation, President Carter announced his urban policy. It contained no new initiatives of any consequence. It was rather an immensely complex agreement as to what new resources would be allocated to dozens of different, and already established, programs. Indeed, it was not a policy at all, for nothing of that order could have been achieved by negotiation.

The ultimate result of these parallel developments may be simply stated: stalemate. As each branch acquires more of the techniques of the others, especially as executive-branch techniques migrate to the other two, each becomes more capable of thwarting the others' purposes, *and probably more disposed* to do so. For while there is surely a disposition to leave to others tasks for which one has no special capacity, this disposition disappears when everyone "knows" everything because everyone has his own information and experts—as is increasingly the case with each of the three branches of our government.

Is it not also likely that as the techniques of the three branches become more alike, the branches will become more homogeneous? Or is that a tautology? No matter. The point is that the branches were intended to be distinctive and to attract distinctive personalities; and they have long done so. The judicial temperament is a real thing. Anyone who has been required to make choices for the judiciary comes to know it and respect it, even if he cannot too closely define it. The ability to manage is a distinctive gift which we associate with persons called executives, and is, we hope, to be found in the executive branch. The genius, the central, the all-informing, all-pervasive principle of the legislative branch is that of representativeness. As each district, each state, is different, so each Representative and Senator is different and should be. None is alike, and none is expected to be. If there is pressure on the individual, it is for him *not* to conform to his fellows. *That* is what is lost when bureaucratic routine and Weberian predictability take over from the principle of representativeness.

If a large (and unsupported) forecast may be permitted, it is that the long-run effect of competitive emulation will be to create government by submerged horizontal bureaucracies that link the three branches of government. They will speak their own language and stay in place while their constitutional masters come and go. (For some time, political scientists have recognized vertical bureaucratic ties that link state, local, and national government: the highway profession, for example, or social welfare.) Thus President Carter began by ordering each of his cabinet officers to *read* all regulations before signing and promulgating them. But this soon became impossible. The bureaucracy writes them and signs them, and, as the Washington *Star* bravely strives to establish, heaven help any outsider who tries to read them. They are probably comprehensible to the committee staff of the Congress, who draft the legislation which the regulations typically carry out. But I know it to be true in my case, and I cannot suppose I am alone, that most legislative language is incomprehensive to me. I depend utterly on translators. One has the *impression*—little more—that judicial decrees are increasingly the work of professionals. The end result of all this is surely predictable, almost, again, tautological: a great falling away of democratic, elective government.

The question, then, is of a constitutional order. Americans, understandably, tend to think of constitutional change in terms of the amendment process. But this is not the only way change takes place, as John Marshall demonstrated when he established that the Supreme Court had the right of judicial review of acts of Congress. In this sense the American Constitution can evolve rather in the way the British constitution is said to evolve, and indeed does. And the British experience ought to serve as a particular lesson to us just now.

I do not pretend to any special competence here, but I believe it is fair to say that in the course of the 20th century the British have more or less abolished Parliament. I cannot imagine that at any point in the process the British electorate would have voted to do this; but successive incremental changes over three-quarters of a century have brought it about as an accomplished fact. Every five years or so, as things now are, the British elect a body of persons (still called Parliament in accord with the British willingness to change anything but the appearance of things) which in turn elects a chief executive called Prime Minister. This Prime Minister takes over the executive branch (called Whitehall) and governs with only the barest reference to Parliament for the next five years. Legislation takes the mode of the executive order under the American Presidency. The bureaucracy drafts it, the Prime Minister sends it to Parliament, and with the rarest exception, the bills are enacted by the Prime Minister's majority which exists by definition, else he would not be Prime Minister. On five occasions since 1945 a British Prime Minister lost his majority in an election. He was then replaced by another Prime Minister who ruled in precisely the same manner. Parliament as such has no power to differ with the Prime Minister on any issue save the ultimate one of who should be Prime Minister.

In the Sieff Memorial Lecture at the Royal Institution in 1977, Roy Jenkins allowed that in theory Parliament is sovereign, but in practice:

"What parliamentary sovereignty really means is party sovereignty: and a party that wins a bare majority of seats in the House of Commons enjoys the full fruits of sovereignty, even if it has won the votes of well under half the electorate. So long as its members obey the whip, such a party can force through whatever legislation it wishes, even on matters which in most other democracies would require an amendment to the constitution. Although the courts have begun to show more willingness to challenge the executive than they used to do, their ability to resist a determined government with a parliamentary majority at its back is severely limited."

Jenkins in fact suggests that the British at last get themselves some measure of judicial review to deal with the enormous and effectively unchallenged power of the civil service. In passing, he notes that the impotent Westminster Parliament "is notoriously overworked." Precisely so: for it has nothing to do.

That the British, who think of themselves as caring very much about such matters and as attending to them, have let their institutions decline so is not a good omen for us. But then we are in a far less etiolated condition. Our situation is not one of a single branch superseding the others. For some time we have had a pattern of one branch frustrating the efforts of the other, with moments of intensive cooperation coming at most every generation or so. We do not really have stalemate yet. But signs do appear.

Consider the question of the roving political elites, whose quest for power takes them first to one branch, then to another, bringing new techniques of conflict and *casus belli* with them. First the White House staff, then the congressional committee, then the judicial chambers. The quest is essentially undemocratic, and their enthusiasms diminish as democracy catches up. They move on. But gigantism remains and stalemate grows. This pattern needs to be identified more frequently, and very much to be resisted.

How might we respond? Here I would be adventurous. I would dare to think that the American polity is as capable now as it was at the outset of adopting wise modes of government *because we think them wise*. What James Q. Wilson writes is probably true. Yet it is also true that a people that sees its self-interest in *not* doing what comes naturally can do otherwise. That may be more a wish than a rule, but who will know unless we try?

If the Iron Law of Emulation is to be broken, it must first be recognized. We require some consciousness-raising. The tendency to introduce new conflict techniques can be restrained by the *knowledge* that they will almost certainly be matched. Hence we need first to become more aware of the pattern of one branch adopting the techniques of the other, and to sense the futility of it all. Just this much might have real consequences.●

THE OPPRESSIVE TAX BURDEN

● Mr. CRANSTON. Mr. President, it has escaped very few of us that the vote on proposition 13 in my State has implications for the rest of the country. Certainly some special circumstances were at work in California. But it is unquestionable that there is widespread disatisfaction around the country among people who feel that they are paying more than they should in taxes to support a governmental structure that provides less service than they have a right to expect.

In an article in the Los Angeles Times on July 2, the senior Senator from South Dakota addressed this phenomenon and suggested that we respond with a far-reaching combination of tax reform and reductions in excessive military spending. Because I think it contributes very useful insights to the debate on these issues, I ask that Senator McGOVERN's article be printed in the RECORD.

The article follows:

FEDERAL TAX REFORM AND DEFENSE CUTS ARE THE ONLY ANSWERS

(By GEORGE MCGOVERN)

The roots of the California tax revolt expressed in the passage of Proposition 13 began growing long ago in the soil of an inflation fertilized by the escalation of the Vietnam

War and irrigated by the continuing arms race with the Soviet Union.

The media have placed too much emphasis on a recent remark I made suggesting that while the tax revolt articulated a profound and legitimate anger, it also had undertones of racism. Certainly, blacks and other minorities will suffer disproportionately from the cutbacks imposed on California by the passage of Proposition 13. But I do not believe that the majority of voters was expressing racial resentment.

As inflated property valuations and the increasing cost of living on all fronts leaped out of control, property owners finally saw an opportunity react against taxes, inflation and ineffective government—all at once.

But it seems to me that there are far better ways than Proposition 13 to make taxes lower and fairer for everyone.

The trouble is that Proposition 13 offers relief to the majority by reducing services vital to the minority and by creating new tax advantages for corporate landowners. Two-thirds of the proposition's tax relief will go to commercial property, much of it owned by out-of-state interests, rather than to California homeowners.

Beyond this, the tax cut is so sweeping that once the temporary state surplus provided by inflation is exhausted, public services of all kinds—police and fire protection, education and recreation, sanitation and medical care, family assistance and mental health—may have to be slashed sharply. The Jarvis formula may turn out to be the fiscal equivalent of the neutron bomb—a device that preserves property while destroying people.

Californians voted for Proposition 13 because they had no better choice that could both reduce unfair taxes and preserve essential services. But in view of the underlying causes that contributed to that action, I suggests the alternative steps of lowering federal spending on defense and eliminating both national and state tax loopholes currently available to corporations. These steps could lighten the tax burden on our citizenry and slow the ravages of inflation—not only in California, but also throughout the nation.

Much of the inflation and rising governmental costs that have driven up property valuations and taxes of all kinds originated with the cost of the Vietnam War. That war accelerated rapidly after 1965 with no tax increase to pay for it and no effective price and wage restraints to limit inflation.

The ultimate cost of the war to the American taxpayer, including veterans' benefits and debt-carrying charges, will approximate $500 billion. That is a war tax of $10,000 on each American household over approximately 10 years.

Nor is the Vietnam War the only factor still with us. Since the end of that struggle, the arms race has been speeding up rather than slowing down. Annual U.S. arms outlays have now skyrocketed to a current annual level of $126 billion.

In recent years, we have squandered $5 billion on a useless, anti-ballistic missile complex in North Dakota, now abandoned; we spent nearly $5 billion on the B–1 bomber before abandoning that project as unneeded. We have spent tens of billions of dollars on the MIRV (multiple independently targeted reentry vehicles) missiles system, which the Russians are now matching. This would not be happening if a prohibition against MIRVs had been included in the first SALT treaty, signed in 1972.

Now a summit round of Strategic Arms Limitation Talks is pending with the Soviet Union. Should they fail or be substantially postponed, we will continue to pile another $75 billion in extra arms spending onto the backs of American taxpayers during the next five years.

Congress is about to force a $2.5 billion nuclear aircraft carrier on an Administration which insists that the carrier is unnecessary for national security. Although the Soviet Union and the United States both have enough nuclear fire power to pulverize each other many times over—no matter which side strikes first—we are pushing ahead on plans for a costly new mobile missile system on railroad tracks, plus a vast array of cruise missiles. The Soviets will doubtless follow suit.

Former Defense Department official Townsend Hoopes and former Deputy CIA Director Herbert Scoville have contended that the United States could save $30 billion over the next four years in non-nuclear military forces—without reducing our military effectiveness or our power to deter conventional war. Add to that the $75 billion which a successful SALT II agreement could save over the next five years, and it becomes clear that such savings could not only reduce government expenditures, deficits and taxes, but in doing so, could also dampen the fires of inflation.

Beyond all this, there are ways to make taxes fairer for everyone—ways I first proposed in 1972. At that time I urged that some of the loopholes in our federal tax laws be closed, estimating the consequent savings at $28 billion. It was my suggestion that these savings be returned to the states and earmarked for property-tax relief—a proposal that would have cut California's property taxes in half.

On March 21, 1972, I told the Senate: "The American people are angry with a tax system which has become increasingly unjust and which places an enormous burden on property owners. It is no exaggeration to say that we face a full-fledged tax revolt. While the President and the Congress would have to decide on the use of revenues resulting from tax reform, I believe that we must place a high priority on their allocation for the purpose of reducing the property tax."

Six years later, after Proposition 13, it is even more urgent to eliminate loopholes in the federal tax code and pass the savings on in the form of tax relief and strengthened public services.

Economist Arthur Okun of the Brookings Institution has suggested a further measure which would use federal tax reduction to fight inflation rather than aggravating it. Instead of offering President Carter's suggested broad tax cut of $20 billion to corporations and individuals, he favors making a major part of this reduction available to those businesses and their employes who agree to hold down prices and wages.

Economist Robert Eisner of Northwestern University has suggested other helpful tax revisions. He advocates a phaseout of the present 10% investment tax credit for corporations, which would save the U.S. treasury $15 billion annually—savings that could help finance either a tax credit or subsidy to employers for 50% of the cost of hiring and training Americans now without jobs. Second, Eisner supports ending all payroll taxes for workers under age 20.

If Proposition 13 was indeed a cry for help, then that help must be constructive and swift, as well as targeted directly at those whose pain is greatest. The combination of prudent savings in our swollen arms budget, plus federal tax reform based on common sense and designed to make our wiliest tax-avoiders bear their share of the load, would serve us well.●

THE HOUSTON TOAD

● Mr. GOLDWATER. Mr. President, for those Members deeply concerned about endangered species, I should like to bring up the case of the Houston toad. Here, I suggest, is a problem that easily equals the plight of the Tennessee snail darter and has ramifications of geographical importance. The question seems to be whether the Houston toad has taken to living in the parking lot of a shopping center in Houston, Tex., as is suspected or whether he has migrated from there to some other area, say San Antone or Tyler, Tex. The fact is, nobody has seen a Houston toad for 10 years and if he has died out completely then he is extinct. And if he has migrated to San Antone or Tyler, he is still extinct because then he would no longer be a Houston toad but rather a San Antone toad or a Tyler toad.

This whole problem was treated in a recent issue of the Oil and Gas Journal and I ask that it be printed in the RECORD for the benefit of those who are seriously worried over this drastically endangered species.

The article follows:

TOAD AWAY IN HOUSTON

Once upon a time in Houston, there was this toad.

That is, there were a lot of them. And since they lived in Houston they came to be called Houston toads. They hung around Houston so long they came to be permanently linked with the locale—like the Bahamian caribou, the Madagascar moose, or the great white Russian Crocodile.

Now, a terrible mystery has developed about the Houston toad. He has taken to living in the parking lot of a shopping center. Yet he has been declared an endangered species because nobody has seen one for 10 years.

It's hard to get more endangered than that, especially in a parking lot where people like to sit in their cars with binoculars and toad-watch.

The shopping center is doing business as usual, but the toads aren't. And development of local housing and other projects are in a bind until the Government's toad-counters can decide if the Houston toad is really extinct in Houston.

He might be rallying in Tyler, or San Antone, no one knows, but either way it's not for sure if he would still be the Houston toad. He might be the Tyler toad, or the San Antone toad—or just a toad between stools if he hasn't got into town yet.

Some folks say that the Fish and Wildlife Service has turned all the Houston toads into princes so they can fool the developers and dam builders. But I don't think Washington is that smart.

For instance, over in Tennessee, by the Duck River Dam, they've declared another creature endangered—the orange-footed pimpleback. For a fact, that's his name. No one knows how he got into such a shape, but he lives in a holler right next to another disappearing act, the tan riffle shell—smooth bore, smokeless powder, lots of mussle-velocity—and so maybe that neighbor has been killing the pimplebacks off—you know how mean those Tennesseeans are. Dam shame.

All of these developments seem dire. It's not every day nature comes up with an orange-footed pimpleback.

Or a snail-darter. The snail-darter lives in the Little Tennessee River and can dart at a snail faster than a speeding mullet. Or a $119-million dam.

But somewhere in the country, real tragedy has struck. There's 2,500 endangered common sowbugs living in a drainpipe on private property, and the Government won't tell us where it is.

You know why? Because those Houston toads got lost on the way to San Antone and wound up in that drainpipe. They started eating those sowbugs, got sick, and died, every dam one of 'em.

Who's next? Will human beings ever take precedence over weeds and trash fish and orange-footed pimplebacks? Or will we all go the way of the Houston toad? (Croak).●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relation Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications were received on July 28, 1978.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S–116, in the Capitol.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 28, 1978.

Dr. HANS BINNENDIJK,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated February 18, 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST CRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Attachments.●

HUMPHREY-HAWKINS AND INFLATION

● Mr. GARN. Mr. President, many people were surprised to read the front page headline of the Washington Star on July 28, proclaiming a double-digit inflation rate of over 11 percent. I think that it may not be all bad if it caused some alarm.

Mr. President, I cannot help reflecting on what an inopportune time this is for us to be contemplating the Humphrey-Hawkins legislation. Nearly all who testified in hearings on the bill, liberal, moderate, and conservative alike, admitted that in its existing form, Humphrey-Hawkins would be inflationary. The most optimistic predictions estimate that it would add no less than two more points to our inflation rate.

Mr. President, our economy cannot handle that kind of inflation and remain healthy. Inevitably, high inflation will translate into high unemployment. Thus the inflationary approach to jobs foreseen in the current form of the bill will be counterproductive to its stated goals.

The Humphrey-Hawkins bill will cause greater unemployment.

This emphasizes the need for the inclusion of a goal, on an equal basis with other goals of the bill, for reducing inflation. Mr. President, I reject the notion of governmental control of the economy and governmental economic planning. It has failed miserably wherever and whenever it has been tried. But I fail to understand how anyone can seriously consider reducing unemployment without also controlling inflation.

Therefore, I intend to support the provision added to the bill in the Banking Committee, and for which I voted, establishing a zero percent inflation goal. I further intend to propose additional amendments emphasizing the importance of curbing inflation if we are to realize the ideal of worthwhile and meaningful employment for all.

As I have frequently stated, it is the private sector that can best provide meaningful employment. For this reason, I have supported and cosponsored various legislative efforts to cut back the tax on capital gains, the tax on the economic forces that create jobs. If we are really interested in reducing unemployment, I cannot understand why we have not yet been able to cut back this debilitating tax. Yet, Mr. President, I find that many of the supporters and cosponsors of the Humphrey-Hawkins bill are among those outspokenly opposed to the rollback of the tax on capital gains. They in essence assert that the Federal Government needs the revenue from a tax on capital gains so that it can provide employment for those who are unemployed because business is too heavily taxed to invest its capital in the creation of jobs. Mr. President, that kind of a policy is worse than foolish.

For such reasons, I intend to support the efforts to amend the Humphrey-Hawkins bill by including provisions calling for a cutback in the tax on capital gains. I believe that such a step would serve to increase employment, the stated purpose of the bill.

Mr. President, the Humphrey-Hawkins bill is unacceptable. It smacks of Government control of our economy, something that we have far too much of already. Such an approach runs counter to the spirit of free enterprise, which has made our Nation the economic model and aspiration of the world. We will be serving our Nation well if Humphrey-Hawkins is not adopted. At the very least, the bill will have to undergo major modifications.

Mr. President, if an inflation rate of over 11 percent is causing some alarm, that alarm can be put to good use if it causes more people to see the folly of the Humphrey-Hawkins bill.●

INFLATION/REGULATION STRAITJACKET—REPORT ON NEW MEXICO, NO. 6

● Mr. SCHMITT. Mr. President, one of our primary functions as elected representatives is to spend as much time as possible in as many different real-world situations as possible. In so doing, we must try to understand what people feel is important in their lives and how those feelings relate to our work in the unreal world of Washington.

The mail we receive is an undeniably important part of the process by which we learn from the people. The mail, however, is not a complete sampling of opinion. In order to really determine the majority feeling among my constituents, periodic, extended visits to the State are mandatory. In particular, I have found weeklong recesses in New Mexico extremely valuable, especially in terms of the variety of activities in which I have a chance to participate.

In addition to a normal tour around New Mexico, the last trip home offered four events that caught my attention. These events brought people together in situations where their real, gut problems were exposed. First, I spent some time at the flea market in Albuquerque. The vendors at their booths and the people browsing around were pretty emphatic about a few facts of economic life.

Luxury items are not selling very well. Tools and used furniture and other secondhand or handmade necessities are selling much faster than items such as turquoise jewelry or pottery. This is a major change from even a year ago. Just last year, the really popular sale items were jewelry and other nonessentials.

That should tell us something about economy on the local level. People do not have the extra money to spend on luxury items. When the money is spent, it goes for necessities—most of which sell for less at the flea market than at the department stores downtown.

This theory was reinforced by my experience as a part-time auctioneer at a "white elephant" auction a few days later. Most of the items on the block, although interesting as antiques, could be classified as nonessentials, to say the least. The auction is an annual affair to raise money. A year ago, the bidding was brisk and competitive. This year, there was a smaller, more cautious crowd and the average sale price for those auction items was less than half that of the year before.

What we are seeing at the flea market and the auction are the depressing effects of inflation. The primary inflationary pressures are clear. Principally, of course, is the high annual Federal deficit: Over $60 billion is being forced into the economy every year with no appreciable increase in goods and services. In order to finance the deficit, the Government borrows money, forcing interest rates to rise. Payroll taxes and other taxes contribute directly to the cost of production and to the depletion of savings. Energy costs are going up, due to the inflated artificial price we pay unnecessarily for energy inports. Additionally, unnecessary regulation further

increases the cost of goods and services with little in return.

Mr. President, the people I talk to at home and elsewhere in the country are ready for the change that only the Federal Government can provide. They are discouraged when they see the administration go after the victims of inflation through increased imports of low priced goods or artificial caps on costs rather than going after the real causes of inflation.

That flea market and auction illustrate the caution and understanding of the American people. The time has come when they want us to make a concentrated effort to halt inflation and breathe life back into the economy. And the time has come when we must demand the administration's help in doing just that.

The recess exposed another matter that is not only serious, but also reflective of a much bigger problem. That is the plight of the onion farmers around Las Cruces, N. Mex. A variety of incompatible Federal regulations are rotting their crops. Federal regulations will continue to rot their crops until we get some commonsense in legislation and administration. Federal regulations will continue to rot their crops until we eliminate those that are unnecessary and subject new regulations to the approval of Congress, the only Government officials the people can control with their votes.

Not only do these farmers face an ongoing shortage in domestic agricultural workers, because of the welfare system, but they are also unable to attract the out-of-State families for picking the crops because of Federal regulation. Labor Department regulations prohibit farmers from allowing children under 12 to help in the fields. Thus, migrant families cannot work together as they have traditionally. Babysitters are economically out of the question.

Housing regulations make matters worse by making temporary housing so expensive that neither worker nor farmer can afford it.

Farmers must watch their crops rot and the potential harvesters must choose between leaving their young children alone or losing the income which would provide for their food and shelter.

It is a vicious, destructive circle. In Las Cruces, it is onions rotting now, and if solutions are not found, chili will rot this fall. A farmer's hope for harvest and livelihood and a migrant worker's hope for his own productivity and self-esteem are being destroyed. It is a local problem but one which is, in one way or another, experienced all over the country. It drains the individual, the community, the State and the Nation.

We, as elected representatives, must begin to control these regulations. Regulations must become rules which protect, not destroy, the freedom upon which this country was built.

During my most recent trip to New Mexico, I also attended a ceremony which formalized a cooperative agreement between New Mexico State University (NMSU) and representatives of the Mexican Government for 10 regional institutes throughout Mexico. The enthusiasm for this agreement should remind us that Mexico, like most developing countries, does not want U.S. dollars. It is clear that the best approach for long-term cooperation between the United States and Mexico is the transfer of the knowledge of how to do things that create jobs and income in a modern world.

The agreement affirms an accord for educational and technological exchange which sends professors to Mexico to teach short courses and brings Mexican students and professors to NMSU for advanced engineering courses.

Mr. President, Mexico should be at the top of the U.S. foreign relations priority list for many reasons, not just the issue of illegal aliens. Mexico has a vast resource base which should make it one of the most economically stable countries in Latin America. The economic gap between the United States and Mexico must be reduced. We should aim to see Mexico one day as an equal economic partner, not through the transfer of dollars but through people helping people. This formal agreement on education transfer was a positive step in that direction.

The people at the Albuquerque flea market, the Silver City auction, the farmers in Las Cruces, and the professors from New Mexico and Mexico are all essentially searching for the same opportunities. They realize their potential can be reached, if the Federal Government will eliminate the unnecessary constraints that prevent them from determining their own future. As elected representatives, we must work with them not against them.●

HUMAN RIGHTS AND HOMELANDS

● Mr. GOLDWATER. Mr. President, the concept of human rights as a feature of American foreign policy is an idealistic and laudable endeavor. But, when it is applied selectively, as it has been by the Carter administration, it can do more harm than good. There is no doubt that this administration's handling of human rights as an instrument of foreign policy has led to bad relations between the United States and many of its traditional allies. And it has angered some of our adversaries while inadvertently giving comfort to others. Given the high morality of human rights, as a concept, the question arises as to whether a selective application of human rights in international affairs is in fact serving either the interests of morality or human rights.

Mr. President, an exhaustive examination of this whole subject has been published by the Foreign Affairs Association in a pamphlet entitled "Human Rights and Homelands." Written by FAA Director Cas de Villiers, the article examines closely the problem of human rights in many important areas of the world. It is one of the best articles I have read on the subject and I ask that it be printed in the RECORD.

The material follows:

HUMAN RIGHTS AND HOMELANDS

THE HUMAN RIGHTS CAMPAIGN

The entry of President Jimmy Carter into the White House has been characterised by an unprecedented zeal on the part of his Administration to employ present-day American perceptions of human rights as an instrument of foreign policy. However well-intentioned the attempted universalisation of these perceptions may have been, there is no doubt that it has led to a deterioration of relations between the United States and many of its traditional allies, angered some of its adversaries while inadvertently giving comfort to others.

For example, Professor Ernest W. Lefever of Georgetown University notes that "it is by no means clear that the campaign has resulted in any significant relaxation on Soviet restrictions against emigration or political dissent. There is evidence that the opposite may be the case . . . It is clear, however, that a score of allies have been unhappy with a policy they regard as arrogant and unfairly applied. Brazil, Argentina, Uruguay and Guatemala have been alienated to the point where they have refused military assistance from Washington. And Brazil has served notice that it wishes to withdraw from its Security Assistance Agreement of 25 years standing. This alienation of allies gives aid and comfort to Moscow which more than offsets the minor embarrassment it suffers from Mr. Carter's conspicuous intervention on behalf of Soviet dissidents."

There are several reasons why President Carter's human rights campaign has produced such obviously counter-productive results. Perhaps the principal reason is that different cultures and political systems have produced different perceptions which have precluded any universally acceptable definition of human rights in spite of Articles 55 and 56 of the United Nations Charter and the lengthy list of definitions included in the Universal Declaration on Human Rights which was adopted without dissent in 1948.

According to "To The Point" magazine of June 3, 1977 the chief defect of Mr. Carter's human rights policy is "an ideal of egalitarianism that ignores social and cultural differences which have no parallel in Western societies, but which are the roots of the socio-political order in Africa."

"On no other issue" Ambassador John Scali of the United States noted in March, 1975, "is the gap between the ideally desirable and the practically attainable so wide. Not only have the United Nations members remained divided over how far the organisation is permitted to go in promoting human rights, but there is also no consensus on the very definition of the term—human rights. Thus, from the earliest days of the United Nations, representatives of East and West found themselves using the same words—freedom, justice, rights and dignity—but sharply disagreeing on their meaning."

When President Carter visited Poland in December, 1977, this phenomenon was evident anew. Raising the human rights issue, as he did several times in public, he criticised his hosts on the one hand for preventing a group of dissident journalists from attending his news conference. On the other hand, he praised Poland's record of human rights compared to that of other East European countries by saying "Our concept of human rights is preserved in Poland." To which a Polish journalist replied: "The words are the same, but they mean different things in the United States."

Because human rights are so ill-defined, the pronouncements of their advocates tend to be vague, generalised, selective and contradictory. Inherent in this situation is also a tendency to direct human rights campaigns against smaller nations comparatively unable to defend themselves with a zeal far less noticeable when the campaigns are directed at powerful totalitarian or authoritarian regimes. The noted Australian journalist, Michael Barnard, has commented thus on the phenomenon: "It has always baffled me how Western powers deplore the

features of both Soviet and South African society, yet seek detente with the former and pursue an aggressive policy of isolation against the latter."

This is perhaps best explained by the fact that security considerations seem to be more important than human rights. Robert L Bartley of the Wall Street Journal, states: ". . . the basis for these policies is not merely morality. A large part is sheer fear. Another part is the desire of the State Department to please its clients."

The pitfalls of applying a dual ethic in the advocacy of universal human rights, of directing one's outrage selectively against some nations and not others, are obvious and have been warned against frequently by American administrations that have preceded President Carter. In a review of human rights campaigns in the context of the United Nations, Ambassador John Scali observed that "Politically motivated, partisan criticism, in the guise of objective international study, only weakens the moral authority of the United Nations and thus diminishes its ability to protect human rights everywhere."

On a later occasion, in November, 1975, Ambassador Daniel Patrick Moynihan analysed the situation thus: "The selective morality of the United Nations in matters of human rights threatens not merely the integrity of the United Nations, but of human rights themselves. Unless standards of human rights are seen to be applied to all nations uniformly and neutrally, regardless of the nature of their regimes or the size of their armaments; unless this is done, it will quickly be seen that it is not human rights at all which are invoked when selective applications are called for, but simply arbitrary political standards dressed up in the guise of human rights. From this perception it is no great distance to the conclusion that in truth there are no human rights recognized by the international community."

THE DUAL ETHIC

In his campaign for universal human rights, President Carter has not avoided the pitfalls of selective application. A rather glaring example is the one referred to by Michael Barnard: the President's active campaigning for the recognition of a Palestine Homeland on the one hand and his blanket refusal to recognise the Transkei homeland state in South Africa on the other. Implicit in his various statements on the subject since he took office is the view that the Palestine homeland should be sovereign if possible and at the very least an autonomous region governing itself in some form of association with Jordan.

President Carter's principal argument in favour of the homeland is that the denial of self-determination to the Palestinian people will not only perpetuate the conflict in the Middle East, but constitutes a continuing denial of human rights in themselves. In the customary Western sense these include the democratic right of people to be governed as they choose, periodic elections, freedom of expression and of religion, equality before the law, a judicial system independent from executive authority and the concept of being innocent until proved guilty. This argument is quite in keeping with the President's image as a latter-day Wilsonian.

His approach to the South African situation contradicts it, for, ironically, South Africa uses the identical arguments to justify her policy of separate development in terms of which the various different nations living under her jurisdiction are to be granted sovereignty in their own homeland states. The denial of self-determination to each or any of them will, she contends, not only cause and exacerbate conflict in Southern Africa, but constitutes a denial of such human rights as freedom of expression and freedom of choice in government.

This dichotomy can be explained, in part, by two things. The first is that the concept of self-determination, like that of human rights, has not been clearly defined in international law, and secondly by the phenomenon that different norms appear to apply in Africa than in other parts of the world. In terms of President Woodrow Wilson's doctrine of self-determination, language and culture were the main criteria. At the Paris Peace Conference in 1918, he declared the ideal to be that each nation should rule itself as it pleased within its own territory. This view was accepted by the peacemakers of Versailles and several new states came into being or were revived following the collapse of the Central European empires. There can be little doubt that Transkei would have achieved international recognition with relative ease had the Wilsonian norms still applied today.

In this context, South Africa argues also that she is not a country in the ordinary sense, but a vast sub-continent populated by almost a dozen different nations artifically united into a single geo-political entity by an Imperial Power and that her policy of separate development constitutes a natural return to its original constituent parts. However, since the Second World War, the criteria for self-determination have changed, particularly as far as Africa is concerned. Ethnic identity has become practically irrelevant and the sole consideration appears to be the existence of a political entity in the guise of a colonial territory.

The most obvious reason for this is that the colonial frontiers in Africa cut arbitrarily across ethnic boundaries and took no account of factors such as indigenous culture and language. Consequently, as the noted American international lawyer, Professor Leo Gross, has pointed out, "The practice of decolonisation is a perfect illustration of a usage dictated by political expediency or necessity or sheer convenience. And moreover, it is neither constant nor uniform." Nonetheless, most of the new states have shown a willingness to accept the frontiers inherited from their colonial masters and in a solemn declaration, the Cairo Summit Conference of the Organisation of African Unity stated that "all member states pledge themselves to respect the borders existing on their achievement of national independence."

Although South Africa is not a member of the Organisation and achieved her independence under entirely different circumstances and decades before any of its members, this definition is now applied to her as well by the international community. However, its adoption and that of the new criterion for self-determination, namely, the existence of a political unit in the guise of a colonial territory, has not prevented a steady erosion of human rights in Africa. As Professor Lefever notes in his study on the "Trivialisation of Human Rights", the citizens of most of the newly independent states in Africa now experience less freedom and fewer guaranteed rights than they did under Western colonial rule. Nor has the new approach to self-determination prevented the deaths of 5½ million people in bloody ethnic conflicts on the African continent over the past 15 years.

The application of a dual ethic must also be seen against the background of the guilt phenomenon so evident in the US today. Robert Bartley states: ". . . this new morality is far from a resurgence of innocent Wilsonianism". He refers to it as "a moral conception built around a deep sense of American guilt".

ETHNIC CONFLICT IN EUROPE

There is, in fact, abundant evidence in distant and unrelated parts of the world, to support the South African contention that conflict is inherent in the denial of national or ethnic self-determination. Wherever the Wilsonian ideal was not realised to the full in Europe, in multi-national countries such as Czechoslovakia and Yugoslavia, it is common cause that the seeds of chaos lie latent and are prevented from sprouting only by the rigid dictatorial control exercised by their regimes.

An uneasy truce is maintained between the Flemings and Walloons in Belgium through increasing territorial separation and autonomy for each in cultural and ethnic affairs. Switzerland owes its long and unrivalled record of stability to the autonomy of its ethnic cantons which, in many ways, resemble fully-fledged states. Strife in Scandinavia ended when the single monarchy was split into three. The Breton and South French Movements of France still erupt in sporadic violence triggered by their innate urge for their own autonomy. Spain has its Basque and Catalan movements seeking regional autonomy, self-determination and, ultimately, independence.

THE PROBLEMS OF POWER-SHARING

The gradual dissolution of the British Empire left in its wake numerous areas of unresolved ethnic conflict over many parts of the globe, including the United Kingdom itself. This can be attributed largely to Westminster's refusal to recognize the persistent desire of ethnically-identifiable groups or nations for a Homeland, a Motherland or a Fatherland of their own. Instead, complicated power-sharing and federal formulae were devised to take the place of national self-determination in the Wilsonian sense. Regrettably, the pages of modern history are littered with examples of their failure.

On the Indian sub-continent, more than a million people lost their lives in ethno-religious wars before India and Pakistan abandoned their attempts at sharing power and went their separate ways. The process was continued when the Bengalis of East Pakistan seceded from the West and founded the state of Bangladesh.

Fortifications as impenetrable as the Berlin Wall divide the Mediterranean island of Cyprus in two. The reason is that it accommodates two incompatible communities. The one, which accounts for three-quarters of the total population of 700,000 is of Greek origin, the other of Turkish descent.

When Britain granted Cyprus independence in 1960, it was realised that the Turkish community would be swamped in a simple one-man-one vote dispensation and a complicated power-sharing system with entrenched safeguards and balances was devised. It provided for a Greek-Cypriot president and a Turkish-Cypriot vice-president; a constitutional court under a neutral judge and a legislature in which 70 percent of the members would be elected by the Greek community and 30 percent by the Turks. On paper, nothing could have been more ingenious. In practice, the Turkish minority was constantly outvoted and had no say, no prospect of self-determination at all.

Inevitably, the arrangement began to collapse. In 1964, a United Nations peacekeeping force was introduced to try to maintain law and order in a steadily deteriorating situation characterised by persistent and violent clashes between the two communities. Every effort at negotiation was without avail, simply because the Greek majority was unable or unwilling to appreciate the Turkish community's desire for more than minority rights.

Consequently, Turkey invaded Cyprus in 1974. In a devastating military operation, its troops marched through all opposition, defied the United Nations and occupied about 40 percent of the island. Five-thousand people were killed and 200,000 Greek Cypriots fled their homes in the Turkish sector. In 1975, the Turkish Cypriots declared their northern region a sovereign state in its own right with the aim of enter-

ing into some form of loose association with the south.

The effective partitioning of the island into two ethnic homeland states has restored peace to Cyprus, but has produced no internationally recognized solution and negotiations towards that end continue. Commenting on the events in Cyprus, the noted British journalist, E. V. Hodson, wrote: "Cyprus provides the outstanding example of mandatory power-sharing between two communities—attempted, tried in the fire and found wanting. Should we not", he asked, "recognise now that mandatory power-sharing and democratic majority rule are incompatible aims?"

THE AFRICAN EXPERIENCE

The experience has been similar in several of Britain's former African possessions. For example, the Nigerian Federation, with its 80 million people of diverse ethnic origins was held up to the world at its inception as a model of peace, harmony and potential prosperity—the showplace of democracy in Africa. But that was not to be. The Christian Ibos of the East, although generally better educated and holding leading positions in government service, the professions and commerce, frequently found themselves humiliated by the Moslem majority groups. In this they saw a threat to their religion, identity and way of life.

The result was their attempt to secede from the Federation to seek self-determination in a sovereign homeland state they named Biafra. In the ensuing three-year war between Biafra and Nigeria, some two-million people died. In the aftermath, the number of states in the Federation was increased in efforts to accommodate the ethnic aspirations existing in Africa's most populous country and its diverse component entities are kept together today solely through strict repression by a dictatorial military regime backed by an army half a million strong.

Ethnic conflict in post-colonial Africa has been widespread regardless of whether the former colonial masters were British, Belgian, French, Italian or Portuguese. In Sudan, a 12 year civil war ended only after the Nilotic south was granted regional autonomy by the Arab north. In Zanzibar, the Arab population was all but annihilated in a swift and brutal massacre soon after Tanzania became independent, and Asians throughout East Africa, unable to submerge their identity in those of the indigenous populations, were humiliated, deprived of their property and of their livelihood and exiled. In Burundi, a quarter of a million people were killed in a struggle for ethnic supremacy between the Hutus and Tutsis. Although the conflicts in the Horn of Africa have been clouded by Super Power intervention, they are ethnic in origin, both in Eritrea and in the Ogaden. In both cases, identifiable ethnic groups seek national self-determination in territories free from Ethiopian domination. The Angolan situation similarly remains an ethnic struggle for self-assertion among three different groups.

Jeane Kirkpatrick of the American Enterprise Institute for Public Policy Research is puzzled by the lack of realism displayed towards Africa in the present administration's policy: "Why, of all the African states—or of all states in the world—has the President decided that Southern Africa is the place in which time has come for a political system based on majority rule and minority rights? I do not doubt the President's sincerity in advocating a democratic system in Rhodesia, South West Africa, and South Africa; I do not believe that he means "black rule" when he says "majority rule" or that he covertly desires to replace white oligarchies with black dictators. But if a white oligarchy does not seem to him more obnoxious than a black dictatorship, on what principle does the President decide that it is more important to establish majority rule and minority rights in Southern Africa than, say, in Uganda, or Tanzania, or Zaire, or Togo, or Ghana, or Nigeria, or Benin, or Kenya, or Guinea Bissau, or Niger, Upper Volta, Chad, Ethiopia, Somalia, Senegal, Sierra Leone, Camaroons, Mozambique, or Angola? Of for that matter, how does he decide that it is more important to have majority rule and minority rights in Southern Africa than in, say, Cuba, Cambodia, North Korea, the Soviet Union, or than in Chile, Paraguay, or Panama? The very question testifies to the difficulties encountered when a government attempts to invoke universal moral rules as the justification for a policy which will necessarily be selectively applied. Obviously, the President and his advisers need to move beyond the invocation of universal values and general principles to the knotty business of applying them in this notoriously imperfect, intractable world."

HOMELANDS IN BRITAIN

Shed of its empire, Britain today is straining herself under demands for national self-determination in her Celtic regions. In terms of the Devolution of Power legislation initiated by the Labour Government, Scotland and Wales are to be granted antonomous legislative assemblies with jurisdiction over issues peculiar to these areas. The Devolution of Power Bill was prompted by a realisation that the rising tide of nationalism in Scotland and Wales could not be stemmed any longer.

This urge for national self-determination has persisted undiminished since the Treaty of Union was signed in 1707. "It created one Parliament," says Scottish MP, Mr. James Sillars, "but it did not create one people indivisible. To grasp the current realities and strains within the Union, we must understand that the United Kingdom is a multi-national state." The urge for national self-determination, Mr. Sillars adds, "transcends logic and economic considerations. It emerges from a peoples' belief in their own identity, from their need for external recognition as a full and dignified member of world society and from the fundamental human need to have self-control over their own national life."

This view is echoed in several memoranda submitted to the Constitutional Commission responsible for drawing up the Devolution Bill. "Self-government for Wales", the Welsh Nationalist parliamentarian, Mr. Gwynfor Evans, submitted, "is not only a moral right, but a necessary condition for Welsh national survival." "A form of self-government for Scotland is sought as a means of preserving and developing the distinctive national life" the Church of Scotland declared.

These views Britain has taken into account in reverting to what are, in effect, autonomous but inter-dependent homelands in her Celtic regions. In Northern Ireland too, there is a growing body of opinion that sees the partitioning of the Province as the only viable solution to the conflict that has continued since the partitioning of Ireland between the descendants of English and Scottish protestants on the one hand and the indigenous Irish Roman Catholics on the other almost 80 years ago.

THE JEWISH HOMELAND

The quest for a national homeland for the Jews is a much older development. In a letter to Lord Rothschild in 1917, the British Foreign Secretary, Lord Balfour, raised anew the hope of national self-determination in their own homeland among the descendants of Jews who had become scattered over the Diaspora during the previous two millenia. Among other things, Balfour Declaration stated: "His Majesty's Government view with favour the establishment in Palestine of a national home for the Jewish people, and will use their best endeavours to facilitate the achievement of this object." The Declaration was in accord with the view of the founders of Zionism, Leo Pinsker and Theodor Herzl: "that only Jewish sovereignty in a selected territory could release the Jews for all time from persecution and suffering. Unless they found a country of their own they would always be aliens, dominated, rejected and in economic competition with and feared by the majorities among whom they lived."

The crux of the solution was national independence: and it had to be in Palestine, the traditional homeland from which they had been driven by the Romans. Many alternatives to Palestine had been considered by the early Zionist leaders. As early as 1903, Britain had offered Herzl the opportunity of autonomous Jewish settlement in the British East Africa Protectorate. However, the "Uganda" solution was eventually rejected outright and Herzl's successors concluded that Palestine alone offered the "proper conditions for Jewish settlement." Ber Borochov, among others, maintained also that the Arabs of Palestine at that time were Turkish subjects with no national consciousness as Palestinians. They would neither be subjugated nor colonised by the Jews, but would be assimilated to them economically and culturally, and since they lacked a national consciousness of their own, would become part of the Jewish nation.

The subsequent history of Palestine has demonstrated dramatically the error of this conclusion. The urge of the Palestine Arabs for national self-determination has proved itself to be no less strong than that of the Jews. It was a factor which Britain also failed to foresee. Twenty-two years after the Balfour Declaration, the British Government proposed in a White Paper the reconciliation of Jewish and Arab interests in Palestine by means of a power-sharing formula.

Palestine was to become a bi-national state within ten years and the Jews and the Arabs were to share governmental responsibility. The Second World War intervened. Nazi persecution led to a new flood of immigration into Palestine and relations between the two population groups became increasingly strained. The power-sharing formula failed to provide the answer and in May, 1948, the state of Israel was proclaimed. Its leaders declared that it would be as Jewish as England was English. The Palestinian Arabs—the entire Arab world—refused to recognise the right of the new state to exist and the struggle which began then, has erupted into full-scale war on several occasions.

THE PALESTINE HOMELAND

One of the effects of these hostilities has been to make the Palestine problem more intractable and the Palestinians more determined than ever to establish an independent homeland state of their own—in Palestine. Living today within Israel's borders, in Israeli-controlled territory and in neighbouring Arab states, they are estimated to number about 3 million.

In the Middle East War of 1967, Judaea, Samaria and the Gaza Strip were conquered by Israel. The Arabs describe these areas as occupied territory. The Israeli Prime Minister, Mr. Begin, sees them as liberated territory. Whichever the case, they constitute the region West of the River Jordan which the Carter Administration envisages as an autonomous, possibly sovereign homeland for the Palestinian Arabs. In July, 1977, the nine member states of the European economic community aligned themselves with President Carter's thinking and described their stand as one of the most important decisions taken by the Community. "The Nine", their joint statement read, "have affirmed their belief that a solution to the conflict in the Middle East will be possible only if the legitimate right of the Palestinian people to give effective expression to its ational identity is

translated into fact." This, the statement adds, would take into account the need for a Palestinian Homeland.

Thus the principle of recognising this need has been established by the United States, nine European countries and 21 Arab states. None of them appear deterred by the diminutive size of the proposed Homeland, its lack of economic viability and potential, the fact that its borders are in dispute or by its inability to accommodate all its people. The view of the Homeland advocates is, apparently, not that all Palestinians should live there permanently, but rather that it should be the focal point of their national identity and political aspirations. The eminent British historian, Professor Arnold Toynbee, has written for example, that Palestinians living elsewhere should have the opportunity of participation in deciding the proposed Homeland's future although it cannot guarantee them a permanent home.

Palestine and Transkei

The parallel with Transkei is apparent. So is the paradox. The same considerations that have moved most of the Free World to conclude that lasting peace cannot be realised in the Middle East unless both the Jews and the Arabs of Palestine are each granted a Homeland of their own, have led South Africa to conclude that lasting peace in her part of the world is impossible unless each of the nations living there are granted national self-determination and sovereignty in traditional homelands of their own.

The national homeland of the Xhosa nation became the first to be granted independence as the Republic of Transkei on October 26, 1976. Like the Palestinians, the Transkeians number some three-million and similarly, many of them do not live permanently in their Homeland. However, in a series of elections held during the 20-year period leading up to independence, the Xhosa nation, including those living outside the Transkei, demonstrated that they wished to accept it as the focal point of their national aspirations. The Republic of Transkei is six times larger than the West Bank and several times larger than Israel. Like the two Middle East areas, it lacks minerals in appreciable quantities, but is becoming increasingly industrialised and in the agricultural field, has the potential to feed 40 million people. By comparison, it is therefore, potentially more viable than either, yet the international community persists in refusing to recognise its independence.

There appear to be several reasons for this paradoxical approach. In the first place, the international community does not see the independence of Transkei, as South Africa does, as a move away from racial discrimination and domination towards full national self-determination, but as a creation of apartheid which it condemns as being racist.

Secondly, the Organization of African Unity, and consequently the United Nations, have pronounced themselves against what they term the Balkanisation of South Africa into unviable mini-states. However, the reality is that Transkei is larger than 30 other member states of the United Nations. Economically, it is more viable than 31 UN members, has a per capita income greater than 20 other independent African states and the percentage of its school-going children in relation to the total population is far higher than anywhere else in Black Africa.

Thirdly, the independence of Transkei is not seen as an act of decolonisation because the territory was not perceived as a political entity "in the guise of a colonial territory." In this context, the Prime Minister of Transkei, Dr. K. D. Matanzima, commented on the United Nations resolution requesting all member states to withhold recognition from his country: "In no less a measure than virtually every other Black nation in Africa were Transkeians the victims of European imperialism and colonialism of the past centuries.

It is purely an accident of history—over which we had no control whatsoever—that our colonial rulers, the British, transferred their sovereignty over us to another power, the Union of South Africa. Had this not happened, the power from which our independence was to come would have been the United Kingdom and not the Republic of South Africa. It has truly been said that no man can choose his parents. And one of the cornerstones of United Nations policy is absolute rejection of any form of discrimination against a man because of birth . . . In this latest folly, the United Nations political committee is, therefore, once again manifesting double standards which have become its hallmark."

Since Transkei became independent, a second country, the Republic of Bophutatswana has gained its independence from South Africa and a third, Venda, is to follow suit in 1979. None of them have been deterred by the knowledge that their sovereignty would not be granted international recognition—because national self-determination transcended all other considerations as it does in the case of the Palestinians.

The experience in multi-national and poly-ethnic societies in Europe, Asia, the Middle East and Africa has been that conflict, misery, death, repression and an erosion of human rights are inherent in the denial of the right to a national identity, self-determination and a homeland. The question that arises is whether the international community in general and the Carter Administration in particular, are in fact serving the interests of morality and human rights in applying a duel ethic in their campaigns, supposed to be morally inspired. One is tempted to agree with Michael Novak: "one of the best ways to create an immoral foreign policy is to try too hard for a moral one."●

THE SENATE CONSENSUS ON RHODESIA: 94 SENATORS

Mr. HELMS. Mr. President, last Wednesday, after several hours of debate, the Senate acted on the issue of lifting sanctions against Rhodesia. In the course of the debate, the Senate developed a significant consensus on the Rhodesian situation, a consensus that has not existed up until now.

For, if we examine the voting patterns carefully, we note that 42 Senators voted for the amendment offered by the distinguished junior Senator from Missouri, Mr. DANFORTH, which would have lifted for a 3-month period, beginning October 1, while 59 Senators voted for the alternative offered by the distinguished Senators from New Jersey and New York, Messrs, CASE and JAVITS. Although the Case-Javits amendment imposed conditions upon the lifting of sanctions, and the practical effect is to delay the lifting of sanctions until the end of the year, if the conditions are met, it nevertheless approved the lifting of sanctions unilaterally by the United States. Moreover, it implicitly endorsed the validity of the internal agreement and of a freely elected multiracial government arising out of the agreement—even if the Patriotic Front continues to refuse to participate.

If the rollcalls on the Danforth amendment and the Case-Javits amendment are compared, it will be noted that only seven Senators voted for both. When this duplication is taken into account, it is clear that 94 Senators gave positive affirmation to a peaceful, democratic settlement in Rhodesia, whether the terrorist forces like it or not. Indeed, only one Senator voted against both alternatives.

This represents a remarkable consensus, considering that only 6 weeks ago, it was widely believed that the internal settlement had no validity, and that the Patriotic Front must participate whatever the terms. It is indeed a strong rebuke to the State Department policy for Africa, and perhaps a turning point from the steady decline of legitimate U.S. interests in Africa.

I want to congratulate all those Senators who worked so hard to give this issue the attention that it deserves. In particular, I want to point out the dedicated and energetic efforts of the distinguished junior Senator from California, Mr. HAYAKAWA. As all of our colleagues are aware, the distinguished Senator has been to Rhodesia and the neighboring countries to see first hand what the conditions are and what the best solutions might be. Without his first-hand knowledge and his enthusiasm for promoting a moderate and democratic solution for Africa, the Senate may not have understood so thoroughly what was at stake.

Similarly, the junior Senator from Missouri, Mr. DANFORTH played an enlightened role that dramatized the urgency of the situation, and the need for immediate action. He ably defended his amendment against the objections raised, and were it not for the lateness of the hour, he might have prevailed. Nevertheless he contributed in large measure to the emphatic shift of opinion on Rhodesia in the Senate.

Mr. President, the San Diego Union recently recognized the urgency of the situation there also. In an editorial on July 29, the Union said that time was running out, saying:

> Incredibly, the policy of the Carter administration is to continue trade sanctions against Rhodesia and otherwise withhold support until the government embraces into its coalition the Nkomo-Mugabe terrorists. Sen. S. I. Hayakawa, who returned from a fact-finding trip in Africa last months said this would be like "turning Germany over to the Baader-Meinhoff gang or Italy over to the Red Brigades."

The Washington Star, after noting that the final vote was a strange victory for the administration, said:

> The Senate . . . did seem to be questioning the priorities of President Carter and Ambassador Andrew Young on the African issue. These priorities have downplayed questions of democracy and racial co-existence under the emergent government, while putting top stress upon the sympathy enjoyed by Messrs. Nkomo and Mugabe among black African governments and the Third World generally. . . . The signs of restiveness about this on Capitol Hill should encourage the administration to rethink its unhelpful position on the attempt at a peaceful changeover in Rhodesia.

Also in the Washington Star, the distinguished political columnist James Jackson Kilpatrick said:

> If the mesmerized Mr. Carter cannot be persuaded to regain his senses, Congress will

have to seize the leadership in this cause. It is not too late for the lifting of sanctions, not too late for the supply of arms, not too late for the United States to exert its political and economic power in support of Western values.

But the tide ebbs, and soon we will pay a price in "shallows and miseries" for the weakness of a president who fumbled in a vital hour.

Mr. President, I ask unanimous consent that the above mentioned articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the San Diego Union, July 29, 1978]

TIME RUNNING OUT

Rhodesia promises to be another of those small, far-distant countries that suddenly become important in history—like Czechoslovakia, Poland and Ethiopia before World War II and Korea and Vietnam since.

The fate of the whole of southern Africa is now intimately involved in the survival of Rhodesia. If the transition to black majority rule now taking place can succeed and if Rhodesia can survive against the current onslaught by Marxist guerrillas and prove the viability of a biracial nation, the Communist advance against southern Africa will be checked and perhaps halted. If, on the other hand, Rhodesia falls and goes the way of Angola, Zambia, and Mozambique, now under Communist domination, then Namibia, which is now gaining its independence, Botswana and South Africa may not be far behind.

Rhodesia's transition to majority rule began on March 3 with the signing of a charter providing interim, bi-racial government by Prime Minister Ian Smith and black leaders Bishop Abel Muzorewa, the Rev. Ndabaningi Sitnole and Chief Jeremiah Chirau. It provided also acceptance of a new constitution by referendum and Parliament on October 20 of this year and a general election on December 4–6 for a 100-seat Parliament consisting of 72 black seats and 28 white seats.

Although the parliamentary arrangement is overwhelmingly in favor of the black majority, there are built-in safeguards for the white minority that have been endorsed by Rhodesia's responsible black leadership. Nevertheless, the number of seats assigned to whites is disproportionately large for the 1–24 white population ratio and has been subject to criticism. While admittedly flawed in this respect the new Parliament, nevertheless, represents a compromise acceptable to Rhodesian leaders, white and black, who wish to reassure and retain the white managerial population and prevent the sort of collapse into anarchy that followed the flight of the Portuguese from Angola.

Peaceful transition to black-majority rule and the independence of Rhodesia itself are threatened by guerrillas supported by Cuba and the Soviet Union and based outside the country. The Zimbabwe African People's Union led by Joshua Nkomo operates from Zambia and is allied in the Patriotic Front with Robert Mugabe's Mozambique-based Zimbabwe African National Union. Nkomo and Mugabe have rejected any collaboration with the transitional bi-racial government in Salisbury and are waging unrelenting war against the Rhodesian people. Military operations are costing the government more than $1 million a day. An average of 30 persons are dying daily in the struggle now, mostly non-involved civilian victims both black and white; 36 white missionaries have been butchered in the most hideous manner. As of last month, 61 African schools had been burned down by the guerrillas and another 709 closed for security reasons. An estimated 40,000 rural blacks have fled the fighting in Rhodesia's countryside to squalid slums in the cities. The guerrilla plan is to terrorize the populace and prevent the national elections in December. Nkomo and Mugabe want nothing less than absolute, unshared control of the country.

Incredibly, the policy of the Carter administration is to continue trade sanctions against Rhodesia and otherwise withhold support until the government embraces into its coalition the Nkomo-Mugabe terrorists. Sen. S. I. Hayakawa, who returned from a fact-finding trip in Africa last month, said this would be like "turning Germany over to the Baader-Meinhoff gang or Italy over to the Red Brigades."

The administration managed on Wednesday to turn back an effort by Sen. Hayakawa and others in the Senate to lift economic sanctions against Rhodesia; under a meaningless compromise, the Senate finally agreed sanctions would be lifted if there are free elections and if a settlement takes in all parties, including anti-government guerrillas.

With the United States supporting the guerrillas, the strain on Rhodesia is beginning to take its toll. Hundreds of skilled whites are emigrating every month, and the government is showing signs of weakening—of being unable to protect the besieged countryside.

As time runs out in Rhodesia we would do well to remember that southern Africa commands the strategic sea lanes through which must pass the super tankers carrying oil from the Middle East to Europe. A Free World jugular may soon be exposed to the Communist knife, and largely because of America's well-intentioned but misguided policy.

THE SENATE'S RHODESIAN MESSAGE

The Senate vote offering a conditional end of the Rhodesian embargo falls far short of the morale boost hoped for by the interim biracial regime in Salisbury.

The 59-to-36-vote approval of a "compromise" plan submitted by Senators Javits and Case would, with concurrence by the House, leave it to the Carter administration to lift economic sanctions if it feels the conditions have been met. These would require free elections for a new Rhodesian government, and its commitment to negotiate "in good faith" with the guerrilla movements now warring against the peaceful transition. It is questionable whether the participants in Rhodesia's "internal" agreement for black majority rule can satisfy a definition of "good faith" by a hostile Carter administration, and even whether elections can be held as planned in December in the face of guerrilla attack.

The inconclusive Senate action headed off a vote on a proposal by Senator Helms for an outright scrapping of the United Nations-endorsed embargo against the formerly white-dominated, runaway British colony. The deflection of the more forthright anti-embargo effort was seen as another in a string of foreign-policy victories for the Carter administration.

But a strange victory it is. It pits the administration against the moderate black leaders who are sharing power in Rhodesia's interim regime, including Bishop Abel Muzorewa, who was in town lobbying to end the embargo. The bishop has probably the largest following of Rhodesian blacks. While holding such black leaders at arm's length, the administration worries about a role for the guerrilla front headed by Joshua Nkomo and Robert Mugabe, who want to shoot their way to power and whose victims tend to be innocent blacks and missionaries.

The Senate, while not dealing a direct rebuff to the administration on the Rhodesian embargo, did seem to be questioning the priorities of President Carter and Ambassador Andrew Young on the African issue. These priorities have downplayed questions of democracy and racial co-existence under the emergent government, while putting top stress on the sympathy enjoyed by Messrs. Nkomo and Mugabe among black African governments and in the Third World generally. The administration also is concerned about the possibility of Russian-Cuban intereference in Rhodesia by way of a continuing guerrilla war.

The interests of the real black majority inside Rhodesia, and the chance for creating a democratic and economically vigorous Zimbabwe with continued white minority participation, get short shrift in such thinking. The signs of restiveness about this on Capitol Hill should encourage the administration to rethink its unhelpful position on the attempt at a peaceful changeover in Rhodesia.

[From the Washington Star, July 29, 1978]

MISSING THE TIDE IN RHODESIA

(By James J. Kilpatrick)

To look upon the darkening picture in Rhodesia is to hear again the voice of Brutus: "There is a tide in the affairs of men, which, taken at the flood, leads on to fortune; omitted, all the voyage of their life is bound in shallows and in miseries."

The Western world has missed the flood tide in Rhodesia. We are now witnessing, as a consequence, the steady disintegration of a governmental structure that was the best we ever could have hoped for. It was a frail structure from the beginning, but it could have been buttressed; it could have been made solid and secure. Now it threatens to fall apart.

The blame for this catastrophe—and it is indeed a catastrophe for the West—lies squarely on the head of one man: Jimmy Carter, president of the United States. When the transitional government was created in Salisbury six months ago, Mr. Carter had it within his power to take decisive action in its behalf.

What could Mr. Carter have done?

He could have pulled the British along with him to form a united front. The Callaghan government never has been greatly opposed to the Rhodesian coalition.

Mr. Carter could have asked Congress to end sanctions against Rhodesia. Half the Senate is demonstrably eager to do precisely that.

Mr. Carter could have authorized the shipment of arms to the coalition. He could have swung the whole impressive weight of the United States of America in support of this fledgling government that was trying to fly.

Mr. Carter did none of these things. He listened, instead, like Trilby to her dark Svengali, to Ambassador Andrew Young. Mr. Young has become the leading apologist in America for communist adventuring in Africa. We may be certain that it was Mr. Young's insidious counsel that inclined Mr. Carter to insist that the Marxist terrorists of Joshua Nkomo and the equally violent partisans of Robert Mugabe be brought into a Rhodesian government.

Nkomo and Mugabe compose what is known, with cruel cynicism, as the "Patriotic Front." Patriots? Applied to these opportunists, the word turns sour in the mouth.

Nkomo has at least the virtue of honesty. He is honestly a villain. He has no idea of instituting democracy. The thought of one man, one vote, is a thought he dismissed long ago. His purpose is brutally simple: His purpose is to seize power at the end of a Soviet automatic rifle, and to hold power by the suppression of every civil liberty Mr. Carter presumably upholds.

The world has seen examples of these patriots at work in recent weeks. What have the patriots done? Let us see. They have massacred white missionaries and innocent blacks alike. They have engaged in arson, rape and pillage. The mutilation of their victims, prior to death, has been overwhelmingly documented.

These are the heroes, the democrats, the statesmen whom Messrs. Carter and Young would put in power. What a travesty upon reason!

The administration's hazy view is that Nkomo and Mugabe command the loyalty of a majority of Rhodesian's 6 million blacks. Do they indeed? If this is so, the truth of the proposition could be demonstrated at the polls. But the two patriots have spurned elections. They want no part of elections. By bluff and by bluster and by terrorism they have enlisted other dictators and one-party rulers, forming most of the membership of the Organization of African Unity, to support their cause. And a few days ago the OAU dutifully claqued its canned applause.

With American support, the transitional government in Salisbury could yet succeed. What's in it for us?

We would have in the heart of southern Africa a pro-Western, anti-communist ally. We would have in Rhodesia a genuinely multi-racial government prepared to demonstrate, as a few other emerging African nations already have demonstrated, that stability can be responsibly achieved. We would have an island of order between the seas of chaos in Mozambique and Angola. We would have preserved some of the candles of civilization.

If the mesmerized Mr. Carter cannot be persuaded to regain his senses, Congress will have to seize the leadership in this cause. It is not too late for the lifting of sanctions, not too late for the supply of arms, not too late for the United States to exert its political and economic power in support of Western values.

But the tide ebbs, and soon we will pay a price in "shallows and miseries" for the weakness of a president who fumbled in a vital hour.

AN ELOQUENT ADDRESS BY SENATOR MOYNIHAN

Mr. HELMS. Mr. President, the distinguished junior Senator from New York (Mr. MOYNIHAN) delivered on March 28 the annual Herbert H. Lehman memorial lecture. The occasion marked the 100th birthday of the late Senator Lehman, whom I knew in the early 1950's when I was a Senate staff member.

I am always impressed with the eloquence of my friend from New York, and particularly so in the instance of his address in March at Herbert H. Lehman College. PAT MOYNIHAN is a friend whom I greatly admire. We do not always agree on issues coming before the Senate, but PAT is the kind of friend with whom it is easy to agree to disagree agreeably.

I think Senators and others who read the RECORD will be greatly interested in the text of Senator MOYNIHAN's address, along with the introduction by Dr. Leonard Lief, president of Herbert H. Lehman College. Therefore, I ask unanimous consent that the texts of both be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN IMPERIAL PRESIDENCY LEADS TO AN IMPERIAL CONGRESS LEADS TO AN IMPERIAL JUDICIARY: THE IRON LAW OF EMULATION

(By Senator DANIEL PATRICK MOYNIHAN)

(Introduction by Dr. Leonard Lief, President of Herbert H. Lehman College)

Ladies and Gentlemen: I welcome you to the annual Herbert H. Lehman Memorial Lecture. Every year at this time we commemorate the birth of Herbert H. Lehman, Governor of New York State, head of the largest relief and rehabilitation effort the world has ever seen, and United States Senator from New York. Today marks his 100th birthday and it also foreshadows the tenth anniversary of this College which will occur on July 1, 1978. Before going on I want to introduce several distinguished guests, two of whom were here on March 28, 1969, when the College was formally dedicated, and parenthetically, I was formally inaugurated. Ironically, the occasion took place not on this campus but a little south of us at Walton High School, which had a larger and more suitable auditorium than we did, a condition we are in the process of changing. First I want to introduce someone whose presence has always meant a good deal to me and who on that occasion accompanied his mother: Mr. John Lehman. Another distinguished guest, who was present on that occasion and who indeed gave the dedicatory speech commemorating not only the beginning of the College but the career of the great man for whom the College is named, is a United States district judge in the Southern District of New York, Judge Edward Weinfeld. In addition, I wish to introduce two guests who were not at Walton High School on March 28, 1969. One was in Albany getting ready for his triumphant return to the borough he knew well and who in a few months would be elected Borough President. He and I have, in one sense, grown up together. A good friend to the College, the President of the Borough of The Bronx, Robert Abrams. And another man who on that date in 1969 resided in the bucolic town of Pittsburgh and who decided a few years later he needed a little excitement, not too much, and came to New York City to head up The City University. The Chancellor of that University—Robert J. Kibbee.

Our guest today will talk about the life of the man for whom this College is named. Many people in the audience never knew Governor Lehman, although many knew his gracious and charming wife, Edith Altschul Lehman. We commemorate this birthdate, and particularly this 100th birthdate, because Herbert H. Lehman represents the best in public service and because he is a constant reminder of truth and compassion in and out of government, of courage in and out of government. It has almost become a cliché to say that Herbert Lehman was the conscience of the Senate, but he was, and probably always will be, and this at times when younger and more vigorous men shy away from difficulties within the Senate. It was Senator Lehman who armed himself against a sea of troubles and took on the most malevolent forces the country had seen. It is, of course, an oversimplification to say that with the death of Herbert Lehman the fortunes of the country turned downward. But with his death a major voice opposed to trends inimical to a democracy was silenced. The malaise that began to grip the country in the mid-sixties has been described by our guest as follows: "It is the vibrant, established, coming young people of the nation who in large numbers have learned to distrust their government, and in many ways to loathe their society. They are not yet in power. They will be. When that day comes, their understanding of their country will have been shaped by the traumas of the 1960s." He wrote that in 1968 about the period of the 60s, most of the events coming after the death of Lehman.

It is fitting that another United States Senator from New York should give this address, not only because he is from that same body but because he, too, has grappled with the problems of the downtrodden, the poor, and the less gifted. His background is completely different from that of Herbert Lehman. He grew up as did many of his generation without money and without hope for a bright future. He worked on the docks in the City, graduated from Benjamin Franklin High School, and then, again, as so many of his generation in the City, took an entrance examination and went to City College. Service in the United States Navy and the G.I. Bill sent him off to Tufts, where he completed his undergraduate work and where he received his Ph.D. from the Fletcher School of Law and Diplomacy.

His impressive scholarly achievements have gone hand in hand with an equally impressive career in public service. For three years the Director of the Joint Center of Urban Studies of M.I.T. and Harvard, he also served as Professor of Education and Urban Politics and Professor of Government at Harvard for ten years, interspersed with service to the Government. He has served in the cabinet or subcabinet of four presidents, as Ambassador to India, as permanent representative to the United Nations, and all the time writing books and articles largely on poverty and education. He is a writer and a doer, an administrator and a teacher, an intellectual and a politician, combinations not thought highly desirable in this country, or in most places, come to think of it. But if anyone can prove that it is possible and even desirable to have a first-rate intelligence and a gift for getting things done, this man will. Ladies and gentlemen it is my privilege to introduce the United States Senator from New York, the honorable Daniel Patrick Moynihan.

ADDRESS BY SENATOR DANIEL PATRICK MOYNIHAN: "AN IMPERIAL PRESIDENCY LEADS TO AN IMPERIAL CONGRESS LEADS TO AN IMPERIAL JUDICIARY: THE IRON LAW OF EMULATION"

The question of size and of effectiveness in American government is beginning to take on aspects of Constitutional as against merely political debate.[1] For the better part of a century now, those who have objected to the size of government, especially the national government, have typically been objecting to the new functions the government was seeking to carry out. There was always a not especially well hidden agenda in the objection to government growth as such. Of late, however, we encounter the argument that government growth has not added to the effectiveness of government, but may even have impeded it. The question appears even where it is not directly posed. Thus a year after the inauguration of President Jimmy Carter the nation was awash with wonder that so much was being attempted and seemingly so little achieved. At first political explanations were put forward for this, principally that the President's difficulties were of his own making. But then, with increasing frequency, commentators asked whether the more important explanation was to be found in the way our government at present works, or does not work. It is a matter that deserves enquiry.

Further, to the degree we are dealing with a question of Constitutional dimension, it deserves enquiry carried forward in the spirit of the framers of the Constitution, which was very much a scientific spirit.

The establishment of the American government in the latter part of the eighteenth century was a distinctive event in many ways, but in none more than the belief of those involved that they were acting upon scientific principles. These included principles of political science which was seen as a branch of an essentially unified science. Hamilton noted, in the ninth *Federalist* paper, that previous republics had had such stormy histories that republicanism had admittedly fallen somewhat into disrepute. This tendency, however, could be overcome thanks to progress in political science:

"The science of politics, however, like most

Footnotes at end of article.

other sciences has received great improvement. The efficacy of various principles is now well understood, which were either not known at all, or imperfectly known to the ancients."[2]

Hamilton went on to cite, as examples of "new discoveries," the various constitutional institutions with which we are now familiar: separation of powers, the system of checks and balances, popular representation in the legislature, the independent judiciary, and so on.

Whatever the impression, American government has maintained this early disposition. American political science has for the most part been a pragmatic discipline, while American political scientists have not always been impractical men. The sixth president of the American Political Science Association became the twenty-eighth President of the United States. The profession continues in the service of government largely conceived.

It is in order then to expect that there should now be forthcoming a considerable effort to diagnose what so many consider to be the sickness of government in our time, a sickness associated with grossness, with the proposition that government is too big and doesn't work.

Within the Federal government (and probably at other levels also) developments now several generations old have caused the Executive branch to become greatly enlarged, and apparently in consequence to function with greater difficulty. These developments have more recently appeared in the Legislative branch, which commences to have similar difficulties. They are only just now beginning to appear within the Judiciary, but it may be forecast that such difficulties will shortly appear there as well.

In the effort to understand, a good place to begin is with the familiar notion that by creating three branches and a system of "checks and balances" which enabled each to impede the functioning of the others, the framers of the Constitution built conflict into the American system. The framers did not regard conflict as dysfunctional. They thought it was inevitable, and on the whole desirable. If they had a disposition, it was for more, not less.

This was a bold idea then and it remains a bold idea today. Most governing systems assume an inherent and ever more manifest harmony of interests and compatibility of behavior. Marxists, for example, presumably still anticipate the withering away of a conflict-free Soviet state. As we look at the experience of the two systems of government, those who devised the American one surely emerge as men who knew more about what the world is really like. Or, alternatively, who were more honest about it.

In that same spirit of realism, James Q. Wilson—the political scientist of our generation who has more usefully studied bureaucracy in its various adversarial modes—holds that organizations come to resemble the organizations they are in conflict with. If one football team begins using offensive and defensive squads, its opponents will soon be doing so too. More as the German sociologist Georg Simmel pointed out in the early years of the century, organizations in conflict may wish their opponents to resemble them, even, surprisingly, in the degree of their power. Elaborating on Simmel, Lewis Coser writes:

"If . . . there exists a rough balance of power, as in pluralistic, multigroup societies the more strongly organized adversary may actually prefer that the weaker not fight with "unconventional weapons" (corresponding to a different organizational structure), but use weapons similar to his own, making it possible to fight according to comparable rules."[3]

This insight clarifies many otherwise inexplicable phenomena, as in labor relations where after a certain point big employers clearly preferred to deal with big unions; or, conversely, where early on Samuel Gompers seeking to organize American workers, encouraged employers to organize as well.

The applicability of this theory—which might be called the Iron Law of Emulation—to American government is clear. We may put it thus: Whenever any branch of the government acquires a new technique which enhances its power in relation to the other branches, that technique will soon be adopted by those other branches as well.

Consider the Bureau of the Budget, established in 1921. Although initially located in the Treasury Department, the Bureau of the Budget was always under the immediate direction of the President, and in 1939 was transferred to the Executive Office of the President which had itself by then grown considerably.[4] The Bureau of the Budget gave the President an enormous advantage over the Congress. In this all-important function of government, the President had a unified, centralized command as against a dispersed and often internally divided Congressional force. Congress sustained defeat after defeat as successive Presidents raised federal expenditures to ever new heights. Interestingly, it was only when the time came that Congress for once wished to spend more money than the President—which is to say during the impoundment controversy with President Nixon in 1973–74—that Congress created a Congressional Budget Office of its own, and a rough equivalence of competence with respect to the techniques of fiscal management and disputation was achieved.

It might have been supposed that the Executive would have resisted this, but the evidence (confirming Simmel) is otherwise. The Executive seems almost to have welcomed the appearance at the other end of Pennsylvania Avenue of an organization similar to his own with which to conduct the annual Battle of the Budget. We can assume that at OMB it is much more agreeable to be dealing with officials at the CBO who know what the GNP deflator for the last Fiscal Year is, and who care.

This migration of technique from the Executive to the Legislative has been going on from the beginning of the 20th century. Further thought would likely produce a more respectable taxonomy, but present purposes will be served by a list that begins with physical structures and ends with personal attributes.

In 1902 President Theodore Roosevelt built the West Wing of the White House, where the Oval Office was located. Of a sudden the President was an executive. He no longer worked in his living room, but had an office building in the manner of the business leaders of the age. (Here one observes the federal government as a whole adopting the techniques of the business world with which it was then increasingly in conflict.) The very next year the House of Representatives voted itself an office building, and the year after that the Senate did also.

As is well known, each branch continues to build more office buildings for itself, each of which fills up (such are the demands of the conflict with the other branches) until overcrowding requires yet another building.

The Presidency acquired an investigative organization, the FBI (technically in 1908, but reaching its famous status in 1924, with the appointment of J. Edgar Hoover as Director), which was a formidable if not always straightforward weapon. There is now discussion in the Senate of establishing an investigatory arm for such purposes as screening Presidential appointees, a function now performed by the FBI.

Access to foreign intelligence is a key element in getting one's way in disputes over foreign policy. In 1947 the Presidency obtained the Central Intelligence Agency, and for a period was uncontested master of the intelligence "secrets." Congress retaliated not by establishing an intelligence service of its own, but by creating, in 1976, the Senate Select Committee on Intelligence with complete access to CIA information. The House, in 1977, established a similar committee.

In 1962 the President acquired the Office of Science and Technology, having previously, in 1957, established the President's Science Advisory Committee. In 1974 Congress acquired the Office of Technology Assessment with an Advisory Council that serves essentially the same function that PSAC once did. (Like the Congressional Budget Office, the Advisory Council to the Office of Technology Assessment was first headed by a Democrat who had been displaced from equivalent or comparable positions in the Executive branch when a Republican administration came to power.)

The man who has traveled abroad has an advantage in certain kinds of arguments over the one who has not. President and Congress stayed home until 1905 when President Theodore Roosevelt went to Panama. Next, President Taft went there also. Then President Wilson went to Paris. A generation later Presidents spent an important segment of their time traveling in other countries. In 1954 Congress began to provide easily accessible funds for its own travel abroad. By now Presidential party and Congressional groups crisscross each other in the farthest reaches of the planet. The practice seems to have begun of Presidents' arranging to meet Congressmen abroad, possibly because of difficulty in getting their schedules together in Washington.

Foreign travel is one source of specialized knowledge, the characteristic technique of modern organization. Economic knowledge is, of course, another such technique. In 1946 the Presidency obtained the Council of Economic Advisers, a powerful institution not really matched by the Joint Ecoonmic Committee established by the same legislation. Still, the staff of that committee does give Congress its own experts with which to dispute those of the President.

This pattern—of the Executive branch acquiring a new technique, followed one, two, or three decades later by an equivalent action on the part of the Congress—is now well set; and it has come to involve the Congress in a great many executive functions. Thus in 1963 the Presidency acquired the Special Representative for Trade Negotiations. In 1973 the Senate Finance Committee established a Subcommittee on International Trade whose numbers are official advisers to the President's trade negotiators. In part, this mixing of functions may be seen as an attempt by one branch to prevail in conflict by co-opting the other, which it invites into the decision-making process so that the final decision will be supported. But in even larger part it is an instance of the Iron Law of Emulation.

In the 1930's the size of the Executive branch became an issue which the Congressional party, if that term may be allowed, used against the Presidential party. In 1976, when he raised the issue of the "Billion Dollar Congress," President Ford completed the cycle, as we might say. Both branches may now attack each other for size.

A more subtle process involves the emulation by one branch of another in order to eliminate any appearance of disparate levels of legitimacy. As early as 1941 the executive branch established the Committee on Fair Employment Practices. In 1975 members of the House established a Fair Employment Practices Committee (with an interesting mix of Representatives and staff members). A Senate bar on employment discrimination was adopted in 1977.

Similarly with ethical standards. For members of the Executive, such standards, including financial disclosure, were promulgated by President Johnson in 1965. The House

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created a Committee on Official Conduct in 1967. In 1976, the Commission on the Operation of the Senate, chaired by former Senator Harold Hughes, advocated the adoption of explicit standards. The task was completed by a committee chaired by Senator Gaylord Nelson, and resulted in the Senate's adoption of such a code in April of 1977.

The bureaucratized and differentiated structure of the Executive and; increasingly, the Legislative branches has not yet appeared in the judiciary. But there are signs that the judiciary is beginning to take on *functions* which are invariably associated with bureaucratization and differentiation. This is the rise of what Abram Chayes, in a May, 1976 *Harvard Law Review* article, has called "public-law litigation."[5] Traditionally adjudication has been understood to be a process for resolving disputes among private parties which have not been privately settled. But Chayes holds this traditional view cannot account for much of what is now actually happening in federal trial courts. Civil litigation increasingly involves determination of issues of public law, whether statutory or constitutional, and frequently terminates in an on-going affirmative decree. The lawsuit does not merely clarify the meaning of the law, remitting the parties to private ordering of their affairs, but itself establishes a regime ordering the future interaction of the parties and of absentees as well, subjecting them to continuing judicial oversight.

Professor Chayes contends that such a role for the courts, pursued through decrees in class-action suits, is unprecedented and raises serious concerns of legitimacy. He allows that the experience so far has been mixed. Reapportionment decrees, as an example, have in his view worked well, but it remains to be seen how successful federal judges will be at running mental institutions. He is, however, optimistic:

"[D]espite its well-rehearsed inadequacies, the judiciary may have some important institutional advantages for the tasks it is assuming:

"First, and perhaps most important, is that the process is presided over by a judge. His professional tradition insulates him from narrow political pressures, but, given the operation of the federal appointive power and the demands of the contemporary law practice, he is likely to have some experience of the political process and acquaintance with a fairly broad range of public policy problems.

"Second, the public-law model permits adhoc applications of broad national policy in situations of limited scope. The solution can be tailored to the needs of the particular situation and flexibility administered or modified as experience develops with the regime established in the particular case.

"Third, the procedure permits a relatively high degree of participation by representatives of those who will be directly affected by the decision. . . .

"Fourth, the court, although traditionally thought less competent than legislatures or administrative agencies in gathering and assessing information, may have unsuspected advantages in this regard. . . .

"Fifth, the judicial process is an effective mechanism for registering and responding to grievances generated by the operation of public programs in a regulatory state. . . .

"Sixth, the judiciary has the advantage of being non-bureaucratic. It is effective in tapping energies and resources outside itself and outside the government in the exploration of the situation and the assessment of remedies. It does not work through a rigid, multilayered hierarchy of numerous officials, but through a smallish, representative task force, assembled ad hoc, and easily dismantled when the problem is finally resolved. . . ."[6]

But if the federal courts are going to make law (a legislative function) and enforce law (an executive function—which is what Chayes's term "the public-law litigation model" implies—they are inevitably going to find themselves in conflict with the legislative and executive branches. In that conflict they will just as ineluctably be led to adopt the techniques of the other two branches in order to prevail in the ensuing conflict; and they will be encouraged to do so, as Simmel reminds us. They will thus develop a "rigid, multilayered hierarchy of numerous officials" of their own.

On this point I find Donald L. Horowitz, in his fine study *The Courts and Social Policy*, rather more persuasive than Chayes. After examining four cases of "public-law litigation" Horowitz concludes:

"The four cases make plain the impotence of the courts to supervise the implementation of their decrees, their impatience with protracted litigation, and their limited ability to monitor the consequences of their action. Called upon increasingly to perform administrative functions because they are not burdened with administrative rigidities, the courts are are also not blessed with administrative capabilities."[7]

What experience suggests, however, is that if an organization in need of administrative capabilities does not have them, it will seek to acquire them.

Politics, as Maurice Cranston contended in his inaugural lecture (1971) at the London School of Economics, is an argument about the future.[8] Rarely is any person or party entirely correct; usually predictions are significantly wrong. Up until now, the primary task of the federal courts has been to rule on the meaning of existing laws, the Constitution foremost. The judges and justices could with some equanimity rule on just what the Founding Fathers intended, for it was extremely difficult to prove they were wrong, and in any event they never are wrong until they themselves so decree. (Thus the *Brown* [1954] decision declared *Plessy* v. *Ferguson* [1896] to have been wrong. At this moment a considerable number of scholars, notably Walter Berns in his recent *The First Amendment and the Future of American Democracy*, holds that the Court's interpretation of the "establishment clause" of the First Amendment is simply wrong. But until the Court changes its mind, the interpretation stands.)

But what about predictions of the future, where most of us mostly are wrong and can be shown to be? What about predictions of the therapeutic consequences of one form of psychiatric aid as against another? A court without an elaborate bureaucracy to fuzz the results and conceal its mistakes will soon be judged no court at all, but merely a panel of well-intentioned amateurs exposed to all the world as bumblers. The court will get a bureaucracy.

And more, if some "master plans" are implemented. In 1975, the Architect of the Capitol was authorized by Congress "to prepare studies and develop a Master Plan for future developments within the United States Capitol Grounds, for the future enlargement of the grounds. . . ." Phase II of the Architect's report appeared in August 1977. Note these passages concerning the Supreme Court:

"The Office of the Marshal and the Administrative Assistant to the Chief Justice have outlined the Court's current and future space needs based on trends in employment and the Court's load. Since 1970 there has been a steady increase in support positions. To maintain the high quality of judicial consideration of an increasing case load, additional Law Clerks, Secretarial and Messenger positions were added to the staffs of the Justices' Chambers. This has also led to the creation of a Legal Office staffed by career professionals. Of similar importance has been the appearance of career professionals in various offices of the Court to meet the challenges that have been experienced throughout the Federal and State Judiciaries."[9]

In predictable response the Executive has been getting itself judges. In August of 1972, the title "Hearing Examiner" within the Executive branch was changed to "Administrative Law Judge." Indeed there are now 1071 administrative-law officers in the Executive branch who are formally designated "Administrative Law Judge." Twenty-nine agencies of the Executive branch now have such judges; the Social Security Administration alone has 660. In the meanwhile, there are another 100 examiners, attorneys, and appeal-board members within the Executive branch who seem to have appropriated the title of "Administrative Judge," though this is not a "proper" Civil Service category.

Once again, a more elaborate taxonomy will perhaps be developed some day, but the general pattern seems distinct. We don't yet think of this as a generalized pattern, but we behave as if the pattern had become general. Thus in the 1930s the Congressional party (as it were) directed its strongest attack against the growth of the Executive under the New Deal. A generation or so later the Presidential party in the person of Gerald Ford attacked "the Billion Dollar Congress." In that same election year, the successful candidate, Jimmy Carter, attacked both, with special emphasis on the "bloated. horrible bureaucracy."

In recent Senate hearings, Claiborne Pell of Rhode Island, an exceptionally careful and insightful committee chairman, observed that the Senate budget for Fiscal Year 1978 was to be greater than the budget of 74 countries. *The Washington Post Magazine* of April 23, 1978 featured on its cover a story entitled, "The Senate: Snarled in Bureaucracy?" This story, well done, was nonetheless perfectly recognizable as the same story that began to be written about the Executive a generation or so earlier. The judiciary's time is at hand, as evidenced by the appearance of scholarly works—Nathan Glazer's "The Imperial Judiciary"—which will be followed by journalism.

The most consequential result of all this is overwork. It may come as a surprise to the public to learn that persons in authority in government are overworked, but almost all are. To be sure, persons who are overworked do not necessarily achieve a great deal. Indeed, overwork typically appears at a point where productivity begins to fall off. The whole of modern government is made up of men and women trying to jam ever greater resources into the ever tightening angle of an asymptotic production curve.

Overwork begins as a technique: a new way of achieving a goal, usually that of prevailing in some conflict. (Whatever, if anything, scientific management may have to say on the subject, I offer the impression that overwork begins at some point between a sixty-and-seventy-hour work-week made a year-'round routine.) But it soon became a condition in its own right, rather like bureaucracy itself. And as with most of the techniques we have discussed, overwork first appeared in the Executive.

In general, the modern economy has brought about an inversion of effort as between managerial and production workers. What were known as "bankers' hours" certainly obtained in the government offices of the 19th century when there really wasn't that much for bankers or bureaucracies to do. Recall Trollope's portrait in *The Three Clerks* (1879) of Mr. Fidus Neverbend, the premier workaholic in the Civil Service of his time:

"Mr. Fidus Neverbend was an absolute dragon of honesty. . . .

"A quarter of an hour spent over a newspaper was in his eyes a downright robbery. If he saw a man so employed, he would divide out the total of salary into hourly

Footnotes at end of article.

portions, and tell him to a fraction of how much he was defrauding the public. If he ate a biscuit in the middle of the day, he did so with his eyes firmly fixed on some document, and he had never been known to be absent from his office after ten or before four." [10]

In other words, this compulsive wretch worked a full six-hour day!

Or consider the rather more inspiring figure of Henry L. Stimson as Secretary of State during the administration of President Hoover, a time of vast international crisis. Hoover responded by spending even more time on the job; Stimson responded by horseback riding. Mr. Stimson and McGeorge Bundy write:

"Mr. Hoover was a worker, capable of more intense and prolonged intellectual effort than any other man Stimson ever met; his cure for all his troubles as President was more and harder work. Stimson was not made that way; his strength depended on regular rest, substantial vacations, and constant physical exercise, nor did he accept as suitable exercise Mr. Hoover's game of medicine ball—it seemed to him as dull as weight lifting, and about as refreshing. More and more after the middle of 1930 Stimson found himself oppressed by the official atmosphere of Washington.

"As with much else in the New Deal, then, overwork began with Hoover, and was soon institutionalized. Government became something of a trial of strength. Those in the Cabinet and the White House not capable of sixteen hour days were driven from the field as inexorably as were the fainthearted and weaklimbed in the tournaments of medieval courts. This became deliberate; working longer than a competitor became a technique." [11]

Invariably overwork soon appeared in Congress. President Roosevelt's Hundred Days are so designated because his first Congress met March 9, 1933, and went home June 15, not to return until the following January (for a long session that lasted until June 18). To the Jeffersonian mind, after all, a great attraction of Washington as the seat of government was that it turned malarial in April, so that any Congressman who stayed on until May might not be back in December! But with the 1930s sessions began to lengthen. Then came war, and the first session of the 77th Congress (1941) met for 365 days. After the war, the duration of sessions dropped back, but in the 1960s it lengthened again. The first session of the 91st Congress (1969) ran 355 days. The Congress is now almost permanently in session.

The number of votes per session has increased considerably more than the number of days. In the first session of the 83rd Congress (1953) there were 80 votes in the Senate and 71 in the House. In the first session of the 95th Congress (1977) there were 636 and 706 respectively. A Congressional study committee in 1977 found that for one-third of their day Members of the House were supposed to be in at least two places at once, this being the result of multiple committee assignments.

Time, of course, is what is most in demand in an overworked institution. Energy is what is most lacking. "Energy in the Executive," said Hamilton, "is a leading character in the definition of good government." [12] Something not different is the case with the Legislative. But energy is the first quality to disappear when the workload becomes too heavy. Energy and creativity.

Thus in the sixteenth month of the Carter Administration the *Wall Street Journal* reported "combat fatigue" had already set in. "A key White House Aide talks of leaving. The general reason; loss of the exhilaration needed to endure 70-hour work weeks." [13]

Footnotes at end of article.

Good men and women, who should be just about, in an earlier image, getting their second wind, were already used up. Absurd waste, but part of the system they were caught up in. To relieve the burden President Carter proposed just the wrong remedy. In February 1978 he asked the Congress to make permanent his authority to hire additional "supergrade" and "executive level" employees for his immediate White House staff. This is surely startling in a Chief Executive who came to office not just formally pledged to cut the size of his office (as Presidents now routinely do) but seemingly determined to do so. Any new top executives will, of course, require that everyone already there work even harder to keep up with one another.

Overwork is typically followed by efforts to improve efficiency along lines of organizational rationalism. The first such effort in the Executive, the Commission of Department Methods, headed by Assistant Secretary of the Treasury Charles Hallin Keep, was established in 1905. President Franklin D. Roosevelt established the more noted Committee on Administrative Management, headed by Louis Brownlow, in 1936. The first Congressional committee of this sort was the Joint Committee on the Organization of Congress, established at the end of 1944 and chaired by Senator Robert LaFolette, Jr. of Wisconsin. Many of its recommendations became part of the landmark Legislative Reorganization Act of 1946. It was this law which established "professional" committee staff for the Congress, the Congressional variant of the Civil Service, to be appointed "without regard to political affiliations and solely on the basis of fitness to perform the duties of the office." [14]

The most recent, and notable, effort in the legislative was the Commission on the Operation of the Senate established in 1975. The report, *Toward a Modern Senate*, was notable for a refreshingly candid statement of the nature of a Senator's day—"long, fragmented, and unpredictable. On the average, Senators put in an eleven hour day" [15]—and not less candid statement of the goal to help Congress organize to counter the expanding power of the Presidency and the Executive branch, "an expansion that recently threatened to upset the Constitutional separation of powers . . ." [16] Predictably, the Commission proposed that the Senate adopt more of the techniques of the Executive.

Already the Legislative branch had acquired one of the more important powers of the Executive, the "Congressional Veto" which was created by the Reorganization Act of 1932, and serves very much as does the executive veto provided in the Constitution. In 1975 alone Congressional veto provisions were incorporated into 58 laws.

As in the case of its acquisition of judges, the Executive branch has responded in turn to competition from the Legislative by emulating some of *its* techniques. We could, for example, interpret the establishment, and now proliferation, of independent regulatory commissions—standing committees, as it were—as a legislative technique planted in the executive. This begins, of course, with the Interstate Commerce Commission in 1887, an era of relative Congressional ascendancy over the Presidency.

Another, subtler, example—and one suggestive of the damage that the Iron Law of Emulation has done—may be found in the way Presidents now seem to negotiate with and mediate among their bureaucracies, much in the manner of House and Senate conferees working out their differences over a bill. Thus in the spring of 1978, after one full year of interdepartmental negotiation, President Carter announced his urban policy. It contained no new initiatives of any consequence. It was rather an immensely complex agreement as to what new resources would be allocated to dozens of different, and already established, programs. Indeed, it was not a policy at all, for nothing of that order could be achieved by negotiation.

* * * * *

The ultimate result of these parallel developments may be simply stated: stalemate. As each branch acquires more of the techniques of the others, especially as Executive branch techniques migrate to the other two, each becomes more capable of thwarting the other's purposes, *and probably more disposed* to do so. While there is surely a disposition to leave to others tasks for which one has no special capacity, this disposition disappears when everyone "knows" everything because everyone has their own information and experts—as is increasingly the case with each of the three branches of our government.

Is it not also likely that as the techniques of the three branches become more alike, the branches will become more homogeneous? Or is that a tautology? No matter. The point is that the branches were intended to be distinctive and to attract distinctive personalities; and they have long done so. The judicial temperament is a real thing. Anyone who has been required to make choices for the judiciary comes to know it and respect it, even if he cannot too closely define it. The ability to manage is a distinctive gift which we associate with persons called executives, and is, we hope, to be found in the executive branch. The genius, the central, the all-informing, all-pervasive principle of the Legislative branch is that of representativeness. As each district, each state is different, so each Representative and (in strict theory) half the Senators are different and should be. None is alike, and none is expected to be. If there is pressure on the individual, it is for him *not* to conform. *That* is what is lost when bureaucratic routine and Weberian predictability take over from the principle of representativeness.

If a large (and unsupported) forecast may be permitted, it is that the long run effect will be to create government by submerged horizontal bureaucracies that link the three branches of government, speaking their own private language, staying in place while their Constitutional masters come and go. (For some time political scientists have recognized vertical bureaucratic ties that link state, local and national government; the highway profession, for example, or social welfare.) Thus President Carter began by ordering each of his cabinet officers to *read* all regulations before signing and promulgating them. But this soon became impossible. The bureaucracy writes them and signs them, and as the Washington Star bravely strives to establish, heaven help any outsider who tries to read them. But they are probably quite comprehensible to the Committee staff of the Congress, who draft the legislation which the regulations typically carry out. I know it to be true in my case, and I cannot suppose I am alone, that most legislative language is incomprehensible to me. I depend utterly on translators. One has the *impression*—little more— that judicial decrees are increasingly the work of professionals. The end result of all this is surely predictable, almost, again, tautological: a great diminishment in democratic, elective government.

* * * * *

The questions then are of a Constitutional order. Americans, understandably, tend to think of Constitutional change in terms of the amendment process. But this is not the only way changes take place, as John Marshall demonstrated when he established that the Supreme Court had the right of judicial review of acts of Congress. This is the sense in which the American Constitution evolves rather in the way the British constitution is said to evolve, and indeed does. And the British experience ought to serve as a particular lesson to us just now.

I do not pretend to any especial competence here, but I believe it is fair to say that in the course of the twentieth century the British have more or less abolished Parliament. I cannot imagine that at any point in the process the British electorate would have voted to do this; but successive incremental changes over three quarters of a century have brought it about as an accomplished fact. Every five years or so, as things now are, the British elect a body of persons (still called Parliament in accord with the British willingness to change anything but the appearance of things) which in turn elects a Chief Executive called Prime Minister. The Prime Minister takes over the executive branch (called "Whitehall") and governs with only the barest reference to Parliament for the next five years. Legislation takes the mode of the Executive Order under the American Presidency. The bureaucracy drafts it, the Prime Minister sends it to Parliament, and with the rarest exception the bills are enacted by the Prime Minister's majority which exist by definition, else he would not be Prime Minister. On five occasions since 1945 a British Prime Minister lost his majority in an election. He was then replaced by another Prime Minister who ruled in precisely the same manner. Parliament as such has no power to differ with the Prime Minister on any issue save the ultimate one of who should be Prime Minister.

In his Sieff Memorial Lecture at the Royal Institution in 1977, Roy Jenkins allowed that in theory Parliament is sovereign, but in practice—

"What parliamentary sovereignty really means is party sovereignty: and a party that wins a bare majority of seats in the House of Commons enjoys the full fruits of sovereignty, even if it has won the votes of well under half the electorate. So long as its members obey the whip, such a party can force through whatever legislation it wishes, even on matters which in most other democracies would require an amendment to the constitution. Although the courts have begun to show more willingness to challenge the executive than they used to, their ability to resist a determined government with a parliamentary majority at its back is severely limited." [17]

Jenkins in fact suggests that the British at last get themselves some measure of judicial review—a thought abhorrent to a still "sovereign" Parliament—to deal with the enormous and effectively unchallenged power of the civil service. In passing he notes that the impotent Westminster Parliament "is notoriously overworked." Precisely so: for it has nothing to do.

That the British, who think of themselves as caring very much about such matters and as attending to them, have let their institutions decline so is not a good omen for us. But then we are in a far less etiolated condition. Our situation is not one of a single branch superseding the others. Our problem is stalemate. For some time we have had a pattern of one branch frustrating the efforts of the other, with moments of intensive cooperation coming at most every generation or so. We do not really have stalemate yet. But signs appear. How might we respond?

Here I would be adventurous. I would dare to think that the Americans polity is as capable now as it was at the outset of adopting wise modes of government *because we think them wise.* What Wilson writes is true. What Simmel wrote is true. There are large uniformities here. (Simmel wrote that Xerxes recognized that "Greeks were the best to fight Greece.") [18] But it also is true that a people that sees its self-interest in not doing what comes naturally can do otherwise. That may be more a wish than a rule, but who will know unless we try.

My thought here would be simple. If the Iron Law of Emulation is to be broken, it must first be recognized. To borrow the useful term of the Women's Movement, we require some consciousness raising. The tendency to introduce new conflict techniques can be restrained by the *knowledge* that they will be matched. (This, after all, is our hope in arms control.) Hence we need first to become more aware of the pattern of one branch adopting the techniques of the other, and to sense the futility of it all. Just this much might have real consequences.

Lastly there is the question of the roving political elites, whose quest for power takes them first to one branch, then to another, bringing new techniques of conflict and *casus belli* with them. First the White House staff, then the Congressional committee, then the judicial chambers. The quest is essentially undemocratic, and their enthusiasms diminish as democracy catches up. They move on. But gigantism remains and stalemate grows. This pattern needs to be identified more frequently, and very much to be resisted.

FOOTNOTES

[1] I wish to acknowledge the assistance of Mr. Charles Horner in the preparation this lecture.

[2] *The Federalist Papers,* (New York: New American Library, 1961), p. 72.

[3] Lewis Coser, *The Functions of Social Conflict,* (Glencoe, Ill.: The Free Press, 1956), p. 129.

[4] Until the 1870's Presidents had virtually no administrative staff. Then President Grant got six assistants; President McKinley had 27; President Coolidge 46. By 1955 the President's staff numbered 1,402, and had taken over the whole of the former State, War, and Navy Building. By 1973 a second Executive Office Building had been constructed, and the staff numbered 2,206.

[5] Abram Chayes, "The Role of the Judge in Public Law Litigation," *Harvard Law Review,* volume 89, number 7, May, 1976.

[6] *Ibid.,* pp. 1307–1309.

[7] Donald L. Horowitz, *The Courts and Social Policy,* (Washington, D.C.: Brookings Institution, 1977), p. 264.

[8] Maurice Cranston, *Politics and Ethics,* (London: Weidenfeld and Nicholson, 1972), p. 19.

[9] U.S. Capital Planning Group, *Toward a Master Plan for the United States Capitol, Phase II: The Alternatives.* (Washington: U.S. Government Printing Office, 1977), pp. 54–56.

[10] Anthony Trollope, *The Three Clerks,* (New York: Harper and Brothers, 1874), p. 67.

[11] Henry L. Stimson and McGeorge Bundy, *On Active Service in Peace and War,* (New York: Harper and Brothers, 1947), pp. 196–197.

[12] *The Federalist Papers,* (New York: New American Library, 1961), p. 423.

[13] *Wall Street Journal,* April 21, 1978.

[14] *Report of the Special Committee on the Organization of Congress* [to accompany S. 2177], Report No. 1400, 79th Congress, 2d Session, May 31, 1946, p. 22.

[15] *Toward A Modern Senate,* Final Report of the Commission on the Operation of the Senate (Washington, D.C.: U.S. Government Printing Office, 1976), p. 28.

[16] *Ibid.,* p. 3.

[17] Roy Jenkins, "Whats' Wrong, and What Could Be Set Right," *Encounter,* February, 1978, p. 15.

[18] Kurt H. Wolff, ed. and tr., *The Sociology of Georg Simmel,* (Glencoe, Ill.: The Free Press, 1950), p. 168.

THE RESPONSIBILITY TO BE HEALTHY

Mr. PROXMIRE. Mr. President, advocates of comprehensive health insurance talk of the "right" to health. The assumption is that if the Government just did its duty and spent enough money on research and care and doctors and nurses that we would have a far healthier country, and that this would solve the Nation's major health problem.

Mr. President, that is just not the case. Health for most of us is a matter of personal responsibility. It is very largely a matter of applying a moderate amount of intelligence with respect to eating, drinking, smoking, exercising, and resting.

The health problem of this Nation is that too many people are too lazy, too fat, smoke too much, are too tense, drink too much, and expect some kind of tranquilizing, stimulating, go-to-sleep drug to make them feel better.

The Federal Government can triple its spending on health research as it has done in the past few years. It can vastly increase the number and rewards of doctors and nurses. It can vastly increase the hospitals and the medical technologies as we have done for years now, and we will still be taking millions of Americans to the cemetery years before their time, and we will still be haunted by millions of Americans suffering painfully through their later years, sick and weak because they ate too much, ate the wrong things, smoked and drank more than they should have.

A few years ago John Knowles, who has been the head of the Rockefeller Foundation as well as the Nation's chief health officer, pointed out that advances in health in the next 25 years will not come out of a test tube or a better health care system, but from more moderate life styles.

Indeed, as George Will contends in the current Newsweek the advances in longevity and health that we have enjoyed in recent years have come overwhelmingly from such things as better nutrition, therapeutic improvements in food packaging and distribution, and other individual efforts in health maintenance.

Will refers to the observation of Robin Bates, a British writer who contends that streptomycin may have accounted for only 3 percent of the reduction of tuberculosis deaths, and that medicine always concentrates on the 3 percent solution. As Will observes, that is an understandable concentration for clinical medicine, but it is an unwise concentration for public policy, given the evidence that medical intervention has not been primarily responsible for the most substantial improvements in public health.

Will goes on to observe, "In an age when people are inventive and clamorous about 'rights' and deny duties, they do not want to be told that health is primarily their duty, not medicine's or the Government's responsibility."

And Will concludes, :"Such an age is ripe for socialized medicine which broadens access to what Kass calls 'hospital centered, highly technological, disease oriented, therapy centered, medical care.' "

Mr. President, this body will begin next year an historic debate on national health insurance. In fact the debate has already begun. It will take place in con-

gressional and Senate campaigns this fall. In the course of this discussion I hope we can keep aware of the fact that government cannot solve our principal health problem; that health is a matter of individual responsibility; that it takes a life long commitment from each of us, a commitment to self denial, to moderation, to exercise, to all kinds of difficult, unpleasant but consistent practices. But it is supremely worthwhile. Good health is mankind's greatest boon. But it has to be earned, every day.

In a country that prides itself on individual responsibility compared to the state sovereignty of socialism, this should be a challenge we can and will meet.

Mr. President, I ask unanimous consent that the George Will column to which I referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A RIGHT TO HEALTH?

(By George F. Will)

Human beings, unlike oysters, frequently reveal their emotions. And they are prolific at discovering new "rights." Today they speak often, and crossly, about their "right" to health. They are paying a lot for medicine and are not getting all that they think they are paying for, a guarantee of endless betterment. Their disappointment is rooted in mistaken inferences from a few spectacular medical achievements.

Twenty-five summers ago, many children were kept home from theaters that were packed with peers watching Randolph Scott cowboy movies. Many parents were afraid, and rightly so, of polio. The Salk vaccine made summers safer, but that achievement has given rise to unreasonable expectation based on the "polio paradigm." Many people assume that advances in public health have generally resulted from a conquest of a disease by a new technology. This is a misunderstanding of the social history of health.

When Shakespeare, Coke, Bacon and Drake were advancing drama and poetry, jurisprudence, experimental science, navigation and exploration, John Donne, who was doing as much for poetry and preaching, was being treated for fever by doctors who placed a dead pigeon at his feet to draw "vapours" from his brain. Until this century, medicine developed slowly, in a social setting in which infant mortality was high, life expectancy was low even for those who survived childhood, and diagnostic and therapeutic skills were few. The sudden development of sophisticated medicine has coincided, in fortunate societies, with sharp improvements in infant mortality and life expectancy, and undreamt-of freedom from many diseases. As a result, medicine has been given undue credit for mankind's betterment.

THE DESIRE TO LIVE BETTER

Many people believe that society's level of health depends primarily on medical treatment of the sick. But the relationship between increased investment in medicine and improvements in health is tenuous. Behavior usually has more to do with how long and healthily people live than does the soaring investment in medical treatments to restore health, or to slow its decline. Leon Kass of the University of Chicago notes that other animals "instinctively eat the right foods (when available) and act in such a way as to maintain their naturally given state of health and vigor. Other animals do not overeat, undersleep, knowingly ingest toxic substances, or permit their bodies to fall into disuse through sloth, watching television and riding in automobiles, transacting business or writing articles about health." For humans, health must be nurtured by "taming and moderating the admirable yet dangerous human desire to live better than sows and squirrels." So, in one way, it makes little more sense to claim a right to health than a right to wisdom or courage.

As Kass says, in an age that has cracked the genetic code, built kidney machines and performed organ transplants, the idea that prudence is the path to health seems banal. But there is much to be learned about the sociology of health, such as why some subgroups of the population are especially healthy. "If the incidence of each kind of cancer could be reduced to the level at which it occurs in the population in which its incidence is lowest, there would be 90 per cent less cancer. Recent studies show that cancers of all sorts—not only cancers clearly correlated with smoking and drinking—occur less frequently among the clean-living Mormons and Seventh-day Adventists."

MEDICINE SECONDARY

Recent history illustrates the secondary importance of clinical medicine in improving public health. Eric Cassell of Cornell Medical College notes that in 1900 the death rate from tuberculosis was 200 per 100,000 and the rate declined to 20 per 100,000 by the 1950s, when the first effective anti-TB drugs became available. The decline was due primarily to better nutrition and less crowding. Typhoid became rare before effective drugs were available, thanks to chlorination of water, and better sanitation and personal hygiene.

The decline of infant mortality occurred because of reduction of the diarrhea-pneumonia complex. This, too, was the result of social changes, not of preventive or therapeutic medications. Modern food packaging and distribution has done more than medicine against food-borne diseases. The swift decline of a soup company after reports of botulism demonstrated how much the mass media can do for public health. In the last five years, the death rate in the United States has undergone the sharpest decline since the advent of penicillin, primarily because of a reduction in heart diseases, due to individual efforts at health maintenance.

A British writer, Robin Bates, contends that streptomycin may have accounted for only 3 per cent of the reduction of tuberculosis deaths, and that medicine always concentrates on such a "3 per cent solution." That is an understandable concentration for clinical medicine, but it is an unwise concentration for public policy, given the evidence that medical intervention has not been primarily responsible for the most substantial improvements in public health. But in an age when people are inventive and clamorous about "rights" and deny duties, they do not want to be told that health is primarily their duty, not medicine's or the government's responsibility.

Such an age is ripe for socialized medicine which broadens access to what Kass calls "hospital-centered, highly technological, disease-oriented, therapy-centered medical care." Recently a Carter Administration spokesman, advocating national health insurance, declared: "The highest priority must be to guarantee to all the American people a quality of health care and a standard of health that our worldwide lead in medicine currently guarantees only to an affluent minority . . ." Confused thinking promotes dubious policy: health is the product of medicine, so by controlling the distribution of medicine, government can "guarantee" a "standard of health" commensurate with the sophistication of medical technology.

WILLFUL ILLNESS

But national health insurance might do harm by reinforcing public acceptance of the "no-fault principle" that discounts personal responsibility for health. A better way to begin improving health insurance might be to institutionalize inducements to prudence. Payments for treatment of particular diseases could be reduced when patients continue behavior linked to the diseases.

Human beings, unlike oysters, are organisms that make choices. Today, much illness is willful, in the sense that it results from foolish living habits of people who have a duty to know better. And today, insurance plans spread the burden of paying for illness: the prudent and dutiful are paying heavily for the irresponsible. That is a wrong that should preoccupy people who are eager to establish "rights" where health is concerned.

TIME ESSAY POINTS TO THE NEED TO RATIFY THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, when thousands of Americans open the July 31 issue of Time magazine they will undoubtedly be shocked to read David Aikman's essay, "Cambodia: An Experiment in Genocide." Aikman describes the murderous actions of the Khmer Rouge in gruesome detail. One cannot help but agree that this is "* * * the most dreadful infliction of suffering on a nation by its government in the past three decades."

The enormity of the Cambodian tragedy defies comprehension. The lowest estimate of the deaths is in the hundreds of thousands, the highest exceeds 1 million. It is indeed difficult to believe.

The American public will surely be outraged to learn of yet another violation of human rights. But the horrors of Cambodia are not new to this Senate. Many Members, myself included, have fiercely denounced the Cambodian Government, and President Carter has declared that Cambodia is the worst violator of human rights in the world today.

We have known about Cambodia for quite some time. But what have we done? Have we seriously attempted to stop or punish the Khmer Rouge?

No. Mr. President, the Senate has done no more than to lambast Cambodia with ineffective rhetoric. As Mr. Aikman notes in his essay "* * * the tragedy has failed to evoke the appropriate response of outrage.

Mr. President, sadly, I must agree with Mr. Aikman. For 11 years I have spoken daily on the floor of the Senate about the United Nations Genocide Convention. Other Senators and I, have revealed a shockingly large number of incidents of genocide. Yet even when confronted with the horrifying example of Cambodia, the Senate has failed to ratify the Genocide Treaty. As a Member of this Senate, and a concerned American, I am ashamed of our complacency.

Mr. President, how much more genocide must the world endure before the Senate will ratify the United Nations Convention? Surely Cambodia is enough. We must ratify the Genocide Convention.

Mr. President, I ask unanimous consent that Mr. Aikman's article be printed at this point in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

CAMBODIA: AN EXPERIMENT IN GENOCIDE

The enormity of the tragedy has been carefully reconstructed from the reports of many eyewitnesses. Some political theorists have defended it, as George Bernard Shaw and other Western intellectuals defended the brutal social engineering in the Soviet Union during the 1930s. Yet it remains perhaps the most dreadful infliction of suffering on a nation by its government in the past three decades. The nation is Cambodia.

On the morning of April 17, 1975, advance units of Cambodia's Communist insurgents, who had been actively fighting the defeated Western-backed government of Marshal Lon Nol for nearly five years, began entering the capital of Phnom Penh. The Khmer Rouge looted things, such as watches and cameras, but they did not go on a rampage. They seemed disciplined. And at first, there was general jubilation among the city's terrified, exhausted and bewildered inhabitants. After all, the civil war seemed finally over, the Americans had gone, and order, everyone seemed to assume, would soon be graciously restored.

Then came the shock. After a few hours, the black-uniformed troops began firing into the air. It was a signal for Phnom Penh's entire population, swollen by refugees to some 3 million, to abandon the city. Young and old, the well and the sick, businessmen and beggars, were all ordered at gunpoint onto the streets and highways leading into the countryside.

Among the first pitiful sights on the road, witnessed by several Westerners, were patients from Phnom Penh's grossly overcrowded hospitals, perhaps 20,000 people all told. Even the dying, the maimed and the pregnant were herded out stumbling onto the streets. Several pathetic cases were pushed along the road in their beds by relatives, the intravenous bottles still attached to the bedframes. In some hospitals, foreign doctors were ordered to abandon their patients in midoperation. It took two days before the Bruegel-like multitude was fully under way, shuffling, limping and crawling to a designated appointment with revolution.

With almost no preparations for so enormous an exodus—how could there have been with a war on?—thousands died along the route, the wounded from loss of blood, the weak from exhaustion, and others by execution, usually because they had not been quick enough to obey a Khmer Rouge order. Phnom Penh was not alone: the entire urban population of Cambodia, some 4 million people, set out on a similar grotesque pilgrimage. It was one of the greatest transfers of human beings in modern history.

The survivors were settled in villages and agricultural communes all around Cambodia and were put to work for frantic 16- or 17-hour days, planting rice and building an enormous new irrigation system. Many died from dysentery or malaria, others from malnutrition, having been forced to survive on a condensed-milk can of rice every two days. Still others were taken away at night by Khmer Rouge guards to be shot or bludgeoned to death. The lowest estimate of the bloodbath to date—by execution, starvation and disease—is in the hundreds of thousands. The highest exceeds 1 million, and that in a country that once numbered no more than 7 million. Moreover, the killing continues, according to the latest refugees.

The Roman Catholic cathedral in Phnom Penh has been razed, and even the native Buddhism is reviled as a "reactionary" religion. There are no private telephones, no forms of public transportation, no postal service, no universities. A Scandinavian diplomat who last year visited Phnom Penh—today a ghost city of shuttered shops, abandoned offices and painted-over street signs—said on his return: "It was like an absurd film; it was a nightmare. It is difficult to believe it is true."

Yet, why is it so difficult to believe? Have not the worst atrocities of the 20th century all been committed in the name of some perverse pseudo science, usually during efforts to create a new heaven on earth, or even a "new man"? The Nazi notion of racial purity led inexorably to Auschwitz and the Final Solution. Stalin and Mao Tse-tung sent millions to their deaths in the name of a supposedly moral cause—in their case, the desired triumph of socialism. Now the Cambodians have taken bloodbath sociology to its logical conclusion. Karl Marx declared that money was at the heart of man's original sin, the acquisition of capital. The men behind Cambodia's *Angka Loeu* (Organization on High), who absorbed such verities while students in the West, have decided to abolish money.

How to do that? Well, one simplistic way was to abolish cities, because cities cannot survive without money. The new Cambodian rulers did just that. What matter that hundreds of thousands died as the cities were depopulated? It apparently meant little if, anything, to Premier Pol Pot and his shadowy colleagues on the politburo of Democratic Kampuchea, as they now call Cambodia. When asked about the figure of 1 million deaths, President Khieu Samphan replied: "It's incredible how concerned you Westerners are about war criminals." Radio Pnom Penh even dared to boast of this atrocity in the name of collectivism: "More than 2,000 years of Cambodian history have virtually ended."

Somehow, the enormity of the Cambodian tragedy—even leaving aside the grim question of how many or how few actually died in *Angka Loeu's* experiment in genocide—has failed to evoke an appropriate response of outrage in the West. To be sure, President Carter has declared Cambodia to be the worst violator of human rights in the world today. And, true, members of the U.S. Congress have ringingly denounced the Cambodian holocaust. The U.N., ever quick to adopt a resolution condemning Israel or South Africa, acted with its customary tortoise-like caution when dealing with a Third World horror: it wrote a letter to Phnom Penh asking for an explanation of charges against the regime.

Perhaps the greatest shock has been in France, a country where many of Cambodia's new rulers learned their Marx and where worship of revolution has for years been something of a national obsession among the intelligentsia. Said New Philosopher Bernard-Henri Levy, a former leftist who has turned against Marxism: "We thought of revolution in its purest form as an angel. The Cambodian revolution was as pure as an angel, but it was barbarous. The question we ask ourselves now is, can revolution be anything but barbarous?"

Levy has clearly pointed out the abyss to which worship of revolution leads. Nonetheless, many Western European intellectuals are still reluctant to face the issue squarely. If the word "pure," when used by adherents of revolution in effect means "barbarous," perhaps the best the world can hope for in its future political upheavals is a revolution that is as "corrupt" as possible. Such skewed values are, indeed, already rife in some quarters. During the 1960s, Mao's Cultural Revolution in China was admired by many leftist intellectuals in the West, because it was supposedly "pure"—particularly by contrast with the bureaucratic stodginess of the Soviet Union. Yet that revolution, as the Chinese are now beginning to admit, grimly impoverished the country's science, art, education and literature for a decade. Even the Chinese advocates of "purity" during that time, Chiang Ch'ing and her cronies in the Gang of Four, turned out to have been as corrupt as the people in power they sought to replace. With less justification, there are intellectuals in the West so committed to the twin Molochs of our day—"liberation" and "revolution"—that they can actually defend what has happened in Cambodia.

Where the insane reversal of values lies is in the belief that notions like "purity" or "corruption" can have any meaning outside an absolute system of values: one that is resistant to the tinkering at will by governments or revolutionary groups. The Cambodian revolution, in its own degraded "purity," has demonstrated what happens when the Marxian denial of moral absolutes is taken with total seriousness by its adherents. Pol Pot and his friends decide what good is, what bad is, and how many corpses must pile up before this rapacious demon of "purity" is appeased.

In the West today, there is a pervasive consent to the notion of moral relativism, a reluctance to admit that aboslute evil can and does exist. This makes it especially difficult for some to accept the fact that the Cambodian experience is something far worse than a revolutionary aberration. Rather, it is the deadly logical consequence of an atheistic, man-centered system of values, enforced by fallible human beings with total power, who believe, with Marx, that morality is whatever the powerful define it to be and, with Mao, that power grows from gun barrels. By no coincidence the most humane Marxist societies in Europe today are those that, like Poland or Hungary, permit the dilution of their doctrine by what Solzhenitsyn has called "the great reserves of mercy and sacrifice" from Christian tradition. Yet if there is any doubt about what the focus of the purest of revolutionary values is, consider the first three lines of the national anthem of Democratic Kampuchea:

The red, red blood splatters the cities and plains of the Cambodian fatherland,
The sublime blood of the workers and peasants,
The blood of revolutionary combatants of both sexes.

Mr. PROXMIRE. Mr. President, I yield the floor.

ORDER TO RECESS TODAY UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 9:30 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDER FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow morning, after the two leaders are recognized under the standing order, Mr. JAVITS be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF H.R. 11445 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized on tomorrow, in accordance with the standing order, and after the recognition of

Senator JAVITS on tomorrow under the previous order, the Senate then proceed to the consideration of Calendar Order No. 758, H.R. 11445, an act to amend the Small Business Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate is to convene at 9:30 tomorrow morning. Following the order for the recognition of Mr. JAVITS, the Senate will proceed to the consideration of the so-called small business bill, H.R. 11445. There is a time agreement on that bill, and there will be rollcall votes tomorrow.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate—after 2 hours of wrestling and trying to find some business to bring before the Senate—I move, in accordance with the previous order, that the Senate stand in recess until 9:30 tomorrow morning.

The motion was agreed to; and at 5:33 p.m. the Senate recessed until tomorrow, Wednesday, August 2, 1978, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 1, 1978:

DEPARTMENT OF TRANSPORTATION

Karl Smith Bowers, of South Carolina, to be Administrator of the Federal Highway Administration, vice William Meredith Cox, resigned.

THE JUDICIARY

Thomas A. Wiseman, Jr., of Tennessee, to be U.S. district judge for the middle district of Tennessee, vice Frank Gray, Jr., retired.

Norma Levy Shapiro, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania, vice James H. Gorbey, deceased.

HOUSE OF REPRESENTATIVES—*Tuesday, August 1, 1978*

The House met at 10 a.m.

The Reverend Theodore L. Petrikis, Jr., pastor, Community Church, Bellbrook, Ohio, offered the following prayer:

Almighty Lord, upon these Members of this high body rest many responsibilities for the good care of our great Nation. My prayer, as an American, is for these select Americans: O Lord, give them wisdom and knowledge beyond themselves. Bless them with the physical and mental stamina that their difficult work demands. Provide them with renewing vision for the causes they hold dear and the courage and skill to fulfill those causes. May discouragements fade into hope and hope mature into an even greater America, and may they be individually convinced that because of their labors for America, the best is yet to come.

O Lord, let Your holy spirit touch them. God bless the House of Representatives today—every day. In Christ's name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9214. An act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2410. An act to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development.

The message also announced that the Senate requested the return of the bill S. 3342 entitled: "To name a lake which has been completed as part of the Papillion Creek basin project as the 'Standing Bear Lake'."

THE MISSING LINK—BEYOND PROPOSITION 13

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, I think it is very appropriate that I am following the first speaker here in the well today.

Mr. Speaker, let me first say the magic words: "Three cheers for proposition 13!"

Now we must make certain that we understand the message from the taxpayers in proposition 13. The American people are saying not just cut our property taxes but that there is "a missing link" in our national economic policy. I refer to the link between Government expenditures and taxes. They are double trouble for Americans. We can talk about proposition 13 all we want. We can all learn the jargon of Jarvis. But until we reduce the cost of Government and the tax burden of the American people we are fooling them and fooling ourselves.

We need a policy of economic realism that interprets proposition 13 and that means we attack both big government and big taxes. To this end I have introduced H.R. 13578 which would cut taxes and limit the amount that the Congress can spend.

For years anthropologists have been searching for the missing link that ties man with some earlier forms of life. Unless we recognize and act upon the link between taxes and spending, Government will continue to make monkeys of us all.

PERMISSION FOR SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET TODAY DURING 5-MINUTE RULE

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation be granted permission to meet while the House is in session during the 5-minute rule today, August 1, 1978.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

KWONG LAM YUEN

The Clerk called the bill (H.R. 1798) for the relief of Kwong Lam Yuen.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

MORRIS AND LENKE GELB

The Clerk called the bill (H.R. 3084) for the relief of Morris and Lenke Gelb.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

IRENE HOFFMAN

The Clerk called the bill (H.R. 5612) for the relief of Irene Hoffman.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

BALL STATE UNIVERSITY AND THE AMERICAN ASSOCIATION OF COLLEGES FOR TEACHER EDUCATION

The Clerk called the bill (H.R. 1415) for the relief of Ball State University and the American Association of Colleges for Teacher Education.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bills be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EASTERN TELEPHONE SUPPLY & MANUFACTURING, INC.

The Clerk called the bill (H.R. 10161) for the relief of Eastern Telephone Supply & Manufacturing, Inc.

There being no objection, the Clerk read the bill, as follows:

H.R. 10161

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the time limitations in section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or in any other provision of law, Eastern Telephone Supply and Manufacturing, Incorporated, of Newport, Rhode Island, may file, within sixty days after the date of enactment of this Act, a protest with the United States Customs Service concerning the overpayment of customs duties on goods purchased from Bell of Canada that entered the United States through Buffalo, New York, and Champlain, New York, during the period from February 1974, to December 1974, inclusive. The United States Customs Service shall accept such protest as if it were filed in a timely fashion and shall review such protest in accordance with the otherwise applicable provisions of law.

● Mr. ST GERMAIN. Mr. Speaker, the chairman of the Committee on Ways and Means, Mr. ULLMAN, and the chairman of the Subcommittee on Trade, Mr. VANIK, and the members of those committees are to be commended for their fair and timely consideration of H.R. 10161, the bill to provide for the relief of Eastern Telephone Supply & Manufacturing, Inc., a firm located in Newport, R.I.

The specifics of a fairly complicated situation are well explained in the report which accompanies the bill. May I stress a point, however, which I feel is significant. In a letter to me and in correspondence with my constituent, Mr. Henry Sullivan, president of Eastern Telephone & Supply, then-Acting Commissioner of Customs, Mr. G. R. Dickerson, advised us that the only remedy for the situation in which Customs acknowledges holding funds rightfully belonging to Eastern Telephone & Supply is to seek private legislation. Following the advice of this Federal official, we are being asked today to provide my constituent with an opportunity to recover funds which, through no fault of his own, are held by the customs service.

The amount of funds involved is significant to this small business. I urge passage of H.R. 10161.●

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CAROLINE M. BABCOCK

The Clerk called the bill (H.R. 2656) for the relief of Caroline M. Babcock.

There being no objection, the Clerk read the bill as follows:

H.R. 2656

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Caroline M. Babcock, supervisory accounting technician for the Twelfth Coast Guard District, San Francisco, California, is relieved of liability for payment to the United States of the sum of $8,000. Such sum represents the amount of funds missing on the morning of November 9, 1974, from a safe for which Caroline M. Babcock, as supervisory accounting technician, was responsible. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given to Caroline M. Babcock for the amount for which liability is relieved by this Act.

SEC. 2. (a) In any part of the amount specified in the first section of this Act has been received or withheld from Caroline M. Babcock in connection with the liability relieved under the first section of this Act, the Secretary of the Treasury shall pay to her such amount out of any funds in the Treasury not otherwise appropriated.

(b) No amount in excess of 10 per centum of any appropriation made under subsection (a) of this section shall be paid to or received by any attorney for services rendered in connection with such appropriation. Any person violating this subsection shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GAIL WILLIAMSON

The Clerk called the bill (H.R. 8428) for the relief of Gail Williamson.

There being no objection, the Clerk read the bill, as follows:

H.R. 8428

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding sections 2401 and 2675 of title 28, United States Code, jurisdiction is hereby conferred upon the United States District Court for the Eastern District of California of any claim of or on behalf of Gail Williamson of Bakersfield, California, against the United States arising from injuries she sustained in an accident on November 12, 1972, on Government property in China Lake, California.

SEC. 2. The jurisdiction conferred by the first section of this Act shall not apply to any action commenced more than six months after the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTHONY CASAMENTO

The Clerk called the bill (H.R. 3307) for the relief of Anthony Casamento.

There being no objection, the Clerk read the bill, as follows:

H.R. 3307

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the time limitations of section 6248 (a) of title 10, United States Code, the President may award, and present in the name of Congress, a Medal of Honor under section 6241 of such title to Anthony Casamento, of West Islip, New York, for acts of valor performed by Mr. Casamento while serving as a corporal in the United States Marine Corps on Guadalcanal in November 1942.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

That the time limitation contained in section 6248(a) of title 10, United States Code, with respect to the awarding of certain medals to persons in the naval service shall not apply with respect to the award of any such medal to Anthony Casamento, of West Islip, New York, for acts of valor performed by the said Anthony Casamento during November 1942 while engaged in combat operations on Guadalcanal Island as a corporal in the United States Marine Corps.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

AUTHORIZING PRINTING OF ADDITIONAL COPIES OF REPORT OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE ON H.R. 11280

Mr. UDALL. Mr. Speaker, I offer a resolution (H. Res. 1290) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1290

Resolved, That when the report of the Committee on Post Office and Civil Service accompanying the bill H.R. 11280 is printed, additional copies may be printed not to exceed a total cost of $1,200 for the use of the Committee on Post Office and Civil Service.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. BAUMAN. Reserving the right to object, I do so only to ask my distinguished chairman whether or not this has any significance in the scheduling for the remainder of the session. The Speaker has been good enough on one or two occasions to announce that certain bills are "must" bills, and I assume, knowing the conservatism of the gentleman from Arizona, that he would not want to spend $1,200 on printing a bill that was going to die before the end of the session; so does it have some larger significance?

Mr. UDALL. If the gentleman from Maryland would yield, no, I can advise the gentleman. It will have no impact on

scheduling. We hope to get this bill, as previously announced.

Mr. Speaker, this resolution would authorize the printing of additional copies of the report of the Committee on Post Office and Civil Service on the bill H.R. 11280, relating to civil service reform. The report is several hundred pages long and, under the laws applicable to the printing of reports, a sufficient number of additional copies will not be available unless a resolution permitting additional copies is adopted.

In view of the great importance of the civil service reform bill, I am confident that additional copies will be necessary.

Mr. BAUMAN. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated, and after those motions to be determined by nonrecord votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

CALL OF THE HOUSE

Mr. BROOMFIELD. Mr. Speaker, I move a call of the House.

The SPEAKER. Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 623]

Ambro	Ford, Tenn.	Mitchell, N.Y.
Andrews, N.C.	Fowler	Murphy, N.Y.
Archer	Fraser	Neal
Armstrong	Garcia	Panetta
Beard, Tenn.	Gephardt	Pepper
Beilenson	Goodling	Pressler
Bonior	Harrington	Quie
Bonker	Harris	Robinson
Breaux	Heckler	Rodino
Brown, Ohio	Ireland	Rousselot
Buchanan	Jenkins	Russo
Burke, Calif.	Jones, Okla.	Santini
Burke, Mass.	Jones, Tenn.	Sarasin
Byron	Kemp	Scheuer
Cavanaugh	LaFalce	Seiberling
Chisholm	Le Fante	Shuster
Cohen	Lloyd, Tenn.	Spellman
Collins, Ill.	Lott	Stockman
Conyers	McCloskey	Teague
Cornwell	McCormack	Tsongas
Dent	McDade	Tucker
Dodd	McDonald	Waggonner
Edwards, Okla.	McKinney	Waxman
Evans, Colo.	Maguire	Whalen
Fascell	Mathis	Wiggins
Findley	Meeds	Young, Alaska
Fisher	Mikva	Young, Tex.
Flowers	Milford	
Ford, Mich.	Mitchell, Md.	

The SPEAKER pro tempore (Mr. MOFFETT). On this rollcall 347 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMEMORATING THE 102D BIRTHDAY OF STATE OF COLORADO

Mrs. SCHROEDER. Mr. Speaker, today is the 102d anniversary of Colorado's statehood. We often think many amendments we vote on here are of minor significance, but had it not been for Congress and its wisdom in adopting an amendment offered by Senator Wilson of Massachusetts on February 28, 1861, Colorado would have been named Idaho.

The territories of Kansas, Nebraska, Utah, and New Mexico were created prior to the Territory of Colorado. In 1861, the Territory of Colorado was created by taking away portions of the previously mentioned territories. A bill was then reported from committee designating the region as the Territory of Idaho. During debate on the floor, however, the Senator from Massachusetts, Mr. Wilson, offered an amendment to change the name from Idaho to Colorado, because the great river of that name had its source in the region. The amendment carried on February 28, 1861.

With all due respect to the State of Idaho, Mr. Speaker, we of the Centennial State wish to thank your State for helping us get our State's name changed. We think Colorado is the most appropriate name for the Centennial State and, on this historic date, thank our east coast forefathers for bestowing it upon us.

ELIMINATION OF WORK DISINCENTIVES UNDER SOCIAL SECURITY

Mr. CORMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12972) to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program, as amended.

The Clerk read as follows:

H.R. 12972

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

EARNINGS LEVEL FOR DETERMINING SUBSTANTIAL GAINFUL ACTIVITY

SECTION 1. Section 1614(a)(3)(D) of the Social Security Act is amended by inserting immediately after the first sentence thereof the following new sentence: "Such criteria must in any event provide that an individual engaged in gainful activity shall not, by reason of his or her earnings from such activity, be considered able to engage in substantial gainful activity unless the total amount of such earnings for the period involved exceeds the level at which the portion thereof not excluded (in determining such individual's income) under clause (i) of section 1612(b)(4)(B), reduced by the sum of the amounts (if any) excluded for such period under clauses (ii) and (iii) of such section 1612(b)(4)(B), equals the amount of the benefit or benefits that would be payable to such individual for such period under section 1611(b)(1) or 1611(b)(2) (whichever is applicable to such individual) if he or she had no income of any kind.".

EXCLUSION OF WORK-RELATED EXPENSES, AND CERTAIN COSTS OF ATTENDANT CARE, FOR THE DISABLED (AND FOR THE BLIND)

SEC. 2. (a) Section 1612(b)(4)(B) of the Social Security Act is amended by striking out "and (ii)" and inserting in lieu thereof the following: "(ii) an amount equal to any expenses reasonably attributable to the earning of any income, (iii) such additional amounts of earned income of such individual (if such individual's disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, whether or not that assistance is also needed to carry out his normal daily functions) as may be necessary (as determined by the Secretary) to pay the costs of attendant care, and (iv)".

(b) Section 1612(b)(4)(A) of such Act is amended by striking out "and (iii)" and inserting in lieu thereof the following: "(iii) such additional amounts of earned income of such individual (if such individual's blindness results in a functional limitation requiring assistance in order for him to work, whether or not that assistance is also needed to carry out his normal daily functions) as may be necessary (as determined by the Secretary) to pay the costs of attendant care, and (iv)".

EFFECTIVE DATES

SEC. 3. The amendment made by section 1 shall apply with respect to activities in which individuals engage on and after the first day of the month in which this Act is enacted, or October 1, 1978, whichever is later. The amendment made by section 2 shall apply with respect to expenses incurred on and after the first day of the month in which this Act is enacted, or October 1, 1978, whichever is later.

The SPEAKER pro tempore. Is a second demanded?

Mr. VANDER JAGT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. CORMAN) and the gentleman from Michigan (Mr. VANDER JAGT) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from California (Mr. CORMAN).

Mr. CORMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 12972 would reduce certain work disincentives that exist in the SSI program for disabled SSI recipients by increasing the amount of earnings such individuals can have and still be considered eligible for SSI disability payments, as long as they continue to meet the medical criteria for disability.

During the hearings conducted by the Special Welfare Reform Subcommittee on the President's welfare reform proposal, H.R. 9030, extensive testimony was heard from severely disabled individuals regarding their strong desire to become employed and some of the disincentives to employment that exist in the SSI program. A disabled recipient from Minneapolis, Minn., stated:

What disturbs me the most is the entire (SSI) concept that if you are disabled, you are not capable of working. In my mind this is saying that because my legs or arms don't function, my brains aren't functioning either.

This bases the ability to contribute to the work force of America on the ability to be mobile. It is saying that it is not your abil-

ity that counts, but your disability. Therefore, you don't count.

Another witness, from the Center for Independent Living in Berkeley, Calif., summarizes in the following paragraphs the basic reasons for public policy which encourages employment of the disabled through removal of major disincentives in the SSI program.

As a severely impaired citizen I have personal experience as a recipient and understand the technical obstacles which prevent recipients from accepting employment.

Certainly, the concept of employing the disabled recipient is a good one. For the recipient, it means access to the social involvement and respectability of the employee. For the taxpayer, employment of the disabled recipient means reduced dependency on public dollars. Society in general also benefits by integrating the disabled citizen into the social mainstream.

The following is a summary of the provisions in current law and regulations concerning eligibility for SSI benefits as a disabled individual. It should be understood that SSI benefits are provided only to those aged, blind, or disabled individuals with income and assets below specified levels.

An individual is considered to be disabled under the SSI program if he or she has a medically determined physicial or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; and, the person is unable to engage in "substantial gainful activity" (SGA) because of such medically determined physical or mental impairment.

An individual is considered disabled, and therefore eligible for SSI benefits, only if the physical or mental impairment or impairments are of such severity that he is not only unable to do his previous work but cannot, considering his age, education, and work experience, engage in any other kind of "substantial gainful activity."

Under current law, the Secretary of the Department of Health, Education, and Welfare has authority to prescribe the criteria for determining when employment, or earnings derived from such employment, demonstrate an individual's ability to engage in "substantial gainful activity." Current regulations have established that average earnings of over $230 a month—over an extended period generally not less than 6 months—indicate that an individual is able to engage in SGA. In other words, a disabled SSI recipient who over a period of time earns over $230 a month is considered to be engaged in "substantial gainful activity" and therefore loses SSI eligibility because he or she is no longer considered to be "disabled." There is a "trial work period" of 9 months under current law during which time an individual's employment activities and earnings are not used as criteria for determining his or her ability to engage in SGA.

The statutory definition of disability under the SSI program is currently identical with the definition used in title II—the disability insurance program—of the Social Security Act. As with the disability insurance program, the Social Security Administration contracts with State disability agencies to determine whether or not an individual meets the criteria for disability.

There are a number of significant differences, however, between the SSI program for the disabled and the title II disability insurance program. The major differences include the following:

Cash assistance for the disabled under SSI is provided only to those disabled individuals with income and assets low enough to meet certain Federal and State eligibility standards, and is intended to provide a subsistence level of income for needy disabled, blind, or aged individuals.

Eligibility for, and the amount of, SSI benefits are not related to whether the individual has earned social security coverage, or to the level of an individual's previous earnings, as is the case for disability insurance and other social security benefits.

Disabled SSI recipients have a $1 reduction in SSI benefits for every $2 of earnings in excess of $65 a month, until the SGA earnings test—currently $230 per month—disqualifies them for any SSI benefits. In contrast, earnings below the SGA level do not reduce disability insurance payments.

Vocational rehabilitation services and social services available to the disabled in their own homes and communities have significantly improved the potential for disabled individuals to become employed and live outside of institutions. Some disabled SSI recipients, including very severely disabled individuals, do have jobs, and many more are desirous of working and reducing to the extent possible their dependence on the SSI program. Certain elements of the SSI program, however, provide significant disincentives for the disabled recipients to seek or maintain employment. These include the $230 limit on earnings under the "substantial gainful activity" (SGA) test, and the absence of an earnings disregard for normal work-related expenses or for special expenses such as attendant care necessary for the employment of the severely disabled. Together these present major barriers to the employment of the disabled. H.R. 12972 addresses each of these problems and makes changes in the SSI law with the objective of providing encouragement and additional incentives for disabled SSI applicants and recipients to seek employment or to continue in the jobs they already have.

The present SSI law provides work incentives for the aged, blind, and disabled by disregarding the first $65 of monthly earnings plus one-half of remaining earnings and, in addition, disregarding work-related expenses for the blind. Thus, the law appears to say that a disabled individual should be encouraged to work to the extent his impairment allows or at least until his countable monthly earnings reach about $443—the "break-even point" under the Federal SSI benefit schedule. Regulations, however, specify that an individual with "substantial gainful activity" which results in earnings over $230 a month is no longer considered disabled and is therefore ineligible for SSI assistance.

Loss of SSI eligibility can also result in the individual losing medicaid coverage and, in some cases, eligibility for needed social services. The medical care provided under the medicaid program is frequently just as important for disabled individuals as their SSI cash benefits.

The physical or mental impairments of disabled individuals who can work frequently limit them to part-time employment or to employment with low hourly wages. For such individuals, monthly earnings above $230 do not signify a lessening of their disability, but simply a greater effort to increase their work despite their impairment and the additional time, effort, and preparations necessary for them to work, as well as carry out normal daily personal functions and responsibilities. These individuals have a great desire to be as independent and self-supporting as possible, without having to face the risk of losing all the income support and medical care provided through the SSI and medicaid programs.

The provisions in section 1 of H.R. 12972 would encourage these individuals in their efforts to become as self-sufficient as possible by increasing the amount of earnings a disabled recipient or applicant can have and still be eligible for some level of SSI benefits and, in most cases, medicaid and needed services. Essentially, this section would increase the basic SGA test from $230 to a minimum of $443 of countable monthly earnings. Because work-related expenses and costs of attendant care necessary for employment would be disregarded in determining countable earned income for the purpose of the SGA test, individuals with such expenses could have monthly earnings in excess of $443 and maintain SSI eligibility. As an individual's monthly earnings increase, however, his or her monthly SSI payment would decrease. For example, an individual with countable monthly earnings of $400, in a State that does not supplement the Federal benefit, would receive only $22 a month in SSI benefits.

The change in the substantial gainful activity limit in H.R. 12972 would apply only to the SSI program. It would not affect the title II disability insurance program.

The definition of disability in current SSI law is considered to be a strict definition. It will continue to be a strict definition under this legislation, limiting SSI disability benefits to individuals who truly suffer from a determinable, severe physical or mental disability. There is no intention or expectation that the bill will alter current procedures used in making disability determinations. Both the medical and vocational factors described above will continue to be applied, with the medical evidence continuing to be considered first and to be of predominant importance.

As under current law, medical considerations alone can justify a finding that an individual is not disabled and therefore is ineligible for SSI. Thus, as under current law and practices, if an individual's impairment is not sufficiently severe, that is, it does not "meet" or "equal" current medical criteria or does not significantly limit the person's physical or mental capacity to perform basic

work-related activities, the person will not be eligible for SSI disability payments. In those cases where an individual's disability does not constitute a listed impairment, nor the medical equivalent, the person may qualify on grounds that the disability is of sufficient severity that it prevents him or her from engaging in substantial gainful employment, but only if his physical or mental impairment is the primary reason for the inability to engage in substantial gainful activity. Such nonmedical considerations will continue to be utilized only where a sound conclusion is not possible based on the medical evidence alone.

Section 2 of H.R. 12972 provides that in determining the amount of SSI benefits and for purposes of the "substantial gainful activity" earnings test, countable earnings of disabled SSI applicants and recipients would be reduced by the amount of any reasonable work-related expenses. Under current law, the earnings of blind SSI recipients are reduced by the amount of reasonable work-related expenses. The bill would also disregard from earnings the cost of attendant care for a disabled applicant or recipient, if the individual's disability is sufficiently severe to result in a functional limitation requiring attendant care in order to work, whether or not the assistance is also needed to carry out the person's normal daily functions.

Section 2 would also provide the same earned income disregard for the cost of attendant care in the case of blind applicants and recipients, if the individual's blindness results in a functional limitation requiring attendant care in order to work, whether or not the care is also needed for the performance of normal daily functions.

It is the intent of this provision to treat on an equal basis disabled and blind SSI recipients who are working by extending to the disabled the same work expense disregard currently available only to the blind. This will increase the financial incentives for disabled SSI recipients to seek employment. This section also reflects recognition of the fact that disabled individuals who work frequently have extraordinary work expenses as a result of their disability.

Differential treatment of blind and disabled recipients with earnings cannot be justified. Furthermore, every feasible effort should be made to encourage disabled recipients to work. There is no incentive to work if the costs of going to work and holding a job exceed earnings from the job; or, if the earnings from a job, because of work related expenses, do not significantly increase a disabled individual's net monthly income over the SSI benefit available to him if he had no job or earnings. This provision extends the work related expense disregard to disabled SSI recipients for the purposes of providing greater financial incentives for them to obtain employment.

Expanded social services like attendant care have significantly increased the potential for a severly disabled person to become employed and live outside of an institution. Adequate attendant care services are sometimes essential for such individuals to achieve some level of self-support. In many cases they are necessary for purposes of transportation to and from a job and also for assistance in performing tasks at the place of employment. Attendant care services are also frequently needed to enable a severely disabled individual to live outside of an institutional setting. The provision in this bill would assist certain severely disabled and blind SSI recipients to obtain attendant care necessary for them to be employed.

I urge the Members to support this bill.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Kansas (Ms. KEYS).

Ms. KEYS. Mr. Speaker, the supplemental security income program (SSI) is a program intended to provide a subsistence benefit to poor aged, blind, and disabled persons. The program provides a maximum benefit for individuals of $189.40—July 1, 1978—and entitlement in most States to medicaid or other medical assistance. Benefits phase out as earnings approach $5,325.60. This means that an aged or blind person can increase his earnings to slightly over $5,000 and retain some portion of SSI benefits as well as his medicaid eligibility. This kind of phaseout provides a work incentive for such persons by permitting them to retain $1 of benefits for every $2 earned.

A nonblind handicapped person, on the other hand, can earn only about half as much, or $2,760, and retain his SSI and medicaid eligibility. If he earns $1 more, he is considered nondisabled and loses all benefits. This problem results from an earnings limitation which is imposed upon the handicapped. Under SSI regulations, a handicapped person must be considered to be unable to engage in "substantial gainful activity" which is set at $240 a month—recently increased from $230. When his income reaches that figure, he is no longer considered disabled. Rather than phasing out of the program as do other SSI recipients, he drops out completely at that point. This cliff results in a severe work disincentive for the disabled.

In attempting to enter the labor market, handicapped individuals suffer under an enormous burden. They must not only make enough money to pay for their ordinary living expenses, but they must earn significantly more to overcome the extraordinary costs related to employment, daily functioning and medical care. In the face of such extraordinary costs, handicapped persons must earn much more than the ordinary individual in order to be "gainfully employed."

H.R. 12972 would eliminate the work disincentives for the handicapped in the SSI program by adjusting the definition of "substantial gainful activity" to reflect the true costs of being a handicapped worker. The bill: First, increases SGA to the phaseout point for Federal SSI benefits, second, provides an income disregard for "work related" expenses for the disabled as are now provided for the blind, and, third, provides an income disregard for the cost of attendant care for both the blind and disabled.

Mr. Speaker, I consider this one of the most important bills we have worked on in this Congress. While it affects only a limited number of people, it is critical to their ability to function as normal, productive human beings—to work and live in a fashion which you and I take for granted.

The frustrations of attempting to lead a normal life and maintain a job in the face of such work disincentives is sometimes more than an individual can bear. In a tragic case in California recently, a young woman committed suicide when the SSI office discovered she had been working. She had not told the office of her job because of her fear of losing the medical and attendant care which helped her to move about, eat, dress, and work. It is a strong condemnation of our present system that it actively restrains handicapped persons who wish to work from taking a job.

We are spending Government funds to rehabilitate the handicapped and to create jobs for them. However, we also tell them that if they earn more than $230 a month at a job, they will lose all aid, all medical benefits and all social services. It is a cruel game we are playing—giving with one hand and taking with the other.

This bill would introduce some rationality into the system. It would recognize the special costs of being handicapped and would phase out benefits for the handicapped as we already do under SSI for the blind and the aged.

The legislation implements the recommendations of the White House Conference on the Handicapped. I was assisted in the development of the bill by several groups including the American Foundation for the Blind, the National Association for Retarded Citizens, the Easter Seal Society and United Cerebral Palsy. These and many other groups support the legislation, and I hope my colleagues will give it their support as well.

Mr. JACOBS. Mr. Speaker, will the gentlewoman yield?

Ms. KEYS. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Speaker, I rise in support of the legislation.

Priorities mean everything. If everybody who ever thought about welfare has ever meant what he or she has said, that the people who truly need the help ought to get it, here is a case where they really need help. I do not think this bill should pass with a two-thirds majority; I think it should pass unanimously in the House.

I commend the gentlewoman for her work on this and her sponsorship of it.

Ms. KEYS. I thank the gentleman from Indiana.

Mr. VANDER JAGT. Mr. Speaker, I rise in support of this legislation.

I commend the gentlewoman from Kansas and the distinguished chairman of the subcommittee for their work in bringing this legislation to us.

The thesis behind the bill is that the best therapy for a disabled person is the opportunity to work and to be productive. The chance to be active and to replace dependence upon welfare with productivity and independence is, I think, the best tonic that we could provide.

Unfortunately, at the present time, under HEW regulations which I believe are contrary to the original congressional intent, there is a tremendous disincentive for the disabled person to try to work. The minute the disabled person earns more than $230 a month over a period of time, there is then under the regulation a presumption that the person is capable of substantial gainful activity, and he loses his SSI benefits. Usually when one loses SSI benefits, he also loses medicaid coverage and possibly essential social services programs. To an able-bodied person who is without resources the loss of medicaid coverage would be bad enough, but for a totally disabled person to lose medicaid coverage would indeed by a disastrous development.

So this bill provides that as earnings increase over $230 a month, although there will be a reduction in SSI benefits, that eligibility will not be lost until the earnings reach the level where the benefits would phase out altogether, or about $443 a month.

As the gentlewoman from Kansas also explained there will be a work-related expense deduction in terms of computing the total given to a person, comparable to that which a blind person already receives under SSI.

Finally, both the blind and the disabled will be able to subtract from earnings the costs of attendant care necessary for employment.

As our Welfare Reform Subcommittee moved around the country this was the No. 1 concern expressed to us by most of the permanently disabled people. They want their work efforts—and sometimes they are heroic efforts—to not be penalized by HEW regulations which amount to a blanket rule that says, we know you are not disabled, despite their permanent, and in many cases agonizing disability, that is apparent to anyone who would just open up his eyes and see.

I agree with the gentleman from Indiana (Mr. JACOBS) that this legislation should pass unanimously, and as a way of helping many of our citizens to be productive members of our society.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I too would like to rise in support of H.R. 12972, Elimination of Work Incentives under social security. I had the opportunity a year or so ago of attending a class of a Santa Barbara work training and employment group for totally disabled people. Many of them were obviously mentally retarded; it was apparent many had real physical and, in many cases, mental problems.

I talked to them for a while and then one of them, a young man who appeared to be about 20 years old and had been severely retarded, raised his hand and said, "I would like to ask you a question."

I said, "What is it?"

He said, "I am in this program and on social security and I get all the money I really need and I have all the medical attention I require but I would like to work. The one question I have is 'how come when I work that they take all that money out of my paycheck for people who won't work?' "

And I indeed did have difficulty explaining that to him. But, as I observed that class I could tell it was apparent, because of our past experience, that if those people would be placed in a job that many of them could not make it and would perhaps drop out and again go back to the tax supported role.

So I think, from the standpoint of giving those people the confidence and independence they need to really make it that this legislation is absolutely necessary.

I would agree with the characterization that was given that this probably is the most important legislation in this field that we have had before us in this Congress, and I urge a unanimous vote for this bill.

Mr. VANDER JAGT. I thank the gentleman from California for his contribution.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman from Michigan (Mr. VANDER JAGT) for yielding me this time and I rise in strong support of this legislation.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I am happy to yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I believe that this is certainly worthwhile legislation. I commend the gentlewoman from Kansas and the distinguished subcommittee chairman for their efforts in bringing this long overdue legislation to the House floor.

I rise in support of H.R. 12972, legislation which eliminates the work disincentives under the supplemental security income (SSI) program. It is about time that the Congress come to grips with one of the most pervasive and disturbing problems facing many of our elderly and handicapped: barriers set up to discourage disabled recipients of SSI from working. In essence, SSI recipients are "punished for working," a situation which is unfair and ludicrous.

Individuals who benefit most from public assistance will also benefit from an increased ceiling on earnings. The self-respect and independence which are natural outgrowths of work will enable the handicapped and elderly to lead more fulfilling lives, and will enable them to contribute more fully to the society in which they live. The right to work without any "strings attached" is a right which should and must be extended to all members of our society. Passage of this legislation will allow these members to reap the benefits of work.

Today, too many believe that it is more beneficial to be a part of the public charge, to receive welfare rather than work, and to take, rather than give to the community. But there are many other disabled SSI recipients who, despite their handicap, feel that they would like to earn their living; but administrative dictates say that they can only earn a certain small amount, without being penalized. Under existing HEW regulations, when a disabled recipient earns more than $230 per month over a period of time there is a presumption that the recipient is capable of substantial gainful activity, causing the loss of SSI benefits. Our Nation stresses the dignity of work. With disincentives placed on working, that ethic is negated. Work becomes for the handicapped and elderly, a burden, rather than a right. That inequity must be eliminated.

H.R. 11972 gives a new freedom to the disabled recipients of SSI payments. Work related expenses are disregarded in computing monthly benefits for recipients of SSI who are disabled, as well as increasing the "substantial gainful activity" (SGA) test level from the present $230 to $443 per month. Such a change is indeed necessary and the time has come for us to realize that living with the bare necessities of life is not as easy as it once was, particularly for those disabled and elderly of our communities.

Accordingly, I urge my colleagues to join with me in supporting this legislation, and in granting to these individuals the right to work, and the right to earn the rewards from work, without affecting their eligibility for disability benefits.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I simply wish to make the comment during this debate, so that it does not pass by, that the estimated cost of this bill and the program, regardless of the merits involved would be over $700 million over the next 5 years. That is the better part of $1 billion.

In addition, the bill is presented under suspension, as is the case with most of the Committee on Ways and Means' bills of great magnitude and money.

The change in the law may well succeed in doing what you have described in assisting a group of citizens that definitely needs employment as a means of expanding their activities, at the same time protecting their small incomes. It is just these kind of programs that cost money that have brought about our deficit and I think the Members ought to realize what they are voting for, and the costs and balance that with the merits of the bill.

Mr. VANDER JAGT. Mr. Speaker, I would like to say with reference to the $700 million cost estimate over the next 5 years that it is in fact below the Congressional Budget Office estimates.

However, in the committee report there is an explanation of how the Congressional Budget Office made an erroneous estimate because they ignored the $65-a-month disregard that is already in the law, so the gentleman is absolutely correct. There is an additional cost. I think the cost is somewhere closer to $500 million instead of $700 million, and I hope the gentleman can take some consolation from that $200 million saving.

Mr. BAUMAN. I thank the gentleman.

Mr. MARRIOTT. Mr. Speaker, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from Utah.

Mr. MARRIOTT. I thank the gentleman for yielding.

I just want to ask if the gentleman can clear up for me why the administration is opposed to this legislation.

Mr. VANDER JAGT. The administration, I think, is still, in its characteristically unrealistic fashion, counting on welfare reform. I do not think there is a Member of this body who any longer believes that we will achieve welfare reform in this session of Congress. The administration would prefer to address this problem as part of an overall comprehensive solution.

My objection with that approach is that since welfare reform is delayed for one to two or who knows how many years, this particular segment of the population that so desperately needs a solution to its problem would just have to wait simply because we here in Washington cannot get our act together. I think we can rifleshot to them the help that they deserve, that they need, and that will make them more productive members of society right now and not wait for a comprehensive solution that who knows when will come.

Mr. MARRIOTT. If the gentleman would yield further, I would just like to say that in the State of Utah we have been very much concerned about this type of matter. We have one of the best welfare systems in the country, and to a man the State agrees that this type of legislation is long overdue and is a great step forward. So I would like to associate myself with the gentleman.

Mr. VANDER JAGT. I thank the gentleman for his support.

Mr. Speaker, I have no further requests for time.

I yield back the balance of my time.

Mr. CORMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I rise in support of this legislation and to provide a budgetary perspective on H.R. 12972, a bill to eliminate work disincentives under the supplemental security income (SSI) program.

The Congressional Budget Office estimates the cost of this bill in fiscal year 1979 to be $114 million in budget authority and outlays. Although the Committee on Ways and Means estimates the cost to be $28 million lower, that committee did not request any funds for this bill in its March 15th report or in its allocation of new entitlement authority following the first budget resolution.

Despite the fact that this bill exceeds the allocation under the first budget resolution targets, I do not believe that this bill will cause a substantial overrun of these targets. I would note that there are a number of legislative initiatives pertaining to programs under the jurisdiction of the Committee on Ways and Means which were assumed in the first budget resolution and have been reported or passed the House but have not yet been acted upon in the Senate. These include: adjustment assistance for workers and firms (H.R. 11711), which has been reported in the House, while no comparable bill is under consideration in the Senate; the Public Assistance Amendments of 1977 (H.R. 7200), which passed the House last year but has only been reported in the Senate; the Social Services Amendments of 1978 (H.R. 12973), which have passed the House; and fiscal relief (H.R. 13335), which has been reported in both the Senate and the House. I doubt that we will need all of the $1,341 million, which was the total cost for these bills included in the first budget resolution, or the $1,443 million, which is the amount which I will recommend be included in the second budget resolution, for these bills, plus the bill before us today. Nevertheless, to protect the House position on these bills, I will urge that these amounts be included in the second budget resolution.

Mr. CORMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Speaker, I rise in strong support of H.R. 12972, the elimination of work disincentives under SSI programs and feel it will remove some of the structural barriers that do exist in this program.

There are many disabled persons, including the severely disabled, who want to work and reduce their dependence on the SSI program. However, under the current SSI regulations, there are significant disincentives that hinder disabled SSI applicants and recipients from seeking employment or continuing to remove these work disincentives.

The legislation would make three changes in the SSI program in order to remove these work disincentives.

First, the bill would raise the amount of earnings a disabled individual can make and still be eligible for SSI benefits and related benefits, such as medicaid. For the disabled person with no work-related expenses, the maximum monthly earnings limit would be increased from $230 to $443.

Second, the bill would extend to disabled SSI applicants and recipients the same work-related expense reduction currently available to blind applicants and recipients. Thus, in computing their monthly SSI payments, disabled persons would be able to subtract from their earnings those expenses directly associated with employment, such as transportation costs, payroll deductions, special equipment, and job-related training.

Third, it would create an additional earned income reduction for severely disabled and blind individuals. These individuals, in computing their monthly SSI payments, could subtract from their earnings the cost of attendant care necessary for employment.

This legislation is important. It has a laudable goal. It is strongly supported by many national organizations that represent the interests of disabled citizens.

I urge my colleagues to support it.

Mr. CORMAN. Mr. Speaker, I want to especially thank the gentlewoman from Kansas (Ms. KEYS) and the gentleman from Michigan (Mr. VANDER JAGT) for helping to bring this legislation to the floor, and also the men and women from the Center for Independent Living at Berkeley and the Westside Community for Independent Living in Los Angeles. These are people who have severe handicaps, but yet made the trip to Washington to apprise Members of this legislation.

● Mr. O'BRIEN. Mr. Speaker, proud, self confident, self sufficient, and independent: these are all terms that describe an individual who can obtain and retain a job.

In the last decade, Congress has passed numerous pieces of legislation intended to assist handicapped individuals seeking employment. At the same time that the Federal Government has been attempting to employ handicapped individuals, the Federal Government has implemented rules and regulations that act as a disincentive to individuals who want to work.

H.R. 12972 would increase the amount of money a disabled individual can earn before being removed from supplemental security income (SSI). Presently a disabled individual can only earn $230 a month. H.R. 12972 would allow an individual to earn, under certain circumstances, up to $432 a month.

It should be a national priority to bring handicapped Americans into the mainstream of American society. To achieve this goal, we must remove barriers to the handicapped in employment, transportation, housing, and leisure time activities. H.R. 12972 lowers one of the barriers facing the handicapped in the area of employment.●

● Mr. BRODHEAD. Mr. Speaker, I want to strongly support H.R. 12972 and to commend Ms. KEYS for her continuing hard work on behalf of the disabled.

She has already provided us with an explanation of the bill and of why it is needed. Rather than reiterate these points, I want to read very briefly from the testimony of Mr. Allan Jarabin of the Westside Community for Independent Living, Inc., at the Los Angeles hearing of the House Subcommittee on Welfare Reform. In a few short phrases, Mr. Jarabin makes it very clear why this bill is necessary to provide a small measure of simple justice for disabled people:

Mr. Jarabin says:

> If a person's survival needs are such that it takes perhaps $2,000 a month just to purchase those services to keep them alive, just to provide for their physical needs, their breathing, their ability to dress and undress . . . if it requires such a high price and a person is earning below that level, is his activity truly "gainful"? He is not getting ahead. He is not even able to provide for his basic necessities.
>
> It is our contention that the indices which are used (to measure a person's need) must have some relation to what the person's actual survival costs are—that is, at what level of income is the person able to survive? The poverty index looks at all people as being in this respect. The severely disabled are not equal in this respect. . . .

Mr. Speaker, I urge that H.R. 12972 be adopted by the House.●

● Mr. WEISS. Mr. Speaker, anyone who has ever been inconvenienced by an injury or illness knows how the most routine tasks can become time consuming, frustrating and often expensive. For

the handicapped, these burdens are part of their everyday existence. Despite this—and much to their credit—many of the handicapped do not wish to be totally dependent on supplemental security income (SSI), so they get jobs.

But rather than encouraging this self-reliance which is not only therapeutic, but saves money for the Government as well, the SSI program places yet another obstacle in the path of the handicapped. The SSI recipient who earns more than $230 a month, immediately loses all SSI benefits. To make matters worse, it seems that the SSI program is discriminatory toward various kinds of disabilities.

The blind, for example, do not lose all their benefits as soon as they reach a certain income level. Instead, these benefits are phased out as income increases. In addition, the blind are allowed to deduct certain work-related expenses—transportation costs, payroll deductions, special job training—in calculating their expenses. Currently, the handicapped who are not blind are not allowed this kind of reduction.

The bill before us—H.R. 12972, the elimination of work incentives under SSI—will abolish many of this discriminatory and cruel disincentives. Under the provisions of this bill, the amount of earning an SSI recipient can receive and still be eligible for SSI benefits will increase from a maximum of $230 to a maximum of $443. The bill also extends to disabled SSI recipients the same work-related deductions currently available to blind recipients. Finally, the bill creates an additional earned income reduction for severely disabled and blind individuals, and allows an SSI recipient to deduct the cost of any attendant care necessary for employment even if that care is not necessary to carry out daily functions.

This country constantly praises the virtues of a hard day's work. Our economy is built on the simple premise that those who work the hardest deserve to reap the greatest dividends. It is therefore surprising and more than a little disturbing that our present laws discourage—perhaps punish is not too strong a word here—a group of people who make extraordinary efforts to find and hold jobs. I urge strong support of H.R. 12972.●

GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on this bill, H.R. 12972.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Speaker, I urge adoption of the bill and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. CORMAN) that the House suspend the rules and pass the bill H.R. 12972, as amended.

The question was taken.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

NATIONAL POW-MIA RECOGNITION DAY

Mr. LEHMAN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 963) designating July 18, 1979, as "National POW-MIA Recognition Day," as amended.

The Clerk read as follows:

H.J. RES. 963

Whereas the United States has fought in many wars;

Whereas thousands of Americans who served in such wars were captured by the enemy or are missing in action;

Whereas many American prisoners of war were subjected to brutal and unconscionable treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war and many such prisoners of war died from such treatment;

Whereas it is uncertain whether those Americans missing in action are alive or dead and such uncertainty has caused their families to suffer acute hardship; and

Whereas the sacrifices of American prisoners of war and Americans missing in action and their families is deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 18, 1979, is designated as "National P.O.W.-M.I.A. Recognition Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. LEHMAN) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 963, as introduced by the gentleman from Pennsylvania (Mr. MOORHEAD) provides for the observance of "National POW-MIA Recognition Day," July 18, 1979.

This resolution honors those Americans who have been prisoners of wars or who have been listed as missing in action. It seeks to rekindle the memory of the sacrifices that these individuals have made for their country and our indebtedness to them.

Mr. Speaker, this resolution has received 241 cosponsors.

Mr. LEACH. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I rise in support of this worthwhile legislation, H.J. Res. 963, National POW/MIA Recognition Day of which I am a cosponsor and I commend my colleague from Pennsylvania (Mr. MOORHEAD) for his efforts in bringing this legislation to the House floor for consideration.

Despite popular belief, the MIA issue is not at rest; on the contrary, recent newspaper articles, such as the Jack Anderson column and the Washington Post story of July 17, underscore the fact our missing in Southeast Asia is an issue still very much alive. The haunting stories of Americans sighted—one here, one there—Americans still imprisoned in underground facilities, Americans seen bound and shaven, being transported by boat toward some unknown destination—these stories keep rising to the surface and cannot be laid to rest. These reports must be properly and fully investigated. The memory of our missing in action must be kept alive.

A POW/MIA recognition day will help focus attention upon all of our heroic servicemen who have been prisoners of war, or designated as missing in action in the wars that have been fought in this century. While everyone who has made the supreme sacrifice for our Nation should be memorialized, our missing in action and prisoners of war should be commemorated in a special way. Theirs are sacrifices which may span years—sacrifices which oftentimes involves prolonged mental and physical suffering, uncertainty and cruelty. And the families of those individuals still listed as MIA maintain their hopes that their kin may someday be released, traced and returned.

As a member of the now dissolved House Select Committee on MIA's, chaired by the gentleman from Mississippi (Mr. MONTGOMERY) I shared in the frustration and determination of attempting to score inroads into the fate of our missing in action, and experienced first-hand the grueling task of negotiating for the return of the remains of several of our missing servicemen. The frustration and obstacles which members of the MIA Committee felt is miniscule in comparison to the grief and uncertainty that the families of MIA's face daily: foreign nations withholding information on their relatives, our Nation denying allegations that there are men still alive in Southeast Asia. Imagine the heartbreak that mothers, wives, and children of the missing experience daily in many families across the Nation; photographs, old letters and vague leads being the only traces of their loved ones who so generously fought for our Nation in Southeast Asia.

The recognition of the sacrifices that our POW's and MIA's have made for this Nation must not be reduced to another piece of paper signed and official in nature. It must be backed up and pursued by the Federal departments and agencies having jurisdiction over MIA information and negotiations. The Carter administration promised to keep the issue of an accounting of our missing alive, and gave the Congress encouragement that something would be done. But today, we are no closer to the resolution of this matter, no closer to a determination of fate of over 2,000 individuals still unaccounted for. The Departments of State and Defense have turned their efforts elsewhere and con-

tinue to assure us that "they will look into reports" of sightings and refugees' information. However, to date, there has been no information forthcoming, and no increase in the manpower and capability to interrograte the thousands of Vietnamese refugees who come to Hong Kong or Thailand about information on missing Americans. Disturbing reports of Americans which have surfaced in the news have not been followed up by any State or Defense officials, and to my knowledge, no leads have been conclusively followed up to assure us that the Vietnamese are true to their word that there are no Americans alive in Southeast Asia.

Earlier in this Congress, legislation was passed by the House requesting the United Nations to use its existing authority to assist the United States in our efforts to obtain a full accounting of our missing in action. That was a step in the right direction and indicated that the Congress still retains hope for our MIA's. But why does the administration not share in that hope and in our efforts? Why does the administration not bring pressure upon Vietnam to negotiate with us for the release and information of our missing Americans?

Mr. Speaker, it is time that the United States recognize the sacrifices that our POW's and MIA's have made for our Nation—and that many are still making. The passage of this resolution will call to mind those sacrifices, and will express our Nation's gratitude for the actions of our missing servicemen. But much more must be done to learn the fates of those individuals. The administration must live up to its commitment to ascertain the whereabouts of some 2,000 people still listed as MIA. The families of those brave men and women have the right to know what has happened to their loved ones. In our national recognition of human rights, let us respect this right and grant them access to the information which will hopefully be found if we persist and continue our search diligently. Accordingly, I urge my colleagues to join together in supporting this resolution.

Mr. LEACH. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. GUYER).

Mr. GUYER. Mr. Speaker, I thank the gentleman for yielding this time to me.

I want to voice my sentiments in echo to those of the gentleman from New York (Mr. GILMAN), who, together with myself and others, served on the Select Committee on Missing Persons in Southeast Asia.

As recently as a couple of weeks ago I was in Hong Kong, nd while there I talked to a refugee who had nothing to gain by giving me the information but, who was a member of a forced labor group in a province in Vietnam. He gave a firsthand account of discovering the wreckage of a helicopter which was American. He told of having seen the helmet of an American survivor in the weeds. A friend of his saw the dogtag, none of which information was reported by the government. This occurred last October.

I do not know at this point what is fact and what is fiction. I only know that in the same spirit in which those men took the pledge to defend our country, we should now keep faith with those who can no longer speak for themselves.

I wish Godspeed to the mission that General Montgomery will head, and I do hope that he will bring to the attention of the Vietnamese officials with forcible accent, the fact that while we may not have high hopes of discovering any living mission in action, we have very firm convictions on demanding and receiving full disclosure and reporting. It would certainly put a lot of doubts to rest if we could have a conclusive, comprehensive, final word on this, because none of us want to beleaguer or belabor this issue any further. The bereaved have painfully suffered long enough.

I have 52 from my State of Ohio who came into the category of POW–MIA's. Last year they brought back the remains of the man who was the son of a mother who is head of the Ohio League of Families. Though saddening there was also comfort in the knowledge of his demise and return.

This is but one sad chapter in this story, but it is one more evidence that the curtain does not go down until the last effort is made.

So I want to join with my colleagues in supporting this very important legislation of remembrance.

Mr. Speaker, as I have said many times, America has no national flower, unlike most other countries, but until we get one, let us use the "forget-me-not."

Mr. LEHMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I thank the chairman of this subcommittee, the gentleman from Florida (Mr. LEHMAN), for bringing out this very important piece of legislation. I would also like to commend the gentleman from Pennsylvania (Mr. MOORHEAD) for his great work in getting the signatures and having this resolution before us today.

Mr. Speaker, I would like to point out that, not only does this legislation try to bring more honor to the prisoners of war and the missing in action in the Vietnam War, but, as I understand the resolution, it covers all wars our Americans have been involved in.

I appreciate the comments of the gentleman from New York (Mr. GILMAN) and also the comments of the gentleman from Ohio (Mr. GUYER), and we should follow up on the leads that come to us pertaining to the missing in action. But I would also like to point out to my colleagues that certainly we do not want to give these families additional hopes on rumors and leads that end up in going nowhere. I wish I were wrong, but we really have not had any real, concrete, firm leads that can give us any hope that any Americans are still alive. The Vietnamese do have information that will help clear up matters as to what happened to these men, and we are entitled to this information. The Laotians have not cooperated with our Government in trying to get those American remains back from Laos. We are entitled to a humane gesture by the Laotians.

But I would say again that I would certainly not, by this debate today, try to give the families any hope that their loved ones are coming home, because the information we do have—and I think it is pretty substantial—is that these Americans have given their lives, and the hopes of the family should not be encouraged by rumors. But I will say that we should follow up on these rumors and leads and when they are brought to us and when they are brought to me as an individual I have passed them on to the proper authorities to follow up. I will continue to push in Vietnam and in Laos for information on our missing and the return of remains as they are located in these two countries.

Mr. Speaker, it should be pointed out this House has taken strong leads in doing what we can for the families of the MIA's and POW's and more than most other Government agencies.

Mr. SPEAKER, I rise in strong support of the resolution and urge my colleagues to vote for House Joint Resolution 963, which will recognize our servicemen who are or have been in the status of a prisoner of war or missing in action.

Ever since the United States engaged in its first military conflict, we have had personnel of our Armed Forces classified as POW or MIA. The suffering for the families of these men has been particularly acute since they have never known for sure about the treatment their loved ones received at the hands of the enemy and in the case of our MIA's the families have never known for certain the final fate of their loved ones.

Mr. Speaker, I want to emphasize that this resolution recognizes the POW's and MIA's of all wars in which the United States has been involved. Even though the Vietnam conflict is freshest on our minds, we cannot overlook the equal sacrifices and suffering which resulted from a POW or MIA status in Korea, in World War II and earlier conflicts. We seek to honor POW's and MIA's of all wars equally.

We are greatly indebted to our POW's and MIA's of all wars and I can think of no greater tribute than to publicly acknowledge our gratitude for their sacrifices and suffering by declaring July 18 of next year as POW–MIA National Recognition Day.

Mr. Speaker, I hope my colleagues will give their overwhelming support to this measure.

Mr. LEHMAN. Mr. Speaker, I thank the gentleman from Mississippi (Mr. MONTGOMERY) for his remarks.

Mr. Speaker, I reserve the balance of my time.

Mr. LEACH. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, I rise to support this noble resolution and urge that it pass unanimously. I would also like to take the opportunity on the day that we put this resolution into force to point out to my colleagues here and to those listening in their offices, and I hope they will turn up the volume on their television sets because there are few Members on the floor today, that this

MIA story is one of the most tragic episodes in American history.

We are doing here today what is only proper and fitting. We are honoring the brave men who have honored us. In that sense the passage of this legislation is no more than an official repayment, a formal expression on the part of the sovereign of our Nation of the love and admiration we harbor for those who have risked death and suffered imprisonment and in most cases died in the name of the United States and liberty.

But while we offer our deepest thanks. We all know that this is only the very least that we can do. And in saying that, I suppose that I am saying that it is not enough. Our poor expressions of gratitude fall short of the mark.

The soldier holds a special place of honor. He plays a special role. His actions in defense of the Republic transcend our words of praise, no matter how deeply felt, no matter how strongly uttered. In honoring our missing men and our returned POW's there is a lingering inadequacy because of the pathetically poor accounting from Vietnam. We must always remember that a nation that fails to honor its soldiers dishonors itself, and that same dishonor befalls a nation that writes off its missing.

I do not believe that any greater honor was ever bestowed on the citizens of this Republic than the conduct of her sons captured by the North Vietnamese in the last war. Without the slightest pretense of abiding by long established military rules of chivalry or the canons of the Geneva Convention, their Communist captors beat them, tortured them, and, in many cases, murdered them. They were so vulnerable in the hands of the brutal foes and yet so valorous in their resistance. Their defiant dedication to principle, their exalted patriotism, tested in the crucible of a brutal captivity, and their deep and moving religious faith confounded and shamed their torturers.

Mr. Speaker, our prisoners of war have honored us. But have we sufficiently honored them? In light of the fact that the Governor of my State has actually appointed Tom Hayden, a comrade of the North Vietnamese during the very time these men were being brutalized to a solar power commission, sadly makes this a question worth pondering.

But my major concern is the status of those missing-in-action. Here again, as much as a National Day of Recognition is fitting, it is not enough. To die in obscurity, alone, in a far away land, is an awesome prospect. As life slowly seeps away from one's body, one is plagued with the thought that no one will know—or worse—no one will care. No muffled drums, no tears, no bugle calls, the cadence of comrades marching in respect, the final farewell of families and friends, that too, is an awesome prospect.

If this vote on the National Day of Recognition achieves anything, it will awaken this Republic to the real possibility that there may yet be Americans rotting in Southeast Asia. As I said this morning, the reports of the live sightings continue. And these reports now come from increasingly credible sources. Not one person in the administration can say, conclusively, that these American soldiers are dead. For that reason, absolutely no effort should be spared to investigation or economic pressure for full accounting. No investigation of a live sighting should ever be cut short. And no investigation should ever be pursued without the employment of the most sophisticated polygraph equipment, coupled with a thorough cross-examination by experts in the field of intelligence gathering.

We cannot sweep this accounting issue under the diplomatic rug. There are families of these men out there who watch and pray that some news, any news good or miraculous may come of their loved ones. We have no right to dash the legitimate hopes of those who wait. To crush what some chose to fall "false hope" requires a flawless intelligence acquisition apparatus which we no longer possess in Indochina.

Mr. Speaker, I like to fashion myself as a historian, as many of us do. I spent several hours last week on the Manassas-Bull Run Battlefield, on the 117th anniversary of that conflict. I hope to go to the Antietam Sharpsburg Memorial Battlefield Park on the 17th of next month for its 116th anniversary. I hope to be at Kitty Hawk, N.C. this year for the 75th anniversary of the first flight. I was at the 200th anniversary of Lexington-Concord in April of 1975, and last December 19th I was with two of our colleagues, Mr. SHULTZE and Mr. COUGHLIN, in Pennsylvania at Valley Forge on the 200th anniversary of General Washington's arrival.

As someone who respects our amazing history, past and present, I strongly believe that this is the ugliest page in all of the 202 years of the history of this great Nation. In 5 long years we have been given by the Vietnamese only 59 small bags of bones plus the remains of the two young Marines who were killed at Tan Son Nhut airfield on the last day of our involvement during the pullout from Saigon in April of 1973.

Imagine, 61 men accounted for out of almost 2,000. When the Woodcock Commission went to Hanoi they received what is now referred to as the "Hawaii Briefing," in which our missing-in-action men were placed in five categories of likely accountability. Categories 1 and 2 held out the best hope with the names of 1,300 of our fighting men in those two groupings. That is the number which the North Vietnamese reasonably should be expected to account for. The "Hawaii Briefing" figures are still the law-of-the-land at the Pentagon.

But then some of our colleagues immediately after that briefing undercut that figure of over 1,300 and started talking about only 100 names being a reasonable accounting. And so, what do we get after that undercutting? A pathetic 23 small boxes from Hanoi.

The distinguished gentleman from Mississippi (Mr. MONTGOMERY) and I went to Hawaii to receive back these remains to U.S. soil at Hickam Air Force Base. It was one of the saddest days in my life to see our national honor ground into the dirt by the Communist conquerors of Indochina, and to watch that Hickam ceremony and realize that the thousands of remaining family members would not get one miserable word about their young men or when their sacred remains might be coming home.

Mr. Speaker, the actual number of accounting should still be way over 1,000.

I remind the House, that Laos turned into the Black Hole of Calcutta for our pilots—a bottomless pit. Not a single missing-in-action American fighting man has returned from captivity in spite of the pleas of loved ones. It is an established fact that there were caves in Laos with several dozen men quite alive; yet, not ever a single box of bones has come back from Laos.

Mr. Speaker, I think if we are seeking normalization of relations with Laos or Vietnam we had better make this MIA issue the burning No. 1 concern of this house as a firm prerequisite. With all due respect to whomever may go there in the weeks ahead, I take it as a personal affront that the gentleman from New York (Mr. GILMAN), the gentleman from Ohio (Mr. GUYER), and I together or any one of us alone were not asked to go on this, another Hanoi trip. I mean that. It is an insult to our years of hard work for an accounting. Why?

Yesterday I sent letters to the Secretary of State, the Secretary of Defense, and to a former Secretary of Defense Mr. Schlesinger asking them to intercede for Mr. GUYER, Mr. GILMAN, and me to go on this quickly arranged trip. I have also sent similar letters to the Chairman of the Joint Chiefs of Staff, to all of the Secretaries and the Chiefs of Staff of our military, to other Cabinet officers; and I personally dropped off the same written plea Friday at the White House, requesting that the President himself intervene so that the gentleman from New York (Mr. GILMAN) or I might go to represent the countless MIA families who still hold out hope.

I, for one, believe there is a tiny ray of hope for a few live men and that our families have every right to expect at a minimum hundreds of remains from the North of Vietnam.

Anything is possible from Laos.

Mr. Speaker, I know that all the Federal intelligence agencies pass the buck back and forth on this problem.

I know POW's who tell me they are personally broken hearted because they let themselves become involved in sweep it under the rug approach 5 years ago.

Mr. Speaker, I hope that this House does not also try, at the close of the 95th Congress this October, to sweep under the diplomatic rug this sad part of our history involving as it does the ruptured lives of widows, children, mothers, fathers, brothers, and sisters of those brave men we sent to Inchochina for over a decade. I do not care what your political beliefs were on the war. They went without complaining under our collective orders. They served under our flag with honor, and now we seem to be ignoring them like so much flotsam and jetsam of an unpopular war.

Mr. Speaker, I am begging the Mem-

bers of this House to demand an accurate and fair accounting from the rulers of Vietnam. If they expect any kind of aid from this country, then we had better let them know that we expect an accounting of over 1,000 men.

Mr. Speaker, there is no unknown soldier at Arlington from the Vietnam conflict. There will not be because of our modern technology and battlefield expertise—helicopters in there bringing in every man wounded or dead—finding every last dogtag.

Well, some day we are going to pass a resolution in this House asking for some sort of memorial on Arlington's hallowed ground for the Vietnam missing-in-action. It will be a shameful day if that monument goes up and none of the parents of the missing-in-action—none of the widows—or children decide to come because they feel that this country let them down. Right now they feel deserted by—not only the incumbent President, but past Presidents, past Secretaries of State and the current one, and by us in the Congress of the United States. They feel we have let them down and turned our backs on them.

Mr. Speaker, I close by adding that one of the ugliest rumors I have ever heard in my life is that some of the families of missing-in-action heros are clinging to their "false hope" only for money. I wear the POW bracelet of Lt. Col. Ed Atterberry tortured to death in Hanoi in 1969 for escaping from the ugly Hoa Loa prison for one glorious night of freedom.

The North Vietnamese could not claim ignorance about Ed's remains because his partner in the escape, Air Force Col. John Dramisi, survived 38 days of torture. So in 1974 Colonel Atterberry's remains were sent back to Texas.

I stood at his graveside on April 24th of that spring, and watched him laid to rest in his native soil. I watched Gen. Robbie Risner and the other pallbearers carry with reverence Ed's flag draped casket. I saw how very, very important this ceremony was for his widow and three children.

Mr. Speaker, I passionately desire to go to Hanoi to see if I cannot make this burial with honor a reality for hundreds of loved ones. As a California Congressman I represent more MIA's by far than other colleagues selected for this very critical trip.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. I gladly yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, certainly most of us can join in the concern the gentleman has expressed about a full accounting of those brave Americans missing in action, in Vietnam. Furthermore, we all certainly can agree as to the dimensions of the concern which this Congress ought to continue to have in this matter.

But, I am sure the gentleman does not want this occasion to pass with any Member reading implications into his remarks that the gentleman from Mississippi (Mr. MONTGOMERY)—who needs no defense by me or by any other Member—is any less interested in the issue of finding the proper solution and obtaining a full accounting than is the gentleman from California.

The gentleman from Mississippi, who is a friend to us all and a respected Member of this House, has worked very hard to obtain this information, as has the gentleman from California and others. I just did not want the occasion to pass if the gentleman perhaps did not intend to make that clear, that his remarks did not intend in any way to disparage the work the gentleman from Mississippi has done regarding MIA's and POW's.

Mr. DORNAN. I appreciate the gentleman from Maryland pointing this out, so that I may be very specific in clarifying that point. The honorable gentleman from Mississippi knows that I have praised his POW–MIA efforts often in this Chamber and many times in public and in private coast to coast. I remember vividly on the ramp at Hickam Air Force Base when we stood side by side our eyes filled with tears as we watched 23 small boxes of American remains slowly and respectfully carried from an aircraft recently arrived from Hanoi. No one can or should question General MONTGOMERY's deep concern on this sad issue.

I do not question anybody's sincerity in saying that it is hopeless to hang on to the belief that a soldier or pilot is left behind alive in Indochina, but since it is impossible to prove a negative, I beg those people who have abandoned hope to step aside for those of us like the gentleman from Ohio (Mr. GUYER), the gentleman from New York (Mr. GILMAN), or the gentleman from Maryland (Mr. BAUMAN), who believe it is well within the Communist mind, the history of Communist war, or the experience all history that there may be one American—just one—one tragic figure as in an Alexander Dumas story who is rotting away in an Asian cell and who is perhaps paraphrasing Ben Franklin thinking to himself "does anybody out there care."

Mr. Speaker, I do hold the gentleman from Mississippi in great regard. However, he was wrong in 1976 about one MIA. He and my colleague and friend the gentleman from California (Mr. MCCLOSKEY) stood in this well saying that no one was alive in Vietnam cells. Yet, Tucker Guggleman who served honorably in the CIA and was an honorably discharged Marine veteran, was rotting in a cell in Saigon at that very time.

On the very eve of our Bicentennial Tucker Guggleman died saying, "Does anybody know I am in here? Does anybody out there care? Why have my countrymen forsaken me?"

Since this well of the House was used to proclaim him dead before the fact I say, please gentlemen step aside, you honorable men who no longer have hope, and let those of us who cling to the last reports of sightings—let us press the Communists for an accounting until there is not a shred of hope left. Let us carry the banner for those families who do believe in miracles. The sightings persist and as former Secretary of State Kissinger has told me. "There are hundreds of boxes of remains probably warehoused in Hanoi"—and then there is the ultimate tragedy of the zero accounting from Laos. What a disgrace. I will continue to insist that I be part of this Hanoi trip until someone satisfactorily explains the peculiar affront to the gentleman from Ohio (Mr. GUYER), and the gentleman from New York (Mr. GILMAN) and myself in not being invited to join this final effort at an honorable MIA accounting. That is if it is a serious attempt at an accounting.

Mr. LEACH. Mr. Speaker, I yield 1 minute to the gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Speaker, I would like to thank the gentleman for yielding to me. I would just like to go on record as supporting this legislation. I want to make one point, which is that most of the men who fought in Vietnam were not there as draftees, but who volunteered to go there.

One of my cousins came into my office a few years ago and said he was going to Vietnam. I asked him why, because of his job he did not have to go and could have gotten out of it. He said, "I want to go because I want to serve my my country."

His name was Mike Hughes. I think there are a lot of Mike Hugheses around the world who were there, and many who are now POW's or MIA's. I think we would be very ungrateful if we did not take at least a minute, an hour, a month, or a week out of our lives and pay tribute to those who have given us so much.

I would like to quote from Albert Einstein, who made a very interesting observation:

> One hundred times every day I remind myself that my inner and outer life depends on the lives of other men living and dead and that I must exert myself in order to give in the same proportion as I have received.

I think one way we can give is to remember these people who have given us our freedoms and have made America what it is today.

Mr. LEHMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, House Joint Resolution 963, designating July 18, 1979, as "National POW–MIA Recognition Day," has, as of today, received the cosponsorship of 245 Members. I would like to express my gratitude to those of you who cosponsored this resolution and made its consideration today possible.

The reason I introduced House Joint Resolution 963 is really quite simple. I believe that America, now blessed with peace, too soon has forgotten the sacrifices of our servicemen who were captured by the enemy or whose fates have yet to be determined. Be it Vietnam, Korea, World War II, World War I or earlier conflicts, the sacrifices of our POW's and MIA's have been real, difficult, and apparent. America owes a continuing debt to her POW's and MIA's, a debt which a "National POW–MIA Recognition Day" would symbolize and honor.

One could go on at length reciting and detailing the sacrifices of our POW's. While in captivity, they were ill-fed, ill-housed, ill-clothed, abused and tortured.

It strikes me, Mr. Speaker, that many of us in America take our freedoms for granted. Within the confines of our legal system, our citizens can just about do and say what they please—and in so doing forget that they have the freedom to do it.

I doubt, however, whether those of our citizens who have been POW's take our freedoms for granted. They know what it means to be denied individual choice. They know what it means to be denied individual rights. They know what it means to have a foreign will imposed, coercive and inescapable, 24 hours a day, without letup, without recourse. And those POW's who survived their captivity know what it means to be freed—and be free.

No, Mr. Speaker, do not think that former POW's take our American style freedoms for granted. And, in this, I suspect that they could give many of our citizens a lesson in the appreciation of liberty. I believe therefore, Mr. Speaker, that the designation of one day next year as a day of recognition to our POW's would be a day of learning for America—a day of learning and reaffirmation of the greatness, the glory, and the essential goodness of our freedoms.

I also believe that the experiences of American POW's symbolize the strength and the courage of what is a part of and interwoven into the fabric of America. They had to have the courage to face adversity daily. They had to have the courage to face indefinite separation from their loved ones. And, quite simply, it took courage to survive. The day House Joint Resolution 963 designates would also thus be a testimony to this courage, now too little recognized, too often forgotten.

Last, but not least, "National POW–MIA Recognition Day" would also recognize the sacrifices of those servicemen listed as missing in action. Certainly, much of what I have already said about courage and freedom also relates to MIA's. However, those missing in action inherently carry with them the uncertainty of their status. Are they alive? Are they prisoners? What's happened to them? As one can all too easily imagine, this kind of uncertainty works an extraordinary hardship on the families of MIA's. The doubt continues, the emotional drain seemingly never ending.

To deal with this uncertainty, it takes a special kind of courage. House Joint Resolution 963 recognizes the hardship that this uncertainty creates and the sacrifice it represents, and states that such sacrifices are as well deserving of national recognition on "National POW–MIA Recognition Day."

In this view, Mr. Speaker, I know that we all want a full accounting of our Vietnam conflict MIA's. And I think that we would all agree that the fullest possible accounting is not possible without the total, genuine, and energetic cooperation of the Vietnamese. Unfortunately, such complete cooperation has not yet been forthcoming. Personally, Mr. Speaker, I would hope that by July 18, 1979—National POW–MIA Recognition Day—and preferably much sooner, the Vietnamese would see fit to provide such a comprehensive accounting, out of simple humanitarianism if for no other reason. Accordingly, Mr. Speaker, I now call upon the Vietnamese—as many in this Chamber and in the Senate have in the past—to give such an accounting, promptly and completely, so as to end the uncertainty which has scarred the lives of the families of our MIA's.

Again, Mr. Speaker, I would like to thank the 245 of my fellow Members who cosponsored this resolution for their support and urge passage of House Joint Resolution 963.

Mr. LEHMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I thank my colleague, the gentleman from Florida, for yielding and I join him in congratulating the gentleman from Pennsylvania (Mr. MOORHEAD) for introducing this resolution and the gentleman from Florida (Mr. LEHMAN) and his subcommittee for bringing the resolution out.

Also I commend the efforts of the gentleman from Mississippi (Mr. MONTGOMERY), with whom I had the privilege to go to Hanoi 1 year ago last Christmas and pursue the effort to get a full accounting of the POW's and MIA's. The gentleman from New York, my friend (Mr. GILMAN), was with us as well at that time. We were successful at least in opening up a dialog with Hanoi and getting a commitment from them to establish a team to go and search for the remains and any information that might exist with respect to those listed as POW's and MIA's.

I agree with those who have spoken before that the efforts of our Government have not been sufficient. I agree with the gentleman from Mississsippi (Mr. MONTGOMERY) that there is no encouragement that we were able to uncover that there were in fact still POW's and MIA's who are alive but until we get as full an accounting as can be had, that issue will not be laid to rest. I think this is an appropriate resolution.

I generally am not in favor of commemorative days. In fact, I voted against "National Family Day," "National Guard Day" and a whole lot of other dates. I think it is generally an imposition on the time of the Members of the House at the expense of the taxpayers. However, I believe that this is an instance wherein we ought to have this kind of remembrance. These people gave their lives for us, and there has still not been a full effort on the part of the Government to obtain an accounting. So I believe it is important to concentrate national attention on this issue on Julv 18, 1979, of National POW–MIA Recognition Day. I think this is a very worthy cause and for us to commemorate that day is very appropriate.

So, Mr. Speaker, I too join my other colleagues in wishing success to our colleague, the gentleman from Mississippi (Mr. MONTGOMERY) on his trip to Hanoi. I hope it will bring fruitful results.

● Mr. ANDERSON of Illinois. Mr. Speaker, I strongly support House Joint Resolution 963 which will designate July 18, 1979, "National POW–MIA Recognition Day." As the original sponsor of a similar resolution to proclaim "National POW–MIA Week," which unanimously passed the House on March 3, 1971, I remain ever mindful of those loyal Americans who are still designated as POW–MIA.

In 1971, the individual plights of the POW's were much more evident than they are today. When I first proposed "National POW–MIA Week," 1,600 men were victims of that fate. We were intimately involved in a brutal war in Southeast Asia, pitted against a government that refused to negotiate the POW question while boasting flagrant violations of the 1949 Geneva Convention. The actions of the United States and the 92d Congress through events in conjunction with "National POW–MIA Week" brought national and international attention to the plight of American POW's in Southeast Asia. The support that the American and international communities gave to the concerns of the POW's enabled the President to carry out long awaited negotiations for the release of Americans held as prisoners of war.

Today more than 300 people remain designated as POW–MIA. Although this is a significant improvement over the 1971 figure, it reminds us of the continued anguish of the families of those men who remain designed POW–MIA. I am personally aware of the anguish of several families in my own district in Illinois who must constantly face the hardships of not knowing the whereabouts of their children, brothers, fathers, or husbands. House Joint Resolution 963 will serve as a reminder of our continuing responsibilities to resolve the POW–MIA question. We should strongly support this measure that will not allow us to forget the concerns that we must still have for these brave men and their families.

We cannot ignore or forget the emptiness that is the plight of those who share the tragic fate of having a loved one designated MIA or POW. We must continue to encourage those in our Government to continue to work with all expediency in their efforts of negotiation and reconciliation. Our Nation must not cease its efforts until the last POW–MIA is accounted for and free from the tyranny and exploitation of foreign governments.●

● Mr. ROUSSELOT. Mr. Speaker, I strongly urge my colleagues' support of House Joint Resolution 963 designating July 18, 1979 "National POW–MIA Recognition Day."

The purpose of the resolution unanimously reported by the Post Office and Civil Service Committee on July 12, 1978, is clear: To create a day venerating the sacrifices of Americans captured or missing in action and the suffering inflicted on them and their families. The physical hardship endured by these servicemen parallels the mental and emotional anguish of their families, tortured by a gnawing uncertainty.

Working with families of POW's and men missing in action during the early 1970's in my district I witnessed their situation, in which nearly extinguished hope, rekindled perhaps by a news release, would only be smothered by the harsh chill of always uncertain reality.

Yet through all of the disappointment, still a tiny spark of hope, and a constant wait.

In 1975, I supported the creation of the Select Committee for Americans Missing in Southeast Asia. Despite the commendable dedication and diligent work of the select committee, the fate of only a small percentage of servicemen missing in action could be verified and no significant reclassifying of men "missing in action" resulted. Doubt still enshrouds the fate of the nearly 700 men listed missing in action in Southeast Asia alone and the ordeal continues for their families. A full accounting of these men will never be possible and nothing will diminish the uncertainty or the pain for their families.

We will not, however, let this uncertainty blur our memories or impede our personal accounting of the debt we owe these men and their families.

Liberty is won only with difficulty and sacrifice; the debt incurred in its defense is large and often not equally disposed. We now honor those who have borne this inequality. I urge my colleagues to support this resolution, and in so doing to remember and to affirm our gratitude to and recognition of all Americans captured by the enemy or missing in action and their families.●

● Mr. AMBRO. Mr. Speaker, I rise today to express my unequivocal approval of the passage of House Joint Resolution 963, a resolution establishing July 18, 1979 as National POW–MIA Recognition Day. This resolution honors those Americans who have been prisoners of war or have been listed as missing in action. As a cosponsor of this legislation, I wish to proclaim that it is time America's POW's and MIA's are given a special recognition for the immeasurable and untold sacrifices that they have made for our country.

This observance will serve as an eternal symbol of our continuing indebtedness to America's POW's and MIA's, whose supreme dedication to the United States of America must not be forgotten.

America is now blessed with peace, a peace that would not be possible were it not for the thousands of brave men and women who fought for this country in times of conflict. While Vietnam is a most recent, painful memory, the wounds of which are still so fresh, National POW–MIA Recognition Day also commemorates the prisoners of war and the missing in action from the Korean war, World War II, World War I and all other wars in our Nation's history.

In violation of international codes and customs for the treatment of prisoners of war our servicemen were frequently tortured in enemy camps. Many men and women have died from such inhumane treatment.

For the brave men and women who have survived the torture and have returned to this country, for which they fought so courageously, the mental and physical scars of their grueling experience will never heal completely; they retain a memory that can never be erased.

It is my hope that a POW-MIA recognition day will not only remind us of the past struggles of these men and women, but of the continuing struggles of our former prisoners of war, and focus our attention on the 2,000 MIA's currently unaccounted for. We do not know if these individuals are alive or dead. The uncertainty must be laid to rest. I was always a strong supporter of the now dissolved House Select Committee on MIA's. The reports of Americans still imprisoned in Southeast Asia must be properly and fully investigated. I share in the sorrow of the families of these proud, dedicated men and women, and feel, as all Americans must, the emptiness they endure not knowing the fate of the brave, lost, loved ones.

There are many local individuals and groups around the Nation who have labored long and hard to spur the search for our thousands of MIA's. In my own congressional district, many should be honored for their dedication to this cause but Lorraine Newman, a columnist for two local newspapers, should be particularly cited for her efforts to make sure that we do not forget those whose fates are still unknown.

It is time for the United States of America, Mr. Speaker, to honor all the POW's and MIA's who have honored us by fighting for us. July 18, 1979, National POW-MIA Recognition Day, will be the day America commemorates the fearless men and women who have made our country what it is today: the land of the free and the home of the brave.●

● Mr. SARASIN. Mr. Speaker, I would like to say a few words about the passage of House Joint Resolution 963, which designates July 18, 1979 as "National POW-MIA Recognition Day." This day will serve as a small but significant token of our appreciation and veneration for the sacrifices of Americans captured or missing in action and the suffering felt by them and their families. This legislation will commemorate POW's and MIA's from all wars in the last century, whether it be Vietnam, Korea, World War II or earlier conflicts.

Such a day will serve as a time when all Americans can pause and reflect on what America stands for and the life that it has given her people. Moreover, it is a reminder that in many ways our POW's and MIA's are the embodiment of this American way of life.

This is a country where the rights and freedoms of the individual are considered inviolable and are constitutionally guaranteed. And of course, such freedoms form the cornerstone of all efforts to spread the call of human rights and peace throughout the world. Our POW's and MIA's who fought and suffered so valiently for this cause, and America, serve as an inexorable reminder to the world that the battle for democracy and freedom is an unceasing cause worth fighting for, and dying for. These men are the vital threads that are woven into the American tapestry, and their deeds and sacrifices, now recognized by House Joint Resolution 963, will transcend time and serve as an inspiration and testimony of the American way of life for generations to come.

The status of some 700 men still listed as missing in action in Southeast Asia alone is unsure. Without the cooperation of the Vietnamese we may never fully account for all the MIA's. I have been contacted by many of my constituents with whom I deeply share their grief, concern and last ray of hope that news of their loved ones is forthcoming. For them I will say that there is little adequate recompense for their pain and uncertainty, and for this reason, we must not be content with the denials of the administration and State Department that there is no more information on the POW's-MIA's to be attained. We cannot rest until we have determined the fate of every last POW-MIA.

Until that time, however, we cannot let this uncertainty blur our memories or impede our gratitude and love for these men and their families. "National POW-MIA Recognition Day," being a formal expression of our gratitude, is the very least that we can do. Words and holidays will always fall short of adequately conveying our deep gratitude for such men, but our recognition that they are such an integral part of America and liberty will at least serve as a poignant reminder that we can never give up the cause for which they so heroically fought.●

Mr. LEHMAN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 963) as amended.

The question was taken.

Mr. DORNAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. LEHMAN. Mr. Speaker, I ask uanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the joint resolution just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida (Mr. LEHMAN)?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 12972 and House Joint Resolution 963, both by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

ELIMINATION OF WORK DISINCENTIVES UNDER SOCIAL SECURITY

The SPEAKER pro tempore. The unfinished business is the question of sus-

pending the rules and passing the bill, H.R. 12972, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. CORMAN) that the House suspend the rules and pass the bill H.R. 12972, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 399, nays 4, not voting 29, as follows:

[Roll No. 624]

YEAS—399

Abdnor	Daniel, Dan	Hollenbeck
Addabbo	Daniel, R. W.	Holt
Akaka	Danielson	Holtzman
Alexander	Davis	Horton
Ambro	de la Garza	Howard
Ammerman	Delaney	Hubbard
Anderson, Calif.	Dellums	Huckaby
	Derrick	Hughes
Anderson, Ill.	Derwinski	Hyde
Andrews, N.C.	Devine	Ichord
Andrews, N. Dak.	Dickinson	Ireland
	Dicks	Jacobs
Annunzio	Diggs	Jeffords
Applegate	Dingell	Jenrette
Archer	Dodd	Johnson, Calif.
Armstrong	Dornan	Johnson, Colo.
Ashbrook	Downey	Jones, N.C.
Ashley	Drinan	Jones, Okla.
Aspin	Duncan, Oreg.	Jordan
AuCoin	Duncan, Tenn.	Kasten
Badham	Early	Kastenmeier
Bafalis	Edgar	Kazen
Baldus	Edwards, Ala.	Kelly
Barnard	Edwards, Calif.	Keys
Baucus	Edwards, Okla.	Kildee
Bauman	Eilberg	Kindness
Beard, R.I.	Emery	Kostmayer
Beilenson	English	Krebs
Benjamin	Erlenborn	Krueger
Bevill	Ertel	LaFalce
Biaggi	Evans, Colo.	Lagomarsino
Bingham	Evans, Del.	Latta
Blanchard	Evans, Ga.	Leach
Blouin	Evans, Ind.	Lederer
Boggs	Fary	Leggett
Boland	Fascell	Lehman
Bolling	Fenwick	Lent
Bonior	Findley	Levitas
Bonker	Fish	Livingston
Bowen	Fisher	Lloyd, Calif.
Brademas	Fithian	Lloyd, Tenn.
Breckinridge	Flippo	Long, La.
Brinkley	Flood	Long, Md.
Brodhead	Florio	Lott
Brooks	Flowers	Lujan
Broomfield	Flynt	Luken
Brown, Calif.	Foley	Lundine
Brown, Mich.	Ford, Mich.	McClory
Broyhill	Forsythe	McCloskey
Buchanan	Fountain	McCormack
Burgener	Frenzel	McDonald
Burke, Calif.	Frey	McEwen
Burke, Fla.	Fuqua	McFall
Burleson, Tex.	Gammage	McHugh
Burlison, Mo.	Gaydos	McKay
Burton, John	Gephardt	McKinney
Burton, Phillip	Giaimo	Madigan
Butler	Gibbons	Mahon
Byron	Gilman	Mann
Caputo	Ginn	Markey
Carney	Glickman	Marks
Carr	Goldwater	Marlenee
Carter	Gonzalez	Marriott
Cavanaugh	Gore	Martin
Cederberg	Gradison	Mattox
Chappell	Grassley	Mazzoli
Chisholm	Green	Meeds
Clausen, Don H.	Gudger	Metcalfe
	Guyer	Meyner
Clawson, Del	Hagedorn	Michel
Clay	Hall	Mikulski
Cleveland	Hamilton	Mikva
Cochran	Hammer-schmidt	Miller, Calif.
Cohen		Miller, Ohio
Coleman	Hanley	Mineta
Collins, Tex.	Hannaford	Minish
Conable	Hansen	Mitchell, Md.
Conte	Harkin	Mitchell, N.Y.
Corcoran	Harris	Moakley
Corman	Harsha	Moffett
Cornell	Hawkins	Mollohan
Cornwell	Heckler	Montgomery
Cotter	Hefner	Moore
Coughlin	Heftel	Moorhead, Calif.
Crane	Hightower	
Cunningham	Hillis	Moorhead, Pa.
D'Amours	Holland	Moss
Mottl	Rogers	Symms
Murphy, Ill.	Roncalio	Taylor
Murphy, N.Y.	Rooney	Thompson
Murphy, Pa.	Rose	Thone
Murtha	Rosenthal	Thornton
Myers, John	Rostenkowski	Traxler
Myers, Michael	Roybal	Treen
Natcher	Rudd	Trible
Neal	Runnels	Tsongas
Nedzi	Ruppe	Tucker
Nichols	Russo	Udall
Nix	Ryan	Ullman
Nolan	Santini	Van Deerlin
Nowak	Satterfield	Vander Jagt
O'Brien	Sawyer	Vanik
Oakar	Scheuer	Vento
Oberstar	Schroeder	Volkmer
Obey	Schulze	Waggonner
Ottinger	Sebelius	Walgren
Panetta	Seiberling	Walker
Patten	Sharp	Walsh
Patterson	Shipley	Wampler
Pattison	Shuster	Watkins
Pease	Sikes	Waxman
Pepper	Simon	Weaver
Perkins	Sisk	Weiss
Pettis	Skelton	White
Pike	Skubitz	Whitehurst
Poage	Slack	Whitley
Pressler	Smith, Iowa	Whitten
Preyer	Smith, Nebr.	Wiggins
Price	Snyder	Wilson, Bob
Pritchard	Solarz	Wilson, C. H.
Quayle	Spellman	Wilson, Tex.
Quie	Spence	Winn
Quillen	St Germain	Wirth
Rahall	Staggers	Wolff
Railsback	Stangeland	Wright
Rangel	Stanton	Wydler
Regula	Stark	Wylie
Reuss	Steed	Yates
Rhodes	Steers	Yatron
Richmond	Steiger	Young, Alaska
Rinaldo	Stockman	Young, Fla.
Risenhoover	Stokes	Young, Mo.
Roberts	Stratton	Zablocki
Robinson	Studds	Zeferetti
Roe	Stump	

NAYS—4

Bedell	Myers, Gary
Bennett	Pickle

NOT VOTING—29

Beard, Tenn.	Fraser	Mathis
Breaux	Garcia	Milford
Brown, Ohio	Goodling	Pursell
Burke, Mass.	Harrington	Rodino
Collins, Ill.	Jenkins	Rousselot
Conyers	Jones, Tenn.	Sarasin
Dent	Kemp	Teague
Eckhardt	Le Fante	Whalen
Ford, Tenn.	McDade	Young, Tex.
Fowler	Maguire	

The Clerk announced the following pairs:

Mr. Le Fante with Mr. Beard of Tennessee.
Mr. Garcia with Mr. Eckhardt.
Mr. Dent with Mr. Goodling.
Mr. Conyers with Mr. Teague.
Mr. Maguire with Mr. Brown of Ohio.
Mrs. Collins of Illinois with Mr. McDade.
Mr. Burke of Massachusetts with Mr. Whalen.
Mr. Breaux with Mr. Sarasin.
Mr. Jones of Tennessee with Mr. Rousselot.
Mr. Harrington with Mr. Pursell.
Mr. Ford of Tennessee with Mr. Milford.
Mr. Mathis with Mr. Fowler.
Mr. Jenkins with Mr. Fraser.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NATIONAL POW-MIA RECOGNITION DAY

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution (H.J. Res. 963) as amended.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 963) as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 401, nays 2, not voting 29, as follows:

[Roll No. 625]

YEAS—401

Abdnor	Cornwell	Hannaford
Addabbo	Cotter	Hansen
Akaka	Coughlin	Harkin
Alexander	Crane	Harris
Ambro	Cunningham	Harsha
Ammerman	D'Amours	Hawkins
Anderson, Calif.	Daniel, Dan	Heckler
	Daniel, R. W.	Hefner
Anderson, Ill.	Danielson	Heftel
Andrews, N.C.	Davis	Hightower
Andrews, N. Dak.	de la Garza	Hillis
	Delaney	Holland
Annunzio	Dellums	Hollenbeck
Applegate	Derrick	Holt
Archer	Derwinski	Holtzman
Armstrong	Devine	Horton
Ashbrook	Dickinson	Howard
Ashley	Dicks	Hubbard
Aspin	Diggs	Huckaby
AuCoin	Dingell	Hughes
Badham	Dodd	Hyde
Bafalis	Dornan	Ichord
Baldus	Downey	Ireland
Barnard	Drinan	Jacobs
Baucus	Duncan, Oreg.	Jeffords
Bauman	Duncan, Tenn.	Jenrette
Beard, R.I.	Early	Johnson, Calif.
Bedell	Eckhardt	Johnson, Colo.
Beilenson	Edgar	Jones, N.C.
Benjamin	Edwards, Ala.	Jones, Okla.
Bennett	Edwards, Calif.	Jordan
Bevill	Edwards, Okla.	Kasten
Biaggi	Eilberg	Kastenmeier
Bingham	Emery	Kazen
Blanchard	English	Kelly
Blouin	Erlenborn	Keys
Boggs	Ertel	Kildee
Boland	Evans, Colo.	Kindness
Bolling	Evans, Del.	Kostmayer
Bonior	Evans, Ga.	Krebs
Bonker	Evans, Ind.	Krueger
Bowen	Fary	LaFalce
Brademas	Fascell	Lagomarsino
Breckinridge	Fenwick	Latta
Brinkley	Findley	Leach
Brodhead	Fish	Lederer
Brooks	Fisher	Leggett
Broomfield	Fithian	Lehman
Brown, Calif.	Flippo	Lent
Brown, Mich.	Flood	Levitas
Broyhill	Florio	Livingston
Buchanan	Flowers	Lloyd, Calif.
Burgener	Flynt	Lloyd, Tenn.
Burke, Calif.	Foley	Long, La.
Burke, Fla.	Ford, Mich.	Long, Md.
Burleson, Tex.	Forsythe	Lott
Burlison, Mo.	Fountain	Lujan
Burton, John	Frenzel	Luken
Burton, Phillip	Frey	Lundine
Butler	Fuqua	McClory
Byron	Gammage	McCormack
Caputo	Garcia	McDonald
Carney	Gaydos	McEwen
Carr	Gephardt	McFall
Carter	Giaimo	McHugh
Cavanaugh	Gibbons	McKay
Cederberg	Gilman	McKinney
Chappell	Ginn	Madigan
Chisholm	Glickman	Mahon
Clausen, Don H.	Goldwater	Mann
	Gonzalez	Markey
Clawson, Del	Gore	Marks
Clay	Gradison	Marlenee
Cleveland	Grassley	Marriott
Cochran	Green	Martin
Cohen	Gudger	Mattox
Coleman	Guyer	Mazzoli
Collins, Tex.	Hagedorn	Meeds
Conable	Hall	Metcalfe
Conte	Hamilton	Meyner
Corcoran	Hammer-schmidt	Michel
Corman		Mikulski
Cornell	Hanley	Mikva

Miller, Calif.	Rahall	Stockman
Miller, Ohio	Railsback	Stokes
Mineta	Rangel	Stratton
Minish	Regula	Studds
Mitchell, Md.	Reuss	Stump
Mitchell, N.Y.	Rhodes	Symms
Moakley	Richmond	Taylor
Moffett	Rinaldo	Thompson
Mollohan	Risenhoover	Thone
Montgomery	Roberts	Thornton
Moore	Robinson	Traxler
Moorhead, Calif.	Roe	Treen
	Roncalio	Trible
Moorhead, Pa.	Rooney	Tsongas
Moss	Rose	Tucker
Mottl	Rosenthal	Udall
Murphy, Ill.	Rostenkowski	Ullman
Murphy, N.Y.	Roybal	Van Deerlin
Murphy, Pa.	Rudd	Vander Jagt
Murtha	Runnels	Vanik
Myers, John	Ruppe	Vento
Myers, Michael	Russo	Volkmer
Natcher	Ryan	Waggonner
Neal	Santini	Walgren
Nedzi	Satterfield	Walker
Nichols	Sawyer	Walsh
Nix	Scheuer	Wampler
Nolan	Schulze	Watkins
Nowak	Sebelius	Waxman
O'Brien	Seiberling	Weaver
Oakar	Sharp	Weiss
Oberstar	Shipley	White
Obey	Shuster	Whitehurst
Ottinger	Sikes	Whitley
Panetta	Simon	Wiggins
Patten	Sisk	Wilson, Bob
Patterson	Skelton	Wilson, C. H.
Pattison	Skubitz	Wilson, Tex.
Pease	Slack	Winn
Pepper	Smith, Iowa	Wirth
Perkins	Smith, Nebr.	Wolff
Pettis	Snyder	Wright
Pickle	Solarz	Wydler
Pike	Spellman	Wylie
Poage	Spence	Yates
Pressler	St Germain	Yatron
Preyer	Staggers	Young, Alaska
Price	Stangeland	Young, Fla.
Pritchard	Stanton	Young, Mo.
Pursell	Stark	Zablocki
Quayle	Steed	Zeferetti
Quie	Steers	
Quillen	Steiger	

NAYS—2

Myers, Gary	Schroeder

NOT VOTING—29

Beard, Tenn.	Goodling	Milford
Breaux	Harrington	Rodino
Brown, Ohio	Jenkins	Rogers
Burke, Mass.	Jones, Tenn.	Rousselot
Collins, Ill.	Kemp	Sarasin
Conyers	Le Fante	Teague
Dent	McCloskey	Whalen
Ford, Tenn.	McDade	Whitten
Fowler	Maguire	Young, Tex.
Fraser	Mathis	

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mr. Goodling.

Mr. Le Fante with Mr. Brown of Ohio.

Mr. Burke of Massachusetts with Mr. McCloskey.

Mr. Dent with Mr. Sarasin.

Mr. Conyers with Mr. Milford.

Mr. Maguire with Mr. Beard of Tennessee.

Mr. Breaux with Mr. Whalen.

Mr. Harrington with Mr. Rousselot.

Mr. Ford of Tennessee with Mr. McDade.

Mr. Jenkins with Mr. Whitten.

Mrs. Collins of Illinois with Mr. Teague.

Mr. Mathis with Mr. Fowler.

Mr. Rogers with Mr. Fraser.

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

The SPEAKER pro tempore laid before the House the following message from the Senate:

Ordered, That the Secretary of the Senate be directed to request the House of Representatives to return to the Senate the bill (S. 3342) entitled "An Act to name a lake which has been completed as part of the Papillion Creek basin project as the 'Standing Bear Lake'.".

The SPEAKER pro tempore. Without objection, the request of the Senate is agreed to.

There was no objection.

PERMISSIBLE HOLDINGS OF CERTAIN PRIVATE FOUNDATIONS IN CERTAIN PUBLIC UTILITIES NOT SUBJECT TO TAX

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4030) to amend the Internal Revenue Code of 1954 to increase the amount of the stock which certain private foundations may hold in certain public utilities without being subject to the excise tax on excess business holdings.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

Mr. JOHN L. BURTON. Mr. Speaker, reserving the right to object, I wonder if the chairman would tell us exactly what is involved in this bill.

Mr. ULLMAN. Mr. Speaker, if the gentleman would yield, this is the same bill we had up on suspension on May 15 which secured a substantial majority, but not by two-thirds. It was objected to by a number of Members.

Mr. MIKVA and Mr. STARK had objections. They had been conferring with the author of the bill, Mr. GUYER.

It is my understanding that the gentleman from Illinois (Mr. MIKVA) has an amendment that he wants to offer that would extend by 10 years the time requirements, and that meets his objections and I would hope that it would meet the objections of all of the Members of the House.

Mr. JOHN L. BURTON. The bill provides what for whom? That is what I am trying to find out. In other words, I know it is a bill that was defeated, I guess on suspension. It was objected to before. I am just wondering what the bill does and who is the beneficiary.

Mr. ULLMAN. If the gentleman would yield further, let me say that the present law has a requirement on private foundations that requires that there be a limitation on the amount being held on business holdings. The bill makes an exception to the present law rules which, in effect, limit the business holdings of private foundations. The bill provides under specific conditions a private foundation and its qualified persons together may hold up to 51 percent of the stock of certain public utility companies. It is my understanding that provision will be amended by the amendment to be offered by the gentleman from Illinois.

Mr. JOHN L. BURTON. Further reserving the right to object, I wonder if the gentleman from Illinois (Mr. MIKVA) could explain his amendment.

Mr. MIKVA. If the gentleman will yield, the amendment I propose to offer and that I believe the gentleman from California (Mr. STARK) concurs in would in effect put an additional 10 years' sunset provision in, so that this foundation would have an additional 10 years to dispose of its stock, similar to the way other foundations are treated in existing law. The amendment in effect would give them an additional 10 years after which time they would have to dispose of the stock as if they were any other foundation.

I think that meets most of the objections the Treasury Department had. It certainly meets the objections the gentleman from California (Mr. STARK) and I had.

I think my colleague, the gentleman from Minnesota, may have a further explanation.

Mr. JOHN L. BURTON. Further reserving the right to object, I will yield to the gentleman from Minnesota. Would this bill not be better to go back to committee and have it on the floor after it is amended?

Mr. FRENZEL. Mr. Speaker, if the gentleman will yield, I think the chairman has taken the most expeditious and best route to get this bill passed. The minority does agree that the Mikva amendment will take most of the controversy out of the bill. We support the bill. We support the procedure. We support the Mikva amendment.

I thank the gentleman from California for yielding.

Mr. GUYER. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Speaker, I thank the gentleman for yielding.

The crux of the bill is we have a small nonprofit foundation.

Mr. JOHN L. BURTON. A mom and pop foundation?

Mr. GUYER. It is a very small foundation in Wapakoneta, Ohio, the home town of Neil Armstrong. It happens that these two people left this money for the students to go to college. What happens is if we do not allow this remedial action, there will be the prospect of either raising the telephone rates or turning over the management to a larger company, and more than that it would jeopardize 182 kids going to college. Under present figures the youngsters go to 64 colleges in 14 States, including California and Illinois.

It is very important to us. We have agreed to the amendment. I hope there will be no objection.

Mr. JOHN L. BURTON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4030

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4943 of the Internal Revenue Code of 1954 (relating to taxes on excess business

holdings) is amended by adding at the end thereof the following new subsection:

"(e) CERTAIN HOLDINGS IN PUBLIC UTILITIES.—

"(1) IN GENERAL.—In the case of a private foundation—

"(A) which was incorporated on or before December 31, 1967,

"(B) which on May 26, 1969, held at least 50 percent of the voting stock of a qualified public utility;

"(C) which acquired such stock solely by gift, devise, or bequest; and

"(D) no officer, director, or trustee of which is an individual who contributed such stock to such foundation or is a member of the family of such an individual, or who is a member of the family of an individual who devised or bequeathed such stock to such foundation.

subsection (c)(4)(A)(i) shall be applied with respect to the holdings of such foundation in such public utility by substituting "51 percent" for "50 percent", and subsection (c)(4)(D) shall not apply with respect to such holdings. For purposes of this paragraph, the term 'family' has the meaning given to such term by section 4946(d).

"(2) QUALIFIED PUBLIC UTILITY.—For purposes of this subsection, the term 'qualified public utility' means any corporation—

"(A) which on May 26, 1969, was a public utility (as defined in section 247(b)(1));

"(B) the taxable income of which for its first taxable year ending after such date was less than $1,000,000; and

"(C) which distributed to its shareholders, in any 3 of the 5 taxable years preceding the taxable year in which this subsection is enacted and in each taxable year ending after the date of the enactment of this subsection, at least 40 percent of its net income remaining after payment of Federal, State, and local taxes for such taxable year.

"(3) SPECIAL RULE. For the purposes of paragraph (1)(B), stock of any qualified public utility held—

"(A) in any trust created before May 27, 1969, or

"(B) in any estate of a decedent dying before such date,

of which any private foundation is the primary or remainder beneficiary shall be deemed to have been held by such foundation on May 26, 1969.

"(4) PROHIBITION OF LATER PURCHASES.—Paragraph (1) shall apply with respect to the holdings of a private foundation in any qualified public utility only if the foundation does not purchase after the date of the enactment of this subsection any stock or other interest in such qualified public utility.".

(b) The amendment made by subsection (a) shall apply with respect to taxable years ending after the date of the enactment of this Act.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER pro tempore. The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert in lieu therof the following:

SECTION 1. APPLICATION OF SECTION 4943 OF INTERNAL REVENUE CODE OF 1954 TO CERTAIN HOLDINGS IN PUBLIC UTILITIES

(a) IN GENERAL.—In the case of a private foundation—

(1) which was incorporated on or before December 31, 1967;

(2) which on May 26, 1969, held at least 50 percent of the voting stock of a qualified public utility;

(3) which acquired such stock solely by gift, devise, or bequest; and

(4) no officer, director, or trustee of which is an individual who contributed such stock to such foundation or is a member of the family of such an individual, or who is a member of the family of an individual who devised or bequeathed such stock to such foundation,

subsection (c)(4)(A)(i) of section 4943 of the Internal Revenue Code of 1954 shall be applied with respect to the holdings of such foundation in such public utility by substituting "51 percent" for "50 percent", and subsection (c)(4)(D) of such section 4943 shall not apply with respect to such holdings. For the purposes of this subsection, the term "family" has the meaning given to such term by section 4946(d) of such Code.

(b) QUALIFIED PUBLIC UTILITY.—For purposes of this section, the term "qualified public utility" means any corporation—

(1) which on May 26, 1969, was a public utility (as defined in section 247(b)(1) of such Code);

(2) the taxable income of which for its first taxable year ending after such date was less than $1,000,000; and

(3) which distributed to its shareholders, in any 3 of the 5 taxable years preceding the taxable year in which this Act is enacted and in each taxable year ending after the date of the enactment of this Act, at least 40 percent of its net income remaining after payment of Federal, State, and local taxes for such taxable year.

(c) SPECIAL RULE.—For purposes of subsection (a)(2), stock of any qualified public utility held—

(1) in any trust created before May 27, 1969, or

(2) in any estate of a decedent dying before such date,

of which any private foundation is the primary or remainder beneficiary shall be deemed to have been held by such foundation on May 26, 1969.

(d) PROHIBITION OF LATER PURCHASES.—Subsection (a) shall apply with respect to the holdings of a private foundation in any qualified public utility only if the foundation does not purchase after the date of the enactment of this Act any stock or other interest in such qualified public utility.

(e) EFFECTIVE DATE.—This section shall apply with respect to taxable years ending after the date of the enactment of this Act.

Mr. MIKVA (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OFFERED BY MR. MIKVA TO THE COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. MIKVA. Mr. Speaker, I offer an amendment to the committee amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. MIKVA to the committee amendment in the nature of a substitute: Page 4, strike out line 22 and all that follows down through line 3 on page 5 and insert the following: "subsection (c)(4)(B) of section 4943 of the Internal Revenue Code of 1954 shall be applied with respect to the holdings of such foundation in such public utility as if such private foundation had a more than 95 percent voting stock interest in such public utility on May 26, 1969. For purposes of this subsection, the".

Mr. MIKVA (during the reading). Mr. Speaker, I ask unanimous consent that the amendment to the committee amendment in the nature of a substitute be considered as read and printed in the RECORD; it is a technical amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MIKVA. Mr. Speaker, the effect of the amendment is to put a 10-year sunset provision on this bill so that at the end of that time the private foundation will have to dispose of its holdings.

I think that this takes care of most of the objections to the bill and I urge the adoption of the amendment.

Mr. FRENZEL. Mr. Speaker, I rise in support of the amendment.

The minority agrees that this is a good amendment and urges its speedy passage and that the bill, as amended, be passed.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. MIKVA) to the committee amendment in the nature of a substitute.

The amendment to the committee amendment in the nature of a substitute was agreed to.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CARNEY. Mr. President, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 317, nays 86, not voting 29, as follows:

[Roll No. 626]

YEAS—317

Abdnor	Bingham	Cleveland
Addabbo	Blanchard	Cochran
Akaka	Blouin	Cohen
Alexander	Boggs	Coleman
Ambro	Boland	Collins, Tex.
Ammerman	Bolling	Conable
Anderson, Ill.	Bonker	Conte
Andrews, N.C.	Bowen	Corcoran
Andrews, N. Dak.	Brademas	Cornell
	Breckinridge	Cornwell
Annunzio	Brinkley	Cotter
Applegate	Brooks	Coughlin
Archer	Broomfield	Crane
Armstrong	Brown, Mich.	Cunningham
Ashbrook	Broyhill	D'Amours
Ashley	Buchanan	Daniel, Dan
Badham	Burgener	Daniel, R. W.
Bafalis	Burke, Fla.	Danielson
Baldus	Burleson, Tex.	Davis
Barnard	Butler	de la Garza
Baucus	Caputo	Derrick
Bauman	Carter	Derwinski
Beard, R.I.	Cederberg	Devine
Beard, Tenn.	Chappell	Dickinson
Bellenson	Clausen, Don H.	Dicks
Bevill		Diggs
Biaggi	Clawson, Del	Dodd

Dornan	Kemp	Quayle
Downey	Kindness	Quie
Duncan, Oreg.	Krueger	Quillen
Duncan, Tenn.	LaFalce	Railsback
Early	Lagomarsino	Regula
Eckhardt	Latta	Rhodes
Edwards, Ala.	Leach	Rinaldo
Edwards, Calif.	Lederer	Risenhoover
Edwards, Okla.	Leggett	Roberts
Eilberg	Lent	Robinson
Emery	Levitas	Roe
English	Livingston	Rogers
Erlenborn	Lloyd, Calif.	Roncalio
Ertel	Lloyd, Tenn.	Rose
Evans, Del.	Long, La.	Rostenkowski
Evans, Ga.	Long, Md.	Rudd
Fary	Lott	Runnels
Fenwick	Lujan	Ruppe
Findley	Luken	Russo
Fish	Lundine	Santini
Fisher	McClory	Sawyer
Fithian	McCloskey	Schulze
Flood	McCormack	Sebelius
Florio	McDonald	Sharp
Flowers	McEwen	Shipley
Flynt	McFall	Shuster
Foley	McHugh	Sikes
Ford, Mich.	McKay	Simon
Forsythe	McKinney	Sisk
Fountain	Madigan	Skelton
Fowler	Mahon	Skubitz
Frenzel	Mann	Slack
Frey	Marks	Smith, Iowa
Fuqua	Marlenee	Smith, Nebr.
Gammage	Marriott	Snyder
Gaydos	Martin	Solarz
Gephardt	Mazzoli	Spellman
Giaimo	Meeds	Spence
Gilman	Meyner	Staggers
Ginn	Michel	Stangeland
Glickman	Mikulski	Stanton
Goldwater	Mikva	Stark
Gonzalez	Miller, Ohio	Steed
Gradison	Mineta	Steers
Grassley	Mitchell, N.Y.	Stockman
Green	Moakley	Stratton
Gudger	Moffett	Stump
Guyer	Mollohan	Symms
Hagedorn	Montgomery	Taylor
Hall	Moore	Thone
Hamilton	Moorhead, Calif.	Thornton
Hammer-schmidt	Moorhead, Pa.	Traxler
Hanley	Moss	Treen
Hannaford	Murphy, Ill.	Trible
Hansen	Murphy, N.Y.	Udall
Harsha	Murtha	Ullman
Hefner	Myers, John	Vander Jagt
Heftel	Myers, Michael	Waggonner
Hightower	Natcher	Walgren
Hillis	Neal	Walker
Hollenbeck	Nedzi	Walsh
Holt	Nichols	Wampler
Horton	Nix	Watkins
Howard	Nolan	White
Hubbard	O'Brien	Whitehurst
Huckaby	Oberstar	Whitley
Hughes	Obey	Whitten
Hyde	Patten	Wiggins
Ichord	Pepper	Wilson, Bob
Jeffords	Perkins	Wilson, Tex.
Jenrette	Pettis	Winn
Johnson, Calif.	Pickle	Wirth
Johnson, Colo.	Pike	Wolff
Jones, N.C.	Poage	Wright
Jones, Okla.	Pressler	Wylie
Jordan	Preyer	Young, Alaska
Kasten	Price	Young, Fla.
Kazen	Pritchard	Young, Tex.
Kelly	Pursell	Zablocki
		Zeferetti

NAYS—86

Anderson, Calif.	Edgar	Miller, Calif.
Aspin	Evans, Colo.	Minish
AuCoin	Evans, Ind.	Mitchell, Md.
Bedell	Fascell	Mottl
Benjamin	Flippo	Murphy, Pa.
Bennett	Garcia	Myers, Gary
Bonior	Gibbons	Nowak
Brodhead	Gore	Oakar
Brown, Calif.	Harkin	Ottinger
Burlison, Mo.	Harris	Panetta
Burton, John	Hawkins	Patterson
Burton, Phillip	Holtzman	Pattison
Byron	Ireland	Pease
Carney	Jacobs	Rahall
Carr	Kastenmeier	Rangel
Cavanaugh	Keys	Reuss
Chisholm	Kildee	Richmond
Corman	Kostmayer	Rooney
Delaney	Krebs	Rosenthal
Dellums	Lehman	Roybal
Dingell	Markey	Ryan
Drinan	Mattox	Satterfield
	Metcalfe	Scheuer
Schroeder	Tsongas	Weaver
Seiberling	Van Deerlin	Weiss
St Germain	Vanik	Wydler
Stokes	Vento	Yates
Studds	Volkmer	Yatron
Thompson	Waxman	Young, Mo.

NOT VOTING—29

Breaux	Goodling	Milford
Brown, Ohio	Harrington	Rodino
Burke, Calif.	Heckler	Rousselot
Burke, Mass.	Holland	Sarasin
Clay	Jenkins	Steiger
Collins, Ill.	Jones, Tenn.	Teague
Conyers	Le Fante	Tucker
Dent	McDade	Whalen
Ford, Tenn.	Maguire	Wilson, C. H.
Fraser	Mathis	

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mrs. Heckler.
Mr. Le Fante with Mr. McDade.
Mr. Burke of Massachusetts with Mr. Milford.
Mr. Breaux with Mr. Rousselot.
Mr. Dent with Mr. Tucker.
Mr. Ford of Tennessee with Mr. Whalen.
Mrs. Collins of Illinois with Mr. Sarasin.
Mr. Conyers with Mr. Goodling.
Mr. Maguire with Mr. Brown of Ohio.
Mr. Mathis with Mr. Steiger.
Mr. Harrington with Mr. Holland.
Mr. Clay with Mr. Jenkins.
Mrs. Burke of California with Mr. Fraser.
Mr. Charles H. Wilson of California with Mr. Teague.

So the bill was passed.

The result of the vote was announced as above recorded.

COMMITTEE AMENDMENT TO THE TITLE

The SPEAKER pro tempore. The Clerk will report the committee amendment to the title.

The Clerk read as follows:

Committee amendment to the title: Amend the title so as to read: "A bill to increase the amount of the stock which certain private foundations may hold in certain public utilities without being subject to the excise tax on excess business holdings."

AMENDMENT OFFERED BY MR. MIKVA TO THE COMMITTEE AMENDMENT TO THE TITLE

Mr. MIKVA. Mr. Speaker, I offer an amendment to the committee amendment to the title.

The Clerk read as follows:

Amendment offered by Mr. MIKVA to the committee amendment to the title: In lieu of the committee amendment to the title, amend the title so as to read: "A bill to increase the period during which certain private foundations may continue to hold their May 26, 1969, interests in certain public utilities without being subject to the excise tax on excess business holdings."

The amendment to the committee amendment to the title was agreed to.

The committee amendment to the title, as amended, was agreed to.

A motion to reconsider was laid on the table.

FOREIGN AID AUTHORIZATIONS, FISCAL YEAR 1979

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12514) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1979, and for other purposes.

The Speaker pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12514, with Mr. FUQUA in the chair.

The CHAIRMAN. When the Committee rose on Monday, July 31, 1978, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

H.R. 12514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security Assistance Act of 1978".

CONTINGENCY FUND

SEC. 2. Section 451(a) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1978 not to exceed $5,000,000" and inserting in lieu thereof "fiscal year 1979 not to exceed $10,000,000".

INTERNATIONAL NARCOTICS CONTROL

SEC. 3. Section 482 of the Foreign Assistance Act of 1961 is amended by striking out "$39,000,000 for the fiscal year 1978" and inserting in lieu thereof "$40,000,000 for the fiscal year 1979".

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 2, immediately after "1979" on line 5, insert the following: "none of which may be used for the eradication of marihuana through the use of the herbicide paraquat, unless the paraquat is used in conjunction with another substance or agent which will warn potential users of marihuana that paraquat has been used on it."

Mr. WOLFF. Mr. Chairman, I offer this amendment for myself and the distinguished chairman of the International Relations subcommittee on Inter-American Affairs, Mr. YATRON.

We are all aware of the controversy surrounding the use of the herbicide paraquat for the eradication of marihuana fields in Mexico. We are, of course, under no obligation to insure the product purity of that which enters this country illegally. But more importantly, I think we do have a moral obligation to our citizens who choose to smoke marihuana to put them on notice that their marihuana has been treated with paraquat. With this information they will be able to make an informed decision whether or not they want to assume the risk of possible health damage resulting from paraquat, instead of relying on "pot" luck. By spraying paraquat in conjunction with a substance or agent designed to indicate the presence of paraquat, we will in effect be placing a warning label on the marihuana.

Now, I am aware that there are those who would cut off all U.S. funds which could conceivably be used for the spraying of paraquat on marihuana. While such an idea has the health and welfare of American citizens in mind, it would

inadvertently reverse all the gains we have been able to make with Mexico to combat the growing of opium poppies. This is because the same equipment and technical expertise which is used to spray the poppy fields is also used to spray the marihuana fields with paraquat. If the United States were to totally withdraw its support for the spraying of marihuana with paraquat, Mexico would most likely curtail all poppy eradication efforts, but continue to use the already available equipment to spray marihuana with paraquat. What we must remember is that Mexico considers marihuana to be its major internal drug abuse problem.

Since the spraying of 2,4-D on poppy fields was initiated, great strides have been made in decreasing the amount of heroin entering the United States from Mexico. The absolute amount of heroin entering the United States from that country in the last 2 years has decreased 2.5 tons; documented heroin overdose deaths in this country have dropped 70 percent—from 1,770 in 1976 to 540 in 1977—and the estimated number of heroin addicts in the United States has also dropped 20 percent, from 500,000 in 1975 to 400,000 in 1977.

I would also like to make the point that marihuana is and remains a controlled and illegal substance. By halting our efforts to eradicate it we would in a sense not be decriminalizing marihuana but would be granting it legal status, and I don't think any of us here are prepared to do this today. But what we can—and should—do today is to guarantee that anyone who chooses to smoke marihuana will know whether or not it has been treated with paraquat. That is the purpose of my amendment.

I would also like to point out that the red dye rhodamine-B is currently being sprayed on Mexican marihuana fields for test purposes and it appears to be a most promising solution. The fact is Mexico marihuana spraying now does not use paraquat but they now use 2,4-D for both marihuana as well as poppies. In the event that rhodamine-B proves not to be satisfactory there are many other feasible additives currently undergoing suitability tests within the Department of Health, Education, and Welfare.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding and congratulate the gentleman for offering this amendment, which seems to provide the solution to a dilemma which has developed in these United States.

We find ourselves confronted with one problem, and that is, dealing with a controlled substance, marihuana, over which we have a division of opinion. We have tens of thousands of users, and then even those who oppose the legalization or decriminalization of marihuana are confounded and concerned by the notion that the presence of paraquat jeopardizes the health and life of American consumers.

In my judgment, the amendment provides not only a middle ground, but a very satisfactory solution because the fact persists that we still have users and we still have the law which prohibits the sale and use of marihuana. Nonetheless, we must deal with the concern for the health of citizens.

Mr. Chairman, I urge passage of this amendment and commend the gentleman for providing the solution which seems to be so elusive.

Mr. WOLFF. Mr. Chairman, I thank the gentleman from New York (Mr. BIAGGI).

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

I want to commend our distinguished chairman of the Select Committee on Narcotics (Mr. WOLFF) for bringing this amendment to the floor and for taking the time to call the attention of the House to this important controversy which has developed concerning the use of paraquat.

Mr. WOLFF. I thank the gentleman for his most important contribution.

Mr. GILMAN. I rise to support the gentleman's amendment to H.R. 12514, the International Security Assistance Act for fiscal year 1979, an amendment prohibiting funds for the international narcotics control program to be "used for the eradication of marihuana through the use of the herbicide paraquat, unless the paraquat is used in conjunction with another substance or agent which will warn potential users of marihuana that paraquat has been used on it."

Under the international narcotics control program for fiscal year 1979, the United States proposes to expend $13,500,000 to provide the Mexican Government with aircraft, communications equipment, maintenance, field support, training, spare parts, photographic equipment, flight navigation equipment, remote sensing devices to detect narcotic plants at varying stages of maturity, computerized intelligence data system, and the like, in order to assist that Government in a joint effort to interdict narcotics trafficking and to eradicate the illicit production of drugs at its source. Between 1973–77, the United States contributed $50 million to this joint narcotics control program with Mexico, and again, the bulk of these funds being allocated for aircraft, equipment, training and maintenance. During this same 5-year period, the Mexican Government contributed $200 million—or an annual expenditure of $40 million—for this cooperative international narcotics control effort.

Mr. Chairman, during the past year, considerable controversy and misunderstanding has developed within the United States regarding the use of paraquat on Mexican marihuana fields and the dangers that this might present to our citizens who use this illicit drug.

As a member of the Narcotics Select Committee, as the ranking minority member of the International Relations Subcommittee on Inter-American Affairs, and as a delegate for the past 3 years to the Mexico-United States Interparliamentary Conference, I can assure my colleagues that the Mexican Government considers marihuana a serious threat to the health and welfare of its citizens, and accordingly, intends to conduct a vigorous campaign to eradicate the poppy fields and marihuana fields within its territory. The Mexican Government is legitimately using its funds to purchase the herbicide paraquat that it believes will effectively destroy Mexican marihuana fields and to eradicate the cultivation of drugs that it regards as dangerous to its citizens. This Nation contributes to that effort by providing a friend, who regards it to be in its interest to protect the health of its citizens through a herbicide spraying program, and who is willing to assist us in eradicating a substance that we have deemed to be a health hazard to our citizens and an illicit substance, with the equipment, training and support to perform the difficult tasks of interdicting narcotics traffickers and in eradicating illicit drugs.

Furthermore, while recognizing the problem that paraquat-spraying operations have presented to a certain segment of our public, and desirous of protecting its own citizens, the Mexican Government has been experimenting with a number of substances that when mixed with paraquat will produce a color or odor that will warn the marihuana user that the illicit drug is contaminated with paraquat. The most successful experiment to date is the mixture of a red dye (rhodamine-B) with paraquat, which produces red blotches on the marihuana leaves, thereby warning the unsuspecting user that the marihuana is tainted with paraquat.

Mr. Chairman, marihuana is still regarded as a harmful, dangerous substance, despite the fact that more than 16 million of our citizens regularly use this drug, and despite the fact that, according to some commentators, marihuana has become a socially accepted, recreational drug. It is still illegal, under the Controlled Substances Act of 1970, to manufacture, distribute, dispense, or possess this substance. Thirty-nine States and the District of Columbia make possession of marihuana a crime; 11 States have decriminalized the possession of small amounts of marihuana and 1 State, Alaska, has legalized the possession and use of marihuana in the privacy of the home.

As legislators, we cannot legislate morality. We cannot regulate all forms of social conduct. Society appears to be in flux as to whether to decriminalize or legalize marihuana, or to maintain the status quo under Federal and State law.

As legislators, we can and must warn the public regarding the devastating dangers that this substance presents to society—to the marihuana user who excessively uses this drug, to the polydrug consumer who foolishly mixes drugs with alcohol, to those who resort to the mind-crippling hallucinatory drugs such as LSD or PCP—commonly known as "angel dust"—the public must be warned regarding the dangers of drug abuse and the need to prevent its abuse and to treat and rehabilitate those who have become dependent upon or addicted to drugs. And, as is well known, only the international criminal syndicates profit from

the demand for marihuana and other illicit drugs and the human misery that drug abuse brings to the user.

The amendment proposed by the gentleman from New York would provide the warning to those who persist in using this illegal substance while attempting to eradicate its cultivation.

Mr. Chairman, we cannot have it both ways. We cannot prohibit the manufacture, sale or possession of marihuana on the one hand and then attempt to legalize it by placing restraints on the eradication of the very product we have condemned. With or without paraquat, there is no such thing as sanitizing an illicit, harmful substance, protestions by casual users of marihuana to the contrary.

Until society makes up its mind as to whether to legalize marihuana, I urge my colleagues to support the Wolff amendment to H.R. 12514 that would assist in eradicating this drug and that would provide the necessary equipment, training and maintenance to a foreign government, which is joining with us in eradicating this harmful product, to permit the use of paraquat mixed with dyes, thereby warning potential marihuana users regarding the use of this dangerous substance. The health of our citizens are still jeopardized regardless of whether the individual excessively smokes marihuana with or without paraquat.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. WOLFF was allowed to proceed for 2 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding to me.

Is my understanding correct that the Mexican Government is using the alternative herbicide?

Mr. WOLFF. Yes, the Mexican Government is now using 2,4-D, but only for spraying poppy fields.

Mr. ZABLOCKI. Is my understanding also correct that there is no real determination as to how much damage or illness or death is due to paraquat?

Mr. WOLFF. With respect to its use on marihuana, that is correct.

Mr. ZABLOCKI. Mr. Chairman, without the gentleman's amendment I would be constrained to oppose the amendment. But, I studied the amendment offered by the gentleman from New York (Mr. WOLFF), and I am prepared to accept the amendment on behalf of this side.

Mr. WOLFF. I thank the gentleman.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we on the minority side have also had a chance to review the amendment. We think it is a good amendment, and hope that the committee will adopt it.

Mr. WOLFF. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

HUMAN RIGHTS

SEC. 4. (a) Paragraph (1) of section 502B (a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) The United States shall, in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, promote and encourage increased respect for human rights and fundamental freedoms throughout the world without distinction as to race, sex, language, or religion. Accordingly, a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries.".

(b) Paragraph (2) of such section is amended by striking out "It is further the policy of the United States that, except under circumstances specified in this section" and inserting in lieu thereof "Except under extraordinary circumstances which necessitate a continuation of security assistance".

(c) Paragraph (3) of such section is amended by striking out "the foregoing policy" and inserting in lieu thereof "paragraphs (1) and (2),".

(d) Section 502B(b) of such Act is amended by striking out "subsection (a) (3)" and inserting in lieu thereof "subsections (a) (2) and (3)".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 4 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there any amendments to section 4?

If not, the Clerk will read.

The Clerk read as follows:

ASSISTANCE TO POLICE AND OTHER LAW ENFORCEMENT FORCES

SEC. 5. (a) Section 502B(a)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "No security assistance of any kind may be provided to or for the police, domestic intelligence, or similar law enforcement forces of a country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights, unless the President certifies in writing that extraordinary circumstances exist warranting the furnishing of such assistance.".

(b)(1) Section 36(a) of the Arms Export Control Act is amended—

(A) by redesignating paragraphs (5) through (9) as paragraphs (6) through (10), respectively; and

(B) by inserting the following new paragraph (5) immediately after paragraph (4):

"(5) a listing of each license issued during the preceding calendar quarter for the export of defense articles or services sold for more than $100,000, either sold under this Act or sold commercially and licensed under section 38 of this Act, to or for any forces of a country which perform police, domestic intelligence, or similar law enforcement functions, setting forth with respect to each such license—

"(A) the defense articles or services to be exported under the license and the quantity of each such article or service to be exported; and

"(B) the name and address of the consignee and ultimate user of each such defense article or service;".

(2) Section 36(b)(1) of such Act is amended in the first sentence by striking out "(8)" and inserting in lieu thereof "(9)".

(c)(1) Section 38(a) of the Arms Export Control Act is amended by inserting the following new paragraph (3) immediately after paragraph (2):

"(3) In addition to other items so designated, the President shall designate as defense articles for purposes of this section (A) those items which, on the date of enactment of the International Security Assistance Act of 1978, were classified as crime control and detection instruments and equipment under regulations issued pursuant to the Export Administration Act of 1969, and (B) any comparable items.".

(2) Paragraph (7) of section 47 of such Act is amended by striking out "(1)".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 5 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the Department of Commerce, apparently in response to this bill, recently issued an amendment to the export control regulations requiring all shotgun exports to have individual validated licenses. Previously sales to non-Communist countries were made under the general license procedures. This action has resulted in a virtual halt in sporting shotgun exports, with delays in obtaining approval of license applications doing serious harm to a significant domestic industry at the peak of their selling season.

Because of their length, general design, and expense, most of the shotguns exported by the domestic firearms industry would have to be classified as strickly sporting guns; that is, the single and double barrel break-open and semiautomatic shotguns having barrel lengths of 26 inches and more and costing over twice as much as the short barreled pump-action shotgun. Since numerous foreign sporting shotgun manufacturers are now in operation, the principal impact of the new commerce regulations is to jeopardize a major market of the domestic sporting firearms industry. It certainly does not advance any human rights interest of the United States to require individual validated licenses for sporting shotguns and shotgun parts exported to countries like Sweden and Switzerland—where, incidentally, a major part of this business is now done.

Would the gentleman not agree with me that any export control regulations in this area ought not to apply to items which are suitable solely for sporting purposes.

Mr. ZABLOCKI. If the gentleman will yield, I can assure the gentleman that it is not the intent of this legislation to prevent the adoption of more flexible export regulations which would be responsive to this problem.

Mr. GIAIMO. I thank the gentleman for his assurance. I might add that certain short-barrel shotguns, sometimes called "riot guns" would remain subject to the validated license procedure. In view of his assurance on the intent of this legislation I will refrain from offering an amendment to the bill which

would confine the export control regulations to only short-barreled pump-action shotguns, finally, high ranking officials at both the Departments of State and Commerce have advised me that they do not oppose exempting sporting shotguns from the regulations which require validated export licenses.

I appreciate the gentleman's remarks.

The CHAIRMAN. There being no further amendments to section 5, the Clerk will read.

The Clerk read as follows:

HUMAN RIGHTS AND MILITARY TRAINING

SEC. 6. Section 502B(a)(2) of the Foreign Assistance Act of 1961, as amended by section 4 of this Act, is further amended by adding at the end thereof the following new sentence: "No assistance under chapter 5 of part II of this Act may be provided to a country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights, unless the President certifies in writing that extraordinary circumstances exist warranting the furnishing of such assistance.".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 6 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. There being no amendments to section 6, the Clerk will read.

The Clerk read as follows:

MILITARY ASSISTANCE

SEC. 7. (a) Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There is authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $163,500,000 for the fiscal year 1979. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1979:

"Portugal	$27,900,000
"Spain	41,000,000
"Jordan	45,000,000
"Philippines	13,100,000
"Greece	35,000,000

The amount specified in this paragraph for military assistance to any such country for the fiscal year 1979 may be increased by not more than 10 per centum of such amount if the President deems such increase necessary for the purposes of this chapter.".

"(b) Section 516(a) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end thereof ', and until September 30, 1981, to the extent necessary to carry out obligations incurred under this chapter during the fiscal year 1978 with respect to Indonesia and Thailand".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 7 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. There being no amendments to section 7, the Clerk will read.

The Clerk read as follows:

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 8. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$270,000,000 for the fiscal year 1978" and inserting in lieu thereof "$90,000,000 for the fiscal year 1979".

The CHAIRMAN. There being no amendments to section 8, the Clerk will read.

The Clerk read as follows:

INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

SEC. 9. (a) Section 515 of the Foreign Assistance Act of 1961 is amended in the first sentence of subsection (b)(1)—

(1) by striking out "fiscal year 1978" and inserting in lieu thereof "fiscal year 1979"; and

(2) by striking out "Brazil" and inserting in lieu thereof "Turkey, Indonesia, Thailand".

(b) Such section is amended in subsection (d) by striking out "865 for the fiscal year 1978" and inserting in lieu thereof "800 for the fiscal year 1979".

(c) Such section is amended in subsection (f) by striking out "1976" in the third sentence and inserting in lieu thereof "1977, except that the President may assign an aggregate total of not to exceed eight additional defense attachés to such countries in order to perform security assistance management functions under this subsection".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 9 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. There being no amendments to section 9, the Clerk will read.

The Clerk read as follows:

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 10. (a) Section 542 of the Foreign Assistance Act of 1961 is amended by striking out "$31,000,000 for the fiscal year 1978" and inserting in lieu thereof "$32,100,000 for the fiscal year 1979".

(b) Chapter 5 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 544. COURSES IN HUMAN RIGHTS.—Effective October 1, 1979, the curriculum of all programs funded under this chapter shall include, as a prerequisite for completion of all other courses, a course encompassing the internationally recognized principles of human rights."

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK:

On page 7, line 22, strike "$32,100,000" and insert in lieu thereof "$31,500,000".

On page 7, line 23, strike the period and insert the following: ": *Provided*, That none of the funds contained in this chapter shall be made available for Afghanistan."

Mr. ASHBROOK. Mr. Chairman, the purpose of my amendment is to prohibit military education and training assistance from going to Afghanistan.

As you can see on page 21 of the committee report, the proposed fiscal year 1979 budget lists $600,000 for Afghanistan under the international military education and training section. My amendment would eliminate funding for Afghanistan under this section.

I see no reason for U.S. taxpayers to be financing military education and training assistance for Afghanistan. A recent coup has left pro-Soviet Communists in complete control of the country.

I refer to a recent Washington Post article, on May 1, 1978. They are not noted for worrying about communism anywhere. In this case and in their May 3 editorial even this liberal paper expressed some concern about the coup in Kabul.

Nur Mohammed Taraki, the new President and Prime Minister, is Afghanistan's top pro-Moscow Communist leader. He was formerly the leader of the Moscow-oriented Kharo or Masses Party. Not surprisingly, within hours of the revolution the Soviet Union and other Communist states announced their recognition of the new government.

Communist-controlled Afghanistan is in a position to create havoc among its non-Communist neighbors, Iran and Pakistan. There is little justification for providing the pro-Soviet forces with military education and training assistance.

I urge the adoption of my amendment.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

Mr. Chairman, I rise in opposition to the amendment rather reluctantly because I do regard the gentleman from Ohio (Mr. ASHBROOK) very highly and understand his purposes. However, Mr. Chairman, I must submit to the committee that the $600,000 that is programed for Afghanistan is an increase of $75,000 over last year. In my opinion it is necessary; otherwise we just write off Afghanistan.

Further, there are only 37 Afghans that are proposed for training under the program, and this is only 10 more than are estimated to be trained during the current fiscal year.

The proposed training would provide a combination of professional and managerial military courses to selected Afghan officers.

The training would be a part of the career development program for these officers and would be a modest alternative to a much larger Soviet military training program.

Surely the gentleman from Ohio (Mr. ASHBROOK) does not wish that the Soviets would come in and train the Afghans. I think we should have a "foot in the door" approach there.

I think this grant training program provides for continued professional military contact with officers in a strategically located country during a time of political transition.

Mr. Chairman, failure to support this modest program could further erode bilateral United States-Afghan relations and have an impact on regional security particularly for Iran and Pakistan.

Therefore, Mr. Chairman, I would hope that the committee would not adopt the amendment offered by the gentleman from Ohio (Mr. ASHBROOK), striking

this modest amount for training purposes for Afghanistan.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I will be delighted to yield.

Mr. ASHBROOK. Mr. Chairman, as my colleague knows, I certainly have the highest regard for him and for his views. The gentleman has made two points that I would like to have some amplification on if I could. The gentleman used the word "selected" in saying that only selected members of the military will be coming from Afghanistan to the United States.

Who selects them? The Government of Afghanistan, would it not?

Mr. ZABLOCKI. Let me say to the gentleman that it is my understanding, whether it is Afghanistan or any other country where we have a military training program, that candidates are selected with the input of our U.S. program officers. They help make the selection of the candidates from any one country from the names of the personnel presented to them for training purposes. In effect, therefore, we have a veto on this. The reason for that is that some of the officers, personnel or persons that are expected to be trained may not be qualified, or might be in some way counterproductive to our purposes.

Mr. ASHBROOK. Mr. Chairman, if my colleague will yield still further, I am not certain that that answers my question. The United States in no way can prepare a list of applicants for officers' training of candidates from another country. The list has to be prepared by them, and all the gentleman is saying is that we have the privilege of saying yes or no, or some input, but there is no way the United States can compile a list of Afghanistan military candidates for training in this country. Is that correct?

Mr. ZABLOCKI. But I can assure the gentleman that there are more than 37 nominees, and those to receive training are selected from that list. Therefore I am sure the gentleman will agree that we have an input in the selection process.

Mr. ASHBROOK. If my colleague would yield still further, my only thought on what the gentleman has said is that they are going to be picking from a very closely selected group that reflect the communistic flavor that has been given to Afghanistan so it will be a question of saying no to all of them or taking, on their terms, the candidates that they present.

The other point that I present that the gentleman indicated—the gentleman asked the question, a rhetorical question—is whether or not I wanted in effect to drive them into the arms of Moscow. My colleague is well versed in what has happened in the last 30 years. Unless there is a countercoup, there cannot be much doubt in any of our minds that Moscow is going to have a huge input into Afghanistan and sooner or later, absolute control. All we have to look at is the previous statements of their new leaders. I am not going to read those for the record, although I might put some of those in.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ASHBROOK, and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, would my colleague yield further?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

In making that statement, is the gentleman holding out the hope that by the $600,000 appropriation we will keep in effect our oar in, and that Moscow, therefore, will not have the domination it looks at the present time like they will have?

Mr. ZABLOCKI. I would advise the gentleman that we have a prime example in the case of Egypt where all of the training programs were once provided by the Soviet Union. The military equipment was provided by the Soviet Union. When their security relationship with Egypt was severed they lost the ability to influence events in that country. I submit to the gentleman it is better that we have some input than none at all. I am sure the gentleman will agree that if the Afghanistan military officers come here for military training, they would, be exposed to our democratic way of life. This is the benefit.

The Soviet Union is surely going to do everything possible to take control and to maintain a presence there. Why should we give that opportunity to the Soviet Union by restricting ourselves even to the extent of the $600,000 program for 37 Afghanistans in military training? I believe even that modest program could pay dividends to the United States and to our interests at some later date.

Mr. ASHBROOK. If my colleague would further yield, I think using the Egypt parallel is not exactly a parallel. In the case of Egypt we did not have a coup. We did not have a takeover by a pro-Communist. We had simply an opportunistic turning of their face to any direction where they could get aid. They got it from the Soviet Union rather than the United States in the early years so they were pro-Soviet. I do not think it is a similar situation, although I respect the gentleman's opinion.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ZABLOCKI was allowed to proceed for 1 additional minute.)

Mr. ZABLOCKI. Then I hope that the gentleman would withdraw his amendment.

Mr. ASHBROOK. I am not going to do that.

Mr. ZABLOCKI. Certainly the gentleman fully understands that the political situation in Afghanistan is not finalized. As I said, Afghanistan is still in political transition, so to speak, and the Afghanistan military will influence what the future government in Afghanistan will be. To cut off the program, modest as it is, at this time would be counterproductive, and I hope that the gentleman will withdraw his amendment. Certainly I would hope that the committee would not accept his amendment.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment was rejected.

The CHAIRMAN. Are there any further amendments to section 10? If not, the Clerk will read.

The Clerk read as follows:

ASSISTANCE FOR PEACEKEEPING OPERATIONS

SEC. 11. (a) Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"CHAPTER 6—PEACEKEEPING OPERATIONS

"SEC. 551. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries and international organizations, on such terms and conditions as he may determine, for peacekeeping operations and other programs carried out in furtherance of the national security interests of the United States.

"SEC. 552 AUTHORIZATION OF APPROPRIATIONS.—(a) There is authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, for the fiscal year 1979, $29,400,000.

"(b) Amounts appropriated under this section are authorized to remain available until expended.

"SEC. 553. EMERGENCY PEACEKEEPING ASSISTANCE.—If the President determines that, as the result of unforeseen circumstances, assistance under this chapter in amounts in excess of the funds otherwise available for such assistance is important to the national security interests of the United States, then the President may exercise the authority of section 610(a) of this Act to transfer funds available to carry out chapter 11 of part I for use under this chapter without regard to the 20 percent increase limitation contained in that section.

"SEC. 554. ADMINISTRATIVE AUTHORITIES.—Except where expressly provided to the contrary, any reference in any law to part I of this Act shall be deemed to include reference to this chapter and any reference in any law to part II of this Act shall be deemed to exclude reference to this chapter.".

(b) Section 502B(d)(2)(A) of such Act is amended by inserting "or chapter 6 (peacekeeping operations)" immediately after "and training)".

(c)(1) Section 620B of such Act is amended in paragraph (1) by inserting "or 6" immediately after "5".

(2) Section 653(b) of such Act is amended—

(A) by striking out "part V" both places it appears and inserting in lieu thereof "chapter 6 of part II; and

(B) by inserting immediately before the comma in paragraph (2), "or assistance under chapter 6 of part II".

(3) Section 669(a) and 670(a) of such Act are each amended by inserting "providing assistance under chapter 6 of part II," immediately after "training,".

(4) Section 406(a)(1) of the International Security Assistance and Arms Export Control Act of 1976 is amended by inserting ", no assistance under chapter 6 of part II," immediately after "assistance" in the first sentence.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 11 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there any amendments to section 11? If not, the Clerk will read.

The Clerk read as follows:

FOREIGN AND NATIONAL SECURITY POLICY OBJECTIVES AND RESTRAINTS

SEC. 12. Section 1 of the Arms Export Control Act is amended by adding at the end thereof the following new paragraph:

"It is the sense of the Congress that, in implementing United States policy on conventional arms transfers worldwide, a balanced approach should be taken and full regard given to the security interests of the United States in all regions of the world and that particular attention should be paid to controlling the flow of conventional arms to the nations of the developing world. To this end, the President is encouraged to continue discussions with other arms suppliers in order to restrain the flow of conventional arms, ammunitions, and implements of war to the less developed countries of the world.".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 12 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there any amendments to section 12?

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time because I had prepared an amendment which would be a substitute for the Case-Javits amendment adopted to the Senate bill. I have conferred with the parliamentarian and the distinguished chairman of the committee and am advised that a point of order will be made against my amendment on the ground of nongermaneness and that the point of order will be sustained unfortunately, I must concede the point of order and will not offer the amendment.

I am attempting to draft an amendment that will not be subject to a point of order and, if I am able to do so, I will offer an amendment to accomplish my objectives, but I take this time to make sure that I did have the opportunity to address myself to the Rhodesian problem, which I think should be considered in this legislation, as it was considered in the Senate.

Mr. Chairman, more than 3 years ago I became highly concerned about the Rhodesian or Zimbabwe problem in view of the fact that we produce no chrome at all in this country; not an ounce of chrome is produced and we cannot make stainless steel without using chrome.

I was also concerned in view of the fact that about 80 percent of all the chrome reserves in the world are located in northern South Africa and in southern Rhodesia.

My interest was further increased in the matter because the principal black leader, Bishop Muzorewa, was educated at Central Methodist College that was formerly in my district in the city of Fayette, Mo.

I feel very strongly, Mr. Chairman, that the present American policy does not serve American interests. It does not serve the interests of both the black and white people in Rhodesia.

The present interim government, which will result in a majority government after the elections to be held in December, is overwhelmingly supported by the Rhodesian people, both white and black. The transition government that is now in being has essentially complied with the plan laid out by former Secretary Kissinger to transfer rule in Rhodesia from minority to majority rule.

Our policy, and the American taxpayers' money, has been working to the benefit of the Patriotic Front, headed by Nkomo, who heads the Zapu organization and by Mugabe, who heads up the Zanu organization. Both groups have been strongly supported by the Soviet Union. There is no doubt what kind of totalitarian government Mugabe would put in in Rhodesia. In an interview on March 14, 1978, by Newsweek magazine, he was asked these questions:

Question: Do you consider yourself a Marxist?

Answer: Yes, I do. And this is because we hold that the best way in which you can organize your socioeconomic order is by taking the people and their interests into account—the people as a people and not as individuals.

Question: Would Rhodesians find their expression through a variety of political parties if you were to gain power?

Answer: If our people opt for a one-party State, fine, that will be it and I think that will be the order of the day.

That shows us what kind of totalitarian government Mugabe, one of the principal leaders of the Patriotic Front, would install in Rhodesia, and here we are, with American policy and with American taxpayers' money, supporting that kind of a group.

Mr. Chairman, if I am unable to work out an amendment which would not be subject to a point of order I would state that it is my intention to take the language which I placed in the RECORD yesterday and if possible under the parliamentary situation to propose that the House conferees be instructed to agree to more effective language than that adopted by the Case-Javits amendment.

The CHAIRMAN. Are there further amendments to section 12?

If not, the Clerk will read.

The Clerk read as follows:

RENEGOTIATION ACT OF 1951

SEC. 13. Section 22 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

"(c) The provisions of the Renegotiation Act of 1951 do not apply to contracts for the procurement of defense articles and defense services heretofore or hereafter entered into under this section or predecessor provisions of law.".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 13 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there amendments to section 13?

If not, the Clerk will read.

The Clerk read as follows:

REPORTS ON SECURITY ASSISTANCE SURVEYS

SEC. 14. Chapter 2 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

"SEC. 26. REPORTS ON SECURITY ASSISTANCE SURVEYS.—(a) The President shall report to the Congress on a quarterly basis on security assistance surveys carried out by United States Government personnel. Such reports shall specify, for each survey authorized during the proceding calendar quarter, the country with respect to which the survey will be conducted, the purpose of the survey, and the number of United States Government personnel who will participate in the survey.

"(b) Upon a request of the chairman of the Committee on International Relations of the House of Representatives or the chairman of the Committee on Foreign Relations of the Senate, the President shall grant that committee access to the results of security assistance surveys conducted by United States Government personnel.".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 14 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there amendments to section 14?

If not, the Clerk will read.

The Clerk read as follows:

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

SEC. 15. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$677,000,000 for the fiscal year 1978" and inserting in lieu thereof "$682,000,000 for the fiscal year 1978 and $674,300,000 for the fiscal year 1979".

(b) Section 31(b) of such Act is amended by striking out "$2,102,350,000 for the fiscal year 1978, of which" and inserting in lieu thereof "$2,152,350,000 for the fiscal year 1978 and $2,085,500,000 for the fiscal year 1979, of which amount for each such year".

(c) Section 31(c) of such Act is amended by striking out "the fiscal year 1978" and inserting in lieu thereof "the fiscal year 1979".

(d) Section 31(d) of such Act is amended by striking out $100,000,000" and inserting in lieu thereof "$150,000,000".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 15 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there amendments to section 15?

If not, the Clerk will read.

The Clerk read as follows:

ASSISTANCE AND SALES TO TURKEY

SEC. 16. (a) Section 620(x) of the Foreign Assistance Act of 1961 is repealed.

(b) Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended by striking out the following:

"Turkey ---------- 48,000,000".

(c) Notwithstanding section 21 of this Act, this section shall be effective upon the date of its enactment.

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: To section 16 of H.R. 12514, as reported: On page 13, line 2, delete all of section 16 through line 7 and insert, in lieu thereof, the following:

"SEC. 16. Section 620(x) of the Foreign Assistance Act of 1961 is amended as follows:

Strike out the language following the colon in the first sentence, through the period, and insert in lieu thereof the following: "*Provided*, That the President may suspend the provisions of this subsection and of section 3(c) of the Arms Export Control Act for a period of one year upon his determination and certification to the Congress that:

"(i) the Government of Turkey has removed its troops from the municipality of Famagusta and allowed the inhabitants of said city to return to their homes and properties in such municipality;

"(ii) the administration of said municipality of Famagusta, including but not limited to, police and security functions is being carried out under the auspices of the United Nations; and

"(iii) intercommunal talks aimed at a settlement of the Cyprus problem based upon General Assembly Resolution 3212 of the United Nations have been resumed: *Provided further*, That should either of the parties to such intercommunal talks fail or refuse to resume such talks within 30 days following performance of the conditions specified in subparagraphs (i) and (ii) of this paragraph the President may suspend the provisions of this subsection and of section 3(c) of the Arms Export Control Act for said period as if such talks had been resumed upon his certification to the Congress that the requirements of subparagraphs (i) and (ii) have been satisfied."

Mr. BROOMFIELD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

Mr. Chairman, I would also like to make a point of order that a quorum is not present. This is probably the most important part of the bill, and I think more Members should be present to listen to this debate. So, therefore, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will first dispose of the gentleman's unanimous-consent request.

Mr. BROOMFIELD. I thank the Chair.

The CHAIRMAN. The gentleman from Michigan (Mr. BROOMFIELD) asks unanimous consent that the amendment be considered as read and printed in the RECORD.

Is there objection to the request of the gentleman from Michigan?

Mr. BUCHANAN. Mr. Chairman, reserving the right to object, I would like to have the understanding that the gentleman from Florida (Mr. FASCELL) will thoroughly explain his amendment, because it is of first importance that we understand its contents.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. ROSENTHAL. Reserving the right to object, Mr. Chairman, I think it would be appropriate to read the amendment. This is an enormously important matter.

Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will continue the reading of the amendment.

The Clerk continued to read the amendment.

Mr. BUCHANAN (during the reading). Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will rereport the amendment.

The Clerk reread the amendment.

(By unanimous consent Mr. FASCELL was allowed to proceed for 5 additional minutes.)

Mr. FASCELL. Mr. Chairman, the amendment which has been read I offer on behalf of myslef, the distinguished gentleman from Indiana (Mr. BRADEMAS), the gentleman from New York (Mr. ROSENTHAL), the gentleman from Illinois (Mr. DERWINSKI), and on behalf of many other Members who have not yet had a chance to indicate their cosponsorship of this amendment.

We offer the amendment as a very sincere effort to move away from what has been, and has been for some time, conceived to be an impasse. We believe that this is a constructive congressional response to the recent Turkish and Greek Cypriot initiatives. More specifically, in my judgment it gives the Members an opportunity for a choice against complete lifting of the embargo as envisioned in the bill before us, or a proposal which does not close the eyes of the United States, nor do we turn our backs upon the very important principle of adhering to the rule of law, an issue that has confronted us since this question first arose.

The problem obviously has not been easy for the Turkish or Greek Cypriots or the governments involved—Greek, Turkish, or United States. Each speaks as a sovereign, each from its vantage point of principle. So this amendment builds on the recent proposals suggested by both the Turkish and the Greek Cypriots. This amendment is within the concept of those proposals, since it provides that the removal of the embargo would be lifted for 1 year by the President upon his determination and certification that certain suggested conditions have been met.

This is action for action. The problem that most of us in this House have had with this whole issue is reflected by the many votes we have had on it. We have had requests in the past for action by the United States without a corresponding action from anyone else, a proposition to which we could not in this House with integrity attach ourselves. This has been the difficulty.

So what we are suggesting here is, rather than simply repeal the embargo with no corresponding action, that we say instead that we are willing to take action for action, action which has been indicated by the parties themselves.

Furthermore, it gives the President the flexibility in supplying arms to Turkey for this 1-year period. What we say in the amendment that the President may suspend the embargo when, and the language is very clear, is this:

* * * the Government of Turkey has removed its troops from the municipality of Famagusta and allowed the inhabitants of said city to return to their homes and properties in such municipality;

This is one of the suggestions which was made in a Turkish proposal which they said they would consider on the convening of communal talks, so we are going to give them that opportunity.

Further the amendment says the President could suspend if in addition:

* * * the administration of said municipality of Famagusta, including but not limited to, police and security functions is being carried out under the auspices of the United Nations;

That is to give them the opportunity as again suggested by the parties themselves.

This compromise it seems to me would encourage both parties to come to a peaceful solution on Cyprus. Also, and very importantly, it maintains the integrity of the U.S. position as previously expressed many times in the Congress. I think it is most unfortunate that the United States would have to take any position which would require us to turn our back on principle.

So within the concepts of U.N. resolution 3212, which called for the withdrawal of Turkish troops and return of all refugees, to their homes, and for the guarantee of the independence, sovereignty and integrity of Cyprus. Within those concepts of the U.N. resolution and within the concepts which the parties themselves have indicated they would be willing to consider, this pending amendment is predicated. Therefore the amendment will authorize the President to lift the ceiling that now exists, the exception in the embargo, and allow the parties to proceed with settlement. The proponents of this amendment submit that it gives the parties an opportunity to get off dead center.

As a further assurance we put in one other provision in this amendment, and that is paragraph 3. The thought occurred that there might have been some way to frustrate the process by refusing to engage in the intercommunal talks.

So we provide in paragraph (iii) of the amendment that neither of the parties, could frustrate the intercommunal talks

as a means of denying any further arms from the United States to the Turkish Government. So it is provided that if the other conditions have been met and 30 days have gone by and there was a refusal to meet to discuss and negotiate these matters then the President could act just as if all of the conditions had been met. In other words, to say it plain, it eliminates the possibility of veto by the Greek-Cypriot Government by refusing to engage in inter-communal talks.

So we believe that with that safeguard this proposal gives a reasonable constructive approach to what is now proposed in the bill.

I want to say that the language that the other body has agreed to is not very much different from what is in this bill. Basically they seek, the proponents of the language in the bill, to solve the problem by lifting the embargo, without any requirement for any reciprocal action.

You and I both wish it were that simple. But we are involved as friends of both parties, and we were directly affected because our laws and agreements were violated. A violation which, without question, as far as our Government is concerned, both from the administration's side and from the congressional side, we have said time after time clearly occurred. U.S. arms which were secured for defensive purposes only and to fulfill commitments in NATO, were used for offensive purposes against a third country.

The principal arguments that I detect that in support of the language in the bill are two. First that the present embargo has not worked, meaning that there has been no settlement on Cyprus, and that Turkey has been punished enough. And second, that there is serious deterioration to NATO's commitments that have to be fulfilled by the Turkish Government. Therefore it is argued the overriding interests of the United States, require the embargo to be lifted.

First of all, Mr. Chairman, the United States is not at fault. We are not a guilty party. About the only guilt that we have is that we have been trying to help two friends, Greece and Turkey, who are our allies, who are part of NATO; that is our guilt.

We did not invade Cyprus.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. ROSENTHAL and by unanimous consent, Mr. FASCELL was allowed to proceed for 5 additional minutes.)

Mr. FASCELL. There must have been something wrong, Mr. Chairman, with that invasion. It resulted in the U.N. Resolution 3212, the elements of which I have already described for you, and requiring among other things that all foreign military forces should be withdrawn from Cyprus.

It also raised all kinds of questions in the U.S. Government, both in the administration and in the Congress, and, without reservation, time after time, the United States has said that there was a clear violation of U.S. law and bilateral agreements. That is all we have said.

Now our friends took an immediate dim view to this, so they closed down bases in Turkey which, by agreement, the United States had been using for a variety of reasons. We did not ask them to close the bases, they did that. Whatever has resulted from the closing of those bases I do not see how we can say it is our fault. They took the initiative on doing that, and of course they had the right to do what they did.

Nevertheless, ever since that time what has happened in the United States has been that the administration has been trying to take the embargo off and the Congress has been trying to keep it on.

We have had many votes in the Congress but—and let me point this out—we have not been intransigent. We have not been immovable in the Congress. We have sought to present constructive proposals, and this is one of them today which is now pending before the Members as an amendment. The United States has allowed, by congressional action and executive approval, arms to flow from the United States to Turkey. Since 1974 when this all started 4 years ago, there has been somewhere between $400 million and $600 million of arms going from the United States to Turkey. Just recently we gave them a 40-percent increase in the arms that would be available in any year. So it is not now a question of whether we have been inflexible; the Congress has not.

We are asked by the bill language lifting the embargo to turn our eyes and turn our back on our own principle. That is all. There is no other principle involved. The arms have been going to Turkey. Evidently that is not good enough to have Turkey fulfill its solemn NATO commitment. So the United States is being held hostage, as is Cyprus and NATO for no embargo and unlimited arms. In this bill for fiscal year 1979 the Members will find the same amount of money that is going to Turkey that existed under the present law. It may be that they are going to come down the pike next year or 2 years from now and say they need a lot more, but they are not saying it now but there seems to be no military emergency.

Against this backdrop we have had NATO meetings, European Community meetings. The Pentagon has met. We have had National Security Council meetings, Presidential review memos, the Department of State, generals, and the President has met with his advisers and many Members of Congress. Everybody has been calling on the United States to do what? I was surprised. I thought they were going to call for reciprocal action as a condition for unlimited U.S. arms. Instead we are told that the only way we can do anything is to lift the embargo.

However, the proponents of the language of the bill are quick to disclaim any promise for improvement or settlement. Of course, there is no way they can make that promise. There is just the hope—a hope for what? At least, in the amendment pending before the Members we say, All right, suspend the embargo ceiling for 1 year. To do what? To do what the parties have indicated they would consider. Let the citizens go back to Famagusta; put in a U.N. supervisory authority there for the administration; sit down and start talking. So the pending amendment proposes action for action.

The way it has been up to now, the United States gave action and got promises. The amendment before the Members offers action for action. I urge my colleagues to support the amendment.

The CHAIRMAN. The time of the gentleman has expired.

AMENDMENT OFFERED BY MR. WRIGHT TO THE AMENDMENT OFFERED BY MR. FASCELL

Mr. WRIGHT. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT to the amendment offered by Mr. FASCELL: In lieu of the section proposed to be inserted, insert the following section:

SEC. 16. (a) Section 620(x) of the Foreign Assistance Act of 1961 shall be of no further force and effect upon the President's determination and certification to the Congress that the resumption of full military cooperation with Turkey is in the national interest of the United States and in the interest of the North Atlantic Treaty Organization and that the Government of Turkey is acting in good faith to achieve a just and peaceful settlement of the Cyprus problem, the early peaceable return of refugees to their homes and properties, and continued removal of Turkish military troops from Cyprus, and the early serious resumption of inter-communal talks aimed at a just, negotiated settlement.

(b) The Foreign Assistance Act of 1961 is amended by inserting immediately after section 620B the following new section:

UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN

"SEC. 620C. (a) The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy. The Congress further declares that any action of the United States with respect to section 620(x) of this Act shall not signify a lessening of the United States commitment to a just solution to the conflict on Cyprus but is authorized in the expectation that this action will be conducive to achievement of a Cyprus solution and a general improvement in relations among Greece, Turkey and Cyprus and between those countries and the United States. The Congress finds that—

"(1) a just settlement on Cyprus must involve the establishment of a free and independent government on Cyprus and must guarantee that the human rights of all of the people of Cyprus are fully protected;

"(2) a just settlement on Cyprus must include the withdrawal of Turkish military forces from Cyprus;

"(3) the guidelines for inter-communal talks agreed to in Nicosia in February 1977 and the United Nations resolutions regarding Cyprus provide a sound basis for negotiation of a just settlement on Cyprus; and

"(4) the recent proposals by both Cypriot communities regarding the return of refugees to the city of New Famagusta (Varosha) constitute a positive step and the United States should actively support the efforts of the Secretary General of the United Nations with respect to this issue.

"(b) The Congress declares that United States policies in the Eastern Mediterranean region shall be consistent with the following principles:

"(1) The United States will accord full support and high priority to efforts, particularly those of the United Nations, to bring

about a prompt, peaceful settlement on Cyprus.

"(2) All defense articles furnished by the United States to countries in the Eastern Mediterranean region will be used only in accordance with the requirements of this Act, the Arms Export Control Act, and the agreements under which those defense articles were furnished.

"(3) The United States will furnish security assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes, including when necessary to enable the recipient country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization, and when furnishing that assistance is not inconsistent with the objective of a peaceful settlement among all concerned parties to the Cyprus problem.

"(4) The United States shall use its influence to insure the continuation of the ceasefire on Cyprus until an equitable negotiated settlement is reached, shall encourage all parties to avoid provocative actions, and shall oppose strongly any attempt to resolve disputes by force or the threat of force.

"(5) The United States shall use its influence to achieve the withdrawal of Turkish military forces from Cyprus in the context of a solution to the Cyprus problem.

"(c) Because progress toward a Cyprus settlement is a high priority of United States policy in the Eastern Mediterranean, the President and the Congress shall continually review that progress and shall determine United States policy in the region accordingly. To facilitate such a review the President shall, within 60 days after the date of enactment of this section and at the end of each succeeding 60-day period, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, a report on progress made toward the conclusion of a negotiated solution of the Cyprus problem. Such transmissions shall include any relevant reports prepared by the Secretary General of the United Nations for the Security Council.

"(d) In order to ensure that United States assistance is furnished consistent with the policies established in this section, the President shall, whenever requesting any funds for security assistance under this Act or the Arms Export Control Act for Greece and Turkey, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate his certification, with a full explanation thereof, that the furnishing of such assistance will be consistent with the principles set forth in paragraph (3) of subsection (b) of this section. The President shall also submit such a certification with any notification to the Congress, pursuant to section 36(b) of the Arms Export Control Act, of a proposed sale of defense articles of services to Greece or Turkey."

Mr. WRIGHT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ROSENTHAL. Mr. Chairman, reserving the right to object, and I really hesitate to object, but I really think in view of the enormity of the concern involved, I think it would be useful if this amendment were read.

Mr. WRIGHT. Mr. Chairman, I withdraw my request.

The CHAIRMAN. The gentleman from Texas (Mr. WRIGHT) withdraws his request to dispense with further reading. The Clerk will continue reading.

The Clerk concluded the reading of the amendment.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 5 additional minutes.)

The CHAIRMAN. The gentleman from Texas (Mr. WRIGHT) is recognized for 10 minutes in support of his amendment.

Mr. WRIGHT. Mr. Chairman, this amendment is not a perfect resolution of our present dilemma. It is merely the best that I could devise for our imperfect situation.

The problem we confront is the slow but dangerous unraveling of the Western Alliance. The situation was set in motion 4 years ago by two precipitate acts.

First, the Greek military junta entered Cyprus in force and deposed the independent government of that island. As so often happens, one wrong begot another.

The Turkish Government, concerned with the fate of Turkish Cypriots, invaded Cyprus, using American-supplied military equipment in contravention of our laws and of our agreements with their government.

Congress then imposed an embargo on any further arms shipments to Turkey. Along with a majority of our colleagues, I voted for that embargo.

Now 4 years have passed. The embargo has not produced a settlement on Cyprus. The southern flank of NATO has been weakened. The relations between Greece and Turkey have deteriorated. The relations of each to NATO have deteriorated. And our own position has deteriorated as a result.

Clearly something must be changed. We cannot change history. Perhaps we can change the future for the better. At least we owe it to the future to try.

This amendment is one such attempt. It would allow the President to lift the embargo if and when he finds that the Government of Turkey is acting in good faith to achieve a just and peaceful settlement of the Cyprus problem, the early peaceable return of refugees to their homes and properties, the continued removal of Turkish military forces from Cyprus, and the early serious resumption of talks aimed at a just negotiated settlement.

The amendment defines what we regard as constituting a just settlement. It declares that a just settlement must involve the establishment of a free and independent government on Cyprus, and that it must include the withdrawal of Turkish military forces from Cyprus. It suggests that the United Nations resolutions on Cyprus provide as sound basis for negotiating a just settlement.

The amendment further declares that all defense articles furnished by the United States to any country in the eastern Mediterranean must be used only in accordance with the requirements of the Arms Export Control Act, and that the United States will furnish security assistance for Greece and Turkey only when that assistance is intended solely for defensive purposes, and when furnishing such assistance is not inconsistent with the objective of a peaceful settlement among the concerned parties on Cyprus.

In addition, the amendment requires the President to report to the Congress every 60 days on progress made toward the conclusion of a negotiated settlement on Cyprus.

Beyond that, it requires him, whenever requesting funds for security assistance for Greece or Turkey under this act or the Arms Export Control Act, to certify that such assistance will be consistent with the principles set forth in this resolution.

The amendment by no means approves what was done by Turkey in 1974, nor does it permit any repetition of that wrong. It merely starts a fresh page on which Turkey and Greece together can right the wrongs of that early year.

President Carter believes that the Government of Turkey wants to redress those wrongs of its own volition, while retaining the dignity and self-respect of its people, and that it will do so if given the opportunity.

This amendment would provide that opportunity for a fresh beginning. I cannot assure the Members that enactment of this language will bring about a peaceful settlement on Cyprus. I do think it obvious that continuance of the present situation is not going to bring about a peaceful settlement on Cyprus or any other desirable result.

Throughout these last few days I have been engaged, along with several of my colleagues, including the gentleman from Indiana (Mr. BRADEMAS), the gentleman from Indiana (Mr. HAMILTON) and others, in an effort to work out some middle-ground solution. All of us have searched for a way to preserve the dignity and self-respect of our allies and friends in Turkey, who strove so gallantly and unswervingly alongside the U.S. forces in the Korean conflict. Surely they have demonstrated with their blood their friendship for this country and their commitment to the common defense of freedom.

At the same time, we want to give reassurance to our good friends in Greece, from which country we derive so much of our intellectual inheritance and democratic ideals, that we will not abandon them. All of us want to make it clear that we do indeed count a settlement on Cyprus among our top priorities, and that whatever we do is done in the expectation and in the hope that it will bring about that kind of a settlement.

We cannot afford to lose either of our friends on the southern flank of NATO. For that reason, I believe that we must open a new page, create a new beginning, offer a new opportunity.

This amendment, as I say, is not perfect. But it is the best I could devise. I believe it gives us an opportunity to say what we believe, to say what we expect, and to help both those countries find a resolution to that problem.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished chairman.

Mr. ZABLOCKI. I thank the distinguished majority leader for yielding.

Mr. Chairman, I want to take this opportunity to congratulate and commend the majority leader for bringing forth this amendment. I believe, Mr. Chairman, that the gentleman is much too modest in saying that it is not perfect. I believe that, in this very sensitive, emotionally charged issue, the gentleman from Texas has indeed presented an alternative for the committee and for the House to deal responsibly on this matter. I submit, Mr. Chairman, this amendment will serve as an incentive to help the parties to the conflict resolve the Cyprus question, to resolve the problems between Greece and Turkey, so that both of our great allies can again cooperate with the United States and fulfill their NATO obligations in that area of the world. This will insure that NATO will remain strong and viable in order to help support our own national security interest.

Four years have proven to us that there has been no progress on Cyprus. This amendment gives us the opportunity to change our policy. If we do that I am sure, as the President has predicted, that there will be progress on Cyprus.

Again, Mr. Chairman, I commend the majority leader for his amendment.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, I am sorry; I just came on the floor, although I was listening to the able gentleman's statement on the TV.

Is the able gentleman's amendment agreeable to the administration?

Mr. WRIGHT. I am told that the administration will support and implement every requirement contained in this amendment.

Mr. PEPPER. Mr. Chairman, I thank the gentleman.

Mr. TSONGAS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Massachusetts.

Mr. TSONGAS. Mr. Chairman, I thank the distinguished majority leader for yielding.

I hate to be on the opposite side of this particular issue.

However, let me ask two questions: First, in the body of the amendment, there is a section (b)(3), and I quote:

> The United States will furnish security assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes . . .

Is the gentleman not concerned that inasmuch as that agreement has already been breached; that is, American arms have been used for nondefensive purposes, that he will have no assurance that his amendment to this legislation will have more impact than what took place 4 years ago?

Mr. WRIGHT. The gentleman is aware that I cannot give him any absolute assurance. I wish I could.

I can assure the gentleman, however, that a continuously stalemated situation will not produce a desirable result. What we did 4 years ago did not produce the result we sought.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(On request of Mr. TSONGAS and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. Mr. Chairman, I think it likely that the Government of Turkey, realizing how seriously we took its offense against this agreement with us in 1974, would not undertake a repetition of that infraction. I am advised that the Government of Turkey wants very much to create a settlement of this situation.

As is true with almost any country, there is an element of pride involved. It is believed by those who are closest to the situation that the Government of Turkey, earnestly desiring to settle this problem, will do so with greater alacrity if the United States is not holding a club over its head.

I am willing to give it that opportunity.

Mr. TSONGAS. If the gentleman will yield further, without raising the obvious issue of the pride of another country which is involved, why would not the majority leader, acknowledging that there are no assurances that peace will be achieved, look favorably, then, upon the amendment of the gentleman from Florida (Mr. FASCELL), which, in essence, is the quid-pro-quo approach that Texas is so famous for in politics.

Mr. WRIGHT. Without making any reference to the gentleman's appraisal of Texas political habits, in the present instance I think perhaps what is called for is a magnanimous gesture. We do not condone and by no means approve what has been done in the past. We simply give that party an opportunity for a fresh beginning. If the President certifies to us that that party is acting in good faith and wants a fresh start, and is acting to settle the Cyprus issue in a fair and just manner, and wants to work more closely with us and with Greece in NATO, and is willing now to comply with our laws and with the agreements governing our trade with them in military equipment, I believe is worth a try.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the last word.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I think as I look at the two amendments which are now before us, I would direct the Members' attention particularly to the language of the amendment which has just been offered by the distinguished majority leader. The most significant, operative language in the so-called Wright amendment is that the President's determination, which would be called for under his amendment, must be, first of all, with respect to the issue or the fact that the resumption of full military cooperation with Turkey is in the national interest of the United States and in the interest of the North Atlantic Treaty Organization.

Mr. Chairman, I would suggest to the Members of this House this afternoon that it is not a question of whether our sympathies lie with the gallant Greek people who have so recently overthrown the yoke of a cruel dictatorship or whether they lie with the Turks, who have heroically acquitted themselves in battle in Korea.

The issue is the security of the United States and the future of the North Atlantic Treaty Organization. It is for that reason, and that reason alone, that I come down this afternoon on the side represented by the majority leader. Incidentally, I am thankful that a member of the leadership on this side of the aisle has finally taken the well to point out the responsibility we carry, whether we are Republicans or Democrats, of supporting the Commander in Chief, the President of the United States. I am astonished that it has taken this long for that kind of appeal to come from the majority side of the aisle. I supported the President of the United States when he was a Republican on this issue; I support the President of the United States when he is a Democrat, as he is in this particular hour.

I realize that the American embargo of arms to Turkey was originally intended by many in the Congress as an expression of morality in foreign policy. It was intended as an action that would stand in sharp contrast to the realpolitik that they said had been practiced under a prior administration. The argument went on to say that after all, if even an important ally could be held accountable for its misuse of American supplies and arms, our Nation might be seen again as one of laws and not men—and this was an especially appealing thought, I would concede, particularly in the summer and the fall of 1974 when we had fresh in our minds the memory of Watergate.

But, high minded though that appears, in my opinion the embargo has turned out to have had the opposite effect, and it increasingly has been taken to symbolize nothing so much as a political and even a petty approach to foreign policy. Despite the legal and the ethical and the philosophical arguments that have been advanced to justify the embargo and American policy, unfairly or not, this has been the assessment in the eyes of every one of our NATO partners except Greece. It has been the assessment, I think, in the world at large, that American policy has come to be seen as deliberately tilting toward Greece and against Turkey, rather than toward good and against evil.

I would suggest that that is no great accomplishment, that what we ought to be concerned about this afternoon, as I said yesterday afternoon when I addressed this issue, is that this country is tilting toward a peaceful solution of this age-old problem, not toward one or the other of the protagonists.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I favor raising the embargo against Turkey, not because I favor the Turks over the

Greeks, nor because I justify Turkish actions in Cyprus. I do not want to see that unhappy island partitioned, and that becomes more probable with each passing month. I want to see our country exerting maximum pressure on Turkey to withdraw from Cyprus, and some flexibility for the President with respect to Turkish arms will permit him to exert a type of pressure not now available to him. A strong NATO is in the interests of both Turkey and Greece, and NATO is being eroded on the southern flank by the continued impasse.

I also believe, Mr. Chairman, that the Caramanlis government provides the best leadership Greece has had in recent years, and that early resolution of the Cyprus dispute will remove a polarizing threat to his leadership of the greatest peril.

The congressional embargo of Turkey has not worked. We had better find a better tool to repair matters in this critical part of the world, in the interests of not only the two antagonists, but in the interest of NATO and this country.

Mr. BROOMFIELD. Mr. Chairman, I yield further to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I thank the gentleman from New York (Mr. CONABLE) for his contribution. Let me say before my time has expired, Mr. Chairman, that in truth it has never been possible to paint this issue in stark moral terms. The Greek and the Turkish peoples are both great nations, great civilizations. Their respective nations represent thriving democracies and distinguished civilizations. They are both valuable friends and allies, and both of the communities, both the Turkish Cypriots and the Greek Cypriots, have suffered terribly in the long and troubled history of Cyprus. The feuding of the two goes back far enough at this point that it is almost self-perpetuating, it seems to me, and probably useless to try to assess blame.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. BROOMFIELD was allowed to proceed for 5 additional minutes.)

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I will be glad to yield to the distinguished gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I rejoice that the distinguished gentleman from Illinois (Mr. ANDERSON) has taken the well to give his great weight and prestige to this cause, just as I rejoice that the gentleman from Texas (Mr. WRIGHT), the distinguished majority leader, has done so as well. To me, this issue embodied in the Turkish arms embargo towers over any partisan considerations, and the action of Mr. ANDERSON and Mr. WRIGHT has served to elevate the debate above the usual partisanship.

Mr. Chairman, I congratulate them both.

Mr. ANDERSON of Illinois. Mr. Chairman, let me quickly make one or two additional points and then I shall endeavor to yield to those who seek time.

I would point out that if it is true that American arms were not used strictly for purposes of self-defense, as our law clearly required, neither is it clear to me how strictly Congress intended the law to be applied when that language was first placed in the law, and neither is it clear to me how strictly Congress intends that test to be applied in the future.

I would point out, as others have done, that we at least tacitly have in the past given our approval to such violations as the large-scale Israeli action in Lebanon, and the Portuguese action in Timor, and the occupation of the Spanish Sahara, and there are a score of other such instances that could be cited for further documentation of that point.

In other words, the situation is complex and it cannot so casily be seen in the terms of black and white that I think some of the protagonists of the amendment offered by the gentleman from Florida (Mr. FASCELL) would seek to make it.

The lesson from all of this simply ought to be, Mr. Chairman, that if the United States is going to take sides in a delicate foreign dispute—and clearly under the language of the present embargo we are taking sides in that kind of dispute—it is something that is going to have enormous implications not only for the quarreling parties but for our relationships with them as well. And who would say that we have benefited in our relationships with either the Greeks or the Turks as a result of the imposition of the embargo in February 1975?

I think what is clear in the present situation is that it can have adverse consequences for the United States in its relationships with both parties.

I am afraid the evidence is all too ample that the embargo has seriously eroded the eastern flank of NATO at a time when a worrisome buildup of Soviet strength in that part of the world continues and just at a time when this President, as the President before him, and the Congress seem to think that the American contribution to NATO needs to be bolstered.

I would retreat from everything that I have said this afternoon if I felt that with respect to Cyprus the perception we have had of this problem and the action we had taken had served somehow to break the tragic impasse that has existed there ever since 1974. But instead we see the very opposite. We see that Turkey's position has only strengthened as its pride has felt affronted, and in this respect the Turks are not really so much different from other sovereign peoples of the world.

And as for my friends in the Greek community, and they are numerous, it is certainly to be devoutly hoped we have not caused them in this instance such dependence on our support as to constrain their own diplomatic flexibility because, as is true in the Middle East, solutions ultimately lie in the direct negotiations of the contending parties. We simply cannot, with the language in the so-called Fascell amendment, dictate the terms of a settlement between the Greeks and the Turks and expect that to be a lasting and permanent settlement. That is the real vice, I think, of the position taken in well-meaning and well-intentioned terms, I am sure, by the author of that amendment.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. I do not think the Fascell amendment imposes a settlement on Greece or Turkey. It imposes conditions upon suspending the law.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. BROOMFIELD) has expired.

(By unanimous consent, Mr. BROOMFIELD was allowed to proceed for 5 additional minutes.)

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. I thank my friend for yielding. The conditions of the Fascell amendment do not go to a settlement of the dispute, they go to the conditions upon which we are going to waive a statute of these United States of America. I think that that is a very important item. I would submit that the compromise, the so-called Wright compromise is not unlike substituting a humming bird for a turkey with its wings cut off.

Mr. ANDERSON of Illinois. Mr. Chairman, if the gentleman will yield further, I would suggest that the language of the Wright amendment, if the gentleman will allow me to read it, does not call for an unconditional lifting of the arms embargo.

Mr. JOHN L. BURTON. It absolutely does.

Mr. ANDERSON of Illinois. I would beg the gentleman to refer to the language like it is.

Mr. JOHN L. BURTON. Like what?

Mr. ANDERSON of Illinois. It says the President must make a determination, he must make a certification.

Mr. JOHN L. BURTON. That is the present law.

Mr. ANDERSON of Illinois. That is putting upon him a solemn and very heavy responsibility.

Mr. JOHN L. BURTON. Such as what?

Mr. ANDERSON of Illinois. He has to certify, and I read, he must certify that the Government of Turkey is acting in good faith to achieve a just and peaceful settlement of the Cyprus problem.

Further, that one of the components——

Mr. JOHN L. BURTON. Mr. Chairman, if the gentleman will yield?

Mr. ANDERSON of Illinois. Mr. Chairman, may I have order, and be permitted to be heard and then I will yield.

Mr. JOHN L. BURTON. I will be glad to give the gentleman an additional 5 minutes.

Mr. ANDERSON of Illinois. One of the components of that determination that must be made is that it provides for the early peaceable return of refugees to their homes and their properties.

Why is it that the gentleman does not want to give to a Democrat elected President, the leader of his party, the kind of flexibility that all Presidents ought to have?

Mr. JOHN L. BURTON. Because I serve the people of the United States, and what I thought was right for a Republican President is right for a Democratic President. We are speaking of the law of the country. We are a society of laws and not men. And I do not care what party the person in the White House is affiliated with, we in the Congress have the responsibility to uphold the laws of this Nation, and not make this a partisan view on a number of these specific issues.

Mr. ANDERSON of Illinois. The gentleman obviously has closed his ears completely. He has closed his ears completely to everything that I have been saying in the remarks I made earlier. I pointed out very clearly that this is not a partisan issue. I stood in the well of the House and I supported a Republican President even as I support the present occupant of the White House. For the gentleman to try on my time, or on anyone's time, to convert the Members to the idea that this policy issue is a partisan political issue is wrong.

Mr. JOHN L. BURTON. The gentleman was the one who made it partisan.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I will yield to the gentleman from Illinois if I have the time.

The CHAIRMAN. The Chair will state that the gentleman from Michigan has control of the time.

Mr. BROOMFIELD. I yield to the gentleman from Illinois, the other gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Does the gentleman yield so that I may ask a nonprovocative question of the gentleman from Illinois (Mr. ANDERSON)?

Mr. BROOMFIELD. I so yield.

Mr. DERWINSKI. Mr. Chairman, I would appreciate if the gentleman from Illinois will look at the Wright amendment, that he supports, and I presume the gentleman did not have much time to see it before he wrote his speech in favor of it—if he could tell us just what meaningful steps under that Wright amendment could be taken to facilitate the settlement of the continuing problems on Cyprus such as occupation troops, refugees, things of that nature?

Mr. ANDERSON of Illinois. If the gentleman in control of the time, the gentleman from Michigan (Mr. BROOMFIELD) will yield to me, I will be pleased to try to respond, even at the risk, I think, of appearing to be somewhat repetitious.

Mr. BROOMFIELD. I will be glad to yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. As I say, at the risk of appearing to be somewhat repetitious in the responses that I make, I believe that the drafter of the amendment has incorporated the most significant elements of what would be a reasonable and just settlement of the present dispute.

Let me say parenthetically that no one grieves more than I, no one in the House grieves more than I about the tragic thing that happened to the 200,000 refugees who were driven from their homes after the invasion of 1974. But when you require the President of the United States to solemnly determine and to certify to this Congress that the Government of Turkey is, first of all, acting in good faith to achieve a settlement, second, that that settlement incorporates the essential, the absolutely essential ingredient of the early peaceable return of refugees to their homes and properties, and, third, that it incorporates the continued removal of Turkish military troops from Cyprus and, finally, the serious resumption of intercommunal talks, those are, I think, the four basic elements of what would be a lasting and true settlement.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BRADEMAS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Wright amendment to the Fascell amendment and in support of the Fascell amendment.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Before the gentleman from Indiana (Mr. BRADEMAS) is recognized, the Chair would like to remind all the persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of the proceedings is in violation of the rules of the House.

We are happy to have you here and glad that you can witness this debate, but you must constrain yourself as to any manifestation of support or disapproval of the debate that is proceeding on the floor.

The Chair recognizes the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Chairman, we have heard this afternon about tilting toward either Greece or Turkey, but that is not what this debate is all about. There ought to be only one tilt, and that tilt is toward the principles of the people of the United States and the enforcement of the laws of our land. That is what the fundamental issue at stake here is.

It has also been said in debate earlier that this issue ought not to be a partisan matter. I agree. I opposed the position of a Republican President of the United States on the embargo issue, and today I oppose the position of a Democratic President of the United States on this issue because I think that in principle both Presidents were, are, wrong. I would say further to my friends on both sides of the aisle that I opposed the policy of a Democratic President of the United States in wanting to send U.S. arms to the Greek military dictatorship, and I opposed the policy of a Republican President of the United States in wanting to send U.S. arms to the Greek military dictatorship because I thought in principle that it was wrong for either President to have taken that position. So let us take some of the partisanship out of this.

Mr. Chairman, we are talking here about the fundamental values of the people of the United States, the fundamental principles of our country, the fundamental principles of our foreign policy. And one of the principles, which has been incarnated into the laws of our land, is this, that arms supplies by the United States to other countries must not be used for aggressive purposes.

I am not here going to recite the history of the tragedy that brings us here. We know that we have been at an impasse on this matter, but I would remind the Members that Mr. Carter in his campaign expressly linked a resumption of a full arms relationship to the Government of Turkey with a just settlement of Cyprus, and the President said in his campaign, and I quote:

> We would be negligent of the moral issues and courting longer range disaster if we fail to couple the improvement in relations with Turkey with increased fair progress on the Cyprus issue.

Mr. Chairman, the language contained in the amendment offered by the gentleman from Florida (Mr. FASCELL) would implement the promise of Mr. Carter in the campaign. The amendment provides a quid for a quo. But the language in the committee bill—and I am distressed to report the language in the amendment offered by my valued friend and close colleague, the gentleman from Texas, Mr. WRIGHT—goes in just the other direction. His amendment completely lifts the embargo—completely lifts the embargo—without requiring that the Government of Turkey take any steps at all on Cyprus. That is bad diplomacy; it is bad in principle for the people of the United States; and it is particularly bad, Mr. Chairman, in a situation in which there is almost general agreement that the Government of Turkey violated U.S. laws and its bilateral agreements with us. Such an amendment is bad when human rights continue to be violated on the island of Cyprus, with a third of the people of that country driven into refugee status, and with that country occupied by foreign troops equipped with American arms. And the amendment is particularly bad in view of the fact that the Government of Turkey has not moved 1 inch toward a just solution.

Mr. Chairman, the amendment offered by the gentleman from Florida (Mr. FASCELL) will move us toward a solution, and it will do so based on several factors. First of all, the Fascell amendment is based on a proposal that was originally put forth by the Turkish Cypriot leaders to allow Greek Cypriots to go back to Varosha. That is a little like allowing people to go back to Capitol Hill rather than to the District of Columbia. What the amendment offered by the gentleman from Florida (Mr. FASCELL) would, by comparison, be to say that people can go back to their homes and properties in the city of Famagusta, in effect, to the District of Columbia.

Second, the Fascell amendment would require that the United Nations supervise the administration of the municipality of Famagusta, a proposal that was also contained, though running to the smaller part of the city, Varosha, in the Turkish Cypriot proposal.

Third, there would be a requirement that intercommunal talks between the two disputing parties resume.

But, to reiterate, Mr. Chairman, our amendment, which I strongly support—the Fascell amendment—requires, Mr. Chairman, that there be action by Turkey, not just promises.

I have dealt with my good friend, the gentleman from Texas (Mr. WRIGHT) on many occasions. He is a most effective legislator, and I have rarely seen him agree to action in exchange for a promise. He usually wants a quid for a quo, action for action.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent, Mr. BRADEMAS was allowed to proceed for 5 additional minutes.)

Mr. BRADEMAS. Mr. Chairman, sensible diplomacy, prudent diplomacy, diplomacy that is in our national interest, requires action for action, not action for promises.

Moreover, the Fascell amendment would provide that the intercommunal talks that would be required to be resumed would be based on a U.N. General Assembly resolution which was voted for by the Governments of Cyprus, Greece, and Turkey.

Moreover, Mr. Chairman, it is a resolution passed by the U.N. General Assembly which was explicitly endorsed by Jimmy Carter in his campaign. This is what Mr. Carter said:

> The lack of progress on Cyprus is disappointing and dangerous. Peace must be based upon the U.N. General Assembly Resolution 3212 of November 1, 1974, endorsed by Cyprus, Greece and Turkey.

So the amendment of the gentleman from Florida (Mr. FASCELL) has the further argument of having had the commitment of the President of the United States to an important ingredient of the amendment.

Now, where are we now, Mr. Chairman? The Senate has voted complete repeal of the embargo without any conditions whatsoever. If we were to adopt the amendment offered by the gentleman from Florida (Mr. FASCELL), a quid pro quo amendment, it would be possible for the Department of State to do that which it has not yet, in my judgment, made a serious effort to do—and I have followed this matter very closely—effectively persuade the Government of Turkey to take such concrete steps on Cyprus as would enable us in good conscience to repeal the embargo.

Moreover, under the Fascell amendment, the Turks get action. The embargo is repealed for 1 year, Turkey will get arms. But Turkey must do something, something concrete.

Let us look at the substitute amendment of the gentleman from Texas (Mr. WRIGHT). I reiterate, the gentleman from Texas is my beloved friend and colleague. As a matter of fact, the gentleman from Texas (Mr. WRIGHT), and I commend the gentleman for his initiative in this respect, and I worked closely together last week to put together the amendment which is now being offered by the gentleman from Florida (Mr. FASCELL).

Now the gentleman from Texas (Mr. WRIGHT) said of his own amendment that it was "not perfect." The gentleman is correct in this assessment. It is not. The gentleman from Texas spoke of the need for a "magnanimous" gesture on the part of the Government of the United States.

Mr. Chairman, we have made magnanimous gestures. The Government of Turkey has already been receiving hundreds of millions of dollars in arms from the Government of the United States. We allowed a 40-percent increase in foreign military sales from the last fiscal year to this one.

And what did the Government of Turkey do in response to that action? Nothing. Turkey did not move 1 inch on the island of Cyprus.

When the President of the United States reversed his publicly stated policy linking the resumption of arms to Turkey with a just settlement on Cyprus, what did the Government of Turkey do in response to that magnanimous gesture? Nothing. They moved not 1 inch.

The amendment offered by the gentleman from Texas (Mr. WRIGHT), though couched in rather grandiloquent prose, requires not one step, not one concrete action on the part of the Government of Turkey. Rather, the amendment constitutes, despite its use of the word "suspension", because the amendment contains no limit of time, an unconditional, outright repeal of the embargo, which is not seriously modified in any way. The amendment offered by Mr. WRIGHT requires no action whatever from Turkey.

Mr. Chairman, I would remind Members that reference has been made to the initial paragraph of the amendment of the gentleman from Texas, which provides that the President may suspend on his determination and certification to the Congress that the Government of Turkey is acting in good faith—is acting in good faith, whatever that means—to achieve a just and peaceful settlement of the Cyprus problem, including the early peaceable return of refugees, and so on.

I would remind Members that the President of the United States could today say "yes" to that language. Why? Because when officials of the Department of State announced the Turkish-Cypriot offer on which the amendment offered by the gentleman from Florida (Mr. FASCELL) is based, they said this—and I quote from that statement of the Department of State—

> We consider this new offer to be a positive and forthcoming step on the part of the Turkish Cypriots, and a clear indication of their desire to be conciliatory and to negotiate in earnest towards a just and enduring solution of the Cyprus problem. It should facilitate an early resumption of intercommunal negotiations.

So, Mr. Chairman, the administration has already in effect agreed to the kind of judgment that the Wright amendment provides.

The Wright amendment places no limits whatsoever, no restrictions whatsoever, on Turkey's capacity to transfer additional arms to Cyprus or to ignore the cease-fire.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. BRADEMAS) has expired.

(By unanimous consent, Mr. BRADEMAS was allowed to proceed for 3 additional minutes.)

Mr. BRADEMAS. Mr. Chairman, the amendment places no restrictions on the President's ability to sell arms to Turkey beyond the formality of his certifying to Congress that he believes that the Turks are acting in good faith—not "have acted," which is what the Fascell amendment requires, but "are acting."

Mr. Chairman, I have discussed the substitute in such detail because I think it is very important that Members of this body not be beguiled into thinking that the Wright amendment gives assurance that there will be any Turkish action whatsoever on the island of Cyprus. What the Wright amendment means is complete repeal of the embargo and no action at all. The Fascell amendment means a 1-year repeal of the embargo on American arms flowing to Turkey in exchange for modest action in the city of Famagusta and an assurance that there will be a resumption of intercommunal talks.

Mr. Chairman, I hope very much that the Members of this body will not vote like Democrats, not vote like Republicans, but that we will vote like good Americans, and that we will vote to uphold the principles of our country and to uphold the laws of our land.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I oppose the administration's proposal to lift the embargo on military sales and assistance to Turkey. As the President himself has noted, this is one of the most crucial foreign policy issues to be discussed by the 95th Congress, and I would like to explain to my colleagues why I consider maintenance of the embargo essential.

Congress imposed a broad ban on weapons sales and grants to Turkey in February after Turkish troops invaded Cyprus. The House and Senate acted wisely then since Turkey had used U.S.-supplied arms during its invasion in direct contradiction of the terms of the weapons transfer.

The provisions of the embargo were subsequently modified to permit certain deliveries of armaments to Turkey. These are considered by many military analysts to be sufficient to insure Turkey's role as an adequately supplied participant in NATO.

Imposition of the embargo has not jeopardized our national interests, either directly or through NATO. Instead, it showed that recipients of U.S. weapons must abide by prohibitions against the offensive use of these arms or face meaningful sanctions.

In addition, the embargo was intended to encourage good-faith bargaining by

Turkey with Greece on the Cyprus question.

Turkey has refused to negotiate seriously during the past 3½ years. Should we now reward the Ankara Government for its intransigence by repealing the embargo? Or should we continue to insist that Turkey withdraw its troops from the 40 percent of Cyprus it now occupies and back up this demand with an arms embargo that clearly indicates to Turkey our displeasure?

The administration contends that Turkish concessions over Cyprus will be more readily forthcoming through a U.S. decision to reinstitute arms shipments.

Mr. Chairman, I submit that the opposite scenario is more likely to unfold if we rescind the embargo. Vague pledges by Turkey of eventual withdrawal from Cyprus are not an acceptable substitute for tangible movement in the direction of a peace settlement. The arms embargo is the major lever possessed at this point by the United States to persuade Turkey to translate its stated intentions into actual policy.

Maintenance of the embargo will likewise be consistent with the President's own pronouncements on restraining the international weapons trade, particularly in those areas of the world seriously threatened by outbreaks of violence. And since Turkey has a less than satisfactory human rights record, congressional rejection of the proposal to end the embargo would also coincide with the President's commendable initiatives in encouraging greater human freedom in those nations linked to the United States through trade.

Terminating the embargo would, on the other hand, clearly imply a weakening of United States-Greek relations. Greece has acted responsibly and consistently throughout its talks with Turkey to achieve a just and lasting settlement on Cyprus. Moving to equip Turkey with weaponry that could again be used on Cyprus seems a most curious way of rewarding Greece for its peace initiatives.

For all these reasons, I believe the House can best serve our national interests, the cause of peace on Cyprus and our NATO alliances by voting to continue the arms embargo against Turkey. We must have more than empty promises from Ankara before renewing weapons shipments. We must obtain a firm and irreversible pledge of full withdrawal by Turkey from the land it has illegally occupied.

I urge my colleagues to vote to maintain the embargo.

Mr. WEISS. Mr. Chairman, I would like to commend the gentleman from Indiana (Mr. BRADEMAS) for the clarity, the logic, and the eloquence of his presentation. I want to associate myself fully with his remarks.

Mr. BRADEMAS. Mr. Chairman, I thank the gentleman.

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. Yes, of course, I yield to the gentleman from Illinois.

Mr. RUSSO. Mr. Chairman, I thank the gentleman for yielding.

I also want to compliment the gentleman from Indiana (Mr. BRADEMAS) for his statement.

I would like to ask the gentleman this question: I wonder if he could indicate to this body what is meant by the "early peaceable return of refugees" or the "early serious resumption" of talks as set forth in the Wright substitute.

We know that when we draft legislative language, there are specific meanings and reasons why we do it. Could the gentleman indicate what "early peaceable return" means and what generally is meant by the Wright substitute?

Mr. BRADEMAS. Mr. Chairman, I am not in a position to explain the amendment because I, too, find it difficult to describe with any certitude what it means. There is no date involved by which action is required, and there is no requirement that an action has actually been performed; rather, the amendment contains nothing but the expression of a hope, for the operative language is that the President certify that Turkey is acting in good faith to achieve a just and peaceful settlement, and so on.

But as I have already indicated, the executive branch of this Government has already said that the Government of Turkey is acting in good faith, so no additional action, it would seem to me, would be required under the Wright amendment.

Mr. RUSSO. Mr. Chairman, under the present law, if the President feels there is good faith action and compliance with the Foreign Assistance Act of 1961, which has specific language and which has legislative history, he could certify what is necessary, and that would lift the embargo that we imposed, instead of having the provision included in the language of this amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Wright amendment.

Mr. Chairman, the gentleman from Indiana very properly and eloquently made his point. If there is any objectivity left in the minds of the Members, I have no doubt how this vote will go. But let me sum up some of these points and emphasize what I think are the key issues here.

I have in my hands a news release issued by the Jimmy Carter-Walter Mondale campaign, Thursday, September 16, 1976, which I consider a very profound and meaningful document. It addressed the subject of Cyprus and, specifically, as the gentleman from Indiana noted, it supported the U.N. Resolution 3212 which was endorsed by Cyprus, Greece, and Turkey. Here is what that resolution calls for, and I quote. It calls for, among other things—

> The removal of all foreign military forces from Cyprus. The widely reported increase in colonization of Cyprus by Turkish military and civilian forces should cease. Greek-Cypriot refugees should be allowed to return to their homes.

We have before us the so-called Wright substitute. What is the Wright substitute? The Wright substitute indicates there is a U.S. policy towards the eastern Mediterranean, and then it goes on and it states that, because progress toward a Cyprus settlement is a high priority, the President and the Congress shall continually review the situation, and to facilitate such a review the President shall report to the Congress every 60 days.

Everyone who has spoken, regardless of their position on this issue, agrees that this is a complex problem. And I ask the Members this question: How do you solve as complex a problem as we have on Cyprus by the Wright substitute, which merely calls for a report every 60 days by the President to the Congress?

But let me get to the virtues of the Fascell substitute. The Fascell substitute provides that the Government of Turkey remove its troops from Famagusta and allow the inhabitants of the city to return to their homes and properties.

It further calls for the city of Famagusta to be administered under the auspices of the U.N., and then it calls for the resumption of intercommunal talks.

That is totally consistent with the U.N. resolution which the President supported 2 years ago. So I suggest to those Members who appreciate that Mr. Carter has this monstrous problem, that the way to support Mr. Carter is to support the Fascell amendment. I suggest to those Republicans who used to shed crocodile tears when President Ford's hands were tied by the actions of the preceding Congress in the Ford administration that they understand that two wrongs do not make a right—JIM WRIGHT, that is—and that they understand that if they accept the Fascell amendment they give the President 1 year of flexibility, to give the Turks 1 year to meet the conditions of the U.N. resolution which they voted for.

This seems to me to be as diplomatic and solid a position as Congress has been in in the 4 years we have debated the Cyprus question.

Many speakers make the same error. They keep speaking of Greece and Turkey as if this is a battle between Greece and Turkey. It is much more than that. The real issue here is the sovereignty of Cyprus. Cyprus is not a part of Greece or Turkey. Cyprus is an independent country that finds itself with 40 percent of its territory occupied by a foreign military force equipped with U.S. arms. That is the fact we face.

This does create problems with NATO. It does create problems in the eastern Mediterranean. But the real issue here is the sovereign rights of the people of Cyprus.

The only thing before us that will advance the sovereign rights of the people of Cyrus is the Fascell amendment.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(By unanimous consent, Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Missouri.

Mr. SKELTON. I thank the gentleman for yielding.

Mr. Chairman, I will have to agree with the gentleman that this is a complicated

issue. However, underlying this issue, as in all issues before us, is not the national security of this country and the security of our allies, such as the NATO allies, an underlying matter? Is that not correct, sir?

Mr. DERWINSKI. That is correct.

Mr. SKELTON. Is it not correct that Turkey, even when the arms embargo was imposed some 4 years ago, did not withdraw from the military arm of NATO? Is that not correct?

Mr. DERWINSKI. That is correct.

If the gentleman will yield further, Mr. Chairman, was there not a country that did withdraw from the military arm of NATO?

Mr. DERWINSKI. I think the gentleman wants me to say Greece.

Mr. SKELTON. That is correct.

Mr. DERWINSKI. The decision of Greece to withdraw from the military arm of NATO was a tactical decision made by the new government which arose after the junta was overthrown. Everyone understands that the real commitment of Greece is maintained in NATO facilities which we still utilize. Therefore, in practical terms, the Greeks are as cooperative as possible.

Mr. SKELTON. I might say to my friend and colleague that is it not true that our relationships and our use of NATO bases have been damaged in our relations with Turkey? Is that not correct?

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(On request of Mr. GILMAN and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the distinguished gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Fascell, Brademas, Rosenthal, Derwinski compromise amendment which suspends the arms embargo on Turkey for 1 year.

I commend the gentlemen for their attempt to seek a reasonable compromise solution of the Turkish arms question.

The Fascell, Brademas, Rosenthal, Derwinski compromise amendment is based upon proposals by Mr. Denktash, the Turkish Cypriot leader, who on July 20 issued a statement on Varosha, calling for:

Withdrawal of troops from Famagusta.

Establishment of an interim U.N. city administration.

That the Greek Cypriots' refugees could return to their homes as soon as the intercommunal talks are reconvened.

Accordingly, the Fascell amendment is not only an acknowledgement of the Turkish-Cypriot offer, but represents a new initiative in trying to bring the parties together in resolving this thorny issue.

In 1975, the Congress of the United States imposed the current arms embargo against Turkey in response to that nation's violation of U.S. law by using U.S.-supplied weapons to invade and occupy Cyprus. Since the imposition of this embargo, the Congress has acted on many occasions in good faith to help bring about a settlement of the Cyprus crisis.

In October 1975, the Congress voted to partially lift the embargo to encourage action by Turkey. In April 1976, the Congress authorized $125 million in foreign military sales to Turkey. In May 1976, the Congress added an additional $125 million for fiscal year 1977. In April 1977, the Congress increased the level of foreign military sales to Turkey by 40 percent to $175 million for fiscal year 1978. All together, Turkey has received some $600 million in U.S. military assistance since the imposition of the embargo. Unfortunately, the violation of law which required the embargo in the first place still exists.

Despite numerous overtures over the years by both the executive and legislative branches of the U.S. Government, Turkish troops still occupy the same amount of Cypriot territory as they did when the embargo was enacted. By totally removing the only leverage point we have remaining; namely, the embargo, we will lose whatever chance that exists to help insure that the rights of all citizens of Cyprus—Turkish as well as Greek—are protected and respected. Even more importantly, we will render all respect for our system of laws a damaging, perhaps fatal, blow. We cannot render the integrity of this institution to the whims of expediency.

The bill before us, as currently drafted, calls for the complete and unconditional lifting of the arms embargo. The Fascell, Brademas, Rosenthal, Derwinski compromise amendment offers for the first time a reasonable proposal with specific requirements and rewards to help resolve the arms embargo question. This amendment will permit the President to suspend the embargo for 1 year in exchange for Turkish actions along the lines of the recent Turkish-Cypriot proposals. This approach would provide the new initiative necessary to break the deadlock on Cyprus.

Accordingly, I urge my colleagues to fully support this amendment. It is a sound initiative which hopefully will lead to peace on Cyprus.

Mr. DERWINSKI. I appreciate the support of the gentleman from New York (Mr. GILMAN), particularly because of my respect for his leadership in international relations. Again I think we should emphasize, Mr. Chairman, that the Fascell amendment, which is going to be the key vote, is the one that is consistent with the policy of the President, one that happens to be consistent with the public pronouncement of the Turkish Cypriots, and one which supports the sovereignty of the people of the Government of Cyprus.

Therefore, Mr. Chairman, I urge support for the Fascell amendment.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Fascell amendment and in support of the Wright amendment.

Mr. Chairman, and my colleagues in the House, this is one of the most important votes we will cast, not only in this session but, for many of us, in the course of our congressional career.

We have reached a crossroad in our relationship with Turkey, a proud and independent nation, which is one of the most important participants in the Western Alliance, and a bulwark of the southern flank of NATO.

Mr. Chairman, if the embargo is not lifted now, I think it is fair to say that an irreversible deterioration in our relationship with Turkey will set in, and that this will have corrosive consequences, not only on our bilateral relationship with Turkey, and on the prospects for progress on Cyprus, but on the viability of the critical southern flank of NATO as well.

Mr. Chairman, we have before us today two amendments, the Fascell amendment and the Wright amendment.

The Fascell amendment purports to be a compromise solution to this very difficult question, but it is, in reality, no compromise at all.

First of all, the Fascell amendment provides that the embargo will be suspended for 1 year if the Turks are prepared to withdraw their troops from Famagusta and to permit the refugees to return thereto. The fact of the matter is that the Turks have already offered to withdraw their forces from New Famagusta and to permit up to 35,000 Greek Cypriot refugees to return to that part of the city.

Yet, the Fascell amendment would not only require the Turks to withdraw their troops from New Famagusta, it would also require them to withdraw their troops from Old Famagusta, from which there were practically no Greek Cypriot refugees and where Turkish troops are needed in order to protect the Turkish Cypriot residents of that part of the city. In that sense, the Fascell amendment establishes conditions which will not only be unacceptable to the Turks, but which have not even been asked for by the Greeks.

But, most important, the Fascell amendment, instead of lifting the embargo once and for all, would only suspend it for 1 year, and even if Turkey complied with each and every one of the conditions in the Fascell amendment, at the end of that year the embargo would automatically be reimposed. This, I would submit, is a formula, not for political progress, but for political paralysis on Cyprus.

After 3½ years, if there is anything that is, and should be, clear to all Members of this House and to the people of the country, it is that Turkey will not yield and will not make the kind of ultimate concessions which will be necessary for an agreement under the threat of a continued American embargo. And so long as the embargo continues to hang over the heads of the Turks, as it will if we adopt the Fascell amendment, the

chances are that there will be literally no significant progress on Cyprus whatsoever.

What is really at stake here, the question that we have to ask ourselves today, is whether we are likely to have more influence with the Turks if we lift the embargo, or if we do not. After 3½ years, it should be crystal clear that the maintenance of the embargo is an obstacle rather than an incentive to progress.

We heard on the floor a few minutes ago a statement to the effect that in the last 4 years the Turks have not made any movement whatsoever on Cyprus. I want to say to my colleagues today that nothing could be further from the truth. The fact of the matter is that in the course of the last 4 months, even since a new government was elected in Turkey, the Turks have made a number of significant offers as a manifestation of their very real interest in resolving the problem on Cyprus.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. DUNCAN of Oregon and by unanimous consent, Mr. SOLARZ was allowed to proceed for 5 additional minutes.)

Mr. SOLARZ. Mr. Chairman, the fact of the matter is that the Turks have made some very significant offers. For one thing, they have submitted detailed constitutional proposals which were termed by Secretary-General Waldheim of the United Nations as "concrete and substantial." Secondly, they have withdrawn over the course of the last 4 years over 17,000 Turkish troops from Cyprus, and in the last 4 months alone they have withdrawn up to 2,500 Turkish troops from Cyprus. The fact also is that the Turks have made it clear that, in the context of an agreed-upon settlement to the problem of Cyprus, they are prepared to withdraw all of their troops from the island except those they are entitled to keep there by virtue of the agreement. Thirdly, the Turks have offered to consider making substantial territorial concessions on the island in the context of a resumption of the intercommunal negotiations.

I can only tell the Members that if Prime Minister Begin of Israel, by comparison, said tomorrow that right or wrong, he was prepared to make substantial territorial concessions in Judea and Samaria, this would be widely hailed as a major breakthrough in the effort to achieve an agreement between Israel and its Arab neighbors. Fourth, Turkey has offered to permit up to 45,000 Cypriot refugees to return to the part of Famagusta from which they came.

The Fascell amendment by comparison would require the Turks to permit the Greek Cypriot refugees to return to a part of the city from which there are hardly any Greek Cypriot refugees. And so it establishes a condition which is unlikely to be met.

Finally, in this regard, the Turks have said that the concessions they have already made constitute their opening rather than their final proposal and that they are prepared to be flexible rather than inflexible with respect to the negotiations.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I associate myself with the remarks of the gentleman in the well as he discusses the aspects of this problem pertaining directly to the relationship between Cyprus and Greece and Turkey.

What he seems to be saying is that both sides of this unhappy debate are ready to bring this to a conclusion and the question before the House this afternoon is how best to do it.

Both sides, both amendments, it seems to me admit our present policy has failed. If it had not failed, the gentleman from Florida (Mr. FASCELL) would not be in here with his amendment. So the question is which of these two proposals is best calculated to bring these two parties together and to finally arrive at a settlement on Cyprus.

I think the gentleman in the well has demonstrated very ably that the provisions of the Wright amendment, imperfect though they may be, come far closer to arriving at that conclusion than do the provisions of the Fascell amendment.

But if I may indulge on the gentleman's time for just one more moment, it seems to me what we have to decide here as we go about formulating a foreign policy for this country is still what is in the best interests of the United States. And to blindly adhere to a principle enunciated 4 years ago, that may have been very effective and appropriate at that time but which is no longer appropriate, to say that we are insisting upon adherence to the law when we are daily changing laws here that are unwise and which should no longer be adhered to, is not reasonable. And what we are trying to do here is to eliminate an unwise law and to arrive at a just and a wise solution to the problem.

I suggest we look beyond Greece and Cyprus and listen to the words of the gentleman from Illinois (Mr. ANDERSON) as to the significance of this amendment on the survival of NATO. Why is the southern flank of NATO important? Go back again to the last Israeli war and look at the difficulties we had in coming to the aid of Israel. The only way we could take supplies through to the Israelis was to station aircraft carriers along the Mediterranean and stage our logistics out of the Portuguese Azores. If we have another difficulty in the Middle East, God forbid, we will not be able to support and to supply Israel without a friendly Turkey on our flank.

I also ask the Members to take a look at what is happening around the Persian Gulf and that great oil reservoir upon which all Western civilization depends. It is being surrounded. We have had a revolt in Afghanistan, and there has been a coup and an assassination of the former president of South Yemen, and an assassination of the President of North Yemen, and we have an unstable Iraq. God knows we need a strong southern flank of NATO to stop that Soviet thrust to the south.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(On request of Mr. VOLKMER, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 5 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, first of all I would like to commend the gentleman for a very objective—and I would say very objective—analysis of the total situation we have confronting us.

I would like to request the gentleman to give an opinion, and I know which amendment from his speaking that he prefers. but I personally am looking for a solution to the Cyprus issue for the people of Cyprus. I feel they are the ones who have been injured throughout this period of time, not the Greeks and not the Turks, and I am looking for a way that we will be able to resolve that so that the people of Cyprus can live in peace and harmony.

Mr. SOLARZ. There may be differences of opinion about how best to respond to the gentleman's question, but speaking from my own point of view and perspective, I can tell the gentleman I am profoundly and completely convinced that the best interests of the people of Cyprus require the lifting of the embargo which, in my judgment, is the major obstacle to the achievement of an agreement which will finally resolve the dispute over Cyprus.

To the extent that the Fascell amendment provides only for a conditional 1-year suspension of the embargo, contingent upon concessions which the Turks have not made and will not make, it will achieve nothing.

The Wright amendment, on the other hand, to the extent that it will permit the President to lift the embargo contingent upon a certification that the Turks have made concessions, which they already have made, will clear the air and create the kind of atmosphere under which real negotiations on Cyprus can proceed.

Mr. VOLKMER. Mr. Chairman, if the gentleman will yield further with regard to the Fascell amendment, in the event that Turkey would fulfill all of the conditions of the Fascell amendment, what happens? Does the embargo come back on at the end of 1 year?

Mr. SOLARZ. At the end of 1 year, even if the Turks fill every condition in the amendment, the embargo is reestablished.

Mr. VOLKMER. And it is obvious the Turkish Government would know that.

Mr. SOLARZ. It is precisely for that reason, with full knowledge that the Turks understand it, that there is no chance they could make the concessions demanded in the Fascell amendment.

Let me also make clear, however, that there is no guarantee that if the Wright amendment is adopted instead, and the President lifts the embargo, as he un-

doubtedly will, that it will produce a solution on Cyprus. But there is a guarantee that if the Wright amendment is defeated, and the Fascell amendment is adopted, and the embargo continues, that we will not get an agreement on Cyprus, because nobody can expect the Turks to make the kind of ultimate concessions which will be necessary for settlement, if the embargo remains in existence.

Mr. VOLKMER. I thank the gentleman very much.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding to me and as I remember what the gentleman has said, as to what the Turks have done, it seems like certain progress has been made toward agreements regarding military forces on Cyprus, which is in effect.

Mr. SOLARZ. I am not sure I understand the thrust of the gentleman's question.

Mr. JOHN L. BURTON. The President has only to certify that there has been substantial progress toward agreement regarding miliary forces on Cyprus, so if what you say is true in the way they have been reducing their military forces, the President could come up today and state there is substantial progress and the embargo will end now.

Mr. SOLARZ. I do not think anybody can deny this, because it is a certified fact that upward of 17,000 Turkish troops have been unilaterally withdrawn.

Mr. JOHN L. BURTON. How many are still there?

Mr. SOLARZ. That was unilaterally done by the Turks.

Mr. JOHN L. BURTON. How many are still there?

Mr. SOLARZ. On the island of Cyprus?

Mr. JOHN L. BURTON. On the island of Cyprus.

Mr. SOLARZ. There are today approximately somewhere in the vicinity of 25,000 to 27,000 Turkish troops on the Island of Cyprus, but 2,500 have been withdrawn in the last 4 months and the Turks have said that they will withdraw all of their troops once there is an agreement concerning the future of the island.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I would like to ask, if I may, a very simple question of the gentleman from New York (Mr. SOLARZ).

I have in front of me the Carter-Mondale news release of September 16, 1976, which says that the policy of the Ford administration of tilting away from Greece and Cyprus has proved a disaster for NATO and for America's security interests in the Eastern Mediterranean.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. HYDE and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. HYDE. Mr. Chairman, if the gentleman will yield still further, I would just ask the gentleman, in view of the statement of the President when he was a candidate, and in view of the political fact that the Greek vote went about 87 percent for Mr. Carter, what changed his mind?

I think it is important that those who are for keeping the embargo should answer that question.

That is not the gentleman, Mr. SOLARZ, because he is for lifting it. I would like one of those present over there to tell me what changed the President's mind.

Mr. SOLARZ. Since I have the floor, if I may, I would like to take the liberty of answering it.

Mr. HYDE. It would be much more fun if one of them would answer it.

Mr. JOHN L. BURTON. I would be happy to answer it.

Mr. HYDE. Anyone but Mr. BURTON.

Mr. SOLARZ. Mr. Chairman, may I have order. I have the time.

I can only say that I think it is to the credit of the President of the United States that after assuming office and the responsibilities of the Presidency, after he reviewed the situation and heard that every one of our NATO allies, with the exception of Greece, wanted this embargo lifted, when the Joint Chiefs of Staff wanted the embargo lifted, when all of his national security advisers wanted the embargo lifted, he had the courage to come to the conclusion that the interests not of Turkey, not of Greece, not of Cyprus, but the interests of the United States of America required the lifting of the embargo, and he came forward to the Congress and asked us to remove it.

Mr. HYDE. If the gentleman would yield further, in other words, when he was no longer a candidate but had assumed the responsibilities of office which President Ford had assumed, he then matured to the view that President Ford was right; is that right?

Mr. SOLARZ. I would say that on this issue the President of the United States has been born again.

Mr. HYDE. That is right.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Fascell amendment. I rise in enthusiastic support of the Wright amendment.

The President of the United States has identified this vote as the most critical foreign policy vote that the Congress will be called upon to meet in this Congress. It may seem unusual to some that a man very prominent in the leadership of the majority side is taking the lead against this most critical foreign policy position identified by the President, the leader of the party which is in control of this body. I have known the Member, the gentleman from Indiana (Mr. BRADEMAS) for a long time, for nearly 18 years. I have always admired his courage, his skill, his industry. We have stood together in many causes. I can recall our joint opposition to the Papadopoulos regime, our resistance to military aid to that repressive regime in Greece. Many others, too, admired the gentleman from Indiana (Mr. BRADEMAS). In Greece and in the Greek community the name Brademas has been respected down through the centuries, but never more than today. He is the hero of Greek-Americans. He is the culture hero in a sense, and they have watched his climb to prominence and prestige with great pride.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I will when I finish my statement.

Mr. ROSENTHAL. Will the gentleman yield very briefly?

Mr. FINDLEY. No, I do not yield at this time.

Greek-Americans are prominent in every congressional district of this Nation. Certainly they are in my district. My campaign manager's father was a Greek immigrant. The Greek-Americans who are vocal on this issue—and I say the ones who are vocal—are almost unanimous in supporting the embargo even today despite the 4 years in which it has not been effective. Indeed, their feelings here in this country seems to be even more intense than the feelings of Greeks themselves.

We have heard of the painful experiences of Greeks in the past with the Turks, and they seem oblivious to the larger danger, the larger pressure that lies beyond the hills in the Soviet Union.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I will yield when I finish my statement.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. Mr. Chairman, am I recognized?

The CHAIRMAN. The gentleman from Illinois (Mr. FINDLEY) has the time.

Mr. FINDLEY. Then, Mr. Chairman, I do not yield at this time.

Mr. Chairman, therefore, we understand the position of the gentleman from Illinois, Mr. JOHN BRADEMAS.

We understand also why many Members of this House have stayed in the shadow, so to speak, on this issue. They have been troubled by the emotionalism of the issue. I have sensed it in my district, others have, or they may have all been resentful over some policy and partisan facets of the embargo.

A Republican whom I admire very much unburdened himself to me the other day in these words:

Why should I vote to lift the embargo? Why should I stick out my neck? Why should I draw the ire, the wrath, of the Greek-Americans in my district? The embargo issue put Jimmy Carter in the White House and denied the White House to Gerald Ford. The election was very close and here I am fighting his argument. Gerald Ford obviously clearly supported the lifting of the embargo. Jimmy Carter left the impression, even though he did not use the precise words, he left the impression that as President he would continue the embargo.

His reasoning went on like this:

Let the Democrats take care of this problem. Let the Democrats rescue Jimmy Carter from this dilemma. He has plenty of votes in the House of Representatives on the Democratic side.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

Mr. FINDLEY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. ROSENTHAL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. BRADEMAS. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois (Mr. FINDLEY) may have an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. ROSENTHAL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all, I wonder if we could have some indication how many more Members intend to speak on this title, section 16?

It is not my intention, Mr. Chairman, to limit time now, but this is just a little bit of a warning that we will. We have already debated this section for almost 2 hours. We had 2 hours yesterday.

I will withhold that, Mr. Chairman; but I would like to be recognized at this time in order to yield my time, 5 minutes, if I will be recognized, to the gentleman from Illinois (Mr. FINDLEY), to hear the rest of the gentleman's statement.

Mr. ROSENTHAL. Mr. Chairman, regular order requires unanimous consent to do what the gentleman wants to do.

Mr. ZABLOCKI. Mr. Chairman, am I recognized?

The CHAIRMAN. The gentleman from Wisconsin (Mr. ZABLOCKI) moved to strike the requisite number of words and yields to the gentleman from Illinois.

Mr. BRADEMAS. Mr. Chairman, will the gentleman from Wisconsin yield?

Mr. ZABLOCKI. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I want only to ask if I might be permitted to express my thanks to my friend, the gentleman from Illinois, for the gracious comments that the gentleman has made about me.

I would, however, in propounding that rhetorical question to the chairman of the Committee on International Relations ask my friend, the gentleman from Illinois, if the gentleman is unaware of the fact that when I strongly opposed the executive branch on the sale of U.S. arms to the Greek military dictatorship several years ago, I was very bitterly attacked by some Greek Americans in the United States; so that I want my friend, the gentleman from Illinois to understand that the reason for the position that I take today—and I may say to my friend, the gentleman from Illinois, that I also speak as one who was on the celebrated Nixon White House enemy's list—is that I believe that the laws and principles of the United States ought to be supported.

Mr. ZABLOCKI. Mr. Chairman, I have requested this time because I am sure that the gentleman from Illinois, and I desire to yield to the gentleman, because I am positive that in completing his statement the gentleman from Illinois will make it very clear to the committee that the gentleman's remarks thus far were intended to be complimentary, not derogatory.

Mr. Chairman, I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, as I said earlier, I have nothing but the greatest respect for the gentleman from Indiana, Mr. JOHN BRADEMAS. I recall very well the days that the gentleman mentioned, days in which I criticized Spiro Agnew, a man of Greek ancestry, for going to Greece and thus lending some prestige to the Papadopoulos regime.

I wanted to add, Mr. Chairman, that there are others who have not seen fit to stay in the shadows on this issue. These Members include the chairman of the committee, the gentleman from Wisconsin (Mr. ZABLOCKI), the gentleman from New York, STEVE SOLARZ, and the gentleman from Indiana, LEE HAMILTON, on the Democratic side, as well as Republicans like the gentleman from California, BOB LAGOMARSINO, the gentleman from Kansas, LARRY WINN, the gentlewoman from California, SHIRLEY PETTIS, the gentleman from Illinois, JOHN ANDERSON, the gentleman from Ohio, BUD BROWN, the gentleman from California, PETE MCCLOSKEY, and many others. Each of these Republicans could have stayed in the safe shadows, but each has seen fit over a period of weeks and indeed months to be out front trying to rally interest in lifting the embargo.

Why? Was it to rescue Democrat Jimmy Carter? Of course not. They recognize that this is an issue that towers over partisan politics. They see it as an issue too vital to leave to emotional reactions. They see this for what it is: An issue of supreme national interest.

The Turkish embargo hurts our own Nation and is not in the national interest. Turkey is the keystone of NATO's southern flank, the nation most exposed to Soviet influence. Thirty years ago we made a pledge to Turkey, as well as other nations of NATO, that we would consider their territory just the same as our territory, inviolate from attack. We established a very special relationship, and when we had the so-called police action in Korea, the largest troop force from any other nation to come and fight at our side and to fight with great courage was that from Turkey.

And in this scene, unbelievably, oblivious to our national interest, the Congress has seen fit to keep what I view as an insulting, suffocating embargo which sharply limits the military equipment necessary to Turkey's national interest and to our own.

These Members have stepped forward. These Members have stepped forward on both sides of the aisle and come into the bright searchlight of public opinion because they know the embargo has hurt our Nation and continues to hurt our Nation. They know that it invites adventurism on the part of the Soviet Union in the Horn of Africa, in the Middle East, in the Mediterranean, and in the Persian Gulf. They know that the continuation of the embargo puts in unnecessary peril men of the U.S. Navy and men of the U.S. Army and Air Force who are in the eastern Mediterranean with the 6th Fleet.

Mr. Chairman, it must seem strange to an outsider examining the scene here today to realize that we are seeking to continue this insult against a valued ally.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has expired.

(On request of Mr. MCCLORY, and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 1 additional minute.)

Mr. MCCLORY. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Illinois.

Mr. MCCLORY. Mr. Chairman, I want to commend the gentleman from Illinois (Mr. FINDLEY) on a very eloquent and a very perceptive statement on this extremely vital subject in our foreign affairs.

I may say that I have been importuned by the President of the United States, by the Secretary of State, and by many of our military and diplomatic leaders urging me to support the lifting of the embargo against Turkey.

Mr. Chairman, it is basic to our system of government that the President and Secretary of State shall formulate our foreign policy—and shall conduct our foreign affairs. It is the position of the President and Secretary of State that it is in our best national interests that the embargo against Turkey should be lifted. This action is in support of our national security—and should help reinforce our NATO posture, protect our eastern flank in the Mediterranean—and help resolve the situations in Cyprus and in the Middle East.

Mr. ZABLOCKI. Mr. Chairman, in the time remaining, let me say, if it has not been made clear to the members of the committee by the references of the gentleman from Illinois (Mr. FINDLEY), I deem our colleague, the gentleman from Indiana (Mr. BRADEMAS), as one of our most valued Members of the House. He is a very, very personal friend. I admire his sincerity and his courage and his determination. Although we do not agree on this issue, I have the highest regard for the gentleman from Indiana, JOHN BRADEMAS. I know we all do.

Mr. Chairman, I yield back the balance of my time.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had hoped to talk, essentially, on the merits of the embargo. But I think it is appropriate that someone at some point in this debate says something about the kind of comment the gentleman from Illinois made. I think his comments were very, very regrettable. He spent 5 minutes extolling the virtues of the gentleman from Indiana (Mr. BRADEMAS) and the fact that he was a distinguished Greek-American. He

did not spend any time at all extolling my virtues, and it was the Rosenthal amendment that initially imposed the embargo.

I think, really, let us cut away this subterranean comment that this is an ethnic-sponsored legislative effort, that because some of us have Greek-Americans in our district and some of us do not, that we are succumbing to their protestations and desires.

Is there something wrong with any group in America expressing their interests in a part of the world that is important to them? If we eliminated every group like that and permitted the kinds of comments that the gentleman from Illinois suggests, then we would leave the making of foreign policy to Standard Oil of Indiana, to Esso, to Exxon, to Mobil, and to the rest of the people who control access to the White House, the Pentagon, and the State Department.

I myself find it abominable that anyone, even in the most cultured phrases that we are able to put together here on the floor, would suggest that any Member is acting less than his constitutional oath requires.

I say to my distinguished friend from Illinois that what he is suggesting is that we are subverting our constitutional oath when we take a position different than the one the gentleman is taking.

Mr. Chairman, in the brief time remaining to me I want all of the Members to be absolutely cognizant of something the gentleman from California, Mr. JOHN L. BURTON, brought up. The President of the United States can this afternoon suspend this embargo. All he has to do is certify that Turkey is not in violation of the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and that substantial progress toward agreement has been made regarding military forces, Turkish military forces.

Why does not the President do that this afternoon? The reason is that he does not want to lose his credibility. The Turks have occupied for 4 years the very same land that they took with the use of American military equipment in August 1974.

There are, as of this afternoon, 200,000 people living in tents and in refugee conditions on the Island of Cyprus. Only Turkey can cure that.

And the final point: "it has not worked." That really is not the issue. Maybe it will work and maybe it will not work. The law is on the books. There was a violation of the law. We can do nothing, as much as we would like to, until the violation is cured. You do not change the law when the criminal has not responded to treatment. You abide by the law. You try to coax them into doing something possible.

One other point. The Wright amendment says absolutely nothing. It says nothing. It suspends and rescinds the embargo, and goes on for 3 pages of rhetoric of the things we like.

The Fascell amendment is a reasonable effort to adjust the situation, something we all can feel very comfortable with. At least suspend it for 1 year. Permit the Turks to make a positive step, let them return the old town of Famagusta. Let them do what they should do. For us to do anything less than that is a violation of a rule of law, a violation of the integrity of this House, and a violation of our constitutional oath.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield.

Mr. ROSENTHAL. I yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding, and I would like to associate myself with the gentleman's remarks, especially with reference to our colleague, the gentleman from Indiana (Mr. BRADEMAS).

The unfortunate implication that is obtained from those remarks from the preceding speaker is that only a Greek can speak for a Greek, only an Italian can speak for an Italian, and that only an Irishman can speak for an Irishman—a concept completely alien to the American process—recall if you will a predominantly white Congress enacting civil rights legislation.

Mr. Chairman, let me point out what Hillel, a scholar and Rabbi, said as in the ethics of the Fathers.

Mr. ROSENTHAL. It all sounds familiar, yes.

Mr. BIAGGI. I did not know that the gentleman had read the book.

Mr. ROSENTHAL. I read it.

Mr. BIAGGI. He said:

> If I am not myself, who will be for me? But if I am for myself alone, what am I? And if not now, when?

Mr. Chairman, that charges all of us with responsibility, each and every man in this House, and each and every man in this administration, especially with relation to the President of the United States, in his advocacy of human rights.

The CHAIRMAN. The time of the gentleman from New York (Mr. ROSENTHAL) has expired.

(On request of Mr. BIAGGI and by unanimous consent, Mr. ROSENTHAL was allowed to proceed for 5 additional minutes.)

Mr. BIAGGI. As I was saying, Mr. Chairman, we have a responsibility, especially with regard to the advocacy of human rights. Human rights should not be engaged in selectivity.

We are talking about human rights coupled with violation of law, our law, the condition that this Congress placed on transactions with foreign countries. The Turkish Government violated our law when it used military force aggressively.

Mr. Chairman, let us go back a little bit before the embargo. We heard people say, "Let us wait a while. There is an election over there. Ecevit will change his mind. There will be a change of mind thereafter. Let us give them a little more time. Let us show them the good faith that we have and the confidence we have in them."

We have been through that episode here time and time again. The Congress spoke and spoke repeatedly. In this Congress we have recently dealt with this matter with a resulting embargo going into effect. It is not an insulting embargo as stated by this gentleman from Illinois (Mr. FINDLEY)—and I take offense at that—it is an embargo placed by the United States Congress on military assistance.

What happened? That embargo, in fact, was not fully implemented. We have seen the intent of Congress subverted. There was $600 million in supplies given during the intervening years.

Mr. Chairman, I suggest that if it was a complete embargo, the Turkish Government might have capitulated.

It is suggested that the Wright amendment is one solution, and the Fascell amendment is another. Did we ever think in terms of a complete, honest embargo, with integrity, representing and reflecting the will of the Congress? That intent has been subverted.

Mr. Chairman, I do not know where we are going this afternoon, but the language here in either one of these undertakings leaves me with some doubt because we all know how words and intent are played with.

We talk about "certification." Who assesses it? Who certifies? Whose judgment is it? What does it accomplish in the end?

The people in Cyprus are still displaced after 4 years. They are kept out of their homes, this I witnessed—refugees in their own land.

Envision, if you please, Miami Beach, with all of its multitudes of people, suddenly one day completely abandoned without a soul along Collins Avenue, without a soul in that concrete valley of hotels.

That is the situation which exists in Famagusta and beyond that. Farms have been taken as well as other properties.

It is suggested that the Turks have in good faith been removing the soldiers. That is misleading. We still have 20,000 some-odd. In any event, the fact remains that there are enclaves in which the Cypriots are being fiercely dealt with. They are prohibited from coming back to their homes. There is misleading information and misleading impressions being given this afternoon.

Frankly, Mr. Chairman, I am not satisfied with either one of the situations. I suggest a complete, honest embargo, as was the intent of this Congress in 1974. As the ethical method of communicating to Turkey and the world, America's lowest commitment to the rule of law——

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from North Carolina.

Mr. ROSE. Mr. Chairman, I thank the gentleman for yielding.

I would like to associate myself with the remarks of the gentleman from New York (Mr. ROSENTHAL) and compliment him on the great statement he has made.

However, one of the things that I have heard over and over again here today is talk about the national security interests of the United States.

As a member of the Select Committee on Intelligence of the House, my Subcommittee on Evaluation has just completed a close look at one of the national security estimates. This national security estimate deals with the condition of NATO. I do not want to suggest that

any country is unimportant to NATO's strength. They are all important. Iceland is important, Denmark is important, Belgium is important. However, the national security estimates which our subcommittee has studied indicate that NATO is strong. There is much that we must do for years to come, but the idea that the sky is about to fall if we do not lift this embargo is simply not true.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, I thank the gentleman for yielding.

I intend to support the amendment, and I do so after a lot of careful thought.

I cannot help but express amazement at what I consider to be the very unusual remarks of the gentleman from Illinois, one whom I have considered a friend for a long time; I think that perhaps they were inadvertent; at least I hope so.

The CHAIRMAN. The time of the gentleman from New York (Mr. ROSENTHAL) has expired.

The time of the gentleman from New York has again expired.

(At the request of Mr. THOMPSON and by unanimous consent, Mr. ROSENTHAL was allowed to proceed for 2 additional minutes.)

Mr. THOMPSON. Mr. Chairman, would it be logical, if I were to support the aspirations of one particular nation of my national origin, for me to be accused of doing so because of my national origin? I hardly think so, and I hardly think that is reasonable.

Mr. Chairman, I commend the gentleman from Florida (Mr. FASCELL) for his amendment, and my colleague from New York and my distinguished and best friend from Indiana (Mr. BRADEMAS) for their work.

Mr. ROSENTHAL. I thank the gentleman.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I rise in support of the Fascell amendment and in opposition to the Wright substitute. I must admit that I would prefer an even stronger amendment which would retain section 620(x).

Turkey holds in its hands the solution to its U.S. arms requests—that is to begin its withdrawal from the sovereign nation of Cyprus.

The question of the repeal of that section should actually be irrelevant. As I interpret them, both the Arms Export Control Act and the Foreign Assistance Act of 1961, as amended, prohibit the transfer of arms to Turkey. Section 620 (x) was only enacted because a previous administration chose to ignore the provisions of these laws.

These provisions of these two laws are not nebulous. Section 3 of the Arms Export Control Act provides that—

> No credits may be issued * * * and no cash sales or deliveries pursuant to previous sales may be made if (a) country uses defense articles or defense services furnished under this act, or predecessor act, * * * for a purpose not authorized under section 4. * * *

When one reads section 4 of the act there is no provision which would even remotely provide for the Turkish occupation of Cyprus. As a matter of fact, section 4 specifically provides that weapons will be used "solely for internal security, for legitimate self-defense arrangements, or measures consistent with the Charter of the United Nations." I do not think that many Members of the House would argue that the occupation of 38 percent of the sovereign Nation of Cyprus qualifies under any of these provisions.

The administration argues that we have proved our point and that the time has come to lift the embargo. The law does not say that arms can be sent to a country when we have proved our point or when the administration feels that a country has been sufficiently chastened. The act specifically provides that a country shall remain ineligible until such time as the violation ceases.

There are similar provisions in section 505 of the Foreign Assistance Act.

In my opinion, the violation has not ceased. For 4 years troops from Turkey have occupied 38 percent of Cyprus. These troops are still using American weapons. To provide weapons to Turkey now without some guarantee that the Turkish Government will take measures to reach a solution on Cyprus and end the illegal use of American arms in the occupation of a sovereign country would, in essence, grant our tacit consent to those actions and to the violation of our laws.

This disturbs me. We have only recently experienced a severely traumatic period of time when some governmental officials chose to ignore the law. We have all seen how our basic freedoms can be eroded when the Government does not follow its own laws. The best guarantee of our liberty is our legal system, and the best test of our commitment to these basic freedoms is if we observe the law when it is inconvenient to do so. There is no problem observing the law when it is convenient.

We have seen confidence in the Government drop recently. I do not see how we can expect the public to place its trust in our Government if that Government only observes the restrictions which are placed on it when it is comfortable to do so.

Our second President, John Adams, may have said it best in 1779 when he said, "We must be a government of laws and not of men." Although we are only men and women in this body, I feel that our position requires us to live up to higher responsibilities.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I urge my colleagues to vote for the Wright amendment, which would lift the arms embargo against Turkey, and to oppose the Fascell amendment, which would, as a practical matter, retain the embargo. I would like to say, however, that if there has been any aspersion cast by any of the speakers as to the motivation, or the true belief, of any of the people who have been taking part in this debate on this issue, I want to say that as far as I am concerned, Mr. BRADEMAS, Mr. FASCELL, Mr. ROSENTHAL, and the other people who have been on the opposition side of this issue have taken the position they have, in my opinion, from the feeling that they believe it is the right position to take. I have no quarrel with that. I just think they are in error; I think times have changed. The embargo has not worked; it should be lifted.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I want to congratulate the gentleman on that comment, and to say that I concure in the sentiments he has just expressed.

Mr. LAGOMARSINO. I thank the gentleman.

Many people say that there is no chance of lifting the embargo because it is not politically expedient to vote for a measure which might cost a Member some support in his home district. And I guess in normal circumstances that may generally be true. But these are not normal circumstances, rather, these are times of deadly peril. And in such times, we must place the common good of the Nation above other considerations.

These are deadly times because, in the first place, we face a ruthless adversary, who while always possessed of almost limitless ambition, is now, for the first time, acquiring the power to go with it. In the middle and late 1960's, the leaders of our Government sought to exercise restraint in the arms race by not employing large warheads, and by refraining from adopting the latest guidance technologies to increase the accuracy of our delivery systems. Did the Soviets respond with restraint? No. They responded with scorn—and commenced a military buildup of unprecedented magnitude. While the West asked "What in God's name do you do with strategic superiority?" The Soviets strove mightly to achieve it—for they knew its uses.

In the second place, there has been a woeful lack of sound Presidential leadership in meeting the Soviet challenge. It is true that lifting the embargo is strongly supported by the administration. President Carter took a far different position during the 1976 Presidential campaign. The President has now in my opinion, wisely and bravely changed his position. Many of us should do the same.

Lifting the arms embargo against Turkey gives us an opportunity which unfortunately has become rare of late—that of joining the Executive in the formulation of a sound foreign policy measure. This is one of the most crucial steps we can take to counter the approaching high tide of Soviet power and influence.

To see why this is so, we need only reflect upon the indispensable role played by Turkey in the NATO alliance. Of all our allies, Turkey fields the largest contingent of ground forces in NATO. Of even more importance is the fact that geopolitical considerations make Turkey pivotal to numerous theaters of military operation. For instance, by denying the

Soviets the use of their airspace, the Turks immensely complicate the Soviets' task of supplying their client states in the Middle East and Africa. Furthermore, in a time of crisis, Turkish control of the Bosporus and the Dardanelles could bottle up the Soviet Black Sea Fleet, denying it access to the Mediterranean. And as all military men can tell you, having strong forces on one's flank has the effect of easing the pressure on one's center. Finally, it is important to note the vital intelligence that we have gleaned from our Turkish listening posts. They alerted us to the impending Soviet intervention in the Middle East war of 1973. Having this advance information, we were able to respond by going to a worldwide military alert. Fortunately, that served to deter the Russians. Those listening posts, since closed down in retaliation to our arms embargo, also provided us with our best information on the development of Soviet strategic missile systems.

Should we fail to lift the arms embargo against Turkey, and the Turks respond by assuming a nonalined or neutralist position, then the Soviets' strategic situation will have been enhanced immeasurably, and the time of dire reckoning will draw nearer.

The policy of an arms embargo was conceived in a muddle of good intentions, and now threatens to produce a host of dreadful progeny. I say to the House of Representatives: "In the name of Heaven, let us be done with this policy."

AMENDMENT OFFERED BY MR. SEIBERLING AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. FASCELL

Mr. SEIBERLING. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING as a substitute for amendment offered by Mr. FASCELL: Page 13, strike out lines 2 through 7 and insert in lieu thereof the following section:

TURKEY ARMS EMBARGO

SEC. 16. (a) Section 620(x) of the Foreign Assistance Act of 1961 shall be of no further force and effect upon the President's determination and certification to the Congress that the resumption of full military cooperation with Turkey is in the national interest of the United States and in the interest of the North Atlantic Treaty Organization and that the Government of Turkey is acting in good faith to achieve a just and peaceful settlement of the Cyprus problem, the early peaceable return of refugees to their homes and properties, and continued removal of Turkish military troops from Cyprus, and the early serious resumption of inter-communal talks aimed at a just, negotiated settlement.

(b) The Foreign Assistance Act of 1961 is amended by inserting immediately after section 620B the following new section:

UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN

"SEC. 620C. (a) The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy. The Congress further declares that any action of the United States with respect to section 620(x) of this Act shall not signify a lessening of the United States commitment to a just solution to the conflict on Cyprus but is authorized in the expectation that this action will be conducive to achievement of a Cyprus solution and a general improvement in relations among Greece, Turkey and Cyprus and between those countries and the United States. The Congress finds that—

"(1) a just settlement on Cyprus must involve the establishment of a free and independent government on Cyprus and must guarantee that the human rights of all of the people of Cyprus are fully protected;

"(2) a just settlement on Cyprus must include the withdrawal of Turkish military forces from Cyprus;

"(3) the guidelines for inter-communal talks agreed to in Nicosia in February 1977 and the United Nations rseolutions regarding Cyprus provide a sound basis for negotiation of a just settlement on Cyprus; and

"(4) the recent proposals by both Cypriot communities regarding the return of refugees to the city of New Famagusta (Varosha) constitute a positive step and the United States should actively support the efforts of the Secretary General of the United Nations with respect to this issue.

"(b) The Congress declares that United States policies in the Eastern Mediterranean region shall be consistent with the following principles:

"(1) The United States will accord full support and high priority to efforts, particularly those of the United Nations, to bring a prompt, peaceful settlement on Cyprus.

"(2) All defense articles furnished by the United States to countries in the Eastern Mediterranean will be used only in accordance with the requirements of this Act, the Arms Export Control Act, and the agreements under which those defense articles were furnished.

"(3) The United States will furnish security assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes, including when necessary to enable the recipient country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization, and when furnishing that assistance is not inconsistent with the objective of a peaceful settlement among all concerned parties to the Cyprus problem.

"(4) The United States shall use its influence to insure the continuation of the cease-fire on Cyprus until an equitable negotiated settlement is reached, shall encourage all parties to avoid provocative actions, and shall oppose strongly any attempt to resolve disputes by force or the threat of force.

"(5) The United States shall use its influence to achieve the withdrawal of Turkish military forces from Cyprus in the context of a solution to the Cyprus problem.

"(c) Because progress toward a Cyprus settlement is a high priority of United States policy in the Eastern Mediterranean, the President and the Congress shall continually review that progress and shall determine United States policy in the region accordingly. To facilitate such a review the President shall, within 60 days after the date of enactment of this section and at the end of each succeeding 60-day period, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, a report on progress made toward the conclusion of a negotiated solution of the Cyprus problem. Such transmissions shall include any relevant reports prepared by the Secretary General of the United Nations for the Security Council.

"(d) In order to ensure that United States assistance is furnished consistent with the policies established in this section, the President shall, whenever requesting any funds for security assistance under this Act or the Arms Export Control Act for Greece and Turkey, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate his certification, with a full explanation thereof, that the furnishing of such assistance will be consistent with the principles set forth in paragraph (3) of subsection (b) of this section. The President shall also submit such a certification with any notification to the Congress, pursuant to section 36(b) of the Arms Export Control Act, of a proposed sale of defense articles of services to Greece or Turkey.

"(e) In the case of any letter of offer to sell to Turkey any defense article or defense service (whether for cash, credit or guaranty) or of any license for the export to Turkey of any commercially sold defense articles or services, if such articles or services have an aggregate value of $25 million or more or are major defense equipment having a value of $7 million or more, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a statement containing (A) a brief description of the defense article or service involved, (B) the dollar value thereof, (C) any branch of the United States Armed Forces involved, and (D) the day on which the offer to sell or license is to be issued. Such letter of offer or license shall not be issued if either the House or the Senate, within 30 legislative days after receiving any such statement, adopts a resolution stating in effect that it objects to such proposed sale or license: *Provided*, That the President may exempt a specific offer to sell or license from the provisions of this sentence if he declares in such statement that there is an emergency affecting the security interest of the United States which is of sufficient urgency as to require immediate action on the proposed sale or export.

Mr. SEIBERLING (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. BUCHANAN. Mr. Chairman, reserving the right to object, this is a very important matter. I trust the gentleman is going to explain his amendment. I really have very grave reservations about it.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield, I think I can allay his reservations.

Mr. BUCHANAN. All right. I yield to the gentleman from Ohio.

Mr. SEIBERLING. The amendment is identical to the Wright amendment except it has an additional paragraph added at the end thereto which gives either House a one-house veto on future arms sales to Turkey. Otherwise it is identical to the Wright amendment.

Mr. BUCHANAN. Mr. Chairman, I thank the gentleman.

I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SEIBERLING. Mr. Chairman, I had hoped to offer an amendment to the Wright amendment, but since his amendment was not an amendment in the nature of a substitute but rather was simply an amendment to the Fascell amend-

ment, therefore an amendment to it is not in order. So I have offered it in the form of a substitute to the Fascell amendment, but the substitute is identical to the Wright amendment, except that at the end thereof it has an additional subparagraph.

The additional subparagraph does this: It gives either House of Congress a veto for 30 legislative days over any sale or license to sell arms to Turkey, but it provides that the President may exempt any particular transaction from that veto if he finds that there is an emergency in which the national security of the United States is involved which does not permit any delay in the sale. The exemptions from the veto are the same as in the present Turkish arms embargo; namely; it only applies to sales in the aggregate of $25 million or more or specific sales of $7 million more.

Why do I offer this? First of all, let me say I find myself, and I think many of us do, in the position where we see merit in the arguments on both sides of this issue. The Cyprus matter is a festering sore which, if it is not soon resolved, could eventually destroy NATO. And so the position of the administration and of the committee makes a great deal of sense. We must somehow get movement on Cyprus, and since the embargo has not brought about such movement, indeed may be hampering it, it is logical to repeal it.

Unfortunatelv, if all we do is eliminate the embargo without any commitment on the part of the Turkish Government, and without any string by which either House can pull back our military support if the Turks do not respond—and I understand that we have no commitment and that the President has no commitment that they are going to respond—then it seems to me that we have to put either House of Congress in a position where we have the power to reimpose such restrictions as we see fit under the circumstances, without having to obtain the approval of the other House or the President.

I am perfectly willing to support a complete lifting of the embargo on the basis of the kind of statement that we have in the Wright amendment and provided that the Congress and this House retain that power. If we do the Turks will know what that means. If we do not retain that power, then the parliamentary situation will be such that it will require the action of both Houses, with two-thirds majorities, to override a different policy on the part of the administration if it should not desire to suspend arms sales to Turkey.

What we do today will also have great implications, it seems to me, for our foreign policy generally.

In last Sunday's Akron Beacon Journal there is an article by James McCartney of Knight-Ridder News Service, the headline of which is "Arms Juggernaut Overruns Carter." It points out that despite Mr. Carter's pledge in the election campaign in 1976 that he was going to work as President to reduce the commerce in weapons—a pledge that I believe was given with total sincerity—arms sales are at a record high.

The Senate Foreign Relations Committee staff estimates that arms exports from the United States are expected to top $16.5 billion this year. Unfortunately this appears to be only the beginning.

I ask the Members this: Suppose we do retreat from our position of principle and we simply lift this embargo and thereafter there is still no progress in the Cyprus situation. At that point the Congress has given up its ability to affect that course as a practical matter. What is that going to say to the other countries of the world, to whom we have sold billions and billions of dollars worth of arms, as to the meaning of the restrictions on their use we have put in our law? The Wright amendment says that all defense articles furnished by the United States to countries in the Eastern Mediterranean region will be used only in accordance with the requirements of this bill, the Arms Export Control Act, and the agreements under which these defense articles were furnished.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SEIBERLING was allowed to proceed for 3 additional minutes.)

Mr. SEIBERLING. By using these words in the Wright amendment when we know, at this very moment, that those laws are being violated, we will, if we adopt the amendment without more, be saying that we do not take seriously our own law on this subject.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I would just like to make this point: The only way we can reaffirm that we, indeed, do take these legal restrictions seriously is if we retain the power to enforce them if the premises on which we repeal the embargo turn out to be mistaken.

Now I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I thank the gentleman from Ohio (Mr. SEIBERLING) for yielding to me. The gentleman certainly has put his finger on one of the main difficulties with the Wright amendment, and that is that it lifts the embargo without condition. Any further action that would be required on behalf of the Congress would take both Houses because, as the gentleman knows, under 36(b) now, when any Presidential request is made to the Congress we have a period of time within which we can veto it but, as I understand the gentleman's amendment, this would make that subject only to a one-House veto. Is that correct?

Mr. SEIBERLING. That is correct.

Mr. FASCELL. So, you follow the language of the Wright amendment, which was to eliminate the embargo entirely, but makes the presentation of requests for arms to Turkey subject to a one-House veto?

Mr. SEIBERLING. That is correct.

Mr. FASCELL. I thank the gentleman.

Mr. SEIBERLING. I accept the premise of the President and the administration that anything short of a complete lifting of the embargo will not do the job of making the Turks feel that they are free to negotiate without any restrictions being imposed on them. What my amendment does is to say that we are going to do that, but we are going to retain full power to review our position in the event that the expectations and policies referred to in the Wright amendment are not fulfilled.

Mr. ROSENTHAL. Mr. Chairman, if the gentleman will yield, one of the problems I think we have is that in the last 2 weeks the President has said he does not respect not only one-House vetoes but 36(b) action.

Mr. SEIBERLING. The President may or may not have the ability to effectuate that position.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent Mr. RHODES was allowed to proceed for 5 extra minutes.)

Mr. RHODES. Mr. Chairman, the vote we are considering today will have profound impact upon our national security and that of our NATO allies in Europe. Evidence indicates that action by the Congress in the past has not produced desired results in this area and that remedial legislation is necessary.

I would like to outline a few salient facts about the chronology of events that has brought us to this consideration today. This embargo was rammed through Congress by Democrats. Mr. Ford twice vetoed bills that called for a stiff arms embargo.

In 1976, the entire Democrat leadership of the Congress supported the embargo. It should be borne in mind that that was an election year and the votes of the Greek community were very important. It also is well-known that there are not a great number of Turks in this country. Therefore, political advantage was to be gained by the party which appeared to be in support of the Greek and Cypriot position.

I have been told by leaders of the Greek community that in their estimate at least 95 percent of persons of Greek descent in this country voted for Mr. Carter for President, many of them because of this particular issue.

Thus, the President, during the campaign, played the sleaziest kind of politics with the Cyprus situation. He heaped unjustified abuse and blame on the Ford administration, and specifically promised quick settlement along the lines desired by the Greek community. He pledged a solution of the refugee problem, a sovereign Cyprus, and a withdrawal of Turkish troops. These were hollow promises—a pure and simple campaign bamboozling of the Greek community, playing on their desire for peace in Cyprus.

I believe it is reasonable to assume that these pronouncements, and the votes cast in the House and Senate by Democrats, influenced the Greek community. Year 1976 saw a very close election, and the nearly unanimous support of the Greek electorate was undoubtedly decisive.

Now, with the election safely past, Mr. Carter and his Secretary of State, Mr. Vance, are importuning Members of Congress of both parties to repeal this Turkish embargo, which they once indicated had their utmost blessing. Ap-

parently their perspective has changed to suit a new vantage point.

If, as the sages say, "Consistency is a jewel," the Carter-Vance performance on the Turkish embargo could not qualify even as the prize in a box of Crackerjack.

During the Ford administration, there were many of us who were thoroughly convinced that cutting off aid to Turkey would not affect the Cyprus situation one way or another, but would inevitably alienate Turkey to the point of cutting off the use of American bases on her soil. This, of course, has been proved to be correct. Some of those bases were very strategic to us. From one we could determine whether or not ships carrying nuclear weapons were traversing the Bosporus into the Mediterranean Sea. From another, excellent electronic surveillance of activities within the Soviet Union was possible. It is obvious that, although some of this information can be obtained from other sources, loss of these bases has been a blow to our intelligence capabilities.

I must admit that I feel very strongly about the political flim-flam that the Democrat Party has put over on the country. If I were a member of the Greek community, I would feel very poorly used in this matter. Personally, I am sorely tempted to tell the President, his Secretary of State, and the Speaker of the House that they should look for the votes necessary to repeal the Turkish embargo in the same place they got the votes to impose it. It seems a bit ludicrous that Democrats provided the votes to pass it, took the political credit, and now are asking Republicans to furnish votes to help repeal it.

Politically, it would appear that it would be nonsensical for Republicans to alienate the Greek community further by casting such a vote. But—we have been sent here as the people's representatives, with the responsibility to consider our national interest as paramount. In this light, I am well aware that we need both Greece and Turkey as active participants in the NATO community. On a recent trip to the United States, Gen. Alexander Haig, for whom I have the deepest respect, told me that repeal of the Turkish embargo was absolutely essential to performance of the mission of NATO. Others have expressed the same view, not only now, but back through the months and years when we have been considering this embargo.

The Prime Minister of Turkey, Bulent Ecevit, when he visited this country, certainly "laid it on the line." He left no doubt in anyone's mind that he desires to be pro-American and pro-NATO, but finds it very difficult, indeed.

On the other side of the coin, we have a government in Greece which is not as enthusiastically pro-American as we would suppose it would be considering the extent to which its views have prevailed in this matter. Prime Minister Karamanlis is, however, a friend of NATO and the West. There is the danger that lifting the embargo might cause his government to fall and be replaced by one much less friendly. This would be a disaster we profoundly hope will not occur.

Either way, we Americans are on the horns of a dilemma on this issue, which involves antagonisms reaching back into antiquity. These people did not start disliking each other yesterday. They have been doing it for a long time. The United States certainly did not play any part in the invasion of Cyprus either by Greeks or Turks. We have done our very best to persuade Turkey to withdraw her troops. We have urged Turkey to address the refugee problem in Cyprus. We have had very little success. Perhaps lifting of the embargo will move negotiations off dead center. I do not know, and I doubt that anyone in this House today does at this time. On the one hand, the Turks believe we have done too much, and on the other, the Greeks think we have done too little, leaving us pilloried and punched from both sides. As an American, I feel poorly used.

So, we Republicans face Hobson's Choice: Do we emulate the Democrats and play the clearly indicated political game of trying to appeal to the Greek community—or do we consider the importance of our NATO alliance, and vote to strengthen this vital link in the free world's defenses?

If we vote to lift this embargo, it will be with a stern warning to Turkey that unless there is real progress in solving the Cyprus impasse, with no further indication of use of American arms and equipment for aggression, we will introduce a successor to the present embargo and will do everything we can to see that it is adopted. In no way shall we indicate that we condone the actions of Turkey on Cyprus, their actions against Greek citizens in Istanbul, or their failure to enter into a peaceful settlement in Cyprus.

So, Mr. Chairman, I would be much less reluctant to vote to end the Turkish arms embargo if the Speaker of the House and the majority whip would join me. The American people, I feel sure, will realize that this wrenching impasse came about largely as the result of the unwise entry into the field of foreign relations by the Democrat majority in the 94th and 95th Congresses, and by candidate Carter in 1976 and their desire to manipulate the Greek-Turkey crisis for political advantage. I would feel much better if the entire Democratic leadership would join in trying to correct that error. Unfortunately, such is not the case.

I shall never forget this blatant double-dealing course of conduct, but I would have great personal misgivings were I to sacrifice principle for political expediency, when to do so would weaken the whole defense structure of the free world.

Mr. HAMILTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this has been a good debate, and I hope it is drawing to a close now. I want to make just a few quick observations with regard to the Fascell amendment and then to point out some of the advantages I see in the Wright amendment.

First of all, the Fascell amendment, as has been pointed out, does not lift the embargo. It temporizes with the issue. It does not clear the air, and if the Fascell amendment is enacted, we will be back here in 1 year dealing with the question of the embargo all over again.

The conditions in the Fascell amendment are unacceptable to Turkey. Keep in mind that without Turkish cooperation, progress in the Eastern Mediterranean simply is not possible. They will not accept it. They will not accept a conditional, qualified suspension of the embargo. That has been the whole difficulty here. The U.S. Congress has tried to deal with this issue in a piecemeal sort of way, with a partial lifting of the embargo. An effort has now been made by the proponents of the embargo to have a suspension of 1 year, a qualified suspension, but that is not going to break the impasse. The only thing that is going to break the impasse is to have a clear lifting of the embargo, and that is what the Wright amendment does.

The Fascell amendment is unworkable. It talks about Turkish troops withdrawing from Famagusta. As I understand the name, "Famagusta," that applies to the old Turkish city. What the proponents of the embargo are really asking for is something beyond even what the Greek Cypriots want in this situation when the proponents call for a withdrawal of troops in Famagusta. Famagusta is already Turkish.

Furthermore, the amendment asks that the inhabitants be allowed to return. What we are going to do with that kind of a phrase is to, in effect, make the President of the United States a census taker, and he is going to have to try to determine when the inhabitants return to the city of Famagusta. He cannot do it.

But the chief problem with the Fascell amendment is this: It focuses on only one of several very important interests that the United States has in the eastern Mediterranean. It focuses on the question of Famagusta. That is an important question obviously, but it is not the whole of the U.S. interests in the eastern Mediterranean. We have very broad security interests in the eastern Mediterranean. We have interests that go far beyond just Famagusta, and to focus a suspension of the embargo on one narrow phase of the American interests in the eastern Mediterranean is, I think, a mistake.

The Wright amendment, which I strongly support, says that the embargo shall be of no further force and effect when the President finds that a resumption of military cooperation is in our interest and NATO's interests and when Turkey is acting in good faith to do several things: To bring about a just settlement of the Cyprus question, to get an early return of refugees, to get a removal of the Turkish troops, and to get a resumption of the intercommunal talks. Before making any security assistance available, under the Wright amendment, to either Greece or Turkey, the President of the United States has to certify that the assistance is for defensive purposes. He has to certify that it is for NATO purposes. He has to say that as-

sistance is not inconsistent with our objectives of a peaceful settlement in Cyprus.

There is plenty of policy language in that amendment that points, I think, to the broad national interests of the United States in the eastern Mediterranean.

The overwhelming fact is that this partial embargo simply has not worked, and it will not work with a suspension either.

The security interests of the United States are deeply involved here. Every NATO supreme allied commander has said that this embargo must come off. President Ford has said it must come off. President Carter has said it must come off. All of our NATO allies in all of the European communities, except Greece, of course, have said that it must come off.

The basic rationale behind this embargo has been to keep pressure on the Turks in order that they will make concessions on Cyprus that will eventually yield a settlement. That basic rationale, whether there is a suspension or whether the embargo is maintained fully or partially, is just not going to work. For 4 long years it has not worked.

Our friends who are the proponents of the embargo say that we have not made any progress, and they are right. But they contend that we should continue the same policy. I draw just the opposite conclusion.

Mr. Chairman, we have not made any progress under the present policy and, therefore, we have to try a new approach.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. HAMILTON) has expired.

● Mr. LEGGETT. Mr. Chairman, when Congress first considered military sanctions against Turkey in the fall of 1974, I supported an embargo for two reasons. First, I felt it necessary that Congress firmly state to Turkey our indignation over that country's violation of its arms transfer agreement with the United States. Second, I shared my colleagues hope that imposition of an arms embargo would encourage Turkey to withdraw its troops from northern Cyprus in an expeditious manner.

In reviewing the impact of the 1975 decision to cut off military aid to Turkey, I have concluded that while the first point has been made abundantly clear, continuing to impose the sanctions will not force a troop withdrawal or a reduction in tensions.

While the arms embargo may have been effective at the time of its enactment, my analysis of the 3½ years following application of this sanction leads me to see a need for a change in policy more accurately reflecting today's realities. With NATO's strength at stake, and in view of increased doubt as to the present effectiveness of the military sanctions imposed against Turkey, I believe that ending the embargo will be in the best interest of not only the United States, Turkey, and NATO, but of Cyprus and Greece as well.

In addressing the question of whether the maintenance of the embargo against military assistance to Turkey serves the best interests of the United States, or if on the other hand it is a counterproductive measure that should be repealed, a number of important considerations come to mind.

First, it is clear that the embargo has been unsuccessful in achieving its intended objective of promoting a settlement on Cyprus. To the contrary, it has increased resistance to a negotiated, equitable plan for resolving the problem at hand. If one thing has become apparent, it is that the United States can best deal with a proud and firmly independent Turkish nation and not by applying continued overt pressure in this manner. Equally apparent is the refusal of the Greeks and Greek Cypriots to negotiate for fear that the embargo will be lifted. In view of these results, it has become obvious to me that only by lifting the embargo and pursuing a policy of even-handedness in negotiations can progress in the Cyprus dispute be realized.

Secondly, the principle of the Foreign Assistance Act has been upheld. In punishing Turkey for its misuse of American arms in Cyprus, all countries have been made aware of the fact that we are serious in our determination to enforce the terms of the military assistance provisions, which call for termination of this type of aid in cases where U.S.-supplied equipment has been used for aggressive purposes. I am of the opinion that the embargo, which has crippled Turkish military capabilities for nearly 4 years, has provided them with sufficient punishment.

The most fundamental argument for my position on this issue is the security requirements of Western Europe and NATO, including both Turkey and Greece. The ongoing Soviet military buildup forces us to pay increased attention to NATO's defensive capabilities in the Mediterranean.

The decline of Turkey's military readiness leaves Southeast Europe vulnerable at a time of an unprecedented buildup of Soviet forces on NATO's southern flank.

Turkey, with the second largest standing arm in NATO, is of great importance to both the Alliance and the United States. The decline of its forces due to shortages of spare parts for U.S.-made weapons supplied before the embargo and the inability of the Turkish forces to modernize their forces, leaves the whole of Southeastern Europe more vulnerable to Soviet penetration. Additionally, the Turkish intelligence facilities closed since the embargo were of great value to NATO and the substitutes have only been partially successful in filling the gap. These facilities have aided NATO in our ability to monitor the development of Soviet long-range systems, and also, as in the fall of 1973, to detect movements and concentrations of Soviet forces.

Lastly, we cannot lose sight of the strategic importance of the Turkish land mass and the fact that it separates the Soviet Union from the Middle East and the Mediterranean. In fact, Turkey represents a significant obstacle in the way of any land invasion aimed at Greece from Russia.

With the exception of Greece, our NATO allies support the position I have just outlined and urge an end to the embargo. At a time when we are asking our NATO allies to increase their defense commitments to NATO, we cannot neglect the entire vulnerable southern flank.

Furthermore, I share the belief expressed by many of my colleagues that the embargo could cause Turkey to rethink its foreign policy direction and its ties with the United States and NATO. Its Western orientation, as expressed over the past three decades, may be in jeopardy due to this continued, ineffective and unnecessary military sanction. Feelings of rejection due to selective application, as well as humiliation and embarrassment, could cause Turkey to drift toward neutralism or beyond. Lifting the embargo could serve to prevent this movement, while restoring balance and stability in this strategic area.

While I entertain no illusions that lifting the embargo will resolve all of the problems which have developed between Turkey and Greece, I am convinced that the present stalemate, which has strained our relationship with these two allies, will be perpetuated and a Cyprus settlement further postponed if the embargo continues. Based on today's needs in view of new international realities, I see it to be in our best interest, as well as the best interest of Greece, Turkey, and NATO, to lift the American arms embargo against Turkey. I urge my fellow colleagues to join with me in voting to discontinue this once appropriate but presently unnecessary embargo.●

● Mr. BIAGGI. Mr. Chairman, I rise to give my views on the one issue which transcends above all others in this bill—the Turkish arms embargo. From the outset let me state my unequivocal and vigorous opposition to lifting the embargo. Its passage by the House would be a tremendous setback to the cause of justice and morality in foreign policy.

I recall vividly the battles which were waged in 1974 and 1975 when the embargo was first proposed. I remember the many votes which were taken—and each time the result was the same. Finally the embargo was imposed in 1975. It was instituted for very specific reasons. Turkey had violated the terms of U.S. law by using our weapons to launch an illegal invasion and occupation of Cyprus. It was shocking display of arrogance by Turkey. The embargo was necessary to advise Turkey and all other recipients of U.S. aid that they were not going to be permitted to violate our laws with impunity.

The embargo was also imposed to try and force Turkey to cease her illegal occupation of more than 40 percent of Cyprus. This has not happened. Yet contrary to the contentions of the supporters of lifting the embargo this is not a reason to support their position. If anything we should reaffirm the embargo, close the loopholes which have allowed $600 million in military aid to find its way into Turkey, and make no other overtures until Turkish occupation troops are removed from the island.

As we ponder this vote today let us

ask these questions, should we reward Turkey's illegality by lifting the embargo? Should we say that since Turkey has not relinquished its occupation of Cyprus we should back down? Are we going to begin a foreign policy which is based on capitulation to threats? Are we prepared to sacrifice our long standing relationship with two staunch allies—Greece and Cyprus?

I visited Cyprus just several months ago. Let me assure my colleagues that Cyprus is a country in turmoil. I visited Famagusta and found it a mere shadow of its former self. Its prominence, its spirit, its economy, its appeal to tourists have all been adversely affected by the impact of Turkey's presence.

I saw the gripping human consequences of the 4 years of occupation. I visited refugee camps and saw people who found themselves refugees in their own land—I saw families who have been separated for 3 and 4 years and I saw relatives and friends of persons who have been missing since the invasion. For them, for many in Cyprus the embargo represents justice. It symbolizes the solidarity which this Congress has with the people of Cyprus. To lift the embargo at this time without any demonstrable progress toward peace would be a tragedy.

Since this administration began we have heard the great preachings about human rights and the need for all nations to respect them. Yet this same administration is advocating aiding a nation which has been cited by such prestigious groups as the European Commission on Human Rights and Amnesty International for violating the human rights of Greek Cypriot prisoners.

A recent communication to the United Nations by Mr. Joseph J. Stephanides, Charge d'Affairs of the Permanent Mission of Cyprus to the United Nations, portrayed graphically the extent to which human rights of violations exist in Cyprus. Mr. Stephanides stated:

> The living conditions of the enclaved Greek Cypriot inhabitants in the areas of the Republic under Turkey's military occupation have recently become unbearable as a result of unthinkable inhuman practices which they systematically employ . . . These are medieval conditions of horror, torture and continuous harassment.

Mr. Stephanides appealed to the world community when he states:

> There can hardly be any justification for inaction and apathy of the face of the impartially documented and internationally verified gross violations of fundamental human rights by the Turkish arm of occupation against the people of Cyprus as a whole.

Are we going to again put our credibility on the line?

We will soon be voting on this important measure. I implore my colleagues to remain steadfast in their commitment to the rule of law in foreign policy. Let us be consistent in our approach to foreign policy. Let us not fall prey to the inconsistencies which mar this administration's policies in the Eastern Mediterrean.

The role America plays with respect to Cyprus will be a barometer which other nations will use to gauge the integrity and viability of our foreign policy. Our respect for the rule of law must not waver. Our insistence of respect for human rights cannot be compromised. Our pursuit of a lasting and just peace for Cyprus must continue.●

● Mr. EILBERG. Mr. Chairman, I rise in strong opposition to any attempt to lift the embargo on the sale of arms to Turkey.

President Carter, during his campaign, told us that the United States must pursue a foreign policy based on principle and in accord with the rule of law. Now, we are being told by the administration that progress is being made toward a settlement on Cyprus, because the Turkish Government has shown an increased willingness to negotiate on the future status of Cyprus.

Turkish troops, however, are still in Cyprus, as they have been for the past 4 years. They continue to occupy between 35 to 40 percent of the island, which has an 80-percent Greek population.

I do not believe that maintaining the embargo will prolong the existing stalemate. Indeed, the embargo was partially lifted in 1975 with the promise and hope of a Cyprus settlement. That did not happen.

Mr. Chairman, our intention in imposing this embargo was to demonstrate that we will not sanction the use of American arms for aggression, and that the Cypriots have a right to determine their own government rather than have it imposed by a foreign government.

It is only through a firm commitment to the embargo that we can show Turkey that our intention remains clear.

The administration has emphasized that American Security interests in NATO would be jeopardized by failure to end the embargo. However, the Turkish Government has made it clear that it would remain in NATO regardless of the outcome of the embargo vote in Congress.

Both Turkey and Greece are important as NATO allies, and are necessary for the protection of NATO's southeastern flank.

Given these circumstances, I find the administration's argument unconvincing.

Further, I am concerned over reports about continuing Turkish violations of Greek-Cypriot human rights.

Last year the European Commission on Human Rights found Turkey guilty of violating six articles of the European Convention on Human Rights by its aggression in Cyprus. The indictment cited systematic killings of innocent civilians, rape, torture of prisoners, looting, and refusal to allow refugees to return to their homeland.

American credibility with regard to human rights elsewhere in the world will diminish if we sanction Turkish violations of the same magnitude.

I urge my colleagues to oppose the lifting of the embargo until we see positive actions on the part of Turkey toward a peaceful resolution of the Cyprus problem.●

● Mr. MIKVA. Mr. Chairman, I rise in strong support of the Fascell-Rosenthal amendment to maintain the embargo on arms shipments to Turkey and oppose the Wright substitute. The case for the embargo is a simple one, but I believe it to be absolutely compelling.

Turkey illegally used U.S. supplied arms in its aggression and occupation of 40 percent of Cyprus, and that illegal action cannot be dismissed as a one-time aberration. To this day, 4 years after the Turkish invasion of Cyprus, Turkey continues to be in violation of U.S. laws and bilateral agreements. It is unthinkable that we should be seriously considering lifting the embargo against Turkey when she continues to illegally occupy 40 percent of Cyprus by stationing over 28,000 troops there armed with U.S. weapons.

The Turkish occupation of Cyprus is also in complete violation of the international rule of law. The Turkish troops and resettled civilian population amount to an illegal colonization of the island of Cyprus in violation of the Geneva Convention.

Lifting the embargo represents more than a renunciation of U.S. and international law, however. Lifting the embargo also represents a retreat from the strong stand the United States has taken against human rights violations, and a retreat from the laudable objective of the Carter administration to reduce U.S. arms sales abroad.

The European Commission on Human Rights of the Council of Europe has condemned Turkey for violating six articles of the European Convention on Human Rights. The findings of the Commission—supported by the Nobel Prize winning Amnesty International—document systematic killings, rapes, tortures, lootings, forced expulsions and other violations that have occurred since the 1974 invasion. Moreover, Turkey has resolutely refused to provide information on over 2,100 missing persons, including some American citizens, or to cooperate with the U.N. peacekeeping force and the International Red Cross in helping to locate these missing persons.

Mr. Chairman, proponents of an end to the embargo argue that our national security interests require us to overlook the clear violations of U.S. law perpetrated by the Turkish Government. I do not find their rationale persuasive. It is difficult for me to see how our national security objectives and those of NATO are advanced by appeasing Turkey and alienating Greece. The fact is that Turkey deploys her largest army corps not along the Soviet-Turkish border, but along the Greek-Turkish border. I think we ought to be supportive of countries that recognize that the Soviet Union—not Greece—is the real threat to NATO.

But even if the national security arguments had more merit, I would still oppose lifting the embargo because I believe very strongly that our national security is best assured by our international reputation as the one country that is committed to the rule of law and to the free exercise of basic human rights. I do not think it is worth risking that reputation in order to reopen an intelligence listening post in Turkey which even former Secretary of Defense Melvin Laird agrees is unnecessary.

Mr. Chairman, I urge support for this amendment because it preserves our strength in the world community, and I suggest to my colleagues that lifting the embargo will only diminish that strength.●

● Mr. McKINNEY. Mr. Chairman, today's vote on removing the remaining restrictions on U.S. arms sales to Turkey provides us all with a most difficult decision regarding our country's national security. Few would argue that both Turkey and Greece are necessary for the security of NATO's southeastern flank. Yet, the results of lifting the embargo have widespread, and perhaps negative, ramifications on the essential alinement of these geographically strategic countries which, until now, have discouraged Warsaw Pact and Soviet aspirations toward the Mediterranean and Middle East. In addition, our rule of law and our campaign to promote human rights could be severely discredited as a result of that decision this afternoon.

While I and a majority of my colleagues have consistently opposed the removal of the embargo in the past, this year's vote has required many of us to reevaluate our position. There is a new Turkish Government, after 4 years the Cyprus problem remains unsolved and Greece's democratic institutions have been restored and strengthened under the leadership of Prime Minister Karamanlis. In view of these important events, I am heartened to find that this year's debate is less emotionally charged. I firmly believe most of us have thoroughly and objectively reviewed the most up-to-date information available on this issue from a wide variety of sources. This being the case, let's now look at the facts.

The partial arms embargo against Turkey is primarily symbolic. It has permitted the delivery to Turkey of $724.9 million in military aid and $10 million in economic aid during the past 5 years. The administration has time and again stated that the primary effect of lifting the embargo will be to instill renewed trust and confidence between the United States and Turkey, not to strengthen a decaying NATO partner. Also, as many have pointed out, the Turkish Government has made it quite clear that it will remain in NATO regardless of the outcome of the embargo vote.

It is just as clear that the 1975 embargo, while clearly required by the Foreign Assistance Act, has failed in its primary objective of promoting a Cyprus settlement. Turkey has failed to respond to previous congressional concessions with respect to the embargo; the Turkish Government continues to occupy about 40 percent of the island and full human rights have not been restored to the more than 200,000 refugees now living there.

In contrast is Greece, whose Prime Minister has made clear that his government wishes to return to a full role in NATO, but cannot unless the embargo is maintained as a way to encourage a just settlement on Cyprus. The opposition to Mr. Karamanlis' government, led by Andreas Papandreou, supports total and permanent withdrawal from NATO, and the socialist party's platform receives wide, but not as yet commanding, support from the Greek citizenry.

President Carter has repeatedly argued that, in view of the embargo's discouraging results, we should embark on a different course, "one which offers the prospect of real movement toward a negotiated solution" in Cyprus. Such may be the case, although I doubt the efficacy of this "carrot and stick" strategy which seeks to persuade after the carrot has been swallowed and only the short-lived memory of the meal remains. I think it important to note that I doubt if any of us here today would oppose the lifting of the embargo if we were sure such an action would result in a just settlement for Cyprus. We have no such assurance, however, and as a result other considerations must come into play.

One factor which I believe has received too little attention is the political impact that lifting the embargo will have on the Karamanlis government. As my colleague, Mr. DERWINSKI, said during yesterday's debate:

> The facts of life are that the anti-Karamanlis minority in the Greek Government, led by Mr. Papandreou, who has a record of anti-Americanism that dates back many years, would be perfectly capable of exploiting this issue and using it against the best interest of the government of Mr. Karamanlis.

Few would refute this statement, and it is possible that a socialist coalition formed of anti-NATO and pro-embargo forces could succeed during the next election in gaining a majority in the Greek Parliament. In view of this danger to Greek democracy, coupled with my desire to support the rule of law while simultaneously promoting human rights, I must oppose the lifting of the partial embargo.

If there were an immediate and justifiable need for lifting the embargo at this very moment perhaps I would weigh this decision differently. The plain fact is, however, that President Carter is merely trying to eliminate a symbolic punishment placed upon the Turkish Government after they broke U.S. law and violated the spirit of our alliance by using American weapons to invade Cyprus. While we cannot be sure that lifting the embargo will provide the socialist party success in upcoming Greek elections, that prospect seems more likely than a Cyprus settlement by an embargo-free Turkish Government. In addition, given President Carter's supposed campaign to promote basic human rights, I find his advocacy of this proposal contradictory, in that it rewards a country for ignoring our efforts to eliminate human rights violations in Cyprus. If that campaign is to succeed, this country must remain steadfast and consistent in our condemnations. These arguments, and many others being discussed here today, make it morally and intellectually impossible for me to support the President's proposal. I hope a majority of my colleagues agree.

Thank you.●

● Mr. AMBRO. Mr. Chairman, I rise this afternoon to express my regret that my colleagues voted by the extremely narrow margin of three votes to lift the arms embargo imposed against Turkey in 1974. I gave this matter long and thoughtful consideration before voting against lifting the embargo for what I believe to be very good reasons.

First of all, by using U.S. supplied arms in the invasion and occupation of Cyprus, Turkey has violated not only the Foreign Assistance and the Foreign Military Sales Acts and bilateral agreements thereunder but also the basic principles of NATO. Under the rule of the law the United States was required to stop arms shipments to Turkey, and Congress voted that embargo. By lifting the embargo we have repudiated our own laws, and have demonstrated to the world that we are not serious about controlling the use of American arms.

Even while the embargo was in effect both the Ford and Carter administrations were less than diligent in enforcing it. Indeed, the embargo was partially lifted in October 1975 and we have supplied Turkey with $600 million in combined military and economic aid since then, thus communicating to the Turks our weak and divided support for the embargo. As a result Turkey has remained recalcitrant with regard to Cyprus. The Turks made the nominal gesture of reducing their occupied territory in Cyprus from 40 to 39 percent. Their settlement proposal to create what would be, in effect, two separate Cypriot states is untenable in the eyes of the Greek Cypriots. They have not made any serious effort to resolve the situation because they anticipated the lifting of the embargo. Now, the complete lifting of the embargo has removed any U.S. influence in the matter.

As for the argument that the continued embargo would have thrown Turkey into the arms of the Soviet Union, I feel that that is a highly unlikely situation. Turkey is not likely to embrace the Soviets. There is an historical enmity and fear harbored by the Turks against the Russians dating back to the Ottomans and the Tsars. Turkey needs the economic aid that only the United States and NATO allies can give. Turkey is very well aware of the conditions that go along with Soviet aid. Some small economic connections between the two countries may develop but I believe Turkey is too afraid of possible Soviet incursions to allow substantial Soviet interference in the country.

Another rationale used for the ending of the embargo was our need to reestablish our four U.S. intelligence-collection bases. The importance of these bases is greatly exaggerated since we have developed alternate sources of surveillance in West Germany, Iran, and Crete, and by satellite and AWACS type aircraft. The military establishment has admitted that over 75 percent of the information that would be gathered from the Turkish bases can be obtained from other sources. The bases in Turkey are not vitally important to our national security, and we would not have suffered from their continued absence.

All in all, the reasons for ending the embargo were insufficient, and that fact was reflected in the close vote. The lifting of the embargo is sure to prolong

the suffering of the Greek Cypriots at the hands of the Turks who so unjustly invaded the island in 1976.

The compromise language actually adopted by the House, we are told, will require the President and the State Department to vigorously pursue a negotiated settlement among all parties on pain of possible reimposition of the embargo. As I have explained above, I found these assurances unpersuasive, and I regret that the House has come to this conclusion.●

● Mr. KEMP. Mr. Chairman, today, the Congress had to face one of the most difficult issues of the session—whether or not to resume military aid to Turkey despite the fact that their use of U.S. military aid in the past violated provisions of U.S. law concerning its use. It is almost a no-win position for me personally, but I must vote my conscience and judgment.

The terrible suffering which has been inflicted as a consequence of the intervention of Turkish Armed Forces in Cyprus has weighed heavily on the decision. Against this painful agony must be weighed, the most profound responsibilities of a Member of Congress; namely, to provide for the security of the people of the United States and the world. In an effort to understand the security interest of the United States in the restoration of military assistance to Turkey, I have spent several days in Geneva and Brussels, respectively, at the Strategic Arms Limitation Talks and NATO Headquarters. I confirmed the crucial role played by U.S. intelligence facilities based in Turkey in monitoring Soviet compliance with the terms of the strategic arms limitation agreements. I am persuaded that the United States cannot safely participate in further arms limitation agreements without full access to our facilities—facilities which would almost certainly be denied to us if the U.S. arms embargo is not lifted because these facilities do not directly relate to Turkey's defense—they relate most importantly to American defense needs.

Second, the failure to rearm Turkey's forces for the past several years has been a contributing factor to the vast increase in the Soviet threat on the central front of NATO. A weak Turkey insures that only the modest forces the Soviets now deploy in the southern U.S.S.R. need be arrayed against Turkey. As a result, the Soviets have been able to build up a massive nuclear and nonnuclear threat to the nations of Western Europe with grave consequences for American security in the long run. The overriding nature of America's security concerns on the southern flank of NATO compel a restoration of military assistance to Turkey. Without full access to American military facilities in Turkey, it will be exceedingly dangerous to deploy an aircraft carrier task force in the Eastern Mediterranean in pursuit of our foreign policy objectives in the Middle East because Turkey contains the only naval refueling facility in the region.

As a consequence of the decision to restore military assistance to Turkey, and the surrenger of "leverage" that decision implies, American diplomacy must redouble its efforts to achieve an equitable settlement, not only of the Cyprus dispute, but also to ameliorate the dispute between two vitally important NATO allies, Greece and Turkey. Both nations are friends of the U.S. and are of the utmost importance to American security, as is the United States important to their security. A way must be found to prevent a continuation of the corrosive dispute which has poisoned the unity of the Atlantic alliance.

As one Member who has many friends in the Greek-American community, please be assured that this is a vote of conscience, because my compassion is with those Greeks on Cyprus who have lost their homes and property. It is an outrage for this to continue, and I hope this vote will force an early resumption of peace talks with Turkey.●

● Mr. LAFALCE. Mr. Chairman, I rise in opposition to the amendment offered by the gentlemen from Florida, New York, and Illinois.

There are many aspects to the question of the Turkish arms embargo, but I want to take this opportunity to focus in on four key questions which must be answered regarding the embargo.

First, is the embargo a matter of law or of policy? In a technical sense, the embargo is required as a matter of law by section 620(x) of the Foreign Assistance Act of 1969, but there are a number of considerations of a contrary nature, which should be recalled at this time.

The Congress is currently in the process of deciding whether that section of the law should be repealed because of its inherent inflexibility and obvious inconsistencies which have arisen in its implementation. Indeed, this embargo has been partially lifted by the Congress in 1975, has been revised in 1976, and extended in 1977. If a complete lifting of the embargo is illegal, then surely these actions in the past by the Congress should have been illegal, which was decidedly not the case.

The central point to be remembered is Congress ability to apply these embargo sanctions, which it chose to do in 1974 to help facilitate the removal of Turkish troops from Cyprus. The Library of Congress has estimated that there may well have been more than 20 similar cases since the 1950's, and in none of these cases has Congress chose the embargo route. Furthermore, it is an open secret that Greece has sent U.S. equipment to Cyprus illegally in the past; just as Turkey did during the pre-1974 period. This is not a question of law, but is on the contrary a question of policy to be determined by the Congress on the basis of its two primary objectives: the removal of Turkish troops, and its impact on vital U.S. interests.

Before I discuss those two central questions, Mr. Chairman, we should take a brief glance at the tangled history of this imbroglio.

Is all of the wrong on the Turkish side or have both sides been cavalier in their attitude toward the island's neutrality and independence. I do not want to go into a lengthy discourse on the unfortunate history of Cyprus, but some brief mention of the events immediately preceding the Turkish invasion must be made. While many graphic accounts of Turkish outrages on the island during and after the invasion have been circulated, little has been said about these other events. Just as I must in all good conscience strongly deplore and condemn Turkish violations of basic human rights, I must also denounce these earlier occurences.

Throughout the 1960's and early 1970's, there was considerable hostility between the Greek and Turkish Cypriots, which resulted in many acts of violence perpetrated by each community. As a vastly outnumbered minority, the Turkish Cypriots certainly received an abundant supply of these outrages. More importantly, as the tension grew during the 1970's, substantial segments of the Greek Cypriot community again demanded "enosis" (union with Greece) and plotted with the Greek junta in Athens to achieve this blatantly illegal end. During 1973, a coup d'etat was staged, which overthrew the constitutional government of Archbishop Makarios, with the aim of achieving enosis. This coup eventually failed for a number of reasons, but it created the atmosphere of uncertainty and doubt which both allowed and forced Turkey to intervene. I do not attempt to justify the intervention, but merely to place it in its proper context, because the Cypriot case is certainly one with more than one guilty party.

Third, has the embargo been effective in terms of removing the Turkish troops from the island and producing a long-term settlement on the two communities? The answer is manifestly in the negative, as even proponents of the embargo must admit, since they argue that the embargo must be continued, because Turkish troops have not been withdrawn. Mr. Chairman, this question is very important for me, because in the past I supported that embargo as a way of exerting pressure on the Turkish Government for the removal of its troops.

It surely is folly not to draw the logical conclusions from a situation. The embargo was imposed to secure a definite goal, and that goal has not been achieved. Furthermore, the Turkish Government has consistently stated that it will not and perhaps cannot for domestic political reasons buckle under to pressure from the United States. Since the stick has been such a manifest failure, perhaps then it is time for the carrot.

Indeed, there has been some movement recently by Turkey. It has withdrawn some troops, and it has begun to indicate its willingness to make concessions at the negotiating table. These presumably have been in response to intensified American involvement in the negotiating process and to the administration's declared aim of ending the embargo. The advent of the more liberal and accommodating Ecevit government in Turkey is decidedly not an opportunity to be foregone for a good dose of positive encouragement, as surely the outcome of a new policy could not be any worse than the present approach. I might add that, if the carrot does not prove to be an effective tool, the Congress will always have the opportunity of resorting to the stick.

Fourth, has the embargo had a positive or a negative effect on U.S. national security interests? The overwhelming response to this question from our diplomats, our military leaders, and our NATO allies has been emphatically in the negative. The situation on the southern flank of NATO has never been graver, particularly in view of a recently aggressive nature of the Soviet Union and the growth in the Soviet Navy which is heavily deployed in the Mediterranean theater. This growing debility on a vital NATO front must be of great concern to everyone who is troubled by recent Soviet actions and long-range Russian intentions.

Presently, neither Greece nor Turkey have a particularly cordial relationship with NATO; and although both remain members of the alliance, cooperation has been minimal. A termination of the embargo could meaningfully improve Turkish-NATO coordination, and if a final settlement is later arrived at on Cyprus, it could help pave the way toward a warming trend in Greek-NATO relations. The present policy is helping to undermine European and American security; a new approach is called for.

H.R. 12514 is not an endorsement of Turkish aggression and violations; it is not a "tilt" toward Turkey; and it is definitely not a sellout of Cyprus or Greece. The bill contains certain key elements which demonstrate that it is an even-handed approach to a very perplexing problem. The bill reiterates this country's unrelenting support for a continuation of the existing cease-fire and the negotiation of a swift and equitable settlement of the problem. The bill stresses that all arms deliveries must be used in accord with the relevant U.S. laws and that the President must certify that all arms are being furnished for legitimate defense and NATO purposes. Finally, the bill has provision for a $35 million military assistance grant for Greece, which, in light of the fact that there are only five grants to nations in the bill, should strengthen the U.S. role as a mediator vis-a-vis Greece.

I believe that this is a balanced and measured piece of legislation which could help break the present deadlock on the Cyprus negotiations, improve our long-term relationship to all three nations and strengthen our vital national security interests.●

● Mr. ANDERSON of California. Mr. Chairman, I rise today to support the amendment offered by Congressmen BRADEMAS and FASCELL, placing certain responsible conditions on any lifting of our arms embargo on Turkey. I oppose the amendment that will be offered by Mr. WRIGHT.

The Fascell-Brademas amendment will allow military sales to Turkey for 1 year, if the President certifies that troops have been withdrawn from Famagusta, and its inhabitants are allowed to return to their home under the administration of the United Nations. Talks on the Cyprus situation must also be resumed before any military assistance is provided to Turkey.

Many of my colleagues know that in 1974, I favored the imposition of this embargo, and have consistently endorsed its continuance. I was prepared to come into this Chamber once again today and urge that the embargo not be lifted. However, this amendment before us strikes me as an acceptable alternative. The purpose of the embargo was to elicit concessions from Turkey. And, in truth, that policy has not been successful to date, if success is to be measured by the restoration of a free and independent Cyprus.

Perhaps we can account for this lack of success by the military assistance that Turkey has received despite the "embargo". This has reduced the Turkish incentive to settle the deplorable situation on Cyprus. This amendment clearly provides that incentive. Famagusta will be freed, and in return Turkey may receive assistance for 1 year. If she is to receive further assistance from the United States, she knows that further progress will have to be demonstrated in the interim.

Those who favored the lifting of the embargo often drew the analogy that Turkey is like a convicted prisoner who has paid his debt to society. I could not have supported freedom for this prisoner until remorse were shown, and steps were taken indicating that rehabilitation is possible.

If the embargo is lifted, placing Turkey on probation, I would like the record to show that this Congressman will support its reimposition, if needed, to stimulate progress on Cyprus.●

Mr. YATRON. Mr. Chairman, I move to strike the requisite number of words.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. YATRON. I yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

At this time, Mr. Chairman, I ask unanimous consent that after the expiration of the 5 minutes allotted to the gentleman from Pennsylvania (Mr. YATRON), all debate on the pending amendments and all amendments thereto end at 4:15 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. TSONGAS. Mr. Chairman, I object.

Mr. GARY A. MYERS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ZABLOCKI. Mr. Chairman, I move that all debate on the pending amendments and all amendments thereto conclude at 4:30.

PARLIAMENTARY INQUIRY

Mr. GARY A. MYERS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARY A. MYERS. Mr. Chairman, is the motion now before the House debatable?

The CHAIRMAN. The Chair will advise the gentleman that it is not.

The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The question was taken; and on a division (demanded by Mr. TSONGAS) there were—ayes 38; noes 25.

Mr. JOHN T. MYERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the motion was agreed to.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. YATRON) is recognized for 5 minutes.

The Chair will allocate the time to the standing Members after the gentleman from Pennsylvania concludes.

PARLIAMENTARY INQUIRY

Mr. ROSENTHAL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROSENTHAL. Mr. Chairman, when is it appropirate for Members requesting time to stand? Now, or at the conclusion of the gentleman's remarks?

The CHAIRMAN. The Members will stand now.

The gentleman from Pennsylvania (Mr. YATRON) has the floor and may proceed.

Mr. YATRON. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Florida as the best compromise at this time.

The impact of my remarks may be dimmed by an inference of ethnic favoritism. Certainly, my sensitivity to the issue is more acute because of my parentage. My mother and father were both born on the Greek Island of Mytelene on the Aegean Sea.

The Turkish coast is clearly visible from the village of Polyhnitos where my father was born. The ancient passions which seethed between Greece and Turkey then still exist today.

Few families from that rugged island cannot recall a personal atrocity or tragedy resulting from these animosities. The Greek nationals do not seek revenge or retaliation, but they are firm in their resolve to repel any injustices or tyranny, as has been evidenced by Greece's heroic performance as our historic ally throughout modern history.

The United States role in this drama is an ethical one. Greece wants the United States to continue as a nation of high moral values, a nation founded on ethical principles. Countless American lives have been sacrificed for the principles of justice, equality, and freedom. We must not retreat from these basic values.

Mr. Chairman, the issue today is couched in terms of the Cyprus conflict. However, the real issue is whether we, as a people, will deal with all of our neighbors in the world community on an equal basis and adhere to our own principles or whether we will betray the very foundation of our national existence.

Mr. Chairman, our vote today may or may not have a great effect on the isolated case of Cyprus, but this vote's effect on our own self-image and national goals is of utmost importance.

I therefore urge this body to vote in favor of the Fascell amendment and in favor of respect for the laws which we ourselves have written.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. YATRON. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I thank the gentleman for yielding.

The gentleman has mentioned a very important word. I do not profess to be the kind of foreign policy expert which some of our colleagues are on the committee, but I think the word "respect" is one that the House should dwell upon for a moment.

Are we going to have enough self-respect, enough institutional self-respect, to abide by something we did when, in fact, the conditions have not changed and the violations have not changed?

Mr. Chairman, I think that the Turkish Government has looked at the Congress as a hindrance, as a test; and I think they have been aided in that perception or in the development of that perception by an administration which all too frequently looks upon the Congress in that way rather than as a coequal, a copartner, a coarchitect in the establishment of foreign policy.

Mr. Chairman, I want to associate myself with the gentleman's remarks, and I thank him for yielding.

Mr. YATRON. Mr. Chairman, I thank the gentleman from Connecticut (Mr. MOFFETT), and I certainly agree with his comments.

The CHAIRMAN. Members standing at the time the motion to limit debate was made will be recognized for approximately 50 seconds each.

AMENDMENT OFFERED BY MR. EMERY TO THE AMENDMENT OFFERED BY MR. SEIBERLING AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. FASCELL

Mr. EMERY. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. EMERY to the amendment offered by Mr. SEIBERLING as a substitute for the amendment offered by Mr. FASCELL: Page 2, at the end of line 21 (of the Seiberling Substitute), insert the following new sentence: "In particular, defense articles furnished to the government of Turkey after the enactment of this act shall not be transferred to Cyprus."

Page 3, line 3 of the Seiberling substitute, strike section 5, and insert in lieu thereof the following new section:

(5) Not later than 120 days after the enactment of this act, the President shall submit to Congress a proposed Turkish timetable for the withdrawal of its military forces from Cyprus.

Mr. EMERY. Mr. Chairman, I only regret that I have not enough time to fully explain the ramifications of this amendment. The amendment is to the Seiberling substitute, which is identical to the Wright substitute in most respects.

Very simply, my amendment will do two things. First, it states that the United States will oppose the placement of military equipment on the Island of Cyprus. Second, it would require that not later than 120 days after the enactment of this act, the President shall submit to the Congress a proposed timetable for the withdrawal of Turkish forces.

I think it is very important that we nail down in this legislation the principle that, in order to show good faith if we agree to lift the embargo, Turkey must indicate that it will withdraw its military forces from Cyprus. All we are requesting in this amendment is that Turkey show the good faith by presenting to the President of the United States, who in turn shall report to the Congress, that, in fact they have a plan to orderly remove their military forces and make for a meaningful settlement.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I support the Wright substitute and hope that it will be adopted. I think it is clear that after 4 years of applying this embargo, the embargo has not been effective. It has not produced the results that we expected that it would. It has not brought peace to Cyprus.

At the same time that we have been trying unsuccessfully to settle the Cyprus situation, which is a very painful one, a very difficult one, one that cries for solution, we have watched the southern flank of our NATO position crumble. After all, we do have some American interests of our own in this matter, as well as trying to get the Greeks and Turks together on Cyprus; that is, to protect our defense.

I believe lifting the embargo will speed up the rehabilitation of NATO, and I think it is also most likely to lead to a useful and satisfactory solution between the Turks and the Greeks, which will be as helpful to the Greeks, I might add, as it will to the Turks.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. JOHN T. MYERS).

Mr. JOHN T. MYERS. Mr. Chairman, we have been listening this afternoon to a number of speeches, attempting to try to compromise a rather sticky situation. The basic compromise offered by the gentleman from Texas, the distinguished majority leader (Mr. WRIGHT) does not really change the picture any. It is still doing the same thing. It lifts the embargo.

But, it does one thing which this House has been objecting to; it passes a policy responsibility to the Executive. How many times on this floor have we said, "Let's guard our responsibility. Let's protect the right to make the decisions in this body."

We are certainly not doing that with the Wright amendment. Once again we say, "It is not our fault; it is going to be the President who makes the final decision. He must certify."

So, if we really want to lift the embargo, why do we not do it cleanly, as the bill does. I do not think there is any need for compromise on this issue at this point. Let us vote for or against the provisions of the bill and not confuse anyone with these self-serving amendments.

(By unanimous consent Messrs. BONIOR, ROSENTHAL, and WOLFF yielded their time to Mr. TSONGAS.)

● Mr. WOLFF. Mr. Chairman, in imposing an embargo on American military aid to Turkey after Turkey's August 1974 invasion and occupation of Cyprus, Congress had expressed three principle considerations:

First, was the need to enforce American law, which required that further military assistance to Turkey be suspended after American-supplied weapons were used by Turkey for offensive purposes in Cyprus;

Second, was the expectation that the administration would use the embargo to convince Turkey of the need to take substantive actions to promote a just settlement on Cyprus;

Third, was the need to realize the geopolitical necessity of keeping both Greece and Turkey committed to the NATO alliance.

Turkey's second invasion of Cyprus in August 1974, was a blatant violation of the Foreign Assistance Act of 1961, the Foreign Military Sales Act, as well as our bilateral agreements with Turkey concerning the proper use of American-supplied weapons. The continuing occupation of 40 percent of the Island of Cyprus by Turkish forces is still a violation of the provisions of these laws which required the imposition of the embargo in the first place. Should the embargo be lifted as the situation now stands, it is clear that the provisions of our laws prohibiting the use of such arms for aggressive purposes exist for rhetorical purposes only.

The effective use of the 1-year suspension of the embargo, as stipulated in the Fascell amendment, represents the best chance of restoring full human rights to the more than 200,000 refugees now living there. Turkey continues to disobey 18 Security Council resolutions and 7 resolutions passed by the U.N. General Assembly, calling for withdrawal of foreign troops, a return of refugees to their homes, cessation of foreign interference, and recognition of Cyprus's sovereignty. The European Commission on Human Rights and Amnesty International have both found Turkey guilty of systematic killings of civilians, torture, and rape.

The immediate priority of the Carter administration should be to eliminate Cyprus as a source of contention between Greece and Turkey. If the arms embargo is lifted without a prior Cyprus settlement, relations between Greece and Turkey will continue to deteriorate and the military efficacy of NATO's southern flank will continue to be undermined.

The current tilt toward Turkey is shortsighted and dangerous to vital American security interests abroad. The Greek Government has made it clear that it wished to return to a full role in NATO, but that it cannot do so unless conditions, as specified in the Fascell amendment, are maintained as a way to encourage a just settlement on Cyprus. The Turkish Government has made it equally clear that it will remain in NATO regardless of the outcome of the embargo vote in Congress. A vote for a 1-year suspension of the embargo is the only way to bring about the full participation of both Greece and Turkey in NATO.

American foreign policy is guilty of reacting to Turkish threats of accommodation with the Soviets in not pressing for a Cyprus settlement before the arms embargo is lifted. Turkey needs the West. Only the United States and NATO allies can provide Turkey with the kind of economic and political base from which to maintain a credible military commitment to NATO.

During the recent war in the Middle East, Turkey did permit its airspace to

be used by the Soviets yet denied this use of its airspace to the United States, its NATO partner. Certainly not a dependable ally—if this be the reason for lifting the embargo.

We have supplied Turkey with $600 million in American arms since the 1974 embargo; Turkish troops are still (illegally) using those weapons as they continue to occupy between 35 and 40 percent of the island of Cyprus. We have also allowed a 40-percent increase in our foreign military sales to Turkey since the last fiscal year.

Turkey has yet to move toward a just settlement on Cyprus. It has violated U.S. laws and its bilateral agreements with this country. We cannot simply and unconditionally repeal the embargo without any reciprocal action from the Turkish Government. The Fascell amendment calls for this necessary action. To maintain U.S. credibility to see that justice prevails and force not be the determinant of the fate of a people, America must demand such action.●

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I want to point out in response to the gentleman from Indiana (Mr. JOHN T. MYERS) that my substitute, which is the Wright amendment plus a one-House veto over future arms sales to Turkey, does retain the right in the Congress.

(By unanimous consent Mr. SEIBERLING, Mr. BRADEMAS, and Ms. MIKULSKI yielded their time to Mr. TSONGAS).

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. TSONGAS).

Mr. TSONGAS. Mr. Chairman, let me start out by saying that the gentleman from Illinois made a great point that the father of his campaign manager was an immigrant from Greece. Well, the father of my campaign is an immigrant from Illinois, so we are on an equal basis.

We have found this past year that it is easier to understand global issues if we understand how they affect individuals. We have talked about apartheid in South Africa, but we have never understood it until Steve Biko. We have spoken about the atrocities of the Soviet Union and their violations of the Helsinki Accords, but it has not been until Scharansky and Ginsberg that we really understood the impact on individuals.

Let us try to take this issue and look at it through the eyes of one person. Try to imagine a refugee, a Greek Cypriot refugee living in Cyprus, whose land was taken, whose home was taken by the Turkish invasion of 1974, who is now living in a refugee camp. Let us take this issue and focus it on one human being. Two years after his land is taken, he reads that the United States in 1976 has elected a President whose stand, whose most prominent stand is for human rights. At the same time there is a Congress that competes with the President as to who is more dedicated to that principle.

Yet here we are, 2 years later, with, in his mind, the President and at least the Senate trying to lift the embargo despite our commitments to the rule of law and despite our commitments to human rights and despite our political commitments of 1976. And yet we say we will lift the embargo for one reason: It does not work.

Well, hell, we know we never tried to make it work. Both under the Ford administration and under the Carter administration we did not make it clear to the Turks that we would try to make the embargo work.

The reason we are lifting the embargo is very simply that we are paying a price for our pursuit of the rule of law and we do not want to pay that price.

How will the refugee look at the vote which will take place in a half an hour on the Fascell amendment? The Fascell compromise is just that: It is a compromise. It backs off from our total commitment to the rule of law on the basis of improving our role with NATO.

Perhaps the refugee can understand our willingness to do that. It only seeks to restore the territory of Famagusta and no other area on Cyprus now held by the Turkish troops. Perhaps the refugee can understand that as well.

But I ask the Members: How can that individual, how can that refugee understand this Congress rejecting the Fascell amendment in favor of the Wright amendment, which provides no assurances, no guarantees, and no commitments?

I would suggest he could only conclude that we are not serious either about human rights or about the rule of law and he could only conclude that he has been sold out. Mr. Chairman, he will be correct.

(By unanimous consent, Mr. MARRIOTT yielded his time to Mr. DERWINSKI).

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. MARKS).

Mr. MARKS. Mr. Chairman, I support very strongly the Fascell amendment.

(By unanimous consent, Mr. MARKS yielded the balance of his time to Mr. DERWINSKI.)

(By unanimous consent, Mr. WINN and Mrs. PETTIS yielded their time to Mr. ANDERSON of Illinois.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I would like to make one or two more comments about the Fascell amendment. I think the gentleman from Indiana (Mr. HAMILTON) did a good job in pointing out some of the problems with it. For one thing, the Fascell amendment is not even consistent with Greek Cypriot policy. The Greek Cypriot policy involving Verosha Famagusta would require a U.N. security force, but not necessarily the whole area but the Fascell amendment requires the entire administration of the city to be under the auspices of the U.N. So even if the Turks accept the Greeks' proposal without a change, the President could not make the required certification.

Also the Fascell amendment gives the Greek Cypriots a veto over the President's action.

It is a very complex issue, and it will require negotiations between the Greek and Turkish Cypriots to work it out. I don't think it makes sense to give one party a veto.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Chairman, the embargo was originally imposed as an emotional response to Turkey's invasion of Cyprus in 1974. Congress passed three separate resolutions cutting off aid before finally clearing President Ford's veto.

The debate has been heated this year, also, and it must be characterized as largely symbolic in nature. There has been no real embargo on arms sales to Turkey since October 1975, when Congress, in an attempt to generate some movement on the Cyprus issue and assured by promises from the administration, partially lifted the embargo. Since then, U.S. arms sales to Turkey have totaled $425 million. Even if the embargo is not lifted, Turkey will receive some $225 million additional military and civilian credits in fiscal year 1979. Through all this, there has been no progress on Cyprus.

Now, President Carter's desperate need for a foreign policy victory has led him to make every effort to urge Congress to repeal the embargo. But the foreign policy of a great nation cannot be based on political expediency.

Four years ago, when Congress voted to impose the embargo, President Ford and Secretary of State Kissinger argued that the embargo would anger the Turks, disrupt the chances for a peaceful settlement on Cyprus, and undermine U.S. security interests in the Eastern Mediterranean. Bending to political pressures, Congress ignored this advice and passed the embargo. Now, yielding to different political pressures, Congress may take a step that will anger the Greeks, disrupt chances for peace on Cyprus, and undermine U.S. security interests in the eastern Mediterranean.

Greece and Turkey are both valued allies of the United States. Both countries are critical to the defense of NATO's southeastern flank. But the peaceful resolution of their differences does not depend on the full resumption of U.S. arms sales to Turkey. Rather, it depends on the willingness of the two countries to sit down and negotiate in good faith. Such good faith can only come from a sound emotional and psychological perception of regional realities. Now is not the time for new, unsettling U.S. policy directions.

Under no circumstances should the United States be blackmailed into a change of policy that is based on law and morale principle. No good could come from such a gambit.

(By unanimous consent, Mr. KELLY yielded the balance of his time to Mr. DERWINSKI.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Chairman, I would like to use my 50 seconds just to make a point about the geography of Famagusta

and the amendment offered by Mr. FASCELL.

Mr. FASCELL's amendment says the Government of Turkey must remove its troops from the municipality of Famagusta, which includes the old Famagusta, which has been Turkish for a long, long time, as well as new Famagusta, which is known as Varosha.

It is quite clear that the Government of Turkey would never agree to remove its troops from Famagusta, old and new, and therefore it would not meet the terms of the Fascell amendment and there would be no opportunity for the President to make the necessary certification.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, I rise in support of the Wright amendment.

Mr. Chairman, it is hard for me to comprehend any desirability in prolonging the arms embargo imposed against Turkey.

Obviously, it has not achieved the goal its sponsors sought. While negotiations between the parties proceed by fits and starts, it should be apparent to any reasonable person that no resolution is possible which would be totally satisfactory to everyone. To place our security interests in jeopardy in the vain hope that such a resolution is possible taxes credibility.

These things being obvious, there is but one course to take: lift the embargo.

Turkey has been a good and faithful ally for some three decades, as has Greece. Turkey's geographical position, as NATO's southernmost partner, is absolutely essential to the health of the alliance. Turkey's intelligence-gathering potential is sorely missed, at a time when our capability must be expanded, not contracted.

The southern flank of NATO has been seriously weakened, and our position there is in grave jeopardy. Rather than achieving reconciliation, or at least resolution, we have sown the seeds of destruction for a vital element of NATO.

If we continue to exclude Turkey from full partnership in the alliance, we cannot escape the possibility that this Nation may seek some other economic security arrangement. Any coalition involving Turkey, the Soviet Union, and any Mideast country will place in serious jeopardy our primary source of crude oil.

It seems to me that 3 years is more than sufficient time to send a message to any country which violates the terms of military transfer arrangements. It is time now to get on with the business of restoring the alliance to a state from which it can be expected to meet its responsibilities. NATO without a strong southern anchor simply cannot serve its purpose as a credible deterrent against aggression.

We will remain indifferent to the military needs of Turkey at our own peril, that of NATO, and of the Middle East.

(By unanimous consent, Mr. PATTEN yielded his time to Mr. JOHN L. BURTON.)

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. GARY A. MYERS).

Mr. GARY A. MYERS. Mr. Chairman, I am very much disturbed by the fact that the Committee on International Relations, has, in my opinion, succeeded in silencing many members of the Committee of the Whole that do not serve on their committee. It seems to me all we have been able to do is listen to the speakers they wish to talk. I would have hoped the Chairman had first checked at the desk because there are amendments at the desk that I believe we ought to be able to consider.

I have an amendment which I want to present, and I will not be protected under the 5-minute rule, but my amendment would do three things.

It will retain the current limited embargo, which the Fascell amendment does not do. It would retain the flexibility of the Fascell amendment and the current 620(x) section of the Foreign Assistance Act of 1961. An important change proposed by my amendment is it would give the President the opportunity to certify that if he finds that the national security of the United States will be immediately threatened or irreparably harmed by a continuation of the restrictions contained in those sections, he may do so.

Mr. Chairman, this is an important issue which should be fully debated. Cutting off time causes us——

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MOFFETT and Mr. BIAGGI yielded their time to Mr. D'AMOURS.)

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire (Mr. D'AMOURS).

Mr. D'AMOURS. Mr. Chairman, I rise in support of the Fascell amendment and against all amendments and substitutes therefor.

Mr. Chairman, the Fascell amendment, which is essentially a compromise, has been characterized as many things. It has been characterized by the gentleman from Illinois (Mr. ANDERSON) as an oversimplified black and white situation. In fact it is just the opposite. It is exactly what it is offered as, a compromise.

All we are voting on here today, and all we are being asked to do is to choose between a solid principle of law that this Nation has passed and has tried to live by on one hand and, on the other hand, a totally utilitarian approach to our laws.

The gentleman from Florida (Mr. FASCELL) is not advocating inflexibility; he is advocating, as a matter of fact, a reasonable political compromise. The gentleman from Indiana (Mr. HAMILTON) has characterized this amendment as unworkable and, further, unacceptable—unacceptable, mind you—to Turkey. I thought we were voting on this amendment here in Congress. If we are going to refer it to the Turkish parliamentary body, fine; let us do that. But the vote on this amendment today is taking place in the U.S. House of Representatives, and it has to be acceptable to us and to our principles.

The advocates of lifting the embargo have further said—the gentleman from Indiana (Mr. HAMILTON) the gentleman from New York (Mr. SOLARZ) and others have subscribed to this—that the embargo has not worked. Nothing could be further from the truth. That is very imprecise. What has not worked is the compromising we have done so far of the principles behind that embargo. If we are going to repeal that embargo and reject those principles and say that henceforth it is OK for our foreign military arms sales to be used for aggressive purposes, that is fine; let us do it. But let us do it with our eyes open to the fact that you either have principles or you do not.

There is an old story about a very rich young man who stopped with a young lady in some very rustic, scenic spot. He asked her if she would live with him for a few weeks if he gave her $1 million. She thought and said very candidly, yes, she would. A few pensive moments went by, and he said, "By the way"—I guess he thought she was a Member of Congress—"will you yield to me now for $10?"

She slapped his face and said, "What do you think I am?"

He said, "We have already established that; we are just haggling over the price."

Mr. Chairman, we are going to be compromising our principles, and not even for $10 for a very vague promise that somehow Turkey is going to take steps to make the situation better.

I would submit, Mr. Chairman, that the President is unwilling to say that Turkey is in conformity with our laws and that they are making progress on settling the Cyprus issue. Why should we do so. Either we are going to make that determination or we are going to repeal our laws and principles, and if we are going to do that, then perhaps we had better get ready to spend the rest of our time here in Congress haggling over our own price.

The CHAIRMAN. The time of the gentleman from New Hampshire (Mr. D'AMOURS) has expired.

The Chair recognizes the gentleman from Florida (Mr. BURKE).

Mr. BURKE of Florida. Mr. Chairman, although I have some questions concerning any move to lift the remaining embargo on arms shipment to Turkey yet I will under the circumstances support the Fascell amendment. I value Turkey as a valiant ally of the United States, but I am not convinced that we can gain an honorable solution or a lasting peace in the eastern Mediterranean or the stability we so seriously need there, by allowing Turkey to use its special relationship with us to gain its own purposes in Cyprus. Turkey must want to solve the problem. Perhaps the Fascell, Rosenthal, Brademas, and Derwinski amendment will be the answer.

Mr. Chairman, events of the past 4 years have only demonstrated one thing. The Turks have moved toward dominance in Cyprus in a way and for reasons rooted in an unwillingness to consider serious cooperation with the Cypriot Greeks and with Greece itself. As a result a series of rash and destructive

Turkish acts have left Cyprus a sad and divided land.

As I understand the Greek position in Cyprus, they have been unable to gain Turkish agreement on any workable form of government. There has been fanatical Turkish refusal to cooperate in an efficient unitary government. Turkish proposals for a federated system seemed attractive except that it invited a partition—and events of 1974 demonstrated that it was precisely this that the Turks had in mind all along. Turkish leaders rejected outright a republican government with protected rights for the Turks. Turkish military excesses of 1974 made such a dream an all but permanent impossibility.

Since 1974 Turkish policy has rendered life in Cyprus an unmitigated disaster. In that year the Turks had a legitimate concern with the policies toward Cyprus of the discredited Sampson government in Greece. Yet their understandable move to protect against the excesses of the Sampson government, which actually led to that regime's replacement with democratic rule, was so quickly followed by a move to establish Turkish occupation of the island, that their entire effort and intentions have been brought into suspicion. Even worse, the entire life of a once happy and prosperous island nation has been rendered miserable and virtually hopeless.

Some one third of the Cypriot population is now homeless or displaced. There are serious interruptions to the normal economic and social development of the island, while agriculture has been damaged and industry brought to a standstill. The displaced Greek Cypriots have come to hate their Turkish counterparts with a passion, and hatred can only engender hatred in return. In short, the Turks have made a bad but manageable situation into a mess which is virtually imposible to clean up.

All these developments have been painful to friends of Greece, Turkey or Cyprus. American policy has therefore been to seek serious negotiations between Turk and Greek sides of the dispute, and we have earnestly encouraged Turkish authorities to be flexible and constructive toward legitimate Greek concerns. Thereby it would seem possible to obtain a settlement which first of all would make life livable again for the Cypriots. Unfortunately our results have so far been unsuccessful, and as a result I can only conclude that there has been virtually no movement on the part of the Government of Turkey. For that reason I can not see any reason to lift the remaining restrictions on arms shipments to Turkey.

If Turkey had not used American arms so carelessly in disregard of American laws and of the restrictions under our law on the improper use of such weapons, the situation would be somewhat different. We perhaps would not have to condemn Turkish actions in Cyprus. In other words we would not have had to respond to the flagrant and massive flouting by Turkey of the terms under which our weapons were furnished to them. We supplied arms to Turkey, as one ally to another and truthfully reprehensible for the Turkish Government to misuse those weaponry to the ends they did in Cyprus. In view of the moral and legal circumstances. I believe we were right when we originally acted. Now, we can by supporting the Fascell amendment see if Turkey is a true friend.

Mr. Chairman, let me say to those of our colleagues who endorse the change of our stance on the arms embargo against the Turks, arguing that we may lose an ally if we do not. I respect Mr. WRIGHT on his opinion, but I ask how reliable an ally do have in the Turks who threaten to look elsewhere for friends if we do not concede to their wishes and who would use our special relationship to their own ends. The Turks are concerned about our arms embargo because they see technical problems if in the near future they do not obtain new shipments of military parts and arms. If they are so concerned, then let them show their good faith by putting their house in order with the United States, and with Greece. If Turkey will do this we would have a new sense of unity and order in the Eastern Mediterranean, based on mutual respect through shared responsibility. My colleagues, let us not give in on this issue and thereby create a disproportionate relationship between Turkey, the United States, and Greece. Let them show us first so we can return to a strong, unified NATO, and thereby observe and enjoy the good will of all three of our friends who make important the southeastern flank of NATO. I recognize that the Fascell amendment does, to a degree, lift the embargo, but if my vote will lead to peace in the Eastern Mediterranean then my vote will be one well cast.

Now it is up to the Turks.

The CHAIRMAN. The time of the gentleman from Florida (Mr. BURKE) has expired.

The Chair recognizes the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Chairman, at this late moment I think we should define as to where we are. The issue before us—what is it? It is not Famagusta; it is not Presidential politics; it is not the gentleman from Indiana (Mr. BRADEMAS). It is not Cypriot refugees. The issue before us, Mr. Chairman, is national security and the security of this country and the security of our allies.

I ask that we take a look at this hard and fast, that we keep that in mind, and that should be the polestar of our decision today.

What is best for this country? I support the Wright substitute. I think it is the only logical, sane answer for this Congress to take. We must maintain strong allies with the Turkish Government. I hope we will continue to do so with the Wright substitute.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. SKELTON) has expired.

The Chair recognizes the gentleman from Illinois (Mr. RUSSO).

Mr. RUSSO. Mr. Chairman, once again the Congress is being asked to vote on the question of lifting the Turkish arms embargo. The administration claims that the failure to achieve a Cyprus settlement is due, not to continued Turkish intransigence, but to congressional inflexibility. In the past we have responded to similar requests from the administration to ease the pressure on Turkey. However, instead of achieving the desired results, it would seem that Congress' liberal approach has only encouraged further Turkish resistance.

This is a matter of record and the record speaks for itself. For example, under the promise of a Cyprus settlement the embargo was partially lifted on October 2, 1975. It should be noted that the embargo previously had been delayed 4 months in hopes of a positive Turkish response—none was forthcoming. The partial relaxation in 1975 allowed $185 million in arms to be released to Turkey, unlimited commercial arms sales to Turkey, and future foreign military sales (FMS) to Turkey. Their response to congressional flexibility—none. In April 1976 Congress authorized $125 million in FMS for fiscal year 1976 to Turkey; again, no response. May 1976 Congress added $125 million in FMS for Turkey for fiscal year 1977; again, no response. Last year, April 1977, Congress increased FMS to Turkey for fiscal year 1978 to $175 million, a 40-percent boost and the response from Turkey? None. Are we to believe, then, that by lifting the so-called embargo we will encourage concrete concessions from Turkey? Surely the facts indicate we can expect the same answer as before—none.

The administration claims that we must repeal the embargo because it has not worked. The above facts indicate that no effective embargo has ever been in place. I maintain that the embargo has not worked because the previous and present administrations have been unwilling to make it work. At every turn they have intentionally weakened and violated—if not the letter, then the spirit—of the embargo. I maintain that embargo has not worked because the leverage it holds over Turkey is virtually nonexistent.

We hear of Turkey's importance to NATO and of the need to do whatever is necessary to preserve U.S. relations with Turkey. I strongly support NATO. However, are we to allow Turkey to blackmail us? Can we accept the argument that Turkey will be our friend only if we sell her arms? It should be pointed out that both Turkey and Greece are necessary for the security of NATO's southeastern flank. I do not believe we can sacrifice the friendship of Greece by rewarding Turkey for her violation of American law.

It is important to remember that the arms embargo was voted by Congress only after Turkey, in clear violation of our laws and bilateral agreements already in effect, used American weapons for offensive purposes in its second invasion and subsequent occupation of Cyprus. Do our laws mean nothing? Will we allow them to be flaunted? I strongly urge my colleagues to uphold the law.

I agree with the gentleman from New York (Mr. BIAGGI) that if we have any courage at all, we will put a total and complete arms embargo on Turkey and I

am sure we will settle the Cyprus problem within a short period of time. I say to my colleagues, ask yourself what has changed since the previous administration asked us to relax the embargo. The answer is absolutely nothing. Turkey still occupies 40 percent of the island. Nearly 30,000 troops of the occupying army, still equipped with American weapons, remain there. Further, Turkey is in violation of the Geneva Convention and other international agreements by its illegal colonization of Cyprus with 35,000 Turkish civilian colonizers.

Although I will support the Fascell compromise I would prefer to enact a total and complete arms embargo and let Turkey suffer the full consequences of the law until she makes an honest effort to resolve the Cyprus problem.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. RUSSO) has expired.

The Chair recognizes the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I feel strongly this is not a partisan issue, and in that spirit I would like to yield my time to the gentleman from New York (Mr. BINGHAM).

(By unanimous consent, Mrs. FENWICK yielded the balance of her time to Mr. BINGHAM).

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I rise in strong support of the Fascell amendment. I strongly oppose the lifting of the Turkish arms embargo.

Mr. Chairman, I would just ask the Members of this House, when are we going to stop capitulating? The issue here really is whether we are going to allow a country, in this case Turkey, to say to us, "We are not going to be your friend unless you sell us weapons." What kind of a friend is that? This is nothing less than blackmail.

I think we have capitulated too much to blackmail in the past. In fact, yielding to the Turks on the sale of weapons smacks of the infamous arms sale to Saudi Arabia. Our Government cannot continue to be blackmailed by foreign countries over arms issues. We ought to stand up not only for our own self-respect and our own institutions, but for moral considerations as well.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I rise in support of the Fascell amendment as a reasonable compromise which can be perfected in conference with the Senate, which has already voted to lift the embargo. If the Wright amendment passes, it will be entirely lifted.

Turkey is important to NATO and to the United States and our defense, so is Greece. The amendment will affect Greece as well as Turkey. I am concerned about the impact in Greece and on that important ally of the total lifting of the embargo.

I do not understand why Turkish pride requires continued occupation of a sovereign country, the continued violation of the rights of many thousands of Greek Cypriots, and the continued violation of our law.

It seems to me, Mr. Chairman, that the thing we could do to help most is to take action on a reasonable compromise, such as the Fascell amendment, that would still leave room for further negotiations and for movement of the Turks on Cyprus, which is and ought to be the basic requirement if we are to lift the embargo at all.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Chairman, I rise in support of the Wright amendment.

(By unanimous consent, Mr. DANIELSON yielded the balance of his time to Mr. ZABLOCKI).

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, the issue today is really law and order. I think it should be clear that the embargo was the enforcement of the law passed by the United States in 1961. The law forbidding the use of American military aid in foreign adventures by other nations was not passed in 1974. The 1974 embargo was the enforcement of a breaking of the law of the United States. I do not think we should yield to that now. We should continue to enforce the law.

We know how many Members feel about judges who are soft on law and order. What we are saying is that people can violate the law because they will threaten us if they do not like our enforcement.

I say that the Wright amendment is like giving a toothpick for a lumber yard. It totally repeals the embargo, with 3 pages of rhetoric.

I do not think Turkey is going to join the Warsaw Pact. They are more scared of Russia than we are. They are closer to Russia than we are.

The issue is will we keep the enforcement of a violation of the laws of the United States in effect? I think we should.

Mr. Chairman, I strongly support the Fascell amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Chairman, the House of Representatives soon will vote on the International Security Assistance Act, H.R. 12514, which includes President Carter's proposal to lift the arms embargo against Turkey.

This is a complex and emotional issue, one to which I have given considerable study and thought. As I have pondered the Turkish arms embargo question, I have tried above all to determine what course of action would be in the best interest of the United States. At the same time, I have attempted to keep in mind the great need for a just solution to tensions in Cyprus and the plight of the Greek community on that island, along with the fact that Greece has been a firm American ally.

I would like to take this opportunity to discuss my conclusions concerning President Carter's recommendations.

The Turkish arms embargo was imposed in the wake of the July 15, 1974, coup d'etat on Cyprus, led by Greek-officered units of the Cyprus National Guard and Cypriot nationalists who favored political union of Cyprus with Greece. The coup resulted in the overthrow of the duly constituted government of Archbishop Makarios. Claiming that it was acting under a 1960 agreement with Greece and Great Britain to guarantee the independence of Cyprus, Turkey 5 days after the coup sent military forces into Cyprus.

A short time later, the coup collapsed, a cease-fire was achieved and the legitimate government was restored. But Turkish troops did not leave the island. Instead, additional troops were landed, and Turkish troops eventually took control of more than a third of the island. There was considerable bloodshed, as many as 200,000 Greek Cypriots were left homeless, and there were other atrocities committed against some of them. It was in reaction to the second Turkish invasion that the United States imposed the arms embargo, because Turkish troops used American-supplied military equipment in the course of the fighting.

A majority in Congress in 1974 believed that Turkey violated U.S. arms transfer law by its use of American military equipment to support armed intervention in Cyprus. A majority in Congress also believed that the embargo would compel Turkey to make concessions which would lead to a settlement of the Cyprus dispute. At that time, in 1974, I was among those voting to impose the embargo against Turkey.

The arms embargo, unfortunately, has failed to achieve its intended objective of promoting a settlement of Cyprus. Rather, the embargo seems to have made the situation worse. Turkey, a proud and firmly independent nation, rejects the idea of yielding to pressure. Greece, on the other hand, believes that any progress in negotiations on a Cyprus settlement would mean an end to the embargo, which the Greek Government does not want.

Aside from contributing to a continuing stalemate in Cyprus and a continuation of hardships on the country's population, particularly its Greek population, the arms embargo has jeopardized NATO's security, the long-range defense interests of Greece itself and U.S. capabilities in the eastern Mediterranean and Middle East. The decline of Turkey's forces resulting from the embargo leave the whole of Southeast Europe more vulnerable to Soviet coercion. These are the very forces, in fact, that would be needed to stem Soviet pressures on Greece itself.

Our NATO allies have urged an end to the arms embargo because Turkey's cooperation is of great importance to the Alliance. We have lost intelligence on missile tests and troop movements in the U.S.S.R. since the embargo began. There also is the strategic importance of the Turkish land mass to consider—it blocks unimpeded Soviet access to Syria and Iraq; it provides the vital air defense warning upon which U.S. ships in the

eastern Mediterranean depend; and it bottlenecks Soviet war vessels moving from the Black Sea into the Mediterranean.

It is my conclusion that an end to the arms embargo against Turkey is in the best interest of the United States. But what of the circumstances of Greek refugees on Cyprus?

When the present prime minister of Turkey assumed office in January, chances for a settlement improved. While his predecessors ruled with coalitions, Prime Minister Ecevit has an actual majority. He has declared that a settlement is in Turkey's best interest and is a matter of high priority for his government. With Ecevit's encouragement, Turkish Cypriots have submitted new proposals aimed at a settlement.

Their offers include a reduction in Turkish troops as intercommunal negotiations progress; freedom for 30,000 to 35,000 Greek Cypriots to return to their homes and businesses in the city of Varosha as negotiations progress; and that they are willing to discuss the reopening of Nicosia airport for civilian traffic as well as the possibility of joint economic ventures between Greek and Turkish Cypriots.

As a result of the willingness shown by Turkish Cypriots to seek a settlement on Cyprus, and because the arms embargo has not contributed to a solution, and because the security of the United States and our NATO allies has been weakened as a result of the embargo, I will vote to lift the embargo against Turkey when it comes to a vote before the House of Representatives.

There also are human rights problems in Cyprus that can better be addressed in the context of negotiations for an overall Cyprus settlement than in the present impasse. By repealing the arms embargo, I believe that our ability to assist in resolving these problems will be enhanced. At the same time, however, I will be watching closely the negotiations process. If there is not substantial progress or if the Turkish Cypriots do not carry out their promises, I reserve the right to vote "no" on Turkish aid when it comes up for review before Congress—despite any problems it may cause for NATO.

In short, I have come to the conclusion after much reflection that it is time to break the present impasse and lift the embargo as recommended by President Carter. Such an approach to this situation, in my opinion, will be in the best interest of the United States and NATO, while promising to stimulate a solution to the Cyprus problem as well.

The CHAIRMAN. The Chair recognizes the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Chairman, after much thought, I rise in support of the Fascell amendment for one major reason.

It is true that Turkey violated American agreements and abused the use of American arms.

The gentleman from Illinois (Mr. ANDERSON) made a very valid point when he indicated that Turkey was not the only country that abused the use of American arms.

Therefore, by supporting the Fascell amendment, we will not be committing ourselves to adopting a double standard. If it was wrong to abuse the use of American arms in Cyprus, then it was wrong when the use of American arms was abused in Lebanon and other countries. Let us have a uniform standard of justice for all countries.

Mr. BLANCHARD. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to my friend, the gentleman from Michigan.

Mr. BLANCHARD. Mr. Chairman, I would like to commend the gentleman from Florida (Mr. FASCELL), the gentleman from New York (Mr. ROSENTHAL), the gentleman from Indiana (Mr. BRADEMAS), and the gentleman from Illinois (Mr. DERWINSKI) for their leadership in offering what I think is an innovative compromise.

Mr. Chairman, I thank the gentlewoman for yielding.

It can be easily and strongly argued that there should be no compromise on this most important issue. However, apparently a large number of our colleagues believe that the current embargo on arms to Turkey has been too inflexible and rigid to produce negotiations on the tragic Cyprus issue. I reject that position. I believe we gave the Turkish Government a signal to begin serious negotiations almost 3 years ago, when the Congress partially lifted the arms embargo. Since that time, Turkey has not responded with meaningful steps on the Cyprus situation. Whatever logic there is to the position of the administration that progress is better served by lifting the embargo, I believe, is disproved by that recent history.

However, since there appears to be a prevailing mood that the current impasse should be broken, the Fascell amendment offers us that opportunity. If the Fascell amendment is adopted—it offers a measurable plan for movement over the Cyprus issue by Turkey and gives the President the power to suspend the embargo by certifying the three-step requirement of the Fascell amendment.

By not imposing serious restrictions on Turkish arms or, at least, not requiring measurable progress before arms shipments are resumed—we in the United States are giving away our only leverage on the Cyprus issue. That leverage is needed to bring about justice and human rights for the approximately 200,000 Cypriot refugees. Let us remember those refugees and let us remember our own legal principles. I urge adoption of the Fascell amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I would like to make two points. This has been a good debate, and most of the points have been well covered.

The first point I want to make—and it is one that I have not heard stressed, at least not clearly—is that lifting the embargo, thus leading to the improvement of relations between the United States and Turkey, will be in the long-run interests of Greece. It is clear that it is in the interest of the United States, and it is clear that it is in the interest of NATO. All the other NATO countries except Greece think so. But it is also in the interest of Greece.

The worst thing that could happen to Greece would be for Turkey to turn away from the West and turn to a neutral position, a Finland-like type of position, or, at worst, a pro-Soviet position.

The other point I want to make is concerning all this talk about a rule of law. The only Member who made real sense on that subject is the gentleman from Illinois (Mr. RUSSO), who said that, if we are to stick to the law, then we have got to stick to the embargo pure and simple.

If the Wright amendment—and I support the Wright amendment—is not in accordance with the rule of law, then neither is the Fascell proposal, and neither are the FMS shipments that the Congress has allowed to Turkey over these last years. They have all been compromises.

So, Mr. Chairman, let us stop talking about one thing being in accordance with the rule of law and the other one not being in accordance with the rule of law. They are all compromises. Let us focus on what is in the best interests of the United States and in the interest of future peace in the area.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, if the Members believe as I believe that the national interest is ill-served by the Turkish embargo and believe that the President must have the opportunity to lift that embargo, then there is only one choice we can make, and that is to support the Wright amendment. The Fascell amendment does not permit the President under any circumstance to lift the embargo. All he can do under the Fascell amendment is to suspend the embargo for a maximum of 1 year, and then only if very difficult conditions are met.

Mr. Chairman, the national interest requires that we support the Wright amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, we have heard a lot of talk during today's debate about how this is really an issue of principle. But if the rule of law really is involved here, then it would seem to me that the Fascell amendment, which provides for the lifting of the embargo in spite of the continued Turkish military presence on Cyprus, is itself a repudiation of the very rule of law which its sponsors claim to uphold.

I think the fact that they are nonetheless willing to support the Fascell amendment makes it crystal clear that what is at stake here is not a question of principle but a matter of policy.

What is the best way to get progress on Cyprus? Clearly, continuing the embargo is not the way to do it. Let us get this embargo behind us, improve our relationship with Turkey, and get progress on Cyprus as a result.

The Chair recognizes the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. I think it

is very difficult indeed to find anything new to say at this point in the closing moments of this debate. I certainly do not impugn the sincerity of any of those who have differed with me this afternoon. I would be constrained to say that, when the gentleman from Massachusetts (Mr. TSONGAS) said a few minutes ago that we must look at the issue through the eyes of the Greek Cypriot refugees, I would have to disagree, even though I admire his Greek ancestry; and, as some of the Members may know, there is a little division even in the Anderson household, because I have a splendid wife who has Greek parents.

But I think the issue is rather broader than that and infinitely more complex.

Let me very briefly address myself to the one principle that has been enunciated over and over again, and that is that a rule of law is involved and that somehow we destroy that great principle if we vote in favor of the Wright amendment, as I intend to do.

There was an excellent memo that came to us on the first of May from five members of the committee, and it indicated a very good point that the rule of law in this case has been upheld. It indicated that we have demonstrated "to all countries that purchase military equipment from the United States" that we are serious about the law.

Is it not reasonable to think that the arms embargo that has crippled Turkish military capabilities for more than 4 years is sufficient punishment for the misuse of U.S. equipment? Clearly, the time has come to consider whether the rule of law is enhanced by such single-minded and unyielding application."

I say to my friend, the gentleman from California (Mr. JOHN L. BURTON), who spoke about the necessity of invoking the principle of law and order, that surely he would agree with this principle: "Punishment need not be so extended in scope and prolonged in duration to be useful. Indeed, punishment beyond a certain point is counterproductive," and it seems to me that after 3 years that is the point that ought to be made. The punishment has become counterproductive. We have reached an impasse. Let us have the courage today to embark on a new course and pray that that impasse will be broken.

The CHAIRMAN. The Chair recognizes the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, I rise in support of the Fascell amendment.

Mr. Chairman, I rise to support the Fascell amendment to lift the arms embargo against Turkey for a period of 1 year under certain specified conditions.

I disagree with the President who is pressing to persuade the Congress to repeal the 3-year-old embargo.

Congress intended it to continue until there is visible progress toward settling the lamentable Cyprus situation. I would like to see convincing evidence of that progress before I can support the President in his wish.

I recognize the value of good relations with Turkey, of having Turkey as an enthusiastic supporter of NATO. But Greece is a member of NATO also. Our friendship with the people of Greece and their government is also important to the United States.

Turkey continues to be in violation of several U.S. laws and U.N. resolutions concerning human rights and the sale of arms to foreign countries.

Turkey continues to occupy about 40 percent of the territory of the Republic of Cyprus with a large army equipped with U.S.-manufactured weapons. Mr. Speaker, there is no real guarantee against the possibility that lifting the embargo would do anything besides stiffen Turkey's intransigence and frustrate all hopes for a settlement of the Cyprus problem and a resolution of the refugee problem.

Lifting the embargo on an unlimited basis would undermine the rule of law in the execution of our foreign policy. It would do damage to U.S. national security interests and the southeastern flank of NATO, because of the adverse impact upon relations between Greece and the United States and NATO.

Lifting the embargo without the reasonable conditions established by the Fascell amendment could raise serious doubts about the credibility of America's commitment to human rights, about our concern for the heroic Greek people. It would call into question our national commitment to the control of U.S. arms sales abroad. It could make virtually impossible the normalization of relationships among Turkey, Greece, and Cyprus and between each of them and the United States.

The attempt to obtain complete resumption of U.S. arms sales to Turkey without any substantive evidence of progress toward a settlement on Cyprus should be rejected.

I support the Fascell amendment as an expression of friendship for Greece, Cyprus, and Turkey and respect for and request for human rights all over the globe.

(By unanimous consent, Mrs. HECKLER yielded the remainder of her time to Mr. DERWINSKI.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, I rise in strong support of the Fascell amendment.

Mr. Chairman, it was just 4 years ago this month that 40,000 Turkish troops, armed with American weapons, occupied 40 percent of the island of Cyprus.

This use of American weapons for an offensive purpose was a clear violation of U.S. laws and our bilateral agreements with Turkey.

Termination of military aid to Turkey was required under provisions of both the Foreign Assistance Act and the Military Sales Act. This is why Congress imposed the embargo in the first place.

Not much has changed during the intervening years. There are still almost 30,000 Turkish troops on Cyprus, still equipped with American weapons. They still occupy 40 percent of the island.

Despite the many concessions made by the United States and documented in this debate, Turkey has failed to take the kind of substantive actions necessary to bring it into compliance with our laws. The embargo law itself allows the President to end the embargo the moment he can certify that Turkey is in compliance with the Foreign Assistance Act, the Foreign Military Sales Act, and the bilateral agreements with the United States, and that satisfactory progress has been made on an agreement regarding Turkish military forces on Cyprus.

But President Carter cannot so certify because Turkey, by the continued presence of its occupying force in Cyprus, continues to violate our laws and the bilateral agreements.

So long as these violations continue we must keep the embargo in force.

Mr. DERWINSKI. Mr. Chairman, to complete the legislation before us, first, I would suggest a strong no vote on the Wright amendment and a strong vote for the Fascell amendment, which I suggest is the only logical solution before us if we really want to make progress on Cyprus.

Keep in mind the Fascell amendment lifts the embargo. The conditions that it would impose as it lifts the embargo are conditions that have been publicly stated by the Turkish-Cypriot officials, conditions which have been enunciated by the President of the United States, conditions which are called for in the U.N. resolution. So we could vote for the Fascell amendment knowing that we are being consistent with those interested in a lasting solution to the Cyprus situation.

Mr. Chairman, earlier our minority leader, the gentleman from Arizona (Mr. RHODES), addressed himself to the issue, and he did so in rather a partisan fashion. I wish at this time to disagree with the political remarks made by the gentleman from Arizona (Mr. RHODES). I want to tell the Members why. The gentleman from Arizona, in effect, criticized the Democrats for playing politics a few years ago. Frankly, they are smarter politicians than we are. That is why there are more Democrats in the Congress than there are Republicans. The other thing is that Democrats understand ethnic politics. Republicans do not. That was demonstrated by the gentleman from Arizona (Mr. RHODES). The facts of life are that if a Member understands his district and he respects the people of his district, there is nothing wrong with voting for his constituency if it happens to have an ethnic impact. That is good politics.

I would suggest to my Republican friends that if once in a while they took a good, hard look at their districts and the body politic, there would be more of us here year after year, and there would be fewer Democrats to do damage to the country as they usually do.

The real issue before us is the Fascell amendment. The Fascell amendment is the only practical proposal we have been faced with today, and the Fascell amendment provides the proper vehicle for us to go to conference with the Senate.

Therefore, Mr. Chairman, regardless of the rhetoric such as that of my friend,

the gentleman from Illinois (Mr. ANDERSON) who talked about the rule of law not having worked, let us look at the real issue. It has not worked because for 4 years the State Department has told the Turks, "Ignore the Congress. We are going to take care of your problem."

Obviously, Mr. Chairman, it had no chance to work; but under the Fascell amendment there would be a year to prove that they will abide by the U.N. resolution to commence intercommunal talks and permit the refugees to return to Famagusta, which is a Greek city, and then we could determine what the future position of Congress ought to be.

I think we have had a high-level debate. To the Democrats I say, support your President as he spoke before the election, and support the Fascell amendment. To my Republican friends, I say, take a good, hard look at the practicality of the Fascell amendment. Forget your rigid position of the past and support the only proper vehicle before us to help solve this problem.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I think the matter of the arms embargo against Turkey is very serious. Not only are our national security interests involved as they affect our bases in Turkey, but the fact that the President of the United States has asked for this kind of flexibility to bring about a solution of the problems of Cyprus also makes this a very serious matter.

An accommodation between our friends Greece and Turkey is important for the resolution of a very tragic situation for the people of Cyprus. To be sure, the human and political tragedies of Cyprus are well known. Following the fighting on Cyprus in 1974, nearly 200,000 refugees had to be resettled. In spite of numerous efforts to aid these dislocated refugees, the problem remains a serious and tragic one.

Since the invasion, the devastation of the Cyprus economy, one of the healthiest in the area in 1974, must also be underscored. The economy of a once prosperous island is stagnate, largely because the agricultural and tourism sectors have suffered devastating blows. Amidst this battered background, Greek and Turkish Cypriots, inhabitants of an island nation recognized by the international community, resent each other more than in the early 1970's (when intercommunal relations were improving), but also feel strongly against the settlement of "colonists" from the mainland. As a writer for the New Statesman in London recently stated:

> Cypriots of both nationalities have learned the hard way that the differences between them are as nothing compared to their common differences with their cynical "motherhood."

Indeed, the Cyprus drama is, to a very large extent, a question of morality and human rights. The forcible destruction of Cyprus' human and cultural heritage for political reasons has been truly tragic. This situation applies not only to the Greeks of the island, but also to indigenous Turks who have also been uprooted, contrary to their will.

In order that Cyprus can again be independent and free and can guarantee the rights of individuals, we must provide an impetus for justice. As a result, I urge my colleagues to lift the embargo, in the belief that this action will contribute toward progress for a responsible Cyprus agreement and thus, more fully guarantee the human rights of the people of Cyprus.

By lifting the arms embargo, we can also better guarantee the security of the West. While the Soviet Union continues to provide conventional arms to Africa, the Middle East, and the Warsaw Pact—while the Soviet Union continues to project its seapower into the Mediterranean including the search for new naval bases near Greece—while the Soviet Union continues to approach Turkey regarding its economic and military needs—we must improve upon what is now a weakened western collective deterrence in the eastern Mediterranean.

Providing for Mediterranean security can be a major step in the overall improvement of our collective strength, since the eastern Mediterranean area is a strategic economic and military crossroads—a gateway to the Black and Aegean Seas. Moreover, this area is an important eastern anchor in the NATO structure.

If we are to rely upon the eastern Mediterranean as a protector of NATO's southern flank, however, it is incumbent upon the Congress to encourage a peaceful resolution of the differences that divide two of our oldest and closest friends and NATO allies—Greece and Turkey. An accommodation between these important members of NATO is in the mutual best interests of all of our partners in the Atlantic Alliance, confronted by a growing threat from the Soviet Union and its Warsaw Pact allies.

Equally important, providing for Mediterranean security can be a major step in the overall improvement of our national security.

As my colleagues well know, since 1975, U.S. military bases in Turkey, at the request of the Turkish Government, have suspended activities. Several of our bases in Turkey had been engaged in vital electronic intelligence-gathering activities directed at Soviet weapons development and military force deployment. According to the Defense Department and the intelligence community, the suspension of these surveillance activities has been damaging to U.S. national security, particularly in terms of NATO support and treaty verification.

Mr. Speaker, I urge my colleagues to adopt the Wright amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Chairman, I would like to suggest that pride is not involved; but let me dispose of it by saying that the Turks are undoubtedly a proud people. But so are the Greeks, and so are the Americans.

The issue is that if there is to be a settlement on Cyprus, the Greek and Turkish Cypriots could resolve that problem with some help from the Greek and Turkish governments.

Mr. Chairman, they have had the solution in their hands for 4 years, and they have not done much about it.

The only issue involved here today is, shall we completely abandon U.S. principles for which the United States has maintained a dollar ceiling on arms for Turkey, and ask that the Turkish Government do nothing toward a Cyprus settlement? Or shall we suspend the ceiling and ask the Turkish Government for affirmative action. I suggest a "no" vote on the Wright amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI) to close debate.

Mr. ZABLOCKI. Mr. Chairman, at the very outset, I want to say that this has been a very productive debate.

I want to commend all who have participated in the debate. Naturally, there were strong views expressed—expressed sincerely—on the part of our colleagues participating in the deliberations on section 16 of this bill.

However, I do want at this time to rise in opposition to the amendment as proposed by the gentleman from Florida (Mr. FASCELL) because it is not a compromise.

On the contrary, Mr. Chairman, if I may correct my dear colleague from Florida, his amendment is the wrong amendment and the right amendment is the Wright amendment.

I therefore rise also in support of the Wright amendment because the amendment of the gentleman from Florida is not a compromise, it would not be a compromise even if the set of conditions were not in the amendment. It will not encourage negotiations. It will exacerbate the differences between the United States and Turkey.

On the other hand, the amendment offered by the gentleman from Texas, although it does not actually lift the embargo, does permit the President to lift that embargo if he determines that it will assist in helping the parties reach a meaningful, peaceful agreement, and if it will help Turkey to better fulfill its NATO obligations.

Let me review this aspect of the Wright amendment.

First, for the embargo to be lifted, the President must determine and certify to Congress: First, that resumption of full military cooperation with Turkey is in U.S. national interests and NATO interests; and second, that Turkey is acting in good faith to settle the Cyprus problem.

Second, Turkey must act in good faith to achieve the early return of refugees to their homes and properties, the continued removal of Turkish troops from Cyprus and the early and serious resumption of intercommunal talks aimed at a just, negotiated settlement.

The lifting of the embargo would therefore not be made without the clear expectation of substantial progress toward a settlement of the Cyprus issue.

The Wright amendment further clarifies U.S. policy commitment to a just solution to the Cyprus conflict. It defines in meticulous detail what expectations we have concerning the means necessary for such a just settlement.

The amendment also makes clear the terms under which U.S. military equipment will be supplied to Turkey. Such equipment can only be used for defensive purposes as necessary to enable Turkey to participate in NATO. Providing assistance cannot be inconsistent with the objective of a peaceful settlement of the Cyprus issue.

Mr. Chairman, this amendment should satisfy many of the concerns we have heard expressed here today:

First, the amendment maintains the very high priority that the U.S. Congress places on movement to a resolution of the Cyprus conflict.

Second, it requires Turkey to act in good faith to achieve a just and peaceful settlement of the Cyprus problem for section 620(x) to be repealed.

Mr. Chairman, I urge my colleagues to oppose the Fascell amendment and vote for the Wright amendment.

The CHAIRMAN. All time has expired.

PARLIAMENTARY INQUIRY

Mr. FASCELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FASCELL. Mr. Chairman, I am trying to get the parliamentary situation straight as to what is now pending. Am I correct in stating that there is an amendment, the Fascell amendment, pending; that there is a substitute to the Fascell amendment?

The CHAIRMAN. The gentleman is correct.

Mr. FASCELL. There is an amendment to the substitute?

The CHAIRMAN. There is an amendment offered by the gentleman from Maine to the substitute. There is also an amendment to the Fascell amendment offered by the gentleman from Texas (Mr. WRIGHT).

The vote will occur on the Wright amendment first. Should it be adopted or defeated, the votes will occur on the Emery amendment to the substitute amendment offered by the gentleman from Ohio (Mr. SEIBERLING).

Mr. FASCELL. So the first vote, then, I ask the Chair, is on the amendment offered by the gentleman from Texas (Mr. WRIGHT) to the Fascell amendment?

The CHAIRMAN. Correct.

Mr. FASCELL. Then the substitute will be offered; then the amendment will be perfected?

The CHAIRMAN. The perfecting amendment to the substitute will be voted on, and then the substitute.

Mr. FASCELL. I thank the Chair.

PARLIAMENTARY INQUIRY

Mr. SEIBERLING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SEIBERLING. Mr. Chairman, am I correct in stating that the substitute which will be voted on after the Wright amendment is voted on is identical to the Wright amendment except for the Seiberling addition?

The CHAIRMAN. That is not in the form of a parliamentary inquiry, the Chair will state to the gentleman from Ohio.

PARLIAMENTARY INQUIRY

Mr. DERWINSKI. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DERWINSKI. If the Wright amendment stands—known as the "wrong" amendment—if the Wright amendment is agreed to, then the Seiberling and Emery amendments have fallen by the wayside?

The CHAIRMAN. That is not correct. They still must be voted on.

Mr. DERWINSKI. I thank the Chair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WRIGHT) to the amendment offered by the gentleman from Florida (Mr. FASCELL).

RECORDED VOTE

Mr. FASCELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 208, noes 205, not voting 19, as follows:

[Roll No. 627]

AYES—208

Abdnor	Fenwick	McClory
Akaka	Findley	McCloskey
Alexander	Flippo	McCormack
Ammerman	Flynt	McDonald
Anderson, Ill.	Fountain	McEwen
Andrews, N.C.	Frenzel	McFall
Archer	Garcia	McHugh
Aspin	Gephardt	McKay
Badham	Gibbons	Madigan
Bafalis	Ginn	Mahon
Baldus	Glickman	Mann
Beard, Tenn.	Goldwater	Mazzoli
Bedell	Gonzalez	Meeds
Bennett	Gore	Michel
Bevill	Gradison	Milford
Bingham	Hagedorn	Mitchell, N.Y.
Bolling	Hall	Montgomery
Bonker	Hamilton	Moore
Bowen	Hammer-schmidt	Moorhead, Pa.
Breckinridge	Hawkins	Moss
Brinkley	Hefner	Murtha
Brooks	Heftel	Natcher
Broomfield	Hightower	Neal
Brown, Calif.	Hillis	Nichols
Brown, Mich.	Holland	Nix
Brown, Ohio	Hubbard	Obey
Broyhill	Huckaby	Patten
Burgener	Hyde	Pattison
Burleson, Tex.	Ichord	Pease
Butler	Jeffords	Pepper
Carter	Jenrette	Perkins
Cederberg	Jones, N.C.	Pettis
Chappell	Jones, Okla.	Pickle
Cleveland	Jones, Tenn.	Poage
Coleman	Jordan	Preyer
Collins, Tex.	Kazen	Price
Conable	Kemp	Pritchard
Corman	Keys	Quayle
Cornwell	Kindness	Quillen
Coughlin	Krueger	Rahall
Daniel, Dan	LaFalce	Railsback
Daniel, R. W.	Lagomarsino	Regula
Danielson	Latta	Rhodes
de la Garza	Leach	Roberts
Derrick	Leggett	Robinson
Dickinson	Lehman	Rogers
Dicks	Livingston	Rostenkowski
Duncan, Oreg.	Lloyd, Calif.	Rudd
Edwards, Ala.	Lloyd, Tenn.	Runnels
English	Long, La.	Ruppe
Erlenborn	Lott	Ryan
Evans, Colo.	Lundine	Satterfield
Evans, Ga.	Sawyer	Steed
Schulze	Steiger	Walsh
Sebelius	Stockman	Wampler
Sharp	Stratton	Watkins
Shipley	Stump	Weaver
Shuster	Symms	White
Sikes	Taylor	Whitten
Simon	Thone	Wiggins
Sisk	Thornton	Wilson, Bob
Skelton	Treen	Wilson, C. H.
Skubitz	Tucker	Wilson, Tex.
Smith, Iowa	Udall	Winn
Smith, Nebr.	Ullman	Wirth
Snyder	Van Deerlin	Wright
Solarz	Vander Jagt	Young, Fla.
Staggers	Volkmer	Young, Mo.
Stanton	Waggonner	Young, Tex.
		Zablocki

NOES—205

Addabbo	Evans, Ind.	Moakley
Ambro	Fary	Moffett
Anderson, Calif.	Fascell	Mollohan
Andrews, N. Dak.	Fish	Moorhead, Calif.
Annunzio	Fisher	Motti
Applegate	Fithian	Murphy, Ill.
Armstrong	Flood	Murphy, N.Y.
Ashbrook	Florio	Murphy, Pa.
Ashley	Flowers	Myers, Gary
AuCoin	Foley	Myers, John
Barnard	Ford, Mich.	Myers, Michael
Baucus	Ford, Tenn.	Nedzi
Bauman	Forsythe	Nolan
Beard, R.I.	Fowler	Nowak
Bellenson	Frey	O'Brien
Benjamin	Fuqua	Oakar
Biaggi	Gammage	Oberstar
Blanchard	Gaydos	Ottinger
Blouin	Giaimo	Panetta
Boggs	Gilman	Patterson
Boland	Grassley	Pike
Bonior	Green	Pressler
Brademas	Gudger	Pursell
Brodhead	Guyer	Quie
Buchanan	Hanley	Rangel
Burke, Calif.	Hannaford	Reuss
Burke, Fla.	Hansen	Richmond
Burton, John	Harkin	Rinaldo
Burton, Phillip	Harrington	Roe
Byron	Harris	Roncalio
Caputo	Harsha	Rooney
Carney	Heckler	Rose
Carr	Hollenbeck	Rosenthal
Cavanaugh	Holt	Rousselot
Chisholm	Holtzman	Roybal
Clausen, Don H.	Horton	Russo
Clawson, Del	Howard	Santini
Clay	Hughes	Scheuer
Cochran	Ireland	Schroeder
Cohen	Jacobs	Seiberling
Conte	Johnson, Calif.	Slack
Corcoran	Johnson, Colo.	Spellman
Cornell	Kasten	Spence
Cotter	Kastenmeier	St Germain
Crane	Kelly	Stangeland
Cunningham	Kildee	Stark
D'Amours	Kostmayer	Steers
Davis	Krebs	Stokes
Delaney	Lederer	Studds
Dellums	Lent	Thompson
Derwinski	Levitas	Traxler
Devine	Long, Md.	Trible
Diggs	Lujan	Tsongas
Dingell	Luken	Vanik
Dodd	McKinney	Vento
Dornan	Markey	Walgren
Downey	Marks	Walker
Drinan	Marlenee	Waxman
Duncan, Tenn.	Marriott	Weiss
Early	Martin	Whitehurst
Eckhardt	Mattox	Whitley
Edgar	Metcalfe	Wolff
Edwards, Calif.	Meyner	Wydler
Edwards, Okla.	Mikulski	Wylie
Emery	Mikva	Yates
Ertel	Miller, Calif.	Yatron
Evans, Del.	Miller, Ohio	Young, Alaska
	Mineta	Zeferetti
	Minish	
	Mitchell, Md.	

NOT VOTING—19

Breaux	Fraser	Risenhoover
Burke, Mass.	Goodling	Rodino
Burlison, Mo.	Jenkins	Sarasin
Collins, Ill.	Le Fante	Teague
Conyers	McDade	Whalen
Dent	Maguire	
Eilberg	Mathis	

The Clerk announced the following pairs:

On this vote:

Mr. Risenhoover for, with Mr. Burke of Massachusetts against.
Mr. Teague for, with Mr. Eilberg against.
Mr. Breaux for, with Mr. Dent against.
Mr. Whalen for, with Mr. Le Fante against.

Mr. RHODES. Mr. Chairman, I demand the well be cleared.

The CHAIRMAN. The well will be cleared of all Members except those desiring to change their votes. All Members who have voted please clear the well.

Mr. DERRICK and Mr. SCHULZE changed their vote from "no" to "aye."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. EMERY) to the amendment offered by the gentleman from Ohio (Mr. SEIBERLING) as a substitute for the amendment offered by the gentleman from Florida (Mr. FASCELL), as amended.

The amendment to the amendment offered as a substitute for the amendment, as amended, was rejected.

PREFERENTIAL MOTION OFFERED BY MR. GARY A. MYERS

Mr. GARY A. MYERS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GARY A. MYERS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. GARY A. MYERS. Mr. Chairman, I believe the Committee ought to rise and consider bringing the bill back under conditions in which we would have time for all Members to consider the plight we are now in.

The current situation is that we have Wright pending against Wright, which I think is unfortunate. There has been considerable debate on the floor of the House that our concerns and the President's concerns were hanging on our concerns for our national security.

Mr. Chairman, the Wright amendment does not speak to the point of national security; it speaks to the point of national interest. Now, by the Wright amendment, in the period of time in which the President could certify this so-called "national interest," this does not reinstitute the limited embargo, so if the President should not be able to certify that in a legal way, we find a situation where Turkey has a full embargo clamped on them.

I plan to offer an amendment, that will commence immediately after the debate on this motion. Since time is limited on section 16 debate, I would like to apprise the membership of the fact that the amendment I will offer will be an amendment to the Seiberling amendment, and it will in effect strike out everything in the Seiberling amendment and replace it with three points:

No. 1, it would replace the limited embargo by changing the fiscal year from 1978 to fiscal year 1979 in the section 620(x) limited lifting of the embargo; No. 2, it would contain the provisions of the Fascell amendment; and, No. 3, it would give the President an "or" clause so he could legally certify thus temporarily lifting the embargo on his own if in fact he felt that the United States security was immediately threatened or irreparably harmed by the continuation of the embargo.

I think the present embargo language is flawed by the fact that the President does not have an escape clause when there is a national security threat. The most important consideration is to give the President that flexibility.

A few moments ago the gentleman from Illinois (Mr. FINDLEY) criticized the Fascell amendment by saying that the President could not lift the embargo. That is not an accurate statement.

In fact, the Fascell amendment gives the President a slight bit more flexibility than he currently has, but during that period of time, during the 1-year period of flexibility, he could only temporarily lift the embargo.

This does not change the situation under the current embargo, in that the President certifies by that language that Turkey complies with the language in section 620(x), so he could lift the embargo if the Fascell amendment is accepted, the same as he can now, as I mentioned.

As I said before, the committee only seems to feel that it wants to hear debate from members on the committee who brought the legislation to us. As I mentioned before, I think it is unfortunate the committee has taken the position it does not want to hear the rest of us who are not on the committee. There has been no consideration given as to how many pending amendments there are.

Mr. Chairman, I apologize to the House for having to use this parliamentary procedure of offering a motion to strike the enacting clause in order to get time to explain this matter in debate.

Members who want to retain the embargo, as opposed to lifting it, as the Wright amendment would do, and want to give the President the opportunity to react to a legally determined interest in the national security, they should vote for this amendment. If there is a national security issue which he will have to legally certify, he will have to take into consideration the impact on Turkey as well as the impact on Greece and certify that to the Congress.

The Members should vote for the amendment which will be offered as an amendment to the Seiberling amendment, which would then be in competition with the Wright amendment as a substitute for the Fascell amendment, as amended by the Wright amendment on our previous vote.

Mr. Chairman, I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, it is not my intention to take the full 5 minutes at my disposal, but those Members who were able to hear the gentleman from Pennsylvania (Mr. GARY A. MYERS), know that he will offer an amendment. He is now on the floor in order to explain his amendment to the Seiberling amendment.

Therefore, Mr. Chairman, I would briefly state that the proposals of the two gentlemen are redundant, and are particularly redundant in the reporting requirement. As a matter of fact section 36 of the Arms Export Control Act already requires that the information stipulated in the amendment we submitted to the Congress. Contrary to section 36(b), however, which requires action by both Houses, the Seiberling amendment would allow either House to act. Section 36(b) has enabled the Congress to participate more effectively in the arms sales policy process and should not be revised in this instance. Further, the President would probably veto any bill containing a one-House veto provision.

Therefore, I urge a no vote. We have resolved this issue. We have had a lengthy debate. There will be an amendment offered to the Seiberling amendment, by the gentleman from Pennsylvania. I urge a no vote on both amendments.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Pennsylvania (Mr. GARY A. MYERS).

The preferential motion was rejected.

AMENDMENT OFFERED BY MR. GARY A. MYERS TO THE AMENDMENT OFFERED BY MR. SEIBERLING AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. FASCELL, AS AMENDED

Mr. GARY A. MYERS. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. GARY A. MYERS to the amendment offered by Mr. SEIBERLING as a substitute for the amendment offered by Mr. FASCELL, as amended: In lieu of the section proposed to be inserted, insert the following section.

TURKISH ARMS EMBARGO

SEC. 16. (a) Section 620(x)(1) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1978" both places it appears in the proviso and inserting in lieu thereof "fiscal year 1979".

(b) The President may suspend the provisions of section 620(x)(1) of the Foreign Assistance Act of 1961 and of section 3(c) of the Arms Export Control Act for a period of one year upon his determination and certification to the Congress—

(A) that—

(i) the Government of Turkey has removed its troops from the municipality of Famagusta and allowed the inhabitants of said city to return to their homes and properties in such municipality;

(ii) the administration of said municipality of Famagusta, including but not limited to, police and security functions is being carried out under the auspices of the United Nations; and

(iii) intercommunal talks aimed at a settlement of the Cyprus problem based upon General Assembly Resolution 3212 of the United Nations have been resumed: *Provided*, That should either of the parties to such intercommunal talks fail or refuse to resume such talks within 30 days following performance of the conditions specified in subparagraphs (i) and (ii) of this paragraph the President may suspend the provisions of section 620(x)(1) of the Foreign Assistance Act of 1961 and of section 3(c) of the Arms Export Control Act for said period as if such talks had been resumed upon his certification to the Congress that the requirements of subparagraphs (i) and (ii) have been satisfied; or

(B) that the national security of the United States will be immediately threatened or irreparably harmed by a continuation of the restrictions contained in those sections.

Mr. GARY A. MYERS. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 2 minutes to explain my amendment, and that the opponents of the amendment be allowed to proceed for 2 minutes to explain their opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

PARLIAMENTARY INQUIRY

Mr. ZABLOCKI. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ZABLOCKI. Mr. Chairman, I thought the House had agreed, by motion, that all debate be closed by 4:30 p.m. on all pending amendments and all amendments thereto with respect to section 16.

The CHAIRMAN. The Chair will state that the gentleman from Pennsylvania is asking unanimous consent for this time.

Is there objection to the request of the gentleman from Pennsylvania?

Mr. ZABLOCKI. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ZABLOCKI. I thank the Chair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania, (Mr. GARY A. MYERS) to the amendment offered as a substitute by the gentleman from Ohio (Mr. SEIBERLING) for the amendment offered by the gentleman from Florida (Mr. FASCELL), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GARY A. MYERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment offered as a substitute for the amendment, as amended, was rejected.

The CHAIRMAN. Are there any further amendments?

If not, the question is on the amendment offered by the gentleman from Ohio (Mr. SEIBERLING) as a substitute for the amendment offered by the gentleman from Florida (Mr. FASCELL), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SEIBERLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment offered as a substitute for the amendment, as amended, was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FASCELL), as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments to section 16?

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: Page 13, immediately after line 7, insert the following new section 17; redesignate subsequent sections accordingly:

REPEAL OF PROVISIONS FOR MANDATORY TERMINATION OF MILITARY ASSISTANCE AND SALES

SEC. 17. (a) Section 505 of the Foreign Assistance Act of 1961 is amended by repealing subsection (d).

(b) Section 3 of the Arms Export Control Act is amended by repealing subsection (c).

Mr. DERWINSKI. Mr. Chairman, first, out of gratitude to those Members who stayed to listen to me I am going to be very brief.

This amendment repeals the existing law dictating the imposition of an embargo when U.S. arms are used for offensive purposes.

As I understand the situation following the vote just taken, the House has, in effect, voted to say to the Turks, "Don't worry about the law. Use our arms for offensive purposes, and we will not apply the law."

Mr. Chairman, frankly, this has been the position of the executive branch for these many years. Therefore, all I am suggesting is that since you obviously do not want to apply the law, why not strike it and leave the situation free and clear of all these encumbrances which come from political debate, depending on what country elects to misuse U.S. arms?

Mr. Chairman, I happen to be one Member who is convinced that logic still has a place in this world.

I recognize certain logical principles that should follow. Furthermore, Mr. Chairman, I recognize the right of the majority, in this particular case, to state its view, and in its wisdom to take a certain position. It is obvious by the vote just taken that a majority, even though a narrow one, feels that this law should not be applied.

Therefore, my amendment, recognizing this, strikes those provisions from the law that would require the President to penalize a nation for a misuse of U.S. military equipment, using it for aggressive, offensive purposes rather than the intended defensive purposes. If the committee accepts my amendment, we free the President from the future dilemmas that he would face when U.S. arms might be misused by any country; we free the President from the problems that the Congress has created for him in the last 4 years by the imposition of this embargo.

So, I would suggest that the 208 Members who just voted for the Wright amendment—should support this amendment. Many Members who voted on the minority position should still vote for this amendment since they do not want a repeat of this difficult political situation and the unsightly confrontation between the executive and legislative branches. So, it is in that spirit of logic and a spirit of consistency that I offer this amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, while not all of us are privileged to serve upon the august Committee on International Relations, and perhaps the gentleman's point is too clear to me, but it would seem that the gentleman, in applying what obviously is consistent logic, is in fact asking the committee to endorse an amendment that would say that the misuse of the arms sent for defensive purposes to our allies, in instances where they may use them against others of our allies, is approved by this Congress, because we are repealing the general prohibition against that. Am I correct?

Mr. DERWINSKI. That is right. What I am saying, in effect, is since we do not wish to apply the prohibitions, obviously we do not mean what we say; the law does not mean what it says. Therefore, it would be a lot easier for everyone if we repeal this law which causes these difficult political decisions.

Mr. BAUMAN. I thank the gentleman.

Mr. DERWINSKI. May I say to the gentleman that even though he is not a member of the International Relations Committee, I would say that he has the potential to reach that plateau.

Mr. BAUMAN. That is the unkindest thing the gentleman has said to me in some time.

Mr. DERWINSKI. Mr. Chairman, expecting overwhelming support, I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment. The Derwinski amendment would repeal two sections of law, section 505(d) of the Foreign Assistance Act of 1961 and section 3(c) of the Arms Export Control Act.

I am tempted to ask the gentleman from Illinois if he is really sincere in introducing this amendment. He seems inconsistent since he stated, during the debate, that as far as Turkey violating the law was concerned it was mandatory that we discontinue any military assistance. These two sections set conditions for eligibility of foreign assistance and foreign military sales. The first provision in section 505 mandates a termination of assistance to countries in violation of U.S. law regarding the purpose of the assistance, transfers, and security. It allows termination of assistance by a joint resolution.

A report to Congress is required for any violation.

In section 3, the second portion of the gentlemans' amendment, is a second provision which mandates that no military sales may be made to a country in substantial violation of the agreements governing use and transfer of security materiel, of U.S. military materiel.

The second part of the gentleman's amendment would repeal section 3(c).

I submit, Mr. Chairman, adoption of the Derwinski amendment would allow countries that misuse U.S.-supplied military equipment and countries which transfer U.S. military equipment without permission to continue to receive security assistance.

Perhaps the gentleman from Illinois just wants to dramatize in some instances where the countries that misused our equipment were not punished. Tell me.

But I submit this is a mischievous amendment. I hope the Committee will

resoundingly defeat the amendment offered by the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Illinois, since I used his name.

Mr. DERWINSKI. Mr. Chairman, when the chairman referred to my amendment as being a mischievous amendment he was being gentle with his needle.

Mr. ZABLOCKI. I could not find a dull needle in my pocket.

Mr. DERWINSKI. The chairman knows that even though I have served on his committee for a number of years I am an idealistic man, but I thought the Congress wanted to follow the letter of the law. The law clearly states that if we provide arms to a country and they use it for offensive purposes rather than defensive purposes, they are in violation of our law. Obviously that is not the position the House or Senate have upheld.

If I am wrong, and the House does believe in maintaining the provision of the existing law, will the gentleman please explain the last vote?

Mr. ZABLOCKI. I am sure, Mr. Chairman, that the gentleman from Illinois does not want our aid misused and therefore I would, Mr. Chairman, urge that he withdraw his amendment. He has made his point.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wonder if the gentleman from Illinois would briefly explain his amendment again. I would be happy to yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, may I say I know the gentleman from California will immediately appreciate the position I have taken.

Mr. JOHN L. BURTON. I will appreciate the consistency with which the gentleman is offering his amendment, right.

Mr. DERWINSKI. The consistency and responsibility of this amendment, right. All this amendment would do would be to repeal that provision of the existing law which dictates an imposition of an embargo, just as the one we have lifted.

The background of it is that the executive branch obviously has a clearly liberal and loose interpretation of the law and has not enforced it and therefore, consistent with the vote in the House and the record of the two previous administrations, my amendment merely lifts this law, which has not been enforceable, has not been workable, and at this point has been bypassed by the Congress.

So that is the logic of my position.

Mr. JOHN L. BURTON. What the gentleman's amendment would do is it would not single Turkey out for special treatment. It would say anyone who gets American arms can use them in any way they want to and can invade any sovereign country they want to.

Mr. DERWINSKI. It would not say that but it would remove the section of the law which provides for a Presidential imposition of an embargo if a country is in violation.

Mr. JOHN L. BURTON. In other words, it would say they should not do that, but if they do what is the difference? It is kind of like we did with Turkey.

Mr. DERWINSKI. But I could do away with this charade of the Presidential declaration of an embargo when in fact that has not been the method used by the executive branch in trying to enforce the law.

Mr. JOHN L. BURTON. I really think we ought to eliminate that entire provision of the law. If we did it for Turkey and we do not care about the 200,000 refugees in Cyprus, we do not care about anyone else except the manufacturers and the sellers of arms.

I think the gentleman's amendment is well taken. I would be happy to support it if he does not withdraw it. I think everybody should. Why should we let one nation get away with this if we do not let every nation? Why have this charade?

Mr. DERWINSKI. From the gentleman's offer of support I detect a little ground swell. But I think the gentleman from California has a rare genius not usually appreciated by all Members and I wonder where he is leading me at this point?

Mr. JOHN L. BURTON. Mr. Chairman, if the gentleman will permit me to reclaim my time, let me say that if we could get 400 Members in support of Grandparents Day, it shows we have got support of a broad cross section. I think this amendment really says the Congress does not care about what the laws of the land are, and that I am convinced we are merely playing a charade and that we ought to be consistent and not treat one country differently than we do any other.

I appreciate my friend for saying what he says, doing what he does, and dressing as he dresses.

Mr. DERWINSKI. Mr. Chairman, if the gentleman will yield further, following the grandfatherly advice from the gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from California (Mr. JOHN L. BURTON), I will take the advice of my grandfatherly friend, the gentleman from Wisconsin (Mr. ZABLOCKI) and ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois.

There was no objection.

The CHAIRMAN. Are there further amendments to section 16 of the bill?

Mr. MCKINNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, today's vote on removing the remaining restrictions on U.S. arms sales to Turkey provided us all with a most difficult decision regarding our country's national security. Few would argue that both Turkey and Greece are necessary for the security of NATO's southeastern flank. Yet, the results of lifting the embargo have widespread, and perhaps negative, ramifications on the essential alinement of these geographically strategic countries which, until now have discouraged Warsaw Pact and Soviet aspirations toward the Mediterranean and Middle East. In addition, our rule of law and our campaign to promote human rights could be severely discredited as a result of that decision this afternoon.

While I and a majority of my colleagues have consistently opposed the removal of the embargo in the past, this year's vote has required many of us to revaluate our position. There is a new Turkish Government, after 4 years the Cyprus problem remains unsolved and Greece's democratic institutions have been restored and strengthened under the leadership of Prime Minister Karamanlis. In view of these important events, I am heartened to find that this year's debate is less emotionally charged. I firmly believe most of us have thoroughly and objectively reviewed the most up-to-date information available on this issue from a wide variety of sources. This being the case, let us now look at the facts.

The partial arms embargo against Turkey is primarily symbolic. It has permitted the delivery to Turkey of $724.9 million in military aid and $10 million in economic aid during the past 5 years. The administration has time and again stated that the primary effect of lifting the embargo will be to instill renewed trust and confidence between the United States and Turkey, not to strengthen a decaying NATO partner. Also, as many have pointed out, the Turkish Government has made it quite clear that it will remain in NATO regardless of the outcome of the embargo vote.

It is just as clear that the 1975 embargo, while clearly required by the Foreign Assistance Act, has failed in its primary objective of promoting a Cyprus settlement. Turkey has failed to respond to previous congressional concessions with respect to the embargo; the Turkish Government continues to occupy about 40 percent of the island and full human rights have not been restored to the more than 200,000 refugees now living there.

In contrast is Greece, whose Prime Minister has made clear that his government wishes to return to a full role in NATO, but cannot unless the embargo is maintained as a way to encourage a just settlement on Cyprus. The opposition to Mr. Karamanlis' government, led by Andreas Papandreou, supports total and permanent withdrawal from NATO, and the socialist party's platform receives wide, but not as yet commanding, support from the Greek citizenry.

President Carter has repeatedly argued that, in view of the embargo's discouraging results, we should embark on a different course, "one which offers the prospect of real movement toward a negotiated solution" in Cyprus. Such may be the case, although I doubt the efficacy of this "carrot and stick" strategy which seeks to persuade after the carrot has been swallowed and only the short-lived memory of the meal remains. I think it important to note that I doubt if any of us here today would oppose the lifting of the embargo if we were sure such an action would result in a just settlement for Cyprus. We have no such assurance, however, and as a result other considerations must come into play.

One factor which I believe has received too little attention is the political impact that lifting the embargo will have on the

Karamanlis government. As my colleague, Mr. DERWINSKI, said during yesterday's debate:

The facts of life are that the anti-Karamanlis minority in the Greek Government, led by Mr. Papandreou, who has a record of anti-Americanism that dates back many years, would be perfectly capable of exploiting this issue and using it against the best interest of the government of Mr. Karamanlis.

Few would refute this statement, and it is possible that a socialist coalition formed of anti-NATO and pro-embargo forces could succeed during the next election in gaining a majority in the Greek Parliament. In view of this danger to Greek democracy, coupled with my desire to support the rule of law while simultaneously promoting human rights, I must oppose the lifting of the partial embargo.

If there were an immediate and justifiable need for lifting the embargo at this very moment perhaps I would weigh this decision differently. The plain fact is, however, that President Carter is merely trying to eliminate a symbolic punishment placed upon the Turkish Government after they broke U.S. law and violated the spirit of our alliance by using American weapons to invade Cyprus. While we cannot be sure that lifting the embargo will provide the Socialist Party success in upcoming Greek elections, that prospect seems more likely than a Cyprus settlement by an embargo-free Turkish Government. In addition, given President Carter's supposed campaign to promote basic human rights, I find his advocacy of this proposal contradictory, in that it rewards a country for ignoring our efforts to eliminate human rights violations in Cyprus. If that campaign is to succeed, this country must remain steadfast and consistent in our condemnations. These arguments, and many others being discussed here today, make it morally and intellectually impossible for me to support the President's proposal. I hope a majority of my colleagues agree.

Thank you.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ADDITIONAL AUTHORIZATION FOR THE ECONOMIC SUPPORT FUND

SEC. 17. In addition to the amounts otherwise authorized to be appropriated for the fiscal year 1979 to carry out chapter 11 of part I of the Foreign Assistance Act of 1961, as added by title III of the International Development and Food Assistance Act of 1978, there is authorized to be appropriated to the President for the fiscal year 1979 to carry out that chapter with respect to Turkey $50,000,000.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 17 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there amendments to section 17? If not, the Clerk will read.

The Clerk read as follows:

CYPRUS SETTLEMENT

SEC. 18. (a) The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy in the Eastern Mediterranean and that all concerned countries must be forthcoming in working for such a settlement. The Congress further declares that United States policies in the region shall be consistent with the following principles:

(1) The United States Government will accord full support and high priority to efforts, including those of the United Nations, to bring about a prompt, peaceful settlement in Cyprus which will permit the establishment of a free and independent government on Cyprus and which guarantees that the human rights of the people of Cyprus are fully protected.

(2) All defense articles furnished to countries in the region by the United States will be used only in accordance with the requirements of the Foreign Assistance Act of 1961, the Arms Export Control Act, and the agreements under which those defense articles were furnished.

(3) Defense articles may be furnished to countries in the region only when the President determines that it is consistent with the United States objective of a peaceful settlement among all parties to the conflict. Therefore, in requesting security assistance for Greece or Turkey, the President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a certification that such assistance is intended solely for defensive purposes or is necessary to enable that country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization.

(4) The United States Government shall use its influence to ensure the continuation of a cease fire on Cyprus until an equitable negotiated settlement is reached.

(b) The President shall submit to the Congress, at the end of each sixty-day period, a report on the progress made during such period toward the conclusion of a negotiated settlement of the Cyprus conflict.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 18 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: Page 13, strike out line 17 and all that follows through line 8 on page 15; redesignate sections of the bill accordingly; and correct any cross references to sections so redesignated.

Mr. ZABLOCKI. Mr. Chairman, this is purely a technical amendment and conforming amendment, due to the action taken by the committee in adopting the Wright amendment. Therefore, the language contained in section 18 of the bill as reported from the committee is no longer necessary.

I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SPECIAL SECURITY ASSISTANCE PROGRAM FOR THE MODERNIZATION OF THE GROUND FORCES OF THE REPUBLIC OF KOREA

SEC. 19. (a)(1) The President is authorized, until December 31, 1982—

(A) to transfer, without reimbursement, to the Republic of Korea, in conjunction with the withdrawal of the 2d Infantry Division and support forces from Korea, such United States Government-owned defense articles as he may determine which are located in Korea in the custody of units of the United States Army scheduled to depart from Korea; and

(B) to furnish to the Republic of Korea, without reimbursement, defense services (including technical and operational training) in Korea directly related to the United States Government-owned defense articles transferred to the Republic of Korea under this subsection.

(2) Any transfer under the authority of this section shall be made in accordance with all the terms and conditions of the Foreign Assistance Act of 1961 applicable to the furnishing of defense articles and defense services under chapter 2 of part II of that Act, except that no funds heretofore or hereafter appropriated under that Act shall be available to reimburse any agency of the United States Government for any such transfer or related services.

(b) In order that transfers of defense articles under subsection (a) will not cause significant adverse impact on the readiness of the Armed Forces of the United States, the President is authorized, in lieu of such transfers, to transfer additional defense articles from the stocks of the Department of Defense, wherever located, to the Republic of Korea to compensate for the military capability of defense articles withdrawn from Korea in any case where he determines that—

(1) the transfer of specific defense articles located in Korea would have a significant adverse impact on the readiness of the United States Armed Forces;

(2) the defense capability provided by those defense articles is needed by the Armed Forces of the Republic of Korea in order to maintain the military balance on the Korean peninsula; and

(3) a comparable defense capability could be provided by less advanced defense articles in the stocks of the Department of Defense which could be transferred without significant adverse impact on the readiness of the United States Armed Forces.

The President shall report to the Congress each determination made under this subsection prior to the transfer of the defense articles described in such determination.

(c) The total value (as defined in section 644(m) of the Foreign Assistance Act of 1961) of defense articles transferred to the Republic of Korea under this section may not exceed $800,000,000.

(d) The President shall transmit to the Congress, together with the presentation materials for security assistance programs proposed for each fiscal year through and including the fiscal year 1983, a report describing the types, quantities, and value of defense articles furnished or intended to be furnished to the Republic of Korea under this section. Each such report shall also include assessments of the military balance on the Korean peninsula, the impact of withdrawal on the military balance, the adequacy of United States military assistance, the impact of withdrawal on the United Nations and the Republic of Korea command structure, Republic of Korea defensive fortifications and defense industry developments, the United States reinforcement capability, and the progress of diplomatic efforts to reduce tensions in the area.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 19 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 15, strike out line 12 and all that follows down through line 20 and insert the following:

SEC. 19. (a) (1) The President is authorized, until September 30, 1979—

(A) to transfer, without reimbursement, to the Republic of Korea, in conjunction with the withdrawal of not more than 6,000 troops of the 2nd Infantry Division and associated Army support forces from Korea, such United States Government-owned defense articles as he may determine which are located in Korea in the custody of those United States Army units scheduled to depart from Korea; and

On page 17, line 14, strike out "$800,000,000" and insert "$90,000,000".

On page 17, line 15, strike out all after the comma down through "1983" on line 18 and insert the following: "not later than January 20, 1979".

On page 17, line 20, strike out the period after "section" and insert a comma and the following: "together with such recommendations as he may wish to make for the withdrawal of additional United States ground troops in subsequent periods." Strike out "Each such" in line 20 and insert "Such".

On page 18, at the end of line 4, add the following new sentence: "Such report to the Congress shall also include assessments of the effect of any proposed withdrawal of further troops from Korea on preserving deterrence in Korea; the reaction anticipated from North Korea; a consideration of the effect of the proposed additional withdrawal on increasing incentives for South Korea to develop an independent nuclear deterrent; the effect of any further troop withdrawals on our long-term military and economic partnership with Japan; the effect of any proposed further withdrawals on the United States-Chinese and the United States-Soviet military balance; and the possible implications of any proposed further withdrawal on the Soviet-Chinese military situation."

Mr. STRATTON (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. STRATTON)?

There was no objection.

POINT OF ORDER

Mr. WOLFF. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman from New York (Mr. WOLFF) makes a point of order against the amendment.

The gentleman will be heard on his point of order.

Mr. WOLFF. Mr. Chairman, my point of order is this:

There is a limitation placed upon the President for the deployment of troops in Korea. Actually this amendment is subject to a point of order under the germaneness rule, rule XVI, clause 7, as it deals with a subject different from those under consideration in the bill.

The bill does not purport to deal with the deployment of U.S. combat forces abroad; it deals only with the authority to transfer equipment to the South Korean forces. This amendment may well be unconstitutional as an attempt on the President's constitutional power as Commander in Chief of all U.S. military forces.

The CHAIRMAN. Does the gentleman from New York (Mr. STRATTON) wish to be heard on the point of order?

Mr. STRATTON. Yes, Mr. Chairman. I think my friend, the gentleman from New York (Mr. WOLFF) has not read the amendment. The amendment simply makes several minor changes in the existing text of section 19 of the bill. For example, it puts in two or three additional words in section (a)(1)(A). It makes changes on page 17 and strikes out $800 million and puts in $90 million. On page 17, line 15, it changes the date from 1983 to 1979. It adds to the remaining section on page 18 additional reporting requirements beyond those called for in the original section.

This is absolutely in keeping with the bill itself. In fact, I think only three or four lines in the bill itself are changed, and my amendment goes totally and wholeheartedly to the purpose of section 19, which is to provide certain transfer authority to the President of the United States to transfer equipment to the Republic of Korea; but it limits the amount of equipment that can be transferred. It also limits the time in which that transfer authority will prevail; and it requires that the President shall report to the Congress under certain circumstances somewhat more fully than the bill itself requires. But my amendment is in precisely the same vein.

It sets certain requirements for the President in the event that he wishes additional authority to report certain facts or assessments to the House and to the Senate and is, therefore, fully in order.

The CHAIRMAN. Does the gentleman from New York (Mr. WOLFF) wish to be heard further on the point of order?

Mr. WOLFF. Yes, Mr. Chairman. H.R. 12514 in no way seeks to dictate the level of troops to be maintained in Korea or, for that matter, elsewhere in the world. The fundamental purpose of the amendment is to limit the U.S. troops, as has been indicated in an amendment that this gentleman offered before and a point of order was raised upon. It seeks to limit the number of U.S. troops which may be withdrawn from Korea.

The fundamental purpose of H.R. 12514 is to authorize the appropriation of funds for the international security assistance program for fiscal year 1979. Therefore, the amendment is not germane to the bill, pursuant to clause 7 of House rule XVI.

The CHAIRMAN. Does the gentleman from New York (Mr. STRATTON) wish to be further heard on the point of order?

Mr. STRATTON. The gentleman from New York (Mr. WOLFF) is going into motives. We are talking about a particular bill. This is a particular bill which grants to the President authorization until December 31 of 1982 to transfer without reimbursement to the Republic of Korea certain specific equipment. The amendment that I offer limits that authority to September 30, 1979; and it also provides that the total value of equipment which the President is authorized to transfer may not exceed $90 million instead of $800 million; and it further provides that the President shall transmit to Congress not later than the 20th of January of 1979 a report describing the types and quantities and value of defense articles to be furnished or intended to be furnished to the Republic of Korea.

There is nothing in my amendment that limits in any way any stationing of any troops in Korea.

Mr. WOLFF. Mr. Chairman, the only thing that my colleague failed to mention was the fact that in part 19(A) he restricts the transfer without reimbursement to the Republic of Korea in conjunction with the withdrawal of not more than 6,000 troops. In other words, he sets a limitation on the number of troops that can be withdrawn. Therefore, it exceeds the germaneness of this bill.

Mr. STRATTON. Mr. Chairman, I would like to be heard on that point. I insist, Mr. Chairman, that the gentleman from New York is not addressing himself to a parliamentary matter of germaneness. The gentleman is trying to argue the bill. The gentleman's committee bill extends an authority to transfer equipment for 4 years, to December 31, 1982.

My amendment extends that authority only to the 30th of September 1979, and then says that during that period we are talking about, the withdrawal of 6,000 troops. If the House, if the President, or anybody else, wants to withdraw any more from Korea there is nothing in my amendment to prevent it. My amendment applies strictly to fiscal year 1979. It has nothing to do with the total number of troops to be stationed or the total number to be withdrawn. It simply limits the transfer authority that is conferred on the President to fiscal year 1979.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from New York (Mr. WOLFF) makes a point of order against the amendment offered by the gentleman from New York, one of the points being constitutionality.

The Chair would like to point out that the Chair is not prepared to rule on the constitutionality of legislation pending before the committee; however, as to the germaneness of the amendment, the Chair has examined the amendment offered by the gentleman from New York (Mr. STRATTON). In the bill, as has been pointed out, beginning on page 15, line 14, it relates:

(A) to transfer, without reimbursement, to the Republic of Korea, in conjunction with the withdrawal of the 2d Infantry Division and support forces from Korea, such United States Government-owned defense articles as he may determine which are located in Korea in the custody of units of

the United States Army scheduled to depart from Korea;

The amendment of the gentleman from New York sets a specific number which may be withdrawn, rather than following the language of a more general nature that is in the bill.

The Chair feels that the amendment meets the test of germaneness since it relates to the withdrawal of troops in Korea, a subject in the text of the bill.

The Chair, therefore, overrules the point of order.

The gentleman from New York is recognized for 5 minutes.

Mr. STRATTON. Mr. Chairman, I express my appreciation to my friend, the gentleman from New York, for giving me a little additional time to explain the meaning and impact of this amendment. It is actually a very simple amendment. It does precisely one thing, and that is to give the Congress of the United States some say in what is a very important decision and one that could imperil our security and even risk another war; that is, the withdrawal of U.S. combat troops from Korea.

Now, President Carter made a decision even before he was inaugurated as President that he was going to withdraw all the troops from Korea. He went ahead with that decision as President of the United States, even though the Joint Chiefs of Staff were unanimously in opposition to that decision and even though every responsible military and diplomatic expert in the Far East, not just General Singlaub, but virtually everyone shared the opinion of General Singlaub, that a withdrawal of troops from Korea could increase the risk of war in Asia.

Mr. Chairman, the Subcommittee on Investigations of the Committee on Armed Services had the opportunity to visit Korea in January of this year and to talk with the leaders in Korea and with the American military people in Korea. It had the opportunity to visit Japan and to talk with the Prime Minister of Japan, as well as the Prime Minister and now the President of the Republic of China in Taiwan and the President of the Republic of the Philippines.

We found again in all these areas that the responsible leaders, when they got through with the diplomatic talk, all agreed that this was a dangerous move that the United States was making.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. No, I will not yield until I have had an opportunity to present my point of view.

Mr. Chairman, Senator GLENN and the late Senator Humphrey earlier this year issued a report from the Senate Committee on Foreign Relations which expressed a similar view, that the withdrawal of troops from Korea was a risky thing, and urging that the executive go very slowly and very cautiously in withdrawing troops from Korea. Yet 1½ years after the President announced his decision—and Vice President MONDALE made it plain in Tokyo—the Congress has still taken no action to reassert its constitutional right to have a say in a decision that is as important as this because, as we say, it could involve us in war, and the war-making powers still constitutionally rest in the Congress of the United States.

The section which I seek to amend is section 19 of this bill. Let us be clear on this, because it is very important, and it is no wonder the gentleman from New York is so upset that I should have had the gall to amend his section. This section provides the President of the United States with a blank check on the withdrawal of troops from Korea. This will authorize the President to withdraw all the ground forces of the United States in Korea on any schedule that he wants, up until January 1, 1983, and you and I—the Congress of the United States—will not have a single thing to do with it.

If section 19 becomes the law, that is all Jimmy Carter needs. He can transfer this equipment, the compensating measures that he promised to give the Koreans, and he is not forced to come back and consult with the Congress whatsoever. Once we pass that, there is no chance to review the policy, there is no chance for us to set policy, and there is no way to insist on getting consultation except what the people down at the White House want to give us; and I think we have all found that is not a heck of a lot when it comes to certain matters that you and I or somebody else may be interested in.

This matter is not just SAM STRATTON sounding off. If the Members have been reading the CONGRESSIONAL RECORD—because they would not have seen it in the paper—they know that last week the Senate of the United States took cognizance of this problem, and in their version of this same bill they introduced an amendment. That amendment was authored by the distinguished Senator from Illinois, (Mr. PERCY), and the distinguished Senator from Georgia, Mr. NUNN, and it said this:

It is the sense of the Congress that further withdrawal of ground forces of the United States from the Republic of Korea may seriously risk upsetting the military balance in that region and requires full advance consultation with the Congress. Prior to any further withdrawal the President should report to the Congress on the effect of any proposed withdrawal plan on preserving deterrence in Korea; the reaction anticipated from North Korea; a consideration of the effect of the plan on increasing incentives for South Korea to develop an independent nuclear deterrent; the effect of any withdrawal on our long-term military and economic partnership with Japan; the effect of any proposed withdrawal on the United States/Chinese and United States/Soviet military balance; and the possible implications of any proposed withdrawal on the Soviet/Chinese military situation.

Mr. Chairman, that is in the Senate bill, and it went in by an overwhelming majority. I believe there were only 4 or 5 votes against it.

But, Mr. Chairman, if section 19 of this bill remains intact, then the Percy-Nunn amendment is a nullity; Congress would have no authority to get any consultation. We could go down on our hands and knees and ask the White House to tell us what has happened, but we would not be a coordinate body; we would not have a real say in making an important decision of this sort.

Therefore, what this amendment does in fact is to make a reality of what I think is a very outstanding and receptive amendment in the Senate. My amendment, as I had the opportunity to explain to the gentleman from New York (Mr. WOLFF) when he was trying to keep me from what he thought was a parliamentary misstep, does three things.

First of all, it reduces the transfer authority that we give to the President of the United States from a blank check that allows him to give the whole $800 million—that is almost $1 billion—of equipment to the Koreans in any way, any schedule that he wants, between now and January 1983. It reduces it to just $90 million.

I think it is a very generous compromise. We say to the President that we will give him the authority to transfer $90 million worth of equipment this fiscal year, until the 30th of September 1979, and $90 million is enough to pay for the equipment of the first 6,000 troops that President Carter had scheduled originally for withdrawal from Korea as of the first of October this year.

Our committee is not very happy about any troops being withdrawn, but we are willing to compromise. Some of the members were not in favor of doing that. But a majority said, "Let him take the 6,000 out, but after that let him come to the Congress and let us look this thing over."

The second thing which the amendment would do, as I have already indicated, is that it would change the date for exercising that transfer authority from 1983 to 1979. We do not know what the world situation will be like in 1983. Are we going to give a blank check now to be drawn on for the next 4 years? Let us take a look, as Senator GLENN and Senator Hubert Humphrey recommended, 1 year at a time.

The third thing my amendment would do is that it would add to section 19 all of these other suggestions for reports that the Committee on International Relations has forgotten about but which the Senate of the United States added to their bill. Thus the two pieces of legislation would be total conformity on this score.

Some of the Members may be concerned that we are interfering with the authority of the President of the United States. I do not think we are. The Congress of the United States has the right to raise and to support armies. The Congress of the United States has the war-making power. Surely, when it comes to our foreign policy and when it comes to our defense policy, we ought to be working in conjunction with one another and not give this kind of authority and responsibility solely to the President.

Mr. WOLFF. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would just like to read from the CONGRESSIONAL RECORD of July 18, 1973, a statement of the same gentleman who appeared in the well just now. The gentleman said at that time:

Is the question not involved in this legislation not simply the matter of a war declaration but, even more significantly, the use of the President's powers as Commander in Chief and as the only individual who is

qualified under the Constitution to deal with foreign governments?

That is a statement of the gentleman from New York (Mr. STRATTON) on July 18, 1973.

He went on to say:

. . . are we not really undermining the deterrent power of American forces as exercised by the President in negotiations with other countries?

On page 24692, of the CONGRESSIONAL RECORD of the same date he also went on to say:

If the President as Commander in Chief has committed armed forces, he can continue to deploy them unless Congress specifically disapproves.

Therefore, he has obviously changed his tune quite significantly; but I wonder whether he has changed his tune as well since the last time he offered this amendment.

The last time he offered this amendment the House acted, and 247 Members of the House said no to the gentleman's amendment, while 142 Members said yes. Virtually on a 2 to 1 basis the House turned down this amendment which the gentleman from New York (Mr. STRATTON) offered, and this is not the first time he has offered it.

Mr. Chairman, I should like to correct some of the impressions which the gentleman left with our body today. He said that the Joint Chiefs of Staff did not support the President's withdrawal program. That is not correct. It is untrue, totally untrue.

I should like to read a letter from the President of the United States to Senator ROBERT BYRD of July 20 this year.

He said the following:

THE WHITE HOUSE,
Washington, D.C., July 20, 1978.

Hon. ROBERT BYRD,
Majority Leader, U.S. Senate,
Washington, D.C.

DEAR SENATOR ROBERT BYRD: I understand that concern about the program for careful and phased withdrawal of U.S. ground combat forces from South Korea has prompted some in the Congress to propose placing restraints on my ability to redeploy these forces. Apparently that concern results largely from the incorrect impression that withdrawal will follow a rigid timetable not subject to modification in the light of changing circumstances. This has never been the case.

The withdrawal policy should be seen in the context of the international environment in Northeast Asia and the rapidly growing economic strength of the Republic of Korea. It is natural and appropriate that South Korea assume a greater share of the burden of its own defense. However, that burden must be assumed prudently and carefully. For this reason, I decided last April to defer a significant portion of the first phase of U.S. troop withdrawals until next year in order to give the Congress sufficient time to deal with the important question of equipment transfer authority.

It is my view that withdrawal phased over a four- to five-year period will be sufficiently flexible to accommodate developments on the peninsula. I expect the withdrawal program to be carried out in a manner which preserves a military balance and thus protects the security of the Republic of Korea. Should circumstances affecting the balance change significantly, we will assess these changes in close consultation with the Congress, the Republic of Korea and our other Asian allies. Our plans will be adjusted if developments so warrant.

Reports issued by the Senate Foreign Relations Committee, the House International Relations Committee and the Senate Armed Services Committee propose that the Administration undertake full reviews of the impact of our plans, the force balance, and the international environment in connection with further ground force withdrawals from Korea, and report to the Congress on the results of these reviews. I endorse the Committees' aim and look forward to sharing our assessments with the Congress.

Meanwhile, it is most important that I have the necessary authority to begin equipment transfers and training operations which will safeguard the military balance on the peninsula. I hope the Congress will promptly enact the equipment transfer authority and foreign military sales credit authorizations already recommended by both the Senate Foreign Relations and House International Relations Committees.

Sincerely,

JIMMY CARTER.

Mr. Chairman, I say to the gentleman from New York (Mr. STRATTON) that the House has already spoken on this amendment once and defeated this amendment.

I urge my colleagues to do the same again.

AMENDMENT OFFERED BY MR. DERWINSKI AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. STRATTON

Mr. DERWINSKI. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI as a substitute for the amendment offered by Mr. STRATTON: Page 18, immediately after line 4, insert the following new subsection:

(e) It is the sense of the Congress that further withdrawal of ground forces of the United States from the Republic of Korea may seriously risk upsetting the military balance in that region and requires full advance consultation with the Congress. Prior to any further withdrawal the President should report to the Congress or the effect of any proposed withdrawal plan on preserving deterrence in Korea; the reaction anticipated from North Korea; a consideration of the effect of the plan on increasing incentives for the Republic of Korea to develop an independent nuclear deterrent; the effect of any withdrawal on our long-term military and economic partnership with Japan; the effect of any porposed withdrawal on the United States-Chinese and United States-Soviet military balance; and the possible implications of any proposed withdrawal on the Soviet-Chinese military situation.

POINT OF ORDER

Mr. STRATTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. STRATTON. Mr. Chairman, do I understand that the gentleman's amendment is a substitute for my amendment.

The CHAIRMAN. That is correct. It is a substitute for the amendment offered by the gentleman from New York.

Mr. STRATTON. Mr. Chairman, unless I am mistaken, the gentleman has not bothered to look at my amendment. My amendment makes specific changes in the text on section 19. I am not clear where the gentleman's amendment would come in section 19. He cannot substitute a straight wording, as I understand it, for something that has a series of changes in 3 pages of a particular section.

Mr. DERWINSKI. Mr. Chairman, my amendment would come at the end of section 19.

The CHAIRMAN. The Chair might inform the gentleman from New York that it is a proper substitute amendment. Both the proposed amendment and the substitute are perfecting amendments to the section and deal with the same subject.

Mr. STRATTON. Well, the gentleman is not making any changes in section 19; he is simply adding his wording at the end.

Mr. DERWINSKI. That is correct.

Mr. STRATTON. I thank the gentleman.

The CHAIRMAN. The gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes in support of his amendment.

Mr. DERWINSKI. Mr. Chairman, so that my offering the substitute amendment would not be too upsetting to my dear friend from New York (Mr. STRATTON) let me first say that I think Mr. STRATTON has more knowledge in his little finger about the military situation around the world than most Members have in their entire bodies. I think he is one of our most knowledgeable, dedicated, conscientious Members, and I completely concur with his concern that the arbitrary withdrawal of troops from Korea creates a dangerous situation.

But, if we look at this amendment, this amendment which has already been referred to by the gentleman, it was adopted in the Senate and called the Percy-Nunn amendment. It provides:

It is the sense of the Congress that further withdrawal of ground forces of the United States from the Republic of Korea may seriously risk upsetting the military balance in that region and requires full advance consultation with the Congress.

It goes on to say that before any further withdrawal, the President should report to the Congress on the effect of the proposed withdrawal on preserving the deterrent strength of the Government of Korea and the reaction of North Korea. Quite frankly, I think that would sober up any President.

It goes on to say that one of the considerations would be the effect of the plan on increasing incentives for the Republic of Korea to develop an independent nuclear deterrent. Here again, the present President is on record as not wanting other countries to move into the nuclear weapon position. Certainly, the President would have to weigh the consequences of the possible needs for the South Koreans to develop a nuclear deterrent if they felt their security was endangered.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, I just want to thank him for his generosity, because I have already read the gentleman's amendment which is, of course, completely contained in my amendment. I deeply appreciate the gentleman's support, but what I would say to the gentleman is that what he is reading is a sentence that says, "It is the sense of the Congress."

Unless we add something to limit this power of authorization in section 19,

there are no teeth for getting the consultation he refers to, or even the reports that the Percy-Nunn amendment contains.

Mr. DERWINSKI. I think that is where we have a difference of opinion—I completely concur with the gentleman's belief that we should not withdraw any ground forces from Korea. I think that any President moving under the impact of my amendment would not reach a decision to withdraw further ground forces. I do not see how consistent with the complications that we know exist in that corner of the world, any President could reach a conclusion to withdraw further ground forces.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the distinguished chairman, the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I wish to commend the gentleman from Illinois for the substitute amendment that he has offered. It does express, as we are all concerned, the concern of Congress of a precipitous withdrawal of troops from Korea and requires that the Congress be consulted should the President withdraw troops.

Therefore, on our side we are prepared to support the gentleman's amendment, and I hope his amendment is adopted.

Mr. DERWINSKI. First I wish to thank my chairman for his statesmanship in supporting this particular amendment of mine. I wish he had shown as much wisdom in the previous battle we had a while ago, but a belated convert is better than none at all.

Mr. ZABLOCKI. If the gentleman will yield a moment for a comment, I certainly appreciate the gentleman's commendation. I might say that the gentleman from Wisconsin has recognized that as the day goes on the amendments offered by the gentleman from Illinois have improved.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the ranking minority member, the very distinguished statesman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I would like also to associate myself with the gentleman's remarks and his amendment.

I would like to point out to him the White House has notified the Speaker, and a copy of the White House letter of July 20, 1978, was sent to me. A portion of that says:

> Should circumstances affecting the balance change significantly, we will assess these changes in close consultation with the Congress, the Republic of Korea and our other Asian allies.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(On request of Mr. BEARD of Tennessee, and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 5 additional minutes.)

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman.

Mr. FINDLEY. Mr. Chairman, the gentleman may be surprised at my comments at this point, I will say to my colleague.

I see a lot of merit in the gentleman's language and I am troubled by one word, "should" where the amendment says:

> Prior to any further withdrawal the President should . . .

I am sure the gentleman means that the President shall make the report, not leaving the option with the President but requiring that he report prior to any further withdrawal of troops and in compliance with the items set forth below. Does the gentleman mean "shall"? If he does, I hope he would ask unanimous consent to substitute "shall" for "should." I think it would be stronger.

Mr. DERWINSKI. As the gentleman from Illinois knows, this was copied from the Senate amendment, but maybe the Senate "should" but maybe we "shall."

Mr. Chairman, if I may, I ask unanimous consent to substitute the word "shall" for "should" in line 6 of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield further to me?

Mr. DERWINSKI. Of course.

Mr. FINDLEY. Just for a little legislative history, is it the intention of the gentleman from Illinois that the report made by the President and required of the President shall be in writing?

Mr. DERWINSKI. Yes, of course.

Mr. FINDLEY. And shall go to both Houses of the Congress?

Mr. DERWINSKI. Yes, of course.

Mr. FINDLEY. I thank the gentleman from Illinois.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, is there any timetable as to the requirement of this report? Is it prior to, during, or after?

Mr. DERWINSKI. Prior. The amendment specifically states:

> Prior to any further withdrawal the President shall report to the Congress . . .

Mr. BEARD of Tennessee. In other words, the President shall report he is withdrawing additional troops or whatever?

Mr. DERWINSKI. And it goes on to say other things he shall take into account in preparing his report.

Mr. BEARD of Tennessee. Can the gentleman tell me where the teeth are, where we are going to have recourse if he reports to us and he has the wheels in motion, such as the initial decision to start withdrawing troops from Korea to begin with?

Mr. DERWINSKI. Earlier the amendment requires full advance consultation with Congress. In the case just cited, the earlier withdrawal, the gentleman will recall, the President made his announcement and called us in for an opinion after the fact.

Mr. BEARD of Tennessee. As the gentleman said, calling for a sense of the Congress and consultation, we held hearings and I was not here for the initial debate, but we held hearings and found out what the President's consultations are. In his consultations and talking to every high-ranking military officer, including the Joint Chiefs of Staff, not a single one testified they recommended or supported the withdrawal of troops in South Korea.

As a matter of fact, in our visit, not a single allied representative of the allied countries over there were consulted or supported a withdrawal of troops, nor any of our State Department officials that we talked to over in Korea supported this move. So how is it this time? In every case there has been a consultation before, and I just really feel that we are giving a little bit too much credit at this time to the integrity of this type of consultation. I just think we are taking all the bite out of the ability of Congress to stand up and say: Wait, we do not think that this is in the best interest of our country at this time.

We seem to be able to stand up and say that at any other time and place, so I do not see why we should not do so in Korea.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I thank the gentleman for yielding to me.

I would simply concur with the thrust of this amendment. I think there are problems with the amendment offered by the gentleman from New York (Mr. STRATTON). I also think that what is pointed out in this amendment is extremely important. I hope the amendment will be adopted. I think, in fact, it would be a destabilizing effect to withdraw troops in Korea. We are in a situation for a variety of reasons that there may be some reluctance on the part of the House to support any action that looks like it may be for defense of the regime in South Korea.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. SIMON and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Mr. Chairman, if the gentleman will still yield, I would simply say I think the thrust of this is sound. The language is clear so that I do not believe my colleague, the gentleman from Tennessee (Mr. BEARD), has too much to worry about because there is a clear mandate from Congress for consultation.

I applaud the amendment. I certainly will support.

Mr. DERWINSKI. I would like to emphasize that. The very point made here is that—

> It is the sense of the Congress that further withdrawal of ground forces of the United States from the Republic of Korea may seriously risk upsetting the military balance in that region and requires full advance consultation with the Congress.

That is the sense of Congress. The President would have to stretch to reach a different conclusion. So we have really

in this amendment prejudged the situation. We have put the President on notice to report to us. I believe this is important especially when you take into account the other items which would be dictated in his report.

Mr. TREEN. Mr. Chairman, if the gentleman will yield, for the purpose of this amendment covering the actions of the President, I think it states after the first withdrawal, meaning the first 6,000 troops or so?

Mr. DERWINSKI. Any further withdrawals?

Mr. TREEN. He has to report to the Congress before he goes ahead with any further step?

Mr. DERWINSKI. That is correct.

Mr. TREEN. So you are saying the President should act step by step. That is exactly what the Stratton amendment does. It says:

You can transfer the equipment for the first forces, but do not ask us for carte blanc to transfer 800 million dollars worth of equipment over the period between now and 1983, but to work step by step with the Congress.

What power does Congress have with respect to Presidential action under this amendment?

Mr. DERWINSKI. I do not think the gentleman from Louisiana (Mr. TREEN) wants the Congress to be judging the precise balance of manpower in any area. I think we have enough protection under this amendment so that the President has to consult with Congress and justify a removal before he could reach any positive position.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. WOLFF, and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. WOLFF. Mr. Chairman, the gentleman from Tennessee (Mr. BEARD) indicated that the Joint Chiefs of Staff had spoken to the Committee on Armed Services, and I was wondering whether when they speak before the House Committee on International Relations that they might say something different, because when they came before us they indicated they supported the President's program on troop withdrawal, and when the Secretary of State came before the Committee on International Relations and when the Secretary of Defense came before the Committee on International Relations, they supported the President's program. And it is the intent of the President to come before the Congress and request further withdrawals on a schedule basis. He has said this already in his letter, and it is supportive of the position taken by the Senate and is supportive of the position taken by the gentleman from Illinois.

Mr. BEARD of Tennessee. Mr. Chairman, if the gentleman will yield, the same Joint Chiefs of Staff came before our committee and also supported the President's position on the cancellation of the B–1 bomber and the cancellation and reduction of the neutron bomb and right on down the line, so that does not surprise me.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. TREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the substitute and in support of the amendment offered by the gentleman from New York (Mr. STRATTON). On this question of the position of the Joint Chiefs, we questioned them in the Investigations Subcommittee of the Committee on Armed Services very thoroughly. The history of the situation is that President Carter in January or February of 1975, in an interview with the editorial board of the Washington Post, committed himself to the withdrawal of troops from Korea—long before he was President, long before, in my judgment, he was in possession of facts to make a valid judgment on the issue. He met with the Joint Chiefs of Staff prior to his inauguration, after he was elected and prior to his inauguration, and said that it was his intent to withdraw the troops, and in effect gave an order as to what was going to be done—again before he was in office, before he had the opportunity to "mature and grow," as Members have said the President did with respect to the Turkish arms embargo. He took this action and, in effect, laid the law down to the Joint Chiefs at that time. So they really did not have any option except to support the President, and their position has been all along, "well, if you will do it this way, maybe we can get by with it." But to suggest the Joint Chiefs are in favor of it, I say to the gentleman from New York, is a distortion of the historical facts.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. TREEN. Just very quickly.

Mr. WOLFF. I thank the gentleman for yielding.

The Chairman of the Joint Chiefs came before our committee and specifically endorsed the President's proposal.

Mr. TREEN. The gentleman is talking about Joint Chief Brown?

Mr. WOLFF. That is right. Secretary Brown.

Mr. TREEN. Secretary Brown.

Let me go to the other point here. Let me get to the other points, and I will yield further if I have time.

The fact is that the withdrawal of troops from South Korea is not going to have any benefit. If the people here think that this is going to help the United States and is going to save money they are wrong. It is not going to because there is no suggestion that these troops be demobilized, simply that they be brought to the United States. As a matter of fact, it is going to cost money, because this bill, if the Members will look at page 16 of the bill, provides that no funds appropriated under this act or other foreign assistance acts may be used to replace the equipment that U.S. troops may need, those troops that come out of Korea and that are stationed in the United States. The report indicates that to reequip these troops, funds will have to be obtained from the regular defense appropriation, so that means defense appropriations will have to go up to $800 million, or more than that, to replace the equipment.

So there is no economic benefit whatsoever to this withdrawal, but there are grave dangers. They are the dangers of misperception of U.S. policy and resolve. We are not at peace in Korea. There is an armistice, but there has never been a treaty. We are talking about pulling out troops before we get a treaty, a peace treaty in that area. We know what the intentions of the Soviets are: They are to move anywhere in the world that they feel they can move without getting reaction from the United States. We know what the intentions of Kim Il Sung are. He has stated repeatedly that he will reunify the Korean peninsula and do so by force, if necessary.

Mr. STRATTON. Mr. Chairman, will the gentleman yield to me?

Mr. TREEN. I will be pleased to yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding. I want to congratulate the gentleman for his presentation. He has been a very valuable member and a very knowledgeable member of our subcommittee.

I think it ought to be made clear that the very beguiling substitute offered by the jocular gentleman from Illinois (Mr. DERWINSKI) really guts my entire amendment. Consultation under this amendment is simply consultation expressed as a sense of Congress, not something that is required. We all know what kind of consultation that would be. You can go down to the White House and you can talk to the President, and you can tell him your ideas. The gentleman from Florida (Mr. BENNETT) did that very eloquently the other night on the nuclear carrier. But that does not change the position of the White House.

I do not think that we would want to allow our funds going out in foreign aid, for example, to be doled out by the President in any way that he wants to, provided he consults with us. We want a part in the actual decisionmaking process; and nothing is more important than the process of war and peace. My amendment requires the Congress to be a participant in that.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. TREEN) has expired.

(At the request of Mr. STRATTON, and by unanimous consent, Mr. TREEN was allowed to proceed for 3 additional minutes.)

Mr. STRATTON. So, Mr. Chairman, if the gentleman will yield further, this is the question—whether we want to be lulled to sleep by some soporific language, whether Congress is just interested in words; or whether we are interested in a share in the decision and a share in the control. That is what this Government of checks and balances is all about.

Mr. McEWEN. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from New York.

Mr. McEWEN. Mr. Chairman, may I say to the gentleman, when the gentleman recited his version of the history of

the President's position on this and that of the Joint Chiefs of Staff, I say to the gentleman that in part I agree with what the gentleman says, but I was concerned by what I thought was at least an inference that the Joint Chiefs had no input whatsoever with regard to this policy or decision; and if that be the case, I respectfully disagree with the gentleman.

Mr. TREEN. Mr. Chairman, let me say that in testimony before the committee I bore in on this particular point. There was a meeting held in the President-elect's transition office and the chairman of the Joint Chiefs was there and, if my recollection is correct, the gentleman from Tennessee (Mr. BEARD) was there, and I see the gentleman from Tennessee nods his assent, that he, in effect, said the President told him what he was going to do and did not ask for input on that question.

Mr. McEWEN. Mr. Chairman, if the gentleman will yield further, was it the President's original proposal that we turn over the military equipment to the South Koreans? I understand that came from the Joint Chiefs.

Mr. TREEN. The Joint Chiefs, of course, said:

> If you are going to do this, Mr. President, if you are going to do this with any degree of safety, that there be the transfer of equipment.

Mr. McEWEN. Mr. Chairman, if the gentleman will yield further, the Joint Chiefs also suggested it be over a period of years and the President did accept that.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, we are muddying the water. Let us get down to the question we started with. The question was did the Joint Chiefs of Staff have any input in the decision, and the answer is an absolute no.

Mr. McEWEN. That is correct.

Mr. BEARD of Tennessee. The decision being, do we withdraw troops or not withdraw troops from Korea? If they had input, the decision was no, we should not withdraw troops from Korea.

Mr. TREEN. Mr. Chairman, I thank the gentleman, but let me reclaim the balance of my time.

We are not saying this amendment offered by the gentleman from New York (Mr. STRATTON) that the first phase withdrawal may not be implemented. In fact, it approves the tranfer of $90 million worth of equipment. We are simply saying that for the next step, the President must come to the Congress. Come back to this Congress and ask for the next step.

It seems to me this is one of the foreign policy successes that we have. There are very few such successes. We have kept pace on the Korean Peninsula, let us not risk it.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentleman from New York (Mr. STRATTON) and on the substitute amendment offered by the gentleman from Illinois (Mr. DERWINSKI) and any other amendments thereto close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. STRATTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ZABLOCKI. Mr. Chairman, I move all debate on the amendment offered by the gentleman from New York (Mr. STRATTON) and the substitute amendment offered by the gentleman from Illinois (Mr. DERWINSKI) and any other amendments thereto close at 6:25 o'clock p.m.

The CHAIRMAN. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will each be recognized for 45 seconds.

(Mr. SIMON and Mrs. FENWICK yielded their time to Mr. DERWINSKI).

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky (Mr. BRECKINRIDGE).

Mr. BRECKINRIDGE. Mr. Chairman, I rise in opposition to the Derwinski amendment and in support of the Stratton amendment.

We have been spending the last 2 days trying to put in place the southern flank of NATO. In an article appearing in this morning's CONGRESSIONAL RECORD it is argued that the northern NATO-Baltic flank has become a part of the Soviet Union's defense zone.

Thirty years ago, through a mistaken interpretation of the words of the Secretary of State of the United States, war broke out in Korea. We have retreated from the southern flank in the Pacific, and today is the day to signal very clearly that we should not retreat from Korea, without full consultation between the executive and the legislative branches.

Mr. Chairman, I urge the defeat of the Derwinski amendment and support of the Stratton amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.).

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, the essential difference between the Derwinski amendment and the Stratton amendment is that under the Derwinski amendment withdrawal could take place at such a pace—according to testimony of experts in all of the Pacific countries our subcommittee visited and of witnesses in this country who have not been muzzled—that it would produce a situation of heightened war danger and great cost; whereas under the Stratton amendment the withdrawal would have to take place at a more prudent rate. If the administration takes leave of prudence, it is our duty in this body to adhere to prudence in the interest of peace and national security.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, what is really at stake here is whether we want to facilitate or obstruct President Carter's courageous and, I think, constructive decision to gradually withdraw all of our ground forces from South Korea. It is for that reason that I support the Derwinski substitute and oppose the Stratton amendment.

I would point out that the President of South Korea, President Park Chung Hee, has said that by 1980 there will be no additional need for American ground forces in South Korea.

South Korea has twice the population and twice the gross national product of North Korea. Once we transfer the assets of the 2d Division to them, which this legislation provides for, there is absolutely no reason they should not be in a position to defend themselves without the presence of American ground troops.

The mutual defense treaty between our country and South Korea will remain intact. We will continue to maintain residual air and naval units in South Korea as a manifestation of our commitment to that country.

Mr. Chairman, under those circumstances, I urge support of the Derwinski substitute.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. McEWEN).

Mr. McEWEN. Mr. Chairman, I feel as though I am intruding on a debate of the Committee on Armed Services.

May I say to my colleague, the gentleman from Tennessee, that he is quite right: The decision was made by the Commander in Chief, and I am old-fashioned enough to think that such decisions should be made by the Commander in Chief.

What I was referring to, I would say to the gentleman and to my colleague, the gentleman from Louisiana, is that there was an input by the Joint Chiefs. The phased withdrawal was one. The turnover of military equipment to the South Koreans was another, and yes, then the Joint Chiefs did agree with the President on this, and I say again that he is the Commander in Chief.

I would like to echo what my colleague, the gentleman from New York (Mr. SOLARZ), said. I was looking at a background paper prepared by our own Congressional Budget Office staff on this whole question. I found that the population of South Korea is double what North Korea's population is.

Military. Active armed forces, larger than North Korea.

And you can go through the whole list.

I find it a little hard to believe that we are jeopardizing, by any ground force withdrawal from Korea, our allies there. I find it hard to believe that, after a quarter of a century since the end of the conflict out there, we have to continue to keep a sizable ground force in that area.

And, finally, the question was raised on cost. I do not think we are approaching this on a cost basis, but there is one cost I do not hear referred to, and that is the cost to our military and their dependents who are endeavoring to live in that country, as are so many overseas, with the declining dollar.

I would commend the Members to read an article which appeared in Army

Times on April 10, called, "Seoul Housing Situation Called Grim."

For many reasons, I think the President's position is right. I think it needs support. I am constrained to oppose the amendment offered by the gentleman from New York (Mr. STRATTON) and to support the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

(By unanimous consent, Messrs. PRICE, TREEN, and BEARD of Tennessee yielded their time to Mr. STRATTON.)

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, we have heard a lot of military experts in this House on both sides of the aisle, but I think we ought to remember the fact that the military experts who are in uniform, the people who are most familiar with Asia, all told us that this troop withdrawal was a risky step. I do not care which Member of Congress is going to reassure you to the contrary, it just is not so, in the view of those who know the situation best. I do not care what President Park may have told the gentleman from New York (Mr. SOLARZ), but he certainly did not tell us what he told the gentleman from New York. We talked with him for over an hour in the Blue House, and he shared this concern over American troop withdrawals that all of the other leaders throughout Asia expressed to us.

There is only one simple issue involved here, and that is that if you do believe this is a risky decision, and if you believe that ours should be a government of checks and balances, where the Congress should be in at the takeoffs as well as the crash landings, then my amendment will give the Congress the opportunity to really be consulted, to have an opportunity to review and make a decision at each period involved in the troop withdrawals from Korea.

What we are refusing to do is to give anybody a blank check. He is a great President. I voted for him. He has a lot of good points; but I do not think we ought to leave this decision entirely and exclusively up to Jimmy Carter.

I think this House and this Congress have a right to know what is going on, not just what a sense of Congress resolution might extract out of the generosity of the Executive. We ought to require that consultation by law.

The only way to get attention down there on Pennsylvania Avenue is to cut off their water. We are cutting off this particular water at the end of the year. If they want more water, they are going to have to come in and explain all the things that the gentleman from Illinois (Mr. DERWINSKI) and I both want them to report on. The only difference is that his substitute is just words, words, words, It does not do anything. If we enact the Stratton amendment, they will be required to come to us and tell us what is happening in the crucial military situation in Korea.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, I would like to read to the gentleman from New York (Mr. STRATTON) some words, words, words:

> The President is after all Commander in Chief . . . he is the only one who can properly negotiate with foreign governments . . . Congress can block anything he does . . . foreign governments are not really going to be deterred by what he says . . . I wonder if President Kennedy could have gotten Khrushchev to back down in the Cuban missile crisis in 1962 . . .

Those are words, words, words of the gentleman from New York (Mr. STRATTON).

Perhaps the gentleman would like to change the Constitution and change the composition of our Armed Forces.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I would like to point out that the gentleman from New York (Mr. STRATTON) and I have identical views on the necessity of continued solid support for the Republic of Korea. The difference here lies in the application of language to the Chief Executive.

I personally feel that the language I am offering, which I again remind the Members is accepted by the Senate, provides for enough detailed requirements of the President for full and advanced consultation with the Congress that the fears the gentleman from New York (Mr. STRATTON) has on arbitrary withdrawal just will not occur.

To complain about misuse of the Joint Chiefs of Staff is not the issue here. If the Joint Chiefs of Staff are being neglected or if their advice is not being taken, the gentlemen on the Committee on Armed Services can straighten out the law and provide for communication between the President and the Joint Chiefs of Staff to see that their advice or views are taken into account if you feel they are being overlooked.

Mr. Chairman, my amendment gives that proper touch of flexibility which the Chief Executive has to have to serve in the position of responsibility which any Chief Executive has. I provide for advance consultation. Furthermore, Mr. Chairman, with respect to being a friend and a supporter of Korea, I do not think my amendment does any disservice to that country at all.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI) to close debate.

Mr. ZABLOCKI. Mr. Chairman, just as the gentleman from Illinois (Mr. DERWINSKI) is, I, too, am concerned that Congress be fully apprised and consulted when the President makes a decision on withdrawing troops from Korea.

The President has agreed, Mr. Chairman, to undertake full review of the impact of the withdrawal and report to the Congress on the results of the review.

Furthermore, it is very clear that the withdrawal will be over 4 to 5 years; and as far as the review is concerned, the President has postponed the first phase of the U.S. troop withdrawal for 1 year so as to give the Congress sufficient time to consider the question of equipment transfer in conjunction with the withdrawal of U.S. forces.

Therefore, Mr. Chairman, I urge that the committee adopt the substitute amendment and defeat the amendment of the gentleman from New York.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI) as a substitute for the amendment offered by the gentleman from New York (Mr. STRATTON).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. STRATTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 212, noes 189, not voting 31, as follows:

[Roll No. 628]

AYES—212

Addabbo	Forsythe	Nowak
Ambro	Frenzel	O'Brien
Ammerman	Fuqua	Oberstar
Anderson, Calif.	Garcia	Obey
	Gephardt	Ottinger
Anderson, Ill.	Gibbons	Panetta
Andrews, N.C.	Glickman	Patten
Annunzio	Goodling	Patterson
Ashley	Gore	Pattison
Aspin	Gradison	Pease
AuCoin	Green	Pepper
Baldus	Gudger	Pickle
Baucus	Guyer	Pike
Bedell	Hamilton	Pressler
Bellenson	Hanley	Preyer
Benjamin	Hannaford	Pritchard
Biaggi	Harkin	Pursell
Bingham	Harrington	Quayle
Blanchard	Harris	Quie
Blouin	Heckler	Rahall
Boland	Heftel	Railsback
Bonior	Holland	Rangel
Bonker	Holtzman	Regula
Brademas	Horton	Reuss
Brodhead	Howard	Rhodes
Broomfield	Hughes	Richmond
Brown, Calif.	Jeffords	Rinaldo
Buchanan	Johnson, Calif.	Roe
Burke, Calif.	Jordan	Rogers
Burton, John	Kastenmeier	Rooney
Burton, Phillip	Kelly	Rosenthal
Carney	Kildee	Rostenkowski
Carr	Kostmayer	Roybal
Cavanaugh	Krebs	Ruppe
Cederberg	LaFalce	Russo
Chisholm	Leach	Scheuer
Clausen, Don H.	Lederer	Schroeder
	Leggett	Seiberling
Clay	Lehman	Sharp
Conable	Long, La.	Shipley
Conte	Lundine	Simon
Corman	McCloskey	Smith, Iowa
Cornell	McCormack	Solarz
Cornwell	McEwen	Spellman
Cotter	McFall	St Germain
Coughlin	McHugh	Stanton
D'Amours	McKay	Stark
Danielson	McKinney	Steers
Derrick	Marks	Steiger
Derwinski	Marlenee	Stokes
Dicks	Mattox	Studds
Diggs	Mazzoli	Thompson
Dingell	Meeds	Thornton
Dodd	Metcalfe	Traxler
Downey	Meyner	Tsongas
Drinan	Michel	Tucker
Early	Mikulski	Udall
Eckhardt	Mikva	Vanik
Edgar	Miller, Calif.	Vento
Edwards, Calif.	Mineta	Volkmer
Erlenborn	Minish	Walgren
Evans, Colo.	Mitchell, Md.	Walsh
Fary	Moakley	Waxman
Fascell	Moffett	Weaver
Fenwick	Moorhead, Pa.	Weiss
Fisher	Murphy, Ill.	Wirth
Fithian	Murphy, N.Y.	Wolff
Flood	Myers, Michael	Yates
Florio	Neal	Yatron
Foley	Nedzi	Zablocki
Ford, Mich.	Nix	
Ford, Tenn.	Nolan	

NOES—189

Abdnor	Flynt	Mottl
Akaka	Fountain	Murphy, Pa.
Alexander	Fowler	Murtha
Andrews, N. Dak.	Frey	Myers, Gary
Applegate	Gammage	Myers, John
Archer	Gaydos	Natcher
Armstrong	Gilman	Nichols
Ashbrook	Ginn	Oakar
Badham	Goldwater	Perkins
Bafalis	Gonzalez	Pettis
Barnard	Grassley	Poage
Bauman	Hagedorn	Price
Beard, R.I.	Hall	Quillen
Beard, Tenn.	Hammer-schmidt	Roberts
Bennett	Hansen	Robinson
Bevill	Harsha	Roncalio
Boggs	Hefner	Rose
Bolling	Hightower	Rousselot
Bowen	Hillis	Rudd
Breckinridge	Hollenbeck	Runnels
Brinkley	Holt	Santini
Brooks	Hubbard	Satterfield
Brown, Mich.	Huckaby	Sawyer
Brown, Ohio	Hyde	Schulze
Broyhill	Ichord	Sebelius
Burgener	Ireland	Shuster
Burke, Fla.	Jacobs	Sikes
Burleson, Tex.	Jenrette	Skelton
Butler	Johnson, Colo.	Skubitz
Byron	Jones, N.C.	Slack
Carter	Jones, Okla.	Smith, Nebr.
Chappell	Jones, Tenn.	Snyder
Clawson, Del	Kasten	Spence
Cleveland	Kazen	Staggers
Cohen	Kemp	Stangeland
Coleman	Keys	Steed
Collins, Tex.	Kindness	Stockman
Corcoran	Krueger	Stratton
Crane	Lagomarsino	Stump
Cunningham	Latta	Symms
Daniel, Dan	Lent	Taylor
Daniel, R. W.	Levitas	Thone
Davis	Livingston	Treen
de la Garza	Lloyd, Calif.	Trible
Delaney	Lloyd, Tenn.	Vander Jagt
Dellums	Long, Md.	Waggonner
Devine	Lott	Walker
Dickinson	Lujan	Wampler
Dornan	Luken	Watkins
Duncan, Oreg.	McClory	White
Duncan, Tenn.	McDonald	Whitehurst
Edwards, Ala.	Mahon	Whitley
Edwards, Okla.	Mann	Whitten
Emery	Marriott	Wiggins
English	Martin	Wilson, Bob
Ertel	Milford	Wilson, Tex.
Evans, Del.	Miller, Ohio	Winn
Evans, Ga.	Mitchell, N.Y.	Wright
Evans, Ind.	Mollohan	Wydler
Findley	Montgomery	Wylie
Fish	Moore	Young, Alaska
Flippo	Moorhead, Calif.	Young, Fla.
Flowers		Young, Mo.
		Zeferetti

NOT VOTING—31

Breaux	Hawkins	Ryan
Burke, Mass.	Jenkins	Sarasin
Burlison, Mo.	Le Fante	Sisk
Caputo	McDade	Teague
Cochran	Madigan	Ullman
Collins, Ill.	Maguire	Van Deerlin
Conyers	Markey	Whalen
Dent	Mathis	Wilson, C. H.
Eilberg	Moss	Young, Tex.
Fraser	Risenhoover	
Giaimo	Rodino	

The Clerk announced the following pairs:

On this vote:

Mr. Eilberg for, with Mr. Teague against.

Mr. Burke of Massachusetts for, with Mr. Breaux against.

Mr. Hawkins for, with Mr. Risenhoover against.

Mr. Conyers for, with Mr. Dent against.

Mrs. SMITH of Nebraska, Messrs. ROUSSELOT, KRUEGER, and DE LA GARZA changed their vote from "aye" to "no."

Mr. HEFTEL and Mr. LEACH changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. STRATTON), as amended.

RECORDED VOTE

Mr. BLOUIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 279, noes 117, not voting 36, as follows:

[Roll No. 629]

AYES—279

Abdnor	Findley	Lloyd, Calif.
Akaka	Fish	Lloyd, Tenn.
Alexander	Fisher	Long, La.
Ambro	Fithian	Long, Md.
Ammerman	Flippo	Lott
Anderson, Ill.	Flood	Lujan
Andrews, N.C.	Florio	McClory
Andrews, N. Dak.	Flowers	McCloskey
Applegate	Flynt	McDonald
Archer	Foley	McKay
Armstrong	Ford, Tenn.	McKinney
Ashbrook	Forsythe	Mahon
Ashley	Fountain	Mann
Badham	Fowler	Marks
Bafalis	Frenzel	Marlenee
Barnard	Frey	Marriott
Bauman	Fuqua	Martin
Beard, Tenn.	Gammage	Mazzoli
Benjamin	Garcia	Michel
Bennett	Gaydos	Milford
Bevill	Gephardt	Miller, Ohio
Boggs	Gibbons	Minish
Boland	Gilman	Mitchell, N.Y.
Bowen	Ginn	Moakley
Brademas	Glickman	Mollohan
Breckinridge	Goldwater	Montgomery
Brooks	Gonzalez	Moore
Broomfield	Goodling	Moorhead, Calif.
Brown, Calif.	Gore	Motti
Brown, Mich.	Gradison	Murphy, Ill.
Brown, Ohio	Grassley	Murphy, N.Y.
Broyhill	Gudger	Murphy, Pa.
Buchanan	Guyer	Murtha
Burgener	Hagedorn	Myers, John
Burke, Fla.	Hall	Myers, Michael
Burleson, Tex.	Hamilton	Natcher
Butler	Hammer-schmidt	Neal
Byron	Hansen	Nichols
Carney	Harris	Nix
Carter	Hefner	Nowak
Cederberg	Heftel	O'Brien
Clausen, Don H.	Hightower	Oakar
Clawson, Del	Hillis	Panetta
Cleveland	Holland	Pepper
Cohen	Hollenbeck	Perkins
Collins, Tex.	Holt	Pettis
Conable	Horton	Pickle
Conte	Howard	Poage
Corcoran	Hubbard	Pressler
Cornwell	Huckaby	Preyer
Cotter	Hughes	Pritchard
Coughlin	Hyde	Pursell
Crane	Ichord	Quayle
Cunningham	Ireland	Quie
D'Amours	Jeffords	Quillen
Daniel, Dan	Jenrette	Railsback
Daniel, R. W.	Jones, N.C.	Rangel
Davis	Jones, Okla.	Regula
de la Garza	Jones, Tenn.	Rhodes
Derwinski	Jordan	Rinaldo
Devine	Kasten	Roberts
Dicks	Kazen	Robinson
Dodd	Kelly	Roe
Dornan	Kemp	Rogers
Duncan, Oreg.	Kindness	Roncalio
Duncan, Tenn.	Kostmayer	Rose
Edwards, Ala.	Krueger	Rostenkowski
Edwards, Okla.	LaFalce	Rousselot
Emery	Lagomarsino	Rudd
English	Latta	Runnels
Erlenborn	Lederer	Ruppe
Ertel	Leggett	Russo
Evans, Del.	Lehman	Ryan
Evans, Ga.	Lent	Santini
Evans, Ind.	Levitas	Satterfield
	Livingston	Sawyer
Schulze	Steiger	Watkins
Sebelius	Stratton	White
Shipley	Stump	Whitehurst
Shuster	Symms	Whitley
Sikes	Taylor	Whitten
Simon	Thone	Wiggins
Skelton	Thornton	Wilson, Bob
Skubitz	Treen	Wilson, Tex.
Slack	Trible	Winn
Smith, Iowa	Tucker	Wright
Smith, Nebr.	Vander Jagt	Wydler
Snyder	Vanik	Wylie
Spellman	Volkmer	Young, Alaska
Spence	Waggonner	Young, Fla.
Stangeland	Walgren	Young, Mo.
Stanton	Walker	Zeferetti
Steed	Walsh	
Steers	Wampler	

NOES—117

Addabbo	Edgar	Nedzi
Anderson, Calif.	Edwards, Calif.	Nolan
Annunzio	Evans, Colo.	Oberstar
Aspin	Fary	Obey
AuCoin	Fascell	Ottinger
Baldus	Fenwick	Patten
Beard, R.I.	Ford, Mich.	Patterson
Bedell	Green	Pattison
Beilenson	Hanley	Pease
Biaggi	Hannaford	Pike
Bingham	Harkin	Price
Blanchard	Harrington	Rahall
Blouin	Harsha	Reuss
Bolling	Heckler	Richmond
Bonior	Holtzman	Rooney
Bonker	Jacobs	Rosenthal
Brinkley	Johnson, Calif.	Roybal
Brodhead	Johnson, Colo.	Scheuer
Burke, Calif.	Kastenmeier	Schroeder
Burton, John	Keys	Seiberling
Burton, Phillip	Kildee	Sharp
Carr	Krebs	Solarz
Cavanaugh	Leach	St Germain
Chappell	Luken	Staggers
Chisholm	Lundine	Stokes
Clay	McCormack	Studds
Coleman	McEwen	Thompson
Corman	McFall	Traxler
Cornell	McHugh	Udall
Danielson	Mattox	Vento
Delaney	Meeds	Waxman
Dellums	Metcalfe	Weaver
Derrick	Meyner	Weiss
Dickinson	Mikulski	Wirth
Dingell	Mikva	Wolff
Downey	Mineta	Yates
Drinan	Mitchell, Md.	Yatron
Early	Moffett	Zablocki
Eckhardt	Moorhead, Pa.	
	Myers, Gary	

NOT VOTING—36

Baucus	Giaimo	Rodino
Breaux	Hawkins	Sarasin
Burke, Mass.	Jenkins	Sisk
Burlison, Mo.	Le Fante	Stark
Caputo	McDade	Stockman
Cochran	Madigan	Teague
Collins, Ill.	Maguire	Tsongas
Conyers	Markey	Ullman
Dent	Mathis	Van Deerlin
Diggs	Miller, Calif.	Whalen
Eilberg	Moss	Wilson, C. H.
Fraser	Risenhoover	Young, Tex.

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. ZABLOCKI. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ZABLOCKI. Mr. Chairman, at the present time we are at page 18, section 20. Will the Clerk read?

The CHAIRMAN. The Clerk has not read section 20.

Mr. ZABLOCKI. Mr. Chairman, it is normal that the Clerk would read the section.

Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

REPORTS TO CONGRESS

SEC. 20. (a) Section 8(d) of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971, is amended in the second sentence by striking out "Additionally, the President shall also submit a quarterly report to the Congress" and inserting in lieu thereof "The annual presentation materials for security assistance programs shall include a table".

(b) Section 408(b) of the International Security Assistance and Arms Export Control Act of 1976 is amended by striking out "(1)" and by repealing paragraph (2).

(c)(1) The International Security Assistance and Arms Export Control Act of 1976 is amended—

(A) in section 202, by striking out "(a)" immediately after "SEC. 202." and by repealing subsection (b);

(B) by repealing section 217;

(C) by repealing section 218; and

(D) in section 407, by striking out "(a)" and by repealing subsection (b).

(2) The International Security Assistance Act of 1977 is amended—

(A) in section 9—

(i) by striking out "REVIEW OF" in the section heading;

(ii) by striking out "(a)" immediately after "SEC. 9."; and

(iii) by repealing subsections (b) through (e); and

(B) by repealing section 23.

(3) Section 5 of the Emergency Security Assistance Act of 1973 is repealed.

(4) Section 17 of the Foreign Assistance Act of 1974 is repealed.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that section 20 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I thought the gentleman from Wisconsin was going to move that the Committee rise.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, there are one or two minor amendments that this side is prepared to accept, and then the Committee would rise. If we have the section considered as read, the amendments may be in order.

It is not the intention of the manager of the bill to go past the two amendments that we will accept.

Mr. BAUMAN. Mr. Chairman, further reserving the right to object, I say to the Chairman that if the remainder of the bill is considered as read, the Chairman can also make a motion at any time to cut off debate tomorrow when we go back into Committee. I wonder if that is the gentleman's intention.

Mr. ZABLOCKI. Mr. Chairman, that is not my intention.

Mr. Chairman, I think rather than to take any further time, I would say to the gentleman from Maryland that if he would not object to the unanimous-consent request to have section 20 of the bill considered as read and printed in the RECORD, it would be my intention to move after that unanimous-consent request is agreed to.

Mr. BAUMAN. With that understanding, Mr. Chairman, I withdraw my reervation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there any amendments to section 20?

Mr. ZABLOCKI. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FUQUA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12514) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1979, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 12514, presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

GENERAL LEAVE

Mr. RAHALL. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous material on the Wright amendment to the Fascell amendment to H.R. 12514, foreign assistance authorization for fiscal year 1979, which was adopted in the Committee of the Whole earlier today.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 13635, DEFENSE APPROPRIATIONS, FISCAL YEAR 1979

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1406) on the resolution (H. Res. 1291) waiving certain points of order against the bill (H.R. 13635) making appropriations for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes, which was referred to the House Calendar and ordered to be printed.

THE SEABROOK POWER STATION

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PRICE. Mr. Speaker, I do not believe anyone can disagree with the evaluation of the ongoing Government procedure concerning the licensing of the Seabrook, N.H., nuclear power station as an example of a complete breakdown in a Government process.

The regulation process for the licensing of the construction of this power station has been in progress over 5 years. The on-again, off-again issuance of construction permits, concerning a basically standard electrical generating station of which dozens have been constructed, is intolerable. The editorial from the Washington Post of July 9, 1978, which I would like to include at the close of my remarks, clearly supports this evaluation.

I have followed the development and use of regulation procedures covering nuclear powerplant licensing since their inception. No legislative changes are needed to permit efficient regulatory actions to be taken. Rational and disciplined procedures and decisions under present law could eliminate the "ludicrous" activities which are taking place at the present time. The editorial follows:

[From the Washington Post, July 9, 1978]

THE SEABROOK REACTOR

As an example of reasonable and orderly public policy, the case of the Seabrook nuclear reactor is ludicrous. Now, two years after it issued the construction permits, the Nuclear Regulatory Commission has querulously suspended them, again, while it considers, again, whether the plant is being built in the right place. It's more than just bad administration. The procedural tangle indicates deep indecision on basic energy issues throughout the government and the country. Officials who don't like the substantive questions are fighting guerrilla warfare through the procedural thickets. The country is not moving toward a consensus regarding nuclear power but rather, if we are right in taking Seabrook as an indicator, the differences of opinion are becoming deeper.

Seabrook, a large plant under construction on the New Hampshire coast, is far from unique. There are more than two dozen nuclear stations of the same or larger scale under construction, or even in operation, throughout the country. For reasons that are local as well as general, Seabrook has become a symbol.

It was more than five years ago that the builder, the Public Service Company of New Hampshire, submitted its application to the Nuclear Regulatory Commission. The NRC issued construction permits in mid-1976. But in November 1976, the Environmental Protection Agency's regional director reversed himself and withdrew his previous approval of a cooling system using seawater. That reopened the question of the site, because none of the site reviews had contemplated any other cooling system. In February 1977, the NRC suspended the construction permits. Through the spring and summer, incidentally, there were large protest demonstrations at the site.

In June 1977 the head of the EPA, Douglas Costle, overruled his regional director and approved seawater cooling. In July, the NRC's licensing board arrived at a finding that no alternative site was preferable. The NRC then reinstated the construction permits. But there was a court challenge to the Costle decision, and last February a federal court of appeals overturned it on procedural grounds. In April an appeals board within the NRC found that the licensing board's

review of the site issue had been inadequate. And that—if you are still with us—has led the NRC to suspend the construction permits a second time. There the matter will presumably rest while Mr. Costle makes up his mind once again, by an improved procedure, and the divided NRC undertakes still another site review.

The Carter administration wants legislation to speed up the nuclear-licensing process. But the licensing of a large nuclear reactor is properly a long and arduous process. It is right for the regulators to set very wide limits on the inquiry and to review health and environmental questions with care. The fault in the present procedure is not merely that it is slow, but that it also seems not to produce firm decisions.

The NRC last year said that the Seabrook case "has been widely depicted as a serious failure of governmental process to resolve central issues . . . a paradigm of fragmented and uncoordinated government decision-making on energy matters and of a system strangling itself and the economy in red tape." The NRC repeated that description in its latest decision, acknowledging unhappily that it remains valid today. It remains valid, we might add, as a description of wider areas of American energy policy than nuclear licensing alone.

THE PUBLIC DEBT AND PUBLIC INTEREST

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, yesterday the Senate adopted an amendment to H.R. 9214, authorizing U.S. participation in the so-called Witteveen Financial Facility proposed by Virginia's Senator HARRY F. BYRD, JR., and requiring a balanced Federal budget by fiscal year 1981. This is good news to those of us who share the Senator's belief in fiscal integrity, and hopefully the House will retain this provision when the bill returns from conference.

By a vote of 58 yeas to 28 nays, the Senate took a stand for fiscal responsibility.

Senator BYRD is to be congratulated for his leadership in this move, and for his longtime dedication to sound principles insofar as the entire matter of Federal Government spending and taxation is concerned.

Recently, the Senator made a statement regarding the national debt limit increase. His statement is worthy of review by the Members of the House, and I include it, along with an accompanying editorial statement from the Lynchburg, Va., News, in the RECORD at this point.

THE PUBLIC DEBT AND PUBLIC INTEREST

(By Senator HARRY F. BYRD, JR.)

The financial condition of the government affects the well-being of every man, woman and child in the United States.

I believe that in this summer of 1978, the citizens of our country are far more aware of the impact of government finance upon their lives than they were a few years ago, or even a few months ago.

As I see it, this growing awareness is both a cause and an effect of Proposition 13 in California and the much-publicized "taxpayer's revolt" all around the nation.

It must be seen as a cause of these celebrated events, because if taxpayers were unaware of the dangers of ever-growing government debt, then Proposition 13 would have failed and the taxpayer's revolt would not have gotten off the ground.

At the same time, the citizen awareness which led to the anti-high-tax and anti-big-spending mood in our country has in turn been spurred by the success of Proposition 13 and the growth of groups and movements around the country dedicated to reduced spending, reduced taxes and balanced budgets.

In this climate, I believe the national debt should be understood as the important issues that it is.

There is a marked tendency for legislators and executive officials of the government to have less than burning concern for the need to practice economy and keep public debt under control. Back in 1821, the French economist Jean Baptiste Say wrote this in "A Treatise On Political Economy":

An individual is fully sensible of any value of the article he is consuming; it has probably cost him a world of labour, perseverance and economy; he can easily balance the satisfaction he derives from its consumption against the loss it will involve. But a government is not so immediately interested in regularity and economy, nor does it so soon feel the ill consequences of the opposite qualities.

But the attitude of indifference toward excessive spending and excessive debt will not do today. The people are demanding a change.

Let us look at the proposed debt limit increase and the background information on the state of federal finances.

The statutory debt limit is now $752 billion of which $400 billion is subject to permanent limitation and $352 billion is subject to temporary limitation.

The temporary limitation will expire on July 31, and the Administration is recommending to the Senate that the debt ceiling be increased by $62 billion, from $752 billion to $814 billion for the period ending March 31, 1979.

As Chairman of the Subcommittee on Taxation and Debt Management of the Finance Committee, I had an opportunity to chair hearings on this specific legislation and other hearings dealing generally with the problems associated with our national debt.

These hearings have deepened my belief that the crucial domestic problem before us today is inflation.

At the heart of our inability to control inflation is the lack of commitment by policymakers in Washington to get government spending under control and reduce staggering budget deficits. Federal deficits have accumulated and accelerated. This has fueled inflation.

Piled one upon another these deficits have caused an enormous increase in our public debt. The current recommendation of the Administration of $814 billion is more than double the total statutory debt limit of $395 billion which was enacted on June 30, 1971, a little more than eight years ago.

There is no relief in sight in the rapid increase in the debt. At the hearing on the debt limit increase conducted by the Subcommittee on Taxation and Debt Management of the Finance Committee, Secretary of the Treasury Blumenthal testified that during the 14-month period ending September 30, 1979, the increase in the debt will be $99 billion.

This is the largest 14-month increase in the history of our nation.

The cause of this continuing growth of our debt is the insatiable appetite of our government for more and more spending.

Instead of following a prudent course, the Congress has chosen to adopt one spending program after another. The Federal deficit has ranged from $50 to $60 billion in the past several years and is estimated to be $51 billion for the current fiscal year, fiscal year 1978.

Conventional wisdom in Washington dismisses our Federal debt.

One popular view is that deficits are necessary to stimulate our economy. Government spending is said to employ resources that would otherwise be idle.

Concern about government deficits is dismissed by asserting that all that needs to be done is to add it to the national debt.

Concern for our debt is dismissed with a simple reply: "Don't Worry About the Debt—We Owe it to Ourselves." The view is that the Federal government is not like you and me. It can continue to borrow and spend without restraint and will never have to pay its bills.

The assumption that we owe the debt to ourselves is not accurate. I prepared tables showing the actual ownership of the public debt, and I ask unanimous consent that these tables be printed at this point in the Record.

As of April 30, 1978, thirty-five percent of the total debt of $736.6 billion was held by government agencies. Even this debt is not debt which we could consider to be owed to ourselves.

One hundred fifty-four billion dollars ($154 billion) of the debt was held by government accounts such as Social Security trust funds. This is a debt which we owe to Social Security recipients and other beneficiaries of trust funds which have purchased our government securities.

To say that we don't need to repay this debt would not only be highly irresponsible, but would be disastrous to the 33 million Americans who depend upon Social Security benefits.

The other portion of the government held debt was $103.5 billion held by the Federal Reserve System.

Sixty-five percent of our debt was held by private accounts. This amounted to $479.5 billion.

The second table shows that 21 percent of this $479.5 billion of privately-held government bonds is held by commercial banks; another 22 percent by individuals; another 8 percent by insurance companies, mutual savings banks and corporations; another 13 percent by State and local governments; another 25 percent by foreign investors, another 11 percent by savings and loan associations, nonprofit institutions, corporate pension trust funds, and dealers and brokers.

To dismiss this debt with the cavalier approach that it is not important because "We owe it to ourselves" misses the point that debt really is owed to various segments of our population (and to a lesser extent, to foreigners).

Millions of citizens, banks, pension plans, companies and local governments own the debt.

If these accounts were not honored, there would be a national catastrophe. Our money and banking system would be crippled, if not destroyed, and so would all those who ultimately hold the debt.

Furthermore, foreign ownership of our debt is steadily increasing. During the ten-year period from 1968 to the present, our foreign debt has increased more than tenfold. In 1968, the debt held by foreign sources was $11 billion, while today foreign governments hold $120 billion of United States government bonds or notes.

Of the current foreign debt, about 65 percent consists of short-term securities maturing in one year or less.

As of April, 1978, foreign official accounts held 94 percent of the $120 billion in debt securities owned by foreigners.

The major foreign holdings of public debt aggregated by country include the following: Germany, $31.3 billion; Japan, $24.5 billion; Middle East and African Oil Exporting countries, $15.1 billion; and United Kingdom, $9.4 billion.

The Federal government must realize that it cannot continue to spend without some day having to meet its obligations.

The magnitude of our debt and its burdens upon our citizens is demonstrated by the cost of servicing the debt.

The gross interest for the Federal debt for fiscal year 1979 is estimated to be $56 billion.

This is almost 30 percent of the total receipts to be collected from personal income taxes. The interest cost if more than the combined 1979 estimated expenditures for the Departments of Commerce, Housing and Urban Development, Interior, Labor, and Energy.

The growth in our Federal debt is indicative of the growth in the size of our Federal government. We are now deeply entrenched in an era of big government—too big.

More and more of our resources are devoted to govern nent activities, at the expense of our private economy.

Uncontrolled government spending and the resultant huge deficits and debt, continually feed the fires of inflation.

Expenditures must be paid for either by direct taxes or by inflation.

Inflation is a tax. It is hidden tax and a cruel tax because it hits hardest those with low and middle incomes and those on fixed incomes.

We cannot be lulled into the false belief that we can spend without taxation—and the burden of taxation today is heavy indeed.

Despite widespread pay increases, the median family income in the United States in 1977, after discounting inflation, was almost exactly the same as it was in 1973 and only slightly above what it was in 1969. By way of contrast, median family income in real dollars rose by 35 percent in the 1960's.

The greatest source of government revenues is today the individual income tax, followed by the corporate income tax. American workers and the business community, the very groups which contribute the most to our economy are the ones who are hurt the most by the government's excessive spending. Their taxes pay the government's bills.

These hard-working Americans, the government's billpayers, are in an angry mood.

In Proposition 13 and in the many movements that make up the taxpayers' revolt, they are letting government know that they will demand accountability of their public officials.

It is time for a firm commitment to control of federal deficits and federal debt.

Although the Finance Committee has reported the Administration's recommendations to the Senate, I cannot support an increase of $62 billion in the statutory debt limit for an eight-month period. This legislation reflects a continuing lack of commitment on the part of the Congress and the Administration to reduce our budget deficits.

Failure to control the government's deficit and debt is a violation of the public interest.

As a protest against this failure, I shall vote against the proposed increase in the debt ceiling.

[From the Lynchburg (Va.) News, July 28, 1978]

GOVERNMENT SPENDING: "NATIONAL DISASTER"

The United States has only two major problems: national security, represented by our declining ability to defend ourselves against the Soviet Union; and the scope and cost of government.

All other problems—energy, productivity, taxes, you name them—are but the trees in those two forests.

And yet our attention is focused daily, by the news media, government officials and bureaucrats, on the trees. Our newspapers and newscasts are filled with reports on these minor issues—issues which would quickly become irrelevant, and indeed pass out of existence—if we do not solve the two major problems.

Rarely do we see them mentioned—in comparison with the flood of words devoted to the minor issues.

Senator Harry F. Byrd Jr. called attention to one of them last week: the scope and cost of government. In those newspapers which printed even references to it, what he had to say was buried among the debris of lesser things. What he said affects, in his words, "every man, woman, and child in this country."

Mr. Byrd is chairman of the Subcommittee on Taxation and Debt Management of the Senate Finance Committee. His subcommittee was holding hearings on the Carter Administration's request to increase the statutory national debt ceiling from its present $752 billion to $851 billion by the end of fiscal 1979.

That is an increase of $99 billion in a 14-month period. More than a $7 billion debt increase per month. That $99 billion is more than the total cost of Government in 1965.

In a lengthy exchange of views with Treasury Secretary Michael Blumenthal, Mr. Byrd got Blumenthal to admit that something had to be done to cut government spending. But Mr. Blumenthal didn't know what could be done. He held out no hope that anything would be done. Now, or ever.

He deplored the national debt, but he offered no plans for paying it.

He admitted the people were overtaxed, but he held out no hope for reducing taxes.

Mr. Blumenthal, in short, advocated, however reluctantly he professed to do so, that we continue to spend more and more and run up higher and higher debts.

This is what the Federal Government has been doing for the past 20 years. It has all but ruined the dollar, shrunk savings and insurance policies by inflation, and driven the cost of living to the point where incomes today are actually lower than they were five years ago in purchasing value. We are losing ground.

Meanwhile, we are paying over $56 billion each year in interest on that $732 billion debt. The interest will go much higher when we add another $100 billion to it in the next 14 months.

The Congress has shown no indication whatsoever of cutting expenses. Neither has the Carter Administration, which campaigned so loudly against our "bloated, wasteful, mismanaged" government, nor the Congress.

The Federal bureaucracy has become so unmanageable that the Department of Health, Education and Welfare alone admitted to losing over $6 billion last year due to waste, mismanagement and fraud. The Inspector General says it lost over $7 billion and puts that as a "conservative" estimate. That $7 billion loss is twice as much as all Virginia taxpayers paid into the Federal treasury last year. To this day, although deploring this incredible loss, neither Mr. Califano, head of HEW, or Mr. Carter himself have taken any steps to prevent its reoccurrence.

Even as Mr. Blumenthal was admitting that the cost of government had to be curbed, the Senate was passing a bill "reorganizing" the White House by authorizing 25 Presidential aides at $57,500 each—an increase of 50 percent over current authorization; 25 staffers at $52,500 each; 5 at $47,500 and (an unlimited number) at $42,423 each. In addition, the Senate refused to put any limit on what the President can spend for entertainment.

(Mr. Carter also criticized President Ford for having so many highly-paid staff members, and promised to reduce the number if elected. He has actually increased the number, and now the Senate has added even more.)

At the same time the Senate is pushing appropriations for another office building. Originally predicted to cost less than $50 million, its cost now exceeds $200 million.

The Federal Government has reached the point where it is totally out of control. The President and the Congress, with a few exceptions such as Senator Byrd, absolutely refuse to cut spending or begin paying the national debt. Instead, they continue to spend more and borrow more. They are wrecking the economy and bankrupting all of us.

There isn't much time left, if we are to salvage anything of our savings, insurance, pensions, paychecks. If we continue to let these people run the Government, they are going to run us into the ground.

What can we do? We have one weapon to protect ourselves: a tax revolt via the voting booths. We must vote ourselves tax cuts, and we must not elect any candidate who does not unequivocally promise to vote against all further increases in Federal spending. If the two major political parties refuse to put up such candidates, then we, the people, are going to have to find our own.

THE BUGABOO OF GOVERNMENT REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES), is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, a recent press commentary stated that new regulations proposed by Government would increase inflation, involve large new costs for consumers and increase the total of regulations and form-filling required by business and industry. All of this stems from antipollution laws, auto regulation, job safety requirements, and other Federal rules already on the books and now taking effect. Many of the regulations have noble motives, safety, clean air, et cetera, but they mean more increases in the cost of living and more regulations are being turned out every day.

This appears in direct contrast to the stated objectives of the White House and the Congress for reducing the number of regulations which the public now has to endure.

Possibly the biggest bugaboo of the times to industry or business is Government regulation. The number of regulations is growing at a phenomenal rate. These burgeoning regulations are affecting the average citizen in many important and costly ways. The percentage of increase in costs associated with Government regulations is rising faster than that of the Federal budget as a whole; faster than population growth and, faster than growth of national product. An inseparable accompaniment to Government regulations is form filling. The astronomical amount of paperwork now required is a nightmare for many busi-

nessmen. They feel that they require a certified public accountant at one's elbow and a lawyer at the other to stay out of jail and to keep their businesses operating. The spiraling cost of Government to which these regulations contribute is partially responsible for the proposition 13 type attitude toward Government.

For example, Government regulations on automobiles increased the price of the average 1978 automobile by $666. The total cost of compliance, or the invisible tax bite, of regulations on this industry alone for 1978 will be over $7 billion. The total cost of compliance with Federal regulations in 1978 is estimated to be $97.1 billion or approximately $500 for every man, woman, and child in this Nation. These compliance costs are largely being paid by the private sector since administrative costs represent just under $5 billion of the total estimated cost of Federal regulation. Clearly, the costs businesses incur in complying with Federal regulations are passed on to the consumer in the form of higher prices.

The sheer numbers of Federal regulations explain why their estimated cost will exceed $100 billion in the coming fiscal year. The U.S. Code of Federal Regulations, as of 1976, contained 73,-149 pages and the Federal Register, the main recording instrument for Federal regulations, contained over 65,000 pages of regulations that had been issued by the 86 Federal regulatory agencies. All total, these 86 Federal agencies administer 1,000 different regulatory programs, produce more than 10,000 new regulations per year, and employ more than 100,000 persons.

The Challenge of Regulatory Reform, the report of the President's Domestic Council Review Group on Regulatory Reform, offered three fundamental conclusions about our present regulatory system: First, some regulations have outlived their usefulness; second, where Federal intervention is needed, much regulation has been ineffective or inefficient because the agencies have insufficient tools to do the job they are assigned; and third, greater efforts are needed to determine the social and economic impacts of regulation.

Regulatory reform is not a question of being for or against regulation. A certain degree of regulation is required in a modern society but enough is enough. While the need for certain forms of regulation is clear, the need for change is also equally apparent. The difficult task we face is identifying those sensible changes that can be made through the regulatory process so that we can achieve the national goals we desire (more job safety, less pollution, wildlife conservation) with a minimum of adverse impact on other national objectives (low unemployment and inflation). The effect of needless and ineffective regulation is felt by the Nation in the form of reduced incentives and a reduced rate of innovation. They retard initiative. They stifle business. The adverse consequences of governmental intervention in business decisions range from higher prices for products in regulated industries to useless regulations that impede competition and waste energy when established national policy is to achieve just the opposite. The increase in governmental regulation is causing American business to become overwhelmed with its attempts to comply with the plethora of regulations that flood them. This maze of bureaucratic redtape increasingly diverts management attention from traditional product development and from production and product-marketing activities designed to produce new and better products. It even impedes efforts to meet Government-imposed social requirements. One of the worst examples of overregulation is in the development of nuclear powerplants. Between the courts and Government regulations, this becomes an almost insurmountable undertaking, one which has cost this country untold amounts of a needed new source of energy.

Possibly an economic impact statement should be required with each new regulation that is issued, even though it would involve even more paperwork. The decisionmakers within regulatory agencies should be required to carefully examine the costs and other adverse effects of proposed regulations before the regulations are put into force. Government regulation should only be undertaken where the additional costs of regulations equal the additional benefits to the American people, and no further. Excessive regulation—where the regulatory action costs more than it yields—is nonproductive and should be avoided.

The Congress should periodically review every regulatory agency of the Federal Government via a "sunset law" to determine whether an agency continues to be needed or whether modification of its purpose is needed. Many Government programs, not the least of which include regulatory agencies, tend to perpetuate their existence far beyond their initial need and justification.

In my home State of Florida, the legislature enacted a "sunset law" in 1976 with a periodic agency review schedule beginning in 1978. This law requires every State agency to be reestablished every 10 years by the legislature. The rationale behind this law is that it will force the legislature to examine agency performance and the need for their continued existence. At least this procedure puts Government agencies on their toes. In 1978 12 State agencies faced legislative review. Of those 12, 4 were abolished entirely and, with only 1 exception, the remainder were substantially altered in purpose and regulatory scope. The Florida "sunset law" demonstrates that in our fast changing society the need for regulation arises and fades quickly and Government, if it is to remain efficient and become more efficient, must rid itself of outdated regulatory bodies and modify others as regulatory needs change.

Regulatory reform is a legitimate goal that has no simple solution. Bold innovation and vigorous competition, the two key elements that have given our society our unprecedented national prosperity, are being choked by endless bureaucratic redtape. We cannot allow our Nation's growth to be stalemated by regulations that are multiplying daily and place a staggering, but often almost invisible, burden upon the American people. The tremendous cost of useless and inefficient regulations are a problem common to all because the taxpayer is footing the bill and is in no mood to continue doing so. He sees a need for reform and he is demanding it now. But the simple fact remains—he is not getting reform in regulations, or form filling.

THE END OF DECENCY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FARY) is recognized for 5 minutes.

Mr. FARY. Mr. Speaker, I would like to take this moment to express to my distinguished colleagues the shame I feel for the moral and intellectual degradation recently depicted in the film "The End," the theme of which was directed and portrayed by actor Bert Reynolds.

This shameful exhibition pointed primarily at the Polish peoples is not only offensive, but reaches the lowest point of impropriety with its offensive reference made to the "Polish National Anthem." It is an unpardonable insult to the Polish people and, indirectly, an insult to the American national anthem, and all peoples of ethnic heritage of the world.

The questionable propriety displayed by the motion picture industry in presenting this obscene production for "entertainment" is against the customs and manners of polite society, and such films should be censored by the motion picture industry.

Thinking back on the early days of America, I recall the history of hardships and struggles our forefathers endured fighting for America's freedom. I remember with pride the contributions made by the Polish patriot Thaddeus Kosciuszko, the brilliant military engineer who laid out the fortification at West Point, and his defense strategy of amphibious maneuvers at the Battle of Saratoga expediting the final defeat and surrender of the British at Yorktown.

Here again I recall from history another Polish hero of the American Revolution, Gen. Kazimierz Pulaski, who fought gallantly in the Battle of Savannah, Ga., where his body rests in sacred ground. On his monument are the words: "Perhaps a braver man than Pulaski never drew a sword."

Mr. Speaker, it grieves me to think of the stigma of disrepute labeled against the Polish peoples as a result of the film "The End." The innuendoes as presented stain the memories of those great Polish patriots and thousands of other Polish Americans who not only fought for and help build, but contributed greatly to the arts and science of, our great country.

If this type of film is permitted to be displayed, we have reached a low ebb in American behavior, as this ethnic slur is unpardonable and unforgivable.

Seldom do I frequent movie theaters, especially during these times, simply because the type of films shown are not to my liking. However, in this instance I was informed by many of my friends of a particularly indecent motion picture "The End", the theme of which was pointed at the Polish people. Bcause of their insistence, and as I had intended to be in Washington for the weekend, I decided it would be the opportune time to see the picture for myself.

The title "The End" is most apropos. After sitting through this obnoxious exposé, it is the end for me, and I am certain for many others who will not support the motion picture industry if they persist in producing trash as portrayed in this film to recklessly slur and insult the Polish people, or any peoples.

Mr. Speaker, by moral standards I consider myself to be a normal middle-class person, having been indoctrinated in my youth by my Polish-American immigrant parents to respect my fellow human beings (regardless of ethnic backgrounds), my country, and my church. During my lifetime, and particularly during my 30 years of public life, I have endeavored to live up to these principles.

Words cannot express my feeling of chagrin to sit through this film and experience the disgusting performance as depicted on the screen by professional actors not only using language of the gutter but to see and hear these actors degrade and demoralize the Polish people.

Mr. Speaker, the southside of Chicago where I was raised and brought up has a population today of over 700,000 Polish-Americans—the largest group of Polish extraction outside of Warsaw, Poland. As one of this proud group of American citizens and who represent over 150,-000 Polish-Americans in the Congress, I resent the showing of this film for its degradation of all Polish-Americans.

Mr. Speaker, the rule—"Three Strikes and You're Out"—has been challenged by a current film transported in interstate commerce for sale and distribution. Its message seems to be that three strikes—by malicious racial defamation, by filth and lewdness in its depiction, and by raising the question of "Organized Crime" for its sponsorship—is the current "in" thing. The film lists itself as a "Burt Reynolds Production", stars Burt Reynolds, is coproduced by Burt Reynolds, and is directed—as you may have guessed—Burt Reynolds, the shy and retiring impresario so eager to share credits and profits.

The first strike, Mr. Speaker, is the film's pitch to portray the Polish people of this Nation and world as a class, race, religion, and creed that is depraved, filthy, lewd, unpatriotic, stupid, and totally lacking in any virtue or redeeming quality. The Polish people are exposed by this film to contempt, derision, and obloquy that is directly productive of loss of standing and credibility. This loss of standing and credibility extends not only to Americans of Polish extraction, but to Polish people everywhere in the world.

This film condemns the Poles more completely than the veterinarian prescribing the slaughter of a mangy lab afflicted with renderpest in a flock of sheep.

Each and every human being of Polish identity—whether by genetic strain, marital relation, surname, cultural, linguistic, or religious affiliation—is consigned to the dust bin of civilization.

The film, with disguised funereal humor suggests justification for the holocaust in Poland between 1939 and 1945 in which 6 million Poles, half of them Jews, were exterminated, and 2.5 million more deported as slave labor. The singling out of the Poles, among all the ethnic groups on the planet, is intentional, contrived, premeditated, and deliberate. Let us face it. Irish is out this year, Jews are out, Bohemians went out years ago. They are not funny this year, so Polish was the answer.

As the film goes, it depicts a Pole in an insane asylum driven there by, believe it or not, "Polish jokes" that tormented him in his childhood. The "jokes" are recapitulated. "Nobody" is the outstanding Pole of the year. A Polish identification consists of the excrement (described in a four-letter word) in his wallet.

The Polish national anthem is vocalized, not by singing, but by anal passage of wind. The inmate's father is described as a "big, lousy, hairy sweaty Pollock" covered with sweat even when swimming, and a winner of nose-picking contests. Micturition, by reference to urinals, reference to sex and venereal disease, predominate.

Throughout, this ethnic religious, linguistic, or other identifiable class of humans, are characterized as idiots, imbeciles, and morons in need of restraint (straitjackets) customarily employed in asylums, and called in the film a "Polish dinner jacket."

At common law, libel of an individual was a crime, and neither truth nor good motives constituted a defense. This version of the law was accepted in the colonies. With some modifications made before 1800 in the 13 Original States, the crime was continued with no suggestion of its abolition.

Every State without exception, as well as the District of Columbia and Puerto Rico, have in the past made libel criminal. With respect to the Constitutional guarantee of freedom of speech, the Supreme Court observed long after the first amendment was made applicable to the States:

> There are certain well-defined and narrowly limited classes of speech, the prevention and punishment of which have never been thought to raise any constitutional problem. These include the lewd and obscene, the profane, the libelous, and the insulting or 'fighting' words—those which by their very utterance inflict injury or tend to incite to an immediate breach of the peace. It has been well observed that such utterances are no essential part of any exposition of ideas, and are of such slight social value as a step to truth that any benefit that may be derived from them is clearly outweighed by the social interest in order and morality. 'Resort to epithets or personal abuse is not in any proper sense communication of information or opinion safeguarded by the Constitution, and its punishment as a criminal act would raise no question under that instrument.

This view by the Supreme Court was unanimous.

The utterances in question here are not the daily grist of vituperative political debate. Nor do they represent the frothy imaginings of lunatics, or the "idle" gossip of a country town. They amount, instead, to a systematic avalanche of falsehoods that are being circulated in interstate commerce for the profit of the impresario.

Intentional racial attacks are not new. What is new is the current existence of a controlling force in politics—mobile public opinion. What is new is the systematic manipulation of that opinion by the use of calculated falsehood and vilification.

The highest court of my State in 1925 upheld a conviction, under an Illinois statute in force and effect for many years for group libel against members of the American Legion. The group attack in this instance is far more serious. To avoid the flak, one could resign from the Legion, but to avoid this attack at issue one cannot resign from his Polish origin.

Citing this case with approval, the Supreme Court, per Mr. Justice Frankfurter pointed out:

> But if an utterance directed at an individual may be the object of criminal sanctions, we cannot deny to a State power to punish the same utterance directed at a defined group, * * *. Illinois did not have to look beyond her own borders or await the tragic experience of the last three decades to conclude that willful purveyors of falsehood concerning racial and religious groups promote strife and tend powerfully to obstruct the manifold adjustments required for free, ordered life in a metropolitan polyglot community. * * * In the face of this history and its frequent obligato of extreme racial and religious propaganda, we would deny experience to say that the Illinois legislature was without reason in seeking ways to curb false or malicious defamation of racial and religious groups, made in public places and by means calculated to have a powerful emotional impact on those to whom it was presented.
>
> There are limits to the exercise of these liberties (of speech and of the press). The danger in these times from the coercive activities of those who in the delusion of racial or religious conceit would incite violence and breaches of the peace in order to deprive others of their equal right to the exercise of their liberties, is emphasized by events familiar to all. These and other transgressions of those limits the States appropriately may punish.

No individual of Polish origin has been vilified by this film in terms of his own surname; each and every person of Polish heritage has been substantially diminished by the attack on the group to which he must forever belong. On this point, the Supreme Court has held:

> Long ago this Court recognized that the economic rights of an individual may depend for the effectiveness of their enforcement on rights in the group, even though not formally corporate, to which he belongs. * * * It is not within our competence to confirm or deny claims of social scientists as to the dependence of the individual on the position of his racial or religious group in the community.
>
> It would, however, be arrant dogmatism, quite outside the scope of our authority in passing on the powers of a State, for us to

deny that the Illinois legislature may warrantably believe that a man's job and his educational opportunities and the dignity accorded him may depend as much on the reputation of the racial and religious group to which he willy-nilly belongs, as it does on his own merits. This being so, we are precluded from saying that speech concededly punishable when immediately directed at individuals cannot be outlawed if directed at groups with whose position and esteem in society the affiliated individual may be inextricably involved.

The second strike comes from the filth and lewdness of the malicious racial defamation. Under the Federal Criminal Code it is a felony, punishable by imprisonment of up to 5 years, a maximum fine of $5,000, or both, for anyone who, first, knowingly transports in interstate or foreign commerce; second, for the purpose of sale or distribution; third, any obscene, lewd, lascivious or filthy; fourth, film, or any other matter of indecent or immoral character. Such films are also unmailable under the postal statutes.

Consistent with first amendment requirements, material is "obscene" when, considered as a whole, its predominant appeal is to prurient, shameful or morbid interest in sex, excretion or sadomasochism, as well as nudity, it goes substantially beyond customary limits of candor in its description, and is utterly without redeeming social value.

In passing upon ethnic slurs upon racial groups, the Supreme Court has held:

Libellous utterances, not being within the area of constitutionally protected speech, it is unnecessary, either for us or for the State courts, to consider the issue behind the phrase "clear and present danger." Certainly no one would contend that obscene speech, for example, may be punished only upon a showing of such circumstances. Libel, as we have seen, is in the same class.

The homeplate umpire has not yet called the third strike on this lefthanded batter, that is, the involvement of organized crime in the production and distribution of the interstate slur, and must await determination of his first-base colleague. That colleague, the National Advisory Committee on Criminal Justice Standards and Goals, through its chairman, Gov. Brendan T. Byrne, has reported through its Task Force on Organized Crime, issued last year, on the role of organized crime.

"They are said to have put up the money for 'Deep Throat', one of the most successful of pornographic films which has grossed at least $25 million. With the proceeds of that venture, (organized crime) set up Bryanston Distributors, which is involved in legitimate films such as Andy Warhol's 'Frankenstein'. In fact, one Chicago city police official fears that organized crime eventually could become a major factor in the legitimate film industry". Organized crime is "responsible for 90 percent of the pornography in the Chicago, New York, and California areas".

Mr. Speaker, Americans of Polish extraction, in the words of the Supreme Court, "warrantably believe that a man's job, his educational opportunities, and the dignity accorded him may depend as much on the reputation of the racial and religious group to which he belongs, as it does on his own merits".

Mr. Speaker, the transport in interstate commerce for distribution of this film has substantially diminished the reputation of the Polish people. The job, educational opportunities, and dignity accorded each individual of Polish extraction has, accordingly, been diminished.

I call upon each and every American of Polish extraction to join me in a crusade, already begun, to repair the gross injury to this reputation.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. FARY. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I want to congratulate the gentleman from Illinois for his statement. I agree with him. He has made a contribution to this discussion in the sense that it is not only a disparagement of Americans of Polish descent, but it is really a disparagement of Americans of any ethnic background.

Mr. Speaker, again I want to congratulate the gentleman for his statement.

(Mr. KEMP asked and was given permission to revise and extend his remarks.)

Mr. FARY. I thank the gentleman for his kind remarks.

GENERAL LEAVE

Mr. FARY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of my special order today.

The Speaker pro tempore. (Mr. PEASE). Is there objection to the request of the gentleman from Illinois?

There was no objection.

POUGHKEEPSIE RAILROAD BRIDGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 60 minutes.

Mr. GILMAN. Mr. Speaker, I wish to call to the attention of my colleagues the amendment which was passed by the Senate this afternoon. This amendment to S. 2788, the Railway Association Amendments Act of 1978, was introduced by the distinguished senior Senator from the State of Connecticut, Mr. RIBICOFF, and cosponsored by both of the distinguished Senators from my home State of New York, Mr. JAVITS and Mr. MOYNIHAN. The amendment was a last-ditch effort to force ConRail to utilize common sense and cease rubbing the noses of the rail shippers in southeastern New York and southern New England in the dirt of deficit spending. The amendment authorizes the repair and reactivation of the Poughkeepsie Railroad Bridge, in New York, and authorizes up to $9 million to do so.

The Poughkeepsie Railroad Bridge was closed to rail traffic by a fire in May 1974. The bridge was the only rail link across the Hudson River south of Albany. A mere look at the map shows that the closing of this bridge effectively cut off all of Connecticut and Rhode Island from rail traffic with the rest of the Nation, and wreaked havoc upon the rail shippers in southeastern New York. Commonsense dictated that the bridge would be repaired and put back into operation after a very short time.

However, since ConRail came into operation on April 1, 1976, this quasi-private, quasi-public agency has defied commonsense; indeed, defied the will of the people by refusing to repair this vital rail link, despite entreaties from Members of this distinguished body, rail shippers, chambers of commerce, and the State governments of New York and Connecticut.

I had the privilege of sponsoring a number of informative meetings in my 26th Congressional District of New York over the last few years, at which ConRail officials were invited to attend and listen to the needs of our rail shippers. At each of these meetings, ConRail admitted, at first covertly, and then more and more brazenly, that they had no intention whatsoever of restoring service on this bridge, despite the needs of the area.

Last year, I conducted, along with the gentleman from Connecticut (Mr. MOFFETT), the gentleman from New York (Mr. FISH), and the gentleman from New York (Mr. MCHUGH), an ad hoc hearing on threatened rail closings in our area. At that hearing, over 400 pages of testimony was taken from 40 witnesses, all but one of whom emphasized the importance of the Poughkeepsie Railroad Bridge to the region's economy.

And yet, when the testimony was submitted to ConRail as part of the normal process required by ICC for the shutting down of rail lines, ConRail replied by informing me that they had culled out the testimony of the one witness who was opposed to the rebuilding of the Poughkeepsie bridge and would use that one piece of testimony as their guide to proceed.

Mr. Speaker, the Poughkeepsie Rail Bridge is more than a vital transportation link, it is more than a necessity to the rail shippers of our northeast region, it is symbolic of ConRail's arrogance, irresponsibility, and lack of concern for the taxpayers that fund it.

The Poughkeepsie Rail Bridge is the only viable cross-Hudson rail route south of Albany, linking New England to the rest of the Nation. For reasons of national security alone, it is unconscionable that this rail link has been allowed to be inoperable for the past 4 years. Rail freight traffic from New Haven, Conn., to Washington, D.C., now takes 59 hours. If the Poughkeepsie Rail Bridge was opened, it would take 17 hours. The closing of the waterfront rail operations in New York City has rendered the Hudson River an impassible barrier to rail traffic to and from Long Island, southeastern New York, and southern New England.

ConRail currently shuttles the rail traffic to and from this area through its Selkirk yards, just outside of Albany, about 120 miles north of New York City. Not only is this unbelievably out of the way for rail traffic with most of the rest of the Nation, but results in double handling of most of the cargo shipped, in

at least two points—resulting in 2 days of delay at each point. The overburdened Selkirk yards are overtaxed to the point where freight shipments and boxcars are continually being lost.

And finally, this bizarre routing system results in higher rental costs to our shippers. This results in a loss of time and money to our shippers. It has recently been brought to my attention that, by using this northerly route which is owned by Amtrak, ConRail must pay a charge of 21 cents per mile to Amtrak for use of the rails. ConRail owns the rail lines going to and across the Poughkeepsie Rail Bridge. The fact that ConRail still stubbornly refuses to repair the bridge despite these facts is not only uneconomical but is an arrogance beyond belief.

It has recently been reported to me that this unrealistic thinking on the part of ConRail stems from a theory which came about when Penn Central was still competing with Erie-Lackawanna. The northerly route, via the Selkirk yards, was devised as a competitive measure against Erie-Lackawanna. This theory of course has since become archaic. Both lines are now merged under the ConRail umbrella. Yet, due perhaps to "pride of ownership", the former Penn Central employees who are now major decisionmakers at ConRail, are refusing to concede that the theory is out of date, and in fact is economically disastrous, to the shippers of the region and to ConRail itself. It is time the men in ConRail faced the fact that the theories they devised nearly a decade ago, before ConRail came into existence, are no longer valid, and sat down and rethought the economics of all this.

Perhaps the powers that be at ConRail need to be reminded that Penn Central did indeed go bankrupt—and if ConRail is to succeed, it cannot be operated by using the same theories which contributed to the downfall of a bankrupt rail line.

I have been advised that a good deal of former and potential rail traffic in southeastern New York and southern New England has already been lost to truckers. We are funding ConRail from the taxpayer's pockets, and we would be well advised, gentlemen, to stop the exodus of rail shippers, if we are to continue to subsidize the losing proposition which ConRail has become.

Mr. Speaker, permit me to call to my colleague's attention another salient fact which ConRail would have us ignore—the fact that the route ConRail chooses to use to service New England is often, because of its northerly location, closed due to inclement weather each winter.

In recent months, the Poughkeepsie Rail Bidge has seriously deteriorated to the point where it has now become a hazard to the residents of the city of Poughkeepsie. Pieces of the bridge have been falling into the Hudson River, causing a hazard to navigation, and onto that residential section of the city of Poughkeepsie which is spanned by the bridge. Due to 4 years of neglect, the bridge has become a hazard to life, limb, and property.

Just a few weeks ago, a young man who was using the bridge as a "shortcut" fell through a section of weakened roadbed to his death into the river below. This bridge must not be allowed to deteriorate any further—it should be repaired or demolished, and ConRail quite obviously refuses to do either.

The cost of demolition is probably prohibitive, especially considering the fact that the powerlines of the Central Hudson Gas & Electric Co. cross the river via the bridge. The rerouting of these powerlines will undoubtably be extremely expensive in itself, not to mention the time consumed by the necessary environmental considerations such a move would entail.

And despite all this, despite the overwhelming evidence that the bridge should be repaired and put back to work, ConRail refuses to do so. ConRail flies in the face of reason and as if out of spite puts our taxpayers through the expense and inconvenience of the circuitous Selkirk route, almost as if to say: "No one tells ConRail what to do."

And what is the reason for all of this arrogance? The one consistent answer which comes from the lips of ConRail officials—officials seeking to defend a policy made years ago as a competitive move by Penn Central—is the answer that "the repair of the bridge is not cost effective." ConRail has constantly cited a pricetag of $9 million to repair the bridge, the figure given as the maximum in the amendment by the distinguished senior Senator from Connecticut (Mr. RIBICOFF) to repair the bridge.

ConRail, in citing this figure, ignores the fact that the State of New York has offered $486,000 toward the repair of the bridge, so highly important does the State consider this rail route. The State of Connecticut offered $450,000 on top of that. When one adds the $359,000 available from the insurance settlement from the fire that rendered the bridge useless, this yields a total of almost $1.3 million which ConRail had at their disposal to begin bridge repairs, without touching one dollar of ConRail's funds. And yet ConRail turned up its nose at these offers as if they did not exist. The $1.3 million would have gone a long way towards the completion of repairs years ago; instead, repairs have yet to begin, as inflation spirals the cost of construction ever upwards.

And where does the $9 million price tag come from? ConRail has been using that figure on the assumption that the rail lines leading up to the bridge would have to be completely renovated for many miles on either side of the bridge. These tracks are currently in use. They may need some minor repairs, but assuming that their refurbishment is a necessary prerequisite to the repair of the bridge is grossly misleading at least. W. Gifford Moore, a railroad consultant for R. L. Banks & Associates, Inc., here in Washington, says that the night the bridge burned, "before politics entered into it," the railroad was given a figure of $600,000 and an estimate of 6 months for the completion of the repair of the bridge. Admittedly this figure has undoubtedly gone up over the past 4 years, but not to $9 million. More likely, the $9 million estimate has been bandied by ConRail as a means of discouraging support for the repair of the bridge.

Mr. Speaker, I reiterate again that the Poughkeepsie Railroad Bridge is a symbol of the failure of ConRail—the failure to run its own ship competently, the failure to realistically apprise the needs of our shippers, the failure to be responsive to the august body which funds it.

I have heard it said that the Poughkeepsie Railroad Bridge is a "porkbarrel" issue; that the funding of the repair of the bridge will set a precedent for further, similar fundings of pet bridges in many States. Mr. Speaker, nothing could be further from the truth. Look at a map. The Poughkeepsie Railroad Bridge is the vital, necessary rail link between southern New England, southeastern New York, and the rest of the Nation. Can any Member name any other bridge in the Nation which would open up such a vast and important industrial area to trade? It is a crime that this area has been cut off from direct New England rail traffic for the past 4 years. This injustice must be corrected. The economy of not just the Hudson Valley region, but also adjoining regions—northern and eastern Pennsylvania, northern New Jersey, in fact, the entire Northeast directly and the entire Nation indirectly—is dependent upon this vital rail link.

The funding of the repair of the Poughkeepsie Railroad Bridge is necessary for other reasons, too. It is necessary to bring ConRail into line; to send a message to ConRail that incompetence will no longer be tolerated.

On May 19, I rose in this Chamber to express my horror at the revelations that the chairman of ConRail was receiving a salary in excess of that of the President of the United States. That ConRail's top officials were not only paid outlandish, self-perpetrated salaries in the six-figures, but to add insult to injury, were paid $417,000 last year in bonuses to 55 executives—above and beyond their outlandish salary increases.

And yet, year after year, ConRail's losses mount and mount. ConRail, hat in hand, came to Congress with a request to bail them out from the incredible $367 million deficit with which they were faced last year despite the phenomenal salary increases and perks which they had voted themselves. Despite this unbridled prosperity, under which no one seems to win except the top officials at ConRail, the agency still seems unconcerned and unresponsive to the needs of the commercial and industrial public it is designed to serve.

Mr. Speaker, at this point I ask consent to have inserted into the RECORD two editorials which have appeared in publications in southeastern New York: the first, from the Newburgh Evening News, the other from the Walden Citizen Herald:

It's hard to understand why Conrail stubbornly refuses to repair the fire-ravaged Poughkeepsie railroad bridge, despite offers of financial help from New York and Connecticut.

It was four years ago that a fire put the bridge over the Hudson River out of commission. Since then, freight service to and from

Connecticut has been routed 50 miles north along the river to the next bridge, at Selkirk.

Railroad men say this adds as much as a day to the time required to ship freight in and out of Connecticut. For four years Connecticut has had no major rail freight route to the rest of the country.

Conrail's approach is thought by some to be illogical. It says that improved rail service brought about by the repair of the Poughkeepsie Bridge would increase rail freight competition in the northeast.

Let's say that Conrail's attempts to jazz up the service once provided by Penn Central has been received with something less than enthusiasm. Wasn't Conrail supposed to end 1979 with a huge profit? Now it is asking for $1.3 billion in federal subsidies.

Conrail has made a name for itself in the maintenance of locomotives, rolling stock, track and ties. But efficiency is measured by more than such repairs and maintenance.

If Conrail can not compete with trucking firms and other forms of freight hauling, then it will remain a white elephant . . . a pretty white elephant, but still a white elephant, subsidy-wise.

Between funds coming from New York, Connecticut and the insurance, Conrail could have had $1.29 million to repair the bridge. It did not. We have it from a good source that Conrail would just as soon eliminate any and all bridges from its route, primarily because of the expense involved in annual maintenance. But you probably will never hear them say it publicly.

Some day, when the span begins to deteriorate and fall apart, pieces will rain down on land and river. There will be a big hue and cry about removing it as a hazard to river navigation. And do you know who will pay for this? The taxpayer.

Efforts to get Congress off its legislative seat and force Conrail to repair the bridge failed, so it looks like the railroad seems to be able to determine its own destiny in all but one field: profit.

Congress could, if it wanted to, withhold the requested subsidy with the provision that the bridge be repaired . . . a bit of arm-twisting.

There doesn't seem to be a logical reason in the world why New York's business and industry should be subjected to second class freight service.

RESTORE THE RAIL BRIDGE!

Time is long overdue for Conrail to restore a vital freight link in the Northeast—the Poughkeepsie railroad bridge which is vitally needed for direct connections between New York and Southern New England.

Conrail's judgement has been questioned repeatedly in refusing to put the fire-damaged span back into service. Congressman Ben Gilman of Middletown and Toby Moffett of Connecticut have ably pointed out the strategic importance of the bridge. But Conrail, the questioning of whose judgement may well become a national pastime, is adamant.

All western freight consigned to New England, and all New England freight consigned to the west, must pass through Selkirk, ten miles below Albany, into Massachusetts. There is no direct freight link with Connecticut, a highly important industrial state. Rail freight must be routed to Selkirk, almost fifty miles above Poughkeepsie, and then routed fifty to a hundred miles south again to major cities such as Hartford, Waterbury, Bridgeport and New Haven. At least a day in time is lost. The additional mileage boosts the transportation cost. Truck lines have an unassailable advantage, with Interstate 64 giving direct access to and through Connecticut. This makes no difference to Conrail.

After the Poughkeepsie bridge was damaged by fire, New York offered $485,000 and Connecticut offered $450,000 to Conrail for repairs. With the insurance settlement of $850,000, the project could have been completed. It was not even started!

The performance by Conrail has been a flop. The $2.1 billion operation, which was supposed to yield a profit by the end of 1979, will never do it. Conrail now seeks $1.3 billion more in federal subsidies to keep running its programs into the red.

It doesn't deserve the money. Congressman Gilman and Moffett should make every effort to induce Congress to withhold the funds until Conrail shows evidence of maturity and responsibility—such as putting the Poughkeepsie bridge back into service and providing a much needed second line to and from New England.

In addition, Mr. Speaker, I would like to quote from an editorial which appeared in the Middletown, N.Y., Times Herald Record on July 25, 1978, which stated, in part:

Public and private officials on both sides of the Poughkeepsie bridge have pleaded in vain with Conrail to rebuild it. They even developed a total financial response to Conrail's poverty claim. Connecticut offered to pay $450,000, New York is ready to ante $486,000, and with the $359,000 insurance settlement, Conrail would have had $1.29 million to fix the bridge.

Still Conrail refuses to act. Its rationale for its irrational position seems to be that it believes that improved rail service would increase rail freight competition in the Northeast—and this state of affairs, in the skewed reasoning of Conrail, would somehow be bad.

Ignored along the way is the fact that Connecticut and this section of New York are put in disadvantageous position. What's more, the Poughkeepsie span is the key to a land approach to the Brooklyn shipping yards.

If Conrail had proved its merit, we could perhaps accept its arguments. In point of fact however, the corporation created by Congress in 1973 to turn a profit by the end of next year now claims it needs $1.3 billion more in federal subsidies.

Mr. Speaker, the Tri-State Regional Planning Commission, in May 1976, published an independent analysis of ConRail's performance. Referring to the Poughkeepsie railroad bridge and the Wallkill Valley Line, Tri-State recommended:

ConRail should proceed with opening up these two routes.

Tri-State went on to make—

a request for a new computer run to objectively test the feasibility of greater use of the Poughkeepsie Bridge Route. (This is) neither an unreasonable or too difficult undertaking.

Yet, as we well know, ConRail will not consider such a move.

Mr. Speaker, I urge all my colleagues to join with me in saluting the senior Senator from Connecticut (Mr. RIBICOFF) for his efforts, and the efforts of those who have joined with him in cosponsoring this amendment, the senior Senator from New York (Mr. JAVITS), the junior Senator from New York (Mr. MOYNIHAN), and the junior Senator from the State of Connecticut (Mr. WEICKER), who have successfully led this glorious, last-ditch effort in the Senate to make right an obvious injustice on the part of ConRail.

Mr. Speaker, Congress created a monster in creating ConRail—a monster that is now apparently off track and careening out of control. The taxpayers can ill-afford such shoddy, unresponsive service subsidized out of our tax dollars.

The time is at hand for Congress to take a long, hard look at this arrogant, ineffective agency. None of us can afford the self-perpetuating country club which ConRail has become.

The Senate has taken the lead in bringing ConRail into line.

Mr. Speaker, I urge our distinguished colleagues to take appropriate action when our turn comes to vote on this legislation in the House.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the distinguished gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I thank my distinguished colleague from New York (Mr. GILMAN) for his detailed assessment of the difficulties encountered over the past 4 years with ConRail, over the repair of the Poughkeepsie Bridge which burned in 1974.

I fully concur with my colleagues that ConRail has been anything but responsive in making any effort to fairly consider the importance of the bridge, the requests of manufacturers and other businessmen to the need for this rail service. In fact they have turned a deaf ear on every reasonable request to repair and use this bridge.

Unfortunately, they have been so strongly opposed to any request for repair of the bridge that over the years it has steadily deteriorated. According to the mayor of the city of Poughkeepsie John Kennedy who is charged with the responsibility of the safety and health of citizens living in Poughkeepsie, this rapidly deteriorating bridge presently poses a hazard to residents of the first ward of that city over which the bridge runs.

Earlier today I spoke with Mrs. Agnes M. Kuklin, of the first ward assembly, who is presently gathering petitions regarding the safety situation. According to Mrs. Kuklin, every effort by residents of the first ward to influence ConRail to make even minor repairs to the bridge have been ignored by that organization. It is reported that the bridge has reached the point when every storm brings down pieces of the deteriorating bridge.

Unused as it is, it also provides an attractive nuisance to children of the area. It is there. It is unused. And young people—being young people—play on it. Mrs. Kuklin told me this morning that she only last week saw some young people climbing down the iron framework from the top toward the river.

For this reason, along with all those listed so well by my colleague from Orange County, I strongly concur in praising Senator RIBICOFF's move to include $9 million for the repair of the bridge.

I will not trouble to reiterate the economic needs for bridge repair. I only wish to stress the logic of repair.

Every year which passes without repair and reasonable maintenance the Poughkeepsie Bridge becomes an increasing hazard not only to those living under or near the span where it crosses the first ward of Poughkeepsie, but to ships navigating the Hudson River. Logic tells us that considering the bridge, not as part of an important rail link between southern Connecticut and New York, New Jersey, and South, but simply as a huge structure posing an increasing safety hazard, that in time will force a decision—the decision must be reached to either repair and use the bridge or destroy it as a major hazard.

I believe logic further tells us that repair now is the cheapest and wisest of these alternatives. I hope the House follows the lead of the Senate in this issue and also authorizes $9 million for bridge repair.

If ConRail is—as in meeting after meeting they have demonstrated to me—indifferent to the public good and seem willing to do everything possible to shirk a responsibility for the Poughkeepsie Bridge, I feel it the duty of this Congress to hold them to a public trust they are anxious to shun.

Our colleagues in the other body should be praised for their action this afternoon in adding $9 million to S. 2788, the Railway Association Amendments Act of 1978 for this important project. Let us also in the House act as responsibly.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New York (Mr. FISH) for his contribution and his continued counseling and for his efforts in bringing about the repair of this bridge. Hopefully together we will be able to show ConRail the light.

● Mr. DODD. Mr. Speaker, I join my colleagues in expressing my concern that the repair of the Poughkeepsie Bridge will soon be realized.

Today, the Senate took action on legislation which will have a significant impact on the economy of the States of Connecticut and New York. The U.S. Rail Association Amendments of 1978, S. 2788, was considered on the Senate floor, and Senator ABRAHAM RIBICOFF offered an amendment which will authorize the Department of Transportation to make available to ConRail $9 million for the restoration of the Poughkeepsie Bridge to its condition at the time of the fire in May 1974, and to encourage the use of the Poughkeepsie Bridge system. I am happy to report that this amendment was adopted by the Senate.

The Poughkeepsie River Bridge, which spans the Hudson River, has been out of service since it was damaged by fire in 1974. Since that time all rail freight traffic to and from Connecticut has been routed through Springfield, Mass., resulting in delays in shipment of a day or more.

There is a need for a cross-Hudson connection. According to the Departments of Transportation for the States of Connecticut and New York, Connecticut requires direct service to southern the eastern shippers. New York requires direct competitive service to New York City, if a competitor can be found, or for a ConRail operated route for specialized high and wide clearance traffic.

Repair of the Poughkeepsie Bridge has received wide support from public officials, and rail and transit groups in both Connecticut and New York. It is important to note in 1976 both States made offers of financial assistance to repair the bridge. Although the repair of the Poughkeepsie Bridge is included in the final system plan, the States' offers to restore the bridge were ignored.

As my colleague from New York has so eloquently stated, previous congressional efforts to restore the Poughkeepsie Bridge have been unsuccessful. I am hopeful that the House will adopt a similar amendment to that adopted in the Senate in order that the greatly needed repair of the Poughkeepsie can get underway.●

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the subject of this special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

FREEDOM FOR IMPRISONED SOVIET PSYCHIATRIST SEMYON GLUZMAN CALLED FOR IN JOINT RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New York (Mr. GREEN) is recognized for 5 minutes.

Mr. GREEN. Mr. Speaker, once again, with the trials of Anatoly Scharansky and Alexander Ginzburg, the world's attention has focused on the Soviet Union's unjustified imprisoning of human rights dissidents. I call your attention to a similar case that, although not as recent as the Scharansky and Ginzburg trials, is just as striking in its details.

Dr. Semyon Gluzman is a psychiatrist who was imprisoned in 1972 after refusing to obey an order from the KGB to classify certain dissidents as mentally ill. This designation would have led to eventual imprisonment in the infamous Soviet mental hospitals. Together with fellow inmate Vladimir Bukovsky, Gluzman used this experience to write a guide for fellow dissidents describing techniques to avoid being classified as psychotic by government psychiatrists. This manual was written while both Gluzman and Bukovsky were in prison, and was cleverly smuggled to the outside world.

Concern for Dr. Gluzman is worldwide. May 12 was proclaimed "International Gluzman Day" and petitions were delivered to Soviet Embassies in many countries protesting his imprisonment and calling upon the Soviet Government to release him immediately. I attempted to deliver several thousand of these petitions signed by American psychiatrists, other physicians and mental health workers to the Soviet Mission in New York but was refused entry. At their convention earlier this year, the board of the American Psychiatric Association approved a resolution protesting the imprisonment of Dr. Gluzman. It was the APA board's opinion that he was imprisoned merely for following the code of ethics of his profession by refusing to use tactics which the Soviet Government itself has condemned.

Until May 15, 1978, Dr. Gluzman was imprisoned at the Perm 36 Prison Camp; however, his present whereabouts are a mystery to everyone except the Soviet Government. Before his disappearance it was known that Dr. Gluzman's health was rapidly declining due to a combination of self-imposed hunger strikes in protest of the harsh treatment of fellow prisoners and his subsequent inhuman treatment by the prison guards. There have been rumors that he has been transferred to the Vladimir Prison, the worst of the Soviet prisons reportedly from which few emerge alive.

In view of the continuing harassment of human rights dissidents in the Soviet Union and our concern for this courageous man, I have introduced a resolution today with Congressmen BIAGGI, BINGHAM, and KEMP and 46 of our colleagues imploring the Union of Soviet Socialist Republics to release Dr. Semyon Gluzman and to allow him and his family to emigrate to Israel. We hope that this strong expression of concern by the House of Representatives will make it clear to the Soviet Union that Dr. Gluzman's unjustified imprisonment must end immediately. I urge the other Members of the House to join us in supporting this resolution.

But we must go further than this if the people of the Soviet Union are to enjoy their basic human rights. The time for passively sitting by while the Soviet Union railroads its citizens into prison camps and mental institutions is long behind us. We have the responsibility as leaders of the free world to bring pressures, both economic and diplomatic, to bear on the current Soviet regime if it continues flagrantly to violate both the spirit and the letter of the Helsinki accords by repressing dissidents such as Semyon Gluzman and Anatoly Scharansky and Alexander Ginzburg.

For the benefit of my colleagues, following is the text of our resolution:

Joint resolution of the Soviet Socialist Republics to release Doctor Semyon Gluzman from prison and permit him and his family to immigrate to Israel

Whereas the reputation of Doctor Semyon Gluzman as a physician of outstanding psychiatric medical ability spread throughout the Soviet Union to the consternation of Soviet leaders;

Whereas Doctor Gluzman refused to cooperate with the KGB in certifying human rights advocates as mentally ill;

Whereas, subsequently, the doctor was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator and found guilty and sentenced to prison for seven years to be followed by three years in exile on October 19, 1972;

Whereas Doctor Gluzman's family received an invitation to join relatives in Israel;

Whereas for humanitarian and medical reasons Doctor Semyon Gluzman should be

released from prison, and permitted with his family to immigrate to the State of Israel: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That President Leonid Brezhnev of the Union of Soviet Socialist Republics authorize the immediate release of Doctor Gluzman from prison and grant permission for him and his family to immigrate to Israel; and be it further

Resolved, That a copy of this resolution be forwarded to the Secretary of State of the United States of America for conveyance to President Leonid Brezhnev of the Union of Soviet Socialist Republics.

THE NUCLEAR WASTE MANAGEMENT RESEARCH DEVELOPMENT, AND DEMONSTRATION ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 10 minutes.

● Mr. GOLDWATER. Mr. Speaker, last Friday I introduced legislation that will help our Nation deal with the growing problem of nuclear wastes. This issue is of considerable importance to the Nation, as we must be able to adequately dispose of our nuclear wastes if we are are to continue to depend on nuclear energy for a significant portion of our future energy needs. Our Nation must face this problem now or we may have to face the prospect of closing our nuclear plants in the near future. We have already been forced to limit construction of new nuclear plants in some areas of the country due to the public's perception of the nuclear waste problem, and we must act now to assure that this situation gets better, not worse.

My legislation, the Nuclear Waste Management Research, Development, and Demonstration Act of 1978, will help us avoid the frightening prospect of an energy shortage, which a nuclear slowdown would surely entail, by providing the timely establishment of needed facilities to store nuclear wastes. This bill directs the Secretary of Energy to construct and operate a permanent Federal research, development, and demonstration repository for the storage of nuclear wastes. The key element of this bill is that it sets a strict time table for the completion of this job, recognizing the urgency of the problem. Site selection is to be based on the many studies conducted to date on nuclear waste disposal, as well as on specific site evaluations yet to be completed. The demonstration faciilty must become operational by September 30, 1985.

Under this bill, the many groups and individuals interested in this project will be able to provide their views for consideration in the siting, design, and construction of the waste repository. The bill recognizes that the States and other parties must play a significant role in the formulation of any effective nuclear waste disposal program. My legislation formally recognizes the role of the States, and gives them a meaningful opportunity to comment on and influence any actions taken by the Secretary under this bill.

In order to receive the most effective input from other interested parties such as industrial organizations, professional societies, and environmental groups, this legislation establishes a Nuclear Waste Management Advisory Committee, which shall study and advise the Secretary of Energy on all facets of nuclear waste management programs and technologies.

I believe that it is in the best interests of our Nation to insure that a permanent repository is constructed now and that it is in operation within the time frame established in this bill. We need action rather than studies. As I have recently stated in a letter to the Secretary of Energy on this matter, I cannot help but note that we have seen a seemingly unending series of studies, reviews, and evaluation of this subject within the last several years, each ending with several laudible recommendations or goals that somehow get sidetracked before they are achieved. Endless paper studies do not seem to me to be the solution to the nuclear waste disposal problem. What we need instead is to establish a research, development, and demonstration program that will get this job done, and to my mind that includes construction and operation of a repository in a timely manner. The bill does exactly that.

I find it ironic that despite its rhetoric on this subject, the administration has within the past year let the deadline for the construction of a permanent repository slip a total of 3 years, to 1988. We cannot afford this kind of approach.

A number of my colleagues in both Houses of Congress have recently introduced various bills intended to remedy various aspects of the nuclear waste problem. These bills include proposals such as expanding the licensing authority of the Nuclear Regulatory Commission to include waste management facilities, and establishing a new governmental entity to operate our nuclear waste program. However, no legislation introduced in the House to date will do what the bill I am submitting today will accomplish—require the Secretary of Energy, by a specific date, to build a facility for permanent disposal of our nuclear wastes.

We in the Congress must recognize that the principal national issue of concern with nuclear energy is waste disposal. I believe that this legislation provides the tools to allow us to adequately address this concern. For this reason, I urge that my colleagues support the bill and that it receive prompt consideration.

A section-by-section summary follows:

SECTION-BY-SECTION SUMMARY

SEC. 1. Title.

SEC. 2. Findings and Purpose.

SEC. 3. Definitions.

SEC. 4. Preliminary Determination. Requires the Secretary of Energy, within one month of the date of the enactment of this Act, to make a preliminary determination on (1) the location of a site(s) to serve as a permanent Federal demonstration repository, (2) suitable techniques for the design, construction and operation of such a repository, (3) the procedures for transporting nuclear wastes and spent nuclear fuel assemblies to any such site, and (4) appropriate actions necessary to assure the protection of the public health and safety of the environment.

SEC. 5. Permanent Federal Demonstration Repository. Requires the Secretary of Energy to (1) make a final selection of a specific site, within 60 days after the preliminary determination required under section 4, for the construction and operation of a permanent Federal demonstration repository, giving appropriate consideration to economic, environmental, social and legal factors; (2) construct and operate, consistent with applicable environmental requirements, a permanent Federal demonstration repository on any site selected under this section, to be in operation by September 30, 1985; (3) submit to Congress a report by no later than September 30, 1980 specifying the construction schedule for such a repository; (4) file with the Nuclear Regulatory Commission, within 60 days after the date of the preliminary determination required under section 4, a license application for such repository, which shall be disposed of by the Commission (by appropriate action) within five years of such date; and (5) submit to Congress an annual report on the status of such repository. Directs the Secretary of Energy and the Nuclear Regulatory Commission to take all steps necessary to obtain the objectives of this Act, giving appropriate consideration to applicable economic, environmental, social and legal factors.

SEC. 6. Contracts. Directs the Secretary to provide funds to enter into contracts to carry out his duties under the Act.

SEC. 7. Transfer of Nuclear Wastes or Nuclear Spent Fuel Assemblies. Allows the Secretary of Energy to enter into agreements for the transfer to the permanent Federal demonstration repository of nuclear wastes or spent nuclear fuel assemblies that have been removed from civilian nuclear powerplants, on the condition that (1) the Government of the United States shall take title to and exclusive custody of these materials upon their delivery to the repository and upon payment by the Secretary of a fee to any person transferring spent nuclear fuel assemblies which reflects the monetary value of the energy content contained within these assemblies, (2) nuclear wastes or spent fuel assemblies are delivered to such repository in a form suitable for storage, and (3) an appropriate fee is paid to the Secretary by any person transferring nuclear wastes or spent nuclear fuel assemblies to such repository reflecting the estimated costs to the Government for the planning, construction and operation of such repository. Directs the Secretary of Energy to submit to Congress, within 30 days after the end of each fiscal year during which the permanent Federal demonstration repository is in operation, a report on all agreements entered into under this section during such fiscal year.

Provides that all records, reports or information obtained under this section shall be made available to the public; except that if any person makes a showing satisfactory to the Secretary that any record, report, or information (or a particular part thereof) to which the Secretary has access under this section would if made public, divulge information entitled to protection as trade secrets of such person, or if the Secretary determines that it is in the best interests of national security, the Secretary shall consider such record, report, or information or particular portion thereof confidential in accordance with the purposes of section 1905 of title 18 of the United States Code, except that such record, report, or information may be disclosed to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act or when relevant in any proceeding under this Act. Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under his control from duly authorized committees of the Congress.

SEC. 8. Nuclear Waste Management Advisory Committee. Esablishes a Nuclear Waste Management Advisory Committee, which will study and advise the Secretary of Energy on, among other things, Federal Government programs and policies relating to nuclear waste disposal, and actions taken by the Secretary under this Act.

SEC. 9. State Role. Requires the Secretary of Energy to advise the Governor of any State in which a proposed permanent Federal demonstration repository might be constructed under section 4 of the Act, and to review and consider any information, recommendations or findings submitted by those Governors to the Secretary. Provides an opportunity for States to participate in any proceedings by the Nuclear Regulatory Commission on an application for a license to construct and operate a permanent Federal demonstration repository, and to submit advice, recommendations, or findings on any environmental impact statement prepared by the Commission pursuant to the National Environmental Policy Act of 1969.

SEC. 10. Regulations. Directs the Secretary, and all other appropriate Federal agencies, to prescribe regulations that are necessary or appropriate to carry out their particular duties under this Act.

SEC. 11. Other Legal Authority. Reaffirms the powers, functions and duties of the Nuclear Regulatory Commission, as in effect on the date of the enactment of this Act. Requires all appropriate Federal agencies, including the Commission, to have satisfied all requirements imposed on them under the National Environmental Policy Act of 1969 in connection with the requirements of this Act by no later than September 30, 1980.

SEC. 12. Authorization of Appropriations. Authorizes such sums as are appropriate to carry out the purposes of this Act.●

ANOTHER ANSWER TO WALTER HELLER: THE CASE FOR ROTH-KEMP TAX RATE REDUCTION ACT TO PROVIDE ECONOMIC GROWTH AND JOBS WITHOUT INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, one of the most vital reasons for enacting the Roth-Kemp Tax Rate Reduction Act, is just to offset what will otherwies be a $200 billion plus tax increase. The other major reason, of course, is to encourage real economic growth to combat inflation and unemployment.

Between now and the end of 1983, 5 years time, the American people will pay $172-plus billion more in Federal individual income taxes, as a result of inflation pushing them into tax brackets where the percentages they pay in taxes are increasingly higher. They will also pay $114-plus billion more in higher social security taxes. That is $286 billion in additional taxes. If the President's energy program is enacted this year, they can expect to pay another $42-plus billion in additional energy taxes. That brings it up to $329 billion in additional taxes. But worst of all blue-collar working men and women will be in top brackets.

If all the tax reductions incorporated in the bill ordered reported by the Committee on Ways and Means, H.R. 13511, become law and if they are kept on the books for the full 5 years we are talking about, we will have an offset against only about $82 billion. That would leave the taxpayers still paying $204 billion more in inflation-caused and social security taxes; $247 billion more if the energy bill is passed. So, we can see that, unless the Kemp-Roth bill becomes a part of the final bill approved by the House, this Congress and its Members will be clearly on record in support of incredibly higher taxes upon the American people.

Why then is Kemp-Roth being opposed? There are a number of reasons, and a moment's reflection gives you most of them. They are not all economics-based. But the crux of the attack on Kemp-Roth has rested upon the assertion that it will be inflationary. Its opponents have marshaled every piece of "evidence" and "logic" they could muster around this point. Why? Because they do not understand human behavior and the economic activity which can flow from its encouragement. Because they are trying to overcome the people's demands for lower taxes with the people's fear of higher inflation—that is their political strategy. But, most importantly, because they have not read or learned what we have already shown them as the answers to their reckless charges.

The answer to the attack on Kemp-Roth as being inflationary has been made.

Let me cite several examples and quote from them, in hopes of reaching these people with the message which answers their question, which rebutts their charges.

In floor remarks of June 22, I outlined the critical importance of enacting the Kemp-Roth bill, in terms of reducing the tax burden which will otherwise be borne by the taxpayers, unless we go further in reducing the individual income taxes than does the Committee on Ways and Means' bill, now offered as H.R. 13511:

Current law will raise taxes as a share of GNP above present levels by $26 billion by 1979, $47 billion by 1980, and so on up to $98 billion in 1983. Very, very few forecasters believe that the economy can sustain such a shock without plunging into a recession. These tax increases were never meant to go uncompensated.

No recession in history has led to a balanced budget. Every recession has widened the deficit, restricted both the current supply of goods and the future capacity, and paved the way for renewed inflation and bottlenecks in the next expansion.

The status quo will not slash the deficit by $25 billion, as our colleagues suggest. It will bring on a recession in which prices and the deficit will rise as production collapses.

PENDING AND PROPOSED TAX INCREASES[1]

[In billions of dollars]

	Fiscal year—					
	1979[2]	1980	1981	1982	1983	Total
Pending tax increases:						
Social security	9.5	12.7	24.2	32.6	35.3	114.3
Inflation[3]	13.4	22.4	32.8	44.9	58.7	172.2
Energy taxes[4]	2.9	12.3	15.4	7.7	4.2	42.5
Total	25.8	47.4	72.4	85.2	98.2	329.0

[1] Prepared by the staff of the Joint Committee on Taxation.
[2] Includes fiscal 1978 increase of $7,200,000,000 and fiscal 1979 impact of $18,600,000,000.
[3] Estimate based on 5 to 6 percent inflation rate.
[4] Based on energy tax bill passed by House.

I then addressed myself in those remarks directly to the accusation that Kemp-Roth is inflationary:

In order to judge a tax cut's impact on growth and on inflation, we have to know what the cut will do to GNP and saving.

To finance itself without causing inflation, a tax cut can do four things:

First, it can increase GNP, which is the tax base, and get back revenues to offset some or all of the initial cut.

Second, if it reduces marginal tax rates, it can cause existing savings and investment funds to switch out of tax shelters and nontaxable uses into taxable uses, raising the tax base and revenue. This probably also raises GNP by shifting savings and investment from low yield but sheltered projects into straightforward high yield activities.

Third, by reducing tax rates, the tax cut makes saying more rewarding after taxes, and raises the total amount of saving being done. Chase Econometrics, the most reliable of the econometric studies done, forecasts sharp rises in saving if tax rates are reduced. Some of this saving will go to buy the bonds the Treasury will sell to cover any deficit remaining from the tax cut. Any excess will be used to increase net investment and growth.

As long as revenues rise to offset the tax cut, or as long as savings rise by enough to cover any added debt, the Federal Reserve does not have to buy even one additional Treasury bill, and does not have to add 1 cent to the money supply.

In fact, Chase Econometrics, using a Keynesian formula, estimates that savings will rise enough from the tax rate reductions found in the Kemp-Roth bill to cover any added deficit and to still leave enough saving to increase net investment by well over one-half, delivering an enormous boost to real growth.

Chase Econometrics offers convincing proof of this:

INCREASE IN SAVINGS AND RETAINED EARNINGS OVER INCREASES IN FEDERAL DEFICITS

	1979	1980	1981	1982	1983
Sum of increases in savings and retained earnings	$28	$49	$62	$71	$76
Increase in deficit from Kemp-Roth over what would otherwise have been	25	38	33	33	36
Increase in savings and retained earnings, less increase in deficits	+3	+11	+29	+38	+40

Thus, Kemp-Roth is not inflationary because the increase in savings exceeds the additional deficit, permitting all borrowing for that deficit to come from existing savings rather than the increase in money supply resulting from the Fed buying more Treasury notes.

Critics of Kemp-Roth have forgotten what causes inflation and have not distinguished between a tax cut which alters incentives, reduces the use of tax shelters, and stimulates savings and investment—the Kemp-Roth bill, this amendment, and one which simply cuts Federal revenues and forces the Federal Reserve to create money to buy Treasury debt—the administration bill.

I addressed this question of deficits and inflation in the RECORD of July 14, too, pp. 21032–21038.

But this morning's newspaper brought to us an article, by Dr. Paul Craig Roberts, which refutes the inflation argument with such singular clarity that the opponents of Kemp-Roth are now left without any remaining economic arguments against enactment of this bill, when we consider the Ways and Means bill, H.R. 13511, later this month.

Dr. Roberts, economic counsel on the Senate side, senior research fellow at the Hoover Institution at Stanford University, and professor of economics at George Mason University, capsulizes the rebuttal this way: Part of the projected deficit will be eliminated by revenue feedbacks from the larger gross national product, and the remaining deficit will not be inflationary, because it will be self-financing. That last point is the one which I raised on June 22 in refuting the allegation that the remaining deficit would be inflationary and cause higher interest rates from crowding out.

Dr. Roberts' article follows as another answer to Walter Heller, Herbert Stein, the administration and its spokesman here in the Congress:

THE ECONOMIC CASE FOR KEMP-ROTH

(By Paul Craig Roberts)

Walter Heller is known to the public as a liberal economist who was Chairman of the Council of Economic Advisers under a Democratic President, and Herbert Stein as a conservative economist who held the same position under Republican Presidents. Both agree that the Kemp-Roth tax rate reduction bill is economic nonsense. "It would soon generate soaring deficits and roaring inflation," says Mr. Heller. "I agree," says Mr. Stein.

Before the public is misled by their agreement into concluding that there is no economic case to be made for Kemp-Roth, I would like to show that there is.

Profs. Heller and Stein both think of tax cuts in Keynesian terms of the dollar amount put into the economy to fuel spending. They believe tax cuts work by raising the disposable income of consumers, who then spend more. The increased spending soaks up excess capacity and unemployed labor, thus moving the economy to higher levels of employment and GNP. The Kemp-Roth bill is, in their view, too large a tax cut. They believe it would fuel more new spending than there is excess capacity and produce an inflationary excess demand.

As Mr. Heller put it on this page July 12, the bill would "simply overwhelm our existing productive capacity with a tidal wave of increased demand." A smaller tax cut, he thinks, would be in order. In his July 18 article, Mr. Stein agreed with this economic analysis, but supported Kemp-Roth as a desperate means of forcing a reduction in federal spending.

A CURIOUS ANALYSIS

This economic analysis, first of all, is a curious one for economists who believe that tax cuts work by increasing demand. Without Kemp-Roth, taxes will increase due to automatic tax increases caused by inflation and higher Social Security taxes; one would expect Keynesians to be worrying about the need to offset the depressing effects of "fiscal drag."

In the context of ongoing tax increases, the Kemp-Roth reductions in the personal income tax rates do not amount to much in dollar terms. Net of the tax increases, Kemp-Roth is a $2 billion cut in 1979, a $15 billion cut in 1980, an $18 billion cut in 1981, a $7.5 billion cut in 1982 and a $1 billion cut in 1983—hardly enough to overwhelm the nation's productive capacity with a tidal wave of consumer spending. Keynesians ought to believe that the net additions to demand provided by Kemp-Roth are too small to have much impact on the economy, just as Mr. Heller says that the Mellon cuts of the 1920s were too small in dollar terms to have had any relation to the prosperity that followed.

The economic case for Kemp-Roth, though, does not rest on increasingly dubious Keynesian premises about government policy "injecting" spending to add to aggregate demand. Like the Mellon tax cuts, it is based on incentive effects, on the economics of supply. As the adage goes, it is hard to teach old dogs new tricks, and Keynesians, who have spent four decades thinking in terms of spending and demand, find it hard to understand arguments about incentive and supply.

The new supply economists think of tax rate changes as incentive changes, not as income changes. To understand the difference, consider the removal of a tariff that is high enough to prevent trade in a commodity. When the tariff is lifted, no revenues are lost, no budget deficits result and no money is put into anyone's hands. Yet clearly economic activity will expand, because the disincentive is removed. Nothing in Keynesian theory captures this effect.

Yet this is in fact how tax cuts work. A tax rate reduction does not in itself produce more real goods and services. There cannot be more income unless people produce more; the only way a tax cut can boost GNP is by providing an incentive for more production. If people respond to tax cuts by working less, as Mr. Heller suggests, then GNP would fall and Keynesian fiscal policy wouldn't work either!

When tax rates are reduced, the after-tax rewards to saving, investing and working for taxable income rise. People switch into these activities out of leisure, consumption, tax shelters and working for nontaxable income. The incentive effects cause an increase in the market supply of goods and services—thus the name "supply side economics."

Consider first the choice between working for additional taxable income and enjoying additional leisure. The price to the person of additional leisure is the amount of income, after tax, that he gives up by not working. Obviously, the higher the tax rate he faces, the cheaper leisure is in terms of the income he sacrifices. In our nation with its substantial income cushions, work disincentives are not limited to the top tax brackets. Studies by Martin Feldstein of Harvard show that the lack of a significant gap between after-tax take-home pay and untaxed unemployment benefits has made leisure a free good for one million workers, thus shrinking GNP and the tax base by the value of their lost production.

Consider next the choice between working for taxable and nontaxable income. Take the case of a carpenter facing a 25 percent tax rate. For an additional day's earnings of $100 he gets to keep $75. Suppose that his house needs painting and a painter costs $80 a day. Since his after-tax earnings are only $75, he saves $5 by painting his own house and chooses not to earn the additional $100. Alternatively, the carpenter and painter may swap services, but either way the tax base is smaller by $180, and the government loses tax revenues.

Studies by Gary Becker of the University of Chicago have made it clear that capital and labor are employed by households to produce nontaxable income through nonmarket activities, such as a carpenter painting his own house. The amount of household-owned capital and labor supplied in the market is affected by tax rates. The higher they are, the more households allocate their resources to the production of nontaxable income.

Now consider the decision between using income for current consumption or saving and investing it for future income. The price to the person of enjoying additional current consumption is the amount of future income he forgoes. The higher the tax rate, the smaller the amount of after-tax future income he sacrifices by enjoying additional current consumption.

Take the case of a person facing the 70 percent tax rate on investment income. He can choose to invest $50,000 at a 10 percent rate of return, which would bring him $5,000 per year of additional income before taxes. Or he can choose to spend $50,000 on a Rolls Royce. Since the after-tax value of $5,000 is only $1,500, he can enjoy a fine motor car by giving up only that amount. Britain's 98 percent tax rate on "unearned" (investment) income has reduced "the cost of the Rolls-Royce in terms of forgone income to only $100 a year. The profusion of Rolls-Royces seen in England today is mistaken as a sign of prosperity.

Walter Heller tells us, though, that the decision to save does not depend on the relative prices of current consumption and future income; that "Denison's Law" shows that savings do not respond to higher after-tax rewards. But the most recent empirical studies of the responsiveness of savings are those of Michael Boskin of Stanford, who concludes that "private saving is indeed strongly affected by changes in the real after-tax rate of return." He specifically dismisses "Denison's Law" as a "conjecture based on evidence which is flimsy at best and dangerously misleading at worst." A current understanding of the Kemp-Roth bill's effect on savings is absolutely crucial to assessing an asserted inflationary effect.

To summarize the above points: With so many decisions affected by tax rates, it is obvious that the market supply of goods and services must respond to changes in tax rates. Our economy functions because people respond to changes in relative prices: the price of butter relative to that of margarine, beef relative to chicken, capital relative to labor and so on. A tax rate change is just another relative price change. It changes the prices of leisure and current consumption in terms of forgone current and future income. To claim that people don't respond to these price changes goes against the basic principles of economic science. Yet there is no recognition of such response in the brand of economics now used to brand Kemp-Roth as wildly inflationary.

Since Mr. Heller goes out of his way to criticize those of us who have done staff work on the Kemp-Roth bill, he should be especially interested in the results of the congressional staff debates on these points over the past year. The Congressional Budget Office, like the Treasury, once habitually offered simplistic revenue estimates that omitted the expanded tax base and revenue feedbacks. These static revenue estimates are now discredited. CBO Director Alice Rivlin has been forced to admit that her models, based on familiar Keynesian principles, are "unable to provide estimates of the long-run impact of tax cuts."

(By the way, Prof. Heller's own staff work could use some polishing. The numbers he attributed to Norman Ture do not come from Mr. Ture.)

Mr. Heller and Mr. Stein believe the Kemp-Roth bill depends on stimulating GNP sufficiently that government revenues will not fall even in the first year, thus avoiding an inflationary deficit. In arguing that feedbacks are not large enough to recover all revenues, they are demolishing a straw man. This is not what the bill's proponents mean when they say it would pay for itself. Part of the projected deficit will indeed be eliminated by revenue from the larger GNP. The remaining deficit will not be inflationary because it will be self-financing.

Deficits are linked in the public mind with inflation or crowding out because the deficits of the past decade have originated from increased government spending and tax re-

bates—fiscal policies designed to increase demand, not incentives. These deficits add to the demand for funds in the financial markets, thus pushing up interest rates. The Federal Reserve then adds to the money supply, monetizing the deficit in an effort to avoid rising interest rates and crowding out, and this excessive money creation causes inflation.

While Keynesian eyes can see no difference between these deficits and deficits caused by cutting taxes, in terms of incentives this difference is decisive. Lower tax rates increase after-tax rates of return, which in turn expand private savings. When Mr. Boskin's measures of the responsiveness of savings are applied to the Kemp-Roth bill, they predict an increase in gross savings of $35 billion in the first year and a steady growth thereafter. Mr. Ture has even higher estimates of the savings effect, as does Chase Econometrics.

Savings, of course, represent the supply of funds in the financial markets. So deficits caused by tax rate cuts add to the supply of funds as well as the demand for funds. This allows the deficit to be financed without pressure on interest rates and money creation. There is no need to monetize the deficit and thus no inflationary effect. In addition, the larger GNP also means higher revenues for state and local governments and corporations, which reduce their own borrowings and ease pressure in the financial markets.

THE CHASE FORECAST

Chase Econometrics has considered all of these effects in studying the effect of the Kemp-Roth bill. Chase forecasts that the federal government would recover in revenue reflows 41% of the $25 billion tax cut in the first year. This rises to 72% in the seventh year. The remaining deficit is more than covered by the increase in personal savings, retained earnings, and state and local government surplus. Thus the deficit puts no pressure on credit markets. The tax cut generates enough new savings to finance the deficit plus an increase in private investment.

It is theoretically true, of course, that government spending could increase rapidly enough to soak up all additional savings and restore pressure to monetize the deficit. But if government spending in real terms could be held to current levels for about two years, the Kemp-Roth bill would get us out of the high deficit, high inflation, low productivity, low growth doldrums, and save transfer programs like Social Security.

As for Mr. Stein, many proponents of Kemp-Roth agree with him that government spending is already too high, but this is a separate issue. Legislatively, tax bills are separate from spending bills, and there is no way to tie them together. The only purpose that could be served by the bill's sponsors calling for accompanying spending cuts would be to threaten the vested interests of the congressional spending committees and their constituents, leaving the bill hostage to a bitter and quite unnecessary political fight.

As for Mr. Heller, he does better when he takes off the Keynesian blinders and relies on his own experience with the Kennedy tax cuts. In his article on Kemp-Roth he says, "To attribute to the 1962–64 tax cuts all the expansion and revenue increases in 1963–68 boggles the mind. It totally ignores the huge (over-) stimulus of the Vietnam expenditures." In other words, the tax cut did not pay for itself. But he saw these events differently in testifying before the Joint Economic Committee in February 1977.

ANTICIPATING THE LAFFER CURVE

In his testimony Prof. Heller anticipated the Laffer Curve, saying that the Kennedy cut "was the major factor that led to our running a $3 billion surplus by the middle of 1965 before escalation in Vietnam struck us. It was a $12 billion tax cut which would be about $33 or $34 billion in today's terms, and within one year the revenues into the Federal Treasury were already above what they had been before the tax cut." He concluded, "Did it pay for itself in increased revenues? I think the evidence is very strong that it did."

On this point Mr. Denison has something interesting to say. His estimate of the gap between actual and potential GNP for 1962 and 1963 is only $12 billion—the size of the Kennedy tax cut. Obviously, such a small gap left little room for an expansion based on increased demand and unused capacity. If Mr. Denison is correct, the substantial expansion that followed the tax cut had to be based on something else, a supply-side response to the higher after-tax rates of return.

Far from being wildly inflationary even with little unused capacity in 1962, the Kennedy tax cuts promoted healthy and noninflationary expansion. Once demand management is forgotten and incentive effects are understood, there is every reason to believe the Kemp-Roth tax cuts would do the same.

(Mr. Roberts is economic counsel to Sen. Orrin Hatch (R., Utah), senior research fellow in the Hoover Institution at Stanford University and adjunct professor of economics at George Mason University.) ●

IN TRIBUTE TO CHARLES LESLIE DENNIS, PRESIDENT OF RAILWAY AND AIRLINE CLERKS UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise today to pay tribute to the late Charles Leslie Dennis, president of the Brotherhood of Railway and Airline Clerks Union from 1963 through 1976.

I had known Charles for more than three decades. He was a good friend, and those who knew him admired him greatly, for he came up from the ranks of workers himself and so he possessed a special understanding of the needs and wants of the working people he represented so ably for almost 50 years.

Born on June 21, 1908, he was one of eight children, spent a number of years at a county poor farm, and by the age of 13, he was working in a biscuit factory in Chicago where he worked himself up to the position of assistant foreman and then proceeded to lead a strike in an effort to organize the factory.

The strike failed, but C. L. Dennis went on to become a freight handler for the Chicago & Northwestern Railroad, and for the next 12 years, he worked his way into positions of responsibility in the union until, in 1940, he became the general chairman of the railroad's System Board of Adjustment.

From 1957 to 1963, C. L. Dennis was acting vice president, then vice president of the union's Grand Lodge, and in 1963, he became the president of the Brotherhood of Railway and Airline Clerks, and a vice president of the AFL-CIO. The union includes freight handlers, ticket salesmen, communications, and reservations personnel, and also clerical workers.

Over the years he devoted to the labor movement Charles Dennis acquired a reputation as being a practical man and a strong leader who also possessed qualities of populist idealism.

Charles Dennis gave distinguished service as a member of several Presidential commissions, including the U.S. Railroad Retirement Commission. He was also chairman of the Railroad Retirement Committee of the Congress of Railroad Unions, chairman of the Conference of Transportation Trades, and a member of the International Transportation Workers' Federation Organization.

Mrs. Annunzio joins me in extending our heartfelt sympathy to Charles' bereaved family on their great loss. ●

THE 1978 CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, incoming reports on the 1978 Captive Nations Week show and clearly measure the full success of the annual observance. This was the 20th observance; next year will be the 20th anniversary of Captive Nations Week, for which preparations are already underway. What imperialist Moscow has deprecated most about the week is that it serves as a constant reminder to all free peoples and nations of the whole course of Soviet Russian imperialism from 1918 to the present. One of the fundamental techniques of Soviet Russian aggression is to insure that free peoples will have short memories, if any at all, of previous Communist takeovers. The annual observance of Captive Nations Week stymies this technique.

As indications of the scope and depth of the 20th observance, Mr. Speaker, I submit the following as additional items justifying Public Law 86–90: First, proclamations by Gov. James B. Edwards of South Carolina and a certificate by New York Secretary of State Mario M. Cuomo; second, a column by Dr. Lev E. Dobriansky of Georgetown University, World Outlook, on "Captive Nations Week and Mock Trials," and a letter in the Ukrainian Weekly of July 23, "CN Week Reveals Soviet Fraud"; third, the Rosary Service at St. Dominic Church in Washington, D.C., on July 23, spoken in English, Ukrainian, Spanish, Hungarian, Polish and Lithuanian; fourth, reports in the July 17 News World and the New York Daily News on New York City's observance; fifth, the New York City program on the 20th commemoration; sixth, a report "Pressure Soviets on Rights"; and seventh, reports in the China Post, July 17, on the observance in the Republic of China:

PROCLAMATION BY GOVERNOR JAMES B. EDWARDS ON CAPTIVE NATIONS WEEK

Whereas, the imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Belorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations consti-

tutes a powerful deterrent to any ambition of Communist leaders to initiate a major war; and

Whereas, the freedom loving peoples of the captive nations look to the United State as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate prayer, ceremonies, and activities; expressing their sympathy with and support for the just aspirations of captive peoples.

Now, therefore, I, James B. Edwards, Governor of the State of South Carolina, do hereby proclaim the week of July 16 through July 22, 1978, as: Captive Nations Week in South Carolina.

CERTIFICATE OF APPRECIATION

In recognition of Captive Nation's Week when Americans of every creed and background express their support for and sympathy with subjugated peoples in scores of conquered countries around the world who are living as virtual prisoners in their own land.

The United States has traditionally offered inspiration to those yearning for the freedom Americans enjoy. It is important that we never take our freedom for granted and that each year at this time we repledge our bond with liberty-loving people everywhere.

This certificate is tendered to the Captive Nations Week Committee of New York in recognition of its effort to keep that tradition alive.

Witness my hand and the Official Seal of the Department of State of the State of New York this sixteenth day of July, one thousand nine hundred and seventy-eight.

MARIO M. CUOMO,
Secretary of State.

[From the Ukrainian Weekly, July 23, 1978]

CAPTIVE NATIONS WEEK AND MOCK TRIALS

(By Dr. Lev E. Dobriansky)

The mock trials of leading human rights activists in the Soviet Union have drawn vehement protest from all over the world.

In May 1976, Dr Yuri Orlov formed in Moscow a group to monitor Soviet compliance with the Helsinki accords. The Helsinki watch group was quickly joined by similar citizens' group in Ukraine, Lithuania, Georgia and Armenia. Founders of the groups have ever since undergone savage repression. The Kremlin's suppression drive climaxed in recent weeks with the use of phony charges to convict Orlov Vladimir Slepak, Zviad Gamsakhurdia and others, and the harassment of American newspapermen who have refused to disseminate Soviet slanders.

Members of the U.S. Congress have urged the Carter administration to express "in the strongest terms the opposition of the United States to the imprisonment of members of the Helsinki watch group." Prominent U.S. scientists, including three nobel laureates, boycotted a scientific meeting in the Soviet Union while the largest U.S. organization of computer sciences discontinued its cooperation with Moscow.

British Prime Minister Callaghan voiced his government's "abhorrence at the show trials." Norway stated that the sentences "contradicted Soviet promises and declarations."

Even Communist parties in Europe were unable to conceal their disgust. The Spanish Communist Party expressed "our condemnation," while its British counterpart called on Moscow "to rescind the sentences." L'Humanite, the French Communist Party's organ, termed the crackdown "unacceptable." An official newspaper in Tirana, Albania, disclosed that hundreds of thousands in Georgia and Lithuania have staged demonstrations against Moscow's repression of dissidents and intensified process of Russification.

Yet, the most significant protest came from usually hardline Communist Bulgaria. In Sofia, a flag reading "Down With Communism" was flown from a roof in the heavily guarded city center, and leaflets carrying the same slogan were scattered on the crowd.

YOU ARE NOT ALONE

This past January, Sen. Henry M. Jackson (D-Wash.) told the relatives of Andrei Sakharov, Anatoly Shcharansky and Vladimir Slepak at a Washington, D.C., human rights meeting, "You are not alone."

In October 1976, Democratic presidential candidate Jimmy Carter sent Slepak a telegram, "I want you to know of my deep personal interest in the treatment that you and your colleagues receive." As President, Carter personally defended physicist Shcharansky against Soviet charges. Carter also wrote in a personal letter to Nobel laureate Sakharov, "We shall use our good offices to seek the release of prisoners of conscience."

Now Orlov is alone in a Soviet cell. So is Slepak. So is Gamsakhurdia. The untrials of Shcharansky and Ginzburg held on the eve of Captive Nations Week have triggered a new wave of awareness and indignation. This kind of timing is by no means new for the annual observance of the week.

Sakharov has predicted that Moscow's travesty of justice was a "test of the resolve of the West to insist on the fulfillment of the principles proclaimed at Helsinki."

The other day, Radio Moscow trumpeted that "a suitable riposte was given to the actions of the U.S. which speculates on the human rights issue," and that "other future actions will be met with a similar fate."

The die has been cast. Captive Nations Week is a redeeming opportunity for the Carter administration to redefine and reassert its human rights policy.

CN WEEK REVEALS SOVIET FRAUD

(NOTE: The following letter to the editor, written by Michael Ciapka of Irvington, N.J., appeared in the July 19 edition of The Newark Star-Ledger.)

In this 20th observance of Captive Nations Week, enacted into law as the third week in July and signed by President Dwight D. Eisenhower, the world is again reminded to cherish the freedoms which are its inalienable right, and to note with apprehension the loss of the basic freedoms of speech, assembly and religion in oppressive dictatorships.

In totalitarian regimes, service to the state is primary, thus relegating individual freedoms meaningless; voting is a farce where only one candidate appears on the ballot, and "kangaroo court" trials of dissidents render justice insensately.

At present, there are over 30 captive nations, mostly under the domination of the Soviet Union, with the list still growing. Among them is Ukraine, with people such as Valentyn Moroz, Mykola Rudenko and Oleksa Tykhy, daring to demand self-determination for Ukraine and freedom for people of all nations.

As the struggle for human rights moves forward, an increasing awareness of personal and cultural identity is emerging as people are displaying a renewed interest in their national roots. Observing Captive Nations Week serves to lay bare the Soviet version of the Promised Land as a fraud, and warns the world to counter oppressive tactics by standing up for basic human freedoms.

CAPTIVE NATIONS OBSERVANCE

At the regular 4th Sunday Rosary Service by the Catholic War Veterans of D.C., the Rosary service on July 23rd will be in observance of the Captive Nations Week to express through prayer our concern for the plight and freedoms of people behind the Iron, Bamboo and Sugar Cane Curtains. People of different Nationality groups have been invited as in previous years to pray the Rosary in their respective languages. Assemblage will be at 11:45 a.m. before the 12:15 Mass. Social gathering will take place after the Mass in the Priory Assembly Room.

[From the New York News World, July 17, 1978]

NATIONHOOD: A HUMAN RIGHT

The proclamation establishing the observance of Captive Nations Week, made by an act of Congress under the Eisenhower administration in 1959, is one of those rare legislative lodestars, like the Declaration of Independence, which keeps this country on a principled keel, regardless of the changes wrought by varying administrations.

No matter how much the State Department or the White House may try to "reduce tensions" and conduct "business as usual" with the communists, the Captive Nations Resolution rises every year like Banquo's ghost, reminding this country of its responsibility to hundreds of millions of peoples whose freedom was lost and whose national identities are being torn apart, uprooted, or suppressed.

It is bad enough when courageous individuals such as Shcharansky, Ginzburg, Petkus, Solzhenitsyn—the list goes on and on—are denied their freedom. But what about the enslavement of whole nations?

The litany of nations is growing longer and longer, and each name represents millions of individuals: Ukraine, 50 million; Byelorussia, 12 million; Lithuania, three million; Latvia, two million, and so on and on to China, 600 million, Cambodia, seven million . . . who is next? Rhodesia? South Korea?

All captive nations have a distinct linquistic and cultural identity and at one time proclaimed their independence with the same love of freedom with which America declared its independence in 1776. Realizing how precious our own independence is, it behooves us to include the right of nationhood among those human rights that our president has proclaimed as the keystone of our foreign policy.

As long as the United States keeps the hope of enslaved nations alive by observing Captive Nations Week, the communist powers can never be confident of the ultimate victory of communism. Indeed, the example of the United States as a country which allows various nationalities to live together in freedom, adding their unique qualities to the betterment of mankind, is the strongest weapon against the oppressive imperialism of the Soviet Union and other communist states. We hope, therefore, that the names of captive nations will become as prominent in Americans' consciences as the names of individual heroes such as Shcharansky, Ginzburg, Sakharov and Solzhenitsyn.

[From the Daily News, July 17, 1978]

CAPTIVE NATIONS WEEK BEGINS

Marchers carry signs during annual parade up Fifth Ave. to 72d St. marking beginning of Captive Nations Week yesterday. Groups representing Poland, the Ukraine, China, Cuba and other Communist countries took

part. Each year, under an act of Congress, the President proclaims a week to observe nation's commitment to achieving freedom throughout the world.

20TH COMMEMORATION, CAPTIVE NATIONS WEEK

[July 16 through 22, 1978]

JOIN US IN THE STRUGGLE FOR FREEDOM

Captive Nations Week is proclaimed each year by the President of the United States of America to remember those many nations imprisoned by the Communist slavemasters. It is dedicated to keeping alive the spirits and hopes of the enslaved peoples for freedom and self-determination of their beloved lands.

PROGRAM—SUNDAY, JULY 16TH

Manhattan

9:00 a.m. Assemble at 59th Street & 5th Ave.

9:15 a.m. Fifth Avenue Parade—59th St. to 50th Street.

10:00 a.m. Memorial Mass at St. Patricks Cathedral.

11:00 a.m. Fifth Avenue Parade—50th St. to Central Park Mall (Band Shell near 72nd Street)

12 Noon Ceremonies, honored speakers and folklore entertainment at Central Park Mall.

Nationality, Veteran, Patriotic, Church, Political and Civic groups, and individuals are invited to participate in the Captive Nations Week events.

Captive Nations Committee of New York, P.O. Box 540, New York, N.Y. 10028. Hon. Matthew J. Troy Sr., Honorary Chairman; Dr. Ivan Docheff, Honorary Chairman; Horst Uhlich, Chairman.

PUBLIC LAW 86-90—ESTABLISHING CAPTIVE NATIONS WEEK

The Captive Nations Week Law was passed by the U.S. Congress and signed into law by President Dwight Eisenhower during the Spring of 1959. In accordance with this law, the President has issued a proclamation each year since 1959. Many state governors and mayors, including New York State and City, have also issued a similar proclamation each year.

The Captive Nations Week Resolution

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia. White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such people through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similiar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

[From the New York News World, July 21, 1978]

"PRESSURE SOVIETS" ON RIGHTS

(By Francesca Drane)

WASHINGTON.—A group of professors participating in a seminar for the 20th observance of Captive Nations Week suggested yesterday that increased social pressure and support from non-governmental organizations could "twist the arm of the Soviet Union" and force them to respond to the issue of human rights.

"We stand at a crucial moment in time," said Prof. Charles Moser of George Washington University. "If we allow the Soviet Union to get away with the trials they will continue with that type of action," he warned.

"If we twist their arm they will respond to moral and political pressure from abroad," he said. Four professors speaking on a panel entitled, "Human rights in captive nations: where do we go from here?" agreed that stronger economic sanctions and controls on trade with the Soviet Union combined with public outrage would make the Soviet Union think twice about taking harsh action against dissidents.

Anthony Bouscaren, a professor at Georgetown University, criticized the recent comments by U.N. Ambassador Andrew Young and the "naive" foreign policy of the Carter administration. "This is a time for serious analysis of our foreign policy," he said. "Gimmicks and bandaids won't help."

Captive Nations week is being observed through July 22.

Reps. Daniel Flood, D-Pa., and Edward Derwinski, R-Ill., received the Liberty Award for their "lifelong fight against tyranny." The seminar was sponsored by the American Council for World Freedom, Council Against Communist Aggression, Young Americans for Freedom and the Freedom Leadership Foundation.

[From the Taipei (Taiwan, China) China Post, July 17, 1978.]

SUBSTANTIAL SUPPORT NEEDED FOR CAPTIVE NATIONS WEEK

(EDITOR'S NOTE: The following digest of editorial from the leading Chinese-language newspapers in Taiwan does not necessarily reflect the views of the China Post.)

In view of the fact that the aggression of the international Communists was threatening the security of the freedom of the U.S. and the whole world, the U.S. 86th Congress resolved in 1959 that the third week of July each year would be the Captive Nations Week.

The Congress also authorized and asked the U.S. president to issue a message announcing the U.S. determination to support the peoples enslaved by the Communists in their fight for freedom.

This year, President Carter urged Americans on July 11 to "devote anew their efforts for all those who look for freedom, independence and fundamental rights."

We earnestly hope that the U.S. government and people will be able to respond to this newest appeal from President Carter.

DEVOTION

The world cannot remain half free and half enslaved. The U.S. involvement in two world wars, its containment of Russia and Red China and the U.S. recent denouncement of Russia's trial of Anatoly Shcharansky all reflect the U.S. ambition to resist totalitarianism and defend freedom and democracy, glorifying the lofty ideals of Jefferson, Lincoln and Wilson.

However, such noble devotion has now been eroded by opportunistic diplomacy and different standards on human rights.

PRESIDENT CARTER

On June 26 in a reply to newsmen, President Carter said that from now on he will not play the trick of "using Russia to deal with Red China" or vice versa.

We believe in his sincerity. However, the Tripartite Commission, which has tremendous influence on U.S. foreign policy, has the ideas to collude with the Chinese Communists and East European countries to deal with Russia.

The members no longer emphasize the obvious conflicts in thinking, system and national ideals.

They only pay attention to the contrasts in actual and current strength.

They have abandoned the anti-Communist proposition and make the Communist chieftains of both Yugoslavia and Rumania the guests of honor in Washington.

They also harbor unrealistic illusions of the Chinese Communists.

As such, although morality and human rights diplomacy are great slogans, they are blind to the fact that the Chinese Communists have imprisoned and persecuted tens of millions of innocent people.

Their wishful thinking for the promotion of relations with the Chinese Communists obviously violates the principles President Carter has talked about.

NINETEEN YEARS AGO

Nineteen years ago, the U.S. realized that international Communism threatened the security of the free peoples of the whole world.

In recent years, Nixon's weekend attitude towards Russia and Red China and the misuse of the tactics of collusion and restraint have caused the threat of international Communism to become more serious.

Under such circumstances, the democracies must revive their anti-Communist determination.

The U.S. in particular, must apply the principle of human rights to all the Commu-

nist regimes and render spiritual and material support for all the anti-Communist, anti-slavery individuals or organizations behind the Iron Curtain.

It is more effective to remove Communist threats and aggression than harbor the illusions of colluding with Red China to restrain Russia or vice versa.

—Central Daily News.●

A TRIBUTE TO TIGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, at the close of this Congress we will be losing one of our most able Members, our colleague and dear friend, OLIN E. "TIGER" TEAGUE of Texas, who has announced his plan to retire sometime earlier this year. This great and good man will be sorely missed. I know of no single individual in this body more dedicated to the people he represents. He has championed the cause for veterans, and is their recognized leader. I think the sentiments of all veterans are well expressed in a tribute to Mr. TEAGUE which appeared in the July 1978 issue of DAV—the official voice of the Disabled American Veterans and DAV Auxiliary. I hope you will read it, because I think it reflects the view of the overwhelming majority of the people who have known Mr. TEAGUE over the years, veteran and nonveteran alike:

TRIBUTE TO TIGER

(By Oliver E. Meadows, National Commander)

Later this year, when the 95th Congress comes to an end, one of the most capable legislators our country has ever known will close the book on a career unsurpassed in the history of the United States Congress. Rep. Olin E. Teague of Texas—a great man and a great champion of the disabled veteran's cause—will retire.

During his 30 years of service, Congressman "Tiger" Teague authored more than 200 public laws for the benefit of veterans and their families. During many of those years, I served as staff director of the House Committee on Veterans' Affairs, a committee that Congressman Teague chaired from the 84th Congress through the 92nd Congress. And, I consider it an immense blessing that I had this opportunity to know Tiger Teague—not only as a great National figure but as a man.

He won a great many battles for this Nation's veterans, and I've seen his face light up with the pleasure of the victory. But, he is a modest man, who doesn't view his legislative accomplishments as personal triumphs. No. His pleasure comes from the knowledge that he has been able to do something to help the people he loves—the men and women who defended our country in time of war.

I have never known a friendlier, more compassionate man. And, he is a courageous man, too, using the courage that sustained him in combat during World War II as the cornerstone of his unparalleled legislative career.

By the time Olin Teague entered Texas A&M University in 1928, his well-known fighting spirit had already earned him the nickname, Tiger, which he still carries today. Working his way through college, he still found time to complete four years of ROTC. And, when he volunteered for service in the U.S. Army in 1940, he had previously served three years as an enlisted man in the National Guard.

He received a commission and commanded the First Battalion, 314th Infantry, 79th Division during World War II. In combat for six months, he was wounded a number of times and holds 11 decorations. His combat medals include the Silver Star with two clusters, the Purple Heart with two clusters, the Combat Infantry Badge, the Army Commendation Ribbon, and the French Croix de Guerre with Palm.

After spending two years in an Army hospital recuperating from combat wounds, Tiger Teague was discharged from the Army with the rank of colonel to take his seat in Congress on Nov. 4, 1946.

Elected to every succeeding Congress, Rep. Teague assumed chairmanship of the House Veterans' Affairs Committee in 1956. Since his legislative accomplishments are far too numerous to list, let me simply cite some of the landmark achievements of his career.

Congressman Teague first attracted attention when he undertook investigations of abuses in the World War II veterans' education and housing programs. These programs were put in order and became highly successful contributions to American society as a result of his efforts. The Congressman subsequently authored the Korean War GI Bill, the War Orphans Scholarship Program, and the Vietnam War Education Program.

He created the VA Nursing Care Program, The Servicemen's Group Life Insurance Program, and reformed the pension program. He fashioned the medical scholarship program, and sponsored countless cost-of-living increases in compensation and pension over the years. He served on the select committee that rewrote the Dependency and Indemnity Compensation (DIC) program, and he devised the outpatient drug program.

During modern times, no other individual has dominated a major field of activity in our country the way that Tiger Teague towers over the field of veterans' affairs. For three decades, members of the House of Representatives, leaders in the Senate, and Presidents of our country have looked to him for guidance in the area of veterans' programs. It's no wonder that so many government and civic organizations and leaders have honored him during his distinguished career.

A leader in combat and a leader in peacetime—that was the man who fought from Omaha Beach to the Rhine River before he was seriously wounded. I've always believed that this combat experience had great impact on Congressman Teague's life, and that it was the driving force behind his abiding concern for disabled veterans, widows, and orphans.

Even today, when I see Tiger Teague, I see a man who cared so deeply that he personally contacted the families of more than 100 men from his outfit who lost their lives in combat. And, I see the man who feels that the War Orphans Scholarship Program is the greatest achievement of his life. Noble feelings such as these are what make men great.

Today, Congressman Teague is the ranking majority member of the House Veterans' Affairs Committee, but he has provided leadership in several areas other than veterans' matters. One of the many times that he provided solid direction when it was badly needed was during the formative years of the Science and Astronautics Committee.

He did much to get the committee going, and served as Chairman of the Subcommittee on Manned Space Flight throughout the Moon Landing Program. He was also Chairman of the Subcommittee on Legislative Oversight that looked into the deaths of three astronauts.

Today, as Chairman of the House Committee on Science and Technology, Congressman Teague is helping to shape intensified new efforts to apply advanced, space-age technology to the needs of the handicapped.

No one can doubt that Tiger Teague is one of the greatest American leaders of modern times. A life member of the DAV, he has done more for disabled veterans than any single person in our Nation. As we wish him an enjoyable and well-deserved retirement, we acknowledge a debt to him so great it can never be repaid.●

SLUDGE MANAGEMENT: OUR PROBLEMS ARE ONLY BEGINNING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, I would like to draw the attention of my colleagues to a situation which the National Journal has described as the "fastest growing problem facing American cities and towns"—the management of sludge.

Sludge is the semisolid residue which remains after secondary sewage treatment, after certain industrial processes such as paper milling, and after the extraction of air pollutants through "wet" smokestack scrubbers. Due in large part to the requirements of the Clean Air and Federal Water Pollution Control Acts, the volume of sludge produced in the United States is growing at an alarming rate, and is estimated to exceed 300 million wet tons each year.

This exponential increase in the volume of sludge could perhaps have been foreseen by Congress several years ago, yet there is still no demonstrated and generally accepted technology for its disposal or reutilization. The Environmental Protection Agency's ability to deal with the problem in a comprehensive manner is only enabled by general authorities provided in the Federal Water Pollution Control Act of 1972 and the Resource Conservation and Recovery Act of 1976—to date, the Agency has received no mandate from Congress to resolve the sludge problem on a priority basis.

Almost 2 years ago, I joined Mr. OTTINGER, and Mr. DOWNEY, in introducing the Sludge Management Act, H.R. 851. This legislation would—for the first time—structure a comprehensive sludge R. D. & D. and management program within EPA. In addition, the legislation would grant the agency authority to protect the public from hazardous forms of sludge, and to establish a cooperative Federal-State program to restore waterways which have been obstructed or degraded by improper sludge disposal.

Legislation identical to H.R. 851 has been introduced by Senator ABRAHAM RIBICOFF, and the following 48 Members have sponsored the Sludge Management Act in the House: Mr. BEDELL, Mr. BONKER, Mr. CAPUTO, Mr. CARNEY, Mr. CORNWELL, Mr. CORRADA, Mr. D'AMOURS, Mr. DOWNEY, Mr. DRINAN, Mr. EDWARDS of California, Mr. EILBERG, Mr. FASCELL, Mrs. FENWICK, Mr. FRASER, Mr. HARRINGTON, Mr. HARRIS, Ms. HOLTZMAN, Mr. HOWARD, Mr. JEFFORDS, Mr. JENRETTE, Mr. KOSTMAYER, Mr. KREBS, Mr. LEHMAN, Mr. LUNDINE, Mr. MCKINNEY, Mr. MATHIS, Ms. MEYNER, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY of Pennsylvania, Mr. NOLAN, Mr. OTTINGER, Mr. PATTERSON, Mr. PURSELL, Mr. RINALDO, Mr. RODINO, Mr. RYAN, Mr. SEIBERLING, Mr. SIMON, Mr. SOLARZ Ms. SPELLMAN,

Mr. STARK, Mr. STUDDS, Mr. VENTO, Mr. WAXMAN, Mr. WEISS, and Mr. WOLFF.

Mr. Speaker, in previous remarks to the House on the subject of sludge management, I detailed the risks posed by the presence of heavy metals and pathenogens in municipal sewage sludge—a risk which was especially apparent with respect to sludge being dumped in the Atlantic ocean and specifically in the vicinity of the New York Bight. Now that Congress has mandated the eventual elimination of offshore sludge dumping, it is important to consider that similar dangers are inherent in onshore sludge disposal as well.

Following is a text of the Sludge Management Act, as well as a sharp exchange of correspondence on this issue between the General Accounting Office and EPA Administrator Douglas M. Costle. My colleagues would be well-advised to follow the interagency debate on sludge management, particulary as it relates to the flow of carcinogenic materials into the human food chain. It shows how far our Nation must go and how many hard decisions must be made before we transform sludge from a serious environmental problem into a significant natural resource:

H.R. 851

A bill to provide for certain research and demonstration respecting the disposal of sludge, the reclamation of waters damaged by sludge and sewage, assistance to State and local governments for the removal of sludge and other solid waste from waters and shoreline areas, and to provide that grants for waste treatment works shall be made only if such works provide for environmentally sound sludge management

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sludge Management Act of 1977".

FINDINGS, POLICY, AND PURPOSE

SEC. 2. (a) FINDINGS.—The Congress hereby finds and declares that—

(1) the volume of sludge being generated in the United States is increasing dramatically and that the present methods of sludge disposal and utilization pose significant threats to public health and the environment;

(2) improved sewage treatment methods have resulted in greater quantities of toxic substances and heavy metals being contained in sludge and these toxic substances and metals are increasingly working their way into the human food cycle and water supplies; and

(3) sludge, sewage, and other solid wastes have fouled our lakes, rivers, and tidal waters, and no Federal agency has been charged with assisting municipalities and other governmental bodies in cleaning up major solid waste spills.

(b) POLICY AND PURPOSE.—It is the policy and purpose of this Act—

(1) to foster and promote research on the potential health, environmental, and economic threats inherent in sludge and its management strategies, and to develop new or improved methods for the disposal, utilization, processing, transportation, and storage of sludge;

(2) to conduct and encourage demonstration projects leading to the restoration of bodies of water within the United States which have been damaged or degraded by the discharge of sludge and untreated or partially treated sewage or solid waste; and

(3) to direct the Administrator of the Environmental Protection Agency to establish a program whereby municipalities and other governmental bodies will be assisted in cleaning up major sludge, sewage, or other solid waste spills in our public waters.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(b) The term "sewage" means any solid or suspended solid waste material (including any pollutant) which has been discharged from a municipal, industrial, or commercial facility which is a point source subject to section 402 of the Federal Water Pollution Control Act.

(c) The term "sludge" means any solid, semisolid, or liquid waste generated from a municipal, commercial, or industrial wastewater treatment plant, water supply treatment plant, air pollution control facility or any other such waste having similar characteristics and effects.

APPLICATION OF ACT

SEC. 4. This Act shall not apply to any activity which is subject to any requirement imposed under or pursuant to the Federal Water Pollution Control Act or the Marine Protection and Sanctuaries Act of 1972 except to the extent that such application is not inconsistent with any such requirement.

RESEARCH, GUIDELINES, AND MODEL CODES

SEC. 5. (a) RESEARCH, ETC.—The Administrator shall conduct research, investigations, experiments, demonstrations, surveys, and studies on—

(1) the environmental, health, and economic effects of subsurface landfilling of sludge on soils and ground water and methods to eliminate such effects.

(2) the environmental and health effects of the surface landspreading of sludge on agricultural lands; specifically with respect to the translocation of metals to crops and methods to reduce such metals movement,

(3) the relative environmental, health, and economic effects of the various sludge disposal options (including but not limited to ocean disposal, incineration, landfilling, and surface spreading of sludge on food chain and nonfood chain crops), giving particular attention to the potential health implications of pathogen survival and spread associated with the various sludge disposal options,

(4) the development and application of methods to reclaim marginal lands through the use of sludge,

(5) the development and application of new and improved methods of processing, transporting, and disposing of sludge, and

(6) the development of guidelines for sludge dispcsal and landspreading.

(b) GUIDELINES.—The Administrator shall develop and publish guidelines for sludge disposal and surface landspreading which shall be consistent with public health and welfare, and air and water quality standards and adaptable to applicable Federal, State, and local law.

(c) MODEL CODES.—The Administrator is authorized, in cooperation with appropriate State and municipal agencies, to recommend model codes, ordinances, and statutes designed to implement environmentally sound sludge disposal and landspreading practices.

REMOVAL OF SLUDGE AND OTHER SOLID WASTE FROM WATERS AND SHORELINES

SEC. 6. (a) DEFINITION.—As used in this section the term "remove" or "removal" refers to the removal of sludge or other solid waste from the water cr shorelines (including public and private property) of the taking of such other actions as may be necessary to minimize or mitigate any dangers to health or the environment presented by sludge in such areas.

(b) ASSISTANCE TO STATE AND LOCAL AUTHORITIES.—(1) Whenever the Administrator determines that (A) any navigable waters of the United States or any adjacent shoreline has been affected by the deposit of sludge or other solid waste from any source (including sludge or solid waste which has migrated to such area from a disposal site) and (B) such sludge or solid waste in such area presents a danger to the health or the environment, he may make grants and provide technical assistance to the State and local authorities having jurisdiction over the affected areas for the removal of such sludge or waste.

(2) No grant many be made under this subsection for an amount which exceeds 40 per centum of the total amount expended by the recipient State or local government for purposes of the removal for which such grant was made.

(c) ENVIRONMENTAL PROTECTION AGENCY TASK FORCE.—(1) The Administrator shall establish or designate a task force consisting of personnel who shall be trained, prepared, and available to provide the necessary technical assistance (including equipment and material where necessary) for the removal of sludge or other waste pursuant to subsection (b).

(2) The task force established or designated under this section shall—

(A) carry out a system of surveillance and notice designed to alert areas which are, or may be, adversely affected by the deposit or migration of sludge and other solid waste in the navigable waters of the United States and the adjacent shorelines, and

(B) provide such technical assistance (including equipment and material where necessary) as may be necessary to remove such sludge or other solid waste.

(d) OTHER AUTHORITIES NOT AFFECTED.—(1) Nothing in this section shall be construed to affect or impair any authority under section 311 of the Federal Water Pollution Control Act (relating to oil and hazardous substances) or under any other provision of such Act or of the Marine Protection Research and Sanctuaries Act of 1972.

(2) The provisions of this section shall apply whether or not any deposit or migration of any sludge or other solid waste was in violation of any applicable Federal, State, or local law or regulation and shall not affect the determination of the criminal or civil liability of any person respecting such deposit or migration.

SPECIAL RESEARCH AND DEMONSTRATION PROJECTS CONCERNING RESTORATION OF CERTAIN BODIES OF WATER

SEC. 7. (a) RESEARCH, ETC.—The Administrator shall conduct and encourage, cooperate with, and render financial and other assistance to appropriate public (whether Federal, State, interstate, or local) authorities, agencies, and institutions, private agencies and institutions, and individuals in the conduct of, and promote the coordination of, research, investigations, experiments, training, demonstrations, surveys, and studies relating to the restoration of the water quality and other ecological features of rivers, lakes, and other bodies of water within the United States which have been damaged and degraded by the discharge of sludge and untreated or partially treated sewage.

(b) AUTHORITIES.—In carrying out the provisions of the preceding subsection, the Administrator is authorized to—

(1) collect and make available, through publications and other appropriate means, the results of, and other information pertaining to, such research and other activities, including appropriate recommendations in connection therewith;

(2) cooperate with public and private agencies, institutions, and organizations, and with any industries involved, in the preparation

and the conduct of such research and other activities; and

(3) make grants-in-aid to public agencies and institutions and to individuals for research, training projects, surveys, and demonstrations (including construction of facilities), and provide for the conduct of research, training, surveys, and demonstrations by contract with public or private agencies and institutions and with individuals; and such contracts for research or demonstrations or both (including contracts for construction) may be made in accordance with the provisions with respect to research contracts of the military departments in title 10, United States Code, section 2353, except that the determination, approval, and certification required thereby shall be made by the Administrator.

FEDERAL WATER POLLUTION CONTROL ACT AMENDMENTS

SEC. 8 (a) Section 201(b) of the Federal Water Pollution Control Act, relating to grants for construction of treatment works, is amended by adding the following at the end thereof: "For purposes of this section, the term 'confined disposal' of pollutants means impoundment, storage, use, application, or disposal in such a manner as will prevent the degradation of ground or surface water resources or the entrance of such pollutants into the human food chain in concentrations or amounts which may threaten human health (taking into account an ample margin of safety) or result in other environmental pollution.".

(b) Section 201(g) of such Act, relating to conditions for grant for treatment facilities is amended by adding the following new paragraph at the end thereof:

"(5) No grant shall be approved after September 30, 1976, for any treatment works under this section unless the applicant shows to the satisfaction of the Administrator that the agency operating such works will make adequate provision for the confined disposal of pollutants (within the meaning of subsection (b)).".

WASHINGTON, D.C.,
May 23, 1977.

Hon. DOUGLAS M. COSTLE,
Administrator, Environmental Protection Agency.

DEAR MR. COSTLE: We are currently reviewing the Environmental Protection Agency's management of sewage sludge disposal practices. Our review includes a study of the municipal sewage sludge management systems of Chicago, Los Angeles, and New York-New Jersey metropolitan areas. Our objective is to determine whether current sewage sludge disposal practices emphasize beneficial uses of sludge which are safe and environmentally acceptable.

We have identified a potentially hazardous situation which we believe warrants your immediate attention. Sewage sludge products having high amounts of cadmium are being sold or given away to the public for uncontrolled use. We appreciate the difficulties communities have in disposing of the increasing volume of sludge; however, this practice represents a potential health hazard.

As you know, cadmium is a toxic heavy metal which has been classified by the Occupational Safety and Health Administration as a suspected carcinogen. The Food and Drug Administration believes that the levels of cadmium in the American diet are close to the tolerable weekly intakes developed by the World Health Organization and the Food and Agricultural Organization of the United Nations.

In June 1976 EPA published for comment a draft technical bulletin on municipal sewage sludge management. The bulletin stated that numerous conditions affect the level of heavy metals that may be toxic to plants or taken up by crops and eventually consumed by humans. It recommended that projects using sludge on croplands conform to any limitations recommended by the Food and Drug Administration (FDA) or the Department of Agriculture (USDA).

FDA recommended in its comments on the technical bulletin that sludges containing more than 20 parts per million (ppm) of cadmium not be used on agricultural land and crops in the food chain. USDA scientists recommended that sludges containing more than 25 ppm of cadmium not be applied to privately owned agricultural land unless the cadmium-to-zinc ratio of the sludge is less than or equal to 1.5 percent. In commenting on the draft technical bulletin, EPA's Office of Solid Waste Management suggested maximum allowable cadmium levels similar to those recommended by USDA scientists.

We found that sewage sludge products with cadmium levels substantially higher than the levels suggested above are available nationwide to the public for possible use on agricultural land, including home vegetable gardens. Some of these sludge products contain approximately 3 to 7 times the maximum level of cadmium recommended by FDA and exceed the cadmium-to-zinc ratio suggested by USDA scientists. The literature or labeling for the products we have identified do not caution against use on croplands and, in fact, a brochure for one sludge product indicates that the product would be beneficial for use in vegetable gardens.

In addition to the current sale and the give-away programs of sludge products, municipalities are considering other programs which would result in the use of sludge to grow crops. Your Agency's April 1976 report, "An Overview of the Sludge Management Situation", recognized that large communities are becoming more interested in the land application of sludge and the possibility of selling crops grown on such land to help offset sludge disposal costs.

Sludge products containing toxic materials may eventually be defined as hazardous wastes and regulated under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901). However, we believe that, in view of the substantial margins by which some sludge products currently available to the public exceed maximum suggested levels, EPA should take immediate action to define which of these products could be used to produce food. Action is also needed to inform the public of potential health hazards involved and to assist communities considering adopting sludge disposal systems which use sludge in food production.

RECOMMENDATIONS

We recommend that you provide interim guidance on sludges that are acceptable for agricultural purposes, including use on home vegetable gardens, until such time as the requirements of the Resource Conservation and Recovery Act are implemented. We recommend also that you provide for public notification of the potential health hazard associated with using sludge products which are given away or sold and are deemed unacceptable for agricultural use.

We shall appreciate receiving your comments on this letter and on any actions you plan to take. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions he has taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

Copies of this letter are being sent to the Chairmen, Senate Committees on Governmental Affairs; Environment and Public Works; and Appropriations, Subcommittee on HUD-Independent Agencies; to the Chairmen, House Committees on Government Operations; Appropriations; and Public Works and Transportation; and to the Director, Office of Management and Budget.

Sincerely yours,

HENRY ESCHWEGE,
Director.

WASHINGTON, D.C.,
August 16, 1977.

Hon. JACK BROOKS,
Chairman, Committee on Government Operations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As required by Public Law 91-510, we are submitting this statement of Agency actions taken in response to the General Accounting Office (GAO) letter report of May 23, concerning the disposal of sewage sludge containing high levels of cadmium.

We recognize the importance of the problem addressed by GAO's letter report. Approximately 20 percent of all sewage sludges (over 1 million dry tons per year) are now applied to land used for agricultural purposes. The uncontrolled application of sludge that contain excessive levels of cadmium has been shown to increase the cadmium content of crops and the Food and Drug Administration has indicated that all cadmium increases in foods, no matter what the source, are undesirable.

It is important to point out, however, that the cadmium content of the sludge is only one of several factors that influence the extent of crop uptake of cadmium. Proper site management—including controls on the cadmium application rate, the crop being grown, and soil pH—has been demonstrated to significantly reduce the uptake of heavy metals and consequently reduce the relative risk inherent in the land application of sludge. Some research indicates that these site management controls are as important as specific controls on sludge metal concentrations in limiting metal uptake in plants. Attention must also be given to the effects on crops of background levels of cadmium in the soil and in supplemental fertilizers.

We agree with the GAO letter report indicating a need for control and guidance on heavy metals and organic compounds in sewage sludge. The Environmental Protection Agency (EPA) has several activities now underway which we believe will meet some of the needs raised in the GAO letter report. I would like to discuss these briefly.

Under Subtitle C of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, we will be regulating the management of hazardous wastes through the use of a manifest and permit system. It is likely that some highly contaminated sludges will be controlled by this program, which is scheduled to be promulgated in April of 1978. Under Section 4004 (a) of Subtitle D of the Act we will be developing criteria for the classification of solid waste disposal facilities. These criteria will be used to identify those sites that provide "no reasonable probability of adverse effects on health and the environment." Landspreading practices will be covered in these criteria, with attention given to the unacceptable cadmium contamination of food chain crops. We plan to include cadmium application rates in these regulations, which are scheduled for promulgation later this year. Further, we will be preparing specific guidelines for sludge disposal under Section 1008 of the Act. These guidelines, which will stress desirable operating practices for sludge management, will be published in the fall of 1978.

As indicated previously, the Agency recognizes the need for timely issuance of guidance on land application of sludges, both to address the concerns raised in GAO's letter report and to comply with the deadlines of the Solid Waste Disposal Act. It must be rec-

ognized, however, that differences of opinion on the specific impacts of sludge landspreading practices on levels of heavy metals and toxic organics in tne diet have delayed efforts by the Agency to issue such guidance. The technical bulletin on municipal sludge management being prepared by our Office of Water Program Operations is an excellent case in point. The bulletin has evolved from efforts initiated by the Agency four years ago to issue a policy statement on sludge management. Specific contaminant levels which would establish the acceptability of sludges for land application were included in earlier versions of the bulletin. These limitations were criticized as being too restrictive by some and too permissive by others. Complicating this situation is the difficulty that many cities face in financing acceptable options for the disposal of their wastewater treatment sludges. The technical bulletin will nevertheless provide examples of acceptable cadmium application rates for the utilization of sludge on land.

In addition to the sludge management programs described above, we anticipate that implementation of the pretreatment strategy now under development will substantially reduce the cadmium content of many wastewater treatment sludges. This will improve the acceptability of these sludges for use on agricultural land. By this emphasis on prevention of the problem, we hope to move toward our goal of waste recovery and recycling.

The criteria for defining acceptable disposal practices to be developed under Subtitle D of the Solid Waste Disposal Act will address the application of sewage sludge to cropland. We believe that these criteria, supplemented at a later date by the Technical Bulletin, the hazardous waste regulations and the sludge disposal guidelines, will provide adequate guidance on the management of cadmium-containing sludges when applied to the soil.

With respect to your concern over home vegetable garden uses of sewage sludge, we plan to address this topic in both the hazardous waste regulations and sludge guidelines. We realize, however, that these documents are not scheduled for promulgation until April and October of 1978 respectively. Therefore, we have assigned high priority to the development and issuance of an information bulletin on home uses of sewage sludge. Recognizing the lack of consensus in the scientific community on the specific allowable level of cadmium application, we may find it necessary to revise this planned document as more information becomes available. The interim document will nevertheless receive wide distribution through the EPA's Regional Offices, and will be prepared for municipalities as well as for the general public.

Sincerely yours,

DOUGLAS M. COSTLE.●

TRANSPORTATION: THE REASON AND WAY GOVERNMENT REGULATION MUST BE CHANGED TO PROTECT THE PUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Moss) is recognized for 5 minutes.

● Mr. MOSS. Mr. Speaker, at the present time there are several bills pending before the Congress with respect to the question of revising the Federal Government's regulation of the transportation industry. The issues are difficult because of the economic characteristics of the industry. Specifically, the cost of providing such service tends to be relatively fixed and constant for regular route carriers, while the demand for such transportation tends to fluctuate with the requirements for other goods and service, the industry's profit margins are very narrow, and the product has no shelf life.

As I observed the other day, absent Government regulation, the combination of these factors will produce excessively high fares when demand is strong, and discrimination when demand is weak (RECORD, June 12, 1978, p. E3162). On the other hand, present Federal regulation has produced the opposite result: high fares when demand is slow, and greater discrimination when the economy is strong.

Although the current debate on deregulation has been framed in terms of entry and exit control, there is no question that the debate was initiated as a result of this pricing phenomenon, the underlying theory being that rate regulation is linked to route regulation. A fortiori, under this theory, eliminate the restrictive regulation on entry and then the rate regulation which is producing these fares can likewise be expunged.

I.

Under our Federal system, route entry is generally controlled by a document known as the Certificate of Public Convenience and Necessity. As far as I have been able to determine, the genesis of these certificates is the 1918 Annual Report of the Interstate Commerce Commission.

Prior to the passage of the Transportation Act, 1920, the regulation of new railroad lines in the United States rested solely with the States. As our railways expanded, they began to cross State lines. This, of course, made them capable of furnishing interstate service which Congress authorized shortly after the end of the Civil War. The act of 1866, however, specifically prohibited the construction of any new lines without authority from the State when it was proposed.

At the same time, the act of 1866 did not restrict the power granted by the States to the railroads to take tolls and other charges, thereby creating the unique environment wherein intrastate rates were regulated, but interstate rates were not. This led to substantial abuse for the reasons I outlined previously.

Congress decided to remedy this mischief in 1887 by creating the Interstate Commerce Commission to regulate interstate rates, but not the construction of new lines. A series of amendments to the ICC Act over the next 23 years eventually made the Commission's authority over rates effectively complete—except with respect to new investments, routes, services, and traffic.

During this same period the railroads' credit began to deteriorate, and by 1918 it was seriously impaired. The unprecedented demand occasioned by World War I placed a strain upon the facilities and equipment of the railroads which they were not prepared to meet. Moreover, as the war developed it became increasingly clear that the national defense required a unification of the industry's operation, as opposed to the competitive principles built into the ICC Act—those which prohibited anticompetitive practices such as pooling and the apportionment of traffic, services, and earnings.

Accordingly, on December 5, 1917, the ICC recommended to Congress that the lines be operated as a single unit. Shortly thereafter the Federal Government took control of the lines and the owners began receiving, as of January 1, 1918, a fixed return for the use of their roads. In addition, Government credit was made available to improve the roads. As a result, the railroads' financial situation quickly reversed itself.

As the emergency passed and the Government prepared to return the railroads to their owners, the ICC recommended that a new policy be adopted: one which would continue, under the Commission's regulation, the operation of the railroads as a unit and thereby "secure transportation systems that will be adequate for the Nation's need * * * at the lowest cost consistent with that service." To achieve this goal, the Commission recommended "limitation of railway construction to the necessities and convenience of the government and the public" revision of limitations upon cooperative activities among common carriers, and regulation of securities, among other things.

The railroads' security holders were simultaneously pressing upon the Congress—as they do again today—the need for continuing the fair return policy to maintain the value of their investments made in the roads during the war. The fair return theory was initially introduced in an 1884 statue of the State of Mississippi and sustained by the courts only as protection against confiscatory rates in individual cases: *Stone* v. *Farmers' Loan & Trust Co.*, 116 U.S. 307 (1886). By 1920, however fair rate of return had become the rule governing the general rate level as a result of the court's famous decision in *Smyth* v. *Ames*, 169 U.S. 466, 547 (1898). The courts envisioned it as an alternative to the Government taking possession of transportation, as occurred during the First World War, and itself discharging the public service; *Ames* v. *Union Pacific Ry. Co.*, 64 Fed. 165, 175 (1894).

Congress adopted the proposal of the Commission and the security holders in the act of 1920 by establishing certificates and a fair return requirement. Within 2 years, however, the rate of return principle proved to be unworkable and the ICC ordered a 10 percent reduction in rates even though the railroads' earnings were statutorily deficient. By 1934, the fair return theory had no defenders and the provision was repealed—just as the Mississippi statute, upon which the courts' decisions and the ICC Act were predicted, had been previously abandoned by the State in 1892, 4 years before the court's decision in Smyth.

II.

Given the foregoing, three facts are clear: One, the regulation of transportation rates is not linked to licensing; two, the certificate of public convenience and necessity was initially instituted primarily to stabilize earnings, and

thereby to maintain the value of investment securities; and 3, certificates are tied to the fair return theory which was adopted by the court for the same purpose.

In the case of U.S. railroads, for example, interstate regulation of rates predates interstate regulation of routes by 33 years. England likewise began regulating transportation rates in 1691, several hundred years before the Crown began licensing carriers. And Senator Dolliver observed during the 1906 debate on an ICC Act amendment, a recently discovered monument which had been erected in Babylon 2,250 years before Christ recited a detailed set of regulated rates for many different transportation services.

Suffice it to say, rate regulation existed more than four thousand years before the regulation of entry was conceived.

With respect to certificates, they initially sought to provide a fair return and maintain security values in two ways: by limiting improvident and unnecessary investments, and by limiting the force of competition by restricting the number of competing carriers. History, however, has subsequently shown that such certificates can serve a useful purpose only when certain economic conditions exist. These include markets in which the regulated products or service are relatively insensitive to changes in income and prices, such as occur during a war, and/or economies of scale dictate there should be a natural monopoly. Under the former there is an assurance as to future revenues, while under the latter there is an economic need to reduce the competitive risks to a comparatively low level in order to maximize efficiency.

Transportation—land, sea, and air—is an entirely different creature. The demand for transportation is both income and price sensitive, and, except for railroads, there are few economies of scale. Indeed, in many situations diseconomies are present. As a consequence, in the case of transportation at least, certificates appear to only offer a chimera of protection to investors.

III.

Having identified the reason certificates were instituted, and the reason such certificates cannot satisfy that objective in the case of transportation, let us now turn to an examination of the reasons why the current regulatory system has led to higher prices, lower earnings, and greater discrimination in the field of transportation than would have been achieved without this form of regulation.

As I just noted, history has demonstrated that to assure stable earnings the market for a product or service has to be insensitive to changes in price and income. When the market is sensitive to changes in the income of the users, as in the case of transportation, then economics dictate that the principal market of the licensee must be insensitive to changes in price because prices have to be raised to maintain the revenue level when the demand of the income sensitive market declines. The impact of this requirement on the marketing, investment, and regulatory policies is overpowering.

First, it completely controls the marketing strategy and competitive tactics of the licensees. Since the goal is to stabilize industry earnings, no one wants to damage the profit margin. As a result, a certificated industry cannot be a price-war kind of business, but instead must be a marketing game kind of business. Licensees have to battle for market shares upon the basis of service and quality. For example, CAB Chairman Alfred Kahn recently observed, "airlines don't compete with prices but with costly offers of additional flights, more flight attendants and fancier foods."

This is not a new phenomenon, nor is it limited solely to airlines. The 1933 report of the National Transportation Committee states with respect to railroads:

> Unnecessary services should be abandoned. . . . The public is familiar with the spectacle of crack passenger trains shuttling back and forth across the country empty or nearly so and perhaps, also, with the explanation this is necessary to retain the competitive reputation for service—in other words, for sales and promotion. . . . We think empty trains should either be filled by reduced rates or taken out of service. With our whole economic structure at stress, sympathy with such extravagance is difficult.

In other words, certificates have never reduced the risks associated with competition, even during the Great Depression, but rather simply changed its form.

In this regard it should be further observed that even though certificates were originally instituted to preserve investment resourecs by limiting improvident expenditures, the marketing approach required by certificates does, nevertheless, foster unnecessary and wasteful investments when the statute prevents the regulatory agency from restricting the licensee's right "to add to or change schedules, equipment, accommodations, and facilities," as in the case of section 401(e)(4) of the Federal Aviation Act. I might add, licensees are able to pass on these added expenses to their customers with little or no difficulty since, it will be recalled, certificates demand that the principal market must be insensitive to price.

Second, while the principle just outlined requires that prices be increased when demand softens, it conversely mandates that the average price be reduced when demand strengthens. This can be accomplished without a reduction in the principal market prices, however, by revising the industry's price structure to include discriminatory rates. This introduces two additional problems:

One, absent Government regulation, discriminatory rates have in the past tended to lead to excess capacity. Since such capacity determines the licensee's rate base, these excesses have increased the authorized earnings. Under the fair return theory, this is the only way the allowed return can be increased. In addition, in many cases these wasteful investments have been cross-subsidized by higher prices charged to the price insensitive markets.

Two, in the past, when the demand of the income sensitive market has turned sour, regulatory agencies have frequently attempted to increase the average yield quickly by eliminating the discriminatory rates, since this is the quickest way to achieve that objective. Such action enables the agencies to delay for a short period of time additional increases in regular prices. Furthermore, it has appeared to be a particularly desirable course of action in those cases where the discriminatory rates have been cross-subsidized by regular prices. On the other hand, the results have usually been catastrophic because the agencies' actions have forced a reduction in the price sensitive market at the same time the income sensitive market is declining, thereby magnifying the industry's peaks and valleys.

Third, the goal of certificates is to stabilize "industry" earnings. This policy requires the licensees to be regulated as a single entity, with the profits of the entire system being used to provide services in all markets. The success of this "public service" philosophy is dependent upon the licensees being able to earn excess profits in their more lucrative markets.

In the case of the transportation industry, however, there are diseconomies present; that is to say, the costs of providing service are greater in the more lucrative, larger markets than in the smaller ones. A portion of these expenses, the ones which eliminate excess profits, can be attributed to the competition for market shares. In any case however, uniform rates in these two industries tend to push up prices in the smaller markets and hold them down in the more lucrative ones. Moreover, because smaller markets tend to have smaller incomes, the system tends to discourage income sensitive business in the smaller markets.

Fourth, because certificates were instituted to stabilizing earnings, they have historically implied that the capital structure of any licensee could support a higher level of debt. This unfortunately has led investors to pump debt money into such ventures, even when it was not justified by fluctuating demand, as in the case of transportation. The result has been to change the debt-equity ratio in such a manner as to reduce the needed rate of return, and thereby make it more difficult to earn sufficient net income after taxes to pay dividends, acquire new equipment, and pay off the larger indebtedness—particularly when the demand of income sensitive market softens. In some cases it has even resulted in a shift of the control of management to the security holders.

This situation, moreover, tends to become self-perpetuating as Bernard Baruch observed in the 1933 report of the National Transportation Committee:

> In this sense, the present railroad rule (the fair return theory) puts the cart before the horse. It tends to ununiformity of results, perpetuation of debt and of obsolete and exaggerated capital structure, insufficiency of allowance for obsolescence and depreciation, inadequacy of surplus and reserve, and

maintenance of unnecessary properties and facilities.

IV.

Now that we have all the parts of the jigsaw puzzle, let's fit the pieces together and see how they relate to each other in economic jargon.

The certificate of public convenience and necessity was created to maintain the value of investments in regulated industries by stabilizing earnings. This goal requires that the revenue level also be stabile, which in turn requires competitors to battle for market share on a nonprice marketing-game basis instead of price competition, since the latter would damage profit margins.

Should the demand for the regulated product or service be "income elastic," as in the case of transportation, then the need for stabile earnings requires that the principal market developed by the licensees be "price inelastic" because the prices have to be raised when demand turns sour in order to maintain the fair return.

In a similar manner the principle encourages the development of a secondary price elastic market through a change in the rate structure when the demand of the income elastic market is strong, and discourages the continuation of such discriminatory rates when that demand weakens, thereby exacerbating the industry's fluctuating demand, investment, and earning characteristics. In addition, when diseconomies of scale are present, as in the case of transportation, the principle will push up prices in the smaller markets if uniform rates are adopted.

Finally, oblivious to these impacts on demand and revenues, the underlying theory of the principle still encourages investors to reduce the needed rate of return by pumping more debt money into the business even though certificates cannot reduce the risks associated with competition, but instead tend to augment the financial risks by increasing the peaks and valleys in demand and revenues.

The picture developed by these facts when fitted together clearly indicate that the failures of the present regulatory system are not due to poor administration nor unaggressive management by licensees. Rather, it shows that the principles of the system mandate that they do what they have done: Expend their primary efforts on developing the price inelastic markets; compete primarily on a marketing-game basis; use discriminatory rates for developing price sensitive markets, and raise those rates when demand declines; charge higher prices in smaller markets; and finance investments primarily with borrowed funds. Moreover, the results are exactly what should be expected: Higher prices and inadequate earnings, except during peak periods.

Needless to say the present system is unworkable, and has repeatedly proven to be so from its introduction in 1884. Any system which is designed to raise prices on falling demand, and reduce them on rising expectations, is economically unsound. We must, therefore, make some substantial changes in our Federal system for regulating transportation.

First, the courts, the regulatory agencies, and investors must be persuaded to give up the rate of return concept, as Congress has, not because it is illegal, or unlawful, or undesirable; but because it is impractical. They cannot make it work; they cannot enforce it; they can only continue to waste more of this Nation's resources in a fruitless quest for that which is impossible.

Second, because the certificate of public convenience and necessity concept is predicated upon the fair return theory, Congress must replace it with a new licensing system which will allow freer entry and exit, and avoid any illusion that it can provide a guaranty of earnings to the licensees.

Finally, we need a new ratemaking policy: One which is free of the rate of return; one which restores competitive principles; one which is based on facts.

Such a policy will recognize that demand for transportation fluctuates and that the service cannot be stored, but instead must be produced when needed; that the costs are affected by diseconomies, and are relatively constant and fixed in the case of regular route carriers; and that the profit margin is relatively narrow. Since such a policy will recognize that earnings do fluctuate with demand, it will encourage price reductions when demand begins to fall, but without unjust discrimination, and prevent them from becoming excessively high when the economy is extremely strong.

Congress has already led the way. In the Railroad Revitalization and Regulatory Reform Act of 1976, Congress directed the ICC to substitute the "cash flow test" for the rate of return, and to use "peak demand" and "market-price" cost allocating techniques for determining revenue need, in place of average costs. Consequently, all that is needed now is for Congress to extend these policies to all the modes of transportation, and make sure they are implemented by the agencies.

FOREIGN AID: WILL WE TURN OUR BACKS ON THE WORLD'S POOR?

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, as we consider the foreign aid appropriations bill, it will be helpful to have before us a clear picture of the conditions in the Third World countries, to which much of the bill addresses itself. That tragic picture is portrayed with dramatic, indeed frightening, clarity in an article from U.S. News & World Report reprinted in the Akron Beacon Journal for July 30, 1978.

The article points out that hundreds of millions of people in Latin America, Africa, and Asia lead lives that at best are marginal, on the ragged edge of starvation. The article states that, worse yet, the poor are losing ground: 1.4 billion people received less than their minimum daily requirements for food in 1975—300 million more than in 1965.

The article notes in the developing nations, the job situation is so bad as to stimulate illegal immigration to developed countries, thereby worsening unemployment and social conditions in the developed countries. Already millions have crossed into the United States from Mexico and the Caribbean, and thousands more are infiltrating daily.

On the other hand, the United States already sells more products to the Third World than to European customers, and there is a huge potential market waiting to be tapped.

In short, both on humanitarian grounds and from the standpoint of self-interest, we should do all we can to help these developing countries raise their standard of living.

Mr. Speaker, the text of the article follows these remarks:

[From the Akron Beacon Journal, July 30, 1978]

POOR VERSUS RICH—A WORLD STRUGGLE FOR SURVIVAL

(By Donald C. Bacon)

The poor and the hungry, their numbers rapidly multiplying are casting a long shadow across the rich nations of the world.

Economic and political stability worldwide is being threatened as the global population climbs, poverty spreads, people flee from poorer to wealthier lands, and demand drives up prices of food and scarce raw materials.

Strident voices in the more than 100 less-developed nations that make up the so-called Third World—a term used to differentiate emerging countries from the main Western and Communist blocks—are demanding a greater share of the planet's limited riches. With 70 percent of the world's population, they want more than their current 11 percent of its total productive income.

"The transfer of wealth from the rich to the poor is a matter of right, not charity," declares President Julius K. Nyerere of Tanzania, echoing a theme of many Third World leaders.

For leaders of industrial nations such as the United States, statements like that carry the unspoken threat of less-developed nations banding together to force economic concessions from advanced countries. The alternative: uprisings that could spread into a global struggle pitting the world's poor against the rich.

William E. Colby, former director of the Central Intelligence Agency, warns: "The greatest danger of violence and difficulty in the world is between the haves and have-nots—them against us."

What follows is a searching look at the needs, accomplishments, failures and future of the hundreds of millions who inhabit the Third World.

The most important factor in the confrontation of poor vs. rich is the awesome implication of the world population trend. About one person in every three lives in an advanced nation. At century's end, it is likely to be one in five. The latest projection is that people in developed countries eventually will be outnumbered 10 to one by those in emerging nations.

"There is a real question whether such a shrinking minority will be able to control the economic, financial and political destiny of the world—and what means it may have to employ to do that," comments the World Bank's Mahbub ul Haq, an authority on Third World problems.

In less than 50 years, thanks in part to the rise in health standards, global population has doubled to 4 billion people. The World Bank estimates that the figure will climb to 6.3 billion by the end of the century, will reach 8 billion by 2020 and will continue rising until it stabilizes at perhaps 11 billion a few decades later.

Most of this explosive growth will be felt in countries that cannot provide the basic necessities for the people they already have. Authorities estimate that in less than 25 years, the African continent will have to accommodate 535 million additional people, Latin America 440 million and Asia 2.1 billion.

Can the planet support that many people? How can so many live harmoniously together? Why have past efforts failed to narrow the economic gulf between rich and poor nations? What can be done to head off massive starvation and turmoil?

These are some of the perplexing questions confronting the world's political leaders, economists, sociologists and scientists. While no one has all the answers, and many confess they are discouraged by current trends, some argue that the situation may not be quite as bleak as it first appears.

Comments Ernest Stern, a vice president of the World Bank, the major lending institution serving the Third World: "You can't look at it in terms of closing the gap between the rich and poor nations. I don't think that's the objective of any less-developed country. But you can work toward increased rates of growth and the alleviation of poverty. If we look at it that way, the prospects for the future are not all that dismal."

Signs of progress over the last 25 years:

Since 1950, the developing world's average per capita income has expanded at a 3 percent annual rate, compared with 2 percent in developed countries. Third World income per capita climbed during that period from $210 to $520—still far below the $6,114 average for advanced nations, but a sharp improvement.

Life expectancy in underdeveloped countries has risen from 40 to 50 years. Although the life span in advanced nations is almost a third longer, it took the West a century to achieve what the Third World has accomplished in 25 years.

Millions more children in developing countries are going to school and later attending universities at home and abroad. Half the Third World's adult population can read and write, compared with about a third in 1960.

Still, throughout many of the Third World countries such progress has not been translated into a better life for the masses. Despite more than 150 billion dollars in foreign aid poured into these countries by the United States alone since World War II, hunger and poverty are more of a global condition today than 20 years ago. The economic gap between rich and poor nations continues to widen. At its extremes, the difference stands at more than $8,000 per person. In many Third World countries, from democracies to one-party dictatorships, economic growth is uneven. The rich may be getting richer, but the benefits are not reaching the vast majority of the poor. Example: In Brazil, which has one of the world's fastest growing economies, per capita income runs $1,140 a year.

Yet in its remote northern reaches, some 30 million people still live on incomes averaging only $77 annually. "When you rip aside the confusing figures on growth rates, you find that for about two thirds of humanity the increase in per capita income has been less than $1 for the last 20 years," says the World Bank's Haq.

World Bank President Robert S. McNamara puts his finger on the problem that worries most experts when he warns: "Short of thermonuclear war itself," rampant population growth "is the gravest issue the world faces over the decades immediately ahead."

Population growth rates in the developing world average 2.3 percent a year, compared with 0.8 percent in the United States. In some countries, including Mexico, the pace exceeds 3 percent. Such rates indicate that population will double in the Third World in 30 years while remaining fairly stable in the U.S. and most other industrial nations.

Although family planning is still controversial in many parts of the developing world, some 30 nations with three quarters of the Third World's population have adopted programs to limit population growth. Such programs, funded largely by richer countries and international organizations, apparently have begun to pay off. South Korea, Colombia, Thailand and Indonesia are among countries with significant declines in birth rates in recent years.

Officials believe the biggest success story in birth control may be China, although no statistics are available. Studies indicate that where progress has been made in lowering the mortality rate and in raising personal living standards, the desire for large families often declines.

But large families are still desired in most parts of the developing world. Having lots of children makes sense to a herdsman in Africa who sees many of his offspring die in infancy and to a tenant farmer in India who looks for extra hands to increase family productivity.

For instance, the Pakistani government, with assistance from the United States, launched a massive campaign in the 1960s to make contraceptives readily available to everyone. Oral pills and condoms by the millions were to be distributed to towns and villages across the country. The program was viewed by U.S. officials as an important test.

What happened? Contraceptive usage was "not increased to any significant degree," reported a Senate foreign-aid subcommittee. Mismanagement was indicated, but there also was evidence that the Pakistanis wanted no part of family planning. Investigators found warehouses in Pakistan brimming with contraceptives that never had been distributed. The program has since been scaled down.

Hundreds of millions in Africa, Asia and Latin America lead lives that at best are marginal. In Calcutta and other overcrowded cities of India, the poorest dig through garbage cans for anything edible. In rural Kenya, the Turkana tribes survive on diets of berries and goats' milk. An estimated 25 to 30 percent of the South Asian and African people suffer from malnutrition or undernutrition.

What's worse, the poor are losing ground. According to official studies, 1.4 billion people received less than their minimum daily requirement of food in 1975, up from 1.1 billion a decade earlier.

To Americans accustomed to a daily diet averaging 3,300 calories, it is hard to imagine life in places such as Upper Volta or Somalia in Africa, where millions subsist on about 1,800 calories a day—well below what is considered to be the minimum requirement. Americans, says a report by the Overseas Development Council, "feed more to animals than all Indians and Chinese eat."

For the poorest of the poor, who live in areas far removed from civilization, health care and formal education are unknown and unavailable. Disease, much of it caused by polluted water and poor sanitation, takes a heavy toll.

Nowhere is poverty more obvious than in Africa, where 18 of the 29 poorest nations are clustered. Independence from colonial rule and billions of dollars in foreign aid have not touched the majority on this continent of 400 million. Most still live as they always have—in grinding misery and illiteracy, plagued by diseases, superstition and tribalism.

For residents of the Sahel region, below the Sahara, abuse of the land and the cruelties of mother nature have created a severe famine that already has cost tens of thousands of lives. Years of overgrazing and slash-and-burn methods of clearing the land have eroded the soil and caused the desert to encroach on once-rich farmland at a rate of 25 to 30 miles a year.

In 1973, a drought wiped out what remained of Sahelian agriculture. Emergency food and medical aid by the U.S. and other developed nations could not prevent the mass starvation that followed.

Ironically, this region includes land described as some of the richest on earth. Areas in Mali have been likened to California's San Joaquin Valley. With dams and disease control, the Sahel "could not only feed itself but produce food for export," says an expert on African agriculture.

The United Nations World Food Council reports that the Sahel is now experiencing another "serious food emergency" requiring large-scale assistance. Abnormal shortages also have developed, the council said, in a large number of other African countries and in Afghanistan, Indonesia, Laos, Lebanon, Nepal and Vietnam. Other countries such as Pakistan and Bangladesh continue to rely heavily on imported food, mostly from North America.

Barring dramatic developments in agriculture technology, it appears that the green revolution heralded a few years ago will not happen after all—at least not on the scale once predicted.

Fast-growing, pest-resistant strains of rice are of little help to an Indonesian farmer who can't afford to buy expensive fertilizer. Degradation of the soil and persistent urbanization are destroying much of the world's arable land. In Indonesia, Haiti and Nepal, forests have been chopped down for firewood, exposing the soil to erosion. Landless farmers have staked out mountainsides and put them under the plow. The rains come and wash precious topsoil down the mountains.

Economists predict a global food deficit of 100 million tons by 1985. Says John J. Gilligan, administrator of the U.S. Agency for International Development: "It is almost inconceivable that food-producing countries of the West could make up this deficit, even if they determined to do so."

Part of the global food problems stems from the Third World's inability or unwillingness to impose land reforms and utilize modern agricultural methods. Food specialists say that Asia's edible grain supplies could be increased by one third by the use of rice harvesting, threshing, storage and milling methods already common in the U.S. and Japan and increasingly used in South Korea and Taiwan.

Three good harvests in a row have given India more grain than it can store. But because of waste—rodents devour 15 percent of the harvest—inadequate distribution methods the food does not reach all those who need it.

To escape the desperate hopelessness of rural living, throngs of people are leaving the countryside and migrating to the cities, thus creating a whole new set of problems.

Some 70 million rural people sought a better life in cities of the developing world between 1970 and 1975. Already overcrowded cities such as Cairo, Mexico City and Lagos are swelling with thousands of jobless new arrivals each week. The populations of some African cities have quadrupled in a decade. One United Nations projection envisions a Mexico City of 32 million inhabitants by the year 2000.

Observes U. S. News & World Report Asian correspondent James N. Wallace: "Visual poverty in some Third World cities is staggering, such as the sight of thousands of people living on sidewalks in Bombay and Calcutta, or in packing crates alongside railroad tracks in Jakarta."

Of growing concern in the U. S., Western Europe and the oil-exporting nations of the Middle East and Latin America is a sharp rise in illegal immigration from poorer countries. Studies predict the problem will grow worse. Already millions of aliens, mostly from Mexico and the Caribbean, have illegally crossed the border to seek work in the United States. Thousands more are infiltrating daily.

One of the most intractable problems for developing nations is that there aren't enough jobs to go around.

Half the Third World's population is either too old or too young to work, compared with 30 percent in the developed sector. In some countries, half or more of those able to work are unemployed or underemployed. A growing number are being absorbed as workers in simple manufacturing industries, such as footwear and textiles, that are burgeoning in South Korea, Brazil and elsewhere.

Some of the factories were set up with the help of Western capital and technical assistance. With labor plentiful, wages tend to be low. Products often can be made and sold more cheaply on world markets than those from the U. S. or Europe. The result is a mounting outcry from Western producers and labor unions for protective tariffs and quotas to stem the flow of Third World imports.

The European Common Market recently imposed strict import limits on shoes from such places as South Korea, Taiwan and Hong Kong. While the U. S. grants tariff preferences to developing countries, there is increasing pressure for quotas to be lowered on manufactured products that compete with American shoes, textiles and television sets.

Third World governments react bitterly to such restrictions. The West's growing protectionism is "a poor reward for those countries which have demonstrated a self-disciplined determination to stand on their own feet," argues the finance minister of one Asian country.

Increasingly frustrated by their inability to gain ground economically, developing nations are demanding more trade and other concessions from industralized countries, especially the United States.

Comments a Carter administration official: "There is a perception in the Third World not just among the leaders, that something has to change." Developing nations contend that their economic growth is being held back by a biased system of world trade that was shaped during the colonial era and is dominated by old colonial powers and multinational corporations.

Showing units that has been described as the beginning of "a trade union of the poor nations," the Third World has listed its demands—more direct aid, preferential treatment for its products, higher prices for its commodity exports, debt relief, curbs on multinational corporations and greater access to advanced technology.

Would such concessions, even if the industrialized nations agreed to go along, solve the developing world's crisis? Most economists think not, but many argue that both sides could benefit from certain changes in existing patterns of international commerce.

Already the U.S. sells more goods to the Third World than to European customers, and economists see that market as still largely untapped. John S. Sewell of the Overseas Development Council predicts: "The future growth and well-being of the industrial world will be dependent on what happens in the developing world."

Another aspect of this reverse dependency was demonstrated during the 1973 Arab oil embargo. The success of that initiative has caused Western producers to fear what can happen when developing nations join hands. Third World spokesmen are proposing cartels similar to OPEC to manipulate the supply and price of such other commodities as bauxite, tin, rubber, coffee and copper.

After initially opposing substantial changes in the international economic system, the U.S. has shifted to a policy of "continuing dialogue" with the developing nations. President Carter has called for "an expanded and more equitable trading system." U. S. ratification this year of the new Panama Canal treaties is viewed by many largely as a good-faith gesture toward the poorer countries of Latin America.

Hard political realities as well as economic considerations are influencing U.S. policy toward the Third World. From Southeast Asia to Africa, developing nations have become strategically important to the Western and Communist powers that seek access to ports, permission to fly over territories and perhaps build bases on foreign soil.

A study for Georgetown University's Center for Strategic and International Studies concludes: "The growing political and solidarity of the Third World may in time prove a force capable of forcing major revisions of U.S. strategic concepts and weapons systems, by denying us the strategic depth our forces are now designed to exploit."

The newest arena for superpower politics is in Africa, where rising economic aspirations, nationalism and ethnic rivalries have combined with explosive results in Angola, Zaire, Ethiopia, Rhodesia and elsewhere.

The current turmoil in Africa may be only a taste of what's ahead, argues one authority, who adds: "If there's no improvement in the way people live in these countries, we're going to be seeing more violent upheaval."

Whatever the uncertainties, this much is clear: Global overcrowding, poverty, malnutrition, disease, pollution and violence no longer are problems that can be postponed to the future. "In many ways," comments development consultant Fred O'Regan, "the future is here."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. RISENHOOVER (at the request of Mr. WRIGHT), after 1 p.m., today, on account of official business.

Mr. MCDADE (at the request of Mr. RHODES), for yesterday, July 31, today, August 1, and until further notice, on account of illness.

Mr. RODINO (at the request of Mr. WRIGHT), for July 31 and August 1, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PRESSLER) to revise and extend their remarks and include extraneous material:)

Mr. GREEN, for 5 minutes, today.

Mr. GOLDWATER, for 10 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. MCKINNEY, for 10 minutes, today.

(The following Members (at the request of Mr. RAHALL) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. ROBERTS, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. MOSS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ST GERMAIN, and to include extraneous matter in support of H.R. 10161 immediately preceding passage.

(The following Members (at the request of Mr. PRESSLER) and to include extraneous matter:)

Mr. KASTEN.

Mr. ANDERSON of Illinois in two instances.

Mr. ROBINSON.

Mr. JEFFORDS.

Mr. ARCHER.

Mr. DERWINSKI in three instances.

Mr. MCCLORY.

Mr. LAGOMARSINO.

Mr. O'BRIEN.

Mr. CORCORAN of Illinois.

Mr. RUDD in two instances.

Mr. HOLLENBECK in two instances.

Mr. DORNAN in two instances.

Mr. COHEN in two instances.

Mr. WYLIE.

Mr. GOODLING.

Mr. QUIE.

Mr. STEIGER.

Mr. MARTIN.

Mr. KEMP in two instances.

(The following Members (at the request of Mr. RAHALL) and to include extraneous material:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BYRON in 10 instances.

Mr. ROSENTHAL in 10 instances.

Mr. SISK.

Mrs. LLOYD of Tennessee in six instances.

Mr. BROWN of California in 10 instances.

Mr. HAMILTON in 10 instances.

Mr. EILBERG in 10 instances.

Mr. HOLLAND in five instances.

Ms. KEYS.

Mr. WOLFF in five instances.

Mrs. BURKE of California.

Mr. MCDONALD in five instances.

Mr. RISENHOOVER.

Mr. SIMON.

Mr. BENJAMIN.

Mr. JOHNSON of California.

Mr. FISHER in 10 instances.

Mr. VENTO.

Mr. VANIK.

Mr. TEAGUE in eight instances.

Mr. BAUCUS.

Mr. HANNAFORD.

Mr. MCHUGH.

Mr. MOSS.

Mr. DINGELL in two instances.

Mr. ROBERTS.

Mr. REUSS.

Mr. RUNNELS.

Mr. ROSE.

Mr. CARR.

Mr. LEDERER.

Mr. FITHIAN.

Mr. MOORHEAD of Pennsylvania.

Mr. BRECKINRIDGE.

Mr. DELLUMS.

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, August 2, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4680. A communication from the President of the United States, transmitting proposed supplemental appropriation language for fiscal year 1978 for the Department of the Treasury (H. Doc. No. 95–371); to the Committee on Appropriations and ordered to be printed.

4681. A letter from the Acting Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made of the lands in Westside Water District Improvement District No. 1, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 83–172; to the Committee on Appropriations.

4682. A letter from the Administrator of General Services, transmitting the statistical supplement to the stockpile report for the 6 months ended March 31, 1978, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

4683. A letter from the Secretary, Federal Trade Commission, transmitting notice of three proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4684. A letter from the Comptroller General of the United States, transmitting the seventh followup report on implementation of the legislative recommendations of the Commission on Government Procurement (PSAD–78–100, July 31, 1978); to the Committee on Government Operations.

4685. A letter from the Chairman and Members, U.S. Commission on Civil Rights, transmitting a report on social indicators of equality of minorities and women, pursuant to section 104(b) of Public Law 85–315, as amended; to the Committee on the Judiciary.

4686. A letter from the Chairman, National Commission on New Technological Uses of Copyrighted Works, transmitting the Commission's final report, pursuant to section 206(b) of Public Law 93–573, as amended (91 Stat. 1226); to the Committee on the Judiciary.

4687. A letter from the Acting Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations), transmitting a draft of proposed legislation to amend title 5, United States Code, to entitle Civil Air Patrol cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in the event of disability or death and to increase the amount of that compensation; to the Committee on Post Office and Civil Service.

4688. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building, 325 West F Street, San Diego, Calif., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4689. A letter from the Principal Deputy Under Secretary of Defense (Research and Engineering), transmitting a report on Department of Defense procurement from small and other business firms for October–November 1977, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. House Joint Resolution 1088. Joint resolution providing financial assistance for the city of New York (Rept. No. 95–1404). Referred to the Committee of the Whole House on the State of the Union.

Mr. EDWARDS of California: Committee on the Judiciary. House Joint Resolution 638. Joint resolution extending the deadline for the ratification of the equal rights amendment; with amendment (Rept. No. 95–1405). Referred to the House Calendar.

Mr. MEEDS: Committee on Rules. House Resolution 1291. Waiving certain points of order against H.R. 13635. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 95–1406). Referred to the House Calendar.

Mr. BROOKS: Committee on Government Operations. H.R. 8112. A bill to repeal chapter 27 of title 44, United States Code; with amendment (Rept. No. 95–1407). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 12915. A bill to amend section 2301 of title 44, relating to the National Archives Trust Fund Board (Rept. No. 95–1408). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. BURKE of California (for herself, Mr. JOHN L. BURTON, Mr. EDWARDS of California, Mr. HANNAFORD, Mr. HAWKINS, Mr. JOHNSON of California, Mr. KREBS, Mr. MILLER of California, Mr. MOSS, Mr. ROYBAL, Mr. SISK, Mr. VAN DEERLIN, and Mr. WAXMAN):

H.R. 13664. A bill to amend the Communications Act of 1934 to establish requirements with respect to agreements relating to the broadcasting of certain professional sports clubs' games; to the Committee on Interstate and Foreign Commerce.

By Mrs. BURKE of California (for herself, Mr. JOHN L. BURTON, Mr. EDWARDS of California, Mr. HANNAFORD, Mr. HAWKINS, Mr. JOHNSON of California, Mr. KREBS, Mr. MILLER of California, Mr. MOSS, Mr. ROYBAL, Mr. SISK, Mr. VAN DEERLIN, and Mr. WAXMAN):

H.R. 13665. A bill to amend the Clayton Act to prohibit any professional football league from imposing certain territorial restrictions on any club in the league; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Mr. CAVANAUGH, Mr. PATTERSON of California, Mr. ROE, Mr. TRAXLER, and Mr. WALGREN):

H.R. 13666. A bill to secure and protect the freedom of the press from unwarranted intrusions by persons acting under color of law; to the Committee on the Judiciary.

By Mr. GREEN:

H.R. 13667. A bill to amend the Internal Revenue Code of 1954 to allow a tax credit on houses or apartments for a portion of of the real estate taxes paid or incurred by their landlords; to the Committee on Ways and Means.

By Mr. HIGHTOWER:

H.R. 13668. A bill to redesignate the Federal Building and U.S. Courthouse in Amarillo, Tex., the "Marvin Jones Federal Building"; to the Committee on Public Works and Transportation.

By Mr. JACOBS (for himself, Mr. BROYHILL, Mr. COLLINS of Texas, Mr. EILBERG, Mr. EVANS of Indiana, Mr. GEPHARDT, Mr. GOODLING, Mr. LAGOMARSINO, Mr. LEDERER, Mr. LENT, Mr. MATHIS, Mr. MONTGOMERY, Mr. PRITCHARD, Mr. ROBERTS, Mr. ROE, and Mr. THONE):

H.R. 13669. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

By Mr. KREBS (for himself, Mr. GRASSLEY, Mr. NOLAN, Mr. CARR, Mr. HUGHES, Mr. FITHIAN, Mr. CORNWELL, Mr. HAGEDORN, Mr. CHARLES WILSON of Texas, Mr. O'BRIEN, Mr. PATTERSON of California, Mr. WINN, Mr. BLOUIN, Mr. BARNARD, Mr. TRIBLE, Mr. JENRETTE, Mr. RUSSO, Mr. RICHMOND, Mr. ASHBROOK, Mr. WHITEHURST, Mr. LEACH, Mr. FOUNTAIN, Mr. DENT, Mr. SANTINI and Mr. WON PAT):

H.R. 13670. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes; to the Committee on Agriculture.

By Mr. PICKLE (for himself, Mr. GOODLING, Mr. LOTT, Mr. RINALDO, Mr. CEDERBERG, Mr. BADHAM, Mr. PRICE, Mr. SAWYER, and Mr. HEFTEL):

H.R. 13671. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Ways and Means.

By Mr. STEIGER (for himself, Mr. CONABLE, and Mr. MIKVA):

H.R. 13672. A bill to suspend the duty on freight cars until the close of June 30, 1980; to the Commitee on Ways and Means.

By Mr. THORNTON (for himself, Mr. HIGHTOWER, Mr. WHITLEY, Mr. SISK, Mr. DAVIS, Mr. BOWEN, and Mr. KREBS):

H.R. 13673. A bill to amend the Packers and Stockyards Act of 1921; to the Committee on Agriculture.

By Mr. WHITEHURST (for himself and Ms. HOLTZMAN):

H.R. 13674. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

By Mr. BOWEN (for himself and Mr. MOORE):

H.R. 13675. A bill to amend section 103(f)(1) of the Agricultural Act of 1949 by deleting the third sentence thereof in order to insure that interest rates on price support loans for upland cotton are not less favorable to producers than the interest rates for such loans on other commodities; to the Committee on Agriculture.

By Mr. DANIELSON (for himself, Mr. PREYER, Mrs. SCHROEDER, and Mr. STRATTON):

H.R. 13676. A bill to require certain officers and employees of the United States, and candidates for Federal office, to file reports as to their income and financial holdings and transactions, and for other purposes; jointly, to the Committee on the Judiciary, the Select Committee on Ethics, the Armed Services, and Post Office and Civil Service.

By Mr. FLOWERS:

H.R. 13677. A bill to provide procedures for review of the conduct of each justice and judge of the United States to determine that such conduct is consistent with the good behavior required by article II, section 1 of the Constitution, and for other purposes; to the Committee on the Judiciary.

By Mr. GAYDOS:

H.R. 13678. A bill to establish a program of drug benefits for the aged; to establish a Drug Benefits Council and other appropriate management controls to provide for the efficient administration of such program; and to require the conducting of certain studies and experiments, to enhance the capability of the Secretary of Health, Education, and Welfare to administer such program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JEFFORDS (for himself and Mr. BONKER):

H.R. 13679. A bill to amend the Internal Revenue Code of 1954 to clarify the treatment of certain individuals engaged in the harvesting of timber for purposes of employment taxes; to the Committee on Ways and Means.

By Mr. STUMP (for himself and Mr. WHITTEN):

H.R. 13680. A bill to remove residency requirements and acreage limitations applicable to land subject to reclamation law; to the Committee on Interior and Insular Affairs.

By Mr. WOLFF (for himself, Mr. ADDABBO, Mr. ANDERSON of California, Mr. ANNUNZIO, Mr. BAFALIS, Mr. BAUCUS, Mr. BAUMAN, Mr. BEDELL, Mr. BEILENSON, Mr. BENJAMIN, Mr. BEVILL, Mr. BLANCHARD, Mr. BRODHEAD, Mr. BROWN of Michigan, Mr. BURGENER, Mr. BURKE of Florida, Mr. BUTLER, Mr. CARR, Mr. CEDERBERG, Mr. CHAPPELL, Mrs. CHISHOLM, Mr. CLAY, Mr. CLEVELAND, Mr. CORNWELL, and Mr. D'AMOURS):

H.R. 13681. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. ROBERT W. DANIEL, Jr., Mr. DAN DANIEL, Mr. DERWINSKI, Mr. DICKS, Mr. DORNAN, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. EDWARDS of California, Mr. EDWARDS of Oklahoma, Mr. EILBERG, Mr. FARY, Mr. FISH, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FRASER, Mr. FRENZEL, Mr. FUQUA, Mr. GILMAN, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GRASSLEY, Mr. GUDGER, Mr. GUYER, and Mr. HAGEDORN):

H.R. 13682. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. HALL, Mr. HANSEN, Mr. HARKIN, Mr. HARRINGTON, Mr. HEFTEL, Mr. HORTON, Mr. HUGHES, Mr. JOHNSON of Colorado, Mr. KEMP, Ms. KEYS, Mr. KILDEE, Mr. KINDNESS, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LLOYD of California, Mrs. LLOYD of Tennessee, Mr. LOTT, Mr. MCDADE, Mr. MCDONALD, Mr. MCHUGH, Mrs. MEYNER, Mr. MOORHEAD of California, Mr. NEAL, and Mr. NOLAN):

H.R. 13683. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. NICHOLS, Mr. OTTINGER, Mr. PATTISON of New York, Mr. PURSELL, Mr. RICHMOND, Mr. ROBERTS, Mr. ROBINSON, Mr. ROGERS, Mr. ROSE, Mr. ROUSSELOT, Mr. RYAN, Mr. SANTINI, Mr. SHARP, Mr. SIMON, Mr. SKUBITZ, Mr. STANTON, Mr. STEERS, Mr. STUMP, Mr. SYMMS, Mr. THOMPSON, Mr. TRAXLER, Mr. WATKINS, Mr. WINN, and Mr. YOUNG of Alaska):

H.R. 13684. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. ADDABBO (for himself, Mr. AKAKA, Mr. BALDUS, Mr. BAUCUS, Mr. BENNETT, Mr. BRODHEAD, Mr. CLAY, Mr. CLEVELAND, Mr. CONTE, Mr. DELLUMS, Mr. DERWINSKI, Mr. DOWNEY, Mr. DUNCAN of Oregon, Mr. EILBERG, Mr. FARY, Mr. FINDLEY, Mr. FLOOD, Mr. FRENZEL, Mr. GAYDOS, Mr. GRASSLEY, Mr. GUYER, Mr. HUGHES, Mr. HYDE, Mr. LAFALCE, and Mr. LEDERER):

H.J. Res. 1094. Joint resolution to authorize and request the President to issue a proclamation designating November 30, 1978, as "National Postal Workers' Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. ADDABBO (for himself, Mr. FORD of Michigan, Mr. MCHUGH, Mr. MAGUIRE, Ms. MIKULSKI, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. O'BRIEN, Mr. PEPPER, Mr. PRICE, Mr. RAHALL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ST GERMAIN, Mr. SARASIN, Mr. STEERS, Mr. UDALL, Mr. VAN DEERLIN, Mr. VENTO, Mr. WAXMAN, Mr. WEAVER, Mr. YOUNG of Missouri, and Mr. ZEFERETTI):

H.J. Res. 1095. Joint resolution to authorize and request the President to issue a proclamation designating November 30, 1978, as "National Postal Workers' Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. ADDABBO (for himself, Mr. ANDERSON of California, Mr. BIAGGI, Mr. BINGHAM, Mr. BROWN of California, Mr. CORRADA, Mr. HEFTEL, and Mrs. HOLT):

H.J. Res. 1096. Resolution to authorize and request the President to issue a proclamation designating November 30, 1978, as "National Postal Workers' Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. GREEN (for himself, Mr. ADDABBO, Mr. AMBRO, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BONIOR, Mr. BRODHEAD, Mr. CAPUTO, Mr. CORRADA, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. EILBERG, Mrs. FENWICK, Mr. FISH, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FRASER, Mr. FRENZEL, Mr. GILMAN, Mr. GUYER, Mr. HAWKINS, and Mrs. HECKLER):

H.J. Res. 1097. Joint resolution imploring the Union of Soviet Socialist Republics to release Dr. Semyon Gluzman, from prison and permit him and his family to immigrate to Israel; to the Committee on International Relations.

By Mr. GREEN (for himself, Mr. HEFTEL, Mr. HOLLENBECK, Ms. HOLTZMAN, Mr. KEMP, Mr. KILDEE, Mr. KOSTMAYER, Mr. LAGOMARSINO, Mr. LEHMAN, Mr. LENT, Mr. MCHUGH, Mr. MAGUIRE, Mr. MARKEY, Mr. MOAKLEY, Mr. OTTINGER, Mr. PATTISON of New York, Mr. PEPPER, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SOLARZ, Mr. TRAXLER, Mr. TSONGAS, Mr. WEISS, and Mr. WOLFF):

H.J. Res. 1098. Joint resolution imploring the Union of Soviet Socialist Republics to release Dr. Semyon Gluzman from prison and permit him his family to immigrate to Israel; to the Committee on International Relations.

By Mr. GREEN (for himself and Mr. YATES):

H.J. Res. 1099. Joint resolution imploring the Union of Soviet Socialist Republics to release Dr. Semyon Gluzman from prison and permit him and his family to immigrate to Israel; to the Committee on International Relations.

By Mr. VENTO (for himself, Mr. FRASER, and Mr. MARLENEE):

H.J. Res. 1100. Joint resolution to direct the Civil Aeronautics Board to disapprove any renewal and terminate any effect of the Airlines Mutual Aid Pact and to provide for a study and report on alleviating airlines strikes; to the Committee on Public Works and Transportation.

By Mr. WALKER:

H.J. Res. 1101. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. FLOWERS:

H.J. Res. 1102. Joint resolution proposing an amendment to the Constitution of the United States with respect to the reconfirmation of judges after a term of 8 years; to the Committee on the Judiciary.

By Mr. TSONGAS (for himself, Mr. AMBRO, Mr. BEILENSON, Mr. BLANCHARD, Mr. BRODHEAD, Mr. CAPUTO, Mr. EDWARDS of California, Mr. EILBERG, Mr. FARY, Mrs. FENWICK, Mr. FLORIO, Mr. FRASER, Mr. FRENZEL, Mrs. HECKLER, Ms. HOLTZMAN, Mr. KEMP, Mr. KILDEE, Mr. LEDERER, Mr. LEHMAN, Mr. LENT, Mr. MARKEY, Mr. MOAKLEY, Mr. MOORHEAD of Pennsylvania, and Mr. OTTINGER):

H. Con. Res. 675. Concurrent resolution expressing congressional disapproval of the denial by the Government of the Soviet Union of the right to emigrate and the harassment and imprisonment by that Government of individuals who desire to emigrate; to the Committee on International Relations.

By Mr. TSONGAS (for himself, Mr. BENJAMIN, Mr. BURKE of Florida, Mr. CHAPPELL, Mr. DODD, Mr. EDWARDS of Oklahoma, Mr. GILMAN, Mr. GREEN, Mr. MAGUIRE, Mr. PATTISON of New York, Mr. PEPPER, Mr. RICHMOND, Mr. SCHEUER, Mr. SOLARZ, Mr. STEERS, Mr. WAXMAN, and Mr. WHITEHURST):

H. Con Res. 676. Concurrent resolution expressing congressional disapproval of the denial by the Government of the Soviet Union of the right to emigrate and the harassment and imprisonment by that Government of individuals who desire to emigrate; to the Committee on International Relations.

By Mr. DORNAN (for himself and Mr. STUMP):

H. Res. 1292. Resolution expressing the sense of the House that the United States should maintain full diplomatic relations with the Republic of China; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. STOCKMAN introduced a bill (H.R. 13685), for the relief of Esperanza Calderon Calvo, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

524. The SPEAKER presented a petition of the Free Sons of Israel, New York, N.Y., relative to deportation of known Nazi war criminals, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1

By Mrs. SCHROEDER:

(Amendment to the amendment in the nature of a substitute.)

—Strike out part B of title II and insert in lieu thereof the following new part:

PART B—OFFICE OF GOVERNMENT ETHICS

OFFICE OF GOVERNMENT ETHICS

SEC. 221. (a) Part II of title 5, United States Code, relating to the Civil Service Commission, is amended by inserting after chapter 11 the following new chapter:

"Chapter 12—OFFICE OF GOVERNMENT ETHICS

"Sec.
"1201. Establishment of Office of Government Ethics.
"1202. Functions of Office.
"1203. Administrative provisions.
"1204. Ethics counselors.
"1205. Regulations relating to disclosure of financial interests and conflicts of interest.

"§ 1201. Establishment of Office of Government Ethics

"(a) There is established in the Civil Service Commission an office to be known as the Office of Government Ethics.

"(b) There shall be at the head of the Office of Government Ethics a director (hereinafter in this chapter referred to as the 'Director'), who shall be appointed by the President, by and with the advice and consent of the Senate.

"§ 1202. Functions of Office

"(a) The Director shall provide overall direction of executive branch policies relating to preventing conflicts of interest on the part of employees within the executive branch.

"(b) The responsibilities of the Director shall include—

"(1) monitoring and investigating compliance with the provisions of part A of title II of the Ethics in Government Act of 1978, by individuals appointed or employed (other than in the uniformed services) in the executive branch;

"(2) auditing on a random basis financial reports submitted by such individuals under A of title II of such Act for the purpose of determining whether such reports are complete and accurate;

"(3) establishing a program under which advisory opinions relating to conflicts of interests may be provided, on request, to any person by the Director or designated agency official;

"(4) supervising and defining the duties and responsibilities of ethics counselors;

"(5) evaluating the effectiveness of the provisions of laws and regulations relating to conflicts of interest and reporting to the Civil Service Commission for transmittal to the Congress any recommendations for legislative or administrative action he considers appropriate;

"(6) establishing, after consultation with the Attorney General, an effective system for reporting allegations of violations of conflict-of-interest laws to the Attorney General, as required by section 535 of title 28; and

"(7) providing information on and promoting understanding of ethical standards in the executive branch.

"§ 1203. Administrative provisions

"At the request of the Director, each agency in the executive branch is directed to—

"(1) make its services, personnel, and facilities available to the Director and ethics counselors to the greatest practicable extent for the performance of his functions; and

"(2) except when prohibited by law, furnish to the Director or any ethics counselor all information and records in its possession which the Director may determine to be necessary for the performance of his duties.

"§ 1204. Ethics counselors

"(a) Such ethics counselors as the Director may determine necessary (not to exceed 75 positions) shall be appointed by and subject to the control of the Director. Such counselors shall be assigned between and among the various agencies in the executive branch on a rotating basis. One such counselor may be assigned to two or more of such agencies in circumstances in which the Director determines it appropriate to do so. One ethics counselor assigned to an agency shall serve as that agency's designated agency official.

"(b) Ethics counselors shall—

"(1) be appointed without regard to section 3503(a) of this title, and

"(2) be subject to removal only under the procedures under section 7521 of this title, relating to administrative law judges.

"§ 1205. Regulations relating to disclosure of financial interests and conflicts of interest

"(a)(1) Subject to paragraph (3) of this subsection—

"(A) any regulation under part A of title II of the Ethics in Government Act of 1978, and

"(B) any regulation relating to conflicts of interest applicable to employees or classes of employees within the executive branch,

shall, except as provided in paragraph (2), be prescribed only by the Director and shall be prescribed in accordance with section 553 of this title, notwithstanding any exception therein for matters relating to agency management or personnel.

(2) Paragraph (1) of this subsection shall not apply with respect to—

"(A) any exercise of authority vested in and performed by the President; or

"(B) any exercise of authority vested in a Secretary concerned.

"(3)(A) Regulations to which paragraph (1) of this subsection applies shall not take effect unless approved by the Commissioners of the Civil Service Commission. Unless disapproved by the Commissioners within 30 days after transmittal of the proposed regulations to them, such regulations shall be deemed approved.

"(B) In addition to the approval required under subparagraph (A) of this paragraph, any regulation to which paragraph (1) of this subsection applies shall not take effect unless the Director transmits to the Congress a copy of such regulation, as approved under subparagrah (A) of this paragraph, and before the close of the 60-day period of continuous session beginning on the date of such transmittal neither House of the Congress has adopted a resolution the matter after the resolving clause of which states: 'That the ——— hereby disapproves the regulation transmitted to the Congress by the Director of the Office of Government Ethics on ———.', the blank spaces therein being filled in appropriately.

"(C) For the purpose of subparagraph (B) of this paragraph—

"(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period.

"(b) Any interested person may seek judicial review under chapter 7 of this title of any regulation to which subsection (a)(1) of this section applies."

(b)(1) The analysis for part II of title 5, United States Code, is amended by inserting after the item relating to chapter 11 the following:

"12—Office of Government Ethics.... 1201".

(2) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(144) Director of the Office of Government Ethics, Civil Service Commission.".

(c) No individual employed by the Government on the date of the enactment of this Act shall be separated or reduced in grade, rank, or compensation by reason of the transfer of any duties resulting from the amendments made by this title.

(d)(1) There are authorized to be appropriated, for each of the fiscal years 1979, 1980, and 1981, such sums as are necessary for the compensation of ethics counselors appointed under section 1204 of title 5, United States Code (as added by this Act).

(2) There is authorized to be appropriated, for each of the fiscal years 1979, 1980, and 1981, the sum of $1,000,000 to carry out the purposes of the amendments made by this section and section 201 of this Act, other than purposes for which appropriations are authorized in paragraph (1) of this subsection.

(e) Not later than one year after the date of the enactment of this Act, the Director of the Office of Government Ethics shall—

(1) conduct a comprehensive review of existing laws and regulations relating to conflicts of interest; and

(2) submit to the Congress a report on such review, together with such recommendations for legislative or administrative action as the Director considers appropriate.

(f) Section 1308(a) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (3),

(2) by striking out the period at the end of paragraph (4) and inserting "; and" in lieu thereof, and

(3) by adding at the end thereof the following new paragraph:

"(5) a report to be prepared by the Director of the Office of Government Ethics which shall include—

"(A) a summary of the activities of the Director and ethics counselors appointed under section 1204 of this title in carrying out the functions of the Office of Government Ethics; and

"(B) any recommendations of the Director for legislative or administrative action considered to be appropriate by the Director.".

H.R. 7307

By Mr. BUTLER:

—Page 31, line 17, strike out "or".

Page 32, after line 3, insert the following new subparagraph:

(C) there is reason to believe has information which relates to the foreign policy or security interest of the United States; or

—Page 31, beginning on line 20, strike out "contrary to" and all that follows through page 22, line 3, and insert in lieu thereof "; or".

—Page 37, line 2, insert ", or is being planned," after "committed".

—Page 37, beginning on line 18, strike out "an alien lawfully admitted for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act),".

Page 37, beginning on line 22, strike out "or alien lawfully admitted for permanent residence".

—Page 47, strike out lines 18 through 20.

—Page 51, strike out line 24 and all that follows through page 52, line 4.

—On page 64, after line 25, add the following new section:

CONSTITUTIONAL POWER OF THE PRESIDENT

SEC. 111. Nothing contained in Chapter 119 of Title 18, United States Code, Section 605 of the Communications Act of 1934, or this Act shall be deemed to affect the power vested by the Constitution in the President to acquire foreign intelligence information by means of an electronic, mechanical, or other surveillance device.

H.R. 7308

By Mr. STRATTON:

—Page 68, strike out line 5 and all that follows down through "of this Act," on line 8 and insert in lieu thereof the following:

EFFECTIVE DATE

SEC. 301. The provisions of this Act and the amendments made by this Act shall not take effect unless the President certifies to the Congress that no individual who has diplomatic immunity conferred by the United States is, within the United States, intercepting by electronic means the communications of individuals in the United States on behalf of a foreign power and in violation of the laws of the United States. If the President makes such a certification, the provisions of this Act and the amendments made by this Act shall take effect upon the date of such certification,

H.R. 12931

By Mr. ERTEL:

—Page 14, line 7, strike out "$95,000,000" and insert in lieu thereof "$91,452,000".

—Page 23, after line 19, insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance any bilateral nonmilitary assistance (including Peace Corps programs) to the Republic of Korea.

H.R. 12931

By Mr. EVANS of Georgia:

—Page 15, immediately following line 11, add the following new provision:

LIMITATION ON UNITED STATES CONTRIBUTIONS TO THE INTERNATIONAL FINANCIAL INSTITUTIONS

None of the funds appropriate or made available to International Financial Institutions pursuant to this Act shall be used by the United States representatives to those institutions for the purpose of establishing or expanding the production for export of steel, grains, sugar, palm oil, citrus crops, or tires.

—Page 17, lines 8 and 9, strikes the phrase ", to remain available until expended".

H.R. 12931

By Mr. HARKIN:

(Amendment to the amendment (prohibiting indirect assistance) to section 107.)

—At the end of the amendment, insert the following:

Immediately before the period at the end of the section amended by the first paragraph of this amendment, insert the following: ", except that any such funds paid to an international organization or to an international financial institution may be used for such assistance if the international organization or international financial institution, as the case may be, has found that the assistance will directly benefit the needy people in the country".

(Amendment to the Amendment (prohibiting indirect assistance) to section 114.)

—At the end of the amendment, insert the following:

Immediately before the period at the end of the section amended by the first paragraph of this amendment, insert the following: ", except that any such funds paid to an international organization or to an international financial institution may be used for such assistance if the international organization or international financial institution, as the case may be, has found that the assistance will directly benefit the needy people in the country".

(Amendment to the amendment offered by Mr. MILLER of Ohio.)

—Insert the following immediately before the period at the end of the section proposed to be added to the bill by the amendment: ": *Provided further*, That funds required by this Act to be allocated for designated countries may not be withheld in carrying out this section".

—Page 9, line 21, insert the following new sentence after the period: "None of the funds contained in this paragraph shall be used for the training of any military personnel of a country the government of which represses the legitimate rights of the population contrary to the Universal Declaration of Human Rights."

—Page 11, strike out the period on line 17 and insert in lieu thereof ", except that funds appropriated or made available pursuant to this Act for assistance under part I of the Foreign Assistance Act of 1961 (other than funds for the Economic Support Fund or peacekeeping operations) may be provided to Uganda, Cambodia, and Laos in accordance with the requirements of section 116 of the Foreign Assistance Act of 1961.".

—Page 9, lines 20 and 21, strike out "$25,700,000" and insert in lieu thereof "$12,450,000".

—Page 11, line 16, insert "Nicaragua," after "Laos,".

—Page 11, line 16, immediately after "Laos," insert "the Philippines,".

—Page 11, line 16, immediately after "Laos," insert "Indonesia,".

—Page 11, line 16, immediately after "Laos," insert "the Republic of Korea,".

—Page 11, line 16, immediately after "Laos," insert "Uruguay,".

—Page 11, line 16, immediately after "Laos," insert "Chile,".

—Page 11, line 16, insert "Argentina," after "Laos,".

—Page 11, line 16, insert "Haiti," after "Laos,".

—Page 11, line 16, insert "Zaire," after "Laos,".

—Page 11, line 16, insert "Bolivia," after "Laos,".

—Page 11, line 16, insert "Morocco," after "Laos,".

—Page 11, line 16, insert "the Republic of China (Taiwan)," after "Laos,".

—Page 12, strike out lines 1 through 4 and redesignate succeeding sections accordingly.

—Page 12, strike out lines 12 through 19 and redesignate succeeding sections accordingly.

—Page 13, strike out lines 9 through 11 and redesignate section 115 as section 114.

—Page 13, strike out the period at the end of line 11 and insert in lieu thereof ", except that funds appropriated or made available pursuant to this Act for assistance under part I of the Foreign Assistance Act of 1961 (other than funds for the Economic Support Fund or peacekeeping operations) may be provided to Mozambique or Angola in accordance with the requirements of section 116 of the Foreign Assistance Act of 1961.".

—Page 13, immediately after line 16, insert the following new section:

SEC. 116. Of the total budget authority provided in this title for payments not required by law (other than the sums allocated to Israel, Egypt, Jordan, and Syria for the Economic Support Fund), two per centum shall be withheld from obligation and expenditure. Of the amount provided in this title for each appropriation account, activity, and project, for payments not required by law, the amount withheld pursuant to this section shall not exceed five per centum.

—Page 13, lines 21 and 22, strike out "$648,000,000" and insert in lieu thereof "$623,280,000".

—Page 13, immediately after line 16, insert the following new section:

SEC. 116. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country the government of which engages in human rights violations similar to those of the governments of those countries set forth in sections 107 and 114 of this Act.

—Page 13, immediately after line 16, insert the following new section:

SEC. 116. The restrictions on obligation and expenditure of funds set forth in sections 107 and 114 of this Act shall not be implemented if funds appropriated or made available pursuant to this Act are obligated or expended to finance directly any assistance to any country the government of which engages in human rights violations similar to those of the governments of those countries set forth in such sections.

—Page 13, immediately after line 24, insert the following:

LIMITATION ON OBLIGATION AND EXPENDITURES

Of the total budget authority provided in this title (other than the sums allocated to Israel) for payments not required by law, two per centum shall be withheld from obligation and expenditure. Of the amount provided in this title for each appropriation account, activity, and project, for payments not required by law, the amount withhold pursuant to this paragraph shall not exceed five per centum.

—Page 15, line 2, immediately after "Communist" insert ", facist, Nazi, or other totalitarian".

—Page 19, immediately after line 3, insert the following new paragraph:

LIMITATION ON OBLIGATION AND EXPENDITURE

Of the total budget authority provided in this title for payments not required by law (except for appropriations for the International Development Association and the Inter-American Development Bank), two per centum shall be withheld from obligation and expenditure. Of the amount provided in this title for each appropriation account, activity, and project, for payments not required by law, the amount withheld pursuant to this paragraph shall not exceed five per centum.

—Page 20, line 8, strike out "$24,000" and insert in lieu thereof "$5,000".

—Page 22, beginning in line 17, strike out ", unless the President of the United States finds that the national security requires otherwise".

—Page 22, line 10, immediately after "Cuba" insert "or Argentina".

—Page 23, immediately after line 19, insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used for international military education or training to Nicaragua.

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of Haiti.

—Page 23, immediately after line 19, insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used for international military education or training to Bangladesh.

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. No funds from the foreign military sales trust funds may be used to enable the Government of Iran to purchase defense articles from the United States.

—Page 23, immediately after line 19, insert the following new section:

SEC. 510. Of the funds appropriated or made available pursuant to this Act, not more than $10,000,000 shall be used for foreign military credit sales and not more than $1,000,000 shall be used for international military education and training to the Government of the Republic of Korea.

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of the Republic of China (Taiwan).

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of Bolivia.

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of Zaire.

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of Morocco.

—Page 23, immediately after line 19, insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act may be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of Indonesia.

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of Thailand.

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of the Philippines.

H.R. 13635

By Mr. HILLIS:

—Page 50, beginning on line 6, strike out "(f) reimbursement" and all that follows through "or (g)" on line 10 and insert in lieu thereof "or (f)".

EXTENSIONS OF REMARKS

HARTFORD MODEL FOR DISASTER RECOVERY

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1978

● Mr. COTTER. Mr. Speaker, I would like my colleagues to take note of a column in today's Washington Post by Neal Peirce, on Hartford's rapid recovery from the disastrous collapse of the roof on the Civic Center coliseum last winter.

As a life long resident of Hartford, and the city's Congressman, I take pride in the way the town, and its officials, acted swiftly to work toward an even "bigger and better" coliseum.

The article follows:

[From the Washington Post, July 31, 1978]

THE HARTFORD MODEL FOR DISASTER RECOVERY

(By Neal R. Peirce)

HARTFORD, CONN.—No one who witnessed the wreckage of the collapsed roof of this city's Civic Center Coliseum last winter will ever forget the sight.

The delicate steel-frame "space roof," designed to give the semblance of "floating" over spectators at sports and cultural events, lay in ruin. Jagged shards of metal superstructure poked into the sky at awkward angles, the beams bent and twisted in grotesque shapes as if they had been made of plastic rather than high-strength steel. The main structure of the roof lay in a sea of snow, metal and concrete rubble on crushed spectator seats.

Not a soul died in the Hartford roof collapse, but it was a narrow escape. Hours before, 5,000 persons had watched a hockey game in the coliseum, blissfully unaware of the disaster building above their heads. On other evenings, up to 10,500 people filled the coliseum's seats. A less fortunate timing would in all likelihood have taken thousands of lives, conceivably the worst peacetime disaster in U.S. history.

American cities have often endured disasters, and they have taken many forms. The Great Chicago Fire of 1871 consumed 17,450 buildings and exacted a death toll of 250. In the 1906 San Francisco earthquake, buildings collapsed, streets sank, fires ravaged the heart of the city and 700 people perished.

Hartford still remembers July 6, 1944, the day the tent of a visiting Ringling Brothers and Barnum and Bailey circus went up in flames, killing 168 persons and injuring hundreds more.

Aside from the fortuitous lack of casualties, the disaster that struck Hartford at 4:19 a.m. last January 18 was unusual in another respect. No one could blame it on a purely accidental occurrence, some "act of God." The great roof's collapse was a direct result of glaring design flaws and inadequate inspection procedures by the people we depend on so heavily for our health and safety in this age of supposed technological perfection—architects, engineers and government inspectors.

Totally unobstructed spectator view of coliseum events had been the architects' goal in designing a 4,455-piece steel lattice roof, 21 feet deep and 366 by 300 feet long and wide, supported by only four plyons near the outside corners.

But an independent engineering firm hired to investigate the collapse found that the roof had been a time bomb from the moment it was lifted into place in 1972—that "the most severely overstressed members began to bow out and fail on the day the lifting of the space truss [roof] began." The investigating engineer found that the "visually apparent" bending of steel trusses "should have been a red flag" to inspecting parties of engineers, construction firms and the city government.

But if Hartford showed how not to build a coliseum, it has now reversed course and is providing a model of how a city recovers quickly and effectively from a disaster that could have sapped its civic strength and center-city economy for years to come.

The collapsed roof's wreckage has been cleared. Rebuilding plans are virtually complete; with a new (and more traditionally designed) roof the coliseum should open for business in the fall of 1979. Reconstruction financing plans, including strong assists from the state and federal governments, are almost finished. Almost forgotten now are last January's dark forebodings of economic havoc following loss of downtown Hartford's prime people-drawer. If anything, the center-city renaissance has continued and accelerated.

What made the quick recovery possible? City Manager James Daken lists several factors, including quick steps to clear the rubble and launch an investigation by an engineer of impeccable credentials. Strong support was provided by the business community, especially Hartford's influential insurance companies. From both the city administration and council came a strong dose of civic boosterism to avert a paralyzing "moaning and bemoaning" of Hartford's loss.

Daken picked up on that theme within hours of the roof's collapse, announcing: "We're going to make it bigger and better—with a different kind of roof." The rebuilt coliseum is now planned for 14,500 instead of the present 10,500 seats.

The city's only real disappointment—and it's fairly minor in the overall budget—has been the failure of the surrounding towns to contribute significantly toward a $100,000 suburban-aid fund to help Hartford through its hard time.

When any type of disaster hits a city, says Daken, it's essential for the city government, business and community leaders to move decisively and in unison. "We had a preplan for emergencies and everyone responded like clockwork." Other cities, Daken suggests, should do a simulation exercise of how they'd respond to a disaster. The planning needs to identify economic and social power points in the community, "so that if one kind of a thing or another does occur, you know who to pull together from the public and private sector to formulate a quick course of action emphasizing positives, reconstruction, a better way out of what was calamity."

But planning has its limits, Daken acknowledges. He sometimes wakes in the middle of the night wondering if any of Hartford's recovery efforts would have succeeded if 5,000 or 10,000 people had been in the coliseum the hour its roof came thundering to the ground.●

SALUTE TO DR. JOHN CHASE, VA CHIEF MEDICAL DIRECTOR

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. ROBERTS. Mr. Speaker, July 28, 1978, was the last day in office for one of the finest chief medical directors in the

history of the Veterans' Administration. Dr. John Chase and Mrs. Chase will leave the turmoil and pressures of Washington for their home State of Washington after 4 years in one of the toughest and most demanding positions in Government. He served with unremitting distinction and in all those years I never knew him to depart from the reasoned, courteous manner with which he approached every individual and every difficult problem.

Physicians take an oath of service to those in their practice. Dr. Chase's practice included more than 29 million American veterans. He seemed to weigh every proposal, no matter how complex the scientific or mathematical data involved, against one criterion: "Is it good for veterans?"

There were no easy decisions for Dr. Chase. He was responsible for managing more than 125,000 hospital beds, processing 2,250,000 applications for care from veterans, giving appropriate care to 1,287,000 inpatients and 16,410,000 outpatients. I need not tell my colleagues in the House the tremendous political pressures brought to bear on the VA's chief medical director. Every one of us receive enough letters and telephone calls from our districts about the medical needs of veterans to appreciate that problem. But through it all Dr. Chase remained cool and collected.

Sometimes in the heat of rhetoric here in the House we overlook the professional managers of our Federal service who keep their attention steadfastly on the issues, the numbers, the facts. We know the needs of our constituents, the climate of opinion back home. They know the obstinance of facts and figures—their unfortunate tendency to take shapes and sizes contrary to the clothes we tailor for them here on the Hill.

Dr. Chase was one of those rare individuals who knew how to take off a little here and add a little there until the VA medical program worked to the satisfaction of the scientists and the legislature. That is an accomplishment of no small magnitude, one that requires an individual of both intelligence and strong character.

All of us who deal with veterans and veterans affairs will greatly miss Dr. John Chase. We will miss his firm hand at the controls of the VA medical program. The veterans of America will miss him as a champion and friend. We will miss him as a kind and personable individual.●

CONTINUATION MOST-FAVORED-NATION STATUS FOR ROMANIA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. BIAGGI. Mr. Speaker, at a time when we are considering continuation of the most-favored-nation status for trade with Romania, I want to point out to my colleagues some recent experiences I have had with that country's ambassador, Nicholae Nicholae.

Over the past 2 years, large numbers of my constituents and others have approached me asking for my help to intercede on behalf of relatives of theirs in Romania, who were seeking to emigrate to the United States. I took up these individual cases with Ambassador Nicholae and his predecessor Ambassador Corneliu Bogdan. A substantial number of these cases have been resolved with exit visas granted and the individuals coming to the United States. Both ambassadors have been highly cooperative and anxious to assist in each case.

In the last few months, for example, I was notified that exit visas to come to the United States were granted to 14 individuals on whose behalf I had contacted the Romanian ambassador.

I still have a number of cases that have not been resolved, which the ambassador assures me is due to extensive bureaucratic delays. I have advised him that, while I can understand the delays of bureaucracy—we certainly have our share here, I believe it is incumbent on his government to help ease these barriers to emigration to demonstrate its commitment to the Helsinki agreements and to be able to continue trading with the United States under MFN status.

As I have indicated in the past, as long as the Romanian Government continues to resolve such cases, I will continue to support granting MFN status. I believe they have shown good faith in meeting their commitments and hope that we can see continued improvements in ther granting of exit visas. It is interesting to note that our own Immigration and Naturalization Service often takes up to a year or longer to grant visas to enter the United States.

The Congress and the executive branch should continue to work with the Romanian Government and its ambassador on emigration and other matters. If Romania continues to be willing to grant the exit visas as requested by its citizens, we should consider extending the MFN status for a period longer than 1 year. The uncertainties generated by requiring renewal every year will jeopardize a number of trading deals that would benefit not only Romania, but the United States as well. I believe this question should be examined by the committee during the next year.

As long as good faith and good will continues to exist on both sides, the governments and the peoples of both nations can gain from a strengthening of our economic and diplomatic ties. I would rather know that the only arguments we have with Romanians are over the fine points of a business contract and that we agree fully on the need to trade, talk, and permit free movement of people between our nations. It is out of such economic and diplomatic intercourse that world peace is made.●

FACING SOVIET REALITY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. SIMON. Mr. Speaker, one of the most perceptive articles on the whole Soviet situation that I have read in recent weeks was by Anthony Lewis in the New York Times, titled "Facing Soviet Reality."

It points out both the reasons why we must continue to speak out for people like Anatoly Scharansky and the reasons we must view that whole struggle in perspective.

I urge my colleagues who have not done so to read the Anthony Lewis column.

FACING SOVIET REALITY

(By Anthony Lewis)

When the Soviet Union behaves as it has in these last weeks, we are revolted. To convict a dissident of "treason" because he talked to a foreign correspondent, to send someone away for years because he wanted to emigrate and hung a banner out his window—these are the acts of men who are in the deepest sense uncivilized.

Along with the feeling of revulsion there is frustration. We want to do something about the Soviet repression, but what will actually have an effect? The answer is far from clear. But the recent trials should remind us of some basics in approaching the Soviet system.

1. It is an essentially lawless system, whose rulers evidently so doubt their own legitimacy that they fear the slightest dissent.

A particular fallacy, in dealing with the Soviets, is to analogize their society to ours. Andrew Young, in his blundering remark about political prisoners, was trying to offer hope that Soviet dissidents would succeed as American civil rights workers did. "Constant evolution is the rule everywhere," he said. But the analogy is false; the U.S.S.R. is not subject to our dynamic social process.

2. The Russians are highly resistant to open external pressure for change.

Americans who thought the U.S.S.R. would ease Jewish emigration in return for American trade concessions, including me, know that the Jackson-Vanik Amendment did not work. Similarly, those of us who agreed with President Carter's pressure for human rights in the Soviet Union may worry now that Anatoly Scharansky and others have paid a penalty.

3. Nevertheless, the Soviet system has changed.

Mr. Scharansky was convicted on what by Western legal standards was no evidence, in a charade of a trial. But in Stalin's day he would have had no trial; he would just have been shot or sent to a labor camp. The repression today is much more selective. We surmise that there are forces inside the Soviet ruling class favoring internal relaxation, but that they are overridden from time to time by tougher police elements. Now, with a leadership transition looming, is one of those times.

From all this, it seems to me to follow that the West has to take the long view. There are no quick ways to bring about a more humane Soviet society. And if we let immediate outrage determine our policy, we may damage the long-term possibility of affecting Soviet behavior.

For example, it has been suggested that the United States, in retaliation for the Scharansky affair, pull out of the 1980 Olympics in Moscow. It is an appealing idea, advanced by good people—Mrs. Scharansky among others. But if thousands of foreign visitors come for the Olympics, may they not be a modest force for opening up Soviet society?

Again, when the Russians use crude tactics against American correspondents, as they are now doing, U.S. retaliation against Soviet correspondents may be a necessary or unavoidable course. But if the process ends with fewer reporters in each other's coun-

tries; would that serve America's interest or the Soviet hard-liners?

We have to be on guard against actions that satisfy an emotional desire to look "tough" but that may actually hurt American interests. For instance, the United States has strong reasons, political and economic, to limit nuclear arms. If a good SALT agreement is attainable, it would make no sense to say that we are going to wait for it until the Soviet Union becomes a democratic state.

The silliest idea, in my view, would be for the United States to declare the Helsinki agreement of 1975 void because the Soviets have failed to comply with its provisions for freer movement of ideas and persons. Helsinki turns what would otherwise be Western views into international obligations, and we ought to go on demanding that the U.S.S.R. fulfill them. As The Economist of London put it last week, "There is no reason to let the Russians off . . . the Helsinki hook."

The imperative for the West is to stay true to its ideas. That sounds like an empty tactic in a world of power, but in fact it is not. By simply making clear that we oppose Soviet repression, we sound a chord sympathetic to much of mankind. Even the French Communist Party called on the Soviets recently to end "all prosecutions and repressions." Humane values do have power.

If President Carter does little more than make plain his scorn for the corruption of law and truth in the Soviet trials, he will have done a good deal. But the duty is not on the Government alone but on any private citizen or institution that deals with the Soviet Union. When an American company stands still for the abuse of its representative in Moscow—as International Harvester seems to have done just now—the damage is general.

Human beings matter: That is our belief, and we must stake our all upon it. So we must remember Anatoly Scharansky and Yuri Orlov and Aleksandr Ginzburg, the other human-rights campaigners just jailed; and Vladimir Slepak and Ida Nudel, Jews who wanted to emigrate. We can hope to move the Soviet Union only by degrees, but we must never accept tyranny.●

ENERGY ECONOMICS ISSUE

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. RISENHOOVER. Mr. Speaker, the respected Oil Daily has released an Energy Economics Issue which deserves careful review by my colleagues and the Nation.

Three headlines tell much of the story: "Regulations is the Major Cloud on Oil's Capital Horizon." "Gas Industry Capital Spending Must Rise Fourfold." "Producers, Not Planners, Are Key to Adequate Future Energy Supply."

Frank Ikard, president of the American Petroleum Institute, reports $25 billion must be spent annually for a decade to "find and develop new energy" for America. He says the major cloud over investor confidence is Government regulation. He cites the "languid pace" of lease sales on the Outer Continental Shelf and oil and gas price controls as driving prices up and investment down.

To this, I add that our own Joint Economic Committee issued a study in April showing the cost of Government regulations at $102.7 billion annually—with the 41 regulatory agencies' budget at $4.8 billion. Bureaucratic redtape—strangling all businesses including energy producers—runs up the rest of the bill. That includes $10 billion yearly to investors.

George H. Lawrence of the American Gas Association, who estimates U.S. natural gas consumption will increase from 20 trillion cubic feet annually to 35 trillion cubic feet a year by the year 2000, estimates that four times the current capital investment level will be needed to supply that gas.

In other words, it will cost four times as much capital to get less than twice as much gas.

Jack M. Allen, president of the Independent Petroleum Association of America, says flatly—and I agree:

Until people become convinced that energy is best provided by producers, and not by planners, the "energy crisis" will remain.●

THE CASE FOR INDEXING CAPITAL GAINS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. ARCHER. Mr. Speaker, late last Thursday evening the Committee on Ways and Means ordered favorably reported H.R. 13511, the Revenue Act of 1978. As reported the bill contains an amendment which would eliminate purely inflationary increases for the purposes of taxing gains.

Recent studies indicate that under current rates of inflation, our present tax laws will impose confiscatory tax burdens on capital and investment income. This is not simply an assertion. It is fact.

A recent study by Dr. Martin Feldstein, president of the National Bureau of Economic Research as well as a leading professor of economics at Harvard University, concludes that in 1973 individual capital gains taxes were $1.1 billion on nominal capital gains of $4.6 billion. When gains are adjusted for increases in the consumer price level the tax liability on the real gain would drop to $661 million. Stated more specifically, inflation—absent any legislative action or policy debate—increased tax liability would be nearly one-half of $1 billion in that year alone.

For the benefit of the Members I am inserting in the RECORD an article by Dr. Feldstein which appeared in the Wall Street Journal on July 27.

[From the Wall Street Journal, July 27, 1978]

INFLATION AND CAPITAL FORMATION

(By Martin Feldstein)

During the past decade, effective tax rates have increased dramatically on capital gains, on interest income and on the direct returns to investment in plant and equipment. Investors in stocks and bonds now pay tax rates of nearly 100 percent—and in many cases more than 100 percent—on their real returns.

This change has taken place without public debate and without legislative action, though Tuesday's vote by the House Ways and Means Committee to "index" capital gains may finally have placed the matter on the political agenda. Our tax system was designed for an economy with little or no inflation. But if current rates of inflation persist, the existing tax laws will continue to impose effective tax rates of more than 100 percent on investment incomes. To make matters even worse, the current tax laws imply that future tax rates will depend haphazardly on future rates of inflation and therefore cannot be predicted at the time that investment decisions are being made.

These extremely high tax rates and the uncertainty about future tax rates are a cloud that hangs over both the stock market and business investment decisions. Several recent studies at the National Bureau of Economic Research that quantify the effect of inflation on the taxation of investment income and therefore on the incentive to investment show these dramatic effects.

A SUBSTANTIAL INCREASE

Inflation is particularly harsh on the taxation of capital gains. Under current law, when corporate stock or any other asset is sold, a capital gains tax must be paid on the entire difference between the selling price and the original cost even though much of the nominal gain only offsets a general rise in the prices of consumer goods and services. Taxing nominal gains in this way very substantially increases the effective tax rate on real price-adjusted gains. Indeed, many individuals pay a substantial capital gains tax even though, when adjustment is made for the change in the price level, they actually receive less from their sale than they had originally paid.

In a recent study at the National Bureau of Economic Research, Joel Slemrod and I measured the total excess taxation of corporate stock capital gains caused by inflation and the extent to which this distortion differs capriciously among individuals. We found that in 1973 individuals paid capital gains tax on $4.6 billion of nominal capital gains on corporate stock. When the costs of these shares are adjusted for the increase in the consumer price level since they were purchased, this gain becomes a loss of nearly $1 billion.

The $4.6 billion of nominal capital gains resulted in a tax liability of $1.1 billion. The tax liability on the real capital gains would have been only $661 million. Inflation thus raised tax liabilities by nearly $500 million, approximately doubling the overall effective tax rate on corporate stock capital gains.

Although adjusting for the price change reduces the gain at every income level, the effect of the price level correction is far from uniform. In particular, the mismeasurement of capital gains is most severe for taxpayers with incomes under $100,000.

In the highest income class, there is little difference between nominal and real capital gains; in contrast, taxpayers with incomes below $100,000 suffered real capital losses even though they were taxed on positive nominal gains. In each income class up to $50,000, recognizing real capital gains makes the tax liability negative. At higher income levels, tax liabilities are reduced but remain positive on average; the extent of the current excess tax decreases with income.

Inflation not only raises the effective tax rate, but also makes the taxation of capital gains arbitrary and capricious. Individuals who face the same statutory rates have their real capital gains taxed at very different rates because of differences in holding periods. For example, among taxpayers with adjusted gross incomes of $20,000 to $50,000, we found that only half of the tax liability on capital gains was incurred by taxpayers whose liabilities on real gains would have been between 80 percent and 100 percent of their actual liabilities. The remaining half of tax liabilities were incurred by individuals whose liabilities on real gains would have been less than 80 percent of their actual statutory liabilities.

In short, our study showed that inflation has substantially increased—roughly doubled—the overall effective tax rate on corporate stock capital gains. Although this estimate relates to 1973 (because that is the only year for which data of this type are available), the continuing high rate of inflation means that the tax distortion for more recent years is likely to be even greater.

The second major problem that inflation causes in our tax system is in the treatment of depreciation. Under current law, the amount of depreciation that is allowed on any asset depends on its original cost. When inflation raises the price level, the real value of these depreciation allowances is reduced. This reduction in the real value of depreciation that is caused by the historic cost method of depreciation is equivalent to a substantial increase in the rate of tax on corporate and other investment income.

In 1977, the historic cost method of tax depreciation caused corporate depreciation to be understated by more than $30 billion. This understatement increased corporate tax liabilities by $15 billion, a 25 percent increase in corporate taxes. This extra inflation tax reduced net profits by 28 percent of the total 1977 net profits of $53 billion. This is the single most important adverse effect of inflation on capital formation.

This brings me to the final tax problem caused by inflation, the failure to distinguish between nominal interest and real interest. This problem is fundamentally different from the problems involved in capital gains taxation and in depreciation. The nature of this difference is still not widely appreciated. The difference is extremely important, however, because it implies that changing the tax treatment of interest is less urgent than the other changes. Let me explain why.

It is clear that taxing *nominal* interest income imposes an unfair burden on bond owners and other lenders. But allowing a deduction for nominal interest expenses also provides an unfair benefit to corporations and other borrowers. When markets have had a chance to respond fully to the higher rate of inflation, interest rates will adjust to reduce the unfair burden on lenders and to reduce the unfair advantage of borrowers.

If all borrowers and lenders had the same marginal tax rate, the market adjustment of interest rates could eliminate all inequities, leaving borrowers and lenders with the same real after-tax rates of interest that they would face in the absence of inflation.

Let me emphasize, however, that this rough, long-run justice would only be achieved if the current method of depreciation is replaced by price-indexed or current cost depreciation. If we stay with our current system of depreciation, interest rates will fail to adust fully and bondholders will suffer a substantial permanent fall in their real after-tax returns.

In a recent NBER study Lawrence Summers and I showed that, roughly speaking, with our current system of depreciation and taxation, each 1 percent rise in the expected rate of inflation will induce a 1 percent rise in the market rate of interest. The real rate of interest will remain unchanged, but the real *after-tax* rate of interest will fall sharply. This is, in effect, the mechanism by which firms transfer some of the adverse effect of historic cost depreciation to bondholders.

The magnitude of this effect is large enough to imply effective tax rates of more than 100 percent on interest income. Consider what has happened since the early 1960s. The inflation rate was then only 1 percent, and the 5 percent nominal yield of Baa bonds provided a real yield of 4 percent. An investor with a 40 percent marginal rate obtained an after-tax yield of 3 percent, and a *real* after-tax yield of 2 percent. By comparison, during the past three years a Baa bond yielded 10 percent, but consumer prices rose 6 percent. An investor with a 40 percent marginal rate obtained a 6 percent after-tax yield but a *real* after-tax yield of zero. In short the effective rate of tax on real income was 100 percent.

IMPERFECT BUT . . .

The meaning of this calculation is clear. If historic cost depreciation is continued, taxpaying bondholders will receive little or no after-tax income. This can be remedied by allowing bondholders and other lenders to include only *real* interest receipts in their taxable income. But this should be seen as only an imperfect way of dealing with the more basic problem of depreciation. Moreover, it is important to limit this change in the treatment of interest to bondholders; reducing the deduction taken by corporations to their real interest payments without adjusting depreciation rules would only transfer the full burden of mis-measuring depreciation to equity investors.

Replacing the current method of depreciation is, therefore, the key problem. If this is done, adjusting the taxation of interest income is of secondary importance. The specific method of depreciation that is adopted—replacement cost depreciation, general price indexing or immediate expensing of investment—is a much less important issue than the general principle that the value of depreciation must be insulated from the effects of inflation.●

REMEMBER THE ARMENIANS IN THE KARABAKH REGION

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. BENJAMIN. Mr. Speaker, recently, the Members of this body observed Captive Nations Week and many eloquent statements were made concerning the oppression of freedom loving peoples who are denied that most elementary human rights.

I add my voice to theirs by making particular reference to the situation in Soviet Armenia. More specifically, I wish to speak on behalf of the Armenians living in the Karabakh region.

Karabakh is a mountainous region of 150,000 people that is under the jurisdiction of the Soviet Republic of Azerbaijan. Eighty percent of the population is Armenian.

Today, the people in Karabakh suffer because they are Armenian. As reported by Raymond H. Anderson in the New York Times of December 11, 1977, the Armenians in Karabakh are "victims of cultural oppression, economic discrimination and other ethnic disadvantages."

Human rights have always been a concern of the American people and President Carter give public recognition to that concern on January 27 of this year when he said, "I do not intend to back down, ever. As long as I am in the White House, human rights will be a major consideration."

I support the President in his commitment and I especially ask that the Members of this House remember those who suffered in Soviet Armenia and the Karabakh region when they are called upon to decide issues which bear on their plight.●

SOCIAL SECURITY: HOW SECURE IS IT?

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. BAUCUS. Mr. Speaker, I rise today to express my concern with the lax security controls within the Social Security Administration.

On July 7, 1977, the Washington Post printed an alarming article stating "a social security computer system containing personal information on millions of Americans is open to fraud and unauthorized disclosure of confidential data." Conceivably a person with the proper technical know-how can gain access to personal records containing such vital statistics as family income and assets, medicaid and retirement benefits, and marital status for over 170 million people.

Recognizing the seriousness of the situation, Representatives JOHN MOSS (D-Calif.) and CHARLES ROSE (D-N.C.) called for an investigation of the massive computer network linking more than 1,300 Social Security Administration offices. The results of the study by the General Accounting Office (HRD–78–116) were not encouraging.

The GAO found four major design and management weaknesses within the SSA's security system. They were as follows:

Employees can create as well as query a beneficiary file from most of the 3,000 terminals in a variety of Federal, State, and private offices.

There is a failure to use the computer's "audit trail system" which requires users to identify themselves when gaining access to or creating new files.

The system used to lock the computer by shutting down the system during nonworking hours is ineffective and seldomly used.

Employees have unlimited and unrestricted access to terminals. Computer communication terminals are situated so that they are not restricted to selected, designated individuals.

The problems, however, still extend to three other areas. First, the Social Security Administration's responsiveness to recommendations can be considered, at best, ex post facto. Generally, changes are made after security problems have occurred, rather than following recommendations for preventative action. The New York Times reported that the "lack of locks and personnel controls appeared to contradict assurances given Congress more than 6 months ago by the Social Security Administration."

Moreover, these problems are not unique to the central social security network. The Social Security Administration routinely disperses information to other Federal agencies, the States, and private insurance companies for use in administering medicare and other welfare programs. As of now, no attempt has been made to determine whether adequate security is provided for beneficiary information in these areas.

Lastly, the SSA is now requesting per-

mission from the General Services Administration to reactivate their monitoring capability over calls at their teleservice centers. Their reason, officials said, is to supervise how employees handle citizens seeking information. Callers, however, would not be aware of the use of listening devices during conversations in which confidential information is frequently exchanged. The monitoring could result in both an unwarranted invasion of privacy and an added security problem.

The pressing need created by these looming problems have led me to join with three of my colleagues to call for three new investigations of the Social Security Administration. The new studies will concentrate on:

(1) Seeing that the Social Security Administration has taken action as recommended by Congress.

(2) Investigating security facilities within the Federal agencies, States, and insurance companies for the protection of confidential beneficiary information.

(3) Discovering the effects and legal basis for monitoring calls within the SSA's teleservice centers.

I emphasize, Mr. Speaker, that our investigation is more than mere theoretical speculation. The GAO study of June 5, 1978, reveals several security abuses responsible for fraudulent use of millions of dollars and illegal impositions on individual citizens' rights. An example of abuse, as cited by GAO, is a private company which "built a flourishing business by gaining unauthorized access to Federal medical records and selling the information to many of the Nation's largest insurance companies."

In another case, two Social Security Administration field office employees created 14 beneficiary accounts which they proceeded to process for payment. They managed to collect over $55,000 before their actions were discovered.

In this age of advanced computerized technology, we continually place our trust in complex systems which we do not fully understand. Modern technology, however, is not foolproof, and we must protect ourselves against faulty systems before the privacy of American citizens is abused.

Following is one of three letters sent to Elmer Staats, Comptroller General of the United States, calling for a follow-up investigation to the GAO study of June 5, 1978.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 18, 1978.

Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. COMPTROLLER GENERAL: This is the second of several letters meant to serve as follow ups to the highly revealing GAO report of June 5, 1978, on status of information security at the Social Security Administration. Questions that follow deal with elements of the June 5 report that are separate from private insurance companies and how they deal with SSA information. We are especially concerned with the following questions, and seek to have them treated separately from those asked in the companion letter.

(1) Under the routine use provision, what data on individuals is being given by SSA to other Federal agencies, what use is made of it, is this legally justifiable, and do individuals whose data is being exchanged both know of and consent to such exchanges?

(2) How is this data treated in terms of security and privacy?

(3) Under the routine use provision, what data on individuals is being given by SSA to individual states and local governments?

(4) How is this data treated in terms of security and privacy?

(5) What outside consultants or contractors have been hired or are about to be hired by SSA to deal with data security problems? Specify names of companies and individuals, amounts of money involved, and whether such contracts are let competitively.

(6) What access to SSA data on individuals will these people have, and what provisions are being made to safeguard that information?

(7) At SSA's central complex, ADP maintenance contractors maintain offices and ADP terminals accessing SSA's data banks. Specifically, what access do such people have to SSA's data banks and master beneficiary files and what security measures exist on SSA's part to prevent abuse of such unique access? What abuses, if any, have occurred?

(8) Have any abuses occurred involving use of dial-up units and their operators, or people with access to them? Please be specific, and include how SSA presently prevents programmers on these units from using phone numbers to gain access to SSA data that is outside his or her particular data bank.

(9) Is data from active files used by SSA to work up statistics within the agency? Specify when such activities commenced, how many files are involved, what data is used and how is it protected.

(10) Is data from active files used by outside contractors on SSA's behalf to work up statistics or for any other purposes? Please specify, and describe what kind of live beneficiary records are utilized? Also, how is the data safeguarded in such situations?

(11) Has SSA finished a proposal or RFP or has a contract been let or started to carry on the work of the Office of Advanced Systems?

We feel this series of questions addresses various issues of data distribution and security critical to the future of the Social Security system, because so many millions of Americans are intimately touched by actions obviously requiring more careful monitoring and oversight. It is our hope that our requests will receive some priority, and that Mssrs. Zimmerman and Councilman will be assigned significant roles in the performance of all the work. Thank you.

Sincerely,

JOHN E. MOSS,
Member of Congress,
CHARLES ROSE,
Member of Congress,
ROBERT F. DRINAN,
Member of Congress,
MAX BAUCUS,
Member of Congress.●

RELIGIOUS LEADERS BACK FOREIGN AID LEGISLATION

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. McHUGH. Mr. Speaker, the foreign assistance appropriations bill is scheduled to come before the House for consideration tomorrow. As every Member is aware by now, numerous amendments will be offered to reduce funding and to restrict how our assistance may be used in a variety of ways.

I am opposed to these amendments, Mr. Speaker, and I have been encouraged by the fact that so many thoughtful and responsible individuals have indicated their opposition to them as well. For example, the leaders of 26 major religious organizations issued a statement yesterday calling upon Members of the House to support the development aid provisions, both bilateral and multilateral, of the bill.

For the benefit of those Members who may not have seen this statement, I am including a copy of it in the RECORD at this time:

STATEMENT OF PROTESTANT, CATHOLIC, JEWISH, AND ORTHODOX LEADERS ON FOREIGN ASSISTANCE LEGISLATION (H.R. 12931)

As representatives of the major religious communities in the United States, we have come today to meet with President Carter and members of the Administration to offer our support for the development aid provisions of the Foreign Assistance legislation which will be voted on by the House of Representatives tomorrow. It is the essence of the biblical faith which we share that the religious community stands with those who are the poorest and most vulnerable members of society. As the prophets spoke in behalf of the orphans and the widows, so must we address ourselves to the needs of those throughout the globe who live in conditions of absolute poverty, deprived of basic nutrition, without adequate shelter, education, health care or employment. We have both pressing needs and poor people here in our own society, but the added burden of the global poor is that they have even less voice and visibility in our midst. Our purpose today is to call attention to the urgency of their needs and to reassert the moral responsibility we have as members of the international community to do our part on their behalf.

The Foreign Assistance legislation now before the Congress has already been stringently reduced. Efforts will be made in the House to reduce it even more drastically. We urge members of the House to resist such cuts in U.S. foreign development assistance. We especially call attention to the U.S. role in supporting multilateral programs such as the International Development Association; this program is aimed at the absolutely poorest people in the world. It deserves both more support and a better hearing than it has received in this Congressional debate.

None of the foreign assistance programs are perfect; the real question is whether with all their shortcomings they still are worthy of support. We believe they are. Speaking from a faith perspective, we affirm that in spite of divisions of sovereignty, geography and culture, we exist in the world as a single human family. The poorest members of that family lay a moral claim upon our conscience. We cannot wait for a perfect program before we address that claim on our conscience. The existing international development efforts—both bilateral and multilaeral—have improved significantly in recent years. They merit our support, as well as our efforts to reform them.

Finally, we are not ready to believe, even in th face of domestic problems of inflation, unemployment and debate over taxes, that the American public will refuse to contribute to the needs of the very poorest in the human family. We are, therefore, even less inclined to believe that they will retaliate against their elected representatives who vote for these programs. Indeed, the basic problem is that the case for the global poor has not been adequately put to the public so that a careful decision can be made. As

religious leaders we accept our share of responsibility for not making the case strongly enough. Even at this late date, however, we urge our Congressional representatives to support the Foreign Assistance legislation before them; we pledge in turn to advocate the wisdom of such a choice with our constituencies.

Dr. Jimmy Allen, President, Southern Baptist Convention.

Most Reverend Edwin Broderick, Executive Director, Catholic Relief Services.

Rabbi Bernard Rosensweig, President, Rabbinical Council of America.

Archbishop Iakovos, Greek Orthodox Archdiocese of North and South America.

Tartt Bell, Director, Washington Public Affairs Program, American Friends Service Committee.

Dr. Keith Bridston, U.S. Conference for the World Council of Churches.

Dr. James Cogswell, Director, Task Force on World Hunger, Presbyterian Church, U.S.

Dr. George Chauncey, Chairperson, Interreligious Task Force, Director of Washington office, Presbyterian Church of the U.S.

Gernard Confer, Executive Director, Lutheran World Relief.

Lamar Gibble, Chairman, International Affairs at NCC, Church of Brethren.

Dr. J. Harry Haines, General Secretary, United Methodist Committee on Overseas Relief.

Reverend J. Bryan Hehir, Associate Secretary for Office of International Justice and Peace.

Most Reverend Thomas Kelly, General Secretary of United States, Catholic Conference.

Rabbi Benjamin Kreitman, Executive Vice President, United Synagogue of America.

William D. Ladd, Personal Representative of President Spencer Kimball, Church of Jesus Christ of Latter Day Saints (Mormons).

Dr. Robert Marshall, President, Lutheran Church of America.

Bishop D. Ward Nichols, AME.

Rabbi Eli Pikchik, President, Central Conference of American Rabbis.

Rabbi Stanley Rabinowits, Rabbinical Assembly.

Bishop Herbert Bell Shaw, AME–ZION.

Rabbi Henry Siegman, Executive Vice President, Synagogue Council of America.

Ronald Stenning, National Director, CROP (Church World Services).

Dr. Eugene Stockwell, Associate General Secretary, National Council of Churches Director, Division of Overseas Ministries.

Rabbi Mark Tannenbaum, American Jewish Committee.

Dr. Robert A. Thomas, Chairman of the Board, National Council of Churches, Division of Overseas Ministries, Christian Disciples of Christ.

Dr. Foy Valentine, Executive Secretary, Christian Life Commission of the Southern Baptist Convention.●

UNDERLYING CURRENTS OF PROPOSITION 13

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. BROWN of California. Mr. Speaker, I have read a great deal recently concerning the meaning of the overwhelming approval of Proposition 13 in California. Most writers tend to agree that something is wrong with our Government and that the people want the problems solved. There is a large amount of confusion, though, concerning the exact nature of the problems and what should be done about them. In the simplest sense it is vital for my colleagues and I in Congress to correctly perceive what changes are necessary, or the voting public will correctly decide that replacing us is the necessary first step. In the broader sense it is our duty as their representatives to respond. I have given the matter considerable thought and will present some of my ideas and suggestions here over the course of the next few weeks. I have hopes that one of the outcomes of Proposition 13 will be a spur toward the effective progressive reform of our American Government by reducing the size of Government and bringing it closer to the people it serves.

I would first like to discuss the problem of big government and business. Many of the major complaints of people today are centered on the existence of large bureaucracies. One of the negative results of increased bureaucracy has been the depersonalization of our society. People have less personal interaction with their fellow humans, thus becoming more isolated and alone. The examples of this phenomena in both government and business are endless. People once shopped in small "mom and pop" stores where the owners and customers were good friends, perhaps even neighbors. Consumers now shop instead at supermarkets, department stores, and restaurant chains, where they encounter nameless, ever-changing clerks and cashiers. Small friendly businesses have been swallowed up by giant bureaucratic corporations. Small businesses tended to care about their customers more because they knew their customers better. If something was wrong with a product, people could complain personally to the store owner who, fearful of losing a valuable customer and good friend, would act promptly to remedy the problem. One customer could make a difference to big business, especially if he told his complaint to other shoppers. One person seldom makes a difference to big business, though, and it can effectively ignore individual complaints. Forcing people to take their complaints to uncaring strangers in a complaint department rarely accomplishes anything other than increased alienation. Customers feel they have no control over the quality of the products they buy or the services they receive.

The same is true of modern big government. Members of the House of Representatives are now elected from districts larger in population than that of entire States at the time when our Constitution was originally drafted. We in representative government cannot possibly have the degree of personal interaction with the public that was originally thought necessary for our democracy. One person can do little to gain the personal attention of his or her elected officials. Complaints are often answered with form letters and it is often only because of some random kindness of a public official that anything is ever done about an individual problem. We in Congress have frequently heard from people like a poor woman who asked me for help after the Social Security Administration which had accidently overpaid her during a period of time, decided arbitrarily to cutoff her payments completely until the overpayment was made up. I sincerely doubt that the problem was caused by some deviant social security worker. Rather, the problem resulted because no one noticed that the woman was a living and breathing person who could not easily survive an unexpected cutoff of her social security checks. The depersonalization associated with bureaucracy often leads to results like this.

On the other side of the matter, bureaucracies increasingly alienate their own employees from the goals of their jobs. It follows that just as people no longer know those with whom they interact in business and government, then those workers in business and government no longer know their public. Companies now resort to consumer polls to determine what the people want. They often use advertising to try and stimulate artificial consumer needs. Business must resort to statistical views of their customers because they do not really know them as individuals. Likewise, business does not really know its workers. There was a time when most people were personally acquainted with their employers. Labor disputes could sometimes be reasonably settled in a short period of time as the owners and workers discussed the matter. Now it generally takes the intervention of a union to solve a labor dispute, and the union itself may not always have a mechanism to become involved in an individual's problem. One person in a small business generally has a large and diversified responsibility.

Workers in large enterprises tend to have rather specialized jobs, though, and are often less able to see the usefulness of their work. People more and more think of themselves as just part of a machine with little individual importance. Work that once involved a great deal of skill and creativity has now become simply routine and even boring in nature. I, for example, find nothing inherently exciting about spending much of my time signing my name to letters and documents in the congressional office, yet I realize that most people have work much less stimulating than this. The gap between work and leisure has greatly increased. Work is too often something to be done purely to earn money instead of bringing any inner feelings of joy or accomplishment. Employers may not seek ways to increase worker satisfaction because they do not see their workers as individual creative people. It is not surprising that fairness may seem to be lacking when there is no personal contact between those making decisions and those affected by them. The problem goes well beyond employer-employee relationships and product quality. It extends to environmental issues, energy policies, national defense questions and more. Decisions increasingly benefit organized special interests rather than the public good. The decision-makers, however, often find themselves enmeshed in the same situation, facing unrewarding mountains of bureaucratic detail in their attempts to administer their large staffs and programs.

One result of all this has been the increase of citizen apathy. People tend to

neglect areas in which they see little chance for a personal role. Bureaucracies inevitably deal with people impersonally and so promote this apathy. People look for something to fight or support but see only mindless, uncontrollable organizations. The result is simply a withdrawal from personal efforts to improve communities or society as a whole.

Politicians have little direct say about this phenomenon in the private sector of our economy. Proposition 13, though, was widely supported by the public as a chance to strike out against depersonalization and bureaucracy in big government. It was, in this sense, a vote against the system that perpetuates alienation in our society, and we politicians must analyze the choices we make in representing our constituencies with this reality in mind. I don't think it was simply a vote against "government", or for the neglect of schools, parks, and other public services. Instead it was a vote against a bureaucratic structure of government organization. It is a challenge for all of us to change that structure and yet preserve the important values we have always attached to public education, community recreation, care for the sick and elderly, and all of the other elements we associate with a just and compassionate society.●

CHARLIE FLETCHER UNDERSTANDS

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. HEFTEL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following: Only a few of our number have been in the House long enough to remember Charlie Fletcher, a former Member of Congress who represented a California district immediately after World War II.

I am proud to note that Charlie has been a resident of Honolulu for a number of years and has made a profound and lasting impression upon Hawaii as one of the most capable and successful businessmen in our State.

A recent article in the Honolulu Advertiser recounted Charlie's remarkable career, and I am pleased to bring that profile to the attention of my colleagues.

CHARLIE FLETCHER UNDERSTANDS

(By Ron Ronck)

It is only a few steps from Charlie Fletcher's desk to a small telescope that he uses to watch the planes taking off at Honolulu International Airport.

"Take a look," he says as he waves a hand across the horizon. "Isn't this a fantastic view?"

Indeed it is.

Charlie's view originates on the 19th floor of Pioneer Plaza, downtown at 900 Fort Street Mall. It couldn't be much better.

Opened last December on his 75th birthday, the 22-story building is a monument to the leadership he has shown as Chairman of the Board and Chief Executive Officer of Pioneer Federal Savings and Loan.

The name of Fletcher is well-known in San Diego.

Charlie's father, Colonel Ed Fletcher, was an early land developer in California and his mother, Mary, was prominent in local society. They moved to San Diego from Massachusetts in the late 1880s.

Charles K. Fletcher is one of 10 children, each of whom became directors of the Ed Fletcher Company and continue the family's interest in real estate.

He attended San Diego public schools and was graduated from Stanford University in 1924 with a degree in political science.

"After Stanford," Charlie explained, "I spent a year at Oxford and another year traveling around Europe and the Middle East.

"On my way home I came through Asia and stopped in Honolulu. The first time I saw the islands I knew this is where I eventually wanted to live."

In 1926, Charlie married Jeannette Toberman, daughter of another California land developer. They spent their honeymoon in Tahiti, stopping again at Honolulu on their return.

"For some reason, though, we decided not to stay in Hawaii but to live in Los Angeles.

"I worked four years selling stocks and bonds and another four years at what is now the Security Pacific Bank. This is when I got interested in the savings and loan business."

On one of his vacations, Charlie drove down to San Diego and started the Home Federal Savings and Loan Association with $9,500. That was in 1934. Today this same business is worth over $3 billion.

"When the war came along I went into the Navy. I'd missed World War I so I was ready. I felt that I ought to do something.

"So at the age of 40 I was assigned to the staff of the Chief of Naval Operations in Washington, D.C."

It was in the nation's capital that Charlie's interest in politics was reawakened and he ran twice for Congress as a Republican.

On his second try, in 1946, he was elected, defeating an incumbent Democrat who had held office for 20 years.

Because President Truman called a special session of Congress during election season. Charlie decided not to fly back to California to campaign.

He feared that the voters would backlash him for leaving Washington while important legislation was being discussed.

"For whatever reasons, I was defeated and the Democrats got back it. We could win a seat but not hold it.

"Actually, my election defeat was the best thing that ever happened to me.

"If I hadn't lost I would never have gone back to my Home Federal Savings and Loan Association. My son, Kim, is now running the business which is the third largest of its kind in the country."

In 1960, Charlie was enjoying a convention in Honolulu when he was approached during a break by George Hamilton, head of Pioneer Federal Savings and Loan. He was 58 at the time and Hamilton was in his seventies.

"When he learned my name was Fletcher, he asked if I was from San Diego. I said I was and told him who my parents were. By coincidence he knew them very well.

"Later he took me downtown to see the Pioneer office which was then on the corner of Merchant and Fort.

"It was a dinky hole-in-the-wall and I'd never seen anything so archaic in my life. It looked as if they were literally pushing things under the rug.

"He told me that Pioneer was the oldest savings and loan in the state, having been chartered by King Kalakaua in 1890. I asked if he was the oldest how come he was also the smallest.

"He told me he wasn't sure since he had just taken over the chairmanship six months before. The board of directors had brought him out from California because he was a professional fund raiser."

The following day, Hamilton approached Charlie again and asked if he'd be interested in running Pioneer Federal Savings and Loan in Honolulu as well as his Home Federal in San Diego.

"I refused at first but Hamilton insisted. He said that he was going around the world on a four-month honeymoon and that he'd offer me an interesting opportunity.

"I'd take over his job for the first month, my San Diego president for the second month, my son for the third month and I'd come back again for the fourth month."

Pioneer gave Charlie complete control of the company and a hefty advertising budget.

With Hamilton winging around the world with his bride, Charles K. Fletcher went to work.

By the end of the four month period, he had doubled the association's worth. Pioneer's $4 million business was up to $8 million.

"Hamilton couldn't believe what had happened and said that Pioneer couldn't afford to let me go. So I agreed to fly over from the mainland every other month.

"Soon we were up to $16 million and Hamilton retired. Eventually a new board of directors got in and the company started to take off."

Charlie retired at the age of 65 from Home Federal and is now Chairman Emeritus. His son, Kim, is president of the association.

There is no mandatory retirement age at Pioneer Federal but Charlie says that current president, Don Imig, will become Chief Executive Officer at the end of the year according to current plans.

"From the little savings and loan chartered in 1890," he said, "we are now worth $240 million. In a few more years we will be at the half-billion level.

"The way things are going I expect that we will eventually be the biggest association in the state. Now that our Pioneer Plaza is built I think we're just about to catch that pass and run for the touchdown."

Charlie's secret: "People, that's it. Good people. If you can entice the right people to work for you then you've got it made.

"During my college days at Stanford it was an unwritten rule that you spoke to everyone that walked by. That's still my rule.

"This company is run on understanding and good fellowship. People helping people. That's why Pioneer Federal Savings and Loan has been a success."

Indeed it is.●

A FOUR-POINT PROGRAM TO CUT TAXES, BALANCE THE BUDGET

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. KASTEN. Mr. Speaker, the success of California's Proposition 13 has finally forced Congress to open its eyes to the rampant dissatisfaction with the tax burden imposed by Federal and State governments. Blue-collar workers, small businesses, and families are all united in this tax revolt.

The clearest fact about the 1978 tax debate is that the people are way ahead of the politicians. Now it is time for the politicians to catch up. It is time for us to join in by taking action here in Washington. It is time to cut taxes and put a stop to uncontrolled Government spending. And it is time for the people to get their money's worth again.

The frightening rise in the cost of living, the decline of our currency abroad

and the general erosion of our economic health rank as preeminent concerns of the American people. Results of my annual legislative questionnaire to the citizens of my congressional district show that for the second consecutive year, inflation is the most pressing issue facing our Nation, with "Government Spending," "High Taxes," and "Too Much Government" ranking close behind.

We have no choice but to formulate an effective Federal program that will relieve the tax burden imposed on the American people. Major proposals are now before Congress and deserve our serious consideration.

I advocate a four-phase attack incorporating: First, a substantial reduction in Federal income tax rates; second, a return to the pre-1969 level of capital gains taxation; third, indexing of the current tax system; and fourth, a concerted effort to abolish the Nation's budget deficit.

MAJOR TAX CUTS NEEDED

President Carter has proposed a $15 billion tax cut for the American people. In spite of administration rhetoric, this will offer little relief. Indeed, the Carter proposal will add nearly $100 to the tax burden of the average household next year, because it ignores the impact of inflation and newly enacted social security tax increases.

The Carter program is merely a placebo—a sweet taste without much substance or effect. In contrast, Senator WILLIAM ROTH, of Delaware, and Congressman JACK KEMP, of New York, have devised a plan that is truly a tax relief measure. The Kemp-Roth bill, of which I am a cosponsor, can and will save individuals and businesses billions of dollars over the next few years. This bill proposes to cut tax rates by an average of 30 percent over the next 3 years.

The Kemp-Roth bill is more equitable than aggregate tax cut proposals espoused by the administration, which promise a set tax rebate for all income levels. The Kemp-Roth bill would provide the largest percentage of tax relief to those with the lowest income. For example, a family of four with an income of $10,000 could expect a 51-percent cut in its tax bill by the time the reductions were fully phased in.

This important tax measure would provide major relief for business as well. Rates on corporate income would be cut over the same 3-year period. The corporate tax rate would fall from 48 to 45 percent and would only apply to earnings in excess of $100,000, rather than the present $50,000—a major break for small business.

Critics of the Kemp-Roth bill argue that the plan's $100 billion reduction in individual tax rates would bring about an accompanying decrease in Federal revenues. History shows that this would not be the case. The lowered tax rates will have a stimulating effect, expanding the economy by encouraging investment, creating millions of jobs, reducing Government spending on welfare and unemployment benefits, and expanding the tax base so that Federal revenues will actually increase. This, of course, would have to be combined with lowered Federal spending in order to prevent runaway inflation. Such a plan is not without precedent. President Kennedy espoused a similar proposal during his administration which resulted in large dividend yields. The Kennedy tax cut enriched the economy with a net and substantial stimulus that led to an overall increase in Federal tax revenues.

REDUCE CAPITAL GAINS TAXES

There seems to be a general consensus that our country is not generating a sufficient rate of capital to enable the employment of all our resources. To alleviate this problem, my collegaue from Wisconsin, Congressman BILL STEIGER, has proposed legislation to reduce the capital gains tax rates for both individuals and corporations to its pre-1969 level of 25 percent. The current law is quite confusing and includes several procedures for calculating the necessary tax rate. I am a cosponsor of the Steiger bill, which would greatly simplify the tax procedure, while at the same time encourage economic growth.

The economic stimulation provided by reducing capital gains tax rates would do much to create permanent jobs—up to 200,000 in the first year by one estimate. In addition to creating new jobs, the proposal is likely to reduce the national deficit through an increase in Federal revenues. These revenues would result from the inducement to "realize" capital gains profits through the sales of capital assets.

Our stock market, a measure of national growth and stability, has been in a precarious condition throughout the past decade. It seems that more and more people are holding on to their capital or are looking for other areas in which to place their funds. The net result is a decline in the relative value of stocks and corresponding difficulties for our Nation s business and industry.

A reduction in the capital gains tax rate would lower the tax paid on equity earnings, which would in turn nurture future stock investment. A reduced capital gains tax rate would also tend to increase current stock market prices and would thus reduce the cost of capital to corporations.

Administration critics of the bill claim that it will aid only high income individuals with substantial equity holdings. But, that is not true. Capital gains are profits realized from the sale of an asset such as stock or a house. Everyone who owns a home, business, or farm—and those who may dream of such future purchases—knows the fallacy of the administration's arguments. Today's taxes on capital gains are hurting the small investors more than the rich. During high inflation, the wealthy simply hold on to their investments. It is the small investor who is often forced to sell.

Capital investment starts new companies and expands others. A high capital gains tax, coupled with a high inflation rate, dissuades individuals from investing, and realizing their gains, thus creating a stagnant economic situation. The Nation needs the stimulus that the Steiger bill provides.

AUTOMATIC INFLATION ADJUSTMENTS

There is a great inequity built into our Federal tax system. Individuals who receive cost-of-living wage increases to compensate for escalating inflation soon discover that they are paying a higher percentage of Federal taxes than they did prior to their pay increase. Inflation has pushed them into a higher tax bracket. The worker must confront a double problem—the hardship imposed by increasing costs, because of inflation and a higher tax rate, because of the tax bracket change. The effect of this inequity is considerable.

President Carter proposes to correct this problem in a limited way through periodic tax reductions that do not provide for real tax reductions, but only compensate for inflation-induced tax increases. These tax adjustments have not been across-the-board reductions that benefit all income classes equitably. Instead, they overcompensate those of lower incomes while the tax burden percentage increases for middle-income Americans.

I am a cosponsor of the Anti-Inflation Tax Reduction and Reform Act which proposes to correct this tax injustice by linking the tax rate to a specific price index. This index is the average of the Consumer Price Index over the calendar year. This plan would shield the taxpayer from the effects of inflation on taxable income.

Personal income tax indexing is not an unproven notion. Canada, Brazil, Finland, France, and Israel have all adopted indexing with a high degree of success. Congress already adjusts social security benefits, supplemental security incomes, and Federal and congressional salaries to offset inflation. The taxpayer deserves the same protection .

BALANCE THE BUDGET

Inflation is at the root of the tax revolt that is spreading across the Nation. Inflation is fed to a large degree by Federal deficit spending. The above-mentioned tax reductions must be combined with cuts in Federal spending in order to guard against inflation.

The American people will no longer tolerate congressional inaction on inflation. Legislation has been introduced to attack Government-inspired inflation head-on: A constitutional amendment to require a balanced Federal budget.

The Federal Government's propensity for excessive and irresponsible spending is going to paralyze our economy if we do not stop it immediately. Logic shows that a larger Federal deficit makes increased taxation imperative. It is unfair for our citizenry to bear the burden of Government waste.

Furthermore, it is unreasonable to expect the American family to live within a balanced budget if the Congress and the President continue with their wasteful and frivolous attitude toward deficit spending.

Deficit spending promotes inflation and too much government, and it overwhelms the individual who is forced to pay the inflated prices for land, home mortgages, interest rates, education, clothing—and taxes.

We need the permanence of a constitu-

tional amendment to insure that the Federal budget will be balanced and inflation brought to a standstill.

MEANINGFUL REFORM NEEDED

Unless we are willing to provide meaningful and lasting reform for the economic problems that plague our Nation, we will continue to witness inflation encouraged by deficit spending, and a tax system that inspires open revolt by the American people. I firmly believe that if we adopt this four-point program to provide substantial tax reductions, capital gains tax decreases, income tax indexing, and balanced budget restrictions, we will be able to effectively stimulate our economy—inspiring real economic growth, an improved standard of living and individual freedom for all our citizens.●

AMERICAN PRODUCTIVITY

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. CORCORAN of Illinois. I was pleased to note the lead editorial in yesterday's Washington Post. Entitled "American Productivity," this editorial outlines the postwar American productivity record and contrasts our record with that of other industrial powers.

The evidence all too strongly indicates that the American productivity growth rate is declining. Our productivity was growing at an annual rate of 3 percent through the 1950's and most of the 1960's but during the last 10 years, the trend has been half of that rate. These recent rates are in sharp contrast to those of several other industrial powers.

I am most concerned about the recent downward trend of American productivity as it has negative implications throughout our economy, particularly with regard to inflation and unemployment. As an indication of my interest, in cooperation with the National Center for Productivity and Quality of Working Life, last year I sponsored a labor-management seminar on productivity in my district. We heard from several experts about productivity and how cooperation between labor and management can help to improve productivity to the mutual benefit of both groups.

I hope that the Post editorial is another indication of an increasing awareness of the importance of productivity to our total economy.

At this time, I would like to insert the editorial in today's RECORD:

AMERICAN PRODUCTIVITY

Throughout most of the years since World War II, productivity in the American economy has risen briskly. As it went up, it carried with it people's earnings and standards of living. But the rise began to slacken about a decade ago, and for the past year and a half there has been hardly any rise at all. Of all the changes overtaking the American economy, the behavior of productivity is one of the most peculiar—and one of the most disquieting.

The immediate consequence of no productivity gains is that inflation will become harder than ever to control. But if the present pattern continues, it will also ignite uncomfortable political questions about dividing the pie in a country that has come to expect, and to count on, steady increases in both public and private wealth. Nobody really knows why productivity has stopped rising. All explanations are, to one degree or another, speculative. But the evidence suggests that it is no minor passing blip on the chart. The causes seem to lie deep in the changing structure of the national economy.

Productivity is simply the average output per hour of labor. The Labor Department computes it every three months, and it has just published the figures for the spring quarter of this year. They show that productivity was rising at the minuscule rate of 0.1 percent a year, after having fallen during the winter. Through the 1950s and most of the 1960s, it was going up at an impressive pace of nearly 3 percent a year. In the years after 1969, the trend dropped to half that rate. Since late 1976, it has been almost flat.

That departure is consistent with two other surprises. Inflation has been running considerably higher in recent months than most people expected, and unemployment has been considerably lower. Output over the past year has been raised by putting more people on payrolls, not by improving each person's capacity to produce.

It's a striking departure, and one explanation may well lie in the rather low rates at which business has been investing new capital. That, in turn, may be the result of low profits. Another possibility is the cost of the new environmental and safety rules, requiring industry to invest heavily in equipment to control air and water pollution.

Whatever the influences controlling productivity, they vary enormously from one country to another. In international competition, the United States is currently not doing well. The following brief table compares the increases in productivity in manufacturing, for the decade 1967–77, among some of the major industrial powers:

United States 27 percent.
France 72.
West Germany 70.
Italy 62.
Japan 107.
Canada 43.
Great Britain 27.

There is a tendency in this country to regard Britain as the world's great example of industrial decline. But you will note that the rate of productivity gain in British factories over the past 10 years has been the same as in American factories.

Since no one is quite sure why the American rate has fallen, no one is in a position to offer a sure remedy. But these latest productivity figures may well strengthen the impulse in Congress to cut taxes on capital gains, in an effort to increase investment. Beyond that, it's also necessary to consider the possibility that some of this change may lie beyond the reach of government policy. A good many Americans' ideas about work, incomes and economic growth began to change around 1968. These new attitudes may now be showing up in the statistics on the nation's economic performance.●

ACCOUNTS OF LIFE IN CAMBODIA

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, I would like to place in the RECORD the accounts of life in Cambodia by two Cambodan refugees:

INTERVIEW WITH CAMBODIAN REFUGEE IN BURIRAM, THAILAND, CONDUCTED BY AMERICAN EMBASSY OFFICER IN JUNE, 1978

ACCOUNT OF SOURCE F[1]

Source F, 38, was a former hospital worker. After April, 1976, he was forced to go to the countryside in Battambang to become a farmer. He fled Thailand April 21, 1978. His account follows:

Conditions of Life in Democratic Kampuchea

"In the past three years, the crops have been adequate in my village in Battambang to feed the population, but the rice is taken away. I guess it is exported to China to repay debts.

"Health conditions are poor because of insufficient food, very poor housing, hard work, and mental malaise. There is also the menacing intellectual atmosphere and the fear of assassination.

"There is no effective medicine, only concoctions of roots and herbs. Many are experimental only. The people are used as experimental beasts or objects. The Khmer Rouge even tried to concoct a potion which would reveal whether someone was associated with the former regime.

"There was no question of using one's medical background and experience. All those associated with the former regime are automatically traitors.

"Another ludicrous example of how stupid they are, the Khmer Rouge cadre once announced that they invented a new kind of pump. In reality they had taken half a Japanese pump and joined it into another brand.

"There is no radio. Nothing to read. You are not even allowed to converse with your friends. There is one review which tells about rice production, but the smiling girls on the covers are Khmer Rouge soldiers, not the people."

System of Administration

"The Chief of our commune was an illiterate, former guerrilla of the Khmer Rouge. If there is any trouble among the people, the Khmer Rouge spies (chhlop) run quickly and call Khmer Rouge soldiers who are stationed in the forests in the area.

"Discipline was instilled by a few 'examples' of what one could expect if he violated the Khmer Rouge regime:

"One youth, a mobile worker, shot the village chief and his family. He was dismembered.

"A youth was captured for a misdemeanor, but he managed to escape. He took a rifle from a Khmer Rouge soldier and killed five Khmer Rouge, shouting, 'I kill only those who are human caskets—the Khmer Rouge.'

"Another youth formed a resistance group with two friends. They were discovered and fled to the mountains to escape certain death. The bloody or futile end to such incidents is a strong deterrent to others."

Executions

"The Khmer Rouge have moved against categories of people in increasingly wide circles. Former military, government officials, and teachers were assassinated from the beginning. The Khmer Rouge charge that everyone associated with the Lon Nol regime works now for the CIA. Third graders are regarded as 'dangerous intellectuals'.

"Immediately after the war, everyone was prepared to work for the reconstruction of the country. But the feature of the 'revolution' which became unacceptable quickly was the assassinations without any judgement. Why the assassinations? In my opinion, they flow from the communist doctrine. Only the poor farmers and coolies are pure.

[1] The name of the individual refugee who provided this account has been excised to protect the identity of family members or friends still in Cambodia.

All other classes are corrupted. All others are non-proletarian. From all points of view, discrimination is practiced against the non-proletarian, including discrimination against the right to live.

"Lately, the scope of the assassinations has expanded, more teachers and even health workers, like myself. The loss has been staggering. Of 100 workers now, perhaps only 20 are males, the rest are widows and children, whose husbands and fathers have either been assassinated or who fled. Now, even poor farmers and coolies who were in the wrong zone (the territory controlled by the former regime) are being eliminated.

"A new method of execution began in late 1977. You would be called to the district office for 'education'. You never returned. The Khmer Rouge take a dozen or so just outside the village, beat them with sticks. When they were beaten nearly to death, the 'coup de grace' was administered—the disembowelment of the near dead. The bodies are left, unburned, to let others know what might happen to you. Children are among the slaughtered. I, like other peasants, have seen the cadavers.

"I recall one very striking example. Fifty persons were summoned . . . they were called 'traitors' and taken just fifty meters outside my collective. There were women, children, and a few men. Ten Khmer Rouge tied their hands behind them and shot them. Those who did not die were bayonneted to death. There were two children of the victims who were not immediately killed. They were 3 or 4 years old. I heard one Khmer Rouge cry, 'Hey, are these two children of the group?' 'Yes.' They were bayonneted.

"All the bodies were then heaped together. Later, the other peasants were ordered to carry them to the fields, for fertilizer.

"8 million Cambodians! Ridiculous. At the most, there are only 3 million, perhaps only two million. The country is empty. A Buffalo tender told me there are 400 widows in a village formerly of 2,000 people."

Human, civil and political rights

"You cannot even speak of human rights in Cambodia . . . There is no such thing. Human rights are to work the earth and absorb the communist doctrine. In meetings, you cannot criticize anything. Political sessions are designed only to support the Communist Party—in superlatives. No one believes their words, except the Khmer Rouge, the illiterate and the ignorant.

"Communism appeals to undeveloped peasantry, but once they have tasted that soup, it is bitter indeed. The situation is hopeless. I believe that Cambodia is destined to be erased from the map. There are no patriots now. There is nothing in the minds or hearts of Cambodians but vengeance. We only want to avenge the horrors which have been perpetrated upon us. Cambodia will disappear. The doctrine of the Khmer Rouge, of Pol Pot and Khieu Samphan, is madness. They are haunted by the fear of treachery. We wish only that we had the weapons to take revenge."

ACCOUNT OF SOUR CHHENG [1]

Sour Chheng, 28, arrived in Thailand October 13, 1977, from Stung District of Kompong Thom. He decided to come to Thailand because, "I was tied up to be killed." He was a ricksha driver and foot soldier from 1973 to 1975 under Lon Nol. After that he became a farmer. His account follows:

Conditions of life in democratic Kampuchea

"For about four months of the year, when we were working the hardest building dams, we ate rice. We had about one and a half tins of rice a day (375 grams). The rest of the time, we ate rice porridge, feeding about ten persons twice a day 10 tins of rice (250 grams per person).

"We could walk from one house to another during the day to visit someone, but not at night. It was very rare to have the time to see friends since we had to work so hard. We worked from 0500–1200 and from 1300–1700 each day and sometimes in the evenings from 1900 to 2100 when we would husk rice or do other light tasks.

"We could hear the radio sometimes as we were working, when the village chief would broadcast Radio Phnom Penh on a loudspeaker.

"We could ask permission to move from place to place, such as if you had a sick parent to take care of. Such moves, however, were very rare."

System of discipline

"If a New Cambodian stole something to eat, they disappeared, meaning that they were killed by the Khmer Rouge. If it was an Old Cambodian, he was only reprimanded. New People are not forgiven. I had a neighbor named Mr. Min, a New Cambodian who exchanged some clothes for potatoes in 1977. The Khmer Rouge said that Mr. Min stole the potatoes. He was arrested and disappeared."

Executions and human rights

"After I was a ricksha driver and farmer, the Khmer Rouge took over. They told me to move to Stung in Kompong Thom Province. I then was told to move to Kompong Cham, then again back to Stung. One day the Khmer Rouge said that all men must register with the district leader. When we arrived at the district office, the Khmer Rouge pointed a gun at us and tied us up. If they wanted us to move, they would just have told us, not tied us up. This was in October, 1977. I saw about 35 men tied up, all of whom I recognized as New Cambodians because they had recently moved there. I knew personally four or five of them. One was a teacher and the other four were farmers. Old Cambodians do not move. Five persons were tied with a single rope. Enroute to be killed, the connecting knot was at my position. I slowly untied the knot. When the three Khmer Rouge were trying to hurry up the group, I ran away and escaped.

"I knew that the Khmer Rouge wanted to kill me, because after they tied us up they said, all of you were at least village defense forces (under the former government) and not purely coolies and farmers as you claim. In fact, this means everyone, since under Lon Nol all people in the rural areas were organized into village defense forces as part of the village organization. I learned when I was first taken to Stung not to admit that I had been in the military, since the soldiers who admitted it in 1975 were killed immediately, even if they were foot soldiers or draftees.

"Among the 35 killed that night were 12-14 year old children." ●

[1] The refugee agreed to use of his name in a public document.

PROFESSIONAL FOOTBALL

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mrs. BURKE of California. Mr. Speaker, I have introduced two bills today relating to professional football.

H.R. 13613 provides relief to the fans who have an interest in viewing football and who would be required to travel an inordinate distance to attend games and who are deprived of a team in their own city by virtue of the rules of the football league. The city that loses a team and is prevented from acquiring a new team by league rules would be exempt from blackouts and would have an opportunity to see all games of the home team whether there is a sellout or not.

H.R. 13614 provides relief to a city or county that might experience an adverse financial impact from the move of a football team from a stadium to another area outside of the city where a rule of the football league prohibits a new team from coming into the home stadium.

The impetus for this legislation was the recent announcement by the owner of the Los Angeles Rams that the team will be moved to Anaheim in 1980. It is the unquestioned prerogative of Mr. Rosenbloom to make that decision. I realize it was a difficult one. I also well understand the financial attraction of Anaheim particularly in view of the potential investment opportunities accompanying the move.

The legislation is not aimed at the Los Angeles Rams, their relocation is a fait accompli. The legislation is designed to provide some relief to fans of the Rams' team and to help resolve many of the tremendous problems associated with filling the void which will result from the move of the team from the Los Angeles Coliseum.

The Los Angeles Coliseum needs remodeling. The Coliseum Commission has proceeded to acquire State and Federal commitment to finance some $9 million in structural repairs. If legislation recently introduced in the California State Assembly is successful, it will provide the first step in acquisition of necessary funds for the repairs.

Another concern that cannot be overlooked is the economic impact on the area surrounding the coliseum. The area needs new business, not economic disintegration, particularly since it is surrounded mostly by families with low incomes. The area is near USC and the sports arena, therefore, the coliseum facilities serve many purposes.

The location of the coliseum and the city of Los Angeles, in particular, could be very attractive to another team. The population could well support two teams. There is a baseball team in Anaheim—the Angels—and Los Angeles still supports the Dodgers.

There will undoubtedly be a number of teams interested in locating in the Los Angeles area. Those teams will face insurmountable obstacles. The rules of the NFL provide exclusive territorial rights to the franchise holder for a radius of 75 miles from the stadium. Exceptions to the rules are granted Oakland, San Francisco, and Green Bay. Unanimous support of the league is required for a waiver of the rule.

The league's exclusive 75-mile-radius rule is effectively monopolistic. In the truest sense of the word, pro football is a highly organized commercial enterprise with many monopolistic features. As my colleague, Lionel Van Deerlin, so aptly stated several years ago during testimony before the House Select Committee on Sports, "Professional football is a business. It is a business founded upon ter-

ritorial exclusivity which has been given the blessings of Congress."

Professional football, however, unlike baseball is subject to antitrust laws. On at least two occasions the NFL has been granted exemptions from antitrust laws by Congress. First in 1961 enabling the then two leagues (NFL and AFL) to pool network television contracts on behalf of all of their member teams, and in 1966 when the two leagues were permitted to merge.

The exemption permitting the pooling of network contracts contained a specific provision which prohibited parties to the joint agreement from restricting the areas into which games were to be televised excluding, however, those games televised within the home territory of a member club on the day when the club is playing at home.

The exemption was designed to prohibit the televising of games of other teams into a home team's territory. This changed somewhat in 1966 due to the stiff competition the emerging rival American Football League provided the NFL. Thus the NFL began televising games of other teams in the league into the home territory of teams playing at home. The blackout continued, however, on the televising of home games locally.

Sports Illustrated in its July 17 special edition on "Money and Professional Sports," by Ray Kennedy and Nancy Williamson, states that televised sports was significantly different prior to passage of the 1961 act.

The article quotes Ira Horowitz, a former senior economist with the Justice Department, as saying:

> The law has resulted in a substantial reduction in the number of national telecasts of pro games. Before 1961 there was football on all three networks. . . . The restraints on competition imposed by the 1961 Act proved profitable to both the teams and the networks at the expense of the consumer.

Professor Horowitz favors repeal of the the exemption.

I was indeed shocked to learn that the NFL's new contract with the networks exceeds $650 million, a 150-percent increase over its previous 4-year contract.

The Sports Illustrated writers conclude that, while the networks are paying more, they are also passing the cost on to advertisers who in turn pass it on to consumers, thus leaving the NFL in a very secure position and the networks with a lock on pro football that eliminates competition from independent and regional networks.

Prior to the adoption of Public Law 93–107—the antiblackout law—many fans of pro football were denied the opportunity to watch teams within a reasonable distance of their home areas because of the league's policy of blacking out games that were not sold out. In many cases the sellouts resulted from advance purchase of tickets by season ticket holders.

Public Law 93–107 was basically experimental and expired in 1975. A subsequent attempt to make the antiblackout law permanent died in the 94th Congress. The bill passed the House by an overwhelming majority. The Senate conference committee, however, failed to file its conference report. In the absence of legislation, the commissioner of football has agreed to adhere to the spirit of the antiblackout law for the 1978 football season. What happens after the 1978 season we do not know. That is why I have introduced this legislation which is supported by many Members of this body.

I am sure that the NFL and its supporters will argue that passage of the legislation will result in serious economic harm to the league, or possibly its gradual demise.

These are the arguments which were heard when the original blackout bill and H.R. 11070 were considered during the 93d and 94th Congresses.

The third annual report of the FCC on the impact of the sports antiblackout law shows that the law did not appear to seriously affect any one of the four professional sports. In fact, there was no impact on baseball, basketball, or hockey. For example, the 5-percent no-shows at blacked out NBA games exceeded no-shows at sold out games which were televised.

If anything, the law may have boosted professional football considerably. The FCC study shows that the average number of home games locally televised during the previous season increased as a result of the law. Generally, televised games mean sold out games. Although the NFL contended at the time that ticket sales fell drastically, the report concluded that "even though fewer NFL games were sold out since 1973, total ticket sales remained relatively stable over the 4-year period."

Surprisingly, the second FCC study of no-shows revealed that the percentage of no-shows at locally televised games (7.1 percent) was less than the percentage of no-shows at blacked out games (9.6 percent). Increases in no-shows was experienced by four teams: Atlanta, Dallas, Miami, and Los Angeles. The report suggests that weather was a factor in each instance, except for Los Angeles. In Los Angeles only one game was broadcasted locally. The real problem in Los Angeles stemmed from the fact that the Coliseum has a 92,000 seating capacity and is, therefore, seldom sold out.

Needless to say, I am greatly distressed by the monopolistic aspects of current NFL rules which can be corrected only by action of the Congress.

The legislation which I have introduced is designed to insure a balanced and equitable condition for both the public and pro football.

The legislation restricts blackouts and states that a city or county has a right to have within its corporate limits a professional football franchise. This right has never been really recognized by the law but it is certainly recognized by the fans. In reality the team belongs to shareholders, individuals and partners. In the minds of the fans, the team is a part of the city. No other endeavor evokes the pride and enthusiasm and gives hope to young and old alike as does the occasional escape from our daily problems and responsibilities into the exciting dream of victory for the home team. Surely the law can encompass a concept so simple.●

LOGGERS NEED FAIRER TREATMENT BY THE IRS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. JEFFORDS. Mr. Speaker, today I am introducing legislation to resolve a problem that is particularly vexing to workers in the wood harvesting industry. This bill amends the Internal Revenue Code of 1954 to clarify the treatment of certain individuals who are independent contractors in the wood harvesting industry for the purposes of employment taxes.

The conferees on the Tax Reform Act of 1976 were particularly concerned with the problem of clearly defining who constitutes an "employee" as opposed to an "independent contractor." They directed that a study be conducted by the staff of the Joint Committee on Taxation and urged the Internal Revenue Service not to apply any changed position or any newly stated position which would be inconsistent with a prior general audit position in this subject area until the study had been completed.

In November, 1977, the General Accounting Office submitted a report entitled "Tax Treatment of Employees and Self-Employed Persons by the Internal Revenue Service: Problems and Solutions." As evidenced in that report, the Service has continued to conduct retroactive employment tax audits and has shifted its positions in interpreting the so-called twenty common law test questions utilized to determine whether a person is an employer or an independent contractor. The Service has continued to use conflicting and inconsistent standards, variously interpreted by Service employees, and have applied these standards inequitably to loggers and associated workers in the wood harvesting industry. Indeed, Commissioner Kurtz, in a speech 1 year ago to the tax section of the American Bar Association, stated: "Applying the 20 common law factors does not produce consistent results or easy administration. No single fact is conclusive. The degree of importance of each factor varies."

In January, 1978, my Vermont Colleagues, Senator Stafford and Senator Leahy, and I jointly wrote to Commissioner Kurtz requesting that, in the spirit of the informal agreement between the Internal Revenue Service and the Joint Committee on Taxation, and in light of the November, 1977, GAO report, he consider placing an indefinite moratorium on field audits in the logging industry until appropriate legislation could be developed to clarify the definition of independent contractor. Four months later, in a letter dated May 10, 1978, Mr. Kurtz replied and declined to intervene in the employment tax examinations of the loggers in the Northeast. Mr. Kurtz stated: "However, especially in a context where the Service's position has been clear since

1940, I believe we have an obligation to make current audit determinations consistent with longstanding revenue rulings, subject to taxpayers' rights to disagree on the merits, unless and until there is a change in the law." It is clear, however, that in specific instances loggers in Vermont had their individual returns audited in 1972 and 1973 for the tax years 1968 through 1971, and received written determinations from the Service that they were independent contractors for the purposes of taxation and withholding. However, these very same individuals, not having changed their practices, were again examined by the Internal Revenue Service field auditors in 1976 and 1977 for the tax years 1972 through 1975, and are now found to have been employers who improperly failed to withhold income and social security taxes. These loggers are now saddled with judgments by the Internal Revenue Service that approximate or exceed their net worth.

The measure which I am introducing today is being introduced in the Senate by my distinguished colleagues from Vermont, Robert T. Stafford and Patrick J. Leahy. This bipartisan effort demonstrates our mutual concern that individuals engaged in wood harvesting industry not be unfairly and differentially treated by the Internal Revenue Service. This proposal will institute two changes. First, there are established to ensure that independent contractors annually report to the Internal Revenue Service all cash and other contractual transactions, including the names of sub-contractors and the remuneration paid each in a year.

For the further information of my colleagues, I am pending hereto a transcript of a report recently written by Mary Beausoleil from Lyndonville, Vermont. Mary is the spouse of one of Vermont's beleaguered loggers, Robert Beausoleil. This report details how a logging operation works and why the contracting system is key to the success of logging.

WOODSMEN VS. THE IRS: OUR SIDE

(By Mary Beausoleil)

From colonial days lumbering has been an important industry in New England. Though many of our forests have given way to farms, factories, houses and highways, there are still areas in which lumbering continues to be an important part of the economy. The Northeast Kingdom of Vermont, that poor and proudly beautiful corner in which we live, is one of these areas. The woodsman, less visible than the farmer, has nevertheless been recognized for his own distinctive contributions to our region from early days, as E. A. Kendall, a visiting Englishman, wrote of him in 1809:

"The strength and execution of his arm almost exceed belief; and he fells the forest with at least as much activity as others plough the soil. Meanwhile, it is often amid cold and wet that all his labour is performed. It is often in marshes that he employes [1] axe whole days together . . ."[1]

The modern woodsman travels a sometimes dangerous, often exhilarating, and always independent road from the depths of our forests to the lumber yards of neighboring paper mills, furniture factories, and sawmills. Now he is being ambushed on that journey by the Internal Revenue Service and the attack finds him poorly supplied and trained, with his forces scattered, and on an unfamiliar battlefield. The purpose of this paper is to help those who will, and others in similar situations, understand his plight.

HOW A LOGGING OPERATION WORKS

The journey from the woods to the mill begins when a tree is cut down by the feller, sometimes also called a chopper, whose job it is to cut down, limb, and remove the top from the tree. There are numerous skills required for this job: the feller must be able to cut down a tree without splitting it, he must be able to place a tree for the most accessible skidding, and he must know how to operate, sharpen and repair a chainsaw. In order to do his job, a feller needs equipment: two or more chainsaws and tools, a pickup truck to carry his equipment and fuel, and safety equipment—steel toed boots, hard hats, ear protection, and safety glasses. His investment may be anywhere from about $800 to $10,000.

In addition to his skills and equipment, a feller must have judgment. He decides where to begin cutting on a woodlot. He uses judgment as well as skill in deciding where to place a tree as he fells it, where to limb it and where to cut the top off. The feller's job is finished when the tree has hit the ground and has been made ready for skidding, the next step. The feller is paid a fee based upon the number of cords or thousands of board feet that he fells.

The skidding (moving a tree from the woods to a landing where it is cut up) is done by a man called a skidder, who works with a machine also called a skidder (in the man's honor) or, less frequently, with a bulldozer or a horse. The skidder must know how to operate his machine (including how to start its diesel engine in the winter); how to maintain and do repairs on it; how to hook a skid chain to hold a "hitch", the trees chained together for the trip to the landing. The skidder also must know how to operate a chainsaw, because there will be times when he will need one. The skidder plans the skid trails and must know how to build a log or culvert bridge.

The skidder must use his judgment to plan his trails and load size to harmonize with the terrain and soil conditions. And he must always be trying to get the most work out of the machine without going past the point of diminishing returns, after which the machine's repairs will cost more than it earns.

A skidder will need, besides his machine or horse, one or two chainsaws, tools, and a pickup truck to carry tools and fuel to his job. His investment could vary from about $1000 (with a horse) to $80,000 or more. A skidder, too, is paid by the cord and by the thousand, and his job is finished when he has delivered the trees to the landing where they are cut up by a cutter or bucker.

The cutter is the person who turns a tree into marketable wood; to do this he must know the wood and the markets. He must know the market conditions—what is selling now—and the mill specifications for grade, dimensions, and permissible defects. Cutting the tree to those specifications, called "fitting the timber", requires a good deal of experience and judgment. The cutter makes the cuts that determine whether a tree becomes a valuable log or less valuable pulpwood.

A cutter must know how to operate, file, maintain and repair a chainsaw. He cannot leave the woods for a garage—much less call a mechanic—whenever he has trouble with his saw. And a cutter must file his saw several times a day, not every few weeks. Filing, so mysterious to the hobbyist woodsman, must be second nature to a cutter. Like a doctor studying his patient's urine sample, a cutter can tell from his saw's chips what is wrong with the chain: fine dust indicates dullness; long skinny chips indicate improper angles on the teeth.

The cutter's equipment consists of two or more saws, tools, peavies, axes, wedges, safety equipment, and a pickup to carry all this and his fuel. His investment may vary from about $800 to $10,000. The cutter's fee is determined by the number of cords and thousands he cuts up, and for an additional fee he may also pile the wood—some do, some do not. If the cutter chooses not to pile the wood, the trucker will get this fee and use it either to compensate himself for extra time spent picking up loose wood or to pay an assistant to help him load.

The trucker, the last link between the woods and the mill, picks up wood at the landing and delivers it to the mill yard. He is a skilled driver and loader operator. In addition, he maintains his truck and does at least some of the repairs on it and on the hydraulic loader. He must be familiar with mill specifications and market conditions. He must be a skillful buyer of parts and equipment, because parts and repairs is the part of his business in which he will be most able to save money by finding the best quality at the lowest price.

A trucker plans his work week, trying to balance the needs of his customers (for, example, more space on the landing) with the market and road conditions. He must know the conditions of town and state roads and bridges in order to plan his route. The trucker must also plan his load size to satisfy the state, which sets a legal load limit; his customers, who want to send as much wood as they can; and the trucker himself, who must keep in mind that at some point a large load may cost him more in truck repairs than it brings him in income. The trucker also has considerable bookkeeping responsibilities in securing permits and licenses and paying road use taxes.

A trucker's equipment will consist of a truck and loader, a pickup truck for looking at jobs and carrying parts and fuel, and usually a garage in which to do maintenance and repairs. The trucks used to haul wood are among the heaviest on the road because they require so much heavy-duty safety equipment (rear ends, brakes, transmissions, frames, e.g.), and they are expensive. A trucker's investment will run between $50,000 and $150,000. The trucker, too, is paid a fee based upon the number of cords and thousands of feet handled.

HOW THE CONTRACT SYSTEM WORKS

The contract system is the glue that holds the woods industry together. With one exception, all the mills buying pulpwood from our area let out contracts to wood producers. (Log buyers, however, with their much smaller volume and more valuable wood, usually do not use contracts.) A wood producer with a contract from a paper company can get that wood in two ways: he can buy it "roadside" from farmers and other stumpage owners who either get it out themselves or contract with someone to get it out for them, or he can contract himself with people to cut it from land on which he owns the stumpage rights.

This contractor, if he does not work in the woods himself, will find contractors to fell, skid, cut and truck. If he does work in the woods, he will perform one of these functions himself and find people to contract for the others.

This system of contracting is not new in the logging industry. In northern Vermont this is the way wood has been harvested for as long as the oldest woodsmen and farmers can remember. It is not a system invented to evade taxes, but one which goes back at least to 1761 when, according to Robert E. Pike, "an enterprising Yankee named Jared Inger-

[1] E. A. Kendall, *Travels through the Northern Parts of the United States in the Years 1801 and 1808*, 1809, as quoted by Robert E. Pike, *Tall Trees, Tough Men* (New York: W. W. Norton & Co., 1967) p. 52.

soil, of Connecticut, persuaded the Navy Board to give him a contract to procure eighty 'Mast Pines' (that is, two ship-loads) on the Connecticut River . . ."[2] Working with contractors is a usual and customary way of doing business in the lumber industry.

There are several advantages to this system, but the chief one is that people are generally more productive when they are working for themselves than when they are working for someone else. This greater productivity benefits choppers, skidders, cutters, truckers, and the mills in the form of higher earnings; and it benefits consumers of paper and wood products through lower prices.

The woods is one place where, by dint of hard work, good judgment and luck a person can raise himself from the lowest class of society, if that be where he began, to the middle class or higher, and he can be independent while doing it. Most skidders, truckers, and wood dealers began their careers as choppers or cutters. Horatio Alger stories are still commonplace in the woods business.

Some woodsmen prize their independence and their free time more than they do the money they could make. Contracting enables them to work whenever they want to and to have as much free time as they want. No employer would tolerate as much independence in his employees as woodsmen have.

Now, after doing business this way for as long as we have done business at all, we find the IRS trying to call some contractors "employees" and attach them to some other contractor, whom the IRS designates "employer". Then the IRS imposes all of the duties of employer on the contractor and assesses him for the back taxes, penalties and interest on his newly-designated employee's newly-designated wages. The result is an assessment that often may exceed the net worth of the assessee. Many of these same woodsmen now being audited and assessed have had their tax returns audited in the past without any IRS comment on the contractor issue.

IRS Commissioner Jerome Kurtz, in a speech to the tax section of the American Bar Association on August 6, 1977, makes extravagant estimates of the rate of tax avoidance among self-employed people. This estimate is disputed by the findings of the General Accounting Office in a report to the Joint Committee on Taxation of November 21, 1977. The GAO report also shows that these IRS assessments often have the effect of collecting taxes twice, which Congress has not authorized the IRS to do. In short, it appears that the IRS is destroying the incentive and independence of this and other industries because the IRS finds it more convenient to collect taxes by withholding, and withholding is impossible without a withholder. Do the people serve the IRS, or does the IRS serve the people?●

FOREIGN INTELLIGENCE SURVEILLANCE

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. ROBINSON. Mr. Speaker, there has been understandable concern for the adequate protection of the rights of citizens of the United States in connection with surveillance activities of law-enforcement and intelligence-gathering agencies.

This concern has been focused particularly on electronic surveillance.

There is awaiting action by the House a bill, H.R. 7308, entitled the Foreign Intelligence Surveillance Act of 1978, reported from the Permanent Select Committee on Intelligence, of which I am a member. The intent of this bill is to insure adequate protection of citizens' constitutional and statutory rights, and to insure, as well, the ability of legally designated agencies to pursue their vital foreign intelligence and counterintelligence missions.

As I have stated previously, I have reservations as to certain mechanisms proposed to be established by this bill. While well intentioned, they would inhibit to an unwarranted and potentially dangerous degree the capacity to monitor and counteract foreign intelligence activities in the United States—specifically, such activities conducted by foreign nationals, whether attached to foreign embassies or otherwise based in this country.

The structures which would be placed on our own electronic surveillance efforts in such circumstances are extreme and unprecedented.

As worthy of careful consideration in this connection, I include, under leave to extend my remarks, an open letter addressing this aspect of the bill over the signature of Gen. Richard G. Stilwell, U.S.A. (Ret.), president of the Association of Former Intelligence Officers, as follows:

AN OPEN LETTER ON HR 7308, THE PROPOSED FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978

This bill is vigorously opposed by this Association of former intelligence officers, who have banded together to assure the professionalism of intelligence. We believe that adequate and effective intelligence is truly our first line of defense in a troubled world.

We find HR 7308 racing to a vote on the House floor flying under the false banner of "protecting the rights of American citizens"—but the bill goes much further by prescribing the standards and procedures for electronic surveillance of foreign governments and their agents. To this extent, the bill should be known as "Act to Convey Fourth Amendment Rights on the Soviet Embassy and All KGB Officers in the United States and All Other Foreigners." Furthermore, the bill:

Solves no known problems and corrects no known abuses.

Diminishes the effectiveness of intelligence.

Creates substantial new security hazards.

Does not establish new safeguards for the rights of Americans.

Injects the judiciary into foreign intelligence in a manner inconsistent with the Constitution as interpreted by the judiciary for over a hundred years.

Establishes a special court which is unconstitutional.

Requires a judicial warrant be based on a criminal standard when the purpose is to collect foreign intelligence.

There are no justifiable reasons to inhibit the ability of our intelligence agencies from collecting foreign intelligence from foreign governments and their agents who are aliens. The judiciary constitutionally has no role in this process! It is absurd to grant a judge the power to approve surveillance of Embassy X and the power to deny as to Embassy Y. The privacy and rights of Americans simply are not involved. There have been no problems or abuses in the surveillance of foreign governments or their foreign agents. Why try to solve a non-existent problem?

Insertion of the judiciary into this most sensitive area poses serious security risks. The mere access by clerks, bailiffs, and stenographers creates security hazards. The Courts themselves have stated they are ill-equipped and trained to deal with these sensitive foreign intelligence matters. A special court to make secret decisions with secret appeals is a disservice to our legal system and violative of the Constitution.

As we understand it, various floor amendments will be offered to correct the serious defects noted above. But perhaps a wiser course would be consideration of this subject in the context of S. 2525, the over-all intelligence bill which has been the subject of hearings in the Senate this year. Intelligence is a complicated and important subject and all of its facets should be viewed as parts of the whole.

To us, it is incredible that the Congress and the Executive should be joining hands to strip the President of constitutional prerogatives in pursuit of no known constructive purpose and at the price of reduced effectiveness of intelligence. This bill in its present form is a serious mistake and we adamantly oppose it.●

ARROYO GRANDE, CALIF., SHOWS APPRECIATION FOR TOM BUTCH

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. LAGOMARSINO. Mr. Speaker, too often it takes a sad event to make people realize how much they have appreciated the dedication and service of an individual. However, the entire population of the city of Arroyo Grande, Calif., has decided to make a happy event of the 15th anniversary of its first and only city administrator, Thomas M. Butch. The citizens of Arroyo Grande will stop today, August 1, 1978, and with heartfelt "thanks" they will show their appreciation to Tom Butch for the service he has given to their city. August 1, 1963, is when that service began.

From that time on Tom has shown professionalism and efficient management and Arroyo Grande has grown and prospered because of it. He has been actively involved in such vital projects as the building of Lopez Dam and water treatment plant; a new police station; new community center; a parks and recreation commission; parking and traffic commission; development of underground utilities and many, many others. During this time also, Tom has assembled a highly professional staff and has kept the city in a healthy financial position, no small task today.

Even with all this, Tom Butch has found time to be active in civic organizations and affairs and helped create "Youth in Government Day."

The present mayor, Mark Millis, probably summed it up best with his statement, "One of the main reasons Arroyo Grande is such a fine city today is because of Tom Butch."

Because of this long and dedicated service, the city of Arroyo Grande is saying "thank you." I believe it is appropriate today, August 1, 1978, that I ask the Members of the House to join with me, his wife Joan, their daughters Diane, Suzanne, and Janice, and the grateful citizens of an American city,

[2] Robert E. Pike, "Tall Trees, Tough Men" (New York: W. W. Norton & Co., 1967) p. 46.

Arroyo Grande, Calif., in extending congratulations and best wishes for continued happiness and success to Tom Butch.●

LOW FARES INCREASE PROFITS FOR AIRLINES

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. JOHNSON of California. Mr. Speaker, in the next few weeks the House will be considering H.R. 12611, an airline regulatory reform bill reported by the Public Works and Transportation Committee. This legislation will increase competition between airlines and insure that they have incentives to continue offering the low-fare service which in recent months has lead to new records in travel by airline passengers and in profits for the airlines.

This important legislation is supported by a number of associations representing State and local governments. Today I am placing in the RECORD a letter from the National Governors' Association setting forth the reasons for that organization's support of regulatory reform.

The letter follows:

NATIONAL GOVERNORS' ASSOCIATION,
April 28, 1978.

HON. HAROLD T. JOHNSON,
Chairman, Committee on Public Works and Transportation, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: We are writing on behalf of the nation's governors to express our support for expeditious House action on airline regulatory reform. The overwhelming Senate vote in favor of reform has provided the momentum and signaled the desire to push this issue to a successful conclusion during the current session of Congress.

Twice in the last year the National Governors' Association has voted strongly in support of airline regulatory reform. The recently passed Senate bill is generally in consonance with policy positions adopted by the governors.

As you no doubt know, 179 small communities have lost air service during the last 12 years. For this reason, we support revision of the system of airline subsidies as a means of restoring and protecting this vital transportation link for smaller communities. Swift action on the issue of regulatory reform will allow airlines to make important investment decisions for new equipment and facilities. It also will allow our airport system to expand to meet the needs of the times.

After having followed the three-year debate on airline regulatory reform closely, the National Governors' Association and the National Association of State Aviation Officials have testified in support of major reform proposals. We are convinced that the concepts of reform as embodied in Senate 2493 and in the National Governors' Association's resolution of February 28, 1978 on airline regulatory reform will materially benefit our citizens and our economy.

The nation's governors know of and are grateful for the many hours of study and deliberation that your Committee has devoted to this subject of major importance to the nation. We are confident that these extensive efforts will lead to additional improvements and pragmatic solutions to the regulatory problems that have hindered progress in this field of transportation.

As governors, we have responsibility for the planning and development of comprehensive state transportation systems, of which air transportation is a vital part. Any uncertainty over the future of airline regulatory reform hinders comprehensive planning, results in unneeded additional costs to the consumer and the airline industry, and further exacerbates the problem of loss of air service by smaller communities.

We hope the House acts quickly. We are pleased to provide any assistance or information to the Committee as it considers this important legislation.

Sincerely,

WILLIAM G. MILLIKEN,
Chairman.

RICHARD A. SNELLING,
Chairman, Subcommittee on Aviation.●

TIME TO CHANGE ATTITUDES ON MARIHUANA?

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. WOLFF. Mr. Speaker, I wish to bring to the attention of my colleagues an excellent article reprinted from Patient Care entitled: "Time To Change Attitudes on Marihuana?" The question was initiated for the express purpose of bringing primary physicians up to date on both clinical and scientific approaches to understanding the effects of marihuana on behavior and physiology. I commend the reading of the article to my colleagues:

[Reprinted from Patient Care, Apr. 30, 1978]

TIME TO CHANGE ATTITUDES ON MARIHUANA?

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PARTICIPANTS IN THE DISCUSSION

Robert G. Heath, M.D., Professor and chairman, department of psychiatry and neurology, Tulane University School of Medicine; U.S. representative, International Symposium on the Biological and Clinical Aspects of the Central Nervous System.

Andrew I. Malcolm, M.D., Psychiatrist, Toronto, Canada; formerly associated with the Addiction Research Foundation of Ontario.

David H. Powelson, M.D., Psychiatrist, Berkeley, Calif.; former (1960–72) consulting psychiatrist, student health service, University of California, Berkeley; former chief, department of psychiatry, University of California, Berkeley; New Bridge Foundation Drug Rehabilitation Center, Berkeley.

James E. Reeves, M.D., Moderator; family physician, San Diego; member, Patient Care Board of Editors.

Bruce W. Frazer, Writer.

DISCUSSION

MODERATOR. For several years now, since the use of marihuana has become commonplace and the use of hashish at least common in many places, we've been seeing the term "amotivational syndrome" in the literature. Just what is meant by that term?

MALCOLM. Among moderate and heavy users of cannabis, we have repeatedly noted a loss of ambition, of drive, of the desire to do things. They tend to live for the moment—right here, right now—and they seem not to care very much about the consequences of their actions. They engage in magical thinking and tend to reject many of the values of the larger society. They condemn competitiveness and exhibit no aggressiveness.

MODERATOR. Isn't attributing these effects to marihuana contrary to the best medical opinion of just a few years ago?

HEATH. Yes, I suppose so. I certainly didn't believe the bad tales about marihuana until I had observed heavy users for a long time.

POWELSON. Long clinical observation of cannabis users convinced a lot of us to change our minds and to seek confirming data regarding dangers of use.

FRAZER. You attribute the amotivational syndrome to moderate and heavy users of marihuana, Dr. Malcolm. What do you mean by moderate or heavy use?

MALCOLM. I go along with the definition given by the National Commission on Marihuana relative to the frequency of use of marihuana: "Intermittent users employ the drug from twice a month to once a week to daily; heavy (chronic) users, once to several times daily."

MODERATOR. How does this compare with your experience, Dr. Heath?

HEATH. As a clinician, I have repeatedly observed these same phenomena, particularly among late adolescents and young adults who use marihuana once a week or more. I've noted, in addition, that these users seem to need amplification of incoming sensory stimuli. They like to listen to very loud music, to observe brilliant flashing lights, and so forth.

POWELSON. I first took note of these problems in the late 1960's, while working with youngsters who were trying to make a comeback in school after having dropped out. (At that time I held a tolerant attitude toward marihuana.) It's not just a question of lack of motivation; many of them seemed unable to deal with reality. Those youngsters just could not function.

FRAZER. Dr. Heath, can you explain this phenomenon from a neurologic standpoint?

HEATH. There is evidence from clinical observations to suggest that the need for extra stimulation may well result from impaired physiologic activity in the brain, where the neural pathways for emotion are directly linked with those involved in sensory perception. There's no question that the use of these agents affects emotion and perception.

MODERATOR. In repetitive users of marihuana, are there noticeable changes in sexual performance?

POWELSON. It's difficult to say. Most users report that sensuality and sexual pleasure are initially heightened by marihuana. However, it may be mixed up with ideology; it may be due to a lowering of inhibitions that goes along with the use of "sensual" drugs.

FRAZER. Is there an eventual diminution of sexual drive?

POWELSON. Oh, yes, definitely. After 2–3 years of use, there is a loss of interest in sex and a loss of satisfaction in it. With many users of marihuana and hashish, the effect is the same as from the use of opiates: There is an eventual total loss of libido.

HEATH. I agree that there is a certain novelty in the sexual experience with the early use of marihuana. After all, this drug does alter visual, auditory, and tactile perception. But as use continues, the person becomes so preoccupied with his internal shifts in attention that he becomes less and less interested in sex.

FRAZER. Dr. Heath, is there evidence of brain deterioration corresponding to clinical changes?

HEATH. We have conducted extensive experiments with rhesus monkeys to determine if brain damage that would account for the clinical changes we see in humans does result from the use of marihuana. I can say unequivocally that significant changes, which are permanent, do occur.

MODERATOR. Why were monkeys used?

HEATH. We used subhuman primates because their brains resemble the human brain. We could not carry out with humans the intricate control studies that would give us solid data. For a while, it seemed

that every report that came into the medical literature offering proof that there were changes in human brain function and behavior as a consequence of the use of marihuana was challenged with allegations that other agents, in addition to marihuana, had been used or that the subjects might have shown signs of pathologic damage even if they had not used marihuana.

MODERATOR. As I recall, there were some questions about the high dose levels you used. Can you comment on this?

HEATH. Yes. There were misunderstandings in this respect, but we have supplied data showing that our moderately dosed animals received only 5.5 mg of delta-9-tetrahydrocannabinol (THC) per month per kilogram of body weight, a level that corresponds to human consumption of about one marihuana cigarette per day. We also injected THC intravenously, and the blood levels we built up by this method were essentially the same as the blood levels in humans who use marihuana moderately to heavily.

FRAZER. Dr. Heath, your study stressed the importance of planting electrodes deep in the brain. Why is this?

HEATH. The scalp electroencephalograms did not allow us to detect changes at deep brain sites such as the septal region, amygdala, hippocampus, and in the hypothalamus or midbrain, where major changes occur with altered emotion and thought. We planted electrodes deep in the brain of the animals so that we could closely monitor changes in the brain function at the sites.

MODERATOR. Specifically, what changes were noted?

HEALTH. In one group of animals, we maintained moderate levels of THC (administered by smoking and by intravenous injection) for six months. After three months, we found in them significant changes in the septal region, hippocampus, hypothalamus, and midbrain, which are associated with emotional behavior, particularly pleasure and motivation. We observed the animals for an additional six months after they were totally free from exposure to THC, and the reported changes remained. We sacrificed the animals and did histopathologic studies by electron microscopy, which showed changes in the synapse and in the viscid substance (the rough endoplasmic reticulum) in the cells.

POWELSON. That substantiates what I have felt for a number of years: that there are—there have to be—pathologic changes in the areas of the brain that have to do with pleasure. I've also observed, as have many others, that after sustained use of marihuana these changes seem to be reversed very slowly—if indeed they are reversible at all.

MODERATOR. Dr. Malcolm, what has been your experience?

MALCOLM. I, too, have been strongly impressed by Dr. Heath's studies. I have observed what would appear to be signs of organicity in people who have used marihuana fairly heavily for several years. Dr. Health revealed a really striking pattern from implanting electrodes deep in the brain, whereas other students of the subject reported absolutely no superficial changes on scalp electroencephalograms. And yet we know it's in the hypothalamus and in the midbrain, the limbic system of the brain, that major effects are taking place. The changes he has noted would account for the changes in perception and the short attention span we see in long-term users we have studied.

MODERATOR. Does the panel feel that people who smoke marihuana are rendered more susceptible to other illusionogenic drugs?

MALCOLM. This is very much my clinical impression. It's in line with a number of more potent drugs related to it in terms of effect. A significant number of people who try marihuana go on to LSD or parachlorophenate (PCP). As the Secretary of Health, Education, and Welfare reported in 1974, "Marihuana users, as compared to nonusers, are more likely to use, or have used, both licit and illicit psychoactive drugs."

The more heavily a user smokes marihuana, the greater the probability he has used or will use other drugs. That's my experience, and it's the experience of most clinicians I know.

POWELSON. I agree.

HEATH. As a matter of fact, the National Institute on Drug Abuse recently issued brochures referring to marihuana as one of the "gateway" drugs. The use of marihuana can become a stepping stone to other drugs, for rather simple reasons; Use of pleasure-inducing agents tends to lead to increased desire for the "pleasure" derived. This leads to increased use and, often, increased dosages.

Marihuana doesn't supply the brain with the fundamental chemicals that produce pleasure, but it stimulates other chemicals in the brain that do so in turn. And with protracted stimulation, these other chemicals are used up or lose their strength. So, to maintain the "pleasure" feeling, the system needs to be stimulated more strongly. This can lead to the selection of something stronger to do the job. It's a vicious cycle.

FRAZER. Is it correct to infer, then, that marihuana is habituating?

HEATH. I think it is. Certainly dependency occurs.

POWELSON. I think tolerance occurs, as well.

HEATH. From a clinical viewpoint, tolerance indeed occurs, but I think the tolerance is the result of the depletion of one's endogenous transmitter of chemicals.

POWELSON. And yet, it's often said by the National Organization for the Reform of Marihuana Laws that there is no evidence of habituation or tolerance!

MODERATOR. Several of the physicians associated with efforts to legalize marihuana have said they don't believe it causes addiction or physical deterioration. Would someone like to comment on this?

MALCOLM. One of the great virtues of marihuana, in the opinion of its proponents, is that you can smoke progressively less of it and continue to get a similar effect. They feel that the drug's tendency to be stored in body tissues for many hours, or even several days, accounts for reverse tolerance: You can smoke less and still get stoned.

MODERATOR. Is there any validity in that view?

MALCOLM. Lots of other students of the subject have shown that the drug behaves similarly to most drugs, and that real tolerance actually occurs. Psychic habituation undoubtedly occurs; that always happens whenever a person repeats an experience he regards as enjoyable. Recalling that effect when he is free of the drug, he repeats it. That's psychological dependence—a very important element in the addictive process.

MODERATOR. Dr. Heath, do you feel that marihuana is more dangerous than alcohol?

HEATH. That's a tough question to answer. There is not yet enough completely objective data comparing the effects of these two agents. It has been my experience, based on objective findings in our laboratory, that marihuana is probably more potentially damaging to the brain than alcohol, and potentially more damaging to health. Neither drug, of course, is to be recommended, because both are potentially damaging. But marihuana, because of the high solubility quotient of its active ingredients, has a predilection not only for getting into the brain more rapidly, but for remaining in the brain much longer than alcohol. It has a more profound effect on brain function as a result. We made comparative short-term studies in which we gave some animals marihuana and some alcohol; marihuana appeared to affect brain function, and possibly brain structure, to a greater extent than alcohol.

FRAZER. Quite a point has been made of the fact that alcohol is water soluble, while THC is fat soluble. What does that difference portend?

POWELSON. Alcohol is burned or excreted rapidly. Once marihuana is taken into a cell, it lingers on and on. Professor W. D. M. Paton of Oxford, one of the world's most respected pharmacologists, says of marihuana: "It has an Octanol/water partition coefficient of about 6,000:1, over 10,000 times that of alcohol. Corresponding to this is a low solubility in water. Its fat solubility is greater than that of industrial solvents and is exceeded only by substances like DDT." *

The half-life of marihuana is about five days. If you only smoke once a week, you're constantly adding to the increments in the brain and wherever there is fat in the rest of the body. And, of course, there is fat in all cell membranes.

HEATH. That's an accurate statement. However, the solubility difference, or partition coefficient, between THC and alcohol is vast; THC is actually around 5,000-50,000 times more soluble in fat than is alcohol. Of course, the cells that are highest in fat content are in the brain and gonads, so this is, of course, where THC is absorbed and where it's retained, and it does affect the functioning principally of these two organs.

FRAZER. What does the panel feel about marihuana's classification as a "soft" drug?

MALCOLM. Use of the adjective "soft" with respect to marihuana has annoyed me for many, many years. In our society, we understand "soft" is benign. Because "soft" drinks contain no alcohol, we say they are harmless, whereas "hard" liquor may possibly be dangerous to health. With the accumulation over the past few years of the psychological, social, and physical evidence of marihuana's potential harm, it seems absolutely shocking to use "soft" with respect to marihuana.

POWLESON. A correlative point is that marihuana itself is very beguiling. The first time you use it, there may be no effect at all; the first few times, the effects often feel and seem benign. In contrast to "speed," for instance, which really hits with a jolt, or LSD, which "sends you on a trip," marihuana is relatively benign. But by the time you've accumulated enough THC in your brain to really have the marihuana experience, you've also impaired your ability to judge it effectively. It's a downward spiral. Marihuana may well be *the* most dangerous drug, precisely because of the combination of the social attitude that it is "soft" and its usual easy introduction or induction.

MODERATOR. Is smoking marihuana in fact more harmful to the lungs than smoking tobacco?

POWELSON. Yes. There is good evidence of that. The Leuchtenbergers in Switzerland used tissue cultures to show that smoke from marihuana cigarettes is more carcinogenic than tobacco cigarette smoke. And, the way marihuana is smoked makes it much more dangerous: It is inhaled and held in the lungs, so it is forced into the alveoli, where carbon particles in the smoke tend to remain. Also, a recent study shows early changes in bronchial sputa that are precancerous in appearance. We probably won't know the effect on bronchial cancer for some time, because we have only been using it in heavy doses in this country for about 10 years. But I am sure it will show up in statistics.

FRAZER. Do any of you feel that the effects of marihuana are making it relatively

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* U.S., Congress, Senate, Subcommittee on Marihuana-Hashish Epidemic and Its Impact on U.S. Security. Hearings before the Subcommittee of the Committee on the Judiciary, U.S. Senate, 1974.

more difficult to diagnose psychological illness, schizophrenia, or other types of mental illness?

HEATH. I don't know that marihuana masks psychological abnormality or necessarily makes it more difficult to diagnose schizophrenia, but I think marihuana very frequently precipitates acute psychotic reaction.

POWELSON. It's creating its own illness. The organic signs in heavy smokers are quite apparent to anyone who's used to making this type of clinical differentiation.

MALCOLM. Marihuana is clearly antitherapeutic. For someone who has an underlying schizophrenic illness, continuous use of marihuana certainly isn't going to assist recovery. In my opinion, psychological problems would be perpetuated and further compounded by use of the drug.

POWELSON. Psychotherapy in any ordinary sense is impossible with those who continue to smoke marihuana.

HEATH. It's impossible to carry on effective therapy when you're competing with marihuana.

FRAZER. Dr. Heath, in cultures where marihuana is used regularly, is there any hard evidence of lasting brain damage?

HEATH. I know of no studies that answer that completely objectively.

POWELSON. The studies of M. I. Soueif at the University of Cairo, although purely psychological, certainly suggest changes in straight-line correlation with the amount of marihuana or hashish used.

MALCOLM. To me, Soueif's most important observation was that the brightest and best-educated people showed the greatest detriment from using hashish. The people with the least education and the least native intelligence showed the least effect.

MODERATOR. Quite a bit has been said in favor of using marihuana in the treatment of glaucoma. Would anyone like to comment?

MALCOLM. To me the whole approach is fraudulent. Other preparations just as valuable to the treatment of glaucoma do not bring about intoxication.

MODERATOR. Any other comments regarding the "therapeutic" use of marihuana? In San Diego, the courts just recently authorized the use of marihuana for a terminal cancer patient.

POWELSON. Was the purpose to keep him stoned to prevent vomiting?

MODERATOR. Yes.

MALCOLM. LSD has been used for years for that purpose, as well.

HEATH. One of the reasons marihuana was introduced in the treatment of cancer was supposedly to relieve nausea and vomiting, but double-blind studies proved it was no more effective in relieving nausea and vomiting than other well-known agents.

POWELSON. There's no known clinical use for marihuana for which there isn't a better drug already available.

HEATH. That's correct.

MODERATOR. What therapy does the panel recommened for the patient who has an overdose reaction to marihuana?

MALCOLM. This "overdose" could be highly relative. With marihuana, overdose in the ordinary sense of the word occurs very, very rarely; the blood level of THC can go extremely high without being lethal. Some people have a panic reaction to a relatively small amount of marihuana. This could be regarded as an overdose in some patients. I think one of the diazepine tranquilizers might be appropriate for a person suffering from intense anxiety. Marihuana problems lie in areas other than the possibility of lethal overdose.

MODERATOR. In California, marihuana purchased on the street fairly often contains PCP, which users call angel dust. It often triggers psychosis. Is this problem occurring elsewhere?

HEATH. It's a major problem here in New Orleans—I have on my floor right now two patients who are very seriously ill with PCP psychosis. Users in this area are lacing marihuana with PCP and with cocaine. It's markedly potentiating the effects and introducing disastrous effects on behavior.

MODERATOR. What about your area, Dr. Powelson?

POWELSON. In Berkeley they use PCP and LSD, sometimes even strychnine!

MODERATOR. In Toronto?

MALCOLM. In Toronto, there is a good deal of evidence now that various things, like phencyclidine—and of course, LSD—are being added to marihuana. Strychnine has been identified here, too. It's an insidious, dangerous development.

MODERATOR. Does the feeling of hopelessness that many clinicians are seeing among students, particularly younger students, result in an increased use of marihuana?

POWELSON. Hopelessness is often given as a reason for youngsters using the drug, but it does not seem to me to be a valid reason.

MODERATOR. Do you feel that the increase in leisure time, particularly for young people, may be causing an increase in the use of marihuana?

MALCOLM. That seems to be a contradiction. First, we speak of hopelessness, then go immediately to one of the most remarkable developments of recent times: the increased amount of leisure. Hopelessness and leisure hardly go together. There have been far more hopeless periods in the history of our society; for example, the Depression of the 1930's afflicted a great many people with a genuine sense of hopelessness. There have been other such periods, including various wars. Compared to those times, the present seems a rush toward pleasure. I think people seek pleasure and stimulation from marihuana not because they feel hopeless, but because they simply want the pleasure of "a high."

POWELSON. I am very suspicious of the sociologic explanations! The Egyptians have neither wealth nor leisure, and they have a tremendous hashish problem.

MODERATOR. Is the comparatively low cost and availability of marihuana a great factor, a minor factor, or no factor at all?

POWELSON. It's certainly a major factor. Marihuana is readily available. In California or almost any place in the U.S., you can grow your own. In fact, there's a bill before our state legislature now that would make it legal to grow up to three plants.

HEATH. From the standpoint of a neurophysiologist, I'd like to address the question of the effect of increased use of drugs and also the question of whether the use of marihuana leads to an increased use of stronger pharmacologic agents. I think more leisure plays a big role in the inclination to take up the use of drugs. Fatigue after strong physical activity sets us up for pleasure in relaxation. With so much leisure time, we're not expending energy in healthy physical activity; we're getting less pleasure from competitive sports, for example, than we did in the past. We've become spectator sportsmen, and, as a consequence, we need to simulate the feeling of exhilaration in other ways, and the tendency is to turn to drugs for this.

MODERATOR. Are the social effects of smoking marihuana grossly unpredictable or reasonably predictable?

MALCOLM. They vary according to the milieu in which the person smokes, and according to what the individual perceives as acceptable behavior for his particular group. In some parts of the world, it is suggested that marihuana may, in fact, facilitate the expression of aggressive or disruptive behavior. However, in this hemisphere, we generally accept the idea that people become more detached, more passive and quiet. This is the behavior generally seen. I think marihuana lowers inhibition and permits a person to express, without much restraint, whatever he thinks his peers will accept.

MODERATOR. What is the feeling of the panel regarding the laws against marihuana? Will they be relaxed, enforced, or changed?

HEATH. I think we can agree that legislation *should* be enacted to deter anything that is harmful. However, laws that make it a crime to possess marihuana haven't markedly reduced its usage. Other legally supported steps, perhaps an educational campaign to make known the facts about this drug, will have greater effect. I can't foresee legislation that will deter the use of this harmful agent, but I think a head-on clash over whether its use should be made a criminal act really tends to detract from the basic issue.

MALCOLM. A very important statement can be made here: People have set up a kind of balance to weigh the amount of damage caused by the drug itself against the damage caused by laws designed to control marihuana use. Many feel that our laws are too strict, and people who have gone out of their way to liberalize the law have tried concomitantly to show that the drug is benign. It seems to me that we might all agree the law has been too heavy, particularly with respect to first offenders, or people in possession of small amounts of marihuana. However, it would be absolutely mischievous to give the impression that the drug is benign. We have to have a strong educational campaign to show that the drug is dangerous, even as we reduce the power of the law with respect to first-time users.

MODERATOR. Our local schools tell me that they would like to have suggestions from people like you regarding training programs, particularly for students, medical personnel, police, and parents. Would the panel give a short opinion as to possible ways to lessen the marihuana problem in this way? What could the family doctor do in this regard?

POWELSON. My experience is that parents, teachers, and certainly police officers are really anxious to hear all the solid evidence that's available, and they are very grateful and often surprised when it is presented. Wherever I talk, I ask parents and kids to come together, to share a common body of knowledge and try to reach a mutual understanding of the facts. I've found that it is really quite possible to achieve understanding among users and nonusers, just as there can be understanding among drinkers and nondrinkers. The early training programs that came from state and federal agencies were of little practical help. The ones I saw sounded as if their intent was to teach kids the language of drug usage and how to apply it.

MODERATOR. Any pearls to pass on to family doctors who have to deal with their school boards about marihuana? What can be done?

MALCOLM. We must depend on education, but we must also realize that the person who is habituated to marihuana will reject all evidence that marihuana is harmful. We still have to reach a large population that hasn't made up its mind to use marihuana, and I think that education, when it is put intelligently and sensibly, can be very effective. We should not despair just because the news media—and a lot of esteemed people in all walks of life—have gone out of their way to suggest that the drug is benign and wonderful and worthy of liberation. There is good material to hand out, but no amount can substitute for formal and informal appearances by well-informed family physicians.

MODERATOR. Dr. Malcolm, at what grade level would this be best?

MALCOLM. It seems that young people are being exposed to marihuana at early ages, but I wonder whether there is much point in talking about it below the level of high school. Unfortunately, teachers are frequent

proponents of marihuana use. Talk about marihuana can make youngsters curious and excited about trying it before they really understand the significance of important statements about it. Judgment and intelligence generally come into play when kids are a bit older. So I would say high school.

MODERATOR. Mr. Frazer, have you any suggestions about educational or training programs?

FRAZER. The American Council on Marihuana and Other Psychoactive Drugs, at 521 Park Avenue in New York City, provides some excellent educational material, particularly the booklet, *Marihuana Today*, by Dr. George K. Russell. Council member Gabriel G. Nahas, MD, also has a book, *Keep Off the Grass*, that is excellent.

POWELSON. I often recommend it.

HEATH. I have given it to school boards and teachers.

FRAZER. Dr. Malcolm, I've heard that your book *Craving for the High* is excellent, but I haven't been able to obtain a copy.

MALCOLM. Well, thanks. It's available only in Canada, but it can be obtained from Simon & Schuster, Canada, Markham, Ontario.

POWELSON. Before we end, I'd like to add that it is important to remember that legislation is a form of education, and that when a legislature discriminalizes and, in fact, legalizes marihuana, it also makes the very powerful educational statement, "Marihuana is not a very bad drug." Once this happens, it's almost impossible to reverse local opinon. We're having enough trouble reversing ourselves on cigarettes and liquor. We should think long and hard about legally making marihuana anything but a harmful drug.●

INDIVIDUAL RETIREMENT PLAN TECHNICAL CHANGES ACT OF 1978

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. PICKLE. Mr. Speaker, I am pleased to sponsor H.R. 13619, the Individual Retirement Plan Technical Changes Act of 1978. I am especially pleased that my good colleagues, SAM GIBBONS, DICK GEPHARDT, BILL STEIGER and BILL FRENZEL and I have been able to agree on the importance of this effort. I appreciate very much their support and leadership in the IRA program.

In November 1975, my subcommittee began an extensive investigation into the progress and operations of the new individual retirement plan option provided for in the Employee Retirement Income Security Act of 1974. This program was a new step for the Nation—an attempt to provide incentive and opportunity for individuals not covered in qualified pension plans to build their own retirement savings.

Full participation in qualified plans is the most preferable means of providing for retirement. And this is something which has to be kept in mind in any action in the individual retirement account field. We do not want anything we do regarding IRA's to hamper the long-term growth of healthy qualified plans. On the other hand, as with any new program, there is some adjustment and some displacement. We ought not, therefore, criticize IRA's on those grounds alone.

Overall I think the IRA program has been a good thing. It has brought a greater awareness of retirement saving to a far broader population. About 2 million persons have now begun a retirement plan that they might not otherwise have had.

At the same time, there have been problems. Our hearings in November and a goodly portion of subsequent hearings concentrated on the fact that prospective IRA participants were not being fully informed of the requirements for participation in an IRA, of the consequences of not meeting those requirements and of the actual rates of return on some IRA products. Although there has been improvement, there is still much to be done in this area. The IRA buyer's best guide remains, "Shop around". There also are information booklets which now are of help to prospective IRA participants. The Internal Revenue Service has publication 590, which explains the legal requirements for participation in an IRA and the consequences of not meeting these requirements. The Federal Trade Commission and the Pension Benefit Guarantee Corporation both have consumer guides out on how to shop for IRA and on the pitfalls to avoid in various IRA mediums.

The legislation I am sponsoring goes beyond these measures to try to provide greater equity and reasonableness in the IRA law itself. In the course of our hearings many technical matters surfaced. These include: discrepancies between the contribution deadline for IRA's and for other similar programs; complicated and restrictive regulations and harsh penalties for even the most inadvertent excess contribution; restrictive participation requirements which prohibited a person from contributing to an IRA for an entire year even if they had participated in a qualified plan for only 1 day of that year; roadblocks to flexibility in allowing taxpayers to rollover distributions from a qualified plan into an IRA and in changing IRA products; extremely harsh penalties for failing to take sufficient funds out of the IRA in a timely basis when retirement age is reached even when this failure was not committed in an abusive manner; unnecessary complications in reporting on one's IRA to the Internal Revenue Service, and problems with IRA products which require fixed and regular payments regardless of the person's continued eligibility for an IRA.

H.R. 13619 provides solutions for these problems.

Obviously we will continue to explore these and other alternatives through hearings on this measure. In so doing, we must, I think, keep foremost in our minds the need to keep the program simple as well as fair. We will also want to look in particular at the problem of IRA products which require fixed and regular payments over a long period of time. These products, typically an endowment or fixed premium annuity contract, reduce investor flexibility, face the investor with severe penalties and often loss of much of his investment should he become ineligible for an IRA, or should the amount he is allowed to contribute be reduced through a reduction in income, and require complex reporting as the life insurance portions of the contract, are not tax deductible.

H.R. 13619 would require any future IRA insurance contract to provide for flexible premiums. Taking a "real world view," the case is made, however, that this style of contract is the only product by which many lower income persons, who may put aside no more than $200 to $300 a year in their IRA, will be reached. Whatever the solution, this certainly is an issue that will have to be thought through carefully if the IRA is to be made attractive to this group. I hope the committee will approach this IRA insurance problem with an open mind.

The committee and the House should move speedily on this legislation. Many portions of it redress legitimate grievances which need immediate attention if we are to keep the situation from getting worse. Other portions of the bill seek to make the program stronger and more equitable. After reviewing this program for 3 years, it is a proper time to act.●

THE SNAIL DARTER

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. DINGELL. Mr. Speaker, those of my colleagues who have attempted to come to grips with what the critics of the Endangered Species Act of 1973 consider to be the "shortcomings" of the statute are discovering there has been a gross exaggeration of the "conflict" associated with the implementation of the act. The case of the Tellico Dam and the snail darter is a prime example. There is a growing realization that the Tellico project was not necessarily stopped by the presence of an "insignificant" 3-inch fish but, to the contrary, the completion of a questionable project was prohibited from extinguishing a rather important link in the biological chain of life.

It is, indeed, unfortunate that a hasty reaction by the press pitted a rather "small" looking species against an apparently "large" TVA project. But, I believe that the printed and visual media is now taking a much closer and realistic look at the actual success of the Endangered Species Act and more importantly at the profound consequences of species extinction. The much larger issue of whether mankind can afford to compromise one species after another at the expense of project development is now—and right so—being seriously discussed. I therefore insert for the RECORD what I consider to be a responsible treatment of this issue by a newspaper in, of all places, an urban setting—Detroit, Mich. I think you will find the following article from the July 26 issue of the Detroit News to be enlightening as well as instructive.

[From the Detroit News, July 26, 1978]

THE SNAIL DARTER HAS A LESSON FOR US

(By J. F. terHorst)

WASHINGTON.—It is cleverly said, in our competitive world, that it is not how we

play the game, but whether we win or lose. All is fair in love or war, and presumably in business and politics. Perhaps that accounts for Congress' grim determination to save mankind from the snail darter.

That evil little minnow dared to stand, if that is a permissible word, in the path of progress. It stopped the Tellico Dam. But, apparently, that was not the worst of the darter's deed. Its unforgivable act was in cunningly avoiding discovery until the $119-million project was nearly completed.

The U.S. Supreme Court awarded the first match to the darter. Now Congress is changing the Endangered Species Act to allow man to get even. The Senate already has voted 94–3 against the darter and the House will certainly wallop it again in coming days.

What Congress proposes is a seven-member committee of federal officials to referee future standoffs between federal projects and endangered species. And if the impasse cannot be solved by arbitration, then federal projects may be exempted from heeding the law.

This amounts to more than a mere change in the rules of the game. It practically amounts to decreeing that the snail darter never will win another contest with something as important and as costly as a dam on the Little Tennessee River. Ditto for the *Pedicularis Furbishiae* (Furbish's lousewort), the scraggly but rare sapdraggon that had the temerity to grow in the path of a $700-million hydroelectric project in Maine. And ditto for almost any of the 677 plants, birds, animals and fish on the endangered species list.

What Congress ignores in its hasty rush to amend the 1973 act is that it has worked rather well. The Interior Department has been able to resolve the problem in nearly 180 cases in which a federal project threatened the destruction of rare flora or fauna. Only a handful of confrontations has gone to court, the Tellico Dam being the most notorious. Now this successful procedure is about to be rendered meaningless.

It is imaginable, of course, that Sens. John Culver of Iowa and Howard Baker of Tennessee did not have that in mind when they proposed the blue-ribbon board of bureaucrats as a means of putting "flexibility" into the act. But the fact is that promoters of federal projects now have another way of conquering any rare thing that happens to be in the way. They can filibuster the existing consultation process in the Interior Department and take their case to the new, politically attuned seven-member board. With the right amount of furor over "jobs" and "benefits" they will have a better than even chance of getting an exemption to the act. Hooray for progress!

This is not to say that the Endangered Species Act is without flaws. It has several, the worst one being that it applies only to federal projects that threaten the habitats of nearly-extinct forms of life. It would seem that rare birds, animals, fish and flowers deserve equal protection against state and local projects, and especially private projects. It was one of the latter, not some federal venture, that recently wiped out a rare Western pupfish.

It is not hard to rate arguments in favor of progress and against what some in Congress have called "this environmental excess" of protectionism for endangered species. The snail darter, the Furbish's lousewort, the El Segundo butterfly, the whooping crane and the Indiana bat, to name a few threatened species, probably do not add a penny to anyone's pocket or to the gross national product. Dams are necessary in watershort areas. So are hydroelectric plants and airports and highways.

But we do not need a divine revelation to be aware of the steady, constant encroachment we have tolerated or encouraged on our own human habitat. We have pollution in our lakes and streams and in our air. We have devastated much of America's wilderness. We have steadily reduced our agricultural acreage to a point where the production of sufficient food is becoming critical.

Mankind worries a lot about the dangers of nuclear war, and that is a proper worry. But perhaps we ought not to ignore the warning of the snail darter. America may have more to fear from the bulldozer than from the bomb.●

TEX McCRARY COMMENTS ON TURKISH ARMS EMBARGO

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. TEAGUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a letter which I received today from my good friend Tex McCrary concerning the Turkish arms embargo. I believe each Member of this body will find it interesting as I am sure the writer is well known to all.

JOHN REAGAN McCRARY,
New York, N.Y., July 28, 1978.

Hon. OLIN E. TEAGUE,
House Office Building,
Washington, D.C.

DEAR TIGER: My respect for you is only topped by my affection, but I believe you are dead wrong in, first, having followed Kissinger/Ford, and now Zbigniew/Carter, in surrendering basic American principles to the Turks' brazen and continuing "karaborsa" in Cyprus.

In Greek, the word is "ekviasmos". In the American language, the word is, "Blackmail!"

When I called you to check your feelings, you said, bluntly: "Tex McCrary, you know me by now—I'm going to vote again like I voted before, to lift the embargo. I'm not voting for the Turks, or against the Greeks. I'm voting as an American!"

Will the honorable gentleman yield? Thank you. Tiger, you know me by now, too. I don't argue against the Turks because I am a Greek-American, which I am not, or because I work for the Greeks—I used to; but they fired me because I argued with them, too.

I argue with you as a fellow Texan, private citizen, Republican, from a State which flew five flags on the way to the American flag we fly now.

Let's skip The Rule of Law, basic to America, almost unique to America—repealed by Dr. Kissinger and President Carter. Let's skip the broken campaign promises by candidate Carter in 1976, which erode the credibility of another President. Let's forget for Cyprus the Human Rights which President Carter so selectively preaches for the rest of the world.

Let's just go back a couple of centuries to a battlecry that most Presidents and all rulers in every language have always understood, in an American accent:

"Millions for defense, not one penny for tribute!"

That's what this embargo is all about, Tiger. President Carter talks a lot about "sending signals to Moscow". What kind of a signal will you be sending, when you vote to lift an Embargo that is rooted in American tradition and Law, NATO treaties, and UN resolutions?

"Push us hard enough, and we'll back down." That's the signal you're sending—to Moscow and Havana, to highjackers and terrorists and blackmailers, all over the world in every language.

From the Alamo to your Space Program, if that had been America's signal, Texas would still be flying the Mexican flag, and the American flag would never have been planted on the Moon.

And I'm not arguing with you as a Republican vs. a Democrat. You know I fought against Ford and Kissinger harder than I fight you on this point. Incidentally, there's a pretty good lineup of your fellow Democrats on the same side of that Alamo line—Ted Kennedy and Pell, O'Neill and Brademas, among them.

You remember that the only diplomatic failure Kissinger admits was in Cyprus; and now Carter bolts the screw.

I know the argument you once used; you told me you saw with your own eyes what our electronic surveillance (now redundant) from Turkish bases tells us about the Soviets.

Two rebuttal points about that, Tiger: Ever since Stalin smiled at Truman at Potsdam, and said he knew as much as we did about atomic bombs . . . ever since Sputnik and their H-bomb and their lead in the race for Fusion, the Soviets have rarely ever lost a point in the deadly game of matching wits against us.

They let us see what they want us to know. And they find out about us what we don't want them to know.

They know what we've got, and thanks to the Gallup and Harris polls, plus "signals" like surrender to the Turks, the Soviets know precisely how far they can push us, in SALT or Africa, before we'll stand our ground.

A lady with guts and gumption to match, Mary McCrory, said it like it is, when she wrote:

"If he would put as much pressure on the Turks as he is putting on Congress, Jimmy Carter would have his repeal of the Turkish arms embargo handed to him on a silver platter. The President is the chief lobbyist for the dubious cause . . ."

The whole of her indictment is attached. I am sure you have read it, but please read it again. All of it. Slowly out loud. Please.

The Carter apologists argue that "Turkey has been punished enough" by the embargo. But as Mary McGrory reminds you, that embargo was never truly enforced by Kissinger and Ford, nor by Carter now.

Remember when President Kennedy and Kruschchev stood "eyeball-to-eyeball" during the Cuban Missile Crisis, in the easier years before Cuba herself became a Soviet missile, and it was not Jack Kennedy but Kruschchev who "blinked" and backed down.

Well, when Dr. Kissinger faced the Turks, he winked; and when President Carter faces them now, he just shuts his eyes.

And again, I've got nothing really against the Turks; they're as shrewd and tough traders as Yankees used to be. They play the Kremlin against the White House brilliantly, like the children of divorced parents.

As a nation, they are bankrupt, far more qualified for welfare than warfare—but that's not their fault. We push arms onto the Turks, harder than Turkish opium was ever pushed into America, arms they cannot afford, or use, except in Cyprus.

We have tried to make them a nation of mercenaries, on grounds that somehow they might be a brief hurdle for the Red Army.

What idiocy is that! You watched the German war machine at work; I was the first into Hiroshima after the A-bomb fell. Both of us know what the Soviets can and would do in a crunch, with nuclear weapons, or with their tidal wave of traditional hardware.

And why this continuing bribing, begging, feckless tilt to the Turks, with no concern for the damage that does to an ally like democratic Greece, tested in two wars, and in the battle against Communism between those two wars.

On what historic or combat evidence does

Nixon's General Haig argue that the Turks are more important or reliable than the Greeks to NATO?

Even high school students know whose side the Turks were on in the two World Wars.

And as for their combat record in Cyprus, where they used American weapons, planes and tanks and landing craft, even in Cyprus against little more than Home Guards and civilians, their brutal "Operation Atilla" was a fumbling fiasco.

But to the victor still "belong the spoils." We pressure the Israelis to surrender what they won in battle against equals, but we knuckle under to the Turks in Cyprus!

Even Senators Byrd and McGovern couldn't swallow that without a conscience-stricken, skeptical amendment to the Senate surrender to "Karaborsa!"

As you have known for 33 years, the House is far closer to "home" than the Senate.

And Tiger, nobody has shed more blood, sweat and tears than you in defense of every basic American ideal, in pushing through new frontiers of science and technology without losing roots anchored firmly in those ideals.

More than any man on The Hill, you have been the catalyst and the maestro who orchestrated America's Space Program in times of wavering national will.

Please draw deep now from your unequaled experience in war and science and politics, before you vote to echo the Senate's signal to Ankara and Moscow:

"If you just push us hard enough, we'll back down. . . ."

Stay well, be wary, be wise, be Texan, yes, and be American!

Very sincerely,

JOHN REAGAN MCCRARY.

[From the New York Post, July 17, 1978]

THIS IS NO YEAR TO HELP TURKEY

(By Mary McGrory)

If he would put as much pressure on the Turks as he is putting on Congress, Jimmy Carter would have his repeal of the Turkish arms embargo handed to him on a silver platter.

The President is the chief lobbyist for the dubious cause. He invites groups of members to the White House for urgent briefings attended by the Secretary of State, the Secretary of Defense, super-lawyer Clark Clifford and the Joint Chiefs of Staff. Republicans receive phone calls from Supreme NATO Commander Alexander Haig.

Turkey, they are told, has been "punished enough" for using U.S. arms to invade Cyprus in 1974.

The issue has divided Democrats, who have just been through the wringer of the Mideast warplanes sales and are not eager to embark on election year "kamikaze missions" against their Greek constituencies.

Turkey has been a sulking member of NATO since the embargo and what baffles some Democrats is that Carter is asking them to reward the Turks for bad conduct. Administration officials argue that the embargo hasn't worked and that a more indulgent attitude towards the transgressors is the only way.

If that's the case, some of them wonder, why don't we start being nice to Fidel Castro? Surely our embargo against Cuba has not won hearts and minds in Havana. It has instead, provoked Castro to such irritating counter-measures as the dispatch of troops to Africa. But any mention of diplomatic recognition as an alternative approach is frowned on by the Carter Establishment.

Turkey's intrasigence on Cyprus—it still occupies 40 percent of the island, and, according to one European Human Rights investigating team, is severely mistreating Greek islanders—is put forward as the clincher for coddling them.

"Turkey and Greece have been at each other's throat for centuries on Cyprus," a White House official explained. "Our national interest is involved in NATO."

Two prominent Senate doves, Frank Church and George McGovern, have been won over to this "realistic" approach, but others are demanding to see a few cards from the Turks before they throw in their hands.

Why would the Turks be any more willing to bend with U.S. arms than without them? The embargo was never total. We shipped them supplies through the back door of an overseas Pentagon branch office. Last year, Congress tried to bribe them into a show of flexibility by upping their covert allowance from $125 million to $175 million. They did not move an inch.

Carter's announcement of his intention to resume the full flow inspired them to invite battered Greek refugees back to Famagusta—to live under Turkish occupation.

President Carter "reassured" a large delegation of Greek-Americans whom he invited to the White House last month that there has been absolutely no progress on Cyprus—as if this would dilute their rage over his broken campaign pledge to "couple the improvement in relations with Turkey with increased fair progress on the Cyprus issue."

If the Carter Administration has taken any steps to bring about the "coupling," they have been well concealed. Our ambassador to Turkey, Ronald Squires, last January said his only "hope was that the embargo will be removed."

Assent of both Houses is required for repeal. The Senate will go first, and the leader of the Greek forces, Sen. Paul S. Sarbanes (D–Md.), is hopeful that logic—and reminders of Jimmy Carter's call for morality in foreign policy—will win the day.

Sarbanes, a freshman, is remembered for his dogged endeavors on the House Impeachment Committee. He is of Greek origin, but his friends say that if he had been among the troops outside Troy, he would not have been working on the fateful gift horse; he would have been throwing words over the wall.

"He is leaflet-ing the Senate," says a colleague. "Every time you meet him, he hands you some literature."

Sarbanes says Carter has failed to use international leverage. NATO ambassadors should be routed, not to Capitol Hill, but to Ankara where the English and the Germans have special influence, to lean on the Turks.

On a more immediate level, he believes that if Carter is willing to write off the Greek vote, his colleagues are not. The Administration's high-powered spokesmen say it's pragmatic to vote for repeal; but the Greek-American lobby, second only to the Jewish community in activism, is telling them it's not, and it votes.●

PERSONAL ANNOUNCEMENT

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Ms. KEYS. Mr. Speaker, on Friday, July 28, 1978, I was unavoidably absent from the House. Had I been present, I would have voted on matters coming before the House as follows:

"Yea" on rollcall No. 614, on final passage of H.R. 9400, Civil Rights of Institutionalized Person;

"No" on rollcall No. 616, on an amendment that sought to delete provisions giving the Civil Rights Commission authority to study discrimination based on age or handcap status;

"No" on rollcall No. 617, on an amendment that prohibits the use of funds by the Civil Rights Commission to influence the passage or defeat of legislation before Congress or State legislatures, except when the Commission is requested to give an opinion.●

WAUKEGAN, ILL., HITS DRUG PEDDLERS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. McCLORY. Mr. Speaker, recently, a very effective investigation of drug traffic and abuse was undertaken in Waukegan, Ill. This investigation disclosed widespread trafficking in marihuana and in some hard drugs. Expert investigative agents supplied by the Illinois Department of Law Enforcement cooperated with the Lake County State's attorney, Dennis Ryan, and with the police department of the city of Waukegan, headed by Chief Kenneth Ryckman.

Mr. Speaker, the cooperative and combined efforts of State, county, and city law enforcement personnel resulted in apprehending substantial merchants in illegal drugs and in their ultimate trial and conviction.

The Waukegan, News-Sun staff writer, Adrienne Drell, recounted the history of this major effort resulting in a roundup of the principal operators of an illegal drug business in Waukegan. This dramatic account should encourage many others throughout the country to follow a similar program of investigation and prosecution of those in the hard drug marketing business. In the Waukegan experience, the suppliers of cocaine, heroin, and marihuana were apprehended and tried, and all but one were convicted.

A similar effort should be undertaken here in Washington, D.C., where recent events indicate that hard drugs are quite prevalent and are used even by those who serve at the highest levels of Government.

Mr. Speaker, the article from the News-Sun follows:

[From the Waukegan, (Ill.,) News-Sun, July 25, 1978]

DRUG BUST WAS MORE THAN A PUBLICITY STUNT

(By Adrienne Drell)

When 34 persons were arrested last August in what was called Waukegan's biggest drug raid, some skeptics accused officials of staging a publicity stunt that would do little to curb the drug problem in the city.

And when Mayor Bill Morris called many of the persons arrested "the slime of the world," defense attorneys, already nettled by the press conferences and television cameras announcing the raid, reacted with rage.

"How can he say that when no one has been found guilty in a court of law," asked one lawyer, referring to Morris' refusal to release the prisoners on bond.

Now, almost a year later, most of the defendants have had their day in court. And while only 11 of those arrested received jail or prison terms, officials feel the major

heroin suppliers in the area have been put out of business, and a dent—if not complete halt—put to the hundreds of thousands of dollars in hard drug profits in Waukegan each year.

"Heroin is insidious," said Assistant State's Attorney Michael Conroyd. "Do you know what is does to a guy? It corrupts his life. As a result of this investigation and prosecutions, Waukegan police are in good shape. They have the reins. The pushers and dealers are very nervous.

"They were pushing heroin in the streets like candy. Now they have to look over their shoulders because they know the Waukegan police will bust them immediately."

State's Attorney Dennis Ryan said the Waukegan drug network was certainly being forced out of business, "and if we only could find the source of heroin to the suppliers, we could do a lot to wipe out hard drugs altogether."

Policy Chief Kenneth Ryckman feels the city has obtained a good hold on containing its drug problem.

"What has happened is that we definitely curbed drug traffickers," Ryckman said. "We discouraged them from doing business by hitting most of their prime sources and taking away their runners."

Not every one agrees that drug traffic in Waukegan has been significantly slowed as a result of that late-summer crackdown. Street-wise sources have told The News-Sun that a lot of guys came in from Chicago right after the raids, some moving right in the next day.

"When federal and state agents are working in the city people are a little careful," one source said, "but you would be surprised at the number of people who know who the agents are."

In May of 1977 when police first tackled the problem it seemed almost insurmountable. Drugs were a suspected agent in much of the major crime in the city, but all members of the police force were too well known to make effective arrests—ones which included proof of "buys" and "sells".

So the Illinois Department of Law Enforcement's investigative division was called in and arrangements made to send financial aid and two top agents to Waukegan.

For the next three months the agents, Carlos Hevia and Paula Riccio went "undercover." The fragile blonde beauty of Riccio coupled with Hevia's fluency in Spanish seemed to dissolve all suspicion on the street. The pair did not look like "cops." They fit easily into the world of young drug users.

Their contact with law enforcement officials was through one detective who spent days and nights keeping an eye on Hevia and Riccio. One of the agents' first tasks was to establish links with 20 informants. Considered the guts of the investigation, they remain unidentified to all except select policemen.

The informants helped the agents quickly finger the main target of the investigation—John Garner Lovelace, 51, of 1428 Kristan Ave., North Chicago. Lovelace was considered the major supplier of heroin in the area.

After building up contacts and information for two months in late July, Riccio and Hevia made a "buy" from Lovelace working from their relationship with David Johnson, one of his key runners.

On July 22 they went to Johnson's North Chicago apartment around 7 p.m. where they agreed to purchase $500 worth of heroin.

Next, Johnson went to a nearby grocery store and dialed Lovelace's phone number. All three then returned to the apartment where shortly afterward they heard a car honk outside.

Johnson left the apartment with Hevia and Riccio's $500, and when he returned he handed them a bag with a brown chunky powder inside. Laboratory tests disclosed it was heroin.

While all this was taking place, a Waukegan policeman maintained surveillance on the transaction between the driver of the car, LaSandra Holmes, and Johnson. He then followed her to Lovelace's home. Earlier, he had been behind Holmes as she drove from Lovelace's apartment to Johnson's.

Another month went by in which a series of drug purchases, including cocaine and marijuana, were concluded by agents. Finally, on Aug. 23, a plan was put into motion as 45 Waukegan policemen aided by 17 Illinois Department of Law Enforcement agents fanned out.

Starting at 7 p.m. and continuing through the night and following days, 34 persons were taken into custody.

Lovelace went on trial in March and was convicted of selling heroin to the agents. He later also pleaded guilty to an additional count and was sentenced to two concurrent prison terms of seven years.

David Johnson, the star witness at Lovelace's trial, admitted he was the middleman between the supplier and the agents. He is currently serving a two-to-six year prison term.

Sentenced to three years in prison after pleading guilty to the delivery of heroin was Holmes, who was Lovelace's girlfriend and "constant runner."

Of the 16 persons arrested on heroin charges in last year's raid, eight others received jail or prison terms in addition to Lovelace, Holmes and Johnson.

Because so much attention was focused on Lovelace, the state did not build up a solid case against another alleged supplier, William Lee "Click" Miller.

Miller, who operates the Rib Pit at 702 McAlister Ave. in Waukegan, was acquitted in December of delivering heroin to a police agent.

Testifying at his jury trial was Dale Brown, the only informant whose identity was to be revealed by authorities. Brown was given a new identity and relocated after the trial.

Last February, confident that Miller would return to his old habits, police brought in a new Illinois Department of Law Enforcement agent who allegedly made purchases from him. Miller is now awaiting trial on the charges.

Of the eight persons arrested for delivery of cocaine, three were convicted and given probationary sentences, one was acquitted, two placed in a deferred prosecution program and two persons had charges against them dismissed because of weak cases.

One of those arrested for delivery of cocaine was Waukegan fireman Chris Arnold Sorenson who lost his job, placed on five years probation after his conviction, fined $2,000 and ordered to pay back $840 as restitution for costs of the investigation.

Conroyd denied Sorenson was let off too easily. "It was only one buy," he said. "It was his first arrest, and after all the guy lost his job, reputation and money. That is punishment enough."

Most of those arrested on possession of cocaine and marijuana charges were given probationary sentences and fines, but once again Conroyd said this was appropriate. "We want to get the pushers and suppliers," he said.

Both Conroyd and Ryckman feel the concerted effort by law enforcement agencies has been a boon to the city.

"The problem with narcotics is the effect users have on the community," Ryckman said. "They don't just use narcotics. They are usually people not so well off, so society becomes their victim as they do robberies, burglaries and prey on us to substantiate their habit."

Conroyd, who left the state's attorneys office this week to practice law in Oregon, said Waukegan could stay on top of the drug problem "as long as it uses its expertise and keeps it going."

"The people on the street . . . sure they'll deal, but they are susceptible now because the police have the ability to bust them," he said. "These people do not have the expertise of a John Lovelace so they are bound to fail."

Ryan agrees. "If the police keep on it, the message will go out that it is difficult to operate in Waukegan."●

GOVERNOR LONGLEY: YANKEE WHO TAMES BUREAUCRATS

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. COHEN. Mr. Speaker, this week's edition of U.S. News & World Report carries on its "Editor's Page" an article by Marvin Stone on Maine's exceptional Governor, James B. Longley.

Governor Longley is the Nation's only Independent Governor, and independence has been the distinctive feature of his tenure in Augusta. In his one term in office (he has declined to run for reelection, keeping a campaign promise made in 1974), Governor Longley has instituted a policy of careful fiscal management and limited spending. This has not always won him support, but his steadfast dedication to his principles has earned him the respect of a great majority of Maine citizens.

In his article, Marvin Stone wisely lets Governor Longley speak for himself on everything from politicians to limits on taxes. I urge my colleagues to read the article, which follows, and to seriously consider the Governor's message:

YANKEE WHO TAMES BUREAUCRATS

(By Marvin Stone)

It is worth anyone's time to visit with James Longley, Maine's Governor for the past 3½ years. For Jim Longley is one of a vanishing species—he brings a businessman's hardheaded, Yankee realism to government.

Longley was a wealthy insurance executive when he was coaxed into running as an independent, pledging to serve one term. This promise he is keeping, much to the regret, it is said, of a majority of Maine's voters.

When he took office, the state had suffered the largest deficit in its history and an even larger one threatened, unless Longley raised taxes by up to 100 million dollars. The state was run by entrenched, free-spending bureaucrats. "One of the things I found in government," he says, "is that if there's a door open for spending, it'll be spent."

He set about applying what he calls his bottom-line test: Who is the beneficiary of this spending? "And very frequently I found that the special interests and the bureaucracy were the beneficiaries, not the people."

Longley tightened the screws. He brought in top administrators, both Democrats and Republicans. The state's payroll was pruned by almost 2,000 people, or 16 percent. Welfare rules were tightened, cheaters set adrift. Millions were saved on needless travel by officials, duplication in the departments eliminated.

Much of this came only after prolonged head knocking with a recalcitrant Legislature. The result? Maine ended this fiscal year with a surplus of 41 million dollars. In March, 20 million was returned to taxpayers. The governor has called a special ses-

sion of the Legislature for September to consider further tax relief.

So Longley's observations—and philosophy, if you will—are worthy of note. What follows is extracted from a lengthy conversation at the governor's residence in Augusta:

CHIPPING AWAY AT PRIDE

"Government is obsessed with the idea that it can be the great equalizer, that it can guarantee every man, woman and child the same pay, the same house, the same clothes, the same health care. Many of the welfare and unemployment checks we put into the mail only serve to chip away a little of the pride and dignity of the individual."

STANDARDS

"Government is too often served by people who couldn't meet the standards government expects and requires in the business world and doesn't always apply to itself."

TOO MUCH INTRUSION

"Washington has moved too much into state, local and private affairs. It has become almost an uncontrollable socialistic system that negates and inhibits individual initiative, pride and dignity. I don't think many people really want to be on welfare, or on unemployment. But if our system encourages them to do that, we've got a self-defeating system. We had much catching up to do from the standpoint of humanitarian considerations, but we've gone overboard to the extent that it's now counterproductive. Although well-intentioned, he way Washington has moved in has been unrealistic and expensive."

OVERREGULATION

"I recognize Washington must sometimes intervene to prevent abuse of civil rights, but when government steps in, the tendency is to overregulate. It brings in guidelines, and the proliferation of agencies, and harassment, expense and waste. Sometimes I think the purpose is for more job perpetuation for bureaucrats than it is humanitarian."

FREE GIFTS

"Gifts from Washington are not always free. I found that frequently money from Washington that came in grants and seed-money programs ended up costing the taxpayers money. A great many programs developed under the Great Society [of Lyndon Johnson] ended up dumping costs on state and local governments. Frequently, I found that the special interests and the bureaucracy were the beneficiaries more than the people. Much of the money that came from Washington really perpetuated a bureaucracy of university professors moonlighting."

WORK PROGRAMS

"The federally financed work programs under the Comprehensive Employment and Training Act (CETA) have become political footballs and counterproductive. Contrast them with President Roosevelt's work programs of the 1930s—the WPA, PWA and CCC. What Roosevelt did was to put people on productive jobs. They built roads. They built libraries—things that society can use. And it brought some dignity and kept some pride in the work ethic. I'm not suggesting that we put people to work digging ditches. But much better they dig ditches and feel like they've earned a paycheck than stand in a soup line with their hands out. We've gone one step lower than the soup lines. We say we'll give you money to buy liquor, beer, soup or whatever you want, even though jobs are available."

PROFESSIONAL POLITICIANS

"After almost four years in government, I am convinced that the changes necessary to get America back on the course designed by our Founding Fathers cannot be entrusted solely to the two major political parties. We must have more involvement by people and less control by politicians. Unfortunately, I feel that real party professionals, and too many politicians and elected officials, spend only about 10 percent of their time, or less, doing the jobs they were elected to do and a good 90 percent of their time seeking re-election or starting a new program that will help insure re-election at the expense of the taxpayers and more and more cancerous inflation due to the malignant growth and expense of government bureaucracies."

BREAKS FOR BUSINESS

"There is need for better understanding of business problems by lawmakers. It is sad and dangerous that politicians, too many legislators and members of Congress, feel that a tax break for business is not as politically popular as a social-welfare program. There are far too many people holding seats in legislatures who know absolutely nothing about business and who are far more interested in winning the next election than they are in looking to the future to improve the long-range economic stability of a state or nation."

LIMITS ON TAXES

"California's Proposition 13, putting a limit on property taxes, is a message to elected officials that 'you're not doing your jobs.' It's a message to officials that are spending and to bureaucrats that are taking advantage of the spending. I think it's a modern Boston Tea Party. The concept of changing laws by petition and referendum [by which Proposition 13 was adopted] is not a new one in America but one which I submit has been underutilized. The real changes are going to come in America through a combination of an independent movement that will make the two parties more responsive to the will of the people and through a far greater utilization of the petition and referendum process to amend our Constitution and change our laws."

AMERICANS WAKING UP

"What is happening in America today is not so much a disenchantment with the two political parties, although that's part of it. What's happening is more of a realization of the working men and women, the middle Americans, that they're the ones being impacted adversely with inflation and taxes. And inflation is a tax. To the extent that it erodes purchasing power, it's a tax."

Editor's postscript: As noted previously, Governor Longley will not run for re-election this November, honoring his pledge of four years ago. He would prefer to return to the business world.

We asked him what his reaction would be if the President invited him to bring his talents to Washington, to serve the nation as he has served Maine. His response: "I hope I am not confronted with having to make that decision."

For the nation's sake, Jimmy Carter could do a lot worse than putting the governor to work.●

DAN BENEDICT

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. TEAGUE. Mr. Speaker, on May 26, 1978, Mr. Dan Benedict, district clerk for the U.S. Western Judicial District of Texas passed away, a victim of cancer. Dan was well known to me, because his wife Lil, who had come to Washington many years ago to work on the Hill with the Hon. Ben Guill, then with Clark Fisher finally came to work in my office after a number of years away from the Hill.

Dan was one of the finest Americans I have ever known. He finished a career in the U.S. Army and then continued his public service with the Western Judiciary District of Texas in San Antonio. So that all will know of what Dan gave of himself to that job, I am placing in the RECORD the remarks of two of the Judges from that district commenting on Dan Benedict's loyal service to his country.

REMARKS OF JUDGE WILLIAM S. SESSIONS IN OPEN COURT, MAY 26, 1978

The Court notes, with sadness, that the United States District Clerk for the Western District of Texas, Mr. Dan Benedict, passed this morning at eight o'clock in San Antonio, Texas.

He was the Chief United States District Clerk for the Western District for several years. I'm not sure how many. It seems to me it must have been——

The CLERK. Ten years this August.

Mrs. Boykin says it was ten years this August.

This Court had the privilege of working with Mr. Benedict when I was United States Attorney, and also with him when I came to the Bench.

Mr. Benedict always extended every cordiality and every possible thing he could do to cooperate with this Court. The service that he has rendered to the District, of course, shows itself over the largest United States District Court in the country, because there are divisions—there are seven divisions within the Western District.

Mr. Benedict has been responsible for the management and administration of each of those districts in terms of the Clerk's responsibilities. He has done it very effectively, very efficiently.

He also served as a literal right-hand man to the Honorable Adrian A. Spears in the renovation of the present United States courthouse in San Antonio, Texas.

The history of that courthouse is most unusual, because it was the building which was built in 1968 to house the American pavilion of the Hemisfair. It was a beautiful building, but it lay vacant and unused for several years. And through the insistence of the Honorable Adrian A. Spears and the Honorable Henry Gonzalez, the congressman from San Antonio, the building was purchased by the Federal Government and renovated.

And at that point, Mr. Benedict became an overseer, along with the General Services Administration, on the renovation, the design, the furnishings of that building. So that in addition to his responsibilities as United States District Clerk, he shared that and shouldered that load for some four years.

And, of course, the building now stands as a monument to his abilities and those of Judge Spears and the G.S.A., therefore deciding how properly to build the court building.

Those of you who are in this courtroom may not have been there, but if you have not, when you're in San Antonio, you should go by and look. It's on the Hemisfair Plaza. And when you look at it, you will know that a great portion of that is directly attributable to Mr. Benedict and the foresight that he had and the taste that he had, the ability to plan and administer.

So he will be sorely missed. I'm confident there will be appropriate services for Mr. Benedict. I do not know now the exact time of the services, but I'm sure there will be additionally a memorial service for him, and those minutes of that service will be spread on the record of this Court in this division in honor and remembrance of Mr. Benedict.

IN THE U.S. DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS, SAN ANTONIO DIVISION

COURT'S REMARKS AT THE COMMENCEMENT OF PROCEEDINGS HELD, MAY 31, 1978

Judge ADRIAN A. SPEARS. Ladies and gentlemen, I want to take just a moment this morning to make a statement about Dan Benedict. I was out of the state last Thursday when he passed away, and I didn't return until late Monday afternoon. So, yesterday was the first day that I was back in the office since he had died.

Mr. Maverick, I want to thank you for filling in at the Naturalization Ceremonies. I know you were a friend of Dan Benedict's, and I know that you would like to have been at his funeral. Naturalization proceedings, of course, pose an entirely different problem with the court. The Immigration authorities send out a hundred or more notices for people to appear. This is a big day for those who are going to become citizens, and they prepare for it, have members of their family and friends come with them, and I felt that I knew Dan Benedict well enough to know that he woud think the appropriate thing to do was to continue with that.

The three courts were otherwise closed down yesterday in his memory, but I had not had an opportunity to publicly state my feelings about it, and, for the record, I would like to make this statement: Dan Benedict's death will leave a void that will be extremely difficult to fill. He was not only a fine gentleman but he was also a dedicated public servant, having served this district well for ten years. In addition to his other accomplishments, he appeared on numerous occasions as a faculty member for the Federal Judicial Center and also for the Administrative Office of the United States Courts in the training of newly appointed clerks and other staff members of the Clerk's Offices throughout the nation.

I know that I speak for each judge in this district as well as for all of the other court officials with whom Mr. Benedict worked, including the deputy clerks serving in our seven divisions when I express deepest sympathy to Mrs. Benedict and the other members of his famiy.

We are all going to miss him, and when court adjourns today, it will do so out of respect for his memory.●

SUMMARY OF REVENUE ACT OF 1978

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. CARR. Mr. Speaker, all of my colleagues and many of their constituents are deeply interested in the provisions of H.R. 13511, the Revenue Act of 1978, as approved by the Ways and Means Committee.

Accordingly, I am inserting the committee staff's summary of this bill into the RECORD:

SUMMARY OF H.R. 13511, AS AMENDED

PREFACE

This document is a summary of the principal provisions of H.R. 13511, the Revenue Act of 1978, as ordered reported by the Committee on Ways and Means on July 27, 1978. The Committee ordered H.R. 13511 favorably reported with amendments by a record vote 25–12.

In view of the significant revisions of the Internal Revenue Code included in this legislation, the limitations of attempting to describe such revisions properly in a "summary" should be borne in mind. The official report of the Committee on Ways and Means is the ultimate legislative and interpretative authority. This document is prepared for the use of Members of Congress and their staffs, and is intended to serve only as a convenient condensation of the bill's principal provisions.

TITLE I. INDIVIDUAL INCOME TAXES

A. Tax reductions and extensions

The individual tax brackets would be widened by 6 percent of taxable income in excess of the zero bracket amount. Also, there would be rate cuts in certain brackets.

In addition, the zero bracket amount ($2,200 for single persons and $3,200 for married couples) would be increased to $2,300 for single persons and $3,400 for married couples. This has essentially the same effect as a comparable increase in the standard deduction would have had under prior law.

B. Personal exemption and general tax credit

The present $750 personal exemption for each taxpayer and dependent would be increased to $1,000. The general tax credit, which equals the greater of (1) $35 for each personal exemption or (2) 2 percent of the first $9,000 of taxable income in excess of the zero bracket amount, would be allowed to expire at the end of 1978.

C. Earned income credit

The earned income credit would be changed in three respects. First, the credit allowed would be equal to the lower of (*a*) 10 percent of earned income or (*b*) the maximum credit amount ($400) minus 10 percent of the amount by which adjusted gross income or earned income, whichever is larger, exceeds $4,000. Second, items which are excluded from adjusted gross income would no longer be excluded from earned income eligible for the credit. Third, taxpayers eligible for the credit would be married couples and surviving spouses who have a child living with them, and unmarried heads of household who maintain a household for a child. These changes are intended to make it easier for taxpayers to compute the credit and to provide the necessary information on the tax return to enable the Internal Revenue Service to allow the credit to taxpayers who qualify but do not take advantage of the credit on their tax return.

In addition, the earned income credit which is due to expire on December 31, 1978, would be made permanent.

D. Itemized deductions

1. *State-local nonbusiness gasoline taxes.*—The provision of present law which permits itemized deductions for State and local taxes on gasoline, diesel, and other motor fuels not used in business or investment activities would be repealed.

2. *Political contributions.*—The provision of present law which permits itemized deductions for certain political contributions up to $100 per year ($200 in the case of a joint return) would be repealed. The provision of present law which permits an income tax credit equal to one-half of such political contributions, but not more than $25 ($50 in the case of a joint return), would be retained.

3. *Medical expenses.*—The provision of present law which permits itemized deductions for one-half the cost of medical and hospitalization insurance premiums (up to $150), without regard to the general limitation that medical expenses are deductible only to the extent exceeding three percent of adjusted gross income, would be repealed. In addition, the special limitation in present law which permits deduction of medicine and drug costs only to the extent the costs exceed one percent of adjusted gross income would be repealed. Also, under this revision only insulin and prescription medicine and drugs would be eligible for the medical expense deduction.

As a result of these modifications, the full amount of medical and hospitalization insurance premiums, the costs of prescription medicine and drugs (and nonprescription insulin), and other qualifying medical expenses would be deductible to the extent that they exceed three percent of adjusted gross income.

E. Unemployment compensation

The current exclusion from taxable income for unemployment compensation paid pursuant to government programs would be phased out at higher levels of income. The amount of unemployment compensation excluded would be reduced by one-half of the excess of gross income (including unemployment compensation) over $20,000 for single taxpayers, and generally over $25,000 for married taxpayers.

F. Deferred compensation

Employees and independent contractors performing services for a State or local government or the Rural Electrification Administration would be able to defer annually an amount equal to the lesser of $7,500 or 33⅓ percent of their currently includible compensation. In cases where amounts less than these limitations are deferred, a limited catch-up would be available during the three-year period preceding retirement. In addition, compensation deferred under unfunded deferred compensation plans maintained by taxable employers would be subject to the principles of law in effect on February 1, 1978. Finally, the rules for the deductibility of employees' deferred compensation would be extended to deferred payments for services performed by independent contractors.

G. Cafeteria plans

Participants in nondiscriminatory "cafeteria" plans (welfare benefit plans which permit participants to choose which fringe benefits they want purchased with employer contributions) would not have taxable income to the extent that they elect to have employer contributions applied to purchase nontaxable benefits (e.g., accident and health benefits or group-term life insurance in an amount less than $50,000). Participants would have taxable income to the extent that they elect to have employer contributions applied to purchase taxable benefits or they elect to receive cash or other property in lieu of fringe benefits. A special rule is provided to insure that accident and health benefits are provided on a nondiscriminatory basis.

H. Cash and deferred profit-sharing plans

Amounts that a participant in a qualified, nondiscriminatory "cash and deferred" profit-sharing plan (a plan which permits participants to elect to defer part, or all, of the profit-sharing contribution to be made by the employer for the year) elects to defer and have paid into the trust under the plan would not be taxable to the participant in the year of deferral. In determining qualified status of a plan, relevant revenue rulings relating to nondiscrimination and treatment of these plans as qualified profit-sharing plans, which had been issued prior to January 1, 1972, would apply. The substance of this provision is contained in H.R. 9251, as passed by the House and Senate, except that the provision of H.R. 9251 would terminate on January 1, 1980, and would apply only to plans in existence on June 27, 1974.

I. Effective Date

In general, the provisions of Title I would apply to taxable years beginning after December 31, 1978.

TITLE II. TAX SHELTER PROVISIONS

A. Changes in at-risk rules

The at-risk loss restriction provision of present law, which now applies to four spe-

cified activities (farming, oil and gas, motion pictures, and equipment leasing), would be extended to apply to all activities except real estate. In light of the broadened application of this provision, the partnership at-risk loss restriction would be repealed.

This provision (now applicable to individuals, trusts, estates, subchapter S corporations, and personal holding companies) would also be made applicable to any closely held corporation in which five or fewer individuals own more than 50 percent of the stock.

In addition, the provision would be modified to provide for recapture of previously allowed deductions where there were withdrawals of amounts originally placed at risk.

In general, these changes in the at-risk rules would apply to taxable years beginning after December 31, 1978.

B. Partnership provisions

A civil penalty would be imposed on a partnership for failure to file (or late filing of) a partnership return. Also, the general three-year period of limitations under present law (in which a person may be assessed additional income tax for a particular year) would be extended to four years after the date the partnership return is filed with respect to income, deduction and credit items which have been passed through from certain partnerships to that person. This provision would only apply to partnerships subject to registration or reporting requirements of the Securities and Exchange Commission.

In general, the partnership provisions would apply with respect to taxable years beginning after December 31, 1978.

TITLE III. BUSINESS TAX REDUCTIONS

A. Corporate rate reductions

The corporate tax rate applicable to the first bracket of taxable income ($0–$25,000) would be reduced from 20 percent to 17 percent. The rate applicable to the second bracket ($25,000–$50,000) would be reduced from 22 percent to 20 percent.

In addition, two additional brackets would be created. The corporate tax rate applicable to the third bracket ($50,000–$75,000) would be 30 percent and the rate applicable to the fourth bracket ($75,000–$100,000) would be 40 percent. Finally, taxable income in excess of $100,000 would be taxed at 46 percent (rather than 48 percent as under present law).

In general, these corporate rate reductions would apply to taxable years beginning after December 31, 1978.

B. Investment credit modifications

The present 10-percent investment credit and the $100,000 used property limitation scheduled to expire at the end of 1980, would be made permanent. In addition, the 50-percent limitation on the amount of investment credit that can be used to reduce tax liability in excess of $25,000 for any taxable year would be increased to 90 percent, phased in at an additional 10 percent per year. Finally, eligible property for purposes of the investment tax credit would be expanded to include rehabilitation expenditures with respect to existing industrial and commercial buildings (including retail structures and warehouses). It would not apply to residential property. The credit would be available for eligible rehabilitation expenditures incured after December 31, 1978.

C. Investment credit for pollution control facilities

The full investment credit would be allowed for pollution control facilities which are eligible for an election to use 5-year amortization, except to the extent the facility has been financed with tax-exempt industrial development bonds. Under present law, the investment credit on pollution control facilities for which the taxpayer elects 5-year amortization is limited to one-half of the credit that otherwise would be available. In general, this provision would apply to property acquired by the taxpayer after December 31, 1978.

D. Targeted jobs credit

A permanent tax credit of 50 percent of FUTA wages (the first $6,000 of wages per employee) for the first year of employment and 16⅔ percent of such wages for the second year of employment would be provided for hiring: (1) AFDC recipients who register for the WIN program, (2) recipients of Supplemental Security Income (SSI), (3) handicapped individuals, (4) individuals of ages 18 through 24 who are members of households receiving food stamps, (5) Vietnam veterans, who are members of households receiving food stamps, (6) recipients of general assistance for 30 or more days, and (7) individuals of ages 16 through 18 who are participants in a high school or vocational school sponsored work-study or cooperative education program. Wages eligible for the credit would be limited to 20 percent of the total FUTA wages paid by an employer.

The current general jobs tax credit would be allowed to expire at the end of 1978.

The Secretaries of Treasury and Labor would be required to submit a report to Congress by June 30, 1981, on the effectiveness of the general jobs credit in stimulating employment in 1977 and 1978 and of the targeted jobs credit, as provided in this bill, in improving the employment situation of the targeted groups.

E. Increase limit on small issues of industrial development bonds

The small issues limitation on industrial development bonds would be increased from $5 million to $10 million for capital expenditures made over a 6-year period for a project. In general, this provision would apply to obligations issued after December 31, 1978, in taxable years ending after such date.

F. Small business provisions

1. *Subchapter S provisions.* Three modifications would be made with respect to subchapter S corporations: (1) fifteen or fewer shareholders would be allowed for its initial election; (2) husbands and wives owning subchapter S corporation stock, regardless of how the stock is held, would be treated as one shareholder for purposes of determining whether the subchapter S shareholder limitation has been complied with; and (3) a subchapter S election would be allowed to be made at any time during the first 75 days of the current taxable year or at any time during the preceding taxable year.

2. *Small business corporation stock.*—A corporation would be permitted to issue up to $1,000,000 of section 1244 stock (as opposed to the $500,000 limitation of present law) potentially subject to ordinary loss treatment. The maximum amount treated as an ordinary loss from the sale or exchange of section 1244 stock for a taxable year would increase to $50,000 ($100,000 in the case of a joint return). In addition, the requirement that the section 1244 stock be issued pursuant to a plan would be repealed.

3. *Special depreciation rules for small business.*—The additional first year depreciation allowance (sec. 179) would be modified in three respects. First, the percentage allowable would be increased from 20 percent to 25 percent. Second, the base amount for the cost of eligible depreciable tangible property would be increased from $10,000 to $20,000 (in the case of a joint return, the amount would be increased from $20,000 to $40,000). As a result of these two changes, the amount deductible would be increased from $2,000 (20 percent of $10,000) to $5,000 (25 percent of $20,000). In the case of a joint return, the amount deductible would be increased from $4,000 (20 percent of $20,000), to $10,000 (25 percent of $40,000). Third, the provision would be made applicable only to a taxpayer whose adjusted basis in depreciable assets as of the beginning of the taxable year did not exceed $1 million.

4. *Effective dates.*—In general, these small business provisions would apply to taxable years beginning after December 31, 1978. The provision relating to small business corporation stock would apply to stock issued after the date of enactment.

G. Accrual accounting for farming corporation

The family corporation exception to the rules which require that certain farming corporations use an accrual method of accounting and capitalize preproductive period expenses would be extended to cover certain corporations that are controlled by two or three families.

In addition, farmers, florists, and nurseries on an accrual method would not be required to take inventories of growing crops into account in computing taxable income unless these taxpayers are required by statute to capitalize preproductive period expenses. Further, farmers, florists, and nurseries who are currently using an accrual method of accounting, but who are not required by statute to use such a method of accounting, would be allowed until 1981 to change to the cash method of accounting.

In general, these provisions would apply to taxable years beginning after December 31, 1977.

H. Five-year amortization for low-income rental housing

A 3-year extension of the special 5-year amortization rule for certain expenditures to rehabilitate low income rental housing would be provided (i.e., until January 1, 1982). Under the special amortization rules for certain low-income rental property, taxpayers may elect to amortize up to $20,000 of certain rehabilitation expenditures, on a per dwelling unit basis, over a period of 60 months if the additions or improvements have a useful life of 5 years or more.

TITLE IV. CAPITAL GAINS

A. Alternative capital gains tax

The election for individuals to have the first $50,000 of long-term capital gains taxed at an alternative rate of 25 percent would be repealed, effective for taxable years beginning after December 31, 1978.

B. Minimum and maximum tax

Capital gains would be removed from the list of tax preferences for individuals, corporations, estates and trust under both the minimum and maximum taxes, effective for taxable years beginning after December 31, 1978. This change would reduce the maximum rate of tax on capital gains to 35 percent.

C. Alternative minimum tax on capital gains

An alternative minimum tax would be provided at the rate of 10 percent on the excluded one-half of an individual's long-term capital gains, reduced by a $10,000 exemption. This alternative minimum tax would be imposed only to the extent this tax exceeds the individual's regular tax liability. The alternative minimum tax base excludes any capital gain realized on the sale or exchange of an individual's principal residence.

Under the bill, individuals who realize capital gains would compute their regular tax liability and compare this amount with that calculated under the alternative minimum tax on capital gains. The individual's tax liability would be the greater of these amounts plus the amount of the existing minimum tax (which would continue to apply to tax preferences other than capital gains).

D. Inflation adjustment

Taxpayers would be allowed to adjust the basis of certain capital assets upward by the rate of inflation. For eligible assets sold after December 31, 1979, the basis adjustment would reflect the rate of inflation indicated

by the consumer price index for the holding period of the asset. However, the adjustment would be made only with respect to increases in the consumer price index occurring after December 31, 1979. In general, assets eligible for the basis adjustment would be corporate stock, real estate, and tangible personal property.

E. Exclusion of gain on sale of residences

An individual, regardless of age, could elect to exclude from gross income $100,000 of any gain realized on the sale or exchange of his or her principal residence. The exclusion would apply only once in a taxpayer's lifetime, and would be available only if the present nonrecognition treatment for rollovers is not elected. In addition, the exclusion would apply with respect to gain realized on the sale or exchange of a principal residence which the taxpayer has owned and occupied as his or her principal residence for the two-year period which immediately precedes the sale. The exclusion would apply to sales or exchanges after July 26, 1978.

The provision of present law relating to gain realized on the sale of a principal residence by a taxpayer 65 and over would be repealed.

If an individual realizes gain in excess of the amount excludible, the taxpayer's gain would be reduced prior to the application of the present law deduction of one-half of the individual's long-term capital gain.

F. Nonrecognition of gain on certain residential sales

An individual could elect not to recognize gain on the sale of more than one principal residence within an 18-month period (rather than the present law limit of one "rollover" during the 18-month period), if a replacement principal residence is purchased and occupied within that period, and if each sale and purchase is attributed to the individual's relocation for the convenience of his or her employer. Gain not recognized on any sale would reduce the individual's tax basis for each of his or her new residences.

G. Capital gains tax study

The Treasury Department would be required to prepare, and submit to Congress, by September 30, 1981, a report on the effectiveness of the reductions of both the individual and the corporate capital gains tax rates in stimulating investment and increasing the rate of economic growth. The report also is to include a study of the effects of these reductions on the growth of employment and on income tax revenues.

TENTATIVE REVENUE EFFECT OF H.R. 13511 AS ORDERED REPORTED

[Dollar amounts in millions]

	Calendar			Fiscal
	1979		1980	1979
Individual	—$10,464	[1] (65.5)	—$12,033	—$6,970
Corporate	—3,755	(23.5)	—4,969	—2,033
Capital gains [2]	—1,766	(11.0)	—2,241	—280
Individual	—1,671		—2,137	—280
Corporate	—95		—104	
Total	—15,985	(100.0)	—19,243	—9,282

[1] Figures in parentheses are in percent.
[2] The revenue estimates do not take account of any changes in economic activity in response to the tax change.

Source: Joint Committee on Taxation, July 27, 1978. ●

THE WHITE HOUSE DRUG SCANDAL

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. RUDD. Mr. Speaker, recent reports in the media make it clear that criminal drug use is widespread and persistent at the White House.

These are not the allegations of disgruntled political enemies. One of the principal reports concerning this drug use by the President's staff and visitors to the White House came from Dr. Peter Bourne, a close friend of the President and, until his recent resignation because of a drug-related episode, the President's chief adviser on drugs.

The fact that the President, in an unprecedented move, had to tell his senior staff members to stop breaking the law lends further weight to the allegations.

Each day brings forth new facets of this case. Newspapermen have openly stated that they have long been aware of illegal drug use among members of the White House staff. But the story has been covered up, because, according to the newspapermen, they too use illegal drugs—often in the company of White House aides.

Reporters have said they are afraid of being called "hypocritical" if the names of White House drug users are publicized. But maybe more to the point, as one reporter acknowledged, the reporters themselves are afraid of losing their jobs because of the widespread use of drugs in the Washington press corps.

Quite frankly, I think there is a professional responsibility on the part of news people to report the facts of any law violation, whether they agree with the law that is broken or not. Selective covering up of illegal activity—in this case, drug abuse among White House aides and their reporter associates—is an abuse of the public trust in our professional news corps.

Drug use or abuse among top White House aides and reporters has a great impact upon national policy and public opinion. The public deserves to know just what aides and what reporters are users.

Patrick Oster of the Chicago Sun Times recently wrote a commentary in which he claims that illegal drug use has been observed on the White House lawn, during a picnic there, and on Presidential trips.

Mr. Oster claims to know the names of two White House aides who use illegal drugs. He will not give those names. But what about the public's right to know?

I would like to include the Chicago Sun Times article at this point in the RECORD:

[From the Chicago Sun Times, July 25, 1978]

THE UNTOLD: CARTER STAFF DRUG USE

(By Patrick Oster)

WASHINGTON.—Since the news broke that Dr. Peter G. Bourne was supplying drug prescriptions to members of the White House staff, the primary topic among the press corps has been about who on the President's staff smokes or snorts what.

Some talk is more informed than the rest because of a fact that some members of the public might find peculiar: Many reporters who cover the White House have tried or used drugs themselves, sometimes socially with members of the White House staff.

This makes them uneasy about disclosing staff drug use, as Sun-Times interviews with reporters showed. Some said they'd feel more than mildly hipocritical about putting public heat on White House staffers for activities they themselves condone or engage in.

Other said they regard drug use, which in this case involves marijuana and cocaine rather than hard drugs, as a private matter, not a newsworthy event. That holds true, some maintain, even though such use is a violation of the law, a law some regard as unwise.

Still others, perhaps fearing reprisals from named staffers, wondered aloud whether their own jobs might be jeopardized if their drug use was made known.

In effect, the reporters who could write the most authoritative account of White House drug habits are engaging in a coverup of a story that undoubtedly would disturb many Americans, not to mention Jimmy Carter himself.

This hesitancy to divulge names extends to this reporter, who though not a marijuana or cocaine user, learned with certainty and not too much difficulty the names of White House staffers, including at least two on the senior staff who have been marijuana users.

Other reporters, notably James Wooten of the New York Times, have also done some digging but have turned up merely numbers of users, not names.

(Bourne, the President's resigned chief health adviser, engaged in a little hedging himself, telling Wooten that there was a "high incidence" of marijuana use among White House staff and "occasional" use of cocaine by "a few" presidential employes.)

Though not mandated by White House policy, disclosure of staffers' names would almost surely mean their dismissal. And under the circumstances, many reporters find themselves (this one included) wondering whether such a story is justified. Perhaps the situation would be different if one staff member, on the records, named another as a user. But as it stands, the concerns of privacy, and the potential for ruining a person's career and, to lesser extent, all pressure for discretion—censorship, if you will—despite what many reporters regard as the unwavering credo of journalism: The people have a right to know.

Ignoring this story, however, may not be up to this reporter or reporters who have shared a joint with this staffer or snorted coke with that official.

Other reporters, including some from High Times magazine, an unorthodox organ of the drug-users' community, are pursuing the story, some perhaps intent on showing that use of recreational drugs is as American as apple pie.

The Washington bureau of a major television network has also been assigned a story on "drug use in official Washington," an assignment that one bureau reporter said could be covered quite well by interviewing just the network's Washington correspondents.

If stories emerge on White House drug use, Carter will face a political crisis perhaps equal to the debacle that followed disclosures about Bert Lance's banking practices. Figures on recreational drug use among Americans show about 25 million have tried marijuana at least once, and about 10 million are regular users. And support for decriminalization, of "grass" and other soft drugs is growing. (Carter himself favors marijuana decriminalization, an idea that has caught on in about 10 states.)

But sentiment among voters remains strong against recreational drugs, particularly cocaine, largely because it violates the law. The straitlaced Carter, a born-again Christian, shares this hard view having told senior staffers Monday that future drug use would be a ground for dismissal (while sidestepping what he'd do about past use.)

However, within the White House staff, which includes many young, progressive people, use in the past has been anything but discrete. On presidential trips, for example, and on the White House lawn during this year's Fourth of July fireworks celebration, marijuana's pungent smell has filled the

air—despite (or because of) the presence of reporters.

In a sense, the casualness that has characterized such use is a reflection of what's going on in society at large, where, amid a lot of other crises, busts for "grass" use don't seem all that important to many.

Carter and his top aides clearly have been unnerved by the Bourne episode and its aftermath and are hoping that the land mine of further disclosures will not blow up in their faces.

That hope seems a thin one, however, given the press congressional interest in the topic. When staffers' names are disclosed, Carter's moral outrage and tough talk about firing may prove of no avail. And the beleaguered President, increasingly accused of incompetence, may find himself trying to persuade the American public that he is not a bumbling John Calvin among the hippies.●

CNI OPPOSES INCREASED SUGAR PRICES

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. LEDERER. Mr. Speaker, I would like to share with my colleagues in the House a recent news release by the Community Nutrition Institute in opposition to any further increases in the domestic price of sugar. Unfortunately, legislation now under consideration by both Houses of Congress, in particular H.R. 14862 and S. 2990, would serve only to increase the domestic price of sugar. The press release is as follows:

CNI OPPOSES INCREASED SUGAR PRICES

WASHINGTON, D.C.—The Community Nutrition Institute, a private nonprofit nutrition and food advocacy group, today announced that it vigorously opposes any further increases in the domestic price of sugar.

Due to the provisions of the Food and Agriculture Act of 1977, domestic prices are currently maintained at over twice the world price. This level of support already costs sugar users nearly two billion dollars annually and higher levels will add to this bill $300 million for every added cent. "Further increases are simply beyond reason", stated Ellen Haas, Director of CNI's Consumer Division.

The group stated that a limitation must be placed on the amount of money one producer is able to collect through the support program and it suggested acceptance of the Administration's figure of $50,000. Data have shown that at this level only two beet producers will be limited in income payments in addition to a small handful of the largest cane growers.

Use of the parity index for escalating price supports also drew fire from CNI. The index leads to arbitrary and totally unwarranted support price changes, the group said, in that factors completely unrelated to sugar production or farmer income are heavily weighted.

For example, had feeder livestock, which account for 11.7 of the index and which have risen nearly 50 percent during the last, not been included in adjustment calculations, the government loan level would have only been increased to 14.1¢ per lb., instead of the 14.65 cent level recently imposed. "Consumers will pay about $150 million more for sugar this year because of higher feeder cattle prices and it's likely that the domestic price will rise to near 20¢ per pound by 1981 for the same reason. Use of the parity index is perhaps the greatest built-in food price inflation factor there is," remarked Haas, "and it's one which requires rigid examination and possible substitution."

Finally, CNI stated that vast sums of money should not be channeled into programs that are used to buoy inefficient sugar production. Many researchers feel that sweeteners should not even be grown in temperate zones—that tropical areas are more suitable for their production. "An increase in support prices will only encourage greater production which is precisely what we do not need at this time," said Haas. "We feel certain that our agricultural resources could be much more wisely spent on the production of other commodities and urge that the proportion of the government's finances spent on support of sweetener production be decreased."●

AIRBUS STRIKES AGAIN

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

© Mr. HANNAFORD. Mr. Speaker, the Members of this House realize how closely I have been monitoring the sales practices of Airbus Industrie in its competition with American aircraft manufacturers around the world. I regret to report that the French have stooped to violating the 1975 Aircraft Understanding of the Organization for Economic Cooperation and Development to make a sale.

The case at hand is a pending sale of four wide body aircraft to China Airlines. The Nationalist Chinese were considering the purchase of two Douglas Aircraft DC–10's with options for two more. The Airbus A300 was competitor for this sale. Reportedly the French have offered the Chinese landing rights in Paris—a privilege they do not now enjoy—if they purchase the A300, and reportedly the Chinese have responded favorably to this offer with a letter of intent.

The OECD understanding prohibits the use of extraordinary sales or financing terms by any government to secure a sale of aircraft. The tie-in of landing rights with an aircraft sale is clearly extraordinary and unfair to American private aircraft manufacturers. Indeed, in many ways this kind of violation is more worrisome than that kind perpetrated by the British in the Lockheed/Rolls Royce sale to Pan American Airlines. In the latter case we at least have an institution, that is, the Export-Import Bank, that can take its gloves off in a foreign competition and offer similar financing terms; in the case of China Airlines we have no experience of tying landing rights with private sales.

Thus this violation points to the kind of Airbus-government collusion which we have suspected all along. Airbus is not a private company: It is a government-subsidized multinational consortium with access to government resources and authority. Our aircraft manufacturers cannot hope to compete with it without American Government support. Mr. Speaker, it is imperative that we examine a way to provide Federal support immediately. This is because aerospace products constitute the second-highest revenue-producing exports and because our balance-of-trade situation is already terrible and becoming worse. The timing of this problem is admittedly discomforting, because the impeding congressional adjournment date interferes with the possibility of examining the situation in the detail it deserves. Nevertheless, I hope we can persuade the relevant agencies to take aggressive action in dealing with the Airbus threat, and I hope we can have a congressional examination of the situation as soon as possible.

I make one further observation about French tactics with regard to the sale to China Airlines. The French want to have their cake and eat it, too. Having decided to sever diplomatic relations with Taiwan in exchange for relations with the People's Republic of China, the French can now tempt the Nationalist Chinese with pseudo-diplomatic overtures of this sort. What is more, the French were ruthless in their terms: Reportedly the Chinese wanted to mix their buy with both DC–10's and A300's. The French refused and required a straight buy of four A300's, options for four more, and no mix of aircraft. The Chinese, eager to gain further contacts with the West to bolster their national integrity, feel compelled to entertain the French.

Mr. Speaker, I hope the Airbus threat will receive prompt and serious attention. It deserves no less.●

BIPARTISAN SUPPORT IN THE SENATE EPITOMIZES THE SOUNDNESS OF A NATIONAL CONSUMER COOPERATION BANK

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. WYLIE. Mr. Speaker, the National Consumer Cooperative Bank Act conference report will be coming up for a vote on the House floor shortly. As one of the original sponsors of this legislation, I would urge my colleagues to follow the lead of the other body and adopt the conference report.

The concept of the bill developed from an idea expressed by Mr. Frank Sollars of Ohio at the Cooperative League of the U.S.A. meeting in San Francisco in 1974. Mr. Sollars is a successful farmer, banker, farm co-op, and community leader.

It was not long after that when Mr. George H. Dunlap, former chairman of the board of Nationwide Insurance Co., Mr. Sollars, and Mr. Carl Stitzlein, a member of the Cooperative League of the U.S.A. came to my office with the idea.

I later discussed the idea with Mr. Dean Jeffers, chairman of the board of the Nationwide Insurance Co., Mr. John Fisher, the president of Nationwide Insurance Co., and Mr. R. G. Chilcott, the senior vice president for corporate relations.

Because of their expertise and eminently logical arguments, I was con-

vinced that a National Consumer Cooperative Bank could provide the catalyst for the enhancement of economic growth, the uplifting of community neighborhoods and act as a stimulus to the free enterprise system. Consumer cooperatives have filled a need but they have not been as successful as farm bureau, rural electric, and farm credit cooperatives, primarily because they have not had a readily available source of needed funds for doing business. From Frank Sollars statement in San Francisco came the movement by the Cooperative League of the U.S.A. to undertake efforts to mobilize support for such legislation.

The bill passed the Senate with bipartisan support. Senate Majority Leader ROBERT C. BYRD supported the bill as did Senate Minority Leader HOWARD C. BAKER. One of the most significant statements came from Senator ROBERT DOLE of Kansas who said:

Mr. President, consumer cooperatives are on the forefront of the fight against inflation and are a valuable tool for providing improved consumer information to those who use their services. Likewise, they can be an important focal point of community activity and can provide the necessary organizational cohesiveness for uplifting certain communities and neighborhoods.

From that original group of my fellow Ohians representing the cooperative league, this concept has developed support from all phases of American society. This bill is endorsed by the American Association of Retired Persons, the National Council of Senior Citizens, the AFL–CIO, the Credit Union National Association, the Group Health Association of America, Farmland Industries, Inc., the National Rural Electric Cooperative Association, and the Ohio Farm Bureau Federation, Inc., to single out a few. There are currently 221 national, State, and local organizations actively supporting the national consumer cooperative bank bill. They are listed as follows:

PARTIAL LISTING OF SUPPORTERS OF THE NATIONAL CONSUMER COOPERATIVE BANK BILL

NATIONAL ORGANIZATIONS AND LEADERS

AFL/CIO, Industrial Union Department, Washington, D.C.
American Federation of State, County and Municipal Employees, Washington, D.C.
American Association of Retired Persons, Washington, D.C.
Alternative Economics, Washington, D.C.
Allied Industrial Workers of America, Milwaukee, Wis.
American Friends Service Committee.
Citizen Action Fund (Consumer Action Now, Consumer Federation of America, Environmental Action, Environmental Policy Center, Public Citizen), Washington, D.C.
Consumer Federation of America, Washington, D.C.
Commission on Religion in Appalachia, Knoxville, Tenn.
Credit Union National Association, Madison, Wis.
Cooperative League of the U.S.A.
Consumers Union, Mt. Vernon, N.Y.
Group Health Association of America, Washington, D.C.
Leadership Conference on Civil Rights, Washington, D.C.
National Association of Housing Cooperatives, Washington, D.C.
National Housing Conference, Washington, D.C.
Network, Inc., Washington, D.C.
National Retired Teachers Association, Washington, D.C.
National Conference of Black Mayors.
National Association of Neighborhoods, Washington, D.C.
National Urban Coalition, Washington, D.C.
National Urban League, Washington, D.C.
Nader, Ralph, Washington, D.C.
National Consumers Congress, Washington, D.C.
North American Student Cooperative Organization, Ann Arbor, Mich.
National Council of Senior Citizens, Washington, D.C.
Public Interest Economics Foundation, Washington, D.C.
Rural Advancement Fund, National Sharecroppers Fund, Charlotte, N.C.
Southern Rural Policy Conference, Atlanta, Ga.
Sullivan, Leon, Board Chairperson and Opportunities Industrialization Center, Philadelphia, Pa.
Strongforce, Washington, D.C.
United Auto Workers, Detroit, Mich.
United Steelworkers, Washington, D.C.
United Mine Workers, Washington, D.C.
Universal Cooperatives, Minneapolis, Minn.

MAJOR FARM AND RURAL ORGANIZATIONS AND LEADERS

Blue Ridge Electric Membership Corporation, Lenoir, N.C.
Colorado Cooperative Council, Colo.
Farm Credit Board of St. Paul, Minn.
Farmland Industries, Inc., Kansas City, Mo.
Federated Rural Electric Ins. Corp., Madison, Wis.
Federation of Southern Cooperatives, Epes, Ala.
Human/Economic Appalachian Development, Berea, Ky.
Iowa Institute of Cooperation, Ames, Iowa.
Land O'Lakes, Inc., Minneapolis, Minn.
Landmark Cooperative, Columbus, Ohio.
Lawrence, Douglas, past president, Columbia Bank for Cooperatives, Columbia, S.C.
Midcontinent Farmers Association, Columbia, Mo.
Missouri Farmers Association, Columbia, Mo.
Midland Cooperatives, Inc., Minneapolis, Minn.
Mountain Management Institute, St. Paul, Va.
Maine Cooperative Council, Bangor, Maine.
Minnesota Association of Cooperatives.
National Farmers Union, Denver, Colo.
National Farmers Organization, Washington, D.C.
National Rural Center, Washington, D.C.
National Rural Electric Cooperative Association, Washington, D.C.
National Rural Utilities Cooperative Finance Corporation, Washington, D.C.
Ohio Farm Bureau Federation, Inc., Columbus, Ohio.
Ozark Institute, Eureka Springs, Ark.
Rural America, Washington, D.C.
Shelly, Oren, past president, St. Paul Bank for Cooperatives, St. Paul, Minn.
South Dakota Association of Cooperatives.
Southern Cooperative Development Fund, Lafayette, La.
Utah Cooperative Association, Utah.
Wisconsin Electric Cooperative Association, Madison, Wis.
Wisconsin Federation of Cooperatives, Madison, Wis.
Western Farmers Association, Seattle, Wash.

REGIONAL ORGANIZATIONS, COOPERATIVES, AND LEADERS

Consumer Cooperative Managers' Association, Washington, D.C.
Foundation for Cooperative Housing, Washington, D.C.
Mutual Service Insurance, St. Paul, Minn.
Nationwide Insurance, Columbus, Ohio.
Continental Association of Funeral and Memorial Societies, Inc., Washington, D.C.
Consumer Cooperative Alliance, Port Washington, N.Y.
National Association of State Credit Union Supervisors, Washington, D.C.
Associated Cooperatives, Inc., Richmond, Calif.
Central States Cooperatives, Inc., Schiller Park, Ill.
Federation of Cooperatives, New York City, N.Y.
Florida Credit Union Guaranty Corporation, Orlando, Fla.
League Life Insurance, Detroit, Mich.
Michigan Credit Union League, Detroit, Mich.
MidAmerica Mutual Life Insurance Company, Minneapolis, Minn.
Mid-Eastern Cooperatives, Inc., N.J.
Milwaukee Area Cooperative Services, Wis.
Self-Help Development Council, Inc., N.J.
TechniCo-op, Inc., Conn.
United Housing Foundation, N.Y.
Illinois Credit Union League.
Maryland Credit Union Share Insurance Corp.
Wisconsin Credit Union Share Insurance Corp.
Federation of Section 213's, New York City.
Appalachian Cooperative Federation. W. Va.
Eastern Cooperative Housing Conference, Pa.
Chatham Cooperative Co., Mich.
Clifford Cooperative Association, Tripoli, Wis.
Consumers Co-op of Richland County, Wis.
Dineh Cooperatives, Inc., N. Mex.
Ely Cooperative Association, Ely, Minn.
Federation Cooperative, Wis.
Felch Cooperative Association, Felch, Mich.
Finland Cooperative Co., Finland, Minn.
Grand Portage Trading Post Association, Grand Portage, Minn.
Littlefork Cooperatives Society, Hibbing, Minn.
Little Swan Cooperatives Society, Hibbing, Minn.
Meadowlands Cooperative Association, Meadowlands, Minn.
Negaunee Cooperative Services, Negaunee, Mich.
Northern Lakes Cooperative, Hayward, Wis.
Parity Cooperative Society, Poskin, Wis.
Settler's Cooperative, Inc., Bruce Crossing, Mich.
Wakefield Cooperative Association, Wakefield, Mich.
Zim Cooperative Association of Zim, Minn.
Farmway Co-op, Inc., Beloit, Kans.
Rudyard Co-op Company, Rudyard, Mich.
Moose Lake Cooperative, Moose Lake, Minn.
Cooperative Sampo, Menahga, Minn.
Boston Food Co-op, Boston, Mass.
Consumer Co-op of Eau Claire, Wis.
Consumers' Cooperative Society of Palo Alto, Inc., Calif.
Cooperative Consumers of New Haven, Inc., Conn.
Co-op Society of Marquette, Minn.
Equity Cooperative, East Troy, Wis.
Farmers Cooperative Trading, Mass.
Ferndale Cooperatives, Inc., Ferndale, Mich.
Fort Greene Consumers' Cooperative Society, Inc., Fort Greene, N.Y.
Good Food Co-op, Fla.
Gordon Park Food Co-op, Milwaukee, Wis.
Greenbelt Consumer Services, Inc., Md.
Greenway Park, Cooperative, Pittsburgh, Pa.
Group Health Association, Washington, D.C.
Group Health Co-op of Puget Sound, Wash.
Hanover Consumers Cooperative Society, N.H.

Hyde Park Cooperative Society, Chicago, Ill.
Inter Cooperative Council, Ann Arbor, Mich.
Lansdowne Cooperative Association, Pa.
May Valley Co-op Community Inc., Reston, Va.
Metropolitan Non-Profit Housing Corporation, Pittsburgh, Pa.
Michigan State University Student Housing Cooperative, East Lansing, Mich.
Niskayuna Consumers Cooperative, Inc., New York.
Northern Valley Consumers Cooperative, New Jersey.
Palo Cooperative Association, Aurora, Minn.
Third East Hills Park, Pittsburgh, Pa.
United Cooperative Society of Fitchburg, Mass.
Workers Cooperative Union, Inc., Conn.
York Center Community Cooperative, Inc.
Common Market Co-op, Inc., Denver, Colo.
University Cooperative Society, Austin, Tex.
Arcata Cooperative Grocery Store, Arcata, Calif.
Rochdale Consumers Co-op. Society, Inc., New York.
St. Clair-Macomb Consumers Co-op, Richmond, Mich.
Co-optical Service, Lansing Co-op Society, Lansing, Mich.
Midland Services, Inc. Cooperative, Ashland, Wis.
Range Cooperatives, Inc., Virginia, Minn.
Cooperative Services, Inc., Detroit, Mich.
University Students' Cooperative Association, Berkeley, Calif.
Commonwealth Terrace Cooperative, Inc., St. Paul, Minn.
Baychester Consumer Cooperative Society, Bronx, N.Y.
Cambridge Cooperative Corporation, Boston, Mass.
Community Auto Cooperative, Austin, Tex.●

EDUCATING PHYSICIANS ABOUT ALCOHOLISM

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. VENTO. Mr. Speaker, in the United States, 10 million people suffer from alcoholism and each affects four other persons. Alcoholism involves a total 50 million Americans which is one-fourth of the population. Despite increased efforts to combat this disease, much remains to be done to enlighten the public about the nature of alcoholism. Early detection by physicians alert to its symptoms and armed with appropriate questions greatly enhances the patient's potential for diagnosis, treatment, and ultimate recovery. Yet according to the National Council on Alcoholism, only 1 doctor in 300 can adequately diagnose this disease.

In St. Paul, Minn., a family practitioner—Dr. Joseph Norquist—recognized the need to educate the doctors who regularly see and treat alcoholics without knowing it. Working with two Twin Cities film makers, John Goodell and Tom Kohout, and raising $26,500 in contributions from foundations and individual doctors, Dr. Norquist produced a film called "The Butcher, the Baker and the Candlestick Maker" which is aimed at helping doctors diagnose and treat alcoholism.

I commend to my colleagues the following article by reporter Virginia Rybin which appeared in the St. Paul Pioneer Press:

[Saint Paul Pioneer Press, July 31, 1978]

NEW LOCAL FILM AIMS AT HELPING DOCTORS FIND ALCOHOLISM

(By Virginia Rybin)

The doctor notices a suspicious smell on the breath of a woman just diagnosed as being pregnant.

Her husband sees two physicians about a bad back. He tells both that he tends to fall up the stairs.

None of the three doctors asks the key question: "How much do you drink?"

The sad result comes several months later, when their baby is born with fetal alcohol syndrome.

The most important characteristic of the disease is failure to grow. It is associated with increased mortality and characterized by mental deficiency, heart murmurs and other abnormalities. Women who drink heavily during pregnancy are at high risk of having such a child.

The scenario described is part of a film, but the St. Paul doctor who was one of the film makers says the scene doubtless has been played many times in real life.

In the film, the scene is replayed as it should have happened. Doctors asked the right questions and a normal baby is born. In real life, this may no longer be a possibility.

The film is called "The Butcher, the Baker, the Candlestick Maker." The title refers to the fact that alcoholism can happen to anyone.

Before the play about fetal alcohol syndrome, recovering alcoholics in such varied occupations as firefighting and professional football appear. Some talk about their experiences. The film ends with flashbacks to some of these people.

The old attitudes about alcoholism persist among some physicians, despite the fact that the American Medical Association recognized it as a disease in 1957, said Dr. Joseph Norquist, Maplewood family practitioner who helped make the film.

Norquist got involved at the urging of Dr. Thomas Briggs, White Bear Lake family practitioner and medical director of the St. John's Hospital chemical dependency center. Filming began in November, and the movie was shown for the first time last week.

Briggs said some doctors still have a hard time accepting alcoholism as a disease. Like some non-physicians, they think alcoholics could stop drinking if they wanted to and that treatment is ineffective, Norquist said.

The National Council on Alcoholism, a private lay and medical group knowledgeable in the field estimates that only one doctor in 300 can adequately diagnose the disease in a patient.

In a brochure prepared in connection with the film, it is noted that historically doctors received less than two hours of study on alcoholism during four years of medical school.

The situation has changed in the past three or four years, Briggs said. Now some programs devote 30 or more hours. Briggs said the University of Minnesota Medical School is trying to change attitudes in its program.

It is estimated that 25 percent of all patients in medical and surgical wards of general hospitals are alcoholics, Norquist said. They have been admitted for something else—such as abdominal pain, cirrhosis or fracture, he said.

Part of the problem is insurance, which often doesn't cover alcoholism treatment, Norquist said, although coverage is good in Minnesota.

Asking a patient about drinking patterns should be part of routine medical examination, the film tells physicians. A key danger sign to look for is vagueness or denial in the answer, Norquist said.

A number of other problems—such as family difficulties, multiple scars and fractures and frequent requests for work excuses—should alert doctors to probe deeper for possible alcoholism, he said.

Norquist said it was felt that the film was needed because, to his knowledge, there is no movie on the subject for doctors except those by drug firms pushing products. The film also is appropriate for the general public because it does not get very technical, he said.

The 27-minute film cost $26,500 to make. It was financed through contributions, including those of foundations and individual doctors.

John Goodell, St. Paul film maker who was nominated for an Academy Award in 1974 for a film on brain-injured children, and his associate, Tom Kohout, made the film with Norquist.

The husband and wife in the sequence about fetal alcohol syndrome are played by Jim Lawless and Shirley Diercks, both acting professionals. Norquist did filming as a missionary in Africa and made a film called "Love Is To Grow On" about mentally retarded children.●

DCM—A VALUABLE PROGRAM

HON. HAROLD RUNNELS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. RUNNELS. Mr. Speaker, it has come to my attention that the antigun lobby of this Nation is once again preparing to undertake an effort to abolish the National Board for the Promotion of Rifle Practice by having the funding for this program eliminated by Congress. Congress has, in the past, rejected previous attempts to abolish this very valuable program.

This Nation was founded upon the principle of the citizen soldier ready to defend his homeland should the need arise. Hopefully, this Nation will never again have to be a participant in armed conflict, but we must certainly continue to be prepared for such an event.

The National Board for the Promotion of Rifle Practice was created by Congress 75 years ago because it was determined that our civilization had advanced the American lifestyle to the degree that there was a complete dependence upon the Government for marksmanship training. The day of the citizen who had grown up with a firearm to defend his home and provide food for his table was long gone, and, as a result, most citizens no longer acquire the marksmanship skills to leave their normal occupation and quickly form into a military unit to successfully defeat an aggressor.

During World War II more than 1,700,000 American citizens who were called into service had received marksmanship training through the civilian marksmanship program before going into active duty with the military. At the conclusion of the war President Truman said that if the country is to remain

strong, we must depend upon our citizens being trained and capable of backing up the Active and Reserve Forces.

The fact that today's average citizen is not adequately trained in the use of a firearm is evident by the fact that during the Vietnam conflict Army divisions found it necessary to establish marksmanship training programs in the combat zone. The short, basic training course of the military certainly does not provide sufficient training. The Army's basic training course, for example, presently includes the firing of approximately 300 rounds of ammunition using an M–16 service rifle.

One only has to look at the actions of possible opponents to determine the importance of rifle training. Today, Russia and the People's Republic of China conduct marksmanship training programs for young people numbering into the millions. Similar programs are being conducted by our friends in Israel, Switzerland, Rhodesia, and South Africa in order that their citizens might be prepared to defend themselves should the need develop. Study after study have shown that marksmanship programs contribute significantly to the defense of a nation.

The officials of the defense civilian marksmanship program have been called to testify before the various appropriations committees, the Armed Services Committee on which I serve, and have presented detailed testimony on their program. There has been no attempt to mislead the public. This is a congressionally authorized program administered by the Army to provide a means for American citizens to learn marksmanship skills in the event they would be called upon to defend the United States.

In 1976, there were 1,095 members of the civilian marksmanship program who entered the military service and in 1977 this number increased to 1,888 representing a significant contribution to the all-volunteer concept for our Armed Forces. In other words, a sizable number of the individuals participating in this program enter military life and benefit from the early training provided by the DCM program.

Marksmanship training develops not only skills for potential military use but also includes safety and the proper use of firearms. Young people at the firing range are exposed to discipline and learn to live by rules and procedures established for the safe use of firearms. The National Board for the Promotion of Rifle Practice has stated that: "A member of a civilian rifle club not only contributes to the defense of our country by learning to shoot a rifle well but also becomes a better citizen by learning respect for firearms and their proper use in our society."

Today, there are nearly 2,100 civilian rifle clubs in every State with over 130,000 members enrolled in the DCM program. These clubs are provided with the indefinite loan of rifles which are primarily 22- and also 30-caliber rifles, as well as ammunition, targets, and qualifications awards. Additionally, the program supports competition matches at regional, State, and National levels. In 1977 there were a total of 61 matches sponsored.

I would like to list for the Members the number of DCM-sponsored clubs and their membership in each State:

State	Clubs	Members
Alabama	6	466
Alaska	17	813
Arizona	21	1,958
Arkansas	10	413
California	136	11,028
Colorado	21	1,474
Connecticut	55	3,763
Delaware	7	1,444
District of Columbia	5	271
Florida	22	1,530
Georgia	14	409
Hawaii	2	90
Idaho	20	1,459
Illinois	63	3,030
Indiana	31	1,683
Iowa	28	1,640
Kansas	20	749
Kentucky	13	641
Louisiana	13	1,571
Maine	19	1,001
Maryland	63	3,742
Massachusetts	72	5,388
Michigan	81	4,840
Mississippi	1	20
Missouri	49	2,080
Montana	33	1,431
Nebraska	37	1,354
Nevada	2	66
New Hampshire	18	1,022
New Jersey	27	4,646
New Mexico	8	925
New York	254	16,136
North Carolina	9	336
North Dakota	24	1,659
Ohio	102	7,571
Oklahoma	17	1,492
Oregon	28	1,862
Pennsylvania	196	15,888
Rhode Island	17	1,621
South Carolina	10	252
South Dakota	13	659
Tennessee	12	517
Texas	86	4,845
Utah	19	1,420
Vermont	10	946
Virginia	30	1,319
Washington	57	2,953
West Virginia	15	890
Wisconsin	85	5,374
Wyoming	22	1,272

In reviewing this chart, it is interesting to note that the "gun-toting" Western States do not dominate the list of the top 10 participants in the DCM program. In fact, it is the States where an individual is least likely to have the opportunity to learn to correctly use a firearm where the DCM program makes its largest contribution. Look at the top 10 listing.

State:	*Number of participants*
New York	16,136
Pennsylvania	15,888
California	11,028
Ohio	7,571
Massachusetts	5,388
Wisconsin	5,374
Texas	4,845
Michigan	4,840
New Jersey	4,646
Connecticut	3,763
Illinois	3,030

Gen. Lewis W. Walt, who served this country in the U.S. Marine Corps for so many years is a member of the National Board for the Promotion of Rifle Practice. Last year he wrote a letter to Senator EDWARD KENNEDY expressing his thoughts on the DCM program. I would like to include a portion of the general's letter for my colleagues' consideration.

He said,

I wish for the Members of Congress to know that the civilian marksmanship program is a pledge to the American people that the means will be available to keep our country strong. It has been the citizens of the United States who have won our wars. The citizens provide the insurance upon which Congress may call when our Armed Forces become overcommitted in battle. We must not count upon time being available in future wars to call our civilians into service and adequately train them for combat. Every element of premilitary training from first aid to survival is most important when duty calls. A great deal is learned which we sometimes fail to realize until fear is upon us. The youth summers camps, scouting programs and even school training has saved many lives in combat, but I assure you from my experience in the Marine Corps, the men who have confidence in their rifles and their ability to use them have made the difference in winning and losing battles and have significantly reduced our own losses. This confidence and skill can just not be mastered in a week or even a month. While we do not expect every man in combat to possess international marksmanship skills that require up to 10 years of training, every month and every year that our young Americans train in the civilian marksmanship program gives them an additional advantage to survive against an enemy.

We must realize and agree that every young American who participates in a marksmanship program is performing a service to our country and is strengthening our defense. Every civilian instructor who trains others in marksmanship is a valuable asset in the event of mobilization. We should praise them all and encourage others to join.●

AMERICA'S HOPPER CAR SHORTAGE AND DUTY-FREE MEXICAN IMPORTS

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. FITHIAN. Mr. Speaker, I recently submitted testimony to the Subcommittee on International Trade of the Senate Finance Committee concerning the present shortage of freight and hopper railroad cars in the United States and the need to eliminate the 18-percent tariff duties imposed by the generalized system of preferences (GSP). I would like to share these comments with my colleagues in the House, and respectfully request that this testimony be reprinted in the RECORD:

Mr. Chairman, I welcome the opportunity to testify before the Subcommittee on International Trade in support of S. 3326, introduced by Senators Lloyd Bentsen, Robert Dole, and Carl Curtis. I have introduced a similar bill, H.R. 13616, on the House side with some modifications.

I believe that you are all well aware of the serious problems caused by the current shortage of railroad freight cars, hopper cars, and other rolling stock. Last year at this time, our country had a small surplus of hopper cars; now the railroad shortage has reached more than 28,500 railroad cars per day, including a shortage of 5,200 freight cars and 16,635 hopper cars daily. Analysts expect the shortage

to worsen during the fall harvest and remain difficult in the foreseeable future (up to 1985). This shortage is crippling our ability to transport grain, cotton, and other agricultural commodities and to ship bulk products such as the fertilizer needed by American agriculture.

Even working at full capacity, it would appear that American producers are unable to meet the escalating demand for freight and hopper cars. American steel companies such as Bethlehem have about a one-year backlog of orders from the rail industry. There are numerous reasons for American industry's inability to meet this demand for cars.

The causes of the car shortage are complex and diverse. Part of the difficulty has been experienced in loading and unloading cars, as a result of which turn-around time has sharply increased. Poor track conditions have significantly affected the delivery of agricultural products. More cooperation between railroads and an accelerated transfer policy are needed. Severe winter storms have damaged track, slowed shipments, and resulted in higher incidents of maintenance (about 50 percent). The coal strike has caused a shift of locomotive power to long-distance unit trains from coast to coast, adversely affecting grain shipments. The number of bad order cars has more than doubled since 1968, increasing from 3 percent to 6.5 percent by 1978. The unseasonal shipments of grain, especially corn and wheat, this last spring have coincided with increased demand from fertilizer shippers and other bulk commodities. The Interstate Commerce Commission's inability to enforce its service orders has exacerbated problems. Thus, the present shortage has grown from various factors and has no simple, single solution.

In Indiana the car shortage is already severe. Our state Agricultural Stabilization and Conservation Service office surveyed all Indiana grain elevators on the impact of the car shortage last month and found that:

Indiana Farm Bureau's Grain Division reported that their main elevator in central Indiana is not receiving cars and that they are short 1,000 hopper cars per month.

Some elevators are closed from three to seven days per week because they can't move the grain now on hand, and their bins are full.

Many elevators have given up on moving grain by rail and are now having to ship by truck—something which we must watch with concern as we consider energy use, since railroads use less than one-third as much fuel as trucks, on the average, to move big loads.

One elevator manager estimated that the total impact on his farm customers as a result of the car shortage was 25 to 30 cents per bushel.

We all know what elevator operators do when they face late delivery charges or extra interest on extended loans or when they can't fulfill a contract. Their losses are passed along to farmers. Indiana farmers are losing about a dime a bushel on corn right now as a result of the hopper car shortage, according to the best estimates I've seen. That reduces farm buying power and affects the entire rural economy.

In the past, the United States has imported freight and hopper cars from Mexico and Canada, with Mexican cars being duty-free under the Generalized System of Preferences (Section 504 of Trade Act of 1974). When Canadian sources failed due to their domestic shortages, Mexico became the sole source of imports.

Until March 1, 1978, freight and hopper cars from Mexico entered the United States free of duty. U.S. imports of cars from Mexico amounted to U.S. $10.5 million in 1977. The Mexican exporters had no way of realizing that these imports constituted more than the 50% limit per country of the total imported in this category. On the basis of an automatic application of Sec. 504 of the Trade Act of 1975, the United States withdrew GSP treatment and raised the duty to 18% *ad valorem*, effective March 1, 1978. The U.S. government informed Mexican authorities of the elimination of GSP only shortly before publication of the new GSP list and after Mexican producers had signed contracts with American purchasers for delivery in 1978 of U.S. $31.7 million worth of gondolas and hoppers, FOB, El Paso, Texas.

Both S. 3326 and H.R. 13616, the similar House bill, would exempt Mexican freight and hopper cars from this 18% *ad valorem* duty for four years, with an effective date of suspension retroactive to March 1, 1978, with some conditions.

Prior to March 1, 1978, Mexican freight and hopper cars were accorded BSP treatment, so this legislation is no new departure in international trade. In the context of the multilateral trade negotiations, the United States has also offered to lower freight car duties for Mexico gradually to 7.5% by 1982. When the provisions of this legislation terminate, Mexican cars will be dutiable at that rate.

There is one significant difference between H.R. 13616 and S. 3326. The House bill's language eliminates the potential for any windfall profits to accrue to companies purchasing Mexican freight and hopper cars. All contracts negotiated and concluded prior to March 1, 1978, without the knowledge that GSP's 18 percent *ad valorem* tariff would be applied, would be granted a retroactive exemption. Those contracts negotiated and concluded between March 1, 1978 and the enactment of this legislation, with full knowledge of the 18 percent add-on, would not be exempt from duty. Therefore, no American company would receive any windfall profit as a result of this legislation. I respectfully urge this Subcommittee on International Trade to add the appropriate language in H.R. 13616 to S. 3326, and retain this language in the House-Senate conference committee.

In recent years, the United States, Canada, and Mexico have established an integrated rail system with standard rail equipment. Mexican cars are built to the standards of the American Association, the Federal Railway Administration, and the Interstate Commerce Commission. This facilitates the interchange of cars and equipment across the border.

Units sold in the United States market have a high proportion of parts produced in the United States or under licensing arrangements. Nearly half of the value of the 1977 exports were U.S. products, and it would be expected to reach US $23.6 million for the 1978 exports for a 56.8 percent of the total value. A close relation exists between American and Mexican producers

Imposition of this duty will be determined to the United States since it would reduce Mexican sales and thereby sharply decrease the volume of U.S. parts and U.S. licensed technology purchased by Mexico. Moreover, fewer cars will be available to meet the demand of the U.S. railroads and the growing group of freight car leasing companies. The unsatisfied demand is evidenced by the rental by U.S. railroads of 2,000 units from Ferrocarriles Nacionales de Mexico in 1977. The application of Sec. 504 risks disrupting the cooperation that exists today between U.S. railroads and the Mexican rail system. That cooperation is further evidenced by the fact that 9,000 U.S. units are operating in Mexico without import duty on the basis of a Mexican Government administrative ruling. Similarly, U.S. cars are permitted to carry freight from Mexico to the United States instead of returning empty to the U.S. All in all, this close cooperation has been beneficial to both countries.

The change from duty-free importation of freight cars to an 18 percent ad valorem duty is solely the result of an automatic application of a provision of the Trade Act and does not reflect hostility to these imports on the part of the U.S. industry or government.

It should be noted that easing the freight and hopper car shortage will help Mexico to obtain delivery of agricultural commodities already purchased in the United States. In 1978, estimated Mexican purchases of American agricultural products includes 1 million metric tons of soybeans, 800,000 of wheat, 500,000 of corn, 400,000 of sorghum, 90,000 of dry powdered milk, and various other products. The prospects are that Mexico will continue to be a market for American agricultural exports.

In conclusion, this legislation will foster better relations with Mexico, strengthen the Mexican economy, and serve our own best interests by helping, in part, to resolve the freight and hopper car shortage in the United States. The legislation will facilitate the movement of grains and other agricultural commodities, thus helping farmers and shippers. It will assist Mexico in obtaining delivery of tons of agricultural commodities already purchased in the United States. It will hold down the price of freight cars, resulting in a savings to American purchasers and consumers, without adversely affecting the American car production industry or the steel companies. Finally, it will generate continued American employment for suppliers of components for Mexican cars and stimulate the export of steel products. I believe that this legislation is mutually beneficial to both the United States and Mexico, and I respectfully urge your consideration of this legislation.●

DRUGS IN WHITE HOUSE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. DERWINSKI. Mr. Speaker, the revelation that members of the White House staff have been involved with drugs is a subject that has received predictable critical commentary across the country. Mike Royko, the noted Chicago Sun-Times columnist, treated this subject in his unique style in the Thursday, July 27 edition of that publication. I insert his column at this point:

[From the Chicago Sun-Times, Thursday, July 27, 1978]

HEY JIMMY, YOU DIG?—HIGH AND MIGHTY DOPES

(By Mike Royko)

In the days of evening radio drama, there was a show called "Mr. President." It was a popularized version of history. Each week, it took a different President and a crisis and turned it into a half hour of family drama.

Edward Arnold, an actor with a deep, rumbling voice, always played the President. He would be sitting in his White House office. Someone would bring a big problem to him. He would ponder it, sigh wearily, utter statesmanlike thoughts, and in the end he would solve everything brilliantly.

Most of the segments had to do with decisions faced by Lincoln, Jefferson, Jackson and the other history-book Presidents.

The show went off the air before we began getting People Magazine Presidents. Too bad. It would have been interesting seeing how "Mr. President" handled some contemporary presidential problems.

Today, a script might sound like this:

"Mr. President, may I interrupt you for a moment?"

"Yes, Rufus, sit down. I can use a moment away from guiding the ship of state through troubled waters and giving this nation a government that is as good, as honest, as sweet and cuddly as the American people, government that is efficient, loving, government that is . . ."

"I'm afraid we have a problem on our hands, Mr. President."

"That is what I'm here for, Rufus. What is it this time? Is my sister trying to convert another famous deviate? Why can't she try to make some famous nice people get reborn?"

"No, it isn't your sister."

"Well, I hope it's not Billy again. You know, I'd sit down and have a talk with him about his behavior, but every time I try, he throws empty beer cans at me and shouts: 'Mommy loves me more!' It's not easy being a big brother."

"Billy hasn't done anything today."

"Then it's Hamilton, isn't it? If he spits Amaretto on one more woman he's all through. You'd think he'd remember that this is supposed to be a populist administration and spit Coke instead of a fancy liqueur."

"It's not Hamilton, Mr. President."

"Is it Bert? Bert's not writing himself funny checks again is he?"

"No sir, it isn't Bert."

"Then it must be Andy Young. What's he said today? That we're all in the Klan?"

"No, Mr. President. I'm afraid that we have a dope problem."

"I already know that, Rufus. But which dope are you talking about? My cousin, Hugh? My nephew? By the way, can I go to court and legally change my name to Smith or Jones, and stay on as President? It might help my image. Have Rafshoon check that out."

"Sir, we have a drug problem. Here. In the White House. On your staff."

"My White House staff?"'

"Yes sir. Dr. Bourne is in trouble. And he has told the press that others on your staff have been smoking marijuana, sniffing cocaine and things like that."

"This is serious. Drugs in the White House. I knew they acted strange. But I thought they were just drunk."

"What are you going to do, Mr. President?"

"Obviously, I've got to take bold, decisive action. So is there any way we can keep it quiet?"

"No sir, the press knows about it."

"Hmm. They didn't get their drugs from congressmen, did they? If so, we could blame Congress."

"Not that we know of."

"Too bad. Well, then there is only one thing for us to do. Let's wait for the polls to see how the people feel about drugs in the White House, then Rafshoon can decide. Maybe it is a good thing. Can all teen-agers vote yet?"

"Mr. President, I think you have to do something now."

"Yes, you're probably right. I'll ring for Johnny Bob to come in here and I'll issue an immediate directive forbidding drug use."

"Groovy."

"What was that?"

"I mean, yes, Mr. President."

"Rufus, why are you sitting there staring at my lampshade?"

"Well, it is a pretty lampshade, sir. The light sort of glows through the shade and gives it a deep blue. I mean, it is like looking into the sea. You know what I mean, Mr. President? I mean, wow."

"RUFUS, WHAT IS THAT PILL you just took?"

"That? Aspirin, Mr. President."

"Aspirin? With green and yellow stripes?"

"New brand, sir."

"I hope it helps. Headaches can be awful."

"Yes sir, it helps. I mean, my head is clear now. I see things so clearly. I can see the planet Mars in your lampshade. Oooh, crazy. There are people on Mars."

"Mr. President, you rang for me?"

"Yes, Johnny Bob. Rufus has just told me we have a drug problem in the White House. I want it stopped."

"You wa' wha?"

"I want it stopped."

"Wha' stop?"

"The drugs."

"You got drugs, man?"

"Man? I'm the President."

"Oh, yeah, groovy, wow. I mean, you look like the President, so you must be the President. Hey, I dig."

"Johnny Bob, what is that thing you are puffing on?"

"This? Just my pipe, Mr. President."

"I didn't know you smoked a water pipe."

"Oh, sure. Very cool smoke. Want a puff?"

"NO THANKS. NOW, I WANT this drug directive out immediately. So get hopping."

"Right, right. I'll hop. Hoppity hoppity hop."

"Johnny Bob. I didn't mean you should hop like a rabbit. Stop hopping around my office."

"I don't mind. It's fun. Hoppity hop, hoppity hop."

"Rufus, did you see that? He hopped right out the door."

"Yes, Mr. President. He hops good."

"Rufus, are you taking another aspirin with stripes?"

"For my head, sir."

"Maybe you need fresh air."

"Good idea, sir. I'll go outside."

"Rufus! Not out my window! Rufus, stop flapping your arms. You can't fly! Rufus? Oh, my. I'll have to talk to Rafshoon. I'm sure a legal name change is permitted by the Constitution." ●

FURTHER HARASSMENT OF THE FEDERAL BUREAU OF INVESTIGATION

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. RUDD. Mr. Speaker, the Justice Department has dropped its prosecution of former FBI Special Agent John Kearney, who had been charged with improper use of wiretaps and other investigative techniques to find and apprehend fugitive terrorists of the so-called Weather Underground.

The Attorney General's decision to seek dismissal of the Kearney indictment was a sound one. Kearney was doing his job as he was told to do it by his superiors, with the knowledge and approval of the Director of the FBI, the Attorney of the United States, and probably even the President himself.

However, the Justice Department has now sought and obtained indictments against L. Patrick Gray, former Acting Director of the FBI, W. Mark Felt, former Associate Director of the FBI, and Edward S. Miller, former Assistant Director of the FBI. in the same case for which Kearney was initially indicted.

This is further unwarranted harassment of loyal former FBI officials who, like Kearney, were acting with the knowledge and approval of the Attorney General and probably even the President of the United States himself, who had placed a high priority on capturing the Weather Underground terrorists who were bombing buildings and killing innocent people throughout the country.

The San Antonio Chapter of the Society of Former Special Agents of the Federal Bureau of Investigation has provided me with a copy of its recent resolution opposing these indictments.

I share the view of this organization that we must uphold and strengthen the Federal Bureau of Investigation as our Nation's only domestic intelligence agency to protect our people from terrorism and subversion.

I would like to include the resolution at this point in the RECORD:

SOCIETY OF FORMER SPECIAL AGENTS OF THE FEDERAL BUREAU OF INVESTIGATION, SAN ANTONIO CHAPTER

RESOLUTION

Whereas, the San Antonio Chapter of the Society of Former Special Agents of the Federal Bureau of Investigation is deeply concerned about the indictments of former Acting Director L. Patrick Gray, former Associate Director W. Mark Felt and former Assistant Director Edward S. Miller; and

Whereas, these three officials had no evil or criminal intent but were motivated by devotion to duty and obedience to established authority of the executive branch of the government in preserving the lives and rights of innocent victims of senseless bombings; and

Whereas, the U.S. Department of Justice, after waiting until the final moments before the Statute of Limitations would have barred prosecution of any type, chose to prosecute loyal and patriotic servants of the people rather than to prosecute willful terrorists; and

Whereas, Attorney General Griffin Bell authorized these ill-advised indictments with the consent and approval of President Jimmy Carter and Vice President Walter Mondale for the obvious purpose of placating the liberals, leftists and various other groups who have no real concern for the defense and security of our Nation; now, therefore, be it

Resolved, That the entire membership of the San Antonio Chapter of the Society of Former Special Agents of the Federal Bureau of Investigation desires to place on record its disapproval and condemnation of such reprehensible and shortsighted actions by our national leaders; and be it further

Resolved, That the President, the Vice President and the Attorney General are strongly urged to have these indictments dismissed without further disgracing and harassing these loyal public servants and their families; and be it further

Resolved, That the President, the Vice President and the Attorney General be and are hereby urged to take heed of current tragedies caused by terrorists in Italy, West Germany and other parts of the world; that our Nation has only the FBI as a domestic intelligence agency to prevent the Marxists from achieving their avowed final goal of total destruction of all non-Marxist forms of government; and be it further

Resolved, That copies of this resolution passed unanimously on May 11, 1978, be furnished to the President, the Vice President, the Attorney General, the Chairmen of the Senate and House Judiciary Committees and other appropriate public officials and news media representatives.

Passed and approved this 11th day of May, 1978, at San Antonio, Texas.

Attest:

CLARK ANDERSON, *Secretary.*
GEORGE KEEFER, *Chairman.* ●

DEEP SEABED MINING BILL

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. BEILENSON. Mr. Speaker, last week we voted on a bill which will greatly affect the division of resources of 70 percent of the Earth's surface. The bill's proponents call it a "regulatory" measure to facilitate the development and extraction of deep seabed minerals pending adoption of an international agreement. In reality, this bill would try to legitimize the taking by U.S. companies of minerals which the United States has no right to take. The United States has agreed (by U.N. General Assembly resolution) that the deep seabed riches are "the common heritage of mankind" over which we will not claim sovereignty. This bill, however, would authorize private mining consortia to mine minerals which the United States has no right to claim.

The repercussions of this unilateral grab of resources which are "the common heritage of mankind" could far outweigh the claimed benefits of this legislation. Passage of this bill would jeopardize the future of the Law of the Sea Conference and all of the provisions our delegation has already been successful in negotiating for the national security of the United States and the peaceful use of the oceans. Progress has already been made in resolving difficult issues of freedom of navigation, maritime pollution, settlement of disputes over the living resources of the exclusive economic zone, and numerous other issues. On balance I believe our delegation and our Ambassador to the Law of the Sea Conference would agree that the provisions thus far agreed to are quite important to our national security. We should not, therefore, lightly take actions which would disrupt progress toward a Law of the Sea Treaty.

Proponents of this bill claim two benefits from its passage. They claim we need the deep seabed minerals for their strategic importance, and they claim we need them for our economic security. Neither claim is substantiated. Assistant Secretary of Defense David McGrifford, testified before the International Relations Committee that, in the event of an interventior in our supply of minerals, the United States already holds sufficient stockpiles of the types of minerals that can be derived from managanese nodules through deep seabed mining. He further stated that the deep seabed mining operations would be too subject to interdiction to be relied on for a supply of these minerals in times of conflict.

As a source of economic security, the minerals are not as crucial as the proponents of this bill would have us believe. Deep seabed mining could supply four important minerals which we use—maganese, copper, nickel, and cobalt. We are not so dependent on any country for these that we are likely to be caught in an economically precarious situation. We import manganese from four nations—Brazil, Gabon, Australia and South Africa—and are not likely to lose all sources simultaneously. We only import 15 percent of the copper we need. We import 50 percent of our nickel from our ally and neighbor, Canada. We use only small amounts of cobalt, and substitutes for cobalt are available. Given an accurate picture of our mineral use and supply, we are not mineral dependent on one or a few nations in the way we are oil dependent.

In addition, the timetable for commercial extraction from the deep seabed at the very earliest is 1985 or 1986. Major investment decisions are still far enough in the future to make unilateral legislation unnecessary, and prototype mining and exploration can continue without risk to the Law of the Sea Conference or to the ocean environment without the passage of this bill.

The questionable benefits of this bill are far outweighed by the risks of repercussions from other nations in response to or unilateral action. As we claim jurisdiction over some of the seabed or set up our own framework legalizing the taking of the minerals, other nations are likely to retaliate by further extension of their own claims to a territorial sea or an exclusive economic zone or to impede progress at the Law of the Sea Conference in areas that still need to be agreed upon.

This is a particularly inopportune time to risk a further widening of the north-south economic gap, as significant progress was made at the last Law of the Sea Conference in Geneva last spring. Ambassador Elliot Richardson said of that seventh session of the Conference that the delegates "focused on the most critical hardcore issues with an intensity and a spirit of sober determination without precedent in the history of the Conference." He said of the negotiations on deep seabed mining in particular that, "there was none of the public posturing characteristic of earlier debate on these issues. Rather, the Conference revealed a more sophisticated understanding of the economic stakes at issue and broad acceptance of the aim of making the parallel system of seabed exploitation workable."

In an atmosphere of progressive negotiating unprecedented in the Law of the Sea Conference, we would be acting in a reckless and contemptuous way if we now enact unilateral deep seabed mining legislation.●

MESSAGE TO THE POOR: TIGHTEN YOUR BELTS

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. REUSS. Mr. Speaker, Columnist Mary McGrory of the Washington Star has put her finger on a disturbing mood in the country that she sees reflected in Washington: the readiness to tell the poor they've got to tighten their belts.

Ms. McGrory cites two major issues in evidence: the proposals of the Federal Reserve to pay out hundreds of millions of taxpayers' dollars in interest on bank reserves, the bulk of which would go to the Nation's biggest banks, in order to persuade banks to keep their membership in the Fed; and tax proposals now moving forward which would skewer tax breaks toward the affluent instead of toward the lower brackets, as the Carter administration proposed.

Her column of July 28, 1978, follows:

[From the Washington Star, July 28, 1978]

A WAVE OF SYMPATHY FOR THE WELL-OFF SWEEPS THE COUNTRY

(By Mary McGrory)

Some sage once said, "I've been rich and I've been poor, and rich is better."

It's getting better all the time, too.

A wave of sympathy for the well-off is sweeping the country.

Ten years ago, we were talking about a war on poverty. Today, we are told that the really afflicted members of our society are the comfortable.

You don't hear about welfare reform, which would give those who have nothing a little something. We're talking about people who have it keeping it. The country club has replaced the ghetto as an area of national concern. We worry about the homeowner more than the homeless.

California pioneered in the doctrine that we've been doing too much for the have-nots. Proposition 13 was aimed at too much government spending, but the way Washington reads it, it's a message to the poor to tighten their belts.

That's why the big topic on Capitol Hill is not tax reform, but tax cuts. Jimmy Carter can say all he wants to about "huge tax windfalls for millionaires" if capital gains taxes are trimmed, but he is wasting his breath. The only question is how much?

In case the House Ways and Means Committee was thinking of being niggardly, Chairman Russell Long of the Senate Finance Committee made a speech to the National Press Club in which—to no one's surprise—he revealed that he has something big in mind for people with large incomes.

His committee, he announced "will recommend a large cut in the tax rates on capital gains."

The Ways and Means Committee responded at once.

People who sell their house will not have to pay capital gains taxes on their profits, unless they were more than $100,000. Since home-sale profits beyond that level are rare, the upper-brackets can rest easy.

It's no wonder that in such a climate, the chairman of the Federal Reserve Board would come forward with an ingenious proposal to be kind to bankers.

G. William Miller appeared before a subcommittee of the House Banking Committee and suggested that we make it more interesting, and profitable, for banks to belong to the Fed by paying them interest on their reserve deposits. An increasing number of banks, especially small ones, have been dropping out.

Chairman Henry Reuss of the full banking committee thought that Miller's membership drive was a terrible and inflationary idea, unbecoming to an official who endorses budget-cutting for everyone else.

Rep. Mary Rose Oakar, D-Ohio, couldn't quite see how the public would be served by giving $23 million in interest to the Bank of America.

She thought Miller would be too good a friend to Chase Manhattan if he handed over $26.3 million to it.

She seemed also to feel some worthier object of federal charity could be found than Citibank, which would be given $15.2 million.

Miller reproved her.

"I don't think we can say just because a bank is large it shouldn't get its proper share. If we have a 10 percent tax cut, General Motors will get more tax dollars in its tax reduction than a smaller corporation. It is a natural consequence of treating everyone alike."

Rep. Parren Mitchell, D-Md., chairman of the Black Caucus, voiced an unfashionable thought:

"Speaking personally, I always will be on the side of the little guy."

He is hopelessly out of step. The "trickle-down" theory of economy, the favorite of the Eisenhower years, is back in the saddle, despite a Democratic president and a Democratic Congress.

If the poor will just be patient, the rich, who have kept their money in the vault so Uncle Sam cannot get at it, will, with capital gains taxes reduced, reinvest their hoard in the marketplace, and all will profit from a revived economy and a strengthened dollar.

Miller, who was a corporate chieftain until he took over the chairmanship of the Fed, obviously believes that the public will benefit from easing "the burden" on the banks who loyally retain their membership in his organization because the new windfall would mean they would pay more taxes.

But Rep. Bruce Vento, D-Minn., said that big banks, which have large write-offs, rarely pay at a rate of 3.6 percent. The smaller kind, which do not have overseas investment losses on the grand scale, would bear the burden.

Vento, Reuss and others on the committee who somehow can't scratch up pity for the suffering giants, believe that the banks get enough goodies as it is from their Fed membership: coin-wrapping, check-clearing and armored car service.

Reuss suggests that interest payments should be limited to the amounts currently not charged for these privileges. It would cost the Treasury one-fourth as much as the Miller payoff proposal, which he estimates would run the government "directly and indirectly, $700 million annually."

It seems a large amount, but not to the friends and protectors of them as got.●

THE ROAD TO PROSPERITY—PART XV—THE SELLING OF AMERICA

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. STEIGER. Mr. Speaker, yesterday's Washington Post had two interesting articles which, in a nutshell, explain the motivations for my sponsorship of the Investment Incentive Act.

The first article details the heavy Japanese investment on the west coast. The tone of the article, unfortunately, is an inspiration for know-nothing jingoism. In short, it states that the surplus dollars derived from the substantial U.S. trade deficit with Japan are being used by the Japanese to invest in U.S. resources and technology. The article cites the semiconductor industry—one of our high technology resources—as one area targeted for investment. The intent is to obtain technology for domestic Japanese industries. Once they have the technology, they will compete effectively with the American firms.

It would be easy to get up on the soapbox and demand new trade barriers to keep out Japanese investment and goods. Such a policy would be simplistic and self-defeating. This is no time to revive Smoot-Hawley.

At the end of the article, after the reader has absorbed the "yellow journalism" portions, the actual problem is described. American businesss has been very lax in seeking foreign markets. Our Government has no export policy, and our tax programs discourage investment. American workers have the worst productivity in the world. In other words, if any one is to blame for the success of our foreign competition, it is ourselves. The Investment Incentive Act is one attempt to get this country back on track, to encourage investment, to develop new technology, new jobs, and economic growth.

The second article is an editorial on American productivity. Or rather, it details the lack of productivity by American workers. While the AFL–CIO demands protectionist trade legislation, while inflationary wage settlements are negotiated, the productivity of the American worker hovers around zero. Unless there is a change in attitude, the United States will go the way of Great Britain. What is surprising about the editorial is that the Post, once a strong critic of any lowering of capital gains taxes, admitted the need for investment. A lower capital gains tax is cited as one route for increasing investment. I doubt that the Post will endorse the Steiger amendment, but at least it recognizes the problem. The articles follow:

JAPAN IS BUILDING ECONOMIC EMPIRE IN AMERICAN WEST

(By Joel Kotkin)

SAN FRANCISCO.—From the highrise office towers of this western financial capital to the rich wilderness lands of Alaska, Japan is building a new economic empire in the American West.

Japanese interests, enriched by a huge trading surplus with the United States and the skyrocketing value of their yen currency, are quietly buying billions of dollars' worth of western land, timber, fish, agricultural products and industrial facilities.

Close to half of Japan's almost $29 billion trade with the United States in 1977 went through western ports, where thousands of Japanese cars, televisions and other manufactured goods were exchanged for western minerals, timber and farm products.

Over the last decade in each of the five Pacific western states—Alaska, Hawaii, Oregon, Washington, and California—Japan has emereged as both prime international trading partner and investor, establishing an economic sphere of influence unprecedented in the often-xenophobic West during recent times.

Many western business and government leaders are seeking to encourage this growing interdependence with Japan as a way to expand the already prospering economies of their states.

"We don't want to rely any more on the establishment of the eastern states. They're Europe-oriented, and our future is with Japan and the Pacific Rim," said Richard King, director of the newly established California Office of International Trade.

"The Japanese see California as part of their 'Pacific coprosperity sphere,' and we better be responsive to that," he said.

While sharing King's sentiments, many Japanese businessmen shy away from the "coprosperity sphere" label out of fear that some Americans might recall how that precise term was used by World War II Japanese militarists to justify their then-far-flung Pacific empire.

"But, of course, we do see it that way" said one smiling Japanese banker in San Francisco. "We see California already as part of Japan. Oh, yes, California Prefecture."

But the increasing power of Japan over the western economy is no laughing matter to others here—ranging from industrialists to labor union officials and native Americans—who fear that a quasi-colonial relationship is developing between the western states and the island nation.

They claim the West, in classic colonial fashion, is already surrendering its vital natural resources in exchange for much more costly manufactured products—a pattern which last year caused the western states to run up over a $3.6 billion deficit with Japan, twice the region's 1976 trade imbalance.

Kazutoshi Satta, manager of the San Francisco office of the mammoth Mitsui Trading Co. and director of the Northern California Japanese Chamber of Commerce, said he expects the present Japan-western states trading pattern to continue in the coming years.

With the exception of airplanes and maybe some canned foods, Satta said he believes western industries will have little chance of selling finished products in Japan.

"Our processing industries are simply better than in the United States," said Satta, whose 300-year-old company has more than 140 trading offices in some 80 nations. "If the United States wants to sell us finished consumer products, they don't have a chance,"

Japan's continuing reluctance to purchase American-manufactured goods makes some western business leaders fear their region may become a mere "resource colony" of an ever-expanding Japanese imperium.

"The question is whether we want to become a banana republic," said E. Floyd Kwamme, vice president of National Semi-Conductor, a large electronics manufacturer in Santa Clara, 40 miles south of San Francisco. "The problem is that manufacturing creates more jobs than agriculture. If we think we are trying to balance our trade imbalance with the Japanese by selling them beef and grapefruit, we'll end up killing our industrial base."

The semi-conductor industry, which makes the components parts for computers and other advanced electronic products, is one of a number of Western industries, including lumber milling, fish processing, steel and autos (almost one-quarter of California's cars come from Japan, twice the national average), that are reeling from strong Japanese competition.

While American manufacturers still control 60 percent of the world's semiconductor market, the industry has been singled out for domination by the Japanese industrial establishment, backed financially with government research money.

Already, enriched by the over 33 percent increase in the value of the yen since 1972, some Japanese semiconductor companies are moving into places like Santa Clara's "silicone valley," perhaps the world's single most important concentration of high-technology industry, buying out small American firms, hiring skilled American engineers and, in the process, according to National's Kwamme, "picking for themselves the fruit of our technology."

At the same time, American semiconductor executives complain that their products are being restricted on the Japanese home market by tough import regulations and alleged government-business collusion in Tokyo.

Japanese business leaders claim that their intrusion into the previously American-dominated semiconductor and computer industries is necessitated by the rapid rise in the value of the yen, which has made numerous Japanese products—including shoes, textiles and radios—less competitive with those of such Asian countries as Taiwan and Korea.

"We have to keep exporting our manufactured goods to survive, but we are finding our neighbors in Asia are making the goods we used to make, so we have to go into high technology in a big way," said Mitsui's Satta. "I know these days computers are delicate commodities, but our technology level must keep improving so someday there's a chance we will be able to ship lots of computers here. The Americans are good at inventing new machines, but, in the ability to apply those inventions, well, maybe the Japanese have more ability."

Opposition to the growing power of Japanese investment—estimated by top Japanese business sources at $25 billion last year, more than a third of it in the western states—is also developing in the Pacific Northwest, where highly active Japanese-owned firms are buying logs and fish in huge quantities and shipping them back to Japan for processsing.

George Cassidy, president of the Portland-based Lumber Production Industrial Workers, claims Japanese reluctance to buy finished U.S. lumber instead of logs has forced the closure of more than 100 sawmills throughout the Northwest over the past decade.

"The exporting of the raw materials from which our jobs spring," Cassidy insists, "is the exporting of our jobs."

George Hess, a spokesman for Weyerhaeuser, a major log exporter to Japan, says the Japanese prefer to buy logs rather than finished timber because "they are artisans. They cut their wood differently than we do." The Weyerhaeuser spokesman added that congressional legislation has forced American lumber companies to ship all their intranational trade in American vessels, and claimed that makes it far too expensive for northwestern lumbermen to trade with their traditional East Coast markets.

Hess also said the rejuvenated U.S. southern timber industry and Quebec now supply most of the East's lumber needs, leaving northwestern companies to seek foreign, mostly Japanese, markets.

There is also growing concern in the Northwest about reported attempts by Japanese interests to buy out or control many American fishing companies in the region. Ed Furia, co-chairman of the North Pacific Ocean Protein Coalition, a U.S. fishing lobby group, said he fears that Japanese-owned companies in the Northwest are giving foreigners control of a key natural resource.

"I don't see anything wrong with majority investment in areas like television and cars," Furia said, "but I don't think that we should allow majority foreign investment in strategic resources."

A high-ranking executive of one Japanese majority-owned fishing firm, however, disagreed with Furia's assertion, claiming that the Japanese investors have proven a godsend for many foundering northwestern fishing companies.

"The fishing business in this country has not been all that good," said the executive, who asked that neither his name nor that of his company be used. "Most of the companies which have sold out—or rather sold to—Japanese investors did so because they couldn't keep their heads above water, financially. Prices are up simply because the Japanese are willing to pay more for the fish."

Other rumblings about the Japanese power in the West are coming from Alaska, where several native American villages have had run-ins with Japanese firms seeking to purchase their abundant timber and fish resources.

"I think we're becoming very concerned about them," said Tom Richards, editor of The Tundra Times, Alaska's oldest native-owned newspaper. "The Japanese are very experienced in the corporate world, and some of our contacts with them have not been the best. The native companies are going to be very cautious in dealing with them from now on because they're trying to assume control in the fisheries area."

Despite these growing concerns about Japan's economic influence over the West, most states, including Alaska, seem anxious to strengthen their links with the Asian economic powerhouse.

Dick Eakins, Alaska's director of Industrial Development, said he believes the need for the Japanese market far outweighs other considerations.

"Look, the close relationship is already there. Alaska must look to Japan as its major market for the future, and we know they see us as a long-term source of raw materials," Eakins said. "We already have a Tokyo office, and we're sure going to expand it."

Japan's critics are leading some of that nation's businessmen to urge their government to loosen some barriers against American exports.

But some leading western businessmen, like Robert Noyce, chairman of Intel, a leading California semiconductor manufacturer, say nothing substantial can be accomplished about the trade deficit until American governmental agencies and workers learn how to match the discipline and tough marketing policies of the Japanese.

"We businessmen are sick of being the scapegoats of everything. The problem is the American worker and the consumer, too. We're all screwed-up, the whole fabric of our society," Noyce said.

"If you're shipping out dollars, if you can't pay your bills, you have to sell your house to the Japanese so that you can drive your goddam Toyota. Maybe if we sell it all, we can nationalize them. That's what everyone else does when it goes too far."

American Productivity

Throughout most of the years since World War II, productivity in the American economy has risen briskly. As it went up, it carried with it people's earnings and standards of living. But the rise began to slacken about a decade ago, and for the past year and a half there has been hardly any rise at all. Of all the changes overtaking the American economy, the behavior of productivity is one of the most peculiar—and one of the most disquieting.

The immediate consequence of no productivity gains is that inflation will become harder than ever to control. But if the present pattern continues, it will also ignite uncomfortable political questions about dividing the pie in a country that has come to expect, and to count on, steady increases in both public and private wealth. Nobody really knows why productivity has stopped rising. All explanations are, to one degree or another, speculative. But the evidence suggests that it is no minor passing blip on the chart. The causes seem to lie deep in the changing structure of the national economy.

Productivity is simply the average output per hour of labor. The Labor Department computes it every three months, and it has just published the figures for the spring quarter of this year. They show that productivity was rising at the minuscule rate of 0.1 percent a year, after having fallen during the winter. Through the 1950s and most of the 1960s, it was going up at an impressive pace of nearly 3 percent a year. In the years after 1968, the trend dropped to half that rate. Since late 1976, it has been almost flat.

That departure is consistent with two other surprises. Inflation has been running considerably higher in recent months than most people expected, and unemployment has been considerably lower. Output over the past year has been raised by putting more people on payrolls, not by improving each person's capacity to produce.

It's a striking departure, and one explanation may well lie in the rather low rates at which business has been investing new capital. That, in turn, may be the result of low profits. Another possibility is the cost of the new environmental and safety rules, requiring industry to invest heavily in equipment to control air and water pollution.

Whatever the influences controlling productivity, they vary enormously from one country to another. In international competition, the United States is currently not doing well. The following brief table compares the increases in productivity in manufacturing, for the decade 1967–77, among some of the major industrial powers.

United States 27 percent
France 72
West Germany 70
Italy 62
Japan 107
Canada 43
Great Britain 27

There is a tendency in this country to regard Britain as the world's great example of industrial decline. But you will note that the rate of productivity gain in British factories over the past 10 years has been the same as in American factories.

Since no one is quite sure why the American rate has fallen, no one is in a position to offer a sure remedy. But these latest productivity figures may well strengthen the impulse in Congress to cut taxes on capital gains, in an effort to increase investment. Beyond that, it's also necessary to consider the possibility that some of this change may lie beyond the reach of government policy. A good many Americans' ideas about work, incomes and economic growth began to change around 1968. These new attitudes may now be showing up in the statistics on the nation's economic performance.●

BRITISH BACKTRACK ON COMMITMENT TO RESPECT HUMAN RIGHTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. BIAGGI. Mr. Speaker, as many of my colleagues are aware the Ad Hoc Congressional Committee for Irish Affairs and its 110 members are committed to both exposing and finding the means to end the serious human rights problems which afflict Northern Ireland. Prior to the establishment of the committee I and others in the House spent much time discussing the findings of the European Court and Commission on Human Rights which had cited Britain for varying degrees of inhumane treatment of political prisoners in facilities under their control in Northern Ireland. The attention in part made Britain admit their guilt and pledge to cease these practices.

The recent release of the report by Amnesty International on inhumane treatment of political prisoners at the Castlereagh Barracks in Northern Ire-

land made this pledge almost worthless. Amnesty International cited 78 different cases of mistreatment all of which will be placed into the RECORD by the ad hoc committee.

However in a rather startling development it has been reported in the Irish press out of Ireland that Britain is now claiming they never made any pledge that they would cease the inhumane practices cited by the European Commission and Court. This is most tragic and demonstrates an insensitivity by Britain which is not befitting its heritage as a champion of freedom and due process. It further places a burden of responsibility on the administration to recognize that a human rights problem does exist in Northern Ireland and the British are responsible.

I call upon the British Government to clarify their position relative to this matter. While awaiting this I wish to insert two articles from the Irish Times the second being a main editorial.

TORTURE VOW WAS 'NEVER GIVEN'

(From David Brazil in London)

The British Government did not give an undertaking to the European Court of Human Rights in 1977 that ill-treatment of any kind would not happen again during interrogation procedures.

This point was made in a letter to the Northern Ireland Office, private secretary, Mr. J. G. Pilling, who wrote: "In the Governments' view, no Government could be so sure that no member of its security force will ever depart from the strict rules laid down for the treatment of prisoners in custody so as to make such claim with certainty."

Mr. Pilling was replying to a request from the Irish Civil Rights Association to Mr. Roy Mason, that he hold the official investigation into the Amnesty brutality report allegations in public.

Mr. Pilling told the Association's chairman, Mr. Jim Curran: "I believe that it is important to remember that a public inquiry could not be the forum for dealing with the possibly criminal offences which are implied by allegations of assault on prisoners in custody.

"It would, in fact, amount to a prolonged series of public trials without the safeguards which attach to proper criminal procedures, and as a result of it, there would be virtually no possibility of mounting prosecutions where a case might seem to exist. These disadvantages do not apply to the procedure proposed by the Government."

Mr. Curran, in view of this official refusal, is now pressing the Taoiseach, Mr. Lynch, to raise the matter at the United Nations and with the Council of Europe, and he is also asking Opposition leaders Mr. Frank Cluskey and Dr. Garrett FitzGerald, to support Mr. Lynch in these aims.

An angry Mr. Frank Maguire, the M.P. for Fermanagh/South Tyrone described the revelation as "scandalous".

He declared that he will write to the British Premier, Mr. Callaghan calling on him to refute what Mr. Pilling had said in his letter.

"It strikes me that the English are living up to their reputation of being like bad children who have been caught doing something wrong and who after promising not to be bad, go out and break a window," he said.

He added that the fact that the British Government had not given an undertaken to the Human Rights Court that ill-treatment of any kind would not happen again during interrogation procedures, had come as a shock to him.

Mr. Sean McCann, chairman of the Association for Legal Justice, based in Belfast, commented: "This gentleman (Mr. Pilling) is simply playing with words. When the British Attorney General gave a solemn undertaking after the Strasbourg verdict that Britain would stop torturing people, it was generally understood that this was to include all forms of inhuman and degrading treatment.

"Everybody knows, of course, and the recent Amnesty report confirms it, that serious ill-treatment of arrested persons has continued up to the present time."

"Instead of so called verbal assurances, what is really required of the British Government is that they quite simply cease doing what they are doing," added Mr. McCann.

THE BRITISH CHEEK

It will come as a very big surprise to the general public, both in Britain and Ireland, to learn that the British Government did not give an undertaking to the European Court of Human Rights last year that ill-treatment of any kind would not happen again during interrogation procedures.

It is revealed in today's paper that the private secretary to the Northern Ireland Office, Mr. J. G. Pilling, told the Irish Civil Rights Association in a letter . . . "no government could be so sure that no member of its security forces will ever depart from the strict rules laid down for the treatment of prisoners in custody so as to make such a claim with certainty."

Just who is Mr. Pilling trying to hoodwink with statements like that? It was one of the main arguments by the British Government at Strasbourg that the kind of ill treatment meted out to the Hooded Men had since ceased, and one which weighed heavily with the court.

Of course no Government can guarantee that members of its police or armed forces will never ill-treat suspects during interrogation. But they can guarantee that this will not be done as a matter of policy, and that guarantee was given by Britain at Strasbourg, even though there was strong evidence to the contrary during the months of the hearings themselves.

Is the British Government now sliding back to a situation where it will become official policy to ill-treat prisoners? Is Whitehall trying to justify what has been happening in the interrogation centre in Castlereagh, embarrassed as they are about the findings of the Amnesty investigators?

It is bad enough that people in Belfast or wherever, either Loyalist or Republican, suspected of being involved in terrorism, can expect to be subjected to ill-treatment without the British Government trying to escape its responsibilities in the matter. The British Attorney General, Mr. Sam Silkin, was clearly embarrassed by having to defend the British case at Strasbourg. He should now be asked to clarify his Government's attitude on this matter at once.

Another matter for justifiable anger came to light in the House of Commons yesterday when the British Defense Minister, Mr. Fred Mulley, revealed that the soldiers, believed to be members of the S.A.S., who were involved in the killing of young John Boyle at Dunloy, Co. Antrim, recently are still walking the streets, armed with their Armalites presumably.

Mr. Mulley told the SDLP leader, Mr. Gerry Fitt that the soldiers would stay on duty until it was established that there was a case to answer, to which Mr. Fitt quite rightly replied that if there was not a case to answer concerning the shooting of John Boyle, he did not know what else it might be.

The RUC have quite clearly exonerated the Boyle family from all suspicion of involvement in terrorism and it has been established by the post mortem that the boy was shot in the side-back of the head. There is overwhelming evidence that there is a case to answer and those soldiers should at the very least have been suspended from duty, if not placed under immediate arrest.●

AGEE'S COVERT ACTION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. McDONALD. Mr. Speaker, in the period since January 1975 when the House Committee on Internal Security was ended, we have witnessed a broad attack on this country's foreign and domestic intelligence agencies. The enemies of the U.S. intelligence community, many of whom openly have supported Soviet, Cuban, and Red Chinese-sponsored terrorist movements in the Third World, have been unimpeded in their selective leaking of intelligence agency documents, exposing of covert programs, and identification of intelligence personnel.

Measures to strengthen our Federal intelligence agencies have languished because the House committees who now have jurisdiction over our internal security and intelligence agencies have yielded to the clamor of the anti-intelligence lobbies and sensationalist press.

Our Federal intelligence agencies lack legislative mandates to take action, while our enemies are redoubling their efforts to demoralize and destroy the remaining U.S. intelligence operations. CIA defector Philip Agee, who could have taught the notorious Kim Philby lessons in treachery, joined by a handful of U.S. radicals, has launched a new attack on the CIA's covert capabilities.

The parameters of the new attack on the CIA and Western intelligence agencies by turncoat Agee and company from Cuba is reported in detail in the latest issue of the Information Digest, a newsletter on terrorist, political, and social movements edited and published by John Rees. I commend this article to the immediate attention of my colleagues. The article demonstrates the nature of the attack on the U.S. intelligence community, namely, that the attack is backed by the facilities of our Marxist totalitarian enemies; and will again, as Agee has done before, attempt to endanger the lives or personal safety of our intelligence officers by the disclosure of classified information. Only passage of H.R. 8718, which provides for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States, and the restoration of the House Committee on Internal Security can provide the legislation needed by our intelligence community to cope with the newest sabotage tactics directed toward our Nation. I urge you to join in cosponsoring House Resolution 48 to restore the Internal Security Committee and H.R. 8718 to provide protection to the men and women who serve as our frontline eyes and ears in the protracted war with the Communists.

[From the Information Digest, July 28, 1978]

AGEE'S COVERT ACTION

Taking advantage of the opportunity for making foreign contacts presented by the 11th World Festival of Youth and Students now being held in Havana, a small group of American leftists including members of the National Lawyers Guild (NLG) and CIA defectors led by Philip Agee have announced the formation of a new counter-intelligence operation, Counter-Watch (CW).

The July 28, 1978, announcement of the formation of Counter-Watch was made at a Havana Libre Hotel news conference by Washington, D.C., NLG attorney William H. Schaap who said that the new group would develop a worldwide network of agents that will expose CIA personnel and methods of operation. The CW group will also publish on a bimonthly basis the Covert Action Information Bulletin (CAIB) [$10/yr.], several hundred copies of which were distributed this week in Havana and in the U.S., in Schaap's words, "to people interested in our work."

Schaap told the well-attended press conference, "We hope ultimately to establish a world-wide network of involved and knowledgeable researchers who will have CIA officers under close scrutiny. Their [the researchers] role will be to check and double-check the work that has been done."

Members of the CW apparat include Philip Agee, now a resident of Rome, Italy; Ellen Ray, 1842 California Street, N.W., Washington, D.C.; William H. "Bill" Schaap, also of 1842 California Street, N.W.; Elsie and James Wilcott; and Louis "Lou" Wolf.

Covert Action Information Bulletin is published by Covert Action Publications, Inc., a District of Columbia nonprofit corporation, from P.O. Box 50272, F Street Station, Washington, D.C. 20004 [202/296-6766]. The telephone is listed to Schaap at 1346 Connecticut Avenue, N.W., Washington, D.C. 20036. According to the CAIB, several of those now associated with Counter-Watch were previously involved with the Agee faction of CounterSpy Magazine, and when CounterSpy split during the summer of 1976, they decided that "there is an important and vital role to be played by the sort of exposes for which CounterSpy had become famous. * * * That CounterSpy and its uncovering of CIA personnel and operations around the world were so violently hated by the Agency was our best endorsement."

In its premier issue [July 1978], the CAIB makes the point that a regular feature will be a section "naming names." They write:

"We do not believe that one can separate the dirty work of the CIA from the people who perform it. The exposure of past operations is valuable, but it is only half the job. How many times have we all heard the CIA, the FBI and others say, whenever a particularly nasty covert operation has been exposed, 'Oh yes, but we don't do that any more.' We believe that they do, and that the same people are often involved.

"As a service to our readers, and to progressive people around the world, we will continue to expose high-ranking CIA officials whenever and wherever we find them. This column, we hope, will usually be longer. In preparing the premier issue, we have been unable to conduct much of our regular research, and have one item for our readers."

The CW "scoop" is identification of the alleged new CIA station chief in Jamaica, Dean J. Almay, Jr., 51, whose career in the Foreign Service includes posts as a political officer in Indonesia, Malaysia, Philippines and Spain. In an interview following the Havana announcement, Schaap told a newsman that their expose had been carried by the Jamaican newspapers and that the alleged CIA station chief "was nowhere to be found."

According to Counter-Watch, a "major step" in the battle to destroy the CIA's covert capabilities has already been taken.

"Two of our group, Phil Agee and Lou Wolf, have edited and prepared a new book, Dirty Work, just published by Lyle Stuart, Inc. This book describes in detail how to expose CIA personnel, includes dozens of articles from many countries which have done just that, and presents, in Appendix form, detailed biographies of more than 700 undercover CIA and NSA personnel lurking in embassies and military installations in virtually every country on earth."

The leading role in Counter-Watch has been taken by William Herman Schaap, 38, a graduate of the University of Chicago Law School whose activities against the U.S. intelligence community cover a 17-year period. Most recently he was a member of the Advisory Board of CounterSpy's parent Organizing Committee for a Fifth Estate (OC-5), perhaps a logical development from his first public political act of record at Cornell University where as an undergraduate in 1961 he signed a petition for the abolition of the House Committee on Un-American Activities. In the period 1968-1969, Schaap was active with the New York Military and Draft Law Panel, a joint project of the National Lawyers Guild (NLG) and the National Emergency Civil Liberties Committee (NECLC).

As a member of the former law firm of Lubell, Lubell, Fine and Schaap in the late 1960s and early 1970s, Bill Schaap was known as an advisor and close friend of the leadership of Students for a Democratic Society (SDS) and of Mark Rudd, leader of the SDS Weatherman faction and eventually of the terrorist Weather Underground Organization (WUO). Schaap's law firm became a center for support activity for the Black Panther Party (BPP) and SDS Weathermen; and with his law partners, Jonathan and David Lubell, well-known as Communist Party, U.S.A. (CPUSA) activists and organizers from their Harvard days, helped form Stronghold Consolidated Productions, Inc., which provided Huey Newton and other BPP leaders with funds.

During this period, Schaap worked with the New York NLG's Mass Defense Office in providing on-the-scene legal aid to arrested demonstrators; at anti-Vietnam and Panther 21 support demonstrations; represented Leslie Bacon, a reluctant grand jury witness in an investigation of the WUO bombing of the U.S. Capitol; and unsuccessfully represented Robin Palmer, Sharon Krebs and other members of the New York Crazies (an off-campus SDS chapter) when, as the Piggybank Six, they were charged and convicted of a bank bombing conspiracy.

In October 1971, Schaap was a participant in a "tribunal" attacking the police, military and intelligence agencies that was organized by the People's Coalition for Peace and Justice (PCPJ) in Washington, D.C., which worked closely with the Soviet-controlled World Peace Council (WPC) and the North Vietnamese and Vietcong in attacking U.S. assistance to South Vietnam. He followed this activity in November 1971, by sitting in at a meeting of May Day Tribe and PCPJ activists planning the disruption of the Republican National Convention in San Diego.

In the fall of 1972, Schaap became a staff attorney in Okinawa at the NLG's Southeast Asia Military Law Project office where he remained through 1973. Schaap was one of seven U.S. NLG delegates to a January 18-19, 1975, conference in Paris sponsored by the USSR's International Association of Democratic Lawyers (IADL) intended to popularize claims that the Vietcong and North Vietnamese-controlled Provisional Revolutionary Government of South Vietnam (PRG) was the "legitimate" government of that region. During 1975 and 1976, Schaap was on the staff of the Center for Constitutional Rights (CCR) in New York. Remaining associated with the CCR as a "co-operating attorney," he became editor of the Military Law Reporter, in Washington, D.C., and joined the CounterSpy/OC-5 advisory board.

In 1974 and 1975, Schaap and other NLG members affiliated with the CCR—Peter Weiss, William Kunstler, Marge Ratner—and with former U.S. Attorney General Ramsey Clark, attempted to join the defense team for members of the terrorist Red Army Fraction (RAF) or Baader-Meinhof gang; but were denied permission by the West German authorities. Schaap and Peter Weiss, chairman of the board of the Institute for Policy Studies (IPS), remained involved in the RAF support movement. Schaap went to Hamburg in February 1977, to attend the trial of RAF member and lawyer Kurt Grönewold until proceedings were interrupted by the death of the presiding judge. Schaap was one of those instrumental in the introduction of resolutions in support of the RAF lawyers at the spring NLG National Executive Board meeting in Washington, D.C.

In Cuba, Schaap told a reporter that the CAIB had been very well received and that the CW group would work with various U.S.-based organizations involved in attacking the CIA and other intelligence agencies. Among those he named as "being close to CW" were the American Friends Service Committee (AFSC) in Philadelphia; the Washington, D.C., based Institute for Policy Studies (IPS), the Center for National Security Studies (CNSS) and the Coalition to Stop Government Spying (CSGS).

Schaap said that IPS was represented in Havana by Saul Landau, a veteran Castro-supporter who described his goal in a letter to a Cuban Communist Party Central Committee member, a letter found in the briefcase of KGB agent Orlando Letelier, as becoming the "propagandist" for the "new American revolution," by NLG attorney Michael Tigar, currently with the prestigious Washington law firm headed by Edward Bennett Williams who had presented the Letelier briefcase to carefully selected reporters who had no knowledge of Spanish and whose most recent case of note was his unsuccessful defense of Vietnamese spy David Truong; and by IPS fellow Ralph Stavins, long active with the NLG in anti-intelligence campaigns and now heading the IPS Government Accountability Project (GAP) designed to encourage the "leaking" of Government secrets to IPS. It is noted that Landau, Stavins and Tigar, whose first documented public political activity in the 1960s was with the Fair Play for Cuba Committee, have played prominent roles in the media whitewash of the revelations of the Letelier documents. Schaap also noted that CNSS was represented in Havana and that Damu Smith was present on behalf of the CSGS.

The CW press conference was also used to plug Philip Agee's new anti-CIA book, Dirty Work: The CIA in Europe [Lyle Stuart: New York, $24.95], which, according to its author speaking in an appearance on Havana television in Spanish on July 25, "is more important than the first book I wrote." [Inside the Company: CIA Diary, Penguin: London, 1975].

In response to a question as to why he was attending the 11th World Youth Festival, Agee said:

"I have come at the invitation of the [festival] organizing committee, the National Preparatory Committee. First, we have come to enjoy the activities of the festival, to visit Cuba one more time; but above all, to talk with the largest possible number of delegates on the topic of secret intervention, the CIA activities and methods to penetrate, weaken and overthrow political organizations in all parts of the world. Of course, this is an opportunity for talking with people from all

over the world and, for me, it is a great opportunity to continue my work of recent years in connection with political education so that the people are able to learn about the methods, or exactly how to identify the CIA personnel in different countries. In other words, I have come to exchange ideas and to hold talks with the delegates who have come from many countries."

Philip Agee, 42, now living in Rome, Italy, for 13 years was a CIA officer primarily involved with Latin America. Now a self-stated convert to "revolutionary socialism," Agee defected from the CIA in Mexico City in 1969. Since that time he has made a new career of exposing CIA operations. It is interesting that Agee has exposed not only those operations which were known personally to him as a case officer, but also those that were ongoing in Greece, Britain, Portugal, southern Africa and other areas. During the past two years, he has apparently been able to expose new alleged CIA operations in Portugal, Italy and, after a visit to Moscow perhaps for "research," Jamaica.

In relation to Agee's revelations on the U.S. intelligence community in Greece, former CIA Director William Colby charged that Agee's work for CounterSpy was responsible in part for the assassination of Richard Welch, the CIA station chief in Athens, in December 1975.

During 1976, when residing in England, Agee became the subject of a deportation order under the provisions of Britain's Immigration Act of 1971. Papers filed by the British Government charged that he:

A. Has maintained regular contacts harmful to the security of the United Kingdom with foreign intelligence agents;

B. Has been and continues to be involved in disseminating information harmful to the security of the United Kingdom; and

C. Has aided and counseled others in obtaining information for publication which could be harmful to the security of the United Kingdom.

In his unsuccessful appeals against the deportation order, Agee had the assistance of three U.S. lawyers who traveled to London to make statements on his behalf. The three were former U.S. Attorney General Ramsey Clark, like Schaap a "cooperating attorney" with the CCR; Melvin L. Wulf, former legal director of the American Civil Liberties Union also associated with the NLG; and Morton Halperin of the Center for National Security Studies (CNSS), an anti-intelligence project staffed by IPS and the NLG, and head of the CSGS.

Agee, of course, denounced the deportation order as "political persecution" and demanded to be presented with all evidence against him, claiming to have no idea why the British Government would consider him a threat to their internal security. However, in a January 28, 1977, interview in the New York Times, Agee said he thought the order "had something to do with exposing a Western spy ring in Poland," which he denied having done.

However, there is public evidence to the contrary. In April 1976, Jerzy Pawlowski, a Polish UNESCO official and member of the 1968 Polish Olympic fencing team, was sentenced to 25 years imprisonment for espionage. According to official accounts in Polish newspapers, Pawlowski "had entered into collaboration with the intelligence of one of the NATO states in 1964," and had until his April 1975 arrest provided military information on the Warsaw Pact to the West.

The official Polish version concluded with the claim that:

"During the investigations * * * Pawlowski confessed * * * and disclosed numerous details and circumstances. * * * this fact alone * * * induced the court not to pass the supreme sentence."

That comment is patently false propaganda. The facts indicate the Agee had betrayed Pawlowski years earlier, and that the Communists had allowed Pawlowski to continue his operations so that his entire network of contacts and agents could be rolled up. There have been some press reports that more than 100 people believed to have supplied the West with intelligence have been arrested.

According to Agee's book, Inside the Company: CIA Diary, at the 1968 Olympic Games in Mexico City, Philip Agee as a CIA officer was working as a U.S. representative on the Olympic Organizing Committee with a special responsibility in the Soviet operations section and "with a chief interest on sporting and assessment of new access agents." The book contains a "shopping list" of intelligence information Agee was seeking at the time. From that list it is difficult to doubt that Agee had become aware of Pawlowski's work for NATO at that time.

David A. Phillips, a former CIA officer who is president of the Association of Former Intelligence Officers (AFIO), had more informative comments in the AFIO newsletter, Periscope:

"Whether Philip Agee is a paid agent of the Cuban Intelligence Service—a surrogate of the Soviet KGB—is almost beside the point. By definition, his role has been that of an 'agent of influence' responsive to Cuban control. He has made five hugger-mugger expeditions to Havana of which I am aware. His declared mission has been to dismantle the CIA by identification, exposure and neutralization of its people abroad * * *. The degree of his effort in this respect * * * has been the subject of debate. * * * Agee shrugged off the Welch tragedy, and others yet to come, as the breaks of the intelligence game. As late as January 9, [1977] Agee told the London Observer that he was being deported because the British government believed him responsible for the death of two British agents in Poland."

That Philip Agee should return to Havana in order to launch Counter-Watch and the Covert Action Information Bulletin is not surprising. His first book, Inside the Company, openly gave credit to representatives of the Cuban Communist Party and to the resources of the Cuban Government for providing him with support and material. While living in Paris and London, Agee has admitted being in frequent contact with Cuban "diplomats." He said in an interview, "Whether they were Cuban intelligence officers or not, I don't really care."

Schaap, asked after his Havana news conference whether Agee intended to return to the U.S., said, "No, he prefers to stay in Rome where he is able to travel wherever he wants." Agee, an American citizen, has a right to return. However, the woman who calls herself Angela Agee, but is not legally his wife, does not have a right to a U.S. visa. She has admitted in press interviews to membership in the Revolutionary Communist Party of Brazil (PCRB) which has been involved in terrorist activities, saying, "There will have to be an armed struggle. This has happened in every country where there has been a revolution."

Philip Agee in fact could return to the U.S. without fear of prosecution for breaking any laws or violating his CIA contract. On March 18, 1977, after his lawyers, Mel Wulf and Ramsey Clark, met with then-head of the Justice Department Criminal Division, Benjamin R. Civiletti, now a Deputy Attorney General, who gave them a letter announcing that Agee was no longer under investigation and would face prosecution only "if additional evidence came to light that would suggest a violation of Federal law."

Ellen Ray first came to public attention after the Mayday 1971 riots in Washington, D.C., when she attended a follow-up and planning conference in Ohio on May 21, 1971, as a member of the collective of the underground newspaper, Quicksilver Times. In the fall of 1972, as a "legal worker and filmmaker," Ray accompanied William Schaap to Okinawa as a member of the staff of the NLG Southeast Asia Military Law Project. Ray and Schaap were among the seven NLG delegates to the January 1975, IADL conference in support of the Provisional Revolutionary Government of South Vietnam. While Schaap became editor of the Military Law Reporter [the 1977 NLG Referral Directory lists his office as c/o Military Law Reporter, 1346 Connecticut Ave., NW, No. 610, Washington, D.C. 20036 [202/296–7590]], and became a member of the CounterSpy Advisory Board, Ellen Ray joined the CounterSpy staff. In September 1977, she was with Agee on his Jamaica visit and produced an article on alleged "CIA destabilization" of Jamaica for the magazine. In February 1977, Ray and Schaap were the two NLG observers at the Hamburg trials of RAF terrorists in West Germany.

James and Elsie Wilcott worked for the CIA for nine years in finance and support activities in Tokyo, Miami and Washington, D.C. They left the CIA some years ago and have been active with radical anti-CIA groups in denouncing the Agency. Several months ago, James Wilcott told a U.S. House of Representatives investigating committee that he had been told, while working for the CIA, that Lee Harvey Oswald was employed by the CIA.

Louis Wolf is described as "a journalist who has done intensive research into the American intelligence community;" and is co-author with Agee of Dirty Work. During the past two years, the writer who has received considerable publicity as Agee's co-author has been Steve Weissman, a former leader of the Berkeley Free Speech Movement and SDS who became an initial leader of the North American Congress on Latin America (NACLA), the "intelligence-gathering arm" of the U.S. left with close ties to Cuba, of the Pacific Studies Center (PSC) which carries out "anti-imperialist" "power structure research" on U.S. defense and corporate interests in Asia similar to those NACLA performs on Latin America, and was editor of Ramparts magazine. Married to a British subject, thus not deportable, Weissman has been working with the Agee apparat in England.

CAIB lists four recommended "worthwhile periodicals" as First Principles, the CNSS newsletter; Organizing Notes, the CSGS newsletter; the NACLA Report on the Americas, bi-monthly "well-researched reports on the political economy of the Americas, with particular attention to the role of U.S. imperialism;" and State Research, published from 9 Poland Street, London W1, United Kingdom ($8 U.S.), "Research notes from a group of counterspies in the U.K., with much information, especially about British intelligence, hard to come by elsewhere."

Schaap asserted that the CIA continues to "corrupt or kill public officials, union leaders, students, progressive church or civic leaders or anyone else who stands in the way of the forces represented by the capitalists, imperialists or the multinational corporations." His statements were followed by announcements by the Cuban government that a special World Youth Festival activity, a tribunal called "Youth Accuses Imperialism," would be held to judge the CIA and U.S. "imperialism" "for its crimes against humanity."

In the first CAIB edition, Agee sets forth the reasons for his attacks in an article, "Where Myths Lead to Murder," that according to a footnote, "expresses much of the philosophy of the Covert Action Information Bulletin." He states:

"Together, people of many nationalities and varying political beliefs can cooperate to weaken the CIA and its surrogate intelligence services, striking a blow at political repression and economic injustice. The CIA can be defeated. The proof can be seen from Vietnam to Angola, and in all the other countries where liberation movements are rapidly gaining strength. We can all aid this struggle, together with the struggle for socialism in the United States itself."●

ESSAY CONTEST

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. MARTIN. Mr. Speaker, this year, for the second consecutive year, my office sponsored an essay contest for juniors and seniors in high schools in North Carolina's Ninth Congressional District.

After preselection by officials at public and private high schools, a panel of independent judges selected a winner and two runners-up from the entries.

The judges were extremely complimentary of the quality of the writing, along with the degree of research and thought which went into the essays.

The first runner-up in the essay contest is Gingie Boyd, a student at Charlotte Latin School in Mecklenburg County.

Mr. Speaker and Members of the House of Representatives, I call to your attention the essay of Gingie Boyd and know you join me in extending congratulations to this leader of the future.

THE WEALTH OF A NATION—FOCUSING ON THE FUTURE

(By Gingie Boyd)

The wealth of a nation and how it will affect the nation's future can be determined by a look at the national assets possessed by a country. An asset is defined as anything which is a support, a resource, or a source of strength.[1] Therefore, a national asset is anything that supports the country or is used as a source of strength by the country. Some of the national assets that will be discussed here are economic growth, increase in productivity, and our nation's most important resource, its people.

Economic growth is the increasing production of goods and services and can be determined by the GNP (Gross National Product). This is the total value of all goods and services produced by the economy in a year.[2] Over the next year, the economy should grow about 4.7 percent.[3] Economic growth is important to our country for many reasons. With an increase in goods, more people will have what they need. This will result in a rise in the standard of living. If there is more production, the government can help out the needy. This includes the unemployed, the aged, the sick, people being discriminated against, and people lacking the skills necessary to obtain a job. We can fulfill the "American Dream" with more commodities. This dream is that our children or the next generation will have it better than we have it: better housing, more leisure time, a longer life, etc. The last reason is that economic growth can help strengthen the free world. We can give aid to the under privileged countries and hope that they will follow our example to capitalism instead of communism.

Economic growth depends on three things: expanding the ability to produce, a willingness to buy the expanded product, and a favorable political and social climate.[4] The nation's ability to produce depends on its productive resources, such as raw materials, equipment, labor, and management, and its ability to use them. So far we have had no extreme problem with our resources. Raw materials are kept up through our foreign trade, equipment reliability has tripled in the past twenty-five years, and labor and management are more highly skilled because of extensive training and education. Technology, or our ability to use these things, has also increased. Demand, or willingness to buy, has been stimulated through monetary and fiscal policies and should continue to increase. Finally, economic growth is more likely to appear where you have a favorable political and social climate. This depends on political stability, the government's concern, a motivated work force, a willingness to save, and a healthy nation.[5]

Productivity is a measure of the nation's ability to produce goods and services and is expressed in output per man hour.[6] It has risen an average of three percent a year and should be double that in twenty-five years.[7] Earlier we discussed that an increase in productivity is important for many reasons and one of these is to fulfill the "American Dream". Already Americans are living better than their parents and grandparents did. In 1914 an average weekly salary, working fifty hours a week, was ten dollars and ninety-two cents. Today, working less than fourty-one hours a week, it is one hundred and forty dollars. In 1914 it took sixty-five minutes to earn a pound of bacon, ten hours and twenty minutes to earn a pair of men's shoes, and three and a half years to earn a car. Today it takes fifteen minutes to earn a pound of bacon, five hours and twenty minutes to earn a pair of shoes, and half a year to earn a car.[8] At this rate, our children, grandchildren, and great-grandchildren are going to be much better off than we are.

The last national asset to be discussed is the most important. This is the nation's people, or more importantly, its youth. The youth of today are the leaders of tomorrow. Through school and education, they can be trained to help our nation in the best way possible. One of the concrete things being done about this is the Career Education Incentive Act, a bill passed by Congress. This was brought about when a survey of seventeen-year-olds showed less than fifty percent could name more than one skill necessary for their chosen job.[9] This will provide the federal government with funds for a system to teach young people what careers are open and what they must know to enter these careers.

Hopefully, with all the national assets that have been mentioned, we will have a better tomorrow.

FOOTNOTES

[1] Webster's New International Dictionary (Springfield, Mass., G. C. Merriam Co., 1950), p. 166.

[2] Gerson Antell and Walter Harris, "Economics for Everybody," (New York, Amsco School Publications, Inc., 1976), p. 292.

[3] "U.S. Business: Trends that Shape the Future," U.S. News and World Report (Feb. 6, 1978), p. 55.

[4] Gerson Antell, "Economics: Institutions and Analysis" (New York, Amsco School Publications, Inc., 1974), p. 302.

[5] Ibid., p. 304.

[6] Antell and Harris, p. 293.

[7] Antell, p. 56.

[8] Ibid., p. 56.

[9] Marvin Stone, "Putting Youth on Course," U.S. News and World Report (Feb. 6, 1978), p. 76.

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Webster's New International Dictionary, Springfield, Mass., G. C. Merriam Co., 1950, p. 166.●

NUCLEAR POWER STATION CONSTRUCTION HALTED

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. DERWINSKI. Mr. Speaker, as a result of legal and political complications as well as continued demonstrations, the Seabrook, N.H., nuclear power station faces a construction halt. It so happens that one of my constituents, Mr. Earl Potter, who is an internationally recognized nuclear engineer, voiced his views on this issue in the July 13 Messenger Press, a suburban newspaper chain, headquartered in Midlothian, Ill.

The article by Mr. Potter is of course, timely. In addition, it is a solid, hard-hitting and factual commentary which I am pleased to commend to the Members:

PALOS HILLS TODAY

(By Earl Potter)

The success of those mindless people who gathered at the site of the Seabrook Nuclear power station in New Hampshire over the 4th of July, in getting the Nuclear Regulatory Commission to stop construction of the plant, is an appalling victory for the forces whose goal is nothing less than the complete transformation of the U.S.A. from the land of liberty to a big-brother socialist egalitarian state. While the vast majority of those who showed up to protest nuclear power are probably people who sincerely believe that atomic power is the wrong way to go, their ignorance of the actual truths of the energy problem makes them just as much enemies of our future prosperity as the true Marxists who propagandize and lead them. Their childlike faith in solar power as the alternative to nuclear power is touching, but nonetheless is proof of their complete ignorance of the physics and economics of the situation.

For the immutable facts of solar power are these: the amount of power that the sun transfers to the surface of the earth in the United States in the most favorable place and at the most effective time is slightly less than 500 watts per sq. yard. The maximum demand for electricity recorded by Commonwealth Edison Company for its service area (the northern quarter of Illinois, roughly) was approximately 15,000,000,000 watts. This means that, assuming 100 percent efficiency of conversion on the 21st of June at sidereal noon on the clearest of days at the most favorable site in the U.S. (probably somewhere in the southwest), it would require some 30,000,000 square yards of solar collectors to supply the needs of the C.E. Co. service area!

This is a little under 10 square miles of collecting surface that would have been needed under impossibly perfect conditions to supply just one small area of the nation. The equivalent of the entire area between Harlem Ave. and Roberts Road from 79th Street to about 150th Street that would have had to be covered solidly with collectors!

There are no collectors, even of the simplest kind, that are available for as little as $35 per square yard, and the most efficient run to $1,000 per square yard or more. Taking the lowest figure, the collectors themselves alone would cost a billion dollars and all of the additional equipment necessary to convert the collected heat to electric power would cost several billion more. That is only the beginning, however. First of all, the sun only shines half the time, so we must immediately double the area on that score alone. We must also devise an energy storage system to supply power when the sun is not shining.

This is a tough technological problem, but solvable given enough money, probably on the order of more than 50 billion dollars for the area under discussion. But this still is not the end of the bad news! The solar intensity of radiation varies with the season and the location of the system. It is also adversely affected by cloud cover, rain, and wind as far as the net energy transfer is concerned. Over-riding all of this is the matter of efficiency. There are two points where efficiency is crucial. One, the efficiency of the collector in transforming the radiant energy that strikes it, into usable thermal or electrical power. Two, conversion efficiency of the rest of the system for transforming the thermal energy into usable electric power, or if the collectors transform the radiant energy into electricity (only the most costly collectors can do this), the efficiency of changing the electricity produced by the collector to the kind of electricity that can be transmitted to the customer and used by him.

It is safe to say that even if all of the technical problems to make it work could be solved quickly, the cost of replacing all other energy sources that supply electric power to Chicago and Northern Illinois will be over 1,000,000,000,000 dollars (one TRILLION). The total book value of Commonwealth Edison Co. facilities is given as somewhere around 6½ billion dollars, roughly only seven tenths of one percent of what the replacement cost with solar energy would be! It is a certainty that maintenance would be much higher for a solar system than for the present conventional sources of electric power, but the exact factor of difference remains to be determined.

When one reduces the foregoing figures to what it would mean to the users of electric power to use sunlight instead of the atom for their needs, the answer is simple—beaucoups bucks! Electricity now being generated by the existing nuclear power plants is the cheapest electricity currently available anywhere on the earth. And this despite all of the economic handicaps heaped upon it by the "crazies" for plant security and the environmentalists in their holy quest to save the minnows and the clams from imaginary "thermal pollution." When you consider that today's money costs alone on 1 trillion dollars would be a hundred billion dollars a year, whereas the total amount spent by all customers for Edison power during 1975 was only 1.7 billion dollars, you begin to get a glimmer of what is wrong with the dream of solar power!

How does a minimum rate increase of 588 percent grab you? Well that, at the very least, is what could be expected if ever the libs who are out to scuttle the present power industry as well as the free economy in general have their way. Nuclear power is our only short-term hope for holding down the cost of electricity. The nuclear power generating industry has the best safety record of any manufacturing industry in this country—not one single person has died as a result of nuclear radiation due to an electric power unit in the 18 years that the industry has been operating, yet a coterie of fools leads the fight against it!

If the American public allows the anti-nuke movement to win, then they will be the biggest fools of all.●

TORRANCE, CALIF. AIRPORT LAUDED FOR NOISE MONITORING PROGRAM AND ITS AGGRESSIVE, FRIENDLY PUBLIC INFORMATION PROGRAM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. ANDERSON of California. Mr. Speaker, the problems of aircraft and airport noise, which we are belatedly addressing for the first time in H.R. 8729, the Noise Reduction Act, are associated solely with air carrier served airports. But, the same problems are beginning to plague general aviation facilities.

Torrance Airport, in the district I represent, is one such facility. My mail from pilots, city officials, homeowners, and other citizens from the surrounding communities has been constant. As chairman of the Aviation Subcommittee, I also hear from affected parties from across the country. I'm sure my colleagues are hearing the same complaints.

Torrance, however, has been fortunate for the services of its Director of Transportation, Arthur T. Horkay. He bears the brunt of problems and complaint from all sides, including those we send his way from Washington.

All too rarely do public officials in such sensitive posts receive kind words for the jobs they do. Therefore, the following letter from Mr. E. J. McKenney of the California Business and Transportation Agency should not escape notice. It calls attention to an increasingly important part of the airport noise problem. Mr. Horkay would be the first to say that this is only the beginning of many actions which must be taken, but a very important one.

CALIFORNIA BUSINESS AND TRANSPORTATION AGENCY,
DIVISION OF AERONAUTICS,
Sacramento, Calif., July 5, 1978.

ARTHUR T. HORKAY,
Director, Department of Transportation, Torrance, Calif.

DEAR MR. HORKAY: We have, for some time, been aware of the sensitivity of the aircraft noise issue at the Torrance Airport. Members of my staff and I have been involved in meetings with your airport management staff, homeowners groups and members of the State Legislature concerning this issue. One of the more effective tools you have developed is your Aircraft Noise Abatement Newsletter. It is an excellent vehicle for getting the necessary information into the hands of the flying public and concerned residents. I am most impressed by the positive and helpful attitude which the newsletter projects. It inspires a willingness to cooperate. This spirit of cooperation is more important to the reduction of noise near general aviation airports than any other single action.

The noise monitoring program and the knowledge gained from the "get acquainted" tours which you have established should result in pilots being able to adjust their flight procedures with respect to noise reduction and at the same time fly safely. Your public information program represents a significant advancement toward achieving understanding and cooperation.

Please accept my commendation for your efforts in conducting an aggressive, yet friendly, information program which should result in reducing noise and be a significant factor in preserving your airport.

Keep up the good work.

Sincerely,

E. J. MCKENNEY,
Division of Aeronautics.●

FAMILY IMPACT SEMINAR RELEASES THOUGHTFUL INTERIM REPORT

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. QUIE. Mr. Speaker, I rise to call the attention of my colleagues to the interim report recently released by the Family Impact Seminar of the Institute for Educational Leadership at George Washington University. The seminar was set up in 1976 to test the administrative, substantive and political feasibility of developing family impact statements.

The seminar, directed by Sidney Johnson, is composed of 22 leading scholars and individuals experienced with families. They are: Walter Allen, Nancy Amidei, Mary Jo Bane, Terrel Bell, Urie Bronfenbrenner, Wilbur Cohen, Beverly Crabtree, William Daniel, Jr., John Demos, Patricia Fleming, Nicholas Hobbs, Sidney Johnson, Jerome Kagan, Sheila Kamerman, Rosabeth Moss Kanter, Luis Laosa, Robert Leik, Salvador Minuchin, Robert Mnookin, Martha Phillips, Chester Pierce, and Isabel Sawhill.

I believe the interim report is a thoughtful, balanced review of the potential benefits of analyzing public policies in terms of their effects on American families. It also recognizes the costs of efforts that this might involve and warns against overpromising.

Mr. Speaker, I commend this report to my colleagues and others who share my desire to make public policies more sensitive and responsive to the needs and aspirations of American families. I include the section entitled "Preliminary Findings" and the preface and title pages at the end of my remarks.

INTERIM REPORT OF THE FAMILY IMPACT SEMINAR, APRIL 1978

(A program of the George Washington University's Institute for Educational Leadership)

PREFACE

The Family Impact Seminar is an independently-financed, three-year project based at the Institute for Educational Leadership of George Washington University. Our purpose is to review—carefully and in depth—the substantive, administrative and political feasibility of developing a process for assessing the impact of public policies on families. We are cautiously developing and testing a "tool"—which might be called a family impact statement—to encourage government to

be more aware of and sensitive to what it does to and for families.

The Seminar is composed of twenty-two leading scholars and policy makers with expertise in family research and public policies affecting families. They come together with our staff in ongoing seminars and work groups to help guide and strengthen our work. By bringing together scholars and policy makers to help in this effort, the Seminar deliberately stands mid-way between the often separate worlds of academe and policy. It specifically seeks to develop findings and recommendations which are considered relevant, important and understandable to individuals and organizations operating in both these contexts.

Our focus on governmental actions reflects my belief that public policies—which seek to represent the interests of all Americans, and which are financed by funds collected by all taxpayers—should be especially sensitive and responsive to American families. This focus does not mean, however, that all or even most of the important events or policies which influence families result from governmental actions. Technological changes such as the advent of television, or ideological changes such as those reflected in the civil rights movement, can have substantial and lasting impacts. These and many other examples demonstrate the profound effects that private actions or attitudes can have on families.

Thus we define family impact to include private as well as public actions or inactions. Our choice to limit the focus of our inquiries to public policies reflects our belief that the government has a special responsibility to be conscious of its impact on families.

Since our creation in February 1976 we have held five seminar meetings, completed our orientation to this new and largely unexplored area, reached some preliminary conclusions, and begun preparing pilot family impact statements on two policies: government as employer and foster care. In addition, we will be commissioning a set of papers to explore from a family perspective the programs and problems related to teenage pregnancy.

While we believe that our final recommendations will be shaped in large measure by what we learn preparing these pilot family impact statements, we want to present at this time an interim summary of the conclusions we have reached as a group, staff papers we have developed, and plans we have for pilot family impact statements. In addition, we are including an appendix of sources which have been especially helpful to us in our work to date.

The first chapter of this report, Interim Conclusions of the Family Impact Seminar, reflects the judgment of the Seminar as a whole. Each section of the chapter—working definitions, preliminary findings and values—was discussed in depth at our Seminar meeting in October 1977, revised, and circulated to Seminar members for further comment. While each Seminar member might prepare some portions differently if he or she were writing it independently, this chapter represents the interim conclusions of both Seminar members and staff. Of course, like any interim conclusions, these will be the subject of further review, debate and refinement throughout the future work of the Seminar.

The remaining chapters and the appendix are primarily staff products. Chapter II describes our best thinking about our Ecological Perspective, Evolving Framework for Family Impact Analysis and an Approach to Data. While we received some very helpful reactions to these working papers from several Seminar members, they do not represent conclusions of the Seminar as a whole. We are sharing them as staff working papers because we believe they might be helpful to individuals and organizations who have asked us how we are approaching family impact analysis.

Chapter III is a description of our current activities and plans for developing pilot family impact statements on government as employer and foster care. The appendix includes a bibliography of books and articles, a list of family study centers which have a special focus on public policies and families, and a list of individuals in state or local government who are interested in or experimenting with the family impact idea. While none of these lists is complete, they do contain many of the relevant sources and references for information concerning family impact analysis.

In the months ahead, the Seminar will be primarily working on three specific pilot family impact studies in the areas of government as employer, foster care and teenage pregnancy. In the course of these studies we will be attempting to develop ways of translating the broad concepts and comprehensive framework discussed in this report into some specific tools to assess family impact—possibly checklists—which could serve as a guide for policy makers, local and community groups and family advocates at all levels of government.

We hope this report will be helpful to individuals and organizations who share our interest in the ways in which public policies affect families generally, and the concept of family impact analysis specifically. We would very much appreciate and benefit from any reactions, suggestions or questions that this report might stimulate.

B. Preliminary Findings

The Family Impact Seminar has reached agreement on a series of what might be called preliminary findings. While all are subject to further review and modification as our work progresses, the following statements reflect some of the key facts and conclusions which shape the direction of our work.

1. Families have been and are currently experiencing unprecedented changes. These include dramatic increases over the past 25 years in the proportion of mothers working outside the home, in the rates of divorce and remarriage, and in the number of single parent families. The steadily shrinking size of families coupled with a lengthened period of adult years following active childbearing is also significant as is the introduction of television into the home and many others. These profound and dramatic shifts have major effects on the capacities of families to care for their members.

2. There is substantial and growing interest in families and the ways in which public policies affect families among the public, policymakers, scholars, professionals, and public and private organizations at the federal, state and local levels.

3. Unlike some European countries, the United States does not have an official family policy. There is, however, a wide range of public policies and programs which affects families. Our preliminary reviews reveal that:

—at least 268 programs (as listed in the Catalog of Federal Domestic Assistance) provide direct financial assistance or services to individuals and families and have potential impact on families.

—countless other federal policies have substantial impact on families, including tax policies, court decisions, government employment practices, general revenue sharing, policies of regulatory agencies, and macroeconomic policies.

—these policies and programs can and do affect families at all economic levels, not just poor families.

4. The process of assessing the ways in which public policies affect families—which we call family impact analysis—should be explored in a variety of settings and on a broad range of policies. This analysis has the potential to bring important new perspectives to policy making and policy analysis. Asking the question "what are the effects of this policy on families?" can potentially contribute to an understanding of some of the reasons families experience problems and opportunities, and contribute to suggestions for making public policies more responsive and sensitive to family needs.

5. Family impact analysis is a new concept involving complex and largely unexplored questions. There is little or no existing methodology for family impact analysis, and few guidelines for the development of one. While the process of family impact analysis is being tested at a growing number of universities and research organizations, this type of analysis is still in its formative stages.

There are many reasons why public policies have not been examined in terms of their impact on families Three of the more important reasons appear to be the following:

First, our system of democratic government is based primarily on the recognition of the rights and responsibilities of individuals. Our constitution for example, does not mention families This emphasis has led to defining social problems and opportunities and the policies designed to address them in individualistic terms Largely overlooked have been the "mediating structures" that stand between government and the individual, among which the family is paramount.

We question whether public policies designed to respond to the needs of a particular family member have too often sought to deal with that person as an isolated individual, ignoring his or her interrelatedness with other family members, and the degree to which the attitudes and activities of those other family members may enhance or limit the effectiveness of the policies being pursued.

Second, there is a tendency to attribute the problems that families experience to the inadequacies of the families or family members. Families have generally been considered to be solely responsible for most, if not all, the difficulties they experience.

This attitude has meant, in part, that there has been little effort to analyze the effects that public policies, the world of work, or other institutions have on families. We believe, however, that many problems experienced by families are the result of basic economic and social conditions, that family functioning must be understood in this "ecological context," and that one determinant of this context is public policy.

Third, there is a widespread belief that families are private units, and that government does not and should not intervene in their private affairs. Families have been considered to be largely out of bounds for public policy. As a result, even when public policies have had major effects on families, they are seldom described or analyzed in terms of their family impact. We believe that many public policies have direct effects on families, and that efforts should be made to determine and make known these effects so that the public and its elected representatives can debate and change those policies if they desire.

6. Much of the data necessary to describe and assess the impact of policies on families are not available or easily accessible. For example, relevant family data are scattered among a variety of federal agencies, comparable definitions are seldom used in the collection or analysis of these data, and most importantly, these data are seldom analyzed with the family unit as a prime consideration.

Assessment of family impact may require information about families, communities, institutions and programs which has not yet been collected and analyzed. For example,

data is lacking on the number of children in foster care and the length of time in such care.

7. Any framework or checklist for family impact analysis should recognize that:

The impact of public policies on families may derive from a law as enacted, its regulations, the level at which it is funded, and the ways in which it is implemented.

Any single public policy may affect different families in quite different ways, given the diversity and pluralism of families (in terms of income level, structure, household composition, extended family networks, stages in the life cycle, and ethnic, racial and regional, and neighborhood factors).

Any single public policy may affect members of the same family in quite different or conflicting ways. The child abuse or child support enforcement laws are examples.

Efforts to assess the impact on families of a particular policy will involve value judgments and choices about trade-offs which should be made explicit.

Family impact analysis should focus on more than just the membership of families. While it is important to explore whether public policies affect, for example, marriage or divorce, it is also important to explore their effect on the economic and nurturant functions of families. Families continue to have primary responsibility for providing the income necessary to house, feed and clothe their dependent members, and for nurturing and socializing them. Family impact analysis should assess the effect of public policies on at least three basic family functions, and perhaps others.

8. The analogy of family impact analysis to environmental impact analysis is useful in some respects but not in others. We believe it is important to encourage public discussion of and scholarly research into the way that public policies affect families, and the impact concept contributes to these objectives. A major contribution of the environmental impact concept has been heightened public consciousness of the possible effects of public projects on the environment. A similar development regarding public policies and families would be valuable.

We believe, however, that the concept of family impact differs in important ways from the concept and the process of environmental impact. We think that family impact analysis should focus primarily on existing policies, at least for the present, while environmental impact analysis focuses primarily on proposed policies or projects. In addition, for a variety of reasons, we consider the subject of family impact to be more complex, less easily defined and measured, more value-laden, more personal and more sensitive.

9. Family impact analysis is still in a developing stage. Thus, we believe it is inappropriate at this time for federal, state or local governments to establish government-wide processes for family impact analysis. In our judgment, government consideration of mechanisms for encouraging family impact analysis should await the results of pragmatic efforts to test the concept by producing pilot impact statements on selected public policies.

10. Because we respect the wide diversity of families and the sensitive and personal nature of family life, we oppose the idea of enacting a uniform, comprehensive national family policy. We propose, instead, that means are developed—such as family impact analysis and new legislative initiatives where necessary—to help make a variety of policies, in areas ranging from employment to taxes, more sensitive and responsive to the various needs of different families.●

BALANCE(S) OF POWER, BOOK III B(II)—NATO NORTHERN FLANK

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, yesterday I placed in the CONGRESSIONAL RECORD, page 23552, the first part of an article entitled, "The Nordic Balance," by Col. Arthur F. Dewey appearing in the Strategic Review, fall, 1976. Today I finish this selection. The article follows:

NATO NORTHERN FLANK

LONG-TERM PROSPECTS FOR BALANCE

First, from the outset, ground rules for NATO entry for both Denmark and Norway were different from the other ten charter members. The "base and ban" policy has, in effect, resulted in reduced admission fees and dues for these countries. Therefore conclusions to be drawn from manifestations of strong public support for Alliance membership need to take into account the reduced costs, in political terms, of this membership.[6]

Second, the close identification of NATO with the United States inevitably ties the image of the Atlantic partnership with the prevailing image of the United States. In Norway, as in all the Nordic countries, the U.S. reputation was substantially damaged by Vietnam. It was still reeling from Vietnam when it was hit by Watergate. More recent clouds over the U.S. image involve the allegations of abuses by the Central Intelligence Agency, and the accusations of misconduct levied against U.S. multinational corporations. Reactions of repugnance, principally on the left and far left in Norway, but to some degree throughout the society, tend to blur the traditional distinctions between friend and foe. At best, the United States tends to come out as the lesser of the two superpower evils. At worst, these reactions reinforce trends toward disassociation from the United States, and indirectly from NATO, and facilitate the drives inherent in the neutralists toward more accommodation with the Soviet Union.

A third factor is the inescapable element of proximity which must be evaluated in measuring the relative influence of the superpowers. To be sure, Soviet ideals and culture are no more, and probably much less, attractive to Norway and the other Nordics than the ideals and culture of the United States. But in the Northern Cap, as in other parts of the world where the tools of Soviet expansionism have been manifested, it is consciousness of Soviet power, not culture, which has taken root. The influence of these tools is often negative, as it is with respect to the pressure of power on the Kola Peninsula. But it is likely to be more effective in furthering the objectives of the USSR than is the "positive" presence of U.S. power in countering it—located some four thousand miles away. The muscle flexing that has been done from the Kola Peninsula has been calculated to demonstrate that the power is available, and workable, but at the same time nonthreatening to Norway as long as it is not provoked. Such was the pattern of the naval exercises to which the Norwegian Defense Minister referred. In the *Sever* exercise of 1968, the *Okean* of 1970, Soviet task forces launched from the Baltic, hugged the Norwegian coast, then conducted amphibious landings on the Pechenga Peninsula, almost in view of Norwegian territory. The similarity of this pattern to the German landings of 1940 was unmistakable. But the message left with the Norwegian people was that it *could* be done again, not that it *would* be done. (Other probes have come closer to alarming the Norwegians, for example the reports of Soviet submarines slipping into Norwegian fjords, and the September 1975 Soviet missile firings into the continental shelf area disputed with Norway while bilateral discussions over the shelf were in progress. The sharp protest of the Norwegian government over the latter demonstrates one of the limits of the negative exercise of power.)

A fourth clue to domestic trends over the long haul may lie with the increasing strength of the far left in Norway. While the Norwegian Communist Party is aging (average age of membership is now approximately sixty) and losing its influence, the noncommunist far left grows more vigorous. It draws much of its strength from the universities, intellectual associations, labor unions, young liberals and socialists, and conscripts in the armed forces.[7] It is from within these groups that one finds the inclination to question more closely the actions of the U.S. "ally" than those of the Soviet "enemy," and to permit the tar of U.S. identification with NATO to affect attitudes toward that organization. For example, the University of Tromsoe refused to admit an American scholar who had applied for study there on a NATO fellowship. This action reflected the critical sentiments, widespread in the Norwegian academic community, over the ties with NATO. As noted earlier, these sentiments were heavily influenced by the tarnished image of NATO's senior partner—the United States.

One also finds in the far left the tendencies to seize upon, and reinforce selectively, anti-U.S. and anti-NATO arguments. While the results of these tendencies may only incidentally benefit Soviet interests, there is all too little inclination, either in the far left, or in other parts of Norwegian society, to recognize that it may not be in the national interest to foster a more benign attitude toward the USSR at the expense of the United States. In one example, a master's thesis was produced over the perceived linkage between U.S. navigational facilities on Norwegian territory, and the Soviet military build-up on the Kola Peninsula. The writer deduced that since these facilities could be used by U.S. strategic bombers or submarines, they were, in fact, the spark which propelled the USSR into building up its own strategic countercapability opposite Norway on the Kola Peninsula. Given the underlying tendency to suspect the motives of the United States, while muting suspicions over Soviet actions, such leaps of logic are too often accepted at face value without an objective, rigorous analysis of the facts.

The constant ferment from the far left would still appear to be a manageable threat, given the deep underlying strengths of Norway's allegiance to the Western Alliance. Except that other developments more directly related to the new situation on the Kola Peninsula, may place the issue in doubt. I would like to consider two of these developments.

Probably the most important consequence of the Kola build-up is the perception it fosters that Norway has now fallen behind the legitimate defense lines of the Soviet Union. A second development suggests the opposite hypothesis, i.e., that new technology of the weapons systems based on the Peninsula now frees the Soviet Navy from its vulnerable egress gauntlets, and thus sharply reduces the strategic importance of Norway. So on the one hand appears the argument that the overhang of Soviet power has made Norway too strategic to be a part of any opposing military alliance; and on the other hand is the suggestion that with the advent of new technology, Norway has lost most of its importance, both for the Soviet Union

Footnotes at end of article.

and for NATO. These seemingly contradictory hypotheses converge in their conclusions, i.e., that the concept of Norwegian neutrality, soundly discredited in World War II, may again become a thinkable proposition.

First, the "behind the lines" argument. At about the time that the Norwegian Defense Minister and Prime Minister were calling attention to the Kola build-up, other Norwegian strategic thinkers were analyzing what it meant. Egil Ulstein, from the Norwegian Foreign Ministry, reached this conclusion: "Without control of the Norwegian Sea and relative freedom of manoeuvre in the North Atlantic, the Soviet Union would remain in a precarious position when it came to challenging Western, and in particular American, influence in the rest of the world."

Johan Holst, Director of Research for the Norwegian Institute of Foreign Affairs, stated: "It is the intention of the Soviets to push their naval defense line outwards to Iceland and the Faeroes. If this is a likely development, then it indicates that the Russians would, to an increasing degree, come to regard the Norwegian Sea as a Soviet lake, behind which, of course, Norway would lie."

A more apocalyptic judgment came from General Sir Walter Walker, head of NATO's Northern European Command, who was quoted as saying in November 1971 that Norway and Denmark were no longer defensible. Reaction at the time in both Norway and Denmark indicated that the public was not prepared to accept that conclusion. The Norwegian government immediately attempted to de-couple the nearby Soviet presence from a direct threat to Norway, portraying it rather as part of the USSR's global strategy. The Danish Minister of Defense described the press interpretation of General Walker's remarks as "regrettable." Two Norwegian newspapers called for General Walker's retirement.

Doubts had been planted in the public mind, however, both concerning defensibility, and the advisability of defense at all, in the face of this vastly superior opposing force. Moscow's Pravda played on these doubts in November 1973 (in the context of the renewal of NATO base rights in Iceland), declaring that "large segments of the population in Denmark and Norway are demanding a winding-up of NATO's bases on their territories." (This statement makes the false assumption that NATO bases exist in those countries; it also denies Norway and Denmark the credit they hoped their restraint was earning them through the "base and ban" policy. One could read in the Pravda quote the Soviet message that "base and ban" is no longer sufficient; it is the fundamental NATO linkage that needs to be addressed.)

The Pravda statement is also remarkable because Moscow in general has not needed to transmit its own message concerning the sensitivity of the NATO link in the North. The message is raised often enough in Nordic radical left circles, to have a convincing "home-grown" ring. It would appear from the Kremlin view that Soviet amplification of the theme would be not only unnecessary, but potentially counterproductive.

From the sharp negative public reaction to General Walker's assessment in 1971, until today, attitudes appear to have shifted toward more widespread acceptance of the "behind the lines" situation. Much of this change in attitude has been given public expression in the last few months. Some conclusion as to the extent to which the public has been influenced may be drawn from the following front-page story which appeared in the conservative Oslo daily Morgenbladet on October 8, 1975:

The Soviets' intense build-up of naval power has given the East Bloc a significant lead in the race for military supremacy on NATO's northern flank. The almost continuous Soviet maneuvers in the North Sea show that the Russians have built a mobile iron ring around Scandinavia. In reality, Norway, Denmark and Sweden now lie inside Soviet defense lines and outside those of the USA. Western military experts have increasingly begun to accept this opinion following a fifty percent expansion of the Soviet fleet in the last five years.

Seemingly contradicting the "behind the lines," or strategic utility, argument is the strategic non-utility argument arising from the deployment of new technology on the Kola Peninsula. Specifically, this refers to the Delta-class submarine (eight of which are now based near Murmansk), which is designed ultimately to comprise approximately one-half the Soviet ballistic missile submarine fleet permitted under the SALT I agreement.

Whereas the older Yankee-class submarines, with 1,600 nautical mile range SS-N-6 ballistic missiles, needed to brave the Norwegian Sea gauntlets to reach their firing positions, Delta-class submarines, with 4,200 nautical mile range SS-N-8 missiles, can hit their key North American targets without ever leaving the Barents Sea. Actually, without ever leaving Soviet territorial waters in the Arctic, these submarines can cover Europe and much of China as well as the principal targets in the United States.

This situation came to public notice with the report in April 1975 that, for most of the previous year, these new submarines were not venturing beyond the safety of the Barents Sea. Initial speculation over the reasons for this deployment pattern focused on the notion that this kept the new submarines beyond the reach of U.S. detection systems.[11] Later assessments tied the restricted submarine movements to the increased range of the SS-N-8 missile. As stated in the *New Scientist* of July 31, 1975: "Previous Soviet strategy based on missiles with a more limited range entailed capturing northern Norway to guarantee the Soviet fleet a reasonable chance of safe passage into the mid-Atlantic from where missiles could be launched. NATO's strategy has therefore been largely concerned with confining Soviet vessels to the Barents Sea. But the longer range of the SS-N-8 must force a change in this strategy."

What this shift in Soviet technology means for Norway has only recently been addressed in that country, and to date the discussion has been confined to a relatively small group of academicians and strategic thinkers. If the continuing investigation of this issue recognizes that this technological departure affects only one element of Soviet power deployed from the Kola Peninsula—albeit a top priority element—then the ensuing public discussion may yet assume a balanced perspective. It should, indeed, be clear that other elements based on the Peninsula will still need to utilize the Northern Cap egress routes. And these elements include both the surface and undersea attack threats to the North Atlantic lines of communication which are vital to NATO's survival in the event of war in Western Europe. As described in a conference in Reykjavik on "New Strategic Factors in the North Atlantic" in October 1975, ". . . American interest in strategic antisubmarine warfare (ASW) in the Northeast Atlantic will remain, as will Soviet interests in countermeasures—provided no limitations on strategic ASW are tacitly or implicitly agreed upon."[12]

But the risk remains that these factors, and other active and passive defense considerations arguing against any diminution of Norway's strategic importance, will not be clear in the public debate. On Norway's far left there are interests more concerned with a selective presentation of the impact of this new technology, leading to conclusions not unlike the worst case outcome of the seemingly contradictory "behind the lines" thesis. Both could be construed to counsel a gradual loosening of the NATO ties.

Also the thesis posed by the long-range SS-N-8 missiles may appeal not only to the far left which focuses on the provocations which NATO membership risks with the Soviet Union; it may appeal as well to Norwegian centrists who are at least as concerned about letting down the Western side. If this group perceives a changed situation which absolves Norway from the guilt of having let down the side, then it becomes easier for the political center to consider a process which could lead to gradual elimination of Norway's differences with its Soviet neighbor—including ultimately the link with NATO.

Of the two arguments, that based on the effect of new technology is by far the easier to dispose of. It may generate an initial appeal once the public debate is joined, but because of its inherent weaknesses it should not prove to be nearly the threat to Norwegian or Western European defense unity that the "behind the lines" argument poses. It is to this latter argument that the United States, in concert with its NATO partners, needs to turn its attention while there is still time to reverse this course of events.

With the "behind the lines" perception, the Soviet Union has created a situation in which sheer overhang of power permits it to exercise influence over significant aspects of foreign and domestic policies of NATO members (Norway, especially, and Denmark to a lesser extent). In addition to the presence of this power, there is a corresponding absence of restraint, or of specific consultative mechanisms to provide for restraint, over exploitation of this power. To call upon the superpower relationship in its present state as a guarantor of such restraint is largely to underline the deficiencies of such guarantees in those areas where the practice of the relationship, or detente, is uncodified or ill-defined. While they are theoretically part of the vital interest area of the U.S. superpower, in practice the flanks of NATO tend to fall into the ill-defined category.

The development of the "behind the lines" perception on the northern flank is by no means the sole indicator that detente is played by separate ground rules in different parts of the NATO region. Soviet overflights of Turkey in resupply operations during the October 1973 Mideast War, plus subsequent flirtations with Turkey in the wake of NATO's internal turbulence after the Cyprus crisis of 1974, are examples of the loose code of detente on NATO's southeast flank. In the southwest—Portugal—the rules have proved even more flexible. Coupled with the absence of Soviet restraint over the Portuguese Communists in their bold bid for power following the April 1974 coup, was the concomitant funneling from Moscow of substantial financial support. Cries of foul came eventually from the United States, but the delay lent an aura of legitimacy to the USSR's application of its own ground rules on NATO's flanks, i.e., that risks inherent in interference and influence-peddling diminish as one moves toward the edges of the Atlantic Alliance.

RESTORING THE NORDIC BALANCE

This asymmetrical application of the rules goes to the heart of the problem we are now witnessing with respect to the Nordic Balance. There appear to be two choices in dealing with the asymmetry. One choice is to accept that rules of conduct need not be the same for both superpowers, even within the vital security systems of the other. But where one side realizes an advantage, it should be expected that the other would receive compensation in some other arena of competition in the world. This appears to be both cynical and impractical. It is cynical

Footnotes at end of article.

because it goes over the heads of the smaller powers, diminishing the protection, and exercise of sovereignty, which a nation such as Norway has a right to expect as a member of the NATO security arrangement. It is impractical because there is an inherent conflict between a situation in which concessionary compensation might be sought, such as in Angola, and Soviet commitment to the higher principle of support for the idealogical conflict.

In Mr. Brezhnev's words at the February 1976 25th Soviet Communist Party Congress, "Some bourgeois leaders affect surprise and raise a howl over the solidarity of Soviet Communists . . . with the struggles of other peoples for freedom and progress. This is either outright naiveness or more likely a deliberate befuddling of minds."

The other choice lies in eschewing compensation in less vital, or non-vital arenas of competition and insisting on mutual exercise of restraint in those regions where both superpowers can recognize the vital interest of the other, i.e., the entirety of NATO and the Warsaw Pact. The latter choice appears to be the more workable for the Northern Cap situation (as well as for NATO's southern flanks). It need not require any dismantling of bases, or uprooting of missiles. What it does require is agreement that mutual restraint is the underlying principle of conduct for this sensitive part of the world, followed by specific guidelines to which the superpowers and other interested parties could subscribe, and against which charges of breach of restraint could be referred.

For some time, the military part of the Atlantic Alliance has voiced a realistic appreciation of the situation in the North.[13] But the shifting of the Nordic Balance is basically a political issue and needs, in particular, to be recognized and assessed in NATO's political circles. And because the Northern Cap situation is so intertwined with superpower politics, the Alliance will doubtless look for the U.S. lead in making such an assessment.

An initial step would appear to be an appraisal by the U.S. national security apparatus of the northern flank situation in its entirety. This would include other recent developments in addition to the Kola Peninsula build-up—North Sea oil for example, with its economic, political and security implications; the U.S. position on mineral exploration and other privileges enjoyed by signatories of the 1925 Svalbard Treaty; and the multilateral issues surrounding the current bilateral discussions over delineation of the continental shelf between Norway and the Soviet Union.

One would hope that from such an appraisal would come a commitment from the United States to consult with its NATO partners and seek a set of guidelines designed to restore and regulate the balance in the North. An important aspect of such an initiative would be the mechanisms through which these concerns would be communicated to the Soviet Union and the Warsaw Pact. A possible vehicle for communication is the off-and-on Norwegian-USSR dialogue already referred to over the continental shelf. In this respect, the interest and low-key support for Norway from the other NATO members would appear useful. Another key opening is the superpower consultative process. Supported by a NATO consensus, the United States could raise with the Soviets its concerns over the Nordic Balance, particularly in the context of the Nixon-Brezhnev pledge of 1972 which barred efforts to obtain unilateral advantages at the expense of each other.

Still another possible mechanism is the follow-on process established at the Conference on Security and Cooperation in Europe. While security issues in the North were not specifically addressed in the course of the conference itself, the review conference on implementation scheduled for June 1977 is a forum where concerns over mutual restraint in this sensitive region would be an appropriate agenda item.

Beyond the multilateral and superpower issues, there remain the U.S.-Norwegian issues described earlier, which either contribute to, or derive from, the Nordic imbalance, and which suggest the need for closer bilateral consultations. In such a dialogue, the United States faces two major challenges. First, there is the challenge to offer its NATO ally a convincing and reassuring offset to the influential presence of Soviet power on Norway's doorstep; second is the challenge shared by Norway and the United States to alter the unfavorable U.S. image which serves as a catalyst for so much of the anti-U.S./NATO, if not pro-Soviet, sentiment in Norway. This, in the end, may prove to be the toughest task. But progress must be made in this crucial bilateral area before one can hope for any broader adjusting mechanisms of the Nordic Balance to have a lasting effect.

NOTES

[1] Definition of the Northern Cap is that used by Nils Orvik in his Occasional Paper of the Center for International Affairs, Harvard University, entitled, *Europe's Northern Cap and the Soviet Union*, 1963, p. 8. In this definition, the Cap comprises those parts of Norway, Sweden, Finland, and the Soviet Union north of the 66° parallel, extending from the Norwegian Sea on the west to the White Sea on the east.

[2] The threat of reversing the "base and ban" policy was used by Norway to induce Krushchev to back down when he demanded defense consultations with Finland in 1961 over West German military resurgence. How much, if any, this weighed in the ultimate Soviet backdown is not clear. With disuse over the intervening years, such threats become less and less credible.

[3] Mark Arnol-Foster in the *Manchester Guardian* of November 2, 1975, also cites these constricted gateways in discussing Soviet enlargement of the two hundred mile canal between the Baltic and White Seas:

"Main advantage of the canal . . . will be to eliminate the need for long voyages under NATO surveillance between the Navy's main operational base at Murmansk and its main repair facility in the Leningrad area. Hitherto, the main part of the Soviet striking force, 106 destroyers and 109 frigates, has only been able to make this voyage by circumnavigating Norway, with its NATO tracking stations, and passing through the Kattegat and the oresund in full view of the Danish coast guard." Also, ". . . the new canal could make it possible to deploy the very large number of surface ships now virtually imprisoned in the Baltic, to the open sea in the north."

[4] A key factor in Soviet unwillingness to return four Japanese Kurne Islands northeast of Hokkaido may be the need to reduce as much as possible the vulnerability of the Pacific Fleet's egress through the Soya Strait.

[5] Nils Orvik. Op. cit.

[6] Nils Orvik, "Scandinavian Security in Transition: The Two Dimensional Threat," *Orbis*, Fall 1972, p. 736.

[7] Political activity in the armed forces, rather than unionization, appears to be the current issue. A bill has been introduced in the Storting to permit partisan political activity within military units. The Storting has recently returned the bill to the Ministry of Defense, requesting its review and proposal of alternate solutions.

[8] Orvik, Op. cit., "Scandinavian Security in Transition."

[9] Egil Ulstein, "Nordic Security," Adelphi Paper No. 81, London, International Institute for Strategic Studies, November 1971, p. 16.

[10] Captain Gerald E. Synhorst, "Soviet Strategic Interest in the Maritime Arctic," *United States Naval Institute Proceedings*, May 1973, p. 94.

[11] *International Herald Tribune*, "Russians Keeping Missile Subs Beyond US Tracking Range," April 29, 1975.

[12] Anders C. Sjaastad and John Kristen Skogan, "The Strategic Environment of the North Atlantic: Perspectives of the Littoral States," Paper presented at a conference on "New Strategic Factors in the North Atlantic," Keykjavik, October 1975, p. 13.

[13] British Admiral of the Fleet, Sir Peter Hill-Norton, Chairman of the NATO Military Committee, reiterated these concerns at the December 1975 meeting of the NATO defense ministers in Brussels. He cited specifically the build-up of the Northern Fleet and the priority the USSR has placed in interdicting supply lines between North America and Europe.●

BORN-AGAIN BUDGET BALANCERS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. KEMP. Mr. Speaker, an analysis of the opposition to the Kemp-Roth Tax Rate Reduction Act shows several objections. There are answers, convincing ones, for each of those objections. Those answers will be articulated in a series of floor remarks, as we approach the day on which the legislation will be considered in the full House.

But one of the more frequently espoused objections relates to the combined question of whether tax rate reductions produce deficits, their size, and the inflationary consequences of such deficits. The articulation of this objection shows us more of what those who raise it do not know about behavior and economics, than it shows us of what they know.

That articulation shows us that they have not seen the fallacies used in constructing the formulae in the econometric models on which they have relied for their information and conclusions. They should turn to the RECORD of July 26, pages 22940–22943, to start straightening themselves out on this matter.

It shows us that they have not studied sufficiently the statistics of the Treasury Department on the relationship between tax rates and tax revenues. They should turn to the statistics on the percent of total Federal revenue brought in by the capital gains tax before 1968 and after to start their education in that regard. Or, they can turn to the RECORD of July 12, pages 20596–20599.

It shows us that they have not learned the relationship between tax rates and savings, or savings and investment, or investment and economic growth, including jobs creation and reduced inflation rates. This is crucial. For starters on this one, they can turn to the study of Michael J. Boskin of Stanford University in the April issue of the Journal of Political Economy, one of the two most widely respected economics journals—in and out of the profession—in the country. Or they can turn to the RECORD of

April 17, pages 10378–10379, for an explanation, in laymen's terms, of that study.

It shows us that they have not thought through the question of the shape of the tax rate reduction or the nature of the deficits. As all tax cuts are not created equal, neither are deficits produced equal. They should turn to pages 21034–21035 of the RECORD of July 14.

But that is not my primary point this afternoon, and I do not want that point to be lost. As someone who has been concerned about deficits, and the way in which deficits financed by increasing the money supply contribute to inflation, I cannot tell you how pleased I am to see those Members, who have never or seldom been concerned with balancing budgets or have acknowledged the relationship between deficits and inflation, now come forward as great budget balancers in their attacks on Kemp-Roth. Members who seldom, if ever, have voted for amendments to reduce spending and thereby the deficit. Members who have never before seen deficits as potentially dangerous to the economy. Members who have never before linked deficits with inflation; as a matter of fact, they have more often said that deficits were essential to get the economy moving again and to create jobs. These have now come forward to oppose budget deficits, to support the balanced budget, to link deficits with inflation.

I hope that this new spirit will pervade their conduct and votes for the rest of their tenures in this House, that it will not be limited to the duration of the debate on this one bill, the Kemp-Roth bill.

Rules of decorum in this Chamber do not prohibit me from inferring motive on the part of another Member's actions. That stands to sense, in that no one knows what is inside the head of another.

But a very interesting observation on what may be some motives has appeared in an editorial in yesterday's Wall Street Journal, "Born Again Budget Balancers." This is an important editorial, for it tells us how much or how little attention we should pay to the new spirit sweeping some Members of this Chamber.

The editorial follows:

[From the Wall Street Journal, July 26, 1978]

BORN AGAIN BUDGET BALANCERS

With pressure mounting in Congress for a tax cut, we are suddenly finding a lot of born again budget balancers.

Treasury Secretary Blumenthal, who earlier this year defended the $60 billion budget deficit, is now busy trying to whip up inflationary concerns about the Steiger amendment by asserting that it would "add $2 billion to the Federal budget deficit." To add $60 billion for spending purposes is helpful to the economy, but to add $2 billion for a tax cut is inflationary.

Similarly in the Congress. The Second Budget Resolution for fiscal year 1978 brought to the floor by Sens. MUSKIE and BELLMON contained a 12.2 percent increase in federal spending. The $64 billion deficit resulting from this large spending increase was defended as a necessary stimulus to the economy. In the same breath the same Senators spoke in fiscally responsible tones against Sen. Roth's proposal to amend the budget to provide an $11.4 billion tax cut.

Although "every member of Congress desires relief for the American taxpayer," intoned Sen. Bellmon, "we are equally desirous of balancing the budget and bringing our deficit under control." Down to defeat went the Roth amendment. Sen. Hayakawa then offered an amendment to cut taxes and spending by $11.4 billion. Objections were made to his menu of spending cuts. Down the Hayakawa amendment. Sen. Hatch then offered an $11.4 billion tax cut to be paid for by holding the spending increase to 9.4 percent. This required only a 2½ percent cut in the proposed budget and surely, said Hatch as he pleaded for the taxpayer, "there is 2½ percent waste in every spending program." Not so, said Bellmon. Down the Hatch amendment.

(Shortly after, the Inspector General of HEW reported that HEW alone had "lost" $7 billion in waste, fraud and mismanagement—over 4 percent of its budget and 61 percent of the proposed tax cut.)

We get the uneasy feeling from all this that some people become fiscally responsible only when it is time to cut taxes. We wish we could believe that the big spenders, who are increasing government spending at a faster clip than the growth in GNP, have been born again. Such a mass conversion to the ranks of the fiscally sane by so many sinners at once would be nothing short of miraculous. Somehow, though, it doesn't ring true that big spenders are jumping on a fiscal responsibility bandwagon. The Republican efforts to make fiscal soundness a political issue have been unsuccessful for so long that a balanced budget is like a legend from the past. During a period of time corresponding to the median age of the population, Congress has produced $452.4 billion in deficits and $17.2 billion in surpluses. There can only be a few politicians in Washington who can remember the days of the balanced budget. The several generations who have been born into the deficit state must simply take them for granted. After all, they are nothing new.

So why are deficits suddenly alarming to big spenders? We believe the answer lies in the momentum of the Kemp-Roth-Steiger tax rate reductions. Just as conservatives pointed the deficit finger at the growth in spending programs, now that there is a different momentum the big spenders are pointing a deficit finger at the looming tax cuts. What is at issue is not the deficit itself but political power.

A tax cut would reduce the size of government relative to the private sector. It would be an inroad on the power that has been concentrated in Washington, and the prospect of a decline in political clout is not universally cherished. The political careers of many liberals depend on government action replacing private action. Besides, if the tax cut proponents are right and the economy booms, there would no longer be a sluggish economy as one excuse for expanding government.

We would not turn away the truly born again, but before we welcome big spenders to the ranks of the budget balancers we will wait to see if their new-found devotion to smaller deficits applies to restraining spending, or just to preventing tax cuts.●

FDA'S PROPOSED RESTRICTIONS ON ANTIBIOTICS

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. ROSE. Mr. Speaker, today I offer a briefing paper by the U.S. Department of Agriculture's Economic Research Service on the "Food and Drug Administration's Proposal to Restrict the Use of Selected Antibiotics at Subtherapeutic Levels in Animal Feeds." It offers a look at the long-range consequences of FDA's recent proposals.

FOOD AND DRUG ADMINISTRATION PROPOSAL TO RESTRICT THE USE OF SELECTED ANTIBIOTICS AT SUBTHERAPEUTIC LEVELS IN ANIMAL FEEDS

(Prepared by Clark R. Burbee, Robert Lenahan, and George Allen, Economic Research Service, U.S. Department of Agriculture)

INTRODUCTION

The Food and Drug Administration announced on August 29, 1977, a proposal to prohibit the routine addition of the antibiotic penicillin to animal feeds. This briefing paper attempts to place in perspective the complex and extremely controversial issue of restricting the practice of using certain antibiotics at subtherapeutic levels in animal feeds.

This paper covers the history and use of antibiotics in animal agriculture, the public health problems that might emerge from their continued use, antibiotic policy developments, current FDA proposals, economic research on restricting antibiotic use, other pending actions, and recommendations for future action.

This paper was prepared by the Economic Research Service with assistance of the Agricultural Research Service, Cooperative State Research Service, Animal and Plant Health Inspection Service, Food Safety and Quality Service, and the FDA Bureau of Veterinary Medicine.

SUBTHERAPEUTIC USE OF ANTIBIOTICS IN ANIMAL FEEDS

Use of antibiotics to improve growth and feed efficiency in animals originated in 1949; commercialization began in 1950. Since then, 15 antibiotics and other antibacterials, either singly or in various combinations, have been approved by FDA for use in animal feeds as well as for clinical treatment of animals.

The U.S. Tariff Commission estimated 1973 production of all antibiotics for animal feed and other nonmedical uses in the United States at 8.2 million pounds compared to 12.6 million pounds produced for medicinal use.

Antibiotics are extensively used at subtherapeutic levels in feeds for poultry, swine, beef cattle, sheep, and dairy calves. Research data clearly indicate that this practice aids in the improvement of feed efficiency, increases the rate of weight gain, and prevents and controls diseases that would otherwise increase morbidity and mortality in animals. Large-scale confinement rearing of these animals has been facilitated along with all the economies of size of such operations. Further, improved feed efficiency has reduced the feed input per unit of output and has had an impact upon the demand for feed grains and other ingredients. Increased rate of weight gain has reduced the input requirements for labor and capital items.

However, placing an economic value on the benefits from the subtherapeutic use of antibiotics is difficult since the practice grew simultaneously with and complemented improvements in management skills and animal genetics, nutrition, and disease treatment. Estimating the economic benefits of antibiotics is further complicated by the lack of comparative data on disease control, particularly after sustained use. There is a need for more knowledge about the development of resistance and whether there is a need for increased dosages to maintain disease control.

Each of the animal species responds differently to the various antibiotics. Specific responses of feeding subtherapeutic levels of antibiotics are as follows:

Cattle: Antibiotics improve feed conversion and increase rate of weight gain by (1) reducing incidence of disorders in the digestive

tract; (2) reducing incidence of liver abscesses; (3) aiding in the maintenance of the animal's general health and controlling of subclinical infections; and (4) controlling the disease anaplasmosis.

Swine: Use of antibiotics in swine (1) aids in the prevention and control of baby pig diseases; (2) increases rate of weight gain; (3) improves feed efficiency; and (4) improves reproductive performance.

Poultry: Low-level feeding of antibiotics to poultry will (1) increase production in layers and turkey breeders; (2) increase rate of weight gain in turkey poults and broilers; (3) improve feed efficiency; and (4) prevent onset of diseases associated with intensive rearing.

Sheep: Antibiotics are most important for lambs in feedlots to (1) improve rate of weight gain, and (2) prevent onset of diseases associated with confinement rearing.

How antibiotics work at subtherapeutic levels is not clearly understood. Three ways have been most commonly postulated, and each has varying degrees of support. They are (1) a metabolic effect, in that the antibiotics directly affect the rate or pattern of the metabolic processes in the host animal; (2) a nutrient-sparing effect in which the antibiotics may reduce the dietary requirements for certain nutrients; and (3) a disease control effect where antibiotics suppress organisms causing clinical or subclinical manifestations of disease. Although there is extensive evidence of the nutrition and antibiotic response relationship, these effects are generally considered secondary to the disease-control effect.

PUBLIC HEALTH PROBLEM

Controversy on restricting the subtherapeutic level use of antibiotics arises from the potential public health hazard of the practice. It is important to note that no distinction was made in the regulatory process between antibiotics used for human clinical medicine and use for clinical and/or disease prevention in animals. Consequently, such antibiotics as the penicillins, tetracyclines and streptomycins were approved for use for humans and animals.

It was not observed until 1955 that bacteria could develop a resistance to antibiotics. But this observation was not in connection with animal feeding of antibiotics. The passage of time and accompanying research on antibiotic resistant organisms provided the information to develop three hypotheses on how the practice of feeding antibiotics to animals could be a health hazard to other animals and to humans.

First, it is known that certain pathogenic organisms such as salmonella, existing in the gastrointestinal tract of animals, can become resistant to the antibiotic fed to the host animal at subtherapeutic levels and over time be passed into the environment and/or food to humans. Since the organisms are antibiotic resistant, the hypothesis is that should they produce infection in humans or other animals then the same antibiotic would be an ineffective means of treatment.

The second hypothesis concerns the ability of organisms to transfer antibiotic resistance to other organisms and therefore cause widespread infection among people and animals that cannot be successfully treated with the same antibiotic. Like the first hypothesis, there is only evidence to offer partial support. Transmissibility is not being seriously questioned, but there is still a lack of evidence that these new antibiotic-resistant organisms have in any way contributed to an increase in infectious diseases of people or animals.

The third hypothesis is that trace amounts of antibiotic residue in animal tissue, milk, and eggs may lead to the emergence of resistant strains of organisms in people. But evidence is also lacking. This is considered to be the least likely means of developing drug resistant bacteria. Low-level usage of antibiotics as in correctly formulated animal feed does not contribute significantly to legal residue problems. Most of the residue problems result from therapeutic antibiotic abuse or misuse of the antibiotics in formulated feed.

Proponents and opponents of the proposal to restrict use of antibiotics in animal feeds have placed different interpretations on the potential danger of the health hazard from drug resistant bacteria. Proponents admit that the drug resistant organisms may be non-infectious or less viable than their non-resistant predecessors. But they note this should not be interpreted as meaning that by selection pressures or evolution a highly infectious and viable drug resistant organism will not appear some time in the future.

Number and incidence of reported salmonellosis cases 1966–75

Year	Number of cases	Cases per 100,000 people
1966	16,841	8.60
1967	18,120	9.16
1968	16,514	8.26
1969	18,419	9.12
1970	22,096	10.84
1971	21,928	10.63
1972	22,151	10.64
1973	23,818	11.35
1974	21,980	10.40
1975	22,612	10.61

Source: Center for Disease Control, HEW.

Opponents point to the lack of evidence of a health hazard and in particular refer to the incidence of salmonellosis, a disease of humans caused by salmonella bacteria that are known to be becoming antibiotic resistant as a result of the use of antibiotics in feed. Cases of salmonellosis reported to the Center for Disease Control (CDC) in Atlanta, Georgia, are indicated in the following table. As such, they are probably a fraction of the number of actual cases. One estimate based on these reported cases put the total number of cases of salmonellosis in the United States at approximately 2 million a year. Many of these go unreported because the symptoms experienced are often attributed to "the flu" or an "upset stomach."

Prior to 1966, salmonellosis was not classified as a reportable disease and was grouped with other intestinal illnesses. Since 1966, however, it has been specifically reported as a separate disease. The number of cases and incidence of salmonellosis increased between 1966 and 1970 and has remained roughly constant since. The increase in the annual number of cases between 1966 and 1970 is probably due to improved reporting. As the reporting network between the State and local health departments and the CDC improved, the number of reported cases increased. Proponents also note there has been no change in antibiotic resistance demonstrated in the treatment of human cases. The same antibiotics have been effective for years.

In cases of human salmonellosis caused by raw meat or poultry products, the source of contamination is usually from the animal. Unavoidable cross- or direct-contamination of raw meat or poultry can occur during slaughter. Salmonella can also be transferred from raw to cooked product via contaminated handling equipment of food handlers and is often the cause of human outbreaks.

While there is substantial evidence available to validate the benefits to society from the use of antibiotics at subtherapeutic levels in animal feeds, these benefits must be weighed against the theoretical risks of creating some highly infectious and viable drug resistant organism in the future that would be very harmful to human and animal health.●

CONCERNING THE AMENDMENT ON KOREAN TROOP WITHDRAWAL—INTERNATIONAL SECURITY ASSISTANCE ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. GOODLING. Mr. Speaker, the President's plan to withdraw 28,000 U.S. ground troops from South Korea by 1982 is one which has met with increasing skepticism since its formal announcement in March of last year. As military and political experts have reported on the process by which the decision was made; the way in which the administration informed our Asian allies; and the possible effects withdrawal could have on peace in Korea; lingering doubts have turned to grave misgivings. It is because of my own misgivings that I am proposing this amendment, which I hope will underscore deep congressional concern over this policy.

In my brief comments today I should like to discuss just two of the issues raised by this amendment—the effect our withdrawal policy will have on our commitment to Asia and the prospects for nuclear proliferation.

Our interests in the security and independence of South Korea are cemented by the armistice agreement of 1953 and the Mutual Defense Treaty with South Korea. This commitment extends beyond these formal agreements for it encompasses the whole of America's economic, political, and military ties with East Asia.

It is useful to note that trade with East Asia exceeds that with Western Europe and the margin will probably increase. And these societies stand in sharp contrast to their Communist neighbors, for they support pluralistic ideas and western style institutions. But they confront in their region two threatening giants the Soviet Union and China—who make no bones about their commitment to remain an influence in East Asia. The Soviets have not increased their Pacific fleet because some bureaucrat in Moscow likes boats.

We lay our commitment on the line in South Korea, with the presence of the 2d Infantry Division, which proves that deterrence and defense are a joint United States/South Korean effort. And America's military presence has preserved the peace in Korea since 1953. The South Koreans want us to stay, the Japanese want us to stay, the Filipinos and the Taiwanese want us to stay—but the administration wants us to leave.

At the root of the administration's withdrawal policy lies the concept of "flexibility." The administration argues that as our troop strength in South Korea decreases, paradoxically, our "options" as to how we might behave during an attack increase. These "options" contribute to our "flexibility." Today U.S. troops in South Korea have a "trip wire" effect, since they represent the leading edge of our awesome military power, which will necessarily be deployed in the event of an attack by the North. This military contingent acts as the most important deterrent to war in Korea—a fact which is almost universally accepted. But when we tell the Koreans that we are seeking certain "options" to enhance our "flexibility" as the administration has done, the South Koreans begin to feel the shifting of the winds. For they fear that "flexibility" means possible abandonment.

After the administration had made the fundamental decision on withdrawal and discussed only timing with our Asian allies we heard unequivocal and soothing statements about our firm commitment to South Korea. It is the "foundation of our policy" in Asia the Secretary of Defense said. But our allies also knew that "flexibility" loomed in their future and so they must wonder if commitment is compatible with "flexibility." Yes, I think this policy strikes at the very heart of our commitment to South Korea—for it cannot be justified on grounds consistent with our pledge to peace and security in Asia.

Doubts about our commitment to Asia may cause serious consequences for the future stability of this region. As Gen. Richard Stilwell, Commander in Chief, United Nations Command, from 1973 to 1976, has pointed out; a withdrawal of U.S. ground forces will inevitably lead to a renewed arms race in Korea, as the South moves rapidly to insure its deterrent and war winning capability. Nuclear weapons will probably be a part of their new arsenal, for there is no question of their potential capability in this regard. And what of Japan? Will they stand defenseless against the increasingly aggressive Soviet presence in the Pacific? How long will they want to wait before developing their own nuclear arsenal and delivery systems. Under the present climate created by U.S. actions in Korea—if I were they I would answer—"Not long!"

This planned withdrawal from South Korea on whatever timetable, is a clear and compelling invitation to nuclear proliferation in Asia. The Washington Post reported over the weekend that we are removing our tactical nuclear weapons from South Korea. That cool and comfortable shadow cast by America's nuclear umbrella is beginning to shrink. And when we look around one day to that far away place called Asia we will face the grim specter of a score of unstable and frightened nations armed to the teeth with nuclear bombs. In that event—we can blame only ourselves.

Mr. Speaker, this withdrawal policy damages our pledge to security and stability in Asia, threatens the peace in Korea and is in direct contradiction to any sound and comprehensive nonproliferation policy. I respectfully solicit your support for this amendment and the ideas and concerns it embraces.●

MIHAJLO MIHAJLOV BEFORE HELSINKI COMMISSION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. DERWINSKI. Mr. Speaker, recently Mr. Mihajlo Mihajlov, the distinguished author and political dissident, spoke before the Helsinki Commission of the Congress. Mr. Mihajlov also met informally with other Members of Congress in his ongoing efforts to report on the true conditions within his country, Yugoslavia.

Appreciating the interest that the Members have in the question of human rights, I wish to insert Mr. Mihajlov's statement at this point:

STATEMENT BY MIHAJLO MIHAJLOV BEFORE THE HELSINKI COMMISSION OF THE U.S. CONGRESS

Most honourable ladies and gentlemen,

What came to me as a most unpleasant surprise was the fact that in the official Congressional reports on human rights in the Communist countries of Europe, from last August, and this May, Yugoslavia was not even mentioned. Thus uninformed people get the impression that in Yugoslavia the problem of human rights does not exist. But even worse than that: people may come to the conclusion that respect for human rights is possible in a non-democratic, one party, communist country.

However all this does not reflect the truth. In Yugoslavia there not only is no freedom of assembly, but there also is no freedom of speech. The Yugoslav press is under total censorship. And worse yet: the Yugoslav citizens have less of an opportunity to find out about the internal affairs of their own country, than do the citizens of other European communist countries. Yugoslavia is the only communist country in the world whose citizens cannot find out or hear about the conditions in their own country, even from the West. It is true that unlike other communist countries one can freely buy Western newspapers and magazines, but those issues which have any analysis or criticism of Yugoslavia are banned. In the West there are up to one million Yugoslav workers, but if upon their return to Yugoslavia they dare to bring copies of Yugoslavia Emigrant papers, they are sentenced automatically to many years in prison. For a quarter of a century Radio Free Europe does not broadcast to Yugoslavia, other stations such as The Voice of America avoid to touch even the surface of Yugoslavia's internal conditions. In conclusion: Yugoslavia is the only communist country with an underground communist party which competes with the party in power. In such condition, growing separatist tendencies are also understandable. Whenever the democratic West, pursuing its short term goals, ends up supporting the dictatorial powers in any country, in the end it is the totalitarian countries that win.

And thus, not only the possibility of a repeated loss of the country's independence, the threat of internal turmoil, and the collapse of the government because of unsolved nationality problems, but also the support of the existing status quo, all present a great danger for the future of Europe and the rest of the world. Yugoslavia has gotten to the point that any slowing down of democratic political reform is a step backwards. Nothing threatens the independence and unity of the country and nothing disorganizes her more than the present lack of freedom of speech and of the press, which are a prerequisite for other kinds of freedom, and without which all the different nationalities cannot peacefully coexist.

Because of the fact that there is complete party monopoly in all spheres of life in society, one cannot be surprised that there are so many political prisoners in Yugoslavia. Last year Milovan Djilas asserted that percentage wise, the number is greater than in the USSR. No one knows the exact number. However one does know for sure that 6 months ago there was no amnesty whatsoever for political prisoners. Only a selected thirty were pardoned and released, and not two hundred and eighteen as stated by the American press. It is interesting that in this case the Yugoslave press did not lie, but the Western press did. Only thirty political prisoners were released, which were the ones about whom the Western press was the noisiest. The other one hundred and eighty had their sentences slightly reduced, for example from ten years to nine and a half. But the American press still writes about an amnesty resulting in the release of two hundred and eighteen people!

I will give you examples of prisoners with different political orientations:

Davor Aras—a historian, former Secretary of the Historical Institute of the Yugoslav Academy of Sciences in Zadar, a man in poor health, was sentenced in 1975 as a "terrorist". His crime: after Tito purged the leaders of the Croat Communist League, he, Davor Aras, wrote on a wall "Down with terrorism." For this he was convicted as a "terrorist" and sentenced to six and a half years in prison. He is now in the Lepoglava prison.

Nenad Vasic—a lawyer, a Montenegran from Sarajevo, was given the highest possible sentence of ten years for so-called "hostile propaganda." He uttered four critical sentences about the situation in Yugoslavia. Nenad Vasic is now in Foca prison, in Bosnia.

Adem Demaci—an Albanian nationalist, the first writer in Yugoslavia to write a novel in Albanian, served a 3 year term (1960–1963) for "hostile propaganda," that is, for critical remarks. In 1964 he was sentenced to fifteen years for taking part in the distribution of leaflets but after the fall of the chief of the Yugoslav Secret Police, Rankovic, the sentence was reduced to 10 years which he served in full and was released in 1974. But by the end of that year he was re-arrested and in 1975 was again sentenced to fifteen years, accused once again in distribution of leaflets. Now he is in the harshest prison in Yugoslavia, Stara Gradiska prison, in Croatia.

Vitomir Djilas, a lawyer from Montenegro. In the spring of last year he was sentenced to two years in prison for sending a letter to the Yugoslav newspaper "Politika" in which he contended that the rights of man were not being respected in Yugoslavia, and that one can even be arrested for propagating Eurocommunist ideas of pluralism. He is now in Spuz prison in Montenegro.

All of the above, except the Adem Demaci, were defended by the Belgrade lawyer Jovan Barovic, who is willing to confirm my words with documents.

Considering these facts, and the general knowledge that there are no less than one thousand political prisoners in Yugoslav prisons among which there are no more than ten real terrorists, and the fact that Yugoslavia, despite being signatory to interna-

tional agreements, does not recognize the status of political prisoners and treats them as common criminals—considering the fact that the freedom of speech, of assembly, and of the press do not exist in Yugoslavia, in other words the rights of man are not less suppressed than in other Communist countries, it is impossible to understand why the reports of the U.S. Congress are silent about the situation in Yugoslavia.

"Each country could be reproached for this or that in terms of human rights, some more and some less. This is also applicable to America and, of course, to the Soviet Union."

The Yugoslavian dissident Milovan Djilas has said that Yugoslavia has as many political prisoners in proportion to its population as the Soviet Union, but there was no mention of that from Tito.●

MILITARY APPROPRIATIONS STOP GUN CONTROL OVER CIVILIAN MARKSMANSHIP PROGRAM: HISTORY OF MARKSMANSHIP PROGRAM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. ASHBROOK. Mr. Speaker, the National Board for the Promotion of Rifle Practice (NBPRP) was created in 1903, at the request of the National Guard, and other military officers, and members of the National Rifle Association (NRA), with the support of Hon. Elihu Root, then Secretary of War. The NBPRP has been in continuous existence since that time and is currently authorized under title 10, United States Code, sections 4307 through 4313 and Army regulation 920–15.

Early in the 20th century, as the population of America began to shift from rural areas to the cities, the need for a civilian marksmanship program became apparent. The tradition of "growing up with a rifle," to provide food for the family and protection for the home, gave way to food shopping at the market and a dependence upon the police for protection; the trusty rifle was relegated to the closet. As a result, citizens entering military service and called upon to fight for their country were generally found to be inadequately trained in the use of a rifle. Therefore, Congress created the NBPRP in an effort to provide a citizen army, trained in marksmanship, in the event of a national emergency.

U.S.S.R. SURPASSING U.S.A. IN MILITARY AND OLYMPIC ABILITIES

History reflects that during World War II more than 1,700,000 Americans entering military service had received prior marksmanship training though NBPRP-sponsored programs. Additionally, more than 200 civilian instructors beyond draft age volunteered their services at military installations throughout the country to develop and manage basic marksmanship training programs. It is noteworthy that there are more marksmanship instructors in Russia today than competitive shooters in the United States. Emphasis on marksmanship in other countries can be measured by the results of the 1976 Olympic competitions in which 21 shooting medals were awarded, mostly to nations other than the United States.

The principal mission of the NBPRP is to promote practice in the use of military-type individual small arms among able-bodied citizens not reached through training programs of the Armed Forces of the United States; to promote matches and competitions in the use of such arms; to issue in connection therewith necessary arms, ammunition, targets and other supplies and appliances; and to procure and award to winning competitors trophies, medals, badges and insignia.

VALUE OF CIVILIAN MARKSMANSHIP PROGRAM

The Civilian marksmanship program supports thousands of civilian shooting organizations throughout the country. For a nominal cost, over 120,000 young people are taught each year how to use rifles safely and effectively. In 1974, six members of the U.S. team, including a 16-year-old girl, won a total of 52 medals in the World Shooting Championships in Switzerland. All of them were products of the civilian marksmanship program.

An independent study was commissioned by the Department of the Army several years ago and was conducted by Arthur D. Little, Inc., of Cambridge, Mass. This study, presented to the Secretary of the Army, concluded that this program makes a significant contribution to the national defense and recommended that Army support of the program be increased. The findings of this study were not accepted by the Department of Defense.

POLICY AND MANAGEMENT

The NBPRP consists of not less than 21 nor more than 25 members appointed by the Secretary of the Army from the Army, Navy, Air Force, Coast Guard, Marine Corps, the Army Reserve, the National Guard Bureau, Treasury Department, Interior Department, and the country at large. Members serve without compensation other than reimbursement for necessary authorized expenses and are appointed for a term of 3 years, with one-third of the members terminating annually.

Each organization or agency represented on the Board nominates its own members in numbers designated by the President of the Board. All nominations to the Board are referred to its Executive Committee for review and recommendation to the President of the Board for final approval and appointment.

The Secretary of the Army appoints the President of the Board, normally the Under Secretary. In that capacity the President acts for the Secretary of the Army in all matters relating to the programs of the NBPRP, including approval of expenditures by the Board. The NBPRP, as a body, is limited to making recommendations to the President of the Board. Generally, members chosen are of such stature that their opinions carry considerable weight; either because of their positions within the organizations they represent, their association with marksmanship activities, or both. The NBPRP meets at least annually for the transaction of business.

The Office of the Director of Civilian Marksmanship (ODCM) is the implementing agency for the Secretary of the Army responsible for carrying out the policies and programs recommended by the Board and approved by the Board President. The ODCM provides administrative support to the NBPRP; corresponds with individual competitors, civilian rifle clubs, schools, colleges, and State rifle associations. Further, it receives reports and monitors civilian marksmanship activities; plans for and issues appropriate shooting awards, maintains liaison with Army and other military support agencies as well as the NRA; and maintains records of competitions and individual excellence-in-competition records.

The present staff of the Office of the Director of Civilian Marksmanship consists of the Director, who is a military officer and also the Executive Officer for the NBPRP; the Executive Officer of the ODCM, who is a civilian employee; and 11 administrative personnel. The fiscal year 1978 NBPRP budget for administration of this program is $365,000, with an additional $329,000 for purchase of the ammunition which is provided gratuitously to eligible junior clubs and Board-sponsored matches.

The Office of the Director of Civilian Marksmanship is located in room 1E053, West Forrestal Building. This is also the location for the display of the 35 national tropies which are presented in the National Trophy Matches. Among the shooting fraternity, these are the most respected marksmanship trophies in the world.

YOUTH EMPHASIS ON PROGRAM

In July 1968, the civilan marksmanship program was reoriented, with increased emphasis placed on support of junior marksmanship training intended to provide a basic military skill to the youth of this country in anticipation of later military service. As a result of this reorientation, certain types of clubs became ineligible for continued support and were dropped from the program. Total enrollment in June 1968 was approximately 6,000 civilian clubs, having a membership of some 385,000; club enrollment is now approximately 2,200, with a membership of approximately 125,000, most of which are juniors between 12 and 19 years of age.

OHIO HOSTS ANNUAL NATIONAL MATCHES

Included in the mission of the NBPRP is the responsibility to conduct the annual national matches, which last for approximately 30 days and are traditionally held at Camp Perry, Ohio. The program of the national matches consists of a small arms firing school for service rifle and service pistol, the national trophy rifle and pistol matches and the NRA national rifle and pistol championship matches. These matches are open to both military and civilian personnel and normally involve 5,000 to 6,000 competitors. However, due to budgetary constraints and operational requirements of Southeast Asia, the national matches have not been conducted by the NBPRP since 1967. In the interim, the NRA has conducted the national championships for the past 10 years and

has included the national trophy matches in their program in the interests of perpetuating the tradition of this "Worlds Series of Shooting" which has existed since 1907.

RESIST EFFORTS TO KILL PROGRAM

The program was designed by Congress to provide a civilian base for our national defense. It has served as the single most effective means of equipping perspective young olympic competitors to perform as representatives of this country. When the military appropriations bill comes before the House this Thursday, we should fully fund the civilian marksmanship program. It is my understanding that Mr. Yates and others may attempt to terminate funds for the sale of the surplus arms. It is my hope that Members of the House will reject such efforts. The Carter administration already severely crippled the civilan marksmanship program, when, on April 26, 1978, Treasury Assistant Secretary, Richard Davis, recommended that the Army limit sales of arms to 600 rifles per year. On July 10, Secretary of the Army, Clifford Alexander informed Chairman Stratton of the Subcommittee on Armed Forces Investigations that the 600 arms per year distribution would be followed.

The Davis-Alexander decision flies in the face of Chairman STRATTON'S recommendation that at least 2,600 M–1 rifles be offered for sale to civilian marksman. It is also contrary to the decision by the National Board for Promotion of Rifle Practice. We are now faced with probable efforts by Members of this House to further subvert the spirit as well as the intent of the civilian marksmanship program.

NEGLECT OF THE PROGRAM

The Department of the Army has, since the mid-1960's, reduced the sale of surplus rifles under this program from 25,000 per year to 300 to 600 per year. This is a serious neglect of needs. For fiscal year 1979, the National Board for the Promotion of Rifle Practice recommended the same allocation of rifles as did the Stratton Subcommittee on Armed Forces investigations: 2,600.

The Carter administration has turned its sights on the destruction of a valuable governmental training program for civilian marksmen, showing a wanton disregard for the needs of the national defense and international sporting competition.

TREASURY DEPARTMENT ATTEMPTS GUN CONTROL IN MILITARY ARMS SALE

The Treasury Department, once again asserting its antigun bias has issued instructions that are to be implemented by the Government's military branch. The instructions are clear on their face—"Destroy the United States civilian marksmanship program."

Why, when such a valuable program has been used as a training ground for U.S. olympic competitors, and as a means of preparing this Nation's youth for military participation, has the Treasury Department set about to destroy the civilian marksmanship program?

Why, in light of this Chamber's June 7 vote in opposition to the Treasury Department's gun control efforts is the administration still persisting in affronting Congress wishes?

PAST AND PRESENT EFFORTS BY DEFENSE DEPARTMENT TO DESTROY PROGRAM

As noted earlier, during the administration of Robert F. McNamara surplus arms sales were slashed from more than 25,000 per year to 300 per year. During the present administration, the Department of Army ordered the destruction of approximately 300,000 M–1 rifles and carbines at a cost of over $600,000. After protest from many citizens and the urging of Chairman STRATTON and Senator STROM THURMOND, ranking minority member of the Senate Armed Services Committee, Secretary Alexander reversed the scrapping plan and issued a letter to Chairman STRATTON setting forth his plans to retain the M–1's for "contingency" purposes. The Secretary rejected Chairman STRATTON'S March 20 recommendations for the sale of at least 2,600 M–1's to civilians.

So that my colleagues will be fully briefed on this administration's internal efforts to emasculate the civilian marksmanship program, I am now presenting the sequence of events that have led up to the strangling of the civilian marksmanship program.

Early this year, Secretary Alexander ordered the "demilitarization" (bureaucratic word for "scrapping") of more than 300,000 surplus M–1 rifles and carbines. Having been vocally criticized by Members of Congress reacting to constituent protests, Secretary Alexander relented and finally ordered the M–1's stockpiled for the "contingency" purposes, as outlined in his July 10 letter to STRATTON. Now, reconsidering the scrapping (demilitarization) of the 300,000 arms, Secretary Alexander has placed a freeze on the surplus arms, stockpiling them in military installations across the country. While his reconsideration came as a result of citizen and congressional protests, he refused to permit the sale of additional rifles through the civilian marksmanship program.

The correspondence from the officials involved in this dispute is as follows:

LETTER FROM CHAIRMAN STRATTON TO SECRETARY ALEXANDER

MARCH 20, 1978.

DEAR MR. SECRETARY: As you know the Investigations Subcommittee has been conducting a staff study of the proposed demilitarization and sale as scrap of approximately 315,000 M–1 rifles and M–1 carbines.

After a hearing on March 17, at which Colonel Jack R. Rollinger, Director of Civilian Marksmanship, testified on the procedures involved in determining the number of weapons to be offered for sale pursuant to Section 4308, Title 10, United States Code, the Subcommittee approved a motion containing several recommendations on the disposal of surplus military weapons. Those recommendations were as follows:

1. That the surplus automatic weapons be demilitarized.

2. That the M–1 rifles and M–1 carbines not be demilitarized but preserved in storage.

3. That the quantity of M–1 rifles offered for sale in 1978 be increased to at least 2,600. (Emphasis mine.)

4. That the requirement that applicants have established a marksman status in competition shooting be eliminated.

5. That the price at which M–1 rifles are sold by the United States be increased to approximately the prevailing market price.

6. That after a two-year period during which these recommendations are in effect, the National Board for the Promotion of Rifle Practice report to the Subcommittee. If its experience in operating pursuant to these recommendations has been satisfactory, the removal of all number limitations on sales could then be considered.

I would appreciate your serious consideration of these recommendations and request that they be brought to the attention of the National Board for the Promotion of Rifle Practice at its meeting on March 22.

Sincerely,

SAMUEL S. STRATTON,
Chairman.

Following this correspondence, Secretary Alexander's staff and Treasury Department personnel exchanged correspondence which included a recommendation by Assistant Secretary Richard L. Davis.

LETTER FROM TREASURY ASSISTANT SECRETARY DAVIS TO SECRETARY ALEXANDER

MARCH 22, 1978.

DEAR SECRETARY ALEXANDER: I understand that the Department of the Army is considering the sale of M–1, M–14 and possible other surplus firearms to nonmilitary personnel. The Treasury Department believes that the sale of any such firearms, even in modified form, is inconsistent with the efforts of federal, as well as state and local, authorities to avoid the misuse of firearms. *We therefore urge you to disapprove any such sales.* (Emphasis mine.)

The consequences of firearms abuse are real. A recent report prepared by the General Accounting Office discusses the disturbingly large numbers of homicides, aggravated assaults and robberies which are committed with firearms. Recently released crime statistics for 1977 indicate that this trend is continuing. In this context we believe it inappropriate for the Government to be involved in introducing firearms such as these into domestic commerce. In selling such weapons there is initially a problem in monitoring the initial purchasers of these weapons. Equally as important, however, is the problem raised by the potential theft of firearms. You should be aware that while statistics in this area remain imperfect, a recent study has indicated that at least 20 percent of all firearms used in crimes are stolen.

The Gun Control Act of 1968 authorizes the possession of firearms by law abiding citizens for sporting, hunting, and similar purposes. There is, however, no shortage of firearms available for these uses. We can therefore see no justification for the Army selling its surplus weapons to private citizens. Rather, we urge you to use your authority, consistent with your legal obligations, to minimize the introduction of potentially dangerous firearms into the civilian market.

If the Army intends to sell this type of firearm to the public, we would like an opportunity to discuss this with you further. Also, if I can be of any other assistance to you, please feel free to contact me.

Sincerely,

RICHARD J. DAVIS,
Assistant Secretary (Enforcement and Operations).

DAVIS LETTER CONTRARY TO FEDERAL LAW

It is well known that Mr. Davis fosters the opinions represented in his March 22 letter. It is he who issued the March 22 proposed gun control regulations for the Bureau of Alcohol, Tobacco, and Firearms (BATF) which were rejected by this House overwhelmingly on June 7, 1978, in a vote of 314 to 80. This official's opinion notwithstanding, the Secretary

of the Army is charged with the issuance of surplus military arms as follows:

TITLE 10 UNITED STATES CODE

SECTION 4308. CIVILIAN RIFLE RANGES: ESTABLISHMENT; INSTRUCTION

(a) The Secretary of the Army, under regulations approved by him upon the recommendation of the National Board for the Promotion of Rifle Practice, shall provide for—

(5) the sale to members of the National Rifle Association, at cost, and the issue to clubs organized for practice with rifled arms, under the direction of the National Board for the Promotion of Rifle Practice, of the arms, ammunition, targets, and other supplies and appliances necessary for target practice;

SECRETARY ALEXANDER'S LETTER TO CHAIRMAN STRATTON REJECTING COMMITTEE RECOMMONDATIONS OF MARCH 20

JULY 10, 1978.

DEAR MR. CHAIRMAN: After lengthy deliberations concerning the disposition of M–1 rifles and M–1 carbines, the Army Staff and the National Board for the Promotion of Rifle Practice (NBPRP), having considered the views of the Department of Defense, Department of Treasury, Congress, and other interested agencies, have provided recommendations. I have reviewed their recommendations and those of the House Armed Services Investigations Subcommittee and have directed the following actions (listed in the sequence of your March 20 recommendations):

1. Surplus automatic weapons (Browning automatic rifles and M–2 carbines) will be retained for contingency purposes and potential foreign military sales.

2. M–1 rifles and M–1 carbines will not be demilitarized. The M–1's will be preserved for use by the ROTC, Veterans' Organizations, Director of Civilian Marksmanship (DCM) Sales Program and for contingencies.

3. *The quantity of M–1 rifles offered for sale in 1978 will be 1200, a combination of the 600 per year rates for 1977 when no rifles were sold and for 1978. The numbered offered for sale in subsequent years will be 600 per year.* (Emphasis mine.)

4. The requirement that that applicants for purchase of M-1's establish competition status has been retained. A review of current applications indicates that approximately 75 percent of the applicants have achieved the "competitor" criterion. The purpose of this requirement is to insure that those who are sold rifles have a serious intent to use them for marksmanship.

5. The price at which M–1 rifles will be sold is at cost to the government. Section 4308, Title 10 U.S. Code provides for the sale of arms to members of the National Rifle Association "at cost." The term "at cost" has been interpreted to mean original cost plus packaging, handling and mailing (approximately $112,000 total).

The DCM Sales Program will be reviewed annually to consider National Board for the Promotion of Rifle Practice recommendations for annual sales and the conduct of the program. The Board will report their program recommendations to you upon your request.

Sincerely,

CLIFFORD L. ALEXANDER, JR.

The decreased sales recommendation by Secretary Alexander on April 26 duplicates precisely the recommendation by Assistant Secretary of the Treasury, Davis. Still maintaining his opposition to all sales of military surplus weapons to civilians, Davis advised Undersecretary of the Army Walter LaBerge as follows:

LETTER FROM TREASURY ASSISTANT SECRETARY DAVIS TO UNDERSECRETARY OF ARMY WALTER LA BERGE

APRIL 26, 1978.

DEAR SECRETARY LABERGE: I appreciated the opportunity to discuss with you issues relating to the proposed sale of M–1's to non-military personnel. As you know, the Treasury Department has serious reservations about the sale of various types of surplus weapons. The potential use of weapons such as these—when stolen or diverted from their original purpose—cannot be ignored. We, of course, are offering no objections to other aspects of the Civilian Marksmanship Program.

After considering the various alternatives concerning the M–1; rifles, our views are as follows:

1. *The number of rifles sold annually should remain at current levels (600 a year) pending further discussions and study on the question of the sale of surplus military weapons;* (Emphasis mine.)

2. We prefer that the rifles sold be restricted to .22 caliber target rifles which are appropriate for target practice;

3. We prefer that M–1 rifles be available only at ranges operated by the Army where they remain in Army custody;

4. As you requested, the inventory of M–1 rifles should be maintained pending the discussions and study discussed above;

5. The marksmanship requirement for purchase should be retained, although we question, both from a legal and a policy perspective, any requirement that a purchaser be a member of any particular organization.

Again, we appreciated the opportunity to meet with you and are prepared to work with you in the future on this matter.

Sincerely,

RICHARD J. DAVIS,
Assistant Secretary
(Enforcement and Operations).

GUN CONTROL POLITICS RUNS RAMPANT IN CARTER ADMINISTRATION

While there is no doubt in my mind that Mr. Davis of the Treasury Department has opinions that deserve discussion, I reject the notion that his personal views on alleged evils of firearms ownership should supercede those of the Congressional committee conducting oversight over the Civilian Marksmanship Program, and of that program's governing board. The belief that a small supply of firearms to civilians for the purpose of improving shooting competency could undermine efforts by the Treasury Department to control crime is even more preposterous than the belief that the recently rejected B.A.T.F. gun control scheme would stop illegal firearms flow.

The Treasury Department and various police agencies have available for their use a firearms tracing center in the U.S. Army Armament Readiness Command. Serial numbers of every one of the arms used in the program are maintained at that Rock Island, Ill. installation. Criminal record checks are made on every applicant before purchase of the surplus arms. Qualification requirements placed upon the civilian marksmanship applicants by far exceed the requirements imposed by Congress upon other civilian firearms commerce.

Yet the Treasury Department, who polices non-military sales has the audacity to dictate quantities of arms used under the Civilian Marksmanship Program. What sense can one make of this other than to believe that power-hungry administrators are once again attempting to override the wishes of Congress?

As shown by the letters herein inserted, the Department of the Army has made every possible effort to subvert the implementation of the Civilian Marksmanship Program.

CARTER ADMINISTRATION GUN-CONTROL ADVOCATES WOULD KILL PROGRAM

This is a Congressionally created arm of the military and should not be permitted to die due to neglect from the Carter Administration's personal design, or the personal designs of Congressional advocates of gun-control. I believe this sequence of events is an affront to the Stratton committee, to those of us who protested the destruction of the M–1s, and to the taxpayers themselves, who are paying for storage, and receiving little benefits from these surplus arms. For the Secretary of the Army to order the waste of 300,000 usable arms at the cost to taxpayers of $600,000 is reprehensible. For that same executive officer to later order that these arms be placed on "contingency", (bureaucratic word for "mothballing") while members of Congress and taxpayers are ignored, amounts to a grave neglect of responsibility on his part.

WHY NOT THE BEST, MR. CARTER?

It is a matter of record that the Soviet Union has gained superiority over the United States throughout its military branches. Now, in open olympic competition as well as in military training areas, the U.S.S.R. is surpassing us. They have amassed a cadre of civilian marksmen through their own marksmanship program which numbers in the millions. Our civilian marksmen are estimated at fewer than 150,000.

It is difficult for those of us who have worked for strengthening our military, to see leaders in our government collaborating to kill this Nation's only governmental sponsored civilian marksmanship program. Why not the best, Mr. Carter?●

TESTIMONIAL FOR ALBERT L. SCHENONE, RETIRING POSTMASTER, UNION CITY, N.J.

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. HOLLENBECK. Mr. Speaker, the newspapers have been filled, in recent weeks, with news of the Postal Service and its employees. We have heard that there may be a postal strike. We have also heard, from some, that postal employees are mean, greedy people, who care only for themselves. This is simply not true of the overwhelming majority of men and women who work for the U.S. Postal Service. I cannot think of better proof of that statement than Mr. Albert L. Schenone, who will retire to-

morrow after 12 years as Postmaster for Union City, N.J., which is in my district.

Prior to becoming Postmaster, Mr. Schenone was a successful businessman in Union City. He brought to the Union City post office the same dedication and ability he displayed in running his own business. He was a capable and dedicated man, who always did his very best to see that his couriers were never stayed from their appointed rounds.

He was also a warm, loving, and dedicated human being. He gave himself to others, working as a volunteer for the American Cancer Society.

When Albert Schenone retires to Florida with his wife Vinnie, he can do so with the sure and certain knowledge that he has served his country, his employer, and his friends well. It will be a retirement that he richly deserves.

Also, Mr. Speaker, I would like to acknowledge the recent retirement of Alvin Dietz, who left the Postal Service 2 weeks ago after 34 years in rain, snow, heat and hail, 25 years of that on the same route. He too, like Mr. Schenone, has given all Postal Service employees, and the rest of us as well, an example to look to. To both of these men, I extend my thanks and congratulations.●

A REBIRTH OF KNOW NOTHINGISM

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. DORNAN. Mr. Speaker, one of the blackest periods of American history was that which shortly followed the arrival of hundreds of thousands of Irish immigrants into the United States. Fleeing the ravages of famine, vicious discrimination, and political oppression, hundreds of thousands of Irish immigrants arrived looking forward to the "land of opportunity" where they might live, work, and achieve the recognition that was forbidden them in their native land. Into Boston, New York, and Philadelphia they came, bringing with them the precious few belongings they were able to carry on steerage. But when they arrived, instead of being greeted in friendship, they found themselves the object of a cold hatred and derision. On numerous sidewalks and on the doors of numerous places of employment, they found the infamous placard "No Irish need apply."

Mr. Speaker, they were not simply victims of ethnic prejudice. They were victims of religious intolerance, the very death of a free and open society. The most vile tales and suspicions among the American population were sown by the so-called native Americans, who declared an open war against the Catholic faith and tried to do everything possible to insure that Roman Catholics' in America would enjoy nothing more than a second class citizenship. The anti-Catholic movement in America became known as the know nothing movement, and no measure, no matter how despicable, was beyond their low minded capacities. They burned churches, assaulted rectories and convents, spread the most vile and fantastic tales about the priests and nuns, and engaged in a bigotry which in rhetoric put to shame the Ku Klux Klan itself and that took some doing. It is fair to say, as historians judge, that anti-Catholic bigotry in America rivaled, in intensity, the worst excesses of anti-Semitism and racism.

Ignore history, said Cicero, and we are bound to repeat it. It is sad to reflect that no Catholic seemed to have a chance at the Presidency until John F. Kennedy won election in 1960. Before that time, we had the humiliating experience of seeing Al Smith, one of the finest products of the Democratic Party, subjected to the most venomous anti-Catholic propaganda. It is revolting to those of us of the Catholic faith that, on occasion, this spectre should appear once again, clothed in modern attire, but exhibiting the very same vicious characteristics. Such ignorance, prejudice, and bigotry have no place in America. It is hard enough for us to try to resolve the many difficult questions that come before us, without this poison entering the body politic.

Mr. Speaker, I should like to insert a recent editorial on the subject from the latest edition of Saint Anthony's Messenger:

ANTI-CATHOLICISM HURTS ALL AMERICANS

President Jimmy Carter has been attempting to show "sensitivity and awareness of Catholics" in order to win their support, according to White House reporter Laurence McQuillan (see page 12).

Being wooed by Carter, however, should not blind Catholics to the anti-Catholic sentiments that surface in American life. Defamation and discrimination are sometimes blatant, but more often subtle and maybe even unintended. Research on the causes and dimensions of such prejudice is needed. In the meantime, Catholics should not let false statements pass without challenge. The following are recent incidents in point.

'THEY'RE BURNING DOWN THE CLINICS'

Blatant anti-Catholicism appeared in a pro-abortion press kit mailed in April by Chicago Area Planned Parenthood. The kit contained "background material" and five vicious cartoons, three of which were specifically anti-Catholic.

"They're burning down the clinics," the text says of Catholics, illustrating the charge with a drawing of a bishop holding matches and a can of gasoline. And it warns that the bishops, "elderly men" who "simply cannot deal rationally with six," are trying to impose their morality on others.

Apologies for the kit were issued by Planned Parenthood spokespersons, who themselves recognized the bigotry involved and said the kits were mailed without their knowledge.

The cover story in the June 5 *Newsweek* reports the burning of abortion clinics in Ohio, Nebraska and Minnesota, and incidents of poisoning the dog and harassing the children of an Arizona doctor who performs abortions. Those responsible, says *Newsweek*, justify such violence and property destruction "on moral grounds" and are "backed by the authority and money of the Catholic Church."

The issue here is not honest differences of opinion on abortion or the morality of the tactics of some pro-lifers, but that *Newsweek* makes that bold assertion without proving the charges.

In an article on the Hyde Amendment, which restricts the use of public funds for abortions, the February *Congressional Quarterly* placed an asterisk next to the name of Catholic senators and congressmen. No others were designated by faith.

Catholic congressman Robert K. Dornan (R-Calif.) maintains the article attacked the integrity of Catholic legislators by implying they voted for the amendment simply out of religious affiliation.

'RIPPING OFF' THE CATHOLICS

But more serious than these attacks on the Church's pro-life stance are recent findings by the U.S. Department of Labor that "Catholics continue to be excluded from executive, middle-management and other job levels because of discrimination based on their religion.

In his book *An Ugly Little Secret*, sociologist Andrew Greeley cites statistics which he interprets as suggesting "a systematic underrepresentation of Catholics in elite positions in American society."

Father Greeley charges, for example, that Catholics are "virtually invisible on the faculties of the great private universities," although they may hold teaching posts at State or community colleges. The 1975 Ladd-Lipset survey backs up this claim; Catholics comprise 25 percent of the population but only 10 percent of the faculties of major universities.

"Were the underrepresented group black, brown, red or female, there would be an immediate outcry," Father Greeley asserts.

Catholics are also slammed in the entertainment media. In "Looking for Mr. Goodbar," it is implied that the heroine is promiscuous because of her repressive Catholic upbringing. And film reviewer James Arnold wrote that the assets of Saturday Night Fever were "overwhelmed by stupid stereotyping of the hero's Catholic family and the problems of his ex-priest brother." He called the film "AN INFURIATING RIP-OFF of Catholic ethnics."

HOW SHOULD CATHOLICS REACT?

Two extremes must be avoided: overreaction or paranoia, seeing a Catholic-hater in every opponent to tuition tax-credits; and unthinking dismissal of any charges of anti-Catholicism. Compared with the suffering of the Jews during the Holocaust or blacks' 200-year struggle against racism, a few less Catholics on Wall Street or a bigoted movie or cartoon are not worth getting upset about.

Yet for our government to work best, all citizens must be free to use their talents and contribute their moral insights. If unrecognized prejudice bars a scholar from a university faculty, everyone loses. If debate on the funding of education is clouded by hidden prejudice, the nation's children lose. If the credibility of a whole segment of citizens is falsely undermined, views will not be honestly exchanged, to the detriment of mutual respect and possible concensus.

Rabbi Marc Tannenbaum, director of interreligious affairs for the American Jewish Committee, sees the issue of anti-Catholic bigotry as "of moral and sociological importance to the future of American democratic pluralism." He proposes a plan of action:

"First," urges Rabbi Tannenbaum, "Catholic authorities . . . have to decide themselves that they are not going to tolerate passively any further manifestations of anti-Catholicism, either elitist or popular.

"Second," he says, "they will need to invest organizational and financial resources to assemble data about anti-Catholic discrimination . . . and make the case I believe can and should be made."

Work has already been done by the Catholic League for Religious and Civil Rights, but the interest and attention of all Catholics are needed. By study and appropriate steps against anti-Catholicism, we can help everyone.—J.D.●

MOORHEAD MAIN SPEAKER AT SERBIAN NATIONAL FEDERATION DAY IN PITTSBURGH

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, recently I had the distinct honor and pleasure to be the main speaker at the Serbian National Federation Day, held at Pittsburgh's Kennywood Park.

The Serbian-American community has added immeasurably to the cultural richness of our area with its strong religious, family, and national ties.

Still desirous, as they should be, of reclaiming their independence from the Yugoslavian Government, American Serbs are indomitable in spirit and united in cause.

I would like to include in the CONGRESSIONAL RECORD at this time a text of my remarks as well as an article which appeared in the American Srbobran, Pittsburgh's Serbian community newspaper.

ADDRESS OF CONGRESSMAN MOORHEAD AT SERBIAN NATIONAL FEDERATION DAY

Good evening, I've always believed that the best talk from a public official is a short one and that's exactly what I will make.

When my good friend Bob Stone asked me to appear tonight, I jumped at the opportunity to join him and you tonight.

The Serbian American community in Pittsburgh has added immeasurably to the fabric of our local culture with its deep tradition and strong sense of family. Serbian sweat, hard work and muscle breathed life into the image of the Pittsburgh area as diverse, colorful and strong.

In keeping with the spirit and fun of Serbian Day at Kennywood Park, I want to keep my remarks positive and upbeat. And I believe that my message tonight will be good news for Serbians everywhere.

Each year the Congress of the United States deals with hundreds of issues of monumental importance. As a Member of the United States House of Representatives, who represents may of the people here tonight, I can tell you that the plight of Serbian people still shackled by the totalitarian government of Yugoslavia is a subject in the forefront of congressional concerns. It has never been lost in the rush of congressional business.

Not a year passes when dozens of bills are introduced calling attention to the "captive nations" and the brave people dominated by the Russian Bear and its cohorts.

Bills to create special committees to examine the problems of Eastern Europe, and especially those of your own people, the largest single ethnic group in Yugoslavia, regularly are introduced in Congress.

This rush of congressional support and care for the brave and proud Serbian people has been kept alive, in large measure, by people just like yourselves working through Congressmen, like me, who will not let the world forget that the spirit of freedom and dignity flames bright among Serbs despite the Communist domination of Yugoslavia.

The Congress knows of the great Serbian tradition of freedom and self determination.

The Congress knows of the centuries old struggle of Serbians to throw off the shackles of domination and realize national independence.

The Congress knows of the strong sense of Serbian community pride, family strength, and religion.

It was barely three weeks ago when the floors of Congress thundered with speeches memorializing the Battle of Kosovo and celebrating St. Vitus Day.

This historic battle, fought on June 15, 1389, but celebrated on June 28 under the Gregorian calendar, epitomizes the Serbian national spirit to remain alive and vibrant despite the position of Serbia as a national battleground for the Turkish, Austrian, and latter Russian empires.

As is often the case in history, the Serbian defeat at Kosovo served to strengthen the courage and resolve of the Serbian people dedicated to the preservation of their culture, their sense of community, and their national aspirations.

As with so many other ethnic and national groups, the people of Serbia are waging a heroic struggle for the full realization of the ideals embodied in the Spirit of Kosovo.

It is this spirit that one most identifies with the Serbian American community and it is this spirit which I see evident before me tonight.

In closing let me just reaffirm my unyielding support for you and for your brethren still in Yugoslavia.

U.S. CONGRESSMAN 3 PITT DAYS SPEAKER

U.S. Congressman, William S. Moorhead, (D.-Pa.), has graciously accepted the invitation to attend the forthcoming 3 Pitt Serb Days, and will be a Main Speaker on Friday, July 21, 1978 at Kennywood Park.

Rep. William S. Moorhead, Democrat, of the 14th Congressional District of Pennsylvania, whose constituency is located in the heart of the Pittsburgh area, is a native of the city.

He was born there on April 8, 1923, and is an attorney by profession.

During World War II, was commissioned Lieutenant (j.g.) and served in the Navy aboard a destroyer in a Pacific task force.

Mr. Moorhead attended Shady Side Academy in Pittsburgh, Phillips Andover Academy, and received his BA from Yale University in 1944. In 1949 following war service, he was graduated cum laude from Harvard Law School. He was awarded an honorary degree of LLD from Duquesne University in 1965.

He is married to the former Lucy Galpin and they have three sons and one daughter.

Congressman Moorhead served as an Assistant City Solicitor of the City of Pittsburgh from 1954 to 1957 and was a member of the Allegheny County Housing Authority from 1956 to 1958.

He is a member of the American Legion, AMVETS, and Veterans of Foreign Wars.

Mr. Moorhead was elected to the 86th Congress on November 4, 1958, and since re-elected many times. He is a member of the Committee on Banking, Currency and Housing (serving on its Subcommittee on Housing and Community Development, Subcommittee on International Trade, Investment and Monetary Policy, Subcommittee on Financial Institutions Supervision and is Chairman of its Subcommittee on Economic Stabilization); the Committee on Government Operations (serving on the Subcommittee on Legislation and National Security, and the Subcommittee on Conservation, Energy and Natural Resources); and the Joint Economic Committee (serving on its Subcommittees on Economic Growth, Fiscal Policy, International Economics, Consumer Economics, Energy, and is Chairman of its Urban Affairs Subcommittee).

Congressman Moorhead is a well respected and well regarded governmental official and as a gentleman, in Pittsburgh and in Washington, D.C.—our nation's capitol.

We look forward to his visit.●

RESOLUTION ON THE REPUBLIC OF CHINA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. DORNAN. Mr. Speaker, students of international politics agree that the international system is in the throes of profound change. It is not yet clear where this shifting of power and alliances will take us, but we can be sure that this transformation will have a lasting impact on the position of the United States as a leader of the free nations of the West. In our assessments as policymakers, we must be sure that we avoid a narrow view of our interests. Perhaps one of the most legitimate criticism of American foreign policy, made by our friends, is that we all too often view foreign relations in terms of immediate crises, without taking into consideration the longer, historical view. Such is certainly not the case with our adversaries. Certainly, this is not the case with the revolutionary warlords who rule mainland China.

Which brings me to my central point. China is increasingly playing a major role in our calculations with respect to Soviet political, diplomatic, and military initiatives. There is much talk in the media, in academic journals, and among specialists in foreign policy of the viability of the so-called China card. The proponents of this strategy view a strengthening of U.S. ties with the Communist regime on the mainland as an essential element in the construction of a new balance of power. Not since Henry Kissinger departed his State Department Office have we more clearly discerned the Metternichian strains of a pragmatic foreign policy. Some view Communist China as a formidable threat to Soviet power in the Far East and thus a restraining presence on Soviet military ambitions in Europe.

Others view a "normalization" of relations with Peking as an inevitable development in the process of modern international politics, a coming of age of both China and the United States as world powers with common interests. Their mutual cooperation is essential and beneficial to the stability of the in-

ternational system and the peace of the world.

Mr. Speaker, I do not share this view. Though I do understand and appreciate the sincerity of those who espouse it. I still believe the interests of the West will be determined by the political, economic, and military strength of the free nations of the world, and not in some unholy alliance with Communist China. It is nevertheless true that the security of the free nations of the world requires a global policy. Gen. Douglas MacArthur was surely correct when he remarked:

> The issues are global and so interlocked that to consider the problems of one sector, oblivious to those of another, is to court disaster for the whole.

The opening of full diplomatic relations with Communist China may come. But what will be the terms of this arrangement? On whose conditions are these arrangements to be made? In my own view, the abandonment of the Republic of China and the abrogation of our defense agreements with that great nation is not a fitting condition for opening relations with Peking.

Tomorrow, I will be introducing a resolution specifying the sense of this House on the subject. It will provide that, regardless of any normalization or relations with the People's Republic of China, the United States will maintain full diplomatic relations with the Republic of China on Taiwan and maintain, in all its integrity, the Mutual Defense Treaty with the Republic of China, signed in 1954.

I was heartened by a recent poll of Members of this House, conducted by the American Conservative Union. It signifies rejection of Peking's conditions for the establishment of full diplomatic relations by the overwhelming margin of 211 to 5.

I insert the story and the enlightening accompanying poll in the RECORD:

VAST MAJORITY IN HOUSE OPPOSE RECOGNITION UNDER PEKING'S TERMS—REAFFIRM SUPPORT FOR FREE CHINA

WASHINGTON, D.C.—A poll conducted by the American Conservative Union this week indicates 245 Members of Congress are against or leaning against recognizing the People's Republic of China if it means that the United States would have to terminate diplomatic relations and the Mutual Defense treaty with the Republic of China on Taiwan. Only 6 Congressmen are in favor of establishing relations with Communist China under these conditions. 180 were undecided or could not be reached by the ACU pollsters.

The telephone poll was conducted by ACU's legislative division between July 17–27. The question that ACU asked each Congressional office was: "Would you support normalization of relations with the People's Republic of China if it meant that the United States would have to sever full diplomatic ties with Republic of China and abrogate our Mutual Defense pact with that country." Of the 435 Members of the House of Representatives and four Delegates that ACU reached, the results were:

Against: 211.
Leaning against: 34.
Total: 245.
In favor: 5.
Leaning in favor: 1.
Total: 6.
No response/no position/undecided: 180.
Refuse to answer poll: 6.
Total respondents: 437.

"The poll results were more dramatic than I expected," commented ACU Chairman Congressman Phil Crane (R-Ill.). "Amazingly, only six House Members stated for the record that they were in favor or leaning in favor of recognition under Peking's terms. Any attempt by President Carter to recognize Peking at the expense of Taiwan will surely be met with fierce and stiff opposition by a majority in the House of Representatives.

"The results of the poll are clear: Congress and the American people will not accept a sell-out by our government of our faithful friend and ally, the Republic of China on Taiwan," Crane continued. "This poll is only the opening salvo in a major campaign that ACU is launching to combat any move by the Carter Administration to recognize Peking at the expense of Taiwan. Once the American people have been aroused on this issue, President Carter will find it to be politically impossible to follow through on his morally bankrupt China policy," Crane concluded.

The complete results of the ACU poll are as follows:

Would the Congressman support normalizing relations with the People's Republic of China if the U.S. would have to sever diplomatic ties and abrogate our Mutual Defense Treaty with the Republic of China:

NO'S

Abdnor, Addabbo, Akaka, Ammerman, Anderson (Calif.), Andrews (N.D.), Applegate, Archer, Armstrong, Ashbrook, Aspin, Badham, Bafalis, Barnard, Bauman, Beard (R.I.), Beard (Tenn.), Bennett, Biaggi, Blanchard.

Blouin, Boggs, Bowen, Brademas, Breckinridge, Broomfield, Brown (Mich.), Brown (Ohio), Broyhill, Buchanan, Burgener, Burke (Fla.), Burleson, Butler, Byron, Caputo, Cederberg, Clausen, Clawson, Cleveland, Cohen, Collins (Ill.).

Collins (Tex.), Corcoran, Cornwell, Crane, Cunningham, D'Amours, Daniel, D. (Va.), Daniel, R., Dent, Derwinski, Devine, Dornan, Duncan (Tenn.), Eckhardt, Edwards (Ala.), Edwards (Okla.), Eilberg, Emery, English, Evans (Del.), Fenwick, Fish, Fithian.

Flood, Flynt, Foley, Ford (Tenn.), Fountain, Fowler, Frenzel, Frey, Gammage Gephardt, Ginn, Goldwater, Goodling Gradison, Grassley, Green, Guyer, Hagedorn.

Hall, Hammerschmidt, Hannaford, Hansen, Hefner, Heftel, Hightower, Hillis, Holt, Horton, Hubbard, Huckaby, Hughes, Hyde, Ichord, Jacobs, Jeffords, Jenrette, Jones (Tenn.), Jones (N.C.).

Kasten, Kelly, Kemp, Kindness, Krueger, Lagomarsino, Latta, Lehman, Lent, Livingston, Lott, Lujan, McClory, McCormack, McDonald, McEwen, McKay, Madigan, Mann, Marlenee.

Marriott, Martin, Mathis, Mattox, Michel, Mikulski, Mikva, Miller (Ohio), Minish, Mollohan, Moore, Moorehead (Cal.), Mottl, Murphy (Ill.), Myers, G. (Pa.), Myers (Ind.), Neal, Nedzi, Nix.

Panetta, Patten, Pettis, Pickle, Pressler, Preyer, Quayle, Quie, Quillen, Rahall, Reuss, Rhodes, Roberts, Robinson, Rogers, Rose, Rosenthal, Rostenkowski, Rousselot, Rudd, Runnels, St Germain.

Santini, Satterfield, Sawyer, Schroeder, Sebelius, Shipley, Shuster, Sikes, Simon, Sisk, Skelton, Skubitz, Smith (Neb.), Snyder, Stangeland, Stanton, Steers, Steiger, Stockman, Stratton, Stump.

Symms, Thompson, Thone, Treen, Trible, Tsongas, Vander Jagt, Vento, Volkmer, Walgren, Walker, Wampler, Watkins, White, Whitehurst, Wiggins, Wilson, B. (Cal.), Wilson, C. H. (Cal.), Won Pat, Wydler, Yatron, Young (Fla.), Young (Alaska), Young, Rob (Mo.), Zablocki, Zeferetti.

Democrats: 111.
Republicans: 110.

Would the Congressman support normalizing relations with the People's Republic of China if the U.S. would have to sever diplomatic ties and abrogate our Mutual Defense Treaty with the Republic of China:

LEANING NO'S

Anderson (Ill.), Annunzio, Ashley, AuCoin, Baldus, Bedell, Bevill, Boland, Brown (Calif.), Chappell, Coleman, Corman, Coughlin, Dickinson, Florio, Ford (Mich.), Fraser.

Gonzalez, Howard, LaFalce, Le Fante, Lloyd (Calif.), Lundine, Mahon, Mineta, Mitchell (N.Y.), Moakley, Montgomery, Pease, Pritchard, Ryan, Taylor, Weaver, Wirth.

Democrats: 28.
Republicans: 6.

REFUSE TO ANSWER

Flowers, Holtzman, Marks, de la Garza, Gaydos, Winn.

Democrats: 4.
Republicians: 2.

YES

Conyers, Kastenmeier, Whalen, Cornell, Richmond.

Democrats: 4.
Republicians: 1.

LEANING YES

Meyner (D).

Would the Congressman support normalizing relations with the People's Republic of China if the U.S. would have to sever diplomatic ties and abrogate our Mutual Defense Treaty with the Republic of China:

UNDECIDED/NO RESPONSE

Alexander, Ambro, Andrews of North Carolina, Baucus, Beilenson, Benjamin, Bingham, Bolling, Bonior, Bonker, Breaux, Brinkley, Brodhead, Brooks, Burke of Massachusetts, Burke of California, Burlison, J. Burton, P. Burton, Carney.

Carr, Carter, Cavanaugh, Chisholm, Clay, Cochran, Conable, Conte, Corrada, Cotter, Danielson, Davis, Delaney, Dellums, deLugo, Derrick, Dicks, Diggs, Dingell, Dodd.

Downey, Drinan, Duncan of Oregon, Early, Edgar, Edwards of California, Erlenborn, Ertel, Evans of Georgia, Evans of Indiana, Evans of Colorado, Fary, Fascell, Fauntroy, Findley, Fisher, Flippo, Forsythe, Fuqua.

Garcia, Giaimo, Gibbons, Gilman, Glickman, Gore, Gudger, Hamilton, Hanley, Harkin, Harrington, Harris, Harsha, Hawkins, Heckler, Holland, Hollenbeck, Ireland, Jenkins, Johnson (Calif.).

Johnson (Colo.), Jones (Okla.), Jordan, Kazen, Keys, Kildee, Kostmayer, Krebs, Leach, Lederer, Leggett, Levitas, Lloyd (Tenn.), Long (Md.), Long (La.), Luken, McCloskey, McDade, McFall, McHugh.

McKinney, Maguire, Markey, Mazzoli, Meeds, Metcalfe, Milford, Miller (Calif.), Mitchell (Md.), Moffett, Moorehead (Pa.), Moss, Murphy (Pa.), Murphy (N.Y.), Murtha, Myers, M. (Pa.), Natcher, Nichols, Nolan.

Nowak, Oakar, Oberstar, Obey, O'Brien, O'Neill, Ottinger, Patterson, Pattison, Pepper, Perkins, Pike, Poage, Price, Pursell, Railsback, Rangel, Regula, Rinaldo, and Risenhoover.

Rodino, Roe, Roncalio, Rooney, Roybal, Ruppe, Russo, Sarasin, Scheuer, Schulze, Seiberling, Sharp, Slack, Smith (Iowa), Solarz, Spellman, Spence, Staggers, Stark, and Steed.

Stokes, Studds, Teague, Thornton, Traxler, Tucker, Udall, Ullman, Van Deerlin, Vanik, Waggonner, Walsh, Waxman, Weiss, Whitley, Whitten, Wilson, C. (Tex.), Wolff, Wright, Wylie, Yates, Young, (Tex.).

Democrats: 153.
Republicans: 27.●

SENATE—*Wednesday, August 2, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. KANEASTER HODGES, JR., a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Our Father God, we thank Thee for the time of prayer with many, for the time of prayer with few, and for the time of prayer alone when we are aware of Thy presence in our inmost being. We thank Thee now for this daily altar of divine grace, when all who are present and all who would be present offer ourselves anew in service to God and country. May we never grow careless or casual about the most precious right of the citizen—the free worship of the living God. Grateful that Thou hast made and preserved us a nation, guided us in times of peril and times of safety, we dedicate our souls, minds, and bodies in service to our fellow man.

We pray in that name which is above every name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 2, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KANEASTER HODGES, JR., a Senator from the State of Arkansas, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. HODGES thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order Nos. 966, 967, 968, and 970.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I rise only to advise the majority leader that these calendar items are cleared on our calendar, and we have no objection to proceeding to their consideration and to their adoption.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

"INTELLIGENCE ACTIVITIES AND THE RIGHTS OF AMERICANS"

The concurrent resolution (S. Con. Res. 96) authorizing the reprinting of book II of the Senate report entitled "Intelligence Activities and the Rights of Americans" (S. Rept. 94–755), was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Select Committee on Intelligence six hundred copies of book II of the final report of the Senate Select Committee To Study Governmental Operations With Respect to Intelligence Activities, Ninety-fourth Congress, second session, entitled "Intelligence Activities and the Rights of Americans" (S. Rept. 94–755).

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–1044), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 96 would authorize the reprinting for the use of the Senate Select Committee on Intelligence of 600 copies of book II of the final report of the Senate Select Committee To Study Governmental Operations With Respect to Intelligence Activities, 94th Congress, 2d session, entitled "Intelligence Activities and the Rights of Americans" (S. Rept. 94–755).

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

Back to press, 600 copies	$3,323.03

PRELIMINARY GUIDE TO EXPORT OPPORTUNITIES IN JAPAN

The concurrent resolution (S. Con. Res. 97) authorizing the printing of additional copies of the committee print entitled "Preliminary Guide to Export Opportunities to Japan," was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on Banking, Housing, and Urban Affairs two thousand additional copies of its committee print of the Ninety-fifth Congress, second session, entitled "Preliminary Guide to Export Opportunities to Japan".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–1045), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in RECORD, as follows:

Senate Concurrent Resolution 97 would authorize the reprinting for the use of the Senate Committee on Banking, Housing, and Urban Affairs of 2,000 copies of its committee print of the 95th Congress, 2d session, entitled "Preliminary Guide to Export Opportunities to Japan".

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

Back to press, first 1,000 copies	$2,398.36
1,000 additional copies, at $560.72 per thousand	560.72
Total estimated cost, S. Con. Res. 97	2,959.08

SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON FINANCE

The resolution (S. Res. 487) authorizing supplemental expenditures by the Committee on Finance for inquiries and investigations was considered and agreed to, as follows:

Resolved, That S. Res. 392, Ninety-fifth Congress, agreed to March 6, 1978, is amended as follows: In section 2, strike out the amounts "$609,600" and "$40,000" and insert in lieu thereof "$909, 600" and "$340,000", respectively.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–1046), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 487 would increase by $300,000—from $609,600 to $909,600—the an-

nual expenditure authorization of the Committee on Finance for the current investigative year (S. Res. 392 agreed to Mar. 6, 1978).

The Committee on Finance has requested this additional funding—not to exceed $300,000—in order to procure the services of consultants to conduct two major studies designed to: (1) Improve revenue estimating capacity, and (2) project the potential benefits and costs of the current multilateral trade negotiations.

Under (1) above, the total contract is estimated to cost $244,000, although the first phase for the current investigative year would cost $100,000. The second phase, to be completed during the 1979 investigative year (Mar. 1, 1979-Feb. 29, 1980), would cost approximately $144,000. The committee believes it must have data to permit a review of a widely utilized revenue-estimating model, the Chase Econometrics Associates model, and thereby take into account the impact of a tax change on taxpayers' economic behavior, something not taken into account on most economic models. The revised model would be designed to provide improved revenue estimates to serve as a better basis for the committee's tax policy decision in the future.

ADDITIONAL ASSISTANT SECRETARY OF COMMERCE

The Senate proceeded to consider the bill (S. 1624) to authorize an additional Assistant Secretary of Commerce, which had been reported from the Committee on Governmental Affairs with amendments as follows:

On page 1, line 8, strike "Secretary shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce, and" and insert "Secretary";

On page 2, line 4, strike "(8)" and insert "(9)"; So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be in the Department of Commerce, in addition to the Assistant Secretaries provided by law as of the date of the enactment of this Act, one additional Assistant Secretary of Commerce who shall be appointed by the President, by and with the advice and consent of the Senate. Such Assistant Secretary shall perform such duties as the Secretary of Commerce shall prescribe.

SEC. 2. Section 5315 of title 5, United States Code, is amended by striking out paragraph (12) and inserting in lieu thereof:

"(12) Assistant Secretaries of Commerce (8).". (9).".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-1048), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

S. 1624 would authorize an additional Assistant Secretary in the Department of Commerce, increasing the number of Assistant Secretaries from eight to nine. As in the case of existing Assistant Secretaries, the position would be filled by Presidential appointment, subject to Senate confirmation, at level IV ($50,000 per annum) of the executive schedule.

NEED FOR LEGISLATION

The Department of Commerce advised the committee that this position is required in order to establish the office of an Assistant Secretary for Economic and Statistical Affairs who would be the principal adviser to the Secretary of Commerce and to other officials within the Department on economic and statistical matters. The incumbent would also serve as the Department's liaison with the Council of Economic Advisers, the Council on Wage and Price Stability, and other high-level economic and statistical officials of the Government. Finally, the new Assistant Secretary would exercise policy direction and general supervision over the Bureau of the Census, the Bureau of Economic Analysis, and the Office of Federal Statistical Policy and Standards.

The Department advised further that these functions are now being performed by the Chief Economist for the Department, but that experience with this arrangement has shown effective performance of these functions requires a top-level official who has the confidence of the Secretary and the administration, and who has been appointed by the President, subject to Senate confirmation. An individual in such a high-level position would be better able to participate in and have an impact upon departmental and Government-wide economic and statistical policy decisions. This is especially true in light of the following recent actual and proposed major expansions in the duties and responsibilities of the individual presently occupying the position of Chief Economist:

First, the responsibilities of the Chief Economist in the area of economic forecasting have increased due to the regular participation of the Department in interagency forecasting exercises. Other agencies (the Council of Economic Advisers, and the Treasury and Labor Departments) are represented in this forecasting exercise by Presidential appointees at the Assistant Secretary level or its equivalent.

Second, the Assistant Secretary for Economic and Statistical Affairs would have primary responsibility for improving the coordination and effectiveness of the entire Federal statistical program. This responsibility arose from the transfer, under Reorganization Plan No. 1 of 1977, and Executive Order 12013, of functions and personnel from the Statistical Policy Division of the Office of Management and Budget to the newly created Office of Federal Statistical Policy and Standards within the Department of Commerce, under the direct supervision of the Office of Chief Economist.

Third, the Assistant Secretary will have the responsibility for building and supervising an industrial economic analysis staff, since the present industrial analysis capability of the Federal Government is generally agreed to be inadequate to meet present needs. The Department has been instructed by the President as part of Reorganization Plan No. 1 of 1977, to strength its capabilities generally and specifically to provide certain needed information and analysis to the Council on Wage and Price Stability. The Department plans to accomplish this by transferring existing personnel and resources within the Department to an office reporting to the proposed Assistant Secretary, where it is felt that these resources and personnel will be more effectively utilized.

Finally, the Department advises that, while supervision of the Census Bureau is not a new function, it is one of increased importance due to the approach of the 1980 Decennial Census of Population and to the vastly increased use of Census Bureau data for the allocation of Federal funds under revenue sharing, comprehensive employment and training (CETA) program, and other programs.

COST ESTIMATE

The Congressional Budget Office has submitted the following cost estimate with respect to S. 1624:

Cost estimate:

Fiscal year:	*Millions*
1978	$28.6
1979	62.5
1980	62.5
1981	62.5
1982	62.5
1983	63.5

The costs of this bill fall within budget function 370.

Basis of estimate: For purposes of this estimate, it has been assumed that this legislation will become effective on April 15, 1978. Although the additional assistant secretary position is expected to be filled by someone currently in an executive level IV position at the same salary, the present slot belongs to the Presidential pool and will be returned to the pool for another use. Therefore, the full cost of an additional level IV position has been included in this estimate. The $50,000 salary has not been inflated over the projection period as no precedent has been set on periodic increases in executive level salaries to make any assumption of adjustments over the next 5 years. An additional 25 percent, however, has been included in the estimate for overhead and benefits.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished minority leader needs my time, since I see no one on his side and I see no one on my side, I ask unanimous consent that I may yield my 5 minutes to the Senator from Tennessee.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair and I thank the majority leader.

As far as I know, I have no need for his time so generously offered. I do plan to yield part of my time to the distinguished Senator from California whom I do not see in the Chamber at this moment.

If there be no objection from the majority leader, I reserve that time for a moment while I ascertain what the situation is and in the meantime suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, will the Senator charge the quorum to my time?

Mr. BAKER. I am happy to do that. I thank the majority leader.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be charged against the time allocated under the standing order to the majority leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I further ask unanimous consent that it might be in order to retain the time that I was yielding to the Senator from California and permit the Senator from New York to proceed with his special order speech at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from New York is recognized for not to exceed 15 minutes.

Mr. JAVITS. Mr. President, I yield 5 minutes of my time to the Senator from California following the 10 minutes I shall take.

DETERIORATION OF THE MIDEAST PEACE DIALOGUE

Mr. JAVITS. President Sadat's stated refusal last Sunday, July 30 to resume face-to-face peace talks with Israel and his characterization of Israel's latest suggestions as "negative and backward" is the latest and perhaps the most serious of recent developments which show the deterioration in the Mideast peace prospects.

I believe that we have reached yet another crisis and turning point in the negotiating process. Even the viability of the continued U.S. mediating role has been called into question. President Sadat's latest remarks appear to culminate a progressive hardening of his position over recent months, underscore the harsh rhetorical tone he now seems to favor and makes the U.S. mediating role unnecessarily difficult and perhaps impossible for the time being.

President Sadat is reported in the press as urging the United States to abandon its mediating role and to assume the status of a "full partner in the negotiations".

It seems clear to me that President Sadat's stratagem is to force the United States to offer its own terms for a peace settlement, in the belief that a U.S. plan would be tilted to the Sadat position; and that the United States would then be obliged to pressure Israel into adopting those terms.

In my judgment, it is now incumbent upon Egypt and Israel to bear in mind that they are negotiating not only between themselves, but also that they are negotiating in public under close observation by the American people whose goodwill is so important to Israel and Egypt alike. The people of the United States have a right to expect decorum, dignity, and goodwill in the statements and actions of the two parties not public sarcasm and name calling. If this is lost, President Carter could lose also the broad mandate he now enjoys for the U.S. mediating role which is so essential to both sides and to hopes for some peace agreement for which the United States has invested so much of its diplomatic energies and prestige.

President Sadat's statement demanding Israel's acceptance of his preconditions and his exclusion of any compromise on the issues of "Arab land" sovereignty seem to transform "negotiations" into "capitulation" for Israel. This is true for two reasons:

First, it seems to me, President Sadat equates the West Bank and the Gaza Strip with "Arab land" in the sense of the Sinai and the Golan Heights. However, neither Gaza nor the West Bank is Egyptian, Jordanian, or territory of any other Arab country as recognized by international law. Both were parts of the British mandate over Palestine and of the area approved for partition by the United Nations on November 30, 1947. The population is preponderantly Arab, but, for that matter, so at one time was the population of what is now Israel. Under such reasoning President Sadat could still claim that pre-1967 Israel is also "Arab land". If so, he would simply be presenting the mirror-image of the "Judea and Samaria" theory of Prime Minister Begin as to the West Bank.

Second, it is well known that for security reasons some ultimate territorial adjustment is required on Irsael's Eastern border, and that Israel could not accept a hostile, irridentist salient in the Gaza Strip. Even Secretary of State Rogers' plan of 1969 included territorial adjustments for security reasons and, most importantly, United Nations Resolution 242 balances "withdrawal" with "secure and recognized boundaries". When he was in the United States earlier this year, President Sadat reaffirmed his understanding of Israel's security needs. His present assertion appears to be a sharp departure from that position which seemed at the time to open real negotiating possibilities.

In my judgment, Mr. President, it would be a great mistake for the United States to offer a peace plan of its own. An agreement "forced" upon the parties—even if possible—would be of questionable viability and would invite disruption and undermining by the Soviet Union, by the PLO and by Libya, Iraq, and others with a ready capacity for mischief in the area. Moreover, I do not believe that the American people would support any effort by the United States to try to force Israel—by the undoubted leverage which U.S. economic, military and diplomatic support for Israel gives it—to accept an agreement which the government and people of Israel believe to be a mortal danger to the security and integrity of the State of Israel.

I hope that President Carter will, instead, publicly and privately urge Egypt and Israel to "cool" it, to eschew preconditions and to return to the bargaining table for earnest, patient negotiations which alone can achieve an objective so essential to all. President Sadat cannot create conditions in which that becomes impossible. Otherwise, the United States would be best advised to cease mediating until conditions making U.S. mediation possible have been again restored.

For this reason I felt that Secretary Vance's trip to the Middle East should have been cancelled and that Negotiator Atherton should have been recalled. I believe that this would have been more compatible with the mediating role of the United States, which is that of a mediator and not a salesman. Now that the decision has been taken for Secretary Vance to go to Israel and Egypt—which must now be accepted as the policy of the United States, and which I do accept—I hope that President Sadat will recognize that if Egypt wants a continuation of U.S. mediation, President Sadat has to do some very constructive things about it.

President Sadat is quoted as saying that he does not want to embarrass President Carter and that "Cy Vance is a friend and is always welcome." Nonetheless, the facts speak more loudly than these words. The facts are that Sadat's refusal to resume face-to-face negotiations with Israel, and his insistence on preconditions—which prejudges the very issues which are at the heart of the dispute—as a price for further negotiations can only be a severe embarrassment for President Carter and a challenge to the very basis of the U.S. mediating role.

President Sadat's hardline position is particularly unfortunate in coming as a reaction to significant new indications of flexibility in Israel's position. Since the last Egyptian-Israeli meeting at Leeds Castle, Israel has taken a more flexible stand on three important elements of its previous proposals:

First, Israel has stated its willingness to negotiate the issue of sovereignty of the West Bank and Gaza at the end of the 5-year interim period. Previously, in response to questions from the United States, Israel had said that it would be willing to negotiate the "status" of those areas after the 5-year interim period.

Second, Israel has relaxed its demand that the negotiations must culminate in a full treaty of peace and has indicated that it would be prepared to negotiate for peaceful relations if the search for a final peace treaty proved unachievable at this time.

Third, Israel has now stated its willingness to negotiate the issue of a territorial compromise. This, in my judgment is a major, positive evolution of the Israeli position which previously emphasized Prime Minister Begin's election campaign promise to assert Israeli sovereignty over all of "Judea Samaria, and Gaza District".

My discussions with responsible U.S. officials lead me to believe that our State Department in fact sees the terms of an Egyptian-Israeli agreement gradually taking shape. In these circumstances, it is vital that the "moderate" Arab governments, which have so conspicuously stood silently on the sidelines to date, to declare themselves in support of the

negotiating process and on the side of compromise. I believe that the United States has fully earned the right to put it up to Saudi Arabia, Jordan, and other "moderate" Arab states which should now come forward on behalf of peace and the peace process. Failure on their part to do so—with the negotiating process now at such a low ebb—will range them on the side opposed to a negotiated solution and the American people will have to draw the appropriate conclusions.

I thank the Chair and I thank my colleague from California for his courtesy.

The ACTING PRESIDENT pro tempore. The Senator from California.

TUITION TAX CREDITS

Mr. HAYAKAWA. I thank the Senator from New York for his very wise remarks. I think they are of very great interest.

Mr. President, "I woke up this morning with my mind set on freedom."

For those who are too young to remember, that determined declaration was the first line of a freedom anthem of the civil rights movement. And wherever it was sung—in Selma or Birmingham or in front of the White House here in Washington—it professed hope in the future and faith in the power of an individual's will to exercise his constitutional rights.

That hope and faith endure, even though we now live in a different era, when the ongoing struggle for civil rights has of necessity changed both its tactics and its goals. The victories of the 1960's—the landmark legislation that guaranteed voting rights and banned most forms of discrimination—laid the foundation for what must come next. And that is the empowerment of individuals to control their own lives, not through the protective intervention of government but by enabling them to make their own choices within a growing economy, an expanding society, and a self-confident Nation.

For example, a decade ago, our challenge was to end discrimination in employment. By and large, that has been accomplished in law, although not to our satisfaction in fact. But minorities have learned the hard way that non-discrimination means nothing when the economy, hobbled by over-taxation and over-regulation, cannot generate enough jobs to employ willing workers.

But it is not about jobs I wish to speak this morning. It is education, and specifically the impact upon minorities of the proposed tuition tax credits which this body is likely to consider wthin the next 2 weeks.

I am convinced that the enactment of tuition tax credits, especially at the elementary and secondary levels, will be one of the most important legislative steps in the advancement of individual rights for all Americans, but especially for minority children and their parents. Some opponents of tuition tax credits have called them revolutionary, and that estimate is not entirely wrong. For there is nothing quite so revolutionary as giving power to those who do not have it. And in the area of education, there are at present none so powerless as minority parents. Their children are the victims of a multibillion dollar boondoggle, subjected to an educational system that is often unresponsive and frequently hostile to their interests.

These parents want their youngsters to read and write, but many high school graduates cannot fill out a job application.

They want their children to grow proud of themselves and of their families, learning the self-respect that comes with accomplishment; but far too many of them will never realize their intellectual potential in schools where teaching is nothing but a job and learning is less important than surviving through the day.

Many years ago, in his book, "The Souls of Black Folk," William Edward Burghardt DuBois portrayed the emancipated Negroes in the aftermath of the Civil War, gathered in the evening around hearthfire teaching themselves and one another to read. They knew then, as every oppressed minority has known, that education is power. He who could read Scripture and newspapers, who could cipher accounts and double-check the white man's accounts, could be free. But he who could not use the resources of his own mind could not hope to control his land, his possessions, his earnings, or his future.

All that has not changed. For the last two decades, and for hundreds of millions of dollars, we have been studying why it is that so many minority children fail in school. With our penchant for focusing upon the shortcomings, real or imagined, of people with dark skins, we have lavishly funded academic research to discover why black kids do not perform well on IQ tests, why brown kids have difficulty verbalizing, and other such arrant nonsense.

It is time we started to concentrate on why so many brown and black and yellow children, along with many white children from poor families, learn so much so well so rapidly under certain circumstances. Why is it that, in some crowded schoolrooms in this city of Washington, there are poorly dressed minority children from rundown public housing projects who can perform at or above the national norms on standardized tests? Why is it that, in the slums of Chicago, there are boys and girls who read as well, calculate as accurately, think as alertly, and express themselves as carefully as their suburban peers?

Why indeed, and why have we neglected them?

The answer is simple: against great obstacles, through love and determination, by sacrifice and sheer guts, the parents of those children have seized control of their future by exercising control over their education. They have selected the schools their youngsters attend and have involved themselves in the process of education.

Theirs is not a new strategy. It has worked before. It was the means by which millions of immigrants to this country, not so very long ago, transformed their children from alien strangers into businessmen, professionals, and, for better or worse, even Senators.

Educational freedom does involve certain risks. Risk is inherent in liberty. But today, as in the past, those who are not fully accepted by our society see the need to take a chance on themselves, to try it on their own, to show the world what they can do. And they are showing us, if only we will have the candor to see what is before our eyes.

As ever in the past, when those without power were on the brink of obtaining it in a really meaningful way, the forces of reaction are organizing to prevent it. Those who have a personal stake in the present system of captive education, in which minorities are expected to take what they are given and to suffer in silence, constitute one of the most powerful lobbies in this country. Ask any Member of Congress, who has been besieged in recent weeks by a formidable coalition of groups whose common bond is the belief that they know what is best for our children, which just happens to be what is best for those special interest groups.

But I rise today, Mr. President, to insist that it is not so. The plantation era is over, and with it the presumption that the professional class, which does so well for itself by doing good, can dictate social policy for minorities. Those who seek to impose upon the children of America the heavy fetters of a dull conformity by killing tuition tax credits must be stopped. Those who would place their personal profit and security ahead of the well-being of students by killing tuition tax credits must reform their attitudes or relinquish their pretensions to the noble title of teacher.

The missionary mind-set must go.

It has been asserted in some quarters that tuition tax credits would foster segregation. Nothing could be farther from the truth. When, in April I suggested in the Budget Committee that the first concurrent resolution on the budget for fiscal 1979 should take into account the likely enactment of tuition tax credits at the elementary and secondary levels, my proposal was attacked as a "segregationist subsidy." That accusation would be laughable, were it not so outrageous.

Need I remind anyone that I have no personal interest in subsidizing segregation or in fostering it or in dignifying it or in tolerating it? Would that every member of this body, reflecting on the great civil rights showdowns of the past, could say the same thing.

But as always, I will presume good faith on the part of those with whom I disagree, as I trust they will extend to me the assumption of worthy intentions. And in that spirit, I make this offer to anyone who may intend, in a week or so, to level against tuition tax credits the defaming argument that they would advance segregation. Let us go together to inspect the evidence. Let us visit those children of all faiths who sit and study, play and learn, in the alternative schools right here on Capitol Hill. Let us quiz the pupils from solid middle-class homes and poor broken families alike, whose parents scrape to-

gether their tuition by working extra shifts, working nights, or making other sacrifices.

Let us go, for example, a few blocks down East Capitol Street to Holy Comforter Grade School, where youngsters of varied backgrounds and diverse ambitions for the future are engaged in a more exciting educational venture than anything that will be funded by all of HEW's mismanaged billions. There we will find children who are learning to cope with society, to meet its requirements, to deal with its inequities, and ultimately to master them. How wonderfully uppity of them!

I venture to predict that a great future is aborning in the inner cities of America. But it will not come about because of outside intervention, what might be called social science colonialism. It will be built by the very people who, identified as problems, become problems, but who, entrusted with responsibility for their own lives, become the people of promise of tomorrow.

A wave of self-reliance is sweeping through communities which, only a few years ago, looked beyond themselves to Government for their salvation and, predictably, were disappointed. Let us now assist them by making it financially possible for all parents, not just the rich and the suburban, to utilize the broadest range of educational resources to fulfill their dreams for their children.

I realize that that argument will not sway everyone. Ultimately, this is a question of power, not of propriety. The fate of tuition tax credits at the elementary and secondary school levels will be decided by factors other than the extent to which they will be helpful to minority children.

But that, of course, is the nature of the political process. And in that process, it can be made demonstrably clear just who it is that stands for the operational fulfillment of civil rights.

A few years ago, when black freedom riders were confronted with the specter of violence, they used a slogan which today, in a different context of peaceful social development, is appropriate for the tuition tax credit debate. To those who wanted to keep their people repressed and subservient, the freedom riders said what we now say to those who would repress a new wave of minority progress founded upon educational freedom and personal independence. Like the marchers of yesterday, with our minds set on freedom, we declare: Move on over, or we will move on over you.

I thank the Chair.

SMALL BUSINESS ACT AMENDMENTS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 11445, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 11445) to amend the Small Business Act and the Small Business Investment Act of 1958.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Select Committee on Small Business with an amendment in the nature of a substitute.

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 1 hour, to be equally divided and controlled by the Senator from Wisconsin (Mr. NELSON) and the Senator from Connecticut (Mr. WEICKER), with 30 minutes on any amendment, except three amendments to be offered by the Senator from Oklahoma (Mr. BARTLETT), on each of which there will be 1 hour, and 15 minutes on any debatable motion, appeal, or point of order.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll. The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, without any time being charged to either side on the bill, I ask unanimous consent to proceed for 1 minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REQUIRING CONRAIL TO MAKE PREMIUM PAYMENTS UNDER CERTAIN MEDICAL AND LIFE INSURANCE PLANS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 963.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, Calendar Order No. 963 is cleared on our calendar and we have no objection to proceeding to its consideration and disposition.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 5646) to amend the Regional Rail Reorganization Act of 1973 to require ConRail to make premium payments under certain medical and life insurance policies, to provide that ConRail shall be entitled to a loan under section 211(h) of such Act in an amount required for such premium payments, and to provide that such premium payments shall be deemed to be expenses of administration of the respective railroads in reorganization.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation with an amendment on page 3, line 11, after the period, strike through and including the comma in line 16, and insert in lieu thereof the following:

For the purposes of section 211(h), amounts required for such premium payments shall be deemed to be expenses of administration of the respective estates of the railroads in reorganization, due and payable as of April 1, 1976, if the district court having jurisdiction over such railroads in reorganization determines that such premiums and benefits were contractual obligations.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–1041), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSE AND SUMMARY

The reported bill requires ConRail to assume the obligations of the estates of certain insolvent railroads for medical and life insurance coverage of employees who retired prior to the date the assets of such railroads were transferred to ConRail. The coverage is to be funded by a loan to ConRail from the U.S. Railway Association under section 211(h) of the Regional Rail Reorganization Act of 1973. ConRail will have claims against the estates of the railroads for funds expended in fulfillment of their contractual obligations to their former employees.

BACKGROUND AND NEEDS

H.R. 5646 amends section 303(b)(6) of the Regional Rail Reorganization Act of 1973 (3R Act) to provide for continuation of certain medical and life insurance coverage for retirees of the bankrupt railroads whose assets have been conveyed to ConRail. The persons affected are former employees of these railroads whose employment was not governed by a collective bargaining agreement and who retired prior to April 1, 1976, the date of the conveyance to ConRail. These retirees are legally entitled to the insurance benefits in question by reason of their prior service with the railroads but face the prospect of permanently losing such benefits due to the bankruptcy of their former employers. This loss could result in severe financial hardship for many of these individuals who are living on fixed incomes and could secure this insurance coverage only at substantial personal expense, if at all.

The bill directs ConRail to make premium payments necessary for continuation of the insurance coverage and, where the coverage has lapsed after the conveyance date, to obtain similar coverage for the retirees and pay claims for benefits that would have been paid by the insurer but for the lapse of coverage. The bill provides that ConRail shall be entitled to a loan under section 211(h) of the 3R Act from the U.S. Railway Association (USRA) to fund the insurance coverage. Upon payment, ConRail will have claims against the estates of the insolvent railroads in amounts equal to the amounts paid for insurance coverage for preconveyance retirees of the respective railroads.

To the extent practicable, the section 211(h) loan for benefit payments and premiums is to be made available in a lump sum to assure ConRail maximum flexibility in providing the insurance coverage and benefits in the manner deemed most feasible and eco-

nomical. While not all medical and life insurance policies for retired individuals were allowed to lapse after April 1, 1976, continuation of policies presently in effect may not be possible, or economical, under the terms of the policies after passage of the bill. Therefore, ConRail is granted wide latitude in determining the means by which it is to provide the levels of insurance coverage to which the retirees are entitled. With respect to payment of claims for benefits where insurance coverage had been permitted to lapse, a single loan to ConRail under section 211(h) for these claims may not be practicable because many of these claims may not be made known to ConRail in the immediate future. Hence, for claims of this nature, periodic loans, in amounts based on actual claims as they are processed and liquidated, may be necessary.

Congress had attempted to provide for this insurance protection in section 203 of the Rail Transportation Improvement Act of 1976 (RTIA). Section 203 of RTIA made eligible for loans under section 211(h) of the 3R Act obligations of the estates of the railroads for amounts required to fund medical and life insurance benefits accruing to preconveyance retirees on account of their employment with the railroads.

However, the reorganization court held in the case *In the Matter of Erie Lackawanna Railway Co.*, subsequently affirmed by the U.S. Court of Appeals for the Sixth Circuit, 548 F.2d 621 (1977), that these obligations are not administrative claims against the estate of the Erie Lackawanna and thus do not meet a precondition to eligibility for section 211(h) loans. The effect of the decision is that, although, as the sixth circuit acknowledges, the retirees have vested contract rights to the insurance benefits in question, the estate of the railroad is under no present legal obligation to make the premium payments necessary to fund them. To modify the unfortunate effect of this decision and to assure that the protection afforded the retirees of the bankrupt railroads by the insurance coverage is continued H.R. 5646 specifies that amounts required to fund the coverage shall be deemed expenses of administration of the estates of the railroads. Hence, these obligations meet a precondition to eligibility for a section 211(h) loan, which ConRail may obtain to pay them.

COMMITTEE MEETING

Mr. NELSON. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate today—beginning at 3:30 p.m.—to consider legislation on automatic typing equipment for Senators, and other committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SMALL BUSINESS ACT AMENDMENTS

The Senate continued with the consideration of H.R. 11445.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time not be charged against either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Mike Roush and Thomas Wasinger, of my staff, be granted the privileges of the floor during the consideration and all votes on the pending legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that Mike Shorr and Don Zimmerman of my staff may have the privilege of the floor during the debate on the small business amendments and votes on the same.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I would like to draw to the attention of my colleagues the important steps that this committee has taken in changing the direction and priorities of the Small Business Administration.

In the past, the SBA has operated primarily as a lending institution. Since obtaining legislative jurisdiction over the SBA, the committee has taken numerous steps designed to emphasize the advocacy and business development functions of the SBA. The primary tool in the committee's arsenal has been the line-item budgeting technique, which provides the agency with a clear indication of the manner in which it should allocate its resources and personnel.

After holding joint hearings with the Appropriations Subcommittee of State, Justice, Commerce, and Related Agencies, the committee has decided to continue this budgetary procedure for fiscal year 1979. Spending floors have been established in areas such as management and technical assistance, economic research and advocacy, procurement assistance and data management. To insure effective congressional monitoring of SBA's activities, the committee has authorized funds only for fiscal year 1979. This annual authorization process affords the committee an excellent opportunity to determine whether SBA is properly responding to congressional direction.

As ranking member of both the authorization committee and Appropriation Subcommittee, I intend to vigorously pursue this effort to order priorities within SBA.

The Small Business Committee, and this Senator particularly, have long held the belief the SBA must become a more effective advocate for small businesses, which are struggling to survive and remain competitive in our economic system. Regulatory burdens, continuing economic uncertainties coupled with inflation pressures, energy shortages, tax disadvantages, are cited as causes of their problems. Yet, all too often, the concerns of small businesses are an afterthought in the legislative and regulatory process.

Although Administrator Weaver has stated that the advocacy function should be a top priority item for SBA, his actions and budget requests do not reflect his avowed philosophy. For fiscal year 1979, the Office of Advocacy orginally requested only $880,000. With such scant resources, SBA could never effectively articulate the concerns and interests of the small business community.

Furthermore, in response to a question that I posed to him at the budget hearings, Administrator Weaver admitted that OMB screens all comments which SBA makes on legislation. Even more disturbing is the fact that the SBA is not even asked to analyze the impact of proposals such as minimum wage, social security reform, and tax reform.

In light of the record that has been established, it is obvious that, to date, SBA has ignored the clear directives of this committee. The voice of the SBA has been muffled.

Mr. President this situation must change. H.R. 11445 earmarks $8 million for the advocacy and economic research functions. This figure represents a marked increase over the administration's budget request. With these additional resources, I would expect SBA to develop the capability to become an effective and vigorous spokesman for the interests of small businessmen and women.

The importance of the advocacy function is reflected by the fact that, other than the Administrator, the Chief Counsel for Advocacy is the only post in the SBA that is subject to Senate confirmation. Title III of H.R. 11445 clearly delineates the duties and responsibilities of this important position. These specified duties are:

First, recommending small business policy changes within the Federal Government;

Second, measuring the impact of Federal regulations on small businesses;

Third, serving as an ombudsman for small businessmen;

Fourth, compiling a small business economic data base; and

Fifth, analyzing pending legislation affecting small business.

Mr. President, small businesses need a watchdog in Washington. H.R. 11445 gives the necessary teeth and muscle to the advocacy function in SBA. I intend to monitor closely how SBA utilizes these additional funds provided by committee. The intent of the committee is clear. I trust SBA will respond accordingly.

The committee has found that an up-to-date small business data base is currently lacking. This information is essential if the Congress is to make informed judgments on changes regarding economic and tax policies, as well as the legislative and administrative areas affecting small businesses. Thus, H.R. 11445 provides funds for the development and maintenance of an up-to-date small business economic data base, which would enable the SBBA to accumulate information on items such as the number of business formations and failures annually, the sources and amount of debt and equity investments in small businesses, sales and new orders by small businesses, and data relating to mergers and acquisitions. This information would provide a basis for our Federal small business policy.

This committee also feels that SBA should become more business development oriented. Over the past three decades, about 30 percent of all new enterprises failed within the year, while 50 percent went out of business within 2

years. One of the basic causes of this failure rate is the lack of basic management and technical skills. SBA should play an integral role in assisting small businesses in this vital area. Along these lines, title II of the bill authorizes $15 million for the creation of small business development centers. These centers are designed to provide small businesses with management and technical assistance. These services will be provided through an extensive delivery system utilizing the resources of public and private college, universities, and community colleges throughout the States.

I want to conclude with some comments on title IV of this legislation. During the past 8 months, the committee has held three hearings on the capital formation problem confronting small, growth-oriented businesses. Numerous witnesses from various fields verified the statement which appeared in Business Week that "there is considerable evidence that new companies and small companies are not getting money to grow on." In response to the problems caused by the scarcity of equity capital, the committee has provided legislation in title IV of this bill which would facilitate SBIC investments in start-up businesses and would augment venture capital investments in small businesses.

I urge the adoption of these provisions of H.R. 11445.

Mr. CANNON. Mr. President, I ask unanimous consent that Aubrey Sarvis, Brian Jones, Steve Holloway and Mike Mullen have the privilege of the floor during consideration of H.R. 11445.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that William Cherkasky, Allen Neece, Alan Chvotkin, Larry Yuspeh, Kay Klatt, Corey Rosen, and Judy Hillegonds of the Small Business Committee staff and Bob Dotchin, Stan Twardy, and Marge Broadbin of the Small Business minority staff; Alfred Pollard of Senator MORGAN'S staff, Rob Liberatore of Senator HASKELL'S staff, and Warren Sewall and Michael Goldberg of the Human Resources Committee staff be granted the privilege of the floor during the consideration and votes of the pending legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NELSON. Mr. President, H.R. 11445 is a bill to amend the Small Business Act and the Small Business Investment Act of 1958.

The Small Business Committee favorably reported the bill with an amendment in the nature of a substitute. The committee struck all after the enacting clause and inserted five titles.

Title I provides for amended fiscal year 1979 program ceilings and budget authority for the Small Business Administration, amends the disaster loan programs, and makes certain technical amendments to the Small Business Act and the Small Business Investment Act of 1958.

Title II provides for the establishment of a small business development center program to be administered by the Small Business Administration.

Title III specifies the duties of the SBA advocate, establishes a national small business economic policy and creates certain mechanisms to implement such a policy.

Title IV provides for certain new incentives for SBA licensed small business investment companies in order to expand the availability of venture capital for small businesses.

Title V provides for enabling legislation and funding for the White House Conference on Small Business.

Mr. President, in my judgment the bill as reported is one of the most important pieces of small business legislation that the Committee on Small Business has considered in several years. The measure establishes for the first time a clearly defined national small business policy and establishes appropriate mechanisms to carry out this policy. It gives the Nation's small independent enterprises additional management and technical assistance tools to enable them to become more competitive and productive. SBA's financial resource programs are also strengthened to make them more responsive to the debt and equity capital needs of independent businesses.

The bill also realizes the priorities of SBA by providing more resources for the advocacy and economic research and analysis, procurement, and management assistance programs of the agency.

Finally, H.R. 11445 as amended will lay the foundation for a national forum which will comprehensively address the status of small business and how it can make a more effective contribution to the economy and our quality of life.

As the bill reported by the committee differs in several respects from the House passed measure, I believe it would be helpful to describe briefly the origin of the five titles we are considering today.

In marking up the bill on May 10, the committee considered three bills as well as two committee drafted titles to amend the Small Business Act and the Small Business Investment Act of 1958.

Title I amends Public Law 95–89 which provided for fiscal year 1979 authorizations for the Small Business Administration. The title amends the SBA disaster assistance programs and provides other technical amendments to both the Small Business Act and the Small Business Investment Act of 1958.

The committee held a joint hearing with the Senate Appropriations Committee on April 4, 1978 to consider changes to the SBA fiscal year 1979 program ceilings and budget authorizations.

Title II, cited as the Small Business Development Center Act of 1978, provides for the creation of a small business development center program. Except for a minor amendment, this title incorporates the provisions of S. 972 which was approved by the Senate on August 5, 1977. The bill was introduced on March 10, 1977 by Senator GAYLORD NELSON. Four days of hearings were held on the measure prior to Senate passage: March 23, 1977, April 20, 1977, April 26, 1977, and June 30, 1977.

Senators who had cosponsored S. 972 at the time the bill was originally reported were MCINTYRE, NUNN, HATHAWAY, HASKELL, CULVER, WEICKER, BARTLETT, PACKWOOD, PELL, HUMPHREY, JAVITS, RIEGLE, HOLLINGS, MATSUNAGA, GRAVEL, INOUYE, DURKIN, HATFIELD, MCGOVERN, HAYAKAWA, ANDERSON, CASE, CHAFEE, WILLIAMS, STAFFORD, MATHIAS, and SASSER.

Title III, cited as the Small Business Economic Policy and Advocacy Reorganization Act of 1978, incorporates many of the provisions of S. 1726, which was introduced by Senator Hubert Humphrey on June 21, 1977. The committee considered the measure during 3 days of joint hearings with the Joint Economic Committee: June 29, 1977, July 21, 1977, and November 21, 1977. Senators who have cosponsored S. 1726 are Ms. MURIEL HUMPHREY and Messrs. MCINTYRE, NELSON, NUNN, HATHAWAY, HASKELL, WEICKER, PACKWOOD, ANDERSON, CLARK, HUDDLESTON, MCGOVERN, MATSUNAGA, MELCHER, WILLIAMS, and HAYAKAWA.

Title IV amends title III of the Small Business Investment Act of 1958 dealing with the small business investment company program. This title incorporates a revised version of S. 2157 which was introduced by Senator GAYLORD NELSON on September 29, 1977. Hearings were held on S. 2157 on October 3, 1977 and January 23, 1978. Senators MCINTYRE, NUNN, WEICKER, and MATSUNAGA have joined as cosponsors.

Title V is cited as the White House Conference on Small Business Act. This title was drafted by the committee to provide enabling legislation for the White House Conference on Small Business. President Carter announced the conference on April 6, 1978 in response to Senate Resolution 105 which was introduced by Senator NELSON on March 3, 1977 and passed by the Senate on March 28, 1977. Senators MCINTYRE, NUNN, HATHAWAY, HASKELL, CULVER, WEICKER, BARTLETT, PACKWOOD, ABOUREZK, ANDERSON, HARRY F. BYRD, JR. of Virginia, FORD, GRAVEL, HART, HOLLINGS, Hubert Humphrey, JAVITS, LEAHY, MCGOVERN, MATSUNAGA, PELL, SARBANES, STEVENS, and STONE had joined in the introduction of the resolution.

Although I earlier highlighted the features of each of the five titles, I should, at this point, like to provide a more in-depth summary of the bill.

Title I would amend Public Law 95–89 fiscal year 1979 program levels and budget authorizations for the Small Business Administration. It would also raise the interest rate for physical disaster business loans from 3 to 5 percent until October 1, 1979, technically amend the surety bond and pollution control bond revolving funds, clarify the eligibility requirements for product disaster loans, enable SBA to pool regular business loans and local development company loans, and permanently authorize handicapped workshops to participate in the small business procurement set-aside program.

Title II would stimulate competition and aid in the development and growth of new and existing small businesses by providing assistance, interpretation, analysis, and counseling to small businesses on matters involving manufacturing, technology development, marketing, sales, finance, accounting, planning,

strategy development, personnel, administration, government regulatory compliance, and other related business functions. Rural and urban small businesses, including those engaged in agricultural activities, would all be assisted by this measure.

Title III would more precisely define and expand the duties of the SBA Chief Counsel for Advocacy. The responsibilities of the SBA Associate Administrators would be clarified and all such positions would become Presidential appointments. A national small business economic policy would be established. In turn, the President would be required annually to submit a report to the Congress stating how such policy is being implemented. He would be assisted and advised by a White House Council on Small Business and Competition. To insure that economic data and other policy and regulatory matters pertaining to small business are effectively coordinated and implemented throughout the executive branch, there would be established a Small Business Coordinating Board comprised of members of the Cabinet and heads of regulatory agencies.

The executive levels at which various SBA officials serve would be amended. The banking regulatory agencies also are empowered to study the feasibility of monitoring the credit needs of the small business sector.

Title IV would lower the cost of debenture funds for specially organized venture capital small business investment companies. It would also provide for a pilot program so that a limited SBA guarantee could be extended on investments made in new high risk small businesses by small business investment companies. The capital contribution of small business investment company owners would be clarified and the minimum capital requirement for any new small business investment company would be raised to $500,000. Commercial banks would be permitted to increase the size of their capital investment in small business investment companies. And, idle funds of small business investment companies could be deposited in insured savings and loan institutions.

Title V would define the structure, purposes, and participation of the White House Conference on Small Business. In addition, it would provide for staffing and funding and would require SBA to submit a report detailing the findings of the conference within a year from its being convened. Recommendations regarding the planning of the White House Conference on Small Business would be provided by an advisory committee.

● Mr. HATHAWAY. Mr. President, I am very happy to express my support for the efforts of the Small Business Committee embodied in the omnibus bill, H.R. 11445. I wish particularly to salute the outstanding leadership of the distinguished chairman, Senator GAYLORD NELSON. As the sponsor of the resolution which granted the committee its legislative jurisdiction, I am gratified to see the fine results of the exercise of that authority.

There are three provisions of this bill which are of special concern to me, because I cosponsored and worked for the three separate bills from which these provisions were derived.

Title III of the bill incorporates many of the features of S. 1726, one of the last legislative efforts of the late Hubert Humphrey, which I was especially proud to cosponsor. The establishment of a national small business economic policy and the submission by the President of an annual report on that policy, pursuant to this title, will significantly strengthen the role of small business in national policy and insure the consideration of the well-being of small business in the making of Federal policy. The enhanced role given to the Chief Counsel for Advocacy will be an important factor in this regard. I am especially pleased that the Chief Counsel will be able to speak for small business in many administrative rule-making proceedings.

The White House Conference on Small Business, which is already underway, will highlight the importance of small business to the Nation and should result in specific and comprehensive improvements for small business. This bill provides a structure for this effort. As a cosponsor of Senate Resolution 105, which called for such a conference, I welcome the inclusion of these provisions in the committee bill.

I have a special interest in title II of the bill, which establishes a nationwide small business development center program. My interest is due to the success of the example of one of the first such centers, the New Enterprise Institute at the University of Southern Maine in Portland.

The institute was established only a few years ago, with university and foundation funds and a small amount of Federal aid. It has achieved an outstanding record of significant service to small business people in Maine, who have long been in need of the kind of management and technical assistance it provides.

I became an original cosponsor of S. 972 because of my contact with the New Enterprise Institute. I have been pleased to assist it over the past few years, and hope that it will do even more for Maine small businesses with funding under this bill.

Dr. Nelson Upthegrove, the first director of the NEI, testified before the Small Business Committee in support of S. 972. His leadership and that of his successor, Frederick H. Greene, Jr., will provide a fine example for the centers that will develop in each State as a result of the provisions now in the committee bill.

The money spent under this program should be easily recovered through the increased tax receipts from the higher profits that small businesses will make as a direct result of the assistance provided through the business development centers.●

UP AMENDMENT NO. 1555

(Purpose: To make technical and conforming amendments)

Mr. NELSON. Mr. President, I submit a technical amendment and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes certain technical amendments, unprinted amendment numbered 1555.

Mr. NELSON. I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 28, line 14, strike out "e" and insert in lieu thereof "(e)".

On page 28, line 20, strike out "e" and insert in lieu thereof "(e)".

On page 29, line 9, strike out the period and insert in lieu thereof a semicolon.

On page 29, line 14, insert the word "and" after "program costs,".

On page 29, line 16, strike out the period and insert in lieu thereof a semicolon.

On page 29, line 17, strike out "$3,500,000" and insert in lieu thereof "$2,172,000".

On page 29, line 18, strike out "$3,100,000" and insert in lieu thereof "$192,000".

On page 29, line 19, strike out "existing and".

On page 29, line 20, strike out the period and insert in lieu thereof a semicolon.

On page 30, line 3, after "Commerce" insert the following: "or other Federal department, agency, or instrumentality".

On page 30, line 6, after "Commerce" insert the following: "or other Federal department, agency, or instrumentality".

On page 30, line 10, strike out "no less than".

On page 30, line 10, strike out "used to pay" and insert in lieu thereof "available".

On page 30, line 21, strike out the comma and "of which" and insert in lieu thereof a semicolon.

On page 30, strike out lines 22 through 25.

On page 31, strike out lines 1 through 7.

On page 31, line 15, strike out the period and insert in lieu thereof a semicolon.

On page 31, line 16, strike out "to pay".

On page 31, line 17, strike out "in" and insert in lieu thereof "by".

On page 31, line 18, strike out the period and insert in lieu thereof "; and".

On page 31, line 20, strike out "under" and insert in lieu thereof "by".

On page 31, line 22, strike out "under" and insert in lieu thereof "by".

On page 31, line 25, strike out "under" and insert in lieu thereof "by".

On page 32, line 7, strike out "in" and insert in lieu thereof "by".

On page 33, line 24, insert "(a)" after "Sec. 115.".

On page 33, strike out line 25 and insert in lieu thereof the following:

"amended—

(1) by striking out "and" at the end of clause (10);

(2) by striking out the period at the end of clause (11) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:".

On page 34, line 15, strike out "on".

On page 34, line 21, strike out "membership".

On page 34, line 25, strike out "said company" and insert in lieu thereof "such companies".

On page 35, line 11, strike out "under" and insert in lieu thereof "by".

On page 35, between lines 13 and 14 insert "Small Business Development Centers".

On page 47, line 24, strike out "(4)" and insert in lieu thereof "4 (b)".

On page 49, line 2, strike out "22" and insert in lieu thereof "21".

On page 49, line 15, strike "section 8" and insert in lieu thereof "sections 8 and 15".

On page 50, line 9, strike out "adding" and insert in lieu thereof "redesignating section 21 as section 22 and inserting after section 20".

On page 50, line 11, strike out "22" and insert in lieu thereof "21".

On page 50, line 20, strike out "to".

On page 55, strike out line 9.

On page 55, line 17, strike out the comma.

On page 55, line 19, strike out "he deems" and insert in lieu thereof "deemed".

On page 55, line 23, strike "in his opinion".

On page 56, strike lines 4 through 6 and insert in lieu thereof "thorized and directed to cooperate fully with, and to furnish such reports and information, as the Chief Counsel for Advocacy and Economic Research deems neces-".

On page 57, line 5, strike out the comma.

On page 57, line 7, strike out "he may deem" and insert in lieu thereof "is deemed".

On page 57, line 10, insert a comma after the word "thereafter".

On page 58, line 2, strike out "(10)" and insert in lieu thereof "10".

On page 59, line 16, strike out everything preceding "(a)" and insert in lieu thereof. "Sec 331".

On page 60, line 8, strike out the comma.

On page 61, line 7, strike out the comma.

On page 63, line 12, strike the comma.

On page 64, line 5, strike the comma.

On page 65, line 13, strike out "(68)" and insert in lieu thereof "(67)".

On page 67, line 14, strike out the comma.

On page 68, line 9, strike out "(67)" and insert in lieu thereof "(68)".

On page 69, line 10, strike out "section 301(e) to read" and insert in lieu thereof "subsection".

On page 69, line 15, strike out the hyphen following the word "small".

On page 70, line 17, strike out "Subsection (b) of section 302" and insert in lieu thereof "Section 302(b)".

On page 70, line 18, strike "changing "5 percent" to read "10 percent"." and insert in lieu thereof "striking "5 percent" and inserting in lieu thereof "10 percent".".

On page 70, strike all from line 20 through line 23, inclusive, and insert in lieu thereof "Sec. 404. Section 302(c) of the Small Business Investment Act of 1958 is amended to read as follows:"

On page 70, line 24, strike out "subsection" and insert in lieu thereof "section".

On page 71, line 5, strike out "stockholders" and insert in lieu thereof "investor".

On page 71, strike out lines 1 and 2, and insert the following: "an investor, or any group or class of investors, may own any amount of stock or partnership interest in any number of such companies so long".

On page 71, line 5, strike out "stockholders" and insert in lieu thereof "investors".

On page 71, line 20, strike out "percent" and insert in lieu thereof "per centum".

On page 73, line 2, strike out the hyphen.

On page 73, line 6, strike out "(a)" and insert in lieu thereof "(I)".

On page 73, line 8, strike out "(b)" and insert in lieu thereof "(II)".

On page 73, line 14, strike out "(a) and (b)" and insert in lieu thereof "clauses (I) and (II)".

On page 75, line 11, strike "and" and insert in lieu thereof "or".

On page 76, line 22, strike out "(4)" and insert in lieu thereof "(3)".

On page 77, line 2, strike out "the addition of" and insert in lieu thereof "adding".

On page 77, line 17, strike out "investments remain" and insert in lieu thereof "remaining".

On page 77, line 19, strike out the hyphen.

On page 78, line 4, strike out the hyphen.

On page 79, line 4, strike out "(g)" and insert in lieu thereof "(f)".

On page 79, line 13, strike out "(h)" and insert in lieu thereof "(g)".

On page 81, line 3, after "the Conference" insert ", subject to the approval of the Administrator,".

On page 81, line 8, strike all from the word "stimulate" through the word "to-" on line 10, and insert in lieu thereof a hyphen.

On page 83, line 18, strike "and agencies," and insert in lieu thereof ", agencies and instrumentalities,".

On page 83, line 19, strike "and agencies," and insert in lieu thereof ", agencies and instrumentalities,".

On page 84, line 22, strike "and agencies," and insert in lieu thereof ", agencies and instrumentalities,".

On page 84, line 25, strike "shall".

On page 84, line 26, strike "provide such assistance as may be necessary, including financial assistance," and insert in lieu thereof "shall provide such financial and other assistance as may be necessary".

On page 85, line 4, insert the word "shall" before the word "provide".

On page 85, line 8, insert "is authorized to" before the word "make".

On page 87, line 8, strike "called" and insert in lieu thereof "convened".

Mr. NELSON. Mr. President, these are all technical amendments. They have been agreed to by both sides. I ask for their immediate consideration.

Mr. President, is there a time limitation on these amendments?

The PRESIDING OFFICER (Mr. MORGAN). There is.

Mr. NELSON. Mr. President, I yield back the remainder of my time.

Mr. WEICKER. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator move to consider these en bloc?

Mr. NELSON. I move these amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time having been yielded back, the question is on agreeing to the amendment.

The amendment (UP No. 1555) was agreed to.

UP AMENDMENT NO. 1556

(Purpose: Committee amendments)

Mr. NELSON. Mr. President, I send to the desk committee amendments.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes additional committee amendments, unprinted amendment numbered 1556.

The amendment is as follows:

On page 28, line 23, strike out "$18,000,000" and insert in lieu thereof "$17,000,000".

On page 28, beginning on line 24, strike out all from "$1,071,-" through "no less than" on line 1, page 29.

On page 29, line 21, strike "shall be available for economic research and analysis and advocacy," and insert in lieu thereof "shall be used to pay for the execution of the advocacy and research functions authorized by section 21 of this Act,".

On page 30, line 14, strike out all after "capabilities" through line 19, and insert in lieu thereof a semicolon.

On page 32, strike all from line 17 through line 21, inclusive.

On page 32, strike out all from line 24 through line 5 on page 33 and insert in lieu thereof the following:

"SEC. 111. The second undesignated paragraph of section 7(b) of the Small Business Act is amended by striking "The interest rate on the Administrations' share of the first $250,000 of all other loans made pursuant to paragraph (1) of this subsection, with respect to a disaster occurring on or after July 1, 1976, and prior to October 1, 1978, shall be 3 per centum." and inserting in lieu thereof "The interest rate on the Administration's share of the first $250,000 of all other loans made pursuant to paragraph (1) of this subsection, with respect to a disaster occurring on or after July 1, 1976, and prior to October 1, 1978, shall be 3 per centum, and with respect to a disaster occurring on or after October 1, 1978, and prior to October 1, 1979, shall be 5 per centum.".

On page 34, strike out lines 1 through 10 and insert in lieu thereof the following:

"(12) authorize private dealers who regularly purchase guaranteed interests in deferred participation and guaranteed loans from banks and other financial institutions originating such loans pursuant to section 7(a) of this Act or title V of the Small Business Investment Act of 1958 to form and administer pools of such guaranteed interests and to freely issue and sell, directly or through their respective fiduciary agents, certificates of beneficial ownership in such pools to private investors. The full faith and credit of the United States is pledged to the timely payment of all principal and accrued interest on such certificates and the obligations underlying each respective pool.

"(b) Section 4 (c)(1) of such Act is amended by inserting

"5(b)(12)," between "sections" and "7 (a)".".

On page 86, strike all from line 8 through line 16, and insert in lieu thereof "(b) The Committee shall consist of twenty-one members, appointed by the President. The President shall designate one of the members appointed by him as Chairman of the Committee.".

On page 87, line 5, strike the period and insert in lieu thereof ", and shall cease to exist 60 days after the Conference is held.".

On page 71, strike out lines 1 and 2, and insert the following: "an investor, or any group or class of investors, may own any amount of stock or partnership interest in any number of such companies so long".

On page 71, line 5, strike out "stockholder" and insert in lieu thereof "investor".

On page 71, line 6, strike out "stockholders" and insert in lieu thereof "investors".

On page 87, line 19, strike "$500,000 for fiscal year 1978, and $4,500,000 for fiscal year 1979," and insert in lieu thereof "$5,000,000 for fiscal year 1979".

Mr. NELSON. These committee amendments have been agreed to by both sides, Mr. President.

The first two committee amendments delete authorization for the employment of additional subcontracting specialist. When the legislation was reported, it was anticipated that additional personnel could be needed to carry out further procurement duties provided for in S. 2259 (which now appears in amended form in H.R. 11318 as reported by the committee). SBA had informed the committee that this additional personnel would not be required after all. The authorization funding level is, therefore, reduced by $1 million.

The third amendment is a conforming amendment with the legislative mandate of title III of the act, relating to the responsibilities of the Advocacy and Economic Research and Analysis Division.

The next amendment deletes a fiscal year 1978 authorization for additional personnel to implement the requirements imposed on the Office of Advocacy by this legislation. When the committee reported this legislation it also reported Senate Resolution 451, waiving the provisions of the Budget Act with respect to this, and one other fiscal year 1978 authorization.

However, since fiscal year 1978 will be vitrually over before the bill would be-

come law, SBA will be unable to spend the amount authorized. The committee, therefore, believes the fiscal year 1978 additional authorization should be struck from the bill.

The committee notified the Senate Budget Committee of its intent to offer an amendment to delete this fiscal year 1978 authorization request.

The next committee amendment clarifies a drafting error with respect to the committee's intent on the disaster loan program. The committee amendment makes clear that the interest rate on the adminstration's share of the first $250,000 pursuant to paragraph (1) of section 7(b) only for disasters occurring on or after October 1, 1978, and prior to October 1, 1979, shall be 5 percent.

Section 12 as it now appears in the act was introduced by request of SBA. The language goes beyond the committee's interest by permitting SBA to direct all SBA loans as well as guaranteed loans. The amendment corrects this problem by permitting SBA to issue certification evidencing beneficial ownership of only guaranteed loans in the regular business loan and local development company loan programs. The amendment will enable the secondary market for SBA guaranteed paper to work in a more orderly and efficient manner.

The next series of amendments addresses the Venture Capital title. Public Law 95-89 authorized the organization of partnership SBICS. In drafting the amendment to section 301(c) partners were inadvertently excluded from investing in more than one SBIC. This recommended amendment corrected this oversight and permits all classes or groups of investors to own an interest in more than one SBIC.

The administration has requested that all White House Conference on Small Business Advisory Committee members be appointed by the President. The committee agrees with this request and therefore recommends that the language requiring appointments by the President of the Senate and Speaker of the House be deleted.

Furthermore, the bill does not specifically provide for the dissolution of the Advisory Committee to the White House Conference on Small Business. The committee recommends that the life of the Advisory Committee should not go beyond 60 days after the completion of the Conference. The amendment reflects this intent.

Finally, a second fiscal year 1978 authorization of $500,000 was made available for start-up expenses associated with the White House Conference on Small Business. As most of the fiscal year will have elapsed before the bill would become public law, the committee urges that this amount be first made available during fiscal year 1979.

Mr. President, I move the adoption of the committee amendments en bloc.

The PRESIDING OFFICER. Do the Senators yield back all time?

Mr. NELSON. I yield back the remainder of my time.

Mr. WEICKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc.

The committee amendments (UP Amendment No. 1556) were agreed to.

Mr. NELSON. Mr. President, I ask unanimous consent that the committee amendment in the nature of a substitute, as amended, be adopted and considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, the committee amendment, as amended, is agreed to and considered original text for the purpose of amendment.

Mr. CANNON. Mr. President, I want to thank Senator NELSON, the chairman of the Select Committee on Small Business, and other committee members for the serious consideration they have given to my concerns about H.R. 11445, specifically title II which creates the Small Business Development Centers. I believe the chairman is well aware of my concern for the potential duplication of management and technical assistance that would be provided by SBA under title II and the management and technical assistance now being given by the Department of Commerce through their Office of Minority Business Enterprise (OMBE).

It is my understanding that the select committee has prepared an amendment which goes toward my concerns by stating that title II is not intended to duplicate or limit any programs or projects administered by the Department of Commerce and that there must be close coordination between SBA and Commerce on the management and technical assistance programs. While I do not think this is the best solution, I will reluctantly support the amendment. I believe it would be preferable to have the Senate thoroughly examine all Federal programs designed to assist the small business community and then make a determination as to the scope of the programs and just where they should be located within the executive. This is certainly one area that is ripe for reorganization, and I am a little disappointed that the administration has not given it a higher priority in their efforts to eliminate duplication and bring about greater efficiency in the administration of Federal programs.

The concern I express here today is not one of jurisdictional turf. We know that the Office of Minority Business Enterprise provides extensive management and technical assistance to minorities. This Government recognized some time ago that minority-owned businesses often encounter severe problems and that special attention and a certain sensitivity were sometimes required to effectively assist the minority businessman or woman struggling to enter or remain viable in the business community. I still feel it is essential for OMBE to continue its efforts to assist minority businesses enter the mainstream of American economic life. At the same time, I must say in candor that I am not happy with the kind of job that is now being done by OMBE, and I believe this sentiment is shared by many of those OMBE was originally designed to serve. Clearly, OMBE needs restructuring to bring about greater efficiency if it is to serve its original purpose, but I do not think any of us would want to see any diminution of OMBE's role in the business community.

Frankly, I do not know if the Small Business Development Centers are being designed to meet the needs of the entire business community or if the OMBE function is to continue outside and independent of the centers. It does appear that if these business centers are funded and the Congress continues to appropriate moneys for OMBE we will be providing Federal dollars for at least two Federal agencies to provide management and technical services to the small business community. And this trend does not just stop here with H.R. 11445. I understand the Select Committee on Small Business is near reporting S. 3179 which also raises duplication questions.

I understand that some Senators feel that the job of providing management and technical assistance to the business community is not being provided by any Federal agency—SBA or the Commerce Department. That sentiment merely supports my argument that we should examine this entire question of management and technical assistance before responding with piecemeal and stopgap legislative packages. My primary concern is not which agency serves the small business community, but rather that we do provide this assistance and that we do it in the most effective way possible.

It may be that the Small Business Development Centers are one way to achieve this objective; however, I would feel better about the centers if the Senate had the benefit of some sound evaluation of the SBDC pilot projects now in existence. Evidently, Budget Director McIntyre felt the same way about the pilot projects in his May 31 letter to Chairman NELSON when he said, "It would be premature to consider expansion of SBA's present effort" as proposed by title II, SBCD. I ask unanimous consent to have printed in the RECORD the June 13, 1978 letter from the Commerce Department to Chairman NELSON which states the administration's opposition to title II that is based upon the duplication I addressed earlier, as well as the pilot nature of the centers that have not been evaluated. Evidently, the SBA Director expressed a similar view when he appeared before the select committee to talk about the centers.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL COUNSEL OF THE
U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., June 13, 1978.

HON. GAYLORD NELSON,
Chairman, Select Committee on Small Business, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter explains the views of the Department of Commerce regarding H.R. 11445, a bill "To amend the Small Business Act and the Small Business Investment Act of 1958".

The Administration has already outlined its serious concern with a number of provisions in the Senate committee version of H.R. 11445 and opposed its enactment. We endorse the point made in Budget Director McIntyre's May 31 letter to you that "it would be premature to consider expansion

of SBA's present effort" as proposed by Title II.

In addition, we have analyzed the provisions of Title II, the "Small Business Development Center Act of 1978", in the context of E.O. 11458, which in 1969 established the Office of Minority Business Enterprise within the Department of Commerce, and E.O. 11625, which prescribes additional arrangements for developing and coordinating a national program for minority business enterprise. Subsection 1(a)(4) of E.O. 11625 prescribes as one of the functions of the Secretary of Commerce:

"(4) Within constraints of law and appropriations therefor, and according to his discretion, provide financial assistance to public and private organizations so that they may render technical and management assistance to minority business enterprises, and defray all or part of the costs of pilot or demonstration projects conducted by public or private agencies or organizations which are designed to overcome the special problems of minority business enterprises or otherwise to further the purposes of this order."

Enactment of Title II of H.R. 11445 would grant to the Small Business Administration authority which is similar to that which E.O. 11625 already assigns to the Department of Commerce for minority-owned businesses. Title II would authorize small business development centers to provide management, technical, and technicological assistance to small businesses, some of which are already receiving such assistance through the Department's Office of Minority Business Enterprise. For this reason, the Department opposes its enactment.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our letter to the Congress from the standpoint of the Administration's program.

Sincerely,

C. L. HASLAM,
General Counsel.

Mr. CANNON. Mr. President, I do appreciate the select committee developing report language to provide the type of evaluation of the centers that I feel is vital. The mandated evaluation reports should provide a sound basis upon which to base a decision concerning the expansion, modification, or elimination of the SBDC program. I will be anxiously awaiting the results of the evaluations.

I must admit that I am still somewhat puzzled as to how many "pilot" SBDC's are envisioned by the proponents of this proposal. My understanding is that 15 are contemplated under H.R. 11445; however, it appears that just about every State university president has been called and promised a Small Business Development Center if this bill were enacted and HOWARD CANNON did not try to kill title II. This tactic strikes me as a gross misrepresentation. Administrators and college officials in my own home State were told they would receive a SBDC with the passage of this bill.

I want to say I am going to follow up and see that they do, if that representation has been made by the committee.

The committee's report clearly shows that 15 States will be participating during the pilot period, and since seven States are already involved in the pilot project, it is obvious that only eight more States will have the opportunity to become involved.

This is going to leave 35 bewildered and disappointed State university presidents. I think the promises made by the proponents of this bill reveal an assumption that the SBDC pilot project will become a permanent program for every State at the end of the 3-year period. This also disturbs me for I think it is precipitous to project how the pilot project will work and how Congress will react to the evaluations.

My reservations aside, I sincerely hope the concept promoted in this legislation will be successful. I think I understand and appreciate many of the problems encountered by the small businessman. I recognize that high inflation and a perpetually high failure rate plague small businesses. Within the business community, they are the first to be affected by the vagaries of the economy. I believe that Congress should do more to assist this segment of the economy, but I want us to do it in the most effective way possible.

We hear constant complaints about the expanding bureaucracy and the many programs whose realization did not meet the expectations created. To get at this problem, I will continue to insist that all new programs be subjected to careful scrutiny so as to insure that they are realistic, well planned, and represent a good investment of the taxpayer's dollar.

Mr. President, I share the chairman's desire to provide technical and management assistance to the small business community, but I must say that one question that has been coming up is, How do we insure that the centers will effectively serve small businessmen and women?

Perhaps I should go on to my next question, which points out one of the problems I am concerned with, and it is this: How does title II insure that the pilot centers do not become arms of the universities, serving academic interests rather than meeting the day-to-day needs of the small business community?

Mr. NELSON. There is an SBDC advisory council, with a majority of its members composed of small business people, to insure that the programs serve small business and not the universities.

The committee shares the concern of the Senator from Nevada and will work vigorously to insure that small business is the beneficiary of the program. One of the methods, of course, would be oversight hearings by the Small Business Committee itself.

The bill provides a 1-year pilot program, so it will require reauthorization a year from enactment.

The Senator from Nevada has made a very good suggestion, and we will be happy to accept it if he offers it, as I understand he will, that we have a GAO evaluation of the program at the conclusion of the first year of authorization.

Mr. CANNON. How does the chairman envision that the SBA and the Department of Commerce "will closely coordinate the management and technical assistance programs" in order to prevent duplication of services?

Mr. NELSON. We direct that there not be duplication, and it will be an administrative matter, to be worked out by the two agencies, with Small Business Committee oversight. Also, we are going to offer an amendment that makes it clear that there shall be cooperation between the Secretary of Commerce and the Small Business Administration.

In that regard, I will read the amendment we will offer:

This title is not intended to duplicate or limit any programs or projects administered by the Department of Commerce. In order to avoid the possibility of duplication of services, the Administrator shall only in close cooperation with the Secretary of Commerce and in coordination with the management and technical assistance programs administered by the Department of Commerce establish additional management and technical assistance under this Title.".

So the intent is clear. I think the amendment is drafted specifically enough so that we can avoid any duplication. There is no intent to have any duplication at all.

Mr. CANNON. At least, we tell them that there will not be. I am wondering about this: Suppose there is a disagreement between SBA and Commerce on a particular issue. Who would make the final management decision? Is there any provision for that? They are told that they will agree, but suppose they do not agree. Who has the ultimate decision-making power there, or are we going to have two agencies that simply do not agree with each other?

Mr. NELSON. The legislation creates an SBA program. I suppose there are times when agencies do not agree. Either the administration, or OMB, or oversight hearings, or direction of Congress would have to correct it, if that kind of eventuality occurred.

In the way it is designed, I do not visualize any conflict or overlap or duplication of services. The best we can do is to direct that they coordinate, that they not overlap; and if, at the end of a year, OMB, SBA, or Commerce have not resolved it, I suppose we would have to draft some further specific legislation.

Title II of this bill designs the Small Business Development Center program as a funding umbrella. A State would design a study center plan and then submit it to SBA for review. SBA would evaluate the study plan and decide on any needed modifications as well as the funding required to finance operation of the plan.

To the extent that the center in a State already receives some funding from other Federal sources, such as the Economic Development Administration or the National Science Foundation, SBA can reduce its funding accordingly. Therefore, SBA will provide financing for State plans only to complement other State and Federal programs, not to duplicate them.

Mr. CANNON. In my statement earlier, I am sure the chairman heard me say that the report clearly shows that 15 States will be participating during the period and there already are 7 States now. I just want to have the committee make the record that there will be the opportunity for only eight more States to become involved during this year of the pilot project. Is that correct?

Mr. NELSON. I do not think the precise number is clear. Any State could submit a plan. How many plans could be approved is limited by the amount of funding that is available to the Small

Business Administration. The 1-year pilot project authorization is $13 million. So if there was a State that proposed a very modest, very small plan that would require only $50,000 of matching funds, you could have more State plans approved than if you had approval of an SBDC in a State which had a more ambitious plan. What limits the number is the amount of the appropriation.

Mr. CANNON. I must say that I am more confused now than I was when I asked the question.

Mr. NELSON. These really are pilot programs.

Mr. CANNON. I understand that.

Mr. NELSON. But we do not say in the measure that you shall have 15 programs or each one shall have Federal matching of $1 million or $500,000

Mr. CANNON. Let me read from the committee report, then, and ask the chairman if this is or is not correct——

Mr. NELSON. Those are estimates in that report.

Mr. CANNON. I read from the report:

Senate bill 972 was thus introduced to: (1) expand the pilot program into a meaningful test that would allow approximately 15 States to participate; (2) provide sufficient funds for establishing and operating the State centers; (3) provide specific program objectives and guidelines; and (4) provide a mechanism to evaluate the program's effect on the small business sector.

Is that still correct?

Mr. NELSON. Yes. That is the statutory language of the original bill. I believe the committee report says at least 15 centers, does it not? Further, the bill has been improved in committee.

Mr. CANNON. I am reading from the report. It says approximately 15. So that it is not anticipated that every State would have a center, under this bill, in the first year?

Mr. NELSON. No, it is not.

Mr. CANNON. I appreciate the committee's efforts to get at the evaluation problem and the language that has been added in the report. But I still feel the need for some outside party to provide an independent review of how the pilot Small Business Development Centers are operating after 3 years. Would the chairman be agreeable to an amendment which requires an independent evaluation by the General Accounting Office at the end of the 3-year period?

Mr. NELSON. Yes. That proposal by the Senator from Nevada was called to my attention. I think it is a very good one. If we had thought of it, we would have included it, because that is a good evaluation to have done. If the Senator offers his amendment, we are prepared to accept it.

The bill really should have it at the end of a year. It is a 1-year authorization now. We reduced it to a 1-year authorization. I think the GAO should start its evaluation at the end of 1 year.

We are perfectly willing to have it 3 years in case we are reauthorized, but we are willing to have the GAO start its evaluation at the conclusion of the first year.

Mr. CANNON. I think that would be only a very minor change on the amendment here so that the key part of the amendment would read as follows:

For the purpose of this evaluation, the Comptroller General is authorized to require any center or party receiving assistance under section 208 to furnish to him such information annually or otherwise as he deems appropriate. A report on such evaluation shall be transmitted to the Congress not later than . . .

I think perhaps it should then be—

. . . the second year after the date of enactment of this title.

So if he requires it to be furnished annually then he would have to report to us the following year.

On analysis, I think that would be correct.

UP AMENDMENT NO. 1557

(Purpose: Provide GAO evaluation of SBDC's project after second year of enactment)

Mr. CANNON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON) proposes unprinted amendment numbered 1557.

Mr. CANNON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 46, line 23, after "SEC. 209." insert "(a)".

On page 47, between lines 16 and 17, insert the following:

(b) The Comptroller General of the United States shall conduct a quantitative and qualitative evaluation of the center program to determine—

(1) the impact of the center program on small businesses and the socioeconomic base of the regions it served; and

(2) the multidisciplinary resources the center program was able to coordinate to assist small businesses.

For the purpose of this evaluation, the Comptroller General is authorized to require any center or party receiving assistance under secton 208 to furnish to him such information annually or otherwise as he deems appropriate. A report on such evaluation shall be transmitted to the Congress not later than the third year after the date of enactment of this title.

Mr. CANNON. I simply say we have discussed the amendment as to what it does and it does nothing more than that I think it is a good result, because the committee report talks about such a study after 3 years and this would then say that we are going to have a GAO evaluation after the first year and if it goes beyond that year we will have one after the next year as well.

Mr. NELSON. We have discussed it. I think it is a good amendment. I have no objection to it.

I yield to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I share the Senator from Nevada's concern that programs authorized under this bill do not duplicate existing programs administered by the Department of Commerce. However, a larger reorganization question is being raised by the Senator from Nevada that cannot be ignored.

Title II of H.R. 11445 authorizes $15 million for the development of small business development centers. These centers would provide a wide range of management and technical assistance to all small businesses, regardless of their race, ethnic origin, or sex of the owners and operators of the business.

The Senate Appropriations Subcommittee of State, Justice, Commerce, and related agencies, of which I am ranking minority member, recently completed action on both the SBA and OMBE budgets for fiscal year 1979. In its report language, the committee stated:

The Committee strongly supports assistance to minority business as witnesses by our recommendation for the Small Business Administration. However, OMBE has never had legislative authority and the testimony at the hearing was weak and by no means persuasive of the role of this organization. The Committee urges the Office of Management and Budget to consider merger of OMBE into SBA's program of assistance to minority businesses so that a unified program will be available for consideration in the 1980 budget review.

I believe the current situation is confused. Federal assistance to minority businesses lacks direction and purpose. The appropriate committee should carefully review this situation and decide whether any reorganization plan should be enacted.

I, therefore, support the amendment of the Senator from Nevada, but I think there is a larger question here. Hopefully the amendment will give us at least a part of the answer to that larger question.

Mr. CANNON. I thank the Senator, and I agree with him that this will give us a better opportunity to analyze it and really find out whether this is the direction that we want to be taken. We will have some statistics at least to base it on as a result of the GAO study and then we can make a determination at that time.

Mr. NELSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CANNON. I yield back my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Nevada.

The amendment was agreed to.

Mr. NELSON. Mr. President, I ask unanimous consent that Steve Paradise, of the Human Resources Committee, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I have an amendment that has already been discussed.

Mr. WEICKER. Mr. President, regular order. Have we voted on the amendment of the distinguished Senator from Nevada yet?

The PRESIDING OFFICER. Yes; the amendment was adopted without objection.

Mr. CURTIS and Mr. NELSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. NELSON. Mr. President, I have a very noncontroversial amendment that has already been discussed. I wonder if the Senator from Nebraska will mind my taking that up now?

Mr. CURTIS. Very well.

Mr. NELSON. Mr. President, I ask unanimous consent that Everett Wallace, of Senator BAKER'S staff, be accorded the privilege of the floor during consideration and votes on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1558

(Purpose: To insure no overlap in effort between SBA and the Department of Commerce)

Mr. NELSON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) for himself and Mr. CANNON, proposes unprinted amendment numbered 1558.

Mr. NELSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 47, between lines 16 and 17, insert the following:

"Sec. 210. This title is not intended to duplicate or limit any programs or projects administered by the Department of Commerce. In order to avoid the possibility of duplication of services, the Administrator shall only in close cooperation with the Secretary of Commerce and in coordination with the management and technical assistance programs administered by the Department of Commerce establish additional management and technical assistance under this Title.".

Mr. NELSON. Mr. President, this is the amendment that we discussed a few moments ago with the distinguished Senator from Nevada which simply directs that it is not the intent of this bill to duplicate any of the responsibilities and functions of the Commerce Department and the Small Business Administration.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. WEICKER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. NELSON. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Nebraska (Mr. CURTIS).

UP AMENDMENT NO. 1559

(Purpose: To limit the amount of small business set asides available to nonprofit corporations)

Mr. CURTIS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS) proposes an unprinted amendment numbered 1559.

Mr. CURTIS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, line 12, insert the following: After "section" insert ", except that, until such time as the Administration transmits to the Congress a study setting forth the impact of contracts awarded to such organizations on small business concerns, no such organization may receive more than 10 percent of the total dollar volume of contracts set aside pursuant to this section for the wiping cloth procurement in any region of the General Services Administration".

Mr. CURTIS. Mr. President, I ask unanimous consent that Sally Rogers and William E. Twilley, of Senator THURMOND'S staff, be granted the privilege of the floor during debate on H.R. 11445, a bill to amend the Small Business Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, if I may have the attention of the manager of the bill and the distinguished minority manager of the bill——

Mr. NELSON. Mr. President, if the Senator will yield, the distinguished Senator from New York (Mr. JAVITS) I believe is interested in this amendment. I think this may be the one that he is interested in. Will the Senator state the amendment?

Mr. CURTIS. Mr. President, I yield myself 8 minutes.

Mr. NELSON. The Senator from New York, if it is the amendment I am thinking of, is interested in this.

Mr. CURTIS. This relates to the wiping cloth industry.

Mr. NELSON. Yes.

I wonder if the Senator will be willing to yield for the purpose of a quorum call so that Senator Javits who wishes to be here on this amendment could be notified.

Mr. CURTIS. Very well. But not on my time. I only have 15 minutes.

Mr. NELSON. No.

How much time is there on each of these amendments?

The PRESIDING OFFICER. Thirty minutes equally divided.

Mr. NELSON. Mr. President, I ask unanimous consent that the time be charged against the time allotted on the bill itself.

The PRESIDING OFFICER. To be equally divided against the bill?

Mr. NELSON. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside and then immediately become the pending business following consideration of the Weicker amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3334

Mr. WEICKER. Mr. President, I send my amendment 3334 to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment of the Senator from Nebraska is temporarily laid aside and the amendment of the Senator from Connecticut is in order and the clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes amendment numbered 3334:

On page 56, strike all from line 12 through line 19, inclusive, and redesignate paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3).

Mr. WEICKER. Mr. President, I offer at this time amendment 3334, which would strike section 312(d)(1). This section would give the Office for Advocacy the authority to hire personnel without complying with the pertinent civil service requirements.

I feel that this section would create an unhealthy statutory exemption from the competitive service provisions. The competitive service is designed to select the best qualified applicant from among those available for appointment. In recognition of the valid need for special procedures for certain positions, the Civil Service Commission has been authorized to make exceptions from the competitive service. Positions may be excepted by being designated as schedule A, B, or C as appropriate, or by designating a position as noncareer executive assignment. The language of section 312(d)(1) would circumvent the present procedure and would make it more difficult to hold the Office of Advocacy accountable for personnel policies and practices.

In a letter to the chairman of this committee, the Civil Service Commission expressed the following concerns about section 312. These concerns reflect my own. I will quote from the letter of the Civil Service Commission, which was dated July 27, 1978:

Section 312 would establish within the Small Business Administration an "Advocacy and Economic Research and Analysis Division" with a wide range of responsibilities (enumerated in the bill) aimed at, improving the overall climate for small and medium sized businesses: The new division would be headed by a "Chief Counsel for Economic Research and Analysis" who would be appointed by the President. The division's staff would be excepted from the appointment, compensation, and classification provisions of title 5, United States Code, governing employment in the competitive service.

The Commission is opposed to this provision. There does not appear to be anything unusual about the personnel needs of this organization that would justify an exception by statute from the general personnel provisions in title 5. We also object to the provisions that would compensate the Deputy Associate Administrator for Management and Technical Assistance at not less than GS-17, and the staff of the Chief Counsel for Advocacy and Economic Research and Analysis

at not to exceed GS–17. All these positions should be classified on the basis of their duties, responsibilities, and qualification requirements and not restricted by this kind of statutory limitation.

I am a strong proponent of the need for the SBA to become a more effective advocate for small business interests. However, the need for a voice on behalf of small business does not justify the circumvention of civil service requirements, nor does it mandate the statutory imposition of pay levels. These are matters which are properly left to the standard governing procedures. My amendment to strike section 312(d)(1) would in no way hamper the Office of Advocacy in performing its function. The amendment would merely keep the operating procedures of the office in line with the operating procedures generally applicable to all Government agencies.

Mr. NELSON. Mr. President, under the 1979 SBA appropriations bill reported by the Senate Committee on Appropriations, the amendment runs to the question of the appropriations for 35 employees to be hired by the Office of Advocacy of the SBA outside the civil service procedures.

I personally think that is a high number regardless of what the special, temporary or long-term problems of the SBA may be respecting the Office of Advocacy.

I am prepared to accept the amendment of the distinguished Senator. However, between now and the conference I would want to evaluate carefully whether or not there are in fact, as I suspect there may be, four or five or a half dozen positions that ought to be available to be hired out of the business community for a year or 2 years, for various bases of assistance or consultation. If, in fact, the evidence persuades me that that ought to be in conference I would wish to say to the distinguished Senator that I may then advocate a compromise position. But I am not prepared to argue the case that there ought to be any exceptions at this time.

So I am prepared to accept the amendment of the distinguished Senator from Connecticut.

Mr. WEICKER. I yield back the remainder of my time.

Mr. NELSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time being yielded back, the question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (No. 3344) was agreed to.

AMENDMENT NO. 3333

Mr. WEICKER. Mr. President, I have an amendment at the desk, amendment No. 3333, and I ask that it be read at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an amendment numbered 3333:

On page 56, strike lines 20 through 22, inclusive.

Mr. WEICKER. Mr. President, I offer amendment 3333, which would strike section 312(d)(2). This section would enable the Office of Advocacy to procure temporary and intermittent services of consultants without regard to the provisions of title V of section 5, United States Code, which governs appointments in the competitive service.

This bill authorizes $8 million for the Office of Advocacy and Economic Research and Analysis, and the Appropriations Committee has appropriated $7 million for the Office. With this financial backing, the Office should be able to develop the "in-house" expertise to obviate the necessity of relying on consultants. Section 312(d)(2) would impede the development of such "in-house" capabilities as it would provide a "crutch" for the Office by enabling it to contractout for help.

I would like, at this time, to submit a copy of a memorandum which President Carter—a member of the chairman's party—sent to heads of executive departments and agencies. He stated that he had "become aware of a need for improved management of the excessively large volume of consulting and expert services used by the Federal Government." It was noted that "there has been, and continues to be, evidence that some consulting services, including experts and advisers, are being used excessively, unnecessarily, and improperly."

Areas of concern were delineated. I would like to point these out to my colleagues.

Use of consultants to provide studies and analyses which have no useful impact on agency operations, either because the subject itself is nonessential or because there are no disciplined agency procedures to check priorities and insure follow-up on the results;

Use of consultant arrangements as a device to bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures; and

"Revolving door" abuses whereby former Government employees may be improperly favored for individual or contracted consulting arrangements.

The issue of farming out work to consultants is not a partisan one. It is simply a question of insuring that the taxpayer gets what he is paying for as far as Government payroll expenses are concerned. I urge my colleagues to support my amendment which promotes efficiency by encouraging the development of "in-house" expertise.

Mr. President, I ask unanimous consent that the White House memorandum dated May 12, 1977 be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

In a continuing search for ways to improve the efficiency and effectiveness of the executive branch, I have become aware of a need for improved management of the excessively large volume of consulting and expert services used by the Federal Government. A recent survey by a Senate subcommittee of the use of personal and nonpersonal consultant and expert services identified more than 30,000 contract arrangements and 10,777 individual appointments. Additionally, there are such services provided by grant arrangements and through advisory committee memberships.

There has been, and continues to be, evidence that some consulting services, including experts and advisors, are being used excessively, unnecessarily, and improperly.

This must be corrected without delay.

Some areas of concern include:

Use of consultants to perform work of a policymaking or managerial nature which should be retained directly by agency officials.

Repeated appointments or contract extensions which raise questions whether the work is better suited to other more appropriate arrangements.

Use of consultants to provide studies and analyses which have no useful impact on agency operations, either because the subject itself is non-essential or because there are no disciplined agency procedures to (a) check priorities and (b) insure follow-up on the results.

Use of consultant arrangements as a device to bypass or undermine personnel ceilings, pay limitations, or competitive employment procedures.

"Revolving door" abuses whereby former Government employees may be improperly favored for individual or contracted consulting arrangements.

Intra-agency duplication of consultant efforts, especially in large, multi-agency departments such as Defense and Health, Education, and Welfare, because there is no central coordination of consulting efforts or dissemination of results.

Conflicts of interest between consultants' advice and their other outside financial interests and affiliations. In order to improve the use of consultants, I want you to:

1. Review all data that is available or can be readily assembled to describe:

The principal purposes for which consulting services are being used;

The types of consulting arrangements being used (Civil Service Commission appointment, contract, grant, advisory committee membership, other); and

The number of such arrangements in effect and the total dollars involved.

2. Review and revise the management controls and decision criteria used for consultants which will effectively prevent abuses.

3. Eliminate those consultant arrangements found to be neither appropriate nor necessary.

4. Report the results of the above items to the Director of the Office of Management and Budget by June 30, 1977.

I am asking the Director of the Office of Management and Budget to review your reports and, where appropriate, to suggest additional measures that you might apply to strengthen your management control of the purposes and arrangements for consulting and expert services.

Mr. WEICKER. I ask for the adoption of this amendment.

Mr. NELSON. Mr. President, this is a similar but not exactly identical amendment to the previous amendment.

The authority in existing law respecting the Small Business Administration is no different in the hiring of consultants than it is in any of the other agencies I know of in the Federal Government. However, I am prepared to accept the amendment and take it to conference.

Mr. President, I yield back the remainder of my time.

Mr. WEICKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (No. 3333) was agreed to.

UP AMENDMENT NO. 1559

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. Mr. President, I yield myself 8 minutes.

The amendment I have at the desk relates to that section which calls for a set-aside of Government procurement similar to what goes to small business now for nonprofit or charitable organizations. My amendment, however, deals with just one industry, the so-called wiping cloth industry.

Let me say, first, Mr. President, that I find myself in conflict with myself today. I yield to no man in my defense of charitable giving and our charitable organizations such as the Good Will industry and the like. I have sponsored a great deal of this legislation before the Committee on Finance. We now have pending in this body an amendment of mine to reduce the foundation tax from 4 percent to 2 percent.

But we have a very unusual situation here. Here is a small business bit of legislation. The purpose is to increase small business, and that is what the Small Business Administration is for, and we have a provision in here that takes business away from small business.

I am not moving to strike that section out. I think probably it should be stricken out and held back for further study, but I am not doing that at this time because I realize that the committee feels very strongly about it. But it was provided in previous legislation that a study should be made to see whether or not in Government procurement just as there are mandatory set-asides of business that go to small business, that they have a mandatory set-aside for nonprofit organizations. That study was to run until 1979.

The study is not complete, the reports are not in, yet we have jumped the gun, and ahead of the study have a provision in this bill that would provide for such a set-aside. How does that relate to the industry I am talking about?

Various charitable organizations gather up old clothes. They get them free. I am happy for that. I think they do a wonderful job.

Some of them they can sell, and many of them they give away. They have some left that they cannot do anything with, so they sell them to the wiping cloth industry.

The wiping cloth industry is a small industry. There are not any wiping cloth manufacturers in the Fortune 500. If you go to any community, it is one of the smallest recycling businesses there.

Those engaged in the wiping cloth industry buy their raw materials, and they pay for them. Now, are we to permit the Government, in the purchase of this product, to say, "We will give the orders to a nonprofit organization?"

The nonprofit organization already has the raw material free. It gets the order. What happens if we put a small businessman out of business with this project?

It is argued that we are only talking about 8 percent of the wiping cloth business in the United States. This is nationally. Eight percent applied in one location could mean that an established business, a tax paying business, could be put entirely out.

I think the whole section ought to come out, and they ought to complete this study. But I am not asking that, because I do not think we can get it. I think with no Senators on the floor here except the managers of the bill, that I am at the mercy of the managers of the bill, because as Senators leave thier committees and their other duties and come in here to vote, the majority are going to vote with the committee.

So I am appealing to the sense of justice of the managers of the bill. Here is what I am asking: These Government contracts are let by region, and I ask that this set-aside of business in the wiping cloth industry for nonprofit organizations be limited to 10 percent in any one region until the study comes in.

I think that is a reasonable thing. I am sure that this committee would lend a sympathetic ear if without my amendment this went on, the set-aside was invoked, and another year or two from now a businessman appeared and said, "I was in business; I had 30 employees; I was paying my taxes; I was paying social security taxes; I was buying my raw material; and the Government came in and took the orders away from me and said, 'We are going to give it to a nonprofit organization which gets the raw material free, which pays no taxes,' and my entire business was closed."

Mr. President, I could plead that the nonprofit organizations have no part in this. But I just want some protection, so that by the time it gets through all the ramifications of Government regulation, and so on, it cannot end up in closing a small business.

After all, this is a small business bill. This is a bill, I hope, to enhance small business, to increase the amount of business that goes to small businesses. Again I say there are not any large concerns engaged in this business. And realizing the realities of how matters are handled on this floor, I submit my case to those in charge of this bill, hoping that they will see fit to accept this amendment, which does not do away with what they plan to do, but merely provides that until we get a little more information, there be a limit.

They tell me that they only expect to take 8 percent of the business. But without some sort of amendment, all that 8 percent could fall on one recycling factory.

I would like at this point to yield to the manager of the bill, to see if there is any possibility that he will accept this amendment.

Mr. NELSON. Mr. President, I share the concern that has been expressed by the distinguished Senator from Nebraska that we do not injure or discriminate against small businesses or give unfair advantage to any group. That is one reason why the study, of course, was authorized: To make an evaluation of this provision.

The problem I have with the Senator's amendment is that I do not know how to evaluate the impact of the amendment. The bill was reported on May 10, 2½ months ago. We are dealing with an unprinted amendment. I am reluctant, I must say, to support an amendment of this kind without having had a chance to study it.

As to the problem created thus far, it does not seem to me that there should be any serious concern. It may very well be that next year, when the study is completed, that we will offer some modifications of this provision. But I would like to point out that less than $2 million in procurements was affected by section 117 in the current fiscal year.

Mr. CURTIS. Mr. President, I do not want my 8 minutes to be consumed by the Senator from Wisconsin.

Mr. NELSON. I am speaking on our time.

Mr. CURTIS. Very well.

The PRESIDING OFFICER. The Senator's 8 minutes have already expired. This is on the time of the manager of the bill.

Mr. NELSON. Does the Senator from Connecticut wish to speak also?

Mr. WEICKER. Yes.

Mr. NELSON. Mr. President, how much time remains to the manager for the opposition?

The PRESIDING OFFICER. The Senator from Wisconsin is in charge of all of the time. He has 13 minutes.

Mr. NELSON. We are talking about the wiping cloth industry. I just want to point out that Goodwill received eight-tenths of 1 percent of the wiping cloth industry set-aside. Yet it may very well be that Goodwill may receive, sometime within the next 3 or 4 years, 1 or 2 percent. Meanwhile there is a study underway. If the study demonstrates that there has been unfair discrimination, I would be prepared to accept an amendment to eliminate such discrimination.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. NELSON. Yes.

Mr. CURTIS. I cannot quite follow the Senator. According to his remarks, he agrees that we authorize the study, and then, without waiting for the study, we go ahead with something. Talking about the indefiniteness of my amendment, what the Senator proposes here is very indefinite. We do not know what will happen.

I am willing to accept a 10-percent ceiling on the amount of set-aside that could take place in any one region where these contracts are let. That is all my amendment says.

I agree that nationwide it is a small percentage, but I do not want this to end up so that maybe one recycling factory has to carry the whole load, and goes out of business.

Certainly for a short period of time that is a reasonable situation. I thank the Senator for yielding.

Mr. NELSON. Mr. President, I yield the floor.

Mr. WEICKER. Mr. President, I appreciate that our distinguished colleague from Nebraska is attempting to draw a very fine line here, and I can assure him that it is not a question easily resolved. But the question also might be posed to the distinguished Senator from Nebraska as to why he would not wait to submit his amendment until the SBA study is concluded. I think that question could be propounded either way.

Mr. CURTIS. I would be happy to answer. Because somebody may be out of business, or might not be. I do not know.

Mr. WEICKER. That is why I acknowledge that the question is a close

one. I feel, based on the data before us, that it is probable that nobody will be put out of business. When we have the final results of the study at hand, we can make adjustments equitably.

Mr. President, I oppose this amendment which would preclude organizations for the handicapped from competing for more than 10 percent of procurement contracts in any region.

This amendment has been offered in response to claims made by members of the wiping cloth industry, who have opposed section 117 of this bill on two grounds. First, it is alleged that those small rag processing businesses which rely on Government set-asides will be undercut by the charitable organizations which both collect the old clothing needed to produce the rags and manufacture wiping cloths. Second, it is claimed that the supply of rags will be reduced as these charitable organizations will devote a greater percentage of its supply to its own manufacturers.

However, industry statistics refute these claims less than 8 percent of wiping cloth sales are to the Federal Government. Furthermore, the supply of the rags which are recycled into wiping cloth is not controlled exclusively by the charitable organizations which also manufacture wiping cloth. Thus, the industry has recourse to other suppliers. Finally, statistics show that in those instances where a for-profit business and a charitable organization have competed for a Government contract, the for-profit business has been, in the vast majority of cases, the low bidder.

Senator CURTIS' Amendment does not directly address the concerns of the wiping cloth industry. Instead, he would limit to 10 percent of the total Government set-aside the amount which an organization for the handicapped could compete. Unfortunately, there may be industries in which such charitable organizations account for most, if not all, of the industry's output. The limiting amendment proposed by Senator CURTIS would preclude the Government from contracting out to these organizations, and would result in higher costs to the taxpayers.

Mr. President, for these reasons I oppose the amendment offered by the distinguished Senator from Nebraska. However, he has raised questions which merit our attention. Accordingly, I think that the Small Business Administration should closely monitor the impact of this amendment on the wiping cloth industry and report back to the Congress. Should the claims of the recycling industry be substantiated by that report, the Congress could take appropriate action.

Mr. CURTIS. Mr. President, I yield myself 2 minutes.

Mr. President, the remark has been made here that when nonprofit businesses compete against small businesses, for-profit businesses, the small businesses for profit usually win. That is all very true. But in this case the nonprofit gets their raw material free. They may have a monopoly in a particular situation.

There is the idea of saying, "Let us adopt something here. Let us buy a pig in a poke. If it puts somebody out of business we can take a look at it 2 years from now." I am not proposing to strike out this section to do what they want to do. I am as interested in the work of Goodwill Industries as anybody here.

I am suggesting that during the period of this study that we have a regional or area limit so that some enterprising individuals might not decide, "We will avail ourselves of this entire Government setaside, start a factory," and the community can only support one recycling industry.

As I stated before, Mr. President, in these busy closing days of this session there is no way to get this story out to the Members of the Senate. I am at the mercy of the managers of this bill if they choose to put all the risk on the small business, which, after all, the committee is charged with protecting. If one of them gets badly injured they can come in for a Band-Aid 2 years from now. I will have to accept that.

On the other hand, all I am saying is, "Go ahead with your program. Help these nonprofit people, such as Goodwill, which I am interested in, but let us have a little cap on it during the period of study."

I appeal to the managers of the bill to reconsider their position in the hopes that they might accept the amendment.

Mr. President, I reserve the remainder of my time.

Mr. NELSON. I respect the comments of the Senator from Nebraska. We are not trying to run over anybody.

As I mentioned previously, we have just seen the amendment, although the bill was reported 2½ months ago. It is possible that if we had a chance to evaluate it more carefully, we could have accepted it, or some modification of it.

But since only eight-tenths of 1 percent was in the setaside, it escapes me how the present authority can damage anybody. As a matter of fact, in looking over some of the industries around the country—and I trust the Senator did not come to his conclusion based upon a Nebraska company——

Mr. CURTIS. I certainly did. I am happy to represent every special interest in my State because all 1.4 million of those people are a special interest to me.

Mr. NELSON. I feel the same way. I just assumed the Senator in this case was looking at the broader picture. The figures we have show that one county in Nebraska had 6.4 percent of its total sales to the Government last year. Over the past 5 years, it averaged 3 percent of its sales to the Government. So the sales to the Government have more than doubled in the past 5 years. Therefore, I assume it could not be this company the Senator is concerned about.

Mr. CURTIS. Very much so, for this reason: In this 8 percent, which is set aside for the nonprofit, there is nothing in the Senator's amendment to prevent that from being given all in one location and thereby justify the building of a recycling industry there.

It may not happen in Nebraska; it can happen someplace else.

As a matter of fact, it is not true that this matter was just called to the committee's attention today. For a period of 2 weeks I have been negotiating with them. I have written letters to the distinguished ranking minority member. I contacted the distinguished Senator from Colorado, who I understood was in charge of this legislation. He is detained, however, and cannot be here this morning. For some time we have been attempting to negotiate some consideration here so that the very thing I am talking about could not happen, that this entire set-aside could fall on one industry.

Mr. President, the responsibility is not mine. I think what I have asked is reasonable and fair. I rest my case.

Mr. NELSON. I would conclude by saying that when the study is completed on March 1, 1979, if the problem concerning the Senator from Nebraska is in fact a real problem, I will be on the floor to say the Senator is correct and that we will modify the bill. That will be about 9 months from now.

Mr. President, in January 1977, this committee held field hearings in Denver which were chaired by Senator HASKELL and attended by Senator JAVITS on "The Economic Self-Sufficiency of the Handicapped and the SBA." The hearings focused on the inability of the sheltered workshops which employ the handicapped to bid competitively on the $4 billion in Government procurements which are set aside for small business. Concern was raised that the small business set asides are the cream of Federal procurements, light industry, low technology, small contract size, and so forth. These are precisely the procurements which sheltered workshops need as well.

Last year the Senate passed a similar provision to section 117 of this bill which Senator CURTIS is seeking to amend. The bill was enacted as Public Law 95–89. In conference a limit of $100 million in procurements under the small business set aside program was placed on the workshops. A study of the impact on small business was required to be completed by the SBA by March 1, 1979. The program had a 1-year life.

Section 117 extends the workshops eligibility permanently and removes the cap. The committee report notes the committee's expectation that the study required by Public Law 95–39 be completed no later than March 1, 1979.

Senator CURTIS' amendment would limit any one organization's ability to take more than 10 percent of the procurements in any one industry in any one GSA region until a study is completed by the SBA on the small business impact of the section.

The committee has a number of problems with this amendment.

First. There is no evidence based on our 1-year experience that there has been any serious small business impact at all. The only industry to complain has been the wiping cloth industry where Goodwill took less than 1 percent of the Government purchases. During the current fiscal year less than $2 million in Government procurements have been affected by the current 1-year experiment. Although a study is underway at the SBA due March 1, 1979, the amendment

is silent on when its study is to be completed.

Second. "Industry" is not defined in the amendment. The amendment could cause an administrative nightmare with someone having to try to figure out whether paper clips are part of the steel wire industry, the office supply industry, or the paper clip industry.

Third. Its impact is completely unforeseeable. There may be workshops which have tooled up to bid on one small contract in one region, which, because of the 10-percent limit and the possibility of a narrow definition of "industry," may be precluded from bidding.

Fourth. This is basically a special interest provision generated by one group, the wiping rag industry. Since they decided that their original amendment to exclude their industry from the section was too vulnerable, they have taken cover under a broader provision in which only they have demonstrated interest. Since Government procurement only represents 6 to 8 percent of their entire market, and in the past year Goodwill has taken less than 1 percent of the 6 to 8 percent, it is hardly worth the risk of doing some unforeseeable damage to a workshop in a completely diferent industry in order to protect the wiping cloth industry for 9 months when the figures demonstrate that they do not need the protection.

Therefore, Mr. President, although I recognize the Senator from Nebraska's good intentions, I must urge my colleagues to oppose his amendment. It is opposed by the National Industries for the Severely Handicapped (NISH), Association of Rehabilitation Facilities, Goodwill, and the disabled community generally.

Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CURTIS. I yield back the remainder of my time.

Mr. NELSON. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment.

[Putting the question.]

The noes appear to have it.

Mr. NELSON. Mr. President, I ask for the yeas and nays.

Mr. CURTIS. Mr. President, I ask for a division.

The PRESIDING OFFICER. Does the Senator press his request for the yeas and nays?

Mr. NELSON. No.

Mr. CURTIS. I did not ask for the yeas and nays. I know I will be licked, because I know the system around here. The system is to keep the Members in the dark and tell them how to vote when they come in. I want no part of it.

The PRESIDING OFFICER. Does the Senator call for a division?

Mr. CURTIS. Yes, I do.

The PRESIDING OFFICER. A division is requested. Senators in favor of the motion will rise and stand until counted.

[After a pause.]

Those opposed will rise and stand until counted.

On a division, the motion to lay on the table was agreed to.

Mr. NELSON. Mr. President, I move to reconsider the vote by which the amendment of the distinguished Senator from Nebraska (Mr. CURTIS) was tabled.

Mr. BARTLETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1560

(Purpose: To provide authority for follow-up on the recommendations of the White House Conference on Small Business)

Mr. NELSON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes unprinted amendment numbered 1560.

Mr. NELSON. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 87, between lines 16, and 17, insert the following:

"FOLLOW-UP ACTIONS

"SEC. 508. (a) The executive director of the Conference shall designate a person or persons who shall be responsible for follow-up on the Conference report and recommendations, and who shall throughout the period of the Conference coordinate matters from that viewpoint.

(b) The Small Business Administration shall report to the Congress annually during the 3-year period following the submission of the final report of the Conference on the status and implementation of the findings and recommendations of the Conference.".

On page 87, line 18, strike out "Sec. 508." and insert in lieu thereof "Sec. 509.".

Mr. NELSON. Mr. President, one of the major shortcomings of the previous White House conferences has been the lack of an effective, timely review of the recommendations made at the conference. Under this committee amendment, the Small Business Administration is required to submit a report to Congress annually for 3 years following the date on which the final report of the conference is submitted. That SBA report will provide the Congress with a status report of the progress being made to implement the conference recommendations.

UP AMENDMENT NO. 1561

Purpose: Perfecting Amendment to Nelson Amendment on follow-up to the White House Conference

Mr. WEICKER. Mr. President, I have a perfecting amendment, which I send to the desk.

The PRESIDING OFFICER. Do both Senators yield back their time on the Nelson amendment?

Mr. WEICKER. I yield back all my time on the Nelson amendment.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield back his time?

Mr. NELSON. Yes.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) offers a perfecting amendment to the amendment of the Senator from Wisconsin, unprinted amendment numbered 1561:

In addition to the matter proposed by the Senator from Wisconsin, insert the following: "On page 87, line 23, after "expended." insert the following: "After termination of the Conference, any sums remaining unexpended shall be covered into the Treasury.".".

Mr. WEICKER. I believe, Mr. President, that the amendment is self-explanatory. I am prepared to yield back the remainder of my time.

Mr. NELSON. I agree with the distinguished Senator from Connecticut. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Wisconsin as amended. Is all time yielded back?

Mr. WEICKER. Yes.

Mr. NELSON. Yes.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. NELSON. Is the distinguished Senator from Oklahoma prepared to call up an amendment?

Mr. BARTLETT. Yes.

Mr. NELSON. Will the Senator withhold momentarily?

Mr. BARTLETT. Yes.

UP AMENDMENT NO. 1562

(Purpose: To consolidate economic research functions within SBA)

Mr. NELSON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes an unprinted amendment numbered 1562.

Mr. NELSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT No. 1562

On page 230, line 14, after "and research capabilities;" insert "all economic research functions shall be conducted solely under the direction of the Advocacy and Economic Research and Analysis Division and any funds authorized to be appropriated by this subsection for the purpose of economic research shall be under the direction and coordination of the Advocacy and Economic Research and Analysis Division;".

Mr. NELSON. Mr. President, part A of title III of the bill places responsibility for economic research and analysis within the Advocacy and Economic Research and Analysis Division of SBA. Title I, which is the SBA fiscal year 1979 authorization bill, authorizes $8 million for this division.

The committee report on H.R. 11445 and the report on the nomination of Mil-

ton Stewart to be chief counsel for advocacy in SBA make it clear that the advocate's office is to be responsible for compilation of a small business economic data base and economic research in general. To insure that there is no duplication of effort or dilution of valuable resources within SBA, the amendment I am offering provides that all moneys expended within SBA for economic research shall be done solely under the direction and coordination of the Advocacy and Economic Research and Analysis Division.

Other research may be performed by other SBA divisions, but such research shall be coordinated by the advocate's office.

This bill does not require that all the research be done in the Advocacy Division; it simply provides that it shall be coordinated so that there will be a well-designed plan and there will not be duplication in the research done by the SBA.

Mr. WEICKER. Mr. President, I rise to oppose the amendment. I do so, because of the very nature of the description of the duties of the Office of Advocacy, which is supposed to be independent of the SBA Administrator. This office is designed to advocate the cause of the small businessman, but is to be totally independent of either the Administrator or the administration. Interestingly enough, we have here a case of the tail wagging the dog, when you say that all of the economic data is going to be in the SBA Office of Advocacy. What about economic research for the rest of the SBA? What this amendment will do is to consolidate all the economic research capabilities of the SBA in the Office of Advocacy. The SBA Administrator himself—we talked to Mr. Weaver last night—is opposed to this amendment.

Indeed, the amendment belies the arguments that have been made here on the floor, both during the confirmation of Milton Stewart for the position of Chief Counsel for Advocacy and during the arguments on this authorization bill, that the Office is to be an office independent of the administration. How can it be independent of the administration? How can it be independent of the administration when all the economic research capabilities are in the Office of Advocacy?

I feel it is absolutely essential that the Chief Counsel for Advocacy have an independent economic data research capability—no argument. But I think it is also true that the Administrator should have such a capability.

I hope that this amendment might be so worked as to give statutory effect to what people have been talking about when they have been talking about the Office of Advocacy. I do not feel that all the economic data research capabilities should be in that division of the Small Business Administration. I feel that the Advocacy Office should have that capability; but I think it is also true that the SBA Administrator should also have a capability. It is, indeed, for that reason that I oppose the amendment. Vernon Weaver, the SBA Administrator, has indicated to me that he opposes the amendment.

Mr. BARTLETT. Mr. President, I share the concern of the distinguished Senator from Connecticut. It is my understanding that the Chief Counsel for the Advocacy does have or should have discretion in the area of research. But the Chief Counsel is quasi-independent of the Administrator. If the Administrator does not have discretion in this area himself, then the responsibility is delegated to someone other than the Administrator. This does not make sense from an administrative point of view.

I think it is very important that this amendment be opposed and I share the thoughts that have been expressed by the distinguished Senator from Connecticut.

Mr. WEICKER. I repeat the point earlier made, Mr. President: How can the Office of Advocacy be independent of an agency for which it is to be responsible for all the economic research? It is incongruous. For that reason, I hope that the Administrator himself would have a capability. The Office of Advocacy clearly has to have that capability—but not the sole capability.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, there should be, in any agency that is engaged in research, some coordinating function to be sure that one part of the agency is not doing research that duplicates research that is being done in another part of the agency, or that one part of the agency is not doing research that already has been completed a year or two earlier, or that is planned to be done in another part of that agency at some future time. All this says is that it must be coordinated by the Office of Advocacy.

It seems to make eminent good sense to me that, if there is going to be a research project conducted in some part of the SBA outside the Office of Advocacy, they ought to say to the chief counsel "here is a proposed research project," so that it is coordinated.

This is all it does. That is what we all are attempting to do in all of our various agencies and departments, to keep them from duplicating work that is being done year after year, or that is being done in other agencies, which so often happens. That is all it does.

It seems to me to make eminent good sense.

Mr. WEICKER. Mr. President, I ask the distinguished Senator from Wisconsin just two questions.

First, is it not reasonable to assume that the head of the agency is the one primarily responsible for any effort to coordinate a particular area of activity within one of the departments of his agency? Does it not make sense that the head of any agency, in this case the SBA Administrator himself, should be primarily responsible for delegating the functions of his agency?

Second, under the system proposed by the distinguished Senator from Wisconsin, is not the Office of the Small Business Administrator dependent for its economic capabilities on the Chief Counsel for Advocacy? Is that not, indeed, a question of the tail wagging the dog?

Mr. NELSON. I suppose the function can be coordinated in various ways. Most of the research of the SBA is going to be performed in the Office of the Advocacy. There is some smaller amount elsewhere being done. But this amendment insures that all research is coordinated.

I do not see what the objection is.

Mr. WEICKER. Well, the objection is an administrative one. The amendment would separate the SBA Administrator, who should be primarily responsible for the functioning of his agency, from the economic facts on which he bases his overall policies.

Now, the advocate's job is a particular one, whereas the Administrator's job is to take into consideration not only information from the Office of Advocacy, but all other aspects of policy, including the wishes of Congress and the impact of decisions on the non-small business community.

I have no argument at all with the distinguished chairman concerning the necessity for the Office of Advocacy. I have no argument at all that the office has to be equipped with the ability to discern an economic base. I have no argument that they should be completely independent.

But, of course, the independence argument goes out the window somewhere because, pursuant to the amendment, the entire agency would become dependent on the figures submitted to them by the Office of Advocacy.

Mr. NELSON. May I say to the distinguished Senator, whatever the implications of that may be, the fact that other divisions of the Small Business Administration must clear their research proposals with the Office of Advocacy certainly does not interfere with the independence of the Office of Advocacy.

It is true the Administrator of the Small Business Administration is the top person. He is not going to do the research. He does not have under him a research division. For all practical purposes, most research will be done in the Office of Advocacy.

So all we are trying to do is coordinate it.

I do not, quite frankly, follow what the opposition to it is all about.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

Mr. BARTLETT. Will the Senator withhold that?

Mr. WEICKER. Of course.

Mr. BARTLETT. I will make a brief comment.

I say to the distinguished Senator from Wisconsin that it is my understanding that at the present time there is suspicion in the Small Business Administration of the Advocacy Office having so much independent responsibility that it tends to undermine, it tends to complicate, the responsibilities that the Administrator has overall.

Mr. President, if the present law is such that the Office of Advocacy now has responsibility for research, then this amendment is not needed.

This amendment makes it clear that the coordination, the decision as to whether or not there is duplication, would be in the hands of the Chief Counsel of Advocacy rather than in the very important area of responsibility of the Administrator.

So I think this makes the administration of the agency that much more difficult.

I would just cite again that there is concern existing now without this amendment concerning the Office of Advocacy being quasi-independent, undermining the responsibility of the Administrator.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time does the Senator suggest the absence of a quorum?

Mr. WEICKER. Without the time being charged to either side.

The PRESIDING OFFICER. Is there objection?

Without objection, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SASSER). Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I yield the floor.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Tom Carter, of Senator HAYAKAWA's staff, have the privilege of the floor during the consideration of amendments and all votes on the small business bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3259

Mr. BARTLETT. Mr. President, I call up my amendment No. 3259 to H.R. 11445 and ask that it be reported and considered under the regular order.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes an amendment numbered 3259:

In title III, strike "and medium-sized" each place it appears.

The PRESIDING OFFICER. There is one-half hour on this amendment, to be equally divided.

Mr. BARTLETT. Mr. President, there are 28 times in this bill in which reference is made to the small and medium-sized business sector or businesses. The words "medium-sized business" constitute an innovation, a change, and could be interpreted as broadening the responsibility of the Small Business Administration to medium-sized business. I think this would create much confusion, because small business is currently defined in the law as an independently owned business not dominant in its field. So certain definitions would have to be created for small, medium-sized, and, presumably, large business. I think this would create a great deal of confusion.

My amendment merely deletes "and medium-sized" each place it appears, the 28 times.

Title 3 of H.R. 11445 contains a declaration of national small business economic policy and a statement of the responsibilities of the Chief Counsel for Advocacy and economic research and analysis which refer to "the small- and medium-sized business sector." I believe that these references to "the small- and medium-sized business sector" carry an inaccurate implication that there is a precise size criterion for differentiating businesses and that given that criterion, the SBA is responsible for everything but large businesses. If such a legislative definition existed of small, medium, and large businesses, I do not believe that it would be appropriate for the Small Business Administration to be responsible for anything but small business, however, no such precise definition exists in the law and none is proposed in this legislation. The essential consideration in Congress desire to aid small business has been with preserving free competitive enterprise and not so much with preserving businesses of some absolute size.

By referring to "small- and medium-sized businesses," title 3, as it stands now, adds an unnecessary ambiguity to the already vague concept of small business and it shifts the emphasis for determining program eligibility from an analysis of the competitive structure of each industry to some arbitrary and unspecified size standard. I understand the committee's desire to somehow indicate that "small business" includes more than the stereotypical "mom and pop" corner store. Nevertheless, I believe that legislative language which refers to small businesses and to competitive position within an industry is much more appropriate and nearer to Congress' intend than to refer to "small- and medium-sized businesses."

I would like to point out that small businesses, as far as the Small Business Administration programs go, include businesses that employ up to 1,500 people in some industries, aircraft equipment manufacturing, for example. At this point, if there is no objection, I ask unanimous consent to have printed in the RECORD a more complete example of the size standards used by the Small Business Administration in its various programs.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SCHEDULE A—EMPLOYMENT SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN MANUFACTURING

(The following size standards are to be used when determining the size status of applicants for SBA business loans, displaced business loans, economic opportunity loans, surety bond guarantee assistance, and as alternate standards for Sections 501 and 502 loans and SBIC assistance.)

Census classification code	Industry or class of products	Employment size standard (number of employees)[1]
	MAJOR GROUP 20—FOOD AND KINDRED PRODUCTS	
2011	Meat packing plants	500
2013	Sausages and other prepared meat products	500
2023	Condensed and evaporated milk	500
2024	Ice cream and frozen desserts	500
2026	Fluid milk	500
2032	Canned specialties	1,000
2033	Canned fruits, vegetables, preserves, jams, and jellies	500
2034	Dried and dehydrated fruits, vegetables, and soup mixes	500
2037	Frozen fruits, fruit juices, and vegetables	500
2038	Frozen specialties	500
2041	Flour and other grain mill products	500
2043	Cereal breakfast foods	1,000
2045	Blended and prepared flour	500
2046	Wet corn milling	750
2047	Dog, cat and other pet foods	500
2052	Cookies and crackers	750
2062	Cane sugar refining	750
2063	Beet sugar	750
2066	Chocolate and cocoa products	500
2067	Chewing gum	500
2075	Soybean oil mills	500
2076	Vegetable oil mills, except corn, cottonseed and soybean	1,000
2079	Shortening, table oils, margarine and other edible fats and oils, n.e.c	750
2082	Malt beverages	500
2085	Distilled, rectified and blended liquors	750
2087	Flavoring extracts and flavoring sirups, n.e.c	500
20991	Desserts (ready to mix)	500
20994	Baking powder and yeast	500
	MAJOR GROUP 21—TOBACCO MANUFACTURES	
2111	Cigarettes	1,000
2121	Cigars	500
2131	Tobacco (chewing and smoking) and snuff	500
2141	Tobacco stemming and redrying	500
	MAJOR GROUP 22—TEXTILE MILL PRODUCTS	
2211	Broad-woven fabric mills, cotton	1,000
2221	Broad-woven fabric mills, manmade fiber and silk	500
2261	Finishers of broad-woven fabrics of cotton	500
2262	Finishers of broad-woven fabrics of manmade fiber and silk	500
2271	Woven carpets and rugs	750
2272	Tufted carpets and rugs	500
2279	Carpets and rugs, n.e.c	500
2281	Yarn spinning mills: cotton, manmade fibers and silk	500
2284	Thread mills	500
2296	Tire cord and fabric	1,000
	MAJOR GROUP 23—APPAREL AND OTHER FINISHED PRODUCTS MADE FROM FABRICS AND SIMILAR MATERIALS	
2321	Men's, youths', and boys' shirts (except work shirts) and nightwear	500
	MAJOR GROUP 25—FURNITURE AND FIXTURES	
2522	Metal office furniture	500
	MAJOR GROUP 26—PAPER AND ALLIED PRODUCTS	
2611	Pulp mills	750
2621	Paper mills, except building paper mills	750
2631	Paperboard mills	750
2641	Paper coating and glazing	500
2643	Bags, except textile bags	500

Census classification code	Industry or class of products	Employment size standard (number of employees)[1]
2646	Pressed and molded pulp goods	750
2647	Sanitary paper products	500
2648	Stationery, tablets and related products	500
2649	Converted paper and paperboard products, n.e.c	500
2654	Sanitary food containers	750
2661	Building paper and building board mills	750
	MAJOR GROUP 28—CHEMICALS AND ALLIED PRODUCTS	
2812	Alkalies and chlorine	1,000
2813	Industrial gases	1,000
2816	Inorganic pigments	1,000
2819	Industrial inorganic chemicals, n.e.c	1,000
2821	Plastic materials, synthetic resins and nonvulcanizable elastomers	750
2822	Synthetic rubber (vulcanizable elastomers)	1,000
2823	Cellulosic manmade fibers	1,000
2824	Synthetic organic fibers, except cellulosic	1,000
2834	Pharmaceutical preparations	750
2841	Soap and other detergents, except specialty cleaners	750
2842	Specialty cleaning, polishing, and sanitation preparations	500
2844	Perfumes, cosmetics, and other toilet preparations	500
2861	Gum and wood chemicals	500
2865	Cyclic (coal tar) crudes, and cyclic intermediates, dyes, and organic pigments (lakes and toners)	750
28651	Cyclic (coal tar) crudes	500
2869	Industrial organic chemicals, n.e.c	1,000
2873	Nitrogenous fertilizers	1,000
2874	Phosphatic fertilizers	500
2875	Fertilizers, mixing only	500
2879	Pesticides and agricultural chemicals, n.e.c	500
2892	Explosives	750
2895	Carbon black	500
28992	Fatty acids	500
	MAJOR GROUP 29—PETROLEUM REFINING AND RELATED PRODUCTS	
2911	Petroleum refining[2]	1,500
2952	Asphalt felts and coatings	750
2992	Lubricating oils and greases	500
	MAJOR GROUP 30—RUBBER AND MISCELLANEOUS PLASTICS PRODUCTS	
3011	Tires and innertubes	1,000
3021	Rubber and plastics footwear	1,000
3031	Reclaimed rubber	750
3041	Rubber and plastics hose and belting	500
3069	Fabricated rubber products, n.e.c.	500
	MAJOR GROUP 31—LEATHER AND LEATHER PRODUCTS	
3143	Men's footwear, except athletic	500
3144	Women's footwear, except athletic	500
3149	Footwear, except rubber, n.e.c	500
	MAJOR GROUP 32—STONE, GLASS AND CONCRETE PRODUCTS	
3211	Flat glass	1,000
3221	Glass containers	750
3229	Pressed and blown glass and glasswear, n.e.c	750
3241	Cement, hydraulic	750
3253	Ceramic wall and floor tile	500
3261	Vitreous china plumbing fixtures and china and earthenware fittings and bathroom accessories	500
3262	Vitreous china table and kitchen articles	500
3263	Fine earthenware (whiteware) table and kitchen articles	500
3264	Porcelain electrical supplies	500
3274	Lime	500
3275	Gypsum products	1,000
3292	Asbestos products	750
3293	Gaskets, packing and sealing devices	500
3296	Mineral wool	750
3297	Nonclay refractories	750
	MAJOR GROUP 33—PRIMARY METAL INDUSTRIES	
3312	Blast furnaces (including coke ovens), steel works and rolling mills	1,000
3313	Electrometallurgical products	750
3315	Steel wire drawing and steel nails and spikes	1,000
3316	Cold rolled steel sheet, strip and bars	1,000
3317	Steel pipe and tubes	1,000
3321	Gray iron foundries	500
3322	Malleable iron foundries	500
3324	Steel investment foundries	500
3325	Steel foundries, n.e.c	500
3331	Primary smelting and refining of copper	1,000
3332	Primary smelting and refining of lead	1,000
3333	Primary smelting and refining of zinc	750
3334	Primary production of aluminum	1,000
3339	Primary smelting and refining of nonferrous metals, n.e.c	750
3351	Rolling, drawing and extruding of copper	750
3353	Aluminum sheet, plate and foil	750
3354	Aluminum extruded products	750
3355	Aluminum rolling and drawing, n.e.c	750
3356	Rolling, drawing and extruding of nonferrous metals, except copper and aluminum	750
3357	Drawing and insulating of nonferrous wire	1,000
3398	Metal heat treating	750
3399	Primary metal products, n.e.c	750
	MAJOR GROUP 34—FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND TRANSPORTATION EQUIPMENT	
3411	Metal cans	1,000
3412	Metal shipping barrels, drums, kegs and pails	500
3421	Cutlery	
3431	Enameled iron and metal sanitary ware	750
3432	Plumbing fixture fittings and trim (brass goods)	500
3433	Heating equipment, except electric and warm air furnaces	500
3452	Bolts, nuts, screws, rivets and washers	500
3462	Metal forging and stamping	500
3482	Small arms ammunition	1,000
3483	Ammunition, except for small arms, n.e.c	1,000
3484	Small arms	1,000
3493	Steel springs, except wire	500
3494	Valves and pipe fittings, except plumbers' brass goods	500
3497	Metal foil and leaf	500
3499	Fabricated metal products, n.e.c	500
	MAJOR GROUP 35—MACHINERY, EXCEPT ELECTRICAL	
3511	Steam, gas, and hydraulic turbines and turbine generator set units	1,000
3519	Internal combustion engines, n.e.c	1,000
3523	Farm machinery and equipment	500
3524	Garden tractors and lawn and garden equipment	500
3531	Construction machinery and equipment	750
3532	Mining machinery and equipment, except oil field machinery and equipment	500
3533	Oil field machinery and equipment	500
3534	Elevators and moving stairways	500
3536	Hoists, industrial cranes, and monorail systems	500
3537	Industrial trucks, tractors, trailers and stackers	750
3541	Machine tools, metal cutting types	500
3542	Machine tools, metal forming types	500
3545	Precision measuring tools	500
3546	Power-driven hand tools	500
3547	Rolling mill machinery and equipment	500
3540	Metalworking machinery, n.e.c	500
3555	Printing trades machinery and equipment	500
3561	Pumps and pumping equipment	500
3562	Ball and roller bearings	750
3563	Air and gas compressors	500
3566	Speed changers, industrial-high-speed drives and gears	500
3568	Mechanical power transmission equipment, n.e.c	500
3572	Typewriters	1,000
3573	Electronic computing equipment	1,000
3574	Calculating and accounting machines, except electronic computing equipment	1,000
3579	Office machines, n.e.c	500
3585	Air-conditioning and warm-air heating equipment and commercial and industrial refrigeration equipment	750
3586	Measuring and dispensing pumps	500
	MAJOR GROUP 36—ELECTRICAL AND ELECTRONIC MACHINERY, EQUIPMENT AND SUPPLIES	
3612	Power, distribution and specialty transformers	750
3613	Switchgear and switchboard apparatus	750
3621	Motors and generators	1,000
3622	Industrial controls	750
3624	Carbon and graphite products	750
3629	Electrical industrial apparatus, n.e.c	500
3631	Household cooking equipment	750
3632	Household refrigerators and home and farm freezers	1,000
3633	Household laundry equipment	1,000
3634	Electric housewares and fans	750
3635	Household vacuum cleaners	750
3636	Sewing machines	750
3639	Household appliances, n.e.c	500
3641	Electric lamps	1,000
3643	Current-carrying wiring devices	500

Census classification code	Industry or class of products	Employment size standard (number of employees)[1]
3644	Noncurrent-carrying wiring devices	500
3651	Radio and television receiving sets, except communication types	750
3652	Phonograph records and prerecorded magnetic tape	750
3661	Telephone and telegraph apparatus	1,000
3662	Radio and television transmitting, signaling and detection equipment and apparatus	750
3671	Radio and television receiving-type electron tubes, except cathode ray	1,000
3672	Cathode ray television picture tubes	750
3673	Transmitting, industrial and special purpose electron tubes	750
3674	Semiconductors and related devices	500
3675	Electronic capacitors	500
3676	Resistors for electronic applications	500
3677	Electronic coils, transformers and other inductors	500
3678	Connectors, for electronic applications	500
3679	Electronic components, n.e.c.	500
3691	Storage batteries	500
3692	Primary batteries, dry and wet	1,000
3693	Radiographic X-ray, fluoroscopic X-ray, therapeutic X-ray, and other X-ray apparatus and tubes; electromedical and electrotherapeutic apparatus	500
3694	Electrical equipment for internal combustion engines	750
3699	Electrical machinery, equipment and supplies, n.e.c.	500
	MAJOR GROUP 37—TRANSPORTATION EQUIPMENT	
3711	Motor vehicle and passenger car bodies	1,000
3714	Motor vehicle parts and accessories	500
3715	Truck trailers	500
3721	Aircraft[3]	1,500
3724	Aircraft engines and engine parts	1,000
3728	Aircraft parts and auxiliary equipment, n.e.c.	1,000
3731	Shipbuilding and repairing	1,000
3743	Railroad equipment	750
3751	Motorcycles, bicycles and parts	500
3764	Guided missile and space vehicle propulsion units and propulsion unit parts	1,000
2769	Guided missile and space vehicle parts and auxiliary equipment, n.e.c.	1,000
3795	Tanks and tank components	1,000
	MAJOR GROUP 38—MEASURING, ANALYZING AND CONTROLLING INSTRUMENTS, PHOTOGRAPHIC, MEDICAL AND OPTICAL GOODS; CLOCKS AND WATCHES	
3811	Engineering, laboratory, scientific and research instruments and associated equipment	500
3822	Automatic controls for regulating residential and commercial environments and appliances	500
3823	Industrial instruments for measurement, display and control of process variables and related products	500
3824	Totalizing fluid meters and counting devices	500
3825	Instruments for measuring and testing of electricity and electrical signals	500
3829	Measuring and controlling devices, n.e.c.	500
3861	Photographic equipment and supplies	500
3873	Watches, clocks, clockwork operated devices, and parts	500
	MAJOR GROUP 39—MISCELLANEOUS MANUFACTURING INDUSTRIES	
3914	Silverware, plated ware and stainless steel ware	500
3951	Pens, mechanical pencils and parts	500
3996	Linoleum, asphalted-felt-base, and other hard surface floor coverings, n.e.c.	750
39993	Matches	500

[1] The "number of employees" means the average employment of any concern and its affiliates based on the number of persons employed during the pay period ending nearest the last day of the third month in each calendar quarter for the preceding four quarters.

[2] Together with its affiliates, does not employ more than 1,500 persons and does not have more than 50,000 barrels per day crude oil or bona fide feedstock capacity from owned and/or leased facilities or from facilities made available to such concerns under an arrangement such as, but not limited to, an exchange agreement (except one on a refined-product-for-a-refined-product basis) or a throughput or other form of processing agreement with the same effect as though such facilities had been leased.

[3] Includes maintenance as defined in the Federal Aviation Regulations (14 CFR 1.1) but excludes contracts solely for preventive maintenance as defined in 14 CFR 1.1. As defined in the Federal Aviation Regulations, "Maintenance means inspection, overhaul, repair, preservation, and the replacement of parts but excludes preventive maintenance. 'Preventive maintenance' means simple or minor preservation operations and the replacement of small standard parts not involving complex assembly operations."

[Rev. 13, 39 FR 44424, Dec. 24, 1974, as amended by Amdt. 6, 40 FR 50519 Oct. 30. 1975]

SCHEDULE B—INDUSTRY EMPLOYMENT SIZE STANDARDS FOR THE PURPOSE OF GOVERNMENT PROCUREMENT (MANUFACTURING)

Census classification code	Industry or class of products	Employment size standard (number of employees)[1]
	MAJOR GROUP 20—FOOD AND KINDRED PRODUCTS	
2032	Canned specialties	1,000
2043	Cereal breakfast foods	1,000
2046	Wet corn milling	750
2052	Cookies and crackers	750
2062	Cane sugar refining	750
2063	Beet sugar	750
2070	Vegetable oil mills, except corn, cottonseed and soybean	1,000
2079	Shortening, table oils, margarine and—other edible fats and oils, n.e.c.	750
2085	Distilled, rectified, and blended liquors	750
	MAJOR GROUP 21—TOBACCO MANUFACTURES	
2111	Cigarettes	1,000
	MAJOR GROUP 22—TEXTILE MILL PRODUCTS	
2211	Broad-woven fabric mills, cotton	1,000
2261	Finishers of broad-woven fabrics of cotton	1,000
2271	Woven carpets and rugs	750
2295	Fabrics, not rubberized	1,000
2296	Tire cord and fabric	1,000
	MAJOR GROUP 26—PAPER AND ALLIED PRODUCTS	
2611	Pulpmills	750
2621	Papermills, except building papermills	750
2631	Paperboard mills	750
2646	Pressed and molded pulp goods	750
2654	Sanitary food containers	750
2661	Building paper and building board mills	750
	MAJOR GROUP 28—CHEMICALS AND ALLIED PRODUCTS	
2812	Alkalies and chlorine	1,000
2813	Industrial gases	1,000
2816	Inorganic pigments	1,000
2819	Industrial inorganic chemicals, n.e.c.	1,000
2821	Plastics materials, synthetic resins, and nonvulcanizable elastomers	750
2822	Synthetic rubber (vulcanizable elastomers)	1,000
2823	Cellulosic manmade fibers	1,000
2824	Synthetic organic fibers, except cellulosic	1,000
2833	Medicinal chemicals and botanical products	750
2834	Pharmaceutical preparations	750
2841	Soap and other detergents, except specialty cleaners	750
2865	Cyclic (coal tar) crudes, and cyclic intermediates, dyes, and organic pigment (lakes and toners)	750
2869	Industrial organic chemicals, n.e.c	1,000
2873	Nitrogenous fertilizers	1,000
2892	Explosives	750
	MAJOR GROUP 29—PETROLEUM REFINING AND RELATED INDUSTRIES[3]	
2952	Asphalt felts and coatings	750
	MAJOR GROUP 30—RUBBER AND MISCELLANEOUS PLASTIC PRODUCTS	
3011	Tires and innertubes	1,000
30111	Passenger car and motorcycle pneumatic tires (casings)[4]	
30112	Truck and bus (and off-the-road) pneumatic tires[4]	
3021	Rubber and plastics footwear	1,000
3031	Reclaimed rubber	750
	MAJOR GROUP 32—STONE, CLAY, GLASS, AND CONCRETE PRODUCTS	
3211	Flat glass	1,000
3221	Glass containers	750
3229	Pressed and blown glass and glassware, n.e.c.	750
3241	Cement, hydraulic	750
3261	Vitreous china plumbing fixtures and china and earthenware fittings and bathroom accessories	750
3275	Gypsum products	1,000
3292	Asbestos products	750
3296	Mineral wool	750
3297	Nonclay refractories	750
	MAJOR GROUP 33—PRIMARY METAL INDUSTRIES	
3312	Blast furnaces (including coke ovens), steel works, and rolling mills	1,000

Census classification code	Industry or class of products	Employment size standard (number of employees)[1]
3313	Electrometallurgical products	750
3315	Steel wire drawing and steel nails and spikes	1,000
3316	Cold-rolled sheet, strip and bars	1,000
3317	Steel pipe and tubes	1,000
3331	Primary smelting and refining of copper	1,000
3332	Primary smelting and refining of lead	1,000
3333	Primary smelting and refining of zinc	750
3334	Primary production of aluminum	1,000
3339	Primary smelting and refining of nonferrous metals, n.e.c.	750
3351	Rolling, drawing, and extruding of copper	750
3353	Aluminum sheet, plate, and foil	750
3354	Aluminum extruded products	750
3355	Aluminum rolling and drawing, n.e.c.	750
3356	Rolling, drawing, and extruding of nonferrous metals, except copper and aluminum	750
3357	Drawing and insulating of nonferrous wire	1,000
3398	Metal heat treating	750
3399	Primary metal products, n.e.c.	750
	MAJOR GROUP 34—FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND TRANSPORTATION EQUIPMENT	
3411	Metal cans	1,000
3431	Enameled iron and metal sanitary ware	750
3482	Small arms ammunition	1,000
3483	Ammunition, except for small arms, n.e.c.	1,500
3484	Small arms	1,000
	MAJOR GROUP 35—MACHINERY, EXCEPT ELECTRICAL	
3511	Steam, gas, and hydraulic turbines and turbine-generator set units	1,000
3519	Internal combustion engines, n.e.c	1,000
3531	Construction machinery and equipment	750
3537	Industrial trucks, tractors, trailers and stackers	750
3562	Ball and roller bearings	750
3572	Typewriters	1,000
3573	Electronic computing equipment	1,000
3574	Calculating and accounting machines, except electronic computing equipment	1,000
3585	Air conditioning and warm air heating equipment and commercial and industrial refrigeration equipment	750
	MAJOR GROUP 36—ELECTRICAL AND ELECTRONIC MACHINERY, EQUIPMENT, AND SUPPLIES	
3612	Power, distribution, and specialty transformers	750
3613	Switchgear and switchboard apparatus	750
3621	Motors and generators	1,000
3622	Industrial controls	750
3624	Carbon and graphite products	750
3631	Household cooking equipment	750
3632	Household refrigerators and home and farm freezers	1,000
3633	Household laundry equipment	1,000
3634	Electric housewares and fans	750
3635	Household vacuum cleaners	750
3636	Sewing machines	750
3641	Electric lamps	750
3651	Radio and television receiving sets, except communication types	750
3652	Phonograph records and prerecorded magnetic tapes	750
3661	Telephone and telegraph apparatus	1,000
3662	Radio and television transmitting, signaling, and detection equipment, and apparatus	750
3671	Radio and television receiving type electron tubes, except cathode ray	1,000
3672	Cathode ray television picture tubes	750
3673	Transmitting, industrial, and special purpose electron tubes	750
3692	Primary batteries, dry and wet	1,000
3694	Electrical equipment for internal combustion engines	750
	MAJOR GROUP 37—TRANSPORTATION EQUIPMENT	
3711	Motor vehicles and passenger car bodies	1,000
37111	Passenger cars (knocked down or assembled)[4]	
3721	Aircraft[5]	1,500
3724	Aircraft engines and engine parts[6]	1,000
3728	Aircraft parts and auxiliary equipment, n.e.c.	1,000
3731	Shipbuilding and repairing	1,000
3743	Railroad equipment	1,000
3761	Guided missiles and space vehicles	1,000
3764	Guided missiles and space vehicle propulsion units and propulsion unit parts	1,000
3769	Guided missile and space vehicle parts and auxiliary equipment, n.e.c.	1,000
3795	Tanks and tank components	1,000
	MAJOR GROUP 39—MISCELLANEOUS MANUFACTURING INDUSTRIES	
3996	Linoleum, asphalted-felt-base, and other hard surface floor coverings, n.e.c.	750

[1] The "number of employees" means the average employment of any concern and its affiliates based on the number of persons employed during the pay period ending nearest the last day of the third month in each calendar quarter for the preceding four quarters.

[2] [Reserved]

[3] The size standard for SIC 2911 is set forth in § 121.3-8(g).

[4] The size standards for SIC 30111, 30112, and 37111 are set forth in §§ 121.3-8(b)(4) and 121.3-8(b)(5), respectively, of this part.

[5] Guided missile engines and engine parts are classified in SIC 3764 and 3724. Missile control systems are classified in SIC 3662.

[6] Includes maintenance as defined in the Federal Aviation Regulations (14 CFR 1.1) but excludes contracts solely for preventive maintenance as defined in 14 CFR 1.1. As defined in the Federal Aviation Regulations: "Maintenance" means inspection, overhaul, repair, preservation, and the replacement of parts, but excludes preventive maintenance. "Preventive maintenance" means simple or minor preservation operations and the replacement of small standard parts not involving complex assembly operations.

[Rev. 13, 39 FR 44424, Dec. 24, 1974, as amended by Amdt. 8, 41 FR 4013, Jan. 28, 1976]

SCHEDULE C—ANNUAL RECEIPTS SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN WHOLESALING

(The following size standards are to be used when determining the size status of wholesaling concerns for the purpose of SBA business loans, displaced business loans, economic opportunity loans, and as alternate standards for Sections 501 and 502 loans and SBIC assistance. Where a code is followed by a letter, the size standard applies only to the class of product designated.)

Industry or subindustry code	Industry, subindustry, or class of products	Annual receipts size standard (maximum, in millions)
	MAJOR GROUP 50—WHOLESALE TRADE—DURABLE GOODS	
5012	Automobile and motor vehicles	$22.0
5014	Tires and tubes	22.0
5023(a)	Home furnishings, floor coverings	14.5
5039	Construction materials, N.E.C	14.5
5041	Sporting and recreational goods and supplies	14.5
5042	Toys and hobby goods and supplies	14.5
5051(a)	Metals service centers	14.5
5051(b)	Metals sales offices	22.0
5052(a)	Coal	14.5
5063	Electrical apparatus and equipment, wiring supplies, and construction material	22.0
5064	Electrical appliance, television, and radio sets	14.5
5081	Commercial machines and equipment	22.0
5082	Construction and mining machinery and equipment	14.5
5083	Farm and garden machinery and equipment	22.0
5084	Industrial machinery and equipment	14.5
5085	Industrial supplies	14.5
	MAJOR GROUP 51—WHOLESALE TRADE—NONDURABLE GOODS	
5111	Printing and writing paper	$14.5
5113	Industrial and personal service paper	22.0
5122	Drugs, drug proprietaries and druggists' sundries	14.5
5133	Piece goods (woven fabrics)	14.5
5134	Notions and other dry goods	14.5
5139	Footwear	14.5
5141	Groceries, general line	22.0
5142	Frozen foods	22.0
5143	Dairy products	14.5
5147	Meats and meat products	14.5
5149	Groceries and related products, N.E.C	14.5
5152	Cotton	22.0
5153	Grain	14.5
5154	Livestock	14.5
5161	Chemicals and allied products	22.0
5171	Petroleum bulk stations and terminals	22.0
5172	Petroleum and petroleum products wholesalers, except bulk stations and terminals	22.0
5182	Wines and distilled alcoholic beverages	22.0
5194	Tobacco and tobacco products	14.5
5198	Paints, varnishes, and supplies	22.0

[Rev. 13, Amdt. 5, 40 FR 32826, Aug. 5, 1975]

SCHEDULE D—ANNUAL RECEIPTS SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN RETAILING

(The following size standards are to be used when determining the size status of retailing concerns for the purpose of SBA loans, displaced business loans, economic opportunity loans, and as alternate standards for section 501 and 502 loans and SBIC assistance. Where a code is followed by a letter, the size standard applies only to the class of product designated.)

Industry or sub-industry code	Industry, sub-industry, or class of products	Annual receipts size standard (maximum, in millions)
	MAJOR GROUP 52—BUILDING MATERIALS, HARDWARE, GARDEN SUPPLY, AND MOBILE HOME DEALERS	
5271	Mobile home dealers	$3.5
	MAJOR GROUP 53—GENERAL MERCHANDISE STORES	
5311	Department stores	$7.5
5331	Variety stores	3.0
	MAJOR GROUP 54—FOOD STORES	
5411	Grocery stores	$7.5
5423(a)	Meat markets (a part of meat and fish (seafood) markets)	7.5
	MAJOR GROUP 55—AUTOMOTIVE DEALERS AND GASOLINE SERVICE STATIONS	
5511	Motor vehicle dealers (new and used)	$6.5
5521	Motor vehicle dealers (used only)	6.5
5599(a)	Aircraft (a part of automotive dealers, n.e.c.)	5.0
	MAJOR GROUP 56—APPAREL AND ACCESSORY STORES	
5611	Men's and boys' clothing and furnishings stores	$2.5
5621	Women's ready-to-wear stores	2.5
5651	Family clothing stores	2.5
5661	Shoe stores	2.5
	MAJOR GROUP 57—FURNITURE, HOME FURNISHINGS, AND EQUIPMENT STORES	
5722	Household appliance stores	$2.5
5732	Radio and television stores	2.5
	MAJOR GROUP 59—MISCELLANEOUS RETAIL	
5961	Mail order houses	$7.5

[Rev. 13, Amdt. 5, 40 FR 32826, Aug. 5, 1975]

SCHEDULE E—GOVERNMENT-OWNED TIMBER RESALE STANDARDS FOR SPECIFIC GEOGRAPHICAL AREAS

Area from which timber is cut	Percentage of timber purchased that may be sold to other than small business
Alaska	50 percent

SCHEDULE F—EMPLOYMENT SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN MINING AND MINING SERVICES

(The following size standards are to be used when determining the size status of mining and mining services concerns for the purpose of SBA business loans, displaced business loans, economic opportunity loans, and as alternate standards for Sections 501 and 502 loans and small business investment company assistance.)

Census classification code	Industry or class of products	Employment size standard (number of employees)[1]
1111	Anthracite	250
1112	Anthracite mining services	250
1211	Bituminous coal and lignite	500
1213	Bituminous coal and lignite mining services	250

SCHEDULE G—PETROLEUM ADMINISTRATION FOR DEFENSE (PAD) DISTRICTS AS UTILIZED BY THE DEFENSE FUEL SUPPLY CENTER IN THE PROCUREMENT OF REFINED PETROLEUM PRODUCTS

PAD Districts and States included in PAD Districts:

1. Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Maryland, Delaware, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida.

2. North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Michigan, Indiana, Ohio, Kentucky, and Tennessee.

3. New Mexico, Texas, Arkansas, Louisiana, Mississippi, and Alabama.

4. Montana, Idaho, Wyoming, Utah, and Colorado.

5. Alaska, Hawaii, Washington, Oregon, Nevada, California, and Arizona.

Industry or sub-industry code	Industry, sub-industry, or class of products	Annual sales size standard (maximum, in millions)
1711	Plumbing, heating (except electric), and air-conditioning	$2
1721	Painting, paperhanging, and decorating	1
1731	Electrical work	2
1741	Masonry, stone setting, and other stonework	1

SCHEDULE H—ANNUAL RECEIPTS SIZE STANDARDS FOR PURPOSE OF BIDDING ON PROCUREMENTS FOR CONSTRUCTION—SPECIAL TRADE CONTRACTORS

Census classification code	Industry, sub-industry, or class of products	Average (3 yr) annual receipts size standard (maximum, in millions)
	MAJOR GROUP 17—CONSTRUCTION—SPECIAL TRADE CONTRACTORS	
1711	Plumbing, heating (except electric), and air-conditioning	$5
1721	Painting, paperhanging, and decorating	5
1731	Electrical work	5
1741	Masonry, stone setting, and other stonework	5
1742	Plastering, drywall, acoustical and insulation work	5
1743	Terrazzo, tile, marble, and mosaic work	5
1751	Carpentering and flooring	5
1752	Floor laying and other floorwork, not elsewhere classified	5
1761	Roofing and sheet metal work	5
1771	Concrete work	$5
1781	Water well drilling	5
1791	Structural steel erection	5
1793	Glass and glazing work	5
1794	Excavating and foundation work	5
1795	Wrecking and demolition work	5
1796	Installation or erection of building equipment, not elsewhere classified	5
1799	Special trade contractors, not elsewhere classified	5

[Rev. 13, Amdt. 7, 40 FR 51033, Nov. 3, 1975]

SCHEDULE I—ANNUAL RECEIPTS SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN CONSTRUCTION—SPECIAL TRADE CONTRACTORS

Industry or sub-industry code	Industry, sub-industry, or class of products	Annual sales size standard (maximum, in millions)
1711	Plumbing, heating (except electric), and air-conditioning	$5
1721	Painting, paperhanging, and decorating	5
1731	Electrical work	5
1741	Masonry, stone setting, and other stonework	5
1742	Plastering, drywall, acoustical, and insulating work	5
1743	Terrazzo, tile, marble, and mosaic work	5
1751	Carpentering and flooring	5
1752	Floor laying and other floorwork, not elsewhere classified	5
1761	Roofing and sheet metal work	5
1771	Concrete work	5
1781	Water well drilling	5
1791	Structural steel erection	5
1793	Glass and glazing work	5
1794	Excavating and foundation work	5
1795	Wrecking and demolition work	5
1796	Installation or erection of building equipment, not elsewhere classified	5
1709	Special trade contractors, not elsewhere classified	5

Mr. BARTLETT. Mr. President, my amendment would leave the size standards of the Small Business Administration as they are, and would prevent any additional confusion being added to the determination of who is eligible for SBA assistance and how such eligibility is to be determined.

Mr. President, it is my understanding that this amendment is acceptable; and if it is, I will be glad to yield back the remainder of my time.

Mr. NELSON. Mr. President, we have looked at the amendment proposed by the distinguished Senator from Oklahoma and are satisfied with it and the explanation the Senator from Oklahoma has given.

I am prepared to accept the amendment, and I yield back the remainder of my time.

Mr. BARTLETT. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BARTLETT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3266

(Purpose: To restate the Small Business Economic Policy)

Mr. BARTLETT. Mr. President, I call up for consideration, under the regular order, my amendment No. 3266 to H.R. 11445 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes an amendment numbered 3266.

Mr. BARTLETT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 58, line 4, strike part B in its entirety and insert in lieu thereof the following:

PART B—DECLARATION OF SMALL BUSINESS ECONOMIC POLICY

SEC. 321. (a) For the purpose of preserving and promoting a free, competitive enterprise economic system, Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practical means consistent with its needs and obligations and other essential considerations of national policy, and to take such actions as are necessary, to implement and coordinate all Federal department, agency, and instrumentality policies, programs, and activities in order to foster the economic interests of small businesses; insure a competitive economic climate conducive to the development, growth, and expansion of small businesses; establish incentives to assure that adequate capital and other resources at competitive prices are available to small businesses; reduce the concentration of economic resources and expand competition; and, provide an opportunity for entrepreneurship, inventiveness, and the creation and growth of small businesses.

(b) Congress further declares that the Federal Government is committed to a policy of utilizing all reasonable means, consistent with the Nation's overall economic policy goals and the preservation of its competitive free enterprise system, to establish private sector incentives that will help assure that adequate capital at competitive prices is available to small businesses. To fulfill this policy, departments, agencies, and instrumentalities of the Federal Government shall use all reasonable means, through the Small Business Policy Coordinating Board established in part E of this title, to coordinate, create, and sustain, policies and programs which promote investment in small businesses, including those investments which expand employment opportunities and which foster the effective and efficient use of human and natural resources in the economy of the Nation.

The PRESIDING OFFICER. There are 30 minutes on this amendment, to be equally divided.

Mr. BARTLETT. Mr. President, I ask unanimous consent that certain corrections be made in this amendment, errors that were made in printing, such as the wrong position of words and certain commas being removed and other changes of that nature.

The PRESIDING OFFICER. The Senator has the right to modify his amendment, and the Chair asks the Senator to please send the modification to the desk.

Mr. BARTLETT. I send the modification of the amendment to the desk.

The modifications, I say to the distinguished Senator from Wisconsin, are just technical in nature—grammatical and corrections of printing. That is all it amounts to.

The modified amendment is as follows:

Beginning on page 58, line 4, strike part B in its entirety and insert in lieu thereof the following:

PART B—DECLARATION OF SMALL BUSINESS ECONOMIC POLICY

SEC. 321. (a) For the purpose of preserving and promoting a competitive free, enterprise economic system, Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practical means consistent with its needs and obligations and other essential considerations of national policy, and to take such actions as are necessary, to implement and coordinate all Federal department, agency, and instrumentality policies, programs, and activities in order to: foster the economic interests of small businesses; insure a competitive economic climate conducive to the development, growth, and expansion of small businesses; establish incentives to assure that adequate capital and other resources at competitive prices are available to small businesses; reduce the concentration of economic resources and expand competition; and provide an opportunity for entrepreneurship, inventiveness, and the creation and growth of small businesses.

(b) Congress further declares that the Federal Government is committed to a policy of utilizing all reasonable means, consistent with the Nation's overall economic policy goals and the preservation of its competitive free enterprise system, to establish private sector incentives that will help assure that adequate capital at competitive prices is available to small businesses. To fulfill this policy, departments, agencies, and instrumentalities of the Federal Government shall use all reasonable means, through the Small Business Policy Coordinating Board established in part E of this title, to coordinate, create and sustain policies and programs which promote investment in small businesses, including those investments which expand employment opportunities and which foster the effective and efficient use of human and natural resources in the economy of the Nation.

Mr. President, it is my understanding that the distinguished Senator from Wisconsin is willing to accept this amendment; and if so, I will not make any further statement and will yield back the remainder of my time.

Mr. NELSON. Mr. President, we have looked at the amendment of the distinguished Senator from Oklahoma. We are prepared to accept the amendment.

I yield back the remainder of my time.

Mr. BARTLETT. I yield back the remainder of my time.

Mr. NELSON. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Oklahoma.

The amendment, as modified, was agreed to.

Mr. BARTLETT. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. NELSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3284

(Purpose: To establish the executive schedule level of the Small Business Administrator and of other officials)

Mr. BARTLETT. Mr. President, I call up my amendment numbered 3284 to H.R. 11445 which is at the desk and ask that it be considered under the regular order and that the clerk report.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes amendment numbered 3284.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 67, line 22, strike part F in its entirety and insert in lieu thereof the following:

PART F—SMALL BUSINESS ADMINISTRATION EXECUTIVE LEVEL COMPENSATION

SEC. 361. (a) Section 5313 of title 5, United States Code, is amended by adding the following new paragraph:

"(24) Administrator, Small Business Administration.".

(b) Section 5314 of title 5, United States Code, is amended by adding the following new paragraph:

"(67) Deputy Administrator, Small Business Administration.".

(c) Section 5315 of title 5, United States Code, is amended by adding the following new paragraph:

"(122) Chief Counsel for Advocacy and Economic Research and Analysis, Small Business Administration.".

(d) Section 536(11) of title 5, United States Code, is amended by striking out "(4)" and inserting in lieu thereof "(6)".

SEC. 362. (a) Section 5314 of title 5, United States Code, is amended by striking out paragraph (13).

(b) Section 5315 of title 5, United States Code, is amended by striking out paragraph (86).

The PRESIDING OFFICER. The Chair will inquire of the Senator from Oklahoma if this is a 1-hour amendment?

Mr. BARTLETT. No. This would be under the regular order and this would

be a 30-minute amendment, 15 minutes on either side.

The PRESIDING OFFICER. The Chair thanks the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, at the present time, the Administrator of the Small Business Administration is an executive level 3 official, with an annual salary of $52,500; the Deputy Administrator of the Small Business Administration is an executive level 4 official, with an annual salary of $50,000; and the Chief Counsel for Advocacy and Economic Research and Analysis is a GS-18, Step 1 official, with an annual salary of $47,500.

H.R. 11445 promotes the first two of these officials 2 executive levels and in the case of the Chief Counsel, 3 executive levels. This would make the Administrator of the Small Business Administration equivalent in his compensation level to the Secretary of State, Secretary of the Treasury, and the other Cabinet members. At the present time there is only one position at executive level 1 which is not held by a Cabinet member, that is the position of Special Representative for Trade Negotiations held by Mr. Strauss.

The Deputy Administrator of the Small Business Administration would be made equivalent to the Secretary of the Air Force, the Chairman of the Board of the Governors of the Federal Reserve System, the Director of the Central Intelligence Agency, and to the heads of various other major agencies. The Chief Counsel for Advocacy would be made equivalent to Deputy Secretaries and General Counsels of major departments and to heads of minor agencies.

Mr. President, I believe that H.R. 11445 as it is written has gone too far in its desire to increase the status and visibility of the Small Business Administration. My amendment is quite simple; it would promote each of the above-mentioned officials to one executive level below that which is contained in H.R. 11445. This would mean that the Administrator of the SBA would be an executive level 2 official, which is that level generally held by heads of major agencies and Deputy Secretaries of major departments. The Deputy Administrator of the SBA would become an executive level 3 official, which is that level generally held by Deputy Secretaries of departments and heads of minor agencies. The Chief Counsel for Advocacy of the SBA would become, under my amendment, an executive level 4 official, which is generally the level held by general counsels of departments.

I point out to my colleagues that neither the administration nor the SBA desires the elevation in organizational position that is represented in H.R. 11445. Let me quote from a letter to Senator NELSON from the Office of Management and Budget concerning this provision. It says that:

> While we can appreciate your committee's interest in elevating the organizational status of an agency which represents the interests of small business, we are not prepared to endorse such a move. We do not believe that SBA's current statutory authorities or the scope of its programs are sufficient to warrant such a designation.

Despite the fact that I am one of small business' staunchest advocates in the Congress, I find that I must agree with that evaluation. I do not believe that the Small Business Administration or its programs can justify Cabinet level equivalency.

Mr. President, I can understand and sympathize with the desires of some Members to increase the level of visibility of the Small Business Administration and to insure that the SBA Administrator is able to approach the major departments on an equal basis. However, given the nature of the Cabinet departments and the existing programs of the SBA, I believe that my proposal is a much more realistic and appropriate one than is contained in H.R. 11445.

In fact, it strikes me that promoting the Small Business Administrator to an executive level 1 could be self-defeating, in the sense that with increased visibility within the Federal Government often comes increased bureaucracy. What the small business people of this country need is not more Government bureaucracy but rather a Congress more sensitive to their needs with regard to tax and inflation policy, as well as less Government regulation which restricts competition and the growth of businesses generally.

I doubt whether there is a Member of Congress with more faith in what the innovative entrepreneurial, small business men and women of this country can accomplish if permitted to do so than myself. Again, I do not believe that by merely elevating the Small Business Administration executives to the top rungs of the executive schedule that small businessmen will be helped in any material way. The vitality and strength of America's small business sector is organic; it is not something derived from Government or Government bureaucrats.

Mr. President, I think it is obvious that it would not be prudent for Congress to raise the Administrator of the Small Business Administration to a level of compensation equal to that of his Cabinet officer. If the President wants a Cabinet officer to be created, he would make that request and would appoint a person to a Cabinet-level office and would make the request for compensation.

But this proposal I think goes too far. So I have proposed my amendment to change it slightly, and it is my understanding that this amendment is acceptable.

I am prepared to yield back the remainder of my time.

Mr. NELSON. Mr. President, the amendment proposed by the distinguished Senator from Oklahoma is acceptable.

I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. BARTLETT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BARTLETT. Mr. President, I had submitted for printing amendment numbered 3260. It is my understanding that the distinguished floor manager of the bill, the distinguished Senator from Wisconsin, has an amendment to offer that covers this area, and for that reason I will not bring up my amendment.

I might say very briefly, if the Senator will permit, that I do support his amendment, and I think that his amendment will satisfactorily handle the problem that I saw and for which I had prepared an amendment.

Mr. NELSON. I thank the distinguished Senator from Oklahoma. He expressed some concern about the creation of the President's Council on Small Business and Competition. The amendment I am offering would simply authorize the President to designate a Special Assistant to the President for Small Business within the White House office of the Executive Office of the President. The amendment is a substitute for the provision in the bill which would create the Council.

UP AMENDMENT NO. 1563

(Purpose: To authorize the President to designate a Special Assistant to the President for Small Business)

Mr. NELSON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes unprinted amendment numbered 1563.

Mr. NELSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 61, strike all from line 17 through line 18 on page 65, and insert in lieu thereof the following:

"SEC. 341. The President is authorized to designate a Special Assistant to the President for Small Business who shall serve in the White House Office of the Executive Office of the President and who shall perform the following duties:

(1) assist and advise the President in the preparation of the Report on Small Business and Competition;

(2) gather and publish timely and authoritative information, in cooperation and coordination with the Administrator of the Small Business Administration, concerning the position of small business in the economy and economic developments and economic trends, both current and prospective, which do or may affect small business and competition; to analyze and interpret such information in the light of the policy declared in part B of this title for the purpose of determining whether such developments or trends are interfering or are likely to interfere with the achievement of such policy objectives; and to compile and submit to the President and Congress studies relating to such developments and trends;

(3) appraise the various programs and activities of the Federal Government, as they affect small business and competition in the

light of the policy declared in part B of this title, for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policy, and to make recommendations to the President with respect thereto;

(4) determine and evaluate the availability of capital, labor, management, and technical resources to small business; to determine and evaluate emerging trends in the availability of such resources to small business; to assess Federal Government policies and programs and other economic circumstances which affect small businesses in order to determine their impact on the availability and cost of capital and other resources for small business; and to make recommendations to the President with respect thereto;

(5) develop and recommend to the President national economic policies to foster and promote small business and competition and to maintain and increase the strength of small business in each economic sector; and

(6) make and furnish such studies, reports, and recommendations with respect to matters of Federal Government economic policy and legislation which affect small business and competition as the President or Congress may request.".

Mr. NELSON. Mr. President, this amendment would not require the President to appoint a special assistant. However, it does authorize him to designate a Special Assistant for Small Business who shall serve in the White House Office of the Executive Office of the President and perform certain duties.

All of us who have been concerned over the years about the small business community have been concerned that the 14 million small businesses have some mechanism for access to the ear of the President when important matters are considered, whether they involve tax policy or any other policy. This would authorize the appointment of a special assistant who will perform that function and who will be an individual to whom the small business community can go when they are concerned about proposals to be made by the President which have important impact upon the small business community. Of course we are hopeful that the President will see fit to appoint such a special assistant, as it is a vitally important function.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. BARTLETT. Mr. President, I yield back the remainder of our time on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

Mr. BARTLETT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NELSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BARTLETT addressed the Chair.

Mr. NELSON. Mr. President, is the distinguished Senator now preparing to bring up the amendment respecting OSHA?

Mr. BARTLETT. Yes; I am.

Mr. NELSON. I wonder if the Senator would mind if we had a brief quorum call? The distinguished chairman of the Human Resources Committee and some others, I understand, desire to be present during the course of the consideration of the amendment to be proposed.

Mr. BARTLETT. Yes; that would be fine.

Mr. NELSON. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be charged equally to both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. CLARK). Without objection, it is so ordered.

UP AMENDMENT NO. 1564

(Purpose: Small Business exemption from OSHA)

Mr. BARTLETT. Mr. President, I send to the desk an unprinted amendment and ask that it be reported and considered under the special order which, as I understand, will permit 30 minutes on each side, or a total of 1 hour of debate.

The PRESIDING OFFICER (Mr. CLARK). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BARTLETT) proposes an unprinted amendment numbered 1564:

On page 35, add the following new sections to title 1, part B, after sec. 117:

SMALL BUSINESS EXEMPTION FROM OSHA

Mr. BARTLETT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, add the following new sections to Title I, Part B, after Sec. 117:

SMALL BUSINESS EXEMPTION FROM OSHA

SEC. 118. U.S.C. 29 § 652(5) is amended to read:

"(5) The term "employer" means a person engaged in a business affecting commerce who has employees, but does not include the following:

(a) the United States or any State or political subdivision of a State;

(b) any person that has no more than ten (10) full-time employees, and does not have an occupational injury/illness incidence rate exceeding seven (7) per hundred (100) full-time employees based upon the annual Bureau of Labor Statistics survey of two-digit Standard Industrial Classification Code industries.

(c) the failure by the Secretary to provide the annual information necessary for the application of subsection (b) shall cause the exemptions provided thereunder to apply to all persons with no more than ten (10) full-time employees. The application of this subsection will continue until the Secretary publishes the required information."

SEC. 119. U.S.C. 29 § 673(a) is amended by substituting the following new subsection (a):

"(a) In order to further the purposes of this chapter,

(1) The Secretary in consultation with the Secretary of Health, Education, and Welfare, shall develop and maintain an effective program of collection, compilation, and analysis of occupational safety and health statistics. Such program may cover all employments whether or not subject to any other provisions of this chapter but shall not cover employments excluded by section 653 of this title. The Secretary shall compile accurate statistics on work injuries and illnesses which shall include all disabling, serious, or significant injuries and illnesses, whether or not involving loss of time from work, other than minor injuries requiring only first aid treatment and which do not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job. *Provided further*, That the Secretary shall publish annually in the Federal Register the occupational injury/illness incidence rate for the ten (10)-or-fewer-employees size segment of all Major Groups identified by their two-digit Standard Industrial Classification Code number.

(2) The annual publication of occupational injury/illness incidence rates shall be published on or before December 31 of the calendar year immediately following the year from which they were derived, and shall apply only during the calendar year immediately following publication.

The PRESIDING OFFICER. The time on this amendment is limited to 1 hour, to be equally divided between the proposer of the amendment and the manager of the bill, with 15 minutes on any debatable motion, appeal, or point of order, if such is submitted.

Mr. BARTLETT. Mr. President, I asked unanimous consent to dispense with the reading of the amendment because it has been circulated to the interested parties on the floor.

I ask unanimous consent that the name of the Senator from Nebraska (Mr. CURTIS) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, the amendment before us is simple but significant. It provides that small businesses which employ 10 or less people shall be exempt from coverage under the Occupational Safety and Health Act. At the same time, it recognizes that certain small businesses, primarily in the mining, manufacturing, construction and petrochemical industries engage in activities which have a history of high occupational injury/illness incidence rate and are considered hazardous by many. Therefore the amendment specifies that those in the category of 10 or fewer employees which have an occupational injury/illness incidence rate of 7 or more per 100 full-time workers based upon the annual Bureau of Labor Statistics survey for two-digit Standard Industrial Classification (SIC) code industries shall remain subject to the provisions of the act.

I would point out that nine rather than seven is considered by OSHA as the breakover point for high risk business categories. So this is written in a very conservative way, that does recognize that there are a number of business classifications which are hazardous, and that the provisions of OSHA and the responsibility that OSHA has would not be interfered with in any way by the hazardous nature of the business.

So that small businesses will be properly apprised of their status, my amendment also directs the Secretary of HEW, along with the director of OSHA, to publish annually in the Federal Register the

occupational injury/illness incidence rate for the 10-or-fewer-employees size segment of all major groups identified by their two-digit SIC code number. Size segment in this context refers to the various categories of businesses based upon the number of people employed. For example, in a study prepared by the Congressional Research Service, statistics on injury/illness incidence rates were listed by major industry groupings for businesses with 25 or fewer employees, 15 or fewer employees, 10 or fewer employees, and so on, down to businesses which have only 1 employee.

My amendment further provides that if the Secretary fails to publish the necessary information within the prescribed time limits, all small businesses in the 10-or-fewer employees category, regardless of injury/illness incidence rate, would be exempted from OSHA until such time as the Secretary does in fact publish the pertinent information. This is merely done to force the Secretary or to pressure the Secretary to publish these rates on time.

Mr. President, in the last 2 years, Congress, the administration and OSHA itself have made changes in OSHA policy in response to the public outcry against its enforcement practices. The major criticisms were that citations were frequently issued for inconsequential violations of OSHA standards that had little relevance to safety or health, and that inspections were too heavily focused on small businesses.

Also, there was the concern about the provisions of OSHA that require penalties if there are violations. No discretion is given to those who are responsible for the inspection.

This change in policy manifested itself in amendments to the fiscal years 1978 and 1979 Department of Labor/Health, Education and Welfare appropriations bills eliminating OSHA penalties for nonserious first-instance violations of OSHA standards, if the total number of violations cited number 9 or fewer. Small farms that employ 10 or fewer workers have been exempted from the act. And small businesses with 10 or fewer employees are now exempt from the record-keeping requirements of OSHA.

When Dr. Eula Bingham assumed control over the Occupational Safety and Health Administration she announced her intention to redirect enforcement priorities. She said that 95 percent of OSHA's inspection resources would be devoted to those industries with the most serious safety and health problems, such as construction, manufacturing, transportation, and petrochemicals. No more than 5 percent would be devoted to such areas as wholesale and retail trade, finance, or the service industries.

This policy has lessened the likelihood of a small business inspection by OSHA. It also has defused the criticism by small businessmen that they were being unfairly singled out for inspection. My amendment simply insures the continuation of this constructive policy and provides that Congress take a position on this, to extend the policies of Dr. Eula Bingham in the future, after administrations and OSHA leadership have changed.

Mr. President, the current pace of inflation makes it increasingly difficult for small businesses to compete effectively in the marketplace. Excessive Government regulation exacerbates their problems.

Since its inception, OSHA alone has issued nearly 200,000 paragraphs and subparagraphs of rules and regulations. Although last December Dr. Bingham proposed the elimination of 1,100 standards, and instructed inspectors to refrain from issuing citations and penalties for violation of those standards, this amounts to little less than a one-half of 1 percent reduction in the list of OSHA demands.

Small businesses simply cannot keep up with the burdens imposed upon them by Government regulation. Compliance with the multitude and complex set of occupational and safety regulations increases significantly the costs incurred by them. And it is the small businesses which my amendment primarily is designed to help, those in the lower end of the distribution ladder, who are less able to pass on cost increases to their customers.

Mr. President, according to the Bureau of Labor Statistics, the list of small businesses that would benefit from my amendment employ less than 15 percent of the total number of people working. The injury/illness rate for this group is less than 3 per 100 full-time workers. When you subtract from this list those small businesses with injury/illness rates above 7 per 100 full-time workers, the number of overall businesses affected by my amendment is reduced substantially.

My intention here is only to provide relief to those small businesses which are burdened most by the plethora of OSHA regulations, but which have compiled the best records so far as occupational health and safety are concerned. The proviso to my amendment assures employees whose work has proven to be hazardous in the past that they will continue to receive the necessary support in their effort to keep the workplace reasonably safe.

The approach I have suggested is a positive one. It provides incentive for those small business establishments that border on the line of exemption to improve their record of safety. But it penalizes those employers who are careless with the health and safety of their workers.

The result will be better and safer working conditions for employees and less Government interference for those employers who are most deserving. I welcome and encourage the support of my colleagues.

Mr. President, I ask unanimous consent that Senator HAYAKAWA be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, as the distinguished Senator from Oklahoma is aware, I have historically shared his concern about the way in which the original OSHA law was enforced, including the method of inspections. I also share his concern about the large number of rules and regulations that were adopted a few years ago which filled volume after volume with regulations which were practically impossible for anyone to follow, let alone any small business establishment.

I was concerned enough that I joined the distinguished Senator from Oklahoma and a majority of the Senate in establishing an exemption that applied to agriculture which, as I recall it, amounted to 10 employees or 10 manyears. That was based upon some of the activities and proposed activities involving OSHA. I did vote for that exemption.

I also supported at one time an adoption of the exemption of businesses employing three persons, recognizing at the time the proposal was made that it was a kind of broad-brush approach because some small industries are very hazardous. There are many hazardous activities, for example, in the fields of logging, chemicals, and manufacturing, which employ 10 employees or less, and there ought to be inspections and standards established to protect the employees in those businesses.

Since Congress voted for an exemption for agricultural businesses, and, in fact, voted for an exemption of businesses employing three employees, which did not become law, I believe, because President Nixon vetoed the legislation (my memory is not clear on it), some changes have occurred; a reduction in the number of regulations, a simplification of the regulations, and a change in the inspections of small and large businesses, with emphasis placed on hazardous industries without regard to size rather than just equal emphasis on all industries regardless of what the hazard might be.

Having watched this process particularly in the past year, my own view is, that OSHA has done an excellent job of responding, as the agency should have done far sooner, to the problems that were being created by the bureaucracy, problems that were objected to by practically everybody who followed what OSHA was doing. I think they have made tremendous progress. They are doing a good job.

I believe the establishment of a 10-employee exemption would be inappropriate at this time.

I must say to the distinguished Senator from Oklahoma that I am constrained to oppose his amendment.

Mr. President, there are several points to be made about the amendment which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the information ordered to be printed in the RECORD follows:

THE BARTLETT AMENDMENT

1. A major high-risk industry—manufacturing—would be included in the exemption. Manufacturing firms employing fewer than 10 employees have a rate of 6.4 injury/illnesses per 100 workers.

2. Firms employing 10 or fewer persons would be exempted from OSHA, yet the Secretary of Labor is required to publish the injury/illness rates for those firms. If they are exempted, they are not required to report worker injuries and illnesses; therefore, how can this information be obtained? This is a Catch-22 situation.

With respect to recordkeeping and statistical reporting under OSHA, establishments with 10 or fewer employees are now excused unless they are prenotified that they will be in the statistical sample in the coming year. Of about 3.5 million of these small establishments, about 65,000 will be notified before the end of 1978 that they are to keep minimum records in 1979 and report early in 1980. This permits having statistics to follow developments in what have been, in the past, low rate industries. Complete exemption from the act would prevent this surveillance.

3. Even if the above problems were resolved, gathering these statistics by two-digit Standard Industrial Classification code numbers makes it impossible to pinpoint the more hazardous industries. Two-digit classifications are major groups and too general and broad to pinpoint high-risk industries that might have high illness and injury rates.

Exemption of establishments in 2-digit Standard Industrial Classifications with low incidence rates could exempt establishments in higher-risk 3 or 4-digit industries. This would occur when a 2-digit classification included one higher-risk 4-digit industry and enough very low-rate 4-digit industries to bring the average down. For example, the 2-digit group "Real Estate" had a rate of 6.6 and included the 3-digit "Operative Builders" with a rate of 12.8. The 2-digit average was brought down by a large 3-digit "Agents, brokers, and Managers" with a rate of 3.3.

4. The injury/illness frequency rate published by BLS often will not include data reflecting certain occupational diseases where there is a lengthy latency period, e.g. asbestosis. Thus any rate chosen for purposes of establishing a coverage break will necessarily reflect this deficiency, with the result being an erroneous (low) actual rate.

ESTIMATES[1] OF EMPLOYEES AND ESTABLISHMENTS COVERED BY THE OCCUPATIONAL SAFETY AND HEALTH ACT

Employment size, Categories	Establishments covered (nearest 1,000)		Employees covered (nearest 1,000)	
	Number	Percentage	Number	Percentage
3 or less	2,390,000	53	3,911,000	6
4 or less	2,751,000	61	5,215,000	8
5 or less	2,977,000	66	6,519,000	10
6 or less	3,067,000	68	7,823,000	12
7 or less	3,292,000	73	9,126,000	14
8 or less	3,383,000	75	9,778,000	15
9 or less	3,518,000	78	10,430,000	16
10 or less	3,608,000	80	11,734,000	18
11 or less	3,699,000	82	12,385,000	19
12 or less	3,743,000	83	13,038,000	20
13 or less	3,788,000	84	14,342,000	22
14 or less	3,834,000	85	14,993,000	23
15 or less	3,879,000	86	15,645,000	24
20 or less	4,014,000	89	18,253,000	28
25 or less	4,059,000	90	19,557,000	30
50 or less	4,330,000	96	28,031,000	43
100 or less	4,420,000	98	35,202,000	54
Over 100	90,000	2	29,987,000	46
Total	4,510,000	100	65,189,000	10

[1] Based on the 1974 County Business Patterns, U.S. Department of Commerce and Special Tabulations of July 1975 Quarterly Agricultural Labor Survey, Statistical Reporting Service, U.S. Department of Agriculture.

IMPROVEMENTS IN OSHA

During the past 18 months, OSHA has taken a number of significant steps to reduce the burdens small employers have encountered under OSHA. These steps include:

1. Redirection of enforcement efforts to high risk industries. As a result of OSHA's new priorities, 80 percent of small businesses can count on their likelihood of being inspected dropping by nearly two-thirds—from 1 in 500 to 1 in 1300. These are the businesses in the lower risk industries.

2. Exemption of employers with 10 or fewer employees from OSHA recordkeeping requirements.

3. An increase in the Federal share of on-site consultation costs from 50 to 90 percent, thereby encouraging more states to participate in the consultation program (which specifically calls upon states to focus upon small businesses).

Mr. NELSON. Mr. President, I yield the floor.

Mr. BARTLETT. I yield to the distinguished Senator from Idaho if he would like to speak on this amendment. I yield 5 minutes or such time as he may require.

Mr. CHURCH. I thank the Senator.

Mr. President, I have long felt that the most serious defect in the OSHA Act was the attempt to regulate conditions of safety in every American business, regardless of the type of business, the size, or the presence of hazards in the nature of the business.

When Congress originally passed the OSHA Act, insufficient consideration was given to the inability of any Federal agency to undertake a task of such magnitude, and do it fairly. The result is to be found in the maze of regulations and the chaotic enforcement history of the act. It has been quite impossible to hire enough to even begin to reach all American businesses.

The actual inspections have been spotty; enforcement action has frequently been arbitrary, and I know of no law intended for so salutary a purpose that has caused so much distemper, disgruntlement, and dismay as OSHA.

Mr. President, Congress has sought for years to rectify its original mistake. If we could get the OSHA Act back on the floor of the Senate, we might be able to repair it by confining its application to work of a hazardous nature, which was clearly what Congress had in mind at the time of its original enactment. But we cannot get the act back on the floor.

Years have passed. The only opportunity we have had to try and limit the application of the law, such as excluding our farmers, who never should have been under it in the first place, or attempting to exclude those mom-and-pop stores, which also should never have been included within the act, is the annual effort to restrict appropriations.

This is an awkward way to proceed, but we succeeded on one occasion at least to eliminate, through a restriction placed upon the appropriation measure, the enforcement of the act as it related to farmers who hire 10 or fewer employees each year.

Our efforts to accord similar treatment to small business have, thus far, largely failed. Why? Well, because we have heretofore been unable to agree upon how large an exemption to carve out. We have reached no consensus upon what should constitute small business for this purpose.

I can recall voting some years ago for an exemption of mom-and-pop stores employing three or fewer employees. I also voted to exempt small businesses of five employees. But, in light of the action taken 2 years ago in exempting farmers who hired 10 or fewer employees, a benchmark has been established. I see no reason why we should not use this benchmark again, by extending the same treatment to small business that we have already extended to the family farmer.

I commend the distinguished Senator from Oklahoma for having drafted his amendment in this fashion. I also commend him for excluding even small businesses of a hazardous nature where, by virtue of the work performed—be it manufacturing or construction—risks are entailed that might, arguably, perhaps, still call for Federal regulation, though the businesses themselves are very small.

The Senator's case is well expressed in the letter he has circulated. I find his arguments irrebuttable. The Senate would be well advised to adopt this amendment.

I ask the Senator if my name might be added as a cosponsor.

Mr. BARTLETT. Yes.

Mr. President, I ask unanimous consent that the distinguished senior Senator from Idaho be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I want to make a very brief comment.

I joined the distinguished Senators from Idaho and Oklahoma in voting for an exemption of employers of five or less for small business, and I also voted for three or less some years ago. I think the important point to make here is that there has been a very significant reorganization of the way in which the inspections have been conducted in the classification of hazardous industries. And, whereas it may be so, after a year and some oversight, that consideration of further exemptions ought to be made, I think it is premature to make that judgment now.

I think the administration and Eula Bingham, who administers the program, are entitled to another year before we

give consideration to any further modifications.

I might point out that some of these exemptions would involve very hazardous businesses that are within an industrial category that is exempt because the average of the category is below the statistical figure offered in the amendment by the distinguished Senator from Oklahoma.

I conclude by saying that, based upon OSHA's recent efforts, any changes are premature for consideration at this time.

Did the distinguished Senator from New York wish to make a comment?

Mr. JAVITS. Yes.

Mr. NELSON. I yield 5 minutes to the distinguished senior Senator from New York.

Mr. JAVITS. Mr. President, I thank my colleague and I thank Senator WILLIAMS, who is the chairman of our committee, for yielding.

Mr. President, I am moved to say by what I have heard: O mom and pop stores, O farmers, what is committed in thy name? I do not think moms and pops like to see blood on the floor any more than owners of big businesses, nor do farmers. Farming happens to be one of the most hazardous occupations in this country. So, to invoke them, Mr. President, on a matter of this kind, which deals with what we will do with the bodies of our workers is a pretty tough business for me to swallow.

Mr. President, Senator WILLIAMS and I, as the chairman and ranking member of the Human Resources Committee, have always felt duty bound to oppose these arbitrary efforts to leave out people when it has absolutely nothing to do with the purpose of the law: to wit, to save the bodies and lives of workers.

It is the same when they work for General Motors or when they work for an employer with 10 or less employees. It hurts just as much and is just as difficult for the family in either case.

What are we trying to enforce? Safety standards, which have been neglected for years. Not only safety standards which deal with immediate injuries—a broken finger or broken arm—but safety standards which deal with the worker's health. We are beginning to find out that industrial diseases develop over a long time, that there are such things as black lung and white lung and brown lung which destroy whole lives. We have a Federal compensation program for black lung which takes hundreds of millions of dollars a year because so many lives have been destroyed by working in coal mines.

Mr. President, it is very interesting to me that equally conservative gentlemen who looked into this issue from the point of view of the worker—which is the main point of view and the reason for OSHA—came to very different conclusions from what my colleagues from Oklahoma and Idaho have come to. Here is a 1977 report submitted by the Committee on Small Business of the House of Representatives, in which the findings include the following, at page 47:

> Further exemptions under the Act by size of business would be contrary to the purpose of the Act and are not in the interest of small business.

Now, Mr. President, how many people are involved in this matter? Eleven million workers in 80 percent of the total establishments of the United States which employ less than 10 workers. That is 18 percent of the workers of the country. Those are all bodies, Mr. President. They are not some abstract quantity.

We have cut out recordkeeping for these people, we have eliminated farmers who employ less than 10. Now our colleague comes along and says, "I want to go one step farther; I want to eliminate workers with a good track record, those who have an injury incidence rate of seven out of 100." Mind you, that is each year, not an accumulative total. I do not consider 7 percent every year to be nonhazardous, Mr. President.

There were some examples cited here of 2 percent or 3 percent in different service businesses. What the Senators want us to adopt is 7 percent.

Second, Mr. President, this is a very cleverly drawn amendment, but it has not taken me in and I do not think it will the membership of the Senate. It says if the figures are not available, then every employer is exempt who has 10 or less employees in that category of business, which will take out 80 percent of all businesses.

Why do I say that it is very clever? Because there are no figures now. We, ourselves, in the appropriations bill, exempted these employers of 10 or less from keeping records. So we are going to have to install a new system, which will take at least a year or two, in order to find out whether the employer has this kind of an accident incidence rate. In the meantime, they are all exempt

Mr. President, it seems to me this is a very callous way for us to proceed. I can understand it if we look at it through the wrong end of the telescope, which is the way those who favor this amendment seem to look at it, to wit, these are small employers and we do not want them bothered with OSHA regulations. But, it is my duty as a U.S. Senator, and I have as much small business in my State as anybody in this Chamber, probably more, to look at it from the point of view of the worker whose body is being wracked and tortured by the incidence of injury.

We have done our utmost to simplify recordkeeping, and recordkeeping has been eliminated for all practical purposes for these employers of under 10. We have now eliminated farmers by the Appropriations Act.

But, Mr. President, I cannot in conscience and morality agree with a proposition which will simply on a wholesale basis, eliminate these workers just because they happen to work for small business. That does not in any way change the danger and damage to them.

Yet this amendment is pressed now with what I consider to be very clever, but very easily ascertainable exemptions, which exempt them all, whether they have a good record or not, because there are no figures to substantiate the specific exemption the Senator wants to make. Therefore, he exempts them all, which in my judgment means a year or two.

Mr. BARTLETT. Will the Senator yield just on that point?

Mr. JAVITS. Yes.

Mr. BARTLETT. Mr. President, I thank the distinguished Senator from New York and I ask that the time of my remarks be charged to me.

I would say to the distinguished Senator, who has stated that the amendment has been prepared in a very crafty way to exempt all the businesses so that the exemption of the more hazardous businesses would not be affected, that is not correct.

This is from a report from OSHA, as follows:

> Congress defined, however, that funds may be used to require record keeping by small employers who have been prenotified of the inclusion in the annual survey.

The information is available on the computer at the present time and all that needs to be done is to have the computer reprogramed.

Also, I would point out that the department has published figures for 1976, on December 1, 1977, showing that they can prepare these figures in 11 months.

The purpose of requiring putting the pressure on the publication of these figures is so that they will be available and will be produced within 11 months, which is possible to do and which they have done.

So there is nothing crafty at all about the amendment. The amendment has an exemption which provides, I think, a very worthwhile incentive for a class of business to improve the safety and health record of that type business at no expense to the Federal Government, so that businesses can continue operating in a manner in which safety and health are given a very high priority.

I thank the distinguished Senator for giving me this opportunity to comment at this time.

Mr. JAVITS. It seems to me, Mr. President, what has been commented on exactly proves my point.

I am well aware of the fact that the regulations of OSHA deal with a small revolving sample of these firms. But that is not what the amendment says.

The amendment says, and I will read it:

> The failure by the Secretary to provide the annual information necessary for the application of subsection (b)—shall cause the exemptions provided thereunder to apply to all persons with no more than 10 full-time employees.

The Senator himself admits that the publication of figures which he now wants to stimulate by this amendment is 11 months away.

Finally, Mr. President, whose back is this coming out of, the employer, because of any money spent or time or trouble taken? No, it is coming right out of the back of the employee. It is his employer that will not be subject to the OSHA regulations and enabled to run any kind of shop he wants to. That is exactly why we passed the law, because we found that situation was untenable.

For all of those reasons, Mr. President, because we do not have the facts, and that is admitted, so everybody is going to be exempt who employs 10 or less. This amendment just assaults my conscience and I believe it should assault the conscience of the whole Senate.

Mr. CHURCH. Will the Senator yield me 3 minutes?

Mr. BARTLETT. Yes. But before that, I want to compliment the distinguished Senator from Idaho on his very well-thought out remarks which, obviously, show he has given this question and this problem a lot of thought and has given sufficient thought to it to provide the protection for the employees as well as protection for the employers.

Mr. CHURCH. I thank the Senator very much.

I rise again, Mr. President, because I have a conscience, too.

I must take exception to the remarks of the senior Senator from New York when he implies that I do not regard blood on the floor of a small business as every bit as bad as blood on the floor of a large business. Well, what about blood on the floor of the family kitchen?

Most of the accidents in this country occur in the home. If one were to use the logic employed by the Senator from New York, one would argue that it should be a Federal responsibility to establish safety regulations for every home in this country, the most hazardous places of all, and bring in Federal inspectors to assess fines against the homeowners, the parents if you please, for their failure to establish sufficiently safe living conditions for their children. There is a point, Mr. President, beyond which Government should not try to go.

Small businesses are usually family enterprises, the extension of the family into the marketplace. The fatal flaw in OSHA is its attempt to reach all of them, extending the area of Government into everybody's business, regardless of its size, and regardless of whether it is hazardous in character. That flaw cannot be corrected by amendments that lessen the reporting requirements on small businesses or prohibit an immediate fine upon the discovery of some violation of the regulations. That defect can be corrected only by limiting the scope of the law itself, so that it can be administered fairly and enforced fairly.

If the exemption made sense for the farmer, it makes sense for the small businessman. For years I have said we should take OSHA off the backs of the farmers and the small businessmen of this country. Here is an opportunity to do it.

You need not think that the courts are going to solve this problem for us. They have not and will not. You need not think that amendments relating to reporting requirements or limiting, in some way, the application of immediate fines, will take care of this problem. They will not, either.

OSHA reaches out too far. That is the reason why it has been the object of so much resistance and resentment throughout this country. The only way to cure that defect is to enact the amendment offered by the Senator from Oklahoma.

Mr. WILLIAMS. Mr. President, how much time remains?

The PRESIDING OFFICER. The proponents of the amendment have 9 minutes remaining, and the opponents of the amendment have 15 minutes remaining.

Mr. WILLIAMS. I yield myself 5 minutes in opposition to the amendment.

Mr. President, we in the Senate are all members of the Committee of Oversight on Occupational Safety and Health. We have become authorities and have spoken over the years to what we saw as the problems in the administration of what all agreed was the worthy objective of trying to maximize safe and healthful conditions for the working people of this country. As a result of the committee of the whole Senate in oversight on OSHA, many worthy things have happened, and this was noted by the Senator from Oklahoma.

Under the present administration of the act, the agency, its director, and the Secretary of Labor, following instructions of the President of the United States, have moved to simplify the implementation of that law in an effort to make requirements of employers under the law better understood. With this process there has been a clear direction to eliminate the frustrations and the aggravations that have gotten to all of us, as well as nitpicking enforcement. These problems have been attacked by a very sensitive and wise administration.

The new direction has been toward addressing major health, major safety problems, the big ones, and has been away from dwelling on the little and unnecessary areas that frustrated us all.

So we have been moving in the right direction, and the Senator from Oklahoma has noted this in his letter and in his discussion here this morning. It seems to me that it would be unwise at this time to bring, through legislation, greater confusion to the bureaucracy, when an earnest effort is being made to make this most worthy law work in the interest of the working people to whom it is directed.

So I oppose this action now, as did the Senator from Wisconsin, the manager of this bill. His record, of course, has been one of vigilance in oversight of the Occupational Safety and Health Act.

Mr. President, this unprinted, nongermane amendment would drastically alter the definition of "employer" in the Occupational Safety and Health Act, and would, with one stroke, deny the protections of that act to millions of workingmen and women.

The full definition was well described by the Senator from New York.

Mr. President, 80 percent or more than 3,600,000 business enterprises, which are currently covered by the Occupational Safety and Health Act employ 10 or fewer employees. These businesses employ more than 11,700,000 workers. Under the terms of the Bartlett amendment every one of these 11,700,000 working Americans could be denied the protections of the Occupational Safety and Health Act. They would be denied much more than the regular inspections for compliance with standards. This amendment would deny these employees the opportunity even to make a complaint.

Suppose an employer has a grain elevator in which there are nine employees, and that, under the double-digit standard industrial code this is an area that is considered low risk. The employer is not covered, and even in the event of a catastrophe the employees would have no recourse. Let us say nine are employed and eight are killed in an explosion. The one who remains could not even make a complaint for an inspection, under this amendment. OSHA could not even investigate this disaster.

To take those employees out from under any protection at all, I believe, would bring a very unfair and harsh result to millions upon millions of employees.

This drastic and extremist amendment radically alters the Occupational Safety and Health Act, without the benefit of a hearing, without the benefit of consideration by the committee of jurisdiction and without the benefit of testimony from those who would be affected.

Clearly, any such revision to our national commitment to the safety and health of workers deserves to be carefully considered by the Committee on Human Resources, the committee with jurisdiction over this program. Yet, no such proposal has ever been introduced in the form of a bill for appropriate congressional consideration.

Instead, the Senator from Oklahoma asks us to consider this drastic change in our national workplace safety and health program on the basis of a nongermane amendment to a totally unrelated bill—an amendment which has not even been printed and made available to the Senate.

The product of this haste is an ill-considered and ill-conceived proposal.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. WILLIAMS. I yield myself 5 additional minutes.

Mr. President, if the intention of the Senator from Oklahoma is to eliminate from the coverage of the Occupational Safety and Health Act small employers who maintain safe and healthful working conditions, this amendment fails to achieve that objective.

Instead, the Bartlett amendment will eliminate from coverage all small employers, both the safe and the unsafe, who are within generally low-risk industries. By the same token, this amendment would not exempt from coverage those small employers who have safe and healthful working conditions, if those employers are part of a generally high-risk industry.

In other words the Bartlett amendment throws out the baby with the bath water.

The Bartlett amendment relies solely on the injury/illness rate of employers in the broad two-digit standard industrial codes. These two-digit standard industrial codes (called SIC's) are extremely broad classifications. For example, a single two-digit SIC includes such hazardous operations as the milling of flour and other grains, and such seemingly innocuous operations as the baking of bread.

These are all lumped together under the broad category of a single two digit standard industrial code and it fails to reach the unsafe employer even though this is what the Senator from Oklahoma has described as his objective in the amendment.

Under this approach, the bad are

swept out with the good, and the good are kept in with the bad.

At the same time, this blanket exemption would continue to subject small employers to inspection under the Occupational Safety and Health Act, even if they operated safe and healthful workplaces, if their fellow businesmen in the same industry failed to meet similar high standards.

This amendment is, therefore, patently unfair to small businesses and shows the dangers which arise when we consider such amendments piecemeal, without the benefit of hearings and thoughtful committee deliberations. It says to the small employer in a highly hazardous industry that "your efforts to create a safe and healthful workplace will not enable you to get out from under the act's requirements."

At the same time, it encourages the law violator to continue his violations if all other employers in his industry manage to maintain safe workplaces.

Mr. President, while this amendment has not been considered by any committee of the Senate with jurisdiction, the question of the impact of OSHA on small business has been the subject of close scrutiny by the House Committee on Small Business. That committee's findings and conclusions were the subject of a report issued on October 26, 1977.

The contents of that report, and the recommendations are pertinent to this debate. And some of the findings of the report have been referred to by the Senator from New York, so I will not repeat all of that.

The House Committee on Small Business indicates that the solution offered by the Bartlett amendment was rejected by all of the leading spokesmen on this issue including every representative of small business who testified.

In discussing the question of exemptions for small businesses, it is interesting that the report of the House Small Business Committee states:

> Every business association representing small businessmen testified at hearings against expanding present exemptions • • •

If there is anything of importance to any segment of our economy they certainly know their way here to the Congress to let their viewpoint be known. If they supported this kind of exemption they would have been able to find the House Committee on Small Business.

The House of Representatives committee that did consider this matter has found and reported that small businessmen testified at hearings against expanding present exemptions.

The reasons, related by the committee's report included fears that such exemptions would disadvantage large employers, a belief that safety and health problems would arise at sites where both small and larger employers were in business, and charges that small firms were generally less safe.

The report says:

> In addition, each of these associations representing small businesses at the hearing expressed concern for the safety, health and welfare of employees of small businesses exempted from the act, generally supporting the equal right to these employees to protection under the act.

This point has been made by the Senator from New York. It should be reemphasized. An employee whose job is with an employer of 10 or less has absolutely every expectation that he will be treated equally under the law, and this exemption would remove those employees from the protections. Even the small business community has recognized this and testified to that effect.

We have gone far enough in exemptions. Now let us stay on the course we are on, and that is to insure that this OSHA Administration does continue its direction toward going after the serious problems of health and major problems of safety and continues its course of simplifying regulations so that there will be a greater probability of compliance with those regulations.

The report of the House Small Business Committee made the following findings with respect to the question of exemption from the Occupational Safety and Health Act for small businesses:

1. There are in existence unsafe, unhealthful, and even dangerous working conditions in some small businesses across the country;

2. Small businessmen themselves are many times exposed to hazards in the workplace, as are their employees, friends, and even members of their family, and are in need of protection from the act;

3. Further exemptions under the act by size of business would be contrary to the purpose of the act, and are not in the interest of small business.

4. Fewer small businesses are in high risk industries than large businesses;

5. The shift in priorities by OSHA toward more serious hazards in the workplace provides protection of the act to small businessmen and their employees, while at the same time alleviating burdens of the act from employers in low risk businesses;

6. The proposed shift in priorities by OSHA accomplishes for small business what exemptions under the act by size of business proposed to accomplish in a less constructive manner.

The Small Business Committee of the House did not recommend an exemption for small businesses, but rather, recommended that OSHA assign high priority to the shift in resources away from low-risk businesses toward higher risk businesses, and monitor its field operations to ascertain that such shift is actually taking place.

Mr. President, that is precisely what OSHA has been in the process of doing under the stewardship of Secretary of Labor Marshall and Assistant Secretary Bingham. OSHA now assigns 95 percent of its enforcement effort to high-risk industries. OSHA is now in the process of eliminating nit-picking standards which are not calculated to improve workplace health and safety. OSHA is now promulgating new standards which address only the most serious safety and health problems and it has encouraged the development of consultation services for small business enterprises to better enable them to understand and meet their obligations under the act.

Mr. President, this is the solution to the OSHA/small business "problem" which the House Committee on Small Business has recommended—not a blanket exemption from the Occupational Safety and Health Act.

This amendment is ill considered, ill-conceived, and ill-timed. It does not help small business nor does it address their problems. It is contrary to the desires of every representative of small business who testified before the House committee matter.

For all these reasons, I urge the Senate to reject the Bartlett amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WILLIAMS. I yield.

Mr. BARTLETT. Mr. President, I understand I have 9 minutes remaining, and I yield up to 8 minutes to the distinguished Senator from Wyoming.

Mr. WALLOP. Mr. President, I thank my colleague from Oklahoma.

Mr. President, I ask if I may be permitted to join him as a cosponsor of this amendment.

Mr. BARTLETT. I am very honored, and ask unanimous consent that the distinguished Senator from Wyoming be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I would like to say a few words in support of the amendment offered by the Senator from Oklahoma which would exempt from OSHA regulations any small business employing 10 or less full-time employees. It is my understanding that this amendment would not exempt those small businesses which come under the definition of hazardous occupations.

OSHA has made some great strides forward this year in working to eliminate past mistakes. It has been well recognized that overregulation can be detrimental to business and industry. Therefore OSHA has taken it upon itself to overturn a number of meaningless regulations and is beginning to concentrate on the important areas of industry which are in need of stronger safety and health standards. The Supreme Court also added another fly to OSHA's ointment by ruling that search warrants are needed by OSHA investigators before entering and inspecting a private business or industry for violations. All these modifications are helpful to correct the indiscretions that have occurred since OSHA's modest beginnings in 1970 with the adoption of the Occupational Safety and Health Act.

Today in the Senate, however, we can correct what is considered by many the greatest inequity of all. Small businesses employing 10 or less employees cannot cope with the mountains of OSHA rules and regulations. Removing them from this requirement would truly be a stimulus to small businesses throughout the country. With the adoption of this amendment we could finally begin to make some difference to those persons who have been greatly affected and burdened by OSHA for the past 8 years and least able to cope with the regulations. Small businesses are the backbone of this country and we, in the Federal Government have managed to limit their productivity and adversely affect their profits and losses while inundating them daily with meaningless forms and regulations.

As an opponent of overregulation by the Federal Government, I urge my col-

leagues to support the Senator from Oklahoma's amendment and I yield the floor.

Mr. President, I ask unanimous consent that a letter from Wilson S. Johnson, president of the National Federation of Independent Business, addressed to the Senator from Oklahoma, Senator BARTLETT, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FEDERATION
OF INDEPENDENT BUSINESS,
August 2, 1978.

Hon. DEWEY BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: The National Federation of Independent Business (NFIB), which represents over 530,000 small and independent member firms, fully supports your amendment to H.R. 11445, to provide an exemption from OSHA requirements and regulations for businesses classified under Bureau of Labor Statistics standards as low-risk industries, and which employ ten or fewer full time employees.

Small businesses desperately need this amendment. Small business owners are often easy targets for the inspectors in States, because they are not fully aware of or understand the regulations. They usually cannot afford to retain lawyers and safety consultants to plan a compliance program. Furthermore they do not have the resources or fortitude to contest a charge made by a monolithic federal agency. Finally, a fine imposed by OSHA has a much more serious impact on the balance sheet of a marginal small business than it does on a larger business which is better able to afford the assessment as a cost of business.

Your amendment would go a long way toward moderating these problems and yet preserve the OSHA mandate over all businesses which are regarded as serious risk workplaces by the Department of Labor. It is a proposal which are regarded as serious risk workplaces of the nation's small businesses. NFIB strongly urges the Senate to endorse this amendment. It is a common sense solution to a problem which has been out of hand for too long.

Yours very truly,
WILSON S. JOHNSON,
President.

Mr. WALLOP. Mr. President, the letter to Senator BARTLETT from Wilson S. Johnson of the NFIB is printed in the RECORD with the idea in mind that the NFIB strongly supports the amendment offered by the Senator from Oklahoma. In fact, there is a statement contained in the letter saying that "small businesses desperately need this amendment."

So it is not true that all trade associations and small business associations do not support this amendment. To the contrary, the largest of them does support it.

Mr. President, we are in the process of trying to codify existing administration, congressional, and OSHA policy. If the policy of excluding small businesses by OSHA now exists and if it is the policy of OSHA, why is it stated by the distinguished Senator from New York, the Senator from New Jersey, and others, that this amendment represents a threat to the American working man and the small business community?

Are they saying that the manner and means by which this policy is already administered is a failure, is failing, and is in fact representing a threat? Surely no one is accusing this administration of a lack of care and concern for the workers in the small business arena. To the contrary, Dr. Bingham and President Carter have recognized that there was a problem and they have moved to simplify it and to humanize the administration of OSHA.

But President Carter is a mortal and Dr. Bingham is a mortal, and so is anyone likely to succeed them a mortal, and mortals could change and they could go back to the harsh and inconsequential administration of OSHA that has occured in the past.

I am reminded of the advice once given to Ulysses, "Equinus ne crede"—put not your trust in a horse. I would just try to paraphrase that and say "bureaucratus ne crede"—put not your trust in a bureaucrat, because nothing pleases a bureaucrat more than to produce statistics and statistics frequently do not produce results in safety.

I would say that almost without exception it is in the interest of a bureaucrat to produce numbers of inspections, because these statistics show that they have been busy, regardless of whether or not safety in the American working place has been achieved.

The Senator from Idaho pointed out something which I think is true, that this would provide more safety not less in the American working place by freeing the inspection force that is available to OSHA to visit the places of business and inspect the working places that are most hazardous in this country. I see no violence in the amendment by the Senator from Oklahoma to this concept. Indeed, he selects out those businesses which do have a record of hazardous employment for a specific treatment under the act and specifies that they remain that way.

I also point out that inflation in America is at least in part caused by the nonproductive requirements of Government, that in which only cost and no benefit is achieved.

The Senator from New Jersey suggested that 11 million Americans would suddenly become uncovered from the protection of this law. I see absolutely nothing in here that would do that.

He said there had been no hearings. Yet the Senator from Idaho has suggested that we cannot get an OSHA act on the floor for consideration.

The Senator from New Jersey and the Senator from New York, Members have a long record of care and concern for the American workingman, nevertheless they refused to allow this to come to the floor, with the Senate having a chance to work its will and to take care of the problems that have existed in the country since the inception of the act.

It is unfair to small business, is the claim of the distinguished chairman of the Human Resources Committee. I wonder if small business in America can suddenly breathe a sigh of relief that at last that committee has the interests of small business at heart? Surely they would hope so. But what, I ask, is more conservative than the incentives that are built into the amendment of the Senator from Oklahoma to produce a safe working place and to exempt oneself from the heavy hand of bureaucracy?

The Senator from New York would have it believed and would have the Senate believe that anybody who supports the amendment of the Senator from Oklahoma is a crude, conscienceless, fang-developed human being who has no interest in the safety of the American workingman.

I ask you if that is a fair concept, and I ask you if that is not an overstatement of the facts.

He suggested that this was an arbitrary exemption. How is it arbitrary? Are they saying that Dr. Bingham's and President Carter's present administration of the act is arbitrary? I think not. Yet that is exactly what this attempts to do, to codify existing policy.

The Senator from New York distorted again when he talked about coal mines, being considered an occupation of safety. Coal mines would be covered if their record was in violation of the statistics required in this act. How can that be that these distortions come and we are accused somehow or other of having no conscience?

Then the Senator from New York says that we have done our utmost to take care of the problems created by the administration of OSHA in the past and in the present. Have we indeed done our utmost? Or is this amendment not one more step that would put into a commonsense perspective the administration of a law whose ideals were good but whose practice has been to the detriment of American working men and women all over the country?

If, as the Senator from New York says, there is no standard and it has been the practice, whom are we to blame?

I would ask one last rhetorical question: What hurts a worker more, a maximally safe job as described by this amendment or no job at all, because the business in which he works has been shut down by the inability to maintain their economic position in that workingplace?

So, my friend from Oklahoma, I offer the Senator my congratulations. I trust our amendment will be agreed to. I yield the floor back to the Senator.

The PRESIDING OFFICER (Mr. HODGES). The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, may I inquire of the Chair how much time does the Senator from Oklahoma have?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. BARTLETT. How much time does the other side have?

The PRESIDING OFFICER. The other side has 3 minutes remaining.

Mr. BARTLETT. Mr. President, I will withhold my 1 minute.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. BARTLETT. Mr. President, I would use my 1 minute. I ask unanimous consent that Senator BAKER and Senator DOLE be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. The only genuine argument that has been made against the amendment that I have noticed is that Dr. Bingham is moving in the right direction. We readily admit that. We compliment her and the administration for what they are doing.

But the point is, as the distinguished Senator from Wyoming said, that what we are doing here is codifying that movement in the right direction of the administration and OSHA policy, but we are also setting into the law the congressional position as well, which is not apparent at this time.

The amendment protects the worker in a small business of 10 or less by exempting from the amendment those workers who are engaged in dangerous occupations. In fact, we go beyond what is considered as the breaking point of 9 percent to a figure of 7 percent in order to be certain we are providing this protection to the worker. Then we are providing, we are codifying into law what is the policy of the administration, OSHA and, we hope, Congress.

● Mr. DOLE. Mr. President, the amendment offered by the distinguished Senator from Oklahoma (Mr. BARTLETT) is very much in line with the new attitude we have been hearing about from the Secretary of Labor and the OSHA Administrator, which indicates they will stop wasting time and resources in policing small businesses which are known to have the least number of hazards in their workplace.

Mr. President, the small businesses that would benefit from this amendment would be those primarily in the wholesale and retail trade, finance, insurance, real estate, and service industries. This work force represents less than 15 percent of the total number of people working, furthermore, these small businesses have an accident rate of less than three per 100 full-time workers.

GOOD INTENTIONS ARE NOT ENOUGH

While OSHA, in recent years, has attempted to shift priorities to more serious hazards, it appears this new attitude is not shared by all OSHA employees.

In the past 6 years of OSHA's existence (through July 1977), agency officers found 1,357,360 violations; of these 37,368 violations (2.8 percent) were serious, and 1,319,592 violations (97.2 percent) were nonserious.

It is clear Mr. President, that OSHA's compliance efforts continue to be almost totally devoted to the inspection, citation, and fining of non-serious matters.

FOCUS ON SERIOUS VIOLATIONS

Mr. President, the Occupational Safety and Health Act was passed nearly 8 years ago to control human death, injury, and illness in the workplace. I support this concept . . . very strongly. I believe OSHA has the potential of insuring that America's working places are as safe and as healthful as possible. However, I firmly believe we need to bring some commonsense into the implementation of this program. Very simply, OSHA needs to stop wasting time and money on nonserious violations and concentrate more on addressing and eliminating the most serious dangers to human life in high-risk workplaces.

Mr. President, I urge the adoption of this amendment.●

Mr. HEINZ. Mr. President, it came as some surprise to me to come across an editorial in Small Business Magazine, in the April–May 1978 edition, treating the subject of OSHA and its impact on small business. The rather unique finding of the investigation conducted by Small Business Magazine and the very interesting opinion of the editors of Small Business Magazine, in fact supports the proposition that OSHA has been no more onerous, indeed apparently not at all onerous, on small business.

Indeed, the editors of the magazine were unable to find even one instance of harassment of small business. They were unable to find even one instance of an insensitive Federal bureaucrat enforcing a ridiculous regulation. That is not to say it might not have occurred at some previous time.

Mr. President, because of the general interest there is in the Bartlett amendment, I ask unanimous consent for the full text of this editorial to be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COMMENT

Our treatment of the OSHA controversy map surprise some of you who are undoubtedly among the small business people who have nothing good to say about the agency. In fact, we were mildly surprised ourselves at what our OSHA research turned up (and what it failed to turn up). Admittedly, small business people have been cited for violations of some of OSHA's more absurd regulations and the arrogant manner in which some of the inspections were carried out only added insult to injury. When we set out to do a feature story on OSHA we expected to find all sorts of juicy examples of small businesses victimized by knee-jerk enforcement of petty rules. As far as we can tell, however, OSHA's actual impact on small business has been much less catastrophic than many people feared it would be. We were unable to come up with an example of a small business that had been forced to close its doors because of OSHA requirements and apparently we are not the only ones who have had difficulty documenting such complaints.

In 1976 Senator John Durkin (D-N.H.) conducted public hearings in Manchester in order to get small business people's reactions to OSHA. Several of the business owners at the hearing admitted that their anti-OSHA bias was based more on hearsay than on their own direct dealings with OSHA inspectors. And many of those whose businesses had been inspected, conceded that their fear of OSHA turned out to be premature. One man described his inspection as "no worse than going to the dentist." In fact, many witnesses added that the inspections of their plants and shops actually resulted in improved working conditions, fewer job-related accidents and some money-saving recommendations.

The closest thing to a complaint was the criticism that OSHA's book of safety regulations was too long, complex and open to interpretation. Some people also said that they thought the system of levying immediate fines for safety code violations was unfair and that warnings should be issued first.

Congressman Edward Pattison made a similar attempt to evaluate OSHA's adverse effects on small businesses. After receiving a number of complaints from his constituents, Pattison decided to sample the opinion of employers in his district by sending a questionnaire on OSHA to 2,000 of them. He noted that "the 17 percent response rate demonstrates the high degree of interest that employers have in OSHA." Many of those who responded included lengthy comments on their experiences with OSHA and constructive suggestions for improving the agency's effectiveness.

The results of the poll showed that business people were dissatisfied with the quality of OSHA standards, the "capricious" and inconsistent enforcement of the standards, the expense of compliance and a general feeling that OSHA is "out to hurt" and not help business people. Even so, it is interesting to note that when Pattison broke the answers down according to those who had been inspected and those who hadn't, the people who had already undergone an OSHA inspection had a significantly more favorable view of the agency and its regulations than those who had not dealt directly with an inspector.

What we've learned in preparing this issue made us think that your worries about being irreparably set back by an OSHA inspection are probably exaggerated. On the other hand, if your firsthand experience convinces you there's a side to OSHA that we've missed, please don't hesitate to set us straight. We welcome your comments.

Speaking of comments, we are very pleased with the large response to our feedback page in the December/January issue: *Tell Us Where It Hurts* . . . (Look for another one in our next issue!)

According to our responses, taxes and government regulation are hurting you and your fellow small business people the most. Energy costs, personnel problems and lack of business know-how were next in order. Many added comments and some decided to elaborate in a letter.

We decided to try the feedback card because we know your time is at a premium and we thought it would be a convenient way for you to let us know what you think. At the same time, we also welcome letters to the editor. So, if you do have an idea or problem that may be of interest to the rest of our readers, or if you want to comment on what you've read in the magazine, drop us a line. We'll be glad to publish your opinions and observations.

Mr. BARTLETT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. NELSON. Mr. President, I yield back the remainder of my time.

I move to lay the amendment on the table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is the Senator now seeking the yeas and nays on the motion to table?

Mr. BARTLETT. Mr. President, would the Senator withhold that until I can get the yeas and nays on an up and down vote?

The PRESIDING OFFICER. The Senator has the yeas and nays on an up and down vote. It was just ordered.

Now, the Senator makes a motion to table.

Mr. NELSON. I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin to lay on the table the amendment of the Senator from Oklahoma.

The yeas and nays were ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Florida (Mr. STONE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Florida (Mr. STONE), are Senator from Oregon (Mr. PACKWOOD) is necessarily absent.

The result was announced—yeas 42, nays 51, as follows:

[Rollcall Vote No. 274 Leg.]

YEAS—42

Bayh	Hathaway	Nelson
Brooke	Heinz	Pell
Burdick	Huddleston	Percy
Byrd, Robert C.	Humphrey	Proxmire
Case	Jackson	Ribicoff
Chafee	Javits	Riegle
Clark	Kennedy	Sarbanes
Cranston	Leahy	Schweiker
Culver	Magnuson	Stafford
Durkin	Mathias	Talmadge
Eagleton	Matsunaga	Williams
Ford	McGovern	
Glenn	Melcher	
Gravel	Metzenbaum	
Hatfield, Paul G.	Moynihan	
	Muskie	

NAYS—51

Allen	Garn	Nunn
Baker	Goldwater	Pearson
Bartlett	Griffin	Randolph
Bellmon	Hansen	Roth
Bentsen	Hart	Sasser
Biden	Hatch	Schmitt
Bumpers	Hatfield, Mark O.	Scott
Byrd, Harry F., Jr.	Hayakawa	Sparkman
Cannon	Helms	Stennis
Chiles	Hodges	Stevens
Church	Hollings	Stevenson
Curtis	Laxalt	Thurmond
Danforth	Long	Tower
DeConcini	Lugar	Wallop
Dole	McClure	Weicker
Domenici	McIntyre	Young
Eastland	Morgan	Zorinsky

NOT VOTING—7

Abourezk	Inouye	Stone
Anderson	Johnston	
Haskell	Packwood	

So the motion to lay on the table was rejected.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. WALLOP. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BARTLETT. Have the yeas and nays been ordered on the amendment?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. BARTLETT. I ask unanimous consent that the order for the yeas and nays be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The question now recurs on the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1562

The ACTING PRESIDENT pro tempore. The question now recurs on amendment No. 1562 previously proposed by the Senator from Wisconsin.

Mr. NELSON. Mr. President, after we laid aside my amendment that would require the SBA Advocate's Office to coordinate all economic research, I spoke with the SBA Administrator who assures me that it is his intention that the SBA Advocate will coordinate and direct all research functions within the agency. That being the case, I believe it is appropriate that we adopt this amendment.

The entire thrust of title I of H.R. 11445 is to give explicit direction to the Admisistrator as to how he is to manage the expenditure of funds for all management assistance, procurement assistance and advocacy, and economic research activities. The purpose of these directives is to make certain that these nonlending functions receive more emphasis and be made more effective and efficient. There is no question that these line-item authorizations restrict the Administrator's flexibility. The problem to date is that past Administrators have had too much discretion and the nonlending activities have not been effectively administered. My amendment assures that there is no dilution or duplication of the research efforts within the agency.

Mr. President, I move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. Is all time yielded back?

Mr. NELSON. I yield back the remainder of my time.

Mr. WEICKER. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. All time has been yielded back.

Mr. WEICKER. Mr. President, I wonder if we might have a voice vote.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. NELSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NELSON. Mr. President, I understand that the Senator from Maine has two amendments and that he will ask for a rollcall on one. I am assuming that that will occur within 15 or 20 minutes. I am not aware of any other amendments. Is the distinguished minority manager of the bill aware of any amendments on his side?

Mr. WEICKER. I am not aware of any amendment except those worked out already.

Mr. GRIFFIN. Will the Senator yield briefly?

Mr. NELSON. Yes, I yield.

Mr. GRIFFIN. I just want to indicate that I may have an amendment.

Mr. NELSON. We hope that there will be a rollcall within 15 or 20 minutes and, if there are any amendments, I hope that they will be brought up by that time.

UP AMENDMENT NO. 1565

(Purpose: To amend the fiscal year 1979 authorization levels for SBA)

Mr. MUSKIE. Mr. President, in behalf of myself and Senator BELLMON, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) for himself and Mr. BELLMON, proposes an unprinted amendment No. 1565.

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 26, strike line 18 and insert in lieu thereof the following: "$50,000,000, in direct and immediate".

On page 26, strike line 19 and insert in lieu thereof the following: "and $4,000,000,000 in deferred".

On page 26, line 23, strike the figure "$33,000,000" and insert in lieu thereof the figure "$16,000,000".

On page 26, line 24, strike the figure "$22,000,000" and insert in lieu thereof the figure "$6,000,000".

On page 27, line 2, strike the figure "$66,000,000" and insert in lieu thereof the figure "$64,000,000".

On page 27, line 3, strike the figure "$89,000,000" and insert in lieu thereof the figure "$64,000,000".

On page 27, line 6, strike the figure "$49,000,000" and insert in lieu thereof the figure "$45,000,000".

On page 27, line 14, strike the figure "$198,000,000" and insert in lieu thereof the figure "$125,000,000".

On page 27, strike line 23 and insert in lieu thereof the following: "loans and loan guarantees".

On page 28, line 10, strike the figure "$2,294,000,000" and insert in lieu thereof the figure "$1,735,280.000".

On page 28, line 12, strike the figure "$879,500,000" and insert in lieu thereof the figure "$368,780,000".

On page 28, line 14, strike the figure "$72,100,000" and insert in lieu thereof the figure "$43,000,000".

On page 28, line 16, strike the figure "$4,400,000" and insert in lieu thereof the figure "$4,000,000".

On page 28, line 21, strike the figure "$223,000,000" and insert in lieu thereof the figure "$200,000,000".

Mr. MUSKIE. Mr. President, this amendment is offered by my good friend from Oklahoma (Mr. BELLMON) and me. It will reduce the authorizations for SBA business loans to the levels included in the Senate-reported State-Justice appropriation bill, H.R. 12934.

I want to emphasize that I do not offer this amendment as an endorsement of those appropriation levels. In fact, I am troubled by some of them, although in total, they are consistent with the first budget resolution. For example, I note that the appropriations bill would provide a substantial increase in loan guarantees above the levels requested by the President. Yet, I am convinced that the Congress should be very reluctant to expand loan guarantees in such a manner until we have adequate means to review and control guarantee programs and to judge their impact on the economy.

Mr. President, the authorizations in the bill now before us are far too high. They are considerably above the appropriations provided in the Senate version of the State-Justice appropriation bill. If these authorizations were fully funded in later supplementals, the spending targets for the first budget resolution would be greatly exceeded. Therefore, I propose this amendment in order to place a firm cap on SBA spending in fiscal 1979. This is the only sure way I know to protect congressionally approved spending targets.

Mr. President, I am pleased to be able to say that the distinguished floor manager of the bill has agreed to accept this amendment. I thank him for his understanding and assistance in protecting the budget resolution targets.

Mr. NELSON. Mr. President, when establishing amended fiscal year 1979 authorization levels for SBA, the Small Business Committee provided for a 15-percent appropriated reserve for SBA's loan guarantee programs. The loan program ceiling levels provided in H.R. 11445, account for several hundred million dollars in authorized budget authority for SBA.

The Senate Budget Committee and the administration changed to a different accounting procedure whereby only 1.5 percent of new guaranteed loans is reserved for bad debts, or, that is, those loans that SBA will have to purchase under its guarantee authority. The committee is prepared to accept the Budget Committee's amendment to lower SBA's authorization levels. But we do so with the understanding that next year SBA's authorization will have to be substantially increased without taking into account any increase in SBA's loan level activity. The reason is that SBA will have to purchase a much larger percentage of outstanding loans made in fiscal year 1979 as most losses historically occur in the second and third years of the life of the loan.

The record should be made clear that the committee believes it is more prudent to budget for all anticipated losses at the outset rather than appropriate for actual outlays for each fiscal year Reduction of this year's authorization gives the false impression that there has been a cost savings when in reality those costs will have to be picked up in future years.

Mr. MUSKIE. Mr. President, I gather that the managers of the bill are prepared to accept this amendment and I am prepared to yield back the remainder of my time.

Mr. NELSON. Mr. President, we are prepared to accept the amendment. I have discussed the amendment with the Senator from Maine.

I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Is all time yielded back? All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. I move to lay that motion on the table.

UP AMENDMENT NO. 1566

(Purpose: To make the interest rate on all disaster loans equal to the cost of money to the government)

Mr. MUSKIE. Mr. President, I send another amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) for himself and Mr. BELLMON, proposes unprinted amendment No. 1566.

Mr. MUSKIE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 32, line 23, strike all through page 33, line 5 and redesignate sections 112 through 117 as sections 111 through 116, respectively.

Mr. MUSKIE. Mr. President, I have discussed this also with Senator NELSON. It is an amendment I offer in behalf of myself and Senator BELLMON. It may prove to be somewhat more controversial than the other, but I think it is a serious and important amendment.

I ask for the yeas and nays on the amendment at this time.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, H.R. 11445, the bill now before the Senate is intended to substantially increase the attention and assistance given to small business by the Federal Government.

With the distinguished Senators on the Select Committee on Small Business, I share a strong interest in the future of small businesses in this Nation. I am convinced that the strength of small business is necessary to a vibrant, responsive, and inovative national economy. Small business is especially important to my own State of Maine, so, over the years, I have become very aware of the special problems facing an owner of a small business and those who have jobs in a small business. I believe there is a need for effective Federal action to help small businesses overcome the handicaps placed upon them in the modern economy.

I see no reason to differ on the objectives of strengthening small business. However, Mr. President, I am offering two amendments that would reduce the potential budgetary impact of this bill and therefore improve it.

The amendment now before us would strike the provision that continues Federal interest subsidies on physical disaster loans. For fiscal 1979, the bill would set interest rates for damage to homes or personal property at only 1 percent for the first $10,000, and 3 percent for the next $30,000. It would also restrict rates on loans for losses to business property from rising above 5 percent for the first $250,000.

Mr. President, low interest rates for SBA and Farmers Home disaster loans were enacted on an emergency, temporary basis less than a year ago. About that time, crop losses were made eligible for SBA as well as Farmers Home disaster loans. In the intervening months, we took note of these figures: total disaster loan volume under these two agencies shot up from an average annual level of $0.9 billion to an expected level in fiscal 1978 of $5.8 billion. more than a sixfold increase.

That increase was caused partly by a severe drought. But the Nation has had other severe droughts and other bad disaster years without a similar increase in Federal activity. A major cause of the high loan demand in 1978 was the overly generous interest rate subsidies. Deep subsidies create strong incentives for those eligible borrowers who ordinarily use credit to shift as much of their borrowing as possible from private lending sources to the Federal Government. The deeper the subsidy, the greater the incentive for program abuse.

Mr. President, while actual appropriations for this program depend primarily upon the incidence and severity of new disasters, deep interest subsidies, such as would be continued by H.R. 11445, tend to boost spending and therefore increase the risk that Congressional Budget targets will be exceeded. For example, the Congressional Budget Office estimates that even if fiscal 1979 proves to be just an average year for disasters, the continuation of disaster loan interest subsidies would cause the first budget resolution's spending targets for disaster relief and insurance to be exceeded by roughly $0.3 billion in budget authority and outlays.

However, if fiscal 1979 is another high disaster year like fiscal 1978, then this

would again be a budget busting program with much higher levels of budget authority and outlays. The runaway costs of disaster loans during fiscal 1978 should cause us to be extremely careful with new legislation affecting this program.

With market interest rates at their current levels, enactment of the SBA bill's disaster loan provisions would provide eligible borrowers with benefits that are extremely high in comparison with traditional Federal disaster loan policy. Yet, I remind the Senate that under the traditional policy which my amendment would reestablish, with interest rates set at the Government's cost of borrowing, the Government was already providing substantial benefits to disaster victims. With interest rates at the Government's cost of borrowing, however, program activity could be held to reasonable and fiscally responsible levels.

In addition, Mr. President, we must keep in mind that disaster loan interest subsidies are not free. They must be borne directly by the taxpayers. For example, it is estimated that the disaster loans granted in fiscal 1978 alone will require subsidies totaling about $1.4 billion, or $0.2 billion each year for at least the next 7 years. I do not believe the taxpayers should be expected to continue bearing such unreasonably high costs.

Mr. President, I am sure no one in this Chamber would argue against providing Federal assistance to help needy victims recover from the effects of unforeseeable natural disasters. However, I am convinced that deeply subsidized interest rates are precisely the wrong way to offer that aid. Further, there is a viable alternative.

I understand that the administration is proposing adoption of a policy in which SBA and Farmers Home Disaster Loans would carry comparable terms, and only Farmers Home would make loans for crop damage. Under the administration's proposal, loans to repair or replace damaged homes or personal property would be made at 5 percent with no "credit elsewhere" test. Loans for income producing property would be made only to borrowers who do not have access to credit elsewhere, and they would be made at a rate equal to the Government's own cost of money. That proposal would treat all disaster victims equally. The proposal, it seems to me, is reasonable and should hold the costs of the disaster loan programs to levels which can be accommodated by the budget resolution targets.

Until a full review and revision of disaster loan programs can be completed along the lines proposed by the administration, I believe we should allow the interest rates on SBA disaster loans to revert to the Government's average borrowing costs, the policy in effect prior to last August. Under existing law, that will occur at the start of fiscal 1979.

The amendment which I offered, which is pending, would simply permit that to happen.

Mr. President, I have discussed this amendment with the distinguished chairman of the Small Business Committee (Mr. NELSON) and I hope it will be possible for him to accept it.

Mr. BELLMON. Mr. President, would the Senator yield me 5 minutes?

Mr. MUSKIE. Yes, I yield 5 minutes to the Senator.

Mr. BELLMON. Mr. President, I rise in support of the amendment offered by my colleague Senator MUSKIE which would strike the low disaster loan interest rate provisions from this bill and allow these rates to revert to the Government's cost of borrowing in fiscal year 1979, as would be the case under current law.

We are all aware that the SBA disaster loan program has been a true budget buster this fiscal year. We have acted on two supplementals already as program costs have soared from the $115 million level anticipated to well over $2 billion—this is an increase of almost tenfold—and third supplemental could be necessary before year's end. A number of factors have combined to drive up costs under this program. These include the deeply subsidized 3 percent interest rate we enacted in 1976, the large number of disaster occurrences in fiscal year 1978, and the first-time eligibility of farmers experiencing crop loss due to drought for physical disaster loans under this program.

I do not support this amendment as a total means of preventing a reoccurrence of the fiscal 1978 experience, but I do consider it to be a positive step in that direction. I believe our ultimate goal should be to eliminate the differences which exist between the SBA disaster loan and the Farmers' Home emergency loan programs so that small business people whether rural or urban may be served fairly and equally. As you will recall, farmers were made eligible for assistance under the SBA disaster loan program because of the program's more liberal standards for payment and coverage. It did not seem fair for a farmer experiencing a loss due to disaster to have to meet a "credit elsewhere" test and prove that a major loss has been sustained, as required under the Farmers' Home program, while other businessmen do not have to meet such tests under the SBA disaster loan program.

The Small Business Committee has been aware of these SBA-FmHA differences and the effect that heavily subsidized interest rates have had on loan demand. In fact, last year the Small Business Committees of the House and Senate stated their intent to study and investigate the interaction of all Federal disaster assistance programs in the conference report on H.R. 692, the Small Business Amendments of 1977. The report on the bill before us today clearly recognizes the eligibility of farmers under the physical disaster loan program and the "heavily subsidized" 3 percent interest rate as underlying causes of the unprecedented loan volume in fiscal year 1978.

I am disappointed that the Small Business and Agriculture Committees, both of which have recognized the existence of these problems for over a year, have not made a good faith effort to reduce the program overlap and costs of Federal disaster loan programs.

The administration has proposed Federal crop insurance as one solution and favors rates for both SBA business and Farmers' Home emergency loans fixed at the current cost of Treasury borrowing and other comparable program provisions so that authority to make emergency farm disaster loans can be limited to the Farmers' Home Administration. I too support comparable provisions for both programs. Hopefully, we will turn our attention to such proposals so that we can remedy this situation in full next year.

For now, I urge my colleagues to support this amendment to allow the interest rates to revert to the Government's cost of borrowing so that we can at least put an end to the Federal subsidy and its attendant high costs to the Government.

Mr. President, it would be quite difficult to overestimate the role of small businesses in the development and perpetuation of our Nation's economic strength. Throughout our history, the ability of industrious, ambitious citizens to establish and sustain business ventures of untold variety has made the United States unique, and has led to a worldwide reputation as a country where one can make a job, not just take a job.

Even today, when the economic landscape seems so dominated by billion-dollar corporations—themselves once small concerns struggling to gain a foothold in the competitive environment of free enterprise—small businesses are an integral part of our complex society. Not only do they provide a living for millions of Americans, they also symbolize the promise of continued progress and innovation for future generations.

The Congress has long recognized the necessity of insuring the ability of small businesses to survive and prosper in the face of the many difficulties that they are bound to confront. In the quarter century since the establishment of the Small Business Administration, as the problems of the small business owner have changed and grown more complicated, Congress has responded by expanding and generally improving SBA assistance to these entrepreneurs.

Unfortunately, as has been true of many congressional efforts to aid particular groups, we have not always been as judicious as we might be in assessing the broader impact of the actions we take. While it is imperative that we protect small businesses, we should not allow our enthusiasm for doing so to draw our attention from other important considerations.

Mr. President, I fear that the bill now before us, H.R. 11445, contains several provisions that might not ultimately be in the best interests of either small

business owners or the American people at large. Therefore, I support the amendments offered by my distinguished colleagues, Senators BARTLETT and MUSKIE, which largely correct the bill's most serious problems.

Senator BARTLETT's amendments are directed, quite correctly I believe, at preventing the expansion of the Federal bureaucracy that title III of this bill would cause, and at redirecting our attention to the real needs of small business owners. Chief among those needs is a social and economic climate that encourages entrepreneurial activity, innovation and competition.

I believe we can best help small business, and thus, best insure our ongoing economic vitality, by providing small businesses with a fair, decent opportunity to thrive. But I do not think we will be successful in this pursuit if we merely insulate small businesses with several new layers of Federal redtape, such as would result from an unamended title III.

I would especially like to recognize Senator BARTLETT's proposal to provide most very small businesses with an exemption from the Occupational Safety and Health Act. OSHA is a prime example of how a supposed solution to a legitimate problem has fostered serious problems of its own. By relieving most very small concerns from this intrusive and extravagant form of Federal regulation, we will be taking a significant step toward allowing them the breathing room they need to survive, without compromising our essential interests in health and safety.

Less enthusiastic is my support for Senator MUSKIE's amendments, primarily because pragmatic considerations make it difficult to fully correct the problems in this bill.

Regarding the distinguished Senator from Maine's proposed reductions in the authorization levels for fiscal year 1979, I believe this is the best we can do under the circumstances. At the very least, this amendment reduces SBA funding to levels consistent with the first budget resolution targets, and would prevent supplemental appropriations in these areas without further examination of the needs of the Small Business Administration.

However, the amendment alone is not sufficient to correct a problem that has caused both Senator MUSKIE and me great concern—the dramatic shift in the emphasis of SBA business loan programs from direct to guaranteed loans. While I understand quite well the attractiveness of guaranteed loans to Members of Congress, I believe that there are a number of questions we should answer before we endorse such a massive expansion of Federal loan guarantees: Who are the real beneficiaries of these guarantees? What are the risks to the Federal Government in providing them? What are the effects of Federal loan guarantees on credit markets and the American economy as a whole? Furthermore, I believe it is imperative that we establish procedures for bringing local guarantees within the scope of budgetary review and control.

Unfortunately, Mr. President, present circumstances do not afford us the opportunity either to answer these important questions or to gain real control over loan guarantee activity. I hope that we will be more circumspect the next time programs of this nature are considered.

As I have indicated in a separate statement, I also support Senator MUSKIE's efforts to abolish the low-interest-rate subsidies for SBA physical disaster loans. In this context, however, I wish to emphasize my hope that all Federal disaster loan programs will be examined and coordinated as soon as possible, and to reiterate my disappointment over the failure of the Small Business Committee to undertake this task as promised a year ago.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON addressed the Chair.

The PRESIDING OFFICER (Mr. MOYNIHAN). The Senator from Wisconsin.

Mr. NELSON. I have discussed this amendment with the distinguished Senator from Maine, Mr. President.

I must say I would have preferred a 5-percent rate on disaster loans on housing, rather than the cost of money.

But I am concerned about the issues raised by the Senator from Maine. I know the Senator from Maine is aware that of the total $1,924 million disbursed to date, only $179 million has been for homeowner loans. So homeowner loans have not been a large part of the problem addressed by the Senator from Maine.

Mr. President, the Senate Budget Committee and the administration have raised concerns about the budgetary impact of subsidized interest rates for SBA's physical disaster loan program. While no one can determine precisely the impact of subsidized rates on the demand for SBA's disaster loans, it is clear that some demand increase results when the interest rates are low. I, therefore, accede to the request of the chairman of the Budget Committee to strike the language in H.R. 11445 and thus to permit interest rates on SBA disaster loans to rise to the cost of money to the Federal Government effective October 1, 1978.

Mr. LONG. Will the Senator yield at that point?

Mr. NELSON. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. LONG. Can the Senator inform us more about this amendment?

Does this amendment increase the loan rate on disaster loans?

Mr. NELSON. Yes.

Mr. LONG. What is the rationale for increasing the loan rate on disaster loans?

Mr. NELSON. The increase will not apply to current, outstanding loans. Disaster loan interest rates would be at the cost of money to the Government only for disasters occurring after September 30, 1978.

Mr. LONG. What would the difference be between the cost for a disaster loan under existing law and under this amendment?

Mr. NELSON. Existing law states:

Notwithstanding any other provision of law, the interest rate on the Administration's share of any loan made pursuant to paragraph (1) of this subsection to repair or replace a primary residence and/or replace or repair damaged or destroyed personal property, less the amount of compensation by insurance or otherwise, with respect to a disaster occurring on or after July 1, 1976, and prior to October 1, 1978, shall be: 1 per centum on the amount of such loan not exceeding $10,000, and 3 per centum on the amount of such loan over $10,000 but not exceeding $40,000. The interest rate on the Administration's share of the first $250,000 of all other loans made pursuant to paragraph (1) of this subsection, with respect to a disaster occurring on or after July 1, 1976, and prior to October 1, 1978, shall be 3 per centum.

Mr. LONG. Mr. President, it always has seemed to me that the Senator from Maine had a heart that was tilted toward those who were less fortunate, and the Senator from Wisconsin never has been known as a man who is unsympathetic to the less fortunate.

I do not think we should have a disaster loan for people who do not suffer a genuine disaster, and I do not think the program should be abused. I would like to tighten it up if it is being abused.

I ask the Senators: Are we really justified in making it more difficult on those who really have a rather pitiful situation of being pretty well wiped out by the type of disaster that is defined by law?

Mr. MUSKIE. I remind the Senator, first, that the amendment we are now considering would put the law back to where it was prior to a year ago. A year ago, because of the disasters which hit primarily the agriculture sector, we enacted temporary reductions in interest rates. Those temporary reductions in interest rates resulted in a surge of loans from $900 million to $5.8 billion.

There was no credit elsewhere test. We reduced the rate to 3 percent. So there was a strong incentive for people who had credit elsewhere, who usually turned to credit elsewhere, to turn to this cheap Government credit to supply their credit needs when it was not necessary.

All I am seeking to do is to restore the policy to what it was. Congress always has found the heart to respond not to unanticipated disasters or disasters that might occur in the future but to actual disasters. Last year's experience is surely an illustration of that, and I expect that Congress will respond in the future. But I do not think it is wise public policy

to write into permanent law a subsidy of the nature that we wrote in temporarily to meet a disaster which was temporary.

If we are hit with another disaster, of whatever magnitude, Congress, I am sure, is capable of responding to it with whatever commonsense and the heart require.

I think it would be a mistake, under the stimulus of a disaster that is now behind us, to write a permanent policy into law that is demonstrably so costly in budgetary terms.

The second point I make is that one of the problems that stimulated last year's legislation was the fact that it appeared to farmers that small businessmen were being treated in a preference way under the SBA program as compared with the way farmers were being treated under FHA.

I think those differences should be eliminated, and the administration is going to send up proposals to do just that. When we get that proposed legislation, we can consider that problem and eliminate it, so that we do not have that kind of competition against discrimination.

But I am not worried about Congress responding, as all Americans do, to real disasters. I simply am responding to what I think became an abuse last year, because our heart led us to write excessively generous subsidy terms into our interest rate policy. I am seeking to correct it, so that we can make a correct start if another disaster strikes.

Mr. LONG. If we adopt the amendment, I hope we can have the assurance of the chairman of the Budget Committee and the chairman of the Small Business Committee that they will look with a sympathetic eye to the next major disaster that might befall us. I am sure that their purposes are worthy. Never in the past have they been known to be unsympathetic or unkind to those who were true victims of major disasters. I hope that if we have another of these disasters, with considerable loss of life and property damage running into a billion dollars plus, the Senator from Maine and the Senator from Wisconsin will be sympathetic to those who might come in and ask that we take another look at their problem.

Mr. MUSKIE. I am sure we will be.

I think the budget process always should be flexible enough to prompt us to respond to emergencies, to unanticipated disasters. It always has been, and I believe it always will be.

If the Senator from Maine happens to be stony-hearted at the moment, the experience of last year demonstrates that the Senate is fully capable of rolling over the Senator from Maine in such instances.

What we try to do here is to establish an ongoing policy, and we hope further to eliminate other inequities or discriminatory features of our programs before we are through.

There is always the understanding that the Congress of the United States, as a representative of generous people, will respond to disasters experienced by others.

Mr. NELSON. Mr. President, I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

Mr. FORD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FORD. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

(During the call of the roll the following occurred:)

Mr. GOLDWATER. Regular order, Mr. President.

Mr. WEICKER. Regular order.

The PRESIDING OFFICER. The regular order is for the clerk to tally the vote.

Mr. MAGNUSON. Regular order, Mr. President.

Mr. WEICKER. Regular order.

The PRESIDING OFFICER. The regular order is for Senators on the floor who have not voted to vote.

The legislative clerk resumed the call of the roll.

Mr. GOLDWATER. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. How long is this vote supposed to last?

The PRESIDING OFFICER. The rollcall is in progress. The clerk is tallying the vote at this moment.

Mr. GOLDWATER. That was not my question. How long was it supposed to last?

The PRESIDING OFFICER. The Chair regrets to say that debate is not in order while a rollcall is in progress.

The legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Florida (Mr. STONE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON), would vote "nay."

The result was announced—yeas 54, nays 41, as follows:

[Rollcall Vote No. 275 Leg.]

YEAS—54

Bartlett	Byrd,	Chafee
Bellmon	Harry F., Jr.	Chiles
Bentsen	Cannon	Church
Biden	Case	Cranston
Curtis	Helms	Packwood
Danforth	Hollings	Pearson
DeConcini	Huddleston	Percy
Dole	Javits	Proxmire
Domenici	Laxalt	Ribicoff
Eagleton	Leahy	Roth
Garn	Lugar	Schmitt
Glenn	Mathias	Sparkman
Goldwater	Matsunaga	Stafford
Gravel	McIntyre	Stevenson
Griffin	Metzenbaum	Tower
Hatch	Morgan	Weicker
Hatfield,	Moynihan	Williams
Mark O.	Muskie	Zorinsky
Hayakawa	Nelson	

NAYS—41

Abourezk	Hart	Nunn
Allen	Hatfield,	Pell
Baker	Paul G.	Randolph
Bayh	Hathaway	Riegle
Brooke	Heinz	Sarbanes
Bumpers	Hodges	Sasser
Burdick	Humphrey	Schweiker
Byrd, Robert C.	Jackson	Scott
Clark	Kennedy	Stennis
Culver	Long	Stevens
Durkin	Magnuson	Talmadge
Eastland	McClure	Thurmond
Ford	McGovern	Wallop
Hansen	Melcher	Young

NOT VOTING—5

Anderson	Inouye	Stone
Haskell	Johnston	

So Mr. MUSKIE's amendment was agreed to.

Mr. NELSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MUSKIE. I move to lay that motion on the table.

Mr. DECONCINI. Mr. President——

The PRESIDING OFFICER. Without objection, the motion to lay on the table is agreed to.

Mr. DECONCINI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DECONCINI. I would like to know the time in which that last vote was cast.

The PRESIDING OFFICER. If the Senator will pause one moment, we will calculate the time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Will Senators withhold for a moment? A parliamentary inquiry has been made.

Mr. GOLDWATER. Mr. President, I would like to offer parliamentary assistance. It took 31 minutes.

The PRESIDING OFFICER. The Senator who has not been recognized is correct. The vote took 31 minutes.

Mr. DECONCINI. A further parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. DECONCINI. Was that a 15-minute vote or a 31-minute vote?

The PRESIDING OFFICER. It was a 31-minute vote.

Mr. DECONCINI. Was there a unanimous consent to have the vote of that length?

The PRESIDING OFFICER. No, there was not.

Mr. NELSON. Mr. President, I would just like to make a brief observation for the Senator from Arizona and the Sena-

tor from New Mexico that we all understand that we are acting in a body in which all people are equal but some people are more equal than others. That is why this 15-minute rollcall became a 31-minute rollcall.

The PRESIDING OFFICER. The Chair believes that that proposition will not be found in the rules.

[Laughter.]

Mr. GOLDWATER. Will the Senator yield? I want to answer the question.

Mr. NELSON. I yield.

Mr. GOLDWATER. The Senator to whom the Senator should have referred is the junior Senator from Arizona, not New Mexico. We had a hard time getting away from them once. We do not want to have to do it again.

I can understand how 15-minute votes can become 31-minute votes especially after I see the leadership trooping in after 15 minutes. We common troops do not like it.

Mr. NELSON. I did not want to be quite that specific, because I intend to be back here in 2 years.

[Laughter.]

UP AMENDMENT NO. 1567

(Purpose: Requires that procurement contracts be awarded to firms within the State in which work is to be performed)

Mr. GRIFFIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan (Mr. GRIFFIN) proposes an unprinted amendment No. 1567.

On page 35, between lines 12–13, add the following new Section to read as follows:

PROCUREMENT CONTRACTS; SUBCONTRACTS TO SMALL-BUSINESS CONCERNS

SEC. 118. Section 8(a) of the Small Business Act is amended by providing after "officer;" at the end of subsection (a)(1), the following:

"*Provided, however,* That if a contract is to be awarded by the Administration under this Section to socially or economically disadvantaged persons, the Administration must show that there are within the State at least three such socially or economically disadvantaged small business concerns which are capable of performing the work; and *Provided further,* That the Administration shall award no contract to a socially or economically disadvantaged small business concern which is located in a State other than the State where the work is to be performed."

Mr. GRIFFIN. Mr. President, I will say for the benefit of my colleagues that after conferring with the staff of the committee, in consultation with the manager of the bill, I will not press this amendment to a vote, but I present it in order to focus attention upon a situation which I understand the committee will address in another piece of legislation soon to come to the Senate floor.

I am very much in favor of set-aside programs to help minority small business concerns. We have been engaged in this kind of activity for a number of years now, and I think that, under the administrations of both parties, minority groups, minority contractors, and minority small business concerns have been helped and pushed along the way to becoming independent and self-reliant.

However, I find that in section 8(a) of the Small Business Act—and this particular legislation before the Senate now amends various sections of the Small Business Act—the language is very loose, leaving room for a good deal of abuse in implementing this program.

My attention was called to this fact, to be very specific, by a small contractor in my home town of Traverse City, Mich. He wanted to know from we why it was that a nearly $4 million contract to construct a Coast Guard hanger facility was awarded to a contractor in Indiana. He said, furthermore, it was done so without bids. He felt very strongly that he should have had an opportunity, at least, to have been considered for the contract.

Upon looking into it, I find that the Coast Guard under section 8(a) had given this particular contract to the SBA to be awarded to a socially or economically disadvantaged business concern.

Interestingly enough, the business concerns that can qualify for contracts under section 8(a) are only those which are certified as eligible by the SBA. When the administration subsequently awards a contract, price competition is not a factor. The contract is awarded completely within the discretion of the SBA to whomever it sees fit under the act and under the regulations.

Upon inquiry, I find that regarding the Traverse City award there were no such contractors certified as eligible within the whole northern part of Michigan; that there was only one contractor in the whole State of Michigan who could have been eligible to perform this nearly $4 million contract for the Coast Guard.

When the SBA offered that contract to the one contractor in the whole State who was eligible, that contractor said sorry, he was too busy and could not handle it. Then the contract was awarded to such a small business firm in another State.

I find this rather an appalling situation. I wrote to the SBA and to the Coast Guard asking for detailed information about the numbers and identity of such contractors in my State and how many contractors had been awarded over a period of time since 1976.

I ask unanimous consent, Mr. President, that my letters to the Small Business Administration and to the Coast Guard and the replies I received and the detailed information provided might be printed in the RECORD at an appropriate point following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRIFFIN. I want very much to help the minority contractors and minority small business concerns in my State. But, as I view it and as I have reported it, this kind of situation is ridiculous.

I find, upon looking into this, that most of the contracts that are awarded to business concerns in this category are in the neighborhood of $50,000 or less. I can see that, considering the description and the kinds of businesses that we are seeking to help, that dollar figure would be rather appropriate. There are probably more small business concerns which are eligible to perform contracts of that order. But when you are delegating to the SBA contracts on the order of $4 million, then the number of concerns that are eligible suddenly is very, very small. In the northern Michigan situation, we have the result that the contract was awarded in another State.

I should like to ask the manager of the bill if it is not true that his committee held hearings on section 8(a) at some point, and found a good many problems with the administration in implementing this particular program.

The PRESIDING OFFICER. Before the Senator from Wisconsin responds, may I suggest that the Senate is not in order. It is difficult to hear the exchange taking place on the floor. Will Senators cease conversing or retire to the cloakroom?

I thank the Senator from Michigan.

Mr. NELSON. Mr. President, there are still Senators on the floor conversing, despite the admonition of the distinguished Chair. I wonder if the Chair might be more specific.

The PRESIDING OFFICER. The Chair requests those Senators who are still conversing to have the kindness to cease. The Senator from Wisconsin has the floor.

Mr. NELSON. Mr. President, in response to the inquiry of the Senator from Michigan, let me say that the distinguished Senator from Georgia (Mr. NUNN) conducted several hearings before the Small Business Committee on the 8(a) program. In addition, the distinguished Senator from Florida (Mr. CHILES) conducted hearings on the 8(a) program for the Governmental Affairs Committee.

The Small Business Committee has reported H.R. 11318. That bill deals in large part with the 8(a) program. However, we did not address the specific issue raised by the Senator from Michigan in that bill. The bill has been sequentially referred to the Government Operations Committee for 30 days. However, when it does come before the Senate, it will be an appropriate vehicle for the distinguished Senator from Michigan to raise his amendment.

Meantime, I shall instruct the staff to study the issue raised by the Senator from Michigan.

Mr. GRIFFIN. I thank the Senator from Wisconsin for that response. My staff has read the report issued by the select committee following its earlier hearings with regard to 8(a) contracts and their implementation. There seems to be no question that there is need for some tightening up and some better standards for the program if we are to benefit the very people that the program is designed to benefit. I should like to have the opportunity, when the committee does turn its attention to that legislation, to present this amendment and/or other amendments that would deal with this problem.

It seems to me that there should be some reasonable dollar limitation on this program and, as I understand it after talking to the staff, there is none.

Mr. NELSON. That is correct.

Mr. GRIFFIN. A piece of work of any size could be handled in this way. It is handled and the contract is awarded on a negotiated basis, without taking any bids and, under the regulations of the SBA, price competition is not a factor. I think that is astounding. It is not good business. How much additional cost to the taxpayers is involved by reason of the award of contracts in this manner? I do not think we would have any idea, because the SBA Administrator has complete discretion, not only in deciding who is eligible to be considered, but also in awarding the contract. No one, under this law and the regulations, can question it.

I urge the Small Business Committee to take a closer look at this program and to see if we cannot, particularly in this day and age when the voters and the taxpayers are rather concerned about where their money is going, set up some meaningful guidelines, require some reporting, year by year, of what is happening, who is getting these contracts, and see that the right kinds of people, whom we are trying to benefit, are actually, in fact, getting them.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right.

The amendment was withdrawn.

EXHIBIT 1

JUNE 13, 1978.

Adm. JOHN B. HAYES,
U.S. Coast Guard Commandant, U.S. Coast Guard, Washington, D.C.

DEAR COMMANDANT HAYES: As a member of the Senate's Commerce Committee. I am interested in the extent of the Coast Guard's participation in the Section 9(a) Program under the Small Business Act.

As you know, Section 8(a) authorizes the Small Business Administration to contract with other federal agencies for supplies, services, and construction—and to designate small businesses eligible to perform such contracts.

In view of the fact that the Senate's Commerce Committee handles budget authorizations for the Coast Guard, I shall appreciate it if you will provide me with the following information: (1) a list of projects since January 1, 1976 that the Coast Guard has turned over to the Small Business Administration under the Section 8(a) Program, (2) an explanation of how the Coast Guard determines whether a particular project is to be handled by SBA, and (3) information indicating whether, and by how much, the Coast Guard's budget is increased as a result of contracting pursuant to Section 8(a).

Sincerely,

ROBERT P. GRIFFIN,
U.S. Senator.

JUNE 13, 1978.

Hon. A. VERNON WEAVER,
Administrator, Small Business Administration, Washington, D.C.

DEAR ADMINISTRATOR WEAVER: In light of 1978 Congressional hearings and a 1977 report issued by the Senate Select Committee on Small Business, I am interested in the Small Business Administration's contract procedures under Section 8(a) of the Small Business Act and the effect that these procedures have had on Michigan small businesses.

As you know, Section 8(a) authorizes the Small Business Administration to contract with other federal agencies for supplies, services, and construction—and to designate small businesses eligible to perform such contracts.

As a Senator representing the State of Michigan, I shall appreciate it if you will provide me with the following information: (1) a list of eligible Section 8(a) small business concerns in Michigan; and (2) a report on the contracts awarded and performed in Michigan since January 1, 1976. In the report, kindly indicate the City and State where the small business awarded the contract was located, and indicate the City and State where the work in connection with each contract was performed. Of particular concern are instances where the work was performed in Michigan but the contract was awarded to a small business concern in another State.

Sincerely,

ROBERT P. GRIFFIN,
U.S. Senator.

U.S. SMALL BUSINESS ADMINISTRATION,
Washington, D.C., June 23, 1978.

Hon. ROBERT P. GRIFFIN,
U.S. Senate,
Washington, D.C.

Dear SENATOR GRIFFIN: We have received your letter of June 13, 1978, regarding the award of contracts under the Small Business Administration's 8(a) program in Michigan.

We have requested our regional office in Chicago to provide us with the information requested. As soon as we have the necessary data, we shall be happy to respond to your inquiry.

Sincerely,

A. VERNON WEAVER,
Administrator.

U.S. SMALL BUSINESS ADMINISTRATION,
Washington, D.C., July 1, 1978.

Hon. ROBERT P. GRIFFIN,
U.S. Senate,
Washington, D.C.

Dear SENATOR GRIFFIN: This is in further response to your letter of June 13, 1978, regarding the award of contracts under the Small Business Administration's 8(a) program in Michigan since January 1, 1976.

We have been advised by our Chicago Regional Office that for the period in question, only two contracts were awarded to a contractor outside the state of Michigan. Both of these projects were in the upper peninsula where we do not have any approved 8(a) contractors. Considering the size of the projects, the upper peninsula projects were beyond the geographical limitations of approved Michigan construction firms, which are primarily located in the Detroit metropolitan area.

There is one project currently in negotiation that may be awarded to an Indiana 8(a) firm under a joint venture with a non-8(a) Michigan contractor. This project, for the construction of a hangar for the Coast Guard in Traverse City, Michigan, was offered to a Michigan contractor who turned it down in favor of projects closer to his home office. No other firm in the Michigan portfolio had the required resources and experience for a project of this size and type. Therefore, the project was matched to an Indiana firm with the required background that had not yet received a contract this fiscal year.

On the other hand, there has been one contract awarded to a Michigan firm for performance in Indiana. This Kitchen Police (KP) service firm must be supported with requirements from various parts of the country due to impact considerations and the controlled availability of KP requirements by DOD.

It should be noted that it is the policy of this Agency to use local contractors to the greatest extent possible. Bringing in firms from other states is the exception rather than the rule.

We are also providing you with a list of those companies that have received contracts since 1976. The information includes the following for each company:

a. Name of the procuring agency;
b. Items or service purchased;
c. Amount of the contract; and
d. Location of contract performance.

We have also enclosed a list of firms in the state of Michigan who are eligible for participation in the 8(a) program.

If we can be of additional assistance to you in this or other matters, please feel free to contact us.

Sincerely,

A. VERNON WEAVER,
Administrator.

Enclosure.

STATE OF MICHIGAN CONTRACTS AWARDED SINCE JANUARY 1, 1976

Allen Products Corps., 4850 Cadillac, Detroit, Mich. 48214.

1. (a) USDA, (b) Glue, (c) $155,787, (d) Detroit.

2. (a) USDA, (b) Glue, (c) $184,653, (d) Detroit.

A-Mac Sales & Builders, 10701 West McNichols, Detroit, Mich.

1. (a) HUD, (b) Housing Rehabilitation, (c) $82,132, (d) Detroit.

2. (a) DOT, (b) Install Antenna Mast, (c) $9,166, (d) Detroit.

3. (a) DOT, (b) Install Doors, Windows, (c) $15,690, (d) Detroit.

4. (a) DOT, (b) Building Renovation, (c) $30,074, (d) Detroit.

5. (a) HUD, (b) Building Rehabilitation, (c) $72,676, (d) Detroit.

6. (a) DOT, (b) Building Renovation, (c) $64,368, (d) St. Clair Shores.

Bearden Construction, Inc., 13325 Puritan, Detroit, Mich. 48227.

1. (a) USAF, (b) Housing Renovation, (c) $24,273, (d) Empire.

2. (a) USAF, (b) Housing Renovation, (c) $12,000, (d) Empire.

3. (a) DOT, (b) Install New Roof, (c) $10,875, (d) St. Clair Flats.

4. (a) VA, (b) Enclose Stairwells, (c) $34,334, (d) Allen Park.

5. (a) DOT, (b) Remodeling, (c) $27,936, (d) Port Huron.

6. (a) VA, (b) Install Ceramic Tile, (c) $26,957, (d) Ann Arbor.

Bonded Janitorial & Maintenance Service, Inc., 3141 Fenkell Avenue, Detroit, Mich. 48238.

1. (a) DOT, (b) Janitorial, (c) $14,205, (d) Detroit City Airport.

2. (a) VA, (b) Window Washing, (c) $5,575, (d) Ann Arbor.

3. (a) GSA, (b) Janitorial, (c) $47,312, (d) Battle Creek.

4. (a) VA, (b) Window & Screen Cleaning, (c) $6,993, (d) Ann Arbor.

5. (a) VA, (b) Window & Screen Cleaning, (c) $37,041, (d) Allen Park.

6. (a) VA, (b) Window Washing, (c) $6,989, (d) Ann Arbor.

7. (a) DOT, (b) Janitorial, (c) $15,677, (d) Detroit City Airport.

8. (a) GSA, (b) Janitorial, (c) $67,001, (d) Detroit.

9. (a) GSA,, (b) Janitorial, (c) $213,507, (d) Fed. Bldg. Detroit.

10. (a) DOT, (b) Janitorial, (c) $15,126, (d) Detroit.

City Electrical Contracting Company, 1930 McGraw, Detroit, Mich. 48208.

1. (a) Interior, (b) Cable Plowing, (c) $19,423, (d) Alger County.

Thom Cleveland & Associates, 220 Bagley—Drawing Room 222, Detroit, Mich. 48226.

1. (a) SBA, (b) Management Service, (c) $50,000, (d) Detroit.

2. (a) SBA, (b) Management Service, (c) $10,000, (d) Various Locations.

Cliff's United Development, Inc., 821 Stockdale—P.O. Box 5004, Flint, Mich. 48505.

1. (a) DOT, (b) Concrete Ramp Area, (c) $50,744, (d) Mt. Clemens.

2. (a) VA, (b) Enclose Porches, (c) $109,439, (d) Battle Creek.

G. E. Craft Building & Construction, 29451 Greenfield, Southfield, Mich. 48076.

1. (a) DOT, (b) Replace Windows, (c) $8,880, (d) Detroit.

2. (a) HUD, (b) Housing Rehabilitation, (c) $67,744, (d) Detroit.

3. (a) VA, (b) Insulation of Heat Ducts, (c) $40,252, (d) Battle Creek.

4. (a) VA, (b) Renovate Offices, (c) $12,066, (d) Allen Park.

5. (a) VA, (b) Renovate Offices, (c) $39,254, (d) Allen Park.

The Emanuel Company, 14385 Wyoming Avenue, Detroit, Mich. 48238.

1. (a) VA, (b) General Construction, (c) $58,249, (d) Ann Arbor.

2. (a) VA, (b) Construct Hosp. Radiology Suite, (c) $673,233, (d) Ann Arbor.

3. (a) VA, (b) Renovate X-Ray Rooms, (c) $58,602, (d) Allen Park.

Evans Janitorial Service, Inc., 3737 East Ellsworth, P.O. Box 1084, Ann Arbor, Mich. 48107.

1. (a) Commerce, (b) Janitorial, (c) $13,599, (d) Ann Arbor.

2. (a) Commerce, (b) Janitorial, (c) $16,230, (d) Ann Arbor.

Interior Window Coverings, Inc., 209 East Baltimore, Detroit, Mich. 48202.

1. (a) GSA, (b) Wash Repair Venetian Blinds, (c) $3,000, (d) Detroit.

Jones Construction, Inc., 113 Colorado, Highland Park, Mich. 48203.

1. (a) HUD, (b) Housing Rehabilitation, (c) $70,471, (d) Detroit.

Kennedy Catering Company, 4097 Tyler, Detroit, Mich. 48238.

1. (a) USAF, (b) Mess Attendant Service, (c) $10,254, (d) Selfridge.

2. (a) USAF, (b) Food Services, (c) $32,013, (d) Selfridge.

3. (a) USAF, (b) Mess Attendant, (c) $25,887, (d) Selfridge.

L & M Typewriter Company, 8514 W. McNichols, Detroit, Mich. 48221.

1. (a) GSA, (b) Maintain Electric Typewriter, (c) $9,182, (d) Detroit.

Newton Private Security Guard & Patrol Service, P.O. Box 14019, Detroit, Mich. 48214.

1. (a) EPA, (b) Guard Service, (c) $103,023, (d) Ann Arbor.

2. (a) Army, (b) Guard & Custodial Service, (c) $325,079, (d) Pontiac.

3. (a) VA, (b) Security Guard, (c) $7,344, (c) $7,344, (d) Highland Park.

4. (a) Army, (b) Guard Service, (c) $620,866, (d) Sault Ste Marie.

Original Construction Company, 18290 Santa Barbara, Detroit, Mich. 48221.

1. (a) Army, (b) Fence Repair, (c) $35,412, (d) Allen Park.

2. (a) HUD, (b) Housing Rehabilitation, (c) $58,213, (d) Allen Park.

3. (a) VA, (b) Renovation of Offices, (c) $45,131, (d) Allen Park.

4. (a) VA, (b) Update Residents Quarters, (c) $13,943, (d) Allen Park.

5. (a) VA, (b) Renovate Pharmacies, (c) $11,450, (d) Allen Park.

6. (a) VA, (b) Renovate Pharmacies, (c) $21,666, (d) Allen Park.

7. (a) VA, (b) Renovate Offices, (c) $40,705, (d) Allen Park.

Petoskey Plastics, Inc., U.S. 131 South, P.O. Drawer F, Petoskey, Mich. 49770.

1. (a) GSA, (b) Plastic Bags, (c) $726,069, (d) Petoskey.

Spicer Floor Sanding & Finishing, 12503 Livernois, Detroit, Mich. 48204.

1. (a) HUD, (b) Housing Rehabilitation, (c) $75,170, (d) Detroit.

2. (a) VA, (b) Install Metal Snap, (c) $37,491, (d) Allen Park.

3. (a) VA, (b) Install Snap-In Ceiling, (c) $43,378, (d) Allen Park.

4. (a) VA, (b) Install New Floor Title, (c) $3,978, (d) Allen Park.

Sterling Janitor & Maintenance Service, Inc., 7329 Puritan Avenue, Detroit, Mich. 48238.

1. (a) EPA, (b) Janitorial, (c) $139,245, (d) Ann Arbor.

2. (a) NWS, (b) Janitorial (c) $5,999, (d) Detroit.

3. (a) GSA, (b) Complete Maint. Service (c) $31,578, (d) Pontiac.

4. (a) NWS, (b) Janitorial, (c) $6,564, (d) Detroit.

S. W. Williams Painting Contractors, 2027 E. McNichols Road, Detroit, Mich. 48212.

1. (a) VA, (b) Painting Int. Surface (c) $11,084, (d) Allen Park.

2. (a) HUD, (b) Housing Rehabilitation, (c) $60,801, (d) Detroit.

3. (a) GSA, (b) Ext. Painting, (c) $24,836, (d) Detroit.

4. (a) USAF, (b) Ext. Painting, (c) $8,259, (d) Port Austin.

5. (a) VA, (b) Int. Painting, (c) $15,380, (d) Battle Creek.

6. (a) VA, (b) Int. Painting, (c) $48,490, (d) Battle Creek.

7. (a) USAF, (b) Corrosion Control, (c) $26,084, (d) Port Austin.

8. (a) GSA, (b) Interior & Exterior Painting, (c) $74,810, (d) Grand Rapids.

CONTRACTS AWARDED TO OUT OF STATE FIRMS

Brownell Lyons Construction Co., Inc., 714 S. Prospect, Crandon, Wisconsin 54520.

1. (a) VA, (b) Remodel Locker Room, (c) $11,778, (d) Iron Mountain, Mich.

2. (a) VA, (b) $112,802, (c) Remodel Second Floor, (d) Iron Mountain, Mich.

Iron Mountain is located in the upper peninsula. This Wisconsin contractor was the only firm within a reasonable distance from the project site.

OUT OF STATE CONTRACTS AWARDED TO MICHIGAN FIRMS

Kennedy Catering Company, 4097 Tyler, Detroit, Mich. 48238.

1. (a) USAF, (b) Food Service, (c) $238,508, (d) Grissom AFB, Indiana.

Case number, company name	Management agreement: Minority code	Management agreement: SIC1	Management agreement: SIC2	Chief exec. officer's name, street address, city, State, ZIP	Noun description, sponsor's name, city and State	Owner disadv. business/owner nondisadv. business/appr. date
50725. Allen Products Corp	0	2891	0000	Richard J. Hill, 4850 Cadillac, Detroit, Mich	Manufacture of adhesives	100/000/ 6-20-75
50690 A Mac Sales & Builders, Inc	0	1522	0000	Andrew G. McLemore, 10701 West McNichols Rd., Detroit, Mich.	General contractor	100/000/ 5-28-74
50681. Bearden Construction, Inc	0	1522	0000	Frank Bearden, 13325 Puritan, Detroit, Mich	do	100/000/ 4-24-74
50711. Ben Washington & Sons Plumbing & Heating.	0	1711	0000	Benjamin T. Washington, 7116 Tireman, Detroit, Mich.	Plumbing, heating, and air-conditioning.	100/000/10-31-75
50087. Bonolo Janitor & Maintenance Service, Inc.	0	7349	0000	Warren G. Hawkins, 3141 Fenkell Ave., Detroit, Mich.	Janitorial service	100/000/ 3-20-70
50667. City Electrical Contracting Co	0	1731	0000	Eddie Jones, 1930 McGraw, Detroit, Mich	Electrical contractor	100/000/12-12-73
50519. Thom Cleveland & Associates, Inc	0	7392	0000	Thomas A. Cleveland, Jr., 220 Basley, room 222, Detroit, Mich.	Marketing advertising and management consulting.	100/000/ 6-20-72
50557. Cliff's United Development, Inc	0	1542	0000	Clifford Scott, 821 Stockdale, P.O. Box 5004, Flint, Mich.	General contractor	100/000/ 8-21-72
50727. G. E. Craft Building & Construction	0	1522	0000	Gerald E. Craft, 29451 Greenfield, Southfield, Mich.	do	100/000/ 6-26-75
50703. Deallen Jewelry & Gifts	0	5944	0000	Olivia D. Smith, McNamara Bldg. 477 Michigan Ave., Detroit, Mich.	Retail jewelry and gifts	100/000/ 9- 4-74
50723. The Emanuel Co	0	1542	0000	Donald E. Emanuel, 14385 Wyoming Ave., Detroit, Mich.	General contractor	100/000/ 6-12-75
50708. Evans Janitorial Service, Inc	0	7349	0000	Wilbert T. Evans, 3773 East Ellsworth, P.O. Box 1084, Ann Arbor, Mich.	Janitorial service	100/000/12- 2-74
50494. Harrison Laundry & Cleaners	0	7211	0000	William McClenic, 3929 2d Ave., Detroit, Mich	Drycleaning and laundry	100/000/ 5-15-72
50753. Jones Construction, Inc	0	1521	0000	Charles L. Jones, 113 Colorado, Highland Park, Mich.	General construction	100/000/ 6-16-76
50526. Kennedy Catering Co	0	7369	2013	Harold L. Kennedy, 4097 Tyler, Detroit, Mich	Food services	100/000/ 6-20-72
50259. L. & M. Typewriter Co	0	7699	0000	Eugene Lester, Jr., 8514 West McNichols, Detroit, Mich.	Typewriter office machine repairs	100/000/ 7-15-71
50321. Newton Private Security Guard & Patrol Service.	0	7393	0000	Osborn P. Newton, Jr., P.O. Box 14019, Detroit, Mich.	Security guard and patrol service	100/000/11- 3-71
55674. Toinal Construction Co., Inc	0	1522	0000	Joseph Walker, Jr., 18290 Santa Barbara, Detroit, Mich.	General contractor	100/000/ 2-13-74
50750. Petoskey Plastics, Inc	7	2643	0000	Paul C. Keiswetter, U.S. 131 South, P.O. Box 435, Petoskey, Mich.	Polyethylene bags and sheets	088/012/ 6-10-76
50653. Spicer Floor Sanding & Finishing	0	1752	0000	Joseph Spicer, 12503 Livernois, Detroit, Mich	Floor sanding and finishing	100/000/11- 6-73
50280. Sterling Janitor & Maint. Svc., Inc	0	7349	0000	Lawrence Jones, 7329 Puritan Ave., Detroit, Mich.	Janitorial service	100/000/ 8-12-71
50485. S. W. Williams Painting Contract	0	1521	0000	S. W. Williams, 2027 East McNichols Road, Detroit, Mich.	Painting contractor	060/040/ 5- 1-72

DEPARTMENT OF TRANSPORTATION,
U.S. COAST GUARD,
Washington, D.C., June 28, 1978.

Hon. ROBERT P. GRIFFIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRIFFIN: Enclosed, as requested by your letter of 13 June 1978, is a representative listing of projects referred to the Small Business Administration for potential award under the Section 8(a) Program. A complete listing of all such projects has not been maintained. Our reporting system is designed primarily to report total awards and only incidentally provides data concerning specific awards or referrals.

Projects suitable for award under the Section 8(a) Program are projected on a fiscal year basis and updated quarterly throughout the year. Such listings are sent to local district or regional offices of the Small Business Administration for the purpose of identifying a suitable firm and for acceptance or rejection of the project under the Section 8(a) Program. Individually, procurement requests are reviewed by minority business specialists at each of the nineteen field contracting offices and here at Coast Guard Headquarters.

A number of factors are considered in identifying potential requirements for referral to the Small Business Administration, the most important of which is time. Section 8(a) awards typically require more time and engineering/contracting effort from identification of need through contract award. The detailed cost breakdown, for example, needed to negotiate with SBA and the minority contractor requires significant effort and time above the levels required for standard bid procedures. Bonding frequently is a problem for minority concerns that delays awards and, at times, precludes award. Individual SBA offices also differ as to the nature of projects considered suitable for award under the 8(a) Program. Some do not accept any procurements under $10,000.00 while others do. Some tend to reject procurements below a higher threshold. What is considered to be a suitable project for one SBA field office may be considered unsuitable in another. The Coast Guard, because of the nature of our needs, has tended to refer labor intensive, low technology requirements that do not require substantial capital investments on the part of the minority contractor. At field offices, our efforts have been primarily in construction and service contracts. At Headquarters the projects have been more technically complex because of the nature of what is purchased.

In summary, procurement requests are reviewed individually and referred to SBA as a function of past experiences with the particular SBA office, knowledge of the minority business community, consideration of the nature of the need and a recognition of the available engineering and contracting resources. No single criteria exists on a Coast Guard wide basis.

It is not possible to quantify costs associated with Section 8(a) Program support. While our overhead cost is increased due to the level of engineering and contracting effort required from definition of a need through contract performance, such costs can not be quantified. Prior to the award of any contract, the contracting officer must make an affirmative reasonableness of price determination. Whether, or to what extent, costs under the Section 8(a) Program may exceed those available from free and open competition is unknown. We must compare our cost estimate with the negotiated position of the minority firm. Certain costs, such as bonding and interest expense, generally are greater than those experienced by a more established firm. The test, however, is whether the costs to the Coast Guard and the contractor are fair and reasonable based on our estimate, prior experience with similar projects and the negotiated position of the firm. It is likely that this procedure frequently does result in some additional costs. Without a full test of the market, however, these costs can not be quantified. A figure approaching ten percent, however, is considered a reasonable estimate of the direct cost impact. Similar costs, incidentally, are associated with all socio-economic programs and represent a cost of doing business that can not be clearly identified.

As requested by Mr. Mark Steinberg of your staff, I have also enclosed a listing of projects performed in the State of Michigan under the Section 8(a) Program.

I trust that the above discussion and the data on enclosures (1) and (2) meet your needs.

Sincerely,

H. R. RUTLEDGE,
Captain, U.S. Coast Guard.

Encl: (1) Listing of Projects Referred to SBA; (2) Section 8(a) Contracts in the State of Michigan.

[Enclosure 1]

LISTING OF PROJECTS REFERRED TO SBA FOR POTENTIAL AWARD UNDER THE SECTION 8(a) PROGRAM DURING THE PERIOD 1 JANUARY 1976 THROUGH 31 MARCH 1978

Project description, estimated cost, and disposition:

Activity: First Coast Guard Dist. Boston.

Repair of barracks roof, $13,000, withdrawn due to urgency of need.

Janitorial Services, $8,000, awarded 8(a) $8,800.

Concrete paving, Portsmouth, N.H., $20,-900, rejected by SBA. No available 8(a) firms.

Repair Hangar Roof, $60,000, pending.

Addition to Generator Building, $25,000, pending.

Repair Dwellings at Hyde Park, $2,500, awarded 8(a) $2,488.

Construct water storage tank, $22,000, pending.

Install fire hydrants, N. Kingstown, Rhode Island, $3,000, rejected by SBA. No available 8(a) firms.

Sand filter sewage treatment system, Boothbay Harbor, Me., $12,000, rejected by SBA. No available 8(a) firms.

Remove and install new built-up roof, $19,000, awaiting SBA proposal.

Activity: Second Coast Guard Dist., St. Louis.

Heating and lighting renovations, Dubuque, Depot, $8,000, rejected by SBA. No available firm.

Construction of Building, Base St. Louis, $25,000, awarded 8(a) $32,000.

Paving, Depot, Paris, Tenn., $13,000, awarded 8(a) $13,000.

Paving, Depot, Levenworth, Kansas, $15,-730, awarded 8(a) $17,039.

Construction of building, Base St. Louis, $30,000, awaiting SBA proposal.

Lifting and mooring eyes, $4,300, awarded 8(a) $4,500.

Storage Building, Marine Safety Office, Memphis, $15,000, awaiting SBA proposal.

Activity: Third Coast Guard Dist., New York.

Custodial Services, Governors Island, $450,000, awarded 8(a) $456,767.

Keypunch and Verification services, $10,-000, awarded 8(a) $10,000.

Custodial Services, dependent school, $60,-000, awarded 8(a) $73,790.

Guard services for St. George Base, $17,549, awarded 8(a) $17,967.

Alterations, Shark River Station, $45,000, awarded 8(a) $48,754.

Renew roofs on Capehart Buildings, $94,-495, awarded 8(a) $128,525.

Correct Erosion at Montauk Station, $45,-000, pending.

Air Condition Electronics Shop at Moriches Station, $10,000, pending.

Activity: Fifth Coast Guard Dist. Norfolk.

Storm Windows, Ocracoke Station, $6,000, awarded 8(a) $5,575.

Replace fencing, Air Station Elizabeth City, N.C., $55,000, awaiting proposal.

Tower demolition & Removal, $8,500, awarded 8(a) $14,000.

Boats and Trailers, $24,000, awarded 8(a) $22,984.

Foundation skirting at two stations, $9,000, awarded 8(a) $8,870.

Aluminum Roof Coating, $50,000, awaiting proposal.

Improve fuel system, Wrightsville Bch., $8,000, SBA rejected. No firm available.

Activity: Seventh Coast Guard District Miami.

Install rest room facilities, Mayport, Fla., $7,500, withdrawn. Unable to negotiate reasonable price.

Aluminum siding, Marathon, Fla., $5,000, rejected. No available contractor.

Paint Cape Canaveral Light (exterior) $13,000, rejected. No available contractor.

Repair parking lot, Air Station Savannah, $20,000, awarded 8(a) $24,742.

Install rollup doors, Air Station St. Petersburg/Clearwater, $5,000, rejected. No available contractor.

Construct Canopy, Base Mayport, $35,000, awarded 8(a) $35,795.

Sewage plant demolition, Base Miami Beach, $30,000, pending.

Activity: Eighth Coast Guard Dist. New Orleans.

Install sprinkler systems at eight stations, $27,000, SBA unable to locate interested contractor.

Recreation facility, Air Station, New Orleans, $30,000, awarded 8(a) $28,091.

Install overhead hoist, Houston Air Station, $17,000, awarded 8(a) $6,388.

Install fire detection System, Base New Orleans, $20,000, unable to locate qualified contractor.

Replace air conditioner, Communications Station, New Orleans, $5,000, awarded 8(a) $7,535.

Repair & paint Sabine Bank light, Texas, $50,000, unable to locate qualified contractor.

Install sprinkler system, depot Corpus Christi, Texas, $6,000, awarded 8(a) $12,056.

Clear & Grub work at Malone, Florida, $29,000, unable to negotiate reasonable price. Awarded competitively for $26,660.

Construct BEQ building at Grangeville, La. LORAN–C station, $70,000, awarded 8(a) $64,341.

Construct Two BEQ buildings at Malone, Florida LORAN–C station, $95,000, awarded 8(a) $97,911.

Repair and replace doors & windows, family housing, Galveston, Texas, $90,000, awarded 8(a) $93,874.

Paving and site work, Raymondville, Texas LORAN–C station, $95,000, awaiting proposal from SBA.

Activity: Ninth Coast Guard Dist. Cleveland.

See Enclosure (2).

Activity: Eleventh Coast Guard District Long Beach.

Replacement of windows & doors at Air Station Los Angeles, $12,000, awarded 8(a) $12,893.

Exterior painting of quarters, $19,000, awarded 8(a) $20,000.

Replacement of heating system in BOQ, $12,000, unable to negotiate reasonable price with SBA & minority firm.

Activity: Eleventh Coast Guard District, Long Beach.

Modernization of BOQ Utility system at CG Air Station, San Diego, $53,000, being negotiated with SBA.

Activity: Twelfth Coast Guard District, San Francisco.

Spill prevention system, Pt. Arena Loran Station, $8,000, awarded 8(a) $10,300.

Erect fence and guard house, San Francisco Station, $10,000, awarded 8(a) $11,873.

Reroof and install gutters, CG housing, $29,000, awarded 8(a) $32,000

Fueling system repairs, TRACEN Alameda, $8,000, cancelled. Unable to negotiate reasonable price with SBA.

Shore erosion protection, CG Station YBI, $48,176 cancelled. Unable to negotiate reasonable price with SBA.

Construction of storage facility at Bodega Bay Station, $22,500, rejected by SBA. No minority contractor.

Reroof buildings at Station Rio Vista, $26,000, awarded 8(a) $48,013.

A/E services, $20,155, under negotiation with SBA.

Activity: Thirteenth Coast Guard District, Seattle.

Garage construction, Light Station Alki Point, Seattle, Washington, $22,000, awarded 8(a) $22,297.

Security lighting system, Support Center Seattle, $21,000, awarded 8(a) $31,230.

Install power and fire alarm system, Support Center Seattle, $8,400, awarded 8(a) $10,290.

Janitorial services, Support Center Seattle, $66,472, awarded 8(a) $67,102.

Masonary repairs, MSO Portland, $11,900, awarded 8(a) $11,671.

Building repairs, Yaquina Bay, Newport, Oregon, $8,000, SBA unable to locate minority contractor.

Activity: Fourteenth Coast Guard District, Honolulu.

Trash removal services, various Honolulu area units, $35,000, awarded 8(a) $36,473.

Laundry and dry cleaning services, none, awarded 8(a) to minority vendor.

Janitorial services, $16,000, awarded 8(a) $18,179.

Note: SBA somewhat reluctant to accept 8(a) projects as most firms are minority owned in Hawaii.

Activity: Seventeenth Coast Guard District Juneau.

Rehab. barracks at Kodiak. Phase II, $265,000, awarded 8(a) $162,276.

Construct BEQ at Tok, Alaska, $165,000, awarded 8(a) $199,840.

Rehab, barracks at Kodiak, Phase III, $390,000, awarded 8(a) $391,691.

Chimney repair at Kodiak, $157,000, rejected. Unable to match with qualified 8(a) firm.

Activity: Coast Guard Headquarters, Washington, D.C.

Remote control interface (circuit board), $205,000, awarded 8(a) $91,524.

Loran C simulators and cross rate blankers, $97,000, awarded 8(a) $96,498.

Loran A frequency generators, $88,000, awarded 8(a) $80,501.

Solid state radiobeacon coders, $83,000, awarded 8(a) $95,858.

Engineering design and drafting services, $70,000, awarded 8(a) $70,000.

NAAID sensor modules, $20,000, awarded 8(a) $12,057.

Inflatable life raft seakeeping research, $50,000, under negotiation with SBA.

Audio visual controller, $50,000, under negotiation with SBA.

Feedback modification kits, $400.000, 8(a) contractor proposal being evaluated.

Total Awards: fiscal year 1976, $3.029,000; fiscal year 1977, $3.997,000, and fiscal vear 1978, $2,712,000 (through 31 March 1978).

[Enclosure 2]

LISTING OF PROJECTS PERFORMED UNDER THE SECTION 8(a) PROGRAM IN THE STATE OF MICHIGAN

Contractor, project descriptions and contract cost:

GE Craft Inc., Southfield, MI.

Base Detroit, replace windows, $8,980.

A-MAC Sales and Builders, Detroit, MI.

Belle Isle Station, station alterations, $30,074.

St. Clairs Shores Station, station alterations, $64,588.

Reserve Training Center Detroit, replace windows, doors and masonry work, $15,690.

Belle Isle Station, antennae pole installation, $10,587.

Clift's United Development, Inc., Flint, MI.

Detroit Air Station, concrete ramp installation, $50,743.

Detroit Air Station, gutters and downspouts, $10,552.

Detroit Air Station, seal concrete surfaces, $5,500.

Bearden Construction, Detroit, MI.

St. Clairs Shore Station, new roof, $10,876.

Port Huron Station, station alterations, $27,936.

Means-Grand Traverse Joint Venture, Gary, Indiana-Traverse City, MI.

Traverse City Air Station, new hangar and site work (pending award), $3,755,798.*

Mr. NELSON. Mr. President, I wish to make a correction for the RECORD: The SBA Administrator does not award the 8(a) contracts. It is the procuring agency that awards the contract.

But I say to the Senator from Michigan that he has raised an important point. I suggest that his staff confer with the staff of the Small Business Committee. When that measure comes before the Senate, it may be that we can resolve or improve the legislation to accomplish, in a better way, what the Senator from Michigan seeks to now accomplish.

Mr. GRIFFIN. If the Senator will permit me, let me see if I can clear up a point. He says that the contract is actually awarded by the procurement officer of the buerau or agency; but under 8(a), is not the contract awarded to the Administrator of SBA, who, in turn, subcontracts it to the disadvantaged business concern?

Mr. NELSON. That is the legal way in which it operates.

Mr. GRIFFIN. That is rather a legal technicality, I suggest to the Senator from Wisconsin.

Mr. NELSON. The Senator is correct.

Mr. GRIFFIN. I thank the Chair and the manager of the bill.

The PRESIDING OFFICER. The Chair wishes to state that the amendment of the Senator from Michigan is withdrawn.

MAKING GOVERNMENT RESPONSIVE TO SMALL BUSINESS

● Mr. CLARK. Mr. President, I urge my colleagues to join me in supporting Title 3 of H.R. 11445. This important piece of legislation contains for the first time a declaration of a national small business economic policy—a long overdue statement of our commitment to make government more responsive to the needs of small business.

We recognize that the welfare of the small business community plays a major role in the health of our economy and must be addressed at the highest levels of Government. We have, therefore, proposed putting the welfare of small business back on the front burner and enlarging the role of the Small Business Administration in the formulation of fiscal and monetary policy.

Small business owners do not need another level of bureaucracy to look out for their interests. They know perhaps better than any sector of our economy that more government does not mean more efficient or effective governing. What they do need is a government whose stated policy is to promote and protect their economic interests, while insuring that all Federal agencies and programs are coordinated in this effort. Title 3 streamlines the process of making small business heard at all levels of government.

We believe the crucial role small business plays in our economy cannot be overstated. Its successes, as well as its problems, affect us all. That is why I was an early cosponsor of S. 1726, which is now included as title 3 of the bill amending the Small Business Act. This provision signifies a sincere effort to make good on our promise to encourage and support the activities of small business. The measures proposed in title 3 will redefine the Small Business Administration's role as advocate in its job of representing small businesses and initiating programs and policies which work for their survival and growth.

The Small Business Administration must be given a greater share in making the decisions that bear on the welfare of small business owners. At the same time, more attention must be paid by all Government agencies to the effects their actions have on the small business community. Title 3 speaks directly to these needs. It represents a major step toward our goal of restoring confidence in those who are now questioning the effectiveness and efficiency of the governmental institutions that were designed to serve them.

Specifically, we have proposed enlarging the role of the Small Business Administration's Chief Council for Advocacy. As the new Chief Council for Advocacy and Economic Research and Analysis, he or she would speak for the rights and welfare of small business owners before all Government departments, agencies, and instrumentalities whose activities affect small business. A primary responsibility of this office will be to collect and maintain a comprehensive data base on small business, the lack of which has inhibited the development of Federal programs capable of meeting the specific problems of small business.

Under title 3, the President would be required to report annually on his assessment of small business needs, his overall economic strategy for meeting those needs, and his specific proposals to increase competition and reduce the concentration of economic resources.

To insure that all Government agencies are working toward the same end, title 3 establishes a Small Business Coordinating Board which will bring together under one roof the Secretaries of Treasury, Commerce, Labor and Agriculture, the Chairmen of the Federal Trade Commission, Securities and Exchange Commission, Council of Economic Advisers, Federal Reserve System, and the Assistant Attorney General for Antitrust. Let me

*Total award price unknown at present due to funding uncertainties. Final award may be reduced by approximately $450,000 with corresponding reduction in scope of work.

emphasize that the purpose of this Council would be to coordinate the efforts of existing agencies whose programs involve small business. Their job will be to evaluate and propose to the appropriate officials ways in which their activities could be altered to benefit small business.

Finally, the measure would raise the Office of Small Business Administrator to executive level I, a Cabinet level rank, to insure the full participation of the Small Business Administration in the discussion and formulation of Federal economic policy.

Title III will make the role of the Small Business Administration in the Federal Government commensurate with the role of small business in our economy. Its importance to the functioning of our society must not be undermined by inadequate representation in the complex process of policymaking. We must again pledge to help make small business work.●

Mr. NELSON. Mr. President, I know of no further amendments to the bill. I move the third reading.

The PRESIDING OFFICER. Are there further amendments? If there are no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. NELSON. I yield back the remainder of my time.

Mr. WEICKER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is, Shall the bill, as amended, pass?

The bill was passed.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 11445, passed earlier, be held at the desk and that the printing thereof be held in abeyance until certain matters have been resolved, at which time the bill will be further disposed of and printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action by which the Senate insisted on its amendments to the bill, H.R. 11445, requesting a conference and appointing conferees, the motion to lay on the table the motion to reconsider, final passage, and third reading on H.R. 11445, an act to amend the Small Business Act, be vitiated; that an unprinted amendment, No. 1569, be considered and agreed to; that the bill be considered as having been read a third time and passed; that a motion to reconsider be considered as having been laid on the table; and that the previous action requesting a conference and appointing conferees be reinstated.

Mr. STEVENS. Mr. President, reserving the right to object, I am informed that the managers of the bill on this side have agreed to this procedure, and therefore I will not object.

Mr. ROBERT C. BYRD. I thank the distinguished acting Republican leader.

Mr. President, the amendment is at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1569

The amendment is as follows:

On page 53, line 10, strike the words "Council on" and insert in lieu thereof the words "Special Assistant for".

On page 53, line 11, strike the words "and Competition".

On page 53, line 19, strike the words "Council on" and insert in lieu thereof the words "Special Assistant for".

On page 53, line 20, strike the words "and Competition".

On page 54, strike line 4 and insert in lieu thereof the following: "basis to the President's Special Assistant for Small Business"

On page 54, line 5, strike the word "Competition".

On page 57, line 12, strike the word "Council" and insert in lieu thereof the words "Special Assistant".

On page 57, line 13, strike the word "on" and insert in lieu thereof the word "for".

On page 57, strike line 25 and insert in lieu thereof the following: "dent's Special Assistant for Small Business. Such re-".

On page 66, line 2, strike the words "members of the Council on" and insert in lieu thereof the words "President's Special Assistant for".

On page 66, line 3, strike the words "and Competition".

On page 67, line 4, strike the word "Council" and insert in lieu thereof the words "President's Special Assistant for Small Business".

On page 67, strike lines 19 through 21.

The PRESIDING OFFICER. Without objection, the bill as amended will be printed, as passed.

TITLE I—AUTHORIZATION AND TECHNICAL AMENDMENTS

PART A—AUTHORIZATIONS AND LIMITATIONS

FISCAL YEAR 1979 PROGRAM LEVELS

SEC. 101. (a) Section 20(e) of the Small Business Act is amended to read as follows:

"(e) The following program levels are authorized for fiscal year 1979:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $50,000,000 in direct and immediate and $4,000,000,000 in deferred participation loans.

"(2) For the programs authorized by section 7(h) of this Act, the Administration is authorized to make $16,000,000 in direct and immediate participation loans and $6,000,000 in guaranteed loans.

"(3) For the programs authorized by section 7(i) of this Act, the Administration is authorized to make $64,000,000 in direct and immediate participation loans and $64,000,000 in guaranteed loans.

"(4) For the programs authorized by sections 501 and 502 of the Small Business Investment Act of 1958, the Administration is authorized to make $45,000,000 in direct and immediate participation loans, and $200,000,000 in guaranteed loans and guarantees of debentures.

"(5) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $22,000,000 in direct purchase of debentures and preferred securities and to make $125,000,000 in guarantees of debentures.

"(6) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $3,000,000,000.

"(7) For the programs authorized by sections 7(b)(3), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(b)(8), 7(b)(9) and 7(g) of this Act, the Administration is authorized to enter into $100,000,000 in direct loans and loan guarantees.

"(8) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $300,000,000.

"(9) For the programs authorized by sections 7(b)(1) and 7(b)(2) of this Act, the Administration is authorized to enter into direct loans not to exceed $1,000,000,000.".

Section 20(f) of the Small Business Act is amended to read as follows:

"(f) There are authorized to be appropriated to the Administration for fiscal year 1979, $1,735,280,000 to carry out the programs referred to in subsection (e), paragraphs (1) through (9). Of such sum, $368,780,000 shall be available to carry out the programs referred to in subsection (e), paragraphs (1) through (5); $43,000,000 shall be available to carry out the provisions of section 412 of the Small Business Investment Act of 1958; $4,000,000 shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958; $1,115,000,000 shall be available to carry out the programs referred to in subsection (e), paragraphs (7) and (9); and $200,000,000 shall be available for salaries and expenses of the Administrtion, of which amount—

"(1) $17,000,000 shall be available for procurement assistance, of which amount no less than $962,000 shall be used to employ thirty-five additional procurement center representatives, no less than $192,000 shall be used to employ seven additional industrial specialists, no less than $954,000 shall be used to employ forty additional procurement generalists, no less than $220,000 shall used to employ additional clerical personnel, and no less than $2,500,000 shall be used to pay for the development of a Procurement Automated Source System;

"(2) $23,385,000 shall be available for management assistance, of which amount no less than $2,000,000 shall be used for direct SCORE/ACE program costs, no less than $2,500,000 shall be used for direct small business institute program costs, and no less than $14,385,000 shall be used to employ existing and additional management assistance personnel;

"(3) $2,172,000 shall be available for technical assistance, of which amount no less than $192,000 shall be used to employ additional technical assistance personnel;

"(4) $8,000,000 shall be used to pay for the execution of the advocacy and research functions authorized by section 21 of this Act, of which amount no less than $800,000 shall be used to pay for retabulation of existing data from the United States Department of Commerce for developing a small business economic data base, no less than $1,200,000 shall be used to pay for modification of existing surveys from the United States Department of Commerce or other Federal department, agency, or instrumentality for developing a small business economic data base, no less than $350,000 shall be used to pay for special surveys to be carried out by the United States Department of Commerce or other Federal department, agency, or instrumentality for developing a small business economic data base, no less than $500,000 shall be used to pay for other costs of developing and maintaining a small business economic data base, $500,000 shall be available for computer hardware needed to develop and maintain a small business economic data base, and no less than $2,000,000 shall

be used to pay for development of internal Administration advocacy and research capabilities; all economic research functions shall be conducted solely under the direction of the Advocacy and Economic Research and Analysis Division and any funds authorized to be appropriated by this subsection for the purpose of economic research shall be under the direction and coordination of the Advocacy and Economic Research and Analysis Division;

"(5) $25,000,000 shall be available to pay for programs authorized in section 7(j) of this Act;

"(6) $4,500,000 shall be available for internal Administration data management, of which amount no less than $450,000 shall be used to pay for development of an automated internal Administration management data base and no less than $110,000 shall be used to pay for enhancement of the Administration's document tracking system and for installation of terminals in Administration field offices;

"(7) $13,000,000 shall be available for administration of programs authorized by section 7(b) of this Act; and

"(8) $8,000,000 shall be available for grants authorized by section 4 of the Small Business Development Center Act of 1978, $5,000,000 shall be available for grants authorized by section 8 of the Small Business Development Center Act of 1978, and $650,000 shall be available for administration of the small business development center program as authorized by section 7 of the Small Business Development Center Act of 1978.".

(c) Section 20(g) of the Small Business Act is amended to read as follows:

"(g) The Administration may transfer no more than 10 percent of each of the total program levels for salaries and expenses authorized by paragraphs (1) through (7) of section 20(f) of this Act: *Provided, however,* That no program level authorized in such paragraphs may be increased more than 20 percent by any such transfers.".

SEC. 102. Section 101 of this title shall become effective on October 1, 1978.

SEC. 103. Section 20(a) of the Small Business Act is amended by adding thereto the following: "All appropriations whether specifically or generally authorized shall remain available until expended.".

PART B—MISCELLANEOUS AMENDMENTS

SURETY-BOND GUARANTEE FUND

SEC. 111. The last sentence of section 412 of the Small Business Investment Act of 1958 is repealed.

INVESTMENT OF POLLUTION CONTROL BOND FEES

SEC. 112. Section 405 of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following: "Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested.".

PRODUCT DISASTER LOANS

SEC. 113. Section 7(b)(4) of the Small Business Act is amended by striking therefrom "undetermined" and inserting in lieu thereof "other".

LOAN POOLING

SEC. 114. (a) Section 5(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of clause (10);

(2) by striking out the period at the end of clause (11) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(12) authorize private dealers who regularly purchase guaranteed interests in deferred participation and guaranteed loans from banks and other financial institutions originating such loans pursuant to section 7(a) of this Act or title V of the Small Business Investment Act of 1958 to form and administer pools of such guaranteed interests and to freely issue and sell, directly or through their respective fiduciary agents, certificates of beneficial ownership in such pools to private investors. The full faith and credit of the United States is pledged to the timely payment of all principal and accrued interest on such certificates and the obligations underlying each respective pool.".

(b) Section 4(c)(1) of such Act is amended by inserting "5(b)(12)," between "sections" and "7(a)".

LOCAL DEVELOPMENT COMPANIES

SEC. 115. Section 502 of the Small Business Investment Act of 1958 is amended by striking the colon and the phrase "*Provided, however,* That the foregoing powers shall be subject to the following restrictions and limitations:" after the words "an immediate or deferred basis" and inserting in lieu thereof a period and the following phrase: "To encourage the formation and growth of local development companies that have (1) a full time professional staff, (2) adequate accounting, legal, and business servicing capabilities, and (3) an active board of directors, which meets on a regular basis and is actively involved in loan decisions and loan servicing, the Administration is authorized (but only to the extent that the necessary funds are not available to such companies from private sources) to purchase, or to guarantee the timely payment of all principal and interest as scheduled on, debentures issued by such local development companies: *Provided, however,* That the foregoing powers shall be subject to the following restrictions and limitations:".

PROCUREMENT SYSTEMS

SEC. 116. Section 15(c) of the Small Business Act is amended to read as follows:

"(c) Public and private organizations and individuals eligible for assistance under section 7(h) of this Act shall be eligible to participate in programs authorized by this section.".

SMALL BUSINESS EXEMPTION FROM OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SEC. 117. Section 652(5) of title 29 of the United States Code is amended to read:

"(5) The term "employer" means a person engaged in a business affecting commerce who has employees, but does not include the following:

"(A) the United States or any State or political subdivision of a State;

"(B) any person that has no more than ten full-time employees, and does not have an occupational injury/illness incidence rate exceeding seven per hundred full-time employees based upon the annual Bureau of Labor Statistics survey of two-digit Standard Industrial Classification Code industries.

"(C) the failure by the Secretary to provide the annual information necessary for the application of subsection (B) shall cause the exemptions provided thereunder to apply to all persons with no more than ten full-time employees. The application of this subsection will continue until the Secretary publishes the required information.".

NOTICE

SEC. 118. Section 673(a) of title 29 of the United States Code is amended by substituting the following new subsection (a):

"(a) In order to further the purposes of this chapter—

"(1) The Serretary in consultation with the Secretary of Health, Education, and Welfare, shall develop and maintain an effective program of collection, compilation, and analysis of occupational safety and health statistics. Such program may cover all employments whether or not subject to any other provisions of this chapter but shall not cover employments excluded by section 653 of this title. The Secretary shall compile accurate statistics on work injuries and illnesses which shall include all disabling, serious, or significant injuries and illnesses, whether or not involving loss of time from work, other than minor injuries requiring only first aid treatment and which do not involve medical treatment, loss of consciousness, restriction of work or motion, or transfer to another job: *Provided further,* That the Secretary shall publish annually in the Federal Register the occupational injury/illness incidence rate for the ten-or-fewer-employees size segment of all major groups identified by their two-digit standard industrial classification code number.

"(2) The annual publication of occupational injury/illness incidence rates shall be published on or before December 31 of the calendar year immediately following the year from which they were derived, and shall apply only during the calendar year immediately following publication.".

TITLE II

SMALL BUSINESS DEVELOPMENT CENTERS

SHORT TITLE

SEC. 201. This title may be cited as the "Small Business Development Center Act of 1978".

FINDING AND PURPOSE

SEC. 202. (a) The Congress finds that—

(1) small business concerns rarely have access to useful and practical advice, information, and services of the types which are available to large business concerns or, through the Department of Agriculture extension service, to farmers and agricultural business concerns;

(2) small businesses would benefit from having a local, single source of assistance which would interpret, analyze and counsel on matters such as management, marketing, product development, manufacturing, technology development and exchange, finance, government regulations and policies and other similar problem or policy areas; and

(3) universities are aware of local small business problems and are better equipped than the Federal Government to develop and establish management and technical assistance programs designed to aid small business concerns in such local communities.

(b) It is the purpose of this title to expand the small business sector, to stimulate economic diversity, and to foster competition by encouraging the development of small business development centers through a grant program giving States wide flexibility in developing and establishing centers to aid in the development and growth of existing and new small business concerns.

DEFINITIONS

SEC. 203. As used in this title—

(1) the term "Administration" means the Small Business Administration;

(2) the term "center" means State small business development centers and regional small business development centers established or operated with assistance furnished under this title;

(3) the term "Board" means the Small Business Development Center Advisory Board;

(4) the term "university" means any public or private nonprofit institution of higher education which is located in any State; and

(5) the term "State" means a State of the United States, the District of Columbia, or any territory, possession, or commonwealth of the United States.

GRANTS

SEC. 204. (a) The Administration, upon the advice of the Board, acting through the Associate Administrator for Management and

Technical Assistance, is authorized to make grants to States to assist universities within the States in developing and operating a center program that furnishes small businesses with a broad range of advice, information, and assistance, as described in section 206 of this Act.

(b) A grant may be made to finance 75 percent of the cost of developing and operating a State center program. Assistance made available pursuant to this title may be used only to support activities described in section 206 of this title and for such other comparable activities as are approved by the Administration which are designed to benefit small business concerns by providing direct information and assistance or by providing access to business analysts who can refer small business concerns to available experts or consultants.

(c) The Administration may make a grant to finance 100 percent of the cost of developing and operating regional center activities described in section 206 or other such comparable activities as are approved by the Administration.

STATE PLANS

SEC. 205. (a) A State may apply to participate in the center program by submitting to the Administration for approval a plan naming the universities within the State that would participate in the program, the geographic area to be served by each university, the services that each university would provide, the method for delivering services by each participating university, the budget for each university, and any other information and assurances the Administration may require to insure that the State will carry out the activities eligible for assistance under this title.

(b) Assistance shall be made available through the States to a university only if that university is included in that State's plan which has been approved by the Administration.

CENTERS

SEC. 206. (a) State and regional centers receiving grants under this title shall assist small businesses in solving problems concerning operations, manufacturing, engineering, technology exchange and development, personnel administration, marketing, sales, merchandising, finance, accounting, business strategy development, and other disciplines required for small business growth and expansion, innovation, increased productivity, and management improvement, and for decreasing industry economic concentrations.

(b) A State center shall provide services as close as possible to small businesses by providing extension services and utilizing satellite locations when necessary. It shall also, to the extent possible, make full use of other Federal and State Government programs that are concerned with aiding small businesses. A State center shall have—

(1) a full-time staff including a State director to manage the program activities;

(2) business analysts to counsel, assist, and inform small business clients;

(3) technology transfer agents to provide state of the art technology to small businesses through coupling with national and regional technology data sources;

(4) information specialists to assist in providing information searches and referrals for small businesses;

(5) access to part-time professional specialists to conduct research or to provide counseling assistance whenever the need arises; and

(6) access to laboratory and adaptive engineering facilities.

(c) Services provided by a State center shall include, but shall not be limited to—

(1) furnishing one-to-one individual counseling to small businesses;

(2) assisting in technology transfer, research, and coupling from existing sources to small business concerns;

(3) maintaining current information concerning Federal, State, and local regulations that affect small businesses and counsel small businesses on methods of compliance. Technology development shall be provided when necessary to help small businesses find solutions for complying with environmental, energy, health, safety, and other Federal, State, and local regulations;

(4) coordinating and conducting research into technical and general small business problems for which there are no ready solutions;

(5) providing and maintaining a comprehensive library that contains current information and statistical data needed by local small businesses;

(6) maintaining a working relationship and open communications with the financial and investment communities, legal associations, local and regional private consultants, and local and regional small business groups and associations in order to help address the various needs of the small business community; and

(7) conducting in depth surveys for local small business groups in order to develop general information regarding the local economy and general small business strengths and weaknesses in that locality.

(d) A State center shall continue to upgrade and modify its services, as needed, in order to meet the changing and evolving needs of the small business community.

(e) Regional centers shall be established to support State centers when the Administration, with the advice of the Board, determines a need for providing assistance and information on technical or specialized problems that may require capital intensive research and which transcend State boundaries. Regional centers shall be provided a specific charter and staff according to the services they will be expected to provide. Their assistance shall be available to all State centers participating in the program.

(f) Laboratories operated and funded by the Federal Government are authorized and directed under this title to cooperate with centers participating in this program. Laboratories shall make facilities and equipment available as an aid in providing experiment station capabilities in adaptive engineering; provide library and technical information processing capabilities; and provide professional staff for consulting. Centers shall reimburse the laboratories for necessary expenses.

(g) Innovation centers supported by the Federal Government through the National Science Foundation are authorized and directed under this title to cooperate with small business development centers participating in this program. The National Science Foundation shall report annually on the performance of such centers with recommendations to the Small Business Administration and the Congress on how such innovation centers can be strengthened and expanded. The National Science Foundation shall include in its report to Congress information on the ability of innovation centers to interact with the Nation's small business community and recommendations to the Small Business Administration on continued funding.

PROGRAM MANAGEMENT

SEC. 207. (a) There is hereby established in the Small Business Administration a division to be known as the Small Business Management and Technical Assistance Division. The Division shall be headed by an Associate Administrator for Management and Technical Assistance who shall receive compensation at the rate provided by law for other Associate Administator of the Small Business Administration.

(b) The Administrator shall appoint a Deputy Associate Administrator for Management and Technical Assistance who will report to the Associate Administrator for Management and Technical Assistance and who shall serve without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 or such title relating to classification and General Schedule pay rates, but at a rate not less than the rate for GS–17 of the General Schedule.

(c) The sole responsibility of the Deputy Associate Administrator for Management and Technical Assistance shall be to administer the small business development center program. Duties of the position shall include, but are not limited to, establishing the annual program budget, reviewing the annual budgets submitted by each State, establishing appropriate funding levels therefor, selecting States to participate in this program under this title, establishing policies implementing the provisions of this title, reviewing applications for research grants under section 208 of this title, maintaining a clearinghouse to provide for the dissemination and exchange of information between centers, disseminating information obtained under section 208 of this title, and conducting audits of recipients of grants under sections 204 and 208 of this title. The Deputy Associate Administrator for Management and Technical Assistance shall confer with and seek the counsel of the Board in carrying out the responsibilities described in this section.

(d)(1) There is established a National Small Business Development Center Advisory Board which shall consist of seventeen members, twelve of whom are to be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall be persons of outstanding qualifications known to be familiar and sympathetic with small business needs and problems. Of the twelve members so appointed, no more than three shall be from universities or their affiliates and nine shall be from small businesses or associations representing small business. At the time of the appointment of the Board, the President shall designate at least one-third of the members and at least one from each category whose term shall end in two years from the date of appointment, and a second third whose term shall end in three years from the date of appointment, and the final third whose term shall end in four years from the date of appointment. Succeeding Boards shall have three-year terms, with one-third of the Board changing each year. The other members of the Board shall be the National Science Foundation Director of the Office of Small Business Research and Development, Director of the Energy Extension Service of the Department of Energy, Assistant Secretary of Commerce for Science and Technology, Deputy Assistant Secretary of Defense for Material Acquisitions, and the Assistant Administrator for Industry Affairs and Technology Utilization of the National Aeronautics and Space Administration.

(2) The Board shall elect a Chairman and advise, counsel, and confer with the Deputy Associate Administrator for Management and Technical Assistance in carrying out the duties described in section 207(c) of this title. The Board shall meet at least quarterly and at the call of the Chairman of the Board. Each member of the Board, other than representatives of the Federal Government, shall be entitled to be compensated at the rate not in excess of the per diem equivalent of the highest rate of pay for individuals occupying the position under GS–18 of the General Schedule for each day he is engaged in activities of the Board and shall be entitled to be reimbursed for his expenses as a member of the Board.

(e) Regional and State centers shall establish advisory boards which shall consist of a majority of members from small businesses and which shall include members from universities and members from State and local governments. State center board members shall be appointed by the Governor and regional center board members shall be appointed by the Administrator of the Small Business Administration and persons selected for both boards shall have outstanding qualifications and known to be familiar and sympathetic with small business needs and problems.

RESEARCH GRANTS

SEC. 208. The Administration, upon the advice of the Board, acting through the Associate Administrator for Management and Technical Assistance, is authorized to make grants to universities, public and private organizations, and business concerns to undertake research to identify and solve managerial, economic, financial, operational, technological, or other problems which affect small business concerns. The Deputy Associate Administrator for Management and Technical Assistance, with the advice of the Board, shall develop criteria to insure that all research projects are coordinated and that they address the need for relevant and meaningful small business data and information.

EVALUATION

SEC. 209. (a) The Administration, with the advice of the Board, shall establish a plan for evaluation of the center program which may include the retaining of an independent concern to conduct such an evaluation. The evaluation shall be both quantitative and qualitative and shall determine—

(b) The Comptroller General of the United States shall conduct a quantitative and qualitative evaluation of the center program to determine—

(1) the impact of the center program on small businesses and the socioeconomic base of the regions it served; and

(2) the multidisciplinary resources the center program was able to coordinate to assist small businesses.

For the purpose of this evaluation, the Comptroller General is authorized to require any center or party receiving assistance under section 208 to furnish to him such information annually or otherwise as he deems appropriate. A report on such evaluation shall be transmitted to the Congress not later than the second year after the date of enactment of this title.

MANAGEMENT AND TECHNICAL ASSISTANCE PROGRAMS

SEC. 210. This title is not intended to duplicate or limit any programs or projects administered by the Department of Commerce. In order to avoid the possibility of duplication of services, the Administrator shall only in close cooperation with the Secretary of Commerce and in coordination with the management and technical assistance programs administered by the Department of Commerce establish additional management and technical assistance under this title.

TITLE III—SMALL BUSINESS ADVOCACY

SHORT TITLE

SEC. 301. This title may be cited as the "Small Business Economic Policy and Advocacy Reorganization Act of 1978".

PART A—ADVOCACY AND ECONOMIC RESEARCH AND ANALYSIS

SEC. 311. Section (4)(b) of the Small Business Act is amended to read as follows:

"(b)(1) The management of the Administration shall be vested in an Administrator who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall be a person of outstanding qualifications who is familiar and sympathetic with small business needs and problems. The Administrator may not engage in any other business, vocation, or employment than that of serving as Administrator. In carrying out the programs administered by the Small Business Administration, including its lending and guaranteeing functions, the Administrator may not discriminate on the basis of sex or marital status against any person or small business concern applying for or receiving assistance from the Small Business Administration, and the Small Business Administration shall give special consideration to veterans of the Armed Forces of the United States and their survivors or dependents.

"(2) The President shall also appoint from civilian life by and with the advice and consent of the Senate—

"(A) a Deputy Administrator who shall be Acting Administrator of the Administration during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator;

"(B) a Chief Counsel for Advocacy and Economic Research and Analysis who shall be responsible solely for the development, execution, and administration of those duties specified in section 21 of this Act;

"(C) an Associate Administrator for Finance who shall be responsible to the Administrator solely for the development, execution, and administration of—

"(i) all loan programs specified in section 7 of this Act; and

"(ii) those programs and activities specified in titles IV and V of the Small Business Investment Act of 1958;

"(D) an Associate Administrator for Procurement Assistance who shall be responsible to the Administrator solely for the development, execution, and administration of the procurement assistance programs and activities specified in sections 8 and 15 of this Act;

"(E) an Associate Administrator for Minority Assistance who shall be responsible to the Administrator solely for the formulation of policy relating to the Administration's programs which provide assistance to minority small business concerns and in the review of the Administration's executive of such programs in the light of such policy;

"(F) an Associate Administrator for Investment who shall be responsible to the Administrator solely for the development, execution, and administration of the investment programs specified in title III of the Small Business Investment Act of 1958; and

"(G) an Associate Administrator for Management and Technical Assistance who shall be responsible to the Administrator solely for the carrying out of those duties specified in the Small Business Development Center Act of 1978.".

SEC. 312. The Small Business Act is amended by redesignating section 21 as section 22 and inserting after section 20 the following new section:

"SEC. 21. (a) There is established in the Administration a division to be known as the Advocacy and Economic Research and Analysis Division (hereinafter referred to as the 'Division'). The Division shall be headed by a Chief Counsel for Advocacy and Economic Research and Analysis.

"(b) The Chief Counsel for Advocacy and Economic Research and Analysis shall perform the following duties on a continuing basis:

"(1)(A) establish and maintain an economic data base for the purpose of providing the Congress and the Administration information on the economic condition and the expansion or contraction of the small business sector. To that end, the Chief Counsel for Advocacy and Economic Research and Analysis shall publish on a regular basis national small business indices and, to the extent feasible, regional small business indices, which shall include, but need not be limited to, data on—

"(i) employment, layoffs, and new hires;

"(ii) number of business establishments and the types of such establishments such as sole proprietorships, corporations, and partnerships;

"(iii) number of business formations and failures;

"(iv) sales and new orders;

"(v) back orders;

"(vi) investment in plant and equipment;

"(vii) changes in inventory and rate of inventory turnover;

"(viii) sources and amounts of capital investment, including debt, equity, and internally generated funds;

"(ix) debt to equity ratios;

"(x) exports;

"(xi) number and dollar amount of mergers and acquisitions by size of acquiring and acquired firm; and

"(xii) concentration ratios;

"(B) publish annually a report giving a comparative analysis and interpretation of the historical trends of the small business sector as reflected by the data acquired under (A) of this subsection;

"(2) study the ability of financial markets and institutions to meet the debt and equity capital needs of small businesses;

"(3) examine the role of small businesses in the American economy and the contribution which small businesses can make in improving competition, encouraging economic and social mobility for all citizens, restraining inflation, spurring production, expanding employment opportunities, increasing productivity, promoting exports, stimulating innovation and entrepreneurship, and providing an avenue through which new and untested products and services can be brought to the marketplace;

"(4) recommend specific measures for creating an environment in which all businesses will have the opportunity to compete effectively and expand to their full potential, and to ascertain the common reasons, if any, for small business successes and failures;

"(5) determine the impact of the tax structure on small businesses and make legislative and other proposals for altering the tax structure to enable all small businesses to realize their potential for contributing to the improvement of the Nation's economic well-being;

"(6) develop proposals for changes in the policies and activities of any department, agency, and instrumentality of the Federal Government which will better fulfill the purposes of the Small Business Act and communicate such proposals on a timely basis to the appropriate departments, agencies, and instrumentalities of the Federal Government, the President's Special Assistant for Small Business, the Senate Select Committee on Small Business, and the Committee on Small Business of the House of Representatives;

"(7) measure the direct costs and impact of Federal regulations and policies on small businesses, and make legislative and nonlegislative proposals for eliminating excessive or unnecessary regulations on small businesses and communicate such proposals on a timely basis to the President's Special Assistant for Small Business, the Senate Select Committee on Small Business, and the Committee on Small Business of the House of Representatives;

"(8) analyze proposed and pending legislation as to its impact on small businesses and propose additions, corrections, or deletions to such legislation, if needed, to minimize any potential harmful impact on small businesses; such impact studies and proposals shall be transmitted on a timely basis to the President's Special Assistant for Small Business, President, and the Senate Select

Committee on Small Business and the Committee on Small Business of the House of Representatives;

"(9) develop and maintain a set of rational, objective criteria to be used to define small businesses for use by the Administration and each department, agency, and instrumentality of the Federal Government;

"(10) evaluate the efforts of departments, agencies, and instrumentalities of the Federal Government, and business and industry to assist minority businesses;

"(11) make such other recommendations as may be appropriate to assist the development and strengthening of minority and other small businesses;

"(12) serve as a focal point for the receipt of complaints, criticisms, and suggestions concerning the policies and activities of the Administration and any other department, agency, and instrumentality of the Federal Government which affect small businesses;

"(13) counsel small businesses on how to resolve questions and problems concerning the relationship of small businesses to the Federal Government;

"(14) represent the views and interests of small businesses before other departments, agencies, and instrumentalities of the Federal Government whose policies and activities may impact on small businesses;

"(15) enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by the Federal Government which are of benefit to small businesses and information on how small businesses can participate in or make use of such programs and services; and

"(16) provide on behalf of small businesses, in those cases deemed appropriate, written or oral testimony, statistical data, studies or other information in any Federal agency or department rulemaking conducted pursuant to the provisions of sections 553, 556, or 557 of title 5, United States Code, which may have a substantial effect on a significant number of small businesses.

"(c) Each department, agency, and instrumentality of the Federal Government, including the Office of Management and Budget and the General Accounting Office, is authorized and directed to cooperate fully with, and to furnish such reports and information, as the Chief Counsel for Advocacy and Economic Research deems necessary to carry out and accomplish the duties under this section.

"(d) In carrying out the duties of this section, after consultation with and subject to the approval of the Administrator, the Chief Counsel for Advocacy and Economic Research and Analysis may—

"(1) consult with experts and authorities in the fields of small business investment, venture capital, investment and commercial banking and other comparable financial institutions involved in the financing of business, and with individuals with regulatory, legal, economic, or financial expertise, including members of the academic community, and individuals who generally represent the public interest; and

"(2) hold hearings and sit and act at such times and places as is deemed advisable.

"(e) The Chief Counsel for Advocacy and Economic Research and Analysis shall transmit on July 1, 1979, and annually thereafter, to the Senate Select Committee on Small Business, the Committee on Small Business of the House of Representatives, the President, and the President's Special Assistant for Small Business, a comprehensive report containing the findings and specific recommendations of the Chief Counsel for Advocacy and Economic Research and Analysis with respect to each of the duties and functions referred to in subparagraph (b) of this section, including specific legislative and administrative proposals and recommendations. The report shall not be submitted to the Office of Management and Budget or to any other department, agency, or instrumentality of the Federal Government for any purpose prior to transmittal to the Senate Select Committee on Small Business, the Committee on Small Business of the House of Representatives, the President, and the President's Special Assistant for Small Business. Such report shall be included in the report specified in section 10(a) of this Act.".

SEC. 313. Title II of Public Law 94-305 is repealed.

PART B—DECLARATION OF SMALL BUSINESS ECONOMIC POLICY

SEC. 321. (a) For the purpose of preserving and promoting a competitive, free enterprise economic system, Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practical means consistent with its needs and obligations and other essential considerations of national policy, and to take such actions as are necessary, to implement and coordinate all Federal department, agency, and instrumentality policies, programs, and activities in order to: foster the economic interests of small businesses; insure a competitive economic climate conducive to the development, growth, and expansion of small businesses; establish incentives to assure that adequate capital and other resources at competitive prices are available to small businesses; reduce the concentration of economic resources and expand competition; and provide an opportunity for entrepreneurship, inventiveness, and the creation and growth of small businesses.

(b) Congress further declares that the Federal Government is committed to a policy of utilizing all reasonable means, consistent with the Nation's overall economic policy goals and the preservation of its competitive free enterprise system, to establish private sector incentives that will help assure that adequate capital at competitive prices is available to small businesses. To fulfill this policy, departments, agencies, and instrumentalities of the Federal Government shall use all reasonable means, through the Small Business Policy Coordinating Board established in part E of this title, to coordinate, create, and sustain policies and programs which promote investment in small businesses, including those investments which expand employment opportunities and which foster the effective and efficient use of human and natural resources in the economy of the Nation.

PART C—REPORT OF THE PRESIDENT ON SMALL BUSINESS AND COMPETITION

SEC. 331. (a) The President shall transmit to the Congress not later than January 20 of each year a Report on Small Business and Competition which shall—

(1) examine the current role of small business in the economy;

(2) present current and historical data on production, employment, investment, and other economic variables, for small business in the economy as a whole and for small business in each sector of the economy;

(3) identify economic trends which will or may affect the small business sector and the state of competition;

(4) examine the effects on small business and competition of policies, programs, and activities of the Federal departments, agencies, and instrumentalities, identify problems generated by such policies, programs, and activities, and recommend legislative and administrative solutions to such problems; and

(5) recommend a program for carrying out the policy declared in part B of this title, together with such recommendations for legislation as he may deem necessary or desirable.

(b) The President may transmit from time to time to the Congress reports supplementary to the Report on Small Business and Competition, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in part B of this title.

(c)(1) The Report on Small Business and Competition and all supplementary reports transmitted under subsection (b) of this section shall, when transmitted to Congress, be referred to the Senate Select Committee on Small Business and the Committee on Small Business of the House of Representatives.

(2) Each committee, in addition to its other duties and responsibilities, shall—

(A) make a continuing study of matters relating to the Report on Small Business and Competition;

(B) study and evaluate policies, programs and activities of the Federal Government in order to further the policy of this title; and

(C) as a guide to the several committees of the Congress dealing with legislation relating to the Report on Small Business and Competition, not later than April 1 of each year file a report with the Senate or the House of Representatives, as the case may be, containing its findings and recommendations with respect to the recommendations made by the President in the Report on Small Business and Competition, together with such other recommendations as it deems advisable.

PART D—SPECIAL ASSISTANT TO THE PRESIDENT FOR SMALL BUSINESS

SEC. 341. The President is authorized to designate a Special Assistant to the President for Small Business who shall serve in the White House Office of the Executive Office of the President and who shall perform the following duties

(1) assist and advise the President in the preparation of the Report on Small Business and Competition;

(2) gather and publish timely and authoritative information, in cooperation and coordination with the Administrator of the Small Business Administration, concerning the position of small business in the economy and economic developments and economic trends, both current and prospective, which do or may affect small business and competition; to analyze and interpret such information in the light of the policy declared in part B of this title for the purpose of determining whether such developments or trends are interfering or are likely to interfere with the achievement of such policy objectives; and to compile and submit to the President and Congress studies relating to such developments and trends;

(3) appraise the various programs and activities of the Federal Government, as they affect small business and competition in the light of the policy declared in part B of this title, for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policy, and to make recommendations to the President with respect thereto;

(4) determine and evaluate the availability of capital, labor, management, and technical resources to small business; to determine and evaluate emerging trends in the availability of such resources to small business; to assess Federal Government policies and programs and other economic circumstances which affect small businesses in order to determine their impact on the availability and cost of capital and other resources for small business; and to make recommendations to the President with respect thereto;

(5) develop and recommend to the President national economic policies to foster and promote small business and competition and to maintain and increase the strength of small business in each economic sector; and

(6) make and furnish such studies, reports, and recommendations with respect to matters of Federal Government economic policy and legislation which affect small business and competition as the President or Congress may request.

PART E—SMALL BUSINESS POLICY COORDINATING BOARD

SEC. 351. (a) Within thirty days after enactment of this title, the President shall constitute a Small Business Policy Coordinating Board (hereinafter called the "Board"). The Board shall consist of the Administrator of the Small Business Administration; the Chief Counsel for Advocacy and Economic Research and Analysis of the Small Business Administration; the President's Special Assistant for Small Business; the Secretary of Treasury, Secretary of Commerce, Secretary of Labor, and Secretary of Agriculture, or their designees who serve at a level no lower than that of an Assistant Secretary; the Chairman of the Board of Governors of the Federal Reserve System, or his designee who serves as a Governor; the Chairman of the Securities and Exchange Commission and Chairman of the Federal Trade Commission, or their designees who serve as Commissioners; the Assistant Attorney General for Antitrust; and the Chairman of the Council of Economic Advisers, or his designee who serves as a member.

(b) The Chairman of the Board shall be the Administrator of the Small Business Administration.

(c) The Board shall meet at least quarterly and at the call of the Chairman.

(d) It shall be the duties and functions of the Board—

(1) to advise and assist the President's Special Assistant for Small Business in the performance of its duties and functions;

(2) to coordinate and improve the effectiveness of all policies, programs and activities of the Federal Government which have an impact on small business or free enterprise;

(3) to prepare an inventory of the resources available to small business throughout the Federal Government and to update such inventory annually;

(4) to facilitate the making available of such data and information as is requested by the President's Special Assistant for Small Business or the Administrator of the Small Business Administration from departments, agencies, and instrumentalities of the Federal Government, and such data and information which the departments, agencies, and instrumentalities of the Federal Government collect from State and local governments and private sources;

(5) to review and coordinate the data and information collecting activities of the Federal Government so as to minimize the burdens of such activities on small business; and

(6) to make recommendations for improvements in the relationship between the Federal Government and the private sector that will or may strengthen small business and free enterprise.

PART F—SMALL BUSINESS ADMINISTRATION EXECUTIVE LEVEL COMPENSATION

SEC. 361. (a) Section 5313 of title 5, United States Code, is amended by adding the following new paragraph:

"(24) Administrator, Small Business Administration.".

(b) Section 5314 of title 5, United States Code, is amended by adding the following new paragraph:

"(67) Deputy Administrator, Small Business Administration.".

(c) Section 5315 of title 5, United States Code, is amended by adding the following new paragraph:

"(122) Chief Counsel for Advocacy and Economic Research and Analysis, Small Business Administration.".

(d) Section 536(11) of title 5, United States Code, is amended by striking out "(4)" and inserting in lieu thereof "(6)".

SEC. 362. (a) Section 5314 of title 5, United States Code, is amended by striking out paragraph (13).

(b) Section 5315 of title 5, United States Code, is amended by striking out paragraph (86).

PART G—SMALL BUSINESS CREDIT INFORMATION

SEC. 371. In consultation with the Administrator of the Small Business Administration and the Bureau of the Census, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation shall conduct such studies of the credit needs of small business as may be appropriate to determine the extent to which such needs are being met by commercial banks and shall report the results of such studies to the Congress by July 1, 1979, together with their views and recommendations as to the feasibility and cost of conducting periodic sample surveys, by region and nationwide, of the number and dollar amount of commercial and industrial loans extended by commercial banks to small business.

TITLE IV—VENTURE CAPITAL

SEC. 401. Section 301 of the Small Business Investment Act of 1958 is amended by adding a new subsection as follows:

"(e) Subject to the provisions of subsections (a) through (d) of this section, the Administration is authorized to license small business investment companies, the investment policy of which is solely to make venture-type investments in small business concerns. For purposes of this subsection, the term 'venture-type investments' includes common and preferred stock or limited partnership or similar equity interests acquired from the issuer with no right to require repurchase for five years from date of acquisition by such company, any right to purchase such equity interest, and unsecured debt instruments acquired from the issuer with such subordination and nonamortization characteristics as the Administration determines to be substantially similar to the foregoing.".

SEC. 402. Section 302(a) of the Small Business Investment Act of 1958 is amended to read as follows:

"(a) The combined private paid-in capital and paid-in surplus of each company licensed pursuant to subsections (c) and (d) of section 301 of this Act shall be not less than $150,000: *Provided, however,* That the combined private paid-in capital and paid-in surplus of any company licensed pursuant to said subsections (c) and (d) on or after Setpember 1, 1979, shall be not less than $500,000. The combined private paid-in capital and paid-in surplus of each company licensed pursuant to subsection (e) of section 301 of this Act shall be not less than $500,000. In all cases, such capital and surplus shall be adequate to assure a reasonable prospect that the company will be operated soundly and profitably, and managed actively and prudently in accordance with its articles.".

SEC. 403. Section 302(b) of the Small Business Investment Act of 1958 is amended by striking "5 percent" and inserting in lieu thereof "10 percent".

SEC. 404. Section 302(c) of the Small Business Investment Act of 1958 is amended to read as follows:

"(c) Subject to the requirements of section 301(c), an investor, or any group or class of investors, may own any amount of stock or partnership interest in any number of such companies so long as the total amount of debentures of such companies purchased or guaranteed by the Administration and attributable to the investments of such investor or group or class of investors does not exceed in the aggregate $35,000,000.".

SEC. 405. (a) Sections 303 (b) and (c) of the Small Business Investment Act of 1958 are amended by striking the words "venture capital" wherever they appear and by inserting in lieu thereof the words "equity-type investments".

(b) Section 303 of the Small Business Investment Act of 1958 is amended by adding a new section 303(d), to read as follows:

"(d)(1) Subject to the following conditions, the Administration is authorized, when authorized in appropriation Acts, to purchase, or to guarantee the timely payment of all principal and interest as scheduled on, debentures issued by small business investment companies operating under authority of section 301(e) of this Act, not to exceed an amount outstanding at any one time equal to 400 per centum of the combined private paid-in capital and paid-in surplus of such company. In no event shall the debentures of any such company purchased or guaranteed and outstanding under this subsection exceed $35,000,000. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee under this subsection.

"(2) Such debentures shall be subordinated pursuant to subsection (b) of this section, shall be issued for a term of up to fifteen years without amortization during such term, and shall bear interest at the rate of 3 percent per annum. The Administration is authorized, when authorized in appropriation Acts, to pay to the holder of such guaranteed debentures, during such term, the difference between such 3 percent and a rate established as of the time of such guarantee pursuant to subsection (b) of this section for debentures with a term of up to fifteen years.

"(3) Such debentures shall provide that—

"(i) no agreements to provide capital pursuant to section 304 or loans pursuant to section 305 may provide for a fixed or assured rate of return exceeding 9 percent per annum;

"(ii) voluntary prepayment of such debentures shall require the prior written approval of the Administration, which may be conditioned upon the payment of a premium of not to exceed 3 percent of the amount prepaid;

"(iii) the Administration may require prepayment, in its discretion, without premium, whenever the funds derived from such debenture purchases or guarantees have not been invested in eligible small business concerns within a reasonable period of time as the Administration by regulation shall prescribe;

"(iv) the Administration shall be entitled to receive (I) 10 percent of any gross capital gain realized in cash on any security sold by such company within any taxable year of such company, and (II), where a portfolio security is exchanged for another security at a gain, the Administration shall be entitled to receive 10 percent of that portion of any dividends or interest received by such company and attributable to the gain until such securities are sold for cash. Payments pursuant to clauses (I) and (II) of this paragraph shall be made to the Administration no later than ninety days after the close of the year in which the cash gains, dividends, or interest are received by the company;

"(v) such company shall not pledge, or otherwise encumber, any portfolio security or any interest therein to any person without prior written notice to the Administration; and

"(vi) the conditions of this paragraph 3 shall apply to any investment made while

such debenture is or was outstanding, without regard to the subsequent repayment of such debenture.

"(4) Should such company or any other person be determined pursuant to section 308(d) or 309 of this Act to have violated or failed to comply with any provision of this Act or of regulations prescribed thereunder, the Administration may require from such company, in addition to any other right or penalty to which the Administration may be entitled, the payment of the difference between interest paid on such debentures, and interest computed pursuant to section 303 (b) of this Act, with interest on such difference computed pursuant to such section.

"(5) The gross income of such company shall not include such portion of the gross capital gain, dividends and interest that shall be recognized during the taxable year as shall equal the amount paid to the Administration on account of such gross capital gain, dividends and interests pursuant to paragraph (3)(iv) of this subsection (d) within ninety days after the close of such taxable year. The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to carry out the purposes of this paragraph.".

SEC. 406. Section 318 of the Small Business Investment Act of 1958 is amended by redesignating section 318 as section 318(a) and adding a new section 318(b) to read as follows:

"(b)(1) The Administration is authorized to extend the conditions of section 303(d) to a small business investment company operating under authority of section 301(e) of this Act, and which is owned, in whole or in part, by one or more participant small business investment companies, if no more than one-half of the combined private paid-in capital and paid-in surplus of such company at the time of licensing is represented by securities transferred by such participant company or companies to such company with the approval of the Administration. Such transferred securities shall not be valued on the books of the transferee company for purposes of section 302(a), 303(d), or 306 of this Act at more than two-thirds of their value on the books of the transferor company immediately prior to such transfer.

"(2) The Administration may require the transferor company or companies to make a payment to the transferee company, equal to the difference between the cost of such transferred securities to the transferor company, determined according to generally accepted accounting principles, and the amount realized in cash upon the sale or other disposition of such transferred securities by the transferee company if, but only if, such amount is less than the valuation on the books of the transferee company at the time of its organization, plus any payments on account of principal received by such transferee company during its ownership of such securities. The Administration may also require a payment from such company or companies equal to the difference between the cost of such transferred securities to the transferor company, determined according to generally accepted accounting principles, and the valuation of such securities on the books of the transferee company at the time of its organization, at the end of the tenth year following such transfer if such transferred securities have not been converted to cash within such ten years.

"(3) For the purposes of sections 302(a), 303(d), and 306 of this Act, the combined private paid-in capital and paid-in surplus of a company licensed under section 301(e) of this Act shall be the sum of (a) the private paid-in capital and paid-in surplus of such company and (b) that portion of the unrealized appreciation in the value of transferred securities allowed by the Administration pursuant to section 318(b) of this Act.

"(4) In the case of a company licensed under section 301(e) of this Act and capitalized in whole or in part by one or more participant small business investment companies as authorized by section 318(b)(1) of this Act, the combined private paid-in capital and paid-in surplus of such company shall be as provided in the preceding subparagraph (3) plus the private paid-in capital and paid-in surplus of said participant small business investment companies attributable to their investments in the company.".

SEC. 407. The Small Business Investment Act of 1958 is amended by adding a new section 320 to read as follows:

"SEC. 320. The Administration in its discretion may, by contract, make a commitment to guarantee qualifying investments by small business investment companies licensed pursuant to this Act, subject to the following conditions:

"(a) Such contracts shall be limited as to each such company to a specified aggregate amount of the guaranteed portions of qualifying investments not to exceed the amount of such company's combined private paid-in capital and paid-in surplus. The aggregate amount of guarantee eligibility of each such company shall not at any one time exceed the amount specified in such contract less losses paid by and claims pending against the Administration, and the Administration's share of balances of such guaranteed investments remaining outstanding.

"(b) Such guarantees shall be granted only with respect to initial investments in eligible small business concerns, and with respect to subsequent investments made in the same concerns, after the effective date of this section, and shall not exceed 50 percent of each net investment loss, taking into consideration all recoveries and distributions received by such company, based on actual disbursements not exceeding the limitation of section 306(a) of this Act, without regard to anticipated profits.

"(c) Such guarantee shall be granted only with respect to an investment in a small business concern which is or will be engaged in a regular and continuous business operation and which the Administration determines to be a start-up small business concern. For the purposes of this subsection, a 'start-up small business concern' means (i) any small business concern less than two years old, or (ii) any small business concern less than five years old which (A) has never earned a profit or (B) had average annual operating revenues of not more than $250,000 over the last two completed accounting years.

"(d) Such guarantee shall be granted only with respect to an investment affecting an area of national need, and which meets such other criteria, as the Administration by regulation may prescribe.

"(e) To qualify for a guarantee under such contract, each such investment shall require the prior written approval of the Administration as to the eligibility of the investment pursuant to this section. Each application for such approval shall be accompanied by a guarantee fee of 2 percent of the amount guaranteed, such fee to be refunded by the Administration in the event of disapproval or failure to consummate the investment. The Administration shall act upon each such application within fifteen working days from its receipt of such application. The Administration shall by regulation prescribe the form and content of such application.

"(f) Should such company or any other person be determined pursuant to section 308(d) or 309 of this Act to have violated or failed to comply with any provision of this Act or of regulations prescribed thereunder, the Administration may, in its discretion, in addition to any other right or penalty to which the Administration may be entitled, void such contractual commitment, or suspend its effectiveness until such time as such violation or failure to comply has been cured.

"(g) Subject to the foregoing, the Administration shall, within ninety days after any claim of loss is filed with the Administration under the guarantee, pay to the claimant in cash the Administration's pro rata share of the guaranteed amount. The filing of a certificate of loss shall be presumptive evidence of the loss and the amount thereof. As a condition precedent to such payment, such company shall assign to the Administration the securities subject to the guarantee.".

SEC. 408. The last sentence of section 308(b) of the Small Business Investment Act of 1958 is amended to read as follows: "Such companies are authorized to invest funds not reasonably needed for their operations in direct obligations of, or obligations guaranteed as to principal and interest by, the United States, or in certificates of deposit maturing within one year or less, issued by any institution the accounts of which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or in savings accounts of such institutions.".

SEC. 409. Section 312 of the Small Business Investment Act of 1958 is amended by adding the following sentence at the end thereof: "Nothing in this section nor in any other law nor in any regulation or policy of the Administration shall restrict any affiliate of a small business investment company, including a small business lending company, from participating with the affiliated small business investment company in supplying financing to eligible small business concerns.".

TITLE V—WHITE HOUSE CONFERENCE ON SMALL BUSINESS

SHORT TITLE

SEC. 501. This title may be cited as the "White House Conference on Small Business Act".

AUTHORIZATION OF CONFERENCE

SEC. 502. (a) The President shall call and conduct a White House Conference on Small Business (hereinafter referred to in this title as the "Conference") not later than January 31, 1980, to carry out the purposes described in section 503.

(b) Participants in the Conference and other interested individuals and organizations are authorized to conduct conferences and other activities at the regional and State levels prior to the date of the Conference, subject to the approval of the Administrator, and may direct such conferences and activities toward the consideration of the purposes of the Conference described in section 503 in order to prepare for the Conference.

PURPOSES OF CONFERENCE

SEC. 503. The Conference shall—

(1) identify the problems of new, small, family, and independent business enterprises, including business enterprises with minority and women owners;

(2) identify opportunities for advancing national economic and social goals which may be strengthened by encouraging small business;

(3) obtain the participation of State and local governments as well as of experts in various fields in order to analyze the problems and opportunities described in paragraphs (1) and (2);

(4) design an agenda to address the problems and opportunities described in paragraphs (1) and (2) in a constructive way;

(5) develop recommendations for specific and comprehensive legislative, executive, and administrative actions on the Federal, State, and local levels, as well as actions by institutions and organizations in the private sector, in order to—

(A) resolve the problems of small busi-

nesses and maximize opportunities for encouraging small businesses;

(B) carry out the purposes of the Small Business Act of 1953 and the Employment Act of 1946; and

(C) strengthen the national economy by strengthening competitive small business; and

(6) such other purposes as the President or the Congress may deem appropriate.

CONFERENCE PARTICIPANTS

SEC. 504. (a) In order to carry out the purposes specified in section 503, the Conference shall bring together individuals concerned with issues relating to small business from among the following groups—

(1) owners of small businesses, as well as organizations serving as spokesmen for small business owners;

(2) Federal, State, and local government departments and agencies;

(3) academic institutions;

(4) research institutions;

(5) individuals with special knowledge or experience concerning small business; and

(6) the public.

(b) The Administrator of the Small Business Administration is authorized to reimburse participants in the Conference for all reasonable and necessary costs of participation in the Conference, including costs for travel, meals, accommodations, and support for other activities necessary to carry out their functions concerning the conference.

PLANNING AND ADMINISTRATION OF CONFERENCE

SEC. 505. (a) The Conference shall be planned and administered under the direction of the Administrator of the Small Business Administration (hereinafter referred to in this title as the "Administrator"), with the advice of the Senate Select Committee on Small Business and the House Committee on Small Business. In planning and administering the Conference, the Administrator shall obtain the support and assistance of the following departments, agencies, and instrumentalities and such departments, agencies, and instrumentalities are authorized to provide such support and assistance:

(1) Office of Management and Budget;

(2) Council of Economic Advisers;

(3) Office of Science and Technology Policy;

(4) Department of Agriculture;

(5) Department of Commerce;

(6) Department of Defense;

(7) Department of Housing and Urban Development;

(8) Department of Justice;

(9) Department of Labor;

(10) Department of Transportation;

(11) Department of the Treasury;

(12) Regional Development Commissions;

(13) Consumer Production Safety Commission;

(14) Environmental Protection Agency;

(15) Equal Employment Opportunity Commission;

(16) Federal Communications Commission;

(17) Federal Trade Commission;

(18) General Services Administration;

(19) National Labor Relations Board;

(20) National Science Foundation;

(21) Occupational Health and Safety Administration;

(22) Overseas Private Investment Corporation;

(23) Securities and Exchange Commission; and

(24) such other departments, agencies, and instrumentalities as the Administrator deems appropriate.

(b) In carrying out the provisions of this title, the Administrator—

(1) shall provide such financial and other assistance as may be necessary for the organization and conduct of conferences at the regional and State levels as authorized under section 502(b);

(2) shall provide for the preparation of background materials for use by participants in the Conference, as well as by participants in regional and State conferences; and

(3) is authorized to make grants to, and enter into contracts with, public agencies, private organizations and academic institutions to carry out the provisions of this title.

(c)(1) The Administrator is authorized to appoint and compensate a single executive director and such other directors and personnel for the Conference as he may deem advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. Such executive director shall be compensated at a rate equal to that of level IV of the Executive Schedule.

(2) Upon request by the Administrator, the heads of the executive and military departments are authorized to detail employees to work with the Administrator in planning and administering the Conference without regard to the provisions of section 3341 of title 5, United States Code.

ADVISORY COMMITTEE ESTABLISHED

SEC. 506. (a) There is established the Advisory Committee on the White House Conference on Small Business (hereinafter referred to in this title as the "Committee"). The function of the Committee shall be to provide recommendations and guidance to the Administrator concerning the planning and administration of the Conference.

(b) The Committee shall consist of twenty-one members, appointed by the President. The President shall designate one of the members appointed by him as Chairman of the Committee.

(c) Each member of the Committee who is not otherwise employed by the United States Government shall receive an amount equal to the daily rate paid a GS-18 under the General Schedule contained in section 5332 of title 5, United States Code, including traveltime, for each day he is engaged in the actual performance of his duties as a member of the Committee. A member of the Committee who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(d) The Committee shall be subject to the provisions of the Federal Advisory Committee Act, and shall cease to exist sixty days after the Conference, is held.

REPORTS REQUIRED

SEC. 507. (a) Not more than one year from the date on which the Conference is convened, the Administrator shall submit a final report of the Conference to the President and the Congress. The report shall include the findings and recommendations of the Conference as well as proposals for any legislative action necessary to implement the recommendations of the Conference. The final report of the Conference shall be made available to the public.

(b) The Administrator shall prepare and distribute such interim reports of the Conference as may be appropriate.

FOLLOW-UP ACTIONS

SEC. 508. (a) The executive director of the Conference shall designate a person or persons who shall be responsible for follow-up on the Conference report and recommendations, and who shall throughout the period of the Conference coordinate matters from that viewpoint.

(b) The Small Business Administration shall report to the Congress annually during the three-year period following the submission of the final report of the Conference on the status and implementation of the findings and recommendations of the Conference.

AUTHORIZATION OF APPROPRIATIONS

SEC. 509. (a) There is authorized to be appropriated $5,000,000 for fiscal year 1979 to carry out the provisions of this title.

(b) Such sums as are appropriated to carry out the provisions of this title shall remain available until expended. After termination of the Conference, any sums remaining unexpended shall be covered into the Treasury.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. NELSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NELSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 11445.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that the bill be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. MOYNIHAN) appointed Mr. NELSON, Mr. MCINTYRE, Mr. NUNN, Mr. HATHAWAY, Mr. HASKELL, Mr. CULVER, Mr. WEICKER, Mr. BARTLETT, and Mr. PACKWOOD conferees on the part of the Senate.

REFERRAL OF H.R. 11318

Mr. NELSON. Mr. President, pursuant to our colloquy with Mr. GRIFFIN, I ask unanimous consent that when H.R. 11318 is reported by the Select Committee on Small Business, that the bill be referred to the Committee on Governmental Affairs for not more than 30 calendar days to review chapter 3 of title II of that bill, and if not reported at the end of 30 calendar days the Committee on Governmental Affairs be discharged from further consideration.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOSE-UP OF AMERICA: NORTH CAROLINA

Mr. HELMS. It was with a great sense of pride that I noted a fine article about

my State which appeared in the July 17 edition of U.S. News & World Report.

The article, entitled "North Carolina Shows How To Keep 'Em Home," outlines some of the successes achieved in improving the quality of life in our State. North Carolinians have long been aware of the always-improving atmosphere in our State. A study 10 years ago disclosed that, of 13 States surveyed, North Carolinians gave a higher approval rating to our State than did citizens from any of the 12 other States studies—82 percent thought it was "the best" American State.

I should also note that much, if not most, of the progress which we have made in North Carolina has been made through the initiatives of individual citizens and groups of concerned citizens working through private enterprise and through North Carolina's State and local governments. For instance, the focal point of the U.S. News article, the Research Triangle Park, is a private, nonprofit foundation.

This points up an obvious fact: maximum control should be vested in State and local governments, at the levels where citizens are best able to deal effectively with their problems.

The Tar Heel State, Mr. President, offers a wide variety of opportunities for all of our citizens. I believe that North Carolina's formula for success could serve as a model for others seeking to improve the conditions in their States.

Mr. President, I ask unanimous consent that "Close up of America, North Carolina Shows How To Keep 'Em Home" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLOSE-UP OF AMERICA: NORTH CAROLINA SHOWS HOW TO KEEP 'EM HOME

(For decades, the talented left the Tarheel State in droves for careers elsewhere. Today, revolutionary changes are bringing them back—and creating a major U.S. center of learning, technology and the arts.)

RESEARCH TRIANGLE PARK, N.C.—"You can't go home again," wrote Thomas Wolfe, who left North Carolina to win fame in New York.

Now, a half century after the novelist moved out of his mother's Victorian boarding house in Asheville, many sons and daughters of North Carolina are going home again. And, in a major change that took decades to accomplish, fewer are leaving.

For generations, North Carolina boasted the finest state-run system of colleges and universities in the South. But its brightest graduates, finding scant opportunity in an agrarian economy, usually headed for brighter lights.

Evidence now abounds that this brain drain has been reversed. North Carolina State University, for instance, reports that more than half of its recent engineering and science graduates work in the state. In the 1960s, fewer than a fourth of them remained in North Carolina.

A unique assortment of possums, pine trees and Ph.D.'s symbolizes North Carolina's new opportunity. It is called Research Triangle Park, a 5,700-acre collection of forested hills, clean streams and futuristic buildings in the middle of a triangle formed by the nearby university towns of Raleigh, Durham and Chapel Hill.

"Marriage of ideals and . . . progress." The late Luther Hodges, governor of the state when the park was conceived in the 1950s, termed the complex "the marriage of North Carolina's ideals for higher education and its hopes for material progress."

The marriage, by all indications, has been a 20-year honeymoon. Among the nearly 30 private and government organizations with major research facilities in the park are IBM, Monsanto, Burroughs Wellcome, the Environmental Protection Agency and the U.S. Army.

Many of their scientists teach part time at the three nearby universities—Duke at Durham, N.C. State at Raleigh and the University of North Carolina at Chapel Hill. Professors from the three schools, meanwhile, work for the research firms as consultants. One result: Nearly 3,000 scientists and engineers with doctorates live in the area. Hardly a dozen metropolitan areas across the country, all much larger than Raleigh-Durham-Chapel Hill, have more.

Joint ventures by the universities are numerous. They share with park occupants one of the world's biggest educational computers, one of the world's largest mass spectrometers for materials analysis, two of the world's four phytotrons capable of duplicating the climate of the Sahara and a 6.5-million-volume library system.

No public money is being spent on running the park. Its operator—the private, nonprofit Research Triangle Foundation—is affiliated with the three universities but derives all its income by selling or leasing land for research facilities. As of now, about half the park's acreage is occupied.

"This land is too poor to farm," says Ned Huffman, the foundation's executive vice president. "If you see a rock, don't kick it, because it may run a few feet deep. But you can't find a better environment for research."

As a guarantee that the tranquil environment will continue, park tenants must agree to build on no more than 15 percent of the land they occupy. Loud noise, smoke or vibration is banned. Only light manufacturing activity is permitted.

MORE THAN SCIENCE

Until now, the park's massive research efforts have focused on science and technology. Soon, though, workers will complete construction of the long-proposed National Humanities Center, attracting a significant cluster of historians, philosophers, political scientists and other scholars in the humanities.

Each year, starting this September, the American Academy of Arts and Sciences will bring up to 50 scholars from across the world to the humanities center for nine months of concentrated study.

This autumn will find William Leuchtenburg of Columbia University working on a history of Franklin Roosevelt, Jacob Talmon of Jerusalem's Hebrew University preparing a book on right-wing patterns of thought from the French Revolution through the Third Reich, and Torsten Husen of the University of Stockholm studying U.S. educational policies for the disadvantaged.

"You can't get a good bagel around here," says William J. Bennett, the 34-year-old Brooklyn-born philosopher who is executive officer of the humanities center. "And you can't buy a drink. But there are fine people and outstanding libraries. What goes on in this park, in collaboration with the universities, is a model of what assembled intelligence can do."

In selecting North Carolina, the Academy of Arts and Sciences rejected bids from several prestige campuses outside the South, including the University of Michigan, the University of California at Berkeley and the University of Pennsylvania.

"The academy people got together with the people here and were sold," says Bennett. "The North Carolina proposal wasn't the largest financial offer, but it was sound: a building worth 2.5 million dollars plus $75,000 a year from each of the three universities."

The three universities jointly own Research Triangle Institute, which has more than 900 employes conducting research for organizations in and out of the park. Tom Wooten, executive assistant to RTI's president, is one of the many well-educated natives of North Carolina now happy to remain in the state. "When I got my undergraduate degree from Duke in 1957, the opportunities for an engineer were mostly out of state," Wooten recalls. "My father down in Chadbourn sent me a newspaper article about the creation of the park. He said there might be some opportunities here by the time I got my Ph.D. He was right."

Wooten, like many North Carolinians in the park, has had good job offers from outside the South. But he finds his work challenging and, he says, "I like to fish."

"In just a little time, you can drive to the Outer Banks," he says. "In 2 more hours, you're in the Gulf Stream going after marlin. There's a growing appreciation around here for the quality of life."

Migration turnaround. Those words—"quality of life"—are heard more and more these days in North Carolina. Often they are uttered by the thousands of outsiders transferred to the state either by major corporations or by the government.

One of them, Herb Friedlander, spends his work hours in charge of Monsanto's Triangle Park research center, which, among other accomplishments, developed Astroturf. Many of his leisure hours are spent in a sailboat.

"You can sail 12 months a year," the Illinois native notes. "Kerr Lake is good. So is the Neuse River near Pamlico Sound. Down there you can gather scallops at Cape Lookout and cook them on the beach for breakfast."

Park employes mention other diversions: year-round golf, skiing at Grandfather Mountain, hiking along the Appalachian Trail.

Thanks to the good life and the growth of opportunities, 142,000 more persons have moved into North Carolina in the 1970s than have moved out. In contrast, the '40s, '50s and '60s saw a net migration loss of 578,000.

More than half the people who left North Carolina after World War II were blacks. Many still board trains or buses in the tobacco counties of eastern North Carolina hoping to find jobs in Philadelphia, Newark or New York. But, according to state-government estimates, the number of blacks who move into the state has finally caught up with the number who move out.

"Many of the blacks who left in the early days because of a lack of opportunity are coming back," says Howard Lee, a black sociologist who holds a cabinet-level position as the state's secretary of natural resources. "The 'Chicken Bone Special'—the train that took so many of our people to the North—has been turned around."

HERE COME THE ARTS

Historian V. O. Key, Jr., once observed that the North Carolina's interest in education helped bring about the "progressive, productive" forces that set the state apart in the South. Those forces now are pushing a tide of cultural endeavors across the state. Examples:

The state government, assisted by private and corporate donors, operates the North Carolina Symphony, a full-time 77-member orchestra that plays free concerts for high-school students across the state. The symphony's concerts at Washington's Kennedy Center and New York's Carnegie Hall were sellouts.

The North Carolina School of the Arts at Winston-Salem is the first state-operated college in the nation established to train students for the performing arts. Its gradu-

ates include New York City Ballet dancers, symphony musicians and Broadway actors.

The American Dance Festival—based for four decades in New England—is performing this summer, for the first time, in North Carolina. Director Charles Reinhart says that the Duke campus was chosen over nearly 50 other sites as the festival's new home because of "North Carolina's demonstrated enthusiasm for the performing arts."

Why such an interest in culture? "It's just part of the good life," says Sara Hodgkins, who serves in the state cabinet as secretary of cultural resources. "We don't consider music and art as luxuries. In order to be a whole person, you need to experience these things."

The North Carolina Legislature at first was wary of proposals to finance cultural endeavors. Some legislators referred to the School of the Arts as "that toe-dancin' school," and legislation creating the state symphony was branded "the horn-tootin' bill." But Secretary Hodgkins says that legislative backing for the arts is now solid. "Some members even call and ask whether I'm sure a certain appropriation is big enough."

One reason for the support: Culture is considered good business in North Carolina. Dozens of tickets at the symphony's sellout in Carnegie Hall were given to corporation executives who earlier in the week were wooed by a North Carolina industry-hunting team.

A point of pride. "Once a tradition starts to build, people take pride in it," assets Terry Sanford, the former governor who now is president of Duke. "However it got started, the people of North Carolina are proud of their reputation for promoting the arts."

It isn't just high-brow culture promoted by the state. Thousands of Carolinians gathered along the banks of the Eno River north of Durham during the Fourth of July weekend for the state-sponsored North Carolina Folklife Festival. The sounds they heard illustrated the state's diversity. Doc Watson of Deep Gap picked a guitar and sang mountain ballads. James Borders of Statesville rattled a set of bones. The Smokey Valley Boys of Mount Airy fiddled. And Leonard Emmanuel of Spivey's Corner demonstrated his title-winning holler.

Traditions, though, are changing. Only last month the Legislature voted to allow local-option sales of mixed drinks in restaurants. No longer in those restaurants will North Carolinians be able to practice brown-bagging, the consumption of liquor from their own private bottles.

More changes—in industry, agriculture, education, race relations—are shaping up for the future. Nonetheless, there is much that the people of North Carolina—blacks and whites, natives and Yankee transfers—prefer to preserve intact.

"Our genius," says Tom Wooten, the Duke graduate who stayed at home, "will come in maintaining this quality of life."

BARBARIC METAL OR GOLDEN ANCHOR?

Mr. HELMS. Mr. President, in 1933, President Roosevelt called in all gold held by Americans and formally removed the United States from the gold exchange standard. Since then we have seen a concerted effort by our Government to "demonetize gold." Things limped along until 1971 when the last link with gold for international transactions was broken. The quixotic nature of this quest was illustrated by the recent decision to include gold as part of the reserves of the new European Monetary Fund.

Unfortunately, but predictably, we have also seen the price of a bottle of Coca-Cola go from 5 cents to 35 cents. The dollar has depreciated to such an extent that travelers abroad often find their American money unwelcome. In Japan a cup of coffee, in dollars, is $2.20.

The U.S. Government has succeeded in "demonetizing" gold insofar as any official link with gold and the dollar is concerned, but the American dollar has been set adrift in the process. The dollar has lost its purchasing power because paper is intrinsically worth nothing and the money authorities are under no constraints, for money is no longer backed by something of intrinsic value. The Government is now finding that it cannot merely wave a magic wand over a large pile of paper scraps, and expect to have that pile of scraps suddenly acquire purchasing power.

A past associate editor of the Wall Street Journal, Mr. Jude Wanniski, has written an enlightening article on this subject. Mr. Wanniski's review of a book entitled "The Golden Constant: The English and American Experience, 1560–1976," by Dr. Roy W. Jastram appeared in the March 15, 1978 edition of the Journal. According to Mr. Wanniski, Dr. Jastram reaches the wrong conclusions from the right data. By constructing a wholesale price index for the United States, Dr. Jastram finds that prices remained more or less constant from 1804 until 1930. Since then—since America went off the gold standard—prices have quadrupled.

Dr. Jastram strains against his evidence, trying to prove that gold is now completely outmoded, yet, as Mr. Wanniski points out, the data speaks for itself.

The key, as Mr. Wanniski points out, is that any true monetary "standard" gets the Government out of the "decreeing business." It lets the market determine money value. Unfortunately, we have turned things upside down.

Mr. President, I ask unanimous consent that Mr. Wanniski's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BARBARIC METAL OR GOLDEN ANCHOR?

(By Jude Wanniski)

Remember the good old days, when your breakfast news was not cluttered with routine reports on the price of gold and nervous items about plunging dollars and soaring yen? Well, Roy W. Jastram, a professor of business administration at Berkeley, has written a book about the good old days, "The Golden Constant: The English and American Experience, 1560–1976."

True, it is considered impolite to discuss the gold standard in front of children or modern economists. Children might ask embarrassing questions. Modern economists might be embarrassed, at least those who advised us that inconvertible currencies and floating exchange rates would do wonders for us all. But they can leave the room.

It's still a safe bet that when President Carter asks his viziers how to keep the U.S. dollar from floating further into the abyss, not one will suggest the golden constant, the golden anchor. Here is one thing the economists of Brookings and the economists of the American Enterprise Institute—viziers left and right—will agree upon. Gold is a barbaric metal. It just isn't modern. It's not nice.

Mr. Jastram makes a terrific case for gold in his statistical data, which he began collecting in 1936. But alas, he too succumbs to the pressures of the Viziers Union and proclaims that while gold worked wonderfully for 400 years, times have changed. We can't, he says, be "nostalgic." For this reason, his book is not necessarily one we should smuggle to the President (that he might read under the covers, by flashlight).

The essence of Mr. Jastram's book, though, is not his political or economic analysis. His contribution is the construction of an original wholesale price index for Great Britain between 1560 and 1976. The bulk of the effort went into computerizing several centuries of wage and price data compiled by Lord Beveridge in 1939. Against this series Mr. Jastram sets an index of the price of gold and then derives an index of the purchasing power of gold over the period. He does the same for the United States from 1800 using the existing wholesale index.

A FATEFUL DAY IN 1717

The results are entertaining. Having set the base year for his wholesale commodity price index at 1930 equals 100, Mr. Jastram can trace backwards in time along his table and find the WPI again and again crossing 100. It does so in 1914–15, in 1874–75, several times between 1821–1860, and several times in the 18th Century. The earliest point the index hits 100 is in 1718–19. And December 22, 1717, just happens to be the day Sir Isaac Newton, Master of the Mint, unwittingly put Britain on a gold standard of 3 pounds, 17 shillings, 10.5 pence per ounce.

Convertibility at this price was interrupted only during the Napoleonic wars and World War I. The index, meanwhile, went as high as 182.5 in 1813 and 258.8 in 1920. Going back further than 1717, we find the lowest point on Jastram's index in 1564, when it was a mere 32.0. Prices doubled between 1585 and 1718 and then more or less remained stable until 1930. The importance of all this is to remind us that price inflation is not part of the human condition, but is rather a gift of modern economics. Can these tables alone be smuggled to President Carter?

The President could also observe the movement of the index after Britain in 1931 put economists and bureaucrats in charge of regulating the money supply, instead of keeping gold at that job. By 1946 it was at 162, by 1956 at 406.1, by 1966 at 506.8, and by 1976 at 1248.4. Yes, that's 1248.4

Except that the United States maintained a semblance of convertibility until 1971, when it became free at last of the barbaric metal, its experience has been similar. The wholesale commodity index is at 100 in 1804 and in 1930 it's also at 100. As recently as 1940 the index was at 90.8. It then went to 185.7 in 1948, 204.3 in 1951, and 247.5 in 1970. In 1976 it was 410.2.

The value of Mr. Jastram's book is in this statistical sweep, which suggests that we've forgotten more than we know. If we wish to end inflation, it certainly seems foolish to begin the process by discarding any idea of using gold. Why, then, does Mr. Jastram do so himself, implicitly accepting the notion that gold is gone and inflation is here to stay? It is useful to see how he misinterprets his own statistical contribution to try to persuade us on this point.

After powerfully demonstrating that gold maintains its purchasing power over long cycles, for example, he presents a startling "discovery" that in the short run gold is a

poor hedge against inflation. The common idea that it is a good hedge, he argues, is a "myth." He statistically "proves" that gold's purchasing power falls behind commodity prices during inflations, although catching up with them during deflations. This he calls the "Retrieval Phenomenon."

Why do economists spend so much energy turning simple ideas into complex ones? It only takes a moment's thought, not a book of argumentation and statistical proof, to understand the Jastram "Retrieval Phenomenon," When money is bound to gold and prices rise relative to money they of course rise relative to gold. But we find in his own index the important point: that when money is bound to gold nobody needs an inflation hedge.

Here, for example, is the "great inflation" of 1623–1658 when money was bound to gold, yet gold was losing 34 percent of its purchasing power. Mr. Jastram himself observes that the 51 percent price rise in the period is trivial, breaking down to an average annual compounded inflation rate of 1.2 percent. Who needs an inflation hedge at that rate?

And here is Mr. Jastram straining to show further proof of gold's failure as an inflation hedge when it is not bound to money. In Britain between 1933 and 1976 commodity prices rose by 1434 percent, yet gold loses 25 percent of its purchasing power. An unsatisfactory hedge, says he. The purchasing power of British currency fell by 1434 percent and the purchasing power of gold fell by a mere 25 percent. A magnificent hedge, say we.

In more typical fashion Mr. Jastram then presents a review of the many difficulties in getting back on gold; we might as well forget the lessons of the golden constant, he says. First, we'd have to decide if we want a gold-coin standard or a gold-bullion standard. There have to decide which form of intervention to permit government. Do we, for example, manipulate the "gold backing for a circulating paper issue?"

Or, if we want the price of gold held constant by the marketplace, "gold must be bought or sold by the government in quantities precisely decided by the government, or interest rates adjusted by central banks." If it is to be held constant by "edict," the government will have to forbid exports, embargo imports, outlaw private holdings, "and so on." And what if the world price of gold increases "drastically" as it has lately? Won't this mean the admissible volume of paper currency will automatically inflate "or the required reserve ratio of gold will have to be reduced correspondingly?"

Unhappily, in these several sentences near the end of his book Mr. Jastram gives it away. He doesn't know any more about how the gold standard worked than today's economists who have been advising our Presidents for the last few generations. The government doesn't run a gold standard by decreeing a currency's gold backing, or decreeing the tonnage to be bought or sold in the marketplace, or decreeing export or import constraints. The whole point of a money "standard" is to get the government out of the decreeing business. Nor does the price of gold increase "drastically" and thus force up the volume of paper money. Prof. Jastram has this backwards, at least if there is any meaning at all to the rest of his book and the notion of golden constancy.

ONLY ECONOMISTS CAN FORGET?

All of the Jastram difficulties are imaginary. Our ancestors could not have run a gold standard for centuries with such success, as he himself demonstrates, if it were a difficult thing. We have not concurrently forgotten how to build wheels or make fire. Only economists can forget how to produce money—the only thing the government does produce—to a reliable standard.

The gold standard did not work because of gold's mystique, or because of some intrinsic "discipline." It worked because of its ridiculous simplicity. When a citizen comes to the Treasury with gold, he is given money. When he comes with money, he is given gold, and the Treasury takes this as a sign that it should stop producing money until the populace again is showing up with gold.

You don't have to have a lot of gold to run a gold standard. The Bank of England kept a tiny inventory in the 200 years it showed how it could be done. Indeed, it doesn't even have to be gold. Almost anything that requires man's labor in fashioning a planetary resources will do. Platinum, silver or cinder blocks. Without fail, inflation would end and we would no longer have to listen to gold fluctuations and monetary gyrations with our breakfast news.

Will it happen? You can bet on it. Prof. Jastram's charts will now be available to our university students. Someday Ralph Nader will have a son, and Junior will decide it is time to protect consumers of money after examining the Jastram charts. He might fool around first with a glassbead standard or even cinder blocks and discover any standard is better than none at all. Don't be surprised, though, if eventually he discovers gold. You should pardon the expression.

TIME-LIMITATION AGREEMENT—H.R. 12936

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 984, H.R. 12936, the HUD appropriation bill, is called up and made the pending business before the Senate, that there be a 1-hour limit on the bill, to be equally divided between Mr. PROXMIRE and Mr. MATHIAS; 30 minutes on any amendment; 15 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate for discussion, with the exception of one amendment dealing with a 2-percent cut by Mr. PROXMIRE, on which there be no time limitation; and that the agreement be in the usual form with respect to the division and control of time.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, there is no time limit at all on the Proxmire amendment?

Mr. ROBERT C. BYRD. As of now. It is hoped before the day is over we might get a time limit.

Mr. STEVENS. I do not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVISION OF UNANIMOUS-CONSENT AGREEMENT—H.R. 12936

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, earlier today, an agreement was entered into limiting time on the HUD appropriations bill and on amendments thereto with one exception, that being an amendment by Mr. PROXMIRE on which there was no time limitation.

It is my understanding that Mr. PROXMIRE and Mr. MATHIAS have now agreed to a 2-hour time limitation on that amendment. Therefore, I ask unanimous consent that the agreement be revised accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Reserving the right to object, as I understand it, that is solely on the Proxmire amendment.

Mr. ROBERT C. BYRD. That is the only amendment that was open ended.

Mr. STEVENS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 12936 (Order No. 984), an act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending Sept. 30, 1979, and for other purposes, debate on any amendment (except on the so-called 2% cut amendment to be offered by the Senator from Wisconsin (Mr. PROXMIRE), on which there shall be 2 hours) shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 15 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That is the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Maryland (Mr. MATHIAS): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

TIME-LIMITATION AGREEMENT—H.R. 13125

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 982, H.R. 13125, the agriculture bill has been called up and made the pending business on the floor, there be a time agreement thereon of 1 hour on the bill, equally divided between Mr. EAGLETON and Mr. BELLMON; 30 minutes on any amendment; 15 minutes on any debatable motion in relation to the bill, appeal, or point of order, if such is made to the Senate; and that the agreement be in the usual form as to the division and control of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 13125 (Order No. 982), an act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending Sept. 30, 1979, and for other purposes, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 15 min-

utes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Missouri (Mr. EAGLETON) and the Senator from Oklahoma (Mr. BELLMON): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY PUBLIC DEBT LIMIT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 964.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 13385) to provide for a temporary increase in the public debt limit.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LONG. Mr. President, this bill H.R. 13385, increases the public debt limit to $798 billion through March 31, 1979, and also increases by $5 billion Treasury Department authority to issue long-term bonds with interest rates above 4¼ percent.

PUBLIC DEBT LIMIT

The present public debt limit of $752 billion expired on July 31, 1978. If a new limit is not enacted, only the permanent limit of $400 billion will be in effect, preventing any refunding or new issues of public debt.

The Committee on Finance increased the temporary public debt limit to $398 billion through March 31, 1979, in response to two major considerations. First, the committee avoided the legislative logjam at the end of this session and extended the debt ceiling long enough to permit the 98th Congress to organize. Second, the increase was set so that the combined level of $798 billion is consistent with monthly projections that reach $848 billion at the end of fiscal year 1979, which is below the $849.1 billion target in the first budget resolution.

DEBT MANAGEMENT

The Treasury Department may issue bonds which pay a rate of interest above 4¼ percent in only limited quantities. The amount of the exception has been increased annually just enough to meet financing requirements contemplated in each fiscal year.

At present, the exception is $27 billion, and about $4 billion of this authority is scheduled to be used up during the rest of this fiscal year. The administration requested a $10 billion increase in the bond authority for all of fiscal year 1979. The committee increased the authority by enough to meet scheduled financial plans through March 31, 1979, the same period covered by the debt limit increase.

I urge the Senate to approve this bill. It is the same bill that was passed by the House of Representatives.

Mr. President, I will ask to insert in the RECORD some tables which I believe will help to place in better perspective the problems posed by the debt limit bill. They help to analyze the national debt and take into account such items as inflation, public and private and corporate debt. By studying these tables, students of this problem can see in much better context what the entire problem is and where we stand.

The tables which I am inserting in the RECORD provide historical comparisons of the levels of debt incurred by individuals and corporations in the private sector and by Federal, State, and local governments in the public sector. The tables show gross and net debt in total and in per capita amounts and their relationship to gross national product (tables III, IV, and V for gross debt and tables VI, VII, and VIII for net debt). Table IX relates Federal debt to population and prices. Table X relates privately held Federal debt to GNP, and table XI shows annual changes in per capita GNP.

Generally, the levels of Federal debt have declined relatively to total amounts of private and public debt. The percentages of Federal debt to total gross or net debt have declined since World War II peaks reached in 1945 or 1946. Low ratios were reached in 1974 and have increased somewhat since then. Nevertheless, the 1976 ratios are about equal to the same ratios for 1934 or 1935.

Mr. President, I ask unanimous consent to have the tables printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE III.—ESTIMATED GROSS GOVERNMENT AND PRIVATE DEBT, BY MAJOR CATEGORIES

[Dollar amounts in billions]

Year	Private [1]			State and local	Federal [2]			Total gross debt	Percent Federal of total
	Individual	Corporate	Total		Public	Agency	Total		
1929	$72.9	$107.0	$179.9	$17.8	$16.3	$1.2	$17.5	$215.2	8.2
1930	72.8	107.4	179.2	18.9	16.0	1.3	17.3	215.4	8.1
1931	64.9	100.3	165.2	19.5	17.8	1.3	19.1	203.8	9.4
1932	57.1	96.1	153.2	19.7	20.8	1.2	22.0	194.9	11.3
1933	51.0	92.4	143.4	19.5	23.8	1.5	25.3	188.2	13.5
1934	49.8	90.6	140.4	19.2	28.5	4.8	33.3	192.9	17.3
1935	49.7	89.8	139.5	19.6	30.6	5.6	36.2	195.3	18.6
1936	50.6	90.9	141.5	19.6	34.4	5.9	40.3	201.4	20.1
1937	51.5	90.2	141.8	19.6	37.3	5.8	43.1	204.0	21.2
1938	50.0	86.8	136.8	19.8	39.4	6.2	45.6	202.2	22.6
1939	50.8	86.8	137.6	20.1	41.9	6.9	48.8	206.5	23.7
1940	53.0	89.0	142.0	20.2	45.0	7.2	52.2	214.4	24.4
1941	55.6	97.5	153.1	20.0	57.9	7.7	65.6	238.7	27.5
1942	49.9	106.3	156.2	19.2	108.2	5.5	113.7	289.1	39.4
1943	48.8	110.3	159.1	18.1	165.9	5.1	171.0	348.2	49.2
1944	50.7	109.0	159.7	17.1	230.6	3.0	233.6	410.4	57.0
1945	54.7	99.5	154.2	16.0	278.1	1.5	279.6	449.8	62.2
1946	59.9	108.3	169.2	16.1	258.9	1.5	260.4	445.7	58.5
1947	69.4	128.9	198.3	17.5	255.4	.7	256.1	471.9	54.3
1948	80.6	139.4	220.0	19.6	251.6	1.0	252.6	492.2	51.4
1949	90.4	140.3	230.7	22.2	256.1	.8	256.9	509.8	50.4
1950	104.3	167.7	272.0	25.3	255.4	1.1	256.5	553.8	46.4
1951	114.3	191.9	306.2	28.0	258.1	.8	258.9	593.1	43.7
1952	129.4	202.9	332.3	31.0	266.2	.8	267.0	630.3	42.2
1953	143.2	212.9	356.1	35.0	273.8	.9	274.7	665.8	41.3
1954	$157.2	$217.6	$374.8	$40.2	$277.2	$.8	$278.0	$693.0	$40.2
1955	180.1	253.9	434.0	46.3	279.1	1.5	280.6	760.9	36.9
1956	195.5	277.3	402.2	50.1	275.5	1.7	277.2	800.1	34.7
1957	207.6	295.8	503.4	54.7	274.2	3.2	277.4	835.5	33.3
1958	222.9	312.0	534.9	60.4	282.2	2.3	284.5	879.8	32.4
1959	245.0	341.4	586.4	66.6	288.7	5.7	294.4	947.4	31.1
1960	263.3	365.1	628.4	72.0	287.7	6.4	294.1	994.5	29.9
1961	284.8	391.5	676.3	77.6	293.6	6.9	300.5	1,054.4	28.5
1962	311.9	421.5	733.4	83.4	300.2	7.8	308.0	1,124.8	27.4
1963	345.8	457.1	802.9	89.5	306.0	8.1	314.1	1,206.5	26.0
1964	380.0	497.3	877.4	95.5	314.3	9.1	323.4	1,296.3	24.9
1965	424.6	551.9	976.5	103.1	317.2	9.8	326.9	1,406.5	23.2
1966	454.7	617.4	1,072.1	109.3	325.6	14.0	393.6	1,521.1	22.3
1967	489.1	672.9	1,162.0	117.3	341.8	20.1	361.9	1,641.0	22.2
1968	529.3	779.1	1,308.4	127.2	356.2	15.1	371.3	1,806.9	20.5
1969	566.2	912.7	1,478.9	137.9	367.4	13.8	381.2	1,997.9	19.1
1970	600.0	997.9	1,597.9	149.2	388.3	12.5	400.8	2,147.8	18.7
1971	667.5	1,087.8	1,755.3	167.0	423.4	11.0	434.4	2,356.6	18.4
1972	763.9	1,214.3	1,978.2	181.2	448.4	11.8	460.2	2,620.7	17.6
1973	854.4	1,390.5	2,244.9	196.1	469.1	11.6	480.7	2,921.7	16.5
1974	922.1	1,546.4	2,468.5	214.7	492.7	11.3	504.0	3,187.2	15.8
1975	994.4	1,626.1	2,620.5	229.6	576.7	10.9	587.6	3,437.7	17.1
1976	1,106.8	1,781.7	2,888.5	246.4	653.5	11.3	664.8	3,799.7	17.5
1977					718.9	10.2	729.2		

[1] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations, FICB's and BCOOP's in 1968. The total debt for these agencies amounted to $0.7 billion on Dec. 31, 1947, $3.5 billion on Dec. 31, 1960, $38.8 billion on Dec. 31, 1970, $78.8 billion on Dec. 31, 1975, and $81.4 billion on Dec. 31, 1976.

[2] Total Federal securities includes public debt securities and budget agency securities.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capital debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE IV.—ESTIMATED PER CAPITA GROSS GOVERNMENT AND PRIVATE DEBT[1]

Year	Private[2]			State and local	Federal[3]			Total gross debt
	Individual	Corporate	Total		Public	Agency	Total	
1929	$599	$879	$1,477	$146	$134	$10	$144	$1,767
1930	583	873	1,456	154	130	11	141	1,750
1931	523	809	1,332	157	144	10	154	1,643
1932	457	770	1,227	158	167	10	176	1,561
1933	406	736	1,142	155	190	12	201	1,499
1934	394	717	1,111	152	226	38	264	1,526
1935	391	706	1,096	154	240	44	284	1,535
1936	395	710	1,105	153	269	46	315	1,573
1937	397	700	1,097	152	290	45	335	1,584
1938	385	669	1,054	153	303	48	351	1,557
1939	388	663	1,051	154	320	53	373	1,578
1940	400	671	1,071	152	339	54	394	1,617
1941	415	728	1,143	149	432	58	4 0	1,783
1942	369	785	1,154	142	799	41	840	2,136
1943	356	804	1,159	132	1,209	37	1,246	2,537
1944	365	785	1,150	123	1,660	22	1,682	2,954
1945	389	708	1,098	114	1,980	11	1,990	3,202
1946	422	770	1,192	113	1,824	11	1,835	3,140
1947	480	891	1,370	121	1,765	5	1,770	3,261
1948	548	947	1,494	133	1,709	7	1,716	3,344
1949	604	937	1,540	148	1,710	5	1,715	3,404
1950	685	1,101	1,786	166	1,677	7	1,684	3,637
1951	738	1,239	1,977	181	1,666	5	1,672	3,829
1952	821	1,288	2,109	197	1,609	5	1,695	4,001
1953	894	1,329	2,223	218	1,709	6	1,715	4,156
1954	$964	$1,335	$2,299	$247	$1,700	$5	$1,705	$4,251
1955	1,085	1,530	2,616	279	1,682	9	1,691	4,586
1956	1,157	1,642	2,799	297	1,631	10	1,641	4,737
1957	1,207	1,720	2,927	318	1,594	19	1,613	4,858
1958	1,275	1,784	3,059	345	1,614	13	1,627	5,031
1959	1,378	1,920	3,298	375	1,623	32	1,656	5,328
1960	1,457	2,021	3,478	399	1,592	35	1,628	5,504
1961	1,550	2,131	3,682	422	1,598	38	1,636	5,740
1962	1,672	2,260	3,932	447	1,609	42	1,651	6,030
1963	1,827	2,415	4,243	473	1,617	43	1,660	6,375
1964	1,981	2,592	4,572	498	1,638	47	1,685	6,755
1965	2,185	2,840	5,026	531	1,633	50	1,682	7,239
1966	2,313	3,141	5,454	557	1,656	71	1,728	7,739
1967	2,461	3,386	5,848	590	1,720	101	1,821	8,258
1968	2,637	3,882	6,519	634	1,775	75	1,850	9,003
1969	2,794	4,503	7,297	680	1,813	68	1,881	9,858
1970	2,929	4,871	7,799	728	1,895	61	1,956	10,483
1971	3,224	5,254	8,478	807	2,045	53	2,098	11,382
1972	3,658	5,814	9,472	868	2,147	56	2,203	12,548
1973	4,051	6,609	10,669	932	2,229	55	2,285	13,886
1974	4,352	7,298	11,649	1,013	2,325	53	2,379	15,041
1975	4,657	7,615	12,272	1,075	2,701	51	2,752	16,099
1976	5,145	8,282	13,428	1,145	3,038	53	3,090	17,663
1977					3,316	47	3,364	

[1] Per capita debt is calculated by dividing debt figures by population of conterminous United States. Beginning 1949, population includes Armed Forces overseas, Hawaii and Alaska.

[2] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations, FICB's and BCOOP's in 1968. The total debt for these agencies amounted to $0.7 billion on Dec. 31, 1947, $3.5 billion on Dec. 31, 1960, $38.8 billion on Dec. 31, 1970, $78.8 billion on Dec. 31, 1975, and $81.4 billion on Dec. 31, 1976.

[3] Total Federal securities includes public debt securities and budget agency securities.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE V.—GROSS GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT

Year	Gross national product (billions)	Ratios of debt to gross national product							
		Private[1]			State and local	Federal[2]			Total gross debt
		Individual	Corporate	Total		Public	Agency	Total	
1929	$103.4	$70.5	$103.5	$174.0	$17.3	$15.8	$1.2	$17.0	$208.1
1930	90.7	79.2	118.5	197.6	20.9	17.7	1.5	19.1	237.5
1931	76.1	85.4	131.9	217.2	25.7	23.4	1.8	25.2	268.0
1932	58.2	98.0	164.9	262.9	33.9	35.7	2.1	37.8	334.5
1933	55.8	91.4	165.6	257.0	35.0	42.7	2.7	45.4	337.4
1934	65.3	76.3	138.8	215.1	29.5	43.7	7.4	51.1	295.5
1935	72.5	68.6	123.9	192.5	27.1	42.3	7.8	50.0	269.5
1936	82.7	61.2	109.9	171.1	23.7	41.6	7.2	48.8	243.5
1937	96.7	52.9	93.3	146.1	20.3	38.6	6.0	34.6	210.9
1938	85.0	58.9	102.2	161.1	23.4	46.4	7.3	53.7	238.0
1939	90.8	56.0	95.6	151.6	22.2	46.2	7.6	53.8	227.5
1940	100.0	53.1	89.1	142.1	20.3	45.1	7.3	52.3	214.5
1941	124.9	44.6	78.1	122.6	16.1	46.4	6.2	52.6	191.2
1942	158.3	31.6	67.2	98.7	12.2	68.4	3.5	71.9	182.7
1943	192.0	25.5	57.5	82.9	9.5	86.5	2.7	89.1	181.4
1944	210.5	24.1	51.8	75.9	8.2	109.6	1.5	111.0	195.0
1945	212.3	25.8	46.9	72.7	7.6	131.0	.8	131.7	211.9
1946	209.6	28.6	52.2	80.8	7.7	123.6	.8	124.3	212.7
1947	232.8	29.9	55.4	85.2	7.6	109.8	.4	110.1	202.8
1948	259.1	31.2	53.9	85.0	7.6	97.2	.4	97.5	190.0
1949	258.0	35.1	54.4	89.5	8.7	99.3	.4	99.6	197.6
1950	286.2	36.5	58.6	95.1	8.9	89.3	.4	89.7	193.6
1951	330.2	34.7	58.2	92.8	8.5	78.2	.3	78.5	179.7
1952	347.2	37.2	58.5	95.8	9.0	76.7	.3	77.0	181.6
1953	366.1	39.2	58.2	97.3	9.6	74.8	.3	75.1	181.9
1954	$366.3	$43.0	$59.5	$102.4	$11.0	$75.7	$.3	$75.9	$189.2
1955	399.3	45.2	63.6	108.7	11.6	69.9	.4	70.3	190.6
1956	420.7	46.5	66.0	112.4	12.0	65.5	.5	65.9	190.2
1957	442.8	46.9	66.9	113.7	12.4	62.0	.8	62.7	188.7
1958	448.9	49.7	69.6	119.2	13.5	62.7	.6	63.4	196.0
1959	486.5	50 4	70.2	120.6	13.7	59.4	1.2	60.6	194.8
1960	506.0	52.1	72.2	124.2	14.3	56.9	1.3	58.2	196.6
1961	523.3	54.5	74.9	129.3	14.9	56.2	1.4	57.5	201.5
1962	563.8	55.4	74.8	130.1	14.8	53.3	1.4	54.7	199.6
1963	594.7	58.2	76.9	135.1	15.1	51.5	1.4	52.9	202.9
1964	635.7	59.8	78.3	138.1	15.1	49.5	1.5	50.9	204.0
1965	688.1	61.7	80.2	142.0	15.0	46.1	1.5	47.5	204.4
1966	753.0	60.4	82.0	142.4	14.5	43.2	1.9	45.1	202.0
1967	796.3	61.4	84.5	145.9	14.7	42.9	2.5	45.4	206.1
1968	868.5	60.9	89.7	150.7	14.6	41.0	1.7	42.8	208.0
1969	935.5	60.5	97.6	158.1	14.7	39.3	1.5	40.7	213.6
1970	982.4	61.1	101.6	162.7	15.2	39.5	1.3	40.8	218.6
1971	1,063.4	62.8	102.3	165.1	15.7	39.8	1.0	40.9	221.8
1972	1,171.1	65.3	103.7	168.9	15.5	38.3	1.0	39.3	223.8
1973	1,306.3	65.4	106.4	171.9	15.0	35.9	.9	36.8	223.7
1974	1,412.9	65.3	109.4	174.7	15.2	34.9	.8	35.7	225.5
1975	1,528.8	65.0	106.4	171.4	15.0	37.7	.7	38.4	224.9
1976	1,706.5	64.9	104.4	169.3	16.9	38.3	.7	39.0	222.7
1977	1,890.4					38.0	.5	38.6	

[1] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no onger any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations, FICB's and BCOOP's in 1968. The total debt for these agencies amounted to $0.7 billion on Dec. 31, 1947, $3.5 billion on Dec. 31, 1960, $38.8 billion on Dec. 31, 1970, $78.8 billion on Dec. 31, 1975, and $81.4 billion on Dec. 31, 1976.

[2] Total Federal securities includes public debt securities and budget agency securities.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capital debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE VI.—ESTIMATED NET GOVERNMENT AND PRIVATE DEBT BY MAJOR CATEGORIES

[Dollar amounts in billions]

Year	Private[1]			State and local	Federal[2]	Total net debt	Percent Federal of total
	Individual	Corporate	Total				
1916	$36.3	$40.2	$76.5	$4.5	$1.2	$82.2	1.5
1917	38.7	43.7	82.4	4.8	7.3	94.5	7.8
1918	44.5	47.0	91.5	5.1	20.9	117.5	17.8
1919	43.9	53.3	97.2	5.5	25.6	128.3	21.0
1920	48.1	57.7	105.8	6.2	23.7	135.7	17.5
1921	49.2	57.0	106.2	7.0	23.1	136.3	17.0
1922	50.9	58.6	109.5	7.9	22.8	140.2	16.3
1923	53.7	62.6	116.3	8.6	21.8	146.7	14.9
1924	55.8	67.2	123.0	9.4	21.0	153.4	13.7
1925	59.6	72.7	132.3	10.3	20.3	162.9	12.5
1926	62.7	76.2	138.9	11.1	19.2	169.2	11.4
1927	66.4	81.2	147.6	12.1	18.2	177.9	10.3
1928	70.0	86.1	156.1	12.7	17.5	186.3	9.4
1929	72.9	88.9	161.8	13.6	16.5	191.9	8.6
1930	$71.8	$89.3	$161.1	$14.7	$16.5	$192.3	$8.6
1931	64.9	83.5	148.4	16.0	18.5	182.9	10.2
1932	57.1	80.0	137.1	16.6	21.3	176.0	12.2
1933	51.0	76.9	127.9	16.3	24.3	168.5	14.5
1934	49.8	75.5	125.3	15.9	30.4	171.6	17.8
1935	49.7	74.8	124.5	16.1	34.4	175.0	19.7
1936	50.6	76.1	126.7	16.2	37.7	180.6	20.9
1937	51.1	75.8	126.9	16.1	39.2	182.2	21.6
1938	50.0	73.3	123.3	16.1	40.5	179.9	12.6
1939	50.8	73.5	124.3	16.4	42.6	183.3	23.3
1940	53.0	75.6	128.6	16.4	44.8	189.8	23.7
1941	55.6	83.4	139.0	16.1	56.3	211.4	26.7
1942	49.9	91.6	141.5	15.4	101.7	258.6	39.4
1943	49.8	95.5	144.3	14.5	154.4	313.2	49.3

See footnotes at end of table.

TABLE VI.—ESTIMATED NET GOVERNMENT AND PRIVATE DEBT BY MAJOR CATEGORIES—Continued

Year	Private[1]			State and local	Federal[2]	Total net debt	Percent Federal of total
	Individual	Corporate	Total				
1944	$50.7	$94.1	$144.8	$13.9	$211.9	$370.6	$57.2
1945	54.7	85.3	140.0	13.4	252.5	405.9	62.3
1946	59.9	93.5	153.4	13.7	229.5	396.6	57.9
1947	69.4	109.6	179.0	15.0	221.7	415.7	53.4
1948	80.6	118.4	199.0	17.0	215.3	431.3	50.0
1949	90.4	118.7	209.1	19.1	217.6	445.8	48.9
1950	104.3	142.8	247.1	21.7	417.4	486.2	44.8
1951	114.3	163.8	278.1	24.2	216.9	519.2	41.8
1952	129.4	172.3	301.7	27.0	221.5	550.2	40.3
1953	143.2	180.9	324.1	30.7	226.8	581.6	39.0
1954	157.2	184.1	341.3	35.5	229.1	605.9	37.9
1955	180.1	215.0	395.1	41.1	229.6	665.8	34.5
1956	195.5	234.1	429.6	44.5	224.3	698.4	32.2
1957	207.6	249.1	456.7	48.6	223.0	728.3	30.7
1958	222.9	262.0	484.9	53.7	231.0	769.6	30.1
1959	245.0	287.0	532.0	59.6	241.4	833.0	29.0
1960	263.3	306.3	569.6	64.9	239.8	874.3	27.5
1961	$284.8	$328.3	$613.1	$70.5	$246.7	$930.3	$26.3
1962	311.9	353.5	665.4	77.0	253.6	996.0	25.6
1963	345.8	383.6	729.4	83.9	257.5	1,070.8	24.5
1964	308.1	417.1	797.2	90.4	264.0	1,151.6	23.1
1965	424.6	463.2	887.8	98.3	266.4	1,252.5	21.0
1966	454.7	517.8	972.5	104.7	271.8	1,349.1	20.3
1967	489.1	562.6	1,051.7	112.8	286.4	1,450.8	19.1
1968	529.3	653.0	1,182.3	122.7	291.9	1,596.8	18.7
1969	566.2	764.7	1,330.9	133.3	289.3	1,753.4	16.6
1970	600.0	836.1	1,436.1	144.8	301.1	1,881.9	16.9
1971	667.5	911.2	1,578.7	162.7	325.9	2,067.3	15.5
1972	763.9	1,016.7	1,780.6	178.0	341.2	2,229.8	14.0
1973	845.4	1,166.5	2,020.9	192.3	349.1	2,562.3	13.8
1974	922.1	1,299.4	2,221.5	211.2	360.8	2,793.5	12.8
1975	994.4	1,365.4	2,359.8	222.7	446.7	3,028.8	14.7
1976	1,016.8	1,496.1	2,602.9	236.3	515.8	3,354.9	15.4
1977					572.5		

[1] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations, FICB's, and BCOOP's in 1968. The total debt jor these agencies amounted to $700,000,000 on Dec. 31, 1947, $3,500,000,000 on Dec. 31, 1960, $38,800,000,000 on Dec. 31, 1970, $78,800,000,000 on Dec. 31, 1975, and $81,400,000,000 on Dec. 31, 1976.

[2] Borrowing from the public equals gross Federal debt less securities held on Government accounts (a unified budget concept).

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Read per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE VII.—ESTIMATED PER CAPITA NET GOVERNMENT AND PRIVATE DEBT[1]

Year	Private[2]			State and local	Federal[3]	Total net debt
	Individual	Corporate	Total			
1916	$356	$394	$750	$44	$12	$806
1917	375	423	798	46	71	915
1918	431	455	887	49	203	1,139
1919	420	510	930	53	245	1,228
1920	452	542	994	58	223	1,275
1921	453	525	978	64	213	1,256
1922	462	532	995	72	207	1,274
1923	480	559	1,039	77	195	1,310
1924	489	589	1,078	82	184	1,344
1925	515	628	1,142	89	175	1,406
1926	534	649	1,183	95	164	1,441
1927	558	682	1,240	102	153	1,494
1928	581	715	1,295	105	145	1,546
1929	599	730	1,329	112	136	1,576
1930	583	726	1,309	119	134	1,562
1931	523	673	1,196	129	149	1,475
1932	457	641	1,098	133	171	1,402
1933	406	612	1,018	130	194	1,342
1934	394	597	992	126	241	1,358
1935	391	588	978	127	270	1,375
1936	395	594	989	127	294	1,410
1937	397	588	985	125	304	1,414
1938	385	565	950	124	312	1,386
1939	388	562	950	125	325	1,401
1940	400	570	970	124	338	1,431
1941	415	623	1,038	120	420	1,579
1942	369	677	1,045	114	751	1,910
1943	356	696	1,051	106	1,125	2,282
1944	365	677	1,042	100	1,525	2,668
1945	389	607	997	95	1,798	2,890
1946	422	659	1,081	97	1,617	2,794
1947	$480	$757	$1,237	$104	$1,532	$2,873
1948	548	804	1,352	115	1,463	2,930
1949	604	793	1,396	128	1,453	2,977
1950	685	938	1,623	143	1,428	3,193
1951	738	1,058	1,796	156	1,400	3,352
1952	821	1,094	1,915	171	1,406	3,492
1953	894	1,129	2,023	192	1,416	3,631
1954	964	1,129	2,094	218	1,405	3,717
1955	1,085	1,296	2,381	248	1,384	4,013
1956	1,157	1,386	2,543	263	1,328	4,135
1957	1,207	1,448	2,655	283	1,297	4,235
1958	1,275	1,498	2,773	307	1,321	4,401
1959	1,378	1,614	2,992	335	1,357	4,684
1960	1,457	1,695	3,153	359	1,327	4,839
1961	1,550	1,787	3,338	384	1,343	5,064
1962	1,672	1,895	3,567	413	1,360	5,339
1963	1,827	2,027	3,854	443	1,361	5,658
1964	1,981	2,174	4,154	471	1,376	6,001
1965	2,185	2,384	4,569	506	1,371	6,446
1966	2,313	2,634	4,948	533	1,383	6,864
1967	2,461	2,831	5,293	568	1,441	7,301
1968	2,637	3,254	5,891	611	1,454	7,956
1969	2,794	3,773	6,567	658	1,427	8,651
1970	2,929	4,081	7,010	707	1,470	9,185
1971	3,224	4,401	7,625	786	1,574	9,984
1972	3,658	4,868	8,526	852	1,634	11,012
1973	4,061	5,544	9,605	914	1,659	12,178
1974	4,352	6,132	10,484	997	1,703	13,183
1975	4,693	6,444	11,136	1,051	2,090	14,293
1976	5,145	6,955	12,100	1,098	2,398	15,596
1977					2,641	

[1] Per capita debt is calculated by dividing debt figures by population of conterminous United States. Beginning 1949, population includes Armed Forces overseas, Hawaii, and Alaska.

[2] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations, FICB's and BCOOP's in 1968. The total debt for these agencies amounted to $700,000,000 on Dec. 31, 1947, $3,500,000,000 on Dec. 31, 1960, $38,800,000,000 on Dec. 31, 1970, $78,800,000,000 on Dec. 31, 1975, $81,400,000,000 on Dec. 31, 1976.

[3] Borrowing from the public equals gross Federal debt less securities held in Government accounts (a unified budget concept).

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE VIII.—NET GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT

Year	Gross national product (billions)	Ratios of debt to gross national product					
		Private[1]			State and local	Federal[2]	Total net debt
		Individual	Corporate	Total			
1929	$103.4	$70.5	$86.0	$156.5	$13.2	$16.0	$185.6
1930	90.7	79.2	98.5	177.7	16.3	18.2	202.1
1931	76.1	85.4	109.8	195.1	21.1	24.4	240.5
1932	58.3	98.0	137.3	235.3	28.5	36.6	300.3
1933	55.8	91.4	137.8	229.2	29.3	43.6	301.9
1934	65.3	76.3	115.7	192.0	24.4	46.6	262.9
1935	72.5	68.6	103.2	171.8	22.3	47.5	241.4
1936	82.7	61.2	92.0	153.2	19.6	45.6	218.3
1937	96.7	52.9	78.4	131.2	16.7	40.6	188.4
1938	85.0	58.9	86.3	145.2	19.0	47.7	241.8
1939	90.8	56.0	81.0	136.9	18.1	47.0	201.9
1940	100.0	53.1	75.7	128.7	16.5	44.9	169.9
1941	124.9	44.6	66.8	111.4	12.9	45.1	169.3
1942	158.3	31.6	57.9	89.4	9.8	64.3	163.4
1943	192.0	25.5	49.8	75.2	7.6	80.5	163.2
1944	210.5	24.1	44.8	68.8	6.7	100.7	176.1
1945	212.3	25.8	40.2	66.0	6.4	119.0	191.2
1946	209.6	28.6	44.7	73.2	6.6	109.5	189.3
1947	$232.8	$29.9	$47.1	$76.9	$6.5	$95.3	$178.6
1948	259.1	31.2	45.7	76.9	6.6	83.1	166.5
1949	258.0	35.1	46.1	81.1	7.5	84.4	172.8
1950	286.2	36.5	49.9	86.4	7.6	76.0	169.9
1951	330.2	34.7	49.7	84.3	7.4	65.7	157.3
1952	347.2	37.3	49.7	86.9	7.8	63.8	158.5
1953	366.1	39.2	49.5	88.6	8.4	62.0	158.9
1954	366.3	43.0	50.3	93.2	9.7	62.6	165.5
1955	399.3	45.2	53.9	99.0	10.3	57.6	166.8
1956	420.7	46.5	55.7	102.2	10.6	53.4	166.1
1957	442.8	46.9	56.3	103.2	11.0	50.4	164.5
1958	448.9	49.7	58.4	108.1	12.0	51.5	171.5
1959	486.5	50.4	59.0	109.4	12.3	49.7	171.3
1960	506.0	52.1	60.6	112.6	12.9	47.4	172.8
1961	523.3	54.5	62.8	117.2	13.5	47.2	177.8
1962	563.8	55.4	62.7	118.1	13.7	45.0	176.7
1963	594.7	58.2	64.6	122.7	14.2	43.3	180.1
1964	635.7	59.8	65.7	125.5	14.3	41.6	181.2

Footnote at end of table.

TABLE VIII.—NET GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT—Continued

Year	Gross national product (billions)	Ratios of debt to gross national product: Private[1] Individual	Private[1] Corporate	Private[1] Total	State and local	Federal[2]	Total net debt
1965	$688.1	$61.7	$67.3	$129.0	$14.3	$38.7	$182.0
1966	753.0	60.4	68.6	129.2	13.9	36.1	179.2
1967	796.3	61.4	70.7	132.1	14.2	36.0	182.2
1968	868.5	60.9	75.2	136.1	14.1	33.6	183.9
1969	935.5	60.5	81.7	142.2	14.2	30.9	187.4
1970	982.4	61.1	85.1	146.2	14.7	30.6	181.6
1971	1,063.4	62.8	85.7	148.5	15.3	30.6	194.4
1972	$1,171.1	$65.2	$86.8	$152.0	$15.2	$29.2	$196.4
1973	1,306.3	65.4	89.3	154.7	14.6	26.7	196.1
1974	1,412.9	65.3	92.0	157.2	14.9	25.5	197.7
1975	1,528.8	65.0	89.3	154.4	14.6	29.2	191.1
1976	1,706.5	64.9	87.7	152.5	13.8	30.2	196.6
1977	1,890.4					30.3	

[1] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years; FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations; FICB's, and BCOOP's in 1968. The total debt for these agencies amounted to $700,000,000 on Dec. 31, 1947, $3,500,000,000 on Dec. 31, 1960, $38,800,000,000 on Dec. 31, 1970, $78,800,000,000 on Dec. 31, 1975, and $81,400,000,000 on Dec. 31, 1976.

[2] Borrowing from the public equals gross Federal debt less securities held in Government accounts (a unified budget concept).

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items.)

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE IX.—ESTIMATED FEDERAL DEBT RELATED TO POPULATION AND PRICES

Year	Outstanding Federal debt: Gross[2]	Net[3]	Privately held net[4]	Per capita Federal debt[1]: Gross[2]	Net[3]	Privately held net[4]	Real per capita Federal debt: Gross[2]	Net[3]	Privately held net[1]
1929	$17.5	$16.5	$16.0	$144	$136	$131	$281	$265	$256
1930	17.3	16.5	15.8	141	134	128	292	269	266
1931	19.1	18.5	17.7	154	149	142	354	342	327
1932	22.0	21.3	19.4	176	171	155	451	437	396
1933	25.3	24.3	21.9	201	194	174	513	492	443
1934	33.3	30.4	28.0	264	241	221	657	600	551
1935	36.2	34.4	32.0	284	270	251	688	654	607
1936	40.3	37.7	35.3	315	294	275	752	704	658
1937	43.1	39.2	36.6	335	304	284	776	706	658
1938	45.6	40.5	37.9	351	312	291	837	744	695
1939	48.8	42.6	40.1	373	325	306	893	780	733
1940	52.2	44.8	42.6	394	338	321	934	802	761
1941	65.6	56.3	54.0	490	420	403	1,059	909	871
1942	113.7	101.7	95.5	840	751	705	1,661	1,486	1,394
1943	171.0	154.4	142.9	1,246	1,125	1,041	2,388	2,156	1,995
1944	233.6	211.9	193.1	1,682	1,525	1,390	3,156	2,863	2,608
1945	279.6	252.5	228.2	1,990	1,798	1,624	3,653	3,299	2,981
1946	260.4	229.5	206.1	1,835	1,617	1,452	2,841	2,504	2,248
1947	256.1	221.7	199.1	1,770	1,532	1,375	2,522	2,183	1,960
1948	252.6	215.3	192.0	1,716	1,463	1,304	2,384	2,032	1,811
1949	256.9	217.6	197.7	1,715	1,453	1,320	2,427	2,056	1,867
1950	256.5	217.4	196.6	1,684	1,428	1,291	2,252	1,909	1,725
1951	258.9	216.9	193.1	1,672	1,400	1,246	2,109	1,767	1,573
1952	267.0	221.5	196.8	1,695	1,406	1,249	2,119	1,758	1,562
1953	274.7	226.8	200.9	1,715	1,416	1,254	2,131	1,759	1,558
1954	$278.0	$229.1	$204.2	$1,705	$1,405	$1,252	$2,128	$1,754	$1,563
1955	280.6	229.6	204.8	1,691	1,384	1,234	2,102	1,720	1,534
1956	277.2	224.3	199.4	1,641	1,328	1,180	1,983	1,605	1,426
1957	277.4	223.0	198.8	1,613	1,297	1,155	1,892	1,521	1,356
1958	284.5	231.0	204.7	1,627	1,321	1,170	1,876	1,523	1,349
1959	294.4	241.4	214.8	1,656	1,357	1,207	1,881	1,542	1,372
1960	294.1	239.8	212.4	1,628	1,327	1,175	1,823	1,486	1,316
1961	300.5	246.7	217.8	1,636	1,343	1,185	1,820	1,494	1,319
1962	308.0	253.6	222.8	1,651	1,360	1,194	1,815	1,495	1,313
1963	314.1	257.5	223.9	1,660	1,361	1,183	1,795	1,472	1,279
1964	323.4	264.0	224.0	1,685	1,376	1,183	1,801	1,470	1,264
1965	326.9	266.4	225.6	1,682	1,371	1,161	1,764	1,438	1,217
1966	339.6	271.8	227.5	1,728	1,383	1,157	1,753	1,403	1,174
1967	361.9	286.4	237.3	1,821	1,441	1,194	1,793	1,419	1,176
1968	371.3	291.9	238.9	1,850	1,454	1,190	1,739	1,367	1,119
1969	381.2	289.3	232.1	1,881	1,437	1,145	1,666	1,265	1,014
1970	400.8	301.1	239.0	1,956	1,470	1,166	1,643	1,234	979
1971	434.4	325.9	255.1	2,098	1,574	1,232	1,705	1,279	1,001
1972	460.2	341.2	269.9	2,203	1,634	1,292	1,732	1,284	1,015
1973	480.7	349.1	268.6	2,285	1,659	1,276	1,650	1,198	922
1974	504.0	360.8	280.1	2,378	1,703	1,322	1,531	1,096	851
1975	587.6	446.3	358.2	2,752	2,090	1,677	1,655	1,257	1,009
1976	664.8	515.8	418.5	3,090	2,398	1,945	1,773	1,376	1,116
1977	729.2	572.5	470.8	3,364	2,641	2,171	1,810	1,422	1,170

[1] Per capita debt is calculated by dividing debt figures by population of conterminous United States. Beginning 1949, population includes Armed Forces overseas, Hawaii, and Alaska.

[2] Total Federal securities includes public debt securities and budget agency securities.

[3] Borrowing from the public equals gross Federal debt less securities held in Government accounts (a unified budget concept).

[4] Borrowing from the public less Federal Reserve holdings.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE X.—PRIVATELY HELD FEDERAL DEBT RELATED TO GNP

[Dollar amounts in billions]

Year	Gross national product	Privately held debt[1]	Ratio of debt to GNP	Year-to-year price changes[2]
1929	$103.4	$16.0	$15.5	
1930	90.7	15.8	17.5	−$6.8
1931	76.1	17.7	23.3	−9.5
1932	58.3	19.4	33.3	−10.2
1933	55.8	21.9	39.3	.6
1934	65.3	28.0	42.9	2.1
1935	72.5	32.0	44.2	3.1
1936	82.7	35.3	42.7	1.3
1937	96.7	36.6	37.9	3.2
1938	85.0	37.9	44.7	−2.7
1939	90.8	40.1	44.2	−.4
1940	100.0	42.6	42.7	1.1
1941	124.9	54.0	43.3	9.1
1942	158.3	195.5	60.4	9.3
1943	192.0	142.9	74.5	3.2
1944	210.5	193.1	91.8	2.2
1945	212.3	228.2	107.5	2.3
1946	209.6	206.1	98.4	18.6
1947	232.8	199.1	85.6	8.7
1948	259.1	192.0	74.2	2.6
1949	258.0	197.7	76.7	−1.1
1950	286.2	196.6	68.7	5.9
1951	330.2	193.1	58.5	6.0
1952	347.2	196.8	56.7	.9
1953	366.1	200.9	54.9	.7
1954	$366.3	$204.2	$55.8	−$.4
1955	399.3	204.8	51.3	.4
1956	420.7	199.4	47.4	2.9
1957	442.8	198.8	44.9	3.1
1958	448.9	204.7	45.7	1.3
1959	486.5	214.8	44.2	1.5
1960	506.0	212.4	42.0	1.5
1961	523.3	217.8	41.7	.7
1962	563.8	222.8	39.6	1.3
1963	594.7	223.9	37.7	1.7
1964	635.7	227.0	35.8	1.2
1965	688.1	225.6	32.8	2.0
1966	753.0	227.5	30.3	3.4
1967	796.3	237.3	29.9	3.0
1968	868.5	238.9	27.6	4.7
1969	935.5	232.1	24.9	6.1
1970	982.4	239.0	24.4	5.5
1971	1,063.4	255.6	24.0	3.4
1972	1,171.1	271.1	23.1	3.4
1973	1,306.3	270.4	20.7	8.8
1974	1,412.9	280.1	19.8	12.2
1975	1,528.8	358.2	23.4	7.0
1976	1,706.5	418.5	24.5	4.8
1977	1,890.4	470.8	24.9	6.8

[1] Borrowing from the public less Federal Reserve holdings.

[2] Measured by all item Consumer Price Index, December to December basis.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE XI.—CHANGES IN PER CAPITA REAL GROSS NATIONAL PRODUCT

Year	GNP in (billions of 1972 dollars)	GNP per capita (constant 1972 dollars) [1]	GNP per capita, change from year ago	
			Constant 1972 dollars	Percent
1929	314.7	2,584		
1930	385.1	3,129	544	21
1931	263.3	2,123	−1,006	−32
1932	227.1	1,819	−303	−14
1933	222.1	1,769	−50	−2
1934	239.3	1,894	125	7
1935	261.0	2,051	157	8
1936	297.1	2,320	269	13
1937	310.8	2,413	92	4
1938	297.8	2,294	−118	−4
1939	319.7	2,443	148	6
1940	343.6	2,591	148	6
1941	396.6	2,962	370	14
1942	454.6	3,358	396	13
1943	527.3	3,842	483	14
1944	567.0	4,082	239	6
1945	559.0	3,980	−101	−2
1946	477.0	3,361	−618	−15
1947	468.3	3,236	−124	−3
1948	487.7	3,313	76	2
1949	490.7	3,276	−36	−1
1950	533.5	3,504	227	6
1951	576.5	3,722	218	6
1952	598.5	3,799	76	2
1953	621.8	3,882	83	2
1954	613.9	3,764	−117	−2
1955	654.8	3,946	181	4
1956	668.8	3,960	13	
1957	680.9	3,959		
1958	679.5	3,885	−73	−1
1959	720.4	4,051	165	4
1960	736.8	4,078	27	
1961	755.3	4,112	33	
1962	799.1	4,284	172	4
1963	830.7	4,390	105	2
1964	874.4	4,557	167	3
1965	925.9	4,765	208	4
1966	981.0	4,991	225	4
1967	1,007.7	5,071	80	1
1968	1,051.8	5,241	169	3
1969	1,078.8	5,323	82	1
1970	1,075.3	5,249	−74	−1
1971	1,107.5	5,349	100	1
1972	1,171.1	5,607	258	4
1973	1,235.0	5,869	262	4
1974	1,217.8	5,747	−122	−2
1975	1,202.1	5,629	−118	−2
1976	1,274.7	5,926	297	5
1977	1,337.6	6,169	243	4

[1] Per capita debt is calculated by dividing debt figures by population of conterminous United States. Beginning 1949 population includes Armed Forces overseas, Hawaii, and Alaska.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

Mr. CURTIS. Mr. President, it is not a happy experience to come here and have to suggest that the national debt limit be increased; however, it must be done. This is not a spending bill. This is a bill authorizing the payment by the Government for spending that already has taken place. Without this bill, the Department of the Treasury would not be able to borrow money. It is not a bill that adds to or detracts from public spending. It is something that takes place afterward.

In other words, we are like a householder who runs charge accounts in a number of stores, with credit cards and the like, and then is faced with the necessity of borrowing enough money to pay the bills. He can refuse to do it, but that is not a reduction in spending. That is not a vote against spending.

I believe that it is all right—in fact, I think it is a good thing—for Congress periodically to have to vote on this. I would be opposed to simply removing the debt limit and letting them borrow all the money they want. By having to consider the debt limit every few months, it calls the attention of Congress to the fact that we spent more money than we take in.

A vote against this bill is not a vote against spending. It is a vote against paying the bills for the spending that already has taken place. I wish it were not necessary. I am not one of those who favor balancing the budget sometime in the far distant future. I think it could be balanced now, if the Government was of a mind to do it.

I believe that eventually—I hope it will be soon—we will have to have a constitutional requirement that the budget has to be balanced. But it would be wrong for me to advise a private citizen who had spent money all over town, "You should not raise enough money now to pay the bills you owe."

The debt goes up because we spend too much, and we spend because we vote for authorizations and appropriations. When we get out of line and vote for more appropriations than there is money coming in, we go into debt; and then we have to go through this painful task of authorizing the Secretary of the Treasury to borrow enough money to pay the bills.

I do not like this bill. I wish it were otherwise. I realize that there are people back home who feel that a vote to raise the debt ceiling is a vote for spending. It is not. It is a vote to pay the bills that the Government owes. We spend too much in our day-to-day operation, voting for programs, voting for appropriations, voting to bring in new programs, voting to increase existing programs. That is how we get in debt. If we are going to put the brakes on increasing debt, that is the place we will have to apply the brakes. It is too late and, in my opinion, not honest to say, after the debts are created, that we will not authorize the Secretary of the Treasury to get his hands on enough money to pay the bills.

Mr. President, I yield the floor.

(Mr. HARRY F. BYRD, JR. obtained the floor.)

Mr. LONG. Mr. President, does the Senator have any objection to advancing the bill to third reading? If he wishes to offer an amendment, I will not ask that.

Mr. HARRY F. BYRD, JR. No, that is all right.

Mr. LONG. Mr. President, I ask for third reading.

The PRESIDING OFFICER (Mr. HART). The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to be read a third time.

The bill was read the third time.

Mr. HARRY F. BYRD, JR. Mr. President, as I rise today to discuss an increase in the public debt, I recognize that I am not venturing into one of the more dramatic areas of public policy. I realize there is no political sex appeal in Government finance. But the fact is that the financial condition of the Government affects the well-being of every man, woman and child in the United States.

I believe that, in this summer of 1978, citizens of our country are more aware of the impact of Government finance upon their lives than they were a few years ago, or even a few months ago.

As I see it, this growing awareness is both a cause and an effect of proposition 13 in California and the much publicized "taxpayer's revolt" all around the Nation. It must be seen as a cause of these celebrated events, because if taxpayers are unaware of the dangers of ever-growing Government debt then proposition 13 would have failed and the taxpayer's revolt would not have gotten off the ground.

At the same time the citizen awareness which led to the anti-high-tax, anti-big-spending mood in our country has, in turn, been spurred by the success of proposition 13 and the growth of groups and movements around the country dedicated to reduced spending, reduced taxes, and balanced budgets.

In this climate, I believe that the national debt should be understood as the important issue that it is. There is a marked tendency for legislators and executive officials of the Government to have less than burning concern for the need to practice economy and keep public debt under control.

Back in 1821, the French economist Jean-Baptist wrote this in a treatise on public economy:

An individual is fully sensible of any value of the article he is consuming; it has probably cost him a world of labour, perseverance and economy; he can easily balance the satisfaction he dervies from its consumption

against the loss it will involve. But a government is not so immediately interested in regularity and economy, nor does it so soon feel the ill consequences of the opposite qualities.

But that attitude toward indifference, toward excessive spending and excessive debt will not do today. There is some indication, such as the California vote, that the people are demanding a change.

Let us look at the proposed debt limit increase and the background information on the state of Federal finances.

The statutory debt limit is now $752 billion of which $400 is subject to permanent limitation and $352 billion is subject to temporary limitation.

The staff of the Finance Committee has prepared a one-page memorandum showing the deficits in both the Federal funds and the unified budget for fiscal years 1977, 1978, and 1979, and I ask unanimous consent that this memorandum prepared by the staff of the Committee on Finance be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

INCREASE IN TEMPORARY DEBT LIMIT
(H.R. 13385)

(Prepared by the Staff of the Committee on Finance)

House Bill.—Under the present law, the permanent debt limit is set at $400 billion, with a temporary additional limit of $352 billion, effective through July 31, 1978. H.R. 13385 would:

1. Increase the temporary debt limit from $752 billion to $798 billion;

2. Extend the period in which the temporary debt limit applies until March 31, 1979;

3. Increase from $27 billion to $32 billion the limitation on the amount of long-term bonds that may be issued bearing interest above 4¼ percent.

Budget Outlook.—The actual fiscal year 1977 deficit on a Federal funds basis was $54.5 billion; the unified or consolidated deficit was $45.0 billion. The estimates for fiscal year 1978 in the Administration's July budget update project a $62.9 billion deficit in Federal funds and a $51.1 billion deficit on a consolidated basis. These figures are shown in the table below:

[Dollars in billions]*

	1977 Actual	1978 Estimate	1979 Estimate
Federal funds:			
Receipts	$240.4	$269.4	$298.3
Outlays	294.9	332.2	361.4
Deficit (—)	—54.5	—62.9	—63.1
Unified budget:			
Receipts	$356.9	$401.2	$448.2
Outlays	401.9	452.3	496.6
Deficit (—)	—45.0	—51.1	—48.5

*Totals may not add due to rounding.

Mr. HARRY F. BYRD, JR. Mr. President, if one will look at this table it shows that both the Federal funds deficit and the unified budget deficit for both 1978 and 1979 are greater than were the deficits in 1977.

It was in the summer and fall of 1976 that then candidate Jimmy Carter told the American people in speech after speech and speech after speech that if he were elected he would balance the budget. Now, let us see what the figures show.

I am referring now to the Finance Committee memorandum. The actual budget deficit for 1977, that was the year in which candidate Carter was speaking, on a Federal funds basis was $54.5 billion and on a unified budget basis was $45 billion.

Now we come to 1978, the current fiscal year, and we find that the Federal funds deficit will go to $63 billion and the unified budget deficit will go to $51 billion, and almost the same situation is predicted or estimated to exist for the upcoming year of 1979.

So the figures show, Mr. President, that the Federal Government is going the opposite way from a balanced budget. If anyone will look at the figures one must necessarily conclude that the budget deficits for fiscal 1978 and fiscal 1979 will be the second largest budget deficits in the history of our Nation.

I do not see how the executive branch can contend that we are going to achieve a balanced budget when the budget deficits now are greater than they have ever been with the exception of one year.

As chairman of the Subcommittee on Taxation and Debt Management of the Finance Committee, I had an opportunity to chair hearings on this specific legislation, namely, the proposal to increase the debt limit, and also to chair other hearings dealing generally with the problems associated with our national debt.

These hearings have deepened my belief that the crucial domestic problem today is inflation. I have put that question to the administration witnesses, including Secretary of the Treasury Blumenthal, and virtually every one of them has answered in the affirmative when I asked them as to whether or not this matter of inflation is the dominant issue facing our country.

At the heart of our inability to control inflation is the lack of commitment by the policymakers in Washington, both the Congress and the executive branch, to get Government spending under control and reduce staggering budget deficits.

The Federal deficits have accumulated and accelerated. This has fueled inflation. There is no relief in sight in the rapid increase in the debt.

At the hearing on the debt limit increase conducted by the Subcommittee on Taxation and Debt Management of the Committee on Finance, Secretary of the Treasury Blumenthal testified that during the 14-month period ending June 30, 1979, the increase in the debt will be $99 billion. Mr. President, this is the largest 14-month increase in the history of our Nation.

The cause of this continuing growth of our debt is the insatiable appetite of our Government for more and more spending. Instead of following a prudent course, Congress has chosen to adopt one spending program after another.

The Federal deficit has ranged from $50 billion to $60 billion in the past several years, and is estimated to be $51 billion for the current fiscal year of 1978. That is on a unified budget basis.

The Federal funds deficit for the current year and for the upcoming year will be $63 billion. and it is the Federal funds deficit that determines the amount by which the national debt is increased.

Mr. President, the difference in figures between the Federal funds deficit and the unified or consolidated budget deficit is just this: The Federal funds deficit represents the cost of Government, the general operation of Government, as financed by general taxation, and that deficit for the current year will be $63 billion, and it is estimated for the upcoming year to be another $63 billion.

The lower figure, the deficit in the unified budget, comes about because there is a surplus in the trust funds. Trust funds, of course, are just what the name implies. Those funds can be used only for specific purposes, and they come about as a result of not general taxation but from special taxes paid by the employer and employee or by, in some cases, only the employer.

In regard to the surplus in the trust funds, trust funds will run a surplus of approximately $14 billion. Of that total $6 billion represents a surplus in the unemployment fund. All of that money has been paid in by the employers of this Nation, and there is now a surplus in that fund of $6 billion.

There is some question in my mind as to whether the surplus should be that big, and whether or not the businessmen should have that unemployment tax reduced now that the fund has been built up to that figure.

Another large item in the trust funds surplus is $7 billion for Federal employees' retirement. That does not come from general taxation. That comes, for the most part, from the employees themselves.

The significant figure, the one which affects the national debt, is the Federal funds operation, and in this case the Federal funds deficit.

Conventional wisdom in Washington dismisses our Federal debt. One popular view is that deficits are necessary to

stimulate our economy. That is the old New Deal philosophy going back many years.

Government spending is said to employ resources that would otherwise be idle. Concern about Government deficits is dismissed by asserting that all that needs to be done is to add it to the national debt. Concern for our debt is dismissed with a simple reply, "Don't worry about the debt, We owe it to ourselves."

The view is that the Federal Government is not like you and I. It can continue to borrow and spend without restraint and will never have to pay its bills.

The assumption that we owe the debt to ourselves is not accurate. I have prepared a table showing the actual ownership of the public debt. I ask unanimous consent that these tables be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Summary of debt ownership as of April 30, 1978* [1]

Owner	Amount ($ billions)	Percent of total debt
Government accounts [2]	$153.6	20.9
Federal Reserve System	103.5	14.1
Private ownership	479.5	65.0
Total	736.6	100.0

[1] Excludes Agency Securities.
[2] Holdings by trust funds such as social security.

TABLE 2.—*Distribution of ownership of the privately held debt as of April 30, 1978*

Owner	Amount ($ billions)	Percent of total privately held debt
Commercial banks	$100.7	21.0
Individuals	107.1	22.3
Insurance companies, mutual savings banks, corporations	40.0	8.4
State and local governments	60.3	12.5
Foreign investors	120.4	25.1
Savings and loans, nonprofit institutions, corporate pension funds, dealers, and brokers	51.1	10.7
Total	479.5	100.0

Mr. HARRY F. BYRD, JR. As of April 30, 1979, 35 percent of the total debt, which was then $736 billion, was held by Government agencies. Even this debt is not debt which we consider to be owed to ourselves. One hundred and fifty-four billion dollars of the debt was held by Government accounts, such as social security trust funds. This is a debt which we owe to social security recipients and other beneficiaries of trust funds which have purchased our Government securities.

To say we do not need to repay this debt would not only be highly irresponsible but would be disastrous to the 33 million Americans who depend upon social security benefits.

The other portion of the Government-held debt was $103.5 billion held by the Federal Reserve System; 65 percent of our debt was held by private accounts, and this amounted to $480 billion.

The second table shows that 21 percent of this $480 billion of privately held bonds is held by commercial banks. Another 22 percent is held by individuals; another 8 percent by insurance companies, mutual savings banks, and corporations; another 13 percent by State and local governments; another 25 percent by foreign investors; another 11 percent by savings and loan associations, nonprofit institutions, corporate pension funds, and dealers and brokers.

To dismiss this debt with the cavalier approach that it is not important because we owe it to ourselves, misses the point that debt really is owed to various segments of our population and, to a lesser extent, to foreigners.

Millions of citizens, banks, pension plans, companies, and local governments own the debt. If these accounts were not honored, there would be a national catastrophe. Our money and banking system would be crippled, if not destroyed, and so would all of those who ultimately hold the debt.

Furthermore, foreign ownership of that debt is steadily increasing. During the 10-year period from 1968 to the present, our foreign debt has increased more than tenfold. In 1968 the debt held by foreign sources was $11 billion, while today foreign governments hold $120 billion of U.S. bonds or notes.

Of the current foreign debt, about 65 percent consists of short-term securities maturing in 1 year or less.

As of April 1978, foreign official accounts held 94 percent of the $120 billion in debt securities owned by foreigners.

The major foreign holdings of our public debt aggregated by country include the following: Germany, $31.3 billion; Japan, $24.5 billion; Middle East and African oil exporting countries, $15.1 billion; and United Kingdom, $9.4 billion.

So, Mr. President, $120 billion of our notes and bonds are held by foreign governments.

Entirely separate from that, there are floating throughout Europe 375 billion Eurodollars, and those are dollars owned by individual foreign persons.

The Federal Government must realize that it cannot continue to spend without some day having to meet its obligations.

The magnitude of our debt and its burdens upon our citizens is demonstrated by the cost of servicing the debt.

The gross interest for the Federal debt for fiscal year 1979 is estimated to be $56 billion.

This is almost 30 percent of the total receipts to be collected from personal income taxes.

Let us put that another way. Of every income tax dollar paid by the individual income taxpayers of our Nation, 30 cents goes to pay the interest on the debt. The interest cost, at $56 billion, is more than the combined 1979 estimated expenditures for the Departments of Commerce, Housing and Urban Development, Interior, Labor, and Energy.

The growth in our Federal debt is indicative of the growth in the size of our Federal Government. We are now deeply entrenched in an era of big government—too big.

More and more of our resources are devoted to Government activities, at the expense of our private economy.

Uncontrolled Government spending, and the resultant huge deficits and debt, continually feed the fires of inflation.

Expenditures must be paid for either by direct taxes or by inflation.

Inflation is a tax. It is a hidden tax and a cruel tax because it hits hardest those with low and middle incomes and those on fixed incomes.

We cannot be lulled into the false belief that we can spend without taxation—and the burden of taxation today is heavy indeed.

Despite widespread pay increases, the median family income in the United States in 1977, after discounting inflation, was almost exactly the same as it was in 1973 and only slightly above what it was in 1969. By way of contrast, median family income in real dollars rose by 35 percent in the 1960's.

The greatest source of government revenues is today the individual income tax, followed by the corporate income tax. American workers and the business community, the very groups which contribute the most to our economy, are the ones who are hurt the most by the Government's excessive spending. Their taxes pay the Government's bills.

These hard-working Americans, the Government's bill-payers, appear to be in an angry mood.

I might add that I think that such an angry mood, if indeed it does exist, is totally justified.

In proposition 13 and in the many movements that make up the taxpayers' revolt, they are letting government know that they will demand accountability of their public officials.

It is time for a firm commitment to control of Federal deficits and Federal debt.

Although the Finance Committee has reported the administration's recommendations to the Senate, I cannot support an increase of $46 billion in the statutory debt limit for an 8-month period. This legislation reflects a continuing lack of commitment on the part of the Congress and the administration to reduce our budget deficits.

Failure to control the Government's deficit and debt is a violation of the public interest.

As a protest against this failure, I shall vote against the proposed increase in the debt ceiling.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a table showing the national debt in the 20th century, another table showing the deficits owing in Federal funds and interest on the national debt for the 20-year period 1959 to 1979, and a third table showing unified budget receipts, outlays, and surpluses or deficits for the fiscal years 1958 to 1979.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

The national debt in the 20th century [1]

Totals at the end of fiscal years

(Rounded to the nearest billion dollars)

1900	1
1901	1
1902	1
1903	1
1904	1
1905	1
1906	1
1907	1
1908	1
1909	1
1910	1
1911	1
1912	1
1913	1
1914	1
1915	1
1916	1
1917	3
1918	12
1919	25
1920	24
1921	24
1922	23
1923	22
1924	21
1925	21
1926	20
1927	19
1928	18
1929	17
1930	16
1931	17
1932	19
1933	23
1934	27
1935	29
1936	34
1937	36
1938	37
1939	48
1940	51
1941	58
1942	79
1943	143
1944	204
1945	260
1946	271
1947	257
1948	252
1949	253
1950	257
1951	255
1952	259
1953	266
1954	271
1955	274
1956	273
1957	272
1958	280
1959	288
1960	291
1961	293
1962	303
1963	311
1964	317
1965	323
1966	329
1967	341
1968	370
1969	367
1970	383
1971	409
1972	437
1973	468
1974	486
1975	544
1976	632
TQ	646
1977	709
1978*	776
1979*	854

[1] Gross Federal Debt.

* Estimated Figures.

SOURCE.—Office of Management and Budget (July 1978).

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT FOR FISCAL YEARS 1959-79, INCLUSIVE

[In billions of dollars]

	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest [1]
Year:				
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+.8	9.5
1961	75.2	79.3	−4.1	9.3
1962	79.7	86.6	−6.9	9.5
1963	83.6	90 1	−6.5	10.3
1964	87.2	95.8	−8.6	11.0
1965	90.9	94.8	−3.9	11.8
1966	101.4	106.5	−5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	−5.5	17.6
1970	143.2	156.3	−13.1	20.0
1971	133.8	163.7	−29.9	21.6
1972	148.8	178.1	−29.3	22.5
1973	161.4	187.0	−25.6	24.8
1974	181.2	199.9	−18.7	30.0
1975	187.5	240.0	−52.5	33.5
1976	201.1	269.9	−68.9	37.7
Transition quarter	54.1	65.1	−11.0	8.3
1977	241.3	295.9	−54.5	42.6
1978 [2]	269.4	332.2	−62.9	49.2
1979 [2]	298.3	361.4	−63.1	55.9

[1] Interest on gross Federal debt.

[2] Estimated figures.

Note: Prepared by U.S. Senator Harry F. Byrd, Jr., of Virginia.

Source: Office of Management and Budget (July 1978).

UNIFIED BUDGET RECEIPTS, OUTLAYS AND SURPLUS OR DEFICIT FOR FISCAL YEARS 1958-79, INCLUSIVE

[In billions of dollars]

	Receipts	Outlays	Surplus (+) or deficit (−)
Fiscal year:			
1958	79.6	82.6	−3.0
1959	79.2	92.1	−12.9
1960	92.5	92.2	+.3
1961	94.4	97.8	−3.4
1962	99.7	106.8	−7.1
1963	106.6	111.3	−4.7
1964	112.7	118.6	−5.9
1965	116.8	118.4	−1.6
1966	130.8	134.6	−3.8
1967	149.5	158.2	−8.7
1968	153.7	178.8	−25.1
1969	187.8	184.6	+3.2
1970	193.8	196.6	−2.8
1971	188.4	211.4	−23.0
1972	208.6	231.9	−23.3
1973	232.2	247.1	−14.8
1974	264.9	269.6	−4.7
1975	281.0	326.1	−45.1
1976	299.2	365.6	−66.4
Transition quarter	81.8	94.8	−13.0
1977	356.9	401.9	−45.0
1978 [1] (estimate)	401.2	452.3	−41.1
1979 [1] (estimate)	447.9	498.8	−50.9

[1] Office of Management and Budget, July, 1978. 1st concurrent congressional budget resolution.

Note: Prepared by Senator Harry F. Byrd, Jr., of Virginia.

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I take this opportunity to commend the able and distinguished Senator from Virginia for the position he has taken on extending the debt limit.

Our permanent debt limit, I believe, is about $400 billion, and the temporary debt limit would be extended by this measure to $398 billion. That is a total of $798 billion, if this bill passes.

Mr. President, I want to say that I do not know of anything more important that Congress could do today than balance the budget. I have advocated this year after year. President Carter said he would do it in 4 years. If he is going to accomplish that, he had better get started.

At any rate, whether it is done immediately, which it ought to be, or whether it is done over a period of several years, Congress should begin to balance the budget and make payments on the national debt.

I believe the record will show that we have not balanced the budget but one time—one time—in the last 19 years. Is there a citizen in this country or a corporation in this country that can stay in business operating on such a basis? I do not think so. And this Government cannot keep on doing it, either. Unless we change the direction in which we are going, we are headed just as straight for the situation in which New York City has found itself as we can go.

I feel that Congress should have the courage either to increase taxes and let the people feel it—and then there would be a movement to rise up and stop this spending—or to stop the spending itself.

I realize the President of the United States ought to take the lead, and he should submit a budget that would be balanced.

But whether he does that or not, the ultimate decision on authorizations and appropriations is left to the Congress under the Constitution. It is our responsibility to determine what money is to be spent. The President merely recommends. It seems that Congress feels that when the President recommends, that is what we should do.

Of course we want his guidance, we want his recommendation, we want his advice, but the final decision is up to the Congress.

Mr. President, I do not know of any more important step that we can take in this country today than to balance this budget.

Some of us have advocated this for a number of years. I remember the late and distinguished honorable Senator Harry Byrd, Sr., and I, and others introduced a constitutional amendment to balance the budget. Since then we have introduced constitutional amendments to balance the budget. I hope someday we can get a constitutional amendment passed by the Congress to balance the budget. That seems to be the only way we will get the budget balanced. If such a constitutional amendment is adopted, is approved by the States, and becomes a part of the Constitution, I do not think the President of the United States would be called upon but one time to put a tax on in order to balance the budget, in order not to spend more than we take in, because then the people would rise up and say, "Who are these big spenders in the Congress who caused the President of the United States to put an extra tax on us over and above the regular tax we pay?"

It may take a constitutional amendment to accomplish this. I hope such an amendment can be adopted. So far we are not even able to get it before the Senate to be considered. However, it is something that should be acted upon.

I just want to say now, Mr. President,

that I have voted for years against extending this debt limit. I am going to vote today against extending it. I will vote in the future gaainst extending it. We have to bring this thing to a head.

I realize some will say, "Well, you are going to bring about a catastrophe in this country." Maybe we need a catastrophe to focus the people's attention on what is taking place here from the standpoint of fiscal responsibility.

Again, I commend the able Senator from Virginia on the stand he has taken.

Mr. HARRY F. BYRD, JR. I am grateful to the Senator.

Mr. HELMS. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from North Carolina.

Mr. HELMS. The Senator heard the eloquent statement earlier this afternoon by the distinguished Senator from Nebraska in which he made clear that he was reluctant to vote to raise the debt limit, which he said was analogous to family debt. Does the Senator from Virginia agree that such an analogy really does not fit, because what we have is a Government that within 14 or 15 years has gone from $100 billion a year in spending to a half-trillion dollars in spending? What we are doing, if we continue to approve these increases in the debt limit, if we follow the analogy of the Senator from Nebraska, would be equivalent saying to a family whose debt has increased five times, "Go out and borrow even more money and continue to spend."

I agree with the able Senator from Virginia that it is time to call a halt. He and I have been going down this road, preaching this sermon, for a long time. The best discipline that can be attained is simply to say "No" to any further increase in the debt limit, cut back on some spending, and balance the Federal budget. Does the Senator from Virginia agree?

Mr. HARRY F. BYRD, JR. Yes, I do. I think it is vitally important that our Government get back on a sound financial basis, or get on a sound financial basis, because we have not been on one for so long. I think it is vitally important that we achieve a balanced budget. We can only do that by reducing the rate of increase in spending which the Congress has been authorizing for so many years. It may take some drastic action, such as refusing to increase the debt limit, to cause the Congress to be aware of the very serious situation facing this country in getting spending under control.

The people of California took very drastic action. I must say I believe that has had a tremendous influence on our Nation. I think it has had an influence in the Congress. I do not know whether it has had enough influence yet to bring about solvency on the part of the Government, but I should think it certainly has had a good influence.

As the Senator from North Carolina so ably pointed out, what needs to be done is to get back to a balanced budget, and if it takes voting against an increase in the debt ceiling to accomplish that, I am perfectly willing to do that.

Mr. HELMS. If the Senator will yield further, some time back Mr. Harold Jarvis, the father of proposition 13, said when he started on proposition 13 idea 15 years ago he was described as a nut. He pointed out that Thomas Edison was also regarded as a nut when Mr. Edison first suggested that it would be possible to take a piece of silk thread, put it in a bottle and produce light. But he said they stopped calling Edison a nut when somebody flipped the switch and the lights came on.

Maybe the lights now need to come on in the Congress.

The Senator from Virginia has certainly done more than his share in providing that light. The effect of proposition 13, I might add, was felt just this week in the Senate when the distinguished Senator from Virginia proposed that the Senate go on record in favor of a balanced budget. His amendment carried overwhelmingly and I was delighted to cosponsor that amendment with the Senator.

Mr. HARRY F. BYRD, JR. If the Senator will yield, that was an identical amendment to the one the Senator from Virginia presented 4 years ago. Four years ago it was defeated by a vote of 35 to 42 and this week it was approved by a vote of 58 to 29. So there has been some change.

Mr. HELMS. I commend the Senator on his amendment and all the other fine work he has done.

I often wonder how many Americans realize that the Federal debt is now approaching three-quarters of $1 trillion and this year it is costing approximately $56 billion just to pay the interest on the money borrowed and spent in excess of income.

Mr. HARRY F. BYRD, JR. And that $56 billion comes out of the pockets of the working people.

Mr. HELMS. There is no question about it.

Mr. HARRY F. BYRD, JR. It comes out of the pockets of the working people and it goes to pay the bondholders or the noteholders. It will go to pay the interest on $120 billion of those notes and bonds held by foreign governments.

Mr. HELMS. Precisely. The Senator has rendered a splendid service. Again I commend him for his great work in this field and I am always honored to join him in our mutual efforts to restore fiscal sanity in America.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. DOLE. Will the Senator yield 3 or 4 minutes?

Mr. HARRY F. BYRD, JR. I yield.

Mr. DOLE. I have listened carefully to the colloquy. I certainly commend both the distinguished floor manager of the bill for his continuing excellent work in this area as well as the distinguished Senator from North Carolina and the Senator from South Carolina.

While addressing the question of the temporary public debt limit, I think it is also fair to at least remind everyone, as the distinguished Senator has been reminding our colleagues, that we are in the midst of a tax revolt in this country. On that basis, there was a newspaper report this morning indicating that the so-called tax-cut package proposed by the administration and the tax cut bill reported by the Ways and Means Committee do not reflect the concerns or the needs of the American people.

There is not much question in my mind that the tax burden faced by our citizens is intolerable. Our tax system is strangling individual initiative and hurting economic expansion.

The American people cannot expect any assistance from the administration. President Carter has proposed more tax increases and opposed more tax reductions than any other President in recent history. He has already signed a $225 billion social security hike, proposed another $125 billion in energy taxes, and threatened to impose $15 billion in oil import fees. And he has repeatedly resisted efforts to make any significant reduction in Federal taxes.

CONGRESSIONAL RHETORIC

There has been a lot of rhetoric in Congress and in the administration about tax relief. However, the facts clearly show that the tax relief now pending in Congress is illusionary.

Mr. President, there are two reasons why Americans will be paying more taxes next year, even if the so-called tax cut reported by the Ways and Means Committee is enacted.

The first is the social security tax increases. Last year the Congress and the administration supported a $225 billion social security tax increase. Although the social security tax went up this year, the increases legislated by the Social Security Financing Amendments of 1977 do not go into effect until January 1, 1979. From that time on, the American worker can expect to see his paycheck progressively grow smaller and smaller.

TAXFLATION

The second reason that Americans will not see any decreases in their taxes is inflation. Inflation is our No. 1 tax problem. As Americans earn more money, as prices rise, they are pushed into higher and higher tax brackets. As a result, a greater percentage of income is paid in taxes. This phenomenon, which I call taxflation, causes a family's real standard of living to decline—even though the family is earning more money.

NEED FOR NEW APPROACH

Mr. President, according to the Joint Tax Committee, in a report issued yesterday, Americans can look forward to paying $8 billion in new taxes next year just because of inflation. It is clear that the bill that is likely to pass the House will not contain meaningful tax relief. It will be up to the Senate, and particularly the Finance Committee, to take a new approach to our tax problem.

INFLATION ADJUSTMENT

The best system to provide tax relief is to eliminate the effects that inflation has on our tax system. By making an automatic inflationary adjustment—indexing—to compensate for taxflation, we can fulfill the needs of the American people. Indexing is simple, it is sound, and it is equitable. Tax indexing will act

as a restraint on Federal spending—as it has in Canada. It will help cut inflation—as it has in Australia. In fact, the only argument I have heard against indexing is that it will deny Congress the opportunity to cut taxes every 2 years.

The legislation does not cut taxes. It looks like Congress will not cut taxes this year, whatever bill might pass.

I see the distinguished Senator from Colorado, who is one of the supporters of one of the indexing proposals, on the floor. I believe there are enough Members on both sides of the aisle who are concerned about at least trying indexing. It has been adopted in the House bill, insofar as indexing inflation and capital gains. I am referring to the so-called Archer amendment.

I hope that when we get into the administration's tax bill or any other tax bill, we take a look at indexing. We need to find some way to help the American people. It does not do the American working man or woman much good to give them a 6 percent increase in wages and then put them into a higher tax bracket. They end up paying more in taxes as a result. I think it is timely to call this matter to the attention of the Senate.

I thank my distinguished colleague for yielding.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER (Mrs. ALLEN). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HART. Will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes, I yield.

Mr. HART. Mr. President, I want to comment on the remarks of the Senator from Kansas. I agreed with him wholeheartedly in his warning on the social security tax. I did support the efforts to create a sound financial base under the social security system because I think the American people deserve it. I think something had to be done. But I think, looking at the rate of inflation that is going on in this country, unless some step is taken, and taken in this Congress, to alleviate the burden that that tax increase is going to place on the backs of the American people, it is going to provide such fuel to the inflationary spiral that it is going to be disastrous.

Second, I want also to support the remarks of the Senator from Kansas on the issue of indexing. There has been a lot written about this, that it is either conservative or nonliberal or whatever. That is irrelevant. It does not go to the heart of the issue. The heart of the issue on indexing of the tax brackets is whether it is fair or not.

It is fair to index the tax brackets. If it ends up that we have to take some other steps to accommodate revenues, then we shall just have to take those steps, if the American taxpayers will sit still for it. But it is fundamentally unfair to have the taxpayers of this country automatically have to pay tax increases because inflation rises. That is the thrust of the bill that the Senator from Colorado has introduced and I think that is the thrust of the efforts that the Senator from Kansas has undertaken.

It is an idea whose time has come. It is not a question of whether it is liberal or conservative; it is the right and fair thing to do. I think Congress ought to act on both of these steps as quickly as possible.

I thank the Senator from Virginia.

Mr. CURTIS. Will the distinguished Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. CURTIS. I should like to commend the distinguished Senator from Virginia, who has just been speaking. I commend him not only for the words of warning which he has issued today but for his forthright stand on the entire issue of Government spending.

The Senator from Virginia is not an individual who, now and then, on a particular show day, is for economy. Day after day, he is present, examining the bills, lending his voice to moves to cut spending, always voting to cut spending, and very frequently, originating amendments to cut spending. I am sure the taxpayers of the country are grateful to him. If we had followed courses such as he has advocated and practiced through the years, we would not have to raise the debt limit, because we should be decreasing the debt limit rather than forever increasing it.

There seems to be an erroneous notion that, somehow, a balanced budget is impossible now, but it will be easier in just a little while. That is so wrong. There are several things that can be done easily. Quite a few billion dollars could be cut out in waste. Everybody knows that. If we find out what HEW is wasting and General Services, we could save quite a few billion dollars. I doubt if there is enough there to balance the budget, but there are other things that can be done without.

It is difficult to discontinue a program that is once started. Individuals, counties, States, and organizations depend upon it. It is not difficult to say we are not going to enlarge the Government until we catch up with our spending. People may be disappointed, but we are not taking anything away from them.

There is a growth in this country and the same rates of taxation or, in my opinion, reduced taxation, will bring in more. So we would be surprised at the strides we could make toward bringing about a balance right away by just not starting new programs and by not adding to those that we have.

This is the course that the distinguished Senator from Virginia has followed and I commend him for it. As one citizen, I am very grateful for the service of HARRY F. BYRD, JR., in the U.S. Senate.

Mr. HARRY F. BYRD, JR. Mr. President, I appreciate so very deeply the very kind and generous words of my friend from Nebraska (Mr. CURTIS). I am deeply grateful to him.

What he has said about the growth of spending and the continuing adding of new programs and new spending brings this to mind: It seems to me that what we have been doing in this country, insofar as Federal Government financing is concerned, is very much like what would happen if one of us—I do not say anyone in the Senate would do it, but if any of us were to drink too much whisky at night. Then, the next morning, we have to do one of two things: We either have to take the discomfort of a hangover or start drinking again.

What Congress, over the years, has been trying to do and whoever might have been President has been trying to do is to solve all of our problems by more drinking in the sense of more spending. We cannot solve them that way. We cannot solve them as individuals by drinking too much alcohol and continuing that process day after day, month after month, year after year, and we cannot solve our financial problems in the Federal Government by more and more spending, month after month, and year after year.

So I think the time has certainly come for the Congress to face this issue.

Now, in closing, I just want to quote brief statements from colloquy between the Secretary of the Treasury and the Senator from Virginia at a recent meeting of the Subcommittee on Taxation and Debt Management:

Senator BYRD. As I read your statement, for the remaining two months of this current fiscal year the government will go into the hole by $19 billion during that period of time and then by an additional $80 billion for the upcoming fiscal year?

Secretary BLUMENTHAL. That is correct.

Senator BYRD. So in a period of 14 months the government will have increased the debt—operated at a deficit of $99 billion.

Secretary BLUMENTHAL. That is correct. In that calculation you are well aware of course, Mr. Chairman, that that does include the trust funds surplus.

Senator BYRD. That is right. Now, we want to get to that in a moment. For general operations of government, for the 14 month period of August and September of this year and going through September of next year the cost of operating the government will exceed by $99 billion the revenue which is to be received for that purpose, namely, general operations of government. That is correct, is it not?

Secretary BLUMENTHAL. It is in the definition that we use for this, yes.

Senator BYRD. The reason the deficit figure is different from the unified figure which is generally used by the Administration and by the press is that there is a surplus in the trust fund?

Secretary BLUMENTHAL. Correct.

Senator BYRD. As I read the surplus in the trust fund, in the current fiscal year there is a $12 billion surplus in the trust fund.

Secretary BLUMENTHAL. I have a number of $11.8.

Senator BYRD. $11.8. For simplicity we could round it off to $12. Then for the upcoming year there will be a surplus of $14 billion in the trust funds?

Secretary BLUMENTHAL. $14.6 actually.

Senator BYRD. Either year is more or less the same. Of that surplus you have a surplus

of $6 billion in the unemployment trust fund. Is it not correct that that is money that is paid entirely by the employers?

Secretary BLUMENTHAL. That is correct.

Senator BYRD. There is no general revenue in there. It is paid entirely by the employers?

Secretary BLUMENTHAL. That is correct.

Then I will go down to another point in the colloquy:

Senator BYRD. Then another large item in the trust fund surplus is $7 billion for federal employees retirement. There again there is no general taxation involved. That money is put up partially by the employees and partially by the government?

Secretary BLUMENTHAL. Yes.

Senator BYRD. So were it not for the $14.6 billion surplus in the trust fund, then the figure which is being publicized as the deficit figure, roughly $50 billion, would be that much higher. So the government will really have a deficit in the current fiscal year and in the upcoming year of approximately $65 billion, insofar as general operations of government is concerned leaving out the trust funds surplus?

Secretary BLUMENTHAL. For fiscal '79, Mr. Chairman, if we take the unified budget deficit of $48.5 billion and we add to it off budget for owing we get to a total borrowing from the public of $62 billion and I think that is probably the relevant figure.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. ALLEN). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Madam President, I would like to point out one or two points of consolation with regard to the bill to increase the debt limit.

One of those is that the amount of debt that one has, while none of it is desirable, has less impact as one has more income.

For that purpose, it is worth comparing the gross national product to the Federal public debt. Table V, which I shall ask to have printed in the RECORD after I make this statement, indicates that as of 1977, the latest figure available, the public debt for the Federal Government was 38.6 percent. Even when adding the agency debt it was 38.6 percent of the gross national product.

Now, that should be good news to many people because at the high point in 1946 that public debt as a percent of gross national product was 131 percent.

In other words, the burden of the growth of the public debt on the income of the American people today is only one-quarter of what that debt was at the end of World War II.

So that while, of course, we would like to have it less, the burden of it is a lot less than it was at that time.

The year 1964 is significant to the Senator from Louisiana because that is the year I became chairman of the Committee on Finance.

At that time, the debt was 50.9 percent of the gross national product. Today, as I say, it is 38.6 percent, or the burden is about 20 percent less than it was at that time. That is not because we have reduced the debt in terms of dollars, but we have increased the income of the American people and the productive output of the American economy to the extent that the debt is a much smaller portion of what we are looking at.

In other words, if someone owed $5,000 and only had $5,000 income, that is a lot of debt. On the other hand, if he owed $5,000 and had $20,000 a year income, that would not be so bad. He would have a lot more income with which to carry that debt structure.

The American people do have a great deal more income, so that the problem of the debt is one they can manage better; they are in a better position to handle it.

I ask unanimous consent to have this table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—GROSS GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT

Year	Gross national product (billions)	Ratios of debt to gross national product: Private [1] Individual	Private [1] Corporate	Private [1] Total	State and local	Federal [2] Public	Federal [2] Agency	Federal [2] Total	Total gross debt
1929	$103.4	$70.5	$103.5	$174.0	$17.3	$15.8	$1.2	$17.0	$208.1
1930	90.7	79.2	118.5	197.6	20.9	17.7	1.5	19.1	237.5
1931	76.1	85.4	131.9	217.2	25.7	23.4	1.8	25.2	268.0
1932	58.3	98.0	164.9	262.9	33.9	35.7	2.1	37.8	334.5
1933	55.8	91.4	165.6	257.0	35.0	42.7	2.7	45.4	337.2
1934	65.3	76.3	138.8	215.1	29.5	43.7	7.4	51.1	295.5
1935	72.5	68.6	123.9	192.5	27.1	42.3	7.8	50.0	269.5
1936	82.7	61.2	109.9	171.1	23.7	41.6	7.2	48.8	243.5
1937	96.7	52.9	93.3	146.1	20.3	38.6	6.0	44.6	210.9
1938	85.0	58.9	102.2	161.1	23.4	46.4	7.3	53.7	238.0
1939	90.8	56.0	95.6	151.6	22.2	46.2	7.6	53.8	227.5
1940	100.0	53.1	89.1	142.1	20.3	45.1	7.3	52.3	214.5
1941	124.9	44.6	78.1	122.6	16.1	46.4	6.2	52.6	191.2
1942	158.3	31.6	67.2	98.7	12.2	68.4	3.5	71.9	182.7
1943	192.0	25.5	57.5	82.9	9.5	86.5	2.7	89.1	181.4
1944	210.5	24.1	51.8	75.9	8.2	109.6	1.5	111.0	195.0
1945	212.3	25.8	46.9	72.7	7.6	131.0	.8	131.7	211.9
1946	209.6	28.6	52.2	80.8	7.7	123.6	.8	124.3	212.7
1947	232.8	29.9	55.4	85.2	7.6	109.8	.4	110.1	202.8
1948	259.1	31.2	53.9	85.0	7.6	97.2	.4	97.5	190.0
1949	258.0	35.1	54.4	89.5	8.7	99.3	.4	99.6	197.6
1950	286.2	36.5	58.6	95.1	8.9	89.3	.4	89.7	193.6
1951	330.2	34.7	58.2	92.8	8.5	78.2	.3	78.5	179.7
1952	347.2	37.2	58.5	95.8	9.0	76.7	.3	77.0	181.6
1953	366.1	39.2	58.2	97.3	9.6	74.8	.3	75.1	181.9
1954	$366.3	$43.0	$59.5	$102.4	$11.0	$75.7	$ .3	$75.9	$189.2
1955	399.3	45.2	63.6	108.7	11.6	69.9	.4	70.3	190.6
1956	420.7	46.5	66.0	112.4	12.0	65.5	.5	65.9	190.2
1957	442.8	46.9	66.9	113.7	12.4	62.0	.8	62.7	188.7
1958	448.9	49.7	69.6	119.2	13.5	62.9	.6	63.4	196.0
1959	486.5	50.4	70.2	120.6	13.7	59.4	1.2	60.6	194.8
1960	506.0	52.1	72.2	124.2	14.3	56.9	1.3	58.2	196.6
1961	523.3	54.5	74.9	129.3	14.9	56.2	1.4	57.5	201.5
1962	563.8	55.4	74.8	130.1	14.8	53.3	1.4	54.7	199.6
1963	594.7	58.2	76.9	135.1	15.1	51.5	1.4	52.9	202.9
1964	635.7	59.8	78.3	138.1	15.1	49.5	1.5	50.9	204.0
1965	688.1	61.7	80.2	142.0	15.0	46.1	1.5	47.5	204.4
1966	753.0	60.4	82.0	142.4	14.5	43.2	1.9	45.1	202.0
1967	796.3	61.4	84.5	145.9	14.7	42.9	2.5	45.4	206.1
1968	868.5	60.9	89.7	150.7	14.6	41.0	1.7	42.8	208.6
1969	935.5	60.5	97.6	158.1	14.7	39.3	1.5	40.7	213.0
1970	982.4	61.1	101.6	162.7	15.2	39.5	1.3	40.8	218.6
1971	1,063.4	62.8	102.3	165.1	15.7	39.8	1.0	40.9	221.6
1972	1,171.1	65.3	103.7	168.9	15.5	38.3	1.0	39.3	223.8
1973	1,306.3	65.4	106.4	171.9	15.0	35.9	.9	36.8	223.7
1974	1,412.9	65.3	109.4	174.7	15.2	34.9	.8	35.7	225.5
1975	1,528.8	65.0	106.4	171.4	15.0	37.7	.7	38.4	224.9
1976	1,706.5	64.9	104.4	169.3	16.9	38.3	.7	39.0	222.7
1977	1,890.4					38.0	.5	38.6	

[1] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations, FICB's and BCOOP's in 1968. The total debt for these agencies amounted to $0.7 billion on Dec. 31, 1947, $3.5 billion on Dec. 31, 1960, $38.8 billion on Dec. 31, 1970, $78.8 billion on Dec. 31, 1975, and $81.4 billion on Dec. 31, 1976.

[2] Total Federal securities includes public debt securities and budget agency securities.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

Mr. LONG. Madam President, the situation really is not so rosy when we look at the gross, the overall, public and private debt. When one thinks of the debts we owe, and we find that the Federal debt is only one-quarter of the burden it was at the end of World War II, we take only slight consolation in that, because the Federal debt is only 17.5 percent of the overall public and private debt of the American people.

Corporations, for example, owe a great deal more than the Federal Government owes. Even individuals owe a great deal more than the Federal Government owes—individuals collectively. State and local governments owe a great deal of money.

When we take it all into account, we have a total of public and private debt that is now reaching $4 trillion, and $4 trillion is a lot of money for somebody to owe. But the Federal Government owes only 7.5 percent of that total public and private debt.

Madam President, I ask unanimous consent that table III be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—ESTIMATED GROSS GOVERNMENT AND PRIVATE DEBT, BY MAJOR CATEGORIES

[Dollar amounts in billions]

Year	Private [1]			State and local	Federal [2]			Total gross debt	Percent Federal of total
	Individual	Corporate	Total		Public	Agency	Total		
1929	$72.9	$107.0	$179.9	$17.8	$16.3	$1.2	$17.5	$215.2	8.2
1930	72.8	107.4	179.2	18.9	16.0	1.3	17.3	215.4	8.1
1931	64.9	100.3	165.2	19.5	17.8	1.3	19.1	203.8	9.4
1932	57.1	96.1	153.2	19.7	20.8	1.2	22.0	194.9	11.3
1933	51.0	92.4	143.4	19.5	23.8	1.5	25.3	188.2	13.5
1934	49.8	90.6	140.4	19.2	28.5	4.8	33.3	192.9	17.3
1935	49.7	89.8	139.5	19.6	30.6	5.6	36.2	195.3	18.6
1936	50.6	90.9	141.5	19.6	34.4	5.9	40.3	101.4	20.1
1937	51.1	90.2	141.3	19.6	37.3	5.8	43.1	204.0	21.2
1938	50.0	86.8	136.8	19.8	39.4	6.2	45.6	202.2	22.6
1939	50.8	86.8	137.6	20.1	41.9	6.9	48.8	206.5	23.7
1940	53.0	89.0	142.0	20.2	45.0	7.2	52.2	214.4	24.4
1941	55.6	97.5	153.1	20.0	57.9	7.7	65.6	238.7	27.5
1942	49.9	106.3	156.2	19.2	108.2	5.5	113.7	289.1	39.4
1943	48.8	110.3	159.1	18.1	165.9	5.1	171.0	348.2	49.2
1944	50.7	109.0	159.7	17.1	230.6	3.0	233.6	410.4	57.0
1945	54.7	99.5	154.2	16.0	278.1	1.5	279.6	449.8	62.2
1946	59.9	108.3	169.2	16.1	258.9	1.5	260.4	445.7	58.5
1947	69.4	128.9	198.3	17.5	255.4	.7	256.1	471.9	54.3
1948	80.6	139.4	220.0	19.6	251.6	1.0	252.6	492.2	51.4
1949	90.4	140.3	230.7	22.2	256.1	.8	256.9	509.8	50.4
1950	104.3	167.7	272.0	25.3	255.4	1.1	256.5	553.8	46.4
1951	114.3	191.9	306.2	28.0	258.1	.8	258.9	593.1	43.7
1952	129.4	202.9	332.3	31.0	266.2	.8	267.0	630.3	42.4
1953	143.2	212.9	356.1	35.0	273.8	.9	274.7	665.8	41.3
1954	$157.2	$217.6	$374.8	$40.2	$277.2	$0.8	$278.0	$693.0	40.2
1955	180.1	253.9	434.0	46.3	279.1	1.5	280.6	760.9	36.9
1956	195.5	277.3	402.2	50.1	275.5	1.7	277.2	800.1	34.7
1957	207.6	295.8	503.4	54.7	274.2	3.2	277.4	835.5	33.3
1958	222.9	312.0	534.9	60.4	282.2	2.3	284.5	879.8	32.4
1959	245.0	341.4	586.4	66.6	288.7	5.7	294.4	947.4	31.1
1960	263.3	365.1	628.4	72.0	287.7	6.4	294.1	994.5	29.9
1961	284.8	391.5	676.3	77.6	293.6	6.9	300.5	1,054.4	28.5
1962	311.9	421.5	733.4	83.4	300.2	7.8	308.0	1,124.8	27.4
1963	345.8	457.1	802.9	89.5	306.0	8.1	314.1	1,206.5	26.0
1964	380.0	497.3	877.4	95.5	314.3	9.1	323.4	1,296.3	24.9
1965	424.6	551.9	976.5	103.1	317.2	9.8	326.9	1,406.5	23.2
1966	454.7	671.4	1,072.1	109.3	325.6	14.0	339.6	1,521.1	22.3
1967	489.1	672.9	1,162.0	117.3	341.8	20.1	361.9	1,641.0	22.2
1968	529.3	779.1	1,308.4	127.2	356.2	15.1	371.3	1,806.9	20.5
1969	566.2	912.7	1,478.9	137.9	367.4	13.8	381.2	1,997.9	19.1
1970	600.0	997.9	1,597.9	149.2	388.3	12.5	400.8	2,147.8	18.7
1971	667.5	1,087.8	1,755.3	167.0	423.4	11.0	434.4	2,356.6	18.4
1972	763.9	1,214.3	1,978.2	181.2	448.4	11.8	460.2	2,620.7	17.6
1973	854.4	1,390.5	2,244.9	196.1	469.1	11.6	480.7	2,921.7	16.5
1974	922.1	1,546.4	2,468.5	214.7	492.7	11.3	504.0	3,187.2	15.8
1975	994.4	1,626.1	2,620.5	229.6	576.7	10.9	587.6	3,437.7	17.1
1976	1,106.8	1,781.7	2,888.5	246.4	653.5	11.3	664.8	3,799.7	17.5
1977					718.9	10.2	729.2		

[1] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations, FICB's and BCOOP's in 1968. The total debt for these agencies amounted to $0.7 billion on Dec. 31, 1947, $3.5 billion on Dec. 31, 1960, $38.8 billion on Dec. 31, 1970, $78.8 billion on Dec. 31, 1975, and $81.4 billion on Dec. 31, 1976.

[2] Total Federal securities includes public debt securities and budget agency securities.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capital debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

Mr. LONG. Madam President, the Nation should watch the overall public and private debt. But when we compare it to the debt structure that we have carried in other years, it is not as bad and as much cause for alarm as some might think.

For example, in the depth of the Great Depression, during the 1930's, the total public and private debt actually got to the point that it was 337 percent of the gross national product. Today it is 227 percent. It is two-thirds, one might say, of the total public and private debt that it was at that time. While, of course, it is a cause for concern, we have a healthy economy, and it is a debt we can manage.

One should note, of course, that the largest part of it is the corporate debt. At some point, we should be thinking about our policies of taxation, because many of our corporations today are skating on thin ice. They have a very thin layer of equity on top of their debt structure. It would not take much of a reversal or a bad setback for the economy to put that enormous corporate debt structure, which is way over a trillion dollars, in jeopardy, because the equity could erode.

This Government really should change its tax policies to make it more desirable for people to hold common stock rather than to hold corporation bonds and debentures. It would be a far better way to manage the overall public and private debt structure. People would be holding more equity and less of the debt, and many people would be willing to trade their bonds for stock, if the tax treatment of the stock were made more favorable than it is today. As it is now, the interest that is paid on the bond is paid only one time and there is only one tax on it. But the stock is taxed twice—once when the corporation makes the money and once when the shareholder receives his dividend. That should be corrected.

Madam President, I ask unanimous consent that the table setting forth the estimated net Government debt and the private debt, by categories, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE VI.—ESTIMATED NET GOVERNMENT AND PRIVATE DEBT BY MAJOR CATEGORIES

[Dollar amounts in billions]

Year	Private [1]			State and local	Federal [2]	Total net debt	Percent Federal of total
	Individual	Corporate	Total				
1916	$36.3	$40.2	$76.5	$4.5	$1.2	$82.2	1.5
1917	38.7	42.7	82.4	4.8	7.3	94.5	7.8
1918	44.5	47.0	91.5	5.1	20.9	117.5	17.8
1919	43.9	53.3	97.2	5.5	25.6	128.3	20.0
1920	48.1	57.7	105.8	6.2	23.7	135.7	17.5
1921	49.2	57.0	106.2	7.0	23.1	136.3	17.0
1922	50.9	58.6	109.5	7.9	22.8	140.2	16.3
1923	53.7	62.6	116.3	8.6	21.8	146.7	14.9
1924	55.8	67.2	123.0	9.4	21.0	153.4	13.7
1925	59.6	72.7	132.3	10.3	20.3	162.9	12.5
1926	62.7	76.2	138.9	11.1	19.2	169.2	11.4
1927	66.4	81.2	147.6	12.1	18.2	177.9	10.3
1928	70.0	86.1	156.1	12.7	17.5	186.3	9.4
1929	72.9	88.9	161.8	13.6	16.5	191.9	8.6
1930	71.8	89.3	161.1	14.7	16.5	192.3	8.6
1931	64.9	83.5	148.4	16.0	18.5	182.9	10.2
1932	57.1	80.0	137.1	16.6	21.3	176.0	12.2
1933	51.0	76.9	127.9	16.3	24.3	168.5	14.5
1934	49.8	75.5	125.3	15.9	30.4	171.6	17.8
1935	49.7	74.8	124.5	16.1	34.4	175.0	19.7
1936	50.6	76.1	126.7	16.2	37.7	180.6	20.9
1937	51.1	75.8	126.9	16.1	39.2	182.2	21.6
1938	50.0	73.3	123.3	16.1	40.5	179.9	22.6
1939	50.8	73.5	124.3	16.4	42.6	183.3	23.3
1940	53.0	75.6	128.6	16.4	44.8	189.8	23.7
1941	55.6	83.4	139.0	16.1	56.3	211.4	26.7
1942	49.9	91.6	141.5	15.4	101.7	258.6	39.4
1943	48.8	95.5	144.3	14.5	154.4	313.2	49.3
1944	50.7	94.1	144.8	13.9	211.9	370.6	57.2
1945	54.7	85.3	140.0	13.4	252.5	405.9	62.3
1946	59.9	93.5	153.4	13.7	229.5	396.6	57.9
1947	$69.4	$109.6	$179.0	$15.0	$221.7	$415.7	53.4
1948	80.6	118.4	199.0	17.0	215.3	431.3	50.0
1949	90.4	118.7	209.1	19.1	217.6	445.8	48.9
1950	104.3	142.8	247.1	21.7	217.4	486.2	44.8
1951	114.3	163.8	278.1	24.2	216.9	519.2	41.8
1952	129.4	172.3	301.7	27.0	221.5	550.2	40.3
1953	143.2	180.9	324.1	30.7	226.8	581.6	39.0
1954	157.2	184.1	341.3	35.5	229.1	605.9	37.9
1955	180.1	215.0	395.1	41.1	229.6	665.8	34.5
1956	195.5	234.1	429.1	44.5	224.3	698.4	32.2
1957	207.6	249.1	456.7	48.6	223.0	728.3	30.7
1958	222.9	262.0	484.9	53.7	231.0	769.6	30.1
1959	245.0	287.0	532.0	59.6	241.4	833.0	29.0
1960	263.3	306.3	569.6	64.9	239.8	874.3	27.5
1961	284.8	328.3	613.1	70.5	246.7	930.3	26.6
1962	311.9	353.5	665.4	77.0	253.6	996.0	25.5
1963	345.8	383.6	729.4	83.9	257.5	1,070.8	24.1
1964	380.1	417.1	797.2	90.4	264.0	1,151.6	23.0
1965	424.6	463.2	887.8	98.3	266.4	1,252.5	21.3
1966	454.7	517.8	972.5	104.7	271.8	1,349.1	20.1
1967	489.1	562.6	1,051.7	112.8	286.4	1,450.8	19.7
1968	529.3	653.0	1,182.3	122.7	291.9	1,596.8	18.3
1969	566.2	764.7	1,330.9	133.3	289.3	1,753.4	16.5
1970	600.0	836.1	1,436.1	144.8	301.1	1,881.9	16.0
1971	667.5	911.2	1,578.7	162.7	325.9	2,067.3	15.8
1972	763.9	1,016.7	1,780.6	178.0	341.2	2,299.8	14.8
1973	854.4	1,166.5	2,020.9	192.3	349.1	2,562.3	13.6
1974	922.1	1,299.4	2,221.5	211.2	360.8	2,793.5	12.9
1975	994.4	1,365.4	2,359.8	222.7	446.7	2,028.8	14.7
1976	1,016.8	1,496.1	2,602.9	236.3	515.8	3,354.9	15.4
1977					572.5		

Footnotes on next page.

[1] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations, FICB's, and BCOOP's in 1968. The total debt for these agencies amounted to $0.7 billion on Dec. 31, 1947, $3.5 billion on Dec. 31, 1960, $38.8 billion on Dec. 31, 1970, $78.8 billion on Dec. 31, 1975, and $81.4 billion on Dec. 31, 1976.

[2] Borrowing from the public equals gross Federal debt less securities held in Government accounts (a unified budget concept.)

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

Mr. LONG. Madam President, I believe we have no choice but to pass this bill extending the debt limit. As the able senior Senator from Nebraska pointed out, to fail to do so would mean that this Government could not pay its employees, could not pay its contractors, could not make good on the obligations that were incurred in good faith by those who did business with the Government.

While those who reported this bill from the Committee on Finance would like to see Government spending at a lower level, we would like to reduce waste and inefficiency and needless Government spending wherever the evidence of its can be brought forth, but that is for the future. We have to think in terms of where we stand today. A failure to extend this debt limit would mean that the Government, which is financing itself by renewing the outstanding obligations, would be unable to do so. It would amount, in effect, to this Nation, the richest in the world, refusing to pay its honest debts, by an act of Congress saying that we are no longer able to do so, when in fact we are. It would be a foolhardy thing for the Nation to do. It would make us look silly before the entire world; and in due course we would be compelled to do what we should do, what we are doing at this time—to extend this debt to the next Congress, at which time we will have a chance to take a look at it.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE) and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) is necessarily absent.

The result was announced—yeas 62, nays 31, as follows:

[Rollcall Vote No. 276 Leg.]

YEAS—62

Bayh	Eagleton	Magnuson
Bellmon	Glenn	Mathias
Bentsen	Gravel	Matsunaga
Biden	Griffin	McGovern
Brooke	Hansen	McIntyre
Bumpers	Hart	Melcher
Burdick	Hatfield, Paul G.	Moynihan
Byrd, Robert C.	Hathaway	Muskie
Case	Heinz	Nelson
Chiles	Hodges	Packwood
Church	Huddleston	Pearson
Clark	Humphrey	Pell
Cranston	Jackson	Percy
Culver	Javits	Randolph
Curtis	Kennedy	Ribicoff
Danforth	Long	Riegle
Dole	Lugar	Roth
Domenici	Schmitt	Sarbanes
Schweiker	Stafford	Weicker
Sparkman	Stevenson	Williams
	Stone	Young

NAYS—31

Allen	Hatch	Nunn
Bartlett	Hatfield, Mark O.	Proxmire
Byrd, Harry F., Jr.	Hayakawa	Sasser
Cannon	Helms	Scott
Chafee	Hollings	Stennis
DeConcini	Laxalt	Stevens
Durkin	Leahy	Talmadge
Ford	McClure	Thurmond
Garn	Metzenbaum	Tower
Goldwater	Morgan	Wallop
		Zorinsky

NOT VOTING—7

Abourezk	Eastland	Johnston
Anderson	Haskell	
Baker	Inouye	

So the bill (H.R. 13385) was passed.

Mr. LONG. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. TALMADGE. I move to lay that motion on the table.

The motion to lay on the able was agreed to.

TREATMENT OF TELEPHONE COMPANY INCOME

Mr. LONG. Madam President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 7581.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the text of the bill (H.R. 7581) entitled "An Act to amend the Internal Revenue Code of 1954 to provide that certain income from a nonmember telephone company is not taken into account in determining whether any mutual or cooperative telephone company is exempt from income tax", with the following amendments:

Page 8, strike out lines 1 to 25, inclusive, of the Senate engrossed amendment.

Page 9, line 1, of the Senate engrossed amendment, strike out "Sec.4" and insert: Sec. 3.

Resolved, That the House agree to the amendment of the Senate to the title of the bill.

Mr. LONG. Madam President, H.R. 7581, as originally passed by the House, clarifies the member-income requirement that must be satisfied by a mutual or cooperative telephone company as a condition for exemption from Federal income taxation. The Senate struck out all after the enacting clause and inserted new text which included the text of the House-passed bill relating to mutual or cooperative telephone companies and also included the text of three other provisions. These three provisions generally relate to the income tax treatment of securities lending transactions, the earned income credit, and methods of accounting for certain tobacco cooperatives.

The House has recently taken action on this bill. In this action, the House accepted the Senate amendments to the bill but made further amendments which had the effect of striking from the bill the Senate provision relating to the earned income credit.

As added by the Senate, this earned income credit provision would make it clear that categories of persons eligible for the credit include any individual who maintains a household for a dependent. Subsequent to the adoption of this provision by the Senate, the Treasury Department published regulations which solved the problem at which the amendment was directed. As a result, this provision is no longer necessary, and the House deleted it from the Senate amendment.

Mr. President, as the House has correctly concluded, the provision relating to the earned income credit is no longer necessary. I urge that the Senate concur in the House action and approve the Senate version of the bill, as modified by the deletion of the Senate provision relating to the earned income credit.

Mr. President, I would like to comment further on the scope of the provision of the bill involving securities lending transactions. This provision clarifies and revises the income tax treatment of securities lending transactions between either a tax-exempt organization or a mutual fund and securities broker. These loans enable the brokers to make timely deliveries for the purpose of completing market transactions.

This provision generally provides that, for tax-exempt organizations and mutual funds, payments on securities loans which are fully backed by collateral and which may be terminated on 5-day notice by the lending organization are to be treated in the same general manner and dividends and interests—that is, as passive investment income. This provision also provides a clarifying rule applicable to securities lending transactions generally. Under this rule, the lending of securities to a broker and the return of identical securities does not constitute a taxable sale or exchange of the securities, and thus does not interrupt the lender's holding period or affect the lender's basis.

After the Senate had added these provisions as part of H.R. 7581 and the House had agreed to these provisions of the Senate-passed bill, it was pointed out that certain securities lending transactions apparently may involve the return of securities which differ in certain minor respects from the securities loaned. Since the provisions of the bill were developed without consideration of these types of lending transactions, I would like to make it clear that no interference is intended as to the tax treatment of these securities lending transactions. Thus, if mortgage-related, Government-guaranteed securities (such as those guaranteed by GNMA) should not be treated as identical securities, no inference is intended as to whether such securities guaranteed by the same agency

and of the same classification (for example, GNMA 8's) may, under the principles of existing law, qualify as property not differing materially from other securities with the same guarantor and classification for purposes of section 1001 of the Internal Revenue Code.

Madam President, I move that the Senate concur in the House amendments to the Senate amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

REGULATIONS ON TAXATION OF FRINGE BENEFITS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 12841.

The PRESIDING OFFICER laid before the Senate H.R. 12841, an act to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes, which was read twice by its title.

Without objection, the Senate will proceed to its consideration.

Mr. LONG. Madam President, what this bill proposes to do is insure that the law remain unchanged on fringe benefits until Congress has the opportunity to review the appropriate tax treatment for fringe benefits.

Madam President, H.R. 12841 was received by the Senate on June 28, 1978, and ordered held at the desk by unanimous consent. Prior to House consideration of H.R. 12841, the Finance Committee approved provisions which are substantially the same as those contained in the bill. The committee also approved an amendment to one of the provisions relating to the treatment of cash meal allowances paid to State troopers.

The bill, H.R. 12841, prohibits the Treasury Department from issuing final regulations dealing with the taxation of employee fringe benefits before 1980. It also prohibits the Treasury from issuing any ruling or regulation prior to 1980, which would change the treatment of certain commuting expenses to temporary worksites. Also, the bill provides for the exclusion from income for certain subsistence allowances paid to State police officers between 1970 and 1978. Finally, the bill provides an income tax exclusion for meals furnished an employee for the convenience of the employer although the employer imposes a partial charge for the meal.

With respect to the treatment of fringe benefits and commuting expenses, the House and Senate have already approved similar prohibitions through part of 1978 in H.R. 9251, the Tax Treatment Extension Act of 1978. However, that bill has not yet gone to conference. The bill, H.R. 12841, would extend the prohibitions through 1979, to give Congress additional time to review these areas. These provisions of H.R. 12841 will have no effect on budget receipts.

With respect to subsistence allowances, the Supreme Court recently held that cash meal allowances paid to a State trooper were includible in income. The bill would apply this decision to State police officers on a prospective basis. It is estimated that this provision will decrease budget receipts by $6 million for fiscal 1978 and $2 million for fiscal 1979.

As passed by the House, the exclusion would apply in certain cases where a State trooper received a cash meal allowance. It has come to the committee's attention that an absolute exclusion may adversely affect retirement benefits for State troopers who have retired after 1969. This will result whenever retirement benefits are based on gross income for Federal income tax purposes. To eliminate adverse consequences upon retirement benefits in these cases, the committee approved an amendment to make the exclusion elective rather than mandatory. Thus, if a State trooper wishes to avoid this possible effect on retirement benefits, he or she simply would not claim the benefits of the exclusion for cash meal allowances.

With respect to meals furnished by an employer, under present law, an employee's income does not include the value of the meals so long as the meals are furnished on the employer's premises and for the employer's convenience. However, the Treasury regulations provide that meals do not qualify for the exclusion if an employee must pay something for the meals.

The bill changes this result. It allows an exclusion for the value of meals above any amount charged if the other requirements for exclusion are satisfied. It also provides for an exclusion for amounts an employee is required to pay for his meals on a periodic basis if the payments are required whether or not the meal is accepted or declined. The bill would not change present law in any other respect.

Madam President, I urge approval of the committee amendment providing an election for purposes of the exclusion of meal allowances paid to State troopers, and the adoption of H.R. 12841.

Mr. DURKIN. Madam President, will the Senator yield for a unanimous-consent request?

Mr. LONG. I ask unanimous consent to yield to the Senator from New Hampshire without prejudice to my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. Madam President, I ask unanimous consent that Susan Curry of my staff be given floor privileges.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Madam President, will the Senator from Louisiana yield to the Senator from Kansas?

Mr. LONG. I yield.

FRINGE BENEFITS AND EMPLOYER-PROVIDED MEALS

Mr. DOLE. Madam President, the bill considered by the Senate today addresses a major issue. The Internal Revenue Service has been preparing new tax regulations that could affect the tax liability of every American. I believe this unilateral action on the part of the IRS should be stopped until Congress can appropriately review this matter.

FRINGE BENEFITS

Madam President, on May 25 I introduced S. 3147 which would prohibit the issuance of Treasury regulations taxing fringe benefits. My legislation has been cosponsored by 11 other Senators. On the recent Treasury appropriations bill I introduced an amendment which would effectively prohibit the issuance of regulations. Because the Senate Finance Committee agreed to hold this bill at the desk and have it considered immediately, the Senator from Kansas withdrew his amendment.

MAJOR ISSUE

Taxation of fringe benefits has become a very important issue. Although the use of fringe benefits has increased in recent years, few comprehensive or generally applicable income tax rules have been developed. As a result, there is a lack of uniform treatment of taxpayers who receive different types of benefits, even though the benefits may have approximately the same economic value. The appropriate income tax treatment of various fringe benefits has led to a number of problems aside from the issue of whether a benefit constitutes taxable compensation. These issues include the withholding taxes and valuation of benefits provided in kind. The action taken by the Senate today is one to restore the decisionmaking process to Congress.

IRC SECTION 119

Madam President, this bill also contains a clarification of the section 119 of the Internal Revenue Code tax exclusion on meals. The bill before the Senate today incorporates the provisions of S. 3183, a bill I introduced on June 8 and of H.R. 10594, introduced by Congressman JAMES BURKE. As is the case with the taxation of fringe benefits, the Internal Revenue Service is again taking positions which are inconsistent with the laws adopted by Congress.

Madam President, section 119 of the Internal Revenue Code provides that the value of a meal furnished to employees on business premises of the employer and for the convenience of the employer is excluded from the employee's gross income.

AUTOMATIC DISQUALIFICATION RULE

Madam President, under the current treasury regulation meals furnished without charge to the employee will be regarded as furnished for the convenience of the employer if the meals are furnished for a substantial noncompensation business reason. However, the Internal Revenue Service has taken the position that employer-provided meals are disqualified automatically from being treated as being furnished for the convenience of the employer where the employee bears a portion of the cost of the meal and has the option of accepting the meals or providing his own meals.

If the Internal Revenue Service is successful in applying the automatic disqualification rule, the Senator from Kansas fears that the weekly take-home pay of millions of workers will be decreased. The position of the IRS could lead to a substantial increase in the price of meals paid in employee cafete-

rias, and undoubetedly the closing of many employee cafeterias, because of valuation and recordkeeping requirements.

LEGISLATIVE HISTORY

I am concerned that the IRS has attempted to narrow the meaning of the broad term "convenience of the employer." If the IRS interpretation is left standing, the tax exclusion will not apply to meals furnished for a charge if the employee may decline to purchase the meals and obtain them in another way. I believe that the position of the Internal Revenue is inconsistent with the correct reading of the law. Careful reading of the legislative history shows that this automatic disqualification rule is not warranted. There is nothing in the legislative history which indicates that Congress intended employer meals be precluded from the application of section 119 if the employee bears a portion of the cost.

Madam President, the legislation acted on today is not intended to alter the basic thrust of section 119. The existing regulations, in essence, provide that meals are regarded as furnished for the convenience of the employer if there is a substantial noncompensatory employer business reason irrespective of the presence of a compensatory reason. That principal remains intact. Similarly, this legislation does not seek to address or comment on other provisions of 119 or the regulations in general.

Madam President, I have one brief question I would like to address to the distinguished floor manager of the bill.

I have a question regarding section 4 of the bill. Am I correct that to the extent the value of meals and lodging is excluded from gross income, such item also is excluded from the definition of "wages" for the purpose of income tax withholding, social security (or FICA) tax, and unemployment (or FUTA) tax?

Mr. LONG. Yes. Due to the special circumstances which the bill addresses, an item excluded from gross income will also be excluded from the definition of "wages" for all payroll tax purposes, as you have suggested.

Mr. DOLE. I thank the Senator.

UP AMENDMENT NO. 1568

(Purpose: To exclude from gross income amounts received as subsistence allowances which State police officers included in gross income from 1970 through 1977)

Mr. LONG. Madam President, I send to the desk an amendment, which I would like to explain.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an unprinted amendment numbered 1568:

On page 2, line 24, strike out "and".

On page 2, after line 24, insert the following:

(2) such individual elects, on or before April 15, 1979, and in such manner and form as the Secretary of the Treasury may prescribe, to have this section apply to such allowance, and

On page 3, line 1, strike out "(2)" and insert in lieu thereof "(3)".

Mr. LONG. Madam President, I offer this amendment on behalf of the Finance Committee. It was proposed by the Senator from Connecticut (Mr. RIBICOFF). It covers a very narrow situation and is a meritorious amendment.

Under existing law, and under the bill, where a State provides a meal allowance for a State police officer, that allowance is treated as taxable income. However, for several years there has been some question as to whether such meal allowances should be treated as taxable income under the Internal Revenue Code. Some courts had determined that these meal allowances did not constitute taxable income. On November 29, 1977, the Supreme Court resolved the issue in *Commissioner* v. *Kowalski*, —— U.S. ——, 40 AFTR 2d 6128 (1977) and decided that cash meal allowances paid to a State trooper were includible in income. The House bill provides that the decision of the Supreme Court in the Kowalski case should not be applied to such meal allowances received prior to 1978.

But in some States, where a State police officer is nearing retirement, as in the State of Connecticut, he might want to have his meal allowance counted as income and pay taxes on it. He might wish to do this so that his income, for the purpose of computing retirement benefits, would not be reduced.

This amendment gives the State police officer, under those circumstances the right to elect to be taxed on the meal allowance provided to him.

Mr. STEVENS. Madam President, may I inquire of the distinguished chairman, was this reported from the committee?

Mr. LONG. Yes.

Mr. STEVENS. I know that the consideration of the bill had the approval of the Members on this side, or so I have been told. Was there any objection to this amendment?

Mr. LONG. There was no objection. This was a bill that was held at the desk and was not referred to the committee. With the bill being held at the desk, we on the committee discussed the matter, and we thought that it served no purpose to move that the bill be referred to the committee. We thought it was meritorious and, so far as we were concerned, that we had no objection to calling it up from the desk.

Mr. STEVENS. I have great faith in the Senator from Louisiana. The only thing is that they informed me that taking up the bill was in order. I am trying to find a minority member of the committee to tell me if the amendment of the Senator from Connecticut was also cleared in the same process.

Mr. LONG. This bill has been at the desk since June 28. After a bill has been at the desk—I ask the Parliamentarian, how long a bill must be at the desk before it can be brought up?

The PRESIDING OFFICER. A reported bill has to lie at the desk 3 days, if there is a report. But since this is a House bill, which was held at the desk by unanimous consent, therefore it requires unanimous consent to bring it up.

Mr. HANSEN. Madam President, will the Senator yield?

Mr. LONG. I yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Madam President, my opinion is that the measure that the distinguished chairman of the committee has been discussing and referring to has been cleared by members of the Finance Committee on this side. I know of no reason why it should not be taken up.

Mr. STEVENS. I thank the Senator. I hope the Senator from Louisiana understands that I do not know if there is anyone who has a request in for votes on some of these matters when they come up, or not. We are trying to do our best to make certain that Senators have an opportunity to express themselves. I was told that the bill was cleared, but the amendment was not mentioned.

Mr. CHAFEE. Madam President, I would like to ask a question. Will the Senator yield?

Mr. LONG. Madam President, the committee amendment proposed by Senator RIBICOFF involves a very narrow situation. It only applies where a State police officer would like to be taxed on his meal allowance. It permits him to elect to be taxed on his meal allowance. I have been led to believe that in the State of Connecticut, and perhaps in some others States, a State police officer might prefer to be taxed on his meal allowance because that will not cause his retirement benefits to be reduced. If that be the case, he would have the election.

Mr. CHAFEE. Madam President, I do not know how this affects us at home. I never heard of this bill before. Maybe it has been at the desk since June 29, or whenever it was, but it seems odd to me for people to take pensions based on things other than their salaries. In other words, it is a fashion of permitting patrolmen to take pension benefits by counting something as salary that in fact was not salary. It seems like a funny way of doing business.

Mr. LONG. We can provide by law whatever we want to provide by law. We can require, if we want to, by law, that meal allowances be taxed as part of a person's income. If we want to we can say that meal allowances provided to State police officers should not be taxed. At the suggestion of the Senator from Connecticut, a former Governor of that State, concerned about the State police officers in his State, the Finance Committee agreed to an amendment permitting those officers who may be retiring and who would like to pay taxes on their meal allowances to do so for past years.

There are many elections provided in the Internal Revenue Code. We discussed this matter in the Finance Committee, and we agreed that as far as we were concerned, it was all right with us, if a person would like to elect to be taxed on his meal allowance for past years.

If the Senator is opposed to the amendment, it is of no great moment to the Senator from Louisiana. It is all right with me for the Senate to do whatever it wants to do about it. We have a bill here, however, that seeks to protect a great number of people who are concerned because the Internal Revenue Service and Treasury Department are seriously thinking about changing their rules and taxing people on certain benefits which had never been taxed before.

There are a lot of people concerned about it—airline stewardesses, pilots, corporate employees, and all kinds of people who receive some fringe benefit of one sort or another which had not been taxed. It is our view that the Treasury Department and the IRS should not tax them by regulatory fiat; if we are going to tax them, we ought to tax them by an act of Congress. If the law is to be changed, we ought to do it. That is what the bill addresses.

Mr. CHAFEE. I thank the Senator.

Mr. HANSEN. Madam President, if the chairman of the Finance Committee will yield for an observation, I would like to say that Senator DOLE was in the Chamber and I asked him about the bill. He indicated to me that everything had been worked out.

I should qualify what I had earlier said by pointing out that he did not say anything about the Ribicoff amendment. He did not indicate anything about it one way or another. Therefore, I would not want to leave the impression that, insofar as I know, the Ribicoff amendment had been cleared. I have no reason to think it might be objected to. I just do not know anything about it. That is all I wanted to say.

Mr. LONG. The House bill applies the Supreme Court decision in the Kowalski case prospectively. The amendment, which was discussed in the committee, provides that if a State police officer wants to be taxed, he can elect to be taxed on his meal allowance. Otherwise, he would not be taxed on that allowance for past years where he treated it as not taxable. I am sure the Senator from Kansas (Mr. DOLE) knows about it because we did vote on the amendment in the committee after we discussed it, and there was no objection.

Mr. HANSEN. I do not at all take issue with my distinguished chairman. I simply wanted to say insofar as what Senator DOLE told me when he was in the Chamber, the issue, if it is an issue, of the Ribicoff amendment had not been discussed. I do not take any particular position. I am totally neutral. I might add I have great confidence in my chairman.

The PRESIDING OFFICER. The question is on agreeing to the amendment. Without objection, the amendment is agreed to.

Mr. WILLIAMS. Will the distinguished chairman of the Committee on Finance please yield for a question?

Mr. LONG. I yield to the Senator from New Jersey.

Mr. WILLIAMS. Thank you. In my judgment, we must make absolutely certain which State troopers are to be covered by H.R. 12841, so that no confusion arises in the measure's implementation. Now, the House committee report on H.R. 12841 states in part, that the bill would "allow an exclusion from gross income for statutory subsistence allowances received by an officer during the years 1970 through 1976, to the extent that the allowances were not included in income on the officer's income tax return. The exclusion would also apply to allowances an officer reported in gross income to the extent he claimed an offsetting deduction." Does the Senator from Louisiana agree that the measure which passed the House does indeed cover State troopers who received meal allowances but did not include their allowances in gross income on their tax returns, as well as those who did include such allowances in gross income on their returns, but who took an offsetting deduction?

Mr. LONG. Yes. I concur in the House committee report. Both groups mentioned by my distinguished colleague from New Jersey would be covered by H.R. 12841.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 12841), as amended, was passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from Wyoming.

THE AMERICAN WORKER AND CAPITAL GAINS

Mr. HANSEN. Mr. President, millions of Americans, most of them union members, are investing their retirement contributions in the stock market without even realizing it, and thus have a personal stake in the outcome of the current national debate over taxation of capital gains.

Nearly 40 million workers comprising half of our work force regularly contribute part of their earnings to private pension programs, and this money is then invested in their behalf in stocks and other securities in order to protect it from the ravages of inflation. At the end of 1977, the value of these workers' investments totaled an astounding $181.6 billion—$100 billion of which was invested in common stock.

Most of these workers do not know it, but they hold stock through their pension plans that is worth more than twice the value of stock held by other institutional investors, such as mutual funds or insurance companies. The only investors owning more stock as a group than workers participating in pension plans are individuals who invest directly on their own.

Even though pension funds are exempt from the Federal taxes which individuals must pay on their investment profits—dividends and capital gains—the prosperity of these pension funds, and hence the well-being of the workers they serve, is directly dependent on the soundness of the investment market, which has steadily deteriorated since the capital gains tax was raised in 1969.

The profits these pension funds earn by investing their workers' contributions provide a source of income for payouts to retired or disabled workers and their dependents, and also affect the amount of workers' benefits. The more a fund can earn by investing in the market, the greater the benefits it can offer its beneficiaries.

There is one person in particular who ought to take note of these facts and figures on citizen investment, and he is President Carter. The President has said some very harsh things about congressional actions to reduce the capital gains tax burden so as to stimulate investment and economic activity. One of the most outrageous things he said is that only millionaires would benefit if the capital gains tax were lowered. He could not be more wrong.

Capital gains taxation is a basic, bread-and-butter issue which affects everyone because it has such a major impact on our total economy. It is not a rich man's issue, or a corporate issue. It is very much a working man's concern. Millions of hard working, average Americans are investors, either directly in homes or land or stock, or indirectly through pension programs or employee stock ownership plans. To borrow a phrase from a television commercial, these millions of Americans own a piece of the rock, and the rock is our economy. We have to keep its foundation solid, and reducing the capital gains tax would certainly help.

There are others, in addition to the President, who ought to rethink their position on capital gains taxation. In light of the facts I have mentioned about the extensive participation of union members in our investment system, I find it ironic that labor leaders, including AFL–CIO chief George Meany, are opposing a reduction in the capital gains tax rate. The current high tax has resulted in a weakening of the very investment market to which union pension funds are entrusted in the hope that their value will increase.

Moreover, it is the capital which becomes available when Americans invest that allows business expansion and creates new jobs for the unemployed—a group for which labor leaders express great concern.

Yet another reason why union leaders should favor lowering the capital gains tax is that the current high rate works to the advantage of foreign competitors, and labor leaders have been in the forefront of efforts to protect domestic workers from foreign competition.

Our major industrial competitors, such as Japan and West Germany, do not tax capital gains at all in order to encourage investment and insure the availability of capital for industrial and job expansion.

But in this country, the number of investors has steadily declined, falling by 20 percent since capital gains taxes were raised in 1969, and causing a shortage of capital. American entrepreneurs are being forced to look overseas for capital, enabling foreigners to gain control of more and more of our companies.

Another tragic consequence of the capital shortage is the threat to our national security and position as a world lead-

er in technological innovation. Without adequate capital supply to foster innovation, we will fall behind in technological advancement and lose our competitive position in the world market.

Our strategic position in the world today is based on our ability to maintain technological rather than numerical superiority over our adversaries. Our capital gains tax policy has a very real effect on our world position.

I was pleased that the House Ways and Means Committee made some changes in the capital gains tax structure. I hope the full House goes along, and I believe it will. For my part, I will do my best to secure a reduction in this very punitive and counterproductive tax. I am very grateful to the 63 Senators who have joined with me in sponsoring such legislation.

LEAVE OF ABSENCE

Mr. THURMOND. Mr. President, It is going to be necessary for me to be away from the Congress tomorrow on official business, and I ask unanimous consent to receive approval of my absence for that reason on tomorrow, Thursday, August 3, 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. NAVAL POWER

Mr. THURMOND. Mr. President, former Secretary of the U.S. Navy, the Honorable J. William Middendorf II, had an article published in the August 1978 issue of the Reader's Digest entitled, "Let's Not Torpedo Our Navy." I strongly recommend this excellent article to all Americans and especially to Members of Congress for evaluating the Soviet threat to our national security.

In my judgment, the introductory comment astutely summarizes the seriousness of our fast declining seapower. It states:

While the Soviets are pushing all out to assemble a Navy that is second to none, America is cutting back its shipbuilding. Unless we reverse course fast, warns this authority, troubled waters lie ahead.

Mr. President, I ask unanimous consent that the article by former Navy Secretary Middendorf published in the 1978 August issue of the Reader's Digest be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LET'S NOT TORPEDO OUR NAVY

(By J. William Middendorf II)

Since retiring as Secretary of the Navy last year, I have been haunted by the feeling that my obligation to the American people won't be fully discharged until I deliver a final word, my own view of our ability to continue to safeguard our freedom. As a private citizen, I have no ax to grind, save the ax all Americans ought to be grinding—that we maintain the military posture it takes to deter war, to ensure our vital interests, to protect freedom and to prevail if war comes.

That is the posture we began keeping in the early 1950s and which for several years now has been in serious decline. Indeed, so severe is the decline that I fear we are fast approaching a time of testing such as the United States has never had to endure. Unless we move fast on a Naval rebuilding program, I'm convinced that the next ten years will see the end of U.S. ability to deter and prevail, with all the grave consequences that implies for free people everywhere.

We've had warnings:

During the 1973 Middle East War, the Soviet navy was quickly able to double its Mediterranean fleet to 96 ships on station. And this wasn't even an all-out effort by the Soviets. Against it, we went all out to reinforce our Sixth Fleet to a peak strength of 66 units. The Soviets were armed with deadly anti-ship cruise missiles, a weapon not then in our own inventory. Knowledgeable professionals differ as to who would have prevailed in a Soviet-American shootout. Fortunately, we didn't have to find out, but Moscow's boldness during that crisis brought us to the brink of World War III.

Huge Soviet navy war games were held in 1970 and 1975. Called Okean (Ocean) 70 and Okean 75, they are full of ominous meaning for the future. In Okean 75, hundreds of Soviet air, surface and undersea combatants were deployed over the world's seas with intelligence collectors, oilers, repair ships and merchant convoys and put through intensive, coordinated maneuvers. It was the greatest show of naval strength in history.

Five major shipyards in the US.S.R. produce submarines—with six more building large surface ships. All these huge yards have been expanded and modernized in the last five years, to produce a steady stream of new ships.

Strategic Threat. In short, there has been an alarming shift in the balance of naval power and the abilities of the Soviet and American navies to perform their different missions. Though many of our ships are superior in quality and our sailors are more experienced, the Soviet navy now is more than triple the size of our fleet and its overall effectiveness is increasing. (See pictograph, page 53.)

Our way of life depends on the unimpeded flow to us of essential raw materials and energy—we now import *all* our rubber, chromite, cobalt and manganese ore and *half* our oil. Ninety-nine percent of our overseas trade is carried by ship. Our survival depends upon a Navy competent to keep open the sea lanes, pose a believable deterrent and enable us to support our allies in the event of war.

By contrast, the U.S.S.R. is relatively self-sufficient in raw materials and energy. The Soviet Union can support itself and provide most of its allies with economic and military aid without crossing a major body of water. A truly peaceful Soviet government would be content with adequate coastal-defense forces—the kind of naval force the Kremlin kept until 15 years ago. Since then, it has sought to create a navy of such speed and devastating fire power (at the expense of cruising range) that it can overwhelm any U.S. Naval force. It has created a "first strike" navy.

This explains the enormous Soviet naval buildup of the past decade and a half. The Kremlin became aware in the late 1950s that without a blue-water navy it could not influence world events. The Soviets were embarrassed at their impotence in 1956 when a British and French naval expedition invaded Suez; and in 1958, when the U.S. Navy moved strong forces into the eastern Mediterranean to discourage communist interference in Lebanon's disorders. The last straw was the 1962 Cuban missile crisis, when a U.S. Naval blockade and the threat of overwhelming American nuclear retaliation forced the U.S.S.R. to remove nuclear missiles it had been installing in Cuba.

But now the U.S.S.R. boasts the world's largest strategic (long-range, nuclear-ballistic-missile-carrying) submarine fleet. The Soviets have launched 60 such boats in the past ten years. Their Delta Class submarine—27 operational and more abuilding—is the world's largest. Each is poised to fire 4200-mile-range missiles.

That distance exceeds by some 1700 miles the range of our most advanced submarine-based missile, the Poseidon. It also approximates the range of our new Trident I missile, which won't reach the water until close to 1980. The Delta Class missile now makes it possible for the Soviet strategic submarine force to attack virtually every city in the United States from the U.S.S.R.'s home waters.

The Soviet force also includes 33 Yankee Class boats, each fitted with 16 1300-mile missiles, and 30-odd older nuclear- and diesel-powered boats, each carrying a number of 350- and 650-mile nuclear missiles. Against this, the United States has a ballistic-missile-firing submarine fleet of 41 relatively old Polaris and Poseidon boats.

Shrinking Margin. The Soviet navy's commander in chief, Adm. Sergei Gorshkov, has vowed publicly to achieve a navy that is second to none. Is he achieving this goal?

Recently retired Chief of Naval Operations Adm. James L. Holloway III has delivered a sobering assessment to Congress: we retain "a slim margin of superiority." The Chief of Naval Operations four or five years from now may not be so optimistic, since that "slim margin" is represented by our 13 aircraft carriers. In 1976, the Soviets deployed their first, the 45,000-ton *Kiev*. A second *Kiev*-class carrier is nearing completion and a third is under construction. We probably can expect to see more and perhaps larger carriers joining Soviet fleets through the 1980s.

Although Gorshkov's carriers do not yet give him the long-range striking power ours provide, he has 1250 land-based naval aircraft, of which 30 are the new supersonic Backfires. These have at least a 5000-mile range, and pose a terrible threat to our Mediterranean and Pacific fleets. They could also menace any Naval force that we might bring into the Indian Ocean to shore up a Red-threatened oil-rich state.

The Russians also have tried to offset our superiority in aircraft carriers by arming scores of surface ships and submarines with deadly anti-surface-ship cruise missiles. There is frightening evidence that they are developing a new guidance technology, which will enable a missile-firing ship or submarine to stand off at a distance, find a target ship with over-the-horizon radar, and fire a weapon that will streak at 2000 m.p.h. 50 to 60 feet above the sea, underneath our search radar.

Our scientists have been developing a weapons system to counter this threat. It's called Aegis, and we know it will find incoming Soviet missiles 30 to 40 miles out and blow them up. But at the earliest, it will be 1981 before the system can be deployed on the first ship.

SOVIET SQUEEZE

In addition to a strategic submarine force twice the size of ours, the Russians now have by far the world's largest attack submarine fleet, well over 200 boats, for anti-shipping and anti-submarine purposes. Imagine what the Soviet attack force could do in the event of war! Nazi Germany, which began World War II with 57 submarines, primative by today's standards, very nearly succeeded in severing our Atlantic supply lines, sinking some 14 million tons of Allied shipping. Clearly, the lesson has not been lost on the Soviets.

Against the U.S.S.R.'s huge surface and undersea forces we can deploy a total of 82 attack submarines.

The Russians also have more of all kinds of surface combatants than we have: more cruisers, more destroyers and other escort types; they vastly outnumber us in small

(less than 1000-ton) attack boats. Yet these are fast, maneuverable and hard to hit. Equipped with new nuclear-tipped missiles, they pack a lethal wallop. The Soviets now are also moving to gain an advantage with amphibious ships that carry marines and their arsenals, including tanks, into beaches. They have some 100 such ships. We have 63, and we would need 48 of these to embark a single Marine amphibious force.

The Soviet navy has the world's largest naval-mine-warfare force, the world's largest inventory of naval mines and a capable anti-mine-warfare force. It also has the world's largest fleet of intelligence collectors—so-called "spy ships." Approximately 50 are deployed all over the globe—many posing as merchant or fishing vessels.

With their modern, powerful navy, the Soviets are showing the flag in more and more places, doing their best to influence events. During the Angolan war, Soviet naval units were deployed offshore in a show of support for their Cuban proxies. They now cruise regularly in many of the world's major seas. (A Soviet task force has come within 25 miles of Hawaii, and another has entered the Gulf of Mexico.) They have obtained the use of port facilities in the Indian Ocean, the Mediterranean, on the west coast of Africa and in the Caribbean. It is obvious that the Kremlin employs its naval forces in support of an ambitious foreign policy targeted at controlling the world's raw-material sources.

Total active naval strength

USA	458
USSR	1,761

	USA	USSR
Carriers	13	7
Cruisers	27	37
Destroyers/Frigates	130	195
Ballistic Missile Subs	41	91
Attack Subs	82	260

I don't think most Americans, including many in Congress, really grasp what a tough fix we are in, or will be in soon. If present trends, continue, for example, it wouldn't surprise me to awaken some morning to the news that the Soviets have annexed the warm-water ports of northern Norway, which they have long coveted. Or to be told by Moscow that "the situation must be stabilized" by the Soviets in some politically troubled oil-rich state which is important to our survival.

U.S. RESPONSE

We are in this fix for a lot of reasons, including old, discredited theories that the Russians are as interested as we are in arms control and disarmament. Powerful voices in this country continue to urge that we disarm unilaterally, insisting that the Russians will then disarm, too. In fact, we have long been unilaterally disarming. Among other things, we have halved the size of our Navy—we now have 458 ships, against nearly 1,000 ten years ago.

But the main reason we are in this fix is that during the 1960s, while the Soviets were working hard to develop the mightiest military posture in world history, we were pouring our resources into the Vietnam war. We neglected our defenses, none more than our Naval component. By the end of the 1960s we were confronted with block obsolescence, large numbers of ships built in the 1940s and 1950s that were not worth expensive restoration.

Currently, our Navy is smaller than at any time since two years before Pearl Harbor. Yet the Carter Administration has just cut in half the Navy's five-year shipbuilding plan! Congress will be gravely risking our survival if it allows this to happen.

We simply must rebuild the Navy. That doesn't mean refurbishing obsolete ships. We need a modern, self-sufficient Navy that can operate in distant areas without having to rely on overseas bases.

Admiral Holloway has estimated that the balanced Naval force we need comes to about 600 ships. In preparing this force, we must understand that, from the time initial plans are prepared for Congressional approval, it takes eight years to get a Trident submarine to sea, ten years to float an aircraft carrier. And weapons technologies improve so rapidly that when we build certain new systems, we have to hope that they won't be obsolescent in ten years.

But we have no choice. We must understand that our freedom is not preordained, and that without a strong defense we won't be able to keep it. So much time has been lost already that, even if we start now, we are in for some rough and scary sailing in the years directly ahead.

FUNDING FOR BARNWELL NUCLEAR FUEL PLANT

Mr. THURMOND. Mr. President, recently I announced on the floor of the Senate a significant technological breakthrough developed at Barnwell Nuclear Fuel Plant in South Carolina. The very talented, highly technical team of scientists at Barnwell have been working on a method of making the nuclear fuel cycle more proliferation resistant so that subnational groups will not be able to fashion crude nuclear explosives from the end products of the fuel cycle.

The State newspaper in Columbia, S.C., published an article on July 29, 1978, which discussed the significance of this new fuel process. The article points out that this development would appear to answer fears of nonproliferation advocates that terrorists might be able to manufacture a bomb from plutonium produced by the fuel cycle.

A second important aspect of the Barnwell research identified by the article is the possibility of beginning the processing of spent nuclear fuel now that we are resolving proliferation concerns. The Barnwell Nuclear Fuel Plant was originally designed not to conduct research, but to reprocess commercial spent nuclear fuel. It has been prevented from doing this by the administration's ill-advised temporary deferral of commercial reprocessing.

Despite the administration's position, Congress last year approved $13 million for research at the Barnwell plant in order to keep the staff together and prevent the plant from being "mothballed." The Energy and Natural Resources Committee has placed $18.5 million in the DOE budget for fiscal year 1979. Last week, the Public Works Subcommittee of the Appropriations Committee approved a total of $18.5 million for the coming year. I sincerely hope that my distinguished colleagues in the Senate will support continued funding for the Barnwell Nuclear Fuel Plant so that the research team there can continue their important research work and the plant will be in operational status should President Carter reconsider his position on commercial reprocessing of spent nuclear fuel.

Mr. President, I ask unanimous consent that this article from the State be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESEARCH AT BARNWELL MERITS MORE FUNDING

The significance of the new nuclear fuel process researched by Allied-General Nuclear Fuel Services (AGNS) at its Barnwell, S.C., plant has yet to be determined.

It could turn out to be of enormous importance if the Carter administration accepts and encourages the process, but there is no means of predicting the White House's reaction. Then, too, an international evaluation will also be made.

The situation strikes us as ironic. The Barnwell plant was designed to recycle spent nuclear fuel from utility-owned power reactors. Plutonium, the necessary ingredient to atomic weapons, would have been involved in the chemical recycling process.

But President Carter, determined to halt the spread of atomic weapons to nations which don't already have them, sought to encourage other nuclear nations to cut off access to plutonium. To set an example, he suspended operations at the Barnwell plant which would have handled plutonium. (The "sacrifice" of Barnwell has had little impact on the world's nuclear business.)

Over Mr. Carter's objections, Congress provided $13 million last year for AGNS to undertake research in support of the President's non-proliferation policy. Ironically, AGNS now appears to have come up with a solution to the problem which caused Mr. Carter to close the Barnwell facility in the first place.

AGNS scientists, working on a known concept, have developed a process of making nuclear fuel so "hot" that nobody could work with it without great danger to themselves. The new fuel would be processed in such a way that weapons grade plutonium could not be extracted from it.

This seems to answer the non-proliferation advocates fears that terrorists might steal enough fissionable plutonium from a reactor to manufacture a bomb. While the technology is still available to make a bomb in a garage, the ingredients would be extremely dangerous to be handled.

There is another aspect to the AGNS research—the possibility of reopening the recycling process. Without the means to process the spent fuel that is packed into clusters of long rods, utilities must store them under water indefinitely. Recycling would permit the recovery of expensive and useful nuclear fuel from those rods and would reduce the bulk of radioactive material to be stored. (Ultimate disposal is a decision for the federal government, not for the nuclear industry.)

There are some monumental implications in the AGNS research—if the research proves out and is acceptable to an international scientific forum which is studying the ways to curtail the spread of nuclear weapons. The International Nuclear Fuel Cycle Evaluation will report its findings in January, 1980.

* * * * *

It will support a pending appropriation of $18 million for AGNS to continue other research projects that are underway. Certainly, until the Administration finally determines its energy and weapons policies, the AGNS alternative should be preserved.

ABBOTT LABS FIGHTS INFLATION

Mr. PERCY. Mr. President, the fight against inflation is given lip service by many in both the Federal Government and in the private sector. It is a hard problem to grapple with, and yet our eco-

nomic health and the very stability of our way of life depend on the success of our efforts as a nation to bring the escalating wage-price spiral under control.

It is therefore very gratifying when I hear of private firms or agencies within the Federal Government which are making a sustained and genuine effort to reduce inflation.

Abbott Laboratories of North Chicago, Ill., is a firm that has been making a very valuable contribution to our inflation fight. The chairman of the board, Mr. E. J. Ledder, has recently written the President's Counselor on Inflation, Robert Strauss, about his company's contributions and I would like to bring his letter to the attention of my colleagues. Productivity lies as the heart of inflation, and I am very pleased to report that Abbott Labs has successfully worked to improve its productivity thus keeping prices down significantly.

Mr. President, I ask unanimous consent that Mr. Ledder's letter to Ambassador Strauss be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ABBOTT LABORATORIES,
North Chicago, Ill., June 29, 1978.

Ambassador ROBERT S. STRAUSS,
Special Counsel on Inflation,
Washington, D.C.

DEAR AMBASSADOR STRAUSS: We have been encouraged by the recently expressed concerns of President Carter and the administration relative to the importance of controlling and reducing the rate of inflation.

The management of Abbott Laboratories shares this concern and supports the request of President Carter for restraint in both wage and price increases. At the same time, however, we believe that emphasis on restraint in increasing wages and prices will not, in itself, correct the problem—since increases in wages and prices are more the result of inflation than the cause of it.

We are particularly concerned with the contributing factors of excess government spending and the substantial deterioration in the productivity of American industry. We urge that President Carter take a very firm and specific stand to reduce the level of Government expenditures and prioritize actions to be taken to achieve such a reduction. Further we believe that this can be accomplished without reducing the quality or level of programs and services that are properly the function of our Government.

The continuing expansion of regulations and controls and special programs with resulting higher costs to industry, on the other hand, do little but add to the costs of business and government. This also directly contributes to the lowering of productivity and increasing the non-competitive position of American business in world markets.

In addition, we urge that the President and the administration concurrently adopt specific plans to encourage substantial increases in American exports with the resulting improvement in our unemployment level, tax revenue and balance of trade.

At Abbott we have for many years emphasized the need for continuing improvement in productivity—with rather gratifying results. For example, in 1977 with a domestic unit sales increase of approximately 12%, our domestic employee increase was only about 4%—resulting in a productivity improvement more than double the current U.S. average. We expect to do at least as well in 1978.

A direct reflection of our ability to achieve continuing improvements in productivity has been a relatively low level of price increases to our customers despite the substantial increases in our costs for people, materials, energy and transportation. For 1977 domestic net price increases (there were decreases in some products) were only about 4%. We similarly expect net price increases to our customers in 1978 should average less than 4%.

In further support of President Carter's efforts and in anticipation of success in controlling Government deficits and their impact on the rate of inflation, Abbott Laboratories employees' increases in base compensation will be below the average of the past two years. In particular, salary increases for our Corporate officers will also be held below the past two-year average. (In both cases the cost of living portion of compensation is included.)

We are at a very critical period in the ability of this country to continue to demonstrate the significant benefits of the free enterprise system and the related freedom and high standard of living for all of our people. This is a time when there is definite need for strong and decisive leadership from Washington—leadership, however, that strikes at the heart of the problems of inflation—without undue regulation—and provides the type of encouragement that will foster increases in the productivity and competitive position of American business.

If there are other areas in which we can contribute, we will be most happy to sit down and dialogue with you.

Sincerely,

E. J. LEDDER.

NEW YORK CITY LOAN GUARANTEE

Mr. PROXMIRE. Mr. President, I am distressed to see that still another obstacle looms in the struggle to deliver more Federal financial aid to New York City.

The conference report on the bill to provide $1.65 billion in Federal guarantees to New York City over the next 4 years was passed by the House and Senate just last week and sent to the White House. President Carter then announced that he would travel to New York on August 8 and have the bill-signing ceremony there, on the spot. Thus everything seemed in order at long last.

Now, however, the New York Times reports that "city officials are in a quandary about where to hold the ceremony." Apparently, the city council chamber is the largest room in city hall, but the home quarters of a legislative body has been deemed "not a dignified enough setting for the President to sign a law that the city vitally needs." There is evidently another room normally used for ceremonies in city hall, but the fact that that room was inadequate to handle a press conference by a rock group a couple of weeks ago seems to lead city officials to believe that it would not accommodate the President and his entourage either.

This is obviously a major problem, and it behooves all us who love New York City to try to come up with a solution. For the city to come this far, or, as I said on the floor the other day, for it to "con" or "hustle" us this far in getting $1.65 billion in guarantees out of the Federal Government—for all this to be accomplished, only to have the legislation founder due to the lack of a suitable place for the bill signing—this would be a public policy calamity of awesome proportions.

One solution has, I am sure, already occurred to the New York City officials, because it would be well in accord with the city's traditional practices. That would be to float bonds, say $50 million worth, to pay for the construction of a permanent bill-signing facility. Some might criticize this and say that it is a high price to pay. They would be guilty of using the same type of arguments used by those carping critics of the city's planned $258 million convention center—namely, that the city in its present financial distress should not be incurring additional debt and further adding to its debt service burden, especially for a facility which may not make a profit. But the fallacious nature of these arguments becomes apparent when you considered that if the bonds floated are sufficiently long-term, and if the interest rate is favorable, and if there are sufficient State subsidies as well, then the actual cost to the city taxpayers should be no more than a few million dollars a year, and it would obviously be far more sensible to build a bill-signing facility than not to build it. What is a few million out of a budget of $13.5 billion, particularly when you consider that the city would then have a magnificient facility that would be assured of being used at least once every 4 years.

However, there may be objections raised that there is not enough time left between now and August 8 both to float the bonds and to construct the bill-signing facility. If that is the case, then solutions to this problem will have to be sought elsewhere, outside of normal city procedures, perhaps by relying on existing facilities.

One logical possibility which springs to mind would be to hold the bill-signing ceremony at the true nexus of political power in New York City—the investment banking firm of Lazard Frères and Co. This is the home of Felix Rohatyn, outgoing chairman of the Municipal Assistance Corp., the city's financial wizard and the architect of the Federal guarantee program enshrined in the legislation.

Should this place again prove too small—and it may be that Lazard Fréres also lacks adeqate facilities for rock groups and Presidents—then we must seek elsewhere. Another obvious possibility would be to have the bill-signing ceremony take place where the benefits of the legislation will accrue. Thus I would suggest the vault at Morgan Guaranty Trust Co., where the President could be attended by an honor guard of municipal bond underwriters.

Should this place also prove unsuitable, should there be some nervousness, for example, at affording access to the bank vault to city officials and the press—especially the press—as well as the President, then we might have to look for another, larger, more open place. The location that comes to mind then is Yankee Stadium. Mr. President, my colleagues may recall that I have criticized

New York City for not collecting the $1 million a year rent due from Yankee Stadium, in small recompense for the $100 million the city paid to renovate the stadium a few years back. As a cogent example of the waste and mismanagement that brought New York City into the lap of the Federal Government to begin with, Yankee Stadium would be an ideal place for the bill-signing ceremony.

However, I do see a disadvantage to Yankee Stadium, in that it is not in the center of the city and therefore it might be a little difficult for those officials and other dignitaries who are not Yankee fans to get there. This means we should find a large hall right in the middle of the city.

It all boils down to the one and only logical choice. That is Madison Square Garden. There is no more fitting place for the President to sign the New York City loan guarantee bill than Madison Square Garden, scene of the 1976 Democratic National Convention, where Jimmy Carter won the Presidential nomination almost 2 years ago to the day.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my good friend from Nebraska.

Mr. CURTIS. I wonder whether the Senator has thought of inquiring whether or not there was some bankruptcy court that would be in recess that day, and they could use those chambers.

Mr. PROXMIRE. I think the Senator from Nebraska suggests a very apt location. It would be hard to find a court big enough, however, to handle the President, his entourage, the city officials, and so forth.

Mr. CURTIS. The citizens of New York are not going to sign as guarantors, are they? It is just one signature, is it not?

Mr. PROXMIRE. That is correct—on behalf of all the taxpayers.

Mr. CURTIS. If all the citizens of New York were going to sign as guarantors, it would take a big place. I would think it did not need such a big place.

Mr. PROXMIRE. I thank my friend from Nebraska.

THE GENOCIDE CONVENTION: A NEW RESOLVE FOR HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, on June 22, 1978, the General Assembly of the Organization of American States convened here in Washington. Coinciding with the OAS meeting, the Council on Hemispheric Affairs released a mid-year update of its 1977 human rights report. The council is a private, nonprofit research and informational organization supported by prominent Americans concerned with United States-Latin American relations.

The report is a country-by-country analysis of human rights in Latin America, and with the laudable exceptions of Jamaica, Costa Rica, and Venezuela, it is not encouraging. The realization of universal human rights is still but a dream for most Latin Americans.

According to the COHA report, the systematic use of repression threatens to become all too commonplace throughout the Americas. Few Latin American countries escaped the first half of this year without a major human rights violation.

Argentina, once again ranked as the No. 1 human rights violators in the hemisphere, witnessed a dramatic increase in the number of "disappearances," primarily of those hostile to the government. In Chile, the Government refuses to provide any information on an estimated 1,500 Catholics who have also "disappeared." In Guatemala over 100 Indian peasants were massacred at Panzos in late May. And these are but a few of the heinous crimes documented in the report.

Mr. President, we cannot silently watch the oppression of thousands of our Latin American neighbors. Indeed, the council urges us to take positive action.

Allow me to quote from the conclusion of the report:

> Because of the increased level and scope of oppression in the region, there is a profound need for a new resolve to make human rights a continuing policy priority.

Mr. President, what better way to reaffirm our commitment to human rights than to ratify the United Nations Genocide Convention. This crucial human rights treaty speaks directly to many of the incidents revealed in the council's report. Further, the ratification of the treaty would signal to Latin America, and to the world, that ours is a consistent, strong, and active human rights policy. The United States cannot afford anything else—far too many lives are at stake. We who so vigorously denounce those who violate human rights must take a concrete step toward guaranteeing the most fundamental of human rights—the right to live. I urge my colleagues to ratify the Genocide Convention. Let us show the world that human rights is indeed a continuing policy priority of the United States.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, with Senators being permitted to speak up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT OF THE NATIONAL SCIENCE BOARD—MESSAGE FROM THE PRESIDENT—PM 205

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation and the Committee on Human Resources, jointly, by unanimous consent:

To the Congress of the United States:

I am pleased to submit to the Congress the Tenth Annual Report of the National Science Board, entitled *Basic Research in the Mission Agencies: Agency Perspectives on the Conduct and Support of Basic Research.* This report is part of a continuing series in the Board's examination of key aspects of the status of American science.

It is now generally accepted that science and technology contribute in significant ways to our international trade balance, to productivity and economic growth, and to the solution of many of our social challenges. Perhaps less widely perceived is the fact that basic research is the foundation upon which many of our Nation's technological achievements have been built.

This report provides detailed evidence that basic research supported by Federal agencies not only contributes to America's scientific and technological advances, but also plays an active role in helping the Government meet our Nation's needs. Since taking office, I have encouraged the agencies to identify current or potential problems facing the Federal Government, in which basic or long-term research could help these agencies meet their responsibilities or provide a better basis for decision-making. As a result of this review process, my fiscal year 1979 budget proposed increased levels of funding for basic research—support that I believe is essential for the discoveries and technological innovations fundamental to both our economic well-being and our national security. The National Science Board's report illustrates well the relationship between basic and applied research, and I believe that the report will be useful to the Congress in completing its work on the R&D proposals before it.

In addition to addressing these fundamental issues the report should be helpful to the Congress and others concerned with setting priorities for future federally supported research and development, and in making our spending in this area more effective.

JIMMY CARTER.

THE WHITE HOUSE, *August 2, 1978.*

Mr. ROBERT C. BYRD. Mr. President I ask unanimous consent that a message from the President of the United States, transmitting the 10th Annual Report of the National Science Board, be jointly referred to the Committees on Commerce, Science, and Transportation and Human Resources.

MESSAGES FROM THE HOUSE

At 11:35 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to H.R. 8336, an act to enhance the outdoor recreation opportunities for the people of the United States by expanding the national park system, by providing access to and within areas of the national park system, and for other purposes, with an amendment in which it requests the concurrence of the Senate; and that the House

agrees to the amendment of the Senate to the title of the bill.

The message also annouced that the House has passed the following bills and joint resolution in which it requests the concurrence of the Senate:

H.R. 2656. An act for the relief of Caroline M. Babcock;

H.R. 3307. An act for the relief of Anthony Casamento;

H.R. 4030. An act to increase the period during which certain private foundations may continue to hold their May 26, 1969, interests in certain public utilities without being subject to the excise tax on excess business holdings;

H.R. 5044. An act to suspend the duty on strontium nitrate until the close of January 3, 1980;

H.R. 8428. An act for the relief of Gail Williamson;

H.R. 9998. An act to provide for the regulation of rates or charges by certain state-owned carriers in the foreign commerce of the United States, and for other purposes;

H.R. 10161. An act for the relief of Eastern Telephone Supply & Manufacturing, Inc.;

H.R. 12972. An act to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program; and

H.J. Res. 963. A joint resolution designating July 18, 1979, as "National POW-MIA Recognition Day."

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were read twice by their titles and referred as indicated:

H.R. 2656. An act for the relief of Caroline M. Babcock; to the Committee on the Judiciary;

H.R. 3307. An act for the relief of Anthony Casamento; to the Committee on Armed Services;

H.R. 4030. An act to increase the period during which certain private foundations may continue to hold their May 26, 1969, interests in certain public utilities without being subject to the excise tax on excess business holdings; to the Committee on Finance;

H.R. 5044. An act to suspend the duty on strontium nitrate until the close of January 3, 1980; to the Committee on Finance;

H.R. 8428. An act for the relief of Gail Williamson; to the Committee on the Judiciary;

H.R. 9998. An act to provide for the regulation of rates or charges by certain State-owned carriers in the foreign commerce of the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation;

H.R. 10161. An act for the relief of Eastern Telephone Supply & Manufacturing, Incorporated; to the Committee on Finance;

H.R. 12972. An act to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits programs; to the Committee on Finance; and

H.J. Res. 963. A joint resolution designating July 18, 1979, as "National POW-MIA Recognition Day"; to the Committee on the Judiciary.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-4077. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to redefine service in grade eligibility requirements for consideration by selection boards for promotion of active duty Navy male line officers, active duty Marine Corps male officers, active duty Navy women line officers, and active duty Marine Corps women officers; to the Committee on Armed Services.

EC-4078. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, relating to Marine Corps Officers: Promotion and Continuation on the Active List; to the Committee on Armed Services.

EC-4079. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 10 construction projects to be undertaken by the Army National Guard; to the Committee on Armed Services.

EC-4080. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on total itemized revenues and expenses, revenues and expenses of each train operated, and revenues and total expenses attributable to each railroad over which service is provided, for the month of April 1978; to the Committee on Commerce, Science, and Transportation.

EC-4081. A communication from the Acting Assistant Secretary of the Interior, reporting, pursuant to law, on an adequate soil survey and land acquisition of the lands in the Westside Water District, improvement district No. 1, central valley project, California; to the Committee on Energy and Natural Resources.

EC-4082. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Federal building, 325 West F St., San Diego, Calif., in the amount of $1,482,000; to the Committee on Environment and Public Works.

EC-4083. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Legislative Recommendations of the Commission on Government Procurement: 5 Years Later," July 31, 1978; to the Committee on Governmental Affairs.

EC-4084. A communication from the Inspector General, Office of the Secretary, Department of Health, Education, and Welfare, transmitting, pursuant to law, the fifth quarterly report covering the activities of the Office of Inspector General for the period April 1 to June 30, 1978; to the Committee on Governmental Affairs.

EC-4085. A communication from the Attorney General, transmitting, pursuant to law, a new system report and supporting documentation prepared in accordance with OMB Circular No. A-108, Management Information System (Justice/CRS-001); to the Committee on Governmental Affairs.

EC-4086. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on June 27, 1978, which would promote and facilitate medical studies, research, education, and the performance of obligations of medical review committees in the District of Columbia concerning medical records, information, and data (Act 2-236); to the Committee on Governmental Affairs.

EC-4087. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on June 27, 1978, which would amend the Rental Housing Act of 1977 (D.C. Law 2-54) (Act 2-237); to the Committee on Governmental Affairs.

EC-4088. A communication from the Director, Management and Organization Division, Environmental Protection Agency, transmitting, pursuant to law, information relative to five systems of records maintained by the Agency which are governed by the provisions of the Privacy Act of 1974; to the Committee on Governmental Affairs.

EC-4089. A communication from the Executive Director, National Commission on Libraries and Information Science, transmitting, pursuant to law, a report on a proposed new system of personal records subject to the Privacy Act which the Commission proposes to establish; to the Committee on Governmental Affairs.

EC-4090. A communication from the Acting Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations), transmitting a draft of proposed legislation to amend title 5, United States Code, to entitle Civil Air Patrol Cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in the event of disability or death and to increase the amount of that compensation; to the Committee on Governmental Affairs.

EC-4091. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law orders suspending deportation in the cases of Leopoldo Almaguer-Arrieta, All 362 633, and Koon Park Lee, A17 737 350; to the Committee on the Judiciary.

EC-4092. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

EC-4093. A communication from the Chairman and members, Commission on Civil Rights, transmitting, pursuant to law, a report entitled "Social Indicators of Equality for Minorities and Women," August 1978; to the Committee on the Judiciary.

EC-4094. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend Chapter 47 of title 10, United States Code (Uniform Code of Military Justice) to prescribe the power of the President to promulgate procedural rules for the administration of military justice within the armed forces; to the Committee on the Judiciary.

EC-4095. A communication from the Chairman, National Commission on New Technological Uses of Copyrighted Works, transmitting, pursuant to law, the final report of the National Commission on New Technological Uses of Copyrighted Works, July 31, 1978; to the Committee on the Judiciary.

EC-4096. A communication from the President of the United States, transmitting a request for supplemental appropriations for the fiscal year 1978 in the amount of $378,000,000 for the Small Business Administration; to the Committee on Appropriations.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-766. A resolution adopted by the City Council of Saint Paul, Minn., relating to human rights; to the Committee on Foreign Relations.

POM-767. A resolution from a citizen relating to the Equal Rights Amendment; to the Committee on the Judiciary.

POM-768. A resolution from a citizen relating to the Equal Rights Amendment; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERT C. BYRD, from the Committee on Appropriations with amendments:

H.R. 12932. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 95-1063).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PERCY:

S. 3366. A bill to require bi-annual reports to Congress on the effectiveness of Government programs, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BELLMON:

S. 3367. A bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain from the involuntary conversion of real property by condemnation through eminent domain; to the Committee on Finance.

By Mr. HEINZ:

S. 3368. A bill to amend title I of the Housing and Community Development Act of 1974 to broaden the eligibility for section 108 loan guarantees; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. McINTYRE (for himself and Mr. DURKIN):

S. 3369. A bill to promote competition in the marketing of petroleum products by providing for a moratorium on further control or acquisition of marketing outlets by petroleum producers and refiners, and for other purposes; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 3370. A bill to suspend certain Treasury Department and Internal Revenue Service action dealing with State and local financing; to the Committee on Finance.

By Mr. DeCONCINI (for himself, Mr. CANNON, and Mr. CHURCH):

S. 3371. A bill to repeal certain provisions of law establishing limits on amount of land which certain religious corporations can hold in any Territory of the United States; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PERCY:

S. 3366. A bill to require biannual reports to Congress on the effectiveness of Government programs, and for other purposes; to the Committee on Governmental Affairs.

GOVERNMENT ACCOUNTABILITY ACT OF 1978

Mr. PERCY. Mr. President, I am pleased today to introduce the Government Accountability Act of 1978. The very able Congressman BILL STEIGER is introducing a companion bill in the House. The goal of our bill is quite simple. Namely, to provide the public and Congress with a ranking of Federal programs so that those glaringly ineffective and mismanaged programs will stand out.

At June hearings of the Governmental Affairs Committee witnesses testified about rampant waste and corruption at the General Services Administration. The special counsel appointed by Administrator Jay Solomon estimated that at least $66 million a year was being stolen outright by GSA employees and that when noncriminal negligence is taken into account, the figure climbs to over $100 million. More recently, reports about a top level management dispute between the Administrator and his deputy have appeared in the press, revealing apparently deep differences of opinion about the way the agency and its many programs should be run.

The new Inspector General of the Department of Health, Education, and Welfare also laid open the workings of that agency earlier this year, revealing colossal waste and mismanagement of Federal funds. As with the GSA scandals, the HEW report made it quite clear that Federal programs were suffering from this squandering of the taxpayers' dollar.

Mr. President, it is rare for the public to be able to view the workings of major Government agencies in this way. Disputes over programs, funding and management are usually well insulated from public view. Program managers seek to protect their own turf and agencies generally seek to quash internal differences so that the agency's programs do not come under close scrutiny by congressional appropriating and authorizing committees. The rule seems to be, in most cases: Cover your tracks.

In private industry, such machinations do not generally go undetected for very long. Businesses have too much to lose to tolerate this kind of inefficiency and intrigue. Those that do not police their own ranks are soon out of business or before the bankruptcy judge.

The Government, as we all know, operates by different rules than the private sector. This is not completely unusual, because Government provides services that private business is either unable or unwilling to provide. Government is simply not business, but the business of Government should be managed with some of the same toughness of purpose, leanness and efficiency that has characterized the private sector in America.

This means that the efficient standards of the private sector should be applied to the operations of Government. We have a long way to go in even trying to bring a semblance of efficiency into Federal program management, however, because we know so little about how specific programs actually work. Congress has tried to bring modern business techniques into the governmental process. In 1974 we passed the Congressional Budget and Impoundment Control Act which has, for the first time, given us an overview of the budget and an opportunity to vote on our priorities. The budget process is helping us get a handle on a budget that is approaching the $500 billion level.

The Senate Governmental Affairs Committee has also closely studied and reported with the strong advocacy of Senators MUSKIE, RIBICOFF, ROTH, and myself, S. 2, the Sunset bill, which would, in the words of the committee report, evaluate Federal programs by "establishing a systematic and orderly procedure for reconsideration by Congress of its past program enactments, in order that the Congress can first, have increased options available to it in the near future for allocating Federal resources and establishing Federal policies to meet changing national needs; and second, exercise greater responsibility for the results of its past legislative work." I feel that this measure will take us a long way down the road to more efficient and less costly Government.

Despite these new and proposed congressional procedures, it is imperative for their complete success that the President—our Nation's Chief Executive Officer—make his own report to the Congress on the management of all the programs administered by the executive branch. Laurence H. Silberman, a former Under Secretary of Labor, Deputy Attorney General and Ambassador has recently written about the difficulties of effectively reviewing Federal programs in the new journal, Commonsense. We are indebted to Mr. Silberman for his analysis of the Federal bureaucracy and how it works with special interest groups to maintain vested program interests.

Mr. Silberman points out in his article that although there is widespread agreement that the size of American Government should be brought under control, there is no similar widespread agreement on what areas should be trimmed or reorganized to be made more efficient. In short, he contends that "since there is no uniform method of evaluating programs, generating a national political consensus as to prime targets for elimination is extremely difficult."

Congressman BILL STEIGER and I agree with Mr. Silberman that the best way for the public to know how programs are being managed is to have a ranking of programs within each department. The ranking would be based on three basic criteria: Clarity of the statutory objectives, design of the program and the quality of its management. A bit annual management report by the President to Congress would be the appropriate vehicle for the ranking. Our bill requires not only a ranking, but a Presidential explanation of the ranking. In addition, programs would be designated as "excellent," "adequate," or "unsatisfactory."

Presidents of different political persuasions will have different priorities and objectives for major programs and the report will vary from administration to administration. Presidents will have to include programs which are authorized by statute and which are subject to the appropriations process, but would not include independent regulatory agencies or the Executive Office of the President.

Our bill would also require the Director of OMB to identify programs, including those of the independent regulatory agencies, that have seemingly contradictory arms or inconsistencies. In some cases, the OMB Director might find an existing but contradictory program arrangement beneficial, in which case he will be required to explain the reasons for retaining the arrangement and the effect on the management of the programs. In short, the burden of

proof will be on the programs to prove themselves. Those that cannot measure up will be carefully reviewed by Congress possibly reduced or eliminated. Timing of the reports in conjunction with the President's budget submission will provide the opportunity to work this into the regular legislative agenda.

The Government Accountability Act does not specify what steps Congress must take upon receipt of the management report. I have no doubt that each committee will instinctively want to review the low-ranked programs within its jurisdiction. Committees may want to examine the top-rated programs, too, to see what it is that makes them so effective. Both the Congressional Budget Office and the General Accounting Office stand ready to help in this evaluation of the President's report. Their comments would be invaluable to the congressional consideration of specific programs.

Mr. President, if there is one thing we should learn from the California vote on proposition 13, it is that the resources of Government are finite. Taxpayers will not stand idly by while the Government takes more and more of their paychecks for dubiously effective, in fact demonstratively inefficient, programs. We have hit the breaking point.

One reason why taxpayers are justifiable angered over the growth in government is the Government's seeming inability to improve or eliminate programs that are not delivering on their promised objectives, due either to mismanagement or misdirected funding. The management report will serve notice to agency executives that their tenure will be evaluated not only by their new program initiatives but, more importantly, by their success in administering existng programs. Ths change in the perception of how one succeeds in the Washington bureaucracy should itself lead to an improvement in the way we are governed. I have long felt that the Office of Management and Budget has traditionally emphasized the budgetary aspect of its responsibility with considerably less attention being paid the management side. Passage of this bill will even out priorities within the OMB and lead to increased scrutiny of program management.

It is obvious that the recent scandals at GSA and HEW are not the way to make public policy. We need a system to root out mismanagement and inefficiency rather than relying on periodic upheavals in a few agencies. A few days ago I came across a lecture that was delivered in 1974 by G. William Nutter, professor of economics at the University of Virginia and past Assistant Secretary of Defense for International Security Affairs. Professor Nutter has, like Mr. Silberman, defined the nub of the dilemma confronting us in government:

> Who can see what will come in the next two centuries any more clearly than our forefathers could envisage what vast change lay ahead in the two centuries just completed? In a way, our starting point is similar to theirs. Recall the traditional mercantilist controls of central government rejected by our Founders: the fixing of prices, wages and interest rates; the outlawing of forestalling and engrossing; the regulating of the quality of goods; the licensing of labor; the setting of sumptuary standards; the granting of monopoly rights; the chartering of corporations; and the establishing of state enterprises. They have all found a congenial home in the New Deals, Fair Deals, New Frontiers, Great Societies, and New Federalisms of our age. Yet. the very environment being created by them affords us something to react against in the same way that our forefathers did, perhaps once again to the benefit of liberty. As the saying goes, good judgment comes from experience, and experience comes from bad judgment."

Mr. President, our Government has reached the limits of its peacetime size. Government programs are going to have to compete for the resources available to us. Like our Founding Fathers, we must identify those programs that are ineffective and eliminate them. The management report will move us a long way in that direction and give the American people the responsive government they deserve.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3366

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Government Accountability Act of 1978."

SEC. 2. (a) The Congress finds that—

(1) the public confidence in the ability of the Congress and the Executive branch to manage the Federal government effectively has declined;

(2) the Federal government is not as accountable as it should be in serving the public interest;

(3) the Federal government, unlike private enterprise, has no built in mechanism for calling attention to and eliminating programs that are not proving to be cost effective;

(4) the Executive branch, the Congress and the public do not possess adequate information on the relative effectiveness of Federal programs;

(5) the taxpaying public is properly demanding more accountability for the expenditure of tax revenues and demanding that public expenditures

(6) the further uncontrolled growth of government will pose a threat to our democratic society and economy;

(7) the Federal government cannot be competently managed and new programs for future needs cannot be implemented unless workable management techniques are developed to assess program effectiveness; and

(8) such limitations demand that all Federal programs should be evaluated using traditional management standards and that ineffective programs should be strengthened to better serve the public or eliminated.

(b) The purposes of this Act are to—

(1) provide for a far more professional and efficient management of the Federal government;

(2) identify those programs which are ineffective and determine the cause of their ineffectiveness;

(3) encourage the development of uniform methods for evaluating Federal programs;

(4) provide Congress additional tools needed to identify ineffective Federal programs.

SEC. 3. (a) For the purposes of this Act—

(1) The term "program" means an organized set of activities carried out pursuant to separate statutory authorization or for which Federal expenditures are specifically allocated by the Federal government, and which can be evaluated in terms of relative effectiveness in pursuing a governmental goal, but shall not include national foreign intelligence activities;

(2) The term "executive department" shall have the meaning given it in Section 101 of title 5, United States Code;

(3) The term "independent establishment" shall have the meaning given it in Section 104 of title 5, United States Code, except that it includes the United States Postal Service and the Postal Rate Commission, but does not include the General Accounting Office or the Independent Regulatory Agencies.

SEC. 4 (a) At the beginning of the 96th Session of Congress and every two years thereafter the President shall submit to the Congress a report on the management of the executive branch (hereinafter called the "Management Report"). The Management transmitted to the Congress under section 201 of the Budget and Accounting Act, 1921.

(b) It is the intent of Congress that the President shall be granted full discretion in the design of the Management Report provided that

(1) Programs shall be:

(i) designated within each Executive department and within each independent establishment, according to their relative effectiveness, as "excellent," "adequate," or "unsatisfactory," and

(ii) ranked as to their effectiveness relative to all other programs within each category in that Executive department or within that independent establishment.

(2) The designation and ranking of programs as to relative effectiveness shall be determined by the degree to which each program's statutory objective is being met, which shall be based on:

(i) the clarity of the statutory design and objective upon which the program is based,

(ii) the overall design of the program as effectuated by the responsible Executive department or independent establishment, and

(iii) the overall quality of the management of the program by the responsible Executive department or independent establishment.

(c) The Management Report shall include the President's reasons for the program designations and rankings he has made.

(d) The Management Report shall include a list of those programs or areas the President recommends for administrative or Congressional improvement during that Congress.

(e) The Management Report shall include the report of the Director of the Office of Management and Budget required under Section 5 of this Act, including the President's recommendations and proposed actions pursuant to it.

SEC. 5. (a) The Director of the Office of Management and Budget (hereinafter called the "Director") shall provide an evaluative report on Federal programs to the President which shall be forwarded to the Congress by the President with his Management Report.

(b) In his report the Director shall identify any programs, including those carried out by the Independent Regulatory Agencies, that are contradictory to other Federal programs and recommend corrective legislation. The Director shall also recommend the termination or modification of any programs whose relative ineffectiveness no longer justifies continued Federal expenditures or only justifies a lower level of Federal expenditures.

SEC. 6. The President may from time to time submit to the Congress reports supplementary to the Management Report, each of which shall include such supplementary or revised recommendations as he may deem

necessary or desirable to achieve the purposes of this Act. The Director may, from time to time, submit to the President reports supplementary to the report required by Section 5.

By Mr. BELLMON:

S. 3367. A bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain from the involuntary conversion of real property by condemnation through eminent domain; to the Committee on Finance.

CAPITAL GAINS EXEMPTION

● Mr. BELLMON. Mr. President, today I am introducing legislation to help remedy inequities that inevitably occur from the compulsory or involuntary conversion of real property by condemnation through eminent domain. This bill mandates that no gain shall be recognized by the Internal Revenue Service in the case of real property compulsorily or involuntarily converted by condemnation under an eminent domain proceeding, or similar proceeding of a government or government agency, if the property has been held by the taxpayer for a 5-year period immediately preceding the date of such conversion.

When the Federal, State, or local governments condemn privately owned real estate for public use, the respective property owner is paid the fair market value of the property on the date of the conversion as is required by the United States Constitution. The Internal Revenue Service allows a taxpayer who has been forced to sell property and who reinvests the proceeds within 3 years in the same kind of property exemption from tax liability. Unfortunately, there is no way for the law to guarantee that the citizen will not come out on the "short end" of a condemnation proceeding. Inflation, the costs of locating property to buy, loss of earnings during the transition, and other factors frequently seriously injure property owners caught up in forced sales.

The legislation that I am introducing today is intended to help make sure that a citizen who is forced to sell real property under eminent domain does not suffer a loss in the transaction.

A good example of a property owner who came out on the "short end" is a farmer in Oklahoma who was forced to sell his land to make way for an Army Corps of Engineers flood control project. Condemnation took place in the early 1970's when land prices were spiraling. By the time this farmer was able to find suitable farmland to replace his condemned farm, the "fair market value" proceeds would only buy a little over one-half the acreage of his former farm. Similar cases can be found in many States.

Another dilemma occurs when an older property owner loses real property through eminent domain condemnation. Although the property owner may be ready to retire, the law now mandates reinvestment in comparable property which the owner may be unable to operate or manage, otherwise the property owner is forced to pay what is often a sizable tax liability.

The legislation I am introducing today is intended to give property owners, who are forced to sell their land to the Government, more equitable treatment.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (2) of section 1033 of the Internal Revenue Code of 1954 (relating to involuntary conversions) is amended by adding at the end thereof the following new subparagraph:

"(F) Condemnation under eminent domain proceedings.—No gain shall be recognized in the case of real property compulsorily or involuntarily converted by condemnation under an eminent domain proceeding, or similar proceeding of a government agency, if the property has been held by the taxpayer for the five-year period immediately preceding the date of such conversion.".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to property the involuntary conversion of which occurs after the date of enactment of this Act.●

By Mr. HEINZ:

S. 3368. A bill to amend title I of the Housing and Community Development Act of 1974 to broaden the eligibility for section 108 loan guarantees; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING LEGISLATION

● Mr. HEINZ. Mr. President, today I am introducing legislation to amend title I of the Housing and Community Development Act of 1974 to broaden the eligibility for section 108 loan guarantees.

At the outset, I want to emphasize that this legislation would not call for any additional Federal expenditures, nor even any increase in loan guarantees under this program; it would simply broaden the eligibility of the 108 section to include activities now eligible under section 105(a)(14), (A) and (B), as well as equipping of commercial and industrial buildings. These activities could be carried out by public or private nonprofit entities when such activities are necessary or appropriate to met the needs and objectives of the community development plan, including acquisition, construction, rehabilitation, reconstruction, or installation of, first, public facilities, site improvements, and utilities; and, second, commercial or industrial real property improvements.

The existing section 108 language has not attracted many applicants, because the eligible activities are inappropriate, for the most part, for a 6-year loan guarantee. Expanding the scope of the program to equip or improve industrial sites is a more fitting purpose for a 6-year loan, and would lead to attracting economic development activities.

Although many urban areas have been interested in the loan guarantee concept for leveraging private development, these areas have requested the administration to improve this program to adjust to more realistic goals. I am pleased to say that the Department of Housing and Urban Development does strongly support my bill. It would provide an excellent compliment to the Urban Development Action Grant program, encouraging private investment in declining urban areas. It would, however, come at no additional cost to the Federal Government, and the benefits would be enormous.

It strikes me that as part of our determined effort to revitalize our urban neighborhoods, we should revitalize urban economic opportunities. We have moved wisely in the Congress already this year to bring new life to low- and moderate-income neighborhoods, but I think it would be only logical to provide job opportunities in these same neighborhoods. Our cities have, in many parts, become wastelands: jobs are increasingly moving out to suburban development parks. If our urban neighborhood strategy is to have meaning, we had best follow it up with economic opportunities that truly do have meaning.

As an example of the potential benefits of my bill, I would point to a request by the city of Detroit. There, the city would like to use the 108 loan guarantee to equip a building for lease to an auto plant. A typical loan for equipping would be on a 6-year term. Through the use of a loan guarantee, which would be possible under this bill, Detroit would be able to lease a facility which would bring private investment back into the city. The additional benefits are, perhaps, the most important. There would be many jobs created to rehabilitate and equip the facility. Once the plant was prepared, many inner city residents could, at last, find employment on a permanent basis.

While there have been concerns expressed about issuing loan guarantees, I would like to emphasize that in this instance we are not creating any additional risks to the Federal Government. The loan guarantee amounts are already present in the statutes. Moreover, the loan guarantees may be no larger than three times the current community development block grant award. The Secretary of HUD is required to determine that over the period of the loan guarantee there will be sufficient block grants to act as full collateral for the loan amount. Thus, in contrast to some loan guarantee programs, we are not creating a new program, nor are we dealing with a program which carries a threat to the Federal budget. Rather, we have an opportunity to make a UDAG program effective at no cost and with remarkable opportunities for our urban areas.

In sum, I believe this legislation would provide an excellent opportunity to assist UDAG eligible cities. We all know only too well that the amount of grant money available to the UDAG program is insufficient to meet all the eligible urban applicants. This legislation marks a significant expansion of the ability of the Federal Government to assist cities in bringing help from the private sector to create new jobs and new opportunities, but at no cost to the taxpayers. In fact, it would seem more than likely that passage of this bill would set up a two-way street where Federal loan guarantees to urban areas would lead to

urban revitalization and greater returns to the Federal Treasury.

I would hope that my colleagues, upon careful review and consideration of the plight of our cities, would support this measure.

I ask unanimous consent that the text of my bill appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 108(a) of the Housing and Community Development Act of 1974 is amended to read as follows: "The Secretary is authorized upon such terms and conditions as the Secretary may prescribe, to guarantee and make commitments to guarantee the notes or other obligations issued by units of general local government, or by public agencies designated by such units of general local government, for the purpose of financing the acquisition of real property or the rehabilitation of real property owned by the unit of general local government, and additionally, in the case of a unit of general local government eligible for assistance under section 119, the carrying out of activities eligible for assistance under section 105(a)(14) (A) and (B) or the equipping of commercial or industrial real property improvements eligible for assistance under section 105(a)(14) (A) and (B). Activities specified in the preceding sentence may include such related expenses as the Secretary may permit by regulation.".

By Mr. McINTYRE (for himself and Mr. DURKIN):

S. 3369. A bill to promote competition in the marketing of petroleum products by providing for a moratorium on further control or acquisition of marketing outlets by petroleum producers and refiners, and for other purposes; to the Committee on the Judiciary.

PETROLEUM MARKETING MORATORIUM ACT

● Mr. McINTYRE. Mr. President, I am introducing today the Petroleum Marketing Moratorium Act to protect the Nation's independent service station operators from being driven out of business by their own suppliers, the major oil companies.

Since the Arab oil embargo, the major oil companies have been trying to take a larger share of the Nation's gasoline market—not just from other companies, but from their own dealers as well.

I am not against competition. To the contrary, I believe that vigorous market competition is the only way to protect consumers from unwarranted price increases, fat profits, and waste in the marketplace. And I believe that substantial competition exists in the retailing of gasoline.

But the major oil companies' actions toward gasoline retailing are not competitive in the traditional sense. The oil companies are trying to take over the gasoline retailing business in many instances by terminating their own dealers' supply and canceling leases, and then opening company-operated outlets—often at the same locations.

The independent small businessman cannot compete with this kind of competition. He does not stand a chance against a battery of oil company lawyers and economists.

The statistics back me up. In November 1974 the total number of independent service stations across the Nation was 178,900, according to the statistics that the U.S. Department of Energy has published.

By November of 1975, the number of dealers had dropped to 168,200. And by last January, there were only 149,600 dealers—a shocking decrease of nearly 30,000 in just 3 years.

During that same time, the number of refiner-operated stations increased from 12,500 to more than 16,000.

In addition to terminating their dealers, some major oil companies sell to their own company-operated stations at prices far lower than those they charge to independent dealers. As a result, company-operated stations can sell at lower prices to the public than dealer stations. This allows the major company to drive its own dealers and other dealers out of business.

This tactic is succeeding as well. During the 3-plus years from November 1974 to January 1978 the average monthly sales volume at refiner-operated stations rose from 61,000 to 69,100 gallons, a 12-percent jump per station. The market share of dealers dropped from 79 percent in November 1974 to less than 71 percent in July 1977. The market share of refiner stations rose from 13.3 percent of all gasoline sales to 18.9 percent. This is a 42-percent increase in business in just 4 years.

Major oil companies have the power to control the retail gasoline market because they make substantial profits in production of crude oil. Company-operated gasoline stations provided outlets for the gasoline made from this crude oil. The major oil companies can afford to subsidize their retail stations to keep crude oil moving.

Once the independent service station dealer is driven out of business, the major oil companies will face less competition. When that happens, Big Oil can knock off its other competitors, the independent small jobber who operates his own gasoline outlets, and then the large independent gasoline retail chains.

As competitions are driven from each street corner, the public suffers. The remaining stations can raise their prices. If all the major oil companies' competitors are driven out, there will be no limit to the price that the oil companies will be able to charge for gasoline.

Equally important is the fact that most of the oil company stations sell gasoline only, and do not provide the broad range of repairs and services supplied by the typical independent service station. In an economy such as that of New Hampshire, where we depend on tourism, and in our cold winters, when road services are more than just a convenience, the service station operator is an economic and social necessity. His existence must be protected from unwarranted takeovers by giant companies seeking only profits.

There are many ways that this problem could be solved. One would be to enact pricing legislation that forbids major oil companies to supply gasoline to their own stations at prices lower than the prices they charge to other wholesale customers. House and Senate committees reviewed this idea, and found it fraught with difficulties.

Another solution would be to force oil companies out of retailing altogether. I have advocated retail divestiture in the past, and I still believe that it is a potentially good solution to the problem.

The State of Maryland and the District of Columbia have both approached the problem this way, and recently the U.S. Supreme Court upheld the constitutionality of their laws. So it is clear that this is a viable approach.

However, in this legislation, I have chosen to take a more moderate middle ground. Recognizing that there is no legislative way to cure past evils or to return the businesses of those who were driven from the market by unfair price competition or lease terminations, I am proposing a moratorium on further development of directly operated gasoline stations by major oil companies.

This bill, the Petroleum Moratorium Act, would forbid major oil companies from opening or operating any new retail outlet after the date of enactment.

Because similar abuses have taken place in the marketing of home heating oil, this legislation also forbids major oil companies from opening or operating any retail outlets to sell heating oil as well.

In closing, Mr. President, I urge my colleagues to act quickly on this legislation and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3369

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Petroleum Marketing Moratorium Act".

SEC. 2. It is the purpose of this Act to assist in reducing inflation, and protecting the purchase power of the dollar by making more competitive the marketing of petroleum products.

SEC. 3. As used in this Act, the term—

(1) "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, joint-stock companies, trustees and receivers in bankruptcy and reorganization, common-law trusts, or any organized group, whether or not incorporated;

(2) "production" means the development of oil lands within the United States, the production of crude petroleum and natural gas thereon, and the storage of crude petroleum and natural gas thereon;

(3) "transportation" means the transportation of petroleum products by means of pipelines, railroads, or tankers;

(4) "refining" means the refining, processing, or converting of crude petroleum, fuel oil, or natural gas into finished or semi-finished products, and includes the initial sale with transfer of ownership of refined petroleum products to customers at the refinery;

(5) "marketing" means the sale and distribution of refined petroleum products other than the initial sale with transfer of

ownership of refined petroleum products to customers at the refinery;

(6) "control" means actual or legal power or influence over another person, whether direct or indirect, arising through direct or indirect ownership, ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing agreements, in which the result is used to affect or influence persons engaged in the marketing of petroleum products;

(7) "outlet" means real property used primarily as a place for the wholesale or retail sale of petroleum products; and

(8) "operate"means engaging in the wholesale or retail sale of petroleum products, motor vehicle parts, motor vehicle equipment, motor vehicle accessories, or motor vehicle supplies, directly, or indirectly through any agent who receives any commission, compensation, or payment because of the sale of such product, part, equipment, accessory, or supply.

(9) "major market shareholder" means a refiner who is not an "independent refiner" or a "small refiner" as those terms are defined in section 3 of the Emergency Petroleum Allocation Act of 1973, as amended (15 U.S.C. 752).

SEC. 4. Any major market shareholder directly or indirectly engaged in the production, refining, or transportation of petroleum products shall not acquire, operate, or control, directly or indirectly, any retail outlet for the marketing of petroleum products which was not acquired, operated, or controlled by such person as of the date of enactment of this Act.

SEC. 5. Any person who knowingly violates section 4 of this Act shall upon conviction be punished by a fine not to exceed $100,000, or by imprisonment not to exceed ten years, or both. A violation by a corporation is also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who have authorized, ordered, or done any of the acts constituting the violation by the corporation, in whole or in part.

SEC. 6. (a) Any person who violates section 4 of this Act shall be subject to a civil penalty of not more than $10,000 for each day during which such violation continues.

(b) The Attorney General shall bring a civil action for appropriate relief, including a permanent or temporary injunction, against any person who violates section 4. Any action under this section may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

SEC. 7. Any person injured as a result of a violation of section 4 may bring an action to enforce compliance with or enjoin any such violation and for any damages suffered as a result of such violation. Any such action shall be brought in the United States district court in any district in which the defendant is found or is an inhabitant or transacts business. Process in any such case may be served in any other district.

SEC. 8. This Act does not affect the rights and duties that matured, penalties that were incurred, and proceedings that were begun, before the date of enactment of this Act.●

By Mr. BENTSEN:

S. 3370. A bill to suspend certain Treasury Department and Internal Revenue Service action dealing with State and local financing; to the Committee on Finance.

● Mr. BENTSEN. Mr. President, I am today introducing legislation to suspend until the end of 1979 certain Treasury Department and IRS actions relating to municipal bonds which could have a very serious adverse impact on the student loan program and other important governmental functions in Texas as well as many other States.

Officials of the State of Texas have informed me that recent administrative interpretations of our tax laws would frustrate efforts of State and local governments to carry out their normal financing and administration of public funds.

A suspension of further rulings and regulations in this area would enable the Senate Finance Committee and the House Ways and Means Committee to conduct hearings, carefully review the entire issue, and make appropriate policy decisions.●

By Mr. DECONCINI (for himself, Mr. CANNON, and Mr. CHURCH):

S. 3371. A bill to repeal certain provisions of law establishing limits on amount of land which certain religious corporations can hold in any territory of the United States; to the Committee on Environment and Natural Resources.

● Mr. DECONCINI. Mr. President, I am introducing today a bill on behalf of Senator CHURCH, Senator CANNON, and myself to repeal certain statutes affecting land acquisition by religious organizations in U.S. territories. I am quite certain that the majority of my colleagues are not aware that such a blatantly discriminatory statute remains on the books.

In 1851, prior to statehood, the Church of Jesus Christ of Latter-day Saints established a provisional government in Utah under the name of the State of Deseret and was granted an ordinance of incorporation. Congress had previously adopted an organic act establishing a territorial government in Utah, but that government was not organized until after the passage of the church charter. Subsequent to its organization, the territorial government twice passed measures which, in effect, validated the church's charter.

At that time, polygamy was a sanctioned religious doctrine of the Mormon faith—one that was not only practiced, but encouraged. This led Congress to adopt strong antipolygamy statues. The first of these, which this bill would repeal, was enacted in 1862 and is entitled, "A bill to punish and prevent the practice of polygamy in the territories of the United States and other places, and disapproving certain acts of the legislative assembly of the territory of Utah".

Section 1 defines polygamy as "bigamy" and provides for both prison terms and fines for a violation. Section 2 repeals the ordinance incorporating the church. Section 3, which is the specific subject of our legislation, prohibits any religious organization from owning land in any U.S. territory in excess of $50,000. Real estate acquired or held contrary to this limitation must be forfeited and escheat to the United States. It excludes land held for house of worship, parsonages, and burial grounds. Subsequent measures refined the antipolygamy statutes; however, the land holding prohibitions were retained.

Mr. President, in reviewing the legislative history of this statute, it seems clear that the Members of the 37th Congress were deeply concerned about the growth of the practice of polygamy. They employed a legislative remedy as a means to condemn and discourage this practice. Senator Bayard seemed to express the mood of Congress best when speaking in support of the bill in June 1862. He stated:

> I am satsified there is great danger in that Territory (Utah), under its present government, that ecclesiastical institutions which prevail there will ultimately become the owners in perpetuity of all the valuable land in that Territory, and so afford a nucleus for the permanence of their general institutions, unless a stop be put to it by act of Congress.

The imposition of severe criminal penalties for the practice of polygamy was sufficient statement of U.S. policy on this subject.

The constitutionality of this provision was challenged in 1889 in the cast of the Mormon Church against the United States. In upholding the statute, the Supreme Court reaffirmed the plenary power of Congress over U.S. territories, and sustained the repeal of the incorporation of the Mormon Church. Citing precedents in the general law of charities, the Court determined that all lands of the church devolved to the United States and were to be disposed of by the Secretary of the Interior in a manner which best reflected the needs of the residents of the Territory of Utah.

In a dissenting opinion, however, Chief Justice Fuller, speaking also for Associate Justices Lamar and Field, argued:

> I agree that the power to make needful rules and regulations for the Territories necessarily comprehends the power to suppress crime; and it is immaterial even though that crime assumes the form of a religious belief or creed. Congress has the power to extirpate polygamy in any of the Territories, by the enactment of a criminal code directed to that end; *but it is not authorized under the cover of that power to seize and confiscate the property of persons, individuals, or corporations, without office found, because they may have been guilty of criminal practices.* (emphasis added)

The Court's decision occurred before the practice of polygamy had been abandoned by the Mormon Church in 1890. By 1896, the year of Utah's statehood, Congress had returned all lands escheated to the United States as a result of the 1889 decision to the church.

The legislation we offer today, Mr. President, in no way alters any antipolygamy criminal statute. Our purpose is to remove those antiquated and constitutionally suspect provisions of law which prevent religious organizations from holding property in U.S. territories which were enacted as punishment for a practice abandoned by the Mormon Church in 1890.

This statute was brought to our attention as a result of the efforts of the Mormon Church to build a temple and visitors center on American Samoa on 300 acres of land it purchased in 1952. The statutory reference to "Territories" can be taken to mean those territories destined for statehood. Since American

Samoa does not fall into that category, it could be argued that the law does not apply.

I submit, Mr. President, that the statute is of vital concern to the church on at least two counts. First, the question of applicability to the American Samoa project is unresolved, and needs to be clarified. But more importantly, the very presence of this obnoxious statute in our Nation's legal code is an affront to the Mormon Church of the 20th century. This punitive law was enacted against the practice of polygamy, a doctrine abandoned by the church almost a century ago. I should think it only fair, Mr. President, for the Congress to reciprocate by repealing this unjust and prejudiced statute.●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MUSKIE, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 2, a bill to require authorizations of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes.

S. 1860

At the request of Mr. ROTH, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 1860, a bill to provide for permanent tax rate reductions for individuals and businesses.

S. 3116

At the request of Mr. KENNEDY, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 3116, a bill to amend the Public Health Service Act to provide assistance through formula and project grants for preventive health programs, and for other purposes.

S. 3118

At the request of Mr. KENNEDY, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 3118, a bill to create programs designed to promote health through smoking deterrence.

S. 3229

At the request of Mr. GLENN, the Senator from Michigan (Mr. RIEGLE), and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 3229, the Postal Service Amendments Act of 1978.

SENATE JOINT RESOLUTION 149

At the request of Mr. MELCHER, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of Senate Joint Resolution 149, to direct the Civil Aeronautics Board to disapprove any renewal and terminate any effect of the Airlines Mutual Aid Pact and to provide for a study and report on alleviating airline strikes.

AMENDMENT NO. 3409

At the request of Mr. PERCY, the Senator from Maryland (Mr. SARBANES) and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of amendment No. 3409 intended to be proposed to S. 991, the Department of Education bill.

AMENDMENTS SUBMITTED FOR PRINTING

CIVIL SERVICE REFORM—S. 2640

AMENDMENTS NOS. 3410 THROUGH 3418

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted nine amendments intended to be proposed by him to S. 2640, a bill to reform the civil service laws.

EXPORT-IMPORT BANK AMENDMENTS—S. 3077

AMENDMENT NO. 3419

(Ordered to be printed and to lie on the table.)

Mr. TOWER (for himself, Mr. BAYH, Mr. CURTIS, Mr. DANFORTH, Mr. DOLE, Mr. GOLDWATER, Mr. HASKELL, Mr. LUGAR, and Mr. MCCLURE) submitted an amendment intended to be proposed by them, jointly, to S. 3077, a bill to amend and extend the Export-Import Bank Act of 1945, and for other purposes.

● Mr. TOWER. Mr. President, I am submitting an amendment today, on behalf of Senators BAYH, CURTIS, DANFORTH, DOLE, GOLDWATER, HASKELL, LUGAR, MCCLURE, and myself, to S. 3077, the Export-Import Bank Act Amendments of 1978. The amendment would require the Export-Import Bank to play a more aggressive role in the expansion and financing of agricultural exports. This amendment is identical to S. 2764, a bill I introduced on March 20 of this year.

This amendment would require the Export-Import Bank to devote a share of its resources to agricultural exports equal to the ratio of agricultural exports to total exports in the U.S. economy during the preceding fiscal year. The amendment, however, would not require the Bank to devote this share of its financial resources to the financing of agricultural exports if the Bank determines there is insufficient demand for agricultural export credits from the Bank to achieve this ratio, or if the Secretary of Agriculture determines that the level of agricultural exports will be adequate without assistance from the Bank.

I am offering this amendment because I am convinced that the Export-Import Bank can play a more aggressive role in fostering agricultural exports. The Bank has done a fine job in fostering the export of capital goods abroad. But, it has not played a major role in financing agricultural exports, even though there is nothing in the Export-Import Act to prevent it from doing so. During fiscal year 1977, for example, the Bank devoted only 2 percent of its resources to agricultural exports, and in the first 6 months of this fiscal year the Bank committed less than 5 percent of its resources to finance the export of agricultural commodities.

This is clearly out of line with the share of the U.S. export market comprised of agricultural goods. Agricultural commodities presently account for about 20 percent of all U.S. exports. In other words, agricultural exports make up a large segment of our Nation's export market, yet they have been virtually ignored by the Export-Import Bank.

Assistance from the Bank could go a long way toward fostering a strong agricultural export market. That assistance is greatly needed. Agricultural exports as a share of all U.S. exports have declined over the past 5 years. In 1973, they accounted for 25 percent of all U.S. exports. In 1977, the percentage had declined to 20 percent. Moreover, the real volume of agricultural exports declined in 1977 to 99 million tons from 104 million tons in 1976. A strong commitment from the Export-Import Bank could help to maintain agricultural exports at a high level, both in terms of total volume and as a percentage of the U.S. export market.

There are those who argue that agricultural exports should be fostered through the Commodity Credit Corporation, not the Export-Import Bank. But, the Commodity Credit Corporation does not have the resources to do the job.

The President's budget for fiscal year 1979 called for only $1.5 billion in short-term credits for agricultural exports through the Commodity Credit Corporation. This compares with a present lending capacity of $25 billion for the Export-Import Bank. The Bank's lending capacity would be raised to $40 billion under S. 3077. The Export-Import Bank has the resources to make a significant contribution to agricultural exports, whereas the Commodity Credit Corporation does not.

The amendment I am offering does not require the Export-Import Bank to devote a certain share of its resources to agricultural exports year in and year out. This will be determined each year after a review of the existing market situation. If the Bank determines that the demand for credits to support agricultural exports is not high enough to meet the specified ratio, it would not have to meet that ratio. This proviso recognizes that there may be years when private credits to support agricultural exports are sufficient. In addition, the Bank would not have to meet the required ratio if the Secretary of Agriculture determines that the exports of agricultural commodities will be sufficient without assistance from the Bank.

Agricultural exports are an important part of our Nation's export market, and the export of agricultural commodities is vitally needed if we are to reduce our Nation's current trade deficit and restore confidence in the U.S. dollar. I believe the time has come for the Export-Import Bank to recognize the important role of agricultural exports in our international trade, and I urge the Members of the Senate to support this amendment.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Ordered to lie on the table and to be printed.

At the end of the bill, add the following:

AMENDMENT NO. 3419

SEC. 9. Section 2 of the Export-Import Bank Act of 1945 (as amended by sections

4 and 5) is amended by adding at the end thereof the following:

"(g) (1) Subject to paragraph (2), for each fiscal year beginning after September 30, 1978, the ratio which the amount of credit which the Bank extends and in which it participates to finance the export of agricultural commodities bears to the total amount of credit which the Bank extends or in which it participates shall not be less than the ratio that the dollar value of exports of agricultural commodities during the immediately preceding fiscal year bears to the dollar value of all exports during such preceding fiscal year.

"(2) Paragraph (1) does not apply to any fiscal year with respect to which—

"(A) the Bank determines and reports to the Congress that the demand for credit to finance exports of agricultural commodities is insufficient to equal or exceed the ratio which would be required; or

"(B) the Secretary of Agriculture determines that the level of exports of agricultural commodities is or will be adequate without credit which the Bank extends or in which it participates.".●

WATER BANK ACT—S. 3198

AMENDMENT NO. 3420

(Ordered to be printed and referred to the Committee on Agriculture, Nutrition, and Forestry.)

Mrs. HUMPHREY (for herself, Mr. ABOUREZK, Mr. ANDERSON, Mr. EASTLAND, Mr. HODGES, Mr. MCGOVERN, and Mr. MELCHER) submitted an amendment intended to be proposed by them, jointly, to S. 3198, a bill to increase the maximum amount of aggregate payments which may be made in calendar years after 1977 to carry out conservation agreements under the Water Bank Act, and for other purposes.

● Mrs. HUMPHREY. Mr. President, today I am submitting an amendment in the nature of a substitute to make certain technical and clarifying changes to S. 3198, legislation I introduced earlier this year to provide for certain adjustments of payments made under the Water Bank Act. S. 3198 is currently pending before the Senate Subcommittee on Environment, Soil Conservation, and Forestry. In the House, similar legislation is scheduled for full Merchant Marine and Fisheries Committee markup next week. I am hopeful that the Senate will be able to consider this important measure to improve wetlands conservation this year.

Mr. President, I ask unanimous consent that the text of my substitute amendment to S. 3198 be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3420

Strike out all after the enacting clause and insert the following: That the third sentence of section 3 of the Water Bank Act (16 U.S.C. 1302), is amended to read as follows: "Upon the expiration of the sixty-month period following the date any such initial agreement is entered into, upon the date of the commencement of any such ten-year renewal period, and upon the expiration of the sixty-month period following the date of the commencement of any such renewal period, the Secretary shall reexamine the payment rates in the light of the then current land and crop values and make needed adjustments in rates for the remainder of such initial period, for the renewal period, or the remainder of the renewal period, as the case may be.".

SEC. 2. Section 11 of the Water Bank Act (16 U.S.C. 1310) is amended by striking out "$10,000,000" and inserting in lieu thereof "$50,000,000".

SEC. 3. The amendments made by this Act shall take effect on October 1, 1979.●

LABOR-HEW APPROPRIATIONS, 1979—H.R. 12929

AMENDMENT NO. 3421

(Ordered to be printed and referred to the Committee on Appropriations.)

Mr. LUGAR submitted an amendment intended to be proposed by him to H.R. 12929, the Labor-HEW Appropriations Act, 1979.

● Mr. LUGAR. Mr. President, today I submit an amendment to the Labor-HEW appropriations bill, H.R. 12929, which will in effect overturn a policy of the Department of Labor toward young workers who fill summer jobs detasseling seed corn in Indiana and other States. Because these workers, most of them high school and college students on summer vacation, are transported to corn fields from towns and cities, the Labor Department now regards them as "migrant laborers" and requires supervisors to follow complicated registration procedures.

The Labor Department policy is based on a new interpretation of a law to protect traditional migrant work crews. The Farm Labor Contractor's Registration Act was passed in 1963 and amended in 1974, but was not interpreted to cover corn detasseling crews until 1977. The new interpretation has jeopardized the summer jobs of many young people as well as the crops of seed corn growers who must detassel their fields within a few days before the corn self-pollinates. It has also resulted in needless paperwork for the Labor Department and for labor contractors.

This is another case of Federal bureaucrats stretching their authority beyond all reasonable limits. Congress has a legitimate interest in protecting traditional migrant workers from unscrupulous labor contractors, but young people who detassel corn do not need the Federal Government to protect them from their supervisors—most of whom are fellow students and teachers on summer break. What they do need is a chance to work and earn money for school.

I am hopeful that my colleagues will join me in seeking to end this unreasonable Department of Labor policy, and that the Appropriations Committee will adopt this amendment in their consideration of this legislation.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3421

At the appropriate place in the bill, insert the following:

SEC. . None of the funds appropriated in this Act may be obligated or expended under the Farm Labor Contractors Registration Act of 1963 in connection with the registration of labor contractors engaged solely in the hiring of students to detassel hybrid seed corn.●

STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1979—H.R. 12934

AMENDMENT NO. 3422

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to H.R. 12934, an act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes.

AMENDMENT NO. 3423

(Ordered to be printed and to lie on the table.)

Mr. GLENN (for himself Mr. ROTH and Mr. PROXMIRE) submitted an amendment intended to be proposed by them, jointly, to H.R. 12934, supra.

● Mr. GLENN. Mr. President, I am today submitting an amendment to H.R. 12934, the State, Justice, Commerce, Judiciary and related agencies appropriation bill on behalf of myself and Senators ROTH and PROXMIRE.

My amendment would prohibit expenditure of funds for a duplicative new census advisory committee recently approved by the administration at the recommendation of the Department of Commerce.

The Subcommittee on Energy, Nuclear Proliferation and Federal Services, of which I am chairman, has oversight responsibility regarding both Federal advisory committees and collection and analysis of census data. The subcommittee endeavors to obtain adherence by agencies and the Congress to the provisions of the Federal Advisory Committee Act (Public Law 92–463) regarding creation of new Federal advisory committees. Section 5 of the act requires a determination as to whether an agency or an existing advisory committee could perform the functions of a proposed new advisory committee.

The Census Bureau already has nine advisory committees, with 155 members. Further census advice is provided the Secretary through the panel on Decennial Census Plans of the National Academy of Sciences. An additional resource at her disposal is the Office of Statistical Policy, which was recently transferred to the Department of Commerce from the Office of Management and Budget.

The existing advisory committees are:

Census Advisory Committee of the American Statistical Association;

Census Advisory Committee of the American Economic Association;

Census Advisory Committee of the American Marketing Association;

Census Advisory Committee on Agricultural Statistics;

Census Advisory Committee on Population Statistics;

Census Advisory Committee on Housing for the 1980 Census;

Census Advisory Committee on the Spanish Origin Population for the 1980 Census;

Census Advisory Committee on the Black Population for the 1980 Census; and

Census Advisory Committee on the Asian and Pacific American Population for the 1980 Census.

The July 31 issue of the Federal Register includes the Commerce Department's justification for a new advisory committee on the Bureau of the Census (page 33287). I quote from it:

The Committee will advise the Secretary through the Chief Economist for the Department of Commerce (the "Chief Economist"), on Bureau of Census policies, procedures, and quality standards and provide advice to the Department on how best it can insure that statistics disseminated by the Bureau, insofar as possible, meet the needs and purposes for which they are intended. The Committee shall consist of seven members, not presently employed by the Federal Government and three other members from the senior level ranks of Federal departments and agencies that utilize Bureau of the Census statistics substantially in the administration of Federal programs. The seven non-Federal members will reflect balanced representation of various geographic regions of the country and various types of data users, including both rural and urban. In addition to these 10 members, the Committee will also include the Chief Economist, the Directors of the Bureau of the Census and the Office of Federal Statistical Policy and Standards.

Now I quote from the Commerce Department's statement of functions of the Census Advisory Committee of the American Statistical Association:

This Committee advises the Director, Bureau of Census, on the Bureau's programs as a whole and on their various parts, considers priority issues in the planning of census and surveys, examines guiding principles, advises on questions of policy and procedures, and responds to Bureau requests for opinions concerning its operations.

This existing committee provides overall advice on policy and procedures, as the new one would. The existing committee includes representatives of various geographic regions of the country and various types of data users, as the new one would.

If the Commerce Department wants to add some new faces or specialties it can change the membership of the existing committee, rather than—in the worst tradition of bureaucracy—create another committee. If the Secretary of Commerce wants to have the existing advisory committee report to her, or the chief economist, rather than the Director of the Bureau of the Census, she can so direct.

The Secretary, the chief economist, and the director are all part of the same department, in the same Government, working on the same census policies and procedures. I hope we are not at the point where various levels of the bureaucracy each need, perhaps as a status symbol, an advisory committee whose duties are similar to those of another committee in the same department.

Mr. President, the Department of Commerce wants an initial appropriation of $100,000 to fund a secretariat of two or three persons for this new advisory committee. Commerce concedes this amount would possibly grow in future years. The new advisory committee could have as few as two meetings a year.

Last year the similar Census Advisory Committee of the American Statistical Association managed to have two meetings and issue two reports without a full-time secretariat, at a cost of $32,000. It estimates spending $34,000 this year. The other eight Census advisory committees had a total of 15 meetings last year, issued 15 reports and spent $274,600.

Creation of this new and duplicative advisory committee will thus cost about three times as much as the average of existing Census advisory committees. This substantial increase in cost will surely be a signal to other Census advisory committees to gain prestige by spending as much as the new one.

Mr. President, the Commerce Department's claim that its nine existing advisory committees to the Census Bureau issued 17 reports last year requires explanation. General Services Administration regulations set forth what each advisory committee is to include in its annual summary statement of its activities. These regulations clearly emphasize that "minutes of meetings . . . are not to be listed as reports."

My subcommittee staff has reviewed all 17 "reports" issued in 1977 of the nine Census advisory committees. Every one of those 17 "reports" is basically the minutes of a meeting, along with a list of the committee members and attendees, and sometimes including committee recommendations. These appear to be well-kept minutes, reflecting thoughtful comments and suggestions by advisory committee members. But the Commerce Department is gilding the lily by transforming minutes of its meetings into reports, thus creating the impression that the committees have done things which they have not done.

It seems to me that the Department of Commerce, the General Services Administration, and the Office of Management and Budget should spend less time creating new, duplicative committees and more time policing the activities of the existing advisory committees.

Mr. President, I have asked the General Accounting Office to review and evaluate all of the Bureau of Census advisory committees. I do not think any money should be spent on any new Census advisory committees until the Congress has received the GAO report. I hope the Senate will agree with that position.

There is no line item in the budget, or in H.R. 12934 as approved by the House and by the Senate Appropriations Committee, to fund this new committee. However, the Secretary could fund it through other money available to her. Therefore, my amendment would prohibit use of Commerce Department funds for the new committee, or any other advisory committee to the Department of Commerce which would perform similar duties and responsibilities, other than a committee which has, on or before the date of enactment of H.R. 12934, filed a charter in accordance with section 9 of the Federal Advisory Committee Act.

Mr. President, I ask unanimous consent to insert at this point in the RECORD the text of my amendment, my letters to the Comptroller General, the President, and the Administrator of the General Services Administration.

There being no objection, the amendment and material were ordered to be printed in the RECORD, as follows:

On page 56, between lines 16 and 17, insert the following new section:

SEC. 605. None of the funds appropriated or otherwise made available by this Act or any other Act shall be available for the Advisory Committee on the Bureau of the Census or for any other advisory committee to the Department of Commerce which would perform similar duties and responsibilities, other than a committee which has, on or before the date of enactment of this Act, filed a charter in accordance with section 9 of the Federal Advisory Committee Act.

WASHINGTON, D.C.,
July 27, 1978.

Hon. ELMER B. STAATS,
Comptroller General, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: Section 5 of the Federal Advisory Committee Act (P.L. 92-463) sets forth the procedures which Congressional committees, the President, agency heads and other Federal officials shall follow in creating new advisory committees. The responsibilities of the authorizing body or individual include determining whether the functions of the proposed advisory committee are being or could be performed by one or more agencies, by an advisory committee already in existence, or by enlarging the mandate of an existing advisory committee.

In pursuing its responsibilities for oversight of FACA, my subcommittee has attempted to obtain adherence to Section 5 and other provisions of the Act. Most recently, I have engaged in conversations and correspondence with agency officials and the White House regarding the advisory committees and other sources of expertise available to the Bureau of the Census, whose activities also come within the jurisdiction of the subcommittee. Particularly at issue has been a proposal for the creation of a new Advisory Committee on the Bureau of the Census.

That new advisory committee, I believe, would essentially duplicate the existing Advisory Committee of the American Statistical Association. Its establishment would thus appear to run counter to the Federal Advisory Committee Act, regulations promulgated thereunder and relevant Presidential directives. The Census Bureau also has eight other advisory committees as well as the resources of the Panel on Decennial Census Plans and the Office of Statistical Policy. Nevertheless, on July 19, the Office of Management and Budget approved establishment of the new advisory committee, which would be supported by a secretariat initially funded at the rate of $100,000 annually. I am enclosing several documents pertaining to this new committee and other Census advisory committees. These enclosures include:

My July 20 letters to the President and to Chairman Hollings of the Senate Appropria-

tions Subcommittee on State, Justice, Commerce, the Judiciary;

OMB Associate Director Wayne G. Granquist's July 19 letter to Rep. William Lehman;

The June 30 memo from Commerce Assistant Secretary Elsa Porter to GSA Administrator Solomon, with attached May 19 letter to Congressman Lehman from Secretary Kreps and charter of proposed Advisory Committee on the Bureau of the Census;

Subcommittee Special Counsel Martha Weisz's June 26 memo to me and Staff Director Len Weiss;

Secretary Kreps' June 23 letter to me;

My May 25 letter to Secretary Kreps, and

Secretary Kreps' May 19 letter to Congressman Lehman with May 16 draft of charter of Advisory Committee on the Bureau of the Census.

Please review and evaluate for the subcommittee all of the Bureau of Census advisory committees. The ensuing report to the subcommittee should:

(1) describe the advisory committees and indicate the nature and cost of their operations and activities;

(2) indicate the areas in which these committees are not in full conformance with the Federal Advisory Committee Act, OMB Circular A-63 (revised) and the standards set forth by the President in his February 25, 1977 memorandum to department and agency heads.

(3) identify areas of overlap among the committees;

(4) evaluate present or possible alternatives to use of Census advisory committees to obtain expert advice, and

(5) discuss the effectiveness and usefulness of the Census advisory committees and provide the subcommittee with your recommendations regarding elimination, consolidation or expansion of advisory committees and other vehicles for provision of advice to the Census Bureau.

In particular I wish to have the benefit of GAO's judgment and recommendations regarding the proposed new Advisory Committee on the Bureau of the Census, including the relationship of its charter to that of the existing Advisory Committee of the American Statistical Association, and cost effective alternatives to its establishment.

Your cooperation is deeply appreciated.

Sincerely,

JOHN GLENN.

WASHINGTON, D.C.,
July 20, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am surprised and chagrined that the Administration has authorized establishment of a new, duplicative Census Advisory Committee within the Department of Commerce, to be supported by a secretariat of two or three persons with an initial annual appropriation of $100,000.

My subcommittee has jurisdiction over advisory committees and census data collection. I am familiar with the Administration's many existing avenues for obtaining knowledgeable census advice. There is no doubt in my mind that the proposed panel is duplicative and would provide little new information. It is also well known that advisory committees start small and then balloon in staff and budget.

There are nine existing Census advisory committees, including the Advisory Committee of the American Statistical Association, whose functions would be duplicated by the new Census Advisory Committee. A Panel on Decennial Census Plans organized by the National Committee on Statistics of the National Academy of Sciences will be reporting shortly to the Secretary of Commerce. The Office of Statistical Policy was recently moved from the Office of Management and Budget to the Department of Commerce, providing it with additional expertise.

You have taken forthright stands and actions to reduce unnecessary advisory committees in the past. I have tried to exercise my responsibilities regarding advisory committees in a similar way. During the past two months I have personally told your high-level Department of Commerce officials why the proposed new advisory committee does not meet the standards set forth in the law, the regulations and your pronouncements. My attempts to reach Secretary Kreps by phone were unsuccessful.

I followed up my conversations with letters (enclosed) on May 25 and July 10 to the responsible officials in Commerce, the General Services Administration and Office of Management and Budget. The arguments I made against creation of this committee were not met by the Secretary's reply to my letter of May 25; and I have yet to receive a reply to the letter of July 10.

If the Administration feels itself irrevocably committed to its action on this matter, it becomes incumbent upon me to take appropriate steps to counter what I believe to be a complete waste of the taxpayers' money.

Sincerely,

JOHN GLENN.

WASHINGTON, D.C.,
July 10, 1978.

HON. JOEL SOLOMON,
Administrator, General Services Administration, Washington, D.C.

DEAR MR. SOLOMON: It has been the stated policy of the Administration and the Congress to reduce the number of advisory committees to the Federal government. The number of such committees has been decreased from 1,159 at the end of 1976 to 875 at the end of last year, a net reduction of 284. This is an effort in which I have participated actively and which I wholeheartedly support.

As a result, I am very concerned about a proposal of the Commerce Department to create a new advisory committee which, in my view, is duplicative of existing committees, and which represents exactly the type of bureaucratic proliferation we are all working so hard to avoid. Specifically, on June 30, 1978, against my objections, the Department of Commerce submitted to the General Services Administration a proposal to charter a Census Advisory Committee to advise the Secretary of Commerce on policy issues affecting the Bureau of the Census. This committee, with its staff, would cost the taxpayers some $100,000 per year.

I am firmly opposed to this proposal. Creation of this Census Advisory Committee would be inconsistent with my understanding of Administration policy, and I do not believe the Senate should advocate the expenditure of Federal funds for this type of activity, especially since it is duplicated by two activities currently underway.

Already in existence at the Census Bureau, by the direction of the Secretary of Commerce, is the Advisory Committee of the American Statistical Association. Upon examination of its charter, I fail to note any substantial difference between the proposal you have before you and the Committee already in existence.

It is the contention of the Commerce Department that the new committee will be more broadly based in membership in terms of regional representation and profession. However, on close examination of the membership of the Statistical Association Committee, I note that its membership represents a very broad cross-section of religions, regions and disciplines Even assuming, for purposes of discussion, that the Statistical Association Committee is not sufficiently broad-based, or that, as the Commerce Department claims, it does not address a wide enough range of Census-associated issues, the answer, I believe, would be to beef up this existing committee rather than to add another. Commerce also attempts to justify its proposal on the basis that the Committee in existence reports to the Director of the Bureau of the Census rather than to the Secretary of Commerce. The answer to this, however, may well be to create a dual reporting system. Additionally, it seems to me that information about the activities of the Census Bureau ought to come from its Director to the Secretary. If this is not now happening, perhaps the lines of communication need improvement; a step that could be taken with minimal, if any, additional expense.

In addition to the Advisory Committee of the American Statistical Association, there also exists a Panel on Decennial Census Plans organized by the National Committee on Statistics of the National Academy of Sciences. Once again, the mandate of this committee, while limited to Decennial Census issues, is almost identical to that of the proposed Census Advisory Committee. Since this panel was established at the direction of the Secretary of Commerce and is to report directly to her late this month, it would seem to me that at the very least the Department of Commerce should not put another such mechanism in place until it has reviewed this one.

In general, I believe that studies by the National Academy of Sciences, by the American Statistical Association, or by contract with other organizations having the requisite professional capabilities, could yield less costly and more useful results.

This new Census Advisory Committee, as set forth in the charter, would initially have two or three paid staff members. I question the addition to the bureaucracy of positions which may result in cementing a future continuation of the Advisory Committee. (As you well know, under the Federal Advisory Committee Act, such committees can only remain in existence for two years, unless they are extended.)

Furthermore, since the Committee may meet as infrequently as only twice a year, it seems to me that a very few staff people would basically determine the direction of the Committee. At the same time, with such meager personnel resources, the Committee would not be able to make judgments of sufficient validity or usefulness to provide the Secretary with a quality or quantity of information not already fully available to her.

I have focused on the Advisory Committee of the American Statistical Association and the Panel on Decennial Census Plans. However, there are already a total of nine advisory committees to the Census Bureau. This, I would think, should be a more than sufficient number to gain a broad input in those areas where the American Statistical Association Committee falls short. If this is not true, then the existing committees should be reorganized.

In addition, the Office of Statistical Policy was recently moved from the Office of Management and Budget to the Department of Commerce. I would think that this office could play an important role in advising the Secretary on issues concerning the Census Bureau.

Furthermore, the President, on May 11, 1978, directed his Reorganization Project staff to conduct a review of the Federal Statistical System. This task force is just now getting underway and could result in major changes in the entire fabric of Federal Statistical activities—presumably including the relationship between the Census Bureau and the Department of Commerce. On this basis alone, it would appear to be the wrong moment to put in place the proposed Advisory Committee.

For these many reasons, I firmly believe that the General Services Administration

should disapprove the charter proposal for a Census Advisory Committee submitted to you by the Department of Commerce. Please advise me of your decision at your earliest convenience.

Thank you very much for your cooperation.

Sincerely,

JOHN GLENN.●

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, August 8, 1978, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

Norma Levy Shapiro, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania, vice James H. Gorbey, deceased.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.●

LEAA HEARINGS

● Mr. BIDEN. Mr. President, on August 16 and 25, 1978, the Subcommittee on Criminal Laws and Procedures, which I chair, will hold hearings on S. 3270, concerning the Law Enforcement Assistance Administration. The subcommittee currently has several bills relating to LEAA and waiting action. S. 28 and S. 3216 regarding career criminal programs, S. 1882 regarding LEAA antiarson funding, S. 1245 regarding LEAA supplemental grants for prisons, and S. 3280 regarding a national institute for justice research all have potential consequences for LEAA. We will direct attention to S. 3270 first because it is the most comprehensive of the bills and would determine LEAA's future after its current authorization expires in September 1979. It is anticipated, however, that issues regarding these other bills will be touched on during this first set of hearings.

These hearings will be of an oversight nature evoking general responses to both LEAA and S. 3170. They will emphasize having proponents of an LEAA type Federal program represent and support their position. More detailed hearings later in the year will examine individual LEAA components and functions. Those later hearings will use the testimonies of criminal justice system experts and of LEAA advocates and critics to help identify the best mechanism for future Federal assistance to State and local crime control activities.

Hearings on August 16 and 25 will begin at 10 a.m., in room 2228, Dirksen Senate Office Building. Witnesses will include members of the criminal justice community in addition to Attorney General Bell and Gov. James Hunt.

Additional information on the hearings can be obtained from the subcommittee staff, 2204 Dirksen Senate Office Building, (202) 224–3281.●

COMMITTEE ON HUMAN RESOURCES

● Mr. CRANSTON. Mr. President, the Committee on Human Resources will conduct a public hearing on S. 3205 and S. 3309, bills to amend the Indochina Migration and Refugee Assistance Act, on Wednesday, August 9, 1978, in room 4232, Dirksen Senate Office Building.

Any persons desiring to offer testimony regarding these two bills should contact Jonathan Fleming, room 229, Russell Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON MILITARY CONSTRUCTION AND STOCKPILES

● Mr. HART. Mr. President, I had previously announced that the Senate Armed Services Subcommittee on Military Construction and Stockpiles would hold hearings on Department of Defense policy regarding military base realinements at 10 a.m., August 3, 1978, in room 212 RSOB.

Unforeseen circumstances require that I reschedule that hearing for 9:30 a.m., August 4, 1978 in room 212 RSOB.

I again extend the invitation to any Senator who has questions on Defense Department base realignment policy to attend and participate.

Staff contact is Mr. Jim Smith, 224–3871.●

SUBCOMMITTEE ON PRIVATE PENSION PLANS AND EMPLOYEE FRINGE BENEFITS

● Mr. BENTSEN. Mr. President, on August 15, 16, and 17 the Finance Committee's Private Pension Subcommittee, which I chair, and the Human Resources Committee's Labor Subcommittee, chaired by Senator WILLIAMS, will hold joint hearings on pension simplification.

At this point in the RECORD I would like to include the Senate Finance Committee press release announcing these hearings.

The release follows:

SUBCOMMITTEE ON PRIVATE PENSION PLANS AND EMPLOYEE FRINGE BENEFITS ANNOUNCES JOINT HEARINGS WITH SENATE HUMAN RESOURCES COMMITTEE ON PENSION SIMPLIFICATION

Senator Lloyd Bentsen (D-Tex.), Chairman of the Senate Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits, announced that joint hearings with the Senate Human Resources Committee are set for August 15, 16 and 17 on the issue of pension simplification.

Senator Harrison A. Williams, Jr. (D-N.J.), is Chairman of the Human Resources Committee and of its Labor Subcommittee.

The hearings will begin at 9:30 A.M. in Room 4232 Dirksen Senate Office Building.

Senator Bentsen said "There is virtually unanimous agreement on the need for legislation to reduce the amount of unintended paperwork and red tape that has resulted from the Employee Retirement Income Security Act of 1974 (ERISA).

"It is now four years since ERISA was enacted and it would be inexcusable for Congress to delay action to eliminate the duplication and the unnecessary forms and reports being required under this act," Senator Bentsen said.

"Excessive paperwork, red tape and other unnecessary complications simply mean that employers have less funds available to provide benefits for pension plan participants."

Senator Bentsen said the purpose of the August hearings is to develop a pension simplification package which would have the support of the Finance and Human Resources Committees and the Treasury and Labor Departments. This would, he said, insure prompt Senate action.

The following bills will be considered:

S. 901 sponsored by Senator Bentsen (and unanimously reported by the Senate Finance Committee as S. 2352) which includes several provisions to eliminate overlapping jurisdiction in the implementation of ERISA and provisions to eliminate duplicative and unnecessary Federal pension forms.

S. 3017 sponsored by Senators Williams, Jacob Javits (R-N.Y.), and John Melcher (D-Mont.), which also includes provisions to eliminate overlapping ERISA jurisdiction and to reduce excessive paperwork. This bill provides tax deductions and credits for certain employee and employer pension contributions. Among many other provisions, the bill would also limit SEC enforcement of ERISA.

S. 3193 sponsored by Senator Bentsen which would provide a cyclical annual reporting system to simplify the annual pension report (Form 5500) and to strengthen and expedite ERISA enforcement.

S. 2992 sponsored by Senator Bentsen which would direct the Administration to promulgate uniform standards for reporting pension assets and liabilities and for disclosing actuarial assumptions used in such calculations. This kind of proposal was suggested in the November 1977 issue of Fortune Magazine.

S. 1745 sponsored by Senators McIntyre and Nelson to reduce pension reporting and to clarify the "prudent man rule" of ERISA.

S. 250 sponsored by Senator Inouye prohibiting the reduction of certain disability payments whenever certain social security payments are increased.

S. 1383 sponsored by Senators Inouye and Matsunaga to clarify the status of the Hawaiian prepaid health care law under ERISA.

Requests to Testify.—Persons who desire to testify at the hearings should submit a written request to Michael Stern, Staff Director, Committee on Finance, Room 2227 Dirksen Senate Office Building, Washington, D.C. 20510, by no later than close of business on Thursday, August 10, 1978.

Legislative Reorganization Act.—Senator Bentsen stated that the Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the Committees of Congress "to file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument."

Witnesses scheduled to testify must comply with the following rules:

(1) A copy of the statement must be filed by the close of business two days before the day the witness is scheduled to testify.

(2) All witnesses must include with their written statement a summary of the principal points included in the statement.

(3) The written statements must be typed on letter-size paper (not legal size) and at least 75 copies must be submitted by the close of business the day before the witness is scheduled to testify.

(4) Witnesses are not to read their written statements to the Committee, but are to confine their ten-minute oral presentations to a summary of the points included in the statement.

(5) Not more than ten minutes will be allowed for oral presentation.

Written Testimony.—Senator Bentsen stated that the Subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five (5) copies by Friday, September 1, 1978, to Michael Stern, Staff Director, Committee on

Finance, Room 2227 Dirksen Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

NEW JERSEY HOSTS ESTONIAN SCOUTS JAMBOREE

● Mr. WILLIAMS. Mr. President, from July 7 to 16, 1978, hundreds of Estonian young people from around the globe came to New Jersey to celebrate International Estonian Youth Year with a jamboree called Koguja II.

Koguja, which means "one who gathers" was held in order to bring youths with Estonian heritage together to practice Scouting skills, and study the Estonian culture. All activities were conducted in the Estonian language.

These young people went on field trips, hiked throughout the area, went canoeing, and participated in Scouting skills competition. But more importantly, they learned about the culture and country of their ancestors, and the importance of keeping alive their spirit of independence and ethnic pride.

The Scouts also held memorial services for Estonians who gave their lives in the Korean war and Vietnam conflict, and visited veterans' memorials in Lakewood, N.J. to honor those who have given their lives in the fight for freedom.

But missing from their celebrations were the young people from Estonia, because Scouting has been outlawed in that country since the end of World War II, when the country came under Soviet domination.

The spirit of freedom lives on, though. The continued determination of these people to maintain their ethnic identity and ethnic pride through national organizations such as the Boy Scouts and Girl Guides, is a tribute to their heritage, and a comfort to all those Estonians still living behind the Iron Curtain.

This is certainly an appropriate time to call public attention to the plight of these and other Eastern European peoples living under Soviet domination. And it is an honor for the State of New Jersey to be the location chosen for this international Scout meeting. In calling attention to the Estonian activities in the United States, we can demonstrate our support and sympathy for the people of Estonia, and recognize their efforts to preserve their heritage.●

HOUSE TAX BILL WILL NOT OFFSET TAX INCREASES

● Mr. ROTH. Mr. President, for the past year, I have been arguing that substantial tax cuts are needed to offset the massive new tax increases facing the American people. I have been amazed that the Carter administration could claim that a tax cut which offsets these huge tax increases would be inflationary.

The $16 billion tax cut approved by the House Ways and Means Committee last week is not a tax cut. Even if this bill is enacted, almost every American taxpayer will face a tax increase next year.

According to figures prepared by the Joint Committee on Taxation, the tax cut bill approved by the Ways and Means Committee would not offset the new social security tax increases and the automatic tax increases caused by inflation.

According to an earlier study prepared by the Joint Committee on Taxation, inflation and social security tax increases will increase taxes by $20 billion in 1979, $35 billion in 1980, $57 billion in 1981, $77 billion in 1982, and $94 billion in 1983. These estimates are based on an inflation rate of between 5 and 6 percent, which means that the projected tax increases will probably be even higher.

Unless taxes are substantially reduced, American taxpayers face substantial tax increases over the next 5 years. We need a tax cut which will both offset these tax increases and reduces the total tax burden on the working taxpayers of this country. Roth-Kemp is urgently needed to prevent the substantial tax increases on the American people.

Mr. President, I submit for the RECORD an article by Mr. Art Pine from this morning's Washington Post.

The article follows:

DESPITE NEW TAX CUT MEASURE, MOST WILL FACE INCREASE IN '79

(By Art Pine)

Almost every American taxpayer faces a higher total federal tax bill next year, even if the $16 billion tax cut approved by the House Ways and Means Committee last week were to be enacted, according to new congressional figures.

Tables compiled by the Joint Committee on Taxation show that the tax reduction provided in the Ways and Means Committee measure would not offset the impact of inflation and higher Social Security Taxes for most taxpayers.

After those two factors are taken into account, the tax burden for so-called "middle income" taxpayers—those in the $20,000-to $30,000-a-year bracket—would rise by between $83 and $261 a year.

And the total federal tax bite on taxpayers in the $10,000-a-year-and-under income brackets—just above next year's expected poverty line—would rise by between $29 and $40 a year.

The only group of taxpayers who would enjoy overall tax relief as a result of the Ways and Means bill would be those in the $15,000 bracket. By a fluke, they would pay $2 to $3 less in taxes.

The increases in overall federal tax burdens stem from two factors: the impact of inflation, which pushes taxpayers into higher brackets, and the increase Congress voted last December in 1979 payroll taxes.

The tax cuts President Carter proposed in January would have offset both inflation and payroll taxes for all but a minority of taxpayers who earn $40,000 a year or more. The exception primarily affected two-earner families.

However, Carter's proposal was for a heftier $24.5 billion in tax reductions, with the cuts skewed mainly to taxpayers earning less than $15,000. The committee's bill would primarily benefit those in the $20,000- to $50,000-brackets.

The rate of inflation this year is expected to be at least 7 percent, with wage increases running even higher. The income boost is expected to result in some $8 billion in higher taxes.

The scheduled increases in Social Security taxes will raise payroll taxes to 6.13 percent of the first $22,900 in earnings, effective Jan. 1. Without these, the rate would have been 6.05 percent of $18,900.

The income tax reductions in the committee's bill are proportionally about the same for most income brackets. As a result, most of the relief goes to those who pay the most taxes ordinarily—those in the $20,000- to $50,000-group.

Here is how the total federal tax burdens of taxpayers in various income brackets would be affected after taking account of the committee bill, the impact of inflation and the scheduled rise in payroll taxes:

Single taxpayers

Income Bracket	Tax cut from bill	Impact of Inflation	Net Tax change
	Social Security		
$5,000	−21	+38	up $17
$10,000	15	55	up $40
$15,000	71	69	down $3
$20,000	105	171	up $66
$30,000	213	454	up $241
$50,000	436	687	up $251
	Married taxpayers		
$5,000	0	4	up $4
$10,000	62	86	up $29
$15,000	77	74	down $3
$20,000	146	178	up $22
$30,000	304	409	up $105
$50,000	654	681	up $30

●

A COOL FOREIGN POLICY

● Mr. CLARK. Mr. President, a few weeks ago the senior Senator from South Dakota, Mr. MCGOVERN, offered what I think is an eminently reasonable judgment in regard to the recent appearance of crises—particularly concerning Africa—in our foreign relations.

In just a few hundred words published in the New York Times, Senator MCGOVERN demonstrated that in terms of alliances and genuine influence, the United States occupies a strong position in the world, whereas the Soviet Union is comparatively isolated and beleaguered. On this basis, he urges that we reject false alarms and restore a measure of confidence to our view of international issues.

Because I think it may be of interest to others, I ask that the article I have described from the June 26 issue of the New York Times be printed in the RECORD.

The article follows:

A COOL FOREIGN POLICY

(By GEORGE MCGOVERN)

WASHINGTON.—In recent days there have been implications—sometimes attributed to President Carter, sometimes to national security adviser Zbigniew Brzezinski, sometimes to the Committee on the Present Danger or other exalted sources—suggesting that the United States is standing by helplessly while the Soviet Union, with the help of Cuba, is taking over first Africa and then the world.

It is even suggested by some that Soviet-Cuban involvement in Africa is of such ominous consequences that it might preclude further progress on a strategic arms control agreement with the Soviet Union.

I regard most of this talk as a false alarm—the result of hyperactive imaginations playing upon "worst-case" scenarios.

Secretary of State Cyrus R. Vance sounded a more reasonable note in his recent Atlantic City speech. We must hope that he speaks with genuine authority, for the nation des-

perately needs a steady foreign policy instead of shifting lapses from détente into panicked tension. We cannot conduct foreign policy as though every stirring in Africa, Asia or the Indian Ocean is another Cuban missile crisis. Foreign policy must be selective in centering on the few fundamental interests of the nation. We cannot treat a factional quarrel in Angola as though it were an attack on Berlin.

Nor does it serve our interests to elevate Soviet influence and power while minimizing our own.

The United States is far and away the world's strongest power—militarily, economically and politically. We have a mighty two-ocean Navy with devastating nuclear and conventional firepower. We have the world's finest Air Force and the most accurate missiles, with more than twice the number of warheads possessed by the Russians. We have a strong, mobile Army and Marine Corps.

We have more allies around the globe than any other nation. We have well-defended bases in every part of the world. We are the pre-eminent power in the Western Hemisphere, in the North Atlantic Treaty Organization European partnership, in the Mediterranean, in the Middle East and in the Pacific.

By contrast, the Russians are nearly alone in the world—with little Cuba their one apparent dependable ally.

Communist China, with its one billion people, is not an ally but a major source of anxiety for the Russians.

Russia has no dependable base of influence and power on the European Continent except for its enforced presence on the eastern fringe of Europe. The Russians have few bases available to their naval and other military forces beyond their own borders.

There has been talk of the new Soviet grip on the Horn of Africa. But in fact the Russians have been expelled from Egypt and the Sudan and also from Somalia—once their great hope for a major African base. Only in the unstable regime in Ethiopia do they seem to have a friend in the Horn, and they find Soviet arms in Eritrea and Somalia being used against other Soviet arms in Ethiopia.

No fundamental American interest has been threatened by anything either the Cubans or the Russians have done or are likely to do in Africa. We might prefer that Ethiopia and Angola not have Marxist Governments, but the fact that they do is an inconsequential threat to us.

Mr. Brzezinski has spoken of the Soviet drive "to encircle and penetrate the Middle East. . . ." But the Soviet Union has been largely squeezed out of the Middle East—especially as noted from the major Arab military power, Egypt. And it enjoys neither power nor influence in Iran, Israel or Saudi Arabia.

Mr. Brzezinski has talked fearfully of a sustained Soviet buildup of its military capability along its European and Chinese frontiers. But at a time when Western military outlays are rising, when Mr. Brzezinski treats China as a NATO auxiliary, and global arms spending is on the increase, where else would one expect the Russians to concentrate their forces if not on their common borders with Europe and China?

The defense of Western Europe is certainly a crucial American interest. That interest is better served by the maintenance of our military deterrent plus quiet, patient negotiation with the Russians, rather than bombastic ultimatums and alarmist cries.

SALT and détente do not mean that the Russians will not continue to be rivals of ours for influence and ideological propagation. Détente means simply that as rival powers there are a few areas such as arms control to avoid mutual extinction where the United States and the Soviet Union have mutual interests.

We need not love the Russians nor even admire them—nor they us—to know that the alternative to arms control and détente is the bankruptcy and death of civilization.●

THE ASEAN/UNITED STATES DIALOG

● Mr. ROTH. Mr. President, I am pleased to serve as a congressional participant in the U.S. delegation to the second ASEAN/United States dialog, which is being held in Washington on August 3 and 4.

The purpose of this dialog is to strengthen understanding, consultation, and economic cooperation, based on mutual interest and respect, between the United States and the five member countries of ASEAN, the Association of Southeast Asian Nations.

The ASEAN countries—Indonesia, Malaysia, the Philippines, Singapore, and Thailand—created ASEAN in August 1967 as a means for expanding their economic, social, and cultural cooperation with each other; developing their national economies and the economy of the region; and for enhancing their ability, individually and collectively, to determine their own destinies, free from outside coercion and interference. These are goals which are compatible with American interests in the region and which we can and do support.

Although many observers did not believe ASEAN would long survive when it was created 11 years ago, the association has prospered and has acquired a significant role in Asian and international affairs. At the same time, the ASEAN countries have preserved their independence and freedom during a time of great uncertainty in Southeast Asia. They have maintained high levels of economic growth despite the world-wide economic recession. These are important achievements.

I believe the United States has important national interests in strengthening our friendship, cooperation, and consultation with these five nations. They are among the world's fastest growing nations and offer us many opportunities for trade and investment on the basis of mutual benefit. Already, they collectively buy more from the United States than either Great Britain or France. They supply 90 percent of our natural rubber, 70 percent of our tin, and a significant amount of the petroleum imports required on the west coast.

In terms of population, they equal the United States and Canada combined. They occupy a strategic position on trade lanes between the Middle East on one hand, the Western United States and Japan on the other. They have based their economic development strategies on a predominant role for private enterprise. American investments in this region now total more than $4 billion, reflecting the confidence of American private enterprise in the economic growth of the ASEAN region.

This week's dialog represents only the second such meeting between the United States and ASEAN. It is the first meeting at the ministerial level and the first in Washington.

I am pleased that a number of ASEAN foreign and economics ministers have come to Washington to participate. This provides our officials and citizens an opportunity to learn more about the important changes in Southeast Asia over the past few years and the continued dynamism of the ASEAN countries. It also provides us an opportunity to state our points of view and interests and to reaffirm our role as a Pacific nation.

Clearly, our role in the region has changed. Our involvement today is primarily economic in nature, and it stresses private enterprise and capital rather than Government-sponsored foreign assistance.

I believe the ASEAN countries, as proud and growing nations, have much to contribute to a constructive and productive dialog. In the trade field, for example, we must insist that they, like other developing countries, must participate in cutting tariffs and nontariff barriers in order to fully benefit from cuts we might make. Trade with ASEAN has been a two-way street, and it must continue this way.

I believe there are many other areas where important steps, in the interests of both sides, can be achieved, for example, in the areas of narcotics control and investment. Both sides also have a mutual interest in seeking more assistance from third countries in helping alleviate the plight of Indochinese refugees.

Mr. President, the ASEAN/United States dialog is a process which should strengthen our ties, on a regional basis, with five important and prospering countries who are already good friends. It is a process which the Congress should watch carefully and in which Congress should participate.●

RIEGLE SUPPORTS ERA TIME EXTENSION

● Mr. RIEGLE. Mr. President, earlier today I had the privilege of testifying before the Subcommittee on Constitution of the Committee of the Judiciary on the extension of time for the equal rights amendment.

I ask that my testimony before the subcommittee be printed in the RECORD.

The statement follows:

STATEMENT OF SENATOR RIEGLE

Mr. Chairman and Members of the Subcommittee: I appreciate this opportunity to appear before you today, to testify in support of Senate Joint Resolution 134, which would allow seven more years for the States to ratify the Equal Rights Amendment. I commend the subcommittee on its willingness to hold hearings on this most important issue. I would also like to commend you, Senator Bayh, for your leadership on this issue, and for the introduction of this joint resolution, of which I am proud to be a cosponsor.

There is an urgent need for the ERA to become part of our Constitution, in order to establish the legal guarantee that a majority of our people will no longer be subjected to the indignities and limitations of second-class citizenship. Discriminating is the most profound human rights question facing our nation today. The denigration of women is reflected in their lack of equal treatment

under the law, and their inferior economic status.

It is incredible to me that we can continue to deny equal justice to women. Their rights and opportunities have been continually denied or limited by a legal system and culture that has perpetuated false attitudes toward women, limiting their full participation in society and challenging their self-esteem.

There are only two women in the Senate today—and we just heard from Senator Muriel Humphrey, another cosponsor of the Resolution. There are only 18 women in the House of Representatives and around the country women hold few positions in State legislatures.

The need for the Equal Rights Amendment has been clear—since it was first introduced in 1923. It has been supported by every president since Eisenhower, in both parties and it is overwhelmingly supported by the public, according to many polls. The most recent Gallup poll shows that 58 percent of the American people are in favor of the Equal Rights Amendment. A poll conducted by the *Columbus* (Ohio) *Dispatch* shows 56 percent of those surveyed support the amendment. Even in the unratified states, such as Missouri, the weight of public opinion is running in favor of ratification.

This data indicates a desire on the part of the public for ratification of the ERA. Debate on the amendment is at a peak—both pro and con. There are widespread misconceptions about the meaning and impact of the amendment, and political maneuverings on the state level continue to thwart passage of the amendment. Due to the controversy surrounding the ERA and the wealth of propaganda and misinformation put out concerning its effects, the ratification process has taken significantly longer than in the past.

Of the state legislatures yet to ratify the ERA not one will be able to meet and vote on the amendment by the end of this year. With the present deadline set for March 22, 1979, there is not enough time left for debate and consideration of the political, social and economic conditions which indicate the essential need for ERA. Clearly, there is a need to extend the time available for consideration of the amendment, and that can only be done by an extension of the period for ratification of the ERA.

And a time extension is non-coercive in any way. No State's freedom to act, or not to act, is altered in any way. So a simple extension harms no interest. It merely provides additional time to consider the question. Hence the time extension is neutral in its impact—and grants no favor to those on either side of this debate.

As is well known, the seven year time limit for ratification of a proposed constitutional amendment was not instituted until the Eighteenth Amendment, in 1919. Congressional debate concerning the prohibition amendment indicated a desire to insure the "vitality" of the proposed amendments—that the amendment would be ratified while the issue was still of great public importance to the nation. The seven-year time limit grew out of that concern, and since that time, it has been included as part of the Twentieth through Twenty-fifth amendments. Although significantly, the Nineteenth Amendment, women's suffrage, had no such time limit specified.

Article V of the Constitution gives Congress the authority to propose amendments to the Constitution, and specifies that any amendments shall be ratified within a "reasonable" period of time. It is silent as to exactly how long that reasonable time should be, or if Congress can extend that period of time. The only rational purpose of setting a time limit for ratification is to eliminate those proposed amendments which have lost their relevance—not to cut off debate on issues which concern and affect as many Americans as the Equal Rights Amendment does. It seems to me that all reasonable argument falls on the side of allowing additional time for consideration of the ERA by the remaining states.

Assistant Attorney General John M. Harmon has testified before the House Subcommittee which considered this identical resolution, and I understand that you will hear testimony from the Department of Justice later today. In his House testimony, he indicated that the Justice Department had determined it was constitutional to extend the time period for three reasons: (1) the Constitution does not specify the exact length of time which should be allowed for ratification; (2) the Constitution does not prohibit extending the time available for consideration of a proposed amendment; and (3) the seven year time limit was contained in the preamble to the proposed amendment, not in the body, making it a matter of procedure and not of substance. In addition, Harmon said that the Department would support an extension of the time limit.

President Carter has also indicated his support of the extension. In a recent letter to Representatives Peter Rodino and Don Edwards, he reaffirmed his support of the ERA and urged the Judiciary Committee to recommend extension of the time for ratification.

Congressional precedence and action, including (the House Judiciary committee's recent action in an extension of thirty-nine months), Constitutional support, presidential support, and most importantly, popular support for the Equal Rights Amendment, all argue persuasively for additional time for the country to consider this vital constitutional amendment.

While we consider the question of extension of the time limit, the question of rescission is also raised. Four states have already attempted to rescind their prior ratification of the ERA: Idaho, Kentucky, Tennessee, and Nebraska. Various States have previously attempted to rescind ratification of other proposed amendments, so it is not a new question. Ohio and New Jersey passed Resolutions rescinding ratification of the Fourteenth amendment, prior to ratification by the required three-fourths of the States. When the final State ratified the Amendment, the Congress passed a Resolution declaring the Fourteenth Amendment to be ratified. The Resolution listed Ohio and New Jersey as ratifying States. That Congress made the decision not to recognize the validity of the two States' rescission Resolutions. It created an important precedent for succeeding Congresses.

The Constitution, of course, is silent as to the power of the Congress to permit a State to rescind prior ratification. Hopefully the many legal experts who will be testifying can shed more light on this issue. Personally I do not favor the practice of allowing rescission whether on this proposed amendment or any other. I share the concern about the question of rescission and will study the testimony you receive on this issue with great interest.

Finally, Mr. Chairman, this matter is not just an issue concerning women. It concerns our whole society—and goes to the very fabric of our national system of equity and justice. Any pattern of discrimination and denial—whether based on sex, race, age, or any other factor—is wrong and is a contradiction of our national creed and our national interest.

Women deserve and are entitled to the same rights as men. It is a blemish on our national history that we have failed to recognize this either in practice or in law. The only prompt and complete remedy is found in the Equal Rights Amendment. If it is to have the chance for ratification—the time period must be extended. I urge you to allow this vital debate to continue—to leave this burning question before the nation and the States—and allow the wellspring of good will and equity that exists in America to remove at last the barriers of discrimination that have injured American women since the founding of our country.●

DOMESTIC VIOLENCE PREVENTION AND TREATMENT ACT

● Mr. KENNEDY. Mr. President, as a cosponsor of the Domestic Violence Prevention and Treatment Act of 1978, I urge passage of this vital piece of legislation. Passage of the bill is essential in order to provide a direct Federal focus on the problem of domestic violence, and to address the tragic needs of the people affected by it.

The family is the basis and strength of our society. And yet, in many families there are problems that for too long have been hidden from the rest of society. In 1973, the Federal Government recognized the problems of child abuse and began to respond. And now we are addressing the problems of domestic violence. It is a sad fact that many women are physically abused by their husbands. In many instances these women have no place to turn. They live with this situation for many years either believing that the situation will change or fearing the unknown if they leave and seek outside assistance.

Victims of domestic violence suffer from a multitude of problems. Many of them are economic prisoners—how will they support themselves and raise children if they leave? Many lose their own sense of self-respect. They get little support from the legal system. Only three States have laws that make it an automatic felony for a husband to beat his wife. And yet, assault is a crime in every State. Most States however, treat wife beating not as a crime, but as a civil matter. In many instances the police are not adequately trained to handle this problem. Certainly the Federal Government can not solve all these problems. But we can, and must do more.

Domestic violence is a problem that affects us all. It cuts across all socioeconomic lines. It is as much a problem in Milton, Mass., as it is in the South End. A recent study at the University of New Hampshire showed that 16 percent of students witnessed one act of physical violence between their parents in the previous year. A Harris survey conducted for the National Commission on the Causes and Prevention of Violence said that "one-fifth of all Americans approve of slapping one's spouse on appropriate occasions. Surprisingly, approval of this practice increases with income and education * * *."

We must continue to support and expand the partnership between the grassroots organizations and the public agencies that are dealing with the problem of domestic violence. We must work on two levels: The first is the immediate desperate needs of the victims and the family. Then, we need to focus on the basic causes of family violence. S. 2759 will do much to help coordinate the variety of services already available to victims of domestic violence, and will also

provide us with vital information as to the root causes of this serious problem.●

OVERREGULATION

● Mr. GOLDWATER. Mr. President, despite administration promises to the contrary, Government regulations affecting business have been increasing every day and have now reached the point where they are drastically affecting the economy of this Nation. In my State of Arizona, we see the effects of overregulation depressing the copper industry to a degree almost unparalleled in the history of that business. The blame for deteriorating conditions in the copper industry rests squarely on the regulatory actions of the Federal Government, especially on EPA, OSHA, and MSHA. Industry spokesmen tell me that the problem boils down to a matter of dollars and cents—the amounts required by the industry to comply with restrictions being imposed with alarming regularity and increasing stringency on our mines and smelters.

Mr. President, the copper industry of this Nation is in a fight for life—a fight, I might say, it is unfortunately losing—thanks to the regulators of the Federal bureaucracy. An important article concerning the copper industry's fight for life was written recently by Dr. James K. Richardson, president of the Arizona Mining Association. I ask that this article be printed in the RECORD.

The article follows:

THE COPPER INDUSTRY'S FIGHT FOR LIFE: A LOSING BATTLE?

(By Dr. James K. Richardson)

It is becoming increasingly difficult for those of us associated with Arizona's copper industry to keep a stiff upper lip and a relative degree of optimism about the future of our industry.

We are experiencing a nation-wide depression in the copper industry that is almost unparalleled in the history of our business. And things don't look much, if any, brighter at the end of this particular tunnel. The recent price increase leads us to at least courageously whistle in the dark.

We have, for the past eight years, been able to put the blame for our deteriorating condition squarely where it belongs—on the regulatory actions of the federal bureaucracy, particularly on EPA, OSHA, MSHA, and the horde of other agencies swimming in this Washington-concocted alphabet soup.

But being able to place the blame hasn't helped the cause of the copper industry because, although we have tried repeatedly to get some type of relief from unreasonably stringent regulations, there has been little understanding, much less sympathy, from these entrenched and self-perpetuating bureaucrats.

Our recent last-ditch attempt, through the auspices of the International Trade Commission, to which we appealed for a quota on the import of refined copper from other nations, is still in limbo. By August 23 the ITC's decision will be known, but in light of the Commission's recent negative vote on a similar petition by the domestic zinc industry, we cannot be overly optimistic.

It all boils down to a matter of dollars and cents: the amount required by the industry to comply with the regulatory restrictions being imposed with alarming regularity and increasing stringency on our mines and smelters.

The only ray of hope at the moment rests on independent reports prepared recently for two of the major villains in this scenario: the Environmental Protection Agency (EPA) and the Occupational Safety and Health Administration (OSHA).

Each of these reports contains predictions about the copper industry based on research on the economic implications of regulations proposed by these agencies and others.

In chronological order, these reports are:

"The Impact on the U.S. Copper Industry of the Proposed Standard for Occupational Exposure to Sulfur Dioxide," prepared for OSHA by Commodities Research Unit Ltd., in 1977, and

"Economic Impact of Environmental Regulations on the United States Copper Industry," prepared for EPA by Arthur D. Little, Inc., in 1978.

The OSHA report observes that, "since mid-1974, the US copper industry has experienced a severe period of depressed prices and profits. While many other sectors of the U.S. economy have recovered from their recession troughs, the copper producers remain in a severe cash squeeze. Moreover, this squeeze is hitting the companies at a time when . . . investment needs are growing rapidly merely to maintain the existing level of production.

"The effect is that U.S. copper producers are ill equipped to undertake any capital expenditure programs that do not have direct productive results. Even in the absence of additional environmental and pollution abatement cost requirements, *it appears inevitable that the industry will produce a diminishing proportion of US copper consumption requirements in the future; imposing new pollution control spending obligations at a time when the industry is in an extremely precarious financial position will almost certainly have the effect of increasing dependence on imported copper,* due to a widening gap between US productive capacity and consumption. It will also increase the vulnerability of major US copper companies to takeovers by other domestic and foreign companies (although perhaps decreasing their attractiveness), and *will adversely affect employment in the industry, particularly in the southwest.*" [1] (Emphasis added.)

The OSHA report concludes by noting grimly that, "the more serious danger, from the point of view of the US economy in general, is that increases in cost levels will erode the ability of the US industry to keep pace with general economic expansion. It has been shown above that there are few US expansion projects underway; higher domestic costs will make further U.S. investments even more unattractive. The result will be a significant loss of market share by US producers over time (taking into account the long lead time associated with new copper projects) and the parallel loss of substantial numbers of potential jobs for US workers." [2]

One wonders whether OSHA paid any attention to these dire warnings emanating from their own selected experts. OSHA, already responsible for volumes of regulations, is currently engaged in writing additional standards for arsenic and lead. Who knows what will occur next week?

The exhaustive study of the economic impact of environmental regulations produced under contract to EPA is even more detailed and just as appalling as the OSHA report.

The EPA report states, "although the United States has been nearly self-sufficient in copper, except in certain years coinciding with military developments or unusual 'demand-crunch' periods, the United States is both a leading importer and exporter of copper. The impact of domestic environmental regulations on the United States copper industry should therefore be examined with close attention to their international economic implications, affecting the structure of the world copper industry, international trade patterns, and the role of the United States in the world copper industry." [3]

The report also states, "The constraint on domestic smelter capacity growth imposed by the presently promulgated federal environmental regulations plus continuing future uncertainty regarding new regulations and the way they will be enforced will quite likely slow down domestic smelter capacity expansion and new resource development generally.

"The federal regulations affecting the copper industry are more complex than those affecting even larger industries (e.g., iron and steel, or steam-electric power utility industry, etc.), *which is in part due to the apparent desire to force technological change away from reverb-based technology towards new smelting technology* more amenable to sulfur dioxide emissions control via the use of sulfuric acid plants. *Although this new smelting technology is more energy efficient than reverb-based technology as far as smelting is concerned, the higher degree of pollution control offsets this advantage.*" [4] (Emphasis added.)

Consideration of the impact of environmental controls on the mining industry's employment picture is outlined in these unhappy paragraphs:

"Under both the Constrained Capacity and the Reduced Capacity scenarios, *industry-wide employment at all stages of production—mining through refining—is expected to be felt sharply in terms of curtailing employment growth that would otherwise be expected to occur. . .*

"These employment impacts do not reflect layoffs but represent lower potential growth *in a few Western states where domestic copper mining, milling and smelting operations are largely concentrated.*" [5] (Emphasis added.)

The EPA report further emphasizes a point which, to date, the federal government has steadfastly refused to acknowledge—the overlapping of regulations by various agencies which adds up to extraordinary confusion, frustration, and capital expenditures.

"From a planning standpoint, the problem of uncertainty would increase the degree of risk associated with a new project, thus making the industry more cautious and increasing both the lead times and the costs required for adding new capacity. This, combined with the cumulative and sometimes conflicting nature of the regulations, may further create a broader set of unintended consequences, for example, by effectively curtailing expansion of domestic productive capacity. Moreover, *the existence of many regulatory agencies affecting a given industry, with little or no coordination among them (in the apparent absence of any legal requirement for them to coordinate their activities), may well compound the unintended and unforeseen effects of their actions. The situation may get more complex in the future if the present pattern of regulation of industry by Federal Government agencies continues.*" [6] (Emphasis added.)

Amen! ! !

Granted, these federal reports make dull reading, but they also make a point that the regulators either miss or ignore.

Not only is the domestic copper industry in trouble today; it is assuredly in worsening difficulty as these high-handed agency bureaucrats continue to whimsically clean up the air without regard to the costs of this admirable "benefit."

The list of regulations and restrictions on the copper industry could go on and on, through the Endangered Species Act, the withdrawal of public lands from mineral

Footnotes at end of article.

entry, and myriad others. But these are subjects for another, rainier day.

It is enough to know that the impact of environmental and health regulations on Arizona, through over-restriction of the state's copper industry, will adversely affect every resident.

Our state's copper is vital to the national welfare and the state's economic health—points the government and its agents disavow.

There is little reason to believe our nation's enemies fail to appreciate such neglect.

FOOTNOTES—FEDERAL REPORT EXCERPTS

From: The Impact on the U.S. Copper Industry of the Proposed Standard for Occupational Exposure to Sulfur Dioxide:

[1] Page 80.

[2] Pages 115, 116.

From: Economic Impact of Environmental Regulations on the United States Copper Industry:

[3] Page V-23.

[4] Pages XII-34, 35.

[5] Page XII-21.

[6] Pages I-16, 17.●

THE NEW JERSEY BALLET COMPANY

● Mr. PELL. Mr. President, I wish to call to the attention of my colleagues the exceptional programs being offered by the New Jersey Ballet Company this summer. As part of "Summer Festival '78," the New Jersey Ballet is appearing in communities across the State with a superb repertoire of dances ranging from the contemporary jazz ballet "Trilogy" to the more traditional pieces, "Corsair" and "Serenade." I applaud this celebration of the arts in the State of New Jersey and wish the New Jersey Ballet Company a most successful summer season.

As a result of generous assistance from the State government and the New Jersey State Council on the Arts, the ballet company has just placed 14 dancers on professional contract for the first time since the company was established 20 years ago. This new fiscal stability has been achieved by the New Jersey Ballet Company under the wonderfully creative and able leadership of Mrs. Harrison A. Williams, Jr., who is chairman of the ballet board, and Mr. Frank Markoe, who is president.

I ask that two recent newspaper articles about the New Jersey Ballet Company be printed in the RECORD for the further information of my colleagues.

The articles follow:

BALLET CONTRACTS EVOKE ARABESQUES OF JOY * * *

(By Linda Lamendola and Michael Redmond)

There were ballerinas dancing outside the State House yesterday as the New Jersey Ballet announced that a company of 14 dancers will be placed under professional contracts for the first complete season in the ballet company's 20-year history.

"We are dancing for joy," said Carolyn Clark, artistic director of the West Orange-based troupe, as she watched four New Jersey dancers perform during the Trenton press conference. "And we are here to say thank you to the state."

Included in the state government's 1979 budget is a $40,000 line-item appropriation for the ballet company, a first for the state and for New Jersey Ballet. Combined with a previous $60,000 summer festival grant from the New Jersey State Council on the Arts, the $100,000 total is sufficient to guarantee the company's "fiscal stability," according to Miss Clark.

Ringed by photographer and television cameramen, Miss Clark said that "until now we have had to operate from performance to performance, from production to production," and contracts could not be offered to dancers, guaranteeing steady employment. New Jersey Ballet has never operated on deficit financing, Miss Clark added.

"This new fiscal stability will enable us to compete with out-of-state companies, instead of being outbid by them right in our own state," Miss Clark said, "and we will be able to keep our dancers here, instead of losing them to New York."

The 14 dancers will sign contracts today with New Jersey Ballet at an average salary of $8,200 a year. Some of the more experienced performers—those who are billed as principals and soloists—will receive up to $15,000, she said.

A professional dancer who retired in 1971, Miss Clark said the New Jersey Ballet has been attracting many young native-born dancers.

The company has grown "tremendously" since it mounted its first production 20 years ago at Newark Arts High School, she said, and performances are often sold out weeks before.

"It seems New Jerseyans like their talents home-grown," Miss Clark quipped. And, she noted, the statewide ballet "will help to give New Jersey a cultural identity."

Asked whether New Jersey Ballet has been participating in the Comprehensive Employment and Training Act (CETA) program, which other New Jersey arts group have used to maintain their personnel, Miss Clark said that "the National Endowment in Washington has sent out advisories discouraging the use of CETA funds to support performing ensembles. As I understand it, CETA may be temporary, and we are not building a temporary ballet company. We want a permanent situation with broad-based support. That's why it has taken us so long."

Miss Clark also emphasized the importance of private sector support.

"We launched a statewide fund-raising campaign in April to raise $100,000 within a year. Corporate and private contributions have already hit the $40,000 mark. We have been tremendously encouraged by this response. We feel that people are recognizing what New Jersey Ballet is trying to do and what we are able to give," she said.

New Jersey Ballet will begin a series of statewide summer festival performances Saturday in the Chatham Borough High School. Guest stars are Helen Douglas of New York's Eliot Feld Ballet and Michael Owen of New York's American Ballet Theatre.

Attending the press conference were New Jersey Secretary of State Donald H. Lan and state arts council executive director Eileen Lawton.

Mrs. Lawton arranged for the ballet group to meet with Gov. Brendan Byrne in his State House office.

The Governor recalled the ballet dancers had performed at his inauguration last January and he praised their performances.

"What is the most difficult performance for a dancer?" questioned Byrne.

"Swan Lake is definitely one of the most exhausting, because you must maintain a certain dance pose for long periods of time even when you are not actively dancing," answered Constance Weber, a company member.

"More exhausting than Swan Lake is standing around and talking to the Governor," Byrne quipped.

Chairman of the New Jersey Ballet Board is Mrs. Harrison A. (Jeanette) Williams. President is Frank Markoe Jr., a top executive with Warner-Lambert Corp., Morris Plains.

The company is resident with the Paper Mill Playhouse in Millburn and with the New Jersey State Opera, and is a constituent of Newark Symphony Hall.

CREATIVE COLLABORATION FEATURE OF NEW JERSEY BALLET

"Trilogy," a ballet which is the result of a creative collaboration between Fairleigh Dickinson University Professor of Music Dr. Louis B. Gordon and New Jersey Ballet Company jazz choreographer Jay Norman, will be featured at the New Jersey State Council on the Arts Summer Festival '78 performance, at 8 p.m. at Chatham Borough High School.

The impetus for "Trilogy" was a meeting last fall between Dr. Gordon, resident of Whippany and coordinator of music and fine arts at the Florham-Madison F.D.U. campus, and the ballet company's executive director, Carolyn Clark. Both were attending a reception given by New Jersey Gov. Brendan Byrne at Morven, the governor's mansion, and discussed the possibility of working together.

Shortly after that chance meeting, Dr. Gordon received a creative research grant from Fairleigh Dickinson to write a serious composition in several movements for the Fairleigh Dickinson University Jazz Band.

Clark introduced Dr. Gordon and Jay Norman, and the close collaboration began. Gordon would tape his music, and Norman would listen to the tape while on his bus commute to New York City and create the dances.

"Triology" is 11 minutes long and is in three movements. "My music combines an unusual rhythmical treatment of jazz with more obvious rhythms reflecting today's disco music," Dr. Gordon explains. "The same can be said for the choregraphy on stage. There is no plot, but the abstract ballet reflects life in the city scene today."

The first performance of "Trilogy" was at the April 8 benefit for Overlook Hospital held at Millburn High School. As with that performance, the F.D.U. Jazz Band will be in the orchestra pit July 8 under Dr. Gordon's direction to accompany the ballet. Dr. Gordon noted most performances by the New Jersey Ballet are accompanied by taped music. "The live music is far more effective," Dr. Gordon suggested, "especially with the quality of the F.D.U. Jazz Band, which is one of the greatest college jazz bands on the east coast."

"Trilogy" also is scheduled to be performed by the ballet company on July 17 at Kean College.

In addition to the music for "Trilogy," Dr. Gordon also recently completed a "Sonata for Piano," premiered by his pianist wife Anita; attended the premiere performance of his "Sabbath Service" and currently is completing a series of popular elementary school-level arrangements of string materials.

The program by the New Jersey Ballet Company also will include "Serenade" and "Corsair," and is presented in association with the Arts Council of the Morris Area. Tickets are $5, with special $3 tickets for students and senior citizens, and are available through the Arts Council, which is located in Embury Hall at Drew University, Madison. For further information, contact the Arts Council at 377-6622.●

TUITION TAX CREDIT—BUDGET ACT WAIVER

● Mr. BELLMON. Mr. President, the Budget Committee is being asked today to report a waiver of section 303 of the Budget Act, with respect to the refundable tuition tax credit reported by the Finance Committee (H.R. 3946). I have voted to report the waiver unfavorably.

I have consistently opposed tuition tax credits. I am still unconvinced that the

arguments in favor of such tax credits are sufficiently persuasive as to outweigh our pressing concern that we must find a way to more effectively order Federal priorities, provide general tax relief, reduce the Federal deficit, and control inflation.

This bill requires a waiver, because it creates entitlements, which increases in the outyears. As a matter of fact, the entitlements it creates increases dramatically in the outyears. When we approved the first resolution on the budget, Congress assumed a tuition tax credit for undergraduate postsecondary education. The cost of the credit we assumed would have been $1.9 billion in fiscal year 1983. The fiscal year 1983 cost of the Finance Committee reported bill is projected at $5.3 billion. I am unalterably opposed to a commitment of this magnitude, which mortgages future options in favor of immediate political pressures.

In committee Senator HOLLINGS made the argument that the elementary and secondary education tax credits, which this bill would authorize, amount to Federal aid to segregation. I would be appalled to think we would run the risk that any action on our part would have that result; but I must repeat—in all honesty—that unlike the Senator from South Carolina, even if the elementary and secondary portion of the credit were eliminated, I would oppose this bill on the merits.

In recent months, I have been persuaded that there is a problem for middle-income families, with respect to financing higher education for their children. I am convinced, however, that the problem is one of available capital sufficient to meet a one-time expenditure need, and not one of unwillingness or inability to pay. A bill is now being drafted which I will introduce shortly and offer later as an amendment in the nature of a substitute to H.R. 3946 which would make affordable loans universally available to students in amounts sufficient to cover expenses at an institution of the student's choice. Any student would be eligible for these loans, without respect to family income.

I believe that such a loan program is the only way we can provide sufficient capital to help middle-income families with their children's education expenses. A $200—or even a $500—tax credit is simply not enough to make a dent in the cost of a college education; and we will never be able to afford tax credits—nor grants for that matter—large enough to serve this purpose adequately. On the other hand, even if the initial cost is just as high for a loan program—through a loan program we can provide much higher levels of assistance, when it is needed, at little or no long-term cost to the Federal Treasury.●

FEDERAL PROGRAMS FOR SENIOR CITIZENS

● Mr. GLENN. Mr. President, on Monday of last week, I was in Cincinnati, Ohio, to address a workshop I sponsored on Federal programs for senior citizens. This workshop was the culmination of several months work, with attendance by some 250 Ohioans working in the field of problems of the elderly, along with a number of their Federal counterparts responsible for administration of programs nationally. I have long been concerned with the plight of our senior citizens who live on fixed incomes and face the ravages of inflation, and I have given much attention to programs designed to provide more efficient delivery of services to our senior citizens. As a member of the Senate Special Committee on Aging, I have been active in working on behalf of America's senior citizens.

My workshop was especially timely in that it coincided with Senate consideration of the Older Americans Act Amendments of 1978. I was happy to have the opportunity to be in Cincinnati and address the workshop; an opportunity made possible by the fact that no votes were scheduled on the Senate floor until late afternoon, and I was scheduled to return to Washington in ample time to participate in all votes. Unfortunately, storms in Ohio caused transportation difficulties for my return to Washington, and I was not in Washington for votes on amendments to the Older Americans Act, but did arrive in time to vote for final passage of the measure. I intend to continue to give high priority to the problems of the elderly.

Mr. President, pursuant to that interest, I ask that my remarks at the opening of the workshop in Cincinnati be printed in the RECORD following this statement.

The remarks follow:

REMARKS OF SENATOR JOHN GLENN

It is a pleasure to welcome you to this federal grants workshop on programs available for senior citizens.

I wish such a meeting as this were not necessary. We all might wish to live in an earlier age when things were more simple, to go back to those days where families took care of their own, where the elderly were honored members of the family or were at worst, taken care of beyond their normal productive working years by community or church organizations. If we harken back to those days of a colonial village, we might see that self-sufficient colonial village with the buggymaker on one street, the cobbler on another and the vegetable grower perhaps on the near outskirts of the village. But today our buggymaker is Detroit, the vegetable grower is probably centered in the irrigated valley lands of the Imperial Valley in California, and our cobbler probably is not even in the United States since the majority of our shoes now come from Italy and other foreign lands. In other words, our colonial village has expanded tremendously across this nation, and even the world. We have become a mobile, flowing population in which 20 percent of our people move to a new residence each year, and 13 percent move across state lines. The local solidity of family life has obviously been harshly altered, much to the detriment of elderly citizens least able to adapt, beyond their working years who in many cases must now depend on state or federal programs concerned with things formerly done by the family.

Older Americans are faced with many problems in the areas of employment, legal services, transportation, and energy costs, which we will be discussing today; as well as problems in other areas including income, housing and health care. It is important for the government and local public and private organizations to cooperate in providing services to improve the health and well-being of the elderly and enable them to lead productive, independent lives. I expect that today's discussions between government officials and those of you directly involved in programs here in Ohio will be most beneficial, and I thank you for your participation.

We must continue and improve our present programs, such as those contained in the Older Americans Act, to benefit senior citizens. You will hear later in the day about the details of this legislation, which will probably be considered on the Senate floor this week. I will make only a few general observations. The first is that Congress once again seems certain to broaden the funding base. Just a few years ago, at the time of the 1971 White House Conference on Aging, the Administration request for the entire Older Americans Act was only about $30 million. Today, thanks in great part to congressional insistence and to grassroots support, the funding level is about $500 million. Whatever the details of the bill finally enacted this year, the principle of continuing growth seems firmly entrenched.

But impressive as that growth has been, we have to remember that the Older Americans Act is called upon to meet many challenges:

A national network of area agencies and state agencies on aging,

A growing number of social services primarily intended to maintain independent living and to improve enjoyment of life in later years,

A group meals program which provides companionship as well as nourishment,

A wide range of pilot or demonstration programs related to everything from upgrading nursing home care to improved and accessible legal services,

And training for newcomers to the field or for those who need information about fast-moving changes related to programs and projects.

This is a tall order. All you have to do to find a sample of the far-ranging world of aging here in Ohio, for example, is to look at our bi-monthly state publication, *Ohio's Heritage*. The latest issue talks about everything from older workers to the 19,000 meals being served daily in the group meal sites under the program I mentioned earlier.

Today's workshop is intended to help make it easier to tap programs intended by Congress to serve older Americans. Such programs should be neither mysterious nor inaccessible. They are intended to help. They are intended to be usable.

That certainly should be the case with Medicare, and to a large extent it is. Elderly persons in need of hospital or medical care have been helped enormously by this protection, and a great deal of anxiety has been taken from the lives of enti.. families because they could be sure that a significant part of the health care bills of their elders would be paid.

However, Medicare fails to cover many important health care needs, and so there is something called "Medi-Gap", which at its best offers reasonably priced private protection against bills Medicare doesn't cover. But at its worst, "Medi-Gap" is transformed into "Medi-Scare", in which high pressure in-

surance salesmen take advantage of consumer confusion surrounding Medicare. Federal Trade Commissioner Elizabeth Dole put the issue squarely at a recent hearing of the Senate Committee on Aging. She said, "The Medicare supplement market is a by-product of the federal Medicare program. Supplemental insurance *is confusing* because Medicare's benefit structure is complicated." Insurance Commissioner Harold Wilde of Wisconsin has observed that the federal government has a moral responsibility to cope with the problems Medicare has caused.

The Committee on Aging is acknowledging its part of that responsibility by holding hearings on "Medi-Gap" coverage. During our inquiry into the sale of private health insurance policies to the elderly to supplement Medicare, we have found that many of them are being taken advantage of by some insurance agents eager to make high commissions and sell as much insurance as possible. For example, one woman residing in an Ohio retirement apartment was sold 17 separate health and life insurance policies by 7 agents of the same company. Her yearly premiums amounted to 68 percent of her total income. Older Americans, who are fearful of the impact of rising health care costs on their limited budgets, are particularly easy targets for unethical insurance salesmen. As a member of the Aging Committee, I will continue to work with insurance companies and state insurance commissions in an attempt to correct abuses. The success of our joint effort will determine what federal action, if any, is required. Also, the Committee is preparing information which can be used by Medicare beneficiaries as a guide in helping them buy adequate supplemental insurance.

One program which is not found on today's agenda could be called "Options for Long-Term Care". And that, unfortunately, is because there is still no federal policy which clearly helps communities to develop a coordinated base for such services as home health care, home help and chore services, adult day care centers, congregate housing, and other forms of noninstitutional care, as well as nursing home and hospital care for those who need it. A major problem for service providers is coordinating the services which do exist, and this problem can be directly attributed to the fragmented nature of federal long-term care policies and funding sources.

The Senate Committee on Aging has held extensive hearings on alternatives in long-term care for the elderly. A great deal of very helpful information was obtained at the hearing I conducted in Cleveland last year. A forthcoming Committee report will attempt to trace the reasons for the national failure to develop a rational and effective policy and system to provide services to noninstitutionalized elderly, which everyone agrees is greatly needed and does not now exist.

In addition to dealing with the immediate concerns of our elderly population, we must plan for the years ahead as our population becomes increasingly older. Today, 24 million Americans, or 11 percent of the population, are 65 years or older. By the year 2000—less than 22 years from now—it is expected that 32 million Americans, over 12 percent of the population, will be senior citizens. By the year 2025, 51 million Americans 65 and over will comprise over 17 percent of the population. This demographic change, the so-called "graying of America", has important and potentially far-reaching effects on our society. It puts an increased emphasis on all areas affecting older Americans today, and it challenges us to anticipate future problems and to plan for them. Now is the time to begin long-range policy planning for the changes we know are coming. The failure to deal with aging-related problems now will compound the difficulties later on.

At a time when more and more people are talking about the "graying" of our nation and about our national budget on aging, it is all the more important to think in terms of what this concern and commitment of funds is all about. The Committee on Aging is exploring issues that are arising and are likely to arise as we shift to an older population. We have begun hearings and studies relating to the aging process and increased longevity, and of the adjustments in public policy which will be required by our rapidly changing age distribution patterns.

I found it very welcome when Joseph Califano—the Secretary of Health, Education and Welfare—came before the Aging Committee and had this to say:

"Indeed the presence in our society of a growing elderly population is as much a blessing as a cause for concern. It speaks to the success we have had as a nation in improving the health and well-being of all our citizens, in making advances of the medical sciences more broadly available, and in being able to respond to the changing needs of citizens of all ages.

"Nor is the effort we make on behalf of the elderly unrelated to our own lives. The taxes that younger workers pay on what they earn today not only assure their own futures; they make possible a better present for all generations.

"Indeed, 'the elderly' are ourselves—and our children. The commitments we make to the elderly of tomorrow are no less than the commitments which we all make to ourselves."

Secretary Califano spoke at a hearing called by the Committee on Aging to examine, rather intensively, a large number of issues we have grouped together under the general heading of "Retirement, Work, and Lifelong Learning." The Committee heard a great deal of weighty testimony and many statistics, but the focus we are trying to keep is what makes life more satisfying throughout all the years of life—in terms of job opportunity for those who want to work past what is now considered "normal" retirement age; in terms of educational opportunity for keeping job skills up-to-date along with changing business and technological needs, as well as educational opportunity simply for the pleasure of learning no matter how many birthdays a person has had; and also in terms of the right kind of retirement opportunity when persons want it, not at an arbitrarily fixed age for everyone.

We will have to give a great deal of thought and time to many issues in order to explore the general themes of retirement, work and lifelong learning, but we think there is a great deal of merit in considering relationships among subjects so often thought of individually.

Last Fall the Aging Committee met with Dr. Robert Butler, Director of the National Institute on Aging, and specialists from 11 countries who were here in the United States to discuss research needs of nations faced with a growing aged population and the changes in economic, social, and health care systems this growth necessitates. The National Institute on Aging is conducting research aimed at understanding the aging process. How long one lives is important, but of greater importance than extending the human life span is improving the quality of those years. I support the National Institute on Aging's research designed to extend the span of healthy middle life, and personally urge more research related to the elimination or reduction of pain which occurs in so many ailments of older people. Also, it is important to attract new scientists into the field of aging, which could be accomplished in part by increased emphasis on geriatric medicine in U.S. medical schools. Ohio has passed legislation requiring medical schools receiving state support to establish offices of geriatric medicine, and these offices have now been established by all of our medical schools. Hopefully, many other states will follow this lead.

It is important for the government and local and private organizations to work together to improve services for the elderly, to encourage the participation of the elderly in programs to benefit themselves and others, and to ensure that older people are aware of and able to obtain the assistance to which they are entitled. Also, together we must seize the opportunity to plan ahead and prepare for the changes in our society due to the increased population that will be 65 and older. By meeting the aging challenge now, we can ensure a better life for all Americans.

Again, I would like to welcome you and express my personal appreciation for your participation in today's program. It is an expression of the interest and concern we all have in our nation's senior citizens.●

REPRESSION IN SOUTH KOREA

● Mr. PELL. Mr. President, the July 31 issue of Newsweek magazine has a very interesting article, which I commend to my colleagues, on the imprisonment by South Korea of publisher Paik Nak Chung. Mr. Paik was educated at Brown University in Providence, R.I., and Harvard University; and his sister, Dr. Soon Yung Lee, is a resident of my State of Rhode Island. Mr. Paik was convicted on May 19, 1978, for violating South Korea's anti-Communist law and was sentenced to 1 year of hard labor followed by 1 year of suspended civil rights.

His crime? The publication of a scholarly compendium of reports on Communist China entitled: "A Dialogue with 800,000,000 People." Mr. Paik and the editor of this book, Mr. Lee Yong Hui, were accused of "inciting" sympathy for Peking and "praising" the Chinese Communist revolution. Yet John Kenneth Galbraith, who was one of the contributors to the book published by Mr. Paik termed the anthology as "completely benign."

Amnesty International has adopted Messrs. Paik and Lee as "prisoners of conscience," and the State Department is monitoring the appeal by Paik and Lee of their convictions. The harsh treatment meted out by the South Korean Government in this case can only serve to cloud further United States-South Korean relations and to undermine our security ties with South Korea, which have already come under attack because of other human rights violations.

It is my fervent hope that the South Korean Government will respond favorably to the Paik-Lee appeal and that our own State Department will make it eminently clear that the repression of free-

dom of expression can only weaken United States-South Korean defense ties that are supposed to protect the freedom of South Korea.

Mr. President, I ask that the Newsweek article be printed in full in the RECORD.

The article follows:

SOUTH KOREA: BAD REVIEWS

It is a thick compendium of 26 scholarly reports on Communist China, among whose authors are such respected names as France's Justice Minister Alain Peyrefitte and economist John Kenneth Galbraith—who calls the anthology "completely benign." But after "A Dialogue with 800,000,000 People" was published in South Korea last year, editor Lee Yong Hui and American-educated publisher Paik Nak Chung were prosecuted and ing" sympathy for Peking and "praising the Chinese Communit revolution." The convictions have set off international protests—sentenced to terms of hard labor for "incit- and bolstered arguments that South Korean dissidents deserve the same attention from the Carter Administration as Anatoly Shcharansky and other Soviet human-rights fighters. Says one of the book's contributors, Oxford scholar Neville Maxwell: "It seems to me that the Korean Government is being far more oppressive than even the Russian Government."

Remarkable: Amnesty International has adopted Paik and Lee as "prisoners of conscience"—its term for political prisoners—and the U.S. State Department signaled its own interest by assigning a human-rights officer to monitor last spring's trial in Seoul and a pending appeal. But some critics of U.S. policy in this area fear that less than full leverage will be applied by State. Congressional attempts to question former Korean Ambassador Kim Dong Jo in connection with the "Koreagate" influence-buying scandal won little support from the State Department, in part because ambassadors are immune from legal investigations in the country to which they are posted. And after dictatorial President Park Chung Hee won re-election this month, State praised his "remarkable development of the Korean society and economy."

The Paik case has aroused U.S. interest because of the publisher's Ivy League credentials—a bachelor's degree from Brown University, a Ph.D. from Harvard—and because the offending anthology includes a number of American authors. Galbraith's "The Chinese Economy Which I Saw" was "a straightforward and I would say highly uncolored description," its author says, written after Galbraith's trip to China in 1972 as president of the American Economics Association. "Four Pretty Maidens of Siam" was taken from a book by former New York Times man Harrison Salisbury. "Hell," he scoffs, "that's about some ballet dancers." The anthology also includes three articles about Chinese education by China expert Ross Terrill of Harvard. Says Terill: "Any sentence for publishing something the government doesn't agree with . . . is a scandal."

State Department spokesmen stress that the sentences—a year for Paik, three for editor Lee—could have been harsher. "These people are receiving due process under their own law," says one official. "The law is just arbitrary." Galbraith, Terrill, Maxwell, and other contributors have joined a letter-writing campaign on behalf of the two Koreans. On Capitol Hill, where the House already has voted to trim aid to Seoul because of the Koreagate impasse, several congressmen are also circulating a letter asking Jimmy Carter to include South Korea among his human-rights causes. "It's a double standard to stress our belief in human rights in some countries while other countries are violating them," says one House aide concerned with the Paik-Lee case. "It makes us look hyprocritical." ●

FEDERAL EXPRESS CORP. OF MEMPHIS, TENN.

● Mr. SASSER. Mr. President, a story in this morning's Washington Post describes the phenomenal growth of the Federal Express Corp., of Memphis, Tenn.

Through the imagination and leadership of Frederick W. Smith, Federal Express has become one of the Nation's fastest growing businesses. Federal Express was incorporated in 1971, but did not enjoy its first profitable month until July of 1975. During its last fiscal year, however, pretax earnings for Federal Express rose to more than $20 million.

I commend Fred Smith and the employees of Federal Express for their remarkable success in recent years, and ask that the Post article be printed in today's RECORD.

The article follows:

BEHIND THE FAST RISE BY FEDERAL EXPRESS

(By Dan Dorfman)

Quick now, what's the hottest stock issue of 1978? No, it's not Resorts International (the first entry into Atlantic City gambling). Resorts has been public a long time. Give up? Its Federal Express Corporation, the Memphis-based explosively growing national air freight company whose orange, white, and purple delivery vans are becoming almost as conspicuous in some metropolitan areas as the local taxi. The stock, which came out early in April at 24, skyrocketed to a recent record high of 47½ in the volatile over-the-counter market. What, you ask, is behind it all?

For some insights, I recently went to hot, sticky Memphis (population: 775,000) to see the company's dynamic founder: 33-year-old Frederick W. Smith. A graying rich kid who made it on his own. Smith is a noteworthy example of the imaginative and aggressive entrepreneur who is still alive and throbbing in the South.

About 12 years ago—when he was 21—Smith turned in his college thesis at Yale. Its premise: There's no way airlines can compete effectively with either truckers or railroads in the transportation of bulk freight. However, after exhaustive research, Smith saw glowing potential—a booming business, in fact—in an airline service that could deliver overnight small (under 70 pounds), high-priority packages. These products would run the gamut from integral parts of computers and diagnostic equipment to human organs and legal briefs. His skeptical professor didn't think such a business had a ghost of a chance, considering the airline industry's intense competition and heavy regulation. Nevertheless, he gave Smith a passing grade, but a mediocre one—a C.

I had drinks with Smith at his new $275,000 twelve-room home in the heart of Memphis, and he laughed about that college incident. Said Smith: "The professor didn't understand how the goddam world worked . . . that America was spreading out technologically . . . that the efficacy of our society is to be smarter, not to work harder. This meant the creation of a host of new productivity-improving equipment with innumerable complex parts . . . And the need for early delivery of such items was becoming as urgent between Appleton, Wisconsin, and Lubbock, Texas, as it was between New York and Chicago . . ."

A Vietnam veteran with more than 200 combat missions and the son of a wealthy businessman who founded Dixie Greyhound Bus Lines, Smith didn't have an easy time getting Federal Express off the ground. There were times, in fact, Smith may have thought his professor was right. Federal Express, incorporated in the summer of 1971 (Smith was 26 at the time), didn't begin its air freight service until April of 1973, in the previous year—while the mechanics of the business were being thrashed out—the company ran chartered flights.

It was agony the first few years. The first profitable month wasn't until July 1975, and there were major financing problems. In fact things got so bad in early 1973 that the 150 employees on the job that year were asked not to cash their checks right away. Around the same time, Smith was in Chicago trying to raise capital. He didn't get it. But later that year, the company managed to raise $24.5 million in venture capital, and these funds, plus another $31.5 million in bank loans, enabled the company to keep its head above water.

As it turned out, Federal Express developed into one of the biggest venture-capital deals ever, with investors anteing up $91 million in the first three years for Smith's bold scheme. Surely there were days when some of them must have thought it a harebrained scheme as Federal Express racked up wicked losses of $29 million in its first 26 months.

But that was yesterday, and the company's growth since then has been meteoric. In April of 1973, the company, aside from its 150 employees, had 10 aircraft, served 22 cities, asd delivered 15 packages the first night. Today, there are 2,800 full-time employees (4,200 all told). The fleet has since swelled to 69 aircraft (both owned and leased). The company delivers 35,000 packages a day (at around $22 each) and services 130 major markets and 15,000 communities.

Accompanying this expansion, at least recently, has been rapid growth in both sales and earnings. For example, in its most recent fiscal year, ending last May 31, Federal Express's pretax earnings shot up to $20.6 million from $8.2 million a year earlier. On a per-share basis, reflecting the company's recent recapitalization and stock offering for the past year, earnings jumped to $3.53 a share from $1.01. And revenues ran up $160 million from $109.2 million.

Importantly, too, there has been a dramatic improvement in the balance sheet. As of a year ago, equity capital had shrunk to $7.8 million in the fact of an awesome $52.5-million debt. Today, the company sports a $54 million net worth, and its total long-term debt has shrunk to roughly $33 million.

It all adds up to a sharply rising stock price, and probably nobody is more delighted at the rise than Smith himself. He owns about 465,000 shares and warrants (plus additional shares in a family-owned company) that are worth about $24 million. When I mentioned this, he bristled: "Money doesn't mean a dam thing to me." he says. "I don't need a lot of money, and I don't spend a lot of money."

I'm not about to question Smith's disdain for money. But it's worth noting that he was indicted in February 1975—though later acquitted in a jury trial—for allegedly obtain-

ing funds from a bank by using false documents.

There's no doubt that Federal Express' future was considerably enhanced last November when legislation was passed that allowed the company to increase the previous limit of 7,500 pounds of cargo per plane. That chopped delivery costs a hefty 30 percent. But that same legislation is also likely to heighten competition—perhaps dramatically—in an air freight market (namely small packages) that is already 23 per cent controlled by Federal Express. So where does the company go from here?

The ever confident Smith told me that the market's strong growth potential (he estimates that 90 per cent of all freight is actually small, express-type packages)—coupled with the company's momentum, heavy promotional bombardment, drive and savvy—should permit Federal Express to continue to turn in above-average growth and achieve a rising market share. He sees the prospects of broader market coverage domestically and expansion into European markets. And there may be a brand-new lucrative business—Federal Express, Smith tells me, is planning to petition the Civil Aeronautics Board to permit the company's craft to get into the shorthaul passenger market during the day. At present, Federal Express delivers its packages to 88 airports in the wee hours of the morning.

Looking ahead Smith figures fiscal 1979 should produce another rise in earnings to about $4.35 to $4.50 a share on revenues of between $200 million and $220 million. "We could earn more, but the expense side of the ledger will run pretty rich this year," he tells me. This is a reference to the heavy outlays the company will be pouring into new data, tele-communications, and operational systems. Smith believes a reasonable projection for fiscal 1980 is an earnings performance of about $5 a share on revenues of $260 million to $270 million.

Though Smith was born in Marks, Miss., he has spent most of his life in Memphis.

"Memphis is a horrible place," Smith told me. "There are serious structural problems when 30 percent of the people earn 70 percent of the income and 70 percent (primarily the blacks) get only 30 percent of the income. You have a massive underemployed black population, and it's not because the jobs aren't there or the blacks don't want to work. The real problem is that powerful interests in this city want the status quo maintained." ●

MEETING WITH MME. KANG TAI-SHA

● Mr. KENNEDY. Mr. President, on July 21 I had the great pleasure of hosting a lunch at the Senate in honor of Mme. Kang Tai-sha, Deputy Secretary-General of the Chinese People's Institute of Foreign Affairs, who is visiting the United States as a deputy leader of the Performing Arts Co. of the People's Republic of China. We were joined by the Members of Congress for whom Mme. Kang had acted as such a gracious and tireless host during many visits to the People's Republic of China.

Also joining us were the leader of the Performing Arts Co., Mr. Chao Chi-yang, and other members of the company; Ambassador Han Hsu and his staff from the PRC Liaison Office; and representatives of the two cosponsors of the lunch and of the company's tour in the United States, the National Committee on United States-China Relations and the Metropolitan Opera Association.

Mr. President, my family and I had the privilege of Mme. Kang's helpfulness and hospitality when we visited China in December and January of this past year. She contributed not only to our understanding of China, but to our friendship for the Chinese people—and I know the same is true for her other guests and admirers from the Congress. And so I was pleased to reciprocate in this small way by holding this lunch with the other Members of Congress who have enjoyed her hospitality and wished to show their appreciation.

I would also like to take this occasion to note the magnificent performances of the Performing Arts Co. in several parts of the country, including Wolf Trap in Washington. This has helped American understanding and appreciation of modern Chinese culture, and has given us all the opportunity to expand and strengthen the ties between our countries.

During the lunch in her honor Mme. Kang made some thoughtful remarks and a toast which are indicative of the growing, affirmative relations our country enjoys with the People's Republic of China. I strongly agree with her statement that "the Shanghai Communique is in conformity with the interests and common desire of our two peoples." I request that her remarks be printed in the RECORD.

Mme. Kang's remarks follow:

Senator Kennedy, Mr. Rosen, Mrs. Herman: Mr. Chao, our leader of the Performing Arts Company asks me to say a few words on his behalf.

In the name of the Performing Arts Company of the People's Republic of China, I wish to express our sincere thanks to our hospitable hosts Senator Kennedy, the National Committee on U.S.-China Relations and the Metropolitan Opera Association for inviting us to this gracious luncheon today, and extend our cordial greetings to all the American friends present.

It is a great pleasure for our Company to be in Washington, the famous and beautiful capital city of the United States for a friendly performance tour. And personally I feel particularly gratified to have the opportunity to visit with my old friends here. The other leading members of our Company also find it delightful to have made new friends since they came.

Friends, on its current tour our Company has brought here not only the samples of China's performing arts, but also the Chinese people's and art workers' good will for the American people. At the same time we would like to learn from the great American people.

After three weeks' performances and tour, we feel strongly that the American people cherish a profound and traditional friendship toward the Chinese people and that our two peoples have always been friendly to each other. This testifies to the fact that the Shanghai Communique is in conformity with the interests and common desire of our two peoples. The members of the Company would like to endeavor to further the friendship and cultural exchanges between our two peoples. We believe that the friends present will join our efforts to carry out the principles and objectives laid down in the Shanghai Communique, and promote the continuous growth of the relations between China and the U.S.

I also have the pleasure to tell our friends that an excellent situation has been brought about in China much more quickly than expected. Under the leadership of the Party's central committee headed by Chairman Hua Kuo-feng, the people of all ethnic groups in our country, full of vigor and militancy, are working hard to accomplish the general task in the new period and striving to build China into a modern, powerful socialist country by the end of this century. Of course, there are still difficulties on our way forward. But we have many favorable conditions as well. We are fully confident and determined to win the victory for another long march.

May I propose a toast—

To the continuous growth of the friendship and cultural exchange between our two people,

To the health of Senator Kennedy,

To the health of all the Senators and Congressmen and friends present. ●

ANNOUNCEMENT OF POSITION ON VOTE—H.R. 10173

● Mr. HATHAWAY. Mr. President, due to some longstanding commitments in Maine, I necessarily missed Monday's vote on final passage of the Veterans' and Survivors' Pension Improvement Act (H.R. 10173). I did want to go on record, however, as being fully supportive of the bill, and commend the Veterans' Affairs Committee under the able leadership of Senator CRANSTON for their work on this bill, providing much needed reforms and a restructuring of the Veterans' Administration pension programs. ●

ORDER FOR CONSIDERATION OF H.R. 12927 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of H.R. 12927, an act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF H.R. 12934 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, beginning at any time after 2 p.m., the Senate proceed to the consideration of H.R. 12934, an act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes, if the military construction appropriations bill has been completed at that time and, if not, that the State, Justice appropriation bill fol-

low the military construction bill tomorrow.

Mr. STEVENS. Mr. President, reserving the right to object, it is my understanding that it will commence at 2 o'clock, assuming the military construction bill has been finished?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. If the military construction appropriation bill is finished earlier, by noon, what happens?

Mr. ROBERT C. BYRD. State, Justice could not begin in that event until 2 o'clock.

Mr. STEVENS. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ECONOMIC OPPORTUNITY ACT AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote taken yesterday on passing S. 2090 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Human Resources Committee be discharged from further consideration of H.R. 7577, the House-passed legislation reauthorizing programs under the Economic Opportunity Act; that the Senate proceed to the immediate consideration of H.R. 7577; that H.R. 7577 be amended by striking all after the enacting clause and inserting in lieu thereof the text of S. 2090, as amended; that the bill be advanced to third reading, passed, and the motion to reconsider be laid on the table; and that S. 2090 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF CONFEREES—H.R. 7577

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate insist upon its amendments to H.R. 7577, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to and the Chair appointed Mr. WILLIAMS, Mr. NELSON, Mr. CRANSTON, Mr. HATHAWAY, Mr. RIEGLE, Mr. JAVITS, Mr. HATCH, and Mr. CHAFEE conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate's amendments to H.R. 7577.

The PRESIDING OFFICER. Without objection, it is so ordered.

GOLD AND SILVER LABELING AND ADVERTISING ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 962, S. 2782, that the amendments be considered en bloc, the bill advanced to third reading, passed, the motion to reconsider be laid on the table and that excerpts be printed in the RECORD in explanation thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2782) to protect consumers from misrepresentative advertising of gold and silver jewelry, and for other purposes, had been reported from the Committee on Commerce, Science, and Transportation with amendments as follows:

On page 2, line 2, strike "34 Stat. 260;";

On page 2, line 2, after "15 U.S.C. 294" insert "et seq.";

On page 2, strike line 17, and insert in lieu thereof the following:
after "sterling silver" the following "or 'silver' ".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Gold and Silver Labeling and Advertising Act".

ADVERTISING RESTRICTION

SEC. 2. The Act entitled "An Act forbidding the importation, exportation, or carriage in interstate commerce of falsely or spuriously stamped articles of merchandise made of gold or silver or their alloys, and for other purposes", approved June 13, 1906 (U.S.C. 294 et seq.) is amended—

(a) in the first section thereof by inserting immediately after "said article is encased or enclosed", the following: ", or in any advertising, irrespective of the medium thereof,"; and

(b) in section 2 thereof—

(1) by inserting "(a)" immediately before "In"; and

(2) by adding at the end of such section the following new subsection:

"(b) No representation as to gold content shall be made unless the article or part of the article represented as being made of gold is at least of 10 karat fineness.".

(c) in section 3 thereof by adding immediately after " 'sterling silver' " the following: "or 'silver' ".

The excerpt from the report ordered to be printed in the RECORD follows:

PURPOSE

S. 2782, the Gold Silver Labeling and Advertising Act, amends the National Stamping Act, a criminal statute which sets standards for gold and silver quality representations. S. 2782, as amended, would require that: (a) a manufactured article of merchandise of gold or goldware may not be designated as "gold" unless it is of at least 10 karats fineness;

(b) A manufactured article of merchandise of silver, silverware, or silver goods may not be designated as "silver" unless the silver content is mine hundred and twenty-five one-thousandths pure silver;

(c) A manufactured article of "gold" or "silver" could not be advertised as "gold" or "silver" unless such article meets these minimum standards.

BACKGROUND AND NEED

The Congress consistently has been determined to assure the integrity of the representations as to the quality of gold and silver manufactured products. In 1906, the National Stamping Act, a criminal statute, was enacted in order to assure that representations as to the degree of fineness of gold and silver articles of merchandise not be misleading. Recently, the Congress strengthened this act by adding injunctive remedies against violations of the act and in 1976 tightened standards in regard to gold.

Since 1957, the Federal Trade Commission had provided further protection to the public through the adoption of Federal trade practice rules for the jewelry industry. These trade practice rules provide that only gold articles of 10 or more karats can be marked or described as "gold," and that the term "silver" cannot be used to designate an item unless the item is at least nine hundred and twenty-five one-thousandths pure silver.

These Federal trade practice rules are not binding rules of law but are voluntary industry guidelines. A firm is not subject to liability merely on the ground that it violated a trade practice rule. If the Federal Trade Commission wishes to eliminate such a deviation from the trade practice rules, it would have to institute an administrative proceeding leading to the issuance of a cease and desist order.

In the midseventies a reexaminataion of these trade practice rules was instituted. This reassessment was in response to the rapidly ecalating price of gold which reached $200 an ounce after the fixed price of $35 an ounce for gold was lifted. The Federal Trade Commission directed its Bureau of Consumer Protection to study the issue of minimum standards for gold and silver content of jewelry in order to determine whether a system could be devised to inform consumers of the disadvantages of low karat gold and silver, so that they might make an economic decision which balances decreased price against decreased quality. In furtherance of this investigation, the Federal Trade Commission published in the Federal Register proposed amendments to the trade practice rules for the jewelry industry. In brief, these amendments would have allowed the word "gold" to be used to designate jewelry of less than 10 karats. However, these amendments would also have required that such an item carry a tag which listed its metal composition in order of predominance. This tag would also have had to carry the warning "gold alloys of less than 10 karats can be expected to tarnish and/or corrode." Advertisement of gold jewelry of less than 10 karats would also have been required to contain such a warning.

In regard to silver jewelry, silverware, and silver goods, the word "silver" would have been allowed to be used with articles of less than 0.925 pure silver But the term "silver" would have to be preceded by the correct designation of the actual silver content.

The Federal Trade Commission received an outpouring of opposition to these proposed amendments from a majority of the jewelry industry and numerus consumers. The staff of the Federal Trade Commission has reported that 98.6 percent of the 1,226 comments were in total opposition. In summary, the major arguments of opponents of this standard were that such a disclosure system would, due to the public's insufficient knowledge of the significance of the jewelry industry's rating system for gold and silver, be misleading, confusing, and difficult to enforce. Also, a number of comments argued that the disclosure tags themselves often might not reach the ultimate consumer.

After analyzing these comments, the Bureau of Consumer Protection recommended that the Federal Trade Commission reject these amendments to the trade practice rules for the jewelry industry. Edward D. Steinman, Acting Assistant Director of the Division of Marketing Abuses in the Bureau of Consumer Protection in the Federal Trade

Commission, testified at the Senate Commerce, Science, and Transportation Committee hearings on May 10, 1978 that:

"Substantial scientific evidence indicates that low karat gold alloys do not retain the characteristics of gold, such as tarnish and corrosion resistence * * * the evidence showed that the alloys below 10 karats tarnished and corroded at a more significant rate than the higher karat alloys. Furthermore, in many instances, tarnished and corroded jewelry would be difficult, if not impossible to clean."

Mr. Steinman, in regard to articles containing less than 10 karats of gold, concluded:

"It is inherently deceptive to name an article gold with very little gold in it and which no longer has the characteristics associated with gold."

The Federal Trade Commission accepted the recommendations of the Bureau of Consumer Protection and has decided to maintain the trade practice rules requirements that a minimum floor be set in regard to when an article can be designated as "gold" or "silver."

In order to put current standards on a firmer, statutory basis and thereby provide even greater protection to the jewelry industry and consumers, Senator Pell introduced S. 2782, the Gold and Silver Labeling and Advertising Act. S. 2782 in effect incorporates into law the Federal Trade Commission's trade practice rules for the jewelry industry. Senator Pell stated in the Commerce Committee hearings that:

"I believe strongly that the question of minimum precious metal content should be decided by Congress and not left to the uncertainties and vagaries of future regulatory action."

S. 2782 was strongly supported by a significant segment of the jewelry industry, including the Manufacturing Jewelers and Silversmiths of America, a major jewelry organization; the Sterling Silversmiths Guild of America; and the Jewelry Vigilance Committee, which represents approximately 1,688 jewelry manufacturers in the United States. The Federal Trade Commission's Bureau of Consumer Protection also supported S. 2782, stating:

"While the Bureau has urged the Commission to reaffirm the minimum standards for precious metal content in jewelry, we also firmly support S. 2782 to amend the National Stamping Act. We simply believe that compliance would be better with the Federal criminal statute than with the voluntary agency guideline. Moreover, the enforcement of the criminal statute could be expected to be less costly than the Commission's enforcement of the voluntary rule."

S. 2782 as reported prohibits manufactured articles to be advertised as "gold" and/or "silver" unless they meet or exceed the minimum standards required by this legislation. Recent Supreme Court rulings have held that commercial speech is afforded constitutional protection under the first amendment. The Supreme Court, however, recognized that the first amendment did not bar the regulation of deceptive or misleading commercial speech. The Federal Trade Commission's Bureau of Consumer Protection, as noted earlier, has argued that calling a product "gold" which contains less than 10 karats is inherently deceptive, as such products do not exhibit the expected noble metal qualities of significant corrosion and tarnish resistance. Comments received on the Federal Trade Commission's amendments to the jewelry guides strongly suggest that this problem cannot be cured by supplemental requirements for additional information disclosure, furthermore, this legislation would set minimum standards for gold and silver products. The U.S. Government has numerous laws and regulations which have developed standards for the characteristics of products in order to prevent deception of consumers with regard to the identity of such products. Clearly, the purpose of such requirements would be thoroughly undermined if these requirements did not apply to advertising. Also, the committee's hearings pointed out that advertising has become an increasingly significant aspect of sales in the jewelry industry. Frequently, jewelry now is sold directly to the consumer through catalogs.

The full committee considered S. 2782 on June 21, 1978. The committee amended this legislation to conform to the Federal Trade Commission's Federal trade practice rules for the jewelry industry in regard to silver. The legislation as introduced allowed a manufactured article to be designated as "silver" if it contained nine hundred one thousandths pure silver. The committee raised this minimum standard to nine hundred and twenty-five one thousandths pure silver. This amendment conforms the legislation to the general practice of the jewelry industry and received the endorsement of the Federal Trade Commission's Bureau of Consumer Protection.

During the committee's consideration of S. 2782 it was emphasized that this legislation affects such types of articles as gold and silver jewelry, gold and silverware, and silver goods and does not apply to mined gold and silver in its raw state or bullion or nonmanufactured gold or silver products. After careful review of the legislation, the committee ordered S. 2782, as amended, to be reported favorably without objection.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today and the cloakrooms may advise Senators accordingly.

UNANIMOUS-CONSENT AGREEMENT ON CONSIDERATION OF CERTAIN APPROPRIATION BILLS ON FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the State-Justice appropriation bill, the majority leader be authorized to call up on Friday the following appropriation bills: the second supplemental, the legislative branch appropriation bill, and the HUD appropriation bill, in that order.

Mr. STEVENS. Mr. President, reserving the right to object, it is my understanding there are time agreements on these three bills now, that it is the majority leader's intention that State-Justice-Commerce will commence at 2 o'clock tomorrow afternoon, and that he has the right to call up anytime commencing Friday morning these three bills in that order, subject to other matters that might come before the Senate in the majority leader's decision.

Mr. ROBERT C. BYRD. Yes.

I am merely authorized to call up those three bills and I am merely authorized to call them up on Friday.

Mr. STEVENS. Would the majority leader agree that as those bills reach third reading they would be set aside until Monday? If they are called up on Friday could it be provided that on those three bills a short amount of time would be allowed for debate on Monday, with the vote on final passage on the supplemental, legislative, and HUD appropriations on Monday afternoon?

Mr. ROBERT C. BYRD. I would respond in this fashion. I would be very agreeable to putting the votes on final passage of one or more, or even all of the three bills, over until Monday with the understanding that the votes would occur, however, on amendments to any of the bills on Friday, and that on Monday there would be no debate, the Senate would simply go to votes on the bills.

I would be agreeable to having a limitation on debate just prior to the final votes on Monday if such debate could be limited to, say, 10 minutes on each bill.

Mr. STEVENS. That would be agreeable, 10 minutes on each side, and there would be no objection raised to votes on amendments which would be in order, and second reading, already under the time agreement.

Once we reach third reading, we would put these bills aside until Monday and prior to the vote there would be 10 minutes on each side, if the managers of the bill wished to use it. If not, there would be votes back to back on the three appropriations bills at a time to be chosen on Monday afternoon.

Mr. ROBERT C. BYRD. I think that would be agreeable with me, if the Senator will allow me just a moment to collect my thoughts.

Mr. President, I ask unanimous consent that the majority leader be authorized to proceed in accordance with the discussion that has just been held on the record between the distinguished acting Republican leader and the majority leader.

(Mr. SPARKMAN assumed the Chair.)

Mr. BUMPERS. Mr. President, reserving the right to object, on the second supplemental, I am not sure. I did not get the discussion with any great precision.

I am curious about the second supplemental. Is there a time agreement on that?

Mr. ROBERT C. BYRD. I do not believe there is a time agreement on the second supplemental yet.

There is on HUD and the legislative bill.

Am I correct, may I ask the Chair?

Mr. BUMPERS. I would like at this time to voice an objection, a continuing objection, for a time agreement on that. I am sure we can work it out. The second part of it, of course. I have an amendment on which I want to be sure, if I possibly can, the germaneness rule will not apply.

I think it is a significant amendment that nobody would object to considering during consideration of that bill.

Mr. ROBERT C. BYRD. Will the Senator allow me to get an agreement, in

the event I can work out a time agreement, otherwise with the understanding his amendments would be in order?

Mr. BUMPERS. Yes.

Mr. ROBERT C. BYRD. And would he at some point inform me as to the nature of his amendment so that in getting the agreement I can inform others if there are questions?

Mr. BUMPERS. I do not mind telling the Senator that the amendment I am talking about deals with whether or not we will appropriate money for a flu immunization program this fall.

It was debated in the committee yesterday afternoon.

Mr. ROBERT C. BYRD. Yes.

If I can get an agreement that would allow the Senator—well, of course, on appropriation bills, on amendments not germane, points of order will lie against the appropriation bills.

We could waive that by getting unanimous consent the Senator's amendment be allowed.

Mr. BUMPERS. The amendment might be germane. I think it is a questionable matter. That is the only reason I raised that.

But, in any event, I think we can probably work that out.

Mr. ROBERT C. BYRD. Very well.

Mr. BUMPERS. Otherwise, a unanimous-consent request.

Mr. ROBERT C. BYRD. If I see an opportunity to work out a unanimous-consent agreement, I will touch base with the distinguished Senator on it, keeping his amendment in mind.

(Mr. BUMPERS assumed the chair.)

Mr. STEVENS. Mr. President, continuing the dialog, it is my understanding that there is a possibility, however, of an agreement on the second supplemental.

I inquire what the majority leader's intentions would be if there is no agreement on the second supplemental. He is authorized now to call up that first and then legislative and then HUD. As I understand it, our understanding is contingent upon some sort of time agreement on the second supplemental. I would prefer not to have that, if possible. If we do not get a time agreement on the second supplemental, we can proceed with the legislative and then with HUD on Friday.

Mr. ROBERT C. BYRD. If we do not get an agreement on the second supplemental, I would hope we could proceed with one or both of the others. But the distinguished chairman of the subcommittee that handles the legislative appropriation bill does not want to proceed with that bill until the supplemental appropriation has been disposed of. Therefore, I would hesitate to say that I would move with the legislative prior to the supplemental.

Mr. STEVENS. The understanding is that the majority leader is authorized to call up, commencing Friday, the second supplemental, then the legislative appropriations bill, then HUD, subject to the understanding we have just had: The votes on amendments will take place according to time agreements as they are entered into for those three bills. The final vote, after the bill reaches third reading, will take place after a short debate, if the managers of the bill wish it, to be limited to 10 minutes to each side, at a time to be designated later Monday afternoon.

Mr. ROBERT C. BYRD. Yes. I would not want to lay down that agreement except in this fashion: That the majority leader be authorized to proceed along those lines, and precisely along those lines. I am just asking that the majority leader be authorized.

Mr. STEVENS. I understand. I am sure the majority leader understands that I am trying to work out an arrangement so that Senators who have appearances scheduled for the weekend can be assured that they can leave on Friday afternoon and come back on Monday. We are working around a Saturday session, if possible.

Mr. ROBERT C. BYRD. Yes. The distinguished Senator from Alaska is trying to do that.

Let me make clear what I am attempting to say. I want the majority leader to be authorized to call up those bills and be authorized to put that time agreement into effect.

The reason I say that is because of a possible contingency that might arise in the event a conference report is called up on Friday, in which case I would not want any more time on Monday to be taken than the 20 minutes on each of all the bills to which the distinguished Senator from Alaska has alluded.

Mr. STEVENS. I thank the majority leader.

I would not want the record to be interpreted that I entered into a consent agreement whereby the majority leader could call those up on Saturday. That is what I am saying. We are talking about Friday.

Mr. ROBERT C. BYRD. The Senator is absolutely correct.

The PRESIDING OFFICER (Mr. BUMPERS). Without objection, it is so ordered.

MODIFICATION OF ORDER ON CERTAIN APPROPRIATION BILLS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order allowing the majority leader to call up the three appropriation bills, the supplemental, legislative, and HUD at any time on Friday be modified as follows:

At any time beginning with Friday but with the understanding that it not be Saturday.

Mr. STEVENS. Or Sunday.

The PRESIDING OFFICER. Without objection, the agreement is so modified.

Mr. ROBERT C. BYRD. I thank the Chair and I thank the acting Republican leader.

Mr. STEVENS. Mr. President, if the majority leader will indulge me for one further aspect of the vote on the bills, is that if they are called up on Friday and if they go over to Monday for third reading, final vote on the first one would not commence before 3 p.m. on Monday?

Mr. ROBERT C. BYRD. Yes.

NO VOTES ON PASSAGE OF CERTAIN APPROPRIATIONS BILLS BEFORE 3 P.M. MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if rollcall votes occur on final passage of any one or more of the following bills, the supplemental appropriation, legislative appropriation, and HUD appropriation, and if such votes are laid over until Monday such votes not begin prior to the hour of 3 p.m. on Monday, it being understood that this order applies only to final votes on any one or more of those three appropriation bills.

Mr. STEVENS. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, does paragraph 3 of rule XII have to be waived for this order? Is it specific enough that it does not require the waiving of that paragraph?

The PRESIDING OFFICER. The Senator will have to indulge the Chair a moment.

Mr. ROBERT C. BYRD. It has to do with final votes on bills. It states they cannot occur before 3 p.m. on Monday next.

The PRESIDING OFFICER. Only if the order specifies that the votes occur on a certain day.

Mr. ROBERT C. BYRD. It would specify that they would occur on Monday.

Mr. STEVENS. Not to occur before 3 p.m. on Monday.

Mr. ROBERT C. BYRD. Not occur before 3 p.m. on Monday.

The PRESIDING OFFICER. In which case paragraph 3 of rule XII need not be waived.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR RECESS UNTIL 10:45 A.M. TOMORROW AND TO PROCEED TO CONSIDERATION OF H.R. 12927

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10:45 a.m. tomorrow and that at 11 a.m. the Senate proceed to the consideration of the military construction appropriation bill with only such time as there is intervening between the completion of the prayer and the hour of 11 a.m. being allotted to the two leaders equally.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object.

Mr. ROBERT C. BYRD. The Senator will not object to that. We are coming in 45 minutes later.

Mr. STEVENS. I do not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, following the two leaders on tomorrow, the Senate will take up the military construction bill by an order. That is an appropriation bill on which there is an agreement. Following the adoption of that bill, or if the work is not completed thereon prior to 2 p.m., the Senate will take up the State-Justice bill.

If, however, in the alternative, action has been completed on the military construction bill prior to 2 p.m., the Senate will have to find some other work to do until 2 p.m. At 2 p.m., in that event, the Senate will proceed to the consideration of the State-Justice appropriation bill, on which there is a time agreement.

So there will be rollcall votes tomorrow.

RECESS UNTIL 10:45 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10:45 a.m. tomorrow.

The motion was agreed to; and at 5:46 p.m. the Senate recessed until tomorrow, Thursday, August 3, 1978, at 10:45 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, August 2, 1978*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be of good courage and He shall strengthen your heart, all ye that hope in the Lord.—Psalms 31: 24.

Our Heavenly Father, whose thoughts are better than our thoughts and whose ways are higher than our ways, help us to keep our minds open to Thee and our hearts receptive to Thy Spirit that we may lead our people in good and true ways this day.

Deliver us from too much attention to minor matters and not enough attention to the major concerns which are the imperative needs of our country. Instead of constant divisions among us may there be a greater sense of unity, instead of an emphasis on what separates us let there be more emphasis upon what unites us, instead of a difference of mind let there be greater agreement in heart. In spirit make us one as Americans who seek to make America a greater Nation in her service to the world. To this end guide us and help us to walk in Thy ways for the good of all. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and Joint Resolutions of the House of the following titles:

On July 28, 1978:

H.J. Res. 613. Joint resolution to authorize and request the President to issue a proclamation designating the first Sunday of September after Labor Day in 1978 as "National Grandparents Day";

H.R. 3489. An act to amend section 216(b) of the Merchant Marine Act, 1936, to entitle the Delegates in Congress from the District of Columbia, Guam, and the Virgin Islands to make nominations to the Merchant Marine Academy, and for other purposes;

H.R. 4270. An act to designate the Federal building and United States courthouse in Hato Rey, Puerto Rico, the "Federico Degetau Federal Building"; and

H.R. 12637. An act to amend the North Pacific Fisheries Act of 1954.

On July 31, 1978:

H.J. Res. 1024. Joint resolution making urgent supplemental appropriations for the Department of Agriculture, Agricultural Stabilization and Conservation Service, and for other purposes for the fiscal year ending September 30, 1978.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10173. An act to amend title 38, United States Code, to improve the pension programs for veterans, and survivors of veterans, of the Mexican border period, World War I, World War II, the Korean conflict, and the Vietnam era, and for other purposes.

REPORT ON RESOLUTION PROVIDING FUNDS FOR FURTHER EXPENSES OF AD HOC ENERGY COMMITTEE

Mr. THOMPSON, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–1409) on the resolution (H. Res. 1237) to provide funds for the further expenses of investigations and studies by the Ad Hoc Committee on Energy, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO SIT TOMORROW, AUGUST 3, 1978, DURING THE 5-MINUTE RULE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may sit tomorrow during the session of the House under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

TAX CUT BILL IS "FAT CAT DISH"

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, the tax cut bill is touted as mildly tilting toward the rich. It is in every respect a fat cat dish!

Under the tax cut bill, families of four in the following income levels receive the following cuts:

Income	Tax cut per year	Per week
$12,500	$105	$2.00
15,000	77	1.50
17,500	115	2.40
20,000	146	2.80
25,000	232	4.40
30,000	304	5.85

Since the tax cuts will be paid for through additional Treasury borrowing of more than $18 billion, it must be expected that such increased deficit borrowing will bring about an increase in inflation. Every 1-percent increase in inflation costs an average family $300.

A 1-percent inflationary increase or $300 per family means that the average family will pay $300 in inflation for $115 of tax cut.

Sixty-nine million taxpayers will be money ahead if this tax cut is defeated.

TENTH ANNUAL REPORT OF NATIONAL SCIENCE BOARD—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Science and Technology:

To the Congress of the United States:

I am pleased to submit to the Congress the Tenth Annual Report of the

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

National Science Board, entitled *Basic Research in the Mission Agencies: Agency Perspectives on the Conduct and Support of Basic Research.* This report is part of a continuing series in the Board's examination of key aspects of the status of American science.

It is now generally accepted that science and technology contribute in significant ways to our international trade balance, to productivity and economic growth, and to the solution of many of our social challenges. Perhaps less widely perceived is the fact that basic research is the foundation upon which many of our Nation's technological achievements have been built.

This report provides detailed evidence that basic research supported by Federal agencies not only contributes to America's scientific and technological advances, but also plays an active role in helping the Government meet our Nation's needs. Since taking office, I have encouraged the agencies to identify current or potential problems facing the Federal Government, in which basic or long-term research could help these agencies meet their responsibilities or provide a better basis for decisionmaking. As a result of this review process, my fiscal year 1979 budget proposed increased levels of funding for basic research—support that I believe is essential for the discoveries and technological innovations fundamental to both our economic well-being and our national security. The National Science Board's report illustrates well the relationship between basic and applied research, and I believe that the report will be useful to the Congress in completing its work on the R. & D. proposals before it.

In addition to addressing these fundamental issues the report should be helpful to the Congress and others concerned with setting priorities for future federally supported research and development, and in making our spending in this area more effective.

JIMMY CARTER.

THE WHITE HOUSE, *August 2, 1978.*

FOREIGN AID AUTHORIZATIONS, FISCAL YEAR 1979

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12514) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1979, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 372, nays 7, not voting 53, as follows:

[Roll No. 630]

YEAS—372

Abdnor	Delaney	Holtzman
Addabbo	Dellums	Horton
Akaka	Derrick	Howard
Alexander	Derwinski	Hubbard
Ambro	Devine	Huckaby
Ammerman	Dickinson	Hughes
Anderson, Calif.	Dicks	Hyde
	Diggs	Ichord
Anderson, Ill.	Dornan	Jacobs
Andrews, N. Dak.	Downey	Jeffords
	Drinan	Johnson, Calif.
Annunzio	Duncan, Oreg.	Johnson, Colo.
Applegate	Duncan, Tenn	Jones, N.C.
Archer	Early	Jones, Okla.
Armstrong	Eckhardt	Jones, Tenn.
Ashbrook	Edgar	Jordan
Ashley	Edwards, Ala.	Kastenmeier
Aspin	Edwards, Calif.	Kazen
AuCoin	Edwards, Okla.	Kelly
Badham	Eilberg	Kemp
Bafalis	Emery	Keys
Baldus	English	Kildee
Barnard	Erlenborn	Kindness
Baucus	Ertel	Kostmayer
Bauman	Evans, Del.	Krebs
Beard, R.I.	Evans, Ga.	LaFalce
Beard, Tenn.	Evans, Ind.	Lagomarsino
Bedell	Fary	Latta
Benjamin	Fascell	Leach
Bennett	Fenwick	Lederer
Bevill	Findley	Leggett
Biaggi	Fish	Lehman
Bingham	Fisher	Lent
Blanchard	Fithian	Levitas
Blouin	Flippo	Livingston
Boland	Flood	Lloyd, Tenn.
Bolling	Florio	Long, La.
Bonior	Flynt	Long, Md.
Bowen	Foley	Lott
Brademas	Ford, Tenn.	Lujan
Breckinridge	Forsythe	Luken
Brinkley	Fountain	McClory
Brodhead	Fowler	McCormack
Brooks	Frenzel	McEwen
Broomfield	Frey	McFall
Brown, Calif.	Fuqua	McHugh
Brown, Mich.	Gammage	McKay
Brown, Ohio	Gaydos	McKinney
Broyhill	Gephardt	Madigan
Burgener	Giaimo	Mahon
Burke, Fla.	Gibbons	Mann
Burleson, Tex.	Gilman	Marks
Burton, Phillip	Ginn	Marlenee
Butler	Glickman	Marriott
Byron	Goldwater	Martin
Caputo	Gonzalez	Mattox
Carney	Goodling	Mazzoli
Carr	Gore	Meeds
Carter	Gradison	Metcalfe
Cavanaugh	Grassley	Meyner
Cederberg	Green	Michel
Chappell	Gudger	Mikulski
Clawson, Del	Guyer	Mikva
Clay	Hagedorn	Milford
Cleveland	Hall	Miller, Calif.
Cohen	Hamilton	Miller, Ohio
Coleman	Hammer-schmidt	Mineta
Conable		Minish
Conte	Hanley	Mitchell, N.Y.
Corcoran	Hannaford	Moakley
Corman	Hansen	Moffett
Cornell	Harkin	Mollohan
Cornwell	Harris	Montgomery
Cotter	Harsha	Moore
Coughlin	Hawkins	Moorhead, Calif.
Cunningham	Hefner	
D'Amours	Heftel	Moorhead, Pa.
Daniel, Dan	Hightower	Moss
Daniel, R. W.	Hillis	Mottl
Danielson	Holland	Murphy, Ill.
Davis	Hollenbeck	Murphy, N.Y.
de la Garza	Holt	Murphy, Pa.
Murtha	Rogers	Studds
Myers, Gary	Roncalio	Stump
Myers, John	Rooney	Symms
Myers, Michael	Rose	Taylor
Natcher	Rosenthal	Thompson
Nedzi	Rostenkowski	Thone
Nichols	Rousselot	Thornton
Nix	Roybal	Traxler
Nolan	Rudd	Treen
Nowak	Runnels	Trible
O'Brien	Ruppe	Tucker
Oakar	Russo	Udall
Oberstar	Ryan	Ullman
Obey	Santini	Van Deerlin
Ottinger	Sarasin	Vanik
Panetta	Satterfield	Vento
Patten	Sawyer	Volkmer
Patterson	Scheuer	Waggonner
Pease	Schroeder	Walgren
Pepper	Schulze	Walker
Perkins	Sebelius	Walsh
Pettis	Sharp	Wampler
Pickle	Shipley	Watkins
Pike	Shuster	Waxman
Poage	Sikes	Weaver
Pressler	Simon	Weiss
Preyer	Sisk	White
Price	Skelton	Whitehurst
Pritchard	Skubitz	Whitley
Pursell	Slack	Wilson, C. H.
Quillen	Smith, Iowa	Winn
Rahall	Smith, Nebr.	Wirth
Railsback	Snyder	Wolff
Rangel	Solarz	Wright
Regula	Spence	Wydler
Reuss	Staggers	Wylie
Rhodes	Stangeland	Yates
Richmond	Stanton	Yatron
Rinaldo	Stark	Young, Fla.
Risenhoover	Steed	Young, Mo.
Roberts	Steers	Zablocki
Robinson	Stockman	Zeferetti
Rodino	Stokes	
Roe	Stratton	

NAYS—7

Collins, Tex.	McDonald	Wilson, Bob
Jenrette	Pattison	
Lloyd, Calif.	Quayle	

NOT VOTING—53

Andrews, N.C.	Dingell	Markey
Bellenson	Dodd	Mathis
Boggs	Evans, Colo.	Mitchell, Md.
Bonker	Flowers	Neal
Breaux	Ford, Mich.	Quie
Buchanan	Fraser	Selberling
Burke, Calif.	Garcia	Spellman
Burke, Mass.	Harrington	St Germain
Burlison, Mo.	Heckler	Steiger
Burton, John	Ireland	Teague
Chisholm	Jenkins	Tsongas
Clausen, Don H.	Kasten	Vander Jagt
	Krueger	Whalen
Cochran	Le Fante	Whitten
Collins, Ill.	Lundine	Wiggins
Conyers	McCloskey	Wilson, Tex.
Crane	McDade	Young, Alaska
Dent	Maguire	Young, Tex.

Mr. AMBRO changed his vote from "nay" to "yea."

Mr. RONCALIO changed his vote from "present" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12514, with Mr. FUQUA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, August 1, 1978, the Clerk had read through line 14, page 19, of the bill.

Are there any amendments to section 20?

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that the remainder

of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. STARK

Mr. STARK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STARK: Page 19, immediately after line 14, insert the following new section 21:

TERMINATION OF DELIVERIES OF DEFENSE ARTICLES TO CHILE

SEC. 21. Section 406(a)(2) of the International Security Assistance and Arms Export Control Act of 1976 is amended by adding at the end thereof the following new sentence: "After the date of enactment of the International Security Assistance Act of 1978, no deliveries of defense articles or services may be made to Chile pursuant to any sale made before the date of enactment of this section.".

Redesignate existing section 21 of the bill as section 22 and correct any cross references thereto.

Mr. STARK. Mr. Chairman, in the last Congress, we enacted a law which stated that no military security supporting assistance and no military education training may be furnished under the Foreign Assistance Act to Chile and no credits with respect to Chile and no deliveries of any such assistance. credits, or guarantees would be made to Chile on or after the date of the enactment of the law, June 30, 1976.

Mr. Chairman, it was by a fortuitous discovery made by some longshoremen in the Port of Oakland that we found, in June of this year, that arms were still being shipped to Chile despite our understanding that under the 1976 law, we had cut off aid to this repressive government.

It turned out that there was a loophole in existing law which allowed arms in the "pipeline" to be shipped. Since 1976 we have shipped some $80 million worth of arms. That is almost half of all the arms shipped to Chile since the program began in the 1950's. There still remain some $24 million worth of "pipeline" orders for future deliveries to Chile.

Mr. Chairman, my amendment would cease delivery of this equipment. This equipment includes revolvers and ammunition, handgrenades and equipment that can be used to further directly repress the people of Chile. Indeed, included is equipment which could be further used perhaps by Chilean agents to come into this country and murder residents of this country, as suggested by the indictments brought yesterday against three Chileans for their involvement in the murder bombing of Mr. Letelier and Ronni Moffitt, almost 2 years ago. Although the question of pipeline shipments to Chile is now under review, the administration is unwilling to assure Congress that shipment of even those items which could be directly used to repress the rights of Chilean citizens will be withheld pending some improvement in the human rights situation in Chile. I am submitting a complete listing of these pipeline items for the RECORD.

Yesterday, the U.S. Department of Justice indicted three Chileans for their involvement in the bombing murder of former Chilean Ambassador Orlando Letelier. The indicted include the former director of Chile's secret police, DINA, a man who functioned until very recently as a key aide and political intimate of General Pinochet. Also indicted is DINA's former director of operations, an officer in the Chilean Army who is charged with conveying the murder order to operatives in the United States. Finally, the indictments name a DINA agent who even now is a member of the Chilean armed forces.

I think there is no question that Chile ranks as one of the most repressive, inhumane governments in the world today. I think there is no question that the spirit of U.S. law calls for the cessation of shipments of military arms to Chile. There is no question that some $80 million of arms have been delivered since the law was enacted. I submit they have been delivered in contravention to the spirit of the law of the U.S. Government.

This amendment merely closes that loophole through which the United States has delivered "pipeline items" to a country which I do not think under any circumstances we would like to support with military assistance at this point. I think we must stop the shipment of arms and deliver a clear message that we do not want to supply arms to a nation that sends agents into this country to murder people protected by our laws. Further, the message of this amendment is that we will not send military equipment to those countries who jail citizens for political reasons, who murder and torture their own citizens, in contravention of the internationally accepted standards of human rights.

I submit that the situation in Chile can not sustain even cautious hope for progress away from General Pinochet's brutally repressive regime. In light of this, there is no reason to allow the shipment of $24 million more in arms and military equipment to Chile. I urge you to act in the spirit of our avowed human rights policy and the 1976 arms cutoff by supporting this amendment.

FMS DELIVERIES TO CHILE

Case	Description	Letter of offer acceptance date	Dollar value of deliveries as of— May 30, 1978	June 30, 1976	Dollar value delivered in period	Undelivered balance as of May 31, 1978
BAC	Support equipment	Feb. 6, 1970	195,917	195,539	378	4,094
BAH	Automotive equipment	June 16, 1971	294,398	293,125	1,273	5,602
BAI	Maintenance equipment	Aug. 23, 1974	140,494	137,462	3,032	0
BAJ	Maintenance repair parts and tools	Jan. 17, 1974	162,927	147,423	15,504	17,478
TAR	Books, maps and publications	June 7, 1974	4,344	4,341	3	431
TBM	do	June 9, 1975	574		574	5,696
TBN	do	Aug. 7, 1975	2,532	34	2,498	7,468
UGC	Armored personnel carrier and equipment	Aug. 10, 1972	144,256	143,766	490	27,799
UGL	Artillery tool sets	Jan. 12, 1973	41,075	16,188	24,887	483
UGG	Automotive supplies and equipment	June 11, 1973	147,843	27,127	120,716	1,987
UHN	105-mm cartridges	Dec. 18, 1974	876,970		876,970	229,437
UID	Fire control equipment	do	95,932	3,797	92,135	307,227
UIZ	106-mm recoilless rifles and parts	do	119,065		119,065	3,459,255
UJA	3.5-in rockets, 66-mm rockets and 106-mm cartridges	do	1,360,360		1,360,360	3,382,950
AAP	Ammo components	July 29, 1974	1,489,253	400,177	1,089,076	84,136
CAC	Aircraft spare parts	Mar. 10, 1974	26,644	22,009	4,635	698
CAG	Ammo components	June 22, 1976	29,735		29,735	479,800
GAC	Tech assistance	do	20,528		20,528	45,262
KAA	Aircraft spare parts	do	62,500		62,500	2,571,586
KBA	do	do	1,311,138		1,311,138	2,524,218
PAU	Training aids and publications	Nov. 7, 1973	734	372	362	1,266
PAY	do	Oct. 11, 1974	19,292	17,787	1,505	20,977
PBA	do	June 22, 1976	1,621		1,621	27,296
PBB	do	do	420		420	28,497
PBC	do	do	112,799		112,799	116,118
PBD	do	do	78		78	28,839
RAH	Aircraft spare parts	July 17, 1973	489,345	234,776	254,569	0
RAJ	do	Nov. 29, 1974	944,993	106,184	838,809	162,757
RAL	do	June 22, 1976	236,926		236,926	192,459
SBC	A-37 aircraft (16), spares, and assistance	May 23, 1973	11,895,820	11,676,124	219,696	248,354
SBL	T-37B trainer	do	540,348	426,532	113,816	248,284
SCD	A-37 aircraft (18), spares, and assistance	Oct. 31, 1974	16,574,008		16,574,008	4,059,776

FMS DELIVERIES TO CHILE—Continued

Case	Description	Letter of offer acceptance date	Dollar value of deliveries as of— May 30, 1978	June 30, 1976	Dollar value delivered in period	Undelivered balance as of May 31, 1978
SDR	F-5E aircraft, (18), spares, and asst	May 15, 1974	63,089,710	9,737,342	53,352,368	3,801,962
TAO	Training	Aug 14, 1974	2,420	1,320	1,100	166
TAP	do	Aug 30, 1975	185,838	81,260	104,578	431
VAK	Aircraft mods and AGE	Jan. 28, 1974	2,229	477	1,752	8,321
VAM	do	Nov. 29, 1974	45,344		45,344	113,250
VAP	do	June 22, 1976	3,147		3,147	931,794
ABF	Ammo components	Dec. 31, 1968	252,593	252,593		6,898
ACJ	Torpedoes	Oct. 22, 1971	216,401	186,800	29,601	9,561
ACZ	Ammo components	Dec. 4, 1972	7,095		7,095	0
ADH	Artillery projectiles over 5 in	May 16, 1974	338,198	336,557	1,641	169,217
ADI	Torpedoes	do	791,039	564,405	226,634	116,941
ADJ	Ctgs 105 mm, 15 mm, 37-75 mm and other	Oct. 21, 1974	127,919		127,919	45,254
ADK	Grenades, ammo components	Dec. 2, 1974	1,870		1,870	60,445
BDA	Ship spare parts	Apr. 19, 1974	1,025		1,025	3,284
BDE	Ammo spares	May 10, 1973	57,719		57,719	23,166
BEE	Ship spare parts	Aug. 23, 1973	443,284	408,000	35,284	59,969
BET	Ordnance equipment	Apr. 19, 1974	16,332	12,150	4,182	0
BEY	Ammo components	July 12, 1974	69,892	47,392	22,500	377,954
BFG	Training aids and publications	July 24, 1974	17,970		17,970	18,797
GAJ	Technical assistance	Oct. 17, 1974	12,750	12,500	250	0
JAA	Ship spare parts	July 26, 1974	1,091,977	501,024	590,953	23,524
TAN	Training	May 11, 1976	1,842		1,842	232
UPA	Ship spare parts	June 29, 1973	300,306	296,698	3,608	199,694
USA	do	Oct. 1, 1973	858,261	545,719	312,542	556,739
OAG	Training	Nov. 20, 1974	120,000	112,000	8,000	0
UFL	Miscellaneous ammo—106 mm and below	Dec. 14, 1971	305,785	262,268	43,517	0
UFS	Aircraft spare parts	Dec. 23, 1971	26,950	19,767	7,183	0
UGK	Automotive support equipment	Apr. 12, 1973	422,476	383,332	39,144	0
UHX	General supplies	Aug. 6,1974	654,925		654,925	0
RAH	Aircraft spare parts	July 17, 1973	489,345	234,776	254,569	0
UUA	do	Mar. 31, 1974	17,610	16,676	934	0
	Total		107,315,121	27,865,819	79,449,302	24,817,827

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment, as the gentleman from California has advised us, would prohibit delivery of defense articles or services in the pipeline for Chile. Mr. Chairman, I rise in opposition because I think this amendment is ill-timed. It would be counterproductive because the human rights situation in Chile is now improved over what it was last year according to the United Nations, the International Red Cross, and other respected observers. This amendment would also suggest to other purchasers of U.S. defense articles that we are not a reliable supplier.

The gentleman from California (Mr. STARK) is correct in saying that we passed section 406 of Public Law 94-329 wherein we suspended any shipments of military goods or services. What the gentleman does not make clear, however, is that Congress also clearly expressed in section 406 the intention that deliveries under presently existing FMS contracts with Chile were not to be prohibited by that section. It was drafted in such a way as to make that intent clear. Thus, the pipeline question does not represent a loophole, as the gentleman from California has stated. It is not a loophole in section 406 but rather reflects the considered desire of the Congress not to interfere in existing contractual obligations toward Chile.

I submit, Mr. Chairman, we would be making a bad precedent if we adopted the gentleman's amendment. To prohibit deliveries at this time would present potential serious problems of meeting termination costs. Finally, as I said earlier, it would certainly cause other nations to wonder whether we are, indeed, a reliable supplier.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. STARK. I thank the gentleman for yielding.

It is my understanding, Mr. Chairman, that the contract for these arms runs from the U.S. Government to Chile. Our Government is under separate contracts with the suppliers. If my amendment carried, it would be our Government who is stopping the shipment to Chile. The U.S. Government could still continue to purchase the arms from the manufacturers and sell them to other people.

Mr. ZABLOCKI. There is a question about that, Mr. Chairman, and in order not to cause any problems, I think we should defeat this amendment. As I have stated, it is ill-timed, and it is contrary to the intent of Congress when we passed the amendment in 1976.

Mr. STARK. Mr. Chairman, will the gentleman yield further for one additional question?

Mr. ZABLOCKI. I will yield.

Mr. STARK. The gentleman mentioned in his eloquent remarks that this would be interfering with the contracts that exist. Does the gentleman consider sending three foreign agents into our country to murder a distinguished Chilean and an American citizen interference with the rights of our Government?

Mr. ZABLOCKI. Of course, they are. But Chile has pursued that matter, the gentleman well knows, and the State Department has been firm in trying to resolve this.

The very paper the gentleman holds indicates the Chilean Government has arrested the men who have been indicted. This amendment might cause problems even in the indictment process.

Therefore, Mr. Chairman, I urge this amendment be resoundingly defeated.

Mr. GREEN. Mr. Chairman, I rise in support of the Stark amendment to halt further pipeline shipments of military arms and equipment to Chile. I am pleased to be a bipartisan cosponsor of this amendment, along with my Democratic colleagues, Mr. STARK, Mr. HARKIN, and Mr. MILLER of California.

In response to human rights violations in Chile under the junta headed by President Augusto Pinochet, Congress voted in 1976 to halt military arms sales to that country. The prohibition did not apply to sales already agreed to which were "in the pipeline" for delivery to Chile.

Through the efforts of my colleague from California (Mr. STARK) it has been revealed that the total amount of military equipment in the pipeline shipped to Chile since the embargo went into effect on June 30, 1976, is $79.5 million. As of May 31, 1978, $24.8 million worth of arms remain in the pipeline for delivery to the regime in Chile.

The purpose of the amendment we are offering is to prohibit the delivery of the $24.8 million remaining in arms, supplies, and other military equipment. To permit a loophole of this kind to exist is to make a mockery of the action Congress took in 1976 to place an arms embargo on Chile.

The rule of the military government in Chile has come to be a worldwide symbol of repression and violations of human rights. Scenes of the stadium turned into a detention camp and soldiers herding away dissidents to unknown fates remain vivid in the conscience of humanity.

Since the junta came to power, international organizations have documented the torture and execution of political prisoners, the "disappearance" of opponents of the regime, and the suppression of all dissent. Last year, Amnesty International released information about secret detention camps in Chile in an effort to prod the military government to account for the more than 1,500 persons who have "disappeared" after being arrested by the regime. The Government of Chile has yet to account for these missing individuals.

It is clear that a khaki curtain has fallen on Chile since September 1973. It is also becoming clear that the curtain is unlikely to be lifted in the near future.

In recent weeks there were reports that relatively more moderate elements within the Chilean military might be able to restrain some of the authoritarian activities of the present government. However, it now appears that General Pinochet has succeeded in consolidating power and removing opposition. He is expected to be able to implement constitutional revisions designed to keep him in power beyond the expiration of his present term.

Continuation of the regime means perpetuation of the climate of fear and terror of the past 5 years. While the most blatant and widespread brutalities have diminished as the number of dissidents has diminished, there is no question that abuses continue. On this point I call my colleagues' attention to the following statement about the situation in Chile which appeared in an article in the New York Times of July 30:

A report released recently by the Inter-american Commission on Human Rights at the Organization of American States said that while the number of complaints had declined, "inhuman practices have not been totally abolished." It also noted that in a group of 327 arrests last year, 14 of the detained persons had "disappeared."

Given these circumstances, it is unconscionable that the United States continue to supply the Chilean military with $24.8 million in arms and equipment.

While the Pinochet regime may not long endure, the memory of U.S. military support for the junta is bound to linger in the minds of Chileans who have struggled to regain their freedom and to restore democratic rule to Chile.

One of the frustrations of our reaction to the Soviet Union's treatment of dissidents is the difficulty in being able to bring direct pressure on the Soviets in response to their violations of human rights. In the case of Chile, we have the opportunity to exert such pressure by completely cutting off our contribution to the lifeblood of any military government—military arms and parts.

I urge my colleagues to vote in favor of the amendment we are offering and to remove the "Made in U.S.A." label from the instruments of repression in the arsenal of the regime in Chile.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. I hope that we do not get into a discussion and a big argument here about one government versus another. It seems that a lot of my colleagues from time to time want to drag up the Allende government and which government clearly represents the people. That is not the intention of the gentleman from California.

The issue is this: Does this body have a capacity to respond to barbaric action? We have made statements in this body. We have taken action with regard to Uganda and this Member has been in support of this; in regard to Cambodia, this Member has been in support of this; and in regard to the Soviet Union and the barbaric action there, and this Member has been in support of those, as have many of my colleagues.

I supported the cutoff of exports of computers to the Soviet Union because of the trials. The same thing is at stake here. Do we have the capacity to still be outraged in this body by barbaric action? That is the issue that the gentleman from California raises.

Mr. Chairman, with all due respect to the chairman of the Committee on International Relations, this amendment is not ill-timed. It is perfectly timed. We can see the headlines this morning in the paper. It is important for this House to make a statement.

In terms of being a reliable supplier, of course, we are a reliable supplier; but does reliability mean we will supply arms no matter what?

When are we going to take a hard look at a foreign policy which has as its cornerstone that arms represent goodness; that arms represent security; that arms represent progress; that arms represent ability? That was reflected in our vote here yesterday. I believe it has been reflected in other votes in the past months and years. We have to start moving away from that.

Mr. Chairman, this vote represents a very small step but an important step away from that policy.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment because I think it is a very important statement by this Government.

We made an effort—and we were successful in that effort—in forbidding the export of arms to Chile. But we also have what we call "pipeline sales." We have found out that it is an endless pipeline which continues to supply arms, not for defensive purposes, but arms that are clearly meant for purposes of internal security.

When two of my colleagues from this House and I visited Chile during our first term, we were constantly told by the Chilean Government and by our Ambassador that Chile had the best internal security in South America. Let me tell the Members that must be true, because as we walked around Santiago, we were never out of sight of somebody with a burp gun or with a machine gun patrolling the streets.

We are now told that we must commit these pipelines sales because we must be a reliable partner, a reliable supplier. Let us talk about who is our reliable partner and our reliable purchaser. Let us talk about the Chilean Government.

I strongly believe this is a government that made a decision to come into this Nation's Capital and to murder a U.S. citizen and kill a former member of their government. And they did it by bombing him in this city. Yesterday the indictments were handed out. We have asked for these people to be returned to this country for trial. That government is our partner.

I knew Orlando Letelier, and I knew Ronni Moffitt. That day when they were blown up was a very sad day for this country. We talk about terrorism in Italy, and we talk about terrorism in other parts of the world. Well, it happened right here that day, in this capital city. When I walked through those streets arm in arm with this man's widow and the husband of Ronni Moffitt, we knew what terrorism was about.

That is our partner at the other end of this pipeline. That is the partner that we are told we must be reliable toward.

I met and talked with General Leigh, who, let me tell the Members, was in my mind no liberal voice of the junta. Now, apparently, he has now started speaking out against the repressiveness and against the taking away of thousands of citizens in the night, and he was thrown out of the Junta.

And that is what has happened.

When they told us the prison to which citizens were allegedly taken did not exist, my colleague, the gentleman from Iowa, TOM HARKIN, found the prison and went there and witnessed it.

They told us that it was not true that thousands of people disappeared. But we had affidavits from many, many people telling us that in fact friends and relatives had disappeared in the night. And that practice continues.

At the request of the U.S. Department of Justice, the former head of the secret police in Chile has been indicted, for murdering an American citizen, and their former Ambassador to the United States, in this city. And yet we are asked today to be a reliable partner of that government. We are asked today to keep our commitment.

I do not think so, Mr. Chairman. I do not think we ought to be doing that in this Congress, not when acts of terrorism are carried out as a matter of official government policy.

The CHAIRMAN. The time of the gentleman from California (Mr. MILLER) has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. Mr. Chairman, I do not think we ought to be doing this, not when acts of terrorism are carried out as official government policy in the streets of our Nation's Capital.

Mr. Chairman, I have great respect for the Chilean people. During the time we spent there we talked with literally thousands of those people—people who were in the former government, people who were in the existing government, economists, labor leaders, dock workers, farmers. We spent almost all of our time interviewing these people.

This is one of the most repressive governments in the world. This is a government that has clearly made internal security their priority at the expense of basic human and civil rights. They will tell you—and our ambassador at that time told us—to go to the marketplace, and watch the people walk in the streets. They didn't tell you that, after we had a

meeting with one of the leading constitutional lawyers in that country, to do nothing more than to explain to us the Constitution of Chile, not after we left the country, they sent him, without notice, to France without his family.

"That's our partner. Let's be reliable." Well, I suggest there is a matter of inconsistency, as already has been pointed out by my colleague, the gentleman from Connecticut.

Mr. Chairman, we have cut off computer sales, we have called back visiting missions because we are upset with the trials in the Soviet Union.

I suggest that we ought to be very upset when we read in this morning's paper what many of us said 2 years ago: that this government, the Chilean Government, was directly involved in those acts of terrorism that took two lives. We ought to be awfully upset that now our committee is asking us to be a reliable trading partner to a bunch of bandits, to a bunch of murderers and a bunch of thieves in another country and that we are somehow supposed to support them in the name of the reliability and commitment of the United States.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think this amendment has great merit. I would like to ask the author of the amendment a question.

As I read the amendment, no deliveries of defense articles or services may be made to Chile pursuant to any sale made before the date of enactment of this section.

Do I then understand correctly that this means that if, for example, a neighboring country should suddenly get enormous shipments of arms from somewhere else, the President would have the power to send shipments of arms to Chile?

Mr. STARK. If the gentlewoman will yield, no, that is not my understanding. The reason this was written in this manner is to say that any sale today——

Mrs. FENWICK. It is cutting off the pipeline.

Mr. STARK. Yes.

Mrs. FENWICK. But what I am asking is, as I understand the President's power under the present law, if he still has the power of waiver, if in his opinion it is necessary in the interest of the United States, to do something different with any new shipments? That power under the present law is not imperiled under this amendment?

Mr. STARK. That is correct.

Mrs. FENWICK. I thank the gentleman.

Mr. YATRON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from California.

Mr. Chairman, while I commend and join the gentleman, in his humanitarian concern for the people of Chile, I must urge my colleagues to reject his amendment.

The transactions which his amendment addresses are a matter of contractual obligation. This question was fully aired during committee and House debate on the International Security Assistance and Arms Export Control Act of 1976.

It was decided at that time, that delivery of contracted goods and services would be permitted. We have banned future military aid to Chile. But if we now extend that ban to the pipeline items, we will unnecessarily limit the flexibility with which the President can conduct our relations with Chile. By extending the ban to pipeline items, the amendment would practically eliminate any leverage we may still have to achieve the human rights objectives which have moved the gentleman, to offer this measure.

As chairman of the Subcommittee on Inter-American Affairs, I urge my colleagues to vote "no" on the Stark amendment.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. YATRON. I yield to the gentleman from Connecticut.

Mr. MOFFETT. I thank the gentleman for yielding.

Mr. Chairman, the gentleman less than 24 hours ago made a very passionate statement, and I think a very convincing statement, about the Cyprus situation.

I thought it was most compelling. The gentleman will recall that I asked him to yield, and he was kind enough to yield to me on that issue. The gentleman knows that almost exactly the same arguments that the gentleman has just made against the amendment offered by the gentleman from California were used by the administration and the proponents of lifting the embargo on Turkey.

Number one, I cite the discussion of flexibility, that somehow we are going to limit the President's flexibility, which the gentleman just mentioned. Second, we are going to eliminate any leverage the President might have on human rights. This is precisely the kind of argument used. The gentleman knows that he rejected that out of hand, as I did.

I was astonished—the gentleman from Iowa and I sat next to each other—I was astonished to see the gentleman making the same argument because of the impassioned statement he made yesterday. I would say that exactly the same principle is involved. Are we going to turn our backs on barbaric governments, are we going to respect governments which take barbaric action on human rights?

Mr. YATRON. In answer to the gentleman, we are not turning our backs on the human rights situation in Chile. As a matter of fact, the White House advises that adoption of this amendment would stymie any plans that they have to get the Chileans to relax with respect to human rights. We would like to give them a little bit more time to encourage the Government of Chile to restore full guarantees of human rights to their people.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. YATRON. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, would the chairman of the Inter-American Affairs Subcommittee, Mr. YATRON, not agree that our greatest concern is to enhance human rights for the people of Chile? We therefore ask this question: Will this amendment enhance human rights in Chile? Will the gentleman not agree that the answer will undoubtedly be no. If this amendment passes we must also ask the question: Will the United States have a continuing influence in Chile? Will our influence in Chile be enhanced with this amendment? And again the answer is no.

The gentleman has stated that we are concerned about the contracts that have been made, and we will be breaking these contracts; our word would be broken; that surely would not be in our national interest. Certainly, the gentleman will agree that the question must be asked: if we do not supply these materials and services, will Chile get them from some other source? The answer is yes.

As I stated earlier, this amendment is ill-timed, is unproductive, and should be voted down. Will the gentleman agree with that.

Mr. YATRON. I agree with the distinguished chairman, and I want to assure the gentleman from Connecticut that my motive is only to make sure that human rights are enforced in Chile.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. YATRON. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding to me.

Yesterday, I and 204 other Members voted against the lifting of the embargo, and there were very many compelling arguments for that position. There is an attempt to make a comparison today in this situation, and in some measure there is a comparison except for one very critical difference. I would like to ask the gentleman one question, or perhaps two.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(At the request of Mr. BIAGGI and by unanimous consent, Mr. YATRON was allowed to proceed for 2 additional minutes.)

Mr. BIAGGI. Is it the gentleman's position and the position of the committee that the Government of Chile is improving the human rights situation?

Mr. YATRON. That is our opinion.

Mr. BIAGGI. Is it the gentleman's position that the Government of Turkey has not done anything to improve the human rights situation in Cyprus?

Mr. YATRON. Well, they have made some efforts, but perhaps the effort has not been as strong as it should be.

Mr. BIAGGI. Would the gentleman's position change if the Government of Turkey did as much as the Government of Chile in relation to human rights?

Mr. YATRON. My position would change, right.

Mr. BIAGGI. I thank the gentleman.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield further?

Mr. YATRON. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Could the gentleman cite for us the various areas of improvement General Pinochet has made in Chile in human rights?

I am not trying to put the gentleman on the spot, but I think it is important that we do not make a record that is

in any way inaccurate. How does General Larios' leaving the Junta affect that? Is th..t an improvement?

Mr. YATRON. As I told the gentleman before, the intent of the subcommittee and my intent is that we want to give the administration an opportunity to encourage Chile to have human rights in that country.

Mr. MOFFETT. I thank the gentleman.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

(By unanimous consent, Mr. STARK yielded his time to Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I am sorry my time is restricted.

I cannot believe what I have heard down here. We have talked about contractual obligations. That contract was abrogated by Chile when they sent their people up here to murder in cold blood a resident of this country and a citizen of this country 2 years ago. That contract has been broken.

In the past we have sent to the nation of Chile $161 million in arms; $79 million of that has gone in the last 2 years during the most repressive times in Chile's history, during the time when the investigation was going on into the slaying of Orlando Letelier and Ronnie Moffitt.

What we are saying now is because of the action that country took not only in regard to the human rights of its own citizens but also in regard to the rights of U.S. citizens, murdering one in cold blood, that we ought to stop this pipeline. Two years ago when that bomb went off, we had no idea that the trail would lead right to the doorstep of General Pinochet, but it has led there, to the head of the DINA, their secret police We have now asked for extradition of those Chileans who have been indicted by this Government.

For us now to say we are going to continue to ship arms to this country, when it will not even turn over those people so they can be tried in our courts for a murder that took place in this country, is to completely turn our backs on everything we have ever said about human rights.

Tell me, when has Turkey ever sent someone to this country to murder a citizen of this country? Never that we know of. And yet we took our action yesterday, and I voted with the people to keep the embargo on, I voted against lifting the embargo against Turkey, but the very same people who supported the embargo there turn around and say, yes, we can continue to ship arms to the Government of Chile.

What are we shipping to Chile? We are shipping $3.4 million for 106-millimeter recoilless rifles and parts; we are shipping $3.3 million for 3.5-inch rockets, 66-millimeter rockets, and 106-millimeter cartridges; and $60,000 of grenades; and $169,217 of artillery projectiles over 5 inches. This is the kind of thing that is left in the pipeline.

If we can cut off the pipeline for Argentina, why can we not cut off the pipeline to Chile?

Let us make the Chilean Government turn over to this Government those Chileans that have been indicted so that they can stand trial in this country, so that the rest of the world knows that we are not going to stand idly by and let terrorism take place uninhibited in this country and let those guilty go free. Following is a table showing the amount of arms we have shipped and how much, as of May 31, 1978, is left in the pipeline. The table shows we are talking about $24.8 million left in the pipeline.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, I associate myself with the remarks of the gentleman from Iowa.

(By unanimous consent, Mr. DELLUMS yielded the balance of his time to Mr. HARKIN).

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I associate myself with the remarks of the gentleman in the well, the gentleman from Iowa (Mr. HARKIN).

(By unanimous consent, Mr. JOHN L. BURTON yielded the balance of his time to Mr. HARKIN.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I thank the gentlemen for yielding their time.

We have heard that this is the wrong amendment at the wrong time. I suggest just the opposite is true. A recent article in Newsweek magazine, dated August 7, talked about a crack in the junta. I would like to read from that—

> The break in the junta touched off speculation that Pinochet's tight grip on Chile's affairs may be loosening, and that he could be in danger of being ousted himself. . . . He has rallied popular support by portraying Peru, Bolivia and Argentina as foreign adventurers seeking to seize Chilean territory, and he has made himself something of a symbol of Chilean nationalism.

Do members know what he is going to use this pipeline of arms for? He is going to use it to exacerbate that condition and to make people think that Peru, Bolivia, and Argentina are going to move and seize the territory of Chile and in doing that he will seize more power and keep himself in power in Chile.

Further from this article:

> Still, some U.S. diplomats suspect that Pinochet's fellow army generals may be about to conclude that his methods have become too costly, and they doubt that he will last until next year.

Now is the time to send the signal straight to the Chilean people and to those military people in that government who are moderates, who understand what it means for the military to be involved in a democratic form of government and not a repressive form of government under the dictatorship of General Pinochet.

Now is the time to send that message so that they will put General Pinochet out of power and return Chile to a democratic form of government.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I want to thank the gentleman for yielding and to congratulate the gentleman for his consistent position on human rights. I would add that each country presents a different situation, because of the varying circumstances in each instance, but the gentleman has made a very salient point which I believe would impact most favorably on the total process and total conscience of the Chilean Government in their efforts to improve the human rights question in Chile. If they allow those individuals indicted for the murder of the ambassador to be tried in the United States. I think that is a point that should be emphasized.

Mr. HARKIN. I thank the gentleman from New York (Mr. BIAGGI). I suggest to the gentleman, and I have also stood with the gentleman in the past on human rights, and I know his strong support for human rights, that if we do not adopt this amendment and we go ahead and continue with these "pipeline" shipments to Chile, this will send a wrong message to the people of Chile and will enhance General Pinochet's position when at this time we should be trying to communicate to the people of Chile to assert themselves and for the moderates on the military junta to assert themselves so as to try to return the country to a democratic form of government. The time is right now and we should adopt this amendment.

I include a tabulation of the FMS deliveries to Chile:

FMS DELIVERIES TO CHILE

Case	Description	Letter of offer acceptance date	Dollar value of deliveries as of— May 30, 1978	June 30, 1976	Dollar value delivered in period	Undelivered balance as of May 30, 1978
BAC	Support equipment	Feb. 6, 1970	195, 917	195, 539	378	4, 094
BAH	Automotive equipment	June 16, 1971	294, 398	293, 125	1, 273	5, 602
BAI	Maintenance equipment	Aug. 23, 1974	140, 494	137, 462	3, 032	0
BAJ	Maintenance repair parts and tools	Jan. 17, 1974	162, 927	147, 423	15, 504	17, 478
TAR	Books, maps and publications	June 7, 1974	4, 344	4, 341	3	431

FMS DELIVERIES TO CHILE—Continued

Case	Description	Letter of offer acceptance date	Dollar value of deliveries as of— May 30, 1978	June 30, 1976	Dollar value delivered in period	Undelivered balance as of May 30, 1978
TBM	Books, Maps and publications	June 9, 1975	574		574	5,696
TBN	do	Aug. 7, 1975	2,532	34	2,498	7,498
UGC	Armored personnel carrier and equipment	Aug. 10, 1972	144,256	143,766	490	27,799
UGG	Artillery tool sets	Jan. 12, 1973	41,075	16,188	24,887	483
UGN	Automotive supplies and equipment	June 11, 1973	147,843	27,127	120,716	1,987
UHL	105-mm cartridges	Dec. 18, 1974	876,970		876,970	229,437
UID	Fire control equipment	do	95,932	3,797	92,135	307,227
UIZ	106-mm recoiless rifles and parts	do	119,065		119,065	3,459,255
UJA	3.5 in rockets, 66-mm rockets and 106-mm cartridges	do	1,360,360		1,360,360	3,382,950
AAP	Ammo components	July 29, 1974	1,489,253	400,177	1,089,076	84,136
CAC	Aircraft spare parts	Mar. 10, 1974	26,644	22,009	4,635	698
CAG	Ammo components	June 22, 1976	29,735		29,735	479,800
GAC	Tech assistance	do	20,528		20,528	45,262
KAA	Aircraft spare parts	do	62,500		62,500	2,571,586
KBA	do	do	1,311,138		1,311,138	2,524,219
PAU	Training aids and publications	Nov. 7, 1973	734	372	362	1,266
PAY	do	Oct. 11, 1974	19,292	17,787	1,505	20,977
PBA	do	June 22, 1976	1,621		1,621	27,296
PBB	do	do	420		420	28,497
PBC	do	do	112,799		112,799	116,110
PBD	do	do	78		78	28,839
RAH	Aircraft spare parts	July 17, 1973	489,345	234,776	254,569	0
RAJ	do	Nov. 19, 1974	944,993	106,184	838,809	162,757
RAL	do	June 22, 1976	236,926		236,926	192,459
SPC	A-37 aircraft (16), spares, and assistance	May 23, 1973	11,895,820	11,676,124	219,696	248,354
SBL	T-37B trainer	do	540,348	426,532	113,816	248,284
SCD	A-37 aircraft (18), spares, and assistance	Oct. 31, 1974	16,574,008		16,574,008	4,059,767
SDR	F-5E aircraft, (18), spares, and asst	May 15, 1974	63,089,710	9,737,342	53,352,368	3,801,962
TAO	Training	Aug 14, 1974	2,420	1,320	1,100	166
TAP	do	Aug 30, 1974	185,838	81,260	104,578	431
VAK	Aircraft mods and AGE	Jan. 28, 1974	2,229	477	1,752	8,321
VAM	do	Nov. 29, 1974	45,344		45,344	113,250
VAP	do	June 22, 1976	3,147		3,147	931,794
ABF	Ammo components	Dec. 31, 1968	252,593	252,593		6,898
ACJ	Torpedoes	Oct. 22, 1971	216,401	186,800	29,601	9,561
ACZ	Ammo components	Dec. 4, 1972	7,095		7,095	0
ADH	Artillery projectiles over 5 in	May 16, 1974	338,198	336,557	1,641	169,217
ADI	Torpedoes	do	791,039	564,405	226,634	116,941
ADJ	Ctgs 105 mm, 15 mm, 37-75 mm and other	Oct. 21, 1974	127,919		127,919	45,254
ADK	Grenades, ammo components	Dec. 2, 1974	1,870		1,870	60,445
BDA	Ship spare parts	Apr. 19, 1974	1,025		1,025	3,284
BDE	Ammo spares	May 10, 1973	57,719		57,719	23,166
BEE	Ship spare parts	Aug. 23, 1973	443,284	408,000	35,284	59,969
BET	Ordnance equipment	Apr. 19, 1974	16,332	12,150	4,182	0
BEY	Ammo components	July 12, 1974	69,892	47,392	22,500	377,954
BFG	Training aids and publications	July 24, 1974	17,970		17,970	18,797
GAJ	Technical assistance	Oct. 17, 1974	12,750	12,500	250	0
JAA	Ship spare parts	July 26, 1974	1,091,977	501,024	590,953	23,524
TAN	Training	May 11, 1976	1,842		1,842	232
UPA	Ship spare parts	June 29, 1973	300,306	296,698	3,608	199,694
USA	do	Oct. 1, 1973	858,261	545,719	312,542	556,739
OAG	Training	Nov. 20, 1974	120,000	112,000	8,000	0
UFL	Miscellaneous ammo—106 mm and below	Dec. 14, 1971	305,785	262,268	43,517	0
UFS	Aircraft spare parts	Dec. 23, 1971	26,550	19,767	7,183	0
UGK	Automotive support equipment	Apr. 12, 1973	422,476	383,332	39,144	0
UHX	General supplies	Aug. 6, 1974	654,925		654,925	0
RAH	Aircraft spare parts	July 17, 1973	489,345	234,776	254,569	0
UUA	do	Mar. 31, 1974	17,610	16,676	934	0
	Total		107,315,121	27,865,819	79,449,302	[1] 24,817,829
Total delivered June 30, 1976 to June 1, 1978						79,000,000
Total delivered to Chile ever						$161,000,000

[1] Outstanding pipeline balance.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, I think we have to bear in mind that everything is relevant and we should not look at Chile in a vacuum and confine our outrage at abuses of human rights only to Chile.

First of all, Mr. Chairman, Chile is cooperating in the investigation of the assassinations that occurred. They have deported Townley to our country and that is where we are getting the information necessary for the indictments.

I would also remind the Members that Costa Rica, a great friend of this country, did not do such a thing in the case of Mr. Vesco.

Keep that in mind.

And when we talk about political assassinations go through the rest of the list of such activties and also find out what our CIA was doing in that respect with reference to Castro and Patrice Lumumba, and the list can go on and on so let us not attempt to cloak ourselves in the white mantle of purity when we are pointing the finger at Chile.

Let me say that Chile recently had a free election. I was there 3 days after it occurred—I hear some of the Members murmuring, just let me say that it was a pretty good election compared to Chicago standards, but not so good compared to Iowa standards, and I well recognize that.

But, Mr. Chairman, it was an election and they did have a chance to vote no if they did not like the government. It was a secret ballot.

I also talked to the people, not to thousands, of course, but to quite a few people down there.

Let me also tell you that in Chile you can get a copy of Time magazine and the Miami Herald Tribune. Just try to find one of those in Hungary, where we recently returned the Crown of St. Stephen, the symbol of legitimacy, to a Communist dictatorship.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. HYDE. No, I cannot yield.

Mr. WEISS. I did not think the gentleman would.

Mr. HYDE. I cannot yield, because I do not have that much time. If I did have the time I would be glad to talk to the gentleman all day long.

Let me further say that I saw a portion of the 40,000 Soviet troops in that country, occupying Hungary right now. We are all for human rights, but I deplore the double standard in applying our standards to the rest of the world.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI) to close debate.

Mr. ZABLOCKI. Mr. Chairman, in this debate we have heard that Chile is not providing the human rights which we would desire. That may be true; but I must point out, Mr. Chairman, that both the United Nations and the International Red Cross have reported that the human rights situation in Chile has improved over what it was the year before. If we want further improvement, let us not put

impediments in the way of that improvement by adopting this particular amendment.

Mr. Chairman, the question was raised about the murder of the former Chilian Ambassador, Letelier. We have indicted those suspected of that murder; and the indication is that the Chilian Government would further cooperate with the United States in that respect.

Mr. Chairman, this amendment, I submit, would cause problems in this legal matter as well as problems with respect to our relations with and our influence in Chile.

Mr. Chairman, I hope the amendment will be resoundingly defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. STARK).

The question was taken; and on a division (demanded by Mr. STARK) there were—ayes 18, noes 40.

RECORDED VOTE

Mr. STARK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 146, noes 260, not voting 26, as follows:

[Roll No. 631]

AYES—146

Addabbo	Fenwick	Moffett
Akaka	Florio	Moss
Ammerman	Ford, Tenn.	Mottl
Anderson, Calif.	Forsythe	Murphy, Pa.
	Fraser	Myers, Gary
Anderson, Ill.	Garcia	Myers, Michael
Applegate	Gaydos	Nolan
Aspin	Gilman	Nowak
AuCoin	Glickman	Oakar
Baucus	Gore	Oberstar
Bedell	Green	Ottinger
Bellenson	Guyer	Panetta
Benjamin	Hanley	Patterson
Bingham	Hannaford	Pattison
Blanchard	Harkin	Pease
Blouin	Harrington	Pressler
Boland	Hawkins	Rahall
Bonior	Heckler	Rangel
Bonker	Hollenbeck	Reuss
Brademas	Holtzman	Richmond
Brodhead	Howard	Rodino
Brown, Calif.	Hughes	Roe
Burke, Calif.	Jacobs	Rose
Burke, Fla.	Jeffords	Rosenthal
Burton, John	Johnson, Colo.	Roybal
Burton, Phillip	Kastenmeier	Ryan
Caputo	Keys	Scheuer
Carr	Kildee	Schroeder
Cavanaugh	Kostmayer	Seiberling
Chisholm	Krebs	Solarz
Clay	Lederer	St Germain
Corman	Leggett	Stark
Cornell	Lehman	Stokes
D'Amours	Long, Md.	Studds
Dellums	Lundine	Thompson
Diggs	McCloskey	Traxler
Dodd	McCormack	Tucker
Dornan	McHugh	Udall
Downey	McKinney	Van Deerlin
Drinan	Markey	Vanik
Early	Marks	Vento
Eckhardt	Mazzoli	Walgren
Edgar	Metcalfe	Waxman
Edwards, Calif.	Mikulski	Weaver
Eilberg	Mikva	Weiss
Emery	Miller, Calif.	Wirth
English	Mineta	Wolff
Ertel	Mitchell, Md.	Yates
Evans, Ind.	Moakley	Young, Mo.

NOES—260

Abdnor	Badham	Bolling
Alexander	Bafalis	Bowen
Ambro	Baldus	Breckinridge
Andrews, N.C.	Bauman	Brinkley
Andrews, N. Dak.	Beard, R.I.	Brooks
	Beard, Tenn.	Broomfield
Annunzio	Bennett	Brown, Mich.
Archer	Bevill	Brown, Ohio
Armstrong	Biaggi	Broyhill
Ashbrook	Boggs	Buchanan
Burgener	Hefner	Poage
Burleson, Tex.	Heftel	Preyer
Burlison, Mo.	Hightower	Price
Butler	Hillis	Pritchard
Byron	Holland	Pursell
Carney	Holt	Quayle
Carter	Horton	Quillen
Cederberg	Hubbard	Railsback
Chappell	Huckaby	Regula
Clausen, Don H.	Hyde	Rhodes
	Ichord	Rinaldo
Clawson, Del	Ireland	Risenhoover
Cleveland	Jenrette	Roberts
Cohen	Johnson, Calif.	Robinson
Coleman	Jones, N.C.	Rogers
Collins, Tex.	Jones, Okla.	Roncalio
Conable	Jones, Tenn.	Rooney
Conte	Jordan	Rostenkowski
Corcoran	Kazen	Rousselot
Cornwell	Kelly	Rudd
Cotter	Kemp	Runnels
Coughlin	Kindness	Ruppe
Crane	Krueger	Russo
Cunningham	LaFalce	Santini
Daniel, Dan	Lagomarsino	Sarasin
Daniel, R. W.	Latta	Satterfield
Danielson	Leach	Sawyer
Davis	Lent	Schulze
de la Garza	Levitas	Sebelius
Delaney	Livingston	Sharp
Derrick	Lloyd, Calif.	Shipley
Derwinski	Lloyd, Tenn.	Shuster
Devine	Long, La.	Simon
Dickinson	Lott	Sisk
Dicks	Lujan	Skelton
Dingell	Luken	Skubitz
Duncan, Oreg.	McClory	Slack
Duncan, Tenn.	McDonald	Smith, Iowa
Edwards, Ala.	McEwen	Smith, Nebr.
Edwards, Okla.	McFall	Snyder
Erlenborn	McKay	Spellman
Evans, Colo.	Madigan	Spence
Evans, Del.	Mahon	Staggers
Evans, Ga.	Mann	Stangeland
Fary	Marlenee	Stanton
Fascell	Marriott	Steed
Findley	Martin	Steers
Fish	Mattox	Steiger
Fisher	Meeds	Stockman
Fithian	Meyner	Stratton
Flippo	Michel	Stump
Flood	Milford	Taylor
Flynt	Miller, Ohio	Thone
Foley	Minish	Thornton
Fountain	Mitchell, N.Y.	Treen
Fowler	Mollohan	Trible
Frenzel	Montgomery	Vander Jagt
Frey	Moore	Waggonner
Fuqua	Moorhead, Calif.	Walker
Gammage		Walsh
Gephardt	Moorhead, Pa.	Wampler
Giaimo	Murphy, Ill.	Watkins
Gibbons	Murphy, N.Y.	White
Ginn	Murtha	Whitehurst
Goldwater	Myers, John	Whitley
Gonzalez	Natcher	Whitten
Gooding	Neal	Wilson, Bob
Gradison	Nedzi	Wilson, C. H.
Grassley	Nichols	Wilson, Tex.
Gudger	Nix	Winn
Hagedorn	O'Brien	Wright
Hall	Obey	Wydler
Hamilton	Patten	Wylie
Hammer-schmidt	Pepper	Yatron
	Perkins	Young, Alaska
Hansen	Pettis	Young, Fla.
Harris	Pickle	Zablocki
Harsha	Pike	Zeferetti

NOT VOTING—26

Ashley	Ford, Mich.	Symms
Barnard	Jenkins	Teague
Breaux	Kasten	Tsongas
Burke, Mass.	Le Fante	Ullman
Cochran	McDade	Volkmer
Collins, Ill.	Maguire	Whalen
Conyers	Mathis	Wiggins
Dent	Quie	Young, Tex.
Flowers	Sikes	

The Clerk announced the following pairs:

Mr. Tsongas for, with Mr. Burke of Massachusetts against.

Mr. Conyers for, with Mr. Breaux against.

Mrs. Collins of Illinois for, with Mr. Le Fante against.

Messrs. MURPHY of Pennsylvania, MINETA, LEDERER, MICHAEL O. MYERS, and BLANCHARD changed their vote from "no" to "aye."

Mr. LIVINGSTON and Mr. WATKINS changed their vote from "eye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 19, immediately after line 14, insert the following new section 21:

Termination of Deliveries of Defense Articles to Chile

SEC. 21. Section 406(a)(2) of the International Security Assistance and Arms Export Control Act of 1976 is amended by adding at the end thereof the following new sentence:

"After the date of enactment of the International Security Assistance Act of 1978, no deliveries of defense articles or services may be made to Chile pursuant to any sale made before the date of enactment of this section, until the Government of Chile has turned over to U.S. custody those Chileans indicted for the murder of Orlando Letelier and Ronni Moffitt.

Redesignate existing section 21 of the bill as section 22 and correct any cross references thereto.

Mr. ZABLOCKI. Mr. Chairman, I reserve a point of order against the amendment.

Mr. HARKIN. Mr. Chairman and members of the committee, I do not believe that any vote has been taken in this Chamber in the 3½ years that I have been here that has saddened me more than the vote that was just taken. I do not question any Member's motive, and I do not question any Member's vote that was just taken. I only make it as a matter of statement from my own heart, that it is the most disheartening vote I have ever seen cast on the floor of the House of Representatives since I have been here.

Two years ago—2 years ago almost to this month—a very good friend, a beautiful young girl in her early twenties, was blown to bits in a car here in Washington, D.C. I did not know Orlando Letelier; to the best of my knowledge I never met him. But I do know his widow, Isabel, and I did know Ronni Moffitt, and I know her husband, Mike Moffitt. I know how her young life was ended by that bomb blast 2 years ago.

I congratulate our Government, our State Department, and our FBI for what they have done to uncover the evidence in this case, to follow the trail where it led, and finally yesterday, as is outlined in the headline in the Washington Post this morning, to indict those responsible for that horrible murder.

Imagine, if you can, a young woman sitting in a car, with her husband in the back seat, and he watches as his wife and friend are blown apart by a bomb. We are only asking for justice. The State Department has done its job; the FBI has done its job, and now it is up to us to do our job.

All I have said in this amendment is that the pipeline shipments that go to Chile, the $24 million in guns and ammunition and hand grenades and recoilless rifles, be stopped until the Chilean Government turns over to this Government those Chileans who were indicted in this horrible murder. We have a

treaty with Chile going all the way back to the turn of this century under which terms of the treaty either the United States or Chile, if any of our citizens are indicted for murder or for assassination, that government has to turn over to the other government those persons so indicted.

We have the Chilean Government right now holding these people, holding these people in custody. All I am saying in my amendment is, let us hold up the pipeline shipments of arms and guns and ammunition until they abide by the terms of that treaty—a legitimate treaty, ratified by both countries years and years ago—and turn over to our Government, to end this final phase of the investigation, those three Chileans who were responsible for issuing the orders, laying out the plans, hiring the assassins, to put an end to the life of a U.S. citizen, a young woman, and to end the life of a U.S. resident, Orlando Letelier, here on the streets of Washington 2 years ago.

Mr. Chairman, I yield back the balance of my time.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I commend the gentleman for his amendment. I also, as I have stated before, commend him for his consistency on human rights.

I did not vote with the gentleman on the preceding vote, because I believed the committee's report and our colleague, the gentleman from Pennsylvania (Mr. YATRON), when he stated there was an improvement in the human rights conditions in Chile. However, this amendment is somewhat different, and I think all governments being in good faith, should return those indicted in our courts for a crime committed in our Nation. This I believe is a reasonable request and would be a clear indication of good faith on the part of the Chilean Government.

I urge support of this amendment and I congratulate the gentleman from Iowa.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, does the gentleman have any information that the Chilean Government is going to disregard its obligation under this treaty?

Mr. HARKIN. We do not know. Yes, if they follow the same course as they have in the past, first they denied the people existed, and then they denied the people were involved in it, and they have denied all along they had anything to do with it.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has expired.

(On request of Mr. HYDE, and by unanimous consent, Mr. HARKIN was allowed to proceed for 2 additional minutes.)

Mr. HYDE. May I ask the gentleman, if the gentleman will yield further, the signs of cooperation and the actions of cooperation from the Chilean Government are there, including the deportation of Townley, who has been testifying before the grand jury in providing this information; the incarceration of those people—are not those signs of cooperation? And if we think they are, does the gentleman not think this effort to coerce their adhering to a treaty might be counterproductive?

Mr. HARKIN. No; I do not. As a matter of fact, I know the gentleman from Illinois is concerned with all human rights and he has a good record on that issue. But I do not believe so, because it is my personal opinion that if Pinochet had any idea that the release of Townley would have led to what it has led to, I do not think Townley ever would have gotten out of Chile.

Mr. HYDE. I submit we ought to give them a chance to live up to the treaty before we put a coercive provision in here. Anticipatory sanctions are demeaning and counterproductive.

Mr. HARKIN. All I have said is they should live up to the treaty, and if they do they get the materiel that is in the pipeline. That is all.

The CHAIRMAN. Does the gentleman from Wisconsin insist on his point of order?

Mr. ZABLOCKI. I do not insist on my point of order, to save time.

Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. ZABLOCKI. Mr. Chairman, I think the substantive part of this amendment is identical to the amendment introduced earlier by the gentleman from California (Mr. STARK). The committee has voiced its opinion and I urge and expect the same fate for this amendment.

It deserves the same fate as the Stark amendment because it is identical to that amendment with the addition of one condition: Until the Government of Chile has turned over to the U.S. custody of those Chileans indicted for the murder of Orlando Letelier and Ronnie Moffitt.

We have no evidence the Chilean Government will not comply with the extradition treaty we have with that country. There is no reason to presume that the Chilean Government will not cooperate. As I said earlier during the debate on the Stark amendment, his amendment would be counterproductive, I submit the same condition would occur here. If we want Chilean cooperation we should reject this amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman I thank the gentleman for yielding.

I would like to ask the Chair, since the gentleman from Wisconsin reserved a point of order, and the gentleman from Maryland who was also on his feet did not reserve a point of order because he thought the gentleman from Wisconsin was going to make a point of order, whether or not it would be in order for the gentleman from Maryland to make a point of order?

The CHAIRMAN (Mr. FUQUA). The Chair had recognized the gentleman from Wisconsin (Mr. ZABLOCKI) for 5 minutes, so the point of order could not be made at this time.

Mr. BAUMAN. Can the gentleman from Wisconsin still make his point of order at this time?

The CHAIRMAN. No, he cannot.

Mr. BAUMAN. I thank the Chair.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, when the last gentleman was in the well speaking for the amendment he said that had the Chilean Government known what Mr. Townley was going to say when he came to the United States, they would not have allowed him to come. I do not know if that is so. Perhaps an investigation would show that, but, it would seem to me that if that is true, that they did not know what he was going to say, that that would indicate that there was not the kind of complicity going on that is associated in the press with the Chilean Government.

That will have to be determined in the hearings.

I think this amendment, like the last one, should be defeated.

Mr. ZABLOCKI. Mr. Chairman, I think that we have had sufficient time to consider this amendment in view of the previous amendment, and I believe that we have had a sufficiently long debate on it.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. HARKIN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ZABLOCKI. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The question was taken; and on a division (demanded by Mr. ZABLOCKI) there were—ayes 49, noes 38.

RECORDED VOTE

Mr. DELLUMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 171, noes 228, not voting 33, as follows:

[Roll No. 632]

AYES—171

Addabbo	Carter	Flynt
Akaka	Cederberg	Forsythe
Andrews, N.C.	Chappell	Fountain
Andrews, N. Dak.	Cleveland	Frenzel
Annunzio	Collins, Tex.	Frey
Applegate	Conable	Fuqua
Baldus	Cotter	Gaydos
Beard, R.I.	Daniel, Dan	Gibbons
Beard, Tenn.	Daniel, R. W.	Ginn
Biaggi	Davis	Gonzalez
Blanchard	Delaney	Gradison
Boggs	Devine	Hall
Boland	Dickinson	Hannaford
Bowen	Duncan, Tenn.	Harsha
Brinkley	Edwards, Ala.	Hefner
Brooks	Erlenborn	Heftel
Broomfield	Evans, Colo.	Hightower
Brown, Ohio	Evans, Ga.	Hillis
Broyhill	Fary	Hollenbeck
Burleson, Tex.	Fascell	Hyde
Burlison, Mo.	Fenwick	Ichord
Butler	Findley	Ireland
Byron	Flippo	Jones, N.C.
Carney	Flood	Jones, Okla.
	Florio	Jones, Tenn.

Jordan	Patterson	Solarz
Kastenmeier	Pepper	Staggers
Krueger	Perkins	Stangeland
Lagomarsino	Pettis	Stanton
Latta	Pike	Steed
Lent	Poage	Steers
Lloyd, Calif.	Quillen	Stratton
Lloyd, Tenn.	Rahall	Stump
Long, La.	Railsback	Taylor
Lott	Reuss	Traxler
McFall	Rhodes	Ullman
McKay	Risenhoover	Van Deerlin
Madigan	Roberts	Waggonner
Mahon	Robinson	Walsh
Marlenee	Roe	Watkins
Meeds	Roncalio	White
Michel	Rooney	Whitehurst
Milford	Rostenkowski	Whitley
Minish	Roybal	Whitten
Mollohan	Rudd	Wiggins
Montgomery	Runnels	Wilson, Bob
Moss	Ruppe	Wilson, C. H.
Mottl	Ryan	Winn
Murphy, Ill.	Santini	Wirth
Murphy, N.Y.	Sawyer	Wolff
Murtha	Sebelius	Wright
Myers, John	Shipley	Wylie
Natcher	Shuster	Young, Alaska
Nedzi	Sikes	Young, Mo.
Nichols	Skubitz	Zablocki
Nix	Slack	Zeferetti
Obey	Smith, Nebr.	
Patten	Snyder	

NOES—228

Abdnor	Edwards, Calif.	McCormack
Alexander	Edwards, Okla.	McDonald
Ambro	Eilberg	McEwen
Ammerman	Emery	McHugh
Anderson, Calif.	English	McKinney
	Ertel	Mann
Anderson, Ill.	Evans, Del.	Markey
Archer	Evans, Ind.	Marks
Armstrong	Fish	Marriott
Ashbrook	Fisher	Martin
Aspin	Fithian	Mattox
AuCoin	Foley	Mazzoli
Badham	Ford, Tenn.	Metcalfe
Bafalis	Fowler	Meyner
Barnard	Gammage	Mikulski
Baucus	Garcia	Mikva
Bauman	Gephardt	Miller, Calif.
Bedell	Giaimo	Miller, Ohio
Beilenson	Gilman	Mineta
Benjamin	Glickman	Mitchell, Md.
Bennett	Goldwater	Mitchell, N.Y.
Bevill	Gore	Moakley
Bingham	Grassley	Moffett
Blouin	Green	Moore
Bolling	Gudger	Moorhead, Calif.
Bonior	Guyer	
Bonker	Hagedorn	Moorhead, Pa.
Brademas	Hamilton	Murphy, Pa.
Breckinridge	Hammer-schmidt	Myers, Gary
Brodhead		Myers, Michael
Brown, Calif.	Hanley	Neal
Brown, Mich.	Hansen	Nolan
Buchanan	Harkin	Nowak
Burgener	Harrington	O'Brien
Burke, Calif.	Harris	Oakar
Burke, Fla.	Hawkins	Oberstar
Burton, John	Heckler	Ottinger
Burton, Phillip	Holland	Panetta
Caputo	Holt	Pattison
Carr	Holtzman	Pease
Cavanaugh	Horton	Pickle
Chisholm	Howard	Pressler
Clawson, Del	Hubbard	Preyer
Clay	Huckaby	Price
Cohen	Hughes	Pritchard
Coleman	Jacobs	Pursell
Conte	Jeffords	Quayle
Corcoran	Jenrette	Rangel
Corman	Johnson, Calif.	Regula
Cornell	Johnson, Colo.	Richmond
Cornwell	Kazen	Rinaldo
Coughlin	Kelly	Rogers
Crane	Kemp	Rose
Cunningham	Keys	Rosenthal
D'Amours	Kildee	Rousselot
Danielson	Kindness	Russo
de la Garza	Kostmayer	Sarasin
Dellums	Krebs	Satterfield
Derrick	LaFalce	Scheuer
Derwinski	Leach	Schroeder
Dicks	Lederer	Schulze
Diggs	Lehman	Seiberling
Dodd	Levitas	Sharp
Dornan	Livingston	Simon
Downey	Long, Md.	Skelton
Drinan	Lujan	Spellman
Early	Luken	Spence
Eckhardt	Lundine	St Germain
Edgar	McClory	Stark
Steiger	Trible	Waxman
Stockman	Vander Jagt	Weaver
Stokes	Vanik	Weiss
Studds	Vento	Wilson, Tex.
Thompson	Volkmer	Wydler
Thone	Walgren	Yates
Thornton	Walker	Yatron
Treen	Wampler	Young, Fla.

NOT VOTING—33

Ashley	Ford, Mich.	Rodino
Breaux	Fraser	Sisk
Burke, Mass.	Goodling	Smith, Iowa
Clausen, Don H.	Jenkins	Symms
	Kasten	Teague
Cochran	Le Fante	Tsongas
Collins, Ill.	Leggett	Tucker
Conyers	McCloskey	Udall
Dent	McDade	Whalen
Dingell	Maguire	Young, Tex.
Duncan, Oreg.	Mathis	
Flowers	Quie	

Messrs. METCALFE, BLOUIN, BINGHAM, THOMPSON, and DIGGS changed their vote from "aye" to "no."

Mr. MILFORD changed his vote from "no" to "aye."

So the motion was rejected.

The result of the vote was announced as above recorded.

Mr. DELLUMS. Mr. Chairman I move to strike the requisite number of words.

Mr. Chairman, I asked for this record vote not in any way to encumber the business of the House, but I thought it was incredibly important that some of us have an opportunity to counter a very important but mistaken comment that has been made on this floor and a very mistaken perception that seems to prevail here. The perception is that this particular amendment is exactly the same as the amendment that was offered before. Nothing could be further from the truth.

This is what we refer to as the "Chilean version of the Kim Dong Jo amendment."

I am sure the Members recall on several occasions, by an overwhelming vote of this House, we voted to cut off food to South Korea until they cooperated with the U.S. Government. Why did we vote to cut off aid to Korea? Because the possibility remained that allegations with respect to the Members who are participants in this body could have been the result of that testimony, and obviously, since this is an election year, none of us wanted to be on the wrong side of an investigation, and we all wanted to present ourselves to the American people as very clean people. Therefore, we were prepared to cut off food to South Korea until they cooperated with the investigation.

Now, what do we have here? We have an American citizen and a Chilean National who were bombed and killed in this country, at Dupont Circle in Washington, D.C.—bombed and killed by a terrorist act in this city, the Capital of the United States.

My question is this: What would cause us to vote to cut off aid to South Korea? It was to force that government to cooperate with us in order to cleanse our own souls so we could say to our voters that we did not take any money from the Koreans.

Why is there any difference between that vote and this vote? Is this substantively different? Two people are dead as a result of a terrorist act.

I would admonish my colleagues who voted on the other side of the issue the last time to consider very carefully the fact that this vote is not the same vote.

What do the Members say in communicating with their constituents if they vote against this amendment? That we are prepared to bring people from Korea to testify and see to it that we are cleared, but that we can turn our backs on murder and terrorism in this country and in this city? I find that absolutely incredible.

So, yes, I asked for a record vote that took 15 minutes of our precious time, but I did it because it is critically important for me to say to the Members that this is not the same vote. To those Members who do not wish to be hypocrites I would suggest that the 300 and some odd Members who voted to say to the Korean Government that "you must comply with our investigation" should consider this vote very carefully. Why should we protect terrorists, murderers, and bombers of our own citizens?

Mr. Chairman, I ask the Members to think very carefully before they vote against this amendment.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman for yielding, and I would like to associate myself with his remarks.

The gentleman has stated the point. This is a different amendment, as the gentleman from New York (Mr. BIAGGI) so eloquently stated. He told us that he opposed the first amendment but supports this amendment because it is different.

I do not think it is an unreasonable burden on anyone for us to say, "If you want the benefit of our arms, you ought to cooperate with our law enforcement personnel on a matter of the murder of a U.S. citizen."

Mr. DELLUMS. Mr. Chairman, I thank my colleague for his remarks

To simply summarize, let me say this: We cut off food and aid to South Korea, and we made a statement to the South Korean Government that "you must cooperate with an investigation dealing with the Members of the House and the Members of the Senate."

My question is this: Why can we not vote to cut off these pipeline funds for arms until such time as the Chilean Government cooperates with us on charges of murder and terrorism?

I would suggest to my colleagues that this is a very substantially different vote, and I would suggest that all of my colleagues overwhelmingly vote on the side of justice and equity and against terrorism and murder and all of the things that we purport to oppose that is evil in this country and in the world.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from California.

Mr. DORNAN. I thank the gentleman for yielding.

Mr. Chairman, I agree with the sentiments the gentleman expresses. I departed from what appeared to be the conservative approach on the preceding vote, and I did vote to send a message loudly and clearly to Chile that, destroying lives in our country is absolutely intolerable.

I have made a personal resolution to be consistent with my approach to human rights across the board and not to look for rationalizations that let violent and terror inflicting governments off the hook. We cannot refuse to come down hard on the horn of South America because we feel it will drive them into some sort of Marxist government, "the out of the frying pan and into the fire" rationalization. We have a long way to go before that can happen again in the cone.

But will the gentleman in the well and the distinguished gentleman from Iowa (Mr. HARKIN) and the distinguished gentleman from California (Mr. MILLER) support amendments today to condemn the African so-called frontline states, the so-called patriotic-front surrounding Zimbabwe/Rhodesia, when we see them supporting vicious terrorism?

Why can we not be consistent with all terrorism, whether it is perpetrated in Cambodia, Uganda, or at Sheridan Circle in Washington, D.C.?

Liberals and conservatives in this great body and in the other body have to pull consistently together on these human rights issues and speak out against murder everywhere whether it is PLO terrorism or whether it is torture by some rightwing military junta in South America. Together we must state that we will no longer tolerate aiding the kinds of people who blow people's bodies apart, not just in this city, but in aircraft all across the globe, on buses, in restaurants, on front porches in front of wives and children.

Will the gentleman support all amendments that come down hard on terrorism and bombing anywhere in the world?

Mr. DELLUMS. Mr. Chairman, I will say to the gentleman that I will listen to the arguments the gentleman proposes. But let me deal with the general statement.

I have spoken on several occasions on this floor and in fact talked with several of my colleagues in private on this matter. I think the gentleman raises a very critical issue. The right attacks the leftwing governments and the left attacks the rightwing governments on the floor of Congress. I think the critical issue here is that we have to develop a sense of continuity, consistency, and uniformity. I would think that if one would ask 435 Members of this body, "What do you mean by human rights?" one would get 435 different versions, or certainly more than one or two.

My suggestion has been that we develop some mechanism. Perhaps the gentleman and I could join together in the first part of the next Congress to ask for the new Congress to establish a time limited committee to study and recommend criteria to be applied regarding human rights. We must develop consistency in this body with respect to criteria we could apply to all nations with respect to human rights. Right now we do not have such a vehicle, and I think that is one of the reasons why the debate is often encumbered by fact that we do not have a set of criteria by which we can apply across the board to any nation. I think we are harmed by that. I think we should develop something in that regard so that we have some consistent mechanism that we can apply to any nation, irrespective of its political views. I think we would be better off, and I think the gentleman has raised a significant point.

Mr. DORNAN. If the gentleman will yield further, I look forward to that uniting of forces, as we have always joined forces in voting against moves to cut off or inhibit cut off debate on this House floor.

Mr. DELLUMS. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

(On request of Mr. BIAGGI and by unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman for his presentation. I would like, first, to have the record show that the people involved do not enjoy diplomatic immunity.

One of the arguments against this amendment is that we, the United States, have not yet made an application for the return of these individuals. That may or may not be the fact. But for those who are thinking about opposing this amendment, thinking that it might interfere with our relationship, let me suggest that if the Chilean Government responds, as it should under its treaty obligations, and this Government makes application and the prisoners are returned, then by the time this legislation goes into effect with this amendment the question will become moot and it will have no negative effect, no dilatory impact on the entire process. We can protect and preserve our position by voting for this amendment.

Mr. DELLUMS. I thank my colleague.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would first like to express my—I guess appreciation is the word—for the many Members on this side who voted against limiting debate. I think that was another mark of consistency, and those of us over here who were opposing the motion to limit debate are appreciative of that. Briefly, concerning the gentleman from California, I appreciate his position and his consistency on the merits. This Member has voted against many countries, leftist countries as well as rightist, getting aid, countries such as Cambodia, and a number of others, and will continue to do so. But, with regard to the nations the gentleman mentions, this Member would not in any way support the sending of any arms to frontline nations to foment violent revolution in any way. I am not in favor of that—I do not think there are people on our side who are.

The reason I take the well in support of the amendment is not that I feel there is a lot left to say. But there is an except for important clarification to be made. The gentleman from Illinois (Mr. HYDE) and some others have indicated—I think the distinguished chairman has indicated—that there is no sign that Chile will not be cooperative in this matter. Let me go over a bit of history on this, if the membership would permit.

First of all, the assistant U.S. attorney, Mr. Propper, who I think many people would agree has done an excellent job in this matter, has complained several times to the highest levels of the State Department about lack of cooperation from the Chilean Government. He has complained to Mr. Christopher on several occasions, and to other members of the State Department. Weeks and months went by where the U.S. investigation was stalled because Chile stalled.

After the letters of interrogation were delivered one general went on vacation for 6 weeks, just coincidentally right after those letters were delivered.

There were two particular men that Mr. Propper and our own investigators were after. One was Michael Townley, and the other was a man by the name of Fernandos Larios. Fernandos Larios was involved in the raid on the palace in 1973. It is my understanding—I stand to be corrected if this is incorrect, but I do not think it is—Larios was a member of Pinochet's staff. Now, essentially what happened is that two photographs of those two gentlemen were leaked to the Washington Star by someone—I have no idea who—but by someone connected with the investigation, largely because of the fact that in Chile they were saying these two people did not exist.

That went on for weeks and months, and Pinochet himself when he saw the photographs said that he did not recognize the gentlemen. There was brought to his attention the fact that one of them was Larios, his buddy. Finally, the only way that this thing really cracked was when George Landau, our fine Ambassador to Chile—and I emphasize "fine Ambassador"—a man of the highest caliber, finally put the pressure on and came home, and that is finally what happened. That is hardly a record of cooperation; hardly a record of people who are interested in getting to the bottom of the investigation.

Mr. Chairman. I want to be consistent, just like the gentleman from California (Mr. DORNAN) does, and I am going to do my best to be consistent. I think it is admirable that the gentleman and others like him are supporting this amendment, and we are going to bend over backward to cooperate on similar amendments relating to other countries.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Texas.

Mr. KAZEN. I wonder if the gentleman

would get me out of a dilemma? Has Chile refused to cooperate with the United States up until now?

Mr. MOFFETT. From back in 1977, I would say to the gentleman, until this moment the record that I have cited, which I think is accurate, hardly reflects cooperation.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from California (Mr. STARK), who may have some more reasons.

Mr. STARK. Mr. Chairman, in response to the gentleman's question, under Chilean law—and this was reported in the press this morning—the Chileans indicted these people also and have taken them into custody. Their law prevents those people being extradited while they are in custody in Chile.

The cooperative thing would have been not to indict the people at all but to extradite them.

Mr. KAZEN. Mr. Chairman, will the gentleman yield further?

Mr. MOFFETT. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, are we then trying to change the laws of Chile? Those people also have apparently committed a crime against Chile, and what is wrong with Chile bringing a criminal to justice in their own country?

Mr. STARK. Mr. Chairman, if the gentleman will yield further, as the gentleman will recall, in earlier debate it was pointed out there is a treaty running back many years saying that, when murder is committed in our country, the Chileans will send those people back to our country to be tried and, by keeping them there, they are obfuscating the provisions of the treaty.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has expired.

(On request of Mr. KAZEN, and by unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. KAZEN. Mr. Chairman, if the gentleman will yield further, it was my understanding that the people who were indicted by the United States have been arrested and they are being held in Chile pending extradition proceedings. Am I wrong?

Mr. STARK. Mr. Chairman, if the gentleman will yield further, the indication by observers as far as the people in Chile today was that the Chilean Government solved our extradition question by indicting their people. If indeed they are correct and I am wrong, this amendment will have no force and effect, and so the proceedings will go on.

Mr. MOFFETT. Mr. Chairman, if I may reclaim my time for a second, the Harkin amendment only says they should send those people to us and we will get on with the pipeline materiel.

Mr. KAZEN. But, Mr. Chairman, if the gentleman will yield further, I understand we have to go forward with the extradition proceedings. They cannot just send them over to us.

Mr. MOFFETT. I understand that.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

When this question was raised during consideration of the debate on the prior amendment offered by the gentleman from California (Mr. STARK), I requested information on this matter from the Department of State and I wish to share the reply at this time in order to clarify the main points.

I might say at this point the only reason that I tried to limit time was because we have debated all this before, but that is water over the dam.

But, as far as the indictment and the status of those named in that indictment, the Department of State has requested that the Chilean Government place the three Chilean nationals under provisional arrest pursuant to the terms of an extradition treaty, and this has been done at our request.

So I submit that the Chilean Government is cooperating. The next step is for the United States to send evidentiary documentation to the Government of Chile with a formal request for extradition.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has again expired.

(On request of Mr. ZABLOCKI, and by unanimous consent, Mr. MOFFETT was allowed to proceed for 2 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, if the gentleman will yield further, I think this is a very important point and it will clarify the question of whether or not Chile is cooperating. The U.S. request for introduction will be done as soon as the documents have been translated which may take 2 weeks because of the size of the file. Under the terms of the extradition treaty the Chilean Government must then consider the evidence and make a determination as to whether or not to extradite the prisoners.

In view of the fact that the Chilean Government has cooperated in this matter to date—and it is expected that they will uphold and abide by the extradition treaty—the State Department strongly urges that Congress take no action on the matter at this time.

I urge that we take no action on this matter at this time, because I do think it will be counterproductive. Contrary to what the gentlemen who have argued in favor of the amendment believe, the result will be just the opposite.

I, too, want these prisoners, these people who are indicted, to be brought here for trial, but if we are going to follow the route advocated by the gentleman, we might find ourselves following the wrong path.

Mr. MOFFETT. Mr. Chairman, I know the gentleman wants the men brought here for trial. I am not arguing that.

There is absolutely nothing counterproductive or inconsistent about the Harkin amendment. It simply says we want to get into the ball game. We want it to be done right.

I cannot agree with the statement that Chile has been cooperative because the history I have read over the last year and a half is that they have been anything but cooperative. Let us not leave the country or the membership with the impression that they have been cooperative.

Mr. ZABLOCKI. Is it a question of whether or not I have been misinformed?

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. MOFFETT) has again expired.

(On request of Mr. ZABLOCKI, and by unanimous consent, Mr. MOFFETT was allowed to proceed for 1 additional minute.)

Mr. ZABLOCKI. Is our primary interest the return of the men who have been indicted or is our primary interest to cut off what is in the pipeline for Chile? My understanding is that the latter is the purpose of the amendment so that is why I asked to limit debate.

Mr. MOFFETT. It is not the intention of the amendment to cut off the pipeline.

Mr. DOWNEY. If the gentleman will yield, let me say, if it was our intention to cut off the aid, the military aid to Chile, we would not have a provision in it that if they comply by sending these individuals to us that they would get their military supplies.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I reluctantly voted against the previous amendment because of the assurances that there has been some progress toward a greater respect for human rights in Chile. But on this question I find the amendment offered by the gentleman from Iowa (Mr. HARKIN) perfectly reasonable and I intend to vote for it.

Mr. Chairman, let me also say I have never been more proud of this body than on the vote we just had to refuse to cut off debate on this matter. It was indeed a mistake, after there had been only two previous speakers, to move to cut off debate. I am very happy that the House stood up for its tradition of permitting free and open debate on the questions that come before the Congress.

Mr. KAZEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, voted against the motion to limit debate. I am really sorry the gentleman asked to cut off the debate. Let me say that in the 14 years I served in the Texas Senate that I was one of the frequent members engaged in filibusters and I do not think that there was one time that I ever voted to cut off the debate because debate is the only way one can really get down to the nuts and bolts of the provision that may be before us.

My only concern on this amendment—and I want these people returned, I want them brought back—my only concern is that we do not disturb at this point our relations as far as Chile is concerned if, up until now, what the gentleman from

Wisconsin (Mr. ZABLOCKI) has told us that the State Department has said is the truth, that these people who were indicted, the ones who will have to stand trial, that they have been arrested, and they have been in jail awaiting the following through with the procedure to bring them back here, to extradite them, as has just been said is the procedure under the treaty, that is one thing. If there is any evidence that Chile is backing off on the treaty we would certainly like to know it because if so, then I will join with my colleagues who say we should cut aid to Chile until they do thus and so. But, as long as they are cooperating with us on this matter after these people have been indicted, then I say we are a little premature in doing what this amendment would do.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the chairman, the gentleman from Wisconsin (Mr. ZABLOCKI.).

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding. There is, I might say to the gentleman, no evidence that the Chilean Government is not going to fulfill its obligations under the treaty.

Further, let me say, in retrospect, that I am sorry that I had asked to limit debate. It was done because of a misunderstanding I had; I thought it was just another attempt to prolong the debate on a measure very much like the one that we had already rejected.

Mr. KAZEN. I would agree with the gentleman, but my point is that with debate we can bring these facts out. There are some things which we will learn now that we would not have learned had we cut off debate.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding.

When the gentleman started talking, something clicked in my head. I called my experts on Chilean law, and what I found out is this: It has been reported in El Mercurio, one of the newspapers in Chile, that the Government of Chile arrested these three people because there is a provision in Chilean law which says that as long as a criminal process is going on in Chile against a Chilean citizen, the Supreme Court cannot consider extradition matters until the criminal process in Chile is finished. Therefore, the Supreme Court will set the extradition matter aside.

Mr. Chairman, it is unclear why the Chilian Government arrested these three people. They are now preparing to file charges against them. They are suspects. They may file criminal charges against Contreras because of his involvement in something else.

Mr. Chairman, this may drag on for years, and until the criminal process is completed, the Supreme Court will just set aside the extradition hearing. They will not consider extraditing these people.

That is the reason some people are saying that they were arrested, because of that provision of Chilean law. They were not arrested because our State Department asked the junta to arrest them.

Mr. ZABLOCKI. If the gentleman will yield further, Mr. Chairman, I stated earlier that they were arrested at the request of the State Department, as the report from the Department indicates.

Mr. KAZEN. Where does the chairman get that report?

Mr. ZABLOCKI. This report is from the U.S. State Department.

Mr. KAZEN. From the State Department?

Mr. ZABLOCKI. From the State Department, of course. That is the only place I look for proper evidence.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, there is an aspect of this debate which I think ought to be mentioned.

We all want these witnesses produced. We want Chile to cooperate, but the question is: Do we want the issue here at home more than we want the cooperation of Chile?

We surely have found through recent experience that we cannot, by legislative threat, especially when the threat involves a small sum of money, force a small, proud nation to cooperate. Therefore, I think the enactment of legislation like this in the form of a threat makes it more difficult for Chile to cooperate than what might be the case otherwise.

The CHAIRMAN. The time of the gentleman from Texas (Mr. KAZEN) has expired.

(By unanimous consent, Mr. KAZEN was allowed to proceed for 2 additional minutes.)

Mr. FINDLEY. Mr. Chairman, will the gentleman yield further?

Mr. KAZEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, we had the resolution to force the testimony of Kim Dong Jo. It has not worked.

The lever we used, or the club we used, was simply not big enough to get the cooperation of the South Korean Government. Perhaps no club is big enough, but certainly the club involved in this amendment is not big enough to force a proud South American nation to cooperate against its will, and I think it makes more difficult the cooperation that might otherwise be provided.

Mr. KAZEN. Mr. Chairman, I thank the gentleman.

Let me just make this point, Mr. Chairman: Let us be very careful about what we do here this morning. Let us make sure that Chile cooperates one way or the other and that we get these people back to the United States for the trial which they deserve.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, there is one difference between this situation and the Kim Dong Jo matter.

Kim Dong Jo was protected, according to the Government, under the Geneva Convention because he had diplomatic immunity. There was a greater issue involved there, according to the Geneva Convention.

The CHAIRMAN. The time of the gentleman from Texas (Mr. KAZEN) has again expired.

(On request of Mr. JOHN L. BURTON, and by unanimous consent, Mr. KAZEN was allowed to proceed for 30 additional seconds.)

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, there is no issue here of a convention or of diplomatic immunity, the issue that was raised by the Republic of Korea in the Kim Dong Jo matter.

That is a matter which I think goes to the heart of what the gentleman is saying.

Mr. Chairman, I thank the gentleman for yielding.

Mr. KAZEN. In response to what the gentleman has just said, Mr. Chairman, we are operating under a treaty; we do have an extradition treaty with Chile. We ought to give the Chilians the opportunity to move through the normal process.

Mr. JOHN L. BURTON. We are.

Mr. KAZEN. If they should refuse, then I say let us do whatever we have to do. Let us insure that these people in Chile know that.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think the gentleman from Texas (Mr. KAZEN) has raised a good point. We want these witnesses one way or the other, hopefully, alive.

However, Mr. Chairman, if we do not adopt this amendment we empty the pipeline, and then the witnesses are not delivered. Therefore, stalling is in their favor without this amendment, because I think we should hold up the transference of those arms in the pipeline and then let them be delivered. That might be after the domestic Chilian justice system works its will. That might be after these people serve time there, and these arms may not get there until the year 2000.

However, Mr. Chairman, we should not go there and talk with their government. Let us remember what happened: They sent a death squad here to murder somebody in this Nation's Capital.

What are we talking about? They stall and get the arms, and we get nothing. They tell us that they have satisfied their conscience under the Chilian system of government.

Mr. Chairman, I think the Members understand what has happened. The indictment of the head of DINA is not a minor item because we were told when we were in Chile that the head of DINA reported only to Mr. Pinochet himself. All of the evidence suggests that there was an official DINA action taken against

the lives of Ronni Moffitt and Orlando Letelier. So what the gentleman is suggesting is that we negotiate with terrorists. We saw the country of Italy go through weeks of trauma because of a refusal to negotiate with terrorists. We have seen the Dutch. We have seen other countries. But now what we are suggesting is that we are going to negotiate for these arms and that somehow this is the price of release.

That is not what this amendment says. This amendment says we are not going to do business with Chile any longer. You can make up your mind when you want to resume those negotiations and you want to resume business.

All you have to do is to deliver to our system of justice these witnesses. You may take your time, but until you have resolved that question, further arms will not proceed.

So do the Members not see that the Chilean Government is in charge of their own destiny in regards to these pipeline sales? This is not a restrictive amendment.

In the amendment before this—and I supported that amendment—look what we have given up. We have said that they could have arms to carry on repression in their own country, if they deliver these people. We have capitulated to that. So this proud South American country that has spread terror throughout the entire Southern Hemisphere, this proud South American country that blew up people I do not think we ought to continue to do business with until they do not invade this country again for the purposes of carrying out death.

In my office, let me say to the Members, there are two pictures. One is of Orlando Letelier, and under this picture it says:

I was born a Chilean; I am a Chilean; and I will die a Chilean.

They, the Fascists, were born traitors, live as traitors, and will be remembered as Fascist traitors.

He said that on September 10, I believe, in New York City, and they killed him on September 21 by blowing him up just a few miles from here.

There is another picture in my office of Ronni Moffitt, and under that picture it says:

Orlando Letelier was fighting the Junta in Chile. He had accused them of barbaric acts, and to prove that they were not barbaric they killed him and my daughter.

Murray Karpen wrote that about his daughter after she was blown up in that automobile in Sheridan Circle.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in favor of the amendment. The gentleman last in the well expressed the position exactly correctly. This is a question of a simple crime committed in the United States resulting in the death of a U.S. citizen as well as a Chilean national. It does not take a treaty for the United States to prosecute the crime, and, commonly, whether there is a treaty or not, another nation will deliver the accused party to the nation in which the crime was committed against its own national. It does not take a treaty. It is a recognized process of civilized nations to deliver criminals to the place where they committed their offense. This case does not involve anyone with diplomatic immunity. It is clearly the fact that a crime occurred. Of course, nobody can be held accountable for it until proved guilty, but the question is only the question of bringing those clearly accused and indicted for the crime to the nation in which the crime was committed. We do not need a treaty to take care of that question. The treaty can be a convenience, and the treaty should be respected by Chile, but there has been every evidence that Chile might not abide by it. If Chile will abide by it, there is no harm done by this amendment, but if Chile will not, then there is irreparable harm in not passing the amendment.

Chile is not asserting, of course, that the bombing committed in the United States was a political act by the Government of Chile.

Chile, by arresting the accused persons, is itself taking the position that an ordinary crime by persons acting individually occurred, or may have occurred, in the United States.

Why should we not proceed with the strongest efforts that this country can exert to bring those persons to justice in the United States?

I voted against the Korean proposition because it dealt with a question of diplomatic immunity. It dealt, patently and directly, with the question of whether or not the agent of a foreign government in this country and pursuing his activities under diplomatic immunity should be forced to come back to the United States to give testimony which might or might not involve any criminal act on his part.

Were these assassins in the United States under diplomatic immunity; were they representatives of the Government of Chile? Chile says they were not. I am willing to accept they were not. If they were not, they should be extradited to the United States and Chile should agree to extradition, whether or not there is a treaty, and they should be tried in this country.

The gentleman's amendment requires only that we not give military aid until Chile does that which every civilized nation is called upon to do, with or without a treaty.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to my colleague, the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, even in this country as between individual States, if a defendant does not want to be extradited to the other State, you have to go through formal proceedings.

Mr. ECKHARDT. Mr. Chairman, if the gentleman will yield back to me, the gentleman from Iowa (Mr. HARKIN) is just assuring that if the normal proceedings do not result in agreement by Chile to deliver the accused parties, Chile will not then receive the benefit of military aid from the United States.

Mr. KAZEN. That I will agree with and go along with that proposition, but not with the fact that they should be returned automatically without going through the proper procedure.

Mr. ECKHARDT. Mr. Chairman, if I said that, I was wrong.

Mr. KAZEN. With or without a treaty is what the gentleman said, an extradition treaty; we do not do that even between the States in our own country.

Mr. ECKHARDT. All right; the gentleman apparently agrees with me then that if we do proceed with extradition and if they do not deliver these persons, the Harkin amendment will only have the effect of saying they do not get the military aid and only in that event. That is the way it differs from the previous amendment, which would have denied military aid under any condition.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Texas (Mr. ECKHARDT) is probably one of the most distinguished lawyers in this body, and I hesitate to take issue with him for that reason.

I suppose that few Members have been more outspoken than I on the question of human rights and against the proliferation of arms to governments that have shown little respect for basic human rights. Certainly, the regime in Chile qualifies as such a government. I do not know why, when the violent overthrow of the Allende government by the military dictatorship occurred, we did not review all the contracts with the Government of Chile and abrogate any and all agreements to send arms to that government. They are not being threatened by invasion by anyone. And so I voted a flat cutoff of weapons to Chile. The weapons will only be used by the regime to oppress their own people.

However, there is an extradition treaty, and we have no absolute proof that that treaty will not be complied with. I am one who voted against lifting the Turkish arms embargo in the form that we did it yesterday, because I happen to think it weakens the rule of law in international affairs. If we believe in the rule of law, then we should not try to do an end run on the Chile extradition treaty.

This amendment is not a good way to uphold the rule of law in international affairs. It would say, regardless of the fact that there is a treaty, whether there is or is not a court proceeding, no matter what the courts may do, that we are going to use the naked power to deny any of our weapons to the Government of Chile to force it to do our bidding without waiting for the legal machinery to function.

I do not think that that is in accord with the rule of law, and, therefore, much as I abhor the record of the present Government of Chile, much as I oppose any weapons being sent to Chile, I do not feel I can support this amendment.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I will be glad to yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, no one is trying to abrogate any kind of international law or treaty. All we are saying

is that until they turn over these people for a trial, no deliveries shall be made. As the gentleman from Texas (Mr. ECKHARDT) said, it has nothing to do with any kind of international law. We are just saying that until they do that, the pipeline will be shut off. When they do comply, then we will continue it.

I would like to make one other point, and that is that the Supreme Court in Chile hears matters of extradition. There is a law in Chile that if a Chilean citizen is arrested and there is a criminal process going on, the matter of extradition will not be heard until the criminal proceedings are concluded. There are indications that that might be happening in Chile. I do not know for sure, but there are indications that is what is happening.

I am sure the gentleman from Ohio (Mr. SEIBERLING) voted 2 years ago to cut off military arms to Chile.

Mr. SEIBERLING. I certainly did.

Mr. HARKIN. And we did vote to cut off military arms, but not pipeline shipments.

Mr. SEIBERLING. And we should have.

Mr. HARKIN. But the pipeline keeps going, and it is still going.

Mr. SEIBERLING. We should have cut that off, too.

Mr. HARKIN. But it is still going.

Mr. SEIBERLING. Having failed to do so, however, we should not now engage in this effort to detour around the very legal processes we should be trying to uphold. We should let the courts work, and if that miscarries and there is a breakdown, we can, I am sure, find appropriate means to influence the Chilean regime to hand over those who have been indicted for the heinous murder of Mr. Letelier and Mrs. Moffitt.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SAVINGS PROVISION

SEC. 21. Enactment of this Act shall not affect the authorizations of appropriations and limitations of authority applicable to the fiscal year 1978 which are contained in provisions of law amended by this Act (other than sections 31(a), (b), and (d) of the Arms Export Control Act).

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 19, immediately after line 20, insert the following new section:

"SEC. 22. It is the sense of the Congress that the United States should be responsive to the defense requirements of Israel, and sell Israel additional advanced aircraft in order to maintain Israel's defense capability, which is essential to peace."

Mr. WOLFF. Mr. Chairman, I offer this amendment in the House for myself Mr. FASCELL, Mr. BROOMFIELD, Mr. BURKE, of Florida, Mr. GILMAN and Mr. BIAGGI. I would like to take this opportunity to speak in support of my amendment, which states:

It is the sense of the Congress that the United States should be responsive to the defense requirements of Israel, and sell Israel additional advanced aircraft in order to maintain Israel's defense capability, which is essential to peace.

A few months ago, the other body failed to pass a resolution disapproving of the "package deal" of advanced aircraft to Saudi Arabia, Egypt, and Israel. Since both Houses had to concur, the House of Representatives never got an opportunity to take a stand on this issue. The action of the administration, and the failure of the other body to disapprove of the sale to Saudi Arabia was widely reported to be a defeat for Israel. The other body has included a similar provision in their version of the international security assistance bill.

During the course of the congressional debate on this issue, President Carter indicated his willingness to make 20 F–15 aircraft available to Israel and to give "sympathetic consideration" to additional Israeli military requests, beyond those 20 F–15's. My amendment would show congressional support for the administration's statements on additional aircraft, besides the added 20 F–15's.

I believe that additional advanced aircraft for Israel is a must. The recent sale to Israel of 15 F–15 and 75 F–16 aircraft was much smaller than the Israeli request. In fact, the Joint Chiefs of Staff had originally recommended that Israel be provided with 125 F–16 aircraft to meet their defense needs. The recent sale was 50 planes fewer than the Joint Chiefs recommendation. Israel should at least have the number of planes which her security demands. Why have we failed to provide the number of planes which our own Joint Chiefs of Staff deemed necessary?

In addition, the recent sale of F–15 fighters to Saudi Arabia has substantially changed the picture of the military balance in the region. Israel should be provided with at least the 50 additional F–16 fighters which the Joint Chiefs recommended before the sales to Saudi Arabia and Egypt were realities.

The military balance in the region is undoubtedly one of the factors which brought about President Sadat's peace initiative last November. The Arab nations have wanted to and have tried repeatedly to destroy Israel. Without denigrating the actions of the Egyptian President, I feel that this move would not have been made had the Arab nations in concert felt that they could pursue their objectives through military means. The United States has reaffirmed the commitment to Israel's security many times, the most recent on the occasion of the 30th anniversary of Israel's founding, when the President reaffirmed our commitment to Israel's security "forever."

My amendment will send a message to the White House that the Congress feels that Israel's security must be fully maintained; and that the Congress supports the President's announced desire to consider providing Israel with additional aircraft, beyond the 20 F–15 aircraft to which he is already committed. This amendment will also show the world that the United States has in no way abridged her commitment to Israel's defense. While the United States should do everything possible to further constructively the process of peace, we must also make it abundantly clear that our support for the State of Israel is not on the wane.

The timing of this vote is also quite opportune. The peace talks are now stalled. Egyptian President Sadat has been confident of the readiness of the United States to pressure Israel to change her stand on many points, while remaining inflexible himself on many issues. While the United States should encourage the process of the negotiations, we cannot promote flexibility by one party and fail to demand the same of the other negotiator. Thus this amendment will show the strength of our continuing commitment to Israel, and put Egypt on notice that they must demand the same flexibility of themselves that they demand from the Israelis.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am pleased to join my distinguished colleague, Mr. WOLFF, in offering an important amendment to H.R. 12514, the International Security Assistance Act of 1978.

The amendment, which adds a new section to H.R. 12514, provides that it is the sense of Congress that the United States be responsive to the defense requirements of Israel, and sell Israel additional advanced aircraft in order to maintain Israel's defense capability, which is essential to peace.

I believe that the amendment will help to better provide our close friend Israel with military support that is fundamental to both its security needs and its confidence in negotiating with its Arab neighbors. Moreover, the amendment helps to enhance our Government's commitment to Israel and emphasizes the special relationship which the United States has had with Israel over the past 30 years.

Continued U.S. military support to Israel is especially timely, given the recent so-called Syrian police actions in Lebanon. Moreover, our support for Israel can better contribute to Israel's ability to negotiate a peace settlement in the Middle East while maintaining the security of its people and the strength of its nation.

Mr. Speaker, for these reasons, I urge the adoption of this amendment.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York (Mr. WOLFF), which I am cosponsoring and

which states that it is the sense of Congress that the United States should be responsive to Israel's defensive needs for additional advanced aircraft.

Israel remains confronted with a critical situation where it is being asked to take significant risks with no real assurances that the outcome will be a lasting peace. History has shown that it is this issue of the future security of Israel that is at the heart of any Middle East settlement.

Because of the recent sale of sophisticated aircraft to Egypt and Saudi Arabia, the President and the Congress have a special obligation to work for peace and to end Israel's apprehension with a binding commitment to her security and through an adequate supply of sophisticated aircraft. Such a commitment is needed to deter renewed hostilities in the Middle East and to provide the security Israel needs to seek peace through strength.

It must be remembered that while Egypt recently embarked on an initiative for a peaceful settlement, other confrontation States such as Syria and Jordan have refused to even talk openly with Israel. Syria in fact has called for Sadat's overthrow as a result of his moderation. Furthermore, the more radical Arab States such as Iraq and Libya remain opposed to Israel's very existence and continue to build up massive Soviet-supplied arsenals.

By this amendment, let us demonstrate that the United States will not permit a weakening of Israel in order to meet Arab demands for concessions. Only a viable and secure Israel can convince the Arab States that accommodations, not confrontation is the only means of solving the Arab-Israel conflict.

Accordingly, I urge my colleagues to join in renewing our continued commitment to Israel's security by voting in favor of this amendment.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding.

Mr. Chairman, I congratulate the gentleman for this amendment. I am privileged to be a cosponsor of it.

Mr. Chairman, I am pleased to join with Mr. WOLFF in offering this amendment expressing the sense of Congress that the United States must be fully responsive to the defense needs and requests made by the state of Israel.

In many respects what we are doing today is providing the House alternative to the regretable Senate decision to permit arms sales to Egypt and Saudi Arabia. Many felt and with good reason that these sales posed a great threat to the security of Israel. There was much concern in the Jewish community as well as many others and a distinct feeling that U.S. sentiments toward Israel were shifting.

Passage of this amendment should help to minimize these fears. The language is quite specific, it calls for the United States to be responsive to the defense needs of Israel especially with relation to the sale of additional advanced aircraft to help maintain their capability to deter attacks.

Let us not forget that the arms sale package included 50 F5E fighter bombers for Israel but more importantly 60 advanced F-15's for Saudi Arabia. This is a significant commitment of arms, one which could threaten the balance of power in the Middle East if converted as weapons against Israel.

These are tumultuous times in the Middle East.

The peace talks are stalled—some feel they are lost. The Secretary of State will be travelling this weekend to try and revive the flagging negotiations. For Israel our passage of this amendment will bring a new sense of security that the United States remains their strongest ally. The Israelis will see that there was not unanimity in the Congress in support of the arms sale which was bitterly opposed by Israel.

I trust my colleagues will reaffirm their support of Israel by voting for this amendment. It could hasten the road to peace and security for the war-weary nation of Israel.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Chairman, I have had an opportunity to study the amendment. Certainly the United States should be responsive to Israel's economic needs and defense needs, including the provision of advanced aircraft.

Mr. Chairman, we accept the gentleman's amendment.

Mr. WOLFF. I thank the gentleman.

Mr. WIGGINS. Mr. Chairman I move to strike the requisite number of words.

Mr. Chairman, I intend to support this amendment because it expresses my own personal point of view, and I think it reflects the national interest. However, I am disturbed that this amendment is likely to be passed without dissent and not one word will be mentioned by those who participated in the debate just concluded.

As the Members know, Israel participated in a wanton bombing of villages in Lebanon not too many months ago, in which innocent people were killed. I condemn that act on the part of Israel. But I do not believe that such an act should dictate American policy toward Israel and mandate as a proper response that Israel be denied necessary arms and other support.

But a different rule was applied with respect to Chile just a few moments ago.

I would hope that those defenders of human rights who spoke with such eloquence a few moments ago would stand up and rationalize their irrational position. It is inconsistent. The action taken by the House a few months ago is manifestly wrong.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. WIGGINS. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Chairman, I will say to the gentleman that there is certainly a distinct difference between an act between two nations as nations and an act of criminals in the United States murdering U.S. citizens. I think that is the rational distinction between the situations.

Mr. WIGGINS. It is rational, but it emphasized my point rather than the gentleman's point, in my opinion. It is far, far more egregious for a government to act in violation of moral standards than it is for isolated individual acts to act in a similar manner.

We chose a moment ago to punish a government because of individual acts. It would be more just if we would punish the government for governmental conduct. And it is governmental conduct which I protest in respect to Israel's acts in Lebanon.

Mr. ECKHARDT. If the gentleman will yield further, we did not punish a government for acts of individuals. We simply demanded that those individuals be subject to trial in the United States where the crime was committed.

Mr. WIGGINS. I assure the gentleman that these individuals are not the beneficiaries of military aid. It is the Government of Chile. And the decision of this House was to deny the Government of Chile military aid.

Perhaps others will stand up and make sense out of the senseless inconsistency between the two amendments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 19, immediately after line 20, add the following new section:

UNITED STATES RELATIONS WITH THE SOVIET UNION

SEC. 22. (a) The Congress finds and declares that a sound and stable relationship with the Soviet Union will help achieve the objectives of the Foreign Assistance Act of 1961 and the Arms Export Control Act, strengthen the security of the United States, and improve the prospects for world peace.

(b) Therefore, it is the sense of the Congress that the President, in cooperation with the Congress and knowledgeable members of the public, shall make a full review of United States policy towards the Soviet Union. This review should cover, but not be limited to—

(1) an overall reevaluation of the objectives and priorities of the United States in its relations with the Soviet Union;

(2) the evolution of and sources of all bargaining power of the United States with respect to the Soviet Union and how that bargaining power might be enhanced;

(3) what linkages do exist and what linkages should or should not exist between various elements of United States-Soviet relations such as arms control negotiations, human rights issues, and economic and cultural exchanges;

(4) the policies of the United States toward human rights conditions in the Soviet Union and how improved Soviet respect for

human rights might be more effectively achieved;

(5) the current status of strategic arms limitations talks and whether such talks should be continued in their present framework or terminated and renewed in some other forum;

(6) the current status of other arms control negotiations between the United States and the Soviet Union;

(7) the challenges posed by Soviet and Cuban involvement in developing countries and a study of appropriate responses and instruments to meet those challenges more effectively;

(8) the impact of our relations with the People's Republic of China on our relations with the Soviet Union;

(9) the impact of strategic parity on relations between the United States and the Soviet Union and on the ability of the United States to meet its obligations under the North Atlantic Treaty;

(10) United States economic, technological, scientific, and cultural relations with the Soviet Union and whether those relations are desirable and should be continued, expanded, restricted, or linked to other aspects of relations between the United States and the Soviet Union;

(11) the evolution of Soviet domestic politics and the relationship between Soviet domestic politics and its foreign policy behavior, especially towards the United States; and

(12) what improvements should be made in the institutions and procedures of United States foreign policy in order to ensure a coherent and effective policy towards the Soviet Union.

(c) The President shall report the results of the review called for by subsection (b) to the Congress not later than 90 days after the date of enactment of this Act.

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I want to ask the gentleman from New York a question. I believe this is the amendment which mandates a study of U.S. relationships with the Soviet Union?

Mr. WOLFF. That is correct. It is the the same amendment passed by the Senate.

Mr. BAUMAN. May I ask the gentleman whether this also covers economic and trade relationships between the countries?

Mr. WOLFF. That is correct.

Mr. BAUMAN. I thank the gentleman.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, I rise to offer an amendment to the international security assistance bill expressing the sense of Congress that the President review the current state of Soviet-United States relations. I urge my colleagues to support my amendment at this critical stage in the relations between the two superpowers, and I hope my amendment will receive the support of Members on both sides of the aisle who are as concerned as I am about the current state of relations.

I believe it is imperative that we send a signal to the Soviet Union that we are so concerned that we are undertaking a full-scale review of our Soviet policy and of the foundations and assumptions on which it rests.

The question for us to consider is, why are the relations between the United States and the Soviets in need of review? Allow me to summarize:

1. SOVIET ADVENTURISM ABROAD

I submit that there is a need for further evaluation of the challenges posed by the alarming involvement by the Soviets and their surrogates in Africa, the Mideast, and elsewhere. Coupled with this, we need to study appropriate policy responses and instruments to meet those challenges more efficiently.

2. HUMAN RIGHTS

No member of this House or informed American is unconcerned by the recent Soviet actions with respect to basic human rights. This deplorable situation with which we are confronted mandates that we re-evaluate our policies to determine what more we can be doing to further the cause of human rights in the Soviet Union.

3. STRATEGIC ARMS

My amendment calls for a review of the current status of the SALT talks to determine whether such talks should be continued in their present framework or terminated and renewed in some other forum.

4. ARMS SALES

The export of conventional arms by the Soviets is a destabilizing factor in international relations. My amendment calls for a thorough review of the current status of attempts to slow the sale and export of weapons to the underdeveloped nations.

5. PEOPLE'S REPUBLIC OF CHINA

This amendment calls for a thorough examination of the impact of our expanding relations with the PRC on our relations with the Soviet Union.

In short, my amendment seeks the following goals:

First. A revaluation of the objectives, goals, and priorities of the United States in its relations with the Soviet Union.

Second. A review of the evolution of and sources of all bargaining power this country has towards the Soviet Union.

Third. A review of what linkages do exist and what linkages should or should not exist between the various elements of United States-Soviet relations such as arms control negotiations, human rights issues, and economic and cultural exchanges.

Fourth. The establishment of the strongest bargaining position possible in negotiations with the Soviet Union.

Fifth. An insurance that Congress will be given sufficient input into the policy making process.

History has consistently shown that the Soviets are hard bargainers and that only if the U.S. bargaining position is based upon strength can the United States hope to use diplomacy as an effective tool. We do have some strengths, but they need to be explored and then more effectively exploited.

It is well known that détente is stalled. Either we must act to improve the situation or it will further deteriorate. In order for us to prevent further deterioration, a careful reevaluation of the U.S. policy must be made.

I urge Members to take this opportunity to show their concern at the current state of relations and vote for my amendment.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would like to commend the gentleman for offering this amendment; on behalf of the minority accept it. I would like to say that I personally think this is a very fine amendment. As the gentleman is pointing out, we are seeing direct and indirect Soviet aggression in Africa and elsewhere. I think it is time we review the policies we have vis-a-vis the Soviet Union in a comprehensive way so that, if possible, we can come to a coherent policy, one that will hopefully be supported by Congress, the administration, and the American people. I commend the gentleman for offering the amendment.

Mr. Chairman, this amendment urges the President, in cooperation with Congress, and nongovernmental experts, to make a full-scale review of American-Soviet relations and to report to the Congress. I believe a reassessment of our relationship is badly needed—needed to send a signal to the Soviet Union, needed to develop a coherent consistent, and effective American policy toward the other superpower, and needed to help provide a better understanding of some important shifts in the nature of the Soviet challenge. I believe a report will help to provide a clear, public statement of our policy.

We are seeing massive direct Soviet intervention, through Cuban mercenaries, in Africa. There is a new wave of Soviet repression, unprecedented since Stalin's time, against dissidents and against those whose only crime is their wish to emigrate. We have been unable so far to secure an acceptable SALT II arms control agreement. For these reasons a reappraisal of our policy toward the Soviet Union is very timely.

It would send an important signal to the Soviet Union that the United States is seriously concerned about recent Soviet behavior—so seriously concerned that we find it necessary to review the basic premises on which past policies were constructed.

A review is desperately needed to help develop a sound and consistent American policy—one understandable to the Soviets, understandable to our allies, and, most importantly acceptable and understandable to the American people. The President has spoken very eloquently in the past on the need for broad public support as the basis for an effective foreign policy.

Today, our foreign policies, especially our policies toward the Soviet Union, enjoy neither the support of our people nor the confidence of our friends, nor

the respect of our adversaries and competitors.

It is very clear that our Soviet policies are not working. We are at a crucial juncture in our relations with the Soviet Union. The rapid deterioration of relations over the past few months threatens a full-scale return of the cold war. Part of the reason for the present problems, I am convinced, lies in a failure of the United States to set realistic priorities in its Soviet policies and to speak firmly, consistently, and with a single voice. A review of our policies in which the Congress and private experts participate, should help develop the kind of consensus on our priorities and the means of implementing them that is now so much needed. A report will help make our policies understandable to the public.

I also believe the review called for in this amendment is needed to develop appropriate strategies to deal with new dimensions to the Soviet challenge. In contrast to the past, the Soviet Union is able to project conventional military power, either directly or through Cuban mercenaries, into the developing world. As we have seen in Africa, it also has the will to do so. The United States has not yet found an effective means for dealing with it in the developing countries themselves. This should be carefully assessed.

In contrast to a decade ago, there is now strategic parity between the United States and the Soviet Union, and many experts believe the U.S.S.R. will be clearly ahead in the next decade. In the past, the United States has relied in part on its strategic superiority to help counterbalance Soviet conventional superiority in Europe. The impact of strategic parity and possible further worsening of the strategic balance on our ability to meet our treaty obligations in Western Europe, therefore, also needs very careful assessment and review.

The amendment also specifies numerous other aspects of our Soviet policies that are much disputed and require careful study and clarification. For example, on the issues of linkages, we find one major administration official has one position, and another has another position. On the question of bargaining leverage, there appears to be a fairly substantial number who believe that the expansion of economic and cultural ties have strengthened our bargaining power, but some experts believe American leverage has been substantially reduced by shifts in the military balance. We need a careful assessment of what bargaining levers we have, how to make the best use of them, and how to strengthen our bargaining position.

On the question of human rights, there has been a great deal of rhetoric, but the situation of dissidents in the Soviet Union has worsened rather than improved. We should be examining alternative approaches in this area.

There are a host of questions relating to the SALT negotiations.

Should they be explicitly linked to other aspects of American-Soviet relations or should they stand apart? Can the present negotiations lead to a beneficial verifiable, and genuinely significant SALT agreement, or have we locked ourselves into a framework from which little useful can possibly emerge? Is there an alternative approach to help assure a mutually beneficial result?

There is also the controversial question of "the China card". Is there a China card, and if there is one, how can it be best developed and used?

What is of most concern to me is that although we have many specialists on Soviet affairs in the Department of State, Department of Defense, and other agencies, no clear and definable strategy has emerged for dealing effectively with the many important issues in American-Soviet relations. The painstaking steps made over the past few years to try to establish a sound basis for American-Soviet relations appear to be fast crumbling. Soviet adventurism abroad and suppression at home are alarmingly increasing. The American people, according to recent polls are rightly and deeply distrustful of the Soviet Union. They rightly believe the United States must pursue a firm tough policy toward the Soviet Union. They also are very hopeful that some sound and constructive arms control agreements can emerge from SALT that will be in the interest of both powers.

Mr. Chairman, I believe the review and report contemplated in this amendment would provide an opportunity to develop a sound policy reflecting the desires and good sense of the American people. It is a clear, firm statement of our interests vis-a-vis the Soviet Union. I very much hope the amendment will be enacted and the President will proceed with the kind of review contemplated.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding. Basically, Mr. Chairman. the Department of State and the President keep our policy toward the Soviet Union under continual review. This amendment may not be necessary, but it does not do any harm.

Therefore, we are willing to accept the gentleman's amendment.

Mr. WOLFF. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MILFORD

Mr. MILFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILFORD: Page 19, immediately after line 20, insert the following new section:

REPORT ON REVIEW OF ARMS SALES CONTROLS ON NON-LETHAL ITEMS

SEC. 22. The President shall, within 120 days of enactment of this Act, report in writing to the appropriate committees of Congress the results of the review conducted pursuant to Section 27 of the International Security Assistance Act of 1977.

Mr. MILFORD. Mr. Chairman, my amendment would add a new section to the bill entitled "Report on Review of Arms Sales Control of Non-Lethal Items."

This amendment directs the President to review all regulations relating to arms control, with the purpose of defining those products which we sell as arms—items designed for destruction—and those products that are on the list only because they have military, as well as commercial, application.

I offered essentially this same amendment in May of 1977, and it was adopted. A similar amendment was adopted in the other body, and the conference committee stated that this report was expected within 120 days of enactment into law.

That conference report was adopted last July 21, over a year ago, and no such report has been forthcoming.

My amendment today is essentially the same as the one adopted here in May of 1977 and included in the conference report adopted in July of 1977, with one important difference. This time the amendment itself states that the report shall be forthcoming within 120 days of enactment.

Mr. Chairman, the need for this review and report are the same today as they were over a year ago when my first amendment was adopted.

The reason we need this review is that we are selling billions of dollars worth of goods overseas which are not arms in the sense that they are designed to cause death and destruction but which are classified as arms because of our own Government regulations.

For example, it is my understanding that perhaps only one-third of what we classify as "arms" sold overseas are actually lethal weapons designed to cause death and destruction.

Perhaps another one-third is in the form of spare parts for these weapons or in the form of services which might or might not be for weapons.

A final third would come in a gray area of commercial items which have both military and nonmilitary uses.

I believe we got ourselves into this situation for two reasons.

One is our good intentions.

Since the enactment of the Mutual Security Act of 1954, Government regulations controlling the export of munitions have been repeatedly amended in a piecemeal fashion, to the point where they are obscure and are no longer directly responsive to the central issue. I think all of us in Congress are acutely aware that once a regulation is promulgated, it is awfully difficult to get it depromulgated.

A second reason why we face this problem is the rapid rate of our development of technology. Today's high technology item is often old-fashioned tomorrow, literally. Many of these technical items should be taken off our sensitive lists long before they are, but, the list keepers are bureaucrats with little, if any, technical expertise.

My amendment very simply asks that we truly mean arms when we say "arms." This would keep us from unfairly identifying ourselves as "merchants of death" when so much of our so-called "arms" exports are in fact useful, nonlethal, peaceful goods. Providing a country with those items which

strengthen their economy and stabilize their position in the international community is a peaceful and humanitarian endeavor.

I submit that we need many definitions in this sphere: What are arms? What is advanced technology? Who defines the legitimate needs of a sovereign nation?

Let me give you a good example where our humanitarian enthusiasm has boomeranged and burdened good, peaceful, safe, humanitarian products in common use around the world with the "arms" stigma.

Inertial navigation systems, in common use by the world's airlines, are now classified as munitions and require special State Department license when they are sold as a part of commercial aircraft. Inertial navigation contributes enormously to the safe and efficient flow of peaceful civil traffic. By what tortured reasoning do we inhibit or deny free access to that technology?

There are other dramatic examples of this same kind of reasoning:

The C–130 transport aircraft sold for any use whatsoever is considered a lethal weapon under current practice.

Satellite communications systems built in this country and launched from this country under contract to a foreign country, but never physically delivered to that foreign government, are on the munitions list.

It is these items and many others like them which I sincerely hope could be reclassified off the "lethal weapons" list and onto some other list where they more truly belong.

I would strongly urge each of you to vote "aye" on this amendment.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MILFORD. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, the gentleman from Texas has shared his amendment with the Members on this side of the aisle. It is similar to an amendment the gentleman had last year, and we accept it.

Mr. MILFORD. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. MILFORD. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, the minority has examined the amendment. We have no objection to it.

Mr. MILFORD. I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. MILFORD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: Page 19, immediately after line 22, insert the following new section:

TESTIMONY OF KIM DONG JO

SEC. 24. Until such time as the Committee on Standards of Official Conduct of the House of Representatives announces that Kim Dong Jo, the former Ambassador of the Republic of Korea to the United States, has given testimony to that Committee in the investigation it is conducting pursuant to H. Res. 252 of the Ninety-fifth Congress—

(1) no funds authorized to be appropriated by this Act may be used to provide assistance for the Republic of Korea; and

(2) the authority granted by section 19 of this Act may not be exercised.

Mr. LAGOMARSINO. Mr. Chairman, I reserve a point of order against the amendment.

(By unanimous consent Mr. JACOBS was allowed to proceed for an additional 5 minutes.)

Mr. JACOBS. Mr. Chairman, this amendment was prepared yesterday and several copies were given to me this afternoon, a little while ago. I supplied the majority manager's table with one copy and the minority manager's table with two or three copies.

About 14 minutes ago a telephone call came to my office from an individual identifying himself as a reporter for the Korean Times. He informed my assistant that a Congressman had informed him that I was preparing an amendment dealing with military aid to South Korea.

That amendment was not released to the press from my office. I do not know what the procedure here in the committee is. I do not know who made that information available to the Koreans. I do not know why.

The reporter further asked that any cosponsors of the amendment be identified. Of course, he was told in our procedure we do not cosponsor amendments in this committee.

For the last 2 or 3 weeks, whether in Indianapolis or in Washington, I have had an unusually high number of requests from constituents to participate in some further effort toward a house cleaning in the Korean scandal question. I have been asked over and over: Is the Congress not going to do anything effective to get the testimony that Mr. Jaworski says is the last element, necessary element, to conclude the investigation of the Korean scandals? And so that is the question: Is the House of Representatives, is this committee, going to do something effective?

The resolution dealing with Public Law 480 aid to South Korea is in my judgment, and I think in the judgment of many others, not effective.

I have raised the question many times and in many places and I raise it here again: Why should a dictator care if we cut off food to his people so long as we send arms with which he can keep them in line?

The military aid is the mother lode in this situation. And I think the record ought to show that those who voted to cut off the food to the people of South Korea ought not be telling any of their constituents that they are sincere and that they really want to have this man come some way or another, by some arrangement, before our committee and give the testimony which the chief counsel says is indispensable to the administration of justice.

I hear it said that we are dealing with a sovereign nation and it ill behooves a fellow nation to order, to demand, to issue ultimatums to a sovereign nation. And I think that is correct.

However, the prayer does not read:

Give them this day their daily lead.

Nor is it correct to say and use the possessive, that it is their lead, their military equipment. It is our military equipment. It is paid for by the taxpayers of this country and we are under no obligation whatsoever.

If anybody is under any obligation to anybody at this point in history it would seem to me the Republic of Korea is under obligation to the United States. The United States has made a few sacrifices for that government, always in the name of freedom, always in the name of protecting freedom in a land where there is no freedom to protect.

They are perfectly at liberty to withhold this vital evidence, which goes to the very heart of our legislative process, our judicial and governmental processes in this country, and our investigation as to what extent it may have been corrupted and how it may have been corrupted. But if they have every right to withhold that evidence, then we have every right to withhold our largesse.

Now I repeat: If the House of Representatives, if this committee, wants to have the testimony of this individual, this will get the testimony of the individual, and the South Korean Government will not have to give up one ounce of American arms or lead.

All they need to do is to return one little meaningful favor for the thousands and thousands of "dead" favors that the United States has rendered to that government, again in the name of freedom, through those who fought in that Korean war, and they might as well know it, that they either wasted their lives or their time or their injuries, because the greatest betrayal of all of that sacrifice is the pure fact that there is no freedom in that land today. It is our option. If we want to have the testimony then this is the route to get it. Other slaps on the wrist and other suggestions of withholding food will not do it, and everybody else knows it.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California (Mr. LAGOMARSINO) insist on his point of order?

Mr. LAGOMARSINO. I do, Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LAGOMARSINO. Mr. Chairman, I say the amendment is out of order under clause 7, rule XVI, as being nongermane to the bill and outside of the scope of the bill. It is outside the scope of the bill, because the bill relates to military assistance.

Further, Mr. Chairman, I would like to quote clause 28, section 24.9 from Deschler's Procedure:

To a bill authorizing funds for foreign assistance, an amendment holding in abeyance, "until 90 days after the final settlement of hostilities . . . in Vietnam," all foreign assistance under the Foreign Assistance Act, was ruled out as not germane.

Further, in that same clause, section 24.11:

To a bill authorizing funds for foreign assistance, an amendment making such aid

to any nation in Latin America contingent upon the enactment of tax reform measures by that nation was ruled out as not germane.

I submit, Mr. Chairman, that to time the sanctions of this amendment to such a time as Kim Dong Jo testifies is similar to and right on all fours with the sections I have just read.

The CHAIRMAN. Does the gentleman from Indiana (Mr. JACOBS) desire to be heard on the point of order?

Mr. JACOBS. I do briefly, Mr. Chairman.

The CHAIRMAN. The gentleman will proceed.

Mr. JACOBS. Mr. Chairman, the language of the amendment deals with nothing more by its own terms than the contents of the instant legislation, No. 1 and No. 2, the amendment clearly is a related contingency with respect to and on all four corners with the funds authorized by this legislation.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from California (Mr. LAGOMARSINO) makes a point of order against the amendment offered by the gentleman from Indiana (Mr. JACOBS) on the point that it is beyond the scope of the committee bill. The Chair would like to point out that the committee bill does relate to military assistance, which this amendment directs itself to. Had the amendment been offered earlier in the reading, before the funds for South Korea were before the committee and prior to the adoption of the various amendments in the Committee of the Whole, including the amendment offered by the gentleman from Iowa (Mr. HARKIN) which placed a condition upon funds being authorized under this act, then the point of order might have been viewed differently. However, the contingency expressed in the amendment does relate to the relationship between this country and the South Korean Government and specifically to the point of information relating to future furnishing of U.S. military assistance to that nation, so that the Chair is constrained to overrule the point of order.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me simply say that this amendment would prohibit military assistance to Korea or the transfer of equipment to Korea, in conjunction with the withdrawal of U.S. ground forces, until former Korean Ambassador Kim Dong Jo has given testimony to the House Committee on Standards of Official Conduct. This would affect a program of $275 million in foreign military sales credit funds—$275 million for military equipment for Korea would be denied—as well as the $800 million equipment transfer.

Mr. Chairman, the House on June 22 already voted, 273 to 125, to adopt the Wright amendment to the Agriculture Appropriation Act to eliminate some $56 million in Public Law 480 food aid for Korea to encourage Korean Government cooperation with House investigations.

The House leadership indicated during the debate that it would not attempt to make additional cuts in military assistance for Korea, nor reduce any assistance or collateral program of any nature or description which would be vital to the maintenance of the territorial integrity of the Republic of Korea or vital to the interests of the United States.

The FMS credits are required for Korea to improve its defense capabilities during the period of growing North Korean strength. The $800 million equipment transfer will preserve a balance of force during the period of withdrawal of the 2d Infantry Division.

These programs are, therefore, both needed for continued improvement of Korean forces and to maintain military stability on the Korean peninsula. To deny such assistance would seriously endanger the security of Northeast Asia. To deny that assistance would, indeed, hamper and run counter to our own national security interests.

Therefore, Mr. Chairman, I hope that the amendment will be defeated.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Chairman, the gentleman has stated precisely why we will get the testimony from Kim Dong Jo if this amendment is adopted, because they do need the aid or think they need the aid. If they think they need it, they will get us the testimony.

Mr. ZABLOCKI. I think it has been made very clear in the past that the more presure we put upon the Government of Korea, the less the chances are that we will get Kim Dong Jo.

I might say that what we must keep uppermost in our minds, Mr. Chairman, is what is, indeed, in our own national security interests; and I think by this amendment we will be hurting our own national security interests.

Again, Mr. Chairman, I urge the Members to vote "no."

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think this is an understandable, but utterly irresponsible amendment.

I can sympathize with those Members of the House who believe we ought to make every conceivable effort to get to the bottom of the so-called "Koreagate" scandal. However, I think that for us to engage in a game of "diplomatic chicken" when the most vital security interests of the United States hang in the balance would be to engage in a truly irresponsible action on our part.

Mr. Chairman, the fact of the matter is that Japan, which is our closest and most important ally in the Western Pacific, has taken the position that the security of South Korea is essential to the security of Japan.

Were we to terminate all of our military assistance to South Korea, at a time when there is an existing conventional military imbalance on the Korean peninsula, which gives North Korea more military power than South Korea, it would create not only the very real possibility of another conflict on the Korean peninsula itself, but it would call into question in the minds of the Japanese the credibility of the American commitment not just to South Korea, but to Japan as well.

Mr. Chairman, I find myself in a somewhat anomalous and paradoxical position of having opposed the Stratton amendment, which was offered yesterday, because I truly believe that it is in our national interest to pursue the policy which was begun by President Carter of withdrawing our ground combat forces from South Korea, while simultaneously providing the South Koreans with the additional military hardware and equipment they need in order to be able to defend themselves, while today I must oppose the Jacobs amendment which would result in the automatic termination of all of our military assistance to South Korea.

Mr. Chairman, I oppose the Jacobs amendment, first, because were we to terminate that assistance, it would immediately call into question the viability of President Carter's policy of gradually withdrawing our ground forces from South Korea. I do not believe the President could responsibly continue that policy if we cease to provide any additional military assistance to South Korea. Furthermore, I think that were that policy to be halted, it would be most unfortunate in terms of our own national interests, because it would mean that if at some point in the future another war did break out in Korea, American ground forces would automatically and gratuitously be involved in that conflict.

On the other hand, if we do gradually withdraw our ground forces, there is no reason in principle, so long as we continue to provide South Korea with the additional military assistance it needs in order to be able to defend itself, why we should not be able to withdraw our ground forces from South Korea.

The gentleman from Indiana (Mr. JACOBS) assumes that if we adopt this amendment, the South Koreans will comply with the request to produce Kim Dong Jo, but can he be certain? Can any Member of this House be certain that in that kind of dramatic diplomatic confrontation the South Koreans will yield, and if they do not yield, if they feel that as a matter of pride, or for whatever reason, they are unable to acquiesce to that demand, are we truly prepared to second a signal to Kim Il Sung that, no matter what he may do, we are not going to provide any more military assistance to South Korea? Are we prepared to say to the Japanese, who have relied on our commitment to them, that we are not prepared to provide any more assistance to the South Koreans even if, as a consequence, they lose faith in our commitment to Japan? And are we really prepared to face the possibility not only that another war may break out in South Korea with catastrophic consequences for the people of that country, but that ultimately South Korea may be absorbed by North Korea?

I was in South Korea several months ago, and I discovered a fascinating thing.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ECKHARDT, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. In virtually every country in the world where there is a repressive regime, where we are providing assistance to the government of that country, the dissident and democratic forces in that country without exception prefer us to terminate our assistance so that we can undermine the political stability of that regime. But in South Korea virtually all of those individuals who are opposed to Park Chung Hee want us to continue providing assistance to South Korea because however much they object to President Park, they are even more afraid of Kim Il Sung, and the possibility of a North Korean takeover of South Korea.

So for all of these reasons I say to my colleagues in the House, let us by all means make every effort to produce Kim Dong Jo. We need his testimony. We should not give up on the Koreagate investigation, but let us not take a reckless action which could ultimately lead us down the path of disaster for Korea, for Japan, and for our own country as well.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I want to compliment the gentleman for a very accurate analysis of the situation and agree with him entirely that we should vote no on this amendment.

I might say, however, that I feel that the gentleman from Indiana (Mr. JACOBS), has pointed out a peculiar anomaly, that is, the House having voted to withhold food aid and is in a peculiar position in not being willing to apply the more stringent sanction of withholding military aid. I do agree with the gentleman from Indiana (Mr. JACOBS) that pressure on people is not necessarily going to result in a response from government; that withholding food is not as compelling on the Korean Government as is withholding military aid. But I shall vote against the Jacobs amendment—and I also voted against the original amendment. I think it is too risky to threaten to weaken South Korea's military defenses as a means of impelling South Korea to waive its assertion of diplomatic immunity.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. VOLKMER, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 3 additional minutes.)

Mr. SOLARZ. I further yield to the gentleman from Texas.

Mr. ECKHARDT. We were not involved with a matter of diplomatic immunity in the Chilian case, nor were we there involved in a situation where a nation was threatened by her neighbors, as in the Korean case.

I thank the gentleman for yielding.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Missouri.

Mr. VOLKMER. I appreciate the gentleman's yielding. I appreciate his comments, but I would like to carry the situation one step further as to where we are.

I am not on the Ethics Committee, even though I try to keep up with it, but my understanding is Mr. Jaworski is saying, "Goodby, farewell. Kim Dong Jo is not coming, and we are not going to get his testimony."

Does the gentleman have a suggestion as to where we go if we do not adopt this amendment, because I understand the Senate has put the money back in for food, and it will probably pass, and nothing will be done, and Korea will continue this next year with getting the full amount that they desire and need, and Kim Dong Jo will have stayed over in Korea, and we will never hear anything. What do we do?

Mr. SOLARZ. I wish I had an answer to the gentleman's question. I am not a member of the Ethics Committee. I do think we have to do something above and beyond what we have already done. I am prepared to consider any responsible action which holds forth the possibility of producing the testimony of Kim Dong Jo, but I do not believe that the amendment before us today is a responsible way of proceeding, because there is no guarantee it will produce the results, and if it does not, we will have ended up with a situation where we have cut off our nose to spite our face.

And the people of our own country, the people of Korea, and the people of Japan, will have potentially paid a terrible, terrible price in the process.

Mr. VOLKMER. Mr. Chairman, if the gentleman will yield further, are we not also telling any other country and the ambassadors then of any other country that in the event they should find those in Congress that are willing to accept funds for favors and in the event they do such and then go back home, that they do not have to worry about it?

Mr. SOLARZ. I do not think we are saying anything of the sort. I think the Congress has already voted, at least the House of Representatives has, to cut off Public Law 480 assistance to South Korea. We passed several resolutions expressing our concern. The refusal of Kim Dong Jo to testify has created serious political problems for South Korea in the Congress. There may be other actions we can undertake. This matter is not over. We are going to pursue it. But let us pursue it in a responsible way.

Mr. VOLKMER. Mr. Chairman, if the gentleman will yield further, I just wish we had a way to proceed to get Kim Dong Jo. Right now I do not know the way and I do not believe the gentleman does and I do not believe anybody else does.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(At the request of Ms. HOLTZMAN, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. Mr. Chairman, I will yield in just one second.

Mr. Chairman, I just want to say in conclusion that I cannot believe it is beyond the wit or the imagination of the Congress to come up with some alternative strategy which may produce the result, but will not jeopardize the security of a country which has been allied with us for over 30 years and ultimately our own security as well.

I yield to the gentlewoman.

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman made a very eloquent speech, but I think there was a fallacy of logic in the gentleman's comments. Basically, the objection of the gentleman from New York (Mr. SOLARZ) to the amendment of the gentleman from Indiana (Mr. JACOBS) was that it would involve an enormous risk, because South Korea could say, "OK, we would prefer not to get any military aid and prefer to risk our security rather than turn over Kim Dong Jo."

Well, if South Korea is willing to risk its survival to keep the truth from this country, what kind of will does it have to survive? What kind of will does it have to fight the North Koreans? How can we possibly rely on them to defend themselves?

If South Korea wants to jeopardize its survival over this person—and I would say it is a very unlikely possibility—I would say to the gentleman that we have no hope that they will have the resolve to fight against North Korea and, therefore, that the military aid is absolutely useless.

Mr. SOLARZ. Mr. Chairman, I do not believe, I must say to the gentlewoman, that the South Korean Government wants to jeopardize the security of their own people.

Ms. HOLTZMAN. Then they will surely turn over Kim Dong Jo if we threaten to cut off their military aid.

Mr. SOLARZ. But when you get involved in a game of diplomatic chicken, you cannot tell what will ultimately happen, and if they make the wrong decision, it is not just the 34 million people who live in South Korea, whose lives and future are at stake, it is also our own policy in the Western Pacific.

I am simply not prepared to run the risk that they may say no. I am not prepared to risk sending the wrong signal to Kim Il Sung.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I share the frustration of some of my colleagues over the intransigence of the Korean Government, and I personally see it as most unacceptable. The gentleman from New York has spoken most eloquently and accurately on this matter.

One of the basic reasons I personally support security assistance for South Korea is because it seems to me that if we can give this kind of support to countries that are important to us or to whom we have commitments so that they are able to defend themselves, we lessen the chance that ever again American ground forces will be involved in a land war in

Asia. The last thing I would like to do is to do anything that might contribute toward that end result.

I am concerned about the welfare of our own forces in Korea and of the young men in our armed services elsewhere whose safety and whose lives could be jeopardized by this kind of action by the Congress.

Mr. Chairman, I wish we could find some way to persuade the Koreans to do what is right in this matter, but this is the wrong thing, and I hope the House will defeat this amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, there are some of my colleagues who feel that our security assistance to Korea should be used as a lever to pry additional testimony from Ambassador Kim Dong Jo.

While I feel strongly that Kim Dong Jo should respond forthrightly to the questions now being asked of him, I feel equally strongly that this unfortunate affair cannot be linked to the questions being debated today. As you have heard, the United States is providing security assistance to Korea, because we believe that our own national security is involved in maintaining a strong defense in the Korean peninsula. Thus any attempt, however well intentioned, to withhold security assistance would be detrimental to our own national interests.

In addition, I think I must point out that Kim Dong Jo is protected by the Vienna Convention on Diplomatic Relations to which the United States, South Korea, and many other countries are signatories. Under the terms of the convention he is protected from having to testify in the United States on matters which relate to his duties and actions while he was his country's ambassador to this country. Attempts to force him to testify could very well have serious implications for our ambassadors abroad. I would find it difficult to believe that anyone here is prepared to argue that our Ambassador in Rome, not to mention Moscow, should respond to similar pressures.

Mr. Chairman, as you know, other efforts are at work to get at the information held by Kim Dong Jo. It is not appropriate for us, at this time and in the course of this debate, to link those efforts to secure his testimony to the question of security assistance.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to this amendment. Unlike some of the other speakers who have also opposed this amendment, I voted to cut off food aid and economic aid to South Korea. I also at that time voted against the amendment that would have cut off military security assistance. I think there is a big difference between economic and military assistance.

I think it was perfectly proper for us to send the South Korean Government the message that we did on that vote on the food aid. We were saying, "We are disturbed about your failure to cooperate in obtaining testimony from former Ambassador Kim Dong Jo." At the same time, however, we were saying that we were not going to cut off our security assistance; we were still going to stand by our treaty commitments with South Korea.

We were, therefore, not sending a message to North Korea that—'Hey! Maybe this is a good time for you to probe around and try something."

It has already been pointed out that everyone in the East and in the Pacific is concerned about what we will do vis-a-vis Korea. Japan is extremely concerned, and all the countries in Southeast Asia are very concerned. I think we would be sending exactly the wrong message at the wrong time were we to do this.

They say that we should learn from history. There is a history here. We have been through this. This is nothing new. Back in the late forties it was declared by our Government that we were no longer interested in South Korea, and we all know what happened then, an invasion by North Korea. I think there is a very good possibility, if not a probability, that something might well happen again were we to take that same kind of action here today.

So, Mr. Chairman, I urge my colleagues to vote against this amendment.

Mr. WEISS. Mr. Chairman. I move to strike the requisite number of words.

Mr. Chairman, I am pleased to support the amendment offered by the gentleman from Indiana (Mr. JACOBS). I think that the House, too, ought to be pleased to have this amendment before us for our joint support.

It takes no particular bravery to vote for the kind of sham amendment that the House adopted a few weeks back when we took something like $70 million or $90 million of the food for peace program away as an indication of how committed we really were to stand up for the integrity of the U.S. House of Representatives. It was almost like two people being in a fight and one saying to the other, "If you don't do what I want, I am going to hurt a third person."

The amendment that is before us has some substance, it has some real meaning, and it has some real significance to the Government of South Korea. If, in fact, the membership of this body is as concerned as it has suggested it is about the affront to its integrity by the failure of South Korea to make Mr. Kim Dong Jo available for testimony in this country, then I think we ought to adopt this amendment. Otherwise what will happen is that with all our protestations of our purity, our virtue, and our integrity, Mr. Jaworski will in fact pack up his bags and go home, and forever and ever the reputation of this House is going to be in doubt as to whether we really were serious about getting that testimony.

Now is the time for action, and perhaps it is the last chance we will have. It should not be for us to be heard after the fact that it was all the Koreans' fault. It is not just the Koreans fault. We have it within our own means to get that testimony, and this is the way to do it.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Indiana.

Mr. JACOBS. I thank the gentleman for yielding, and I wish to thank the gentleman for his comments.

Mr. Chairman, I simply point out that in almost every case in our foreign aid, as long as I can remember, it has been based on the fact that "these are our dearest allies, these are our loyal friends."

The question comes to mind which emulates the old military question: "What is a friend for if you cannot bribe him?"

If they are such good friends of ours, why is all of this taking place?

Maybe they are not such good friends of ours. But if they are good friends of ours, they ought to help clear this bribery question up. And bribery is the thing that distinguishes this situation from the others we have discussed this afternoon.

Mr. WEISS. I thank the gentleman for his comments. I think they are very, very well taken.

Mr. Chairman, I would assume that the House is as concerned this year as it appeared to be last year and earlier this year about its reputation. And if it is, I would hope we would have an overwhelming vote in support of the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. JACOBS).

The question was taken; and on a division (demanded by Mr. WEISS) there were—ayes 13, noes 27.

Mr. JACOBS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Indiana (Mr. JACOBS) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic de-

vice, and there were—ayes 147, noes 257, not voting 28, as follows:

[Roll No. 633]

AYES—147

Abdnor	Frenzel	Nolan
Ambro	Garcia	Nowak
Ammerman	Gephardt	Oakar
Anderson, Calif.	Gilman	Oberstar
	Glickman	Obey
Andrews, N. Dak.	Gore	Ottinger
	Green	Panetta
Applegate	Hall	Patterson
Armstrong	Hannaford	Pike
AuCoin	Harkin	Pressler
Bafalis	Hawkins	Pursell
Baucus	Heckler	Quayle
Beard, R.I.	Heftel	Rahall
Bedell	Hollenbeck	Railsback
Bellenson	Holtzman	Rangel
Benjamin	Howard	Reuss
Blanchard	Hughes	Rhodes
Blouin	Ichord	Richmond
Boland	Jacobs	Rinaldo
Brademas	Johnson, Colo.	Roe
Brodhead	Kastenmeier	Rogers
Brown, Calif.	Keys	Rosenthal
Burke, Calif.	Kildee	Roybal
Burlison, Mo.	Kostmayer	Ruppe
Burton, John	Krebs	Russo
Burton, Phillip	Krueger	Ryan
Carr	Leach	Santini
Chisholm	Lehman	Scheuer
Cleveland	Lujan	Schroeder
Cohen	Luken	Schulze
Coleman	Lundine	Seiberling
Collins, Tex.	McCloskey	Sharp
Cornwell	Markey	Shuster
D'Amours	Marlenee	Skelton
Diggs	Mattox	Steers
Downey	Mazzoli	Stokes
Early	Meeds	Studds
Edgar	Metcalfe	Tucker
Edwards, Calif.	Mikulski	Udall
Eilberg	Mikva	Vanik
Emery	Miller, Calif.	Vento
English	Miller, Ohio	Volkmer
Ertel	Mineta	Walgren
Evans, Ind.	Minish	Walker
Fish	Mitchell, Md.	Wayman
Flippo	Moakley	Weaver
Florio	Moffett	Weiss
Foley	Mottl	Wylie
Forsythe	Murphy, Pa.	Young, Mo.
Fraser	Nedzi	

NOES—257

Addabbo	Conte	Goldwater
Akaka	Corcoran	Gonzalez
Alexander	Corman	Goodling
Anderson, Ill.	Cornell	Gradison
Andrews, N.C.	Cotter	Grassley
Annunzio	Coughlin	Gudger
Archer	Crane	Guyer
Ashbrook	Cunningham	Hagedorn
Ashley	Daniel, Dan	Hamilton
Aspin	Daniel, R. W.	Hammer-schmidt
Badham	Danielson	
Baldus	Davis	Hanley
Barnard	de la Garza	Hansen
Bauman	Delaney	Harris
Beard, Tenn.	Derrick	Harsha
Bennett	Derwinski	Hefner
Bevill	Devine	Hightower
Biaggi	Dickinson	Hillis
Bingham	Dicks	Holland
Boggs	Dingell	Holt
Bolling	Dodd	Horton
Bonker	Dornan	Hubbard
Bowen	Drinan	Huckaby
Breaux	Eckhardt	Hyde
Breckinridge	Edwards, Ala.	Ireland
Brinkley	Edwards, Okla.	Jeffords
Brooks	Erlenborn	Jenrette
Broomfield	Evans, Colo.	Johnson, Calif.
Brown, Mich.	Evans, Del.	Jones, N.C.
Brown, Ohio	Evans, Ga.	Jones, Okla.
Broyhill	Fary	Jones, Tenn.
Buchanan	Fascell	Jordan
Burgener	Findley	Kazen
Burke, Fla.	Fisher	Kelly
Burleson, Tex.	Fithian	Kindness
Butler	Flood	LaFalce
Byron	Flynt	Lagomarsino
Caputo	Ford, Mich.	Latta
Carney	Fountain	Lederer
Carter	Fowler	Leggett
Cavanaugh	Frey	Lent
Cederberg	Fuqua	Levitas
Chappell	Gammage	Livingston
Clausen, Don H.	Gaydos	Lloyd, Calif.
	Giaimo	Lloyd, Tenn.
Clawson, Del	Gibbons	Long, La.
Conable	Ginn	Long, Md.
Lott	Pepper	Steed
McClory	Perkins	Steiger
McCormack	Pettis	Stockman
McDonald	Pickle	Stratton
McEwen	Poage	Stump
McFall	Preyer	Taylor
McHugh	Price	Thompson
McKay	Pritchard	Thone
McKinney	Quillen	Thornton
Madigan	Regula	Traxler
Mahon	Risenhoover	Treen
Mann	Roberts	Tribie
Marks	Robinson	Ullman
Marriott	Rodino	Van Deerlin
Martin	Roncalio	Vander Jagt
Meyner	Rooney	Waggonner
Michel	Rose	Walsh
Milford	Rostenkowski	Wampler
Mitchell, N.Y.	Roussel.ot	Watkins
Mollohan	Rudd	White
Montgomery	Runnels	Whitehurst
Moore	Sarasin	Whitley
Moorhead, Calif.	Satterfield	Whitten
	Sawyer	Wiggins
Moorhead, Pa.	Sebelius	Wilson, Bob
Moss	Shipley	Wilson, C. H.
Murphy, Ill.	Sikes	Wilson, Tex.
Murphy, N.Y.	Simon	Winn
Murtha	Sisk	Wirth
Myers, Gary	Skubitz	Wolff
Myers, John	Slack	Wright
Myers, Michael	Smith, Iowa	Wydler
Natcher	Smith, Nebr.	Yates
Neal	Snyder	Yatron
Nichols	Solarz	Young, Alaska
Nix	Spence	Young, Fla.
O'Brien	St Germain	Young, Tex.
Patten	Staggers	Zablocki
Pattison	Stangeland	Zeferetti
Pease	Stanton	

NOT VOTING—28

Bonior	Fenwick	Mathis
Burke, Mass.	Flowers	Quie
Clay	Ford, Tenn.	Spellman
Cochran	Harrington	Stark
Collins, Ill.	Jenkins	Symms
Conyers	Kasten	Teague
Dellums	Kemp	Tsongas
Dent	Le Fante	Whalen
Duncan, Oreg.	McDade	
Duncan, Tenn.	Maguire	

Mr. HOLLAND changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: Page 19, immediately after line 20, insert the following new section:

USE OF FOREIGN CURRENCY

SEC. 25. (a) Section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)) is amended to read as follows:

"(b)(1)(A) Notwithstanding any other provision of law but subject to section 1415 of the Supplemental Appropriation Act of 1953—

"(i) local currencies owned by the United States which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961 and of the requirements of the United States Government in payment of its obligations outside of the United States, as such requirements may be determined from time to time by the President; and

"(ii) any other local currencies owned by the United States in amounts not to exceed the equivalent of $75 per day per person or the maximum per diem allowance established under the authority of subchapter I of chapter 57 of title 5 of the United States Code for employees of the United States Government while traveling in a foreign country, whichever is greater, exclusive of the actual cost of transportation:

shall be made available to Members and employees of the Congress for their local currency expenses when authorized by the Speaker of the House of Representatives, the President of the Senate, the President pro tempore of the Senate, the Majority Leader of the Senate, or the Minority Leader of the Senate, and shall be made available to members and employees of a standing or select committee of the House of Representatives or the Senate or of a joint committee of the Congress for their local currency expenses when authorized by the chairman of that committee.

"(B) Whenever local currencies owned by the United States are not otherwise available for purposes of this subsection, the Secretary of the Treasury shall purchase local currencies for such purposes to the extent provided in annual appropriations acts.

"(2) On a quarterly basis, the chairman of each committee of the House of Representatives and the Senate and of each joint committee of the Congress shall prepare a consolidated report itemizing the amounts and dollars equivalent values of each foreign currency expended and the amounts of dollar expenditures from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditures, including per diem (lodging and meals), transportation, and other purposes, and showing the total itemized expenditures, during the quarter of such committee, and of each member or employee of such committee, and shall forward such consolidated report to the Clerk of the House of Representatives (if the committee is a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Secretary of the Senate (if the committee is a committee of the Senate or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such consolidated report shall be open to public inspection and shall be published in the Congressional Record within ten legislative days after the quarterly report is forwarded pursuant to this paragraph. In the case of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives, such consolidated report may, in the discretion of the chairman of the committee, omit such information as would identify the foreign countries in which members and employees of that committee traveled.

"(3)(A) Each Member or employee who receives an authorization under paragraph (1) from the Speaker of the House of Representatives, the President of the Senate, the President pro tempore of the Senate, the Majority Leader of the Senate, or the Minority Leader of the Senate, shall within thirty days after the completion of the travel involved, submit a report setting forth the information specified in paragraph (2), to the extent applicable, to the Clerk of the House of Representatives (in the case of a Member of the House or an employee whose salary is disbursed by the Clerk of the House) or the Secretary of the Senate (in the case of a Member of the Senate or an employee whose salary is disbursed by the Secretary of the Senate). In the case of an authorization for a group of Members or employees, such report shall be submitted for all Members of the group by its chairman, or if there is no designated chairman, by the ranking Member or, if the group does not include a Member, by the senior employee in the group. Each report submitted pursuant to this subparagraph shall be open to public inspection.

"(B) On a quarterly basis, the Clerk of the House of Representatives and the Secretary of the Senate shall prepare a consolidation of the reports received by them under this paragraph with respect to expenditures during the preceding quarter by each Member and employee or by each group in the case of expenditures made on behalf

of a group which are not allocable to individual members of the group. Each such consolidation shall be open to public inspection and shall be published in the Congressional Record within 10 legislative days of the completion of the consolidated report."

(b) Notwithstanding section 21 of this Act, the amendment made by subsection (a) of this section shall take effect on the date of enactment of this Act.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD, since I am very familiar with it. It happens to be mine.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BAUMAN. Mr. Chairman, this is simply an amendment which solves a problem that has arisen as a result of a Department of Treasury ruling regarding the use of foreign currencies or counterpart funds by Members of Congress and their staffs in travel abroad.

The gentleman from Wisconsin (Mr. ZABLOCKI) was good enough to discuss this with me earlier this week. The amendment provides for annual appropriations of such currencies rather than free and unrestricted congressional access to counterpart funds. It also provides for a quarterly reporting mechanism so that the public will know what Congress is spending. It reforms a system that has apparently been used illegally because of the lack of legislative authorization for such payments for some years. I believe the gentleman from Wisconsin had intended to offer this himself and failure to do so was merely an oversight on his part, I am sure.

I yield back the remainder of my time.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman from Maryland has adequately explained my amendment. I have no illusion as to why he has been so helpful in introducing my amendment at this point. I am not sure I want to be thankful and appreciative of the gentleman's action; nevertheless, I will consider the gentleman's efforts as being in the best interests for the amendment.

Therefore, Mr. Chairman, I accept the gentleman's amendment, which happens to be my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 19, after line 20, insert the following new section:

SEC. 26. Section 533(d) of the Foreign Assistance Act of 1961 is amended by inserting the number "(1)" after the phrase "Section 533(d)" and by striking out the period at the end of the paragraph, inserting a semicolon, and adding the following:

"(d)(2) In furtherance of this section and the foreign policy interests of the United States, the government of the United States shall not enforce any sanctions against the government and people of Rhodesia before October 1, 1979, unless the President shall determine that (a) the transitional government of Rhodesia has not committed itself to negotiate in good faith at an all-parties conference held under international auspices on all relevant issues; and (b) the transitional government has made no definite plans for the holding of free and fair elections including all population groups under recognized international observation. This section shall take effect upon enactment."

POINT OF ORDER

Mr. DIGGS. Mr. Chairman, I rise to make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. DIGGS. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Maryland on the question of the germaneness, clause 7 of House rule XVI.

An amendment of this nature is subject to two tests of germaneness. First, it has to be related to the subject matter under consideraion; and second, the fundamental purpose of the amendment must be germane to the fundamental purpose of the bill. In my view, the gentleman's amendment fails both tests. With respect to the subject matter, as compared to the content of the amendment, we note that the amendment in no way really deals with grant military assistance or military training or foreign military sales or narcotics control assistance or economic assistance to Turkey or the various elements of the subject of this bill, H.R. 12514.

To the contrary, the fundamental purpose of the amendment is to lift existing economic trade sanctions against the Government of Rhodesia, an action not within the scope of the bill before us which has as its principal purpose the authorization of international security assistance programs for the fiscal year 1979.

In addition, the bill has other provisions which primarily relate to other kinds of bilateral U.S. assistance. It in no way addresses the issue of nonmilitary trade or economic trade sanctions in general, nor does it seek to apply or to lift such sanctions against any individual company, and it in no way addresses the issue of U.S. imports from any source.

May I just conclude, Mr. Chairman, by reminding the House that earlier, in consideration of this matter, the gentleman from Missouri (Mr. ICHORD) had a similar proposal, but upon finding out informally that a point of order would be sustained against it, he withdrew his amendment. This amendment, in my view, is very similar to that amendment.

Mr. Chairman, I think the point of order ought to be sustained against the amendment, based upon that analygous action and upon the other points I have already indicated.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) desire to be heard on the point of order?

Mr. BAUMAN. Yes, I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BAUMAN. Mr. Chairman, the gentleman from Michigan (Mr. DIGGS) has correctly stated the basic rule that applies to any amendment to be offered to a bill, and that is under rule XVI, clause 7, any amendment must be germane to the bill before the Committee of the Whole.

However, the relationship of the amendment to the bill to be judged is to the bill as modified by all actions of the Committee of the Whole. If one applies the fundamental purpose test to the bill now before us, it is easy, I think, for the Chair to determine that while the fundamental purpose of the legislation does deal with military assistance to foreign countries, the bill, both as reported by the committee and as modified by the Committee of the Whole, goes well beyond the scope of that single purpose, and the bill has been broadened by amendment to the point where this amendment is in order.

I refer the Chair first to the bill, as reported. On page 2, in section 3, we find an amendment to the Foreign Assistance Act of 1961 which deals with International Narcotics Control. The pertinent section under International Narcotics Control, section 481 of the 1961 act, does not deal with military assistance but with international trade in drugs which, while illicit, is certainly commercial in character. Under that section, section 481, of the 1961 act, the President is given the power to suspend "economic and military assistance furnished under this or any other act" if the countries involved in the drug trade do not in fact live up to the standards set in the act. That is a commercial transaction over which the President has control.

I would refer the Chair further to the section of the bill dealing with assistance to Turkey, and that is on page 13 of the bill. Section 16 of the bill provides economic assistance to Turkey and not military assistance. It is conceded that this would have belonged in the previous economic aid authorization bill, but it was added to this bill, obviously broadening the scope of the bill at that point.

On the point of economic assistance to Turkey, I would refer to page 29 of the committee report, where it is stated that the specific economic aid given in the bill is under the International Development and Food Assistance Act, which, I believe, permits sales to foreign countries as well as outright grants. That is a commercial transaction and not a military assistance transaction.

I would call the attention of the Chair to an additional section of the bill, section 5, which allows assistance to police and other law enforcement agencies in foreign countries. On pages 14 and 15 of the report there are references to the section, as amended, which would affect principally commercial exports of munitions items. It requires reports of private commercial sales to be made to the State Department, and it transfers jurisdiction from the Commerce Department over this kind of commercial activity.

I refer the Chair to the Wolff amendment which was adopted today by the Committee of the Whole, a new section on page 19, line 20, in which the gentleman from New York offered an amendment that requires that the President conduct a full review of U.S. policy toward the Soviet Union, and this review will cover but is not limited to subparagraph (3) on page 1, "what linkages do exist," and so on, including, "arms control negotiations, human rights issues, and economic and cultural exchanges." And, further, in subparagraph (10), "United States economic, technological, scientific and cultural relations * * *"

In response to a question I put to the gentleman from New York, when he asked that the reading be dispensed with, he said it was his intent that his amendment cover all aspects of commercial trade with the Soviet Union.

Lastly, the Bauman-Zablocki amendment, if I may call it that, just adopted by the House, set up a system within the U.S. Treasury Department for the purchase of foreign currency to allow Members and their staff to travel abroad, not on military assistance matters necessarily, but on the usual international commercial and travel activities.

It is the contention of the gentleman from Maryland that the amendment before the House is germane since it amends the 1961 act and the amendment covers not only commercial and economic sanctions against Rhodesia, but specifically also covers military and security sanctions against Rhodesia.

I would refer the Chair to the action of the United Nations General Assembly, U.N. Resolution 232, adopted in 1966 which called upon all member states to prevent their nationals from shipping arms to Rhodesia.

Presidential Executive Order 11322, issued by President Lyndon Johnson on January 5, 1967, adopted the language of the U.N. resolution almost verbatim, and in the pertinent section, which is subparagraph (d), the order states:

* * * prohibition against * * * any activities by any person under United States jurisdiction which may promote or cause to be promoted any sale or shipment of arms, ammunition, military equipment, military vehicles, military aircraft * * *

So the amendment itself does not confine itself to trade, but also deals with matters of arms shipment, which the bill also deals with. And it is the contention of the gentleman from Maryland that, because of the cited sections of the bill and the amendments, that the amendment is germane.

The CHAIRMAN (Mr. FUQUA). The Chair has been aware of this amendment since the beginning of the debate on the bill and has been studying the amendment and other similar amendments as debate has proceeded on the bill.

The Chair might point out that the amendment comes at the end of the bill. While the bill, when it was reported from the Committee on International Relations, was primarily confined to bilateral security assistance and related policies, this bill, as perfected in the Committee of the Whole, has been significantly broadened in scope, as well as subject matter.

The bill now deals with the use of funds for travel expenses of Members and employees of Congress, as well as matters relating to security and economic assistance to other nations, furnished by this country.

The bill also now addresses the full range of our relations with the Soviet Union, including all trade and economic matters, and contains broad statements of foreign policy in relation to human rights abroad, relationships with Turkey, Greece, Cyprus, Chile, and Korea, and the actions which other countries must take in relation to their internal affairs in order to receive military or other assistance from the United States.

It therefore appears to the Chair that the amendment offered by the gentleman from Maryland is germane as a further direction on the use of our foreign assistance and on the operations of foreign relations, and for the reasons stated, the Chair overrules the point of order.

The gentleman from Maryland (Mr. BAUMAN) is recognized for 5 minutes in support of his amendment.

(By unanimous consent, Mr. BAUMAN was allowed to proceed for 5 additional minutes.)

Mr. BAUMAN. Mr. Chairman, there comes a time in the history of each nation that fundamental decisions must be made, a point which is commonly referred to in political parlance as a crossroads.

There is no question, at least in this Member's mind, that the attitude and policy to be adopted by our Government—of which we are a coequal branch—toward the Government and people of Rhodesia, soon to be Zambabwe, will be marked along with other nations' decisions throughout history as indicative of the fundamental purpose and direction we, as a nation wish to take in the future.

Even those with but a cursory knowledge of history remember the characterization of one city in Bavaria—Munich—as epitomizing a juncture in international politics when many nations, particularly Great Britain, made a determination about the problem that the then Government of Germany presented to the world. Ever after Neville Chamberlain's name will be associated with Munich and appeasement. We today have to make a decision about whether or not we are going to continue a policy in Africa which I believe has failed miserably, both in terms of preventing the spread of communism and in terms of guaranteeing the rights of all people of whatever race or creed or color, to have freedom and security.

The situation in Rhodesia today, which my amendment addresses, is very different from the one that existed even a few months ago. The Prime Minister of Rhodesia, Ian Smith, has yielded to pressures from without and pressures from within, and instituted a transitional government made up of four persons, Mr. Smith himself and three leaders of the black community, each of them representing a significant number in fact, the great majority of Rhodesians.

Some Members talked with Bishop Abel Muzorewa when he was here in Washington last week, and several weeks before that. Most people predict that he will probably be elected as the first head of the new Government. Joining him in that government at this time is Reverend Ndabaningi Sithole and Chief Jeremiah Chirau. All of these black leaders have called for an end to sanctions against Rhodesia because, as leaders of the black community, they are coequal partners in the transitional government and they support peaceful change. There exists a timetable adopted by this transitional government for the adoption of a constitution in October, and for elections in December, from December 4 to 6, with installation of the newly elected government by the end of the year.

This is an historic event in Africa; it is blacks and whites working together for the first time to bring about a peaceful transition to a democratically chosen government. Nowhere else on the continent has this occurred—nowhere. Instead of instituting a black dictatorship, one that will suppress the rights of its own people, we have the chance to assist by lifting these sanctions imposed by the United Nations and our Government. We have the chance to bring about the peaceful transition that I have just described.

Have no doubt about it, the Smith-Muzorewa-Sithole-Chirau government is in dire straits economically, militarily, internally; not because the people in their country are in any way opposed to what is happening—that approval will be decided in the election I have described—but because on the borders of Rhodesia, in Zambia and Mozambique, Communist-financed guerrillas, men who have made it clear that they have no desire for peaceful change in Rhodesia or Zimbabwe, are daily conducting murderous raids against the innocent white and black citizens of this nation. Thousands have died at their hands.

Pick up any news magazine for any week in the last 3 or 4 weeks and look at the grizzly pictures of what these guerrillas are bringing about in this troubled country. Both of the Marxist guerrilla leaders have made it very plain, Mugabe and Nkomo, that they do not wish any peaceful transition. One of them has referred to the blacks in the current Government as "Quislings," as "traitors," and has made it clear that Mr. Smith will be run up against the wall and shot, that those blacks who collaborate with him will also be dealt with in a like manner. These are the groups contending in this country and surely our national interests lie in those who seek peaceful change.

Against this background the Carter administration has chosen, along with the British Government, which may well not be in power many more months, to continue favoring the Communist guerrilla side at the expense of a peaceful and free transition. The reason they give for this stand is that normal diplomacy will work all this out, that the Government of the United States does not wish in any way to offend the so-called front line nations in Africa, all of which are dic-

tatorships, two of them Communist controlled, Mozambique and Angola. The Carter administration does not wish to give them any offense by taking the side of a government controlled by blacks and whites since it still has a link to the past when a white-only government existed.

I thought our foreign policy was supposed to be color blind. I thought the battle in Africa was to bring rights to people of any color, including any white minority that may remain in a country.

That is why this amendment is before the Members today. If this amendment is adopted it will be taken to conference with the other body, which already has adopted a variation on this question. I believe good will come out of it for the people of Zimbabwe and most importantly for the people of the United States, which ought to be our chief concern.

Under the terms of my amendment the U.S. Government would lift sanctions upon enactment of this bill. But the amendment would permit President Carter to reimpose sanctions if he determined two things: That the transition government has not demonstrated a commitment to negotiate in good faith with all the parties—and I would remind Members that the Communist guerrilla parties have rejected such conference up to this time, preferring to use the barrel of the gun—and, second, it allows the President to make a determination of whether or not the transitional government is set to hold free and fair elections, permitting international observation, with everyone participating.

That is the simple purpose of this amendment: To facilitate a remarkable transition to a democratically chosen government in a continent that for too long has been torn by war and bloodshed based on race.

The African colonial era is at an end and still left to be solved are the issues of South Africa and the Southwest African Territory, or Namibia, but we have a chance in this amendment, I think, to support a peaceful transition that can set a pattern in southern Africa and one that will redound to our benefit. I do not honestly understand how our Government or any Member of this body can in fact endorse what has been happening in Rhodesia as a result of guerrilla actions. This amendment will seriously impair that guerrilla activity and place great pressures on the guerrillas to come to the conference table. It will at the same time give a needed boost to the peoples of Rhodesia and Zimbabwe. I urge adoption of the amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I commend the gentleman in the well for the statement he has just made and associate myself with his remarks.

I would point out to the members of this committee that the amendment of the gentleman from Maryland in no way interferes with the right of the President to conduct foreign policy. It is true that it provides for an immediate temporary cessation of the sanctions against Rhodesia until October 1, 1979. But it states that if the President decides that Rhodesia has not committed itself to negotiating in good faith with all parties, et cetera, those sanctions can continue.

As the gentleman in the well knows, I have an amendment which would provide for a different approach—a cessation of the sanctions after the new government is installed—but I would prefer if the House would adopt this amendment, that we have an immediate cessation, so I join the gentleman from Maryland in support of the amendment.

Mr. BAUMAN. I thank the gentleman from Missouri.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I commend my colleague, the gentleman from Maryland (Mr. BAUMAN), for his amendment and for the very intuitive statement he has made.

The CHAIRMAN pro tempore (Mr. MCHUGH). The time of the gentleman has expired.

(On request of Mr. ASHBROOK, and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, if the gentleman will permit me to proceed further, for whatever reason the original sanctions may have been imposed, whether it was right or wrong, whether in the heat of emotion, whether through reason, I think, as the gentleman from Maryland (Mr. BAUMAN) has so clearly pointed out, there is not a valid reason now. I opposed the sanctions from their inception as you know. The sanctions only encourage the intransigents, the radicals, and the guerrillas, those who would use terrorism and violence to prevail. The sanctions certainly do not help reason prevail. They compromise those who would sit down together, it would compromise whatever influence this country may have had in the past for these ill-timed sanctions. I think as the gentleman has so eloquently stated, those sanctions at this point in time only help those who would resolve their differences away from the negotiating table by the use of violence, by intrusion, by guerrilla attacks, by murdering missionaries, by using force in an area where we should have reason.

I commend the gentleman from Maryland (Mr. BAUMAN) for offering the amendment and for the statement he has made.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman from Ohio (Mr. ASHBROOK) for the comments he has made.

Mr. Chairman, during the debate of this bill yesterday and today, I have kept a lexicon of terms used by Members on both sides of the aisle, among them protests, terrorists, murderers, bombers, blown to smithereens, barbaric action, and so forth and these concerns were expressed in a different context on different amendments. But if those concerns are real, then they should be real in every instance and no more true instance exists of that kind of brutality than has occurred in Rhodesia-Zimbabwe in the last year or two at the hands of those who are opposed to present policymakers.

Mr. ASHBROOK. Mr. Chairman, U.S. policy toward Rhodesia is absolutely disgusting. The Carter administration is supporting pro-Communist terrorists and guerrillas while turning its back on the moderate biracial government.

In March of this year, Prime Minister Ian Smith arrived at an agreement with three black leaders that provides for a transition to constitutional majority rule. The tribal blocks represented by these three leaders plus the group led by Ian Smith represent the vast majority of Rhodesians.

However, two radical black leaders with little popular support refused to lay down their arms and participate in the scheduled elections. They have engaged in terrorist activities, employing hit-and-run raids to kill innocent civilians. This was vividly demonstrated by the recent massacre of a dozen British missionaries.

Incredibly, the Carter administration has thrown its weight behind the guerrillas and terrorists. The administration continues to back economic sanctions against Rhodesia and refuses to recognize the moderate biracial government. At the same time it has provided aid to the African states that are helping the terrorists and guerrillas fight the government.

Following U.S. rejection of the internal settlement, State Department spokesman John Trattner stated:

> The Salisbury regime is an illegal regime. Therefore administrative arrangements it makes of that kind we are talking about are also illegal.

Unfortunately such ridiculous reasoning has been our policy toward Rhodesia from the beginning.

For 13 long years we have refused to recognize Rhodesia's independence. We have spurned her friendship and refused to give a helping hand. Instead we have joined the United Nations in imposing strict economic sanctions against Rhodesia on the ludicrous grounds that she constituted a threat to world peace.

Such a policy is hard for me to understand. It is détente with our enemies but a cold shoulder for those who would be our friends. President Carter is even willing to embrace terrorists and guerrillas rather than back a moderate anti-Communist government in Rhodesia.

I had the opportunity to visit Rhodesia soon after she declared her independence. Since that time I have repeatedly urged the United States to give Rhodesia a fair break. We have never given her that fair break.

Once again I urge that we give Rhodesia a fair chance to work out her own solutions to her internal problems. We should end our support for the terrorists. We should remove immediately the trade embargo against Rhodesia and throw our support behind the moderate internal settlement. I include two incisive statements which are along the lines developed by my esteemed friend, the gentleman from Maryland (Mr. BAUMAN) in his eloquent remarks.

KEVIN PHILLIPS,
CBS Radio Network, July 18, 1978.

I'm Kevin Phillips.

"Barbarous" is the best word to describe unofficial United States support of Rhodesia's Popular Front guerrillas—barbarous and unbelievable. Two hundred years ago, during the Revolutionary War, Americans bitterly condemned the British government for using Indians to terrorize the colonial frontier, butchering and mutilating women and children. Massacres like that at New York's Cherry Valley in 1778 still live in infamy.

But now, in Rhodesia, the United States has allied itself with similar terrorism. We do not support the moderate bi-racial regime which has scheduled democratic elections later this year. Oh, no. Instead, we quietly embrace terrorism. In the words of The Washington Post, and I quote, "American policy is tipped towards the guerrillas. The United States funnels aid to the front-line states sponsoring the guerrillas and enforces no-trade sanctions against Rhodesia."

The guerrillas, of course, are the people who have been making news recently with such good-hearted political frolics as the massacre of a dozen British Pentecostal missionaries. The women were raped and bayoneted. Lesser outrages are a daily occurrence. Moderate, responsible black Rhodesians simply can't believe what is going on. The Reverend Sithole, one of the bi-racial coalition leaders, said in a recent interview that U.S. economic sanctions against Rhodesia help keep the guerrilla war going. He expresses concern that the West is "coming to a state of moral bankruptcy."

There are other disturbing theories, too. One liberal newspaper columnist suggests that Carter Administration Africa policy has come under the influence of black power radicals—black Americans, unconcerned about bi-racialism or democracy, who want to implement black power goals in Africa that they were unable to achieve in the United States civil rights revolution.

Whatever the explanation, though, there is no excuse. It is absolutely intolerable that the United States is allied, even unofficially, with murdering pro-Communist guerrillas against the forces of multi-racial democracy. I don't know whether the West can still win in Rhodesia; it may already be too late. But let us, at least, remove the counter-productive trade embargo, proclaim our support for the multi-racial internal settlement, and end our gruesome association with pro-Communist guerrillas whose daily atrocities make a macabre joke of President Carter's human rights rhetoric.

This is Kevin Phillips for Spectrum.

I'm M. Stanton Evans.

The brutal terror that is occurring in Rhodesia these days begins to resemble what happened earlier in Vietnam. This time, however, the situation is potentially much worse, since the American government now is on the side of the terrorists. We are lending our support to the Soviet-equipped forces of Joshua Nkomo and Robert Mugabe, who conduct hit-and-run raids across Rhodesia's borders to slaughter innocent civilians.

The degree to which our policy is responsible for the debacle in Rhodesia is discussed by Allan Ryskind in the current issue of "Human Events." Ryskind has just returned from Rhodesia, and his discussion makes it plain that President Carter and Andrew Young are the parties chiefly to blame for the success of terrorist warfare against that country.

The key to everything else, Ryskind reports, is the system of economic sanctions imposed by the United Nations and honored by the United States. The embargo prevents exports, denies Rhodesia materials from the outside world, and causes unemployment and general discontent. And it isn't, of course, just the embargo.

In addition to this attack we have also permitted the terrorist Nkomo into this country but barred the moderate black Rhodesian leaders; we have tried to silence the tiny Rhodesian information office; and we have denounced the internal settlement pointing to eventual black majority rule. Our government says it won't go for a settlement unless it is acceptable to the terrorists, who want Rhodesia handed over to them on a silver platter, without the formality of a vote.

Against that backdrop, it's apparent that a solution to the Rhodesian problem is within our grasp: All we have to do is change sides. We need merely give support to the forces of anti-Communism and majority rule and remove it from the forces of Marxist terror and dictatorship. Since that is more or less what our official policy is supposed to be, why haven't we done it? The answer, it seems, is Andrew Young's conviction that anyone who has been a Marxist-supported terrorist can't be all bad.

Ryskind concludes that the simplest and best thing we could do to change the situation in Rhodesia is to lift the embargo. That is exactly what the Congress ought to do, and at the earliest possible opportunity.

This is M. Stanton Evans with Spectrum.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I want to commend the gentleman from Maryland (Mr. BAUMAN) upon the amendment he has offered and for the statement he has made.

Mr. Chairman, I had the privilege of meeting with Bishop Muzorewa when he was here early last year.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

(On request of Mr. LAGOMARSINO and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, if the gentleman will permit me to continue, in answer to a question he said that the Patriotic Front, so-called, Nkomo and Mugabwe, had tried to make an arrangement with Mr. Smith, the then Prime Minister of Rhodesia, and that they had not been able to get what they wanted and they walked out.

It was his feeling that they were so upset that the Bishop and the others in the coalition government were able to put something together, that they, under no circumstances, are going to take part in it.

It seems to me that the gentleman's amendment goes in exactly the right direction. The Smith government has done exactly what we wanted them to do, at least what our past administration asked them to do. We should realize that at least in some degree we talk about elections and we leave this up to the President, the President can follow his advisors. I think it is a very good amendment, a good step and the amendment should be adopted.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I too want to join in commending the gentleman from Maryland (Mr. BAUMAN) for what I think is a very fair statement and a very rational explanation of what is really necessary.

I think there is a great deal of concern at the moment and certainly it was expressed recently in the Senate, that the position of the United States has been to come out very sharply with the terrorists and the guerrillas. I was deeply disturbed by the television performance that occurred last Sunday night under the aegis of Mr. Carl Rowan which clearly and precisely was biased toward the guerrillas, points up the very things that the gentleman from Maryland (Mr. BAUMAN) has been saying, that we are suggesting that only those who are going to be murderers and terrorizers are those that we would support.

Mr. Chairman, I think this action which the gentleman takes will help to even the balance needed and demonstrate that the efforts to try to achieve for the first time in Africa a government which represents the majority by peaceful means should be encouraged and should succeed.

Mr. Chairman, I commend the gentleman from Maryland (Mr. BAUMAN).

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(On request of Mr. BONKER and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, I appreciate the fact that the gentleman from Maryland (Mr. BAUMAN) now supports the plan that will bring about transition to majority rule and that he, in effect, supports the internal settlement, which is a biracial process. However, I think it is also interesting to note that the gentleman in the well opposed efforts to place the sanctions on Rhodesia a few years ago when that matter came before this body.

Mr. Chairman, the question I have of the gentleman is that if we are on schedule and if there is a timetable that will bring about elections in that country, is it not premature to lift the sanctions now? It was the sanctions which really brought us this far. Without them, there would still be the Smith regime, so it seems to me that by precipitately lifting those sanctions we might cause much greater harm in the effort to bring about the ultimate goal of peaceful transition than if we were to take no action at all.

Mr. BAUMAN. Mr. Chairman, the gentleman asks a fair question. The simple answer is that the proposal adopted in the other body does not lift sanctions and will not end the guerrilla action of murdering and slaughtering people. Failure to end sanctions could result in-

stead in stepping up such action. The guerrilla leaders have made it plain that they will do everything, including the continuation and escalation of the violence, to prevent any elections.

Therefore, the concern of the gentleman from Washington to bring about full and free elections is understandable, but as all of the joint parties of the transitional government have made plain, the best way we can do that is to strengthen the hand of the transitional government against the guerrillas now attacking them, thus permitting them to hold the elections.

Mr. BONKER. If the gentleman will yield further, Mr. Chairman, I suggest that it would have the opposite effect because if we lift the sanctions now, we are going to accelerate the conflict there.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(On request of Mr. HAGEDORN and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. Mr. Chairman, I want to commend the gentleman from Maryland (Mr. BAUMAN) for a very plain statement.

I think in airing this legislation, we can do more to send a message to the Carter administration that this Congress and the American people in general are convinced that we should take this action.

I think if they border on malfeasance in their conduct of foreign policy it is in the area in which we have dealt with Rhodesia.

I think it is shocking, for example, that the transitional government has offered to negotiate with Nkomo and Mugabe. I think these two people have said that unless they make the settlement or solution that these two men want, they will not go to the negotiating table.

Mr. Chairman, this country can send a message that they either come and bargain in good faith with the interim government or that we are going to recognize it anyway and try to work with them and see them established and see that that country's economy and people flourish and lead productive and profitable lives. It is as simple as that.

Mr. Chairman, I hope that the House does accept this language today so as to begin the long process toward reaching a permanent settlement for the good of all the people in Rhodesia.

Mr. BAUMAN. Mr. Chairman, I think the gentleman from Minnesota is correct, and I think we should underscore that the transitional government is attempting to negotiate and has offered to bring in these guerrilla leaders.

Mr. Mugabe in particular has made it plain that he does not want any part of the government unless he controls it by force.

He has specifically stated that he wants no democratic situation to develop but that he wants a Marxist dictatorship which he and his terrorists will control. That is the problem faced by the present government.

Mr. Chairman, they are under sanctions; they have been weakened economically and militarily; and we should give them the assistance because one estimate I saw indicated that the Soviet Union had pumped $20 million in the last year into the guerrilla faction, both in arms and other assistance. That, to me, indicates the direction which the guerrillas would take, if they were allowed to.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(On request of Mr. RUDD and by unanimous consent, Mr. BAUMAN was allowed to proceed for 1 additional minute.)

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Chairman, I thank the gentleman in the well for yielding.

I simply want to join the gentleman in the amendment which he has presented to the House. I want to commend him for his alertness and wisdom in this case, which is consistent with the previous activities of this body.

Mr. Chairman, I urge support of this amendment.

Mr. BAUMAN. I thank the gentleman.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield.

Mr. BAUMAN. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think the policy of this Government has done much to perpetuate the violence in Rhodesia. I think the policy of this Government has stood in the way of arriving at a good majority-rule solution in this country.

I commend the gentleman from Maryland for a very fine amendment and a very fine explanation of it.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman from Oklahoma.

Mr. STEERS. Mr. Chairman, I rise in opposition to the amendment. At the present time, the United States has joined with Great Britain, in an effort to bring together all the parties involved in the Rhodesian conflict, to negotiate their differences in the hope of arriving at an early negotiated settlement that will establish majority rule in Rhodesia. The United States has not endorsed the internal settlement plan proposed by the Smith government, and passage of this amendment would be perceived as an endorsement by the United States of the internal settlement.

The internal settlement has not brought about changes in the Rhodesian Government that will bring outside Rhodesian factions into the Government. If there is ever to be peace in Rhodesia, all the Rhodesian factions must have a chance to participate in their Government. Presently under the internal settlement, there has been no change in the white-dominated police, army, or judiciary as well as no major change in discriminatory statutes.

Passage of this amendment will clearly tend to strengthen Ian Smith's firmness in his negotiating position, and this will, in turn, spell disaster for Rhodesia. While the solution for peace in Rhodesia is, at this moment, very far away, it will be even more so if this amendment is to pass. I urge my colleagues to vote against this amendment.

● Mr. RANGEL. Mr. Chairman, I rise in opposition to the Bauman amendment to lift economic sanctions on Rhodesia. This is a premature move that will not contribute to ending the violence in Rhodesia or improving the economic conditions in Rhodesia as long as war continues. The major issue facing Rhodesia today is the conflict between the Smith regime and the Patriotic Front. Frankly, the economic, political, educational, and social life for the 250,000 white Rhodesians is excellent in comparison to that of the 7 million black Rhodesians who live in oppression.

The lifting of the sanctions would give the false impression that the United States supports the Government's efforts to bring about a settlement through the Salisbury agreement. An agreement that is not recognized by the majority of Rhodesia's people, the Patriotic Front, other African nations, or the world community and which the black people of Rhodesia will have no opportunity to vote for. The internal settlement has not brought about an end to the violence. Just the other day, the Rhodesian Government waged an attack on the Patriotic forces in Mozambique. It does not offer promise of change in the racist system instituted by the Government, and will preserve the same oppressive government and leadership.

Lifting economic sanctions would be a violation of the human rights provision contained in the committee bill which prohibits recipient governments from repressing the population's rights under the United Nations Declaration of Rights. It will encourage the Patriotic Front to look more and more to the Soviet Union for aid and sympathy and would lessen their interest in further negotiations. I cannot accept the position that Rhodesia should receive greater assistance from the United States so that it can use it to raid the Patriotic Front forces and its oppressed black Rhodesians.

When I consider all the effort Congress has taken thus far in behalf of Soviet dissidents, I would think it could find the heart to speak up for blacks in Rhodesia and against assisting the Government in its oppressive rule.

We should not be overly concerned about improving Rhodesia's economic situation or the availability of Rhodesia chromium for U.S. industries.●

AMENDMENT OFFERED BY MR. ZABLOCKI AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. BAUMAN

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI as a substitute for the amendment offered by Mr. BAUMAN: Page 19, immediately after line 20, insert the following new section:

RHODESIA EMBARGO

SEC. 26. Section 533(d) of the Foreign Assistance Act of 1961 is amended by inserting "(1)" immediately after "(d)" and by adding at the end thereof the following new paragraph:

"(2) In furtherance of the purposes of this section and the foreign policy interests of the United States, the Government of the United States shall not enforce sanctions against Scuthern Rhodesia before October 1, 1979, if the President determines that (A) the Government of Southern Rhodesia has committed itself to participate in, and negotiate in good faith at, an all-parties conference held under international auspices on all relevant issues, including the terms of majority rule, the protection of minority rights, the Anglo-American plan, and the Salisbury Agreement; and (B) a Government has been installed in Rhodesia which was chosen by free elections in which all population groups were allowed to participate freely, with observation by impartial internationally recognized observers.".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. ICHORD. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk concluded reading the amendment offered as a substitute for the amendment.

Mr. ZABLOCKI. Mr. Chairman, the substitute amendment which I am offering is virtually identical to the Case-Javits amendment which passed in the Senate last week. It is one which was agreed to after much discussion by a variety of interests in the other body. I consider this amendment to be one which will allow the delicate negotiations already in process to continue and which will not reverse our course of action in any precipitous manner.

While the administration has not endorsed the substitute amendment I am offering, or any other amendment before this body, I believe that my amendment will allow our diplomats, together with those of the United Kingdom, to continue negotiations to bring about an end to the war in Rhodesia, something which we all desire. We really do want peace in that area, and we want justice and freedom and self-determination to prevail.

Mr. Chairman, the principal features of my substitute are: First, the amendment would not allow sanctions to be lifted immediately. The lifting of sanctions at this time would simply imply a recognition of the internal settlement, an action which would nullify the claim of the United States to be an impartial mediator in the Rhodesian dispute.

Second, the substitute requires both an all-parties conference and a government chosen by free election to take place before sanctions can be lifted.

The amendment offered by the gentleman from Maryland does not require that elections take place or that a new government be installed, nor does his amendment require international observers at these elections.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. Please, may I finish my statement?

Mr. BAUMAN. If the gentleman will yield, I know the gentleman does not want to make an incorrect statement. He is addressing his comments about my amendment to an earlier version. I do provide for international observers.

Mr. ZABLOCKI. I see the gentleman has amended the original version to which I prepared my remarks and, indeed, does provide for international observance.

Mr. Chairman, it is imperative that the people of Rhodesia be able to choose a government freely and fairly. In order to do so, it is similarly necessary, given the conditions existing in Rhodesia today, that such elections be carefully followed, monitored, and aided by international observers and mediators, a provision that both the gentleman from Maryland and my substitute call for. Without these precautions, we can only assume that the fighting will continue. This is what my amendment seeks to avoid.

Mr. Chairman, the Bauman amendment calls for the lifting of sanctions immediately, and thus places the United States in violation of its commitments to uphold sanctions under international law.

The amendment of the gentleman from Maryland would mandate immediate lifting of the sanctions simply on the basis of the transitional government's making definite plans toward the holding of free and fair elections, not making significant progress, but making definite plans.

The gentleman's amendment further requires neither that elections be held or that a new government be installed, as I have earlier stated.

The gentleman from Maryland (Mr. BAUMAN) states that sanctions can only be reimposed when the President is satisfied that certain conditions have been met. In the best of conditions, the President would need considerable time to make these determinations.

The gentleman from Maryland prejudges the issues by raising sanctions before the President has time to assess the situation.

Mr. Chairman, I submit that the lifting of sanctions will give the Smith regime a boost in the arm, rather than encourage negotiations. It is likely to make Mr. Smith even more obdurate, not only in his relations with the external nationalists, but also with the black members of the executive council.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, Mr. ZABLOCKI was allowed to proceed for 3 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, in this regard, it is worth noting that Reverend Sithole, a member of the Executive Council, publicly stated recently that he is opposed to sanctions being lifted.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield at this point?

Mr. ZABLOCKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I was in receipt this morning of a memorandum from the gentleman's staff which made the allegation that the gentleman just made. I was in contact this morning with the Foreign Ministry in Salisbury by telephone and I am authorized to say that a cable is being sent to me by Reverend Sithole, which reads in part:

I would love to have sanctions lifted immediately.

Mr. Chairman, I do not know where the gentleman from Wisconsin gets his information, but his statement does not reflect the true position of Reverend Sithole.

Mr. ZABLOCKI. Mr. Chairman, when did the Reverend change his mind?

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield further, that is the most recent statement by the minister this morning. I would be glad to provide the gentleman with the cable when it arrives.

Mr. ZABLOCKI. Mr. Chairman, the reverend's public statement several days ago was just the opposite. This just underscores how sensitive this matter is and how we had better move carefully on which amendment we adopt.

I might say that during the period when the Byrd amendment was enforced, there was no progress toward majority rule. There is the possibility of progress if my amendment is adopted.

I would hope my substitute amendment will be accepted, because it gives a better option and answers as to how to deal with this very sensitive matter.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I appreciate the gentleman yielding.

I would like to ask the author of this amendment a question for the purpose of establishing the legislative history of the proposal now before us.

Before I do, however, I would like to mention, "entre nous," so far as the representations of the Reverend Ndabaningi Sithole are concerned, the members of the committee should know this is a gentleman who started his career in Zimbabwe Nationalist politics, first, on the side of Joshua Nkomo and Zapu, and then on the side of Robert Mugabe and Zanu. At one point he was opposed to Ian Smith and even tried to have him assassinated. Now he is one of Smith's associates on the Executive Council. It seems to me this is a gentleman who has been on so many sides of the same issue that his representations not only change, as do his allegiances, from day to day, but that one should not put much faith in the certification of what his position is on any particular point.

Mr. BAUMAN. Mr. Chairman, will the gentleman from Wisconsin yield on that point? It appears to me from the description of Reverend Sithole offered by the gentleman from New York that the reverend would be right at home in New York politics.

Mr. ZABLOCKI. Mr. Chairman, it was my understanding I was yielding to the gentleman from New York for a question.

Mr. SOLARZ. Mr. Chairman, I have a question for the chairman of the committee. The question relates to the meaning of the amendment.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has expired.

(On request of Mr. SOLARZ, and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, if the gentleman will yield further, and if I may continue, the amendment says that the Government of the United States shall not enforce sanctions against Southern Rhodesia if the President determines, among other things, that—and I now quote:

A government has been installed in Rhodesia which was chosen by free elections in which all population groups were allowed to participate freely . . .

My question to the author of the amendment is whether he interprets this language to mean that when the President makes that determination as to whether or not, if elections are held, they were free, he would expect the President, among other things, to look at the extent to which the people of Zimbabwe, black as well as white, who were eligible to vote in the elections, actually participated in substatnial numbers.

Mr. ZABLOCKI. Mr. Chairman, in response to the question of the gentleman from New York (Mr. SOLARZ), I am confident that the President will take into consideration all aspects, including the gentleman's concern over participation in the elections by blacks and whites. I am confident that the President will take that matter into full consideration.

In closing, Mr. Chairman, I might say that the gentleman from Maryland (Mr. BAUMAN) has come somc way in the recognition that there should be some settlement in Rhodesia. However, under the guise of a moderate approach, the gentleman is nevertheless proposing a highly biased piece of legislation. I submit it would have us choose sides among the parties and thus damage our credibility as honest brokers in the Rhodesian negotiating efforts.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I will yield in just a moment.

Mr. Chairman, I submit that my substitute is the better approach. I know the gentleman from Maryland (Mr. BAUMAN) does not agree with me, but the gentleman has not very often agreed with me. On the very few occasions that we have agreed, we have both rejoiced.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, let me remind the gentleman that earlier today I offered his amendment. I submit that we often agree on fundamentals.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has again expired.

(On request of Mr. BAUMAN, and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 1 additional minute.)

Mr. BAUMAN. Mr. Chairman, will the gentleman yield further?

Mr. ZABLOCKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the gentleman closed his statement by indicating that the gentleman from Maryland had a bias in favor of one party or another. The gentleman from Maryland is, indeed, as I tried to express in my opening statement, biased in favor of a multiracial transitional government at the expense of the bias of the Carter policy in favor of Communist guerrillas who have been literally killing thousands of people in the last few years.

Mr. Chairman, that is the kind of bias I would like to have this House approve, a bias in favor of freedom and in favor of multiracial, democratic governments in Africa.

Mr. ZABLOCKI. Mr. Chairman, I might say to the gentleman that it certainly is my understanding that the Patriotic Front—although, of course, the gentleman from Maryland calls that a biased group, and I do not condone terrorism wherever it occurs—has expressed a willingness to sit down at an all-parties meeting. Although there has been indication of some willingness for negotiation on the part of the supporters of the gentleman's amendment, it is my understanding that the Salisbury group has refused to do so and wants to lift sanctions immediately.

AMENDMENT OFFERED BY MR. FINDLEY TO THE AMENDMENT OFFERED BY MR. ZABLOCKI AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. BAUMAN

Mr. FINDLEY. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY to the amendment offered by Mr. ZABLOCKI as a substitute for the amendment offered by Mr. BAUMAN: strike all following the date and insert in lieu thereof the following: ": *Provided*, That the President of the United States may reimpose sanctions at any time if he determines that: (a) the government of Rhodesia has refused to participate in, and negotiate in good faith, at an all-parties conference held under international auspices on all relevant issues, including the terms of majority rule and the protection of minority rights, the Anglo-American plan and the terms of the Salisbury Agreement, or (b) has failed to schedule for an early date free elections in which all population groups will be allowed to participate freely, with observation by impartial internationally recognized observers."

Mr. FINDLEY. Mr. Chairman, unlike my friend, the gentleman from Maryland (Mr. BAUMAN), I have always up to this moment supported the sanctions against Rhodesia, feeling that we are obligated to that approach by commitments made to the United Nations. This is the first time that I have supported any exception to that policy.

I do so because I believe that times have changed, that circumstances have changed. I believe that the language that would emerge as a result of my amendment to the Zablocki substitute is far more apt to promote the peaceful evolution that must come and, hopefully, come swiftly, in Rhodesia than does the substitute itself. It tracks much more closely to the language of the Zablocki substitute than does the Bauman amendment. It does provide that sanctions shall be lifted immediately upon enactment of this language. But it also provides that the President may at any time reimpose sanctions if he makes one of two findings: First of all, if he finds that the Government of Rhodesia has refused to participate in, and negotiate in good faith, at an all-parties conference held under international auspices on all relevant issues, including the terms of majority rule and the protection of minority rights, the Anglo-American plan and the terms of the Salisbury agreement.

That is precisely the language taken from the Zablocki substitute.

Or he may reimpose sanctions if he finds Rhodesia has failed to schedule for an early date free elections in which all population groups will be allowed to participate freely, with observation by impartial internationally recognized observers.

It seems to me this offers the better hope between this language and the Zablocki language of promoting the acceleration of the peaceful change process that all of us want to occur in Rhodesia.

It is predicated upon the assumption that very fundamental changes have occurred in Rhodesia, that major concessions have occurred, perhaps, and, I suspect largely because of the sanctions that have been imposed against that government, not only by the United States and other countries, but for what other reason important changes are underway. The purpose of this is to accelerate that process of change.

Mr. Chairman, I will add just one word further. I believe that the Government of Rhodesia, the transitional government, is under heavy economic difficulty at the present time, which is apt to intensify, regardless of what has happened. But I believe the effect of the adoption of this language to immediately lift the sanctions would be a substantial shot in the arm, and this shot in the arm would help ameliorate the transitional process.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to say to the gentleman from Illinois (Mr. FINDLEY) that, although his amendment to the substitute imposes more stringent requirements on the transitional multiracial government in Salisbury, it does have the virtue of immediately lifting the sanctions. While it is tougher, in effect, than my amendment, as to what must be done, and gives the President more leeway than, perhaps, my amendment

suggests, I would certainly be willing to accept his amendment.

Mr. FINDLEY. I thank the gentleman for his contribution.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Chairman, I just want to be sure about my concept of the proposal. With the lifting of the sanctions, it is a unilateral act by the United States, is it not?

Mr. FINDLEY. That is correct.

Mr. FASCELL. Contrary to the U.N.-imposed sanctions?

Mr. FINDLEY. In light of what is considered to be a very critical emergency situation, yes.

Mr. FASCELL. Second, it would be a complete reversal of U.S. policy, would it not?

Mr. FINDLEY. It would to a considerable degree and so would the Zablocki substitute. It also would be setting itself against the U.N. sanctions in a reversal of policy, assuming the President makes the specified determinations.

Mr. FASCELL. Except that it legislatively unilaterally lifts sanctions, and the Zablocki substitute does not.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

(On request of Mr. FASCELL and by unanimous consent, Mr. FINDLEY was allowed to proceed for 1 additional minute.)

Mr. FASCELL. The President of the United States does not support the gentleman's amendment, does he?

Mr. FINDLEY. So far as I know he is not aware of it. I did have the pleasure of talking briefly with him last night. I am proud to announce that, because I do not very often get a call from the President. But, I did not think to mention this amendment.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, we just received a copy of the gentleman's amendment, and I am trying to figure out exactly what it means.

Mr. FINDLEY. I might tell the gentleman that I just saw a copy of Mr. ZABLOCKI's substitute. It too has been changed.

Mr. SOLARZ. I think it would be helpful if the gentleman could tell us when, under the terms of his amendment, sanctions would be lifted. As I understand it, they would have to be lifted immediately if this became law, and then might never be reimposed, even if an election were never held in Rhodesia.

Mr. FINDLEY. The lifting of sanctions authorized by my amendment, which is an amendment to the Zablocki substitute, would have effect only until October 1, 1979.

Mr. DIGGS. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. DIGGS was allowed to proceed for 5 additional minutes.)

Mr. DIGGS. Mr. Chairman, I take the well as one who really prefers no amendment at all, even with conditions. I take the well as one who believes that this matter ought to be executed through the United Nations, from whence the sanctions came, with our Government's support. But, I think that we ought to be mindful of the intricacies and complexities through which this matter has been adjudicated by the other body.

If Members look at the vote in the other body on this issue—and I remind them that the substitute offered by the chairman of the full committee is the exact language of the Senate—it was passed by a vote of 57 to 39, and on another vote, 59 to 36. The aye votes cover all sections of this country. They cover both parties. They cover the ideological spectrum, and I think it is a classical example of the legislative process at work

With all due respect, I regret to have to oppose the amendment of my friend from Illinois, Mr. FINDLEY who has, as he indicated, been on what is considered by some people the progressive side of this issue. I think that our best interests would be served by adopting the Zablocki substitute, which is the language that has been worked out on the Senate side.

This was not done overnight or impetuously. It was done with the kind of classic legislative exercise that has characterized this institution. It is not endorsed by the administration. It takes a neutral position, and I think that it is the obstacle course over which we can tread gingerly. Lifting sanctions immediately, as we all know, places the United States in violation of its commitments under international law, and the Bauman-Findley substitutes that have been offered really move us from a position of neutrality to the side of the current transition government.

And for what? There has not been any progress made under the transition government that has been in existence these past 4 or 5 months, that has encouraged people to believe that negotiations would be entered into in good faith. As a matter of fact, contrary to one of the points made by my friend from Maryland, it is only the Mugabe and Nkomo group, the Patriotic Front, who has made a commitment to come to conference.

It is the Salisbury group that has not made such a commitment. If we do not have some kind of negotiations, we are not going to end up with a unified government that is absent the kind of guerrilla warfare that has characterized this matter particularly during the past few years.

Now reference was made to the position of Reverend Sithole, although I think my friend, the gentleman from New York, disposed of that by pointing out he has been on various sides of the fence, but I have a copy of what the gentleman said and among other things he said is that the political and economic evils of that system still exist and that economic sanctions should be maintained until such time as major reforms are enacted.

We ought also not forget that the Organization of African Unity that just met in Khartoum, some 34 nations, went on record again reiterating their support for the Patriotic Front, and some of the best friends the United States has raised questions about the consequences if sanctions might be unilaterally lifted by the United States. The 36 countries of the Commonwealth of the United Kingdom have also reiterated their support for maintaining sanctions. And contrary again to an impression that might have been generated by comments that were made, the British Conservative Party is on record as favoring the maintenance of sanctions.

And so if Members really want a unified government, they have to realize that without negotiations the dream of a democratic government or whatever might ultimately be there is just a will-of-the-wisp, and in that regard to try to predict the characteristics of the future government to ascribe its characteristic, to one individual as opposed to the group of people who are involved externally in the liberation forces is a most misleading kind of suggestion.

There is not any one individual that is going to dominate the negotiations for the future government of Zimbabwe.

And so in conclusion I would suggest to those who may be confused by the three propositions that are now pending, that our best interests would be served by supporting the Zablocki substitute, which is exactly the language passed in the other body by almost a 60-percent majority.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. DIGGS. I yield to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman from Michigan for yielding.

I commend the gentleman for his statement and the chairman for his statement.

I think there are really two points before us.

I am highly offended and irritated by much of the language presented here by Mr. BAUMAN and by our colleague from Minnesota concerning the administration's support.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the language of the gentleman from Nebraska if he cannot conduct himself civilly in debate. The gentleman has characterized the language of the gentleman from Maryland. That denotes to me some sort of impugning of what I say or the truth thereof and I demand his words be taken down.

The CHAIRMAN. Does the gentleman from Nebraska ask unanimous consent to withdraw the words?

Mr. CAVANAUGH. I do not, Mr. Speaker.

The CHAIRMAN. Does the gentleman wish to amend the words?

Mr. CAVANAUGH. Mr. Chairman, I would have to say perhaps my characterization was an ——, but if the gentleman is disturbed by it I will withdraw it.

Mr. BAUMAN. Mr. Chairman, the gentleman is not going to get off that easily. He has just characterized his former

statement. I demand those words be taken down.

The CHAIRMAN. The House will be in order.

The gentleman from Nebraska is recognized.

Mr. CAVANAUGH. Mr. Chairman, insofar as the characterization that I used regarding the gentleman's language could in any way be construed to impugn the gentleman's character, I would ask unanimous consent to withdraw it. It was an attempt to simply convey my feelings of the inappropriateness of the language that the gentleman had used in putting forth his argument.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BAUMAN. Is not the only request the gentleman from Nebraska (Mr. CAVANAUGH) can make, under the rules of the House, a unanimous-consent request to withdraw his remarks, and not to make a speech?

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) is correct.

Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The CHAIRMAN. The gentleman from Michigan (Mr. DIGGS) is recognized.

Mr. DIGGS. Mr. Chairman, I yield to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman has expressed the two points that are of critical importance in this debate in consideration of these two amendments, and the Findley amendment is of no different substance from the Bauman amendment.

Mr. Chairman, I would like to read a letter we all received from the U.S. Catholic Conference, hardly an organization prone to support terrorism or an international Communist conspiracy.

In any event, in regard to this issue and in regard to unilateral actions on the part of the United States in terms of lifting the embargo, on July 26, 1978, the Catholic Conference wrote to the Members and said the following——

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would like to announce to the guests of the House in the gallery that no manifestation of any approval or disapproval of anything happening on the floor is permitted.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield further?

Mr. DIGGS. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, the Catholic Conference wrote to the Members of the House the following:

> The argument being made to justify lifting sanctions is that such fundamental change has occurred or is occurring principally through the "internal settlement." We are persuaded by the following comments of the General Secretary of the Rhodesian Bishops Conference that such fundamental change has not yet taken place. Referring to the internal settlement Father R. H. Randolph, S.J., states:
>
> ". . . it has yet to be demonstrated that the 'internal settlement' (Salisbury, 3 Mar. 78) has in any way altered the situation. The Executive has been sworn: the Cabinet of Ministers has been arranged: no facts have been made yet noted to modify the racialist principles of the legislation which is still in effect, and which was produced by the Parliament which is still in being."

They go on to say the following, which is my second point:

> The sanctions imposed upon Rhodesia are an act of the international community. The United States has not only supported these sanctions but has become a crucial actor in promoting a long-term settlement in Rhodesia. Unilateral action on our part to lift the sanctions would not only place us once again outside the international consensus, but could erode the unique role we have been playing in Rhodesia in recent months.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DIGGS) has expired.

(On request of Mr. CAVANAUGH and by unanimous consent, Mr. DIGGS was allowed to proceed for 2 additional minutes.)

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield further?

Mr. DIGGS. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, those are the two fundamental points, that the United States has been playing a crucial and critical role, and that we are involved in this role not unilaterally, but in conjunction with the entire world community.

Mr. Chairman, acceptance of the Findley amendment and the rejection of the Zablocki amendment would once again put us outside, both with respect to having a constructive role and with respect to being outside the international community.

For that reason, Mr. Chairman, I commend the gentleman for his statement and the chairman for his amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, before there was a momentary pause in proceedings while the rules of the House and dictionaries were being consulted, the gentleman from Michigan had properly pointed out the parliamentary procedure, which is that the gentleman from Maryland (Mr. BAUMAN) has offered an amendment: the gentleman from Wisconsin, a substitute; and now there is an amendment to the substitute.

Mr. Chairman, that parliamentary situation is confused enough, but when we stop to think of the subject matter itself, the internal situation in Rhodesia, we are further confused.

Mr. Chairman, I would say, at the risk of running afoul of the egos of some of my colleagues, that there are very few of us—and I do not claim to be one of them—in the House who are really experts on the situation in Rhodesia, much less some of the other trouble spots in Africa.

So I felt that we would be more enlightened this afternoon, rather than expressing views based on general reactions to certain developments, if we just look at press reports and quote some of these leading figures on the scene. For example, there was reference made earlier to the TV documentary produced by Carl Rowan. In that documentary there was an interview of Mr. Robert Mugabe of the Patriotic Front, and I quote from that interview. Mr. Mugabe said that he envisioned socialism based on Marxist-Leninist principles as the proper prescription for Rhodesia.

Then my research reveals that the San Diego Union carried an article by the other leader of the Patriotic Front—the other participant; I do not really know who the leader is—the other participant, Mr. Nkomo, who predicted in an interview, and I quote:

> The internal settlement scheme will bring neither peace nor stability to Rhodesia, because "We are not going to allow it."

Then Mr. Nkomo went on and stated that there was no room for compromise or for coalition with the moderate black leaders who helped form the new Government in Rhodesia.

The Washington Post, a most respected publication, interviewing the same Nkomo quoted him as saying: "We intend to finish him up," referring to Mr. Ian Smith, the present Prime Minister.

Mr. Mugabe, the other leader in the Patriotic Front, is described in the press—and I am specifically now referring to a New York Times article of March 5, 1978, as being alined with Red China, and he has been described as being far less compromising—mind you, far less compromising—than Nkomo. So we are getting pretty far out at that point. And he, Mr. Mugabe, has proclaimed publicly that his interest is to take over power. He has threatened reprisals against the whites "who exploit blacks," and against blacks who have assisted whites by serving in the Government and army. Frankly, he would produce a bloodbath.

On the other hand, how about the internal leaders. They are the much maligned internal leaders who have reached agreement with Mr. Smith. Bishop Muzorewa has personally invited the guerrillas inside and outside the country to "come home a free and heroic people." He has promised them jobs. He has promised them educational opportunities. He has promised them positions in the army of the new Government of Zimbabwe.

Bishop Muzorewa has promised that they would share power with all of the people who wish to participate in the new Government of Zimbabwe. In fact, these quotes of Bishop Muzorewa were from a luncheon meeting held by the NAACP at the Cosmos Club recently, and I am reading, incidentally from the Washington Post. Bishop Buzorewa was quoted as saying:

> I see ourselves entering into a reconciliatory stage for all concerned.

"All" referring to the divided African nationalist leaders.

I suggest if we are looking for voices of moderation to support, we have to look to the participants in the internal settlement, and for too long we have had a situation where we have refused to

give Mr. Smith and his cohorts any credit for trying to solve the problems in that difficult situation they face. They are solving the problems. The internal settlement can and will work. The forces in the Patriotic Front have one goal, and that is a takeover at gunpoint.

I suggest we support the Findley amendment.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the Findley and Bauman amendments, both of which are presumptively well-meaning, but which would have dangerous implications were they to be adopted. I think it should be obvious to the Members of the House that if either the Findley or the Bauman amendments, both of which would have the result of immediately lifting sanctions, were adopted by this Congress, it would significantly obstruct the ongoing effort to achieve a peaceful settlement of the conflict in Rhodesia, thereby prolonging the armed struggle which is now under way in that country, and in the process implicitly commit us as the lifting of sanctions would inevitably do, to the support of a Rhodesian settlement, which may well not have the support of the overwhelming majority of the Rhodesian people themselves.

Mr. Chairman, I want to make it clear to my friends on both sides of this issue that I can conceive of circumstances under which it would be appropriate for us to support the so-called internal settlement.

In the final analysis, I think it is up to the people of Zimbabwe themselves to determine their own future. If they should prefer the internal settlement, whatever its philosophic or political or constitutional deficiencies may be, I think that is their determination to make. Under such circumstances, I believe that if we were to be true to our own principles and ideals as a democratic society that we would have no alternative but to accept it as well. But having recently returned from a trip through southern Africa, during the course of which I had an opportunity to spend some time in Rhodesia, where I met with the black and white leaders of the internal government, and in the frontline states, where I had an opportunity to discuss these questions with President Nyerere of Tanzania and President Kaunda of Zambia and Mr. Mugabe and Mr. Nkomo of the Patriotic Front, and on the basis of subsequent discussions which I have had in my own home with Bishop Muzorewa and several of his followers, it seems to me that for a variety of reasons I will shortly describe, that it would be entirely premature for us to lift sanctions, as the adoption of either the Findley amendment or the Bauman amendment, would require us to do at this time.

First of all, it is by no means clear that the majority of the people of Zimbabwe actually support the internal settlement. During the course of my visit to Rhodesia, I spoke with a number of people who have spent a substantial amount of time in the tribal trust lands of that country where 80 percent, the overwhelming majority, of the black people of Rhodesia actually live. These were individuals who had no ax to grind, who were neither pro Muzorewa nor pro Mugabe, but without exception they reported that among the blacks in the tribal trust lands, who constitute the great majority of the people in the country, the attitude toward the internal settlement ranged from being suspicious, at best, to being downright hostile, at worst.

They were suspicious because, even though they had been told that the internal settlement represented the establishment of majority rule, very little has so far changed.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 5 additional minutes.)

Mr. SOLARZ. The people still face the same army, the same police, the same civil servants, and even the same Mr. Smith parading around under the title of Prime Minister. So they are suspicious about whether or not the internal settlement means all of the things its proponents claim it does.

On the other hand, I was told that there were many blacks in the tribal trust lands, probably the majority, who were actually hostile to the internal settlement, primarily because it made no provision whatsoever for the inclusion of what they termed the "boys in the bush" with whom they appeared to widely identify by virtue of the fact that they were the ones who took up the struggle against the racist minority regime of Ian Smith.

For the purposes of clarity, I want to make the point here that I was told that the blacks in the tribal trust lands were not supporting Mugabe or Nkomo, but, rather, had a sense of sympathy for their fellow Zimbabweans who had taken up the struggle to establish majority rule in the country and who, they believed, were entitled to enjoy the fruits of their presumptive victory.

In addition to the fact that the internal settlement may very well not have the support of the blacks in the country, the fact is that the constitution provided for by the internal settlement has yet to be drawn up. Nobody knows what is going to be included in this document. Once it is drawn up, the internal settlement provides that there is supposed to be a referendum in order to determine whether the people of Rhodesia support it, but that referendum is not a referendum among the blacks who constitute 96 percent of the country, it is a referendum among the whites who constitute only 4 percent of the population, and there is absolutely no guarantee whatsoever that the whites of Rhodesia are going to approve the constitution, and the internal settlement, if and when that referendum is ever held.

In addition, the black leaders in Salisbury have said privately to many people that it was their intention to proceed rapidly, even before elections were held, toward the dismantlement of the so-called protected villages, to which a half a million black Rhodesians have been forcibly removed from their ancestral communities, and put into what can only be termed quasiconcentration camps, which are widely unpopular around the country, and which are a significant source of opposition to the Smith regime.

Yet, in spite of those private indications, none of the blacks have been given the opportunity to leave the protected villages, even if they wish to do so.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my friend, the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I would just like to commend the gentleman for a superb statement on the issues based on firsthand knowledge and, I think, great statesmanship. I would like to associate myself with the gentleman's remarks.

Mr. SOLARZ. Mr. Chairman, I appreciate the gentleman's observation.

In addition to the fact that nothing has been done with respect to the protected villages, nothing has been done with respect to the existence on the law books of Rhodesia of all kinds of racially discriminatory legislation. Indeed, when I was in Salisbury, on that very day the city council voted, believe it or not, to postpone for 1 year a discussion of whether or not to eliminate prohibitions against the purchase of property by blacks in the white reserved areas of that city.

Finally and most importantly, elections still have not been held in Rhodesia.

Make no mistake about it, Ian Smith and his supporters did not agree to the internal settlement, after fighting majority rule for 55 years, because they became born-again democrats. They supported the internal settlement for one reason and one reason only: Because they saw this as a way of bringing the armed struggle to an end, and to the extent the announcement of the internal settlement has not resulted in a diminution of the armed struggle, but has actually produced an intensification of the armed struggle, Ian Smith himself has said, on British television, that the internal settlement is not working.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(On request of Mr. BUCHANAN and by unanimous consent, Mr. SOLARZ was allowed to proceed for 3 additional minutes.)

Mr. SOLARZ. So Ian Smith said the internal settlement is not working.

When I was in Salisbury, the Foreign Minister, Mr. P. K. Vander Byl told me, point blank, that unless the armed struggle began to diminish, it would not be possible for them to hold elections because the security situation in the countryside would not permit it.

I say to my friends on the committee that, if they held elections, if there were a referendum, not only among the whites, but among the blacks, in order to determine whether the people of Rhodesia support this settlement, if the blacks, who have been held in protected villages were permitted to leave, if racially discriminatory legislation were eliminated, we would have no alternative but to support the internal settlement.

Yet, despite the fact that a constitu-

tion has not been drawn up, despite the fact that no elections have been held, despite the fact that protected villages and their 500,000 inmates are still there, despite the fact that racially discriminatory legislation is still on the books, despite the fact, finally, that the internal settlement has not been recognized by the OAU or the U.N. or the United Kingdom, which has an even closer connection to Rhodesia than we do, both the gentleman from Ohio (Mr. FINDLEY) and the gentleman from Maryland (Mr. BAUMAN) ask us to suspend sanctions at this point, thereby implicitly endorsing an internal settlement which is opposed, not only by people everywhere else in the world, but probably by the majority of the people of Zimbabwe itself.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has painted a very gloomy picture of conditions in Rhodesia which, of course, is to his advantage. But the gentleman cannot deny that, whatever shortcomings the transitional government may have, by October 20, by agreement of the multiracial government including all of the parties, a new constitution must be adopted in referendum in order for the transitional government to continue, or it will fall apart; that December 4 to 6 has been already set for the date for free elections, and that Christmas Eve, the feast of the Prince of Peace, has been set as the date for the selection of a new head of government chosen under a peaceful democratic process which will produce a black ruler in a former white colony. All of those dates are announced and scheduled. Although I would disagree with the gentleman's characterization of many things, such as concentration camps, and the many other statements the gentleman made, this is more significant peaceful progress toward change than has occurred in any African state at any point in our recent history. The gentleman's position would deny any possibility that peaceful change can come to fruition.

Mr. SOLARZ. May I respond by saying that if elections are the sine qua non of whether we should support the internal settlement, our ability to make sure the elections are actually held in Zimbabwe will be significantly strengthened.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has again expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Our ability to make sure elections are held will be significantly strengthened if we defeat the Findley amendment and adopt the Zablocki substitute to the Bauman amendment, because the difference is that the Zablocki substitute provides that sanctions are only lifted after elections are held, whereas the Bauman amendment would lift sanctions right now. And anybody who knows anything about Ian Smith, and how he slips into agreements and then out of agreements, knows that if we lift sanctions now the incentive on the part of the Rhodesian whites to proceed with elections will be significantly diminished, because they will be convinced that they have won the ballgame without having to pay the price in the process.

On top of this, if we lift sanctions now, we will be accused by the frontline states and the Patriotic Front of taking sides in this struggle and of supporting the internal settlement. It will mean we will forever lose whatever opportunity remains to bring all of the parties of the conflict together within the framework of an all-parties conference, based on the Anglo-American proposals.

It is not true that the administration has supported the Patriotic Front. It has resisted many of the demands of the Patriotic Front. It has come forward with an Anglo-American proposal providing for free and independent elections under U.N. auspices.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman, who is talking about the dangers of lifting sanctions now, would the gentleman be opposed to an amendment which would provide that no sanctions shall be imposed after December 31, 1978, unless the President shall determine that a government has not been installed, chosen by free elections, in which all political groups have been allowed to participate freely?

The gentleman could not oppose that amendment, could he?

Mr. SOLARZ. I have not seen the language of the gentleman's amendment, but the way he describes it, is sounds very similar to the language of the amendment offered by the gentleman from Wisconsin, which I would prefer.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto end at 4 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. ICHORD. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ZABLOCKI. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto end at 4 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for 1 minute and 20 seconds each.

(By unanimous consent, Messrs. BINGHAM, DIGGS, FASCELL, CAVANAUGH, and KILDEE yielded their time to Mr. BONKER.)

(By unanimous consent Mr. JOHN L. BURTON yielded his time to Mrs. BURKE of California.)

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Chairman, I accumulated more time than I expect to use. I rise in opposition to both of the amendments offered by the gentleman from Maryland (Mr. BAUMAN) and the gentleman from Illinois (Mr. FINDLEY), and in support of the Zablocki substitute.

Mr. Chairman, the goal for all the sponsors of these amendments is fairly clear. We want to see elections held in Southern Rhodesia; we want to see a peaceful transition to majority rule in that troubled country; we want to see the adoption of a constitution, the dismantling of racial discrimination that has been inherent in that system for too many years; the protection of human rights, and also protection of the minority rights of the whites who live in that country.

There are basically two approaches to U.S. policy regarding this transition. The first is inherent in the so-called Bauman and Findley amendments, which I oppose because the lifting of sanctions at this time would be premature. In fact, it could have the opposite effect in that it would disrupt what we see as a delicate process toward majority rule in that country. They are on a timetable. There is a schedule of events, already enumerated by the gentleman from Maryland, but taking precipitous action at this time could disrupt that very important process.

Adoption of either the Findley or Bauman amendments would also bring about a situation where we have a basic contradiction in U.S. policy. The United States throughout the last several years has supported the Anglo-American approach; that is, the inclusion of all parties in a negotiated settlement to transition in Rhodesia.

If we were to act today we would be in effect contradicting that basic policy.

On the other hand the Zablocki amendment, which is identical to the Senate action, would provide an inducement for all parties to become involved in that process, to enter into negotiations at a conference that would bring about a more comprehensive settlement in Rhodesia. It would recognize that sanctions should be lifted, not now before elections, but after elections.

This has been the lever all the time: that the sanctions have forced the Smith regime to recognize the hard realities of establishing a minority government in a majority society. If we were to lift those sanctions now, we would certainly disrupt that process.

And nothing has been said today about the reaction of the United African Organization at their summit meeting in Khartom where they declared by unanimous adoption of a resolution that any effort to lift sanctions at this time would be considered a hostile action to all of Africa.

Almost every African leader in that continent today opposes the premature lifting of those sanctions and it would be perceived by those leaders as hostile action on our part. All of the work we have done in the past few years to develop positive relations with African countries would go down the drain. We would lose our influence in bringing about the kind of desired goals we have talked about today.

Mr. Chairman, of the two approaches that are before us, the Bauman approach and the Zablocki approach, the latter is best. It will achieve the desired goal of peaceful transition to majority rule. It is consistent with action already taken by the U.S. Senate and it is consistent with U.S. policy in Southern Africa.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Alabama, who has always been in the forefront of majority rule in Southern Africa.

Mr. BUCHANAN. Mr. Chairman, the gentleman has made very salient points.

I would like to underline that if I were a citizen of Rhodesia-Zimbabwe, I might well cast my vote in a free election for Bishop Muzorewa.

But what is at issue is not what personality shall lead that country but whether or not what we do shall contribute toward the end result of free elections, majority rule, and peace in that part of the world.

Would the gentleman not agree that given the position of the front line states, given the position of all of Africa, given the reality of the situation of Nkomo and Mugabe in place, it is unlikely that this action would have the end result sought by those sponsors of achieving peace and free elections and majority rule, but indeed the consequences might be quite the opposite?

Mr. BONKER. I think the gentleman states the point exactly, and our actions today will determine precisely what will occur in Southern Africa. If we were to adopt the Bauman or Findley amendments we could very well see an acceleration of guerrilla action on the other side and a loss of credibility with all parties in that dispute.

Mr. BUCHANAN. Will the gentleman yield further?

Mr. BONKER. I yield to the gentleman from Alabama.

Mr. BUCHANAN. I would underline, pertaining to the Findley amendment, that should the present government simply promise elections and promise to participate, under the language of the Findley amendment it would then be impossible for the President of the United States to reimpose sanctions because what the amendment requires is not actions but promises, and once those promises are made, then his hands would be tied, even if he felt conditions there—like protected villages where people still are imprisoned, like discriminatory laws still in place, like the other conditions that make the present situation one that requires change before we can say there is sufficient progress toward majority rule and self-determination—none of that would have to change. All the government would have to do is simply promise free elections and promise to participate in multiparty talks.

Mr. BONKER. Once again the gentleman states the situation exacly. The promise is inherent in the present system, the promise to have an election, adopt a constitution and to dismantle discriminatory racial laws.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DORNAN).

(Mr. DORNAN asked and was given permission to revise and extend his remarks.)

Mr. DORNAN. Mr. Chairman, I take note, with pleasure the more serious tone of the debate on this resolution compared to last year when there were several frivilous exchanges over whether or not we should say Zimbabwe-Rhodesia or Rhodesia-Zimbabwe. I think the much more serious approach is because the level of terrorism and murder has increased so desperately in that unstable part of Africa. Actually, all of that giant continent is unstable.

I am one of only a handful of Members, who have had the opportunity to travel to the southern part of Africa. I believe I am the only Member who has flown by helicopter out to the guerrilla terrorized areas along the Mozambique border and seen just how ghastly the Communist supported killing has been. I accept the sincerity of everyone here today trying to apply the proper amount of pressure in the proper time frame so as to bring about a truly representative election. However, what I cannot accept and cannot fathom is how some of you are willing to accept the Andrew Young hypocrisy which demands forcing the killers Nkomo and Mugabe down the throats of moderate black leaders in Zimbabwe. Members of this body or the other body, who want Nkomo and Mugabe included in any type of "peaceful" settlement should read carefully this letter from a constituent of mine to Senator HAYAKAWA. It is a first-hand, blood-curdling account of Mugabe terror.

Mr. Chairman, I ask unanimous consent that I may be permitted to insert this letter from Mr. Robert N. Cleaves about the slaughter that took place on the 24th of July at a Rhodesian Christian mission school. It is literally too horrible and nightmarish a story of brutality to read aloud.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

MARINA DEL REY, CALIF.,
July 17, 1978.

Re: Rhodesian Situation.
Senator S. I. HAYAKAWA,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HAYAKAWA: On July 15, I returned from an extensive six week trip to Southern Africa. Mr. Vernon Gillespie met with me during my stop-over in New York. Pursuant to my conversation with Mr. Gillespie, I am writing this letter and sending you the enclosures. Over the last several years, I have been extensively involved in both the political and military situation in Rhodesia as well as the Republic of South Africa. As an observer with the Rhodesian security forces, the following events transpired.

I was at Grand Reef Air Base near Umtali on the morning of June 24, 1978. At 7:10 a.m., a report was received that a massacre had occurred at the Emmanuel Mission School, 18 miles southeast of Umtali. A fire force was immediately dispatched. Upon arrival, I witnessed a shocking sight. After an extensive interview with approximately 50 of the 250 school children, and the director of the facility, I wrote the following story and caused it to be transmitted to UPI (London) and to 27 newspapers in the United States via Panax Corporation:

"Patriotic Front terrorists massacred 12 whites at the Anglican Emmanuel Mission School 18 miles south east of Umtali shortly before 9 p.m. on 23 June.

"Scene of the murders was the school pavilion where the staff and their families were taken after being forceably removed from their homes.

"Three adult men ages 29, 30 and 37, 5 adult women ages 50, 37 and three unknown, and two young girls ages 4 and 5 and one boy age 6, and one 3 week old baby were found axed, bayoneted, bludgeoned and kicked to death on the grounds of the school pavilion. The victims comprise all but 2 of the entire teaching staff for 250 black children ages between 13 and 20.

"Only one woman managed to escape. However, she had been repeatedly raped and bludgeoned, and at this stage is thought to have been bayoneted. She was flown to Salisbury in a state of extreme shock and unconscious after being found by security forces hiding in the bushes a scant 50 yards from the scene of the atrocity which took place 14 hours earlier.

"Four of the 5 women who had also been violently sexually assaulted by members of the gang. One woman still had a crude axe lodged in the base of her skull.

"Another woman was found with her arms flung out in a pathetic but futile attempt to save her 3 week old baby girl. Both had been bayoneted and the mother of the tiny infant had her face crushed by a log wielded by one of the terrorists. Two of the other women were singled out for a particularly depraved brand of sexual assault and before being killed one woman had her breast slashed repeatedly by a bayonet.

"The three little children were found lying in various poses next to the body of their mother. The woman had not been raped because she was in her menstrual cycle, but she had been bayoneted in the lower groin.

"Her youngest child had been kicked to death and the footprint of a terrorist boot was clearly identifiable on the small child's face and neck. Her brother and sister were both bludgeoned and hacked to death.

"It is believed that this murder and the resulting terror and screaming of the rest of the victims triggered the terrorists rampage of bestial lust and mutilation.

"The school registrar, Mr. Ian McGarrick, was the sole white to have escaped unharmed. For some reason he was overlooked at his home while the rest were being rounded up. He was unaware of the incident until the morning when he discovered it and raised the alarm.

"Approximately 8 terrorists armed with AK 47 Soviet automatic rifles then forced the 250 children into the school yard. They told them what political faction they supported. The children did not respond. They were then asked if they understood the term "Neo Colonialist"—again silence. The children were then given a lecture of benefits of the Zimbabwe African Nationalist Union headed by Robert Mugabe and forming a part of the so-called Patriotic Front.

"Next the pupils were ordered back to their rooms and told to leave the school on Monday 26 June.

"Before leaving, the terrorists robbed the mission store of a large quantity of food and clothing. The result of the terror is the closing of the school, depriving 250 black children of education.

"Headquarters of the mission is the Elim Organization based in Cheltenham in England.

"On July 27 last year the secondary school and pupils of the Elim School in North Inyanga were moved to the site of today's atrocity. During the move a bus carrying some of the pupils detonated a landmine.

Two pupils died and 11 were injured. Another bus sent to pick up the survivors detonated a second landmine injuring more pupils and killing a tribesman. This latest attack against a mission group has claimed more white lives than any other single incident throughout the history of the war. It also is the only incident which appears to have been directed against whites because they were white. Not one of the black boys or girls were physically harmed. The names of the dead are being withheld pending notification of next of kin.

"The previous worst incident against a missionary body was at the St. Paul's Jesuit Mission at Mussami, 35 miles Northeast of Salisbury 2 years ago where seven missionaries including 4 nuns were machine gunned to death by terrorists."

At the time I interviewed the witnesses, the identities of the victims were unknown. The one woman that escaped has since died, making the total number of victims 13. Also, the school registrar, Mr. Ian McGarrick, was not actually "overlooked". He had been warned by a servant, and hid in his home.

Obviously, the above report constitutes only a small part of the information that I obtained during my interviews with the children. Contrary to the cruel and senseless assertion by our Ambassador to the United Nations, Mr. Andrew Young, there is absolutely no doubt but that the atrocities were perpetrated by the terrorist forces of the "Patriotic Front". I would be most happy to testify before any congressional investigatory agency concerning this atrocity, as well as others that I have witnessed while in Rhodesia. Invariably, within 24 hours following the commission of an atrocity by the communist trained, backed and supplied "Patriotic Front", either Mr. Joshua Nkomo and/or Robert Mugabe have denied that their forces perpetrated the act, and have blamed the Rhodesian Security Forces, and generally the Selous Scouts. I have been with the Selous Scouts. I know their training and their mission. I can assure you that it does not include the perpetration of atrocities. They are the "Green Berets" of the Rhodesian Security Forces.

Subsequent to the Emmanuel Mission Massacre, on July 1, Patriotic Front Terrorists butchered 14 black civilians on a black farm compound in the Headlands area, 140 kilometers east of Salisbury. A few days later, two more missionaries were killed by terrorists. Then, just a few days ago, a convoy of civilians travelling south from Kariba were ambushed and three were killed, again by "freedom fighters" of the Patriotic Front.

Senator Hayakawa, I have personally interviewed several of Mr. Mugabe's "soldiers". I concur wholeheartedly with Sir Douglas Bader, Royal Air Force fighter ace of the Second World War, who observed that the soldiers of Robert Mugabe and Joshua Nkomo are nothing more than murderers.

I have been told by members of the Patriotic Front that they are not communists simply because they use communist weapons. However, I have the original of a political training notebook taken from one of Mr. Robert Mugabe's "soldiers" that shows quite clearly what the quid pro quo is in exchange for those Soviet weapons. It is a total and complete communist indoctrination designed to align Rhodesia with the Soviet Union. Needless to say, that would be a serious blow to the West, given the existing Soviet satellites of Angola and Mozambique. South Africa would be the next target. If the Soviet Union controlled Rhodesia, Angola, Mozambique, and South Africa, the United States would be in serious jeopardy in view of the mineral resources that would be denied us.

To show the clearcut nature of the "Patriotic Front", I enclose a copy of an original poster being circulated in West Germany, together with its English translation.

I urge you to read my report on the Emmanuel Mission Massacre into the Congressional Record, as well as the text of the enclosed poster.

The internal settlement in Rhodesia must be supported. I have personally interviewed all of the members of the Executive Council to the internal settlement, which was filmed and distributed through UPI TN (London). The three black members of the Executive Council have put their necks on the chopping block along with Mr. Smith, if the internal settlement is not successful. Messrs. Nkomo and Mugabe have already stated that they would be eliminated if the Patriotic Front were successful in taking over Rhodesia.

The four members of the Executive Council, together with their constituencies, are fighting a difficult battle to maintain a democratic nation under majority rule, with one man one vote. Rhodesia has agreed to all of the terms of the Kissinger proposal, and the black leaders representing the vast majority of black Rhodesians have joined with Mr. Ian Smith in an effort to save Rhodesia. Yet, our State Department Foreign Policy is designed to compel the Rhodesian Government to deal with the "Patriotic Front" whose leaders have stated time and time again that peace can only come through the barrel of a gun, that they will not participate in an open democratic election, and that they represent and endorse elite black minority rule of the black people of Rhodesia.

I also enclose a copy of a map of Africa which clearly depicts the Soviet involvement on that continent.

Very truly yours,

ROBERT N. CLEAVES.

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey (Mrs. MEYNER).

Mrs. MEYNER. Mr. Chairman, I rise in opposition to the Bauman amendment, the Findley amendment and in support of the Zablocki substitute.

Let us be frank about what the Bauman amendment does. It expresses American support for one side in a bloody civil war. It puts us on the side of Ian Smith and in opposition to virtually every black African state.

The Bauman amendment would lift sanctions immediately simply on the basis of the transitional government's "making significant progress toward the holding of free and fair elections." They do not have to actually hold elections. They do not have to install a new government. They do not have to be willing to talk with all population groups.

Our primary interest in Rhodesia is in a peaceful and just resolution to that conflict. We cannot do that by taking sides in a civil war. We should continue to press for the Anglo-American initiative in Rhodesia. We should continue to press for all-party talks—something Ian Smith has refused to do. We should continue to support the international sanctions that we have pledged to support.

The Zablocki substitute follows these principles. It would maintain our credibility with black African states at a critical time in Namibia and Angola as well as Rhodesia. I urge my colleagues support the Zablocki substitute.

The CHAIRMAN. The Chair recognizes the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Chairman, a removal of the sanctions places us firmly in support of a good-faith effort to have free elections. The policy of our government has always been and should always be to support free elections. Free elections are the cornerstone of freedom. We have an opportunity here to encourage them or to discourage them.

In the case of Rhodesia there has been substantial movement toward free elections. There has been substantial movement toward peaceful progressive change.

We need to send the forces of moderation in Rhodesia a message of encouragement because their morale is down, not only among the white citizens in Rhodesia, but among the vast majority of black citizens in Rhodesia as well.

Their morale is very, very low and understandably so.

Mr. Chairman, approximately 90 percent of that country has agreed in principle to free elections, and they are making progress.

Unfortunately the only group in Rhodesia which has not agreed to free elections is a group of Marxist guerrillas supported by the Soviet Union and Cuba. They represent only about 10 percent of the citizens in Rhodesia. If we do not remove the economic sanctions it can only be interpreted under the circumstances as support for the Marxist group and lack of support for the good-faith effort to bring about majority rule through free elections, which is sought by the vast majority of Rhodesians.

The CHAIRMAN. The Chair recognizes the gentlewoman from California (Mrs. BURKE).

Mrs. BURKE of California. Mr. Chairman, I rise in opposition to the Bauman-Findley substitute lifting sanctions on Rhodesia. I look back over the years; and see that we have aided in the progress toward an internal settlement in Rhodesia or Zimbabwe. This Congress played an important part in that movement, because the U.N. observed sanctions which it wisely voted to support were probably the greatest force for change from minority rule.

Mr. Chairman, whether you call them freedom fighters or all of those factors have played a part in "guerrillas" or exiled nationalists, you cannot deny the role of the Patriotic Front in bringing about majority rule in Rhodesia. They have also played an important part. However, this internal settlement must be viewed as fait accompli. Nor should we falsely envision it as totally acceptable to all blacks there and desirable with respect to long-term social and political achievement.

The fact is, however, at this time the internal settlement is not working; 500,000 people are held in protective villages; 50,000 refugees cannot return to their country. These people must be represented in that internal agreement as we move forward, hopefully, on December 31—to majority rule.

Mr. Chairman, I would hope until that occurrence we would not get caught up in the same kind of trap we have seen again and again and again throughout this world where we withdraw our pressure for a promise of free

elections, and they never come about. The only way we can guarantee free elections is to make sure that we hold off and maintain sanctions until those elections come about, and there is, in fact, majority rule. The maintenance of these sanctions is vital also to our international credibility. The Organization of African Unity and the rest of the Third World is watching to see if they can really trust us for support of nationalism or whether they should look elsewhere when support for majority rule is lacking.

Now during this debate we have heard much criticism leveled against the Patriotic Front as a terrorist group. Let us not forget that this group of exiled Rhodesian nationalists represent two (ZAMM and ZAPU) major opposition groups advocating majority rule in Rhodesia. As such, no practical agreement can be reached without their inclusion in the transition. But the Smith plan does not include them. Why should there be violence in the long-run, when peace is possible now? Why should sanctions be lifted until we see the fruits they hold?

Let us also be careful when we start calling the Patriotic Front a terrorist group. In an effort to exploit alleged "atrocities" and lift sanctions, it should be made clear that Rhodesian troops and police are not exempt. They have waged war on a civilian population. They have violated the sovereignty of frontline African States by crossing their borders to wage war. In one incident last May, the killing of two Red Cross workers followed the gift of a mobile clinic to Rhodesian refugees. That same clinic, distinctly marked with the internationally recognized Red Cross symbol, was destroyed by Rhodesian air force bombs. Its amputee patients from previous skirmishes were gunned down by the helicopter fire. We should not lift the sanctions against Rhodesia until we know such atrocities will cease.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I have heard the former Secretary of State, Henry Kissinger, state on more than one occasion words to this effect:

> Our decisions shall not be judged by their popularity at the time we made them, but by their consequences.

Mr. Chairman, what I fear with respect to the action proposed in the immediate lifting of the embargo is the consequences of such action. If I could believe that this would strengthen the process toward free elections, toward majority rule, if I believed that this was the action to take to resist those revolutionary forces, and the Marxist forces that are in that area, I would gladly support these proposals. However, I very much fear that to pass the Findley or Bauman proposals for immediate lifting make a decision which, in its consequences, would provide tragically wrong for the people of Africa and for our own national interests.

Mr. Chairman, I, therefore, urge the members of this committee to give their support to the Zablocki amendment, which was considered carefully in the other body, one which does recognize the progress that has been made, one which does hold out the hope for lifting the embargo, but under conditions that would be fair to the majority of the people of Zimbabwe.

Mr. Chairman, I would remind the Members that no election has been held.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I have an amendment pending at the desk, which I will offer in the event that the amendment of the gentleman from Illinois (Mr. FINDLEY) to the substitute amendment of the gentleman from Wisconsin (Mr. ZABLOCKI) fails.

Therefore, Mr. Chairman, I ask unanimous consent that I may reserve my time for the discussion of that amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. SOLARZ. Reserving the right to object, Mr. Chairman, if the Findley amendment is defeated and the gentleman from Missouri (Mr. ICHORD) offers his amendment, at that point, after he makes his remarks, will there be time for other Members to speak on the amendment?

The CHAIRMAN. The Chair will inform the gentleman that any other Member or Members will be permitted to speak only if a unanimous-consent request is made and granted.

Mr. SOLARZ. Mr. Chairman, I withdraw my reservation of objection.

Mr. ZABLOCKI. Mr. Chairman, I do not intend to object, but I would join in the gentleman's unanimous-consent request that, if his time is reserved just prior to the consideration of his amendment, he also include my time.

Mr. ICHORD. Mr. Chairman, I would so request.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, if we lift sanctions now, as we would have to were the Findley or Bauman amendments to be adopted, we would forever forfeit the opportunity to bring all of the parties to this conflict together within the framework of an all-parties conference based on the Anglo-American proposals designed to achieve a peaceful transition to majority rule. The fact of the matter is that we just witnessed a tremendous success for American diplomacy in the successful effort to achieve an agreement between South Africa and Swapo, with respect to the future of Namibia, and that agreement makes it clear we cannot preclude the possibility that we might have a similar success in Zimbabwe.

Were we to repeal sanctions, however, our impartiality would be impaired and our ability to bring everybody together would be eliminated. The time may come when the chances for an all-parties conference no longer exists. The time may come when the people of Zimbabwe do support an internal settlement. The time may come when we want to support the internal settlement ourselves. But that time has not come yet, and if the Bauman and Findley amendments are adopted, the chances are that it never will.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

The Chair recognizes the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I also rise in support of the Findley amendment.

Mr. Chairman, I have long been an advocate of free elections that will lead to the establishment of majority rule with minority rights in Rhodesia.

For this reason I support the Findley amendment as a step that will encourage Rhodesia's new biracial interim government.

The new government has committed itself to give the people of Rhodesia an opportunity to determine their own destiny. In my opinion we should support the Rhodesian people in their efforts to decide their own future without interference by outside forces who seek to work their will through terrorism supported by international communism and who would impose totalitarian rule upon the people of Rhodesia.

(By unanimous consent, Mr. BROOMFIELD yielded the remainder of his time to Mr. FINDLEY.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. FINDLEY).

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman the question of lifting Rhodesian sanctions represents, to some extent, a classic confrontation between morality and practicality. This is so if one believes—as the tenor of debate in Congress seems to indicate—that the present internal settlement is probably acceptable to a majority of both black and white Rhodesians, but unacceptable to a relatively small group of determined guerrillas and to certain influential third parties, such as the leaders of the so-called frontline states.

After all, if the settlement is acceptable to a majority of Rhodesians, it begins to assume a moral aura, as the embodiment of the majority rule—or at least the transition to that rule—which two American administrations have strenuously sought the last couple years, which is a premise of our own democratic arrangements, and which is the sort of high-minded principle that we like to think undergirds our foreign policy.

At the same time, if the settlement is unacceptable to a number of important elements in the situation—even if we do not think them entitled to work their will—then an operative question becomes whether the settlement will in fact succeed, and if not, whether we should be casting our lot with a losing side. For that matter, even if the side we support does prevail, it becomes a concern as to whether that will lose us relations with others, such as the frontline states, which could be more important.

Fortunately, the policy options before us are not so limited as to afford only a stark choice between morality on the one hand, and practicality on the other. In fact, by the adoption of something similar to the Case-Javits-Moynihan amendment that passed the Senate last week, I think it is possible to incorporate a good deal of both these essential considerations into our action.

In the first place, the Senate compromise recognizes that the internal settlement does not have a perfect claim to being the morality side of the equation. Despite its seeming acceptance by large numbers of Rhodesians, the settlement is not precisely the type of majority rule that many proponents of this principle have envisaged: to some, it seems more on the order of "shared" rule than "majority" rule; to others, it even seems a continued entrenchment of white privilege. Certainly it must be credited as a drastic departure from the previous unabashed white rule; at the same time, it does seem to be true that whites continue to exert decisive influence, and this in a state where the ratio of blacks to whites is 20 to 1. The Armed Forces, police, judiciary, and bureaucracy are governed not so differently as before; and if it is true that the Parliament and the Executive Council now have black majorities, still the whites have effectively retained veto power. It is not surprising, in any event, that many are left skeptical of an arrangement identified with Ian Smith, someone who for years implacably resisted majority rule and who especially in Britain, has acquired a not inconsiderable reputation for inscrutability.

Nonetheless, such an arrangement is understandable if it is the minimum necessary to prevent the sort of wholesale white flight which would not only be the obvious human tragedy for whites, but one as well for blacks, should the economy plunge into chaos, and the government be subjected to a new and brutal power struggle. In any case, whatever the arguable merits of the arrangement from our particular point of view, it is presumptuous to think that the acceptability of it is anything to be decided by others than the Rhodesians themselves. If they feel it is majority rule—or the closest they are going to come to it, given the difficult realities of the situation—then so should we.

This brings us to the most notable flaw in the internal settlement, the fact that there have been, as yet, no elections truly to test its popularity, nor that of the various factions and leaders contending for support and power. Accordingly, the Senate made this a prime precondition of our support for any settlement that lays claim to representing the will of the people. The election should be timely, properly supervised, and open to the widest range of candidates.

The other critical element of the Senate compromise is that a good faith effort should be made to broaden the ruling coalition with some representation from the Patriotic Front. This is not merely for reasons of practicality—that the front's opposition can wreck the chances of a fledgling new government's survival—but also because the front does command enough support that the legitimacy of a settlement without it will be questioned. In particular, Joshua Nkomo has earned a reputation as the grandfather of the liberation struggle in Rhodesia, and he seems to have a major following inside the country, as well as strategic friendships with other African leaders.

If elections are held, and a good faith effort is made to broaden the settlement, and the Rhodesian people are shown in the majority to support a particular arrangement, then I think we should do our best to make it work. At that point lifting sanctions—insofar as such an action revitalizes the economy and the spirits of the new government—might just be enough to bring around some of the guerrillas and front-line states, if they still remain outside a settlement. Opinion differs on the strength of the sides; but we should not be reduced to second-guessing the reactions of non-Rhodesians in determining the direction of our policy. We cannot be unrealistic; but neither should we be content just to put our finger to the wind.

Mr. Chairman, when the Carter administration came into office, it asserted that our African policy should be put on a new footing so that it would respond more to indigenous circumstances and less to superpower politics. Africa was to be a continent for Africans, and not a diplomatic chessboard where Soviet actions conditioned American reactions. It is not a little ironic, then, that the administration now seems to be returning to the very approach it condemned. Yet there is no other interpretation of administration strategy when we are advised to reject the internal settlement not so much because it may be wrong or unpopular, but because otherwise the situation may become polarized and the Soviets and Cubans tempted to exploit it. As it is, that may or may not be; there is all too little evidence before us as to what really will happen internationally if we lift sanctions. In the second place, such considerations border on the expedient, as much as they did back when this country supported white colonialist regimes in Africa.

Mr. Chairman, for the 13 years since Rhodesia rebelled from Britain, it has been treated like an international outlaw, called on to renounce its accustomed system of government and provide a new system of, by, and for all its people, black and white. Secretary Kissinger placed us squarely behind such a purpose when he made his pathbreaking Lusaka speech in April of 1976; and this Congress confirmed such a purpose when we voted in March of the following year to repeal the Byrd amendment and tighten up our sanctions against the Rhodesian Government. Of course we did not expect an overnight revolution; in fact, it has been our intention to avoid violence and instability. Our preference has been for an orderly transition. To this end, Andy Young and David Owen have shuttled around Africa seeking support first for the so-called Anglo-American plan, and now mainly for the mere convening of an "all-parties" conference. Just like Kissinger's proposals stalled, now, too, have Young's. What alternatives remain to us?

The fact is that, finally, some semblance of the transition to majority rule we have been looking for has been occurring in Rhodesia. It may not have gone as far yet as some would like; but it is not to be scoffed at. Bishop Muzorewa and Reverend Sithole are no puppets of Ian Smith; indeed, they are almost familiar figures in Washington, having come here often in the past precisely to argue the case against Mr. Smith. It is too simple to say that they are now just power-hungry and willing to say anything; and that the tens of thousands of black Rhodesians who regularly turn out to hear the Bishop's speeches have had the wool pulled over their eyes.

Nonetheless, as I have indicated, I would postpone the lifting of sanctions until elections do as clearly as possible indicate the support enjoyed by the various contending leaders, both inside and outside the internal settlement; and until a genuine effort is made to negotiate a peace with the outside factions, poised as they are now to disrupt the internal settlement, and representing as they may some significant sentiment both inside and outside the country.

At that point, Rhodesia will truly have taken the road to majority rule, and if our past professions are to mean anything, we will be obliged to support it on its difficult journey.

● Mr. FRENZEL. Mr. Chairman, I favor the Findley amendment over the Zablocki amendment because it gives the President more flexibility in seeking an acceptable internal Rhodesian agreement. The Zablocki amendment seems to me to be too restrictive in that it allows no lifting of the embargo until after elections have been held. I can envision circumstances in which elections have been scheduled and agreements have been made, and yet we are still enforcing an embargo. In those circumstances, under the Findley amendment, our President could and should lift the embargo.

Therefore, I hope the Findley amendment will be adopted.●

Mr. FINDLEY. Mr. Chairman, an aspect of my amendment that has been overlooked in the discussion up to this point is the great flexibility that it gives to the President of the United States. Under either of the two conditions set forth in my amendment, which happen to be the identical conditions set forth in the Zablocki language, the President could instantly suspend or return to the sanctions. The amendment does lift the sanctions, but it gives the President the authority to reimpose the sanctions at any point if he finds that either of these conditions does occur, and he can do it more than once. If he would decide that free elections were in prospect on terms that he felt were just and adequate, but then later found that the promise did not exist, he could reimpose the sanctions. This would give him far greater flexibility than it has today to influence the course of events in Rhodesia, far greater flexibility than would occur under the Zablocki language.

The language that I have offered for the consideration of this Committee is

really a vote of confidence in the peaceful transition in Rhodesia. I think most Members would want to make that vote of confidence, but it also recognizes the difficulty that any Member of this body has in following closely the intimate affairs and developments within Rhodesia, and places in the hands of the President of the United States adequate continual oversight flexibility with which he can deal with whatever changes may come along. If we believe in orderly, nonviolent progress toward our ideals and goals in Rhodesia, then I believe this amendment deserves the Members' support.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, you can glance at any of the popular news magazines of the last few weeks. You can see the widows, black and white, the children who have lost fathers. The mutilated bodies of small children. The slain missionaries. You can see what has happened in Rhodesia/Zimbabwe in recent months, and that battle is intensified even as we stand here today and offer sophisticated arguments.

We have in Rhodesia a black-and-white government that is offering majority rule, has set a definite date for free elections, has invited the United Nations, the British and the Americans to come in and oversee those elections, a government that has pleaded—pleaded—with the Communist guerrillas to come back and help in peaceful change. And what answer have they received in return? Thirty-nine black moderate emissaries slaughtered in cold blood a few weeks ago when they went out to negotiate with the so-called freedom fighters. Some may call these butchers "freedom fighters." But there is no freedom involved in what they seek—only bloodshed. There is no question in my mind, if the issue could be explained to each American citizen in the terms that have been used here this afternoon, which side they would support. This is the only chance we have ever had in Africa to bring about a peaceful, democratic change, with all races together and the Carter government has taken sides against it. We have the responsibility as Members of the people's branch to change that misguided policy. It can be done by supporting the Findley amendment and my own amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY) to the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI) as a substitute for the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FINDLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 176, noes 229, not voting 27, as follows:

[Roll No. 634]

AYES—176

Abdnor	Fountain	Nichols
Andrews, N.C.	Frenzel	O'Brien
Andrews, N. Dak.	Frey	Pettis
Archer	Gammage	Pickle
Armstrong	Gibbons	Poage
Ashbrook	Ginn	Pressler
Ashley	Goldwater	Quayle
Badham	Goodling	Quillen
Bafalis	Gradison	Railsback
Barnard	Grassley	Regula
Bauman	Guyer	Rhodes
Beard, Tenn.	Hagedorn	Risenhoover
Bevill	Hall	Roberts
Bowen	Hansen	Robinson
Breaux	Harris	Rogers
Breckinridge	Harsha	Rousselot
Brinkley	Hefner	Rudd
Broomfield	Hightower	Runnels
Brown, Ohio	Hillis	Russo
Broyhill	Holt	Santini
Burgener	Hubbard	Sarasin
Burke, Fla.	Huckaby	Satterfield
Burleson, Tex.	Hyde	Sawyer
Butler	Ichord	Schulze
Byron	Ireland	Sebelius
Carter	Jeffords	Shuster
Cederberg	Johnson, Colo.	Sikes
Chappell	Jones, Tenn.	Skubitz
Clausen, Don H.	Kazen	Smith, Nebr.
Clawson, Del	Kelly	Snyder
Cleveland	Kemp	Spence
Cohen	Kindness	Stangeland
Coleman	Lagomarsino	Steed
Collins, Tex.	Latta	Steiger
Corcoran	Leggett	Stockman
Coughlin	Lent	Stratton
Crane	Livingston	Stump
Cunningham	Lloyd, Tenn.	Taylor
Daniel, Dan	Lott	Thone
Daniel, R. W.	Lujan	Treen
de la Garza	Luken	Trible
Derwinski	McClory	Vander Jagt
Devine	McDonald	Waggonner
Dickinson	McEwen	Walker
Dornan	McKay	Walsh
Duncan, Tenn.	Madigan	Wampler
Edwards, Ala.	Mahon	Watkins
Edwards, Okla.	Mann	White
Emery	Marriott	Whitehurst
English	Martin	Whitten
Erlenborn	Michel	Wiggins
Evans, Del.	Miller, Ohio	Wilson, Bob
Evans, Ga.	Mitchell, N.Y.	Wilson, Tex.
Evans, Ind.	Montgomery	Winn
Findley	Moore	Wydler
Flippo	Moorhead, Calif.	Young, Alaska
Flynt	Mottl	Young, Fla.
Forsythe	Myers, John	Young, Mo.
	Natcher	Zeferetti

NOES—229

Addabbo	Burton, Phillip	Fithian
Akaka	Caputo	Flood
Alexander	Carney	Florio
Ambro	Carr	Foley
Ammerman	Cavanaugh	Ford, Mich.
Anderson, Calif.	Chisholm	Fowler
Anderson, Ill.	Clay	Fraser
Annunzio	Conte	Fuqua
Applegate	Corman	Garcia
Aspin	Cornell	Gaydos
AuCoin	Cornwell	Gephardt
Baldus	Cotter	Giaimo
Baucus	D'Amours	Gilman
Beard, R.I.	Danielson	Glickman
Bedell	Davis	Gonzalez
Beilenson	Delaney	Gore
Benjamin	Dellums	Green
Bennett	Derrick	Gudger
Biaggi	Dicks	Hamilton
Bingham	Diggs	Hanley
Blanchard	Dingell	Hannaford
Blouin	Dodd	Harkin
Boggs.	Downey	Hawkins
Boland	Drinan	Heckler
Bolling	Duncan, Oreg.	Heftel
Bonior	Early	Holland
Bonker	Eckhardt	Hollenbeck
Brademas	Edgar	Holtzman
Brodhead	Edwards, Calif.	Horton
Brooks	Eilberg	Howard
Brown, Calif.	Ertel	Hughes
Brown, Mich.	Evans, Colo.	Jacobs
Buchanan	Fary	Jenrette
Burke, Calif.	Fascell	Johnson, Calif.
Burlison, Mo.	Fenwick	Jones, N.C.
Burton, John	Fish	Jones, Okla.
	Fisher	Jordan
Kastenmeier	Murphy, Pa.	Seiberling
Keys	Murtha	Sharp
Kildee	Myers, Gary	Shipley
Kostmayer	Myers, Michael	Simon
Krebs	Neal	Sisk
Krueger	Nedzi	Skelton
LaFalce	Nix	Slack
Leach	Nowak	Smith, Iowa
Lederer	Oakar	Solarz
Lehman	Oberstar	Spellman
Levitas	Obey	St Germain
Lloyd, Calif.	Ottinger	Staggers
Long, La.	Panetta	Stanton
Long, Md.	Patten	Stark
Lundine	Patterson	Steers
McCloskey	Pattison	Stokes
McCormack	Pease	Studds
McFall	Pepper	Thompson
McHugh	Perkins	Thornton
McKinney	Pike	Traxler
Markey	Preyer	Tucker
Marks	Price	Udall
Marlenee	Pritchard	Ullman
Mattox	Pursell	Van Deerlin
Mazzoli	Rahall	Vanik
Meeds	Rangel	Vento
Metcalfe	Reuss	Volkmer
Meyner	Richmond	Walgren
Mikulski	Rinaldo	Waxman
Mikva	Roe	Weaver
Miller, Calif.	Roncalio	Weiss
Mineta	Rooney	Whitley
Minish	Rose	Wirth
Mitchell, Md.	Rosenthal	Wolff
Moakley	Rostenkowski	Wright
Moffett	Roybal	Wylie
Mollohan	Ruppe	Yates
Moorhead, Pa.	Ryan	Yatron
Moss	Scheuer	Zablocki
Murphy, Ill.	Schroeder	

NOT VOTING—27

Burke, Mass.	Harrington	Quie
Cochran	Jenkins	Rodino
Collins, Ill.	Kasten	Symms
Conable	Le Fante	Teague
Conyers	McDade	Tsongas
Dent	Maguire	Whalen
Flowers	Mathis	Wilson, C. H.
Ford, Tenn.	Milford	Young, Tex.
Hammer-schmidt	Murphy, N.Y.	
	Nolan	

The Clerk announced the following pairs:

On this vote:

Mr. Symms for, with Mr. Burke of Massachusetts against.

Mr. Dent for, with Mr. Tsongas against.

Mr. Teague for, with Mr. Maguire against.

Mr. NOWAK changed his vote from "aye" to "no."

Mr. ZEFERETTI changed his vote from "no" to "aye."

So the amendment to the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ICHORD TO THE AMENDMENT OFFERED BY MR. ZABLOCKI AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. BAUMAN

Mr. ICHORD. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD to the amendment offered by Mr. ZABLOCKI as a substitute for the amendment offered by Mr. BAUMAN: Amend the Substitute Amendment of the gentleman from Wisconsin by striking out all the language following the word "Rhodesia" in line 8 and inserting the following: "after December 31, 1978 unless the President shall determine that a government has not been installed, chosen by free elections in which all political groups have been allowed to participate freely."

Mr. ICHORD. Mr. Chairman, let me make it clear that the President of the United States has the power now and

has the power under all of the three amendments pending to lift the sanctions against Rhodesia any time that he wants to do so.

Here is the parliamentary situation: Rhodesia's transitional government, consisting of black leaders Bishop Muzorewa, Sithole, and Chirau, and white leader Ian Smith, has announced its intention to establish a democratic rule of government on or before December 31, 1978, with free elections in which all political groups have been allowed to participate freely.

My amendment, Mr. Chairman, does not interfere with the right of the President to conduct foreign policy. It merely says that sanctions will cease after December 31, 1978—we can once again buy chrome at a price cheaper than we are buying it from the Soviet Union and from South Africa.

PREFERENTIAL MOTION OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. ICHORD moves that the Committee do now rise and report the bill back to the House with a recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Missouri is recognized for 5 minutes on the preferential motion.

Mr. ICHORD. Mr. Chairman, I must make this motion in order to finish my remarks.

The amendment merely says that the sanctions will cease after December 31, 1978, unless the President shall determine that a government has not been installed—has not been installed—chosen by free election in which all political groups have been allowed to participate freely.

If free elections are not held, the President can continue the sanctions.

I ask: Why should this freely elected body vote against an amendment such as this? It does not go into effect until December 31, 1978. It does differ from the Case-Javits amendment or the Zablocki amendment in this respect. It does not require—it does not require—the present Smith-Sithole-Muzorewa government to negotiate with the Communist-backed, admittedly backed by the Soviet Union and Cuba, faction trying to shoot itself into power in Rhodesia.

I repeat: Can we as Members of a freely elected body interfere with an internal settlement in Rhodesia by a majority of Rhodesians, both black and white?

After December 31, 1978, we will know whether they have a freely elected government. This amendment, Mr. Chairman, provides a tremendous incentive for the Rhodesians to work out their own problems in a democratic way consistent with the American moral objective of majority rule based on one man, one vote.

I have a telegram from my friend Bishop Muzorewa, asking me to read his recent letter to the Senate. Bishop Muzorewa has the support of at least conservatively 80 percent of all Rhodesians. He does not have the support of Mugabe, the admitted Marxist supported by Cuba and the Soviet Union.

Let me read from his letter to the Members:

I should like briefly to summarize the basis of my appeal to you. It has nothing to do with support for a political faction. It is an appeal for support for the democratic process in Rhodesia represented by our constitutional agreement of March 3. This agreement was freely negotiated by four separate political groups representing between them something like eighty per cent of the Rhodesian people. The Patriotic Front was invited to participate in the constitution making process but declined to do so.

And here is the clincher, Mr. Chairman. It says:

Since the conclusion of the agreement a Transitional Government has taken office in which the negotiating parties share equal power. There are two empty chairs . . .

This is Bishop Muzorewa's statement to the Senate—

. . . there are two empty chairs for the Patriotic Front in the Executive Council room and seats available to them in the Ministerial Council.

How can you vote against Rhodesia working out its own internal settlement?

I ask, Mr. Chairman, that the amendment be agreed to.

Now I yield to the gentleman from Oregon (Mr. DUNCAN).

Mr. DUNCAN of Oregon. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to say that I believe the gentleman from Missouri (Mr. ICHORD) has touched upon a good solution to this problem. He lifts the embargo after the fact, after we have had a chance to have demonstrated to us the existence of free elections.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the preferential motion offered by the gentleman from Missouri (Mr. ICHORD).

Mr. Chairman, I would like to set the record straight as to just what the amendment offered by the gentleman from Missouri (Mr. ICHORD) does.

With regard to the lifting of sanctions after free elections in which all of the groups have been allowed to participate I would like to point out that there are other contingencies in the negotiations to determine the validity and efficacy of free elections as contained in the compromise that I have offered. However, his provision strikes everything after the word "Rhodesia" in my substitute, and therefore, in addition my provision for international observers of elections.

In his amendment there would be no way to secure the necessary external observation needed to determine that the elections were free and fair. Without external observers there is no way to insure this and without my provision there is no way to insure that external parties may participate in such elections or in the negotiating process.

Therefore, Mr. Chairman, I submit that Members who have voted against the Findley amendment, which we have resoundingly defeated, should vote against this proposal because it does the very same thing. The gentleman from Missouri, whether he intends this or not, is, in his language, completely gutting the compromise.

I think we should have a straight up and down vote on whether we are in support of free elections preceded by negotiations and with international mediation and observation. If we are in support of the settlement of the situation in Rhodesia, and if we do want peace in that area then we should vote down the Ichord amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. Of course I yield to the distinguished gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I would take issue with the distinguished gentleman. It does not do the same thing as the Findley amendment. The Findley amendment provided for the immediate cessation of sanctions.

As the gentleman stated, my amendment will not go into effect until after the fact. Therefore, why worry about whether it is supervised by international observers. I am quite sure that the Rhodesians will have international supervisors there. However, what is important is whether the Rhodesians work out their own problems in a democratic way, establishing majority government under a one-man-one-vote rule by democratic process.

Mr. ZABLOCKI. Mr. Chairman, I might say that the gentleman from Missouri (Mr. ICHORD) and I, the majority of us, in fact, want to accomplish what the gentleman seeks, and we are trying to do it.

Mr. Chairman, I think that the substitute I have offered is the best way of assuring that we are going to get what the gentleman from Missouri wants and what we want in that area.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I thank the gentleman for yielding.

The point is that if we lift the sanctions now based on some future date, we are making a political decision now when it is just as easy to make that decision after we have had an opportunity to see what really has happened.

That is the difference between the Ichord amendment and the gentleman's substitute.

Mr. ZABLOCKI. I thank the gentleman for his contribution, Mr. Chairman, I ask for a vote, and yield back the balance of my time.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Missouri (Mr. ICHORD).

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. ICHORD) to the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI) as a substitute for the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 229, noes 180, not voting 23, as follows:

[Roll No. 635]

AYES—229

Abdnor	Forsythe	Murtha
Alexander	Fountain	Myers, John
Ambro	Frenzel	Natcher
Andrews, N.C.	Frey	Neal
Andrews, N. Dak.	Fuqua	Nichols
	Gammage	O'Brien
Applegate	Gephardt	Perkins
Archer	Gibbons	Pettis
Armstrong	Ginn	Pickle
Ashbrook	Goldwater	Poage
Badham	Gonzalez	Pressler
Bafalis	Goodling	Pritchard
Barnard	Gradison	Pursell
Bauman	Grassley	Quayle
Beard, Tenn.	Green	Quillen
Bennett	Gudger	Railsback
Bevill	Guyer	Regula
Bowen	Hagedorn	Rhodes
Breaux	Hall	Risenhoover
Breckinridge	Hammer-schmidt	Roberts
Brinkley		Robinson
Brooks	Hansen	Roe
Broomfield	Harris	Rogers
Brown, Mich.	Harsha	Rousselot
Brown, Ohio	Heckler	Rudd
Broyhill	Hefner	Runnels
Buchanan	Hightower	Russo
Burgener	Hillis	Santini
Burke, Fla.	Holland	Sarasin
Burleson, Tex.	Holt	Satterfield
Burlison, Mo.	Hubbard	Sawyer
Butler	Huckaby	Scheuer
Byron	Hyde	Schulze
Caputo	Ichord	Sebelius
Carter	Ireland	Shuster
Cederberg	Jeffords	Sikes
Chappell	Jenrette	Sisk
Clausen, Don H.	Johnson, Colo.	Skelton
	Jones, Okla.	Skubitz
Clawson, Del	Jones, Tenn.	Slack
Cleveland	Kazen	Smith, Nebr.
Cohen	Kelly	Snyder
Coleman	Kemp	Spence
Collins, Tex.	Kindness	Stangeland
Conable	Lagomarsino	Stanton
Corcoran	Latta	Steed
Coughlin	Leggett	Steiger
Crane	Lent	Stockman
Cunningham	Levitas	Stratton
D'Amours	Livingston	Stump
Daniel, Dan	Lloyd, Calif.	Taylor
Daniel, R. W.	Lloyd, Tenn.	Thone
Davis	Long, Md.	Thornton
de la Garza	Lott	Treen
Derrick	Lujan	Trible
Derwinski	McClory	Vander Jagt
Devine	McDonald	Volkmer
Dickinson	McEwen	Waggonner
Dicks	McKay	Walker
Dingell	McKinney	Walsh
Dornan	Madigan	Wampler
Duncan, Oreg.	Mahon	Watkins
Duncan, Tenn.	Mann	White
Edwards, Ala.	Marlenee	Whitehurst
Edwards, Okla.	Marriott	Whitley
Emery	Martin	Whitten
English	Mattox	Wiggins
Erlenborn	Mazzoli	Wilson, Bob
Evans, Colo.	Michel	Wilson, C. H.
Evans, Del.	Miller, Ohio	Wilson, Tex.
Evans, Ga.	Mitchell, N.Y.	Winn
Evans, Ind.	Mollohan	Wydler
Findley	Montgomery	Wylie
Fish	Moore	Young, Alaska
Fithian	Moorhead, Calif.	Young, Fla.
Flippo		Young, Mo.
Flynt	Mottl	Zeferetti
Foley	Murphy, Pa.	

NOES—180

Addabbo	Baucus	Bolling
Akaka	Beard, R.I.	Bonior
Ammerman	Bedell	Bonker
Anderson, Calif.	Beilenson	Brademas
	Benjamin	Brodhead
Anderson, Ill.	Biaggi	Brown, Calif.
Annunzio	Bingham	Burke, Calif.
Ashley	Blanchard	Burton, John
Aspin	Blouin	Burton, Phillip
AuCoin	Boggs	Carney
Baldus	Boland	Carr
Cavanaugh	Jordan	Pike
Chisholm	Kastenmeier	Preyer
Clay	Keys	Price
Conte	Kildee	Rahall
Corman	Kostmayer	Rangel
Cornell	Krebs	Reuss
Cornwell	Krueger	Richmond
Cotter	LaFalce	Rinaldo
Danielson	Leach	Roncalio
Delaney	Lederer	Rooney
Dellums	Lehman	Rose
Diggs	Long, La.	Rosenthal
Dodd	Luken	Rostenkowski
Downey	Lundine	Roybal
Drinan	McCloskey	Ruppe
Early	McCormack	Ryan
Eckhardt	McFall	Schroeder
Edgar	McHugh	Seiberling
Edwards, Calif.	Maguire	Sharp
Eilberg	Markey	Shipley
Ertel	Marks	Simon
Fary	Meeds	Smith, Iowa
Fascell	Metcalfe	Solarz
Fenwick	Meyner	Spellman
Fisher	Mikulski	St Germain
Flood	Mikva	Staggers
Florio	Miller, Calif.	Stark
Ford, Mich.	Mineta	Steers
Fowler	Minish	Stokes
Fraser	Mitchell, Md.	Studds
Garcia	Moakley	Thompson
Gaydos	Moffett	Traxler
Giaimo	Moorhead, Pa.	Tucker
Gilman	Moss	Udall
Glickman	Murphy, Ill.	Ullman
Gore	Myers, Gary	Van Deerlin
Hamilton	Myers, Michael	Vanik
Hanley	Nedzi	Vento
Hannaford	Nix	Walgren
Harkin	Nowak	Waxman
Hawkins	Oakar	Weaver
Heftel	Oberstar	Weiss
Hollenbeck	Obey	Wirth
Holtzman	Ottinger	Wolff
Horton	Panetta	Wright
Howard	Patten	Yates
Hughes	Patterson	Yatron
Jacobs	Pattison	Zablocki
Johnson, Calif.	Pease	
Jones, N.C.	Pepper	

NOT VOTING—23

Burke, Mass.	Jenkins	Quie
Cochran	Kasten	Rodino
Collins, Ill.	Le Fante	Symms
Conyers	McDade	Teague
Dent	Mathis	Tsongas
Flowers	Milford	Whalen
Ford, Tenn.	Murphy, N.Y.	Young, Tex.
Harrington	Nolan	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Burke of Massachusetts against.

Mr. Dent for, with Mr. Conyers against.

Messrs. EMERY, DICKS, NEAL, and APPLEGATE changed their vote from "no" to "aye."

Mr. VAN DEERLIN changed his vote from "aye" to "no."

So the amendment to the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

● Mr. FRENZEL. Mr. Chairman, the debate on this bill H.R. 12514, has centered heavily on the recommendation, by the President, that the Turkish arms embargo be lifted. It is a vexing subject, and one which needs a good deal of debate.

Like many other members of this committee, I voted in favor of the original embargo. I thought it was worthwhile, and faced with those conditions again, I would vote for it again.

But after 4 years of no improvement, I thought it was time to try a different strategy. The refugees on Cyprus deserve something better than an extension of the status quo. Recent Turkish initiatives give some hope, admittedly no guarantee, that a lifting of the embargo would lead to a return to normalcy on Cyprus.

The statement of the distinguished gentleman from New York (Mr. SOLARZ), in the RECORD of July 31, summed up my feelings on this matter, and I would like to associate myself with his remarks.●

The CHAIRMAN. For what purpose does the gentleman from California (Mr. LAGOMARSINO) rise?

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The Chair will inform the gentleman that no further debate is in order at this time.

The question is on the amendment, as amended, offered by the gentleman from Wisconsin (Mr. ZABLOCKI) as a substitute for the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment, as amended, offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment, as amended, was agreed to.

The CHAIRMAN. Are there any further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. FUQUA, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 12514) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1979, and for other purposes, pursuant to House Resolution 1286, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. WIGGINS. Mr. Speaker, I demand a vote on the so-called Harkin amendment relating to aid to Chile.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment?

Mr. BAUMAN. Mr. Speaker, I demand a separate vote on the so-called Fascell amendment, as amended.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The

Clerk will report the the so-called Fascell amendment, as amended.

The Clerk read as follows:

Amendment: On page 13, line 2, delete all of section 16 through line 7 and insert in lieu thereof, the following:

SEC. 16. (a) Section 620(x) of the Foreign Assistance Act of 1961 shall be of no further force and effect upon the President's determination and certification to the Congress that the resumption of full military cooperation with Turkey is in the national interest of the United States and in the interest of the North Atlantic Treaty Organization and that the Government of Turkey is acting in good faith to achieve a just and peaceful settlement of the Cyprus problem, the early peaceable return of refugees to their homes and properties, and continued removal of Turkish military troops from Cyprus, and the early serious resumption of intercommunal talks aimed at a just, negotiated settlement.

(b) The Foreign Assistance Act of 1961 is amended by inserting immediately after section 620B the following new section:

UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN

"SEC. 620C. (a) The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy. The Congress further declares that any action of the United States with respect to section 620(x) of this Act shall not signify a lessening of the United States commitment to a just solution to the conflict on Cyprus but is authorized in the expectation that this action will be conducive to achievement of a Cyprus solution and a general improvement in relations among Greece, Turkey and Cyprus and between those countries and the United States. The Congress finds that—

"(1) a just settlement on Cyprus must involve the establishment of a free and independent government on Cyprus and must guarantee that the human rights of all of the people of Cyprus are fully protected;

"(2) a just settlement on Cyprus must include the withdrawal of Turkish military forces from Cyprus;

"(3) the guidelines for inter-communal talks agreed to in Nicosia in February 1977 and the United Nations resolutions regarding Cyprus provide a sound basis for negotiation of a just settlement on Cyprus; and

"(4) the recent proposals by both Cypriot communities regarding the return of refugees to the city of New Famagusta (V&rosha) constitute a positive step and the United States should actively support the efforts of the Secretary General of the United Nations with respect to this issue.

"(b) The Congress declares that United States policies in the Eastern Mediterranean region shall be consistent with the following principles:

"(1) The United States will accord full support and high priority to efforts, particularly those of the United Nations, to bring about a prompt, peaceful settlement on Cyprus.

"(2) All defense articles furnished by the United States to countries in the Eastern Mediterranean region will be used only in accordance with the requirements of this Act, the Arms Export Control Act, and the agreements under which those defense articles were furnished.

"(3) The United States will furnish security assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes, including when necessary to enable the recipient country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization, and when furnishing that assistance is not inconsistent with the objective of a peaceful settlement among all concerned parties to the Cyprus problem.

"(4) The United States shall use its influence to insure the continuation of the cease-fire on Cyprus until an equitable negotiated settlement is reached, shall encourage all parties to avoid prevocative actions, and shall oppose strongly any attempt to resolve disputes by force or the threat of force.

"(5) The United States shall use its influence to achieve the withdrawal of Turkish military forces from Cyprus in the context of a solution to the Cyprus problem.

"(c) Because progress toward a Cyprus settlement is a high priority of United States policy in the Eastern Mediterranean, the President and the Congress shall continually review that progress and shall determine United States policy in the region accordingly. To facilitate such a review the President shall, within 60 days after the date of enactment of this section and at the end of each succeeding 60-day period, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, a report on progress made toward the conclusion of a negotiated solution of the Cyprus problem. Such transmissions shall include any relevant reports prepared by the Secretary General of the United Nations for the Security Council.

"(d) In order to ensure that United States assistance is furnished consistent with the policies established in this section, the President shall, whenever requesting any funds for security assistance under this Act or the Arms Export Control Act for Greece and Turkey, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate his certification, with a full explanation thereof, that the furnishing of such assistance will be consistent with the principles set forth in paragraph (3) of subsection (b) of this section. The President shall also submit such a certification with any notification to the Congress, pursuant to section 36(b) of the Arms Export Control Act, of a proposed sale of defense articles of services to Greece or Turkey."

PARLIAMENTARY INQUIRY

Mr. ZABLOCKI. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ZABLOCKI. Mr. Speaker, the gentleman from Maryland (Mr. BAUMAN) has requested a separate vote on the so-called Fascell amendment.

Mr. BAUMAN. As amended.

Mr. ZABLOCKI. I believe the gentleman meant, as amended by the Wright amendment. So the vote would be on the Fascell amendment, as amended by the Wright amendment?

The SPEAKER pro tempore. The gentleman is correct. A separate vote was demanded on the Fascell amendment and, of course, that is the Fascell amendment, as amended and agreed to.

PARLIAMENTARY INQUIRY

Mr. LEVITAS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LEVITAS. Mr. Speaker, in the event that the Fascell amendment, as amended by the Wright amendment, is not agreed to, then does that mean that the language in the bill as reported by the committee would apply?

The SPEAKER pro tempore. The gentleman is correct.

Mr. LEVITAS. I thank the Chair.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the so-called Harkin amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 19, immediately after line 14, insert the following new section 21:

TERMINATION OF DELIVERIES OF DEFENSE ARTICLES TO CHILE

SEC. 21. Section 406(a)(2) of the International Security Assistance and Arms Export Control Act of 1976 is amended by adding at the end thereof the following new sentence: "After the date of enactment of the International Security Assistance Act of 1978, no deliveries of defense articles or services may be made to Chile pursuant to any sale made before the date of enactment of this section, until the Government of Chile has turned over to U.S. custody those Chileans indicted for the murder of Orlando Letelier and Ronni Moffitt.

Redesignate existing section 21 of the bill as section 22 and correct any cross references thereto.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken, and on a division (demanded by Mr. DOWNEY) there were—ayes 114; noes 141.

Mr. DOWNEY. Mr. Speaker on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken by electronic device, and there were yeas—166, nays 243, not voting 23, as follows:

[Roll No. 636]

YEAS—166

Addabbo	Fithian	Mineta
Ambro	Florio	Minish
Ammerman	Foley	Mitchell, Md.
Anderson, Calif.	Ford, Mich.	Moakley
	Fraser	Moffett
Anderson, Ill.	Garcia	Mottl
Applegate	Gaydos	Murphy, Pa.
AuCoin	Gephardt	Myers, Gary
Baldus	Gibbons	Myers, Michael
Baucus	Gilman	Nolan
Beard, R.I.	Glickman	Nowak
Bedell	Gore	Oakar
Bellenson	Green	Oberstar
Benjamin	Hall	Ottinger
Biaggi	Hanley	Panetta
Blanchard	Hannaford	Patterson
Boland	Harkin	Pattison
Bonior	Hawkins	Pease
Bonker	Heckler	Pickle
Brademas	Hefner	Pressler
Brodhead	Hollenbeck	Pursell
Brown, Calif.	Holtzman	Rahall
Burke, Calif.	Howard	Rangel
Burton, John	Hughes	Reuss
Burton, Phillip	Jacobs	Richmond
Caputo	Jeffords	Rinaldo
Carr	Johnson, Colo.	Roe
Cavanaugh	Jones, Okla.	Roncalio
Chisholm	Kastenmeier	Rose
Clausen, Don H.	Keys	Rosenthal
	Kildee	Roybal
Clay	Kostmayer	Ryan
Conte	Krebs	Scheuer
Corman	Krueger	Schroeder
Cornell	Leach	Sharp
Cornwell	Lederer	Solarz
D'Amours	Leggett	St Germain
Delaney	Lehman	Stark
Dellums	Lloyd, Calif.	Steers
Derrick	Long, Md.	Stokes
Dicks	Luken	Studds
Diggs	Lundine	Thompson
Dodd	McHugh	Tucker
Dornan	McKinney	Udall
Downey	Maguire	Van Deerlin
Drinan	Markey	Vanik
Early	Marks	Vento
Eckhardt	Marlenee	Volkmer
Edgar	Mattox	Walgren
Edwards, Calif.	Mazzoli	Waxman
Edwards, Okla.	Meeds	Weaver
Eilberg	Metcalfe	Weiss
Emery	Meyner	Wirth
English	Mikulski	Wolff
Evans, Ind.	Mikva	Yates
Fenwick	Miller, Calif.	Zeferetti

NAYS—243

Abdnor	Frey	Patten
Akaka	Fuqua	Pepper
Alexander	Gammage	Perkins
Andrews, N.C.	Giaimo	Pettis
Andrews, N. Dak.	Ginn	Pike
Annunzio	Goldwater	Poage
Archer	Gonzalez	Preyer
Armstrong	Goodling	Price
Ashbrook	Gradison	Pritchard
Ashley	Grassley	Quayle
Aspin	Gudger	Quillen
Badham	Guyer	Railsback
Bafalis	Hagedorn	Regula
Barnard	Hamilton	Rhodes
Bauman	Hammer-schmidt	Risenhoover
Beard, Tenn.	Hansen	Roberts
Bennett	Harris	Robinson
Bevill	Harsha	Rogers
Bingham	Heftel	Rooney
Blouin	Hightower	Rostenkowski
Boggs	Hillis	Rousselot
Bolling	Holland	Rudd
Bowen	Holt	Runnels
Breaux	Horton	Ruppe
Brinkley	Hubbard	Russo
Brooks	Huckaby	Santini
Broomfield	Hyde	Sarasin
Brown, Mich.	Ichord	Satterfield
Brown, Ohio	Ireland	Sawyer
Broyhill	Jenrette	Sebelius
Buchanan	Johnson, Calif.	Seiberling
Burgener	Jones, N.C.	Shipley
Burke, Fla.	Jones, Tenn.	Shuster
Burleson, Tex.	Jordan	Sikes
Burlison, Mo.	Kazen	Simon
Butler	Kelly	Sisk
Byron	Kemp	Skelton
Carney	Kindness	Skubitz
Carter	LaFalce	Slack
Cederberg	Lagomarsino	Smith, Iowa
Chappell	Latta	Smith, Nebr.
Clawson, Del	Lent	Snyder
Cleveland	Levitas	Spellman
Cohen	Livingston	Spence
Coleman	Lloyd, Tenn.	Staggers
Collins, Tex.	Long, La.	Stangeland
Conable	Lott	Stanton
Corcoran	Lujan	Steed
Cotter	McClory	Steiger
Coughlin	McCloskey	Stockman
Crane	McCormack	Stratton
Cunningham	McDonald	Stump
Daniel, Dan	McEwen	Taylor
Daniel, R. W.	McFall	Thone
Danielson	McKay	Thornton
Davis	Madigan	Traxler
de la Garza	Mahon	Treen
Derwinski	Mann	Trible
Devine	Marriott	Ullman
Dickinson	Martin	Vander Jagt
Dingell	Michel	Waggonner
Duncan, Oreg.	Milford	Walker
Duncan, Tenn.	Miller, Ohio	Walsh
Edwards, Ala.	Mitchell, N.Y.	Wampler
Erlenborn	Mollohan	Watkins
Ertel	Montgomery	White
Evans, Colo.	Moore	Whitehurst
Evans, Del.	Moorhead, Calif.	Whitley
Evans, Ga.	Moorhead, Pa.	Whitten
Fary	Moss	Wiggins
Fascell	Murphy, Ill.	Wilson, Bob
Findley	Murtha	Wilson, C. H.
Fish	Myers, John	Wilson, Tex.
Fisher	Natcher	Winn
Flippo	Neal	Wright
Flood	Nedzi	Wydler
Flynt	Nichols	Wylie
Forsythe	Nix	Yatron
Fountain	O'Brien	Young, Alaska
Fowler	Obey	Young, Fla.
Frenzel	Zablocki	Young, Mo.

NOT VOTING—23

Breckinridge	Harrington	Rodino
Burke, Mass.	Jenkins	Schulze
Cochran	Kasten	Symms
Collins, Ill.	Le Fante	Teague
Conyers	McDade	Tsongas
Dent	Mathis	Whalen
Flowers	Murphy, N.Y.	Young, Tex.
Ford, Tenn.	Quie	

The Clerk announced the following pairs:

On this vote:

Mr. Conyers for, with Mr. Burke of Massachusetts against.

Mr. Le Fante for, with Mr. Dent against.

Mrs. Collins of Illinois for, with Mr. Teague against.

Mr. DON H. CLAUSEN changed his vote from "nay" to "yea."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. SNYDER

Mr. SNYDER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SNYDER. Yes, Mr. Speaker, I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SNYDER moves to recommit the bill H.R. 12514 to the Committee on International Relations.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. HARKIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. BROOMFIELD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 255, nays 156, not voting 21, as follows:

[Roll No. 637]

YEAS—255

Addabbo	Conable	Fuqua	Livingston	Oberstar	Solarz
Akaka	Conte	Garcia	Lloyd, Calif.	Obey	Spellman
Alexander	Corcoran	Gaydos	Long, La.	Ottinger	Spence
Ambro	Corman	Giaimo	Long, Md.	Patten	Stanton
Ammerman	Cornell	Gibbons	Luken	Patterson	Steers
Anderson, Ill.	Cornwell	Gilman	Lundine	Pattison	Steiger
Annunzio	Cotter	Glickman	McClory	Pease	Stockman
Ashley	Coughlin	Goldwater	McCloskey	Pepper	Stratton
Aspin	Cunningham	Gonzalez	McCormack	Perkins	Thompson
AuCoin	D'Amours	Gore	McEwen	Pettis	Thornton
Bafalis	Danielson	Gradison	McFall	Pickle	Traxler
Baldus	Delaney	Green	McHugh	Preyer	Treen
Baucus	Derwinski	Gudger	McKay	Price	Tucker
Beard, Tenn.	Dicks	Hagedorn	McKinney	Pritchard	Udall
Beilenson	Diggs	Hamilton	Madigan	Rahall	Ullman
Benjamin	Dingell	Hanley	Marks	Railsback	Van Deerlin
Biaggi	Dodd	Hannaford	Mazzoli	Rangel	Vander Jagt
Bingham	Dornan	Hawkins	Meeds	Regula	Vanik
Blanchard	Downey	Heckler	Metcalfe	Reuss	Vento
Boggs	Drinan	Heftel	Meyner	Rhodes	Waggonner
Boland	Duncan, Oreg.	Hightower	Michel	Richmond	Walgren
Bolling	Early	Hollenbeck	Mikulski	Rinaldo	Walsh
Bonker	Eckhardt	Holtzman	Mikva	Roe	Waxman
Brademas	Edgar	Horton	Milford	Rogers	Weiss
Breaux	Edwards, Calif.	Howard	Mineta	Rooney	White
Breckinridge	Eilberg	Huckaby	Minish	Rostenkowski	Whitehurst
Brodhead	Erlenborn	Hyde	Mitchell, N.Y.	Rosenthal	Wiggins
Brooks	Ertel	Ichord	Moakley	Ruppe	Wilson, Bob
Broomfield	Evans, Colo.	Ireland	Mollohan	Santini	Wilson, C. H.
Brown, Calif.	Evans, Del.	Jeffords	Moore	Sarasin	Wilson, Tex.
Brown, Mich.	Evans, Ga.	Johnson, Calif.	Moorhead, Pa.	Sawyer	Winn
Buchanan	Fary	Jordan	Moss	Scheuer	Wirth
Burgener	Fascell	Kazen	Murphy, Ill.	Seiberling	Wolff
Burke, Calif.	Fenwick	Kemp	Murphy, N.Y.	Sharp	Wright
Burke, Fla.	Findley	Kildee	Murphy, Pa.	Shipley	Wydler
Burlison, Mo.	Fish	Kostmayer	Murtha	Sikes	Yates
Burton, Phillip	Fisher	Krueger	Myers, Michael	Simon	Yatron
Carney	Flood	LaFalce	Nedzi	Sisk	Young, Fla.
Carr	Foley	Lagomarsino	Nix	Skelton	Young, Mo.
Cavanaugh	Ford, Mich.	Lederer	Nowak	Skubitz	Zablocki
Cederberg	Fowler	Leggett	O'Brien	Smith, Iowa	Zeferetti
Chisholm	Fraser	Lehman			
Cohen	Frenzel	Lent			
Coleman	Frey	Levitas			

NAYS—156

Abdnor	Forsythe	Myers, Gary
Anderson, Calif.	Fountain	Myers, John
Andrews, N.C.	Gammage	Natcher
Andrews, N. Dak.	Gephardt	Neal
Applegate	Ginn	Nichols
Archer	Goodling	Nolan
Armstrong	Grassley	Oakar
Ashbrook	Guyer	Panetta
Badham	Hall	Pike
Barnard	Hammer-schmidt	Poage
Bauman	Hansen	Pressler
Beard, R.I.	Harkin	Pursell
Bedell	Harris	Quayle
Bennett	Harsha	Quillen
Bevill	Hefner	Risenhoover
Blouin	Hillis	Roberts
Bonior	Holland	Robinson
Bowen	Holt	Roncalio
Brinkley	Hubbard	Rose
Brown, Ohio	Hughes	Rousselot
Broyhill	Jacobs	Roybal
Burleson, Tex.	Jenrette	Rudd
Burton, John	Johnson, Colo.	Runnels
Butler	Jones, N.C.	Russo
Byron	Jones, Okla.	Ryan
Carter	Jones, Tenn.	Satterfield
Chappell	Kastenmeier	Schroeder
Clausen, Don H.	Kelly	Schulze
Clawson, Del	Keys	Sebelius
Clay	Kindness	Shuster
Cleveland	Krebs	Slack
Collins, Tex.	Latta	Smith, Nebr.
Crane	Leach	Snyder
Daniel, Dan	Lloyd, Tenn.	St Germain
Daniel, R. W.	Lott	Staggers
Davis	Lujan	Stangeland
de la Garza	McDonald	Stark
Dellums	Maguire	Steed
Derrick	Mahon	Stokes
Devine	Mann	Studds
Dickinson	Markey	Stump
Duncan, Tenn.	Marlenee	Taylor
Edwards, Ala.	Marriott	Thone
Edwards, Okla.	Martin	Trible
Emery	Mattox	Volkmer
English	Miller, Calif.	Walker
Evans, Ind.	Miller, Ohio	Wampler
Fithian	Mitchell, Md.	Watkins
Flippo	Moffett	Weaver
Florio	Montgomery	Whitley
Flynt	Moorhead, Calif.	Whitten
	Motti	Wylie
		Young, Alaska

NOT VOTING—21

Burke, Mass.	Ford, Tenn.	Quie
Caputo	Harrington	Rodino
Cochran	Jenkins	Symms
Collins, Ill.	Kasten	Teague
Conyers	Le Fante	Tsongas
Dent	McDade	Whalen
Flowers	Mathis	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts for, with Mr. Dent against.

Mr. Le Fante for, with Mr. Teague against.

Mr. Tsongas for, with Mr. Jenkins against.

Mrs. Collins of Illinois for, with Mr. Conyers against.

Until further notice:

Mr. Harrington with Mr. Ford of Tennessee.

Mr. Flowers with Mr. Corcoran, of Illinois.

Mr. Mathis with Mr. McDade.

Mr. Kasten with Mr. Symms.

Mr. Whalen with Mr. Quie.

Messrs. COLEMAN, FREY, KAZEN, and KOSTMAYER changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed, H.R. 12514.

The SPEAKER pro tempore (Mr. BOLLING). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, pursuant to the provisions of House Resolution 1286, I call up the Senate bill (S. 3075) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ZABLOCKI moves to strike out all after the enacting clause of the Senate bill, S. 3075, and insert in lieu thereof the provisions of H.R. 12514, as passed, as follows:

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security Assistance Act of 1978".

CONTINGENCY FUND

SEC. 2. Section 451(a) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1978 not to exceed $5,000,000" and inserting in lieu thereof "fiscal year 1979 not to exceed $10,000,000".

INTERNATIONAL NARCOTICS CONTROL

SEC. 3. Section 482 of the Foreign Assistance Act of 1961 is amended by striking out "$39,000,000 for the fiscal year 1978" and inserting in lieu thereof "$40,000,000 for the fiscal year 1979 none of which may be used for the eradication of marihuana through the use of the herbicide paraquat, unless the paraquat is used in conjunction with another substance or agent which will warn potential users of marihuana that paraquat has been used on it.".

HUMAN RIGHTS

SEC. 4. (a) Paragraph (1) of section 502B (a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) The United States shall, in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, promote and encourage increased respect for human rights and fundamental freedoms throughout the world without distinction as to race, sex, language, or religion. Accordingly, a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries.".

(b) Paragraph (2) of such section is amended by striking out "It is further the policy of the United States that, except under circumstances specified in this section" and inserting in lieu thereof "Except under extraordinary circumstances which necessitate a continuation of security assistance".

(c) Paragraph (3) of such section is amended by striking out "the foregoing policy" and inserting in lieu thereof "paragraphs (1) and (2),".

(d) Section 502(b) of such Act is amended by striking out "subsection (a)(3)" and inserting in lieu thereof "subsections (a) (2) and (3)".

ASSISTANCE TO POLICE AND OTHER LAW ENFORCEMENT FORCES

SEC. 5. (a) Section 502B(a)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "No security assistance of any kind may be provided to or for the police, domestic intelligence, or similar law enforcement forces of a country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights, unless the President certifies in writing that extraordinary circumstances exist warranting the furnishing of such assistance.".

(b)(1) Section 36(a) of the Arms Export Control Act is amended—

(A) by redesignating paragraphs (5) through (9) as paragraphs (6) through (10), respectively; and

(B) by inserting the following new paragraph (5) immediately after paragraph (4):

"(5) a listing of each license issued during the preceding calendar quarter for the export of defense articles or services sold for more than $100,000, either sold under this Act or sold commercially and licensed under section 38 of this Act, to or for any forces of a country which perform police, domestic intelligence, or similar law enforcement functions, setting forth with respect to each such license—

"(A) the defense articles or services to be exported under the license and the quantity of each such article or service to be exported; and

"(B) the name and address of the consignee and ultimate user of each such defense article or service;".

(2) Section 36(b)(1) of such Act is amended in the first sentence by striking out "(8)" and inserting in lieu thereof "(9)".

(c)(1) Section 38(a) of the Arms Export Control Act is amended by inserting the following new paragraph (3) immediately after paragraph (2):

"(3) In addition to other items so designated, the President shall designate as defense articles for purposes of this section (A) those items which, on the date of enactment of the International Security Assistance Act of 1978, were classified as crime control and detection instruments and equipment under regulations issued pursuant to the Export Administration Act of 1969, and (B) any comparable items.".

(2) Paragraph (7) of section 47 of such Act is amended by striking out "(1)".

HUMAN RIGHTS AND MILITARY TRAINING

SEC. 6. Section 502B(a)(2) of the Foreign Assistance Act of 1961, as amended by section 4 of this Act, is further amended by adding at the end thereof the following new sentence: "No assistance under chapter 5 of part II of this Act may be provided to a country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights, unless the President certifies in writing that extraordinary circumstances exist warranting the furnishing of such assistance.".

MILITARY ASSISTANCE

SEC. 7. (a) Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There is authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $163,500,000 for the fiscal year 1979. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1979:

"Portugal	$27,900,000
"Spain	41,000,000
"Jordan	45,000,000
"Philippines	13,100,000
"Greece	35,000,000

The amount specified in this paragraph for military assistance to any such country for the fiscal year 1979 may be increased by not more than 10 per centum of such amount if the President deems such increase necessary for the purposes of this chapter.".

(b) Section 516(a) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end thereof ", and until September 30, 1981, to the extent necessary to carry out obligations incurred under this chapter during the fiscal year 1978 with respect to Indonesia and Thailand".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 8. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$270,000,000 for the fiscal year 1978" and inserting in lieu thereof "$90,000,000 for the fiscal year 1979".

INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

SEC. 9. (a) Section 515 of the Foreign Assistance Act of 1961 is amended in the first sentence of subsection (b)(1)—

(1) by striking out "fiscal year 1978" and inserting in lieu thereof "fiscal year 1979"; and

(2) by striking out "Brazil" and inserting in lieu thereof "Turkey, Indonesia, Thailand".

(b) Such section is amended in subsection (d) by striking out "865 for the fiscal year 1978" and inserting in lieu thereof "800 for the fiscal year 1979".

(c) Such section is amended in subsection (f) by striking out "1976" in the third sentence and inserting in lieu thereof "1977, except that the President may assign an aggregate total of not to exceed eight additional defense attachés to such countries in order to perform security assistance management functions under this subsection".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 10. (a) Section 542 of the Foreign Assistance Act of 1961 is amended by striking out "$31,000,000 for the fiscal year 1978" and inserting in lieu thereof "$32,100,000 for the fiscal year 1979".

(b) Chapter 5 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 544. COURSES IN HUMAN RIGHTS.—Effective October 1, 1979, the curriculum of all programs funded under this chapter shall include, as a prerequisite for completion of all other courses, a course encompassing the internationally recognized principles of human rights."

ASSISTANCE FOR PEACEKEEPING OPERATIONS

SEC. 11. (a) Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"CHAPTER 6—PEACEKEEPING OPERATIONS

"SEC. 551. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries and international organizations, on such terms and conditions as he may determine, for peacekeeping operations and other programs carried out in furtherance of the national security interests of the United States.

"SEC. 552. AUTHORIZATION OF APPROPRIATIONS.—(a) There is authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, for the fiscal year 1979, $29,400,000.

"(b) Amounts appropriated under this section are authorized to remain available until expended.

"SEC. 553. EMERGENCY PEACEKEEPING ASSISTANCE.—If the President determines that, as the result of unforeseen circumstances, assistance under this chapter in amounts in excess of the funds otherwise available for such assistance is important to the national security interests of the United States, then the President may exercise the authority of section 610(a) of this Act to transfer funds available to carry out chapter 11 of part I for use under this chapter without regard to the 20 percent increase limitation contained in that section.

"SEC. 554. ADMINISTRATIVE AUTHORITIES.—Except where expressly provided to the contrary, any reference in any law to part I of this Act shall be deemed to include reference to this chapter and any reference in any law to part II of this Act shall be deemed to exclude reference to this chapter.".

(b) Section 502B(d)(2)(A) of such Act is amended by inserting "or chapter 6 (peacekeeping operations)" immediately after "and training)".

(c)(1) Section 620B of such Act is amended in paragraph (1) by inserting "or 6" immediately after "5".

(2) Section 653(b) of such Act is amended—

(A) by striking out "part V" both places it appears and inserting in lieu thereof "chapter 6 of part II"; and

(B) by inserting immediately before the comma in paragraph (2) "or assistance under chapter 6 of part II."

(3) Section 669(a) and 670(a) of such Act are each amended by inserting "providing assistance under chapter 6 of part II," immediately after "training,".

(4) Section 406(a)(1) of the International Security Assistance and Arms Export Control Act of 1976 is amended by inserting ", no assistance under chapter 6 of part II," immediately after "assistance" in the first sentence.

FOREIGN AND NATIONAL SECURITY POLICY OBJECTIVES AND RESTRAINTS

SEC. 12. Section 1 of the Arms Export Control Act is amended by adding at the end thereof the following new paragraph:

"It is the sense of the Congress that, in implementing United States policy on conventional arms transfers worldwide, a balanced approach should be taken and full regard given to the security interests of the United States in all regions of the world and that particular attention should be paid to controlling the flow of conventional arms to the nations of the developing world. To this end, the President is encouraged to continue discussions with other arms suppliers in order to restrain the flow of conventional arms, ammunitions, and implements of war to the less developed countries of the world.".

RENEGOTIATION ACT OF 1951

SEC. 13. Section 22 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

"(c) The provisions of the Renegotiation Act of 1951 do not apply to contracts for the procurement of defense articles and defense services heretofore or hereafter entered into under this section or predecessor provisions of law.".

REPORTS ON SECURITY ASSISTANCE SURVEYS

SEC. 14. Chapter 2 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

"SEC. 26. REPORTS ON SECURITY ASSISTANCE SURVEYS.—(a) The President shall report to the Congress on a quarterly basis on security assistance surveys carried out by United States Government personnel. Such reports shall specify, for each such survey authorized during the preceding calendar quarter, the country with respect to which the survey wil be conducted, the purpose of the survey, and the number of United States Government personnel who will participate in the survey.

"(b) Upon a request of the chairman of the Committee on International Relations of the House of Representatives or the chairman of the Committee on Foreign Relations of the Senate, the President shall grant that committee access to the results of security assistance surveys conducted by United States Government personnel.".

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

SEC. 15. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$677,000,000 for the fiscal year 1978" and inserting in lieu thereof "$682,000,000 for the fiscal year 1978 and $674,300,000 for the fiscal year 1979".

(b) Section 31(b) of such Act is amended by striking out "$2,102,350,000 for the fiscal year 1978, of which" and inserting in lieu thereof "$2,152,350,000 for the fiscal year 1978 and $2,085,500,000 for the fiscal year 1979, of which amount for each such year".

(c) Section 31(c) of such Act is amended by striking out "the fiscal year 1978" and inserting in lieu thereof "the fiscal year 1979".

(d) Section 31(d) of such Act is amended by striking out $100,000,000" and inserting in lieu thereof "$150,000,000".

TURKEY ARMS EMBARGO

SEC. 16. (a) Section 620(x) of the Foreign Assistance Act of 1961 shall be of no further force and effect upon the President's determination and certification to the Congress that the resumption of full military cooperation with Turkey is in the national interest of the United States and in the interest of the North Atlantic Treaty Organization and that the Government of Turkey is acting in good faith to achieve a just and peaceful settlement of the Cyprus problem, the early peaceable return of refugees to their homes and properties, and continued removal of Turkish military troops from Cyprus, and the early serious resumption of inter-communal talks aimed at a just, negotiated settlement.

(b) The Foreign Assistance Act of 1961 is amended by inserting immediately after section 620B the following new section:

"SEC. 602C. UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN.—(a) The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy. The Congress further declares that any action of the United States with respect to section 620(x) of this Act shall not signify a lessening of the United States commitment to a just solution to the conflict on Cyprus but is authorized in the expectation that this action will be conducive to achievement of a Cyprus solution and a general improvement in relations among Greece, Turkey and Cyprus and between those countries and the United States. The Congress finds that—

"(1) a just settlement on Cyprus must involve the establishment of a free and independent government on Cyprus and must guarantee that the human rights of all of the people of Cyprus are fully protected;

"(2) a just settlement on Cyprus must include the withdrawal of Turkish military forces from Cyprus;

"(3) the guidelines for inter-communal talks agreed to in Nicosia in February 1977 and the United Nations resolutions regarding Cyprus provide a sound basis for negotiation of a just settlement on Cyprus; and

"(4) the recent proposals by both Cypriot communities regarding the return of refugees to the city of New Famagusta (Varosha) constitute a positive step and the United States should actively support the efforts of the Secretary General of the United Nations with respect to this issue.

"(b) The Congress declares that United States policies in the Eastern Mediterranean region shall be consistent with the following principles:

"(1) The United States will accord full support and high priority to efforts, particularly these of the United Nations, to bring about a prompt, peaceful settlement on Cyprus.

"(2) All defense articles furnished by the United States to countries in the Eastern Mediterranean region will be used only in accordance with the requirements of this Act, the Arms Export Control Act, and the agreements under which those defense articles were furnished.

"(3) The United States will furnish security assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes, including when necessary to enable the recipient country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization, and when furnishing that assistance is not inconsistent with the objective of a peaceful settlement among all concerned parties to the Cyprus problem.

"(4) The United States shall use its influence to insure the continuation of the ceasefire on Cyprus until an equitable negotiated settlement is reached, shall encourage all parties to avoid provocative actions, and shall oppose strongly any attempt to resolve disputes by force or the threat of force.

"(5) The United States shall use its influence to achieve the withdrawal of Turkish military forces from Cyprus in the context of a solution to the Cyprus problem.

"(c) Because progress toward a Cyprus settlement is a high priority of United States policy in the Eastern Mediterranean, the President and the Congress shall continually review that progress and shall determine United States policy in the region accordingly. To facilitate such a review the President shall, within 60 days after the date of enactment of this section and at the end of each succeeding 60-day period, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, a report on progress made toward the conclusion of a negotiated solution of the Cyprus problem. Such transmissions shall include any relevant reports prepared by the Secretary General of the United Nations for the Security Council.

"(d) In order to ensure that United States assistance is furnished consistent with the policies established in this section, the President shall, whenever requesting any funds for security assistance under this Act or the Arms Export Control Act for Greece

and Turkey, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate his certification, with a full explanation thereof, that the furnishing of such assistance will be consistent with the principles set forth in paragraph (3) of subsection (b) of this section. The President shall also submit such a certification with any notification to the Congress, pursuant to section 36(b) of the Arms Export Control Act, of a proposed sale of defense articles of services to Greece or Turkey.".

ADDITIONAL AUTHORIZATION FOR THE ECONOMIC SUPPORT FUND

SEC. 17. In addition to the amounts otherwise authorized to be appropriated for the fiscal year 1979 to carry out chapter 11 of part I of the Foreign Assistance Act of 1961, as added by title III of the International Development and Food Assistance Act of 1978, there is authorized to be appropriated to the President for the fiscal year 1979 to carry out that chapter with respect to Turkey $50,000,000.

SPECIAL SECURITY ASSISTANCE PROGRAM FOR THE MODERNIZATION OF THE ARMED FORCES OF THE REPUBLIC OF KOREA

SEC. 18. (a)(1) The President is authorized, until December 31, 1982—

(A) to transfer, without reimbursement, to the Republic of Korea, in conjunction with the withdrawal of the 2d Infantry Division and support forces from Korea, such United States Government-owned defense articles as he may determine which are located in Korea in the custody of units of the United States Army scheduled to depart from Korea; and

(B) to furnish to the Republic of Korea, without reimbursement, defense services (including technical and operational training) in Korea directly related to the United States Government-owned defense articles transferred to the Republic of Korea under this subsection.

(2) Any transfer under the authority of this section shall be made in accordance with all the terms and conditions of the Foreign Assistance Act of 1961 applicable to the furnishing of defense articles and defense services under chapter 2 of part II of that Act, except that no funds heretofore or hereafter appropriated under that Act shall be available to reimburse any agency of the United States Government for any such transfer or related services.

(b) In order that transfers of defense articles under subsection (a) will not cause significant adverse impact on the readiness of the Armed Forces of the United States, the President is authorized, in lieu of such transfers, to transfer additional defense articles from the stocks of the Department of Defense, wherever located, to the Republic of Korea to compensate for the military capability of defenese articles withdrawn from Korea in any case where he determines that—

(1) the transfer of specific defense articles located in Korea would have a significant adverse impact on the readiness of the United States Armed Forces;

(2) the defense capability provided by those defense articles is needed by the Armed Forces of the Republic of Korea in order to maintain the military balance on the Korean peninsula; and

(3) a comparable defense capability could be provided by less advanced defense articles in the stocks of the Department of Defense which could be transferred without significant adverse impact on the readiness of the United States Armed Forces.

The President shall report to the Congress each determination made under this subsection prior to the transfer of the defense articles described in such determination.

(c) The total value (as defined in section 644(m) of the Foreign Assistance Act of 1961) of defense articles transferred to the Republic of Korea under this section may not exceed $800,000,000.

(d) The President shall transmit to the Congress, together with the presentation materials for security assistance programs proposed for each fiscal year through and including the fiscal year 1983, a report describing the types, quantities, and value of defense articles furnished or intended to be furnished to the Republic of Korea under this section. Each such report shall also include assessments of the military balance on the Korean peninsula, the impact of withdrawal on the military balance, the adequacy of United States military assistance, the impact of withdrawal on the United Nations and the Republic of Korea command structure, Republic of Korea defensive fortifications and defense industry developments, the United States reinforcement capability, and the progress of diplomatic efforts to reduce tensions in the area.

(e) It is the sense of the Congress that further withdrawal of ground forces of the United States from the Republic of Korea may seriously risk upsetting the military balance in that region and requires full advance consultation with the Congress. Prior to any further withdrawal the President shall report to the Congress or the effect of any proposed withdrawal plan on preserving deterrence in Korea; the reaction anticipated from North Korea; a consideration of the effect of the plan on increasing incentives for the Republic of Korea to develop an independent nuclear deterrent; the effect of any withdrawal on our long-term military and economic partnership with Japan; the effect of any proposed withdrawal on the United States-Chinese and United States-Soviet military balance; and the possible implications of any proposed withdrawal on the Soviet-Chinese military situation.

REPORTS TO CONGRESS

SEC. 19. (a) Section 8(d) of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971, is amended in the second sentence by striking out "Additionally, the President shall also submit a quarterly report to the Congress" and inserting in lieu thereof "The annual presentation materials for security assistance programs shall include a table".

(b) Section 408(b) of the International Security Assistance and Arms Export Control Act of 1976 is amended by striking out "(1)" and by repealing paragraph (2).

(c)(1) The International Security Assistance and Arms Export Control Act of 1976 is amended—

(A) in section 202, by striking out "(a)" immediately after "SEC. 202." and by repealing subsection (b);

(B) by repealing section 217;

(C) by repealing section 218; and

(D) in section 407, by striking out "(a)" and by repealing subsection (b).

(2) The International Security Assistance Act of 1977 is amended—

(A) in section 9—

(i) by striking out "REVIEW OF" in the section heading;

(ii) by striking out "(a)" immediately after "SEC. 9."; and

(iii) by repealing subsection (b) through (e); and

(B) by repealing section 23.

(3) Section 5 of the Emergency Security Assistance Act of 1973 is repealed.

(4) Section 17 of the Foreign Assistance Act of 1974 is repealed.

SAVINGS PROVISION

SEC. 20. Enactment of this Act shall not affect the authorizations of appropriations and limitations of authority applicable to the fiscal year 1978 which are contained in provisions of law amended by this Act (other than sections 31 (a), (b), and (d) of the Arms Export Control Act).

SEC. 21. It is the sense of the Congress that the United States should be responsive to the defense requirements of Israel, and sell Israel additional advanced aircraft in order to maintain Israel's defense capability, which is essential to peace.

UNITED STATES RELATIONS WITH THE SOVIET UNION

SEC. 22. (a) The Congress finds and declares that a sound and stable relationship with the Soviet Union will help achieve the objectives of the Foreign Assistance Act of 1961 and the Arms Export Control Act, strengthen the security of the United States, and improve the prospects for world peace.

(b) Therefore, it is the sense of the Congress that the President, in cooperation with the Congress and knowledgeable members of the public, shall make a full review of United States policy towards the Soviet Union. This review should cover, but not be limited to—

(1) an overall reevaluation of the objectives and priorities of the United States in its relations with the Soviet Union;

(2) the evolution of and sources of all bargaining power of the United States with respect to the Soviet Union and how that bargaining power might be enhanced;

(3) what linkages do exist and what linkages should or should not exist between various elements of United States-Soviet relations such as arms control negotiations, human rights issues, and economic and cultural exchanges;

(4) the policies of the United States toward human rights conditions in the Soviet Union and how improved Soviet respect for human rights might be more effectively achieved;

(5) the current status of strategic arms limitations talks and whether such talks should be continued in their present framework or terminated and renewed in some other forum;

(6) the current status of other arms control negotiations between the United States and the Soviet Union;

(7) the challenges posed by Soviet and Cuban involvement in developing countries and a study of appropriate policy responses and instruments to meet those challenges more effectively;

(8) the impact of our relations with the People's Republic of China on our relations with the Soviet Union;

(9) the impact of strategic parity on relations between the United States and the Soviet Union and on the ability of the United States to meet its obligations under the North Atlantic Treaty;

(10) United States economic, technological, scientific, and cultural relations with the Soviet Union and whether those relations are desirable and should be continued, expanded, restricted, or linked to other aspects of relations between the United States and the Soviet Union;

(11) the evolution of Soviet domestic politics and the relationship between Soviet domestic politics and its foreign policy behavior, especially towards the United States; and

(12) what improvements should be made in the institutions and procedures of United States foreign policy in order to ensure a coherent and effective policy towards the Soviet Union.

(c) The President shall report the results of the review called for by subsection (b) to the Congress not later than 90 days after the date of enactment of this Act.

REPORT ON REVIEW OF ARMS SALES CONTROLS ON NON-LETHAL ITEMS

SEC. 23. The President shall, within 120 days of enactment of this Act, report in writ-

ing to the appropriate committees of Congress the results of the review conducted pursuant to Section 27 of the International Security Assistance Act of 1977.

USE OF FOREIGN CURRENCY

SEC. 25. (a) Section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)) is amended to read as follows:

"(b)(1)(A) Notwithstanding any other provision of law but subject to section 1415 of the Supplemental Appropriation Act 1953—

"(i) local currencies owned by the United States which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961 and of the requirements of the United States Government in payment of its obligations outside of the United States, as such requirements may be determined from time to time by the President; and

"(ii) any other local currencies owned by the United States in amounts not to exceed the equivalent of $75 per day per person or the maximum per diem allowance established under the authority of subchapter I of chapter 57 of title 5 of the United States Code for employees of the United States Government while traveling in a foreign country, whichever is greater, exclusive of the actual cost of transportation:

shall be made available to Members and employees of the Congress for their local currency expenses when authorized by the Speaker of the House of Representatives, the President of the Senate, the President pro tempore of the Senate, the Majority Leader of the Senate, or the Minority Leader of the Senate, and shall be made available to Members and employees of a standing or select committee of the House of Representatives or the Senate or of a joint committee of the Congress for their local currency expenses when authorized by the chairman of that committee.

"(B) Whenever local currencies owned by the United States are not otherwise available for purposes of this subsection, the Secretary of the Treasury shall purchase local currencies for such purposes to the extent provided in annual appropriations acts.

"(2) On a quarterly basis, the chairman of each committee of the House of Representatives and the Senate and of each joint committee of the Congress shall prepare a consolidated report itemizing the amounts and dollar equivalent values of each foreign currency expended and the amounts of dollar expenditures from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditures, including per diem (lodging and meals), transportation, and other purposes, and showing the total itemized expenditures, during the quarter of such committee, and of each Member or employee of such committee, and shall forward such consolidated report to the Clerk of the House of Representatives (if the committee is a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Secretary of the Senate (if the committee is a committee of the Senate or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such consolidated report shall be open to public inspection and shall be published in the Congressional Record within ten legislative days after the quarterly report is forwarded pursuant to this paragraph. In the case of the Select Committee on Intelligence of the House of Representatives, such consolidated report may, in the discretion of the chairman of the committee, omit such information as would identify the foreign countries in which Members and employees of that committee traveled.

"(3)(A) Each Member or employee who receives an authorization under paragraph (1) from the Speaker of the House of Representatives, the President of the Senate, the President pro tempore of the Senate, the Majority Leader of the Senate, or the Minority Leader of the Senate, shall within thirty days after the completion of the travel involved, submit a report setting forth the information specified in paragraph (2), to the extent applicable, to the Clerk of the House of Representatives (in the case of a Member of the House or an employee whose salary is disbursed by the Clerk of the House) or the Secretary of the Senate (in the case of a Member of the Senate or an employee who salary is disbursed by the Secretary of the Senate). In the case of an authorization for a group of Members or employees, such report shall be submitted for all Members of the group by its chairman, or if there is no designated chairman, by the ranking Member or, if the group does not include a Member, by the senior employee in the group. Each report submitted pursuant to this subparagraph shall be open to public inspection.

"(B) On a quarterly basis, the Clerk of the House of Representatives and the Secretary of the Senate shall prepared a consolidation of the reports received by them under this paragraph with respect to expenditures during the preceding quarter by each Member and employee or by each group in the case of expenditures made on behalf of a group which are not allocable to individual members of the group. Each such consolidation shall be open to public inspection and shall be published in the Congressional Record with 10 legislative days of the completion of the consolidated report."

(b) Notwithstanding section 20 of this Act, the amendment made by subsection (a) of this section shall take effect on the date of enactment of this Act.

RHODESIA EMBARGO

SEC. 25. Section 533(d) of the Foreign Assistance Act of 1961 is amended by inserting "(1)" immediately after "(d)" and by adding at the end thereof the following new paragraph:

"(2) In furtherance of the purposes of this section and the foreign policy interests of the United States, the Government of the United States shall not enforce sanctions against Southern Rhodesia, after December 31, 1978 unless the President shall determine that a government has not been installed, chosen by free elections in which all political groups have been allowed to participate freely."

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1979, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 12514) was laid on the table.

AUTHORIZING CLERK TO CORRECT PUNCTUATION, SPELLING, SECTION NUMBERS, AND CROSS-REFERENCES IN ENGROSSMENT OF HOUSE AMENDMENT TO S. 3075

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendment to the text of the Senate bill S. 3075, the Clerk be authorized to correct punctuation, spelling, section numbers and cross-references.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 3075, FOREIGN ASSISTANCE AUTHORIZATIONS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill S. 3075, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I hope that the gentleman from Wisconsin, in his usual fashion in defending the position of the House, will participate in the conference and strongly stand by the position the House has taken, particularly with respect to the Rhodesian sanctions.

Mr. ZABLOCKI. Mr. Speaker, if the gentleman will yield, as the gentleman full well knows, I am a man of my word, and will stand by the position of the House.

Mr. BAUMAN. Mr. Speaker, that is certainly true, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and without objection, appoints the following conferees: Messrs. ZABLOCKI, FASCELL, ROSENTHAL, WOLFF, HAMILTON, BINGHAM, SOLARZ, PEASE, STUDDS, BROOMFIELD, DERWINSKI, FINDLEY, and WINN.

There was no objection.

MAKING IN ORDER CONSIDERATION OF HOUSE JOINT RESOLUTION 1088, FINANCIAL ASSISTANCE TO CITY OF NEW YORK, ON MONDAY NEXT OR ANY DAY THEREAFTER

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order on Monday next or any day thereafter to consider in the House as in the Committee of the Whole the joint resolution (H.J. Res. 1088) providing for financial assistance to the city of New York.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO INCLUDE EXTRANEOUS MATERIAL DURING 5-MINUTE RULE ON H.R. 12931

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that during consideration of the bill H.R. 12931 that I be permitted to include certain extraneous material along with the debate on several of the amendments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

CONFERENCE REPORT ON H.R. 12240, INTELLIGENCE APPROPRIATIONS, 1979

Mr. BOLAND submitted the following conference report and statement on the

bill (H.R. 12240) to authorize appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 95-1420)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12240) to authorize appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Intelligence and Intelligence-Related Activities Authorization Act for Fiscal Year 1979."

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. (a) Funds are hereby authorized to be appropriated for fiscal year 1979 for the conduct of the intelligence and intelligence-related activities of the following departments, agencies, and other elements of the United States Government:

(1) The Central Intelligence Agency and the Director of Central Intelligence.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.
(9) The Federal Bureau of Investigation.
(10) The Drug Enforcement Administration.

(b) The classified annex to the joint explanatory statement prepared by the Committee of Conference to accompany the Conference Report on H.R. 12240 of the 95th Congress shall be deemed to reflect the final action of the Congress with respect to the authorization of appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the United States Government, including specific amounts for activities specified in subsection (a). Copies of such annex shall be made available to the Committees on Appropriations of the House of Representatives and the Senate and to the appropriate elements of the United States Government for which funds are authorized by this Act under subsection (a).

(c) Nothing contained in this Act shall be deemed to constitute authority for the conduct of any intelligence activity which is prohibited by the Constitution or laws of the United States.

TITLE II—INTELLIGENCE COMMUNITY STAFF

SEC. 201. (a) There is authorized to be appropriated for the Intelligence Community Staff for fiscal year 1979 the sum of $12,700,000 to provide the support necessary to permit the Director of Central Intelligence to fulfill his responsibility for directing the substantive functions and managing the resources for intelligence activities.

(b) For fiscal year 1979 the Intelligence Community Staff is authorized an end strength ceiling of two hundred and sixty-nine full-time empoyees. Such personnel may be permanent employees or employees on detail from other elements of the United States Government so long as they are properly counted within the ceiling and there is a mix of positions to allow appropriate representation from elements of the United States Government engaged in intelligence and intelligence related activities. Any employee who is detailed to the Intelligence Community Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that an employee may be detailed on a non-reimbursable basis for a period of less than one year for performance of temporary functions as required by the Director of Central Intelligence.

(c) Except as provided in subsection (b) and until otherwise provided by law, the activities of the Intelligence Community Staff shall be governed by the Director of Central Intelligence in accordance with the provisions of the National Security Act of 1947 (50 U.S.C. 401 et seq.) and the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a-403j).

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 301. There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability System for the fiscal year 1979 the sum of $43,500,000.

TITLE IV—ADMISSION OF CERTAIN EXCLUDABLE ALIENS

SEC. 401. By October 30, 1979, the Attorney General shall report to the Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives and the Select Committee on Intelligence and the Committee on the Judiciary of the Senate regarding those cases during the period beginning on October 1, 1978 and ending on September 30, 1979 in which (1) the Director of the Federal Bureau of Investigation has notified the Attorney General that the Director knows or has reason to believe that an alien applying for admission into the United States is an excludable alien under the terms of Section 212(a) (27), (28), or (29) of the Immigration and Nationality Act (8 U.S.C. 1182(a)), and (2) such alien is subsequently admitted into the United States.

And the Senate agree to the same.

EDWARD P. BOLAND,
BILL D. BURLISON,
NORMAN Y. MINETA,
J. K. ROBINSON,
For consideration of differences with the Senate on intelligence-related activities:
MELVIN PRICE,
RICHARD H. ICHORD,
BOB WILSON,
Managers on the Part of the House.

BIRCH BAYH,
WILLIAM D. HATHAWAY,
GARY W. HART,
DANIEL K. INOUYE,
BARRY GOLDWATER,
CHARLES MCC. MATHIAS, JR.,
MALCOLM WALLOP,
HARRY F. BYRD, JR.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12240) to authorize appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—INTELLIGENCE ACTIVITIES

Details of the conferees' recommendations with respect to the amounts to be authorized for appropriations for intelligence and intelligence-related activities covered under this title for fiscal year 1979 are contained in a classified annex to this statement.

In view of the differences in committee jurisdiction between the two houses over intelligence-related activities, the differences in IRA programs between the House and Senate were discussed in a special conference group. On the Senate side the group was composed of Senators Hart and Goldwater, who are members of both the Select Committee on Intelligence and the Committee on Armed Services, and Senator Byrd of Virginia, who is Chairman of the Intelligence Subcommittee of the Committee on Armed Services. On the House side, the IRA conference group was composed of Congressmen Boland, Burlison, Robinson and Mineta of the House Permanent Select Committee on Intelligence and Congressmen Price and Ichord of the House Armed Services Committee and Congressman Bob Wilson who is a member of both committees.

The amounts listed for intelligence-related activities represent the funding levels agreed to by the IRA conferees for those programs subject to annual authorization and contained in the Department of Defense Authorization bill. In addition, certain amounts have been agreed to which fall into the appropriation categories of Operations and Maintenance and Other Procurement. The House and Senate IRA conferees agree on the level of funding for IRA programs, as listed in this statement of managers. The Senate Armed Services conferees, however, note that Operations and Maintenance and Other Procurement items are not normally authorized on an annual basis in the Senate, but rather are included in the military appropriations bills. The Senate conferees intend to give further consideration during the coming year to the question of the scope of intelligence authorization in order that these asymmetries between the House and Senate be reduced.

TITLE II—INTELLIGENCE COMMUNITY STAFF

CONFERENCE ACTIONS—FISCAL YEAR 1979

[In millions]

Project	Fiscal year 1979 amended request	House action	Senate action	Conference
Personnel	$9.0	−$1.4	+$0.5	$8.2
External contracts	4.5	−1.2	−1.5	3.0
Not subject to conference	1.5			1.5
Total	15.0	−2.6	−1.0	12.7

For fiscal year 1979, a request of $9.2 million and 170 manpower spaces was submitted for authorization. This submission was subsequently amended by an OMB letter on April 28, 1978, to reflect a funding request of $15.0 million and 282 manpower spaces.

The House authorized an amount of $12.4 million and 241 positions in fiscal year 1979 for the Intelligence Community Staff. The Senate authorized $14.0 million and 298 positions in fiscal year 1979. Conferees agreed to a compromise which provides an authorized sum of $12.7 million and an end strength of 269 full-time employees. Such personnel may be permanent employees or employees on detail from other elements of the U.S. Government so long as they are properly counted within the ceiling and there is a mix of positions to allow appropriate representation from elements of the U.S. Government engaged in intelligence and intelligence-related activities. Any employee who is detailed to the Intelligence Community Staff from another element of the U.S. Government shall be detailed on a reimbursable basis, except that an employee may be detailed on a nonreimbursable basis for a period of less than 1 year for performance of temporary functions as required by the Director of Central Intelligence.

The funds and personnel authorized will provide the support necessary to permit the Director of Central Intelligence, under the new reorganization, to fulfill his responsibilities for directing the substantive functions and managing the resources for intelligence activities.

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

There was no conference action required for title III as both House and Senate authorized the budget request for $43,500,000.

TITLE IV—ADMISSION OF CERTAIN EXCLUDABLE ALIENS

The House bill contained a requirement that, during fiscal year 1979, the Attorney General shall notify the Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives, and the Select Committee on Intelligence and the Committee on the Judiciary of the Senate of each admission of an alien which the Attorney General has reason to believe is excludable under certain provisions of the Immigration and Nationality Act (title 8, United States Code).

The Senate bill contained no provision with respect to the admission of certain excludable aliens.

The conference substitute is essentially the same as the House bill, except that the Attorney General is required to submit a one-time report by October 30, 1979, describing those cases during fiscal year 1979 in which the Director of the Federal Bureau of Investigation has notified the Attorney General that the Director has reason to believe an alien is excludable under certain provisions of the Immigration and Nationality Act and that alien is subsequently admitted into the United States.

It is the intent of the conferees that the report need not specify individual names and that the term "report . . . describing those cases" means a report generally describing the circumstances. The conferees agree that the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence would have the authority, under their respective authorizing resolutions, to obtain such individual names. However, the conferees recognize that such identification may in some cases disclose sensitive information about intelligence sources and methods, and that such identification is unnecessary in the report of the Attorney General required by this legislation. Further, the conferees intend that the FBI should notify the Attorney General only in cases where an alien would be a legitimate target of FBI foreign counterintelligence or foreign counterterrorism intelligence concern.

The statutory requirement for a report of the Attorney General is not intended to substitute for, or supersede, the authority of the Intelligence Committees to request and receive information under their respective authorizing resolutions. The purpose of requiring such a report by statute is to express the shared concern of the conferees that the U.S. Government may regularly be admitting excludable aliens contrary to the best advice available in the government concerning counterintelligence. The conferees are concerned that the counterintelligence priorities of the nation may be askew, and the FBI's foreign counterintelligence and foreign counterterrorism intelligence burdens may thus be unnecessarily heavy.

The conferees note that the National Security Council is taking positive action to assure that the intelligence agencies of the United States Government and the Departments of State and Justice work together to protect the United States from hostile foreign intelligence and foreign terrorist activities. The conferees attach great importance to foreign counterintelligence and this provision is a reflection of that concern. There is no intent of minimizing the very difficult policy questions that counterintelligence problems pose. It is all the more necessary, therefore, to have a closely coordinated effort on the part of all the government agencies involved. The conferees hope that this legislation may stress the need to bring about a balanced perspective in the interagency decision-making process regarding the FBI's recommendations for visa denials.

EDWARD P. BOLAND,
BILL D. BURLISON,
NORMAN Y. MINETA,
J. K. ROBINSON,
For consideration of differences with the Senate on intelligence-related activities:
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CHARLES McC. MATHIAS, Jr.,
MALCOLM WALLOP,
HARRY F. BYRD, Jr.
Managers on the Part of the Senate.

Mr. BOLAND. Mr. Speaker, at the same time I submit the above conference report, I wish to call to the attention of the Members of the House that the classified annex which accompanies the conference report will be made available to all Members in the committee room of the House permanent Select Committee on Intelligence until the conference report is considered by the House.

BUREAU OF LAND MANAGEMENT AUTHORIZATION

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10787) to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That pursuant to section 318(b) of the Federal Land Policy and Management Act of 1976 (31 U.S.C. 1301 note), there are hereby authorized to be appropriated the following sums for activities and programs administered through the Bureau of Land Management:

(a) for management of lands and resources, excluding emergency firefighting and rehabilitation: $312,100,000 for fiscal year 1979, $329,300,000 for fiscal year 1980, $361,300,000 for fiscal year 1981, and $393,300,000 for fiscal year 1982;

(b) for land acquisition, construction, and maintenance: $22,600,000 for fiscal year 1979, $22,000,000 for fiscal year 1980, $25,000,000 for fiscal year 1981, and $27,000,000 for fiscal year 1982;

(c) for implementation of the Act of October 20, 1976 (31 U.S.C. 1601): $105,000,000 and such additional sums as are necessary for payments for fiscal year 1979, $108,000,000 and such additional sums as are necessary for payments for fiscal year 1980, $111,000,000 and such additional sums as are necessary for payments for fiscal year 1981, and $114,000,000 and such additional sums as are necessary for payments for fiscal year 1982;

(d) for implementation of section 317(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1747): $40,000,000 for loans for fiscal year 1979, $50,000,000 for loans for fiscal year 1980, $57,000,000 for loans for fiscal year 1981, and $65,000,000 for loans for fiscal year 1982; and

(e) such additional or supplemental amounts as may be necessary for increases in salary, pay, retirements and other employee benefits authorized by law, and for other nondiscretionary costs.

(f) Paragraph (c) of section 317 of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743, 2771; 43 U.S.C. 1701, 1747) is amended to read as follows:

"(c)(1) The Secretary is authorized to make loans to States and their political subdivisions in order to relieve social or economic impacts occasioned by the development of minerals leased in such States pursuant to the Act of February 25, 1920, as amended. Such loans shall be confined to the uses specified for the 50 per centum of mineral leasing revenues to be received by such States and subdivisions pursuant to section 35 of such Act.

"(2) The total amount of loans outstanding pursuant to this subsection for any State and political subdivisions thereof in any year shall be not more than the anticipated minimal leasing revenues to be received by that State pursuant to section 35 of the Act of February 25, 1920, as amended, for the ten years following.

"(3) The Secretary, after consultation with the Governors of the affected States, shall allocate such loans among the States and their political subdivisions in a fair and equitable manner, giving priority to those States and subdivisions suffering the most severe impacts.

"(4) Loans made pursuant to this subsection shall be subject to such terms and conditions as the Secretary determines necessary to assure the achievement of the purpose of this subsection. The Secretary shall promulgate such regulations as may be necessary to carry out the provisions of this subsection no later than three months after the enactment of this paragraph.

"(5) Loans made pursuant to this subsection shall bear interest equivalent to the lowest interest rate paid on an issue of at least $1,000,000 of tax exempt bonds of such State or any agency thereof within the preceding calendar year.

"(6) Any loan made pursuant to this subsection shall be secured only by a pledge of the revenues received by the State or the political subdivision thereof pursuant to section 35 of the Act of February 25, 1920, as amended, and shall not constitute an obligation upon the general property or taxing authority of such unit of government.

"(7) Notwithstanding any other provision of law, loans made pursuant to this subsection may be used for the non-Federal share of the aggregate cost of any project or program otherwise funded by the Federal Government which requires a non-Federal share for such project or program and which provides planning or public facilities otherwise eligible for assistance under this subsection.

"(8) Nothing in this subsection shall be construed to preclude any forbearance for the benefit of the borrower including loan restructuring, which may be determined by the Secretary as justified by the failure of anticipated mineral development or related revenues to materialize as expected when the loan was made pursuant to this subsection.

"(9) Recipients of loans made pursuant to this subsection shall keep such records as the Secretary shall prescribe by regulation, including records which fully disclose the disposition of the proceeds of such assistance and such other records as the Secretary may require to facilitate an effective audit. The Secretary and the Comptroller General of the United States or their duly authorized representatives shall have access, for the purpose of audit, to such records.

"(10) No person in the United States shall, on the grounds of race, color, religion, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or part with funds made available under this subsection.

"(11) All amounts collected in connection with loans made pursuant to this subsection, including interest payments or repayments of principal on loans, fees, and other moneys, derived in connection with this subsection, shall be deposited in the Treasury as miscellaneous receipts.".

SEC. 2. The Act entitled "An Act to provide for the establishment of the King Range National Conservation Area in the State of California", approved October 21, 1970 (Public Law 91-476), is amended—

(1) by adding at the end of subparagraph (B) of section 5(3) the following sentence: "Any such payment made to the Secretary shall be deposited in the Treasury as a miscellaneous receipt.";

(2) by inserting "(a)" in section 10 after "SEC. 10."; and

(3) by adding at the end of section 10 the following new subsection:

"(b) In addition to any amounts authorized to be appropriated under subsection (a), there are authorized to be appropriated for fiscal years beginning on or after October 1, 1980, for the acquisition of lands and interests in lands under this Act—

"(1) from the Land and Water Conservation Fund (established under the Land and Water Conservation Fund Act of 1965) not to exceed $5,000,000, and

"(2) from any other sources an amount not to exceed the sum of (A) $$5,000,000, and (B) an amount equal to the amount deposited in the Treasury under section 5(3)(B) of this Act after the date of the enactment of this subsection,

such sums to remain available until expended.".

The Clerk read the House amendment to the Senate amendment, as follows:

On page 6, line 10, change "1980" to "1979".

Mr. RONCALIO (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming (Mr. RONCALIO) to dispense with further reading?

There was no objection.

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from Wyoming (Mr. RONCALIO)?

Mr. DON H. CLAUSEN. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the gentleman to explain, and I yield to the gentleman from Wyoming for that purpose.

Mr. RONCALIO. Mr. Speaker, I thank the gentleman from California.

Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H.R. 10787 with the Senate amendment thereto, and urge the adoption of the Senate amendment with one minor technical correction.

Mr. Speaker, H.R. 10787 as amended is essentially the same bill which passed this body by two-thirds vote on July 11. The legislation authorizes appropriations for programs, functions, and activities of the Bureau of Land Management for the next 4 years, and was amended by the House Interior Committee to increase moneys for mining claim recordation, mining claim patent application processing, accelerated soil, wildlife and vegetation inventories and other items. The Senate has concurred with our recommendations for increases, and returns the bill to us with only one change in our recommendations. That change would delete an authorization of $10 million per year which was designed to enable BLM to pay its fair share in the processing of rights-of-way applications over Federal lands. This matter is currently in litigation, and both the Senate and the administration feel very strongly that it would be unacceptable to potentially prejudice this case by authorizing funding of the very item at issue. While I have strong reservations about accepting this Senate change, I believe that in the interest of moving this important legislation forward, we must give in on this issue. However, I would note for the record that the House Interior Committee felt the BLM budget should contain authorization for BLM to pay a portion of the cost of processing rights-of-way applications, and the committee will monitor the issue closely as the current litigation proceeds.

The Senate also amended H.R. 10787 to authorize increases in land acquisition and land exchange funding for the King Range Natural Conservation Area in California. Our colleague, DON CLAUSEN, will explain the reasons for this change in greater detail, but I would note that the $10 million increase recommended by the Senate, should enable the completion of all land negotiations in the King Range area.

Finally, I would like to express my thanks to all parties involved in helping to include in this bill a measure which is of great importance to the State of Wyoming, as well as many other States impacted by mineral development on Federal lands. This provision of the bill will eliminate the administration's current objection to the implementation of a loan program to the States to help them cope with the social, economic and environmental impacts associated with mineral development. To date, the loan program has failed to materialize because the Secretary, at the request of the Treasury Department, has refused to lend money at the 3-percent rate of interest authorized by the Federal Land Policy and Management Act of 1976. Both Houses of Congress have recognized Treasury's concern in this matter, and H.R. 10787 would solve the dilemma by raising the rate from 3 percent to the rate at which States issue tax-exempt bonds—or roughly 4½ to 5½ percent. This will allow the goals of the mineral loan program to be fulfilled, while at the same time guaranteeing that the interest rates charged on such loans are not unduly low.

Mr. DON H. CLAUSEN. Mr. Speaker, I thank the gentleman for yielding.

The purpose of the amendment is to make a necessary technical correction in the bill. It is our intention that there be authorized to be appropriated funds for land acquisition in the King Range National Conservation Area beginning in fiscal year 1980. Therefore, it is necessary to insert the appropriate date in the legislation which will enable the land acquisition program to continue as intended.

The King Range National Conservation Area Act was signed in October 1970 establishing a unique and innovative conservation area where preservation and multiple use of resources would be possible under a coordinated land management program administered by BLM.

To establish the area, the Department of the Interior acting through the Bureau of Land Management was directed to acquire the private lands which were intermingled in a checkerboard fashion with public lands. The acquisition of these private lands would be by exchange or, where exchange was not possible, by purchase. The Bureau of Land Management has been working toward this consolidation objective and has been quite successful in their efforts.

However, additional funds are necessary to complete the program. The original act provided for an authorization of $1.5 million. The ceiling was set at a low level to encourage the use of the exchange mechanism. We anticipated at that time that it would be necessary at a future date to raise this ceiling. The Senate language raises the ceiling by an additional $10 million to enable the completion of King Range. I strongly support this provision.

The Senate language also provides that any funds received by the Secretary from private landowners who are exchanging their lands for public lands worth more in value will be deposited in the Treasury with a credit made against the authorization ceiling. The original legislation did not provide for the reuse of these incoming payments. The Senate language corrects this accounting error and further assures us that we will have the funds necessary to complete all land exchanges and purchases.

I urge my colleagues to support this legislation with the technical amendment so that we can move ahead toward completion of King Range.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from Wyoming?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT WHILE HOUSE IS IN SESSION ON TOMORROW, AUGUST 3, FOR CONSIDERATION OF H.R. 13059, WATER RESOURCES BILL

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may be permitted to sit during the session of the House tomorrow for consideration of the bill H.R. 13059, the water resources bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. DON H. CLAUSEN. Mr. Speaker, reserving the right to object, and I shall not object, I do so only for the purpose of stating that I concur in the request of the chairman of the committee, the gentleman from California (Mr. JOHNSON).

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. VOLKMER. Mr. Speaker, I was unable to be present on rollcall No. 631, the Stark amendment to H.R. 12514, the foreign aid authorization bill, because I was testifying before the Senate Subcommittee on the Constitution regarding the extension of the equal rights amendment. Had I been present I would have voted "no."

FOREIGN AID APPROPRIATION, 1979

Mr. LONG of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12931) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12931, with Mr. KAZEN in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, July 31, 1978, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

ECONOMIC ASSISTANCE

Agriculture, rural development, and nutrition, Development Assistance: For necessary expenses to carry out the provisions of section 103, $610,000,000: *Provided*, That the amounts provided for loans to carry out the purposes of this paragraph shall remain available until expended.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida, Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 2, line 11: Strike "$610,000,000" and insert in lieu thereof "$561,000,000".

Mr. YOUNG of Florida. Mr. Chairman, first I would like to say to our colleagues in the Chamber that finally, after four or five reschedulings, and one false start, that this is the foreign aid appropriation bill for fiscal year 1979.

As the manager of the bill on the minority side I want you to know that I am going to do my very best to expedite consideration of this legislation and of all of the amendments, and I understand that they will be numerous and quite controversial. May I also say that there have been some 60 amendments that have been printed in the CONGRESSIONAL RECORD that are to be considered on this bill. As I say, a lot of these amendments will be confusing and controversial and they will also be complicated, and I wanted to let the Members know that should they possibly be confused or wish to secure information that there is a fully equipped staff in room H–140, staffed by representatives of the Treasury Department and the State Department who, I am sure, will be glad to answer any questions that the Members might have.

Mr. Chairman, the amendment that I offer at this point, I want to assure you, is not dilatory, and it is not aimed at being against anybody, or anything like that, this amendment is offered in the spirit of what I believe the American people want their Congress to be aware of.

That is, there are a lot of dollars in many of our programs, not only foreign aid dollars, which are being spent and do not need to be spent.

Mr. Chairman, I submit that this amendment will solve one of those problems. I am not going to try to tell anybody how to vote on this amendment. Members should not necessarily follow my direction. If any, they should follow the direction of their constituents.

Mr. Chairman, this amendment will give us an opportunity to save $49 million of our constituents' tax dollars. It does not adversely affect anybody except the one who hands out the checks and really feels great on the day he hands out the checks.

What this amendment does is to take $49 million from the economic assistance account. That $49 million is intended to come from the program scheduled for India.

Please understand that I have nothing against India. I love India, but this $49 million in this program is to purchase Indian rupees to be used in India.

Mr. Chairman, I call to the attention of our colleagues the fact that in 1974 we just gave the Indians $2.2 billion of rupees that we owned but could not spend anywhere except in India. This program that we have before us intends to purchase an additional $49 million worth of rupees to be spent in India. I submit that in addition to the $2.2 billion we have given, wrote off in 1974, as of today, we have approximately $810 million worth of rupees already in India which we own but which cannot be taken out of India and cannot be spent anywhere except in India.

Mr. Chairman, I submit that this $49 million worth of rupees ought to be taken from that $810 million which we have already paid for. I do not think we need to appropriate the additional $49 million, and I submit that no program will be adversely affected by the approval of this amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, can the gentleman tell us what the reason is for buying the rupees?

Mr. YOUNG of Florida. I would say to the gentleman that I would be just as interested in the answer to that question as he would be. I do not know. Why buy $49 million worth of rupees in addition, since we already have $810 million worth over there today?

Mr. Chairman, I yield back the balance of my time.

Mr. WOLFF. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hate to oppose the amendment of my colleague from Florida since he and I have worked together on a great number of amendments in very similar areas to the one that he has offered now.

In fact, a number of years ago—I believe it was in 1970—this House passed an amendment that I offered which forced the State Department and all aid programs to use up the rupees before dollars were expended.

However, I urge my colleagues not to support this amendment. The reason for my opposition is this: The gentleman from Florida (Mr. YOUNG) and I have both worked against the idea of the spread of Soviet influence throughout the world. India today is the largest and most populous democracy in the world, whereas, only a short time ago, India, under Indira Ghandi was totalitarian and political opposition was repressed. Now, however, democracy has been substantially restored. Prime Minister Desai has carried out democratic reforms there and he has departed from India's previously nonalined position, when it was tilting toward the Soviet Union. Desai has returned India to a position of neutrality, and it is really tilting toward us, as evidenced by his visit only recently to this country.

The United States has been very concerned about the Soviet naval buildup, and the United States has been equally

concerned about Soviet influence in the Indian Ocean.

Mr. Chairman, it is important that India remain neutral and that we help to protect the neutrality of that region. The Soviets have been trying to spread their influence into all parts of the globe.

Mr. Chairman, many of our colleagues have expressed their concern about Soviet encroachment in Africa and in the Middle East. The recent coup in Afghanistan has increased Soviet influence in that nation.

Bringing pro-Soviet influence back to India once again would be a mistake.

Mr. Chairman, I am not saying that we should buy our friends, but we should not insult them needlessly and without justification. India is one of the last nations on Earth that Members of this body should be rampaging against. India deserves our praise for returning to democracy and deserves our aid for their one-half billion destitute people.

Mr. Chairman, there is such a small amount involved here. To single India out at this time would be a grave mistake for this committee to make.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

What is the reason for buying rupees?

Mr. WOLFF. It is a rural electrification program. It is not a question of buying rupees. The aid is to go toward a nutrition program and a rural electrification program for the poor of India. The rupees now in our account cannot be used because they are not permitted to be spent in that fashion.

Mrs. FENWICK. Does the gentleman mean that the $810 million that are there cannot pay for putting up the dams or do the agricultural work? Why not?

Mr. WOLFF. They cannot because they have to be appropriated by the Congress. That was a restriction we placed upon these rupees when the aid was originally given. We did give back to India about 2 years ago—against my recommendations—$2.5 billion of rupees that could be spent without appropriation. These funds however require appropriations.

Mrs. FENWICK. Why do we not appropriate from the $810 million? Why do we appropriate an extra $49 million?

Mr. WOLFF. I am sorry; I cannot hear you.

Mrs. FENWICK. Why do we not appropriate out of the $180 million that money to be spent instead of an extra $49 million from the taxpayers?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding. I think the basic question here is whether we are going to transfer resources to India for these useful projects. If we simply tell them to use rupees they have already got, that does not help their economy. That is simply not adding to their resources. A total of $49 million is not a large amount in terms of India's total budget; it is not going to make the difference between whether India survives economically or democratically or not, but it does make sense for us to embark once again on a modest program of assistance to India in the agricultural field. Their needs are great, and what is more, the committee's recommendation is in response to action by Congress recommending that the AID develop a new program for India along agricultural lines.

Mrs. FENWICK. If the gentleman will yield, I cannot understand why we cannot do it from the $810 million.

The CHAIRMAN. The time of the gentleman from New York (Mr. WOLFF) has expired.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I really hope that this amendment will not be adopted on the basis of this rather arcane argument concerning the utilization of Indian rupees. The fact of the matter is that the purpose of a foreign aid program is to transfer resources from the developed to the developing countries. If this amendment were adopted what we would, in effect, be saying to the Indians is that we are prepared to establish a foreign aid program in your country, but it is going to have to be paid for with your resources. They could do that themselves. They do not need us in order to be able to do it.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I will be happy to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding. They could be given some of our $810 million worth of rupees. They belong to us?

Mr. SOLARZ. As I understand it, those $810 million rupees in effect exist in a paper account, and that in the absence of this kind of exchange, the Indian Government would have to put $49 million worth of rupees into the account, and take it from somewhere else in their economy in order to fund this program.

Mrs. FENWICK. Where did that money come from? Where are the $810 million now?

Mr. SOLARZ. On that question I will defer to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. The gentlewoman from New Jersey (Mrs. FENWICK) asked where they came from. They came from Indian repayments of old U.S. loans to India, and they are planned now to be used to cover expenses of our embassy in India over the next 8- to 10-year period. That is in fact, as the gentleman suggested, a paper account. It is not a lot of cash you can pick up because we intend to use it for perfectly rational purposes.

Mr. SOLARZ. The real question before the House is whether or not we want to diminish by $49 million the amount of aid we are prepared to make available to India for the 1979 fiscal year. I would submit that if this amendment is adopted, it will be widely interpreted, certainly in India, as an effort on the part of the Congress of the United States to substantially reduce the level of our economic assistance to India. That is the basis on which the question should be addressed and resolved. May I say in those terms that in light of the fact that India has embarked once again on the path of democracy, in one of the most dramatic developments that has taken place in the post-World War II era, by repudiating dictatorship and embracing democracy, it has made it clear that even the poorest people in the world still desire the right to be able to determine their own future, and under those circumstances we ought to be appropriating more rather than less money for India.

Mrs. FENWICK. Is this the only money that is going to India? What are the total moneys going to India?

Mr. SOLARZ. The total amount going to India in this bill, as I understand it, is $90 million. If this amendment is adopted, it will in effect be reduced by $49 million. Consequently, I think we ought to reject it, but I think we ought to reject it for another reason as well.

I think we have a vital national interest in making it clear to the hundreds of millions of people living in the developing world that democracy and development are not incompatible. In India we have one of the few developing countries in the world that appears to have a genuine commitment to democracy. God knows they have plenty of problems.

I would submit that for us to cut back on our level of aid to India would make it more difficult for them to advance economically and would, in the process, undermine one of our most important and fundamental national objectives.

We do not hesitate to cut back time and time again the amount of money we are giving to repressive regimes all over the world in order to send signals that we disapprove of what they are doing. Here is a country which is doing the right thing. It has embraced democracy. It has hundreds of millions of poor people that desperately need our assistance.

If we adopt this amendment, we will be cutting back, rather than increasing our level of aid.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, there is one element in all this that has escaped this debate; that is the fact that the $800 million that is involved in rupees are committed to the normal operation of our embassies and the State Department over in India for the next 10 to 12 years.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I would like to point out, first, to the gentlewoman from New Jersey that this one $90 million program is only one small part of the aid we are

giving to India. Last year the World Bank gave India $296 million.

IDA gave India 40 percent of all its money, $622 million.

Now the gentleman from New York says that the purpose of these foreign aid programs is to transfer money from developed to the developing countries. We have certainly done a big job of that to India. We sent them over $9 billion of our taxpayers' hard-earned money since 1946.

In the last 4 months we have sold 1,800,000 ounces of our gold in an effort to bolster our sagging dollar. Who has been the biggest purchaser of that gold? India, purchasing $2 million of it.

Last year India loaned us $750 million to help us pay our bills, and we are sending your tax money to India to pay the interest on that.

India has 20 million tons of wheat in storage. Last year India gave over half a million metric tons of grain to Communist countries, and sold Russia 1,400,000 tons of wheat.

I think this cut is very much in order.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentlewoman yielding.

It seems to be the usual way when we cannot rebut an argument, we create a new argument. We create a strawman.

No one who favors this amendment is arguing that we ought not to support India, an emerging democracy. Of course, we want to support India. Of course, we do not want our efforts to be interpreted as not being in support of a new democracy. Obviously, that is not the case, and I am sure the gentlemen who argued the other way know that is not the case.

We are not trying to stop an aid program to India. First of all, there is $60 million in reprograming for India in AID right now. This program is an additional $90 million. That is $150 million.

Now, that is $150 million for India that was not appropriated last year, nor the year before, nor the year before that, nor the year before that, because these are new programs.

The gentleman from New York says we are cutting back on the level of aid to India or we are going to greatly diminish our aid to India. That is just not the case. This is a new program to India.

All we are saying is that as far as the $49 million is concerned, the amount which is intended to buy rupees, we ought to cut that out, because we already own $810 million worth of rupees in India. All the arguments in the world are not going to change that.

Before the gentlewoman from Nebraska (Mrs. SMITH) reclaims her time, I want to say for all the world to know, Mr. Chairman, that I am for democracy all over the world, including India, and those who would try to imply that is not the case do not do themselves or this House a service. All I am trying to do here is to keep our taxpayers from having to come up with $49 million that they do not really need to spend, and that will not affect this program one rupee.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentlewoman for yielding.

Did I understand my distinguished colleague to say that some of these funds that we have given to India in this program have been used to buy gold?

Mrs. SMITH of Nebraska. They have used their own funds to buy our gold that we were selling, yes.

Mr. ROUSSELOT. To buy gold?

Mrs. SMITH of Nebraska. Yes, to buy gold.

Mr. ROUSSELOT. How does that help the poor people in India?

Mrs. SMITH of Nebraska. That is my question.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentlewoman for yielding.

This gold purchase was from the International Monetary Fund just a few short weeks ago. The gold is going to be used for ornamental purposes, according to what I am told by one of our colleagues, while we have to sell our gold to try to bolster the dollar. In a 6-month period we are selling 61 metric tons of gold to try to bolster the dollar on the world market, but even that is not working.

At the same time India is able to buy gold from the International Monetary Fund. The International Monetary Fund is selling the gold to them. If the gentleman wants to know how India paid for that gold, that is a very interesting question.

Mr. ROUSSELOT. Mr. Chairman, if the gentlewoman will yield further, I agree that is a very interesting question. I thought all this money was supposed to be used to help the downtrodden and the poor people.

Mr. YOUNG of Florida. Mr. Chairman, if you inquire of the International Monetary Fund, they will tell you only that the answer is confidential as to how India paid for the gold.

Mr. ROUSSELOT. Confidential?

Mr. YOUNG of Florida. Yes, I asked them how India paid for the gold and what would be done with the proceeds from the gold sales. They told me, but said it was confidential.

The CHAIRMAN. The time of the gentlewoman from Nebraska (Mrs. SMITH) has again expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Mrs. SMITH of Nebraska was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield further?

Mrs. SMITH of Nebraska. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, if I could, I would like to ask this question:

I really find it difficult to believe that it is possible today that India is using some of this funding that we give them to buy gold. We have been told that this is to help the starving and the poor and the downtrodden, and yet it turns out they are buying gold. Is that what the committee found out?

Mr. BINGHAM. Mr. Chairman, will the gentlewoman yield to me for a response to that question?

Mrs. SMITH of Nebraska. Yes, I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, India is a big country. India has wealthy people and middle-class people, and it also has the largest number of poor people of any democratic country in the world. It also has a very substantial foreign trade. It has had some good years, as far as harvests are concerned, after a series of bad years.

The trading in gold is part of its foreign trade. It represents less than half of 1 percent of its total foreign trade.

Should we tell India that we do not want them buying precious metals? That is not really appropriate to the issue, in my opinion.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield to me so I may respond to that observation?

Mrs. SMITH of Nebraska. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, my response to that is that I find it difficult to ask our taxpayers—and this money comes out of our Treasury—to be sponsoring that kind of activity.

Mr. BINGHAM. We are not. We are not doing that.

Mr. ROUSSELOT. Mr. Chairman, I was surprised to learn about this, because originally I understood foreign aid was basically to help the downtrodden and the poor to purchase food, et cetera.

Mr. BINGHAM That is correct.

Mr. ROUSSELOT. And when I find out they are possibly using these funds to purchase gold, that is kind of disappointing to me. I am sure my taxpayers just do not understand that.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield further?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman. I would say to the gentleman from California (Mr. ROUSSELOT) that these taxpayers of ours might not understand something else that India does with our money. They have purchased $774 million worth of our national debt, and we not only have to pay the money back to them but we also pay interest on that money.

The CHAIRMAN. The time of the gentlewoman from Nebraska (Mrs. SMITH) has again expired.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would just like to address myself to a couple of questions raised on this whole Indian transaction.

First of all, as the gentleman from New York (Mr. BINGHAM) has indicated, India has half of all the poor people in

that part of the world which we are trying to aid with this bill.

If one believes, as I think the majority of the Members in this Congress do, that that makes them a terribly important and key country, then I do not think—no matter how complicated the issue is, so far as the rupee is concerned, that we ought to be in the position of cutting back our support for India in this bill by approximately 50 percent in direct aid.

Second, the question has been raised about the gift of wheat from India to Vietnam. India did not give wheat to Vietnam. India had a storage problem and had a temporary surplus of grain because, for the first time in history, it had 2 good years in a row, or maybe it was 3 good crop years in a row, I have forgotten which, frankly. But the fact is, what they did was to loan—loan, not give—wheat to Vietnam. That loan was made on an interest-free basis, repayable in 3 years. So they did not give any wheat to Vietnam.

Third, on the question of India buying gold, India has a particular reason to buy gold. Indian citizens are not allowed to hold gold. Therefore, the Indian Government tries to purchase gold, which is illegal to import in India, in order to fight the black market in gold within that country. We should be happy about that, not unhappy about it.

The question will also be raised, undoubtedly, about the fact that India owns a portion of the U.S. national debt. In fact, that was raised in general debate a few days ago, last Monday. The fact is that India owns about two-tenths of 1 percent of the U.S. national debt, and it owns it for the same reason that virtually every other country in the world does: they need foreign exchange. And we encourage other countries to purchase portions of our "debt," if you want to put it that way, to relieve the pressure on the dollar. The fewer dollars that are held across the watres, the less pressure there is on the downward push on the dollar. So we ought to be happy about the fact that India is purchasing gold from the IMF to shut off the black market in their own country. We ought to be happy about the fact that they are, in fact, relieving the pressure on the American dollar.

We ought to recognize the fact that probably no country in the world is more important for us to assist, because they will serve as the democratic model in Asia. And if democracy is to succeed in a leading country in Asia, it is going to have to be India. Given the kind of administration, the kind of government they had a few short years ago, and seeing the kind of government they have today, we ought to be doing everything we can to support them rather than finding reasons to place obstacles in the way efforts on the part of our Government to assist the most important democratic government in Asia.

Mrs. BURKE of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would just like to clarify again this whole question of the economic situation in India, and particularly in terms of grain.

Today it is true that there is a surplus, but there is actually no facility to store the surplus wheat. The United States and the World Bank are going to try to provide additional capacity for storage. In the meantime, India is faced with the fact that there are over 100 million people who are underfed. And if we are talking about helping poor people, this is a country where you have people literally starving, literally millions of people starving. The population today is increasing by about 1 million per year. They will be faced with a food deficit, by the year 1990.

What we are doing here is simply assisting one of the poorest, most malnourished, underfed countries in the world. It is the whole basis of our whole economic assistance program.

We are talking about economic assistance to people who are poor and who are underfed.

Mr. WOLFF. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I just would like to add to what the gentlewoman has said relative to the poor people of this area, but I would also like the gentleman who offered the amendment to be aware of the fact that if India tomorrow decided to give naval-basing facilities in the Indian ocean to the Soviet Union or to one of the satellites, it would cost us an awful lot more than this $50 million we are talking about right now. I think that it is time we stopped talking about being for democracy and put our money where our mouth is.

Mr. McHUGH. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, I thank the gentlewoman for yielding to me. I think it is important to stress again that what the gentlewoman has said is quite right with respect to the food situation in India and, indeed, in the less-developed countries in general, and that the surplus of food which has resulted in India during the last 2 years is an unusual circumstance.

The purpose of the program which is proposed in this bill, the purpose of the funds which are being appropriated in this bill, is for rural electrification and for rural agricultural development. That is essential in light of what the gentlewoman has said. It should be understood, despite what my good friend from Florida has indicated, that reducing $49 million in this appropriation will, indeed, affect that agricultural development; it will, indeed, affect that rural electrification program. There should be no mistake about that. We would be, by adopting this amendment, reducing the appropriation of $90 million by $49 million.

Mr. Chairman, I thank the gentlewoman for yielding to me.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words, and I rise in reluctant opposition to the gentleman's amendment.

While I sympathize with the intention of the gentleman's amendment to reduce the portion of funds provided for local currency purchases for India, as chairman of the subcommittee I must oppose this amendment. The main argument proposed against the use of U.S.-owned rupees to finance local costs of the projects is that it would not be a real transfer of resources from the United States to India. The point is that U.S. dollars are used to purchase local currencies to finance local costs and the dollars are used to buy U.S. goods and services. If the U.S.-owned local currencies are used instead of dollars, there are no new funds available to India and India would in effect be picking up that much more of the project cost. In addition, the United States and India governments have already entered into agreements to the use of these U.S.-owned rupees.

I do have some concern over the type of projects AID plans to finance in India and over the purchase of local currencies. Some of the projects mentioned by AID are medium irrigation and rural electrification and I do not know if the poor people will be the greatest beneficiaries from these investments. My concern is so great that I would hope to travel to India this fall to determine how these projects will be implemented before we get too involved in this type of program.

While I have some concerns as to program direction, I do not feel this is the time to eliminate aid to India. I urge its defeat.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to review and be sure I understand this situation. As I heard the debate on this issue, my understanding was that as of 1974 there was built up in India an account of some $2.2 billion in rupees, and then we just forgave them and wiped it off the books in our normal great accountability method.

Then, since that time, it has built up to some $810 million. Now, I do not really understand, and maybe the gentleman from Florida (Mr. YOUNG), a member of the committee, can explain why it has built up to $810 million in rupees and we still have to turn around and give them some more so that we can build it up high enough so that we can forgive even more.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. YOUNG of Florida. Mr. Chairman, I think that is exactly the situation. The gentleman has heard the debate, and what was talked about. The real purpose of this program is to transfer resources.

Mr. ROUSSELOT. We are certainly transferring resources. We are transferring the American taxpayers' resources.

Mr. YOUNG of Florida. That is the

point. I understood that this was to feed hungry people. Now, all of a sudden I am told that it is to transfer resources.

Mr. ROUSSELOT. Do they eat rupees there?

Mr. YOUNG of Florida. Let me tell the gentleman about what they eat in India. I regret the fact that we are coming to this discussion about whether we ought to support democracy or hungry people. That is not the issue.

Mr. ROUSSELOT. Especially since they cannot eat rupees.

Mr. YOUNG of Florida. However, since we are going to discuss this, if the gentleman would let me tell him——

Mr. ROUSSELOT. I would like that.

Mr. YOUNG of Florida. The gentleman has just heard that there is a reason why India sent 100,000 tons of wheat to Vietnam and have promised 300,000 more; the reason why India will send 4.1 million tons of wheat to Russia and the reason why India sold 50,000 tons of wheat to Afghanistan. We are told this was because they had great bumper crops in the last couple of years. I am glad they did, but we were told they had no place to store it.

In his statement before our subcommittee last week, the Director of AID said that at least one-quarter of India's 630 million people are underfed. Now if one-quarter of 630 million people are underfed, yet there is enough wheat in India to send around the world, because of a storage problem, why not store the wheat in the bellies of the starving people and keep them alive?

Mr. ROUSSELOT. I am sure our colleagues will want to answer that.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from New York. I find it difficult to believe he is a big supporter of rupees.

Mr. WOLFF. I am not a big supporter of rupees, but I wanted to answer the question the gentleman asked before. He asked how this $2.5 billion came about and how the transfer occurred. It occurred during the Nixon administration.

Mr. ROUSSELOT. That does not make it perfect.

Mr. WOLFF. I understand, but I wanted that to be on the record.

Mr. ROUSSELOT. I am glad the gentleman cleared that up.

Mr. WOLFF. There is a change in the administration which has occurred in India as well. We now have a democracy in India. I believe the gentleman and I share the same belief that we should promote democracies around the world and not try in any fashion to give aid to those who oppose democracy.

Mr. ROUSSELOT. I think, if I can recapture my time just briefly, my question is: If they have $110 million worth of rupees, why should we give them $49 million more? Is it just so we can cancel it out again?

Mr. WOLFF. If the gentleman will yield further, we do not give them the rupees. We give them the dollars.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, my colleague might be interested in knowing the official Government version of that so-called transfer was that our Government considered this nonpayment a repayment. Even though they did not repay the counterpart funds, Mr. Holton said the debt was considered as paid when it was not. It was a paper entry by the State Department to cancel the debt. The giveaway artists were just as bad in the Nixon administration as they are now.

Mr. ROUSSELOT. Tell me it is not so.

Mr. ASHBROOK. We are in a little worse shape now. I will say the Carter administration advocates expanded foreign aid.

But the argument is, and I have heard it go full circle, that the counterpart funds were used as a part of foreign aid. We would sell Caterpillar tractors to India and they would pay for the tractors, but we would agree not to bring the money back to this country and would impound it on the theory that somehow, someplace, some day we would find it usable there.

But now that time has come. We can use it.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, if the gentleman will yield further, now when we could probably use some of that money, they take the same argument and turn it around on the other side of the aisle and say that we do not dare take it back. That may be one of the reasons why the dollar is falling and we are in trouble.

But then to compound the problem, the counterpart sales are counted on the plus side of our foreign trade balance when it ought to be counted on the minus side. But they count the sales on the plus side of the balance-of-payments ledger. It is no wonder we are in the trouble we are.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, as far as the balance of payments situation, it might interest the Members to know that, despite the problems we in America are having, India has a $5.9 billion foreign exchange surplus.

Mr. ROUSSELOT. A surplus?

Mr. YOUNG of Florida. Surplus.

Mr. ROUSSELOT. I think this amendment sounds very reasonable and I think I will support it. The gentleman has convinced me.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I am delighted to yield to my distinguished traveler and friend, the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I hope there are a few things on which we can all agree.

First, that India is a democracy.

Mr. ROUSSELOT. We are certainly glad to hear that.

Mr. SOLARZ. The second thing on which we can all agree is this. However, successful India may have been in the last 2 years in raising a bumper crop due to the extent to which they have had unprecedentedly good weather for the last 2 years, it is still a very, very poor country.

The third thing on which I would hope we can agree is that, to the extent a developed country can help a developing country through the provision of foreign aid, it is first and foremost through a transfer of resources for constructive purposes.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really feel very distressed at the tone that this debate is taking. I am very glad that, as far as I know, that the Ambassador of India is not in the gallery. I would be quite ashamed if he were here because of the performance here this evening. We are treating this subject with a degree of levity which, while I applaud the use of humor in its place, I think is quite appalling when one thinks that this very evening there are tens of thousands of people sleeping on the streets of Calcutta because they have no other homes and that there are tens of thousands of people in every city in India who are sleeping on the streets of their cities because they have no other homes.

Anyone who has ever spent any time in India cannot fail but to be absolutely appalled by the poverty in that country. The per capita income in India today is $140 per person per year. Let me repeat that, the per capita income in India today is $140 per person per year. This is up about 50 percent in the last 20 years, it is all the way up to $140 per person per year.

In the name of the Good Lord let us look at this soberly. India needs help in the production of food. The fact that India has had unusually good monsoon rains in recent years has meant that India has had a surplus of some commodities, particularly wheat. Now you cannot just put those bushels of wheat in the bellies of the poor people as has been suggested because many people in India do not eat wheat. It is only the people in the north of India that eat wheat. They eat rice in most of India.

Then there are complications in distribution and in storage. They have had such problems in India for years, ever since I was in this technical assistance business back in the 1950's. A considerable portion of the food supply is consumed by vermin and by rodents because they do not have adequate storage facilities for the food supplies.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. Not just now.

Mr. Chairman, this program is a modest program to help India produce more food to feed her people better over the years to come. If the program has to

be paid for by taking their rupees, it takes that much more out of their economy.

India's foreign trade balance goes up and down like that of other countries. Today they are in the fortunate position they are because they have had these unusually good monsoons in recent years.

Let us consider this amendment soberly. As I say, the committee's proposal is a modest one. It was recommended by the Congress in its own legislation, let us not deal with it as if it were some kind of a joke.

Now I will yield to the gentleman from Florida, Mr. YOUNG.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding. I want to assure the gentleman from New York (Mr. BINGHAM) that my approach is very serious and not one of levity. The very point the gentleman has raised is the question I have asked time and time again: If India is going to lose 10 million tons of wheat a year to rats and insects, why do they not take that same 10 million tons and give it to the poor, hungry people before the rats eat it? That is my question.

Mr. BINGHAM. Mr. Chairman, if I may take my time back, let me say that that is a very naive question in terms of the technology involved. It is not that simple. Many of these people live in villages with no roads to reach them. You have got to keep the wheat and grain for a while, then you have got to transport it and you have the problem of rodent control and vermin control, which is a complex problem that raises a lot of questions of technology.

It is too simple to say, "Give it to the people to eat before it rots."

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well and oppose this amendment.

The whole nub of the issue here—and it has not been touched upon—is that the reason we want the $49 million to buy the rupees is that the dollars will be used then by the recipient after purchasing the local currency. They will be used by the Government of India to buy U.S. goods for energized pump sets and agricultural production plus employment.

In answer to the comment of the gentlewoman from New Jersey, if we do not do this and they only have rupees, the rupees are not worth the paper they are printed on. They cannot buy anything with the rupees from U.S. business concerns.

Is that not the answer to this whole matter?

Mr. BINGHAM. That is correct.

Mr. CONTE. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(On request of Mr. PEASE and by unanimous consent, Mr. BINGHAM was allowed to proceed for 2 additional minutes.)

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I thank the gentleman for yielding.

I would like to associate myself with his remarks as to the tone of the debate.

I think the gentleman from New York (Mr. SOLARZ) a minute ago said that there are some things he hoped we could agree on.

Mr. Chairman, this debate requires some very serious consideration. There are serious matters at hand. The gentleman from Florida (Mr. YOUNG) has spent a lot of time in working on this matter. We may have disagreements, but I would hope that we can keep the debate on a high level.

Mr. Chairman, I am told that we have some 60 amendments noticed to this bill. If the tone that has been attached to this amendment is maintained, I would hate to think of what will happen on the 60th one. We need to give serious attention to what we are doing.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I am now beginning to get answers to my questions.

Does the gentleman mean that this is in the form of credit so that India can buy goods outside of the country with this $49 million?

Mr. BINGHAM. That is correct.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, on that very point, will the gentleman not concede to the gentlewoman from New Jersey that they cannot use rupees to buy American goods or to buy anybody else's goods? Rupees are not foreign exchange. They can only be used in India; is that not correct?

Mr. BINGHAM. That is correct.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, that is the reason for this whole effort aimed at buying rupees with American dollars. They in turn will take the American dollars and buy commodities from U.S. business concerns so as to build these projects. It is very simple.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

I would like to ask my colleague, the gentleman from Florida (Mr. YOUNG), how much India, this country which is supposedly concerned about raising the level of those in poverty, has spent on the development of nuclear weapons and how that helps the poor.

Mr. YOUNG of Florida. If the gentleman will yield, Mr. Chairman, my response would be that I really cannot tell the gentleman why.

I know, the gentleman knows, and our colleagues know that they have, in fact, exploded an atomic device. They call it a peaceful bomb. I do not know whether it is or not. They have an atomic research center, the Bhabha Atomic Research Center, near Bombay, India.

I might say to the gentleman that because of their great technological advances in this area they have now invited Vietnamese scientists to come to that research center near Bombay to learn how to apply nuclear technology.

Mr. ASHBROOK. All in the interests of the poor, I am sure.

Mr. YOUNG of Florida. I cannot tell the gentleman that. I do not know whether they are going to be using their technology for peaceful atomic bombs or just what.

If the gentleman will yield for another statement, this question of using the grain to feed the hungry people and the fact that they do not have the infrastructure to get the food from the storage houses to the hungry people is very interesting in view of the fact that India has established a foreign aid program for Vietnam. Part of the foreign aid program for Vietnam is to help them build their railroads.

If they can help build railroads in Vietnam, one would think that they could at least build a wagon trail to get food to their own hungry people before the rats eat it.

That is my argument. I do not see why in the world we are having such a hard time convincing people that it is better to give that wheat to the hungry people of India than to the rats.

Mr. ASHBROOK. I would say that the gentleman is right on target. If it is a question of priority on our part, it is also a question of priority on the part of India. If we were going to try to save our own country from bankruptcy, this is the type of area in which we could start. This should be a priority for us.

Mrs. BURKE of California. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentlewoman from California.

Mrs. BURKE of California. Mr. Chairman, when we use the phrase "foreign aid program," we constantly go back to the same thing. Let us be honest. Is it not true that we have that surplus grain and that the surplus wheat, when it was transferred to Vietnam, was in exchange for something, that they got something in exchange, enabling them to transfer that wheat?

The point is it was not a matter of a foreign aid program.

Mr. ASHBROOK. Did they exchange it for rice?

Mrs. BURKE of California. They exchanged it for money. They exchanged it for dollars.

Mr. ASHBROOK. I thought the Vietnamese had rice. I just heard that in the northern part of India they needed wheat and in the southern part they needed rice. I think that is what the gentleman from New York (Mr. BINGHAM) said.

Mrs. BURKE of California. Let us be honest. Was it not a matter of a transfer of surplus wheat?

Mr. ASHBROOK. I do not know whether it was or not. If they had the same promises for repayment that we have had over the years and did not get repaid, something we call conditional sales, but in truth they were never conditional sales, they were counterpart funds which were supposed to be used to improve the currency situation. Failure to pass this amendment is in effect signaling that we are never going to get that money back, so maybe India is engaging in the same semantics in what you call sale or exchange to a country unfriendly to the United States.

Mrs. BURKE of California. Will the gentleman yield further?

Mr. ASHBROOK. I yield to the gentlewoman.

Mrs. BURKE of California. The gentleman says that counterpart funds we never get back. We know that we have many methods of getting them back. We know that anytime we can utilize those moneys, we do move forward and try to use them, but we cannot use them as readily as we can dollars. We know that because it is money that we cannot always bring out of the country, and we have that in every country—many countries in the world.

Mr. ASHBROOK. I have been here long enough, I would remind my colleague, to remember one of the first things President Kennedy tried to do in the early 1960's. Does the gentlewoman remember when President Kennedy went to the countries that had our counterpart funds and, as a part of trying to ease the gold drain at that time asked that the American traveler be permitted to exchange American dollars for the local currency of that country in the United States before he went abroad, to help the gold drain. Every single country that had counterpart funds turned President Kennedy down flat. It has been that way from 1962 on, and I think we are going to realize these countries are not going to cooperate with us under any circumstances.

Mrs. BURKE of California. We do that now. Are we not using those now? I suspect the gentleman has.

Mr. ASHBROOK. Yes. I have. In fact, if 435 Congressmen would travel 6 months a year—which would be the best thing that could happen to the country—we probably would only touch one-tenth of 1 percent of these impounded funds in any 1 given year.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. I just want to make a couple of observations: the money we are talking about here would finance $58 million for the rural electrification program, this project will not be implemented if the amendment offered by the gentleman from Florida is adopted, because $49 million is for local currency costs, and this would definitely preclude AID's participation in the program which is designed to energize pump sets, promote agricultural production, and implement and improve and increase rural industry in backward areas. There was something also mentioned about how much India was putting in defense. I am told that under the new 5-year development plan 1.5 percent of their total budget goes into defense. Forty-eight percent of their total budget goes to agriculture in trying to feed the half-billion hungry people they have in India.

The gentleman from Ohio, I believe, mentioned a foreign-aid program with Vietnam. That is not so, $50 million is export credits, and it is clearly aimed at the Indian export promotion program, that is, railway equipment. These credits will be provided on terms with only a small level of concessionality: $12.5 million in official credits at 5-percent interest in 4 years, a grace period and repayment schedule of over 10 years beginning in 1982 for the railway equipment and other goods from India. For the $37.5 million in commercial credits from the Projects and Equipment Corp. of India there will be 8.25 percent interest repayable in 10 years with an initial moratorium of 2 years for the railway coaches and the wagons. So we can readily see, Mr. Chairman, that this is not a foreign aid program. I wish that we could deal some hard bargains in a development loan program, as they have driven here.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, when we have export credits in our foreign aid program, we call it foreign aid. Why do we not call it foreign aid when the Indians have export credits, or anyone else has export credits?

Mr. Chairman, if the gentleman will yield further, I have another question. If they can provide rail cars to carry war material to Vietnam, why can they not provide rail cars to carry wheat to the starving people in their own country? That is a question we have not answered.

Mr. CONTE. Mr. Chairman, I will give the gentleman an answer to both questions. First of all, I do not consider the Export-Import Bank as foreign aid. We treat it as such on this floor. Here you have an 8.5-percent interest rate, payable in 10 years. That is a pretty hard bargain.

On the other hand, the gentleman from Florida is a dear friend of mine and simplifies everything. To carry something by rail, you have to have tracks for those cars. They may not have the tracks. They may have not progressed that far. They are producing some railway cars and coaches.

In regard to building up the emotions of the House, there is no war in Vietnam now. The gentleman says they are using these for war purposes.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, India must electrify the rural villages. Anyone who has been there knows it is needed. Will India use this money to buy electrical equipment here? Will this give India the currency to buy it with? Is that the point?

Mr. CONTE. Mr. Chairman, the gentlewoman is right on target.

I do not know if I will be on this committee again. I have had enough of it; but if they went and bought it from any other country but the United States, I would not be standing up here defending the program and opposing the amendment.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, is the gentleman saying that in India they got the car before the track?

Mr. CONTE. That is well put and that is what the gentleman is doing here in cutting the electrification program. As the gentlewoman from New Jersey brought out here, the gentleman is trying to put the cart before the horse and I hope the gentleman's amendment is soundly defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and on a division (demanded by Mr. YOUNG of Florida) there were—ayes 11, noes 30.

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Florida (Mr. YOUNG) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 194, noes 200, not voting 38, as follows:

[Roll No. 638]

AYES—194

Abdnor	Bafalis	Broomfield
Ambro	Barnard	Brown, Mich.
Anderson, Calif.	Bauman	Brown, Ohio
Andrews, N.C.	Beard, R.I.	Broyhill
Applegate	Beard, Tenn.	Burgener
Archer	Bennett	Burke, Fla.
Armstrong	Bevill	Burleson, Tex.
Ashbrook	Biaggi	Butler
AuCoin	Bowen	Byron
Badham	Breaux	Carter
	Brinkley	Cederberg

Clausen, Don H.	Huckaby	Roberts
Clawson, Del	Ichord	Robinson
Cleveland	Ireland	Roe
Cohen	Jacobs	Rose
Coleman	Johnson, Colo.	Rousselot
Collins, Tex.	Jones, N.C.	Rudd
Conable	Jones, Okla.	Runnels
Corcoran	Jones, Tenn.	Ruppe
Cunningham	Kazen	Russo
Daniel, Dan	Kelly	Santini
Daniel, R. W.	Kemp	Satterfield
Davis	Kindness	Sawyer
de la Garza	Lagomarsino	Schulze
Derrick	Latta	Sebelius
Derwinski	Lent	Shipley
Devine	Levitas	Shuster
Dickinson	Livingston	Sikes
Dingell	Lloyd, Tenn.	Skelton
Dornan	Long, La.	Skubitz
Duncan, Tenn.	Lott	Slack
Edwards, Ala.	Lujan	Smith, Nebr.
Edwards, Okla.	McClory	Snyder
English	McDonald	Spence
Ertel	McEwen	St Germain
Evans, Ga.	McKay	Stangeland
Evans, Ind.	Madigan	Steed
Flippo	Marlenee	Stockman
Fountain	Marriott	Stratton
Frenzel	Martin	Stump
Frey	Mattox	Taylor
Fuqua	Mazzoli	Thone
Gammage	Michel	Treen
Gaydos	Miller, Ohio	Trible
Gibbons	Mollohan	Vander Jagt
Gilman	Montgomery	Vanik
Ginn	Moore	Volkmer
Goldwater	Moorhead, Calif.	Waggonner
Goodling	Mottl	Walker
Gradison	Murphy, Pa.	Walsh
Grassley	Murtha	Watkins
Gudger	Myers, John	Weaver
Guyer	Neal	White
Hagedorn	Nichols	Whitehurst
Hall	O'Brien	Whitley
Hammer-schmidt	Poage	Whitten
Hansen	Pressler	Wiggins
Harsha	Preyer	Wilson, Bob
Hefner	Pursell	Wilson, C. H.
Hightower	Quayle	Winn
Hillis	Quillen	Wydler
Holt	Rahall	Wylie
Horton	Rhodes	Yatron
Hubbard	Rinaldo	Young, Alaska
	Risenhoover	Young, Fla.
		Young, Mo.

NOES—200

Addabbo	Drinan	Jenrette
Akaka	Duncan, Oreg.	Johnson, Calif.
Alexander	Early	Jordan
Ammerman	Eckhardt	Kastenmeier
Anderson, Ill.	Edgar	Keys
Andrews, N. Dak.	Edwards, Calif.	Kildee
Annunzio	Eilberg	Kostmayer
Ashley	Emery	Krebs
Aspin	Erlenborn	Krueger
Baldus	Evans, Del.	LaFalce
Baucus	Fary	Leach
Bedell	Fascell	Lederer
Beilenson	Fenwick	Leggett
Benjamin	Findley	Lehman
Bingham	Fish	Lloyd, Calif.
Blanchard	Fisher	Long, Md.
Blouin	Fithian	Luken
Boggs	Flood	Lundine
Boland	Florio	McCloskey
Bonior	Foley	McCormack
Bonker	Ford, Mich.	McFall
Brademas	Forsythe	McHugh
Breckinridge	Fowler	McKinney
Brodhead	Fraser	Maguire
Brooks	Garcia	Mahon
Buchanan	Gephardt	Mann
Burke, Calif.	Giaimo	Markey
Burlison, Mo.	Glickman	Marks
Burton, John	Gonzalez	Metcalfe
Cavanaugh	Gore	Meyner
Chisholm	Green	Mikulski
Clay	Hamilton	Mikva
Conte	Hanley	Miller, Calif.
Corman	Hannaford	Mineta
Cornell	Harkin	Minish
Cornwell	Harris	Mitchell, Md.
Cotter	Hawkins	Mitchell, N.Y.
Coughlin	Heckler	Moakley
D'Amours	Heftel	Moffett
Danielson	Holland	Moorhead, Pa.
Delaney	Hollenbeck	Moss
Dellums	Holtzman	Murphy, Ill.
Dicks	Howard	Murphy, N.Y.
Dodd	Hughes	Myers, Gary
Downey	Hyde	Myers, Michael
	Jeffords	Natcher
Nedzi	Reuss	Steers
Nowak	Richmond	Steiger
Oakar	Rogers	Stokes
Oberstar	Roncalio	Studds
Obey	Rooney	Thompson
Ottinger	Rosenthal	Traxler
Panetta	Rostenkowski	Tucker
Patten	Roybal	Udall
Patterson	Ryan	Ullman
Pattison	Sarasin	Van Deerlin
Pease	Scheuer	Vento
Pepper	Schroeder	Walgren
Perkins	Seiberling	Waxman
Pettis	Sharp	Weiss
Pickle	Simon	Wilson, Tex.
Pike	Smith, Iowa	Wirth
Price	Solarz	Wolff
Pritchard	Spellman	Wright
Railsback	Staggers	Yates
Rangel	Stanton	Zablocki
Regula	Stark	Zeferetti

NOT VOTING—38

Bolling	Diggs	Nix
Brown, Calif.	Evans, Colo.	Nolan
Burke, Mass.	Flowers	Quie
Burton, Phillip	Flynt	Rodino
Caputo	Ford, Tenn.	Sisk
Carney	Harrington	Symms
Carr	Jenkins	Teague
Chappell	Kasten	Thornton
Cochran	Le Fante	Tsongas
Collins, Ill.	McDade	Wampler
Conyers	Mathis	Whalen
Crane	Meeds	Young, Tex.
Dent	Milford	

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Conyers against.

Mr. Teague for, with Mr. Burke of Massachusetts against.

Mr. Chappell for, with Mr. Phillip Burton against.

Mr. VOLKMER and Mr. RAHALL changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments? If not, the Clerk will read.

The Clerk read as follows:

International organizations and programs: For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, as amended, and of section 2 of the United Nations Environment Program Participation Act of 1973, $260,000,000: *Provided*, That none of the funds appropriated under this heading may be available to provide a United States contribution to the United Nations University.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 3, line 20, strike "$260,000,000" and insert in lieu thereof "$253,200,000".

On line 23 strike the period and insert the following: ": *Provided further*, That not more than $116,250,000 shall be available for the United Nations Development Program."

Mr. YOUNG of Florida. Mr. Chairman, this amendment strikes only $6.8 million from this budget for the United Nations Development Program. The amount was arrived at very scientifically, Mr. Chairman. The $6.8 million is the United States' share for 1 year of 5-year programs to countries like Vietnam, Ethiopia, Cuba, Laos, Mozambique, Uganda, Iran, and Saudi Arabia.

I would argue on any one of these countries why the United States ought not to be sending our tax dollars to those countries. Saudi Arabia, for example, gets plenty of American dollars for the purchase of oil. I do not see why we need to help finance a United Nations development program for Saudi Arabia. The same argument I would make for Iran. While Cuba is exporting communism and violence all over Africa, I do not see why United States taxpayers should have to pay American tax dollars into a fund, some of which will end up in Cuba. The same argument I would make for Vietnam, the same for Ethiopia. Each one of these countries falls into one of those categories. This $6.8 million is not going to destroy any program. It is not going to keep any hungry people from being fed. It is not going to do anything but indicate that we do not want our taxpayers' dollars going to countries like Cuba, like Vietnam, like Ethopia, like Uganda through the indirect method of the United Nations Development Program. It still leaves a lot of money in this account for the UNDP.

As a matter of fact, if this amendment should be adopted by this House, the amount left in the bill for the UNDP will still be the largest appropriation for the UNDP that we have ever made, and larger than it was last year.

Mr. Chairman, I hope that the amendment would be adopted and we could save at least $6.8 million of our taxpayers' money.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the President's request for the UNDP this year is $133,000,000. This represents an $18 million increase above last year's appropriation level. In the past, this committee has been very critical of the UNDP. It has been an organization wrought with inefficiency and political ineptness. However, 2 years ago, a former colleague, Bradford Morse, became the administrator of the UNDP and has since taken many strides to pull this organization from the depths. It is hoped that, through his leadership, the UNDP will continue to improve and will someday be an organization which we may all support. I have great sympathy with the purpose of the gentleman's amendment and share his concern that the UNDP is not today as effective as it should be. However, the majority of the committee felt that the UNDP was performing a necessary function and was moving slowly to be sure, toward needed administrative reform. Further, the administration is beginning to exert pressure on the UNDP to more effectively direct its programs to the very poor. Recently, before the 24th session of the governing council of the UNDP, John Gilligan, AID Administrator, stated that:

The American people, the American Congress, and the new American administration will no longer accept a "trickle-down theory" in those programs where its people and money are involved.

With this commitment on the part of the administration to work toward the reform of the UNDP, I oppose any further reduction in the administration request and ask that the amendment be defeated.

The committee notes that Uganda and Vietnam are scheduled possibly to receive funds through the UN Development Program in the next 5 years. In response to concern expressed by the committee on these allocations, the witness from the State Department stated these funds would not be used to prop up any particular government but would be targeted at helping the poor people within the country.

The committee has already reduced the administration's request by almost $10 million. We have granted only a modest increase of 7 percent over last year. I assure you the committee plans to monitor the activities of the UNDP and would attempt to direct more of their aid to the poor and away from the rich countries and countries with repressive governments who have little desire to help their poor.

Mr. Chairman, I urge that the amendment be defeated.

Mr. CONTE. Mr. Chairman, I move to strike the last word. I rise in opposition to the amendment.

Mr. Chairman, since its inception in 1944, the United States has played a key role in the United Nations and its many programs. Although the U.N. is a less than perfect institution, it has nevertheless proved itself to be an important international forum where nations can work together in cooperation and compromise avoiding the conflict and confrontation too often characteristic of relations among nations. The positive aspects of U.N. programs are most evident in the multilateral assistance areas such as UNICEF and the United Nations Development Program, otherwise known as UNDP. Let us look more closely at the UNDP program which the gentleman from Florida so earnestly, yet wrongly assails.

The UNDP is the largest technical assistance program within the United Nations. Its assistance is not given in the form of monetary grants or loans but is provided through trained professional who furnish training and development advice along with specialized equipment necessary to help the developing world to realize their potential. The United States has always played a major leadership role in this program and does so now under the skilled leadership of my dear friend and former congressional colleague, Mr. Bradford Morse. During his tenure, the UNDP has focused its policy of assistance on helping the poorer nations to utilize the indigenous talent and resources they posses. In other words to provide cooperative aid for the end of insuing that these nations may soon conduct their own development strategies. Inputs from the U.N. represents only 40 percent of the project cost; 60 percent is provide by the recipient nations themselves.

During the current 5 year program running between 1977 and 1981, about 80 percent of UNDP expenditures will go to countries with per capita incomes of $500 or less. I will not argue that this degree of aid to the poorest of the poor should not be increased. However, I will observe the best way to accomplish the end of full participation in the program is not to cut off funding or place restructions on aid unacceptable to other members.

The UNDP should be especially worthy of support because of its emphasis on people to people assistance and its encouragement of recipient nations to develop the capability to control their own destinies. However, the gentleman from Florida would have us remove our support to this otherwise sound program because of the 140 nations receiving aid, there are seven that we currently do not like.

There indeed may be good diplomatic reasons for us not to provide direct aid to nations such as Vietnam, Uganda, or Cuba. But it does not follow that the 1 percent of UNDP expenditures going to the seven nations so vehemently objected to, should preclude all U.S. funding to the nearly 3,800 unobjectionable UNDP projects designated for over 140 countries around the world. Moreover, it is quite an exaggeration to suggest as does the gentleman from Florida, that U.S. tax dollars spent in UNDP programs support the rule of the likes of Idi Amin. For example, the current UNDP program for Uganda trains Ugandan nationals to treat individuals suffering from tuberculosis, to assist in the eradicaton of prevalent animal diseases and to learn improved hospital laboratory techniques. Do we really wish that tubercular, infirmed, and diseased humans (and beasts) benefiting from these modest programs to be left to suffer for fear of strengthening the oppressor's hand? Are we to believe that the presence of professionals from other countries within the border of a nation such as Uganda does not have a moderating influence on the bloodlust of its leader? I think not.

Mr. Chairman, I wish to make clear that I do not approve of all the projects provided to these and other countries. However, the point is the United States is the largest single contributor to the UNDP and as the Nation that has provided the key leadership for the program, we can, and should use our inherently great influence to discourage programs that are patently unwise. This, I assert, is a better approach than the cutoff advocated by the gentleman from Florida.

With the exception of Uganda, it would seem my friend is mesmerized by the evil done by the Communist regimes. Others in the body object only to rightist cruelties. So it goes. Only the suffering of the people whose basic human needs are not met, is ignored. It is those people who primarily are the beneficiaries of the technical assistance rendered by the UNDP. I say, enough is enough. Let us get ourselves out of the political trap laid by the gentleman from Florida. As a result of such actions, concern with human rights is not on the upswing. Yet support for the fine, effective, multilateral program such as UNDP is on the decline. I strongly urge the defeat of this amendment.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, we have no money to give to this UNDP program except the money that we take away from our hard-working taxpayers. The taxpayers across this country are saying that they are fed up with the waste and the excesses in this whole program. I think that this cut is very much in order.

We propose to give $123 million to UNDP. Over the current 4-year period UNDP intends to give $49 million to Vietnam, $42 million to Ethiopia, $30 million to Uganda, $18 million to Mozambique, $17 million to Laos, $13 million to Cuba; $10 million is going to oil rich Saudi Arabia and $20 million to equally wealthy Iran.

I submit that the people in my district, and I am sure the people in your district, do not want their money used this way.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentlewoman for yielding.

Mr. Chairman, I thought for a moment that my friend and colleague, the gentleman from Massachusetts (Mr. CONTE), had the wrong speech, and I am not sure whether he did or not.

Mr. Chairman, we are not trying to stop the UNDP. We are not saying we are not going to help those people. Again the argument goes against what this amendment is trying to do. If I were on their side, I would make the same kind of argument, probably. There is no good argument why we should send American dollars to Uganda. I do not want to go home to my district and explain to my people why I voted to have American money go to Uganda.

Mr. Chairman, the gentleman from Massachusetts (Mr. CONTE) talks about the program of saving life in Uganda. I wonder if he heard the story about how Amin's murderers lined up men in the village and gave the first man a hammer and made him kill the next man with the hammer, and then the hammer was passed on to the next living person, and he killed the one next to him, and then the hammer was passed down the line until they were all dead except the last one, and he was shot. Has the gentleman heard about Idi Amin's braggadocio statements about eating his opponents or about white missionaries who have been killed or just disappeared in Uganda?

And if American tax dollars go to Uganda, my friends, do not be misled. Any money that goes to Uganda is not going to be controlled by Bradford Morse, our friend and former colleague. Any money that goes to Uganda is going to be controlled by Idi Amin. The emperor for life. That is who controls the money and everything else in Uganda.

Mr. CONTE. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. If I have

time left, I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentlewoman for her kindness in yielding to me.

Mr. Chairman, the gentleman from Florida (Mr. YOUNG) has just torn me apart. I am surprised at him, because I taught him everything he knows, and this is the gratitude I get. Anyway, I am surprised at the gentleman, because he did not listen to my speech. It was the right speech, and it was on target.

What I said was that by the gentleman's cut these are the programs that are going to be hurt. There is not a plug nickel from UNDP that goes to Uganda. The gentleman knows it, and everybody else knows it. It is technical assistance, not money going to Uganda. It is technical assistance to try to solve tuberculosis in that country, to try to help the sick and the dying in that country, not to help Idi Amin.

Mr. Chairman, I would like to say that I deplore everything Idi Amin does as much as the gentleman from Florida, I deplore it even more, as the gentleman knows, because I feel very strongly about human rights. But I also feel for those poor people in Uganda who do not get any help from their leader and who have to depend upon the UNDP for any help and salvation.

Mrs. BURKE of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to clarify exactly what UNDP does and who it goes to. It benefits 140 AID countries. I wish the Members would read the list of countries this amendment would cut back. It is not just cutting back on those seven countries that have been paraded as the "horribles." It cuts back on countries such as Greece. It is true that some of this money goes to Israel, Chile, Columbia, Ecuador. It goes to Iraq, to Hungary, and Iceland. It goes to many countries whose political ideologies and/or leaders I do not personally endorse, but the fact remains that I support the technical services, training advice, and other forms of development assistance which UNDP fosters. These programs, I support, because they help people that need them.

These programs are not supposed to carry my ideology. They are not supposed to carry my philosophy. They are supposed to help deserving people.

I would like to point out to the Members that the United States also benefits from UNDP.

We contribute about 18 percent of that money. Yet the United States sees a 130-percent return to its citizens from that contribution. It is the United States that sells those goods and those services. It is the United States that makes the money, and that money comes back to us; about $35 billion to $40 billion worth of services from the United States is purchased by those countries that we assist.

There are approximately 5 million jobs in the United States that are now being underwritten by those underdeveloped countries. So that, when we talk about who we are hurting, do not ever forget that it is probably one of those companies in Nebraska or in Florida that is producing tractors. They are the ones that are going to be cut back, and they are the ones that will suffer if the 18 percent contribution is cut out.

Let me also talk about the "hit list" countries. Again and again we talk about the countries we do not like. Sometimes I wonder what we are going to talk about if Idi Amin has a heart attack next week. The debate on this floor is going to be totally distorted in a different direction. But, the effect of our cutback goes further. The proposed cutback, if adopted will be across-the-board, and thereby will affect every single country.

This committee already made a cut of some $10 million, taking into consideration the fact that there are many who disagree with some of the countries aided by UNDP for one reason or another. In addition to that, there has been a ceiling that has been established by the administrator for those seven countries mentioned that are of special great concern to the Congress.

Mr. Chairman, I would also like to clarify, the amounts of moneys those seven countries would receive, in this fiscal year since one of the previous speakers has distorted the facts by reading off large amounts of aid supposedly designated for them. The amount read was for 4 years, not 1. The United States share for 1 fiscal year for those countries actually amounts to $4.6 million. That is the total amount of the United States share to those countries that have been mentioned in this debate.

Therefore, if this amendment is adopted so, the people that we will economically damage will be those American businesses that receive the money and sell the services that come out of this UNDP, of which we only contribute something like 18 percent. It will also negatively affect all countries who directly benefit from UNDP.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to repeat one thing, and I will only take about 1 minute. I simply want to make this observation: Members of this House have two choices in dealing with this foreign aid bill. We can either try to educate the people we represent about the complexities involved and the issues contained in legislation like this, or we can try to use issues and use peoples' legitimate concerns about some terrible conditions around the world in order to further add to their lack of confidence and credibility as far as the U.S. Government and its policies are concerned.

I really believe that this is an example of that choice. I think it is important to emphasize what the gentleman from Texas said, because people are up tight about the aid that goes to countries like Saudi Arabia, for instance.

The fact is that countries like Saudi Arabia and Iran are in this program only because they need badly the technical assistance, but in fact they contribute far more to the program than they get out of it.

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Chairman, I rise in opposition to the amendment. While it is true that the funding level recommended in the bill is a 7-percent increase above the fiscal year 1978 funding level, it should be recognized that the Appropriations Committee already cut the President's budget request for UNDP by nearly $10 million.

It is hard to think of a target, in political terms, which would be more convenient to attack than international voluntary programs like UNDP. This is even more tempting in this particular election year, when concern over Government spending is on all our minds. After all, we are pretty far removed from those people who would be affected. Scarcely a ripple will be felt in the halls of Congress if there is a little less food or medical supplies available to those who need it.

Consider the arguments advanced in support of this amendment.

First, there is a belief among many members and in the public at large that our contributions to the UNDP amounts to a "give-away" program. You might be wondering why we should allow taxpayers' money to be given to UNDP when we do not really get anything for it? The fact is that much of our contributions to the UNDP is returned to us through purchases of American goods and services. For example, in 1976 the United States contributed $100 million to the UNDP, but we got back $130 million through purchases of American goods and services. To support this amendment is to deprive American firms of direct benefits at the same time we are punishing disadvantaged peoples.

Second, the sponsors of this amendment would have us punish more than 140 recipient countries in no small part, because of our political differences with the governments of Angola, Uganda, Ethiopia, Mozambique, Laos, Vietnam, and Cuba. This is unfair to say the least. Moreover, to cut our contributions to the UNDP with this purpose in mind is punishing the people of these seven countries and many others who have virtually no control over their governments.

Why then should we support the appropriation of $123,050,000 for the UNDP?

First, it is important to focus upon what it is we are helping pay for and who benefits. Altogether too often we do not take the time to identify whether our assisance benefits the people primarily or the governments which dominate them. UNDP assistance is not given in the form of money grants or loans to governments. What is provided instead are trained professionals (many are Americans) who furnish training and development advice, together with the

specialized equipment and technical services needed to make improvements in the lives of the peoples living within recipient countries.

Second, the United States has always provided the leadership within the UNDP in formulating its strategy, tactics, and operating methods. During these years of American leadership, a policy was established to focus on helping the poorer countries become self-reliant by making the most of their own resources. Consequently, 80 percent of UNDP expenditures in this 1977–81 planning cycle will go to countries with annual per capita GNP's of $500 or less.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. OBEY. Mr. Chairman, I yield further to the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Chairman, third, the Carter administration has stressed the importance of maintaining the UNDP as the major channel for voluntary contributions to the technical assistance program of the United Nations system. The recommended funding level of the bill represents an 18 percent participation by the United States in UNDP programs, whereas the U.S. share was 35 percent in 1970. In 1979, the United States will be contributing about 49 cents per person in comparison to the people of Denmark who presently contribute $8.86 per person to UNDP.

Fourth, contrary to popular belief, other countries have been increasing their percentage share in contributions to the UNDP at the same time the U.S. share has been decreasing. UNDP expects to receive a record $569 million from 122 countries in 1978—9 percent more than total contributions in 1977.

During the past year, the UNDP obtained a $20 million contributions from the OPEC Fund for UNDP activities. This is the first such contribution from the OPEC Fund to any international organization. At the same time, countries such as Iran and Saudi Arabia are net contributors to the UNDP—contributing approximately $7 for every $1 they receive.

Finally, ceilings have been imposed upon UNDP expenditures in Vietnam, Ethiopia, Uganda, Mozambique, Laos, Angola, and Cuba in 1979. So the American share of funds to these countries will total $5.98 million which represents less than 1 percent of the total UNDP expenditures worldwide for next year. This means that U.S. contributions to UNDP activities in these countries amounts to less than is given to any 20 Members of this House annually for official expenses including clerk-hire, travel, and stationery.

Congress should not support further cuts in our contributions to the UNDP. To do so would be a serious mistake which would misrepresent the understanding and compassion of the United States.

Mr. WYDLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it has been alluded to on the floor that those that oppose some of this foreign aid spending are trying to pander to the wishes of their constituents. At least that is the implication I think of the remarks that were just made.

As one who has generally supported foreign aid I would say that I have not tried to build up any resentment in my district against it but I find a continuing concern by the people in my district for the spending that goes on in this program. I think it is a legitimate concern and one that should be shared by the members of this committee and this House, because I do not believe it is a bad argument at all.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I am pleased to yield to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman from New York (Mr. WYDLER) has made an observation that we all ought to pay close attention to. This whole business of foreign aid—and as I said during general debate there are many of these programs that I support—but this whole business of foreign aid is not supported by your people. A recent gallop poll over the country indicated that foreign aid was one of the first three areas the American people talk about when they talk about cutting expenditures. And if you do not believe that there is a real taxpayers' revolution that is going on now, then you had better pay close attention, because if your constituents ever find out what we are doing here today, you are going to be in for quite a shock.

We are not trying to kill UNDP. This is only a $6.8 million amendment to reduce.

It is eight countries, by the way, not seven. Two of them are Iran and Saudi Arabia. It has been said that they are not looking for our money; they are just looking for the technological assistance.

Why do they not pay for it? They have so much money coming out of their oil wells that they are buying farm and land and industries all over America, so why in the world can they not pay for the $20 million for Iran and for the $10 million of technological assistance Saudi Arabia is going to get over this 5-year period?

Mr. Chairman, for those Members who think UNDP is such a great program, doing such a good job, let me tell the Members what one very high Government official had to say at the same meeting alluded to earlier, the 26th session of the governing council of the UNDP in Geneva on June 14 of this year. That high U.S. official said the following:

> In surveying UNDP assistance programs to individual countries, we have noticed a disturbing trend toward increased fragmentation.

Mr. Chairman, that means it is getting worse. Furthermore, it was stated that the UNDP resident representative himself was ignorant of more than half of the resources being provided by donors through U.N. agencies.

Mr. Chairman, what I quoted were the words of a high-ranking official of the present administration. He went on to say the following:

> The host country itself was no more aware than the UNDP resident representative of some of these programs. Both donors and recipients are getting less value than they paid for the available resources.

Mr. Chairman, in view of the countries we are talking about, I do not make any excuses for trying to keep our money from going to those eight countries. The fact is that the UNDP programs are not working as we want them to work.

Mr. Chairman, I suggest that if this Congress year after year just rolls over and plays dead, never focuses attention on these problem areas, never attempts to do something to correct them, if we do not eventually come to grips with the whole matter, we are never going to solve the many problems. Next year the UNDP program is going to be larger. The year after that it is going to be larger still.

Mr. Chairman, the only saving grace I see in the UNDP program becoming larger every year is this: It has been said that for every $100 we spend, we get $130 back. If that is the case, why is our balance-of-trade deficit running at the rate of more than $30 billion this year? Further, if this theory is true, why do we not just increase the UNDP budget to about $20 billion, and then if the gentleman's claim is accurate we will get back $26 billion and help solve our balance-of-trade problem. The problem is that the argument just is not borne out by the facts.

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I am glad to hear that suggestion of the gentleman from Florida (Mr. YOUNG). I would be happy to cosponsor such an amendment if he wishes, although I recognize that he is not serious, and neither am I.

Mr. WYDLER. Mr. Chairman, I do not want to cut the gentleman off, but I do not think the gentleman from Florida really does want to spend $20 billion on UNDP. Moreover, I do not think the gentleman wants the people in his district to know that he supports such a proposal.

The CHAIRMAN. The time of the gentleman from New York (Mr. WYDLER) has expired.

(On request of Mr. ASHBROOK and by unanimous consent, Mr. WYDLER was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I find it rather strange that the suggestion to increase this UNDP program by $20 billion would be taken seriously and

would get the support of my colleague, the gentleman from Ohio (Mr. PEASE); but possibly we have totally different constituencies although I doubt that.

I think what we are talking about here is a small, modest cut.

Mr. Chairman, on May 12 of this year, by a vote of 148 to 155, with 8 Members switching their vote in the well—and they are recorded in the CONGRESSIONAL RECORD, as we all know—this body just barely defeated an amendment to prevent indirect aid.

Now we are talking about indirect aid to the countries my colleague from Florida has talked about. We are talking about only $6 million now. In May we were talking in general about any aid, direct or indirect. We came within seven votes then.

Mr. Chairman, I think the American people are going to be interested in knowing how many of those 155 will now vote against a simple $6 million cut. I hope we have a recorded vote on this amendment.

Mr. WYDLER. Mr. Chairman, I yield back the balance of my time.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. Mr. Chairman, I will not take the 5 minutes, but I think it is very important to stress one point about the UNDP, and the same can be said for the multinational lending institutions. It was not too many years ago that the United States was the primary donor to the developing countries, the primary nation that was concerned and active in attempting to deal with these very deep problems. We have been very successful in recent years in encouraging other countries to join with us in this burden, and we have done so by getting them to join with us in contributing to these multinational institutions. The UNDP is an excellent example. The international banks are also good examples of the success we have had.

But the greatest threat to these multinational institutions will come from politicizing them. The problem with this amendment, I would stress to my friend, the gentleman from Florida (Mr. YOUNG), is not the $6 million cut. Relative to the budget of UNDP, that is not a substantial amount of money. The problem with this amendment is that it politicizes our contributions, and if we politicize our contributions other countries certainly will follow suit. That spells the death knell of international institutions, and where does that leave us? I submit it leaves us back where we were some years ago with the United States being left with the primary burden.

I think the gentleman from Ohio (Mr. PEASE) pointed out that our current level of contribution is about 18 percent to the UNDP. Back in 1970 it was 35 percent. That is an indication of how other nations have joined with us, enabling us to reduce the level of our contributions in terms of total aid provided by the UNDP. I think it is terribly important to remember that. Accordingly it is not the $6 million that is so damaging; it is the politicizing of our contribution which inevitably will result in other countries doing the same, and that will inevitably result in the destruction of these international institutions, much to our regret.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

To put this in proper perspective, I would simply like to make one statement. I think it is important to understand that the committee has already cut $10 million in the administration's request for the UNDP. That means that this account is now 6.5 percent above last year, which is less than the increase in the cost of inflation, and I think that speaks for itself.

Mr. WYDLER. Mr. Chairman, will the gentleman yield to me?

Mr. McHUGH. I yield to the gentleman from New York.

Mr. WYDLER. I thank the gentleman for yielding.

I do not understand what the gentleman is trying to tell the Committee regarding politicizing the UNDP. What is the point? How are we politicizing it?

Mr. McHUGH. It is very obvious we are politicizing it. The gentleman from Florida has offered an amendment to cut $6 million out of this bill and specifically tells this Committee that he is doing so because he does not like the countries which are listed, or at least the governments which are listed. As you know, there are many other countries that participate in the UNDP, and they have their dislikes, too; so they then start cutting down their contributions, because they see the United States doing that, because the United States does not like certain countries. That will then result, as the gentleman can well see, in the destruction of the UNDP.

Before these international institutions existed, the United States had a much greater burden relative to other nations in trying to meet the burdens that we are addressing in this bill.

Mr. WYDLER. Will the gentleman yield to me just further?

Mr. McHUGH. I yield to the gentleman from New York.

Mr. WYDLER. I understand it on that basis, but I understood the gentleman from Florida (Mr. YOUNG) to say that he wanted these cuts, because he thought this money was going to countries that had plenty of money. I thought that was the point the gentleman made. Some of them certainly are well-to-do countries. We know they are well-to-do, because we are sending them our dollars each and every day in a tremendous amount. So I understand the gentleman to be questioning whether these countries should be receiving that kind of aid.

Mr. McHUGH. I do not know how familiar the gentleman is with some of these countries, but I do not think anyone could reasonably suggest that Ethiopia is a rich country, or Uganda is a rich country. My understanding is that the gentleman from Florida (Mr. YOUNG) is very distressed with the governments in some of these countries. Saudi Arabia may be what the gentleman is thinking of.

Mr. WYDLER. Yes, I was, and Iran.

Mr. McHUGH. As the gentleman from Texas pointed out, Saudi Arabia contributes considerably more, as I understand, 300 percent more, to UNDP than it has received in technical assistance from the technical experts employed.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. YOUNG of Florida, and by unanimous consent, Mr. McHUGH was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I will be happy to yield to the gentleman.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Under the theory of the Saudi Arabians and the Iranians contributing more than they get back, the United States the largest contributor does not get anything back; is that not true? We are a rather wealthy nation, but we do not get anything from UNDP. Saudia Arabia and Iran are also wealthy, but they do get UNDP benefits.

My question is—and I thank the gentleman for yielding—is it not true that even if this amendment were to be adopted, this would still be the largest appropriation for UNDP this Congress has ever made—even with the amendment? Is that not true?

Mr. McHUGH. I am not sure. I am willing to accept that fact if the gentleman states it. I have no reason to doubt it. I was only pointing out that relative to other nations' contributions, relative to the percentage of participation of the United States with regard to those other nations, since 1970 we have gone from a level of participation of 35 percent to a level of 18 percent, and I think that is a direction which is attractive to the United States.

Let me say further with respect to Saudi Arabia, the situation in Saudi Arabia, as the gentleman knows, is such that while that country has a great deal of new money, it does not have a great deal of technical expertise. That is not the case in the United States. Fortunately, we are blessed with great technical capacity, and we do not need the UNDP for that purpose. Saudi Arabia does. Money does not necessarily mean technical capacity.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, is it not so that Saudi Arabia can afford to pay for that technology; Iran can afford to pay for that technology, and why not?

This is a tough world. The United States is really finding out how tough the world is with our dollar falling and with our balance of payments deficit.

Mr. McHUGH. I certainly do think Saudi Arabia can give equal value for those technical services. I pointed out earlier that it has given at least 300

percent more in value than it has received.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 189, noes 202, not voting 41, as follows:

[Roll No. 639]

AYES—189

Abdnor	Frey	Myers, John
Andrews, N.C.	Fuqua	Natcher
Andrews, N. Dak.	Gammage	Neal
Applegate	Gaydos	Nichols
Archer	Gibbons	O'Brien
Armstrong	Gilman	Panetta
Ashbrook	Ginn	Pickle
Badham	Glickman	Poage
Bafalis	Goodling	Pressler
Barnard	Gradison	Preyer
Bauman	Gudger	Quayle
Beard, R.I.	Guyer	Quillen
Beard, Tenn.	Hall	Regula
Benjamin	Hammer-schmidt	Rhodes
Bennett	Hansen	Risenhoover
Bevill	Harsha	Roberts
Bowen	Hefner	Robinson
Breaux	Hightower	Rose
Brinkley	Hillis	Rousselot
Brooks	Holt	Rudd
Broomfield	Horton	Runnels
Brown, Ohio	Hubbard	Russo
Broyhill	Huckaby	Santini
Buchanan	Hyde	Satterfield
Burgener	Ichord	Sawyer
Burke, Fla.	Ireland	Schulze
Burleson, Tex.	Jacobs	Sebelius
Butler	Jenrette	Shuster
Byron	Johnson, Colo.	Sikes
Carter	Jones, N.C.	Skelton
Clausen, Don H.	Jones, Okla.	Skubitz
Clawson, Del	Jones, Tenn.	Smith, Nebr.
Cleveland	Kazen	Snyder
Cohen	Kelly	Spence
Coleman	Kemp	Stangeland
Collins, Tex.	Kindness	Steed
Corcoran	Lagomarsino	Stockman
Crane	Latta	Stratton
Cunningham	Lent	Stump
Daniel, Dan	Levitas	Symms
Daniel, R. W.	Livingston	Taylor
Davis	Lloyd, Tenn.	Thone
de la Garza	Lott	Treen
Devine	Lujan	Trible
Dickinson	McDonald	Vander Jagt
Dornan	McEwen	Volkmer
Duncan, Tenn.	Madigan	Waggonner
Early	Mahon	Walker
Edwards, Ala.	Mann	Walsh
Edwards, Okla.	Marlenee	Watkins
Eilberg	Marriott	White
Emery	Martin	Whitehurst
English	Michel	Whitley
Ertel	Miller, Ohio	Wiggins
Evans, Del.	Minish	Wilson, Bob
Evans, Ga.	Mitchell, N.Y.	Winn
Evans, Ind.	Mollohan	Wolff
Fithian	Montgomery	Wydler
Flippo	Moore	Wylie
Forsythe	Moorhead, Calif.	Yatron
Fountain	Mottl	Young, Fla.
Fowler	Murphy, Pa.	Young, Mo.
Frenzel	Murtha	Zeferetti

NOES—202

Addabbo	Baucus	Brodhead
Akaka	Bedell	Brown, Mich.
Alexander	Beilenson	Burke, Calif.
Ambro	Biaggi	Burlison, Mo.
Ammerman	Bingham	Burton, John
Anderson, Calif.	Blanchard	Carr
Anderson, Ill.	Blouin	Cavanaugh
Annunzio	Boggs	Cederberg
Ashley	Boland	Chisholm
Aspin	Bonior	Clay
AuCoin	Bonker	Conable
Baldus	Brademas	Conte
	Breckinridge	Corman
Cornell	Keys	Pike
Cornwell	Kildee	Price
Cotter	Kostmayer	Pritchard
Coughlin	Krebs	Pursell
D'Amours	Krueger	Rahall
Danielson	LaFalce	Railsback
Delaney	Leach	Rangel
Dellums	Lederer	Reuss
Derrick	Lehman	Richmond
Derwinski	Lloyd, Calif.	Rinaldo
Dicks	Long, La.	Roe
Dingell	Long, Md.	Rogers
Dodd	Luken	Roncalio
Downey	Lundine	Rooney
Drinan	McClory	Rosenthal
Duncan, Oreg.	McCloskey	Rostenkowski
Eckhardt	McCormack	Roybal
Edgar	McFall	Ruppe
Edwards, Calif.	McHugh	Ryan
Erlenborn	McKay	Sarasin
Fary	McKinney	Scheuer
Fascell	Maguire	Schroeder
Fenwick	Markey	Seiberling
Findley	Marks	Sharp
Fish	Mattox	Simon
Fisher	Mazzoli	Smith, Iowa
Flood	Meeds	Solarz
Florio	Metcalfe	Spellman
Foley	Meyner	St Germain
Ford, Mich.	Mikulski	Staggers
Fraser	Mikva	Stanton
Garcia	Miller, Calif.	Stark
Gephardt	Mineta	Steers
Giaimo	Mitchell, Md.	Steiger
Gonzalez	Moakley	Stokes
Gore	Moffett	Studds
Grassley	Moorhead, Pa.	Thompson
Green	Murphy, Ill.	Thornton
Hagedorn	Murphy, N.Y.	Traxler
Hamilton	Myers, Gary	Tucker
Hanley	Myers, Michael	Udall
Hannaford	Nedzi	Ullman
Harkin	Nolan	Van Deerlin
Harris	Nowak	Vanik
Heckler	Oakar	Vento
Heftel	Oberstar	Walgren
Holland	Obey	Waxman
Hollenbeck	Ottinger	Weaver
Holtzman	Patten	Weiss
Howard	Patterson	Wilson, Tex.
Hughes	Pattison	Wirth
Jeffords	Pease	Wright
Johnson, Calif.	Pepper	Yates
Jordan	Perkins	Zablocki
Kastenmeier	Pettis	

NOT VOTING—41

Bolling	Flynt	Quie
Brown, Calif.	Ford, Tenn.	Rodino
Burke, Mass.	Goldwater	Shipley
Burton, Phillip	Harrington	Sisk
Caputo	Hawkins	Slack
Carney	Jenkins	Teague
Chappell	Kasten	Tsongas
Cochran	Le Fante	Wampler
Collins, Ill.	Leggett	Whalen
Conyers	McDade	Whitten
Dent	Mathis	Wilson, C. H.
Diggs	Milford	Young, Alaska
Evans, Colo.	Moss	Young, Tex.
Flowers	Nix	

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Burke of Massachusetts against.

Mr. Le Fante for, with Mr. Shipley against.

Mr. Chappell for, with Mr. Conyers against.

Mr. Whitten for, with Mr. Tsongas against.

Mr. Teague for, with Mr. Hawkins against.

Mr. PATTEN changed his vote from "aye" to "no."

Mr. GOODLING changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ECONOMIC SUPPORT FUND

Economic support fund: For necessary expenses to carry out the provisions of sections 498, 499 and 500 of the Foreign Assistance Act of 1961, as amended, $1,827,000,000: *Provided*, That of the funds appropriated under this paragraph, $785,000,000 shall be allocated to Israel, $750,000,000 shall be allocated to Egypt, $93,000,000 shall be allocated to Jordan, and $90,000,000 shall be allocated to Syria: *Provided further*, That not more than $50,000,000 shall be available for the Southern Africa Program: *Provided further*, That none of the funds appropriated under this heading may be used to carry out the provisions of section 499(b)(3)(A) of the Foreign Assistance Act of 1961, as amended: *Provided further*, That none of the funds appropriated under this heading may be used to provide a United States contribution to the United Nations Relief and Works Agency: *Provided further*, That none of the funds appropriated under this heading may be used to carry out the provisions of section 17 of the International Security Assistance Act of 1978.

AMENDMENT OFFERED BY MR. BUCHANAN

Mr. BUCHANAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: Page 6, line 23, strike out "$1,827,000,000" and insert in lieu thereof "$1,837,000,000".

Mr. BUCHANAN. Mr. Chairman, my amendment would add $10 million to the $1.8 billion provided for the economic support fund for the purpose of increasing our refugee assistance to Cyprus.

Yesterday, the majority of our colleagues voted to remove the arms embargo against Turkey. In so doing we included language committing the United States to actively support efforts to achieve a just solution on Cyprus and to provide "full protection for human rights."

My amendment reflects that commitment. It is identical to my amendment which was accepted when the International Development and Food Assistance Act was before the Committee of the Whole House in May.

While the estimates vary, there may be as many as 200,000 refugees on Cyprus who cannot return to their homes. I sincerely hope and pray that the action of the House on yesterday will bring movement which will permit a return to normalcy on Cyprus, but it has not happened yet.

Many thousands of these refugees are schoolchildren who do not have adequate educational facilities. Housing is needed for some 50,000 persons. The Cypriot economy is still suffering as a result of the 1974 invasion.

This amendment would bring the appropriation up to the level authorized and appropriated last year. The need has not abated and I would, therefore, urge the adoption of this amendment.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, the committee has examined the gentleman's amendment, finds no objection to it, and accepts it.

Mr. BUCHANAN. I thank the gentleman from Maryland.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, we are happy to advise that the

minority has examined the gentleman's amendment and with strong compassion for the people of Cyprus we accept the amendment.

Mr. BUCHANAN. I thank the gentleman from Florida.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I support the amendment of the gentleman from Alabama which I cosponsored, to add $10 million to the economic support fund for Cyprus. This figure would raise the amount of funds to be applied primarily for refugee assistance to the level authorized.

During the arms embargo debate of the last few days, much has been said about our concern for the Cypriot people. This amendment allows us to replace that rhetoric with action. It is estimated that there are upward of 200,000 Greek-Cypriot refugees left on the island. Many of these people are but 15 miles from their homes, but as long as there is no political settlement, they will suffer the indignities of the rootless.

One particular problem is the lack of schooling for refugee children. I understand that there are only two schools for thousands of children.

We would all agree that a political settlement which would allow the refugees to come home is the ideal situation to this problem and this Congress expects that the solution will become a reality in the near future. However, for the time being, we should not ignore the true victims of this impasse. I therefore urge that this amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. BUCHANAN).

The question was taken; and on a division (demanded by Mr. CONTE) there were—ayes 70, noes 11.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: On page 6, line 23, strike "$1,837,000,000" and insert in lieu thereof "$1,747,000,000".

On page 7, in line 1, immediately after "Egypt" insert "and";

On page 7, in line 2, immediately after "Jordan" strike all that follows through the end of that line and insert in lieu thereof a colon;

On page 7, in line 13, strike the period at the end of the line and insert in lieu thereof a colon;

On page 7, immediately after line 13 insert the following new proviso: *"Provided further,* That none of the funds appropriated under this heading may be used to provide assistance to Syria."

Mr. DERWINSKI. Mr. Chairman, my amendment to H.R. 12931 provides that none of the funds appropriated may be used to provide assistance to Syria. I am offering this amendment because what began as a supposed Syrian police action against Christians in Lebanon escalated into a full-scale assault on Christians.

According to one Newsweek journalist, who has reported from Lebanon for almost 3 years, the recent Syrian shelling of Christian areas recalled the worst days of the Lebanese civil war.

On one night alone, the Syrans pumped an estimated 1,200 shells into the Christian zones. At a hospital in Beirut, more than 115 rockets and mortars fell in one evening. Six days of fighting in Lebanon left more than 200 dead and 500 wounded.

The Syrians, through this kind of action, have been attempting to impose a "pax Damascus" in Lebanon.

Moreover, recent Syrian actions have caused a constitutional crisis because of Lebanon's President Sarkis's attempted resignation. At this time, no other political leader—other than Sarkis—is believed to be acceptable to both Muslim and Christian groups.

The savage Syrian action in Lebanon threatens to drag the Middle East closer to an allout war. In attempting to crush the Christians, Syria provoked Israel into a readiness position on the border of Lebanon.

Moreover, there is no telling how much damage has been done to the Israeli-Egyptian peace talks and in particular, Israel's attitude toward security arrangements in any peace settlement. Israel fears Lebanon may become another confrontation state.

I find it difficult to imagine any desire by the Syrians for real peace in the Middle East.

The Syrian Government has condemned President Sadat's peace initiatives as a betrayal of maintaining a unified Arab front.

Syrian officials believe that it is naive to think Sadat can succeed in any peace initiative. In June 1978, President Asad asserted that Sadat's peace initiative is a step on the road to war and not a step on the road to peace. As a result, Anwar Sadat is barely on speaking terms with Syrian President Asad.

The Syrian Government not only dislikes Sadat, but certainly detests Israel and the Jewish people. Syria restricts the emigration of Syrian Jews to Israel.

In a recent interview, July 20, 1978, with a BBC correspondent, Syrian Information Minister Ahmad Iskandar Ahmad stated that—

The Syrian army has but one task whether in Beirut or in the Golan, namely, the defense of Arab interests and the defense of Arab rights. The Syrian army's tasks in Beirut also extend to Israel and Israel's aggression and Israel's racism and expansion.

On July 13, 1978, the Damascus Domestic Service reported that—

Striking at the Phalangist and Sham'unist gangs necessarily means foiling the partition conspiracy in Lebanon and aborting the imperialist-Zionist plan in all its forms in Lebanon and the entire area.

On July 8, 1978, the Damascus Domestic Service announced that—

The Phalangists and National Liberals will pay the price of their arrogance. At least they will be used again to cover the new step of the conspiracy which the United States, Israel, and Al-Sadat are carrying out against the Arabs. . .

President Asad stated to the London Financial Times in June, 1978, that—

He did not think that there was any need for Mr. Al-Sadat to go to Jerusalem to expose the aggressive and expansionist spirit prevailing in Israel.

Moreover, Asad stated to London Financial Times reporters that—

You will not catch President Al-Asad saying "This is the year of peace."

I strike from the bill $90 million for Syria. First I should explain, by way of background, that I had this amendment in committee and I intended to offer it at that time but I was persuaded by a number of my colleagues that the Syrians were a positive force in the Middle East, that they were helping toward peace. They were becoming more moderate, they were becoming more pro-Western, they were becoming more pro-modern and, therefore, I did not offer it.

In the last 3 weeks a real tragedy has unfolded, the tragedy of the Christian peoples of Lebanon being subjected to a large attack by the Syrian Army.

I do not know if any of the Members have ever visited Lebanon—and if you have not, now would be a terrible time. Because it would be a terrible sight—but before the civil war broke out in Lebanon, it was truly one of the beautiful spots in the world. It was also a country where people of different races, people of different religions, had learned to live together. It was also a country that had a very, very fragile political structure that was based on mutual respect and it worked.

Four or five years ago the PLO that were there in the camps near Beirut, became so politicized through Arafat that they deliberately upset the fragile political balance in Lebanon.

Two years ago to supposedly end the civil war Syrian troops marched in and they first maintained the fragile peace between the PLO forces and the Christians in Lebanon.

The last 2 or 3 weeks, obviously under orders because they are a disciplined military force, they have attempted to eradicate the Christian militia. In the process hundreds and thousands of innocent civilians have been killed, slaughtered in this military massacre.

The United States had a period of about 7 years when we had no relations with Syria. Relations were restored in 1974. Immediately an aid program was commenced, and the logic for it, from the State Department's viewpoint is there. After all, they want good will, they want to recoup the lost time, so they immediately commenced an aid program.

The real problem of this aid program, which is political, not motivated by a need on the part of the population, but a politically motivated aid program, was commenced so as to get leverage with the government of Syria.

If that would work I would be the first to applaud it because I understand the political motivations of aid. But it has

not worked, and the reason it has not worked is a very simple reason and that the Soviet Union pours over $1 billion a year in military hardware into Syria. One billion dollars a year. How could you buy, or even hope to balance the pressure on the Syrian Government with $90 million in economic assistance when the Soviets, in military support alone, are providing over $1 billion a year.

By nature I am an optimist. I understand the difficulty. They are always looking on the brighter side over in the State Department. They tell me that the Syrians are a force for moderation, but if you listen to the thoughts of the Syrian foreign minister you will find him to be the heaviest saber rattler in the Middle East.

If you support my amendment, that what you will be doing is striking from the appropriation bill $90 million. I propose not to touch the authorization.

If we, in effect, say to the State Department and through them, presumably, to the Syrian Government, "Pull your troops out of Lebanon, show us you are not trying to break up that country, show us you are not creating a new war-like situation on a new border with Israel, show us you are moderate, show us you are pro-Western, show us you are going to stop this indiscriminate slaughter of Christian civilians, and in a year from now Congress, in its wisdom, could approve such an appropriation."

The CHAIRMAN pro tempore (Mr. ASHLEY). The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(On request of Mr. GREEN and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. GREEN. Mr. Chairman, I commend the gentleman in the well for his amendment.

I had the experience over the Fourth of July weekend of visiting Israel and going to the so-called Good Fence, a checkpoint on the border between Israel and Lebanon, where the Lebanese Christians come through for medical assistance and supplies. I had the opportunity to talk with a number of Lebanese Christians, not political people, but ordinary farmers and storekeepers. They were grieved and astonished that no one in the Western world seemed aware of their plight or seemed aware of their pending doom.

Mr. Chairman, I am very glad that the gentleman in the well is aware of it and has called it to the attention of the House. I hope all of the Members of the House will hear that cry and do something about it today.

Mr. DERWINSKI. I thank the gentleman from New York (Mr. GREEN) for his support.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

I want to commend the gentleman from Illinois (Mr. DERWINSKI) for raising this issue on the floor of the House and I rise in support of his amendment suspending aid to Syria.

Mr. Chairman, when the members of the Committee on International Relations visited Syria in January of this year, we were astounded to hear the Syrian Foreign Minister tell us that Sadat should be hanged a thousand times for his treasonous acts against the Arab world in his initiatives in seeking to bring peace to the Middle East.

Syria has had a harsh, negative attitude throughout the Middle East peace negotiations. Syria has been closely allied with the Soviet Union. Today in Syria there are more than 1,000 Soviet and East German military advisers. Syria has not been a friend of our Nation, nor has it helped one iota in bringing peace to that part of the world.

This amendment which cuts $90 million in economic supporting assistance to Syria, is unquestionably timely and appropriate in light of Syria's recent posturing in the Middle East.

Syria has continued its strong hostility and adversity toward President Sadat's Middle East peace overtures, it has systematically denounced in strong, unreasonable invective Israel's legitimate rights in the Middle East, and has embraced Soviet policy in opposing a reasonable peace settlement in the Middle East.

Through a program of massive, indiscriminate shelling of defenseless Christian populations—deliberately targeting hospitals, apartments, and homes for the aged—Syria is blatantly attempting to establish control over Lebanon, one of its key objectives being to transfer Lebanon from a buffer state at peace with her neighbor into a confrontation state with Israel.

Accordingly, Mr. Chairman I urge my colleagues to join with the gentleman from Illinois in terminating aid to a nation whose primary objective is to scuttle any hope for a reasonable and just peace in the Middle East.

The CHAIRMAN pro tempore. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(On request of Mr. HYDE and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, of course, I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, is the gentleman prepared to write off Syria and confine Syria to total Soviet influence and domination?

Mr. DERWINSKI. No, but I do not know how the gentleman can argue against Soviet control of Syria with its over $1 billion in arm supplies. Syria is properly listed, when we designate countries, as a client state of the Soviet Union.

Mr. HYDE. Does the gentleman feel that foreign aid which directly or indirectly comes from the United States gives this country any entree, any influence, or any voice in Syria?

Mr. DERWINSKI. I would say that $90 million of economic assistance compared to more than $1 billion in military assistance does not give us much entree. The entree is there in terms of formal diplomatic recognition, and communications remain open.

Mr. HYDE. Mr. Chairman, if the gentleman will yield further, I have one more question.

The gentleman has been one of the great advocates—and I have listened to him and agree with him—of the importance of multilateral institutions. Now he is selecting a country which displeases him, for very good reason, and singling that country out to be eliminated from the family of beneficiaries of these multilateral agencies.

Mr. DERWINSKI. This is direct aid.

Mr. HYDE. We are talking about direct aid?

Mr. DERWINSKI. U.S. direct aid, which really makes it clear.

I do not object to the multilateral aid concept. I do object to our attempting to use $90 million in a program which is purely political when, in fact, the Syrians have deliberately tied themselves to the Soviet military apron strings.

Mr. HYDE. Mr. Chairman, I thank the gentleman.

The CHAIRMAN pro tempore. The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

(On request of Mr. LAGOMARSINO and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I commend the gentleman for his amendment, and I support it.

It is interesting that in justifying the aid request for Syria this year, the administration stated the following:

> U.S. policy seeks to encourage Syria to pursue a peaceful path to a general settlement and to strengthen U.S.-Syrian cooperation and mutual trust which is essential to continued progress towards peace." But significantly, the Administration had to delete an assertion it made in its aid recommendation last year—"Syria appears to be committed to a negotiated peace with Israel."

Mr. Chairman, those Members of Congress who visited Syria know that they are not committed to that policy. They have made very strong statements against President Sadat and against the Israelis.

Furthermore, Mr. Chairman, the Soviet fleet maintains bases in two Syrian ports.

Syria has cooperated with Soviet overflights. There are more than 1,000 Soviets and East German military advisers in Syria, and during its 1974 war with Israel, Syrian forces were joined by Soviet-directed Cuban tank forces. Some of those were later transferred to An-

gola. As a matter of fact, as the gentleman has said, Syria receives something like $1 billion a year, and since the 1973 Yom Kippur War Syria has received more than $3.5 billion worth of military equipment from the U.S.S.R.

Mr. Chairman, I urge adoption of the amendment.

Mr. DERWINSKI. I should add that all the points the gentleman made are correct, but please keep in mind the key issue here is the absolute massacre of innocent Christian civilians in Lebanon, and the real fear that the people in the Middle East have that the goal of Syrian foreign policy is to absorb Lebanon. When they absorb Lebanon they create a new military problem on the flank of Israel, they could well trigger the next Middle East war.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. FISH, and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding and want to commend him for his amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

It is hard for me to believe that this year's foreign aid appropriations bill contains $90 million in economic support for Syria. The United States has provided Syria $425 million in economic assistance since 1975. We were told this was to promote a moderation in Syrian policies; $425 million later, Syria remains one of the most militant nations in the Middle East. Not only has Syria attempted to block any constructive peace initiatives by Sadat, Begin, or the U.S. Government, but has also brought death and destruction to Lebanon. An estimated 40,000 Syrian troops are stationed in Lebanon as a so-called "peacekeeping" force. Since May, daily Svrian shelling of Lebanese Christian neighborhoods has resulted in the death of over 300 civilians and injury to countless thousands.

I support the amendment offered by my colleague, Mr. DERWINSKI, to delete $90 million in aid to Svria, because I believe the economic aid in the past has not proven to be productive in moderating Syria's militant policies in the Middle East, but rather rewards Syria for following policies detrimental to peace in the Middle East.

AMENDMENT OFFERED BY MR. BINGHAM AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. DERWINSKI

Mr. BINGHAM. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM as a substitute for the amendment offered by Mr. DERWINSKI:

Page 6, line 23, strike out "$1,837,000,000" and insert in lieu thereof "$1,792,000,000"; and on page 7, in line 2, strike out "$90,000,000" and insert in lieu thereof "$45,000,000".

Mr. BINGHAM. Mr. Chairman, the purpose of this amendment is very simple. It is to substitute a cut of 50 percent in the amount of aid provided to Syria by the committee in lieu of knocking it all out as would be done by the amendment offered by the gentleman from Illinois (Mr. DERWINSKI). I must say that I agree with most of what the gentleman has said in terms of his description of the situation. The Syrians have, indeed, not justified the kind of aid that we have been giving them in terms of making any contribution whatever to a peaceful settlement in the Middle East.

I heard the same remarks that my colleague, the gentleman from New York (Mr. GILMAN) quoted by the foreign minister of Syria in January. Their attitude toward the Sadat initiative was totally negative and hostile.

I also agree with what the gentleman from Illinois (Mr. DERWINSKI) has said about the performance in Lebanon. I think it is shocking that the indiscriminate slaughter of Lebanese Christians has gone so largely unnoticed by the world and by the administration. I recently organized a letter to the President which many of the Members have signed, urging that the President condemn these actions and take action possibly at the U.N. to put an end to them.

Why then am I offering a substitute to reduce the cut to a 50 percent cut? Very simply, Mr. Chairman, it is because I think to cut out all the aid is too drastic. I do not think we can foresee the consequences. We do not want to leave Syria entirely in the hands of the Russians. There is no question that they have been trying to make moves away from total domination. They have cooperated with us in the administration of the AID to date. I spoke with our AID Administrator in Damascus, who is a career officer in the service, and he told me that he rarely has had better cooperation in the administration of the AID programs than he has had there. In addition, we should recognize that the Syrian performance in Lebanon has not been all bad. When they first went in, they did a lot of good things, and they showed considerable courage in the way in which they took on the PLO. They have also in recent years substantially improved the treatment of the Jewish minority in Syria, and removed many of the restrictions.

Thanks in great part to the work of the President and of our colleague, the gentleman from New York (Mr. SOLARZ), Syria has allowed some Syrian Jewish women to emigrate, which was a new departure.

The Syrians have also not joined with the total rejectionist front in terms of the peace settlement. They have not joined with Libya and Iraq and those who are opposed to peace with Israel.

So there have been positive elements in the situation.

These may be slim reeds upon which to say we should provide Syria with $45 million in aid, which is still a very large amount. I simply feel that a total elimination of aid at this point is too drastic and the consequences of which we cannot totally foresee.

I hope my substitute amendment will be adopted.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I am glad to yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, I understand the gentleman not wanting to take as drastic a cut, but what exactly, exactly is the $90 million going for?

Mr. BINGHAM. This is all economic assistance, project aid.

Mr. DORNAN. Can the gentleman imagine the Syrian attitude when we say, "We are not going to crack you across the face as hard at first, only half as hard. We are only going to cut you down to $45 million."

What would the gentleman think their attitude would be in receiving one-half a check? Hatred that is what. I say all or nothing while they continue to shell civilian areas.

Mr. BINGHAM. Mr. Chairman, I would remind the gentleman, the subcommittee and the full committee reviewed this and recommended the full amount of $90 million, which is in the authorization bill; so that there is no question but that a total elimination of the assistance would be seen by the Syrians as if we had entirely written them off.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to tho amendment.

Mr. Chairman, since fiscal 1976, the United States has maintained a finely balanced program in the Middle East. An integral part of this program has been a modest economic assistance program of $90 million for Syria.

In return, the Syrians have consistently pressed for broader United States-Syrian relations. The Syrians have been playing a helpful role with regard to events in South Lebanon. First, they made clear they would not be drawn into fighting with the Israelis. This was done in the teeth of shrill criticism from the Arab rejectionist states that the Syrians were selling out to the Palestianians. Then in the negotiations leading up to adoption of Security Council Resolution 425, the Syrians agreed not to press for language condemning Israel.

Subsequently, the Syrians—at the Lebanese request—took steps to prevent further reinforcements of the Palestinians by the Iraqis, again despite sharp criticism throughout the Arab world that the Syrians were undermining the Palestinians. The Syrians have also pressed the Palestinians to cooperate with the U.N. forces in Lebanon.

Syria has been quietly helpful in resolving the problems of Syrian Jewish emigration.

Mr. Chairman, the program in Syria is a modest one: $90 million used primarily for rural electrification, agricultural credits, and improved water supply systems.

To single out Syria for reductions of security supporting assistance would be treated as an extremely negative and hostile act by the Syrians. It has the potential for serious damage to the negotiating process now underway.

Mr. Chairman, I urge that the amendment be defeated.

Mr. KAZEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take the well at this time in a most difficult personal situation. I am an American of Lebanese extraction. Both of my parents were born in Lebanon. I am like other Members of this Congress who are of different extractions and who have taken the floor on occasion to speak when we are dealing with the world situation in other countries.

Tonight I do not speak on this amendment in reference to Syria's role in the Middle East peace situation. I do not speak of Syria in its role originally as a peacekeeping force in Lebanon. Tonight I do speak of the actions of Syria since they have been in Lebanon and the actions which they have taken against the people of the oldest democracy in the Middle East. I speak of the slaughter of Lebanese Christians. I speak of the destruction of Lebanese hospitals, hotels, and businesses and, of course, of the tremendous loss of life.

This little democracy, which was the only democracy in the Middle East, the only country in the Middle East where Jews, Moslems, and Christians have been able to live in harmony for years and years, is a country which never even maintained an army but just a police force. It is a country which could not defend itself from the Palestinian refugees who are in that country and who, through several means, invaded the territory of Israel and then had Israel retaliate, against the Palestinians and the Lebanese alike, with the Lebanese not having the means with which to restrain the Palestinians in their own country.

They have seen people come into their own country as guests and finally wind up as dictators of the country's destiny.

I would commend Syria's action as peacekeepers when they first came in, but, Mr. Chairman, there is no way that I could condone or that this Congress or this country could condone the recent actions of the Syrian armies in Lebanon. Actions which have demolished one of the most peaceful and beautiful countries in the world.

I favor the Bingham amendment, because I think that we should send a message to Syria to say: "You have a role to play in the Middle East, a very constructive role, if you would set your mind to it, but we do object to the atrocities that have been committed in the name of peacekeeping."

Let us hope that with this country's involvement and urging upon the United Nations, somehow we can get the Syrians disarmed and out of Lebanon and the Palestinians disarmed in Lebanon. Let us hope we can get the Christian militia disarmed in Lebanon and see to it that there is a strong central Lebanese army and government run by all Lebanese-Christians, Moslems, and Jews. And finally, Mr. Chairman, let us hope that Lebanon can soon be reconstructed and take its rightful place among the great democracies of the world.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to both amendments.

Mr. Chairman, I have a great deal of affection for the gentleman who just spoke. I think he is one of the most decent and thoughtful Members of this House, and I certainly understand the emotion with which he addresses this issue, because it is very difficult not to. I think we probably should approach it with emotion, because it is important to human beings. But I am terribly concerned that if we adopt either the original amendment or the amendment offered by the gentleman from New York (Mr. BINGHAM) we will in fact accomplish the exact opposite of our intent.

At this moment we do not have an Ambassador in Syria. Our Syrian Ambassador, Mr. Murphy, has moved on to the Philippines to another very difficult assignment. Most of what has happened in recent weeks in Lebanon occurred after Mr. Murphy left. Our new Ambassador arrives in Syria tomorrow. The foreign minister of Syria is going to Lebanon this week to try to negotiate a cease-fire. And under those circumstances I would think it would be very unwise for us to put our new Ambassador to Syria in a position under which he walks in to present his credentials tomorrow and he has to carry the bad news that the House tonight either cut in half or totally wiped out the assistance package which we have had in this bill for Syria since 1973.

Mr. Chairman, I do not want Lebanon to become any more of an Ireland than it is today. And in spite of the overreaction of the Syrians—and no one can deny that they have overreacted—I also do not think that anyone can deny that they have been provoked, because the right-wing Christians—not all of the Christians, by any means, in Lebanon, but the extreme right-wing Christians—have been trying to provoke the Syrians into confrontation, in hopes that they then can achieve a partition in Lebanon. That may very well be what happens in the end.

I do not know if that ought to happen. I do not think many Members in this House do. But I do believe that the worst thing that we could do at this moment is to overreact to what I think everybody in this House recognizes as a Syrian overreaction (because they have been sniped at for weeks). And I do not defend the retaliation to any degree whatsoever. But we have to keep two things in mind. I think President Asad would very much like to withdraw, because it is costing the Syrians large amounts of money to stay in Lebanon. It is endangering his survival as the leader of Syria, and the easiest thing for him would be to withdraw. But if he does, we will see a continued bloodbath in Lebanon and we will see conditions which equate those in Ireland for the last 10 years. As much as we agree with the sentiments expressed by the gentleman from Texas, I think the responsible thing to do is to turn down both of these amendments so that our new Ambassador in Syria has an opportunity to present our Government's feelings about this in the strongest possible manner and so that we do not precipitate Syrian withdrawal from Lebanon, because that will lead to conditions far worse than you have in Lebanon today.

I want to address for one moment the question of Soviet influence in Syria. I just want to use two statistics. In 1968, Syrian imports from the West were 44 percent of their total imports. Today, their imports from the West are 63.7 percent. That does not indicate to me that Syria is moving toward the Soviet bloc countries.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent Mr. OBEY was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, I would also like to point out one additional fact. Soviet advisers, at the height of their influence in Syria, totalled about 3,500. They are currently about 500 less. I also do not believe that that indicates that Syria is moving more rapidly into the Soviet camp.

I want to make one other point. If the Sadat initiative collapses, the only choice for us is to go to Geneva. There can be absolutely no progress in Geneva without the cooperation of the Syrians, and I do not believe that they are going to be especially responsive either in Lebanon or in Geneva if we knock off half of their aid in this package and wind up with a bill that gives $785 million to Israel, $750 million to Egypt, and $93 million to Jordan, while we cut them in half.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the Bingham amendment.

Mr. Chairman, I will be very brief. I do not believe in wearing out my welcome with the Members, but let me say to my friend from Wisconsin that his presentation can only be described as a "midsummer night's dream." I hope he revises and extends his remarks and takes most of them out of the RECORD. His was an absolutely sad debate on the issues before us.

How could the gentleman stand there and say that hundreds and thousands of people being slaughtered in Lebanon should be forgotten when our Ambassador walks into Damascus with his credentials? Our Ambassador ought to be back here as a sign of displeasure. We were displeased with the Soviets, because they had three dissidents on trial. Secretary Schlesinger and others were

told to stay in Washington, that they should not go there with their credentials. While the gentleman and I are speaking, hundreds of citizens could be murdered in Lebanon by this so-called peacekeeping army. If your logic prevails, we will be giving foreign aid to Libya while they are slaughtering people in Chad. Libya can continue slaughtering people, and the Soviets can go on persecuting dissidents.

The facts of life are that we have a Syrian Army wiping out the civilian population of a neighboring country, and I say this is no time for the United States to say, "Look, we know your intentions are good; you seem to be murderers, but here is our Ambassador and here is your American check." That is the most illogical argument I have heard on the floor of this House in years, and I have heard many.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think we should make it clear to the membership that was not favoritism, one Lebanese recognizing another.

The CHAIRMAN. Without objection, it is so ordered.

Mr. MOFFETT. Mr. Chairman, the gentleman from Texas (Mr. KAZEN) agonized over these amendments, and this Member is in the process of agonizing as an American and as a Lebanese-American. There is no question that this has been a very serious situation. There is no question that there has been slaughter of civilians. The Syrian local commanders were given discretion to do what they saw as necessary to quell the disturbance, and that led to the killing of a lot of innocent people, and apparently to the shelling of hospitals.

It does not make any sense in my mind to have the Syrians, who have never been really trusted, in Lebanon, as the head of the peacekeeping force.

I think that the U.N. and the Congress should address the Lebanese situation as a whole. The Lebanese Americans and other people who care about the country are concerned that Lebanon, a small country, will be dealt away and in the bigger stakes of the Middle East peace negotiations, and we have to pay attention to that.

But it is also important for us particularly the Lebanese Americans and particularly the Lebanese American Christians, to say something else. That is, the Christian militia, while they are composed of a lot of dedicated people and a lot of very good people, are also composed of some people who have been involved in family warfare, who have been involved in gang warfare, and who have been involved in rackets and other things for a number of years, and they are not totally blameless in this situation.

I think there is a little bit of hypocrisy in merely pointing the finger at the Syrians.

As much as there is distrust and mistrust in Lebanon of the Syrians, and even in a Lebanese community in America and even in a Lebanese Christian community in this country, there is a little bit of bleeding heart over the Lebanese Christian community. But did our hearts bleed when Lebanon was going through the civil war? Did our hearts bleed when the cluster bombs were dropped on the south? What about the devastation of southern Lebanon? What did we say then about cutting economic aid?

It is a very tough political statement and a very strong statement, but it is a very tough statement politically. I was in the hall talking to ABAC. I know they are concerned. I know they are concerned about Syria's behavior.

I know the Lebanese are concerned that if the Syrians are acting this way during the peacekeeping mission, how are they going to act after that?

I do not blame the American Israeli group for being for this amendment. But I am not so sure we can just point the finger and take economic aid away from Syria when we have not been able to talk about the other situations. I am just not so sure our record is such that we should do that.

Both Syria and Israeli were involved in the part of the devastation. They have participated. They claim it was for self-defense.

The Members heard the gentleman from Wisconsin say the Syrians were harassed, and there is some truth to that. They claim self-defense. When Prime Minister Begin was here and I asked him about the shelling, he said: "Self-defense."

But let us be evenhanded. I do not speak for Lebanese Americans here, but I think what they want is not a divided country, not a partitioned country. They need our help. And all Lebanese of all religions need our help. They need the total response and not simply an elimination, as the gentleman from Illinois proposes, of economic aid.

It just smacks too much of one-sidedness, a sort of blindness to other things going on in the country.

For that reason I oppose his amendment.

Mr. HAMILTON. Mr. Chariman, I rise in opposition to both the Derwinski amendment and the Bingham amendment. These are extraordinarily difficult amendments to oppose. I suspect it is true that there is scarcely a constituent in any of our constituencies who would oppose these amendments. Yet I do oppose them because I sincerely believe that their adoption will make more difficult the peace process in the Middle East.

In this Nation we have committed ourselves to a peace process in the Middle East. Part of that peace process is that we will provide very large sums of assistance to Egypt, to Israel, and to Jordan, and also to Syria. And we must recognize the fact that there are going to be some things happen and some steps taken by these countries which we do not approve of—and that has certainly been the case with Syria.

But we have to put into perspective the Syrian-American relationship. We have to understand that progress has been made in that relationship. We have to understand that we are not going to have peace in the Middle East without the cooperation of Syria and that this bilateral relationship between the United States and Syria is terribly important.

Syria has taken some positive steps and we can be encouraged by those steps. They are turning more to the West. Their ties with the eastern bloc have been loosened. They have let out some Syrian Jews for immigation, and there are about 500 more that we would like to see come out.

They are prepared to discuss foreign policy matters with the United States.

We have good access to officials in Syria.

Syrians continue to want a peaceful settlement. They have rejected the rejectionists. The rejectionists are those who say that they do not want to have any negotiations of any kind with Israel.

Syria has said that they would go to the Geneva Conference.

They have calmed down their rhetoric against Sadat in recent months. My judgment is if Syria is forced to withdraw from Lebanon, then you are going to have a situation there that will probably mean the resumption of the conflict on a much larger scale to what they had in 1975 and 1976.

If you cut aid to Syria now you are going to push Syria toward the Soviet Union even more. The Syrians have indicated they do not want to go in that direction.

The Syrian ties with the radical states like Libya and Iraq have not been good and Syria has refused to join the rejectionists front.

The time may very well come when we want to reassess our relationship with Syria. I am prepared to launch upon that reassessment in the Committee on International Relations, but I do not think we are at that point right now because the relationship is too delicate and the whole Middle East peace process is too delicate to come in with a slashing amendment which cuts all or half of the aid to Syria. There is simply too much at stake in the peace process.

I would urge the House to reject these amendments.

Mr. LONG of Maryland. Mr. Chairman, we have had some sort of a commitment to rise around 9 o'clock, but I think we would all like to finish the amendments if we possibly could.

I ask unanimous consent that all debate on the pending amendments and all amendments thereto close at 9:20 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. ANNUNZIO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Ms. OAKAR. Mr. Chairman, I move to

strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, I will not take the full 5 minutes.

Mr. Chairman, this amendment, in my mind, is very subtle and it is very serious. On the surface it is very, very appealing but, in my belief, all we are really trying to do is drive the Syrians to the Soviet Union and complete the ring that is forming around the Middle East in terms of communistic hands.

One only needs to ask who is really intruding on the sovereignty of Lebanon? We have seen invasions and bombings in recent months that have left thousands homeless and hundreds have been killed.

I have spoken many times on the floor about the lack of aid to Lebanon. I testified before the Committee on Appropriations about the lack of aid to Lebanon. Now there is little or no aid in this bill or other bills for Lebanon. Where is all the sympathy for Lebanon when it comes to giving them dollars? None. We have not dealt in this fiscal year in terms of aiding this country. I hope that all the Members are sympathetic to the plight of Lebanon. Certainly I am and I share common ancestry with my two friends.

Mr. Chairman, I share a common ancestry with my two friends; but I believe that this is a very superficial amendment.

I think that we are giving the Syrian Government a pittance compared to other countries in terms of this bill.

Mr. Chairman, I urge not only the defeat of this amendment, but what I really want to urge is that the Committee on International Relations deal with the problems in Lebanon in a comprehensive manner, not in a superficial manner, as this amendment suggests.

Mr. LONG of Maryland. Mr. Chairman, I move that all debate on the pending amendments and all amendments thereto close at 9:15 p.m.

The CHAIRMAN. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion to limit debate was made will be recognized for 15 seconds each.

The Chair recognizes the gentleman from California (Mr. KREBS).

Mr. LEVITAS. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from California (Mr. KREBS).

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. ASHBROOK. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. KREBS. Mr. Chairman, in light of the time that I have, I would just like to leave this thought with the Members: Where do they think the PLO got the weapons which they have been using over there?

(By unanimous consent, Mr. LEVITAS yielded his time to Mr. KREBS.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. KREBS).

Mr. KREBS. Mr. Chairman, I thank the gentleman from Georgia (Mr. LEVITAS), as well as the gentleman from Ohio (Mr. ASHBROOK).

The history of the Middle East is replete with acts of violence on the part of Syria. We gave Syria an opportunity to try to return to the civilized part of the world.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I rise in support of the Derwinski amendment and urge my colleagues to do the same.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, for all of the reasons cited by the gentleman from Indiana (Mr. HAMILTON), this issue is too delicate and the peace process is too complicated for 435 Members of this House to play Secretary of State at 9:15 at night.

Mr. Chairman, I urge the defeat of both amendments.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, I rise in support of the Derwinski amendment. ment.

I suggest that everyone stay after and use a computer to get a small readout of this vote and compare it to the immediately prior vote. It will be a fascinating comparison.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I rise in support of the Derwinski amendment and yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. MARKS).

Mr. MARKS. Mr. Chairman, I rise in support of the Derwinski amendment. If there was ever a time that foreign aid ought to be taken away, it should be now.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, I support the Derwinski amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, if the Members have been reading the news, and if they assume their constituents will do the same, I do not know how in good conscience they could oppose my amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. LONG) to close the debate.

Mr. LONG of Maryland. Mr. Chairman, I oppose any cut in the funds for Syria, and I urge everyone to vote against the Derwinski amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM) as a substitute for the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The question was taken; and on a division (demanded by Mr. BINGHAM) there were—ayes 38, noes 78.

So the amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DERWINSKI. Mr. Chairman, to expedite proceedings, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 280, noes 103, not voting 49, as follows:

[Roll No. 640]

AYES—280

Abdnor	Collins, Tex.	Guyer
Addabbo	Conable	Hagedorn
Ambro	Corcoran	Hall
Ammerman	Corman	Hammer-schmidt
Anderson, Calif.	Cornwell	Hannaford
Anderson, Ill.	Coughlin	Hansen
Andrews, N. Dak.	Crane	Harsha
Annunzio	Cunningham	Hawkins
Applegate	D'Amours	Heckler
Archer	Daniel, Dan	Hefner
Armstrong	Daniel, R. W.	Heftel
Ashbrook	de la Garza	Hightower
Aspin	Derwinski	Hillis
AuCoin	Devine	Hollenbeck
Badham	Dickinson	Holt
Bafalis	Dicks	Holtzman
Baucus	Dodd	Horton
Bauman	Dornan	Hubbard
Beard, R.I.	Downey	Huckaby
Beard, Tenn.	Drinan	Hughes
Benjamin	Duncan, Tenn.	Hyde
Bennett	Early	Ichord
Bevill	Edwards, Ala.	Ireland
Biaggi	Edwards, Calif.	Jeffords
Bingham	Edwards, Okla.	Johnson, Colo.
Blanchard	Eilberg	Jones, N.C.
Boggs	Emery	Jones, Okla.
Bonior	English	Jones, Tenn.
Bonker	Erlenborn	Kazen
Brademas	Ertel	Kelly
Breaux	Evans, Del.	Kemp
Breckinridge	Evans, Ga.	Kildee
Brinkley	Evans, Ind.	Krebs
Brodhead	Fary	Krueger
Brooks	Fenwick	Lagomarsino
Broomfield	Fish	Latta
Brown, Ohio	Fithian	Leach
Broyhill	Flippo	Lehman
Buchanan	Flood	Lent
Burgener	Florio	Levitas
Burke, Calif.	Forsythe	Livingston
Burke, Fla.	Fountain	Lloyd, Calif.
Burton, John	Fowler	Lloyd, Tenn.
Burton, Phillip	Frenzel	Long, La.
Butler	Frey	Lott
Byron	Fuqua	Lujan
Carney	Gammage	Luken
Carr	Gaydos	McClory
Carter	Gibbons	McCloskey
Cederberg	Gilman	McCormack
Clausen, Don H.	Ginn	McDonald
Clawson, Del	Gonzalez	McEwen
Cleveland	Goodling	McKay
Cohen	Gore	Madigan
Coleman	Gradison	Markey
	Grassley	Marks
	Green	Marlenee
	Gudger	

Marriott	Quayle	Steed
Martin	Quillen	Steers
Metcalfe	Rahall	Stockman
Michel	Railsback	Stump
Mikulski	Rangel	Symms
Mikva	Regula	Taylor
Milford	Rhodes	Thone
Miller, Ohio	Richmond	Traxler
Mineta	Rinaldo	Treen
Minish	Risenhoover	Trible
Mitchell, N.Y.	Roberts	Tucker
Moakley	Robinson	Van Deerlin
Mollohan	Rogers	Vander Jagt
Montgomery	Rooney	Vanik
Moore	Rose	Waggonner
Moorhead, Calif.	Rosenthal	Walgren
	Rousselot	Walker
Mottl	Rudd	Walsh
Murphy, Pa.	Runnels	Wampler
Murtha	Russo	Watkins
Myers, Gary	Ryan	Waxman
Myers, Michael	Santini	Weaver
Natcher	Satterfield	Weiss
Neal	Sawyer	White
Nichols	Scheuer	Whitehurst
Nowak	Schroeder	Whitley
O'Brien	Schulze	Wiggins
Oberstar	Sebelius	Winn
Ottinger	Shuster	Wolff
Panetta	Sikes	Wright
Pepper	Skelton	Wydler
Perkins	Skubitz	Wylie
Pickle	Smith, Nebr.	Yates
Pike	Snyder	Yatron
Poage	Spellman	Young, Fla.
Pressler	St Germain	Young, Mo.
Pursell	Staggers	Zeferetti

NOES—103

Akaka	Harris	Pease
Alexander	Holland	Pettis
Ashley	Jacobs	Preyer
Baldus	Jenrette	Price
Bedell	Jordan	Pritchard
Beilenson	Kastenmeier	Reuss
Blouin	Keys	Roncalio
Boland	Kostmayer	Rostenkowski
Bowen	LaFalce	Roybal
Brown, Mich.	Lederer	Ruppe
Burlison, Mo.	Leggett	Sarasin
Cavanaugh	Long, Md.	Seiberling
Chisholm	McFall	Sharp
Conte	McHugh	Simon
Cornell	McKinney	Smith, Iowa
Cotter	Maguire	Solarz
Danielson	Mahon	Spence
Davis	Mann	Stanton
Dellums	Mattox	Stark
Derrick	Mazzoli	Steiger
Dingell	Meyner	Stokes
Duncan, Oreg.	Miller, Calif.	Stratton
Eckhardt	Mitchell, Md.	Studds
Edgar	Moffett	Thompson
Fascell	Moorhead, Pa.	Thornton
Findley	Murphy, Ill.	Udall
Fisher	Murphy, N.Y.	Ullman
Foley	Myers, John	Vento
Fraser	Nedzi	Volkmer
Gephardt	Nolan	Wilson, Bob
Giaimo	Oakar	Wilson, Tex.
Glickman	Obey	Wirth
Hamilton	Patten	Zablocki
Hanley	Patterson	
Harkin	Pattison	

NOT VOTING—49

Andrews, N.C.	Flynt	Nix
Barnard	Ford, Mich.	Quie
Bolling	Ford, Tenn.	Rodino
Brown, Calif.	Garcia	Roe
Burke, Mass.	Goldwater	Shipley
Burleson, Tex.	Harrington	Sisk
Caputo	Howard	Slack
Chappell	Jenkins	Stangeland
Clay	Johnson, Calif.	Teague
Cochran	Kasten	Tsongas
Collins, Ill.	Kindness	Whalen
Conyers	Le Fante	Whitten
Delaney	Lundine	Wilson, C. H.
Dent	McDade	Young, Alaska
Diggs	Mathis	Young, Tex.
Evans, Colo.	Meeds	
Flowers	Moss	

The Clerk announced the following pairs:

On this vote:

Mr. Garcia for, with Mr. Burke of Massachusetts against.

Mr. Tsongas for, with Mr. Conyers against.

Mr. Chappell for, with Mr. Shipley against.

Mr. Dent for, with Mr. Nix against.

Messrs. GLICKMAN, BROWN of Michigan, and STARK changed their vote from "aye" to "no."

Messrs. BRADEMAS, WRIGHT, and ASPIN changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

● Mr. REUSS. Mr. Chairman, I shall oppose the amendment which will be offered to cut appropriations to the IFI's. U.S. participation in international development banks is a central element of our overall foreign policy. It reflects our political, security, economic, and humanitarian concerns in less developed countries. The administration's budget request for the banks has already been cut by $876 million or 24 percent. The additional cuts of $584 million proposed by the amendment would impair our participation in the banks and damage our foreign policy interests.

Excluding past unfunded appropriations requests, the administration's fiscal year 1979 request for IDA is the same as it was in fiscal year 1978. It has already been cut in committee by more than 20 percent. Now there is proposed an additional cut of $330 million in the soft loan window of the World Bank known as IDA and $254 million in the Inter-American Development Bank.

The amendment strikes directly at IDA's existence. It could threaten the contributions of other countries and the ability of IDA to continue its operations.

Any cut at all for U.S. contributions to the fifth replenishment of IDA could cause the collapse of that replenishment exercise. This is because the other donor countries have conditioned the release of their contributions on the fulfillment of the U.S. pledge. They did so because the administration, quite properly and with due deference to congressional prerogatives, made its pledge "subject to appropriation" by the Congress. The other donors accepted this "conditional" pledge only with great reluctance, and on the proviso that the U.S. contributions woud actually be appropriated. Hence our failure to vote the full amount of this appropriation would destroy the entire fifth replenishment of IDA. This in turn would have a disastrous effect both on North-South relations and on U.S. relations with the other donor countries, our closest allies, because IDA is the largest and most important channel of concessional aid in the world.

Funds for U.S. contributions to the fourth replenishment have already been cut by $320 million. Additional cuts would mean that the United States would be deeper in default in meeting these pledges, $375 million of which was already due last year. All other countries had already paid in full to IDA IV by 1976. Moreover, any further cuts would mean that the United States could not even pay its pro rata share of the disbursements of IDA IV loans, raising major new problems in our relations with donor and recipient countries alike. There is nothing left to cut.

IDA has become the largest single channel for economic assistance to the poorest and least developed countries of the world. Its lending programs have had a direct impact on millions of the world's poorest and most deprived people, helping to meet their basic human needs. In the years since IDA lending began, there have been marked increases in life expectancy, nutrition levels, literacy rates and standards of health care. However, much more remains to be done. Today, 1 billion people do not have access to potable water; 700 million do not have enough to eat; 550 million cannot read and write; and 250 million do not have adequate shelter. It is essential that IDA's lending programs continue and that the conditions and prospects of at least some of these people be improved.

In its most recent fiscal year, IDA committed almost $400 million on highly concessional terms to benefit the least developed countries and the least advantaged elements of the population in black Africa. This amount represented 30 percent of IDA's commitments of resources for the year. A substantial proportion of the funds now being requested for IDA for fiscal year 1979 will be spent on projects in Africa over the next several years. About one-third of IDA funding, amounting to about $600 million annually, now goes to Africa.

In the case of U.S. subscriptions for capital of the Inter-American Development Bank the full appropriation of the $589 million recommended by the committee is essential. It seems to me that there are two critical points affecting this part of the appropriation. First, $562 million of the amount requested is for callable capital to back up the bank's borrowings and does not result in any budgetary outlay. In terms of actual budgetary costs, we are talking about $27.3 million for the U.S. paid-in capital contribution.

Second, in the Inter-American Development Bank, cuts in the U.S. capital subscription could cause the backing out of subscriptions by other member countries. This is because, to keep our veto power in the FSO, we must, under the charter, contribute just over one-third of the bank's capital. For every dollar which we fail to provide, a much greater amount from others must be refused by the bank. U.S. failure to provide our share of the capital will produce major pressure on the United States to give up our veto in the fund for special operations as well as cut back on bank lending by much more than the amount of our shortfall.

The Inter-American Development Bank has been an innovative lender—the first of the banks, for example, to direct its resources to rural potable water programs—and a leader in integrated rural development projects. The bank is now an important financial institution throughout Latin America and the Caribbean. In terms of geography, this region is the closest to the United States of all the developing areas and the most sig-

nificant in terms of economic and financial links as well as historical and cultural ties. It is good business and good politics for the United States to help promote economic growth and social development in this important region.

U.S. participation in all of the international financial institutions is an expression of our leadership in the world. It reflects our concern not only for the progress of other countries but also for the protection of our own interests. A lessening of our support or a withdrawal from the banks would harm both others and ourselves.●

Mr. LONG of Maryland. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair (Mr. KAZEN), Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12931) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1979, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill H.R. 12931, just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

DR. KISSINGER SUPPORTS MAJOR AIRCRAFT CARRIER POWER

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. SIKES. Mr. Speaker, last March the distinguished former Secretary of State, Dr. Henry A. Kissinger, was invited to give the Adm. Raymond A. Spruance lecture at the Naval War College. In attendance were Under Secretary of the Navy Jim Woolsey, Vice Adm. James B. Stockdale, and many other interested guests of the War College. As one might expect, Dr. Kissinger provided a lucid and thoughtful analysis of recent history and of current events.

Dr. Kissinger's learned discussion is one which should have the attention of the entire membership of this body. However, at the moment, I would like to call attention to his comments on the importance of aircraft carrier power to our country's security. I think it very important that we fully comprehend the views of the former Secretary of State and National Security Adviser to the President on this important subject. His comments on the carrier are of special significance at this time.

I include excerpts of Dr. Kissinger's lecture at the Naval War College on this subject to be reprinted in the CONGRESSIONAL RECORD, and I would urge my colleagues to closely review Dr. Kissinger's position on the importance of naval power, particularly the aircraft carrier, prior to making a decision on this crucial weapons platform:

Excerpts from The Admiral Raymond A. Spruance Lecture, given by The Honorable Henry A. Kissinger, University Professor of Diplomacy, Georgetown University, at the Naval War College on 8 March 1978:

If I have learned any lesson in my 8 years of government service, it is that the United States, when it applies its power, has only two choices. It can apply it, or not apply it! If it applies it, it will get no rewards for losing with moderation! If power is used, then we have to win. And if we are not prepared to win, then we should not ask people to sacrifice themselves. I think that is the fundamental lesson from which everything else must flow!

The second is that, in the crises in which I was involved, the use of naval power—particularly of carrier power—turned out to be almost invariably the crucial element. As the number of our bases around the world is diminishing, the capacity to move our power quickly and without political inhibitions, to signal our determination, is most frequently represented by the deployment of naval ships. Whether this was in the Jordan Crisis of 1970, in Cienfuegos in 1970, in October 1973 during the Middle East War, or in several situations in the Indian Ocean, I found that a crucial element.

I feel very strongly and I will have occasion to say so publicly, that I cannot imagine reducing the number of our carriers. If anything, I think we should increase it. Whether they should all be of the supercarrier size is a technical question into which I do not want to delve.

The third point that I would like to make, of a more general nature, is that the most difficult lesson for the United States to learn is the continuing relationship between power and foreign policy. Our founding fathers were sophisticated men, who used the European balance of power with extraordinary skill to establish the independence of this country, and then to maintain it for the delicate first generation of our national independence. After that period we were protected by two great oceans and the existence of the British Navy, and for over a century we came to believe that we were immune from the experiences of other nations. The balance of power is an invidious term still in many universities. We like to believe that we can prevail through the superiority of our maxims and, of course, our moral convictions are of great importance. But there can be no security without equilibrium. There can be no foreign policy without the ability to pose risks and to provide incentives for other nations to conduct themselves with restraint.

Among the free countries today only the United States possesses the military capabilities and the domestic cohesion to maintain the world balance of power. Without our commitment there can be no security. Without our dedication there can be no progress.

"THE ROLE OF CONGRESS IN AMERICAN FOREIGN POLICY," AN ADDRESS BY CONGRESSMAN JOHN BRADEMAS, AMERICAN EMBASSY, LONDON, ENGLAND

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, I had the privilege last month of delivering an address at the American Embassy in London, England, on the subject of "The Role of Congress in American Foreign Policy."

I insert at this point in the RECORD the text of my address, which was delivered on July 6, 1978:

"THE ROLE OF CONGRESS IN AMERICAN POLICY"

The longer I serve in Congress the more I am persuaded of how immensely complicated the American political system is.

I shall speak to you tonight about just one dimension of that system, the role of Congress in foreign policy. I do so first because the subject is important, and second, because so powerful in Western Europe is the visceral hold of the parliamentary model of government that the American one is not, even in this country, sufficiently understood.

Moreover, there have been significant changes in the place of Congress in foreign affairs in recent years.

Basic to an understanding of my subject is a recognition of two factors that, together with Federalism, distinguish the American system from the British.

First, we have separation of powers.

Second, we have decentralized political parties.

To these two ingredients must be added a third—a change in the nature of Congress itself, especially in the House of Representatives.

I should like to discuss with you how these three factors have shaped the role of Congress in formulating and implementing American foreign policy.

SEPARATION OF POWERS

We have seen in recent years the reaffirmation of a traditional principle of our system, the separation of powers, through the reassertion by Congress of its rightful place as a co-equal branch in that system.

Now many newcomers to Washington do not really understand our constitutional processes, and I include visitors from our own country as well as from other nations. I also include some Presidents.

People know the phrase, "separation of powers", but the words lack meaning for them. Many persons who ought to know better seem to think that Congress exists to do whatever a President wants it to do. According to this view, a President asks and Congress gives.

But this is not the way the Founding Fathers intended the government of the United States to work.

Certainly, one need not look far to see that this President and this Congress do not always see eye to eye on matters of foreign and defense policy. For example, the House of Representatives is scheduled to vote later this month on two bills on which there will be very sharp differences, running across party lines, between the White House and the other House.

President Carter's foreign aid bill is in deep trouble on Capitol Hill, where some members of his own party are lying in wait with long knives not only to slash his budget but also to impose a variety of restrictions such as banning aid to specified countries or aid for producing specific commodities.

The President, quite rightly in my view, strongly opposes such strings.

To cite another example, the Appropriations Committee has asked the full House of Representatives to approve over $2 billion for a nuclear aircraft carrier which Mr. Carter says we do not need and which he does not want, and there will be a spirited fight on this issue as well, another on which I support the President's position.

Within recent weeks, as you are all aware, there have been heated battles in the Senate both on the Panama treaties and arms for the Middle East.

These several instances are not atypical. For the Constitution of the United States, as Edwin S. Corwin said nearly forty years ago, is "an invitation to struggle for the privilege of directing American foreign policy."

DIVISION OF POWERS IN FOREIGN POLICY

Four major considerations—desire for strong leadership, fear of unchecked ambition, concern for checks and balances, and the need for flexibility—were the bases on which the constitutional structure was erected and these considerations have continued to influence the division of powers and responsibilities in foreign affairs.

How is the division made?

The Constitution designates the President Commander in Chief of the Armed Forces, specifies that he shall receive ambassadors and empowers him, with the advice and consent of the Senate, to make treaties and to appoint ambassadors. These are the only powers assigned to the President that relate specifically to the conduct of foreign affairs.

Congress, for its part, is empowered by the Constitution to provide for the common defense, raise and support armies, provide and maintain a navy, declare war, define and punish piracies and felonies committed on the high seas and offenses against the laws of nations, lay duties and imposts and regulate commerce with foreign nations. To Congress is also given the power of the purse.

In short, the Constitution assigns ultimate power over foreign commerce, military preparedness and war to Congress, permits one-third plus one Member of the Senate to prevent treaties from taking effect and requires Senate approval of ambassadors before they can assume office—all this in addition to the Congressional power to vote money.

The role of Congress in foreign affairs is hardly a junior one.

The division of responsibilities does not end with these enumerated powers. The Constitution provides to each branch a residual clause—in the case of the Executive, the admonition that the President "shall take care that the laws be faithfully executed"; in respect of Congress, the power to "make all laws which shall be necessary and proper for carrying into execution its enumerated powers and all other powers vested in the government of the United States."

These residual clauses, and the actions taken by both branches pursuant to them, have been the basis for additional confusion and conflict.

PRESIDENTS AND CONGRESSES ELECTED SEPARATELY

I must mention as well still another complicating factor: Presidents and Congresses are elected separately. The President, each Senator and each Member of the House of Representatives has his own mandate and his own responsibility to the people.

There is a famous story about Speaker Rayburn, Speaker of the House for more years than any other in history—and, as you know, our Speaker is not only the presiding officer of the House but the partisan leader of its majority as well. With the right combination of qualities, a Speaker can be—as I believe the present one, Thomas P. O'Neill, Jr., of Massachusetts, to be—the second most powerful person in the American government.

In any event, Mr. Rayburn was once asked how many Presidents he had served under. Rayburn responded, "None. But I have had the privilege of serving with eight Presidents."

You will recall that the President is not chosen from among the legislative majority and, indeed, need not even belong to the same party.

This was, of course, precisely the situation in the United States during the Nixon and Ford Administrations, with a Republican in the White House and Democrats in control of both Houses of Congress. I was myself re-elected to Congress in 1972 as an anti-Nixon Democrat at the same time that the citizens of my northern Indiana district voted overwhelmingly to return Mr. Nixon to the White House. In this country, an approximate translation would have been for the same constituency to have voted for Margaret Thatcher as PM and David Owen as MP!

So the White House and Congress are occupied by people often elected for quite different reasons and subject to constituencies of quite varying demands and expectations.

Clearly, the American system was not designed for peaceful co-existence between the executive and legislative branches nor have political realities done much to eliminate the potential for tension between them.

The result of this constitutional arrangement has been a process, nearly two centuries long, of conflict and accommodation. In fact, so much does one branch of the government invade the sphere of the other that we do not have a complete separation of powers at all but rather, as Richard Neustadt put it, "separated institutions sharing powers."

Certainly it should be evident, in respect of my subject tonight, that the Founding Fathers did not frame the Constitution in order to assure a smoothly functioning process for making foreign policy decisions but for a number of other purposes.

EXECUTIVE DOMINANCE IN FOREIGN AFFAIRS

One or another branch has at various points in our history held the upper hand and, before certain developments of recent years, more and more voices were heard urging that Congress might be well advised simply to stand aside to let the President handle foreign affairs.

There were several reasons for this attitude. First, for nearly fifty years, the United States had faced crisis after crisis: depression, war, Cold War. In this atmosphere, in our country as in other Western democracies, the need for decisive action was clear and the tendency to look toward a single leader and therefore a strong Executive understandable.

Developing in conjunction with this climate of crisis, especially after World War II, was an ever more restrictive intelligence classification system, which effectively concentrated foreign policy information in the hands of the President and his advisers.

Moreover, technological advances—radio and television, particularly—gave the President easy access to the American people to make whatever use he wished of the facts he had or claimed to have.

In addition, the rising acceptance of the welfare state led Americans to look increasingly to the executive branch, to the President and the departments and agencies responsible for administering government programs, for solutions to problems.

Just as important, the legislative branch acquiesced in this growing presidential power. Not without justification could Arthur M. Schlesinger, Jr. describe Congress as "the enthusiastic creator of its own impotence". Beyond the lack of time needed to study foreign affairs in depth, many Members of Congress lacked interest while abdication of responsibility enabled them to escape accountability; it was less a risk simply to vote as the President asked.

Over the last generation, then, Congress was largely excluded from a significant role in foreign policy and until a short time ago, was relegated to the posture of rubber stamp or cheerleader for the Executive.

This Congressional attitude was in substantial degree bolstered by acceptance of the Founding Fathers' view that the structural characteristics of the presidency—"unity, secrecy of decision, dispatch, superior sources of information"—were "especially advantageous," as they put, "to the conduct of diplomacy."

A NEW CONFIGURATION OF FORCES

But things have changed in Washington, D.C. There is a new configuration of forces in our national government, and two of the reasons are not difficult to find: Vietnam and Watergate.

The people of the United States, and their elected representatives in Congress, came to realize that the supposed advantages inherent in the presidential "conduct of diplomacy" had not prevented, had in fact contributed to, a long and tragic involvement in Vietnam.

The "secrecy" of executive branch decision-making, so highly prized in the past, enabled the war to be entered by stealth and carried on by repeated deception of both Congress and the American people.

The "unity" of executive branch action was purchased only at the cost of shutting out those who held divergent views.

The "superior sources of information" uniquely available to the Executive proved time and again during the course of the war to be incorrect, self-deluding or deliberately misleading.

And the "dispatch" with which the Executive sought to operate meant, in its most dangerous days, under President Nixon, an effective claim of unlimited authority to employ the armed forces, without Congressional approval or even consultation.

Had the lessons of Vietnam not been enough to stimulate a resurgent Congress, the retreat of the Nixon White House behind an everwidening cloak of secrecy and pretensions of "national security" permitted a Watergate. This wide spectrum of abuses in which the legitimate organs of government were subverted to personal, partisan and criminal ends spurred Congress to still more vigorous scrutiny of Presidential decision-making.

THE TUG OF WAR

Indeed, perhaps here is an appropriate point at which to take note of at least three major episodes of the last forty-five years that illustrate the continuing tug of war between the President and Congress over control of foreign policy.

The neutrality legislation of the 1930's shows Congress playing a dominating part, with its initiation of bills aimed at restricting the Executive in a variety of ways. Although some scholars have questioned the traditional conclusion that the neutrality measures prove the pitfalls of Congressional interference with foreign policy, most observers agree that these bills represented too great an incursion into Presidential discretion.

World War II and the subsequent Cold War era marked the most significant example of bipartisanship in foreign policy. Most of us, I feel sure, have great admiration for such achievements of this time as the Truman Doctrine, Marshall Plan, and NATO, but few would claim that these momentous decisions were taken after full, free, and vigorous debate on the part of the American people. In the name of bipartisanship, Acheson, Dulles, and Vandenberg in effect short-circuited major foreign policy discussion in Congress and the country.

A similar insistence on the self-evident virtues of bipartisanship produced a general consensus for nearly two decades on the proper way to fight the Cold War.

This bipartisanship was certainly not very productive at the polls for the Republicans, and observers continue to quarrel about whether Republican failure to voice sharp criticism of foreign policy was good for the country.

The 1960's present yet a third kind of presidential-congressional relationship in foreign policy—executive domination.

These were the years of Kennedy and Johnson, and one need only recall such crucial foreign policy decisions as the invasion of Cuba, the Dominican intervention and the escalation of the war in Viet Nam to realize that in all these cases, the White House, in deciding what to do, systematically ignored Congress.

I hazard the proposition that there are few among us who would today trumpet the wisdom of all these decisions which were, to repeat, taken by the Executive to the near total exclusion of Congress.

It is, indeed, such instances as these all too recent ones that cause many in Congress no longer to accept the shibboleth that some higher degree of rationality characterizes those who serve in the executive branch and that they alone can prudently judge the national interest.

What, then, you may ask, in the post-Vietnam, post-Watergate world, ought to be the role of Congress in American foreign policy?

THE RESPONSIBILITIES OF CONGRESS IN FOREIGN AFFAIRS

In my view the responsibilities of Congress in foreign affairs are fundamentally three.

First, Congress can establish, through law or in other ways, or give sanction to, certain principles that govern the nation's foreign affairs. I here cite military alliances, trade agreements, arms control treaties and development assistance policy as but four examples.

Second, Congress can oversee the implementation of these principles by the executive branch. Obviously, Congress cannot—nor should it—run foreign policy on a day-to-day basis. This is a truism. But, equally clearly, Congress has the right, indeed, the obligation, to monitor the executive branch in its direction of foreign affairs.

Third, under the Constitution, it is Congress that has power to appropriate money, essential to the carrying out of policy abroad as well as at home.

In recent years Congress has again begun to play these roles in foreign affairs and to assert itself vis-a-vis the executive branch.

I list here only four bits of evidence for the validity of this contention: the 1973 vote in Congress to end money for American military involvement in Vietnam; passage that same year of the War Powers Act, which imposed restrictions on the power of a President unilaterally to plunge the nation into war; rejection by Congress in 1974 of President Ford's request for still more military aid for Southeast Asia; and the refusal by Congress in 1976 of American aid to factions taking part in the Angolan civil war.

I could, of course, cite the Congressionally-imposed ban on American military assistance to Chile and Uruguay because of alleged human rights violations in those nations; or the Jackson amendment to the Trade Act of 1974 which barred, subject to Presidential waiver under certain circumstances, the granting of most-favored nation status and trade credits to communist countries which prevented free emigration of their citizens; or the Foreign Assistance Acts of 1973 and 1974, both of which included sections linking the receipt of foreign assistance to the protection of human rights.

Subsequent legislation provided that economic aid could not be given any country which consistently violated internationally-recognized human rights unless the President submitted to Congress a written report explaining how assistance would directly benefit the people in that country.

I could also mention, on an issue with which I have been intimately involved, the series of votes cutting off arms sales to Turkey following the utilization by Turkey of American weapons in August of 1974 for the invasion and occupation of Cyprus, in clear violation both of American law and of bilateral agreements between Turkey and the United States. A Democratic Congress and a Democratic President are, even as I speak, at loggerheads on Mr. Carter's proposed repeal of the Turkish arms embargo.

To cite another instance of the more vigorous Congressional foreign policy role, in recent years, Congress has reserved the right to disapprove, and thereby block, major arms sales to other nations, and has also reshaped our foreign aid program to lay greater stress on social and economic, not solely military, development in poorer countries.

In 1976 Congress initiated legislation designed to increase the food available for the hungry and malnourished people of the world. That legislation included aid to Third World countries to enhance their capability for agricultural production as well as targeting more U.S. food aid on individual human needs.

I have already mentioned the extensive Senate debate and the votes on the Panama Canal treaties as well as on President Carter's Middle East arms package.

But Congress has done more than simply write laws or vote on them.

OTHER WAYS CONGRESS AFFECTS FOREIGN AFFAIRS

There are other ways in which Congress can exercise its responsibility in foreign affairs. For example, by holding hearings, Congress has helped bring to public attention the extent of human rights violations in specific countries and has thereby affected executive branch policy. The Subcommittee on International Organizations of the House Committee on International Relations began its hearings in 1973, long before there was a Presidential gleam in Jimmy Carter's eye, at least a noticeable one. During the last Congress alone, this subcommittee conducted 40 hearings on human rights problems in 18 different countries.

It was Congress then, not the Executive, that first brought the matter of human rights into the public consciousness.

Members of the House and Senate are constantly meeting with foreign heads of state and other foreign officials both in Washington and in their own countries. In 1975, for example, I was part of a Congressional delegation to the Soviet Union, which met with Mr. Brezhnev and members of the Politburo to discuss trade, arms control, detente and emigration policy. On the same trip, we talked with Ceausescu in Romania and Tito in Yugoslavia.

More and more Members of Congress these days are visiting the People's Republic of China, an activity of considerable importance in changing Congressional and public perceptions of U.S. policy toward the PRC.

In Washington in recent months Members of the House and Senate have met Sadat, Begin, Ecevit, Karamanlis, Kyprianou, Desai and Kaunda, to cite only some of the world leaders with whom we have talked.

Such visits to Capitol Hill are clear indications of the growing recognition on the part of other nations of the increasingly significant and independent role of Congress in the formulation and execution of United States foreign policy.

In light of the tension inherent in a separation of powers system, it will come as no surprise to you that the resurgent role of Congress in foreign affairs has not gone uncriticized.

Some of the criticism has focused on the substance of actions taken by Congress on a particular issue—and I think such criticism perfectly proper.

On the other hand, critics of a specific congressional action in foreign affairs often translate their complaint into an attack on the right of Congress to be involved in foreign policy. This was fundamentally Henry Kissinger's view. He felt—quite mistakenly in my judgment—that it was not really appropriate for Congress to have any say in foreign affairs, thereby betraying, I believe, his basic lack of understanding of the uniquely American constitutional system.

Mr. Kissinger would obviously have been far more at home in a parliamentary arrangement, in which the legislative by definition supports the executive branch.

I have observed over the years that people's views on the proper role of the President and Congress in foreign affairs are usually closely linked to whichever of the two institutions is advancing or impeding a particular policy preference.

The editorial columns of American newspapers which praised Congress for its role in halting American military involvement in Southeast Asia went on to condemn Congress for interfering with the President's right to conduct foreign policy in voting to cut off aid to a particular country in response to human rights abuses. So critics of Congress like to have it both ways.

I, to reiterate, see nothing at all wrong with substantive criticisms of any action Congress might take. But I would also insist there should be no quarrel with the right of Congress to be engaged both in shaping and carrying out American foreign policy.

I have been discussing one of the two characteristics that distinguish the American political system from that of most other democratic nations, the separation of powers.

A DECENTRALIZED PARTY SYSTEM

The second factor is equally important—we do not have highly disciplined political parties.

The fact of a decentralized party system affects, to a significant degree, the relationships generally between Presidents and Congresses, including, obviously, the field of foreign policy.

Our two traditional major political parties in the United States have made possible durable coalitions of diverse but broadly compatible interests. Groups with substantially different goals have found enough common advantage to be mutually supportive under the broad umbrella of party.

Moreover, historically in the United States, parties have served as instruments for developing consensus across the spectrum of major issues. In a country so large in size and with such a variety of differences of region, religion, race, ethnic origin and economic interest, this is a crucial role.

We have, however, been witnessing a significant decline in loyalties to even these relatively undisciplined parties.

DECLINE IN PARTY ALLEGIANCE

This drop in party allegiance is at work in the population as a whole. The Gallup poll organization has since 1937 been asking Americans the question: "In politics, as of today, do you consider yourself a Republican, Democrat or Independent?" In 1937 only 16 percent considered themselves to be neither a Republican nor a Democrat. In its most recent survey, taken last December, 31 percent—almost twice the earlier figure—considered themselves to be independents.

Vietnam and Watergate have contributed to a demythification of the Presidency, which has weakened the Presidential image in its several dimensions, including that of party leader.

Even as the increased availability of television has expanded the impact of the Presidency, it has also enabled Members of Congress to bypass the weakened traditional local party organizations and go directly to the people for support.

Finally, the sheer complexity of the United

States contributes to the difficulty of holding Members of Congress of the same party together on issues both foreign and domestic. The United States is so large, populous and diverse that on many issues of foreign affairs, trade policy, for example, regional or economic group rather than partisan considerations predominate.

As the party recedes from its primacy in our political system, it is more and more being supplanted by special interest groups. And more and more of these tend to concentrate on a single issue to the exclusion of all others, assigning their support to a candidate or withholding it solely on the basis of his position on that particular issue.

THE POST-VIETNAM, POST-WATERGATE CONGRESS

Beyond the reassertion of a Congressional role in a separation of powers system and beyond the decline of already decentralized parties, there is yet a third factor that has altered the functioning of contemporary American politics. This ingredient also contributes to the difficulty of foreign policy making in the United States. I refer to the new composition and new style of the post-Vietnam, post-Watergate Congress. This development is, of course, closely linked to renewed Congressional assertiveness.

The Members of today's House and Senate are significantly different from those who served there when I first went to Congress nearly 20 years ago.

The newer Members—and I speak more knowledgeably of the House—are young, intelligent, well educated, very hard working, and they are skeptical.

In the House of Representatives, some 156—over a third of its total Members—have served but one term or less. And 242 Members, well over a majority, have been elected since 1970.

These new Members bring both new vigor and new difficulties.

With this House it is not possible for either Presidents or Speakers easily to have their way.

Neither the White House nor the House leadership can prevail by edict or command. To convince Members today, it is necessary to rely on reason and persuasion.

Moreover, there has been a profound change in the legendary committee structure of the House. The chairmanships of some thirty to forty subcommittees, where the bulk of the legislative work is done, have been offered to junior Members. Committee chairmen, once nearly all powerful, must now pay heed both to the Members of their committees and to their colleagues in the House for ascension to committee leadership is no longer assured by seniority.

To be effective today, a committee chairman must operate like a politician, not an autocrat.

These changes in the operation of the House—and I have touched on only a few—have made the House more open, more democratic, more accountable—and I strongly support them and, in fact, have been among those in Congress who helped make them possible.

The reforms have also, however, extracted a price in terms of the time and effort required to get things done, no trivial consideration in a period when the sheer volume of problems which must be addressed by government threatens to grow beyond manageability.

The decline of party and the more diffuse power structure of the House make all the more complicated the task not only of the President but of the Leadership of the House in putting together majorities for both domestic and foreign policy legislation.

As Majority Whip, I speak on this point with authority and not as the scribes. If I were Government Chief Whip in the House of Commons, I assume that my major responsibility would be to assure that on crucial votes the bodies were there. One would know, save in exceptional cases, how MPs would vote.

But in the American House, the majority party has a fairly elaborate organization of thirty-seven whips—all Democratic Members—to find out how our colleagues intend to vote and, should they prove indecisive, recalcitrant, hostile or, in some cases, negotiable, seek to persuade them to support the Leadership.

It is a different system from yours.

The President is not faced with easy sledding, especially when he and the majority of Congress are of different parties. But his job is difficult even when he and the Congressional majorities are of the same political stamp.

Three examples may make my point. One year ago the House, in which Democrats have a two-thirds majority, approved a foreign assistance appropriations bill by a margin of 208–174. Nearly forty percent of all the Democrats voted "no".

Last fall the House agreed by only three votes to support President Carter's decision to cancel production of the controversial B–1 bomber. On that roll call, 96 Democrats voted against the position of the President and of the Democratic leaders of the House.

You here are more familiar than I with the President's troubles in winning Senate ratification several days ago of the tax treaty with the United Kingdom.

It is a different system from yours.

And, to reiterate, it is different from the way ours used to be. In the old days, I once heard a high ranking State Department official of the Truman years say, in speaking of Administration consultation with Congress on foreign affairs. "We used to call 'Mr. Sam' "—Speaker Rayburn—"and Tom Connally"—the Texas Chairman of the Senate Foreign Relations Committee—" and that was it."

Well, for all the reasons I have assigned, that's not "it" anymore!

HOW THE PRESIDENT AND CONGRESS CAN WORK TOGETHER IN FOREIGN AFFAIRS

Let me conclude my analysis with some brief comments on how the President and Congress can, despite or in light of these factors, work together in foreign affairs.

There is, in my view, no structural change that will resolve the increasingly complex problem of the presidential-congressional relationship in foreign policy. There is no constellation of mechanisms which, once in place, will ensure the smooth functioning of the system.

The key to the effort, it seems to me, must be in what Professor Corwin called "a decent consultation and accommodation of views."

For this effort, I must give President Carter very high marks. Even before he took office in January 1977, the President-elect, Vice President-elect Mondale, Cyrus Vance, Zbigniew Brzezinski and Harold Brown conducted a seven hour discussion of foreign affairs with Members of the House and Senate Leadership, both parties, as well as senior Members, Democrats and Republicans, of the committees with major responsibility for foreign and security legislation.

Mr. Carter took us on a nation-by-nation, issue-by-issue tour, and the Senators and Congressmen there were not passive participants in the seminar. Many were experts in their own right on one foreign issue or another and their contributions, I feel certain, were invaluable to the newly elected President and his counsellors.

Every two weeks, President Carter also hosts breakfasts for the House and Senate leadership, usually the Democrats only but on occasion, particularly when foreign policy is the major item on the agenda, with the Republican leaders, too.

I here remind you that without Republican support in the Senate, the President would have lost the votes on the Panama treaties and the Middle East arms sales.

There are also special briefings. Last month the President, Secretaries Vance and Brown and Dr. Brzezinski met for three hours with seventy-five Members of the House and Senate on foreign policy. The Administration leaders set forth the broad outlines of U.S. foreign policy and then heard comments, criticisms and questions from the legislators.

I can, from personal experience, testify that the President, Vice President, Secretary Vance and other foreign affairs officials meet on an even less formal basis to discuss particular issues of concern either to them or to the legislators.

You are, of course, aware of the many appearances that Administration officials make on Capital Hill to testify at committee hearings on legislation affecting foreign policy.

And it is, in my view, vital that these meetings, formal and especially informal, continue if we are to have in the United States a foreign policy that is intelligent and effective and that is accepted by the American people, in whose interest, presumably, that policy is carried out.

NECESSARY THAT CONGRESS PLAY MAJOR ROLE IN FOREIGN POLICY

For beyond the unique requirements of the American constitution, it is imperative that Congress have a major role in shaping and implementing foreign policy.

Obviously I must reject the model of congressional dominance in foreign affairs. Constitutionally and politically, the key figure in formulating and carrying out foreign policy must be the President.

Yet, to repeat, I must also reject the argument of those who would exclude Congress from a significant foreign policy role.

What we require for several reasons, is collaboration between the two branches.

An American of much wisdom in these matters, Averill Harriman, once put it this way:

"No foreign policy will stick unless the American people are behind it, and unless Congress understands it, the American people aren't going to understand it."

Members of Congress, once brought into the process of foreign policy formulation, can help educate their constituencies on an issue. This is what happened, for example, on the Panama Treaties.

I have earlier pressed another proposition, namely, that members of the executive branch, elected and non-elected, are not always, to be as gentle about it as possible, correct in their assessments of the national interest. A vigorous and, at times, feisty Congress can check and curb the missteps of the Executive in the life-or-death area of foreign policy.

It is important to remember in this connection that the President is not the only representative of all the American people. Our Senate and House of Representatives collectively speak for the American people in a way that may be different from the President's but is no less legitimate.

Congress should be regarded as a resource in foreign policy, one from which the President can seek not merely consent but counsel. Beyond providing him judgment on conditions they observe abroad—our distinguished Senate Majority Leader, Senator Robert Byrd of West Virginia, is here on such a mission for the President even now—Senators and Congressmen can let the President know how our foreign policy is perceived by their—and his—constituents.

Presidential consultation with Capitol Hill pays yet another dividend: it helps enlist support for his program. Members whose advise has been asked, whose suggestion may even have been partly adopted, will be that much more inclined to support the finished product.

Morever, the executive branch must deal with Congress on a wide range of issues. Failure to pay any heed to Congress in foreign policy can only hinder the President's ability to win Congressional support he needs on some important domestic issue. There is a seamless web here. Bargaining, not unknown in the British parliamentary system, is indispensable to governing effectively in the American system.

SUMMARY

Let me summarize.

I have tried to analyze for you some of the major factors that explain the role of Congress in the process of making foreign policy.

I have reviewed the separation of powers, the nature of our party arrangements, the changing configuration of forces in our national government—and how these considerations shape what Congress does in foreign policy. I have not attempted to make converts of you to the American political system. Rather I have sought to broaden your understanding of it. For because we need each other, we need to know each other.

And as I conclude, let me say that I for one do not despair, as some do, of the American system of government or of the role of Congress in it.

Given our large, restless, complex society and our deliberately fragmented Constitutional structure, the American democracy will continue to flourish and the American Congress will continue to nourish it.●

A CALL FOR JAPAN TO CONTRIBUTE TO FREE WORLD DEFENSES

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. REGULA. Mr. Speaker, this week as we debate the defense appropriation, with its huge slice of the GNP, and as the dollar stands at a new low in relationship to the yen it is appropriate to discuss our relationship with our free world allies and their efforts in terms of the free world defenses. Today will be the first of two discussions on this issue.

I would like to discuss a matter which demands our attention. It is the insufficient defense contributions on the part of Japan as an ally of the United States. By the way of background we should examine the Constitution imposed on Japan which reads as follows:

Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling disputes.

In order to accomplish the aim of the preceding paragraph, land, sea, and air forces will never be maintained. The right of belligerence of the state will not be recognized.

The language clearly does not prohibit defense forces—only forces that would be designed to wage aggressive war, or the use of force as a means of settling international disputes.

Japan spends less than 1 percent of its GNP or $7.9 billion on defense, and the Government allocates no funding for military research and development. In comparison, the U.S. defense burden requires 6 percent of our GNP or an estimated $116 billion. Of this, 9 percent or $13.3 billion is spent on research and development.

When compared with the expenditures of our other allies, it is clear that Japan's contributions are grossly inadequate. In 1977 the United States spent $523 per citizen, France spent $256 per citizen, Britain spent $201 per citizen, and Germany's expenditures totaled $263 per citizen. It is unbelievable that Japan's expenditure per citizen for 1977 was a mere $49.

In other words Americans are spending 10 plus times as much on free world defense as Japan.

Some increase in Japan's defense spending has resulted from advancing military development of potential enemies and its fear that U.S. policy is shifting emphasis to Europe instead of Asia, but not in proportion to its world responsibility. We have not encouraged Japan to significantly augment its defense obligations. Without the application of some type of pressure it appears highly unlikely that this change will be made on Japan's own initiative.

The Japanese have arbitrarily imposed on themselves an understood defense spending limit of 1 percent of their GNP. The limit is buoyed by article 9 of Japan's Constitution. Its prohibition against war potential provides a good alibi for Japan's noncommittal defense attitude. Obviously, it is to Japan's advantage to support and finance nothing more than a beefed-up police force when the United States will provide its major defensive umbrella.

This minimal defense expenditure has allowed a larger share of Japan's GNP to be used for research and development, along with technological improvements and heavy capital investments in the tools of productivity. A Washington Post editorial on July 31 entitled "American Productivity" illustrates graphically the impact of this advantage. It points out that from 1967 to 1971 U.S. productivity grew 27 percent while Japan's was growing 107 percent. The significance of this disparity in growth cannot be underestimated. For example, Japan now maintains the world's third largest economy. In 1977 alone its total trade surplus with the rest of the world was $9.7 billion. Let us look at what has happened to the United States while underwriting Japan's defense costs. Before 1966 the United States maintained a favorable balance of trade. From 1970 to 1977 the accumulated U.S. trade deficit with Japan exceeded a total of $25.7 billion, an average of $3.7 billion per year. In 1977 the United States had a record $8.1 billion trade deficit with Japan, and in the first 6 months of 1978 alone the figure stands at $6.3 billion. I am convinced that the disparity in defense costs contributes substantially to this problem.

The impact of the balance-of-payments deficit is well illustrated by the headline and opening paragraph of a front page story from Monday's Washington Post. It reads as follows:

Japan Is Building Economic Empire In American West—San Francisco—From the highrise office towers of this western financial capital to the rich wilderness lands of Alaska, Japan is building a new economic empire in the American West.

Japanese interests, enriched by a huge trading surplus with the United States and the skyrocketing value of their yen currency, are quietly buying billions of dollars' worth of western land, timber, fish, agricultural products and industrial facilities.

The time has come for the Japanese people to take a greater responsibility for their own defense as a contribution to world peace. The nation of Japan knows something must be done but still hesitates. A recent illustration of Japan's indecision on defense occurred last week when the highest ranking uniformed officer was dismissed for his controversial remarks challenging Japan's weak defense stature.

We continue to substantially provide for Japan's national security as well as our own, and are paying in another subtle yet devastating way as well. The money not spent on national security is invested by the Japanese in producing competitive goods that sock us in the marketplace of world trade.

It is up to us to move toward solving this serious problem. We must persuade the Japanese Government to expand the interpretation of the Constitution and to accept a greater responsibility in the international free world security arena. If not, the political, military, and economic interests of the United States will continue to suffer.

PROPOSAL TO ALLOW TEACHERS AND OTHER EMPLOYEES COVERED BY SECTION 403(B) ANNUITIES TO MAKE TAX FREE "ROLLOVERS" TO OTHER RETIREMENT PROGRAMS

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I am today, introducing a bill to amend the Internal Revenue Code to allow teachers and employees of tax-exempt organizations to make nontaxable transfers of retirement benefits accumulated under their section 403(b) annuities to another section 403(b) program when they change jobs, or to an individual retirement account (IRA) if their new employer does not have a section 403(b) program. Current law allows such tax-free "rollovers" for private industry employees covered by tax-qualified (section 401) plans and persons covered by individual retirement accounts. Employees covered by section 403(b) annuities should have the same investment flexibility and portability of retirement benefits allowed employees of these other tax-favored retirement plans.

A substantial portion of the retirement benefits of teachers and employees of charitable, et cetera, organizations are provided under section 403(b) annuity programs. Under these programs employees may defer tax on contributions made from their earnings subject to limits similar to those applicable to tax-qualified plans. Because public schools and tax-exempt organizations have no need for tax deductions for contributions made to tax-qualified plans, section 403(b) annuities have been utilized by teachers and others to provide or supplement their retirement income.

Under present law, when employees with section 403(b) annuities change

jobs, they frequently must leave their retirement benefits under the program maintained by their former employer unless they are willing to pay substantial taxes on a distribution of their benefits. Allowing tax-free "rollovers" of section 403(b) benefits would help employees by allowing them to take their retirement benefits with them to their new jobs. This would eliminate the confusion and administrative cost of having retirement funds in several employer plans.

The opportunity to have the portability of pension benefits made possible by "rollovers" will be particularly helpful to teachers who—faced with the prospect of changing school populations—find it very important to be mobile.

My bill would involve little, if any, revenue loss. Eventually, the benefits "rolled over" would be taxed when received.

Employees covered by section 403(b) annuities should have the same pension portability and investment flexibility available to employees in private industry plans and employees who have individual retirement accounts. "Rollover" of section 403(b) benefits to other section 403(b) programs or to individual retirement accounts is equitable and should be adopted. For these reasons, I urge my colleagues to join me in this effort to bring more equity to our pension tax structure.

DESPITE WAYS AND MEANS BILL, AMERICANS WILL FACE INCREASE IN 1979 FEDERAL TAXES UNLESS KEMP AMENDMENT TO LOWER INDIVIDUAL INCOME TAX RATES IS ENACTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, I am sure a number of my colleagues think that by voting for the tax bill ordered reported by the Committee on Ways and Means, H.R. 13511, and by voting against the Kemp amendment to lower individual income tax rates by about 33 percent over the next 3 years, about 11 percent in calendar year 1979, they will be both able to tell their constituents that they voted for tax cuts and that their taxes will, therefore, be lower in 1979.

These Members are going to be in for a rude awakening when they confront those taxpayers after people get through paying their taxes in 1979.

The fact is that the Ways and Means Committee's tax reductions for individuals, even including the capital gains rate reduction for individuals, does not come even close to offsetting the higher taxes which our taxpayers will be paying in 1979. This is not speculation. It is fact. And the facts rest on analyses prepared by the Joint Committee on Taxation, the Congress expert authority on taxes and their effects.

Social security taxes will climb an additional $9.5 billion in fiscal year 1979 and an additional $12.7 billion in fiscal year 1980. The American people will pay $13.4 billion more in Federal individual income taxes in fiscal year 1979, as a result of inflation pushing them into tax brackets where the percentage they pay in taxes on additional dollars earned are increasing higher, and $22.4 billion more in fiscal year 1980 as a result of inflation. That is $22.9 billion more in fiscal year 1979 and $35.1 billion more in fiscal year 1980.

But, it does not stop there. If the energy bill becomes law this session, and there is increasing likelihood that it will, then the people will pay $2.9 billion in new energy taxes in fiscal year 1979 and $12.3 billion more in new energy taxes in fiscal year 1980. That, coupled with the increased social security taxes and inflation-increased taxes, means $25.8 billion more in taxes in fiscal year 1979 and $47.4 billion more in taxes in 1980.

How far does the Committee on Ways and Means' bill go to relieving those additional tax increases? Not very far at all, a point convincingly made by Art Pine in the Washington Post this morning in a page A–1 article, "Despite New Tax Cut Measure, Most Will Face Increase in '79." I quote from it:

> Almost every American taxpayer faces a higher total federal tax bill next year, even if the $16 billion tax cut approved by the House Ways and Means Committee last week were to be enacted, according to new congressional figures.
>
> Tables compiled by the Joint Committee on Taxation show that the tax reduction provided in the Ways and Means Committee would not offset the impact of inflation and higher Social Security Taxes for most taxpayers.
>
> After those two factors are taken into account, the tax burden for so-called "middle income" taxpayers—those in the $20,000 to $30,000 a year bracket—would rise by between $83 and $261 a year.
>
> And the total federal tax bite on taxpayers in the $10,000-a-year-and-under income brackets—just above next year's expected poverty line—would rise by between $29 and $40 a year.
>
> The only group of taxpayers who would enjoy overall tax relief as a result of the Ways and Means bill would be those in the $15,000 bracket. By a fluke, they would pay $2 to $3 less in taxes.
>
> The increases in overall federal tax burdens stem from two factors: the impact of inflation, which pushes taxpayers into higher brackets, and the increase Congress voted last December in 1979 payroll taxes.
>
> • • • • •
>
> The rate of inflation this year is expected to be at least 7 percent, with wage increases running even higher. The income boost is expected to result in some $8 billion in higher taxes.
>
> The scheduled increases in Social Security taxes will raise payroll taxes to 6.13 percent of the first $22,900 in earnings, effective Jan. 1. Without these, the rate would have been 6.05 percent of $18,900.

And this, my colleagues, is the case for the amendment I will offer when this bill is considered on the floor, unless an undemocratic leadership clique keeps the amendment from being offered.

Let me say, parenthetically, that in light of these statistics, support for such a denial to the Members of this House of their right as Members duly elected by their constituencies to vote on all tax matters relating to those constituents will not be easily understood by those constituents. As a matter of fact, I can foresee quite a negative reaction. I do not think constituents feel that only those members of the Committee on Ways and Means, the Committee on Rules, and the floor and caucus leadership of the majority party should determine what the options are for this Nation's tax policy and tax laws.

But let me return to my principal point: How far does the Committee on Ways and Means' bill go to offsetting these additional tax increases? In fiscal year 1979, only $7.25 billion. That means the taxpayers will be paying a net $15.65 billion more, as a result of higher social security and inflation-pushed taxes; a net $18.55 billion more if you add the projected new energy taxes.

The committee's figures I have for 1980 are in calendar year format; I have been unable to get them in fiscal year 1980 format. But, on the basis of what we do know about fiscal year 1979, what we know about calendar year 1979—about $12 billion, and calendar year 1980—about $14 billion, we can assume fiscal year 1980 will be in that $14 billion range. That would mean the people would be paying about $21 billion more in social security and inflation-pushed taxes in fiscal year 1980, about $33 billion more if new energy taxes are added.

What, then, is a better answer? The answer, if we are to help offset these outrageously higher tax increases upon the people? It is the Kemp amendment.

The Kemp amendment would offset more of these higher taxes than any other measure which will be offered during floor debate. The Kemp amendment would provide about $12 billion in tax reduction for the people in fiscal year 1979, $37 billion in fiscal year 1980, and $62 billion in fiscal year 1981. This is about $23 to $24 billion in calendar year 1979, $51 billion in calendar year 1980, and $72 billion in calendar year 1981. That is a significantly larger tax reduction than offered by any other amendment or substitute. It goes much, much further in offsetting the increases in social security taxes, inflation-pushed taxes and energy taxes than any other amendment or substitute.

Mr. Speaker, these are arguments using aggregate tax and revenue figures, what is worse marginal tax rates will go up even higher with inflation if we do not lower the cost of living by reducing everyone's tax rates.●

CAMBODIA: WHERE ARE THE PROTESTERS?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I would like to bring last week's Time Essay, "Cambodia: An Experiment in Genocide," to my colleagues' attention and urge them to read it and weep.

It has been observed that it could well take historians a generation to sort out the details and make any kind of realistic judgment of our involvement in Southeast Asia, and while this may be true, it does not take the perspective of history to understand the utter savagery of the genocide in Cambodia. I am appalled; I am saddened; I am sickened, but I am not shocked nor surprised at what has happened in the wake of what certain groups and individuals have grandly proclaimed as the "liberation" of the Cambodian people. But like so many other of those oh so familiar catch phrases and slogans of the left, the so-called liberation was a sham and an outright lie. I knew it at the time it was being proclaimed, as did anyone else who was familiar with the other Communist "liberators" of the 20th century. What does shock me, however, is the lack of any kind of mass outpouring of protest from the rest of the world.

When the allies entered Germany after World War II and discovered Auschwitz, and Dachau and Buchenwald, the world was stricken with the utter depravity of a government which systematically exterminated 6 million people, and mankind individually and collectively swore that this would never happen again. There was more than a committee hearing; there was more than a sense of the Congress resolution; there was more than a statement from the White House and a few articles in newspapers.

The outcry was sufficient to touch the conscience of even the most hardened and was part of the force which created the United Nations and the independent State of Israel.

Where is that outrage now? There are not cardboard images in Cambodia; there are people. They walk and talk; they love and hate and laugh and cry; and they are being exterminated—maybe not with the efficiency of a gas chamber, but they are just as dead. Where are the sloganeers of the peace movement now? Where are the denouncements of corrupt regimes and immoral wars? Where are the marches and the protests? Where is the world's conscience?

The article follows:

CAMBODIA: AN EXPERIMENT IN GENOCIDE

The enormity of the tragedy has been carefully reconstructed from the reports of many eyewitnesses. Some political theorists have defended it, as George Bernard Shaw and other Western intellectuals defended the brutal social engineering in the Soviet Union during the 1930s. Yet it remains perhaps the most dreadful infliction of suffering on a nation by its government in the past three decades. The nation is Cambodia.

On the morning of April 17, 1975, advance units of Cambodia's Communist insurgents, who had been actively fighting the defeated Western-backed government of Marshal Lon Nol for nearly five years, began entering the capital of Phnom Penh. The Khmer Rouge looted things, such as watches and cameras, but they did not go on a rampage. They seemed disciplined. And at first, there was general jubilation among the city's terrified, exhausted and bewildered inhabitants. After all, the civil war seemed finally over, the Americans had gone, and order, everyone seemed to assume, would soon be graciously restored.

Then came the shock. After a few hours, the black-uniformed troops began firing into the air. It was a signal for Phnom Penh's entire population, swollen by refugees to some 3 million, to abandon the city. Young and old, the well and the sick, businessmen and beggars, were all ordered at gunpoint onto the streets and highways leading into the countryside.

Among the first pitiful sights on the road, witnessed by several Westerners, were patients from Phnom Penh's grossly overcrowded hospitals, perhaps 20,000 people all told. Even the dying, the maimed and the pregnant were herded out stumbling onto the streets. Several pathetic cases were pushed along the road in their beds by relatives, the intravenous bottles still attached to the bedframes. In some hospitals, foreign doctors were ordered to abandon their patients in mid-operation. It took two days before the Bruegel-like multitude was fully under way, shuffling, limping and crawling to a designated appointment with revolution.

With almost no preparations for so enormous an exodus—how could there have been with a war on?—thousands died along the route, the wounded from loss of blood, the weak from exhaustion, and others by execution, usually because they had not been quick enough to obey a Khmer Rouge order. Phnom Penh was not alone: the entire urban population of Cambodia, some 4 million people, set out on a similar grotesque pilgrimage. It was one of the greatest transfers of human beings in modern history.

The survivors were settled in villages and agricultural communes all around Cambodia and were put to work for frantic 16- or 17-hour days, planting rice and building an enormous new irrigation system. Many died from dysentery or malaria, others from malnutrition, having been forced to survive on a condensed-milk can of rice every two days. Still others were taken away at night by Khmer Rouge guards to be shot or bludgeoned to death. The lowest estimate of the bloodbath to date—by execution, starvation and disease—is in the hundreds of thousands. The highest exceeds 1 million, and that in a country that once numbered no more than 7 million. Moreover, the killing continues, according to the latest refugees.

The Roman Catholic cathedral in Phnom Penh has been razed, and even the native Buddhism is reviled as a "reactionary" religion. There are no private telephones, no forms of public transportation, no postal service, no universities. A Scandinavian diplomat who last year visited Phnom Penh—today a ghost city of shuttered shops, abandoned offices and painted-over street signs—said on his return: "It was like an absurd film; it was a nightmare. It is difficult to believe it is true."

Yet, why is it so difficult to believe? Have not the worst atrocities of the 20th century all been committed in the name of some perverse pseudo science, usually during efforts to create a new heaven on earth, or even a "new man"? The Nazi notion of racial purity led inexorably to Auschwitz and the Final Solution. Stalin and Mao Tse-tung sent millions to their deaths in the name of a supposedly moral cause—in their case, the desired triumph of socialism. Now the Cambodians have taken bloodbath sociology to its logical conclusion. Karl Marx declared that money was at the heart of man's original sin, the acquisition of capital. The men behind Cambodia's *Angka Loeu* (Organization on High), who absorbed such verities while students in the West, have decided to abolish money.

How to do that? Well, one simplistic way was to abolish cities, because cities cannot survive without money. The new Cambodian rulers did just that. What matter that hundreds of thousands died as the cities were depopulated? It apparently meant little if anything, to Premier Pol Pot and his shadowy colleagues on the politburo of Democratic Kampuchea, as they now call Cambodia. When asked about the figure of 1 million deaths, President Khieu Samphan replied: "It's incredible how concerned you Westerners are about war criminals." Radio Phnom Penh even dared to boast of this atrocity in the name of collectivism: "More than 2,000 years of Cambodian history have virtually ended."

Somehow, the enormity of the Cambodian tragedy—even leaving aside the grim question of how many or how few actually died in *Angka Loeu*'s experiment in genocide—has failed to evoke an appropriate response of outrage in the West. To be sure, President Carter has declared Cambodia to be the worst violator of human rights in the world today. And, true, members of the U.S. Congress have ringingly denounced the Cambodian holocaust. The U.N., ever quick to adopt a resolution condemning Israel or South Africa, acted with its customary tortoise-like caution when dealing with a Third World horror: it wrote a letter to Phnom Penh asking for an explanation of charges against the regime.

Perhaps the greatest shock has been in France, a country where many of Cambodia's new rulers learned their Marx and where worship of revolution has for years been something of a national obsession among the intelligentsia. Said New Philosopher Bernard-Henri Levy, a former leftist who has turned against Marxism: "We thought of revolution in its purest form as an angel. The Cambodian revolution was as pure as an angel, but it was barbarous. The question we ask ourselves now is, can revolution be anything but barbarous?"

Lévy has clearly pointed out the abyss to which worship of revolution leads. Nonetheless, many Western European intellectuals are still reluctant to face the issue squarely. If the word "pure" when used by adherents of revolution, in effect means "barbarous," perhaps the best the world can hope for in its future political upheavals is a revolution that is as "corrupt" as possible. Such skewed values are, indeed, already rife in some quarters. During the 1960s, Mao's Cultural Revolution in China was admired by many leftist intellectuals in the West, because it was supposedly "pure"—particularly by contrast with the bureaucratic stodginess of the Soviet Union. Yet that revolution, as the Chinese are now beginning to admit, grimly impoverished the country's science, art, education and literature for a decade. Even the Chinese advocates of "purity" during that time, Chiang Ch'ing and her cronies in the Gang of Four, turned out to have been as corrupt as the people in power they sought to replace. With less justification, there are intellectuals in the West so committed to twin Molochs of our day—"liberation" and "revolution"—that they can actually defend what has happened in Cambodia.

Where the insane reversal of values lies is in the belief that notions like "purity" or "corruption" can have any meaning outside an absolute system of values: one that is resistant to the tinkering at will by governments or revolutionary groups. The Cambodian revolution, in its own degraded "purity" has demonstrated what happens when the Marxian denial of moral absolutes is taken with total seriousness by its adherents. Pol Pot and his friends decide what good is, what bad is, and how many corpses must pile up before this rapacious demon of "purity" is appeased.

In the West today, there is a pervasive consent to the notion of moral relativism, a reluctance to admit that absolute evil can and does exist. This makes it especially difficult for some to accept the fact that the Cambodian experience is something far worse than a revolutionary aberration. Rather, it is the deadly logical consequence

of an atheistic, man-centered system of values, enforced by fallible human beings with total power, who believe, with Marx, that morality is whatever the powerful define it to be and, with Mao, that power grows from gun barrels. By no coincidence the most humane Marxist societies in Europe today are those that, like Poland or Hungary, permit the dilution of their doctrine by what Solzhenitsyn has called "the great reserves of mercy and sacrifice" from a Christian tradition. Yet if there is any doubt about what the focus of the purest of revolutionary value is, consider the first three lines of the national anthem of Democratic Kampuchea:

The red, red blood splatters the cities and plains of the Cambodian fatherland,
The sublime blood of the workers and peasants,
The blood of revolutionary combatants of both sexes.

—David Aikman.●

TURKISH ARMS EMBARGO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

● Mr. SARASIN. Mr. Speaker, on October 2, 1975, the House of Representatives voted to ease the embargo that was placed on Turkey for their violations of the Arms Export Control Act. At that time, I called on my colleagues to ease the absolute embargo in the hope that the Turkish Government would pursue a course of action toward a peace settlement on Cyprus. Nearly 3 years have passed since that time, however, and the Government of Turkey still has not negotiated a settlement, and they are just now, when the embargo issue is before us again, beginning to make proposals to the Cypriot Government. Unfortunately, Mr. Speaker, because of the Turkish Government's idleness during the past 3 years to make peace on Cyprus, and return the Cypriots to their original status, I must reject the idea by the Carter administration for a total abolishment of the current arms embargo. As this issue was voted on yesterday, and I was unable to be in attendance, I wanted to be sure my views on this matter were clear to my colleagues.

There are several reasons why I opposed the lifting of the Turkish arms embargo. First among those reasons is that in 1975 the arms embargo was imposed as a rule of law by the Congress, only after Turkey used U.S. weaponry for offensive purposes in its second invasion and occupation of Cyprus in August of 1974. This invasion took place at a time when the hostilities between these nations had ceased and they were actually negotiating peace proposals in Geneva. In that action, 40,000 Turkish troops occupied 40 percent of Cyprus as an offensive operation. Since the Arms Export Control Act limits military aid to "internal security" and "legitimate self-defense" purposes, the Congress had no choice but to impose the embargo. Thus, it was placed to enforce an existing law, not to establish new law. Today, however, Turkey still occupies 40 percent of Cyprus, and nearly 30,000 Turkish troops are still stationed on that island, armed with American equipment, and in all of those years, Turkey has taken no action to amend the situation, even after our act of goodwill in October of 1975, at which time I stated on the floor of the House:

My hope is that changing our present policy on the arms embargo will constructively affect the present stalemate on the negotiations. If not, and if other adverse reactions result, I would be the first one to call for a reimposition of the embargo.

Bearing those words in mind, I feel as though Turkey has not actively moved toward resolving the situation on Cyprus, and thus I feel that the embargo should be continued until such movement occurs.

There are other reasons, however, and one of those is the need of the embargo to keep the United States in a position whereby we can take substantive actions to promote a just settlement on Cyprus. Those actions have yet to take place, and we have shown Turkey that the current prohibition on arms is not a serious matter. The administration has undermined the effectiveness of this embargo, by refusing to enforce it. If we refuse to lift the embargo, however, we will reverse that trend and express to the Government of Turkey the sincerity of our feelings with regard to their total disregard of our Government's prerequisites for lifting the current arms embargo. Hopefully this realization will motivate them toward the aforementioned settlement.

Many of the proponents of lifting the Turkish arms embargo have claimed that its continuation would leave our Nation vulnerable in the Southeastern flank of NATO. Turkey's continued support of NATO's efforts is vital for our national security, but it must be remembered, however, that Greece's participation in NATO is equally important, and to lift the embargo now would seriously damage our relations with Greece, which currently are not at their best.

Since 1974, Greece has been partially withdrawn from NATO because of our Government's actions in the 1974 Turkish invasion. The Greek Government has made it clear, however, that while it has a strong desire to return to full membership status in NATO, it cannot do so unless there is a proper settlement on Cyprus, and they believe that the only effective way to encourage the Turkish Government to negotiate that type of settlement is to maintain the embargo as a bargaining chip.

While the administration has declared that Turkey will pull out of NATO should the embargo be maintained, it is clear, through public interviews with Mr. Ecevit, the Turkish Premier, that Turkey has absolutely no intention of withdrawing its membership from NATO. Since it is clearly in the best interest of U.S. national security to have both Turkey and Greece as full members of NATO, it is thus Greece's membership that we should concentrate on, because of its current weakened status. To lift the arms embargo at this time would certainly be an additional strain on our relations with the Greek nation.

In addition to these thoughts on national security and the desire to attain a just peace settlement on Cyprus, we must also consider in our decision on this issue the human rights record of the Turkish Government, and in particular its treatment of the people on Cyprus since the 1974 invasion. Clearly, the record will show that Turkey has not lived up to the expectations of the European Commission on Human Rights, which last year found Turkey guilty of systematic killings of civilians, torture, rape, looting, and refusal to allow refugees to return to their homes. These refugees are freedom-loving people, and until 1974, when the Turkish forces attacked Cyprus, enjoyed all of the freedoms that you and I enjoy today, Mr. Speaker. Amnesty International, the watchdog of human rights violations, has documented actions by the Turkish Government that are similar to those I mentioned above. Thus, if our Government were to completely lift the arms embargo that is currently imposed on Turkey, we would be approving of their human rights violations, and lose any stronghold that we may now have to convince them to stop the atrocities that are currently taking place.

Another important factor that must be considered in this issue is that the embargo, as it stands today, is only a partial embargo, and certainly has not stopped all traffic of military equipment from the United States to Turkey. What the embargo has done, however, is show Turkey that they must make positive steps toward resolving the Cyprus issue, and implement a peace settlement. In addition, the embargo assures the Greek and Cypriot Governments that the United States does not disregard their plight, and will continue to stand up for their rights as free people. President Carter had once expressed his concern for these people, and we must show that concern by keeping the Turkish arms embargo in place as it is today, and enforce it fully, in the hope that we may someday be able to lift it for the correct reasons. Thus, Mr. Speaker, had I been present for the voting on this issue, I would have voted to maintain the embargo.●

GREEN ATTACKS VOTE TO LIFT TURKISH ARMS EMBARGO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

Mr. GREEN. Mr. Speaker, on August 1, by a vote of 208 to 205, the House adopted the Wright amendment to lift the embargo on arms shipments to Turkey. This amendment provides that the embargo will be ended upon the President's certification to Congress that it is in the national interest of the United States and NATO to do so; and that Turkey is acting in good faith to achieve a just settlement of the Cyprus problem, the early peaceable return of refugees to their homes, continued removal of Turkish troops from Cyprus, and the early resumption of intercommunal talks.

I strongly opposed the Wright amend-

ment to end the embargo on Turkey and was among the 205 Members who voted against it. I based my opposition to lifting the Turkish arms embargo on three essential points.

First, to repeal the embargo on arms to Turkey in this manner is to undermine the rule of law in the execution of our foreign policy. The embargo on U.S. arms sales to Turkey was imposed by Congress after Turkey used American weapons for offensive purposes in its invasion and occupation of 40 percent of Cyprus in 1974. That violation continues to this day. Provisions of the Foreign Assistance Act and the Foreign Military Sales Act required that further military aid to Turkey be terminated. Therefore, the embargo was voted to insure that these laws were enforced.

I believe it is important to keep in mind that section 620(x) of the Foreign Assistance Act already enables the President to end the embargo. He can do so by certifying to Congress that Turkey is in compliance with the Foreign Assistance Act, the Foreign Military Sales Act, and Turkish bilateral agreements with the United States, and that substantial progress has been made toward an agreement regarding the presence of military forces on Cyprus. In the absence of such certification, the provisions of law continuing the embargo must be enforced.

The Wright amendment dilutes the present requirements of section 620(x). It permits the embargo to be ended by a Presidential certification that this is in the interest of the United States and NATO and that Turkey "is acting in good faith" with respect to progress on Cyprus. It places no responsibilty on Turkey actually to have made progress and to have withdrawn its troops from Cyprus.

Second, permitting such an easy end to the embargo will not guarantee any movement on the Cyprus question by Turkey. The administration thinks that ending the embargo will lift the stalemate. But the administration has admitted that it has no commitment from Turkey in this regard.

The effective use of the arms embargo is the approach most likely to encourage a Cyprus settlement. Once we lift the embargo without achieving concessions from Turkey on the Cyprus question—and that, in effect, is what the Wright amendment authorizes—we remove the only effective leverage the United States has to bring the parties involved to an agreement. In this regard, I call my colleagues' attention to a New York Times editorial of July 22.

Administration spokesmen maintain that once it is lifted, Ankara will make generous diplomatic proposals. But the Government of Prime Minister Bulent Ecevit has so far given no sign that it is prepared to risk the domestic consequences of offering the concessions needed to reach an accommodation. The vague proposal put forward by the Turkish Cypriots on Thursday for resettling some Greek refugees is welcome but scarcely sufficient. The Turkish concessions need to be territorial.

I cannot share the administration's faith that Turkey will be forthcoming with substantive proposals once the embargo is terminated. I am not aware of any action by Turkey that would affirm such confidence.

During the past 3 years Turkey has failed on its part to make progress on the issue of Cyprus. To lift the embargo now will be to reward Turkey for this lack of performance. Indeed, Turkey already has been rewarded through loopholes in the embargo which have permitted Turkey to receive over $600 million in military aid since the embargo was imposed. Those who claim the embargo has failed ought to be aware that the embargo has not been given an effective chance to work due to its limited application.

Third, lifting the Turkish arms embargo in the absence of actual progress on Cyprus will impede U.S. effectiveness in helping the parties to achieve a settlement. While it will provide no guaranteed commitments from Turkey, it also will risk encouraging anti-American feelings in Greece and spark other friction in that nation.

On July 12, I attended a morning White House meeting along with selected House Members at which President Carter, Secretary of Defense Brown, Eastern Mediterranean Special Adviser Clark Clifford, and other officials made the case for Congress to end the embargo. I was deeply disturbed that the administration showed great solicitude over the problems facing the Ecevit Government in Turkey, while it totally ignored the dangers to the Caramanlis Government in Greece if we voted to end the embargo. In view of the tremendous stake of the United States in the future of Greek democracy, the one-sidedness of the administration's position continues to alarm me.

On this point, I think my colleagues should be aware of the Greek Embassy's reaction to the Senate vote to lift the Turkish arms embargo:

The embargo is an internal concern of the United States. However, its repeal can have adverse consequences on the course of the Cyprus problem and on the other problems which affect the security and peace of our area. The Administration and the Congress of the United States should not overlook these consequences.

This diplomatic reaction should be pondered for the message that emerges "between the lines." Clearly, the United States cannot afford to appease Turkey at the cost of deteriorated relations with Greece. Lifting the embargo will foster increased tensions between Greece and Turkey, and this will have serious repercussions on the United States, NATO, and the stability of the Mediterranean.

While there are other points that can be made, these were the major reasons for my opposition to the Wright amendment to end the Turkish arms embargo. Lifting the embargo will serve to undermine the rule of law in the execution of our foreign policy. In addition, the Wright amendment does not guarantee any meaningful movement on the Cyprus question by Turkey and impedes U.S. effectiveness in helping the parties involved to achieve a settlement.

I met recently with His Eminence, Archbishop Iakovos of the Greek Orthodox Archdiocese of North and South America. The archbishop conveyed to me personally his great concern for peace and justice for the suffering people of Cyprus. He pointed out that the United States can play an important role in helping Cyprus through its policies toward Greece and Turkey.

I believe that by adopting the Wright amendment, the House has abandoned the only instrument the United States has had at its disposal to exert pressure to bring about an agreement on Cyprus. Notwithstanding the unfortunate action taken by the House, it is my hope that the United States will use its influence on Turkey to bring results—not just pledges of "good faith"—in the quest for peace and justice for Cyprus.

WHAT DOES THE PRESIDENT HAVE TO HIDE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. RUDD), is recognized for 10 minutes.

Mr. RUDD. Mr. Speaker, on June 14, I requested the Comptroller General of the United States to review the President's selection and appointment of members of the U.S. Metric Board, since the law is very specific on the source of individuals representing a proper cross-section of business, labor, and professional organizations on the 17-member board.

But to date, the White House has refused General Accounting Office access to the relevant files, which the GAO informs me are located in the White House Personnel Office. I would like to know what the President has to hide?

Why is the White House raising bureaucratic and legal obstacles to block GAO access to the U.S. Metric Board files, so that my request for a review of the selection process can be accommodated?

It is necessary for the GAO to review these files in detail, since the law specifically requires a certain number of members of the board to be selected from lists submitted by certain organizations, such as the U.S. Chamber of Commerce, the National Association of Manufacturers, AFL–CIO, the National Conference on Weights and Measures, and other organizations.

Furthermore, the law clearly gives the GAO statutory authority for such a review. Title 31, section 1154 of the United States Code requires the GAO to review and evaluate Federal Government activities and programs on a continuing basis, on its own initiative, or at the specfic request of Congress, and to report the results of such reviews to the Congress.

To insure that Federal agencies or offices will not try to block such reviews, or to hide information from GAO investigators, title 31, section 54 of the United States Code requires "all departments and establishments" within the Federal Government to grant GAO access to their files, records, books, documents, and so forth for the purpose of securing needed information.

Nothing could be clearer. The White House has no right to prevent a GAO review of their files. But the White House is playing obstructionist games, attempting to delay or prevent a GAO review of its files to comply with my request, and opening up all sorts of suspicions about the motive or reason for such action.

Is there some possibility that the specific provisions of the law were not followed in the President's selection of the 17 members of the U.S. Metric Board?

Is the administration trying to establish some kind of exemption from GAO audits and inquiries for files stored in the White House, in order to provide some sort of confidentiality or special right of secrecy that is not otherwise available? If so, I can predict a flow of Federal records to the White House from all Federal agencies, to exempt them from GAO or congressional scrutiny.

The President has stated on numerous occasions that his is an "open administration." But the White House's action in this situation demonstrates that that is not the case.

Whatever the reason for trying to block a GAO review of Metric Board files in the White House—whether it be bureaucratic arrogance, or an attempt to hide something—I believe that the President's staff should start cooperating with the GAO, which is the investigative arm of the Congress, in order to fulfill the President's pledge of openness and cooperation.

THE 1978 CAPTIVE NATIONS WEEK AND THE BARBARIC SOVIET RUSSIAN TRIALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, it seems that there is something mystical about our annual observance of Captive Nations Week. Recorded evidence shows that since 1959, when the week was inaugurated, some world-captivating event or events surrounded the observance. For example, in 1975 a whole array of events took place at the time of the week's observance, including the orbital détente, Solzhenitsyn's appearance on Capitol Hill, Kissinger's defense of his "détente," and the surprising announcement of the Helsinki Conference—all in the week of Captive Nation's Week. This year it was the barbaric trials and heavy sentences of Petkus, Shcharansky, and Ginzburg. The evidence is uncanny.

In a continuing report on the 1978 week, which gives full expression to Public Law 86–90, I bring to the attention of my colleagues the following: First, proclamations by Gov. Hugh L. Carey of New York and Mayor Gerald W. Graves of Lansing, Mich.; second, a report on Free China's observance in the China Post, July 19; third, the program of CN in Boston; fourth, the New York City program; fifth, the article in the News World of July 17; and sixth, the opening remarks of Chairman Horst Uhlich at the New York Captive Nations rally:

STATE OF NEW YORK

PROCLAMATION

This year marks the 20th Anniversary of Captive Nations Week. This commemoration is dedicated to sustaining the spirits and hopes of enslaved peoples for freedom and self-determination in their beloved native lands.

The freedom-loving peoples in captive lands look to the United States as the citadel for freedom and to the American people for guidance and inspiration.

Under President Jimmy Carter, the United States has experienced a renaissance in the quest for human rights for many world citizens who are denied human and religious freedom.

The Captive Nations Committee of New York will hold appropriate activities throughout the week to commemorate this anniversary, and to address the issue of human rights on behalf of the oppressed peoples in captive nations.

Now, therefore, I Hugh L. Carey, Governor of the State of New York, do hereby proclaim July 16–22, 1978, as "Captive Nations Week" in New York State.

[City of Lansing, Mich.]

PROCLAMATION

Whereas: The imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Romania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos and others; and

Whereas: The desire for liberty and independence by the overwhelming majority of peoples in these conquered Nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas: The freedom loving peoples of the captive Nations look to the United States as the citadel of human freedom and human rights and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas: The Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week, inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities, expressing their sympathy with and support for the just aspirations of the captive Nations;

Now, therefore I, Gerald W. Graves, mayor of the city of Lansing, by the power vested in me, do hereby proclaim the week of July 16–22, 1978, as "Captive Nations Week in Lansing" and I call upon all citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

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300 ATTEND CAPTIVE NATIONS WEEK RECEPTION

[From the China Post, July 19, 1978]

Over 300 government officials, foreign envoys and foreign guests attended the reception party in honor of the distinguished guests to the 1978 Captive Nations Week, hosted by Dr. Ku Cheng-kang honorary chairman of the World Anti-Communist League and his wife, at the Grand Hotel in Taipei yesterday.

Those attending included Premier Y. S. Sun, secretary general of the Kuomintang, Chang Pao-shu, president of the Legislative Yuan, Nieh Wenya, president of the Judicial Yuan, Tai Yen-hui, Korean Ambassador Kim Kae-won and many other high-ranking government officials and foreign envoys.

The distinguished guests to the 1978 Captive Nations Week included U.S. Senators John M. Ashbrook and Delwin M. Clawson chairman of the France National Center of Independents and Farmers Bertrand Mottee; Ivory Coast vice-president of the Supreme Court and president of the Administrative Chamber Georges Creppy; Japanese Diet Lower House member Taikan Hayashi; and publisher of Replica Daily News of Saudi Arabia, Sheik Mohammed Salahuddin.

The 1978 Captive Nations Week started last Sunday and will end on July 22.

Today, a lecture to mark the campaign will be held at the Taipei City Hall at 3 p.m. with U.S. Representative John Milan Ashbrook and Taikan Hayashi, a Japanese Diet member in the lower house as the keynote speakers.

Over 200 freedom seekers will also hold a meeting in the morning at 9 a.m. at the Free China Relief Association to urge the free world to support those people the captive nations.

Distinguished foreign guest invited to the campaign will attend the meeting.

Yesterday, U.S. Representative Ashbrook urged in a meeting at the China Mainland Affairs Center that more freedom loving people should join in the Captive Nations Week campaign.

He said he will stand on the side of the Republic of China to fight together for the freedom of mankind.

TO OBSERVE CAPTIVE NATIONS WEEK IN BOSTON

JULY 19, 1978, SPECIAL OBSERVANCE AT THE MASSACHUSETTS STATE HOUSE.—The captive nations under Russian Communist domination in Central and Eastern Europe will be saluted at a special program on Wednesday, July 19, starting at 11:30 AM, in Doric Hall at the Massachusetts State House, Beacon Hill, Boston, in observance of this year's Captive Nations Week, between July 16–22. The program will include: prayers, presentation of national flags, reading of Governor's proclamation and cultural entertainment. Dr. Algindas Budreckis, a Lithuanian community leader, will speak about captive nations; Orest Szczudluk, a vice president of the Ukrainian Congress Committee of America, Boston Chapter, will open the observance. The cultural program will be provided by Ukrainian and Lithuanian entertainers.

This year marks the 20th anniversary of the Captive Nations Week, which was established by Congress on July 17, 1959, and is known as Public Law 86–90. The Captive Nations Week Resolution designated the third week in July as "Captive Nations Week" and authorized the President to issue proclamations each year until such time as freedom

and independence shall have been achieved for all the captive nations in the world.

The public is cordially invited to attend the observance at the State House on Wednesday, July 19, and express the support for the right of all captive nations to enjoy freedom and national independence.

July 16, 1978, Prayers in Churches of the Boston Archdiocese.—On Sunday, July 16, priests of the Boston Catholic Archdiocese will include prayers for the freedom of all captive nations. Prayers have been requested by His Eminence Humberto Cardinal Medeiros, Archbishop of Boston.

Governor's Proclamation.—On June 21, 1978, Governor Michael S. Dukakis issued a proclamation, designating the week of July 16–22, 1978, as "CAPTIVE NATIONS WEEK" in Massachusetts. The proclamation states that "the captive nations of Central and Eastern Europe—Armenia, Byelorussia, Estonia, Georgia, Latvia, Lithuania, Ukraine, and others—constitute the Achilles' heel in the Russian communist empire." It also notes that "hundreds of Ukrainian, Lithuanian, Latvian, Armenian, Georgian and other dissidents and human rights activists are held in Communist Russian jails and concentration camps for demanding the implementation of the U.N. Universal Declaration of Human Rights and the Helsinki Accords for their respective peoples."

Captive Nations Week Committee.—This year's observance of the "Captive Nations Week" is sponsored by the 1978 Captive Nations Week Committee and active participation of the American National Latvian League in Boston, Inc., Lithuanian American Council of Boston and Ukrainian Congress Committee of America, Boston Chapter.

BOSTON, MASS., July 8, 1978.

[From the Captive Nations Committee of New York]

CAPTIVE NATIONS

JOIN US IN THE STRUGGLE FOR FREEDOM

The Bolshevik revolution in Russia in 1917, when the communists succeeded in seizing power in Moscow, was a warning signal of the growing danger to the free world. The Western powers, instead of taking preventive steps to what happened in Russia, saved the communist government several times when this Godless regime was about to collapse under the pressure of desperate needs of wheat and other supplies, which gave the communists the chance to put down the resistance of Armenians, Azerbaijans, Byelorussians, Cossacks, Georgians, North Caucasians, Mongolians, Turkestanians, Tartars, Ukrainians, and other nations inside the borders of the Soviet Union and stabilize their dictatorship over all the territory occupied by Russia.

With the start of the second World War, being allied with the western powers, the communists found the door open for the Red murdering army to occupy and enslave the countries of Bulgaria, Rumania, Albania, Croatia, Czechia, East Germany, Hungary, Serbia Slovakia, Slovenia, Estonia, Latvia, Lithuania, and Poland.

But this was not the end. Using their alliance and friendly relations with the western powers, the communists continued their aggressive policy and one by one succeeded in putting under their control North Korea, mainland China, Tibet, North Vietnam, Cuba, South Vietnam, Cambodia and Laos, bringing the number of Captive Nations up to thirty-two. Seizing the power in the captive countries by force against the free will of the people, the communists broke the resistance in those countries by bloody terror 73 million people from all the captive nations were murdered or sent to concentration camps or jails, from which they never returned. The western world just witnessed these crimes, and despite the magnitude of these crimes, the Western powers still today continue to help the Soviet Union in many ways, repeatedly giving the communists help: wheat, technical supplies, buildings, autos, factories, etc.

Today over half the earth's population is under communists control. This list of Captive Nations brought under the Red Terror grows longer and longer, as the number of countries won by the Communist Party after World War II has been added to by hundreds of millions of people in Asia—2,500,000 having been killed in Cambodia, only since the United States pulled out of Vietnam; and now the Party has transferred its operations from Southeastern Asia to an all-out effort in Africa.

The Communists are not interested in Civil Rights for Africans of any color. Their real desires are much more self-centeredly pragmatic: minerals and strategic bases such as the Horn of Africa and Cape of Good Hope.

The belief that it is possible to reach an agreement and establish a lasting peace with the communists is an illusion. The communists have not altered their aim to control the entire world. This policy, existing since the days of Lenin and Stalin, has not changed, and will never change. Communism today is not only the problem of the Captive Nations: it is a world problem, and an acute danger to the peoples of the world still living in freedom.

We, the people of the Captive Nations, call for concerted action to stop communist aggression: action to help the Captive Nations regain their independence and, finally, action to eliminate the communist danger. We ask all freedom-loving people to join us in this struggle. We must put our democracy to work to help those less fortunate than we—those who are enslaved by barbaric, totalitarian systems in the Communist-dominated countries of the world.

TWENTIETH ANNUAL CAPTIVE NATIONS WEEK

JOIN US IN THE STRUGGLE FOR FREEDOM

Program—Sunday, July 16th, Manhattan

9:00 a.m., Assemble at 59th Street & 5th Ave.

9:15, Fifth Avenue Parade—59th St. to 50th Street.

10:00, Memorial Mass at St. Patricks Cathedral.

11:00, Fifth Avenue Parade—50th St. to Central Park Mall (Band Shell near 72nd Street).

12 Noon Ceremonies, honored speakers and folklore entertainment at Central Park Mall.

[From the New York World, July 17, 1978]

MARCHING IN THE BROTHERHOOD OF THE OPPRESSED

(By Hal McKenzie)

In the middle of the Captive Nations parade down Fifth Avenue, behind the Chinese lion dancers, marched a solitary middle-aged woman proudly bearing the green flag of Rhodesia and a sandwich board proclaiming "Free Rhodesia" and "End U.N. Sanctions."

Rhodesia is not in the official litany of nations held captive by communism, at least not yet. But Mrs. Patricia Jeffrys believes that Rhodesia qualifies as a captive—of the United Nations.

"Rhodesia is a captive to U.N. sanctions," she explained in a mild British accent. The U.N. is dominated by the eastern bloc, you know.

"Robert Mugabe is an out-and-out communist and Nkomo is simply an opportunist," she added. "He is being paid off handsomely by the Russians, you can be sure."

A British citizen married to an American, Mrs. Jeffrys is the vice president of the American-Rhodesian Association, which has grown to a "not-so-small" organization, she said. "We've been working quietly—we're not your rent-a-mob type of thing."

She said that sentiment for the multiracial Rhodesian interim government was growing especially fast in Britain, where "thousands of citizens are against [British Foreign Secretary] Robert Owen's policy all the way."

She said she was told by the State Department spokesman Hodding Carter that the United States would never support Rhodesia until "things were sorted out with the other African nations. "That proves it—they're selling-out Rhodesia for Nigerian oil," she said angrily.

Striding at the head of the parade in traditional Cossack garb, Col. Nikolas G. Nazarenko cut a striking figure with his white fur cap, calf-length coat with long silver-sheathed dagger and ornamental silver cartridge cases on his chest.

"Cossackia is a nation of 10 million people," Nazarenko said. "In 1923 the Russians officially abolished Cossackia as a nation. Officially, it no longer exists."

"Now there are 2 million of us scattered all over the world," added Abdul Kwaja, who was there with his wife, also in traditional garb. Kwaja, 25, had escaped to Afghanistan in 1952.

"The people have no rights," he said of his native land. "The Russians are trying to change everything—our language, our religion. We are not free even to speak our language."

Nevertheless, Nazarenko, president of the World Federation of Cossack National Liberation Movements, has spent the greater part of an adventurous life fighting for his Cossack homeland.

"America should not spend billions supporting the Soviets with trade," he said. "We don't have to be afraid of the Russian army because half of it is made up of captive nations. They can never trust the rank and file."

A small but distinctive group of dark-skinned people dressed in colorful striped robes and square caps marched with a banner which read, "Kazakhs + Uzbeks + Tadzhiks + Turkmens + Uighurs = Turkestan."

"Turkestan is a nation of 60 million Moslems," said Fazil Cencar, 48, vice president of the Turkestan-American Association. "We speak the Turkish language and belong to the Moslem religion."

CHAIRMAN HORST UHLICH OF THE CAPTIVE NATIONS COMMITTEE OF NEW YORK

Distinguished guests, members and friends: In the name of the Captive Nations Committee, N.Y., it is a pleasure to welcome all of you . . . on the occasion of this 20th Annual Captive Nations Parade and Commemoration.

We are honored by your presence here. We know that you have made a special sacrifice, during vacation time, to join us here today. And we are well aware that those who still remain inside captive territory are making the greatest sacrifice of all . . . because the loss of man's freedom is the greatest sacrifice of all.

We are all, indeed, honored to have with us our distinguished guests who bring us strength . . . and who raise our spirits with their presence. We would also like to take this opportunity to thank our committee members whose efforts and encouragement have been the support of our organization. And all of you who have helped in your own special ways: Many, many thanks! And our special thanks to our honorary chairman, Dr. Ivan Docheff, for his good advice and guidance. . . .

We are here, today, to honor those who have died at the hands of the Communist party . . . and those who are living their

lives in Communist concentration camps, or who are detained, for reasons of mental health.

We are the fortunate ones, to be living in this great country, the United States of America . . . to have the freedom to meet here today. And it is only a few days after the celebration of our Independence Day on July 4th, a reminder that freedom, like friendship, continues only when we work at it . . . Dream about it . . . Wish for it with all our hearts . . . because freedom is very difficult to win and to keep, but very easy to lose. We have, in our own experiences, learned many hard lessons.

We have suffered . . . and many of us still have relatives, families and friends who are weeping, starving, and suffering at this very moment. And they only ask for a word of encouragement from us . . . to assure them that they are not forgotten . . . to let them know that we are gathering together, as we are doing today, to send them a message of hope.

But above all . . . we must send our stern message to the Communist slaveholders ruling the captive countries, that we will never, never stop demanding freedom for all nations . . . and that we will never give up, until all peoples who are living under Communist slavery are liberated.

One visible activity is the pressure that the United States has been putting on the Communists, demanding human rights. This country is, in principle, attempting to remind the Communists that the human rights issue . . . one of the vital agreements which they signed during the Helsinki Conference in 1975 . . . has been disregarded by them. The news coming out of Moscow, even today, shows only too clearly what the Bolsheviks understand by human rights. President Carter we understand is just visiting Berlin. When he looks at the Berlin Wall, it is like seeing the face of death . . . He should have the truest possible understanding of what Bolshevism means by human rights.

In 1945, when I was only a boy of 9 years, I was one of 17,000,000 East Germans who were expelled from our homeland of East and West Prussia, Pomerania, Silesia, and Sudetenland . . . and many people are not aware of the fact that 2,280,000 East Germans, mostly women and children, were massacred after World War Two. And we know that the Crimean Tatars had almost half of their entire population killed off. And all the other captive nations of every culture have suffered similar disasters. Therefore, it is the duty of those of us who have survived to tell the truth about communism. So that those who have not lived through the horrors of communism, as we have, will understand more clearly what is to be expected from communism . . . the madness of communism . . . the murderous ambition of the Communist party to conquer the entire world.

These may be the final hours in history for us to alert all people who yet remain free . . . to wake up to the danger of the Communist Party International, which has conquered three quarters of the world, and having succeeded in Vietnam, immediately transferred their military operations to Africa.

And finally, on this occasion, today, we cannot afford to sleep peacefully until the cause of the captive nations has been made popular before the eyes of the American people and the entire free world . . . equally popular with the cause of the two Russian dissidents.

Albania, Armenia, Azerbaijan, Bulgaria, Byelorussia, Cambodia, China, Crimean Tatars Cossackia, Croatia, Cuba, Czechia, East Germany, Estonia, Georgia, Hungary, Idel-Ural, Karatchays, Laos, Latvia, Lithuania, Mongolia, North Caucasus, North Korea, North Vietnam, Poland, Romania, Serbia, Slovakia, Slovenia, South Vietnam, Tibet, Turkestan, Ukraine.

These nations must live . . . they have the right to live . . . to exist just as other nations have the right to exist!!!

Until these nations are free again . . . let us all work and pray for them.

May God be with us!! ●

DISSENTING VIEWS OF CONGRESSMAN DRINAN ON H.R. 7308, THE FOREIGN INTELLIGENCE SURVEILLANCE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, H.R. 7308 has a number of serious defects and is far from the "model wiretap bill" as the New York Times asserted in its editorial of June 29. It permits surveillance of Americans, in certain circumstances, without a court order. It does not contain adequate safeguards to minimize the acquisition of the conversations of innocent people. It requires telephone company employees, custodians, landlords, and others to assist, against their wills, the CIA, the FBI, and other agencies which are engaging in electronic surveillance. And it gives no notice to persons who are overheard that their conversations have been recorded.

The question whether and to what extent Congress should approve the use of electronic surveillance to obtain foreign intelligence information is a matter of the highest importance for the Nation. Its resolution cannot be lightly undertaken and must be given the most detailed scrutiny. In 1968, when Congress first authorized the use of electronic surveillance for law enforcement purposes, it put aside the issues raised by H.R. 7308. By enacting section 2511(3) of title 18, contained in the Omnibus Crime Control and Safe Streets Act, Congress left in place whatever presidential power existed to engage in surveillance without judicial warrants in national security cases. H.R. 7308 confronts the questions Congress left open in 1968.

CRITERIA FOR EVALUATING H.R. 7308

Since 1968, many observers have studied the matter of electronic surveillance very carefully. Among others, the Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice has conducted numerous hearings over the past several years. Indeed this subcommittee has successively examined the predecessors to H.R. 7308, beginning in 1976 with the Ford administration bill. We received testimony which was quite critcial of the various proposals which have been before us. While proponents sought to discount such adverse comment, they have failed, in my judgment, to carry the burden of persuading us that this bill is needed. When the rights of Americans under the fourth amendment are at stake, the Congress should not readily agree to invade them without evidence of the most compelling nature. The advocates of this bill have not adduced testimony anywhere near that level. Based on the hearing record, as well as my experience as a teacher of constitutional law, I seek to amend H.R. 7308 to effectuate fully the protections of the fourth amendment.

THE NEED FOR H.R. 7308

It is critical that the House not assume as correct any of the premises which undergird this bill. Each of the assumptions must be examined thoroughly and without any preconceived notions about the need for employing electronic surveillance to gather so-called foreign intelligence information. In testimony before the Judiciary Subcommittee, the Ford administration provided very little hard evidence of the necessity for this measure. Official representations, both in public and executive sessions, amounted to little more than generalities couched in terms of protecting the Nation from foreign attack. That is not a sufficient basis upon which to authorize the broad powers sought by the executive branch. The national experience and disclosures of the recent past show all too clearly that Presidents and Attorneys General have used national security as a pretext for snooping into the lawful activities of political opponents or persons perceived to pose a threat to their political security. Morton Halperin, director of the Center for National Security Studies and a victim of such abuses, testified on June 29, 1978, as follows:

> The Church Committee Report shows clearly that taps on foreign embassies have given rise to extensive abuses. When Presidents Johnson and Nixon asked for information about the antiwar views and activities of senators and congresspersons, the FBI prepared a summary of contacts between American legislators and foreign officials through accidental overhears on embassy wiretaps. The first such list was 67 pages long and covered the period from July 1, 1965 through March 17, 1966. The second summary was prepared 2 months later and additional materials were sent bi-weekly to the White House under the Johnson and then Nixon administrations (see Church Committee Report, Vol. 3, pp. 313–314).

In the context of those documented abuses, we must proceed with extreme caution in this very sensitive area.

I should note that persons like Mr. Halperin who have served in the executive branch in the area of national security have questioned the value of electronic surveillance as a tool for obtaining foreign intelligence information. On April 24, 1974, Mr. Halperin, who worked for several years in the White House and the Defense Department on national security matters, testified before a judiciary subcommittee. He took a very dim view of the value of intelligence gathered by electronic surveillance. "In my judgment," he noted, "such surveillance has extremely limited value and can in no sense be called vital to the security of the United States." Mr. Halperin based that view on his personal experience with such data and on his knowledge that "the American Government has many other sources of information of significantly greater value." I would like to underscore Mr. Halperin's testimony that the United States has other sources of information which are of much "greater value" than electronic

surveillance. These sources of intelligence should be carefully explored by this House as viable alternatives to this bill. My information is that these other sources provide nearly all of the use of the useful intelligence information, and that electronic surveillance is only of marginal importance.

CONSTITUTIONAL CONSIDERATIONS

Second, the House must weigh the value of and the need for intelligence information gathered from electronic surveillance against the intrusions into constitutionally protected rights, such as privacy, association, and speech.

I continue to believe that any electronic surveillance, whether approved by a court or not, violates the Constitution because such interceptions of private conversations can never satisfy the particularity requirement of the fourth amendment. It should be recalled that, to obtain a warrant under the fourth amendment, the applicant must submit a sworn statement, "particularly describing the place to be searched, and the person and things to be seized." Invariably an application for a bug or a tap cannot be that specific: It cannot describe with particularity all the persons to be overheard and all the conversations to be recorded.

This is the real evil of electronic surveillance; it is indiscriminate. It brings within its scope conversations of the innocent as well as the allegedly guilty. It is this indiscriminate quality of electronic surveillance that is most to be feared. Even physical surveillance, which some find offensive, is a much more targeted intelligence gathering technique than electronic surveillance. At least physical observation is more or less restricted to the person who is the object of the Government's interest. Electronic surveillance does not have these inherent limitations. Minimization provisions, which attempt to reduce the unnecessary intrusions into privacy, are generally inadequate. Later in this statement I will address the minimization sections of H.R. 7308.

Furthermore the attitudes of this administration toward the fourth amendment leave a great deal to be desired. On several occasions since President Carter took office, the Justice Department has taken positions, particularly in the Supreme Court, which undermine the protections of that amendment. For example, in United States against Chadwick, the Supreme Court, through Chief Justice Burger, rejected the Government's narrow view of the fourth amendment protections against unlawful searches and seizures. In his concurring opinion, Justice Brennan noted that "it is deeply distressing that the Department of Justice, whose mission is to protect the constitutional liberties of the people of the United States, should even appear to be seeking to subvert them by extreme and dubious legal arguments." Even the two dissenting justices characterized the Government's position as "an extreme view of the forth amendment." Unless the discretion of the Attorney General is carefully circumscribed, which H.R. 7308 does not do, one cannot be sanguine about the results which will obtain when this legislation is implemented.

INTERNATIONAL IMPLICATIONS

A third factor which the House should evaluate in considering legislation to authorize electronic surveillance in the national security area is the international implications. In 1972 the Vienna Convention on Diplomatic Relations, ratified by the Senate in 1965, came into force in the United States. The Convention requires that the premises of a diplomatic mission and its personnel, including their private residence, be "inviolable" (see articles 22, 24, 27, 29, and 30 of the Convention). In effect this treaty prohibits electronic surveillance of foreign emissaries and the premises they occupy.

When former Attorney General Levi appeared before the House Judiciary Subcommittee on June 2, 1976, he testified that the "treaty does not cover the subject matter of the bill [then H.R. 12750]." He based that opinion on a memorandum prepared by the Offices of Legal Counsel in the Justice Department. Mr. Levi and Mr. Bell have steadfastly refused to make that memorandum public, although they offered to allow Members to read it in private. I read that document and found it unpersuasive. The prohibitions in the treaty are clear; I continue to believe that we violate a solemn international obligation if we pass this bill. To avoid these problems, the Intelligence Committee has added language to H.R. 7308 to preclude the application of the treaty to the surveillance authorized by this measure. The committee report makes that quite plain:

Therefore, the "notwithstanding any other law" language is intended to make clear that, notwithstanding the Vienna Convention, the activities authorized by this bill may be conducted.

That is a pretty shoddy way to amend the terms of a treaty. If the administration has any doubt about the meaning of the Vienna Convention, then it should seek a negotiated modification with the other nations who are signatories to it. I do not favor unilateral changes of international obligations, and I hope the House will concur.

ANALYSIS OF H.R. 3708

In my judgment the three factors which I have outlined are critical considerations in evaluating any legislation which would authorize electronic surveillance for gathering foreign intelligence information. I would hope members of the House will agree that those factors are of great importance and must be examined carefully. Apart from this tripartite analysis, which should precede any vote on H.R. 7308, I also wish to raise some specific objections to features of that bill.

CRIMINAL STANDARD

Let me begin with the question whether a criminal standard of probable cause should govern any authorization for surveillance. Initially I should state unequivocably that any surveillance bill must have a criminal standard if the restrictions of the Constitution are to be faithfully observed. It may be that there is room, under applicable Supreme Court decisions, to adjust that standard so as to require something less than probable cause. In some contexts, for example, the Supreme Court has approved a "reasonable suspicion" test to permit a limited intrusion into a person's privacy. But in all cases, the standard must relate to evidence of criminal conduct. That is what existing law under title III of the 1968 act requires. Before any tap or bug can be authorized, the judge must find, among other things "probable cause for belief that an individual is committing, has committed, or is about to commit a particular offense" enumerated in title III.

H.R. 7308 does not uniformly require a criminal standard of probable cause in order to obtain a surveillance authorization. That is its major deficiency, as many witnesses have testified. Indeed the Intelligence Committee frankly concedes that the purpose of the bill is to obtain intelligence information which is not of a criminal nature.

> Although there may be cases in which information acquired from a foreign intelligence surveillance will be used as evidence of a crime, these cases are expected to be relatively few in number, unlike chapter 119 interceptions [title III of the 1968 act], the very purpose of which is to obtain evidence of criminal activity.

With that purpose clearly stated, it should come as no surprise that the fourth amendment probable cause standard is not applied to all cases under this bill. What should come as a surprise, though, is the major break with fourth amendment doctrine that H.R. 7308 would affect.

In deed, in some respects, H.R. 7308, as reported by the Intelligence Committee, is less restrictive than the earlier bills. For example, the earlier version defined "agent of a foreign power" to include, among others:

> "* * * any person who knowingly engages in clandestine intelligence activities for or on behalf of a foreign power, which activities involve or will involve a violation of the criminal statutes of the United States."

The bill, as amended by the Intelligence Committee, would insert the word "gathering" between "intelligence" and "activities," and would substitute the word "may" for "will." Insertion of the word "gathering" arguably narrows the scope of the section, but replacing "will" with "may" arguably broadens it.

Furthermore H.R. 7308 does not appear to require any criminal standard for agents of foreign governments who are not U.S. citizens or resident aliens. The bill would impose a criminal standard in some circumstances, but it would not impose one across-the-board. Consequently my criticism of earlier bills that they authorized surveillance without probable cause relating to criminal activity is equally applicable to H.R. 7308.

It should be noted in passing that the distinction drawn in H.R. 7308 between citizens and resident aliens on the one hand, and all other persons within the

United States on the other has little constitutional support of which I am aware. The protections of the fourth and fifth amendments, for example, extend to all persons, not merely citizens and resident aliens. See *Abel* v. *United States*, 362 U.S. 217 (1960). Many people in the United States are neither citizens nor resident aliens, nor spies. Tourists, lecturers, business people, scholars, and many others regularly visit this country for purposes unrelated to clandestine activity. As I understand the bill they would not receive the special protection which the proposal appears to give to citizens and resident aliens ("United States persons"). The committee report makes that very clear with respect to the minimization provisions, for example. It states that "only information concerning a United States person need be minimized." Id. at 57. This double standard is constitutionally unacceptable and represents the xenophobia of a by-gone day. In testimony before the Judiciary Subcommittee on May 22, 1975, former Secretary of State Dean Rusk attempted to draw a distinction between diplomatic personnel, who are immune from criminal prosecution, and all other U.S. residents. Although I reject that distinction also, it does have some greater logic than the distinctions drawn in H.R. 7308 between citizens and resident aliens and all other persons in the United States.

DEFINITIONS

There are, to be sure, other objections to H.R. 7308, and the other pending bills. The definitions of "foreign intelligence information" and "foreign power" are much too broad. For example, "foreign intelligence information" includes any "information with respect to a foreign power or foreign territory that relates to and, if concerning a United States person, is necessary to * * * the conduct of the foreign affairs of the United States." Section 101(e)(2)(B). That definition has virtually no limits. There are many topics of conversation which every Secretary of State would determine "relates" or is "necessary" to the conduct of foreign policy.

The definition of "foreign power" is also overly broad. It includes, among others, foreign governments, factions of foreign governments, foreign political parties, and foreign military forces. This means that a conversation between an American citizen and an officer or employee of a foreign political party is potentially a subject for surveillance. The reach of that section is far too expansive. The definition, in fact, raises the question whether the bill could be used to engage in surveillance involving so-called third-country disputes which spill over into the United States. As I read the bill, the Attorney General could obtain a court order to overhear conversations of persons belonging to "a faction of a foreign nation" even though the subject matter only marginally related to the direct interests of the United States. In short, the critical definitions are too broad to be meaningful restrictions on the Attorney General's authority, either with or without a warrant, to engage in electronic surveillance.

MINIMIZATION

Furthermore, H.R. 7308 fails to provide adequate provisions relating to "minimization," the process of excluding from the surveillance conversations which are unrelated to "foreign intelligence information." The committee report accompanying the bill frankly recognizes that "it may not be possible or reasonable to avoid acquiring all conversations." Id. at 56. That is a devastating admission when it is considered that the purpose of minimization procedures is to preclude the Government from acquiring all conversations. Once officials acquire such information, it is more difficult to disgorge such data from their files. It is fine to have greater restrictions on retention and dissemination of irrelevant information. But if the Government is permitted to acquire such data in the first instance, there is little assurance that it will rid its files of the materials.

To be sure, the bill as reported does make a few improvements on the minimization provisions contained in its predecessor. When I testified before the Intelligence Subcommittee on Legislation on February 8, 1978, I suggested that the bill be amended as follows:

> The statute should identify the particular measures to be taken to minimize unnecessary invasions of privacy. The Attorney General should be required at least to promulgate minimization regulations or guidelines which would be applicable in all cases.

The committee bill generally moves in the direction of providing greater protection against the overhearing of nonrelated conversations. It does not, however, go far enough, and in any case, events have since overtaken both my testimony and the committee bill.

On May 15, 1978, the Supreme Court decided *Scott* v. *United States*, —— U.S. —— (1978), the first case in the Court to raise the scope and meaning of the minimization provisions in title III of the 1968 act. In Scott, the Federal agents made no attempt to minimize the overhearing of conversations unrelated to the purpose of the wiretap. Consequently approximately 60 percent of the intercepted conversations had nothing to do with the alleged criminal conduct. Nonetheless the Court, at the urging of the Justice Department, held that the minimization requirements prohibited only unreasonable efforts not to minimize, and reasonableness is to be determined in the total context of the case (including hindsight after the taps are removed and the convictions obtained). The *Scott* decision, and especially the position of the Justice Department which it sustained, provides no reassurance that the Attorney General will impose strict minimization requirements. In fact the history of the *Scott* case suggests the contrary. The committee report makes no reference to the *Scott* case nor indicates any intention to overturn its holding or the policies incorporated in title III of the 1968 act. In fact, at one point, the Intelligence Committee report indicates that the minimization procedures under H.R. 7308 are less restrictive than under title III of the 1968 act.

> It is recognized that given the nature of intelligence gathering, minimizing acquisition should not be as strict as under chapter 119 of title 18 [title III of the 1968 act] with respect to law enforcement surveillances. Id at 56.

But the most serious deficiency in the minimization area is that H.R. 7308 does not limit the use of overheard conversations which are unrelated to the purpose of the surveillance. In fact the bill expressly permits the use of such acquired information in a criminal prosecution regardless of the remoteness of the crime from the surveillance. Section 101(h)(3) of the bill authorizes:

> * * * procedures that allow for the retention and dissemination of information that is evidence of a crime which has been, is being, or is about to be committed and that is to be retained or disseminated for the purpose of preventing the crime or enforcing the criminal law.

Thus evidence of crime, obtained accidentally through a foreign intelligence tap, may now be used to prosecute the hapless victim of the surveillance, even though she or he may not even have been the "target" of the surveillance.

When Government agents obtain incriminating evidence through electronic surveillance which is not intended for that purpose, and which may be totally unrelated to the alleged criminal activity, they should not be allowed to use it for prosecutorial purposes. Such "fruit of the forbidden tree" should not be available to prosecute the party for conduct which may not be even remotely connected to the object of the surveillance. This is especially true when it is considered that the criminal standard, where it does appear in these bills, is not uniformly required for obtaining a surveillance warrant in the first instance.

PROCEDURAL SAFEGUARDS

In this same vein, H.R. 7308 makes no provision for notifying innocent persons whose conversations have been recorded or overheard merely because, for example, they called the embassy of a foreign country for travel information. Any time these "foreign intelligence" taps result in the interception of conversation unrelated to the subject of the surveillance, the innocent victim should be notified, or the records destroyed, or both. The notification provisions of H.R. 7308, as noted earlier, are not strong enough to insure the destruction of data or recordings which are worthless or unrelated to the purpose of the surveillance.

In this context, the bill should provide for a public advocate to protect the rights of innocent parties. Since H.R. 7308 authorizes ex parte applications to a special court and permits ex parte extensions of existing bugs or taps, some mechanism is necessary to protect the rights of third parties who are unwittingly caught in the Government's dragnet surveillance. If such an office were established, I would have greater confidence that the privacy of U.S. residents would be more fully secured.

A provision for a public advocate takes on added importance when the "renewal" features of H.R. 7308 are examined. The Government may seek an unlimited number of 90 day extensions for any surveillance authorized under the bill. Thus the intrusion into the

privacy of the United States residents could go on for years, without anyone knowing about it. In addition the bill also authorizes the Attorney General to approve emergency surveillance when a court order cannot be obtained in the needed period of time. The Attorney General must then submit the normal application to the judge within 24 hours. If the judge denies the application, the bill gives the court the discretion to notify the innocent victims of the initial 24 hour surveillance. But the Government, again at an ex parte proceeding, may request that such notice be postponed for 90 days (the original Levi bill had a 30-day provision). Thereafter, once more through an ex parte proceeding, the court is prohibited from serving notice if the Government has made a further showing of "good cause." This exception makes a mockery of the limited notice rule in emergency surveillance situations, and further supports the need for a public advocate to be present at all these ex parte hearings.

COMPELLED PARTICIPATION OF THIRD PARTIES

Finally H.R. 7308 requires employees of communications companies, landlords, custodians, and others to provide whatever assistance is necessary for the Government agents to effectuate the surveillance. I vigorously oppose any such provision that requires innocent workers to participate in "this dirty business" of bugging and tapping, as Justice Holmes once called it. If such persons want to provide assistance to Government agents on a voluntary basis, that is up to them individually. But this bill would require their involuntary participation. That is totally offensive, in my judgment, to a democratic society based on respect for individual rights.

CASE OR CONTROVERSY

H.R. 7308 has been criticized because it assigns duties to the judiciary which are not within the traditional definition of "judicial power." That argument proceeds from the settled doctrine that article III of the Constitution restricts the exercise of judicial authority to "cases or controversies." The Supreme Court has explained that limitation as being based, in part on the need "to assure that concrete adverseness which sharpens the presentation of issues upon which the court so largely depends for illumination of difficult constitutional questions." *Baker* v. *Carr*, 369 U.S. 186, 204 (1962). If the application for a warrant is conducted in secret and without the presence of any opposing party, as is the case under H.R. 7308, how can this constitute a "case or controversy" within the meaning of the Constitution?

Proponents of this legislation contend that the warrant procedure under this bill is no different than the warrant procedure under title III of the 1968 act. Thus, they reason, that since the 1968 act is constitutional, so is H.R. 7308. First, it should be observed that, to my knowledge, the warrant procedures of the 1968 act have never been challenged on the ground that they do not present a case or controversy within the judicial power of the United States. Second, the warrant procedures in the 1968 act are different in critical aspects from the procedures in H.R. 7308.

The warrant process under title III is viewed as ancillary to another proceeding, the investigation and prosecution of crime. If the information obtained through the surveillance leads to a prosecution, the defendant will have the opportunity to challenge, in an adversarial context, the legality of the tap or bug. If the information does not lead to a criminal prosecution, the person who is the subject of the surveillance is notified and given the opportunity to contest the validity of the surveillance in a civil suit. In either case, the initial application for a warrant may be viewed as a part of the case or controversy, either civil or criminal, which ordinarily follows the granting of the surveillance authorization. This is not the case under H.R. 7308.

First, as noted earlier, H.R. 7308 is not designed to procure information in connection with any criminal proceeding. As the committee report notes:

> Although there may be cases in which information acquired from a foreign intelligence surveillance will be used as evidence of a crime, these cases are expected to be relatively few in number. . . .

Thus the person whose conversations have been overheard will not have the opportunity to contest the lawfulness of the surveillance in any criminal proceeding.

Second, the bill does not provide any notification to such persons, as title III of the 1968 act does. Thus the victim of unlawful surveillance under the bill may never know of the illegality. Even a blind request by a suspecting individual under the Freedom of Information Act will not determine whether the requesting person has been the subject of a foreign intelligence surveillance. Both the FOIA and the Privacy Act contain exemptions for records ordered by the executive branch "to be kept secret in the interest of national defense or foreign policy." 5 U.S.C. 552(b)(1). The Privacy Act contains a general exemption for the records of the CIA. As I read this bill, there is no way for an American citizen, or any other person who has been the subject of an unlawful surveillance to find out about the illegality. The only barrier standing between the victim of illegal wiretapping or bugging and a warrant is the special courts created by H.R. 7308. And there is no subsequent check on the behavior of the courts or the Executive under this bill. In the absence of the procedures, contained in title III of the 1968 act, which ordinarily lead to a case or controversy, I think the argument that this bill raises serious questions under article III is substantial.

Apart from the constitutional contentions against the warrant procedures contained in this bill, I do not understand why the judges assigned to these special courts would not take offense at the duties and limitations imposed upon them. They are not free to examine all the evidence presented by the Attorney General as they are in the ordinary warrant application process under title III. Certain critical determinations of the Executive are reviewable only on a "clearly erroneous" standard. See section 105(a)(5) of H.R. 7308. All the materials submitted for their examination, as well as the proceeding itself, are wrapped in a great shroud of secrecy. It appears that even the court clerks, reporters, and other necessary support personnel will be executive branch employees with security clearances. Such procedures, I should have thought, would be a tremendous affront to the independence of the judiciary, which is a hallmark of our system of democratic government. I would hope that the judges would reject the commission imposed upon the judiciary duties not within the brethren did in the first days of the Republic when Congress sought to foist upon the Judiciary duties not within the "judicial power of the United States." See *Hayburn's Case*, 2 U.S. (2 Dall.) 409 (1972).

SUMMARY

It is said that this bill establishes legal standards for foreign intelligence surveillance which are better than current law. That is hardly persuasive, in part, for the same reason that we did not glorify Mussolini because he made the trains run on time. Improvement is fine, but at what price? When the myriad infirmities of H.R. 7308 are added together, what real advances have we made in protecting fourth amendment values? None, in my judgment. I fear the bill leaves us with a secret judicial proceeding conducted under the most secret circumstances to sanction current Executive practices to engage in electronic surveillance to gather foreign intelligence information. Only the self-restraint of the special judges, who should be offended by this imposition of nonjudicial duties, stands between the potential victim and unbridled administrative discretion. And the victim will, under this bill, never know that she or he has been the subject of this extraordinary proceeding to authorize Government agents to overhear conversations or intercept nonverbal communications. And that, it is said, is better than current law.

The administration claims to support this bill with all its heart and soul, including those of the intelligence community. One has to question the sincerity of that commitment when current executive branch practices regarding surveillance are examined. If the Carter administration is four-square behind this bill, why has it not adopted each and every provision of it on an administrative basis? Surely it could have administratively adhered to the strictures of the bill without Congress enacting any legislation. That, at least, would have demonstrated the good faith of the executive branch's support for this bill. I suspect the administration has not done so simply because it thought Congress might begin at that point and impose greater restrictions. When one starts at such a low level of protection for privacy, which is the present state of executive branch practice, it is quite easy to make the case that H.R. 7308 is better than current law. But that hardly meets the argument that current practice is unauthorized and un-

constitutional, and that the bill contains similar deficiencies.

In urging Congress to enact this law, the administration really seeks to have us approve its dubious practices involving foreign intelligence surveillance. H.R. 7308 does more to sanction current practice than it does to impose new and sufficient protections for all persons within the jurisdiction of the United States against unwarranted intrusions into privacy and doubtfully legal use of electronic surveillance.

I do not wish to leave the impression that I am totally against any legislation to control electronic surveillance. On the contrary, Congress should legislate more frequently than it does to protect fourth amendment rights. My own bill, H.R. 843, would modify existing practices in this area. It seems to me that an alternative to H.R. 7308, short of a total prohibition against all forms of electronic surveillance, could easily be drafted. Such a measure would have these essential features: (1) repeal the so-called reservation clause in section 2511(3) of title 18 which allows the President to assert whatever authority inheres in that office to engage in electronic surveillance, with or without a warrant; (2) require the executive branch to use title III of the 1968 act for any electronic surveillance to gather foreign intelligence information; (3) strengthen the minimization procedures in the 1968 act and the remedies available to private persons for unlawful surveillance. If these three simple things were done, I would feel more confident that the minimum requirements of the fourth amendment were faithfully protected. I do not now have that confidence in H.R. 7308.

Finally I should add that unsupported appeals to "national security" should not determine whether H.R. 7308 or any other bill becomes public law. Our national security is adequately safeguarded through the use of other, less intrusive methods of gathering foreign intelligence information. After all, our country did survive prior to President Roosevelt's authorization of limited electronic surveillance for national security purposes. It should be remembered too that the liberty of the people is at least as important as the marginal increment in intelligence information which we acquire through the inherently indiscriminate method of electronic surveillance. As the district judge in the Pentagon Papers case cogently observed:

> The security of the Nation is not at the ramparts alone. Security also lies in the value of our free institutions. 328 F. Supp. at 331.

I should add that an integral part of our free institutions is the security of the people from unwarranted intrusions by Government agents into their privacy, intrusions which H.R. 7308 would unnecessarily authorize.

H.R. 7308 is tentatively scheduled for consideration by the full House some time next week. At that time, I will offer a series of amendments which would remove the more objectionable provisions of this bill. I hope we can avoid the very serious intrusions on our constitutional rights which are sanctioned by H.R. 7308. Absent the adoption of amendments to purge these intrusions, the Foreign Intelligence Surveillance Act represents a step backward, not forward, in our efforts to curb the excesses of the intelligence gathering agencies and should be defeated.●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF TITLE V OF H.R. 11733, THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, on August 1, 1978, the Committee on Ways and Means favorably acted on a proposed title V to H.R. 11733, the Surface Transportation Assistance Act of 1978. The committee acted at the specific request of the Committee on Public Works and Transportation which has legislative jurisdiction over titles I–IV of the bill, relating to the substantive Federal-aid highway program. The principal provisions of title V would extend the highway trust fund and those excise taxes currently dedicated to the trust fund for an additional 5 years beyond the present expiration date of September 30, 1979.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of title V of H.R. 11733 on the floor of the House.

The Committee on Ways and Means instructed me to request the Committee on Rules to grant a closed rule for consideration of title V which would provide for, first, committee amendments, which would not be subject to amendment, and second, 1 hour of general debate, to be equally divided.

We intend to transmit next week title V and committee report language to the Committee on Public Works and Transportation for filing as a single committee report to the House. It is our intention to request a hearing before the Committee on Rules concurrently with the Committee on Public Works and Transportation.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Tennessee (Mrs. LLOYD), is recognized for 5 minutes.

● Mrs. LLOYD of Tennessee. Mr. Speaker, on July 27, 28, and 31, I was granted an official leave of absence due to illness. On those days, I missed 14 votes, specifically being rollcall No. 608 through No. 617 and No. 619 through No. 622. I would have voted in the following manner:

Rollcall No. 608, "aye."
Rollcall No. 609, "nay."
Rollcall No. 610, "nay."
Rollcall No. 611, "nay."
Rollcall No. 612, "no."
Rollcall No. 613, "yes."
Rollcall No. 614, "no."
Rollcall No. 615, "yes."
Rollcall No. 616, "nay."
Rollcall No. 617, "aye."
Rollcall No. 619, "yes."
Rollcall No. 620, "yes."
Rollcall No. 621, "yes."
Rollcall No. 622, "yes." ●

LIBRARY OF CONGRESS STUDY WIDENS THE HOLES IN THE ROTH-KEMP TAX CUT BILL

(Mr. VANIK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

○ Mr. VANIK. Mr. Speaker, the Library of Congress, at my specific request, has completed a comprehensive study of the Roth-Kemp tax cut bill. That bill seeks to cut taxes by close to $100 billion over 3 years in the fervent hope that that action would lead to improved economic conditions.

Mr. Speaker, adoption of a tax cut in the dimension contemplated in the bill is extremely risky business. Even using figures from Congressman KEMP's own econometric studies, the deficit caused by such a tax cut would almost double the current deficit. Inflation rates obviously would rise above the current near-10 percent figure.

This Kemp-Roth bill was never offered, debated, or analyzed by the Ways and Means Committee. There was never an opportunity to discuss its merits, its advantages, its weaknesses, or its dangers.

The Library study is comprehensive; but I think it is extremely important and should be available to all Members and their staffs. It refutes almost every argument offered by the authors of the bill.

The bill is inflationary. It will increase the deficit by a large amount and in a very short time. It cannot be compared to the Kennedy tax cuts in the 1960's. That period was more affected by our Nation's movement into the Vietnam war than by any other phenomenon. Almost half of the increase in Government revenues resulted from four social security tax increases in this same period.

The Library of Congress study cautiously points out that the favorable aspects of the econometric studies of the Roth-Kemp tax cut bill would be accompanied by substantially higher inflation, higher interest rates, and a larger Federal deficit.

This report should be carefully reviewed by every Member of Congress. In order to reduce printing costs, I have eliminated a section on public finance which is available at the Library of Congress.

The report is as follows:

AN ECONOMIC ANALYSIS OF THE KEMP/ROTH TAX CUT BILL, H.R. 8333: A DESCRIPTION, AN EXAMINATION OF ITS RATIONALE, AND ESTIMATES OF ITS ECONOMIC EFFECTS

(By Donald W. Kiefer, Specialist in Taxation and fiscal policy, July 31, 1978)

[Figure and chart are not printed in the CONGRESSIONAL RECORD.]

The "Tax Reduction Act of 1977", H.R. 8333,[1] better known as the Kemp/Roth tax cut bill, has become the subject of substantial interest in Congress and the nation at large in mid-1978. The bill and its underlying philosophy, largely embodied in the so-called "Laffer Curve", have been the sub-

Footnotes at end of article.

ject of considerable Congressional discussion and debate, numerous articles in the popular press and programs in the electronic media, and a large number of requests to the Congressional Research Service for information and analysis. This paper is intended as an overall response to those requests and, in part, incorporates material from prior CRS memoranda and reports. The analysis is organized into three sections: 1) a description of the bill and its direct economic effects, 2) an analysis of the supporting arguments for the bill, and 3) a discussion of the available estimates of the bill's potential macroeconomic effects.

I. DESCRIPTION OF THE TAX CUTS IN THE KEMP/ROTH BILL AND THEIR DIRECT ECONOMIC EFFECTS

H.R. 8333 would cut individual and corporate income taxes through three separate devices, all conceptually simple. Individual income taxes would be cut through reductions in the statutory tax rates applicable to each taxable income bracket. Corporate income taxes would be reduced by a cut in the normal corporate tax rates and an increase in the surtax exemption.

A. Individual tax rate reductions

The individual tax rate reductions would be phased in over a three year period in 1978, 1979, and 1980. The bill would replace the tax rate schedules in Section 1 of the Internal Revenue Code with new schedules each year during the phase in. The tax rate schedules are designed to provide an overall tax cut of approximately 11 percent, 22 percent, and 33 percent respectively during the three year phase in. Figures 1 and 2 show graphically the effects of the proposed rate cuts on the marginal tax rates applicable to each income bracket for married taxpayers filing joint returns and surviving spouses. In Figure 1 the top line shows the present rate schedule with marginal tax rates ranging progressively from 14 percent in the $0 to $1,000 taxable income bracket to 70 percent for taxable income over $200,000.

The three other lines in the graph show the marginal tax rates each year of the tax cut phase in under H.R. 8333. By 1980, when the reductions would be fully implemented, the tax rates would range from 8 percent in the lowest tax bracket to 50 percent in the highest (the tax brackets remain unchanged).

Figure 2 shows the actual reduction in marginal tax rates and the percentage rate cut for each tax bracket under the rate schedule which would be effective for 1980 and beyond, compared to present tax rates. The actual tax rate cut ranges from 6 percent in the lowest brackets to 20 percent in the highest. The percentage cut, however, is highest in the lowest brackets, beginning at nearly a 43 percent reduction in the tax rate applicable to taxable income from 0 to $1,000. The percentage cut declines to 31.6 percent in the $4,000 to $8,000 income bracket and remains in the neighborhood of 30 percent across the rest of the tax brackets, dipping slightly below 30 percent for taxable income above $100,000.

These data can be translated into estimates of the distribution of the individual income tax burden across income classes under present law and under the Kemp/Roth bill. Such estimates are provided in Tables 1 and 2 based on 1978 levels of income; the estimates for the Kemp/Roth bill reflect the full one-third tax cut rather than the first year of the phase-in. As the tables make clear, the bill would have two significant effects on individual income tax liabilities: (1) all taxpayers would receive a substantial tax reduction, and (2) because the largest tax cuts would occur in the lower income brackets the progressivity of the income tax structure would be increased, with the lower income brackets bearing a somewhat smaller proportion of the total tax burden and the higher income classes a somewhat larger portion after the tax cut.

TABLE 1.—DISTRIBUTION OF INDIVIDUAL INCOME TAX LIABILITY UNDER PRESENT LAW AND KEMP/ROTH BILL, H.R. 8333

[1978 levels of income]

Expanded income class	Present law		Kemp/Roth bill		
	Tax liability (millions)	Percentage distribution	Tax liability (millions)	Percentage distribution	Change from present law as percent of present law tax
Less than $5,000	−$137.30	−0.07	−$427	−0.3	211.0
$5,000 to $10,000	8,243.86	4.47	4,699	3.8	−43.0
$10,000 to $15,000	17,068.58	9.26	10,702	8.8	−37.3
$15,000 to $20,000	24,055.21	13.05	15,684	12.8	−34.8
$20,000 to $30,000	44,753.40	24.27	29,582	24.2	−33.9
$30,000 to $50,000	39,254.90	21.29	26,026	21.3	−33.7
$50,000 to $100,000	23,998.51	13.02	16,151	13.2	−32.7
$100,000 to $200,000	13,136.62	7.12	9,327	7.6	−29.0
$200,000 and over	13,737.81	7.45	10,427	8.5	−24.1
Total	184,386.19	99.86	122,171	100.0	−33.7

Note: Details may not add to totals due to rounding.

Source: Office of the Secretary of the Treasury, June 16, 1978, Office of Tax Analysis.

TABLE 2.—TAX UNDER PRESENT LAW AND UNDER S. 1860 AND H.R. 8333 FOR A SINGLE PERSON AND A MARRIED COUPLE WITH NO, 1, 2, AND 4 DEPENDENTS[1]

[Assuming deductible personal expenses of 23 percent of income]

Adjusted gross income[2]	Tax liability														
	Single person			Married couple with no dependents			Married couple with 1 dependent			Married couple with 2 dependents			Married couple with 4 dependents		
	Under present law	Under the proposal	Reduction	Under present law	Under the proposal	Reduction	Under present law	Under the proposal	Reduction	Under present law	Under the proposal	Reduction	Under present law	Under the proposal	Reduction
$3,000	0	0	0	0	0	0	[3] −$300	−$300	0	−$300	−$300	0	−$300	−$300	0
$5,000	$279	$150	$129	0	0	0	−300	−300	0	−300	−300	0	−300	−300	0
$6,000	449	250	199	$115	$37	$78	−200	−200	0	−200	−200	0	−200	−200	0
$8,000	810	461	349	431	233	198	273	120	$153	120	12	$108	0	0	0
$10,000	1,199	698	501	761	443	318	620	347	273	446	218	228	128	0	$128
$12,500	1,631	976	655	1,186	718	468	1,059	636	423	917	539	378	562	274	288
$15,000	2,126	1,309	817	1,651	1,028	624	1,486	915	571	1,330	812	519	990	567	423
$17,500	2,660	1,670	990	2,075	1,316	758	1,910	1,204	706	1,745	1,091	653	1,385	836	548
$20,000	3,232	2,062	1,170	2,555	1,643	912	2,368	1,516	852	2,180	1,388	792	1,808	1,125	683
$25,000	4,510	2,925	1,585	3,570	2,333	1,238	3,360	2,190	1,170	3,150	2,048	1,103	2,738	1,758	980
$30,000	5,950	3,900	2,051	4,712	3,096	1,616	4,472	2,939	1,534	3,232	2,781	1,451	3,778	2,464	1,314
$35,000	7,500	4,947	2,553	6,002	3,948	2,054	5,732	3,768	1,964	5,464	3,590	1,875	4,954	3,245	1,710
$40,000	9,233	6,141	3,092	7,427	4,911	2,516	7,135	4,709	2,426	6,848	4,512	2,336	6,278	4,122	2,156

[1] Assumes extension of existing, temporary tax reductions—the general tax credit and the earned income credit.

[2] Wage or salary and/or self-employment income.

[3] Negative tax liability represents the refundable portion of the earned income credit.

Source: Joint Committee on Taxation.

B. Corporate tax rate reductions

The corporate tax rate reductions in the Kemp/Roth bill would also be phased in over a three year period. The corporate tax changes are summarized in Table 3. Beginning in 1978 the normal corporate income tax rates[2] would be reduced 1 percent each year during the three year phase in, so that by 1980 the tax rate on the first $25,000 of net income would be 17 percent and the normal tax rate above $25,000 of net income would be 19 percent. Also, for taxable years beginning in 1978 and thereafter, the corporate surtax exemption would be increased to $100,000. Thus, presently the corporate income tax rate is 20 percent on the first $25,000 of net income, 19 percent between $25,000 and $50,000, and 48 percent for net income above $50,000. After the Kemp/Roth tax cut were fully phased in, the corporate tax rates would be 17 percent on the first -25,000 of net income, 19 percent between $25,000 and $100,000, and 45 percent for net income in excess of $100,000.

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TABLE 3.—NORMAL CORPORATE TAX RATES AND SURTAX EXEMPTION UNDER PRESENT LAW H.R. 8333

	Present Law, 1978	H.R. 8333 1978	1979	1980
Net income (normal tax rates):				
0 to $25,000	20	19	18	17
$25,000 and above	22	21	20	19
Surtax exemption (amount)	$50,000	$100,000	$100,000	$100,000

TABLE 4.—EFFECT OF KEMP/ROTH PROPOSALS ON CALENDAR YEAR TAX LIABILITY

	Full year 1978	Calendar years 1979	1980	1981	1982	1983
	[$ millions]					
Individual income tax rate reduction	−61,974	−24,834	−59,796	−107,092	−128,510	−154,212
Corporate income tax rate reduction	−7,077	−3,872	−6,472	−9,473	−10,258	−11,174
Total	−69,051	−28,706	−66,268	−116,565	−138,768	−165,386

Source: Office of the Secretary of the Treasury, June 16, 1978, Office of Tax Analysis.

C. Estimates of reductions in effective tax rates

The statutory tax rate changes described above will cause a reduction in overall average effective tax rates. To estimate the magnitude of this reduction for the individual income tax rate cuts, data on the amount of taxable income at each marginal tax rate from 1973 tax returns filed by married couples filing joint returns and surviving spouses were employed.[3] Based on the amount of income taxed at each marginal tax rate, a weighted average of the statutory rates was computed for present law and for each of the tax rate schedules for the three phase in stages under H.R. 8333. This procedure yields the average effective income tax rates (based on taxable income) under the alternatives. The results of this computation are average effective tax rates under the present tax rate schedule of 21.8 percent (again, based on taxable income), and under H.R. 8333 of 19.2 percent in 1978, 16.8 percent in 1979, and 14.5 percent in 1980. Thus average effective individual income tax rates would reduce 11.8 percent, 22.8 precent, and 33.5 percent (from 1977 levels) respectively in the three phase in years.

An analagous procedure was used to compute the reduction in average effective tax rate which would result from the corporate income tax changes proposed in H.R. 8333. Based on the distribution of corporate taxable income across income classes[4] weighted averages of the statutory tax rates under present law and under H.R. 8333 were computed.[5] This procedure yielded estimates of effective corporate income tax rates (based on net income) of 43.9 percent under present law, and under H.R. 8333, 41.9 percent in 1978, 40.9 percent in 1979, and 39.9 percent in 1980 and beyond. Average effective corporate income tax rates would therefore reduce 4.6 percent, 6.8 percent, and 9.1 percent respectively, in the three phase in years of the bill.

Revenue loss estimates are frequently calculated using estimates of reductions in effective tax rates. This exercise has been performed for the Kemp/Roth bill by the U.S. Treasury, and the results are displayed in Table 4. The left column of the table shows the revenue loss estimate if the Kemp/Roth tax cuts were fully effective in 1978. The other columns of the table show static revenue loss estimates for 1979 through 1983 assuming the three-year phase in of the tax cut began in 1979. The treasury estimates do not reflect any "feedback effects" from the Kemp/Roth bill—the larger tax receipts resulting from growth in the tax base which which is produced by the higher level of economic activity that would be stimulated by the tax cut. For a tax cut as massive as the Kemp/Roth bill such feedback effects would be substantial and cannot be ignored. The econometric results *analyzed* in section III of this paper assess the impact of the bill on the Federal deficit within the framework of macroeconomic models which incorporate estimates of the complex interrelationships among economic variables; hence these results do embody estimates of the feedback effects which would result from the tax cut.

In summary, it might be observed that the overall shape of the Kemp/Roth tax cut is rather conventional. The largest portion of the tax cut would go to individual taxpayers (over 90 percent, which is a larger portion than for most recent tax cuts), and lower-income taxpayers would receive proportionately larger tax cuts. The revised distributions of the individual income tax burden across income classes and the nature of the corporate income tax cuts in the Kemp/Roth bill and the Carter Administration's tax cut proposal announced early in 1978 are very similar. Thus, the primary distinguishing characteristic of the Kemp/Roth proposal versus other measures, including the Administration's, is its magnitude. This aspect of the proposal is therefore the focus of the economic analysis.

II. AN ANALYSIS OF THE SUPPORTING ARGUMENTS FOR THE KEMP/ROTH TAX CUT

While the proponents of the Kemp/Roth bill have advanced a number of arguments on its behalf, two contentions have received the principal emphasis and gained the most attention. The first involves reference to the 1964 tax cut as an appropriate historical precedent for the Kemp/Roth bill, and the second is the assertion that a general tax cut can be self-financing.[6] The latter argument usually includes a reference, in name or in substance, to the so-called "Laffer Curve."

With regard to the 1964 tax cut the Kemp/Roth advocates have advanced essentially four propositions: (1) that there is a strong analogy between the economic conditions in 1964 and at the present, (2) that the 1964 tax cut was a successful fiscal policy worthy of emulation, (3) that the economic "feedback effects" of the 1964 tax cut were completely unanticipated, and (4) that the increase in tax revenue which was generated by the more rapid economic activity resulting from the 1964 tax cut more than offset the original revenue loss attributable to the tax cut.

A. Economic conditions in 1964 and in mid-1978

The 1964 tax cut was the first major countercyclical tax reduction adopted in the United States. The tax cut had been proposed the previous year by President Kennedy as a remedy for high unemployment and slow economic recovery. Individual income tax liabilities were cut an average of 20 percent in two stages covering 1964 and 1965. The cut was accomplished by a revision of the tax rate schedule; rates were cut from a range of 20 percent in the lowest bracket to 91 percent in the highest bracket before the tax cut to a range of 14 percent to 70 percent after the tax cut.[7] Corporate income taxes were cut approximately 10 percent; the top corporate tax rate was reduced from 52 percent to 48 percent. When the tax cuts had become fully effective in 1965, individual income taxes were reduced approximately $11 billion and corporate taxes about $3 billion.[8]

While there are important similarities between present economic conditions and those which existed in 1964, there are also crucial dissimilarities. In 1978 we are approximately three years into an economic recovery from a recession, as we were in 1964. The 1975 recession was the most severe postwar recession, and so the recovery is taking considerable time. Presently, as was the case in 1964, the consensus forecasts imply that, in the absence of stimulative policy, economic recovery will subside shortly, perhaps to a level which will no longer make progress in reducing unemployment.

In mid-1978, as in 1964, we have an unemployment rate which is lower than during the depth of the recession, but nonetheless allows some room for further improvement. The present unemployment rate is 5.7 percent, down from 9.1 percent during May of 1975. The definition of full employment is presently the subject of considerable debate, but it is most likely in the range of 4.5 to 5.5 percent. Thus, while full employment has not yet been attained, the economy is nonetheless in the range where further progress in reducing unemployment must be accomplished gradually to avoid contributing to inflationary pressures. In 1964 the unemployment rate (on an annual basis) was 5.2 percent, down from 6.7 percent in 1961. At that time full employment was regarded to be in the neighborhood of 4 percent so, then as now, further improvement was possible.

The two eras are also similar in terms of industrial capacity utilization, indicating room for expansion of output. In 1964 the capacity utilization rate for total manufacturing, using the Federal Reserve Board measure, was 85.7 percent, up from 77.3 percent in 1961 but still substantially below full capacity. In May, 1978, the rate was 83.6 percent, up from the 70.9 percent rate experienced in the first quarter of 1975, but below the 1964 level and substantially below full capacity.[9]

The concept of the GNP gap, which is an estimate of the difference between actual gross national product (GNP) and potential GNP, is a way of combining the diverse economic indicators into a single measure of the degree of slack in economic performance. Some caution is necessary in using this concept because different analysts have different estimates of potential GNP, depending on their views of the level of full employment, capacity utilization, etc. The 1978 annual report of the Council of Economic Advisors provides their estimates of actual and potential GNP from 1952 through 1977.[10] Using this measure, the 1975 recession was considerably more severe than the 1961 recession, and in 1978 there remains considerably more slack in the economy than existed in 1964. These data indicate that, in 1972 dollars, 1961 actual GNP was $755.3 billion and potential GNP that year was $798.6 billion, indicating a GNP gap of $43.3 billion of 5.4 percent. By 1964 potential GNP had reached $890.3 billion, actual GNP was $874 billion, leaving a gap of $15.9 billion or 1.8 percent. In 1975 actual GNP was $1,202.1 billion compared to potential GNP of $1,316.9 billion, leaving a gap of $114.8 billion or 8.7 percent. The 1977 data indicate a potential GNP of $1,412.0, an actual GNP of $1,397.6 billion, and a resulting GNP gap of $74.4 billion or 5.3 percent. Thus, the output shortfall in 1977 was substantial and considerably larger than existed in 1964. Of course, this shortfall will have narrowed somewhat by mid-1978.

Footnotes at end of article.

In addition to the above similarities between present economic conditions and those in 1964, there are also several important differences. First, and perhaps foremost, the inflation rate is much higher in 1978 than it was in 1964. The consumer price index (CPI) increased only 1.3 percent in 1964 and had advanced an average of 1.24 percent per year for the first 5 years of the 1960's. In mid-1978, however, the CPI is advancing at an average annual rate of over 10 percent, and the average for the past 5 years is an annual rate of 7.7 percent. In the late 1970's inflation has become a very important, some argue the most important, economic policy concern. Since one of the potential impacts of a tax cut is to increase the inflation rate, this distinction between 1964 and 1978 is crucial.

A related difference between 1964 and 1978 is in interest rates. The three-month Treasury bill rate in 1964 averaged 3.5 percent; in June of 1978 the rate was 6.7 percent. As a measure of the rate on long-term borrowing, the interest rate on Aaa rated corporate bonds averaged 4.4 percent in 1964 and was 8.76 percent in June 1978. Interest rates are an important concern in structuring fiscal policy because, other things equal, higher interest rates will lead to lower investment and capital formation. A tax cut, particularly a large tax cut which is accompanied by a substantial increase in the Federal deficit, is likely to put upward pressure on interest rates.

A third major difference between 1964 and 1978, a difference related to the other dissimilarities, is the slow growth in capital investment in the current recovery. The growth in investment from 1975 to 1978 is lagging substantially behind the pattern of earlier postwar recoveries. Additional economic factors which are substantially different in 1978 from 1964, but which will not be described in detail, are the following: 1) the energy situation, which is regarded by some as a "crisis" in 1978 and was not a national problem in 1964, 2) the general confidence among individuals and businesses in the ability of Government policy to "manage" the economy, which was higher in 1964 than it is in 1978 (although quantification is obviously difficult), and 3) the size of the Federal deficit. Regarding the deficit, it amounted to $5.9 billion in 1964, or slightly less than 1.0 percent of GNP; in 1978 the deficit is estimated at approximately $55 billion or 2.7 percent of the anticipated 1978 GNP.

B. The success of the 1964 tax cut

The 1964 tax cut is widely regarded as a successful fiscal policy action. A vigorous upswing in consumer spending occurred after the tax cut, and this upswing was followed by an increase in business investment. The tax cut is estimated to have stimulated an increase in gross national product of approximately $20 billion over a 2- to 3-year period.[11] The unemployment rate declined to 4.5 percent in 1965 and 3.8 percent in 1966. These gains were accompanied by a rise in inflation; prices rose 1.7 percent in 1965 and 2.9 percent in 1966, up from the earlier levels of approximately 1.2 percent.

However, the rapid economic growth and generally favorable economic conditions in the mid-1960's cannot all, or perhaps even mostly, be attributed to the 1964 tax cut.[12] The economy had substantial upward momentum at the time the tax cut was adopted,[13] and shortly after its adoption the Vietnam War began accelerating (in mid-1965) and added considerably to the stimulative posture of the Federal budget. In fact, the growth in spending during this period was so rapid that by early 1966 the Administration proposed tax measures to restrain aggregate demand.[14] (See the discussion at the end of the next subsection)

C. "Feedback effects" of the 1964 tax cut were not unanticipated.

The advocates of the Kemp/Roth tax cut bill have argued frequently that the so-called "feedback effects" of the 1964 tax cut were completely unanticipated. To support this argument they have used a table purporting to show Treasury Department estimates of revenues losses, and actual revenue gains attributable to the 1964 tax cut. The table was first inserted in the Congressional Record in the 95th Congress on January 4, 1977, by Congressman Jack Kemp; the associated text and the table (subsequently referred to as the Kemp/Roth table) are as follows:

"Kennedy sent his proposals to Capitol Hill despite the simplistic and static analysis of Treasury' accountants, who assumed there would be no increase in GNP due to the tax cut, and projected sizable tax losses. Kennedy's Treasury Department projected 6-year revenue losses of a staggering $89 billion as a result of the 1962-1964 and 1965 tax cuts. Instead, revenues jumped upward by $54 billion over that period—a $143 billion total difference from what Treasury had projected. The reality is so dramatically different from the Treasury predictions that it warrants being looked at, year by year:

Year	1963	1964	1965	1966	1967	1968	Total
Treasury estimated revenue losses	−2.4	−5.2	−13.3	−20.0	−23.7	−24.4	−89.0
Actual revenue gains	+7.0	+6.0	+4.0	+11.0	+19.0	+4.0	+54.0

"Why were the Treasury predictions so far off? Because Treasury ignored the feed-back effects of tax rate changes on productive behavior." [15]

It is true that Department of Treasury revenue estimates do not generally take into account the so-called "feedback effects" of tax changes. However, this omission is not the explanation for the bulk of the difference, the difference is attributable to the fact that the numbers in the table are not comparable.

The data in the top line of the table show Treasury projections of the revenue costs of the tax cuts included in the Revenue Act of 1962, the Revenue Act of 1964, and the Revenue Act of 1965 (net of the excise tax increase in the Tax Adjustment Act of 1966).[10] The revenue loss line ignores the revenue raising provisions of the Revenue Acts during this time period (e.g., the acceleration of corporate payments under the Revenue Act of 1964 and the Tax Adjustment Act of 1966). Thus, the revenue loss estimates in the Kemp/Roth table are overstated. Additionally, the revenue loss estimates refer only to provisions affecting the individual income tax, the corporate income tax and the excise taxes.

The data in the second line of the Kemp/Roth table, labeled "actual revenue gains," show the annual growth in total receipts of the Federal Government, including all taxes and miscellaneous receipts, from 1962 to 1968. Of the $54 billion revenue gain from 1962 to 1968 reported in the Kemp/Roth table, only $32.9 billion came from income and excise taxes. Most of the remaining revenue gain was produced by social insurance taxes which were increased four times during this era.

The revenue loss and revenue gain figures in the Kemp/Roth table also are not comparable because they are estimates of different economic phenomena, as illustrated in Figure 3. The Treasury revenue loss estimates are not projections of the aggregate changes in revenue collections from year to year, but rather estimates of the changes in revenue collections from the trend line of what collections otherwise would have been each year without the tax legislation. In Figure 3, area A illustrates this revenue decrease from the pre-1962 trend of collections. The revenue gain estimates in the Kemp/Roth table refer to the total annual growth in Federal receipts during the same time period. Area B in Figure 3 illustrates this revenue increase from 1962 forward. Thus, the two lines of the table are not necessarily contradictory. The revenue gain line of the Kemp/Roth table shows actual growth in total Federal revenue each year; the revenue loss line shows estimates of how much higher income and excise tax collections would have been each year had specific provisions of the tax reduction legislation not been enacted. The only way that the two lines of the Kemp/Roth table would actually demonstrate a $143 billion error in the Treasury estimates is if the Treasury revenue loss estimates, in fact, were intended to project an absolute decline in Federal revenue, as illustrated by area C in Figure 3, rather than a decrease in revenue from trend line collections, which is clearly not the case.

The Kemp/Roth table has been mistakenly interpreted to imply that the so-called "feedback effects" of the 1964 tax cut were completely unanticipated and that revenue estimates by the U.S. Treasury concerning the economic effects of the 1964 tax cut were erroneous by staggering amounts. In fact, however, since the tax cut was passed as an economic stimulant, and more rapid economic growth produces higher Federal "revenue", the "feedback effects" were an integral part of the consideration of the tax cut. In proposing the tax cut President Kennedy, after tracing the anticipated effects on the overall economy made the following observations regarding tax revenue and the deficit:

"The impact of my tax proposals on the budget deficit will be cushioned by the scheduling of reductions in several stages rather than a single large cut; careful pruning of civilian expenditures for fiscal 1964—those other than for defense, space, and debt service—to levels below fiscal 1963; the adoption of a more current time schedule for tax payments of large corporations, which will at the outset add about $1½ billion a year to budget receipts; the net offset of $3½ billion of revenue loss by selected structural changes in the income tax; *most powerfully, in time, by the accelerated growth of taxable income and tax receipts as the economy expands in response to the stimulus of the tax program."* (emphasis added) [17]

The opening statement for debate on the tax cut bill by Representative Wilbur Mills, Chairman of the Ways and Means Committee, exhibited a similar logic:

"It is on the basis of this type of reasoning, Mr. Chairman, that I have reached the conclusion that this bill will provide a sufficient increase in the gross national product so that the larger revenues derived from this additional income will result in the Federal budget being balanced sooner than would be the case in the absence of this tax cut.

Footnotes at end of article.

"Mr. Chairman, *there is no doubt in my mind that this tax reduction bill in and of itself, can bring about an increase in the gross national product of approximately $50 billion in the next few years. If it does, these lower rates of taxation will bring in at least $12 billion in additional revenue.*" (emphasis added)[18]

Similar reasoning appeared in the statement of Senator Michael Mansfield, Senate Majority leader, in debate on the tax cut bill:

"Finally, although it may seem paradoxical, history has shown that the right kind of tax cut will help to eliminate the deficit in the Federal budget.

". . . *a tax cut should act to reduce future Federal Budgetary deficits by increasing overall revenues.* This is apparent from our own most recent experience with a Federal tax cut which 2 years later increased revenues more than $3.4 billion, or 5 percent, over what they were in the year prior to the tax cut. It is substantiated as well by the experience of other nations which have successfully used the same technique. *The increase of revenue is derived from the fact that a nation's income-tax receipts are dependent almost entirely on the rate of economic activity. Even though lower tax schedules may be applied to economic activity, the increase in overall activity stimulated by the tax cut eventually produces greater overall revenues.*" (emphasis added)[19]

It appears in retrospect that the expectations of Mr. Mills and Senator Mansfield were too great, but their statements clearly document the anticipation of feedback effects from the tax cut. Treasury Department estimates of the magnitude of the feedback effects from the 1964 tax cut were provided by Senator Russell Long in his statement presenting the report of the conference committee of the Senate:

"In terms of fiscal year receipts this bill, before any simulative effect, is expected to result in a revenue reduction in the fiscal year 1964 to $1.6 billion, which is the same as the version which passed the Senate. However, in the fiscal year 1965 the conference agreement is expected to result in a revenue reduction from present law of $8.5 billion, or $425 million less than the version which passed the Senate. *This is without regard to the stimulative effect which the Treasury Department assures us this bill will have and which they have estimated in the fiscal year 1964 to be $200 million and in fiscal year 1965 to be about $4 billion.* In other words the Treasury Department anticipates that this bill in these 2 fiscal years will have an impact on the budget of only $1.4 billion in the fiscal year 1964 and $4.5 billion in the fiscal year 1965." (emphasis added)[20]

Some evidence of the actual versus anticipated revenue effects of the tax cut may be inferred from a comparison of projections of Federal revenues after the tax cut and actual Federal receipts. However, such an inference is necessarily tenuous because of the other important economic forces at work during this period. The Budget Message of the President for fiscal year 1965, transmitted on January 21, 1964, contains the following reference to the anticipated tax cut and estimates of Federal tax receipts after the tax cut:

"As the tax reduction takes full effect, its stimulus to private consumption and investment will shrink the $30 billion gap between the Nation's actual and potential output, and provide approximately 2 million additional jobs for the unemployed and the new workers entering the labor force. As economic activity expands, and personal and business incomes increase, Federal revenues will also rise. The higher revenues, combined with continuing pressure for economy and efficiency in Federal expenditure programs, should hasten the achievement of a balanced budget in an economy of full prosperity."

RECEIPTS FROM THE PUBLIC[1]

[Fiscal years; in billions]

Source	1963 actual	1964 estimate	1965 estimate
Administrative budget receipts:			
Individual income taxes	$47.6	$47.5	$48.5
Corporation income taxes	21.6	23.7	25.8
Excise taxes	9.9	10.2	11.0
Other	7.3	7.0	7.7
Total, administrative budget receipts	86.4	88.4	93.0

[1] The Budget of the United States Government for the fiscal year ending June 30, 1965, U.S. Government Printing Office, Washington, D.C., 1964 p. 13.

Actual collections of individual income taxes in 1964 equalled $48.7 billion, and thus exceeded the projection by $1.2 billion. Actual 1964 corporate income tax collections were $0.2 billion less than the projection.

The Budget Message of the President for fiscal year 1966, transmitted on January 25, 1965, provides an additional reference to the 1964 tax cut, the second stage of which had just occurred and includes a revised projection of Federal tax receipts:

"The Revenue Act of 1964 has played a major role in widening and strengthening our prosperity. At the beginning of this month, the second stage of the rate reductions provided under the Act became effective. In total, last year's tax law will decrease consumer and business tax liabilities by about $14 billion in the current calendar year."

RECEIPTS FROM THE PUBLIC[1]

[Fiscal years. In billions]

Source	1964 actual	1965 estimate	1966 estimate
Administrative budget receipts:			
Individual income taxes	$48.7	$47.0	$48.2
Corporation income taxes	23.5	25.6	27.6
Excise taxes	10.2	10.7	9.8
Other	7.1	7.9	8.8
Total administrative budget receipts	89.5	91.2	94.4

[1] The Budget of the U.S. Government for the fiscal year ending June 30, 1966, U.S. Government Printing Office, Washington 1965, p. 12.

Thus, despite higher than anticipated individual income tax collections in 1964, official estimates for 1965 tax collections had been revised downward from the previous year, and, in fact, showed an anticipated decline in individual income tax collections in 1965. This decline did not materialize. Individual income tax collections actually increased by about $100 million in 1965, while corporate income tax collections were very close to the projected level. Both individual and corporate income tax receipts were substantially higher than anticipated in 1966. Individual and corporate income tax collections in fiscal years 1965 and 1966 were as follows:

[Billions of dollars][1]

	Fiscal years	
	1965	1966
Individual income taxes	$48.8	$55.5
Corporation income taxes	25.5	30.1

[1] Source: 1970 Economic Report of the President, U.S. Government Printing Office, Washington, D.C., 1970. Table C-62, p. 250.

Unanticipated events, largely associated with the build-up of the Vietnam War effort, caused accelerated economic growth during this period and even led to the application of policies of economic restraint during 1966. Reference to these events was included in the opening paragraphs of the 1967 Report of the Council of Economic Advisors as follows:

"By any standard, then, 1966 was a big year for the economy. Gross national product (GNP) expanded by a record $58 billion in current prices and reached $740 billion. As in the 2 preceding years, a major advance in business fixed investment was a key expansionary force. And the rising requirements of Vietnam added $10 billion to defense outlays. State and local spending and inventory investment also rose strongly.

"As a result, 1966 was in some respects too big a year, especially in the early months. Spurred by the defense buildup, total demand—public and private—forged ahead at an extraordinarily rapid rate in late 1965 and early 1966. Strains developed in financial markets. Demand outstripped supply in several sectors which were already near full utilization. As Chapter 2 explains, many of the new orders simply added to backlogs and put upward pressures on prices. Some of the excess demands were met by imports, reducing the U.S. foreign trade surplus and retarding progress toward equilibrium in the balance of payments, as Chapter 5 indicates.

"After years of stimulating demand, policy was called upon to restrain the economy. The need for restraint was recognized at the start of the year. Monetary policy assumed a restrictive stance. In antcipation of large increases in private expenditures and defense outlays, tax policies were applied to curb private demand. In 1964 and 1965, an expansionary tax policy had stimulated the economy; but in March 1966, restrictive tax changes were enacted at the President's request. Excise tax cuts were postponed, and income tax payments were accelerated. Moreover, the President's budget program in January stringently held down nondefense outlays. These measures produced a Federal surplus in the national income accounts budget and a net restrictive fiscal impact in the first half of 1966 despite the strong advance in defense spending." [21]

Thus, the "feedback effects" of the 1964 tax cut were not unanticipated; in fact, they were an integral part of the consideration of the tax cut in Congress. While the tax receipts forecasts of the period were less than perfect, and revenues were affected by other economic developments (largely the Vietnam War), it is clear that the feedback effects were not of a different order of magnitude than were anticipated by the Treasury.

D. Magnitude of the "feedback effects" of the 1964 tax cut

Despite the central position of the 1964 tax cut in modern fiscal policy discussion, relatively little careful analysis of its economic effects has occurred.[22] In an effort to remedy this shortcoming, and to contribute to our knowledge of fiscal policy actions over the past 15 years, the Congressional Research Service, the House Budget Committee, and the Joint Economic Committee are participating in a combined research effort to measure the economic effect of countercyclical policy during the 1960's and 1970's. As a part of that effort, Data Resources, Inc. and Wharton Econometric Forecasting Associates, Inc., two of the nation's leading econometric research organizations, have been retained to analyze the fiscal policy actions during this era using their econometric models and employing methodology jointly agreed upon. This project will not be completed for several months; however, the two econometric serv-

Footnotes at end of article.

ices have produced preliminary reports regarding their analyses of the 1964 tax cut.[23] Both studies find that the so-called "feedback effect" of the 1964 tax cut was relatively small, and not nearly large enough to offset the original revenue loss from the tax cut. The Wharton preliminary report articulates this finding as follows:

. . . after the stimulative effects of the tax cut have worked their way through the economy, the reduction in personal taxes is estimated at about $8.3 billion in Calendar Year 1964 and rises to near $11 billion in 1967. But this estimated revenue loss includes the additional revenues collected as a result of the higher level of personal income. The personal income increase, resulting from the tax cut, rises to nearly 20.0 billion by 1967. At an average tax rate of about 10.4 percent, this represents $2.0 billion dollars in additional collections at the post-tax cut rates. Without this additional revenue, the tax cut would have reduced collections by nearly $13.0 billion in 1967. For 1965, at an average tax rate of 9.75 percent, this increased revenue is only $0.75 billion." [24]

The preliminary estimates of the net revenue cost of the 1964 tax cut (after feedback effects) by the two econometric studies are as follows:

	1964	1965	1966	1967
ndividual income tax:				
DRI	−7.1	−10.4	−11.4	
Wharton	−8.3	−10.7	−10.9	−10.9
Corporate income tax:				
DRI	−1.7	−3.4	−4.0	
Wharton	.6	−.1	−.2	−2.5

These results are dependent, of course, on the particular structures of the econometric models which produced them. These structures are elaborate combinations of economic theory and extensive estimations of economic relationships based on historical data. As such, the models are neither right nor wrong, in the traditional sense, but are approximations of the actual operations of the economy. The degree of accuracy of the approximations varies with the economic phenomenon being studied, the time period, and the model. The proponents of the Kemp/Roth bill have criticized the structure of virtually all of the present major econometric models of the U.S. economy, including the DRI and Wharton models, for a failure to capture the effects of changing government policy, especially tax policy, on "supply side" economic effects, specifically incentives to work, save and invest. This general criticism is addressed in the next subsection of this paper.

The incentives argument has been used specifically with regard to the effects of the 1964 tax cut, claiming that the tax cut provided a gigantic boost to the economy through supply side effects resulting from stronger incentives to work, save, and invest and that these effects are not portrayed in the econometric models. Walter Heller, Chairman of the Council of Economic Advisors under President Kennedy and major author of the 1964 tax cut, has responded to this claim as follows:

"Contrary to their assertion that the Kennedy-Johnson tax cut achieved its economic stimulus and consequent revenue flows 'by increasing aggregate supply, by increasing the reward to work and investment,' the record is crystal clear that the great bulk of the success of the 'great tax cut' that was phased in during 1964–65 came, as expected, from its stimulus to demand, its release of some $10 billion of consumer purchasing power and another $3 billion or so of corporate funds.

"A great leap forward on the supply side would have to show up in a big jump in trend productivity increases and in the growth of GNP potential. The Kennedy tax program—including both the 1964 tax cuts and the 1962 investment tax stimulants in the form of the investment tax credit and liberalized depreciation guidelines—did in fact improve investment and work incentives and contribute to good, sustained growth in productivity. But no sudden bulge in productivity and potential has been found by any close student of the subject." [25]

E. The "Laffer Curve" and supply side fiscal response

The general contention that a sizeable tax cut will have large supply side effects through stronger incentives to work, save, and invest has most often been voiced by the Kemp/Roth proponents through reference to the so-called "Laffer Curve," named for its originator, Professor Arthur Laffer of the University of Southern California. The most extensive presentation of the Laffer Curve has been made by Jude Wanniski in an article in The Public Interest, an extensive excerpt of which follows:

"When the tax rate is 100 percent, all production ceases in the money economy (as distinct from the barter economy, which exists largely to escape taxation). People will not work in the money economy if all the fruits of their labors are confiscated by the government. And because production ceases, there is nothing for the 100-percent rate to confiscate, so government revenues are zero.

"On the other hand, if the tax rate is zero, people can keep 100 percent of what they produce in the money economy. There is no governmental "wedge" between earnings and after-tax income, and thus no governmental barrier to production. Production is therefore maximized, and the output of the money economy is limited only by the desire of workers for leisure. But because the tax rate is zero, government revenues are again zero, and there can be no government. So at a 0-percent tax rate the economy is in a state of anarchy, and at a 100-percent tax rate the economy is functioning entirely through barter.

"In between lies the curve. If the government reduces its rate to something less than 100 percent, say to point A, some segment of the barter economy will be able to gain so many efficiencies by being in the money economy that, even with near-confiscatory tax rates, after-tax production would still exceed that of the barter economy. Production will start up, and revenues will flow into the government treasury. By lowering the tax rate, we find an increase in revenues.

"On the bottom end of the curve the same thing is happening. If people feel that they need a minimal government and thus institute a low tax rate, some segment of the economy, finding that the marginal loss of income exceeds the efficiencies gained in the money economy, is shifted into either barter or leisure. But with that tax rate, revenues do flow into the government treasury. This is the situation at point B. Point A represents a very high tax rate and very low production. Point B represents a very low tax rate and very high production. Yet they both yield the same revenue to the government.

"The same is true of points C and D. The government finds that by a further lowering of the tax rate, say from point A to point C, revenues increase with the further expansion of output. And by raising the tax rate, say from B to point D, revenues also increase, by the same amount.

"Revenues and production are maximized at point E. If, at point E, the government lowers the tax rate again, output will increase, but revenues will fall. And if, at point E, the tax rate is raised, both output and revenue will decline. The shaded area is *the prohibitive range for government,* where rates are unnecessarily high and can be reduced with gain in *both* output and revenue." [26]

Laffer Curve adherents, including Professor Laffer, argue that the United States is now in the "prohibitive range" of taxation. This claim and the above description are the rationale for arguing that the Kemp/Roth tax cut, or presumably any tax cut, would increase Government revenue rather than reduce it.

The Laffer Curve obviously has a certain amount of intuitive appeal. However, it is also an overly simplistic approach which ignores very complex economic relationships, and therefore falls considerably short of providing information directly relevant to policy formulation. A brief analytical review of the concept is provided below in outline format.

1. Central to the Laffer Curve is the notion that there is something which can be called a "tax rate" for the overall economy, and that for each tax rate a given amount of tax revenue will be raised. But what is this tax rate? There are literally hundreds of different taxes imposed by the Federal Government and State and local governments; they apply to personal income, corporate income, wages, sales, property, and myriad other tax bases. Their structures vary; some are flat-rate taxes; some have elaborate exemptions and deductions. It is impossible for one tax rate to characterize this complex tax structure in the U.S.

Even if one decided to use one effective tax rate—say total tax revenue divided by GNP, or total personal taxes divided by personal income—major oversimplification would still be a problem. The association of a single amount of revenue with each tax rate implies that the type of tax mechanism used to raise the revenue is irrelevant; i.e. whether the tax is imposed on consumption, or wealth, or income, or only income from capital, and whether the tax is regressive, proportional, or progressive do not matter in determining the economic effects of the tax and the revenue it will yield. The Laffer Curve implies all that matters is the undefined "tax rate." However, this is an oversimplification which is contradicted by virtually all of public finance analysis, and, indeed, is also contradicted by other arguments offered by the Laffer Curve adherents (see point 7 below).

2. The Laffer Curve represents a gross simplification of a major portion of macroeconomics into a single curved line. Countless books and articles have been written to conceptualize, identify, and measure the impact of taxation and fiscal policy on the U.S. economy, and despite all of this effort and research there are still many important issues which are unresolved. However, it is known that the effect of a tax cut or tax increase on the economy, and in turn on tax revenues, depends on a multitude of factors and their complex interrelationships. These factors include the level of employment and unemployment, the level of capacity utilization, the level of investment, interest rates, inflation rates, the savings rate, the posture of monetary policy, levels of consumer and business confidence, the size of the Federal deficit, the budget position of State and local governments, and the level of the foreign trade balance, to name only a few. Additionally, for many variables—for example capacity utilization and investment—it is important to view them both in the aggregate and disaggregated by economic sector and region. Also, since economic phenomena are dynamic, it is important to know the trends of the economic indicators as well as their levels; a 6 percent

Footnotes at end of article.

unemployment rate does not mean the same thing if the trend is upward as if the trend is downward.

All of these factors and many more are involved in understanding and assessing the potential economic impact of a tax cut. To subsume all of these economic effects into a single line on a graph is to ignore much of the substance of responsible tax policy.

3. The notion behind the Laffer Curve depends almost entirely on the response of work, savings, and investment behavior to levels of taxation. The assertion is that higher taxes lead to reduced incentives and lower levels of economic activity; lower taxes increase incentives and economic activity. The Laffer Curve asserts that as taxes are increased from 0 to 100 percent, at some point the effect on tax revenue of the diminished economic activity overwhelms the effect of the higher tax rates, and tax revenue begins decreasing rather than increasing. This assertion is no doubt true, but because the Laffer analysis concentrates on economic responses at or near the end points—tax rates of 0 and 100 percent—it is not very relevant. The relevant issue is the incentive effect of small tax rate changes within the range of feasible alternatives to present policy. Analysis of these incentive effects is much more complex and leads to different conclusions, than suggested by the Laffer Curve.

The Laffer Curve ignores the fact that, within the relevant range of policy alternatives, tax rate changes induce two reactions, an income effect and a substitution effect, which tend to offset each other. Richard and Peggy Musgrave, in their well known public finance textbook, describe and assess these factors with regard to work effort as follows:

"With regard to labor, we shall find that introduction of an income tax need not reduce hours of work. To be sure, the tax results in a reduction in the net wage rate. This makes work less attractive relative to leisure and induces workers to work less (the so-called substitution effect). But a tax also makes them poorer, so they tend to feel that they cannot afford as much leisure and must work more (the so-called income effect). Depending on which consideration carries more weight, effort may rise or fall. Such empirical evidence as is available gives little support to either hypothesis but suggests that labor supply to the economy as a whole is fairly inelastic to the wage rate." [27]

And further in a later passage:

"If the labor supply schedule is upward-sloping, as most textbooks draw it, the negative substitution effect outweighs the positive income effect; if the schedule is backward-sloping, the opposite response occurs.

"Historically, it is evident that rising wage rates have been accompanied by reduced hours of work, i.e. a substantial part of the gains from productivity growth has been directed into increased leisure. Although this does not prove that the short-run supply schedule of labor is backward-sloping (in which case taxation would raise, rather than lower, the amount of labor supplied), it should not be readily assumed that an income tax must reduce effort. While we all seem to know someone who has been discouraged by taxation and has worked less, most of us seem to respond by working more.

"As noted before, much depends on the rate schedule. A person will work less under a progressive than under a proportional rate schedule, if the same amount is drawn from him in both cases. Yet, work effort for taxpayers as a group need not be lower under a progressive schedule. The net effect depends on how wage earners at various points on the income scale respond. Earners at the upper end (where rates will be higher than under a proportional tax of equal yield) have more flexibility in hours worked but may also be less responsive to changes in the net wage rate, since other forms of motivation (prestige, interest in work, etc.) may dominate. Employees at the lower end of the scale have less flexibility in their work effort responses and also face lower marginal rates of income tax. The most serious problem of disincentive to work may well occur below the income tax range where welfare policies are such as to imply high marginal rates of tax on earned income." [28]

The discussion in the Musgraves' textbook on the effects of taxation on savings and investment behavior is reproduced as an appendix to this section as an illustration of the complexity of issues ignored by the Laffer Curve approach. The Musgrave analysis reveals that the effect of the income tax on household saving and on investment is uncertain; the effect on business saving, however, is negative assuming the corporate income tax is borne by capital. Some recent econometric research concludes that the impact of the tax structure on the rate of savings is more significant than has been previously thought,[29] but even these new results are of a small magnitude compared to that required to support the Laffer Curve hypothesis. Thus, the notions of the effects of taxation on incentives embodied in the Laffer Curve are considerably oversimplified and exaggerated.

4. By concentrating primarily on incentive and supply side effects, the Laffer Curve largely ignores the actual mechanism by which fiscal policy exerts its biggest and most immediate impact—demand side effects. The most immediate impact of a tax cut is that individuals and businesses have more disposable or after tax income. The largest percentage of this after tax income will be spent rather rapidly, thus raising aggregate demand in the economy. If there are unemployed workers and idle productive resources, this higher aggregate demand will lead to more jobs and higher GNP; if unemployment is slight and there is little idle capacity, the increased demand will be inflationary and destabilizing.

Thus, the timing of a tax cut is very important. However, the Laffer Curve analysis does not include an explicit consideration of the state of the economy at the time of a tax cut. It asserts that we are in the "prohibitive range" of taxation, and offers the faith that supply side effects will create the capacity for higher output and the incentives for higher work effort. However, capacity creating investment is not planned, financed, and constructed overnight; it takes years. But the demand side effects of a tax cut are immediate, reaching full effect within a few calendar quarters. Therefore, the effects of a susbtantial tax cut enacted when excess capacity is low, based on Laffer-type faith, would be a rapid increase in demand, which would quickly accelerate price increases and raise interest rates, thus choking off the hoped for increase in investment.

5. Professor Laffer and the adherents to his concepts claim that the United States is presently in the "prohibitive range" of the Laffer Curve, i.e. that the "tax rate" is so high and stiffling of incentives that an across-the-board tax cut would actually increase revenues rather than reduce them. However, there is virtually no evidence to support this assertion. If this assertion were true one would expect effective tax rates to have risen dramatically in the U.S. in recent years; however Federal taxes as a percentage of CNR or personal income have remained virtually constant over the last quarter century.[30] If this assertion were true one might also expect to find that the U.S. tax burden considerably exceeds that of the other developed countries of the World; however, total taxes in the U.S. as a percent of GNP are lower than the average for the OECD countries. Some countries which have higher productivity growth than the U.S., for example Germany and Sweden, also have higher overall tax burdens.

For a tax cut to be self-financing, its impact on the economy would have to be so large that the new tax revenue generated would more than compensate for the original revenue loss. Total Federal taxes in the U.S. claim roughly 20 percent of GNP. Thus, for a tax cut to increase Federal revenues, rather than add to the deficit, it would have to increase GNP by a multiple of 5 times its original size or more. No analysis of fiscal policy in the U.S. economy has concluded that such a high multiplier for an overall tax cut is possible. The major econometric models of the U.S. economy all have multiplier effects for various fiscal policies which range from about 1.3 to 2. Therefore, a tax cut will reduce tax revenue by about 60 percent to 75 percent of the original amount of the reduction, with the remainder replaced by revenue from the feedback effect.[31]

Thus, despite the other beneficial effects, one inevitable result of a tax cut with undiminished spending is an increase in the deficit.

6. Part of the intuitive appeal of the Laffer Curve derives from the interpretation of point E on the curve. This point is the crossover point to the "prohibitive range" of the Laffer Curve where incentives are so bruised that higher taxes yield lower revenues. It is also claimed to be the point at which the electorate desires to be taxed, in other words, an optimal size for government at which just the right amount of public services is provided. It is an easy deductive leap from the asserted coincidence of these two points to conclude that if governments becomes only slightly larger than the electorate would prefer, then we enter the prohibitive range and taxation becomes oppressive.

However, there is no reason to believe that these two points are the same. The desired level of government services in the U.S. is not determined by raising taxes until higher tax rates produce lower revenues; if so tax rates would undoubtedly be much higher than presently. The desired level of government in this country is determined through the political process, and there is nothing which suggests that the size of government produced by that process is the maximum possible which can be imposed without suppressing productive enterprise. In fact, the overwhelming evidence is to the contrary. In the United States the determinants of the optimal size of government have more to do with the desire for personal freedom and a preference for private production of goods and services, than with diminishing returns from higher levels of taxation. Thus, the optimal size of government in this country is probably very small compared to point E on the Laffer Curve, and the relatively small variations in government size around the optimal point which result from the political decision making process do not currently appear to run the risk of entering the "prohibitive range" of taxation on the Laffer Curve.

7. The Kemp/Roth advocates have contributed an important observation regarding the effect of taxation on incentives. Recently, considerable attention has been focused from many quarters on the effect of taxation on capital formation and incentives to invest. However, the Kemp/Roth proponents have added to this discussion the observation that the individual income tax has become more of a general economic disincentive over the past 13 years because taxpayers have been pushed into increasingly higher marginal tax brackets.

As a general principle, a tax with lower marginal tax rates is less destructive of economic incentives, and therefore more efficient in an overall economic sense (i.e. it imposes less of a cost on society as a whole), than a tax with higher marginal tax rates. Of course, two equal-revenue income

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taxes with different marginal tax rate schedules will not be exact substitutes because they will not distribute the tax burden in precisely the same manner; the tax with the lower marginal rates will require a larger tax base, either by virtue of having a smaller standard deduction and personal exemptions, or by having a broader tax base with fewer or smaller itemized deductions and exclusions.[32]

However, it is possible to design an income tax with somewhat lower marginal tax rates and only a moderately larger tax base. Specifically, when a tax cut is being considered for fiscal policy reasons, the tax cut can be accomplished by lowering the tax rates, or by increasing the size of the standard deduction, personal exemptions, or general tax credit. Depending on which mechanism is chosen, the distribution of the overall tax burden after the tax cut will be somewhat different, but not greatly so (obviously depending on the size of the tax cut).[33] Over a lengthy period of time, as inflation and increases in real income push taxpayers into over higher tax brackets, the choice of tax cut mechanism can make a substantial difference in the distribution of the tax burden and in the marginal tax rates faced by taxpayers.

The last tax cut in the United States which was achieved by reducing the marginal tax rates was the 1964 tax cut.[34] In the intervening years there have been several tax reductions affecting the individual income tax (in 1969, 1971, 1975, 1976, and 1977), but all have been accomplished by increasing the standard deduction or the personal exemption, or by creating new devices such as the general tax credit or the low income allowance.

However, these changes have not been sufficient to prevent a general movement of taxpayers into higher tax brackets, and since the tax rates have remained constant, the marginal rates experienced by many taxpayers have increased. This phenomenon is documented in Table 5 which classifies tax returns by tax bracket for 1965 (the year the 1964 tax cut became fully effective) and 1975 (the last year for which data are available). The data are displayed graphically in Figure 4. As the table and figure reveal, there has been a clear and substantial upward movement of taxpayers into higher marginal tax rate brackets (the movement would be even more substantial by 1978). For example, in 1965 only 19 percent of taxpayers faced a marginal tax rate higher than 20 percent, and only 7 percent had marginal rates of 25 percent or higher; in 1975 these percentages were 53 percent and 29 respectively.[35] This implies that substantially larger numbers of taxpayers are now in the upper rate brackets in which the marginal tax rate may begin to erode economic incentives. In this regard it is significant that both the Kemp/Roth bill and the 1978 tax cut proposal by President Carter would reduce taxes by an across-the-board reduction in tax rates rather than by further changes in the standard deduction or personal exemption.

* * * * *

III. A SUMMARY OF THE ECONOMETRIC ANALYSES OF THE KEMP/ROTH TAX CUT BILL

This section summarizes the results of three studies of the prospective economic impact of the Kemp/Roth bill using the econometric models of Data Resources, Inc.,[36] Wharton Forecasting Associates, Inc.,[37] and Chase Econometric Associates, Inc.[38] The DRI and Wharton simulations were performed by the Congressional Research Service; the Chase analysis was conducted by Chase Econometric Associates for Congressman Kemp and Senator Roth.[39]

To some extent the results of the studies are a lesson in the uncertainties of using the econometric models as much as they are indications of the prospective economic impacts of the Kemp/Roth bill.

The results of the three studies differ, in some instances substantially, for several reasons. First, the results of each study are obviously dependent on the structure of the econometric model employed; because the models differ, the results will also differ. This problem is intensified by the magnitude of the Kemp/Roth tax cut. The econometric models all produce somewhat similar results for moderate changes in policy and short-term projections.

However, they are not especially well suited for analyzing the implications of dramatic policy changes, especially over long time periods. Sizeable policy shifts may push models into unrealistic ranges where their structural differences are significant; for example the models differ in their response to policies that would reduce unemployment to unrealistically low levels. Second, the models produce different forecasts of the path of the economy in the absence of a tax cut. Since the impact of a tax cut is dependent on the state of the economy, the models will obviously yield different impact estimates if they project different growth paths (e.g., a "growth recession" versus continued moderate growth). Third, the assumptions employed in the analyses differ.

The assumed size of the Kemp/Roth tax cut in the DRI and Wharton studies is the same as indicated in section I of this paper; however, the size of the tax cut in the Chase simulations is much smaller, rising to only 20 percent in the third year rather than 33 percent.[40] Additionally, the Chase simulation implicitly reduces real Government spending as the tax cut is phased in because in the Chase model nominal Government expenditures are held constant rather than real spending.

The results reported below compare the projected economic impact of the Kemp/Roth tax cut to economic projections assuming no tax cut in 1978–79 and to alternative projections assuming adoption of a moderate tax cut in 1978 resulting from President Carter's proposals in January. In addition to other differences in the assumptions, the comparative simulations also assume different sizes for the Carter tax cut. The DRI simulation assumes a Carter tax cut of $13.3 billion in the individual income tax plus a reduction of the corporate tax rate to 46 percent and an increase in the effective rate of the investment tax credit from 9 percent to 12.5 percent. The Wharton simulation assumes an aggregate tax cut to $26 billion affecting individual and corporate income taxes. The Chase projection assumes a $32 billion aggregate tax cut.[41]

A. Gross national product

Table 6 displays the results of the econometric simulations regarding levels of real GNP and the growth rate of real GNP. Generally, the results imply that the Kemp/Roth bill would have a sizeable positive impact on real GNP which would peak in the early 1980's and dissipate by the late 1980's. The Wharton simulation shows a more lasting impact of the tax cut on real GNP, but all of the projections show the increase in the real GNP growth rate disappearing or turning negative by 1987. The Chase impact estimates are smaller than the others because the Chase simulated tax cut is smaller and is accompanied by a reduction in real Government spending.

B. Unemployment rate and employment

Table 7 reports the output of the simulations regarding the unemployment rate and the total level of employment. Again, the results generally imply a substantial favorable impact of the Kemp/Roth bill which would peak in the early 1980's and dissipate in the later 1980's. The Wharton simulation shows a more sizeable lasting effect on the unemployment rate (total employment was not simulated in the Wharton Study) and the Chase impact estimates are somewhat smaller than the other two.

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TABLE 5.—TAX RETURNS CLASSIFIED BY HIGHEST MARGINAL RATE AT WHICH TAX WAS COMPUTED, 1965 AND 1975

Tax bracket (marginal tax rates)	Percent of taxable returns classified by highest marginal rate at which tax was computed			
	1965		1975	
	Percent of taxable returns	Cumulative percent	Percent of taxable returns	Cumulative percent
14 percent	12.3	12.3	6.6	6.6
15 percent	11.2	23.5	5.2	11.9
16 percent	11.7	35.2	6.1	17.9
17 to 18 percent	12.6	47.8	6.7	34.6
19 to 20 percent	33.4	81.2	22.2	46.8
21 to 24 percent	11.9	93.1	24.2	71.0
25 to 29 percent	4.9	98.0	20.3	91.3
30 to 39 percent	1.0	99.0	6.3	97.6
40 to 49 percent	.38	99.4	1.3	98.9
50 to 59 percent	.46	99.9	.9	99.8
60 to 70 percent	.06	99.9	.3	100.0

Note: The data in the table are for returns with taxable income; these returns as a percent of total tax returns and in comparison to total population have remained fairly constant between 1965 and 1975.

Source: Author's calculations based on data in Internal Revenue Service, Department of the Treasury, Statistics of Income, Individual Income Tax Returns, for years 1965, 1975.

TABLE 6.—PROJECTED IMPACT OF KEMP/ROTH TAX CUT BILL ON REAL GNP AND REAL GNP GROWTH RATE, 1978–87

	1978	1979	1980	1982	1987
Percent change in real GNP (1972 dollars):					
Compared to no tax cut:					
DRI	1.1	2.8	4.9	6.0	0.2
Wharton	1.5	2.9	4.8	6.0	7.1
Chase	.4	1.2	2.4	2.7	1.5
Compared to Carter tax cut:					
DRI	.9	2.1	3.9	5.3	−.5
Wharton	.9	2.4	3.9	4.0	3.4
Chase	.2	.1	0	.5	−.4
Percentage point change in growth rate of real GNP:					
Compared to not tax cut					
DRI	1.2	1.7	2.1	.1	.7
Wharton	1.5	1.5	1.8	.8	−.1
Chase	.4	.9	1.2	−.3	.0
Compared to Carter tax cut:					
DRI	1.0	1.2	1.8	.3	−.7
Wharton	.9	1.6	1.5	.2	−.4
Chase	.3	−.1	−.1	.3	0

Special caution must be exercised in interpreting these employment projections. Both the DRI and Wharton projections imply overall unemployment rates below 4 percent in the 1980's, with the rate in the Wharton projection reaching a low of 2.1 percent. Most economists would argue that there is some minimal level of structural unemployment [42] which cannot be further reduced by fiscal policy measures. The actual unemployment level associated with this "full employment" condition is the subject of some debate, but it is widely regarded to be between 4.5 and 5.5 percent. The econometric models do not have structural characteristics which prevent them from projecting unemployment rates below this range. Therefore, results such as those in the table would normally call for external adjustments of the simulations to produce more realistic forecasts. Since the purpose of these analyses was not an actual forecast, but rather a comparative impact simulation, such external adjustments were not made. However, it is important in interpreting the results to note that the impact of the Kemp/Roth bill on employment and unemployment would most likely be smaller than shown in Table 7, and consequently the impact on inflation would probably be larger.

C. Inflation

Table 8 shows the econometric projections of the impact of the Kemp/Roth tax cut on the consumer price index. In general, the results imply that the proposal would gradually increase the inflation rate with a substantial acceleration by the mid 1980's; by 1987 prices would be at least 10 percent higher, and the annual rate of inflation would be in excess of 1.5 percentage points higher than without the Kemp/Roth tax cut. The Wharton results indicate that the inflation rate would decline somewhat in the early years of the simulation but accelerate thereafter. The Chase simulation shows a smaller inflation impact due to the smaller assumed tax cut and the implicit reduction in the level of real Government spending. Once again, it should be emphasized that the inflation impact estimates are likely considerably understated because the substantially higher levels of aggregate demand and production caused by the Kemp/Roth tax cut would push the economy beyond a condition of full employment early in the 1980's, and this condition is not fully reflected in the estimates.

D. Interest rates

Table 9 reports the results of the econometric simulations regarding two selected interest rates: the rate on AA-rated utility bonds and the rate on commercial paper. These interest rates, and others faced by business and consumers, are important determinants of levels of capital investment and consumption. The results imply that the Kemp/Roth bill would cause a gradual increase in interest rates over the next decade, and that by 1987 interest rates would most likely be 1¼ to 2 percentage points higher than otherwise.

E. Disposable personal income and the savings rate

Estimates of the impact of the Kemp-Roth bill on real disposable pesonal income and the rate of savings are displayed in Table 10. The DRI and Chase projections show a significant positive impact on real disposable personal income which peaks in the early 1980's and has diminished considerably by 1987; the Wharton estimates indicate a continuing increase throughout the period. All of the models project a sizeable increase in the savings rate peaking in the early 1980's. It should be noted that the savings rate increases projected in the models do not result from enhanced savings incentives caused by lower tax rates as discussed in the previous section. Savings in the models is a residual from disposable personal income and consumption. In the projections saving increases as a percent of income, because marginal consumption as a percent of marginal income is lower than total consumption as a percent of total income. To the extent that savings incentives would increase due to the lower marginal tax rates, the effect on the savings rate could be greater than shown in the estimates; on the other hand, to the extent that the models have overestimated the impact of the Kemp/Roth bill on the unemployment rate and underestimated the impact on inflation, the savings rate effect could be smaller.

TABLE 7.—PROJECTED IMPACT OF KEMP/ROTH BILL ON UNEMPLOYMENT RATE AND EMPLOYMENT, 1978-87

	1978	1979	1980	1982	1987
Percentage point change in unemployment rate:					
Compared to no tax cut:					
DRI	−0.3	−1.0	−1.7	−2.3	−0.1
Wharton	−.5	−1.1	−2.1	−3.3	−4.0
Chase	−.1	−.6	−.3	−1.7	−.9
Compared to Carter tax cut:					
DRI	−.3	−.7	−1.3	−2.0	.1
Wharton	−.3	−.9	−1.7	−2.4	−1.9
Chase	−.2	−.2	−.2	−.7	0
Change in employment (millions of persons):					
Compared to no tax cut:					
DRI	.3	1.1	2.0	3.3	.3
Chase	.2	.7	1.4	2.2	1.1
Compared to Carter tax cut:					
DRI	.3	.9	1.7	2.9	−.2
Chase	.5	.5	.5	1.0	.2

TABLE 8.—PROJECTED IMPACT OF KEMP/ROTH BILL ON CONSUMER PRICE INDEX (CPI) AND ANNUAL RATE OF INCREASE IN CPI, 1978-87

	1978	1979	1980	1982	1987
Percent change in Consumer Price Index (CPI):					
Compared to no tax cut:					
DRI	0	0.3	0.8	3.6	13.3
Wharton	−.2	−.4	−.4	1.1	10.4
Chase	0	0	.3	1.8	6.8
Compared to Carter tax cut:					
DRI	0	.2	.6	3.1	12.1
Wharton	−.1	−.3	−.2	1.4	10.7
Chase	.1	.3	.6	1.2	3.3
Percentage point change in annual rate of increase in CPI:					
Compared to no tax cut:					
DRI	0	.3	.6	1.8	1.6
Wharton	−.2	−.2	0	1.0	1.7
Chase	0	0	.2	1.0	.7
Compared to Carter tax cut:					
DRI	0	.2	.5	1.6	1.5
Wharton	−.1	−.2	.1	1.1	1.6
Chase	.1	.2	.4	.3	.2

TABLE 9.—PROJECTED IMPACT OF KEMP/ROTH TAX CUT BILL ON INTEREST RATES, 1978-87

	1978	1979	1980	1982	1987
Change in interest rate on AA-rated utility bonds (in basis points):					
Compared to no tax cut:					
DRI	−12	2	31	175	228
Chase	4	17	42	113	116
Compared to Carter tax cut:					
DRI	−9	−4	8	134	192
Chase	−3	7	19	40	34
Changes in interest rates on commercial paper (in basis points):					
Compared to no tax cut:					
Wharton	5	27	50	92	176
Chase	15	50	102	188	128
Compared to Carter tax cut:					
Wharton	3	19	43	73	136
Chase	−1	17	43	81	79

TABLE 10.—PROJECTED IMPACT OF KEMP/ROTH TAX CUT BILL ON REAL DISPOSABLE PERSONAL INCOME AND THE SAVINGS RATE, 1978-87

	1978	1979	1980	1982	1987
Percent change in real disposable personal income:					
Compared to no tax cut:					
DRI	2.1	4.7	7.6	9.1	4.4
Wharton	2.6	5.1	8.3	10.7	15.8
Chase	1.1	2.7	4.6	5.9	5.2
Compared to Carter tax cut:					
DRI	1.8	3.9	6.9	8.6	3.9
Wharton	1.5	4.2	7.0	7.5	10.1
Chase	.8	.6	1.4	1.9	1.1
Percentage point change in savings rate:					
Compared to no tax cut:					
DRI	.7	1.1	1.4	.8	.3
Wharton	.8	1.3	1.7	1.3	1.4
Chase	.6	1.1	1.8	1.8	1.7
Compared to Carter tax cut:					
DRI	.5	1.0	1.4	.8	.5
Wharton	.5	1.1	1.5	.7	.9
Chase	.4	.2	.6	.6	.4

F. Investment

Table 11 shows projections of the impact of the Kemp/Roth bill on real nonresidential and residential investment; the models produce substantially different results for these variables. Compared to no tax cut the models all show the bill having a sizeable positive impact on real fixed nonresidential investment; DRI and Chase show the impact diminishing by the late 1980's, Wharton shows the effect continuing. Compared to the Carter tax cut, however, all three models show the Kemp/Roth bill having a negative impact on nonresidential investment by 1987; the DRI and Wharton simulations show a positive impact through the early 1980's; the Chase projection shows a minimal impact throughout the period.

The three models differ the most with regard to the impact of the bill on investment in residential structures (this component of investment is notoriously difficult to forecast). The DRI simulation shows a moderate positive impact in the first few years

TABLE 11.—PROJECTED IMPACT OF KEMP/ROTH TAX CUT BILL ON REAL NONRESIDENTIAL AND RESIDENTIAL INVESTMENT, 1978–87

	1978	1979	1980	1982	1987
Percent change in real fixed nonresidential investment:					
Compared to no tax cut:					
DRI	1.4	4.8	9.5	15.7	−6.5
Wharton	2.5	5.0	8.0	10.2	10.6
Chase	.5	2.4	5.7	8.8	4.9
Compared to Carter tax cut:					
DRI	1.2	2.3	3.9	7.8	−10.4
Wharton	1.3	3.5	5.5	4.3	−2.4
Chase	.1	−.2	−1.3	.7	−2.5
Percent change in real investment in residential structures:					
Compared to no tax cut:					
DRI	1.8	4.2	5.0	−4.7	−23.2
Wharton	4.4	6.2	5.9	3.0	15.2
Chase	.9	2.5	3.2	−1.9	0
Compared to Carter tax cut:					
DRI	1.2	2.9	3.8	−.9	−23.8
Wharton	2.6	5.6	5.1	.5	13.9
Chase	−1.4	.9	1.7	1.2	−.4

TABLE 12.—PROJECTED IMPACT OF KEMP/ROTH TAX CUT BILL ON THE FEDERAL DEFICIT 1978–87

	1978	1979	1980	1982	1987
Difference in Federal deficit (billions of dollars):					
Compared to no tax cut:					
DRI	21.1	36.9	54.4	68.5	241.2
Wharton	19.8	40.5	68.4	88.0	158.1
Chase	12.4	24.9	37.9	32.8	36.8
Compared to Carter tax cut:					
DRI	15.1	30.2	56.1	64.9	217.4
Wharton	11.6	32.7	50.5	58.3	104.7
Chase	7.6	3.2	19.8	19.6	41.0

which turns strongly negative in the 1980's. The Wharton projection shows a positive cyclical impact, rising above trend in the first few years, weakening in the early 1980's, and strengthening substantially in the late 1980's. The Chase simulation shows comparatively little impact throughout the period.

G. The Federal deficit

Estimates of the impact of the Kemp/Roth bill on the Federal deficit are shown in Table 12. While the magnitudes differ (the Chase estimates are substantially lower than those of DRI and Wharton because of the smaller tax cut simulated by Chase and the implicit reduction in real Government expenditures) one message is clear: the Kemp/Roth bill would substantially increase the Federal deficit over the foreseeable future. The econometric models imply that the tax cut would fall considerably short of "paying for itself," whatever its other benefits may be.

Some proponents of the Kemp/Roth bill have argued that the econometric simulations show that the tax cut would finance itself in a different sense, not that the deficit would decrease or disappear, but rather that any increase in the Federal deficit will be financed by the additional private savings and retained earnings generated by the tax cut. However, this is not a surprising result to observe from the econometric models because in the models, as in the economy, the deficit will always be financed. The issue is not whether the deficit will be financed, but at what cost in terms of interest rates and inflation, and their further impact on investment and other economic variables.

In summary, the econometric studies of the Kemp/Roth tax cut bill generally imply that bill would have a favorable impact on levels of gross national product, employment, income, savings, and investment; these favorable impacts for the most part would decline, or in some cases reverse, by the mid-to-late 1980's Additionally, these favorable effects would be accompanied by substantially higher inflation, higher interest rates, and a larger Federal deficit.

FOOTNOTES

[1] The bill was introduced July 14, 1977, and proposes tax cuts beginning in calendar 1978. For analytical purposes this paper assumes the tax cuts would still begin in 1978 even though nearly a year has passed since its introduction.

[2] The normal rates apply to all corporate net income, as opposed to the surtax rate of 26 percent, which applies only to net income exceeding the surtax exemption.

[3] See Department of the Treasury, Internal Revenue Service, Statistics of Income: 1973, Individual Income Tax Returns, Publication 79 (11–76), Table 3.14, column (4), p. 112. Data are available from 1974 and 1975 tax returns, but the data necessary for the calculations presented here have not been published since the 1973 SOI.

[4] The distribution has remained relatively constant over time. See Department of the Treasury, Internal Revenue Service, Statistics of Income, Corporation Income Tax Returns, for recent years.

[5] Estimates were prepared by John Karr, of the tax section.

[6] See, for example, the introductory statements of Mr. Kemp and Mr. Roth, Congressional Record, 95th Congress, 1st Session, July 14, 1977, pp. 22985–22988, and 23075–23077, respectively.

[7] The tax revision also add three tax brackets at the lower end and eliminated two at the upper end.

[8] An equivalent tax cut in today's economy would amount to about $35 billion to $40 billion.

[9] Measurement of capacity utilization is an imprecise art. and different measures yield different results. The Wharton series, for example, concludes that the rate in 1978 is considerably higher than in 1964.

[10] Annual Report of the Council of Economic Advisors, January 27, 1978. Table 10, p. 84.

[11] Wharton Econometric Forecasting Associates, A Study in CounterCyclical Policy: The 1964 Tax Cut, Preliminary Report, June, 1978. p. 12.

[12] "GNP rose by $155 billion from the first quarter of 1964 to the first quarter of 1967, and there is no model or economist who would attribute all, or anything approaching all, of this increase to a $12 billion cut in personal taxes." Congressional Budget Office, Understanding Fiscal Policy, April, 1978, p. 25.

[13] Real GNP growth was 5.8 percent in 1962 and 4.0 percent in 1963.

[14] See Fiscal Plans for 1966–67, Annual Report of the Council of Economic Advisors, January 20, 1966. pp. 53–54.

[15] The Honorable Jack Kemp, Statement, Congressional Record, 95th Congress, 1st Session, January 4, 1977, p. 79.

[16] For details see: Kiefer, Donald W., Interpretation of the Revenue Impact of Tax Cuts Occurring in 1962, 1964, and 1965, memo, Congressional Research Service, April 4, 1978.

[17] Economic Report of the President, January 21, 1963. p. XVIII.

[18] 109 Congressional Record 16985, September 24, 1963.

[19] 110 Congressional Record 1002, January 23, 1964.

[20] 110 Congressional Record 3397, February 25, 1964.

[21] 1967 Economic Report of the President, U.S. Government Printing Office, Washington, 1967. pp. 37–8.

[22] The tax cut is not totally without review, however. See, for example, Okun, Arthur M., Measuring the Impact of the 1964 Tax Reduction, Remarks before the American Statistical Association, Philadelphia, Pennsylvania, September 10, 1965, 26 p.; Ando, Albert and E. Cary Brown, Personal Income Taxes and Consumption Following the 1964 Tax Reduction, in Studies in Economic Stabilization, The Brookings Institution, Washington, D.C., 1968, pp. 117–137; and Congressional Budget Office, Understanding Fiscal Policy, April, 1978, pp. 23–25

[23] Data Resources, Inc., Preliminary Interim Report on Fiscal Policy Study, May 23, 1978. 10 p., and Wharton Econometric Forecasting Associates, A study in Counter-Cyclical Policy: The 1964 Tax Cut, Preliminary Report, June, 1978. 43 p.

[24] Wharton Econometric Forecasting Associates, op. cit. pp. 8–9.

[25] Heller, Walter W., Tax Cuts, The Kemp-Roth Bill, and the Laffer Curve, Statement before Midyear Reveiw Hearing, Joint Economic Committee, June 28, 1978.

[26] Wanniski, Jude, Taxes, Revenues, and the "Laffer Curve," The Public Interest, Winter 1978, pp. 3–5.

[27] Musgrave, Richard A. and Peggy B. Musgrave, Public Finance in Theory and Practice, Second Edition, McGraw-Hill Book Company, New York, 1973. p. 407.

[28] Ibid. pp. 484–485.

[29] See for example, Boskin, Michael J., Taxation, Saving, and the Rate of Interest, Journal of Political Economy, Volume 86, No. 2, Part 2, April 1978. pp. S3–S27.

[30] Total Federal, State and local taxes have increased about 2 percent as a portion of GNP over the same era.

[31] The feedback effect on the Federal deficit, as opposed to just tax revenues, is somewhat larger because a more vigorous economy also reduces expenditures, for example welfare and unemployment compensation. However, the effect still falls considerably short of providing a "self-financing" tax cut.

[32] For example see: Department of the Treasury, Blueprints for Basic Tax Reform, January 17, 1977, 230 p. for the presentation of a comprehensive income tax with a substantially broader tax base and a three-bracket rate schedule with marginal rates of 8, 25, and 38 percent.

[33] The choice of tax cut mechanism may substantially affect the distribution of the *benefits of the tax cut*, but not significantly affect the distribution of the *overall tax burden* after the tax cut.

[34] This statement ignores the reduction in tax rates which occurred when the surtax expired in 1970.

[35] A second result of cutting taxes by means other than rate reductions over the past 15 years is that the tax burden has shifted among income classes with the lower-income groups benefitting and middle-and-upper-income groups suffering higher effective tax rates. See Sunley, Emil M., and Joseph A. Pechman, Inflation Adjustments for the In-

dividual Income Tax, in Inflation and the Income Tax, Henry Aaron, Ed., The Brookings Institution, Washington, D.C., 1976. p. 160.

[36] Amerkhail, Valerie Lowe, Analysis of the Economic Impact of H.R. 8333, Economics Division, Congressional Research Service, Library of Congress, March 22, 1978. 11 p.

[37] Amerkhail, Valerie Lowe, Analysis of the Economic Impact of H.R. 8333, Using the Wharton Annual Model, Economics Division, Congressional Research Service, Library of Congress, June 27, 1978. 8 p.

[38] Computer Printouts dated March 30, 1978; provided by the office of the Honorable Jack Kemp.

[39] Chase now has two other versions of the analysis of the Kemp/Roth bill, one incorporating a larger cut in Government spending and the other adding a larger corporate tax cut. See Evans, Michael K., Statement at Hearing on Kemp/Roth Tax Cut Bills, Subcommittee on Taxation and Debt Management, Senate Finance Committee, July 14, 1978. For an analysis of these Chase studies see Amerkhail, Valerie Lowe, Simulations of the Economic Impact of the Kemp/Roth Tax Cut Proposals by Chase Econometrics, Economics Division, Congressional Research Service, Library of Congress, Forthcoming.

[40] The assumed tax cuts in the Chase simulations are 6.9 percent the first year, 13.2 percent the second year and 20.1 percent the third year. See Amerkhail, Simulations of the Economic Impact of the Kemp/Roth Tax Cut Proposals by Chase Econometrics, op. cit.

[41] The reason for the differing versions of the Carter tax cut is these forecasts were taken from the standard forecast of each econometric service at the time of the analysis.

[42] Structural unemployment generally refers to unemployment associated with skill level or locational problems rather than insufficient aggregate demand.●

THE BAKKE DECISION: DID IT DECIDE ANYTHING?

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, the recent Supreme Court decision on the famous Bakke case has left many of us in a state of confusion over the status of affirmative action programs in higher education and in employment. Because the court seemed to take a two-sided view of the matter, none of us is quite certain what is going to happen to these programs as a result of Allen Bakke's having been admitted into the Davis Medical School.

To help clarify things, I would like now to submit an article from the August 17 issue of the New York Review of Books. Contained in it is a very cogent and timely analysis of the court's position, spelling out why the decision will not meet the test of time, and pointing out why the constitutional issue will have to be addressed again and again until affirmative action goals have an unambiguous mandate for implementation. For until this is done, Congress, the courts, and the executive branch will have to flounder along without a clear idea of what our policy should be on remedying the appalling fact of racial discrimination in the United States.

The article follows:

THE BAKKE DECISION: DID IT DECIDE ANYTHING?

(By Ronald Dworkin)

The decision of the Supreme Court in *Bakke* was received by the press and much of the public with great relief, as an act of judicial statesmanship that gave to each party in the national debate what it seemed to want most. Such a sense of relief, however, hardly seems warranted, and it is important to explain why it does not.

Everyone knows something of the facts of the case. The University of California medical school at Davis administered a two-track admission procedure, in which sixteen of a hundred available places were in effect set aside for members of "minority" groups. Allan Bakke, a white applicant who had been rejected, sued. The California Supreme Court ordered the medical school to admit him, and forbade California universities to take race into account in their admissions decisions.

The United States Supreme Court's decision affirmed the California court's order that Bakke himself be admitted, but reversed that court's prohibition against taking race into account in any way. So opponents of affirmative action plans could point to Bakke's individual victory as vindication of their view that such plans often go too far; while proponents were relieved to find that the main goals of affirmative action could still be pursued, through plans more complex and subtle than the plan that Davis used and the Supreme Court rejected.

But it is far too early to conclude that the long-awaited *Bakke* decision will set even the main lines of a national compromise about affirmative action in higher education. The arithmetic of the opinions of various justices, and the narrow ground of the pivotal opinion of Mr. Justice Powell, means that *Bakke* decided rather less than had been hoped, and left more, by way of general principle as well as detailed application, to later Supreme Court cases that are now inevitable.

Bakke's lawyers raised two arguments against the Davis quota plan. They argued, first, that the plan was illegal under the words of the Civil Rights Act of 1964, which provides that no one shall "on the ground of race . . . be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program" receiving federal aid. (Davis, like all medical schools, receives such aid.) They argued, second, that the plan was unconstitutional because it denied Bakke the equal protection guaranteed by the Fourteenth Amendment.

Five out of the nine justices—Justices Brennan, White, Marshall, Blackmun, and Powell—held that Bakke had no independent case on the first ground—the 1964 Civil Rights Act—and that the case therefore had to be decided on the second—the Constitution. They said that the language of the Civil Rights Act, properly interpreted, was meant to make illegal only practices that would be forbidden to the states by the Equal Protection Clause itself. They decided, that is, that it is impossible to decide a case like *Bakke* on statutory grounds without reaching the constitutional issue, because the statute does not condemn the Davis program unless the constitution does. The remaining four justices (Chief Justice Burger, and Justices Stewart, Rehnquist, and Stevens) thought that Bakke was right on the first ground, of the Civil Rights Act, and that they therefore did not have to consider the second, the Constitution itself, and they did not do so.

Of the five justices who considered the second, constitutional argument, four—Brennan, White, Marshall, and Blackmun—held that Bakke had no case under the Constitution either. Mr. Justice Powell held otherwise. He held that the Equal Protection Clause forbids explicit quotas or reserved places unless the school in question can show that these means are necessary to achieve goals of compelling importance, and he held that Davis had not met that burden of proof. But he also held that universities may take race into account explicitly as one among several factors affecting admission decisions in particular cases, in order to achieve racial diversity in classes. (He cited the Harvard undergraduate admissions program as an example.) He said that the Constitution permits this use of race and, since the California Supreme Court had held otherwise, he voted to reverse that court on this point. So a majority of those considering the matter voted against Bakke on *both* of his arguments; but Bakke nevertheless won, because five justices thought he should win on some ground even though they disagreed on which ground.

What does all this mean for the future? The Supreme Court has now decided, by a vote of five to four, that the Civil Rights Act does not in and of itself bar affirmative action programs, even those, like Davis's, that use explicit quotas. It has decided, by a vote of five to none, that the Constitution permits affirmative action plans, like the Harvard undergraduate plan, that allow race to be taken into account, on an individual-by-individual basis, in order to achieve a reasonably diverse student body.

Both of these decisions are important. The Civil Rights Act issue was, in my opinion, not a difficult issue, but it is useful that it is now removed from the argument. The argument of the California Supreme Court—that racially conscious admissions programs are aways unconstitutional—would have been disastrous for affirmative action had it prevailed in the United States Supreme Court, and it is therefore of great importance that it was rejected there. It is also important that at least five justices are agreed that at least a program like the Harvard undergraduate plan is constitutional. The Harvard model provides a standard; if the admissions officers of other universities are satisfied that their plan is like the Harvard plan in all pertinent respects, they can proceed in confidence.

It is equally important to emphasize, however, that the Supreme Court has *not* decided that only a program such as Harvard's is constitutional. It has not even decided that a program with a rigid quota such as the one Davis used is unconstitutional. Mr. Justice Powell drew the line that way in his opinion: he said that a quota-type program is unconstitutional, and his arguments suggest that only something very like the Harvard program is constitutional. But his opinion is only one opinion; no other justice agreed, and four other justices expressly disagreed with him on both points. So Powell's line will become the Supreme Court's line only if not a single one of the four justices who remained silent on the constitutional issue takes a position less restrictive than Powell's on that issue. In these circumstances it seems premature to treat Powell's opinion, and the distinction he drew, as the foundation of the constitutional settlement that will eventually emerge.

There seems little doubt that the four justices who remained silent on the constitutional issue will have to break that silence reasonably soon. For there are a variety of affirmative action cases likely to confront the Court soon in which no statute can provide a reason for avoiding the constitutional issue. The Court has now remanded a case, for example, which challenges the provision of the Public Works Employment Act of 1977 that at least 10 percent of funds disbursed

under the act be applied to "minority" businesses. Since Congress enacted this statute, there can be no argument that its provisions violate congressional will, and the four justices will have to face the question of whether such quota provisions are unconstitutional when this case (or, if it is moot, when some similar case) finally arrives before them. Of course these will not be education cases, and Powell's opinion is carefully tailored to education cases. But the arguments of principle on which he relied, in taking a more restrictive view of what the Equal Protection Clause permits than did the other justices who spoke to that issue, are equally applicable to employment and other cases.

Indeed, it is arguable that, in strict theory, the four justices who remained silent would have to speak to the constitutional issue even if another education case, like the *Bakke* case, were for some reason to come before the court. Suppose (though this is incredible) that some university that administers a quota-type system like the Davis system were to refuse to dismantle it in favor of a more flexible system, and the Supreme Court were to review the inevitable challenge. Since *Bakke* decides that the Civil Rights Act is no more restrictive than the Constitution, the four justices might well consider this point foreclosed by that decision in any future case, in which event they would have to face the constitutional issue they avoided here.

(Anthony Lewis, in The New York Times, said that it was surprising that these justices did not give their opinion on the constitution even in *Bakke*, since they knew that the Court as a whole rejected their argument that the case could be decided under the statute. Lewis speculates that one of the five justices who rejected the statutory argument might have held the contrary view until just before the decision was released, and so left the four little time to address the constitutional issue.)

He may be right, but there is at least another possibility. Suppose at least one of the four believed that even the Davis quota-type plan was constitutional. If he had said so, but nevertheless voted in favor of Bakke on the statutory issue then the Court would have ordered Bakke admitted even though a majority of the full court, and not simply a majority of those speaking to each issue, was against Bakke on both grounds, and even though the Court would have been constrained, by precedent, to approve a quota-type program in the future. That would have been even more bizarre and confusing that the present decision. But all this is simply guesswork squared.

Is there any point (other than as an academic exercise) in these speculations about the position that members of the silent four would take on the constitutional issue? Some practical lawyers have already said that the main goals of affirmative action programs, at least in university and professional school education, can be served by programs that fall comfortably within what Mr. Justice Powell expressly permitted. If that is so, then it might be wise to proceed as if the Powell opinion, even though the opinion of only one justice, states constitutional law for university educational programs, and then try to work out a similar settlement for other areas, like employment, in other cases. But I am not so sure that it is so, because the Powell opinion, at least until clarified by later decisions, is less coherent and may well be less permissive than it has widely been taken to be.

Powell expressly ruled out admissions programs, like the Davis program, that reserve certain places for minority members only. He approved programs, like the Harvard undergraduate program he cited, that do not even set target numbers for minority acceptance. Such programs are aimed at diversity in the student body. They recognize that racial diversity is as important as geographical diversity or diversity in extracurricular talents and career ambitions, and so take race into account in such a way that the fact that an applicant is black may tip the balance in his favor just as the fact that another applicant is an accomplished flutist may tip the balance in his.

But a great many affirmative action admissions programs fall between these two extremes. They do not expressly reserve a set number of places for which only minority applicants compete, but they nevertheless do set rough "target" figures representing a general decision about the proportion of the class that should on general principles be filled by minority applicants. The number of such applicants accepted will vary from year to year but will hover within a range that will be less varying than the proportion of accomplished musicians, for example, or of applicants from a particular section of the country. In most cases, the admissions committee will report the number of minority applicants selected to the faculty at large, as a separate statistic, and will attempt to explain a particularly low percentage in any particular year. Minority applications will in this way be treated very differently from applications of musicians or West Coast residents. Do such rough "targets," used in this way, make a program unconstitutional under the analysis Powell proposed?

The answer may depend on the goal or purpose of the "target." Powell considered a number of goals that affirmative action programs in a medical school might be expected to achieve, and he said that some goals were constitutionally permitted, while others were not. He rejected, in particular, "the purpose of helping certain groups whom the faculty . . . perceived as victims of 'societal discrimination'." (He said that this goal must not be pursued by any classification that imposes disadvantages on others who had no responsibility for the earlier discrimination.) He accepted as permissible the goal of supplying more professional people for under-served communities, but denied that Davis had shown that a program "must prefer members of particular ethnic groups" in order to achieve that goal. He also accepted the goal of educational diversity, which in his opinion justified the flexible Harvard plan though not the Davis quota plan.

The constitutionality of an affirmative action plan therefore depends, according to Powell, on its purpose as well as its structure. It is not altogether plain how courts are to decide what the purpose of a racially conscious admissions program is. Perhaps they should not look behind an official institutional statement that the plan seeks educational diversity, if such a statement seems plausible.

But in the case of some professional schools it may not be plausible, and Powell says, in this connection, that "good faith" should be presumed only "absent a showing to the contrary. . . ." Perhaps the motives of individual members of the admissions committee or of the faculty as a whole are not relevant. It is nevertheless true that many faculty members, particularly of professional schools, support racially conscious admissions programs because they do believe that such programs are necessary to provide more professional people for the ghettos. Even more support them because they are anxious that their school help groups that have been disadvantaged by discrimination, by providing models of successful professional men and women from these groups, for example.

The leaders of many institutions are now on record, in fact, that these are their goals. (They may or may not also believe that the level of diversity in their classes that would be reached without racially conscious programs is unsatisfactory for purely educational reasons.) Many disappointed applicants to such institutions now sue, placing in evidence statements faculty members have made about the purposes of racially conscious plans, or subpoenaing officers of admission to examine their motives under oath?

Powell's opinion raises these questions, but it does little to help answer them, even in principle, because the argumentative base of this opinion is weak. It does not supply a sound intellectual foundation for the compromise the public found so attractive. The compromise is appealing politically, but it does not follow that it reflects any important difference in principle, which is what a constitutional, as distinct from a political, settlement requires.

There are indeed important differences between the "quota" kind of affirmative action program—with places reserved for "minorities" only—and more flexible plans that make race a factor, but only one factor, in the competition for all places. But these differences are administrative and symbolic. A flexible program is likely to be more efficient, in the long run, because it will allow the institution to take less than the rough target number of minority applicants when the total group of such applicants is weaker, and more when it is stronger. It is certainly better symbolically, for a number of reasons. Reserving a special program for minority applicants—providing a separate door through which they and only they may enter—preserves the structure, though of course not the purpose, of classical forms of caste and apartheid systems, and seems to denigrate minority applicants while helping them. Flexible programs emphasize, on the other hand, that successful minority candidates have been judged overall more valuable, as students, than white applicants with whom they directly competed.

But the administrative and symbolic superiority of the flexible programs, however plain, cannot justify a constitutional distinction of the sort Powell makes. There should be no constitutional distinction unless a quota program violates or threatens the constitutional rights of white applicants as *individuals* in some way that the more flexible programs do not.

Powell does not show any such difference, and it is hard to imagine how he could. If race counts in a flexible program then there will be some individual white applicant who loses a place but who would have gained one if race did not count. However that injury is described it is exactly the same injury—neither more nor less—that Bakke suffered. We cannot say that in a flexible system fewer whites lose places because race figures in the decision; that will depend on details of the flexible and quota programs being compared, on the nature of the applicants, and on other circumstances. But even if it could be shown that fewer whites would lose in a flexible plan it would not follow that the rights of those individuals who did lose were different or differently treated.

Powell argues that in a flexible plan a marginal white applicant is at least in a position to try to show that, in spite of his race, he ought to be taken in preference to a black applicant because he has some special contribution that the black applicant does not. His race does not rule him out of even part of the competition automatically.

This argument may be based on an unrealistic picture of how admissions committees must deal with a vast volume of applications even under a flexible plan. An individual admissions officer will use informal cut-off lines, no matter how flexible the program is in principle, and a majority applicant with a

low test score may be cut off from the entire competition with no further look to discover whether he is a good musician, for example, though he would have been rescued for a further look if he were black.

But even if Powell's sense of how a flexible plan works is realistic, his argument is still weak. An individual applicant has, at the start of the competition for places, a particular grade record, test score average, personality, talents, geographical background, and race. What matters, for a white applicant, is the chance these give him in the competition, and it does not make any difference to him in principle whether his race is a constant small handicap in the competition for all the places, or no handicap at all in the competition for a slightly smaller number of places. His fate depends on how much either the handicap or the exclusion reduces his overall chances of success; and there is no reason to assume, a priori, that the one will have a greater or lesser impact than the other. That will depend on the details of the plan—the degree of handicap or the proportion of exclusion—not which type of plan it is.

Powell sees an important difference between a handicap and a partial exclusion. He says that in the former case, but not the latter, an applicant is treated "as an individual" and his qualifications are "weighed fairly and competitively." (He chides Justices Brennan, White, Marshall, and Blackmun for not speaking to the importance of this "right to individualized consideration.") But this seems wrong. Whether an applicant competes for all or only part of the places, the privilege of calling attention to other qualifications does not in any degree lessen the burden of his handicap, or the unfairness of that handicap, if it is unfair at all. If the handicap does not violate his rights in a flexible plan, a partial exclusion does not violate his rights under a quota. The handicap and the partial exclusion are only different means of enforcing the same fundamental classifications. In principle, they affect a white applicant in exactly the same way—by reducing his overall chances—and neither is, in any important sense, more "individualized" than the other. The point is not (as Powell once suggests it is) that faculty administering a flexible system may covertly transform it into a quota plan. The point is rather that there is no difference, from the standpoint of individual rights, between the two systems at all.

There is a second serious problem in Powell's opinion which is more technical, but in the end more important. Both Powell and the other four justices who reached the constitutional issue discussed the question of whether racial classifications used in affirmative action programs for the benefit of minorities are "suspect" classifications which the Supreme Court should subject to "strict scrutiny." These are terms of art, and I must briefly state the doctrinal background.

Legislatures and other institutions that make political decisions must use general classifications in the rules they adopt. Whatever general classifications they use, certain individuals will suffer a disadvantage they would not have suffered if lines had been differently drawn, sometimes because the classifications treat them as having or lacking qualities they do not. State motor codes provide, for example, that no one under the age of sixteen is eligible to drive an automobile, even though some people under that age are just as competent as most over it. Ordinarily the Supreme Court will not hold such a general classificataion unconstitutional even though it believes that a different classification would place different people at a disadvantage, would be more reasonable or more efficient. It is enough if the classification the legislature makes is not irrational; that is, if it could conceivably serve a useful and proper social goal. That is a very easy test to meet, but if the Court used a more stringent test to judge all legislation, then it would be substituting its judgment on inherently controversial matters for the judgment reached by a democratic political process.

There is however, an important exception to this rule. Certain classifications are said to be "suspect" and when a state legislature employs these classifications in legislation, the Supreme Court will hold the legislation unconstitutional unless it meets a much more demanding test which has come to be called the test of "strict scrutiny." It must be shown, not simply that the use of this classification is not irrational, but that it is "necessary" to achieve what the Court has called a "compelling" governmental interest. Obviously, it is a crucial issue, in constitutional litigation, whether a particular classification is an ordinary classification, and so attracts only the relaxed ordinary scrutiny, or is a suspect classification which must endure strict scrutiny (or, as some justices have sometimes suggested, falls somewhere between these two standards of review).

Racial classifications that *disadvantage* a "minority" race are paradigm cases of suspect classifications. In the famous *Korematsu* case the Supreme Court said that "[All] legal restrictions which curtail the rights of a single racial group are immediately suspect. That is not to say that all such restrictions are unconstitutional. It is to say that courts must subject them to the most rigid scrutiny." But what about racial classifications that figure in a program designed to *benefit* a group of disadvantaged minorities? It had never been decided, prior to *Bake*, whether such "benign" classifications are suspect.

The four justices who voted to uphold the Davis plan did not argue that "benign" racial classifications should be held only to the weak ordinary standard—i.e., that it could conceivably serve a useful social goal. But neither did they think it appropriate to use the same high standard of strict scrutiny used to judge racial classifications that work against minorities. They suggested an intermediate standard, which is that remedial racial classifications "must serve important governmental objectives and must be substantially related to achievement of those objectives." They held that the Davis medical school's purpose of "remedying the effects of past societal discrimination" was sufficiently important, and that the racial classification to that objective.

But Mr. Justice Powell disagreed. He held that "benign" racial classifications should be held to the same extremely strict scrutiny that is applied to racial classifications that disadvantage a minority. He therefore required that the Davis classification be "necessary" to a "compelling" purpose, and he held that it was not. He argued that no distinction should be made between the test applied to racial classifications that benefit and those that disadvantage an established minority for two reasons. First, because any such distinction would rest on judgments, like judgments about what groups are, in the relevant sense, minorities, and which classifications carry a "stigma," that Powell called "subjective" and "standardless." Second, because constitutionally important categories would then be constantly changing as social or economic conditions (or the perception of Supreme Court justices of such conditions) changed, so that yesterday's disadvantaged minority became a member of today's powerful majority, or yesterday's helping hand became today's stigma.

There is plainly some force in this argument. All else being equal, it is better when constitutional principles are such that reasonable lawyers will not disagree about their application. But often the political and moral rights of individuals do depend on considerations that different people will assess differently, and in that case the law would purchase certainty only at the price of crudeness and inevitable injustice. American law—particularly constitutional law—has refused to pay that price, and it has become in consequence the envy of more formalistic legal systems.

It is easy, moreover, to exaggerate the "subjectivity" of the distinctions in play here. Once the distinction is made between racial classifications that disadvantage an "insular" minority, like the detention of Japanese-Americans in the *Korematsu* case, and those that are designed to benefit such a minority, then reasonable men cannot sincerely differ about where the racial classification of the Davis medical school falls. Nor is the social pattern of prejudice and discrimination the Davis program attacked either recent or transient. It is as old as the country, tragically, and will not disappear very soon.

My present point, however, is a different one. Powell's argument in favor of strict scrutiny of all racial classifications, which is that the putative distinction between benign and malignant classifications relies on "subjective" and "standardless" judgments, is not and cannot be consistent with the rest of his judgment, because his approval of flexible undergraduate program, presupposes exactly the same judgments. Powell begins his defense of flexible but racially conscious admissions program with the following exceptionally broad statement of a constitutionally protected right of universities to choose their own educational strategies:

"Academic freedom, though not a specifically enumerated constitutional right, long has been viewed as a special concern of the First Amendment. The freedom of a university to make its own judgments as to education includes the selection of its student body. Mr. Justice Frankfurter summarized the "four essential freedoms" that comprise academic freedom: "It is an atmosphere in which there prevail the four essential freedoms of a university—to determine for itself on academic grounds who may teach, what may be taught, how it shall be taught, and who may be admitted to study." [19]

Diversity is the "compelling" goal that Powell believes universities may seek through flexible (but not crude) racially conscious policies. But what if a law school faculty, in the exercise of its right to "determine for itself . . . who shall be admitted to study," decided to count the fact that an applicant is Jewish as a negative consideration, though not an absolute exclusion, in the competition for all its places? It might decide that it is injurious to "diversity" or to the "robust exchange of ideas" that Jews should form so large and disproportionate a part of law school classes as they now do. Or what if a Southern medical school one day found that a disproportionately large number of black applicants was being admitted on racially neutral tests, which threatened the diversity of its student body, to the detriment, as it determined, of its educational process? It might then count being white as a factor beneficial to admission, like being a musician or having an intention to practice medicine in a rural area.

The four justices who voted to uphold the Davis program as constitutional would have no trouble distinguishing these flexible programs that count being Jewish as a handicap or being white as a beneficial factor. Neither of these programs could be defended as helping to remedy "the effects of past societal discrimination." They could argue that, on the contrary, since these programs put at a

disadvantage members of races that have been and remain the victims of systematic prejudice, the programs must for that reason be subject to "strict scrutiny" and disallowed unless positively shown to be both "necessary" and compelling.

Mr. Justice Powell did not, of course, have any such programs in mind when he wrote his opinion. He surely could not accept them as constitutional. But he, unlike the four justices, could not consistently distinguish such programs on their grounds, since the judgments I just described involve precisely the "subjective" and "standardless" judgments about "stigma" that he rejected as inappropriate to constitutional principles.

The point is, I think, a simple one. The difference between a general racial classification that causes further disadvantge to those who have suffered from prejudice, and a classification framed to help them, is morally significant, and cannot be consistently denied by a constitutional law that does not exclude the use of race altogether. If the nominal standard for testing racial classifications denies the difference, the difference will nevertheless reappear when the standard is applied because (as these unlikely hypothetical examples show) our sense of justice will insist on a distinction. If that is so, then the standard, however it is drafted, is not the same, and will not long be thought to be.

I raise these objections to Powell's opinion, not simply because I disagree with his arguments, but to indicate why I believe that the compromise he fashioned, though immediately popular, may not be sufficiently strong in principle to furnish the basis for a coherent and lasting constitutional law of affirmative action. Later cases will, of course, try to absorb his opinion into a more general settlement, because it was the closest thing to an opinion of the Court in the famous *Baake* case, and because it is the creditable practice of the Court to try to accommodate rather than to disown the early history of its own doctrine. But Powell's opinion suffers from fundamental weaknesses and, if the Court is to arrive at a coherent position, far more judicial work remains to be done than a relieved public yet realizes.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, for 30 minutes, today, and to revise and extend his remarks and to include extraneous matter.

Mr. SIKES, for 30 minutes, on August 3, 1978, and to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mr. COLEMAN) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 10 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

Mr. SARASIN, for 5 minutes, tolay.

Mr. STEIGER, for 5 minutes, August 3, 1978.

Mr. SKUBITZ, for 5 minutes, August 3, 1978.

Mr. GREEN, for 10 minutes, today.

Mr. RUDD, for 10 minutes, today.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. ULLMAN, for 5 minutes, today.

Mrs. LLOYD of Tennessee, for 5 minutes, today.

Mr. WON PAT, for 30 minutes, on August 3, 1978.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DELLUMS, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $2,463.75.

Mr. VANIK, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $2,463.75.

Mr. STEERS, in opposition to the Bauman amendment, immediately following consideration of the Bauman amendment in the Committee of the Whole today on H.R. 12931.

(The following Members (at the request of Mr. COLEMAN), and to include extraneous material:)

Mr. CRANE.

Mr. MARKS.

Mr. MCKINNEY.

Mr. ARCHER.

Mr. DEL CLAWSON.

Mr. FINDLEY.

Mr. GRASSLEY.

Mr. RINALDO.

Mr. HANSEN in three instances.

Mr. ASHBROOK in two instances.

Mr. SAWYER.

Mr. COHEN.

Mr. TRIBLE.

Mr. KEMP.

Mr. MARTIN.

Mr. EDWARDS of Oklahoma.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. CONYERS.

Mr. D'AMOURS.

Mr. FRASER.

Mr. SANTINI in two instances.

Mr. GARCIA.

Mrs. MEYNER.

Mr. MITCHELL of Maryland.

Mr. HAMILTON.

Mr. EILBERG in two instances.

Mr. RISENHOOVER in three instances.

Mr. MOSS.

Mr. PATTISON of New York.

Mr. MOAKLEY.

Mr. TSONGAS.

Mr. UDALL.

Mr. DE LA GARZA in 10 instances.

Mr. BAUCUS.

Mr. GUDGER.

Mr. BRECKINRIDGE.

Mr. WOLFF.

Mr. ROSENTHAL.

Mr. RUSSO.

Mr. ROSE.

Mr. STRATTON.

Mr. BRADEMAS in 10 instances.

Mr. LAFALCE in two instances.

Mr. LLOYD of California.

Mrs. LLOYD of Tennessee.

Mrs. SPELLMAN.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on August 1, 1978, present to the President, for his approval, a bill of the House of the following title:

H.R. 12138. To name a certain Federal building in Laguna Niguel, Calif., the "Chet Holifield Building."

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 44 minutes p.m.), the House adjourned until tomorrow, Thursday, August 3, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4690. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, concerning Marine Corps officers: Promotion and continuation on the Active List; to the Committee on Armed Services.

4691. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to redefine service in grade eligibility requirements for consideration by selection boards for promotion of active duty Navy male line officers, active duty Marine Corps male officers, active duty Navy women line officers; and active duty Marine Corps women officers; to the Committee on Armed Services.

4692. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

4693. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

4694. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-236, "To promote and facilitate medical studies, research, education and the performance of obligations of medical review committees in the District of Columbia concerning medical records, information and data," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4695. A letter from the Chairman, Council of the District of Columbia transmitting a copy of Council Act No. 2-237, "To amend the Rental Housing Act of 1977 (D.C. Law 2-54)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4696. A letter from the Administrator of General Services, transmitting notice of a proposed new records system, pursuant to

5 U.S.C. 552a(o); to the Committee on Government Operations.

4697. A letter from the Clerk U.S. House of Representatives, transmitting his quarterly report of receipts and expenditures for the period April 1 through June 30, 1978, pursuant to section 105(a) of Public Law 88-454, as amended (H. Doc. No. 95-372); to the Committee on House Administration and ordered to be printed.

4698. A letter from the president, U.S. Railway Association, transmitting the association's third quarterly report, pursuant to section 202(e)(2) of the Regional Rail Reorganization Act of 1963, as amended (91 Stat. 1423); to the Committee on Interstate and Foreign Commerce.

4699. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality, Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

4700. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(2) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

4701. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Metropolitan Spokane Region water resources study, in partial response to resolutions of the House and Senate Committees on Public Works adopted May 5, 1966, and October 7, 1965, respectively; to the Committee on Public Works and Transportation.

4702. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the South Shore of Barnstable, Mass., in response to a resolution of the House Committee on Public Works adopted December 11, 1969; to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON: Committee on House Administration. House Resolution 1237. Resolution to provide funds for the further expenses of investigations and studies by the ad hoc Committee on Energy (Rept. No. 95-1409), Referred to the House Calendar.

Mr. DANIELSON: Committee on the Judiciary. H.R. 7679. A bill to amend title 28, United States Code, to provide for actions against insurers on claims against persons entitled to diplomatic immunity; with amendment (Rept. No. 95-1410). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 11579. A bill to designate the Veterans' Administration hospital located at 1901 South First Street, Temple, Tex., as the "Olin E. Teague Veterans' Hospital"; with amendment (Rept. 95-1411). Referred to the House Calendar.

Mr. DANIELSON: Committee on the Judiciary. S. 2424. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein (Rept. No. 95-1416). Referred to the House Calendar.

Mr. NEDZI: Committee on House Administration. H.R. 10792. A bill to authorize the Smithsonian Institution to acquire the Museum of African Art, and for other purposes; with amendment (Rept. No. 95-1417). Referred to the Committee of the Whole House on the State of the Union.

Mr. DANIELSON: Committee on the Judiciary. H.R. 11956. A bill to amend the Federal charter of the Boy Scouts of America (Rept. 95-1418). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLAND: Committee of conference. Conference report on H.R. 12240 (Rept. No. 95-1420). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EILBERG: Committee on the Judiciary. H.R. 1400. A bill for the relief of Stefan Kowalik; with amendment (Rept. No. 95-1412). Referred to the Committee of the Whole House.

Mr. HALL: Committee on the Judiciary. H.R. 1931. A bill for the relief of Juana Todd Atherley; with amendment (Rept. No. 95-1413). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 3613. A bill for the relief of Irma Victoria Bolarte Alvarado (Rept. No. 95-1414). Referred to the Committee of the Whole House.

Mr FISH: Committee on the Judiciary. H.R. 5163. A bill for the relief of Marinelle Khristy Cruz; with amendment (Rept. No. 95-1415). Referred to the Committee of the Whole House.

Mr. STRATTON: Committee on Armed Services. H.R. 13268. A bill to authorize the appointment of Lloyd Leslie Burke, colonel, U.S. Army, to the grade of brigadier general; with amendment (Rept. No. 95-1419). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary H.R. 10407. A bill for the relief of Ling-Yung Kung; with amendment (Rept. No. 95-1421). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 1402. A bill for the relief of Rosario A. Calvin; with amendment (Rept. No. 95-1422). Referred to the Committee of the Whole House.

Mr. SAWYER: Committee on the Judiciary. H.R. 7387. A bill for he relief of Noel Abueg Emde; with amendment (Rept. No. 95-1423). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 8751. A bill for the relief of Francesco Giuttari; with amendment (Rept. No. 95-1424); Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 9610. A bill for the relief of Raymond Vishnu Clemons (Rept. No. 95-1425). Referred to the Committee of the Whole House.

Mr. SAWYER: Committee on the Judiciary. H.R. 9613. A bill for the relief of Eustace John D'Souza (Rept. No. 95-1426). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself, Mr. REUSS, Mr. ASHLEY, Mr. ST GERMAIN, Mr. GONZALEZ, Mr. HANLEY, Mr. MITCHELL of Maryland, Mr. NEAL, Mr. PATTERSON of California, Mr. BLANCHARD, Mrs. SPELLMAN, Mr. AUCOIN, Mr. TSONGAS, Mr. HANNAFORD, Mr. CAVANAUGH, Ms. OAKAR, Mr. MATTOX, Mr. VENTO, Mr. BARNARD, Mr. WATKINS, Mr. BROWN of Michigan, Mr. ROUSSELOT, Mr. HYDE, and Mr. LEACH):

H.R. 13686. A bill to amend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions and to provide that there shall be no differential with respect to transactional accounts; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BIAGGI (for himself and Mr. JACOBS):

H.R. 13687. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary

By Mr. JOHN L. BURTON (for himself, Mr. BROOKS, Mr. HORTON, Mr. FASCELL, Mr. ERLENBORN, Mr. PREYER, Mr. HARRINGTON, Mr. JENRETTE, Mr. WALKER, Mr. STANGELAND, Mr. RYAN, and Mr. WAXMAN):

H.R. 13688. A bill to authorize the permanent establishment of a system of Federal Information Centers; to the Committee on Government Operations.

By Mr. CRANE (for himself, Mr. EDWARDS of Oklahoma, Mr. BADHAM, Mr. HARSHA, Mr. BUCHANAN, Mr. MOORHEAD of California, Mr. DORNAN, and Mr. BURKE of Florida):

H.R. 13689. A bill to require the Environmental Protection Agency and all other Federal regulatory agencies to evaluate, prior to the issuance of a regulation, the potential economic effect and environmental impact of such regulations; to the Committee on Government Operations.

By Mr. CRANE (for himself, Mr. EDWARDS of Oklahoma, Mr. BADHAM, Mr. HARSHA, Mr. BUCHANAN, Mr. MOORHEAD of California, Mr. DORNAN, Mr. BURKE of Florida, and Mr. MCCLOSKEY):

H.R. 13690. A bill to amend the Antidumping Act of 1921; to the Committee on Ways and Means.

H.R. 13691. A bill to amend the Internal Revenue Code of 1954 to reduce income taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. DICKINSON (for himself, Mr. NICHOLS, Mr. BRINKLEY, Mr. MATHIS, Mr. FLOWERS, Mr. EDWARDS of Alabama, Mr. BUCHANAN, Mr. BEVILL, Mr. FLIPPO, and Mr. BARNARD):

H.R. 13692. A bill granting the consent of Congress to the Historic Chattahoochee Compact between the States of Alabama and Georgia; to the Committee on the Judiciary.

By Mr. FINDLEY (for himself and Mr. SIMON):

H.R. 13693. A bill to provide safeguards to producers in the storing and selling of grain; and to establish the Federal Grain Insurance Corporation; to the Committee on Agriculture.

By Mr. FLORIO:

H.R. 13694. A bill to provide assistance for specific neighborhood conservation and revitalization projects, to improve the capabilities of neighborhood organizations in planning and carrying out such projects, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. MEYNER:

H.R. 13695. A bill to amend the Internal Revenue Code of 1954 to provide individuals a deduction for amounts contributed to tax exempt school trust (TEST) funds payments from which are restricted to the payment of educational expenses of postsecondary education; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mr. COCHRAN of Mississippi, Mr. EDWARDS of California, Mr. FLOOD, Mr. WEAVER, Mr. SKUBITZ, Mr. ROSENTHAL, Mr. LOTT, Ms. MIKULSKI, Mr. EILBERG, Mr. KILDEE, Ms. HOLTZMAN, and Mr. HUGHES):

H.R. 13696. A bill to require that the Secretary of Energy notify any State of any investigation of any site in such State for the construction of any radioactive waste storage facility and allow such State to prevent the construction of such facility on such site by an action of the State legislature or a statewide referendum; to the Committee on Interior and Insular Affairs, and Interstate and Foreign Commerce.

By Mr. SCHULZE:

H.R. 13697. A bill to amend the Internal Revenue Code of 1954 to allow tax-free rollovers of certain amounts received under section 403(b) annuities; to the Committee on Ways and Means.

By Mr. SYMMS (for himself, Mr. EVANS of Georgia, Mr. MCDONALD, Mr. DEVINE, Mr. GEPHARDT, Mr. KEMP, Mr. EDWARDS of Oklahoma, Mr. FRENZEL, Mr. WHITEHURST, Mr. GUYER, Mr. KINDNESS, Mr. HANSEN, Mr. BOB WILSON, Mr. BADHAM, and Mr. COLLINS of Texas):

H.R. 13698. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under the act solely to assure their safety, to promote the efficient and fair treatment of new drug applications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. UDALL (for himself, Mr. JENRETTE, and Mr. BALDUS):

H.R. 13699. A bill to amend the tax laws of the United States to encourage the preservation of independent local newspapers; to the Committee on Ways and Means.

By Mr. WOLFF (for himself and Mr. PANETTA):

H.R. 13700. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. BREAUX:

H.R. 13701. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON (for himself, Mr. MEEDS, Mr. UDALL, Mr. DON H. CLAUSEN, Mr. RONCALIO, Mr. LAGOMARSINO, Mr. BINGHAM, Mr. SKUBITZ, Mr. SEIBERLING, Mr. LUJAN, Mr. RUNNELS, Mr. SEBELIUS, Mr. ECKHARDT, Mr. JOHNSON of Colorado, Mr. BYRON, Mr. YOUNG of Alaska, Mr. SANTINI, Mr. MARRIOTT, Mr. WEAVER, Mr. CARR, Mr. DUNCAN of Oregon, Mr. MCKAY, Mr. MOAKLEY, Ms. CHISHOLM, and Mr. DODD):

H.R. 13702. A bill to provide that the Territory of American Samoa be represented by a nonvoting Delegate to the U.S. House of Representatives, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. MEEDS, Mr. KAZEN, Mr. MILLER of California, Mr. WON PAT, Mr. DE LUGO, Mr. SHARP, Mr. KREBS, Mr. MARKEY, Mr. KOSTMAYER, Mr. CORRADA, Mr. MURPHY of Pennsylvania, Mr. RAHALL, Mr. VENTO, Mr. FLORIO, Mr. AKAKA, Mrs. BOGGS, Mr. BONIOR, Mr. BROWN of California, Mrs. BURKE of California, Mr. KASTENMEIER, Mr. CORMAN, Mr. CORNELL, Mr. DIGGS, and Mr. ERTEL):

H.R. 13703. A bill to provide that the Territory of American Samoa be represented by a nonvoting Delegate to the U.S. House of Representatives, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. MEEDS, Mr. FORD of Tennessee, Mr. GORE, Mr. HARKIN, Mr. HEFTEL, Ms. HOLTZMAN, Mr. IRELAND, Mr. JENRETTE, Mr. JOHNSON of California, Mr. KILDEE, Mr. LEGGETT, Mr. LEVITAS, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. MURTHA, Mr. NEDZI, Mr. PATTERSON of California, Mr. PERKINS, Mr. RODINO, Mr. ROSE, Mr. ROYBAL, and Mr. SOLARZ):

H.R. 13704. A bill to provide that the Territory of American Samoa be represented by a nonvoting Delegate to the U.S. House of Representatives, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. MEEDS, Mr. BEILENSON, Mr. JOHN L. BURTON, Mr. MCCLOSKEY, Mr. PANETTA, Mr. RANGEL, Mr. STUDDS, Mr. THORNTON, Mr. WAXMAN, Mr. WEISS, Mr. HOWARD, Mr. ANDERSON of California, Mr. GARCIA, and Mr. EDWARDS of California):

H.R. 13705. A bill to provide that the Territory of American Samoa be represented by a nonvoting Delegate to the U.S. House of Representatives, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DE LA GARZA:

H.R. 13706. A bill to repeal certain requirements relating to notice of animal and plant quarantines, and for other purposes; to the Committee on Agriculture.

By Mr. DRINAN (for himself and Mr. GREEN):

H.R. 13707. A bill to promote the development of methods of research, experimentation, and testing that minimize the use of, and pain and suffering to, live animals; to the Committee on Science and Technology.

By Mr. EVANS of Colorado:

H.R. 13708. A bill to provide for the orderly construction, operation and maintenance of the previously authorized Fryingpan-Arkansas Federal reclamation project in Colorado, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GREEN:

H.R. 13709. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for occupational therapy services, whether furnished as a part of home health services or otherwise; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GUDGER (for himself, Mr. MANN, Ms. HOLTZMAN, Mr. HALL, Mr. EVANS of Georgia, Mr. ROSE, Mr. PREYER, Mr. NEAL, Mr. WHITLEY, Mr. HEFNER, and Mr. ANDREWS of North Carolina):

H.R. 13710. A bill to amend the Federal Rules of Criminal Procedure to limit Federal searches and seizures of property in the possession of innocent third parties; to the Committee on the Judiciary.

By Mrs. HOLT (for herself, Mr. BUTLER, Mr. DORNAN, Mr. FLOWERS, Mr. FORSYTHE, Mr. HANSEN, Mr. LAGOMARSINO, Mr. LEACH, Mr. LENT, Mr. LIVINGSTON, Mrs. LLOYD of Tennessee, Mr. MADIGAN, Mr. MILLER of Ohio, Mr. MITCHELL of New York, Mr. JOHN T. MYERS, Mr. RUDD, Mr. SPENCE, Mr. STEIGER, Mr. STUMP, Mr. SYMMS, Mr. TAYLOR, Mr. WHITEHURST, and Mr. WINN):

H.R. 13711. A bill to limit the growth rate of Federal spending and provide for permanent tax rate reductions for individuals and businesses; jointly, to the Committees on Rules, and Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. BALDUS, and Mr. MARLENEE):

H.R. 13712. A bill to provide that agencies consider alternative regulatory proposals in the promulgation of agency rules, regulations, and reporting requirements, and for other purposes; to the Committee on the Judiciary.

By Mr. MARTIN:

H.R. 13713. A bill to amend the Internal Revenue Code of 1954 relative to educational activities and advertising income of nonprofit organizations; to the Committee on Ways and Means.

H.R. 13714. A bill to amend the Internal Revenue Code of 1954 with respect to the number of individuals who may be shareholders in subchapter S corporations; to the Committee on Ways and Means.

By Mr. MILFORD:

H.R. 13715. A bill to improve the operational weather programs of the National Oceanic and Atmospheric Administration, to affirm the Federal responsibility for the provision of effective weather and related services, to assure to the maximum possible extent that all available Federal resources are utilized in a coordinated manner in weather-related research, development, and technology, and for other purposes; to the Committee on Science and Technology.

By Mr. REUSS:

H.R. 13716. A bill to permit Federal savings and loan associations to raise additional capital through the issuance of mutual capital certificates, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ERTEL:

H.R. 13717. A bill to provide for equal access to the courts; to the Committee on the Judiciary.

By Mr. LAFALCE (by request):

H.R. 13718. A bill to amend section 310(b) of the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. MARTIN:

H.R. 13719. A bill to offset the loss in tax revenues incurred by Guam and the Virgin Islands by reason of certain Federal tax reductions; to the Committee on Interior and Insular Affairs.

By Mr. SKUBITZ (for himself, Mr. MADIGAN, and Mr. LENT):

H.R. 13720. A bill to establish a Visitors Information Agency of the United States in the Department of Commerce, to further regional economic development through travel and tourism, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KINDNESS (for himself, Mr. GUYER, and Mr. LIVINGSTON):

H.J. Res. 1103. Joint resolution proposing an amendment to the Constitution of the United States to provide that equality of rights under the law shall not be denied or abridged by the United States or by any

State on account of sex; to the Committee on the Judiciary.

By Mr. PEPPER:

H.J. Res. 1104. Joint resolution to authorize and request the President to proclaim January 28, 1979, as "Day of Marti, Apostle of Liberty"; to the Committee on Post Office and Civil Service.

Mr. ASHBROOK:

H. Con. Res. 677. Concurrent resolution in support of the Republic of China and the Mutual Defense Treaty of 1954; to the Committee on International Relations.

By Mr. SARASIN (for himself and Mr. McHUGH):

H. Con. Res. 678. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHARLES WILSON of Texas, introduced a bill (H.R. 13721) for the relief of Miss Julia Hannah Orr, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7308

By Mr. ASHBROOK:

—Page 31, line 17, strike out "or".

Page 32, after line 3, insert the following new subparagraph:

(C) There is reason to believe has information which relates to the foreign policy or security interests of the United States; or

—Page 31, beginning on line 1, strike out ", not substantially composed of United States persons".

—Page 31, line 11, strike out "and controlled".

—Page 33, line 3, insert "or property" after "life".

—Page 33, line 11, insert "or conduct" after "policy".

—Page 33, line 13, insert "policy or" after "to affect the".

—Page 33, line 15, strike out "totally".

—Page 34, line 4, strike out "grave".

—Page 34, beginning on line 9, strike out "an intelligence service or network of".

—Page 63, strike out lines 11 through 18 and insert in lieu thereof the following:

SEC. 109. (a) OFFENSE.—A person is guilty of an offense if he intentionally engaged in electronic surveillance under color of law except as authorized by statute.

Page 63, line 19, strike out "(1)".

Page 63, line 20, strike out "(1)".

Page 63, strike out line 25 and all that follows down through line 4 on page 64.

H.R. 7308

By Mr. McCLORY:

(Amendment in the nature of a substitute)

—Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Foreign Intelligence Surveillance Act of 1978".

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TITLE I—ELECTRONIC SURVEILLANCE WITHIN THE UNITED STATES FOR FOREIGN INTELLIGENCE PURPOSES

DEFINITIONS

SEC. 101. As used in this title:

(a) "Foreign power" means—

(1) a foreign government or any component thereof, whether or not recognized by the United States;

(2) a faction of a foreign nation or nations, and substantially composed of United States persons;

(3) an entity that is openly acknowledged by a foreign government or governments to be directed and controlled by such foreign government or governments;

(4) a group engaged in international terrorism or activities in preparation therefor;

(5) a foreign-based political organization, not substantially composed of United States persons; or

(6) an entity that is directed and controlled by a foreign government or governments.

(b) "Agent of a foreign power" means—

(1) any person other than a United States person, who—

(A) acts in the United States as an officer, member, or employee of a foreign power; or

(B) acts for or on behalf of a foreign power which engages in clandestine intelligence activities in the United States contrary to the interests of the United States, when the circumstances of such person's presence in the United States indicate that such person may engage in such activities in the United States, or when such person knowingly aids or abets any person in the conduct of such activities or knowingly conspires with any person to engage in such activities; or

(2) any person who—

(A) knowingly engages in clandestine intelligence gathering activities for or on behalf of a foreign power, which activities involve or may involve a violation of the criminal statutes of the United States;

(B) pursuant to the direction of an intelligence service or network of a foreign power, knowingly engages in any other clandestine intelligence activities for or on behalf of such foreign power, which activities involve or are about to involve a violation of the criminal statutes of the United States;

(C) knowingly engages in sabotage or international terrorism, or activities that are in preparation therefor, for or on behalf of a foreign power; or

(D) knowingly aids or abets any person in the conduct of activities described in subparagraph (A), (B), or (C) or knowingly conspires with any person to engage in activities described in subparagraph (A), (B), or (C).

(c) "International terrorism" means activities that—

(1) involve violent acts or acts dangerous to human life that are or may be a violation of the criminal laws of the United States or of any State, or that might involve a criminal violation if committed within the jurisdiction of the United States or any State;

(2) appear to be intended—

(A) to intimidate or coerce a civilian population;

(B) to influence the policy of a government by intimidation or coercion; or

(C) to affect the conduct of a government by assassination or kidapping; and

(3) occur totally outside the United States, or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to coerce or intimidate, or the locale in which their perpetrators operate or seek asylum.

(d) "Sabotage" means activities that involve or may involve a violation of chapter 105 of title 18, United States Code, or that might involve such a violation if committed against the United States.

(e) "Foreign intelligence information" means—

(1) information that relates to and, if concerning a United States person, is necessary to the ability of the United States to protect against—

(A) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;

(B) sabotage or international terrorism by a foreign power or an agent of a foreign power; or

(C) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power; or

(2) information with respect to a foreign power or foreign territory that relates to and, if concerning a United States person, is necessary to—

(A) the national defense or the security of the United States; or

(B) the conduct of the foreign affairs of the United States.

(f) "Electronic surveillance" means—

(1) the acquisition by an electronic, mechanical, or other surveillance device of the contents of any wire or radio communication sent by or intended to be received by a particular, known United States person who is in the United States, if the contents are acquired by intentionally targeting that United States person, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes;

(2) the acquisition by an electronic, mechanical, or other surveillance device of the contents of any wire communication to or from a person in the United States, without the consent of any party thereto, if such acquisition occurs in the United States;

(3) the intentional acquisition by an electronic, mechanical, or other surveillance device of the contents of any radio communication, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, and if both the sender and all intended recipients are located within the United States; or

(4) the installation or use of an electronic, mechanical, or other surveillance device in the United States for monitoring to acquire information, other than from a wire or radio communication, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes.

(g) "Attorney General" means the Attorney General of the United States (or Acting Attorney General) or the Deputy Attorney General.

(h) "Minimization procedures", with respect to electronic surveillance, means—

(1) specific procedures, which shall be adopted by the Attorney General, that are reasonably designed in light of the purpose and technique of the particular surveillance, to minimize the acquisition, retention, and dissemination of nonpublicly available information concerning unconsenting United States persons consistent with the need of the United States to obtain, produce, and

disseminate foreign intelligence information;

(2) procedures that require that nonpublicly available information, which is not foreign intelligence information, as defined in subsection (e)(1), shall not be disseminated in a manner that identifies any individual United States person, without such person's consent, unless such person's identity is necessary to understand foreign intelligence information or assess its importance;

(3) notwithstanding paragraphs (1) and (2), procedures that allow for the retention and dissemination of information that is evidence of a crime which has been, is being, or is about to be committed and that is to be retained or disseminated for the purpose of preventing the crime or enforcing the criminal law; and

(4) notwithstanding paragraphs (1), (2), and (3), with respect to any electronic surveillance approved pursuant to section 102 (a), procedures that require that no contents of any communication to which a United States person is a party shall be disclosed, disseminated, or used for any purpose or retained for longer than twenty-four hours unless a court order under section 105 is obtained or unless the Attorney General determines that the information may indicate a threat of death or serious bodily harm to any person.

(i) "United States person" means a citizen of the United States, an alien lawfully admitted for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act), an unincorporated association a substantial number of members of which are citizens of the United States or aliens lawfully admitted for permanent residence, or a corporation which is incorporated in the United States, but does not include a corporation or an association which is a foreign power, as defined in subsection (a) (1), (2), or (3).

(j) "United States", when used in a geographic sense, means all areas under the territorial sovereignty of the United States and the Trust Territory of the Pacific Islands.

(k) "Aggrieved person" means a person who is the target of an electronic surveillance or any other person whose communications or activities were subject to electronic surveillance.

(l) "Wire communication" means any communication while it is being carried by a wire, cable, or other like connection furnished or operated by any person engaged as a common carrier in providing or operating such facilities for the transmission of interstate or foreign communications.

(m) "Person" means any individual, including any officer or employee of the Federal Government, or any group, entity, association, corporation, or foreign power.

(n) "Contents", when used with respect to a communication, includes any information concerning the identity of the parties to such communication or the existence, substance, purport, or meaning of that communication.

AUTHORIZATION FOR ELECTRONIC SURVEILLANCE FOR FOREIGN INTELLIGENCE PURPOSES

SEC. 102. (a) An application for a court order under this title is authorized if the President has, in writing, authorized the Attorney General to approve applications to the Special Court having jurisdiction under section 103. A judge to whom such an application is made may, notwithstanding any other law, grant an order in accordance with section 105 approving electronic surveillance of a United States person who is a foreign power or an agent of a foreign power for the purpose of obtaining foreign intelligence information.

(b)(1) If the target of electronic surveillance for the purpose of obtaining foreign intelligence information is not a United States person, such electronic surveillance may be authorized by the issuance of a surveillance certificate in accordance with subsection (c).

(2) Electronic surveillance authorized under this subsection may be authorized for the period necessary to achieve its purpose, except that—

(A) if the target of the surveillance is not a foreign power, the period of the surveillance may not exceed ninety days; and

(B) if the target of the surveillance is a foreign power, the period of the surveillance may not exceed one year.

(3) Electronic surveillance authorized under this subsection may be reauthorized in the same manner as an original authorization, but all statements required to be made under subsection (c) for the initial issuance of a surveillance certificate shall be based on new findings.

(4)(A) Upon the issuance of a surveillance certificate under this subsection, the Attorney General may direct a specified communication common carrier—

(i) to furnish any information, facility, or technical assistance necessary to accomplish the electronic surveillance in such a manner as will protect the secrecy of such surveillance and will produce a minimum of interference with the services that such common carrier provides its customers; and

(ii) to maintain any records concerning such surveillance or the assistance furnished by such common carrier that such common carrier wishes to retain under security procedures approved by the Attorney General and the Director of Central Intelligence.

(B) Any such direction by the Attorney General shall be in writing.

(C) The Government shall compensate any communication common carrier at the prevailing rate for assistance furnished by such common carrier pursuant to a direction of the Attorney General under this paragraph.

(c) A surveillance certificate issued under subsection (b)(1) shall be issued in writing and under oath by the Attorney General and an executive branch official or officials designated by the President from among those officials employed in the area of national security or national defense who were appointed by the President by and with the advice and consent of the Senate, and shall include—

(1) a statement—

(A) identifying or describing the target of the electronic surveillance, including a certification of whether or not the target is a foreign power or an agent of a foreign power; and

(B) certifying that each of the facilities or places at which the surveillance is directed is being used or may be used by a foreign power or an agent of a foreign power;

(2) a statement of the basis for the certification under paragraph (1)—

(A) that the target of the surveillance is a foreign power or an agent of a foreign power; and

(B) that each of the facilities or places at which the surveillance is directed is being or may be used by a foreign power or an agent of a foreign power;

(3) a statement of the proposed minimization procedures;

(4) a statement that the information sought is foreign intelligence information;

(5) a statement that the purpose of the surveillance is to obtain foreign intelligence information;

(6) if the target of the surveillance is not a foreign power, a statement of the basis for the certification under paragraph (4) that the information sought is foreign intelligence information;

(7) a statement of the period of time for which the surveillance is required to be maintained;

(8) a statement of the means by which the surveillance will be effected;

(9) if the nature of the intelligence gathering is such that the approval of electronic surveillance under subsection (b) should not automatically terminate when the described type of information has first been obtained, a statement of the facts indicating that additional information of the same type will be obtained thereafter;

(10) a statement indicating whether or not an emergency authorization was made under section 105(e); and

(11) if more than one electronic, mechanical, or other surveillance device is to be involved with respect to such surveillance, a statement specifying the types of devices involved, their coverage, and the minimization procedures that will apply to information acquired by each type of device.

SPECIAL COURTS

SEC. 103. (a) There is established a Special Court of the United States with jurisdiction throughout the United States to carry out the judicial duties of this title. The Chief Justice of the United States shall publicly designate at least one judge from each of the judicial circuits, nominated by the chief judges of the respective circuits, who shall be members of the Special Court and one of whom the Chief Justice shall publicly designate as the chief judge. The Special Court shall sit continuously in the District of Columbia.

(b) There is established a Special Court of Appeals with jurisdiction to hear appeals from decisions of the Special Court and any other matter assigned to it by this title. The Chief Justice shall publicly designate six judges, one of whom shall be publicly designated as the chief judge, from among judges nominated by the chief judges of the district courts of the District of Columbia, the Eastern District of Virginia and the District of Maryland, and the United States Court of Appeals for the District of Columbia, any three of whom shall constitute a panel for purposes of carrying out its duties under this title.

(c) The judges of the Special Court and the Special Court of Appeals shall be designated for six-year terms, except that the Chief Justice shall stagger the terms of the members originally chosen. No judge may serve more than two full terms.

(d) The chief judges of the Special Court and the Special Court of Appeals shall, in consultation with the Attorney General and the Director of Central Intelligence, establish such document, physical, personnel, or communications security measures as are necessary to protect information submitted to or produced by the Special Court or Special Court of Appeals from unauthorized disclosure.

(e) Proceedings under this title shall be conducted as expeditiously as possible. If any application to the Special Court is denied, the court shall record the reasons for that denial, and the reasons for that denial shall, upon the motion of the party to whom the application was denied, be transmitted under seal to the Special Court of Appeals.

(f) Decisions of the Special Court of Appeals shall be subject to review by the Supreme Court of the United States in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code, except that the Supreme Court may adopt special procedures with respect to security appropriate to the case.

(g) The Chief Judges of the Special Court and the Special Court of Appeals may, in consultation with the Attorney General and Director of Central Intelligence and consistent with subsection (d)—

(1) designate such officers or employees of the Government, as may be necessary, to serve as employees of the Special Court and Special Court of Appeals; and

(2) promulgate such rules or administrative procedures as may be necessary to the efficient functioning of the Special Court and Special Court of Appeals.

Any funds necessary to the operation of the Special Court and the Special Court of Appeals may be drawn from appropriations for the Department of Justice. The Department of Justice shall provide such fiscal and administrative services as may be necessary for the Special Court and Special Court of Appeals.

APPLICATION FOR AN ORDER

SEC. 104. (a) Each application for an order approving electronic surveillance under this title shall be made by a Federal officer in writing upon oath or affirmation to a judge having jurisdiction under section 103. Each application shall require the approval of the Attorney General based upon his finding that it satisfies the criteria and requirements of such application as set forth in this title. It shall include—

(1) the identity of the Federal officer making the application;

(2) the authority conferred on the Attorney General by the President of the United States and the approval of the Attorney General to make the application;

(3) the identity, if known, or a description of the target of the electronic surveillance;

(4) a statement of the facts and circumstances relied upon by the applicant to justify his belief that—

(A) the target of the electronic surveillance is a foreign power or an agent of a foreign power; and

(B) each of the facilities or places at which the electronic surveillance is directed is being used, or is about to be used, by a foreign power or an agent of a foreign power;

(5) a statement of the proposed minimization procedures;

(6) a detailed description of the nature of the information sought and the type of communications or activities to be subjected to the surveillance;

(7) a certification or certifications by the Assistant to the President for National Security Affairs or an executive branch official or officials designated by the President from among those executive officers employed in the area of national security or defense and appointed by the President with the advice and consent of the Senate—

(A) that the certifying official deems the information sought to be foreign intelligence information;

(B) that the purpose of the surveillance is to obtain foreign intelligence information;

(C) that such information cannot reasonably be obtained by normal investigative techniques;

(D) that designates the type of foreign intelligence information being sought according to the categories described in section 101(e); and

(E) including a statement of the basis for the certification that—

(i) the information sought is the type of foreign intelligence designated; and

(ii) such information cannot reasonably be obtained by normal investigative techniques;

(8) a statement of the means by which the surveillance will be affected;

(9) a statement of the facts concerning all previous applications that have been made to any judge under this title involving any of the persons, facilities, or places specified in the application, and the action taken on each previous application;

(10) a statement of the period of time for which the electronic surveillance is required to be maintained, and if the nature of the intelligence gathering is such that the approval of the use of electronic surveillance under this title should not automatically terminate when the described type of information has first been obtained, a description of facts supporting the belief that additional information of the same type will be obtained thereafter; and

(11) whenever more than one electronic, mechanical or other surveillance device is to be used with respect to a particular proposed electronic surveillance, the coverage of the devices involved and what minimization procedures apply to information acquired by each device.

(b) The Attorney General may require any other affidavit or certification from any other officer in connection with the application.

(c) The judge may require the applicant to furnish such other information as may be necessary to make the determinations required by section 105.

ISSUANCE OF AN ORDER

SEC. 105. (a) Upon an application made pursuant to section 104, the judge shall enter an ex parte order as requested or as modified approving the electronic surveillance if he finds that—

(1) the President has authorized the Attorney General to approve applications for electronic surveillance for foreign intelligence information;

(2) the application has been made by a Federal officer and approved by the Attorney General;

(3) on the basis of the facts submitted by the applicant there is probable cause to believe that—

(A) the target of the electronic surveillance is a foreign power or an agent of a foreign power: *Provided*, That no United States person may be considered a foreign power or an agent of a foreign power solely upon the basis of activities protected by the first amendment to the Constitution of the United States; and

(B) each of the facilities or places at which the electronic surveillance is directed is being used, or is about to be used, by a foreign power or an agent of a foreign power;

(4) the proposed minimization procedures meet the definition of minimization procedures under section 101(h); and

(5) the application which has been filed contains all statements and certifications required by section 104 and the certification or certifications are not clearly erroneous on the basis of the statement made under section 104(a)(7)(E) and any other information furnished under section 104(d).

(b) An order approving an electronic surveillance under this section shall—

(1) specify—

(A) the identity, if known, or a description of the target of the electronic surveillance;

(B) the nature and location of each of the facilities or place at which the electronic surveillance will be directed;

(C) the type of information sought to be acquired and the type of communications or activities to be subjected to the surveillance;

(D) the means by which the electronic surveillance will be effected;

(E) the period of time during which the electronic surveillance is approved; and

(F) whenever more than one electronic, mechanical, or other surveillance device is to be used under the order, the authorized coverage of the devices involved and what minimization procedures shall apply to information subject to acquisition by each device; and

(2) direct—

(A) that the minimization procedures be followed;

(B) that, upon the request of the applicant, a specified communication or other common carrier, landlord, custodian, or other specified person furnish the applicant forthwith any and all information, facilities, or technical assistance necessary to accomplish the electronic surveillance in such manner as will protect its secrecy and produce a minimum of interference with the services that such carrier, landlord custodian, or other person is providing that target of electronic surveillance;

(C) that such carrier, landlord, custodian, or other person maintain under security procedures approved by the Attorney General and the Director of Central Intelligence any records concerning the surveillance or the aid furnished that such person wishes to retain; and

(D) that the applicant compensate, at the prevailing rate, such carrier, landlord, custodian, or other person for furnishing such aid.

(c)(1) An order issued under this section may approve an electronic surveillance for the period necessary to achieve its purpose, or for ninety days, whichever is less.

(2) Extensions of an order issued under this title may be granted on the same basis as an original order upon an application for an extension and new findings made in the same manner as required for an original order.

(3) At the end of the period of time for which electronic surveillance is approved by an order or an extension, the judge may assess compliance with the minimization procedures by reviewing the circumstances under which information concerning United States persons was acquired, retained, or disseminated.

(d) Notwithstanding any other provision of this title, when the Attorney General reasonably determines that—

(1) an emergency situation exists with respect to the employment of electronic surveillance to obtain foreign intelligence information before an order authorizing such surveillance can with due diligence be obtained; and

(2) the factual basis exists for the authorization of such electronic surveillance;

he may authorize the emergency employment of electronic surveillance if the otherwise applicable procedures of this title are followed as soon as practicable, but not more than twenty-four hours after the Attorney General authorizes such surveillance. In addition, if the target of such electronic surveillance is a United States person, the Attorney General or his designee shall at the time of such authorization inform a judge designated pursuant to section 103 that the decision has been made to employ emergency electronic surveillance. If the Attorney General authorizes such emergency employment of electronic surveillance, he shall require that the minimization procedures required by this title be followed. In the absence of a judicial order or surveillance certificate approving such electronic surveillance, the surveillance shall terminate when the information sought is obtained, when the application for the order is denied, or after the expiration of twenty-four hours from the time of authorization by the Attorney General, whichever is earliest. In the event that an application for approval is denied, or a surveillance cer-

tificate is not issued, or in any other case where the electronic surveillance is terminated and no order or surveillance certificate is issued approving the surveillance, no information shall be received in evidence or otherwise disclosed in any trial, hearing, or other proceeding in or before any court, grand jury, department, office, agency, regulatory body, legislative committee, or other authority of the United States, a State, or political subdivision thereof, and no information concerning any United States person acquired from such surveillance shall subsequently be used or disclosed in any other manner by Federal officers or employees without the consent of such person, except with the approval of the Attorney General if the information may indicate a threat of death or serious bodily harm to any person. A denial of the application made under this subsection may be reviewed as provided in section 103.

(e) Notwithstanding any other provision of this title, officers, employees, or agents of the United States are authorized in the normal course of their official duties to conduct electronic surveillance not targeted against the communications of any particular person or persons, under procedures approved by the Attorney General, solely to—

(1) test the capability of electronic equipment, if—

(A) it is not reasonable to obtain the consent of the persons incidentally subjected to the surveillance;

(B) the test is limited in extent and duration to that necessary to determine the capability of the equipment; and

(C) the contents of any communication acquired are retained and used only for the purpose of determining the capability of the equipment, are disclosed only to test personnel, and are destroyed before or immediately upon completion of the test;

(2) determine the existence and capability of electronic surveillance equipment being used by persons not authorized to conduct electronic surveillance, if—

(A) it is not reasonable to obtain the consent of persons incidentally subjected to the surveillance;

(B) such electronic surveillance is limited in extent and duration to that necessary to determine the existence and capability of such equipment; and

(C) any information acquired by such surveillance is used only to enforce chapter 119 of title 18, United States Code, or section 605 of the Communications Act of 1934, or to protect information from unauthorized surveillance; or

(3) train intelligence personnel in the use of electronic surveillance equipment, if—

(A) it is not reasonable to—

(i) obtain the consent of the persons incidentally subjected to the surveillance;

(ii) train persons in the course of surveillances otherwise authorized by this title; or

(iii) train persons in the use of such equipment without engaging in electronic surveillance;

(B) such electronic surveillance is limited in extent and duration to that necessary to train the personnel in the use of the equipment; and

(C) no contents of any communication acquired are retained or disseminated for any purpose, but are destroyed as soon as reasonably possible.

(f) Certifications made by the Attorney General pursuant to section 102(a) and applications made and orders granted under this title shall be retained in accordance with the security procedures established pursuant to section 103 for a period of at least ten years from the date of the application.

USE OF INFORMATION

SEC. 106. (a) Information acquired from an electronic surveillance conducted pursuant to this title concerning any United States person may be used and disclosed by Federal officers and employees without the consent of the United States person only in accordance with the minimization procedures required by this title. No otherwise privileged communication obtained in accordance with, or in violation of, the provisions of this title shall lose its privileged character. No information acquired from an electronic surveillance pursuant to this title may be used or disclosed by Federal officers or employees except for lawful purposes.

(b) No information acquired pursuant to this title shall be disclosed for law enforcement purposes unless such disclosure is accompanied by a statement that such information, or any information derived therefrom, may only be used in a criminal proceeding with the advance authorization of the Attorney General.

(c) Whenever the Government intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, against an aggrieved person, any information obtained or derived from an electronic surveillance of that aggrieved person pursuant to the authority of this title, the Government shall, prior to the trial, hearing, or other proceeding or at a reasonable time prior to an effort to so disclose or so use that information or submit it in evidence, notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the Government intends to so disclose or so use such information.

(d) Whenever any State or political subdivision thereof intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of a State or political subdivision thereof, against an aggrieved person any information obtained or derived from an electronic surveillance of that aggrieved person pursuant to the authority of this title, the State or political subdivision thereof shall notify the aggrieved person, the court or other authority in which the information is to be disclosed or used, and the Attorney General that the State or political subdivision thereof intends to so disclose or so use such information.

(e) Any person against whom evidence obtained or derived from an electronic surveillance to which he is an aggrieved person is to be, or has been, introduced or otherwise used or disclosed in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, a State, or a political subdivision thereof, may move to suppress the evidence obtained or derived from such electronic surveillance on the grounds that—

(1) the information was unlawfully acquired; or

(2) the surveillance was not made in conformity with an order of authorization or approval.

Such a motion shall be made before the trial, hearing, or other proceeding unless there was no opportunity to make such a motion or the person was not aware of the grounds of the motion.

(f) Whenever a court or other authority is notified pursuant to subsection (c) or (d), or whenever a motion is made pursuant to subsection (e) and the Government concedes that information obtained or derived from an electronic surveillance pursuant to the authority of this title as to which the moving party is an aggrieved person is to be, or has been, introduced or otherwise used or disclosed in any trial, hearing, or other proceeding, the Government may make a motion before the Special Court to determine the lawfulness of the electronic surveillance. Unless all the judges of the Special Court are so disqualified, the motion may not be heard by a judge who granted or denied an order or extension involving the surveillance at issue. Such motion shall stay any action in any court or authority to determine the lawfulness of the surveillance. In determining the lawfulness of the surveillance, the Special Court shall, notwithstanding any other law, if the Attorney General files an affidavit under oath with the Special Court that disclosure would harm the national security of the aggrieved person was lawfully authorized and conducted. In making this determination, the Special Court may disclose to the aggrieved person, under appropriate intelligence sources and methods review in camera the application and order or the surveillance certificate and such other materials relating to the surveillance as may be necessary to determine whether the surveillance of the aggrieved person was lawfully authorized and conducted. In making this determination, the Special Court may disclose to the aggrieved person, under appropriate security procedures and protective orders, portions of the application, order, or other materials if there is a reasonable question as to the legality of the surveillance and if disclosure would likely promote a more accurate determination of such legality, or if such disclosure would not harm the national security.

(g) Except as provided in subsection (f), whenever any motion or request is made pursuant to any statute or rule of the United States or any State before any court or other authority of the United States or any State to discover or obtain applications, orders, or surveillance certificates or other materials relating to surveillance pursuant to the authority of this title or to discover, obtain, or suppress any information obtained from electronic surveillance pursuant to the authority of this title, and the court or other authority determines that the moving party is an aggrieved person, if the Attorney General files with the Special Court of Appeals an affidavit under oath than an adversary hearing would harm the national security or compromise foreign intelligence sources and methods and that no information obtained or derived from an electronic surveillance pursuant to the authority of this title has been or is about to be used by the Government in the case before the court or other authority, the Special Court of Appeals shall, notwithstanding any other law, stay the proceeding before the other court or authority and review in camera and ex parte the application and order or surveillance certificate and such other materials as may be necessary to determine whether the surveillance of the aggrieved person was lawfully authorized and conducted. In making this determination, the Special Court of Appeals shall disclose, under appropriate security procedures and protective orders, to the aggrieved person or his attorney portions of the application, order, surveillance certificate or other materials relating to the surveillance only if necessary to afford due process to the aggrieved person.

(h) If the Special Court pursuant to subsection (f) or the Special Court of Appeals pursuant to subsection (g) determines the surveillance was not lawfully authorized and conducted, it shall, in accordance with the requirements of the law, suppress the evidence which was unlawfully obtained or derived from electronic surveillance of the aggrieved person or otherwise grant the motion of the aggrieved person. If the Special Court pursuant to subsection (f) or the Special Court of Appeals pursuant to subsection (g) determines the surveillance was lawfully au-

thorized and conducted, it shall deny the motion of the aggrieved person except to the extent that due process requires discovery or disclosure.

(i) Orders granting or denying motions or requests under subsection (h), decisions under this section as to the lawfullness of electronic surveillance, and, absent a finding of unlawfulness, orders of the Special Court or Special Court of Appeals granting or denying disclosure of applications, orders, or other materials relating to a surveillance shall be final orders and binding upon all courts of the United States and the several States except the Special Court of Appeals and the Supreme Court.

(j) In circumstances involving the unintentional acquisition by an electronic, mechanical, or other surveillance device of the contents of any radio communication, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, and if both the sender and all intended recipients are located within the United States, such contents shall be destroyed upon recognition, unless the Attorney General determines that the contents may indicate a threat of death or serious bodily harm to any person.

(k) If an emergency employment of electronic surveillance is authorized under section 105(e) and a subsequent order approving the surveillance is not obtained, the judge shall cause to be served on any United States person named in the application and on such other United States persons subject to electronic surveillance as the judge may determine in his discretion it is in the interest of justice to serve, notice of—

(1) the fact of the application;

(2) the period of the surveillance; and

(3) the fact that during the period information was or was not obtained.

On an ex parte showing of good cause to the judge the serving of the notice required by this subsection may be postponed or suspended for a period not to exceed ninety days. Thereafter, on a further ex parte showing of good cause, the court shall forego ordering the serving of the notice required under this subsection.

REPORT OF ELECTRONIC SURVEILLANCE

SEC. 107. In April of each year, the Attorney General shall transmit to the Administrative Office of the United States Courts and to Congress a report setting forth with respect to the preceding calendar year—

(a) the total number of applications made for orders and extensions of orders approving electronic surveilance under this title; and

(b) the total number of such orders and extensions either granted, modified, or denied.

CONGRESSIONAL OVERSIGHT

SEC. 108. On a semiannual basis the Attorney General shall fully inform the House Permanent Select Committee on Intelligence concerning all electronic surveillance under this title. Nothing in this title shall be deemed to limit the authority and responsibility of those committees to obtain such additional information as they may need to carry out their respective functions and duties.

PENALTIES

SEC. 109. (a) OFFENSE.—A person is guilty of an offense if he intentionally—

(1) engages in electronic surveillance under color of law except as authorized by statute; or

(2) violates section 102(a)(2), 105(e), 105(f), 105(g), 106(a), 106(b), or 106(j) or any court order issued pursuant to this title, knowing his conduct violates such an order or this title.

(b) DEFENSE.—(1) It is a defense to a prosecution under subsection (a)(1) that the defendant was a law enforcement or investigative officer engaged in the course of his official duties and the electronic surveillance was authorized by and conducted pursuant to a search warrant or court order of a court of competent jurisdiction.

(2) It is a defense to a prosecution under subsection (a)(2) that the defendant acted in a good faith belief that his actions did not violate any provision of this title or any court order issued pursuant to this title, under circumstances where that belief was reasonable.

(c) PENALTY.—An offense described in this section is punishable by a fine of not more than $10,000 or imprisonment for not more than five years, or both.

(d) JURISDICTION.—There is Federal jurisdiction over an offense under this section if the person committing the offense was an officer or employee of the United States at the time the offense was committed.

CIVIL LIABILITY

SEC. 110. CIVIL ACTION.—An aggrieved person, other than a foreign power or an agent of a foreign power, as defined in section 101(a) or (b)(1)(A), respectively, who has been subjected to an electronic surveillance or whose communication has been disseminated or used in violation of section 109 shall have a cause of action against any person who committed such violation and shall be entitled to recover—

(a) actual damages, but not less than liquidated damages of $1,000 or $10 per day for each day of violation, whichever is greater;

(b) punitive damages; and

(c) reasonable attorney's fees and other investigation and litigation costs reasonably incurred.

TITLE II—CONFORMING AMENDMENTS

AMENDMENTS TO CHAPTER 119 OF TITLE 18, UNITED STATES CODE

SEC. 201. Chapter 119 of title 18, United States Code, is amended as follows:

(a) Section 2511(2)(a)(ii) is amended to read as follows:

"(ii) Notwithstanding any other law, communication common carriers, their officers, employees, and agents, landlords, custodians, or other persons, are authorized to provide information, facilities, or technical assistance to persons authorized by law to intercept wire or oral communications or to conduct electronic surveillance, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978, if the common carrier, its officers, employees, or agents, landlord, custodian, or other specified person has been provided with—

"(A) a court order directing such assistance signed by the authorizing judge, or

"(B) a certification in writing by a person, specified in section 2518(7) of this title or the Attorney General of the United States that no warrant or court order is required by law, that all statutory requirements have been met, and that the specified assistance is required,

setting forth the period of time during which the provision of the information, facilities, or technical assistance is authorized and specifying the information, facilities, or technical assistance required. No communication common carrier, officer, employee, or agent thereof, or landlord, custodian, or other specified person shall disclose the existence of any interception or surveillance or the device used to accomplish the interception or surveillance with respect to which the person has been furnished an order or certification under this subparagraph, except as may otherwise be required by legal process and then only after prior notification to the Attorney General or to the principal prosecuting attorney of a State or any political subdivision of a State, as may be appropriate. No cause of action shall lie in any court against any communication common carrier, its officers, employees, or agents, landlord, custodian, or other specified person for providing information, facilities, or assistance in accordance with the terms of an order or certification under this subparagraph.".

(b) Section 2511(2) is amended by adding at the end thereof the following new provisions:

"(e) Notwithstanding any other provision of this title or section 605 or 606 of the Communications Act of 1934, it shall not be unlawful for an officer, employee, or agent of the United States in the normal course of his official duty to conduct electronic surveillance, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978, as authorized by that Act.

"(f) Nothing contained in this chapter, or section 605 of the Communications Act of 1934, shall be deemed to affect the acquisition by the United States Government of foreign intelligence information from international or foreign communications by a means other than electronic surveillance as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978, and procedures in this chapter and the Foreign Intelligence Surveillance Act of 1978 shall be the exclusive means by which electronic surveillance, as defined in section 101 of such Act, and the interception of domestic wire and oral communications may be conducted.".

(c) Section 2511(3) is repealed.

(d) Section 2518(1) is amended by inserting "under this chapter" after "communication".

(e) Section 2518(4) is amended by inserting "under this chapter" after both appearances of "wire or oral communication".

(f) Section 2518(9) is amended by striking out "intercepted" and inserting "intercepted pursuant to this chapter" after "communication".

(g) Section 2518(10) is amended by striking out "intercepted" and inserting "intercepted pursuant to this chapter" after the first appearance of "communication".

(h) Section 2519(3) is amended by inserting "pursuant to this chapter" after "wire or oral communications" and after "granted or denied".

TITLE III—EFFECTIVE DATE

EFFECTIVE DATE

SEC. 301. The provisions of this Act and the amendments made hereby shall become effective upon the date of enactment of this Act, except that any electronic surveillance approved by the Attorney General to gather foreign intelligence information shall not be deemed unlawful for failure to follow the procedures of this Act, if that surveillance is terminated or an order or surveillance certificate approving that surveillance is obtained under title I of this Act within ninety days following the designation of the chief judges pursuant to section 103 of this Act.

Amend the title so as to read: "A bill to authorize electronic surveillance to obtain foreign intelligence information.".

H.R. 7308

By Mr. WIGGINS:

—Page 32, line 7, strike out ", which activities involve" and all that follows down through line 16, and redesignate subparagraphs (C) and (D) accordingly.

—Page 32, line 14, strike out "are about to" and insert in lieu thereof "may".

—Page 38, strike out lines 5 and 6 and insert in lieu thereof "or trusteeship of the United States.".

—Page 41, beginning on line 6, strike out "for the purpose of obtaining foreign intelligence information".

—Page 51, strike out line 24 and all that follows through page 52, line 4.

—Page 64, after line 25, add the following new section:

CONSTITUTIONAL POWER OF THE PRESIDENT

SEC. 111. Nothing contained in chapter 119 of Title 18, United States Code, section 605 of the Communications Act of 1934, or this Act shall be deemed to affect the power vested by the Constitution in the President to acquire foreign intelligence information by means of an electronic, mechancial, or other surveillance device.

H.R. 12931

By Mr. HARKIN:

—Page 11, line 16, immediately after "Laos," insert "El Salvador"

—Page 11, line 16, immediately after "Laos," insert "Paraguay"

—Page 11, strike out the period on line 17 and insert in lieu thereof ", except that funds appropriated or made available pursuant to this Act for assistance under part I of the Foreign Assistance Act of 1961 (other than funds for the Economic Support Fund or peacekeeping operations) may be provided to any country named in this section (except the Socialist Republic of Vietnam) in accordance with the requirements of section 116 of the Foreign Assistance Act of 1961."

—Page 13, immediately after line 16, insert the following new section:

SEC. 116. The restrictions on obligation and expenditure of funds set forth in sections 107 and 114 of this Act shall not be implemented if funds appropriated or made available pursuant to this Act are obligated or expended to finance directly any assistance to any country the government of which engages in human rights violations according to section 116 of the Foreign Assistance Act of 1961.

—Page 13, lines 21 and 22, strike out "$648,000,000" and insert in lieu thereof "$635,400,000".

—Page 20, line 4, strike out "$13,515,000" and insert in lieu thereof "$12,839,250".

—Page 20, line 8, strike out "$24,000" and insert in lieu thereof "$4,000".

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of Paraguay.

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of El Salvador.

H.R. 13007

By Mr. PATTISON of New York:

—Page 32, line 16, delete Sections 920 and 921, and insert the following:

Section 920: Relation to State Laws:

"(a) Except as provided in subsection (b)—

"(1) if any act or practice is prohibited by this title or any regulation prescribed by the Board pursuant to authority thereunder, no State or political subdivision of a State may establish or continue in effect any law, regulation, or rule permitting such act or practice; and

"(2) if any act or practice is regulated by this title or any regulation prescribed by the Board pursuant to authority thereunder, no State or political subdivision of a State may establish or continue in effect any law, regulation, or rule which regulates, restrains, or otherwise limits such act or practice unless such State law, regulation, or rule imposes requirements identical to the requirements of this title or such regulation.

"(b) Upon application of a State or political subdivision of a State, the Board may by regulation exempt from subsection (a), under such conditions as may be prescribed in such regulation, a law, regulation, or rule of a State or political subdivision if—

"(1) compliance with the requirement of the State or political subdivision would not otherwise cause the act, practice, form, notice, disclosure, or other action to be in violation of any requirement imposed by this title or any regulation prescribed by the Board pursuant to authority thereunder; and

"(2) the requirement of the State or political subdivision (A) provides significantly greater protection to the consumer than do the requirements imposed by this title and by regulations prescribed by the Board pursuant to authority thereunder, (B) is required by compelling local conditions, and (C) does not unduly burden interstate commerce; and

"(3) there is adequate provision for enforcement.

"(c) Where the same act or omission constitutes a violation of this title and of applicable State law, a person aggrieved by such conduct may bring a legal action to recover monetary damages either under this title or under such State law, but not both. This election of remedies shall not apply to court actions in which the relief sought does not include monetary damages or to administrative actions."

H.R. 13635

By Mr. COHEN:

—Page 6, line 15, strike out "$11,705,155,000" and insert in lieu therof "$11,708,452,000".

H.R. 13635

By Mr. DICKINSON:

—On page 2, line 11, strike $9,123,499,000; and insert in lieu thereof $9,125,299,000;

On page 2 line 19, strike $6,456,450,000; and insert in lieu thereof $6,448,150,000;

On page 3, line 3, strike $2,015,900,000; and insert in lieu thereof $2,015,200,000;

On page 6 line 4, strike $9,097,422,000; and insert in lieu thereof $9,115,422,000;

On page 6, line 15, strike $11,705,155,000; and insert in lieu thereof $11,691,755,000;

On page 14, line 24, strike $916,708,000; and insert in lieu thereof $917,400,000;

On page 56, beginning on line 1 and ending on line 4, strike Section 856 in its entirety and renumber all subsequent sections accordingly.

H.R. 13635

By Mr. YATES:

—On page 20, line 2, after "$128,000,000;" strike the words and amounts on lines 2 and 3: "for the CVN-71 nuclear aircraft carrier program, $2,129,600,000;"

On page 20, line 8, after "in all:" strike "$5,688,000,000," and insert in lieu thereof "$3,558,400,000,"

H.J. RES. 638

By Mr. KINDNESS:

(Amendment in the nature of a substitute)

—Strike everything after the resolving clause and insert the following:

(two thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

H.J. RES. 638

By Mr. KINDNESS:

"SECTION 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"SEC. 2. The Congress and the several States shall have the power to enforce this amendment shall not be so construed as to delegate to the United States any powers otherwise reserved to the States, or to the people.

"SEC. 3. This amendment shall take effect two years after the date of ratification."

H.J. RES. 638

By Mr. RAILSBACK:

—On the first page, line 10, strike the period and insert the following:

", *Provided, however,* That any legislature which shall have ratified the article of amendment within the first seven years of this period may, by the same vote and procedure required for ratification, rescind that action at any time after this resolution becomes effective and prior to adoption of the amendment. The Administrator of the General Services Administration shall certify to Congress all resolutions of ratification or rescission of this amendment received from the several States for final determination by the Congress as to whether the amendment shall have been adopted."

EXTENSIONS OF REMARKS

TAX CUT WILL NOT REDUCE FEDERAL TAX BURDEN

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. GRASSLEY. Mr. Speaker, usually I do not quote from or insert into the CONGRESSIONAL RECORD articles and editorials from the Washington Post. Usually my tastes run to newspapers from back home such as the Grundy Center Register, the Shell Rock News, the Marshalltown Times-Republican, and, on occasion, the Des Moines Register and Tribune.

Nonetheless, this morning I did come across a story which appeared on the first and seventh pages of the Washington Post. The article points out that the proposed Ways and Means tax cut proposal will not reduce the Federal tax burden for all but a few Americans next year. This is yet another reason why the Congress should pass tax reform legislation along the lines of the Kemp-Roth Tax Reduction Act. The news story follows:

DESPITE NEW TAX CUT MEASURE, MOST WILL FACE INCREASE IN '79

(By Art Pine)

Almost every American taxpayer faces a higher total federal tax bill next year, even if the $16 billion tax-cut approved by the House Ways and Means Committee last week were to be enacted, according to new congressional figures.

Tables compiled by the Joint Committee on Taxation show that the tax reduction provided in the Ways and Means Committee measure would not offset the impact of inflation and higher Social Security Taxes for most taxpayers.

After those two factors are taken into account, the tax burden for so-called "middle income" tax payers—those in the $20,000 to $30,000-a-year bracket—would rise by between $83 and $261 a year.

And the total federal tax bite on taxpayers in the $10,000-a-year-and-under income brackets—just above next year's expected poverty line—would rise by between $29 and $40 a year.

The only group of taxpayers who would enjoy overall tax relief as a result of the Ways and Means bill would be those in the $15,000 bracket. By a fluke, they would pay $2 to $3 less in taxes.

The increases in overall federal tax burdens stem from two factors: the impact of inflation, which pushes taxpayers into higher brackets, and the increase Congress voted last December in 1979 payroll taxes.

The tax cuts President Carter proposed in January would have offset both inflation and payroll taxes for all but a minority of taxpayers who earn $40,000 a year or more. The exception primarily affected two-earner families.

However, Carter's proposal was for a heftier $24.5 billion in tax reductions, with the cuts skewed mainly to taxpayers earning less than $15,000. The committee's bill would primarily benefit those in the $20,000- to $50,000-brackets.

The rate of inflation this year is expected to be at least 7 percent, with wage increases running even higher. The income boost is expected to result in some $8 billion in higher taxes.

The scheduled increases in Social Security taxes will raise payroll taxes to 6.13 percent of the first $22,900 in earnings, effective Jan. 1. Without these, the rate would have been 6.05 percent of $18,900.

The income tax reductions in the committee's bill are proportionally about the same for most income brackets. As a result, most of the relief goes to those who pay the most taxes ordinarily—those in the $20,000- to $50,000-group.

Here is how the total federal tax burdens of taxpayers in various income brackets would be affected after taking account of the committee bill, the impact of inflation and the scheduled rise in pay roll taxes:

Income bracket	Social security		
	Tax cut from bill	Impact of inflation	Net tax change
Single taxpayers:			
$5,000	−21	+38	Up $17.
$10,000	15	55	Up $40.
$15,000	71	69	Down $2.
$20,000	105	171	Up $66.
$30,000	213	454	Up $241.
$50,000	436	687	Up $251.
Married taxpayers:			
$5,000	0	4	Up $4.
$10,000	62	86	Up $29.
$15,000	77	74	Down $3.
$20,000	146	178	Up $22.
$30,000	304	409	Up $105.
$50,000	654	681	Up $30.

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MINORITY BUSINESS ENTERPRISE

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. MITCHELL of Maryland. Mr. Speaker, each day's events regarding the state of minority business enterprises leaves me more incredulous and more certain that this Government, this Nation, the American people have no intention of insuring, even to a modicum, economic parity for black people. Even on those rare occasions when my spirits are slightly raised—the House's passage of H.R. 11318 in March; last year's passage of the precedent-setting, 10 percent set aside rider to round II of the public works bill—reality comes crashing through the gates of my hopes, dreams and aspirations: The promises of equality for minorities are inanitions.

Just yesterday, I was confronted with two examples in a continuing, disheartening and destructive line of indicia on the minority business enterprise question. The first involved the unwarranted defunding of a viable and proven West Coast trade and business association, one which has for quite some time serviced the black business community in the Oakland/Alameda County, Calif. environs; the second involved a Federal agency's proffering of a minority set aside contract, then—on what appeared to be no more than a whim—withdrawing the requirement.

The Oakland/Alameda County area has one of the largest concentrations of black persons in the State of California —second only to Los Angeles County. In addition, the number of minority business enterprises in that area is significant. The Golden State Business League. Inc. (GSBL) has provided efficacious technical and managerial assistance to the black business community there for almost half a decade. Funded via contract with the Department of Commerce, this minority trade and business association was forced to compete against other similar minority entities to provide a single, Commerce-funded, thrust throughout the East Bay minority business community. This effort was, also mirrored by a thrust throughout the West Bay.

The end result of Commerce's actions pitted several meritorious trade and business associations against one another, particularly a black-based and Latino-based entity—advancing the tried and tested stratagem of "divide and conquer." Such efforts only militate against the development of minority enterprise and plague the coalescing of differing minority groups toward solving common economic problems.

In the second instance, a number of minority businesses responded to an indefinite quantity contract (IQC) to be reserved and awarded to a minority firm through the Small Business Administration's 8(a) set aside program. The Government entity involved was the Department of State's Agency for International Development (AID). Just prior to its own closing deadline, if not thereafter, AID withdrew the 8(a) set aside requirement, in what still remains to be a nebulous warrant. When confronted by one of the initial contract applicants, a representative of AID was less than responsive to even the slightest of inquiries.

Members of this Congress, I remain resolute in my championing the cause of minority business enterprise and economic parity for this Nation's minority communities. However, I grow weary with a fight raised against an amorphous and recalcitrant bureaucracy, one which can and does, irrespective of the law, frustrate what little minority economic progress that has occurred. And, as you are well aware, I am often at odds with you, my colleagues, for hampering the steps toward economic parity through your own legislative dilatoriness and philosophical indifference. Yet, I do believe the problems resolvable; though to gain your attention, I must necessarily remain the hawker of this issue, soliciting your support for the palladium of this Nation's democratic principles: The belief in equality and parity.●

EILEEN FITZPATRICK RECREATION CENTER DEDICATED IN PHILADELPHIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. EILBERG. Mr. Speaker, I am proud to advise my colleagues that under the city of Philadelphia's program to expand recreational facilities, a new playground has been dedicated at Academy and Torrey Roads in the Fourth Congressional District of Pennsylvania, which I have the honor to represent.

The playground is located on the grounds of the Decatur Elementary School. There is a headquarters building which features an 800-square-foot multipurpose room, kitchenette, director's office, storage space, and lavatories.

One and one-half basketball courts and an adjacent hockey court, both illuminated, are part of the project, as is a spectators area for hockey activity.

The facility is named for the late Eileen Fitzpatrick, who died of leukemia in 1976 at the age of 19. Eileen was active in the Girl Scouts, and at Archbishop Ryan High School.

In the recent dedication ceremony, an ordinance naming the facility in her honor was presented by Councilman Melvin J. Greenberg to Eileen's parents, Mr. and Mrs. Joseph Fitzpatrick. In addition, a bronze plaque was presented to the recreation department and placed on the building. The presentation was made by Theresa Wilson, president of the Archbishop Ryan High School Alumni, and Dominick Cipollini, vice president of C. C. Transportation Co.

Other speakers on the program were recreation commissioner Robert W. Crawford and deputy city commissioner Harvey M. Rice. Music was provided by

the Police and Firemen's Band under the direction of Capt. Joseph Cifelli.●

ENERGY, FOOD, AND ENVIRONMENT STUDIED AT UNIQUE SCHOOL

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. MOAKLEY. Mr. Speaker, I would like to direct the attention of my colleagues to a unique experiment in energy, food, and environmental education currently underway at the Noble and Greenough School in Dedham, Mass.

The quality of our American way of life has always been tied to the abundant and enduring supply of energy we have enjoyed since the industrial revolution. The principle source of that energy supply has, in the past, been fossil fuels. These supplies are obviously very limited. If America is to remain a stable political, economic, and social state, it is imperative that we move our dependency from fossil fuels to a more renewable and sustainable form of energy. Such a transition will require both new information and new energy technologies.

Education should respond to this need in a creative and effective manner. A new and shaping responsibility of educators is to provide students with the necessary information and skills to respond to this problematic situation. Noble and Greenough has made a significant commitment to educate its students to the rapidly changing world energy picture. That commitment has been facilitated by the construction of a unique and highly versatile educational structure: The Umbilicus.

I would like to share with you the following text from the most recent edition of Gardens For All News detailing the experiment now underway at Noble and Greenough:

HERE'S A SCHOOL WHERE THE STUDENTS CAN'T WAIT FOR CLASSES!

School's out now, but you can bet that many of the students returning to Noble and Greenough School in Dedham, Massachusetts, in September are anxiously awaiting the chance to work and study in their new solar and wind energized food production facility.

Umbilicus, the brainchild of Alfred Sculco, the school's Science Chairman, is a novel greenhouse heated by both active and passive solar energy systems. It is believed to be the first of its kind in the country. Former Massachusetts Gov. Francis Sargent, Frederick Hitz, Director of Congressional Affairs for the U.S. Department of Energy and Henry Lee, director of the State's Energy Policy Office, keynoted the unveiling ceremonies on Sun Day, May 3, which were attended by the entire student body, close to 300 invited guests and members of the press.

Random interviews with members of the student body indicated that the youngsters regarded the unique science project as the highlight of their school year.

Solsearch Architecture, Inc., Cambridge, Mass., designed the greenhouse structure and the double-layered acrylic roof glazing was supplied by Cy/Ro Industries of Wayne, N.J. The heating systems were designed and installed by Sunsav, Inc., of Tewksbury, Mass.

Within UMBILICUS, fish and 12 varieties of vegetables will grow in the aquaculture and garden areas. Conditions for this growth will be provided by the heat and electricity from the natural energy system. Experimentation carried on inside UMBILICUS will be directed at vegetable and fish production year around, which will be consumed by faculty and students at meals in the school's dining rooms.

Sculco described the thinking that motivated him to pursue this project:

"Education should respond to energy, food and environmental problems in a creative and effective manner," he said, "and our role as educators should be to provide students with the necessary information and skills to respond to these problems."

The UMBILICUS structure contains 4 separate systems:

1. A Solar System consisting of active solar collectors with a water storage tank and passive collectors with a rock storage tank.

2. A Wind Electric System using a 3 Kilowatt windmill on a sixty-foot tower.

3. An Aquaculture System using several large growing chambers for the propagation of fish.

4. A Greenhouse System functioning as a year round growth chamber for a variety of vegetables.

These four systems are integrated into a design which reflects a natural ecosystem. The proper temperatures for fish and plant growth are maintained by the solar system. The electrical demand resulting from the various lights and pumps in the structure will be partially supplied by the wind electric system. These systems establish an internal environment in which fish and plants can add biomass thus providing a source of food for potential "inhabitants" of the Umbilicus structure.

All the systems will be continually monitored and logged in the school's computer to study the economic feasibility of these systems as alternative responses to increasing problems in the areas of energy and food supplies. As Sculco puts it: "Could an individual, a family, or a community build such a structure and thereby meet some of its energy and food requirements? We hope to answer that question.

"In the Science Department," he continued, "we envision this structure as a means of providing students with a 'hands-on' experience in rapidly evolving energy and food production technologies. It will provide a direct means of applying skills and information learned in basic courses in Physics, Chemistry, and Biology to serious human problems. The potential for independent research projects in wind and solar energy as well as fish and vegetable production is exciting and seemingly limitless within this structure.

"Through a specific course entitled Energy: The Interaction of Human and Natural Systems, we will expose students to the complexity of energy and environmental issues; issues which certainly affect the foundation of our social and economic systems and ultimate world stability.

"Through this program," he added, "students will become familiar with the new technologies and information which address the serious problem of fossil fuel resource scarcity. This knowledge will engender in them a sense of hope and confidence in solving these problems in their future. It will also motivate them to consider their life-work careers in the pursuit of these and other viable alternatives from which to fashion a safer and more sustainable future."●

THE ALL VOLUNTEER FORCE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for August 2, 1978 into the CONGRESSIONAL RECORD:

THE ALL VOLUNTEER FORCE

While most of us give little thought to how we recruit young men and women for the military services, a visit with high school students will usually reveal their understandable concern about the reinstatement of the military draft. The quick answer to their concern is that Congress does not want to return to the draft. Nonetheless, Congress is becoming increasingly aware of the problems of the All Volunteer Force (AVF).

Ever since the draft was replaced by a system of recruitment and voluntary enlistment five years ago, there have been as many arguments about the success of the AVF as there have been about its prospects. Almost everyone agrees that we would have to have a draft in the event of a national emergency. The problem is how to keep our armed forces strong and ready in times of uneasy peace. Some people are saying that the AVF is bound to fail because no nation in history has maintained a large military force by voluntary means. Others are saying that the AVF is a necessary part of the American defense effort because our democratic principles require that service in the armed forces be voluntary.

Opponents of the AVF complain about the quantity and quality of recruits, high costs and lack of military preparedness. These critics note that the armed forces have lost 600,000 men in the past five years despite high unemployment among teenagers and unprecedented numbers of young people of service age. They point out that 40 percent of all newly enlisted personnel are unable to complete their first tour of duty because of poor performance. The critics argue that the AVF has raised manpower costs from 42 percent to 57 percent of the defense budget and may add more than $8 billion per year to military spending by 1985. They also believe that a major mobilization effort would be hampered by reserve units that are under strength.

These criticisms are serious, but they do not go unanswered. Proponents of the AVF say that alleged shortfalls in recruitment are not a genuine problem because of our current military manpower level—2.1 million in all branches of the armed forces—is more than adequate to meet the demands of peacetime. They maintain that the quality of recruits is good and they stress that far fewer of the poorest qualified personnel are accepted into the AVF than were accepted in the final years of the draft. The proponents trace the dramatic rise in manpower costs to increased pensions, higher civilian salaries and an oversize officer corps, not to recruitment and voluntary enlistment. They also dispute the charge that the AVF is unprepared by arguing that the present estimates of manpower needed for total mobilization are not realistic.

The experts agree that the AVF has its problems. There is an occasional lag in recruitment. Smaller reserve units are cause for concern. There are racial and regional imbalances in the enlisted ranks and the officer corps. The pool of service-age young people in the American population is shrinking. Manpower costs are cer-

tain to go up. However, the experts disagree on the proper response to these problems. Worse yet, more studies will not provide us with all the answers. With soaring costs and tighter budgets ahead, we will have to make tough decisions about the kind of defense posture we want to have and the kind of defense force we need.

Of all the alternatives to the present AVF, the draft is probably the least desirable. Its use in peacetime raises difficult questions about individual liberty, and about who serves when not all need serve. A majority of people have opposed it in recent polls. Another option is a nationwide program in which each able-bodied young person would perform some military or civilian service to the country. The program could foster a new sense of national commitment and could help to reduce teenage joblessness, but it might have drawbacks as well. Administrative complexity and the displacement of low-wage workers would have to be considered. A third alternative—a comprehensive rethinking of manpower policies within the AVF itself—is also possible. According to one study we could save from $5 billion to $10 billion annually if we overhauled existing personnel practices. This might mean a new effort to encourage reenlistment, a new merit system for promotion and pay, and a new pension plan firmly based on contributions. It would be hard for us to make some of these changes, but at very least we should look into them to see if they are workable.

While I recognize the problems of the AVF, I believe that it has been, so far at least, relatively successful in replacing an unpopular and inequitable draft. I support the AVF, but I welcome closer examination of it and its alternatives.

JUST BEGUN TO FIGHT

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. RISENHOOVER. Mr. Speaker, a recent article in the Sunday Oklahoman spotlighted the problems of the great little town of Picher, Okla. It painted a grim picture. But, it prompted a bright reply by Mayor Naomi Poole and Roy Heatherly, the county commissioner in the area.

They said they agreed with Chief Mine Inspector Ward Padgett that the area has "open mine shafts, cave-ins, and drill holes." Then they told why:

In World War I, when the Doughboys needed lead and zinc, they got lead and zinc to defend our country from this area.

In World War II, the Picher Area furnished the lead and zinc to throw back at our enemies.

We know that our country was worth saving, and we believe our area is also worth saving.

Our mountains of "chat" are shipped all over the nation for road building and other purposes.

If our town has been described as the ugliest town in Oklahoma, in times of need of our country, it should have been considered the fairest town in the state. We are a poor but proud people, and proud of our town.

We are making a plea for Federal and State assistance in correcting the hazards that remain from the mining in the area.

Yes, we know that our shafts need plugging, and cave-ins need filling in our area, but we are unable to do this on our own. The task is too large for us. This is the reason we are asking for assistance.

It is my pleasure, Mr. Speaker, to work with Mayor Poole and Commissioner Heatherly in trying to solve these problems. We have just begun to fight.

JUDGE CHANDLER S. KNIGHT OF MONTGOMERY COUNTY, N.Y.: A PUBLIC SERVANT WHO REMAINED INVOLVED TO THE VERY END

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. STRATTON. Mr. Speaker, last month in my home city of Amsterdam the Honorable Chandler S. Knight, longtime Montgomery County judge, died at the age of 84.

Judge Knight was a personal friend of mine, and a highly respected citizen of our community. In spite of his advancing age he had remained active in the community almost to the very day he died. His service to his community and his devotion to the responsibilities of citizenship have set an example for all of us to emulate.

To set forth more fully an accurate appraisal of Judge Knight's career by his friends and associates, I include with these remarks an editorial from the Amsterdam Daily Recorder of Wednesday, July 12, and an article from the Times Record of Troy, N.Y., of July 18 written by wire editor Jerry Dolan:

JUDGE KNIGHT: HE WILL BE SORELY MISSED

Judge Chandler S. Knight lived a long time and did not waste too many moments of his 84 years, therefore a great many people came into close contact with him and have good reason to remember this exceptional man with a fondness that is usually reserved for one's own family.

Judge Knight died Sunday three days after his 84th birthday. His loss is being felt deeply, not only because of his stature in his community and in his profession, but because he continued to be active in both right up to a few days before his death when he suffered a heart attack.

Every bit of the stature this man enjoyed was well earned, for his life was one of service.

He served his country at the Mexican border in 1916 and in France in World War I, and was wounded in the battle of Argonne Forest.

His fellow lawyers saw in him the traits that exemplified the highest standards of the profession, and for years he served them at the state level as representative to the State Bar House of Delegates, as vice president and member of the executive committee of the State Bar and as president of the County Judges Assn. of New York State; on several different Third Judicial Department task force and standing committees; and as president of the Fourth Judicial District Federation of Bar Assns.

He gave his time freely to numerous local organizations and once remarked that of all the things he had ever done, he was proudest of his work with the Boy Scouts. They were proud of him too, giving him their highest honor, the Silver Beaver award. The Girls Scouts, Society for Prevention of Cruelty to Animals, Chamber of Commerce, Red Cross, Antlers County Club, the Rotary Club, various veterans', civic and youth organizations all benefitted from his commitments which were never made lightly.

Professionally, he served the people of Montgomery County as their county judge for 12 years until he reached the mandatory age of retirement in 1965, and prior to that as county attorney for 10 years. And he performed both responsibilities in an outstanding manner.

He was wise and kind, but above all else he was fair. These traits endeared him to people of all walks. His passing leaves a void in the community and in the ranks of his profession that will be difficult to fill.

JUDGE KNIGHT REMEMBERED FOR AREA TRIAL

EDITORIAL NOTE: Gerry Dolan, the author of this story attended he 1964 trial and later, as a reporter for the Times Record, covered the retrial of Edward F. LaBelle in 1970.)

(By Gerry Dolan)

Chandler S. Knight, an Amsterdam attorney and former Montgomery County judge who died July 9 at the age of 84, presided over his last trial before his retirement here in Troy. The trial in the fall of 1964 was the last one in Rennselaer County involving capital punishment.

Judge Knight sat in the trial of Troy brothers Edward F. and Richard M. LeBelle. The LaBelles were tried and convicted in the Thanksgiving Day 1963 rape-slaying of 15-year-old Rosemary Snay of Cohoes.

In an editorial, the Amsterdam Recorder noted that Knight lived a long time and did not waste too many moments of his 84 years. A great many people come into close contact with him, the paper said, and have good reason to remember "this exceptional man with a fondness that is usually reserved for one's own family."

Judge Knight died three days after his birthday. He had been active right up to a few days before his death when he suffered a heart attack.

The judge was assigned to Rensselaer County after State Supreme Court Justice John T. Casey, who was then county court judge. disqualified himself. Casey, who was district attorney at the time of the murder and who had obtained the indictment against the LaBelles, had been elected to the county courts that November.

A legal precedent was set when Judge Knight granted a defense motion made by the late Thomas J. O'Connor for a pre-trial hearing to determine the voluntariness of a statement given by Richard LaBelle to the state police. The hearing pre-dated the U.S. Supreme Court's 1966 Miranda decision which directed police officers to advise suspects of their constitutional rights before questioning them.

The voluntariness hearing, the trial and the penalty proceeding following the trial extended from the end of September to the middle of November. In that trial, the jury had to determine the punishment for both defendants after hearing testimony in a separate proceeding held at the end of the trial.

On Nov. 24, 1964 Judge Knight, following the instructions of the sentenced Edward LaBelle to death. He signed the death warrant directing that Edward LaBelle be executed in the electric chair, which was then located at Sing Sing Prison at Ossining. Richard La-

Belle was sentenced to life imprisonment, also on the instruction of the jury.

The death sentence was automatically stayed when an appeal was filed and it was commuted to life imprisonment by Gov. Rockefeller after the state legislature abolished capital punishment in 1965. Both brothers won reversal of their convictions but were convicted again in separate retrials.

Before leaving Troy Judge Knight addressed remarks to the residents of Rensselaer County. He highly praised the work of Pierce H. Russell, who was completing his appointment to the district attorney's office and who had lost his bid for a full term during the course of the trial, and his assistant, Con G. Cholakis, now a state Supreme Court judge. He lauded the defense attorneys, O'Connor and the late John E. S. Burke, for their efforts in representing the LaBelles.

Judge Knight was educated at Schenectady High School, Union College and Albany Law School. He was admitted to the bar in 1921. He served as county attorney in Montgomery County from 1942 to 1952 and as county judge from 1953 until his retirement.

He was a former vice president of the state Bar Association, and was a member of the executive board. In 1963, he was president of the state County Judges Association and president of the Federation of Bar Associations of the Fourth Judicial District.

A veteran of World War I, he was wounded at the battle of Argonne Forest. He was active in many civic organizations in Amsterdam and Montgomery County.

Survivors include his wife, the former Alice P. Kenyon; and two daughters, Mrs. Phyliss Ann Burns of Saunderstown, R.I., and Mrs. Diane Caryl Stimmel of Slingerlands. He is also survived by five grandchildren.

The Amsterdam Recorder said Judge Knight performed his professional responsibilities in an outstanding manner. "He was wise and kind, but above all else he was fair. These traits endeared him to people of all walks. His passing leaves a void in the community and in the ranks of his profession that will be difficult to fill."●

IMET AID TO AFGHANISTAN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I rise to address the House with regard to a small but significant portion of the legislation, H.R. 12154, before us. We have in this bill some $600,000 for international military education and training for Afghanistan. Since this proposal was sent over by the administration, some serious and uncertain changes have taken place in that small country, which require some close scrutiny.

On April 27, 1978, the relatively moderate government of Afghanistan headed by President Mohammed Daoud fell in a brief but bloody coup led by general, now Prime Minister, Nur Mohammed Taraki. Prime Minister Taraki's government is on much better terms with the Soviet Union than was his predecessor's, and closer politically to Moscow than any of his other neighbors like. Soviet influence in this small but highly strategic nation has obviously taken a sharp turn upward. The strategic implications of this are obvious, as it places a potential Soviet wedge between Pakistan and Iran, and due to tribal politics in all three countries suggests the possibility of instability reminiscent of recent developments in northeast Africa.

Dozens of Afghan-Soviet agreements which had been on the back burner for months and even years under the Daoud regime have suddenly been put into effect. New arrangements on economic and commercial ties, technical and industrial assistance, and even a 10 million ruble bridge between the Soviet Union and Afghanistan over the Amu Darya River. In addition the number of Soviet advisers in the offices of middle- and high-ranking Afghani officials has sharply increased. And, according to one report, the West German advisers to the Afghani police have been replaced by Soviet personnel.

In short, the Government of Afghanistan, which now calls the country the Democratic Republic of Afghanistan, has veered sharply toward closer relations with the Soviet Union.

In addition to this, Mr. Speaker, the DRA has adopted a tougher line with regard to affairs of volatile Baluchi and Pushtu tribesmen. This forward position is in sharp contrast to the moderate position adopted by the Daoud regime before its fall. Both Pakistan and Iran view these developments with dismay, since they are very conscious of traditional and historical Russian designs in their area. A forward minority policy by the Afghani Government threatens to encourage separatism in both Iran and Pakistan. All this, as I said, can lead to regional instability and give the Soviets a chance to fish in troubled waters.

In short, Mr. Speaker, there is no doubt that the new Government of Afghanistan has very close ties to the Soviet Union. However, there is some good reason to maintain some contact between American and Afghani military personnel. Otherwise, there would be no exposure of the Afghanis to a different way of doing things. We should not completely close the door to any contact, just now when the Soviets would doubtless like nothing better. I should note that the Taraki government has told our officials in Kabul that it favors blocking the export of Afghani opium, which policy we consider helpful. Nothing so far, to my knowledge, has indicated any Afghani hostility toward the United States.

In as much as the amendment to cut off military training has failed, let us continue to watch Afghanistan closely. Let us watch whether it becomes a channel for Soviet influence or subversion in South Asia or the Persian Gulf states. But meanwhile let us not give up every bit of contact we now have.●

CARTER'S MR. FIX-IT

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. RISENHOOVER. Mr. Speaker, with difficulties facing the administration, there remains a bright face and able leader by the name of Ambassador Robert Strauss. He is sensible, able, and hard working. I consider him my good and personal friend. U.S. News & World Report headlines an article about Strauss which I am reprinting in the RECORD. It calls him "Carter's Mr. Fix-It."

The article follows:

Spend a 12-hour day with Robert S. Strauss, Jimmy Carter's all-purpose troubleshooter, and you learn why he is called the President's Mr. Fix-it.

The ubiquitous 59-year-old Texan, in his typical Washington routine, immerses himself in practically every top issue of the day—inflation, trade, politics, congressional lobbying and more.

These days, inflation occupies most of Strauss' time. Recently, for instance, he and his aides went to work with a homebuilders group that had issued what was considered a vague anti-inflation statement. By the time the talking was over, the group had strongly endorsed Carter's aims.

Now, Strauss is talking with business and labor leaders in pivotal industries, laying the groundwork for what the administration hopes will be anti-inflationary wage pacts next year.

Not only does the President pull him into ticklish problems, but the Texan isn't bashful about spreading around his advice when not asked for it.

Strauss, in fact, is one of the very few non-Georgians around Carter who can be called key men. Unlike presidential assistant Hamilton Jordan, Press Secretary Jody Powell and media adviser Gerald Rafshoon, for example, Strauss did not work with Carter before his 1976 presidential campaign.

But the President turned to Strauss in a big way earlier this year when inflation emerged as the No. 1 domestic problem. Strauss was made Carter's inflation counselor. Before that, he had become the one Carter looked to for shoring up the administration's credentials with business leaders, Democrats and Congress in general when the new President's honeymoon began to go sour more than a year ago. Carter, an outsider in trouble over the Bert Lance affair, among other things, was in need of an experienced spokesman who could play the back-slapping rituals in the Capitol. Strauss filled the bill.

From his background as treasurer and chairman of the Democratic National Committee, Strauss is personally acquainted with hundreds of members of Congress, influential leaders of business and labor, governors and mayors, bureaucrats in the agencies and virtually every political reporter.

If you measure his importance by his formal title—special representative for trade negotiations with personal rank of ambassador—you get the picture of an important but third-string official.

But the company that the self-confident and ebullient Texan keeps shows he plays in the big league. On a recent day, the list included President Carter and key members of the White House staff; G. William Miller, chairman of the Federal Reserve Board; Michael Blumenthal, Secretary of the Treasury, and Charles Schultze, chairman of the Council of Economic Advisers.

"MIRACLE WORKER"

Strauss moves in and out of his flurry of appointments with a brand of distinctive and personal flair that attracted Carter to him.

He deals with all in a similar fashion. Strauss' conversation includes a dash of self-depreciation, a put-down of others, some flattery, an anecdote from the past and alternate mixes of broad smiles and earthy jokes with stern face and serious talk.

When a reporter chided Strauss recently about the headline of a newspaper story referring to him as a "miracle worker," the Texan snapped with a grin: "That writer knew his business."

A conversation with Strauss is usually one-sided; he uses taunts or words as weapons. Critics say he tries to outtalk double-digit inflation and has finally met his match.

Close friends say his supercharged approach to public life stems from his need to fill a vast personal ego. Raised as one of the few Jews in the small south-central Texas city of Lockhart, Strauss attended the University of Texas Law School and formed a prestigious Dallas and Washington law firm.

He got his first taste of Texas politics through associations with Lyndon Johnson and John B. Connally. Although his current government job pays $66,000 per year, Strauss' wealth from his legal practice and investments, including some in broadcasting, puts him in the millionaire class. He is fond of telling listeners that he built a swimming pool for his home in Dallas only so he could come home at night, look at the pool and "tell myself I'm one rich s.o.b."

ROAD TO THE TOP

Strauss gained recognition as a money raiser for the national Democratic Party in 1971 and 1972. He became chairman after the McGovern debacle of 1972, despite the taunts of some that the party would never elect a conservative Jew from Dallas.

Today, few in Washington would label him as a conservative. He is more often thought of as a pragmatic who simply wants to win.

Strauss loves to do business by telephone. Most days he gets 60 to 75 calls. The ambassador has six telephones in his Watergate penthouse apartment in addition to two White House phones and a phone in his car.

Awake at 5:45 a.m. every day, Strauss has usually made half dozen calls before he leaves for work.

A sample of the day's telephone calls demonstrates how Strauss alternately wears his trade, inflation and political hats. The list included M. A. Wright, head of the board of governors of the U.S. Postal Service; three Democratic senators, Abraham Ribicoff of Connecticut, Lloyd Bentsen of Texas, and Dennis DeConcini of Arizona; Thomas R. Wilcox, head of the Crocker National Bank in San Francisco, and Frank Moore, Carter's congressional lobbyist. In his conversations, he easily tosses off such phrases as "the President feels the same way."

Strauss also uses the early-morning hours "to sort things out for the day, think about who I am going to see and what I am going to say."

He likes to retain contacts with other Texans. The day's schedule brought Mark Shepherd, chairman of Texas Instruments in Dallas and a personal friend, to the office. Shepherd was reporting on a trade mission he headed to Tokyo. Posing for a picture, Shepherd gibed that it might hurt him politically back home. Strauss's immediate retort was: "It might hurt you politically, but it will help you socially."

In cabinet meetings, Strauss speaks up six or eight times, in part because he is involved in so many areas and in part because he likes to talk. He can be serious and reflective, however.

"It just seems impossible to create a consensus for an issue anymore," he says, "any issue. But it's damned easy to build one against. All the interest lobbies, coupled with the reform of Congress, have made it that way."

Strauss and his wife of 37 years, Helen, are now off to an early-August vacation in Del Mar, Calif., where he isn't far from his favorite race track. Nor will inflation be far from his mind. "That's one thing inflation hasn't touched yet—the $2 betting window," Strauss says.●

HUD PAPERWORK SMOTHERING LOCAL GOVERNMENTS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. ANDERSON of California. Mr. Speaker, I have just received a letter from the mayor of one of my constituent cities that I would like to share with all those Members who have expressed concern for excessive paperwork and Government regulation.

I include the July 1, 1978, letter from the Honorable Sak Yamamoto, mayor of the city of Carson, Calif. Also I include the July 5, 1978, letter that the city sent to the Southern California Association of Governments (SCAG), the metropolitan planning organization for our area.

Mayor Yamamoto and his community development director make a strong case for the House maintaining our floor amendment to the recent HUD authorization bill that calls for congressional review of all proposed HUD rules and regulations.

When a city spends over half of their annual work hours just complying with HUD paperwork requirements, as opposed to actually carrying out eligible, locally-approved projects, it becomes abundantly clear that we must express our disapproval to HUD.

I wrote Secretary Harris seeking her comments on the serious problems related by Mayor Yamamoto. I hope her reply indicates a willingness to correct the situation.

The material follows:

CARSON, CALIF., *July 17, 1978.*

Hon. GLENN M. ANDERSON,
32d Congressional District,
San Pedro, Calif.

DEAR CONGRESSMAN ANDERSON: Recently the Congressionally established Advisory Committee on Intergovernmental Relations, working locally through the Southern California Association of Governments (SCAG), requested our comments on federal compliance with Presidential requests for improving grant administration. Because of our close relationship with the Los Angeles area office of the U.S. Department of Housing and Urban Development, Carson's Community Development Department staff responded generally to SCAG's request. A copy of our response is enclosed for your information.

As Mr. Kinnahan's letter notes, the little City of Carson has ample evidence that Presidential and Congressional directives from simplification, standardization, and improved grant aministration are not being followed by HUD, either at the national and local level. HUD's ever-increasing requirements and conflicting interpretations of regulations, ostensibly designed to implement the 1974 Act ironically work to the detriment of carrying out its intent. Carson Housing and Community Development staff now spend over half of their annual work hours complying with HUD paperwork requirements, as opposed to actually carrying out eligible, locally approved projects.

Without intervention of some kind, the natural evolution and change in attitudes and values caused by constantly shifting HUD personnel and continually-reorganized bureaucratic responsibilities will cause the current situation to worsen. For that reason I have written to you, to ask your involvement in urging HUD to carry out already mandated directives. The City of Carson, indeed all HUD grantee cities, will be most appreciative of our assistance.

Sincerely yours,

SAK YAMAMOTO,
Mayor

DENNIS BEDDARD,
SCAG,
Los Angeles, Calif.

DEAR DENNIS: Pursuant to our conversation, below are some comments on HUD's compliance with presidential requests for improving grant administration. (They do not follow the specific construction of your form.)

(1) Continual Change: HUD programs are continually in the state of evolution and change. The HCD Act of 1974 changed seven-eight categorical grant programs. HUD also then reorganized internally both at the national and area levels. Every year since 1974 new guidelines have been issued implementing the provisions of the 1974 Act. In almost each case these revised guidelines were promulgated in the middle of the application process and caused major shifts in programming emphasis and manpower commitments. For example, in 1977 the Carter Administration issued directives in February regarding maximum feasible priorities. The local offices began to implement them in March. Grantees who had been preparing applications with citizen input since the previous fall were required to revise their applications to suit HUD Guidelines. In our case, fortunately, no major activities were suddenly ineligible.

This year HUD issued new regulations, both interim and final, from November to May. These regulations significantly changed program thrust (primarily benefit low-moderate income citizens) and citizen involvement requirements, and of course, were promulgated in the middle of the application period. Again major staff work was required to bring the application into conformity with changed regulations. During all of these years HUD national and area offices have been in a continual state of reorganization with personnel transferring and leaving, responsibilities shifted from national to regional to area offices, program commitments (e.g., 312) and suddenly discontinued.

In this era of simplification and standardization, we are "pleased" to note that HUD has had to issue over 1,000 pages of regulations to improve the block grant and related programs. These regulations touch on everything from implementation of Title I and IV of the Act through 312, letter of credit, Affirmative Action, Section 3, and audit regulations, etc. The complexity of the programs has grown geometrically with the increase in regulations. We are continually forced to consult with more and more people, including an expanding HUD organization in the implementation and interpretation of the program guidelines.

(2) Bureaucratic Problems:

This year during our application process the inevitable happened. One section of HUD (EMAD) disagreed with another (CPD) and each required that we write our application their way if we were to be approved. This year HUD has not accepted demographic data from Carson's 1975 100% survey conducted by the State. We have demonstrated that we fully complied with regulations in force at the time we submitted our application (April 15), and were therefore not bound by the May 1, 1978 regulations. At a subsequent public meeting with HUD and NAHRO in June, two senior HUD officials agreed that Carson's application satisfied existing requirements (i.e. March 1, 1978 regulations.) However, we recently were notified that our grant has been conditioned until we verify the income data. We simply fail to

understand their rationale and their behavior. Yet Carson will be required to fight HUD's action from the defensive posture that HUD has the funds and therefore the leverage.

If relief could be seen on the horizon, there might not have been the need to send this letter. We understand that there will be a set of new HUD application forms out this year. HUD is again reorganizing its internal operations in the Region IX (San Francisco) and the Los Angeles area office. We are informed that the Grantee Performance Report Requirement and its forms are being significantly changed. Given HUD's performance to date, we have little doubt a major guideline change will occur some time next winter just as the Block Grant cities are well into their now more intricate citizen participation and application process.

It is my sincere hope that ACIR, and the Productivity and Paper Work Commissions will have some influence on the Congress, the Executive offices, and HUD in actually simplifying and streamlining this process.

If there is anything further that you require, please do not hesitate to call upon me.

Sincerely yours,

RICHARD K. GUNNARSON,
Community Development Director.
PETER P. KINNAHAN,
Redevelopment Project Manager.●

IMPORTANCE OF SAFETY IN THEATERS AND PERFORMING ARTS FACILITIES

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. MARKS. Mr. Speaker, I would like to bring to the attention of my colleagues an article which was written in in the Pittsburgh Post-Gazette about one of my constituents, Dr. Randall Davidson. Dr. Davidson has made his life's mission the informing of American people about the importance of safety in theaters and performing arts facilities, and the lack of training and knowledge of the safety needs in theaters. His message is clear and urgent and we should listen.

The article follows:

THEATER "CRITIC" REALLY A STICKLER FOR SAFETY

(By Dave Leherr)

Every theater and performing arts facility in the United States could be closed, at least temporarily, if all current safety laws were applied, Randall Davidson says.

And Davidson seems to be in a position to know.

He's the national safety commissioner for the United States Institute for Theater Technology with the specific assignment of developing an international safety code for the entire entertainment industry.

Davidson, who also heads his own firm, the International Safety Institute in Erie, Erie County, made the grim statement about theater safety in reaction to the recent abrupt closing of the Pittsburgh Playhouse.

"Performing arts facilities like the Pittsburgh Playhouse are too valuable a commodity to our society to have to close their doors, yet the Pittsburgh Playhouse is not an isolated situation," Davidson says.

"It is one of thousands in the state, and hundreds of thousands in the country that cannot meet the standards set down by the life safety code, the building codes, the national electrical codes, the Occupational Safety and Health Act and various state and local fire ordinances."

Davidson says he has examined and inspected some 3,300 playhouse and performing arts facilities in the past 10 years, including about 100 in Pennsylvania and several in the Pittsburgh area—from $100 million facilities in major art centers to high school auditoriums and 15-seat studios.

He did not visit the Pittsburgh Playhouse, but he is familiar with the problems.

"The biggest problem to me is the lack of training and knowledge of safety needs among the management and technicians in theaters," he says.

Davidson has traversed the country on speaking engagements calling on colleges and universities to include specific safety training courses in their theater arts curricula.

"Most of the problem appears to be in the area of electrical wiring, fire prevention sprinkling systems, ventilation, riggings and things like that, and in many cases they are designed right into the facility to cut corners and save money," he says.

"A brand new $24 million arts center along the Eastern seaboard, for example, has no ventilation at all in its theater shop area. And that's not an isolated situation either."

Davidson points out that elevators in major cities must be inspected at least once every three months, yet the cabling on theater rigging—basically the same technique as that of elevators—goes years and years without inspection.

"Obviously the problem is money," Davidson says. "Management has control of the purse strings and whenever a technician brings up a safety problem, management says can't afford to fix it. Instead it continues along the production line leaving little or nothing from the box office receipts to improve safety."

Davidson, whose expertise is being called upon by New York State in its investigation of the tragic Blue Angel Night Club fire that killed seven persons, says that "we can ill-afford anymore closings like the Pittsburgh Playhouse. They are among our major resources. American culture is at stake."

Davidson says the first drafts of his proposed entertainment safety code should be ready for distribution this year.

That, along with the establishment of nationwide training programs on theater techniques, more use of grants, endowments and box office receipts for safety improvements, and more awareness by theater people for better safety, could be the answer to the nation's performing arts problem, he says.●

CIVIL RIGHTS ENFORCEMENT—CENTERPIECE OF THE FEDERAL ROLE IN EDUCATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. CONYERS. Mr. Speaker, on August 2, 1978, I submitted testimony to my colleagues on the Subcommittee on Legislation and National Security of the Government Operations Committee pertaining to H.R. 13343, a bill to establish a Department of Education. This bill is scheduled for markup in the subcommittee tomorrow, August 3. I would like to present my views on H.R. 13343 to the rest of my colleagues in Congress. I want them to be aware that the proposal to create a Cabinet Level Department of Education promises far more than it can deliver and, at the same time, as of this moment, fails to deliver a critically needed strengthening of the civil rights enforcement mechanism in the area of Federal aid to education.

STATEMENT OF THE HONORABLE JOHN CONYERS

I want to make it clear from the outset of my remarks that I strongly disagree with the basic premise of both S. 991 and H.R. 13343 that creation of a Department of Education is the only or the best way to increase the federal budget for education, to establish competent leadership of educational policy and programs at the federal level, and to express the commitment that the President and Congress have made toward equal educational opportunity for all Americans.

The Administration has asserted that civil rights law and regulations "are the centerpiece of the federal role in education" and their vigorous enforcement should be the highest priority of the new Department. H.R. 13343 states that the primary purpose of a Department of Education is "continuing and strengthening the federal commitment to insuring equal educational opportunities for every individual." If all of this is true, and not merely rhetoric, the President's highest commitment to education should be to strengthen the effectiveness and independence of the Office of Civil Rights. This significant goal can be accomplished within OCR's present organizational environment within DHEW.

The recommendations of the Education Coalition before the Subcommittee on Legislation and National Security can be implemented within DHEW without going through the enormous effort of creating a Department of Education. In itself, strengthening OCR would be a major accomplishment that, along with enactment of the EEO reorganization, would constitute one of the major accomplishments of the Carter Administration and the 95th Congress.

The basic premise for creating a Department of Education is that the type of administrative and policy leadership required at the Federal level on educational issues requires a Cabinet level official. With such a leader, Congress and the people would pay more attention and be more responsive to the need to channel more money into educational institutions and programs at State and local levels. However, every member of Congress and the President know that this premise is fallacious. The major "controllable" budget priority is the Department of Defense appropriation and all other "controllable" budget categories, including education, health, employment and training, the arts, and so forth, in effect are residual, i.e., divide the small piece of the federal pie that is left over.

Following the logic of this specious argument, in order to justify a Cabinet-level department, the agency's programs and budget have to be of sufficiently respectable size. In other words, there is supposedly a magic critical mass of size which enables a Cabinet Secretary to wield the leverage and bargaining power necessary to increase the size of the slice of pie for that agency—after DOD has taken out its gigantic slice. Apparently the $10 billion in the Office of Education budget is not sufficient even though OE's budget is larger than the combined budgets of the Departments of Commerce, Justice and State. The reason given for this dilemma is that OE is buried within DHEW. If one accepts this argument, then the next logical step is to make a choice from a number of organizational models for a new Department. S. 991 and H.R. 13343 reflect such a choice

for a Cabinet-level Department. The debate following from this choice then revolves around the choices among possible component programs, e.g. Headstart, nutrition programs, the Endowment for the Humanities, and so forth, and then the focus of debate involves the appropriate internal organization of these components, interagency relationships, and especially their hierarchical level in relation to the Office of the Secretary.

My problem with the discussion and debate thus far is that it has primarily centered on subordinate issues—how many of what kind of existing agencies should be collected within a new Department of Education. I agree that education, in the words of President Carter, needs a "stronger voice" at the federal level. But I would not have made this my priority issue in the education arena nor would I have promised the National Education Association that the way to do this is to create a Cabinet-level Department of Education. Instead, I would have made a commitment to a long overdue clarification of federal education policy and coordination of federal programs. At the same time, I would have done precisely what President Carter did—recommend to Congress the most significant budget increase for education since the Johnson years. In addition, I would have made a commitment to overhauling OCR as the best statement of presidential commitment to education. President Carter already has proven that, with Congressional support, he can increase educational appropriations without the establishment of a new Department.

I wish that President Carter and his advisors could have found another way to express commitment to education as a major domestic priority than to create a Department of Education. Massive reorganization as the strategy for establishing national priorities is as dangerous as brain surgery performed with a meat cleaver. While it is true that a huge new agency does increase its bureaucratic visibility, the resulting monument merely enshrines unresolved educational and equity challenges and problems.

Usually the creation of a new Federal bureaucracy evolves from less noble motivations than have been expressed by supporters of the Department of Education. The fact that the motivations for creating a Department of Education are not very different than those which have led to the establishment of any other department in the Federal Government doesn't necessarily make them any less worthy. The constituency for a Department of Education wants more money, power and prestige in the escalating rivalries for Federal largesse. Unfortunately, accomplishment of this aim requires a gigantic effort, at taxpayers' expense, of shuffling desks, bodies, charts, paper, etc. And with no assurance of success.

Historically the Office of Education has served as a grant agency for various Federal programs and a statistics gathering agency. Even this relatively modest role has generated a great deal of criticism of OE's performance. If there is any consensus about OE it is that it's mission has been handled badly. Indeed OE offers a model of bureaucratic inefficiency. Little wonder that OE tantalizes reorganization planners at the same time that its internal management problems confounds them. Ironically, however, OE's reward for its sad performance is to vastly increase the size of its bureaucracy. Perhaps in the perverse logic of reorganization, this strategy is designed to smother management problems that otherwise resist expungement. Having earned poor marks with its present mission, OE is given operating responsibilities under the Department of Education plan. There is something Alice-in-Wonderlandish about the idea that an existing bureaucratic vehicle is so patently inefficient that it should be given many more responsibilities.

For what purpose? Coordination of Federal educational activities and program is the most persistently heard argument for the Department of Education. Clearly Federal educational activities and programs currently are scattered and disjointed. In theory, deliberate "coordination" is better than merely inadvertent scatteration. Unfortunately, however, the theory rarely works in Federal bureaucracy, except perhaps in the naive fantasies of reorganization planners. For a variety of reasons, documented ad nauseum by academicians and study groups, usually with Federal grants, internal and external coordination in the Federal system is an extraordinarily elusive goal.

The need to improve and strengthen the federal, state and local or intergovernmental system for developing and carrying out educational policies is a laudable aim of S. 991 and H.R. 13343. The Administration proposes to create an Intergovernmental Advisory Council on Education and a strengthened Federal Interagency Council on Education. Both of these mechanisms could be created without creating a Department of Education. Likewise, improving the design and management of education programs significantly strengthening the Office of Civil Rights, and increasing cooperation with state, local and private agencies and involving parents and the public more directly in developing and implementing education programs could be accomplished without a new Department of Education, if the reorganization planners would put their minds to the tasks involved instead of starting with the solution—reorganization to create a new agency—and then working backwards to design absurdly unrealistic organizational plans.

Returning here to my original point, I wish that the Administration's commitment to education, its priorities within that commitment, and the amount of money it was willing to push for to achieve these priorities would be expressed within the Fiscal 1979 and 1980 budgets rather than in creation of a Department of Education. These budgets will reflect a commitment to and priorities for defense spending rather than education or human services spending. While the department-nondepartment debate is going on, unofficial word from the White House indicates that the Administration will support a cut of $2–4 billion in the CETA authorization, in order to meet overall budget cutting priorities.

With or without creation of a new Department, federal education budgets in years ahead are likely to face a fate similar to CETA as long as defense spending priorities are not drastically overhauled. If the basic argument for a separate Department of Education is that it would give education more budgetary clout, the proponents of this argument are incredibly myopic. The steep drop over the past decade of education's share of HEW's budget and the overall federal budget has little to do with its location bureaucratically and everything to do with the commitments and priorities of the Presidents of the United States buttressed by the pro-defense spending lobbies. For example, the addition of $2.1 billion for a Nimitz-class nuclear aircraft carrier to the DOD appropriation is the equivalent of 20% of the Office of Education budget.

Substantially increasing the ability of DHEW and its Secretary to carry out effectively the Nation's civil rights laws in education is long overdue. Strengthening the enforcement of civil rights laws does not require the establishment of a new Cabinet department any more than increasing the federal education budget requires the creation of a new department. The legislation required to strengthen civil rights enforcement has been proposed by the Education Coalition and includes the following elements:

1. Presidential appointment of the Director of the Office of Civil Rights, with the advice and consent of the Senate, and subject to removal only by the President.

2. Periodic reports by the Director of OCR directly to Congress which detail the status of compliance with civil rights laws by recipients of federal education funds.

3. The ability to secure the data essential to plan, implement and monitor enforcement activities in an efficient manner without duplication of on-going data collection efforts elsewhere in the federal government.

4. Control over its own personnel and contracting operations as necessary to accomplish its mission.

5. An adequate staff of attorneys, at both national and regional levels, to accomplish its enforcement mission, reporting directly to the Director of OCR.

As pointed out by the Education Coalition, these components are necessary to strengthen the independence and integrity of OCR which, in turn, are essential to accomplishment of its statutory mission established by Congress. These changes are essential to fulfill the promise that civil rights is and will be the "centerpiece" of the federal role in education. In lieu of the creation of a new Department of Education, I ask my colleagues on the Subcommittee on Legislation and National Security to first make this "centerpiece" a reality.●

CONGRESSMAN TOM KINDNESS WRITES ABOUT EXCEPTIONS TO THE CONSTITUTION

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. DEL CLAWSON. Mr. Speaker, when we look back upon our congressional careers many of us will find it hard to assess just where we have been most effective, but we will have no difficulty in deciding the duties or opportunities which have given us the most pleasure. Speaking for myself, I can only say that the opportunity to communicate with young people and to reinforce their understanding, as well as their respect for Government, has provided me with particular gratification.

Therefore the comments of our colleague TOM KINDNESS in a recent article describing the basis for legislation we have both sponsored were noted with special appreciation. At this point in the CONGRESSIONAL RECORD, I am pleased to include an article by TOM KINDNESS "Exceptions to the Constitution" which appeared in the Washington Star of Wednesday, July 26:

EXCEPTIONS TO THE CONSTITUTION

(By TOM KINDNESS)

"Class, today we're going to review our study of the federal government," a civics teacher told a group of squirming youngsters. "Which branch of government makes our laws?"

A half-dozen eager hands shot into the air, and the teacher called on Judy, who responded, "The legislative branch," and para-

phasing the Constitution, added, "The legislative powers shall be vested in the Congress of the United States."

Eddie, whose father subscribes to The New York Times, leaned forward in his seat and thrust his hand into the air. Miss Johnson who had secretly wished that Eddie's family would move to another school district (every class has a kid like Eddie), sighed and called on him.

"But Miss Johnson, Congress only passed 223 laws last year; the federal executive agencies issued 7,568 regulations. Aren't they the same as laws?"

"No, Eddie," she replied, "the Congress passes laws, and the executive agencies interpret them."

"But Miss Johnson," the earnest lad asked, "if you break the regulations, isn't it the same as breaking the law?"

"Well, yes, Eddie, but the Congress makes the laws."

Eddie didn't seem satisfied, but Miss Johnson said there was a lot of material to cover before the final exam. She decided to try something a litle less complicated:"Who has the power of veto?"

And choosing from a roomful of anxious students, she called on Chuck. "That's easy," Chuck said. "The president."

"That's right," Miss Johnson said, "Someday you may be president, and we'll come visit you at the White House."

And in the corner of her eye, she saw a hand in the air. She was going to ignore it, but pretty soon Eddie was waving both arms back and forth. "But Miss Johnson . . . "

"Yes, Eddie." If his family won't move, she thought to herself, maybe they could stop letting him read the paper.

"But Miss Johnson, I read that President Carter is complaining about a 'congressional veto.' "

"That's right, Eddie," she signed. "Some people in Congress think that Congress should be able to veto executive regulations, but the veto belongs to the president."

Eddie wasn't satisfied, and asked, "But Miss Johnson, if the executive branch is making laws, and laws are supposed to be made by Congress, why shouldn't Congress have a veto like the president does?"

"Because the president has the veto," she snapped. "It's in the Constitution."

"But Miss Johnson," Eddied pleaded, "when President Carter decided to reorganize the executive branch, he asked Congress to pass a law with a congressional veto in it."

"He what?"

"That's right, Miss Johnson, he asked Congress to pass a law to give him broad powers to reorganize the government, unless Congress vetoed any of the plans. He did, Miss Johnson."

She gave him a long and rather stern look, and asked, "Eddie, have you been watching 'Meet the Press' again? Don't you know what Solzhenitsyn said about American television?"

"Oh, I do, Miss Johnson."

"Of course you do," she mumbled. "Look, Eddie, sometimes there is competition between the three branches of government—competition for power," she explained.

"How do they work it out?" he asked.

"Usually the Supreme Court works it out. Now class," she continued, "which branch of government deals exclusively with judicial matters?"

She called on Sherry. Sherry isn't terribly bright, but she doesn't ask a lot of questions.

"The Supreme Court," came a very proud reply.

"But Miss Johnson . . ." ●

TRIBUTE TO THE NEW FEDERATED STATES OF MICRONESIA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. FRASER. Mr. Speaker, Micronesia is at a major turning point in its history. Last month, a referendum was held and the requisite four of the six districts voted to adopt a new constitution. Let me briefly review how Micronesia reached this juncture.

Micronesia is the last remaining trust territory of the original 11 and the only one designated as "strategic" under the United States-United Nations trusteeship Agreement of 1947. In 1965, the Congress of Micronesia was founded which marked the first territorywide legislature representing the Micronesian people.

Since 1969, the United States and Micronesia have engaged in talks to decide their future status. In 1975–76, the Northern Marianas negotiated a commonwealth status with the United States and became separate from the Trust Territory. In April of this year, Micronesian and American negotiators signed a unique eight-point "Statement of Agreed Principles of Free Association," which would grant full internal self-government and authority over foreign affairs (including marine resources) to Micronesia while placing responsibility for defense and security matters upon the United States. This is only one of several possible futures.

On July 12, the Federated States of Micronesia came into being when four of the six districts adopted by referendum, a new constitution. Let me congratulate the Micronesians on this act of self-determination and express my hope that their future includes a friendly and mutually beneficial relationship with the United States based on common acceptance of the principles of self-determination and respect for human rights.

Mr. Speaker, I ask that in recognition of this historic juncture, the Preamble to the new Micronesian Constitution, the Agreed Principles of Free Association, and the following excerpts from a timely U.S. News & World Report be printed in the RECORD.

The articles follow:

CONGRESS OF MICRONESIA

PREAMBLE

We, the People of Micronesia, exercising our inherent sovereignty, do hereby establish this Constitution of the Federated States of Micronesia.

With this Constitution, we affirm our common wish to live together in peace and harmony, to preserve the heritage of the past, and to protect the promise of the future.

To make one nation of many islands, we respect the diversity of our cultures. Our differences enrich us. The seas bring us together, they do not separate us. Our islands sustain us, our island nation enlarges us and makes us stronger.

Our ancestors, who made their homes on these islands, displaced no other people. We, who remain, wish no other home than this. Having known war, we hope for peace. Having been divided, we wish unity. Having been ruled, we seek freedom.

Micronesia began in the days when man explored seas in rafts and canoes. The Micronesian nation is born in an age when men voyage among stars; our world itself is an island. We extent to all nations what we seek from each: peace, friendship, cooperation, and love in our common humanity. With this Constitution we, who have been the wards of other nations, become the proud guardian of our own islands, now and forever.

STATEMENT OF AGREED PRINCIPLES FOR FREE ASSOCIATION

1. An agreement of free association will be concluded on a government-to-government basis and executed prior to termination of the United Nations trusteeship. During the life of the agreement the political status of the peoples of Micronesia shall remain that of free association as distinguished from independence. The agreement will be subject to the implementing authority of the United States Congress.

2. The agreement of free association will be put to a United Nations observed plebiscite.

3. Constitutional arrangements for the governnance of Micronesia shall be in accord with the political status of free association as set forth in these principles.

4. The peoples of Micronesia will enjoy full internal self-government.

5. The United States will have full authority and responsibility for security and defense matters in or relating to Micronesia, including the establishment of necessary military facilities and the exercise of appropriate operating rights. The peoples of Micronesia will refrain from actions which the United States determines after appropriate consultations to be incompatible with its authority and responsibility for security and defense matters in or relating to Micronesia. This authority and responsibility will be assured for 15 years, and thereafter as mutually agreed. Specific land arrangements will remain in effect according to their terms which shall be negotiated prior to the end of the Trusteeship Agreement.

6. The peoples of Micronesia will have authority and responsibility for their foreign affairs including marine resources. They will consult with the United States in the exercise of this authority and will refrain from actions which the United States determines to be incompatible with its authority and responsibility for security and defense matters in or relating to Micronesia. The United States may act on behalf of the peoples of Micronesia in the area of foreign affairs as mutually agreed from time to time.

7. The agreement will permit unilateral termination of the free association political status by the processes through which it was entered and set forth in the agreement and subject to the continuation of the United States defense authority and responsibility as set forth in Principle 5, but any plebiscite terminating the free association political status will not require United Nations observation.

8. Should the free association political status be mutually terminated, the United States' economic assistance shall continue as mutually agreed. Should the United States terminate the free association relationship, its economic assistance to Micronesia shall continue at the levels and for the term initially agreed. If the agreement is otherwise

terminated the United States shall no longer be obligated to provide the same amounts of economic assistance for the remainder of the term initially agreed.

An early free association agreement based on the foregoing eight principles shall be pursued by the parties.

[From U.S. News & World Report, Aug. 7, 1978]

U.S. PLAYS MIDWIFE TO A SPRAWLING ISLAND NATION

PONAPE, MICRONESIA.—Balentin Amor entered the polling booth at the Awak village school, nestled beside the blue lagoon of this mountainous Pacific island, and checked "Yes" on the ballot that asked: "Do you approve of the Constitution?"

On July 26, it became official: Like Amor, Micronesias across a 3,000-mile stretch of the Western Pacific voted overwhelmingly for the Constitution—thereby laying the groundwork for America's newest offspring, the Federated States of Micronesia.

The area ranks among the most exotic nations ever to assume self-rule, a status tentatively scheduled for 1981, with the process starting even sooner.

A grouping of about 2,100 islands, the federation contains tiny coral atolls, jungle-covered mountains jutting out of the sea and huge lagoons holding the rusted hulks of hundreds of ships and planes destroyed in World War II. Its population of about 100,000 includes scientists, authors and businessmen as well as barefoot villagers who live mainly on breadfruit and fish.

Well-placed paradise. It was Micronesia's strategic location on the approaches to Asia that led the U.S. to take it over for the United Nations after the war. That is still the main reason for America's continued role in running the federation's defenses. Virtually all other government functions, including foreign relations, will be operated independently by Micronesians.

Despite its idyllic location, Micronesia is coming into its own under less-than-ideal circumstances. Two of its most productive districts, the Marshall Islands and Palau, voted against the Constitution and will seek separate and possibly closer ties with the United States. A third district, the Northern Marianas Islands, voted in 1975 to become a commonwealth of the U.S.

The dissenters rejected the federation partly because they are the most economically productive parts of the area and believe they would give more than they would get from the union. They also feel that the U.S. offers more to their future than Micronesia does.

The issue is crucial to Palau, which has been discussed as a possible site for developments such as an oil superport. Some Palauans say the proposal was put on ice earlier this year by Japanese and Iranian backers because of uncertainty over whether the district would join Micronesia. Foreign interests reportedly hinted that close ties with the U.S. rather than Micronesia would make Palau more desirable as a stable location for investments of all sorts.

Teheled Taro, a native of Peleliu in the Palau district, observes: "If we joined Micronesia, Palau's interests would be disregarded. I think things will be much better with the United States. Maybe Peleliu will get better roads and electricity 24 hours a day."

For the four other districts of Micronesia—Ponape, Truk, Yap and Kosrae—consequences of the breakaways are serious. They will have to depend heavily on U.S. aid without much prospect that they will ever produce enough to create a balanced economy.

Tourism, fishing and coconut harvesting generate a little revenue, but most jobs are provided by the government, largely supported by U.S. tax dollars. American spending on Micronesia, excluding the Marianas, totals more than 100 million dollars a year.

The economic instability already has generated talk that Micronesia will ask the U.S. within a few years for closer ties, perhaps seeking statehood in a joint bid with Guam and American Samoa, long-established possessions of the United States, and the three breakaway districts.

Coming closer, Lazarus Salii, a Palauan who headed the Micronesian side of negotiations with the U.S. over free association, believes the islands will be drawn closer to America.

"For Micronesia to be safe in this world," he says, "we have to be connected with some larger power, and that is the United States. Free association by itself is probably not enough. I think eventually we may ask to become part of a state."

Salii maintains that one reason Micronesians are drawn to association with the U.S. is that "we need the money. Some people here talk about self-sufficiency, but it will never come. If we didn't need U.S. help, we would have gone for complete independence and not just free association."

He also cites the most than three decades of close links between Micronesians and U.S. servicemen, teachers, missionaries and administrators as a strong inducement to choosing an American connection.

Typical of the dual side of Micronesia's temperament—traditional and modern—is Ponape, where hundreds of residents still believe in ghosts and an ancient hierarchy of chiefs while many also watch three channels of television, support children in American universities and complain about potholed roads that chew up their Japanese and American cars.

* * * * *

Control of Ponape and much of the rest of Micronesia was acquired by Spain in the 19th century. The reins were passed to Germany in 1898 and to Japan after World War I. The Japanese turned much of the area into fortresses before World War II, and many of the bloodiest battles of the Pacific were fought on Micronesian beaches.

* * * * *

The relative peacefulness of Ponape may not last much longer. Already the Congress of Micronesia has moved its offices from the Marianas to Kolonia, and much of the rest of the Micronesian government may soon follow. The town's population of about 5,000 is swollen to overflowing, and houses and hotel rooms are hard to find.

Tourists are coming to Ponape—one of the most beautiful islands in the Pacific—in greater numbers, but the location is so far off the main travel routes that normally there are no more than 50 to 100 casual visitors. The island has half a dozen small hotels, including the Village, a cluster of thatched-roof cottages operated by ex-Californian Bob and Patti Arthur.

Adrian P. Winkel, high commissioner of the Trust Territory, says it will cost millions of dollars to establish a new Micronesian capital. The estimate includes construction of offices and a town for 2,000 people.

Much of the money is expected to be supplied by the United States. The amount of annual American aid to the federation has yet to be determined.

NO ENEMY OUTPOSTS

In return for those millions, America seeks the assurance that no enemy ever again will use the islands to mount an attack on Hawaii, Guam or the West Coast. The Pentagon has no immediate plans to build big bases in Micronesia, although Kwajalein, in the Marshalls, is a long-established test center for missiles.

Critics say that tens of millions of dollars have been wasted during America's guardianship of the islands. Example: a maritime school in Truk to train Micronesian sailors. After operating a few months, the multimillion-dollar operation was closed in a dispute over who would continue to pay for it.

Americans also have been criticized for treatment of the Bikini Islanders, whose atoll was smashed by nuclear tests more than two decades ago. Attempts to clean up radiation on Bikini failed, and the people must leave and face an uncertain future on other isles.

Ill will was created, too, by attempts on the part of the Central Intelligence Agency to monitor conversations among Micronesian delegates to the negotiations over free association.

"I have never understood that," one delegate says. "All they had to do was come and ask us, and we would have told them everything."

The negotiations climaxed on a positive note early this year when the U.S. delegation, led by Ambassador Peter Rosenblatt, agreed to the principle of Micronesian self-rule in all major areas except defense. Leo Falcam, Micronesia's representative in Washington, calls the relationship "a long-term partnership" with the U.S.

By and large, despite mistakes, relations have been good between Micronesians and Americans. Explains Lazarus Salii: "Lots of people remember how kind the GI's were after the war. And all of us have seen how the young Americans in the Peace Corps taught about democracy.

"The majority of Americans in Micronesia have been good, decent people. Our big disappointment was that all Americans were not supermen like a lot of President Kennedys. We are more realistic now."●

A BILL TO PROTECT THE PRESS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. UDALL. Mr. Speaker, simply stated, the American press is taking a real beating in the courts of late. The most recent instance being the New York Times and its reporter M. A. Farber being fined and threatened with jail for not surrendering files and notes relating to a New Jersey murder case.

The chilling impact of the Supreme Court's decision, Zurcher against Stanford Daily, has reverberated throughout the news media, prompting serious discussion about how to remedy the damage.

Mr. Speaker, our distinguished colleague from Massachusetts, Mr. DRINAN, is a legal scholar of great renown and an effective and innovative lawmaker. He has introduced legislation that addresses itself to the mischief made by the Supreme Court decision.

In a recent article in The Nation Magazine (August 5–12, 1978) Congressman DRINAN accurately describes the sorry situation we face and how the legislation he has introduced with 45 cosponsors (including myself) will provide some relief.

I commend the article to the attention of all my colleagues:

The ominous repercussions of the recent Supreme Court decision, *Zurcher* v. *Stanford*

Daily, which gives law-enforcement officials access by an ex parte search warrant to the private papers, documents and files of individuals who are not in any way implicated in criminal activity, resound most loudly in the offices of those who gather and disseminate news. For the media and the public at large, this decision is further dangerous erosion of the fundamental civil liberties enunciated in the Bill of Rights, particularly freedom of the press and the right to privacy.

Because the erosion constitutes a judicial trend with devastating consequences, I have introduced in the Congress the Press Protection Act of 1978. My bill, which has forty-eight House cosponsors, would require that an adversary hearing be held in front of a magistrate before any writ enabling a search could be issued. Further, an ex parte warrant could be issued only if there was probable cause to believe that a news reporter had committed or was committing a crime.

The Fourth Amendment provides that "the right of the people to be secure in their houses, papers, and effects, against unreasonable searches and seizures shall not be violated. . . ." Unfortunately, the Supreme Court has redefined the word "unreasonable" in a way that allows for searches in an ever widening range of contexts. In its 1967 *Warden* v. *Hayden* decision the Court maintained that a distinction was no longer to be made between merely evidentiary materials and the contraband, instrumentalities and fruits of crime, which traditionally could be seized. Justice William O. Douglas in his dissent underscored the intent of the framers when he asserted, "Those who wrote the Bill of Rights believed that every individual needs both to communicate with others and to keep his affairs to himself. This dual aspect of privacy means that the individual should have the freedom to select for himself the time and circumstances when he will share his secrets with others and decide the extent of that sharing."

The Zurcher decision has reaffirmed the Court's conviction expressed in Warden v. Hayden that general and indiscriminate searches are not inconsistent with the intent of the Fourth Amendment. This misconstruction of the Constitution is particularly dangerous when applied to searches of the press.

The Zurcher decision presents a serious dilemma for those engaged in news gathering and dissemination. The mere possibility that law-enforcement officials may appear at any time in news rooms will cause reporters to modify their practices in order to secure the integrity of their sources and stories. Such alterations in the traditional news-gathering techniques may take many forms, including, as Carl Rowan noted, "committing notes and sources to memory, burying papers in tin cans and empty whiskey bottles." Or reporters may resort to the simple expedient followed by James J. Kilpatrick who tells us that he placed certain files "six feet deep in sanitary landfill in back of Clifton Clark's barn."

The accounts of intimidation and fear instilled in news reporters are only beginning to unfold. The chief of the bureau of the Lee Newspapers in Helena, Mont., wrote that "The day after the Court's decision, my office began erasing all tapes and destroying or removing from the premises all confidential records of conversations with sources."

Not only will reporters be required to go to elaborate lengths to conceal their sources and records but their ability to attract new sources of information may have been dealt a stunning blow. Robert Healy, executive editor of The Boston Globe, testifying before the House Government Information Subcommittee of the House Government Operations Committee on June 26, 1978, related just this kind of frightening phenomenon. Healey testified that the religion editor of the Globe, who had written articles on how the Church of Scientology uses young people to raise funds, was approached by a confidential source. After initially appearing willing to provide information, the source broke off contact with the reporter because of fear that the Zurcher ruling would enable law-enforcement officials to learn his identity through use of a search warrant.

The chilling effect of this decision on the media itself may even be more subtle but no less harmful. It is conceivable that news reporters will shy away from investigation of important and controversial issues. One wonders if the Pentagon Papers would have been published or the Watergate affair uncovered if this ruling had existed during those times. It is important to realize that suppression of information can stem not only from governmental acts of commission but also from media acts of omission, occasioned by fears, doubts and hesitations.

There is still another kind of damage that this ruling has done and will do—ironically, this decision may hamper police investigations. John Leonard, president of the National District Attorneys Associations has testified, "prosecutors, for example, often depend heavily on the published stories of newsmen for leads into the investigation of criminal activity, and much of the information is obtainable for such stories only if the confidential sources are assured anonymity. Information which would never be disclosed voluntarily to law-enforcement officials may come to light through confidential contacts with the media."

There are those who will argue that the danger to the the press is exaggerated because magistrates will issue warrants only in exceptional cases and after careful and judicious deliberation. According to the reports of the Administrative Office of U.S. Courts, however, judges refuse to approve warrants for electronic surveillance in very few cases. Since the enactment of the wiretap statute in 1968, only a handful of requests have been denied. The tendency of such requests to be approved is even greater, of course, when the local magistrate is a political friend or even appointee of the local officials.

To these apprehensions, Justice White responded that the "hazards of such warrants can be avoided by a neutral magistrate carrying out his responsibilities under the Fourth Amendment, for he has ample tools at his disposal to confine warrants to search within reasonable limits." That assurance prompted James J. Kilpatrick to observe, "His eminence perhaps was born yesterday."

In view of these significant objections to the Zurcher ruling, it is particularly difficult to understand the position taken by the Department of Justice. It assured Sen. Birch Bayh's Judiciary Subcommittee that no warrant has ever been issued against the press at the federal level in the entire history of this country. Further, the department spokesman insistently repeated that the internal regulations of the department called for a "subpoena-first" policy and that resort to a warrant was the least desirable or likely option. Why, in that case, did the Justice Department file an amicus curiae brief in support of the police search power?

One need hardly emphasize the importance of enacting legislation to protect the news operations of the print and electronic media. Throughout our history the press has exposed corruption, disclosed improprieties by high-ranking officials, and revealed the undue influence of special interests on the processes of government. In pursuing this noble role, the press needs a great deal of breathing space to ferret out unlawful or improper conduct. Unless we act legislatively to overturn the Zurcher decision, we shall find that space severely constricted.●

A TAXPAYER'S COMMENTS ON TAXES

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. ARCHER. Mr. Speaker, I have received a copy of the following letter from Mr. Joe Cain, Sr., of Houston, Tex. I think that his views reflect those of a majority of Americans and should be read by all of my colleagues in the Congress:

HOUSTON, TEX., *July 16, 1978.*

President OF THE UNITED STATES,
Washington, D.C.

DEAR MR. PRESIDENT: I realize that the chances of you and the other elected officials seeing this letter are minimal, but I hope somehow someone with power in the legislative process in Texas and Washington will read and react favorably.

The Texas Legislature is presently considering in Special Session increasing the exemption on inheritance taxes from $25,000.00 to $200,000.00. I understand the Federal Congress has already increased the exemption on Federal Estate taxes.

The Texas Legislature considered eliminating the tax in its entirety, but one of the members said, "it only affects 3 percent of the people, people like Hughes", so the House passed the $200,000.00.

I have worked every day of my life since I was ten for as little as ten cents an hour, like millions of other Americans, including many of the individuals reading this letter. We have all paid taxes, mostly since WWII, including our children and we will until we die.

With the exception of the four years that I had the privilege of serving as a Company Commander in combat with the Marines in the Pacific, I have worked and paid taxes for 52 years. My Federal Income Taxes for the past ten (10) years have equaled 41% of my income. If you added all the other taxes my family which includes four children have paid during the last ten (10) years I am sure it would represent over 50% of our income.

Why should a man and his family be required to pay taxes upon his death? Upon his wife's death? Upon his children's death? Who was the genius that thought up the idea of Inheritance and Estates Taxes? Death taxes? Was he an American like you and I, had he and his family worked over a half a century, daily, constantly paying taxes, daily?

It is obvious that I am not in Howard Hughes' category, but it is obvious that my wife will pay these taxes upon my death and our four children upon her death. Should my wife of thirty-four years and I die within a short period of each other's death the taxes will be devastating. There are legal "loop holes" that a lawyer and CPA can develop to eliminate these taxes, but why should an American be required to hire anyone to keep from paying taxes that should not be collected in the first place? The fact that these taxes are being reduced drastically proves that a majority of our elected officials feel these taxes are confiscatory. Some states have no inheritance, estate, or death taxes.

What is wrong with an American working his tail off for a half a century so that when he dies he can turn over his assets to his wife? She to her children? They to their children? What is wrong with initiative, hard work, saving, investing, drive, get ahead, go ahead, stay ahead? What is wrong with building a better mouse trap?

There is nothing wrong with these

things since they produced the greatest Nation on the face of the earth, with the highest standard of living with the highest degree of freedom.

Should these taxes be abolished I am sure my family and others would invest what funds are left at death in the American economy thereby producing more jobs. Should these taxes remain I am sure the taxes paid into the government coffers would not produce one job in American industry, would not produce one mouse trap.

From a political standpoint I don't see how these taxes can be defended. By the time Texas and the Federal government supports the Inheritance and Estate Tax offices, and deducts the "loop hole" no pay category, I wonder if there is even a profit? For the lawyer and the CPA I can see a profit.

For the American family that has worked and paid taxes for a half a century I see only despair.

I realize that it is popular to condemn the very rich, such as Howard Hughes, the Kennedys, the Rockefellers, and others, under the guise that they never worked a day in their lives. These death taxes are just as unfair to their families as to mine even though they may have large legal staffs to assist them.

I hope that each of you receiving this letter will have the courage and intelligence to stand up and say, "lets eliminate these death taxes that are a disgrace to our tax system".

Very truly yours,

JOE P. CAIN, Sr.

A METRIC MAILING PIECE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. CRANE. Mr. Speaker, as a service to my colleagues, I am inserting a very interesting article from the American Metric Journal, volume VI, unit 4, 1978. Since our recent debates regarding funding for metric programs, a number of the Members have indicated they are starting to get calls and letters regarding the metric programs in the United States.

Therefore, I call attention to this extension and urge my colleagues to use this in reply to their constituents. This is very important as the first mailing piece because we all can learn by experience. In fact, much was made in recent debates as to how well other nations were adjusting to metric conversion.

At this point, I include the article, "Metric Conversion Takes a Pounding":

METRIC CONVERSION TAKES A POUNDING

Metric has been legal to use in England since 1864. It became a legal alternative in America in 1866. It has never succeeded in either place, the public would not accept a substitute system for one they already knew and trusted.

Many attempts over the years have been made by small groups to persuade or compel people to use metric. Various schemes attracted fragmented support but were not accepted by the public or industry. The inch/pound system has always emerged as the predominate language of measurement in countries given a choice. Most countries adopting metric have done so by force.

A different story has developed over the past 13 years in England. A form of economic force has been exerted on the British by a group of European nations who have come to dominate European trade in the past two decades by forming a trade block. This group, known as the European Economic Community (EEC), was formed to control commerce in Europe after World War II. There were language and trade barriers to retard the free buying and selling between the small countries on the continent. They each used nationalized forms of the old incomplete and obsolete MKS (traditional) metric system.

Those free nations belonging to the international Standards Organization (ISO) who wanted to join the EEC agreed to use the modernized SI metric which was more complete and would be represented by the same terms and symbols in all EEC countries. After many years, the old nationalized metric is still used by every one of these EEC countries. There is no uniformity in the labeling or measurement units employed. A product from Italy can be marked with one unit and the same item manufactured in France or Germany will be labeled with a different symbol or unit. The schools of each nation teach nationalized metric.

Yet, great pressure has been brought to bear upon the British to use metric if they wish to participate in the EEC and share in the vast Eu Ro-market. Had they elected not to join extreme hardship and economic chaos would result. The country has depended on exports for survival for years. At one time export accounted for over 80% of the gross national product. In recent years manufacturers have lost much of the market and the economy has suffered.

The Confederation of British Industry and the Board of Trade decided to take the plunge and join the EEC in 1964. This was done as a secret act as far as the public was concerned. No publicity, news articles or fanfare to condition or solicit support from the English citizens. It was felt the move was mandatory and necessary for survival. Why delay and give the public an opportunity to stall the inevitable? This has proven to be a major mistake which has and will cost the nation millions of dollars and much confusion as well as distrust of government officials. The public knew almost nothing about the metric commitment for over five years!

A campaign was launched to persuade the Americans, Canadians, Australians and other English speaking nations to change along with the British. These countries were told they had become an inch/pound island in a sea of metric. The remaining nations would be left behind in world trade, that over 90% of the earths population were using metric. This propaganda program was accepted by the U.S. Department of Commerce who had tried for decades to sell metric to Americans. It had a tendency to ring "official", many got the idea the USA was on the way. The Canadians jumped in right after the Australians and guessed the U.S. was well on the way. Many misleading stories were circulated. Conferences and meetings made metric experts over night. The public was led to believe the whole world had almost left them behind but were just barely saved in the nick of time by the sudden proposed switch to metric. That is another story which is being covered at another time in AMJ.

Meanwhile, back at the ranch in London, the House of Parliament was "in between a rock and a hard place." They wanted to retain business connections with the U.S., be able to placate the British public and remain in the EEC by switching the country over to metric. Their very best bet was to go to the London newspapers some fine English morning and announce "the Americans have gone over to the metrics and left us behind! We can't have that now can we, let's get busy and beat them at their own game and change to SI." It just did not happen for them. So, in 1977 after 12 years of trying to induce the Americans to assist them by converting they elected to force metric on the subjects. Prime Minister James Callagan inherited the nasty job of pushing over the change from Sir Harold Wilson who originally slipped the SI over on the country. A recent article in the Times carried a quote from a letter sent to Callagan by Wilson declaring his opposition to metric weights and measures in the shops and stores. This should serve as an indication of the style and methods employed by the Wilson government.

James Callagan appointed Mr. John Fraser minister in charge of forced conversion. The cut-off dates established by Parliament in 1977 would now carry some enforcement power. Those in violation would be slapped with a 50 pound ($100.00) fine. It was intended to cover certain commodities and then after a short period be extended to more until all trade goods would be covered by law. This seemed to be the straw that broke the camel's back. Thousands of letters of protest were received by members of Parliament. Clubs, organizations, and associations of all kinds rose up in indignation. The editor of the *American Metric Journal* attended some of these meetings in London and elsewhere in Britain. Mr. Hopkins interviewed Lord Munson and spoke with others in government about the problem. At the time of the visit John Fraser announced "it is clearly impossible to proceed against a background of hostility."

He also commented at the same time, "resistance to metrication orders has led us to review whether we can still claim universal support." Consumer groups had organized a resistance program. They had the support of a number of MP's including Mrs. Sally Oppenheim who is the Shadow Minister for Prices. She was quoted as saying "I say everyone should be allowed to choose if they want to buy or sell in metric. Don't make it a punishable offense if they do not." She added "it is monstrous that people should be sent to prison for using yards, inches, and feet. It is eroding yet more of our freedom."

Retailers who agreed to go along with metric were promised their competition would be compelled to comply. It didn't happen at all. These few lost large volumes of business to those still selling in the familiar customary. Manufacturers of goods sold to British without the customary inch/pound labels also suffered a loss of business.

Officials in county government and lower positions seemed to support public feelings. (See article "Counselor Sends Back Metric Gobblegook"). Several claims were made by educators that metric was no short cut to math, it was a hinderance. Some students entering certain trades had to go back and learn imperial to get jobs. In industrial testing for math ability, British Leyland reported scores running considerably below those previous scores from tests done with the imperial system taught in schools. (See article "Why Metres Don't Add Up").

It is now generally conceded by most, that metric is unwanted in England. It has cost the taxpayers a fortune so far and after 13 years has failed to help the British economy measurably. It is agreed that manufacturers have little choice in the matter. If they wish to continue in the EEC they will not only have to use metric but promise to try to compel the entire country to change to satisfy the headquarters group in Brussels.

A recent trip by R. A. Hopkins to finalize a one year study of methods and results of the use of metric in the EEC countries, indicated very little has been accomplished by this

block of nations in changing to the "universal" SI system. In countries like Belgium, France, Germany and Italy, Hopkins found little uniformity in measuring units or symbols. A report in AMJ from our Brussels editor, Vincent R. Hopkins covers some of the problems caused by this hodge podge of many forms of metric in use today.

We were not all impressed with the ease of reading quantities from country to country. The story about world uniformity is strictly propaganda, the inch/pound system is as uniform if not more so than the chopped up metric used in many ways around the world.

The newspaper articles on the adjacent pages are current items clipped from various papers in London while Mr. Hopkins was there. Many more expressing similar views were collected and it is reported first hand by Bob Hopkins that they represent the true feelings of the British public. Mr. Hopkins lived for a while in Europe and England. His findings have been published in two of his books on the subject. He will be returning to join Vincent Hopkins who is headquartered in the EEC capital, Brussels. Additional information on the metric exposé will be in future issues of the journal.●

FEDERAL REDTAPE

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. RISENHOOVER. Mr. Speaker, we are bombarded with evidence that growing Federal regulation is a chief factor in the inflationary spiral. If this Congress' greatest challenge is putting a lid on inflation, then the 42 Federal regulatory agencies—with their $4.8 billion budget for next year—should be the first target. We are swamping private citizens, free enterprise and Government itself with redtape and paperwork that—if it does not strangle us—surely could bankrupt us.

I have received a copy of a letter to the U.S. Department of Transportation from Oklahoma's director and chief engineer of transportation, R. A. Ward, commenting on policies and procedures in flood plain management, proposed by the Federal Government.

Ward said the procedures "are simply another unnecessary and unwarranted infringement by the Federal Government on State and local rights."

While the advent of these harsh regulations and stringent requirements have hardly been noticed in Washington, Mr. Ward wrote:

> The proposed policies and procedures will have a detrimental effect upon the highway program in Oklahoma and throughout the Nation.
>
> We estimate the proposed policies and procedures will increase the project lead time approximately six to twelve months, depending upon the complexity, at a cost increase of ten percent in planning, twenty-five to forty percent in survey and design, and eight to sixteen percent in construction. Litigation is also expected to increase time and costs in project development as a result of these regulations.
>
> Our final comment concerns the end results of these procedures. Are we going to have a better product as a Department of Transportation think not.

Our Public Works and Transportation Committee has reported out a 4-year, $66 billion Federal highway bill. I am concerned that much of that money may be spent on filling out forms instead of building new roads.

The legitimate needs of flood plain management are somehow lost in this whole argument. I doubt that Noah could have built his Ark—to say nothing of a highway system—under today's system of rules and regulations.

The Joint Economic Committee issued a report that shows that Government regulations cost our economy $102.7 billion a year. That is 5 percent of our gross national product.

Time reports that the Federal Government "now has rules ranging from the establishment of whiskey tax rates to the placement of toilets on construction sites, from the design of atomic power plants to the milk content of ice cream, from foreign arms sales to childproof tops on aspirin bottles."

And, as Oklahoma's highway engineer Ward demonstrates, the new rules and regulations on flood plains are going to cost our Nation miles and miles of roads. I believe we need to ditch the rules, use sound field engineering to prevent flooding, and to build the roads.●

INSURANCE FOR GRAIN STORED IN ELEVATORS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. FINDLEY. Mr. Speaker, farmers who put their grain in elevators deserve the same protection as those who deposit money in banks. Today, I am introducing a bill to provide Federal insurance for stored grain. In a manner similar to Federal insurance of bank deposits, my bill would cover the grain that farmers put in elevators up to a value of $25,000, protecting farmers when grain elevators go bankrupt. Bankruptcies cause some farmers to lose most of the value of the grain they put in storage—in effect their life savings.

National figures on losses to farmers have not bee compiled. But in my home State of Illinois, considered among the best for its regulation of grain elevators, three elevators have declared bankruptcy since 1976 with several million dollars in liabilities outstanding. Bonding for the three firms totaled less than $400,000, not nearly enough to cover losses.

A new Illinois law will go into effect in October that hopefully will encourage better business practices. It requires audits of elevators and provides stiff penalties for dealers who withhold information. But even honest grain elevator operators can make mistakes, and the new law provides no insurance to farmers for grain losses. In fact, to my knowledge no State operates an insurance or recovery fund for grain elevator failures.

When the Federal Government insured deposits in banks it recognized the importance of sound financial institution to economic prosperity. Grain storage is just as vital to farm prosperity.

Specifically, my bill would:

Create a Federal Grain Insurance Corporation similar to the Federal Corporations that insure deposits in commercial banks and saving and loan associations;

Open membership in the Corporation on a voluntary basis to those who store grain for farmers;

Insure up to a value of $25,000 the grain deposited by a farmer with a Corporation member;

Require members of the Corporation to follow stringent business standards; and

Provide criminal penalties for grain storers who falsify applications for membership or claim to be members when they are not.●

INTRODUCES TEST FUNDS RELIEF ACT

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mrs. MEYNER. Mr. Speaker, I am today introducing the TEST Funds Relief Act of 1978.

This bill would establish tax exempt school trust funds, or TEST funds, as a means of providing tax relief for the costs of college education.

The purpose of TEST funds is clear: They would establish a specific avenue of relief for those people—primarily parents—who want to save money over the years in order to pay for the education expenses of their sons and daughters.

Provisions contained within the legislation speak for themselves, Mr. Speaker, but let me point out that the concept behind TEST funds is a sound one. In fact, it is somewhat similar to the concept that launched the individual retirement accounts (IRA's) in the 1974 Employee Retirement Income Security Act of 1974.

That is, an individual would be able to contribute up to a certain amount of money—in this case, no more than $1,000 each year—to a TEST fund in order to meet the educational costs of each eligible beneficiary when that person begins his or her post-secondary education.

TEST fund contributions would be tax deductible.

It is a sound concept, Mr. Speaker. It operates on the premise that an individual's education is an investment in his or her future, and that parents ought not to be punished if they set aside money for such an investment in their children.

Under current conditions, parents are indeed punished by the tax structure if they save money on a long-term basis, and so are millions of young boys and girls and young men and women who

take money from ther allowance, newspaper route earnings or part-time jobs and place into a long-term savings account in order to pay for their college education.

Who can deny these parents, these children, the opportunity to save without the effective penalty of taxation on these accounts?

Moreover, TEST fund accounts, like tax-deferred retirement accounts, assist financial institutions by making money available for capital formation and investment. I cannot see how we in Congress could go wrong by enacting legislation which encourages both an investment in our future and in our Nation's economy.

We owe it to ourselves, our children, and our future as a nation to support such legislation, and I certainly hope my colleagues in the House of Representatives give serious consideration to the establishment of TEST funds.●

TESTING FOREIGN AID

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. PATTISON of New York. Mr. Speaker, I call to the attention of our colleagues an article authored by Congressman MATT MCHUGH, which appeared on the op-ed page of this morning's New York Times (August 2, 1978).

The article deals with the issue of foreign aid and its importance to the national security, to the self-interest of this Nation.

For too long the people of this Nation have been told that foreign aid is primarily motivated by humantarian and altruistic considerations. No doubt those motivations are present in the minds of many who support the foreign aid program. But quite aside from those considerations, foreign aid is to the long-term benefit of the people of the United States.

As with any program, foreign aid has experienced many abuses; it has not always been wisely spent or distributed. We should constantly improve the program to minimize waste and abuse. But we should remember that the program is primarily in our own interests and for that reason it should be continued.

The article follows:

TESTING FOREIGN AID

(By MATTHEW F. MCHUGH)

WASHINGTON.—The foreign aid bill is in serious trouble in Congress. It matters little that President Carter's budget request has already been slashed in committee by over $1 billion dollars (13 percent). Much deeper reductions are threatened because it is widely assumed that foreign aid has no constituency. That was not always the case.

Following World War II, the United States spent about 3 percent of its gross national product to rebuild a war-torn world. Our leaders had little trouble persuading us that these expenditures were in our national interest. By 1977, our development assistance had dropped to 0.22 percent of G.N.P., placing us in the bottom quarter of all developed nations. But even this much lower level of support has few adherents. What happened to the constituency for foreign aid?

Undoubtedly, many things account for the declining popularity of foreign aid. Pressing economic concerns at home have influenced current priorities, and an increasingly complex world has made it more difficult to appreciate the purposes of foreign aid.

After World War II our help was directed to people with whom we had much in common, and it showed rapid results because its beneficiaries possessed the skills to put it to immediate use. Furthermore, the threat of monolithic Communism lurked in the background, silencing potential critics. Today many of those we help differ from us in their values and cultures. They often lack democratic traditions and criticize us in public forums. Still, we are capable of understanding a changing world if our leaders frame the issue in perspective.

A recent letter from a fellow Congressman began: "How would your constituents feel . . . if they knew that some of their hard-earned tax dollars were scheduled to support the rule of Idi Amin? The Communists in Vietnam and Laos? Cuba, while Castro exports Communism and violence all over Africa?" Clearly, if the issue is posed in terms of support for Idi Amin, there will be no constituency for foreign aid. However, the United States provides no direct assistance to Idi Amin's Government. We do contribute to certain United Nations programs that function in Uganda, but the programs are modest and serve basic human needs. A good example is the United Nations Children's Fund. Between 1978 and 1980, UNICEF will spend $1.2 million in Uganda on a number of activities, including immunizing women and children against diseases such as smallpox. It could be argued that this supports Idi Amin, but are we prepared to deny help to people threatened by disease? I doubt it.

And what about aid to Vietnam and Laos? Direct assistance is prohibited. However, we do make contributions to the World Bank and other international financial institutions. Last year, 0.11 of 1 percent of those contributions went for projects in Laos to benefit starving people. Congress could prohibit such indirect assistance, of course, but the international financial institutions would then be prevented by their charters from accepting any of our contributions. The result would be to hurt those most in need, and our own economy. Perhaps it will surprise most Americans that for every $1 we contribute to the international financial institutions, they spend $2 to purchase goods and services in the United States.

The basic point, however, is that foreign aid should not be tested solely by our feelings about Idi Amin, Vietnam or Laos. It must be judged against the broader realities of our economic and political interests, as well as our traditional humanitarian values.

We have heard desperate statistics about world hunger many times, and I trust that we have not become callous to them. Is 1.3 percent of budget really too much to spend to alleviate hunger, poverty and disease? Moreover, our own national security will be vitally affected by the ability of the developing nations to increase agricultural production, curb birthrates, and become more self-sufficient. As Pope John XXIII said: "In a world of constant want there is no peace."

Finally, economic self-interest requires attention to the developing nations. We are increasingly dependent upon them for raw materials needed to fuel our economy. In addition, they offer the best opportunity for expanding our export markets. Exports now provide one of every eight manufacturing jobs in the United States, and a third of our agricultural produce is sold abroad. Given our negative balance of payments, continued growth of markets in the developing world is essential to our economic well-being.

The foreign aid program serves our interests. If political leaders, including those of us in Congress, present the case more effectively, there will be a constituency in the country to support it.●

INTERNATIONAL LEAD AND ZINC STUDY GROUP

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. SANTINI. Mr. Speaker, I recently returned from an extraordinary meeting of the international lead and zinc study group, a meeting which was called, because of the current crisis, worldwide, in the zinc industry.

For well over a year zinc production has exceeded consumption, inventories have risen to high levels and prices have dropped to a point where most producers, including the entire U.S. industry, are losing money.

During the past decade the American producing industry has lost half its smelting capacity. In the late sixties imports accounted for about a quarter of U.S. zinc metal consumption; now they account for more than one-half.

In fact, imports have soared to record highs in the last few years, mainly because the United States is the only major market which is really open. Several zinc mines have closed, including one in my State, and there have been layoffs at American zinc smelters. More layoffs could occur.

I drew three conclusions from my attendance at the lead and zinc study group meeting. First, the study group was not really able to do anything about the zinc problem, except to call attention to what everyone already knew: That there is too much zinc production in certain parts of the world. On the basis of what I saw at the meeting, I question whether the study group at future meetings will be able to deal effectively with the zinc problem.

Second, the American officials from the Departments of State and Commerce, and from the Bureau of Mines, who attended the meeting were very competent, knowledgeable and hardworking. That the study group did not really accomplish anything was certainly not their fault.

Third, and most important, it became quite clear that the U.S. Government does not have a policy toward the domestic zinc industry, or, for that matter, a general policy, to treat a problem of the kind which has arisen in zinc.

American officials have made scores of trips to various cities around the world, and have spent countless hours in international meetings discussing the commodity problems raised by other countries, especially developing countries. Yet, it appears that they have spent very little time on the problems of the American zinc industry, or, for that matter, the American minerals industry.

That is one reason why, Mr. Speaker,

I have taken so much interest in the nonfuel minerals policy study which President Carter announced last December. A number of my friends in this House have heard me on numerous occasions call for a coherent, carefully thought-out minerals policy which would serve America's needs. We do not have such a policy at this time.

I will not repeat here what I have said on other occasions, but I do want to emphasize that the declining U.S. zinc industry, and the lack of an effective Government policy, underscore the critical importance of the minerals policy study and of completing it as quickly as possible.

I have mentioned here only the domestic zinc industry, because that was the subject of the Vienna meeting. However, without in anyway detracting from the critical situation for zinc, I want to emphasize that a large portion of the domestic minerals industry is faced with a similar situation; that is, over production from foreign sources, rising imports, falling prices, closure of mines and smelters and the loss of jobs. Copper is a prime example. On the other hand there are certain critical and strategic minerals which are not produced domestically but are imported almost exclusively from countries that are not known for either their reliability or political stability. Cobalt falls into this class.

A carefully thought-out and implemented nonfuels minerals policy could, not only save a vital domestic industry from disaster, but could also assure this Nation of supplies of essential critical and strategic minerals.

Let us act now to avoid a minerals crisis that could be as serious as the petroleum embargo of 1973.●

MAXINE BURNS, VICE PRESIDENTIAL ADVISER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. STOKES. Mr. Speaker, it gives me great pleasure to bring to your attention a young woman who was once my congressional press aide and is now an adviser to the Vice President of the United States. Ms. Maxine Burns is the talented and charming assistant press secretary to Vice President WALTER MONDALE and his adviser on national women's issues.

During her tenure in my Washington office, Ms. Burns performed her press duties with skill and acumen. I am delighted that she has been so successful in her career. I am certain that I speak for many in my city when I say that we are very proud of Maxine.

Recently, this talented young woman was featured in the Cleveland Press newspaper in an article by Washington Bureau Reporter Al Thompson. The piece appeared in the Tuesday, July 18 edition of the paper. At this time, Mr. Speaker, I would like to submit the article for the RECORD and ask that my colleagues join with me in wishing Ms. Burns continued success and gratification in her chosen profession:

EYE ON WASHINGTON—MEET MONDALE'S GAL FRIDAY

(By Alan Thompson)

WASHINGTON.—Ah, the glamour of it all.

Flitting in and out of the White House. Criss crossing the United States. Two trips to Europe in 18 months, not to mention lesser jaunts to Canada, Mexico, the Far East, Egypt, and Israel.

Not bad for a kid who grew up on Onaway Rd. in Shaker Heights.

But that's the way it is these days for Ms. Maxine Isaacs Burns, who signed on with a fellow named Mondale some five years ago.

At the time, then Sen. Walter F. Mondale was making his trial run at the presidency. He theoretically scrapped the idea when he decided he didn't want to spend the rest of his life sleeping in Holiday Inns and munching rubber chicken.

That changed in 1976 when Jimmy Carter decided Mondale would make a good running mate in Carter's bid for the presidency.

Everybody knows what happened after that, and today the 30-year-old Ms. Burns is the assistant press secretary and advisor on women's issues to the vice president of the United States.

"I've been doing the same kind of work for eight years, so there is no question I get restless," says Ms. Burns. "But there is also no denying it's a fabulous, exciting thing."

Ms. Burns graduated from Shaker Heights High School in 1965, and from Skidmore College in Saratoga Springs, New York, in 1969. After about a year-and-a-half in Japan, she landed in Washington in 1970.

Once here, she started pestering Rep. Louis Stokes (D–21) for a job. Stokes eventually hired her as press secretary-speechwriter. With Stokes she also cultivated her abiding interest in African affairs.

In 1973 she left Stokes and joined Mondale during his presidential trial run. When that didn't pan out, she tried her hand at freelance writing.

"I thought that would be my new career. It turned out to be an aberration," she recalls now. "No money."

But a vice presidential campaign needs staff, lots of staff, and in 1976 Ms. Burns gave up free-lancing and rejoined Mondale as deputy press secretary on the campaign plane. Her job was to coordinate media events as Mondale raced from city to city.

"I always said I had the worst job in the campaign," she says. "I had to write the news releases, attend the events and then take care of the next day's advance.

"Other people could skip some of that and get some rest. I never could. They were all 20-hour days. I figure it took me to the following March (1977) to get over the exhaustion," Ms. Burns recalls.

Exhausted or not, Ms. Burns says the days of the inauguration were the most enjoyable of the whole period. She rode in the inaugural parade and accompanied Mondale through the social events that followed the inauguration.

Three days later she accompanied the vice president on his whirlwind trip to Brussels, Bonn, Berlin, Rome, London, Paris, and Tokyo.

A high point came in Vienna in May, 1977, when Mondale met with South African Prime Minister Balthazar Johann Vorster during a second European trip.

"It was personally moving for me, because I had worked on those issues for so long," said Ms. Burns.

Ms. Burns says Mondale is a good boss.

"He's demanding, but he's a good man to be staff for because he likes and trusts his staff," she says. "It doesn't bother me that he is demanding, because I think that's how he should be."

Ms. Burns saw her parents, Mr. and Mrs. Bernard Isaacs, when she accompanied the vice president to Cleveland last month.

"It's the first time I had been back since the campaign," she said. "We were there about every other day during the campaign."●

MOST BASIC HUMAN RIGHT—THE RIGHT TO LIVE

HON. PAUL E. TSONGAS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. TSONGAS. Mr. Speaker, the most basic human right is the right to live. The inability to survive, a reality facing millions throughout the world, makes the civil and political rights Americans cherish meaningless. Yet amendments being proposed today in the name of human rights would have the effect of denying the most fundamental right of all—survival.

As a Peace Corps volunteer in Ethiopia, I personally witnessed the daily struggle to exist. On a return visit last year, I witnessed the frustration of Ethiopians when the United States opposed a loan for an irrigation project in order to register dissatisfaction with the political regime. To punish starving human beings for the reprehensible actions of their governments is to abandon the moral obligation this Nation has incurred as the world's most prosperous country.

Further cuts or restrictions in this foreign aid bill will have the dual effect of eroding a vital element of American foreign policy and thwarting our domestic battle against inflation and unemployment. The future economic and political security of the United States is dependent on the relationships we cultivate now with less-developed countries. If we choose to alienate them, we are choosing future confrontations whose costs will greatly outweigh the meager savings we might receive by cutting funds today.

We are obligated to look beyond the personal political benefits of cutting aid to the advantages of a more prosperous world economy. The relations between the United States and the Third World are ones of interdependency, not dependency. The stability and growth of our economy is linked with the continuation of supplies of raw materials and the expansion of markets for American goods and services. And the benefits of foreign aid are not vague promises to be fulfilled in the distant future. Every dollar appropriated to the international financial institutions stimulates almost $2 in goods and services for our economy.

The mutual benefits of the foreign aid program make it imperative that no further funding cuts or restrictions endangering our participation in the IFI's be imposed. Our actions on this bill will determine whether we aid less developed countries to become prosperous, democratic nations, or throw these countries further into the arms of the Soviet Union. By turning our backs on the Third World, we turn our backs on ourselves.●

TAX REVIEW ACT OF 1978

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. PICKLE. Mr. Speaker, I would like to place in the CONGRESSIONAL RECORD the Summary of H.R. 13511 the Revenue Act of 1978 as ordered reported prepared by the staffs of the Joint Committee on Taxation and the Committee on Ways and Means:

SUMMARY OF H.R. 13511, AS AMENDED

TITLE I. INDIVIDUAL INCOME TAXES

A. Tax reductions and extensions

The individual tax brackets would be widened by 6 percent of taxable income in excess of the zero bracket amount. Also, there would be rate cuts in certain brackets.

In addition, the zero bracket amount ($2,200 for single persons and $3,200 for married couples) would be increased to $2,300 for single persons and $3,400 for married couples. This has essentially the same effect as a comparable increase in the standard deduction would have had under prior law.

B. Personal exemption and general tax credit

The present $750 personal exemption for each taxpayer and dependent would be increased to $1,000. The general tax credit, which equals the greater of (1) $35 for each personal exemption or (2) 2 percent of the first $9,000 of taxable income in excess of the zero bracket amount, would be allowed to expire at the end of 1978.

C. Earned income credit

The earned income credit would be changed in three respects. First, the credit allowed would be equal to the lower of (*a*) 10 percent of earned income or (*b*) the maximum credit amount ($400) minus 10 percent of the amount by which adjusted gross income or earned income, whichever is larger, exceeds $4,000. Second, items which are excluded from adjusted gross income would no longer be excluded from earned income eligible for the credit. Third, taxpayers eligible for the credit would be married couples and surviving spouses who have a child living with them, and unmarried heads of household who maintain a household for a child. These changes are intended to make it easier for taxpayers to compute the credit and to provide the necessary information on the tax return to enable the Internal Revenue Service to allow the credit to taxpayers who qualify but do not take advantage of the credit on their tax return.

In addition, the earned income credit which is due to expire on December 31, 1978, would be made permanent.

D. Itemized deductions

1. *State-local nonbusiness gasoline taxes.*—The provision of present law which permits itemized deductions for State and local taxes on gasoline, diesel, and other motor fuels not used in business or investment activities would be repealed.

2. *Political contributions.*—The provision of present law which permits itemized deductions for certain political contributions up to $100 per year ($200 in the case of a joint return) would be repealed. The provision of present law which permits an income tax credit equal to one-half of such political contributions, but not more than $25 ($50 in the case of a joint return), would be retained.

3. *Medical expenses.*—The provision of present law which permits itemized deductions for one-half the cost of medical and hospitalization insurance premiums (up to $150), without regard to the general limitation that medical expenses are deductible only to the extent exceeding three percent of adjusted gross income, would be repealed. In addition, the special limitation in present law which permits deduction of medicine and drug costs only to the extent the costs exceed one percent of adjusted gross income would be repealed. Also, under this revision only insulin and prescription medicine and drugs would be eligible for the medical expense deduction.

As a result of these modifications, the full amount of medical and hospitalization insurance premiums, the costs of prescription medicine and drugs (and nonprescription insulin), and other qualifying medical expenses would be deductible to the extent that they exceed three percent of adjusted gross income.

E. Unemployment compensation

The current exclusion from taxable income for unemployment compensation paid pursuant to government programs would be phased out at higher levels of income. The amount of unemployment compensation excluded would be reduced by one-half of the excess of gross income (including unemployment compensation) over $20,000 for single taxpayers, and generally over $25,000 for married taxpayers.

F. Deferred compensation

Employees and independent contractors performing services for a State or local government or the Rural Electrification Administration would be able to defer annually an amount equal to the lesser of $7,500 or 33⅓ percent of their currently includible compensation. In cases where amounts less than these limitations are deferred, a limited catch-up would be available during the three-year period preceding retirement. In addition, compensation deferred under unfunded deferred compensation plans maintained by taxable employers would be subject to the principles of law in effect on February 1, 1978. Finally, the rules for the deductibility of employees' deferred compensation would be extended to deferred payments for services performed by independent contractors.

G. Cafeteria plans

Participants in nondiscriminatory "cafeteria" plans (welfare benefit plans which permit participants to choose which fringe benefits they want purchased with employer contributions) would not have taxable income to the extent that they elect to have employer contributions applied to purchase nontaxable benefits (e.g., accident and health benefits or group-term life insurance in an amount less than $50,000). Participants would have taxable income to the extent that they elect to have employer contributions applied to purchase taxable benefits or they elect to receive cash or other property in lieu of fringe benefits. A special rule is provided to insure that accident and health benefits are provided on a nondiscriminatory basis.

H. Cash and deferred profit-sharing plans

Amounts that a participant in a qualified, nondiscriminatory "cash and deferred" profit-sharing plan (a plan which permits participants to elect to defer part, or all, of the profit-sharing contribution to be made by the employer for the year) elects to defer and have paid into the trust under the plan would not be taxable to the participant in the year of deferral. In determining qualified status of a plan, relevant revenue rulings relating to nondiscrimination and treatment of these plans as qualified profit-sharing plans, which had been issued prior to January 1, 1972, would apply. The substance of this provision is contained in H.R. 9251, as passed by the House and Senate, except that the provision of H.R. 9251 would terminate on January 1, 1980, and would apply only to plans in existence on June 27, 1974.

I. Effective date

In general, the provisions of Title I would apply to taxable years beginning after December 31, 1978.

TITLE II. TAX SHELTER PROVISIONS

A. Changes in at-risk rules

The at-risk loss restriction provision of present law, which now applies to four specified activities (farming, oil and gas, motion pictures, and equipment leasing), would be extended to apply to all atcivities except real estate. In light of the broadened application of this provision, the partnership at-risk loss restriction would be repealed.

This provision (now applicable to individuals, trusts, estates, subchapter S corporations, and personal holding companies) would also be made applicable to any closely held corporation in which five or fewer individuals own more than 50 percent of the stock.

In addition, the provision would be modified to provide for recapture of previously allowed deductions where there were withdrawals of amounts originally placed at risk.

In general, these changes in the at-risk rules would apply to taxable years beginning after December 31, 1978.

B. Partnership provisions

A civil penalty would be imposed on a partnership for failure to file (or late filing of) a partnership return. Also, the general three-year period of limitations under present law (in which a person may be assessed additional income tax for a particular year) would be extended to four years after the date of the partnership return is filed with respect to income, deduction and credit items which have been passed through from certain partnerships to that person. This provision would only apply to partnerships subject to registration or reporting requirements of the Securities and Exchange Commission.

In general, the partnership provisions would apply with respect to taxable years beginning after December 31, 1978.

TITLE III. BUSINESS TAX REDUCTIONS

A. Corporate rate reductions

The corporate tax rate applicable to the first bracket of taxable income ($0–$25,000) would be reduced from 20 percent to 17 percent. The rate applicable to the second bracket ($25,000–$50,000) would be reduced from 22 percent to 20 percent.

In addition, two additional brackets would be created. The corporate tax rate applicable to the third bracket ($50,000–$75,000) would be 30 percent and the rate applicable to the fourth bracket ($75,000–$100,000) would be 40 percent. Finally, taxable income in excess of $100,000 would be taxed at 46 percent (rather than 48 percent as under present law).

In general, these corporate rate reductions would apply to taxable years beginning after December 31, 1978.

B. Investment credit modifications

The present 10-percent investment credit and the $100,000 used property limitation scheduled to expire at the end of 1980, would be made permanent. In addition, the 50-percent limitation on the amount of investment credit that can be used to reduce tax liability in excess of $25,000 for any taxable year would be increased to 90 percent, phased in at an additional 10 percent per year. Finally, eligible property for purposes of the investment tax credit would be expanded to include rehabilitation expenditures with respect to existing industrial and commercial buildings (including retail struc-

tures and warehouses). It would not apply to residential property. The credit would be available for eligible rehabilitation expenditures incurred after December 31, 1978.

C. Investment credit for pollution control facilities

The full investment credit would be allowed for pollution control facilities which are eligible for an election to use 5-year amortization, except to the extent the facility has been financed with tax-exempt industrial development bonds. Under present law, the investment credit on pollution control facilities for which the taxpayer elects 5-year amortization is limited to one-half of the credit that otherwise would be available. In general, this provision would apply to property acquired by the taxpayer after December 31, 1978.

D. Targeted jobs credit

A permanent tax credit of 50 percent of FUTA wages (the first $6,000 of wages per employee) for the first year of employment and 16⅔ percent of such wages for the second year of employment would be provided for hiring: (1) AFDC recipients who register for the WIN program, (2) recipients of Supplemental Security Income (SSI), (3) handicapped individuals, (4) individuals of ages 18 through 24 who are members of households receiving food stamps, (5) Vietnam veterans who are members of households receiving food stamps, (6) recipients of general assistance for 30 or more days, and (7) individuals of ages 16 through 18 who are participants in a high school or vocational school sponsored work-study or cooperative education program. Wages eligible for the credit would be limited to 20 percent of the total FUTA wages paid by an employer.

The current general jobs tax credit would be allowed to expire at the end of 1978.

The Secretaries of Treasury and Labor would be required to submit a report to Congress by June 30, 1981, on the effectiveness of the general jobs credit in stimulating employment in 1977 and 1978 and of the targeted jobs credit, as provided in this bill, in improving the employment situation of the targeted groups.

E. Increase limit on small issues of industrial development bonds

The small issues limitation on industrial development bonds would be increased from $5 million to $10 million for capital expenditures made over a 6-year period for a project. In general, this provision would apply to obligations issued after December 31, 1978, in taxable years ending after such date.

F. Small business provisions

1. *Subchapter S provisions.* Three modifications would be made with respect to subchapter S corporations: (1) fifteen or fewer shareholders would be allowed for its initial election; (2) husbands and wives owning subchapter S corporation stock, regardless of how the stock is held, would be treated as one shareholder for purposes of determining whether the subchapter S shareholder limitation has been complied with; and (3) a subchapter S election would be allowed to be made at any time during the first 75 days of the current taxable year or at any time during the preceding taxable year.

2. *Small business corporation stock.*—A corporation would be permitted to issue up to $1,000,000 of section 1244 stock (as opposed to the $500,000 limitation of present law) potentially subject to ordinary loss treatment. The maximum amount treated as an ordinary loss from the sale or exchange of section 1244 stock for a taxable year would increase to $50,000 ($100,000 in the case of a joint return). In addition, the requirement that the section 1244 stock be issued pursuant to a plan would be repealed.

3. *Special depreciation rules for small business.*—The additional first year depreciation allowance (see. 179) would be modified in three respects. First, the percentage allowable would be increased from 20 percent to 25 percent. Second, the base amounts for the cost of eligible depreciable tangible property would be increased from $10,000 to $20,000 (in the case of a joint return, the amount would be increased from $20,000 to $40,000). As a result of these two changes, the amount deductible would be increased from $2,000 (20 percent of $10,000) to $5,000 (25 percent of $20,000). In the case of a joint return, the amount deductible would be increased from $4,000 (20 percent of $20,000) to $10,000 (25 percent of $40,000). Third, the provision would be made applicable only to a taxpayer whose adjusted basis in depreciable assets as of the beginning of the taxable year did not exceed $1 million.

4. *Effective dates.*—In general, these small business provisions would apply to taxable years beginning after December 31, 1978. The provision relating to small business corporation stock would apply to stock issued after the date of enactment.

G. Accrual accounting for farming corporations

The family corporation exception to the rules which require that certain farming corporations use an accrual method of accounting and capitalize preproductive period expenses would be extended to cover certain corporations that are controlled by two or three families.

In addition, farmers, florists, and nurseries on an accrual method would not be required to take inventories of growing crops into account in computing taxable income unless these taxpayers are required by statute to capitalize preproductive period expenses. Further, farmers, florists, and nurseries who are currently using an accrual method of accounting, but who are not required by statute to use such a method of accounting,would be allowed until 1981 to change to the cash method of accounting.

In general, these provisions would apply to taxable years beginning after December 31, 1977.

H. Five-year amortization for low-income rental housing

A 3-year extension of the special 5-year amortization rule for certain expenditures to rehabilitate low income rental housing would be provided (i.e., until January 1, 1982). Under the special amortization rules for certain low-income rental property, taxpayers may elect to amortize up to $20,000 of certain rehabilitation expenditures, on a per dwelling unit basis, over a period of 60 months if the additions or improvements have a useful life of 5 years or more.

TITLE IV. CAPITAL GAINS

A. Alternative capital gains tax

The election for individuals to have the first $50,000 of long-term capital gains taxed at an alternative rate of 25 percent would be repealed, effective for taxable years beginning after December 31, 1978.

B. Minimum and maximum tax

Capital gains would be removed from the list of tax preferences for individuals, corporations, estates and trusts under both the minimum and maximum taxes, effective for taxable years beginning after December 31, 1978. This change would reduce the maximum rate of tax on capital gains to 35 percent.

C. Alternative minimum tax on capital gains

An alternative minimum tax would be provided at the rate of 10 percent on the excluded one-half of an individual's long-term capital gains, reduced by a $10,000 exemption. This alternative minimum tax would be imposed only to the extent this tax exceeds the individual's regular tax liability. The alternative minimum tax base excludes any capital gain realized on the sale or exchange of an individual's principal residence.

Under the bill, individuals who realize capital gains would compute their regular tax liability and compare this amount with that calculated under the alternative minimum tax on capital gains. The individual's tax liability would be the greater of these amounts plus the amount of the existing minimum tax (which would continue to apply to tax preferences other than capital gains).

D. Inflation adjustment

Taxpayers would be allowed to adjust the basis of certain capital assets upward by the rate of inflation. For eligible assets sold after December 31, 1979, the basis adjustment would reflect the rate of inflation indicated by the consumer price index for the holding period of the asset. However, the adjustment would be made only with respect to increases in the consumer price index occurring after December 31, 1979. In general, assets eligible for the basis adjustment would be corporate stock, real estate, and tangible personal property.

E. Exclusion of gain on sale of residences

An individual, regardless of age, could elect to exclude from gross income $100,000 of any gain realized on the sale or exchange of his or her principal residence. The exclusion would apply only once in a taxpayer's lifetime, and would be available only if the present non-recognition treatment for rollovers is not elected. In addition, the exclusion would apply with respect to gain realized on the sale or exchange of a principal residence which the taxpayer has owned and occupied as his or her principal residence for the two-year period which immediately precedes the sale. The exclusion would apply to sales or exchanges after July 26, 1978.

The provision of present law relating to gain realized on the sale of a principal residence by a taxpayer 65 and other would be repealed.

If an individual realizes gain in excess of the amount excludible, the taxpayer's gain would be reduced prior to the application of the present law deduction of one-half of the individual's long-term capital gain.

F. Nonrecognition of gain on certain residential sales

An individual could elect not to recognize gain on the sale of more than one principal residence within an 18-month period (rather than the present law limit of one "rollover" during the 18-month period), if a replacement principal residence is purchased and occupied within that period, and if each sale and purchase is attributed to the individual's relocation for the convenience of his or her employer. Gain not recognized on any sale would reduce the individual's tax basis for each of his or her new residences.

G. Capital gains tax study

The Treasury Department would be required to prepare, and submit to Congress, by September 30, 1981, a report on the effectiveness of the reductions of both the individual and the corporate capital gains tax rates in stimulating investment and increasing the rate of economic growth. The report also is to include a study of the effects of these reductions on the growth of employment and on income tax revenues.

Tentative revenue effects of H.R. 13511 as ordered reported
[Dollar amounts in millions]

	Calendar			Fiscal
	1979		1980	1979
Individual	−$10,464	[1] (65.5)	−$12,033	−$6,970
Corporate	−3,755	(23.5)	−4,969	−2,033
Capital gains [2]	−1,766	(11.0)	−2,241	280
Individual	−1,671		−2,137	−280
Corporate	−95		−104	
Total	−15,985	(100.0)	−19,243	−9,282

[1] Figures in parentheses are in percent.
[2] The revenue estimates do not take account of any changes in economic activity in response to the tax change.
SOURCE: Joint Committee on Taxation, July 27, 1978.●

ROADBLOCK TO PEACE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. ROSENTHAL. Mr. Speaker, the recent turn of events in the Middle East is deeply disappointing to me. Through public declarations of the past week, President Anwar Sadat of Egypt has once again cast a shadow over the future of Arab-Israeli peace talks.

President Sadat's recent pronouncements call into question the sincerity of his peace efforts; his statements of late represent not simple intractability but real regression:

Just 8 months ago, President Sadat and Prime Minister Begin were conversing as if old friends. Barely had negotiations begun in Jersusalem when President Sadat stunned everyone by pulling his delegation out of the political talks. After months of painstaking work by all parties concerned, it appeared that negotiations were back on the track. But recently, President Sadat, by casting aspersions on Prime Minister Begin in particular and Israel in general, has moved once again to smother any feelings of mutual trust and understanding that have been built up.

After the Leeds Castle conference 2 weeks ago, President Sadat assured American officials that he would be willing to meet again with the Israelis at a Middle East site. Three days ago, he abruptly reneged on those assurances.

In his Middle East proposal unveiled last month, there was no mention of preconditions. Now President Sadat has made an abrupt and regressive about-face, demanding an agreement to exclude any compromise on the issues of so-called Arab land and sovereignty prior to negotiations. But by making this demand, he ignores the bald fact that such a prior agreement would leave nothing to negotiate. It is precisely the subject of land and sovereignty that must be discussed in any negotiations.

I am genuinely troubled by these conflicting signals emanating from Cairo. We are told privately by leaders of Israel and Egypt and our own Government that progress has been made, that concessions have been advanced by both sides. Yet, in the world arena, President Sadat's language becomes harsher each day. Can this be in reaction to pressures from the rejectionist states and from the nonaligned countries meeting in Belgrade last week?

Or is President Sadat's latest swing due to pressure Saudi Arabia's Crown Prince Fahd is bringing on him to halt negotiations and to rejoin the Arab fold? This last would be nothing less than a serious betrayal of President Carter's trust by the Saudis. The administration proposed the recent sale of the F–15 to Saudi Arabia on the basis that it would encourage that nation to play a positive role in furthering the peace process. While many of us in Congress felt that such a sale should follow—not precede—tangible progress towards a Middle East settlement, the administration argued repeatedly that Saudi Arabia was a moderate nation and supported President Sadat's peace efforts. However, the Saudis never offered a public endorsement of President Sadat's Jerusalem mission or of subsequent talks. Any effort now by the Saudis to end Israeli-Egyptian contacts would be a stinging blow to this country's relations with Saudi Arabia and to the chances for peace in the Middle East.

Mr. Speaker, it is my sincere hope that the new hard language we are hearing is abandoned soon so that we may get Middle East talks back on the track once again.●

PROTECTION AGAINST UNWARRANTED SEARCHES

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. GUDGER. Mr. Speaker, I participated today in introducing a bill to strengthen the legislative underpinning of the first and fourth amendments to the Constitution, a move that was made necessary by the Supreme Court's decision in the case of Zurcher against Stanford University Daily.

Joining with me in sponsoring this bill are my colleagues Representatives MANN, HOLTZMAN, HALL, EVANS of Georgia, PREYER, ROSE, and NEAL.

This bill, the Third Party Search Protection Act of 1978, is designed to protect both the press and private citizens not accused of any crime from arbitrary search and seizure of documents or other objects by police authorities.

The background leading to the need for legislation of this nature, in brief, is this:

In 1971, the Stanford University campus newspaper published photographs of a demonstration and clash between student protestors and police in which several police officers were allegedly assaulted.

The next day, the county district attorney secured a warrant for an immediate search of the newspaper offices and files which was carried out by four policemen. No evidence was found in the search through photographs, film, negatives, and office files.

The newspaper and its staff went to court and won a ruling that the 4th and 14th amendments forbid the issuance of a search warrant when the persons in possession of the object or objects sought were not suspected of having committed a crime, unless there is probable cause to believe that a subpena would be impracticable. The court also ruled that, when the object of the search is a newspaper, the first amendment limits governmental power to search to only those cases where there is a clear showing that important materials would be destroyed or where a restraining order would be futile.

In the appeal to the Supreme Court, the lower court was reversed. The May 31 decision stated that search warrants are aimed not at people, but at things believed to be in certain places, thus making it irrelevant whether any third party involved was suspected of having committed a crime. Any first amendment rights that might be at issue would be protected by applying the reasonableness requirements of the fourth amendment with "scrupulous exactitude."

The majority opinion pointed out that Congress has the power to alter the effects of the decision through its legislative process.

"The Fourth Amendment does not prevent or advise against legislative or executive efforts to establish nonconstitutional protections against possible abuses of the search warrant procedure * * *", Justice White wrote.

Our friends in the press feel strongly that legislative action is necessary. I agree. The impact of the Supreme Court's decision is not limited to newspapers or radio or television stations.

The Court's view of when and under what circumstances a search may be conducted means that anyone could be the object of a search whenever a judge can be convinced—whether rightly or

wrongly—that a search is necessary. This means doctors, lawyers, accountants, anybody.

It takes little imagination to see that, had the Zurcher case ruling been handed down a few years earlier, a friendly judge of that time could have issued a warrant which would have allowed the rifling of Daniel Ellsberg's files in a psychiatrist's office without resort to burglary. Even the Democratic National Committee at Watergate could have been thoroughly searched under a similar process involving a cooperative judge and an aggressive police officer.

To guard against such happenings, we are proposing in the bill being introduced today, to restrict the issuance of search warrants without prior use of subpena, including notice and hearing, in cases involving property in possession of third parties.

The only time such warrants could be issued would be when "there is probable cause to believe that the individual whose person or property is to be searched for or seized has committed or is committing a criminal offense" or, if an innocent holder, that he will destroy the records if the search warrant is not used.

This, I think, will protect the first amendment rights of the press and the fourth amendment rights of all persons, while addressing the points raised by the Supreme Court.●

MERCEDES COLÓN

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. GARCIA. Mr. Speaker, yesterday, I inserted into the RECORD an article about a young medical student from my district, Luis Maceira. Inserting success stories about men and women from the South Bronx is a habit I hope I become very accustomed to. In a recent issue of Nuestro, an article appeared about a talented and determined young woman named Mercedes Colón, who, completely on her own, has devised a training program for medical practitioners and students at the New York University Medical School to teach them how to communicate—in every sense of the word—with their Hispanic patients. What Mercy Colón, who I have known for many years, has done is to develop a methodology and curriculum that will bring doctors, nurses and other health workers new understanding of their Hispanic patients, and to create an environment for those patients that is free from linguistic and cultural barriers.

The point I shall make as often as I can, and these articles are but two of what I hope will be a long series, is that although Mercy's particular contribution is exciting and unique, she exemplifies a kind of energy and creativity that has always been present in the South Bronx, and that, contrary to the stories predicting the death of our community, will increasingly give it more and more life.

The article follows:

BEYOND DISSATISFACTION

(By Ana Sims)

NEW YORK.—The young doctor is clearly an Anglo. But he regards his Latino patient, an elderly puertorriqueña, with obvious understanding and sympathy. "Dónde le duele?" he asks. "Y por cuánto tiempo?" The reason that he can get her medical history—or, indeed, the key facts from any Spanish speaking patient—is that he has gone through a trailblazing program here in New York. Called the Medical Spanish Program, it is the brainchild of a bright, indomitable Latina who has never been satisfied with just doing the minimum.

Eight years ago, for example, Mercedes Colón simply refused to settle into the role of the dutiful wife, "cooking rice and beans for my hubsand." Nor was she content with her office job. By then, of course, Colón had come a long way from her childhood in the South Bronx. The eldest of four children in a "poor but proud Puerto Rican family," she had worked in part-time jobs after school to help keep the family afloat, then put herself through secretarial school. But she decided that there was much to do besides banging on a typewriter and bustling in a kitchen.

Colón enrolled in night courses at Staten Island Community College. While there, she became interested in bilingualism and biculturalism. And when she read a Spanish language manual of medical terms, Colón had a bold idea. Why not teach medical students the language and culture of their Latino patients?

That, however, was easier proposed than accepted. In fact, Colón had to educate the educators at New York University's medical school. First, she opened their eyes to the tragic communication gap between medical practitioners and Latinos, who in some city hospitals account for as much as 90 percent of the total patient population. Then the young Latina convinced hospital administrators that she could create and run a program which could help fill that gap.

Colón Medical Spanish Program started in 1972. Since then, hundreds of second-year NYU medical students—as well as a sizable number of doctors, nurses and other health workers—have learned how to interview Latino patients who speak little or no English. They also become versed in such cultural factors as diet, use of herbal medications and espiritismo, which may have a crucial impact on patients' attitudes toward medical care and even on the way they perceive their own symptoms.

Teaching techniques include actual interviews of patients recruited from the waiting room of nearby Bellevue Hospital, where the course is held. Colón's method is based on audio-lingual techniques applied to real situations that arise in hospitals. "Students learn by role-playing among themselves and with volunteer patients," she says. "We also take them on tours of La Marqueta and botánicas and prepare and share a typical Puerto Rican dinner." Finally, those who finish the course have the option of taking a summer program in Puerto Rico.

The underlying reason for the program's success is Mercedes Colón herself. Since NYU covers only 80% of the program's modest budget, all administrative work and additional fund raising is done by Ms. Colón and assistant director Mayra González, both of whom also teach full-time. Yet Colón still finds time to work toward an interdisciplinary degree in education and psychology. Her hope, she says, is to "perfect and standardize our teaching method so it could be used wherever Latinos live in this country." A worthy goal, indeed—after all, for Latinos to be able to communicate with a doctor is often a matter of life and death.●

LABOR'S FREE RIDE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. ASHBROOK. Mr. Speaker, on many occasions I have addressed the House on the subject of union privilege and abuse of power. Unions have privileges that others do not have because of the clout they have by electing liberal Democrats to Congress. They can be exempted from Consumer Protection legislation for that reason. They get favored status in so-called election reform legislation for that reason. They can get their bills out of committee while any reform such as the Ashbrook-Erlenborn employees bill of rights legislation gets the deep six.

Their arrogance extends to the arrogant and high-handed manner in which they treat their own rank and file. Fortunately, there is a rustling in the ranks. Rank and file union members are irate at their union leaders saying they favor gun control legislation when they do not. They are irate that union leaders always line up on the side of the welfare lobby, the regulators, and the big Government elite.

Ralph De Toledano has written an excellent article which appeared in the August 4, 1978 issue of National Review. It hits the nail on the head and should be read by all who want to bring runaway Government under control. The article follows:

LABOR'S FREE RIDE

(Ralph De Toledano)

It began back in the Thirties, with the passage of the Wagner and Norris-Laguardia Acts. Ever since then the government has been doing George Meany the favor of compelling millions of people to join labor unions, unmolested by the courts. Democratic or Republican Administrations, or the American Civil Liberties Union. But of all the abuses fathered by Wagner and Norris-LaGuardia, the most pernicious is the use by organized labor of union members' dues for political purposes.

The law is very clear on this subject. Neither unions nor corporations may make outlays from their general funds to candidates or political organizations. In those instances in which corporate executives have done so and been discovered, they have been prosecuted. Not so in the case of labor leaders. It has only been since organizations like the National Right to Work Legal Defense Foundation have entered the field that due process has been employed to restrain the labor moguls—and so far that restraint has been minuscule when compared to the magnitude of organized labor's violations.

The result has been Laborgate, the systematic and growing corruption of the electoral and legislative process by the union leadership.

When the House of Representatives gave its approval to the so-called Labor Reform bill, 257 congressmen voted yes. By one of those noncoincidental coincidences, those congressmen had received more than $4.5 million in campaign contributions from organized labor. (Most of that money went to Democrats.) The cost to Big Labor, therefore, was an average of $17,000 for each yes vote. Organized labor was even more lavish with the United States Senate, spending $6.1 million for the candidates of its choice, including $245,000 in a single primary.

Recently Common Cause published an itemized list of senators and congressmen who had received $10,000 and $15,000 contributions from the maritime unions. (The Speaker of the House was among them.) The purpose of those checks was to buy support for a bill, demanded by those unions, which would have mandated that 30 per cent of the oil shipped to the United States be carried in American-flag tankers, which have priced themselves out of the field because of the labor-imposed wage structure and survive only by federal subsidy. The bill would have cost the country billions of dollars in higher oil prices.

Or consider the National Education Association, 1.8 million strong, which openly and repeatedly boasts that it has the power to dominate the electoral process and dictate the terms of federal aid to education. In 1976, it contributed $630,000 in cash to candidates and many times that sum in manpower and organizational assistance. That cash outlay is the tip of the iceberg; as are even the labor contributions of more than $11 million to the Carter-Mondale ticket—or more than half what that ticket was legally permitted to collect from all contributors. Only the most naive would argue that this money came from voluntary contributions.

THE REST OF THE ICEBERG

Labor experts agree that for every campaign dollar contributed, the unions spend eight to ten times more for what they describe as "in-kind" services—paid for out of union dues—in salaries and other expenditures for campaign efforts. Some of those expenditures are legal, some illegal, but they are all improper and unfair to the union duespayers who see their money used for political purposes of which they may or may not approve.

The machinists' union, one month before the last election, ordered its staff to drop the work for which it is paid in order to beat the drums for labor-endorsed candidates. And the unions distributed a million leaflets, printed at their own expense, to further the fortunes of candidates committed to organized labor.

Union dues—what the labor moguls call "soft money"—pay for the expensive computer print-outs which have become essential in political campaigns; for the tens of thousands of salaried union employees who double as precinct workers; for the doorbell ringers; for the more than twenty thousand phones which made more than ten million calls in the last election; for electioneering issues of union newspapers; for the car pools which take committed voters to the polls; and for the time spent by top union officials who hold positions on the Democratic National Committee.

RAPING THE TREASURY

The National Journal reported four months after the 1976 election: "Admonitions [printed] to 'vote Democratic' did not have to be reported [by the unions as a campaign contribution], nor did direct advocacy of a specific candidate if the basic purpose of the communication was not political.

"Virtually every newsletter mailed to [union] members in September and October included material praising Carter or criticizing Ford, usually with a picture of Carter on the cover. Almost none of this was reported to the Federal Election Commission [FEC], presumably because the material appeared in regular publications that normally report on union business."

But the unions have not stopped at this rape of their treasuries. In case after case, union members are "assessed" for political contributions and warned that if they do not bend to this compulsory fund-raising they will lose their union standing—which means loss of employment. When complaints were filed with the FEC, they were ignored until the National Right to Work Legal Defense Foundation brought suit in the federal courts and compelled the FEC to act. The FEC is now reluctantly suing the AFL–CIO, which, if it loses, will have to endanger the solvency of its multi-billion-dollar treasury by paying a $10,000 fine.●

ACTION TAKEN ON MONTANA CEMENT SHORTAGE

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. BAUCUS. Mr. Speaker, I would like to take this opportunity to report on a severe shortage of portland cement which has been plaguing Montana and other Midwestern States during the past weeks. This shortage has occurred at a crucial time for Montana's contractors and farmers, and I am concerned about its potential impact on their livelihoods.

Increased construction has significantly expanded the demand for cement in Montana. We also withstood a long and hard winter this year which delayed many building projects until spring. These projects have since resumed and are adding to the perennially high summer construction activity in our State.

While the cement industry might normally have been able to cope with the greater demand. The companies which supply Montana experienced several production and distribution problems which drove the shortage to its present, serious proportions.

Two months ago the Ideal Cement Co. was forced to close its plant at Trident, Mont., when a crack developed in a kiln there. This plant usually supplies a large percentage of Montana's cement, and though it reopened last week, the effects of the interruption will be felt for months to come.

Another source of our cement was cut off when an embargo prohibiting out-of-State shipments was imposed on the State-owned South Dakota Cement Co. This embargo had allowed South Dakota to retain cement for its own use during the shortage, but a Federal court judge recently declared the measure unconstitutional under the interstate commerce clause.

When I heard that the embargo had been annulled, I called the Governor of South Dakota to explain Montana's need for his State's cement. He assured me that we would receive every possible consideration as the new allocation procedures were developed, and I understand that shipments to our State will resume shortly.

Even with the reopening of Ideal's plant and the lifting of the embargo, the cement outlook for the immediate future is not particularly bright. Montana's farmers, who are planning to harvest over 200 million bushels of wheat and barley in the coming weeks, need to build storage shelters to protect their grain until it can be transported to market. Only about 150 million bushels of storage space is available, indicating that millions of bushels of grain may have to be stored in the open or sold quickly at a substantial loss to farmers.

The USDA facility loan program gives farmers credit to build grain storage. Under current rules, these facilities must have concrete floors. I called U.S. Secretary of Agriculture, Bob Bergland, to ask that these rules be temporarily relaxed until the cement shortage ends. This has since been done, hopefully taking some of the pressure off of our farmers.

Mr. Speaker, my office has been in contact with the American and Canadian cement companies that serve Montana, and they are currently doing as much as they can to meet our needs. There will still be some shortages for the rest of the summer, and I urge my colleagues to keep our need for cement in mind and to contact me should they learn of any means by which we might lessen its impact. For my part, I will continue my efforts to remove the strain which this or any other problem presents to Montana's growing economy.●

FAMILY IMPACT SEMINAR

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. BRADEMAS. Mr. Speaker, as chairman of the Subcommittee on Select Education, I have had the privilege to work closely on a variety of legislative measures designed to benefit our country's children and their families.

In hearings held by the subcommittee on subjects like day care, child abuse, foster care, adoption, and domestic violence we have heard too often of the grave damage done to the place of the family in our society.

The White House Conference on Families, which was to have been held next year, would have given preferential attention, as President Carter explained, to "the ways in which family life is affected by public policies."

Mr. Speaker, with the postponement of the White House Conference on Families, I do not believe that we should drop our concern for families. I am pleased, therefore, to call attention to the important work being done now by the Family Impact Seminar at the Institute for Educational Leadership of George Washington University.

In several areas of public policy—such as the effect of work on family life and the Nation's foster care system—the Family Impact Seminar, composed of scholars and policymakers, under the direction of A. Sidney Johnson III, is studying the different ways in which Government actions influence families.

At this point in the RECORD, I would insert a recent article by Steven V. Roberts in the New York Times telling of the work of the Family Impact Seminar.

STUDYING GOVERNMENT ROLE IN FAMILY

(By Steven V. Roberts)

WASHINGTON, June 23.—When A. Sidney Johnson's mother took sick recently, he wanted to care for her at home. But since Medicare will pay for a nursing facility and not for home-based care, it would have been

more expensive to keep his mother in her own house, surrounded by her own family.

This sort of situation infuriates Mr. Johnson and his colleagues at the Family Impact Seminar. Their purpose is to determine ways that government can help families cope with an age of bewildering change. But all too often, they find, government hurts more than it helps.

Supported by several large foundation grants, the seminar is one of dozens of institutes and agencies that have sprouted around the country in recent years to examine the family and its role in modern America. But unlike some of these researchers, who act more like morticians, the seminar staff believes that the family is in good health "The family," said Ruth Hubbell, the seminar's research director, "is still the best way to do a lot of things, such as raising children and meeting economic needs."

Theodora Ooms, the deputy director, senses a reaction against "professionalism" and the notion that families do not know what is best for themselves. "We have to change practices to meet family needs," she said, "rather than take over family functions."

CHANGES IN THE SOCIETY

Impetus for the seminar came from several sources, among them the devastating societal changes currently affecting the family. Over half the mothers with school-age children are now in the work force, as are more than one-third of those with preschoolers. The rising divorce rate, the increase in single-parent households and the growing career aspirations of women are all shaking the foundations of the traditional family structure.

Furthermore, the findings of the well-known Coleman report of the mid-1960's had stressed that family was more important to a child's development than school or other influences. Professionals realized more than ever that they could not study children in isolation, as if they were laboratory animals, but also had to consider social and economic forces.

A third source was political, since Mr. Johnson, the seminar director, had spent six years as staff director of the Senate Subcommittee on Children and Youth under then Senator Walter Mondale.

The seminar was established in early 1976 with the idea of testing the feasibility of a family impact statement, similar to the environmental impact statements now required for legislation affecting the environment. Some advocates wanted to push the idea through Congress immediately, but Mr. Johnson felt it would be better to study the concept and let it "bubble a bit."

A SENSITIVE ISSUE

Family issues touch on highly emotional and controversial subjects, and there is no one model for a successful, functioning family. The sensitivity of the issue was demonstrated recently when Secretary of Health, Education and Welfare Joseph A. Califano Jr. announced a two-year delay in the White House Conference on Families after different groups had started squabbling over the choice of director and the orientation of the conference.

The seminar consists of 22 experts in the field of family study, who meet periodically to guide and review the work of the small professional staff. Right now, the staff is drafting some model impact statements.

The first model concerns the Federal Government as employer and evaluates the experience of about 140,000 employees who have been working on flexible time schedules.

The seminar members believe that the impact of work on family life has long been underestimated. As Halcy Bohen, chief author of the model impact statement put it, "the competition between time for work and time for family has become a growing problem for an increasing number of Americans."

According to an interim report published in April, many workers say that flexible work hours improve their morale and give them more time for such family-related events as doctors' visits and school plays.

CHILDREN IN FOSTER CARE

The second subject for a model impact statement is the foster care system, which is directly influenced by government policy. Seminar studies show that many foster children are allowed to drift in a sort of limbo, since government regulations make it difficult to reunite them with their biological families or put them up for adoption.

After two years of study, the seminar staff has realized that many of the key decisions affecting families takes place on the local level, where services are delivered, rather than at the national level. The hours of a hospital clinic or after-school day care center, for instance, can be far more important to a family than a Congressional vote on welfare policy. Accordingly, the seminar is also trying to develop a sort of checklist for consumers, a set of questions that can be asked at city council meetings or in letters to the editor, which would help illuminate a policy's impact on families.

Since the seminar places top priority on the family, it encounters some resistance from groups that have other goals. Some feminists, for example, see the emphasis on family as a threat to the full independence and liberation of women.

Focusing on the family can also seem threatening to advocates of "self-actualization," and to those who believe that "doing your own thing" precludes compromise within a larger social group. "There's been tremendous interest in self-actualization and self-fulfillment, but I think it's gone too far," Mrs. Ooms asserted. "People need some rootedness, some sense of responsibility."

For all its faults, the seminar seems to be saying, the family will, and should, endure. "I find some family talk nauseatingly sweet," Mrs. Ooms said, "but it is still the most intense way in which we get meaning in our lives." ●

AVIATION SAFETY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

○ Mr. RINALDO. Mr. Speaker, aviation safety is of vital concern to me and to the millions of Americans who fly. Although the vast majority of airline flights end safely, I have become increasingly concerned that deficiencies in the process by which the Federal Aviation Administration certificates new aircraft may be jeopardizing aviation safety.

Aircraft type certification is the legally mandated process by which the FAA aircraft to be "of proper design, material, specifications, construction and performance for safe operation." (Section 603(a)(2), Federal Aviation Act). Weaknesses in this process, however, came to light after the crash of a Turkish Airlines DC–10 crashed, killing 346 persons in March of 1974. This was one of the worst air disasters in history.

In May of this year, Capt. John J. O'Donnell, president of the Airline Pilots Association, reviewed the current certification process in a statement to the Subcommittee on Transportation of the Senate Appropriations Committee. In my view, this is an excellent statement and outlines in detail the problems inherent in the current system.

I would like to submit Captain O'Donnell's statement into the RECORD so that my colleagues and other interested parties will be apprised of this extremely important problem.

The statement follows:

STATEMENT OF CAPTAIN O'DONNELL

As the members of this Subcommittee know, the air transportation industry stands at the threshold today of an investment in fleet modernization estimated at $60 billion upwards. Beginning with the pending application for certification of a newly proposed design designated the McDonnell-Douglas Super 80, we feel it is imperative that aircraft of the future be subjected to the most searching and detailed examination before being placed into commercial service.

Little has been publicly revealed about the inner workings of the certification process until tragic failure of the cargo door on a fully loaded DC–10, resulted in the loss of 346 lives; a record for a single airplane accident. Documents brought to light during the product liability suits against the DC–10 manufacturer, Douglas Aircraft, have disclosed that the crash was caused by design defects that should have been caught and corrected during the course of certification. Looking deeper, with the benefit of authoritative studies of this disaster, we find that most of the certification checks and inspections are conducted by the private, profit-motivated company building the aircraft. The same individual can perform the same task twice: first, as a paid employee of the manufacturer, then again as a delegated FAA inspector. In the case of the DC–10, for example, out of the 42,950 inspections required for certification, 31,895 were performed by workers on the payroll of the manufacturer.

What is surprising under these circumstances is not that mistakes have occurred, but that there have not been more of them, considering the extent to which FAA has allowed the process to degenerate into "self-certification." Even after the DC–10 certification errors became known as a result of an inflight cargo door failure, FAA did not insist on mandatory action but instead again left the decision up to the discretion of the manufacturer. The manner in which FAA abdicated its statutory duties is indicative of the overly protective and questionable relationship that this agency has developed with the commercial companies it is supposed to be regulating.

The problem of the FAA's protective attitude toward the industry it is mandated to regulate was clearly pointed out in the Report of the Special Subcommittee on Investigations of the House Committee on Interstate and Foreign Commerce in January 1975. In their report entitled "Air Safety: Selected Review of FAA Performance," the Subcommittee states,

"Unlike some other agencies of the Government, whose responsibilities center on economic regulation, the responsibilities of the FAA directly involve human life and safety.

"For this reason, it is somewhat unfortunate that the task of the FAA has been traditionally described as two-fold: to foster aviation safety on the one hand, while promoting civil aviation itself, on the other. The Subcommittee has noted a tendency within the agency to view these responsibilities as if they were competing interests to be balanced off against each other. There have been instances when appropriate FAA actions in furtherance of air safety have been unreasonably delayed, or omitted entirely, because of an oversolicitous attitude on the

part of some within the agency concerning the economic well-being of the aircraft industry or the air carriers.

"The Subcommittee is not in favor of agency activity which imposes needless and unjustified burdens upon the aviation industry. But the Subcommittee does not view realistic and effective safety regulation as being inimical to the long-range economic health of the industry. Public acceptance and confidence in air travel has been based upon an underlying foundation of trust that the highest possible degree of safety is being required by the FAA and implemented by the air carriers. Recent developments, some of which are discussed in this report, have had the effect of calling into question these basic assumptions. Once lost, public confidence will not be quickly regained. Therefore, agency decisions which compromise safety in favor of apparent short-term economic factors affecting the industry apart from their threat to the public safety, do not serve the real economic interests of the aviation industry. The attempt to balance dollars against lives benefits no one.

"It has been noted before that regulatory agencies, like people, sometimes suffer from hardening of the arteries with advancing age. Symptoms of such a process have been noted within the FAA. Administrative delay and inactivity is bad in any agency; in the case of the FAA, it may literally endanger human life. Instances of completely inappropriate bureaucratic slowness to act, and inaction, are noted throughout this report.

"The Subcommittee found throughout its inquiry—from the DC–10 crash to its most recent investigation into the feasibility of requiring Ground Proximity Warning Systems—a tendency for the agency to avoid the role of leadership in advancing air safety which the Congress intended it to assume. This is manifested primarily by the FAA's willingness to let the industry engage in self-regulation when vital safety matters are concerned. In some instances, this abdication of responsibility has been coupled with an administrative lethargy—a sluggishness which at times approaches an attitude of indifference to public safety. This must stop."

The Air Line Pilots Association had hoped that the FAA would heed this admonition of the Subcommittee, but recent actions concerning aircraft certification lead us to conclude that the same overly protective attitude still prevails at the FAA.

The Air Line Pilots Association has pressed for reforms through administrative channels. By law, FAA is expressly empowered to hold open certification hearings. There is also ample authority for allowing the public access to official certification records. We recently asked for the opportunity, along with other directly affected parties, to participate in one of the crucial aspects of the certification process—the crew complement determination. We are concerned as a matter of aviation safety that the Super 80 and other aircraft of the future be capable of successfully coping with the increasingly more demanding air traffic conditions projected over the years ahead.

Unfortunately, FAA Administrator Langhorne Bond has rejected the request for an open hearing, stating that it would not serve any useful purpose. We have similarly been thwarted in obtaining access to certification files, and found it necessary to resort to the provisions of the Freedom of Information Act in seeking such data.

Another certification deficiency which continues to exist is the lack of smoke and toxicity standards for cabin materials. Present plastic materials installed in aircraft have been known to produce toxic and lethal amounts of gases when subjected to post crash fires thereby incapacitating passengers and preventing their evacuation.

Even today after 20 years of jet transport operations, the FAA has no certification requirement that aircraft be tested on wet or slippery runways. Needless to say, the number of runway excursions associated with wet or slippery runways remains relatively high. The most recent example was the fatal Continental Air Lines DC–10 accident at Los Angeles in which the crew attempted to abort the takeoff on a wet runway following multiple tire failures. The aircraft overran the runway.

As ALPA has learned, an interested party seeking certification data has few options. Requests are met with outright refusal from the manufacturers, who treat such information as privileged, and not much more from FAA, which has a policy of invoking to the maximum possible extent the "trade secrets" exemption of the Freedom of Information Act. Since most of the data are generated by the manufacturers, the requestor not infrequently returns empty-handed.

Having been denied access to certification, an interested party must accept on faith that both the FAA and the manufacturers are taking all actions necessary for safety. This is the FAA's statutory charge and reflects an orientation that manufacturers cannot afford to ignore. The manufacturers, however, are also commercial companies concerned with sales, earnings and returns to their shareholders. When the two values conflict, the choice has not always been in the public interest.

When the veil of secrecy is lifted, it becomes clear that a highly undesirable relationship has developed between FAA and the companies it is supposed to be regulating. Instead of being stern and impartial spokesmen for safety, the regulatory officials often appear to be serving primarily to rubberstamp company proposals. There is an intermingling of public and private viewpoints that tends to obscure objectivity, blur accountability and, in general, allows the manufacturer to dominate the process. Instances are rare indeed of certification being permanently withheld; this is unheard of in the case of air carrier aircraft.

Equally difficult to accept is the degree to which FAA relies on company personnel to carry out certification checks. This can run as high as 80 percent in particular programs and has arisen not by chance, but rather, due to the deliberate decision to delegate official responsibilities to private persons. The process was best described as "self-certification" by the Subcommittee on Investigations of the House Interstate and Foreign Commerce Committee.

In short, certification as currently conducted by the FAA, has become the type of arrangement that thrives in the darkness and would not long survive if exposed to the light of day. Letting the "sunshine" in would, if nothing else, put the full force of public opinion behind the need to give first priority to safety. It would also put an end to the excessive dependence on employees whose salaries are paid by the manufacturers.

We believe that the need for exposing FAA safety matters to the "sunshine" of public scrutiny was well stated by the Senate Commerce Committee's Aviation Subcommittee in its "Report on the Oversight Hearings and Investigations of the DC–10 Aircraft" issued in June 1974.

"While we share the concern that the DC–10 enjoy a high reputation for safety and reliability, we believe it is more important to deal with safety defects in an open and above board manner. If dealt with that way, then public confidence will be bolstered in the regulatory process and in the FAA which the public is entitled to believe exists to insure the highest safety standards in air transportation. Actions taken behind closed doors or actions which are kept off the public record only serve to create an impression of the regulator being unduly influenced by those he regulates. The regulatory process, particularly where public safety is concerned, should be totally above any suspiction that the Government is compromising safety standards to accommodate industry. Confidence in government in general will not be bolstered by governmental actions which give the appearance of succumbing to private interests."

Lest these dangers be dismissed as merely theoretical, we must remind the Subcommittee again of the "cargo door" failure that caused the Paris DC–10 crash in 1974. As detailed in the law suits against the manufacturer and in the House Subcommittee hearings, although the defects were known at the time, the aircraft was certificated as safe against explosive decompression. This tragic error cost the lives of 346 passengers and crew members, the record for a single aircraft disaster.

Just the other day, the press reported that the DC–10 certification was again being reexamined by the FAA, this time in connection with recent tire failures. Is it a commentary on FAA's vigilance that action was deferred until lives were lost? ●

REGULATING THE NATION'S BUSINESSES

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. RUSSO. Mr. Speaker, recently in hearings before the House Small Business Committee, Representative JOHN BRECKINRIDGE, Democrat from Kentucky, questioned the role of the Federal Trade Commission in regulating the Nation's businesses. He was concerned over whether the Commission has been protecting small business. I share his concern and further believe that the Commission wastes time, money, and energy on issues of no great consequence. My belief has been supported by hearings my subcommittee held concerning a proposed funeral trade regulation.

Recently, New Republic magazine ran an excellent article on the Commission's lack of zeal when it comes to the "tough" issues—the decline of small breweries in this instance. I commend the article by Eliot Marshall on our brewery industry to all my colleagues:

FROTHING AND FOAMING

(By Eliot Marshall)

It's one of those odd quirks of consumer behavior, if you see things as Miller Brewing Company does, that causes people to confuse Miller's domestic "Lowenbrau" beer with a German beer by the same name. Since last year the real German Lowenbrau light special and dark special beers have been banned in the U.S. You can't buy them here at any price. Instead, under an agreement between Miller and Lowenbrau, Miller now makes a domestic imitation of the beer and sells it in bottles that are virtually identical to the ones that used to contain the German beer.

When asked if Miller had used this elaborate packaging technique in order to trick buyers into thinking they were buying a German product, Miller spokesman Guy Smith replied, "Of course not." Why then has Miller gone to so much trouble to buy a distinguished German beer name, copy the Lowenbrau label, advertise the illustrious

history of the German company and peddle a domestic brew in Lowenbrau bottles?

Miller's promotion campaign, though unlikely to affect the health or safety of consumers, provides a fascinating glimpse into big-company ad techniques. It shows how a large manufacturer, if it wishes to get ahead quickly, learns to shade the truth, wriggle around federal regulators who stand in its way and manipulate popular images to fit its plan.

If you want to know what Lowenbrau beer is made of, don't bother calling the Bureau of Alcohol, Tobacco, and Firearms. This is the agency that's responsible for approving the labels and ingredients of alcoholic beverages sold in the U.S. The BATF has a long-standing policy of not divulging the contents of any liquor, wine or beer on grounds that it cannot give away company secrets. The Food and Drug Administration, which requires that the ingredients of all other foods be made public, does *not* have the jurisdiction over the contents of alcoholic beverages. It would like to have jurisdiction and it would like to publish the ingredients of alcoholic beverages. But so far it has been unable to persuade the BATF or the federal government to go along with the idea. It recently lost in court when it tried to seize the jurisdiction away from BATF. As a result, liquor consumers don't know what they're consuming.

Miller and its parent company, Philip Morris, also refuse to say what's in Lowenbrau because they claim it's a trade secret. But one wonders who Miller really wants to keep in the dark—its competitors or the public. Miller's chief competitor—Anheuser-Busch, the brewer of Budweiser and Michelob—seems to know what's in Lowenbrau. Anheuser recently filed a 32-page complaint at the Federal Trade Commission, accusing Miller of using deceptive advertising. In the brief, Anheuser makes a number of charges, one of them being that Miller's domestic substitute for Lowenbrau is brewed by methods that would not be acceptable in Germany. Miller's version of Lowenbrau wouldn't even qualify as beer in Germany. Specifically, the complaint says that the real German product is made of "100 percent two-row barley malt" and no chemical additives. The domestic substitute made by Miller is brewed of 72 percent six-row barley malt (a cheaper malt) and 28 percent corn grits. In addition, the domestic beer has "at least two non-natural additives" and one natural chemical. They are potassium meta bisulfite (an anti-oxidant), an unspecified enzymatic chillproofing compound and kelcoloid (a derivative of kelp used to improve foam). Anheuser claimed that the German beer is naturally carbonated (krausened) and fermented twice over a period of six weeks, while the domestic brew is carbonated by injection of carbon dioxide gas and fermented once for nine days. Finally, while German dark Lowenbrau is brewed by an entirely different method, the only difference between light and dark domestic Lowenbrau is a little bit of food coloring. Miller refused to discuss the accuracy of this description of its brewing techniques.

Anheuser-Busch filed its complaint in November of 1977, requesting that the FTC make a formal investigation of Miller's ad campaign. It pointed out that in the last months of 1977, Miller planned to spend eight million dollars promoting its domestic Lowenbrau and planned to spend another $21 million in 1978—an enormous budget. The ads are unfair, according to Anheuser, because they prominently display the German symbols and European brewing awards won by the real Lowenbrau while printing Miller's name in obscure type in difficult-to-spot locations. The FTC's consumer protection staff agreed with the complaint and wrote a 76-page memorandum urging the commission to take action against Miller—or at the very least to make a formal investigation.

The FTC staff memo, which was written after a brief and informal inquiry, claimed that stores and restaurants often listed Lowenbrau as an imported beer, and that many people seemed surprised to learn that it was a domestic beer. "Perhaps of greatest concern," the memo concluded, "should be the fact that Philip Morris, a major American conglomerate which ranked 9th of the 100 leading advertisers in 1976, spending $149 million dollars in advertising . . . has embarked upon an advertising campaign of enormous cost to sell the American public a lie." It raised the possibility that if the FTC failed to act, other companies might begin buying foreign labels to attach to American goods. Kodak might try to sell imitation Nikons, Zenith might sell imitation Sonys and so on. The staff called for firm and prompt action to stop what it called a flagrant violation of consumer law.

That recommendation went to the Commission in February, and in late May the commissioners met to discuss it. The commissioners, of whom there were only four at the time, split up in a tie vote, two to two. The effect of this was to stall action indefinitely. While the FTC agonizes over the case, Miller continues to advertise as always. What particularly annoyed some FTC-watchers was that two high-level officials who argued strongly *not* to act against Miller before the vote was cast—the agency's chief counsel, Michael Sohn, and the chief of the consumer protection bureau, Alfred Kramer—represented Philip Morris and Miller when they were in private practice at the law firm of Arnold and Porter. Kramer could not be reached for comment. Sohn said that he had not removed himself from discussion of the case at the FTC because it did not touch on any of the specific matters he had worked on for Miller when Miller was his client. He said that he had done more than the administration's guidelines required in recusing himself from all matters Arnold and Porter had had pending at the FTC when he left the firm over a year ago. "Do you disqualify yourself forever because you once represented a client in private practice?" Sohn asked.

Commissioners Paul Rand Dixon and Elizabeth Dole voted in favor of the staff recommendation to take action. Chairman Michael Pertschuk and Commissioner David Clanton voted against. Dixon was reluctant to discuss the FTC's confidential proceedings, but he said, "I thought [the charge] was strong enough that we ought to look into it and do something about it." He explained that nothing can go forward until the tie vote is broken: "It's just lying there. . . . We can't take final action until we get a clear vote." He doubted that the impasse would be resolved soon. "We got a new commissioner coming on here. We'll see what he can do. That'd be something if he's disqualified, wouldn't it?" And why might he be disqualified? "Because he's probably in the law firm where they worked on the case. Now ain't that a hell of a mess?"

It is a mess. The new commissioner just confirmed last week—Robert Pitofsky—comes from the firm of Arnold and Porter, where he worked on the Philip Morris-Miller account. He will, of course, recuse himself from the Lowenbrau decision. The effect of this is precisely the same as a vote in favor of his former client would have been: it stops the action. There is nothing illegal in having the FTC stacked with former Philip Morris attorneys, but it certainly assures Philip Morris that it will get a sympathetic hearing when it comes to town (or better yet—as in this case—that it won't have to come to town at all).

Miller could use some friends in Washington. So could Anheuser-Busch. According to a recent market analysis by the Wall Street firm of Sanford C. Bernstein, these two are about to clash in the biggest beer war of the century. The battle will be fought largely with ads and slick marketing campaigns, the very things the FTC is supposed to regulate. The Bernstein report found that "a fundamental change in the structure of the brewing industry is under way," a change that will wipe out many of the remaining small breweries and possibly knock off one of the larger companies. (Already since World War II the number of brewers in the US has declined from around 400 to fewer than 50.)

According to the Bernstein report: "The cost of maintaining or improving market share will be forced up materially in that share progress will become heavily dependent upon the ability to launch and effectively support new brands. . . . These trends significantly increase the competitive power deriving from large size, financial strength and marketing expertise. As such, they are expected to produce a further tiering of the industry wherein significant market share gains will be confined almost totally to Anheuser-Busch and Miller." The beer business, in short, is about to become a lot like the cigarette business. Economic power will become more concentrated in two or three companies, the quality of beer will become more homogenized, brand names will proliferate and floods of advertising will descend upon the market. Propaganda skills will count for more than brewing skills.

According to University of Wisconsin economist Willard Mueller, it is no accident that this is happening to the beer industry just a few years after Philip Morris bought up Miller. He believes that the conglomerate follows a strategy of subsidizing new satellite companies—as Philip Morris has done with Miller since 1971—until the satellite gains enough raw power in its market to dictate its own terms of commerce. Mueller points out that Philip Morris increased its total debt between 1971 and 1977 by about one billion dollars. "Most of this," he claims, "was used (directly or indirectly) to finance Miller's expansion." Unlike Miller, the competing beer companies do not have the same degree of access to credit. Another thing that distinguishes Miller from the pack these days is that it spends more on advertising than other companies. According to Mueller, the company spends $18.80 per barrel on Lowenbrau alone. Aside from corn grits, hype is the most important new ingredient in the beer.

A couple of years ago, Mueller tried to persuade the FTC and the Justice Department that they should prevent Philip Morris from acquiring Miller. He argued that it was unfair to have a conglomerate buy up and subsidize a company that was competing against other companies that had no subsidy. Mueller was unsuccessful. The people at the FTC, he said, were either "gun-shy" or incompetent. As a result, he now predicts there will be a wave of beer company takeovers by conglomerates and mergers between competing firms like Schmidt and Schaeffer, Pabst and Carling. The government will have to permit these anti-competitive mergers or watch the companies go bankrupt. Mueller, by the way, is a consultant for Stroh, an independent brewer that wishes to remain independent.

The Miller company believes that the entire flap over Lowenbrau has been stirred up by its competitor—Anheuser-Busch—because the latter is losing ground in the market. Lowenbrau, Miller says, is competing with Anheuser's Michelob, which had no competition as a domestic "superpremium" beer until domestic Lowenbrau came along. There's some truth in this. But Anheuser's complaint is not as frivolous as Miller would have us believe. It has to do with the rules of conduct that big corporations must follow in seducing the public, and Anheuser clearly felt that Miller was behaving in an ungentlemanly manner. It looks as though no one

cares. If Anheuser really has lost its case, perhaps it will now take a lesson from Philip Morris. Maybe it will quit rocking the boat, keep quiet about what's inside the bottle and get to work on those ads.●

FDA'S PROPOSED RESTRICTIONS ON ANTIBIOTICS

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. ROSE. Mr. Speaker, today I offer for the public's information, the conclusions of USDA's briefing paper on the FDA's proposals to restrict the use of antibiotics at subtherapeutic levels in animal feeds.

FDA'S PROPOSED RESTRICTIONS ON ANTIBIOTICS

ANTIBIOTIC POLICY DEVELOPMENT

Great Britain has made an extensive study of the antibiotics situation and has adopted several changes in drug policy. In 1968, the Swann Committee was appointed to investigate the matter of subtherapeutic use of antibiotics in animal feed and make recommendations following an epidemic of Salmonella typhimurium type 29 (food poisoning) in dairy calves that subsequently spread to humans. (It was never established that use of antibiotics in animal feeds contributed to the spread of the infection from animals to humans.)

The Committee subsequently recommended that antibiotics and other antibacterials be separated into a "feed" class and a "therapeutic" class. The tetracycline, penicillin, tylosin, and sulfonamide antibiotics and the antibacterial nitrofurans should be restricted to therapeutic use only and controlled by issuance of veterinary prescription. Antibiotics such as bacitracin, flavomycin, virginiamycin, and nitrovin would be used exclusively as "feed" antibiotics subject only to recommendations pertaining to level of use.

The report was adopted by the British Government in 1971. Results of the policy change indicate that the use of drugs has been more selective and effectively monitored without sacrifice in food production. However, there is no documented evidence that there has been a reduction in disease in humans due to animal origin bacteria, that a reduction in drug resistant bacteria has improved the efficacy of therapy of human or animal diseases, or that bacterial contamination of food of animal origin has been reduced. Further, the economic effects in terms of impacts on cost of production and output are not known. Use of antibiotics and drugs in livestock and poultry feeds has not been reduced.[1]

Compared to the British, the pace of the U.S. FDA in altering the use of antimicrobial drugs has been much slower and apparently more deliberate. In 1966, the FDA completed an inquiry into veterinary medical and nonmedical uses of antibiotics. The only action was the revocation of licenses to permit the direct use of antibiotics in foods for preservation purposes.

Following the Swann Committee report, FDA appointed a task force to investigate the use of antibiotics in feed. The report, published in 1972, recognized the potential health hazard of drug resistant bacteria and means of transmission to humans along with the larger problem of compromising the use of drugs for therapeutic purposes.

In 1973, FDA published a statement of policy and criteria for testing antibiotics in order to answer the questions raised by the 1972 report.[2] Special attention was focused on the tetracyclines, streptomycin, dihydrostreptomycin, penicillin, and sulfonamides as to their effect on the salmonella reservoir in animals. Manufacturers were given until April 1975 to provide data on safety and effectiveness of products. Products that indicated a human health hazard would be withdrawn immediately.

CURRENT SITUATION

On May 27, 1977, the FDA Commissioner published in the *Federal Register* a notice, "Intent to Propose Rules and Call for Environmental Impact Data." FDA's general steps in the overall process to carry out this intent include:

(1) Terminate all subtherapeutic use of penicillin in all feed (proposed on Aug. 29, 1977);

(2) Terminate the use of the tetracyclines in situations where there are viable alternatives;

(3) Impose restrictions on the distribution and use of the remaining uses of penicillin and tetracyclines; and

(4) Expedite implementation of the drug efficacy study implementation (DESI) notices proposing to withdraw approval of all penicillin and tetracycline combination products that lack evidence of effectiveness.

The second part of the notice was a request for environmental information from interested parties on introduction into the environment, fate in the environment, and environmental effects of penicillin and tetracyclines and other drugs that would be indirectly affected in terms of use as alternatives to penicillin and tetracyclines. The closing date for receiving information was July 26, 1977. FDA's Bureau of Veterinary Medicine indicates that it will assess the environmental data to determine if a program environmental impact statement encompassing all the actions will be required prior to finalization of the proposed actions.

On August 29, 1977, FDA proposed to prohibit the routine addition of the antibiotic penicillin to animal feeds. The proposal, appearing in the August 30 Federal Register, is the first step, according to FDA, "in a long-range FDA effort to limit the addition to animal feeds cf antibiotics that are important in combating disease in people or animals." FDA allows 30 days for the public to comment and for the industry to request a hearing. There are an additional 30 allowed days to submit analysis and data to support a request for a hearing.

This proposed action, as well as others to be proposed, could have a significant impact upon the efficiency of production of cattle, swine, and poultry. According to the FDA, tetracycline, penicillin, and combinations with other antibacterials are estimated to be used in feed for all turkeys, 80 percent of the swine and veal calves, 60 percent of the cattle, and 30 percent of the chickens raised for food in the United States. However, tetracyclines are apparently used much more extensively than penicillin.

The magnitude of the impact, both in technical and economic terms will depend upon officially sanctioned types and availability of antibacterial substitutes and those specific situations where tetracyclines can be used at subtherapeutic levels where no viable alternative is known to exist. When FDA publishes an official list of substitutes and their uses and permitted uses of the tetracyclines, it will be possible to estimate the technical and economic impacts of the proposed action upon the output of animals and animal products, cost of production, and farm and retail prices.

ECONOMIC RESEARCH

Recent studies, including two by the Economic Research Service and one by FDA, report the economic consequences of restricting the use of antibiotics at subtherapeutic levels in poultry, swine, and livestock production. The Gilliam report (ERS), addressing the impact on swine and cattle production, examined the economic effects of three alternative producer reactions assuming a complete ban on the use of antibiotics at subtherapeutic levels.[3] Although such an all-inclusive ban has never been proposed, results reveal importance of antibiotics to efficient production of livestock. For example, maintaining output at 1970 levels by either feeding the same number of animals longer or feeding more animals for the same feeding period duration would increase cattle production costs by approximately 50 cents per 100 pounds and hog production costs from $1.00 to $1.30 per 100 pounds. The impact on total annual production costs for beef and pork ranges from $370 to $470 million.

If producers increased neither the number of animals fed nor the length of the feeding period following the ban, beef and pork output would decrease and prices would increase. Consumer expenditures would increase by $1.6 billion as a result of higher prices paid for the smaller supply. Producer revenues would increase by $1.9 billion as a result of higher prices received and reductions in total costs from nonpurchase of antibiotics and feed. The study assumed 1970 prices and output levels for basis of calculation. It should be noted that, with a longer run period for adjustment, producers would probably adjust both numbers of animals and length of feeding period. As a result, the economic impact of a total ban would fall in between the ranges cited above.

Allen and Burbee addressed the impact on turkey and broiler production but used two sets of assumptions: (1) a total ban and (2) availability of antibiotic substitutes.[4] Under the first assumption, using 1970 prices and output levels, broiler production costs would increase by 0.2 to 0.25 cents per pound while turkey production costs would increase by 0.55 to 0.9 cents per pound. Without any change in numbers of birds produced and duration of the feeding period, annual consumer expenditures would increase by approximately $200 million as a result of higher prices for the reduced meat output. Under the second assumption, statistical analyses were used to valuate the substitutability of several antibiotics. No significant difference could be found in terms of feed and growth efficacy, leading to the conclusion that a proposed restriction on use of some antibiotics would not have a significant economic impact.

Mann and Paulsen used an econometric simulation mode to evaluate the impact of restricting antibiotics as animal feet additives on beef, pork, broiler, and turkey production over a 10-year period.[5] Under the model, all restrictive policy alternatives produced wholesale price increases. Simulation estimates of price and production cost increases, however, were lower than previous findings by the Gilliam study. This differ-

[1] Based on statement of Dr. R. Braude, Univ. Reading, Amer. Soc. for Animal Sci., annual meeting, 1976.

[2] Task Force Report to the FDA Commissioner on the Use of Antibiotics in Animal Feeds (FDA 72-6008) Jan. 1972.

[3] H. Gilliam, et. al., "Economic Consequence of Banning the Use of Antibiotics at Production," Texas A&M Univ. in cooperation with Econ. Res. Serv., Exp. Sta. Rpt. 73-2, Sept. 1973.

[4] G. Allen and C. Burbee, "Economic Consequences of the Restricted Use of Antibiotics at Subtherapeutic Levels in Broiler and Turkey Production," unpublished staff paper, Econ. Res. Serv., U.S. Dept. Agr. Nov. 1973.

[5] T. Mann and A. Paulsen, "Economic Impact of Restricting Feed Additives in Livestock and Poultry Production," *Amer. J. Agr. Econ.*, 58(1), Feb. 1976, pp. 47-53.

ence may be partly due to a lower estimate of the rate of feed additive use by producers, an assumption that would lessen the impact of a ban on feed additives. Total consumer expenditures for beef, veal, and pork were estimated to increase about $500 million over 5 years.

The use of substitute feed additives assuming equal efficacy would narrow the ranges of impact considerably. If producers elect to maintain pre-ban production levels, their adverse impact would be $74 million, with zero immediate consumer impact. On the other hand, if producers choose to maintain pre-ban feeding periods, their net gain would be $195 million and consumers would incur additional costs of $241 million.

An FDA study examined the economic consequences of restricting the subtherapeutic use of tetracyclines in feedlot cattle and swine.[6] Impacts resulting from the use of only non-medicated feeds and from using susbtitute feed additives were determined. Results indicated that if producers use non-medicated feeds and maintain pre-ban production levels, the beef and pork feedlot industry would suffer an adverse impact of $680 million while consumers would experience zero, or no immediate impact. This is because the impact on producers is primarily due to increased costs which have no direct effect on the market price in the short run analyzed. In the long run, some producers may withdraw from the market or may curtail production to offset increased costs and would thus indirecly affect prices to consumers. If non-medicated feeds are used and animals are fed for the same period as before the ban, the feedlot industry in the short run would profit by $972 million and consumers would bear an adverse impact of $1,901 million.

[6] Food and Drug Administration, "Some Economic Consequences of Restricting the Subtherapeutic Use of Tetracyclines in Feedlot Cattle and Swine," OPE Study 33, Nov. 1976.

ABC CLOSEUP: ARSON—FIRE FOR HIRE

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. SAWYER. Mr. Speaker, I would like to bring to the attention of my colleagues an ABC News documentary that will be aired tomorrow night in the Washington area on WJLA channel 7 at 10 p.m. (e.s.t.). The program, Arson: Fire for Hire, is a closeup look at America's fastest growing crime, and will, doubtless, provide added insight into this most pressing problem.

Narrated by ABC correspondent Brit Hume, produced by Richard Gerdau, and reported by Mike Conners, the investigation explores one of the most neglected, yet most devastating crimes in the United States. It is estimated that arson is responsible for over 1,000 deaths and 10,000 injuries annually. At this rate, if left unchecked, arson deaths and injuries will surpass those attributable to all other serious crimes in 4 years.

The documentary will examine: The victims of arson; the building owners who sell deteriorating buildings back and forth in order to inflate their value and collect high insurance payments after the fire; as well as the insurance companies who fail to adequately investigate a suspicious fire, thereby providing the "fuel that keeps the arson fires burning."

Again, ABC Closeup—Arson: Fire for Hire—Thursday, August 3, 1978, channel 7—10 p.m. (e.s.t.).

I heartily recommend your attention to this program.●

CONGRESSIONAL LEGAL COUNSEL ACT

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, on August 2, 1977, 1 year ago today, I introduced H.R. 8686, the Congressional Legal Counsel Act of 1977, similar to title II of S. 555, passed by the Senate, 74 to 5, on June 27, 1977. My remarks upon introduction can be found on page 26239 of the August 2, 1977, CONGRESSIONAL RECORD.

Today, Mr. Speaker, I wish to reemphasize the need for creation of this office and to add an amendment to its provisions. Over the years I have consistently supported the concept of congressional review of Federal rulemaking proposals. On March 3, 1976, I cosponsored H.R. 7979, the Administrative Rule Making Reform Act of 1976, introduced by Congressman LEVITAS, which would give Congress the authority to review regulations adopted by Federal agencies and permit either House to disapprove those which are unnecessary or clearly outside the intent of Congress.

On June 16, 1977, I offered a substitute amendment within the House Agricultural Committee consideration of food stamp legislation which would have permitted the General Accounting Office to inform the Congress, through its committees, of any illegal, ambiguous, or improper Federal regulation in order to enable the committee and the Congress to deal directly with the proposed rule.

All of these prior efforts, Mr. Speaker, have been aimed at legislative control of the rulemaking activities of the Federal agencies which annually adopt over 6,000 regulations with the force and effect of law, and to protect the private citizen and small businessman from administrative excesses and abuses.

My amendment to H.R. 8686 would simply permit the Counsel in the Congressional Legal Counsel Office to review any rule or regulation by the Federal Government with the intent to report to the Congress whether the rule is illegal, ultra vires, an unauthorized use of funds, a failure to expend funds as mandated, or in any other way does not comply with the intent of the Congress. Court and/or legislative challenges could be brought by the Counsel for and in behalf of the Congress where appropriate.

A final provision of the amendment provides that failure to act by the Congress on a rule or regulation is not considered an expression of approval or disapproval. The wording of my amendment appears below:

(SECTION 9(c) OF CONGRESSIONAL LEGAL COUNSEL ACT OF 1977)

(c)(1) Upon the direction of either House of the Congress, or of any committee, subcommittee, or Member of the Congress, the Counsel shall review any rule or regulation published for comment or promulgation by any department or agency of the Federal Government to determine whether such rule or regulation will carry out the policy established by the Congress in an effective and timely manner, and to determine whether such department or agency has failed to promulgate such rules and regulations as may be necessary for the effective and timely implementation of policies established by the Congress.

(2) The Counsel shall, from time to time, conduct reviews of rules and regulations published for comment or promulgation by any department or agency of the Federal Government to determine whether such rule or regulation will carry out the policy established by the Congress in an effective and timely manner, and to determine whether such department or agency has failed to promulgate such rules and regulations as may be necessary for the effective and timely implementation of policies established by the Congress.

(3) The Counsel shall report the results of any review conducted under paragraph (1) or paragraph (2) to the Congress, to the House of the Congress, and to the committee, subcommittee, or Member involved. Any such report shall include a determination of the Counsel with respect to whether the department or agency of the Federal Government involved—

(A) has taken, or proposes to take, action which—

(i) is contrary to, or inconsistent with any provision of law;

(ii) is beyond the scope of the authority of such department or agency;

(iii) involves any unauthorized use of appropriated funds;

(iv) involves any failure or refusal to expend or obligate appropriated funds, if such failure or refusal is inconsistent with any policy established by the Congress; or (v) does not comply with policies established by the Congress or with the intent of Congress relating to any such policy; or

(B) has failed to take a particular action, if such failure has the effect of frustrating congressional intent.

(4) When directed to do so pursuant to section 4(e), the Counsel shall bring a civil action in any appropriate court of the United States to challenge the validity of any rule or regulation promulgated, or proposed to be promulgated, by any department or agency of the Federal Government on the basis of any grounds specified in subparagraph (A) and subparagraph (B) of paragraph (3), or to challenge the failure of any such department or agency to promulgate such rules and regulations as may be necessary for the effective and timely implementation of policies established by the Congress.

(5) The failure of either House of the Congress, or any committee, subcommittee, or Member of Congress, to direct any action by the Counsel under paragraph (1), or the failure to adopt any resolution under section 4(e), shall not be considered to be an expression of approval of any rule or regulation promulgated or proposed to be promulgated, or of the failure to promulgate, by any department or agency of the Federal Government.

Mr. Speaker, the American Law Division of the Library of Congress informs me that the Court of Claims in a 4-to-3 opinion in *Atkins* v. *United States*, Ct. Cl. 41–76 (June 6, 1977), held constitutional the one-House veto provision of the Federal Salary Act (2 U.S.C. Sec. 351 et seq.). The majority held that the con-

gressional veto provision in that statute did not violate the doctrine of separation of powers, the presentation clause of the Constitution, or the principle of bicameralism. In addition, I should like to reproduce for the benefit of the Congress and the public a timely and excellent August 7, 1978, U.S. News & World Report article entitled, "When Congress Uses Its Own Veto." The article follows my remarks:

WHEN CONGRESS USES ITS OWN "VETO"

It may seem only a Washington feud, but infighting between Congress and President Carter over legislative vetoes has meaning for many Americans.

At issue is a statutory device that until recently was of interest mostly to constitutional scholars.

Most commonly, the legislative veto involves writing into a law a proviso that any executive actions taken under it can be nullified by one or both houses of Congress during a specific period—usually 60 to 90 days.

The device was first used by Congress when Herbert Hoover was President. But it has come into wide use only in recent years, spurred by concern over spreading federal regulations and the Watergate scandals.

President Carter has publicly assailed the veto process as an unconstitutional intrusion on executive authority. Yet an unimpressed Congress keeps adding veto language to new laws. Just a week after the President warned against further use of the tactic, the House of Representatives voted to subject all federal housing and community-development regulations to legislative review.

Legislators say that veto provisions merely insure that executive officials carry out the intent behind a law.

Carter and Congress aren't the only ones with a stake in the dispute. Often they are fighting over regulations that affect millions of Americans. These rules, written under laws enacted by Congress, cover everything from job safety and business to health, transportation and environment.

Since 1932, at least 220 laws have been passed with some provision for legislative review of executive action. Almost half were enacted after 1970 as part of a drive by Congress to regain lost powers and to reassert itself as a coequal branch of government.

In the final two Nixon years, distrust between legislators and the White House led to enactment of 24 laws with veto provisions.

The return of a Democrat to the White House has not persuaded the Democratic Congress to shelve the veto. During Carter's first 18 months, the House and Senate tacked veto provisions onto six new laws, including New York City fiscal relief and government-reorganization bills, while exercising vetoes six times under old laws.

Rivalry with the White House is not the only impetus for the legislative veto. Since the early 1960s, lawmakers have criticized the flood of regulations pouring from the big federal agencies.

LOSE CONTROL?

Congress regards the regulations as all too pervasive, often exceeding the intent of the law. There is a feeling that without a veto, Congress would lose control over the laws it enacts. Says Representative Elliott H. Levitas (D-Ga.): "Time after time, agencies usurp the authority of Congress through regulations. Legislative efforts are distorted when the rules and regulations are published."

A prominent example of what Levitas is talking about come under a 1974 energy law, which was designed to hold down domestic oil prices. Instead, an obscure regulation drafted by energy officials gave some oil companies windfall profits of 75 million dollars.

Incidents of this kind step up pressure on lawmakers to rein in the bureaucracy. "Government regulation is our hottest issue back home," says Senator Lloyd M. Bentsen (D-Tex.).

Whether a Democrat or a Republican is in the White House, Congress still sees the bureaucracy as a virtually uncontrolled fourth branch of government. This view is also held by some political scientists.

"One of the big problems of modern government is to gain supervisory control over bureaucrats," asserts Martin Shapiro of the University of California. "Carter has little control over agencies. Congress won't have much either without legislative vetoes."

Both the administration and Congress agree that the legislative veto's chief effect is to make bureaucrats more cautious.

Is this good or bad? Lawmakers believe they are helping restrain reckless writing of regulations by bureaucrats.

But the White House contends that all too often regulations are written nowadays only to satisfy Congress, which often is targeted for heavy lobbying by special-interest groups.

Support for the White House view comes from two Arizona State University law professors who studied effects of the legislative veto on five federal programs. Their conclusion: The review is frequently an exercise in needless second-guessing of agencies.

Even some in Congress agree with that, up to a point. House Speaker Thomas P. O'Neill (D-Mass.), for one, concedes that "in some instances, we have overstepped our rights".

MORE LIMITS SOUGHT

A more common view in Congress, however, is that the veto has been used too sparingly. Two-hundred House members are sponsoring a bill to empower either the House or Senate to kill nearly any regulation written by the executive branch. Almost four dozen other bills propose more limited veto powers.

Legality of the legislative veto is at issue in two federal court cases. While these are moving toward the Supreme Court, President Carter plans to comply with any vetoes involving major questions such as arms sales and foreign policy. His object: Sidestep a major political confrontation until the courts act.

In recent weeks, however, most lawmakers have shown no similar inclination, and a showdown seems assured. The only question is whether it will come in court or on Capitol Hill.●

NFIB OPPOSES THE CONSUMER COOPERATIVE BANK CONFERENCE REPORT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. LaFALCE. Mr. Speaker, last year, the House passed, by a one-vote margin, a bill to establish the National Consumer Cooperative Bank. This bill will soon be back before us, in the form of a conference report, and I want to urge you and our colleagues to think very carefully before casting our votes on this report.

If we approve this bill, we will be establishing a new program and authorizing $400 million to fund it. Much of the funding will go for subsidies or below-market interest loans to cooperatives, which according to the National Federation of Independent Business, will often be in direct competition with struggling small businesses which do not enjoy access to financing on such liberal terms.

The National Federation of Independent Business feels so strongly on this issue that they have made the vote on the conference report a "key small business vote." I would like to share the NFIB's views on this with the House.

Following is the NFIB statement:

The conference report on H.R. 2777, the Consumer Cooperative Bank Act, is ready for House consideration. NFIB, on behalf of its 540,000 members, strongly urges your rejection of this legislation.

Last year NFIB members in a mandate poll overwhelmingly opposed this legislation. Not only would the bill encourage tax exempt cooperative competition against hard pressed small businesses, but it would authorize $400 million for a huge new program whose need and effectiveness is unproven.

These coops don't pay the same taxes; and now they will be given a new advantage of low cost money and outright grants to get started.

Small business does not need this new form of government subsidized competition. They are fighting for economic survival. More cooperatives will not improve the chances of the independent small business.●

THE INTERNATIONAL MONITORING COMMITTEE AND THE STRUGGLE TO FREE THE 1980 SUMMER OLYMPICS IN MOSCOW FROM POLITICIZATION BY THE SOVIETS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. KEMP. Mr. Speaker, Irene Manekofsky and Ernie Shalowitz of the International Monitoring Committee for the 1980 Olympics have brought to my attention additional information of the unfolding story of the Soviet Union's attempt to politicize the 1980 summer games in Moscow. This information is of substantial importance, and I wish to bring it to the attention of my colleagues.

THE USOC POSITION IS NOT THE LAST WORD

First, the New York Times of July 28, carried an important news story from Colorado Springs of the day before. That story reported that the U.S. Olympic Committee, the officially sanctioned Olympic organizing committee in this country, had made known its formal support for Israel's full participation in the Moscow Olympics in the summer of 1980.

I quote from the article:

In the most definitive statement yet on how the USOC would respond to an attempt to exclude Israel from the 1980 Olympics, [USOC President Robert J.] Kane told a morning news conference, "We will stand staunchly at their side if anything happens."

"The United States Olympic Committee will exercise every prerogative available to make sure International Olympic Rules and regulations are followed," Don Miller, the USOC executive director, said at a news conference that preceded today's start of the four-day [National Sports] Festival. "If for any reason those rules are abrogated, we would have to question whether those games would be called the Olympic Games."

"We approach this with a great awareness of the multiplicity of problems," Miller said, "but we're not interested in following precedent. We're interested in making precedent."

As someone who has gone round and round with the USOC over the past year

and a half on this and related subjects, I am very pleased to see this action. I think the USOC and its leadership are to be commended for making known their support for Israel and for sending that signal to the International Olympic Committee and to the authorities in Moscow responsible for the games' administration. This is an important first step for the USOC.

But, we must recognize that the position of the USOC is not final on this subject. The decisions will rest with the IOC.

It will take much effort on the part of the IOC to convince the world that IOC behavior in 1980 will be different from its behavior in 1976 when the Republic of China, for example, was excluded from the Montreal Games by the Canadian Government and the IOC caved in.

THE SOVIET ATTEMPT TO CHANGE THE OLYMPIC RULES AND WHY

The Olympic rules can be used to accomplish many of the objectives of the Soviets. I do not think that I have to remind my colleagues that the Soviets were not born yesterday. They are well accustomed to intricate maneuvering in the international community to accomplish their substantive objectives.

That is why, I suggest, that the Soviets are attempting to rewrite the Olympic rules, so that they can accomplish those objectives within rewritten rules. If they get their way in rewriting these rules, they will be able to exclude any countries they wish and any reporters they wish by using their influence to have them declared as "hostile to the spirit of peace and friendship between people and the principles of the Olympic movement." That quote is from a request made by the Soviet Olympic Committee to the IOC, asking it to bar reporters of newspapers, radio, and television stations if they fail to meet that highly subjective test.

Thus, if the rules were changed to conform to Soviet requests, we could see any country or athlete or reporter excluded, and the USOC could say nothing or little because the rules would have been complied with.

USOC'S MESSAGE HASN'T BEEN HEARD IN MOSCOW

The message sent by the USOC doesn't seem to have gotten across in Moscow. I quote from an article from London by Seymour Freidin:

> The Soviet Union has barred dozens of nations, including Israel, from competing next month in a pre-Olympic tune-up to yachting events so routes can be mapped and strategy charted.

We have also seen nothing from the Soviet Union which indicates that they are going to guarantee freedom of entry, free access, and freedom of the press for all newspaper, radio and television reporters. The question was skirted by Ambassador Dobrynin at a recent press conference. We know what they have done with respect to requested rules changes, as I just indicated. We know what they have done at the trials of Anatoly Scharansky and Alexander Ginzburg. We know what they did with respect to two U.S. newsmen through a recent trial of them in their absence.

Thus, the question of whether or not the Soviets have forfeited their privilege of hosting the 1980 summer games is still before us. The position of the USOC on the specific question of Israel's participation in the games affects that broader question only in a slight degree by helping to put pressure on the IOC and the Soviets. The broader and more important question has not been resolved.

QUESTION OF MOSCOW SITE DEALT WITH IN DISCUSSIONS AT BONN ECONOMIC SUMMIT

The potential importance of this question to the governments of the free world apparently became a matter of discussion at the recent Bonn summit.

And, in this regard, I wish to include the full text of the Seymour Freidin article from London to which I referred earlier:

LONDON.—The Soviet Union has barred dozens of nations—including Israel—from competing next month in a pre-olympic tune-up to yachting events so routes can be mapped and strategy charted.

But the high-handed action is boomeranging by giving worldwide impetus and interest for a non-communist olympics to be staged in 1980 when the touted Moscow games occur.

While dissidents in exile urge a boycott against the Moscow events, a medium power with olympic experience of the recent past urged the recent summit conference in Bonn to reconsider and ponder the advisability of transferring the games elsewhere.

It was a serious intervention, authoritative sources disclosed in Bonn, where the "economic" summit heard—and took action—against terrorism in the skies and on the ground.

Participants at the summit, who included chiefs of government of the seven largest western industrialized nations, apparently decided to review the Moscow boycott at home with political advisers and opposition parties.

The Soviet decision of confrontation by convicting dissidents at trumped-up trials despite international outrage makes many Western-Government olympic committees feel like patsies.

Many have raised appeals to transfer the olympics from Moscow but their governments remain mum to date. The committees believe they may be held up to odium if they do nothing.

As a result, many Western olympic committees are urging their governments for a decision, preferably to transfer to another games site which also can provide athletes with world competition.

Bolting the Moscow events, in the view of sports organizations and political personalities, can clearly administer a stinging rebuke to the USSR and deflate its propaganda aims.

The storm over the Moscow-sponsored yachting regatta blew up from an indignant international yacht racing union. Its headquarters are here and the union is the world's authority.

In addition, the international headquarters has 74 member countries and is responsible for organizing events for the international olympic committee to which the Soviets agreed.

This is another agreement—as the Helsinki human rights—which the USSR has now deliberately broken. Soviet Olympic authorities will not even answer technical yachting questions.

Besides Israel, which wanted to participate in the preparatory races, other nations the Russians unilaterally excluded include Belgium, Ireland, South Africa, and New Zealand. They wanted to compete in the Olympic tune-ups at the Estonian port of Tallinn (CQ).

Further, the Soviets have imposed severe restrictions on many western nations as to the number of yachtsmen they will permit to race. Britain and the U.S. are cut from 35 to eight.

In other words, Soviet authorities pick and choose on ideological whim: Satellite Bulgaria has been allocated as many yachtsmen, for instance, as the U.S.

At the Bonn Summit, advocates favoring transfer of the Olympics from Moscow argued the concern over potential Soviet rigging and disqualification of western athletes in all events.

The same apprehension has been uttered by dissidents like Vladimir Bukovsky, noted physicist now living here, who also urges transfer of the Moscow Olympics elsewhere as a forceful protest against the convictions of other dissidents.

In Washington, Mrs. Avital Scharansky, wife of the recently convicted Anatoly Scharansky, appealed for a transfer of the games and received rousing congressional enthusiasm.

An earnest effort is presently underway to create a broad Anglo-U.S. program that can make common international cause for shunning the Moscow Olympics as a travesty on sport.

The proof is in the frustrating attempts of the yachting international here to even get Soviet replies to questions. Two months elapsed before even invitations were disclosed.

But there may be more to follow. The Soviet committee said it will be mailing more information when "convenient." So, what's wrong with a telegram? Only the USSR knows as the Olympic boycott movement grows and accelerates.

MOSCOW IN 1980 AS A MIRROR IMAGE OF NAZI BERLIN IN 1936?

Mr. Speaker, in floor remarks of July 21, found at page 22247 of that day's RECORD, I talked about the parallels between the 1936 Olympics in Nazi Berlin and the events leading up to those games with the events already unfolding with respect to the 1980 games in Moscow. I included a column by Jim Murray of the Los Angeles Times of March 18 last year, writing specifically about the struggle over the U.S. committee's position in 1936, et cetera. I commend that to my colleagues who may not have read it.

Another article, one from a September 27, 1935, publication in London, was sent to me this week as further proof of the struggle of freedom-loving people to have those 1936 games transferred and of the resistance which they encountered. We certainly know that keeping the games there did not "soften up" the drive of Nazi Germany to conquer the world. All the world's athletes there, all the world's press and news reels focusing in, all the exposure of Berlin to other people's ideas about them, all the money made by corporations doing business there, they were all for naught. Yet this "softening up" rationale underlies almost every argument for keeping the games in Moscow.

I submit this very interesting article:

THE OLYMPIC GAMES—WORLD OPINION AGAINST BERLIN AS 1936 VENUE

The magnetic appeal of the Olympic Games is not due merely to its attraction as a gigantic spectacle, calculated to thrill onlookers and create additional "world records." Its magic lies in its ideals—an international sports meeting at which the competitors,

irrespective of race, colour, religion or politics—all amateurs—pit their strength and skill for the honour of their respective countries. In the cleanliness of its fierce competition the Olympic Games has added a fresh chapter to the history of international friendship.

The next meeting of the Games is scheduled for Berlin—1936. Already the voices of religious leaders, sports writers, and general lovers of freedom, have been raised throughout the world in protest against the proposed venue. Although in May, 1934, at the meeting of the International Olympic Committee in Athens, the German delegates gave an assurance that non-Aryan athletes would be included in the German Olympic team, provided that they could qualify for the required standard, and also provided that they were German citizens, there is abundant proof that this statement is unfair, and was made without any intention of being put into practice. Summarised, the evidence shows that:

1. Although the German delegates' statement was made on May 19th, 1934, a few days later the municipal authorities of Bruchsal, in Baden, refused to admit Jews to the public swimming baths.

2. Similar action was taken shortly afterwards by the authorities of Langenzenn, Eichstaett, and Gunzenhausen. Munich, Mannheim, Baltrun and many other towns had already refused Jews access to public baths, recreation grounds, and even parks.

3. The laws forbidding non-Aryan sports organizations to participate in games, etc. with Aryan clubs have been strictly adhered to and even more stringent measures have been taken in the past few months. All Jewish clubs have been expelled from the German Amateur Sports Association. This automatically prevents them from participating in international competitions.

4. Non-Aryan athletes of international reputation have not only been barred from full training facilities, but in many cases have been forced—owing to the persistent threat of persecution—to leave their native land. Among the exiles are Nathan, former member relay team which set up a world record; Prenn, former German No. 1 tennis player; Martha Jacob, Germany's champion javelin thrower, and Leucht, Olympic lightweight wrestling champion, Amsterdam, 1928. It will also be remembered that in 1933 Madame Neppach, German woman tennis champion, committed "suicide."

5. In July of this year the Blau-Weiss Lawn Tennis Club, Dresden, was deprived of its victory in an area tournament, because "only those can be victors in the Third Reich who have mastered the National-Socialist ideology."

6. During July and August the German Press ran a campaign against non-Aryans being allowed any facilities for competitive sport with "decent Germans."

7. The Reich Federal Sports Association has ordered all German sports clubs to discuss the Jewish question during September. This, too, is a direct violation of the Nazis' promise that the anti-Jewish issue would not be raised in connection with sports.

8. The latest "Ghetto" laws directed against the Jews have virtually deprived them of citizenship. Therefore, according to the Nazis' guarantee, they are no longer eligible for Olympic honours.

9. The disbanding of Catholic sports and holiday clubs has also prevented them from proper training facilities.

This evidence could be multiplied a hundred-fold, but enough has been given to indicate that by the segregation of Jewish and Catholic athletes the Nazis have effectively ruined their chances of qualifying for Olympic honours.

No boxer, no runner, has ever achieved fame through gymnasium practice. Constant training under competitive conditions—together with an unharassed outlook—are essential for first-class performances.

World opinion is not going to allow the next Games to be held in Berlin, 1936. In America, the Catholic weekly, "Commonweal," and the Protestant journal, "The Christian Century," have already lodged their protests on behalf of organised religion. Paul Gallico and Arthur Brisbane, journalists of international repute, have filled columns urging America to withhold its entry for the games. Senators Peter G. Gerry, David Walsh and Beamish have already appealed for official intervention. J. T. Mahoney, President of the United States Amateur Athletic Union, has expressed his strong disapproval of Nazi discrimination, and has stated that failing a change in their attitude, the question of American participation in a Berlin meeting would have to be reconsidered.

In Spain, twenty of that country's leading doctors, authors and scientists have issued a pamphlet in which they demand a different venue or else the withdrawal of the Government's grant of 400,000 pesetas for a Spanish pavilion at the Berlin Olympics.

The "Haagsche Post" of Holland has asked whether "it is really still considered feasible to hold the Olympic Games in a country which is increasingly being filled with the Streicher spirit." Norwegian and Danish labour organisations are collecting funds to finance a propaganda campaign against the Berlin Olympic Games. Austrian athletes have been forbidden to take part in any German sports gatherings. Finally, the Marquis de Polignac, President of the French Olympic Committee, has stated that it may be necessary to remove the 1936 games from Berlin. He has since added that in his opinion many members of the International Olympics Committee would agree with such a decision.

Apart from individual and spasmodic action, England has so far failed to align herself with the sharp disapproval of world opinion. All men of goodwill must realise that an Olympic Games in a Nazi Germany is a shameful travesty of a noble ideal. Berlin must not be the venue for the 1936 Olympic Games.

THE WORLDWIDE PETITION CAMPAIGN OF THE INTERNATIONAL MONITORING COMMITTEE

Mr. Speaker, the points I have just cited—the reality that the USOC's commendable position is one which may not be heeded by the IOC and the Soviet Olympics Committee, the Soviet Union's attempts at changing the Olympic rules, the fact that Moscow has not begun heeding the USOC's message and that of other organizations, and the startling parallels between Berlin in 1936 and Moscow in 1978 and 1980—are among those weighed by the International Monitoring Committee for the 1980 Olympics in its decision to initiate a worldwide petition campaign for removing the games to a free and democratic society.

The Committee, on which I serve as the honorary chairman, is already organized in the United States, France, England, Canada, Holland and Israel, and it is intensifying its efforts to remove the 1980 summer games, most probably to Montreal, the 1976 site where the existing facilities are fully capable of handling the 1980 event.

That is why, in my opinion, the International Monitoring Committee for the 1980 Olympics, a committee already organized in the United States, France, England, Canada, Holland and Israel, has not slacked off of its efforts to remove the 1980 summer games from Moscow to a free and democratic society, most probably to Montreal, the 1976 site where the facilities are fully capable of handling the 1980 games.

The International Monitoring Committee has initiated a campaign to gather signatures around the world to move the games. Its petition is very much to the point:

Whereas, the spirit of the Olympics was intended to foster understanding and sportsmanship among people; and

Whereas, the Soviet Union has violated the human rights and dignity of her citizens;

We, the undersigned, support the removal of the 1980 Olympic Games from Moscow to a free and democratic society.

The U.S. offices of the International Monitoring Committee are located at 2920 Arlington Boulevard, Arlington, Va. 22204, and 106 Baden Street, San Francisco, Calif. 94131.

Their efforts ought to be fully supported.●

BALANCE(S) OF POWER BOOK II D(i)

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, today's selection in the strategic balance series raises key issues in the appraisal of the Soviet Union's productive capacity in support of their national defense and military expansion.

Manpower problems, the logistics of raw material handling, the competition between consumer-oriented and defense-oriented production all create pressures which might act to constrain the continuing Soviet military growth.

As the following article suggests, however, the industrial momentum which has allowed the Soviet Union to match and surpass U.S. strengths will be abandoned only with a struggle. This article, "Soviet Leadership Dilemma," first appeared in National Defense, January–February 1978, as an editorial comment on CIA reports to the Joint Economic Committee.

The article follows:

SOVIET LEADERSHIP DILEMMA

The new Soviet leader who eventually replaces aging, and possibly ailing, Leonid Brezhnev will face difficult and politically risky choices. The longer he delays them, the greater impact of Soviet problems will be. This estimate is based on a Central Intelligence Agency study presented to the Joint Economic Committee of Congress during August 1977.

The rapid economic growth of the Soviet Union during the first half of the 1970's—while the Western nations were pressed by economic problems often associated with energy resources—is certain to slow down. The usual Soviet problems of a harsh climate often accompanied by inadequate rainfall, agricultural shortages, popular pressure for additional consumer goods and the Russians' basic fear of the Chinese will soon be joined by other problems which are as pressing as any the Soviet leadership has faced since World War II.

A decline of the growth rate in the Gross National Product (GNP) is certain because of the exhaustion of a number of factors that allowed rapid expansion. The decline in

abundant supplies of labor and inexpensive, widely available fuels and other natural resources, and the decline in overall productivity are harbingers of things to come.

Soviet leaders have recognized the impending decline in productivity by extensive purchases of Western machinery and equipment (from $510 million in 1965 to $5 billion by 1975) and by large domestic investments in agriculture and high technology industry.

The CIA study indicated that Soviet problems would worsen if weather patterns return to the harsher, normal conditions of the 1960's. Brezhnev recently reported poor agricultural production during 1977—another indication of the heightening problem.

The labor force reduction is directly attributable to a decline in birth rates in the 1960's. This problem will become more acute in the 1980's when the working-age growth level will be less than .5 per cent as compared to 1.7 per cent during the early 1970's. Put another way, Soviet industry will gain less than 1.5 million new workers between 1976–1980. Ten years ago, this many new workers were added each year. Further complicating the labor force picture is that the largest share of the growth will be by Soviet minorities who have resisted moving to labor-short areas.

Fuels and raw materials are becoming more expensive in the Soviet Union. Ores, fuels, electric power, and timber are all becoming more expensive since most will have to come from undeveloped sources east of the Ural Mountains.

Despite huge energy resources, the supply of oil is waning. Newly discovered deposits are not sufficient to offset declines in older fields. It appears that the maximum output has been reached (or soon will be) and decline in oil production can be expected by 1985. All too often, short term gains in oil production have been exploited at the expense of long-term recovery techniques.

The Soviet Union has depended significantly on oil exports for hard currency which is needed to purchase equipment, and to effect modernization and mechanization.

The relationship between Soviet domestic energy use and gross national product growth has been very close in the past. A promised long-term economic plan for the 1976–1990 period has not appeared—which is probably a reflection of the harsh realities of growing energy resources shortages.

The current five-year plan (1976–1980) projects a slower growth rate for industry and a slowdown in fixed investments (3 percent as opposed to 7 percent in 1971–75). New construction starts have been curtailed to permit investments in advanced machinery and equipment, renovation of older plants, and mechanization of such activities as materials handling. In short, concentration and modernization will be emphasized at the expense of expansive additional growth.

Soviet leadership has slowed consumer consumption levels to a much lower level than that enjoyed in the early 1970's.

Defense goals have not been announced; however, upward momentum is likely to continue for the next few years. This is due primarily to requirements of forces in being and the generally high priority of defense industry as a major national goal. Soviet defense expenditures will continue to increase from 4 to 5 per cent annually for the next few years. This trend will continue to place ever-increasing demands on the already-taxed Soviet economy. A shift from defense industrial capacity to the production of investment goods would be very unattractive to the Soviet leaders and would be difficult to accomplish in a few years

The CIA has projected three approaches that Soviet leadership could take to effect economic growth. The first is the base-line approach, one in which the Soviet Union manages to prevent fuel and material shortage from interfering with production but holds to present investment policies and accepts a declining labor force. This approach would allow a decline of GNP to 3 to 3.5 per cent from 1981 to 1985, the lowest in post-World War II Soviet history. Even this level of growth would be hard to maintain in the last half of the 1980's.

The second approach is the business-as-usual approach, one in which Soviet leadership is unable to limit production damage as a result of fuel shortages. The CIA believes this approach could not last beyond the first fuel crisis, but predicts a decline in the GNP to 2.5 percent, far worse than the base-line approach.

The third approach is the so-called best case. In this, the CIA envisions Soviet leaders as assuring an adequate supply of energy, and searching for more investment and labor resources. To secure additional investment resources, the level of military spending would be frozen at the 1980 level of funding; thus, those additional funds which would have been invested in military spending from 1981 to 1985 would be redistributed to new fixed investments instead. This approach also visualizes that funds which would have been allocated to consumer products would be cut back as well. These stringent measures would result in improving GNP over the base-line approach by .2 percent. To improve manpower resources, the CIA visualizes Soviet leadership, in this approach, as gradually paring the military back from 4.5 million in 1980 to 3.5 million by 1985, pushing more 16 to 19 year-olds into the labor force, and holding older workers in the labor force longer.

There are many critics of U.S. defense spending in this country who would seek lowered defense spending and reduced defense effort based on the apparent Soviet economic dilemma. As has been the case so often in recent years, they might argue that needs in other sectors of the U.S. economy can be met with defense funds because the Soviet Union will be preoccupied with its economy, and will have to scale its military spending down.

Even under the worst situation (for the Soviet Union) envisioned by the CIA, military growth rates and momentum will be maintained through 1980. This momentum has been achieved on half the GNP enjoyed by the U.S. The Soviet population has learned to accept austerity without raising significant challenge. Military momentum and growth rates have allowed the Soviet Union to catch up with and to surpass the U.S. in virtually every classification of military strength.

Average annual rates of growth (percent)

	1951–60	1961–70	1971–75
GNP	5.8	5.1	3.7
Producing sectors:			
Agriculture	4.4	3.8	−0.6
Nonagriculture	6.5	5.6	5.0
Industry	10.2	6.4	5.9
Other	5.0	5.2	4.5
Principal end uses:			
Consumption (per capita)	3.8	3.3	2.9
Investment	11.1	6.6	5.4
New fixed investment	12.7	6.9	7.0
Defense	NA	about 5	4–5

Indicators of Soviet Economic Growth ●

CVN–71 NUCLEAR AIRCRAFT CARRIER

HON. PAUL S. TRIBLE, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. TRIBLE. Mr. Speaker, one of the issues in the current debate on the CVN–71 nuclear aircraft carrier is the willingness and the capacity of the shipbuilder to construct this ship.

A letter of August 1 from the Newport News Shipbuilding Co. to the Secretary of the Navy sets forth in unequivocal terms both the willingness and the capacity of the shipbuilder to construct the CVN–71.

I am inserting this letter in the RECORD.

AUGUST 1, 1978.

Hon. W. GRAHAM CLAYTOR, JR.,
Secretary of the Navy,
Washington, D.C.

DEAR SECRETARY CLAYTOR: As you are aware there are discussions within the Congress on both the willingness and the capacity of Newport News Shipbuilding to construct the CVN–71 nuclear aircraft carrier if authorized and appropriated.

We wish to reaffirm to you that our commitment of September 28, 1977 to undertake the construction of the CVN–71 is still valid. On that date, we advised Admiral Gerald J. Thompson, Deputy Commander of the Naval Sea Systems Command, of our interest and willingness to undertake the construction of the CVN–71 if authorized.

With respect with capacity, Newport News has both the ample physical facilities and the trained labor force sufficient for the construction of the CVN–71. Presently, the CVN–70, which is now in dry dock No. 11, would upon launch be moved in January, 1980 to Pier No. 2, where it would remain until March, 1982.

The keel of the CVN–71 would be laid in dry dock No. 11 in April, 1981. CVN–71 would remain in dry dock No. 11 until launch in April, 1984 when it in turn would be moved to Pier No. 2.

We would emphasize that prior to the keel laying of CVN–71 a number of preliminary milestones would necessarily be accomplished, including the procurement of long lead components, the fabrication of certain assemblies all of which must be well underway prior to the laying of the keel. Normally about 30 months elapse for this process prior to the keel laying of a nuclear aircraft carrier. The schedule we have outlined assumes the construction of a repeat of a NIMITZ Class Carrier.

With respect to trained manpower, Newport News is at a peak of 19,500 production labor and will commence a significant downward trend beginning in calendar 1979. The award of the CVN–71 will serve to preclude the discharge of skilled manpower which would otherwise be necessary if the contract is not received in the next fiscal year. I might add that due to the completion of most of the Navy's ships under contract, as can be seen from the attached labor chart Newport News presently has sufficiently trained manpower not only for the CVN–71 but also for the SLEP program and the CGN42, if awards should be received for these programs. Otherwise those employed by this program may be discharged for lack of work.

Also we have attached a chart showing a schedule for the CVN–71 setting forth the dry dock and pier schedules, along with the projected production milestones beginning with a contract award in October, 1978 for the construction of the ship.

We also understand that questions have arisen regarding progress toward the agreement on a definitive contract for CVN–70. As you know, negotiations have been difficult but the Company is continuing to proceed with construction of CVN–70 and, in fact, our construction effort has not been impacted in any manner by the status of negotiations on CVN–70. We hope that the parties will reach a mutually satisfactory agreement with regard to a definitive contract in the near future.

I would like to clearly state that, if anything, we would prefer an *earlier* start on

CVN–71 than that set forth above, in order to maximize our ability to stabilize our skilled work force at existing levels. Waiting still another year to fund the CVN–71 would jeopardize our ability to do this and adversely affect our labor force in addition to increasing the cost to the Navy.

In summary, we wish to confirm to you and the Navy that the Company is both interested and willing to undertake construction of the CVN–71 if the Navy is authorized to procure this vessel. Upon receipt of request for proposal, the Company will prepare and submit a fully structured proposal for construction of CVN–71 and enter into negotiations for the same, subject to mutually agreeable terms and conditions. We fully expect that a mutually agreeable contract can be executed in a reasonable time after authorization and appropriations by Congress for the construction of CVN–71.

Very truly yours,

W. T. O'NEILL,
Executive Vice President.●

LEGISLATIVE PROGRAM OF THE ANIMAL SAVING ASSOCIATION

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. MIKVA. Mr. Speaker, just a few days ago, I received a visit by a citizens' group urging my support for legislation for the protection of wild and domesticated animals. These visitors were exceptionally well-informed, speaking knowledgably of hearings in process and bills in conference. They were also ardent and capable exponents of their cause.

These citizen-lobbyists urged my support for several measures, chided me for an occasional lapse in the past, and pressed for a commitment on votes that are near at hand. Also, like all good lobbyists, they laughed at my jokes, presented me with petitions and buttons, and finally, allowed me to cut our discussion short when the vote bells rang.

In sum, these visitors were superb representatives of their viewpoint, presenting their case forcefully, but with the civility and good manners a democratic system demands. Frankly, their visit was the high point of my day.

Oh, by the way, the oldest member of the group was 14; the youngest, perhaps 8. Their chief spokesperson, Miss Liza DiPrima, age 11, read a statement which she had prepared. I would like to share it with my colleagues.

The statement follows:

We are speaking for the children of the world who are concerned about the welfare of animals and do not want to see them brutally murdered. We are also speaking for the animals, who have no voices of their own.

For thousands of years people have been using animals for their own enjoyment. When it pleases a man to go hunting, or just as long as a man can make money off of an animal's skin, he'll do it, without giving the animal a second thought. The truth is, animals do have feelings, and should be taken into consideration.

This world was not created for human beings alone, and animals have as much right to be on it as we do. Because we have aggressive tendencies, and because we have separated ourselves from the rest of the world and developed our own little communities known as cities and suburbs, we have classified animals as beneath ourselves and as being "renewable resources" and as not being able to feel pain. Man is not so godlike and almighty that he is in a situation to judge animals. Animals are not any "lesser beings," than we are. In fact, they are the same in a number of ways. They think, they move around, they eat, they sleep, they breathe, they feel pain, and they talk in a language we can't understand. And if people feel that they are in such a position that they can judge animals and use them so, then I think we are the lesser beings.

Terrible things are happening to animals now. There are many good men and women in the government and things are being done to change what's happening to animals. But the things that are being done are few and far between and millions of animals are still suffering or being murdered for no good reason. And if animals keep being killed at this rate by the time our generation gets to the government there will be nothing left to save.

We would like to see the cruel things that are happening to animals stopped. There are programs for energy and defense and poverty, and now we feel it's time there was a program for the animals. Here are our suggestions:

(1) Immediately passing the Alaskan conservation bill that would turn about one-fourth of Alaska into national parks, forests, and refuges.

(2) Stopping hunting and trapping on all the National Parks, forests, and wildlife refuges.

(3) Stopping all the poisoning of wolves, coyotes, and other predators on national land and keeping it stopped.

(4) Making a law to make the wolf our national mammal so that these beautiful, intelligent, creatures don't have to die out.

(5) Stopping federal grants for people to conduct unnecessarily cruel and unusual experiments on animals in laboratories in the name of science.

(6) Having the Endangered Species Act protect all animals, even where a multi-million dollar dam is concerned.

(7) Enforcing the Marine Mammal Protection Act which says that no dolphins can be killed in tuna nets while catching tuna.

(8) Putting pressure on the Japanese and Soviet governments to stop killing the whales which are one of the most intelligent and one of the highest forms of life on earth.

(9) Stopping our government from deciding to allow people to resume killing the California Grey Whale.

(10) Stopping the Eskimos from killing the Bowhead Whales, because no "culture" justifies killing a form of life at least as highly developed as our own.

(11) Stopping the importation of all ivory to help Kenya and other countries in a fight to save the last of the world's elephants.

(12) Putting more pressure on the government of Canada to force them to stop allowing the harp seal hunt to go on.

Here are our ideas for what we feel is a better kind of world. Us kids have been accused by our opponents as not knowing anything and therefore not being able to have an opinion. But the words I wrote here are my own, and the thoughts that helped put them on paper are also my own. And if the kids are going to inherit this world then I feel that we should have opinions about the things that are happening in our world. We feel these issues are among the most important in the world and we won't stop fighting until the things we have talked about here come to be.

LIZA DIPRIMA, Age 11,
President, Animal Saving Association and the children in the world who care about the animals and who would like to see the horrible torture and brutal murder stopped.●

WOMAN ACHIEVER FOR 1978

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. LLOYD of California. Mr. Speaker, recently, Mrs. Jerene Appleby Harnish of Upland was named the Woman Achiever for 1978 by the Pomona Progress Bulletin, a newspaper serving my district. She has been a leader in both business and civic affairs and given graciously to many important projects. She is a credit not only to my small area of California, but to the Nation as a whole. I would like to share her accomplishments with my colleagues. This brief article describes many of them:

JERENE APPLEBY HARNISH—PHILANTHROPIST AND LEADER

(By Mary Remillard)

A retired newspaper executive and philanthropist has been named a Progress Bulletin Woman Achiever for 1978. She is Mrs. Jerene Appleby Harnish, a resident of Upland.

A philanthropist, art patron and leader in business, civic and social affairs, Mrs. Harnish is widely known for her accomplishments in the field of mass communications.

For 29 years she published the Ontario Daily Report and for a lesser time The Daily Times-Advocate of Escondido and the Daily Press of Victorville, Apple Valley and Hesperia. In 1947 she founded radio stations KCOS (now KSOM) and KEDO-FM in Ontario.

She was one of the prime instigators of Ontario International Airport.

Mrs. Harnish is the donor of a quarter-million dollars for the Frank Bell Appleby foreign fellowships at Claremont Men's College. The fund has paid all expenses of students from Thailand for 25 years. Mrs. Harnish visited Thailand in the late '40s and was impressed with their peoples' individualism and resistance to communism.

In 1971, she became a benefactor of the San Diego Zoological Society when she built the Jerene Appleby Harnish Hospital for Research and Treatment of the wild animals, a part of the San Diego County Zoo.

A multi-million dollar building and facility was given to Pepperdine University, the Jerene Appleby Harnish Center for American Studies in 1972.

At that time Mrs. Harnish expressed her deep feeling of patriotism when she said, "As Benjamin Franklin left the Constitutional Convention in Philadelphia he was said to have been accosted on the street by a woman who asked him "Tell me, Mr. Franklin, what have you given us—a monarchy or a republic?' His answer was, 'A republic madam, if you can keep it.' " In our opinion this apocryphal story sums up the situation the United States government finds itself in today.

"The world furnishes examples of the failure of socialism and communism, yet we leave our young people with no background knowledge of why constitutional government furnishes the only actual freedom for the individual.

"It is a rule of law and not a rule of man. How can the youth of America combat the seductive slogans of mass dictatorship unless there is an understanding of constitutional government?

"American history and political philosophy must be taught in our elementary schools, our high schools and our universities. Only then can we survive."

Mrs. Harnish recently endowed the new law school on the Pepperdine campus with a gift of over two million dollars.

In her own community Mrs. Harnish has

been equally generous and attuned to the needs of the valley.

She has been responsible for many facilities and improvements to community life, culturally, educationally and environmentally through financial contributions of immense value.

She has gifted the Assistance League of Upland with over $50,000 for their major project, a building in Rancho Cucamonga for a girls' club; presented sums to the Girl Scouts, United Fund, National Charity League, Ontario-Pomona Associaton for Retarded Citizens Auxiliary (OPARC), American Legion, Boy Scouts, San Antonio Community Hospital, St. Mark's Episcopal Church, to mention a few.

On June 4 of this year, a gift of three quarters of a million dollars was presented to Webb School, Claremont, for the Jerene C. Appleby Dormitory in honor of Thompson Webb.

She was present in June when the Field House at Foothill Country Day School in Claremont was dedicated. She had contributed $25,000 for its erection. Jerene Appleby Harnish received a bachelor's degree from Smith College, Northhampton, Mass., in 1916 and did postgraduate work in art at Smith under Professor Alfred Vance Churchill, in whose honor a small fellowship was given to the Smith College art department.

She has received honorary doctorates from the Claremont Colleges and Pepperdine University, the latter received on the same day with honorary degrees for Bob Hope and Dr. George Gallup.

Mrs. Harnish has been knighted by the King of Thailand for her interest in that country through her establishment of the scholarships for Thai students at Claremont.

Following her marriage to Frank Bell Appleby, the couple moved to Washington, Iowa, and purchased a weekly newspaper. Their son, Carlton, was born there. Later, the family moved to LeGrand, Ore., and spent five years developing the LeGrand Observer. Their second son, Andrew, was born there.

The family moved to Ontario in 1930 and purchased the Daily Report. Mrs. Harnish became publisher in 1936 after the death of her husband. She has four grandchildren.

Mrs. Harnish is the wife of Jay Dewey Harnish, founder and currently chairman of the board of the architectural firm of Harnish, Morgan and Causey of Ontario.

It is with great pride that the Progress Bulletin gives recognition to a valley woman, nominated by Chaffey Republican Women, who has brought help to so many communities, a woman who has kept to herself untold contributions and assistance to those she has found in need, the little people of the valley.●

FAST SHUFFLING PANAMA TREATY IMPLEMENTATION

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. HANSEN. Mr. Speaker, you may recall some of the concerns voiced by many of our colleagues regarding the anticipated costs to the United States of the proposed Panama Canal treaties during the Senate debate earlier this year. President Carter had repeatedly insisted that the treaties would not cost the American taxpayers a single dollar, but in February the administration finally conceded that there would be a cost of $600 million in addition to projected canal income from increased tolls. At that time many questions were raised challenging the accuracy of these figures which were issued by Secretary of State Cyrus Vance, Secretary of Defense Harold Brown, and Secretary of the Army Clifford Alexander on behalf of the administration.

It is now important to call your attention to some facts which I have recently discovered which seem to indicate that there is a deliberate effort within the administration regarding the proposed Panama Canal transfer to not only spend taxpayer dollars, but to do so without congressional authorization.

On May 24, 1978, I initiated an amendment to the Department of Defense authorizations, H.R. 10929, which stated that "notwithstanding any other provision of the law, none of the funds authorized to be appropriated for the Department of Defense by this or any other act shall be used directly or indirectly for the purpose of effecting any force reduction or base realinement in the Panama Canal Zone in support of implementation of the Panama Canal treaties approved by the United States Senate in 1978 without a specific act of Congress." This amendment received overwhelming support and passed the House by a voice vote. Last week the Senate passed its own version of the DOD authorizations bill and the measure is now in conference.

Several weeks ago I was informed that the Army, without congressional authorization for treaty implementation initiatives was planning to move the 210th Aviation Battalion from the Panama air depot on the eastern side of Albrook AFB across the canal to Howard AFB on the west bank and the 193rd Infantry Brigade Headquarters from Fort Amador to Fort Clayton prior to October 1, 1979. I questioned Army authorities about these facts and it was stated that they were indeed considering such activities. Upon further investigation I found the following facts which were again confirmed by the Army and have been informed that the Secretary of the Army was scheduled for briefing on this matter on the 27th of June.

The following facts have become available:

1. First year cost about $35 million.

A. $12–$15 million to move 210th Aviation Battalion from the PAD (Panama Air Depot) area on the eastern side of the Albrook AFB over across the Canal to Howard AFB on West Bank.

B. Move 193rd Infantry Brigade headquarters from Fort Amador to Fort Clayton.

2. Critical contract is paving job. To take over the space planned the army has to build the air force a taxi runway extension at Howard AFB. Cost estimated at $1–$2 million. Considerable other paving has to be done for parking 50 plus helicopter (acres and acres) but the additional paving isn't as heavy duty or expensive. Total paving job is $3–$5 million.

3. The Society of Military Engineers (SAME), Panama Post June Meeting, had LTC Real speak. During the question and answer period the subject of schedule surfaced.

It was stated that (currently) a high level decision meeting was on-going in D.C. regarding providing funds to do the paving job in advance of treaty implementation. They would "take it out of their hide" (existing funds).

4. Other contacts revealed existing monies might be re-programmed from EUCOM or PACOM to FORSCOM and thence to the 193rd Brigade.

5. High level Pentagon and Armed Services Committee personnel were recently reported in the C.Z. Some discussion has been made of a supplemental appropriation or combination of reprogramming action and supplemental appropriation.

6. A $90 million figure, the first over five years for the Army part of treaty implementations has been suggested and includes the above $35 million and pending projects in the schools, hospital and other aspects in the Canal Zone operation.

7. A recent change removed the DMA–IAGS (Defense Mapping Agency-InterAmerican Geodetic Survey) costs to rehab existing army buildings into which IAGS will have to move from PAD-Curunder to Corozal (near Tropic Test Center HQ). They are being funded from a DOD Budget item and may be hiding this to make costs appear lower.

8. Additionally, the Army Exchange warehouse in the Canal Zone is slated to be turned over to Panama on October 1, 1978. The Army will then rent at the expense of our taxpayers this critical facility from Panama if possible. However, if the Panamanians refuse then we will have to build another warehouse at a cost of millions of dollars.

I contacted the Army to request a meeting with Secretary Alexander and learned yet another disturbing fact from Army liaison who protested that they were not the only Government agency planning unauthorized treaty preimplementation spending. I am now informed that the Navy, Public Works, and the Panama Canal Co. are also deeply involved.

Another amazing part of this story occurred after I briefly mentioned this situation during the debate on the Supplemental Appropriations bill this past week. The following morning I received a call from Army liaison stating that the Secretary of Defense has now directed the Army to seek an amendment to the fiscal year 1979 DOD Appropriations bill which is due to be considered by the committee. Obviously this is a belated attempt to cover up an improper diversion of funds which may have resulted in a weakening of our defense posture in other areas of operation—"the proper thing to do when caught with your hand in the cookie jar."

Is the will and mandate of Congress to be taken so lightly that funds can be improperly diverted from their appointed use to implement programs which themselves have not been authorized or approved by the Congress? And to what degree is our national defense posture being weakened by this diversion of funds?

What we are apparently witnessing is an administration effort at moving into treaty implementation by unauthorized diversion of funds from the current fiscal year hoping to circumvent the anticipated restrictions of the next fiscal year and present a fact accomplished to a Congress where the House has frequently expressed its will not to give up the Panama Canal and especially without specific action by both Houses as provided in the Constitution.

These facts should cause us all concern. I am pleased that House conferees successfully insisted that my amendment remain a part of the current DOD authorizations bill, and urge that all possible means be taken to insure that any unauthorized construction, base realinements, or troop reductions in the Panama Canal Zone be stopped immediately. The Department of Defense had more than enough time to approach the Congress with their requests and ask for a proper appropriations in order to accomplish their goals and any back-door operation avoiding accountability to Congress and the people cannot be condoned.

I am requesting a GAO review and possible investigation and hope my fellow Mem-

bers of Congress will support this effort to assure proper use of Government funds.●

AMERICAN DREAM COME TRUE

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mrs. SPELLMAN. Mr. Speaker, few of us ever have the opportunity to witness what we believe is the American dream come true. But that is just what we are seeing today in my Fifth Congressional District in Maryland. Two people, just a few short years ago, pooled their enthusiasm and expertise, their vision and hard work, and together with a single contract began an enterprise so promising, its future so bright, that it truly fits our idea of an American dream fulfilled. The Systems and Applied Sciences Corp. is a shining example of how our Government can assist private industry in its fledgling state and then stand aside when the fledging can fly on its own.

From its inception, Systems and Applied Sciences Corp. has been a small minority business—it is so listed with the U.S. Small Business Administration. Its goal remains the development of a business of exceptional quality while providing equal employment opportunity; the corporation hires and conducts its affairs without any discrimination on the basis of race, religion, national origin, age, sex, marital status, or physical handicap.

The corporation was founded by Porter L. Bankhead and Sharad K. Tak, who remain the present owners. The principal business of the corporation is the design and implementation of complex, sophisticated computer systems in the software scientific and commercial areas. The scope of work includes development of system software, scientific applications, mathematical/statistical models, operations research, data base design, simulation and modeling, utility programs, the analysis and processing of data, word processing, technical writing and editing, orbit/attitude determination, sensor calibration, meteorology, oceanography, environmental physics, and related types of systematized analytical research.

But SASC's primary asset is its personnel. By assembling a staff of exceptional quality, a wealth of knowledge and experience from the Government and the private sector have been infused into the corporation. The staff's educational backgrounds are among the finest available—25 percent have completed doctoral and/or post-doctoral training; 25 percent have masters degrees; and 35 percent have bachelor's degrees.

These impressive factors are largely responsible for the rapid growth realized at SASC over its 5-year existence. In 1973, it began operations with two employees. By 1975, the number of employees had grown to 50; by the end of 1977, it had some 148 employees. The volume of business has increased similarly—from slightly under a half million dollars worth of business in 1975 to some $2 million by the end of 1977. It currently provides technical support services to National Aeronautics and Space Administration, Departments of Defense, Energy, Transportation, Justice, Commerce, Labor, among others.

Mr. Speaker, I know my colleagues would want to share in recognizing the meteoric success of Systems and Applied Sciences Corp., and even more important, I know they join me in expressing pride in its founders for reaffirming our belief in the free enterprise system.●

GOD SPEAKS TO AMERICA

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. EDWARDS of Oklahoma. Mr. Speaker, I was recently notified of an honor given to Rev. Richard B. Douglass, a resident of my district.

Reverend Douglass received a George Washington Honor Medal from the Freedom Foundation for his sermon "God Speaks to America." This is the eighth time Reverend Douglass has received such an honor.

I ask my colleagues to join me in congratulating Reverend Douglass for his excellent sermon, the text of which follows:

GOD SPEAKS TO AMERICA

(By Richard B. Douglass)

TEXTS REVELATION 5: 8–10

As I was preparing this sermon this week, I came across something that I had not noticed before. It was the state motto of Hawaii. I found out that the motto is: "The life of the land is perpetuated in righteousness." The motto of Hawaii is one that should be the motto of every state and every nation in the world. "The life of the land is perpetuated in righteousness." The Bible reminds us that righteousness exalts a nation, but sin is a reproach to any nation. The Bible is filled with one incident after another that reminds us that nations which forget God pay a terrible price for the refusal to listen to God.

As you read the Old Testament, you find time and again when the nation of Israel wandered away from God, God sent a prophet. The announcement of the prophet was "thus saith the Lord." They received a sure word. Sometimes it was the call to repentance. Sometimes it was an announcement of judgment. Sometimes a man like Jeremiah would come with a lament in his voice and would cry out to the people that unless they turned from their wicked ways, judgement was sure to insue. He lived to preach that judgment was already at the gates. An enemy nation was coming at that time to take away their place, their star of destiny, their position in that roll call of great nations.

God always has a word to us in our time of crisis, and that word comes to us from his word, the Bible. What does God say to America as we begin our third century of existence, this 201st year of our nation's life? What does God call us to and what does God remind us of?

I. First of all, God reminds us that respect for the law is basic to any nation's life. In the passage of scripture I read from the thirteenth chapter of the book of Romans we find Paul reminding those Christians in the city of Rome that they had a responsibility to the state. It was not the kind of government that we know today. Historians have said that there are basically six kinds of national life that have been practiced by men throughout history. Democracy is only one of those. Some said: that in ancient Rome there were aspects of democracy as well as aspects of tyranny. Both of these things seem to exist side by side. So when Paul wrote this, he was not writing about a democratic society. His appeal was not to those who live under a democratic government and who have a right to make their own laws. Everyone ought to be obedient to the law. In fact, he said that all Christians everywhere have a sacred responsibility to lead the way in obeying the laws of the land.

Some people seem to be convinced that they are exempt from obedience to the law. Many of these are people who say, "Well, you know some of these laws simply are not right." The question is immediately raised, "Which laws can you pick and choose?" I recently heard an outstanding Britisher preach. As he was preaching, he pointed out that in London, England they drive on the opposite side of the highway. We drive on the right side; they drive on the left side. He said when he first came to the United States, he thought: "What a stupid law it is to have to drive on the right hand side of the highway." He said, "I learned to drive on the opposite side; it got in the way of my personal liberty; it interfered with my freedom; and it interfered with the way that I had been programmed." I really believe that it is not right for me to have to drive on the right hand side of the highway. The only problem is the first time I decided to drive on the left side, I made up my mind it was safer to drive on the right side right or wrong."

He said he had noticed in his frequent visits back to London since then, the enormous numbers of American tourists in London. It amuses him to watch an American trying to cross the streets there in London. They look down the street, start across the street, only to be nearly side-swiped by an oncoming car coming from the opposite direction of the one they looked in. He says there were two kinds of tourists in London: "The quick and the dead!"

Our freedom does not give us the freedom to do as we please. Our freedom is modified. Our freedoms cannot go on beyond the bounds of the rights of the other person. As someone said: "The law in it's final form states that your rights end at the point of my nose." Your rights cannot possibly exclude the rights of someone else. There are many in our society today who say we can pick and choose which laws we want to obey. The laws of society are meaningless. Any government is better than an anarchy. That is the point the apostle Paul is trying to make here. God is saying to us in this passage of scripture that any form of government regardless of how bad it may seem on the surface is better than society living without law, without structure, and without any government whatsoever. Government as an institution is given by God for the protection of the rights of the majority. Whatever kind of government it is, it is better than anarchy. A society where every man does his own thing is not society at all. It is simply a jungle. So we are reminded by God that man ought to obey the law. It is our responsibility to be aware of our need to obey the laws that man has set down. Christians ought to be the pathfinders, the leaders in obedience to the law.

The only time the early Christians were disobedient to the law was when they had to choose between obeying the law of the state and obeying Jesus Christ. Any time there was a conflict between the lordship of Christ and the lordship of Ceasar, they felt obligated to choose the lordship of Jesus Christ. They always were willing to suffer the penalties that the law brought on them. Today people say, "We don't want to obey the law. We don't care whether it's the law that causes us to be disobedient to Christ or not. We don't want to obey the law because it in-

conveniences us, and we want to be exempt from paying the penalty for disobedience." There is a world of difference between today's rebel rouser and today's person practicing civil disobedience and the practice of the early Christians. God reminds us that we have a responsibility to lead the way and to be obedient to the law.

II. God reminds us also that a nation that builds its life on a firm foundation of faith in God will endure. In the 33rd Psalm we find in the twelfth verse these words: "Blessed is the nation whose God is the Lord." We are reminded by the psalmist in this passage of scripture, and in many other places in scripture that ours is a God who will protect a nation and who will guide a nation that believes in Him.

The other day I picked up an article by a prominent Twentieth Century historian. This particular man was going through what he called the debunking of the American heroes. I get a little tired of their trying to find fault with everybody. Now George Washington is frequently pictured as a man who lived in a sumptuous mansion on the edge of Valley Forge. He allowed people to starve to death while he lived the life of luxury. Society today seems to be in the mood to demythologize all of American history.

This particular historian said "I doubt that more than six percent of those people who were in the founding colonies of our country could in any sense of the word be declared to be orthodox Christians." I disagree with that. I think that history pretty well validates that probably 26 percent of these people were. He even talked about the Colony of Providence or Rhode Island and tried to say that most of the people who live there were atheists. Most of the people in the early colonies who were not Christians and who were athiests came to Rhode Island for one reason. It was established by two Baptist preachers, Clark and Williams. Those two men declared that regardless of what a man wanted to believe, he should be free to practice his religious faith without exclusion. In all of the other colonies certain people were excluded. Up until the establishing of Providence Colony by Clark and Williams, there was only one colony where the majority of the people could worship. That was in Pennsylvania and there you had to be a Trinitarian Christian in order to worship God as you pleased.

Early in documents of our country you find a bedrock statement with regard to a firm faith in God. Those early fathers of our country believed intensely that our nation was a part of the plan of a providing God. You cannot escape the fact that they believed the divine providence had guided in the founding of our nation. The greatest platform for the continuing of the life of our country is a firm faith in God. The psalmist said it well when he said in the 33rd Psalm in the twelfth verse: "Blessed is the nation whose God is the Lord." A faith in Him is a foundation stone that will not shake.

Many people today are saying armaments are the key to the strength of our country. No matter how many you have, ultimate protection does not come from any amount of arms that man can devise. When gun powder was invented in China, I understand that one historian with great lament said, "This is the end of civilization as we have known it." When the English crossbow was first devised, some of the people who had been leaders in the armies across the years said, "This is the ultimate weapon." Now imagine the power of the crossbow compared to the neutron bomb and you will see that man has continued to devise horrendous ways to destroy his enemies. No matter how many bombs men may packrat, no matter how many instruments of death men may devise, it does not offer ultimate security to a nation.

Our nation is probably not so much guilty of worshipping false gods as simply living our lives as though God were unnecessary. William Fisher, the prominent Nazarene evangelist said: "All that is necessary for a nation, a church, or an indiviaual to become confused and ultimately lost is to live as though God did not exist or as though he were unnecessary." That is the motif of our day. We feel we have all the things we need. We have social security from the cradle to the grave. You don't need God anyone because the state is going to see that you are born and the state is going to see that you are buried and everything in between is going to be provided. So why worry about whether or not there is a God? Who needs God when we live the life of luxury in a land of security? So we plan our lives and we live our lives as if God does not exist or as though he were not necessary. God says to us that faith is necessary for the strength of a nation.

III. God's message to us today is that "righteousness exalts a nation, but sin is a reproach to any nation." This quotation from the book of Proverbs the fourteenth chapter and the thirty-fourth verse is a reminder that a nation that lives for its own pleasure and lives for its own devices and leaves God out is utlimately headed toward destruction.

One of the outstanding scholars of our day is a man named Malcolm Muggeridge. He is a Britisher. For many years he was an atheiest. A few years ago he became an orthodox Christian. This man was asked in 1974 to deliver a message on the spirit of the twentieth century to the International Congress on Evangelism in Lucerne, Switzerland. He told that Congress that western civilization is in an advanced state of decomposition. He pointed to the plunging of our minds in porncgraphy. He stated that much of our civilization is living as the pagans did generations ago. He said that prostitution and the perverting of the minds sexually is a characteristic of what is happening in our day. He went on to relate this to history. He said that this is a sure sign that the death rattle is in the throat of any civilization.

America is going to reap before very long if she continues in the direction she is going in a tragic harvest of the sin that she has allowed to mount. You don't have to wait for the ultimate judgment of God. You can see what is taking place right now. One point three (1.3) million young people between the ages of 12 and 18 are chronic alcoholics. In our country of 213 million people, we find that one half a percent of our population below 18 years of age is already chronically alcoholic. On the adult level we now have approximately 11 million alcoholics. For every confirmed alcoholic in our country there are at least three other people who are radically influenced by their drinking. That means that approximately 36 million people are influenced by the alcoholics. That brings the total population that is in some way influenced by the alcoholic is alcoholic itself to one fourth of our national population.

Drug addiction is moving at a rapid rate. Last year the number of arrests among teenagers for drug related problems was exactly 200 percent of what it was eight years ago and 4,200 percent over 15 years ago. We are seeing our nation move in the direction of self-destruction, escapism, pleasure seeking, and fear simply because we have not remembered that righteousness is the key to national security. Sin is the reproach to a nation. It scars and disfigures and limits life. It brings death to a nation because that nation cannot exist as long as sin is the strategic motif of its existence. We need to return to national righteousness.

Someone has said that America staggered to its 200th birthday party in a state of moral collapse and spiritual decay. Rather than coming to our 201st anniversary in spiritual collapse and moral decay, we need to come to it with a firm conviction that right living, honesty and righteousness are to be our characteristics.

God says to us in the twentieth century that the key to national recovery is a revival among God's people. Look with me if you will for a moment at that passage of scriptures so frequently quoted on a day like this. It is II Chronicles 7:14: "If my people, which are called by my name, shall humble themselves, and pray, and seek my face and turn from their wicked ways, then will I hear their prayer from heaven and will forgive their sins and will heal their land." Now notice who it is that is involved here. The political leaders? No. Mark Hatfield says that in the twentieth century we have seen "a decline of responsibility." He states that "If it is true that all that is necessary for evil to win out in the world is for good men to do nothing, we have finally come to that point where political leaders and where morally responsible people have done nothing for so long that it will devastate our country." He is exactly right. Good men have done too little for too long. God's people are the ones he will hold accountable if our nation slips into the slough of despond. God will not allow our nation to stand unless his people turn to him. God says in the eighth Psalm that man was created a little lower than the angels and that he was made to have dominion over the works of God's hands. That verse says that first of all I am responsible to God. Many of God's people have come to the point where they say "I will run my own life. I will live as I want to." It is not your life. It is God's life. You are not your own. You were bought with a price. It is not my life to live as I want to live; it is Christ's life to live as he wants to live in this world. If I continue to refuse to recognize my responsibility to Him, then moral failure will lead to spiritual decay. I can tell you today that the key to national recovery is for God's people to say, "I am responsible to God. I am accountable to Him. But not only am I responsible to God." Not only are we under authority, but we are also in authority. As one of God's people, I must accept divinely given responsibility to change the world in which I live. He has made us to have dominion over the works of his hands. As a child of God, I am responsible for being a world changer. I am responsible for altering the situation for which I find myself for the better. God's people are to humble themselves. They are to pray and cry out in earnest agony over the decay of our day. God's people in prayer and concern can change our country. Rivers and men grow crooked by following the course of least resistance. Nations go down into the graveyard of nations because God's people allow them to coast along.

Prayerful people on their knees can change the course of our nation's history. That's the key to it all. "If my people which are called by me shall humble themselves and pray, seek my face and turn from their wicked way, then will I hear their prayer from heaven and will forgive their sin and will heal their land." Do you want to know what can be done to change America? Don't sit in a rocking chair and wring your hands. Don't wave a white flag of surrender. Do not give up. Do not despair. National revival among God's people is the key to national recovery. If you want our nation to move in the right direction, it will begin to do that as God's people begin to turn from their sins to God in a spirit of prayer.

God has a word for us today. It is a sure word. God reminds us that America can be great if America will be good. It begins with an individual—a person who says, "I will allow my life to be controlled by God. I will

be obedient to Him." Will you heed God's formula for building a strong life and a great nation?●

WATCHING OUT FOR THE VIETNAM VET

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. LaFALCE. Mr. Speaker, there is a growing awareness in Congress, as well as throughout our country, that the Vietnam veteran has not been accorded the attention he deserves. In fact, compared to veterans of other wars, the younger vet has had to bear the brunt of an unpopular war and an outmoded benefit program which does not recognize his special needs.

Despite the long overdue notice being given the Vietnam veteran, there is a tendency to view changes on his behalf as contrary to the interests of older vets and the Nation as a whole. If this is the case, it is a sad commentary on just how little progress we have made toward ending the disunity which accompanied our participation in southeast Asia.

Mr. Speaker, I draw my colleagues attention to an article by Alan L. Otten which appeared in the Wall Street Journal on July 26, 1978:

THE VETERANS LOBBY AND CONGRESS

It takes an unusually brave politician to buck the veterans lobby, and this Congress appears to have an even smaller than normal complement of brave politicians.

In fact, one senior House Democrat refers to the newer members as the "bedwetters," for tendency to panic and run in the face of almost any political pressure at all. Men who claim to speak for "the veterans" have always managed to herd politicians before them, but that may be truer than ever now—even though there's little real evidence that they do indeed speak for most veterans.

This musing is prompted by two pending bills. Lobbyists for the major veterans organizations are now pushing through Congress an extremely expensive pension bill, far above budget figures; faced with almost unanimous congressional backing for this costly measure, the administration has given up the fight against it.

At the same time, the lobbyists are working feverishly to kill a very modest administration plan to reduce to a reasonable level the preference now given veterans applying for government jobs. The administration is still battling hard for this proposal.

The irony is that in both cases, the veterans organizations are actually working against the best interest of the 8-million-plus veterans of the Vietnam era, the group everyone agrees most deserves and most needs help today.

Under present law, a veteran seeking federal employment gets extra points on his job rating—5 points for able-bodied veterans, 10 for disabled ones—and these ratings are critical in hiring decisions. If a veteran's preference points give him the same ranking as a non-veteran, he's listed ahead on the register for that particular job, and agencies must hire from among the top three names on the register.

The preference is good for life, and can be used again and again by a veteran seeking other jobs, though not for regular promotion. In addition, if an agency must lay off workers, veterans are protected over fellow workers, even those with far greater seniority.

The whole idea, of course, was to make up to the returning servicemen for having had his life disrupted, and to help him reenter the job market. All eminently fair and reasonable.

But consider how it's actually worked. The system makes preference points still available to the millions of World War II and Korean war veterans and others who should long since have made their adjustment back to civilian life and who really shouldn't need special help any longer. And the Civil Service Commission says one-third of those using their preference use it more than once—to switch jobs, or to leave government work and then return to it.

Veterans, moreover, surprisingly include military careerists seeking a second government career after retiring (with good pensions) from their 20 or 25 years of military service—not only corporals or sergeants but colonels and generals. Can it honestly be argued that these people need preferential treatment as compensation for "career interruption"? The White House says that in some areas where retired military families cluster, such as Jacksonville or San Diego, it's virtually impossible for any but retired military men to qualify for a federal job.

By preserving the preference of older veterans and retired careerists, the present law dilutes any special competitive advantage that might otherwise go to the Vietnam-era veterans, the ones who really need readjustment assistance. It also hurts the chances of women and blacks and other minorities trying to enlarge their numbers in better-paying federal jobs. Finally, it may give the federal government something less than the best-qualified work force, for the veteran who ranks first by virtue of special preference is often less able than the non-veteran scoring higher but ranking lower.

In the Washington area, for instance, the top 34 persons on the roster of entry-level jobs for college graduates are all veterans, even though the first non-veteran woman, ranked 35th, scored 100. A woman applying for an air traffic controller job in Dallas got a perfect 100 score and would have ranked seventh on the basis of score, education and experience—but when veterans preference was factored in for other applicants, her rank dropped to 147th.

The administration's present compromise proposal would make no change in the special preferences for disabled veterans. For most able-bodied veterans, it would make the five-point preference available only once, and only during the veteran's first 15 years after separation. The preference wouldn't be available at all for careerists retiring with the field-grade rank or above, and only for three years after separation for lower-grade careerists. Special protection against layoffs would exist only for the first eight years after hiring, not for life.

These are hardly radical changes or unreasonable ones, yet a Senate committee has turned them down, and while a House committee approved them by a comfortable margin, they face a most uncertain fate on the House floor.

If the lawmakers can't find the courage to buck the lobby on this issue, it's not surprising they have even less stomach for opposing it on the pension bill.

The issue is not veterans compensation—the amounts paid to men and women for service-related injuries and disabilities—but the pensions paid supposedly on the basis of need to veterans disabled after they leave service, very often simply the disabilities of old age.

The administration, conceding the need for some increase to offset inflation, originally budgeted an extra $111 million for next year. The House however, has whooped through a bill that would cost an extra $950 million the first year and a total of $40 billion extra between now and the year 2000, and the Senate is set to okay a plan almost as expensive. Both bills would increase pension rates substantially right now, and would make future increases automatic as the cost of living rises.

Yet pensions for destitute veterans without service-connected disabilities were conceived in an earlier time, when Social Security, food stamps and other programs weren't available. That's no longer the case today; more and more older veterans, for example, claim substantial Social Security benefits. In fact, a major provision of the pending bills would make sure that no veteran has his pension reduced as a result of future increases in his Social Security benefit.

House Budget Committee Chairman Robert Giaimo, one of the few lawmakers to fight the high-priced bill, argued that the pension program is essentially another welfare program, and that "if we want to help the poor, including poor veterans, let us do it through general programs that reach all."

One congressman after another, including well-known fiscal conservatives, rose to back the higher figure, however, and Mr. Giaimo lost 362 to 33. The administration, meanwhile, had turned tail—first raising its $111 million proposal to $500 million, and then surrendering altogether to the still-larger increase sought by the veterans groups.

Again, the idea might not be all that outrageous—so what if the nation gives a little more to needy aged veterans, even if "need" is loosely defined—but for the impact on programs more particularly tailored to the Vietnam-era veteran.

Early this year, for example, President Carter announced with considerable fanfare the appointment of a Cabinet-level committee to draft new ways to help recent veterans. Big things were implied. Recently, however, domestic policy chief Stuart Eizenstat told the Cabinet group that changing budgetary outlooks—presumably including the hefty increases in pension payments—ruled out any but the most modest new help for the Vietnam veterans.

As one budget expert explains it, "Any bucks going to Vietnam vets is money that doesn't go to the older vets—and it's the older vets who control the veterans organizations."

And, Congress believes, it's the older vets who vote. When it comes to the veterans lobby, every politician is a bedwetter.●

THE WEALTH OF A NATION—FOCUSING ON THE FUTURE

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. MARTIN. Mr. Speaker, this year, for the second consecutive year, my office sponsored an essay contest for junior and seniors in high schools in North Carolina's Ninth Congressional District.

After preselection by officials at public and private high schools, a panel of independent judges selected a winner and two runners-up from the entries.

The judges were extremely complimentary of the quality of the writing, along with the degree of research and thought which went into the essays.

The second runner up in this year's essay contest is Teresa Holder, a student

at Northside Christian School in Mecklenburg County.

Mr. Speaker and Members of the House of Representatives, I call to your attention the essay of Teresa Holder and know you join with me in extending congratulations to this leader of the future:

THE WEALTH OF A NATION—FOCUSING ON THE FUTURE

(By Teresa Holder)

What makes a nation's pillars high
And its foundation strong?
What makes it mighty to defy
The foes that round the throng?[1]

America is known as the wealthiest nation in the world. She has accumulated greatness in her past two hundred years from assets such as advanced technology, discovery, abundance of natural resources, and the faith of her people. But what about the future? I believe the answer lies in a working combination of these assets, the American economic system, Capitalism.

"The free enterprise system has produced a higher standard of living, more innovations, and conveniences and miracles of technology, more culture, more leisure, and a higher degree of religious freedom than is found anywhere else in the world today. We should stop and ponder the fact that in this country we define poverty at an income level higher than the median income in that worker's paradise, the Soviet Union."[2]

Capitalism or better known as the free Enterprise System is an economy based on private ownership, free competition, and the incentive of personal profit.

A basic principle of capitalism is private ownership. This means that the United States is owned by individuals who have the right to buy, sell, or use their property in any way they choose within the law.

Free competition is the freedom to compete in order to gain capital or profit. We compete by exchanging our services for capital to meet or exceed our needs. Also we can compete for higher salary by achieving higher education and experience that will increase the value of our services.

The third basic principle of Capitalism is the incentive of personal profit. This factor has resulted in the majority of the progress that our nation has made. It is this principle that has taught men to work harder, think smarter, and to produce more efficiently, so that they can obtain more capital and acquire more luxuries and pleasures of life.

The profit motive is not based on selfish desire, but is actually one of man's needs. "A learned man with no incentive is as much without hope as the man with no talents".[3] This is a Biblical truth which can not be ignored by any generation.

Although these principles form the framework of Capitalism, the key to our freedom in the economy is in the people. It is the people's responsibility to determine the amount of production and distribution, the rate of supply and demand and the actual standard of living.

In no other nation have people been given this kind power, the power of success. But Capitalism does not guarantee every man success; it only guarantees him that opportunity.

Then, if the center of our nation's wealth is the economic system, and the people hold its power in their hands, how does this affect the future of our nation's wealth?

Without the free enterprise system we would no longer have the political and religious freedoms we have now. The freedoms which Americans have enjoyed would be depleted and consumed because they would not fit in socialism or communism.

There is no such thing as a free election in this type of economy, because the government has taken control. With the power to set goals and control production and distribution, economic planners can easily make themselves political masters.[4]

Once government has control of the people both in their economy and in their politics, it would continue to override the line of separation between the church and state. The government could use their political power in order to gain control of the churches and Christian schools.

This type of government and economy would literally tear America apart and destroy her of her wealth. She would be stripped of the foundations that has made her the unique nation that she is.

Capitalism, the epitome of our freedoms as Americans, is the constitution woven into the lives of the people.

"The United States is living proof of a country starting underdeveloped and becoming through free enterprise, the greatest nation in the world. Why should we give up an economic system that works for one which fails? We do not live to grow, we grow to live better."[5]

[1] Emerson, Ralph Waldo, "A Nation's Strength".

[2] Helms, U.S. Senator Jesse, *When Free Men Shall Stand*, P. 34.

[3] *Ibid* p. 37.

[4] Antell, Gerson, *Economics*, p. 18.

[5] Helms, p. 42.●

THE $100 MILLION ANNUAL PAYOFF TO PANAMA

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. HANSEN. Mr. Speaker, as we approach final consideration of the foreign aid appropriations bill for the next fiscal year, it is important for us to see the loading which has occurred to initiate broad areas of agreement in the Panama Canal treaties without implementation legislation ever having been properly presented to or passed on by the Congress.

This bill contains some $100 million for just 1 year in economic aid, military assistance, and in loans and guarantees—all of this to further the fraud of inducing Panama to accept a canal it cannot maintain or operate without such a subsidy program heaped on an anticipated massive increase in tolls and fees.

Even worse is the hypocritical support of a repressive and corrupt administration which is now showing its real colors in a new foreign policy pronouncement precisely along the Moscow's line supporting aggression in Africa, withdrawal of the United States from Guantanamo and Puerto Rico and a unilateral Jewish pullout from occupied Arab lands.

Following are three items of great interest, the first is a letter dated September 7, 1977, by Secretary of State Vance detailing the payoff to Panama to gain their acceptance of the treaties, the second is an article by columnist Charles Bartlett in the August 1, 1978 Washington Star; and the third is July 20, 1978, Miami Herald News release detailing Panama's revised foreign policy.

The articles follow:

DEPARTMENT OF STATE,
Washington.

EXCELLENCY: I have the honor to refer to our recent discussions concerning programs designed to enhance cooperation between the United States of America and the Republic of Panama in the economic and military spheres. As a result of these discussions, I am authorized to inform you that my government is prepared to agree, within the limitations of applicable United States legislation and subject to compliance with applicable legal requirements and, where necessary, to the availability of appropriate funds, that:

The United States Government will consider applications from the Republic of Panama for housing investment guarantees with a view to approval of specific projects with an aggregate value of not to exceed $75 million over a five year period. Approval of specific projects shall be subject to conformance with any applicable administrative and legislative criteria.

The Overseas Private Investment Corporation would guarantee borrowings of not to exceed $20 million in United States private capital by the National Finance Corporation of Panama (COFINA) for use in financing productive projects in the private sector in Panama, subject to terms and conditions as shall be agreed upon by the Overseas Private Investment Corporation and COFINA, and approved by the Overseas Private Investment Corporation's Board of Directors.

The Export-Import Bank of the United States is prepared to offer a letter of intent to provide loans, loan guarantees, and insurance, aggregating not to exceed $200 million over a five-year period beginning October 1, 1977 and ending September 30, 1982, for the purpose of financing the U.S. export value of sales to Panama. Such financing shall, at the discretion of the Board of Directors of the Export-Import Bank, be in the form of loans, loan guarantees, or insurance for individual products or projects approved by such Board.

The United States Government will issue repayment guarantees under its foreign military sales program in order to facilitate the extension of loans to the Government of Panama by eligible lenders for the purpose of financing the purchase by the Government of Panama of defense articles and defense services. The aggregate principal amount of loans guaranteed by the United States Government in accordance with this paragraph shall not exceed $50 million over a ten-year period.

It is understood that the undertakings of the United States provided for herein will enter into force upon an exchange of Notes to that effect between our two governments.

Accept Excellency, the renewed assurance of my highest consideration.

CYPRUS VANCE.

GABRIEL LEWIS GALLINDO,
Ambassador of Panama.

PANAMA AND SELFISH LAPSES

Congress, the press and the American people have developed a bad habit of walking away from foreign situations in which the nation has been deeply involved with no backward looks.

This is a new style of behavior, a selfish lapse from the grace with which this country faced the postwar plight in Europe and Asia. It is a reaction to an undigested adventure, a kind of flinch that we acquired in the bitterness of Vietnam.

Walking away with a shrug will be particularly wrong, morally and practically, in the case of Panama. If we did not, back in the high-flying days of 1968, participate in creating the dictator, Omar Torrijos, we certainly acquiesced in his seizure of power and assisted him, with aid and other endorsements, in staying in the saddle.

Historians will surmise, as most thoughtful Panamanians believe already, that we

backed this morally decrepit leader because we could make a deal with him. He began to look like our ape in their parlor as we counseled him on curbing his excesses and performing the conciliations necessary to speed the treaty through the Senate.

Now our attention is turned away and he is reverting to type. The slaughter by pro-regime guerrillas of a still-undetermined number of college protesters on the eve of President Carter's visit has proved to be the prelude to a transition that has left Panamanians suspended between their hopes for an infusion of democracy and their fears of brutal treatment.

The turn has also been signalled by the Panamanian bishops, led by the respected Archbishop Marcos McGrath. They muted their apprehensions during the negotiations, but in a new pastoral letter they warn there are serious defects in the political structure, inefficient administration and lack of control over public funds, plus increasing domination by "certain Marxist elements." The deep rapport between Torrijos and Fidel Castro is a matter of continuing concern in Panama.

Torrijos concedes that after 10 years of strong-arm rule, he has an obligation to give his country something better. But he doesn't know exactly what, as he certainly intends to stay on as the centerpiece. He may let himself be chosen president by the 505 representatives to an assembly tailored by the regime to exploit its rural strength.

"I am not a very ambitious leader," Torrijos says, but his taste for the plunder of power is not requited. He says, "We must organize politically" and talks of restoring party politics; but insists there will be no direct election of a president until 1984. He has assigned the task of planning the new political phase to a commission headed by Romulo Betancourt, the man at his elbow, the treaty negotiator and the Marxist who once brought Che Guevara to Panama.

A chilling insight into Betancourt's political philosophy surfaced on July 21 when he told a crowd, "Let them even try to raise their little finger against this revolution and they will see a change from our position of tolerance. They will see how the armed branch of this revolution would deal a blow to those traitors and reactionaries."

The State Department is now planning to add to the regime's muscle by supplying $2.5 million in military assistance to the national guard. This is a partial fulfillment of the U.S. negotiators' pledge to seek congressional support for $50 million in military assistance over the next 10 years.

All in all the president contemplates a $20 million aid package to Panama, the only nation with a per capita product of more than $1,300 that gets economic assistance. This was grease that facilitated the treaty deal. Now Congress is being asked to bolster a dictator bent on reasserting himself.

All the past support of Torrijos was barely justified, in moral terms, by the need for a treaty. Further support for a regime that flirts with totalitarians and drug-traffickers while it represses Panamanians will be unforgivable.

LEAVE GUANTANAMO, PANAMA URGES U.S.

PANAMA.—Panama called Wednesday for the United States to give up its Guantanamo naval base in Cuba, self-determination for Puerto Rico, and return of all occupied Arab lands by Israel.

The government made the points in a 14-page document intended to lay the basis for its future foreign policy.

"The centerpiece of our foreign policy has been the canal. Now that an agreement has been reached with the United States, we felt we needed to redefine our foreign policy," Foreign Minister Nicolas González Revilla said in an interview.

The document also supports respect for human rights and condemns all intervention in the affairs of other nations.

Gonzalez Revilla said it "it also recognizes Panamanian support of some independence struggles that exist in the world."

The document gives Panamanian backing to the black nationalist struggles under way in southern Africa.

González Revilla said the document was being sent to all nations with which Panama has relations and to its foreign service ambassadors, and that it would be presented at the coming meeting of nonaligned nations later this month in Belgrade.●

EXCHANGE RATES AND THE INTERNATIONAL ECONOMY

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. COHEN. Mr. Speaker, the recent economic summit conference in Bonn highlighted the Western World's growing concern over the present instability of the international financial system.

In a recent article in National Journal, Leslie C. Peacock, vice chairman of the Texas Commerce Bank, discusses the present international economic system and offers some suggestions on needed adjustments and changes.

I believe that Mr. Peacock's comments represent a constructive contribution to the continuing dialog on this critically important subject, and I commend his observations to my colleagues in the Congress:

INTERNATIONAL FINANCIAL ISSUES: THE VIEWS OF A BANKER

(By Leslie C. Peacock)

It has been little more than a decade since important economic policy makers in the United States were proclaiming the business cycle a thing of the past. We had become so wise, it was said, and our instruments of economic stabilization so refined, that there remained only the necessity for "fine tuning" to keep the economy on a steady and healthy upward progression. The euphoria that spawned such arrogant and naive thinking subsequently was dispelled, but it is important to remember that the arrogance and naivete was there. The arrogance consisted of the presumptuous belief that economists and sufficiently knowledgeable about what is going on in the world economy to be able to prescribe precisely what is needed. The naivete consisted of the belief that, even if they were, they could dictate to the world's real policy makers, the politicians.

Mankind is ruled by politicians, a fact which we sometimes regret but rarely wish to change. It is not in the nature of politicians that their wisdom expands in relation to the complexities of the problems confronting their constituents. It may even be, in fact, that the quality of decision making in government deteriorates as the complexity of problems expands. In any event, it is fairly clear that developments over the past five years have outrun our willingness or capacity to grapple with them successfully. The gap between what is needed and what is being done grows progressively wider, and the failure of major governments to agree on remedial measures increasingly prejudices the economic climate.

The extent to which this is so is reflected over a wide range of international economic developments. It is reflected in the extraordinary weakness of investment incentives in virtually all industrialized nations. It is manifest in the trend toward much slower rates of real growth of international trade as well as in rising protectionist sentiments and policies around the world. It is evident in the unsustainably large external deficits of most oil-importing nations and rising pressures on their creditworthiness. It is particularly conspicuous in the exaggerated movements of foreign exchange rates.

Already it is noticeable that these economic developments are being translated into public restiveness and undefined fears which themselves are being communicated to political processes. We are not, therefore, at a happy point on the path to freer trade and expanded international investment. In the absence of stronger international financial leadership, in fact, we are likely to look back on the past 25 years as a golden era in world trade and investments—a golden era that somehow eluded our permanent grasp.

THE ORIGINS OF STRAIN

The origins of strain on the present international financial system, on whose health vigorous world trade and international investment depend, are too multitudinous and complex to be treated summarily without great risk of oversimplification. In the interest of brevity, however, it may be said that they have stemmed from the chronic unwillingness and/or inability of the United States to manage its balance of payments in a manner consistent with the requirements for preserving the dollar's role as a reserve currency. U.S. policies have much to answer for in connection with the failure to maintain a viable balance-of-payments position; but it is equally true that Western Europe and Japan are not innocent of contributions to the breakdown of the international monetary system as built up under the Bretton Woods Agreement.

In any event, such was the behavior of important industrialized nations that the system of fixed currency parities, the system under which international trade and investment flourished so extraordinarily in the two and one-half decades of the postwar period (and even before that, for that matter), collapsed completely in early 1973. The transition to floating rates of exchange became an accomplished fact not because floating rates were elected as a demonstrably superior or even acceptable basis of supporting a healthy world economy, but rather because there was no other alternative.

Such is the peculiarity of man that, not being able to get what he likes, he often is prone to convince himself that he likes what he gets. Such was the reaction of many economists to the collapse of the fixed-parity system of currency exchanges, and it had begun even before the collapse of Bretton Woods. In fact, the superficial attraction of floating exchange rates as a theoretical proposition had greatly undermined the resolve of governments to make greater sacrifices to maintain the old system. Would the new system of floating exchange rates usher the world into a new and higher-powered inflationary era? Of course not, it was argued. Would such a system destroy or greatly impair the elements of stability required for orderly multinational trade and investment flows? Absolutely not, it was said; things will be even better!

With that same mixture of arrogance and naivete that characterized the "fine tuners" a decade earlier (although the personalities were decidedly different), the advocates of freely-floating exchange rates advanced their arguments. In this case, the arrogance lay in an excessively dogmatic ideological commitment to "freedom" in all markets come hell or high water, and the naivete lay in the failure to know that businessmen and entrepreneurs (no less than politicians) do not always behave the way that economists

tell them to. (If there is a moral here, it is that neither Keynesians nor monetarists have a monopoly on humility.)

Perhaps it was not arrogant to believe that future changes in exchange rates would always be orderly and smooth and slow-moving; but subsequent developments have proved that this view was, at the very least, extremely naive. The plain truth is that international trade and investment are being carried on today against a backdrop of daily and weekly gyrations in exchange rates which are, in comparison with anything previously contemplated by the advocates of floating rates, wild and sometimes disorderly.

It is not an accident of chance that the introduction of floating rates has been followed by five years of escalating inflation, a general deterioration of investment incentives in industrialized nations and a marked slowdown in growth of the physical volume of world trade. Direct causal forces are at work. They are identifiable, but they are not quantifiable. They are not quantifiable because the influences of floating rates on the performance of the international economy have become intertwined with the influences of yet another major shaper of international economic and financial developments—the escalation of crude oil prices.

Without pretending that anyone can disentwine these powerful influences, and while recognizing that judgmental assessments of the importance of each are subject to challenge, one nevertheless can note that neither the timing of the pronounced upswing toward double-digit inflation nor the magnitude of the inflation that has occurred on a worldwide basis nor the severity of that inflation in individual countries (in relationship to their requirement for imported oil) is suggestive of the proposition that world oil prices are at the root of today's inflation. That they have contributed to these problems is beyond question, but they are only one of many influences.

The transition to floating exchange rates has exacerbated the trend toward higher rates of inflation in many ways, but what is less well recognized is that it has introduced new and powerful barriers to the adequacy of private investment on a worldwide basis and, most particularly, in the industrialized nations. In neither Japan, Canada, Italy, the United Kingdom, Germany nor the United States has there been any reversal of the decline in nonresidential fixed investment as a percent of real gross national product that began in the early 1970s, and policy makers in all countries have expressed anxiety as to the longer-run "stagflation" implications of this phenomenon.

They are correct to worry about it, and not only because its continuation will interfere seriously with satisfactory growth rates in the future decades. At least one of the factors presently inhibiting capital investment around the world is a product of exchange rates fluctuations and can be overcome only by the achievement of more stable exchanges or, alternatively, by a sharp turn toward greater protectionism in international trade. The interrelationships between inflation, exchange rates and fixed investments are so clear, in fact, that it is a theoretical absurdity to expect that we can have a restoration of adequate levels of fixed investment against a backdrop of free trade, the existing degree of exchange rate instability and differential rates of inflation.

The reason for this is that a very large share of fixed investment around the world, whether or not the investment involves a movement across national boundaries, nevertheless must be sensitive to actual and potential international competition over many years out into the future. At least this is true in a world of free trade. Yet when exchange rates are changing quickly, often "irrationally," and with no assurance that differential rates of inflation will be accurately reflected in the changes, the entire basis for investment (in all areas which are affected by international competition), becomes riddled with dangers and uncertainties that were not there before. Imagine the perils envisioned by a Japanese or German manufacturer who, knowing that he competes in American markets or in other markets with American producers, reads his newspaper to find the American dollar depreciating out of all proportion to relative changes in costs of production! Far from being enthusiastic about the contemplation of new investment, he is much more likely to develop anxiety about the preservation of those profit margins which make his existing investment viable.

It is important to note that there is nothing in the existing international financial system to make such a potential investor more comfortable about the risks of new investment or the viability of existing ones. He cannot take comfort in the knowledge that the process of foreign exchange adjustments will find an equilibrium which allows him a reasonable chance to produce and sell his products profitably. He might have taken such comfort when exchange rates were pegged in deliberate consideration of terms of trade and sustainable relationships *over time*, but that comfort is not available in a world where exchange rate changes daily reflect the full spectrum of pressures from investment transactions, speculative currency movements and other considerations which have nothing to do with the comparative costs of production in the short run. And since he doesn't know how long the short run is, or how much worse it might become, the potential investor retreats to the sidelines. If he is really smart, and if he speculates on what exchange rates might be required for such a powerful country as the United States to achieve balance-of-payments equilibrium through correction of its current account deficit, he will beat a hasty path to ask his government for protection before he executes this plan of retreat.

There are many factors underlying the inadequacy of fixed investment, including political uncertainties, regulatory uncertainties and inadequate rates of utilization of capacity in many countries. Nevertheless, the one that will not go away, even if the others are resolved, is the mutual inconsistency of (a) free trade; (b) a high level of investment; and (c) exchange rate changes of the sharpness and rapidity that have occurred in recent years. At least one of these has to be eliminated if the other two are to be retained.

WHERE THE PRIORITIES LIE

It does not require much deliberation to come to the conclusion that the world is heavily dependent on free trade as a buttress to its prosperity and that a high level of private investment is essential for our present and future economic health. Neither of these can be sacrificed. If it is also agreed that there is no road back to the old system of fixed parities worked out at Bretton Woods, it cannot reasonably be proposed that we must scrap the concept of floating exchange rates either. The priorities align themselves: We must make major efforts to reduce the volatility of exchange rates if we wish to avert an alarming trend toward protectionism in world trade and promote an international climate in which fixed private investment opportunities are sufficiently attractive to stimulate and support economic growth.

There are several ways of going about it, but the present approach of the leading industrialized nations around the world is not working (as is evidenced by the clear trend toward greater volatility, rather than less, in exchange rate quotations). Within a period of six months the dollar has fallen 27 per cent against the Swiss franc, 22 per cent against the yen, and 15 per cent against the Deutschemark. These are magnitudes of change, compressed within a short period of time, that certainly would have rendered obsolete the feasibility studies that might have underlain any German, Japanese or Swiss investment plans under consideration at the time. And the fact that the dollar gained almost 7 per cent againts the Swiss franc in one day is adequate testimony to the impingement of exchange-rate volatility on both investment and trade.

As of the present moment, the major defense which the world has against exchange-rate volatility inevitably destructive of free trade and adequate private investment lies in the cooperative action of central banks in intervening in foreign-exchange markets on whatever scale is required to produce short-term stability. The scale of these purchases required in 1977 and thus far in 1978 has been huge, and yet even this magnitude of purchases (aggregating more than $40 billion), has not been adequate to produce sufficient stability in the marketplace. Because of enormous pressures on the American dollar arising out of the deficit in the U.S. current account, plus the flow of capital from dollar accounts accumulated in previous years when the dollar's outlook was brighter, private sales of dollars have simply swamped the absorptive capacity of official institutions.

Looking to the future, it is not likely that the flow of surplus dollars onto foreign-exchange markets will diminish, nor is it reasonable to expect that foreign central banks will be prepared to step up their level of support for the dollar. The disinclination to commit themselves further in the defense of a more stable dollar reflects some considerations which are purely economic and others which might more aptly be termed "attitudinal." The economic considerations include the critical fact that large scale purchases of dollars by central banks abroad tend to be a source of domestic inflationary pressure within the country that does the purchasing, and therefore are often in sharp conflict with domestic economic policy objectives. Second, there is a limit to the extent to which any nation's central bank can sacrifice the interests of its own constituents on the altar of international financial cooperation. This question comes fairly to the fore when a central bank is forced, in the interest of maintaining orderly foreign exchange markets, to commit a heavy percentage of its resources to a currency the longer range value of which may be subject to some doubt.

These barriers to more aggressive efforts by central banks to promote greater exchange stability tend to become most fully operative when the United States, by virtue of policy moves or the remarks of high officials, shows less than full appreciation of the burden which our international financial position is imposing on foreign central bankers. It is understandable that the latter may resent deeply having to spend $300 million (or even $1 billion) in one day to support the dollar at a time when they might prefer to hold gold or Special Drawing Rights (SDRs) or another currecy. If the sudden necessity for such support flows out of language from Washington which reflects either a lack of knowledge or of understanding or of sympathy for the burden our position places on foreign central banks, then it must be doubly irritating to provide it. When the support is less than enthusiastic, the results may be less than completely adequate. We are seeing some of this.

Because of the barriers to more effective support of exchange stabilization by the world's central banks, and in the light of the huge current account deficit in the United States which renders us particularly vulnerable to outflows of liquid balances

held in dollars, it is clear that a continuation of present trends and present reliance on existing defenses expose the world to the grave risk of a disorderly retreat to protectionism and bilateralism in trade from which we all would suffer.

The ultimate defense against such an eventuality lies in the correction of the $15 billion (or so) deficit in the U.S. current accounts, a development which will require more intensive effort than so far has been expended. Accomplishment of this objective will not be easy and will require, in and of itself, a larger measure of cooperation from such important trading nations as Japan (whose chronic inability to eliminate its trade surplus is more a tribute to its desire for rising international reserves than a reflection on its inability to achieve a desired goal of public policy).

CORRECTING THE DEFICIT

We do not know when, or even if, the United States can succeed in correcting its current account deficit. We do know, however, that the deficit itself and the legacy of international liquidity now held in dollars is imposing an intolerable strain on that degree of exchange-rate stability that is essential for the maintenance of free trade and a healthy climate for investment on a worldwide basis. If we are to preserve that climate and provide an opportunity for timely adjustment in the United States, it will be mandatory for foreign exchange markets to be relieved of the pressures now being created by the large overhang of dollars.

U.S. bonds in foreign currencies: Several proposals have been advanced for accomplishing this. One such proposal has featured the removal or reduction) of the dollar overhang by the sale of U.S. Government bonds denominated in foreign currencies. The proposal bears explicit recognition that foreign-exchange volatility is getting out of hand; it recognizes that the maintenance of a high degree of international interdependence requires that the problem be corrected; and it places the responsibility for leadership on that nation whose currency and whose international financial position are central to the growing problem. The proposal has attracted a considerable amount of sympathetic attention, including the endorsement of Dr. Arthur Burns, former chairman of the Federal Reserve Board, but it has been rejected by the current U.S. Administration. The proposal is deserving of the Administration's reconsideration.

Although the severity of the present problems in foreign exchange markets has prompted additional and intensive discussions of the possibilities for a revised and expanded role for Special Drawing Rights within the International Monetary Fund (IMF), the limited attractiveness of SDRs to many investors and holders of international liquidity suggests that this would be too narrow an approach for the solution of a problem requiring such comprehensive treatment.

The Bell Plan: A more comprehensive approach has, in fact, been put forward by the distinguished economist and financier Geoffrey Bell Under the Bell Plan, the International Monetary Fund would be allowed to issue obligations denominated in whatever currency a member country might choose (in addition to SDRs), using the dollar as the currency of subscription, and acquiring dollar assets with the proceeds derived from the sales. The Bell Plan thus would present the IMF with an exchange risk (although Bell notes that the risk would become operative only when and if countries which had retreated from the dollar subsequently elected to get back into dollars), and Bell proposes that this risk be covered by guarantees from the governments of IMF member countries, including the United States.

As a plan for insulating exchange rates from the destabilizing influences of a dollar overhang which may exceed $30 to $50 billion (if nervous and reluctant foreign holders of dollars are taken as the measure), the Bell Plan is assuredly the most specifically tailored to meet the problem. Among its numerous merits is its recognition that the dollar problem is also a world problem, requiring international cooperation for its resolution, and that such cooperation is to be preferred over the drift toward protectionism and economic isolationism which inaction propels.

It is not that the Bell Plan could not provide the basis for an orderly solution to pressing international problems, but rather an assessment of the political difficulties of getting such a plan through the IMF, that suggests the need for U.S. reconsideration of the sale of bonds denominated in foreign currencies.

THE LESS-DEVELOPED COUNTRIES

At least in the U.S. press and among financial analysts in the United States, the bulk of conversation about the international financial situation has carried the flavor that the greatest threat to international financial stability lies in the so-called overextended borrowing position of developing nations. That is not so; it already has been stressed that the principal threat stems from exchange rate volatility and the consequent pressures on investment and liberal trade policies in *industrialized nations*. Nevertheless, a word about the position of developing nations may be in order here.

As a group, the developing nations were making a rather strong economic showing early in the 1970s and their prospects remained bright until the introduction of higher oil prices and the catapulting of OPEC current account surpluses to almost $70 billion in 1974. In the years that followed, the borrowing requirements of the LDCs skyrocketed, but it is significant to note that most of these countries experienced little difficulty in covering their borrowing needs. The petrodollar recycling process, carried out essentially by U.S. and European banks, poured literally billions of dollars into the LDCs and greatly facilitated the balance-of-payments adjustment which circumstances required them to undergo. The entire world has reason to be thankful for the ease with which this recycling process occurred, for had it been otherwise the social and political changes which could have occurred might well have been immense.

In the process of borrowing to facilitate a smoother transition to sustainable payments positions, many of the LDCs reached levels of external debt conspicuously high by historical standards and debt-service ratios that have posed problems. Nevertheless, only a small handful of countries have actually experienced such difficulties as to make debt restructuring much more than a fairly routine matter, and these countries (Peru, Turkey and Zaire, for example) were never the heaviest recipients of American and European bank loans. The countries themselves, each facing a unique set of problems, scarcely establish the pattern to which other LDCs inevitably will conform.

In fact, the arguments concerning the vulnerability of the international financial system to LDC debt have not kept pace with the facts. When doubts first were expressed (and properly so) concerning the threat of rising LDC debt to international financial stability, it was assumed that the OPEC current account surpluses would be large and intractable, that industrialized nations would make relatively smooth adjustments to their "oil deficits" and that the LDCs would be left holding the bag (of deficits corresponding to the OPEC surpluses). None of these things has happened, yet the arguments concerning LDC debt go on as if they had.

In truth, OPEC surpluses on current account have declined sharply, from $65 billion in 1974 to a projected $25 billion in 1978, and further declines appear likely in years to come. At the same time, a very large number of industrialized countries, conspicuously led by the United States and West Germany, but also including Norway, Canada, Austria, Sweden, Denmark and Belgium, have experienced deterioration in their current accounts. Within this framework of falling OPEC surpluses and rising current account deficits in many advanced nations, the current account position of a large number of LDCs has shown remarkable improvement. While arguments were being advanced that many of these countries were doomed, they have been very hard at work expanding their sales to the more industrialized world. Had it not been for the large and undesirable surge in the current accounts surplus of Japan (and, to a lesser extent, Switzerland) over the past several years, the performance record of the LDCs would be even more impressive.

This is not to say, of course, that the current account improvement of LDCs is necessarily commensurate with the expanded debt burdens they have assumed. That question cannot be argued in generalities or in aggregates, but rather is a question of individual country analysis. In such an analysis, the degree of comfort one draws from the data varies from one country to another. Of those which have been the largest recipients of international credits (at least from American banks) in recent years, it is comforting to note that Mexico, Brazil, Korea and Taiwan (to designate only the most important) appear to be in sustainable debt positions and, for reasons which vary from one country to the next, sufficiently well positioned to command additional borrowings.

It is nonetheless true that the debt of LDCs constitutes a *potential* threat to the stability of the international financial system. If that potential threat is transformed into actual damage, it will not be because of massive debt repudiation arising out of the profligacy of LDCs and/or out of the excessive amounts of credit extended to them by U.S. and European banks. It will be because the debt burdens assumed by these countries are justifiable and supportable only in a world of relatively free trade, which is within the capacity of industrialized nations to preserve. There is every reason to believe that the debt burden of LDCs is a manageable problem in *a world of liberal trade policies and reasonably high private investment*, but there also is no doubt that the same debt burden could become a serious problem if the world retreats into protectionism and economic isolationism. Once again, therefore, we are returned to the problem of exchange volatility as it affects the international economic outlook. When economic officials of the industrialized world address themselves effectively to the question of excessive exchange volatility, they also will have gone far toward resovling the problem of LDC debt.

One of the more interesting aspects of international developments since the oil embargo has been that the same set of circumstances which has enlarged the borrowing requirements of the LDCs also has underwritten the upsurge in bank liquidity (around the world) which has made it easier for these countries to command credit in international markets. The enormous liquidity which has been building up in the industrialized world since 1973 (both in banks and in industrial corporations) is the direct counterpart of the falling away of investment expenditures as a percentage of gross national product. Confronted with increasingly strong supplies of loanable funds and

continuing weakness in traditional loan outlets, large commercial banks around the world tended to become—and remain to this day—considerably more aggressive in the allocation of funds to LDC borrowers. Far from confirming the judgment of pessimistic observers that the creditworthiness of LDCs (as a group) has deteriorated, banks have been so anxious to place funds in these countries that risk premiums have declined significantly and to such an extent that some banks have begun to wonder whether the game is worth the candle.

This is not a situation that is likely to persist for very long. If international financial authorities succeed in addressing the problem of excessive exchange volatility, investment incentives are likely to be rekindled in Europe, and part of the impetus to aggressive LDC lending will wane, particularly as such lending relates to Eastern Europe and the African continent. If they do not, such lending most probably will wane in any event as the degree of risk assigned to LDCs (in an increasingly protectionist world) would tend to rise.

In the United States, the developments are likely to proceed somewhat differently. U.S. investment is much less sensitive to exchange-rate volatility than in Europe, partially because a much lesser proportion of U.S. production is devoted to international sales and partially because the vulnerability of the dollar to further declines affects U.S. producers in a positive way. Essentially for these reasons, investment incentives in the United States have not been so seriously depressed as in other parts of the industrialized world. This is reflected in the fact that economic recovery from the most recent worldwide recession has been faster in the United States than in other countries.

If we were living in a world that was almost static, one would be tempted to assert that investment incentives in the industrialized nations have shrunk significantly while the same incentives in LDCs have increased, that this shift has also involved a shading in the relative importance of private investment and that the shift itself will produce future pressures on liberal trade policies presently maintained by most industrialized nations. But we are not living in a world that is (almost) static, so the most one can say is that (in the absence of such exchange disturbances as to propel the world in a headlong plunge toward protectionism) the availability of credit for financing the development programs of the LDCs is likely to remain assured.

CONCLUSIONS

The economic integration of the Free World that has been built from the ashes of World War II is in jeopardy. It is not relevant to concentrate on the various and complex reasons for the downfall of the international financial system that was built up around the Bretton Woods Agreement; but it is important for the world to recognize that free trade, a high level of investment and exchange volatility of the degree we have seen in recent years are totally and irrevocably incompatible. Free trade is not to be given up without enormous cost and dislocation to the Free World. A high level of investment cannot be given up without extraordinary prejudice to our future growth and to the standards of living of our children. There remains only the question of whether the recent volatility of exchange rates can be eliminated. The answer is an unequivocal yes, but it is an answer which governments may be more reluctant to answer than bankers.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, August 3, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 4

9:00 a.m.
Energy and Natural Resources
Parks and Recreation Subcommittee
To resume hearings on H.R. 12536, the Omnibus National Parks Amendments.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To continue hearings on S.J. Res. 134, extending the deadline for ratifying the ERA.
318 Russell Building

9:30 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume oversight hearings on the Government in the Sunshine Act (Public Law 94-409).
3302 Dirksen Building

10:00 a.m.
Armed Services
Military Construction and Stockpiles Subcommittee
To hold hearings on the military base realignments by the Department of Defense.
212 Russell Building

Environment and Public Works
To hold hearings on several public building prospectuses.
4200 Dirksen Building

Joint Economic
To hold hearings on the employment-unemployment situation for July.
6226 Dirksen Building

10:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume mark up of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

AUGUST 7

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold oversight hearings on the problem of property insurance in urban America.
5302 Dirksen Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 2475 and H.R. 10587, to improve conditions of the public grazing lands.
3110 Dirksen Building

AUGUST 8

9:30 a.m.
Judiciary
To hold hearings on the nominations of James D. Phillips, Jr., of North Carolina, to be U.S. circuit judge for the fourth circuit; Harry E. Claiborne, to be U.S. district judge for the district of Nevada; Thomas A. Wiseman, Jr., to be U.S. district judge for the middle district of Tennessee; and Norma Levy Shapiro, to be U.S. district judge for the eastern district of Pennsylvania.
2228 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 2533, proposed Gasohol Motor Fuel Act.
3110 Dirksen Building

AUGUST 9

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

Human Resources
To hold hearings on S. 3205 and S. 3309, proposed Indochina Migration and Refugee Assistance Amendments.
Until 11:30 a.m. 4232 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To hold hearings on what information is currently available to the public on food labeling and nutrition content.
322 Russell Building

10:00 a.m.
Budget
To mark up second concurrent resolution on the Congressional Budget for FY 1979.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 2533 proposed Gasohol Motor Fuel Act.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on proposed initiatives designed to improve Federal water resource programs transmitted by the President in his message of June 7, 1978.
4200 Dirksen Building

Finance
To mark up miscellaneous tariff bills.
2221 Dirksen Building

Rules and Administration
To consider further the nominations of John Warren McGarry, of Massachusetts, and Samuel D. Zagoria, of Maryland, to be members of the FEC.
301 Russell Building

AUGUST 10

8:00 a.m.
Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on S. 2560, to expand the Indian Dunes National Lakeshore.
3110 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
6226 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To continue hearings on what information is currently available to the public on food labeling and nutrition content.
322 Russell Building

10:00 a.m.
Budget
To continue markup of second concurrent resolution on the Congressional Budget for FY 1979. (Afternoon session expected.)
6202 Dirksen Building

Commerce, Science, and Transportation
To hold a business meeting on pending calendar business.
235 Russell Building

Environment and Public Works
To hold hearings on several public building prospectuses.
4200 Dirksen Building

Rules and Administration
To continue to consider the nominations of John Warren McGarry, of Massachusetts, and Samuel D. Zagoria, of Maryland, to be members of the FEC, and other legislative and administrative business.
301 Russell Building

AUGUST 11

9:30 a.m.
Environment and Public Works
To hold hearings on the nomination of Karl S. Bowers, of South Carolina, to be Administrator of the Federal Highway Administration, DOT.
4200 Dirksen Building

10:00 a.m.
Budget
To continue markup of second concurrent resolution on the Congressional Budget for FY 1979. (Afternoon session expected.)
6202 Dirksen Building

Rules and Administration
To continue to consider the nominations of John Warren McGarry, of Massachusetts, and Samuel D. Zagoria, of Maryland, to be members of the FEC, and other legislative and administrative business.
301 Russell Building

AUGUST 14

10:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 2860, proposed Solar Power Satellite Research, Development, and Demonstration Program Act.
3110 Dirksen Building

AUGUST 15

9:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold hearings on H.R. 2329, proposed Fish and Wildlife Improvement Act, and H.R. 8394, proposed Refuge Revenue Sharing Act.
4200 Dirksen Building

Human Resources
Labor Subcommittee
To hold joint hearings with Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits on bills relating to the Employee Retirement Income Security Act (S. 3017, 901, 2992, 3193, 1745, 1383, and 250).
4232 Dirksen Office Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1699, proposed Diesel Fuel and Gasoline Conservation Act.
235 Russell Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns domestic security.
2228 Dirksen Building

AUGUST 16

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business
3110 Dirksen Building

9:30 a.m.
Human Resources
Labor Subcommittee
To continue joint hearings with Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits on bills relating to the Employee Retirement Income Security Act (S. 3017, 901, 2992, 3193, 1745, 1383, and 250).
4232 Dirksen Office Building

10:00 a.m.
Judiciary
Criminal Laws and Procedures Subcommittee
To hold hearings on S. 3270, proposed Justice System Improvement Act and related bills.
2228 Dirksen Building

AUGUST 17

9:30 a.m.
Human Resources
Labor Subcommittee
To continue joint hearings with Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits on bills relating to the Employee Retirement Income Security Act (S. 3017, 901, 2992, 3193, 1745, 1383, and 250).
4232 Dirksen Office Building

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold oversight hearings on the physical and financial condition of the Erie canal.
4200 Dirksen Building

Foreign Relations
Arms Control, Oceans, and International Environment Subcommittee
To hold hearings on S. 2053, the Deep Seabed Mineral Resources Act, now pending in the Commerce, Science, and Transportation Committee.
4221 Dirksen Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings with the Governmental Affairs Subcommittee on Federal Spending Practices and Open Government on S. 2515, dealing with occupational alcoholism programs.
3302 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 18

10:00 a.m.
Energy and Natural Resources
Parks and Recreation Subcommittee
To resume hearings on H.R. 12536, the Omnibus National Parks Amendments.
3110 Dirksen Building

AUGUST 21

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Gloria Schaffer, of Connecticut, to be a member of the Council on Environmental Quality.
235 Russell Building

AUGUST 22

9:00 a.m.
Human Resources
To hold hearings on S. 2645, proposed National Art Bank Act.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 3363, proposed International Air Transportation Competition Act.
235 Russell Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 23

9:00 a.m.
Human Resources
To continue hearings on S. 2645, proposed National Art Bank Act.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 3363, proposed International Air Transportation Competition Act.
235 Russell Building

AUGUST 24

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 3363, proposed International Air Transportation Competition Act.
235 Russell Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 25

10:00 a.m.
Judiciary
Criminal Laws and Procedures Subcommittee
To continue hearings on S. 3270, proposed Justice System Improvement Act, and related bills.
2228 Dirksen Building

AUGUST 28

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns undercover operations.
2228 Dirksen Building

AUGUST 29

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns undercover operations.
2228 Dirksen Building

SEPTEMBER 14

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter and its overall policy.
2228 Dirksen Building

SENATE—*Thursday, August 3, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 10:45 a.m., on the expiration of the recess, and was called to order by Hon. EDWARD ZORINSKY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our help in ages past, our hope for today and our promise for tomorrow, our times are in Thy hands. Help us to join our actions to Thy purpose for a new world akin to Thy kingdom on Earth. May the power vested in us by the people be used to move the world to a new age of peace and brotherhood.

Remove from us anything which obstructs the coming of Thy higher order. Deliver us from vanity of spirit, from apathy, envy, and ill will; and fill our minds with light, that, having clear understanding and right motives, we may also have courage, patience, and perseverance. Lead us, and all men, in the ways of justice and honor, in the paths of truth and brotherly kindness until the world is delivered from the bondage of hate and fear into the light of love and truth.

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 3, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable EDWARD ZORINSKY, a Senator from the State of Nebraska, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ZORINSKY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE TODAY AND TOMORROW

Mr. ROBERT C. BYRD. There will not be a Saturday session, Mr. President.

The Senate could be in quite long today because the Senate will not be able to take up the State, Justice, Commerce, and the judiciary appropriations bill until 2 o'clock today. Last year 8 hours, I think, were consumed on that bill. I would hope that the Senate could dispose of the bill in less time than that this year, but I believe our respective cloakrooms should advise Senators that the Senate may be in late today because it will be necessary, I think, to complete the bill today.

The Senate would then be in position to take up three additional appropriation bills on tomorrow, they being the supplemental appropriation, the HUD appropriation, and the legislative branch appropriation, all of which would make for a very good couple of days on appropriation bills.

ORDER FOR RECESS FROM FRIDAY TO MONDAY, AUGUST 7, 1978, AT 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow it stand in recess until the hour of 10 a.m. on Monday. That time can be changed to a later hour, if necessary.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have no further need of my time.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

THE DEATH OF VIRGINIA SENATORIAL CANDIDATE RICHARD OBENSHAIN

Mr. STEVENS. Mr. President, I note with great regret the report of Dick Obenshain's catastrophe of last evening. I know that all of us who are involved in the political spectrum will mourn his passing. This demonstrates again the burden of candidates, who must move from place to place at difficult times.

I hope that we will all join in sending word to Mrs. Obenshain of our sympathy for her and his family.

I ask unanimous consent to have printed in the RECORD comments of the minority leader concerning Mr. Obenshain's passing.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT OF MR. BAKER

I was both shocked and saddened this morning to learn of the tragic death of Dick Obenshain. Two months after receiving the Republican nomination for the Senate in Virginia, Dick has been struck down at the height of a long career of dedicated service to his Party and the Commonwealth. I believe that all of us who knew him admired his integrity, his articulate defense of the Republican principles to which he was deeply committed, and his willingness to make the sacrifices demanded of all those who seek public office.

The Commonwealth of Virginia, which is a close neighbor of my own State of Tennessee, is extremely fortunate, Mr. President, in having a strong and vigorous Republican Party. The good health of the GOP in Virginia today is largely due to the tireless efforts of Dick Obenshain, who, for almost twenty years, has been active in Party affairs, serving both as State Chairman and Co-Chairman of the Republican National Committee. His contributions to strengthening democratic government in Virginia by restoring a two-party system there will be remembered with gratitude by Republicans throughout the nation for years to come.

Joy and I both join Dick's many friends in extending our deepest sympathy to Helen Obenshain and her children at this tragic time. His loss will be keenly felt, not only in Virginia but also in the Senate where he would have served with dedication and distinction.

PRIVILEGE OF THE FLOOR

Mr. STEVENS. Mr. President, I ask unanimous consent that Timothy Pearson of my staff be accorded access to the floor during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. STEVENS. I have no further requirement for our time. I yield back the remainder of the minority leadership time, and suggest the absence of a quorum until the manager of the bill arrives.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold that?

Mr. STEVENS. I withhold it.

The ACTING PRESIDENT pro tempore. Does the Senator from Alaska vitiate his request?

Mr. STEVENS. I do withdraw the request.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. STEVENS. No, I withdrew the request. I understand that the Chair has business to lay before the Senate.

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair is not supposed to lay the bill before the Senate until 11 o'clock.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

UNITED STATES-UNITED KINGDOM TAX TREATY

Mr. STEVENS. Mr. President, the Constitution states that the President has the power to make treaties, by and with the consent of the Senate, and provided that two-thirds of the Senators present concur. A little over 1 month ago, the Senate took up the United States-United Kingdom Tax Treaty. Using its authority and performing its duty, the Senate attached a reservation to the treaty nullifying the effect of article 9(4), that provision which limited the States' right to establish their own structures for taxing foreign companies operating within their boundaries.

My colleagues will recall that the administration and other opponents of the reservation argued that the British would not likely accept the treaty without article 9(4) as it was supposedly included quid pro quo for a provision providing substantial tax rebates for Americans investing in British corporations. It is with this in mind that I call attention to an article recently published in the British journal, The Economist. The article, entitled "A Deal is a Deal", states that:

> It was, in fact, the Americans, with hundreds of multinationals of their own, who proposed the controversial clause: the British were glad to see it offered, but somewhat surprised. Correspondingly, the British government seems disinclined to take its disappearance too tragically.

The British were surprised, Mr. President, because they realized this controversial clause restricted the States' constitutionally acknowledged power and set a precedent for extending this restriction to treaties with other countries.

It is my contention, and the contention of others who supported the reservation, that the Senate must exercise its authority to advise and consent on treaties that the administration has negotiated; and if a treaty or provision of a treaty is unacceptable, we have the responsibility to act to insure that the compact be amended or rejected according to what is in the best interest of the United States.

I wish to emphasize the importance of the Senate's oversight responsibility with regard to conventions with foreign countries because I feel that all too often, these treaties are accepted without thorough Senate review. I would make specific reference to a treaty currently pending on the Executive Calendar, awaiting Senate action. This particular treaty is the tax convention with the Republic of Korea. One provision of the treaty, article 10, provides that foreign-flag ships and aircraft owned by Americans qualify for exemption from Korean tax and vice versa. This represents a significant departure from past tax practice in the United States which afforded this privilege only to U.S.-flag ships and aircraft. Article 10 of the treaty will encourage the construction and operation of foreign-flag vessels at the expense of the American maritime industry and the U.S. Treasury.

Mr. President, I do not believe that article 10 of the Korean Tax Treaty is in the best interests of the United States. I would urge my colleagues to familiarize themselves with this provision and determine for themselves what Senate action they deem appropriate. I hope that they would join me in urging that either the treaty be recommitted to the Foreign Relations Committee for further study and reconsideration or that article 10 be amended to limit its scope to U.S.-flag vessels. I am pleased to see that Senators ALLEN, MAGNUSON, HOLLINGS, and INOUYE have already expressed their concern in a letter to Treasury Secretary Blumenthal and Mr. President, I ask unanimous consent that the text of the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 26, 1978.

Hon. W. MICHAEL BLUMENTHAL,
Secretary, Department of Treasury, Washington, D.C.

DEAR MR. SECRETARY: It has come to our attention that the U.S.-Korea Tax Treaty now on the Senate calendar may represent a significant departure from past practice with respect to the taxation of American-owned, foreign-flag ships.

Article 10 of the proposed Treaty provides that foreign-flag ships owned by Americans will qualify for Korean tax exemption. This is contrary to the usual requirement in U.S. bi-lateral tax conventions that U.S.-owned ships be registered in the U.S. to qualify for tax exemption in the other country.

Our nation has witnessed the flight of U.S.-owned ships to foreign registry over the last several years. This loss to the U.S. Merchant Marine is caused in large part by tax shelters which encourage foreign-flag operations. Article 10 of the Korean tax treaty appears to create another tax incentive discouraging U.S.-flag registration.

We believe the Senate needs further information on the policy implications of Article 10 before it considers ratifying the U.S.-Korean Tax Convention. Therefore, we would appreciate your prompt response to the following questions:

(1) Does Article 10 represent a change in the traditional U.S. tax treaty policy favoring U.S. registration of U.S.-owned ships? Will it or similar language appear in later bi-lateral treaties?

(2) Has the Department of Treasury studied the maritime effect of deleting the U.S. registration requirement in bi-lateral tax treaties?

(3) How would Article 10 change the tax liability of U.S.-owned, foreign-flag vessels? Does this language lessen the incentive to register ships under the U.S. Flag?

Sincerely,

MARYON P. ALLEN,
ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
DANIEL K. INOUYE,
TED STEVENS,
U.S. Senators.

CONGRESSIONAL REPRESENTATION FOR THE DISTRICT OF COLUMBIA

Mr. SCOTT. Mr. President, our office has today completed the preparation of a current newsletter to constituents. It is in the Senate printing office at this time. I ask unanimous consent that the text of the newsletter be printed in full in the RECORD.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

YOUR SENATOR BILL SCOTT REPORTS

Congress is expected to adjourn on or about the 7th of October and with an intervening Labor Day recess there is less than two months left within which to complete the legislative schedule. Of course, there will be differences of opinion as to the measures to be considered in the limited time. Efforts will be made to act upon all appropriation bills and measures the Administration considers desirable. On the other hand, individual senators and groups will attempt to keep what they consider to be bad legislation from being enacted. It should make for an interesting two months.

DISTRICT OF COLUMBIA REPRESENTATION

A proposed constitutional amendment has passed the House of Representatives and is pending in the Senate to provide full Congressional representation for the District of Columbia. This would, of course, include two senators. The Founding Fathers' insistence on having as the seat of government a place over which the Congress would have exclusive jurisdiction and control was due at least in part to a soldiers' mutiny which threatened the Continental Congress, meeting in Philadelphia, and the failure of that city to protect the members. The District of Columbia was chosen as the permanent seat of government or Capitol of the United States so decisions affecting the entire Nation could be made free from undue influence of any state and immune from harassment or political entanglements.

While we hear phrases like "the last colony" or "taxation without representation," Washingtonians elect their own school board, their city council, mayor, participate in presidential elections, and have a non-voting delegate in the House of Representatives. Moreover, citizens of the District of Columbia in Fiscal Year 1977 contributed $275.9 million toward Federal grants and received $942.1 million in return. The Federal treasury collected only 29¢ for every dollar it provided the city. Per capita income of the city is the second highest in the Nation, $8,067, compared with a national average of $6,399.

Today, the Federal Government employs approximately 40% of the work force of the City of Washington, and an additional 25% work in industries servicing the government. It could be called a "company town" with virtually everyone dependent upon the Fed-

eral Government for his or her livelihood. If full representation in the Congress were granted the city, it would insure the election of senators sympathetic to the needs and concerns of big government, who would promote the welfare of government agencies and employees. Senators from the District would be under no compulsion to consider the needs of any competing interest, such as farmers, miners, manufacturers, or many of the divisions of labor and management located within the fifty states.

Washington today is a city of approximately 700,000 people with news media espousing the viewpoint of city residents, upon which members of the Congress depend as a major source of knowledge of recent events and developments. Full representation in the Congress for the City of Washington would not be in the national interest and would inevitably lead to the kinds of pressures that the framers of the Constitution wanted to avoid when they provided for a Federal City. Washington is not a state but a city exceeded in population by ten other American cities. Under our Federal concept of government, there is no basis for electing two senators to represent it.

All members of Congress represent the District of Columbia because it is the national capital. Committees exist in both Houses of Congress to consider special needs of the city. In my opinion, we should be concerned about the welfare of the individual citizens of Washington, but this should not minimize our concern for and realization that the welfare of the people of the entire Nation is paramount, and it was concern for the general welfare of the country that caused the Constitutional Convention in 1787 to adopt the Federal City concept. It would appear that time has confirmed the good judgment of our Founding Fathers. Should you desire to comment on this issue, however, we would be glad to have your views.

MILITARY PROCUREMENT

The Senate recently passed the Military Procurement bill for the fiscal year beginning October 1st. This bill provides for procurement of aircraft, ships, tanks, other equipment and for research and development of new weapons systems. It authorizes a total expenditure of approximately $36 billion, of which more than $12 billion is for research and development and about $5.6 billion is for ships. The bill also establishes a ceiling for servicemen on active duty and in the reserves plus the number of civilian employees in the Department of Defense.

While the billions of dollars involved in such legislation will likely seem enormous, it should be noted that the Soviet Union has increased its military forces considerably over the last ten years and there is some speculation as to whether they have achieved military superiority over the United States. Given the world situation today, it is of the greatest importance that the United States maintain sufficient military strength to meet possible military threats from the communist world.

The security of our country and that of the free world may depend on our military preparedness, and the large sums spent for defense prove to be a good investment. In fact, I was pleased that the American Security Council recently gave me a special recognition award for a 100% voting record on national security measures.

LABOR LAW REFORM

For several weeks the Senate had under consideration a Labor Reform Bill and after six attempts to terminate debate, the measure was recommitted to the Committee for further study. This, of course, was an effort to prevent its enactment. The bill would have changed many of the procedures and laws relating to settlement of disputes between management and labor. It would have increased the membership of the National Labor Relations Board; have provided law clerks for administrative law judges; provided equal access to union representatives on company time and property as that utilized by management, and generally appeared to make the operation of the agency more cumbersome and to slant it toward the side of labor. However, the original intent of Congress was to create a board to administer the law and act as an impartial referee of labor/management disputes.

It also appears that the bill would have tended to stimulate additional friction between labor and management contrary to the general public interest. This is especially true when industry is attempting to cope with many problems arising from excessive paperwork, government regulations, environmental constraints, foreign competition and general inflationary pressures. Less conflict between management and labor could result in a higher level of industrial activity, more jobs, and higher productivity which would appear to be in the general public interest. Copies of my floor statements on this bill are available if you would care to have them.

RICHMOND VISIT

We will be in the Richmond office on Monday, August 14, and will be pleased to see any constituent desiring to discuss a problem or an issue. The office is located on the eighth floor of the Federal Building at 400 North 8th Street. The office phone number is 649-0049 if you care to call in advance, although an appointment is not necessary.

ERA EXTENSION

On March 22, 1972 the Congress proposed the Equal Rights Amendment to the Constitution which provides that equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex. The resolving clause of the resolution passed by Congress specifies that the amendment shall be valid when ratified by the legislatures of three-fourths of the several states within seven years, or, in other words, by March 22, 1979. To date of the necessary 38 states, 35 have ratified the measure but four of these have voted to rescind their ratification.

Legislation to extend the time for the states to ratify the proposed amendment from 7 years to 14 years has been proposed and referred to our Subcommittee on the Constitution of the Senate Judiciary Committee, and hearings were held a few days ago.

There are differences of opinion as to whether states have the right to rescind their ratification; whether it is necessary to have a majority or two-thirds of both Houses of Congress extend the time for ratification; whether a change in the Congressionally proposed amendment would affect the votes of the states which have already agreed to the ratification; and whether a change at this time in the Congressional resolution proposing the amendment would constitute an undesirable precedent. These and other issues, including the basic fairness of making any change in the proposal at this time, were discussed by witnesses before our Subcommittee. Should you care to express an opinion, your views would be welcomed.

ENDANGERED SPECIES ACT

The Senate recently voted to extend the Endangered Species Act of 1973 for an additional three year period, and the proposal is under consideration in the House of Representatives. It is a broad, comprehensive measure to protect fish, wildlife and plants when they are threatened or endangered. The Act was somewhat sharply brought to the public's attention several weeks ago by a decision in a citizen's suit in the Supreme Court case of *TVA* v. *Hill*, which prohibited use of a fully constructed $120 million multipurpose dam in Tennessee because use of the dam apparently would destroy the habitat of a subspecies of perch, approximately 3'' in length, known as the snaildarter, one of approximately 130 darter subspecies. In its opinion, the Court said the Congress had mandated that the habitats of all forms of fish, wildlife or plants listed as endangered by the Secertary of Interior or Commerce be protected, leaving no discretion with the Court.

In addition to extending the Act, the Senate bill would amend the law to provide for a cabinet-level committee that could grant exemptions from the Act when the committee found that the benefits clearly outweighed alternative courses of action, consistent with conserving the species or its critical habitat and the action was of national or regional significance.

During the Senate debate, I was successful in having three amendments adopted. The first and most important provided that in an area declared by the President to be a major disaster area and determined under the Disaster Relief Act that work was necessary to prevent a recurrence of such natural disaster and to reduce the potential loss of human life. he could exempt the project. This was intended to apply to situations like those in Southwest Virginia where floods resulted in four deaths, property damage of $275 million and emergency repair work was halted to protect the habitat of another snail darter subspecies and river clams.

The second amendment reduced the number of members of the presidential committee required to constitute a quorum and the third provided that a critical military installation would be exempted from the Act when the National Security Council determined that failure to grant an exemption would have an adverse effect on the security of the United States.

After the bill was passed by an overwhelming vote, a colleague suggested that passage was due to the sensitivity of senators to lobbying efforts by environmentalists. There is doubt, however, that the general public and some senators realize that the bill applies to private acts, property and projects, large or small, as well as public ones and that substantial civil and criminal penalties may be imposed against any individual for violations of the law. The trial judge who heard the *TVA* v. *Hill* case indicated that closing down a Federal project costing $120 million to protect minnows was absurd but, as indicated, his decision was reversed by the Supreme Court with the statement that the wisdom of enacting legislation rested with the Congress rather than the courts.

In my judgment, this issue goes further than a specific bill because similar lobbying efforts are made by persons opposed to peaceful use of nuclear energy, by groups opposed to a strong national defense and sometimes it seems by those opposed to our free enterprise system. It would appear in the public interest if citizens let their views be known to the Congress. Whether this is done by citizens acting independently or through a citizens' lobby, it seems highly desirable to have people active at a national level to support the preservation of free enterprise, our high standard of living, a strong na-

tional defense and other traditional American values. Of course, all reasonable people want a clean, wholesome environment and oppose the wanton destruction of our natural resources, but a rule of reason would appear preferable to the extremists' positions advocated by special interest groups who threaten congressmen with defeat at the polls unless they vote in accordance with the lobbyists' views.

VETERANS' PENSIONS

The Senate and House of Representatives have passed different versions of a bill which includes a new program of pension benefits for veterans and survivors. The pensions will be generally payable monthly to needy wartime veterans who are permanently and totally disabled by reason of non-service-connected disability, or who are 65 or over.

The bill also establishes a better pension program for needy surviving spouses and children of wartime veterans, and an improved system of dependency and indemnity compensation for the surviving needy parents of veterans who died as a result of a service-connected disability. The measure also guarantees that no person in the new program will suffer a reduction in pension because of a cost-of-living increase in federal retirement programs such as social security.

OFFICE EXPENSES

According to the Senate Disbursing Office, during a five and one-half year period ending June 30 of this year, our office has returned to the Treasury a total of $1,628,392.-35, or approximately 55 percent of the funds authorized to be expended for salaries of staff assistants, expenses of both the Washington and Richmond offices, stationery, transportation, telephones, telegraph, and miscellaneous. While the staff salaries compare favorably to those of other offices, the number employed is far less than average.

SOMETHING TO PONDER

Ralph Waldo Emerson: "Common sense is genius in its working clothes."

Mr. SCOTT. Mr. President, I call the attention of my colleagues specifically to the article relating to District of Columbia representation in Congress. The article is being sent throughout the State of Virginia, and it attempts to explain the basis for the Capital City concept, under which decisions affecting the entire Nation can be made free from undue influence of any State and immune from harassment or political entanglement.

Recent items of the local media indicate that those preparing the articles may be unaware of this background. However, we did extensive research before this short article was prepared, and I hope my colleagues will read it and consider carefully the consequence of an amendment to the Constitution to provide two Senators for the city of Washington.

RICHARD OBENSHAIN

Mr. SCOTT. Mr. President, our State was saddened to learn this morning of the untimely death of Richard Obenshain, a close personal friend of mine, and the candidate of our party to succeed me in the Senate.

Last June, some 9,000 Virginia Republicans met in convention at Richmond to choose our party's nominee for the U.S. Senate. They selected Richard D. Obenshain over a former Secretary of the Navy, a former Governor of Virginia and an incumbent State senator. Mr. President, Dick was a native Virginian, he loved our State, its people, and its heritage. He understood the values and the goals of a majority of our people. At the time of the tragedy resulting in his death, he was seeking the opportunity to represent our State as a Senator from Virginia.

We will miss Dick Obenshain, his intelligence, and his patience in studying issues and taking a firm position on the side he considered right, will be hard to duplicate. He had his hand on the pulse of the people of Virginia and was one of the most beloved and respected members of our party.

His untimely death is a personal loss, because Dick had been a friend over the years and served as chairman of the campaign committee when I was elected to the Senate, but much earlier he had been chairman of the Young Republican Federation of Virginia; at age 29 he was a candidate for Congress from the Richmond metropolitan area, constituting the Third Congressional District of Virginia, a race he lost by only a few hundred votes. Later he was the Republican nominee to be attorney general of Virginia, but was unsuccessful in the general election. He was, however, overwhelmingly elected as State chairman of the Republican Party and later served as cochairman of the Republican National Committee. This year it seemed that he would be successful in his keen desire to hold public office by being elected to this body, but fate would have it differently. While en route from Winchester to his home in Chesterfield County, adjoining the city of Richmond, the private plane in which he was a passenger crashed and burned resulting in the death of all three occupants of the plane.

At age 42, he appeared to be on the threshold of greater service to his party and to his State. His dreams in this regard will not be realized. He will not be able to again apply his leadership skills to the problems facing our State and Nation, but he will be remembered by those who knew him—his personal friends, his party associates, by those holding public office in Virginia, and in many parts of our Nation.

There are many things that happen which we cannot understand and the untimely death of this able lawyer and friend is one of them. Inez and I extend our deepest sympathies to his wife, Helen, to his son, Mark, and to his daughters, Ann Scott and Kate.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The ACTING PRESIDENT pro tempore. If there be no further morning business, morning business is closed.

RECESS UNTIL 11 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 11 a.m. today.

There being no objection, the Senate, at 10:52 a.m., recessed until 11 a.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mrs. HUMPHREY).

MILITARY CONSTRUCTION APPROPRIATIONS, 1979

The PRESIDING OFFICER. Under the previous order, the hour of 11 a.m. having arrived, the Senate will now proceed to the consideration of H.R. 12927, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 12927) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes.

The Senate proceeded to the consideration of the bill.

The PRESIDING OFFICER. Time for debate on this bill is limited to 1 hour, to be equally divided and controlled by the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Alaska (Mr. STEVENS), with 30 minutes on any amendment, and with 20 minutes on any debatable motion, appeal, or point of order.

Mr. HUDDLESTON. The purpose of the bill now under consideration, H.R. 12927, is to provide fiscal year 1979 appropriations for military construction and family housing programs of the Department of Defense.

As reported by the Committee on Appropriations, the measure contains, $3,-937,702,000 in new budget authority for the coming fiscal year. This represents a reduction of over $315 million below the budget request, and an increase of almost $1 billion over appropriations for fiscal year 1978.

I would first like to clarify this substantial—but misleading—increase over last year's level. That program was artificially constrained, based on a construction "moratorium" and did not reflect true requirements at all. The fiscal year 1979 recommendation actually represents return to a more typical annual level, although it has less purchasing power than did fiscal year 1977 appropriations, when inflation is taken into account. With this background, it should be fairly obvious that we are not embarking on some new trend of program escalation.

With respect to the recommended fiscal year 1979 program, new appropriations of slightly over $3.9 billion represent a decrease of $315.3 million from the budget request. This net figure actually entails reductions of more than $474 million, offset by $159 million proposed for additional necessary projects. Given the present climate, I think a word or two about the latter would be in order.

This is not a general or lump-sum increase. It involves 76 specific and separate projects which were not included in the budget—even though required—because of fiscal constraints. While the committee could have likewise deferred them, this would have been less than fully responsible. They are all valid projects which must be constructed at some point; the longer that they are postponed, the more they will ultimately cost. Our military posture, of course, may also suffer in the interim.

The substantial offsetting decrease of $474 million assumed in the bill is largely associated with planned overseas construction: A $393 million reduction occurs in this sector. The largest portion relates to elimination of unilateral funding for projects benefiting the NATO Alliance. This reduction, mandated by authorization, was really without prejudice to the projects themselves. The point is that they should be included under the jointly funded NATO infrastructure program, rather than be financed entirely by the United States.

Madam President, I believe that these brief remarks will suffice to place the committee's recommendations into overall perspective. Our report, available since July 20, provides a thorough and detailed explanation of all individual adjustments. I ask unanimous consent that certain tabular material be inserted in the RECORD immediately following my introductory remarks. This will display, by appropriation, the committee's recommendations compared with prior appropriations, the budget request, and House allowances.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUDDLESTON. At this time I would also ask unanimous consent that the committee amendments be agreed to en bloc and that the bill, as amended, be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendments agreed to enbloc are as follows:

On page 2, beginning with line 1, strike through and including line 12;

On page 2, line 19, strike "$628,644,000" and insert "$663,228,000";

On page 2, line 20, after "1983" insert a colon and the following:

Provided, That of this amount, not to exceed $67,400,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

On page 3, line 11, strike "$683,695,000" and insert "$811,074,000";

On page 3, line 12, after "1983" insert a colon and the following:

Provided, That of this amount, not to exceed $49,300,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

On page 4, line 2, strike "$461,703,000" and insert "$507,171,000";

On page 4, line 3, after "1983" insert a colon and the following:

Provided, That of this amount, not to exceed $55,000,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropritaions of both Houses of Congress of his determination and the reasons therefor.

On page 4, line 20, strike "$183,280,000" and insert "$187,730,000";

On page 5, line 4, after "designate" insert a colon and the following:

Provided further, That of the amount appropriated, not to exceed $1,400,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

On page 5, line 18, strike "$43,500,000" and insert "$54,677,000";

On page 6, line 1, strike "$35,800,000" and insert "$47,590,000";

On page 6, line 9, strike "$26,900,000" and insert "$38,932,000";

On page 6, line 16, strike "$16,000,000" and insert "$23,000,000";

On page 6, line 24, strike "$8,900,000" and insert "$13,400,000";

On page 7, line 8, strike "$1,688,615,000" and insert "$1,708,600,000";

On page 7, line 13, strike "$62,310,000" and insert "$58,695,000";

On page 7, line 15, strike "$34,696,000" and insert "$50,446,000";

On page 7, line 17, strike "$36,585,000" and insert "$33,935,000";

On page 7, line 19, strike "$2,524,000" and insert "$3,024,000";

On page 7, line 22, strike "$1,401,400,000" and insert "$1,414,400,000";

On page 8, line 1, after "1983" insert a colon and the following:

Provided further, That of the amounts appropriated for operation and maintenance, not less than $635,000,000 shall be available only for the maintenance of real property facilities

On page 8, beginning with line 5, insert the following:

HOMEOWNERS ASSISTANCE FUND, DEFENSE

For use in the Homeowners Assistance Fund established pursuant to section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 89-754, as amended), $1,500,000.

Mr. HUDDLESTON. With that, Madam President, I would like to express my appreciation to the ranking minority members of the Subcommittee on Military Construction, the distinguished Senator from Alaska (Mr. STEVENS) for his great assistance in developing this legislation, and thank him for the time he has devoted to the subcommittee and the full committee.

EXHIBIT 1

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1978 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1979

Agency and item	New budget (obligational) authority, fiscal year 1978	Budget estimates, new (obligational) authority, fiscal year 1979	New budget (obligational) authority recommended in House bill	Recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, new (obligational) authority, fiscal year 1978	Budget estimates, new (obligational) authority, fiscal year 1979	House bill, new (obligational) authority
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Planning and Design	($219,812,000)	($198,450,000)	$186,450,000	($198,450,000)	(−$21,362,000)		−$186,450,000
Military construction, Army	527,769,000	881,900,000	628,644,000	663,228,000	+135,459,000	−$218,672,000	+34,584,000
Military construction, Navy	463,056,000	820,900,000	683,695,000	811,074,000	+348,018,000	−9,826,000	+127,379,000
Military construction, Air Force	406,986,000	639,100,000	461,703,000	507,171,000	+100,185,000	−131,929,000	+45,468,000
Military construction, Defense agencies	58,009,000	176,300,000	183,280,000	187,730,000	+129,721,000	+11,430,000	+4,450,000
Transfer, not to exceed	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)			
Military construction, Army National Guard	49,400,000	49,700,000	43,500,000	54,677,000	+5,277,000	+4,977,000	+11,177,000
Military construction, Air National Guard	43,300,000	41,500,000	35,800,000	47,590,000	+4,290,000	+6,090,000	+11,790,000
Military construction, Army Reserve	50,500,000	34,800,000	26,900,000	38,932,000	−11,568,000	+4,132,000	+12,032,000
Military construction, Naval Reserve	21,700,000	20,400,000	16,600,000	23,000,000	+1,300,000	+2,600,000	+6,400,000
Military construction, Air Force Reserve	11,200,000	12,500,000	8,900,000	13,400,000	+2,200,000	+900,000	+4,500,000
Total, military construction	1,631,920,000	2,677,100,000	2,089,022,000	2,346,802,000	+714,882,000	−330,298,000	+257,780,000
Family housing, Defense	1,460,140,000	1,690,100,000	1,688,615,000	1,708,600,000	+248,460,000	+18,500,000	+19,985,000
Portion applied to debt reduction	−115,840,000	−119,200,000	−119,200,000	−119,200,000	−3,360,000		
Total, family housing	1,344,300,000	1,570,900,000	1,569,415,000	1,589,400,000	+245,100,000	+18,500,000	+19,985,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1978 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1979—Continued

Agency and item	New budget (obligational) authority, fiscal year 1978	Budget estimates, new (obligational) authority, fiscal year 1979	New budget (obligational) authority recommended in House bill	Recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with— Appropriations, new (obligational) authority, fiscal year 1978	Budget estimates, new (obligational) authority, fiscal year 1979	House bill, new (obligational) authority
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Homeowners assistance fund, Defense	1,500,000	5,000,000		1,500,000		−3,500,000	−1,500,000
Grand total, new budget (obligational) authority	2,977,720,000	4,253,000,000	3,844,887,000	3,937,702,000	+959,982,000	−315,298,000	+92,815,000

Mr. HUDDLESTON. Madam President, I yield to the Senator from Alaska.

Mr. STEVENS. Madam President, I thank the distinguished chairman of our subcommittee, Mr. HUDDLESTON, for his kind remarks.

The Senator has provided us with details on the major points of the fiscal 1979 appropriation for military construction. Let me briefly add to Senator HUDDLESTON'S comments.

As reported, our bill is almost $1 billion over the fiscal 1978 appropriation, but it is under the budget by about $315 million. Let me stress again to the Senate, as Senator HUDDLESTON has, that this is a misleading figure and does not indicate a large program increase. The increase this year is due to the moratorium placed on construction projects in fiscal 1978. The fiscal 1979 bill contains $3.9 billion in new budget authority. This amount actually has less purchasing power than did the fiscal 1977 appropriation when inflation is taken into account.

The committee has carefully reviewed the budget and justifications submitted by the Defense Department for the fiscal year 1979. We have taken into account the proposed base realinement study now underway in making recommendations for more construction. Of special concern to the committee are the funds for NATO and NATO-related construction. The belief that the NATO infrastructure program should be utilized wherever possible is reflected in some reductions for overseas projects.

The projects in this bill have been weighed and the priorities have been attended to. There is still a huge backlog of military construction requirements which must be met sometime in the future. The committee has considered all of these items and followed closely the authorization bill for military construction.

I urge that the Senate accept this bill as reported. I know that there will be an amendment for a 20-percent, across-the-board cut. It will be extremely difficult for this construction program, should such a cut be applied to this bill.

I urge Members of the Senate to consider that we are already $315 million below the administration's request for military construction in this bill. This is a unique thing and it reflects, I believe, the sentiment of the Congress and of the American people. Having cut it ourselves in committee, I would certainly hope that the Senate will accept our judgment that it not be cut further.

There are two amendments that I know of. The Senator from Kentucky, as manager of the bill, has some amendments. I yield the floor.

Mr. HUDDLESTON. I thank the distinguished Senator.

Madam President, the committee attempted to expedite the appropriations process this year by marking up the military construction bill concurrent with the authorization process. As reported, it is consistent with the Senate-passed authorization vehicle.

Just this Tuesday, however, House and Senate conferees reached agreement on final authorization levels for fiscal year 1979, and we now have the opportunity to incorporate necessary adjustments in the appropriations measure, as well.

UP AMENDMENT NO. 1570

(Purpose: To reflect appropriation adjustments resulting from authorization conference agreement)

Mr. HUDDLESTON. Accordingly, Madam President, I send an amendment to the desk and ask for its immediate consideration. I also ask that it be in order to amend the bill in more than one place. Although the amendment has a single purpose, numerous appropriations are affected.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes unprinted amendment No. 1570.

Mr. HUDDLESTON. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 19, strike "$663,228,000", and insert "$712,053,000" in lieu thereof;

On page 3, line 11, strike "$811,074,000", and insert "$804,524,000" in lieu thereof;

On page 4, line 2, strike "$507,171,000", and insert "$519,984,000" in lieu thereof;

On page 4 line 20, strike "$187,730,000", and insert "$173,780,000" in lieu thereof;

On page 5, line 18, strike "$54,677,000" and insert "$52,200,000" in lieu thereof;

On page 6, line 2, strike "$47,590,000", and insert "$44,750,000" in lieu thereof;

On page 6, line 9, strike "$38,932,000", and insert "$37,100,000" in lieu thereof;

On page 6, line 17, strike "$23,000,000", and insert "$21,850,000" in lieu thereof;

On page 6 line 24, strike "$13,400,000", and insert "$13,000,000" in lieu thereof;

On page 7, line 8, strike "$1,708,600,000", and insert "$1,701,605,000" in lieu thereof;

On page 7, line 15, strike "$50,446,000", and insert "$43,451,000" in lieu thereof.

Mr. HUDDLESTON. Madam President, this amendment first—and obviously—deletes from the bill funds for any project not consistent with final authorization action. It also contains certain increases, however, which require explanation.

The bill, as reported, included various reductions based on Senate authorization adjustments which were later restored in conference. In selective instances, I am proposing that they be restored in the appropriations bill, as well. This is for the sole purpose of keeping important issues open for conference deliberations.

I emphasize that additions are few and selected. In fact, they are limited to three items: $56.9 million for Army material prepositioning in Europe, $19.1 million for aircraft shelters, and $986,000 for an air combat maneuvering instrumentation facility. These are projects in support of NATO which the authorization conferees felt were so critical or time sensitive as to warrant specific exception to our policy that all NATO efforts should be jointly funded. I agree with that assessment, and propose that they be restored in our bill and taken to conference with the House.

The net effect of this amendment is to increase total appropriations by only $25.4 million, to a level of $3,963,146,000. I do not feel that this minor change alters at all the fact that significant reductions have been made to the budget request. I might also add that, not withstanding the $118 million net difference with the House, over three quarters of a billion dollars are actually in disagreement and subject to conference resolution.

I ask unanimous consent that a table be printed in the RECORD which details the numerous adjustments contained in this amendment.

There being no objection, the table was ordered to be pirnted inthe RECORD, as follows:

H.R. 12927—FISCAL YEAR 1979 MILITARY CONSTRUCTION APPROPRIATIONS, DETAILED EXPLANATION OF AMENDMENT

[In thousands of dollars]

Appropriation	H.R. 12927 As reported	H.R. 12927 As amended	Change
Military construction, Army	663,228	712,053	+48,825
Fort Bragg, N.C.: Energy control system			−48
Fort Devens, Mass.: Install windows/heat recovery			−38
Fort Polk, La.: Energy control system			−74
Fort Richardson, Alaska: Barracks (project denied)			−5,234
Fort Wainwright, Alaska: Insulate/storm windows			−159
Fort Gordon, Ga.: Hot water waste recovery			−50
Fort Benjamin Harrison, Ind.: Windows/modernize steam system			−125
Fort Knox, Ky.: Energy control system			−94
Fort Leavenworth, Kans.:			
Energy control system			−108
Storm windows/weatherstrip			−24
Fort Lee, Va.: Energy control system			−57
Fort Sill, Okla.: Insulate/night setback			−141
Fort Leonard Wood, Mo.: Storm windows/insulation			−279
Cornhusker Army Ammunition Plant, Nebr.: Contaminated waste incinerator (project denied)			−640
Picatinny Arsenal, N.J.: Insulate steam system			−108
Sierra Army Depot, Calif.: Ammo service facilities (project denied)			−540
Tobyhanna Army Depot, Pa.: Insulate buildings			−58
U.S.M.A., West Point, N.Y.: Outdoor athletic facilities			−48
Fitzsimmons Army Medical Center, Colo.: Energy control system			−64
Bayonne Military Ocean Terminal, N.J.: Heating fuel storage tank			−18
Fort Campbell, Ky.: Insulation			−19
Fort Carson, Colo.: Interior steam system modernization			−9
Corpus Christi Army Depot, Tex.: Convert air-conditioning			−12
Fort Devens, Mass.: Solar heat for warehouse			−13
Fort Lewis, Wash.: Laundry heat recovery			−5
Presidio of Monterey, Calif.: Energy control system			−15
Fort Ord, Calif.: Weatherstrip temporary buildings			−7
Picatinny Arsenal, N.J.: Convert to solar heat			−16
Fort Pickett, Va.: Insulation/heat system alterations			−12
Radford Army Ammunition Plant, Va.: Condensate return			−15
Red River Army Depot, Tex.:			
Insulate buildings			−12
Humidity controls			−9
Savanna Army Depot, Ill.: Insulate/night setback			−12
Fort Stewart, Ga.:			
Insulate/weatherstrip (Hunter)			−18
Insulate/Weatherstrip			−16
Various locations, overseas: Prepositioning of material configured to Unit Sets (POMCUS) site			+56,922
Military construction, Navy	811,074	804,524	−6,550
Paris Island Marine Corps Recruit Depot, S.C.: Bachelor enlisted quarters (project denied)			−4,000
Naval Air Station, Jacksonville, Fla.: Energy system			−35
Naval Station, Adak, Alaska: Energy recovery system			−65
Naval Air Station, Lemcre, Calif.: Airfield pavement (project denied)			−900
Pearl Harbor Naval Submarine Base, Hawaii: Utilities (project denied)			−1,500
Naval Weapons Station, Charleston, S.C.: Energy system			−35
Charleston Naval Shipyard, S.C.: Lighting systems			−15
Military construction, Air Force	507,171	519,984	+12,813
Newark AFS, Ohio: Energy monitoring system (project denied)			−860
McGuire AFB, N.J.: Energy monitoring system (project denied)			−2,041
Homestead AFB, Fla: Regional sewage system (project denied)			−4,053
Malmstrom AFB, Mont.: Small arms range (project denied)			−350
Air combat maneuvering instrumentation facility, Decimommanu, Italy			+986
Various, overseas: Aircraft shelters			+19,131
Military construction, Defense Agencies	187,730	173,780	−13,950
Torrejon Air Base, Spain: Elementary school (project denied)			−8,950
Emergency construction—reduction			−5,000
Military construction, Army National Guard	54,677	52,200	[1] −2,477
Military construction, Air National Guard	47,590	44,750	[1] −2,840
Military construction, Army Reserve	38,932	37,100	[1] −1,832
Military construction, Navy Reserve	23,000	21,850	[1] −1,150
Military construction, Air Force Reserve	13,400	13,000	[1] −400
Family housing, Defense	1,709,600	1,701,605	−6,995
Construction, Navy	(50,446)	(43,451)	(−6,995)
Submarine support facility, Kings Bay, Ga.: Reduce housing units from 400 to 250			−6,995
Grand total, H.R. 12927	3,937,702	3,963,146	+25,444

[1] Guard and Reserve component reductions are general, serving to reduce appropriations to authorized lump-sum levels.

Mr. HUDDLESTON. Madam President, I urge the adoption of the amendment.

Mr. STEVENS. Madam President, I support the amendment reluctantly, since one of the items reduced is an item in Alaska that I had an interest in. But it was not authorized and it is proper, I think, to delete from this bill the items that have not been authorized. We shall attend to them later when we try to seek reauthorization again.

I think the Senator is absolutely correct that, having deleted some of the items that we had funded, the authorization committee has also added some that we had not funded. The purpose of this amendment, as I understand it, is to adjust our bill to the authorization process.

For that reason, I urge its adoption.

I yield back my time.

Mr. HUDDLESTON. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUDDLESTON. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Madam President, I ask unanimous consent that Michael Shorr of Senator JAVITS' staff be granted the privilege of the floor on all matters pertaining to the military construction appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Madam President, for the convenience of any Members who may have other amendments, I ask unanimous consent that it be in order to amend this bill in a place previously amended and, in any case, that the Secretary be authorized to make technical and clerical adjustments necessary in the engrossment of amendments.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, and I shall not object, I assume that the Senator is talking about the bill for the purpose of the original text, for the purpose of amendment. I do not want to circumvent the tabling motion he has made on the amendment we already have adopted. This is on the bill as it is presented from the committee, that it is available for amendment.

Mr. HUDDLESTON. That is correct.

Mr. STEVENS. I have no objection under those circumstances.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I ask for the yeas and nays on final passage on the bill so all Senators will be aware there will be a rollcall vote on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. Madam President, I yield time to the Senator from New Hampshire for an amendment.

The PRESIDING OFFICER. The Senator from New Hampshire.

UP AMENDMENT NO. 1571

(Purpose: To increase by $1.6 million the amount of funds appropriated for construction at the Portsmouth Naval Shipyard, Kittery, Maine)

Mr. McINTYRE. Madam President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr

McINTYRE), for himself and Mr. DURKIN, Mr. HATHAWAY, and Mr. MUSKIE, proposes UP Amendment No. 1571.

Mr. McINTYRE. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 11, strike out "$804,524,000" and insert in lieu thereof $806,124,000.

Mr. McINTYRE. Madam President, we in New Hampshire and in the entire Northeast are extremely proud of the fine work done at the Portsmouth Naval Shipyard. The overhaul and maintenance work is vital to our defense establishment and provides our Navy with the kind of support which is absolutely essential if they are to conduct their mission with the kind of professionalism that we expect. Plans are now well underway to introduce the new *Los Angeles*-class submarines to Portsmouth berths in the early 1980's. This year the committee has earmarked $14.5 million for this purpose and I am pleased to see that Portsmouth can thus begin the necessary modernization in anticipation of the arrival of the 688's.

My amendment today would add $1.6 million to the bill which was a sum originally requested but later deferred until 1980. However, the House has wisely inserted the funds in both its authorization and appropriation bills. Just this week the Senate agreed in conference to restore the $1.6 million to its authorization bill, so the addition I seek has the full support of the House and has been authorized by the Senate.

I believe this action is wise and appropriate, as it recognizes the essential nature of the work that is being done at the Portsmouth shipyard. The modernization program must proceed with all due speed if the shipyard is to be ready in time for the 688 subs. Our national defense effort relies heavily on a strong submarine fleet and this situation will continue for the foreseeable future. We therefore have a commitment to see that this fleet is supported with the best maintenance and overhaul facilities that are possible. This $1.6 million will help to see that Portsmouth is capable of providing that support and is therefore important, I believe, to our national defense effort.

Madam President, joining me as cosponsors of this amendment are the distinguished Senators from Maine (Mr. MUSKIE and Mr. HATHAWAY) and my colleague from New Hampshire (Mr. DURKIN).

Mr. HUDDLESTON. Madam President, we have considered the amendment of the Senator from New Hampshire.

I think it is important to note that the economic analysis for this particular project indicates that the payback period is something less than 6 years. So the return on this investment is substantial.

At the same time, it would vastly increase the efficiency and effectiveness of the maintenance crews working on our submarines thereby moving them closer to the actual pier and by eliminating the necessity of traveling back and forth from their shops, as they are required to do now.

So this has been cleared on both sides of the aisle and we are prepared to accept the amendment.

Mr. McINTYRE. Madam President, I thank my distinguished and able friend from Kentucky.

I move the adoption of the amendment.

Mr. DURKIN. Mr. President, I rise in strong support of the amendment offered by my distinguished Senate colleague, TOM McINTYRE, and my two colleagues and friends from Maine, BILL HATHAWAY, and ED MUSKIE. Our amendment will provide an additional $1.6 million appropriation for the construction of a waterfront support facility at Porstmouth Naval Shipyard. This facility provides a crucial construction step in readying the Portsmouth Shipyard for the overhaul and maintenance of the *Los Angeles*-class nuclear submarines, which will soon become a bulwark of our national strategic defense posture.

The $1.6 million for the facility has been included in the conference report on the military construction authorization and I want to thank Senator HART, chairman of the Military Construction Subcommittee, for his careful study which led to its inclusion.

I understand the managers of the bill before us today, Senators HUDDLESTON and STEVENS, are prepared to accept this amendment, because they are aware of the importance of moving ahead rapidly with construction at Portsmouth. I want to thank both of my colleagues for their consideration in this matter. The excellent and time-consuming work they have done in preparing the appropriations bill before us demonstrates once again their dedication to a national defense second to none.

In addition to the $1.6 million in our amendment the bill contains $14.55 million for construction at the shipyard, including moneys for a modern machine shop building and a transducer repair facility. As I stated recently when the Senate considered the military construction authorization bill, the men and women at Portsmouth Naval Shipyard make a significant contribution to our national defense by providing an excellent overhaul and maintenance facility for our Polaris/Poseidon submarine fleet. This Congress can do no less than insure that those workers have the very best working facilities and conditions.

I have one final point about the shipyard, only indirectly related to this bill. As many of my colleagues are aware, the Navy presently has under consideration a merger of the Computer Applications Support and Development Office (CASDO) located at Portsmouth, and the Center Naval Ordnance Command Management Information System Office (CENO) located at Indian Head, Md.

CASDO provides the framework of the management information services improvement system which gives our shipyards the intelligence management and administrative tools they need to function effectively. The General Accounting Office recently commended the MIS improvement system which is under the direction of CASDO.

Moving CASDO at this point would be a serious error, which would jeopardize the MIS improvement system. Fortunately, there is no money in this year's military construction appropriation for moving CASDO from Portsmouth. The exceptionally talented men and women working there can rest assured that I will fight along with TOM McINTYRE to see that the Navy gives the fullest consideration to leaving CASDO in place.

Mr. President, before closing I would like to make brief reference to one other shoe which did not drop in this bill. The Department of Defense has been threatening to purchase land around Pease Air Force Base as part of its air installation compatible use zone program. On July 13, the Senate passed section 613 of the military construction authorization bill which prohibits DOD from purchasing land contiguous to the existing boundaries of Pease. The appropriations bill before us today contains no money for such a purchase, and continues the prohibition against unwarranted acquisition by the Government of a substantial amount of private land around the base and the unwarranted destruction of a considerable number of private dwellings. This is a wise decision, which I know many people in Newington and Portsmouth welcome.

I want to once again thank the manager of the bill for accepting this amendment and for seeing that Portsmouth Naval Shipyard will see over $16 million in new construction during the coming year. I believe this military construction budget is extremely important to our country's national security.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. HUDDLESTON. I yield back the remainder of my time.

Mr. McINTYRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment (UP No. 1571) was agreed to.

Mr. HUDDLESTON. Madam President, I move to reconsider the vote by which the amendment was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SCOTT. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. SCOTT. Madam President, I am not in control of the time, and the floor managers are here.

Mr. HUDDLESTON. Madam President, I suggest the absence of a quorum and ask unanimous consent that the time be equally divided to the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Madam President, I ask unanimous consent that John McIntee, David Sharp, and Chris Warner be accorded the privilege of the floor during the remainder of the consideration of this bill, including the votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1572

(Purpose: To reduce total budget authority provided by this Act by two (2) per centum)

Mr. ROTH. Madam President, I send an unprinted amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 1572.

Mr. ROTH. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, after line 20, insert the following:

"SEC. 114. Notwithstanding the preceding provisions of this Act, the total budget authority provided in this Act is reduced by two (2) per centum.".

Mr. ROTH. Madam President, my amendment provides a 2-percent efficiency cut in the total budget in this legislation. This proposal will save the taxpayers $79 million and will stimulate much needed management reforms.

There is a substantial increase of 32.2 percent—$960 million—in this year's total appropriations. In the proposed legislation there is a 2.41-percent increase over the House allowance.

Two percent of the total appropriation is only 8.2 percent of the $960 million increase. Even after my 2-percent cut the Senate appropriation figure is greater than the House allowance.

Budget Director James T. McIntyre, in urging a 5-percent cut from the budget before the Senate Committee on the Budget said:

Budget restraint is appropriate now. It is consistent with both the economic outlook and the need for increased governmental efficiency, which spending restraint will encourage.

He also suggested that an across-the-board cut may be appropriate.

This amendment is necessary for these reasons.

First, the waste, mismanagement, and inefficiency in Government must be curtailed. A tighter budget means less room for waste.

I am not advocating the elimination of particular projects, but there is no organization funded by this bill that cannot operate as well as, or better than, it did with a larger budget.

Second, inflation must be reduced. The leaders of America acknowledge that deficit spending is the No. 1 cause of inflation. A balanced budget would retard inflation. The average citizen would feel less of a strain on his pocketbook.

Third, we must respond to the will of the people. The wasteful excesses of Government have become a rallying point for people throughout this Nation. Tax reform groups are demanding specific limits on Government spending. We must begin to make Government more responsive but less costly.

Let me state that I appreciate the difficult task faced by the Appropriation Committee. I know that they are doing a complete and thorough job.

Nevertheless, the military services' planning and design programs are the most glaring areas of inefficiency. For example, the House committee investigators found no standardized reporting system nor any other management measurement that indicate the expenditures for design and the losses caused by poor management. Also the investigators found little control over who can initiate changes in design and for what reasons. Lack of accountability encourages waste.

Specific areas of mismanagement are where the design has been completed but no project is constructed and where a change in design occurs so that work previously done is lost. The House committee investigation staff found that the architecture and engineering firms and, I quote, "are besieged with volumes of changes from various military levels, some of which are contradictory and all of which increase the cost."

Such areas of mismanagement resulted in a 951-percent increase in the cost for roads and utilities at the Trident site. Redesign projects increased the final design cost of the Fort Campbell hospital by $1.4 million. My amendment will force management to be more prudent and less wasteful.

Of particular concern is the tripling of the appropriation for energy conservation and pollution abatement programs. General Accounting Office reports indicate that the Department of Defense is careless in estimating construction costs for energy and pollution improvements and in estimating payback periods for energy savings. I am concerned that the Senate committee appropriated over $50 million for domestic major construction projects that were not requested by the Department of Defense. Perhaps these nonrequested projects are worthy, but it seems clear, especially when fiscal restraint is so necessary, that they are not needed now since they were not requested.

Madam President, adoption of this amendment is imperative. We must put an end to waste and managerial inefficiency in Government—a 2-percent cut is a small step in that direction. We must curb inflation, we cannot do this without trimming the Government's budget. We must respond to the will of the people, we must cut back excessive budgets now.

Madam President, Senator LUGAR is a cosponsor, and I ask unanimous consent that his name be added to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. I yield back the floor.

Mr. HUDDLESTON. Madam President, I believe all of us in the Senate and, certainly, members of the Military Construction Subcommittee of the Appropriations Committee and members of the full committee, are very rightly concerned about Government expenditures and are making a diligent effort to hold those expenditures down and reduce them at every opportunity.

I think it is commendable of the Senator from Delaware to pursue this course, as he is doing, as each appropriation measure comes before the Senate.

However, in this particular appropriation bill we are dealing with here today, much of the reasoning that has been outlined by the distinguished Senator from Delaware simply does not apply.

He refers to organizational funding which could be reduced and, of course, there is some legitimacy to that claim. But we are not funding organizations here. We are funding brick and mortar construction projects. There is no great administrative area which can be reduced on a percentage basis by simply holding down or reducing additional personnel.

The Senator refers to the amount of money in here that relates to pollution abatement. Well, I would just say that these expenditures are mandated by law, and many military installations throughout the country are not in compliance now with State and Federal regulations relating to air and water pollution, so they are necessary expenditures.

On his concern about the expenditures for energy conservation, I point out that all of the evidence that has been presented to the subcommittee indicates that these will lead to cost savings in every instance, and that the average amortization is about 4 years, so it is a good investment for us to embark upon these energy conservation projects to reduce the future cost of operating our military facilities throughout the United States and around the world.

The Senator from Delaware mentions that the word has come over that the budget ought to be reduced 5 percent. Well, the subcommittee has already reduced the request for military construction by some 7 percent in this bill that is before us right now.

I would point out this is $315 million below the budget request.

Just one further comment about the nearly $1 billion increase over the appropriations for fiscal year 1978.

As I pointed out in my opening statement, 1978 was an unusual year. A virtual moratorium was in effect on military construction around the country. This was brought about because base realinements were under consideration, and it was felt appropriations should not be made until questions had been resolved as to which bases would be reduced or eliminated, and which might be increased. So that was not a normal year, and the appropriation was substantially lower than would normally be the case.

This year we returned to a more normal situation, although taking into account inflation that has occurred during the period, the spending power of this budget is scarcely greater than the

spending power of last year's level. So it is a budget that has been very carefully considered.

We are also talking about national security; we are talking about what the needs of our armed services are, not only in this country but throughout the entire world.

One very important part of this bill, and one of the addons that we have brought about, has to do with the National Guard and our Reserve Forces. These forces are hard pressed now to meet their requirements in order to provide the very important support and backup that our Active Forces need. Under our system now we recognize that the Guard and the Reserve must be ready at any time to be activated and to provide support that is necessary under the unified concept of our services.

So this is a budget that does not lend itself to the kind of across-the-board percentage cuts that might be applied to other budgets.

I would urge the Senate to reject the amendment of the Senator from Delaware and to accept this as a budget that has been considered very carefully, project by project.

We have eliminated those that do not seem to be necessary. We have tried to provide projects that will in the future mean a more efficient operation, a lower cost operation of our military facilities.

The amendment should be rejected, and we should go to conference and deal there with the differences that exist.

I yield such time as he may require to the Senator from Texas.

Mr. TOWER. I thank my distinguished friend from Kentucky.

I want to associate myself with the remarks he has made. In these military budgets, both in the authorization bills and again in the appropriation bills, these are always very delicately balanced, and we make every effort, I know, in the authorization bills to reduce waste, to prevent unnecessary expenditures. When we make that effort in the authorization bills, there are then some pretty close proscriptions that are placed on the Appropriations Committee when they come up to appropriate this money.

I do not know of any authorization and appropriation bills that are more carefully drawn than in military procurement and military construction, and in which more different needs and concerns are considered.

The meat-ax approach is not really a good approach for cutting spending in any particular area. We should here in Congress accept the responsibility of establishing priorities. When you use the meat-ax approach to cut across the board you are treating everything as being of virtually equal value, either that or you are saying to the Department of Defense, "We won't make the decision on where the cuts should be. You make the decision yourself."

We are, in effect, abdicating, I think, some of the decisionmaking process we should be involved in in the Department of Defense.

Therefore, I would also express the hope that the Senate will reject this meat-ax cut. If the Senator from Delaware has some specifics he would like to see cut, maybe we could address ourselves to them.

I notice there is some $9,971,000 in the budget for Delaware. Does the Senator from Delaware think that is an unnecessary expenditure? If he does, because he would know that situation well, I might be prepared to support cutting a specific dollar amount in that particular area. But to use the meat-ax approach I do not think it wise.

Mr. ROTH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes.

Mr. TOWER. If I may correct the Senator from Delaware, it should be "Madam President."

Mr. ROTH. I accept that correction. I thank the distinguished Senator from Texas.

Madam President (Mrs. HUMPHREY in the chair), I am concerned about what the distinguished Senator from Texas has just said, because I think the most pressing problem facing this country today is how to provide better services at less cost. I think the distinguished Senator from Kentucky and the distinguished Senator from Texas know that in my long years of service, on both the House and Senate side, I have been a strong believer, as indicated by my votes, in a strong defense.

But the mere fact that I am a believer in a strong defense does not mean that I do not expect increased efficiency from the Department of Defense as well as every other agency of the Federal Government. And I would say that if you went home to my people in Delaware and said, "Well, there is no room for increased efficiency in the Department of Defense" or HEW or whatever it might be, they would laugh you out of the room.

It makes no difference what the bill or legislation is, when one proposes a reduction in a program—and I want to point out we are not proposing a cut below last year; we are not even proposing a cut below what was accepted by the House of Representatives—it is attacked on one of two bases. If one makes a specific request, they either try to point out what it means to your own State, or, in the alternative, they spell out why that program is untouchable. It makes no difference whether it is other programs or projects.

I think the message has come home—at least it has to this Senator—that we have got to search for ways and means of making the executive branch, the bureaucracy, more efficient.

You cannot tell me that even in construction—because I have had something to do with that in years gone by, in the private sector—a more efficient job cannot be done. One of the problems is constant changes in design, amendments which give the contractor grounds for coming in for increased funds.

The statements I made about inefficiencies were not my own, but were read from the report by the House committee dealing with military construction. Let me read from that report:

> The investigators found no standardized reporting system that identified design workload, breakage, lost design, or other management measurements which would indicate the expenditures for design, the number of projects, or losses associated with the above.

I am a strong believer in having the Government be a leader in solar energy and energy conservation, but that does not mean, I repeat that does not mean, that they should not be efficient in doing so. The American people are demanding that we give them more and better government at less cost.

In closing, I just want to point out that all we are asking is a 2-percent reduction. The Senate bill is 2.41-percent increase, or $92 million increase, over the bill passed by the House of Representatives. The bill as reported includes $70 million more than the White House request for major construction programs inside the United States. My 2-percent cut, which I consider a reasonable one, would save the taxpayers $79 million.

Madam President, inflation has increased from 8.68 percent last year to an estimated 9.3 percent annual adjusted rate through April of this year. People are concerned, and want us to do something about inflation.

I am not saying imposing a 2-percent cut is going to be easy on the Department of Defense, but I would point out that it is even more true that the average American family is having great difficulty in making its family budget stretch to meet the cost of inflation, and they expect those of us in government to provide some leadership.

I yield the floor.

Mr. HUDDLESTON. Madam President, I yield the Senator from Texas such time as he may require.

Mr. TOWER. I thank our distinguished colleague from Kentucky.

I will certainly join the Senator from Delaware, as I have on many occasions, in trying to achieve savings in Federal expenditures. I agree with the Senator from Delaware that the American people are fed up with too much government. They feel that government is too big, its scope is too broad, it intrudes too much in our daily lives.

I do not find, however, that people are fed up with national defense. I believe that if you ask the average American whether or not he considers national defense a priority, he would say yes, in the majority of cases. As a matter of fact, there is growing concern in this country that we are falling behind the Soviet Union in military capability. The general public, we find, for the most part want us now to increase this spending, because they do fear the possibility that we will have an inferior military posture to that of the Soviet Union.

The Senator from Delaware has provided great service to us in past years, and I am sure he will in the future, in supporting sound leadership in the matter of trying to reduce Federal spending. But it is just like the people out in California who voted for proposition 13. When some of the public officials came back and said, "We will cut police and fire protection," they said, "No, that is not what we meant. Don't cut police and

fire protection; there are other things out here."

I suggest that public sentiment nationwide toward the Federal Government is somewhat in that vein. They do not want us to reduce our capacity to defend ourselves, when there are so many other wasteful programs we can address ourselves to. I think the American people expect us, and I expect, to vote for reduction in those programs.

But I think we must sharpen our sense of priorities. And I will say to the Senator from Delaware that the Armed Services Committee of the Senate has made every effort, over the past few years, to reduce waste in national defense. We have scrutinized everything carefully. We have insisted on a higher use-to-payroll ratio, and we are going somewhere with that. We have reduced the administrative cost in relation to what we spend in terms of actual combat capabilities, and I think it has been the leadership in the Senate and the House Armed Services Committees that has resulted in this taking place. We have reduced the end strength of our services to try to cut out unnecessary personnel. This is a continuing, ongoing thing; but I can assure the Senator from Delaware that the Armed Services Committee of the Senate, at least, is alive to every possibility of making savings where there are unnecessary expenditures for the Department of Defense.

I should simply like to ask the Senator from Delaware, would he like for us to recede to the House figure on the line item expenditures for Dover Air Force Base, the Air National Guard in Wilmington, and the Air Force Reserve at Dover Air Force Base? We could achieve savings there of some $7,300,000. Would the Senator from Delaware support our receding to the House on that figure?

Mr. ROTH. Madam President, this is an old tactic. I am somewhat surprised that the Senator from Texas would use this particular strategy.

Obviously, no Senator is going to get up on this floor and say that he wants all the cuts to come from his State, or from some particular military base. If that is the approach, we are never going to be able to make the Government more efficient.

I think the Senator from Texas would agree that I have, even in the years when it was not popular, been a strong supporter of a strong defense, because I, like he, feel that it is a top priority, and I am concerned about the direction we are going.

I would just point out that we are talking about a military construction appropriations bill which primarily has to do with military facilities, and financing the construction, alteration, improvement, and maintenance of military family housing. We are talking about building construction rather than hardware. I favor these programs. I think we have to compensate and provide good facilities to those in the military.

I recall in the legislation I recently proposed, a 2-percent cut which involved Treasury and other agencies, I was happy to have the support of the Senator from Texas.

(Mr. SARBANES assumed the chair.)

Mr. TOWER. And the Senator will continue to have it, but I believe in the establishment of priorities.

Mr. ROTH. What I am saying to the Senator is we are not asking to cut out programs. All we are asking is that we put the military establishment, as the civilian establishment, on notice that they have to improve their efficiency. It is hard to believe that in this kind of an appropriation there is not room for a better job to be done by people in the Department of Defense, just as I feel strongly is true of HEW, and so forth.

Frankly, I want to work with the Senator from Texas in strengthening our military posture. I, like he, am concerned with the direction in which we are going.

This is one Senator's judgment that this is an area where we can alert or signal the people in the Department of Defense that we want them to do a little better job in providing services and to try to find ways and means of holding down costs.

Mr. HUDDLESTON. Will the Senator yield so that I might inquire how much time remains?

The PRESIDING OFFICER. The time remaining is 1 minute to the Senator from Kentucky and 3 minutes to the Senator from Delaware.

Mr. HUDDLESTON. Will the Senator use his own time which remains?

Mr. ROTH. Yes.

The PRESIDING OFFICER. The Senator from Delaware is recognized on his own time. Does the Senator seek recognition?

Mr. ROTH. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Kentucky has 1 minute remaining on the amendment.

Mr. HUDDLESTON. Mr. President, I believe the Senator from Texas has well stated the case in opposition to this particular amendment. I, too, have joined the Senator from Delaware in his efforts to reduce expenditures on other bills which have been before the Senate, and have supported his amendments. But this is not the kind of a bill that lends itself to that kind of an across-the-board reduction. We are talking about projects here. When we talk about lopping off 2 percent, we may be lopping off total projects somewhere. We believe these projects have passed muster and they are important. Many have to do with increasing the efficiency and cutting the costs of operating our military. That is precisely what the Senator from Delaware said he is interested in doing.

We are now some $118 million above the House. There is, however, nearly a quarter billion dollars in differences in the bill that will have to be resolved with the House. It is unlikely, as a matter of fact I would say it is highly unlikely, that the total Senate version will prevail. We will be somewhere between that difference in the final bill that will be produced, which means that this bill will be reduced, to some extent, in its final form.

I think for all of these reasons this amendment should be rejected. Mr. President. I yield back the remainder of my time.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 3 minutes.

Mr. ROTH. Mr. President, I will be brief.

I wish to point out again that we are not asking for the elimination of any projects. We are merely asking the Department of Defense to be more efficient and more effective in this construction job.

As a member of a subcommittee of Governmental Operations which has oversight of GSA, if there is anything that has become clear to me it is that if there is any area where savings can be made it is by better management, more efficiency, and stronger oversight on the construction of buildings. I have been shocked by some of the examples I have learned there. As I said earlier, I also have some experience on the military side. I see room for savings there.

Irrespective of that, Mr. President, let me just repeat once more the Senate bill as reported contains 2.41 percent or $92 million more than the bill passed by the House.

Second, it includes $70 million more for major construction programs inside the United States than the White House requested.

My 2 percent cut would save the taxpayers $79 million. I would hope that my distinguished friends, the Senators from Kentucky and Texas, would join me in giving a signal to the Department of Defense that we expect them not to cut to eliminate but to be more efficient and effective in their operations.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. TOWER. Mr. President, will the Senator from Delaware yield?

Mr. ROTH. I yield.

Mr. TOWER. In terms of messages to the Department of Defense, the Armed Services Committee gives those messages daily.

The PRESIDING OFFICER. The Chair will inform the Senator that the time on the amendment has expired.

Mr. HUDDLESTON. I yield to the Senator such time as he desires on the bill.

Mr. TOWER. I would like to point out that the Armed Services Committee has not been exactly derelict in leaning on DOD day after day after day. If the Senator will read the report language in the authorization bills he will find that we continue to do so.

The Senator from Delaware, I believe, proceeds on a mere assumption when he says, "Surely, there is someplace we can cut."

How does he know if he has not analyzed this and cannot make specific recommendations as to what should be cut?

He says he does not want to take any individual project. He proceeds on the assumption that something can be cut but does not say what.

Again, what is the Senator's opinion on the disparity between the Senate and

the House on Delaware, the Air Force Reserve, the Dover Air Force Base, and the Air National Guard? There is a $7 million differential there. Does the Senator believe that the Senate has been profligate in upping the House figure on that?

Mr. ROTH. As I already have said on several occasions, we are not asking for deletions of any program.

Mr. TOWER. Then how can the Senator assume that any program can be reduced?

Mr. ROTH. For the very reason that the Senator from Texas voted for the 2-percent across-the-board on Treasury and the various agencies in that appropriation. We did exactly the same thing. We said there should be a 2-percent efficiency cut to ask them to do a better job.

Mr. HUDDLESTON. If the Senator will yield, there is a difference here. If he wants to get a the administrative structure of the Department of Defense——

Mr. ROTH. Will the Senator yield so that I may ask for the yeas and nays?

Mr. HUDDLESTON. I yield.

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUDDLESTON. He should be directing his amendment to the Defense Department budget, where the administration of these projects is. We are not talking about administration here. We are talking about individual projects. All of this appropriation is broken down into specific individual construction projects. It does not lend itself, in my judgment, to the kind of reduction the Senator is talking about. I believe, too, that the administration of any agency of Federal Government, including this Senate, can tighten up and can be reduced perhaps by 2 percent or more. But that is not what we are addressing in this particular bill.

Mr. ROTH. Will the Senator yield so I can make one brief comment?

Mr. HUDDLESTON. I yield 3 minutes on the bill.

Mr. ROTH. I just want to point out, that even in construction contracts, part of the cost is the administrative cost of the construction. That includes the contracting officer and his people, those who design and oversee, and the administrative costs of those who construct the building. One of the problems borne out by testimony on the House side is that the management controls in the construction of military projects leaves something to be desired.

Perhaps the Senator from Kentucky disagrees, but it is just my position that, by this kind of amendment, we would be putting a responsibility on the Department of Defense to do a better job. I do not pretend it is going to be easy, but I think these are difficult times and it is worth the effort.

Mr. HUDDLESTON. I am ready to vote, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Idaho (Mr. MCCLURE), the Senator from South Carolina (Mr. THURMOND), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 26, nays 60, as follows:

[Rollcall Vote No. 277 Leg.]

YEAS—26

Burdick	Griffin	Nelson
Byrd, Harry F., Jr.	Hatch	Pell
Chafee	Hatfield, Mark O.	Proxmire
Church	Helms	Randolph
Clark	Hollings	Riegle
Cranston	Laxalt	Roth
Danforth	Lugar	Scott
Dole	Melcher	Stone
Eagleton	Metzenbaum	

NAYS—60

Allen	Hatfield, Paul G.	Packwood
Bartlett	Hathaway	Pearson
Bayh	Hayakawa	Percy
Bentsen	Heinz	Ribicoff
Bumpers	Hodges	Sarbanes
Byrd, Robert C.	Huddleston	Sasser
Cannon	Humphrey	Schmitt
Case	Jackson	Schweiker
Chiles	Javits	Sparkman
Culver	Kennedy	Stafford
Curtis	Leahy	Stennis
DeConcini	Long	Stevens
Domenici	Magnuson	Stevenson
Durkin	Mathias	Talmadge
Ford	Matsunaga	Tower
Garn	McGovern	Wallop
Glenn	McIntyre	Williams
Goldwater	Moynihan	Young
Gravel	Muskie	Zorinsky
Hansen	Nunn	
Hart		

NOT VOTING—14

Abourezk	Brooke	McClure
Anderson	Eastland	Morgan
Baker	Haskell	Thurmond
Bellmon	Inouye	Weicker
Biden	Johnston	

So Mr. ROTH'S amendment was rejected.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BARTLETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from New York 3 minutes on the bill.

The PRESIDING OFFICER. Will the Senator from New York desist for a moment while the well and the aisles are cleared and order is obtained in the Chamber?

Will Senators please clear the well and the aisles?

The Senator from New York.

Mr. JAVITS. Mr. President, I have heretofore called attention, on behalf of my State, to the low state to which in New York we have fallen respecting defense expenditures on the part of the United States. I realize that the military construction bill is a result, not a cause. In other words, you construct because of the fundamental decision as to where particular units, particular facilities are being located.

This report rather vividly shows where we, the second largest State in population—I believe the first largest State in Federal taxpaying—stand on the rolls. We are here, as my staff analyzes it, as No. 11, the four highest States being California, Virginia, Georgia, and Texas.

I do not begrudge anything to the others, but I deeply feel that the record indicates that New York urgently deserves consideration in regard to the location of units and other aspects of the Defense Establishment, especially as we are devoting enormous sums to NATO. NATO American defense will be in Northern Europe, and my area of the country is extremely useful for training of American units in that kind of war situation.

We do have some opportunities, Mr. President. I am not offering any amendments respecting them, because I believe deeply that this particular committee is very well acquainted with our views and our needs. So I just point to the opportunities.

We have the modernization of Watervliet Arsenal, for which there is an authorization of $27 million. The House has provided what is needed in the coming fiscal year to implement that authorization, which is $20.5 million.

The Senate has kept its particular appropriation at only $2 million. I have no doubt that the Members will work out the problem.

As the report says at page 18:

> This deferral is without prejudice to the intent of the project, however.

So I am sure the conferees will evaluate what can be done, how soon it can be done, and when the money is needed, and I know the money will be provided. I am not complaining about that.

Second, there is mentioned in this report Fort Drum and the need of the Army National Guard at Fort Drum. It simply calls attention to the excellence of this facility and fortifies, in my judgment, our claim that such units as are withdrawn from Korea—by the way, I am opposed to that withdrawal, and I so voted here—should be considered seriously for training in northern European type climate and terrain—true of all New England, not only my State—at Fort Drum.

So, Mr. President, because this is germane to the issue which we in the Northeast have been making, I call attention to those specifically and to the general position which shows this result in this

appropriation, as I have just explained, in respect of what I think has been most serious and most damaging and most discriminatory neglect of New York and other parts of New England, in respect of defense expenditures.

I thank my colleague for yielding.

Mr. HUDDLESTON. Mr. President, the remarks of the Senator from New York are well taken.

As he pointed out, the Subcommittee on Military Construction does not participate in the decision as to where units will be located. When that decision is made, however, we do our best to provide for the facilities.

The facility at Watervliet, which he mentioned, is one that is deserving of attention. I am sure that when we meet with the House and understand the justification for continuing with that project to the fullest capability, it will receive a favorable response.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. MOYNIHAN. I thank my friend from Kentucky.

Mr. President, I join in the observations of Senator JAVITS, to note, in particular, that the Watervliet Arsenal not only has an essential military purpose at this moment, but also, an extraordinary military history. It cast cannon for the War of 1812. It is the oldest of our installations. It has had no major changes since the Second World War.

New York State does not ask much, but it does ask that this continuing and important technological institution fulfill the role which the Defense Department intends for it. We thank the Senator from Kentucky for his clear disposition in that direction.

Mr. President, I wish to add my appreciation to the distinguished chairman, the Senator from Nevada, who has been equally understanding of the Nation's needs and New York's interests in this matter.

Mr. DURKIN. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. DURKIN. Mr. President, I ask unanimous consent that Evey King have the privilege of the floor for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. RIBICOFF. Mr. President, I commend the Appropriations Committee for restoring $4.7 million for modernization of existing intermediate maintenance activity facilities at the New London Naval Submarine Base. The House had deleted funds for this essential activity and I believe this action would seriously hamper the maintenance of our submarine force.

Over the past 2 decades the submarine force has grown significantly, particularly in terms of the sophistication of the ships and equipment to be maintained. It is critical that the support facilities be kept up to date in order to effectively deal with maintenance tasks related to the modern technologies involved.

The modernization of the New London intermediate maintenance activity facilities represents the third step in an integrated plan for enabling the repair shops to handle the increased workload and to utilize more efficient procedures. This is especially important in maintaining the new and more sophisticated SSN–688 (*Los Angeles*) class attack submarine. Modern submarines of this nature should not have to rely on outdated and substandard repair shops—shops which were designed for the repair and maintenance of World War II and earlier vintage ships.

Mr. President, our submarine force is a vital and integral component in the U.S. defense readiness. It must be kept at the highest level of operational readiness possible and the modernized IMA at New London will help to achieve this objective.

Representative CHRISTOPHER DODD, in whose district the New London Submarine Base is located, has prepared a useful analysis on the modernization of the IMA and of certain concerns which have been raised by the Navy. I ask that it be placed in the RECORD for my colleagues' information.

The analysis follows:

NOTES CONCERNING PROPOSED MODERNIZATION OF SUBMARINE BASE, NEW LONDON, CONN., INTERMEDIATE MAINTENANCE ACTIVITY FACILITIES

The Military Construction Subcommittee of the Appropriations Committee recently recommended deletion of funding ($4.7 million) for modernization of existing Intermediate Maintenance Activity Facilities at the Submarine Base, New London. It is appropriate that, prior to consideration of military appropriations for FY 79 before the joint conference committee, both general and specific comments be offered to insure that the nature of the SUBASE, New London IMA, and that the impact of that deletion upon our operating Submarine Force is fully understood.

Specific comments are attached which address each of six areas of concern expressed by the Subcommittee for the overall Navy recommended Shore Intermediate Maintenance Activity Program as they apply to submarine maintenance.

More important, however, are the general comments which can be made concerning support of the operating nuclear-submarine force by the only shore-based submarine support facility in the Atlantic Fleet. The first point is that the SUBASE IMA is *not* a new concept in ship maintenance within the Submarine Force; since World War I submarines based in New London have been supported by the shops located ashore on the Submarine Base on a time ratio of approximately one month alongside to two or three months of operations. The second point is that the Submarine Force itself has grown dramatically over the past two decades in sophistication of ships and equipment to be maintained and it is imperative that the support facilities be modernized in order to cope with the maintenance tasks associated with the modern technologies involved. Associated with the growing sophistication of technology is the increasing number of modern submarines to be maintained as the authorized building programs result in finished ships.

Additionally, it should be recognized that the proposed modernization of SUBASE, New London IMA facilities is not a fresh start, but is the third increment of an integrated plan for updating repair shops to handle the increased workload and make use of more efficient methodologies. Lastly, there is no new growth proposed in functions that can be performed. With the exception that current shop facilities are limited in ability to handle the scope of work presented by new submarines, all facilities in the proposed project currently exist at the SUBASE Intermediate Maintenance Activity.

Six concerns expressed by the Committee and responses to those concerns follow:

On-going Study.—The Navy has recently launched a $34.7 million study into the maintenance of Navy ships. One of the portions of that study is to determine how the Navy is to use naval shipyards and intermediate maintenance activities. Additionally, the study will designate what equipment is to be repaired, at what type of facility, and how the repairs will be accomplished. The committee feels that this study should be completed prior to requesting construction appropriations.

Within the Submarine Force, the introduction of the long-life nuclear propulsion reactor cores, and the necessity to make maximum operational use of front-line submarines not yet in sufficient numbers to meet objective force levels, gave rise to a concerted effort starting in the late 1960's to extend the operating cycle between overhauls. That extended operating cycle is now defined as 70 months with 2 Selected Restricted Availability (SRA) periods of 2 months (at naval shipyards) at about 22-month intervals within that cycle. The Integrated Maintenance and Modernization Planning (IMMP) Program was developed after intensive study of equipment maintenance history, repair capabilities and logistic support requirements. This program makes use of increased Intermediate Maintenance Activity (IMA) and Depot Maintenance during the extended operating cycle.

The IMMP program provides a plan in the form of Planned Maintenance Catalog for accomplishing periodic maintenance or submarine components by the IMA or depot level activity. Each nuclear attack submarine, such as is homeported at SUBASE, New London, is provided with an index of IMMP Maintenance Requirements which is applicable to that particular ship. Each IMMP requirement is automatically added to that particular Current Ship's Maintenance Program (CSMP) when due by use of a scheduling tape which interfaces with the IMA's Maintenance Management System (IMMS–II).

Whenever corrective maintenance is required on hull, mechanical and electrical equipment at a submarine IMA (in the Atlantic Fleet, there are four Submarine Tenders and SUBASE, New London), the Index of Maintenance Requirements is consulted, and if appropriate to the scale of work required, the corrective maintenance will be done to the criteria of IMMP. When the technical information concerning that job is recorded, appropriate savings are realized in the overall IMA/SRA coordination which achieves the extended operating cycle objective.

It is felt, therefore, that the intent of the referenced study has already been realized within the Submarine Force. There is a program, arrived at by thorough study and testing, with detailed technical specifications for complete coordination of the three levels of maintenance activities involved.

Workload Requirements.—The committee is not satisfied that the Navy has thoroughly determined what the future workload requirements will be at each SIMA. A specific plan has not been developed to show how many workers will work on designated equipment, what equipment will be worked on in SIMA's instead of shipyards, and what the workload requirements will be.

Within the Submarine Force, the IMA workload is forecast by estimating the productive man-hours required per year for each ship of a particular class actually planned for work at that particular IMA. This esti-

mate is based on carefully measured and evaluated data gathered over the 20 years of managed maintenance of nuclear submarines. As an example, each 637 class submarine can be expected to require 52,000 manhours of IMA support per year. To this is added the work performed by the IMA for cross-servicing, work done for ships in overhaul or conversion (low-level repairs for which the shipyard would have to contract out for service), and work on small craft, etc. A backlog consisting of planned alterations to equipment (by class of ship) is also added. For the IMA at SUBASE, New London, that forecast is given below:

	Fiscal year—					
	1979	1980	1981	1982	1983	1984
Ship type/class total prod. MH's	830,076	786,372	970,845	1,150,492	1,326,802	1,213,750
Other prod. man-hour workload	149,000	149,000	149,000	149,000	149,000	149,000
Backlog	100,000	100,000	100,000	100,000	100,000	100,000
Total prod. MH's	1,074,076	1,035,372	1,219,845	1,399,492	1,575,802	1,462,750
Prod. support MH's	661,370	634,583	747,647	857,753	965,814	896,524
Total workload prod. and prod. support	1,740,446	1,664,955	1,967,494	2,257,245	2,541,616	2,359,274

This planning includes the information developed during formulation of the IMMP program and also provides for IMMP workloading. The estimated IMA manhour requirements therefore include consideration of work necessary for specific equipments and for specific tasks, within the capability of the IMA, on those equipments. The IMMS–II IMA Maintenance Management System and the IMMP program are built, in modular fashion, on those specific maintenance items, based on machinery history and technical analyses.

Private Shipyards.—The full impact of the SIMA program on private shipyards has not been determined. The Navy needs to examine what intermediate maintenance work can be done at private shipyards, and what the manpower effect would be on private shipyards if the SIMA's are constructed. The committee is concerned that if intermediate work is taken from private shipyards, the private shipyards will not be able to take over the work under emergency conditions. Additionally, because of the dearth of domestic commercial shipbuilding, private shipyards previously involved in commercial work may be more interested in performing work for the Navy.

The situation vis-a-vis nuclear submarines and private shipyards is well known and probably quite different than for conventionally powered surface ships. The Electric Boat Division of General Dynamics, the Newport News Division of Tenneco and the Ingalls Yard of Litton Industries are currently the only private yards engaged in the overhaul of nuclear submarines which is a demanding process requiring high specialization. The closest of these to SUBASE, New London, is of course the Electric Boat Yard in Groton, Connecticut. The contract loading at EB for new construction TRIDENT and 688 class SSN's is felt to be such that additional work currently performed at the New London IMA and of a much more sporadic, low level of effort and short duration nature, would be counter productice at best and possibly not even feasible.

Accomplishment of nuclear submarine IMA work for New London based submarines at Newport News in Virginia or Ingalls in Mississippi can be considered impracticable due to long transit times involved and the extreme hardships imposed on crew members, already at sea about one-half of every year, inherent in the greatly expanded time away from home.

Duplication of Naval Shipyards.—The committee is concerned that the new intermediate facilities will duplicate existing facilities at accessible naval shipyards. In some cases, the one-shift SIMA facilities could be competing with required new facilities at shipyards that will be operated two or three shifts per day. In other cases, adequate facilities to accomplish intermediate work already exist at the shipyards.

For New London based submarines, the nearest accessible naval shipyards are at Portsmouth, New Hampshire (4 hours by car) and Norfolk, Virginia (9 hours by car). It can be considered, by the same reasoning as was used in the case of assigning New London IMA work to Newport News, that the additional time away from home imposed on high-value nuclear submarine crewmen would impact most unfavorably upon an already tenuous retention situation in which separation from family is a critical item.

It is emphasized that the extended operating cycle concept is dependent upon close coordination between submarine IMA's and naval shipyards. Each of the two SRA periods during the 70-month cycle at naval shipyards and the work package for those periods is dependent upon work that was done at the IMA.

Duplication of Tenders.—The committee is concerned that the SIMA facilities will duplicate tenders that are already available and in some cases underutilized.

The submarines home-ported in the New London area are organized in three independent squadrons. Squadron TWO and Development Squadron TWELVE (currently comprised of 8 and 7 nuclear submarines respectively) are based at the Submarine Base and depend on the IMA at the Base for repair support during the 22 months between Selected Restricted Availabilities (SRA) at naval shipyards within the 70-month extended operating cycle.

The third organization, Submarine Squadron TEN, consists of 7 nuclear attack submarines and a parent Submarine Tender, the thirty-four year old USS *FULTON* (AS 11). *FULTON* is a fully capable IMA but is only capable of handling the submarines in Squadron TEN. Addition of 15 extra submarines would raise her workload by 200 percent and completely overtax already constrained capabilities for nuclear submarine support.

The other three IMA's in the Atlantic Fleet Submarine Force service one squadron in Norfolk (USS *L. Y. SPEAR*, one squadron in Charleston (USS ORION) and the deployed boats in the Mediterranean (USS *GILMORE*) at La Maddalena in Sardinia.

Staffing requirements.—The committee is concerned that the SIMA facilities proposed in fiscal year 1979 will require a much larger work force than is currently available in the Navy. It is unclear what concrete steps the Navy has taken to resolve where personnel will come from to operate the SIMA's. The following chart illustrates the staffing problem.

PERSONNEL REQUIRED FOR SIMA'S

Location	Fiscal year 1979		Fiscal year 1995		Total increase
	Surface	Subs	Surface	Subs	
Mayport	383	.....	622	.....	239
Pearl Harbor	498	963	628	1,072	239
San Diego	1,545	.....	1,950	.....	405
Norfolk	882	.....	1,254	.....	372
Charleston	280	.....	307	.....	27
New London	765	.....	881	.....	116
Total	4,353	963	5,642	1,072	1,398

The first point to note, of course, is that the figures for New London should indicate support for nuclear submarines and not surface ships.

The second point is that the projected growth shown for the SUBASE, New London IMA is needed to handle the increased workload expected with heavier shiploading as more new 688 class attack submarines complete construction and are delivered to the operating Submarine Force. The additional people are not required merely to man the modernized facilities being proposed.

It has been noted previously that the forecasted workload for the SUBASE IMA will increase from 1.7 million manhours in FY 79 to 2.3 million in FY 84. This is based solely on projected shiploading and indicates an increase in productivity of more than twice the indicated increase in manpower. It is expected that this enhanced efficiency will come about through the continuation of the modernization of shop facilities which are proposed for current consideration.●

Mr. HUDDLESTON. Mr. President, I yield back the remainder of my time, if no other Senators wish to speak at this point.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Idaho (Mr. MCCLURE), the Senator from South Carolina (Mr. THURMOND), and the Sen-

ator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 83, nays 4, as follows:

[Rollcall Vote No. 278 Leg.]

YEAS—83

Allen	Griffin	Muskie
Bartlett	Hansen	Nelson
Bayh	Hart	Nunn
Bentsen	Hatch	Packwood
Bumpers	Hatfield, Paul G.	Pearson
Burdick	Hathaway	Pell
Byrd, Harry F., Jr.	Hayakawa	Percy
Byrd, Robert C.	Heinz	Randolph
Cannon	Helms	Ribicoff
Case	Hodges	Riegle
Chafee	Hollings	Sarbanes
Chiles	Huddleston	Sasser
Church	Humphrey	Schmitt
Clark	Jackson	Schweiker
Cranston	Javits	Scott
Culver	Kennedy	Sparkman
Curtis	Laxalt	Stafford
Danforth	Leahy	Stennis
DeConcini	Long	Stevens
Dole	Lugar	Stevenson
Domenici	Magnuson	Stone
Durkin	Mathias	Talmadge
Eagleton	Matsunaga	Tower
Ford	McGovern	Wallop
Garn	McIntyre	Williams
Glenn	Melcher	Young
Goldwater	Metzenbaum	Zorinsky
Gravel	Moynihan	

NAYS—4

Biden	Proxmire
Hatfield, Mark O.	Roth

NOT VOTING—13

Abourezk	Eastland	Morgan
Anderson	Haskell	Thurmond
Baker	Inouye	Weicker
Bellmon	Johnston	
Brooke	McClure	

So the bill (H.R. 12927), as amended, was passed.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 12927.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. SARBANES) appointed Mr. HUDDLESTON, Mr. MAGNUSON, Mr. JOHNSTON, Mr. INOUYE, Mr. SASSER, Mr. STEVENS, Mr. YOUNG, and Mr. BELLMON conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, the military construction appropriations bill is an important element in our overall national security program. Funding provided in this bill makes possible the support necessary for the maintenance of our worldwide military forces.

These appropriations insure that our defense installations and the men and women who staff them, along with their dependents, will have the facilities they need in order to effectively perform their assigned missions.

Also covered in this legislation is the U.S. share of NATO support programs and infrastructure construction costs.

In reporting this bill, the Committee on Appropriations has sought to assure adequate funding for projects essential to support our military forces, while at the same time holding down expenditures. As reported by the committee, this is $315.3 million less than the budget request.

I want to pay particular tribute to the chairman of the subcommittee, the distinguished Senator from Kentucky (Mr. HUDDLESTON) for his strong leadership in this area. This legislation is a vital component of our national defense program.

Senator HUDDLESTON is committed to a strong national defense. He has shown that, demonstrated that, time and time again by his words and his actions. This bill is reflective of that commitment as well as his commitment to fiscal restraint.

Mr. President, Senator HUDDLESTON and his colleagues on the subcommittee, and especially the ranking minority member, Senator STEVENS, are to be commended for their work on this important legislation.

Mr. STEVENS. Mr. President, I want to thank the majority leader for his comments. I, too, want to thank the subcommittee chairman. I did work with his predecessors, Senators Mansfield and JOHNSTON; we had a very good working relationship, and I am delighted that that relationship continues with my good friend from Kentucky.

I want to say, without any derogation of the work of Senator Mansfield, who was the majority leader at the time and, therefore, did not have time, that Senator HUDDLESTON has put a tremendous amount of time on this bill. It is a much-improved bill, and I think the Department of Defense has the message now that the military construction bill is getting a thorough scrutiny and it will continue to get that, and I am delighted to work with the Senator from Kentucky on that basis.

Mr. HUDDLESTON. Mr. President, I would be remiss if I did not respond and thank my distinguished colleagues for their kind and generous remarks, and state also that the work of the staff of the subcommittee has been tremendous in our efforts, and also the distinguished chairman of the Appropriations Committee, the Senator from Washington (Mr. MAGNUSON), who has given so much counsel and direction to the Appropriations Committee in recent months. He has brought about a substantial change in the procedures the Appropriations Committee is now using, changes which, I believe, will be more consistent with sound fiscal policy and planning than have been adhered to heretofore.

So I appreciate the words of encouragement from my colleagues. We will continue, of course, to try to serve the public by holding down our expenditures to the fullest extent possible while meeting the needs of our armed services.

ANNOUNCEMENT OF POSITION ON VOTE

● Mr. BIDEN. Mr. President, I missed the vote on the Roth amendment by 5 minutes because I was tied up in a traffic jam on my way from Milford, Del., where I was conducting a senior citizens forum.

Had I been present I would have voted "yea" on the Roth amendment.●

TIME-LIMITATION AGREEMENT—H.R. 13467

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 985, H.R. 13467, the second supplemental appropriations bill, is called up and made the pending business before the Senate, that there be a time limitation thereon as follows: 1 hour on the bill to be equally divided and controlled by Mr. MAGNUSON and Mr. YOUNG; 30 minutes on any amendment; 15 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate for its consideration, with the following exceptions: provided, that there be 1 hour on an amendment by Mr. BUMPERS; that there be 1½ hours on a nongermane amendment by Mr. CHAFEE; and that the agreement be in the usual form with respect to the division and control of time.

Mr. STEVENS. Reserving the right, Mr. President, to object, I would ask the majority leader—we do not know to which bill the Western Coalition will seek to attach the Colorado River Basin amendment, and our distinguished ranking minority member of the Appropriations Committee has called my attention to the fact that that is liable to be offered to any one of these bills. Could we have an agreement if the coalition determines to offer it to this bill that they would have an hour for that purpose?

Mr. ROBERT C. BYRD. Is that amendment germane?

Mr. YOUNG. No, it is not. It is legislation. That is why we need an extra hour.

Mr. ROBERT. C. BYRD. I see.

Mr. STEVENS. The point of order may be raised to it, but the germaneness question would be settled by the Senate, of course.

Mr. ROBERT C. BYRD. If I get unanimous consent for the amendment to be called up, that waives the point of order, does it not?

Mr. STEVENS. We are not seeking to waive the point of order. We just want to make certain they have more than 30 minutes if they do call it up, because there will be quite a bit of discussion if it comes up.

Does that meet the Senator from North Dakota's point?

Mr. YOUNG. The Committee has served notice that it would be legislation on an appropriation bill, and has served the regular notice so it could be brought to a vote. I am not sure which bill they are going to offer it to.

Mr. STEVENS. That is the problem.

Mr. YOUNG I think they really need at least an hour for that amendment.

Mr. ROBERT C. BYRD. Would that amendment be more appropriate as an amendment to the public works bill?

Mr. YOUNG. It is germane to either the supplemental, the public works, or the Interior bill, in my opinion.

Mr. ROBERT C. BYRD. Is it germane to the supplemental?

Mr YOUNG. Yes; there is money in there for both the Corps of Engineers and the Department of the Interior.

Mr. ROBERT C. BYRD. Very well. I ask unanimous consent that the request be modified to include the provision of 1 hour for an amendment by——

Mr. STEVENS. It will be LAXALT and DECONCINI, if it is offered.

Mr. ROBERT C. BYRD. By Senators LAXALT and DECONCINI, if it is offered.

The PRESIDING OFFICER. Is there objection? Without objection, the unanimous-consent request is agreed to.

Mr. ROBERT C. BYRD. Mr. President, does my unanimous-consent order, which provides for a nongermane amendment by Mr. CHAFEE, fully take care of Mr. CHAFEE? Would a point of order lie against his amendment?

The PRESIDING OFFICER. The unanimous-consent agreement has waived the requirement of germaneness, and therefore the amendment would not be subject to a point of order on that ground. But it does not waive the requirement that it not be legislation, and a point of order would lie on that basis.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no point of order lie against the Chafee amendment on either the basis of germaneness or the basis of it being legislation on an appropriation bill.

I do this because the Senator is going to offer this amendment, if not to this bill, to the legislative appropriation bill, and the chairman of the Subcommittee on Legislative Appropriations (Mr. SASSER) prefers to have the amendment offered to the supplemental bill rather than on the legislative appropriation bill. It is for that reason that I make this rather unusual request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The text of the unanimous consent agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 13467 (Order No. 985), an act making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes, debate on any amendment (except an amendment to be offered by the Senator from Arkansas (Mr. BUMPERS), on which there shall be 1 hour; an amendment to be offered by the Senator from Nevada (Mr. LAXALT) and the Senator from Arizona (Mr. DECONCINI), on which there shall be 1 hour; and an amendment to be offered by the Senator from Rhode Island (Mr. CHAFEE), on which there shall be 1½ hours, and to which no point of order shall lie on the basis of germaneness or legislation on an appropriation bill) shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 15 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Washington (Mr. MAGNUSON) and the Senator from North Dakota (Mr. YOUNG): *Provided*, That the Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, and that Senators be permitted to speak up to 10 minutes therein; that the period not extend beyond the hour of 1:30 p.m. today; and that at the conclusion of that period, the Senate stand in recess until the hour of 1:55 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair recognizes the Senator from Kansas.

RICHARD OBENSHAIN

Mr. DOLE. Mr. President, I was deeply saddened by the news of Dick Obenshain's untimely death last night in a plane crash. He was a friend—and an outstanding political leader.

The sense of tragedy surrounding his death is particularly acute because it comes just 2 months after his nomination as the Republican candidate for the seat being vacated by the junior Senator from Virginia. Anyone familiar with the hard work that went into the pre-convention campaign—and the excitement of the convention itself, can appreciate what this nomination must have meant to Dick Obenshain. At the time of his death he was involved in a campaign that Republicans hoped would lead to the Senate—and honor that would have been a fitting tribute to such an outstanding political activist.

Dick Obenshain was truly in his element as the standard-bearer of a State Republican Party which he had helped to build into the dominant political force in Virginia.

He had made significant contributions to the health of the 2-party system in Virginia—and the system benefited greatly from his work. Certainly, everyone will miss his extraordinary ability.

At age 42 he had already seen a long political career. In 1961 he was elected chairman of the State Young Republicans. In 1964 he was the congressional nominee in Virginia's Third District—where he made a highly credible showing. In 1969 he ran for attorney general against Andrew Miller, the current Democratic Senate nominee, and received more votes than any other Republican ever had in a previous statewide race.

In the early 1970's he served as Republican State chairman. Afterward, he served as cochairman of the Republican National Committee where he also did an outstanding job.

As a nuts-and-bolts politician, and as a candidate for public office, Dick Obenshain demonstrated tremendous ability and outstanding dedication to our political system. This is a true loss to all Virginians.

My heart goes out to his wife, Helen, and to his children. I hope that their grief might eventually be soothed somewhat by the high regard that his peers had for Dick Obenshain.

PRIVILEGE OF THE FLOOR

Mr. DOLE. Mr. President, I ask unanimous consent that during the consideration of the Departments of State, Justice, Commerce, and related agencies appropriation bill for 1979, Bob Downer of my staff be accorded the privilege of the floor during the debate and all rollcall votes thereon.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CEREMONY DEDICATING BOGGS PEAK AND BEGICH PEAK IN THE STATE OF ALASKA

Mr. STEVENS. Mr. President, there was recently a dedication of two mountain peaks in the State of Alaska to the memory of our former colleagues from the House of Representatives, Nick Begich and Hale Boggs. I have a transcript of that dedication ceremony, and I ask unanimous consent that the transcript be printed in the RECORD at this point.

There being no objection, the transcript was ordered to be printed in the RECORD as follows:

TRANSCRIPT

Lieutenant Governor Lowell Thomas, Jr., speaking.) Good afternoon. On behalf of the State of Alaska, I wish to extend a cordial welcome to those who have gathered here today to honor the memory of two most outstanding leaders of our nation . . . Congressman Hale Boggs of Louisiana and Nick Begich of Alaska. They were lost on a flight from Anchorage to Juneau on a day much like this in October of '72 . . . together with Congressional assistant, Russ Brown and pilot, Don Johns.

A very special welcome too, to Mrs. Boggs—Congresswoman Lindy Boggs of Louisiana—who, ever since, has carried on the public service of her husband; and to Mrs. Pegge Begich and the children: Nick, Jr., Michelle, Tom, Mark, Stephanie and Paul . . . all sitting down below; and a very special welcome to Congressman Begich's parents, Mr. and Mrs. John Begich and his sister, Annabelle Brooms—and to Pegge's parents, Mr. and Mrs. Leonard Jendro. Also to Gene Kennedy, who was Congressman Begich's legislative assistant in Congress and before that served with him and minority members in the State legislature. Another special guest here today is Congressman James R. Mann from South Carolina. He was a close friend of Nick's in Washington and I'm very glad that you were here. Congressman . . . you and your

son . . . today for these ceremonies. I would also like to recognize at least one former governor I've spotted so far—former governor Bill Egan and his wife, Neva. . . very glad that you could be here.

Now to bring us the invocation is the Most Reverend Francis Hurley, Archbishop of Anchorage, who has served in Alaska since 1970. Among other duties, the Archbishop is president of the Alaska Catholic Conference, chairman of Region 12 of the National Conference of Catholic Bishops, a light plane pilot of some reknown and a member of the Civil Air Patrol. Archbishop Hurley.

(Archbishop Hurley speaking). Please stand. O, God . . . on occasion your Son went to the mountaintop to be alone with You. Today our thoughts go to the mountaintops for a time of solitude and silence with You. There comes to mind the words that well might be an Alaskan's prayer . . . "Give me men to match my mountains." Today we honor two men whose lives match our mountains, but whose faith in You reaches beyond our highest peaks. As we dedicate these peaks to their earthly memory, may we be reminded of their spiritual lives and draw from their spiritual lives the inspiration to reach the spiritual destiny You have ordained for all of us. Amen.

(Lieutenant Governor Lowell Thomas, Jr., speaking). We're very grateful today that the Commanding Officer of the Alaskan Command could be here . . . General Boswell . . . and want also to thank the Air Force Brass Ensemble, led by Lieutenant Schmidt, for that very fine music as we were all coming in. Also with us is Colonel Pat Whittaker, Director of the Alaska Air Command's Rescue Coordination Center. The Colonel, incidently, was the first person with the first aircraft in the air on that search. Also here is the Alaskan Wing Commander of the Civil Air Patrol . . . Colonel Russ Anderson. He, too, was very active in the search. Between the Air Force and the C.A.P., more than a thousand sorties were flown over a period of thirty-nine days in the most intensive search ever conducted in Alaska. The U.S. Coast Guard, the Army and untold numbers of civilian volunteers also participated. Alaskans, I know, will be proud that two of their mountains will forever more bear the names of Hale Boggs and Nick Begich.

I was not privileged to know Congressman Boggs, but I was fortunate to have known and worked closely with Congressman Begich . . . when we were together in the State Senate. I admired Nick greatly and he inspired all of us with his boundless energy, his enthusiasm for his legislative work and his profound dedication to serving the people of this State. A resolution adopted by the Alaska Legislature in 1973 expresses my sentiments and those of his colleagues at that time. I'll read it in part . . .

"Whereas, Nick's youth, courage, boundless energy and vigorous spirit are qualities which the people of this pioneer state hold dear, and whereas his dedication to public service was of the highest order and his former colleagues, first in the teaching profession and then in the Alaska legislature, will long remember and continue to be inspired by his enthusiasm, his intelligence which culminated in his ability to accomplish so much for so many people in such a short period of time . . . and whereas the esteem and praise of his fellow Congressmen in Washington speak well for Nick Begich and reflect with great credit on the people of Alaska for whom he gave so much, be it resolved that by this resolution the members of the Eighth Alaska Legislature wish to pay tribute to Nick Begich, the man and the inspiration . . . and be it further resolved that this resolution serve as an expression of grief at the passing of Nick Begich and as a token of sympathy for his wife Pegge and their children, and for his parents, Mr. and Mrs. John Begich."

Moise Dennery—next on the program—and Hale Boggs were classmates at Tulane Law School. Moise, with his wife Phyllis had been lifelong friends of Hale and Lindy Boggs. As Hale Boggs was co-author of the first bill providing for the financing of facilities for public broadcasting, known back in the 50's as educational T.V., so Moise Dennery drafted the legislation which established the Louisiana State Authority for Public Broadcasting. He served in the '73 Louisiana Constitutional Convention . . . he was its Secretary at that time and he is presently chairman of the Committee on the Louisiana Constitutional Convention Records. His wife, Phyllis, has been Chairman of the Board of the Public Broadcast Station in New Orleans—and now serves on the National Board for Public Broadcasting. Moise Dennery will speak on the career and public service of Hale Boggs.

(Moise Dennery speaking). Your excellency Governor Thomas, Senator Stevens, Congressman Mann, Mrs. Begich—Lindy, Dr. Frederick, and admirers of Hale Boggs and Nick Begich, Hale Boggs was but three heartbeats away from becoming President of the United States . . . and who knows? He may well have attained that awesomely important office; but he was called to a higher duty by an authority higher even than the voters of our land. Hale truly was a born leader. Not only did he make Phi Beta Kappa at Tulane in New Orleans, not only did he squire and later marry a campus beauty queen—Lindy—but every Friday night he lead his classmates to Tony's—the finest and least expensive beer parlor in all of New Orleans. At Tulane he became editor of the campus newspaper, where he ruled the roost over the Woman's Editor and the Sports Editor . . . that was Lindy and me! The best example of his intelligence and persuasive abilities, however, was his successful courtship of Lindy. The two of them have always worked as a team—both in New Orleans and in Washington.

A few years after graduation, Hale was elected to Congress—upsetting a very well-entrenched political machine in Louisiana. He capped an illustrious, twenty-eight year career as a member of the House during which he served as a member of the Ways and Means Committee for many years, when he was elected the Majority Leader—the highest position ever attained by a Louisianian since our State was admitted to the Union. You in Alaska know the importance of Federal legislation . . . you know how Senator Stevens and Nick Begich have helped your great State through their work in Congress. And you can appreciate how much Hale's presence in Washington benefitted not only Louisiana, but also all of our fifty states. For seventeen years, Hale Boggs was a Member of the House leadership . . . first as Deputy Democratic Whip, then as Whip and finally as Majority Leader.

He was active in the enactment of important national programs concerning all forms of education, health and welfare, full employment, urban affairs, control of drugs, control of crime, the interstate highway system, environmental and ecological protection and his great and longtime interest—foreign trade and commerce. Hale authored or co-authored every piece of reciprocal trade agreement legislation enacted by Congress between 1947 and 1972. As Chairman of the House-Senate Subcommittee on Foreign Economic Policy, he charted the course and scope of our foreign trade policy for many years. His importance as a leader in the field of foreign commerce was recognized in 1957 by New Orleans' own International House—of which Hale was a founding member and first Executive Secretary in 1942, when he was presented the Cunningham Award for his contributions in the fields of foreign trade, peace, and understanding. You know, to be recognized as a prophet with honor in one's own home town is no mean feat.

Always looking ahead—as the Lieutenant Governor has told you—Hale in the 50's co-authored and was successful in having enacted, the Educational Television Facilities Act . . . through which many of our public broadcasting stations, such as your Channel 7, were constructed.

Hale Boggs was a master politician in the highest and best sense of that term. No one surpassed him in the ability to reconcile differences during Floor debate. His fellow Congressmen knew best how far ahead of his time he really was. Hale's friends were legion and we all appreciated that he never lost the common touch despite the high position he had achieved in our government. Here was a man who loved and was proud of his country. The excitement I witnessed, when together we watched our first spaceship land on the moon, was that of a schoolboy. And the pride he expressed in his country's achievements in space and otherwise was almost beyond belief.

My wife and I have been privileged over the years to have been friends with the Boggs family. We are particularly honored to join with you in paying tribute to our friend, a great American, Hale Boggs. Thank you.

(Lieutenant Governor Lowell Thomas, Jr. speaking). Speaking now on the career and public service of Nick Begich, is Margaret Pohjola. Margaret has combined the causes of public education with the vehicle of government. She's head of the English Department at Central Junior High School. She and Carl came to Alaska in 1958. Margaret has been a co-director of the campaigns of both Gene Guess and Nick Begich. She ran Nick's District office. But above all, Margaret was a close friend of Nick's. Margaret . . . (Margaret Pohjola speaking). Thank you, Governor Thomas. Ladies and Gentlemen, Nick Begich was a Minnesotan by birth and an Alaskan by choice. He brought the strength of immigrant parents and a Midwestern background to the land of the last frontier. He was a combination of many positive attributes . . . he had superior intelligence, charm and energy. But, perhaps of more importance, he had the love and compassion for all people. Probably this was what first led him to the career of teaching. He went on to become a counselor, a principal and a very successful school superintendant. He brought creativity and innovation to the field of education. He hit this State like a bolt of lightning.

My husband, Carl, first met Nick at an educational meeting in 1960. Carl came home almost stunned . . . telling me I wouldn't believe the impact of the young man from Fort Richardson, and what marvelous accomplishments he was making. There were those, at first, who feared him. He was making waves, demanding change—saying revolutionary things like: more programs were needed for handicapped children; all children deserve decent books and materials; teachers deserved a living wage. For education, according to Nick, the days of genteel poverty were over. The fear of those few soon turned to admiration . . . but most of us admired him from the beginning.

The careers he chose of education and government were never really separate. As a legislator he did more for education in Alaska than anyone else before or since. He had vision and purpose. He wrote much of our finest educational legislation, including the programs for special education and teachers' retirement—both of which are among the best in the nation. Second only to his wife and children, the highlight of his life was going as Alaska's representative to the Congress of the United States. He often said to us, "Philosophy without office is futility." And one of the happiest times of his life was election night 1970. He loved winning that election. It put him into the position where he had long wanted to be . . . in a power

base where he could accomplish so much for the people of Alaska . . . he wasted no time. From the beginning, as only one of that large body of 435, he was noticed. He was so good at his job that a man of the caliber of Hale Boggs was willing to come all this distance to campaign for him. Congressman Boggs told us about Nick at that last magnificent dinner. Those of you who were in attendance, I think will agree with me, that it was one of the most exciting evenings in Alaska politics. Nick had approached him, he said, "to discuss a 'little' bill." "Oh," said Hale, "How much will it cost?" "Oh, not much," said Nick, "not much—don't worry about it." "Okay, Nick—how much?" "Well, just 962 million dollars." "And can you believe it?" said Hale Boggs, "he got it."

He took the House of Representatives by storm. He accomplished more in his short tenure in Congress than had ever been done before. This was attested to by many of the members who were his colleagues. After his death, Congressman after Congressman spoke about his abilities . . . his supreme talent as a legislator, his hard work, his enthusiasm, his powers of persuasion and his love and understanding of others.

The passage of the Alaska Native Land Claims Bill was so vastly important to this State. Without it, the Alaska Pipeline would never have been built. People had been trying to get that bill through the House for twenty years. Nick did it in less than one. We Alaskans all owe much to Nick Begich. You owe a lot to him if you're a teacher . . . a child . . . a native . . . a Senior citizen . . . a laboring man or woman . . . a business person . . . a homemaker . . . a parent. You owe much to him if you're a citizen of this State and of this country. Public servants of the caliber of Nick and Hale Boggs don't come our way often enough. To me, personally, the memory of Nick has sustained me through the pain of learning of all the corruption and upset that's occurred in the federal government in recent years. Because of my knowledge of Nick's philosophy, behavior and career, the term "politician" remains an honored and respected word in my mind. There may be Nixon-Agnew kinds of people involved in government, but as long as a life of public service can attract a person of the caliber of Nick Begich, I know we'll be alright. His life was so successful . . . he accomplished so much in both of his chosen careers. But really, more importantly he was successful at just living. His family and his friends meant everything to him. He never hesitated to respond to need . . . to reach out and help. For many years, he and Pegge were very close friends of mine and Carl's. Pegge wasn't with us that last evening in Anchorage; but Nick and Carl and I spent several quiet hours together after the dinner and before the tragic flight. I so cherish that memory. We talked together just as friends and . . . and people who cared about each other. We laughed at remembering all the witty, funny remarks Hale Boggs had made in his speech. We talked about our children, our families, our work. We talked about the upcoming election and how we all knew Nick would win it. And we talked about our dreams of the future. It was always fun to be with him, but somehow it seemed special that evening. What I remember most is how happy he was. In his life everything was going well. He thought he had the world's most beautiful and wonderful wife . . . the finest children . . . the closest friends and the best job. He felt he'd managed to do a lot for the people of Alaska and he was confident that they would reelect him. He was a very happy, fulfilled person. If such a tragedy had to occur, it came to him when he was at the zenith. He was a totally happy, fulfilled man. He had chosen education and politics. He was supremely successful at both. He was content. Naming a mountain for him is a fitting tribute. The mountain will always be there as a symbol of his life and accomplishments . . . and he would love it. He would love having a mountain in his Alaska named after him. He would think it was just wonderful. I wish he could know about it. But . . . perhaps he does. Thank you.

(Lieutenant Governor Lowell Thomas, Jr., speaking.) Dr. Frederick is a longtime Alaskan, former professor at A.M.U.—one of our leading historians, too. At present, he serves as the Executive Director of the Alaska Historical Commission. Bob is the one who's responsible for putting together all the pieces of this program this afternoon. I think he's going to tell us about the selection and the naming of these two peaks in the Chugach range. Bob . . .

(Robert A. Frederick speaking). I would like, this afternoon, to review something of the paper trail—not an unfamiliar task and privilege for anyone of us and certainly not for myself. The United States Board on Geographic Names is thus described in its official literature. The United States Board of Geographic Names is a federal body created in 1890 and established in its present form by public law in 1947. Comprised of representatives of several federal agencies, appointed for a two-year term, the Board is authorized to establish and maintain uniform, geographic name usage throughout the federal government. And sharing its responsibilities with the Secretary of Interior, the Board has developed principles, policies and procedures governing the use of both domestic and foreign geographic names, as well as underseas and extra terrestrial feature names. Although established to serve the federal government as a central authority to which all name problems, name inquiries and new name proposals can be directed, the Board also plays a similar role for the general public.

With respect to domestic names, it is the policy of the Board to recognize present-day, local usage or preferences when possible. To implement this policy, there is close cooperation with state geographic boards . . . state and local governments and with the general public. The State of Alaska has, in the Department of Regional and Community Affairs, a state geographic board. The commissioner of that department is its chairman, in this case, Lee McAnerney.

On February the 4th, 1976, Senator Stevens wrote the following letter to Donald Orth:

"Dear Mr. Orth . . . For some time I have thought that it would be appropriate to find a suitable memorial in Alaska to name in honor of Congressmen Nick Begich and Hale Boggs. As you know, the plane in which they were flying from Anchorage to Juneau disappeared on October 16, 1972, and was never found.

In accordance with the Board's regulations, I am submitting with this letter a proposal identifying two peaks which I feel to be suitable for commemorating these two individuals. They are twin peaks located in the Whittier area of Alaska and can be seen by the many people who visit the Portage area each year.

I have also submitted a similar proposal to the Alaska State Geographic Board and I understand that it is your policy to work in cooperation with state boards on these matters.

Your attention to this proposal is greatly appreciated.

With best wishes . . . Cordially . . . Ted Stevens, United States Senator."

A similar letter went to Commissioner McAnerney. Along with those leters and in support of these proposals was a form called a "proposal of name for an unnamed domestic feature". In the case of both of these land forms, they were not named. The first was Boggs Peak . . . latitude 60 degrees, 49 minutes and 27 seconds north; longitude 148 degrees, 49 minutes, 34 seconds west. It's in section 30, township 9, north range 4-East in the Copper River Meridian. And the description extended the features as follows: "This is a mountain peak lying within the Chugach Mountain Range.

It has an altitude of 4,440 feet and is the second highest peak in the surrounding area. It is visible from the end of the road near the Portage Lake. Its location is approximately six miles northwest of Whittier, four and one-half miles north of Portage Lake. And the certification of the peak is unnamed."

Now, you have in your program a biography of both of the men who are being honored today . . . and forever. And it is those words . . . those words are the words which comprise the sketch which Senator Stevens enclosed on this form . . . as justification for the naming. Begich Peak . . . 60 degrees, 49 minutes, 27 seconds north, longitude 148 degrees . . . 49 minutes and 34 seconds west. Again, in the same location in the Copper River Meridian. This is a mountain peak lying within the Chugach Mountain Range. It has an altitude of 4,545 feet and is the highest peak in the surrounding area. It is visible from the end of the road near Portage Lake. It's approximately six miles northeast of Whittier and three miles north of Portage Lake.

Then Senator Stevens addressed his colleagues in the Senate and the following was moved upon, signed by each Senator and the letter reads as follows: (dated May 14, 1976) . . . it's addressed to Donald Orth, Executive Secretary, Domestic Geographic Names, U.S. Board on Geographic Names, the National Center Stop at Reston, Virginia.

"Dear Mr. Orth . . . This is a letter in support of the proposal currently pending before the Board of Geographic Names to name two mountain peaks in the Chugach Mountain Range in Alaska in honor of the late Congressmen Hale Boggs and Nick Begich.

We wholeheartedly support the naming of the landscape features as fitting monuments for commemorating two beloved public statesmen. We urge the Board to give favorable consideration to this proposal so that these two mountain peaks can take new identity . . . new identity as lasting tributes to two men who did so very much in public service for their nation."

And I would like to read the names of those who signed this letter: Henry Bellmon, Lloyd Bentsen, Clifford Case, Frank Church, Alan Cranston, James Eastland, Hiram Fong, Mike Gravel, Clifford Hansen, Vance Hartke, Ernest Hollings, Roman Hruska, Hubert Humphrey, Jacob Javits, J. Bennett Johnston, Warren Magnuson, Gale McGee, George McGovern, Thomas McIntyre, Walter Mondale, Robert Morgan, Bob Packwood, William Proxmire, Hugh Scott, John Sparkman and Ted Stevens.

On April 7, 1976 Lee McAnerney indicated to Donald Orth that she had polled the State Geographic Board of the State of Alaska and that the majority had recommended that this action be done. In July . . . July 12 of 1976, Donald Orth sent a memorandum to the Assistant Secretary of the Interior on Energy and Minerals . . . the subject was approval of three names in Alaska and Colorado. (And because we have so much in common with Alaska, it seems to be that whenever I meet anyone up here in Alaska who's come from Colorado, I wonder why they have . . . because Colorado's such a great state! I think Alaskans have a great affinity for Coloradoans.) I would read this notice . . . this memorandum to the Assistant Secretary from Mr. Orth:

"At its 331st meeting, on July 8, 1976, the Domestic Names Committee of the Board of Geographic Names approved a proposal for the Alaska Congressional delegation, supported by both Houses of Congress to name two, unnamed features in Alaska for Congressmen Thomas Hale Boggs, Louisiana and Nick Begich, Alaska . . . who disappeared on a flight from Anchorage to Juneau, Alaska in 1972. The Committee also approved the

proposal from Governor Richard D. Lamb of Colorado and the Colorado Centennial-Bicentennial Commission to change the name of Banded Mountain in Montezuma County, Colorado to Centennial Peak in honor of Colorado's Centennial. The three proposals seems to be noncontroversial, having widespread and bipartisan support. Because of the Congressional and press interest in the Alaska proposals and because the State of Colorado is planning dedication ceremonies associated with the Centennial—naming early in August—we are now forwarding herewith, the three decision entries of your review and concurrence in advance of the complete list of names considered at that meeting."

Three days later, on July 15th, the following letter was addressed to Senator Stevens from Donald Orth:

"Dear Senator Stevens . . . I am happy to tell you that the U.S. Board of Geographic Names cojointly with the Secretary of the Interior approved the proposals to name mountain peaks in the Chugach Mountains of Alaska for Congressman Nicholas Begich and Thomas Hale Boggs . . . who disappeared on an airplane flight from Anchorage to Juneau in 1972. These two decisions will be published in the decision list—7603—and the entries will read as follows: Begich Peak—elevation 1,385 meters, 4,545 feet in the Chugach Mountains—9.7 kilometers, 6 miles northwest of Whittier-named proposed in 1976 by Senator Stevens to commemorate Alaska Congressman Nicholas Begich, (1932–1972) who along with Congressman Thomas tude.) Boggs Peak . . . elevation 1,353 meduring an airplane flight from Anchorage to Juneau, Alaska. (And then follows the section description and the longitude and latitude.) Boggs Peak . . . elevation 1, 353 meters—4,400 feet in the Chugach Mountain Range; 9.7 kilometers or six miles northwest of Whittier; named proposed in 1976 by Senator Stevens with a similar following. A copy of this letter is being sent to all members of Congress who directly supported the name proposals, either by petition or resolution. Sincerely yours, Donald Orth, Executive Secretary—Domestic Geographic Names."

Thus, the paper trail and now . . . the reality for which each of us is so very grateful. The reality of the lives of two men, their importance and impress upon the hearts and the minds of each Alaskan who ever knew them and the reality of a memorial forever in their behalf . . . in their memory of proud service to the public trust and the public interest.

(Lieutenant Governor Lowell Thomas, Jr. speaking). Thank you, Bob. U.S. Senator Ted Stevens has made a special trip up from Washington, as has Congresswoman Lindy Boggs to be with us today. The Senator will speak on the significance of this commemoration. Senator Stevens, for those who might not be aware, is Alaska's Senior Senator . . . serving in that body with great distinction now for almost ten years. He recently was elected Minority Whip by his Republican colleagues. The Senator's career includes earlier service as Majority Leader in the Alaska House of Representatives. Senator Ted Stevens . . .

(Senator speaking). Lindy, it's nice to be here with you today . . . and with Pegge and your families. (And I've got a little cold, so I hope you don't mind . . .)

It's been five long years since Nick and Hale were lost. And this is really not a memorial service . . . their spirits were memorialized and their legacies live on with us. Nick's in the work that he did in the State Legislature and in the Congress as you so well pointed out . . . particularly in the Alaskan Native Land Claims Settlement Act. Hales' legislative legacy is carried forward through the continued efforts of Lindy. who has all our love and admiration in the U.S. House of Representatives.

Some people have said, "Why . . . why you?" Why did I make this suggestion? Well . . . my life with Nick was an interesting one in the State Legislature, and as I remarked to Pegge last night . . . we flew back to Washington after one of these quick weekends (the weekend before Hale and Nick flew back up). I actually served once as his attorney when his right to serve in the State Legislature and be a teacher was challenged. (I lost that case, too, as you recall).

Hale and Lindy shared a very special part of my life . . . and most people here in Alaska don't know that, Lindy. After leaving law school for a short while, I was in Washington, D.C. And while I was there I dated Hale's secretary . . . and through her I met Hale and Lindy. But it wasn't a storybook conclusion, as you know . . . I married Ann . . . Hale's secretary didn't become my wife, but the friendship that I had with Hale's family at that time continues to this day.

I felt all Alaskans were profoundly affected by the loss of Nick and Hale, and that it was appropriate that a fitting monument be found to hono· their memory. And we faced questions . . . what would be a fitting monument to these men who lived so far apart and yet thought enough alike to work together and to campaign together? And what would really be a lasting tribute to their memory?

Hale Boggs, as you've heard, was Majority Leader. Alaskans will remember him as a staunch supporter of Alaska statehood. Nick Begich had been dedicated to improving the life of Alaskans. And both were running in the tradition of Alaskan politics. They played knowingly, the Russian roulette of airborne campaigning in our State. And they paid a terrible price for their commitment to reach out to each of our voters, personally and physically.

And . . . politicians fade so quickly from the scene. We felt that Nick and Hale should not. Their lives and their deaths had meaning. As a friend and as a pilot, I felt Alaska possessed fitting monuments for each.

There's an old Dutch proverb which says: "Mountains live longer than kings". Mountains are permanent monuments to God's majesty. To Alaskans, mountains inspire a very special reverence, I feel. They are truly the walls of our natural cathedral. And as a pilot, I think . . . to pilots mountains inspire a special respect . . . an awesome, often fatal challenge. The names of those mountains appear on aeronautical charts and on maps for those who want to look at them. So, our goal was to find twin mountains . . . with permanent meaning and with purpose.

Those are mountains which I felt Nick and Hale must have flown over in their last hours. Twin mountains which could permanently remind us of the way in which Nick and Hale lived and died together. You've heard the description of the peaks . . . they stand in the Chugach Mountains, near the Portage Glacier. Mount Begich and Mount Boggs will stand for the dedication and the service of these elected officials who recognized their responsibility to conserve and wisely use our natural resources and their duty to communicate directly and personally with their mutual constituents.

To pilots, Mount Begich and Mount Boggs will also serve as the reminder of the total, moral responsibility that is ours . . . causing all of us, I hope, to reflect before take-off on the fact that we are all humans, who are fallible and must, at times, bow before the overwhelming hazards of nature.

I hope that today's special for you, Lindy and for Pegge . . . and for your families, as I said. And particularly for your children . . . because I can think of no better reminder to them as they grow up, of the high regard that we all have for the work that Nick and Hale did for us and for all Americans. Thank you very much.

(Lieutenant Governor Lowell Thomas, Jr., speaking). Thank you very much, Ted. I, for one, am certainly glad to know how this really all started and came about. Congresswoman Lindy Boggs has compiled an impressive record of activism in behalf of civic and political causes—going back many, many years. She has given her energies, intelligence and talents to causes and candidates at local, state and national levels . . . recently working for the present President's election, in the true American spirit of volunteerism. Following the disappearance of her husband, she ran for his vacant seat—the second Congressional District of Louisiana—and since then she has won reelection by wide margins every time. In July 1976 Lindy Boggs served as Chairwoman of the Democratic National Convention in New York . . . the first woman ever to chair such a national political convention. At present she is a member of the House Appropriations Committee and her Subcommittee assignments include: Housing and Urban Development and Public Works. Congresswoman Lindy Boggs . . .

(Lindy Boggs speaking). Thank you so much . . . thank you so very much. Your excellency . . . Governor Thomas . . . Senator Stevens . . . my colleague, Jim Mann . . . Pegge and all of your family, the Begich's and the Jendro's . . . Governor Egan and Mrs. Egan . . . General Boswell . . . Dr. Frederick . . . Moise and Phyllis Dennery . . . and my good friend, Elizabeth Coulon who helped us through so many of those early years in Washington and who flew to Alaska to be with us today. For our personal family, for Barbara and Paul Sigmund, for Tom and Barbara Boggs, for Corinne and Steven Roberts and for Hale and Elizabeth and Douglas and for Paul and David and Steven and for Rebecca and Lee . . . our personal family. For the Speaker of the House, Speaker O'Neill and the Members of the House . . . for Governor Edwards and the citizens of Louisiana, Hale's extended families . . . I thank you so very much.

I thank you for this most meaningful commemorative service . . . for the prayers. Hale's sustaining nourishment all through his life. For the exquisite music, of the ensemble and the madrigal singers . . . which he loved so much. For this building, dedicated to two of his best friends . . . for the tributes by his beloved friend of longstanding . . . Moise Dennery . . . for the graciousness of Governor Thomas . . . for the paper road that the great historian, Dr. Frederick took us through . . . and to Ted Stevens, not only for the beautiful tribute today . . . but. Ted, heavens' sakes . . . How did you ever find a political thing that Hale could be noncontroversial about?

Hale would be very pleased that Ted Stevens and Mike Gravel and Don Young—the Alaskan Delegation—made up of Democrats and Republicans, had brought about this great day. Because he believed strongly in the bi-partisan system and he loved to say that you could disagree without being disagreeable for the good of this nation. I'm thankful, too, for the participation of the military and the C.A.P. I'm very thankful for the intimate representation here today by Colonel Whittaker and Colonel Anderson, who were with Pegge and me and our families through those long, long days and nights. And I'm grateful for the military participation, not only because of the most heartful and the longest search in Alaskan history, but because Hale believes so strongly that we must have a strong military defense not only for the good of our nation but for the promotion of peace in this world.

A mountain . . . in Alaska named "Boggs" . . . a tingle of excitement rings in those words. An enduring monument raised out of the turmoil of the earth into a peak of majesty and of praise to its creator. And, in Alaska, a state in which he had great pride and for whose people he held such high hopes. During one of the two occasions in which Hale was hospitalized during his life,

he arose from his sickbed to go down to vote for Alaskan statehood. And he spent his last days on this earth backing a young, Alaskan leader who had tremendous leadership potential for Alaska and the nation's future. In this morning's service at the cathedral, the entrance song appropriately proclaimed, "God's holy mountain we ascend where truth and love together blend". Hale understood that the ascent to that blending could only be achieved through the promotion of justice in our own laws and in our relationships with other nations.

He knew that God must be served through service to one's fellow man. And so there are monuments everywhere to his work, for better housing, for a clean, safe environment balancing the needs of a growing nation . . . its energy resources and its industrial capacity; with the protection of the physical environment and the preservation of the built environment. Monuments for education and communication, for the respect for the dignity of every human being . . . but only here in Alaska is this exciting monument to his great spirit . . . to his love of adventure . . . his promotion of science and technology to stretch our knowledge of the universe and to expand the horizons of a better way of life for all of those of us on this planet, Earth . . . so small and blue and beautiful in that infinite silence. Truth and love have blended here today . . . in this beauty of your tribute and Hale's family and mine, our children, our grandchildren and their progeny shall be eternally grateful.

(Lieutenant Governor Thomas speaking). Thank you, Mrs. Boggs. We've received a flurry of telegrams from friends and legislative colleagues of the Congressmen, sending best wishes to the families and regrets at not being able to attend. There isn't time to read all of them. I thought I might read three, but I think I'll boil that down to just one. The other two that I'll skip over for the moment are from our Congressman Don Young, who sends a special salute to you and expresses how much he enjoys working with you in the House of Representatives, Congressman Boggs . . . and the other from our junior Senator, Mike Gravel, who also sends a very gracious telegram . . . all of these telegrams will be given to you folks. I'd like to just read the telegram, then, that has come in from the Vice President, Walter Mondale . . .

"Dear Pegge and Lindy . . . I'm sorry that I cannot join you in Anchorage on Sunday for the dedication ceremony. Having first met Nick Begich more than twenty years ago, I know that he was a brave and tireless, public servant who inspired many in his home state of Minnesota as well as in his adopted state of Alaska. Having served with Hale Boggs and having observed his remarkable leadership, I know that he will always be remembered as one of the finest people ever to serve in the Congress of the United States. Because of the special qualities exemplified by Nick and Hale in their public careers, it's particularly appropriate that they should be honored in this way with unique and lasting memorials. My very best wishes to you, your families and to all who gather for this special occasion. Sincerely, Walter F. Mondale."

Netx on our program is a young man who has let no grass grow under his feet and I'm sure his daddy would have been very proud of him . . . Nick Begich, Jr. At eighteen years of age he already is a business man, having graduated from Bartlett-Begich High School. He's self-employed as a diamond and gold broker . . . has been for two-and-a-half years. He also, at eighteen, is a married man of two-and-a-half years and soon to be a father. His lovely wife, Star, I hope is here somewhere (there she is) today . . . and as I say I'm sure that his father would have been extremely proud of the rapid pace that he is setting as he begins to carve out his career. I indicated last night to Nick and I hoped he would be able, once his married obligations are a little bit less pressing, to lead the first climb of these two mountains in the Chugach Range . . . because if he doesn't go pretty soon, I have a hunch that some of our many climbers here in Anchorage will try to be the first to set foot on it. So be it. At any rate, Nick will give the response for his entire family . . .

(Nick Begich, Jr. speaking). Before I begin, I'd like to thank Senator Stevens and all the Congressmen and Senators that have allowed this dedication to take place * * * and our family wishes just to express our appreciation for this.

My friends, this tribute to two, great men is indeed a meaningful event in my life, as well as the life of my family. It is an honor to have this opportunity to speak on behalf of myself and my family. During the time my father served in Congress the four of us older children began to learn and appreciate our father, as a person and an individual. As children, my brothers and sisters as well as myself, had not been able to fully understand our father and the way he thought. However, in these years after his disappearance, we have learned of his strength and abilities * * * we have all tried to follow his example as a person of many accomplishments. I assure you that this is no easy task. Perhaps, even an impossible one. I would like to say further that my mother was the hidden strength behind my father. He loved her as much as any man could love. What he did in his life he did for her, we children and his state. My mother, a woman of integrity, stamina and love deserves a special place in the hearts of all of us.

In these last five years many things have changed in our State * * * the things my father spent so much time working on * * * advances in education, native land claims and our pipeline have all become realities. With them, have come great pride and wealth to us all. There is nothing that would have pleased my father and Congressman Boggs more than the naming of two of Alaska's most beautiful mountains for them. These mountains represent beauty, strength and Alaska itself * * * are a symbol of my father and his character. We do not wish this ceremony to be a last time of reflection on my father; but a time to remember that in our lives and future there were and are dedicated men in political office. Let us keep this thought in mind as we look further * * * as this man has not passed on * * * for he lives in his ideals through us all. There are many people that have helped my family * * * through various hardships * * * and we thank you all. There is one man, in particular, that has been with us and whose loyalty and friendship have been so reassuring for many, many years. We wish to thank this man * * * Mr. Gene Kennedy * * * a good man, an honest man. I would like to applaud Gene Kennedy for his love for all of us.

(Lieutenant Governor Thomas speaking). Thank you, Nick * * * very nice and extremely well done. The next person to speak on the program * * * I've been sitting by him for the last hour and am reminded of the times that he and I, with your father, Nick, used to sit early in the morning in Juneau in our committee room (we happen to be on the Health, Education and Social Services Committee for at least two, maybe three years) and many, many bills we passed out * * * as I recall mostly they were Begich bills but there were an awful lot of Josephson bills, too. In fact, if I might just say * * * your dad was so prolific at introducing bills that at one point I was prompted to introduce a bill of my own that limit the number of bills that any legislator could introduce.

The next speaker is well known here in Anchorage and throughout the State . . . he's one of our leading attorneys; also contributes to our local newspapers frequently with some very pungent articles . . . he was a legislator along with . . . well . . . your father, as I mentioned, serving in first the House then the Senate for a total of eight years. During his last term he was chosen Minority Leader in the Senate. More recently, Joe Josephson was co-chairman of the Federal-State Land Use Planning Commission . . . a most important body as we know, these days. He will address the plan to establish a viewpoint of the commemoration peaks . . . Joe . . .

(Joe Josephson speaking). This is an important occasion for me and a very happy one because Ted Stevens takes the blame for losing the Begich case in the Supreme Court of Alaska . . . which I thought was my responsibility. Lieutenant Governor Thomas mentioned the Federal-State Land Use Planning Commission . . . and I suppose it's fortuitous in another way that the ceremony today and the designation of Mount Boggs and Mount Begich is an occasion for federal-state cooperation. The State of Alaska and the United States Forest Service plan to construct several viewpoints of Mount Boggs and Mount Begich during the next several years; so that these mountains will be more accessible to interested viewers. And this afternoon we have slides to show you which were taken by naturalist photographer, George Herben of Anchorage . . . and which were taken from Civil Air Patrol aircraft; and present views of the mountains. If we could have the slides, now . . . thank you.

Looking at those pictures and seeing the impressive views that come from various perspectives . . . various distances; it occurred to me that the time that has elapsed since October 16, 1972 has not detracted a wit from our respect for Nick Begich and Congressman Hale Boggs. Time adds luster because with the changing perspectives and the changing distances we have a better perspective, perhaps, to judge their achievements. And, now, so that we may all review and see the plaque which will be presented by the Alaska Division of Parks . . . I would like to ask Colonel Russell Anderson to escort Congresswoman Boggs and Mrs. Begich to the plaque. Colonel Anderson . . .

The plaque contains actual replicas of the two mountains, Mount Boggs and Mount Begich. And I will read the plaque . . . The plaque reads . . . "The nation and the people of Alaska have designated these two peaks in the Chugach Mountains as visible symbols of their gratitude for the enduring contributions to the common good by two, distinguished members of the Congress of the United States. Mount Boggs, elevation 4,440 feet honors the memory and public service of Hale Boggs (1914–1972), lawyer . . . Representative over 27 years for Louisiana's second district, rising to House Majority Leader in 1971.

Mount Begich, elevation 4,545 feet honors the memory and public service of Nicholas Begich (1932–1972), educator and State Senator . . . elected to the U.S. House in 1970, he served in the 92nd Congress as Alaska's lone representative. On October 16, 1972 Majority Leader Boggs, Representative Begich and his assistant, Russell L. Brown and Fairbanks pilot, Don E. Johns departed Anchorage in a light plane bound for Juneau. The aircraft never reached its destination. A search of thirty-nine days and 325,000 square miles by the United States Air Force and units of the Civil Air Patrol failed to locate the Cessna 310 or its passengers. Dedication and commemoration October 9, 1977.

(Lieutenant Governor Thomas speaking). As a pilot, I probably would have gone down in flames a little while ago because I missed my check list as I jumped over the tele-

grams . . . I failed to note a red-penciled note that I was to convey a special message to all of you from Governor Jay Hammond . . . especially to Congresswoman Lindy Boggs and the Begich family. The Governor, I think you all know, unfortunately had to be away leading a trade mission to Denmark, where he is today. And he sent through me, personally, his very best wishes to you and his deep regrets at not being able to be on hand today.

I know I speak for all of us in thanking the Boggs and Begich families, relatives and friends for sharing this historic moment with us . . . and in expressing appreciation to those who have participated and assisted from the very inception of the idea right on to this moment. A special word of thanks to Bob Frederick for putting all of this together, to the Singers, to the Air Force . . . and a reminder that a reception will be held immediately after the services in what is known as "The Main Place" . . . I think you go out the door and there'll be a sign . . . (I'm not sure which way to go myself).

Now, as sort of the closing of the ceremony . . . the official part . . . I think it's probably within my jurisdiction or whatever you call it to pronounce the completion of the dedication of Mount Boggs and Mount Begich. And so, the final act on my part, will be to call once more upon Archbishop Francis Hurley to give us the benediction.

O, God . . . two of your sons have gone to the mountaintop to be with You, alone. Whenever we come within the aura of those mountains may we be inspired by their memory. And as you bless them with a love of their fellow men and a love of You, so, too . . . bless us. In the name of the Father and of the Son and of the Holy Spirit.

UGANDA EMBARGO POINTS OUT NEED FOR MORE FUNDAMENTAL STATEMENT AGAINST GENOCIDE

Mr. PROXMIRE. Mr. President, last Friday, this body left no doubt as to where it stands in the area of human rights. By a vote of 73 to 1, the Senate adopted a proposal that calls for an economic embargo against Uganda until the President determines that that country no longer engages in a "consistent pattern of gross violations of human rights."

I am very proud that my colleagues saw fit to pass this very powerful measure. It reflects, I believe, a sense of moral duty and courage of which I hope to see more in this Chamber.

Although many of my colleagues were reluctant to abandon the so-called two-track philosophy of our foreign policy which tries to keep economics and politics separate. I think they ultimately concluded that the case of Uganda is an unusual one, demanding unsual measures. Through his actions, Idi Amin has forfeited his government's right to membership in the community of civilized nations. He has also forfeited, by extension, his government's right to participate in the free trade of those nations.

Given this state of affairs, I would urge that the Senate hold to its convictions in the conference committee on the International Monetary Fund bill to which the embargo is amended, and insure that the provisions for the embargo are neither weakened nor dropped.

Looking beyond, I would hope that this Nation would aggressively apply the embargo until Idi Amin's reign of terror has completely stopped.

But while standing firm on our intention to end the gruesome situation in Uganda, it is also important that we pledge ourselves against genocide in a more basic way.

Mr. President, I am of course referring to ratification of the Genocide Convention, an act that would go a long way in elevating the moral stature of this country.

For 30 years, this body has failed to endorse this important human rights document, a fact that many countries have exploited to our great diplomatic embarrassment. Until we join the 83 other nations that have already affixed their names to the treaty, we cannot truly claim to have a consistent foreign policy in the area of human rights.

While the embargo against Uganda promises to be a highly effective vehicle for registering our revulsion at genocide in that land, it is necessarily a solitary expression of outrage rather than a fundamental statement of principles that can guide our foreign policy in years to come.

Moreover, the embargo constitutes a unilateral gesture that carries far less impact than would similar censure and sanctions if executed by the world community as a whole.

Mr. President, the Genocide Convention could remedy these deficiencies. By committing the United States to the definition and punishment of the crime of genocide under international law, the convention could serve as a comprehensive guide to action in approaching all future cases of genocide.

And by adding our name to the list of signatories to the convention, we can lend power and prestige to any multinational action that might be taken against an individual or institutional human rights offender. There is no question that our endorsement of the treaty could provide a strong moral and legal foundation on which to base such action.

In short, ratification of the Genocide Convention will greatly strengthen the development of international law in this crucial area of human rights. As we all know, the development of international law is a slow and tedious process, requiring the concurrence of all the major powers. Our inaction has, I am afraid, significantly thwarted the elaboration of these fundamental moral principles.

Can we afford to continue to impede effective multinational collaboration in the outlawry of genocide?I think not. It is time for us to affirm our membership in the community of nations. It is time for us to lend some consistency to our human rights efforts. It is time for us to ratify the Genocide Convention.

Mr. President, I yield the floor.

DEATH OF RICHARD D. OBENSHAIN

Mr. HARRY F. BYRD, JR. Mr. President, today Virginia is grieving the tragic death of Richard Obenshain. Mr. Obenshain was killed last evening in a plane crash in Chesterfield County, just outside of the city of Richmond.

Richard Obenshain was the Republican nominee for the U.S. Senate. He was chosen in convention this past June.

I think one can accurately say that, regardless of political party, the people of Virginia today are distressed and grieved at this tragic loss.

Richard Obenshain had an unusual feel for politics. He was a man of the highest integrity. He had strong convictions. He had the courage to express those convictions. He was a man of high ability, and one whom I feel had a good future. His loss will be keenly felt by all Virginians. He had much to offer his State and Nation, and he was the type of individual who is needed in public service today.

I mourn his tragic death, and I extend heartfelt sympathy to his wife and to his family.

DEATH OF RICHARD D. OBENSHAIN

Mr. HATCH. Mr. President, I refer to the passing of Richard Obenshain, who was a great friend of mine.

I would like to associate myself with the remarks of the distinguished Senator from Virginia. I believe it shows his wonderful and magnanimous nature in not only recognizing the fine man that Dick Obenshain was, but indicating that he is exactly the type of person who literally should be in public service. I appreciate the remarks of the distinguished Senator from Virginia.

He is my friend and I can see that he was also a friend of Richard Obenshain.

I would like to add that Dick Obenshain was one of the nicest people I have ever met. He was moral, decent, honest, aggressive, intelligent, and, above all he was a good family man.

His lovely wife is likewise a very beautiful and wonderful person.

I want to express my deep sense of bereavement and sadness that this wonderful public servant, who has given a lot to the people of Virginia and who would have given much more as United States Senator, has passed on in such a tragic way.

I first received notice of Dick's death at 2:30 this morning when some friends called me to confirm that this is what had happened. I cannot begin to say the anguish in my soul at that time at the loss of this very wonderful man.

I do express, with my deepest sense of feeling, the sorrow that I have for his passing. I certainly extend my deep-felt sympathies to his wife, his friends, and his family.

I thank the Chair.

Mr. HARRY F. BYRD, JR. Mr. President, in behalf of the people of Virginia, I thank the distinguished Senator from Utah for his kind words.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

RECESS UNTIL 1:55 P.M.

Mr. PROXMIRE. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 1:55 p.m.

The motion was agreed to and, at 1:30 p.m., the Senate recessed until 1:55 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HARRY F. BYRD, JR.).

GUAM CONSTRUCTION AUTHORIZATIONS

Mr. HANSEN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2821.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2821) entitled "An Act to authorize $8,868,000 for grants to the government of Guam for construction of public facilities, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause and insert:

GUAM

SECTION 1. (a)(1) For grants to the government of Guam for the rehabilitation, upgrading, and construction of public facilities, there is hereby authorized to be appropriated to the Secretary of the Interior (hereinafter in this Act referred to as the Secretary) $13,868,000 for fiscal year 1979, and $9,900,000 annually for fiscal years 1980, 1981, 1982, and 1983 (October 1978 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved.

(2) The Secretary may place such stipulations as he deems appropriate on the use of funds appropriated pursuant to subsection (a)(1) hereof, which are not inconsistent with any stipulations placed on the use of such sums by any other Act of Congress.

(3) Grants provided pursuant to this Act and not obligated or expended by the government of Guam during any fiscal year will remain available for obligation or expenditure by such government in subsequent fiscal years for the purposes for which the funds were appropriated.

(4) Funds provided under paragraph (a)(1) may be used by Guam as the matching share for Federal programs and services.

(5) Authorizations of moneys to be appropriated under this subsection shall be effective on October 1, 1978.

(b) The government of Guam in carrying out the purposes of this Act or Pubic Law 95–134, may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Such amounts may be credited to the appropriation or fund which provided the services and facilities.

(c) Section 30 of the Organic Act of Guam (64 Stat. 384, as amended, 48 U.S.C. 1421h), is amended by adding at the end thereof the following: "Beginning as soon as the Legislature of Guam enacts legislation establishing a fiscal year commencing on October 1 and ending on September 30, and annually thereafter for five succeeding fiscal years, the foregoing sums shall be covered into the treasury of Guam on the basis of the total amount of such duties, taxes, and fees as the Governor of Guam, with the concurrence of the government comptroller of Guam, estimates will be collected in or derived from Guam during the fiscal year beginning on the following day. As soon as practicable after the close of each fiscal year, the Secretary of the Treasury shall determine the total amount of such duties, taxes, and fees that were actually collected in or derived from Guam during such fiscal year. If the amount covered into the treasury of Guam pursuant to the estimate exceeds the actual amount determined by the Secretary of the Treasury, then such excess amount shall be deducted from the amount next covered into the treasury of Guam pursuant to this section. If the amount covered into the treasury of Guam pursuant to the estimate is less than the actual amount so determined, then the Secretary of the Treasury shall as soon as practicable transfer the difference to the treasury of Guam.".

(d) Section 205 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95–134) is amended by striking out "$25,000,000: *Provided*" and inserting in lieu thereof "$35,000,000: *Provided*, That $10,000,000 of such sum is not authorized to be appropriated prior to October 1, 1978. Health care needs shall include goods and services provided to maintain and operate the Medical Center of the Marianas: *Provided further*".

TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 2. (a) There is hereby authorized to be appropriated $15,000,000 for the Bikini people evacuated from Bikini Atoll, Trust Territory of the Pacific Islands, as a result of United States nuclear tests commencing in 1946, and their descendants. Of this $15,000,000:

(1) $12,000,000 is authorized for the relocation and resettlement of the Bikini people within the Marshall Islands; and

(2) to compensate the Bikini people for the radiological damage inflicted on their atoll:

ten percent of said $15,000,000 is authorized to be distributed as ex gratia payments to such individuals and in such a manner as the Secretary may determine, and

an additional 10 percent ex gratia of said $15,000,000 shall be held in trust pursuant to the trust agreement established by Public Law 94–34, with the proceeds to be distributed in accordance with the provisions thereof.

(b) None of the funds authorized pursuant to subsection (a)(2) above shall be available for payment of any attorneys fees or associated expenses, but there are authorized to be appropriated to the Secretary of the Interior such additional sums as he may find to be necessary to satisfy any claim for services rendered in connection with such ex gratia payments. Any claim for compensation under this clause must be filed with the Secretary within one year from the approval date of the ex gratia payment or shall be forever barred.

No claim for payment under subsection (a)(2) shall be allowed if the claimant has otherwise been compensated or in any way reimbursed for the services rendered or if the service was intended to be a voluntary public service and the decision of the Secretary with respect to the reasonableness of the claim and all findings and conclusions shall be final.

Authorizations of moneys to be appropriated under this section shall be effective on October 1, 1978.

NORTHERN MARIANA ISLANDS

SEC. 3. (a) There is hereby authorized to be appropriated for expenditure after October 1, 1978, not more than $12,000.000 (October 1978 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved, to assist in the acquisition and construction of a powerplant for the Northern Mariana Islands together with upgrading, rehabilitation, or replacement of distribution facilities.

(b)(1) The government of the Northern Marianas in carrying out the purposes of this Act, Public Law 95–134 or Public Law 94–241, may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Such amounts may be credited to the appropriation or fund which provided the services and facilities.

(2) Any funds made available to the Northern Mariana Islands under grant-in-aid programs by section 502 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (Public Law 94–241) or pursuant to any other Act of Congress enacted after March 24, 1976, are hereby authorized to remain available until expended.

(3) Any amount authorized by the Covenant described in paragraph (2), or by any other Act of Congress enacted after March 24, 1976, which authorizes appropriations for the Northern Mariana Islands, but not appropriated for a fiscal year is authorized to be available for appropriation in succeeding fiscal years.

(c) Notwithstanding the provisions of the Food Stamp Act of 1977, the Governor of the Northern Mariana Islands may (1) request that the Secretary of Agriculture implement a food stamp program in all or some of the Northern Mariana Islands subject to the same income standards of eligibility, deductions, and allotment of values as are applicable to Guam or, (2) acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the Constitution of the Northern Mariana Islands and for the period during which such legislation is effective, request that the Secretary of Agriculture (A) implement a food stamp program in all or some of the Northern Mariana Islands with such income standards of eligibility, deductions, and allotment values as the Secretary determines to be suited to the economic and social circumstances of such islands: *Provided*, That in no event shall such standards or values exceed those in the forty-eight contiguous States or be less than those requested by the Governor and/or (B) distribute or permit distribution in all or some of such islands of federally donated foods. This authority shall remain in effect through September 30, 1981, and shall not apply to section 403 of Public Law 95–135.

(d) The Secretary of the Treasury is authorized and directed, upon the request of the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, to detail to the Northern Mariana Islands such employees of the Internal Revenue Service as may be required, without reimbursement or other cost to the government of the Northern Mariana Islands, to administer and enforce the provisions of section 601, 603, or 604 of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (Public Law 94–241; 90 Stat. 263, 269) and in order to administer and enforce the collection of any payroll tax or other tax measured by income that may be in force in the Northern Mariana Islands pursuant to section 602 of such Covenant. This authority shall continue until such time as the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, requests the Secretary of the Treasury to discontinue the administration and enforcement of such taxes. The administration and enforcement of such taxes by the government of the Northern Mariana Islands

shall begin on January 1 of the year following the year in which such Northern Mariana Islands law is enacted.

VIRGIN ISLANDS

SEC. 4. (a) There is hereby authorized to be appropriated to the Secretary the sum of $1,000,000 for each of the five fiscal years beginning with fiscal year 1979, to be paid to the government of the Virgin Islands for the purpose of promoting economic development in the Virgin Islands. The Secretary shall by regulation prescribe the types of programs for which such sums may be used.

(b)(1) There is authorized to be appropriated for construction of hospital facilities in the Virgin Islands not more than $4,000,000 in fiscal year 1979, and $12,000,000 annually for fiscal years 1980, 1981, 1982, and 1983 (October 1978 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved.

(2) Grants provided pursuant to this section and not obligated or expended by the government of the Virgin Islands during any fiscal year will remain available for obligation or expenditure by such government in subsequent fiscal years for the purposes for which the funds were appropriated.

(3) Funds provided under paragraph (b)(1) may be used by the Virgin Islands as the matching share for Federal programs and services.

(4) Authorizations of moneys to be appropriated under this subsection shall be effective on October 1, 1978.

(c)(1) Section 9(c) of the Revised Organic Act of the Virgin Islands is amended by deleting the period at the end thereof and inserting "or such other date as the Legislature of the Virgin Islands may determine."

(2) Section 28(b) of the Revised Organic Act of the Virgin Islands is amended to read as follows:

"(b) Subparagraph (A) of section 7652(b)(3) of the Act of August 16, 1954 (68A Stat. 3) is amended to read as follows:

"'(A) Beginning as soon as the Legislature of the Virgin Islands establishes a fiscal year commencing on October 1 and ending on September 30 and annually thereafter for five succeeding fiscal years, there shall be transferred and paid over to the government of the Virgin Islands from the amounts so determined a sum equal to the total amount of revenue estimated to be collected in the fiscal year commencing the following day, such estimate to be made by the Governor of the Virgin Islands, with the concurrence of the government comptroller of the Virgin Islands. The moneys so transferred and paid over shall constitute a separate fund in the treasury of the Virgin Islands and may be expended as provided by the laws of the Virgin Islands for the expenditure of funds generally. As soon as practicable at the close of each fiscal year, the government comptroller of the Virgin Islands shall certify the total amount of revenue actually collected by the government of the Virgin Islands during such fiscal year. If the amount transferred and paid over pursuant to the estimate exceeds such actual collections, then such excess amount shall be deducted from the amount next transferred and paid over pursuant to the first sentence hereof. If the amount transferred and paid over pursuant to the estimate is less than such annual collection, then the Secretary of the Treasury shall as soon as practicable transfer and pay over the difference to the government of the Virgin Islands.'".

(3) Section 28(a) of the Revised Organic Act of the Virgin Islands is amended to read as follows:

"SEC. 28. (a) The proceeds of customs duties, the proceeds of the United States income tax, the proceeds of any taxes levied by the Congress on the inhabitants of the Virgin Islands, and the proceeds of all quarantine, passport, immigration, and naturalization fees collected in the Virgin Islands, shall be covered into the treasury of the Virgin Islands, and shall be available for expenditure as the Legislature of the Virgin Islands may provide: *Provided*, That the term 'inhabitants of the Virgin Islands' as used in this section shall include all persons whose permanent residence is in the Virgin Islands, and such persons shall satisfy their income tax obligations under applicable taxing statutes of the United States by paying their tax on income derived from all sources both within and outside of the Virgin Islands into the treasury of the Virgin Islands: *Provided further*, That nothing in this Act shall be construed to apply to any tax specified in section 3811 of the Internal Revenue Code of 1939: *Provided further*, That all proceeds collected pursuant to this paragraph shall be transferred and paid over, in advance, to the government of the Virgin Islands in the same manner and under the same terms and conditions as the revenues collected pursuant to paragraph (b) of this section.".

AMERICAN MEMORIAL PARK

SEC. 5. (a) The Secretary, acting through the Director of the National Park Service, is authorized and directed to develop, maintain, and administer the existing American Memorial Park (hereinafter in this section referred to as the "park"), located at Tanapag Harbor Reservation, Saipan. The park shall be administered for the primary purpose of honoring the dead in the World War II Mariana Islands campaign.

(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Mariana Islands to develop, maintain, and administer the park.

(c) Other points in the Northern Mariana Islands pertinent to this legislation may be identified, established and marked by the Secretary in agreement with the Governor of the Northern Mariana Islands.

(d) The Secretary shall provide for interpretative activities at the park, for which he is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities shall be conducted in the following four languages: English, Chamorro, Carolinian, and Japanese.

(e)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of Guam or the Northern Mariana Islands for entrance or admission into the American Memorial Park.

(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel, past or present, or dependents of such personnel for entrance or admission into the American Memorial Park.

(f) The Secretary shall transfer administration of the park to the government of the Northern Mariana Islands at such time as the Governor, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, requests such a transfer. All improvements, including real and personal property, shall thereupon be transferred without cost to the government of the Northern Mariana Islands and thereafter the full cost of development, administration, and maintenance for the park shall be borne by the government of the Northern Mariana Islands except as provided in subsection (g).

(g) For the development, maintenance, and operation of the park (but not for any acquisition of land or interests in lands), there is hereby authorized to be appropriated the sum of $3,000,000 effective October 1, 1978. Amounts appropriated pursuant to this subsection shall remain available until expended.

(h) Nothing contained in this Act is intended to alter or diminish the authority to exercise the five-year option contained in article VIII of Public Law 94-241.

WAR IN THE PACIFIC NATIONAL HISTORICAL PARK

SEC. 6. (a) In order to commemorate the bravery and sacrifice of those participating in the campaigns of the Pacific theater of World War II and to conserve and interpret outstanding natural, scenic, and historic values and objects on the island of Guam for the benefit and enjoyment of present and future generations, the War in the Pacific National Historical Park (hereinafter in this section referred to as the "park") is hereby established.

(b) The boundaries of the park shall be as generally depicted on the drawing entitled "Boundary Map, War in the Pacific National Historical Park, Guam" numbered P-24-80,000-B and dated March 1978, which shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior. Following ninety days notice to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate, the Secretary may make minor revisions of the boundary of the park by publication of a revised map in the Federal Register.

(c) Within the boundaries of the park, the Secretary may acquire lands and interests therein by donation, purchase with donated or appropriated funds, exchange, or transfer.

(d) Other points on the island of Guam pertinent to this legislation may be identified, established, and marked by the Secretary in agreement with the Governor of Guam.

(e) The Secretary shall administer property acquired in accordance with the laws generally applicable to the management of units of the National Park System.

(f) The Secretary is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities will be conducted in the following three languages: English, Chamorro, and Japanese.

(g) The Secretary is authorized to enter into negotiations with the Secretary of Defense for the berthing and interpretation of a naval vessel of World War II vintage which shall be accessible to the public on the island of Guam.

(h) Within two years from the date of enactment of this Act, the Secretary shall develop and transmit to the committees named in subsection (b) a general management plan for the national historical park consistent with the purposes of this section.

(i) The Secretary is authorized and directed, to the maximum extent feasible, to employ and train residents of Guam or of the Northern Mariana Islands to develop, maintain, and administer the park.

(j)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of Guam or the Northern Mariana Islands for entrance or admission into the War in the Pacific National Historical Park.

(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel, past or present, or dependents of such personnel for entrance or admission into the War in the Pacific National Historical Park.

(k) For the purposes of the park established under this section, effective October 1, 1978, there are authorized to be appropriated such sums as may be necessary but not to exceed $16,000,000 for the acquisition of lands or interests in lands and $500,000 for development.

VIRGIN ISLANDS NATIONAL PARK

SEC. 7. (a)(1) The first paragraph of section 1 of the Act of October 5, 1962 (76 Stat. 746; 16 U.S.C. 398c), is amended by adding a comma after the words "adjoining lands, submerged lands, and waters" and inserting "and Hassel Island located in Saint Thomas Harbor and adjoining lands, submerged lands, and waters,".

(2) Such section 1 is further amended by inserting immediately before the last paragraph, the following:

"HASSEL ISLAND

"The area known as Hassel Island in Saint Thomas Harbor consisting of approximately 135 acres, together with such adjoining lands, submerged lands, and waters as the Secretary of the Interior deems appropriate, but the boundaries shall not, in any event, extend beyond 100 yards from the mean high water mark of the island.".

(b) Section 2 of such Act is amended by—

(1) inserting "(a)" after "SEC. 2.";

(2) adding at the end of the first sentence the following: "In acquiring such lands, up to 6.6 acres, the Secretary may, when agreed upon by the landowner involved, defer payment or schedule payments over a period of ten years and pay interest on the unpaid balance at a rate not exceeding the current prevailing commercial rate."; and

(3) adding the following at the end thereof:

"(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Virgin Islands to develop, maintain, and administer the Virgin Islands National Park.

"(c) Subject to continued protection and use of Hassel Island for park and recreation purposes and such other conditions as the Secretary may deem appropriate, the Territory of the Virgin Islands may, within but not after five years after the date of the enactment of this subsection, by duly enacted legislation acquire all interests of the United States in Hassel Island by reimbursing the United States in an amount equal to the amount actually expended by the United States for the acquisition of lands and interests in lands and for the costs of construction of permanent improvements, if any.

"(d)(1) Except for property deemed necessary by the Secretary of the Interior for visitor facilities or administration of the park, any owner or owners of improved property on Hassel Island on the date of its acquisition, may retain for themselves a nontransferable right of use and occupancy of the property for noncommercial residential purposes, for twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or the owner's spouse, whichever is later. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner. The authority of the Secretary to acquire the property commonly known as the Royal Mail (hotel) by condemnation shall be suspended for ten years from the date of enactment and the Secretary shall acquire such property only with the consent of the owner or owners thereof, if such owner or owners agree, in writing, within ninety days after the enactment of this subsection to grant to the United States the right of first refusal to purchase such property at a purchase price not exceeding the fixed value of said property on July 1, 1978.

"(2) As used in subsection (d)(1), 'improved property' means a single-family dwelling, the construction of which began before January 1, 1977, together with such lands as are in the same ownership and appurtenant buildings located thereon.

"(3) The Secretary may terminate a right of use and occupancy retained pursuant to subsection (d)(1) upon his determination that such use and occupancy is being, or may be exercised in a manner inconsistent with the purposes for which they were included within the park and upon tender to the hold of such right of the amount equal to the value of that portion of the right which remains unexpired on the date of termination."

(3) Section 3 is amended by inserting "(a)" immediately after "SEC. 3." and by adding the following new subsection at the end thereof:

"(b)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of the Virgin Islands for entrance or admission into the Virgin Islands National Park.

"(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel or dependents of such personnel for entrance or admission into the Virgin Islands National Park."

(4) Section 4 is amended to read as follows:

"SEC. 4. Effective October 1, 1978, there are authorized to be appropriated such sums as may be necessary for the acquisition of lands and interests in lands within the Virgin Islands National Park. For purposes of this section, acquisitions of land on Hassel Island shall be deemed to be acquisitions qualifying for payment under the provisions of paragraph (2) of the Act of June 10, 1977 (Public Law 95–42; 91 Stat. 210). In addition to such sums as may have heretofore been appropriated for development of public facilities within the Virgin Islands National Park, effective October 1, 1978, there are authorized to be appropriated not more than $1,000,000 for restoration and rehabilitation of historic structures and for development of public facilities on Hassel Island: *Provided*, That not more than $500,000 of such amount may be paid to the Territory of the Virgin Islands for its use in furthering projects undertaken pursuant to the Land and Water Conservation Fund Act, the Historic Preservation Act, or other comparable programs upon the transfer of title to the United States of all properties held by the territory on Hassel Island.".

Section 2(c) of the Act entitled "An Act to authorize the establishment of the Virgin Islands National Park, and for other purposes" (70 Stat. 940; 16 U.S.C. 398) is amended by adding the following sentence at the end thereof: "Notwithstanding the acreage limitations and boundary designations contained in this section, the Secretary is authorized to accept through donation, or purchase from a willing seller, the real and personal property located on Lots 251–252 Estate Contant Enighed, Pariels 86B and 86AA Cruz Bay Quarter."

AUTHORIZATION TO REMAIN AVAILABLE

SEC. 8. Any amount authorized by this Act or by Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95–134; 91 Stat. 1159) but not appropriated for a fiscal year is authorized to be available for appropriation in succeeding fiscal years.

TECHNICAL AMENDMENTS

SEC. 9. Section 501 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95–134; 91 State. 1159) is amended—

(1) by inserting ", notwithstanding any provision of law to the contrary," after "it is hereby declared to be the policy of the Congress"; and

(2) in subsection (a) by striking out "Notwithstanding any provision of law to the contrary, any" and inserting in lieu thereof "Any".

SEC. 10. Authorizations of moneys to be appropriated under this Act shall be effective on October 1, 1978.

Mr. HANSEN. Mr. President, I move that the Senate concur in the House amendment to the text with an amendment which I send to the desk.

UP AMENDMENT NO. 1573

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. HANSEN) proposes an unprinted amendment numbered 1573.

Mr. HANSEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the House to the text of S. 2821, insert the following language:

GUAM

SEC. 1. (a)(1) For grants to the government of Guam for the rehabilitation, upgrading, and construction of public facilities, there is hereby authorized to be appropriated to the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") $13,868,000 for fiscal year 1979, and $20,000,000 thereafter, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs from October 1978 price levels as indicated by engineering cost indexes applicable to the types of construction involved.

(2) The Secretary may place such stipulations as he deems appropriate on the use of funds appropriated pursuant to subsection (a)(1) hereof.

(3) Grants provided pursuant to this Act and not obligated or expended by the government of Guam during any fiscal year will remain available for obligation or expenditure by such government in subsequent fiscal years for the purposes for which the funds were appropriated.

(4) Funds provided under paragraph (a)(1) may be used by Guam as the matching share for Federal programs and services.

(5) Authorizations of moneys to be appropriated under this subsection shall be effective on October 1, 1978.

(6) The Secretary is directed to prepare and transmit to the Congress no later than July 1, 1979, an analysis of the capital infrastructure needs of Guam for the 1985–1990 timeframe. The analysis shall detail the nature and type of infrastructure needed, the adequacy of the existing infrastructure, the estimated costs of improvement, extension, rehabilitation, or replacement of the existing infrastructure to meet the projected demands, the capability of local government to fund such costs and the options available, and shall provide a series of alternatives for federal support for that portion of the infrastructure which cannot be financed by local government.

(b) The government of Guam in carrying out the purposes of this Act or Public Law 95–134, may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Such amounts may be credited to the appropriation or fund which provided the services and facilities. Agencies and instrumentalities of the Federal Government may, when practicable, make available to the government of Guam upon request of the Secretary such services and facilities as they are equipped to

render or furnish, and they may do so without reimbursement if otherwise authorized by law.

(c) Section 30 of the Organic Act of Guam (64 Stat. 384), as amended, is further amended by adding at the end thereof the following: "Beginning as soon as the government of Guam enacts legislation establishing a fiscal year commencing on October 1 and ending on September 30, the Secretary of the Treasury, prior to the commencement of any fiscal year, shall remit to the government of Guam the amount of duties, taxes, and fees which the governor of Guam, with the concurrence of the government comptroller of Guam, has estimated will be collected in or derived from Guam under this section during the next fiscal year, except for those sums covered directly upon collection into the treasury of Guam. The Secretary of the Treasury shall deduct from or add to the amounts so remitted the difference between the amount of duties, taxes, and fees actually collected during the prior fiscal year and the amount of such duties, taxes, and fees as estimated and remitted at the beginning of that prior fiscal year, including any deductions which may be required as a result of the operation of Public Law 94–395 (90 Stat. 1199), or Public Law 88–170, as amended (82 Stat. 863).".

(d) Section 205 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95–134) is amended by striking out "$25,000,000: *Provided*" and inserting in lieu thereof "$35,000,000: *Provided*. That $10,000,000 of such sums is not authorized to be appropriated prior to October 1, 1978. Health care needs shall include goods and services provided to maintain and operate the Medical Center of the Marianas: *Provided further*".

TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 2. (a) There is hereby authorized to be appropriated $15,000,000 for the Bikini people evacuated from Bikini Atoll, Trust Territory of the Pacific Islands, as a result of United States nuclear tests commencing in 1946, and their descendants. Of this $15,000,000:

(1) $12,000,000 is authorized for the relocation and resettlement of the Bikini people within the Marshall Islands; and

(2) to compensate the Bikini people for any radiological damage to their atoll an additional $3,000,000 shall be held in trust pursuant to the trust agreement established by Public Law 94-34, with the proceeds to be distributed in accordance with the provisions thereof.

(b) None of the funds authorized pursuant to subsection (a)(2) above shall be available for payment of any attorneys fees or associated expenses.

(c) The Secretary of the Interior shall prepare and submit to Congress by July 1, 1979, a progress report on his efforts to establish a permanent location for the displaced people of Bikini Island. Such report shall review: alternative actions taken to provide the people of Bikini with temporary homes; political and social consequences of the relocation of these people on Kili Island; and the Secretary's attempt to locate, acquire, and develop a permanent location for the settlement of these people. Such report shall also suggest probable economic, social, political, and cultural consequences which may result from the permanent settlement of these people in various alternative locations and inform the Congress of additional plans adopted by the Secretary, together with any recommendations he may have for legislation necessary to implement those plans, to provide further assistance to the people of Bikini.

NORTHERN MARIANA ISLANDS

SEC. 3. (a) There is hereby authorized to be appropriated for expenditure after October 1, 1978, not more than $12,000,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs from October 1978 price levels as indicated by engineering cost indexes applicable to the types of construction involved, to assist in the acquisition and construction of a powerplant for the Northern Mariana Islands together with upgrading, rehabilitation, or replacement of distribution facilities.

(b)(1) The government of the Northern Marianas in carrying out the purposes of this Act, Public Law 95–134, or Public Law 94–241, may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Such amounts may be credited to the appropriation or fund which provided the services and facilities.

Agencies and instrumentalities of the Federal Government may, when practicable, make available to the government of the Northern Marianas, upon request of the Secretary, such services and facilities as they are equipped to render or furnish, and they may do so without reimbursement if otherwise authorized by law.

(2) Any funds made available to the Northern Mariana Islands under grant-in-aid programs by section 502 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (Public Law 94–241), or pursuant to any other Act of Congress enacted after March 24, 1976, are hereby authorized to remain available until expended.

(3) Any amount authorized by the Covenant described in paragraph (2) or by any other Act of Congress enacted after March 24, 1976, which authorizes appropriations for the Northern Mariana Islands, but not appropriated for a fiscal year is authorized to be available for appropriation in succeeding fiscal years.

(c) Notwithstanding the provisions of the Food Stamp Act of 1977, the Secretary of Agriculture is authorized, upon the request of the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance wtih sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, and for the period during which such legislation is effective, (1) to implement a food stamp program in part or all of the Northern Mariana Islands with such income and household standards of eligibility, deductions, and allotment values as the Secretary determines, after consultation with the Governor, to be suited to the economic and social circumstances of such islands, provided that in no event shall such income standards of eligibility exceed those in the 48 contiguous States, and (2) to distribute or permit a distribution of federally donated foods in any part of the Northern Mariana Islands for which the Governor has not requested that the food stamp program be implemented. This authority shall remain in effect through September 30, 1981, and shall not apply to section 403 of Public Law 95–135.

(d) The Secretary of the Treasury is authorized and directed, upon the request of the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, without reimbursement or other cost to the government of the Northern Mariana Islands, to administer and enforce the provisions of section 601, 603, or 604 of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (Public Law 94–241; 90 Stat. 263, 269) and in order to administer and enforce the collection of any payroll tax or other tax measured by income which may be in force in the Northern Mariana Islands pursuant to section 602 of such Covenant. This authority shall continue until such time as the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, requests the Secretary of the Treasury to discontinue the administration and enforcement of such taxes. The administration and enforcement of such taxes by the government of the Northern Mariana Islands shall begin on January 1 of the year following the year in which such Northern Mariana Islands law is enacted.

VIRGIN ISLANDS

SEC. 4. (a) There is hereby authorized to be appropriated to the Secretary not to exceed $5,000,000 of which not more than $1,000,000 may be appropriated for fiscal year 1979 to be paid to the government of the Virgin Islands for the purpose of promoting economic development in the Virgin Islands. The Secretary shall prescribe the types of programs for which such sums may be used.

(b)(1) There is authorized to be appropriated for construction of hospital facilities in the Virgin Islands not more than $52,000,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs from October 1978 price levels as indicated by engineering cost indexes applicable to the types of construction involved.

(2) Grants provided pursuant to this section and not obligated or expended by the government of the Virgin Islands during any fiscal year will remain available for obligation or expenditure by such government in subsequent fiscal years for the purpose for which the funds were appropriated.

(3) Funds provided under paragraph (b)(1) may be used by the Virgin Islands as the matching share for Federal programs and services.

(4) Authorizations of moneys to be appropriated under this subsection shall be effective on October 1, 1978.

(c)(1) Section 9(c) of the Revised Organic Act of the Virgin Islands (68 Stat. 497) is amended by deleting the period at the end thereof and inserting "or such other date as the Legislature of the Virgin Islands may determine."

(2) Beginning as soon as the government of the Virgin Islands enacts legislation establishing a fiscal year commencing on October 1 and ending on September 30, the Secretary of the Treasury, prior to the commencement of any fiscal year, shall remit to the government of the Virgin Islands the amount of duties, taxes, and fees which the governor of the Virgin Islands, with the concurrence of the government comptroller of the Virgin Islands, has estimated will be collected in or derived from the Virgin Islands under the Revised Organic Act of the Virgin Islands during the next fiscal year, except for those sums covered directly upon collection into the treasury of the Virgin Islands. There shall be deducted from or added to the amounts so remitted, as may be appropriate, at the beginning of the fiscal year, the difference between the amount of duties, taxes, and fees actually collected during the prior fiscal year and the amount of such duties, taxes, and fees as estimated and remitted at the beginning of that prior fiscal year, including any deductions which may be required as a result of the operation of P.L. 94–392 (90 Stat. 1195).

(3) Subsection 28(a) of the Revised Or-

ganic Act of the Virgin Islands is amended by deleting the phrase "less the cost of collecting all of said duties, taxes, and fees,".

(d) There are hereby authorized to be appropriated to the Secretary such sums as may be necessary, but not to exceed $20,000,000 per annum, for fiscal years 1979, 1980, and 1981 for grants to the government of the Virgin Islands to offset any anticipated deficit during such fiscal years. The Secretary is authorized and directed, after consultation with the Governor of the Virgin Islands, to impose such conditions and requirements, on these grants as he deems advisable. Not later than July 1, 1979, the Secretary shall submit to the Congress a report on the financial condition of the Virgin Islands. The report shall:

(1) Identify, the specific sources of revenues, both federal and local, available to the Government of the Virgin Islands;

(2) Chart the revenues derived from each source and what, if any, increases could be occasioned in the amount of such revenues by actions of the Virgin Islands government;

(3) Describe the extent to which changes in actual revenues were occasioned by actions of the Federal Government or by circumstances beyond the control of the Virgin Islands government;

(4) Analyze expenditures to determine what economies, if any, could be obtained and identify the actions which could be taken by the Virgin Islands government to obtain such economies;

(5) Review the long term debt structure of the Virgin Islands government, including, but not limited to, whether such debt was incurred for purposes authorized by law, the total amount of such debt, the relation of the total debt ceiling, and the impact retirement of the debt will have on the future economic situation of the Virgin Islands;

(6) Detail and discuss various alternatives available to the government of the Virgin Islands and the Federal government to revise and improve the process of supporting the necessary expenditures of the Virgin Islands government; and

(7) Include his recommendations for any changes he deems advisable in the present federal-territorial economic relationship.

AMERICAN MEMORIAL PARK

SEC. 5. (a) The Secretary, acting through the Director of the National Park Service, is authorized and directed to develop, maintain, and administer the existing American Memorial Park (hereinafter in this section referred to as the "park"), located at Tanapag Harbor Reservation, Saipan. The park shall be administered for the primary purpose of honoring the dead in the World War II Mariana Islands campaign.

(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Mariana Islands to develop, maintain, and administer the park.

(c) Other points in the Northern Mariana Islands relevant to the park may be identified, established, and marked by the Secretary in agreement with the Governor of the Northern Marianas.

(d) The Secretary shall provide for interpretative activities at the park, for which he is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities shall be conducted in the following four languages: English, Chamorro, Carolinian, and Japanese.

(e) Notwithstanding any provision of law to the contrary, no fee or charge may be imposed for entrance or admission into the American Memorial Park.

(f) The Secretary shall transfer administration of the park to the government of the Northern Mariana Islands at such time as the Governor, acting pursuant to legislation enacted in accordance with sections 5 and 7 or article II of the constitution of the Northern Mariana Islands, requests such a transfer. All improvements, including real and personal property, shall thereupon be transferred without cost to the government of the Northern Mariana Islands and thereafter the full cost of development, administration, and maintenance for the park shall be borne by the government of the Northern Mariana Islands, except as provided in subsection (g) of this section.

(g) For the development, maintenance, and operation of the park (but not for any acquisition of land or interests in lands), there is hereby authorized to be appropriated not to exceed $3,000,000 effective October 1, 1978. Amounts appropriated pursuant to this subsection shall remain available until expended.

(h) Nothing contained in this Act is intended to alter or diminish the authority to exercise the five-year option contained in article VIII of Public Law 94-241.

WAR IN THE PACIFIC NATIONAL HISTORICAL PARK

SEC. 6. (a) In order to commemorate the bravery and sacrifice of those participating in the campaigns of the Pacific theater of World War II and to conserve and interpret outstanding natural, scenic, and historic values and objects on the island of Guam for the benefit and enjoyment of present and future generations, the War in the Pacific National Historical Park (hereinafter in this section referred to as the "park") is hereby established.

(b) The boundaries of the park shall be as generally depicted on the drawing entitled "Boundary Map, War in the Pacific National Historical Park, Guam" numbered P-24-80,000-B and dated March 1978, which shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior. Following ninety days notice to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate, the Secretary may make minor revisions of the boundary of the park by publication of a revised map in the Federal Register.

(c) Within the boundaries of the park, the Secretary may acquire lands and interests therein by donation, purchase with donated or appropriated funds, exchange, or transfer.

(d) Other points on the island of Guam relevant to the park may be identified, established, and marked by the Secretary in agreement with the Governor of Guam.

(e) The Secretary shall administer property acquired in accordance with the laws generally applicable to the management of units of the National Park System.

(f) The Secretary is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities will be conducted in the following three languages: English, Chamorro, and Japanese.

(g) The Secretary is authorized to enter into negotiations with the Secretary of Defense for the berthing and interpretation of a naval vessel of World War II vintage which shall be accessible to the public on the island of Guam.

(h) Within two years from the date of enactment of this Act, the Secretary shall develop and transmit to the committees named in subsection (b) a general management plan for the national historical park consistent with the purposes of this section. Within five years from the date of enactment, the Secretary, through the Director of the National Park Service, shall conduct and transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives a study of additional areas and sites associated with the Pacific campaign of World War II. The study shall contain a description and evaluation of each area or site, and an estimated cost of acquisition, development, and maintenance of the area or site, if appropriate, together with such additional authority as may be needed to enable him to implement his recommendations. The Secretary shall concentrate his study within Guam and the Northern Mariana Islands, but shall also investigate additional areas and sites within the Trust Territory of the Pacific Islands to the extent possible, and may include other areas and sites in the Pacific area if practicable.

(i) The Secretary is authorized and directed, to the maximum extent feasible, to employ and train resident of Guam or of the Northern Mariana Islands to develop, maintain, and administer the park.

(j) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed for entrance or admission into the War in the Pacific National Historical Park.

(k) For the purposes of the park established under this section, effective October 1, 1978, there are authorized to be appropriated such sums as may be necessary, but not to exceed $16,000,000 for the acquisition of lands or interests in lands and $500,000 for development.

VIRGIN ISLANDS NATIONAL PARK

SEC. 7. (a)(1) The first paragraph of section 1 of the Act of October 5, 1962 (76 Stat. 746; 16 U.S.C. 398c), is amended by adding a comma after the words "adjoining lands, submerged lands, and waters" and inserting "and Hassel Island located in Saint Thomas Harbor and adjoining lands, submerged lands, and waters,".

(2) Such section 1 is further amended by inserting immediately before the last paragraph, the following:

"HASSEL ISLAND

"The area known as Hassel Island in Saint Thomas Harbor consisting of approximately 135 acres, together with such adjoining lands, submerged lands, and waters as the Secretary of the Interior deems appropriate, but the boundaries shall not, in any event, extend beyond 100 yards from the mean high water mark of the island."

(b) Section 2 of such Act is amended by—

(1) inserting "(a)" after "SECTION 2";

(2) adding at the end of the first sentence the following: "In acquiring such lands, up to 6.6 acres, the Secretary may, when agreed upon by the landowner involved, defer payment or schedule payments over a period of ten years and pay interest on the unpaid balance at a rate not exceeding the current prevailing commercial rate.", and

(3) adding the following at the end thereof: "(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Virgin Islands to develop, maintain, and administer the Virgin Islands National Park.

"(c) Subject to continued protection and use of Hassel Island for park and recreation purposes, and such other conditions as the Secretary may deem appropriate, the Territory of the Virgin Islands may, within, but not after, five years after the date of the enactment of this subsection, by duly enacted legislation acquire all interests of the United States in Hassell Island by reimbursing the United States in an amount equal to the amount actually expended by the United States for the acquisition of lands and interests in lands and for the costs of construction of permanent improvements, if any.

"(d)(1) Except for property deemed necessary by the Secretary of the Interior for visitor facilities or administration of the park, any owner or owners of improved property on Hassel Island on the date of its acquisition, may retain for themselves a right of use and occupancy of the property for

noncommercial residential purposes for twenty-five years or, in lieu thereof, for a term ending at the death of the owner or the owner's spouse, whichever is later. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner. The authority of the Secretary to acquire the property commonly known as the Royal Mail (hotel) by condemnation shall be suspended for ten years from the date of enactment if such owner or owners agree, in writing, within ninety days after the enactment of this subsection to grant to the United States the right to purchase such property at a purchase price, mutually agreed upon by the Secretary and the landowner, which does not exceed the fixed value of said property on July 1, 1978.

"(2) As used in subsection (d)(1), 'improved property' means a single-family dwelling, the construction of which began before January 1, 1977, together with such lands as are in the same ownership and appurtenant buildings located thereon.

"(3) The Secretary may terminate a right of use and occupancy retained pursuant to subsection (d)(1) upon his determination that such use and occupancy is being, or may be, exercised in a manner inconsistent with the purposes for which they were included within the park and upon tender to the holder of such right of the amount equal to the value of that portion of the right which remains unexpired on the date of termination.".

(3) Section 3 is amended by inserting "(a)" immediately after "SECTION 3" and by adding the following new subsection at the end thereof:

"(b) Nothwithstanding any provision of law to the contrary, no fee or charge shall be imposed for entrance or admission into the Virgin Islands National Park.".

(4) Section 4 is amended to read as follows:

"SEC. 4. Effective October 1, 1978, there are authorized to be appropriated such sums as may be necessary for the acquisition of lands and interests in lands within the Virgin Islands National Park. For purposes of this section, acquisitions of land on Hassel Island shall be deemed to be acquisitions qualifying for payment under the provisions of paragraph (2) of the Act of June 10, 1977 (Public Law 95-42; 91 Stat. 210). In addition to such sums as may have heretofore been appropriated for development of public facilities within the Virgin Islands National Park, effective October 1, 1978, there are authorized to be appropriated not more than $1,000,000 for restoration and rehabilitation of historic structures and for development of public facilities on Hassel Island, and not more than $500,000 as a grant to the Territory of the Virgin Islands for its use in furthering projects undertaken pursuant to the Land and Water Conservation Fund Act, the Historic Preservation Act, or other comparable programs upon the transfer of title to the United States of all properties held by the territory on Hassel Island.".

(5) Section 2(c) of the Act entitled "An Act to authorize the establishment of the Virgin Islands National Park, and for other purposes" (70 Stat. 940; 16 U.S.C. 398) is amended by adding the following sentence at the end thereof: "Notwithstanding the acreage limitations and boundary designations contained in this section, the Secretary is authorized to accept through donation, or purchase from a willing seller, the real and personal property located on Lots 251X252 Estate Contant Enished, Parcels 86B and 86AA Cruz Bay Quarter."

AUTHORIZATION TO REMAIN AVAILABLE

SEC. 8. Any amount authorized by this Act or by the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95-134; 91 Stat. 1159) but not appropriated in succeeding fiscal years.

TECHNICAL AMENDMENTS

SEC. 9. Section 501 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95-134; Stat. 1159) is amended—

(1) by inserting ", notwithstanding any provision of law to the contrary," after "it is hereby declared to be the policy of the Congress"; and

(2) in subsection (a) by striking out Notwithstanding any provision of law to the contrary, any" and inserting in lieu thereof "Any".

SEC. 10. Authorizations of moneys to be appropriated under this Act shall be effective on October 1, 1978.

Mr. HANSEN. Mr. President, the amendment I have submitted has been cleared with and reviewed by both the majority and minority members of the Energy Committee. It is based on a careful review of the record of the hearing conducted on July 18 to review the House amendments to S. 2821.

The amendment I have proposed is a substitute text for the text proposed by the House.

● Mr. JACKSON. Mr. President, S. 2821 was introduced on April 4, 1978, at the request of the administration. The Committee on Energy and Natural Resources conducted a hearing on it and a related measure, S. 2822, on April 17, 1978. S. 2821 was considered, amended, and ordered reported by the committee on May 2, 1978, and passed the Senate as amended by committee on May 10. As passed by the Senate S. 2821:

First. Provided a grant of $8.868 million to Guam for capital improvement;

Second. Provided $12 million for a powerplant in the Northern Mariana Islands;

Third. Provided an increase from $25 to $35 million for hospital facilities in Guam;

Fourth. Provided $4 million for hospital preconstruction work in the Virgin Islands; and

Fifth. Provided $15 million for rehabilitation of Bikini Atoll and Kili Island.

During that period of time the House considered legislation H.R. 12481, which was an omnibus version of several related measures and on June 5 the House adopted H.R. 12481 as a substituted text for S. 2821. S. 2821 as thus amended was passed by the House on June 5, and then was reamended and repassed on June 7. At my request and with the concurrence of the other members of the committee the committee conducted hearings on the House amendments on July 18 in order to evaluate additional materials included in the House amendments which had not previously been considered by the committee. The amendment which I am offering today is the product of the committee review of the hearing record and material submitted on the House amendments. Because there are several provisions which should have the benefit of committee report language to prevent any ambiguity or misconstruals in administration, I would like to discuss the intent of the committee in proposing these amendments, where necessary.

Section 1 of the amendments generally provides for grants to the Government of Guam. The committee has elected to provide $20 million in additional funds beyond fiscal year 1979 on the basis of testimony presented by the administration. While we are aware that in all likelihood additional sums may be needed in the future for capital infrastructure, we are disturbed that the administration has not been able to accompany its support for additional funds with a detailed program for infrastructure development in Guam. In order to avoid the lengthy and trying process which we went through in order to obtain a specific program for the trust territory, subparagraph 1(a)(6) of the amendment requires the Secretary to provide relevant information to the Congress by July 1 of next year. On the basis of the information contained in that document the committee will review the long-term capital infrastructure needs of Guam and revise the $20 million authorization accordingly. The amendment dealing with Guam also provides that at such time as the Government of Guam changes its fiscal year to conform with that of the Federal Government, the Secretary of the Treasury will provide a prepayment of those revenues due to Guam pursuant to section 30 of its Organic Act. It should be noted that this prepayment does not include any moneys which go directly upon collection into the treasury of Guam, and is designed to compensate Guam for interest and cash flow impacts on those funds withheld by the Secretary of the Treasury upon collection until some future point. Section 1 also increases the authorization level for the purchase of the Medical Center of the Marianas, which was authorized to be acquired last session. I am disturbed that this particular amendment is necessary since, as I recall, there was universal agreement during the original committee hearings that purchase of the MCM facility was in the best interests of the people of Guam. The delay in funding this purchase is apparently going to cost the United States an additional $10 million.

Section 2 of the legislation deals with the Trust Territory of the Pacific Islands. The major change proposed in the House language by the amendment I am proposing is the elimination of language providing for the individual ex gratia payments and the addition of a requirement that the Secretary furnish the Congress with a detailed report on what has been done for the people of Bikini Atoll. While the committee is not necessarily opposed to the concept of individual ex gratia payments, we felt that whatever further compensation should be made could only be determined once a decision can be reached on where the people of Bikini can relocate. Their circumstances at that time will set the parameters for possible consideration of equitable relief.

The amendment which I am proposing adopts several modifications requested by the administration in section 3. In addition subsection 3(d) has been amended to allow the Secretary of the Treasury sufficient flexibility in administering any

request from the Northern Mariana Islands to either detail employees or establish a field office. In addition the Secretary will be able to use customs agents as well as employees of the Internal Revenue Service to the extent that he determines the use of such personnel is warranted.

The changes proposed to section 4 of the House amendment do not affect the substance of the House proposal except for the addition of language which provides authorization for 3 years of sufficient moneys to cover the anticipated deficits which are likely to be incurred in the Virgin Islands. The recent report of the U.S. comptroller for the Virgin Islands is at best distressing. It indicates that a complete reexamination of the economic relationship of the United States to the Virgin Islands is necessary. It raises serious questions with respect to the fiscal operation of the Virgin Islands Goverment and concludes that "a decision must be made soon to increase revenues and/or decrease expenditures or the territorial government could become virtually insolvent."

Since we do not have sufficient information to determine what course of action must be taken, the amendment which I am proposing mandates that a comprehensive analysis of the fiscal condition of the Virgin Islands be submitted to the Congress no later than July 1 of next year. That information will allow the Congress to consider the Federal-territorial economic relationship. The amendment makes only minor modifications in section 5 (American Memorial Park), section 6 (War in the Pacific National Historical Park), and section 7 (Virgin Islands National Park). I would note, however, that the amendment does add a comprehensive study to section 6 to direct the Secretary of Interior, through the Director of the National Park Service, to study and review additional areas and sites in the Pacific for possible inclusion and/or interpretation in conjunction with the theme of the War in the Pacific National Historical Park. The committee anticipates that the Director of the National Park Service will concentrate his primary attention on areas and sites in Guam and the Northern Mariana Islands but will also comprehensively assess and review sites and areas within the Trust Territory of the Pacific Islands. Inclusion of areas and sites outside of the Mariana Islands will, of course, depend to a great degree upon the ultimate resolution of the future status for the Trust Territory. However, the Director of the Park Service should consider alternatives which would permit cooperation in interpretation and preservation of appropriate areas and sites. In addition the study contemplates that the Director of the National Park Service will, to the extent practicable, investigate the possibility of including areas and sites located in other countries. It is possible that joint efforts could be made with the governments of New Zealand, Australia, and others in the Pacific for a truly international historical park. Because of the magnitude of this study, the Secretary has been provided 5 years to complete and transmit the results. I would like to emphasize that the committee intends that this study be conducted through the resources of the National Park Service and has so stated in the amendment. At the request of the ranking minority member of the committee, an open-ended authorization has been retained for the Virgin Islands National Park in order to permit the acquisition of lands at Caneel Bay should they become available at a reasonable price. The amendment which I am offering also clarifies certain language in these sections but does not otherwise modify the substance of the House proposal.

Mr. President, after considerable review and full hearings on the amendments proposed by the House, I recommend that the Senate accede to the amendments with the further amendment which I have proposed.

Mr. HANSEN. I move that the Senate concur in the House amendment with the amendment I have sent to the desk.

The motion was agreed to.

Mr. HANSEN. Mr. President, I move that the Senate concur in the House amendment to the title.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HODGES). Without objection, it is so ordered.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 12934, which the clerk will state.

The second assistant legislative clerk read as follows:

A bill (H.R. 12934) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. Under the previous order, our time for debate is limited to 1 hour, to be equally divided and controlled by the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Connecticut (Mr. WEICKER), with 30 minutes on any amendment or debatable motion and with 15 minutes on any appeal or point of order which is submitted or on which the Chair entertains debate.

The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Windy Carson and Veneda Carre of our staff be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that Peter Goldfarb and Robert Wicklund, of my staff, and Michael Shorr, of Senator JAVITS' staff, be granted the privilege of the floor during consideration of all matters pertaining to State, Justice, Commerce, and the Judiciary bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HOLLINGS. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that John Brooks, of my staff, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, the committee recommends appropriations totaling $8,635,438,000 for the Departments of State, Justice, Commerce, the Judiciary, and the 20 related agencies funded by this bill. Our recommendations are $127,782,700 more than the comparable House bill, when allowance is made for the $3,918,937,000 not considered by House, primarily due to the numerous items deleted on the House floor by points of order due to the lack of authorizing legislation. In the interim, since House action, the Senate has approved almost all of the authorizations. This bill is generally in accord with rule 16 and the few exceptions follow our usual procedure.

The details of the bill are fully explained in the report and I will highlight the major items in the bill.

For the Department of State we recommend a total of $1,262,291,000. This covers mandatory increases for obligations pursuant to treaties and agreements and to offset the devaluation of the dollar. We have made an add-on of $6,356,000 to purchase additional buildings overseas where we are forced to pay exorbitant rents.

For the Department of Justice a total of $2,484,579,000 is recommended. Our recommendations closely follow the pattern of the new Justice Department Authorization Act and includes:

A sum of $558,750,000 for the Federal Bureau of Investigation. We added back in $2 million of the $7,800,000 administration reductions to the domestic security and terrorism investigations; and for the headquarters coordination of those investigations;

For the legal divisions we have provided all of the 2,727 positions requested, an increase of 241;

We also allowed the full 903 additional positions requested for the Immigation and Naturalization Service, and allocated sufficient funds to provide more staff-years to catch up with the intolerable backlogs in the offices;

We have provided for the use of former military facilities in California and Texas for two new minimum security prisons;

We raised the Law Enforcement Assistance Administration budget by $20 million in order to maintain the part B

planning grants at the current level for another year. We have also provided for the President's new $10 million urban crime prevention program through changes in the estimates for the public safety officers death benefits.

For the Department of Commerce we recommended $2,417,425,000. The major changes are:

A sum of $24,200,000 to restore the funds deleted by the House for the final preparatory work for the 1980 decennial census;

A sum of $71,466,000 over the budget estimate for the Economic Development Administration, to allow full funding of authorization for title II business loans and guarantees. We have also funded all of the 103 unfunded districts;

Full support of the Industry and Trade Administration's request in view of the successive trade deficits reported each month of 1978;

For the National Oceanic and Atmospheric Administration $9 million for a number of programs with the largest being $3,500,000 for sea grants.

A total of $490,675,000 is recommended for the judiciary. This conforms to the amended budget request after allowing for reductions volunteered at the hearing. For the Supreme Court we recommend an automobile be supplied for each Associate Justice as well as two additional stenographers for each of the Justices.

For the related agencies we recommend $1,980,468,000. It is noteworthy that the Small Business Administration during the current fiscal year will expend more than any of the three departments in this bill, because of the disaster loans to farmers due to the severe drought last year. Before this present fiscal year is over we will appropriate $2,640 million for the disaster loan fund. The President wants to move the agriculture disaster loans to the Farmers Home Administration and we need that legislation.

For 1979, we recommend $857,280,000 for the SBA. Again we have tried to follow the pattern of the new authorizing legislation, under the leadership of our distinguished ranking minority member, Senator WEICKER, who also holds that position on the Small Business Committee.

We have generally provided the amounts requested for the related agencies except in the case of the Legal Services Corporation where we have the $255 million the President allocated in his budget instead of the $304 million the Corporation presented directly to the Congress. However, there are two of these related agencies that have attracted considerable interest that compels further comment.

For the Federal Trade Commission the subcommittee cut 25 percent of the 66 new positions requested. The report clearly reflects our concern of the constitutional problems inherent in the Commission's proposed rulemaking for children's advertising, as well as the involvement of the FTC in the automobile industry and life insurance business.

The other agency of prime concern is the Renegotiation Board. Last year there were many promises made about revitalizing the Board. We held an extensive hearing this year and found little fulfillment of those promises. The Board's emphasis on profits does nothing to hold down costs and there have been many protections added to Government procurement so that the Board seems no longer necessary. The Board has not had the authority to review new contracts entered into after October 1, 1976, and legislation to extend the Board's authority has languished in the Congress. The committee recommends that the Board be terminated May 31, 1979, and has inserted the necessary language in the bill and a sufficient amount for the termination activities.

The committee has stricken the general provision inserted by the House requiring a 2-percent reduction in the obligational authority provided in the bill. This is a meat ax approach that is completely unacceptable to the committee. We held 16 days of hearings and have established priorities based on the testimony and the committee's considerations. However, I have prepared a package of selected reductions that aggregate 2 percent of this bill that I will move as substitute for any 2 percent across-the-board cut.

Mr. President, I state at this time my appreciation for the leadership and hard work put in on the bill by our ranking minority colleague, the Senator from Connecticut. It has been a pleasure to work with him on this bill.

It probably has more items—and I know it does as it has not only three departments, the Judiciary, and 20 separate agencies—than any other particular bill that the Appropriations Committee will present. Therefore, it has many pleas and probably more than on any other to be listened to, and we have tried wherein we could go into depth. We have looked at the budget in the agencies.

I think it is noteworthy to emphasize that at the present time the bill is under the appropriations for 1978, by $1,237,173,400, and under the estimates for 1979 or the President's request—they always ask what have you cut the President's requested budget under his request—it is $24,838,000.

Mr. President, I ask unanimous consent that the committee amendments be agreed to enbloc and the bill as thus amended be regarded for purposes of amendment as original text, providing that no point of order shall be waived by reason of the agreement to this request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, beginning with line 2, insert the following:

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

For necessary expenses of the Department of State and the Foreign Service, not otherwise provided for, including allowances as authorized by 5 U.S.C. 5921–5925; expenses of binational arbitrations arising under international air transport agreements; expenses necessary to meet the responsibilities and obligations of the United States in Germany (including those arising under the supreme authority assumed by the United States on June 5, 1945, and under contractual arrangements with the Federal Republic of Germany); expenses of the National Commission on Educational, Scientific, and Cultural Cooperation, as authorized by sections 3, 5, and 6 of the Act of July 30, 1946 (22 U.S.C. 287o, 287q, 287r); hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others; expenses authorized by section 2 of the Act of August 1, 1956 (22 U.S.C. 2669), as amended; refund of fees erroneously charged and paid for passports; radio communications; payment in advance for subscriptions to commercial information, telephone and similar services abroad; expenses necessary to provide maximum physical security in Government-owned and leased properties abroad; and procurement by contract or otherwise, of services, supplies, and facilities, as follows: (1) translating, (2) analysis and tabulation of technical information, and (3) preparation of special maps, globes, and geographic aids; $661,000,000: *Provided*, That passenger motor vehicles in possession of the Foreign Service abroad may be replaced in accordance with section 7 of the Act of August 1, 1956 (22 U.S.C. 2674), and the cost, including exchange allowance, of each such replacement shall not exceed $6,500 in the case of the chief of mission automobile at each diplomatic mission (except that four such vehicles may be purchased at not to exceed $9,000 each) and such amounts as may be otherwise provided by law for all other such vehicles, except that right-hand drive vehicles may be purchased without regard to any maximum price limitation otherwise established by law: *Provided further*, That in addition, this appropriation shall be available for the purchase (not to exceed thirty-three), replacement, rehabilitation, and modification of passenger motor vehicles for protective purposes without regard to any maximum price limitations otherwise established by law: *Provided further*, That no ceiling shall be established at less than sixteen thousand four hundred and thirty-five on employment in full-time permanent positions funded by this appropriation.

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131), $2,900,000.

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD

For necessary expenses of carrying into effect the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 292–300), including personal services in the United States and abroad; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); allowances as authorized by 5 U.S.C. 5921–5925; and services as authorized by 5 U.S.C. 3109; $125,000,000, to remain available until expended: *Provided*, That not to exceed $2,544,000 may be used for administrative expenses during the current fiscal year.

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States for the purposes authorized by section 4 of the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 295), $6,025,000, to remain available until expended.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, to be expended pursuant to the requirement of section 291 of the Revised Statutes (31 U.S.C. 107), $2,350,000.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, $38,107,000.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties, conventions, or specific Acts of Congress, $355,392,000.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For payments, not otherwise provided for, by the United States for expenses of United Nations peacekeeping forces in the Middle East, $27,000,000.

MISSIONS TO INTERNATIONAL ORGANIZATIONS

For expenses necessary for permanent representation to certain international organizations in which the United States participates pursuant to treaties, conventions, or specific Acts of Congress, including expenses authorized by the pertinent Acts and conventions provided for such representation; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); allowances, as authorized by 5 U.S.C. 5921–5925; and expenses authorized by section 2 (a) and (e) and section 17 of the Act of August 1, 1956, as amended (22 U.S.C. 2669); $12,000,000.

INTERNATIONAL CONFERENCES AND CONTINGENCIES

For necessary expenses of participation by the United States, upon approval by the Secretary of State, in international activities which arise from time to time in the conduct of foreign affairs and for which specific appropriations have not been provided pursuant to treaties, conventions, or special Acts of Congress, including personal services without regard to civil service and classification laws; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); allowances as authorized by 5 U.S.C. 5921–5925; hire of passenger motor vehicles; contributions for the share of the United States in expenses of international organizations; and expenses authorized by section 2(a) of the Act of August 1, 1956, as amended (22 U.S.C. 2669); $8,000,000, to remain available until expended, of which not to exceed a total of $175,000 may be expended for representation allowances as authorized by section 901 of the Act of August 13, 1946, as amended (22 U.S.C. 1131), and for official entertainment.

INTERNATIONAL TRADE NEGOTIATIONS

For necessary expenses of participation by the United States in international trade negotiations, including not to exceed $25,000 for representation allowances, as authorized by section 901 of the Act of August 13, 1946, as amended (22 U.S.C. 1131), and for official entertainment, $4,717,000: *Provided*, That this appropriation shall be available in accordance with the authority provided in the current appropriation for "International conferences and contingencies".

INTERNATIONAL COMMISSIONS

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

For expenses necessary to enable the United States to meet its obligations under the treaties of 1889, 1906, 1933, 1944, 1963, and 1970 between the United States and Mexico, and to comply with the other laws applicable to the United States Section, International Boundary and Water Commission, United States and Mexico, including operation and maintenance of the Rio Grande rectification, canalization, flood control, bank protection, water supply, power, irrigation, boundary demarcation, and sanitation projects; detailed plan preparation and construction (including surveys and operation and maintenance and protection during construction); Rio Grande emergency flood protection; expenditures for the purposes set forth in sections 101 through 104 of the Act of September 13, 1950 (22 U.S.C. 277d–1—277d–4); purchase of planographs and lithographs; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902); and leasing of private property to remove therefrom sand, gravel, stone, and other materials, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); as follows:

SALARIES AND EXPENSES

For salaries and expenses not otherwise provided for, including examination, preliminary surveys, and investigations, and operation and maintenance of projects or parts thereof, as enumerated above, including gaging stations, $6,800,000: *Provided*, That expenditures for the Rio Grande bank protection project shall be subject to the provisions and conditions contained in the appropriation for said project as provided by the Act approved April 25, 1945 (59 Stat 89).

CONSTRUCTION

For detailed plan preparation and construction of projects authorized by the convention concluded February 1, 1933, between the United States and Mexico, the Acts approved August 19, 1935, as amended (22 U.S.C. 277–277f), August 29, 1935 (49 Stat. 961), June 4, 1936 (49 Stat. 1463), June 28, 1941 (22 U.S.C. 277f), September 13, 1950 (22 U.S.C. 277d–1–9), October 10, 1966 (80 Stat. 884), October 25, 1972 (86 Stat. 1161), and the project stipulated in the treaty between the United States and Mexico signed at Washington on February 3, 1944, to remain available until expended, $3,900,000: *Provided*, That no expenditures shall be made for the Lower Rio Grande flood control project for construction on any land, site, or easement in connection with this project except such as has been acquired by donation and the title thereto has been approved by the Attorney General of the United States: *Provided further*, That the Anzalduas diversion dam shall not be operated for irrigation or water supply purposes in the United States unless suitable arrangements have been made with the prospective water users for repayment to the Government of such portions of the cost of said dam as shall have been allocated to such purposes by the Secretary of State.

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For expenses necessary to enable the President to perform the obligations of the United States pursuant to treaties between the United States and Great Britain, in respect to Canada, signed January 11, 1909 (36 Stat. 2448), and February 24, 1925 (44 Stat. 2102); and the treaty between the United States and Canada, signed February 27, 1950; including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; $2,500,000, to be disbursed under the direction of the Secretary of State and to be available also for additional expenses of the American Sections, International Commissions, as hereinafter set forth:

International Joint Commission, United States and Canada, the salary of the Commissioners on the part of the United States who shall serve at the pleasure of the President; salaries of clerks and other employees appointed by the Commissioners on the part of the United States with the approval solely of the Secretary of State; travel expenses and compensation of witnesses in attending hearings of the Commission at such places in the United States and Canada as the Commission or the American Commissioners shall determine to be necessary; not to exceed $2,000 for representation expenses, in accordance with such regulations as the President may prescribe, and official entertainment; and special and technical investigations in connection with matters falling within the Commission's jurisdiction: *Provided*, That transfers of funds may be made to other agencies of the Government for the performance of work for which this appropriation is made.

International Boundary Commission, United States and Canada, the completion of such remaining work as may be required under the award of the Alaskan Boundary Tribunal and the existing treaties between the United States and Great Britain; commutation of subsistence to employees while on field duty at not to exceed the authorized prevailing daily rate; hire of freight and passenger motor vehicles from temporary field employees; and payment for timber necessarily cut in keeping the boundary line clear.

INTERNATIONAL FISHERIES COMMISSIONS

For expenses, not otherwise provided for, necessary to enable the United States to meet its obligations in connection with participation in international fisheries commissions pursuant to treaties or conventions, and implementing Acts of Congress, $6,600,000: *Provided*, That the United States share of such expenses may be advanced to the respective commissions.

On page 11, at the beginning of line 18, insert "SEC. 102.";

On page 11, line 24, strike "102" and insert "103";

On page 12, beginning with line 9, insert the following:

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for the administration of the Department of Justice, including hire of passenger motor vehicles; and miscellaneous and emergency expenses authorized or approved by the Attorney General or the Assistant Attorney General for Administration; $27,774,000, of which $5,111,000 is for the United States Parole Commission and $1,000,000 is for the Federal justice research program, the latter amount to remain available until expended.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including miscellaneous and emergency expenses authorized or approved by the Attorney General or the Assistant Attorney General for Administration; not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate; and advances of public moneys pursuant to law (31 U.S.C. 529); $89,884,000: *Provided*, That not to exceed $105,000 may be transferred to this appropriation from the "Alien Property Fund, World War II", for the general administrative expenses of alien property activities, includ-

ing rent of private or Government-owned space in the District of Columbia.

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust, consumer protection and kindred laws, including $10,000,000 for antitrust enforcement grants to the States authorized by section 309 of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, $46,377,000: *Provided*, That none of this appropriation shall be expended for the establishment and maintenance of permanent regional offices of the Antitrust Division.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND MARSHALS

For necessary expenses of the offices of the United States attorneys and marshals, including purchase of firearms and ammunition and supervision of United States prisoners in non-Federal institutions, and bringing to the United States from foreign countries persons charged with crime, and for lease of not more than 800 passenger motor vehicles from the General Services Administration, of which not more than five hundred and seventy shall be for police-type use, $196,700,000: *Provided*, That, in order to equip the U.S. Marshals Service with police-type vehicles, the General Services Administration may purchase not more than one hundred replacement vehicles without regard to the purchase price limitation for the current fiscal year.

SUPPORT OF UNITED STATES PRISONERS

For support of United States prisoners in non-Federal institutions, including necessary clothing and medical aid, payment of rewards, and reimbursement to Saint Elizabeths Hospital for the care and treatment of United States prisoners, at per diem rates as authorized by law (24 U.S.C. 168a), $25,100,000.

FEES AND EXPENSES OF WITNESSES

For expenses, mileage, compensation, and per diems of witnesses and for per diems in lieu of subsistence, as authorized by law, including advances; $20,000,000: *Provided*, That no part of the sum herein appropriated shall be used to pay any witness more than one attendance fee for any one calendar day.

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

For necessary expenses of the Community Relations Service established by title X of the Civil Rights Act of 1964 (42 U.S.C. 2000g–2000g–2), $5,353,000.

On page 15, beginning with line 7, insert the following:

SALARIES AND EXPENSES

For expenses necessary for the detection and prosecution of crimes against the United States; protection of the person of the President of the United States and the person of the Attorney General; acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies; and such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General; including purchase for police-type use without regard to the general purchase price limitation for the current fiscal year (not to exceed one thousand three hundred and seventy-four for replacement only) and hire of passenger motor vehicles: acquisition, lease, maintenance and operation of aircraft: firearms and ammunition: payment of rewards: benefits in accordance with those provided under 22 U.S.C. 1136(9)–(11) and 22 U.S.C. 1157, under regulations prescribed by the Secretary of State; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; $558,750,000: *Provided further*, That no ceiling shall be established at less than eighteen thousand six hundred and seventy-five on employment in full-time permanent position funded by this appropriation.

On page 16, beginning with line 15, insert the following:

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization and alien registration, including advance of cash to aliens for meals and lodging while en route; payment of allowances (at a rate not in excess of $1 per day) to aliens, while held in custody under the immigration laws, for work performed; payment of expenses and allowances incurred in tracking lost persons as required by public exigencies; payment of rewards; not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; purchase for police-type use without regard to the general purchase price limitation for the current fiscal year (not to exceed four hundred seven, of which two hundred ninety-eight shall be for replacement only) and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; firearms and ammunition, attendance at firearms matches; refunds of head tax, maintenance bills, immigration fines, and other items properly returnable, except deposits of aliens who become public charges and deposits to secure payment of fines and passage money; operation, maintenance, remodeling, and repair of buildings and the purchases of equipment incident thereto; acquisition of land as sites for enforcement fence and construction incident to such fence; reimbursement to the General Services Administration for security guard services for protection of confidential files; benefits in accordance with those provided under 22 U.S.C. 1136(9)–(11) and 22 U.S.C. 1157 under regulations prescribed by the Secretary of State; research related to immigration enforcement; $299,800,000, of which not to exceed $400,000 shall remain available for such research until expended: *Provided*, That of the amount herein appropriated, not to exceed $50,000 may be used for the emergency replacement of aircraft upon certificate of the Attorney General: *Provided further*, That upon the enactment of authorizing legislation, not to exceed $1,950,000 shall be available for additional fencing in the Yuma, Arizona, sector of the Border Patrol: *Provided further*, That no ceiling be established at less than ten thousand six hundred on employment in full-time permanent positions funded by this appropriation.

On page 19, line 10, after "Expended" insert a colon and the following:

Provided, That no ceiling shall be established at less than four thousand seventy-five on employment in full-time permanent positions funded by this appropriation

On page 19, beginning with line 14, insert the following:

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES, BUREAU OF PRISONS

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision and support of United States prisoners in non-Federal institutions, purchase of (not to exceed thirty-two of which twenty-four are for replacement only) and hire of law enforcement and passenger motor vehicles; compilation of statistics relating to prisoners in Federal penal and correctional institutions; assistance to State and local governments to improve their correctional systems; firearms and ammunition; medals and other awards; payment of rewards; purchase and exchange of farm products and livestock; construction of buildings at prison camps; and acquisition of land as authorized by section 4010 of title 18, United States Code; $315,200,000: *Provided*, That there may be transferred to the Health Services Administration such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions: *Provided further*, That no ceiling shall be established at less than eight thousand nine hundred and fifty on employment in full-time permanent position funded by this appropriation.

NATIONAL INSTITUTE OF CORRECTIONS

For carrying out the provisions of sections 4351–4353 of title 18, United States Code, which established a National Institute of Corrections, $9,920,000, to remain available until expanded.

BUILDINGS AND FACILITIES

For planning, acquisition of sites and construction of new facilities and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, $35,280,000, to remain available until expended: *Provided*, That labor of the United States prisoners may be used for work performed under this appropriation.

FEDERAL PRISON INDUSTRIES, INCORPORATED

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of not to exceed five (for replacement only) and hire of passenger motor vehicles, except as hereinafter provided:

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed $2,041,000 of the funds of the corporation shall be available for its administrative expenses, and not to exceed $3,040,000 for the expenses of vocational training of prisoners, both amounts to be available for services as authorized by 5 U.S.C. 3109, and to be computed on an accrual basis and to be determined in accordance with the corporation's prescribed accounting system in effect on July 1, 1946, and shall be exclusive of depreciation, payment of claims, expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest.

On page 22, line 13, strike "$641,488,000" and insert "$661,498,000";

On page 23, beginning with line 24, insert the following:

SEC. 207. A total of not to exceed $18,500 from funds appropriated to the Department of Justice shall be available for official reception and representation expenses in accordance with distributions, procedures, and

regulations established by the Attorney General.

SEC. 208. Appropriations and authorizations made in this title which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations prescribed by the Attorney General.

SEC. 209. No ceiling on employment in full-time permanent positions funded by this title shall be established at less than fifty-three thousand four hundred and ten.

On page 24, line 18, strike "$24,335,000" and insert "$25,025,000";

On page 24, line 25, strike "$48,594,000" and insert "$49,835,000";

On page 25, line 7, strike "$175,000,000" and insert "$199,200,000";

On page 25, line 8, after "enumerators" insert "for the 1980 Decennial Census";

On page 25, line 16, strike "$16,080,000" and insert "$16,875,000";

On page 25, line 21, after "I," insert "II,";

On page 25, line 23, strike "$484,325,000" and insert "$697,775,000";

On page 26, line 3, beginning with the colon, strike through and including line 5, and insert a period;

On page 26, beginning with line 6, insert the following:

LOCAL PUBLIC WORKS PROGRAM

For administrative expenses, including expenses for program evaluation by the Secretary of Commerce, necessary to carry out title I of the Public Works Employment Act of 1976 (Public Law 94–369), $10,600,000: *Provided*, That this appropriation shall be made available only upon enactment into law of authorizing legislation.

On page 26, line 17, strike "$28,690,000" and insert "$29,950,000";

On page 26, line 19, after "applications" insert a colon and the following:

Provided, That no ceiling shall be established at less than eight hundred and seventy-eight on employment in full-time permanent positions funded by this appropriation

On page 28, line 8, strike "$68,175,000" and insert "$72,500,000";

On page 28, line 13, after "activities" insert a colon and the following:

Provided further, That no ceiling shall be established at less than one thousand seven hundred on employment in full-time permanent positions funded by this appropriation

On page 28, line 21, strike "$58,000,000" and insert "including expenses of grants, contracts, or other agreements with public or private organizations, "$57,965,000";

On page 28, line 23, strike "$44,800,000" and insert "$44,950,000";

On page 29, line 2, strike $13,200,000" and insert "$13,015,000";

On page 29, line 14, strike "$13,500,000" and insert "$13,800,000";

On page 30, line 6, strike "$651,770,000" and insert "$675,800,000";

On page 30, line 9, beginning with the semicolon strike through the word "fisheries" in line 12;

On page 30, line 17, after "appropriation" insert a colon and the following:

Provided further, That no ceiling shall be established at less than eleven thousand seven hundred on employment in full-time permanent positions funded by the appropriation

On page 30, line 24, strike "$57,200,000" and insert "$57,600,000";

On page 30, line 25, after "expended" insert a colon and the following:

Provided That no ceiling shall be established at less than ninety-four on employment in full-time permanent positions funded by this appropriation

On page 31, beginning with line 4, strike through and including line 7, and insert in lieu thereof the following:

For payment to the Coastal Energy Impact Fund for the purpose of carrying out the provisions of sections 308 (a), (c), (d), (e), (f), (g), (h), (i), and (k) of the Act of October 27, 1972, as amended (90 Stat. 1019), $4,000,000, to remain available until expended: *Provided*, That obligations for payments pursuant to subsections (c), (d), and (f) shall not exceed $204,000,000.

On page 31, beginning with line 15, insert the following:

NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION

OPERATIONS, RESEARCH, AND ADMINISTRATION

For expenses necessary to carry out the provisions of the Federal Fire Prevention and Control Act of 1974, as amended $18,300,000. to remain available until expended.

On page 32, beginning with line 1, insert the following:

SCIENCE AND TECHNICAL RESEARCH

SCIENTIFIC AND TECHNICAL RESEARCH SERVICES

For necessary expenses of the National Bureau of Standards, including the acquisition of buildings, grounds, and other facilities; and the National Technical Information Service; $88,150,000, to remain available until expended, of which not to exceed $3,300,000 may be transferred to the "Working Capital Fund", National Bureau of Standards, for additional capital.

On page 32. line 15, strike "$10,965,000" and insert "$12,000,000";

On page 32, beginning with line 17, insert the following:

MARITIME ADMINISTRATION

SHIP CONSTRUCTION

For construction-differential subsidy incident to construction, reconstruction, and reconditioning of ships and acquisition of used ships under title V of the Merchant Marine Act, 1936, as amended; and for the cost of national defense features on ships, $157,000,000, to remain available until expended.

OPERATING-DIFFERENTIAL SUBSIDIES (LIQUIDATION OF CONTRACT AUTHORITY)

For the payment of obligations incurred for operating-differential subsidies as authorized by the Merchant Marine Act, 1936, as amended, $250,000,000, to remain available until expended.

RESEARCH AND DEVELOPMENT

For expenses necessary for research, development, fabrication, and test operation of experimental facilities and equipment; collection and dissemination of maritime technical and engineering information; and studies to improve water transportation systems; $17,500,000, to remain available until expended.

OPERATIONS AND TRAINING

For expenses necessary for carrying out the Merchant Marine Act, 1936, as amended, and the training of cadets as officers of the Merchant Marine, including not to exceed $2,500 for entertainment of officials of other countries when specifically authorized by the Maritime Administrator; not to exceed $2,500 for representation allowances; not to exceed $2,500 for contingencies for the Superintendent, United States Merchant Marine Academy, to be expended in his discretion; $57,150,000, to remain available until expended: *Provided*, That reimbursement may be made to this appropriation for expenses in support of activities for National Maritime Research Centers financed from the appropriation for "Research and development": Provided further, That reimbursements may be made to this appropriation from receipts to the "Federal ship financing fund" for administrative expenses in support of that program.

On page 35, beginning with line 21, insert the following:

SEC. 306. No ceiling on employment in full-time permanent positions funded by this title shall be established at less than thirty thousand one hundred.

On page 36, line 7, after "Chief Justice," insert "hire of automobiles for the Associate Justices,";

On page 36, line 11, strike "$8,960,000" and insert "$9,718,000";

On page 36, line 24, strike "$999,600" and insert "$1,450,000";

On page 37, line 1, after "expended" insert a colon and the following:

Provided, That section 1 of the Act of May 7, 1934 (40 U.S.C. 13a–13b) is amended by adding thereto the following subsection:

"(b) In addition to the foregoing, any funds hereafter appropriated under authority of this act shall be available also for expenses of heating and air-conditioning refrigeration supplied by the Capitol Power Plant, advancements for which shall be made and deposited in the Treasury to the credit of appropriations hereafter provided for the Capitol Power Plant; and for the purchase of electrical energy: *Provided further*, That subsection 2 of such act is amended by striking the words 'the foregoing' and inserting in lieu thereof the words 'section 1(a)' ".

On page 39, line 22, strike "$164,300,000" and insert "$166,195,000";

On page 39, line 10, strike "$71,849" and insert "$73,489";

On page 39, ine 10, strike "$43,632" and insert "$45,272";

On page 39, line 14, strike "$88,467" and insert "$91,747";

On page 39, line 14, strike "$55,968" and insert "$57,608";

On page 40, line 13, strike "$31,700,000" and insert "$31,914,000";

On page 40, line 18, strike "$18,400,000" and insert "$19,441,000";

On page 41, beginning with line 21, insert the following:

PRETRIAL SERVICES AGENCIES

For salaries and expenses of pretrial services agencies established pursuant to title II of the Speedy Trial Act of 1974, including support of services to defendants released pending trial, $5,000,000, to remain available until expended.

On page 43, beginning with line 9, insert the following:

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

For necessary expenses, not otherwise provided for, for arms control and disarmament activities, including not to exceed $15,000 for official reception and representation expenses, authorized by the Act of September 26, 1961, as amended (22 U.S.C. 2551 et seq.), $16,395,000.

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

For expenses of the Board for International Broadcasting, including grants to RFE/RL, Inc., $85,000,000, of which $2,000,000, to remain available until expended, shall be available only for fluctuations in foreign currency exchange rates in accordance with the provisions of section 8 of the Board for International Broadcasting Act of 1973, as amended: *Provided*, That not to exceed $65,000, shall be available for official reception and representation expenses.

COMMISSION ON CIVIL RIGHTS

SALARIES AND EXPENSES

For expenses necessary for the Commission on Civil Rights, including hire of passenger motor vehicles, $10,752,000.

On page 44, line 13, strike "$350,000" and insert "$521,000";

On page 44, line 24, after "local" insert "enforcement";

On page 45, line 8, strike "$3,000" and insert "$5,000";

On page 45, line 11, after the semicolon, insert "not to exceed $35,000 to provide commemorative stamp albums to delegates attending the 1979 World Administrative Radio Conference;";

On page 45, line 14, strike "$68,535,000" and insert "$70,446,000";

On page 45, line 17, after "studies" insert a colon and the following:

Provided further, That no ceiling shall be established at less than two thousand two hundred and eighty-three on employment in full-time permanent positions funded by this appropriation.

On page 46, line 1, strike "$10,500,000," and insert "$10,550,000:";

On page 46, beginning with line 5, insert the following:

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed $1,500 for official reception and representation expenses; $65,900,000: *Provided,* That no ceiling shall be established at less than one thousand seven hundred on employment in full-time permanent positions funded by this appropriation.

On page 47, beginning with line 12, insert the following:

INTERNATIONAL COMMUNICATION AGENCY

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary to enable the International Communication Agency, as authorized by Reorganization Plan No. 2 of 1977, the Mutual Educational and Cultural Exchange Act (22 U.S.C. 2451 et seq.), and the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1431 et seq.), to carry out international communication, educational and cultural activities, including employment, without regard to the civil service and classification laws, of persons on a temporary basis (not to exceed $20,000), and aliens within the United States; expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158) and living quarters as authorized by 5 U.S.C. 5912; entertainment within the United States not to exceed $6,500; purchase for use abroad of passenger motor vehicles (of which not to exceed twenty-five may be for purposes other than replacement); hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; advance of funds notwithstanding section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others; expenses authorized by section 804(14) of the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1474); radio activities and acquisition and production of motion pictures and visual materials and purchase or rental of technical equipment and facilities therefor, narration, scriptwriting, translation, and engineering services, by contract or otherwise; and purchase of objects for presentation to foreign governments, schools, or organizations; $370,300,000, of which not to exceed $7,941,000 of the amounts allocated by the International Communication Agency to carry out section 102(a)(3) of the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451), shall remain available until expended: *Provided,* That not to exceed $410,000 may be used for representation abroad: *Provided further,* That passenger motor vehicles used abroad exclusively for the purposes of this appropriation may be replaced in accordance with section 806 of the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1475a), and the cost, including the exchange allowance, of each such replacement, shall not exceed such amounts as may be otherwise provided by law (except that right-hand drive vehicles may be purchased without regard to any maximum price limitation otherwise established by law): *Provided further,* That notwithstanding the provisions of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), the International Communication Agency is authorized, in making contracts for the use of international shortwave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the International Communication Agency, as authorized by law, including Section 804(14) of the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1474), $9,824,000, to remain available until expended.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

To enable the Director of the International Communication Agency to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to any appropriate recipient in the State of Hawaii, $13,500,000: *Provided,* That none of the funds appropriated herein shall be used to pay any salary, or to enter into any contract providing for the payment thereof, in excess of the highest rate authorized in the General Schedule of the Classification Act of 1949, as amended.

ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

For an additional amount of the purchase, rent, construction, and improvement of facilities for radio transmission and reception, purchase and installation of necessary equipment for radio transmission and reception, without regard to the provisions of the Act of June 30, 1932 (40 U.S.C. 278a), and acquisition of land and interests in land by purchase, lease, rental, or otherwise, $19,685,000, to remain available until expended: *Provided,* That this appropriation shall be available for acquisition of land outside the continental United States without regard to section 355 of the Revised Statutes (40 U.S.C. 255) and title to any land so acquired shall be approved by the Director of the International Communication Agency.

INTERNATIONAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $13,100,000.

On page 51, line 25, strike "$285,000,000" and insert "$255,000,000; *Provided,*";

On page 52, line 8, strike "$702,000" and insert "$840,000";

On page 52, beginning with line 18, insert the following:

PRESIDENTIAL COMMISSION ON WORLD HUNGER

SALARIES AND EXPENSES

For necessary expenses of the Presidential Commission on World Hunger, including services as authorized by 5 U.S.C. 3109, $1,500,000.

On page 53, line 3, after the comma, insert "including termination or cessation of the activities of the Board, and";

On page 53, line 6, strike "$3,000,000" and insert "$6,260,000";

On page 53, line 7, strike "March" and insert "May";

On page 53, line 7, after "1979" insert a semicolon and the following:

Provided, That all property (including records) of the Board shall be transferred to the Administrator, General Services Administration, upon cessation of the Board's activities, or on May 31, 1979, whichever first occurs; *Provided further,* That the President or his authorized delegate shall thereafter have authority to discharge any remaining obligations of the Board, subject to the availability of appropriations therefor

On page 53, beginning with line 16, insert the following:

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed $2,000 for official reception and representation expenses, $64,650,000.

On page 54, line 6, strike "$180,000,000" and insert "$200,000,000";

On page 54, line 7, beginning with *"Provided,"* strike through and including page 54, line 4, and insert in lieu thereof the following:

Provided further, That no ceiling shall be established at less than four thousand eight hundred and sixty on employment in full-time permanent positions funded by this appropriation.

On page 54, beginning with line 15, insert the following:

WHITE HOUSE CONFERENCE ON SMALL BUSINESS

For necessary expenses of the White House Conference on Small Business, $4,500,000, to remain available until expended: *Provided,* That this appropriation shall be available only upon enactment into law of authorizing legislation.

On page 55, line 11, strike "$641,500,000" and insert "$368,780,000";

On page 56, line 1, strike "$35,000,000" and insert "$43,000,000";

On page 56, beginning with line 3, insert the following:

UNITED STATES METRIC BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Metric Conversion Act of 1975 (15 U.S.C. 205), $1,800,000.

On page 57, beginning with line 1, strike through and including line 6;

Mr. WEICKER. Mr. President, first, I pay very sincere compliments to the distinguished Senator from South Carolina, Senator HOLLINGS, for his leadership of this committee. I do so not because we are colleagues working on the same subcommittee of the Appropriations Committee, but because of the efforts and the precision of his efforts as he has put forth over the months. This is something that really warrants praise, and I am delighted to give it.

Mr. President, as ranking minority member of the subcommittee which considered H.R. 12934, the appropriation bill for the Departments of State, Justice and Commerce, the judiciary and related agencies, I want to endorse the remarks of the chairman of the subcommittee, the distinguished Senator from South Carolina, ERNEST F. HOLLINGS. Further-

more, I want to express my admiration of the chairman's leadership in developing this very complex and important legislation. The chairman has been most patient and gracious with every member of our subcommittee.

The subcommittee held extensive and protracted hearings with the proper officials and officers of the executive branch to assist in our review of the administration's budget. In my opinion, the committee's recommendation of $8,635,438,000 in new budget authority for fiscal year 1979 will provide adequate but not lavish financial resources for the agencies under the subcommittee's jurisdiction.

OCEANS

Mr. President, the chairman of the subcommittee, Senator HOLLINGS, and indeed, the chairman of the full committee, Senator MAGNUSON, share with me a strong sense of the potential which the oceans hold for the Nation both for the present and the future in terms of our food, energy, transportation and recreation. One of the agencies covered in this bill, NOAA, the National Oceanic and Atmospheric Administration, has primary responsibility for developing the policies and programs we need to realize that potential, and the committee has provided funding to support the ongoing programs of NOAA and to expand some of the more promising initiatives such as aquaculture, the sea grant project and ocean engineering, among others. These and other NOAA initiatives must continue to have our support if we are to insure the successful utilization and protection of this important national heritage—the oceans surrounding our shores.

SMALL BUSINESS

The bill also contains funding for the Small Business Administration and as ranking member of the Small Business Committee, I am particularly sensitive to the problems facing small businesses today. Most new businesses fail for lack of good management and our committee has pushed hard in the last 2 years to change the focus of the SBA from one of being a lending agency to one of more active assistance in small business development and success. Small businesses need an advocate vis-a-vis Federal laws and regulations; they need more management assistance; they need better economic data; and we have provided additional funds in these areas to enable SBA to fill these gaps.

CHILDREN'S ADVERTISING

The committee has also addressed itself to the serious problem posed by the Federal Trade Commission in its proposed rule making for children's advertising—namely, the problem of what course Congress should take when it perceives certain activities of the regulatory commissions as raising not just issues of budgetary priority but more importantly, questions of constitutional propriety—in this case—first amendment issues of free speech.

The committee report clearly expresses the committee's view that the questions raised by the FTC's proposed action should be considered within the full constitutional process—legislative, executive and judicial—and not as a matter belonging to regulatory rulings.

EDA

Mr. President, our bill contains increased funding for the Economic Development Administration of the Commerce Department. In my view EDA is one of the more successful agencies in the Government and its success, for the most part, has been its ability to help build partnerships between the public and private sector to achieve common goals. It is my opinion that EDA contains the most useful tools available to get our cities back into business by bringing business back into our cities. EDA has already shown itself to be effective in helping our rural areas grow by providing the technical and fiscal assistance needed to create jobs, diversity and development.

The increase in funds is for EDA's business loan and loan guarantee program which is intended to provide the capital needed by businesses in distressed areas who would be unable otherwise to receive loans from financial institutions. Even businesses with sound financial structures are having a difficult time finding the capital needed to expand and build their enterprises, so it is not hard to imagine the limitations on less than sound business exploration. This program is one of the few available public sources of working capital loans and loan guarantees. It is also one of the few public sources of money for risky business ventures.

I believe that this agency with these added funds can do as much to help our depressed urban and rural business communities as almost any Federal program.

FISCAL RESTRAINT

Let me turn finally to the whole matter of fiscal restraint, percentage cuts, and so forth, and let me say at the outset that I support all efforts to tighten up on Federal spending. The proposed deficit of $60 billion, now reduced somewhat by congressional action and possibly further by a smaller tax cut, is far too high. I would like to see us balance the budget or at least keep the deficit to a few billion, but not anything like the deficits that have been run in recent years. So I sympathize with the S.O.B.'s, the Save Our Bucks group of Senators. But if you are going to start passing these across-the-board percentage cuts, then you are in effect telling the Appropriations Committee to go out of business.

We in this subcommittee have worked hard on this bill. We reviewed these budgets in detail and held extensive hearings. Our bill is over a billion dollars below fiscal year 1978 and $25 million below the President's budget request. As members of this subcommittee we take pride in our work and feel that we have come up with a bill that balances the program needs against the budget constraints we must be mindful of as legislators.

If a senator feels that a particular agency has been over-funded, then I am prepared to discuss the agency in question and debate the merits of the case, but just making an across-the-board cut, to me, isn't a sensible way to legislate.

CLOSING

In closing, Mr. President, I once again want to extend my sincere thanks and appreciation to the chairman of our subcommittee, the Honorable ERNEST F. HOLLINGS, for his courtesies to me and every other member of the subcommittee. I believe that he and our committee have handled the development of this very difficult legislation in a most firm, fair, and equitable manner.

Mr. President, I take this opportunity to make several comments relative to the work of the subcommittee and what might be coming up during the course of the consideration of this bill.

First, I would like to address the work of the subcommittee as it relates to the oceans and more specifically the work of NOAA.

I realize there seems to be little appeal at this time, in the sense of either public appeal or political appeal, in the exploration and development of the 70 percent of the world's surface that lies under water. However, there is no question of the fact that well within our lifetime, this Nation, and indeed the world, will turn to the oceans for food and for energy.

The question that arises is: What way will we turn, concerning our Nation's oceans policy? Will it be in the way of panic, in the way of trying to catch up, or in a well planned and organized program?

There is nothing that has been done on the land that cannot be done in the oceans, whether it be farming, mining of minerals, or the capture of energy. All these can be done as well under the water as they are done in the more familiar manner on terra firma.

I hope that we will continue to lay tremendous emphasis on this area, whether or not the importance of it has been fully appreciated either in this Chamber or outside of it.

I now move to the area of small business.

Again, the funding for small business is contained in this appropriation. I think it important to recognize that the economic viability of this Nation very much depends on small business and its continuing development and growth. It is a proven fact that the job foundation of new businesses is far greater than for our mature enterprises.

It is also a fact that a challenge to economic concentration in this country can be mounted only if small businesses are allowed to develop. Otherwise that concentration will take place and we will be left with a few, very powerful corporations challenged only by the Government. I would far rather desire that the competition of the free enterprise system control our economic scene. That can only be accomplished with a healthy climate for small business.

I do not intend at this time to discuss in depth those aspects of children's advertising as they relate to the FTC, the regulatory commission, except to say this: It is extremely important for each one of us to understand that the guarantees of the Constitution of the United States are guarantees that cannot be turned on and off at will, by administra-

tive fiat. Rather they must remain constant if the Constitution is to have any meaning.

I realize that the subject matter in this particular instance, children's advertising, is a very tempting one in the sense of desiring to alter the Constitution of the United States to accommodate the competing interests. However, I think it far more important that we recognize that the freedoms guaranteed in that document are freedoms that apply to all of us regardless of circumstance and regardless of the temper of the times. That is concept that has to be protected.

With regard to the Economic Development Administration, I can only repeat what I have said many times on this floor. If we are to go ahead and put our cities back on their feet it should be done primarily by the private sector and not by Government. EDA has proved the most useful tool of the Government in this respect—far better than any plans announced by the White House and, indeed, far better than any of the plans executed by the Government in the past.

One last comment, Mr. President, prior to the debate on this bill: I suspect there might be an attempt to again impose an across-the-board cut insofar as this appropriation is concerned. I feel the same way toward such an across-the-board cut of the work done by the Appropriations Committee as I feel toward any artificial mechanism used in place of the judgments of governmental processes.

I do not want a statue legislating for me. If I should do a bad job, I would then expect to be kicked out of office. I do not want an across-the-board cut as a substitute for my judgment as a member of the Appropriations Committee.

Under the distinguished leadership of Senator HOLLINGS, and with the assistance of others of our colleagues and our very competent staff, this budget has been put together over a period of some 6 to 8 months of diligent labor. The choices presented to us were not easy choices. Time and again many of our colleagues came before the committee and had their requests denied.

Now, if indeed the efforts of those 6 to 8 months are to be usurped by a 20-minute amendment out here on the floor, then there is not much point on having the Appropriations Committee. I might add that if such an amendment were to be offered, I would instruct my own staff to examine those projects which impact on the greatest number of Senators. If the cut goes through, I would immediately propose amendments to see to it that the cut is implemented by cutting such projects as appeal to the Senators here on the floor. Thus, the cut will not be without consequence.

This business of cutting is fine. I believe in balanced budgets. I like to cut taxes, and did so as a mayor at one time, as much as anybody else. But this is not an easy process, and it is time that somebody told the truth on that score.

When the business of cutting taxes and cutting appropriations comes to mind everybody wants the other fellow to bear the burden. I intend, on this floor, to make sure that it is not the other fellow, but rather that each one who votes for such cuts bears the impact of the cut.

I daresay that if anybody asked the question as to where the impact of an across-the-board national tax cut would be felt, one immediately thinks that welfare cheats, and corrupt politicians who have their hands in the till will be the ones to bear the onus imposed by a cut. Nobody understands that such cuts are going to come from the national defense. There is no way you can go ahead and examine the impact of a cut in taxes unless you look at the impact of the cut on the biggest part of our budget, which is defense.

It will also be felt in cuts in budgets for education for everybody, middle income, middle America, included.

It is not as if we do not have any mechanisms in this free society of ours to condemn a bad job by our leaders. We have such a procedure. The populace kicks Senators, Congressmen, governors, and Presidents out of office if they do not do the job. That is the way one takes care of the budgetary process—by holding elected officials responsible for their actions. But what you do not do is set up some inflexible standard which, in effect, is a substitute for the job which we are all elected to do, or in this particular case, what we are appointed to do while serving on the Appropriations Committee.

It is demagogic, it is bad legislative procedure, and it is dishonest to substitute an inflexible procedure for the mechanism established by our founding fathers. If the inflexible approach is the popular mood of the times, well, it is just too bad. Somebody ought to tell everybody what is at stake here.

I understand that without my agreement here this afternoon, a time agreement has been made so I will not have the opportunity to lay this case completely before my colleagues should we have such an across-the-board cut recommended. But I can assure you I do not intend to spare the rhetoric when it comes to opposing such a cut, nor do I intend either to go ahead and spare the necessary mechanics, should the cut be voted, of meeting the cut with specific cuts in the programs recommended by this committee.

I yield the floor.

Mr. MATHIAS. Mr. President, would the distinguished Senator from Connecticut yield?

Mr. WEICKER. I yield.

Mr. MATHIAS. I thank the Senator.

Mr. President, I ask unanimous consent that Mr. Mike Klipper of my staff, Mr. Bill Westphal of the Judiciary Committee staff, and Mr. Robert McNamara and Tom Susman of Senator KENNEDY's staff have privileges of the floor during the debate on this measure and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. I thank the Senator from Connecticut.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HOLLINGS. Both sides.

The PRESIDING OFFICER. Without objection, the time will be charged to both sides. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. James P. Lucier and Miss Sarah Simms be accorded the privileges of the floor during the consideration of this measure and any votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time does the Senator ask it be charged? Equally to both sides?

Mr. HELMS. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1574

(Purpose: To prohibit certain appropriations to be made available to the United Nations or its specialized agencies for the purpose of providing technical assistance)

Mr. HELMS. Mr. President, I send an unprinted amendment to the desk, and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 1574.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 17, strike out "$355,392,000" and insert in lieu thereof "$327,676,000, of which no part may be made available for the furnishing of technical assistance by the United Nations or any of its specialized agencies".

Mr. HELMS. Mr. President, this amendment attempts to correct an unfortunate bureaucratic logjam in the United Nations' efforts to provide coordinated technical assistance to the people of the world. It will also put U.S. policy and practice with regard to technical assistance in line with each other.

As is well known, Mr. President, the payments which the United States makes to the United Nations budgets are of two kinds: Payments to the assessed budget over which we exercise little or no control, and payments to the voluntary contributions funds. From the point of view of the United States and the legislative process, the assessed payments are considered as a cost of foreign policy charged to State Department

funding, while the voluntary contributions are considered foreign aid.

The distinction is very important, because we have complete discretion over whether we want to fund the voluntary programs or not. But over the assessed budget, we have very little control. Technically, we are obliged to pay 25 percent of whatever amount the U.N. bureaucracy decides to charge. For all practical purposes, our input into the U.N. budgetary process is minimal; and we are easily outvoted, anyway.

But above and beyond the issue of the U.N. budget growth, there is another pressing problem.

In 1966 the United Nations development program (UNDP)—a voluntary contribution program—was given a clear mandate by the United Nations to assume the leadership role in the management of technical assistance programs. Yet today, it appears that less than one-half of all technical assistance programs are financed through voluntary contributions to the UNDP. Instead, they are financed through a forcibly imposed tax in the assessed budgets. Many of the United Nations specialized agencies have resisted efforts to have the majority of their technical assistance activities funded and coordinated through the UNDP. The resulting confusion and bureaucratic duplications have been detrimental to the intended purpose of technical assistance—aid to people.

For several years now congressional committees, GAO reports, and individual Senators have been concerned about the expansion of the technical assistance portions in the assessed budgets of the United Nations and its specialized agencies. Last year, in fact, the Senate deleted $19,250,000 from assessed U.N. contributions equal to the amount for technical assistance. My amendment does exactly the same as the Senate did last year.

And furthermore, my amendment does exactly what the committee's own report seems to be leading up to. On page 18 of the report, it says:

> In conclusion, this committee has repeatedly demanded improved controls over the technical assistance activities of the various agencies in the U.N. development system. Policies of the U.N. notwithstanding, it is the policy of the Congress of the United States which approves the funding contained in this bill, that technical assistance be under the control and supervision of the U.N. Development Program. As the primary financial benefactor of the U.N. system, this Committee has no intention of subsidizing the over-zealous proliferation of technical assistance programs and an increased fragmentation of the U.N. development system.

Those are strong words, Mr. President, and I agree with every one of them. I agree with the committee's position. The only thing is that I believe that the Senate should not just talk: it should act. And it should act by deleting these technical assistance funds.

Moreover, if the Senate acts, it will simply be following up what the Senate did on S. 3074, the authorization bill for the voluntary contributions. The Senate amended the authorization only a little more than a month ago, on June 26, at the instigation of the distinguished Senator from Pennsylvania (Mr. SCHWEIKER) as follows:

> It is the sense of the Congress that the President should instruct the appropriate representatives of the United States to the United Nations to encourage the specialized agencies of the United Nations to transfer the funding of technical assistance programs carried out by such agencies to the United Nations Development Program.

Mr. President, what better way to encourage the specialized agencies of the United Nations to transfer funding of technical assistance than by heading them off at the pocketbook? Last year the amount was $19,250,000. This year the amount is $27,716,000. The reality of the increase in this technical assistance funding flies in the face of the policy reiterated so often by the Senate that technical assistance be under the control and supervision of the UNDP. Why should we put up with this?

Only last year, when technical assistance was cut by the Senate—although later restored in the conference—the committee stated in its report on the fiscal year 1978 bill (H.R. 7556) the following:

> For several years the Committee has spoken of the need for improved coordination and control of the technical assistance activities of the various agencies in the United Nations development system. We have seen the system grow from modest beginnings into a complex network of organizations and programs under the control of about 40 separate governing bodies. It has been our contention, confirmed in testimony by State Department officials and by a succession of United Nations management studies, that a restructuring of the system to achieve centralized direction through the UNDP would immeasurably improve both the efficiency and effectiveness of U.N. technical assistance.
>
> It has also been our contention that considerable savings could be achieved were better managerial and personnel practices instituted in the UN and in the specialized agencies. However, instead of reducing the size of their assessed budget, these agencies have embarked on an overzealous proliferation of technical assistance programs with little thought to coordination or cost restrictions.
>
> The result has been an increase in the fragmentation of the UN development system with a concomitant loss of effectiveness.
>
> Therefore, the Committee, its patience long exhausted, now serves notice that it will not consider requests for funding of U.N. technical assistance in the State Department appropriations. We shall consider requests for U.N. technical assistance funding, whether assessed or voluntary, only through the Foreign Assistance and Related Programs Appropriations bill and only in conjunction with requests for funding of the United Nations Development Program.

Mr. President, with all due respect to the distinguished chairman of the committee, I am chagrined that the committee has apparently backed down from the notice served last year. I hope that it was an oversight in the rush to bring the bill to the floor under the severe pressures of this session. I hope that the distinguished chairman will agree with me that the deletion I propose—a deletion which has had the support of the Senate—should be made this year once more.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing technical assistance amounts to be deleted.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TECHNICAL ASSISTANCE AMOUNTS TO BE DELETED

Agency	Request level	Deduction of technical assistance	New level
United Nations	116,698,599	2,850,000	113,848,599
U.N. Educational, Scientific and Cultural Organization (UNESCO)	30,833,625	625,000	30,208,625
World Health Organization (WHO)	46,925,560	20,931,000	25,994,560
Food and Agriculture Organization (FAO)	24,241,249	3,200,000	21,041,249
World Intellectual Property Organization (WIPO)	296,003	110,000	186,003
Total		27,716,000	

Source: Information supplied by the State Department in hearings held before a subcommittee of the House Committee on Appropriations this year.

Mr. HELMS. Mr. President, the distinguished Senator from Connecticut (Mr. RIBICOFF) requested a few years ago a review of U.S. participation in international organizations. The report, prepared by the Committee on Government Operations and dated February 1977, addressed the problem of U.N. technical assistance funding. I ask unanimous consent that excerpts from that report be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. An even more recent report—"U.S. Participation in International Organizations," June 24, 1977—by the "watchdog of the Congress"—the General Accounting Office—expressed great concern about the movement away from centralized coordination of technical assistance programs. Mr. President, I ask unanimous consent that excerpts from this report be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HELMS. Mr. President, I urge the adoption of my amendment.

EXHIBIT 1

EXCERPT FROM "U.S. PARTICIPATION IN INTERNATIONAL ORGANIZATIONS"

In addition to developing new diplomatic procedures, the growing politicization of the organizations will force the United States to reexamine and perhaps reformulate some of its positions. Recent U.S. policy, for example, has not been entirely consistent in responding to the related efforts of the Third World and its supporters to direct greater proportions of the international organizations' resources to the needs of the developing world.

The regular budgets of most international organizations are raised through dues assessed by the organization. The United States has in the past opposed using substantial amounts of regular budget funds for technical assistance on the grounds that a member should be free to decide on a voluntary basis whether or not to provide technical assistance to other countries. Once the precedent is established that funds raised by

assessing members may be used for technical assistance, the majority voting power of the developing countries can determine the amount and nature of aid that the U.S. and other major donors must provide the developing world.

Nevertheless, in 1976 the U.S. supported a decision by the members of FAO formally to earmark for the first time a portion of the organization's regular budget for technical assistance. A substantial portion of the FAO regular budget had been used in the past to help support the technical assistance field programs which the organization undertakes for UNDP or others, but the organization had never before expressly set a portion of its budget aside for this purpose.[6] U.S. officials explain the decision on the grounds that the amount of money involved was relatively small, and that the funds were made available by reducing the amount earmarked for personnel in the Rome headquarters. The United States has sought to make it clear that the $18.5 million set aside in FAO for technical assistance is to be considered as an experiment which the United States will monitor closely.

Nevertheless, the expressed decision of FAO to use regular budget funds for technical assistance represents an important precedent. The use of regular budgets for technical assistance is likely to be of increasing importance in future years.[7] The posture of the United States in FAO will make it harder for the United States to resist similar efforts to use regular budget funds for technical assistance in other international organizations. It illustrates the need for the United States to formulate a clear and comprehensive policy towards the sustained efforts of the Third World to direct increasing portions of the resources of the international organizations towards the use of the Third World.

EXHIBIT 2

EXCERPT FROM A REPORT TO CONGRESS BY THE COMPTROLLER GENERAL OF THE UNITED STATES ENTITLED "U.S. PARTICIPATION IN INTERNATIONAL ORGANIZATIONS"

UNDP CONCEPT OF COORDINATION

Many of the restructuring proposals embody centralized planning, programing, and resource allocation within the United Nations. This idea in some respects is similar to the U.N. Development Program country programing concept wherein technical assistance is coordinated and funded primarily through a single channel. The UNDP system of country programing is based largely on the needs and priorities of a developing country as agreed to by the country. These needs are assessed in terms of UNDP resources, and a 5-year plan or country program is established by the recipient country and UNDP. Approved UNDP assistance projects, funded through voluntary contributions, are then carried out primarily by the specialized agencies under the team leadership of the UNDP resident representative.

Our report, "Actions Required to Improve Management of United Nations Development Assistance Activities" (July 3, 1975 ID-75-73), supported this concept and urged that it be extended to cover coordinated planning by all U.N. System components. The System has made some progress in the programing and resource allocation process in the United Nations. Yet, specialized agencies still tend to favor their autonomy, and few are willing to accept a central mechanism to coordinate planning and programing.

We continue to support coordinated planning and the channeling of U.N. development assistance through one focal point in each country, as opposed to direct programing by specialized agencies. Recently, the Food and Agriculture Organization diverted $18.5 million of its regular budget to direct field programs and the World Health Organization decided that 60 percent of its regular budget would be spent on technical assistance by 1980. Such actions serve to undermine the centralized development concept of UNDP.

More fundamentally, the consistently held view of the United States and other major contributors—that U.N. development assistance should be funded mainly through voluntary contributions and not through the assessed contributions of member states—is being challenged. The Food and Agriculture Organization and World Health Organization precedents, in our view, could lead to actions in other agencies for increased assessments and for the direct application of funds to development programs outside UNDP's coordinative mechanism.

The dangers of such a movement away from centralized coordination, particularly in specialized agencies wherein the large contributors no longer have the majority vote, are very real. For example, the loss of large-contributor discretion in levels of contributions and application of resources could prompt some to drop out, and this would in turn lessen the organizations' effectiveness.

Our Government continues to support and follow the concept of funding development activities through voluntary contributions and using UNDP as a central funding channel and focal point for development planning and programing. We urge that U.S. efforts in this area be increased, and we encourage strengthening the leadership role of the UNDP resident representative. We should point out, however, that the activities of the multilateral development banks must be considered in any successful development strategy.

In many countries these lending institutions have greatly influenced development strategies through overall economic surveys and analyses that have led to large investments. Therefore, the development banks with major stakes in developing countries also served by the U.N. System must be included in any successful country programing strategy.

In the final analysis, we are convinced that the ultimate goal of any programing strategy should be to develop a country's internal capacity to form its own development plans and effectively carry them out.

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[6] In 1969, the GAO estimated that 30 percent of the organization's regular budget and perhaps 50 percent of the time of the headquarters staff were actually related in one way or the other to technical assistance programs. See "U.S. Financial Participation in the Food and Agriculture Organization of the U.N." General Accounting Office, November 17, 1969, pp. 29, 33.

[7] For example, the WHO, which has long spent a portion of its regular budget on technical assistance, voted in 1976 at the urging of the developing world specifically to establish for the first time the goal that by 1980 60 percent of the regular budget, instead of the present 50 percent, would be spent on technical assistance. The U.S. abstained, expressing reservations about the proposal. A number of ILO member countries would similarly like that organization to make use of its regular budget for technical assistance programs.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Irene Emseller, of Senator ABOUREZK's staff, and Mark Gitenstein, of Senator BIDEN's staff, be granted the privileges of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Now, Mr. President, with respect to the amendment of the Senator from North Carolina, what we have in a general sense is two particular funds from which technical assistance programs are conducted by the United Nations. We have always felt that with regard to the development fund of the United Nations under the jurisdiction of the Subcommittee on Foreign Operations, under the leadership of Senator INOUYE. We have resisted the funding of technical assistance programs through the assessed budgets of the international organizations that the State, Justice, Commerce Subcommittee deals with.

The fact is, over the years, they have increased these technical assistance programs out of the assessed fund from the State Department in its regular contributions to the U.N. We have noticed an increase without very much oversight by the Department. Obviously, it should be overseen by both subcommittees.

We thought that the primary function and responsibility is such that Senator INOUYE would have it before his subcommittee and we would get it out of our assessed fund program and our budget. Senator INOUYE agrees with that. We put that provision in last year and we found it would not work with our counterparts in the other body. It is not a question of backing down, but it is a question of being realistic.

We can try again.

When I say realistic they can do it other ways. They can get up from the table and leave the conference, or they can take the approximately $28 million now being used for technical assistance and say, "All right, we will not use it but we will just assess each other a similar amount because all the other nations are ready, willing, and have been paying."

As I say, I have never seen the greatest likeness to immortality on earth as a bureau, when you get the U.N. fund going and they say, "You will not save the money, but we will just use it on other kinds of programs."

So if we can sort of catch it, like the Senator from North Carolina and the Senator from South Carolina would like to do, then that would be fine. I cannot guarantee it.

The House has resisted this particular approach.

On behalf of the committee, I believe we have even more important amendments, Mr. President. I would like to move on. I will be glad to accept the amendment, if my colleague will agree.

Mr. HELMS. Mr. President, I appreciate the comments of the Senator from South Carolina. If he is ready to accept the amendment, I yield back the remainder of my time.

Mr. WEICKER. I yield back my time, Mr. President.

The PRESIDING OFFICER. All time having been yielded back, without objection, the amendment is agreed to.

Mr. HELMS. I move to reconsider the

vote by which the amendment was agreed to, Mr. President.

Mr. WEICKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. I thank the Senator from South Carolina and the Senator from Connecticut.

Mr. WEICKER. Mr. President, I ask unanimous consent that should any amendments be proposed to the bill which call for across-the-board cut that no time limit attach to the debate on such an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLINGS. Mr. President, I will not object. I wanted to clear a misunderstanding. Actually, the staff, in accordance with custom, agreed to the typical time limit agreement which was entered into last year and thought that would be all right this year. I think the Senator from Connecticut is bringing up the point of across-the-board cuts or some kind of percentage cuts or something else being too important to be limited to the half hour. I would not object and would join in his request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UP AMENDMENT NO. 1575

(Purpose: To restore funds for positions in the Criminal Division to the level originally requested by the President and to provide additional positions for priority programs)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself and the distinguished Senator from Connecticut (Mr. RIBICOFF), and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and Mr. RIBICOFF, proposes an unprinted amendment numbered 1575.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 13, line 1, insert immediately after the semicolon the following: "not less than $27,512,000 for salaries and expenses of the Criminal Division".

On page 13, line 5, strike "$89,884,000" and insert in lieu thereof "$94,157,000".

Mr. KENNEDY. Are we under a time limitation?

The PRESIDING OFFICER. The Senator is correct. It is 30 minutes total, 15 minutes to each side.

Mr. KENNEDY. Mr. President, I yield myself 7 minutes.

Mr. President, this amendment would restore the Department of Justice request for the Criminal Division to the level originally requested by the President, and would provide for an additional 132 positions for the 4 major programs in organized crime, fraud, public corruption, and narcotics trafficking prosecutions.

The President requested 48 new positions for the Criminal Division. All but seven of these positions would be assigned to the four priority prosecution areas. The Appropriations Committee has taken 35 of these positions and transferred them to the Lands and Natural Resources Division. This action completely ignores the critical need for these positions in the criminal areas. As a consequence of this action, all of the positions allocated to organized crime, political corruption, and narcotics trafficking prosecutions, and 14 of the 25 positions allocated to major fraud prosecutions have been eliminated.

Not only does the Attorney General consider these 48 positions necessary, but I am convinced, based on my own analysis of information and materials submitted to me during hearings on this issue, that even this number is totally inadequate even to begin to meet the chronic problems of fraud, organized crime, drug trafficking on both the national and international level, and political corruption at all levels.

If we are really serious about attacking these areas of crime which destroy the very fabric of our democratic society, then we must insure that the level of personnel responsible for this effort is adequate. If we really expect the Department to make serious and major inroads into the infiltration of labor unions and other legitimate businesses by organized crime, if we really expect the Department to deal with the nearly $25 billion Government program frauds, as well as the massive amount of computer, land and commodities futures fraud, if we really expect the Department to grapple with the rising number of cases of political corruption across this land, and if we really expect the Department to do something about the increasing amount of national and international narcotics trafficking, then we must provide the Department with resources commensurate with our expectations and those of the American people.

It is time we stop talking about the problem of major criminal activity. It is time we stop bemoaning our inability to deal with it effectively. It is time we stop wringing our hands in frustration and fear. It is time, quite frankly, that we literally put our money where our mouths are. It is time we stop talking and start doing something significant which will be more effective than easy rhetoric. It is time we give the Department the resources it needs to get the job done.

Mr. President, the General Accounting Office estimates that there is $25 billion lost each year as a result of Government program fraud. The U.S. Chamber of Commerce estimates $40 billion is lost each year from fraud in the private sector. Eighty-five percent of computer fraud is not even reported. In the 94th Congress, we passed two bills to deal with real estate investment trust fraud and major bankruptcy fraud. Yet there have been no prosecutions because there are no resources.

I do not know how many Members of the Senate went and put out all their press releases on how they were for those programs to deal with those issues. We have added new responsibility to the Criminal Division in those areas, yet we have not added any new resources to deal with those areas.

Four hundred cases of American corporations bribing officials have been reported. Only 20 have been fully investigated and only 6 have been prosecuted because of inadequate attorney personnel. Six cases out of the 400 cases of bribing officials of foreign governments that have actually been reported have been prosecuted and, of the six prosecuted the results has been $2.5 million for the Federal Treasury.

If we are talking about a cost-effective program, this is it, Mr. President. I daresay the total amount we are asking—$3.3 million—should recover that many times over through these investigations.

A total of 535 cases of fraud in the medicare and medicaid programs have been referred for prosecution. None of these cases involves recipients; rather, they involve mainly violators who are doctors and nursing home owners. There is inadequate personnel to begin dealing with these cases.

We are not talking about individual fraud; we are talking about major systems frauds in the medicare and medicaid industry. Most of those cases have not been developed. One of the primary reasons for that situation is the lack of personnel.

There were added, only a week ago, by the distinguished Senator from Georgia on our HMO bill, very important additional provisions to battle the problems of fraud in HMO's. I was proud to cosponsor them. But we are not going to have any resources to move ahead in that particular area, either.

In the past 5 years, there has been a 50-percent increase in the number of fraud and embezzlement cases, but no increase in personnel. In 1974, there were only 2,900 white-collar crime convictions; in 1977, this figure rose to 4,240. There are only about 100 prosecutors throughout the country who are experts in white-collar crime, which amounts to nearly $100 billion a year.

In June 1978, the Commodity Futures Trading Commission had to close down because things got so bad, yet there has been no prosecution because there are no prosecution resources. That is just in the one area of major fraud in white-collar crime.

We can take the area of organized crime. There are only 120 prosecutors in the country specializing in organized crime, despite the fact that it is a growing activity. We have two major labor racketeering cases that are waiting to be started, but there are no resources available. There are five prosecutors who spent 2 years on one major investigation in the labor racketeering field. Consequently, they could not begin any other investigation.

Mr. President, the Department of Justice has begun a task force to investigate arson for profit. We see the explosion of arson-for-profit cases all over this country, including my own city of Boston and many other major cities of this country. There has been some development of the arson-for-profit cases. Still, the efforts that have been made in

that area are woefully inadequate to deal with this problem.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. I yield myself another 2 minutes.

In political corruption, Mr. President, one-third of the entire Political Corruption Section was tied up in two major cases, the Korean bribery case and the ITT case. So we have headlines about Korean bribery and headlines about ITT. Those cases consume one-third of the Political Corruption Section. All the other political corruption cases remain unprosecuted because of the limitation of resources.

Mr. President, as I spelled out in those other two areas, I shall develop my remarks in the area of political corruption.

The development of this case, Mr. President, was made as a result of the Committee on the Judiciary's inquiry into these areas. This case was not made on the representation of the Justice Department, but made on the evaluation of the Senate Judiciary Committee in these four priority areas, which I think have been wisely selected by the Department of Justice and the FBI. They are targeted as areas of public concern and as areas of need because of violations of the law. This is true as well in the narcotics cases.

Those are the reasons for the additional personnel which are included in this amendment.

Last year, I mentioned, Mr. President, that in the Fraud Division, their budget was $1.4 million, and they recovered $8 million just last year alone. I just wonder whether we have any other Federal program where we are getting about a 5-to-1 return on our investment, let alone meeting the obligations and responsibilities in law enforcement.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I want to deal with the thrust of Senator KENNEDY's remarks, specifically the charge that the appropriations that this subcommittee is presenting to the Senate to approve this afternoon totally ignore the needs of the Criminal Division. It is absolutely without foundation. In fact, there was an oversensitivity in this and as well as the Antitrust Division. Last year, like a bolt out of the blue, the proponents of this increase came traipsing down the road saying that we had done the same thing with the Antitrust Division. It goes without saying that the Antitrust Division just volunteered a budget reduction of some $628,000 in the second supplemental.

What we do is studiously, as we have these hearings, ask each one of the assistant attorneys general, in behalf of the particular divisions, "Is that really what you need and are you giving us your full request at this time and everything else?" Because we know there are those within the authorizing committee that would love to be the Appropriations Committee.

I know I would like to do that for Commerce. I serve on the Committee on Commerce and if they would give me all I want for the oceans that is where we would be, in real deep water. We would all be out on that ocean. So we never really expect the authorizing committees to get the full amounts.

In contrast, Mr. President, we do not ignore them. What we did do was have the hearings and then finally recommend the full amount requested by Antitrust, and the full amount requested by the Civil Rights Division. We went right down the line. When we got to the Lands Division, there was definite testimony and a very persuasive presentation in the energy field. We were really bogging down with all the title searches and agreements to be made and everything else to expedite the offshore drilling and oil supply and energy supplies of this Nation.

So we agreed then that we ought to put more in that particular instance and give everything. The House, momentarily, suggested cuts in the Civil Rights Division. We said, "No, let's give the full amount requested there and buck it back over to the Attorney General and the Justice Department."

Thereupon, they took those cuts in the Criminal Division.

True, it was at our request, but we doublechecked it when we heard there would be some other amendments.

Now, I have three documents because there has been quite a bit of correspondence in this regard.

The first of those letters forwarded to me by the distinguished Senator from Massachusetts, the incoming chairman of our Judiciary Committee, on June 13, 1978, with an enclosed letter from Mr. John C. Keeney, the Deputy Assistant Attorney General, Criminal Division.

Then we have the letter from the distinguished Assistant Attorney General, Mr. Philip B. Heymann. We also have the letter from the Attorney General himself.

Incidentally, the Heymann letter is dated August 2—yesterday. Today we have the letter of August 3, 1978, from the Attorney General.

If the Senator does not have one, I ask that the staff furnish the Senator from Massachusetts a copy of the Attorney General's letter so we will all have the three letters.

Mr. President, I ask unanimous consent the three letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 13, 1978.

Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR FRITZ: I recently learned that your Subcommittee on State, Justice, Commerce and the Judiciary marked up the Department of Justice Appropriations bill and decided to delete the additional money which the Committee on the Judiciary had authorized for the Criminal Division.

During the Judiciary Committe mark-up of the authorization bill, I proposed an amendment to increase the number of positions in the Criminal Division in order to insure that the Department of Justice had adequate resources for major prosecutive efforts in the areas of organized crime, white collar crime, political corruption and major narcotics trafficking. The attached letter from Mr. John C. Keeney, the Acting Assistant Attorney General for the Criminal Division at the time of the hearings, describes the need for these positions and defines precisely how they will be allocated.

For some time I have been genuinely concerned about adequacy of the efforts being made by the Department in these four priority areas. The significance of the effort, however, is directly proportionate to the resources allocated to the program. If we really expect the Department to make major inroads into organized crime's infiltration of labor unions and other legitimate businesses, into the massive amount of program, computer, land and commodities futures fraud, into the rising number of cases of political corruption, and into the serious problem of major national and international drug trafficking, then we must provide the Department with resources commensurate with our expectations and those of the American people.

I hope that you will give this matter further consideration before a final decision is made by the Committee. I would like to discuss this issue with you, if you have time, because I think it is extremely important.

Sincerely,

EDWARD M. KENNEDY.

DEPARTMENT OF JUSTICE,
Washington, D.C.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: Pursuant to your letter of April 12, 1978, I have attached the response to your questions resulting from the Criminal Division's authorization hearing on the FY 1979 budget.

Sincerely,

JOHN C. KEENEY,
Deputy Assistant Attorney General,
Criminal Division.

CRIMINAL DIVISION

Question: 1. The Criminal Division is receiving less than one half of the number of positions it originally requested. What is the impact of this cut in personnel?

Answer: The Division request for increased staffing for Fiscal Year 1979 was as follows:

Program in priority ranking	Department request	OMB request	Congressional request
Organized crime	8	8	5
Public integrity	9	9	4
Fraud (white collar crime)	39	39	25
Narcotics and dangerous drugs	12	12	7
Appellate	9	9	3
Internal security	2	0	0
Executive direction and control	0	3	3
General crimes	5	0	0
Government regulations and labor	6	0	0
Legislation and special projects	3	0	0
Freedom of information	9	5	1
Total	102	85	48

Of the 37 positions reduced by the Office of Management and Budget, 27 were in the four top priorities determined by the Attorney General for concentrated effort in criminal law enforcement: organized crime, public integrity, white collar crime, and narcotics control. Certainly, the Division will do less in these areas than it would have if it requests had been approved.

A. If the Division were to receive an increase in its resources beyond the authorization request figure, where would these positions be allocated?

Answer: If additional positions were authorized over and above our Congressional request, the additional positions would be allocated based upon our prioritized request above; that is, 3 additional positions to organized crime, 5 to public integrity, 14 to white collar crime, 5 to the narcotics program, 6 to the appellate program, etc.

B. How many additional positions does the Division need to implement the Departmental priorities and do an effective job in these areas? Why?

The Department is beginning its FY 1980 program and budget formulation process. While it has not been completed, the Division's request will be oriented to provide resource levels in these four areas as follows:

As the result of an in-depth survey of our resources, taking into consideration our FY 1979 budget request, and the program needs in the Department's top four priorities, we now believe we need as a minimum for the organized crime and racketeering program 30 additional attorneys and 15 clericals and paralegals; public integrity program, eight additional attorneys, one clerical and two paralegals; white collar crime program, 30 additional attorneys, 12 clericals and four paralegals and for the narcotics program, ten additional attorneys, three clericals and 2 paralegals. The time frame over which these resources should be available depends on how they could be most effectively used and absorbed.

The current trend of organized crime cases will continue with emphasis on more complex cases, more intensive investigations and longer trials. We will be required to devote more resources to the racketeering in the labor management area. A good example of this is in the Miami Strike Force where we have five attorneys working full time on the waterfront investigation. We are certain to get more involved in the New Jersey area as casino gambling opens. The Federal Bureau of Investigation has requested in their FY 1979 budget an increased staffing of 337 positions to work only organized crime cases which will lead to increased workload.

In the official corruption area, we can expect increasing workload resulting from the following factors:

(1) Appellate decisions expanding the reach of the Hobbs Act and mail fraud statute will continue to provide growing potential for new investigations and prosecutions of official corruption through these new tools. The development of the law embodied in these statutes will require an expansion of the program's body of expertise both in its advisory and in its participatory functions.

(2) Continued liaison and coordination with Federal agencies will require increased manpower resources to deal with the anticipated increase in referrals from the agencies as well as to continue to contact and educate agency personnel.

(3) The implementation of the Task Force concept will require significant relocation of resources to areas outside of Washington for extended periods of time. This will require increased resources in that such a concept will significantly increase the present caseload and the extent of program attorney involvement therein.

(4) The program's increased commitment to train and educate Assistant United States Attorneys and investigators in techniques of combatting official corruption will make significant demands on allocated resources.

(5) Experience has shown a uniform increase in the number of cases involving political corruption where United States Attorneys have recused themselves, relinquishing those cases to this program. An expected continuation in this trend will require allotment of additional attorney resources.

(6) Certain less significant areas which will call for increased allocation of resources include the continued increases in strictures of the Speedy Trial Act, an expected increase in complaints under the privacy and tax reform acts and an increase in complaints due to increased official and public awareness of the conflict of interest statutes.

The major objectives of the fraud program are to implement coordinated enforcement strategies for the prevention, detection, investigation, prosecution of significant white collar crimes and offenses on a national basis at both the policy and operational levels; to establish enforcement strategies in dealing with Government program and procurement fraud, computer fraud, investment fraud, and banking fraud areas; to maintain effective enforcement liaison with Federal, state and local agencies whose obligations impact on criminal justice within the Fraud Section's area of responsibility; and, to maintain a capability to directly handle litigation involving multidistrict and transnational white collar crime offenders.

These objectives will be implemented through closer agency contact (in particular: HEW, HUD, DOT, USDA, DOL, DOD, GSA, VA, SBA, EPA, AID, Energy and Commerce) in an effort to direct agency resources against those white collar crimes that have the greatest impact; and training of relevant agency auditors and investigators in fraud detection and investigation, as well as Assistant United States Attorneys in fraud prosecutions.

Government contracting and procurement fraud has only been addressed by the fraud program on the surface in recent years, but even that has produced massive cases that involve lengthy investigation. One took the full time of one section attorney for 18 months, others have taken one-third to one-half of an attorney's time for 12 months. The Department of Defense and the Fraud Section have broken new ground by applying the team concept of multi-agency investigations to this area in an effort to reduce the investigative time, but it still remains substantial. Similarly, we have been addressing only a limited number of program fraud cases that often come as a result of some scandal: FHA, Medicaid, Medicare, SBA, etc. But there are many others where the potential is great. The new Inspector General concept at HUD, HEW and USDA greatly enlarged the number of referrals from those agencies, but also increased the demands on the section for liaison and coordination with the Inspectors General. As the Inspector General concept spreads, the demands on the section will increase. To be able to continue our expansion to other agencies, other government programs and to begin effectively in the procurement area, an additional twelve attorneys are necessary.

The fraud program has in recent years placed particular emphasis on the activities of professional and major white collar crime offenders. Major prosecutions have been successfully concluded against the operators of fraudulent off-shore banks, mutual funds, insurance companies, land sale companies, and precious metal investment schemes. That successful experience led to being assigned the responsibility for the investigation of all cases involving the possible illegal overseas payments by American corporations to foreign officials. A task force of Criminal Division and SEC attorneys, and agents from the FBI and Customs Service initially screened over 400 such allegations and selected 80 for further concentration. Of those 80 only 20 were adequately examined in the first six months of the Task Force's existence. In addition, the Foreign Corrupt Practice Act, adopted in FY 1978, places a new burden on the Fraud Program to prosecute violations thereof. The referrals are coming into the section at an alarming rate. These referrals raise unique enforcement problems inasmuch as most of the evidence must be gathered from foreign nations and the allegations invariably concerns the corruption of a high official of a foreign government. It is clear that the additional staff requested for FY 1979 will not be able to handle both the work of the task force and the Foreign Corrupt Practices Act and an additional ten attorneys will therefore be required along with greater travel funds.

With the creation of the Commodity Futures Trading Commission the number of referrals of complex cases were expected to increase, but did not do so until late in FY 1978. The commodity market developed sufficient problems that all trading was stopped June 1, 1978. In FY 1977, the section's SEC Unit began a program to actively seek out the criminal aspects of matters under investigation by SEC Regional offices in an effort to develop the former civil cases for prosecutions before they became stale. An additional two attorneys are needed to minimally satisfy the demands made on the fraud program in this area.

With or without the adoption of the Ribicoff Bill on computer related frauds, discussion with the FBI clearly indicates that this is an area of rapid expansion. This information, obtained on a confidential basis from computer companies, causes the FBI to estimate the discovery of 50 quality computer fraud cases a year, 30 of which are estimated would require section attorney involvement. Our experience to date, while admittedly limited, indicates that the cases would average six months in duration and that one attorney could directly work three at one time; six a year. Thus we anticipate a need for 5 additional attorneys.

Real estate investment trusts are becoming more popular as high-return investment ventures. Those that are dishonest combine the worst features of land frauds with Ponzi type securities frauds. As real estate values continue to soar and the assets of trusts are stretched, indications are that many are becoming over-extended. The SEC indicates concern and envisions significant problems, but can do little more than speculate on criminal case numbers. Due to the complexity of similar cases, we anticipate 1 additional attorney to work in this area.

There has been a dramatic rise in the number of bankruptcy petitions filed recently, many with allegations of widespread fraud and abuse. The FBI has suggested a pilot project to operate in selected districts to focus on uncovering and prosecuting such violations, a concept similar to the HUD/FHA project began in FY 1974. They estimate and we concur that 2 section attorneys would be needed to devote full time to such a project.

On October 6, 1977, Attorney General Bell signed an order Effectuation of Major Drug Traffickers Prosecution Program which established guidelines for some twenty-two United States Attorney's units in twenty-one major metropolitan areas.

In addition to emphasizing the Administration's commitment toward combatting the drug problem in this country, the guidelines indicate the Federal role, which is the bringing together of prosecutors and agents to develop and prosecute complex multi-district cases against major (national and international) drug trafficking organizations.

Consequently, the required support and review functions of the Narcotic and Dangerous Drug Section have expanded and will continue to expand. Additionally, the Sec-

tion's commitment to provide direct "on site" attorney manpower to work with Grand Juries and conduct lengthy time-consuming trials is expanding and will continue to expand.

DEPARTMENT OF JUSTICE,
Washington, D.C., August 2, 1978.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: As requested by Mr. Robert MacNamara of your staff, I am writing to explain the importance of restoring to our fiscal year 1979 budget the 35 positions, out of a total of 48 authorized, recently eliminated by the Senate Appropriations Subcommittee on the Departments of State, Justice, and Commerce, the Judiciary and Related Agencies.

As John Keeney, Deputy Assistant Attorney General, Criminal Division, stated earlier this year before the Subcommittee, the requested program increases of 48 positions and $1,310,000 reflect the major priorities and initiatives which this Division hopes to accomplish in FY 1979. These increases included:

1. Twenty-five positions and $694,000 were requested to provide additional resources for our national white-collar crime effort, with particular emphasis on fraud against the Federal Government, multi-district and transnational crimes, bankruptcy frauds and securities and commodities frauds.

White collar crime is demonstrably on the increase. Of all criminal cases filed in United States District Courts in FY 1977, there was a 1.4 percent decrease from FY 1973. Fraud and embezzlement cases on the other hand showed a 49.8 percent increase in 1977 over 1973. (Table D 2 AC, 1977 Department of Justice Statistical Report). Furthermore, the public loss involved is astronomical. The United States Chamber of Commerce estimated that $40 billion is lost annually to fraud in the private section, and G.A.O. estimated that as much as $25 billion alone is lost annually to fraud from government benefit programs. It is significant to note that fraud in the government contract and procurement area is not included in either estimate.

Without the requested positions the Criminal Division will not be able to implement a comprehensive program for dealing with fraud against the government through the development of closer liaison with federal agency personnel; increased training in the detection and prevention of fraudulent practices; and the expansion of a successful multi-agency team approach to investigation.

The Division will also be limited in its ability to handle the increasing number of computer-related frauds and to increase the resources it is able to devote to bankruptcy fraud, commodity and real estate investment trust schemes. The FBI has requested 182 positions for its white-collar crime effort, a fact which will surely increase Criminal Division caseload.

2. Seven positions and $197,000 were requested to strengthen the prosecutive and support services provided by the Narcotic and Dangerous Drug Section to the 22 Major Drug Trafficker Prosecution Units in U.S. Attorneys' Offices, particularly to the three units that became operational this fiscal year. Since their inception, these units have continually increased their ability to develop substantial conspiracy cases against high echelon drug traffickers. The added complexity and increased caseloads has resulted in a dramatic increase in the number of cases in which Section attorneys have had direct responsibility for the investigation, trial and appeal.

On October 6, 1977, Attorney General Bell signed an order Effectuation of Major Drug Traffickers Prosecution Program which established new guidelines for these units. In addition to emphasizing the Administration's commitment toward combatting the drug program in this country, the guidelines emphasize and expand the Criminal Division's role in monitoring and servicing these units. Consequently, the required support and review functions of the Narcotic and Dangerous Drug Section have expanded and will continue to expand. Without the added personnel, Section staff could not continue to provide the necessary support and assistance to these field units, nor could it keep up with the substantial increases in requests for other support activity such as Title III assistance and training.

3. Five positions and $170,000 were requested to provide additional resources to the organized crime strike forces, to intensify the prosecution of organized crime activities in the areas of fencing, smuggling, firearms violations, labor racketeering and infiltration into legitimate business. The FBI's requested increase of 337 positions for its organized crime effort will certainly result in an enhanced workload for strike force staff. This increase will at some point require more than the five positions requested if the Division is to maintain its initiatives in this area.

4. Three positions and $64,000 were requested for the Appellate Section to expand the present Court of Appeals Unit, which now covers only two circuits. This unit ensures consistent legal positions in appellate briefs among all Federal circuits and assists U.S. Attorneys' Offices in the preparation of appeals.

This Unit has been continually understaffed despite the fact that it has been enthusiastically commended for outstanding service by those United States Attorneys' offices within the circuits the Unit presently services. Expansion of this service to the United States Attorneys in the nine other federal circuits would provide them with an important resource in managing their appellate workload.

5. Four positions and $96,000 were requested to support the Public Integrity Section which investigates bribery and conflict of interest among public officials, corporate bribery and election frauds. This increase enables the Section to assume a more active role in instituting the Attorney General's priorities for prosecution of public corruption by means of closer cooperation with and supervision of U.S. Attorneys' offices and the ability to take the initiative through the establishment of specialized task forces or other such affirmative efforts.

Without these added positions the Section will be forced to become more reactive, responding to requests for assistance from United States Attorneys on a selective basis, and rendering some degree of technical support in the prosecution of public corruption and election-related cases. It will not be possible to increase present activity.

6. Three positions and $76,000 were requested to establish a program planning and evaluation capability within the Division. This request is intended to support the Department's commitment to improving the management of its litigative activities.

7. One position and $13,000 was requested to improve the quality and timeliness of the processing of Freedom of Information and Privacy Act requests.

It should be apparent that these Program increases are the minimum necessary if the Criminal Division is to continue to vigorously pursue and further develop the initiatives already begun in combatting crime in the high priority areas of white-collar and organized crime, public corruption, and narcotics.

Thank you for your interest and concern. If I can be of any further assistance, please contact me.

Very truly yours,

PHILIP B. HEYMANN,
Assistant Attorney General.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., August 3, 1978.

Hon. ERNEST F. HOLLINGS,
Chairman, Subcommittee on State, Justice, Commerce, and Judiciary, Senate Appropriations Committee, Washington, D.C.

DEAR MR. CHAIRMAN: This is to request that you give the most serious consideration to appropriating an additional 48 positions and $1,310,000 for the Criminal Division in the General Legal Activities appropriation for fiscal year 1979. These resources are to be used in my major priorities and initiatives in the criminal justice area. We are making progress in organized crime, frauds against the government and other white collar crime, major drug trafficking prosecutions and investigation and prosecution of public corruption. These additional positions are vital to continue and expand on that progress.

Earlier this year, the Criminal Division responded to indepth inquiries about personnel needs from the Senate Judiciary Committee during the course of the authorization process. John C. Keeney, Deputy Assistant Attorney General, Criminal Division, advised Senator Kennedy and the Committee of the staffing requests for fiscal year 1979 as they developed through the budget process. The Criminal Division's request was 102 positions, the Department's recommended request to the Office of Management and Budget was 85 and the Office of Management and Budget's approved request to the Congress is 48 positions. Mr. Keeney further responded with regard to not only 1979 but 1980 needs and described those needs in terms of personnel optimums without specific regard to fiscal budgetary limitations.

I stress that the Criminal Division's request for these additional positions is a compelling one recognized and supported by the Office of Management and Budget and will help us to make progress in these priorities in which I know you personally and the Committee are so vitally concerned.

Sincerely,

GRIFFIN B. BELL,
Attorney General.

Mr. HOLLINGS. Mr. President, referring to the first letter of course, the Keeney letter, that goes into some 132 additional positions. We do not go along with that particular request.

Referring to the particular request on yesterday of the Assistant Attorney General by Mr. Heymann, we can agree to that because the Attorney General says that on review he would still like to have those additional 48 positions. We actually allowed 13 of them so there is a need to provide 35 more.

The Attorney General states that quite clearly in referring now here in his letter just delivered only moments ago to me where he says that he wants the additional 48 positions that were budgeted for the Criminal Division.

I have discussed with him the Keeney letter where they outlined all these things that our distinguished friend refers to, whether it is fraud, or whatever kind of justice, whatever kind of white collar crime, or whatever it is.

We are just as anxious and assiduous as he is to see that the law is enforced.

I have been in law enforcement long before many of the Senators here. I have been chief law enforcement officer for a

particular State. I have been working in that vineyard for a long time.

So we did not do it in a casual fashion.

I wondered what in the world they would do with 132 other positions. Of course, the Attorney General points that out. He says that these positions were really in response to that letter. Mr. Keeney further responded with regard to not only 1979, but also 1980, and described those needs in terms of personal optimism without specific regard to fiscal budgetary limitations.

The Attorney General says that he is not requesting, he does not need those this year. Here we have the Attorney General himself as of 2 o'clock saying that he does not need those particular positions, the Attorney General himself saying as of 2 o'clock that he does need the 48 positions.

If the Senator wanted to amend his amendment, for just the 48, I could go ahead and agree to that and we could debate the 132. We could proceed just as the Senator from Massachusetts would wish to proceed, because I have had a chance to briefly discuss it with the distinguished author of the amendment.

I want to try our best at the appropriations level to cooperate.

We do not go in depth, particularly when a man is sitting there saying, "This is all I am asking for."

We do not go in depth as the authorizing committee has done here with the numerous witnesses, and what have you.

It is true, of course, we lost our distinguished friend from Arkansas (Mr. McClellan) who chaired one of the criminal division subcommittees, I believe, and before his illness kept us attuned to the needs in this area.

But the Senator from Delaware (Mr. BIDEN) has talked to me about it. The Senator from Massachusetts has discussed it. We want to cooperate with the authorizing committee within certain budgetary limitations and what the gentleman themselves ask for.

But we just could not add 130-some positions because there is a lot of crime out there in America and with millions we can solve those crimes. It just will not happen. We cannot absorb it. The Attorney General said so and I have to oppose the 132 positions.

Mr. KENNEDY. I appreciate the comments of my friend and colleague from South Carolina.

This is our first year for authorization for the Department of Justice. This is the first time that we have had an annual authorization procedure, and we had 10 days of hearings on these areas.

It is my sense and my feeling that these positions are essential. The Senator stated correctly the figure of 132 came from the Keeney recommendation, and he detailed how they would be allocated between the various agencies. These resources are absolutely essential in those four important areas.

I appreciate the fact that the chairman would permit a modification.

Do I understand it to include that which was requested by the Justice Department, the additional 35 positions, and then permitting us to vote on the additional ones up or down? Is that what the Senator says?

Mr. HOLLINGS. I think, if the Chair will instruct me properly, I have an amendment here at the desk for the 48 positions. I do not want the Senator to yield back the time because he would like to have further debate on the 132.

Do we just call up my amendment to his amendment and start it on that, and agree to it and then debate it?

The PRESIDING OFFICER. The Senator would have to have unanimous consent in order to call up an amendment to an amendment while time is still remaining.

Mr. HOLLINGS. I understand.

I did not want to shove the Senator to final debate.

I would be glad to yield further time on the bill on the amendment.

I take it what we would be agreeing to in actual amendments here, that on page 13, line 5, we would strike $89.884.000 and insert in lieu thereof $90,826,000.

Now, that amendment then would leave us in what position? In the position of having accepted the 48, but I do not want—then would we have a chance to vote on another amendment?

Mr. KENNEDY. Would the Senator permit a brief quorum call on the bill?

Mr. HOLLINGS. Yes.

Mr. President, I suggest the absence of a quorum and ask unanimous consent the time be charged to both sides.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I send to the desk a modification of the amendment, and I ask unanimous consent that I be able to offer a second amendment affecting the figure of this amendment, without losing my right to do so.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KENNEDY. Mr. President, I understand that the amendment I have sent to the desk conforms to the earlier dialog——

The PRESIDING OFFICER. Will the Senator suspend for a moment?

The modification which has been sent to the desk needs redrafting.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum, with the time to be taken from the time on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for quorum call be rescinded.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I call up my modified amendment.

The PRESIDING OFFICER. The modified amendment will be stated.

The assistant legislative clerk read as follows:

An unprinted amendment No. 1575:

On page 13, line 1, insert immediately after the semicolon the following: "not less than $27,512,000 for salaries and expenses of the Criminal Division".

On page 13, line 5, strike "$89,884,000" and insert in lieu thereof "$90,826,000".

Mr. KENNEDY. Mr. President, I ask unanimous consent, before considering this amendment, that I be able to modify the final figure further.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KENNEDY. Mr. President, this is agreeable to the Appropriations Committee. What it effectively does is to conform the appropriations bill to what was requested by the Department of Justice in the most recent letter from Phil Hyman, who is the Assistant Attorney General.

As I understand, it is acceptable to the members of the Appropriations Committee.

Mr. HOLLINGS. Mr. President, I am trying to get this clear.

I understand that the Senator from Connecticut would like to be heard. Yes, I would agree with it, but the Senator from Connecticut wishes to be heard.

Mr. WEICKER. Mr. President, I oppose the amendment of the Senator from Massachusetts. I think it is proper that we put this into perspective.

All this great ranting and raving about how we are cutting back on attorneys and cutting back on the budget for the Criminal Division—it is not true. Even if the amendment of the distinguished Senator from Massachusetts is not adopted, there will be an increase in the number of attorneys in the Criminal Division; there will be an increase in the budget for the Justice Department—increases that have the approval of the Office of Management and Budget of the Justice Department, of the Appropriations Committee.

As I recall the comments of the Senator from Massachusetts, he was berating his colleagues for voting through all these programs and then not supporting them in the way of personnel. That is not the case.

The situation is simply that we are not supporting them in the way the Senator from Massachusetts believes they should be supported. The Appropriations Committee and the subcommittee have all voted increases in personnel in every one of the divisions. The total number of positions in the 1978 appropriation was 2,486. The 1979 request was 2,727, and the committee recommendation was 2,727.

What bothers the distinguished Senator from Massachusetts is that there was some shuffling around and that not as much emphasis was placed on criminal matters as was placed on the land-natural resources area.

This is one of the determinations that the committee has to make.

We are not lacking for attorneys. In the course of pursuing his requests in the criminal area it is indicated that we lack for professional help. White-collar crime is mentioned. Fraud is mentioned. Political crime is mentioned.

I ask the distinguished Senator from Massachusetts how many attorneys in the Justice Department right now are working on the A.T. & T. antitrust case?

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. WEICKER. I yield myself 5 minutes on the bill.

Mr. KENNEDY. As I indicated in the earlier response, one-third of all those in the Fraud Division worked on ITT and Korea last year. Those were the two cases, the Korean bribery and the ITT case, in the political corruption area.

Mr. WEICKER. I ask the distinguished Senator from Massachusetts how many are working on the A.T. & T. antitrust case?

How many are working on the IBM antitrust case? These are not political. These are not fraud. These are not white-collar crimes.

Thus, it is easy to reinforce one's argument by bringing up those subjects that are closest to the hearts of the newspapers, the population, and even my colleagues in the Chamber. However, there is no lack of professional help in any of these areas. Indeed, there are some 240 additional attorneys in the Justice Department who could pursue a variety of areas.

Therefore, I oppose the request. I think we are trying to hold the line. Yet, we are not even holding the line. The committee is not holding the line. We are even adding personnel. However, I certainly do not think that the additional personnel suggested by the Senator from Massachusetts is warranted.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WEICKER. I yield to the distinguished Senator from Washington.

Mr. MAGNUSON. May I ask the Senator from Massachusetts, did the Attorney General ask for this?

Mr. KENNEDY. The Senator is correct. The Attorney General did ask for it.

Mr. MAGNUSON. For how many?

Mr. KENNEDY. Forty-eight positions.

Mr. MAGNUSON. Does the budget request this?

Mr. KENNEDY. This has budget approval by the concurrent budget resolution.

Mr. MAGNUSON. No; I am talking about the Office of Management and Budget downtown.

Mr. KENNEDY. The Senator is correct. OMB approved it and the Attorney General approved it.

Mr. MAGNUSON. Both of them have approved the 48 attorneys?

Mr. KENNEDY. The Senator is correct. They both approved of it.

Mr. MAGNUSON. There may be some need for additional attorneys in, say, the Criminal Division, but I assure the Senator after looking at the situation down there for a long time, there is no shortage of lawyers in the Department of Justice. They are falling over one another down there. It may be that we better ask the Attorney General to reassign attorneys to different places where they are needed and change their priorities.

I never knew so many people that they want every year. They want to up it, up it, and up it, and we have so many people now employed down there that they are going to come and ask for another building pretty soon.

Maybe the Senator from Massachusetts is right about the Criminal Division. But instead of adding to that, they can pick up some of the lawyers down there who have been sitting around and are just bloated in some of the other divisions. I did not quiz them about that.

But I just merely want to say, Mr. President, that on the question of those employed in the Federal Government we have to put our foot down some place, and not every year just because we send a new program to a department, therefore, do they have to have additional people or new people.

What they should do is take some of the people in other parts oft heir department who may not be doing so much, or where there are too many, and move them over, or maybe they do not like what they are doing, and put them over in another one.

I know this has little connection with Massachusetts, but it has some: How many people does the Senator from Massachusetts think the HEW employs in this country as Federal employees? How many would he think?

Mr. KENNEDY. I think right now it is 126,000 here and 760,000 across the country.

Mr. MAGNUSON. 1,144,000 people. That is bigger than the Army, and every year——

Mr. KENNEDY. It is not bigger than the Army.

Mr. MAGNUSON. What I am trying to say is every time we send down some kind of a new program or change the law, instead of looking around and seeing if they have people who they can use where there is some program that may be dying out or people are not working, they immediately come up and say we have to have new people, new people; and I think we should put a stop to it sooner or later.

I might agree with the Senator on the Criminal Division, but I surely would not agree that the Justice Department does not have enough lawyers down there to cover everything if they shift them around.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. KENNEDY. Mr. President, I wish to see if I can get 5 or 7 minutes on the bill?

Mr. HOLLINGS. Yes. I am glad to yield sufficient time. I yield 5 or 7 minutes on the bill.

Mr. KENNEDY. Mr. President, the fact of the matter is, responding to the Senator from Connecticut, on the IBM case, there are 10 to 12 lawyers representing the Government and over twice that many lawyers representing IBM. This pattern and practice has continued time and time again. We hear these eloquent statements and speeches about how we want vigorous antitrust enforcement and how we want to do something about the problems of inflation. The Members of the Senate will have an opportunity to vote on that particular issue later.

But the Senator from Connecticut is wrong when he talks about the increase without this amendment. Currently, if we compare the fiscal years 1978 to 1979 in the areas of organized crime, public integrity, fraud, and narcotics, without this amendment those areas get none.

The fact of the matter is we have seen an explosion of crime in these areas in this country in recent times, with the expansion of white collar crime, the expansion of narcotics, and the expansion of political corruption. That might not be of much concern to some, though I am sure it is of some concern to the Appropriations Committee, but it is a concern to millions of Americans.

I see time and time again the Senate vote on all of these provisions and all the laws talking about corruption, bribery and scandal. I see committees getting headlines time and time again about organized crime. Now we have a chance to do something about it to give the Department of Justice support they need.

It is the first time that the Judiciary Committee has had a chance to evaluate the Department. It might not be so apparent to the Senator from Connecticut, but it is to millions of Americans that these are the exploding areas of crime in this country. The Senator from Washington talks about the numbers in the Justice Department. That is a pretty easy target. It is a pretty easy target to talk about all the Government personnel or people who are sitting around.

We have heard that argument time and time before. And if there are people in HEW the Senator from Washington should identify them. He is chairman of that subcommittee, and he should be able to identify them, and I will work closely with him in order to be able to do it.

But make no mistakes, Mr. President, this type of increase is essential to try and deal with these particular problems. We are talking about labor racketeering. We are talking about the expansion and explosion of narcotics.

We are talking about white collar crime, and we are talking about political corruption. Those are the areas which are identified.

I will work closely with the Appropriations Committee in the future, as we have tried to do in the past, in reviewing annually effective kinds of evaluation so that we are eliminating what programs are not effective and support those which are.

But, without this basic amendment, there will be virtually no resource increase in any of these priority areas between fiscal 1978 and fiscal 1979.

A final point I would make is that this is in conformance with the budget resolution. The amendment for the increase of personnel conforms with the budget resolution. We are not breaking the budget here. We are conforming with the budget resolution.

Mr. MAGNUSON. Mr. President, will the Senator yield for another question on his time? I hope the Senator, after his speech he just made, will cooperate with us in seeing that this is done, because he does know a great deal on the Judiciary Committee, the Judiciary Committee knows a great deal more, about the operation of the Department of Justice. But once in a while, just once in a while, I wish they would pick up people in some departments and establish priorities that the Senator so well spoke of instead of just adding more people.

I hope the Senator will cooperate with us on that. The Senator's committee can do that and can help us a little bit to cut down the number of people employed in the Government totally.

Mr. WEICKER. Mr. President, I yield myself 2 minutes on the bill and I move to table the amendment of the Senator from Massachusetts. I understand the exercise in demagoguery relative——

The PRESIDING OFFICER. The motion to table is not debatable. The question is on agreeing to the motion of the Senator from Connecticut to lay on the table the amendment of the Senator from Massachusetts.

Mr. WEICKER. Mr. President, I ask unanimous consent to withdraw the motion to table. I request, first, 2 minutes on the bill, followed by my motion to table. That was the request of the Senator from Connecticut.

The PRESIDING OFFICER. The Senator yielded himself 2 minutes on the bill and then moved to table. The Senator may withdraw his motion.

Mr. WEICKER. I yield myself 2 minutes on the bill.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. WEICKER. The simple fact is that 704 positions in the Criminal Division were given in the 1978 appropriation: 717 is the number of positions agreed to by the committee for fiscal year 1979. That is an increase in positions anyway you cut it insofar as the Criminal Division is concerned. However, it does not come up to the 752 that were initially requested.

The total number of positions, 2,727, has been agreed to by the Appropriations Committee. But it was felt that, due to the very eloquent and substantive requests made by other colleagues, other divisions of the Justice Department needed additional help.

I think that, as much as I respect the distinguished Senator from Massachusetts, there are others seeking assistance. For example, the distinguished Senator from Arkansas pleaded for additional attorneys in the Office of Land Resources. His request was met.

We talk about organized crime, we talk about corruption, we talk about narcotics. But let us also understand that we asked for a number of new persons in the Federal Bureau of Investigation, the various local law enforcement agencies, and 61 new U.S. attorneys.

There has been an increased granted by this committee. We can go on and on and on. But I suggest that there are plenty of lawyers downtown. What we need right now are balances among those who are there and everybody working. That, I think, the committee has provided for in its apportionment of personnel.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. WEICKER. Mr. President, I move to table the amendment of the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, will the Senator withhold that? I am not interested in delaying. We have a half-hour limitation on the amendment.

The PRESIDING OFFICER. Does the Senator withhold his motion?

Mr. WEICKER. What time is there for the Senator from Massachusetts to ask a question?

The PRESIDING OFFICER. There is time on the bill yielded.

Mr. WEICKER. I yield 30 seconds to the distinguished Senator from Massachusetts.

Mr. KENNEDY. The point I would make is that under the recommendations of the Appropriations Committee there is no increase in personnel in the organized crime section, there is no increase in the public integrity section, and none in the narcotics section, none.

The only point I would make is that I reject the comment of the Senator from Connecticut about demagoguery. We have done more in the Judiciary Committee with the passage of the criminal law legislation, and we have worked closely on the law enforcement assistance program to do something about crime in this country.

The PRESIDING OFFICER. The Senator's 30 seconds have expired.

Mr. BIDEN. Mr. President, will the Senator withhold his motion?

Mr. President, I rise today to express my concern about cuts made in the requested budget for the Criminal Division of the Department of Justice. The Justice Department requested an additional 48 slots for the Criminal Division for fiscal year 1979. The Department did so in order to increase its manpower in four critical areas: First, white collar crime; second, organized crime; third, public integrity and fourth, narcotics. The Judiciary Committee when it reviewed that request in the form of the Department of Justice authorization bill not only supported the request but proposed an additional 130 positions in those four priority areas.

The reasoning behind the President's request and the Judiciary Committee's increase is quite simple. The Federal response to these four areas is simply inadequate. For example, the American Bar Association in a recent analysis of the Federal response to white collar crime characterized it as "clearly unequal" to the task. As chairman of the Judiciary Committee's Subcommittee on Criminal Laws and Procedures, charged with oversight of the Criminal Division, I am learning to my dismay that this assessment probably applies to the other three areas as well.

In these four areas we are talking about criminal activity which is extremely costly not only in terms of dollars but also to the moral fabric of our society. Estimates of white collar crime are in the $40 billion range. Indeed the loss from Government frauds alone is estimated at $25 billion. I need not recite the costs from organized crime and narcotics. They are common currency and well accepted. The effects of Watergate, Koreagate and the other scandals upon the body politic make their own cause for additional resources in the political corruption area.

Despite the increasing awareness in the Congress of the threat of white-collar crime. the need to increase our public integrity prosecution efforts, and the continuing concern about organized crime and narcotics. the resources have not been forthcoming. In the white-collar crime area there has been a 50-percent increase in fraud and embezzlement cases over the last 5 years but no increase in resources. Congress has held extensive hearings on and encouraged the Justice Department to move in the area of corporate bribery of foreign governments and medicare and medicaid fraud. The FBI and others have uncovered almost 1,000 such cases but the Criminal Division does not have the attorneys to prosecute the cases.

Indeed there are actually only 100 white-collar crime prosecutors and 120 organized crime prosecutors in the Federal Government. The consequence is: First, several hundred cases of organized crime infiltration of legitimate business can not be brought before the grand jury; second, organized crime task forces cannot be reopened because there are no attorneys to fill the positions and third, the new arson-for-profit task force cannot be placed in operation because there are no funds to hire prosecutors to man the task force.

A similar case can be made for political corruption and narcotics prosecutors. Overworked prosecutors in these two sections become involved in complicated cases such as KCIA or a major narcotics conspiracy, involving years of investigation, grand jury and trial presentation and must turn away scores of cases.

I generally support the 2- or 3-percent departmental cuts that have been proposed to this and other appropriations bills in recent months. And I will support a cut even to the Justice Department appropriations. However, it would be ironic if in the name of such budget cutting we exacerbate what is already a serious crisis in Federal law enforcement. Right now the Department of Justice turns down 60 percent of all the cases the FBI brings to it, in many cases because it does not have the manpower to prosecute the cases.

We are not saving anybody any money if we create a new and bigger bottleneck in the Federal criminal justice system by cutting back in these four critical areas. Indeed, some experts estimate that white-collar crime alone may be the cause of 15 percent of inflated retail prices. Therefore the end result of cuts in these areas may hurt the taxpayers.

I propose that the Senate restore the 35 positions which the Justice Department

asked for in the Criminal Division. It is my understanding that this would cost less than $1 million and I have no doubt that the fines collected and the savings in whitc-collar fraud schemes frustrated by aggressive prosecution in these areas would more than pay for the increase.

Mr. MUSKIE. Mr. President, the distinguished Senator from Massachusetts has offered an amendment to increase the number of lawyers in the Criminal Division of the Department of Justice. The amendment would expand the department's resources to investigate and prosecute a wide range of organized crime and Government fraud. I support that amendment. It is reasonable and fiscally responsible.

The amendment would increase the appropriation for the Department of Justice by $1.3 million. I would note, Mr. President, that this amount could be accommodated within the first budget resolution targets for function 750, administration of justice.

I am particularly drawn to support this amendment, Mr. President, when I consider it within the context of the entire budget. For within that larger context, this is not an amendment to increase Federal spending. This is an amendment that has the potential to substantially reduce Federal spending and to make that spending more effective.

I share with many other Senators a concern about waste and outright fraud in Government programs. Fraud and crime drain away tax dollars that are intended to respond to real national needs. And they disrupt and undermine programs and agencies created to carry out the will of Congress.

The likelihood of fraud always presents a dilemma to the Congress when we respond to crying needs. However carefully Federal programs are designed, there will be those with criminal intent and ingenuity who will try to subvert the program. Although we may not be able to stop this fraud, we can discourage it and reduce it with vigorous investigation and prosecution. The potential savings could be not millions but tens of millions or even billions of scarce Federal resources.

I read with alarm the report of the Inspector General of HEW that the department is wasting up to $7.4 billion annually out of its budget. Fully $1.0 billion was estimated to be the loss resulting from fraud. Much of that resulted from "medicaid mills" and crooked nursing homes, where owners sent in bills for services never rendered, issued phony cost reports, charged off personal items for their own use and invented lists of drugs and other items of equipment.

HEW was also defrauded out of additional hundreds of millions of dollars by people lying about their eligibility for welfare, or by fraudulently defaulting on student loans, or diverting student loan funds to improper purposes.

That requires firm action. I recall that the distinguished Senator from Virginia, Senator BYRD, moved to reduce the targets for function 600, income security by over $5.0 billion and then by $2.1 billion when the fiscal 1979 first budget resolution was being considered on the Senate floor. He made the amendment as a result of his concern for fraud in medicare, medicaid, and other programs of HEW.

I opposed that amendment as an ineffectual way to attack fraud and an inappropriate way to save tax dollars. I stated at the time that the diversion of funds from a complex program cannot be reduced by just cutting the dollars going into the program. I am convinced that the way to reduced fraud and waste is to increase the oversight of the Congress and the executive branch over programs.

The amendment now before us provides one of the ways to affect real savings of tax dollars, and that is why I support it.

Mr. WEICKER. Mr. President, I move to table the Senator's amendment.

Mr. KENNEDY. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut to lay on the table the amendment of the Senator from Massachusetts. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alabama (Mrs. ALLEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from California (Mr. HAYAKAWA), the Senator from Idaho (Mr. MCCLURE), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting the Senator from South Carolina (Mr. THURMOND) and the Senator from California (Mr. HAYAKAWA) would each vote "yea."

The result was announced—yeas 36, nays 49, as follows:

[Rollcall Vote No. 279 Leg.]

YEAS—36

Bartlett	Hansen	Schmitt
Burdick	Hatch	Schweiker
Byrd, Harry F., Jr.	Hatfield, Mark O.	Scott
Cannon	Helms	Stafford
Chafee	Huddleston	Stennis
Curtis	Laxalt	Stevens
Danforth	Lugar	Stone
Ford	Magnuson	Talmadge
Garn	Packwood	Tower
Glenn	Proxmire	Wallop
Goldwater	Roth	Weicker
Griffin	Sasser	Young

NAYS—49

Bayh	Hart	Metzenbaum
Bentsen	Hatfield, Paul G.	Morgan
Biden	Hathaway	Moynihan
Bumpers	Heinz	Muskie
Byrd, Robert C.	Hodges	Nelson
Case	Hollings	Nunn
Chiles	Humphrey	Pearson
Church	Jackson	Pell
Clark	Javits	Percy
Cranston	Kennedy	Randolph
Culver	Leahy	Ribicoff
DeConcini	Mathias	Riegle
Dole	Matsunaga	Sarbanes
Domenici	McGovern	Sparkman
Durkin	McIntyre	Williams
Eagleton	Melcher	Zorinsky
Gravel		

NOT VOTING—15

Abourezk	Brooke	Johnston
Allen	Eastland	Long
Anderson	Haskell	McClure
Baker	Hayakawa	Stevenson
Bellmon	Inouye	Thurmond

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question recurs on the amendment.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1576

(Purpose: To reduce the total budget authority provided by each title of this Act by two (2) per centum)

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH), for himself and Mr. CHAFEE, Mr. DANFORTH, Mr. LUGAR, Mr. NUNN, Mr. PROXMIRE, and Mr. STONE, proposes an unprinted amendment numbered 1576.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 56, after line 23, insert the following:

"SEC. 605. Notwithstanding the preceding provisions of this Act, the total budget authority provided in each title of this Act is reduced by two (2) per centum.

The PRESIDING OFFICER. May we have order in the Chamber, please? The Senator deserves the respect of Members so he may be heard.

This amendment, being an across-the-board cut, is not subject to a time limitation.

Mr. ROTH. Mr. President, without losing my right to the floor, I yield to the Senator from Maryland for the purpose of presenting a unanimous-consent request.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Eileen Meyer, of my staff, be granted the privileges of the floor during the consideration of pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I yield to the Senator from Wyoming.

Mr. WALLOP. Mr. President, I ask unanimous consent that Pat Huff, of my staff, be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I make the same request for Hank Banta and Terry Lytle, of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I make a similar request for Mark Lubbers, of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I ask unanimous consent that Link Hoeing, Joan McEntee, and David Sharp, of my staff, be granted the privileges of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, my amendment provides a 2-percent efficiency cut in the total budget of each title in this legislation.

This proposal will save the taxpayers $173 million and will help stimulate much needed management reform.

This amendment has been sponsored by Senators NUNN, DANFORTH, STONE, LUGAR, CHAFEE, and PROXMIRE, who have joined together with me to carefully review each of the various appropriation bills. It is our intention to offer efficiency amendments whenever necessary.

Our 2-percent waste reduction amendment will help tighten the administration of programs. A tighter budget means less room for waste, mismanagement, and inefficiency in Government. Such wasteful excesses have become a rallying point for people throughout this Nation.

This cut is directed at eliminating the inefficiency factor and not at programs. Our 2-percent waste reduction amendment will help reduce inflation, which is increasing at a staggering rate. Inflation has increased from a 6.8-percent rate last year to an estimated 9.3-percent annual adjusted rate in April of this year. Decreased Government spending will help retard inflation.

The PRESIDING OFFICER. Will the Senator suspend momentarily?

May we have quiet in the Chamber, please? Will Senators please take their conversations to the cloakrooms?

The Senator from Delaware.

Mr. ROTH. I thank the Chair for its assistance.

As you know, Mr. President, many of the dollars provided for in this legislation will be distributed to help State and local governments under various categorical and block grant programs. As recent studies have shown, many grant programs are heavily burdened with high administrative costs and bureaucratic waste.

The General Accounting Office has estimated that the percentage of available funds spent for the administration of grant programs range from .3 percent to 28.5 percent. The average administrative cost for all categorical programs was estimated to be over 6 percent of the available program funds. In many categorical grant programs, however, management costs averaged nearly 19 percent of the available program funds, and in the block grant programs surveyed by GAO almost 11 percent of all the funds available in the programs were wasted in administrative overhead.

Our 2-percent efficiency cut will help force the agencies to improve program administration and to cut back on management overhead without harming program goals or services. Indeed, what we seek is better services at less cost.

A large percent of the appropriations is for administrative expenses. For example, over half of the total appropriation in title I providing funds for the State Department goes for expenses for general administration. We believe such expenses can and should be trimmed. The increase for this type of expenses is 9.5 percent, an increase that we do not believe should be accepted.

In title III, which provides funds for the Department of Commerce, there is a total increase in the appropriation of 24.9 percent.

A 2-percent cut in title III would still leave a sizable increase of 22.9. A 2-percent cut can be directed at the 58.8-percent jump in the appropriation for general administration expenses in the Department of Commerce. By cutting administrative costs, as we say, we believe our Federal employees can do more with less.

In title V, providing funds for many regulatory agencies, we believe that there is no agency that could not do a better job and eliminate costs up to this percentage. Inefficiency, excessive administrative costs, and lack of accountability for funds have plagued all our agencies.

Mr. President, the House of Representatives, by voice vote, adopted a similar 2-percent cut which was not accepted by the Appropriations Committee. I hope that the Senate will restore this cut. I think the requirements of the economy, the problems with inflation, and the demands on the part of the American people make it necessary that this kind of amendment be adopted at this time.

Mr. President, I yield back the floor.

● Mr. STONE. Mr. President, I rise to urge my colleagues to support this modest effort to apply the brake to needless Government spending. This measure is a necessary first step toward reducing the Federal deficit while maintaining our commitment to essential Government services. With inflation now approaching 10 percent, failure to curb Federal spending will have serious consequences for the Nation.

Earlier this week, by a vote of 53 to 28, the Senate adopted an amendment offered by Senator BYRD of Virginia to achieve a balanced Federal budget by 1981. With a projected deficit for fiscal year 1979 of about $50 billion, Congress must take decisive action beginning now if we are to meet this Senate goal. I am certain that most of the programs to be funded by this appropriations bill are worthy and merit continuance. But by the same token, I believe every one of them could sustain a 2-percent reduction without impairing needed services. Across-the-board spending reductions of this kind, if implemented over the next several years, will move us toward a balanced budget.

I urge you to support this and other modest reductions in appropriations bills for two reasons: First, it is a prudent start on the way toward a responsible budget. Second, it will prod agencies into streamlining the programs which they administer to cut out needless spending.

If we do not curb ever-expanding Federal budgets, how can we expect an end to the abuses of Federal programs? Past budgetary practices have been an invitation to agency shopping sprees, kickbacks, and fraud. As long as agencies are certain of expansion, there is little reason to reassess current spending practices. This amendment will force administrators to take that second look at their budgets.

There is no doubt that the American taxpayer wants and deserves a tax cut. However, Mr. President, the Congress cannot provide real tax relief without increasing the Federal deficit, unless Congress also puts constraints on Federal spending. To cut taxes without reducing Government spending will simply flame the fires of inflation by increasing the Federal deficit. This would be a cruel hoax on the American taxpayer.

The taxpayers of America share our commitment to a strong national defense and decent care for those less fortunate than ourselves. The people of America are the most generous of the world. But those of us who hold the public trust cannot continue to abuse this generosity by tolerating wasteful Government spending. I believe we have the ability and the will to solve the difficult economic problems we face, and this amendment is a small, but proper first step in that direction.●

Mr. WEICKER. Mr. President, I rise to oppose the amendment of the Senator from Delaware. I think it is important, in light of the work that the committee has done over the past 6 to 8 months, that we review in detail the report of the subcommittee, so I shall start to read from the report on the 1979 Appropriations Bill of the Appropriations Subcommittee on State, Justice, Commerce, the Judiciary, and Related Agencies.

The Committee on Appropriations, to which was referred the bill, (H.R. 12934) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies for the fiscal year ending September 30, 1979, and for other purposes, reports the same to the Senate with various amendments and presents herewith information relative to the changes made.

AMOUNT IN NEW BUDGET (OBLIGATIONAL) AUTHORITY

Amount of bill as passed House	$4,588,717,900
Amount of Senate bill over comparable House	127,782,700
Amount added by Senate for items not considered by House	3,918,937,400
Total bill as reported to Senate	8,635,438,000
Amount of appropriations, 1978	9,872,611,000
Amount of budget estimates, 1979, as amended	8,660,276,000

So the bill, as reported to the Senate is under the appropriations for 1978 by $1,237,173,400; and under the estimates for 1979 by $24,838,000.

The index to the bill and report includes the following subjects:

Title I—Department of State:
Administration of foreign affairs.
International organizations and conferences.
International commissions.
Title II—Department of Justice:
General administration.
Legal activities.
Federal Bureau of Investigation.
Immigration and Naturalization Service.
Drug Enforcement Administration.
Federal prison system.
Law Enforcement Assistance Administration.
Title III—Department of Commerce:
General administration.
Bureau of the Census.
Economic and Statistical Analysis.
Economic Development Administration.
Regional action planning commissions.
Industry and trade administration.
Minority Business Enterprise.
U.S. Travel Service.
National Oceanic and Atmospheric Administration.
National Fire Prevention and Control Administration.
Patent and Trademark Office.
Science and technical research.
National Telecommunications and Information Administration.
Maritime Administration.
Title IV—The Judiciary:
Supreme Court of the United States.
Court of Customs and Patent Appeals.
Customs Court.
Court of Claims.
Courts of appeals, district courts, and other judicial services.
Administrative Office of the United States Courts.
Federal Judicial Center.
Title V—Related agencies:
Arms Control and Disarmament Agency.
Board for International Broadcasting.
Commission on Civil Rights.
Commission on Security and Cooperation in Europe.
Equal Employment Opportunity Commission.
Federal Communications Commission.
Federal Maritime Commission.
Federal Trade Commission.
Foreign Claims Settlement Commission.
International Communications Agency.
International Trade Commission.
Japan-United States Friendship Commission.
Legal Services Corporation.
Marine Mammal Commission.
International Year of the Child.
Office of the Special Representative for Trade Negotiations.
Presidential Commission on Hunger.
Renegotiation Board.
Securities and Exchange Commission.
Small Business Administration.
United States Metric Board.

The first point that arises in all this is, as evidenced by the total figures, the job which the subcommittee has done, coming in way under last year's budget—indeed, even being under the estimates of the budget for 1979. However, the distinguished Senator from Delaware now comes on the floor and offers a 2-percent cut across the board on a variety of agencies and departments without the slightest knowledge as to what is involved in the work of those agencies and departments. Indeed, he does so on the supposition that somebody is doing something wrong; therefore, rather than do his homework to discover what the priorities are or the problems are, he just cuts across the board.

It is that kind of nonsense which I intend to stand up here and oppose. It is one thing to achieve a spending cut. But might I suggest to my colleague that we do the homework in Committee to achieve that kind of cut, instead of just presenting ourselves on the floor for 10 or 15 minutes at a crack to undo the work of 6, 7 and, in some cases, indeed, 9 months' time.

I do not intend, very frankly, to let this travesty take place in a period of 20 minutes. I think the time has come, right now, to address ourselves to the problem posed by this kind of amendment. Indeed, it is not a matter of this particular appropriation. By comparison, there is very little in this appropriation for my State of Connecticut. So I do not speak in a parochial sense. Instead, I speak in terms of a national sense—as I, like my colleagues, as a U.S. Senator. I speak as one who sat on the Committee on Finance of his State legislature and who considers himself a fiscal conservative one who is committed to sound fiscal practice in the legislative sense. I merely am arguing the point that if we are going to reduce taxes, we do so in an intelligent and an informed way, and not just to satisfy some demagoguery or some emotionalism that happens to be sweeping the country.

If the Senator from Delaware can stand up here now and indicate to me the function of every one of the agencies and departments that I have mentioned and the exact effect that his cuts will have on their duties and responsibilities, I shall be glad to sit here and listen tonight and tomorrow, and probably would support his amendment. But I do not think he is prepared to do so.

What kind of legislation is that? Unfortunately, I stand alone insofar as my own committee is concerned, because, in order to accommodate this political sleight of hand, or whatever you want to call it, the chairman of my own committee is ready to knuckle under by presenting a substitute amendment which, in effect, achieves what the Senator from Delaware wants.

I am just taking a chance. We will all be in this sooner or later, and somebody better go ahead and blow the whistle. Maybe it is not in your interest, or the interest of your State or your constituency to be involved in this particular bill. Indeed, it is not mine. But apply the principle embodied in this amendment and sooner or later such acts will come back and haunt you.

I have nothing against cutting spending. But the hypocrisy of this across-the-board cut is evidenced by this past amendment by the distinguished Senator from Massachusetts, which adds some 48 new attorneys to the Justice Department.

I would not say that his approach is of the hold-the-line variety. Yet when I call a simple tabling motion and I am defeated, we have another 48 people added on there.

I believe in going ahead and cutting budgets. But I also believe in doing my homework.

I will not go ahead and hurt a lot of innocent people, which will be the result of an amendment such as that presented by the Senator from Delaware. I will not let innocent people be hauled into the arena of cutting and thereby see a lot of worthwhile objectives and goals of this Nation be brought, into this arena to be done away with.

The Senator from Delaware has a distinguished record-probably one of the best fiscal experts ever to come into the House or Senate. But always in the past he has approached fiscal matters on a line-by-line analysis of what it was before us. Now he is doing it the fast way, just to be able to say we are cutting taxes, period.

This may not necessarily be so. Maybe our failure to fund these programs, or agencies, actually, could result in problems which ultimately cause an increase.

There is a very effective sanction for those of us that spend the taxpayers' money unwisely. The system is already in place. It is called free elections. Kick us out if we do not do the job—but do not go ahead and hide behind an artificial mechanism such as a statute or an across-the-board cut which does not relieve us of the duty to do a job straight through from start to finish.

Let us get into a discussion of exactly what was involved in the committee's report.

(Mr. LEAHY assumed the chair.)

Mr. WEICKER. I do not know if there is going to be anybody else to assist me in this task this evening. But even if there is not, I would suspect it would be quite a while before there will be a vote on this matter. If there is, some suggest it might even be longer before we vote. I read:

HIGHLIGHTS OF THE BILL

The Committee recommends a total of $8,635,438,000 in new budget authority for fiscal year 1979. This is an increase of $127,812,700 over the comparable amount approved by the House of Representatives, when consideration is given to the recommended items amounting to $3,910,235,000 deleted on points of order when the bill was before the House; and $8,702,400 for items not considered at all by the House. The new budget authority recommended is $1,564,562,000 less than the allocation to the Subcommittee on State, Justice, Commerce, the Judiciary and Related Agencies appropriation in the first concurrent budget resolution.

The major changes from the House bill are described in the following:

Department of State.—A total of $1,262,291,000 is recommended, none of which is in the House bill because of lack of authorization at the time of House consideration. The amount recommended for the Department includes an additional $6,356,000 over the budget for the acquisition of additional buildings abroad and the full payment of our estimated contributions to international organization as well as amounts required for the administration of the nation's foreign affairs and representation to various international organizations and conferences.

Department of Justice.—A total of $2,484,579,000 is recommended and includes the restoration of the current level for part B State and local planning grants of the Law Enforcement Assistance Administration. The amount recommended for LEAA also provides

the $10 million requested for the new urban crime program.

As we go through the bill, I hope we understand what the 2 percent is being leveled against. All of a sudden, I think we will all realize that we are not just talking about the impact on people with their hands out, and not talking solely about welfare cheats. But we are talking about things that affect each one of us—the most worthy considerations and the most worthy people—people who are honest and hardworking and doing their job. These people need the help of their government and not some lazy approach to the job for which we are being paid $57,500 a year to do. I read:

The Committee has provided the full amount requested for the general legal activities and the Antitrust Division and has maintained the $10 million level for the grants to the States to improve their antitrust activities.

Nobody is complaining today about being ripped off by big business, because we have been policing its possible inimical effects. But we may be complaining about it soon if the cut goes through. Here we have the money to give us a legal capability to insure that both the States and the Federal Government can do the job in policing antitrust matter.

These are all matters that relate to the good, strong backbone of America, if you will. I might add it has turned its back on the less fortunate part of our Nation. I read:

The Committee has added $2 million to the request of the Federal Bureau of Investigation consisting of $1 million each to partially restore the reductions in the budget for headquarters coordination of domestic security and terrorism activities;

Now, if the Senator from Delaware, has his way, each one of us here will be responsible for the results of cutting the antiterrorism activities of the FBI. I continue reading:

as well as the actual investigations of domestic security and terrorism.

The amount recommended also provides for a total of 926 new positions for the Immigration and Naturalization Service of which 648 are for additional support of the prevention program designed to control the entry of illegal aliens into the country;

Illegal aliens pose a big problem to Americans who are displaced from jobs by them. The Senator from Delaware says, "Let's cut that program." Although he does not want more illegal aliens, he will give no personnel to go ahead and enforce it. I continue reading:

as well as providing other critically needed positions for the INS including the establishment of a new office for the Carolinas. While the Committee in supplying all the additional personnel requested for the prevention program, it is compelled to restate its opinion that a more real remedy to the illegal alien situation would be legislation imposing penalties for employing illegal aliens instead of adding additional enforcement personnel on an unpoliceable border.

Does this language indicate that the subcommittee was one that just went in to study a situation, or a group of men trying not only to spend money efficiently, while also creating policies which will become effective? I continue reading:

Two new minimum security camps to be established on former military bases are recommended for the Federal Prison System. The Committeee recommends that the Bureau of Prisons utilize former military installations as a way of alleviating the 30 percent over-crowding in the Bureau's various facilities as well as mitigating the economic impact of base closures.

Does that sound like a committee that is just trying to add more and more facilities, or one that is trying to utilize available facilities so there will be no additional cost to the taxpayer?

Mr. DECONCINI. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. WEICKER. The Senator does not yield. I am sorry:

Department of Commerce.—A total of $2,417,425,000 is recommended, including an increase of $70,350,000 over the request for the Economic Development Administration to provide full funding of the business loans and guarantees under title II of the Public Works and Economic Development Act of 1965, as amended. The Committee's recommendation also provides funding for all 103 designated but unfunded economic development districts.

I thought that one of the basic trends in the philosophy of my party was to try to involve private enterprise in resolving economic and social problems, especially as they relate to our cities as well as our rural areas.

Now we are asked to go ahead and slash EDA and hope that this great urban policy and all the political rhetoric we hear from the administration, while the cities are dying on their feet, will be sufficient. But there is one entity that is in being—EDA—that accomplishes these goals. There were actual jobs created through the private enterprise system, with EDA's program. They were not governmental jobs. EDA, indeed, helps put cities on their feet.

This Agency does not involve loans to New York City. It does not involve Government handouts. What it involves is trying to get business into the cities to start up and to employ people, people who earn salaries and pay taxes. But, oh, no—this is cut right across the board by the amendment of the Senator from Delaware.

Maybe the Senator from Delaware now would like to go back to the old days of governmental handouts and Government jobs—rather a change, I would say, in his philosophy:

The $737,400,000 recommended for the National Oceanic and Atmospheric Administration provides for major expansion of the operations, research and facilities activities including an increase for $5,300,000 over the budget for the highly successful sea grant program. The Committee is fully supportive of the Coastal Zone Management program.

The oceans are where we will have to turn when we want our energy and our food in the future. Seventy percent of the Earth's surface is covered by water. Yet, we continue to move within that very narrow area which, indeed, has neighbor against neighbor, nation against nation, as we vie for whatever small territory is left in which to grow our food and from which to extract our energy.

Let's talk about money that would be well spent as it will save enormous funds in the future. But a meat-axe spending cut indicates that we are not planning our entry into the oceans. We will wait until everybody is at war, until there is no food, and let us go in there and rape the hell out of the oceans.

I have not seen the Senator from Delaware attend a single meeting in the development of our oceans' programs, not one. There is a highly complex, technical area and one of tremendous importance to the United States. But the Senator from Delaware says let us go ahead and cut freely for its exploration—without even studying the impact of his actions.

The sea grant is what brings the oceans to every one of us, no matter whether or not it is a coastal State. The sea grant programs are in the universities all over this country, in all 50 States. It permits the scholars and the academicians to lend their discipline and their knowledge to the development of the oceans:

The Committee's allowance also provides the full amount requested for the final preparations for the 1980 Decennial Census as well as the full amounts requested for economic and statistical analysis and the new National Telecommunications and Information Administration.

I recall the work of the committee in this area and the enormous amount of money we cut out insofar as certain duplicative information was concerned. We have tried to arrive at the figure that will best do the necessary job. But evidently there was no point in asking the questions we asked. Let us just go ahead and cut it and have any old census. I would rather not spend 1 penny than do a bad job:

The Committee recommends the full budget of the new Industry and Trade Administration in view of the recordbreaking trade deficits being incurred, and also recommends additional funds to computerize import data to assist in stopping illegal imports of foreign made textiles and other goods.

Obviously, great consideration is given to this area by the distinguished Senator from Delaware, to the point where the cut probably will eliminate whatever funds go into an area which has become critical to this country. Has anybody seen the balance-of-payments deficit? Does anybody want to do anything about it? Does it affect the value of our money? Does it affect the jobs in this country insofar as the importation of cheap textiles is concerned?

These are all the issues that are involved. These are all the issues that were presented to the subcommittee and considered in depth:

The amount recommended for the Office of Minority Business Enterprise is $7,665,000 more than the current level and the full amount requested for the National Fire Prevention and Control Administration is also recommended.

I might add that it is a job which to date has not been too well done, and was so recognized by the subcommittee.

As anyone knows who was in the Chamber yesterday during the presenta-

tion of the Small Business Administration authorized bill, we are now apparently in a situation in which the small business development centers, as recommended by the Small Business Committee, will cut off another avenue to resolution of this problem. This is in addition to programs offered to date by OMBE.

But we did not just hand out money without recognition of the problems that go along with it. Does anybody deny the fact that this is money well spent? It involves minorities in this country who do not desire to be on welfare but who desire to be a part of the free enterprise system to an extent greater than their present limited participation as evidenced by the fact that minorities account for less than 1 percent of the Nation's business profits.

People say, "They are on welfare, and we don't want to pay that any more"; and they come up with a minimum amount to enable them to become full members of our society. But there is a 2-percent cut here, too.

That is what is involved in this type of legislating, legislating that does no honor to anybody in this Chamber:

The Judiciary.—A total of $490,675,000 is recommended for the Judiciary. The Committee recommends an increase to the budget of the Supreme Court in order to supply each Associate Justice with a leased automobile as well as providing two additional secretaries for each Justice in order to cope with increasing workloads. No provision has been made for additional circuit and district judgeships that may be authorized by Congress.

I understand there is a possibility of Senator PROXMIRE offering an amendment which will eliminate the use of the car by the Justices, and I am going to vote for it. But so far as the additional secretarial help is concerned, these men deserve such assistance. Here are the nine men who have the greatest impact on our lives, greater than any other branch of Government, and many of them are running around doing their own work. I want them to use their heads, not their fingers, especially if it is my case that is up there. But there is just a 2-percent cut across the board. No concern is given for the importance of their decisions or how the decisions are interfered with for the lack of clerical assistance.

A total of $1,980,468,000 is recommended for the related agencies covered by this bill. The amount recommended is $2,060,905,400 below the 1978 appropriations to date because of the massive disaster relief appropriations made to the Small Business Administration. The amount recommended by the committee will cover a normal year of disaster activities and hopefully favorable weather will avert the need in 1979 for loans to drought-stricken farmers.

The committee has provided the full amount requested for the Arms Control and Disarmament Agency.

I might not vote for what comes forth as far as their efforts are concerned. But I think it is important that we try as best we possibly can to disarm, to get some element of control over this nuclear madness? Yes, I do.

As well as the request of the Civil Rights Commission.

Is that important? How much has been accomplished in the past and how much lies ahead and still yet waits to be done? It seems to me that the civil rights effort has been rather lacking, visibly absent, in the last several years as we all rest on our laurels. It does not mean much to those who are still waiting in the wings, for their rights. But we take a lackadaisical approach because apparently racial minorities have not posed much of a political threat of late. I hope the time is not too far off when they rise up and make themselves heard once again so we can continue the work that was begun and finish it.

The Commission on Security and Cooperation in Europe. the Foreign Claims Settlement Commission, the Equal Employment Opportunities Commission. The EEOC—let us go ahead and knock that off also.

The Japan-United States Friendship Commission, and the Office of Special Trade Representative for Trade Negotiations.

As we try to make, some sense out of the tariff laws, the quotas, and the import restrictions that presently exist and which are responsible in great measure for the trade deficits that we are incurring, this agency will play an important role.

The committee has provided additional positions above the budget request for the Federal Communications Commission for a network inquiry.

As I recall, this is to make sure that, indeed, we are not going to be restricted to two or three networks. Indeed, if we can get a broader television media situation out there it would be for the good of all Americans.

Additional workload in the common carrier area, the processing of fee refunds pursuant to Court Order, and for improving UHF television broadcasting.

This is so television can be more competitive, rather than putting the restrictive hand of government in the area of communication broadcasting. By enabling UHF to be on a comparable basis with VHF, we will hopefully raise the level of the junk that is now on VHF on the networks. I read:

The recommended level for the Federal Maritime Commission makes provision for a new district office in Hawaii; and the budget of the Marine Mammal Commission reflects a more gradual decrease from prior year levels than was budgeted.

The Committee recommends $65,900,000 for the Federal Trade Commission which provides for all but 16 of the 66 new positions requested. The Committee has serious reservations about the Commission's proposed activities in the area of children's advertising.

The Committee recommends the $255,000,000 requested by the President for the Legal Services Corporation as well as the virtually full requests for the new International Communication Agency, the Securities and Exchange Commission, and the U.S. Metric Board.

The Committee recommends $6,260,000 to to provide for interim operations and the termination of the Renegotiation Board by May 31, 1979. The Board has not had authority to review Government contractors' receipts or accruals after October 1, 1976 and new legislation seems hopelessly snagged in Congress. The Committee believes that sufficient other protective devices have been installed so that this Board is no longer necessary.

Mr. President, I have a message in my hand which says:

Are you in the kind of a heat that would not allow a 5 minute interruption to pass a noncontroversial park conference report and ask unanimous consent that you not lose your right to the floor?

Mr. President, I ask unanimous consent that the distinguished Senator from South Dakota be given the floor at this time for the purposes of reporting out the noncontroversial matter and that I not lose my right to the floor and regain the floor immediately upon termination of it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Dakota is recognized.

Mr. ABOUREZK. I thank the Chair and I thank the Senator from Connecticut.

CHATTAHOOCHEE RIVER NATIONAL PARK

Mr. ABOUREZK. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 8336.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the text of the bill (H.R. 8336) entitled "An Act to enhance the outdoor recreation opportunities for the people of the United States by expanding the National Park System, by providing access to and within areas of the National Park System, and for other purposes", with the following amendment:

Strike out the matter proposed to be inserted by the Senate amendment to the text of the bill, and insert:

TITLE I

SEC. 101. The Congress finds the natural, scenic, recreation, historic, and other values of a forty-eight-mile segment of the Chattahoochee River and certain adjoining lands in the State of Georgia from Buford Dam downstream to Peachtree Creek are of special national significance, and that such values should be preserved and protected from developments and uses which would substantially impair or destroy them. In order to assure such preservation and protection for public benefit and enjoyment, there is hereby established the Chattahoochee River National Recreation Area (hereinafter referred to as the "recreation area"). The recreation area shall consist of the river and its bed together with the lands, waters, and interests therein within the boundary generally depicted on the map entitled "Chattahoochee River National Recreation Area", numbered CHAT-20,000, and dated July 1976, which shall be on file and available for public inspection in the office of the National Park Service, Department of the Interior. Following reasonable notice in writing to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate of his intention to do so, the Secretary of the Interior (hereinafter referred to as the "Secretary") may, by publication of a revised map or other boundary descrip-

tion in the Federal Register, (1) make minor revisions in the boundary of the recreation area, and (2) revise the boundary to facilitate access to the recreation area, or to delete lands which would be of little or no benefit to the recreation area due to the existence of valuable improvements completely constructed prior to the date of enactment of this Act. The total area, exclusive of the river and its bed, within the recreation area may not exceed six thousand three hundred acres.

SEC. 102. (a) Within the recreation area the Secretary is authorized to acquire lands, waters, and interests therein by donation, purchase with donated or appropriated funds, or exchange. Property owned by the State of Georgia or any political subdivision thereof may be acquired only by donation.

(b) When a tract of land lies partly within and partly without the boundaries of the recreation area, the Secretary may acquire the entire tract by any of the above methods in order to avoid the payment of severance costs. Land so acquired outside of the boundaries of the recreation area may be exchanged by the Secretary for non-Federal land within such boundaries, and any portion of the land not utilized for such exchanges may be disposed of in accordance with the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

(c) Except for property which the Secretary determines to be necessary for the purposes of administration, development, access, or public use, an owner of improved property which is used solely for noncommercial residential purposes on the date of its acquisition by the Secretary may retain, as a condition of such acquisition, a right of use and occupancy of the property for such residential purposes. The right retained may be for a definite term which shall not exceed twenty-five years or, in lie thereof, for a term ending at the death of the owner or the death of the spouse, whichever occurs later. The owner shall elect the terms to be retained. The Secretary shall pay the owner the fair market value of the property on the date of such acquisition, less the fair market value of the term retained by the owner.

(d) Any right of use and occupancy retained pursuant to this section may, during its existence, be conveyed or transferred, but all rights of use and occupancy shall be subject to such terms and conditions as the Secretary deems appropriate to assure the use of the property in accordance with the purposes of this Act. Upon his determination that the property, or any portion thereof, has ceased to be so used in accordance with such terms and conditions, the Secretary may terminate the right of use and occupancy by tendering to the holder of such right an amount equal to the fair market value, as of the date of the tender, of that portion of the right which remains unexpired on the date of termination.

(e) As used in this section, the term "improved property" means a detached, year-round noncommercial residential dwelling, the construction of which was begun before January 1, 1975, together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated.

SEC. 103. (a) The Secretary shall administer, protect, and develop the reaction area in accordance with the Act of August 25, 1916 (39 Stat. 535), and in accordance with any other statutory authorities available to him for the conservation and management of historic and natural resources, including fish and wildlife, to the extent he finds such authority will further the purposes of this Act. In developing and administering the recreation area, the Secretary shall take into consideration applicable Federal, State, and local recreation plans and resource use and development plans, including, but not limited to, the Atlanta Regional Commission Chattahoochee Corridor Study, dated July 1972.

(b) The Secretary is authorized and encouraged to enter into cooperative agreements with the State or its political subdivisions whereby he may assist in the planning for and interpretation of non-Federal publicly owned lands within or adjacent or related to the recreation area to assure that such lands are used in a manner consistent with the findings and purposes of this Act.

(c) In planning for the development and public use of the recreation area, the Secretary shall consult with the Secretary of the Army to assure that public use of adjacent or related water resource development or flood control projects and that of the recreation area are complementary.

(d) In administering the recreation area, the Secretary may permit fishing in waters under his jurisdiction in accordance with applicable State and Federal laws and regulations. The Secretary, after consultation with the appropriate State agency responsible for fishing activities, may designate zones where, and establish periods when, fishing shall be permitted and issue such regulations as he may determine to be necessary to carry out the provisions of this subsection. Except in emergencies, such regulations shall be put into effect only after consultation with the appropriate State agency.

SEC. 104. (a) The Federal Energy Regulatory Commission shall not license the construction of any dam, water conduit, reservoir, powerhouse, transmission line, or other project works under the Federal Power Act (16 U.S.C. 791a et seq.), on or directly affecting the recreation area, and no department or agency of the United States shall assist by loan, grant, license, or otherwise in the construction of any water resources project that would have a direct and adverse effect on the values for which such area is established except where such project is determined by the State of Georgia to be necessary for water supply or water quality enhancement purposes and authorized by the United States Congress. Nothing contained in the foregoing sentence, however, shall preclude licensing of, or assistance to, developments upstream or downstream from the recreation area or on any stream tributary thereto which will not invade the recreation area or unreasonably diminish the scenic, recreational, and fish and wildlife values present therein on the date of approval of this Act. Nothing contained in this subsection shall preclude the upgrading, improvement, expansion or development of facilities or public works for water supply or water quality enhancement purposes if such action would not have a material adverse effect on the values for which the recreation area is established.

(b) No department or agency of the United States shall recommend authorization of any water resources project that would have a direct and adverse effect on the values for which such area is established, as determined by the Secretary, nor shall such department or agency request appropriations to begin construction of any such project, whether heretofore or hereafter authorized, without at least sixty days in advance, (1) advising the Secretary in writing of its intention to do so and (2) reporting to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate the nature of the project involved and the manner in which such project would conflict with the purposes of this Act or would affect the recreation area and the values to be protected by it under this Act. It is not the intention of Congress by this Act to require the manipulation or reduction of lake water levels in Lake Sidney Lanier. Nothing in this Act shall be construed in any way to restrict, prohibit, or affect any recommendation of the Metropolitan Atlanta Water Resources Study as authorized by the Public Works Committee of the United States Senate on March 2, 1972.

(c) The Secretary is directed to proceed as expeditiously as possible to acquire the lands and interests in lands necessary to achieve the purposes of this Act.

SEC. 105. (a) From the appropriations authorized for fiscal year 1978 and succeeding fiscal years pursuant to the Land and Water Conservation Fund Act (78 Stat. 897), as amended, not more than $72,900,000 may be expended for the acquisition of lands and interests in lands authorized to be acquired pursuant to the provisions of this Act.

(b) Effective on October 1, 1978, there are authorized to be appropriated not to exceed $500,000 for the development of essential public facilities.

(c) Within three years from the effective date of this Act, the Secretary shall, after consulting with the Governor of the State of Georgia, develop and transmit to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and National Resources of the United States Senate a general management plan for the use and development of the recreation area consistent with the findings and purposes of this Act, indicating:

(1) lands and interests in lands adjacent or related to the recreation area which are deemed necessary or desirable for the purposes of resource protection, scenic integrity, or management and administration of the area in furtherance of the purposes of this Act, the estimated cost of acquisition, and the recommended public acquisition agency;

(2) the number of visitors and types of public use within the recreation area that can be accommodated in accordance with the full protection of its resources; and

(3) the facilities deemed necessary to accommodate and provide access for such visitors and uses, including their location and estimated cost.

TITLE II

SEC. 201. Section 4 of the Act approved August 31, 1965 (79 Stat. 588), as amended, providing for the commemoration of certain historical events in the State of Kansas, is further amended by changing "$2,000,000." to "$2,750,000.": *Provided,* That such increase shall be effective on October 1, 1978.

TITLE III

FINDINGS AND PURPOSE

SEC. 301. (a) The Congress hereby finds that—

(1) the purpose of the National Park System is to preserve outstanding natural, scenic, historic, and recreation areas for the enjoyment, education, inspiration, and use of all people;

(2) units of the National Park System have recently been established near major metropolitan areas in order to preserve remaining open space and to provide recreational opportunities for urban residents (many of whom do not have access to personal motor vehicles); and

(3) circumstances which necessarily require people desiring to visit units of the National Park System to rely on personal motor vehicles may diminish the natural and recreational values of such units by causing traffic congestion and environmental damage, and by requiring the provision of roads.

parking, and other facilities in ever-increasing numbers and density.

(b) The purpose of this title is to make the National Park System more accessible in a manner consistent with the preservation of parks and the conservation of energy by encouraging the use of transportation modes other than personal motor vehicles for access to and within units of the National Park System with minimum disruption to nearby communities through authorization of a pilot transportation program.

SEC. 302. (a) The Secretary of the Interior (hereinafter referred to as "Secretary") is authorized to formulate transportation plans and implement transportation projects where feasible pursuant to those plans for units of the national park system.

(b) To carry out the purposes of subsection (a) of this section, the Secretary is authorized to—

(1) contract with public or private agencies or carriers to provide transportation services, capital equipment, or facilities to improve access to units of the national park system;

(2) operate such services directly in the absence of suitable and adequate agencies or carriers;

(3) acquire by purchase, lease, or agreement, capital equipment for such services; and

(4) where necessary to carry out the purposes of this title, acquire by lease purchase, donation, exchange, or transfer, lands, waters, and interests therein which are situated outside the boundary of a unit of the national park system, which property shall be administered as part of the unit: *Provided*, That any land or interests in land owned by a State or any of its political subdivisions may be acquired only by donation: *Provided further*, That any land acquisition shall be subject to such statutory limitations, if any, on methods of acquisition and appropriations thereof as may be specifically applicable to such area.

(c) Acquisitions pursuant to subsection (b) (3) and (4) of this section shall not commence prior to sixty days (not counting days on which the Senate or the House of Representatives has adjourned for more than three consecutive days) from the time the Secretary has submitted a detailed proposal for such acquisitions to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives.

(d) All fees directly collected by the National Park Service in the operation of the facilities and services authorized by this title shall be covered into the Planning, Development, and Operation of Recreation Facilities appropriation account to be subject to appropriation.

(e) The Secretary shall establish information programs to inform the public of available park access opportunities and to promote the use of transportation modes other than personal motor vehicles for access to and travel within the units of the national park system.

(f) Transportation facilities and services provided pursuant to this title shall not be considered as concession facilities or services within the meaning of the Act of October 9, 1965 (79 Stat. 969) and may be undertaken by the Secretary directly or by contract without regard to any requirement of local, State, or Federal law respecting determinations of public convenience and necessity or other similar matters: *Provided*, That the Secretary or his contractor shall consult with the appropriate State or local public service commission or other such body having authority to issue certificates of convenience and necessity, and any such contractor shall be subject to applicable requirements of such body unless the Secretary determines that such requirements would not be consistent with the purposes and provisions of this title.

(g) No grant of authority in this title shall be deemed to expand the exemption of section 203(b)(4) of the Interstate Commerce Act (49 U.S.C. 303(b)(4)).

SEC. 303. (a) To carry out the purposes of this title, the Secretary of Transportation, the Secretary of Housing and Urban Development, the Secretary of Health, Education, and Welfare, and the Secretary of Commerce, and the heads of such other Federal departments or agencies as the Secretary deems necessary are directed to assist the Secretary in the formulation and implementation of transportation projects

(b) Within one hundred and eighty days from the enactment of this Act, the Secretary shall prepare and submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives, a compilation of Federal statutes and programs providing authority for the planning, funding, or operation of transportation projects which might be utilized by the Secretary to carry out the purpose of this title. The Secretary shall revise the compilation thereafter as he deems necessary.

SEC. 304. (a) The Secretary shall, during the formulation of any transportation plan authorized pursuant to section 302 of this title—

(1) give public notice of intention to formulate such a plan by publication in the Federal Register and in a newspaper or periodical having general circulation in the vicinity of the affected unit of the national park system;

(2) following such notice hold a public meeting at a location or locations convenient to the affected unit of the National Park System.

(b) Prior to the implementation of any project developed pursuant to the transportation plan formulated pursuant to subsection (a) of this section, the Secretary shall—

(1) establish procedures, including but not limited to public meetings, to give State and local governments and the public adequate notice and an opportunity to comment on the proposed transportation project; and

(2) submit, when the proposed project would involve an expenditure in excess of $100,000 in any fiscal year, a detailed report to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives. The Secretary may proceed with the implementation of such plan only after sixty days (not counting days on which the Senate or House of Representatives has adjourned for more than three consecutive days) have elapsed following submission of the plan.

SEC. 305. The Secretary shall submit a report to the Congress within three years of the effective date of this Act. The report shall include, but not be limited to, his findings and recommendations regarding—

(a) preservation of natural resource values within units of the National Park System through access alternatives;

(b) effects of transportation projects on communities in close proximity to the units of the National Park System; and

(c) future transportation projects formulated pursuant to this title.

SEC. 306. In carrying out the purposes of this title, there is hereby authorized to be appropriated $1,000,000 for fiscal year 1979; $2,000,000 for fiscal year 1980; and $3,000,000 for fiscal year 1981, which shall remain available until expended. In a fiscal year when the amounts actually appropriated are less than the amounts listed above, the authorized but unappropriated amount shall continue to be available for appropriation in succeeding fiscal years.

Resolved, That the House agree to the amendment of the Senate to the title of the bill.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that Dan Dreyfus, Tom Williams, and Laura Beaty be accorded the privilege of the floor during consideration of this conference report.

Mr. NUNN. Mr. President, will the Senator amend that to include Gordon Griffin of my staff?

Mr. ABOUREZK. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, H.R. 8336 was passed by the House earlier this session, and was passed by the Senate, with amendments, on July 21, 1978. The House, while concurring in the bulk of the amendments agreed to by the Senate, has made several minor modifications not contained in the Senate-passed bill. These House amendments are acceptable to me and have been cleared with the House and Senate sponsors of the bill. It is also my understanding that these amendments have been cleared with the minority.

I ask unanimous consent that a brief description of those amendments be printed in the RECORD.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

SUMMARY OF HOUSE AMENDMENTS TO H.R. 8336, AS AMENDED

1. The House clarified the authority of the Secretary to make necessary boundary revisions to the proposed recreation area corridor for management purposes. (Section 102(b)(c))

2. The House retained its language providing that the Secretary may permit fishing within the National Recreation Area boundaries but provided that hunting would not be permitted within the Chattahoochee NRA. (Section 103(d))

3. The House included a provision directing the Secretary to proceed as expeditiously as possible in the acquisition of lands within the National Recreation Area boundaries. (Section 104(c))

4. The House modified the Senate-passed version of Title III to provide access to and within units of the National Park System. This clarifies the intent of the Senate language by insuring that visitors to a park unit would, in fact, be transported into such unit. (Section 301(b))

5. The House modified the provision of the Senate-passed bill regarding Congressional veto. The Senate language would have provided for a sixty-day congressional review of proposed transportation projects of $100,000 or more or proposed acquisitions of either capital equipment or real property. After sixty days, and in the absence of a concurrent resolution of objection, such proposal would be approved.

The House amendment retains the sixty-day congressional review but deletes the provision which would block a proposal by a concurrent resolution of objection. The House amendment would still afford the Congress sixty days to review any proposed transportation project whose cost would exceed $100,000 or any acquisitions proposal. (Section 302(c) and Section 304(b)(2))

6. The House amendment includes language providing that in any fiscal year when the amounts actually appropriated for the purposes of this Act are less than the amounts provided by the authorization, the authorized but unappropriated amount shall continue to be available for appropriation in succeeding fiscal years. (Section 306)

Mr. ABOUREZK. Mr. President, I yield briefly to the Senator from Georgia.

Mr. NUNN. Mr. President, I thank the Senator from Connecticut and the Senator from South Carolina for yielding us the time to get this important bill passed. I shall only take a brief time.

I do also thank my colleague, the Senator from South Dakota, for all the effort he has put forth in helping preserve the Chattahoochee River, which is a great natural asset. I shall not speak at length on it.

I am disappointed that the House of Representatives did not agree to the Senate amendments. We have a real time problem here. If we are going to get the appropriation for this park, we are going to have to get the authorization bill passed very quickly.

So what we have done is acquiesced in the House amendments.

Mr. President, the plan delineating the boundaries of the proposed Chattahoochee River national recreation area was developed over 3 years ago. During this intervening period some development has taken place on the fringes of the area and some property within the boundaries has been acquired by entities which are using or are planning to use the land in a manner compatible with the integrity of the national recreation area.

I believe that it is very important that the Secretary of the Interior have sufficient authority to make adjustments in the boundaries in recognition of some of the changes which have occurred since the plan was developed. I also believe that it is important that the Secretary have the authority to refrain from purchasing property, within the boundaries of the area, which is being used or which will be used in a manner deemed to be compatible with the preservation and protection of the area when such use is insured by deed restrictions or other enforceable contracts and covenants.

Secretary Andrus has requested in a letter which I will include in the RECORD that we make it eminently clear that the language of this legislation provides him, among other authority, the flexibility to avoid the purchase of tracts which have been adequately protected by deed restrictions or other types of enforceable reservations. There are two specific instances of which I am aware where such authority can be appropriately used. As the sponsor of this bill, it is my belief that this authority is contained in the provisions of the legislation. I appreciate the statement by Senator ABOUREZK on behalf of the Senate committee and their counterpart in the House of Representatives that it is also their view that the Secretary is provided with this authority in H.R. 8336. In practical terms, this legislation therefore authorizes the Secretary to not purchase property located within the boundaries which is used or will be used for other than noncommercial residential purposes as long as these uses are compatible with the natural integrity of the area.

I thank my colleague, Senator ABOUREZK, for his invaluable assistance in making possible the realization of a dream of thousands of Georgians through enactment of this legislation. I hope my colleagues will support the bill.

I wish to ask my colleague from South Dakota one question which is very important. I have a letter dated August 3, 1978, from the U.S. Department of the Interior. I wish to ask my colleague to listen to two paragraphs of that letter which I shall quote from and then answer one question.

I quote from the second and third paragraphs of this letter signed by the Secretary of the Interior:

> It is our hope that you could clarify the legislative history so that we can assure maximum protection for the resource without being forced to adhere rigidly to a boundary line drawn more than 3 years ago which no longer reflects realities on the ground.
>
> We would alter that boundary to avoid completed developments, developments that are so far along as to constitute an irreversible commitment to non-park use, to add or delete tracts for the purpose of minimizing severance impacts, to add or delete tracts to accommodate technical and operational considerations and to avoid the purchase of tracts which have been adequately protected by deed restrictions or other types of enforceable reservations.

I would just ask my colleague if he believes that the language we are now passing, even with the House amendment which we would be accepting when we accept this bill, will allow the Secretary of the Interior this authority which he seeks?

Mr. ABOUREZK. My answer is, yes.

Mr. President, With regard to title I of H.R. 8336, the House has sent us a bill which, in their judgment, has sought to provide the Secretary with enough flexibility to acquire land for the Chattahoochee River NRA in a rapidly developing urban corridor without being forced to acquire parcels that have been developed during the more than 3 years that this measure has been before the Congress. This has been our objective as well. On the other hand, it was feared by our colleagues in the House that our flexible language might be exploited by developers in the interim between enactment and actual acquisition of a parcel. We concur with this further concern of the other body, but wish to make it perfectly clear that by accepting the House language, we do not intend to limit the Secretary's authority to, first, make minor boundary adjustments to permit him to eliminate parcels that he deems to be adequately protected by deed restrictions or other enforceable covenants; second, to delete parcels which would involve significant severance damage to remaining lands; third, to encompass severed lands; fourth, to accommodate technical and operational consideration; and fifth, to delete properties whose development has reached a stage which in his determination has rendered the parcel useless for furthering the purposes of this act.

Mr. TALMADGE. Mr. President, will my colleague from Georgia yield?

Mr. NUNN. I yield.

Mr. TALMADGE. I want to join with my colleague from Georgia in what he has stated, and to understand fully the circumstances behind all of it. I appreciate the floor manager of the bill engaging in colloquy to clear up this misunderstanding so that this project can go forward as desired by the citizens of our State.

Mr. NUNN. I will also say to the Senator from South Dakota that I have talked to Congressman BURTON, who is the chairman of the subcommittee on the House side, and he also assures me it is his understanding that the language in this bill, even with the House amendment, will be broad enough to accommodate the Secretary of the Interior in carrying out this kind of discretion.

Mr. ABOUREZK. I have talked to him as well, and he has so indicated.

Mr. NUNN. I thank my friend from South Dakota for helping us preserve this great asset.

Mr. President, I ask unanimous consent that this letter from the Secretary of the Interior dated August 3 be inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
August 3, 1978.

Hon. SAM NUNN,
U.S. Senate,
Washington, D.C.

DEAR SAM: While we are most appreciative of the effort of the Congress to expedite passage of legislation establishing the Chattahoochee River National Recreation Area, we are most anxious to clarify the intent of the Congress with respect to our discretionary limits with respect to land acquisition for this new park. As you well know and have expressed frequently, many developments have been initiated during the period of legislative consideration. While we deplore any further development in this corridor and will utilize every tool available to us to protect the lands which are to be acquired for the park during the time between enactment and the completion of our acquisition program, we need the flexibility to make minor boundary adjustments for a variety of reasons.

It is our hope that you could clarify the legislative history so that we can assure maximum protection for the resource without being forced to adhere rigidly to a boundary line drawn more than 3 years ago which no longer reflects realities on the ground.

We would alter that boundary to avoid completed developments, developments that are so far along as to constitute an irreversible commitment to non-park use, to add or delete tracts for the purpose of minimizing severance impacts, to add or delete tracts to accommodate technical and operational considerations and to avoid the purchase of tracts which have been adequately protected by deed restrictions or other types of enforceable reservations.

Passage of this bill within the next few days could insure early availability of land acquisition funds which represents the most significant act to protect this resource short of the actual authorization.

Once again let me express our thanks to you and your colleagues for their support of this measure and pledge to you that we will use this discretionary authority in strict conformance with our trust responsibility to fully protect dedicated parklands.

Sincerely,

CECE,
Secretary.

Mr. ABOUREZK. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER (Mr. KENNEDY). The question is on agreeing to the motion of the Senator from South Dakota to concur in the House amendment.

The motion was agreed to.

Mr. ABOUREZK. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ABOUREZK. I thank the Senator from Connecticut for yielding.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1979

The Senate continued with the consideration of H.R. 12934.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Now, just to refresh the memory of my colleagues as to the budgets we are cutting across the board. We are, in effect, cutting the Department of State, we are cutting the Department of Justice, and that includes the Federal Bureau of Investigation, the Immigration and Naturalization Service, the Drug Enforcement Administration, the Federal prison system, the Law Enforcement Assistance Administration; we are cutting the Department of Commerce, we are cutting the Judiciary, and many other related agencies across the board, for no reason. I might add, no reason that has been offered at all, except it ought to be cut.

The Senator from Delaware, I believe, in his comments has taken perhaps 5 or 6 minutes. Five or six minutes is the reason why we should just cut it across the board.

With respect to the drug problem in the United States, just cut it across the board. Let us have a little less enforcement in that area.

So far as organized crime is concerned, let us just cut it across the board. Political corruption and that kind of crime, cut it across the board. So far as the adequacy of the Supreme Court of the United States is concerned, cut it across the board. The Department of Commerce and all of its activities relating to our economic viability and success at home and abroad, cut it across the board. I read:

REPROGRAMING, REORGANIZATIONS, AND RELOCATIONS

The House and Senate reports accompanying the appropriation bills for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for fiscal years 1977 and 1978 contained a section concerning the reprograming of funds between programs or activities. Although the departments and agencies have generally complied with these requirements satisfactorily, there have been several instances where agencies chose to interpret the Committee guidelines in a way not intended, and, as a result, did not submit reprograming requests. For example, some assumed that even though more than $250,000 was being transferred, a report did not need to be submitted if several activities were involved with each receiving less than $250,000. Others have assumed that there was a difference between permanent transfers and temporary transfers. These kinds of interpretations run counter to the Committee's intentions and give the appearance of an attempt to avoid compliance with these guidelines. The Committee has thus attempted to clarify its reprograming procedures, for agencies receiving funds pursuant to this bill, and expects them to be closely followed.

The Committee desires and expects that the Chairman of the Subcommittee on the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies be notified in writing a minimum of 15 days prior to—

(1) Reprograming of funds, whether permanent or temporary, in excess of $250,000 or 10 percent, whichever is less, between programs or activities. This provision is also applicable in cases where several activities are involved with each receiving less than $250,000. In addition, the Committee desires to be notified of reprograming actions which are less than these amounts if such actions would have the effect of committing the agency to significant funding requirements in future years.

(2) Increasing funds or personnel by any means for any project or activity for which funds have been denied or restricted.

(3) Creation of new programs or substantial augmentation of existing programs.

(4) Relocation of offices or employees.

(5) Reorganization of offices, programs, or activities.

The Committe also expects that any items which are subject to interpretation will be reported.

Does that sound like a committee that is just sitting there accepting whatever dollar figures are given to it, stamping them "approved"? Does it or does it not sound like one that is properly performing its oversight function as a committee on appropriations to assure that bureaucracy does not get out of hand?

I do not recall any request—and this is very tight fiscal practice, very tight direction from the legislative branch of our Government—by the Senator from Delaware to see this type of procedure followed and, indeed, this will save more money than any 2 percent across-the-board cut.

It is not as sexy politically but, believe me, it works better in dealing with that bureaucracy. It makes them accountable, by having them report. That is what we are there for day in and day out, not just come cruising in here at the 11th hour and say, "Let us just cut it across the board." I continue reading:

RELOCATION OF OFFICES

During the course of the Committee's hearings with the Department of Justice there was extensive discussion of the movement of the U.S. Marshals Service headquarters elements to Tyson's Corner in McLean, Va. The Committee is fully supportive of that part of the President's urban policy that will end the flight of Federal offices from central cities to suburban locations. Thus it was surprising to find that the U.S. Marshals Services was to be moved to the fringe of the Washington metropolitan area. This transfer was all the more surprising since the Committee had not been notified as it should have been pursuant to the above requirements which are identical to those contained in our previous reports.

The Assistant Attorney General for Administration testified about the merits of consolidating the Department's legal activities in or close to the Main Justice Department Building, the general lack of adequate office space in the downtown Washington area, and the intent to move the Marshals Service to Tyson's Corner. The Committee appreciates the Attorney General's desire to consolidate the local divisions and voiced a desire to work with the Department on the overall space problem and to find adequate space for the Marshals Service in the downtown area. Subsequent to the Committee hearing, the Committee was surprised to learn that its offer to assist the Department was moot, since a final decision to move had already been made several months previously.

While the Committee appreciates that the General Services Administration may have been unable to locate space for the Marshals Service in downtown Washington, D.C., it was nevertheless incumbent on the Department to notify the Committee of these developments. Instead of notifying the Committee, the Department proceeded to initiate a Standard Form 81, "Request for Space" which was transmitted to GSA on September 14, 1977. An attachment to this request included a suggestion that "general boundaries be established 2 miles either side of the Capital Beltway at a point within 30 minutes of the Department of Justice, National Airport, and Dulles International Airport."

This statement also went on to note: "A review of the space at the Tysons Corner Shopping Mall indicated that the above conditions can be met." Pursuant to this request, the GSA Administrator, after meeting with the Attorney General, approved the solicitation of bids for leasing space in Northern Virginia for the U.S. Marshals Service. On December 30, 1977, a contract was entered into to lease a total of 59,955 net usable space at the Tyson's Corner Office Building.

With this case as an example, the Committee admonishes the departments and agencies within the jurisdiction of this act to notify the Committee of any relocation of offices to outside the limits of the cities and counties where presently located. Otherwise, the Committee will not be responsible for providing funds necessary for the payment of any lease where such notification is not given and approved by the Chairman of the Subcommittee on State, Justice, Commerce, the Judiciary and Related Agencies.

UNBUDGETED EQUIPMENT EXPENDITURES

The Committee made a special review of the 1977 expenditures by the agencies covered by this bill for travel, other services, and equipment. This review found many instances of expenditures for these object classes far exceeding the amounts projected in the President's budget in January 1977. Particularly alarming were the great amounts obligated for equipment in the last month of the fiscal year. It is obvious that these September sprees were largely occasioned by savings in the compensation and benefits accounts due to delays in filling positions.

The Committee does not believe that these unbudgeted expenditures are justified as long as they are spent within the same budget activity. The 1978 expenditures will be similarly reviewed and a far better record is certainly expected. The Committee directs that proper controls be established so that the amount included in the current year column of the President's budget, for travel, other services and equipment, shall not be exceeded by 15 percent, unless a reprograming notification has been submitted to the Committee and not disapproved.

These actions are almost as important as the dollars and cents. They are important to the extent that they show that the subcommittee is doing its job, that it recognizes where the Government has fallen down, to pull it up short and to set forth the procedure to insure that it does not happen again.

How do you get that out of an across

the board cut? Why not just have everybody go in and submit their budget, give it an across the board cut, and eliminate the Appropriations Committee? That would be the biggest saving of all. Further:

POSITION CEILINGS

The Committee is alarmed about the practice of the Office of Management and Budget in establishing unilateral ceilings on employment. In several instances the Committee has allowed the additional positions requested by the administration, only to find them unfilled a year later because of the imposition of personnel ceilings. These ceilings have led to contracting out functions that should be performed by Federal employees and have been used to force absorption of pay raises. The result in many cases has been a severe erosion of the personnel base which is documented by the high lapse rates budgeted for several major agencies in the bill.

The imposition of the personnel ceilings has brought considerable confusion to the Committee's hearings. The Congress has always reviewed the budget in terms of the number of permanent positions allowed, requested, and filled, and it does little good to hear about "ceiling points" from hard-pressed agency managers.

An excellent example of the wastefulness of the OMB doctrine of "Government by Personnel Ceiling" was the testimony of the Attorney General. After indicating that he would have preferred to have more paralegal positions instead of the additional attorneys requested, but, since under the ceilings a GS–15 attorney and a GS–9 paralegal count the same, he was forced to use the scarce ceiling to use it for the higher paid lawyer when he would rather have had two paralegals at less overall cost instead.

The Committee is particularly disturbed about the effect of these ceilings on: the critical services of the National Oceanic and Atmospheric Administration; the protection of the millions invested by the Economic Development Administration and the Small Business Administration; the law enforcement responsibilities assigned to the Federal Bureau of Investigation, the Immigration and Naturalization Service, and the Drug Enforcement Administration; the custody and rehabilitation of the prisoners assigned to the Federal Prison System; the promotion of American exports as well as the regulation of imports and other vital services by the Industry and Trade Administration; the administration of the Nation's foreign affairs, as well as the regulatory function of such agencies as the Federal Communications Commission and the Federal Trade Commission.

The Committee has inserted provisions in the appropriations of the following agencies providing that ceilings on permanent positions shall not be established at less than the number indicated.

It then proceeds to give the figures for the following agencies: Department of State, Department of Justice, Department of Commerce, Federal Communications Commission, Federal Trade Commission, and Small Business Administration. I read:

The establishment of these minimum ceilings is not to be construed as mandating that employment be maintained at these levels when ordinary and good management practice would indicate a lower level. Rather, it is the intent of the Committee to preclude the establishment of ceilings that inhibit ordinary and good management of the resources assigned these agencies by the Congress.

FORMAT OF BUDGET ESTIMATES

At the request of the new Administration, the Committee agreed to substantial changes in the format of the 1979 budget estimates of many of the agencies in the bill. In most instances these format changes conformed to the operating pattern of the agencies, and ordinarily the Committee would share the goal of melding the structure of the presentation and operating budgets.

However, the revised presentations of the Law Enforcement Assistance Administration and the Economic Development Administration did not prove to be satisfactory. Both of these agencies are of significant congressional and public interest. The Committee found it difficult to respond to this interest in the absence of the traditional budget structure that was based on the authorization acts of these agencies. Until the legislative committees can be persuaded to revise the authorizations to the new operating structures, the Committee must insist that the budget estimates for these two agencies contain the current structure of the authorizing legislation. The tables on pages 34 and 41 display the minimum level of information needed for the LEAA and EDA, respectively.

The Committee directs that any agency contemplating a change in the budget structure submit the proposed format for review by not later than December 1 so that the Committee's review and decision may be obtained in sufficient time to meet the deadlines for printing the President's budget.

So much for the overall remarks of the Subcommittee on Appropriations for State, Justice, Commerce, and the Judiciary. I start now with title I, and review the various recommendations of the committee, and the reasons therefor.

I know what will happen as time wears on. Everyone will realize that some mighty good projects are getting thrown out. The bad has been weeded out a long time ago. Unfortunately, the distinguished chairman now, after all the hearings, has a substitute bill, which is an indication that we did not do a proper job.

That comes as a surprise to me, because no man has had greater admiration from this Senator than has the distinguished Senator from South Carolina. But then it really is not a budgetary amendment that he proposes; it is an accommodation to the Senators.

We have a bunch of projects that in his estimation, now, outside the committee process, outside the testimony process—will result in a 2-percent reduction.

I would only advise my colleagues they had better check with the distinguished Senator from South Carolina to find out whether or not their particular project is protected.

I was proud indeed of the work of the subcommittee, in that we did not accept any particular projects. The most rigorous type of standard was held to the justifying of any request, which caused some very unhappy Senators.

However, the political fear that is engendered by this activity overcomes the true logic and commonsense and so dictates our actions.

Well, I will inform everyone, the whole Appropriations Committee can cave. I will not. I hope there are some members who will put an end to this business. Fine, have the Senator from Delaware or any other State stand up from his seat, call for a cut in expenditures, justify it, detail, line by line; that is fair enough. That is doing our job. We all win some and lose some in this Chamber. Just stand up there, without any knowledge of what is being cut or without any justification, and say, "That is fine. We cut." Sooner or later someone will ask, "What did you cut?" Then you will find out it had something very much to do with them.

We are always put on the horns of a dilemma in this body as to the raising of revenues and their expenditure. That is never going to change. There are always choices to be made, but not under this mechanism. There are no choices here to be made.

I never will forget the evening that proposition 13 passed. I cannot use a better example than the personal example to exemplify the dilemma in which we are going to all be placed. I received a call from my brother in California, who was very much a supporter of proposition 13. He was absolutely elated.

Well, that very same day I received a letter from his wife enclosing a flier which was being sent to all Members of the Senate Appropriations Committee urging increased funding for diabetes research.

There you have it. They never conceived of the fact that it was that ox that was going to be gored. Spending cuts, yes—but not for diabetes research. Why? Because they have a child who since birth has had diabetes. It was not conceivable to them that with a tax cut that would be the amount that would be cut.

We might be able to avoid it for a month, 3 months, 6 months, 9 months, but sooner or later it will come down to the business of what we are being paid to do: to make those choices, the tough ones. There is not one of us who enjoys that.

Mr. HATCH. Will the Senator yield for a unanimous-consent request?

Mr. WEICKER. Yes, without losing my right to the floor.

Mr. HATCH. Mr. President, I ask unanimous consent that David Buckley of my staff be granted the privileges of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. There is not one of us who does not enjoy the privileges of being a U.S. Senator. They are really great. There are also some really tough times and disagreeable times, and I think we live in those times right now. What we are not paid to do as leaders of this Nation is to cut and run. We have to try to make sense out of what is being proposed.

There is no arguing the fact that there is an uncontrolled urge to spend on the part of too many in Government at all levels. But that does not mean to say that the system is a bad system.

I think this element of choice is something that we had best confront now. Maybe, there will be those who will want to avoid these issues until after the elections are over. That would be the safe way. However, I would rather put it to a test right now.

When my colleagues review this budget and see what is in here, and they recognize the fact it is way below the budget of last year and below the budget estimates for this fiscal year, I am confident that they will come to their senses. They will make the Senator from Delaware do what I am doing now, stand up and justify every single one of the items in this bill as to why it should be cut 2 percent.

If the Senator from Delaware is willing to do that, I will be glad to go ahead and relinquish the floor. But he is not. He might have a few choice little matters of interest to him, but not the kind of detailed work that is involved here. It is merely to go home and say, "I cut it 2 percent."

Well, we are going to make sure that, when he goes home, everybody will know exactly what it is that he cut 2 percent. Specifically, he cut law enforcement 2 percent, drug enforcement 2 percent, the pursuit of organized crime 2 percent, our foreign relations efforts 2 percent, and economic equality, civil rights 2 percent.

It was not money thrown away that was cut 2 percent; it was not pride money that was cut 2 percent. Rather, in this particular appropriations, much of the backbone of everything that this Nation does in a constructive way was cut 2 percent.

The Department of State budget which I will now get into is probably the toughest one to stand here and justify:

The Committee recommends an appropriation of $661,000,000, an increase of $57,423,000 over the 1978 appropriations to date. The amount recommended is $1,117,000 under the budget estimate and $661,000,000 over the amount allowed by the House; and will support a total of 16,681 permanent positions.

These funds are for the formulation and execution of the foreign policy of the United States, including the conduct of diplomatic relations with international organizations, and related activities. The increase over the current appropriation is to cover nondiscretionary increases such as annualization of wage increases, price increases, increased workload in the consular and passport areas, and other nondiscretionary increases. The amount recommended will also provide for improved support of the Department's programs in such areas as training, passport activities, the travel document and issuance system, administrative support and equipment.

The Committee has approved $2,000,000 requested for communications terminal equipment. A memorandum of agreement between the Departments of State and Defense providing for a unified Diplomatic Telecommunications Services (DTS) is currently being revised to avoid unnecessary duplication of overseas communication systems. As this memorandum is now nearing final form the Committee believes it is prudent to provide these funds for the needed communications terminal equipment to continue modernization of the Department's vital worldwide communications system. The Committee has the Department's assurance that it will make every possible effort to insure that there is no unnecessary duplication with any other Government agency in the operation of its communication system within the DTS.

WORLD ADMINISTRATIVE RADIO CONFERENCE

While the State Department has not requested specific appropriations for the advance planning and representation of the United States at the World Administrative Radio Conference to be held in Geneva, Switzerland in 1979, monies appropriated by this Committee are being used for these functions.

The World Administrative Radio Conference will reallocate the worldwide use of the electromagnetic spectrum for the rest of the century. As the greatest user of spectrum space, the United States has a very high stake in this process. The developing countries have been organizing to get a much larger share of the spectrum. This problem was stated, for example, in a recent meeting of the International Institute of Communication. A leading Sudan official, Minister Ali Shummo stated: "The Industrial nations have 90 percent of the spectrum and 10 percent of the population. We, the nonindustrialized world, have 90 percent of the population and 10 percent of the spectrum. We want our share."

The decisions made at WARC will be made on the basis of one country, one vote will have a tremendous impact upon the United States for many years to come. In order to maintain our leadership in this high technology area, the outcome of this important conference must be fair to the United States.

Maybe it is that with a 2 percent cut, we do not send anybody:

The Committee believes that the State Department has not adequately been meeting its responsibilities in preparing for this very important Conference. They have been slow in selecting the U.S. delegation to represent the United States in Geneva. It is impossible to expect a delegation to be handed a pat U.S. position, be briefed on a number of important issues and preparatory meetings held with other countries in which the needs and attitudes of other countries were discussed and then to go to the main match in Geneva with any kind of feel for the situation.

While the Committee agrees with the decision of the State Department to meet with representatives of other countries in a preparatory fashion, the Committee feels it will be a more constructive use of the Department's time to be meeting with the less developed countries that will have the votes to determine the final outcome of the Conference than just with allies whose interests are similar to our own.

The Committee recommends an appropriation of $2,900,000, an increase of $400,000 over the 1978 appropriations to date. The amount recommended is the same as the budget estimate and $2,900,000 over the amount allowed by the House.

These funds will be used to partially reimburse foreign service officers for the expenditures they incur in their official capacities abroad in establishing and maintaining contacts with local government officials and influential members of the local community. The increase over the current appropriation is to cover price increases abroad, representation at new posts and reflects an increased congressional awareness of out-of-pocket expense.

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD

The Committee recommends an appropriation of $125,000,000, an increase of $21,899,000 over the 1978 appropriations to date. The amount recommended is $6,356,000 over the budget estimate and $125,000,000 over the amount allowed by the House; and will support a total of 93 permanent positions.

These funds are used to construct, purchase, or lease office space for the Foreign Service and other Government agencies abroad and living quarters for American staff at diplomatic and consular posts where housing problems exist.

The Committee has provided a $6,356,000 increase over the budget request for the acquisition of the following additional properties:

Country and post	Project	Estimate
Chile, Santiago	21 single staff residences	$1,200,000
United Kingdom, London	29 staff apartments/duplexes	1,435,000
Bahrain, Manama	5 single staff residences	675,000
Qatar, Doha	3 senior officer residences	425,000
Saudi Arabia, Jidda	4 senior officer residences	466,000
Do	6 staff apartment/duplexes	465,000
United Arab Emirates, Abu Dhabi	4 senior officer residences	660,000
Do	1 middle grade officer residence	150,000
Do	8 single staff residences	880,000

The recommended amount for both this and the following special foreign currency appropriation covers the requested $57,725,000 for the capital program which will enable the Department to obtain 5 office buildings, 265 living units, 8 sites for future construction, and develop plans and specifications for later construction of 7 office buildings and 68 living units. The Committee expects that the increase provided to the capital program will enable the Department to reflect reduced costs or savings in short-term leasing and other rental costs in future years.

I remember the eloquent words of the distinguished Senator from South Carolina. I asked the question at the time, "Why are we investing this money in buying the buildings and the land, rather than leasing it?" I was given a very intelligent, succinct, well-thought-out, well-researched response. There was no point in my having asked the question at all. Why not just go ahead and eliminate that? We could save ourselves a big chunk of dough.

Obviously, it was a very important policy question as between the purchasing and leasing of properties. It was rather fully detailed to me what had happened to the properties we had in foreign nations over the years and how the values had enormously appreciated. If we had bought them in the first place, we would be better off today. I remember going into this in detail. But it does not mean anything right now: A little substitute amendment. Just forget all the reasoning that went into those hearings. The Senator from Delaware has an amendment out there for 2 percent. Throw all the paperwork, all the time, and all the effort into the air and run.

Not me. I continue reading:

The recommended amount includes $16,500,000 to complete the second phase of construction of an embassy complex in Moscow consisting of office, residential, and service facilities. This amount represents a decrease of $28,500,000 from appropriated funds for the current fiscal year. To date, $75,000,000 has been appropriated for this complex and it is now estimated that the project will cost approximately $100,000,000 with an estimated completion of 1982. The Committee expects construction to parallel construction of the Washington embassy project of the U.S.S.R.

The remaining $56,800,000 of the recommended amount is for the day-to-day operating and maintenance activities. An increase of $6,900,000 will provide for the mandatory costs anticipated in fiscal year 1979, consisting primarily of within-grades, annualization of the October 1977 salary increase, and wage and price increases. Additionally, $3,350,000 is included for operating, maintenance and furnishing costs of new properties to be acquired in fiscal year 1978 and 1979.

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD (SPECIAL FOREIGN CURRENCY PROGRAM)

The Committee recommends an appropriation of $6,025,000 over the amount allowed by the House.

The special foreign currency appropriation provides for the use of excess foreign currencies in the Foreign Buildings programs, pursuant to the authority contained in section 4 of the Foreign Service Buildings Act, as amended, and thereby reduces U.S. dollars expenditures.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

The Committee recommends $2,350,000, the full amount requested, to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service. These funds provide for relief and repatriation loans for American citizens abroad and are available for other emergencies in the Department.

Cut it 2 percent. If you happen to be stuck over there and need help from your government, just go and talk to the Senator from Delaware and ask him to get it from some place else. The committee says:

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

The Committee recommends an appropriation of $38,107,000, an increase of $11,508,000 over the 1978 appropriations to date. The amount recommended is the same as the budget estimate and $38,107,000 over the amount allowed by the House.

The amount includes funds for continuing installments to finance unfunded liabilities created by Federal salary increases through October 1977, the extension of benefits to new groups of employees, and new or liberalized benefits paid from the fund, as well as Foreign Service normal costs not met by employee and employer contributions. The amount included in the bill is to cover the cost of employees of the Department of State and the International Communications Agency. Funds to cover employees of the Agency for International Development are included in the Foreign Assistance and Related programs appropriation bill.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL CONTRIBUTIONS

1978 appropriations to date	[1] $325,979,000
1979 budget estimate	355,392,000
House allowance	
Committee recommendation	355,392,000

[1] Excludes pending supplemental appropriation estimates of $64,127,000.

The Committee recommends an appropriation of $355,392,000, an increase of $29,413,000 over the 1978 appropriations to date. The amount recommended is the same as the budget estimate and $355,392,000 over the amount allowed by the House.

This appropriation is for payment of the annual obligations of membership in certain international organizations as authorized by conventions, treaties, or specific acts of Congress. Membership in these organizations may constitute an obligation for payment of the appropriate share of the assessed budgets of the organizations.

The following table shows the amount provided for each of the international organizations:

United Nations and specialized agecnies:	
United Nations	$116,698,599
United Nations Educational, Scientific and Cultural Organization	30,833,625
International Civil Aviation Organization	8,003,145
World Health Organization	46,925,560
Food and Agricultural Organization	24,241,249
International Telecommunication Union	2,304,177
World Meterological Organization	2,997,033
Intergovernmental Maritime Consultative Organization	275,518
Universal Postal Union	409,114
World Intellectual Property Organization	296,003
International Atomic Energy Agency	14,502,760
Subtotal	247,486,783
Inter-American organizations:	
Inter-American Indian Institute	86,185
Inter-American Institute of Agricultural Sciences	9,258,801
Pan American Institute of Geography and History	200,000
Pan American Railway Congress Association	15,000
Pan American Health Organization	22,165,000
Organization of American States	32,741,500
Subtotal	64,466,486
Regional operations:	
South Pacific Commission	653,018
North Atlantic Treaty Organization	15,898,000
North Atlantic Assembly	307,671
Colombo Plan Council for Technical Cooperation	5,000
Organization for Economic Cooperation and Development	20,034,000
Subtotal	36,897,689
Other international organizations:	
Interparliamentary Union	199,516
International Bureau of the Permanent Court of Arbitration	6,410
International Bureau for the Publication of Customs Tariffs	40,065
International Bureau of Weights and Measures	269,525
International Hydrographic Organization	30,335
International Coffee Organization	408,913
International Institute for the Unification of Private Law	41,061
Hague Conference of Private International Law	48,863
Maintenance of Certain Lights in the Red Sea	21,094
Bureau of International Exhibitions	14,276
Customs Cooperation Council	1,354,132
International Center for the Study of the Preservation and Restoration of Cultural Property	$175,000
International Organization for Legal Metrology	45,610
International Agency for Research on Cancer	665,820
General Agreement on Tariffs and Trade	2,825,050
International Office for Epizootics	37,810
World Tourism Organization	121,985
International Tin Council	139,283
International Cotton Advisory Committee	50,160
International Rubber Study Group	19,853
International Seed Testing Association	3,281
Lead and Zinc Study Group	23,000
Subtotal	6,541,042
Total	355,392,000

In fiscal year 1975 this Committee appropriated $203,903,000 for this account. This year the request for International Organizations has grown to $355,392,000. Over the past year the Committee has attempted to give the Bureau of International Organizations Affairs the oversight attention which it deserved. At this time it would appear that the performance of the Bureau has improved. For instance, the Bureau's personnel rotation policy seems to be improving, and officials of the Bureau may be taking a more positive leadership role in the various international agencies. It would appear that our U.N. representatives are starting to carry the message that the United States as the primary financial donor is determined that the size of the U.N. bureaucracy and its ever escalating salary structure be reduced. Evidence received at Committee hearings revealed that 35 U.N. executives drew larger salaries than the Vice President of the United States. Additionally, testimony was received to the effect that 17 of the world body's servants commanded more than the $75,000 per year paid to the Chief Justice of the United States. The Committee sees no reason why the American taxpayer should suffer the major burden of supporting an ever-growing international bureaucracy.

The Committee views with alarm the dispersal of U.N. funds, or serious thought of dispersal of U.N. funds, 25 percent of which are derived from the American taxpayer, to such countries as Vietnam, Cambodia, Laos, Uganda, Guinea, and Cuba. Additionally, we are exceedingly disturbed over the possibility of leakage of U.N. funds to Soviet sponsored terrorist guerrilla organizations operating in Africa. In the year to come the Committee fully intends to carefully observe the distribution of U.N. funds to communist sponsored terrorist organizations such as SWAPO. For instance, the Committee seriously questions why American tax dollars were used to fund the international travel and per diem expense of SWAPO members and the Committee directs that this practice stop forthwith.

In conclusion, this Committee has repeatedly demanded improved controls over the technical assistance activities of the various agencies in the U.N. development system. Policies of the U.N. notwithstanding, it is the policy of the Congress of the United States which approves the funding contained in this bill, that technical assistance be under the control and supervision of the U.N. development program. As the primary financial benefactor of the U.N. system this Committee has no intention of subsidizing the over-zealous proliferation of technical

assistance programs and an increased fragmentation of the U.N. Development System.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

1978 appropriations to date	[1] $27,000,000
1979 budget estimate	32,000,000
House allowance	
Committee recommendation	27,000,000

[1] Excludes pending supplemental appropriation estimates of $20,400,000.

The Committee recommends an appropriation of $27,000,000, the same as the 1978 appropriations to date. The amount recommended is $5,000,000 under the budget estimate and $27,000,000 over the amount allowed by the House.

The Committee is concerned about the U.S. assessment for maintaining these forces. The U.S. assessment for the United Nations and specialized agencies is limited to 25 percent of the budgets of those organizations, yet the U.S. assessment for the budget required to maintain these forces is 29.3 percent of the budget. The Department of State should endeavor to hold the United States assessment within the 25 percent ceiling applicable to the U.N. and specialized agencies.

MISSIONS TO INTERNATIONAL ORGANIZATIONS

1978 appropriations to date	[1] $10,144,000
1979 budget estimate	12,072,000
House allowance	
Committee recommendation	12,000,000

[1] Excludes pending supplemental appropriation estimates of $1,364,000.

The Committee recommends an appropriation of $12,000,000, an increase of $1,856,000 over the 1978 appropriations to date. The amount recommended is $72,000 under the budget estimate, and $12,000,000 over the amount allowed by House; and will support a total of 212 permanent positions.

The amount recommended provides for the expenses of eight U.S. missions to international organizations and the expenses of congressional delegations to four international parliamentary groups. The amount recommended is $1,856,000 more than the appropriation to date for the current fiscal year, but is $72,000 less than the amount requested. The increase over the current appropriation is primarily to cover increased workload at the mission to the United Nations and wage and price increases.

The following table shows the amount recommended for each of the missions and congressional groups:

It then goes ahead to cite the amounts allocated.

(Mr. DECONCINI assumed the chair.)

Mr. WEICKER. Mr. President:

The Committee recommends an appropriation of $8,000,000, the same as the 1978 appropriations to date. The amount recommended is $600,000 under the budget estimate and $8,000,000 over the amount allowed by the House.

The Committee is very much concerned about the proliferation of international conferences in which the U.S. Government participates and the number of delegates who attend these conferences. This concern is particularly well founded in view of Secretary Vance's memorandum of April 18, 1977 on policies governing U.S. delegations to international conferences and meetings which seek to reduce the size of these delegations. Accordingly, the Committee directs the Department to scrutinize carefully the need for U.S. participation in each projected international conference and to examine closely the list of U.S. delegates to all such conferences with a view to controlling and minimizing our participation.

The Committee is aware that there are carryover funds amounting to approximately $1,600,000 of which $600,000 can be properly used in addition to the recommended appropriation.

Now, if, indeed, the Senator from Delaware had taken the time to zero in on this type of committee's work, it might have been a very productive area of budget cutting. Indeed, I raised some of these points in the hearings. But, believe me, there is always the State Department, or the administration trying to get the attention of the committee. So the budget is reduced.

Probably if he had come in here with specific amendments attacking this aspect of the appropriations bill, he would have got a great deal of support, probably even from this Senator.

If there is an expensive activity, it is all the commissions and conferences we have.

It is a very expensive undertaking insofar as our foreign relations are concerned.

However, I did not see that kind of homework done at all. Rather, the proposed amendment simply cuts everything, the good along with the bad.

Well, let us get something that comes a little closer to home here. Let us talk about the Department of Justice.

I will be anxious to see what the final result of the substitute amendment is, since the distinguished Senator from South Carolina already went ahead and agreed with the Senator from Massachusetts to add 48 more people to the Justice Department rolls. I do not quite understand. I have just learned this afternoon, nothing we have done in the last 6 months really had much bearing on anything. Just come here, shake a fist, and everybody just fades away. Department of Justice:

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

The Committee recommends an appropriation of $27,774,000, an increase of $1,707,000 over the 1978 appropriations to date. The amount recommended is $1,222,000 under the budget estimate and $27,774,000 over the amount allowed by the House; and will support a total of 820 permanent positions.

The amount recommended includes funds for nondiscretionary increases, primarily for pay and related benefits. Also included are funds for 5 additional positions in the Office of Management and Finance, 12 additional positions for the Parole Board, funds for increased travel expenses connected with Judicial Nominating Committees, and funds for additional staff years in the Office of Public Information and Improvements in the Administration of Justice. The Committee has reduced the allocation for the Federal justice research program to $1,000,000.

I understand, as a matter of fact, that we have all sorts of requests from the Justice Department. They could not even tolerate a $1 million reduction in the Attorney General's slush fund. But it goes to the point as to how minute is the inspection of the budgets presented to the subcommittee. I read:

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

1978 appropriations to date	[1] $77,520,000
1979 budget estimate	89,884,000
House allowance	
Committee recommendation	89,884,000

[1] Includes supplemental appropriations of $1,445,000 but excludes pending supplemental appropriation estimates of $4,457,000.

The Committee recommends an appropriation of $89,884,000, an increase of $12,364,000 over the 1978 appropriations to date. The amount recommended is the same as the budget estimate and $89,884,000 over the amount allowed by the House; and will support a total of 2,727 permanent positions

The amount recommended provides for the full 2,727 positions requested for the various legal divisions of the Department. The Committee was impressed by the testimony regarding the additional workload imposed on the Land and Natural Resources Division by recent legislation and has added 35 positions to the number requested. The full number of additional positions requested are also recommended for the Tax, Civil, and Civil Rights Divisions. The following table displays the current level of positions as well as the number requested and allowed by the Committee:

Distribution of positions

Comparison by activities:	1978 appropriation	1979 request	Committee recommendation
Conduct of Supreme Court proceedings and review of appellate matters	47	47	47
General tax matters	493	574	574
Criminal matters	704	752	717
Claims, customs and general civil matters	557	631	631
Land, natural resources and Indian matters	248	263	298
Legal opinions	39	42	42
Civil rights matters	398	418	418
Total requirements	2,486	2,727	2,727

I see the distinguished chairman of the Appropriations Committee just entering the Chamber, a man whom I greatly admire. I would be glad to yield some time to him, without losing my right to the floor, if he would express his opinion as to his general policy of across-the-board cuts. Indeed, if he is of the same opinion as the distinguished Senator from South Carolina, I think we can fold up the whole committee and save us a great deal of time in the future. Budgets would come to us from the executive branch, and we would simply apply a factor across the board, and go on to our other committee assignments.

I ask unanimous consent that I not lose my right to the floor but be allowed to yield for a comment by the distinguished Senator from Washington.

Mr. HOLLINGS. No, Mr. President. I have been waiting here for 3 hours, as chairman of the bill, and I have been unable to be heard.

Mr. WEICKER. With due deference to the Senator from South Carolina, I do not think it makes any difference what is going to be said here, or what was said during the course of the Appropriations Committee hearings. For, it all went down the drain with the substitute amendment. We do not defend the committee's studied recommendations. Maybe we would have lost, but I think we would have won.

I think everybody recognizes this kind of fraudulent amendment for what it is. On the other hand, let us continue with the "old" report of the subcommittee. The August 3 version will be heard, I suspect, for some time tonight. I continue:

The Committee is concered that certain temporary regulations affecting Justice Department access to individual tax returns in nontax criminal cases, remain in effect 2 years after passage of the Tax Reform Act of 1976. Under section 1202 of that act, tax information for nontax criminal purposes cannot be disclosed to the Justice Department without a court order. The temporary regulations permit Justice Department access and therefore subvert the law. The Committee directs that no funds should be used by the Justice Department in implementing the temporary regulations under section 404.6103(h)(2)-1(a)(2) of the Treasury Temporary Regulations on Procedure and Administration.

That part of the report language probably does not have any familiarity to the distinguished Senator from Delaware. What it tries to do is insure that, through the appropriations process, we will have tax privacy in this country. Tax returns were grossly abused and violated in the past, and this Senator determined it will not happen again in the future.

The Justice Department has been very lax in producing those regulations. I have letters on my desk saying, "We are complying; we have regulations. Can't you let us off the hook?" I do not think I am going to go ahead and let them off the hook—not this fast. It has taken them 2 more years than was anticipated to comply with the law. I am one of those strange people around here who believe the Justice Department should comply with the law, just like anybody else. Continuing to read:

PRIVATE COUNSEL FEES

The Committee has provided no funding for private counsel fees. In the event that any such fees are required. the Committee directs the Department to submit a reprograming request before any funds are expended.

SALARIES AND EXPENSES, ANTITRUST DIVISION

1978 appropriations to date	[1] $41,008,000
1979 budget estimate	46,377,000
House allowance	
Committee recommendation	46,377,000

[1] Includes supplemental appropriations of $1,223,000 but excludes pending supplemental appropriation estimates of $2,227,000.

This is to make sure that those who have violated the laws, in the name of justice, against American citizens in the past did not have their legal fees paid for them by the taxpayers of this country. Further:

The Committee recommends an appropriation of $46,377,000, an increase of $5,369,000 over the 1978 appropriations to date. The amount recommended is the same as the budget estimate and $46,377,000 over the amount allowed by the House; and will support a total of 977 permanent positions.

Mr. STONE. Mr. President, will the Senator from Connecticut consider yielding, say, 3 or 4 minutes to the Senator from Florida, to speak briefly, not in support of his position, and then to yield the floor back to the Senator from Connecticut?

Mr. HOLLINGS. Mr. President, I object. I have been waiting here for a couple of hours; and, as manager of the bill, I have not even been able to speak.

Mr. WEICKER. If I do not lose my right to the floor, and if the Senator from South Carolina can tell me how long he wants to speak, I will be glad to go ahead and yield.

Mr. HOLLINGS. Is that not nonsense?

Mr. WEICKER. Then, I gather that the distinguished chairman, the Senator from South Carolina, does not want to speak. I read:

The Committee recommends an appropriation of $46,377,000, an increase of $5,369,000 over the 1978 appropriations to date. The amount recommended is the same as the budget estimate and $46,377,000 over the amount allowed by the House; and will support a total of 977 permanent positions.

The increase over the current appropriation will provide for nondiscretionary increases as well as funds requested for program increases. These include 27 additional positions to improve management and administrative capabilities, and 30 additional positions for legislative support, research, and analysis and regulatory activities.

Mr. President, I wonder if I might have order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WEICKER. There seems to be a general racket off on my left.

The PRESIDING OFFICER. The Chair declares that the Senate is in order.

Mr. WEICKER. I thank the Chair. Reading:

In addition, funds are included for support of cases involving private conspiratorial conduct such as price fixing and for extraordinary litigating expenses associated with the A.T. & T. and IBM cases.

This appropriation includes $10,000,000 for grants to States to improve their antitrust enforcement capabilities. The sum of $1,000,000 was appropriated for fiscal year 1977 and $10,000,000 for fiscal year 1978. Under this program, grants are made pursuant to State plans, which provide for administration by the State attorney general and set forth in antitrust training program for State officials.

Salaries and expenses, U.S. attorneys and marshals

1978 appropriations to date	[1] $179,075,000
1979 budget estimate	196,736,000
House allowance	
Committee recommendation	196,700,000

[1] Excludes pending supplemental appropriation estimates of $11,495,000.

The Committee recommends an appropriation of $196,700,000, an increase of $17,625,000 over the 1978 appropriations to date. The amount recommended is $36,000 under the budget estimate and $196,700,000 over the amount allowed by the House; and will support a total of 6,085 permanent positions.

The amount recommended includes funds for nondiscretionary increases, primarily related to pay and related benefits, and an increase in the standard level user charges for space.

The amount recommended includes funds for 61 additional positions requested for the U.S. attorneys. These positions, most of which will be paralegals, will enable the U.S. attorneys to handle more civil cases, prosecute more white collar and other criminal cases and improve the quality of appellate work.

The funds recommended will also allow a net increase of 83 additional positions for the U.S. Marshal's Service. These additional positions are provided to help alleviate the increased workload in the handling of Federal prisoners, provide security protection for judges and magistrates, and assume increased responsibilities in the supervision of unsentenced prisoners.

This chronic shortage of manpower is also reflected in an excessive reliance by the Marshals Service on part-time nonprofessional personnel as replacements when regular Deputy Marshals are unavailable. These temporary "guards," as they are called, lack the specialized training, expertise, and professionalism that a full-time Deputy Marshal possesses. It follows that the Service's performance, to the extent that it is forced to employ minimally qualified individuals, will suffer.

Nowhere are these manifestations of understaffing more in evidence than in district 8, which because of its location on the Southwestern border, has become the focus of an intensifying Federal law enforcement effort. Thus, for example, during a recent month, 37 individuals were employed as temporary guards in district 8. Of even greater significance, fully seven of these individuals accumulated 140 or more hours of work during that month. Moreover, despite the postponement of some of the less urgent work items in the district's work load, the Deputy Marshals have accumulated over 5,000 hours of overtime since January 1, 1978.

By these indices alone, it is clear that the work load in district 8 is sufficient to require several additional Deputies. The Committee therefore directs the Service to assign no fewer than 3 of the additional Deputy positions authorized in this bill to district 8.

The Committee is also concerned about the shortage and misallocation of clerical staffing within the U.S. Marshals Service. Again, district 8 provides a clear illustration of the problems. A review of the Service's clerical staffing pattern has revealed surpluses in some jurisdicitons and shortages in others. The Service proposes to correct these imbalances by redistributing positions as attrition in overstaffed jurisdictions permits. Generally speaking, this appears to be a reasonable and humane approach. However, it was almost 2 years ago that the 8th district was informed that it would be receiving two additional clerical positions. Granted the process of reallocation by attrition is time-consuming and uncertain, the Committee nonetheless expects that the Service will fill the two clerical vacancies in district 8 no later than August 30, 1978.

The Committee is concerned about excessive amounts of overtime performed by employees in the U.S. Marshals Service and recommends approval of the additional positions requested to offset overtime work. The Marshals Service should endeavor to reduce such overtime to the absolute minimum necessary in the performance of duty.

Support of United States prisoners

1978 appropriations to date	$21,000,000
1979 budget estimate	25,100,000
House allowance	
Committee recommendation	25,100,000

The Committee recommends an appropriation of $25,100,000, an increase of $4,100,000 over the 1978 appropriations to date. The amount recommended is the same as the budget estimate and $25,100,000 over the amount allowed by the House.

The 1978 appropriation for the Department of Justice reflected the transfer of certain

responsibilities dealing with U.S. prisoners from the Federal Prison System to the U.S. Marshals Service. Under this program the Marshals Service now has fiscal and operational responsibilities for the care, custody, and medical needs of all unsentenced Federal prisoners and prisoners awaiting transfer to correctional institutions up to 30 days after sentencing. Contracts are made with State and local authorities for the use of approximately 1,200 jail facilities to house such prisoners.

Fees and expenses of witnesses

1978 appropriations to date	$20,050,000
1979 budget estimate	20,144,000
House allowance	
Committee recommendation	20,000,000

The Committee recommends an appropriation of $20,000,000, a decrease of $50,000 under the 1978 appropriations to date. The amount recommended is $144,000 under the budget estimate and $20,000,000 over the amount allowed by the House.

This appropriation includes funds for expert and fact witnesses who appear on behalf of the Government in all cases to which the United States is a party; the protection of witnesses; and costs for mental competency examinations.

Salaries and expenses, community relations service

1978 appropriations to date	$5,192,000
1979 budget estimate	5,353,000
House allowance	
Committee recommendation	5,353,000

Mr. President, I ask unanimous consent that I may yield to the Senator from Ohio for the purposes of a unanimous-consent request without losing my right to the floor.

Mr. HOLLINGS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WEICKER. Mr. President:

The Committee recommends an appropriation of $5,353,000, an increase of $161,000 over the 1978 appropriations to date. The amount recommended is the same as the budget estimate and $5,353,000 over the amount allowed by the House; and will support a total of 136 permanent positions.

The funds appropriated for Community Relations Service, which was established by title X of the Civil Rights Act of 1964, provide assistance in resolving disputes, disagreements, and difficulties arising from discriminatory practices which disrupt peaceful relations among citizens. The increase reflects funds requested for nondiscretionary increases offset by a program decrease involving 10 positions. Justification material presented to the Committee indicated that the decrease would not substantially affect the current program level due to increased staff effectiveness and efficiency.

Federal Bureau of Investigation

Salaries and expenses

1978 appropriations to date	[1] $529,454,000
1979 budget estimate	556,750,000
House allowance	
Committee recommendation	558,750,000

[1] Excludes pending supplemental appropriation estimates of $24,500,000.

The Committee recommends an appropriation of $558,750,000, an increase of $29,296,000 over the 1978 appropriations to date. The amount recommended is $2,000,000 over the budget estimate and $558,750,000 over the amount allowed by the House; and will support a total of 19,775 permanent positions.

The Federal Bureau of Investigation is the principal investigative arm of the Department of Justice. It collects evidence for use in civil litigation and prosecution of the violators of Federal criminal statutes. It has primary responsibility for the internal security of the Nation. It assists other law enforcement agencies through the dissemination of information, location of fugitives, training, identification, and laboratory services.

I might add while on the matter of this budget I wish to know exactly where it is the Senator from Delaware recommends that the Federal Bureau of Investigation be cut.

I notice the distinguished chairman of the Small Business Committee is in the Chamber and I also wish to say to him it is 2 percent of his budget that will be cut arbitrarily. I know of all the thought that went into the development of that budget since I saw it from both the authorization and the appropriations process. It makes no difference. The hearings make no difference any longer. Someone mentions a cut in the Chamber and then all that work goes down the drain.

I am not ready to go ahead and abandon my position in the development of those budgets and the development of small business just for the sake of satisfying the political whims of a colleague on the Republican side and a colleague on the Democratic side.

To return to the committee report:

The Committee believes that the reductions made in certain programs by the Administration were too severe and would be detrimental to an effective Federal law enforcement effort.

Now, apparently this effort is to be even further reduced by the distinguished Senator from Delaware:

The Committee pursuant to authorizations by the Senate Judiciary Committee hereby provides $1 million (40 permanent positions) over the budget request to augment Headquarters management and coordination of domestic security and terrorism activities, and $1 million (40 permanent positions) over the request for domestic security and terrorism investigations.

Apparently both these instances are not considered important and these activities can stand a 2-percent cut. Should there be a terrorism incident and should we not have the proper response to it, then believe me, the Senator from Delaware can go ahead and use that as a campaign platform among his constituents:

At a time when acts of terrorism are increasing throughout the world, the Federal Bureau of Investigation should not reduce its capability to handle such situations in the United States to the extent recommended in the administration budget. The Committee believes that restoration of these funds and positions are necessary to provide for efficient and effective coordination of this program and to respond to terrorist incidents under the jurisdiction of the Federal Bureau of Investigation.

The Committee is concerned about the ability of the FBI to adequately manage and coordinate its investigative operations in view of the substantial reductions made to this progam by the administration. The Committee is not at this time recommending full restoration of funds for this program, however, because it was not provided for in the authorization bill but will follow the program to insure that the Nation's law enforcement effort is not damaged because of the reduced funding.

I remember the great concern exhibited by the distinguished Senator from South Carolina as to the rather severe cuts made by the administration in the Federal Bureau of Investigation. A special session was held with the Director in a special effort to go ahead and restore those funds. Indeed, if you will recall, it was the Director who almost immediately upon his appointment was in disagreement with the administration because of the cuts the administration was trying to make. He so expressly himself publicly, and he received the support of the distinguished Senator from South Carolina. All that is for naught at this stage of the game. Just go ahead and cut it across the board; do not have any deliberation or many making of policy by this body. Simply adopt the approach to cut regardless of where the cut takes place.

So the Federal Bureau of Investigation and the law enforcement functions of that agency will be all the less by the time the activities are concluded on this floor tonight or tomorrow:

IMMIGRATION AND NATURALIZATION SERVICE

The Committee recommends an appropriation of $299,800,000, an increase of $33,350,000 over the 1978 appropriations to date. The amount recommended is $1,781,000 over the budget estimate and $299,800,000 over the amount allowed by the House; and will support a total of 10,997 permanent positions.

Those funds will be used for administering and enforcing the laws of the United States relating to immigration, naturalization and alien registration. The Committee held several extensive executive sessions and as a result determined that far too many Soviet Bloc Intelligence Service personnel have been admitted entry into the United States.

All this done, I might add, at the instigation of the distinguished chairman of the committee who propounded questions and where detailed answers were given. But that means nothing here today, a 2-percent across-the-board cut, and that applies to this area:

Therefore, the Committee directs that the Immigration and Naturalization Service under the guidance, control, and supervision of the Attorney General deny entry and enforce expulsion of hostile intelligence service personnel irrespective of visas issued by, or policies of, the Department of State.

The Committee has closely followed the efforts of the Service in its endeavors to become current with its workload. While the new machinery and procedures have indeed been helpful, the basic problem is a shortage of personnel. The INS is currently authorized a staff of 10,071 permanent positions but erosion in the personnel compensation base over the years has left only enough to maintain an average staff of 9,363 positions. The Committee has included $3,348,000 in the bill to reduce the lapse rate from 7 percent to 5 percent.

There has long been a need to improve service in the Carolinas which are presently served by the Norfolk and Atlanta district offices. The Committee has provided an additional 23 positions (that will be supplemented by 5 positions now assigned to Atlanta) and $684,000 to establish a new district office at Charlotte, N.C.

The Committee supports the 903 additional positions requested in the budget but has to provide for them on a 50 percent lapse basis in order to stay within the amount proposed to be authorized for 1979. These additional positions are distributed as follows:

Inspections program	200
Border patrol program	293
Investigations program	155
Intelligence program	8
Training program	4
Records and data systems enhancement program	240
Program direction	3

The Committee has approved all of the funds associated with the additional positions except for the $264,000 requested for the leasing of a third helicopter for the border prevention program.

The Committee expects next year's budget to include sufficient funds to maintain an average of 95 percent of the 10,997 permanent positions authorized.

BORDER PATROL

The Committee continues to be concerned with the spreading incidence of theft, burglary, and other criminal acts in the wake of the rising tide of illegal immigration across our Southwestern border. Security of person and property is becoming more and more problematical in many communities along the border. Anger and frustration are building and the situation is becoming increasingly volatile. Already there are signs of the potential for direct action and the likelihood of an untoward incident is growing.

I cannot help but feel that the distinguished junior Senator from Arizona contributed to the comments of the subcommittee in this regard, after a good deal of personal knowledge and investigation and study on his part. Now it makes no difference, 2 percent across the board.

Among the communities that have been most seriously affected by these developments are Yuma, Douglas, Naco, Bisbee, and Bisbee Junction, Arizona. The Committee therefore directs that, of the 293 additional Border Patrol positions funded for fiscal year 1979, the Immigration and Naturalization Service allocate no fewer than 20 to the Yuma sector and no fewer than 12 to the Tucson sector. It is anticipated that the 12 positions designated for the Tucson sector will be used to augment the Border Patrol's presence in the areas surrounding Douglas, Naco, Bisbee, and Bisbee Junction.

Furthermore, the Committee has approved, subject to an appropriate increase in the amount authorized for the INS, $1,950,000 for the installation of gates on the bridges across the salinity canal and the construction of a fence along the border in the vicinity of San Luis, Arizona. No one on the Committee supposes that fencing is a solution to the problem of illegal immigration and the heightened crime rate associated therewith. Strategically placed, however, a substantial fence can help to channel those who cross the border illegally into areas where apprehension is more readily effected. Also, the physical barrier posted by the fence will assist in deterring those who enter the United States from perpetrating criminal offenses, and escaping back into Mexico with stolen property. It will thus provide a measure of reassurance to citizens along the border whose security and well-being are now in jeopardy.

I remember my questions to the Senator from Arizona which precipitated those kinds of answers. However, I do not think any such questions or any such investigation took place by the distinguished Senator from Delaware. On the other hand, it is all right to say "Cut regardless of whether I know what is the best way to handle the problem of illegal immigration into this country." So the expertise, which is the basis for the legislation, is disregarded, and the very positive result emanating therefrom is thrown out.

DRUG ENFORCEMENT ADMINISTRATION

The Committee recommends an appropriation of $192,953,000, an increase of $11,058,000 over the 1978 appropriations to date. The amount recommended is the same as the budget estimate and the same as the amount allowed by the House; and will support a total of 4,213 permanent positions.

The Drug Enforcement Administration was established by Reorganization Plan No. 2 of 1973 and came into being on July 1, 1973. The mission of DEA is to provide a leadership role in the suppression of narcotic and dangerous drugs at the national and international level, and to enforce the controlled substances laws, thereby restricting the aggregate supply of drugs.

The Administrator of the Drug Enforcement Administration indicated that there would be no reduction in services as a result of the recent regional reorganization. The Committee is pleased with this assurance and feels that each State should continue to be serviced primarily by personnel assigned to the district in which the State is now located.

The increase is to cover nondiscretionary increases proposed in the budget, primarily dealing with pay and related benefits.

In the area of the Federal prison system:

The Committee recommends an appropriation of $315,200,000, an increase of $55,624,000 over the 1978 appropriations to date. The amount recommended is $3,021,000 over the budget estimate and $315,200,000 over the amount allowed by the House.

Mr. President, I want to give warning to my colleagues both on and off the floor that I reserve to myself the right at any time to move to table the amendment of the Senator from Delaware. That could happen this evening, and I just want to give fair warning, so that no one gets caught short in that regard.

Mr. HOLLINGS. Mr. President, is it the Senator's position that he is not going to let the chairman of the subcommittee even talk on it?

Mr. WEICKER. I offered time to the distinguished chairman a few minutes ago, and was turned down.

Mr. HOLLINGS. You were not turned down. It is just that you are not the Presiding Officer of the Senate. I thought when you got through——

Mr. WEICKER. I asked unanimous consent, without losing my right to the floor, to yield to the Senator from South Carolina to go ahead and speak. I do not care to lose my right to the floor even now. So I have to ask unanimous consent that I do not lose my right to the floor while I engage in a dialog with the Senator from South Carolina.

Mr. HOLLINGS. It seems to me a Senator would have a right to talk on the bill, particularly the manager of the bill. I do not know what monkeyshines the Senator from Connecticut has in mind, but I would think he would be willing to debate it, and not just read the committee report. I think he ought to inform all Senators, for the record, exactly what is going on. It seems to me he is trying to set a precedent where he is going to move to table without even the chairman of the committee being heard on his own bill, or the susbtitute amendment.

Mr. WEICKER. I would point out to the Senator from South Carolina that I spent what I thought had been 6 very productive months with the distinguished Senator from South Carolina, the chairman of the committee, working out the report now lying on every Senator's desk, only to learn, when I entered the Chamber today, that the report does not mean anything. Indeed, the Senator has some sort of substitute bill which totally obviates the work expended. It is a substitute not discussed or worked out with the ranking minority member of the committee.

Therefore, when the Senator from South Carolina refers to monkeyshines, I would say, in the light of the fact that I am the ranking minority member of the committee and he the chairman, where we have worked well together in the past, for him to present this substitute without consultation or any investigation or research is a shortcut which, to put it in the kindest terms, is not appreciated by this Senator.

I do not know what it is going to cost me. I think what it will cost me, in relation to standing up for the committee and the work of the committee, is something the chairman should have done, and not the ranking member. If that is wrong, then so be it. But far, far worse is what it is that the Senator from Delaware is attempting to do. And because he has the distinguished chairman a little nervous with his presentation, he does not have me nervous, and quite frankly, I very possibly have many people on both sides mad at me. I gather I have. If my own side and the chairman are both mad at me, so be it. But the fact is that the work product of the chairman and his staff, and this Member and his staff, was an excellent work product.

I am not reading the Bible or the Constitution of the United States. I am reading what it is we took 6 months to prepare. I am reading the priorities we set, the policy directions that we took, and I am proud of what it is that we did.

I do not feel that is something to be just tossed out because of some sort of a son of proposition 13 type of amendment presented by the Senator from Delaware, who had never attended one of those hearings, who does not know one item in this bill except the total amount.

It would be possible for me to go on and talk through the evening. I am not. I am anxious to get this issue resolved.

But I think if I do not move to table, I know what will happen. We will get a lesser, watered-down version offered by the Senator from South Carolina as a substitute.

Let us vote on this right here, not a watered-down substitute. I am willing to go head and take it, one way or the other. If I fail, there is plenty of time for the Senator from South Carolina to go ahead and present his case.

But I repeat, I would certainly be more than glad to ask unanimous consent to allow the Senator from South Carolina to go ahead and express his views on this matter if he so desires. I am not anxious to either cut short debate or explanation from him.

I do not see what the explanation can be. I have absolutely no criticism,

but nothing but praise, for the work constructed by him and those associated with him over the period of 6 months. I have nothing but contempt for what was devised in a matter of minutes here as a substitute amendment for the amendment of the Senator from Delaware.

That is not the appropriations process. And I am not just speaking now for this appropriations subcommittee—I am speaking for every committee which thinks it is doing its work in Congress, and sees its work, in a blanket way, torn apart.

I understand every one of our bills is amended, improved, and adjusted, but on a line by line, word by word, policy by policy basis.

But to take across-the-board cuts, without exception or consideration, believe me, there is not much purpose in any of us being here. I continue:

FEDERAL PRISON SYSTEM

The Committee recommends an appropriation of $315,200,000, an increase of $55,624,000 over the 1978 appropriations to date. The amount recommended is $3,021,000 over the budget estimate and $315,200,000 over the amount allowed by the House; and will support a total of 9,406 permanent positions.

The amount recommended will provide for the following program changes:

Activation of the Otisville, N.Y., and Talladega, Ala., Federal Correctional Institution and the camps at El Reno, Okla.; Texarkana, Tex.; and Danbury, Conn.;

Danbury, Conn. Finally we come across some facility in Connecticut. Believe me, I am not arguing for my parochial interests. The report states:

Activation of a detention unit at Miami, Fla., and the expansion of a farm camp at Leavenworth, Kans.;

Establishment of two new minimum security camps; a 250 bed facility on a former military base at Boron, Calif., which can later be expanded to 500 beds by additional construction, and a 500 bed facility on a former Air Force base at Big Springs, Tex.;

Population increase at existing institutions—fiscal year 1978 budget provided for average inmate population of 27,500; average population expected in fiscal year 1979 is 31,500; expansion of functional unit management; improvement of institutional security; expansion of medical coverage; continuation of on-line automated data processing system to provide location and status information; transfer of vocational training programs from Federal Prison Industries, Inc.; and expansion of contract confinement and contract community center programs.

The amount recommended by the Committee also includes funds for nondiscretionary increases, primarily associated with pay and related benefits and the increased cost of utilities.

UTILIZATION OF MILITARY INSTALLATIONS

The Committee has expressed its concern with the construction of additional Federal correctional facilities in light of the large number of facilities that are underutilized at military installations and the lack of progress in making these facilities available to the Bureau of Prisons to meet housing needs. The Committee was pleased to learn of the availability of the former installations at Boron, Calif. and Big Springs, Tex. as sites for prison facilities, which represents real progress toward alleviating the terrible 30.4 percent overcrowding in the prisons while at the same time reducing the economic impact on communities experiencing base closings. During hearings the Attorney General indicated that the Director of the Bureau of Prisons would be his representative on the President's recently revitalized Economic Adjustment Committee. The Committee expects the Departments of Defense and Justice to work together to insure that both active and surplus Federal facilities are being used in the most efficient manner. The Committee intends to follow this matter closely with both Departments and expects further efforts to utilize facilities at active and former military bases.

NATIONAL INSTITUTE OF CORRECTIONS

1978 appropriations to date	$9,900,000
1979 budget estimate	9,943,000
House allowance	
Committee recommendation	9,920,000

The Committee recommends an appropriation of $9,920,000, an increase of $20,000 over the 1978 appropriations to date. The amount recommended is $23,000 under the budget estimate and $9,920,000 over the amount allowed by the House, and will support a total of 32 permanent positions.

This program is carried out primarily through contracts and grants to educational institutions, units of State and local government, and public and private agencies and organizations. The objective of the program is to work with State and local governments in developing and training their corrections staffs, in supporting research to improve corrections programs, and in serving as a clearinghouse for information about improvements in corrections.

BUILDING AND FACILITIES

1978 appropriations to date	$38,850,000
1979 budget estimate	37,080,000
House allowance	
Committee recommendation	35,280,000

The Committee recommends an appropriation for $35,280,000, a decrease of $3,570,000 under the 1978 appropriations to date. The amount recommended is $1,800,000 under the budget estimate and $35,280,000 over the amount allowed by the House; and will support a total of 37 permanent positions.

The amount recommended includes funds for construction of a combination Federal correctional institution and Federal detention center to be located near Phoenix, Ariz. This facility is to alleviate a critical shortage of detention facilities in the Phoenix area. The Committee recommendation also includes funds for rehabilitation of utilities systems at existing institutions and for rehabilitation of existing structures

The Committee has not approved the $2,600,000 requested for planning and site acquisition of a new west coast correctional facility. The Committee believes that the changes in the prison population obviate the need for this type of facility. The opening of the facility at the former military installation at Boron, California, plus another minimum security facility in the Northwestern region of the Nation, will enable the Bureau to close the McNeil Island, Washington, penitentiary by the end of 1982.

In the 1978 appropriation $425,000 was included as the first increment for a new food service facility at the Federal prison camp at Eglin Air Force Base in Florida. The amount recommended for fiscal year 1979 includes $350,000 as the second and final increment of funds for the food service facility at Eglin.

As discussed earlier under salaries and expenses, the Committee has provided funds for the establishment of two new minimum security facilities on former military installations. The amount of $800,000 has been added to the budget request for this appropriation for the fencing and other minor improvements necessary to open these critically needed facilities.

The Committee is concerned about the excessive cost of construction for housing prisoners. The Bureau of Prisons estimates its construction cost at about $35,000 per bed. In some instances the cost has been considerably higher. The Committee feels that the Department and the Bureau should endeavor to find some alternative for providing housing at less cost per prisoner. At Committee hearings with the Attorney General, it was indicated that a Federal corrections policy task force had been established to develop a comprehensive strategy that would emphasize intergovernmental cooperation. It was also indicated that the task force would investigate potential collaborative approaches to the care and custody of prisoners at the State and Federal level. The Committee expects the Department to proceed with those efforts and to report to the Committee by December 31, 1978. The Committee also expects the Department to explore and report on new directions for dealing with the issue of prison population.

The Committee understands that there have been problems with Los Angeles County in contracting for the housing of Federal prisoners and that the County has indicated that it does not intend to renew such contracts when they expire next year. The Department should report to the Committee by not later than December 31, 1978 on how it plans to deal with this problem.

FEDERAL PRISON INDUSTRIES, INC.

The bill includes the usual language authorizing the Federal Prison Industries, Inc. to make expenditures, contracts, and commitments necessary for carrying out the programs set forth in the 1979 budget. This is done in accordance with section 104 of the Governmental Corporation Control Act.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

SALARIES AND EXPENSES

1978 appropriations to date	[1] $644,582,000
1979 budget estimate	[2] 651,488,000
House allowance	641,488,000
Committee recommendation	661,488,000

[1] Includes a reduction of $2,668,000 derived through transfer but excludes pending supplemental appropriation estimates of $1,525,000.

[2] Includes budget amendment of $10,000,000 transmitted in Senate Document 95–103.

The Committee recommends an appropriation of $661,488,000, an increase of $16,906,000 over the 1978 appropriations to date. The amount recommended is $10,000,000 over the budget estimate and $20,000,000 over the amount allowed by the House; and will support a total of 697 permanent positions.

The appropriation covers the grants, contracts, loans and other assistance authorized by title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and by title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

The Committee has added $20,000,000 to the budget request for part B planning grants in order to maintain the current level of $50,000000.

Mr. President, I move to table the amendment of the Senator from Delaware, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alabama (Mrs. ALLEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from North Dakota (Mr. BURDICK) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 21, nays 60, as follows:

[Rollcall Vote No. 280 Leg.]

YEAS—21

Clark	Javits	Stennis
Culver	Kennedy	Stevens
Glenn	Mathias	Stevenson
Hart	Packwood	Talmadge
Hatfield, Mark O.	Pearson	Weicker
Hathaway	Ribicoff	Young
Humphrey	Riegle	
	Stafford	

NAYS—60

Bartlett	Goldwater	Metzenbaum
Bayh	Griffin	Morgan
Bentsen	Hansen	Moynihan
Biden	Hatch	Muskie
Bumpers	Hatfield, Paul G.	Nelson
Byrd, Harry F., Jr.	Hayakawa	Nunn
Byrd, Robert C.	Helms	Pell
Cannon	Hodges	Percy
Case	Hollings	Proxmire
Chafee	Huddleston	Roth
Chiles	Jackson	Sarbanes
Cranston	Laxalt	Schmitt
Curtis	Leahy	Schweiker
Danforth	Long	Scott
DeConcini	Lugar	Sparkman
Dole	Magnuson	Stone
Domenici	Matsunaga	Tower
Durkin	McGovern	Wallop
Ford	McIntyre	Williams
Garn	Melcher	Zorinsky

NOT VOTING—19

Abourezk	Church	Johnston
Allen	Eagleton	McClure
Anderson	Eastland	Randolph
Baker	Gravel	Sasser
Bellmon	Haskell	Thurmond
Brooke	Heinz	
Burdick	Inouye	

So the motion to lay UP amendment No. 1576 on the table was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion to table was rejected.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. METZENBAUM). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I appreciate now being able to obtain the floor in my own right as the chairman of the subcommittee. For the benefit now of colleagues who are here present, I would call up an amendment, not just this minute because I do not have time. When we offer a perfecting amendment we get back as to the regular time agreement of 15 minutes on either side. So the time would be limited.

But since my distinguished friend from Connecticut spent quite a while, I want to answer two or three things.

No. 1, when the full Appropriations Committee met on this particular bill, we were considering those kinds of cuts that could be had within the bill, within the budget, and would still be sustained.

I discussed it with the chairman. I discussed it with every member of the full Appropriations Committee and presented at that particular time what I would propose as a substitute at that time to the 2 percent or meat-ax cut approach.

At that particular time, I asked for comments. I have amended it somewhat. But I went down each one of the particular items because, yes, we do work hard and we do try to hold the line on our budget.

But a lot of things have occurred since we started, first, as the gentleman said, at the beginning of the year with respect to inflation.

Here I see where the Director of EDA himself, Assistant Secretary Hall, comes up and says, "I can do without $150 million," and there is the chairman of the full committee.

Now, there is no way we can do all that in this particular program.

When I go down different other items, I see where, in essence, we are giving more than the House side, or more than the budget, on each one of the particular items like law enforcement assistance administration.

We will still provide for the continuation of the $50 million for the part B planning grants to the States and localities. It takes it out of the other categories, from the grants, and it is still $15 million over the budget and over the House.

We scaled down the Decennial Census increase by 10 percent, that is $21.8 million even with the decrease. That is $21.8 million over the House.

It is only 10 percent of the addition we put on there, or $2.4 million.

So that is quite a bit left on that particular item.

I mentioned the $75 million with EDA, and the $75 million in title 2, because that leaves still a $79 million increase in the Senate's bill over the budget, over the present budget.

So we can go round and take it out willy-nilly.

With respect to Sea Grant, the amount left here with that particular perfecting amendment would be $1.7 million over the House, $3.5 million over the President's budget, and $4.981, or almost $5 million—we are not being penurious with respect to the Sea Grant program. It is a $5 million increase, and that is the Commerce Committee, and I work on that subcommittee.

When we got down to Equal Employment Opportunity, we are still granting a $30 million increase.

On the matter of the Communications Agency, there is a $28 million increase, with a $2 million cut-off.

With the Small Business Administration, we left $35 million over what the President asked for.

In scaling down the small business surety bond guarantees, we only took off three, in light of the authorization bill that passed.

I definitely am going to offer my amendment before I yield the floor, so that we can get away from trying to read the entire report.

I earlier agreed with my colleague that we would take this out of the time agreement, so that both sides could be heard, but not just to read the report and everything else, just because he did not like the procedure. Let it be known that this procedure was discussed in the full Appropriations Committee.

We are trying to cut the budgets. If we can do it in a logical fashion and in a reasonable fashion, rather than a meat-ax approach, over just a percentage cut across the board, then I think the hour and the time are now, within the Senate.

Everybody is worried about inflation. The Senate voted 2 days ago to try to reduce and get to a balanced budget by 1981. Let us balance it in a steady fashion, as we are trying to do here, rather than a meat-ax approach, but let us not kid ourselves. Let us cut back on inflation.

UP AMENDMENT NO. 1577

(Purpose: To scale down various programs in the State, Justice, Commerce Appropriations Act)

Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) proposes an unprinted amendment numbered 1577 to Mr. ROTH's amendment unprinted numbered 1576.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. JAVITS. Mr. President, reserving the right to object, I ask the Senator to allow me to make two parliamentary inquiries.

Mr. HOLLINGS. Certainly.

Mr. JAVITS. One, who controls the time in opposition?

Mr. HOLLINGS. The Senator from Connecticut does, I would say.

The PRESIDING OFFICER. Either the minority leader or his designee.

Mr. JAVITS. Second, Mr. President, is this amendment divisible?

The PRESIDING OFFICER. Yes, it is divisible.

Mr. JAVITS. Finally, Mr. President, is a quorum call in order before we vote on this amendment?

The PRESIDING OFFICER. The Senator may request a quorum call.

Mr. JAVITS. I thank the Chair.

The PRESIDING OFFICER. Without objection, reading of the amendment is dispensed with.

The amendment is as follows:

On page 1, line 2, strike all after the word "by" and insert the following:

On page 22, line 13, strike "$661,488,000" and insert "$656,488,000";

On page 25, line 7, strike "$199,200,000" and insert "$196,800,000";

On page 25, line 23, strike all after "1974 over to and including line 5 on page 26," and insert: "$547,775,000: *Provided*, That any unobligated balance remaining in the account entitled "Financial and Technical Assistance" as of September 30, 1978 shall be merged with this appropriation: *Provided further*, That total obligations under the "Economic Development Revolving Fund" shall not exceed $75,000,000";

On page 28, line 8, strike "$72,500,000" and insert "$71,900,000";

On page 30, line 6, strike "$675,800,000" and insert "$674,000,000";

On page 41, line 11, strike "$99,400,000" and insert "$98,400,000";

On page 44, line 26, strike "$110,000,000" and insert "$107,000,000";

On page 48, line 18, strike "$370,300,000" and insert "$368,000,000";

On page 54, line 6, strike "$200,000,000" and insert "$193,000,000";

On page 56, line 11, strike $"43,000,000" and insert "$40,000,000".

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, will the Senator yield me 5 minutes?

Mr. WEICKER. I yield.

Mr. JAVITS. Mr. President, I have no preconceptions about this amendment, and I appreciate the desire to avoid what is called a meat-ax cut. I voted against them. I voted against one this morning, and I voted against it this afternoon. Whatever tactical reasons various other Senators had for voting the other way to permit this amendment to survive, I do not know, and it is not material to the issue.

However, now that we are down to specific cuts, and just looking this thing over—by the way, I approve thoroughly the idea of going after specific cuts, but they must be justfied. I look through this list, and I find everything is "peanuts": $5 million, $2.6 million, $1.8 million, $1 million, $3 million, $2 million, $7 million, $3 million. All together, at a quick glance, it is perhaps $15 million, a cut of $178 million.

However, the Economic Development Fund is cut $150 million. What is this all about? I have just read the report very quickly; and the committee, which I assume passed on this with maturity and intelligence, tells us that a lot of this money—I read on page 40 of the report—relates to the matter of compensating businesses which are harmed by imports. They say this, and I will read the whole thing:

The total increase of $213,450,000 over the House allowance includes $152,000,000 to fund the full amount authorized for the title II business loans and guarantees program. The Committee believes that the full utilization of this authority is a necessary interim measure pending the authorization of the National Development Bank.

I emphasize the word "necessary." How, suddenly, have we got this conversion? It was necessary when they wrote report, which was only a few days ago, and now it is suddenly unnecessary.

This amendment, in effect, goes after the EDA. That is what it does. Let us not kid ourselves about that. So far as I can read it, that is what it does.

I am not on the committee—I do not know the technical details—but it seems to me that this is something about which we should have an explanation.

Why, in a $178 million cut, does this particular agency, which deals with a number of things—the Senator, I think, misspoke himself when he spoke of it as equal employment opportunity. There is a provision for that in this, but that is $3 million. The EDA does a number of things. For one, it helps economic development in very depressed areas which have serious unemployment problems. We have used it in my State. I am sure other States have used it comparably. Where there are very grave economic and social difficulties, the EDA helps out with loans and stimulating business enterprise and enlisting people to get new enterprise into slum communities and rural poverty communities. This is a very good thing.

Also, we are having enormous trade problems. We are doing our utmost to see that the United States does not make the fatal mistake of another Fordney-McCumber tariff, which brought on the depression of 1932. We wish to avoid that by some kind of reasonable trade policy. A very essential element of that trade policy is adjustment assistance. I have lived with that for years. The committee says that is necessary; and all of a sudden, as I say, we get this death-bed conversion, and $150 million is cut out of it, and we are told we have 15 minutes to debate because somebody else has used up all the time.

In all fairness to the Senate and to people like myself, who have questions about it, I think we should have an explanation as to why this is cut out.

Mr. MAGNUSON. If the Senator from New York will allow the chairman of the subcommittee the chance to make an explanation——

Mr. JAVITS. Of course.

Mr. HOLLINGS. I will be delighted to explain it.

Mr. JAVITS. If the Senator will use his time.

Mr. HOLLINGS. On my time, Mr. President, the answer to the Senator from New York is that, frankly, we bulled our way. When you find a ranking minority member and a chairman interested in a particular program, we know how to put the money to it. That is exactly what happened. Senator WEICKER and Senator HOLLINGS put this $138 million over the House.

If the Senator looks at the top of the page, he will read it. Only last year, the entire budget was $382 million. We believe in the EDA, and we added a couple of hundred million dollars; and on this particular one, under title II, the Urban Bank, which we said was necessary, the National Development Bank, we figured that was something to prompt the administration along, because they have been telling us continually that they are going to come up with an Urban Bank type program. So we really put the money to it. But the others have been trying more to cut back on the budget, and we knew immediately where the inordinate add-on was. With the $75 million, we are still $63 million over the House, and these will remain $75 million of the $152 million increase.

If this perfecting amendment is adopted, it is still $63 million over the House, and that would put us substantially over last year. So we really have not been frugal, nor have we cut it back. It is a tremendous increase.

Similarly with the revolving fund when there will still remain $43 million. We found that out after we studied it very closely, that we should hold back some for emergencies. We left $43 million, so they are in good stead with the revolving fund. We have not really slaughtered the EDA budget or stopped the Urban Bank.

The fact is that the Senator is talking to two Senators who worked pretty hard on the EDA, and we are still way over the House figure, way over this year's appropriation, way over what the President requested, and over what the Assistant Secretary said he could use.

That is the answer to the Senator's question.

That is the answer to the question.

Mr. JAVITS. Mr. President, on my own time, may I ask the ranking minority member what he thinks about this?

Mr. WEICKER. How much time do I have, Mr. President?

The PRESIDING OFFICER. Ten minutes on the amendment.

Mr. WEICKER. In response to the distinguished Senator from New York, the committee did determine that, indeed, the administration had fallen far short of its promises relative to assistance to our urban areas and whatever promises were made in the formation of a new urban bank concept, the fact is, that nothing would be on stream for quite a few years down the line; whereas, EDA was a vehicle already in place. More importantly, the title II within EDA was the type of situation very similar to an urban bank which could be used to bring capital into urban areas as it had to rural areas over the past years.

This is a very careful deliberation. Obviously Mr. Hall is receiving his directions from the administration. The administration apparently has its own economic urban plans. I do not believe they have ever gone through committee, never mind the floor of the House of Representatives or the Senate. Yet I think that if anyone around here wants to avoid further New York loan situations, may I suggest that we start to do the job through the private enterprise system, which is what EDA and title II is about.

Mr. JAVITS. That is right.

Mr. WEICKER. And granted we did this in full knowledge that we were trying to give a policy direction which the administration and Mr. Hall of EDA were failing to give.

So, to come now to the floor and say what we did was wrong or that we somehow had gotten our figures screwed up,

we did not. We very well knew what we were doing. We very well knew the gap that was there and we were trying to fill it.

I know there are 38 Senators who wanted their weather stations restored, and they got their weather stations restored. We do not see these weather stations on the list because there are 38 Senators who are involved. Now, if we want to prepare a cut list where everyone would be affected, then believe me Senators would not vote for a Roth-type amendment, or touch those subjects either no one knows about or those that are not politically popular at the time.

This is one of the most important initiatives I think to come forth from our committee. If the administration abandons it and Mr. Hall abandons it, it was because of the fact that they had a pride of authorship in their own endeavors and knew how short they were in that area and did not in any way want to go ahead and follow the lead of the Senate, not just of our committee but of the full Senate.

Mr. JAVITS. Does the Senator believe that this is unwise economy in the interests of the areas of our country which need the kind of assistance that EDA can give both in terms of economic rehabilitation and in terms of adjustments respecting imports?

Mr. WEICKER. I say to the distinguished Senator from New York, that especially on my side of the aisle we are the ones who have been displeased with many of the programs of the fifties and sixties which were governmental programs and provided governmental employment. Here it comes down to the philosophy of our own party, if you will, the free enterprise system, that allows business to go ahead and create employment.

Do I feel that this addresses the critical needs of the Nation? I certainly do, and we hear all the time the shortage of capital by established corporations, and by small business in this country. What do Senators think the capital situation is for an urban business and for one trying to get started? This is the only way they can get the capital.

No. I think in the philosophical sense, the governmental sense, and every other way, we took the proper initiative, and all Senators here know the truth of the matter. Title II is already in place and is the equivalent of the urban bank proposed by President Carter. Tell me something. Tell me how long it takes to get a loan from any agency of the Government. How long do the Senators think it is going to take to get from a bank where the authority for reasons of turf protection is split up among three agencies? No one will ever get one.

I have no regrets over what the committee did at all. I am just ashamed that this has to go and especially coming from the Democratic side where they have been the ones championing the cause of the cities in the past. Now they are left out alone completely. Is that what Senators want with this cut?

Mr. JAVITS. Mr. President, I claim the remainder of my time.

Mr. President, it is my judgment, and I speak only for myself, that this cut which is now proposed is pieced together just to satisfy a 2-percent cut demand, that it has no basis in wisdom and providence in respect of what is the appropriation recommended by the committee which I must assume was thoughtful and knew what it was doing.

Therefore, Mr. President, I demand a division of the amendment with a separate vote to come upon that item which is referred in this amendment proposed on page 25, line 23, and so on, as it relates to the Economic Development Administration.

The PRESIDING OFFICER. The Senator has that right, and the amendment will be so divided.

Mr. JAVITS. And I demand the yeas and nays on that amendment.

The PRESIDING OFFICER. That division is not the matter pending at the present time. The issue before the Senate involves the remainder of the amendment and it would require unanimous consent to ask for the yeas and nays in connection with this portion of the amendment at this point since it is not pending.

Mr. JAVITS. Mr. President, will the Chair advise me when it would be appropriate to ask for the yeas and nays on this particular amendment?

The PRESIDING OFFICER. After action on division 1, which is all the remainder of the amendment.

Mr. JAVITS. I thank the Chair.

Mr. HOLLINGS. I ask for the yeas and nays on division 1.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. MATSUNAGA. Mr. President, will the distinguished chairman yield for a question?

Mr. HOLLINGS. I yield to the Senator from Hawaii.

Mr. MATSUNAGA. On page 48, line 18, the Senator proposes in his amendment to strike $370,300,000 and insert $368,000,000, a reduction of $2 million. It is my understanding that it is not the intent of the Senator's amendment in any way to reduce the amount appropriated for the East-West Center. Am I correct in my understanding?

Mr. HOLLINGS. Yes, the Senator from Hawaii is correct. We discussed that, and this particular part of the amendment or no part of the amendment, really, affects the East–West Center.

Mr. MATSUNAGA. I thank the distinguished chairman.

Mr. HOLLINGS. We support that very strongly.

Mr. MATSUNAGA. And I congratulate him and the members of his committee and the members of the Appropriations Committee for recognizing the work that the East-West Center is doing. In fact, I was greatly pleased to note in the report itself that they have applauded the work of the East-West Center, and I am sure that in time the East-West Center in Hawaii will prove to be the greatest investment which this Nation has made in the promotion of peace and brotherhood.

I thank the Senator.

Mr. HOLLINGS. Mr. President, can we vote on one half or vote on the other half?

Mr. JAVITS. Mr. President, so Members will know what the situation is, I ask unanimous consent that it may be in order to ask for the yeas and nays on whatever the Parliamentarian called part 2.

The PRESIDING OFFICER. Division 2.

Mr. JAVITS. Division 2 of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered with respect to division 2.

Mr. ROTH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROTH. On the division of the question, if one part carries and one does not carry, then what will the vote consist of as far as the Roth amendment is concerned?

The PRESIDING OFFICER. It would be on the Roth amendment as amended by the part of the amendment that carried, if it does carry.

Mr. ROTH. Would that continue to include the 2-percent cut?

The PRESIDING OFFICER. In either event, were it division 1 or division 2 that carries or both that part of the Senator's amendment would be stricken.

Mr. ROTH. So that it is essential if we are to make a cut roughly of 2 percent that both parts of the division carry?

The PRESIDING OFFICER. The Senator is probably correct.

Mr. HOLLINGS. I think the Members are ready to vote, Mr. President.

Mr. JAVITS. I yield back my time.

Mr. HOLLINGS. I yield back my time.

Mr. JAVITS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. This is on division 1?

The PRESIDING OFFICER. May I have the attention of the Senator from Delaware? I believe that the Chair responded to the Senator that in order for the Roth amendment to carry it would be necessary that both division 1 and division 2 would have to be defeated because either one of them would, by the terms of the amendment, delete the 2 percent provision. Does the Senator from Delaware understand that?

Mr. ROTH. Yes.

Does the Senator from South Carolina have any time remaining?

The PRESIDING OFFICER. Who yields time? The Senator has time remaining. He has 5 minutes.

Mr. HOLLINGS. Go ahead.

Mr. ROTH. Mr. President, a great deal of discussion to date has been on the so-called 2-percent cut, and it has been attacked as being a broad-brush attack.

I want to make one point, and one point very clear, and that is the fact that every American family today is facing

nearly 9 percent inflation, and that means they have to find ways and means of living within that budget.

Those of us who offered the 2 percent across-the-board cut are trying to lower the deficit and lower the inflationary impact of the budget.

I have been attacked on the ground that a 2-percent cut is irresponsible. The fact is, I would just like to point out to the Members of the Senate, that a report was made by the Comptroller General of the United States saying that,

> The Federal Government lacks a systematic method of determining what it costs to administer its numerous domestic programs. An estimate of the cost and function of administering these programs is needed to determine the efficiency of their administration and to find less costly ways to provide assistance.

Those of us who are sponsoring the 2-percent cut are saying to the affected agencies, "You have to find ways and means of being more efficient, of eliminating waste and ineffectiveness."

The fact is that a 2-percent cut, or in the alternative, the specific cut proposed by the distinguished Senator from South Carolina, is not going to do devastating injury to these programs or to these agencies.

I urge my friends to support the specific proposal made by Senator HOLLINGS. But if we do so, it is important that we vote in favor of both aspects of his proposal.

I would point out that EDA has been added to substantially over what the House has proposed. A cut of the dimension that Senator HOLLINGS is proposing still allows a substantial increase in that program.

In closing, I with respect to the attack made on the across-the-board approach, I would like to mention that the director of the Office of Management and Budget, OMB, has specifically said, and I quote him as he was quoted in yesterday's Washington Post, in talking about the 1979 budget, that he endorses the Carter proposal for a $5 billion spending cut. He said:

> I believe that by a combination of tighter estimates, eliminating the discretionary spending increases over the President's budget implicit in the first tentative 1979 congressional budget resolution and, perhaps, even an across-the-board cut, we could achieve a substantial reduction in 1979 spending.

I take no pride of authorship whether the cut is by the 2 percent or whether the cut is by the specific proposal of Senator HOLLINGS. I just want to urge the Senate to listen to what the people back home are saying, listen to what the head of OMB is saying, and cut this budget as proposed by Senator HOLLINGS.

I urge, therefore, that all Senators vote "yea" on both sides of the question.

The PRESIDING OFFICER. All of the time of the Senator from South Carolina has expired. The Senator from Connecticut has 4 minutes remaining.

Mr. JAVITS. Mr. President, will the Senator yield 2 minutes?

Mr. WEICKER. I yield the remaining time to the distinguished Senator from New York.

Mr. JAVITS. I listened very carefully to what my colleague said. But we are faced with something that gives me grave problems as a man of experience. A committee deals with a given question and shows some initiative. Of all the things lacking in this country, one is a little initiative, some new ideas, some better way of doing things. Here we are dealing with a stimulation of a private enterprise system, with the effort to help urban areas which are seriously depressed to recover; with the effort to avoid a system of quotas and a tough tariff and protectionism in this country, which will plunge us, I can predict that, into a serious recession or depression.

It considers those carefully in committee, and because they are faced with a 2-percent cut, and everybody wants to cut, and we have to have some brains about it, they cut what, in my judgment, seems to be in defiance of elementary wisdom and judgment in our own interest of how to really get this country going again and how to really have more income and how to really meet our budget goal.

That is why I asked the question to be divided. Let us use our judgment and discretion. If it was so important a week ago, why is it suddenly blown out of the window because somebody put up to 2-percent cut across the board? I am not arguing with Senator ROTH. He is one of our finest members, and his good faith is undoubted. But I do not believe in meat-ax cuts. This is the right way to cut, but it also calls for the use of intelligence on our part. I think what we are doing respecting EDA is completely counterproductive, and I hope very much that the Senate turns it down.

ORDER FOR ALL SUBSEQUENT BACKUP VOTES TO BE 10 MINUTES EACH

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the backup votes for the remainder of the day be 10 minutes each.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. The first vote is on Division 1?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. That is everything but EDA?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. The second vote would be on EDA?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. I thank the Chair.

The PRESIDING OFFICER. Does the Senator from Connecticut yield back the remainder of his time?

Mr. WEICKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to division 1 of amendment No. 1577. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alabama (Mrs. ALLEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Tennessee (Mr. SASSER), the Senator from Minnesota (Mrs. HUMPHREY), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) and the Senator from West Virginia (Mr. RANDOLPH) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 79, nays 0, as follows:

[Rollcall Vote No. 281 Leg.]

YEAS—79

Bartlett	Hatch	Nelson
Bayh	Hatfield,	Nunn
Bentsen	Mark O.	Packwood
Biden	Hatfield,	Pearson
Bumpers	Paul G.	Pell
Byrd,	Hathaway	Percy
Harry F., Jr.	Hayakawa	Proxmire
Byrd, Robert C.	Helms	Ribicoff
Cannon	Hodges	Riegle
Case	Hollings	Roth
Chafee	Huddleston	Sarbanes
Chiles	Jackson	Schmitt
Clark	Javits	Schweiker
Cranston	Kennedy	Scott
Culver	Laxalt	Sparkman
Curtis	Leahy	Stafford
Danforth	Long	Stevens
DeConcini	Lugar	Stevenson
Dole	Magnuson	Stone
Domenici	Mathias	Talmadge
Durkin	Matsunaga	Tower
Ford	McGovern	Wallop
Garn	McIntyre	Weicker
Glenn	Melcher	Williams
Goldwater	Metzenbaum	Young
Griffin	Morgan	Zorinsky
Hansen	Moynihan	
Hart	Muskie	

NAYS—0

NOT VOTING—21

Abourezk	Church	Inouye
Allen	Eagleton	Johnston
Anderson	Eastland	McClure
Baker	Gravel	Randolph
Bellmon	Haskell	Sasser
Brooke	Heinz	Stennis
Burdick	Humphrey	Thurmond

So division I of Mr. HOLLINGS' amendment was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which division 1 of the amendment was agreed to.

Mr. GLENN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to division 2 of the amendment.

The yeas and nays have been ordered.

Mr. JAVITS. Mr. President, division 2 relates to the EDA; is that correct?

The PRESIDING OFFICER. Division 2 appears on page 25, line 23, of the bill.

Mr. JAVITS. And it relates to the EDA?

The PRESIDING OFFICER. The Senator is correct.

Mr. JAVITS. I thank the Chair.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alabama (Mrs. ALLEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Tennessee (Mr. SASSER), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), the Senator from Virginia (Mr. SCOTT), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 59, nays 19, as follows:

[Rollcall Vote No. 282 Leg.]

YEAS—59

Bartlett	Griffin	McIntyre
Bayh	Hansen	Melcher
Bentsen	Hart	Morgan
Biden	Hatch	Muskie
Bumpers	Hatfield,	Nelson
Byrd,	Mark O.	Nunn
Harry F., Jr.	Hatfield,	Packwood
Cannon	Paul G.	Pearson
Chafee	Hayakawa	Proxmire
Chiles	Helms	Roth
Culver	Hodges	Schmitt
Curtis	Hollings	Schweiker
Danforth	Huddleston	Sparkman
DeConcini	Jackson	Stafford
Dole	Laxalt	Stone
Domenici	Leahy	Talmadge
Durkin	Long	Tower
Ford	Lugar	Wallop
Garn	Magnuson	Young
Glenn	Matsunaga	Zorinsky
Goldwater	McGovern	

NAYS—19

Byrd, Robert C.	Mathias	Sarbanes
Case	Metzenbaum	Stevens
Clark	Moynihan	Stevenson
Cranston	Pell	Weicker
Hathaway	Percy	Williams
Javits	Ribicoff	
Kennedy	Riegle	

NOT VOTING—22

Abourezk	Eagleton	McClure
Allen	Eastland	Randolph
Anderson	Gravel	Sasser
Baker	Haskell	Scott
Bellmon	Heinz	Stennis
Brooke	Humphrey	Thurmond
Burdick	Inouye	
Church	Johnston	

So division 2 of Mr. HOLLINGS' amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROTH. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

Mr. METZENBAUM. Mr. President, I call up an unprinted amendment at the desk.

Mr. HOLLINGS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLINGS. We have not adopted the amendment. I move the adoption of the amendment as modified.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT 1578

(Purpose: To prohibit the use of funds to acquire message-switching equipment by the Department of Justice)

Mr. METZENBAUM. Mr. President, I call up an unprinted amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Ohio (Mr .METZENBAUM) proposes an unprinted amendment numbered 1578.

Mr. METZENBAUM. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, between lines 10 and 11, insert the following:

SEC. 210. None of the funds appropriated by this title may be used to purchase, lease, or otherwise acquire message-switching equipment until such time as the Judiciary Committees of the House and Senate have given their approval. For purposes of this section the term "message-switching equipment" means electronic equipment designed to receive a message, store it until an outgoing line is available, and then retransmit the message without any direct connection between the line on which the message was received and the line on which it is retransmitted.

Mr. METZENBAUM. Mr. President, this amendment has to do with the question of message switching equipment. It would provide that none of the funds provided for the Department of Justice could be used for the purchase of message-switching equipment without prior approval of the committees of the House and the Senate. The Attorney General of the United States has assured the members of the Senate Committee on the Judiciary, as has the Director of the Federal Bureau of Investigation, that funds would not be expended for those purposes without prior approval of the members of the Senate Committee on the Judiciary.

This amendment has been discussed with the managers of the bill. It is my understanding that the managers of the bill have agreed to accept the amendment and I hope that it can be accepted without a rollcall vote.

Mr. HOLLINGS. Mr. President, we would be in a position to accept this language. We have checked with the Justice Department. The Attorney General reaffirms that promise made to the Judiciary Committees of both Houses that he would not expend the funds. In fact, there is an amount already in the 1978 appropriations for the present fiscal year of the bill that has not been expended.

But I think the Senator from Ohio is very alert and very careful here. We want to go along. We will accept that language in the bill.

Mr. METZENBAUM. I thank the Senator from South Carolina.

Mr. HOLLINGS. I yield back the remainder of my time.

Mr. METZENBAUM. I yield back the remainder of my time.

Mr. HOLLINGS. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment (UP No. 1578) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

Mr. HAYAKAWA. Mr. President, today I had planned, along with my colleague from California Senator CRANSTON, to introduce an amendment to H.R. 12934 to appropriate $2.3 million for the planning and preparation of a badly needed Metropolitan Correctional Center (MCC) in Los Angeles. Funds for this Federal holding facility have been authorized in the House Judiciary Committee, but have not been authorized in the Senate. However, Senator KENNEDY, the distinguished floor manager of the

Department of Justice authorization bill, has agreed to support the House authorization for the Los Angeles MCC in conference committee. As the House has not yet passed their version of the Department of Justice authorization bill, the conference committee has not met to concur on this item. The Senate Appropriations Committee has been understandably reluctant to appropriate funds for the MCC without its proper authorization, although the situation in California in regards to the need for this facility is critical. Therefore, I will not introduce my planned amendment at this time. It is my hope, and that of Senator CRANSTON, when the authorization for the Los Angeles MCC has been finalized, that the Senate Appropriations Committee will give our suggested appropriation of $2.3 million for planning and preparation of a Los Angeles Metropolitan Correctional Center all the consideration it deserves when making supplemental appropriations.

I would like to submit for the RECORD some information pertaining to the need in Los Angeles for a Metropolitan Correctional Center.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 21, 1978.

Hon. ERNEST F. HOLLINGS,
Chairman, State, Justice, and Commerce and Judiciary Subcommittee, Senate Committee on Appropriations, Washington, D.C.

DEAR FRITZ: We are writing to ask that the Senate Subcommittee on State, Justice, Commerce and Judiciary approve the original budget request of the Bureau of Prisons for construction of a Federal Metropolitan Correctional Center in Los Angeles to be used as a temporary detention facility.

The Los Angeles County Jail, presently being used to house federal detainees, is overcrowded and the situation will become worse. The City of Los Angeles has announced the closing of the City Jail which will further exacerbate conditions. We have been informed by Sheriff Peter Pritchess of Los Angeles County that for these and other reasons the county plans to cancel its contract for housing federal prisoners within the next fiscal year.

The Administration has indicated that it wants "to be able to look carefully at the entire problem of overcrowding in our prisons and jails." But we note that Attorney General Bell was quoted in the Washington Post on February 28 as saying that federal prisons are severely overcrowded. That same day, the General Accounting Office released a report to Congress, entitled "Housing Federal Prisoners in Non-Federal Prisons is Becoming More Difficult," urging "swift completion of projects in metropolitan areas where the need for Federal prisoner space is greatest."

It seems that there is little need for yet another study!

The need for a temporary detention facility in Los Angeles has been thoroughly documented in oversight hearings held in the House of Representatives by the Subcommittee on Courts, Civil Liberties, and Administration of Justice of the Committee on the Judiciary on May 4 and 5 last year. Norman A. Carlson, Director of the Federal Bureau of Prisons, summed up the need in his testimony before the subcommittee, as follows:

"Moreover, we are also having difficulty in the Central California area. Currently, we have approximately 275 Federal detainees housed in the Los Angeles County jail system. The County Board of Supervisors recently informed us that Federal prisoners have caused overcrowding in their system and urged us to find other alternatives for Federal detainees. Fifty additional detainees are being held at the Federal Correctional Institution at Terminal Island, just outside Los Angeles, a situation which exacerbates the overcrowded conditions in that institution. Furthermore, the Immigration and Naturalization Service is in need of better detention facilities closer to Los Angeles for its detainees. The Los Angeles situation is clearly going to require immediate attention."

Support for such a facility also has been expressed by the Federal Judiciary of the Central District of California, the Los Angeles County Board of Supervisors, the Los Angeles County Bar Association, the Los Angeles Chamber of Commerce, and the Federal Public Defender's Office in Los Angeles.

The staff of the House Subcommittee on Courts, Civil Liberties and the Administration of Justice reported a year ago, "There can be little doubt that the Central Judicial District of California is on the verge of a serious crisis. There simply will be no place to put federal prisoners awaiting trial."

This is a conclusion with which we concur wholeheartedly.

The situation now threatens to deteriorate into what a federal judge in Los Angeles has described as being "impossible" for both defense attorneys and United States prosecutors. In fact, the Public Defender complains that conditions are so overcrowded for federal prisoners that they are being housed eight to a six-man cell so that two must sleep on the floor. Prisoners, consequently, have little opportunity for exercise and suffer from the many aggravations and indignities caused by living in such crowded conditions.

We are mindful of the fact that persons being detained for trial have not been found guilty of a crime. Every effort should be made to secure their release on bond as guaranteed by the Fifth and Eighth Amendments. But if a court finds it necessary to detain a person in order to assure presence for trial, then the person should be detained in a decent, well-administered, and conveniently located facility.

It is virtually the unanimous view of all persons directly involved in the prosecution, defense and trial of federal criminal charges in the Central Judicial District that a Federal Metropolitan Correctional Center is required, would not result in unnecessary or increased incarcerations and, on the contrary, would result in substantial improvements in the well-being and fair treatment of federal detainees awaiting trial.

We are satisfied that in the Central Judicial District all available alternatives to detention and housing of federal prisoners have been exhausted. Therefore, we strongly urge you to appropriate the necessary funds for the building of a Metropolitan Correctional Center in Los Angeles.

Sincerely,

S. I. HAYAKAWA.
ALAN CRANSTON.

COUNTY OF LOS ANGELES,
OFFICE OF THE SHERIFF,
Los Angeles, Calif., December 1, 1977.

Judge LAUGHLIN E. WATERS,
Los Angeles, Calif.

DEAR JUDGE WATERS: Approximately six months ago we discussed the possibility of a Federal Metropolitan Correctional Center being erected in Los Angeles County. As I informed you at that time, and also informed Congressman Robert Kastenmeier, Chairman of the House Judiciary Sub-Committee on Courts, we urge favorable consideration of the project.

It has come to my attention today that the funds for this project do not appear to be receiving a very high priority. Since our last communication, considerable logistical problems have emerged for this Department relating to the housing of prisoners in the Los Angeles County jail system. The principle problem is that the Los Angeles City Council has directed the Los Angeles Police Department to divest itself of its responsibilities for housing prisoners in city jails. It has mandated that this take place July 1, 1978. Very concisely, what this means is that approximately 450 prisoners daily will be added to the Los Angeles County Jail daily count. At the present time, the Los Angeles County jail system is at near capacity. The infusion of 450 additional inmates could easily cause this Department to be in violation of a Federal court order which mandates no inmates shall sleep on the floor of the jail.

There are numerous other administrative problems which I will not take the time to list at this time which could have a very dramatic impact on our jail system.

The main purpose of this letter is to advise you that on or about July 1 1979, it may be necessary to cancel our contract for housing federal prisoners in the Los Angeles County Jail. As you realize, the contract has a 30-day cancellation clause. Because I do not wish to place the Federal Government in an embarrassing position, I am taking the liberty of forwarding copies of this letter to both United States Senators from California, the Director of the Federal Bureau of Prisons and United States Marshal for the Central District of California.

Please do not hesitate to contact me if you have any concerns about this letter.

My kindest personal regards.

Sincerely,

PETER J. PITCHESS,
Sheriff.

STATEMENT OF JUDGE LAUGHLIN E. WATERS

Members of the Committee, I appreciate the opportunity to appear before you today and speak in behalf of authorizing a Federal detention center for prisoners awaiting trial or sentence in Los Angeles.

At the present time these prisoners are housed on a contract basis with the County of Los Angeles. Two facilities of the County are used for that purpose. The Men's Central Jail, which is within 5 minutes of the United States Courthouse, handles the male prisoners, and Sybil Brand Institute, which is 20 miles distance from the courthouse, handles the female prisoners.

This arrangement has continued for many years but in the past few years there has been increasing interest in providing a federal facility for federal prisoners because of problems which have arisen in connection with the handling of federal prisoners by Los Angeles County.

Initially, the concern for such a facility was generated by reason of the complaints that have been made by federal prisoners concerning meals, clothing, medical attention, facilities for psychiatric interviews, and space for counselling between defendants and their attorneys. These complaints have, on many occasions, necessitated intervention by the judge concerned with the particular case with the result that the judges of this particular court have become very familiar with the operation of the Men's Central Jail.

It has become a regular practice on the part of federal prisoners to request that they be transferred to Terminal Island for confinement because they feel that the custodial facilities there are far superior to those at the Men's Central Jail. Prisoners who have served time on prior occasion in the federal system have stated that time served in the Men's Central Jail is more difficult than time served in such major federal penitentiaries as McNeil Island, Leavenworth and Atlanta. This, of course, is a matter of concern for all of us since many of the individuals housed at the Men's Central Jail have

been convicted of no crime, are simply awaiting trial, and yet are being confined under circumstances which are more onerous than those to which convicted criminals are subjected.

In the past several years, the concern of this court for this problem has been intensified by reason of the filing of several lawsuits which brought into question the conditions found in the above-mentioned facility. Examination into that situation has shown that the facilities provided at the Men's Central Jail are substandard according to both federal and state requirements; that the jail is consistently overcrowded and as a result it is probable, in the near future, that the County of Los Angeles will be forced to seriously curtail the number of prisoners confined in the Men's Central Jail. When that decision is made, the contract for housing federal prisoners will be terminated and we will be forced to look elsewhere for space. The United States Marshal has made contingency plans to house prisoners in such distant communities as Ventura—60 miles away, Santa Barbara—100 miles away, Santa Ana—40 miles away, and San Bernardino—60 miles away. It will be a logistical nightmare for thh Marshal to house, feed, and transport prisoners from such distant points. It will be impossible for either defense counsel or the prosecution to properly prepare these cases for trial.

The population in the Men's Central Jail has risen steadily notwithstanding the construction of major additions to the jail. The problem is now exacerbated by reason of two recent major developments in California. One, the State of California has abolished its former indeterminate sentencing provision and it is fully anticipated (and statistics are now revealing) that this action will result in a further overcrowding of the state prisons. There will, of necessity, then be a further overcrowding of the Men's Central Jail by reason of the State's inability to handle more prisoners and thus shunting them to the County. The Sheriff's Department anticipates that the local courts will begin to specifically sentence individuals to serve their time in the Men's Central Jail which will increase that population although admittedly the impact of this action has not been fully felt as yet. (See Ex. A, p.2) The second major development is that the City of Los Angeles has determined to close 13 of its 17 custodial facilities scattered throughout the city in various stations with the result that there will be a daily increase of 450 prisoners in the Men's Central Jail on a regular basis. Under state law the County is required to accept these prisoners from the City of Los Angeles. There have been further reports that other cities within the County of Los Angeles are contemplating similar action.

Those cities which are presently considering this action are Long Beach, Burbank, Glendale and Arcadia. Should all, or a significant number, of these cities take a similar action, then there will obviously be a further substantial increase in this jail population. This again would add to the necessity of terminating the federal contract which now has a 30-day cancellation clause.

It is a fiction to suggest that these jail facilities vacated by the various cities within the County of Los Angeles would be acceptable facilities for the housing of federal prisoners. The City of Los Angeles, for example, contemplates discharging civilian employees who presently work in those facilities and further, for the most part, there is no food service available nor is medical attention readily available. The Bureau of Prisons has no funds to employ the staff which would then become necessary. Additionally, the logistical program of bringing in a group of prisoners from a dozen or more outlying locations would seriously complicate the problems for the United States Marshal's already overburdened staff. Instead of the two deputies being used to transport prisoners that number would be increased to twenty.

The passage of Proposition 13 in California greatly reduces the tax base of the County of Los Angeles and while, prior to its passage, the County did not have any funds allocated for the construction of new jail facilities, it is quite obvious now that such moneys will not now be available for some period of time. This observation assumes, of course, that there might have been an earlier willingness on the part of the County of Los Angeles to build additional jail facilities. Those facilities would have been in outlying areas and would have been of no help to us. But now, even this concept has been eliminated.

For these reasons the United States District Court for the Central District of California strongly urges that the Congress authorize and appropriate sufficient funds to build a facility to house federal prisoners who are temporarily detained awaiting trial or awaiting sentence. Experience has shown in San Diego that the cost of such a facility, including capital construction cost, may be amortized over a period of 12 years.

Such a structure would improve the efficient operation of the courts; it would provide more humane conditions under which prisoners are housed; and it would make those prisoners more available to counsel for purposes of preparing their defense.

To be most effective, the facility should be located in close proximity to the United States Courthouse. There is sufficient space now occupied by aging industrial structures close to the courthouse so that it could be constructed without dislocation of any residential areas.

Were such a facility to be constructed, defense counsel would have ready access to their clients; the necessity of awaking prisoners as early as 4:00 a.m. (which is the present practice at the Men's Central Jail for the County of Los Angeles) to get them to the courthouse in time for trial could be measurably changed; we would have better control over our prisoners in terms of making sure that proper medical attention and their other valid needs and concerns are attended to; hearing rooms could be provided for arraignment purposes thus maintaining the burden on the United States Marshal; the courts could more effectively guarantee maximum use of trial time since, on occasion, prisoners being brought in from Terminal Island are caught in traffic with resultant delays that impose not only on the court's time but also on the time of jurors, counsel, court attaches, etc.

Some opposition has surfaced in connection with this proposal. An organization denominating itself as the Los Angeles Coalition for Prison Alternatives has taken a very strong position in opposition to construction of this facility. They took this position without any consultation with any member of the United States District Court, the United States Marshal's Office, or anyone, to my understanding, who was at all knowledgeable concerning the problem. Their stance is, I believe, a reflection of a national policy that opposes further construction of any and all prison facilities. Their initial error is, of course, in misconceiving the nature and purpose of the proposed structure. This is not designed to be a prison facility for custodial purposes but rather for handling the transitory prisoner who, if convicted, will be later confined in another facility.

In support of its position, the Coalition has released broadsides which are remarkedly racist in tone, seeking to emphasize that the real purpose of this facility is to confine illegal aliens, particularly those of Mexican descent. This position is, of course, a deliberate misrepresentation and is advanced, in my view, for only whatever inflammatory gain the proponents feel can be achieved from such deceit. They have further advanced figures allegedly reflecting not only the cost of construction but the continuing operating cost of the building. These figures, too, are so grossly inaccurate as to leave only one conclusion—that they were deliberately so stated again for whatever inflammatory value they felt that such misrepresentation might have.

These figures were picked up and used by Mr. John J. Cleary who is the Federal Public Defender in the Southern District of California. He addressed a letter containing a great number of misconceptions in opposition to the facility in Los Angeles. I responded to Mr. Cleary's position and in the course of which made an analysis of the false and misleading figures which were used by the Los Angeles Coalition for Prison Alternatives. I attach hereto a copy of my letter which is addressed to Mr. James R. Dunn, Federal Public Defender, Los Angeles, California, responding to Mr. Cleary's statement. (Ex. B)

At a recent meeting of the Ninth Circuit, I spoke to Mr. Cleary about his position. He told me that his position was essentially one of seeking to avoid problems which he felt had been experienced with the Metropolitan Correctional Center located in San Diego. He confessed, however, to no personal knowledge concerning the situation in Los Angeles and admitted that he did not appreciate the immediacy of our need. I also discussed Mr. Cleary's position with a number of the judges of the United States District Court in the Southern District of California and, without exception, they disagreed with Mr. Cleary's comments. They said they would be willing to entertain considertaion of remedial measures if, indeed, Mr. Cleary's complaints had a basis in fact. They also uniformly stated that the handling of federal prisoners with the Metropolitan Correctional Center in San Diego was a vast improvement over the conditions which they experienced when that District worked under a contract relationship with the County of San Diego.

It is impossible to overstate the urgency with which we are confronted in seeking this detention facility. The passage of Proposition 13 has made an already critical situation more critical. Local communities are exploring every possible avenue to reduce budget demands while still maintaining essential services. As the prison population crunch becomes more intense, so also does the prospect of our contract termination with the County of Los Angeles become more real. We have very little lead time left and that should not be permitted to slip away from us by reason of inaction on our part.

I will be pleased to respond to any questions.

EXAMPLE A

Currently, the County Jail male pre-trial detainee population is 751 prisoners over rated capacity. This condition forces prisoners to sleep on the floor in Central Jail and the Hall of Justice Jail, and has resulted in several Federal Civil Rights Actions against Los Angeles County.

This condition, however, will worsen considerably in the 1976–1990 time frame as a result of the following:

1. *Closure of Facilities.*—In January, 1977, the Hall of Justice Jail and Biscailuz Center will cease operation. This will result in the transfer of approximately 1,334 inmates from both of these units and Wayside-Maximum to the new Central Jail addition. This transfer of prisoners and closure of facilities will reduce our excess population by only 141 prisoners, leaving an excess of 610 prisoners still sleeping on the floor in violation of State Minimum Standards for Local Detention Facilities.

2. *Demographic Factors.*—Although the county population experienced a decline in the early 1970's, this trend was reversed in

1973-74 and has showed a steady increase since that time. Projections indicate that this trend will continue with the county population estimated at 7,975,000 by 1990. The recycling of urban areas, increases in minority groups populations, and a high unemployment rate will also combine to cause increases in the crime rate, and hence the jail population. Projections indicate that the 1975 jail population of 8,714 inmates, will rise to 9,153 by 1980.

3. *Trends Toward More Definite Sentencing.*—The growing national trend toward "stiffer" sentencing is an attempt to reduce the rising crime rate by placing more emphasis on incarcerating the criminal offender. This trend will increase both the adult and juvenile populations of Local Detention Facilities. Recently, in California, the following two laws were enacted which illustrate this point:

a). Effective January, 1977 the indeterminate sentence will be replaced by a fixed, determinate one. Prior to this change, the California Department of Corrections projected an increase in their inmate population from 20,305 in 1976, to 21,840 by 1980. Since this change, however, the projected figures are expected to rise substantially. At present, these revised figures are not available from the California Department of Corrections.

As the state prison systems reaches maximum capacity, those courts which favor incarceration will be forced to sentence a defendant to the county jail, since the only other alternative would be to release him/her from custody. On the other hand, since a defendant must receive a fixed sentence, those courts which have traditionally favored leniency will also be more inclined to sentence an offender to the County Jail as opposed to state prison. Consequently, the population of the County Jail will increase as a result of this legislation regardless of the feelings of the sentencing court toward prison terms.

b). Effective January, 1977, Assembly Bill 3121 as amended will make it possible to try certain juvenile offenders as adults, and house three minors in the County Jail instead of Juvenile Hall. At present, there are 500 minors in custody on a daily basis who would be subject to the provisions of this law. It is anticipated that approximately 150 to 300 of these minors could be transferred to the County Jail. Since juveniles must, by law, be segregated from adult inmates, they will require a disproportionate amount of facility space.

CONCLUSION

The current overcrowded conditions in the County Jail will become increasingly worse over the next few years. One possible solution which would significantly reduce the burden being carried by the County Jail, would be the transfer of the average of 200 Federal prisoners being housed in the County Jail to Federal custody. These inmates could be transferred to a Federal facility, located in Los Angeles. Additionally, unless Los Angeles County is able to reduce its inmate population, the loss of revenue from the state due to failure to meet Minimum Standards (Penal Code Section 4017), will become effective June 1, 1977.

Inmate population trends

Year:	*Inmate count*
1973	8,540
1974	8,565
1975	8,714
1976*	8,801
1977*	8,889
1978*	8,977
1979*	9,065
1980*	9,153

*Projected Populations—Source: Management Staff Services.

Los Angeles County population trends

Year:	*Population*
1970	7,044,335
1971	7,090,000
1972	7,145,000
1973	7,195,000
1974	7,240,000
1975	7,300,000
1980 est.	7,525,000
1990 est.	7,975,000

Source: 1. Los Angeles Area Chamber of Commerce, Management Planning and Research Division.

EXAMPLE B

U.S. DISTRICT COURT,
CENTRAL DISTRICT OF CALIFORNIA,
Los Angeles, Calif., May 4, 1978.

Mr. JAMES R. DUNN,
Federal Public Defender, U.S. Court House, Los Angeles, Calif.

DEAR MR DUNN: Thank you for the copy of Mr. John Cleary's latest diatribe concerning a proposed MCC for the Central District of California dated 23 March 1978, addressed to Ms. Adrian Curtis of the Office of Management and Budget. While I question the propriety of the gratuitous intrusion of Mr. Cleary into matters that are outside of his district it would appear that the least he could do before engaging in such adventuring is to ascertain what the facts really are rather than continuing to make purportedly factual assertions about matters which, with only minimal effort on his part, he could ascertain the truth. For example, he persists in asserting that the proposed facility would cost "$86.5 million each year to operate." This figure was quoted in a flyer produced by the Los Angeles Coalition For Prison Alternatives wherein they state "The yearly maintenance cost per inmate is $17,300.00 totalling $86.5 million per year." Taking their figures and assuming full occupancy for the 500 bed facility—500 x $17,300.00—the total is $8,650,000.00 rather than the quoted $86.5 million for a distortion that is 10 times greater than the actual figure. Even assuming good faith on the part of the inventors of these figures, their conduct is grossly irresponsible in continuing this misrepresentation.

Further, even the assumed figures are incorrect and Mr. Cleary, with little effort, could have ascertained the truth had he attempted to do so. The San Diego MCC, for fiscal 1977 had total man days of 209,861; average daily population was 575; average cost per man day was $18.20 plus Administration Cost of $2.353 plus Public Health Cost of $.110 for a total cost per man day of $20.693.

The total cost for fiscal 1977 was $3,825,688.00. It should be apparent to anyone that $3,825,688.00 is only about 4% of the cost that Mr. Cleary asserts would be entailed in the operation of the MCC. Such a margin of error raises serious question as to the accuracy of Mr. Clearys' other representations. Since Ms. Curtis is at OMB and presumably has the actual figures available to her, I trust that she was not misled by this gross distortion.

For the record I know of no one who has been interested in the Los Angeles project who has urged that we should not ". . . learn from our mistakes" or who has urged that we should "replicate them." Nor has any one of this group gone on record or given any intimation of being in favor of "overcrowding," "juvenile contact with adult prisoners," "inadequate medical care," "inadequate recreational facilities," the absence of "Education and Vocational Training,' an inadequate "law library," denial of or inconveniencing "Attorney access," unjustified "Maximum Custody" provisions, improper "Disciplinary procedures," or denial of proper "Court clothing."

To the contrary, these are only some of the matters which we trust will be anticipated and properly considered in the design and construction of the facility. To that end, I have, sometime ago, requested of both GSA and BOP that we have full opportunity to participate in the design and planning stages. To that end, you will recall that I have heretofore told you that your views and suggestions would be expected and I reaffirm that request now.

Parenthetically, in view of what Mr. Cleary now states I cannot help but wonder where he was when the San Diego MCC was in the design and planning stage. Rather, if the evils he sees do, in fact, exist in his own backyard, what is he now doing to exorcise them?

You, and representatives of your office, complain regularly of the conditions to which your clients are subjected in the Men's Central Jail of the County of Los Angeles. If those conditions are to be corrected, as indeed they must, the first step is to get the appropriate facility authorized and funded. After that has been accomplished, proper planning must be undertaken and at that time anyone and everyone with a constructive suggestion should be listened to. To that end, a planning group as broadly based as possible should be formed and, as you know, this has already been in contemplation. But until the project has been authorized such a committee would, of course, be premature.

In light of the present recognized and admitted needs in the Central District, Mr. Cleary's broadsides are counterproductive and certainly inhumane insofar as the people he is purporting to protect are concerned.

Yours very truly,

LAUGHLIN E. WATERS,
U.S. District Judge.

U.S. DEPARTMENT OF JUSTICE,
April 26, 1978.

JAMES F. HOOBLER,
Director, Program Review and Budget Staff, Office of Management and Financing.

UPDATE ON THE LOS ANGELES FEDERAL DETENTION SITUATION

WARREN KANE,
Professional Staff Member,
Senate Appropriations Committee.

At the April 20, 1978, Senate Appropriations Subcommittee hearing on the Federal Prison System, I indicated to you that we would provide you with an update on the Federal detention population in the Los Angeles area and apprise you of program alternatives to the construction of a Los Angeles Metropolitan Correctional Center (MCC) which should be explored further by the Department.

In a March 8, 1978, survey of the Federal detention population in Los Angeles, the Bureau of Prisons (BOP) reported that 234 men, five juveniles and three women were being held in local contract facilities for a total of 242 Federal detainees. On the demand side of the equation, the data does not appear sufficient to justify the construction of a 500-bed facility.

There are also a number of other options which should be explored further by BOP as alternatives to the construction of an MCC. For example, there is the 400-bed Los Angeles City Jail in Parker Center which currently is used for 48-hour "holdovers" by the Los Angeles Police Department. Our information suggests that the jail, which is only a few blocks from the U.S. courthouse, will be closing in October 1978, and the prisoners will be moved to the 5,400-bed Los Angeles County Jail. In addition there are several small 50–100 bed detention facilities in the Los Angeles area, e:g., Glendale and Burbank, California, which will be closing and placing their prisoners in the Los Angeles County facility. All of these facilities are within a half-hour's driving time from the Fed-

eral courthouse and may be available for Federal use.

Nothwithstanding the politics of the question, it is somewhat difficult to justify a 500-bed facility with an average Federal detention population of only 250 and the potential availability of additional bedspace for Federal use in the immediate Los Angeles area.

If you have any questions regarding this information or would like to discuss the Los Angeles situation further, please advise.

U.S. DISTRICT COURT,
CENTRAL DISTRICT OF CALIFORNIA,
Los Angeles, Calif., May 24, 1978.

Re Proposed MCC for Los Angeles.

Mr. NORMAN CARLSON,
Director, Bureau of Prisons,
Washington, D.C.

DEAR MR. CARLSON: I have been in touch with the United States Marshal and we have examined into the possible availability of the jails at Burbank and Glendale, California.

The Marshal reports that these jails are very substandard insofar as federal requirements are concerned, and that were any change to be effected hundreds of thousands of dollars would have to be spent in order to bring these facilities up to proper standard. Indeed, in connection with one of the jails, he is of the view this cannot be done.

I am further informed by the Marshal that neither Glendale nor Burbank proposes to abandon these facilities and thus the information which Mr. Hoobler passed on to the Senate Appropriations Subcommittee is certainly open to serious question.

It seems to me that Mr. Hoobler's statement to the Senate Subcommittee very substantially undercuts the position of the Bureau of Prisons that an MCC for Los Angeles is your number one priority. If the other information coming from the Department of Justice to the Senate is no more accurate than that which was contained in Mr. Hoobler's memorandum, then it is going to be difficult to make sure that the Senate and the House have a proper understanding of our needs.

As I develop further information, I will communicate it to you.

Sincerely,

LAUGHLIN E. WATERS,
U.S. District Judge.

U.S. DISTRICT COURT,
CENTRAL DISTRICT OF CALIFORNIA,
Los Angeles, Calif., April 7, 1978.

MS. MEREDITH PRESTON,
Legislative Aide to Hon. S. I. Hayakawa, Dirksen Senate Office Building, Washington, D.C.

DEAR MS. PRESTON: In response to your inquiry concerning the feasibility of using jails which are to be vacated by the Los Angeles Police Department for the purpose of housing federal prisoners awaiting trial, awaiting sentence, or serving weekend terms, I believe that the following information is pertinent.

The Los Angeles City Police Department maintains holding facilities at some 17 stations plus Parker Center. It is contemplated that they will phase out all of these stations wih the exceptions of Van Nuys, West Los Angeles, Harbor and Rampart. The phase-out is to be completed as of October 1st of this year. The reason for the delay from July 1st to October 1st is that the Sheriff's Department is now in the process of reactivating Biscuiliz Center, an outmoded facility, but which it must now have since the addition of an estimated 450 prisoners daily from the Los Angeles Police Department is not possible with the present overcrowded conditions at the Men's Central Jail.

The reason for the phase-out of the Los Angeles Police Department holding facilities is that the State of California has advised the City that these holding facilities are substandard and may therefore no longer be used. I would point out parenthetically that the State has also advised the County that its jail facilities at the Men's Central Jail are substandard and, further, federal standards for housing prisoners are significantly higher than those required by the State. It follows therefore that all of the facilities, both those presently operated by the Los Angeles Police Department as well as those operated by the Sheriff's Department, are substandard insofar as federal requirements are concerned.

With the exception of Parker Center, which has a total capacity of 380, all other facilities to be available hold in the range of from a low of 22 to a high of 61. With the possible exception of Parker Center, none of the stations has cooking facilities. The prisoners are fed TV dinners. The reason the Police Department has been able to use TV dinners for purposes of feeding prisoners is that under state law the prisoners are required to be arraigned not less than 72 hours after their arrest. And immediately upon arraignment, they are then turned over to the custody of the Sheriff and thus there is no need to cook for prisoners over an extended period of time. If there are cooking facilities at the Parker Center, they have not been used for quite some period of time. Since federal prisoners are held over significantly longer periods of time (e.g., from pleading or conviction to sentencing, 4 or 5 weeks may elapse so that the Probation Department may have adequate time in which to prepare its report), a steady diet of TV dinners would obviously not be acceptable.

None of the facilities have either physicians or nurses in attendance. Any prisoner requiring medical attention will therefore have to be transported to the Men's Central Jail, the Los Angeles County Hospital, or perhaps the Los Angeles County Receiving Hospital. This would require the services of the United States Marshal's Office for this purpose which would place an additional burden upon that office.

As you know, the City of Los Angeles is spread out over a very substantial area of ground Were the federal prisoners to be housed in these jails, the Marshal would have a significant logistical problem since while some of these jails are as close as 5 miles from the downtown center, others are 25 to 30 miles distant. I have not computed the exact mileage but I think those figures are representative.

Upon closing the Los Angeles Jail facilities, the City of Los Angeles proposes to lay off the individuals who presently staff those jails. I do know that some members of the Los Angeles Police Department are part of the staff but I assume that there are also lay personnel who provide certain services. In checking with the City of Los Angeles, should the Bureau of Prisons take over any of these jails it would be required to provide its own staff in order to operate these jails. I do not know what the attitude of the Director of Prisons, Mr. Norman Carlson, would be on this point but it would obviously be a serious consideration.

While Parker Center would be able to handle, on a short-term basis, the average daily volume of federal prisoners, excluding, of course, such concerns as material witnesses, high-power prisoners, those with medical problems, and prisoners requiring separate handling, this would be only a temporary solution since the City of Los Angeles does anticipate that space presently occupied for holding prisoners in Parker Center will be phased out and converted to administrative purposes. The Parker Center Jail is housed in the Main Administration Building of the Los Angeles Police Department and that Department has continually requested authorization for additional administrative space from the Chief Administrative Officer of the City. Any relief provided in this area would therefore be temporary at best.

Reference has been made to the possible use of former Lincoln Heights Jail which at one time was operated by the City. Certain court proceedings were held there in addition to the holding of prisoners. I have examined into the availability of the Lincoln Heights facility and find that it was phased out as a jail because it was substandard and, further, it has since been converted to a recreation facility and gymnasium. There are no cells remaining there and there is no way in which that structure could be used for the housing of federal prisoners. Further, it is some 3 or 4 miles distant from the Civic Center which creates an additional logistical problem for the United States Marshal.

Since the Los Angeles Police Department facilities have already been determined to be substandard, we can anticipate a rash of legal proceedings relative to conditions under which federal prisoners would then be housed. Use of the Los Angeles Police Department facilities would create a further demand upon the already understaffed United States Marshal's Office. In addition, use of these facilities would not be feasible in terms of weekend prisoners or prisoners who are serving their sentences on a furlough basis. Also, the Bureau of Prisons would be required to hire and train its own staff for purposes of maintaining these various jails and these staffs, of course, must be sufficiently flexible so that in the event we exceeded the capacity of any one jail where federal prisoners are housed, we would then be required to have other jails on a standby basis and have staffs in reserve in order to take care of them.

While I am not informed on this further point, I would assume that as the City of Los Angeles phases out the substandard jails in these various stations, this space would then be converted to other purposes in connection with the activities of the Police Department. Modifications in any event would have to be made in order to bring these holding facilities up to any adequate and constitutional standard.

I do not believe that any thought of using the Los Angeles Police Department facilities is well reasoned. It would be temporary at best and it would create additional demands for personnel—both for the United States Marshal's Office as well as for the Bureau of Prisons. Since prisoners are occasionally misplaced, the potential for this type of error would probably be increased. It would have an adverse effect upon the efficient use of court time and, of course, it would be much more difficult for defense counsel to have access to their clients so that they might properly prepare their cases.

In light of all of the above circumstances, it seems to me that the use of the Los Angeles Police Department facilities, even on a temporary basis, is not realistic.

Incidentally, the amount requested by the Bureau of Prisons was, I believe, $22.9 million, not $20 million.

Thank you for your continued interest in this matter.

Sincerely,

LAUGHLIN E. WATERS,
U.S. District Judge.

U.S. DISTRICT COURT,
CENTRAL DISTRICT OF CALIFORNIA,
Los Angeles, Calif., July 17, 1978.

Hon. PAUL HATFIELD,
U.S. Senator, Chairman, Subcommittee on Penitentiaries and Corrections, U.S. Senate, Washington, D.C.

DEAR SENATOR HATFIELD: I am in receipt of a copy of a letter dated July 3, 1978 addressed to you from Michael A. Kroll on behalf of the National Moratorium on Prison Construction which purports to respond to the points which I made during my recent appearance before your Subcommittee. Since

Mr. Kroll's comments are either substantially in error or not relevant, it is important that I respond thereto. I request that this letter be incorporated in the record to be filed by your Committee.

Mr. Kroll comments in his first two substantive paragraphs that my statement concerning the purpose of the facility is in error because, according to him, the Metropolitan Correctional Center in San Diego has been used to house sentenced offenders, and he quotes certain statistics which he asserts support his conclusion. It is obvious, of course, that any temporary detention facility would house prisoners who have been sentenced pending final dispatch to their place of permanent custody. Even assuming that the figures presented by Mr. Kroll are correct, and further assuming (although there is no specific evidence to justify this) that some sentenced offenders are being confined at the MCC in San Diego, it is a non sequitur to then urge that a temporary detention should not be authorized for the Central District of California because something with which Mr. Kroll states he is in disfavor exists in another district. If there is unjustified utilization of the Metropolitan Correctional Center in the San Diego District by the Bureau of Prisons, then Mr. Kroll and those allied with him certainly know what remedies are available to them to correct that situation.

Mr. Kroll then addresses himself to my comments concerning the misleading and racist arguments which were advanced by the Los Angeles Coalition for Prison Alternatives. I attach thereto a copy of their statement which contains the statements upon which I relied. The fact is that this flyer produced by the Los Angeles Coalition for Prison Alternatives contains egregious misstatements and misrepresentations and also includes purported cost figures which are grossly in error. These figures have been analyzed in a response which I made to a letter written by John Cleary, Public Defender for San Diego, and I have heretofore submitted a copy of my letter in response to Mr. Cleary's statements and this should be part of the record of the Committee.

I would direct your attention to one sentence in this flyer which reads at the bottom of page 1: "The LA MCC will only be a symbol of a *racist* solution to a basic economic condition." [Emphasis added.]

Next, Mr. Kroll takes issue with my comment that there was a failure on the part of the Los Angeles Coalition for Prison Alternatives to consult with anyone who is knowledgeable concerning the problem. Mr. Kroll is again in error. I have consulted with my brother judges, the Public Defender's Office, the United States Attorney, the Probation Department, the United States Marshal's Office, and members of the Federal Indigent Defense Panel. None of these groups was contacted prior to the time that the Coalition first took its stand in opposition to the proposed temporary detention facility for Los Angeles. A member of the Los Angeles Coalition confirmed this fact to me. Mr. Kroll attempts to suggest to you that the Coalition contacted these various groups, including members of the United States District Court, as early as January 1977. The facts, of course, are to the contrary. I was first contacted by letter dated March 3, 1978 by one Francis X. Kroncke. This letter was received in my chambers on March 13, 1978. I did arrange for an appointment with this group on the Monday after Easter Sunday. The meeting was not held because they cancelled the meeting. There is no question that this organization has not attempted to inform itself concerning the pressing needs which we are experiencing in this district.

Mr. Kroll then charges me with an error of omission and he states: "As a member of the Federal judiciary (sic). Judge Waters is apparently unaware of Section 4005 of the California Penal Code which states: 'The sheriff must receive and keep in the county jail, any prisoner committed thereto by process or order issued under the authority of the United States.'" The deception practiced by Mr. Kroll in referring to this Code section is typical of the pattern of deception and superficial analysis that has characterized the entire pattern of opposition engaged in by the Coalition and its associated groups. Section 4005 of the Penal Code reads in its entirety as follows:

"§ 4005. Prisoners of the United States.

"The sheriff must receive, and keep in the county jail, any prisoner committed thereto by process or order issued under the authority of the United States, until he is discharged according to law, as if he had been committed under process issued under the authority of this State; provision being made by the United States for the support of such prisoner."

This section apparently had its genesis in a resolution passed by the Congress at its First Session in 1789 wherein the Congress requested that State Legislatures pass laws requiring the keepers of their jails to receive and keep federal prisoners. Congress, however, agreed to pay for the keeping and support of such prisoners. What little case law there is available on the subject is revealed in two cases. The California Supreme Court observed in *Los Angeles* v. *Cline,* 197 P. 67, 68 (1921), that "the right of the United States to commit prisoners to the jails or prisons of a state is purely a matter of comity and is subject to such demands for compensation as may be determined by contract with the proper authorities." The court also noted that "it is the function of the board of supervisors, as the constituted business agents of the county, to contract with the federal authorities as to the compensation to be demanded for caring for federal prisoners while confined in the county jail." Id. at 69.

In *In Re Kays,* 35 F. 288 (S.D. Cal. 1888), a federal court observed that in exchange for receiving and keeping federal prisoners the sheriff is entitled to "just and reasonable compensation" in an "amount fixed by the supervisors of the county." Mr. Kroll's analysis of this section is superficial at best and frivolous in its attempted and misleading application.

Mr. Kroll's reference to the facilities of Los Angeles County being overcrowded and underutilized is again deceptive and misleading. While the Bureau of Prisons did make a spot-check and found that the gross capacity of the Los Angeles County Jail facilities was in excess of the beds presently being used, these were raw figures and made no attempt to make allowance for mandatory segregation of the various types of prisoners which the jail receives. This material is more fully spelled out in the Sheriff's statement which has been filed with the Committee but I would again refer to some of those classifications which include high-power prisoners, material witnesses, homosexuals, the sick, juveniles, members of the various prison gangs—which include the Nuestra Familia, Cosa Nostra, Black Panthers, Mexican Mafia, and the Aryan Brotherhood. These groups cannot be comingled for reasons which should be obvious to anyone at all familiar with the situation. Attached hereto is a copy of a story which appeared in the Los Angeles Times under date of July 13, 1978.

Mr. Kroll's criticism relative to requests on the part of this court to seek more humane conditions under which prisoners are housed is cynical at best or he is grossly uninformed. One need but take a trip through the Los Angeles County Central Jail. The conclusion is inescapable. (See also: Letter from Sheriff Peter J. Pitchess dated July 13, 1978, a copy of which is enclosed herewith.)

Mr. Kroll's reference to city jails to be vacated in Los Angeles County is barely worthy of comment other than to observe that it again demonstrates a lack of knowledge on his part.

My response has already been made to the comments of Federal Public Defender John J. Cleary. I would merely again emphasize that Mr. Cleary has no personal knowledge of our need in Los Angeles. If Mr. Cleary again continues to be critical of the operations of the MCC in San Diego, then he certainly has a duty and is in the best position possible—to achieve a correction of that situation. I would suggest to the Committee, however, that you contact Chief Judge Edward J. Schwartz or other members of the District Court in San Diego for their comments relative to the operations of the San Diego MCC rather than relying solely upon the observations of Mr. Cleary.

It is incongruous that the groups and individuals who are so vigorously opposing this proposed federal detention center in the Central District of California are the ones who hold themselves out as being dedicated to protecting the rights and improving the conditions under which the federal detainees are held for they are seeking exactly the opposite result. Certainly the federal detainees and their counsel do not join in nor do they applaud their efforts. The activities of these groups are further suspect in light of the deliberate pattern of misrepresentation and confusion in which they have engaged. I trust that the Congress will not be misled by these efforts to the ultimate detriment of the detainees and the fair and efficient administration of justice in this district.

I appreciate the opportunity to respond to the letter of Mr. Kroll.

Sincerely,

LAUGHLIN E. WATERS,
U.S. District Judge.

[From the Los Angeles Times, July 13, 1978]

STATE PRISON GANGS BLAMED FOR 150 DEATHS IN 3 YEARS

SACRAMENTO.—Prison-spawned gang violence in California has claimed the lives of 150 people in the last three years, a report to the state Board of Corrections disclosed Wednesday.

"The law enforcement and intelligence community estimates that 150 men and women have died in prisons and on the streets of California in the three years beginning Jan. 1, 1975, as the result of prison gang activities," the report said.

It also noted that prison gangs, most notably the Mexican Mafia and La Nuestra Familia, are spreading and turning to street gangs for new members.

The report, requested in October, 1977, by state Health and Welfare Agency Secretary Mario Obledo, purports to be "the most complete description currently available regarding the nature and scope of prison gangs."

Obledo said the report was "the best I've seen."

The report focused on the origins and activities of four prison gangs: Mexican Mafia, La Nuestra Familia, Aryan Brotherhood, and Black Guerilla Family.

It noted that originally these gangs were formed "for protection against physical assault" in prisons.

Now, however, "there is strong evidence of recruiting of gang members among youthful populations both on the streets and in juvenile detention facilities," the report said.

Their influence has also spread from the state prisons to "county jails and out-of-state prisons," the report said.

Locking up gang members is not the answer to curbing "lethal" gang activity, the report said. Instead, "another approach is needed that takes into account the problems of a community that breeds gang mentality."

A project in East Los Angeles, the primary turf of the Mexican Mafia, was cited as a good

example of a program to curb gang problems. The Youth Authority program focuses on improving interneighborhood communications and involving youth gang members in socially beneficial activities.

COUNTY OF LOS ANGELES,
OFFICE OF THE SHERIFF,
Los Angeles, Calif., July 13, 1978.

Hon. GEORGE E. DANIELSON,
Member of Congress, Congress of the United States, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN DANIELSON: I am in receipt of a copy of Supervisor Hayes' letter dated May 8, 1978, and your reply dated May 19, 1978, concerning the proposed construction of a Metropolitan Corrections Center in Los Angeles. I heartily agree with your reply to Mr. Hayes, who, unfortunately, seems to be not only misinformed on the concept and use of a "Metropolitan Corrections Center," but also seems to apply a great deal of inappropriate rationale to the minimal successes that have been made locally in the area of juvenile delinquency.

Further evidence which discredits Mr. Hayes' projections is found in a recently released report entitled "Juvenile Delinquency—A Report to the Ford Foundation from the Vera Institute of Justice," which was authored by Paul A. Strasburg, and which reveals that in a study which began in 1975, there were several findings. The most significant for our discussion here is as follows:

"According to national arrest data, arrests have been increasing since 1970 for all categories of crime and arrests of juveniles have been increasing faster than arrests of adults. The rise is steepest and steadiest for violent crimes against persons."

The need for a Metropolitan Corrections Center, or a local Federal jail, if you will, is in our opinion, very necessary by no later than 1980. We have previously informed you of this projection on our part, and it is further strengthened at this time in view of the recent passage of Proposition 13 here in California. In that Proposition 13 directly impacts local law enforcement budgets, you can be sure that any incorporated city which presently has a jail operation of any magnitude will be seeking means of being relieved of jail responsibilities. As you well know, California law provides that if the city delivers their prisoners to the Sheriff, he must receive and jail them. Currently, 1,100 prisoners per day are being held by municipalities in Los Angeles County, and could be transferred to the Sheriff's jurisdiction at any time.

I am additionally in receipt of a memo originated by Congressman Edward R. Roybal, dated June 29, 1978, which indicates that in his opinion the Los Angeles Metropolitan Corrections Center is not needed. He cites in his memo some surveys made by the Federal Bureau of Prisons of Los Angeles County inmate capacity on two random days, one in April of 1977, and the other in March of 1978. They indicate that on those two days inmate population was approximately a thousand persons less than the total capacity available in the County jail system. We are not sure who they contacted or what type of information they were provided, and I don't intend to bore you with an orientation of our County jail system, which has approximately 9,800 beds, but the issue that is pertinent to the Federal Government is that Federal prisoners are housed only in the Mens' Central Jail. This facility has a capacity of approximately 5,100 inmates, and today, due to overpopulation, has in excess of 200 inmates sleeping in the aisles on bunks in violation of the Minimum Jail Standards of the State of California.

As I have indicated to you, we anticipate significant increases in our inmate population and particularly in the type of inmates who must be maintained in the Central Jail, accessible to the courts area of Los Angeles. Preliminary forecasts indicate that by 1980 our inmate population will rise to 10,380 prisoners, while the State of California is predicting an increase to 23,435 during this same time period in their inmates population. Both of these increases are in line with current national, state and local trends. We have a valid contract with the Federal Government for housing of Federal prisoners. This contract expires June 30, 1980. We will attempt to honor that contract for its duration, however, there is a thirty-day cancellation provision in the contract and we may find it necessary to urge the Board of Supervisors to cancel this contract prior to its expiration date. As you further understand, when there is no valid existing contract between the County and the Federal Government for housing of prisoners, there is no obligation for the Sheriff to accept said prisoners.

In closing I can only reiterate my previous comments on this subject and that is that all of our projections lead us to believe that we will be unable, in our existing facilities, to provide housing for Federal prisoners beyond 1980. I do hope that information such as this can be utilized in planning the construction of future Metropolitan Corections Centers, and that the Los Angeles area be given ultimate priority.

Sincerely,

PETER J. PITCHESS,
Sheriff.

THE ILLEGAL TREATMENT OF ILLEGAL ALIENS AND THE FEDERAL BUREAU OF PRISONS' FOR THE LA METROPOLITAN CORRECTIONAL CENTER

The Federal Bureau of Prisons (FBOP) plans to build a 500 bed pre-trial detention facility (an MCC) in downtown Los Angeles.

The FBOP argues that it needs this jail space due to the vast impact of illegal aliens upon the federal system. The FBOP alleges that the cells will be filled by those awaiting deportation and/or appearances in trials as material witnesses against the smugglers of aliens. There is *no* substance to this claim.

ILLEGALS ARE NOT A CRIMINAL JUSTICE PROBLEM

In the Los Angeles area over 700 illegals are rounded up PER WEEK (36,400 yearly). The LA Federal Public Defender states that only 210 per year (4 weekly) are held as material witnesses for about 10 trials. Usually, these witnesses obtain release on bail. Practically every person held for deportation volunteers to be deported shortly after capture. Clearly, the illegals are *not* occupying vast numbers of beds nor any cells for a long period of time. The FBOP's claim is wrong, rather the illegal alien "problem" is a non-criminal justice problem.

PUBLIC IMAGE OF ILLEGAL ALIENS AS CRIMINALS

Though the illegal alien problem is a non-criminal justice problem, the Immigration and Naturalization Service (INS) and the FBOP have created a public image of the Mexican worker as "a criminal." The Mexican worker is hunted, captured and locked away in jail cells. Yet, the FBOP and INS rarely charge any captured worker with a criminal offense. The INS and FBOP could handle the worker as a criminal. To enter the country through non-official channels is a misdemeanor and or can become, upon rearrest, a felony. Why all the public statements about workers being criminals if the federal agencies do not formally charge the Mexicans for criminal offenses?

If the FBOP and INS honestly considered the illegals to be criminals, they would be obliged to provide for proper pre-trial detention, which includes legal representation and use of pre-trial release procedures. In point of fact, both the FBOP and INS act illegally and violate the Constitution by denying the workers either a formal charge or proper pre-trial safeguards. Why are the FBOP and INS acting illegally?

Consider: if the Mexican workers were properly charged, processing them would cripple the criminal justice system. Thus, for convenience (in violation of law) the INS and FBOP detain non-criminals in jail. The projected Los Angeles MCC would simply be a place for these federal agencies to continue their illegal and unconstitutional activities. This should not be permitted.

WHY DOES THE FBOP PUSH FOR THE MCC?

Are the illegals the criminal subclass of Mexico? And is the FBOP then protecting citizens against the "Silent Invasion" of undesirables? Studies show that the undocumented worker is a hard-working, highly motivated, tax paying laborer.

Does the MCC then save taxpayers monies? As a group the Mexicans rarely use public services though they do pay the full range of taxes: federal, state, local and sales.

Will the MCC get rid of the Mexican worker and thus help Americans to find employment? The Mexican laborer is needed by small and big businesses who know that the average American laborer will not take low-paying, low status jobs.

The only clear purpose the MCC will achieve is the fostering of a socially adverse image of the Mexican worker and by implication of the Mexican-American worker.

THE LOS ANGELES MCC MUST NOT BE BUILT!

The illegal treatment of illegal aliens must be stopped. The LA community gains nothing from the construction of the proposed MCC. The illegal alien problem is not a criminal justice problem; it is an economic issue which must be resolved through appropriate legislative and community action. The LA MCC will only be a symbol of a racist solution to a basic economic condition. Clearly, the LA MCC must NOT be built.

FACTSHEET ON THE PROPOSED LOS ANGELES FEDERAL JAIL—THE METROPOLITAN CORRECTIONAL CENTER (MCC)

LOS ANGELES COALITION FOR
PRISON ALTERNATIVES,
Los Angeles, Calif.

THE PLAN

The Federal Bureau of Prisons (FBOP) plans to construct a huge, 500 bed pre-trial jail in downtown Los Angeles. This would be a Metropolitan Correctional Center (MCC).

THE COST

The cost to construct this 500 bed jail will total $22.5 million. Each bed cost $45,000. The yearly maintenance cost per inmate is $17,300 totalling $86.5 million per year. There is NO reason to incur this added cost

Currently, for pre-trial detention the FBOP pays LA County $5,475 per male inmate per year, and $10,950 per woman inmate. This averages out to $25 million. Compared to the above stated cost of LA MCC construction and operation, why build the MCC?

WHY BUILD?

The FBOP states that it needs the MCC to reduce overcrowding at the county jail and to house the rising number of captured illegal Mexican aliens. These are not compelling reasons. Consider—

Overcrowding can be dealt with through the use of existing pre-trial programs: the 10% Federal Court Deposit Bail program, Holds Clearinghouses, and OR programs. Sentenced prisoners can use community based alternatives. For example, the cost of keeping a person in a half-way house is $8,000 a year. Probation costs run at $3500 per year. Similar FBOP programs could be expanded also.

WHO'S LOCKED UP?

Illegal Aliens—are they filling up the jail? In the LA area over 35,000 Mexican workers are captured per year. Of these a mere 210 are detained as material witnesses to testify in trials against smugglers of aliens. The overwhelming number of aliens accept voluntary deportation within days of capture. Clearly, the illegal alien problem is NOT a criminal justice problem! Note that the Mexican worker is not charged with a criminal offense, and that most are deported voluntarily. According to our constitutional safeguards, these non-criminals must not be locked up in facilities set aside by law for criminals.

The Unemployed—the Congressional Budget Issue Paper on alternatives to incarceration published in January of 1977 cited a 94% correlation between prison admissions and unemployment rates. When unemployment goes up so do prison admissions!

Non-white Americans—since 1970 the FBOP has opened 15 new major prisons with a total of 4870 beds. Over the same period federal non-white prison admissions increased by 4900. Thus, every new federal bed has been filled by a non-white American. Of this number, 3 MCCs were built totalling 1149 beds.

SAN DIEGO EXPERIENCE

Many people in San Diego wanted a MCC for the same reasons now being given for the LA MCC. John Cleary, San Diego's Federal Public Defender, was an enthusiastic supporter of the MCC. Now he has publicly testified that the MCC has totally failed to fulfill its promises. At present in the MCC pretrial and sentenced prisoners do LONGER time than before in county jail. Lawyers have a more difficult time getting to their clients. And the community has been completely shut out from servicing local inmates.

STOP THE LA MCC!

Write to Congresspeople Edward Roybal and Yvonne Burke, House Office Bldg., Washington, D.C. 20515; Senator Alan Cranston, Senate Office Bldg., Washington, D.C. 20515; Judge Albert Stevens, Jr., Chief, U.S. District Court, 312 N. Spring St., L.A. 90012; and the Board of Supervisors, 500 West Temple, L.A. 90012.

TESTIMONY OF SENATORS ALAN CRANSTON AND S. I. HAYAKAWA

We wish to thank the members of the Judiciary Subcommittee on Penitentiaries and Corrections for the opportunity to submit testimony regarding authorization for a new federal prison on the West Coast. The Bureau of Prisons has requested $2.6 million for site acquisition, development, and design of a critically needed adult facility in the Western region. As the members of the Subcommittee are aware, the facility at McNeil Island in Washington is hopelessly outdated and unsafe for both staff and inmates. The planned facility on the West Coast would enable the Bureau of Prisons to close the prison at McNeil, and would help to alleviate the overcrowding of federal prisons in the Western region. Designed to house and closely supervise 500 adult offenders, the new facility would also include an adjacent 100-bed minimum custody camp. It is our recommendation that the authorization for this federal correctional institution be restored to the budget.

A more critical problem, as we see it—and one which has been described as a number one priority by the Bureau of Prisons—is that of the detention of federal prisoners in the Los Angeles area. The Los Angeles County Jail is presently being used to house federal detainees. The jail is severely overcrowded and the situation is becoming worse. Moreover, the City of Los Angeles has announced the closing of another facility, the City Jail, which will further exacerbate conditions. We have been informed by Sheriff Peter Pritchess of Los Angeles County that for these and other reasons the county plans to cancel its contract for housing federal prisoners within the next fiscal year.

The need for a temporary detention facility in Los Angeles has been thoroughly documented in oversight hearings held in the House of Representatives by the Subcommittee on Courts, Civil Liberties, and Administration of Justice of the Committee on the Judiciary on May 4 and 5 of last year. Norman A. Carlson, Director of the Federal Bureau of Prisons, summed up this need in his testimony before the subcommittee, as follows:

"Moreover, we are also having difficulty in the Central California area. Currently, we have approximately 275 Federal detainees housed in the Los Angeles County jail system. The County Board of Supervisors recently informed us that Federal prisoners have caused over-crowding in their system and urged us to find other alternatives for Federal detainees. Fifty additional detainees are being held at the Federal Correctional Institution at Terminal Island, just outside Los Angeles, a situation which exacerbates the overcrowded conditions in that institution. Furthermore, the Immigration and Naturalization Service is in need of better detention facilities closer to Los Angeles for its detainees. The Los Angeles situation is clearly going to require immediate attention."

The staff of the House Subcommittee on Courts, Civil Liberties and the Administration of Justice reported a year ago, "There can be little doubt that the Central Judicial District of California is on the verge of a serious crisis. There simply will be no place to put federal prisoners awaiting trial."

This is a conclusion with which we concur wholeheartedly.

The situation now threatens to deteriorate into what a federal judge in Los Angeles has described as being "impossible" for both defense attorneys and United States prosecutors. In fact, the Public Defender complains that conditions are so overcrowded for federal prisoners that they are being housed eight to a six-man cell so that two must sleep on the floor. Prisoners, consequently, have little opportunity for exercise and suffer from the many aggravations and indignities caused by living in such crowded conditions.

We are mindful of the fact that persons being detained for trial have not been found guilty of a crime. Every effort should be made to secure their release on bond as guaranteed by the Fifth and Eighth Amendments. But if a court finds it necessary to detain a person in order to assure presence for trial, then the person should be detained in a decent, well-administered, and conveniently located facility.

It has been suggested by some that the several jails which are to be vacated by the Los Angeles Police Department be used for the purpose of housing federal prisoners and detainees. This alternative is not feasible.

The Los Angeles Police Department is phasing-out these holding facilities because the State of California has advised the city that they are substandard. The state has made a similar determination with regard to the Men's Central Jail. It should be noted that federal standards for housing prisoners are significantly higher than those required by the state. It follows, therefore, that all of the facilities—those presently operated by the Los Angeles Police Department as well as those operated by the Sheriffs Department—are substandard insofar as federal requirements are concerned.

It is virtually the unanimous view of all persons directly involved in the prosecution, defense and trial of federal criminal charges in the Central Judicial District that a Federal Metropolitan Correctional Center is required, would not result in unnecessary or increased incarcerations and, on the contrary, would result in substantial improvements in the well-being and fair treatment of federal detainees awaiting trial.

We are satisfied that in the Central Judicial District all available alternatives to detention and housing of federal prisoners have been exhausted. Therefore, we strongly urge you to authorize the necessary funds for the building of a Metropolitan Correctional Center in Los Angeles.

Hon. ERNEST F. HOLLINGS,
Chairman, State, Justice, Commerce and Judiciary Subcommittee, Senate Committee on Appropriations, Washington, D.C.

DEAR FRITZ: We are writing to ask that $2.3 million be appropriated for site acquisition and planning of the proposed Los Angeles Metropolitan Correctional Center. A copy of our previous letter of March 24, 1978, is enclosed.

We understand that the Subcommittee on Appropriations for the Department of State, Justice, Commerce, the Judiciary, and Related Agencies plans to follow the Senate's version of the authorization bill for the Department of Justice (S. 3151). We had intended to offer an amendment to S. 3151 to authorize funds for the construction of the Los Angeles Metropolitan Center. But upon the assurances of the floor manager of the bill that he would accept the House provision for such an authorization, we did not offer our amendment. A copy of Senator Hayakawa's statement made during the actual consideration of S. 3151 is enclosed. Therefore, we ask that you consider the House authorization as a guide in considering our request.

We understand that an appropriation of $22.9 million—the original estimate submitted to the Office of Management and Budget by the Bureau of Prisons—would be necessary for completion of the planning, site acquisition, and construction phases of the proposed Los Angeles Metropolitan Correctional Center. However, a $2.3 million appropriation (10–12 percent of the total project cost) for planning and preparation would satisfy the initial budget requirement for the facility.

Thank you for your consideration of our request.

Sincerely,

S. I. HAYAKAWA.
ALAN CRANSTON.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., July 24, 1978.

Hon. S. I. HAYAKAWA,
U.S. Senate
Washington, D.C.

DEAR SAM: Thank you for the letter that you and Senator Cranston addressed to the Subcommittee with further regard to the Los Angeles Metropolitan Correction Center. We discussed this during our hearings and found that the Bureau and Department had supported this request. However, the Office of Management and Budget had turned it down as the policy is to use local facilities for detention of Federal prisoners.

As you note, this Subcommittee has been following the Senate version of the authorization for the Justice Department's appropriations. This is all we really can do under the circumstances.

While I certainly appreciate the need for this facility, I believe we ought to allow the authorization bill to be finalized. The House has not yet considered their version (H.R. 12005) so that the appropriations of the planning and site acquisition funds appears premature at this time. It also seems to me that after the authorization is enacted there would be a better chance of the Office of Management and Budget approval

for a supplemental appropriation. This would solve another problem; namely, the lack of a budget estimate.

With warmest personal regards.

Sincerely yours,

ERNEST F. HOLLINGS,
Chairman, State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee.

UP AMENDMENT NO. 1579

Mr. WALLOP. Mr. President, I call up an unprinted amendment which I send to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. WALLOP) proposes an unprinted amendment numbered 1579.

Mr. WALLOP. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 24, insert the following before the word miscellaneous": "expenses for the appointment of special prosecutors and for the carrying out of their designated responsibilities;"

Mr. WALLOP. Mr. President, I have discussed this amendment with the managers of the bill. As far as I know, the amendment is acceptable. But I would say to the Senate that it would merely provide in title II of the bill, under "Legal Activities, Salaries and Expenses, General Legal Activities," the ability to expend moneys for the appointment of special prosecutors and for the carrying out of their designated responsibilities.

It does not add any expense to the bill. It does not allocate any specific amount. It merely provides that the expenses for the appointment of special prosecutors and for the carrying out of their designated duties shall come from the moneys appropriated for the general legal activities of the Justice Department. This amendment will make it clear that funds are available for the appointment of special prosecutors and for the execution of his lawful responsibilities.

I think it is in the interest of legislation previously passed by this Senate in the body of S. 555.

I simply say that I doubt there is any controversy around it and I ask the managers to comment.

Mr. HOLLINGS. Mr. President, it is correct, the authorization bill, as stated, says the funds could be expended when authorized. So here we are with proper language that would allow that expenditure.

If it is agreeable with my colleague. we would be willing to yield back our time and adopt the amendment.

Mr. WALLOP. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment (UP amendment No. 1579) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

UP AMENDMENT NO. 1580

(Purpose: To prohibit the purchase of transportation on foreign flag carriers with appropriation under this act if transportation on U.S. carriers is available)

Mr. CURTIS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS) proposes an unprinted amendment numbered 1580:

On page 57, line 1, insert the following:

Section 605. No part of any appropriation contained in this Act shall be used to purchase transportation on Foreign Flag carriers if similar service is available on U.S. flag carriers.

Mr. CURTIS. Mr. President, this is a buy American transportation requirement. It means that if the taxpayers of the country pay for the airine ticket, it must be on a U.S. airline, if there is similar service to what they need.

Now, our airlines in the United States are an important industry. They are a tax-paid industry. I believe if Government employees and officers fly abroad or domestically, they should use the American airlines.

If there is no similar service to what they need, or no service they need, this does not apply. But where they can, they are required to use the U.S. airlines.

I would call attention to the fact that there is another reason why this is fair.

Many of the foreign airlines are government owned and our private airlines have to compete.

Mr. President, I am hoping the committee might accept it.

Mr. WEICKER. Mr. President, I am certainly prepared to accept the amendment, but I ask for a copy of it.

No part of any appropriation constained in this act shall be used to purchase transportation on foreign flag carriers if similar service is available on U.S. flag carriers.

Let me give the distinguished Senator from Nebraska an explanation of my reasons for the question that follows.

Mr. CURTIS. Yes.

Mr. WEICKER. Mr. Robert Strauss has been flying the Concorde and, very frankly, he was admonished by our committee on that point.

Now, he would argue that similar service is not available in the sense of time. I think I know what the Senator from Nebraska means. He is talking about similar service; and let us establish the record, in the sense of cities or points to be served.

Mr. CURTIS. That is correct.

Mr. WEICKER. Not in the sense of time.

Mr. CURTIS. That is correct.

Mr. WEICKER. I support the amendment, but I wanted to make it clear just because the Concorde flies in 3½ hours and the 747 takes 6 hours, it does not give an excuse to fly the Concorde.

Mr. CURTIS. Yes.

Our intention is this, that the only excuse for flying on foreign airlines is that our lines do not fly to that place.

Mr. WEICKER. That makes the record very clear.

I certainly accept the amendment.

Mr. HOLLINGS. I am prepared to accept the amendment and I yield back the balance of my time.

Mr. CURTIS. I yield back the balance of my time and I thank the distinguished Senators.

Mr. President, I ask for the vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska.

The amendment (UP Amendment No. 1580) was agreed to.

Mr. CURTIS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.)

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1581

(Purpose: To provide funds for antiarson programs)

Mr. GLENN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN), for himself, Mr. KENNEDY, and Mr. MAGNUSON, proposes an unprinted amendment numbered 1581:

On page 31, line 20, strike the period and substitute in lieu thereof:

": *Provided*, That of such sum no less than $1,000,000 shall be for anti-arson programs."

Mr. GLENN. Mr. President, three aspects of this bill relate to the fight against the vicious crime of arson-for-profit. Specifically the appropriations for the FBI—the investigative arm of the Justice Department, the appropriations for the Law Enforcement Assistance Administration, and the appropriations for the National Fire Prevention and Control Administration of the Department of Commerce, to which this amendment addresses itself.

I submit this amendment on behalf of myself, Mr. KENNEDY and Mr. MAGNUSON.

First, let me assure the distinguished chairman and ranking minority floor manager, that I strongly support the generous levels of funding that you have provided the FBI, LEAA, and NFPCA. You have taken sound steps to maintain and strengthen these important agencies in their vital missions. I commend your diligence and thoroughness. The colloquy that I wish to engage in and the amendment that I plan to offer are both designed to clearly establish certain internal priorities within these agencies.

I. MAKING ARSON A "MAJOR" CRIME

Mr. President, my involvement with the arson-for-profit issue began over a year ago when I introduced S. 1882. the Arson Control Assistance Act of 1977. S. 1882 sought to correct a very unfortunate, misleading and I think misguided practice of the FBI's uniform crime reports system. At present, arson is not considered a "major" crime for the purposes of the FBI statistical crime index.

Murder, forcible rape, robbery, assault,

burglary, larceny, and auto theft are so classified and arson is not, even though human and property losses from arson often exceed those of these other major crimes. The quarterly FBI crime reports have become social indicators for the American public. They tell us what crimes are on the increase or decline, what pattern is criminal activity taking, and so on. They help mobilize the public. They help inform us as to what our crime-fighting priorities should be and how to deploy our resources.

Yet arson does not appear on this list of crimes reported quarterly. Over the past 10 years 30,000 South Bronx buildings have been destroyed by arson, 3,000 fires per year, nearly 8 per day, roughly 250 per month. Arson has increased an estimated 400 percent over the past decade. An estimated 1,000 people, including 45 firefighters, die each year in arson fires; 10,000 people are injured annually. Insurance losses exceed $3 billion. Only 9 persons are arrested, 2 convicted, and 0.7 incarcerated per every 100 fires classified as incendiary or suspicious. Only yesterday, our Permanent Subcommittee on Investigations had sworn testimony as to organized crime's involvement in arson. Mr. President, we have a costly and vicious arson crime epidemic on our hands, and the FBI's uniform crime reports does not even measure it or reflect it.

Under present procedures, to become a "major crime," thus required to be reported by the 11,000 participating jurisdictions that contain 94 percent of U.S. population, an approval vote must be taken by—does anyone think the FBI? No—by the International Association of Chiefs of Police. For 50 years, despite changes in circumstance, the development of newer, more sophisticated crime, no additions have been made to the major crime category.

Why? Mr. President, I asked that question over and over at 2 full days of hearings. The answers ranged from the difficulties involved in determining and reporting arson, to failure of cooperation among police and fire agencies, to desires to protect the image of stable or decreasing crime rates. Mr. President, none of these reasons is satisfactory for equating arson with such offenses as vagrancy, public intoxication, and violating curfews, all of which are so-called part 2 crimes not required to be reported by participating jurisdictions. One of the recurring comments by all who have investigated the arson problem is that the lack of coherent statistical material on arson severely hinders enforcement efforts.

If I burn someone's business, it is classed in the same class as drunkenness. If I burn someone's store, it is classed in the same class as vagrancy. To me, that is inexcusable, in this day and age of 1978.

Mr. President, obviously I could continue with this at great length. I have held hearings, I have tried by legislative edict to reclassify arson. I have inserted volumes of GAO materials, Batelle Institute materials, and other items into the RECORD, trying to stir interest and to take the mantle of respectability off this crime. Part of S. 1882 was made part of the Criminal Code revision that passed the Senate. I will not belabor this appropriations bill with legislative language. I would, however, like to ask the distinguished floor leaders, is it the intent of the committee that the FBI's uniform crime reporting system be utilized to its fullest by aiding in the fight against arson and that the Attorney General is urged to take steps to see that arson is classified as a major index crime for the purpose of the uniform crime reporting system?

Mr. HOLLINGS. The answer is, "Yes."

Mr. President, I have discussed this with the distinguished Senator from Ohio. I have some misgivings about the FBI's approach to the crime of arson. For years, it has been listed with the minimal offenses. I know they want to try to stay out of the State picture and the further assumption of any regularly instituted or accepted public enforcement of crimes at the State level. But the truth is that this has gotten to be a national problem, and we looked upon the budget in a similar fashion. So we appropriated everything the National Fire Prevention Control Administration asked for. We gave them an additional $500,000 to develop a new residential sprinkler standard.

The proposal by the Senator from Ohio presents a salutary recognition of the concern that Congress and the people of the country have of arson in a national sense.

So I would go along with that language setting aside that $1 million of the $18 million for arson, earmarking it, and otherwise making certain that Justice follows on with its crime reporting service.

Mr. CHAFEE. Mr. President, will the Senator from Ohio yield me a couple of minutes at his convenience?

Mr. GLENN. I will do so later.

II. INCREASED LEAA ANTI-ARSON EFFORTS

Mr. President, from 1975 to 1977 out of $2 billion in LEAA funds provided to local law enforcement agencies, only $1.7 million went for arson control activities according to the GAO. Let me quote from their report of May 31, 1978:

> There has been no Federal commitment for a coordinated and concerted effort at helping State and local communities deal with the arson problem through research or training and funding for State and local investigators and prosecutors.

Clearly, Mr. President there is need of an increased LEAA effort and higher priority to helping localities and States fight the growing arson menace. Is it the intent of the committee that LEAA give a high priority to providing increased antiarson assistance?

Mr. HOLLINGS. I hope they will. The answer to the Senator's question is "Yes," that we want them to give a high priority to it; and I am confident that they will take note of this particular colloquy and do so.

Mr. GLENN. I thank the Senator.

III. 1,000,000 FOR INCREASED NFPCA ANTI-ARSON ASSISTANCE TO UNITS OF LOCAL GOVERNMENT

The committee has been very generous in meeting NFPCA's budget request. According to the GAO, NFPCA has become the Federal focal point for providing substantial antiarson assistance to units of local government. I know that its leadership is committed to the fight and I am particularly impressed that in its budget request, it indicated planned activity in education and training of fire personnel, public fire education, an urban fire loss reduction project, a National Fire Data Center, and fire technology and management research. All of these activities are particularly vital to the antiarson effort.

My amendment goes a bit further. It directs the Administrator to devote $1 million of his funds to antiarson programs. These programs help local communities improve their own investigative capacities. Specifically, I would like to see accelerated development of some of the new vapor detector technologies. I would like to see rapid development of antiarson kits such as the arson predictors perfected by Mr. David Scondras of the city of Boston. I would like to see further development of arson incentive reductions systems and increased training for State and local fire investigators.

Mr. President, this amendment is an earmarking amendment. It is entirely consistent with the committee recommendation and attempts to spell out some specific priorities for NFPCA. Nothing that the committee recommends would not be funded. Within the aggregate of urban fire loss, research and development, fire technology, and other NFPCA programs my amendment directs that arson be given at least $1 million worth of priority.

My intent is to enhance NFPCA's capacity to assist local communities in improving their arson investigative capacities. This amendment may require a slight redirection of funds by NFPCA or it may not. NFPCA may spend more than $1 million for the arson fight. The message of the amendment is clear. It is that this Congress intends to make the fight against arson a real priority. Arson is one of our Nation's top fire and crime problems and it is vital to get the necessary technolgy and expertise out into the field to help local officials catch up with and get on top of this growing criminal menace.

Mr. President, only yesterday at our permanent Subcommittee on Investigations hearings we had the spectacle of an admitted professional criminal testifying to the ease with which he has torched buildings for hire. This man and others call arson the easiest crime.

Mr. President, I strongly urge the adoption of my amendment. This action plus the direction that we have given the Attorney General and the LEAA will, I think, begin to correct a serious problem with respect to Federal priorities on the crime of arson. The problem was described by Comptroller Staats when he said in the May 31 report:

> The Federal law enforcement community does not view this particular crime as deserving any special priority.

Mr. President, I hope that we are beginning to change this. We simply must stop the spectacle of entire neighborhoods turning into block-by-block rubble and of our public officials "winking"

at it because the perpetrators are so often "respectable" citizens "trying to make a buck." Let us pull no punches, arson perpetrators are among the worst criminals in this society. They are destroying homes, businesses, and entire neighborhoods and in the process taking innocent lives and increasing everyone's cost of insurance. It is time for aggressive Federal action and I commend and congratulate the committee for taking the lead.

Mr. President, I ask unanimous consent that an article from the Washington Post of Saturday, July 29, 1978, entitled, "In Seattle if You Start a Fire You Are Going To Get Caught," be printed in the RECORD. It is an outstanding example of what can be done in arson prevention and it is the type of thing we are trying to spread from Seattle to other parts of the country.

There being no objection, the article ordered to be printed in the RECORD, follows:

IN SEATTLE, "IF YOU START A FIRE, YOU'RE GOING TO GET CAUGHT"

(By Neal R. Peirce)

SEATTLE.—While headlines proclaim that arson is spreading like a prairie fire, this city has demonstrated how concerted action can dramatically reduce arson incidents and the losses to property—and often life—that go with it.

Only a handful of other cities—among them Houston, Los Angeles, New York's South Bronx, Boston and Lynn, Mass.—have launched anti-arson campaigns in any way comparable to Seattle's. But the formula, explains City Councilman Randy Revelle, is deceptively simple:

"Make arson a priority crime. Establish a specialized arson unit within the fire department; combine its investigative work with that of the police department. Provide arson investigations training—that's absolutely critical. And involve local insurance companies and the media in anti-arson campaigns."

Richard Hargett, commander of "Marshal 5," the Seattle Fire Department's arson unit, says that by 1975 arson had become "the most serious problem facing the fire force." Between 1971 and 1974, losses in Seattle had soared from $621,000 to $3.2 million. It was feared they would hit $4.4 million in 1975.

But with its new program, Seattle reduced fire losses to $2.6 million in 1975. Last year the figure was down to only $1.7 million and will probably be less in 1978. Arson incidents went down while arrests and convictions went up: In 1974, there were 622 arson incidents, with only 73 arrests; last year, incidents were down to 518, arrests up to 217, and 196 of those arrests resulted in convictions.

Seattle's turnaround stands in stark contrast to the epidemic-like spread of arson nationwide. The insurance industry estimates that national losses last year were close to $4 billion, up from only $634 million in 1975 and a mere $68 million a decade before. Arson accounts for 40 percent of all property losses, the insurers believe, and now kills about 1,000 people a year and injures 10,000 more.

How did Seattle turn the table on the arsonists?

The credit begins with Fire Chief Frank Hansen, who reasoned that the causes of arson were so complex that no single "cure" would work. So he persuaded then-mayor Wes Uhlman to set up a task force including representatives of the city fire and police departments, the mayor and city council, the county prosecutor, Seattle Chamber of Commerce and the state's insurance council.

Early on, the task force discovered arsonists had good reason to believe they would get away with it. Nationally, for every 100 cases of known or suspected arson, only nine persons are arrested, only two are convicted and seldom is anyone actually jailed. The reason: Arson is difficult to detect because incriminating evidence such as fingerprints, is often destroyed in the fire.

But Hansen publicly laid down the gauntlet to would-be arsonists. Many city and private agencies would be watching them, he said. "From now on, if you start a fire, you're going to get caught. And when you're caught, you're going to jail."

Delivering on that promise required tackling a problem that has plagued effective anti-arson work everywhere: lack of cooperation between police and fire departments. Typically both agencies claim authority, but neither gives arson proper attention or manpower.

Fire fighters rarely have the investigative skills to solve the more sophisticated cases, and police find arson "unglamorous" compared with robbery and murder. Jurisdictional confusion means neither department pursues arson to the point of prosecution.

Hansen solved the problem by convincing the police to give the fire department authority over arson from initial investigation through prosecution. But he persuaded the police to assign to the fire department two detectives to assist in investigations. Police/fire department tensions melted away; today, police and fire fighters share tips on arson and other crimes and the police often back up the fire department with assistance in surveillance and stakeouts and use of police helicopters, district patrol cars and communications systems.

Training for all arson-squad members includes basic law-enforcement techniques and sophisticated crime labwork. The Marshal 5 squad investigates all fires causing over $1,000 damage, and can crack seemingly insolvable arson cases. "Arsonists tend to believe they have destroyed all traces of their crime in the flames; what they fail to realize and what gives us the edge is that the very ashes that are left are where we find our clues," says Inspector Jack Higham.

The motives for arson are several: A business competitor or a disgruntled employee or even a shunned lover may seek revenge. A burglar or a murderer may try to cover up another crime. A child playing with matches may be mentally retarded or making a bid for attention. A would-be "hero" may set fires to receive accolades for discovering them. "Arson is just another means of assault." Hargett says. "It's less risky—there's no face-to-face conflict. The chances of being identified are almost nil."

Finally, there's arson for profit by financially troubled businessmen or homeowners seeking to collect insurance money. Despite the publicity surrounding such events as the arrest of 33 "respected" Bostonians in an arson ring last year, the number of fraud fires is actually small. But the dollar losses are great.

Seattle attacked the motives one by one. Since 50 percent of Seattle fires were set by juveniles, reaching them was a top priority. A United Way agency was hired to counsel children who displayed an "unusual" interest in fire; the fire department created an "arson rat" as the symbol of arsonists and received more than 5,000 entries in a campaign to name him. The winning entry: "Sinder Sid."

Neighborhods and business districts with high arson rates were identified; each night between 11 p.m. and 3 a.m. fire fighters travel through them in highly visible vehicles, clearly marked "Community Fire Alert/Arson Patrol." The patrol operates on tips from private citizens, employees of failing businesses, or health and liquor inspectors who may learn that a bar or restaurant owner is contemplating arson. "If we've been given a tip a building might burn or see four garbage-can fires in a small area, it's often a way for us to catch arsonists and put out a fire quickly," Hargett says. The presence of vehicles with red lights on top and spotlights make some residents nervous, "but we want everyone to know they're there," he adds.

Insurance companies agreed to withhold payment of large-loss fire claims when the policyholder may have been responsible. And the benefits of the Seattle effort spread statewide when the insurance industry set up a $5,000 pot to reward "secret witnesses" and underwrote a statewide toll-free arson hotline. The program is particularly valuable to small towns where residents often don't know who to call to report information, or are afraid of being traced.

Finally, Seattle newspapers and television stations cooperated in a long-term publicity campaign about the arson problem and the success of investigations. A four-week television series on arson produced by a local station even won an award for investigative reporting.

But the cost to the taxpayers of the entire Seattle effort is only $100,000 a year. It's an investment even the most ferocious taxpayers' association might find worthwhile.

Mr. GLENN. Mr. President, I would be glad to accept any statement the floor manager of the bill may have. He already has expressed himself as being in favor of this, and I would be prepared to yield back any time.

The chairman of the Appropriations Committee has indicated his support for this, and I will be happy to accept a voice vote.

Mr. HOLLINGS. I thank the distinguished Senator from Ohio. We are prepared, I believe, to yield back.

Our friend from Rhode Island wishes to be recognized, and I yield the time necessary.

Mr. CHAFEE. Mr. President, I merely rise to congratulate the Senator from Ohio on this amendment and to say that he has been a leader in the efforts in this field.

Last year I had the privilege of cosponsoring with him an amendment to make arson a major crime which would be reportable by the FBI and thus hopefully receive more attention and if it would be agreeable with him I wish to be added as a cosponsor of his amendment.

Mr. GLENN. I am honored to have the Senator included.

Mr. CHAFEE. I ask unanimous consent that I be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I recognize that this does not increase the amount of money under this particular appropriation but it earmarks it for efforts in this area of arson which is the fastest growing crime in the United States which is one of the most costly, which is one of the most costly in lives as well as property, and the extraordinary thing is as has been pointed out by the Senator from Ohio that something can be done about arson. It has been accomplished in the city of Boston, it has been accomplished also where and if we can only get these lessons out to our fire departments I think we can make considerable progress.

So I congratulate the Senator and I know the Senator from Massachusetts has been active in this also and I wish to pay tribute to him as well.

Mr. GLENN. I thank the distinguished Senator from Rhode Island.

● Mr. KENNEDY. Mr. President, I want to add my strong support to the amendment offered by my colleague from Ohio, which will redirect $1 million in appropriations for the Department of Commerce to bolster a national arson prevention program.

The need for a concerted, nationwide effort to combat arson is clear. An arson fire is set every 1 minute in the United States. The costs are estimated to be between $1½ billion per year in property loss. More dollars are lost due to arson than the crimes of robbery and larceny/theft combined. And arson is a killer. An estimated 1,000 lives are lost a year in arson fires, and between 10,000 and 15,000 people are injured.

My own State of Massachusetts has taken the lead in the development of an arson early warning system, and in developing a model State arson prevention plan. The combined efforts of State and local law enforcement authorities and concerned community groups were responsible for the arrest of 34 persons involved in a $6 million arson-for-profit ring in Massachusetts.

We can learn from the Massachusetts experience. This amendment will permit other American cities to replicate the techniques being developed in Boston to detect and prevent arson schemes. The arson early warning system provides cities with a tool to predict arson. Key factors such as mortgage-cash ratios, number of building conveyances/tax delinquency, and history of previous ownership can be monitored using the arson early warning system. When these factors combine to predict a high probability of arson, fire and law enforcement officials are altered to take appropriate prevention and surveillance actions.

In Boston, publicity about the system and the arrest of the 34 members of the arson ring operating in that area resulted in an immediate 74-percent drop in suspicious fires according to Fire Commissioner George Paul.

The General Accounting Office report of May 31, 1978, pointed out the need for greater Federal action to coordinate and provide overall direction to our national arson prevention and control effort. Arson is a complex and multifaceted problem. Some of the greatest successes in arson prevention have come when several agencies, each responsible for a piece of the problem, coordinate their efforts. The successful arson prosecution in Massachusetts clearly demonstrates that properly coordinated action can work.

At the Federal level the National Fire Prevention and Control Administration has emerged in this leadership role. This amendment will direct the National Fire Prevention and Control Administration to focus resources on the dissemination of the arson early warning system to other American cities and to support the development of other antiarson programs.

Mr. President, at a time when arson is growing at a frightening rate, up some 53 percent between 1974 and 1977, we must effectively utilize Federal resources to combat this insidious crime. That is the purpose of this amendment, and I urge my colleagues to strongly support its enactment.●

Mr. GLENN. Mr. President, I am prepared to yield back the remainder of my time if the floor managers are prepared to vote.

Mr. HOLLINGS. We yield back the remainder of our time, and I ask for adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. GLENN. I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. GLENN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The Senator from Wisconsin has been recognized.

Mr. PROXMIRE. I shall be very brief.

Will the manager of the bill yield me 2 minutes?

Mr. HOLLINGS. I am delighted to yield.

WE SHOULD NOT PROVIDE A GOVERNMENT CAR FOR EACH ASSOCIATE JUSTICE

Mr. PROXMIRE. Mr. President, on page 36, line 8 of this bill, the Senate committee added language for the "hire of automobiles for the Associate Justices," and provides $28,000 in the bill to lease one car for each of the eight Associate Justices.

It was my intention, at the appropriate time, to raise a point of order against this provision under rule XVI of the Senate Rules which provides that there can be no amendments to add a new item of appropriation, unless it be made to carry out the provisions of some existing law and that an appropriation bill cannot contain "new or general legislation."

But I have discussed the point of order with the Parliamentarian who has told me that while it is a close case, the point of order would not lie. So I will not press it.

Title 31, section 638a of the United States Code provides that "no appropriation available for any department shall be expended" for any passenger automobile "not used exclusively for official purposes." It then goes onto say that "official purposes shall not include the transportation of officers and employees between their domiciles or places of employment."

It then exempts certain persons from the provision of the law. They are:

First. Medical officers on out-patient duty;

Second. Officers and employees engaged in field work the character of whose duties makes such transportation necessary;

Third. The President of the United States;

Fourth. The heads of executive departments enumerated in section 101 of title 5 which enumerates only the Secretaries of State, Defense, Treasury, Justice, et cetera, but not any of the Undersecretaries or subordinates, and

Fifth. Ambassadors, Ministers, and other diplomatic and consular officials.

That applies to the executive branch and means that none of the funds in this bill for the Departments of State, Justice, and Commerce can be used for a car for the exclusive or personal use of anyone except the Secretary and those defined in the other exceptions.

With respect to Congress or the judiciary, we can appropriate funds for cars for personal use, including being driven to and from home, only to carry out some existing law. As a practical fact this is true only for the Chief Justice, and the leadership of the House and Senate.

There is no provision of law providing a car for the personal use of each Associate Justice.

But every time we raise this issue, someone says, "Why don't you cut out the cars for everyone."

The answer to that is that we already have laws limiting who can have a car for their personal use. The funds in this bill can be used for a car for the Secretary of State, the Secretary of Commerce, and the Attorney General as well as certain diplomatic officials abroad. That is the law and I am not complaining about it. Further, if a change were to be made in that law, this bill is not the place. It should be done on an authorizing bill or a general piece of legislation, not an appropriations bill.

But the law does not provide cars for Associate Justices of the Supreme Court and this bill does provide money for cars for them. Because of that fact I intend to raise a point of order.

Furthermore, quite apart from whether there is a law, it is my view that we should not provide a car for each Associate Justice in this bill or elsewhere. Here is why:

NO REQUEST

First of all, there is no request for the money. Such a request has been made in the past but there was no request this year and those in the past, quite properly, have been turned down.

NOW IS THE WRONG TIME

Second, it is ironic that at a time when the general thrust of Government has been to diminish the perquisites and to downgrade the imperial Presidency we should initiate a move to give an automobile to each of the Associate Justices. We no more need an imperial judiciary or an imperial legislature than we need an imperial Presidency.

President Carter set a marvelous example for the country when he walked the inaugural route. Then he ordered automobiles for his personal staff at the White House to be done away with.

Further, Mr. President, the law which applies to the executive branch of Government provides that automobiles can be used only for "official purposes" and "official purposes" does not include being driven to and from home. That is title

31, section 638a of the United States Code.

Especially since President Carter has come into office and to some degree since the onset of the 1973 OPEC price rise and energy crisis, this law has been enforced to a greater degree than before.

Small cars were substituted for large cars.

Officials not entitled to personal cars have given them up or had them taken away.

Pool cars have been used for required official business.

But at a time when all this is happening, the Senate on its own initiative is providing in this bill a car for each of the eight Associate Justices.

SHOULD NOT LOSE TOUCH WITH THE PEOPLE

Third, most people in this country get themselves to and from work. This is true of most high corporate executives as it is true of the man or woman who works on the shop floor.

Those in Government, above all, should get themselves to and from work. In Senators and Congressmen and heads of agencies and Under Secretaries and Assistant Secretaries and Chairpersons of Commissions are driven to and from work like ancient potentates, they soon think and act like potentates.

The principle is that while they should be paid salaries in keeping with their background, training, and professional qualifications, when they are in government they should not get rewards and emoluments that are so far removed from those of the average or ordinary or even upper middle income and professional families in this country that they lose touch with the problems faced by the people.

ADEQUATE SALARIES TO PAY FOR OWN CARS

Fourth, Mr. President, there is no question at all that the $72,000 a year paid to each of the Associate Justices is sufficient for each of them to afford one or more automobiles and to afford the cost of getting themselves to and from work.

Each of us, on our way home, has seen one or more of the Associate Justices driving his car down Constitution, Pennsylvania, or Independence Avenues.

As I said, it is ironic that at a time when the country is alarmed at the cost of government and the perquisites of government, and when people rightly are not treating the President as a king, we should be providing automobiles for each of the Associate Justices.

WALKING IS GOOD EXERCISE

Associate Justices like Senators or Congressmen can choose either to drive themselves to and from work in their cars or they could go one step further and walk to work.

Walking is probably the single best form of exercise there is. As the report on Executive Health for July 1978, a report whose editorial board includes some of the greatest doctors and scientists in the United States, states:

Walking is the most efficient form of exercise . . . and the only one you can safely follow all the years of your life.

It goes on to state that walking and exercise help to maintain the body's vital reserve, keep the bones from demineralizing, exercise the lungs, help the cardiovascular system, slow down the onset of emphysema, help correct obesity, can reverse late-onset diabetes, permit greater food intake and better blood circulation, aid the arthritic, and improve the quality of life.

In a recent period of our history the Supreme Court has been criticized as a court of nine old men. The best thing we can do for the Court, to keep them alert and bright and healthy, to help them get blood and oxygen to the brain, and to keep their opinions clear and lucid, is to turn down this request. The worst thing we could do is to provide a Government car so that even when they are tempted to walk they will ride.

At a time in life when many Justices are beginning to suffer from the ravages of age, the worst thing we could do is to provide them a car.

Not only is this point true in general but it is true in particular.

Probably the two greatest modern Justices were Holmes and Brandeis.

Brandeis was on the court until he was 82 and died at age 85. Holmes outdid Brandeis. He left the court at 90 and died at age 94.

Both were vital, active Justices until they retired.

Holmes and Brandeis often walked to work. In the writings of Justice Holmes and in the biographies about him, there are numerous references to the fact that he walked to work, often with Brandeis or his clerks or associates. One of the most descriptive passages of Washington, D.C., itself is found in one of Justice Holmes' ceremonial speeches entitled "Law and the Court," which he gave to the Harvard Law School Association in 1913.

He is describing his vision of the future and his glimpse of peace. Here is what he said:

The other day my dream was pictured in my mind. It was evening. I was walking homeward on Pennsylvania Avenue near the Treasury, and as I looked beyond Sherman's Statue to the west the sky was aflame with scarlet and crimson from the setting sun. But, like the note of downfall in Wagner's opera, below the sky line there came from little globes the pallid discord of the electric lights. And I thought to myself the Götterdämmerung will end, and from those globes clustered like evil eggs will come the new masters of the sky. It is like the time in which we live. But then I remembered the faith that I partly have expressed, faith in a universe not measured by our fears, a universe that has thought and more than thought inside of it, and as I gazed, after the sunset and above the electric lights there shone the stars.

Mr. President, those elegant words would never have been spoken by Justice Holmes if instead of walking home down Pennsylvania Avenue he had been driven in a Government car. And I think it is fair to say many of his eloquent dissents would not have been written nor would he and Brandeis have lived as long and as constructively if they had ridden instead of walked.

Mr. President, what was good enough for Holmes and Brandeis is surely good enough for White and Stewart, or Powell, Rehnquist, and Stevens.

We should not be thrusting a car upon them, as this bill does.

For all these reasons: It was not requested. If done, it should be provided or authorized by a legislative committee. The House does not have it in their bill. It is out of step with the times. Justices should not lose touch with the people. They have more than adequate salaries to afford their own cars. Walking would do more to keep both their bodies and minds in good condition. The greatest of all modern Justices, Brandeis and Holmes regularly walked from their homes to the Court.

I hope the House of Representatives will hold firm in conference and not permit the expenditure for these cars, and I will not press my amendment.

Mr. HOLLINGS. Mr. President, responding to the record made by my distinguished colleague from Wisconsin, I understand and generally feel similarly with respect to economy that we should not go off in largesse and particularly go to the appropriating that which has not been requested. I have been working on this bill for some years. I remember back when our distinguished former chairman of the committee was then chairman of the subcommittee, the Senator from Arkansas, Mr. McClellan, and I handled the hearings for him. It goes back then at least 6 years. At that particular time the general atmosphere was not good for our U.S. Supreme Court. There was someone ready to give a home to the Chief Justice, and everything else like that, we could not accept it. There were too many lawyers. We should cut out all the lawyers.

The majority leader was particularly harsh I thought on lawyers, and for the court we never could get anything accepted. They were asking at that particular time for transportation. In the sense now they learned that lesson not to ask so you do not find the request there.

But I am very much attuned to the particular need when we consider, Mr. President, not only the cars that we have in the legislative branch but to the sum 871 cars overseas for the Department of State with 140 dedicated to particular chiefs of mission. They all get a car. You have within the country here over 74 particular cars, one for the Secretary of State. There is one assigned to the Deputy Secretary. One assigned to the Under Secretary for Political Affairs. One assigned to the Under Secretary for Economic Affairs. Another assigned to the Under Secretary for Security Assistance. And I could go right on down to various ambassadors and ambassadors at large, and everything else of that kind. Obviously even an administrator, if you want, for example, in our own Commerce Department they have some—I do not know how many vehicles there—but if you call for the Director of NOAA—a very fine gentleman, Mr. Dick Frank—he will call for his car and he will come down and get you.

Now, there you are. That is the approved system and procedures that we have automobiles and as long as you

are going to have it if you are going to cut out everyone else fine business, but when you get the Supreme Court Justices all of them as attorneys could make easily $100,000 to $200,000 in their own right. They do not need the car. But they need that particular convenience. They do not need the chauffeur and we did not make any provision for a chauffeur. But with respect to the other branches of Government and everything else I think it is demeaning to deny it. I want to provide it. I am sure they can use it just as wisely and under the rules and regulations in official capacities as pertaining to the other departments.

I am glad to have this colloquy with my friend.

I yield then back to the Senator from Ohio.

Mr. MUSKIE. Mr. President, I would like to commend the distinguished Senator from South Carolina for his efforts in shaping and reporting the appropriations bill before us. It is clear that he brought to this task the same critical judgment on spending priorities that he exercises so well as a member of the Budget Committee.

I would like to draw the chairman's attention to one provision in the report accompanying the bill and solicit his assistance in clarifying that language. On page 44 of the report the last paragraph in the provision describing the appropriation for administration of the economic development assistance programs, the committee conveys its strong recommendation that economic development representatives be maintained in each State and that provision for an economic development representative in each State not be adversely affected by reorganization efforts. I heartily endorse the committee's position in that regard and look forward to location of a regional office in New England with, I might add, mounting impatience. State economic development representatives can play a vital role in assuring that economic development assistance programs are made available to local communities. I share the committee's concern that these positions be maintained in each State. I would ask the chairman's assurance that we are not, in this report language, attempting to tie the hands of Economic Development Administration officials in the area of personnel management. I assume that the committee, in the language on page 44 is referring to retention of these positions and not attempting to freeze particular individuals.

Mr. HOLLINGS. The Senator is correct. In fact we have added $1.3 million to the EDA administrative budget to give them the sufficient personnel to open up the regional offices without bothering the present setup in the States. We need EDA personnel at both locations—in the States and the regions.

UP AMENDMENT NO. 1582

(Purpose: To prohibit the use of appropriated funds for the Advisory Committee on the Bureau of the Census)

Mr. GLENN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN), for himself, Mr. PROXMIRE, Mr. ROTH, and Mr. PAUL G. HATFIELD, proposes the following amendment, UP amendment numbered 1582:

On page 65, between lines 16 and 17, insert the following new section:

SEC. 605. None of the funds appropriated or otherwise made available by this Act shall be available for the Advisory Committee on the Bureau of the Census or for any other advisory committee to the Department of Commerce which would perform similar duties and responsibilities, other than a committee which has, before July 1, 1978, filed a charter in accordance with section 9 of the Federal Advisory Committee Act.

Mr. GLENN. Mr. President, I ask unanimous consent that staff members Martha Weisz, Len Weiss, and Vic Reinemer be permitted floor privileges during the discussion of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I am today introducing an amendment to H.R. 12934, the State, Justice, Commerce, Judiciary and related agencies' appropriation bill.

My amendment would prohibit expenditure of funds for a duplicative new Census advisory committee recently approved by the administration at the recommendation of the Department of Commerce.

The Subcommittee on Energy, Nuclear Proliferation, and Federal Services, of which I am chairman, has oversight responsibility regarding both Federal advisory committees and collection and analysis of census data. The subcommittee endeavors to obtain adherence by agencies and the Congress to the provisions of the Federal Advisory Committee Act (Public Law 92-463) regarding creation of new Federal advisory committees. Section 5 of the act requires a determination as to whether an agency or an existing advisory committee could perform the functions of a proposed new advisory committee.

The Census Bureau already has nine advisory committees, with 155 members. Further census advice is provided the Secretary through the Panel on Decennial Census Plans of the National Academy of Sciences. An additional resource at her disposal is the Office of Statistical Policy, which was recently transferred to the Department of Commerce from the Office of Management and Budget.

The existing advisory committees are:

Census Advisory Committee of the American Statistical Association;

Census Advisory Committee of the American Economic Association;

Census Advisory Committee of the American Marketing Association;

Census Advisory Committee on Agricultural Statistics;

Census Advisory Committee on Population Statistics;

Census Advisory Committee on Housing for the 1980 Census;

Census Advisory Committee on the Spanish Origin Population for the 1980 Census;

Census Advisory Committee on the Black Population for the 1980 Census, and the

Census Advisory Committee on the Asian and Pacific American Population for the 1980 Census.

The July 31 issue of the Federal Register includes the Commerce Department's justification for a new Advisory Committee on the Bureau of the Census—page 33287. I quote from it:

The Committee will advise the Secretary through the Chief Economist for the Department of Commerce (the "Chief Economist"), on Bureau of Census policies, procedures, and quality standards and provide advice to the Department on how best it can insure that statistics disseminated by the Bureau, insofar as possible, meet the needs and purposes for which they are intended. The Committee shall consist of seven members, not presently employed by the Federal Government and three other members from the senior level ranks of Federal departments and agencies that utilize Bureau of the Census statistics substantially in the administration of Federal programs. The seven non-Federal members will reflect balanced representation of various geographic regions of the country and various types of data users, including both rural and urban. In addition to these 10 members, the Committee will also include the Chief Economist, the Directors of the Bureau of the Census and the Office of Federal Statistical Policy and Standards.

Now I quote from the Commerce Department's statement of functions of the Census Advisory Committee of the American Statistical Association:

This Committee advises the Director, Bureau of Census, on the Bureau's programs as a whole and on their various parts, considers priority issues in the planning of census and surveys, examines guiding principles, advises on questions of policy and procedures, and responds to Bureau requests for opinions concerning its operations.

This existing committee provides overall advice on policy and procedures, as the new one would. The existing committee includes representatives of various geographic regions of the country and various types of data users, as the new one would.

If the Commerce Department wants to add some new faces or specialties it can change the membership of the existing committee, rather than—in the worst tradition of bureaucracy—create another committee. If the Secretary of Commerce wants to have the existing advisory committe report to her, or the chief economist, rather than the Director of the Bureau of the Census, she can so direct.

The Secretary, in chief economist and the director are all part of the same department, in the same Government, working on the same census policies and procedures. I hope we are not at the point where various levels of the bureaucracy each need, perhaps as a status symbol, an advisory committee whose duties are similar to those of another committee in the same department.

Mr. President, the Department of Commerce wants an initial appropriation of $100,000 to fund a secretariat of two or three persons for this new advisory committee. Commerce concedes this amount would possibly grow in future years. The new advisory committee could have as few as two meetings a year.

Last year the similar Census Advisory Committee of the American Statistical Association managed to have two meetings and issue two reports without a full-time secretariat, at a cost of $32,000. It estimates spending $34,000 this year. The other eight census advisory committees had a total of 15 meetings last year, issued 15 reports and spent $274,600.

Creation of this new and duplicative advisory committee will thus cost about three times as much as the average of existing census advisory committees. This substantial increase in cost will surely be a signal to other census advisory committees to gain prestige by spending as much as the new one.

Mr. President, the Commerce Department's claim that its nine existing advisory committees to the Census Bureau issued 17 reports last year requires explanation. General Services Administration regulations set forth what each advisory committee is to include in its annual summary statement of its activities. These regulations clearly emphasize that "minutes of meetings * * * are not to be listed as reports."

My subcommittee staff has reviewed all 17 "reports" issued in 1977 of the nine Census advisory committees. Every one of those 17 "reports" is basically the minutes of a meeting, along with a list of the committee members and attendees, and sometimes including committee recommendations. These appear to be well-kept minutes, reflecting thoughtful comments and suggestions by advisory committee members. But the Commerce Department is gilding the lily by transforming minutes of its meetings into reports, thus creating the impression that the committees have done things which they have not done.

It seems to me that the Department of Commerce, the General Services Administration and the Office of Management and Budget should spend less time creating new, duplicative committees and more time reviewing and regulating the activities of the existing advisory committees.

Mr. EAGLETON. Will the Senator yield for a question?

Mr. GLENN. I am glad to yield to the distinguished senior Senator from Missouri.

Mr. EAGLETON. When we marked up this bill in the full Appropriations Committee last week I was asked by the Commerce Department to sponsor an amendment to provide funds for the new Advisory Committee to the Bureau of the Census. At that time I was not aware of the letter which the Senator from Ohio had sent to the chairman of the commerce appropriations subcommittee, Mr. HOLLINGS. Is it the Senator's understanding that, without this new committee, the Commerce Department already has enough outside advisers on census matters?

Mr. GLENN. I can assure the Senator that Commerce is already well-supplied with census advisers. There are nine census advisory committees. Altogether they have 155 members. They provide the Census Bureau with advice from the American Statistical Association, the American Economic Association, and the American Marketing Association. They provide expertise on agricultural statistics, on population statistics, on housing, and on special census issues involving Spanish Americans, blacks and the Asian and Pacific American population.

In addition, the Secretary obtains advice from the National Academy of Sciences' Panel on Decennial Census Plans. And the Office of Statistical Policy has recently been transferred to the Commerce Department from the Office of Management and Budget.

Mr. EAGLETON. Does the Commerce Department have enough funds for its advisory committees to do their job?

Mr. GLENN. Ample funds are available. More than $300,000 was spent on census advisory committees last year. A similar amount is projected for this year. This money is spent on travel and per diem costs of advisory committee members, and for that portion of full-time Census Bureau employees' time which is devoted to advisory committee meetings.

This seems to me to be a most adequate funding arrangement. My subcommittee has oversight over census matters, as the Senator knows, as well as advisory committees. I have not been apprised of any shortage of funds for census advisory committees. Nor have I been apprised of any need for an advisory committee secretariat, or full-time staff to arrange a couple meetings a year for a new advisory committee which duplicates the functions of an existing committee.

Mr. EAGLETON. If the Secretary of Commerce wants to, she can replace advisory committee members, can she not?

Mr. GLENN. The Senator is correct. These are agency advisory committees whose membership she controls.

She appoints all of the members of some of the committees. The professional associations represented, such as the American Statistical Association, name members of some of the committees. If the Secretary desires to name all of an advisory committee's members, or have the Director of the Census name them, this change could easily be accomplished by revision of the existing advisory committee's charter.

This revision would have to be approved by the General Services Administration and the Office of Management and Budget. They acted with dispatch on the request of the Commerce Department for a new, duplicative advisory committee. I am sure they could move quickly to revise the charter of an existing advisory committee.

Mr. EAGLETON. I thank the Senator. I agree that no funds should be spent on this new Advisory Committee on the Bureau of the Census. I fully support the Senator's amendment.

Mr. GLENN. I believe the floor manager of the bill is prepared to accept my amendment, and I am prepared to yield back the remainder of my time. I will not ask for the yeas and nays.

Mr. HOLLINGS. Mr. President, we opposed an appropriation of $100,000 for this in full committee. It was voted down. The Senator is correct. We do have 9 committees with 155 members. We do not need any more advisory committees.

I yield back the remainder of our time and move the adoption of the amendment.

The PRESIDING OFFICER. Is all time yielded back on the amendment?

Mr. HOLLINGS. All time is yielded back.

Mr. GLENN. All time is yielded back.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. GLENN. I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. HODGES). The Senator from Massachusetts.

Mr. PAUL G. HATFIELD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MATHIAS. Mr. President, I am seeking recognition.

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. KENNEDY. I yield for a unanimous-consent request.

Mr. PAUL G. HATFIELD. Mr. President, I ask unanimous consent that Mr. Ned Massee of Senator RANDOLPH's staff be granted access to the floor during the debate and rollcalls on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1583

Mr. KENNEDY. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk aread as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and Mr. JACKSON, proposes an unprinted amendment numbered 1583.

The amendment is as follows:

On page 13, line 16, strike "$46,377,000" and insert in lieu thereof "$47,080,000 of which $703,000 is to be used to supplement the Antitrust Division's ongoing international oil investigation.".

Mr. KENNEDY. I give assurance that if I take more than 2 minutes, I would be glad to yield. I know the Senator has another engagement to go to. I also give assurance that I think I have been on the floor as long as my good friend, the Senator from Maryland.

Mr. MATHIAS. I accept the assurance.

[Laughter.]

Mr. KENNEDY. I yield myself such time as I may require. I have had an opportunity to talk to the managers of the legislation on this amendment.

ANTITRUST DIVISION AMENDMENT

Mr. President, this amendment adds $703,000 to the Antitrust Division's budget. This money is to be used to expedite the Divisions ongoing international oil investigation.

OPEC is at the heart of our energy crisis. American consumers are dependent upon OPEC both for the continued availability of oil and its price. At the whim of OPEC, supplies can be cut off and the price skyrocketed. The American people need to know the extent to which the multinational oil companies have contributed to the success of OPEC.

The State Department prefers to ignore this question and the Department of Energy likes to treat OPEC like another American oil company. Only the Antitrust Division has even tentatively begun an investigation into OPEC's relationship with the large oil companies. This investigation needs more resources. The Division has already subpenaed several hundred thousand documents, and John Shenefield, the head of the Antitrust Division, has testified that the investigation has been delayed for lack of manpower. The multinational oil companies are a widespread empire with offices around the world and the legal staffs of any one of them outnumber the entire staff of the Antitrust Division.

The importance of this investigation cannot be overstated. The success of OPEC has depended and will continue to depend upon the cooperation of the largest oil companies. Assistant Attorney General Shenefield forcefully made this point last November when he wrote:

[The] assumption of passivity on the part of the multinational oil companies may not be warranted * * * it could be argued that OPEC is not a cartel; that while OPEC may set a price, the actual task of ensuring that aggregate output is sufficiently small to sustain that price in the marketplace is performed by the oil companies.

Mr. President, we should place a very high priority on investigations which could lead to a downward pressure on OPEC prices. The OPEC price, after all, sets the world market price which in turn has a crucial effect on the domestic price. We are now importing almost half of our petroleum supply, and since 1973 the cost of imported oil has increased fivefold. Even 1 cent a gallon increase in the price of gasoline amounts to over $1 billion more that consumers have to pay.

The cost of imported oil now accounts for one-third of our balance-of-payments deficit. Thus downward pressure on the OPEC price could have an extremely important effect on our inflation ad balance-of-payments problems.

Mr. President, the Judiciary Committee overwhelmingly approved this amendment. They did so because of the evidence accumulated by 5 days of oversight hearings on the Antitrust Division, 8 days of hearings on antitrust issues within the energy sector, and confirmation hearings for the Attorney General and the Assistant Attorney General.

This extensive oversight process culminated in the 12 days of authorization hearings the Judiciary Committee held in April. Under questioning at these hearings Mr. Shenefield, the Assistant Attorney General in charge of antitrust, testified that lack of manpower has impeded this investigation. At the request of the committee, Mr. Shenefield subsequently wrote the committee stating that $703,000 would do the job of expediting the ongoing investigation by providing 9 attorneys, 15 paralegals, 2 economists, and 13 secertaries.

Mr. President, we should support the one agency in town that does not take for granted the continued existence of OPEC. They must have the resources to do the job. I urge the adoption of this amendment. It is only $703,000, and I think the chairman of the Committee on Energy strongly supports this amendment, and I hope it will be accepted.

Mr. HOLLINGS. Mr. President, the chairman of the Energy Committee, the Senator from Washington (Mr. JACKSON) did discuss this amendment with me.

I point out to my colleagues on the other side, too, they did not have an authorization bill from the Judiciary. This is the first authorization bill, and they put it in to specifically provide for it, so it is within the authorization and, without further comment, I yield back the remainder of our time and accept the amendment.

Mr. KENNEDY. I yield back my time.

The PRESIDING OFFICER. All time is yielded back, and the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

UP AMENDMENT NO. 1584

Mr. KENNEDY. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 1584.

The amendment is as follows:

On page 12, line 15, strike "$27,774,000" and insert in lieu thereof "$28,996,000".

On page 12, line 17, strike "$1,000,000" and insert in lieu thereof "$2,000,000".

Mr. KENNEDY. Mr. President, this amendment would restore the Department of Justice's request for the Federal justice research program and the Office of Management and Finance to the levels originally requested by the President of the United States in his fiscal year 1979 budget.

Mr. President, the Judiciary Committee has held extensive hearings on the Department's programs and resource levels in preparation for the fiscal year 1979 authorization process. The Federal justice research program and the management and administrative activities of the Department were considered in detail during these hearings, and a number of recommendations to improve these activities were made by the Judiciary Committee. This Chamber adopted those recommendations when it passed S. 3151 on July 10, 1978. Included in the recommendations was the approval of the funding levels requested by the President and the Department in these vital program areas.

Mr. President, the Federal justice research program was established in 1978 so that the Department of Justice would have a research capability to identify and study problems in the administration of Federal justice with an objective of developing legislative and administrative initiatives to improve the Federal justice system. One of the primary reasons for congressional approval of this program was to give the Attorney General a research capability similar to that enjoyed by other Cabinet officers and the Federal judiciary. For example, the Federal Judicial Center has a $10 million budget, several millions of which are available for empirical research; the Department of HEW has a policy research unit with a $15 million budget. The Department of HUD has a policy development and research budget of some $68 million; the DOT Transportation Planning, Research, and Development Office has a $35 million budget; the State Department's Office of External Research has a $1.5 million contract research budget; and the Departments of Treasury, Defense, Commerce, and Labor all have similar capabilities.

A reduction in fiscal year 1979 funding for this program would significantly constrain the Attorney General's efforts to seek innovative, systemic solutions to the many problems in the Federal criminal and civil justice area as we originally envisioned. If the proposed reduction of $1 million to the Federal justice research program is adopted, current projects would have to be curtailed or canceled and other projects of major importance will not be initiated. Efforts to develop Federal investigative and sentencing guidelines; improve civil litigation processing, establish guidelines for the control of white collar crime and revise the rules of criminal procedure will be "truncated" or competely eliminated.

Mr. President, I believe that this new research program is making, and will continue to make, a contribution to the administration of criminal and civil justice. It is for that reason that I want to underscore the need to insure its continuance at the level originally recommended by the authorization committee, and to assure that it receives full support within this proposed budget. In addition, this bill would reduce the Department's fiscal year 1979 budget request by 11 positions and $222,000 for the Office of Management and Finance.

This office, Mr. President, serves as the principal management staff office of the Department and is responsible for the development and direction of Department-wide program planning, budget formulation and execution and general support programs. Because of its program and budget management responsibilities, OMF also plays a key role in meeting the congressional requirements for program authorization.

The employment level of OMF has been deliberately held down in the past in order to insure that positions assigned to the various staff components were being allocated to areas of critical need. Since 1971, the total number of authorized positions for the Department has increased by 30 percent; authorized positions for the Department's offices, boards, and divisions alone have increased by some 35 percent. OMF's growth in authorized positions during that time has not, however, paralleled that of organizations for which it must

provide support services. OMF's total authorized positions have increased by only 2 percent.

Furthermore, since 1971, OMF's workload has continued to increase substantially due to the requirements of the Freedom of Information and Privacy Acts, procurement regulations, occupational safety and health administration regulations, affirmative action, zero base budgeting, Department-wide authorization, and other congressional and Executive mandates. OMF has met these requirements in the past by improving its productivity; however, the demands for its services have reached the point to where I believe additional resources are imperative in fiscal year 1979.

In summary, Mr. President, the funding levels for the Federal justice research program and the Office of Management and Finance originally submitted by the President of the United States and approved by the Senate in S. 3151 are equitable and sound. They reflect a proper balance between the Nation's criminal and civil justice requirements and the taxpayers' proper concern over excessive Government spending.

Mr. President, I urge the adoption of this amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to oppose the amendment. I supported the amendment of the distinguished Senator from Massachusetts on the additional funding for antitrust relative to OPEC. I was also of the belief that he had an additional 11 positions in the Office of Finance and Management, and I will support him on that one. But on this I think it is an unnecessary $1 million.

I think the funds are there to do the job that was originally contemplated, and I do not feel the additional $1 million is going to be of assistance or which will prove to be of any value.

Mr. KENNEDY. Mr. President, will the Senator take half of the fund and half the positions as a point of accommodation in the waning hours of debate on this measure?

Mr. WEICKER. I do not believe any positions are mentioned.

Mr. KENNEDY. No, with regard to the research program the Senator is correct.

Mr. WEICKER. I would give the edge to the committee just to be in control of things, but I am not so sure that is the case after this evening. I would agree to a figure of $400,000.

Mr. KENNEDY. Mr. President, I modify my amendment and make it an additional $400,000.

The PRESIDING OFFICER. The Senator has that right, and the amendment is so modified.

Mr. KENNEDY. I thank the Senator, and I yield back the remainder of my time.

The PRESIDING OFFICER. Will the Senator send the modification to the desk.

Mr. HOLLINGS. As I understand, there are two parts to the amendment.

The PRESIDING OFFICER. The clerk will report the modification.

The second assistant legislative clerk read as follows:

On page 12, line 15, strike "$27,774,000" and insert in lieu thereof "$28,996,000". On page 12, line 17, strike "$1,000,000" and insert in lieu thereof "$1,400,000".

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. HOLLINGS. Mr. President, if I may address the Chair, we want to double back and make sure the amount is correct. We did have $1 million provided.

Mr. KENNEDY. It should be $1,400,000.

Mr. HOLLINGS. It should be $1,400,000 for the research. What we had in mind, we thought when we looked at it during the subcommittee markup, was that the House side had two; we put it down at one. Then a point of order knocked it all out over there, so the House had zero in the bill before us; $1.4 million would be within that range.

The PRESIDING OFFICER. The amendment has been so modified, to read $1.4 million.

Mr. HOLLINGS. Then we yield back the remainder of our time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Massachusetts.

The amendment, as modified, was agreed to.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD the letter from the Attorney General and other appropriate statements.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
August 3, 1978.

Sen. ERNEST F. HOLLINGS,
Sen. EDWARD H. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATORS HOLLINGS AND KENNEDY: I am writing to assure you that it is important to the Department of Justice to seek restoration to the level of budget request approved by the President on two matters. First, it is necessary to restore the $1,000,000 which has been cut from the amount requested for the Federal Justice Research Center. Second, it is necessary to seek restoration of 11 positions and $222,000 for the Office of Management and Finance.

I would appreciate any help that you can provide.

Sincerely,

GRIFFIN B. BELL,
Attorney General.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I want to thank the Senator from Kansas who, I believe, expected to be called up next, but has graciously agreed that I may go forward.

AMENDMENT NO. 3422

(Purpose: To increase the funds appropriated for the Federal Bureau of Investigation and to increase the ceiling on full-time permanent positions)

Mr. MATHIAS. I call up my amendment No. 3422, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated:

The legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an amendment numbered 3422:

On page 16, line 8, strike "$558,750,000" and insert in lieu thereof "$563,932,000".

On page 16, beginning on line 9, strike "eighteen thousand six hundred and seventy-five" and insert in lieu thereof "eighteen thousand eight hundred and seventy-seven".

Mr. MATHIAS. Mr. President, the purpose of this amendment is to restore $5,182,000 to the appropriation for the Federal Bureau of Investigation.

Mr. HOLLINGS. Mr. President, if the Senator will yield, I discussed this with the distinguished Senator from Maryland. Does the Senator want to state the compromise figure on which we agreed?

Mr. MATHIAS. Let me make the record, and explain it. My purpose in offering it is to insure the involvement of the Congress in a decision made by the FBI to reduce substantially its activity in the investigation of crimes against federally insured financial institutions.

Mr. President, when the President's fiscal year 1979 budget for the Department of Justice was before the Judiciary Committee for its review, it was made known that the FBI had requested an appropriation for its forcible crimes against banking institutions program which was approximately 20 percent less than its fiscal year 1978 level of funding for that important program. The FBI intended to do away with 202 permanent positions in the program, thereby shifting a great deal of the responsibility for the detection, investigation, and prosecution of bank robberies to local law enforcement officials.

I believe that any attempt in government to save the taxpayers' money is laudatory. However, in this instance, essential law enforcement services provided by the FBI would be eliminated by this cutback. It is my strong feeling that the Congress cannot allow this to take place without a careful review of the potential impact of such a drastic change in Federal policy.

The Judiciary Committee agreed with me on this point, and adopted an amendment that I offered to S. 3151, the Department of Justice authorization bill for fiscal year 1979. My amendment reauthorized the forcible crimes against banking institutions program at its 1978 funding level. This was done with the idea that the committee would look further into the issue of the reduction of this program. And that Congress would be a knowledgeable participant in any decision to alter the level of FBI involvement in this area.

After the Judiciary Committee took its action to restore the forcible crimes against banking institutions to its fiscal year 1978 level, I contacted the American Bankers Association and Bankers throughout the State of Maryland. The responses from the banking community overwhelmingly commended the Judiciary Committee's action in restoring this money to the FBI's authorization. The bankers noted repeatedly that the continued assistance of the FBI in the investigation of bank robberies and the apprehension of criminals to be vital to the national effort to reduce the in-

cidence of such crime. I would like to quote several of these letters for your benefit:

The American Bankers Association noted that—

Violations of Federal Bank Robbery Statutes continue to be a major banking and law enforcement problem in the Nation, having almost doubled over the past ten years.

The Maryland Bankers Association stated:

In speaking with several law enforcement officials here in Maryland, all have expressed the opinion that such a cutback would materially affect their efficiency in solving bank robberies. Each has expressed admiration for the FBI assistance rendered, and they have grave concerns that such a reduction would seriously impede the local jurisdiction when the robbery suddenly became interstate because of escape attempts.

The Maryland National Bank points out:

Although the Department of Justice states, "State and local law enforcement agencies would be expected to take up the slack left by FBI investigative reduction," I am sure you realize that this, in fact, would not happen. There is no way that a group which has been oriented toward, dedicated to, and organized under a single program can be replaced by parttime local law enforcement personnel spread all over the country and not operating under one head. And, of course, there is little possibility that local budgets would have room for this additional expense, or that those responsible for the budgets would want to take it on.

And the executive vice president of the Farmers and Merchants National Bank of Cambridge, Md., stated:

I happen to believe that without involvement of the FBI in the investigation of these crimes, the incidence rate would show a marked increase. I, for one, do not want my employees, insurance companies, depositors and stockholders subjected to an increased possibility of physical attack (employees) or financial loss (the others).

Mr. President, 2 weeks ago, the General Accounting Office testified at a House Judiciary Committee hearing on the subject of the forcible crimes against banking institutions program. They informed the committee that they will shortly issue a report which will recommend that the FBI reduce its investigative and prosecutive roles in bank robbery crime. However, they made a point of saying that the report will also make clear that it is the judgment of the GAO that this reduction in effort may have to be gradual to allow a transition period which would permit local authorities to prepare for assuming a greater investigative and prosecutive role.

Mr. President, I am not convinced that the record before the Congress justifies the near elimination of the FBI's traditional role in this important area. Certainly, the initial largescale cutback of 20 percent contemplated by the fiscal year 1979 budget request is not warranted. This is precisely why I offer this amendment today. It will allow the Congress the opportunity to give this issue the attention and consideration it deserves.

A specific hearing on this issue is expected to be held Friday, August 11.

Adoption of this amendment will preclude us from acting precipitously on this issue without having an opportunity to review the recommendations of GAO, as well as the views of the Justice Department, the American banking community, and local law enforcement authorities. Then and only then can we decide exactly what change, if any, should be adopted in this area of traditional FBI involvement.

Mr. President, I have discussed this with the distinguished manager of the bill. I personally would like to see us fund the program at 100 percent of its fiscal year 1978 level. A 20-percent reduction is certainly too much. I would, however, suggest to the manager of the bill that if we could compromise at a 10-percent reduction, it would allow the FBI to maintain a reasonable level of activity while at the same time not cutting it so far adrift that we could not recover the momentum of the program, if that is the will of the Congress.

The Committee on the Judiciary is about to hold hearings on this subject. The banking community and the local law enforcement officials will testify, and I think at that point, Mr. President, we will be better able to make a judgment on the subject.

Mr. HOLLINGS. Mr President, this was a matter of concern. We had hearings on it. It so happens that the FBI is trying to readdress its priorities and needs. Some years back, obviously, the Federal Bureau of Investigation was the only law enforcement agency capable of dealing with bank robberies. In local towns, 25 or 30 years ago, if there was a bank alarm, only the FBI would respond. Locally they had no expertise in the fingerprinting and investigating field, and they had to rely on the Federal Bureau of Investigation, who did an outstanding job.

But the fact remains that over the past 30 years or so the LEAA and other programs have led to increased capability at the local level. I know that everyone of the top officers in my city attend the FBI Academy. Law enforcement in the inner-cities is certainly more sophisticated today.

The GAO testified to this over on the House side a little earlier. They maintained that the FBI should get entirely out of the bank robbery cases. That alarmed the American Banking Association.

The FBI has a splendid reputation. Everybody wants them. I would like to have the FBI protect my home, if it were possible. Some people do not trust the FBI, but I happen to like them. I think the recent rhubarb we experienced was under the direction of others, including Congress.

So we have asked them to look at it very carefully. In my discussions with the Senator from Maryland, I found out, from talking, again, with the Attorney General, that it was the FBI's intent to stay foremost in the rural areas, where they could not respond and would have to have the Federal Government in to respond in cases of difficult nature, and everything else, and there was a need for the full force to be there.

The full force would constitute some 700 men, if we would have the 202 cut. I think perhaps we could go along with the distinguished Senator from Maryland and have it a bit more gradual than the dramatic 20 percent cut. We do approve the principle, and if he would modify his amendment to decrease the amount to $2.5 million, and the number of positions to 100 positions, to phase in the reduction, I would hope we could go along with that compromise.

Mr. MATHIAS. The distinguished Senator from South Carolina has had broad experience as Governor of his State. He knows the impact of a sudden change on the availability of local forces, and I think that this compromise, while perhaps it does not suit either of us totally, is a reasonable thing.

So Mr. President I would modify my amendment and if the Senator from South Carolina wants the exact figures, we can put it in. If it is 10 percent it would be $2.591,000.

Mr. HOLLINGS. Very good.

Mr. MATHIAS. And I move to so modify the amendment.

The PRESIDING OFFICER. The Senator has that right, and the amendment is so modified.

The amendment, as modified, is as follows:

On page 16, line 8, strike "$558,750,000" and insert in lieu thereof "$561,391,000".

On page 16, beginning on line 9, strike "eighteen thousand six hundred and seventy-five" and insert in lieu thereof "eighteen thousand eight hundred and seventy-seven".

Mr. MATHIAS. I believe, as so modified, the amendment is in the interests of law enforcement in this country, and I would urge the Senate to adopt it.

Mr. HOLLINGS. Do you yield back the balance of your time?

Mr. MATHIAS. Mr. President, I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Maryland (Mr. MATHIAS).

The amendment, as modified, was agreed to.

Mr. HOLLINGS. He moves to reconsider, and I move to table.

Mr. MATHIAS. Amen.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1585

(Purpose: To express the sense of the Senate that the Attorney General Parole into the United States Additional Cambodian Refugees)

Mr. DOLE. Mr. President, I send to the desk an unprinted amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself, Mr. CASE, and Mr. HAYAKAWA, proposes an unprinted amendment numbered 1585: On page 56, between lines 16 and 17, insert the following:

SEC. 605. It is the sense of the Senate that (1) the Government of the United States

should give special consideration to the plight——

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 56, between lines 16 and 17, insert the following:

SEC. 605. It is the sense of the Senate that—

(1) the Government of the United States should give special consideration to the plight of refugees from Democratic Kampuchea (Cambodia) in view of the magnitude and severity of the violations of human rights committed by the Government of Democratic Kampuchea (Cambodia); and

(2) the Attorney General should exercise his authority under section 212(d)(5) of the Immigration and Nationality Act to parole into the United States—

(A) for the fiscal year 1979, 7,500 aliens who are nationals or citizens of Democratic Kampuchea (Cambodia) and who are applying for admission to the United States; and

(B) for the fiscal year 1980, 7,500 such aliens.

Mr. DOLE. Mr. President, I shall take only a few minutes, but I want to make the point that I hope the committee might be able to accept this amendment.

This amendment is a sense of the Senate amendment that the Government of the United States should accept 15,000 Cambodian refugees to enter the United States during the next 2 fiscal years, 7,500 per fiscal year. In this way we can help relieve the pressure on refugee camps in Thailand and help insure that additional Cambodian refugees can be accommodated by that country in the months ahead.

Mr. President, in recent weeks there has been growing attention in this country to the horrors of the genocide now occurring in Cambodia, the so-called "Democratic Kampuchea".

In its brazen efforts to restructure Cambodian society, the Communist regime has instituted a primitive and barbaric agrarian system unlike any other the modern world has seen. This has involved the elimination of literally hundreds of thousands of people, through liquidation, starvation, and disease, and the enslavement of the rest of the population. Since the Communist takeover in April, 1975, this holocaust is believed to have taken the lives of an estimated 2 million innocent Cambodians. This situation does not appear to be improving, despite open condemnation by the Democratic states of the world. Cambodia is closed off from the outside and those trapped within are without hope of rescue.

The terrible nature of the "restructuring" of Cambodian society has been emphasized by a stream of refugees, fleeing at great personal risk: those who have "voted with their feet" by escaping into neighboring Thailand. The escape from Cambodia to the relative safety of Thailand involves great risks across terrain so difficult, so thoroughly mined and patrolled, that it is remarkable that anyone would attempt it, let alone succeed. And yet each month an average of some 50 Cambodians make their way through to one of the four camps in Thailand. Only through the testimony of these courageous people has the world been alerted to the actual extent of this tragedy.

It is for this reason that I am today proposing an amendment, calling upon the Attorney General to grant special immigration parole authority for 15,000 Cambodian refugees to enter the United States during the next 2 fiscal years—7,500 per year. In this way, we can help relieve the pressure on refugee camps in Thailand, and insure that additional Cambodian refugees can be accommodated by that country in the months ahead.

The former minister of information of the Lon Nol government, Mr. Chhang Song, is one who has dedicated himself to bringing the seriousness of these brutal conditions to the attention of the American public and appealing for its relief.

Mr. Chhang has stated that he is here in the United States because we represent the last great hope for "justice and fair play in the world." America was built by those fleeing from tyranny and oppression. It is up to us to lead the free world in helping to alleviate this terrible situation.

RESPONSIBILITY FOR ACTION

Preliminary action has been taken in both Houses of Congress to condemn the atrocities of "Democratic Kampuchea." Last November I proposed Senate Resolution 323, denouncing the disregard for basic human rights by the Communist regime and calling upon the President to take effective measures. This call has been joined by many of my colleagues here in the Senate, by the public media, by organizations such as the International Rescue Committee, by private citizens, and by the President, who has called this the "worst violation of human rights today." Public awareness and concern is now increasing in support of the unfortunate Cambodians.

This concern was evident here in the Senate on July 31, when an amendment proposed by the Senator from Kansas to the International Monetary Fund authorization bill was passed. That proposal instructs the U.S. Representative to the IMF to vote against any request for financial assistance from Cambodia. Because of increased concern here over the violations of human rights in Cambodia, this proposal was approved after a tabling motion was defeated 56 to 30.

Now that the public is being educated, and some measures have been initiated, the time has come for more active measures of relief. Today I am proposing such a measure, directed toward the plight of those victims of this great crime. This is a responsibility that is shared by all of the democratic world.

CAMBODIAN REFUGEE PROBLEM

By now there are about 15,000 Cambodians concentrated in four refugee camps in Thailand. Their outlook for resettlement in that country is dim. The Thais have been more than generous and merciful in accepting these people, but their burden is not getting any lighter. On the contrary, they are also hosts to those fleeing from Vietnam and Laos, and the heavy stream of refugees from all three Communist nations is not abating. The great majority of those Cambodians now in Thailand have been there for nearly the entire 3 years since the calamity began—those who escaped at the outset when they had the chance. In Thailand, they are considered a transient burden. The situation of these people is grave. Their camps are close to the Cambodian border, where they are in danger of reprisals from the Communists. The living standards are minimal. The Thais cannot be expected to completely shoulder the cost of maintaining a higher standard of living for these people when they have obligations to their own people. This has had its strains—last November Thailand declared that all further refugees would be considered illegal immigrants and subject to forcible repatriation even at the risk of death in the country from which they came.

OBSTACLES FACING CAMBODIAN REFUGEES

Our Government has taken steps to help. In June, the Attorney General announced a special immigration program for 25,000 Indochinese refugees. But, ironically, those who have left the worst hell of all among the Indochinese countries—the Cambodians—are those who will be helped the least by the new parole program. This is simply because permission to come to the United States is granted in priority order: First, to those who have close family relationships in the United States; and second, to those refugees who were directly employed by the U.S. Government in the past. Few Cambodians qualify for either of these criteria. And these two categories alone fill virtually all of the parole numbers authorized by the new program. Under present immigration laws, then, few Cambodians stand a chance to escape this unfortunate situation. As these categories stand, they face great obstacles.

PAROLE AMENDMENT

With this in mind, I feel that it is not only appropriate, but most urgent, that some action be taken to relieve the Cambodian refugees as a special group: They have been singled out for extraordinary brutality by the government of their country; they have little hope of qualifying for emigration to the United States under present laws; and their need is most pressing. I propose that this action take the form of a congressional recommendation to the Attorney General, to make immediate use of his existing power of parole to allow these approximately 15,000 people to immigrate into the United States as a special group: A sign that the United States still stands behind its commitment to support those peoples of the world who are victims of oppression and tyranny, as we have in the past.

The Attorney General retains the necessary authority under section 212D(5) of the Immigration Act (8 U.S.C. 1182 to accomplish this, upon a mandate from Congress. This immediate parole authority should be followed by a new criteria in the immigration categories, which would provide for consideration of Cambodian needs in the future. I intend to investigate the alternatives for legislative action to revise the immigration code, in the days ahead.

In this manner, we give those Cambodians now in Thailand immediate relief, and help those who are fortunate enough to escape in the future. This type of two-pronged approach would be the most effective in aiding the Cambodians, showing the world that we are indeed committed to human rights and basic freedoms for all peoples, and will not stand idly by in the face of such a blatant disaster. It is up to us to join with those countries already accepting many Cambodians, such as France, and to set an example for those who could be doing more to add substance to their rhetoric.

A CONTRIBUTION, NOT A LIABILITY

Some have questioned the wisdom of increasing immigration quotas, insofar as they might aggravate our own unemployment and welfare problems. But according to a recent study issued by the Department of Health, Education and Welfare, 95 percent of those Cambodians who have already emigrated to the United States are employed. Furthermore, according to the study, refugees as a whole hold only 0.4 of 1 percent of available jobs in the United States. Fully 63.3 percent of the refugees earn between $100–$199 per week. Only 30.8 percent of refugees in this country are partially dependent on public assistance, while only 13.6 percent are solely dependent on public assistance. Thus, these people do not represent a liability for the American public. Indeed, I agree with the many who consider them to be a valuable cultural asset and a positive contribution to American society.

Given these considerations, I feel that it is the moral duty of the U.S. Senate to recommend that the Attorney General allow a parole program to admit the 15,000 Cambodian refugees now in Thailand. I propose a following amendment for that purpose, recommending that 7,500 Cambodian refugees be paroled into the United States during each of the next 2 fiscal years.

The public concern which has been generated by the press and by our activity here in Congress has not gone unnoticed. I have recently received a letter from Mr. Khieu Heng representing some 2,000 refugees at the Kham Puth Refugee Camp in Thailand, expressing their deep appreciation of Congress' activity. These people anxiously await American initiatives in helping them in their plight, and their hopes should not be disregarded.

I would only make one other comment, Mr. President: On June 14, 1978, the Attorney General announced that he had authorized the parole of 25,000 Indochinese, Vietnamese, Laotions, and Cambodians, into the United States prior to May 1, 1979.

The problem is that under the categories we have, either close relatives of U.S. citizens, lawful permanent residents, or persons in the United States as refugees, and. secondarily, former government employees, it does not impact upon Cambodian refugees.

Mr. President, I ask unanimous consent that letters from the Department of State, the Department of Justice, and a copy of a speech by Chhang Song be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE
Washington, D.C., June 27, 1978.

Hon. BOB DOLE,
U.S. Senate.

DEAR SENATOR DOLE: Your letter of May 23 refers to the intention of the Attorney General, as expressed in May 4 letters to the chairmen of the Senate and House Judiciary Committees, to parole into the United States several categories of refugees, including 25,000 from Indochina prior to May 1, 1979. The Attorney General has authorized this parole effective June 19, 1978.

Inauguration of this and previous programs under which Indochinese have entered the United States since 1975 is in response to our commitment to refugees who have close relatives in the United States or close association with the United States. For humanitarian reasons, we have also accepted refugees escaping by boat and with no other offer of resettlement. Almost all boat refugees are Vietnamese, as geography dictates that they must leave their homeland by sea. Insofar as we accept boat refugees meeting no criteria except that they are not offered resettlement by another country, it is to encourage countries on the periphery of the South China Sea to allow new refugees to land. Without an outflow of refugees to other countries, the first asylum nations are tempted to forbid new arrivals ashore. When this happened in the past, many refugees drowned. Very few Cambodians in refuge in Thailand met the criteria of close association with the U.S., not because of any discrimination based on race or nationality, but rather because conditions there are such that almost the only people able to escape successfully are from the rural western part of the country, where the U.S. presence was limited. Therefore, few of the refugees worked for the United States, and few are related to the limited number of people who were evacuated to the U.S. in 1975 or entered in parole programs of 1976 and 1977.

The total number of refugees presently in Southeast Asia is 115,000—approximately 102,000 (including 14,000 Cambodians) who arrived in Thailand overland, and another 13,000 arriving by boat who have been granted temporary asylum by Malaysia, Thailand, Indonesia, and several other countries in the region. The new U.S. program of 25,000 per year will be full subscribed by refugees meeting our established criteria and, therefore, acceptance of these Cambodians would require an increment to our present parole programs or special legislation.

The Department is very aware of the plight of these individuals and interested offices are in the process of discussing possible alternatives to assist them which would be consistent with our refugee policy and with the wishes of the Congress.

Sincerely,

DOUGLAS C. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

DEPARTMENT OF JUSTICE,
Washington, D.C., June 10, 1978.

Hon. BOB DOLE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DOLE: Reference is made to your recent letter concerning your interest in the welfare of Cambodians in refugee camps in Thailand.

On June 14, 1978, the Attorney General announced that he had authorized the parole of 25,000 Indochinese (Vietnamese, Laotian and Cambodian) boat and land refugees into the United States prior to May 1, 1979. Accordingly, 12,500 parole numbers will be used for land camp cases and 12,500 will be assigned for boat cases.

At the present time, our officers are processing the best qualified pre-August 11, 1977 land camp refugees to bring total of those to be paroled at present time to 5,000 including those that were previously approved by the Service under the 1977 parole program but were not paroled because numbers were exhausted.

The criteria to be applied in the selection of both land camp and boat camp cases will consist of four categories as follows:

Category 1—Close relatives of United States citizens, lawful permanent residents, or persons in the United States as refugees.

Category 2—Former government employees.

Category 3—Refugees not accepted by a third country, who because of a previous close association with the United States were persecuted by or are in fear of being persecuted by the Communist Regime.

Category 4—Refugees not accepted by a third country, not within Categories 1, 2 or 3, who because of obviously compelling reasons should be granted parole on humanitarian grounds.

In view of your interest in this matter, I am pleased that my reply to your inquiry is favorable.

Sincerely,

LEONEL J. CASTILLO,
Commissioner.

Distinguished Members of the U.S. Congress, Distinguished Guests, Friends, My Fellow Cambodians, Ladies and Gentlemen: We are gathered here today to commemorate and honor the memory of these victims of the genocide in Cambodia as well as those living Cambodians who are still struggling to remain alive under the atrocious conditions of life in Communist "Democratic Kampuchea," or who languish without hope in refugee camps in Thailand and elsewhere.

We, as representatives of the Cambodian community in the United States and in France are grateful to be alive. Those of us who are in this Country are grateful to the United States Government and to the American People for giving us new homes and the opportunity to live in a free society. We are also mindful of the fact that America represents for all of mankind the last great hope for free men and free ideas. As Cambodians, many of us, having survived terrible ordeals under a regime that has destroyed human freedom and law, we are especially grateful that we have been permitted to bring to the attention of America and the world the terrible plight of the people in Cambodia. Many of us are committed to continue our efforts to find the means to save those of our poor wretched countrymen who look to us for help and even eventual salvation.

For three years, the new Khmer Rouge national anthem sets the tone for today's Cambodia: "The red, red blood splatters the cities and plains of the Cambodian Fatherland . . ."

And for three years, the terrible, heart-rending cries for help from more than two million victims, men, women, and children have gone unheard.

Cambodia today is run by a misguided group of political fanatics whose solution to its "purification" has been the destruction of every aspect of the ancient and proud Khmer civilization. In their words, they wish to return Cambodia to a "native, pure agrarian state."

The world now knows what the term "pure agrarian state" means in Cambodia. We have a picture of an entire nation toiling from dawn to dusk under the guns of their guards. Their homes are village concentration camps. When they are not toiling, they are listening to political indoctrination and lectures. Malnutrition and sickness is endemic to the entire population and the simplest of medicines are non-existent, for Cambodia has closed its doors to the outside world.

There are no prisons in Cambodia for all mistakes are fatal. Religion, whether Buddhist, Muslim, or Christian, has been abolished.

Love is an alien word in the Khmer Rouge lexicon, and young people have been executed for displaying sign of affection toward each other. The market system, and even the currency, have been abolished. The market system was judged to be "a capitalistic, imperialistic method of exploitation."

There have been numerous refugee accounts of cannibalism in some of the most impoverished areas of Cambodia where sick, starving Cambodians eat the flesh of the dead. Many mothers no longer have milk in their breast for their children. Other Cambodian women, it is reported, no longer have their menstrual cycles.

Cambodia's "Gang of Four," Khieu Samphan, Ieng Sary, Pol Pot, Son Sen, and their women must be held accountable for one of the worst crimes of the Twentieth Century. I have included their "women" because evidence demonstrates that, in the Cambodian genocide, the wives of these Khmer Rouge have been as brutal—if not more—as their husbands. These political fanatics have changed Cambodia, a land where love, music, art, and graceful living were respected, into a land where these precious qualities of human existence are banished. For many Cambodians, death is a welcome release from terrible toil, suffering and constant fear.

The "revolutionary inspiration" of these dehumanized Khmer Rouge seems to be that of the French Revolution in 1789 when countless heads rolled under "Madame Guillotine." The subjection of the Cambodian people by the Khmer Rouge leadership is also very reminiscent of some of the excesses by Communist regime in China. Ironically, this fanatic leadership comes from a bourgeois, non-peasant background. All are French-educated. While they have admittedly skillfully used the peasants to create their so-called "classless State," they are themselves the "new privilege class."

Their method of re-structuring the Cambodian society reminds us of the method used by hijackers. And indeed, it is not a far-fetched analogy to suggest that the people of Cambodia are hostages and prisoners of of the Khmer Rouge hijackers. Nor do I rule out the possibility that what we are witnessing in the so-called Khmer Rouge revolution is the creation of "an untouchable privilege class" that strangely reminds us of some of the worst despots in Cambodian history. And, as in previous historical cycles, the Cambodian people are relegated to slavery. But the slavery, this time, is of a quality and degree that has never been experienced heretofore.

This has been one of the world's most radical and brutal transformations of a society. Cities have been emptied of their population. Cambodia is a nation without cities! For cities have been judged to be corrupt, evil, bourgeois, a negative influence on the new "pure agrarian Cambodia." The destruction and loss of life in Cambodia has been appalling. Targets for the massacre by the Khmer Rouge have included "officials" of the old Government, military officers, and soldiers of the Army of the Khmer Republic. "Intellectuals" of all persuasion, "professionals," technicians, and, in fact, all those whose level of education would represent in however remote a degree a threat in the eyes of the Khmer Rouge leadership. From this, you can understand why the number of victims of the massacres as well as those who have died from sickness and starvation probably exceeds two million.

But there is no point in debating "numbers" in Cambodia. It is enough to know that a tragedy of enormous proportion has taken place. We must now ask why, in the face of mounting evidence, well-known to U.S. Embassy "Cambodia Watchers" in Bangkok, it required three years before we heard a voice of protest from the White House!

And with the evidence of thousands of testimonials by escaping Cambodian refugees, it still took more than two years for the U.S. Congress to protest the genocide! The U.S. Senate has not yet made known its official protest. Some of the American media are still debating the questions of whether we have a bona-fide genocide in Cambodia . . .

The United Nations, that world body whose principal interest is human rights, has not uttered a word. The American Ambassador to the United Nations who has been both forceful and eloquent in protesting racial inequalities in South Africa has also remained silent on the Cambodian tragedy. And yet, the crimes in Cambodia fly in the face of each and every clause of the United Nations' Universal Declaration on Human Rights.

And, of course, those wonderful vocal demonstrators against the American involvement in Indochina in the 60s have said nary a word against the barbarism in Cambodia.

The evidence is now staggering. It is time for action. Rhetoric is obviously not enough to stop the killings in Cambodia. While it is too late to bring back from the dead the hundreds of thousands of victims in Cambodia, there is still time to rescue the Cambodian people from total annihilation and extinction.

We urge the U.S. Congress to formulate a clear, unequivocal policy, or plan of action, aimed at ending the suffering of the Cambodian people.

We urge the U.S. Government to make its voice heard in the United Nations and call for general support by the Community of Nations to end the massacres in Cambodia. It is time to seek an international consensus and agreement to put into action a plan that will end the unbelievable human suffering and ameliorate human conditions.

We recommend also an international conference of all those nations, communist or non-communist, whose interest is human rights and justice, to be convened at the earliest opportunity in order to examine human rights violations in Cambodia. At the same time, such a conference can also examine the latest assault on the long-suffering Cambodian people and their culture. I am referring to the Vietnamese invasion of Cambodia.

We recommend also international sanctions against "Democratic Kampuchea." These would include a trade embargo and restrictions against all other forms of intercourse with these international pirates.

We ask free men everywhere to offer their ideas to their representatives for ways to save the remaining hijacked souls on the unfortunate Cambodian ship of State. We urge President Carter to set in motion a process which could lead to a solution of the Cambodian tragedy.

We are asking individuals, organizations, and Governments, dedicated to the principles of justice and human rights to join force and find the means to insure that the cries for help from the Cambodian people will finally be heard.

We ask all of you not to forget the poor wretched Cambodian refugees who have lost everything to escape what had become for them "the prison of their Cambodian Homeland." We urge the speedy admission of the 15,000 Cambodian refugees now in camps in Thailand. We appeal to the U.S. Congress and the U.S. Government to re-examine with utmost compassion the plight of these poor refugees. We would urge them to formulate a "blanket parolee program" that would avoid further unnecessary delay in allowing them to find a new home in the land of hope, America.

Finally, on behalf of the Ad Hoc Committee for People United for Human Rights in Cambodia which sponsors this ceremony, I want to thank those members of the U.S. Congress and other individual Americans who have assisted us in this undertaking. I want to thank the leaders of the Cambodian Community in the United States and in France for their participation and active support. They have come as far as from France, Louisiana, Tennessee, Texas, Utah, California, Oregon, Washington State, Minnesota, Rhode Island, Ohio, Pennsylvania, New York. Others are from Washington, D.C., Maryland, West Virginia, and Virginia. . . . They have joined in this unique commemorative ceremony for the victims of the Communist Khmer Rouge Government in Cambodia.

It is our hope that through such efforts the long-suffering Cambodian people will not be forgotten. It is also our hope that before too long the international community, the so-called civilized world, will wake up and formulate a plan of action that will save those Cambodians that, by some miracle, have survived the inhuman and bestial conditions of life in today's "Democratic Kampuchea."

Thank you.

Mr. DOLE. It seems to me that all we are proposing in the Senate by adopting this amendment is in the form of a congressional recommendation to the Attorney General to make immediate use of his existing power of parole to allow these approximately 15,000 people to emigrate into the United States as a special group. That is all the sense of the Senate amendment does. I believe it is acceptable to the floor leader on this side (Mr. WEICKER). I have discussed it with other Senators. I am not certain of the attitude of the distinguished floor manager.

Mr. HOLLINGS. Mr. President, we think this will be covered in the authorization bill. The distinguished chairman of the Refugee Committee for many years is in the Chamber.

I know the Senator from Massachusetts would persuade and insist that the Attorney General respond in the same way. Unless there is anything further to be said, we would be glad to accept the amendment.

Mr. KENNEDY. If the Senator will yield 1 minute, the Senator has described the situation of the Immigration Act, 12 (d) (5), where the Attorney General has the authority and the power to provide for paroling a number of individuals. He does have to report to the Judiciary Committees.

I see no objection to this. I think it is a clear reflection of a humanitarian concern. I think it is desirable and worthwhile. I look forward to working with the Senator from Kansas in this area.

Mr. HOLLINGS. Mr. President, I yield back the remainder of my time.

Mr. DOLE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1586

(Purpose: To prohibit the obligation or expenditure of certain appropriations for the United States Interests Section in Cuba)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 1586.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 56, between lines 16 and 17, insert the following:

SEC. 605. No part of any appropriation contained in this Act may be obligated or expended for salaries or expenses relating to the United States Interests Section in Cuba.

Mr. DOLE. Mr. President, this amendment provides that none of the funds contained in this appropriations bill can be used to maintain the U.S. "interests section" office located in Cuba. Very simply, it is this Senator's belief that current circumstances do not warrant subdiplomatic relations between the United States and Cuba, and the intent of this amendment is to close that office in Havana.

CUBAN AGGRESSION CONTINUES

In my opinion, it is time we discard the illusion that Cuba is ready to take its place among the community of responsible, peaceable nations. Despite the hopes of this administration and, before that, of the Ford administration, the Castro regime has shown itself to remain a client tool of Soviet interference on the African continent. It has shown itself to be an aggressive force of death and destruction in both Angola and Ethiopia, and there is no end in sight to the buildup of Cuban troops and advisers throughout Africa. In fact, the number of Cuban forces on the continent has almost doubled just within the last 6 months, to a total of more than 40,000 military and civilian personnel.

There has been substantial evidence of Cuban involvement in the training and equipping of Marxist guerrilla forces poised against Zaire and Rhodesia, as well, and in a joint communique issued last April, both Cuba and the Soviet Union promised continued aid to guerrilla movements in southern Africa. In testimony before the Senate Armed Services Intelligence Subcommittee last April, the Deputy Director of the CIA pointed out that Cuba, with the aid of its Soviet paymaster, is waging "the most determined campaign to expand foreign influence in Africa since it was carved up by the European powers in the late 19th century." And, in a news conference held last month, FBI Director William Webster said there is evidence that Cuba is supporting terrorist groups in several foreign countries, including "cross-fertilization" with terrorist groups in the United States. The FBI Director further indicated that there are "strong indications of Cuban support for Palestinian terrorist groups."

Unfortunately, there is no end in sight to this brazen and unwarranted interference by the Castro regime. In my opinion, and in the opinion of many in this country, these reprehensible actions should render the Cuban Government ineligible for diplomatic or trade concessions from the United States. In the interest of American principle and international peace, I am suggesting that the United States close its "interests section" in Havana as a means of protest and as an indication that there can be no further moves toward normal diplomatic relations under current circumstances.

I had intended to offer a separate amendment to prohibit the conduct or promotion of commercial trade with Cuba. Fortunately, however, the committee agreed to an amendment already approved by the House of Representatives to this effect. The amendment proposed by Congressman ROBIN BEARD, provides that none of the appropriations in the bill shall be expended for promoting or conducting trade relations with Cuba. The amendment insures that the U.S. Commerce Department will not further, in any way, the economic interest of the Castro regime by promoting resumption of trade, although my understanding is that it does not prohibit continued monitoring and analysis of Cuban economic developments. In many respects that research continues to serve U.S. national interests and contributes to the interagency policymaking process. The research has produced useful insights into the Cuban economy, and, in fact, Commerce Department assessments of the weak Cuban economy demonstrate that trade with Cuba could never be significant for the U.S. economy.

CUBAN RESOLUTION APPROVED BY SENATE

Mr. President, a little more than 1 month ago a majority of the Senate approved a resolution sponsored by myself and the Senator from Oklahoma, Mr. BARTLETT, expressing the sense of the Senate that there should be no formal diplomatic recognition of Castro's Cuban Government and no partial or total lifting of the U.S. trade embargoes against Cuba so long as current conditions exist. The extent of support for that resolution seems to reflect the prevailing sentiment in this body against any official contacts with the Cuban Government at this time.

Some in this body have maintained that we must take into account the negative impact of our policies toward Cuba. They suggest that it is up to the United States to demonstrate "good faith" by improving trade and diplomatic relations with the Marxist regime. For several years now, some of my Senate colleagues have defended the continuation of our informal relations with Cuba and efforts toward normalization, as an important means of communication through which our differences could be worked out. In this manner, it has been suggested, the Cubans could be made to "see the error of their ways." The effectiveness of our contacts with the Cubans during the past several years has been aptly demonstrated by their recent performances in Angola, Ethiopia, and in southern Africa.

Next month will mark the first anniversary of our American interests section in Havana. During that period of time, there has been no slowdown in the export of Cuban revolution and destruction abroad. There has been no progress toward compensation for expropriated American property, amounting to some $1.8 billion. There has been no measurable progress toward more humane treatment of thousands of Cubans imprisoned for their political beliefs. And there has been no renewal of the antihijacking accord with Cuba, which Castro arbitrarily terminated 2 years ago.

Judging from my own experience in attempting to deal with the "interest section" liaison, I seriously question the extent of bilateral communication and coordination that has been effected. In March of this year, I contacted both the Cuban interests section here in Washington, and our office in Havana, to express concern about a Cuban citizen who has been held political prisoner since October of 1962. The prisoner is suffering from terminal cancer, and has family in the United States who are pleading for his release. Yet, I received not so much as an acknowledgement of my letter from either of the two interest section offices.

A MATTER OF PRINCIPLE

From both a moral and political standpoint, then, there are many reasons why we should terminate our liaison office in Havana until we receive some positive signal from the Cuban Government. We must retain our bargaining chips for encouraging the observance of human rights in Cuba and for promoting the withdrawal of Cuban troops from Africa. If there is going to be any principle and consistency in American foreign policy, then this administration must draw a line on any further concessions toward Cuba until we have seen some sincere efforts by the Cuban regime toward resolving the outstanding issues between our two countries.

Until that is done, Congress has some responsibility to the American people to reflect their interests. The prevailing mood in this country is not one that would indicate a policy of complacent tolerance toward the activities of Communist Cuba, nor to extend a hand of friendship.

Therefore, it is my hope that this amendment might be accepted, to close our interest section office in Cuba during the coming fiscal year, and then review the situation at this point next year to see what progress, if any, has been made.

Mr. President, I have discussed this amendment with the floor manager of the bill and also the distinguished Senator from South Dakota.

I think there may be a better way to raise the issue than on this particular legislation. I would only hope that we would watch the growth of the interests section in Havana. I understand there are 10 people there now. I would hope

this would not grow and that we would watch it carefully.

Mr. President, I am prepared to accept a voice vote on this amendment.

Mr. McGOVERN. First, Mr. President, I commend the Senator from Kansas for his amendment with regard to refugees from Cambodia. That amendment was soundly based. The present one is wrongly based.

For us to close this very small American diplomatic section that we have in Havana is the best way to punish the United States and to hurt the interests of this country. I do not know whether it would cause any particular damage to Cuba. It certainly is a case of cutting off our nose to spite our face for us to close down the one source we have on firsthand information on what is going on in Cuba.

To whatever extent we are worried about Cuban behavior in the world or about our relationship to them only accents the importance of maintaining close surveillance on activities there. The net effect of the amendment offered by the Senator from Kansas would be to leave the Cubans with a diplomatic section here in Washington plus a full team in New York in the United Nations over which the Congress has no control at all, since that is a U.N. operation, and deprive ourselves of any kind of firsthand information about what is going on in Cuba.

I think it is quite clear, Mr. President, that we opened this Cuban section in Havana not to help the Cubans but to help the interests of the United States. Both countries have actually benefited from it mutually. It has helped to organize the repatriation of American citizens and their families.

It has been instrumental in securing the release of several American prisoners from Cuban jails. It has been very helpful in the repatriation of divided Cuban families. We now have a situation existing where 40 or 50 Cuban exiles are moving from the Miami area to visit their families in Cuba every month, with a stream of Cubans coming this way to visit families here. There are other benefits. When an American vessel, either an airplane or a ship or anything of that kind wanders into Cuban waters, they are immediately assisted by the American diplomatic section in Havana in being released and returned to the United States. We have had excellent results because of the activities of this little diplomatic section.

I might add, Mr. President, that it really makes no more sense for us to close down our diplomatic representation in Havana than it would be to close down our Embassy in Moscow, or to close out our diplomatic representation in Peking. I have always thought that the most constructive and perhaps enduring contribution that former President Nixon made was to open up some kind of diplomatic contact with Peking. That does not mean that we approve their ideology any more than we approve of the Cuban ideology. It does mean that we recognize their existence. We recognize that they are there. To whatever extent we are concerned about their activities is all the more reason why we ought to maintain some kind of observation, some kind of diplomatic activity.

I hope very much that this amendment will be rejected. The Senator from Kansas and I have teamed up on a good many proposals in the Senate on which we have generally prevailed. I cannot recall a time that we have been on the same side of an issue when we have lost, as a matter of fact. On this issue, where we are in opposition, I hope the Senator from Kansas will not press the amendment.

Mr. DOLE. Mr. President, I appreciate the comments of the distinguished Senator from South Dakota. I think he probably makes a point. The Senator from Kansas, of course, is worried about the expansion that might take place.

I should also have to say that in March of this year, our office contacted both the Cuban interest section office in Washington and the one in Havana to inquire about a Cuban citizen who has been held a political prisoner since 1962. It is our understanding that the prisoner is suffering from terminal cancer and his family is seeking his release.

We have not received even a response from the Interest Section office. I hope to call the case to the attention of the State Department by that statement.

I am prepared to yield back my time and accept a voice vote.

The PRESIDING OFFICER. Is all time yielded back? All time having been yielded back, the question is on agreeing to the amendment.

The amendment was rejected.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McGOVERN. Mr. President, I ask unanimous consent that a statement by the Under Secretary of State, made at the time of the opening of the Cuban Interest Section in Washington, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CUBAN INTEREST SECTION OPENS IN WASHINGTON

We are here today to mark a first step, a step which—while in itself not large—is, just the same, significant.

For many years two neighbors, Cuba and the United States, have had no dialogue. Differences thus have been exaggerated and areas of potential agreement left unexplored. After only 5 weeks in office, Secretary Vance said ". . . there are a number of issues that we ought to start discussing with the Cubans. I would like to begin that process. . . ."

What we do here today, opening the Cuban Interest Section in the United States and the parallel ceremony taking place in Havana, is symbolic, but it also goes beyond mere symbolism. In practical terms, consular services now become available directly through the presence of consular representative. On a broader basis, a direct dialogue is now possible on issues of mutual benefit to our peoples, and this is good.

But we should all keep in mind that this is not an end but a beginning. With these interest Sections we can speak directly, but we will have many things about which to speak and the dialogue will not always be an easy one. President Carter recognized this when he told reporters in May that we " . . . still have a lot of differences between us " Significantly, he went on to say that the United States has "full friendship with Cuba" as an "ultimate goal."

And so the process has begun. I know I speak for the President and Secretary Vance when I say that it is our hope, working together with good will, that this process can flourish not only to the benefit of the Cuban and American peoples but also in the interest of peace and stability in this hemisphere and in the world. That is our objective; let us now work together toward it.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, while I confer with the distinguished Senator from South Carolina, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HOLLINGS. Charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1587

(Purpose: To make available certain appropriations for the construction of a United States embassy building in Taipei, Republic of China)

Mr. HELMS. Mr. President, I send an unprinted amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 1587.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 14, strike out "$125,000,000, to remain available until expended" and insert in lieu thereof the following: "$125,500,000, to remain available until expended, of which amount not to exceed $500,000 shall be available only for the purpose of constructing a building for the United States embassy in Taipei, Republic of China, on property owned by the United States on the date of enactment of this Act".

CONSTRUCTION OF NEW U.S. EMBASSY BUILDING IN TAIPEI

Mr. HELMS. Mr. President, this amendment would simply increase the funds available for purchase and construction of embassy buildings abroad by $500,000 and earmark those funds for the construction of a new U.S. Embassy in Taipei, Republic of China, on a site presently owned by the U.S. Government.

This modest increase is considerably below the budget ceilings. It would allow for planning and initial construction phases of a new U.S. Embassy building in Taipei, a project that should have gotten underway long ago.

The State Department has confirmed that a site for a new U.S. Embassy in Taipei was chosen more than 10 years ago. In fact, some design studies and blueprints have already been prepared. Yet, unaccountably, the project has been stalled.

All those who have been to the present U.S. Embassy in Taipei know that it is totally inadequate for the volume of business involved in our relationship with Taipei. It is an old building from the era of the Japanese occupation on a tightly restricted site at a busy intersection in Taipei with complicated traffic patterns. The volume of the consular and visa section alone has increased in proportion to our trade increase with Taiwan—more than 175 times over the past 25 years. We have a trade of a record $5.5 billion with Taiwan. Taiwan's total world trade is $17.9 billion. Taiwan is the United States 12th ranking trading partner.

By every measure of economic progress, Taiwan has been growing by leaps and bounds. Taipei was once a sleepy provincial capital; today it is a modern and industrious city of 2 million. Per capita income has tripled. U.S. investment is more than half a billion, and continues to grow. U.S. tourism continues to increase.

Yet we are still trying to operate out of an antiquated building with insufficient space to serve American and Chinese visitors. The need for a new building can hardly be questioned. Even the State Department itself seems to have agreed by purchasing a site and drawing up preliminary plans.

Some may say that our relationships in Asia are changing and that we may no longer need an embassy building in Taipei. This, of course, is nonsense. Poll after poll has shown that the American people will never permit the adoption of a policy which results in the abandonment of a firm relationship with Taiwan. Whatever the status of the U.S. mission to Taiwan in the future, there is no doubt that there will be a U.S. mission there, that our economic relations will continue to increase, and that the volume of business handled by the U.S. mission will continue to increase. A new building is a practical necessity in any outcome.

Some Senators may be aware that I offered a similar amendment last year to the State Department appropriations bill. At that time the distinguished floor leader for the bill, Mr. WEICKER, responded as follows:

As the distinguished Senator from North Carolina knows, there is a precision-like investigation which goes into all of the determinations made by this subcommittee in regard to the various requests that come before it and, indeed, those investigations are what form the basis for the subcommittee's decisions.

It would be grossly unfair for the committee to say "no" to a request without having adequate facts to support such a "no." Likewise for an affirmative response to the request.

Quite frankly, I am not aware enough of the circumstances described by the distinguished Senator from North Carolina to pass upon this request, and I would not want to do so either affirmatively or negatively.

I wonder if it might be sufficient for the purposes of the Senator from North Carolina if I give him my assurances that in this year ahead such an investigation will take place, specifically in relation to the matters which he has brought to the attention of the subcommittee at this time?

That was the response of the distinguished Senator from Connecticut. In turn, I replied as follows:

I understand what the Senator has said and, as always, he makes sense.

Mainly, the Senator from North Carolina wanted to bring this matter to the attention of the Senate in hopes he would receive just such a response from the able Senator as has been received.

As a result of this colloquy, I withdrew my amendment at that time. Meanwhile, I have made my own informal investigation to check again on my facts, and I believe that they are substantially correct as I have presented them this year and last. I have reason to hope, therefore, that the subcommittee's investigation likewise has borne out the correctness of my presentation. I have reason to presume, therefore, that the subcommittee would be in a position to make an affirmative or negative judgment.

Mr. President, I, therefore, inquire whether the distinguished floor leader is prepared to accept my amendment?

Mr. STONE. Will the Senator yield?

Mr. HELMS. Yes.

Mr. STONE. Will the Senator include me as a cosponsor of his amendment?

Mr. HELMS. I thank the Senator.

Mr. President, I ask unanimous consent that the distinguished Senator from Florida (Mr. STONE) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, the Senator from North Carolina has brought a matter of interest to all of us here before the Senate. I think the significant thing is the basic fact that he has alluded to the $5.5 billion in trade with the present building. I have been there to that building and it is not all that bad. We have asked the State Department to institute a study, which the Foreign Buildings Office has done. They have gone over the particular needs and given them certain priorities.

If the Senator will turn to page 15, he will find those that they figure should have the present priority given. If we are going to try to have that kind of oversight procedure and try to save the taxpayers' dollars by actual construction rather than pay these exorbitant rents, I think this one is going to have to be withheld. I hope the Senator will not insist on this amendment, because we will have to oppose it. He has made an excellent record this evening and we are not going to ignore the Senator from North Carolina or ignore Taipei or Formosa.

I think we do agree on the significance and importance of Taiwan to the United States and our commitments to Taiwan.

Mr. HELMS. Mr. President, I thank the Senator for his comments. I wonder if I interpret him correctly when I say that, as I understand it, he feels that the committee will pursue this matter.

Mr. HOLLINGS. We will very definitely. We shall bring it to the attention of the State Department. They did not put it on priority. I am sorry we do not have the actual report, but I shall get one in particular for the Senator from North Carolina if he will not insist at this time.

Mr. HELMS. Mr. President, I think, in the light of this legislative history that has been established, I will not press the amendment. I withdraw it.

The PRESIDING OFFICER. The Senator has that right.

The amendment was withdrawn.

Mr. BAYH. Mr. President, I would like a few minutes to discuss on the floor of the Senate two amendments to this bill which I offered in committee, one of which would increase the appropriations for the Civil Rights Division of the Justice Department to the level authorized by the Committee on the Judiciary, and the other which would fund at the level requested by the administration the voting rights survey mandated by the Congress in the 1975 amendments to the Voting Rights Act. I offered these amendments in committee where, unfortunately, they were rejected. I think the committee's action was a tragic mistake since findings have been made in the first case by the appropriate oversight committee, Judiciary, of the ineffectual program that would result from the present appropriation, and in the second case by the Congress concerning its need for voting information and mandating a certain method of getting it—a Census Bureau voting survey.

Ordinarily, Mr. President, I would offer these amendments here on the floor. However, the vote against both in committee was so overwhelming that I believe it would be futile to bring them up again.

Mr. President, the Judiciary Committee which has oversight jurisdiction over the Department of Justice, this year, for the first time, conducted authorization hearings on the Department's budget. The committee reported the bill, S. 3151, which passed the Senate July 10, 1978. In regard to the Civil Rights Division, the committee found the following:

That the budget submitted by the Department, as reduced by the Office of Management and Budget, was hardly adequate to allow the Department to perform the duties or fulfill the commitments it has in the civil rights field. The Department, through its Civil Rights Division, has the primary civil rights enforcement and litigative responsibility in the Federal Government as a result of both the reconstruction era and the modern (post 1954) civil rights act. During the last 5 years the Congress and the executive branch have added to that responsibility and authority to an extent, the committee found, that far outstripped the Division's ability to formulate or administer policies for which it was accountable. The Division was overburdened to a point where many programs were being ended or severely cut back. It was also found that the Division could not cope with the rising case load in fiscal year 1979 with what was revealed to be 1973 staffing levels.

As a result, the committee believes that to end the program cutbacks, to meet the increased case loads, and to maintain the Division as an active and efficient participant in civil rights enforcement, litigation, and administration, an increase in funding of $2,266,000 is needed.

What, Mr. President, did the Judiciary Committee find that led it to increase the Division's authorized spending level? The answer, Mr. President, was not primarily the result of an intensive investigation by the Judiciary Committee staff, but rather the words of the Office of Management and Budget's authorization request. Let me read from that document concerning Indians' rights:

Minor accomplishments will be visible in limited areas of nondiscrimination in jobs and voting, while other benefits such as fair housing, equal access to public services and nondiscriminatory public accommodations and facilities will go unattended.

The national momentum gained in protecting the rights of Indians will be lost.

There will probably be an increase in Indian related violence and public disturbances.

Commitments made by the Attorney General and other ranking Departmental authorities to vigorously enforce the civil rights of Indians will be broken.

Now, Mr. President, on July 19, 1978, the Senate passed a resolution introduced by Senator DOLE and cosponsored by the Senator from Indiana and others of my colleagues commending the American Indians for participating in the peaceful demonstration, the "Long Walk." The Long Walk was designed to bring to the Congress' attention the Indian's long list of grievances with the Federal Government and asked for their redress. Is it the intent of the Congress that this bill be the answer to this peaceful request? I believe it highly inappropriate to turn around 2 weeks after praising a group of Americans for being excellent citizens and pass a bill which would compromise the rights of Indians.

But, Mr. President, that is not all this lack of money does. The House has passed and the Senate has on the calendar, a bill that would give the Attorney General standing to protect the rights of institutionalized persons. According to OMB, this appropriation would have the following effect on the Attorney General's efforts on behalf of these people:

States which are now becoming aware of the Division's activity in the area of prison and jail litigation will quickly sense a decreased ability in resources and will be prone to violate (or defer remedial action on) already established constitutional rights of prison and jail inmates.

To a lesser degree the private citizen discriminated against in public accommodations might be forced to look elsewhere for assistance.

New areas of the law, i.e., sex discrimination, rights of pretrial detainees and bogus club violators will not be addressed.

The constitutional rights of the process covered by this program will not be fully protected because of the inability to:

Investigate complaints of serious violations of constitutional rights.

Address Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against handicapped persons by recipients of Federal financial assistance.

Similarly, this appropriations bill would drastically affect the Division's ability to insure that Federal moneys would not be used to fund discriminatory programs. Here is what the OMB document says:

Reviews of only 23 out of 38,000 revenue sharing recipients will be conducted.

Litigation will be initiated against only eight of 38,000 state or local governments who are administering federally funded or revenue sharing programs.

Overview and technical assistance will be provided to the federal agencies implementing the Attorney General's Title VI regulations and comprehensive reviews will be conducted on a selective basis.

In the area of fair housing listen to what Mr. Drew Days, the Assistant Attorney General, says this appropriation would do:

Senator BAYH. If we look at the Housing and Credit Section, as I understand it, it is responsible for enforcing Title VIII of the Civil Rights Act of 1968 dealing with open housing and equal credit opportunity. Am I accurate in my assessment?

Mr. DAYS. Yes, Senator.

Senator BAYH. Authority to bring suits under the Equal Credit Act did not take place until 1976, so I guess that I am forced to ask the next question. Did the resources of the section expand with these new responsibilities?

Mr. DAYS. The resources did not expand.

That was one of the responsibilities I addressed in my opening statement. We got the new responsibilities but no additional resources.

Senator BAYH. So, although the first question was addressed at S. 571 which is not yet on the books but which Senator Mathias and I hope will be, the second section dealing with the enforcement of Title VIII of the Civil Rights Act did confer new responsibility to that section without any commensurate increase in resources to take care of that.

Is that accurate?

Mr. DAYS. Yes, that is accurate.

Additionally, the Judiciary Committee found the division would not be able to answer requests made under the Freedom of Information Act, saying:

The Division's failure to respond to requests at all, or within the statutory deadlines, will cause an increase in the number of administrative appeals and court suits filed.

Mr. President, I submit that this budget will jeopardize civil rights in this country. We seem to think that we can pass all the civil rights problems on to the executive or to the judiciary branches and they will solve them. Since 1973, we have been adding to the Division's duties. I need only mention a few, the Equal Credit Opportunity Act of 1976, 1975 Voting Rights Act Amendments, Overseas Voting Rights Act, 1976 Amendments to the State and Local Fiscal Assistance Act, title VI (of the Civil Rights Act of 1964) coordination authority, the Sex Discrimination Task Force, for you to understand the diverse responsibility the Division now has. In general, the Division has done a superlative job considering the limited resources the Congress has provided. In the same 5-year period between 1973 and 1978, we expanded the staff by only five people. For the next fiscal year we are reducing that level by 5 workyears, to essentially 1973 staffing numbers. We have granted authority to the Division to enforce the law and now we are refusing to fund those efforts.

Finally, Mr. President, the question was raised in committee markup of what Mr. Days' position was concerning this increase. The chairman of the Appropriations Subcommittee stated at the time that Mr. Days was satisfied with the present budget. The Senator from Massachusetts (Mr. BROOKE) pointed out then, correctly, that Cabinet officers and Division chiefs are required to toe the administration budget line despite their own opinions. Mr. Days did exactly that at the Senator from South Carolina's subcommittee hearing. However, I asked Mr. Days this question at the Judiciary authorization hearing:

Senator BAYH. So, rough mathematics would show that there are 100 positions and about $2,250,000—give or take a few either place—that you thought at that time were necessary and are not now in the budget that you are asking us to consider?

Mr. DAYS. That is correct.

I had hoped that the committee and the Senate would have agreed with Mr. Days that this amendment was the "correct" way for the Senate to fund the Division.

Mr. President, the second amendment I offered in committee would have restored the administration's request for $37 million cut by the House for the voting rights survey mandated by the Voting Rights Amendments of 1975. Before explaining what this survey is designed to do, I would like to give a short history of the reasons for the House action.

Apparently, the House acted in this manner on the basis of a General Accounting Office (GAO) report which "concluded that the Congress should reassess the adequacy and need for the survey in light of its limited usefulness (to the Justice Department)." (House Report 95–1253.) The Justice Department, however, took the opposite view. In a letter dated June 12, 1978, to Congressman DON EDWARDS (chairman of the Judiciary Subcommittee on Civil and Constitutional Rights), Assistant Attorney General Drew Days said:

(I)f Section 207 surveys were conducted, we believe the survey results would be useful in our programs for taking action through lawsuits under 42 U.S.C. 1971 or 1973, and/or the use of federal examiners under 42 U.S.C. 1973d, to correct discriminatory impediments to racial and language minorities' right to register as voters and vote in elections . . . and

In conclusion, properly conducted surveys would provide valuable support in our enforcement efforts under the Voting Rights Act. They would meet an important need for information on patterns of discrimination in voting practices. Accordingly the Administration strongly believes that the funds for the surveys should be restored.

Further the GAO apparently mistakenly assumed the voting rights survey requirement was part of the Department's implementation plan. However, the legislative history of section 207 clearly shows that the survey is to be used primarily by Congress as a tool in evaluating the act in 1982. Identification of potential litigative matter is not mentioned in the legislative history. Any use of the survey by the Justice Department is secondary. The House subcommittee report on the Voting Rights Act extension of 1975, states:

During its deliberations on extending the Act, the Subcommittee became very much aware of the paucity of data by race, color, and national origin on voter registration and turnout. Although Congress passed legislation in 1964 to help remedy this problem, the surveys called for by Title VIII of the Civil Rights Act of 1964 have never been undertaken. In H.R. 6219, the Committee

is again requiring the collection of such data. Section 403 of H.R. 6219 requires the Director of Census to collect data on registration and voting by race or color, and national origin. Such data is to be collected for each national election in the covered jurisdictions and for such other elections in any areas, as designated by the U.S. Commission on Civil Rights. *Reports of such surveys are to be transmitted to Congress,* (emphasis added) . . . House Report No. 94–196, May 8, 1975, pp. 34, 35.

The Senate report also explicitly states:

Reports of such surveys are to be transmitted to Congress. Senate Report No. 94–295, July 22, 1975, p. 43.

Neither report mentions any other use of the survey data.

The survey was mandated by the Voting Rights Act amendments of 1975 to provide Congress with information about the success of enforcement of the Voting Rights Act in covered jurisdictions. The act provides:

SEC. 207. (a) Congress hereby directs the Director of the Census forthwith to conduct a survey to compile registration and voting statistics: (i) in every State or political subdivision with respect to which the prohibitions of section 4(a) of the Voting Rights Act of 1965 are in effect, for every statewide general election for Members of the United States House of Representatives after January 1, 1974; and (ii) in every State or political subdivision for any election designated by the United States Commission on Civil Rights. Such surveys shall only include a count of citizens of voting age, race or color, and national origin, and a determination of the extent to which such persons are registered to vote and have voted in the elections surveyed.

Shortly after each congressional and Presidential election, the Census Bureau (using the best available statistical procedures) surveys the population of the jurisdictions to determine the differences between voting patterns and registration among voters in different racial and ethnic groups. No respondent is ever asked how he voted, only whether he is registered and has voted.

To gage the impact of the act, it is important to compile this information for each election so that trends can be identified. While the vote in any one election may be affected by such factors as voter apathy, the trends over time can help to establish whether a pattern of discrimination persists.

Where sampling is appropriate the Census Bureau uses the most up to date methods. In those areas where the population is very small, it is more economical to survey each voting age citizen. To guard against misreporting by respondents, the Bureau is conducting a series of tests in which the response of individuals are checked against the official registration and voting records. These tests have shown that the survey generally over-reports the vote. The results from the test could be used to correct the findings of the survey.

In the absence of the survey, decisions will have to be made in 1982 regarding the further extension of the Voting Rights Act based on data which may well be over 17 years old. For example, in considering whether to extend the act's coverage in a State like South Carolina, changing conditions in the State (brought on by the impact of the act), require more sensitive measures of change than would be available without the survey. The data it provides (together with other available information) will greatly help the Congress to decide whether the act needs to be continued in its current form, whether portions of States should be allowed to come out from under the act, or whether coverage is no longer necessary. The Senator from South Carolina (Mr. HOLLINGS) expressed this exact concern in 1975 during the debate on the 1975 Voting Rights Amendments. He said:

Why not bring [the coverage tests] up to date? This is 1975. There has been a marked change in many, many conditions. We have all grown and matured. We do enjoy a greater freedom today than we did 10 years ago. We are blessed in that particular regard. (CONGRESSIONAL RECORD, July 23, 1975, page 24232.)

In other words, if the survey is funded, the Congress will be provided with evidence from many areas showing that there is little or no difference between majority and minority voters indicating no further need for the special provisions of the Voting Rights Act.

As a result of extensive consultations between the Senate and House committee staffs, the Justice Department, the U.S. Commission on Civil Rights and the Bureau of Census, the methodology for showing the voting differences in the 1978 survey has been changed to more clearly reflect the needs of Congress in evaluating the Voting Rights Act. The survey worked out by the various staffs would provide for a standard error of 2.4 percent, that is to say, that one could be certain there was a difference between white and minority voters at a level of 4.8 percent. Furthermore, the survey's resources would be concentrated in areas of greater minority presence, so to more accurately reflect the true differences between the greatest number of minorities and the corresponding majority populations.

Of course, these are other proposals on the best method of conducting the voting survey. A claim might be made that the 1978 survey is using a much higher level of precision than the 1976 survey used and that by choosing a middle ground between them, the costs of the survey can be cut.

The increase in cost from 1976 to 1978 are not the result of increased precision, but rather increasing the number of jurisdictions covered, from 90 to the 955 mandated under the law. In fact, the average jurisdiction cost approximately $50,000 to survey in 1976 and will cost approximately $46,000 if the President's recommendation for 1978 is adopted.

There are three possible alternatives. One would increase the error from approximately 2.4 percent (the administration's proposal) to 4 percent. The result would be that if the sample showed that there was less than an 8-percent difference between the white population and the covered minority in a jurisdiction, it would not be possible to say that there was any difference. This proposal would cost $26 million or about $27,000 per jurisdiction. Another proposal would cut the accuracy to a point where it would not be possible to detect any differences less than 12 percent. This would cost $19 million or about $19,895 per jurisdiction. A third proposal would reduce the number of jurisdictions to those surveyed in 1976 plus the ones proposed by the Civil Rights Commission. It would cost $7 million or about $61,403 per jurisdiction. It is the only proposal which would cost more per jurisdiction than the 1976 survey. Presumably this is because design and other startup costs would have to be absorbed over a smaller number of jurisdictions.

Each of the alternatives to the amendment which I proposed in committee would have reduced the precision to the survey to a point where its usefulness to Congress would be greatly eroded. Therefore, I had hoped the committee and the Senate would have adopted my amendment to fund the $37 million survey, because it would have provided the most accurate data and would have allowed the Bureau of the Census to carry out the congressional mandate it received in 1975.

● Mr. YOUNG. Mr. President, as ranking minority member of the Appropriations Committee on which I have served for many years, I want to especially commend the chairman and ranking minority member of the Subcommittee on State, Justice, Commerce, the Judiciary and Related Agencies, ERNEST F. HOLLINGS and LOWELL P. WEICKER, for their diligent efforts in promulgating this exceedingly complex and important bill.

I am well aware of the fact that the committee's recommendation of $8,635,438,000 almost represents a new high in funding for the agencies involved. However, my colleagues should recognize that the moneys appropriated herein are stretched around the world, and at the same time provide funding for many needed projects here in this country, as well as provide the wherewithal for one of our three coequal branches of Government and the unique system of American jurisprudence. Therefore, I hope my colleagues will indicate their approval of H.R. 12934 and the report which accompanies it.

Finally, Mr. President, from those early weeks last January when the committee received the President's budget requests, one individual has performed the necessary duties which has enabled the Senate to consider this legislation today. I am, of course, referring to Mr. Warren Kane, the chief clerk of the State-Justice Subcommittee. Mr. Kane has a monumental knowledge of the bill which he always shares with all the members of the committee. His performance was at all times in the highest traditions of the Appropriations Committee professional staff.●

LIFE INSURANCE

● Mr. METZENBAUM. Mr. President, I would like to ask the distinguished Senator from Washington a question about a part of the committee's report relating to a study being done by the FTC on the need for better cost disclosure to life

insurance purchasers. The committee says that—

In no event should the Commission nor its staff attempt to impede or thwart the adoption by the States of the Model Life Insurance Cost Solicitation Regulation supported by the National Association of Insurance Commissioners.

Now, I understand that some State insurance commissioners have asked the FTC for its help on this matter. Surely this does not mean the FTC cannot help when requested to do so?

Mr. MAGNUSON. No, it does not mean that at all. We simply do not want the Commission to seek to prevent or impede any State from adopting whatever it wants on this matter. That is not the FTC's job. However, it is the FTC's job to provide assistance to the States and aid them in developing effective life insurance cost disclosure regulations.

Mr. METZENBAUM. One more question, Mr. Chairman, I assume this language is not included to prevent the Commission from stating its views. For example, if a State is deciding what type of cost disclosure is to be required, the Commission is free, is it not, to indicate whatever concerns it has with the proposals under consideration?

Mr. MAGNUSON. Absolutely. A significant aspect of the FTC's statutory mission is studying consumer problems and suggesting to the Congress, the States, and the public how the consumer's interest can best be served. The only thing we want to assure ourselves on the committee is that the ultimate decisions on this issue are the States own. Now, that has not happened so far, and we want to make sure that it does not. But, of course, the Commission and the staff should cooperate as much as possible with the States and should feel free to express whatever concerns they have.

Mr. METZENBAUM. I thank the distinguished chairman.●

● Mr. MUSKIE. Mr. President, the Senate is now considering H.R. 12934, the fiscal year 1979 appropriation bill for the Departments of State, Justice, and Commerce, the Judiciary and related agencies. The bill is generally consistent with the assumptions of the first budget resolution, and I support it. But I would like to raise one point of caution.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to it under the budget resolution. These allocations, together with the functional targets established in the first budget resolution, provide benchmarks so that the Senate's action on individual bills can be evaluated in the context of the overall congressional budget.

The Appropriations Committee has allocated $10.2 billion in budget authority and $10.5 billion in outlays to the Subcommittee on State, Justice, Commerce, and the Judiciary.

This bill as reported provides $8.6 billion in new budget authority. Outlays associated with the bill total $11.1 billion, including $5.3 billion in outlays from prior years' authority.

Thus the totals for this bill are under the subcommittee's section 302(b) allocation by $1.6 billion in budget authority, but are above that allocation by $0.6 billion in outlays. Much of the pressure on outlays results not from decisions of the State-Justice Subcommittee relating to fiscal year 1979 activities, but rather from decisions made to unleash SBA disaster loans in fiscal year 1978. We see here a warning that Congress should take firm action to bring disaster spending under control now or we will continue to create problems for the future.

While H.R. 12934 as reported is within the subcommittee's budget authority allocation and only slightly over the subcommittee's outlay allocation, there could be other claims made against this allocation in the coming months, such as labor-intensive public works, and the expansion of economic stimulus programs. In total, these possible later requirements could cost an additional $2.2 billion in budget authority and $0.3 billion in outlays, and cause the subcommittee to exceed its allocation by $0.6 billion in budget authority and $0.9 billion in outlays. Should these possible later requirements materialize, other subcommittees will need to stay below their allocations if the Appropriations Committee is to stay within its total allocation. This will not be easy.

Mr. President, I ask that a table showing the relationship of this bill and possible later requirements to the subcommittee allocation be inserted in the RECORD at this point.

The table follows:

H.R. 12934, State, Justice, Commerce, and Judiciary appropriation bill, 1979—Relationship to subcommittee's section 302(b) allocation

[In billions]

	Budget authority	Outlays
Subcommittee's section 302(b) allocation	10.2	10.5
H.R. 12934, as reported	8.6	11.1
Under (−) or over (+) allocation	−1.6	+0.6
Possible later requirements:		
"Soft" public works program	1.0	0.1
National Development Bank grants	0.3	0.1
Possible later requirements—Continued		
SBA business loan and investment fund	0.1	*
Economic development programs	0.1	*
SBA disaster loans	0.5	*
Administration of justice programs	0.2	0.1
Possible amount under (−) or over (+) subcommittee allocation	+0.6	+0.9

*Less than $50,000,000.

● Mr. MUSKIE. Mr. President, this appropriation bill is an excellent example of why it is important for committees of the Congress to meet the May 15 deadline in reporting authorizing legislation, as set forth in section 402(a) of the Budget Act. This appropriation bill includes about $3.8 billion in budget authority that was not included in the House bill because authorizing legislation has not yet been enacted. Programs excluded from the House bill because of the lack of authorizing legislation include programs of the Department of State, international programs, programs of the Maritime Administration, and most programs of the Department of Justice. We are not talking about new or experimental programs here, but ongoing programs of major Federal agencies.

It is not yet certain that lack of authorization will create substantial difficulties in reaching final agreement in this bill. But one thing is clear—the failure to enact authorizing legislation in a timely way creates problems in the appropriations process, which is precisely what section 402(a) was intended to avoid. I hope that our track record with respect to meeting the May 15 deadline can be improved substantially next year.

I support H.R. 12934, as reported, and commend the distinguished chairman of the Subcommittee on State, Justice, Commerce, and the Judiciary, Senator HOLLINGS. His efforts in support of the budget process, both as an appropriations subcommittee chairman and as a member of the Budget Committee, are highly effective and deeply appreciated.●

Mr. HOLLINGS. Mr. President, if there are no further amendments, I move third reading.

The PRESIDING OFFICER. Are there further amendments? If there be no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do all Senators yield back their time?

Mr. HOLLINGS. I yield back my time.

Mr. WEICKER. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back.

The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

(Mr. MATSUNAGA assumed the chair.)

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alabama (Mrs. ALLEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Tennessee (Mr. SASSER), the Senator from Mississippi (Mr. STENNIS), the Senator from Wisconsin (Mr. NELSON), the Senator from Georgia (Mr. NUNN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Michigan (Mr. RIEGLE), the Senator from Maryland (Mr. SARBANES), the Senator from Illinois (Mr. STEVENSON), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Minnesota (Mrs. HUMPHREY) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. MARK O. HATFIELD), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The result was announced—yeas 62, nays 6, as follows:

[Rollcall Vote No. 283 Leg.]

YEAS—62

Bartlett	Griffin	Metzenbaum
Bayh	Hansen	Morgan
Bentsen	Hatch	Moynihan
Biden	Hatfield, Paul G.	Muskie
Bumpers	Hathaway	Packwood
Byrd, Robert C.	Hayakawa	Pearson
Cannon	Hodges	Pell
Case	Hollings	Percy
Chafee	Huddleston	Proxmire
Chiles	Jackson	Schmitt
Clark	Javits	Schweiker
Cranston	Kennedy	Sparkman
Culver	Leahy	Stafford
Curtis	Long	Stevens
Danforth	Lugar	Stone
DeConcini	Magnuson	Tower
Dole	Matsunaga	Wallop
Domenici	McGovern	Weicker
Durkin	McIntyre	Williams
Ford	Melcher	Young
Glenn		Zorinsky

NAYS—6

Byrd, Harry F., Jr.	Helms	Scott
Garn	Laxalt	
	Roth	

NOT VOTING—32

Abourezk	Bellmon	Eagleton
Allen	Brooke	Eastland
Anderson	Burdick	Goldwater
Baker	Church	Gravel
Hart	Johnston	Riegle
Haskell	Mathias	Sarbanes
Hatfield, Mark O.	McClure	Sasser
Heinz	Nelson	Stennis
Humphrey	Nunn	Stevenson
Inouye	Randolph	Talmadge
	Ribicoff	Thurmond

So the bill (H.R. 12934) was passed.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Secretary of the Senate, in the engrossment of the Senate amendments to H.R. 12934, be authorized to make any technical and clerical corrections.

The PRESIDING OFFICER (Mr. HODGES). Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. HOLLINGS, Mr. MAGNUSON, Mr. EAGLETON, Mr. INOUYE, Mr. BURDICK, Mr. LEAHY, Mr. DECONCINI, Mr. BUMPERS, Mr. WEICKER, Mr. BROOKE, Mr. MARK O. HATFIELD, Mr. STEVENS, and Mr. YOUNG conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, the Senate has completed consideration of H.R. 12934. I take this opportunity to comment briefly on the contents of the bill, which makes appropriations for the Departments of State, Justice, Commerce, and the Judiciary, and to thank the distinguished Senator from South Carolina, Mr. HOLLINGS. As chairman of the Appropriations Subcommittee with jurisdiction over these areas, Senator HOLLINGS has given careful attention to budget requests and program needs. The members of his subcommittee have not used a rubberstamp in reporting this bill. As the report clearly indicated, many items were reviewed and studied meticulously. The result is a bill which is below the new budget authority for fiscal 1978 and below the budget estimates for fiscal 1979 and well within the targets of the first concurrent resolution on the budget. Cuts and increases in various programs have been selective and judicious.

With respect to the Department of Commerce, the new budget authority recommended represents a decrease compared to the budget estimate. Yet, care has been taken to insure adequate funding—and in some cases to allow expansion—of programs necessary for the economic health of the Nation. For example, full funding is budgeted for the programs of business assistance and trade development under the Industry and Trade Administration. These are programs that are vital to our Nation's economic health and on which it is absolutely necessary that we move ahead.

In the trade area some important items have received particular attention. An increase in funding has been recommended for development of a computerized data system by the Industry and Trade Administration. This will enable the Administration to match textile imports against existing quotas and consultation levels within 20 days of the end of each month, instead of within the 3- or 4-month period which is currently possible.

In addition to reviewing the budget requests and activities of numerous independent agencies, the Departments of Commerce and Justice, and the Federal Judiciary, the subcommittee chaired by Mr. HOLLINGS has the important responsibility of overseeing the departments and agencies which conduct our foreign affairs—not only the Department of State, but the Arms Control and Disarmament Agency, the Board of International Broadcasting, and the International Communication Agency. The U.S. participation in international organizations and commissions is also within the purview of the subcommittee.

As reported by the Committee on Appropriations, the bill provided $661 million for the Department of State and the administration of foreign affairs. This funding enables our Government to carry out its foreign policy functions and related services and activities. I am pleased to see that the amount recommended by the committee was $1.17 million below the budget estimate. Although the recommended amount is an increase over the current fiscal year, this is in large measure due to nondiscretionary increases, primarily reflecting increased wages and salaries, and higher prices.

In this area, once again, the subcommittee has taken note of many "small" items—small in terms of the overall bill, but not small in terms of taxpayer dollars. Thus, funds are provided to the Department of State for acquisition of certain properties overseas where the Foreign Service and other Government agencies abroad carry on permanent activities. This appropriation is a money-saving move because the purchase of the properties it enumerates will cost less than continued rental fees. This is the type of recommendation which puts each Federal dollar to work in the most efficient manner.

I do not have the honor of serving on the State, Justice, and Commerce Subcommittees, although I do serve on the Appropriations Committee. As a member of the full committee, I have been aware of the contribution made to its deliberations by the Senator from South Carolina, Mr. HOLLINGS. In the 2 years since he became chairman of this subcommittee, he has learned the many programs over which it has jurisdiction; he has brought to this bill a budget-minded approach for which I believe the people of the country are grateful. I know that he has been ably assisted by the chairmanship of the subcommittee by Mr. WEICKER, its ranking minority member.

I personally thank both Senators for their exemplary work.

Mr. HOLLINGS. Mr. President, I thank the distinguished majority leader. We appreciate very much his cooperation and leadership in helping us get the measure through here today.

I want to express the appreciation of the subcommittee to the staff. We have worked them hard and they have responded in the highest tradition of the

professional staff. I want to personally commend Mr. Warren Kane for his able assistance and also Mr. Burkett Van Kirk who assists the minority. Mrs. Veneda Carre has been assisting us on the floor all evening and she began her day helping with the D.C. appropriations markup so she has had a busy day. We also want to thank Miss Windy Carson who has been helping us this summer in a most excellent fashion. Finally, I would commend the staff of Senator WEICKER as well as the other members of the subcommittee for their help this year.

Now, Mr. President I want to thank the Senator from Connecticut. I am sure we can get together, as we have done before, but I think he is a little shocked because we are not going to vote any more today.

Mr. WEICKER. Mr. President, the Senator from South Carolina and I both fight very hard. I think that is the reason why the subcommittee does good work and why it will continue to do good work.

I do not see that anything in what happened today on the floor should give consolation to anyone, Democrat or Republican, in the sense of feeling that they are going to throw any curve balls by either the Senator from South Carolina or the Senator from Connecticut.

I appreciate the work we have done; the fight is over. I congratulate him. I still think I am right.

[Laughter.]

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 1:09 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 13385. An act to provide for a temporary increase in the public debt limit.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. ZORINSKY).

ENROLLED BILL SIGNED

At 7:35 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the Speaker has signed the following enrolled bill:

H.R. 7581. An act to amend the Internal Revenue Code of 1954 with respect to the treatment of mutual or cooperative telephone company income from nonmember telephone companies, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. ZORINSKY).

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying papers, which were referred as indicated:

EC-4097. A communication from the President of the United States, transmitting a request for fiscal year 1979 appropriations language for the Department of Health, Education, and Welfare; to the Committee on Appropriations.

EC-4098. A communication from the President of the United States, transmitting a request for fiscal year 1978 supplemental appropriations in the amount of $22,000,000 for the Department of Transportation; to the Committee on Appropriations.

EC-4099. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a Statistical Supplement, Stockpile Report, for the period ending March 31, 1978; to the Committee on Armed Services.

EC-4100. A communication from the President, United States Railway Association, transmitting, pursuant to law, the third quarterly report concerning uses of funds, status of projects and a projection of activities proposed for the next quarter; to the Committee on Commerce, Science, and Transportation.

EC-4101. A communication from the Administrator, General Services Administration, reporting, pursuant to law, a proposal to establish a system of records: Federal Information Center (FIC) Client Case Files, GSA/AV-1; to the Committee on Governmental Affairs.

EC-4102. A communication from the Secretary, Federal Trade Commission, transmitting, pursuant to law, a report on three new systems of records under the Privacy Act of 1974; to the Committee on Governmental Affairs.

EC-4103. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in 792 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised on behalf of such aliens; to the Committee on the Judiciary.

EC-4104. A communication from the Administrator, Veterans Administration, reporting, pursuant to law, where equitable relief was granted under 38 U.S.C. 210(c)(3)(A); to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs, without amendment:

S. Res. 532. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 991. Referred to the Committee on the Budget.

By Mr. MUSKIE, from the Committee on the Budget, without amendment, without recommendation:

S. Res. 517. A resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2600, the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978 (Rept. No. 95-1064).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. MORGAN, from the Committee on Armed Services:

Stanley R. Resor, of Connecticut, to be Under Secretary of Defense for Policy.

Duane C. Sewell, of California, to be an Assistant Secretary of Energy (defense programs).

James Paul Wade, Jr., of Virginia, to be Chairman of the Military Liaison Committee of the Department of Energy.

(The above nominations from the Committee on Armed Services were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. MORGAN. Mr. President, from the Committee on Armed Services, I report favorably the nominations of Maj. Gen. Hans H. Driessnack, U.S. Air Force, to be lieutenant general; and Maj. Gen. Lloyd R. Leavitt, Jr., U.S. Air Force, to be lieutenant general; and Maj. Gen. Winfield W. Scott, Jr., U.S. Air Force, to be lieutenant general. Also, Maj. Gen. Eugene P. Forrester, U.S. Army, to be lieutenant general; and Lt. Gen. Robert M. Shoemaker, Army of the U.S., to be general; and Maj. Gen. John A. Wickham, Jr., Army of the U.S., to be lieutenant general. Also Maj. Gen. Robert G. Yerks, Army of the U.S., to be lieutenant general; and Maj. Gen. La Vern Weber, Army National Guard, to be reappointed as Chief, National Guard Bureau for a period of 4 years; and Rear Adm. Ronald J. Hays, U.S. Navy, to be vice admiral. Also, Rear Adm. Edward P. Travers, U.S. Navy, to be Director of Budget and Reports, Navy, for a term of 3 years; and Lt. Gen. John P. Flynn, U.S. Air Force, (age 55), for appointment to the grade of lieutenant general on the retired list; and Lt. Gen. Lee M. Paschall, U.S. Air Force (age 56), for appointment to the grade of lieutenant general on the retired list. Also, Rear Adm. Carliesle A. H. Trost, to be vice admiral; and there are 24 for appointment in the Regular Army of the United States, to the grade of brigadier general (list beginning with James M. Thompson). Also, there are 27 for temporary appointment in the Army of the United States for temporary appointment in the Army of the United States, to the grade of major general (list beginning with Thomas D. Ayers); and Gen. William J. Evans, U.S. Air Force, (age 54), for appointment to the grade of general on the retired list; and Brig. Gen. Emmitt H. Walker, Jr., for appointment to the grade of major general as Director, Army National Guard. Also, there are 40

in the U.S. Army Reserve and Army National Guard to be brigadier general and major general (list beginning with Forrest A. Abbott. I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. In addition, there are 31 for appointment in the Air Force and the Air Force Reserve in the grade of lieutenant colonel and below (list beginning with John T. Reppart); and there are 2,447 for appointment in the Regular Air Force in the grade of captain and below (list beginning with Richard C. Besteder). Also, Col. William Orth, U.S. Air Force, for appointment as Dean of the Faculty of the U.S. Air Force Academy; and there are 1,999 for promotion in the Army in the grade of colonel and below (list beginning with John O. Blom); and there are 19 in the Navy and Naval Reserve to be commanders and below (list beginning with Virgil Moore IV). Also, there are 2,458 in the Navy for temporary promotion to the grade of lieutenant (junior grade) (list beginning with Philip M. Abbott). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of June 26, June 27, and July 12, 1978, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TALMADGE (for himself and Mr. CLARK):

S. 3372. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture; to direct the Secretary to assess and report the effects and potential impacts of such transactions and holdings; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. McINTYRE:

S. 3373. A bill to amend title 10, United States Code, to authorize the Secretary of Defense to provide transportation to the Girl Scouts of the United States of America in connection with international world friendship events or troops on foreign soil meetings, and for other purposes; to the Committee on Armed Services.

By Mr. GRAVEL:

S. 3374. A bill to amend title XVIII of the Social Security Act to reopen the period during which a State may enter into or modify an agreement which provides for the buying-in of coverage under part B of medicare for certain individuals eligible for assistance under the State's medicaid program; to the Committee on Finance.

By Mr. DECONCINI:

S. 3375. A bill to amend title 28 of the United States Code to make certain changes in the places of holding Federal district courts, in the divisions within judicial districts, and in judicial district dividing lines; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TALMADGE (for himself and Mr. CLARK):

S. 3372. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture; to direct the Secretary to assess and report the effects and potential impacts of such transactions and holdings; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL FOREIGN INVESTMENT INFORMATION ACT OF 1978

● Mr. TALMADGE. Mr. President, I am today introducing legislation to establish within the U.S. Department of Agriculture a system for the registration and reporting of ownership of American agricultural lands by foreign interests.

Many farmers in this country—and indeed many other Americans as well—have become increasingly concerned in recent months by rumors and reports of unusual activity by wealthy foreign investors in prime U.S. farmland.

Fears have been expressed that the reported large-scale acquisitions—if true—constitute a threat to the family farm system in this country by placing large blocks of farmland under foreign ownership and control and by inflating land prices beyond the reach of our own farmers.

Because of these concerns, I asked the General Accounting Office (GAO) earlier this year to conduct a preliminary study in order that we might have a better picture of what actually is taking place. The initial GAO study was completed in June. It sheds some light on the problem, but its main findings were that very little reliable data now exists at the Federal, State, or local level on the extent of foreign ownership of farmlands, and that there is no existing system for obtaining such data.

The GAO study did confirm sufficient foreign investment activity to justify some of the concerns that have been expressed. A spot check by GAO investigators revealed, for example, that foreign investors have acquired 6.3 percent of all farmland in a single county of my State in the past year and a half.

This may be an isolated case. The point is that no one knows for sure.

Following up the initial GAO report, the Committee on Agriculture, Nutrition, and Forestry is now conducting, with the assistance of several Federal agencies, a much broader investigation of the entire question and of its impact on national and international policy. On the basis of this further investigation, the committee will be in a better position to determine if there is a need for legislation to regulate or limit alien farmland ownership.

In the meantime, there is a clear need for a nationwide, reliable system for monitoring farmland acquisition by foreigners. The legislation I am introducing will fill this need and will assist in our committee's current investigation.

My bill, the Agricultural Foreign Investment Information Act of 1978, makes no attempt to regulate or limit investment by foreigners in U.S. farmland. But it would require such investors—whether individuals, partnerships, corporations, syndicates or governments—to make full and complete public disclosure.

Specifically, the bill would require foreign owners to report to the Secretary of Agriculture within 180 days of the effective date of the law—October 1, 1978—all existing land holdings, the location and size of the holdings, the purchase price, and full identity of the owner or owners. The same information would be required to be reported within 30 days of future purchases, sales or transfers of agricultural lands by foreigners. Agricultural lands are defined as those used for the production of farm commodities and forest products, and for raising livestock or poultry. The disclosure information would be compiled and analyzed by the Secretary of Agriculture who would make annual reports to the President and to the Congress, with an initial report due 10 months after the effective date of the law. The Secretary's reports would include an assessment of the trends in foreign farmland ownership and the effects on American agriculture, the Nation's economy and on foreign relations.

In order to put teeth into this measure, foreign investors who fail to comply or otherwise violate the reporting requirements would be subject to penalties of up to one-fourth of the fair market value of the land involved as determined by the Secretary of Agriculture. The office of the Inspector General of the Department of Agriculture would be required to make periodic studies to determine the reliability of the information reported to the Secretary and general compliance with the law.

Mr. President, I believe this legislation is needed to give Congress and the public a clear picture of the nature, the extent and the concentration of alien ownership of U.S. farmland, which is this Nation's most valuable natural resource. I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Foreign Investment Information Act of 1978".

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "agricultural land" means any land located in the United States that is capable of producing agricultural commodities (including forest products), raising livestock or poultry, and for other agricultural purposes as defined in regulations to be prescribed by the Secretary;

(2) the term "foreign country" means any country other than the United States;

(3) the term "United States" means the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(4) the term "foreign person" means—

(A) any individual who is not a citizen of the United States and who has not been

lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act;

(B) any person, other than an individual or government, that is created or organized under the laws of a foreign country or which has its principal place of business in a foreign country;

(C) any person, other than an individual or a government, that is created or organized under the laws of a State of the United States, the District of Columbia, or a territory, possession, or Commonwealth of the United States and that, as defined in regulations to be prescribed by the Secretary, is substantially controlled by individuals referred to in subparagraph (A), persons referred to in subparagraph (B), governments of foreign countries, or any combination of such individuals, persons, or governments; and

(D) any government of a foreign country;

(5) the term "person" includes any individual, corporation, company, association, firm, partnership, society, joint stock company, trust, estate, or any other similar entity; and

(6) the term "Secretary" means the Secretary of Agriculture.

REPORTING REQUIREMENTS

SEC. 3. (a) Any foreign person who holds any interest, other than a security interest, in agricultural land on the day before the effective date of this Act shall submit, or have a designated agent submit, a report to the Secretary not later than 180 days after the effective date of this Act. Such report shall be submitted in such manner as the Secretary shall describe by regulation and shall contain—

(1) the legal name and the address of such foreign person;

(2) in any case in which such foreign person is an individual, the citizenship of such foreign person;

(3) in any case in which such foreign person is not an individual or a government—

(A) the country in which such foreign person is created or organized;

(B) the principal place of business of such foreign person;

(C) the legal name and the address of each person who holds any interest in such foreign person;

(D) in any case in which the holder of such interest is an individual, the citizenship of such holder; and

(E) in any case in which the holder of such interest is not an individual or a government, the country in which such holder is created or organized and the principal place of business of such holder;

(4) the type of interest in agricultural land that is held by such foreign person;

(5) a legal description of such agricultural land, including the name of the State and county in which such land is located and the total acreage involved;

(6) the purchase price paid for, or any other consideration given for, such interest; and

(7) such other information as the Secretary may require by regulation.

(b) Any foreign person who acquires or transfers any interest, other than a security interest, in agricultural land shall submit, or have a designated agent submit, a report to the Secretary of Agriculture not later than 30 days after the date of such acquisition or transfer, except that the reporting of any such transaction occurring during the first 180 days after the effective date of this Act may be deferred until 30 days after expiration of the 180 day period. Such report shall be submitted in such manner as the Secretary shall prescribe by regulation and shall contain—

(1) the legal name and the address of such foreign person;

(2) in any case in which such foreign person is an individual, the citizenship of such foreign person;

(3) in any case in which such foreign person is not an individual or a government—

(A) the country in which such foreign person is created or organized;

(B) the principal place of business of such foreign person;

(C) the legal name and the address of each person who holds any interest in such foreign person;

(D) in any case in which the holder of such interest is an individual, the citizenship of such holder; and

(E) in any case in which the holder of such interest is not an individual or a government, the country in which such holder is created or organized and the principal place of business of such holder;

(4) the type of interest in agricultural land that is held by such foreign person;

(5) a legal description of such agricultural land including the name of the State and county in which such land is located;

(6) the purchase price paid for, or any other consideration given for, such interest;

(7) in any case in which such foreign person transfers such interest, the legal name and the address of the person to whom such interest is transferred and—

(A) in any case in which such transferee is an individual, the citizenship of such transferee; and

(B) in any case in which such transferee is not an individual or a government, the country in which such transferee is created or organized and the principal place of business of such transferee; and

(8) such other information as the Secretary may require by regulation.

(c) With respect to any person whose legal name is contained in any report submitted under subsections (a) or (b), the Secretary may take such actions as the Secretary considers necessary to determine—

(1) the legal name and the address of any person who holds any interest in any person whose legal name is contained in such report;

(2) in any case in which the holder of such interest is an individual, the citizenship of such holder; and

(3) in any case in which the holder of such interest is not an individual or a government, the country in which such holder is created or organized and the principal place of business of such holder.

REPORTS AND MONITORING

SEC. 4. (a) The Secretary shall—

(1) develop and distribute within 60 days after the effective date of this Act a standard report form (and related instructions) that will facilitate automated data processing, analysis, and reporting of the information collected under section 3 of this Act;

(2) seek the cooperation and assistance of States and county governments, make maximum effective use of Department of Agriculture field offices, and use such other means as may be necessary to make wide distribution of the standard report forms and instructions and to publicize the reporting requirements and procedures established under section 3 of this Act;

(3) analyze information obtained by the Secretary under section 3 and determine the trends and the actual and potential effects that the acquisition, transferring, and holding of agricultural lands in the United States by foreign persons have on the agricultural industry of the United States, on the economy of the United States, on the foreign relations of the United States, and on such other matters as the Secretary determines would be of interest or concern to the President or the Congress; and

(4) transmit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, reports on the Secretary's findings and conclusions regarding analysis and determinations made under paragraph (3).

(b) The analyses and determinations, and the Secretary's findings and conclusions regarding such analyses and determinations, required under subsection (a), shall be made and transmitted—

(1) with respect to information obtained by the Secretary under section 3(a), within 10 months after the effective date of this Act; and

(2) with respect to information obtained by the Secretary under section 3(b), on an annual basis within 3 months after the end of each calendar year.

(c) The Secretary shall require the Office of Inspector General to conduct periodic studies to determine the reliability of the information reported under section 3 of this Act and the effectiveness of the Secretary's procedures for obtaining, analyzing, and reporting information under this section.

CIVIL PENALTY

SEC. 5 (a) Whoever violates any provision of section 3(a) or 3(b) of this Act or any regulation issued thereunder shall be subject to a civil penalty imposed by the Secretary. The amount of such civil penalty shall not exceed 25 percent of the fair market value, as determined by the Secretary, on the date of the assessment of such penalty, of the interest in agricultural land with respect to which such violation occurred.

(b) The Attorney General shall recover the amount of any civil penalty for which a person is liable under subsection (a) in a civil action in an appropriate district court of the United States unless such person pays such penalty to the Secretary of Agriculture. In such action, the validity and appropriateness of such penalty shall not be subject to review.

EFFECTIVE DATE

SEC. 6. The provisions of this Act shall become effective October 1, 1978.●

By Mr. McINTYRE:

S. 3373. A bill to amend title 10, U.S. Code, to authorize the Secretary of Defense to provide transportation to the Girl Scouts of the United States of America in connection with international world friendship events or troops on foreign soil meetings, and for other purposes; to the Committee on Armed Services.

● Mr. McINTYRE. Mr. President, today I am introducing legislation that will authorize the Secretary of Defense to provide transportation to the Girl Scouts to attend world friendship events or troop meetings outside the United States. The bill also requires the Girl Scouts to reimburse the Government for the actual costs of such transportation.

In 1972 the Congress passed and the President signed into law P.L. 92–249 that allows the Secretary of Defense to provide this service to the Boy Scouts. Through an oversight the Girl Scouts were not included.

Congresswoman PAT SCHROEDER introduced this same legislation in the House of Representatives earlier this year. The Department of Defense, the Office of Management and Budget and the Administration all support this bill.

Mr. President, this is a bill to allow the Girl Scouts the same services the Government has provided the Boy Scouts. In addition this measure costs the taxpayers nothing since the Girl Scouts will reimburse the Federal Government for the actual costs of transportation.

Mr. President, I ask unanimous consent that a letter addressed to the Honorable MELVIN PRICE, Chairman of the

House Armed Services Committee from the Acting Assistant Secretary of the Air Force be printed in the RECORD, together with the text of the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 3373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 151 of title 10, United States Code, is amended by adding after section 2544 the following new section:

"§ 2545. Transportation services: international Girl Scout events

"(a) The Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to provide, without expense to the United States Government, transportation from the United States or military commands overseas, and return, on vessels of the Military Sealift Command or aircraft of the Military Airlift Command for (1) those Girl Scouts and officials certified by the Girl Scouts of the United States of America as representing the Girl Scouts of the United States of America at an international world friendship event or troops on foreign soil meeting which is endorsed and approved by the National Board of Directors of the Girl Scouts of the United States of America and is conducted outside of the United States, (2) delegates coming from outside of the United States to triennial meetings of the National Council of the Girl Scouts of the United States of America, and (3) the equipment and property of such Girl Scouts and officials, to the extent that such transportation will not interfere with the requirements of military operations.

"(b) Before furnishing any transportation under subsection (a), the Secretary of Defense shall take from the Girl Scouts of the United States of America a good and sufficient bond for the reimbursement to the United States by the Girl Scouts of the United States of America, of the actual costs of transportation furnished under subsection (a).

"(c) Amounts paid to the United States to reimburse it for the actual costs of transportation furnished under subsection (a) shall be credited to the current applicable appropriations or funds to which such costs were charged and shall be available for the same purposes as such appropriations or funds.".

SEC. 2. The table of sections at the beginning of chapter 151 of title 10, United States Code, is amended by adding after the item relating to section 2544 the following new item:

"2545. Transportation services: international Girl Scout events.".

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., July 27, 1978.

Hon. MELVIN PRICE,
Chairman, Committee on Armed Services, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for Department of Defense comments on H.R. 10683, 95th Congress, a bill "To amend title 10, United States Code, to authorize the Secretary of Defense to provide transportation to the Girl Scouts of the United States of America in connection with international world friendship events or troops on foreign soil meetings, and for other purposes." The Secretary of Defense has delegated to this Department the responsibility for expressing the views of the Department of Defense.

The bill would authorize for the Girl Scouts essentially the same transportation services presently provided to the Boy Scouts of America pursuant to Public Law 92-249 (10 U.S.C. 2544). Reimbursement features to assure no expense to the United States Government are also included in the legislation.

The Department of Defense supports the bill. The effect of passage of such legislation would be to introduce equality of treatment to the two organizations for the stated purposes.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Congress.

Sincerely,

JOE F. MEIS,
Acting Assistant Secretary of the Air Force.●

By Mr. GRAVEL:

S. 3374. A bill to amend title XVIII of the Social Security Act to reopen the period during which a State may enter into or modify an agreement which provides for the buying-in of coverage under part B of medicare for certain individuals eligible for assistance under the State's medicaid program; to the Committee on Finance.

EXTENSION OF MEDICARE PART B BUY-IN OPTIONS TO ALL JURISDICTIONS

● Mr. GRAVEL. Mr. President, when Congress adopted the medicare and medicaid programs a provision was included to allow States to purchase the medicare part B premium for medicare eligible cash assistance recipients. This option required States to negotiate agreements with the Department of Health, Education, and Welfare by 1970.

The provision, known as State buy-in, was designed to assure physician and out-patient services coverage as provided under part B to those persons 65 and over who most likely would not be able to pay the required monthly premium. Through the buy-in agreements a State public assistance agency could pay the premium for this medically vulnerable population, thus assuring them full medicare coverage.

Only four States, Alaska, Louisiana, Oregon, and Wyoming, and Puerto Rico did not buy-in to medicare part B for any of their cash assistance or medicaid recipients before the option expired. In order to assure adequate medical coverage for the low-income elderly, these States have been required to provide the part B medicare services under their medicaid plan, including physician care, out-patient hospital services, clinical laboratory services, out-patient physical therapy, and ambulance services.

The bill I am introducing today, Mr. President, would revive the buy-in option for 12 months to allow the five jurisdictions to buy the part B premium for their cash assistance and medicaid recipients. Administratively, this legislation would realine medicare services under the medicare program and allow States to concentrate on delivering the medical services provided under the State medicaid plan. The Office of Management and Budget estimates that the increased inlays to the medicare trust fund, approximately $21 million, from extending the buy-in agreements to these five jurisdictions would more than offset any trust fund outlays, approximately $13 million, experienced by the increased medicare population participating in part B.

Estimates of enrollment and costs for affected persons—those who do not currently have SMI coverage but would if the buy-in option were extended to all States:

[Dollar amounts in millions]

	Alaska	Louisiana	Oregon	Puerto Rico	Wyoming	Total
Number of enrollees (includes aged and disabled)	1,500	25,000	9,000	15,000	1,000	51,500
Premium income	$0.15	$2.50	$0.90	$1.5	$0.1	$5.15
General revenue matching	.37	7.15	2.91	4.85	.29	15.57
Benefit outlays	.62	5.83	2.62	2.65	.22	11.94
Administrative expenses	.06	.64	.28	.30	.02	1.30

As a result of sharing the States costs for purchasing the part B premium, the only additional Federal costs to cover the participation of the five jurisdictions would total $8.4 million:

	Total premium income	Percent Federal share	Additional Federal costs
Alaska	$0.2	0.500	$0.1
Louisiana	10.5	.7045	7.4
Oregon	1.4	.5729	.8
Puerto Rico	1.7	.5344	(1)
Wyoming	.2	.500	.1
Total	14.0		8.4

[1] Federal participation in costs already at maximum level permitted by law.

In addition, Mr. President, this legislation would allow States that now have buy-in agreements to expand those agreements to cover all medicaid recipients who are eligible for part B coverage. This option was available before 1970, but many States neglected to include this medically needy population. The Office of Management and Budget has indicated that the cost impact of this provision is so insignificant as not to require an official estimate. In this instance there would be no general revenue share of premium costs.

Mr. President, while the legislation I am introducing today has negligible financial impact, it is nonetheless critically important. It will provide universal and consistent medical coverage under medicare for our most vulnerable population, the low-income elderly.●

By Mr. DECONCINI:

S. 3375. A bill to amend title 28 of the United States Code to make certain changes in the places of holding Federal district courts, in the divisions within judicial districts, and in judicial district divising lines; to the Committee on the Judiciary.

FEDERAL DISTRICT COURT ORGANIZATION ACT OF 1978

● Mr. DECONCINI. Mr. President, I introduce today the Federal District Court Organization Act of 1978. This bill changes the places of holding court in

the eastern district of Kentucky and the northern district of Mississippi; it changes the divisions within the western district of Louisiana and the district of North Dakota; and it changes the judicial district dividing lines in Florida, Illinois and New York. The changes made by the bill will aid the effective administration of the Federal courts in these States and are approved by the Administrative Office of the U.S. Courts.●

ADDITIONAL COSPONSORS

S. 991

At the request of Mr. RIBICOFF, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 991, a bill to establish a separate, Cabinet-level Department of Education in the Federal Government, and for other purposes.

S. 1500

At the request of Mr. KENNEDY, his name was added as a cosponsor of S. 1500, the Alaska National Interest Lands Conservation Act.

S. 2860

At the request of Mr. MELCHER, the Senator from Texas (Mr. TOWER) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 2860, a bill to provide for a research, development, and demonstration program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes.

S. 3003

At the request of Mr. MELCHER, the Senator from Indiana (Mr. BAYH) and the Senator from Alabama (Mr. SPARKMAN) were added as cosponsors of S. 3003, the Rural Electrification Act Amendments of 1978.

S. 3264

At the request of Mr. CRANSTON, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 3264, a bill to authorize the waiver of matching fund and maintenance of effort requirements in Federal programs of financial assistance to State and local governments.

S. 3277

At the request of Mr. DANFORTH, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of S. 3277, the Small Business Communities Act of 1978.

S. 3285

At the request of Mr. TOWER, the Senator from Arkansas (Mr. HODGES) was added as a cosponsor of S. 3285, a bill to extend the investment tax credit to certain agricultural structures.

S. 3352

At the request of Mr. CRANSTON, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 3352, the Agricultural Foreign Investment Disclosure Act of 1978.

SENATE JOINT RESOLUTION 115

At the request of Mr. MELCHER, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of Senate Joint Resolution 115, to designate May 1978 as "Family Camping Month."

SENATE JOINT RESOLUTION 149

At the request of Mr. MELCHER, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of Senate Joint Resolution 149, to direct CAB to disapprove any renewal and terminate any effect of the Airlines Mutual Aid Pact and to provide for a study and a report on alleviating airline strikes.

AMENDMENT NO. 3104

At the request of Mr. HOLLINGS, the Senator from Arkansas (Mr. HODGES) was added as a cosponsor of amendment No. 3104 intended to be proposed to H.R. 3946, to suspend for a temporary period the rate of duty on wool not finer than 46s.

SENATE RESOLUTION 532—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. RIBICOFF, from the Committee on Governmental Affairs, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 532

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 991. Such waiver is necessary because (1) S. 991 is an unusually complex bill which establishes a new Cabinet-level Department of Education and transfers to it the functions of the Education Division of the Department of Health, Education, and Welfare, as well as certain functions of other agencies; and (2) the Administration did not indicate its position on this bill until the middle of April 1978, and did not present substantive comments relative to S. 991 until May 17, 1978. This late action on the part of the Administration made it impossible for the committee to consider and act on the bill by May 15, 1978.

AMENDMENTS SUBMITTED FOR PRINTING

REHABILITATION, COMPREHENSIVE SERVICES AND DEVELOPMENTAL DISABILITIES ACT OF 1978

AMENDMENT NO. 3424

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted an amendment intended to be proposed by him to S. 2600, a bill to amend the Rehabilitation Act of 1973 to extend certain programs established in such Act, to establish a comprehensive services program for the severely handicapped, and for other purposes.

DEPARTMENT OF ENERGY AUTHORIZATIONS—S. 2692

AMENDMENT NO. 3425

(Ordered to be printed and to lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to S. 2692, a bill to authorize appropriations for the civilian programs of the Department of Energy for fiscal year 1979, and for other purposes.

● Mr. HEINZ. Mr. President, as the Federal Government becomes involved in matters of increasing technical complexity, departments, agencies, and legislators are compelled to supplement their knowledge with that of those who have acquired expertise in these subjects. I do not believe that the Government should attempt to maintain on its payroll an expert on every subject from A to Z. Nonetheless, availability of such technical information must be assured. Toward this end, advisory committees have been established to complement the research facilities of the Government by providing the requisite expertise on a temporary basis. The members of these committees provide Federal agencies and departments with the benefits of experience gained through direct participation in a particular area of research or field of business. As such, the information provided by these committees is indispensable.

All too often, however, the distinction between providing information and improperly influencing policy decisions is insufficiently clear. My intention in offering this amendment is to provide guidelines which hopefully will eliminate any ambiguity as to what constitutes conflict of interest.

Clearly, whenever an individual is directly involved in a project or issue as an adviser, consultant, or investor, either as a representative of an organization or personally, the frame of reference required to evaluate a project or discuss and vote on a grant or contract objectively is violated. This amendment would prohibit an individual with such a relationship from serving as more than a source of information.

In offering this amendment, I do not intend to negate the purpose of advisory committees. Rather, I seek to establish criteria which will prevent conflcit-of-interest questions from detracting from the valuable services provided by advisory committees.●

VETERANS DISABILITY COMPENSATION—S. 2828

AMENDMENT NO. 3426

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to S. 2828, a bill to amend title 39, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes.

● Mr. DOMENICI. Mr. President, I am submitting an amendment today to S. 2828, a bill to increase the rates of disability compensation for disabled veterans. The amendment would provide assistance to blind veterans in acquiring adaptive housing. My amendment was first introduced as S. 3312, the Blind Veterans Disability Housing Act of 1978, but because of the urgency of the blind veterans' need for such housing, I now wish to make S. 3312 an amendment to S. 2828. This amendment would go far in aiding those veterans who lost their eye-

sight while defending their country. The blind veterans of this Nation have paid a high price so that you and I may remain free. This amendment would prove to them that they have not been forgotten. This amendment would serve to make the life of the blind veteran a little easier. Mr. President, I believe it is the least we can do for those who sacrified so much and received so little in return.

I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3426

On page 8, line 17, insert the following new section:

"SEC. 305. Subsection 801(2) of title 38 of the United States Code is amended to read as follows: (2) which includes blindness in both eyes, having only light perception, or (3) . . ." ●

TUITION TAX RELIEF ACT OF 1978—H.R. 3946

AMENDMENT NO. 3427

(Ordered to be printed and to lie on the table.)

Mr. GOLDWATER (for himself and Mr. HATCH) submitted an amendment intended to be proposed by them, jointly, to H.R. 3946, an act to suspend for a temporary period the rate of duty on wool not finer than 46s.

RESIDENTIAL PROPERTY TAX RELIEF

● Mr. GOLDWATER. Mr. President, I am submitting today for printing an amendment to H.R. 3946, the Tuition Tax Relief Act of 1978, to provide a Federal income tax credit of $150 for residential property taxes paid for the support of public schools. The amendment is cosponsored by Senator HATCH.

Now, I have a twofold purpose in seeking to add property tax relief to the tuition tax credit proposal: First, to help relieve the heavy tax burden on homeowners and second, to remove a constitutional question about the tuition tax credit.

As it stands now, the elementary and secondary part of H.R. 3946 directs 100 percent of its relief to parents whose children attend private schools. By expanding the bill, as I suggest, into general tax legislation offering relief to all taxpayers, who have especially high burdens in paying educational expenses, rather than treating the subject as special legislation in aid primarily of parochial and other private school students, there will be far less basis for arguing that the effect of the legislation is to advance religion.

But, Mr. President, that is not my only reason for offering the amendment. Property tax relief is needed in its own right.

Every Member of this body knows of cases in his or her own State where property taxes have become so high that persons can no longer afford living in their own homes.

Yet for most people in the lower and average income brackets, their residence is their only capital purchase. It represents stability, security, safety and comfort. So it is high time we did something at the Federal level to ease the massive burden of these taxes.

In brief, Mr. President, my amendment:

First. Grants a Federal income tax credit of $150 for residential property taxes paid for the support of public schools.

Second. Grants a similar tax credit of $150 for other State or local taxes paid for the support of public education in those few States where property taxes are not the substantial source of education revenues.

Third. Treats mobile homeowners as first-class citizens by qualifying license fees and other taxes on mobile homes as eligible for a residential property tax credit.

Fourth. Prevents double-dipping: Taxpayers who claim the tuition tax credit are not allowed to claim a property tax credit.

Fifth. Does not include a refundable feature.

Sixth. Requires that a taxpayer with itemized deductions must subtract from those deductions the amount of tax credit claimed for property taxes.

Mr. President, I ask unanimous consent that the text of the amendment may be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3427

On page 3, line 2, strike out "Tuition Tax" and insert in lieu thereof "Education Expense".

On page 3, line 8, strike out "section" the second time it appears and insert in lieu thereof "sections".

On page 5, between lines 12 and 13, insert the following:

"(3) Credit not allowed to taxpayer claiming section 44D credit.—The credit allowable by subsection (a) for any taxable year shall not be allowed in the case of a taxpayer who claims the credit allowable by 44D for the taxable year.

On page 9, line 21, strike out the closing quotation marks and the second period.

On page 9, between lines 21 and 22, insert the following:

"SEC. 44D. Residential property taxes paid for support of public education.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the State and local residential property taxes paid or accrued during the taxable year which are imposed for the support of public elementary and secondary education, but only to the extent that such taxes do not exceed—

"(1) $150 ($75 in the case of a married individual filing a separate return) for taxable years beginning after December 31, 1980.

"(b) State and Local Residential Property Taxes.—For purposes of this section, the term 'State and local residential property taxes' means—

"(1) State and local real property taxes (within the meaning of section 164) on property which is comprised primarily of one or more dwelling units, including mobile homes, and the land on which the dwelling unit or units are situated,

"(2) State and local taxes (other than real property taxes) or license fees on mobile homes, and

"(3) in the case of a State or locality in which taxes or fees described in paragraph (1) or (2) are not a substantial source of revenues raised for the support of public education, any other State or local taxes imposed for the support of public education.

"(c) Determination of Amounts of Residential Property Tax Paid for Support of Public Education.—For purposes of subsection (a) the amount of any State or local residential or real property tax which is imposed for the support of public elementary and secondary education shall be—

"(1) with respect to any residential real property tax imposed solely for such support, the amount of such tax; and

"(2) with respect to any residential property tax imposed in part for such support, the portion of such tax—

"(A) designated in the bill for such tax submitted to the taxpayer by the taxing jurisdiction in imposing such tax; or

"(B) determined from information set forth in such bill or from information furnished to the taxpayer by the taxing jurisdiction, as the amount of such tax which is imposed for the support of public elementary and secondary education.

"(d) Taxes Constructively Paid.—Under regulations prescribed by the Secretary the provisions of subsections (d) and (e) of section 164 shall apply to real property taxes with respect to which a credit is allowable under subsection (a).

"(e) Application With Other Credits.—

"(1) Credit applied after preceding credits.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31 and 39.

"(2) Credit not allowed to taxpayer claiming section 44C credit.—The credit allowable by subsection (a) for any taxable year shall not be allowed in the case of a taxpayer who claims the credit allowable by section 44C for the taxable year.".

On page 12, line 8, before "shall" insert "or section 44D of such Code (relating to residential property taxes paid for support of public education)".

On page 12, strike out the matter appearing between lines 19 and 20 and insert in lieu thereof the following:

"Sec. 44C. Educational expenses.
"Sec. 44D. Residential property taxes paid for support of public education.".

On page 12, after line 24, insert the following:

(3) Subsection (a) of section 642 of such Code (relating to special rules for credit against tax for estates and trusts) is amended by adding at the end thereof the following new paragraph:

"(3) Residential property taxes paid for support of public education.—An estate or trust shall not be allowed the credit against tax for residential property taxes paid for support of public education provided by section 44D.".

(4) Deduction for taxes to be reduced by tax for which credit is to be claimed.—Subsection (c) of section 164 of such Code (relating to deduction denied in case of certain taxes) is amended by adding at the end thereof the following new paragraph:

"(3) Taxes described in section 44D(b), to the extent that the taxpayer is allowed a credit for the taxable year for residential

property taxes paid for the support of public education under section 44D.".

On page 13, line 5, before the period insert the following: "and for amounts paid or incurred after such date for residential property taxes paid for support of public education".

On page 13, in the matter appearing after line 5, after "expenses" insert the following: "and for residential property taxes paid for support of public education".●

HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS—H.R. 12936

AMENDMENT NO. 3428

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to H.R. 12936, an act making appropriations for the Department of Housing and Urban Development and for sundry inpendent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1979, and for other purposes.

AMENDMENT NO. 3429

(Ordered to be printed and to lie on the table.)

Mr. MORGAN (for himself and Mr. JAVITS) submitted an amendment intended to be proposed by them, jointly, to H.R. 12936, supra.

AMENDMENT NO. 3430

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself and Mr. STAFFORD) submitted an amendment intended to be proposed by them, jointly, to H.R. 12936, supra.

NOTICES OF HEARINGS

HEARINGS ON THE CONSOLIDATED BANKING REGULATION ACT

● Mr. RIBICOFF. Mr. President, I am pleased to announce that the Committee on Banking, Housing, and Urban Affairs and the Governmental Affairs Committee will hold hearings August 23 and 24 on S. 2750, the Consolidated Banking Regulation Act of 1978.

The hearings will begin at 10 a.m. on August 23 and 9:30 a.m. on August 24 in room 3302 of the Dirksen Senate Office Building.

Senators PROXMIRE, JAVITS, and I introduced S. 2750 on March 15, 1978. We believe it is an important piece of legislation that deserves the full attention of both committees. We have scheduled these 2 days of hearings during which we shall hear from a very distinguished group of individuals who have wide experience in banking regulation.

On Wednesday, August 23, we shall first hear from a distinguished panel representing 4 of the 100 largest banks in the country. They will be: Robert Brown, president, Lloyds Bank; Walter Connolly, president, Connecticut Bank and Trust; George Butler, president, First Pennsylvania Bank; Boris Berkoyitch, senior vice president and general counsel, Morgan Guaranty.

We will then hear from representatives of the American Bankers Association and the Independent Bankers Association.

On Thursday, August 24, we will hear from a panel of four State banking commissioners:

Muriel Siebert, New York, William Whitesell, Pennsylvania, Robert Mampel, Minnesota, and LeRoy Gilbertson, North Dakota.

Several of these witnesses were invited to testify because of their expressed concerns about the present structure of banking regulation. In letters to the committee, they discussed S. 2750 and offered suggestions on how to improve it. I ask unanimous consent that these letters be printed in the CONGRESSIONAL RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MORGAN GUARANTY TRUST CO., OF NEW YORK,
New York, N.Y., June 14, 1978.

HONS. ABRAHAM RIBICOFF, WILLIAM PROXMIRE, AND JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

DEAR SENATORS RIBICOFF, PROXMIRE, and JAVITS: This is in response to your letter of May 26th, asking for my comments on S. 2750, the Consolidated Banking Regulation Act of 1978.

Let me indicate at the outset my strong agreement with the dual goals for bank regulation which you express in your letter. Obviously, public policy ought to have as its aim a banking and financial system that is safe and sound. As you suggest, however, policy must give ample weight to the public's interest in a banking system that is competitive, innovative and energetic. Our regulatory system, I would add, ought to take maximum advantage of the role which competition can play—and does today play—in promoting a sound and responsive banking industry.

In many ways of course our current regulatory structure in banking was arrived at accidentally. I have no doubt that, if we were looking at a clean slate on which to sketch de novo the outlines of a regulatory structure for a banking system not yet called into being, something different from what now exists would be devised. But that is not the case. We have a system and a structure in being, and it seems to me that the task of reform includes preserving the not inconsiderable benefits that present arrangements are providing to the economy and to society.

The dual banking system is a case in point. In many communities, and for many banks, banking is a highly local matter. The option that banks now have, of being regulated and examined by a state banking agency, seems to me highly appropriate to that set of conditions.

At the time of the issuance of the report of the Hunt Commission, I felt that that body in dealing with the regulatory structure, had identified an alternative approach that was worth considering further. As you know, the Hunt Commission recommended that there be two federal regulators of commercial banks, one to regulate national banks, and another to regulate state-chartered banks. That sort of plan seemed to offer a simpler federal regulatory structure, while preserving valuable benefits which the dual banking system now provides.

Having said that, however, I would like to express my reservations about undertaking any change in regulatory structure without first weighing all prospective benefits against prospective losses. In the case of both S. 2750 and the Hunt proposals, for instance, the Federal Reserve would lose its regulatory and examining responsibility. The Federal Reserve contends that its monetary policy function is supported importantly by what its examiners learn about banking and by the involvement of its Board in weighing regulatory issues. That seems valid to me. Thus I would be wary of removing any regulatory or examining authority from the Federal Reserve, unless the benefits from making that change were clearly large.

Very truly yours,

LEWIS T. PRESTON,
President.

LLOYDS BANK CALIFORNIA,
Los Angeles, Calif., June 13, 1978.

Subject: Bill S. 2750

COMMITTEE ON GOVERNMENTAL AFFAIRS,
U.S. Senate, Washington, D.C.

GENTLEMAN: This is in response to your letter of May 26, 1978, requesting comment on this proposed legislation. As you well know, the American Bankers Association is in opposition to this bill because of their fear of creating an over-concentration of power in a single Federal regulatory agency which would have sole control over the banking industry. I can certainly appreciate that point of view and it is a matter of some concern. However, given the alternatives of the present inefficient system and the risk of concentrating power in a single agency, I would choose the latter because I think checks and balances would be provided by Congress and the Administration should such an agency get out of line.

Although I support this proposed legislation, apparently there are not very many bankers who do. It would, therefore, seem that it is going to be somewhat difficult to have it enacted. Over many years I have suggested an alternative which I think should be more palatable to the banking industry. The last occasion I had to submit such an alternative was in a letter to Arthur Burns dated October 30, 1974. Rather than restate my suggestion I have merely enclosed a copy of that letter. I think this suggestion might provide most of the efficiencies which you are seeking, but it would not do the entire job provided in S. 2750. However, it would go a long way toward diminishing the concern over a single all-powerful Federal agency to regulate banks.

In closing, let me restate that, given the existing alternatives of continuing the way we are or adopting Bill S. 2750 I would strongly support the latter.

Sincerely,

ROBERT W. BROWN.

FIRST PENNSYLVANIA BANK,
June 14, 1978.

HON. ABRAHAM RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: As a result of receiving the May 26 letter signed by you and Senators Javits and Proxmire concerning bill S. 2750, I am writing to express my personal feelings. I have felt for a number of years that our present system of bank regulation, along with many of our state and federal banking laws, is outdated and should be modified or changed. This is particularly true when you analyze the expansion of the banking industry over the past 25 years as it has become more national and international in scope and the needs and requirements of both corporate and individual customers have become much more sophisticated and more demanding.

I am personally strongly in favor of the creation of a single Federal Bank Commission for regulation and supervision purposes.

However, it is my opinion that S. 2750 is too restrictive and should include the following:

1. The consolidation of the three Federal bank regulatory agencies into a single Federal Bank Commission.

2. The state regulatory agencies and their powers should also be combined into the Federal Bank Commission.

3. The Federal Bank Commission should have regulatory authority over commercial banks, mutual savings banks, savings and loan associations, credit unions and consumer finance companies.

4. The current patchwork of Federal and state laws concerning interest rates on deposits and loans should be consolidated into a Federal law that would apply throughout the entire United States.

5. The rate ceilings and rate differential that now exist in Regulation Q should be eliminated so that all deposit gathering institutions and companies can compete on an equal basis.

6. The limitations on lending and trust activities that presently exist as far as mutual savings banks, savings and loan associations, credit union and consumer finance companies should be eliminated so that those organizations can compete on equal footing with commercial banks.

The situation we currently have in the United States with over 50,000 individual commercial banks, mutual savings banks, savings and loan associations, credit unions and consumer finance companies is an extremely expensive way to deliver financial services. As a result, the present system tends to increase prices to the users and, in some cases, discriminates against the users of financial services because of their geographical location. The financial industry and the general public would be greatly benefitted if there were one Federal regulatory commission and Congress enacted legislation which could be applied uniformly throughout the nation. Our present regulatory system and banking laws are confusing and restrictive for both the suppliers and users of financial services and are often not responsive to current economic conditions. I am enclosing a copy of an article which appeared in the June 22, 1975 New York Times which highlights some of the outmoded laws now in existence.

In summary, I personally wholeheartedly endorse the concept of a single Federal Bank Commission; however, I feel S. 2750 should be expanded to include all of the six items listed above.

Sincerely,

GEORGE A. BUTLER.

THE CONNECTICUT BANK AND TRUST CO.,
Hartford, Conn., June 20, 1978.

Hon. ABRAHAM A. RIBICOFF,
State Office Building,
Washington, D.C.

DEAR ABE: Thank you for sending me a copy of Senate 2750 and the accompanying study. The Connecticut Bank and Trust Company very much appreciates the opportunity to comment on this important legislative proposal.

The proposal could go far to eliminate duplication in federal bank regulation, eliminate differences in federal, regulatory and supervisory approaches and avoid confusion and hesitation in dealing with problem situations.

We do believe, however, that there are some ways in which S2750 could be significantly improved, both in terms of the substance of the bill, and in winning acceptance of various segments of the banking industry. We would like to recommend for your consideration the following additions and modifications.

At the present time, there is intense pressure to change the character of this nation's diverse banking system by concentrating resources in the hands of a few huge multinational institutions. This trend is being furthered by the actions of many of our federal regulators. For these reasons, we believe it is important to avoid undue concentration of power at the federal level, and that it is essential to maintain the integrity of state chartering and regulation of banks. Therefore, we suggest the bill should strongly reaffirm the McFadden Act, and extend the principles of the Act to all other depository institutions, including savings and loan associations and credit unions, and mutual savings banks if Congress approves federal charters for them.

Secondly, state banks should not be subject automatically to the Federal Banking Commission in structural matters, such as chartering and branching. Oversight by the Federal Banking Commission should only be allowed if the commission finds, after a hearing and the opportunity for appeal, that the banking department of a particular state is not capable of doing or is not in fact doing a satisfactory job of regulation and supervision. In the absence of such a finding, deposit insurance should follow automatically upon the chartering of a state bank by the state authorities, as it does now in the case of the chartering of a national bank by the Comptroller of the Currency.

Consideration should be given to removing jurisdiction over the federal anti-trust aspects of mergers from the banking commission entirely and transferring it to the Justice Department, so that banks will have the same access to preclearance procedures as is available to companies in other industries.

In their present form, the General Accounting Office audit provisions could be construed to permit wide disclosure of the contents of the reports of bank examinations made by the Federal Banking Commission or filed with it by state banking departments. The provisions need modification to prevent such disclosures and to insure that the General Accounting Office could not, through any independent authority to inquire into the affairs of banks, become a second federal bank examining agency.

Thank you for affording us the opportunity to share with you our views on this important legislation. The proposal is a significant and far-reaching one, and I believe you and your colleagues are acting in the best interests of the country and banking industry by seeking a wide range of comment and opinion.

Sincerely,

WALTER.

STATE OF NEW YORK
BANKING DEPARTMENT,
New York, N.Y. 10007, May 18, 1978.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.
Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.
Hon. JACOB K. JAVITS,
Member, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

GENTLEMEN: This is in response to your letter of April 18, 1978, requesting comments on S. 2750. That bill, presently pending before the United States Senate, would consolidate the three federal bank regulatory agencies into a single Federal Bank Commission and would expand the role of state bank regulators. I appreciate being given the opportunity to express my views on the important issues of federal regulatory policy toward financial institutions which are implicit in S. 2750. In light of the relatively short time available to respond to your letter, I have confined my comments to the two basic issues raised by the proposal: consolidation of all federal bank regulation into a single agency and strengthening state bank regulators.

The structure of banking regulation has a significant impact on the operation and evolution of the nation's financial system. Periodic re-examination of the appropriateness of that structure in light of continuing regulatory experience and evolving banking practice is an important task, and your committees deserve much credit for having directed legislative attention and resources to careful consideration of the issues involved. Many improvements are doubtless possible in the structure of bank regulation which will bring greater clarity, efficiency and certainty to the regulatory process. Such improvements are to be welcomed so long as they do not undermine the foundation of bank regulation in the United States—the dual banking system.

On the whole, the banking system as presently constituted and regulated has functioned well in the postwar period. While the events of the last few years have pointed out a number of areas where the practices of both banks and their regulators need improvement, the system appears to be weathering a difficult period, particularly in the State of New York, in fundamentally sound condition and with public confidence intact.

The recent problems of the financial system were basically attributable to the prevailing economic climate, not to lax banking regulation. Indeed, I doubt there is much agreement as to what impact the quality of bank supervision had during this period.

In light of this uncertainty, great weight shoud be given to the one undisputed fact: whatever its failings, the existing system of bank regulation was capable of withstanding the strains imposed on it by a prolonged period of adverse economic conditions. For this reason, the proponents of any proposal which would make fundamental changes in the existing structure, such as S. 2750, must make a very strong showing that it will in fact be a material improvement over the existing structure.

The section of the recent Study on Federal Regulation prepared by the Senate Committee on Governmental Affairs which deals with the organization of bank regulation is a significant and thought-provoking contribution to the discussion about regulatory restructuring. The Study correctly identifies the twin goals of bank regulation as preserving a safe and sound banking system while at the same time encouraging competition and innovation among financial institutions. The Study goes on to note that these goals are conflicting, and that the success of a system of bank regulation can be measured by how well it balances these considerations.

I believe that the best way to promote competition and innovation within the framework of a sound banking system is to insure that state-chartering of financial institutions continues to be a viable and meaningful alternative to federal chartering. Ac-

tion which would strengthen the state bank regulators is an important step in this direction, so long as the independence of those state regulators is preserved.

The basic principle of strengthening state bank regulators so as to permit them to play an increasing role in the examination of state-chartered financial institutions, as contemplated by S. 2750, is a sound one. Reducing duplication in examination functions will not only ease the compliance burdens of state-chartered institutions, it will also enable resources available for bank supervision to be deployed more efficiently. Most important, it will enable state regulators to assume full responsibility for the institutions which are under their primary jurisdiction.

The mechanism for making federal funds available to state bank regulators which is presently contemplated by S. 2750 appears to be basically sound. Two small modifications would help ensure that this federal financial assistance fulfills its stated purpose of strengthening state bank regulation.

First, there should be a provision preventing a state whose bank regulator is receiving federal funds from reducing the level of state financial support. Absent such a safeguard, the effect of this proposal to strengthen state bank regulators could be a reduction in the total amount of funds available at the federal and state levels combined for supervision of the banking system.

Second, S. 2750 contemplates that a state bank regulator would receive federal funds only after the federal insuring agency had determined that the state regulator's examination procedures were adequate and the state regulator had actually become the sole examiner of the banks under its jurisdiction. In the fiscal sense, this system is inherently reasonable, since there is no saving to the federal insuring agency until state examinations are actually substituted for federal examinations. The effect of the reimbursement proposal, however, is that federal funds will flow only to those state regulators which have already demonstrated the capacity to conduct satisfactory examinations. Some federal funds should also be made available for improving the capabilities of bank regulators in other states so as to enable them to take over the examination function from the federal insuring agency in the future.

With these two modifications, I believe that the provisions of S. 2750 establishing the relationship between federal and state banking authorities will result in better state bank regulators. But better state regulators alone will not insure that state chartering of financial institutions remains a meaningful alternative. State bank regulators must remain free to adopt examination procedures and criteria, supervisory policies and substantive regulations that differ from those used by the federal bank regulators and by other states.

Nothing in S. 2750 would absolutely prohibit state regulators from taking an independent course, but the single federal regulator is likely to prove a source of great pressure for nationwide conformity. This single agency will have federal examination and supervisory jurisdiction over all commercial banks in the country. In addition, it will have complete substantive rule-making power over the national banking system, the bank holding companies and major aspects of the state banking systems. In the exercise of this broad jurisdiction the federal agency will inevitably develop strong views on all aspects of bank regulation.

At the same time, the single federal agency will have the authority to determine which state bank regulators have "adequate" chartering and examination procedures and to grant or withhold federal funds from such agencies on the basis of that determination. Over time, even with the greatest goodwill and self-restraint on the part of the federal agency, it is virtually inevitable that the power it has over state regulators will be used not only to ensure that the federal examination function is only ceded to competent state agencies, but also to encourage state regulators to bring their policies and practices more into conformity with the federal norm.

Whatever the merits of any individual exercise of this power, the long run effect must be to sap the vitality of the dual banking system by continually reducing the differences between operation under a state charter and a federal charter. I believe that the resulting gains in uniformity and efficiency would be far outweighed by the loss of opportunity for innovation and competition.

In order to retain state chartering as a real alternative, the role of federal regulation in state banking systems must be carefully circumscribed. Given the federal nature of deposit insurance, it is reasonable that there be a federal agency with the legal authority to examine state-chartered banks and their holding companies. Given the close relationship between examination and supervision, the same agency should also be vested with federal supervisory authority over those banks and holding companies. This agency should be empowered and encouraged to transfer functions to state bank regulators, as contemplated by S. 2750. In order to keep this agency from being too strong a force for nationwide uniformity, however, there should be a separate agency charged with examination, supervision and rulemaking for national banks and their bank holding companies.

I am aware that any division of authority at the federal level creates the problem of whether, to what extent and by what means policy uniformity should be ensured on issues common to both agencies. That problem, however, is more readily soluble than the problem of preserving a meaningful dual banking system when all of the powers of the federal government in the field of banking are concentrated in a single regulator.

I would appreciate the opportunity at an appropriate time to develop more fully the thoughts expressed in the enclosed letter and to present specific suggestions as to improvements in the present regulatory structure for financial institutions.

Please contact Messrs. Sam L. Abram or William A. Volckhausen of this Department if you have any questions concerning the enclosure.

Very truly yours,

MURIEL SIEBERT.

STATE OF MINNESOTA,
DEPARTMENT OF COMMERCE,
St. Paul, Minn., May 17, 1978.

HON. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban, Affairs, Washington, D.C.
HON. ABE RIBICOFF,
Chairman, Committee on Governmental Affairs, Washington, D.C.
HON. JACOB K. JAVITS,
Committee on Governmental Affairs, Washington, D.C.

GENTLEMEN: I believe that S. 2650, which consolidates the three Federal bank regulatory agencies into a Federal Bank Commission, would tend to provide more consistent regulation at the Federal level. S. 2750 appears to be supportive of the dual banking system and recognizes the right of states to charter and examine their financial institutions and would seem to support the fact that the states are the primary regulators of their state-chartered financial institutions.

I personally support the ideas that you have embodied in S. 2750.

Sincerely yours,

ROBERT A. MAMPEL,
Commissioner of Banks.

DEPARTMENT OF BANKING AND
FINANCIAL INSTITUTIONS,
Bismarck, N. Dak., June 21, 1978.

HON. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, Washington, D.C.
HON. ABE RIBICOFF,
Chairman, Committee on Governmental Affairs, Washington, D.C.
HON. JACOB K. JAVITS,
Member, Committee on Governmental Affairs, Washington, D.C.

DEAR SENATORS: I am writing this letter in response to your proposed consolidation of the three federal bank regulatory agencies into a single federal bank commission under S. 2750.

You had asked for comments by June 19, 1978, therefore, I am going to have to be brief.

My comments are as follows:

1. The idea of a consolidation of the agencies is basically a sound one. It appears that it would eliminate any duplication that may occur in the examination of banks, and also allow the Federal Reserve Bank to concentrate their efforts on monetary policy.

2. It would strengthen the dual banking system by providing significant new authority and additional funds to state banking departments. However, I would offer the following suggestions to that end:

A. That two of the proposed board members have been/or are affiliated with state regulatory agencies in lieu of the one proposed in the bill.

B. That if any funding be provided by the federal government, that the states be required to contribute a minimum amount, thus eliminating the tendency of states to utilize all federal funding and cut back on their own share of the cost of the project.

C. I would suggest that a study be made of standardizing the fee schedules throughout the United States, and perhaps incorporating it into the program.

D. It troubles me as to what your intentions are for weak state banking departments that are now in existence. Will you attempt to bring them all up to par or will this new consolidated agency have a larger role in those states that do not wish to have a strong banking department?

E. It will take a certain amount of planning in the area of developing expertise on both levels. As an example, the salary schedule would possibly have to be identical on both the state and federal level, or there will be a movement of personnel from the state to the federal level, thus, in my mind, defeating the purpose of the program.

I would suggest that thought be given to establishing a pool, if you will, of expertise in various bank regulations trust examinations, holding company examinations and other specialized areas. Our state, as an example, has trust companies but there are not enough to warrant full time examiners just for that purpose. If a pool of these individuals were available, we could draw upon them from time to time to assist us in establishing rules and procedures in regulating these financial institutions.

The only comment I have on the negative side, is that I take objection to your conclusion that there are lax banking regulations. In my opinion, the banking system, as presently constructed and regulated, functions very well. However, as you are aware, we have had our problems but many of those come about because of economic conditions in this country as well as abroad. Therefore,

the problems we have had are not those of the banking regulatory system, but the system as a whole. Mistakes are being made and as they are made, corrections will be implemented to alleviate the problem in future years.

Perhaps this consolidation and potential improvement of all regulatory agencies in this country (state as well as federal) will give us as regulators, an opportunity to develop expertise not only in bank regulation but on the economic scene as a whole, thus allowing us to assist our financial institutions before problems develop rather than criticizing them for mistakes they have made in the past.

Sincerely yours,

LEROY GILBERTSON,
Commissioner.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING,
Harrisburg, Pa., May 19, 1978.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, Washington, D.C.
Hon. ABE RIBICOFF,
Committee on Governmental Affairs, Washington, D.C.
Hon. JACOB K. JAVITS,
Committee on Governmental Affairs, Washington, D.C.

DEAR SENATORS: You have asked for comments on S. 2750 which calls for a consolidation of the three federal bank regulatory agencies into a single Federal Bank Commission. I concur with your belief that structural reorganization is necessary to prevent duplication and overlapping among the regulatory authorities. I am perhaps less concerned than you with the question of alleged inconsistent regulation which is said to be the result of present arrangements. I believe the more significant issue is one of general efficiency in the regulation of the commercial banking sector.

The dual banking system should be strengthened by the consolidation of the three regulatory agencies. Many state banking departments receive too little money to finance adequate supervisory programs, and S. 2750 provides the possibility for more nearly adequate funding. The bill provides for a sharing of responsibilities with the states, and I believe this position is consistent with the basic premise of the Conference of State Bank Supervisors.

The principle tenant of the Conference of State Bank Supervisors has been the maintenance and strengthening of the dual banking system. This is impossible without adequate financial support for state banking departments. Your bill explicitly recognizes the important role that the Federal Government can play in assuming part of these expenses and in strengthening the dual banking system. One of the aspects of bank regulation which has troubled CSBS in the past is the question of divided responsibility for banking activities. Consolidation of the federal regulatory bodies could help to meet problems of this kind.

S. 2750 also recognizes the right of state banking departments to determine whether they will charter a new bank—with assurance that insurance will be readily available from the FDIC. This has long been a source of irritation among state bank supervisors, and all commissioners should welcome the possibility of having their individual decisions validated by automatic provision of insurance.

Furthermore, the composition of the Federal Bank Commission assures that someone intimately familiar with the problems of state bank regulation will have a significant voice in the affairs of the Commission. The bill also has the advantage of concentrating the efforts of the Federal Reserve System on monetary policy and unburdening it in terms of regulatory functions.

While I am sure the problems of regulation and supervision will not be solved by this consolidation, such a move will represent a signficant step forward in the elimination of potential and actual problem areas which have plagued regulation in the past.

Sincerely,

WILLIAM E. WHITESELL.●

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

● Mr. JACKSON. Mr. President, for the information of the Senate and the public, the Senate Energy and Natural Resources Subcommittee on Energy Research and Development has scheduled 2 days of hearings to examine S. 2533, the "Gasohol Motor Fuel Act of 1978." The subcommittee will meet on Monday, August 7, 1978, and Tuesday, August 8, 1978, at 10:00 a.m. in room 3110 of the Dirksen Senate Office Building.

Witnesses scheduled to appear on Monday, August 7 are: Senator BIRCH BAYH, Senator JACOB K. JAVITS, Senator ROBERT MORGAN, Mr. F. Al Mavis, energy coordinator, Bureau of Soil and Water Conservation, Illinois State Department of Agriculture, and Dr. George H. Emert, director of Biochemical Technology, Gulf Oil Corp.

Witnesses scheduled to appear on Tuesday, August 8 are: Senator CHARLES H. PERCY, Mr. Alvin M. Alm, Assistant Secretary for Policy and Evaluation, Department of Energy, Mr. Weldon Barton, director, Office of Energy, Department of Agriculture, Mr. H. Jerome Korff, sales manager, Bohler Bros. of America, Inc., Houston, Tex., and Mr. Ray H. Daley, director of special projects, American Automobile Association, Falls Church, Va.

Anyone wishing additional information with regard to the hearings should contact the subcommittee staff director, Dr. Willis D. Smith, at (202) 224–4431.●

SUBCOMMITTEE ON PARKS AND RECREATION

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommitte on Parks and Recreation, Committee on Energy and Natural Resources.

The hearing is scheduled for Thursday, August 10, 1978, beginning at 8 a.m., in room 3110 of the Dirksen Senate Office Building. Testimony is invited regarding S. 2560, relating to the Indiana Dunes National Lakeshore.

For further information regarding the hearing, you may wish to contact Mr. Jim Beirne at 224–2564.

Those wishing to testify or who wish to submit a written statement for the record should write to the Subcommittee on Parks and Recreation, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON CITIZENS AND SHAREHOLDERS RIGHTS AND REMEDIES

● Mr. METZENBAUM. Mr. President, I wish to announce that the Subcommittee on Citizens and Shareholders Rights and Remedies of the Committee on the Judiciary will hold hearings on S. 3005, the "Citizens' Right to Standing in Federal Courts Act." The hearings will be held on August 16, at 10 a.m., in room 3302; and August 23, at 10 a.m., in room 2228.●

SUBCOMMITTEE ON NUTRITION

● Mr. McGOVERN. Mr. President, I wish to announce that the Subcommittee on Nutrition of the Senate Committee on Agriculture, Nutrition, and Forestry will hold hearings on the subject of food labelling and nutrition information on Wednesday, August 9 and Thursday, August 10. These will be a preliminary set of hearings to identify the issues and others will be scheduled later in the year. The subcommittee will hear from invited witnesses only at these initial sessions. The hearings will begin at 9 a.m. both days in room 324 Russell Building. Anyone wishing further information should contact the committee staff at 224–2035.●

SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

● Mr. KENNEDY. Mr. President, the Subcommittee on Antitrust and Monopoly recently completed 10 days of hearings on pricing practices in the interstate trucking industry. It examined a wide range of issues which affect the setting of rates charged to shippers, and ultimately to consumers, for truck transportation. Its inquiry ranged from the process of collective ratemaking—by which trucking companies meet to discuss and vote on uniform rates under a special immunity from the antitrust laws—to the ability of the ICC to judge the fairness of rates established by this process. The subcommittee also heard testimony concerning the amount of excess service competition in the industry fostered by tight Government regulation of rates and route awards.

Many of the witnesses who appeared before the subcommittee, including ICC Chairman A. Daniel O'Neil and Justice Antitrust Division Chief John Shenefield, also noted the impact on rate levels of ICC controls on the numbers of motor carriers authorized to serve particular routes. Allowing more carriers to provide service, it is widely argued, would exert substantial downward pressure on rate levels in the industry. It would also make it more difficult for existing carriers to control rates through their rate bureaus.

Because of the interrelationship between collective ratemaking, rate regulation, and entry regulation, the subcommittee needs and intends to undertake—in a preliminary way—an examination of the issue of entry as part of its overall inquiry into pricing mechanisms in the trucking industry.

I want to announce, therefore, that the subcommittee will be conducting hearings on this issue beginning August 9, at 10 a.m. in room 6226 of the Dirksen Building. At list of witnesses who will appear on this date will be available from the subcommittee offices on Monday, August 7.●

ADDITIONAL STATEMENTS

DAY OF SOVIET SHAME

● Mr. HEINZ. Mr. President, August 21, 1978, will mark the 10th anniversary of the Soviet invasion of Czechoslovakia. Commemorated as a "Day of Soviet Shame" by freedom-loving Czechoslovaks, this day merits mention in the Senate because of the flagrant violation of the United Nations Charter that the Soviet action represents.

In 1968, the Soviets used military force to prevent the Czechs and Slovaks from establishing an independent social and political order according to their own desires. The Soviet invasion was a blatant violation of the principles of self-determination, sovereignty, and nonintervention in the domestic affairs of other states. These principles are fundamental tenets of the United States and are included in the Charter of the United Nations, which both the Soviet Union and Czechoslovakia have signed. We must not allow the continuing abridgement of these principles to pass unchallenged.

The Soviets have maintained troops in Czechoslovakia since August 1968 against the will of the Czechoslovak people for the purpose of restricting the freedoms of these individuals. The Soviets signed the Helsinki agreement guaranteeing respect for human rights, while callously ignoring the pleas of responsible Czechs and Slovaks for the freedom to decide for themselves the structure of their ciety.

Concerned Czechoslovak citizens have expressed their indignation by writing and signing the charter 77, an appeal to the government to cease its inhuman policies and adhere to the Helsinki Final Act. The list of signatories of this manifestation of popular discontent is growing every day. Those who have committed themselves to the principles of the charter 77 cannot be characterized as members of any one ethnic, professional, or ideological group: the charter 77 is truly a popular appeal.

In response to the expression of opinion, the Soviet installed and maintained government has increased the level of oppression in Czechoslovakia. I am told that the government has gone so far as to deny higher education to the children of parents who signed the charter 77. This infringement of a basic human right has not deterred the Czechoslovaks. Rather, a floating university in which classes are held in different locations on different days has emerged to satisfy the demand for further education.

As a member of the United Nations and a supporter of human rights, the United States must register its objection to the invasion and continuing occupation of Czechoslovakia. I urge my fellow Senators to observe August 21 as a day for remembrance of those individuals in Czechoslovakia who are denied the basic human rights that we cherish.●

WE SHOULD PROTECT THE LAST GREAT FRONTIER

● Mr. HART. Mr. President, as a sponsor of S. 1500 (Amdt. 2176), the Alaska National Interest Lands Conservation Act, I urge my colleagues to give this legislation careful review and consideration. This opportunity permanently to safeguard Alaska's incomparable wildlands and wildlife, has been aptly described as "our last great first chance."

Mr. President, I regret that such a critically important conservation issue has become clouded with misunderstanding, ill-founded criticism, and emotional charges and countercharges. As the Senate considers this legislation, it will be necessary to get the facts clear, to take a broad, objective look at the issues, and throughout all our deliberations, to keep in mind the interest of both the Nation and the State of Alaska.

In the year and a half since our late colleague, Senator Lee Metcalf, first introduced the Alaska lands legislation in the Senate, we have all come to recognize this as an incredibly complex land allocation and management issue. Many compromises have already been made to accommodate the needs of Alaskan residents and resource development interests. Mr. President, there is no question in my mind that the State's economy can and should continue to grow. At the same time, however, it is our duty to preserve the most magnificent and fragile natural areas of this last frontier. If anything, H.R. 39, as passed overwhelmingly by the House, has erred too far on the side of compromise. The Durkin-Metcalf bill, S. 1500 (Amdt. 2176), is a stronger bill and does a better job of protecting the national interest.

These 110 million acres we have proposed for protection are, after all, Federal lands, owned by all the citizens of the Nation. The State of Alaska is in the process of selecting 104 million acres for its residents, and the Natives will be given title to 44 million acres. The State and Natives have quite rightly selected lands of the highest resource values and this fact alone will insure a bright economic future for Alaska. More than two-thirds of Alaska's land base will remain open for development. The American people have shown tremendous interest in protecting the remaining third of Alaska's land area—those national park, wildlife refuge, and wilderness proposals which will safeguard critical ecosystems, wildlife habitat, and scenic splendor. It is truly in the national interest to do so now.

WILDERNESS: NOT A RENEWABLE RESOURCE

Mr. President, an editorial in the Loveland, Colo., Daily Reporter-Herald reminds us that wilderness is not a renewable resource and "once an area is opened for the development of its minerals and timber, it is lost forever." This editorial reflects the views of many citizens of my State of Colorado, and in the Nation at large, when it opposes further weakening of the Alaska lands legislation and reductions in proposed national park, wildlife refuge, wild river and wilderness designations.

The editorial notes,

We must remember that far-sighted legislators set aside national parks such as Yellowstone and Rocky Mountain National Park for future generations to enjoy. These parks would not be here today if it weren't for these past decisions.

Likewise, there is no guarantee Alaska's magnificent wildlands will remain unspoiled for generations to come unless we are now willing to make farsighted decisions to insure their preservation.

Mr. President, at this time our colleagues on the Energy and Natural Resources Committee are considering the various Alaska lands proposals, including S. 1500 (Amdt. 2176), of which I am a sponsor. As our colleagues on the Energy Committee consider this legislation, I urge them to bear in mind that Alaskan wilderness is not a renewable resource.

This opportunity can be lost forever. We must not take lightly our responsibility to future generations to leave behind a real wilderness legacy in Alaska. Passage of S. 1500 (Amdt. 2176) is the best way to provide for future wilderness needs, at the same time as our Nation's other resource needs are accommodated.

Mr. President, the full text of the editorial from the Daily Reporter-Herald dated May 15, 1978, follows, and I ask that it be printed in the RECORD.

The editorial follows:

WE SHOULD PROTECT THE LAST GREAT FRONTIER

The Alaska National Interest Lands Conservation Act, H.R. 39, is scheduled to come up for a House vote Wednesday. The battle over the bill has been a classic match-up between the developmental forces and the conservationists.

The bill, designed to protect a significant portion of Alaska from development, already has been attacked and sliced up by lobbyists for the mining, timber, oil and hunting interests.

We believe that much misinformation has been circulated concerning the supposed lock-up of Alaska. We wish to present some facts.

The state, purchased from Russia in 1867, contains about 375 million acres. When Alaska was made a state in 1959, the state government was allowed to choose 104 million acres for itself. The state, of course, picked the best land available for mineral or oil development.

In 1971, Alaskan natives were given 44 million acres and they also chose the best land. These lands, and other 81 million acres of additional federal lands, would still be available for oil, mineral and timber exploration and development.

Even if the bill should be passed in its most extreme form, two-thirds of the state is still developable. That is not a lock-up of the state, as developmental lobbyists have implied.

We must remember that far-sighted legislators set aside national parks such as Yel-

lowstone and Rocky Mountain National Park for future generations to enjoy. These parks would not be here today if it weren't for these past decisions.

Alaska and northern Canada remain as some of the last and greatest regions of wilderness and frontier in this hemisphere. We feel we should protect as much of these regions as possible. This bill gives us a chance to reserve whole ecosystems and with no outlay of cash. The land is already federal land.

The original bill, whose chief sponsor is Rep. Morris Udall, would have set aside 144 million acres. Since introduced more than 18 months ago, the acreage has been trimmed off to about 95 million acres.

The bill, as it is now, is a compromise. There have been and still are attempts to weaken it further. We urge our representatives to fight for the present bill as a true effort for conservation. We oppose any further substitutes or weakening amendments. We oppose any further reductions in proposed national parks, wildlife refuges, wild rivers and wilderness lands.

We agree that the mineral access process that would allow exploration and development on some of these areas is acceptable but only in the national interest and on a case-by-case basis agreed to by the two houses of Congress.

Wilderness is not a renewable resource. Once an area is opened for the development of its minerals and timber, it is lost forever. Let's protect this last great frontier.●

RHODESIA

● Mr. HATCH. Mr. President, last week, during the consideration of the International Security Assistance bill, the Senate made what in my estimation was a serious tactical error. At that time it was a well-known fact that Senator HELMS had an amendment that would have lifted the economic sanctions now placed upon trade with Rhodesia. It was evident at the time that this was a critical issue, one that may well determine the outcome of the pending transfer from minority to majority rule in that African nation.

Mr. President, the issue is no longer whether or not majority rule will become a reality, but rather what form of majority rule will come to power. On the one hand are the moderate black leaders of Rhodesia, Bishop Muzorewa, Ndabaningi Sithole, and Jerimiah Chirau, men who want to bring an open society to their nation, a government that will protect the rights of the minority as well as the majority. These are the men that are willing, in fact encouraging, to use the ballot box as a method to determine who shall lead Rhodesia at such a critical time in her history. Opposite these men are the leaders of the so-called Patriotic Front, Joshua Nkomo and Robert Mugabe. These men have refused to participate in free elections, instead demanding that they be recognized as the leaders of the black majority and therefore the leaders of any new government in Rhodesia. They are financed in their guerrilla activities by the Soviet Union and are clearly Marxist in their views, yet the official position of the United States appears to be one that favors and supports these men.

Mr. President, on July 31, 1978, the Washington Star carried an editorial that dealt with this crucial issue. The editorial discusses the pros and cons of the transitional government and concludes that the policy of the Carter administration appears to be shortsighted. "The interests of the real black majority inside Rhodesia, and the chance for creating a democratic and economically vigorous Zimbabwe with continued white minority participation, get short shrift with such thinking."

I think that it is now imperative that the United States rethink its policy on Africa. We have permitted Ambassador Young to place us in the position that we are now in for all too long. It is inconsistent with the ideals of the American people to support the violent overthrow of a peaceful democratic government by a Communist-supported movement. The United States should take a lesson from the meetings held in Belgrade by the approximately 100 nations that see themselves as apart from the United States-Soviet conflict. These "nonalined" nations were critical of the Soviet-Cuban intervention in Africa. In another editorial that appeared in this morning's Washington Post it states, "Many people, looking at the Third World, see a vista of unrest, turbulence, ethnic challenges, class wars, regional upheavals and what have you. Nonaligned people perhaps see that vista more clearly, and with more horror, than the rest of us. To them, or to an increasing number of them, Communist intervention means not help but trouble." If they can see this issue clearly, then I find it difficult why we here in the United States refuse to acknowledge the obvious, that the people of Africa and the rest of the Third World want to live in peace and enjoy the freedoms that should be guaranteed all men. A Marxist society will not provide these freedoms. The message is clear, we here in the Senate must bring it to the attention of the administration that U.S. policy in Africa, as now constituted, is wrong and must be reversed before the damage becomes irreparable.

Mr. President, I ask that the editorials from the Washington Star and the Washington Post be printed in the RECORD.

The editorials follow:

[From the Washington Star, July 31, 1978]

THE SENATE'S RHODESIAN MESSAGE

The Senate vote offering a conditional end of the Rhodesian embargo falls far short of the morale boost hoped for by the interim biracial regime in Salisbury.

The 59-to-36 vote approval of a "compromise" plan submitted by Senators Javits and Case would, with concurrence by the House, leave it to the Carter administration to lift economic sanctions if it feels the conditions have been met. These would require free elections for a new Rhodesia government, and its commitment to negotiate "in good faith" with the guerrilla movements now warring against the peaceful transition. It is questionable whether the participants in Rhodesia's "internal" agreement for black majority rule can satisfy a definition of "good faith" by a hostile Carter administration, and even whether elections can be held as planned in December in the face of guerrilla attack.

The inconclusive Senate action headed off a vote on a proposal by Senator Helms for an outright scrapping of the United Nations-endorsed embargo against the formerly white-dominated, runaway British colony. The deflection of the more forthright anti-embargo effort was seen as another in a string of foreign-policy victories for the Carter administration.

But a strange victory it is. It pits the administration against the moderate black leaders who are sharing power in Rhodesia's interim regime, including Bishop Abel Muzorewa, who was in town lobbying to end the embargo. The bishop has probably the largest following of Rhodesian blacks. While holding such black leaders at arm's length, the administration worries about a role for the guerrilla front headed by Joshua Nkomo and Robert Mugabe, who want to shoot their way to power and whose victims tend to be innocent blacks and missionaries.

The Senate, while not dealing a direct rebuff to the administration on the Rhodesian embargo, did seem to be questioning the priorities of President Carter and Ambassador Andrew Young on the African issue. These priorities have downplayed questions of democracy and racial co-existence under the emergent government, while putting top stress on the sympathy enjoyed by Messrs. Nkomo and Mugabe among black African governments and in the Third World generally. The administration also is concerned about the possibility of Russian-Cuban interference in Rhodesia by way of a continuing guerrilla war.

The interest of the real black majority inside Rhodesia, and the chance for creating a democratic and economically vigorous Zimbabwe with continued white minority participation, get short shrift in such thinking. The signs of restiveness about this on Capitol Hill should encourage the administration to rethink its unhelpful position on the attempt at a peaceful changeover in Rhodesia.

[From the Washington Post, Aug. 1, 1978]

TAKING THE QUOTES OFF "NONALIGNED"

Are the "nonaligned" countries, or a number of them, losing some of the softness for Moscow that has so often made it necessary to put quotation marks on their professions of nonalignment? At the Belgrade meeting of 80 or so nations that claim to sit apart from the American- and Soviet-led alliances, a major argument arose between Yugoslavia and Cuba. Yugoslavia's President Tito said in effect that nonalignment remains a viable international policy and the principal threat to it comes from great-power intervention conducted by the Soviet Union and Cuba. The Cuban foreign minister said in effect that nonalignment should foster liberation and revolution, as defined by Havana and Moscow. The weight of the conference seemed to be on the Tito side.

The Belgrade session made plain the way many Third World countries feel about having disputes in their midst resolved by foreign forces. A lot of members, press reports said, warned they might boycott the nonaligned summit next year in Havana if the Cubans don't quit Africa. There seemed to be a strong awareness that, while a country has a right to ask for foreign help in a crisis,

use of that right can produce harmful local and great-power tensions and can diminish the incentive to go for a political settlement. In the latter regard, it is noteworthy that at Belgrade Angola and Zaire said they had agreed on a kind of nonaggression pact; had it been in effect earlier, there might have been no Shaba crisis.

The larger perception that seemed to be moving ahead at Belgrade concerned the new dangers that lurk for nonaligned countries. Ten or 20 years ago it was easy for most of those countries to identify the peril as "imperialism." But even the harshest critics of the United States see that it no longer has the same taste or capacity to intervene. Meanwhile, the Soviet Union, using Cuban soldiers, is flexing its muscles. Many people, looking at the Third World, see a vista of unrest, turbulence, ethnic challenges, class wars, regional upheavals and what have you. Nonaligned people perhaps see that vista more clearly, and with more horror, than the rest of us. To them, or to an increasing number of them, communist intervention means not help but trouble.

Well, you may say, all they did at Belgrade was talk. True. One can't know what it means until a secession movement gets rolling somewhere, or an ethnic minority demands independence, or a "treasonous" faction seizes the telegraph office or . . . Certainly there's nothing for Americans to take premature or conspicuous delight in. But it's an interesting development, all the same.●

SENATOR DURKIN ON NO-FAULT INSURANCE

● Mr. McINTYRE. Mr. President, yesterday the House Commerce Committee voted down a proposed national no-fault insurance plan. Their action was a blow to the numerous supporters of no-fault auto insurance in this Chamber who had hoped to bring this long-delayed concept to fruition in the 95th Congress.

When the 96th Congress takes this issue up again, they will have at their disposal the large body of knowledge amassed by the Senate Commerce Committee during their investigations into the no-fault issue this year. One that I am sure will continue to be controversial in this debate is the question of what items insurance companies may take into account in setting premiums. My colleague from New Hampshire, Senator DURKIN, recently published a useful analysis of the discriminatory provisions of the current law in this regard in the Washington Post.

Senator DURKIN's insistence that these proposed new no-fault standards treat all citizens fairly and not continue old arbitrary practices of discrimination on the basis of sex or residence is nothing new to him. He has long championed the rights of consumers. As New Hampshire's insurance commissioner in the early 1970's, JOHN DURKIN acquired a well-deserved reputation as a man who was not afraid to stand up to large corporations to insure that individual citizens were treated equitably. Since coming to the Senate in 1975, JOHN DURKIN has continued to pursue these concerns diligently both on such issues as no-fault and auto safety and in the broader areas of energy pricing and supply.

I hope that all of my colleagues who did not read Senator DURKIN's fine analysis of this issue when it first appeared in the Washington Post will take the time to do so now. I feel that his commentary will be of great utility to this body in its deliberations on the no-fault issue in the future and ask that it be printed in the RECORD.

The material follows:

A NO-FAULT PLAN WITHOUT DISCRIMINATION

(By JOHN A. DURKIN)

In urging that we stop trying to reform the no-fault-insurance bill lest it die in Congress, The Washington Post, in its June 17 editorial "Wanted: Auto Insurance Relief," has overlooked the real possibility that, if passed in its present form, no-fault legislation will go on to die in the courts.

Indeed, a June 8 decision by the Michigan Supreme Court struck down as unconstitutional the Michigan no-fault law, which has served as the basis of the legislation now under consideration in Congress.

Although holding that it is constitutional to provide insurance benefits to accident victims as a substitute for tort remedies, the court went on to hold that the rate-making procedure is "constitutionally inadequate to assure that the coverage is available at fair and equitable rates." The court held that the Michigan statute failed to guarantee a minimum due-process standard that rates not be "excessive, inadequate, or unfairly discriminatory."

The problem with the Michigan law, and with the legislation now under consideration in Congress, is that it does not change the industry-wide practice of basing an individual's premium on classifications such as age, sex, marital status, and residence, rather than on solid actuarial data and on the individual's driving record and driving habits.

This system has long discrminated against the majority of good drivers in each "high rate" classification by requiring them to pay significantly more each year because of a few bad drivers in the group. That is about as fair and reasonable as forcing all teen-age shoppers to pay more than everyone else for the same goods because some teen-agers are shoplifters who increase merchants' overhead through theft.

For those reasons, during Senate Commerce Committee consideration of the no-fault bill, I sought to amend Section 108 to abolish the present system of setting insurance premiums by arbitrary classifications that bear no relation to an individual's driving record. My amendment—which was voted down in committee but which I shall reintroduce on the floor—would provide that under an approved state plan, no insurer (other than a self-insurer) may utilize race, color, creed, national origin, ancestry, age sex, religion, marital status, lawful occupation or place of residence to justify rate classifications and price differentials for automobile-insurance coverage.

There is no question whatsoever that the present system of rate classifications discriminates against good drivers, unfairly punishing them for the poor record of other drivers. Consider just a few examples of what is a national problem:

A 24-year-old East Boston man who had no accidents in seven years of driving was charged $2,512 for auto insurance, while the same coverage cost a 70-year-old grandmother living in a rural area, with two accidents in the previous year, only $160.

An investigator working for the County of Los Angeles was quoted a rate of $580 for specified automobile insurance when he listed his place of residence as Beverly Hills, and $1,283 when he listed it as Watts.

A widow's quoted premium was increased to $339 for coverage offered by another company at $189 when her insurer learned of her status as a widow.

Under the present system, an individual in a high-rated group may pay more than 10 times as much for the same coverage than an individual in a lower rated group, even though both have had no accidents. In the highest rated group, young urban males, it is not uncommon for a youth to pay more in insurance than the cost or value of the car he is insuring. Of that group, it has been estimated that 90 percent are actually safe drivers who are paying exorbitant rates for the 10 percent who are poor drivers. Youths are not the only victims. Often, senior citizens, who can least afford it, are hardest hit by discriminatory rate practices.

It is fundamentally unfair to penalize drivers who have not proved themselves to be bad risks, as even some in the industry agree; one major carrier recently determined to revamp its rate-classification system according to driving records.

My amendment would eliminate that discrimination and would force insurance companies to set reasonable rates based upon an individual's driving record and driving habits, which are certainly more indicative of whether or not he is likely to have an accident than is his marital status or sex. Rates should be based on solid actuarial data and not on arbitrary classifications. Furthermore, rates should be backed by clear standards, for, as the Michigan court said, due process, at a minimum, requires "that persons affected have notice as to how their rates are determined."

I want it clearly understood that I am not opposed to no-fault insurance. Indeed, I have been fighting for a consumer-oriented no-fault-insurance program since 1970, when I was New Hampshire insurance commissioner, and I will continue to fight for a consumer-oriented no-fault-insurance program when this bill is considered on the Senate floor.

However, without reform of the present no-fault bill along the lines of my amendment, or similar provisions, we will only increase the likelihood of a serious constitutional challenge, such as was sustained by Michigan's well-respected highest court. The result would be a symphony of chaos, and the victims would be hundreds of thousands of injured people throughout the nation, and perhaps no-fault legislation itself.●

CACTUS STARFIGHTER SQUADRON

● Mr. GOLDWATER. Mr. President, since 1957, pilots from the Federal Republic of Germany have been training at Luke Air Force Base in our State of Arizona, and since 1965, those learning to master the F–104G Starfighter have been graduating to return to Germany and become part of that nation's important contribution to NATO. On the night of July 15, 1978, the 100th of these classes graduated were given certificates as "honorary citizens" of the State of Arizona for life, and were inducted forever into what is called the "Cactus Starfighter Squadron." It is open for life to all those who have trained in the American Southwest and nearly 900 young men have done so thus far.

The two-nation, two-military serv-

ices—German and American, and the supporting contractors experience has been documented in a book in both languages, "Those Wonderful Men in the Cactus Starfighter Squadron—Die Aussergewöhnlichen Männer der Kaktus Starfighter Staffel." It was assembled by two retired USAF men, Colonel Barney Oldfield, and Chief Master Sergeant Tom Rhone, both with Litton Industries, who have worked with this German training program since the early 1960's.

In connection with the graduation of this 100th Starfighter German class, several things happened: The proceeds from the book became the endowment base of a Luftwaffe/U.S. Air Force "International Friendship Foundation", and first disbursements were made to boys and girls clubs and other Arizona charities. This will now go on forever as a living memorial to this two-country involvement, which has become an extraordinary people-to-people encounter of lasting importance. On that 100th class completion, Luftwaffe Oberstleutnant (Lt. Col.) Alexander Janka, commander of Luke's 2d German Training Squadron, gave Chief Master Sergeant Rhone a plaque inscribed:

The 2d German Air Force Training Squadron, USA, Presents this certificate to—

A true friend and patron since 1964;

A never-ending source of help and advice;

A man whose name will always be linked with German Air Force Training to Luke Air Force Base; and

The Creator of the Luftwaffe/U.S. Air Force "International Friendship Foundation"—Thomas H. Rhone.

Danke, Shön, Tom, for 14 years of dedicated service as a representative of Litton Industries at Luke Air Force, July 15, 1978.

On that occasion, Oberstleutnant Janka delivered a tribute to Sergeant Rhone the comments of which I ask to be printed in the RECORD.

The statement follows:

The last 12 months have been filled with important events for the German Air Force here at Luke AFB, such as the 20th anniversary of training in Luke and tonigtht's one hundredth graduation ceremony; therefore it gives me great pleasure, ladies and gentlemen, to add another highlight to this evening of celebration.

There is a gentleman among us tonight, who has seen us all come and go and in many instances return a second or even third time to Luke AFB, since the beginning of the F-104 program. As a matter of fact, he is so much part of our daily tasks and environment that I'm not so sure whether he does not have a serial number imprinted somewhere as property of the government of the Federal Republic of Germany.

I am referring, of course, to the man with the camera slung around his neck and his silver hair flying in the breeze when taking pictures on the flightline, a connoisseur of the good things in life such as wine, women and song—our true friend and good spirit, Tom Rhone.

Tom is retiring today from his long-time position with Litton Industries, in order to join the ranks of those lucky people who can pick their own life-style and sleep in in the mornings. Reflecting back on his achievements for the 2nd GAF Training Squadron USA and the entire German Air Force, however, I can only say he deserves it.

In early 1965 Tom Rhone was assigned to Luke AFB by his employer as part of a group of technical personnel, but with the goal in mind to make his special talents available for the benefit of the German contingent in this area. It did not take him very long to establish deep bonds with the German soldiers and their dependents, and he immediately supported all efforts to make them feel welcomed and get them integrated in their new community. Since the very beginning it was on his initiative that all members of the permanent staff received honorary Arizona citizenship certificates signed by the governor. It was his idea to have the German squadron sponsor a Christmas party for needy children of the Valley, which since then has become an institution here at Luke AFB. He arranged get-togethers of local families with the German students, especially around the holidays and more often than not long-lasting friendships were formed in spite of the distance between the two countries.

The "Reunion" every other year at Hannover is further evidence of Tom's never-ending source of ideas to keep the spirit of this program alive. And who can forget the soccer games between the U.S. Air Force Academy and the German student pilots, which brought in 30.000,—$ and enabled the Glendale Boys Club to move from an old shack to a shiny new clubhouse.

When the Litton personnel left Luke AFB in 1973, it was our good fortune that Tom was able to remain and many more goodwill enterprises were accomplished with his help and advice.

The main achievement of his association with us had not even been started yet, but the idea was there, somewhere rooted in that fabulous mind of his. The idea was to document the success of this international program somehow, and not just in thousands of loose photographs. After many long months of hard work, research, uncounted obstacles, and with the financial aid of his employer, Tom Rhone and Colonel Oldfield, who is with us tonight, co-authored a book, which you all know by now—"Those Wonderful Men of the Cactus Starfighter Squadron." The sale of this book in turn enabled Tom to put into being the true objective of his idea, to create something everlasting for the benefit of our two countries—"The USAF/Luftwaffe International Friendship Foundation." The foundation was incorporated in 1977 with a starting capital of 20.000,—$ and this year for the first time funds are being distributed to 8 different charities throughout the Valley.

But this is just the beginning. Efforts are being made now to do the same in Germany in the near future. What the impact of this achievement will be in years to come can only be guessed at, but I know that it takes a very special person to give so freely of himself for the benefit of others and to create a monument of goodwill between two nations.

How do you say good-bye to a man like that? We of the 2nd GAF Training Squadron don't! He may not know it yet, but there is a lot to be accomplished yet and without him it just would not be the same. So, Tom, we hope that you will continue to advise us and be with us, whenever you can manage to spare a few hours of your leisure life. But most of all we don't want to miss you as our friend, and there are too many "Beerfests," "Weinfests," Faschings Parties" etc. ahead for you to quit now. See you Monday morning 8 o'clock sharp.●

COMPETITION AND INFLATION

● Mr. HART. Mr. President, I would like to share with my colleagues an article by Michigan State University economist Walter Adams which appeared in the New York Times on August 1, 1978. Mr. Adams analysis of the relationship between economic concentration, competition and inflation in our economy is a perceptive one and deserving of further consideration.

No issue poses more concern for our society than the steadily increasing size of our institutions, both public and private. Corporations, Government agencies, labor unions by their very size alienate the average citizen and threaten to crush individual innovation and creativity. The resulting ramification of most importance to a pluralistic, democratic society is the growing concentration of economic power in America.

Economists may disagree about the precise extent and trend of market power in America industry, but the evidence is clear that in many markets concentration is far too high for effective competition, and that it is gradually and steadily increasing. It is competition that provides consumers with better products and lower prices, thereby serving as a check on inflation while preventing a single firm from controlling a market and substituting its judgment for that of the market. The fact, however, is that, increasingly fewer and fewer people are making the decisions which have the greatest impact on the economy. And the Government has been urged to regulate the marketplace more and more to protect the public interest from private domination.

The economic effects of the corporate concentration that pervades our society can be seen in many ways. But those effects are often reflected in higher costs to the consumer and a higher rate of inflation. Anti-inflation programs based on supposedly free markets and relying on fiscal and monetary constraints have failed. Clearly, many of our Nation's corporations and trade unions have amassed enough power to exact demands that exceed what could be achieved under conditions of active competition.

Admittedly, the relation between concentration and inflation is complex, and no one can pretend to have all the answers. Earlier this session I introduced a bill—the Competition Review Act—which would focus on developing sensible solutions to some of the problems of concentration. The bill would establish a Competition Review Commission to study the impact of the Government's laws and would focus concentration in both management and labor. It would develop recommendations for legislative changes and regulatory modifications for legislative changes and regulatory modifications necessary to strengthen the economy.

The Commission's study would be, quite simply, the most comprehensive study ever undertaken of the American economy. The goal would be to resolve some of the competing economic theories

of economic concentration and correct structural imbalances in the economy so as to strengthen and protect the free enterprise system.

Mr. President, the consequences of growing economic concentration and its effects on competition and inflation merit a much more serious examination than they have received by this Congress. The Competition Review Commission which I have proposed offers one mechanism by which the Congress can begin to address this important issue. I ask that Mr. Adams' thoughtful article on competition and inflation be printed in the RECORD.

The article follows:

COMPETITION AND INFLATION

"In the United States," says Milton Friedman, Nobel laureate and guru of the Chicago School, "inflation is headed up, not down. I would be very much surprised if it isn't in the 7 percent to 10 percent range by the end of the year." That is why he is betting on the Japanese yen and against the dollar by buying yen-dominated securities. "After all," he says, "speculating against the United States government isn't a gamble. It's almost a sure thing."

To combat inflation, Professor Friedman would have the Government implement a drastic cut in expenditures coupled with a careful modulation of the money supply. This medicine, he is confident, would quickly break the cycle of inflationary expectations and set off a reduction in the general price level.

The Carter Administration, like its predecessors, has refused to embrace such Draconian measures—in part, because the price that would have to be paid in unemployment is politically intolerable. In addition, the Carter economists have begun to recognize—perhaps only intuitively—that the current inflation is not a classical demand-pull inflation (where too many dollars chase too few goods) but a cost-push inflation, fueled by an unchecked price-wage spiral and reflecting deep-seated imperfections in the economy.

The current inflation, as daily events make increasingly clear, is as much political as an economic problem of unbridled power concentrations. It is the result of a power grab by highly organized vested interests for a larger share of a fixed pie—or a pie growing more slowly than the combined appetites of the interests that desire to devour it. It is the kind of inflation that cannot be cured simply by monetary and/or fiscal restraints but that must be supplemented with an effective "incomes" policy, that is, a wage-price policy.

Unfortunately, Mr. Carter has not opted for an effective incomes policy. Rather, he has put his faith in "moral suasion" through behind-the-scenes jawboning—an appeal to big labor and big business to moderate their demands so that the inflation rate can be "decelerated." This approach has seldom succeeded in the past, and it is destined for another failure.

Automobile prices are a case in point. With the depreciation of the dollar and the appreciation of the Japanese yen and the West German mark, foreign producers have been forced to raise prices on cars imported into the United States. What has been the reaction of the American auto giants? Have they seized on this golden opportunity to drive imports from the domestic market and recapture the 15 percent share that these imports have taken from domestic producers and workers?

Quite the opposite. As the price of Volkswagens and Datsuns went up, so did the price of their domestic rivals: General Motors and Ford have raised prices on some models four times since January of this year—in addition to increases of nearly $400 a car, or 6 percent, when the new models hit the market last fall.

And the Administration applauds these moves on the theory that a series of piecemeal price increases will have less of an impact on annual inflation rates than a once-a-year lump-sum increase. This is small comfort to car buyers and inflation watchers.

The record in steel is equally unimpressive. Here, a price increase of 5.5 percent across the board was announced last December, followed by a 1.1 percent increase in April, a 3 percent increase in June, and rumors of yet another increase of 3 to 5 percent before the year's end. Robert S. Strauss, the President's chief inflation fighter, expressed delight that he had dissuaded the companies from insisting on increases twice that large.

And, as if to make sure that these increases "stick," the Administration has evolved a trigger price system to protect the steel industry from foreign competition—the only mechanism since World War II that has put an effective lid on the industry's penchant for reckless price escalation.

Trigger prices are, of course, a form of Government price support. Already, the trigger price system has raised the nation's bill by an estimated $6 billion, and it will inevitably have further inflationary effects as these price increases ripple through the economy. The Government could hardly have devised a more propitious mechanism for insuring inflation over and above what market conditions, if left free, would generate.

Clearly, monetary-fiscal policies plus moral suasion are not the answer. But does this mean that the Administration is helpless—that Professor Friedman must inevitably win his speculation against the Government? By no means. Short of wage and price controls—whose peacetime record is less than reassuring, the most attractive alternative is a vigorous competition policy. This would require a dismantling of Government programs that artificially stifle market forces and protect concentrated industries from competition.

Note what the mere threat of deregulation and the aggressive promotion of competition by the Civil Aeronautics Board has already done to airline rates—without, incidentally, causing losses to the carriers. Stopping the drift of protectionism in international trade would have the same effect. So would an antitrust policy that is more than a policeman looking the other way.●

IRAN ARMS ITSELF "FOR PEACE"

● Mr. GOLDWATER. Mr. President, we very often hear criticism of the sale of American arms to Iran but most of this comes from people who either do not know or ignore the precarious position in which that country finds itself vis-a-vis the Soviet Union. At the present time, Iran is closely watching what many Persians see as a major new thrust by the Soviet Union southward into the strategic oil-rich region hinging the Middle East, Asia and Africa. Accordingly, Iran is moving both politically and militarily to counter the potential threat.

Mr. President, I do not have to emphasize how vital our own strategic interests are in this area of the world; and I find it encouraging that the leaders of Iran are aware of the Russian threat and are prepared to counter it. In this connection, the Baltimore Sun recently carried a very important article concerning the effort of Iran to arm itself against the threat of Soviet aggression. I ask that the article, written by Michael Parks, be printed in the RECORD.

The article follows:

[From the Baltimore Sun, July 27, 1978]

TEHRAN WARY OF REDS' PUSH TO SEA

(By Michael Parks)

TEHRAN, IRAN.—Iran is closely watching what many Persians see as a major new thrust by the Soviet Union southward into the strategic, oil-rich region hinging the Middle East, Asia and Africa, and Tehran is moving both politically and militarily to counter the potential threat.

Iran is prepared to intervene militarily to shore up the stability of its neighbors if they are faced with pro-Communist insurgencies or other subversion, highly placed Iranian officials have warned diplomats here, declaring that further Soviet "expansion" would be interpreted as a direct threat to Iran itself.

This tough talk was meant to warn the Soviet Union to go no further and to alert the West to what Iran sees as a real danger, according to ranking diplomats who have conferred recently with Shah Mohammad Reza Pahlavi, the Iranian monarch, and the top officials of his government.

The shah is using Iran's oil wealth and the considerable political leverage it gives him to extend his influence as a force for stability in neighboring countries—and he is buying more highly sophisticated, modern weapons for his 350,000-man armed forces.

"In certain geographic areas of the world, there is no alternative but chauvinism," the shah told Iranians last month. "Iran is one of these regions. Otherwise, you will disappear, and our name will no longer be Iran, but Iranistan."

This was a clear reference to the pro-Communish coup d'etat three months ago in neighboring Afghanistan, a development that many Iranians, including government officials and foreign policy analysts here, took as a well-advanced step in a Soviet strategy to cut through West Asia to Mideast oil fields and tanker lanes in the Indian Ocean.

The next moves could well be—in the Iranian view—encouragement from Afghanistan of nationalist movements and tribal rebellions in Baluchistan in eastern Iran and neighboring Pakistan, perhaps taking advantage of political turmoil in Pakistan. This could create a corridor to the sea.

Baluchi nationalism particularly worries Tehran, since it threatens Iran's territorial integrity, and Foreign Ministry official have bluntly warned the new Afghan regime not to promote the idea of a "greater Baluchistan," which Moscow has backed previously.

The shah has warned for more than five years that Iran would intervene if Pakistan were ever threatened with any new break-up, but Tehran's recent messages have been far firmer, according to diplomats here, and reflect greatly increased concern.

Iranians believe that the shah's threat earlier this year to come to Somalia's aid if Ethiopia crossed into Somali territory led to the de facto cease-fire in that conflict and that Iran's ability to project its military power through the region is taken far more seriously now.

"Iran feels that what worried it should worry others too," an Arab diplomat said, "and it has a point, however, you view its increasing power and influence."

Other regional developments worrying Iranians:

The prospect of political unrest in Pakistan and even the country's disintegration if the military regime there executes the former prime minister, Zulfikar Ali Bhutto.

The shah has already asked that the death sentence be commuted, and Iran privately has warned that its much-needed economic aid, running between $300 million and $400 million, depends on the handling of the Bhutto case, which is still in Pakistani courts.

The mounting level of political violence and terrorism in Turkey, Iran's northwestern neighbor, which some here see heading toward a virtual civil war. "Religious groups have begun fighting each other, terrorists are killing an average of three people a day, and the Kurds are rebelling in the mountains," one foreign policy analyst said.

"They have 65 per cent inflation and 20 per cent unemployment. The political crisis feeds on the economic crisis."

Iran recently advanced Turkey $120 million to buy oil and petroleum products, with repayment in Turkish exports, hoping to ease the country's economic and political problems.

On the Arabian peninsula, the coup by hard-line Marxists in South Yemen—following the assassination of North Yeman's president, whose conciliatory approach had begun to moderate the militancy of the Southerners, is seen as a renewed threat to Oman, where Iranian troops fought to put down a prolonged insurgency, and perhaps to the United Arab Emirates, a federation of weak sheikdoms on the Gulf of Persia.

The horn of Africa, where South Yemen has helped the Marxist military regime in Ethiopia defeat Somalia in the Ogaden Desert and is again aiding Addis Ababa in fighting Eritrean secessionists. Though no supporter of the Eritreans, Iran fears the naval implications of Marxist regimes in full control of both sides of the entrance to the Red Sea through which many oil tankers pass bound for Europe and America.

"The Persian Gulf and the shipping lanes leading from it are Iran's jugular vein," Manuchehr Zelli, the deputy Iranian foreign minister, said in an interview here.

"They are absolutely vital for us, for all the states along the coast and for those depending on the 30 million barrels of oil a day that move through the Strait of Hormuz. Peace and stability are of primary importance, and we have a responsibility to do our best to protect the freedom of navigation. The Red Sea and the Strait of Bab al Mandab are of equal importance. We have been very concerned since the eruption of the crisis on the horn—we hope no outside power will thrust its influence into the area."

Mr. Zelli was very careful and circumspect in discussing Tehran's current relations with Moscow, but the potential threat Iran faces along its 1,250-mile border with the Soviet Union was underscored by the Soviet downing three weeks ago of two Iranian Army helicopters that had strayed across the border in fog.

Eight Iranian soldiers were killed in one, and the other copter was badly damaged in the incident. The official Soviet news agency Tass said the two aircraft penetrated 19 miles into Soviet airspace, ignoring orders to land; informed sources here asserted, however, that Soviet violations of Iranian territory were so common that the pilots probably thought they were on their own side of the border and the Russians were engaged in a mock air fight.

"All the threats the shah has said Iran faced—a militarily strong, pro-Soviet neighbor in Iraq, turmoil in two other neighbors, Turkey and Pakistan, a Soviet satellite in Afghanistan plus Soviet naval bases along the tanker routes—are beginning to look very real, even to the skeptics," a European ambassador here said. "We will have to take his scenarios of a Soviet threat a lot more seriously."

The Persian monarch is continuing the buildup of his armed forces, planning now to equip them with the most modern and sophisticated weapons.

"Over the past five or six years, the focus has been on expansion and modernization of the armed forces," a senior Western military observer here said. "That is shifting now to equipping them and training them with the most advanced weapons systems available. Iran is strong now, but the shah is taking the armed forces into a generational leap forward."

Present Iranian plans call for purchases of more than $10 billion from the United States in the next four years, including 70 F–14 and 140 F–16 warplanes (a total of 240 of these advanced fighter-bombers are already on order at a cost of more than $5 billion). Over the past nine years, American weapons sales to Iran have totaled more than $18 billion.

Other Iranian plans include a $5 billion naval expansion, including the purchase of 6 West German submarines, a dozen frigates, 8 minesweepers and 12 missile- firing patrol boats, all from European naval yards. In addition, Iran has ordered 4 Spruance-class destroyers and 3 submarines from the United States, and it is considering buying 10 more German submarines and more mine-sweepers and patrol boats later.

With deliveries of British Chieftain tanks and American helicopters well under way, Iran is now establishing its own ordnance plants to repair them, make spare parts and manufacture ammunition for them. The planned tank depot at Isfahan, the center of Iran's steelmaking and other heavy industry, will cost an estimated $1.4 million alone.

"The shah feels he has to have the muscle to back up any position he takes and the power to act alone and immediately if necessary," one official says, in explaining the continued arms purchases.

"If he demands that Soviet intrusions into Iranian airspace, including overflights, be stopped, he has to be able to shoot the planes down if necessary—that is the way he feels. With the 150 F–14's he is buying with their Phoenix missiles, he would have that capability."

Mr. Zelli, the deputy foreign minister, puts the Iranian argument this way:

"Peace cannot be defended from a position of weakness, and our history, in this century, bears witness to the validity of this policy and approach. Whenever we have been weak, even declaring our neutrality, Iran has been occupied. By strengthening our defense capabilities, we have been able, on the other hand, to contribute to peace in our region."●

EDWARD J. GALLAGHER

● Mr. McINTYRE. Mr. President, my State of New Hampshire recently lost a great citizen and I lost a good friend.

Edward J. Gallagher, the publisher of the Laconia Evening Citizen and the author of four books, died at the age of 87.

His counsel was invaluable to me over the years just as it was to countless residents of my hometown of Laconia.

His newspaper comprised a single institution in our city, a rare institution in that it always managed to hold the public's affection as well as its respect.

The same was true for Ed Gallagher throughout the State, but especially with respect to his fellow members of the press. They, too, liked Ed as much as they admired him. And they agree that New Hampshire journalism is diminished by his passing.

In more recent years, Ed left much of the responsibility for the day-to-day duties of running the paper to his daughter Alma Gallagher Smith and her husband, Larry. This made it possible for Ed to carry on his writing and shortly before his death he started work on a fifth book, a biography of Robert Jackson, a Concord native who was later an advisor to President Roosevelt.

He recently completed his fourth book on events in the New Hampshire legislature in the 1890's and early 1900's from a collection of the James Lyford papers. It is presently being prepared for publication.

Ed's third book was entitled "George H. Moses: A Profile, U.S. Senator from 1918 to 1933." He also wrote "Robber Baron," a book about Max Shinburn who Ed interviewed after Shinburn had served a prison term for bank robbery and later went to Belgium and acquired the title baron.

His first book, "A Biography of Stilsun Hutchins," told the life story of the New Hampshire native who founded the Washington Post.

The death of this kind and gentle man has moved many in my home State to reflect on Ed Gallagher's many contributions to New Hampshire and our Nation. And, I ask that there be printed in the RECORD some of the eulogies published in New Hampshire since Ed Gallagher's death on July 19.

The eulogies follow:

PUBLISHER GAVE LONG LIFE OF SERVICE TO LAKES REGION

Edward J. Gallagher, publisher of the Laconia Evening Citizen for half a century and author of four books, died Wednesday after a brief illness. He was 87.

Gallagher founded The Evening Citizen in 1925 with his late wife, Etta G. Gallagher, and earlier was owner and publisher of the Concord Patriot, which later merged with the Concord Monitor.

A Concord native, Gallagher began his newspaper career as a teenager reporting on legislative meetings for several daily and weekly papers in New Hampshire.

Gallagher purchased the Concord Patriot in 1909, shortly after being hired as city editor.

After selling the Patriot, Gallagher left New Hampshire to work for Billboard Magazine, and traveled extensively, interviewing prominent show business personalities.

He returned to his native state to start the Evening Citizen, which later merged with the weekly Laconia Democrat.

He also dabbled in politics. He served two years as Laconia mayor, beginning in 1937.

Vitally interested in the development of the Lakes Region, Mr. Gallagher served in a number of posts which contributed greatly to its growth. He was president of the Laconia Building and Loan Association when it gained a charter to establish The Laconia Federal Savings and Loan Association. He served the association for many years as an officer and retired as chairman of the board in 1976.

He was also a director of the Laconia National Bank which later merged with the Peoples National Bank and is now affiliated with the First Bancorp of New Hampshire.

He was a founder of the Laconia Industrial Development Corp. which brought many industries to the area and assisted in the Laconia Community Development Corp. which handled the financing for industries and businesses in Laconia's Urban Renewal project.

Mr. Gallagher used the Citizen Publishing Co. to personally sponsor the construction of model homes during the depression period in the 30s to stimulate construction industry in the Lakes Region and many still stand throughout the city.

He was also active in the promotion of the

resort and recreation potential of the Lakes Region and served as an active member and president of the Laconia Chamber of Commerce and the Lakes Region Association.

He laid the groundwork and acquired federal funds for the construction of the Belknap Recreation Area which was developed into the present Gunstock complex. Once constructed, he utilized the Area to bring a number of summer and winter sporting events to the Lakes Region.

In civic affairs, besides serving two terms as mayor, he was chairman of the board of trustees of the Laconia Public Library, served on several mayors' advisory boards and as chairman of the Salvation Army Advisory Board.

On a state level he was president of the New Hampshire Mayors' Club, a member of the New Hampshire Planning and Development Commission, a lay member of the Judicial Council, on the Mt. Washington Advisory Commission, the National Forest Advisory Board, President of the New Hampshire Tuberculosis and Health Association, and a member of the board of incorporators of Catholic Charities.

He was chairman of the New England Associated Press membership and served as a director of the New England Daily Newspaper Association.

In a 1975 interview, Gallagher said he chose the name "Citizen" for his newspaper because it implies "public rather than political interests."

"It's a mistake to have a newspaper that keeps the town all riled up," he said.

During his youth, he suffered from tuberculosis, a disease from which his mother died.

Confined to bed at an early age, he received a $1 toy typewriter which he used to write a story, "What to do for an invalid." The article was published three months later in Pictorial Review, and a journalism career had begun.

His first book was a biography of Stilson Hutchins, a New Hampshire native who founded the Washington Post.

He later wrote "Robber Baron," a book about Max Shinburn, who Gallagher interviewed after Shinburn had served a prison term in Concord for bank robbery. After his imprisonment in Concord, Shinburn went to Belgium and acqiured the title baron.

Gallagher's third book was a biography of the late New Hampshire Sen. George H. Moses.

He recently completed his fourth book, on events in the New Hampshire Legislature in the 1890's and early 1900's. The book is presently being prepared for publication.

Shortly before his death, he had started work on a fifth book, a biography of Robert Jackson, a Concord native who was later an adviser to President Roosevelt.

Gallagher's survivers include a daughter, Alma Gallagher Smith; and two half-sisters, Caroline Cassidy of Concord, and Mary Cassidy, formerly of Concord and now a resident of St. Francis Home in Laconia.

Friends may call at the Wilkinson-Beane Funeral Home tonight from seven to nine. A Mass of Christian Burial will be held at St. Joseph's Church Friday morning at 10:00, followed by burial in the family plot at Calvary Cemetery, Concord.

[From the Laconia (N.H.) Citizen, July 20, 1978]

MR. GALLAGHER

We will sorely miss Mr. Gallagher.

His many friends throughout the city and state are remembering the wise counsel and inspiration he provided.

In the publishing field he holds a special niche in the minds of a legion of newspaper people throughout the United States who graduated from the Evening Citizen clan. They, like the present staff, remember him not only as "The Publisher", but as a friend and teacher.

They are proud to be known as Gallagher men and women.

We first heard the term as a cub reporter when we were introduced to a public official on a city beat. He referred to us as a Janson man, a trainee of city editor Ebba Janson who had a great part in moulding the policy of the Evening Citizen with Mr. and Mrs. Gallagher. Joining the regular staff you graduated to a Gallagher man.

He contributed greatly to his craft. At an early age he was given a $1 toy typewriter and in his hands it became an extension of his physical being. Though his tool changed over the years to an L. C. Smith and lately to a futuristic electric model he always used it wisely and honestly in his trade.

He chose not to be an opinion maker but a guide in the community and he followed his creed not only in his daily articles and the columns of his newspaper but in his personal life and associations as well.

His favorite theme, explaining the art of journalism to young reporters and older ones as well, was his Bronx angle. He coined the pnrase from an early New York paper he came in contact with. It was the ability to tie a national or international story to a local person or event.

The Bronx paper's staff were past masters at it and he brought the concept to his Evening Citizen. An editor once told us "Whenever a big story breaks I watch for the Citizen to see how Ed Gallagher got a local handle on it."

He could always find one.

There are many Evening Citizen trained reporters and editors scanning the wire copy in newsrooms across the country yesterday when the report of his death was carried.

They had a Bronx angle.

They were fortunate enough to have known him.

[From the Laconia (N.H.) Citizen, July 20, 1978]

TRIBUTES HONOR CITIZEN PUBLISHER

Two of New Hampshire's most prominent politicians were among the first to pay tribute to Edward J. Gallagher, who died yesterday after publishing this newspaper for more than half a century. U.S. Sen. Thomas McIntyre and Gov. Meldrim Thomson memorialized the Evening Citizen's founder in statements issued Wednesday. "I have lost a good friend. New Hampshire has lost a great citizen," Sen. McIntyre said.

"Ed Gallagher and his newspaper comprised a single institution in Laconia, a rare institution in that it always managed to hold the public's affection as well as its respect.

"The same was true for Ed Gallagher throughout the state, but especially with respect to his fellow members of the press. They, too, liked Ed as much as they admired him. And they would agree, I'm sure, that New Hampshire journalism is depleted with his passing," Sen. McIntyre concluded.

He planned to attend the Friday service, a spokesman said.

Gov. Meldrim Thomson said Wednesday night, "Edward John Gallagher will long be remembered as the dean of New Hampshire's newspaper life. The Lakes Region has long benefited from his good citizenship and the constant promotion of it by Gallagher and his respected Laconia Evening Citizen."

[From the Portsmouth (N.H.) Herald, July 21, 1978]

EDWARD J. GALLAGHER

If any man was ever privileged to enjoy life, and the people met during its progress, that man was the late Edward J. Gallagher, veteran publisher of the Laconia Citizen.

His years in the newspaper business spanned most of those that have passed since the dawn of the century, and in the course of them Gallagher came to know just about everyone in New Hampshire, especially those in politics and industry.

Ed helped many a researcher into the political history of New Hampshire, and was a constant source of anecdotes about the leading characters who have strutted across the stage in the past 75 years.

His editorial approach was markedly different from that taken by most of us, being more kindly and benign, but he still didn't run away from a row, and sought constantly to make the Laconia Citizen a useful citizen.

In the passing of Ed Gallagher, the people of New Hampshire have lost a friend, and the State itself will be the loser because his voice is stilled.

Ed always had a deep fondness for Portsmouth, for the Herald and for the Hartfords, father and son, so long the publishers of the Herald. That affection was reciprocated.

But, as for all men, Ed Gallagher's long life has come to an end, in the quiet way he wanted. It was an honor and a pleasure to have known him, and we extend our condolences to his daughter, Alma Gallagher Smith, the active head of the Citizen.

[From the Concord (N.H.) Monitor, July 20, 1978]

THE LAST OF THE GRAND OLD SCHOOL

(By William Dwight)

Edward J. Gallagher, founder and owner of the Laconia Evening Citizen who died yesterday at the age of 87, was the last of the old school of personal newspapermen who made New England journalism so distinctive.

James M. Langley of the Monitor was also one of them. They were competitors in their youth right here in Concord. They were much alike in many ways, operating on the basic fact that unprejudiced reporting of local happenings and frank comment about them was the obligation of a newspaper.

Concord—any community, in fact—wasn't big enough for two newspapersmen of such personal force. In 1923 Langley acquired the Monitor and Gallagher's Patriot. Until that time, the two newspapers competed head-on in the afternoon field. The Patriot was Democratic, the Monitor Republican. The newspaper became the Concord Monitor and Patriot.

Ed Gallagher moved on to Laconia, where he established the Evening Citizen. If any newspaper revealed the character and personality of its proprietor, it was the Evening Citizen. You could see Ed Gallagher in every page—a wise and friendly and considerate gentleman who liked and respected people.

He signed his own personal articles. Yet everyone who gathered news for the Citizen and wrote for it did so under the friendly atmosphere created by Ed Gallagher. One never thought of the Laconia Evening Citizen as being a corporate structure. It was Ed Gallagher's newspaper.

And how he loved New Hampshire. In his later years he had the satisfaction of seeing his Democratic Party gain equal status in the state's political system. He also watched with pleasure the recognition New Hampshire has been receiving for its solid growth in relation to the rest of New England.

We recall many meetings with him in bygone years at annual conventions of the American Newspaper Publishers Association at the Waldorf Astoria Hotel in New York. He and his late wife and his daughter Alma came with him.

He proudly wore his identification badge, which read in big letters "The Laconia, New Hampshire, Evening Citizen." He did

not hold the giants of the newspaper world in awe. He was from Laconia, N.H., and he was proud of it.

(William Dwight, who bought the Concord Monitor from James M. Langley in 1961, was publisher for many years and now is Board chairman.)

[From the Concord (N.H.) Monitor, July 20, 1978]

EJG—DEVOTED TO N.H.'S WELFARE

(By Leon W. Anderson)

Publisher Edward John Gallagher of the Laconia Evening Citizen will long live in Granite State neswaper annals, out of a most unusual origin.

A Concord native of 1890, he was the only child of Irish immigrants, and was raised in the Catholic faith by a gracious Protestant family. He was stricken with intestinal tuberculosis, which terminated his education beyond grade school.

We pried details of Ed Gallagher's childhood out of a long personal friendship with this man, whom we came to respect and admire for his graciousness, common qualities of character and friendliness for little people.

Gallagher's father died while he was an infant, and his mother had to work as a domestic to support herself. It was because of such circumstances that EJG, as he liked best to sign himself, learned how to be grateful and thankful for his early lot in life and the loving care of foster-parents.

Editor Ed Gallagher—the manner in which we best liked to address him—will long live in our upcoming history of the 300-year-old New Hampshire Legislature. He is the starry-eyed hero of a chapter on the 1907 Legislature, when the late governor Robert Perkins Bass of Peterboro killed a quarter-century legislative custom of paying newspapermen handsome fees for writing up the lawmaker's doings.

Bass was then chairman of the House Committee on Retrenchment and Reform. He induced his group to recommend abolition of $100 payments to each newspaperman, per session of some 10 weeks, as an undesirable conflict of interest practice. While recovering from his stomach sickness, young Gallagher eyed the $100 gift, set himself up as the "F. P. Gilpin Syndicate," induced a couple of weeklies to pay him 50 cents a week to report legislative life and qualified as a legislative newsman.

Gallagher was then 16 years of age, and he grinningly recalled he was so frail that the reporters would not even permit him a seat at the two long newsmen's tables which then adorned the front of the House Speaker's rostrum. But Gallagher persevered, and a month later he won equal status when he was employed by the Manchester Union to fill in for a reporter who had become suddenly ill.

As the 1907 session drew to adjournment, Bass went into action, and the attractive $100 emoluments went into oblivion for all time. So, Gallagher liked to recall, he had to labor much longer and much harder before enjoying the thrill of his first $100 paycheck.

Friend Gallagher also liked to tell us of an unusual relationship he once had with the Christian Science Church. Before 1910, the Concord Evening Patriot (now part of the Concord Monitor) was for a short time owned by a St. Louis Christian Science leader, and its equipment was used to publish pamphlets for that denomination. This was before the founding of the Christian Science Monitor, which was named after the Concord Monitor.

In 1910, the Concord Patriot's Christian Science ownership was turned over to Ed Gallagher. He paid for it over a period of years, in which the Patriot's circulation grew from 300 to more than 3,000, to exceed that of the Monitor before 1923. In that year, Gallagher sold his Patriot to the late James M. Langley, who also bought the ailing Monitor and merged the two.

After disposing of the Patriot, Gallagher went to the Midwest for a brief period. He then returned to New Hampshire and launched the Laconia Evening Citizen in 1925. The continued success of this daily newspaper, and its unstinting promotion of the welfare of the Lakes Region and its citizenry, reflects Edward John Gallagher's unselfish devotion to his beloved state and his fellow citizens in fitting fashion.

We like to think that many of us are the better from having shared EJG's friendship.

IN MEMORIAM

The following moving tribute to Laconia Citizen Publisher Edward J. Gallagher, who died earlier this week, was written by Winnifred N.A. Hackett of that community.

We have lost a friend
For he has stepped beyond
The earthly grind of news
To a place where the wind
Is at his beck and call
He walks the fields
Where life's soft rains
Fills us with misty tears
For our sunwarmed hearts
Remember his deeds and thoughts
He filled our lives
With daily events
And his books repose
On shelves and hutch
To still our inquisitive minds
Goodby, my friend,
You have found peace
And until we meet again
May God hold you
In the palm of His hand.

PUBLISHER TERMED "TRUE FRIEND OF MAN"

(Editor's Note: The following tribute to Evening Citizen publisher Edward J. Gallagher was written by Earl Anderson, head of the Manchester Union-Leader's local news bureau.)

He had touched our life in myriad ways during the past 29 years.

He was a true friend, a great man, and a most worthy competitor.

He was zealously proud of his adopted city, his beloved New Hampshire, and his glorious nation.

To Edward J. Gallagher, the real purpose in life was to contribute to it with the talents at his disposal. And he had many.

He rose to the heights in his profession. And there was no more respected name in journalism.

He gave to everything he produced that special "Gallagher touch," which was truly the mark of excellence.

Mr. Gallagher was a humble man, but proud of his God-endowed ability to create: Words, ideas, projects, anything which would tend to uplift his fellow men.

He was fiercely loyal to his family, his beloved wife, Etta, and their extremely capable daughter, Alma.

Two of the proudest moments of his life were when there came to Mr. and Mrs. Gallagher on their golden wedding anniversary a Papal Blessing from Rome; and when Alma was cited as the BPW Woman of the Year by her contemporaries.

Perhaps the greatest legacy of this man of God is the love of his fellow men, as exemplified through his multitude of projects in their behalf.

He worked with what he possessed and never complained for lack. He always shared what he had, in ideas, labor, worldly goods at his disposal. And the results at times were miraculous!

And they might have taken him to the Statehouse, were he willing! Several times, we recall, he was prominently mentioned for Governor.

Our first meeting with this man of destiny was nearly four decades ago, shortly after he had finished two one-year terms as mayor.

Cordial from the start, he did not regard us as the "young upstart" that we were, who appeared anxious to show him up by mere volume of work alone, and greater resources by virtue of statewide newspaper circulation.

Instead he greeted us as a friend, gave us ideas on how to work with people, and above all else, taught us true humility.

That friendship, renewed 10 years later, has endured ever since. And, we are certain, will continue through Eternity.

Mr. Gallagher's mark upon the field of journalism will long be remembered. But it is our hope that it can be more than that.

Wouldn't it be a fitting tribute to this giant in dedication, loyalty and achievement, if some form of memorial could take shape, that would ensure the "Gallagher touch" continuing in perpetuity?

What that might be, we leave to others to decide. However, we would like to share, however humbly, in getting it off of the ground. So we are contributing a modest sum as a token of the love, admiration and esteem in which we hold this Man of the Century.

Even now we can almost hear ringing in our ears, those words of Eternal Commendation so well earned by your friend and mine, "Well done, my good and faithful servant. Enter into the joy of your reward."

SACCHARIN CANCER STUDY

● Mr. CANNON. Mr. President, I ask that a recent article printed in the July 24 edition of the Wall Street Journal be printed in the RECORD. This article discusses a recent scientific study indicating that consumption of ordinary amounts of artificial sweeteners such as saccharin and cyclamates does not appear to cause bladder cancer in humans.

Mr. President, during 1977, the Congress considered legislation on the saccharin controversy. The bill (S. 1750) amended the Federal Food, Drug, and Cosmetic Act and the Public Health Services Act to authorize studies into, among other matters, the carcinogenicity of saccharin and countervailing health benefits, if any. The bill also banned the Secretary of Health, Education, and Welfare from taking action with regard to saccharin for 18 months while the studies most significantly, from the viewpoint of the Commerce Committee, to which a relevant portion of the bill was referred, S. 1750 imposed certain labeling and warning requirements on advertising of products containing saccharin which appear on any media subject to the jurisdiction of the Federal Communications Commission. As introduced and reported by the Human Resources Committee, the bill would have required electronic media advertising to include certain warning messages, to be developed by the Secretary of HEW.

In the Commerce Committee I successfully moved an amendment to the electronic media advertising section of the bill to strike this burden. When the bill was considered on the Senate floor I offered another amendment to lift similar restrictions on saccharin advertising in the print media. The Senate and later the House agreed to free both the print and electronic media from any such restrictions or impositions.

Mr. President, I took these actions,

because I strongly felt that the Congress should not act hastily to impose restrictions on the electronic or print media unless and until the evidence on the health risks from saccharin ingestion was clear and persuasive. I felt strongly, along with many of my colleagues, that Congress should not act precipitously in this area until there was strong justification, based upon evidence which the bill sponsors itself recognized was inconclusive at that time. It was simply unreasonable to impose burdens on others before we were ourselves prepared to take further action on saccharin. The article which I am today inserting into the RECORD reports on new evidence—another part of the incremental scientific process that will ultimately give us all a clearer understanding of the benefits and risks of saccharin. This new evidence tends to contradict the earlier Canadian study upon which so much reliance was placed to support the restrictions on media advertising. I cite this article only to commend the Senate for its moderate and caution in developing the saccharin legislation ultimately enacted.

The previously mentioned article follows:

MODERATE USE OF SACCHARIN, CYCLAMATES UNLIKELY TO CAUSE CANCER, STUDY FINDS

(By Joann S. Lublin)

Ordinary amounts of artificial sweeteners such as saccharin and cyclamates don't appear to cause bladder cancer in humans, scientists reported in a study released today. The study is sure to fuel the long-simmering controversy over the safety of these sweeteners.

The U.S. Food and Drug Administration banned cyclamates in 1970, after a study suggested they caused cancer in laboratory animals. Abbott Laboratories, a North Chicago, Ill., health-care products maker, has been fighting to get cyclamates back on the market since 1973. Abbott had been a major cyclamates producer. Last year, the FDA proposed a ban on saccharin after studies indicated that large amounts cause bladder tumors in rats.

Congress has postponed the ban for 18 months while further studies are made. In the meantime, saccharin-sweetened beverages, foods and other products carry a label warning of the possible health hazard.

STUDY OF 1,038 PATIENTS

"Neither saccharin nor cyclamate is likely to be carcinogenic in man, at least at the moderate dietary ingestion levels reported" by patients studied, concluded the latest report, which appears in this week's issue of the Journal of the American Medical Association. The conclusion was based on a Baltimore study of 1,038 patients, evenly divided between those with bladder cancer and those hospitalized for other reasons.

The study doesn't answer the question of whether there is any risk at all of developing bladder cancer from use of saccharin or cyclamates, conceded Dr. Irving I. Kessler, one of two authors, in an interview. Dr. Kessler is chairman of the University of Maryland School of Medicine's Department of Epidemiology and Preventive Medicine.

But regulators considering a ban on saccharin should consider "the totality of the evidence, the weight of the evidence and the biological consistency of their evidence before making their decision," he added.

Dr. Kessler also noted that if either cyclamates or saccharin did cause bladder cancer, then the bladder cancer patients should have used the sweeteners in greater amounts or for more years than the control group. "Almost always in human cancer, the risk of cancer . . . increases as the dose or length of exposure increases. We carefully analyzed that and could find no relation," he said. This was true, he added, even when such variables as age, sex, occupation, race and smoking habits were controlled.

For the study, Dr. Kessler and his colleagues extensively interviewed the patients about their use of artificial sweeteners in tablet, powder and drop form, as well as in diet beverages and foods. Patients reported how often, how much and how long they had consumed the substances.

CANADIAN FINDINGS DISAGREE

The JAMA article noted that these findings disagree with a recent Canadian investigation of hospitalized cancer patients. Researchers there concluded that bladder-cancer risks rose 60% among men who used saccharin tablets, but not among those who drank dietetic beverages or ate dietetic foods with saccharin. Women didn't seem to have similar increased risk.

Such conclusions don't make sense, the JAMA report suggested. "The divergence in relative risk between men and women observed in Canada would be extraordinary for human carcinogen . . . an equally puzzling, if not biologically inconsistent finding" was the lack of risk for men who consumed saccharin-containing drinks or foods, the report said.

The Calorie Control Council, an Atlanta-based group of diet-food manufacturers and others, praised the Baltimore study as support for its argument "that saccharin should remain available," a spokesman said. Noting that Congress has asked the National Academy of Sciences to investigate saccharin further, he added: "This (study) will be an important contribution to their asessment of saccharin's safety."

A recent FDA report also supports the council's viewpoint. Morris Cranmer, director of the FDA's National Center for Toxicological Research, said in a report released earlier this month that health hazards posed by saccharin may be outweighed by its possible benefits.

While saccharin may, indeed, cause cancer—either directly or by "promoting" the effect of some other substance—"the cancer risk of the carbohydrates that saccharin replaces are several times greater than the cancer risk for saccharin," Mr. Cranmer asserted in his study.●

EUROCOMMUNISM

● Mr. GARN. Mr. President, on May 26 and 27 of this year, the Atlantic Treaty Association, a group representing members of the private, business, and academic communities of the NATO member countries, conducted a seminar in Lisbon, Portugal, on the subject of Eurocommunism.

My administrative assistant, Mr. Jeff M. Bingham, attend the seminar as a representative of the American Council of Young Political Leaders. Recently, he provided me with a report of his trip to Portugal and a summary of the seminar proceedings.

I believe the subject of Eurocommunism is a timely and important one for the consideration of my colleagues. Events in recent weeks, particularly in elections in France and Italy, have brought into focus the changing political climates within the borders of some of our NATO allies.

Without wishing to sound too loudly a note of alarm, I do feel it is important that we recognize the political forces at work among our allies, and consider carefully their implications for our treaties of mutual security.

As Mr. Bingham points out in his report, the subject of "Eurocommunism" is still at a definitional stage of discussion. No final and absolute conclusions can be drawn as to the impact of this phenomenon on the governments of Western Europe internally, and on their external relations with their neighbors and ourselves.

But, as the seminar participants seemed to agree, according to Mr. Bingham:

. . . that the West must beware of wolves in sheep's clothing. The threat of communism is real, they seemed to say, and we should not be too quick to accept an apparent change of heart by communists who seem willing to seek their political fortunes at the ballot box.

Mr. President, I ask that Mr. Bingham's report to me, together with the attachments of the major presentations at the seminar, be printed in the RECORD, and I urge that it be seriously studied.

The material follows:

MEMORANDUM

To Senator Garn.
From Jeff M. Bingham.
Date: July 11, 1978.
Subject: Atlantic Treaty Association Seminar on Eurocommunism, Lisbon, Portugal, May 26-28, 1978.

I. BACKGROUND

On Tuesday, May 23rd, I was invited to attend a seminar on Eurocommunism in Lisbon, Portugal, as a representative of the American Council of Young Political Leaders (ACYPL), an organization based in Washington, D.C. The seminar was sponsored by the Atlantic Treaty Association (A.T.A.), headquartered in Paris, France. The ACYPL is associated with the ATA through the Atlantic Association of Young Political Leaders (AAYPL), with headquarters in Bonn, Germany, of which the ACYPL is a member. The ATA and AAYPL were conducting simultaneous meetings in Lisbon, to which joint invitations were issued.

I arrived in Lisbon in the afternoon of Thursday, May 25th. The only activity that evening was a reception at the U.S. Embassy in Lisbon, hosted by Ambassador and Mrs. Bloomfield.

On Friday morning I attended the council meeting of the Atlantic Treaty Association (ATA) as an observer. It was largely a business meeting and consequently I will not detail the proceedings here, although I have on file a memorandum I sent to Mr. Joe Farmer, of the ACYPL, which summarizes that meeting.

The seminar began at 3:00 p.m. on Friday, May 26th, and continued until about 6:45 p.m. That evening the delegates were hosted at a reception and dinner by the Mayor of Lisbon.

Saturday morning the session began at 9:30 and continued, with a lunch break, until 7:00 in the evening, when a press conference was held to announce the conclusions of the seminar. That evening the delegates were hosted at a reception and dinner by the Portuguese Minister of National Defense.

I left Lisbon at mid-day on Sunday, May 28th.

By way of background, I will briefly describe the various key organizations involved in the seminar, to which my participation exposed me. These were the American Coun-

cil of Young Political Leaders (ACYLP), the Atlantic Association of Young Political Leaders (AAYPL), the Atlantic Council of the United States (ACUS), and the Atlantic Treaty Association (A.T.A.).

THE AMERICAN COUNCIL OF YOUNG POLITICAL LEADERS (ACYPL)

The ACYPL was founded in 1966 "in order to enable young political leaders and government officials in the United States to broaden their knowledge of international affairs. A subsidiary purpose was to give young political leaders in other countries insights into the American political process and the domestic framework for foreign policy decision making in America." (Quotation from ACYPL document). "The ACYPL is a non-profit, tax-exempt organization incorporated in the District of Columbia . . . (It is) a bi-partisan organization and maintains a strictly bi-partisan policy in all of its programs and activities. It does not engage in lobbying or partisan political activities and does not pass resolutions on political questions." (ibid).

Most of the funds supporting ACYPL activities come from the International Communication Agency of the U.S. Government, although it seeks and receives some financial support from the private sector.

The activities of ACYPL include exchange visits to study specific cultural, political, economic, etc., aspects of the countries involved in the exchange, comprehensive political study tours, seminars, and conferences, such as a recent Foreign Policy Briefing at the State Department for some 400 young political leaders around the country. In addition, as I have indicated, the ACYPL is affiliated with the Atlantic Association of Young Political Leaders, and participates in activities of that Association.

THE ATLANTIC ASSOCIATION OF YOUNG POLITICAL LEADERS

The Atlantic Association of Young Political Leaders is an organization formed to promote understanding, interchange of ideas, and co-operation among political youth organizations of the Atlantic area. An affiliate of the Atlantic Treaty Association, the AAYPL arranges periodic national and multinational seminars throughout the NATO countries. The AAYPL also organizes mini-seminars lasting one day or less and concentrating on a specific topic for visiting groups from abroad.

Member countries include Belgium, Canada, Denmark, France, the Federal Republic of Germany, Greece, Iceland, Italy, Luxembourg, Malta, Netherlands, Norway, Portugal, Turkey, United Kingdom and the United States. The AAYPL was founded in 1963.

THE ATLANTIC COUNCIL OF THE UNITED STATES

The Atlantic Council of the United States is a bi-partisan voluntary group of individuals with varied experience in public affairs, government, finance, commerce, labor, academia and the media. It formulates recommendations to both elected nd appointed officials on intergovernmental relations and on the parallel strengthening of mutually beneficial private links across national boundaries.

It is a non-profit organization supported financially by corporations, foundations, labor unions and private individuals. Its principle purpose is to contribute to the security and economic strength of the United States and its fellow members of the Atlantic Community. By working for the strengthening of Atlantic institutions to meet political, military, economic and social challenges and threats.

The council maintains close relations with comparable organizations in other countries of the Atlantic Treaty Organizations. It fulfills its objectives through drawing on the work of existing research resources and distilling this information into recommendations for governmental or private action. This it accomplishes through a number of working groups and standing committees comprised of individuals with extensive expertise and experience in the areas of concern. These groups issue monographs and other publications, and the Council publishes material by laymen and scholars from the Atlantic community in the "Atlantic Community Quarterly".

THE ATLANTIC TREATY ASSOCIATION

The Atlantic Treaty Association (ATA) is a private organization with members in nations that belong to the North Atlantic Treaty Organization (NATO). The primary purpose of the ATA is to inform the general public in NATO countries about the vital role of the Western Alliance in the defense of the free world. The ATA sponsors seminars and meetings, distributes publications concerning topics in international relations, and arranges exhibitions.

SEMINAR OVERVIEW

As suggested by its title, the purpose of the seminar was to provide a forum for individuals representing the non-government interests within the "NATO Countries" to discuss the phenomenon of "Eurocommunism."

Characteristic of the prepared presentations, and of the discussions generally, was an attempt to define Eurocommunism. No definitive answer ever obtained a concensus, but there appeared to be general agreement that the term was more readily applicable to the communist movements in Italy, Spain and France and those features common to those movements. It was appropriately pointed out that enumeration of their similarities by no means implied that the differences between the principal "Eurocommunist" parties are insignificant. However, those differences seem more relevant to the question of the potential for a unified Eurocommunist movement.

Throughout the seminar discussions, it was difficult to concentrate on the essential elements of Eurocommunism, so-called. The problem was that the historical developments of the three individual communist movements generally discussed, as well as their differing positions on some basic issues, led to such an extensive qualification of the definition of the nature of the Eurocommunist phenomenon, that the essential elements of similarity were often obscured.

This situation led to the development of a very tentative definition, which I will now try to paraphrase:

"Eurocommunism is the phenomenon of the development of metamorphic communist parties in Western European countries, notably Spain, Italy and France. These parties, though avowedly Marxist, have apparently shed the Leninist doctrine of the dictatorship of the proletariat. They affirm the value of participation in a pluralist democratic process as the means of achieving legitimate governmental power. They wish to appear to reject the notion of international communism as practiced by the Soviet Union, and adopt a nationalistic viewpoint on the goals of communism. They accept that human rights must be an essential doctrine of communism. They generally express acceptance of the notion of the present strategic balance in Europe between the major powers and support the concept of a unified Europe independent of the major spheres of influence."

This definition is, of course, extremely simplistic. But, I believe, it summarizes the notions that served as the leading points of departure throughout the seminar discussion.

There was a great deal of variety in the responses to this generalized notion of "Eurocommunism." They ranged from attitudes that "the only good communist is a dead communist" to the hopeful assertion that "once communists truly participate in the democratic process, they will be converted to its virtues." While it may have been my own bias influencing my conclusions, I felt a predominant skepticism toward the stated ideology of the Eurocommunist parties. Much was said about the "Trojan Horse" that this "new breed" of communism might turn out to be. Many argued that the appearance of democratic liberalism adopted by the Eurocommunists was a subterfuge; a facade to enhance the credibility of the communist party among the voters; a tactical maneuver that would be discarded once the communists achieved power. This skepticism prevailed through the discussion, despite those who felt that the Soviet condemnation of the European communist parties—especially the Spanish party—as revisionists, is proof enough that these are not true communist parties. In the final summary statement adopted by the ATA the authenticity of the common demoninators of the parties, as I've outlined in the above definition, was made the crucial test of their legitimacy as a new form of communism. However, a further factor was identified as being perhaps determinant, that is, the internal organizational structure of the parties themselves. A basic principle of communist party organization is the concept of democratic centralism. Simply put, it is the rigid hierarchical control imposed on party membership in advancing the party line. It is, of course, an illusion of demcoracy; a counterfeit concept that probably gave Lenin a sinister chuckle when he coined the phrase.

It was never contended by any of the participants, nor have I read anything previously or subsequently, that asserts that the so-called Eurocommunist parties have modified their internal structures in any democratic fashion. There seems to be no debate on this point. Herein, I think, lies the essential basis for the continuing skepticism with regard to the motives and intentions of the Eurocommunist parties. There are other reasons for suspicion, on the basis of the other common denominators of the Eurocommunism definition, which were discussed at the conference, but I will not elaborate on them here.

In conclusion, it was clear to me that the debate on the nature of Eurocommunism is really just beginning. The European communist parties themselves are in a state of evolution, and there is a great deal of uncertainty as to their prospects of unified development. The issue is deserving of careful observation and analysis. The dangers of communist ascendancy to power—even on shared basis—within the governments of NATO member states make the analysis essential. The potentially disruptive influence on the NATO alliance must be carefully assessed, especially in terms of the security of the alliance and the impact of communist governments in NATO countries on American public support of the United States' NATO commitment. The true nature of Eurocommunism, as embodied in the communist parties within Western Europe, will be the key to that assessment.

Finally, I was impressed by the attitude of the representatives of our NATO allies at the seminar—especially the French and the British, although the attitude was general—that the West must beware of wolves in sheep's clothing. The threat of communism is real, they seemed to say, and we should not be too quick to accept an apparent change of heart by communists who seem willing to seek their political fortunes at the ballot box.

I have attached copies of the major presentations that were made to the seminar, which provide more detailed discussions of the question of Eurocommunism, and a copy of the seminar and agenda.

A.T.A. SEMINAR IN LISBON (26–28 MAY 1978)

Organized in cooperation with the Portuguese Atlantic Committee on the following theme:

"New trends in European Communism—Does Eurocommunism exist?"

Draft programme

Friday, May 26, 1978:

15.00—Official opening:

M. Vasco da Gama FERNANDES, President of the Assembly of the Portuguese Atlantic Committee.

M. Karl MOMMER, President, Atlantic Treaty Association.

M. Mario SOARES, Prime Minister and Secretary General, Socialist Party (PS)

M. Jeso Meneres PIMENTEL, President, Social Democrate Party (PSD)

M. Freitas de AMARAL, President Central Democratic and Socialist Party (CDS)

M. Ribeiro TELLES, representing the Popular Monarchist Party (PPM)

16.30—Coffee break.

17.00—Report on "Eurocommunism in Western Europe" by M. Pierre HASSNER (Fondation Nationale des Sciences Politiques, Paris).

17.15—Discussion.

18.15—End of discussion.

20.00—Departure from Hotel Penta.

20.15—Reception by the Mayor of Libson, Mr. Aquilino Ribeiro MACHADO, and musical entertainment.

Saturday, May 27, 1978:

9:30—Portuguese report on Eurocommunism by Prof. Paule Pitta o Cunhal.

9.45—Discussion

10.45—Coffee break.

11.15—Report on "Eurocommunism and Eastern Europe" by Dr. Heinz TIMMERMANN (Bundesinstitute für ostwissenschaftliche und internationale Studien, Kön).

11.30—Discussion.

12.30—Lunch break (free).

15.00—Critique on "Eurocommunism in Western Europe" by M. Manlio BROSIO, M. Renato MIELE of Italy.

15.15—Discussion.

16.15—Coffee break.

17.00—Conclusions presented by Sir Frank ROBERTS, Vice-Chairman of the A.T.A.

17.30—Closing speech by Dr. Karl MOMMER, Chairman of the A.T.A.

18.00—Press Conference.

20.30—Departure from Hotel Penta.

21.00—Dinner offered by the Portuguese Minister for Defense, Mr. Mario Firmino.

Sunday, May 28, 1978:

9.00—Departure from Hotel Penta for Cintra.

13.00—Lunch offered by the Secretary of State for Foreign Affairs, Mr. Joao LIMA.

15.00—Departure for Lisbon via Cascais and Estoril.

A.T.A. SEMINAR IN LISBON (26–28 MAY 1978)

Organized in cooperation with the Portuguese Atlantic Committee on the following theme:

"New trends in European Communism—Does Eurocommunism exist?"

Eurocommunism and Western Europe

(Report by Pierre Hassner (Fondation Nationale des Sciences Politiques, Paris))

Is there such a thing as Eurocommunism? The question is frequently asked, and (at risk of casting doubt upon his subject matter) the author of the present report would evade it at his peril. The problem is less pressing for the author of the parallel report "Eurocommunism and Eastern Europe", for I am entirely of the opinion of Professor Philip Windsor of London who says that if Eurocommunism does exist, it does so in the eyes of the East. From Moscow's viewpoint there is certainly a tendency on the part of Western Europe's Communist parties to free themselves from its overlordship. From the viewpoint of the satellite countries, the Western model of socialism is certainly different, justifying, as it does, criticism by dissidents and the aims of the reformists, while disturbing the conservatives.

It is legitimate to doubt that Western Europe sees the situation in quite the same light. This is because—unfortunately in my view—Western Europe is not a unity and because—less unfortunately—the attitudes and strategies of the Western Communist parties are even more disparate than are their respective countries. The reactions of the Italian and Spanish Parties to the defeat of the Left in the French election were significant. Both clearly expressed the view that the French Communist Party's sectarian attitude was responsible. Italian and Spanish Communists consider that from the social viewpoint, the major error was the failure to take the middle classes sufficiently into account. Conciliating them is, according to Manuel Azcarato, Santiago Carrillo's right hand man, one of the most important aspects of Eurocommunism.

Such criticism, of course, leaves open the question whether the ultimate aims of the three Parties are not the same and whether the French Party is not reproached merely for being insufficiently hypocritical. But the absence of any common, or even concerted, plan of campaign is nevertheless established.

Considering, in more general terms, their behavior towards their allies and adversaries, the positions they adopt on such crucial problems as European integration and defence, or their analytical theories concerning the economic crisis, one reaches a single conclusion. The only thing the so-called "Eurocommunist" parties have in common is that they remain Communist parties, retaining in varying degrees their centralized organisation and a measure of loyalty to the Soviet Union, while endeavouring with varying degrees of success to adapt their policies to the socio-economic and geostrategic realities of their respective countries. This aside, any would-be accurate definition of Eurocommunism must leave out the French Party.

The different definitions

Three types of definition have been suggested.

The first, and widest, defines as Eurocommunist any Party which seeks to establish its autonomy with respect to Moscow. It would appear to have been during preparatory work for the Conference of European Communist Parties held in Berlin in June 1976 that Eurocommunism first emerged, comprising the four parties—Yugoslav and Romanian as well as Italian and Spanish—which opposed Moscow. By means of an about-turn which has not yet been fully explained, the French Party joined them in the autumn of 1975. Logically, however, if the mere fact of differing from Moscow is enough to qualify a Party as Eurocommunist, it is hard to see why Albania, or even China, could not claim the title, and in what way this phenomenon constitutes an advance upon the concept of "national communisms".

The second definition, and the narrowest one, alone in my view gives any real meaning to the term. It consists in taking at face value the first two syllables of "Eurocommunism". What puts the "Euro" into "Eurocommunism" is, in this analysis, the vision—and the strategy—according to which Western Europe is an autonomous whole in which shared characteristics are stronger than the individual features of the countries which comprise it. These shared characteristics differ fundamentally from those of the USSR and the communist countries. The unity and independence of Western Europe is the pre-condition for the success of this new form of Communism. In other words, it is on a Western European scale that social and labour struggles, and economic policies for combatting the crisis or multinational companies, should be worked out. The success of these struggles is conditional upon political unity and defence autonomy, which alone confer immunity from pressure by the great powers.

According to this reasoning, it could almost be said that the only real Eurocommunist is Santiago Carrillo. But one must hasten to add that the Italian Communist Party has been seeking, more prudently, in this same direction. The latter's desire to humour the Soviet Union, however, prevents it from facing up squarely to the problem of European defence, while it has enough in common with the Third World to make it a less than unconditional partner of the other Community countries. But the major point that should be stressed is that the French Party is energetically opposed to "regionalist" concepts involving a surrender of sovereignty, which put the political or military solidarity of Western Europe above that of individual nations or of world socialism. As it has evolved recently, in particular, the French Party has stressed its nationalist, indeed its chauvinistic character and its hostility to the European Community and any type of European defence. In this context, the expressions "Gaullo-Communism" or "National Bolchevism" would be more appropriate than "Eurocommunism".

Because, despite its diminishing credibility, it has been adopted by the parties concerned, the *third definition* has been accepted as and remains the official one. It stresses neither attitudes towards the USSR, nor attitudes towards society in the countries concerned and the principles of Western democracy. What emerges from the joint Italian-Spanish and Italian-French communiques published in 1975, from certain other bilateral meetings in the same year and from the Madrid tripartite statement of March 1977, is the affirmation that in developed societies socialism is inseparable from democracy and freedom, and that respect for the rules of parliamentary democracy and social and cultural pluralism must no longer be regarded as valid only during a transition phase. According to this definition, Yugoslavia and Rumania are not Eurocommunist but the Japanese and Australian Parties are. The real geographic framework for Eurocommunism is, therefore, that of the OECD and the Trilateral Commission, that is to say that of the non-Communist developing countries.

Exaggerated hopes and fears

While undeniably the widest of the three, this last definition is still not sufficiently so to be unaffected by behavioral variations between Parties or by tactical or strategic changes on the part of Parties such as the French one. We have seen how the latter recently changed course, substituting for its electoral tactic of favouring senior white-collar workers and the Union of the French people formula that of stressing poverty and the working class. In the same way, Enrico Berlinguer, in a speech to his Central Committee made at the end of January 1978, defined Eurocommunism according to two criteria—that of the union between Socialism and freedom, and that of the effort to bridge the gap inside the workers' movement by bringing together European Socialists and Social-Democrats. Nothing could be further removed from the French Party's campaign against the Social Democrats.

The truth is that from each of these three viewpoints, the year running from March 1977, date of the Madrid meeting which to some extent both established the reputation of Eurocommunism and demonstrated its limitations, until March 1978, date of the French general election, showed that the hopes and fears stirred up by the idea of Eurocommunism in 1975 and 1976 were considerably exaggerated. It stands in fact neither for a coherent doctrine nor for a joint strategy, but rather for the partially converging evolution of a certain number of Com-

munist Parties who have undeniably in common only their efforts, such as they are, to adapt themselves to the realities of their respective countries. Above a fairly low threshhold, their development begins to diverge according to all three theories, certainly so far as pace and occasionally so far as direction is concerned. Such divergence is certainly noticeable between the Spanish and Italian Parties on the one had and the French on the other, occasionally between the first two.

Hence, while independence with respect to the USSR is uncontestably a shared feature, the repeated clashes of Santiago Carrillo's Spanish Party with the USSR contrast with the prudent reactions of the other two Parties, demonstrating that their concepts of the extent and end-purpose of such autonomy are far from identical. There are more than mere shares of difference between the frontal clash undertaken by Carrillo (who has taken the doubly radical step of suggesting both that the USSR is not truly Socialist and that a Socialist Western Europe would face Russian as well as American hostility), the fluctuating prudence of the Italian Party (which reaches the same conclusions concerning the nature of the USSR while refusing to risk an open break by putting them into words), and the sporadic brutality of the French Party, which leads it to outspoken verbal clashes with the USSR and genuine conflict between Marchais and Brejnev, without fundamentally questioning either accepted theory or foreign policy.

In terms of the second definition, the one which stresses the European dimension, the differences are greater than in terms of the other two. De facto acceptance of European institutions, including the election of the European Parliament by universal suffrage, constitutes the one shared feature. Beyond that minimum, the nationalist attitude of the French Party is radically in opposition to the pro-European attitudes of the Italian and Spanish Parties. The positions of the latter two are not, however, identical. While both favour Europe's political unification as well as its economic integration, the Spanish Party alone explicitly mentions joint European defence, while the Italian Party appears as little anxious to raise this problem as any other potentially prejudicial to the détente or to Italy's "low profile" in defence matters.

No major differences can be discerned between their theoretical statements with respect to social pluralism and political democracy, save for the French Party's insistence that it is the avant-garde party and represents the working class. In practice, however, particularly recently, there are important differences in the Parties' attitudes towards other political and social forces. All three seek to make themselves agreeable to such other forces while at the same time maintaining their own individuality. The Italian and Spanish Parties clearly stress the former aim while the French equally clearly stresses the latter. This inevitably raises doubt as to how deep goes the French Party's recognition of the right to diversity.

The decisive criterion

Most observers, of course, consider that there is a fourth and decisive criterion against which to measure the evolution of the Communist Parties—one which the Eurocommunists themselves do not recognize. This is whether their internal structure is leninist or democratic. Here again, basic shared features can be discerned which evolve differently, ambiguously and sometimes in contradictory fashion. The Eurocommunist Parties remain Communist Parties and this is first and foremost because they remain faithful to the principle of "democratic centralism", or at least to its central element. The latter is the coopting of the leadership at the upper level, as opposed element. The latter is the coopting of the leadership at the upper level, as opposed to its election from below, and the banning of organized factions. All three, however, have abandoned the metaphysical justification for this system, which consisted in regarding the monolithic party as the pattern of a future Socialist society. All three too, have introduced in varying degrees a certain freedom of discussion. While this has no direct influence on the decisions of the leadeship, it has quite spectacularly extended the limits to divergence permitted inside the Parties without giving rise to expulsions.

Above and beyond discussion, on the levels of debate, decision and even that of appointment to strategic positions, some Parties appear to have embarked upon a course of change, albeit halting and hesitant. It is in the Spanish Party that this attempt, and its attendant dangers, are the most noticeable. While Carrillo seems to have used centralist methods to decide on a withdrawal from democratic centralism, local federations seem frequently to employ democratic methods in order to pronounce in favour of maintaining antidemocratic Leninist-type structures. Such difficulties offer at least partial-justification for the argument advanced by the Italian communists, that they cannot be reproached at one and the same time for paying too much and too little respect to their traditional foundations, and that a country-wide conversion to democratic practices can only be achieved if the leadership continues to exercise firm control.

Even inside the French Party, which has excelled itself in the suddenness and authoritarian nature of its changes of course, the flood of public dispute unleashed by the election result is attended by demands for new structures, which the leadership is doing its best to channel and restrict.

Can the Eurocommunists successfully and credibly combine unity with pluralism inside their parties, their alliances, their respective societies, and Europe? This is the question they are faced with. But it is far from certain that even a theoretical reply, if one can be found, would take the same form in the different countries. In Italy, the Communist Party is emerging as essential to the maintenance of even a minimum of national unity. In France, the Party's aim of dominance inside the Left albeit in opposition, and its refusal of a subsidiary role, appear to take precedence over its ambition to share, and eventually monopolize, power. In Spain, while apparently with no prospect of dominating either the opposition or the country as a whole, the Party's position of relative weakness seems to lead it to strategies closer to those adopted, in a position of strength, by the Italian Party than to those of the French Communists, not to mention the Portuguese.

Lessons for Western Europe

To employ the cliché resorted to by so many commentators including the author of the present report, is the spectre of Eurocommunism which stalked Western Europe now exorcised? This is neither wholly true nor wholly untrue. But it should be stressed that Eurocommunism has attracted attention on three scores—strategic coordination between certain Western Parties, their declared change of concepts if not of character, and their successful advance toward power—and that the last-named should be no less cautiosly viewed than the first two. The vision of Eurocommunism as a path for the future or a solution to the problems of the European Left is every bit as false as the parallel vision of the sudden rise of Communist Parties depicted in Henry Kissinger's famous television programme. The only Party to have made real progress is the Italian one, and its successes as well as the strategy on which they were based go back at least a full generation. Electorally speaking, the French Party has been in a state of stagnation ever since the Liberation. As for the election performance of the Eurocommunist Spanish Party, it has been even more modest than that of the traditionalist Portuguese Party. And in Greece, the two rival Communist Parties have achieved only marginal success, that of the Interior (Eurocommunist) Party being even more slender than that of the Exterior (pro-Soviet) Party.

What has impressed the public has been the mere fact of the emergence of these Parties in a Southern Europe released from dictatorships, the role of the Portuguese Party in 1975 and 1976, and the prospect of Communist Ministers entering the governments of France and Italy. But, aside from the differences between Parties mentioned here, insufficient account has been taken of the diverse situations they occupy with respect tc the political and social structures of their respective countries.

Western Europe can be divided, in highly simplified fashion, into three regions. In the North, the Communist Parties play an extremely modest role, political competition being primarily the business of the Social Democrats and their Conservative or Christian Democrat opponents.

In the South, in the countries recently freed from Right-wing dicatorships and now applicants for membership in the European Community, the role of the Communist Parties is frequently based on their performance during the period of resistance to Fascism. But their membership is strikingly modest compared with the emergence of new Centre groupings around such prime ministers as Mr. Caramanlis or Mr. Suarez, or of the new Socialist Parties who, if they succeed in maintaining unity, have an infinitely better chance than the Communist Parties of reaching power.

Finally, between these two categories stand France and Italy, the two transition countries and the only ones (except for the special case of Cyprus) where the problem of Communism really arises today, the only ones in which big-membership Communist Parties have existed since 1945 in conditions of parliamentary democracy. The economic and social characteristics of these two countries are also half-way between North and South, from which both draw certain elements of their make-up. But the differing nature and role of the two Communist Parties, just is much as the differing political life-styles and concepts of legitimacy subscribed to in their countries, act as divisive rather than unifying forces.

For that reason, the analysis of the sources of Eurocommunism, and of the possible consequences if it were to succeed, can be more fruitfully undertaken through the systematic comparison of national Parties than globally.

In both cases, the question of Communists in government arises because of a combinanation of two general trends. Firstly, there is the wear-and-tear wrought by decades of uninterrupted power on the part of Gaullists or Christian Democrats, and the desire for change, an alternative that does not involve revolution, on the part of the peoples they govern. Secondly, there is the effort by the Left to render such alternative government acceptable, bolstering its credibility, in France, with the rise of the Socialist Party and, in Italy, with the Communist Party's new sense of responsibility.

In Greece, Portugal and Spain, the grave problems that have arisen are, indeed, the price paid for an essentially positive development, that of these countries return to a Western democratic system founded on the principle of alternating the parties in power. In France and Italy, moreover, it should not be forgotten that, as recently stressed by the Editor of the Economist, the maintenance in power of a single team with no alternative solution in view, is undesirable from the viewpoint both of government effectiveness

and of government morality. It is therefore highly desirable that there should be a potential for change, either by alternation or by cooption. In this respect, the Communist Parties' acceptance of the rules of Western democracy, their recognition of shared national interests as transcending the class struggle and of the virtues of European integration, represent the victory of Western ideas and realities and a defeat for Soviet Communism.

The practical consequences of this ideological victory could of course, however, be disastrous for the West and positive for its adversaries if the Communist conversion were no more than a strategem. The same would be true of a genuine conversion were it to give rise to a Right-wing backlash and consequent hardening of attitudes on the Left, or to a clash between America and Europe leading to an increase of Soviet military and diplomatic influence. This would result from the dynamics of political situations rather than from the desires or intentions of those concerned.

Effects on NATO and the EEC

This is not the place to embark upon speculative scenarios or subjective value-judgements. Suffice it to point out once more the extent to which judgements must vary in accordance with different contexts and theories. In particular, the resemblances and differences between the French and Italian Parties lead to totally different conclusions regarding the effects of their participation in government, according to whether one is talking of the military or the economic and social field or, again, of NATO or the European Community.

From the NATO viewpoint, and from that of the functioning of Western defence in the strict sense of the word, the three "Eurocommunist" parties can have only a negative influence, that of the Italian and Spanish Parties being, however, somewhat limited. All accept the status quo in principle. But both the French and the Italian Parties stress to the point of caricature elements of the present policy of their respective countries that are, from the Alliance's point of view, negative. French Communists express views running from Gaullism to anti-American and anti-German neutralism which, in practice, would ban France not only from NATO but also from the Atlantic Alliance. Whether inspired by nationalism or by pro-Sovietism, this line can in the long run be profitable only to the East. Although some of its statements—concerning an all-round defence system, against the neutron bomb and, particularly, with respect to extra-European problems—are along the same lines, the case of the Italian Party is by no means identical. The characteristic Italian attitude which I have called elsewhere "pacifist Atlantism" has been adopted in heightened form by the country's Communists. This involves acceptance of the status quo, including American bases and nuclear missiles, combined with a passive attitude—that of consumers of security rather than its producers—towards defence, and with unconditional support for the détente. Unlike the French, however, the Italian Communists would prefer to occupy themselves as little as possible with such questions.

The Spanish Communists advocate independent defences for Europe in the long term but consider that the demands of equilibirum make the maintenance of American bases necessary in the foreseeable future. They are in theory opposed to Spain's entry into NATO but let it be understood that they would resign themselves without difficulty to a fait accompli. Far greater contrasts emerge with respect to the economic and social stability of the different countries, and their relations with the European Community and with the international economic environment. Here they are led into diametrically opposed courses. This is because the French Party seeks its justification in nationalism with regard to Europe and at the same time in a break with capitalism, while the Italian and Spanish Parties seek to project a predominantly cooperative image with respect both to Europe and to the middle classes and moderate parties. Because of its view of the crisis as an invention of the industrial monopolies and of the Common Market as belonging to the international trusts, and because of its advocacy of nationalisations, the French Party would inevitably drag any government in which it had substantial influence towards conflict with the European institutions, and an isolation in which pipe-dreams of economic self-sufficiency would be combined with increased dependence. Recognizing the reality of the crisis and that of Europe, the Italian Party, on the other hand, advocates both austerity and open policies. Whatever the drawbacks and dangers of its influence and action in other fields, it must be recognized that its present policies, and those of its affiliated unions, constitute one of the factors justifying the hope that Italy will not abandon Europe and sink into a state of isolation anarchical or tyrannical in character. While a less decisive factor for its country's future, the Spanish Party follows a similar line.

Maintaining the military balance

It would nonetheless be erroneous to suppose that the line is, in either case, irreversible. If the Atlantic Alliance, the European Community, international trade and the capitalist system were to cease functioning, neither the Italian nor the Spanish Party could, it is clear, be counted on either to come to their rescue or to go down with them. All in all, assuming the West's Institutions survive the present crisis, it may be expected that Eurocommunism will be seen to have been one stage in the "de-radicalisation" or "Social-Democratisation" of the Communist Parties, that is to say in their Westernisation, and that the French Party and others will have to follow suit or suffer the fate of becoming isolated factions.

If, on the other hand, the crisis worsens, giving rise to ever fiercer struggles between nations in the field of protectionist competition, and between classes in the field of competition for employment against the background of ever more restricted national revenues, then the picture could be quite different. It might then be that the Italian and Spanish Parties would imitate the French Party's tough sectarian line, its falling-back on its working-class foundations, and its optimum use of the specifically Communist gifts for organisation and mobilisation. In opposition, after all, the lines adopted by Cunhal and the Greek Exterior Communist Party appear more advantageous than those adopted by Carrillo and the Greek Interior Party. In the same way, if the strategic balance tips towards the USSR, the Western Communist Parties will be less inclined to steer clear of the Kremlin.

Paradoxically, therefore, despite the dangers that Eurocommunism presents for the West, it is possible that their fates are linked, that the survival of the former is a healthy sign for the latter, and that the failure of one of them to surmount its difficulties would be the death-knell for the other. In any case, whether it is a matter of making use of Eurocommunism or of reducing its influence, the main thing is that the West should not allow itself to be obsessed by this phenomenon, but should concentrate its efforts on the dangers that threaten the military balance in Europe and the world, and the economic, social, political and psychological make-up of our societies and institutions.

A.T.A. SEMINAR IN LISBON (26–28 MAY 1978)

Organized in cooperation with the Portuguese Atlantic Committee on the following theme:

"New trends in European Communism—Does Eurocommunism exists?"

Eurocommunism and Eastern Europe

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As far as an analysis of the causes of Eurocommunism is concerned, the Soviet politicians and ideologists have proved unable, and probably not even willing, to undertake a thorough and realistic appraisal of the motives involved. They proceed on the assumption that the new outlook of the Eurocommunists is not rooted in the parties themselves but is something which is imposed on them by external factors. The motive behind this approach is the intention—directed primarily at the public in their own sphere of influence—to emphasize the inviolability of the nucleus of "universal laws" of Marxist-Leninist ideology, strategy and tactics and to suggest that only certain unreliable elements within these parties are susceptible to the "softening-up" influences of the West. The Soviet politicans maintain, for example, that

(i) The reorientation of the Eurocommunists can be attributed largely to the fact that the rapid growth of these parties has swelled their ranks with elements of primarily petty-bourgeois origin, which have not yet been ideologically and politically consolidated and are now putting pressure on their party leaderships to further their reformist concepts.

(ii) The Eurocommunists have succeeded, in the wake of détente, in consolidating their national foothold and are assuming more national responsibility. They are thus tempted to give national interests priority over international considerations.

(iii) The differences in outlook between the ruling parties of Eastern Europe, on the one hand, and the Eurocommunists, on the other, are caused by the time lag between the two groups in the transition from capitalism to socialism and disappear when seen in historical perspective. The fulfillment of the historic mission of the working class and its Communist Party is based on identical universal laws, which, admittedly, are not all developed and applied at the same time.

The Soviet view concedes that there can and will be differences of opinion between ruling and non-ruling Communist parties on a number of specific questions, but these differences must not be allowed to go beyond a certain limit. There are three main provisos on which Moscow makes the continuation of normal relations with the Eurocommunists conditional. First, the Eurocommunists must not look upon their own specific concepts as a long-term strategy for the attainment of democratic socialism, but must regard them merely as a tactical approach towards the seizure of power. For, in Moscow's eyes, as stated above, the fulfillment of the historic mission of the working class rests on identical universal laws, which have attained their most advanced state of development in Soviet society. Second, the Eurocommunists must refrain from trying to impose their own concepts on the Soviet Union and its East European allies. For it would be absurd to attempt to turn a society such as the Soviet one, which "contains in a concentrated and generalized form, the essence and the living image of mature socialism", back to stages of development which it has long surmounted. Third, the Eurocommunists must support Soviet Foreign policy in its basic lines, even at the price of certain sacrifices in the short term. For in Moscow's eyes the strengthening of the Soviet Union and

the "socialist community" is an essential precondition for the continuation of the policy of détente, to which the Eurocommunists owe their present room for manoeuvre in the field of domestic policy, Soviet power is essential for the strengthening and propagation of Communism throughout the world.

Moscow's fears

A comparison of these conditions with the central points in the reorientation of the Eurocommunists must leave the Soviet leaders uneasy. They consider the effects of Eurocommunist concepts on their East European satellites to be particularly dangerous, especially since reformist Communist forces in those countries increasingly point to the Eurocommunist example and, together with the wider circle of the civil rights movements, receive moral support from the Eurocommunists. Moscow rightly fears that this, in conjunction with the potential effects of Basket 111 of the Helsinki Final Act and the economic difficulties in some countries of the Eastern bloc, could, in the long term, endanger the system. At any rate, as Helsinki and East Berlin showed, the two conferences were unable to fulfill the function which Moscow had originally envisaged for them—that of securing and legitimating Soviet predominance in important fields of international politics.

Moreover, the Soviet Union is distrustful of the Eurocommunists' European policy and its potential long-term consequences. Not by chance the attacks launched by Moscow in 1974 and again in 1977 against the Spanish Communist Party were directed precisely at the policy of European political unity as advanced by the Italian and Spanish Communists. For Moscow regards this as a union based "on what is in effect an anti-Soviet platform"—a union "that would channel the West European democratic and Communist movements to some highly dubious 'third' or 'middle' road, somewhere between capitalism and socialism" and which would amount to "setting the West European countries apart as a 'force' opposed primarily to the socialist states". In fact, a Western Europe which, with the evolution of Eurocommunism, could perhaps, in the long term, overcome the historical schism within the workers' movement and develop into a politically homogeneous, economically dynamic, and, possibly, a militarily integrated power factor on the Western flank of the Soviet Union's East European sphere of influence, exercising commensurate influence on the smaller Communist states such as Poland, Hungary, East Germany and Czechoslovakia—such a Western Europe is bound, in the eyes of the Soviet leadership, to represent a danger.

How is Moscow reacting to the Eurocommunist challenge? On the one hand, there is no intention of making any concessions to the Eurocommunists in fundamental matters of ideology, for this would have unforeseeable consequences for the Soviet hegemony in Eastern Europe and even in the Soviet Union itself. On the other hand, there are many indications that there are differences of opinion within the Soviet leadership as regards the best tactical approach towards the Eurocommunists—differences between advocates of a hard line such as Suslov, Ponomarev and Zarodov and supporters of a more flexible course like Brezhnev himself and his confidants such as Zagladin.

Avoiding a break

Thus the reaction of the Soviet leadership in the face of the Eurocommunist challenge is typical of its behaviour in other complex situations: it tries to keep all its options open for as long as possible and to evade repeatedly decisions on matters of principle. For a break with the Eurocommunists is a step which, for a number of reasons, Moscow would be reluctant to take, at least for the time being. On the one hand, a further disintegration of the Communist movement would, in the long run, undermine the CPSU's legitimacy in its own country and in its East European sphere of hegemony and would vindicate those (for example the Chinese) who describe Soviet policy as great-power politics. Indeed, according to Brezhnev, it is precisely the "comradeship-in-arms of the Marxist-Leninist parties" which forms the "sound foundation" and the "cementing force" of the socialist community. There is also the fact that any Soviet plans for a break with the Eurocommunists would probably meet with serious reservations or even opposition from some of their sister parties in Eastern Europe. For the Hungarian, Polish and, to a certain extent, even the East German Communists are interested in countering a one-sided integration into the Soviet-dominated Eastern system by cultivating relations with their strong Western sister parties. Thus not only the Romanians but also the Hungarians saw in the Soviet attack on the Spanish Party leader, Santiago Carrillo, an opportunity to defend every Communist Party's right to elaborate its own line. Even the Polish and East German Communists maintained a remarkable reserve on the subject of Moscow's attacks.

There are also foreign-policy reasons behind the Soviet leadership's interest in avoiding a break with the Eurocommunists. Moscow still lays great store by the support which the Eurocommunists continue to give to Soviet foreign policy in a number of fields of central importance. The Soviet leadership is counting on being able to use these parties as a pressure group in favour of Moscow's state interests in the area of East-West relations, and as political factors in its policy of "peaceful coexistence" and détente, which is seen as a dynamic process and is designed as an aid to extending Soviet influence in Western Europe. Thus the prime aim of the Conference of Communist Parties held in East Berlin in June 1976 was, in Moscow's eyes, "to link up the peace policy of the socialist states . . . with the movement of the working class, its parties, and the widest masses of the peoples in the capitalist world".

This, of course, is where the classic dual nature of Soviet foreign relations—simultaneous cultivation of good relations both on an Inter-party and on an inter-state level—takes on a new dimension for the CPSU, one which is complicating its relations with the Communist parties. On the one hand, the CPSU has no choice but to take steps to combat the ideological revisionism of the Eurocommunists and to press them to follow the fundamental laws of Marxist-Leninist thought. On the other, some of these parties are already so strong on the national level that the Soviet leadership is obliged to recognize their importance as serious factors affecting Soviet relations with other states and to treat them accordingly with due consideration. It is in this multi-level Moscow approach that we find the explanation for the CPSU's at first glance remarkable combination of ideological attacks on and political concessions towards the Italian Communists.

Defensive strategy

In the light of the complexity of the Eurocommunist problem, it is hardly surprising that the Soviet leadership should have no definite and consistent overall strategy and should be at a loss how to tackle the whole issue. Contrary to widespread opinion, the Soviet Communists and their satellite parties in Eastern and Western Europe are ideologically on the defensive rather than on the offensive. The revolutionary impetus and the ideological attraction of the early years of Soviet power are gone, and the hopes of the Khrushchev era and the days of the first sputniks of catching up with and even overtaking the West economically and technologically have not been fulfilled. The only instrument left to Moscow for the consolidation of its influence in Eastern Europe, and, if possible, its extension to Western Europe is, in the last analysis, political power built on military strength—a political power whose legitimacy depends on ideological backing.

The Soviet leadership is therefore sparing no effort to make the ideological-political integration of the socialist community under the domination of Moscow more complete. It is in this context that we should see the renewed acclaim for Andrei Zhdanov, a development which must have been a provocation to the Eurocommunists, since it was Zhdanov, a man with Russian nationalist leanings, who, on Stalin's orders, established the Cominform in 1947—an institution which was given the tasks of welding together the Communist states under the banner of the "Two Camps Theory," of taking offensive countermeasures against the influence of "bourgeois ideology" and of transforming the Italian and French Communist Parties into pro-Soviet propaganda instruments.

Though it would be wrong to jump to the conclusion that Moscow intended to signal its reversion to the Cominform policy of totally screening off Eastern Europe and of confrontation with the West, the renewed emphasis on Zhdanov's achievements probably reflected an increased desire for security on the part of the Soviet Union, as well as its intention to buttress Eastern Europe more effectively against Western ideological-political influences. A series of conferences with these aims began in December 1973 with the meeting in Moscow of the secretaries responsible for international and ideological affairs in the Central Committees of the ruling parties of the Soviet Union, Poland, East Germany, Czechoslovakia, Hungary, Rumania, Bulgaria, the Mongolian People's Republic and Cuba. Two further meetings were held in Sofia: the first, of leading Party ideologists and social scientists on 16–17 December 1976 and the second, of the secretaries of the Central Committees responsible for ideology and international relations, on 2–3 March 1977 (parallel to the Eurocommunists' Madrid summit). On both occasions, the agenda included an appraisal of the extent to which the Eurocommunists were jeopardizing the East European system and the elaboration of a coordinated counter-strategy.

Soviet attacks

At the same time, the Soviet leadership has been sharpening its tone towards the Eurocommunists. Thus the Bulgarian Head of State and Party leader, Todor Zhivkov, no doubt in close consultation with Moscow, characterize Eurocommunism as an attempt to "substitute national peculiarities for the general laws and universally valid aspects of revolutionary experience" and thus as pursuing "one of the main lines of ideological subversion against proletarian internationalism." The leadership of the CPSU took the French Communist Party even more vehemently to task by singling out the party historian, Jean Elleinstein, a close associate of the Party leader, George Marchais, as representing the whole reform-orientated faction of the leadership. Moscow accused him of casting doubts on "the revolutionary doctrine of Marxism-Leninism and it significance for Communism" and of defaming the political system of the socialist countries. His works were hardly distingushable in part "from what frankly reactionary hacks write."

The climax of the campaign against the Eurocommunists was marked by Moscow's attack, referred to earlier, on Santiago Carrillo, the Secretary General of the Spanish Communist Party. Indeed, the theories which Carrillo has developed in the course of recent years and which he has summarized

and elaborated on in his book "Eurocomunismo y Estado", published last year in Barcelona, were bound to have a very disturbing effect on the Soviet leadership. According to Carrillo, the October Revolution had created a state "which is certainly not a bourgeois state, but which is not the proletariat organized as a ruling class either, and not yet a genuine workers' democracy." Social contradictions and conflicts were being covered up; in effect, a bureaucratic stratum was ruling virtually uncontrolled over the people and even the Party. All this was far more detrimental to the credibility of the Spanish Communists than would be the case if the proletariat really ruled in the Soviet Union.

The interesting aspect of the Soviet attack is not so much its substance as its timing, for this reveals something of Moscow's possible future tactics towards the Eurocommunist heretics. Significantly, the attack came at a time when the Spanish Party was going through a difficult period: the Party's President, Dolores Ibarruri, returning home after 40 years in exile in Moscow, had voiced criticism of Eurocommunism and seemed to support those, predominantly senior, party cadres who disagree with Carrillo's reformist course. This situation was aggravated by the fact that the Communists' results in the election, at 9.2 per cent of the vote, were considerably worse than some sections of the Party had anticipated. Against this background, Moscow appeared to proceed on the assumption that a leadership struggle would break out within the Spanish Party which it would hope to exploit to isolate and eventually eliminate Carrillo and his followers. Moscow's attack was also quite obviously meant as a warning to the Italian and French Communists not to exceed certain limits in emphasizing their independence and criticizing Soviet policies. However, both Parties are now in a better position to assess what they can expect from Moscow if they run into difficulties on their way towards gaining government responsibility and do not want to give way to Soviet pressure on them to revise their Eurocommunist line.

The real test

Nevertheless, in spite of the Carrillo case, the Soviet leadership will continue its endeavors to find a modus vivendi with the Eurocommunists on the basis of mutual non-interference in internal affairs for as long as possible. These tactics have proved successful to date in so far as the Eurocommunist leaders at their summit conference in Madrid in March 1977, refrained from incorporating in their concluding statement a direct condemnation of measures taken by East European countries to suppress civil rights movements. Of course, this meant, on the one hand, giving way to some extent to Soviet pressure. On the other hand, it gave those parties in Eastern Europe which would like to see European Communism overcome its differences the opportunity to prevent open criticism of the Eurocommunists at the parallel meeting in Sofia, as had been the intention of the CPSU and its Bulgarian and Czechoslovak followers. Finally, it is certain that the determination not to provide ammunition for those who have been using the violation of human rights in some countries of Eastern Europe as an excuse for polemics against the policy of détente also played a certain role. For, despite their strong protests against such violations on a number of occasions, the Eurocommunists are also vitally interested in the continuation of détente, which paved the way for their emergence from isolation in the first place.

For the rest, the CPSU and most other East European Communist Parties appear to believe that the real test for the Eurocommunists and their concepts will not come until they have acquired governmental responsibility. Only "practical experience" could be the "criterion of the correctness or, conversely, the erroneousness of particular propositions", Brezhnev stated at the summit conference of European Communist Parties in East Berlin. Moscow is obviously of the opinion that the realities of day-to-day government will eventually force the Eurocommunists to have recourse to the traditional "laws" and action patterns of Marxism-Leninism—for example to the dictatorship of the proletariat in one form or another—and to lean on the solidarity and material aid of the socialist community.

Should the dynamic forces underlying the transformation of the Eurocommunists continue to act, and perhaps even gain strength, if a Eurocommunist party assumes governmental responsibility, i.e. should the CPSU one day realize that the Eurocommunists' concepts and activities were, in the long run, more detrimental than beneficial to its interests, especially as a result of their growing influence in Eastern Europe, then the Soviet leadership could reconsider the situation. It could, for example, endeavor to "finlandize" the Eurocommunist parties, i.e. to support groups loyal to Moscow within the ranks of the Eurocommunists, as it has already done in Finland, in order to exercise pressure on the party leaderships or even to force them to resign. That this is more than mere speculation is proved not only by the Finnish example but also by developments in the Communist Parties of Greece (the split in 1968), Spain (various Soviet attempts to split the party since 1969), Norway (the replacement of a reform-orientated leadership by one loyal to Moscow in 1975) and Sweden (the split in 1977).

However, apart from the fact that the Soviet leaders regard such a step only as a last resort, it is far from certain that they are still in a position to use such a lever on the Eurocommunists at all (except, perhaps, in the case of the French Party). Such a measure would probably have precisely the opposite effect to that intended. At any rate, the experience of the Carrillo affair, which eventually ended in reconciliation within the Spanish Communist Party and with a (temporary ?) backdown by Moscow, cannot have been exactly encouraging for the Soviet leaders.

AT A SEMINAR IN LISBON (26–28 MAY 1978)

Organized in cooperation with the Portuguese Atlantic Committee on the following theme:

"New trends in European Communist—Does Eurocommunist exist?"

Eurocommunism and Western Democracy

(Report present by Mr. Manlio Brosio (former NATO Secretary General) and prepared by Mr. Renato Mieli (Director of the Italian Review "L'Est"))

We have a major problem in dealing with our subject. What is Eurocommunism? This is not an easy question to answer, as it may seem. Many well known political leaders, including prominent communists, believe that Eurocommunism simply does not exist. Indeed this is what former Secretary of State, Henry Kissinger, thinks, paradoxically in agreement with the President of the Italian communist party, Luigi Longo, and some PCI leaders such as Giorgio Amendola and Giancarlo Pajetta. Many authoritative political scientists and experts on communist affairs share the same view. But the very fact that quite a number of political leaders or scholars have reached such a conclusion may be misleading. It does not prove that they mean the same thing. On the contrary, some of them believe, like Kissinger, that Eurocommunism is nothing but communism in a disguised form, more attractive in a Western environment; while Luigi Longo, on his side, feels that Eurocommunism should not exist as it could only be a confusing notion and a disturbing factor in the implementation of Leninist theories.

If we look at the various interpretations in order to find a universally accepted definition of Eurocommunism, we shall inevitably realise that it is a hopeless task. More than Eurocommunism, what does not exist is, in fact, a common appraisal of it, shared by everybody, communists or non-communists, all over the world.

This lends us to a different approach. Let us face the problem in the opposite way. Instead of defining what Eurocommunism is, let us see what it is not. The first distinctive feature of this political phenomenon, on the negative side, appears to be the non-existence of any organisation among the Eurocommunist parties. There is no link of coordinated action between the French, Spanish, and Italian communist parties. The only time the three top leaders—Marchais, Carrillo, and Berlinguer—met in Madrid on March 2–3, 1977, no decision was taken to that effect. The idea of setting up a unified center of the three main communist parties in Western Europe was not even taken into account. Obviously, Carrillo, Marchais, and Berlinguer were aware of the expected Soviet reaction to such a challenge. In the very same days a parrallel meeting of communist leaders of the East European countries was held in Sofia to counteract the Madrid encounter. It was absolutely clear that any creation of a Western European group among the Communist parties would have been considered as a split in the International Communist movement, and that the condemnation of it by Moscow could have been possibly followed by some attempt to wreck it, or at least, to seriously damage the existing leadership of the three Communist parties.

Brezhnev and his associates in Eastern Europe did not have to make more clear what they intended to do. They did not have to put their threat in an explicit form. They were plainly understood in advance by their Western partners. This is why the question of an organisational center of Western communism was not even raised at that time. And we suspect that it will not be raised for the time being.

This is the first negative feature of Eurocommunism. A second one, related to its substance, is no less evident. In addition to the fact that Eurocommunism does not exist as a regional center for communist coordinated action in the Western world, we must also acknowledge, in fact, that it does not exist as a specific trend of Communist policy in the Western area. Apparently the French, Spanish, and Italian Communist parties have agreed to the principle of a democratic way to socialism. They all advocate a new type of socialism in the Western world, different from the existing one in Eastern Europe. But with the only exception of Carrillo, to some extent, they do not specify which kind of difference should distinguish their political and economic system from the Soviet one. Worst of all, Berlinguer and Marchais have not ceased to consider the Soviet Union, in spite of all, a socialist state, preferable as a model to the capitalistic states of the West. Only the Spanish Communist party is trying to dissociate itself from the USSR, stating clearly that the Soviet system is not socialist in its essence, and that the Soviet pattern will not be followed, in any event, in Spain.

The Soviet communist party therefore, does not even serve as a yard-stick to help its Western partners in finding a common political platform. In fact their internal and foreign policies are largely different in many respects, notwithstanding the superficial appearance of unity. If we try, for instance, to compare the domestic policy of the three Western communist parties, we can hardly discover any common point. The French communist aim has been in the last few years, at least nominally, a left-wing majority jointly with the socialists. We all know

how it ended in the last elections in March. Nevertheless, it remains that Marchais, in spite of his contradictory behaviour, sticks to the traditional line of the "Front Populaire". The Italian communist party has adopted quite a different strategy. It looks for a broader unity including not only the Socialists, but also the Christian-Democrats. Their aim is not to seek a left-wing majority, but a national unity which reminds us of the wartime antifascist coalitions. The Spanish communists are too weak to have any chance for gaining power and theoretical interest in it. Their strategy, somehow, appears to be closer to the Italian one.

If we look at the foreign policies, again we notice a great diversity on some specific, but fundamental issues. They all agree in supporting Soviet expansionism all over the world, i.e. in Africa, Asia, or South America. But when it comes to Europe their policies clearly differ. The French communists maintain their opposition to the EEC, as well as to any new step in view of establishing a political European community. The Italian communists, on the contrary, are supporting now, at least in their utterances, the idea of Western European unity. The same seems to be true for the Spanish C.P.

How can we speak therefore of some common trend linking the Eurocommunists parties? There is no evidence whatsoever of such uniformity of strategic action among them.

At this point we are forced to acknowledge that there are as many versions of Eurocommunism as the number of Communist parties trying to gain access to power in the Western world, or some industrialised areas outside the Soviet block. The only common denominator among them is their flexibility in adjusting themselves to local realities, without openly copying or repudiating the Soviet model. A comparative analysis of the political behaviour of the French, Spanish, and Italian parties could easily confirm this. Shall we then conclude that, since their internal and extenal policies are clearly different, it makes no sense to speak of Eurocommunism as a general trend of communism in Western Europe? Certainly not. The lack of identity does not mean lack of similarity. In this case a clear similarity exists and is evident. It consists in the fact that the Western communist parties have reached the same realistic conclusion on the issue of access to power in the industrialised and democratic areas, based on their views of transforming the social economic system according to their ideological aims. If this is correct, as it seems, we do not have to verify how each separate communist party tries to implement such long term project. We can single out the case of only one of them to appraise what the main lines of the Eurocommunist pattern are. The point is to concentrate on how the Communist parties can make the best use of Western democracy to change its contents, without changing, as long as possible, its appearances. Here, the Italian communist party offers us the best opportunity for a meaningful analysis. Indeed, the PCI is not only the forerunner of such a new look of communism, but also the strongest Communist party in the Western world, with more than one third of the Italian electorate. This being so, we can take its functioning and performance as a good laboratory for our research.

The opening question, now, could be phrased differently. What is Eurocommunism as embodied in the Italian case? Without over-simplifiyng our analysis we can establish some basic points. The first one is that Italian communism is like a pyramid. At its base we find over 12,000,000 voters. Over it there is a layer of 1,800,000 registered members. The upper stratum is formed by approximately 100,000 cadres and activists. On top of all there is the ruling leadership (Central Committee, Main Board, Secretariat). Now we can distinguish in this pyramid the active part of the rulers and militants from the passive one of the voters. Obviously, only the active part of the PCI has some relevance in shaping its political action. We must remember here that the basic feature of all the Communist parties, including the Italian one, is still "democratic centralism". This means that the decision-making process is concentrated in the hands of the top leaders who rule the whole party from above. The cadres and militants, therefore, are only the executors of decisions made at a higher level. Let us then see who are the real rulers of the PCI, and possibly what they are aiming at. But let us not forget in the meantime that the executors are not neutral at it might be thought. Because of their discipilne and mentality, they consider themselves as instruments for the implementation of a revolutionary program, whatever it may be. Prepared as they are to carry our any political decision handed down from above, they are indifferent to Western democratic values, and ready to operate even in the opposite direction. Fundamentally, we must consider that they are leaning towards the traditional communist rejection of democracy.

Having clarified this point, we should now focus our attention on the PCI leadership. Here lies the key problem. No one can surely say what the Italian communist leaders intend to achieve and how they intend to do it. We only know that the leading group is not so united as we might expect it to be. Some of them have a reputation of being more open-minded and flexible; others, on the contrary, are considered more orthodox and dogmatic. If we look at the main decision-making organ—"la Direzione" and the Secretariat—we could venture to list some of them, such as Berlinguer, Amendola, Barca, Di Giulio, Galluzzi, Jotti, Macaluso, Minucci, Napolitano, Pecchioli, Pavolino, Terracini and Tortorella, in the first group; and some others, such as Longo, Colombi, Cossutta, Ingrao, Pajetta, Reichlin, Occhetto and Cervetti in the second one. But it would be wrong to believe that this division between those who could be more favourable or less favourable to democratic values is of a permanent character. The internal balance of power within the leadership can be modified at any moment, as it happened not long ago when some of the leaders like Chiaromonte or Bufalini shifted to a tougher position. As a whole, it cannot be reasonably predicted what majority may be prevailing in an even near future. Nor do we know what pressures from outside could help strengthen the pro-democratic elements inside the PCI leadership (never forgetting, in any case, that unnecessary concessions would produce the opposite result). Too many unknown factors make such guessing impossible.

We can only foresee that so long as the PCI policy will prove successful in gathering more voters and recruiting more militants, Berlinguer and his supporters will continue to rule the party as they do now, unless some external changes force them to act differently. Continuity, both of the leadership and of its policy, should then be expected as having a high degree of probability.

On this assumption we can, now, test the compatibility of Italian communism with Western democracy.

The first step in that sense should be to ascertain how the PCI envisages its position and its future in the international context. It should never be forgotten that the Communists always ascribe a high priority to their international standing. Their historical background as a section of a strongly organised international movement makes them more sensitive than other parties to the importance of the external conditions paving or obstructing their way to power. Now we can neither ignore nor minimise the fact that Italian communists have not changed their views and actions with reference to international problems, except for Western Europe and NATO. Everybody knows that they are supporting Soviet expansionism all over the world, exactly as they have been doing from the very beginning of their existence as a party. So that the only change in the last years could be traced to their attitude towards the Western world. But how relevant is this change? If we base ourselves on official statements we can acknowledge that, from the end of 1974, Berlinguer openly declared that the PCI would no longer insist on a unilateral withdrawal of Italy from NATO. At the Central Committee meeting, which we held in preparation of the 14th PCI Congress, in December 1974, he said that the main concern of the Italian communist party was the maintenance of the existing balance of power between the two blocks, particularly in Europe. From that moment this option has been reasserted on various occasions. Nevertheless, this has not prevented the Italian communists from joining the international campaign against the U.S. so-called neutron bomb. Is it because they do not see that such a weapon could counterbalance the armour superiority of the War saw Pact forces in Europe? Obviously not. In spite of all their new claims in favour of a political and military balance of power, the Italian communists do their best to upset it, but cautiously. They do not want to face the risk of an atomic war; but, short of it, they back everywhere, in all possible ways, a new world equilibrium more and more favourable to the Soviet block. From time to time they do not even try to disguise it. They frankly admit that they are siding with the anti-imperialistic forces, led by the Soviet Union. Apparently they are not prepared to admit that the dividing political line of today's world could only be based on the distinction between democratic and undemocratic systems. They still believe in the obsolete Stalinist theory of a world divided into Western imperialism and Soviet anti-imperialism. This is enough to show how far they are from their alleged democratic faith in their approach to international problems.

Let us not deceive ourselves. What they are trying to achieve is still to contribute to a change of the world equilibrium in favour of the USSR and of the Communist international movement as before, except that they are doing it, now, more cleverly. Instead of attacking the Western block front ally, they are now outflanking it gradually to weaken the democratic countries and soften their resistance to communism.

Here we touch upon the other face of their strategy, namely their new look of a revolutionary policy in a Western country such as Italy. No doubt, in this respect, we are confronted with a relevant change of traditional communism. Is it a strategic or a tactical change? This is the point. Most Western political leaders and experts feel that Eurocommunism is nothing but a tactical device for the access to power, to be followed by the introduction of a Soviet type system. This opinion is backed by the historical record of what happened in some Eastern European countries, such as Czechoslovakia, Poland and Bulgaria. No one can forget that, at the end of the Second World War, the most prominent leaders of these countries such as Gottwald, Gomulka and Dimitrov, spoke about a democratic way to socialism, using the same words as Berlinguer, Carrillo, and Marchais, and taking the same commitments. We all know what happened afterwards. How can we now give credit to Eurocommunism after such historical experiences? Because of this record the credibility of Eurocommunism is at stake. The Western European communist leaders and their supporters reject this historical comparative appraisal. The situation is totally different—they say. At that time the territories of the Eastern European countries were under Soviet military control. The introduction of the Soviet system in the area

was due to the cold war which started a few years later. In addition, with the only exception of Czechoslovakia, all the countries of Eastern Europe had no democratic tradition comparable to the existing ones in Western Europe. According to them it is a bias, therefore, to see in Eurocommunism a mere repetition of the tactics which helped the communist parties in Eastern Europe to seize power.

At this point the debate on the credibility of Eurocommunism comes to a standstill. But there is no reason why we should not go further, submitting the strategic interpretation of Eurocommunism to a test based on how the Italian communist leaders, for instance, explain their ideas. In other words, instead of rejecting their statements a priori, we should analyse their real meaning.

We must not forget that, after all, Italian communism has gone through a long and said experience, beginning soon after its birth, under Fascism. Some lessons were naturally learned. The first one is that seizure of power in a Western advanced country appears to be much more difficult than it was in Russia in 1917, or in China in 1949. This was very clearly understood by Gramsci, during the thirties, in his writings while in prison. He realised that Western society was "gelatinous", as he said, compared to the rigid Oriental one, and could not be fully conquered by a harsh coup d'état. The only way to achieve power in democratic countries required the acquisition of control over the various "strongholds" and "casemates"—he said—where such political power is distributed. By that he meant that in the Western world the Communist parties had first to conquer society, before the final action of conquering the state. Here lies his principle that the PCI should wage a "war of position" instead of waging a "war of manoeuvre", as Lenin did in Russia.

Now, not only Gramsci, but also Togliatti and the other Italian communists leaders reached the same conclusion. And when the party was legally restablished, after the 2nd World War, this principle became fundamental in their strategic views. What does it mean with reference to reality? Simply that, instead of ruling only on the basis of force, the PCI intends to rule also with some appearance of consent from the people. This is the basic difference between the Leninist notion of the "dictatorship of the proletariat" and the Gramscian one of "hegemony". Now Berlinguer has added a new word to better define the PCI strategy by stating that the aim is to establish hegemony in pluralism. Unfortunately, the two words are contradictory. So long as we have real pluralism we cannot have hegemony. To avoid any terminological dispute we can better say that Italian communists basically believe that they can make use of existing democratic institutions to gradually change the social economic structures. This is what they call revolutionary reforms. One of the top leaders of the PCI, Pietro Ingrao, president of the Chamber of Deputies, has devoted a whole book to this subject, entitled "Masses and Power", a book which deserves our attention. Our ideal target, he says, is to establish a "basis democracy" (democrazia di base) in which the masses will penetrate the mechanisms of power. How? What Ingrao has in mind is a permanent pressure exerted by organised masses, led by the communist party. In this way the democratic institutions will operate under the indirect rule of Berlinguer's party. The masses will have the illusion of self-government while real power would be finally in the hands of the Communist rulers. To say it in its simplest form, this would be a left-wing totalitarianism with some appearance of collective consent.

There is already a good deal of evidence of how this strategic project can be implemented. In central Italy, in the regions, such as Emilia, where the communists have achieved a majority and rule the area, we can see, right now, how it operates. All the elected assemblies are under the constant pressure of mass movements (the Trade Unions, the Women and Youth movements, etc.) which are manoeuvred by the local PCI headquarters.

Before dismissing the idea that the communists could not possibly transform democratic institutions, except after having seized power, we should pay attention to this theory and experience.

To sum up, both the internal and external policies of the PCI are aimed at shifting Italian democracy from what it is now to something closer to the Soviet model. This all leads to the conclusion that the Italian type of Eurocommunism is not a myth of a revised communism, consistent with democracy, but a dangerous reality. A reality of a new totalitarianism with a democratic façade, covering an anti-democratic system: an appealing and shrewd formula, masking a fundamental threat to Western democracy, which should never be underestimated.●

EPA AND GASOHOL SALES

● Mr. BAYH. Mr. President, the idea of stretching our petroleum supplies by introducing gasohol as a new auto fuel is gaining increasing support in the Congress, executive branch, and around the Nation. The use of gasohol—a blend of 90 percent gasoline and 10 percent ethanol or methanol—offers many advantages.

Last January, when I held full Appropriations Committee oversight hearings on the potential of alcohol fuels to increase our domestic supply of liquid fuels, there were very few people around who had heard of gasohol. Since then, the notion of using alcohols in a variety of settings—including automobiles—has picked up strong support. Preliminary indicators—as many of my colleagues, who participated in the gasohol demonstration several of my colleagues and I sponsored on the Hill last month, know—are that gasohol promises energy savings, increased gas mileage, and reduced auto emissions. Service stations in Iowa, Illinois, and Nebraska are currently selling gasohol. Reports from dealers offering this new product, produced from domestic renewable resources, report enthusiastic reception by its customers. Last year, the Senate passed an amendment to the energy tax bill repealing the 4 cent Federal excise tax for gasohol, and several States have since passed analogous legislation with respect to the State gasoline taxes. Both the Departments of Energy and Agriculture will be implementing newly authorized loan guarantee programs for pilot projects that will convert America's abundant renewable resources to energy production and the Department of Energy recently issued a rule—effective now—to permit gasohol to receive benefits under the entitlements program. Authority now also exists to permit farmers to grow crops on their set aside acreage. Proposals have been introduced to require alcohol in all gasoline and the Senate Energy Committee has adopted my proposal to establish a National Alcohol Fuels Commission to recommend near-term policies for stimulating alcohol fuels in a variety of settings.

Mr. President, these recent developments indicate that the possibility of extending our petroleum supplies by use of gasohol in our automobiles is not a far-fetched fantasy. In the face of these initiatives, it is discouraging, to say the least, that we are now faced with the prospect that EPA implementation of an obscure provision of the Clean Air Act Amendments of 1977 will ban the sale of gasohol after September 15. This provision, section 211(f), prohibits the use of any fuel additive until prescribed tests demonstrate that the additive does not contribute to automobile pollution by causing or contributing to the failure of any emission control device or system. The provision was meant to prevent the addition of any new chemical additives to gasoline without first establishing their impact on auto emissions. Ironically, its first application will be to gasohol—something clearly not intended by incorporation of the prohibition into the Clean Air Act amendments.

Mr. President, EPA is one of the agencies that has been most enthusiastic about the addition of gasohol to our energy mix, precisely because it may help with our auto emission problems. Therefore, it would be ironic, indeed, that an EPA guideline may be responsible for forestalling the sale of this promising new product.

In response to this situation, the distinguished chairman of the Appropriations Committee, Senate MAGNUSON, and I have sent a letter to EPA Administrator Douglas Costle expressing our concern about EPA's impending action. In addition, we have inquired about the possibility of EPA's undertaking the necessary testing to met the waiver requirements of the legislation, and granting a temporary waiver until the data necessary to meet the requirements of the guideline are collected.

Mr. President, at a time when the Nation is struggling to solve its energy problems, it would be a shame to permit an artificial institutional barrier to prevent the sale of a promising new energy product. I am hopeful that Senator MAGNUSON and I can come to a successful resolution of this issue with EPA and that gasohol will continue to be available to those consumers desiring to use it in their automobiles.

For the information of my colleagues, I request that the letter to EPA by the distinguished Appropriations Committee chairman and myself be printed in the RECORD.

The letter follows:

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., July 26, 1978.

Hon. DOUGLAS M. COSTLE,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. COSTLE: It has come to our attention that the Environmental Protection Agency enforcement of Section 211(f) of the Clean Air Act will ban the use of alcohol-gasoline blends known as gasohol as of September 15, 1978. As you know, Section 211(f) of the Clean Air Act prohibits the use of any fuel additive until prescribed tests demonstrate that the fuel additive does not contribute to automobile pollution by causing or contributing to the failure of any emission control device or system.

We have been interested in the utilization of alcohol-gasoline blends for some time. We are particularly encouraged by the potential

these blends may hold to increase the supply of fuels for transportation and other uses. It appears that these liquid fuels may become commercially viable in the near future; many of these blends are derived from domestic renewable resources; and that these fuels can be used for a variety of purposes.

The Congress has established a $3 million a year grant program for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products, and agricultural chemicals and other products from coal derivitives. The Congress has also established a Federal loan guarantee program to encourage pilot projects for the production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products.

In addition, the Senate Energy and Natural Resources Committee recently added a provision to the Department of Energy Authorization Bill to establish the National Alcohol Fuels Commission to make a full-scale study of the long- and short-term potential for alcohol fuels, from biomass and coal, making a significant contribution to the Nation's energy needs.

In light of the strong interest in alcohol-gasoline blends programs expressed by the Congress, we are concerned that EPA activities may impede Congressionally mandated programs. Therefore, we request your response to the following questions.

1. What is the legislative authority for your rule that manufacturers of the fuel additive, rather than EPA, must prepare the data necessary under Section 211(f)?

2. Can EPA expand its current research efforts on alcohol additives to get the data necessary to meet Section 211(f) requirements? How much would an expanded research program cost? How long would it take EPA to gather the data necessary to meet waiver requirements under Section 211(f)?

3. What are your plans to coordinate EPA alcohol-gasoline blend research with research being conducted for the Department of Energy at the Bartlesville Energy Research Center to insure that the amount and quality of data that will be available is sufficient to support a grant of a waiver pursuant to Section 211(f)?

4. Does EPA currently have the authority to grant temporary waivers under Section 211(f) until enough information is available to grant permanent waivers?

It would be ironic indeed, in light of EPA's expressed interest in the potential gasohol holds to reduce automobile emissions, that an EPA program will be responsible for closing down current gasohol sales at a number of gas stations around the country. We believe strong consideration should be given to a temporary waiver under Section 211(f) until EPA completes research to determine the effects of alcohol-gasoline blends on automobile emissions and automobile emission control devices.

Our staffs will be in contact with your office next week to discuss this matter further. Your immediate attention to this problem will be appreciated.

Sincerely,

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

BIRCH BAYH,
Chairman, Subcommittee on Transportation.●

TUITION TAX CREDITS

● Mr. ROTH. Mr. President, the Senate Finance Committee today approved a modified tuition tax credit bill which substantially reduces the overall cost of the bill.

The amendment, offered by Senators RIBICOFF, MOYNIHAN, PACKWOOD, and me, and approved by a 12-to-1 vote, reduces the total cost of the bill when fully effective from $5.2 to $2.8 billion, a saving of $2.4 billion.

The main features of our compromise amendment are as follows:

First. The maximum credit for elementary and secondary school tuition is reduced from $500 to $250;

Second. Graduate students are no longer eligible for the tuition tax credit;

Third. The refundability aspect of the tuition tax credit is deleted.

Fourth. Part-time students who study less than half time are no longer eligible for the tuition tax credit; and

Fifth. The effective date for elementary, secondary, half-time, and the increase in the postsecondary credit is changed to October 1, 1980.

Under this compromise amendment, the fiscal 1979 cost of the tuition tax credit will be considerably less than the administration's grant and loan program. According to the Joint Committee on Taxation, the fiscal 1979 cost of the tuition tax credit will be $667 million, approximately $500 million less than the $1.2 billion cost of the President's program.

By reducing the total cost of the bill by 45 percent, we are making a good faith effort to meet President Carter's principal objection to the bill. We believe our modifications meet the President's objections half way, and I hope he will reconsider his veto threat.

We have marched more than one-half way up Pennsylvania Avenue to the White House to give the President a bill he cannot veto.

While we may have compromised in cost we have not compromised in principle.

There is no longer a tree for the President to hide behind—he must face the issue on the merits.

In addition, by deleting refundability and changing the effective date of the second stage from August 1, 1980, to October 1, 1980, we have eliminated the Budget Act objections to calling the bill up on the Senate floor.

A tuition tax credit is the simplest and most equitable way to provide middle-income families relief from mounting college costs. A tuition tax credit will allow people to keep more of their own hard-earned money rather than send it to Washington. With a tuition tax credit, there is no administrative overhead, no forms to fill out, and no need to beg, plead poverty, or apply to the big bureaucracy on the banks of the Potomac.

Working Americans, caught in the middle, do not want a Government handout. They merely want to keep more of their own money to spend on an education for their children.

Mr. President, I submit for the RECORD a factsheet on the bill.

The factsheet follows:

FACTSHEET: THE ROTH-RIBICOFF-PACKWOOD-MOYNIHAN TUITION TAX RELIEF ACT OF 1978

The Tuition Tax Relief Act of 1978 (H.R. 12050) provides tax credits to help offset the rising costs of education. The Finance Committee approved a revised bill proposed by the four principal sponsors to reduce the cost and to make various technical changes. This fact sheet describes the bill as modified by the sponsors' amendment.*

PROVISIONS OF THE BILL

The Tuition Tax Relief Act as modified would be phased in over two stages:

(1) Effective August 1, 1978, a tax credit equal to 50 percent of tuition and fees, with a maximum credit of $250 per student, will be available for full time students in universities, colleges, junior and community colleges, and post secondary vocational schools.

(2) Effective October 1, 1980, (to allow full judicial review before it takes effect) tuition paid for elementary and secondary schools will be added, up to a maximum credit of $250 per student. Also, the maximum credit for college and vocational school tuition will be increased to $500. Tuition paid for students attending less than full time, but at least one-half time, will become eligible for the credit.

REASONS FOR THE BILL

In the past decade, the cost of a college education has sky-rocketed. Tuition and fees in public and private institutions increased more than 93 percent between 1967 and 1976. While the median after-tax income of the families with college-age children rose just 66.8 percent. The average annual total cost of a private university will be $5,110 for 1978–79, with the cost of attendance at a public university averaging $3,054.

In addition to the rising costs of post-secondary education, the cost of non-government elementary and secondary schools has increased substantially in recent years and enrollment in these schools has dropped sharply: from 6.3 million in 1965 to 4.5 million in 1975. This reduction has imposed enormous new pressures on the unpopular property tax.

REVENUE EFFECT

The following chart shows the tax reduction which will result from enactment of the bill. For comparison, the costs of the bill as originally reported by the Finance Committee on February 28, 1978 are also given:

Tuition Tax Relief Act of 1978—revenue loss

[Dollars in millions]

Fiscal year	As initially reported by Senate Finance Committee	As modified in bill approved on August 3
1978	$39	$30
1979	916	667
1980	1,418	1,081
1981	2,835	2,238
1982	4,479	2,820
1983	5,290	2,888

SOURCE: Joint Committee on Taxation, July 31, 1978.

BENEFITS DISTRIBUTION

According to the Joint Committee on Taxation, 78 percent of the benefits of tuition tax credits would go to families earning less than $30,000 a year. The bulk of the benefits would go to middle-income families

* Under the amendment offered by the sponsors and approved by the Finance Committee on August 3, the maximum credit for elementary and secondary tuition is reduced from $500 to $250; graduate school tuition is deleted; and part-time is restricted to half-time or more. In addition, to eliminate Budget Act objections relating to calling the bill up on the floor, (1) refundability was deleted; allowing the Senate to decide this issue by separate amendment; and (2) the effective date for elementary, secondary, and part-time, and the increase in the college credit is changed to October 1, 1980.

earning between $10,000 and $30,000 a year. The following chart shows a breakdown of the benefits:

[In percent]

Income	Percent of benefits	Cumulative percent
$0 to $5,000	3	3
$5,000 to $10,000	6	9
$10,000 to $15,000	16	25
$15,000 to $20,000	23	48
$20,000 to $25,000	16	64
$25,000 to $30,000	14	78
$30,000 to $40,000	11	89
$40,000 to $50,000	6	95
$50,000 and above	5	100

Source: Joint Committee on Taxation, July 31, 1978.

More than 12.35 million students are potential beneficiaries of this legislation. More than half of the benefits of this bill go to students enrolled in public institutions. It is estimated that 70 percent of the benefits will go to postsecondary students and their families, and about 30 percent will assist those in private elementary and secondary schools. Persons attending schools which discriminate on the basis of race are not eligible for the tax credits, and a mechanism is created to provide Congress with regular reports on the effectiveness of executive branch enforcement of this provision. Schools whose students are eligible for the credit must also comply with all applicable laws of the states in which they are located.

RELATIONSHIP BETWEEN TUITION TAX CREDITS AND GRANT AID

Tax credits are available only for tuition and fees actually paid by the student and his/her family. In the case of a student receiving a federal Basic Grant or Supplemental Grant, the amount of the grant is deducted from the prospective tax credit, so as to ensure a "dollar for dollar" relationship between the two forms of aid. Thus, while virtually every college student will be eligible for at least one of the two forms of aid, no one will receive double assistance. Many students will find that they are eligible for either form of aid and can choose the one they prefer.

RELATIONSHIP BETWEEN FEDERAL EXPENDITURES FOR PUBLIC AND PRIVATE SCHOOL STUDENTS

The average private school student claiming the tax credit will receive $174 in assistance from this source. To this may be added approximately $98 per students in indirect benefits under existing federal programs and tax expenditures. The total is $272.

By comparison, public school students now receive an average of $232 in benefits from federal education programs, plus approximately $120 in federal tax expenditures as a result of the deductability of state and local taxes used to support public schools: a total of $352. Total government support per public school student is about $1,400 per student.

THE CONSTITUTIONAL TEST

The Supreme Court has never ruled on the constitutionality of a federal tax credit for tuition paid to college, vocational, and elementary and secondary schools. Arguments exist on both sides of the question—all based on previous Supreme Court decisions.

H.R. 12050 defers the effective date of the credit for elementary and secondary tuition until October 1, 1980. It also contains provisions for expedited Supreme Court review, and a separability clause. This guarantees that the Court will be able to rule on this issue without hardship to taxpayers and the IRS.

The issue is whether tax credits for private school tuition violates the constitutional rule that "Congress may make no law respecting an establishment of religion, or preventing the free exercise thereof."

Many distinguished constitutional experts believe that H.R. 12050 is constitutional. With only one minor exception, the Supreme Court has never overturned a federal statute on grounds that it "establishes" religion. Federal courts give more deference to a federal statute in this area than a state statute. This is because it is more likely that a single religious denomination will constitute a majority in a single state than in the nation as a whole.

One Supreme Court case, *Committee for Public Education* v. *Nyquist*, overturned a state statute which gave almost 100 percent of its benefits to parochial school students. This case is sometimes cited by those concerned that H.R. 12050 faces constitutional questions. Importantly, the Supreme Court itself in that opinion said that a bill with a broader class of beneficiaries may be constitutional. H.R. 12050 meets that test. Only 24 percent of the benefits go to students attending church-sponsored elementary and secondary schools.

There are numerous parallels to H.R. 12050. For example, citizens can take a tax deduction for contributions to charity, including churches. Also, students may receive GI bill benefits even if they attend religious sponsored schools. Courts have not said these important provisions "establish" religion.

The present Assistant Attorney General, Office of Legal Counsel of the Justice Department, believes that H.R. 12050 would be unconstitutional if it were limited to elementary and secondary tuition (which of course it is not). However, his immediate predecessor in that position, Professor Antonin Scalia of the University of Chicago, thinks H.R. 12050 is constitutional. This dispute between equally competent authorities emphasizes the uncertainty in this area.●

COMPUTER SECURITY

● Mr. RIBICOFF. Mr. President, the Office of Management and Budget, which has responsibility for computer operations in Federal programs, issued a strengthened policy on computer security on July 27, 1978.

The stronger computer security policy was formulated in response to an investigation and recommendations for corrective action made by the Senate Governmental Affairs Committee in a report of February 2, 1977.

Along with its recommendations for an improved Federal computer security policy, the committee also pointed out the need for a computer crime statute in Federal law. Legislation creating such a statute is embodied in S. 1766, the Federal Computer Systems Protection Act, a bill I introduced with Senator PERCY and other Senators on June 27, 1977. The Criminal Laws and Procedures Subcommittee of the Judiciary Committee has held 2 days of hearings on S. 1766.

The new computer security policy reflects a determination by OMB to protect Government automatic data processing systems against fraud, unauthorized access, natural disaster, and physical assault.

For their leadership in writing this new OMB policy on computer security, I wish to commend OMB Director James T. McIntyre, Jr.; Wayne G. Granquist, OMB Associate Director for Management and Regulatory Policy; and Walter W. Haase, Deputy Associate Director for Information Systems Policy.

Mr. President, I ask that a July 28, 1978, memorandum from Mr. Haase; a July 28, 1978, OMB press release; and the July 27, 1978, circular on computer security signed by Mr. McIntyre be printed in the RECORD.

The memorandum follows:

[Office of Management and Budget]

MEMORANDUM

To: Associates in Information Technology.
Date: July 28, 1978.
From: Walter W. Haase, Deputy Associate Director for Information Systems Policy.
Subject: Computer Security Program.

Attached for your information is a copy of policies issued by OMB on July 27, 1978 to establish a Federal computer security program and a copy of the new release announcing the program. Any questions about the program should be addressed to Ed Springer (202) 395-4814.

Attachment.

[Office of Management and Budget]

PRESS RELEASE

WASHINGTON, D.C., July 28, 1978.—The Office of Management and Budget today established a Federal computer security program to guard against illegal use of information stored in computers and to save taxpayer money.

The program requires all executive branch departments and agencies to establish a management control and audit process for sensitive computer applications, appoint a security official at each computer installation, and screen personnel involved in the design and operation of sensitive information systems.

In announcing the program, OMB Director James T. McIntyre, Jr., said, "Computer technology now impacts almost every facet of American life. The protection of that technology against unwarranted, unauthorized and illegal uses is a major challenge. This program addresses that challenge in the Federal community."

McIntyre estimated that the potential savings to the Government in reduced computer fraud and related crimes could represent millions of dollars. He also noted that the program will increase the safeguards afforded personal and proprietary information in Federal computers, thus minimizing unwarranted invasion of privacy.

The program was developed in close coordination with the Senate Committee on Governmental Affairs chaired by Senator Abraham Ribicoff (D-Connecticut). It results from concerns that insufficient attention is being paid to the security of Federal computer systems and the information in those systems.

In recent years the Federal Government's use of computer and communications technology has grown dramatically. There are about 3,400 government computer installations. Computers today issue checks, requisition supplies and perform similar functions based on programmed criteria with little human intervention. This development has introduced a variety of new management problems.

The new program announced by OMB requires each executive department and agency to:

Establish a management control process to assure that appropriate safeguards are built into all new computer applications,

Assign responsibility for security of each new installation to a management official,

Establish personnel security policies for both Federal and contractor personnel,

Conduct periodic audits of all sensitive computed applications,

Include security requirements in specifications for the acquisition or operation of computer facilities or related services,

Conduct periodic risk analyses of each computer installation, and

Assure that appropriate contingency plans are developed to reduce the effect of computer breakdown, fires, or natural disasters.

Under the new program:

The Department of Commerce is assigned responsibility to develop and issue computer security standards and guidelines.

The General Services Administration is assigned responsibility to issue policies and regulations for the physical security of computer rooms and to assure that security requirements are included in agency procurements, and

The Civil Service Commission is assigned responsibility to establish personnel security policies for Federal personnel associated with computer systems.

CIRCULAR NO. A-71: TRANSMITTAL MEMORANDUM

(July 27, 1978)

To the Heads of Executive Departments and Establishments.

Subject: Security of Federal automated information systems.

1. Purpose. This Transmittal Memorandum to OMB Circular No. A-71 dated March 6, 1965 promulgates policy and responsibilities for the development and implementation of computer security programs by executive branch departments and agencies. More specifically, It:

a. Defines the division of responsibility for computer security between line operating agencies and the Department of Commerce, the General Services Administration, and the Civil Service Commission.

b. Establishes requirements for the development of management controls to safeguard personal, proprietary and other sensitive data in automated systems.

c. Establishes a requirement for agencies to implement a computer security program and defines a minimum set of controls to be incorporated into each agency computer security program.

d. Requires the Department of Commerce to develop and issue computer security standards and guidelines.

e. Requires the General Services Administration to issue policies and regulations for the physical security of computer rooms consistent with standards and guidelines issued by the Department of Commerce; assure that agency procurement requests for automated data processing equipment, software, and related services include security requirements; and assure that all procurements made by GSA meet the security requirements established by the user agency.

f. Requires the Civil Service Commission to establish personnel security policies for Federal personnel associated with the design, operation or maintenance of Federal computer systems, or having access to data in Federal computer systems.

2. Background. Increasing use of computer and communications technology to improve the effectiveness of governmental programs has introduced a variety of new management problems. Many public concerns have been raised in regard to the risks associated with automated processing of personal, proprietary or other sensitive data. Problems have been encountered in the misuse of computer and communications technology to perpetrate crime. In other cases, inadequate administrative practices along with poorly designed computer systems have resulted in improper payments, unnecessary purchases or other improper actions. The policies and responsibilities for computer security established by this Transmittal Memorandum supplement policies currently contained in OMB Circular No. A-71.

3. Definitions. The following definitions apply for the purposes of this memorandum:

a. "Automated decisionmaking systems" are computer applications which issue checks, requisition supplies or perform similar functions based on programmed criteria, with little human intervention.

b. "Contingency plans" are plans for emergency response, back-up operations and post-disaster recovery.

c. "Security specifications" are a detailed description of the safeguards required to protect a sensitive computer application.

d. "Sensitive application" is a computer application which requires a degree of protection because it processes sensitive data or because of the risk and magnitude of loss or harm that could result from improper operation or deliberate manipulation of the application (e.g., automated decisionmaking systems).

e. "Sensitive data" is data which requires a degree of protection due to the risk and magnitude of loss or harm which could result from inadvertent or deliberate disclosure, alteration, or destruction of the data (eg., personal data, proprietary data).

4. Responsibility of the heads of executive agencies. The head of each executive branch department and agency is responsible for assuring an adequate level of security for all agency data whether processed in-house or commercially. This includes responsibility for the establishment of physical, administrative and technical safeguards required to adequately protect personal proprietary or other sensitive data not subject to national security regulations, as well as national security data. It also includes responsibility for assuring that automated processes operate effectively and accurately. In fulfilling this responsibility each agency head shall establish policies and procedures and assign responsibility for the development, implementation and operation of an agency computer security program. The agency's computer security program shall be consistent with all Federal policies, procedures and standards issued by the Office of Management and Budget, the General Services Administration, the Department of Commerce, and the Civil Service Commission. In consideration of problems which have been identified in relation to existing practices, each agency's computer security program shall be at a minimum:

a. Assign responsibility for the security of each computer installation operated by the agency, including installations operated directly by or on behalf of the agency (e.g., government-owned contractor operated facilities), to a management official knowledgeable in data processing and security matters.

b. Establish personnel security policies for screening all individuals participating in the design, operation or maintenance of Federal computer systems or having access to data in Federal computer systems. The level of screening required by these policies should vary from minimal checks to full background investigations commensurate with the sensitivity of the data to be handled and the risk and magnitude of loss or harm that could be caused by the individual. These policies should be established for government and contractor personnel. Personnel security policies for Federal employees shall be consistent with policies issued by the Civil Service Commission.

c. Establish a management control process to assure that appropriate administrative, physical and technical safeguards are incorporated into all new computer applications and significant modifications to existing computer applications. This control process should evaluate the sensitivity of each application. For sensitive applications, particularly those which will process sensitive data or which will have a high potential for loss, such as automated decisionmaking systems, specific controls should, at a minimum, include policies and responsibilities for:

(1) Defining and approving security specifications prior to programming the applications or changes. The views and recommendations of the computer user organization, the computer installation and the individual responsible for the security of the computer installation shall be sought and considered prior to the approval of the security specifications for the application.

(2) Conducting and approving design reviews and application system tests prior to using the systems operationally. The objective of the design reviews should be to ascertain that the proposed design meets the approved security specifications. The objective of the system tests should be to verify that the planned administrative, physical and technical security requirements are operationally adequate prior to the use of the system. The results of the design review and system test shall be fully documented and maintained as a part of the official records of the agency. Upon completion of the system test, an official of the agency shall certify that the system meets the documented and approved system security specifications, meets all applicable Federal policies, regulations and standards, and that the results of the test demonstrate that the security provisions are adequate for the application.

d. Establish an agency program for conducting periodic audits or evaluations and recertifying the adequacy of the security safeguards of each operational sensitive application including those which process personal, proprietary or other sensitive data, or which have a high potential for financial loss, such as automated decisionmaking applications. Audits or evaluations are to be conducted by an organization independent of the user organization and computer facility manager. Recertifications should be fully documented and maintained as a part of the official documents of the agency. Audits or evaluations and recertifications shall be performed at time intervals determined by the agency, commensurate with the sensitivity of information processed and the risk and magnitude of loss or harm that could result from the application operating improperly, but shall be conducted at least every three years.

e. Establish policies and responsibilities to assure that appropriate security requirements are included in specifications for the acquisition or operation of computer facilities, equipment, software packages, or related services, whether procured by the agency or by the General Services Administration. These requirements shall be reviewed and approved by the management official assigned responsibility for security of the computer installation to be used. This individual must certify that the security requirements specified are reasonably sufficient for the intended application and that they comply with current Federal computer security policies, procedures, standards and guidelines.

f. Assign responsibility for the conduct of periodic risk analyses for each computer installation operated by the agency, including installations operated directly by or on behalf of the agency. The objective of this risk analysis should be to provide a measure of the relative vulnerabilities at the installation so that security resources can effectively be distributed to minimize the potential loss. A risk analysis shall be performed.

(1) Prior to the approval of design specifications for new computer installations.

(2) Whenever there is a significant change to the physical facility, hardware or software at a computer installation. Agency criteria for defining significant changes shall be commensurate with the sensitivity of the information processed by the installation.

(3) At periodic intervals of time established by the agency, commensurate with

the sensitivity of the information processed by the installation, but not to exceed five years, if no risk analysis has been performed during that time.

g. Establish policies and responsibilities to assure that appropriate contingency plans are developed and maintained. The objective of these plans should be to provide reasonable continuity of data processing support should events occur which prevent normal operations. These plans should be reviewed and tested at periodic intervals of time commensurate with the risk and magnitude of loss or harm which could result from disruption of data processing support.

5. Responsibility of the Department of Commerce. The Secretary of Commerce shall develop and issue standards and guidelines for assuring security of automated information. Each standard shall, at a minimum, identify:

a. Whether the standard is mandatory or voluntary.

b. Specific implementation actions which agencies are required to take.

c. The time at which implementation is required.

d. A process for monitoring implementation of each standard and evaluating its use.

e. The procedure for agencies to obtain a waiver to the standard and the conditions or criteria under which it may be granted.

6. Responsibility of the General Services Administration. The Administrator of General Services shall:

a. Issue policies and regulations for the physical security of computer rooms in Federal buildings consistent with standards and guidelines issued by the Department of Commerce.

b. Assure that agency procurement requests for computers, software packages, and related services include security requirements which have been certified by a responsible agency official. Delegations of procurement authority to agencies by the General Services Administration under mandatory programs, dollar threshold delegations, certification programs or other so-called blanket delegations shall include requirements for agency specifications and agency certification of security requirements. Other delegations of procurement authority shall require specific agency certification of security requirements as a part of the agency request for delegation of procurement authority.

c. Assure that specifications for computer hardware, software, related services or the construction of computer facilities are consistent with standards and guidelines established by the Secretary of Commerce.

d. Assure that computer equipment, software, computer room construction, guard or custodial services, telecommunications services, and any other related services procured by the General Services Administration meet the security requirements established by the user agency and are consistent with other applicable policies and standards issued by OMB, the Civil Service Commission and the Department of Commerce. Computer equipment, software, or related ADP services acquired by the General Services Administration in anticipation of future agency requirements shall include security safeguards which are consistent with mandatory standards established by the Secretary of Commerce.

7. Responsibility of the Civil Service Commission. The Chairman of the Civil Service Commission shall establish personnel security policies for Federal personnel associated with the design, operation or maintenance of Federal computer systems. These policies should emphasize personnel requirements to adequately protect personal, proprietary or other sensitive data as well as other sensitive applications not subject to national security regulations. Requirements for personnel checks imposed by these policies should vary commensurate with the sensitivity of the data to be handled and the risk and magnitude of loss or harm that could be caused by the individual. The checks may range from merely normal reemployment screening procedures to full background investigations.

8. Reports. Within 60 days of the issuance of this Transmittal Memorandum, the Department of Commerce, General Services Administration and Civil Service Commission shall submit to OMB plans and associated resource estimates for fulfilling the responsibilities specifically assigned in this memorandum. Within 120 days of the issuance of this Transmittal Memorandum, each executive branch department and agency shall submit to OMB plans and associated resource estimates for implementing a security program consistent with the policies specified herein.

9. Inquiries. Questions regarding this memorandum should be addressed to the Information Systems Policy Division (202) 395-4814.

JAMES T. MCINTYRE, Jr.,
Director.●

IN COMMEMORATION OF LT. GEN. WILLIAM K. HARRISON

● Mr. MARK O. HATFIELD. Mr. President, too often it is in world affairs that events overshadow the accomplishments of men and women who have served their fellow human beings and their countries with distinction. Such is the case in the service provided by Lt. Gen. William K. Harrison, who is now retired and living in Pennsylvania.

General Harrison, 25 years ago last week, signed the Korean armistice on behalf of the United Nations Command. His contribution to the cause of world peace through his 14 months of patient effort as senior delegate at the Panmunjom negotiations stand as a seldom remembered, but formidable tribute to the dedication this country has to work vigorously for peace in an otherwise hostile world.

I am grateful to Mr. Bruce Lockerbie of the Stony Brook School for his fine contribution to the literary world in his recently completed biography of General Harrison, "A Man Under Orders." Mr. President, I ask that a brief selection from his upcoming Harper and Row publication be printed in the RECORD following the balance of my remarks.

Finally, Mr. President, I ask that two recent articles by Mr. Lockerbie from the New York Times and the Christian Herald be printed in the RECORD as a detailed account of General Harrison's life and accomplishments.

Both as a soldier and as a truly gifted human being, Gen. William Kelly Harrison stands out as a great American worthy of our praise and our deepest gratitude. I commend his excellent record to my colleagues for their careful review.

The articles follow:

A MAN UNDER ORDERS

(By D. Bruce Lockerbie)

Few men make history; rather, history finds certain individuals caught up by its inexorable tides. Some are swept to the crest of world renown; others sink in obscurity.

This book tells the story of a quiet, inconspicuous officer in the United States Army—a brilliant analyst of military strategy and a superb disciplinarian of men—whose name, nonetheless, might very well have remained a footnote in official military records.

But in the mysterious ways in which the God of Providence works, Lieutenant General William Kelly Harrison, Jr. became an international figure because of his participation in the Korean armistice negotiations. Ironically, that role was not necessarily his most significant contribution to his nation and its armed service; yet it is the event for which he is best known.

Harrison neither sought nor enjoyed his place in the spotlight. But because of his earnest personal commitment, first as a Christian, then as a soldier, he responded as a man under orders.

RÉSUMÉ

Born September 7, 1895; Washington, D.C.; son of Commander William K. Harrison, Sr., USN.

Entered United States Military Academy, July 1913.

Commissioned as 2nd Lieutenant, USA, April 1917.

Career to 1939 included studies at Cavalry School and Command and General Staff College; later instructor at both schools; instructor of French and Spanish at USMA, West Point; Cavalry officer at various posts; Fort Riley, Fort Leavenworth;

In 1939, as a major, Harrison was assigned to the War Plans Division of the War Department. While there, he was responsible for a plan to reorganize the Army High Command. For this action he was awarded the Distinguished Service Medal and promoted to brigadier general.

In 1942, appointed Assistant Division Commander, 30th Infantry Division; landed in Normandy on D-Day +4; active throughout the Normandy breakout, particularly at St. Lô, where Harrison regrouped his men after two consecutive days of mistaken bombing by the United States 8th Air Force. For this bravery he was awarded the Distinguished Service Cross.

Following WW II, Harrison served on General MacArthur's staff in Japan as Chief of Reparations; transferred to the Pentagon in 1949 as Chief of Education and Information Division; then Commanding General, 9th Infantry Training Division, Fort Dix, N.J.

In December 1951, appointed deputy commanding general, 8th Army in Korea, under General James Van Fleet. In January 1952, appointed to Korean Military Armistic Conference; in May, appointed Senior Delegate. Promoted to Lieutenant General in September 1952.

In 1954, appointed Commander-in-Chief, Caribbean Zone with headquarters in the Canal Zone. Retired in February 1957.

[From the Christian Herald, July-August, 1978]

THE GENERAL FROM PANMUNJOM

(NOTE.—His area of service has been the U.S. military, but his orders are from on high, as he lives his life committed to the Lordship of Jesus Christ.)

(By D. Bruce Lockerbie)

Twenty-Five years ago this summer—on July 27, 1953—a piece of paper ended the shooting phase of the Korean War.

For three years, since June 1950, North Koreans had tried to overrun the Republic of Korea, south of the 38th Parallel. Sixteen members of the United Nations, led by the United States of America, had opposed the North Koreans and their Chinese allies, pushing the invaders back to the Yalu River, then being pushed back themselves to the 38th Parallel.

This tugging and hauling on the battlefields wrenched American morale when General Douglas MacArthur clashed head-on with his constitutional commander-in-chief, President Harry S. Truman. Shortly thereafter, the war zone narrowed from the width

of the Korean peninsula to a table in a tent at Panmunjom. There on that July morning a quarter-century ago, the Korean armistice was signed by Lieutenant General William K. Harrison Jr., representing the United Nations Command.

The road that took General Harrison to Panmunjom was almost as indirect and full of detours as his career. But through all its forks and apparent dead-ends, Harrison never questioned the guiding hand of Providence, for Bill Harrison is an earnest believer in Jesus Christ, a man who sees his life as an instrument for God to use.

Born in 1895, the son of a Navy commander, Harrison early expressed his life's ambition—to emulate his grandfather Thomas Harrison, a cavalary hero in the Confederate army. He entered the United States Military Academy in 1913, receiving his commission in 1917, a month after America had entered World War I. Harrison spent the remaining months of the Great War with cavalary patrols near the Mexican border, too far from France for his liking.

During the 1920s and '30s, his career seesawed back and forth between the cavalary troop and classroom—teaching French and Spanish at West Point, drilling in the Philippines, studying and then teaching at the Army's Command and General Staff College. All this time Harrison's reputation as a tactician was growing. Companions at mealtime often enjoyed his explanations of historic battles, worked out with cups and saucers and other utensils illustrating the movement of troops.

Just as Hitler's march across Europe began, Harrison was called to the War Department, assigned to the War Plans Division, working under General George Marshall. Here the High Command developed its famous Rainbow plans; Bill Harrison was one of the officers in charge of these plans. But military red tape shakled the High Command.

One day, on a single page, Harrison scribbled out a few suggestions for reorganizing the United States Army; then he filed the paper away among other discarded memos to himself. Months later, as a member of a commission appointed by General Marshall, Harrison produced his plan to simplify the High Command. It was adopted, and Marshall later said, "Without Bill Harrison's plan, I couldn't have run the war."

In Europe, Harrison made his reputation in a different dimension. Simply stated, he was the most visible frontline general in the American army. As Assistant Division Commander of the 30th Infantry Division, he visited his men daily, encouraging, reprimanding when necessary, on occasion taking command himself, but mostly cheering the soldiers by his very presence.

Veterans of this "Old Hickory" Division recall with pride that official Army historians cited them as the number-one infantry force in Europe. These same veterans are quick to identify the man who led them to their exploits—their fearless "General Billy."

After V-E Day, Harrison held a series of administrative posts. When war broke in Korea, he became commander of the training base at Fort Dix, New Jersey. Then the call to Korea, first as General James Van Fleet's deputy in the embattled 8th Army; subsequently, Vice Admiral C. Turner Joy's deputy in the negotiations at Panmunjom. In May 1952, he succeeded Joy as Senior Delegate.

Throughout his career, a third characteristic stood out: Harrison's quiet yet profound Christian faith. No pulpiteer, he kept his devotions as private as his daily letter to his wife Eve. Yet when the world press came to know him in Korea, they were as fascinated by his Christian testimony as by his skill at parrying Communist propaganda.

In the early 1950s, America had not yet encountered the "born-again" witness of politicians, athletes, gourmet cooks and country music singers. Few people in public life made known their personal commitment to Jesus Christ. So when General Harrison arrived on the scene—a legitimate front-page personality—he was unique in his time.

The American Tract Society realized the significance of his testimony and published a leaflet, "The General Speaks." This single tract received the widest distribution—more than a million copies in its first year, translations into several languages, reprintings in magazines and newspapers.

"God gave me that momentary prominence," says Harrison today, "for one reason, I believe—so that my testimony might be read by people who might otherwise ignore any witness for Jesus Christ."

Since his retirement in 1957, Harrison has been active as a Bible teacher, writer and trustee of various Christian organizations. He is president emeritus of the Officers' Christian Fellowship. At age 82, he is still exercising daily; his wit and incisive reasoning make him a fascinating conversationalist or a powerful opponent in debate.

Most of all, the effect of being with General William K. Harrison, Jr. is to know someone who lives by the same kind of faith commended by Jesus in another soldier—the Roman centurion at Capernaum. From boyhood Bill Harrison has lived as a man under orders, obedient to the One who is the Captain of our salvation.

[From the New York Times, July 23, 1978]

FROM THE KOREAN TRUCE, ONE OF HISTORY'S GREAT LESSONS

(By D. Bruce Lockerbie)

Twenty-five years ago this week, on July 27, 1953, an American soldier named Harrison strode into a wooden building at a wide place in the road called Panmunjom. There he signed his name to a document he had helped to negotiate, a truce agreement calling for a cease-fire in the Korean War.

I was 15 years old when the army of the North Korean Democratic People's Republic crossed the 38th Parallel, invading the Republic of Korea. As I recall, there was no radio in the summer camp on Lake Huron where I was working; no newspaper, no warnings of cataclysm intruded on that remote and peaceful setting.

For two months in the summer of 1950, I had no idea that, 10,000 miles beyond our lakeside idyll, the world was in danger of tearing itself apart. I knew nothing of the historic decision at Lake Success, where the United Nations had voted to engage in a police action against the North Korean aggressors. I had missed the Soviet Union's humiliation when its boycott of Security Council meetings left no one to cast a veto against United Nations action.

But, as my high school education ended and university began, no teacher or class seemed concerned with instructing me in the causes or possible consequences of war in Korea. Like so many of my generation, too young to have really known World War II—not quite old enough to serve in Korea—I was living between the keys of history.

I might have remained wholly ignorant of the Korean epoch, had it not been for a writing project just completed.

Some time ago, my friend Terry Harrison of Charlotte, N.C., said to me, "I'm afraid my father is going to die before anybody has a chance to get his story. Why don't you write his biography?" So I did, and thereby learned what neither school nor college courses taught and what few accounts of the time disclose.

The man whose story I came to know is Lieut. Gen. William K. Harrison, Jr., who, as senior delegate, represented the United Nations Command at the Korean Armistice Conference. Though 82 years old now, General Harrison is active as a Bible teacher and lay theologian, traveling from his home near Philadelphia to speak at churches and conferences all over the country.

Billy Harrison, son of a distinguished Navy commander, entered West Point in 1913. Tiny in stature, he was befriended by one of the tallest men in his class, Mark Wayne Clark; bashful to a fault, Billy Harrison was drawn into society by one of the most sociable members of his class, Matthew Bunker Ridgway. These relationships would commingle throughout 40 years of military life, even though General Harrison never quite reached the prominence his friends achieved.

During World War II, for example, General Clark became famous as commanding general of the march up the Italian boot; General Ridgway, renowned as a commander of paratroops. Meanwhile, Harrison rose only to assistant commander in the 30th Infantry Division. Yet veterans of that proud cohort—named by Army historians as the number one infantry division in Europe—identify him as the real source of discipline and encouragement in the "Old Hickory" Division. By his almost daily front-line visits and by riding at the head of his troops, he communicated an absolute lack of fear, derived from his childlike faith in God's providence.

After V-E Day, he remained in obscurity, far from positions of prestige familiar to his friends. When Korea exploded in war, General Ridgway first succeeded Gen. Walton Walker—killed in a jeep accident—in commanding the beleaguered Eighth Army; then he had the unenviable duty of carrying on as United Nations Commander after President Harry S. Truman relieved Gen. Douglas MacArthur. When General Ridgway himself was transferred, replacing Dwight D. Eisenhower as Supreme Commander in Europe, General Clark succeeded him.

All this time, Billy Harrison was doing his job, locked into the Army's bureaucracy. He served in various Pentagon departments, before taking command of the Ninth Training Division at Fort Dix, N. J. There he made his name among families of draftees as the general who made it his personal responsibility to see that one of his 35,000 men was properly disciplined for the rigors of combat in Korea.

Finally, late in 1951, General Harrison arrived in Korea, appointed deputy to Gen. James Van Fleet. General Harrison hoped to put to use his tactical mind, his capacity to inspire G.I.'s under fire. But after only a few weeks, General Ridgway summoned him to Pammunjom to serve as deputy to Vice Adm. C. Turner Joy. Four months later, upon Admiral Joy's departure to become Superintendent of Annapolis, General Harrison's old classmate, General Clark, promoted him to senior delegate at the Pammunjom truce talks.

"I know that Billy wanted a field command," General Clark said. "He's an old cavalry man, and the cavalry's always looking for a charge. But I knew we needed someone with the strength of character to look the Communists in the eye and say, 'Bull!' Not that Billy Harrison would ever say it quite that way, but the Reds would get his message."

From the beginning of his tenure as senior delegate, General Harrison's style spoke bluntly. Refusing to wear a dress uniform to face opponents he regarded with contempt as "common criminals," he appeared in an open-collar khaki shirt—no decorations, no ribbons. He was friendly with the press, but laid down inviolable rules regarding personal interviews and predictions: There would be none.

His Southern courtesy somewhat moderated his brusque demeanor, but everyone knew precisely where General Harrison stood, especially on moral issues. The press soon realized that General Harrison's daily Bible study was evidence of something more than foxhole faith; it determined his character. At the same time, newsmen observed that "the Bible-reading General" carried on no

crusades of his own; his devotion remained private, personal, exemplary.

General Harrison held no illusions regarding his position. His role was to represent, not establish, policy. Statesmen in Washington and diplomats at the United Nations transmitted their wishes to General Harrison through his Supreme Commander in Tokyo. However, on a few rare occasions General Harrison was able to convince General Clark that initiative taken at Pammujom might startle the Communists and lead to some progress in the deadlocked negotiations.

General Harrison's decision, in June 1952, to walk out of the truce tent left North Korea's Gen. Nam Il flabbergasted because this unilateral recess robbed him of his worldwide stage for propaganda. Later, in October 1952, General Harrison recessed the talks indefinitely. After six months of fuming, the enemy requested that negotiations resume; soon thereafter, an armistice was signed.

During two years of interviewing General Harrison, I learned at first hand how that armistice came into being. But far more than this: I also learned how an inconspicuous soldier brought to his task not only his combat experience and tactical skills, but also his humble reliance upon the God from whom he takes his ultimate orders. From him I have learned one of the greatest lessons history can teach.●

SENATOR KENNEDY SPEAKS ON UNITED STATES-CHINA RELATIONS

● Mr. HART. Mr. President, Senator EDWARD KENNEDY spoke on United States-China relations at the National Town Meeting, held at the Kennedy Center on July 13. I believe these thoughtful remarks provide a highly useful brief commentary on the way the triangular relationship between the United States, the Soviet Union, and the Peoples Republic of China should be perceived. In particular I would like to underline my agreement with Senator KENNEDY's suggestion that we should avoid basing our policy toward these two world powers on the short-term temptation to play one off against the other. Instead, as Senator KENNEDY states:

> Our objective should be to maintain closer and stronger relations with each country than they can have with each other.

Our goal with the PRC should be the gradual and continual strengthening of relationships as we discover a mutuality of interests in the areas of trade, science and technology, culture, and foreign policy. I concur with Senator KENNEDY's thought that normalization of relations, including full diplomatic ties, will and should occur in time if we pursue this course with a steady hand. Senator KENNEDY suggests that this change in relations should be sought by early 1979. I am less committed to a specific time for arriving at this goal, since I firmly believe we must not harm the security of our historic allies and friends on Taiwan as we move toward normalization of relations with the PRC. Nonetheless, our ultimate goal is clear, and Senator KENNEDY's remarks offer wise counsel on the frame of mind we should cultivate in working out successful relationships with both Moscow and Peking.

I ask that Mr. KENNEDY's remarks be printed in the RECORD.

The remarks follow:

REMARKS BY SENATOR EDWARD M. KENNEDY ON UNITED STATES-CHINA RELATIONS

We meet at a time of promise for US-China relations, and at a time of strain in US-Soviet relations.

In China, the President's National Security Adviser, Dr. Brzezinski, has concluded a successful trip. The President's Science and Technology Adviser, Dr. Press, has just led the highest level S&T delegation to go from the United States to any country. Dr. Brzezinski told the Chinese two things of fundamental importance: that the Carter Administration is committed to full normalization of US–China relations; and that the United States has an interest in a "strong and secure" China.

In Annapolis last month, President Carter presented the Soviets with a choice between cooperation and confrontation, and stated that the United States is adequately prepared for either course. This choice takes place against the backdrop of intervention in Africa and harsh sentences against Soviet dissidents, culminating in the current trials of Alexander Ginzburg and Anatoly Shcharansky. No individual of conscience can fail to be concerned about the fate of these brave people, and their fate in turn cannot fail to affect the future of détente. As a clear signal, Dr. Press' trip to Moscow for annual science policy discussions has been postponed—following postponements of other trips by Administration officials and individual American scientists. The key exception to this wary pattern are the SALT II negotiations in Geneva, where Secretary Vance and Foreign Minister Gromyko are meeting today. They are absolutely right to make every effort to limit the nuclear arms race and reduce the danger of nuclear war—particularly at a time of serious tension between the United States and the Soviet Union.

This picture of improving U.S.-China relations and deteriorating U.S.-Soviet relations has prompted the suggestion that we play the "China Card" against the Soviet Union—and a warning against our doing so in a speech by President Brezhnev last month in Minsk.

We are engaged not in a poker game, but in continuing relationships with governments and peoples. The Chinese have told us that they want a long-term, strategic relationship. The Soviets have told us that they want to broaden and deepen détente. Our aim should be to improve these two relationships in their own right—cooperating where possible, but competing when necessary. Our objective should be to maintain closer and stronger relations with each country than they can have with each other.

In 1972, we concluded the Shanghai Communique with China and the SALT I agreement with Russia. By early 1979, we should normalize U.S.-China relations and ratify the SALT II accords. Each objective is too important to be made hostage to the other: let us pursue both objectives since both are in our long-range national interests, instead of trying to manipulate our relationships, one against the other, for short-term advantage.

We and the Chinese are expanding our ties in important ways. Bilaterally, we are beginning to expand cooperation in the trade, scientific, cultural, and even humanitarian fields. To take two examples, last January in Peking I presented to Foreign Minister Huang Hua a list of 23 divided families who desired to reunite in the United States. Of these, 4 families are being reunited in Massachusetts, California, and Delaware; more are on their way. I also suggested to Foreign Trade Minister Li Chiang (as had others) that the U.S. assist China in oil exploration and production in exchange for a share of Chinese output. There are now new grounds for optimism that such an arrangement can be negotiated. And U.S.-China trade so far this year has almost doubled over last year: its total value could reach $700 million by the end of 1978.

Internationally, the Chinese see us and our allies as an essential factor in balancing Soviet power. They support our alliance relationship with Western Europe, Japan, Anzus and the Philippines. They support ASEAN. They are critics of Soviet policy across the board, and they are responding against Soviet and Cuban intervention in Africa. For our part, our objective should be to engage China as a force for peace in an international system characterized by diffusion of power.

Thus, as the Chinese would say, we have many points in common. There will continue to be important differences, but we can have even more points in common in the future, if we complete the long-overdue process of normalization. I believe that the President can and should establish full diplomatic relations with Peking as soon as possible, along the lines that I outlined last August in Boston. To do so, the Administration should engage in serious negotiations over the next few months, followed by necessary consultations with and action by the Congress.

The key issue, of course, remains the future of Taiwan. The Chinese in both Peking and Taipei maintain that Taiwan is part of China. Our official governmental ties with Taipei would necessarily end when we recognize Peking: our embassy would shift to Peking; our mutual security treaty would automatically lapse; our remaining military personnel, now under 700, would depart if they had not done so previously.

But as we change the form of our ties with Taiwan, we can and should maintain the substance of the mutually beneficial ties between us, and assure that the people of that island can look forward to a peaceful and prosperous future. We should seek to help create conditions to solve the Taiwan question peaceful, by the Chinese themselves. Chinese leaders have stated that we could continue non-governmental ties with Taiwan along the lines of the "Japanese model"—under which Japan has not only maintained but increased contacts with both Taiwan and the mainland of China.

We may never experience a more propitious time to normalize relations with Peking. Its leadership is dedicated to modernization of the economy and containment of the Soviet threat. I believe that we can resolve the Taiwan issue as long as American policy respects China's principles, but this will become clear only through detailed negotiations on normalization.

There are deep and long-standing ties between the Chinese and the American peoples. These ties had been broken for a generation, and the time has come to put them on a normal and enduring basis for the benefit of future generations in our two nations.

For the first time in this century, China, Japan and the United States enjoy good and improving relations with each other. For the first time in a half-century, we do not have to choose between China and Japan in our Far Eastern policies.

This situation provides unprecedented opportunities for far-sighted leaders in each of our countries to consolidate relationships, to assure a period of peace and progress in the Far East, and to contribute to global harmony as well.●

BEN MOREELL

● Mr. HEINZ. Mr. President, I was deeply saddened to learn of the passing of Adm. Ben Moreell, a former four star admiral and Jones-Laughlin Steel executive.

Admiral Moreell attained fame in

World War II as the organizer and commander of the Navy's Seabees which played such a vital role in our victory in the Pacific.

His illustrious naval career led to construction opportunities in private industry, where his commitment to excellence was rewarded with great success. The distinguished and varied contributions by Admiral Moreell do not end with his retirement from Jones-Laughlin. His list of professional and community accomplishments is extensive.

I know my colleagues join me in expressing the sympathy of the Senate to all the members of the Moreell family.

I ask that the following article from the July 31, 1978 edition of the Pittsburgh Post-Gazette be printed in the RECORD.

The article follows:

BEN MOREELL, EX-J&L, SEABEE CHIEF, 85, DIES

Adm. Ben Moreell, whose fighting Seabees construction men helped to advance the defeat of the Japanese in World War II, died yesterday in Montefiore Hospital of cancer.

Adm. Moreell, 85, was hospitalized several months ago. He became ill again and was re-admitted to the hospital Thursday. He lived in the King Edward Apartments, 4609 Bayard St., Oakland.

Adm. Moreell, the only man to hold the four-star rank although not a graduate of the Naval Academy, was formerly board chairman and chief executive officer of the Jones & Laughlin Steel Corp. In that position, he brought to Pittsburgh industry the engineering and administrative skills acquired during 29 years service with the Navy.

In the immediate post-war period, President Truman placed him in charge of a major part of the country's petroleum industry in 1945 and of the bituminous coal industry in 1946 after the government seized them during nationwide strikes.

Adm. Moreell was born in Salt Lake City, Utah, Sept. 14, 1892. After public school education in St. Louis he was graduated from Washington University in that city with a degree in civil engineering.

Following engineering work for the city of St. Louis, he was commissioned a lieutenant (jg) in the Navy' Civil Engineer Corps in 1917, having qualified by competitive examination. An indoctrination course at the Naval Academy, Annapolis, Md., followed. His first assignment was an an assistant public works officer at the New York Navy Yard.

His naval career took him to many places, including the Azores, Haiti, Paris and Pearl Harbor.

He rose to become a rear admiral as chief of the Bureau of Yards and Docks and chief of Navy civil engineers, a position he held from December, 1937, throughout World War II until November, 1945, when he was appointed chief of the Material Division.

In 1941 at the age of 51 he had become the Navy's youngest vice admiral. The four stars of a full admiral were conferred on him in June, 1946. He retired from active duty in September, 1946.

Adm. Moreell attained World War II fame as the organizer and commander of the Navy Seabees, whose name was derived from the initials "CB" for Construction Battalion. He was known as the "father" of the Seabees.

Construction men who were trained for combat, the Seabees replaced the pre-Pearl Harbor civilians employed by the Navy. The tragic fate of the latter at Guam, Wake and Cavite confirmed Adm. Moreell's conviction that the Navy needed men who could both build and fight.

The men who were such able hands with both tools and guns grew from an initial authorization of 3,300 officers and men in December, 1941, to more than 10,000 officers and 240,000 men. By war's end, Adm. Moreell had directed them in a $10 billion construction program building up the shore establishment needed to back up the fleet. There were more than 900 Naval installations, including 300 new advance bases.

After his Navy service, Adm. Moreell entered private industry in 1946 as president of the Turner Construction Co., one of the nation's largest building firms.

In March, 1947, he was elected board chairman, president and chief executive officer of Jones & Laughlin. He relinquished the presidency in 1952 but remained as chief executive officer until October, 1957, and as chairman until October, 1958. He continued as a director until April, 1965. At J&L Adm. Moreell directed a half-billion dollar expansion and modernization program.

Following his retirement, he conducted a private practice as a business and economic consultant.

In the early 1960's, Adm. Moreell moved to Washington where he became chairman of the board of the conservatively oriented Americans for Constitutional Action. He was critical of tax laws as restricting individual freedom and opposed centralized government. He supported U.S. Sen. Barry Goldwater, D-Ariz., the Republican candidate for president in 1964.

Adm. Moreell pointed out that the origins of most businessmen are in the middle class and that some spring to success from the poor class. He believed that their rise in the business world sharpened their human instincts.

The Navy recognized Adm. Moreell's contributions with its Distinguished Service Medal with Gold Star. He also was awarded the Legion of Merit and the rank of Commander, Order of the British Empire. The U.S. and foreign governments honored him with other war-service decorations. He was named Pittsburgh's Man of the Year by the Junior Chamber of Commerce in 1951 and in the same year was presented the Brotherhood Award of the National Conference of Christians and Jews. In 1955, he received the Page 1 award of the Pittsburgh Newspaper Guild.

He received 12 honorary degrees from American universities and colleges in the disciplines of engineering, science and law. He was a trustee of Grove City College, Mercer County.

Adm. Moreell, a vestryman of Calvary Episcopal Church, was an honorary member of the U.S. Naval Academy Alumni Association. He was a past president of the Army and Navy Club of Washington and of the Society of American Military Engineers. He was a member of the Duquesne Club, Fox Chapel Country Club, Oakmont Country Club, Rolling Rock Club, Ligonier, Allegheny Country Club and University Club.

Adm. Moreell's first wife Clara Klinksick Moreell, died in 1958. In 1960, he married Mrs. Cecelia Anderson, a prominent socialite, and they made their home in Woodland Road near the Chatham College campus. She died in 1971.

He is survived by his wife, Jesse Grimm Moreell; two daughters, Mrs. Marion Moreell Jordan of Pittsburgh and Patricia Moreell of Boca Raton, Fla., and three grandchildren, Lelia and Julian Gammon III and Barry Jordan.

Memorial services with full military honors will be held at 10 a.m. Thursday in Washington Cathedral, Washington, D.C. Interment will be in Arlington National Cemetery, Fort Meyers, Va.●

ENVIRONMENT AND PUBLIC WORKS BUILDINGS REPORT

● Mr. RANDOLPH. Mr. President, the Committee on Environment and Public Works approves the construction, rehabilitation, and leasing of Federal office space. Pursuant to the Public Buildings Act of 1959 as amended, this is done by a resolution of the Committee on Environment and Public Works of the Senate. A similar resolution must be passed by the House Committee on Public Works and Transportation.

Under prior committee rules and procedures, no report to the Senate was made after approval of a prospectus. In May of this year the committee adopted a new procedure whereby a report will accompany the approval of each prospectus. This report will be printed in the CONGRESSIONAL RECORD and explain the views of the Committee on Environment and Public Works on each prospectus.

The first report is ready for printing in the RECORD and I ask that the report be printed in the RECORD.

The report follows:

REPORT TO THE SENATE ON SEVERAL PUBLIC BUILDING PROPOSALS SUBMITTED BY THE GENERAL SERVICES ADMINISTRATION—AUGUST 3, 1978

GENERAL STATEMENT

During its consideration of the most recent group of public building proposals submitted by the General Services Administration on June 12, 1978, the Committee on Environment and Public Works discussed and adopted a new policy for the approval of these and future prospectuses. Specifically, the Committee approved the following new directives:

"(1) A report is to be filed with the Senate following the approval of a prospectus for the construction or the major rehabilitation of any Federal building or buildings. The report will be similar to a legislative report, explaining the prospectus, the Committee's action, and offering the opportunity for additional or dissenting views, and it will be printed in the CONGRESSIONAL RECORD.

"(2) Each construction prospectus will carry with it a requirement that GSA report back to this Committee at least 30 days prior to the date GSA plans to let any construction contract on the approved building, or at least 30 days before the date that a lease on a lease-construction project is to be signed. This GSA report to the Committee will bring the Committee up to date on the details of the design and the site, plus information on the actual bids that have been received. No specific committee action is required prior to GSA's proceeding on the building.

In considering this new procedure, the Committee recognized the substantial responsibility imposed on it by the Public Building Act. That Act permits authorization of new Federal buildings, whatever the cost, simply by adoption of a resolution by the Committee on Environment and Public Works, as well as one by the Committee on Public Works and Transportation of the House; no further review is made by the Senate or the House of Representatives.

Beginning with the seven projects that are described in this report, the Committee hereafter will provide the Senate with a description and analysis of each project it approves. This will apply to all prospectuses, whether for construction, rehabilitation, or leasing of space for Federal offices. In addition to the filing and printing of these reports in the CONGRESSIONAL RECORD, the Committee will periodically compile and publish them as a Committee print.

The new report to the Senate is intended to provide greater information on public buildings activities. It will offer the Committee an opportunity to present its views on each project and the operations of the Gen-

eral Services Administration, together with the opportunity for additional or minority views by individual members. The reports should serve also to make available to the public more information on how the General Services Administration plans, develops, and carries out its responsibilities under the Public Buildings Act.

The second procedural change adopted by the Committee will enable both the Committee and the Congress to maintain a continuing review of building projects, facilitating oversight of the General Services Administration. This new procedure applies to any building that is to be constructed, whether that building will be owned by the Federal government, or constructed under a long-term lease contract.

Under current procedures, very little is known by the Committee, by the Congress, or by the affected community when GSA sends a building prospectus to Congress for approval. The city in which the building will be constructed is known and, in gross estimate, its prescribed size and cost. Unknown elements are the actual cost, the location, the design, and what agencies will actually use the building. Nor is a final environmental impact statement available for review; often no draft NEPA statement is available.

It is this pervasive lack of hard facts which led the Committee to impose the new reporting requirement as a condition attached to each of the four construction prospectuses approved at this time, as well as each that will be approved in the future. GSA is required to report to the Committee when the facts are in hand, with a reasonably firm and accurate description of each project. That report must be made at least 30 days before any final contract for construction or leasing is to be signed. The report, would cover only the initial construction contract for a single structure, even if the project might involve several contracts.

The Committee points out that this procedure does not impose an additional step of approval prior to construction. GSA is free to enter into the contract and proceed on the project once the 30-day period has expired. But GSA is expected to make public in this written report all pertinent information, and to be prepared to present information at a Committee hearing, should that be considered desirable. It is not intended that this report introduce any delays; it should instead serve to reduce the likelihood of project delays at the time the original authorization is considered.

Fears were expressed to the Committee by officials of GSA that such a report to the Congress might destroy the "confidential" nature of certain bid negotiations. It will not, whenever confidentiality is in the public interest. It is the Committee's view, however, that the policy for space acquisition should be an open one, involving advertising for bids, with award to the lowest responsible bidder. Secret negotiations are contrary to such a policy, and should be utilized only in exceptional circumstances. Whenever secret negotiations do occur within the framework of Federal procurement policy, the Committee policy here established requires GSA to report publicly to the Committee on the result of those negotiations, once concluded, but prior to signing the contract, GSA will be expected to provide details of the proposed lease or contract which was privately negotiated, together with analysis of other offers or alternatives.

A factor in the Committee's decision to adopt this new reporting step is the opportunity presented by the Public Building Cooperative Use Act of 1976 (Public Law 94–541). The Cooperative Use Act permits GSA to acquire and rehabilitate older buildings having historic, architectural, or cultural value. The Committee had not, at the time of its action reported here, had an opportunity to approve a prospectus for such a rehabilitation project. Rather, GSA appears to be saying it may indeed utilize rehabilitation, but will not know or decide until long after Congress approves the prospectus. For example, the prospectus for a new Federal office building in Boston states: "This facility should be provided either by Federal construction or a combination of construction and acquisition and renovation of an historically, architecturally or culturally significant building." Because GSA is seeking project approval before it is known whether or how the agency will utilize the Cooperative Use Act, a further report will prove particularly valuable in maintaining oversight of the Cooperative Use Act.

The Committee would have liked to have seen progress to date under the Cooperative Use Act. The Committee does not expect GSA to dismiss the rehabilitation alternative simply because it fails to accommodate some projected agency "consolidation", or because it will require some innovative renovation work to an existing structure. In adopting the Cooperative Use Act, Congress recognized that total consolidation is unnecessary for the effective manangement of the Federal Government; for example, the Forest Service need not and perhaps ought not be housed next door to the FBI. GSA is urged to accelerate the movement toward projects utilizing the Cooperative Use Act.

The Committee remains gravely concerned about the accelerating trend toward more leasing and lease construction instead of Government ownership of Federal office buildings. For years, the Committee has advocated a policy of Federal construction and ownership, rather than long-term leasing. While approving in this instance the two lease-contract proposals as submitted by GSA, the Committee adheres to its general position.

Leasing should be utilized only when Federal space needs cannot be accommodated in Government-owned space. In the long run, this will reduce Federal expenditures. Construction costs for the Milwaukee project, for example, are estimated to be $45 million. Leasing the building for 20 years will cost at least $74 million; the lease cost over 30 would exceed $111 million. Having occupied but not acquired the building for this expenditure, at the end of the lease period, the Government, of course, has no building.

New construction having been discouraged in recent years, lease-construction is having the effect of forcing taxpayers to pay much greater government housing costs. For example, the fiscal year 1979 budget requests $17.6 million—only 1.2 percent of the Public Buildings Service budget—for new construction; the same budget requests more than $500 million for leases. During the past 10 years, Federal office space under lease has increased 122 percent. Over the same period, Government-owned space under GSA management has declined 12 percent. Soon, less than half of all Federal office space will be in truly "Federal buildings"—that is, government rather than privately owned buildings.

It is more prudent to build and own than to rent. Over time, a policy based on Federal ownership is in the best interest of the taxpayers.

DESCRIPTIONS OF PROSPECTUSES APPROVED IN THIS REPORT

Boston, Mass.

This prospectus proposes construction—or a combination of new construction and renovation of an older building—of a Federal office building or complex to house 28 Federal agencies now scattered at 18 leased locations throughout the Boston area. The estimated cost of the structure is $75,198,000, providing 638,000 square feet of usable office space. GSA plans to release 436,000 square feet of leased space, costing $3,500,000 yearly. GSA states that consolidation is intended to increase operational efficiency.

A survey conducted jointly by GSA and the Advisory Council on Historic Preservation identified several existing buildings in the downtown area that are considered historically or architecturally significant and would thus be eligible for conversion to Federal office space under provisions of Public Law 94–541. While none are large enough to permit total consolidation of all activities now in leased space, renovation in combination with the construction of an adjacent structure is feasible and shall be reviewed carefully. GSA is expected to consider use of structures such as the old Federal Reserve Bank building.

During the study of the renovation alternative, the Administrator of GSA should examine carefully the space requirements of the Federal District and Circuit Court of Appeal. This review should undertake an analysis of space for future growth. The analysis is to be conducted in consultation with the Administrative Office of the United States Courts.

In addition to office space, the proposal would include 285 parking spaces for official and visitor vehicles, plus those of the handicapped. Space is to be set aside on the ground floor for rental to commercial facilities and for other public uses. Such mixed-use is in compliance with the Public Buildings Cooperative Use Act.

The prospectus filed with the Committee indicates that based on present value analysis, direct federal construction is cheaper than lease construction. The analysis summarized in the report is incorrect, as GSA stated in answer to questions to the Committee. GSA has corrected the figures to indicate that based on present value analysis leasing is cheaper.

This project was submitted to Congress as a result of a resolution adopted by the House Public Works and Transportation Committee.

Savannah, Ga.

The prospectus proposes construction of a new office building and parking facility in Savannah to replace space at 10 leased locations scattered throughout the city. The cost of the project is $21,150,000, providing 173,000 usable square feet of office space. GSA states that the consolidation of these activities would increase operational efficiency.

The Federal Government currently leases 120,000 sq. ft. in Savannah at an annual rental cost of $497,000. A substantial portion of this space is occupied by the U.S. Army Corps of Engineerrs. GSA states that the building now housing the Corps activities is architecturally and structurally inadequate to sustain the loads created by files, as well as equipment for the operation of the Corps officers.

A survey conducted jointly by GSA and the Advisory Council on Historic Preservation identified three existing buildings in Savannah that might be eligible for conversion to Federal office space under provisions of Public Law 94–541. These sites were declared to be unsuitable by GSA, apparently on two bases: cost and proximity to the downtown area.

The Committee has approved this prospectus with a caveat that directs GSA to coordinate with the Advisory Council on Historic Preservation during the design phase of this project. GSA is expected to review again the possible use of renovation as part of this prospectus, just as GSA is doing under the Boston prospectus.

The Committee questions the estimates of GSA that renovation is twice as costly as new construction in Savanah.

In the Boston report, GSA states: "In the development of the proposed facility to con-

solidate agencies, GSA will consider the feasibility of the recommendations of the Council provided the total cost does not significantly exceed the cost of new construction contained in this report." Yet in the case of Savannah, GSA noted that the "costs to cure the structural problems were considered excessive." These figures and estimates should be examined with care by an outside, independent architect. GSA should also review standards, such as its requirements for floor loads, to make certain they reflect actual experience and do not serve as an unnecessary impediment to renovation projects.

In addition, discrepancies appear to exist relating to the proximity of a building to downtown Savannah. That report refers to one renovation site as being "about six blocks from the heart of downtown Savannah." It later refers to the site as being "relatively removed" from the central business district. Is it fair to say that "relocating activities that are now in proximity to the major downtown shopping area could have a significant negative impact on commercial business in that area" when many of the agencies to be moved into the new site are currently located much farther from downtown Savannah?

The prospectus also calls for construction of an adjacent 99,100 usable square feet as a parking facility for 332 official, visitor, and staff vehicles. Space is to be set aside on the ground floor of the building for commerical and other public uses in compliance with the Cooperative Use Act.

This project was submitted as a result of a resolution adopted by the House Public Works and Transportation Committee.

LONG-TERM LEASE CONSTRUCTION

Milwaukee, Wis.

This prospectus would authorize GSA to enter into a 20-year lease of an office building and parking garage that would be constructed by a private developer in downtown Milwaukee. The estimated annual rental rate to be paid by the Government would be $3,786,000, including utilities and services. This would provide 327,000 square feet of usable office space.

The building would replace space for Federal activities in two Government-owned buildings and 11 leased locations scattered throughout the city. GSA states that the consolidation will result in increased operational efficiency. It further states that construction of a new, privately owned building in an urban-renewal area of Milwaukee, will assist in revitalization of the community, providing a significant new tax base.

The Federal Government currently leases 244,000 square feet of space in Milwaukee at an annual rental cost of $1.2 million. GSA plans to give up 197,000 square feet of this space, and to dispose of 111,000 square feet of obsolete Federally owned space, with activities shifted to the new structure.

The prospectus also involves leasing of 118,000 usable square feet for a parking garage, providing space for 338 official, visitor, and staff vehicles. The ground floor space in the building would be rented for commercial and other public uses, in compliance with the Cooperative Use Act. This project was submitted as a result of a resolution adopted by the House Public Works and Transportation Committee.

Providence, R.I.

This proposes a 20-year lease of an office building to be constructed by a private developer in downtown Providence. The estimated annual rental rate for the proposed new building is $1,934,250 including services and utilities, for 128,950 square feet of usable office space, plus 40 indoor parking spaces for Government vehicles. The objective is to consolidate space for Federal activities presently housed in nine leased locations throughout the city. GSA states that the proposed consolidation will result in increased operational efficiency. It further states that construction of a new privately owned building, for this purpose, in an urban-renewal area of Providence, will assist in revitalization of the community and provide a significant new tax base.

A survey conducted jointly by GSA and the Advisory Council on Historic Preservation identified five existing buildings in Providence that are considered historically or architecturally significant and thus eligible for conversion to Federal office space under provisions of Public Law 94-541. While GSA says the rehabilitation alternative would cost $37,171,000, less than any alternative, it found that the possible sites were unavailable for purchase.

The Federal government currently leases 111,256 sq. ft. of space at 11 sites in Providence, at an annual rental cost of $676,689. Approximately 90 percent of this space would be released, once the new building is available. Space on the ground floor of the new building would be available for commercial and other public uses, in compliance with the Cooperative Use Act.

This project was submitted in accordance with a resolution adopted by the Senate Committee on Environment and Public Works.

REPAIR AND ALTERATION

U.S. Post Office and Court House—Lexington, Ky.

This prospectus authorizes $1,763,000 for major repairs and alterations to this 44-year-old structure, which contains 55,000 usable square feet of space. Most of the first-floor space now used by the U.S. Postal Service would be converted to office space for use by the Federal Courts, the U.S. Marshal, and others.

The remaining three floors and mezzanine will be renovated. Work includes improvements to the obsolete heating and cooling systems, boiler replacement, plumbing and electrical repairs, new lighting, installation of new floor coverings, ceilings and partitions, restroom modernization, new elevator, new firesafety equipment, and aids for the physically handicapped. Ground floor space would be made available for commercial and public use, in accordance with the Cooperative Use Act.

LEASE EXTENSION

1201 E Street N.W., Washington, D.C.

The prospectus proposes a 10-year extension for continued occupancy of 104,825 square feet of general purpose office space by the Internal Revenue Service. IRS has used this space since May, 1963. It represents 10 percent of the IRS space in Washington, D.C. The lease expired on May 22 of this year, and an interim occupancy agreement has been in effect pending a decision on the lease renewal. The annual rental will be $931,549 or $8.89 per square feet, including utilities and all services. The current rate is $579,305 per year.

AMENDED LEASE EXTENSION

Building No. 5, O'Hare Lake Office Plaza—Des Plaines, Ill.

The prospectus proposes a 5-year lease at an annual cost of $889,906 to continue leasing 109,470 square feet of Federal office space in the building at 2300 E. Devon Avenue in Des Plaines. This represents a $62,370 increase over present annual lease costs.

Federal agencies have leased this building since early 1972. In late 1976, the Committee on Environment and Public Works authorized a new 5-year lease at a cost yearly of $827,536. The prospectus did not win full Congressional approval until March 1977, after the existing lease had expired. The amended extension provides for a possible 5-year extension at $1,132,218 per year.

ROLLCALL VOTES

Pursuant to section 133 of the Legislative Reorganization Act of 1970, and the rules of the Committee on Environment and Public Works, rollcall votes during consideration of these prospectuses and this report shall be published with the report. Two rollcall votes were taken.

Senator Stafford moved the adoption of that portion of this new reporting procedure that requires the GSA to report back to the Committee before proceeding with the building project. The motion was approved 9–3, with Senators Randolph, Baker, Domenici, Hart, Hodges, McClure, Moynihan, Stafford, and Wallop voting in the affirmative, and Senators Burdick, Chafee, and Gravel voting in the negative.

Senator Moynihan moved the approval of the seven building prospectuses, and the motion was approved by a vote of 12 to 0. Senators Randolph, Baker, Burdick, Chafee, Domenici, Gravel, Hart, Hodges, McClure, Moynihan, Stafford, and Wallop voted in the affirmative.

ADDITIONAL VIEWS OF SENATORS RANDOLPH, MOYNIHAN, STAFFORD AND CHAFEE

Our Committee has long discussed and intends to pursue its objective of improving the Federal building approval process under its jurisdiction. This includes acquiring, renting, or renovation of work space housing Federal office workers. The procedures adopted by the Committee when it approved the building prospectuses discussed in this report are only the most recent effort by the Senate Committee on Environment and Public Works to responsibly exercise its jurisdiction over Federal buildings (Rule XXV (1)(h)(12)). They extend the existing procedures previously adopted by the Committee.

There have been recent disclosures in the press of management failures, waste, and improprieties within the General Services Administration, which have been reviewed in hearings before a subcommittee of the Governmental Affairs Committee subsequent to the action discussed in this report. These disclosures are but one symptom of the need for clear policy direction and competent execution of defined programs—a need long evident to those who must deal with the agency. They expose, however, the urgency of attacking the fundamental problems which plague the agency—ranging from a coherent buildings policy to possible reorganization.

The Committee acknowledges its responsibility in this area. It expects to address those problems which fall within its jurisdiction, and seeks the cooperation of the Agency and the Executive Branch in this effort.

JENNINGS RANDOLPH,
ROBERT STAFFORD,
DANIEL P. MOYNIHAN,
JOHN H. CHAFEE.

SUPPLEMENTAL VIEWS OF MR. STAFFORD

I was glad to sponsor, with Senator Moynihan, the two new Committee procedures described in this report. Following discussion by the Committee, the first part of our proposal was adopted unanimously and the second part by a vote of 9–3. These first two steps should be viewed, however, as only the constructive beginning of the measures which must be taken.

As the ranking minority Member of the Committee, I have long believed that the prospectus process may no longer be adequate or appropriate. I have been equally concerned over the proper congressional role in building projects.

Our Committee should carefully review not only the Nation's buildings policy, but specifically GSA management procedures and controls over building construction, leasing,

alteration and repair. I believe and expect the Committee will pursue its concerns in these areas—areas that have been neglected by both the Executive and the Congress. To this end, I expect to introduce legislation which I hope will serve as a focal point for discussion, and a point of departure for full oversight of the agency's buildings program, its management controls and procedures, and the Nation's buildings policy.

There has not been, so far as I have observed, a coherent Federal policy on buildings. The policies that do exist appear to be in a state of continual change, if not increasing disarray and advanced deterioration. This lack of direction, and of defined policy, may be a failure of successive Administrations and Congresses, as well as of the agency itself. It is painfully clear, however, that a policy must now be developed and adopted, logically defined and clearly enunciated. To protect its integrity, safeguards must be provided to assure that the chosen policy and program is then carried out, and firmly adhered to.

Before a coherent buildings policy can emerge, a number of issues must be addressed. I hope they may receive the prompt and close attention not only of the Committee but also of the Executive Branch. Among the questions that may have a profound effect on the management of GSA and the buildings program are these:

Is the Federal Buildings Fund functioning in the manner intended when established by the Congress in 1972? If not, why, and what should be done?

What is the first purpose of a building policy, and which are the ancillary purposes, or compatible subsidiary goals? For example, how should functional efficiency, work effectiveness, urban policy, and "consolidation" rank in priority?

Is the prospectus process satisfactory, or the best choice as a management tool, for the Executive Branch? If it is useful to the Congress, does it provide controls and safeguards commensurate with the responsibility it imposes? What should be the congressional role in this or an alternate approval process?

What are the consequences of the proliferating construction authorities among numerous agencies?

Should not the Congress and the Executive Branch establish some common ground with respect to financing space acquisition—which involves budgetary impacts as well as comparative costs?

These questions are not exhaustive of the subjects that should be examined, or that may arise during oversight hearings. I believe they are instructive, however, of the task before the Congress and the Administration.

The recent disclosures of improprieties and management failures, even if not at levels directly responsible to the Committee on Environment and Public Works, illustrate also the need to assure safeguards, proper procedures, and competent management in the very important field of building construction, leasing, alteration and repair—where the Committee is asked to assume initial approval responsibility for projects exceeding $500,000 in cost.

In the long run, only a coherent policy, clearly defined programs, and firm execution of those decisions backed by consistent authority, will fill the policy vacuum which otherwise attracts confusion and influence, if not exorbitant waste, favoritism, and scandal.●

SENATE JOINT RESOLUTION 134: ERA EXTENSION LEGISLATION

● Mrs. HUMPHREY. Mr. President, on August 2, I had the opportunity to testify before Senator Bayh's Subcommittee on the Constitution in support of Senate Joint Resolution 134, legislation to extend the deadline for ratification of the equal rights amendment.

I ask that my testimony be printed in the RECORD for the benefit of my colleagues.

The testimony follows:

STATEMENT BY SENATOR MURIEL HUMPHREY

I am pleased to have this opportunity to testify today in support of S. J. Res. 134, a bill to extend the deadline for ratification of the Equal Rights Amendment by the States.

As a member of a distinct Senatorial minority of two, I am sure that my colleagues can understand my very strong and deep feelings with respect to advancing the status of women in this country.

The absence of women in the legislature is only one aspect of the larger problem of the status of women in America. Yet, to me, as a Senator, this fact is a vivid, daily reminder of the continuing barriers to women's full participation in national debate on the fundamental political, economic and social questions confronting our nation. While surely the ratification of the ERA would not immediately alter this situation, it would represent a dramatic step forward in the long and slow journey toward securing equal rights for American women.

We are here today to consider legislation that would extend the deadline for ratification of the ERA by the States. If enacted, the proposed legislation would allow the debate on the issue of equal rights for women to continue. I believe the legislation should be supported for the following reasons.

First, ratification of the ERA represents the will of the majority.

The results of the ratification process thus far, along with numerous recent national polls, offer compelling evidence that a majority of Americans support the ERA.

To date, 35 States representing approximately 73 percent of the population have ratified the Equal Rights Amendment.

Moreover, polls have consistently shown that a majority of the American people favor ratification of the ERA. The most recent Gallup Poll, released on July 16 of this year, shows that Americans approve the ERA by a near two-to-one margin—58 to 31 percent.

If, after seven years, only a minority of Americans had indicated their support for the ERA, it would be difficult to make a case for extension legislation. However, in view of the fact that a majority of Americans have already expressed their support for this proposal, allowing the States to continue consideration of the ERA, under the present circumstances, is both logical and clearly consistent with our most fundamental political ideals.

It also is important to remember that the framers of the Constitution did not specify the lengh of time to be allowed for the ratification of a proposed amendment.

The second reason that I believe the extension legislation should be supported involves the lengthy period of time needed for the American people to reach a consensus on fundamental social issues. Our recent history attests to this fact. After decades of national soul-searching, many aspects of questions relating to the areas of civil rights, women's rights and the conduct of foreign policy remain resolved.

Clearly, the forging of a national consensus on any important issue takes a long time. The ERA obviously has raised a host of questions initially unanticipated by its proponents. Comprehensive examination of these questions may take longer than anticipated, but because the course of the debate does not conform to an arbitrary time-table is not a justifiable reason to cut it short prematurely.

Finally, I believe the extension legislation should be enacted because, despite progress in the area of women's rights, the ERA is still needed.

In recent years we have witnessed the enactment of a variety of statutes that gurantee equal rights for women. In addition, recent court rulings have evidenced a similarly favorable pattern. Nevertheless, in the absence of a constitutional mandate, the law remains vague and uncertain.

Justice Powell recently summarized in the Bakke decision the state of the law in this area: Under the 14th Amendment, statutory distinctions based on race must be regarded as inherently invidious; those based on gender, however, need only be scrutinized by the courts on a much less demanding standard of general "reasonability." The problem, then, is constitutional and deserves to be resolved on that level.

Moreover, in an earlier opinion (1973), Justice Powell noted that the jurists have shied away from doctrinal development regarding sex discrimination because, in his words:

"The Equal Rights Amendment . . . has been approved by the Congress and submitted for ratification by the States. . . . (The Court should not assume) a decisional responsibility at the very time when State legislatures, functioning within the traditional democratic process, are debating the proposed amendment."

Clearly, enactment of the Equal Rights Amendment is needed to give an unmistakable signal to the courts on the will of the American people with respect to equal rights for women.

And I feel that ratification of the ERA is needed from a broader perspective as well. Over two centuries after establishing a national commitment to preserve and enhance liberty, justice and inalienable rights for all, ratification of the Equal Rights Amendment—finally—would put our society formally on record in support of equal rights for the majority of its citizenry.

In summary, I believe the extension legislation should be approved for three basic reasons:

Ratification of ERA represents the will of the majority;

Building a consensus on fundamental social issues is never accomplished quickly or easily;

And, the ERA is vitally needed to guarantee the rights of American women.

Unfortunately, there are no precedents to guide us with respect to the question of extending the deadline for the States' consideration. Yet clearly, the ERA is an issue of great significance to many, many Americans—both men and women—and under these circumstances plain common sense tells us that we should permit the ongoing debate in the States to continue. I urge my colleagues to approve the proposed legislation to extend the deadline for ratification of the ERA by the States.

Mr. Chairman, I think it would be appropriate to recall the words of Hubert on women's rights. In urging ratification of the ERA, he said:

"It now is time that we allow women to take their share of responsibility for the successes and failures of the future."

"It is time to put a stop to the cultural and educational practices which rigidly mold women from their earliest years to seek and expect second rate wages and positions of employment with no opportunity of advancement."

"It is time we took advantage of the vast talents of over half our population."

Mr. Chairman, this concludes my statement.●

NATURAL GAS BILL IS ANTICONSUMER

● Mr. METZENBAUM. Mr. President, the Senate will begin consideration later this week of what has been described as "compromise" legislation on natural gas. I believe that this description is inappropriate.

The word "compromise" carries with it the implication of balance. It implies solutions to problems that reflect the interests of all concerned. It calls up an image of an end result that is fair to all parties, but wholly pleasing to none. It brings to mind what the civics books tell us is the frequent end result of our democratic process.

But, Mr. President, the natural gas compromise is not the kind of theme that one reads about in a civics book. It is not balanced, it is not fair, and it does not reflect the interests of the millions of Americans who heat their homes and businesses with gas. It is bad legislation and, I firmly believe that it should be rejected by the Senate.

In an article that appeared in the July 30, 1978, edition of the Washington Post, William Grieder pointed out that in the past 15 months, the main focus of the natural gas legislation before the Congress has shifted from protection of homeowners to protection of large industrial users. This shift, which reaches its culmination in the conference report, will mean that industry will have fewer incentives to conserve gas or to switch to alternate fuels. And it will also mean that residential consumers and small business will pay much more for a declining share of our remaining gas reserves.

Mr. President, I believe that Mr. Grieder's article points to the very severe problems that exist with the conference report. I ask that it be printed in the RECORD.

The article follows:

AFTER SQUEEZING THROUGH HILL PIPELINE, GAS BILL NOW SKEWED TOWARD INDUSTRY

(By William Greider)

When President Carter first proposed his national energy plan, one principle was clear: The nation's dwindling pool of natural gas would be saved for the homeowners of America. Industry would be coaxed or driven, by taxes, prices and regulatory rules, to shift to other less-precious fuels.

Now, 15 months later, that priority has been reversed.

Carter's compromise natural gas bill, scheduled this week or next for an up-or-down climax vote in the Senate, is skewed in the other direction—big industry is supposed to get more natural gas in the future, a lot more, while homeowners and businesses are expected to get along on less.

The reason for this is simple, according C. William Fischer, deputy administrator of the Department of Energy's quasi-independent analytical section. The final prices set for homeowners are much higher in the compromise measure than they were in the original plan—high enough to drive residential and commercial users away from gas, not toward it.

The NEP originally envisioned an increase in residential-commercial consumption of of natural gas of 8 percent by 1985. The compromise bill, according to an evaluation by Fischer's Energy Information Administration, will produce a decrease of about 4 percent. Total industrial consumption, on the other hand, was expected to hold even or decline slightly by 1985, as companies switched to coal and other fuels. Now the administration bill claims that total industrial use will grow by 10 to 14 percent in the next six years.

"There are rational reasons for that," said Fischer, "the main one being the price differentials. . . The compromise has a price for residential of $3.31 [per thousand cubic feet] by 1985. That's a significantly higher price, 57 cents higher than the national energy plan. That would tend to drive down consumption in the residential sector."

In terms of future consumption, said a staff professional on the House Commerce Committee, "industrial users are just coming out the big winners."

This is one of the fundamental mutations that have crept into the president's program during its arduous journey through Congress, a trip which has left all sides exhausted and politically jangled by so many bargains made and unmade, so many angry speeches and private deals, so many fortunes won or lost in the fine print of this legislation.

No one seems very eager for the Senate showdown ahead. Another filibuster is expected from the pro-consumer liberals who are opposed to deregulation and higher gas prices, in any form. They may be joined this time by a few pro-oil conservatives who are disgusted with the compromise's extremely complex formula for phased deregulation over seven to 10 years. They think the oil industry should kill this bill and try again next year for immediate deregulation of gas prices.

The administration hopes to break the filibuster on the third or fourth try, depending upon a middle spectrum of Democrats and Republicans, senators who are either loyal to the Carter program or loyal to the oil industry, who started out this fight on opposite sides.

The political imperative that unites them now is to pass something, to settle the matter once and for all, even if the victory is riddled with impurities. Passage of the gas bill would give the president a much-needed political victory and, for industry, it promises what gas producers have been fighting 24 years to accomplish—an end to federal control over interstate natural gas prices.

What would this bill do for America? Or to America? as the critics would say. All answers and explanations must be hedged by this note of caution: virtually all aspects of this measure—the economic impact, the impact on energy production, the fine print and the larger purposes—are the subject of intense dispute at this moment, extremely technical arguments that are not likely to be resolved by the final political rhetoric coming up in the Senate and the House.

In simplest terms, the measure will authorize a substantial transfer of income within American society—at least $28.5 billion over the next six years—from all the consumers of natural gas to all the companies that produce it. Some critics claim that the transfer will be much larger, closer to $50 billion, but at the very least the gas industry should derive an increase of 17 percent in its expected revenue.

The White House inflation watchers, who are concerned about the inflationary effects of government regulation for safety and the environment, have not shown much interest in the inflationary potential of deregulation. An inquiry at the Council on Wage and Price Stability produced this response: "We have not done anything with natural gas. It's a very complex, complicated thing. With our limited staff, there wasnt any way we could get into it."

The Department of Energy claims that the $28.5 billion is a good investment for the nation with these benefits: Increased gas production would be stimulated by the higher prices. The nightmare of regional gas shortages in hard winters would be eliminated. The prices would also shift industrial use of gas from wasteful boiler burning to more essential purposes like manufacturing processes. The bill also proposes gradual melding of the two gas markets which now cause so many headaches to energy planners, users and producers—the interstate national market whose prices are controlled by federal government and the unregulated intrastate market of Texas, Louisiana and Oklahoma, where smaller independent producers can sell gas for a much higher price now, as long as their fuel doesn't cross state lines. The dual market is blamed for many problems—large and small companies hold their gas for the higher-priced southwest market, if they can, while northern customers come up short.

Top aides to Energy Secretary James R. Schlesinger did a bit of backing and filling on the question of who will get this new gas production stimulated by the bill, Jim Bishop, Schlesinger's press secretary, first responded by pointing out that the national energy plan mandated a natural gas policy favoring homeowners.

"That's the heart of the Carter policy," Bishop explained. "Gas is going to be reserved for the homeowner."

After more discussion, Bishop referred the question to DOE experts, including Leslie J. Goldman, deputy assistant secretary, who likewise expressed disbelief that any DOE documents were claiming increased industrial consumption as a consequence of the natural gas bill.

Later, Goldman examined the figures and responded with a clarification: Yes, industrial uses would increase—by as much as 2 trillion cubic feet by 1985—and residential use would be held even.

Goldman argued that these consequences would still be consistent with the president's plan. Total industrial consumption will go up, he said, but the wasteful uses will go down—particularly the use of natural gas for electricity generation and oil refineries. He claims that no oil refineries will be burning natural gas for heat by 1985. Furthermore, he insists that the residential users won't be hurt because insulation and other conservation measures will save so much gas that many more homes will burn the same amount of natural gas by 1985.

It should be noted that some private industry analysts think the administration's projections on future consumption are strange, to put it nicely. They point out that homeowners have fewer options than industry about choosing a fuel to burn. A large factory can easily switch from gas to oil, as many have done in recent years, while residential use of natural gas has continued to increase.

Once a home is hooked up for gas, the owner is not likely to switch, even if stuck with a sharp price increases. Total industrial consumption has declined slowly since the early 1970s when energy prices shot up—a trend that might be accelerated not reversed, by future price increases.

Homeowners have always paid much higher rates for natural gas than industrial or commercial customers. The original plan favoring homeowners was to shrink that difference drastically but, as various amendments and industrial exemptions were bargained into the pricing formula, that goal evaporated. The final version does reduce the gap, but by only a few cents, from an average of 85 cents to 72 cents.

The irony of all this back and forth is that the substantial increase targeted for industry may be an embarrassment to energy planners—but has also become one of the major political selling points for their bill. Administration lobbyists, according to

one DOE memo, should remind business and labor and senators of this point:

"Industrial use of gas could increase by more than 2 trillion cubic feet; there would be no curtailment of firm demand. The gas supply in the heavily industrialized midwest would increase by nearly 50 percent."

The unions are an important battleground in this political struggle—union members are homeowners who oppose higher heating bills but they are also workers who need industrial growth for jobs. The administration argument is that, on balance, the compromise bill hurts homeowners less than the alternative of total deregulation and it will also stimulate economic growth. Unions, as a matter of principle, oppose deregulation, but the question is how hard they will fight against Carter's version of it.

"The consumer folks," said one administration official, "are trying to get the unions to look at this in terms of higher prices. We're trying to get them to look at it in terms of jobs."

On a regional basis, the administration is selling broad economic benefits to most sections of the country, quite apart from the national impact of higher prices for everyone. The sales pitch goes like this:

The midwestern industrial cities—the the great centers of steel, glass, autos—are being promised a reliable supply for healthy industrial growth.

Midwestern agriculture, which depends heavily on natural gas for chemical fertilizer and corn-drying and other processes, will pay more for gas—but agriculture production has been exempted from the higher-priced pool that affects most industrial users. This same argument will appeal to other farm regions, like the South, where textiles and food-processing plants are also exempted from the higher industrial prices.

In the East, the increase in natural gas is supposed to displace more expensive fuels—liquefied natural gas and synthetic gas—that are used there in small amounts, thus moderating the average costs for everyone. If you are paying $3.60 or so for LNG, then natural gas at $2.13 looks pretty good.

For New England, which doesn't burn much gas in any case, the argument heard on Capitol Hill is any gas-pricing measure that raises the cost of manufacturing for the rest of the nation is bound to help the depressed industrial base of New England.

For the West, there is an additional argument: passage of the natural gas bill would pave the way for pipeline projects to bring vast new quantities of gas by the late 1980s from both Alaska and Mexico.

The Carter administration suspended negotiations with the Mexican government on import project for its newly discovered gas until after passage of this bill. Mexico wants a guaranteed price of $2.60, well above the current market, and the bargaining is expected to resume if Congress raises the U.S. price closer to that target.

The Alaskan gas pipeline is waiting on the higher prices too. A higher price base would make it easier to arrange financing for the mammoth project. In the meantime, states like Alaska have arranged an exemption of their own—ensuring that state-enacted severance taxes on natural gas will be excluded from the federal pricing scale.

Everyone in Congress understands that the major regional beneficiary would be the southwest, though the benefits won't be spread evenly there by any means. The oil-producing states are where most of America's natural gas lies and that's where most of the $28.5 billion would go. The administration reminds everyone that the prices and the cash transfer would have been much worse under the total deregulation bill passed by the Senate last year.

The pro-consumer opponents of this compromise would argue that all this money doesn't have to change hands in order to accomplish the various economic benefits promised by the Carter administration. Their solution, in the extreme, would be simply to extend federal price control to all that intrastate gas production in Texas, Louisiana and Oklahoma and then, by federal regulation, allocate the sale of that gas to the customers who will need it most.

If there is any doubt that the oil industry came out of this legislative struggle with good results, listen to Sen. J. Bennett Johnston (D-La.) addressing a meeting of Texas independent gas producers in Houston last month, trying to persuade them to support the compromise:

"I tell you this—compared to the House bill, compared to what we feared and, frankly, even compared to what we had hoped, this is a magnificent bill, believe it or not."

Many of the smaller independents do not believe it. They have smaller wells that sell gas in the unregulated intrastate market—so this bill puts them under the thumb of Uncle Sam for the first time. Their gas production would become subject to a nightmarish system of price categories—17 different flavors of natural gas or 23, depending on who does the counting. This "reregulation," as DOE officials now call it, is supposed to expire by 1985, but the oil men are skeptical—they fear that a future president or a future Congress will change their minds and they'll be stuck permanently under federal regulation.

In any case, the largest benefits will flow to the larger companies that control the major reservoirs, either on-shore or in off-shore waters. This is natural gas that would inevitably be sold to interstate customers in the North, whether price controls continue or not.

When Carter announced his energy plan, the regulated interstate price for new gas was an average of $1.42, up from 52 cents in 1976. The president first proposed $1.75. The argument moved upward to $1.93. The compromise bill envisions a final price by 1985 in the neighborhood of $2.60 per thousand cubic feet.

Even allowing for the distortion of inflation built into those figures, they demonstrate crudely the way this argument has gone—in favor of the producers. Major companies that have purchased expensive offshore leases, as one petroleum analyst puts it, "were sitting on a lot of 50-cent gas that's now going to sell for $1.80 or $2."

The administration is "cautiously confident" that this package of interests will sell the natural gas legislation, when the votes are counted. Working in its favor now is plain fatigue; everyone is sick of fighting over this horribly complex subject.

"What we hear on the Hill, said one energy aide, "is: Let's get it through. Let's get it out of here."●

THE NAVAL SHIPBUILDING PROGRAM

● Mr. HATCH. Mr. President, one of the issues that has raised a great deal of debate here in the Senate Chamber concerns the naval shipbuilding program. The Navy has come under a great deal of criticism for lacking a clear direction toward a goal that can be identified by the Members of Congress. While some of this criticism may be warranted, the current administration has proven to be no friend of the Navy.

What concerns me the most is the growing threat the Soviet Navy has become. A little more than 15 years ago the Soviet Navy was nothing more than a coastal defense navy, unable to operate in the blue water reaches of the world's oceans. Today the Soviet Navy is expanding at such a rate that the United States will be unable to match the Soviet strength in a confrontation. Given the present combat capabilities of the Soviet Navy, they can influence all Western naval activities.

Because of the vulnerability of the United States, due to our dependence upon foreign oil and raw materials, it is essential that we maintain control of the sealanes. To do this we must have an adequate number of ships to project the amount of power that will be necessary to accomplish this goal. Quite frankly, we do not have this capability at this time. We have permitted our Navy to fall into a state of lethargic stagnation. We continue to build our sagging morale by telling ourselves that we are superior technologically. While there may be a measure of truth to this argument, this so-called superiority is evaporating before our eyes. The Soviet Navy now enjoys numerical advantages over U.S. naval forces in principal surface combatants and especially in general purpose submarines. According to an article in the August issue of the Reader's Digest by former Secretary of the Navy J. William Middendorf II:

Now the U.S.S.R. boasts the world's largest strategic (long range, nuclear ballistic missile carrying) submarine fleet. The Soviets have launched 60 such boats in the past ten years. Their Delta Class submarine-27 operational and more abuilding—is the world's largest. Each is poised to fire 4200 mile range missiles.

How much longer we can afford to allow this to continue should not be a question. We must reverse this trend as soon as possible. Mr. Middendorf's article is one that should be read by all of my colleagues. For this purpose I ask that the article "Let's Not Torpedo Our Navy," from the August issue of the Reader's Digest be printed in the RECORD.

The article follows:

LET US NOT TORPEDO OUR NAVY

(By J. William Middendorf II)

Since retiring as Secretary of the Navy last year, I have been haunted by the feeling that my obligation to the American people won't be fully discharged until I deliver a final word, my own view of our ability to continue to safeguard our freedom. As a private citizen, I have no ax to grind, save the ax all Americans ought to be grinding—that we maintain the military posture it takes to deter war, to ensure our vital interests, to protect freedom and to prevail if war comes.

That is the posture we began keeping in the early 1950s and which for several years now has been in serious decline. Indeed, so severe is the decline that I fear we are fast approaching a time of testing such as the United States has never had to endure. Unless we move fast on a Naval rebuilding program, I'm convinced that the next ten years will see the end of U.S. ability to deter and prevail, with all the grave consequences that implies for free people everywhere.

We've had warnings:

During the 1973 Middle East War, the Soviet navy was quickly able to double its Mediterranean fleet to 96 ships on station. And this wasn't even an all-out effort by the Soviets. Against it, we went all out to reinforce our Sixth Fleet to a peak strength of 66 units. The Soviets were armed with deadly anti-ship cruise missiles, a weapon

not then in our own inventory. Knowledgeable professionals differ as to who would have prevailed in a Soviet-American shootout. Fortunately, we didn't have to find out, but Moscow's boldness during that crisis brought us to the brink of World War III.

Huge Soviet navy war games were held in 1970 and 1975. Called Okean (Ocean) 70 and Okean 75, they are full of ominous meaning for the future. In Okean 75, hundreds of Soviet air, surface and undersea combatants were deployed over the world's seas with intelligence collectors, oilers, repair ships and merchant convoys and put through intensive, coordinated maneuvers. It was the greatest show of naval strength in history.

Five major shipyards in the U.S.S.R. produce submarines—with six more building large surface ships. All these huge yards have been expanded and modernized in the last five years, to produce a steady stream of new ships.

STRATEGIC THREAT

In short, there has been an alarming shift in the balance of naval power and the abilities of the Soviet and American navies to perform their different missions. Though many of our ships are superior in quality and our sailors are more experienced, the Soviet navy now is more than triple the size of our fleet and its overall effectiveness is increasing.

Our way of life depends on the unimpeded flow to us of essential raw materials and energy—we now import all our rubber, chromite, cobalt and manganese ore and half our oil. Ninety-nine percent of our overseas trade is carried by ship. Our survival depends upon a Navy competent to keep open the sea lanes, pose a believable deterrent and enable us to support our allies in the event of war.

By contrast, the U.S.S.R. is relatively self-sufficient in raw materials and energy. The Soviet Union can support itself and provide most of its allies with economic and military aid without crossing a major body of water. A truly peaceful Soviet government would be content with adequate coastal-defense forces—the kind of naval force the Kremlin kept until 15 years ago. Since then, it has sought to create a navy of such speed and devasting fire power (at the expense of cruising range) that it can overwhelm any U.S. Naval force. It has created a "first strike" navy.

This explains the enormous Soviet naval buildup of the past decade and a half. The Kremlin became aware in the late 1950s that without a blue-water navy it could not influence world events. The Soviets were embarrassed at their impotence in 1956 when a British and French naval expedition invaded Suez; and in 1958, when the U.S. Navy moved strong forces into the eastern Mediterranean to discourage communist interference in Lebanon's disorders. The last straw was the 1962 Cuban missile crisis, when a U.S. Naval blockade and the threat of overwhelming American nuclear retaliation forced the U.S.S.R. to remove nuclear missiles it had been installing in Cuba.

But now the U.S.S.R. boasts the world's largest strategic (long-range, nuclear-ballistic-missile-carrying) submarine fleet. The Soviets have launched 60 such boats in the past ten years. Their Delta Class submarine—27 operational and more abuilding—is the world's largest. Each is poised to fire 4200-mile-range missiles.

That distance exceeds by some 1700 miles the range of our most advanced submarine-based missile, the Poseidon. It also approximates the range of our new Trident I missile, which won't reach the water until close to 1980. The Delta Class missile now makes it possible for the Soviet strategic submarine force to attack virtually every city in the United States from the U.S.S.R.'s home waters.

The Soviet force also includes 33 Yankee Class boats, each fitted with 16 1300-mile missiles, and 30-odd older nuclear- and diesel-powered boats, each carrying a number of 350- and 650-mile nuclear missiles. Against this, the United States has a ballistic-missile-firing submarine fleet of 41 relatively old Polaris and Poseidon boats.

SHRINKING MARGIN

The Soviet navy's commander in chief, Adm. Sergei Gorshkov, has vowed publicly to achieve a navy that is second to none. Is he achieving this goal?

Recently retired Chief of Naval Operations Adm. James L. Holloway III has delivered a sobering assessment to Congress: we retain "a slim margin of superiority." The Chief of Naval Operations four or five years from now may not be so optimistic, since that "slim margin" is represented by our 13 aircraft carriers. In 1976, the Soviets deployed their first, the 45,000-ton *Kiev*. A second *Kiev*-class carrier is nearing completion and a third is under construction. We probably can expect to see more and perhaps larger carriers joining Soviet fleets through the 1980s.

Although Gorshkov's carriers do not yet give him the long-range striking power ours provide, he has 1250 land-based naval aircraft, of which 30 are the new supersonic Backfires. These have at least a 5000-mile range, and pose a terrible threat to our Mediterranean and Pacific fleets. They could also menace any Naval force that we might bring into the Indian Ocean to shore up a Red-threatened oil-rich state.

The Russians also have tried to offset our superiority in aircraft carriers by arming scores of surface ships and submarines with deadly anti-surface-ship cruise missiles. There is frightening evidence that they are developing a new guidance technology, which will enable a missile-firing ship or submarine to stand off at a distance, find a target ship with over-the-horizon radar, and fire a weapon that will streak at 2000 m.p.h. 50 to 60 feet above the sea, underneath our search radar.

Our scientists have been developing a weapons system to counter this threat. It's called Aegis, and we know it will find incoming Soviet missiles 30 to 40 miles out and blow them up. But at the earliest, it will be 1981 before the system can be deployed on the first ship.

SOVIET SQUEEZE

In addition to a strategic submarine force twice the size of ours, the Russians now have by far the world's largest attack submarine fleet, well over 200 boats, for anti-shipping and anti-submarine purposes. Imagine what the Soviet attack force could do in the event of war! Nazi Germany, which began World War II with 57 submarines, primitive by today's standards, very nearly succeeded in severing our Atlantic supply lines, sinking some 14 million tons of Allied shipping. Clearly, the lesson has not been lost on the Soviets.

Against the U.S.S.R.'s huge surface and undersea forces we can deploy a total of 82 attack submarines

The Russians also have more of all kinds of surface combatants than we have: more cruisers, more destroyers and other escort types; they vastly outnumber us in small (less than 1000-ton) attack boats. Yet these are fast, maneuverable and hard to hit. Equipped with new nuclear-tipped missiles, they pack a lethal wallop. The Soviets now are also moving to gain an advantage with amphibious ships that carry marines and their arsenals, including tanks, into beaches. They have some 100 such ships. We have 63, and we would need 48 of these to embark a single Marine amphibious force.

The Soviet navy has the world's largest naval-mine-warfare force, the world's largest inventory of naval mines and a capable anti-mine-warfare force. It also has the world's largest fleet of intelligence collectors—so-called "spy ships." Approximately 50 are deployed all over the globe—many posing as merchant or fishing vessels.

With their modern, powerful navy, the Soviets are showing the flag in more and more places, doing their best to influence events. During the Angolan war, Soviet naval units were deployed offshore in a show of support for their Cuban proxies. They now cruise regularly in many of the world's major seas. (A Soviet task force has come within 25 miles of Hawaii, and another has entered the Gulf of Mexico.) They have obtained the use of port facilities in the Indian Ocean, the Mediterranean, on the west coast of Africa and in the Caribbean. It is obvious that the Kremlin employs its naval forces in support of an ambitious foreign policy targeted at controlling the world's raw-material sources.

I don't think most Americans, including many in Congress, really grasp what a tough fix we are in, or will be in soon. If present trends continue, for example, it wouldn't surprise me to awaken some morning to the news that the Soviets have annexed the warmwater ports of northern Norway, which they have long coveted. Or to be told by Moscow that "the situation must be stabilized" by the Soviets in some politically troubled oil-rich state which is important to our survival.

U.S. RESPONSE

We are in this fix for a lot of reasons, including old, discredited theories that the Russians are as interested as we are in arms control and disarmament. Powerful voices in this country continue to urge that we disarm unilaterally, insisting that the Russians will then disarm too. In fact we have long been unilaterally disarming. Among other things, we have halved the size of our Navy—we now have 458 ships, against nearly 1000 ten years ago.

But the main reason we are in this fix is that during the 1960s, while the Soviets were working hard to develop the mightiest military posture in world history, we were pouring our resources into the Vietnam war. We neglected our defense, none more than our Naval component. By the end of the 1960s we were confronted with block obsolescence, large numbers of ships built in the 1940s and 1950s that were not worth expensive restoration.

Currently, our Navy is smaller than at any time since two years before Pearl Harbor. Yet the Carter Administration has just cut in half the Navy's five-year shipbuilding plan! Congress will be gravely risking our survival if it allows this to happen.

We simply must rebuild the Navy. That doesn't mean refurbishing obsolete ships. We need a modern, self-sufficient Navy that can operate in distant areas without having to rely on overseas bases.

Admiral Holloway has estimated that the balanced Naval force we need comes to about 600 ships. In preparing this force, we must understand that, from the time initial plans are prepared for Congressional approval, it takes eight years to get a Trident submarine to sea, ten years to float an aircraft carrier. And weapons technologies improve so rapidly that when we build certain new systems, we have to hope that they won't be obsolescent in ten years.

But we have no choice. We must understand that our freedom is not preordained, and that without a strong defense we won't be able to keep it. So much time has been lost already that, even if we start now, we are in for some rough and scary sailing in the years directly ahead.●

SOME MYTHS REGARDING THE HART SENATE OFFICE BUILDING

● Mr. CHAFEE. Mr. President, as the Senate prepares to debate my amendment to halt construction on the Hart Senate Office Building, I have become aware that a number of myths are being circulated concerning the need for this structure and its costs. In an effort to assist my colleagues as they study this issue, I will seek to clarify the record.

Myth No. 1: "The Senate staff has only 65 square feet per person."

The Architect of the Capitol keeps using that figure, but it simply is not accurate, at least not based on the number of persons who work here and the amount of available office space. There are close to 7,000 Senate employees. Of those employees, about 15 percent work in our home offices. Of the remaining 6,000 persons, many do not work in what we term "office space," such as employees of the restaurants, the painters, janitorial workers, pages, and so forth. If you compare the number of office workers with the 604,000 "usable" square feet of office space we have—not counting hearings rooms—simple division shows that each Senate office employee has at least 100 square feet of working space.

Myth No. 2: "The Hart Building will relieve overcrowding."

Commonsense shows the basic fallacy of this statement. Clearly, the Senate inevitably fills any available space with new staff. Space is the key constraint on personnel, not budgets. In the past several years, we achieved a 46-percent increase in available office space by the use of the buildings on the Monocle Restaurant block. Did the staff get extra working space? No, the Senate offset that increase with a boost of some 50 percent in the number of staff, thus maintaining the same staff-space ratio.

Myth No. 3: "When the Hart Building is completed, that will be the end of it."

That is not so. It will take tens of millions of dollars to renovate the Russell and Dirksen buildings to enlarge the existing Senatorial suites. There will also be costs for furnishing, staffing and maintaining the new building. And the Architect says the way the staff is growing, we will need a fourth major Senate office building—about as large as Hart—by the late 1980's.

Myth No. 4: "We have run out of space for staff offices in the present Senate complex."

A quick examination of space in the Capitol and existing two office buildings reveals some 40,000 square feet of space that might be termed "underutilized," such as the Senate paint shops in the Capitol and Russell Buildings. The Architect himself has another 3,000 square feet of space in the Senate side of the Capitol for his staff that runs the powerplant and provides other functions, and it does not seem that they need to be so close to the Senate floor. Other potential office space would doubtless be revealed by a thorough space utilization study.

Myth No. 5: "The Hart Building will relieve the pressure on space for hearings."

That is not true. The Hart Building "working areas" are almost exclusively office space, with only one so-called multimedia room where hearings might be conducted. Including that one large room, the new building contains only 360,000 square feet of office and hearing room space—34 percent of the building's total area. The balance is restaurant, gym, parking, corridors, et cetera.

Myth No. 6: "The Hart Building will end up costing 'only' $122 million."

Sadly, that is wrong. The General Accounting Office says the Architect's figure of $122 million is unrealistically low. And that figure does not even take into account the fact that the Architect has already fallen another 4 months behind the schedule he presented earlier this year. Under that early 1978 schedule, the Architect was to have the building's interior under a construction contract by this month. In fact, the Architect has not even issued a request for bids for this interior work. Based on the track record of the Hart Building's escalating cost since first conceived in 1972, a more realistic "final cost" figure would be $213 millon by completion in 1981.

Myth No. 7: "The Hart Building will cost 'only $101' per square foot, while the Rayburn Building would cost $185 per square foot at today's prices."

First, the $101 figure is wrong, even when you talk about today's outdated cost figures and the "gross" square feet, rather than the more realistic "usable" square feet. The real cost per gross square foot—including all the lower cost parking and truck docking space, and so forth—is $115, and that is still using the Architect's out-of-date cost figures of $122 million for the whole building. At more realistic cost figures, it will be $200 for each square foot of gross space. As to the cost per square feet of "usable" office space, it will be $354 pers square foot at the Architect's outdated cost figures, or $626 at more realistic cost figures.

As for that $185 figure on the Rayburn Building, it conflicts with the Architect's own testimony to the Senate Apropriations Committee in 1974. At that time, he said the cost to build the Rayburn Building—if it were started in 1974—would have been $60 per gross square foot. While construction costs are on the rise, they certainly have not tripled since 1974.

Myth No. 8: "We're so far along, it's impractical to stop the building now."

I do not believe it is impractical to cut our losses at $31 million, when the alternative is to spend $200 million on something we should not have. That $31 million covers the $16 million already spent, plus as much as $15 million to clean up existing contracts. I would note that we would have been able to hold the cost lower still if my resolution to halt construction, which was introduced April 24, had received any committee consideration. It was that lack of action that forces me into bringing this issue up now.

Myth No. 9: "The growth of Senate employment is keeping pace with government in general."

The Senate's staff has grown by 252 percent since the Dirksen Building was opened in the 1950's. In that same time span, Federal employment in general has declined by 6 percent.

Myth No. 10: "We're getting the same building we talked about when $85,000,000 in 1974, the space in the Hart Building has been cut by 6 percent, while the cost has risen, using the Architect's unrealistic figures, by 43 percent. Three work phases have been combined into one, with many items eliminated. In 1974, Mr. White described the "net usable" office space in the new building as 394,500 square feet. It is now listed as 344,040 square feet, a decline of 13 percent. And that 1974 figure took into account earlier changes that replaced usable space with more corridor space. Mr. White—1974—in describing those earlier changes, said:

> We felt that we had gone too far in trying a make the building a very efficient building.

Mr. President, the real issue is whether we need the Hart Building, and whether it's too costly, particularly when the taxpayers are demanding some frugality in government. This building leads to increased staff and it does cost too much. I believe we should stop it now, not after we have spent more tens of millions of dollars.●

AMBIVALENCE ABOUT EXPORTS

● Mr. HEINZ. Mr. President, I would like to call to the attention of my colleagues a recent New York Times article regarding the Carter administration's continued ambivalence about exports. The article points out that a "major export promotion program" has been recommended to the President by an interagency task force headed by the Commerce Department but that this program may never "see the light of day" because of conflicting priorities and views within the administration regarding the export issue. I am deeply disturbed by this ambivalence, as I strongly believe that we need to move expeditiously to develop and implement a cohesive and stimulative national export policy to substantially boost U.S. exports as a means to overcome our trade deficit and dollar problems.

I wish to submit the article for printing in the RECORD.

The article follows:

AN INCENTIVE PLAN FACES ATTACKS FROM ALL SIDES

(By Clyde H. Farnsworth)

WASHINGTON.—Five years ago, a 22-member group called the President's Export Council was created to advise the Administration on the ways and means of increasing American exports. The task was considered vital to the nation's well-being, and the council met regularly and issued advisory reports as the United States trade balance see-sawed between surplus and deficit.

But since Jimmy Carter has been in the White House not a single meeting of the export group has been called. The Administration has approached the problems of a trade deficit, which has spiraled to $16.4 billion in the first half of this year, with all the apprehension and enthusiasm of a hunter stalking a hedgehog.

A major proposal outlining new initiatives to stimulate exports is sitting on the President's desk, the fifth attempt by the United States in 15 years to develop a national ex-

port policy. As in the past, the new plan faces some rough sledding—both in the White House and in Congress. For the export question touches on some thorny issues, including foreign policy considerations, domestic politics, small vs. big business and the insularity of much of American industry.

An inter-agency task force headed by Assistant Commerce Secretary Frank A. Weil, recommended to the President that a major export promotion program involving tax incentives, easier financing and relaxed antitrust, environmental, health and safety rules be launched with the goal of increasing American sales abroad by $10 billion to $15 billion over five years.

Whether the plan can actually accomplish that goal, however, is problematic, given the low priority traditionally given exports by American business. And even the consideration of such a campaign is forcing Congress and Administration officials to sort through a maze of conflicting priorities.

EXPANDING MARKETS

Channeling greater numbers of products—particularly manufactured goods—into overseas sales would add to the pressure already being exerted by the United States on its trading partners, especially Japan and West Germany, to reduce their substantial surpluses by taking in more imports. The continued decline in the value of the dollar, in fact, while contributing to the United States' trade imbalance, has improved the competitive position of American goods against those of other nations—one of the many reasons why those trading partners continue to call upon the United States to bolster its currency. These sensitive topics were addressed at the recent Bonn summit—with few commitments made by any side.

But Japan and the commercial partners of Western Europe, with their ministries of foreign trade, nationally assisted overseas sales drives, aids and incentives, overt and covert, licit and illicit, have long considered support of their own exporters a high priority. While exports of manufactured goods have held flat in the United States in inflation adjusted terms since the beginning of 1975, all other developed countries have registered more than 5 percent annual growth, according to the Commerce Department. These nations—which are much more dependent on foreign sources of raw materials, including fuels, than the United States—run huge surpluses.

The United States could have reduced its $30 billion trade deficit last year by $13 billion had it shown the same rate of export growth as its trading partners.

To Mr. Weil, a former Wall Street investment banker with Paine, Webber, Jackson and Curtis, the figures mean "we're losing market shares—but we can win them back."

While he and Commerce Secretary Juanita M. Kreps wholeheartedly support an aggressive export campaign, other American officials, including Treasury Department Under Secretary Anthony M. Solomon, argue that there is no need for such a drive, that the shift that has already occurred in the world's currency relationships—with the dollar valued at about 1.92 yen and the 2.05 Deutsche marks—will eventually push trade figures into reasonable perspective. They point to the trade figures of the last three months as evidence that this theory is being borne out. Indeed, the June trade deficit of $1.6 billion, the lowest in 13 months, appeared to reflect an improvement. They also warn that an export push at this point, with a turnaround in progress, could leave the United States open to charges of neo-mercantilism by other industrialized nations—especially if America slips back into a strong surplus situation.

But export promotion proponents point to America's $45 billion annual oil import bill and the fact that the total deficit for the first six months of this year—$16.4 billion—represents a 42.4 percent increase over the figures for the first half of 1977.

Some observers, including Lehman Brothers chairman Peter G. Peterson, a former Secretary of Commerce, see the engine for the growth of United States exports as the Third World countries, markets that remain virtually untapped. Increased trade with developing nations would also relieve some of the tension that would arise if American goods began flooding industrialized countries' marketplaces.

DOMESTIC PITFALLS

The program now awaiting President Carter's review may never see the light of day, some observers say, because it involves some political and social issues that may prove too difficult for the Administration to sort out.

The question of incentives, for instance, is a highly sensitive one. In his tax message last January, Mr. Carter said he intended to get rid of the Domestic International Sales Corporation, a seven-year-old tax deferral program known by the acronym DISC.

The Treasury Department supports the President on DISC. Department studies show that the program costs the nation $1.2 billion annually while it is responsible for only $300 million of additional export sales.

Mr. Weil wants to keep the incentive, but reshape it to give a bigger break to small business and make it more cost effective. Big business has fought hard to retain DISC, and Congress is not likely to dismantle it. But after all the barbs aimed at DISC by the Administration it would be difficult for Mr. Carter to retain it, even in amended form, as part of his national export policy.

Administration officials say a way will be found to include tax incentives in the program. One tax break that is to be included, they say, is an easing of the burden on American businessmen living abroad.

The recommendations that certain antitrust, environmental and health and safety regulations be eased to facilitate overseas sales raised some strenuous objections within the interagency group as they hammered out the document, sources report—and they are likely to run into greater opposition during the White House review.

On the antitrust front, the report's suggestion that the Justice Department liberalize its policies to permit American exporters to form joint associations outside the United States was not enthusiastically received by Justice officials; this proposal, if supported by the President, may require legislation amending the antitrust laws to bring it fruition.

Similarly Environmental Protection Administration and Occupational Safety and Health Administration officials are likely to balk at recommendations that they ease some requirements on domestic manufacturers who are producing for export markets.

Already the conflict between defenders of stringent social welfare rules and business is apparent. Environmentalists are currently working for regulations that would subject exports financed by credits from the Export-Import bank to an impact statement on the effect of the sale upon the environment of the client country.

The President's Export Council itself is a political vehicle that may be shunted aside not because it does not function effectively but because it was the creation of a Republican administration, designed to carry the views of big business—with members including the chairmen of the General Electric Company, the Boeing Company, the Continental Can Company—to the executive branch. President Carter, who does not utilize advisory groups to the extent that previous Administrations did, is anxious to rid his Administration of the big business image that such a group carries.

Special Trade Representative Robert S. Strauss has discussed with the President the possibility of calling a White House conference on exports to focus the nation's attention on the issue—and, some Washington sources say, to bypass the Export Council.

SMALL VERSUS BIG BUSINESS

The uncertainty of the Administration position, however, is underscored by the fact that the White House filled two vacancies on the Export Council in May—which some take to be a sign that the President ultimately intends to call the group into session.

The new appointees are both prominent in regional Democratic politics, but there is little in their background to suggest an expertise in the export field. The Administration explanation is that the two—Emile Roland Bussiere, a mobile home builder from Manchester, N.H., and Mark Hasten, a nursing home operator from Indianapolis—provide a necessary small business tilt to the council.

The Commerce Department's Mr. Weil is convinced that ways must be found to mobilize the smaller enterprises.

Indeed, the thrust of the Administration's program—not necessarily that of the export task force—is small business. The President wants to encourage small business to export more and is willing to provide incentives—even tax breaks—for those concerns that he doesn't want to extend to big business.

This focus is resented by the major corporations, who argue that it is their firms, who export on a large scale, whose support is needed in order to turn the trade deficit into a surplus. Thus, they argue, big business needs incentives, too—DISC, for example. Executives of major corporations also argue for the retention of the President's Export Council.

"It is a mistake not to take advantage of the knowledge of that group [President's Export Council]," says Charles Steward, president of the Machinery and Allied Products Institute, a trade group whose members are leading exporters.

Half of America's exports are made by 100 companies, 80 percent by 250 companies. It's the big companies that provide the big bucks, says John R. Rabson, vice president of the Ingersoll Rand Company, "and if we're going to trim our trade deficit, that's what's needed now."

Ralph A. Weller, chairman and chief executive officer of the Otis Elevator Company, and vice president of the parent company, the United Technologies Corporation, says that in actual practice the distinction between big and small business becomes blurred by subcontracting.

He cites the case of a United Technologies' export to South Korea of gas turbine generators for a power plant. Twenty-five percent of the shipment was vendor equipment. Of the vendors, 80 percent were officially classified as small businesses.

JUST PLAIN INERTIA

The primary problem in motivating small enterprises to enter the export arena, Commerce Department officials stress, is parochialism—or as one export sales analyst said, "just plain inertia."

Spoiled by the high consumption rates of the United States that for generations have absorbed most of the production of American companies, many businessmen in this country are not spurred to look beyond America for additional customers.

The British Board of Trade's view, for instance, succinctly stated in its exhortation to its countrymen to "export or die," assigned a priority to the field that many Americans consider excessively high.

Mr. Weil talks of his plans "to make ex-

porting attractive for the guy who comes from Toledo." The Commerce Department long ago established a special division aimed at just that goal, and while it has had some minor successes, it has never managed to make more than a small dent in the overall export situation.

Senator Adlai E. Stevenson, one of the legislators concerned about the issue, said last week, "Instead of complaining about foreign competition, we should beat it." Though the opportunities are large, the Illinois Democrat said, "The vision and the will are short."

But how Mr. Carter will reconcile the economic need to boost exports with often conflicting political and moral interests remains unclear.

"We tend to take the attitude that trade hurts us, instead of that it can help us very much," says Mr. Peterson of Lehman Brothers. "What we need is an assertion of political leadership to wipe out the negative orientations."●

NATO PARTICIPATION BY FRANCE

● Mr. HATCH. Mr. President, whenever the topic of NATO defense arises, the question of French participation comes quickly to the lips of those discussing the issue. It becomes evident to even the casual observer that France is in the enviable position of being surrounded by allies and no longer being at the front of an attack. However, a closer examination of NATO defense positions indicates that France is indeed vulnerable to an attack, should that attack come through the "hot corridor." This would have the effect of funneling the force of the attack through Germany and into France. This should, through its possibility alone, keep the French position on guard and willing to assist the other members of NATO in the event of an attack.

In the August 2 issue of the Christian Science Monitor an article appears that was written by Mario Rossi. Entitled "Would France Fight To Save Germany," it attempts to analyze the question of France's participation in a war against the Warsaw Pact. Mr. Rossi raises the question of when France will enter the conflict. Will it be at the beginning of the fighting, or rather when the soil of France is actually threatened? While France has indicated that it views the defense and security of its neighbors as essential to the defense of France, there is no clear-cut policy that would indicate just what action France will assume.

I feel that Mr. Rossi makes a strong point at the conclusion of the article when he states:

> With no potential enemies at the gates, the French were relieved of the constant anxiety that marked their past history. At the same time they realize that to be surrounded by friendly nations might have made an enormous difference in time of conventional wars—but in the nuclear age security has a far more extended meaning.

Mr. Rossi has brought a measure of perspective into the discussion, and I feel that he is correct in assuming that the French are aware that they are being counted on by the forces of NATO now stationed along the front lines. I recognize that the present political climate in France dictates that President Giscard d'Estang remain in the low profile that has been maintained by his administration with respect to NATO military participation.

Mr. President, I would hope that we here in the Senate realize that the French are our allies. The history of the French fighting spirit is ample testimony to their ability to defend the freedoms that the West now enjoys. It is inconceivable to me to think that France, the birthplace of Rousseau and Montesquieu, will turn its back upon the rest of Western Europe in their time of need. The French people would not permit such an action. It is for this reason that I encourage all of my colleagues to read this fine article. I ask that the article mentioned previously be printed in the RECORD.

The article follows:

WOULD FRANCE FIGHT TO SAVE GERMANY?

(By Mario Rossi)

PARIS.—France cannot very well choose sides and be neutral at the same time.

The policy of national independence so dear to the French has been made possible by two basic changes following World War II.

For the first time in history, France is no longer a military front line.

Also for the first time in history, France is surrounded by allies.

Now that the potential enemy is the Soviet Union and the Warsaw Pact countries, the front line has shifted to Germany. And Germany, the "traditional enemy," has become the best of friends. To the south, Italy is France's ally within NATO. The relations with post-Franco's Spain are excellent.

The French thus enjoy a sense of security, a freedom of maneuver, without precedent—and also the chance to proclaim that France can conduct its foreign, and hence military policy in total independence.

It was out of a sense of security that Charles de Gaulle decided in 1966 to pull his country out of NATO's integrated military command while remaining within the alliance. In the international climate prevailing before World War II a similar gesture would have been suicidal.

With France having decided to provide for its own defense, and developed for the purpose a nuclear arsenal, the question arises: "In case of conflict, at which level will France feel itself menaced—when the enemy crosses today's front line, that is the German border, or when the national territory itself is threatened?"

France's position in this respect has been ambiguous, to say the least.

The official doctrine in President de Gaulle's and President Pompidou's time was that France's "force de frappe" (nuclear striking force) would make an attack upon its territory so prohibitive that a potential enemy would not consider it worthwhile. In case of war, France would thus be able to preserve its neutrality the way the Swiss did during two world wars and on the same assumption.

In recent years this self-reassuring policy has come under heavy criticism as risky and unrealistic. A major contributing factor has been the enormous Soviet military buildup, especially the deployment of the medium-range SS-20 missile whose mobility and high precision represent a clear threat for Western Europe.

Obviously, should the Soviets be willing to risk French retaliation after a preemptive attack against French launching sites, the Soviet riposte could be such as to wipe France off the map.

Even without pushing their strategic thinking that far, the French, to quote former French permanent representative to the Atlantic Council Francois de Rose, have shown considerable concern at the "tenacity with which the Soviet Union pursues, through its programs and its negotiations, the strengthening of its positions and the weakening of ours." He added:

"The Soviet Union's surface and submarine naval power, the facilities she managed to acquire, especially in Africa, the recent events in Afghanistan, the threat she could exercise in time of conflict or even of tension against the supply of the Western world in products indispensable to its economic life, all this and much more falls within the framework of a thoroughly thought out and executed action."

"A moment may come," Ambassador de Rose stated, "when, as in chess, one of the players recognizes he has lost the game even though several moves remain to be played."

The French Government is moving carefully so as not to arouse the ire of the Gaullists and the recent converts to super-Gaullism, the Communists. But it is making an effort to overcome past contraditions, especially between armed neutrality in case of conflict and continued membership in the Atlantic alliance.

France's official policy today is that the country's national defense necessarily embraces also the defense of its neighbors and allies.

This does not mean, as Gaullists and Communists maintain, that France is reentering NATO's military apparatus by the back door. France remains as attached as ever to that independence of decision that being surrounded by friends makes possible. But it recognizes that, since 1966, when de Gaulle pulled France off NATO's integrated military command, the military situation has evolved—to Western Europe's disadvantage.

The French were quite rightly anxious not to get involved in conflicts not of their making, at a time when all decisions on peace or war were the superpowers' exclusive prerogative.

Today, it is pointed out in this capital, the Soviet Union is in the process of preparing highly precise means of attack against Western forces on the European Continent and against the American strategic arms expected to intervene in any battle of Europe. This means that Western cards are not improved and that the danger of a decoupling of the United States strategic forces and the forces engaged in Europe becomes ever more evident.

The call is obviously not only for an agonizing reappraisal of France's military and strategic posture but also for more integration and cooperation within the West. President Valery Giscard d'Estaing recognizes that this is an effort France must undertake if it wishes to contribute to the reestablishment of an equilibrium which only preserves the peace.

With no potential enemies at the gates, the French were relieved of the constant anxiety that marked their past history. At the same time they realize that to be surrounded by friendly nations might have made an enormous difference in time of conventional wars—but in the nuclear age security has a far more extended meaning.●

NATIONAL HEALTH INSURANCE—THE NEED FOR A NATIONAL HOME CARE POLICY

● Mr. DOMENICI. Mr. President, on July 29, 1978, HEW Secretary Califano outlined the administration's principles for a national health insurance plan. With an inflation rate presently at 10.4 percent and continually rising, the administration realizes that it must "control inflation in the economy by reducing unnecessary health care spending," while phasing in any national health insurance plan.

We cannot place a greater strain on the Federal budget; we must give consideration to a national health insurance plan which takes into account a financing mechanism which does not place the entire budgetary burden on the Federal Government. Such an approach would help control skyrocketing health care costs, while at the same time making health care services more accessible and available to the millions of Americans in need. What we must avoid is a "multibillion dollar health plan and its multibillion dollar tax increase."

The administration failed to include among its 10 principles a national home care policy, an approach which I believe is critical to curbing health costs in this country. Home care can reduce hospital costs, and minimize unnecessary hospitalization and premature institutionalization. I am a strong advocate of reducing health care costs, and I truly believe we need an expanded national home care policy as one means of accomplishing this objective. Home care is not only a means of reducing costs, but also an effective way of maximizing an individual's independence.

Such an approach also involves the family and various informal community support mechanisms in the care of older Americans. It brings together both medical and nonmedical services in a noninstitutional setting and is thus a far more humane way to care for the frail elderly.

Mr. President, in these days of ever-increasing health costs, it is obvious that we must seek ways to find alternatives to the extraordinarily high cost of hospitalization. Health care services at home would be one way of shortening the number of days in a hospital. There are many patients who could avoid hospitalization if there were an assurance that they would be properly cared for at home. We do know that in most instances people recover more quickly from an illness if they can be cared for in their own homes.

Legislative proposals in this area have been put forward in recent years. In August of 1977, I introduced S. 2009, a bill which would amend title XVIII of the Social Security Act to eliminate certain restrictions and limitations imposed for the receipt of home health services. Another concept was put forth by Senator HEINZ and still another by Congressman PEPPER and Congressman COHEN; and a fourth by Congressman CONABLE.

If this administration is truly committed to curbing rising health care costs, I believe it should consider an additional principle to its national health insurance outline; that is, the need to develop a national home care policy. Home care would be a cost-saving approach which would help fill a gap in an area of unquestioned need.●

THE SMALL BUSINESS DEVELOPMENT CENTER ACT

● Mr. NUNN. Mr. President, last year it was my pleasure to sponsor S. 972, the Small Business Development Center Act of 1978. After in-depth and extensive hearings, the Small Business Committee favorably reported the bill, and the measure was subsequently passed by the Senate on August 5. Earlier this year, the House Small Business Committee and the full House acted favorably on similar small business development center legislation, included in H.R. 11445, the SBA authorization bill.

Twenty-seven Senators joined in cosponsoring the Senate measure which would provide management, technical assistance, and counseling through State administered small business development centers. The centers would employ the resources of private and public colleges and universities and private consultants. The S. 972 services would be delivered through a statewide extension service network similar to the type now so highly successful in the agricultural extension services. This program has helped make the American farmer the most productive in the world.

All of us appreciate the vital role smaller concerns play in our economy. Nevertheless, recent Small Business Committee hearings have produced data which indicates that the small business sector is encountering major economic difficulties.

For example: 400,000 small concerns cease doing business each year; small businesses' total share of commercial and industrial assets has dropped from 50 percent in 1960 to 30 percent in 1972; the share of business profits of independent concerns has fallen from 41 percent in 1960 to 25 percent in 1972; and, only 44 percent of those small companies started, survive their first 2 years of operation. Additionally, smaller firms have experienced great difficulty in increasing their sales in foreign markets, which in turn exacerbates America's trade deficit problem.

Testimony, letters, and discussions with small business owners and managers blame these declines on: increasing Federal, State, and local regulatory burdens, continuing economic uncertainty coupled with inflationary pressures and high cost of money, lack of easily accessible and sophisticated management counseling, energy shortages, tax disadvantages and inequities, increasing industrial concentration, foreign competition, and rapidly advancing technology.

Normally, all businesses, large and small, face these problems. But small firms lack the resources of large corporations' sophisticated in-house specialists in legal, accounting, finance, marketing, and other such areas. These same small firms are also economically unable to retain expensive outside consultants. The Small Business Administration is not a viable source of management or technical assistance because the overwhelming majority of its resources are employed to assist those companies who are client-borrowers. Independent small business entrepreneurs are forced, therefore, to confront the enormous complexities of the marketplace alone.

The small business development centers that would be established by this legislation are designed to fill this management and technical assistance gap by furnishing independent, local small business firms with free, locally available, expert resources to help them with a multiplicity of diverse business problems. These services would be provided through an extension service delivery system utilizing the resources of public and private colleges, universities, community colleges, and private consulting groups and firms located throughout each State.

Mr. President, I am therefore very pleased that yesterday the Senate reaffirmed its commitment to the small business development center concept by once again approving S. 972 as title II of H.R. 11445, thereby sending the measure to conference with the House.

One of the leading advocates of the small business extension service concepts is Dr. William Flewellen, dean of the College of Business Administration at the University of Georgia. Dr. Flewellen was invited to author the "Distinguished Guest Editorial" in the 1977 fall issue—Volume II, number 2—of the American Journal of Small Business. His editorial is a clear and concise explanation of the Small Business Development Center concept and the promise it holds for the Nation's small business community; I believe that this would be a most appropriate time to share his thoughts with my colleagues.

Therefore, I ask that the editorial be printed in the RECORD.

The editorial follows:

UNIVERSITY BUSINESS DEVELOPMENT CENTERS

(By W. C. Flewellen, Jr.)

The small business community today is much like the agricultural community of the late 19th and early 20th centuries. The agricultural establishments were relatively small. Their owners had little experience and usually little formal training in operations and management. Their access to market information was limited. They lacked knowledge about available technology, financial resources, materials, processes and techniques. In fact, most of the present products, processes, materials and technology were yet to be developed. The small farmer faced a built-in competitive disadvantage with larger competitors and was at the mercy of other segments of society.

Recognition of the unique situation of the agricultural sector led to formation of a partnership—a partnership joining state and federal governments with the universities and the farmers. That partnership has been a major force in the formation of the effort that has made agriculture in the United States a "fairy tale" success and has enabled it to feed the world. Billions of dollars have been spent through this partnership, but more billions have been saved. In the state of Georgia alone in the past few years agricultural scientists in its land-grant university developed a serum that eliminated a major poultry disease, Mareks disease. Twenty-five million dollars were saved by Georgia poultry growers in that year and each year since—one example from a multitude.

Two years or so ago recognition of the plight of the small businessman began to cause concern. Especially concerned were the leadership of the Small Business Administration and a small group of deans of business schools. A few years earlier at Texas Tech. University, a program, the Small Business Institute, had been initiated. The program brought university expertise and resources, through the School of Business, to bear upon problems of small businesses that had obtained loans through the Small Busi-

ness Administration. After several years the success of the SBI program was considered evidence of the abilities of schools of business to move in on the problems of small businesses, hand in hand with government.

Interest led to study. Data indicated that the small business sector of the United States includes nearly 10,000,000 small businesses and that this multitude of small businesses constitutes 97 percent of the Nation's businesses. These small businesses provide 58 percent of the Nation's business jobs and produce 48 percent of the gross business product. Furthermore, small business has come to be regarded by many as the last bulwark of the free enterprise system. They no longer regard the small farmer as symbolic as they were earlier in the century. Big business and big government are not now regarded as preservers of the free enterprise system. The 10,000,000 small businessmen are thought to offer our greatest promise for its survival. The small business sector of the United States is an important factor, a critical factor, in its economic life. However, the data also indicated that of every ten small business firms that start each year, only one will be in operation five years later. The *Business Failure Record*, published by Dun and Bradstreet, Inc., reports consistently that more than 93 percent of all business failures are due to managerial weaknesses and deficiencies.

The Small Business Administration and a group of university administrators began development of a model for linking state and federal governments with the Nation's universities to serve small business. The model came to be known as the University Business Development Center. Eight educational institutions were designated to try out the proposed program, and symbolic funding was provided for 1976–77, with the prospect of increased funding in subsequent years.

While the SBA and the universities were working on their model, the Congress, through the Senate Small Business Committee, began to develop legislation that could provide resources for a nationwide program similar in concept to that in agriculture. Forward-looking legislation, S. 972, passed the Senate in August, 1977. Companion bills in the House will hopefully make possible the program, which holds much promise for reduction of the failure rate for small businesses.

The model is based upon the agricultural extension and experiment station programs, which provide a proven conceptual framework for the government-business-university partnership. The model stipulates joint federal and state financing. It deems essential a focus upon state level programs, as opposed to institutional level, as is the focus in agriculture. Thus, as in agriculture, each state would develop its own state plan which would give special attention to the problems that are unique to that state. Optimally, the plan would include enough educational institutions of all types and at all levels to cover the state and provide the services in the most effective manner. Services provided could have similarity in programmatic guidelines but would allow for differences in application. The model proposes that commitments be long-term to permit career commitment of faculty and staff. The small business assistance program would serve both the small business community and the students of the educational institutions involved. Its primary objective is the improvement of the success rate for small businesses. The improvement would be effectuated through management assistance and basic and applied research. The program would provide management screening, management information and training, counseling, applied research and economic information. It would provide psychological analyses of business skills and entrepreneurial aptitudes, minority and female entrepreneurial development, innovation and product development, technology utilization and assistance, a business law center, an international trade development center, a capital formation information center, an economic and environmental center, and a marketing services center. Faculty would study problems common to many small businesses, such as the impact of proposed and present tax laws or the impact of the minimum wage or of equal opportunity

Furthermore, the Small Business Institute Program has proved that students are effective in assisting small business and find that it is one of their best learning devices. The program also appears to develop aptitudes for entrepreneurship and should lead to the involvement of more college graduates in small businesses. The program would develop facilities with more practical experience and orientation, and thus, the degree-granting educational programs would be improved. However, these last noted benefits would largely be byproducts of the program, as they have been in agriculture.

Schools of business have long had a commitment to service. They are eager to serve small business through the Small Business Development Center Program. Small business has shown substantial interest, and the eight pilot programs have more requests for assistance than their resources enable them to handle. The SBA is supportive. The Senate has passed S–972, which would establish the program with adequate funding. A companion bill with many sponsors has been introduced in the House. Prospects are promising for a program that will be good for our free enterprise system.●

GROWTH IN PAPERWORK HARMS SMALL BUSINESS AND THE PUBLIC

● Mr. HATCH. Mr. President, I call the Senate's attention to the recent testimony by Professors James Bennett and Manuel Johnson of George Mason University before the House Subcommittee on Special Small Business Problems on June 13, 1978. The professors reported the results of their studies which show that the Federal bureaucracy is imposing substantial costs on the private sector as a result of a rapid growth in its paperwork requirements.

Mr. President, these paperwork requirements are now so large that they have assumed the form of a tax. We have a situation here where the growth of Federal bureaucracy is preempting private sector resources and assuming the role of a second tax collector. I have taken the position that the private sector should be compensated for the cost of complying with the burden of paperwork that the Government imposes on them. The Federal agencies, in effect, increase their appropriation by the amount of the paperwork costs that they impose on private business. It is just as if they had taxing power. It is not only a serious financial drain on small business, it is also an invasion of the authority of the congressional tax committees and further evidence of the usurpation of congressional authority by bureaucrats who are not elected.

We are indebted to Professors Bennett and Johnson for their fine work, and I am sure that it will lead to some constraints placed on the Federal bureaucracy by the Congress, if we truly represent the interests of the public. I ask to print in the RECORD their introductory statement before the House subcommittee, and an article about their testimony by Jack Anderson.

Their testimony and the article by Jack Anderson follow:

INTRODUCTORY STATEMENT

Our testimony before the Subcommittee on Special Small Business Problems of the U.S. House of Representatives centers on two research papers entitled "Paperwork and Bureaucratic Behavior" and "Bureaucratic Imperialism: Some Sobering Statistics." These studies are part of an ongoing investigation of the economics of government and bureaucratic behavior being undertaken by the Center for Economics, Business & Public Policy of the Contemporary Economics & Business Association at George Mason University in Fairfax, Virginia.

A common theme links these two articles: bureaucrats, first and foremost, serve their own self-interest; the public interest is served only to the extent that it coincides with the self-interest of bureaucrats. In general, the self-interest of the typical bureaucrat is enhanced by expansion of the government sector, for increased budgets and government employment offer expanded opportunities for promotion and advancement within the government sector. It is, therefore, in the bureaucrats' self-interest to take actions which lead to increased employment and budgets. An ideal way to expand the role and, thereby, the size of government is to encourage increases in the power to the bureaucrat over individuals and businesses.

The first paper which we discuss, "Paperwork and Bureaucratic Behavior" analyzes the role of paperwork in a model of bureaucratic behavior. A theoretical model is developed which describes paperwork as an instrument of the bureaucrat in the budgetary process; paperwork allows the bureaucrat to disguise agency costs and to shift the burden of bureau output from the public to the private sector. In other words, if the private sector were compensated for the burden of government paperwork, there would be less paperwork, government agencies would be smaller, and agency budgets would be smaller. Our theoretical model is supported by an empirical study of government paperwork by agency for fiscal year 1972. As is well known, the burden of federal government paperwork often falls disproportionately on small business firms because, in many cases, reporting requirements are not varied with firm size. To our knowledge this paper is the first effort to deal in a rigorous theoretical and empirical fashion with bureaucratic paperwork and its impact on the private sector; much additional research into this pervasive phenomenon is needed.

The second paper, "Bureaucratic Imperialism: Some Sobering Statistics" documents the rapid growth of the Internal Revenue Service over the period from 1914 (when the income tax was introduced) to 1975. The IRS was specifically exempted as an agency from the Federal Reports Act of 1942 which requires approval of government forms by the Office of Management and Budget. Thus, the growth rates presented in this second paper are indicative of the bureaucratic expansion which may occur.

Both of these papers clearly reveal that government bureaucracies can have enormous impact on the private sector. Our research indicates that as the bureaucracy pursues its self-interest the impacts which result may be inimical to the public interest.

THE TYRANNY OF THE BUREAUCRAT

Another tax rebellion, not unlike the insurrection that brought down the British tyranny 202 years ago, is sweeping America. But the tyrant under attack is no King

George III conspicuously ensconced on his throne; it is the anonymous government clerk seated in his cubicle.

In his pettifogging way, the bureaucrat has gained control over our destiny so unobtrusively that we didn't realize we were oppressed. So gently, prosaically, gradually and invisibly did he tighten the bonds that we never appreciated the extent to which we were caught in his grip, and we protested only the inconveniences—the late letter, the length of the food-stamp line.

This finesse, this capacity to narcotize, made possible feats of domination unimaginable to Charlemagne. Prior to the bureaucratic age, when a government was short of funds, it had to lay hands forcibly on estates or invade and loot other countries. Now the Treasury experts peaceably and effortlessly perpetrate the same atrocities by manufacturing paper money or devaluing the currency.

Thus the bureaucrat has quietly become a tyrant. He demands the rigid observance of set rules and procedures, the interminable seeking of permission for divergence. He embraces secrecy and discourages dissent, because the democratic processes disrupt the smooth implementation of his plans. He abhors democratic politics, with the emotions and harangues and oversimplifications.

The bureaucrat was supposed to deliver us from the feudal rigidity of the baron and the simplistic ferocity of the king. In their place was established a body of magistrates and clerks, detached, methodical, guided by uniform regulations which were followed to the letter. This made possible what we grandly hail as "government of laws and not of men."

But the laws have multiplied, each ensnarled in red tape and regulations, until the bureaucrat can find a legality to support any decision he chooses to make. This is bringing back the horror of whimsical rules, albeit by a clerk rather than a king.

It is estimated that last year legislative bodies at all levels—federal, state and local—enacted 150,000 laws and that each of these laws will require the issuance of 10 regulations on the average. The result of all this is growth beyond control or even comprehension.

The cost to private citizens and private businesses for merely filling out federal forms is more than $60 billion a year, including an estimated $21 billion worth of man-hours spent on preparing individual income tax returns. The cost of paying, housing, equipping and pensioning off the federal bureaucracy is more than $100 billion a year. One hundred tons of waste paper are collected each day from federal offices.

Every private enterprise of any consequence is now entangled in government red tape to the extent that last year businesses had to prepare 114 million forms—15,000 different types of them—for the federal government. The paperwork in licensing a single nuclear power plant frequently exceeds 15,000 pages and may cost $15 million. Nitpicking over the most minor point may drag on for years.

According to an unpublished study by James Bennett and Manuel Johnson, a pair of economics professors at George Mason University in Virginia, the number of regulatory reports required by the federal government multiplied during a recent period by more than 30 percent. Worse, the forms became increasingly complex; the time it took to complete them increased 63 percent.

Justly do we groan under the complexity, the myriad exceptions and alternatives, encountered in the 6,000 pages of our income tax code. The Internal Revenue Service has on its shelves no fewer than 13,200 separate forms; each of these may have many individual "schedules" attached to it. No fewer than 41 different forms are "commonly used" with the 1977 federal income tax returns.

The Office of Management and Budget, which has been called upon by President Carter to remove the snarls from the federal operation, has become caught in a swirl of forms, schedules and memos, says the professors' study. This is the office which approves new governmental forms; the record shows it almost never turns one down.

It may take another rebellion to throw off the bureaucratic shackles. Perhaps the revolution has already started over excessive taxes in California.●

DR. PETER BOURNE AND THE MEDIA'S RESPONSIBILITY

● Mr. HATHAWAY. Mr. President, I would like to call the attention of my colleagues to an article appearing in the August 2, 1978 Washington Post titled "The Bourne Case: In Defense of a 'Good and Gifted Man' " written by Nicholas Von Hoffman.

As chairman of the Subcommittee on Alcoholism and Drug Abuse, it was my privilege to work closely with Dr. Peter Bourne on a number of issues. He was an uncommonly dedicated public servant with a fine record of achievement in both Democratic and Republican administrations. I was particularly impressed with his leadership as Director of the Office of Drug Abuse Policy in coordinating the wide variety of Federal programs involving prevention, treatment, rehabilitation, and enforcement efforts directed at stemming drug abuse and associated problems.

Under his leadership, we have seen heroin availability decline to its lowest levels since data began to be gathered in 1973. Similarly, heroin-related deaths and injuries have shown dramatic downturns.

Further, a number of policy proposals for rationalizing and streamlining our demand-reduction and supply-reduction efforts were developed by his office and hopefully will be implemented in the foreseeable future.

These accomplishments have unfortunately been overlooked in the midst of the media furor over his resignation and and the events preceding it.

I do not agree with everything Mr. Von Hoffman says. And I do not question the right of the press to report on the activities of Government officials. But, I regret very much that the media coverage of Dr. Bourne's resignation has totally obscured his very substantial contributions to our public policy in a critically important area. Mr. Von Hoffman properly asks a number of valid questions in this regard.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

THE BOURNE CASE: IN DEFENSE OF A "GOOD AND GIFTED MAN"

(By Nicholas von Hoffman)

Seldom has a public career been snuffed as fast as Dr. Peter Bourne's. On a Tuesday, the psychiatrist was on the White House staff, the president's top adviser on drugs and an important collaborator in the work of politics and public policy. Puff! By Thursday he's resigned and vanished into the nebula of nasty surmises and smirched reputation.

Dr. Bourne may not only hold the record for the quickest execution, but also the one based on the most trifling of causes. He has been chased out of public life because as a doctor, he wrote one prescription for 15 sleeping pills with a phony name on it to protect his patient's privacy.

The patient was his assistant, Ellen Metsky, who feared the fact that she was prescribed for by a psychiatrist could subsequently be used against her in politics and government. Vide Sen. Thomas Eagleton and the vice presidency in 1972.

Writing a pseudonym on a prescription is against the law, so when the authorities accidentally learned of this infraction, they immediately made Metsky's name public, the mass media immediately broadcast it everywhere and Bourne was immediately ruined.

I've known Peter Bourne for 12 years long before he had any thought of going into politics. This biases me in his favor, but it also enables someone who has known him since he was a young doctor and U.S. Army officer to realize how seriously Bourne has been wronged and the rest of us have been cheated by his forced retirement.

An ethical man, an honorable man, a careful and cautious doctor, what is past believing is that there aren't even any allegations in what I suppose we'll have to call the Bourne case. No money was involved, no conflict of interest, nor lobbying—licit or illicit—no bribes, no smuggling, no dope traffic, no nothing. Even though he technically violated an obscure law, it's straining to tax Bourne even with bad judgment. What he did was to be a doctor to his patient.

The customary practice for government figures, when being hit by dangerous accusations, is to fight back, and Bourne did at first issue a statement saying he would clear his name. Twenty-four hours later he decided that, as he told President Carter, "there really is no way for me to combat the charges publicly made against me and the rumors which run rampantly throughout this community. . . . I have watched and read the press and television reports of my problem. . . . I have seen law enforcement officers release to the world the name of my patient, other articles containing the grossest innuendo and obviously emanating from law enforcement sources, a prosecuting attorney discuss my case on national television . . . now the attacks move from my medical conduct to my personal conduct."

He's right. The prescription incident is so minor it's inconceivable it'll ever get to court. Remember the uproar is over 15 lousy pills of a drug so common that doctors wrote more than a million prescriptions for it last year alone. Bourne isn't going to get his day in court because no court entertains accusations so frivolous.

We're left with gossipy trash about Bourne having been seen at a party at some time or other smoking a reefer or sniffing coke. I've never seen him do either, but if he did, he wouldn't be the first White House person in this administration or others to take some dope. If we're going to fire everyone in this country who's smoked a joint or snorted a spoonful of white nose corrosion, the upcoming unemployment the Republicans keep predicting is going to be a lot worse than even they hope.

Under other circumstances Bourne might hope for vindication in the president's keeping him on, but Mr. Carter is so weak politically he has had to concede to Congress and the mass media a de facto veto over the personnel on his own staff. The only places Bourne has to reply for redress are the news organizations who took his good name in an idle hour's exercise of power. They ran him out of public life for the same reason the biggest kid in the locker room snaps a wet

towel at another boy's fanny—to hear the yelp and to remind everyone who is bigger than who.

There's no defense against big media. Big media defends its own just like doctors do. Sometimes you can get them to make a correction, very rarely a retraction. But when did you last hear or read an apology?—a front page editorial, the lead on network news show where they start off by saying, "We're sorry, we violated somebody's privacy, we wrecked a career, we ruined a home, we acted arrogantly, we threw our weight around and we hurt people."

Anyhow, I am sorry, but Bourne is a good and gifted man and there are enough people in America who wink and chuckle at mass media malarkey so that Bourne will make his contribution, if not in Washington, then somewhere.●

SMALL REFINER BIAS: A SUBSIDY GONE WILD

● Mr. KENNEDY. Mr. President, I call the attention of my colleagues to an article by Tom Alexander which appears in the August 14 issue of Fortune magazine, "How Little Oil Hit a Gusher on Capitol Hill." The article rightly criticizes the "small refiner bias," a portion of our current oil pricing system which constitutes a serious obstacle to an effective national energy policy.

As Mr. Alexander points out, the "small refiner bias" in the oil entitlements program currently gives an extraordinary subsidy to refiners who produce less than 175,000 barrels per day. Its provisions were originally intended to offer a measure of protection to independent refineries which produce specialized products, or were located in isolated rural areas. But what started out as a seemingly reasonable exception is now an unwarranted bonanza. Currently, the Federal Government presides over a system of entitlements and "appeals relief" payments which award more than $1.125 billion per year to small refiners.

The subsidies have become an incentive to build smaller, relatively inefficient refineries instead of large efficient ones. In 1976 and 1977, for example, 36 plants were built or reactivated, yet 19 of these produce less than 10,000 barrels per day, and only one boasts of production capacity for more than 50,000 barrels per day. Many of the small refineries eligible for these special subsidies are owned by the largest oil companies in the Nation, who certainly have no need of such financial assistance.

The small refiner bias does little, on the other hand, to deal with the pressing problem of maintaining fair competition within the oil industry. It provides extra entitlements and payments to small refineries regardless of whether they are part of a larger integrated firm or not. This means that independent refiners have a cost disadvantage compared to integrated competitors.

This past June, I proposed an entitlements credit for arms-length purchases of crude oil in the open market. This proposal would do much to protect independent refiners and preserve competition in the refining industry, and should replace the inefficient and ill-conceived small refiner bias.

So that Members of the Senate may read Mr. Alexander's article, I ask that it be printed in the RECORD.

The article follows:

How Little Oil Hit a Gusher on Capitol Hill

(By Tom Alexander)

Some oil experts are predicting that the U.S. is going to experience a shortage of refinery capacity in a few years. One of the reasons, they add, is that too many refineries are being built. If you think you detect the antic touch of your federal government somewhere in this paradox, you're right. Through some convoluted manipulations of oil-price controls, the government has set off a veritable boom in small refineries. Since 1976, the total number of refining companies in the U.S. has grown by forty-one, or more than 31 percent, and the pace seems to be accelerating.

The exploding refinery population consists almost entirely of inefficient, inappropriately designed plants whose main function is to enrich their owners at public expense. Subsidies to small refiners now run well over a billion dollars a year. The government siphons the money away from bigger oil companies, but the consumer ultimately pays.

Few of the subsidized refineries can do what most needs doing. Most are tiny—handling no more than 10,000 barrels of crude oil per day—an anomaly in an industry where standards of efficiency, productivity, and flexibility call for plants with capacities of at least 175,000 barrels per day. And few of these little "teakettles" are capable either of cleaning up the "sour," or high-sulfur, crudes that are relatively plentiful, or of "cracking" the less valuable petroleum fractions into the gasoline and heating oils that the nation most needs.

OUT OF THE GRITTY SEDIMENT

Yet, their proliferation has helped discourage investment in bigger, more versatile refineries—the kind that are already severely constrained by environmental regulations. As a result, the U.S. may in a few years wind up with another refinery bottleneck like the one that led to shortages and price increases in the early Seventies, well before OPEC flexed its muscles.

While almost no one anywhere can be found to defend the teakettle refining industry except the industry itself, the consensus in Washington is that there's also not much likelihood that anything very significant will be done about the subsidies. Questions on the issue tend to be answered with a glance toward the Hill and the resigned shrug that often closes discussions in the capital city. For the subsidization of little refineries represents another of those divergencies between rationality and destiny, the acceptance of which passes for local wisdom. It also represents one of the more lucrative successes of that new and thriving entrepreneurial class—the lawyers and clients who have learned how to pan the plentiful gold that resides in the gritty sediment of the Federal Register.

Small refineries have always had a legitimate niche to fill in the economic ecology, particularly in producing specialized products or locating themselves near markets or oil sources that are small and isolated. But another thing they have going for them is the right kind of friends. As oil companies go, they may be small, but they loom pretty large in the average congressional district. Even a little refinery processing only 10,000 barrels a day would have revenues of $50 million to $60 million a year. So, over the years, Congress has developed a touching solicitude for small refining that manifests itself in many ways. There's a program to lend small refiners money at below-market rates, another that reserves them some of the Defense Department's oil purchases, another that sets aside for them some of the oil from the Naval petroleum reserves, and so forth.

THE $2.5-BILLION SHUFFLE

One benefit to small refiners sprang up in the good old days when foreign oil was cheap and the government took pains to keep it out of the country with an import-quota system. All refiners were allowed to import some of their crude oil, but the government allowed small refiners to import proportionately more. The embargo in late 1973 and the subsequent increase in foreign oil prices turned everything on its head. All of a sudden, it was domestic oil, with its cost held down by price controls, that everyone was trying to get his hands on. In an effort to equalize the cost to refiners that processed domestic and foreign oil, the government came up with the so-called entitlements program. Companies that refine relatively large amounts of cheap domestic crude are required to buy entitlements from those refining relatively more imported oil.

The price of each entitlement is the difference in cost between a barrel of imported oil and a barrel of controlled domestic oil. This difference now amounts to $8.35. Complex as the system is, it seems to work, at least to the extent that buyers and sellers come out even, and some $2.5 billion worth of entitlements changes hands a year. "The remarkable thing," marvels Douglas McIver, the government official in charge of the entitlements program, "is that people actually write the checks, to the tune of some $200 million every month."

But what about those little refiners that got special access to foreign oil in the days when it was cheap? Shouldn't they also get special treatment now? Indeed, much of the talk in Congress when price-control regulations were being drawn up was to the effect that Little Oil was put at an increasing disadvantage because it was little. To alleviate that injustice, Congress threw into the Emergency Petroleum Allocation Act some all-purpose language that directed the bureaucracy to provide for a number of wonderful things:

". . . (D) preservation of an economically sound and competitive petroleum industry, including the priority needs to restore and foster competition in the producing, refining, distribution, marketing and petrochemical sectors of such industry, and to preserve the competitive viability of independent refiners, small refiners, nonbranded independent marketers, and branded independent marketers;

". . . (F) equitable distribution of crude oil, residual fuel oil and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry, including independent refiners, small refiners, nonbranded independent marketers, branded independent marketers, and among all users;

". . . . (H) economic efficiency; and

"(I) minimization of economic distortion, inflexibility, and unnecessary interference with market mechanisms."

DETECTING A MESSAGE

Some think that it was only by oversight that Congress neglected to call for lower prices and higher profits, sunnier weather and adequate rain, and the abolition of cheating at cards. One can smile at the picture of federal officials opening their orders one morning and dazedly undertaking to "restore" competition among the 150 refiners in the oil industry while accomplishing all the other desirable and mutually contradictory tasks they were assigned. What these officials did, understandably, was read into all the directions about equity, viability, efficiency, market mechanisms, and so forth, a message to do something especially

nice for Little Oil, and they proceeded manfully to oblige. Into the entitlements program they folded the appropriately named "small-refiner bias."

This led the government simply to allocate extra entitlements to "small" refiners—defined as those having "runs to stills"—or crude-oil inputs—amounting to fewer than 175,000 barrels a day. In general, the smaller the refiner, the more entitlements he gets for every thousand barrels of crude he runs. Exactly how this furthers the aim of improving "economic efficiency" or reducing "economic distortion," no one has ever clearly explained.

Anyway, as is its wont, complexity begat complexity. Ever since, Congress and the energy bureaucrats and various courts have been fiddling with the rules, seeking that golden state of equitability, the definition of which depends on which party has the best-connected lobbyists.

For instance, it quickly developed that not all the small refiners the government thought it was benefiting were altogether happy with the presents they had received. Some who had access to lots of price-controlled crude complained that they shouldn't be required to buy entitlements at all. To do so, they argued, was to pay a subsidy to the less prudent, less foresighted refiners who had allowed themselves to get stuck with foreign oil. (They did not emphasize that most of the money for entitlements is paid by Big Oil—e.g., this year Amoco will pay out $30 million.)

WHAT A LITTLE BIAS WILL DO

The aggrieved refiners hired Joseph Califano, then a Washington lawyer, who talked Congress into giving them a bonanza of outrageous proportions (see the story on page 152). That victory led in turn to further rounds of heavy lobbying, congressional compromises, and regulatory changes, which is the spring of 1976 practically doubled the subsidies to all small refiners, as shown in the chart above.

At this point, the amount of money that had begun to flow from the big refiners to the small ones began to seem quite interesting. The smallest category of refiners—those running 10,000 barrels per day or less—were allocated 228 "bias" entitlements for every thousand barrels they run. With entitlements now worth about $8.35 apiece, the effect is to hand these refiners a price break of around $2 on each barrel of their raw material—an amount that substantially exceeds their extra costs of refining (a small refinery's costs generally run 50 cents or so a barrel more than a large refinery's).

With that kind of subsidy, it pays to go into the refining business. The cost of building an ultra-simple small refinery lies somewhere in the neighborhood of $1,000 per barrel of capacity—and a lot less than that if the operator can scrounge up used equipment or acquire intact an old refinery that some large company previously closed down as uneconomical. Clearing some $20,000 a day before taxes from bias entitlements alone, the 10,000-barrel-a-day teakettle operator could sell his products at cost and still pay for his refinery in somewhere between eight and eighteen months. And from that point on, the gravy would flow in at a rate of around $7 million a year.

The consequences were predictable. In the year prior to the doubling of the subsidy, only three refineries were completed in the U.S. In 1976 and 1977, thirty-six plants were built or spun off and reactivated, nineteen of them below 10,000 barrels per day of capacity. Only one—a 126,000-barrel plant—had a capacity over 50,000 barrels a day. Most of the owners of these plants are former petroleum-products jobbers and retailers, and they acknowledge that they wouldn't be in the business if it weren't for the small-refiner bias. Says Lamar Lund, president of Mount Airy Refining Co., whose 11,600-barrel refinery in Louisiana opened last year, "If there weren't the bias or an equivalent benefit, we would have to shut down."

BETTER OFF BROKEN UP

The perverse incentives at work are illustrated by the case of Pennzoil, which has three refineries with an aggregate capacity of 50,000 barrels a day. Ray Rabke, a Pennzoil vice president, notes with some disgust, "The federal government has put on a largely disproportionate incentive to be small. If our refineries were operated by separate companies, the total benefit received by the three would be $18.9 million a year. As things stand, we get $6 million. Some people have offered us a premium price for one of our small refineries because the bias is so big." So far, Pennzoil has resisted breaking itself up. Among those who have sold off little plants, however, are Allied Chemical, Tenneco, American Petrofina, and Tesoro Petroleum.

The total amount of money that flows from large to small refiners under the direct provisions of the small-refiner bias now runs around $700 million per year. But that isn't all: a kindly government also provides something called "exceptions and appeals relief" to take care of lingering difficulties. The recipients of this relief are small companies that have domestic oil but can't afford to make their entitlements payments, or otherwise find themselves in the strange predicament of not being able to meet "historical levels of profitability." Under these circumstances, the government may issue extra entitlements or bend the rules. By now, exceptions and appeals relief has come to assume almost as important a role as the small-refiner bias—some $460 million went to small refiners under its provisions last year.

Taken together, the $1.1 billion provided small refiners last year would be enough to build four or five modern 200,000-barrel-a-day plants. If the government were really serious about "fostering competition" and "efficiency" in the oil industry, it would be bending its efforts toward encouraging the construction of those large and flexible plants that can handle sour crudes. Instead, there are already moves afoot to replace the small-refiner bias with other measures to prop up the little companies if and when Congress ever gets around to equalizing the costs of domestic and imported oil, either through taxes or deregulation.

The fruit of government's efforts to succor Little Oil seems to have been to make the once-competitive small-refining industry noncompetitive. In fact, the very concept of competition, embodying as it does the notion of winners and losers, has for practical purposes been abandoned. Efficiency and the willingness to assume risks have become unnecessary virtues. Despite Congress's original assertions that the measures to aid small refiners were temporary, the government seems to have saddled itself with a self-perpetuating constituency of investors who were induced to build refineries just to capture subsidies. And in the political world, subsidized constituencies seem to be the kind with the most assured futures of all.●

FIVE TO ONE IS WRONG

● Mr. LAXALT. Mr. President, some 50,000 nonindigenous Communist troops are now in Africa, 40,000 Cubans, 5,000 Russians and 5,000 East Germans, along with assorted other East Europeans. This force exceeds the next largest French force by a factor of 5 to 1, and to me poses a direct threat to any attainment of peace on the Continent.

Notwithstanding Ambassador Young, this large Communist force is by its very nature destabilizing. The mere existence of an unchecked, extraneous force of this magnitude on a volatile, resource-rich continent will spark a continuing series of interventions and counterinterventions such as we have seen recently, thus threatening to transform the entire continent into one giant battlefield.

For this reason, I am encouraged by recent reports in the Economist of London that African leaders are beginning to speak out. At a recent summit meeting of the Organization of African Unity in Khartoum, a number of responsible voices were raised urging a sharp reduction in the number of Communist troops on the continent.

Mr. President, because these voices are still in the minority and because the presence of such a large Communist force in Africa is a serious matter worthy of the attention of my colleagues, I ask that the text of the Economist editorial from the July 29, 1978, issue entitled "Five to One is Wrong" be printed in the RECORD:

The editorial follows:

[From the Economist of London, July 29, 1978]

FIVE TO ONE IS WRONG

"A policy of force and intervention in Africa" is to be rejected "regardless of the source", the Organisation of African Unity's summit meeting declared last weekend, after a debate in which the voice of Africans willing to criticise Russia was for once loud in the land (see page 54). The Cuban army in Ethiopia is conspicuously not taking part in the Ethiopian government's latest attempt to crush the rebellion in Eritrea. The Cubans in Angola have not acted to prevent that country's government considering a deal with the west, in which Angola would support the west's plan for Namibia and make peace with western-backed Zaire in return for the dropping of western help to rebels inside Angola. This unusual Cuban diffidence is in large part explained by this week's meeting in Belgrade of the "non-aligned movement", where Cuba's clumping around Africa in support of Russia's friends has caused raised eyebrows even in that tolerant mixture of neutrals and neutrals-on-Russia's-side.

So was Dr. David Owen right when he told the house of commons on June 28th that Africa was starting to turn against Soviet-Cuban policy? Not yet. It is better that the Cubans in Ethiopia should be oiling their guns rather than using them against Eritrea's justifiable attempt to break free from the Ethiopian empire, and better that the Cubans in Angola should confine themselves to keeping Mr. Neto's government in power rather than dictating his foreign policy. But the problem of the Soviet-Cuban intervention in Africa will not start to be solved until the sheer number of communist soldiers in the continent has been sharply reduced.

Africa now contains at least 50,000 men in uniform from non-African communist countries. That includes more than 40,000 Cubans, most of them in Angola and Ethiopia but with contingents in 11 other countries; at least 5,000 Soviet advisers, mostly in Angola and Ethiopia; and an unknown number of troops and "security personnel" from eastern Europe, including maybe 3,000 from Russia's most dutiful dependency, East Germany. On the other side of the balance there are only about 10,000 French troops in the continent, half of them doing nothing

much in Djibouti, and up to 3,000 of the rest engaged in helping the governments of Chad and Mauritania against rebels supported by unfriendly neighbours. No other NATO country has fighting men in Africa.

The disparity goes beyond numbers. Three quarters of the total French force in Africa, including the 5,000 men in Djibouti, are militarily inactive. The fighting quarter is in sporadic action against Frolinat rebels in Chad and Polisario rebels in the western Sahara who depend substantially (in Polisario's case perhaps decisively) on weapons and bases they have been given by Libya and Algeria respectively. The 25,000-plus Cubans, Russians and East Germans in Angola are engaged—the Cubans more or less continuously—in protecting that country's government against two rebel forces which have been getting some arms from pro-western friends but could probably keep up a fight of sorts without further supplies. The 20,000 communist troops and advisers in Ethiopia are protecting Colonel Mengistu's government from Somali, Tigrean and other rebels while it concentrates its own army for the suppression of Eritrea. Remove the Cubans and Russians, and the policies and probably the governments of two major African countries would have to change. Remove the French, and the government of minor Chad might change, but equally minor Mauritania's could probably survive with Moroccan help alone.

TO SOMETHING LIKE EQUALITY

This disproportion of size and impact between the Cuban-Russian and the French operations is too large, and should be reduced. No doubt it would be unreal to contemplate the removal of all foreign troops from Africa: too many of that continent's rulers want the insurance policy such troops can occasionally provide. There is anyway something fundamentally suspect about the proposition that military matters in Africa should be left entirely to Africans. That would give large, pugnacious African countries too much of an advantage over small, weak ones. (Apply the same idea to Europe: precious few west Europeans would argue that military matters in their continent should be left to Europeans—who include large, pugnacious Russians—without an American counter-balance.) But a ratio in Africa of five Cubans to one Frenchman—and much more than that of Cubans and Frenchmen actually fighting—is dangerously out of balance.

The argument against allowing Russia and Cuba to continue their intervention in Africa is not answered by evidence that they are for the moment behaving more circumspectly. There need to be fewer armed Cubans and Russians around the place. Otherwise they will continue to distort the internal politics of the countries where they are stationed. They will also distort those countries' relations with their neighbours, by their power to intervene—even just to hint that they might intervene—in cross-border arguments. So long as Angola and Ethiopia contain the equivalent of a couple of Cuban divisions apiece, the fear that Sudan's President Numeiry expressed to the OAU summit—that "every call for intervention is followed by a call for counter-intervention"—will haunt the continent. The policy of the west, and of Africans who do not want to inhabit a battlefield, should be clearly directed at getting the Soviet-Cuban presence cut down to size without further delay.●

RECLAIMING THE AMERICAN DREAM

● Mr. HATCH. Mr. President, on July 27, Senator HAYAKAWA and I introduced the Job Opportunity Bonus Act of 1978, colloquially known by its acronym JOB or the job act, S. 3350. As I said in this Chamber the other day, our legislation is intended to accomplish what the Humphrey-Hawkins so-called full employment bill (S. 50) can only promise to do. Today I would like to briefly itemize and explain the major significance of the provisions of our bill.

The purpose of our legislation, as simply explained in section 2 of the bill, is to institute a program to reduce structural unemployment among our Nation's citizens—both those living in rural and urban poverty areas. It will do this by providing incentives for private and independent sector sponsors to establish additional employment opportunities for all eligible citizens. The Federal Government will offer bonus cash incentives to private and independent sector businessmen and community leaders, making it worth their while to institute and operate job training programs for those structurally unemployed citizens so desperately in need of them. Economic analysis as well as basic commonsense reveals that it is not the artificially stimulated, nonproducing public sector but the private sector of our country which is responsible for our gross national product and the mainspring of American progress. Unleash the forces of this private sector through the kind of systematic, sustained incentives' program outlined in my bill, and we will have realized a full employment program in concert with our economy, our Constitution and the economic needs of our citizens. And it will do this without breaking the backs of American taxpayers and without increasing the already burdensome role of the Federal Government in our lives. But there is more.

Several years ago, back in the mid-sixties, a book entitled, "Reclaiming the American Dream" was shaking up our country's economic community; and for a brief period, it even appeared on the national bestseller lists. It was written by a young man named Richard Cornuelle and it was his conclusion after a great deal of research that our country was ignoring if not explicitly discouraging a part of our producing economy which was responsible for over a third of our national wealth. This relatively unappreciated but extremely productive part of our national economy he called the independent sector.

It is the part of our economy composed of the hundreds of thousands of nonprofit, not for profit, nonbusiness and noncommercial organizations and associations which are responsible for so much that we are accustomed to take for granted. Little is it remembered, for example, that the discovery of the polio vaccine by Dr. Jonas Salk was supported and full funded not by any Federal or State government but by an independent sector organization called the March of Dimes. The first mobile health care units; the first urban renovative construction companies; and the first senior citizens' communities, to name only a few examples, were not the result of Federal grants or even loans, but the result of independent sector organization planning and financing. Despite decades of Federal Government activity, effectively intruding into and co-opting much of this charitable and autonomous economic work, the independent sector remains a precious national resource.

It is an additional purpose of our bill to make better use of this resource, to harness the productive power of the independent sector to teach job skills and provide productive livelihoods for the many eligible unemployed. Their energies and talents can then be tallied as a public asset rather than a public expense. Their skills and labor can be appreciated and utilized as creative citizens rather than as wards of the Federal Government. Their dignity and self-esteem will be self-generated, not regarded as political dispensations by the Government. They and every one of us will have the opportunity of participating in an American renaissance, of witnessing a resurrection of the American spirit unlike anything we have seen in many years. The understandable ill will and political furies associated with the inner city, with unemployment, inflation and the spirit of Proposition 13 will in time all subside if we in the Congress will promote and extend the work of the independent sector of our economy to reclaim the American dream.

The Job Opportunity Bonus Act of 1978, S. 3350, is a program with the authorization to do this as outlined in section 4 of the bill. In section 4, the Secretary of Labor is given the authority to make social bonus or direct cash payments to independent and/or private sector sponsors as defined in section 3 of the act. The amount of each social bonus payment shall not be less than $2,500 nor more than $4,000 for each year of employment of any eligible applicant, with eligibility to be determined by the Secretary according to the provisions in the act. Each applicant or structurally unemployed citizen, in return for the social bonus payment made to the respective employer, would become enrolled in a job training or other skilled learning program as set up by the private or independent sector sponsor involved.

The program would be subject to all standing civil rights and equal opportunity statutes, including the Fair Labor Standards Act assuring an adequate minimum wage. The payments will be made for employment of not less than 1 year, and not more than 3 years. In administering the program, the Secretary of Labor will have the same powers as granted in the Comprehensive Employment and Training Act. The program's administration will take into account the nature of the business or other enterprise to become eligible under the act, and priority will be given for the social bonus payment to be made to enterprises establishing new programs or facilities benefiting urban or rural poverty areas.

The authorization of appropriations is for fiscal year 1979 and for each of the 2 succeeding fiscal years, and for such sums as are necessary to carry out this act.

While it is premature to estimate what this appropriated sum might be, it will certainly cost light-years less than that necessary for the enactment of the Humphrey-Hawkins legislation. It will result in more people being employed, and it promises no expansion of the Federal Government into the lives and times of our citizens. It only promises to make the best use of what public sector incentives there are available to stimulate our private and independent economic sectors, to ease the deficit spiral, and to support the recovery and progress of our free enterprise system.

With this brief legislative summary of my bill as prolog, I at this time ask that the text of our bill, S. 3350, be printed in the RECORD for the benefit of our colleagues.

The text of the bill follows:

S. 3350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Job Opportunity Bonus Act of 1978."

SEC. 2. It is the purpose of this Act to institute a program to reduce structural unemployment among our Nation's citizens by providing incentives for private and independent sector sponsors to establish additional employment opportunities in rural and urban poverty areas.

DEFINITIONS

SEC. 3. For the purpose of this bill, the term—

(1) "business sponsor" means any type of business engaged in, by any person, for any commercial or other business related purpose, including the manufacture, production, processing or assemblage of any property; the distribution of property including the sale, leasage, storage, handling and transportation thereof, and for all other profit-related purposes.

(2) "independent sector sponsor" means any non-profit or not for profit, non-commercial or non-business enterprise engaged in any form of charitable, educational or other non-profit activity as defined and so designated under the 510 C provisions of the Internal Revenue Code.

(3) "industrial or commercial facility" means a fixed place of business in which a business enterprise is wholly or partly carried on including—

(A) a place of management or office,

(B) a factory, processing facility, plant or office workshop,

(C) a store or retail facility,

(D) a warehouse or sales outlet,

(E) a center for transportation, shipping or handling of property, or

(F) any other similar commercial facility;

(4) "Secretary" means the Secretary of Labor;

(5) "State" means each of the several States and the District of Columbia;

(6) "urban poverty area" means any area of sufficient size and scope to comply with the provisions of this Act which the Secretary determines—

(A) has a rate of unemployment equal to or in excess of 15 per centum for twelve consecutive months prior to the selection of that area under this Act, and

(B) is located within a standard metropolitan statistical area having a population of at least two hundred and fifty thousand individuals;

(7) "rural poverty area" means any area located outside of the zoned jurisdiction of a metropolitan area and having a population of less than two hundred and fifty thousand individuals; and which has a rate of unemployment equal to or in excess of 15 per centum for twelve consecutive months prior to the selection of that area under this Act; and which complies with the provisions of this Act as so determined by the Secretary.

PROGRAM AUTHORIZED

SEC. 4. (a) The Secretary, in accordance with the provisions of this Act, is authorized from funds appropriated under Section 10 of this Act to make the payment of social bonuses to business and independent sector sponsors as employment incentives to encourage such sponsors to employ those eligible as defined in this Act in jobs located in such urban and rural poverty areas.

(b) In selecting the urban and rural poverty areas under subsection (a) of this section the Secretary shall give special consideration to urban and rural poverty areas located within States or, located within or containing municipalities, which show evidence of fully cooperating with any project assisted under this Act by providing beneficial tax treatment to an independent sector or business enterprise for any industrial or commercial facility to be located or expanded within the area as designated by this Act.

SOCIAL BONUS PAYMENTS

SEC. 5. (a) The Secretary is authorized, in accordance with the provisions of this Act, to conduct in each urban or rural poverty area selected under section 3 of this Act a program for the payment of social bonuses to any business or independent sector enterprise if the enterprise establishes—

(1) that the enterprise will employ individuals in compliance with the provisions of this Act, and that they be employed for not less than one year;

(2) that the enterprise has a manpower service or other similar education program in the case of an independent sector enterprise; and that such program include on-the-job training which will upgrade skills and enhance the productivity of those employed in it;

(3) that the enterprise will not discriminate on account of race, color, religion, sex or national origin in the employment of those eligible under the provisions of this Act; and

(4) that the enterprise will report to the Secretary such information and data as may be necessary to enable the Secretary to carry out his functions under this Act.

(b) The amount of the social bonus to be paid for each individual as eligible under this Act shall not be less than $2,500 nor more than $4,000 for each year of employment of any applicant by a enterprise or independent sector sponsor as determined by the Secretary.

(c) In determining priority for the payment of the social bonus authorized by this Act the Secretary may give preference to any business enterprise or independent sector sponsor establishing any new industrial or commercial facility or program, respectively, in a designated urban or rural proverty area.

(d) The Secretary may by regulation provide for a waiver of the provisions of clause (2) of subsection (a) upon a showing by the appropriate sponsor that the employment of the eligible applicant for a period of less than one year, but more than nine months, is warranted under special circumstances.

RESTRICTIONS

SEC. 6. (a) No payment of a social bonus on behalf of an eligible person may be paid to a business enterprise or independent sector sponsor under this Act unless the employment of the eligible person—

(1) will result in an increase in employment opportunities which would otherwise be available;

(2) will not result in the displacement of currently employed workers (including partial displacement such as the reduction in the hours of nonovertime work or wages or employee benefits) in any industrial or commercial facility or enterprise;

(3) will not impair existing contracts for services or result in the substitution of such employees in connection with work that would be performed; or

(4) will not result in hiring such person to fill a job opening created by the action of the enterprise in laying off or terminating the employment of any regular employee in anticipation of filling the vacancy so created by hiring an employee to receive the social bonus under this Act.

(b) No payment for a social bonus may be made under the provisions if this Act for the employment of any eligible youth unless such a youth is paid not less than the hourly minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938.

(c) No payment may be made for a social bonus on behalf of any eligible employee for a period in excess of three years.

SOCIAL BONUS PAYMENTS

SEC. 7. (a) The Secretary is authorized to make a social bonus payment by this Act not less than or more often than once in each calendar year for those eligible as defined by this Act.

(b) No payment may be made to a business enterprise unless an application is made at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

(c) Payments made for the social bonus may be made in installments, or by way of reimbursement, with necessary adjustments on account of overpayment or underpayments, as the Secretary may determine.

ADMINISTRATION

SEC. 8. Except as otherwise specifically provided in this Act, the Secretary, in carrying out his functions under this Act, shall have the same powers and authority that he has under the Comprehensive Employment and Training Act of 1973 to carry out his functions under that Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. (a) There are authorized to be appropriated for the fiscal year 1979 for each of the two succeeding fiscal years such sums as may be necessary to carry out the provisions of this Act.

(b) Notwithstanding any other provisions of law, unless enacted in specific limitation to the provisions of this subsection, any funds appropriated to carry out this Act which are not obligated prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation during the succeeding fiscal year. Any such funds obligated in any fiscal year may be expended during a period of two years from the date of obligation.●

THE ALASKAN NATIONAL INTEREST LANDS CONSERVATION ACT

● Mr. KENNEDY. Mr. President, today I wish to announce my support and cosponsorship of a bill which will preserve for the Natives of Alaska their subsistence and hunting grounds.

Today I wish to announce my support for a bill which will preserve for all Americans and future generations of Americans the most magnificent wilderness still within our domain.

Today, I wish to announce my support for a bill which will allow for the development of the vast majority of the mineral and oil and gas deposits, but which will hold other deposits under our guardianship.

Mr. President, I am today cosponsoring S. 1500, the Alaska National Interests Lands Conservation Act, which was introduced by a champion of our environment, the late Lee Metcalf, and which

has been updated and refined through Senate amendment 2176, which has been offered by the distinguished Senator from New Hampshire, JOHN DURKIN.

The lands which are owned by the Federal Government in Alaska contain a great natural heritage of scenic wonders, great wilderness and diverse wildlife. If we do not act to do the right preservation job from the start, we cannot go back and correct it. And these areas are simply too valuable to commit the conservation mistake of the 20th century.

Mr. President, I believe that the Alaska lands bill must be considered in this Congress. A very similar measure has already passed the House by a 9-to-1 vote. If we do not have an act, then on December 18 of this year, the lands lose their special d–2 protection status. And we must remember that when we talk about the wonders of this land and our need for it, we talk about wonders valuable to all Americans, and the needs of all Americans. We have national lands in most of our States, which are open to all of our citizens and which are of interest to all of our citizens—the Grand Canyon is important to Minnesotans as well as Arizonans; Yosemite is important to Alabamans as well as Californians; the Shenandoahs are important to Dakotans as well as Virginians.

The Federal Government is not being miserly when we set aside this land. The State of Alaska was allotted almost a third of the State's land when it joined the Union, and it was allowed to choose which land it wanted. Under the Claims Settlement Act, Alaskan Natives were given over 10 percent of the State's total area.

Some 65 percent of the potential mineral resources fall outside the areas suggested for classification. And some 95 percent of the State's potential oil and gas deposits also lie outside the areas designated in the bill. So, the designations contained in the bill very carefully assess the development needs and the preservation needs of the state and of the American people.

Should the need arise for us to develop these resources, we can always touch them. But the case has not yet been made that the increment of resources, which are necessarily set aside if we are to preserve the real natural wonders of Alaska, will have an important effect either on the U.S. economy as a whole or on the well-being of the citizens of Alaska.

So, Mr. President, we must consider the unrivaled natural beauties of the Alaskan lands, which raise them to a level of true global significance. We hold a deep obligation to act responsibly for their protection, for our generation is but the temporary custodian of a heritage we must pass on to future generations.

There is, on these lands in Alaska, a unique scale of landscape, a rare expansiveness. Nowhere else in our country have we the option of preserving vast expanses of natural ecosystems, in units sufficiently large to embrace the full integrity required for their survival.

In Alaska, we have wilderness on a grand scale, but we will not have it for long unless we act now to preserve it.

Across these expanses of Alaska range a diversity of wildlife species unparalled on our continent.

On the plain of the Arctic Ocean are the vital calving grounds of the great porcupine caribou herd, which ranges through and beyond the existing Arctic National Wildlife Range and into Canada. This is not only a wildlife treasure of enormous significance, but a cultural heritage, too, intimately associated with the life and art of the Native people's of the Arctic in both countries.

Alaska is a vast breeding ground for the millions of waterfowl which travel each autumn down the flyways of the Western Hemisphere and return there each spring. When we see and hear the geese against the September skies of Massachusetts, or the ducks circling over the prairie potholes of the Great Plains, or the shorebirds coming down the Pacific coast, we are seeing and experiencing, in our own lives, a living symbol of the Alaskan wilderness and its direct relevance to us.

Mr. President, I take pride in supporting S. 1500 as amended because of its fulfillment of promises made by Congress to the approximately 50,000 Eskimo, Aleut, and Indian residents of Alaska. The Alaska National Interest Lands Conservation Act is an outgrowth of the Alaska Native Claims Settlement Act (ANCSA) enacted in 1971. That legislation settled the aboriginal land claims of the Alaska Native people by granting them 44 million acres of land within the State and a monetary settlement of almost a billion dollars to be distributed among 12 regional and over 200 village corporations established pursuant to that act.

Today, almost 7 years after the enactment of ANCSA, less than 20 percent of the land to which the Alaska Natives are entitled has actually been conveyed to them by the Federal Government. As a result, the opportunity for a long ignored, still suffering people to establish an economic and cultural community of their own design, on their terms, has been seriously jeopardized. Mr. President, title IX of S. 1500 rectifies this delay by immediately conveying to each village corporation the lands within the core townships in which each of the villages are located. In addition, title IX adopts the approach of H.R. 39 passed by the House of Representatives by eliminating the designation of easements in the core townships since the easement requirement is largely responsible for the conveyance logjam.

S. 1500 also addresses an issue of perhaps greater importance than land to the survival of the Alaskan Natives as a people—the protection of Native subsistence and hunting activities. Hunting, fishing, and gathering still provide the contextual framework for every traditional activity of village life. Social organization revolves around these activities.

S. 1500 establishes a comprehensive program for the management of fish and wildlife populations on the public lands to insure that subsistence resources of the Natives and other rural residents are adequately protected.

Mr. President, it is for all these reasons that I hope that we can pass S. 1,500, as amended, the Alaska National Interests Lands Conservation Act this year. It is a bill which at once allows economic development to proceed in the State; gives greater protection to the interests of Native Americans; and gives special protection to a natural resource of enormous value which cannot be duplicated if destroyed. Now is the time to move forward.●

A FOREIGN AID DEBATE

● Mr. McGOVERN. Mr. President, I was distressed to read in last Thursday's Washington Post a column by a foreign service officer at the Agency for International Development who supplied a stunning misconstruction of the content and purposes of our foreign assistance program, including the new directions adopted over the past several years.

The author of this piece, Mr. Roger Darling, was responding to Post correspondent Bill Peterson's series of articles on poverty in developing countries. Darling charged Peterson with superficiality in failing to emphasize the indigenous, structural causes of Third World poverty. He also appeared to be horrified at any suggestion that the world's poor have "rights" to the basic essentials of life, lest we perpetuate their dependency through global welfare schemes. That is his interpretation of what the new "human needs" aid strategy entails.

It occurred to me that if this modest level of understanding is common among those who are charged with implementing the program, then it is small wonder that we have such a persistent gap between intent and application in connection with the new directions in aid. I started to reconsider all this mail I have been receiving from AID personnel insisting that if a new foreign assistance agency is created, we must be certain to protect all the existing personnel in the process. The main purpose of creating a new agency, after all, is to emphasize that we want things done differently in the future.

Fortunately, a very concise and intelligent rejoinder also came out of AID. The Sunday "Outlook" section of the Post carried a piece by Mr. John R. Eriksson, a senior economist and deputy director of AID's Office of Policy Development and Program Review, which provided a highly instructive description of the recent reorientation of foreign aid. For example, he noted that in contrast to Mr. Darling's claim that the human needs strategy amounts to welfare, in fact "the emphasis is on productivity—on productivity that benefits the poor and develops the sustainable capacity of countries to meet the basic needs of their populations".

Mr. President, because together they constitute a most interesting portrayal of some of the central issues involved in

designing workable foreign assistance strategies, I ask that the two articles I have described be printed in the RECORD.

The articles follow:

ILLUSORY RIGHTS OF THE GLOBAL POOR

(By Roger Darling)

Bill Peterson's six articles ("The Global Majority—An American Odyssey," May 14–19) explored poverty in a number of developing countries. While his sincerity was evident, he disappointed my hope that he might shun the traditional media attention to Third World poverty horrors and dig beneath surface events to help us understand why development is not being achieved, and why after decades of supposed "progress" conditions are actually worse.

Deeply moved by the "mind-numbing" poverty, Peterson adheres to the same misconceptions about poverty (and how it is cured) that have distorted foreign-aid policy and public understanding for 30 years. We should be wary of such misconceptions, because they are injurious. They help underwrite ineffective foreign-aid policies.

Part of this injury arises from misinforming the public about poverty. There is a great discrepancy between the true nature of poverty and development, and what Peterson tells us actually achieves development and is the cause of poverty. In truth, poverty is deeply rooted in the values, attitudes and institutions of each poor nation—in its indigenous structure. By natural definition, therefore, development itself is basically a slow indigenous process improving that structure, making it more productive in behalf of native interests.

But Peterson does not see poverty or development in indigenous terms. He repeatedly portrays poverty as poor people being denied some foreign resource or commitment to which they have "right" or entitlement. In like manner development is portrayed as being achieved by factors outside a poor nation—foreign resource flows obtained as world welfare, as a result of moral obligation, as a result of a "new economic order," etc. Peterson conveys the disturbing impression the poor nations are losers, and if they are to have development someone must give it to them.

Consider his own words (the emphasis is mine). He raises the question: "Will the global majority continue to be denied what World Bank President Robert McNamara has termed its fundamental right to 'a minimum acceptable level of nutrition, health and education?'" The poor, he says, are increasing "at a phenomenal rate, straining the world's ability to feed, house and clothe them." In reporting a widespread sentiment that the rich nations had exploited the poor nations, Peterson chooses to give us their assertion that we "owe them a debt that it will take centuries to repay." The global majority, he writes, are pressuring the world's "haves" to transform the economic order to meet their "demands for food, water, living space and human dignity." Nowhere in his accounts does Peterson portray development accurately in terms of indigenous obligation and responsibility.

Additional injury from such reporting arises from its support (perhaps unwitting) of official development policies. For example, Peterson approves—without questioning it—McNamara's fallacious assertion as to the "rights" of the global poor. The global poor have no "right" to nutrition, health and education. There is no basis for such "rights." Rights have meaning only relative to a people's system of values and institutions that can enforce or uphold them. Development leaders in their humanitarian fervor casually but erroneously assume the rights evolved from the American system of values, and institutions can and should be uniformly applied to every nation and people. Such leaders fail to see it is a disservice to the world's poor to raise their expectations to such "rights" or entitlements before their own nations' indigenous structures can provide and uphold them.

In this context of "rights" and entitlements, recall Peterson's earlier reference to the global majority's "demands" for human dignity. Does one acquire dignity from another? Certainly not. Yet Peterson does not question the aberration in such demands. Instead he leads us to believe one nation not only can but *should* give human dignity to people in another. Human dignity derives from pride in indigenous effort and accomplishment. It is not given.

Again adhering to the superficial, Peterson reports the failure of "trickle down" development policy and its replacement with the "human needs" strategy. He overlooks the deeper significance of this important policy change—a tragic shift from encouraging Third World productivity to merely providing welfare services.

The abandonment of "trickle down" policy is in fact an official embarrassment, a confession of sorts that foreign aid is impotent to alter indigenous structure in poor nations so benefits may reach the poor. Widely differing values between donor and recipient about fulfillment of vital human needs are at the heart of the policy change. The ruling Third World elites are insensitive to the misery of the poor. We are sensitive. To preclude further annoying confrontations with elites, the new "human needs" strategy simply bypasses the elites (and indigenous structure as well) by sending foreign aid directly to the poor as welfare services: health care, etc.

The deeper significance of the policy shift is that this strategy substitutes foreign initiatives, values and resources for indigenous responsibility. It acts in the absence of indigenous concern for the poor and therefore evades the causes of the poverty. The aid is pure welfare—it stimulates no productivity. The aid encourages poor nations to continue with business-as-usual in the face of escalating human suffering and expanding poverty; it causes greater—not less—dependency on rich nations. The "human needs" strategy does not help solve Third World poverty—it expands it.

The misconceptions reported by Peterson are injurious because they lead the public to see development not in terms of the indigenous processes that achieve it, but as a humanitarian gesture—in terms of foreign resources given from rich to poor. This encourages support for foreign-aid policies oriented too strongly toward welfare and humanitarianism. Foreign-aid welfare can never meet the escalating needs of poor nations, and as long as it unwisely tries to do so poor nations will defer confronting and resolving the true causes of their poverty and human suffering.

Peterson saw the poverty. He did not see what lay beneath it.

[From the Washington Post, July 30, 1978]

"THE GLOBAL POOR DO HAVE RIGHTS"

(By John R. Eriksson)

Roger Darling, in his July 27 op-ed article, "Illusory Rights of the Global Poor," impugns the prevailing strategies and public statements of development-assistance programs, including those of the World Bank as well as the U.S. bilateral assistance program.

Darling argues that the basic flaw of foreign aid to the developing countries is the current emphasis on the "rights" of the poor in developing countries to the fulfillment of basic needs for nutrition, health and education. He furthermore attacks the emphasis on "basic human needs" in development assistance as "a tragic shift from encouraging Third World produtivity to merely providing welfare services."

Darling's conclusions are based on a fundamental misunderstanding of prevailing foreign-aid strategy. It is a misunderstanding that has a dangerous potential to reduce the effectiveness of foreign aid; it is also an attack on the human dignity of the global poor, the very dignity we would uphold.

To understand the nature of that misunderstanding it is helpful to review the evolution of current foreign-aid strategy. As measured by gross national product—the standard indicator of national economic capacity—the post-war progress of the developing countries has been impressive, especially when compared with the pre-war rates of GNP growth of the developed countries. This progress was accompanied by substantial control of such major killers as small pox and malaria, major breakthroughs in food yields in certain countries, and so on. Foreign aid played a significant role in that progress. Nonetheless, by 1970 it was apparent that a large proportion of the world's poor—about a billion—had not participated in that progress. Foreign-aid donors and developing countries consequently began to give increased emphasis to investments designed explicitly to increase the employment, productivity and income of the poor. The "new directions" reforms of U.S. foreign-assistance legislation in 1973 played a leading role in that reorientation of foreign aid.

The current basic-human-needs approach is a further evolution of these "new directions." It did not emerge full-blown overnight, nor has it been the creation of a handful of people. The approach has evolved during the last two years in U.N. conferences and through analyses undertaken at the World Bank and elsewhere. It received widespread analysis and debate within the U.S. government before President Carter endorsed it in his review of U.S. foreign aid in the fall, and by OECD member governments before they endorsed the approach at about the same time. The arguments Darling has raised were thoroughly considered in those analyses.

The basic-human-needs approach is "people-oriented": It adds a new dimension by impelling an examination of some of the ultimate ends of development in terms of health, nutrition and education to make sure that growth of incomes and employment are achieving equitable results. The basic-human-needs approach calls for a pattern of economic growth in which the poor participate in the growth process itself rather than being the passive recipients of welfare transfers. The essential elements include some combination of increased provision to the poor of such productive resources as land, water, fertilizer, seeds, tools and credit; increased investment and production in activities that employ unskilled labor; and expanded services of health, nutrition, family planning and education that improve over time the productive capacity and employment potential of the poor.

Again, contrary to the Darling image of passive welfare recipients, the basic-human-needs approach outlined here and adopted by the U.S. foreign-aid program involves effective popular participation by the poor in decision-making so that their needs, desires, capacities and indigenous institutions are recognized, understood and given major weight. Without such participation there is a strong possibility that the poor will not benefit, that their basic needs will not be met.

Thus, nothing could be further from the truth when Darling asserts that this "aid is pure welfare—it stimulates no productivity." On the contrary, the emphasis is on productivity—on productivity that benefits the poor and develops the sustainable capacity of countries to meet the basic needs of their populations.

Darling does raise a valid and serious issue when he alludes to the need for policy change

in many developing countries themselves. That is a continuing challenge to the effectiveness of foreign aid. The effect on the poor of any aid project, whether it provides fertilizer to small farmers or health services to rural families, is likely to be limited and may even be thwarted completely if national economic and other policies favor the wealthy, large-scale producers and discriminate against more labor-intensive, generally smaller scale enterprises and against local, development-related institutions, in which the poor share decision-making power. But developing-country governments are not uniformly opposed to policy reform, and dialogue with aid donors backed up with a commitment of significant resources can lead, and has two corresponding significant development policy changes.

Darling also states there is no basis for the "rights" of the global poor to fulfillment of their basic needs. Not so. This basis clearly exists in the Universal Declaration of Human Rights, adopted by the General Assembly of the United Nations in 1948, and reaffirmed on a number of occasions since that time by the United Nations and its members—developing countries and industrial powers alike. Those rights are spelled out, not only in civic and political terms, but also in economic and social terms. Article 25 of the Declaration states:

"Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."

The global poor do have rights; to claim they are illusory does not help to achieve the objective Darling and I share: to cure their poverty.●

SUNSET

● Mr. MUSKIE. Mr. President, I had the privilege this morning of participating in a national town meeting on the "Tax Issue" with Howard Jarvis and Senator ROBERT DOLE.

At that meeting we discussed ways to reduce the burdens on the American taxpayer and to bring Government spending under control.

During the course of that discussion, I was delighted to find that the three of us agreed on the essential role the sunset legislation must play in that effort.

We agreed that sunset is a rational, workable, and sensible way of getting a grip on wasteful and low-priority Federal spending.

With California's overwhelming endorsement of Proposition 13, it is clearer than ever that the time for sunset has come.

Sunset is really a very simple idea. It attacks the notion that Government programs, once enacted, should remain forever on the books. Instead, it proposes that a program should continue only if Congress decides that it is needed and is still going well. If a program cannot meet these conditions, it goes out of business.

Under S. 2, virtually all Federal programs would come up for systematic review on a rotating, 10-year basis. S. 2 also proposes that similar programs be considered at the same time. That way we can see whether dozens, and sometimes hundreds of programs in a particular area, are still needed.

Mr. President, I am hopeful that in the very near future the Senate will have the opportunity to vote on S. 2, the sunset legislation I introduced with 60 of my colleagues.

S. 2 has been approved by both the Committee on Governmental Affairs and the Committee on Rules and Administration. It has been endorsed by the President and it has been sponsored by more than 150 Members of the House.

As the time for debate in the Senate nears, I have prepared a number of materials explaining S. 2 and the reasons it should be enacted. I ask that these documents be printed in the RECORD.

The material follows:

SUMMARY OF S. 2

Title I.—Sets out a five-congress (or ten year) schedule for the reconsideration and reauthorization of all Federal programs, according to groupings by budget subfunction;

Requires that no new budget authority can be obligated or expended for any program not specifically reauthorized by Congress which is subject to the reauthorization schedule;

Requires that the report accompanying any authorization bill reported out by a committee must answer certain basic questions about the legislation;

Provides that programs which are not included in the required reauthorization schedule be subjected to the comprehensive evaluation procedures of Title III;

Assures that the Committees of the Congress will have a direct role in shaping the schedule and scope of the reauthorization requirements.

Title II.—Directs the General Accounting Office with input from the authorizing committees and the Congressional Budget Office to compile an Inventory of Federal programs prior to the beginning of the first review cycle;

Requires the General Accounting Office to update on a regular basis its inventory of programs to take into account action taken by Congress in reauthorizing or terminating programs under the S. 2 process. The update shall include changes in the fiscal status of the programs as provided by the Congressional Budget Office;

Title III.—Establishes a procedure for the Senate and House to decide upon a selected number of program areas, from among those scheduled for termination in a particular Congress, which will be the subject of in-depth evaluations;

Requires the President to submit to the Congress and the various congressional support agencies to submit to the Congress suggestion for those programs which should be the focus of congressional evaluation;

Requires the President to submit to the Congress his own evaluation of those programs chosen by the Congress for in-depth review:

Sets out guidelines for committees to follow in conducting their evaluation of selected programs.

Title IV.—Establishes a blue-ribbon commission for the purpose of studying the efficiency and effectiveness of government at all levels and for assisting in the implementation of the S. 2 process;

Title V.—Provides for a privileged "current services reauthoriaztion bill" to extend the life of a program for up to two years at existing budget levels in the event that its reauthorization is prevented due to a filibuster or other delaying tactic;

Provides for the submission, at the request of a committee of the Congress, of agency budget requests and materials supporting those requests at any time following the submission of the Presidents' budget to the Congress;

THE CASE FOR A FEDERAL SUNSET LAW

S. 2, the federal sunset bill would require reauthorization of virtually all federal programs according to a regular, systematic schedule and reconsideration of all programs of similar purpose at the same time.

The principal purpose of S. 2 is to establish a systematic and orderly procedure to require Congress to reconsider its past program enactments so that it can have increased options available in the future for allocating federal resources and establishing federal policies to meet changing national needs.

In short, S. 2 is intended to establish a procedure to guard against tying the hands of each succeeding Congress by the actions of earlier Congresses.

The sunset concept is rooted in the role of Congress as the legislative branch of the national government. As the national legislature, Congress should make positive decisions with regard to the programs and policies of the government.

That is all sunset mandates. It requires that the Congress take positive action to reauthorize the programs which it wishes to continue. Its thrust is reconsideration, not reevaluation. It does not require Congress to embark on a wholesale evaluation of all programs scheduled for reauthorization, though Congress may want to undertake such an evaluation of some of those programs. Thus, the mere establishment of a procedure for the evaluation of government programs would not achieve the principal purpose of sunset.

There are a number of reasons why Congress needs a process like sunset if it is to have necessary flexibility to establish and adjust national policy in the future:

First, the policymaking flexibility of the Congress has already been reduced substantially in recent years by a number of factors, including inflation, rising uncontrollable spending, and increased tax expenditures.

Second, the nation has paid a high price—in the form of a complex, overlapping, duplicative, uncoordinated, and too often ineffective and wasteful array of federal programs—for the failure of Congress to consider and reconsider programs in a rational and comprehensive manner.

Third, in the foreseeable future the combination of limited federal resources and pressing national needs is likely to force Congress to make complex and difficult programmatic choices that it should make in an orderly and systematic manner.

Fourth, with the national economy improving rapidly inflation will not be controlled if the large budget deficits resulting from excessive federal spending and tax expenditures continue.

Inflation erodes congressional flexibility

Inflation affects the federal budget just as it does the family budget.

In times of high inflation, the government must spend more each year just to finance existing service levels. As a result, during such periods, increases in federal spending actually may result more from inflation than in decisions of the Congress to spend more.

The last four years have been a case in point. Since fiscal 1975, federal spending has increased by $172.7 billion. However, $118 billion of that increase—68%—is a result of inflation. In other words, just to carry on the same level of government activity in fiscal 1979 as was being carried on in fiscal 1975 will cost $118 billion more.

What that means is that more than two-thirds of the increase in federal spending since fiscal 1975 has resulted not from Congressional decisions but rather from inflation.

Uncontrollable spending

Just as inflation limits the room with which Congress has to work in adjusting national priorities through the budget, so too does uncontrollable spending.

Uncontrollable spending is spending over which Congress has no control during a particular fiscal year, unless it amends a law already on the books. That spending results from choices made in prior years by previous Congresses which tie the hands of future Congresses.

About three-quarters of that uncontrollable spending is mandated under permanently enacted programs which do not come up for regular consideration by the Congress. The remaining uncontrollable spending results from contracts and obligations the government has made in prior years. Uncontrollable spending is, in other words, largely self-perpetuating

In recent years, the percentage of uncontrollable spending in the budget has skyrocketed. In 1962, the combined total of permanent programs and trust fund spending, roughly equivalent to today's definition of uncontrollable spending, constituted over 30% of the federal budget.

By 1967, uncontrollable spending had risen to 59% of the budget. Today that figure is close to three-quarters of all federal spending—a percentage that has remained reasonably stable since the Congressional Budget process began operating.

In the last 10 years alone uncontrollable spending has grown by 150%, far faster than the budget as a whole (120%). Controllable spending, on the other hand, has grown only by 60%. Discretionary spending thus has not kept up with federal spending as a whole. True, we are spending, twice as many "controllable dollars" now as ten years ago, but in terms of the overall budget, those dollars are less significant today, by almost one-third.

For fiscal year 1979, it is expected that only about one-quarter of all federal spending will fall into the relatively controllable category. Indeed, of the $40 billion increase proposed in the President's budget over last year's spending total, only $2.5 billion was available for all controllable domestic needs.

With nearly three-quarters of the budget in the uncontrollable category from year to year we are talking about setting, adapting and molding national priorities from a pool of only 25% of what we spend. Congressional power to control national priorities through the constitutional power of the purse is thus eroded by legislative commitments made in the past and now set more or less in concrete.

Tax expenditures

There is another kind of uncontrollable spending which is growing rapidly and reducing congressional flexibility to set policy. Yet that kind of uncontrollable spending is largely overlooked in budget discussions.

That uncontrollable spending comes through the tax code in the form of tax expenditures.*

Tax expenditures are incentives provided through the Internal Revenue Code for certain kinds of private activities or to aid taxpayers in certain circumstances. These incentives can take the form of tax credits, tax deductions, exclusion from income, tax deferral, or special rates of tax. They are functionally the equivalent of direct spending programs in that the money lost through tax expenditures is not available for other federal programs. They are the operational equivalent of entitlement programs in that persons and corporations that meet certain criteria automatically qualify.

The tuition tax credit passed by the House of Representatives recently is an excellent example of a tax expenditure. If that credit becomes law, every taxpayer who used it would, in effect, receive a government subsidy toward the cost of tuition. But that subsidy would come as a reduction in income taxes rather than as a direct payment as it would under a direct spending program. In either case, the cost to the government and the benefit to the individual would be the same.

Currenly, there are 85 tax expenditures—75 of which are permanent and do not require periodic reconsideration by the Congress. So, in a sense, 75 of the 85 tax expenditures are uncontrollable.

Since 1975, the growth of tax expenditures has paralleled the growth in spending. Tax expenditures have increased by 53% in the past 4 years. In 1975 tax expenditures cost the budget $88.8 billion dollars. For fiscal 1979, they are projected to cost $136.2 billion.

Just as in the case of uncontrollable direct spending each time a permanent tax expenditure increases in cost, it reduces the flexibility of the Congress to set policy. For each increase in the cost of the tax expenditure reduces the revenue available to Congress in setting national priorities and policies.

The need for an orderly and systematic reconsideration of programs

To be sure today many programs—in particular, many domestic assistance programs—operate under short term authorizations. Those programs, under current law, terminate when their authorization expires unless Congress reauthorizes them.

These programs are reconsidered by the Congress—though in a helter-skelter fashion. And the complex maze of government activity that has resulted argues strongly for the establishment of the orderly and systematic reconsideration procedure that sunset promises.

Today, no one really knows how many federal programs are on the books. In fact, the CBO is just finishing the first comprehensive inventory of federal programs ever compiled. Up to now, the principal source of information about government programs has been the Catalog of Federal Domestic Assistance. And the picture it has presented has been a complex and confusing system.

The 1977 Catalog lists 1086 programs administered by 56 federal agencies. In fiscal year 1978 these programs provided an estimated $80.0 billion to the 50 states and nearly 80,000 units of local government, for a total of almost 23 percent of federal domestic outlays and an estimated 27.5 percent of all state and local government expenditures.

It lists education, health, and community development programs in the hundreds—veterans and tranpsortation programs in the dozens. There are over 100 different agencies and offices with regulatory responsibilities. And 22 separate entities run health programs.

As the program category is narrowed, the number of programs is no less bewildering. The 1977 Federal Catalog lists 36 different programs under the veterans category, with another 20 under the heading Veterans Medical Facilities and Services. Under the category of Vocational Education, there are 24 different programs listed. The reader is referred to the Job Training Subcategory of the Employment, Labor and Training Category for other programs in this area. Under the heading of Transportation, there are 43 separate entries.

These numbers suggest a government so fragmented and uncoordinated that it cannot do the job.

A few years ago, a GAO study on health services in outpatient health centers in the District of Columbia, found seven different programs—administered by HEW and OEO. Coordination was so lacking, the GAO found, that one neighborhood had eight clinics, several of which were badly underutilized.

Another GAO study of the use of military maintenance facilities found extensive duplication and under-utilization of these facilities because of the emphasis each service placed on developing its own facilities rather than sharing existing facilities of other services. The study concluded that substantial long range savings could be realized through greater interservice maintenance, but that despite repeated encouragement from the Department of Defense, the individual services had continued to circumvent both the spirit and intent of such policy.

An HEW study found over 50 federal programs providing some type of service to handicapped youth. Most of these programs were administered by HEW—by 14 separate units within that department. A GAO study of the HEW study found no point within HEW at which all these efforts were coordinated.

Finally, a study by the JEC found 62 separate programs involved in providing aid to the need and social insurance at a projected cost in fiscal year 1975 of $142 billion.

In sum, over the last fifteen years, Congress has created an array of programs so complex government cannot deliver the services Congress enacts into law. That is a Congressionally created problem which demands a Congressional response. And sunset offers such a response—a process for systematically considering and reconsidering similar programs at the same time.

Tough choices in the future

If one thing is clear, it is that over the next few years, Congress will have to make a number of tough spending and tax decisions if it is to move toward a balanced budget in the early 1980's and avoid a resurgence of inflation.

A number of recent analyses have made this clear. A recently released Brookings Institution study concluded for example: "Although receipts will rise more than $80 billion a year during 1981–83, there will not be much left for new programs or for further tax cuts. By 1983, if outlays are held to 21 percent of the gross national product, they would be $722 billion. And under the President's tax program, receipts would be $747 billion, leaving a margin of $25 billion—enough for only small reductions in taxes. For example, assuming the 1978 tax cut equals $25 billion, the 1981 margin could be used to reverse the 1977 payroll tax increases but for little else. Even if the entire margin were used to reduce the income taxes of individuals, the individual income tax would still be over 11.5 percent of personal income, nearly the highest since the end of the Second World War . . .

"The budget outlook is therefore not rosey. It will be difficult to keep outlays to 21 percent of the gross national product in 1983. But given success in reaching that goal, the margin for tax reductions (beyond those proposed for this year) would be slim. Since a budget deficit is dangerous during full employment, the cautious approach is to avoid more outlays or lower taxes than the President proposes. Any significant tax reduction in the early 1980's would require either substantial spending cuts or large deficits, which might be extremely inflationary in the economy projected for those years."

The report by the Senate Budget Committee accompanying the First Concurrent Resolution on the Budget dramatizes the kind of choices Congress will have to make over the next several years even more clearly. The Senate Budget Committee asked the other committees of the Senate to give them an idea of the new program initiatives they foresee Congress having to decide upon during the period between 1980 and 1983.

The Budget Committee report listed 31

*S. 2, as reported by the Senate Governmental Affairs and Rules Committee, does not cover tax expenditures.

such new initiatives which could cost as much as $416 billion between 1980 and 1983. According to the CBO, there will be about $120 billion in revenues available to pay for those new initiatives.

Inflation and the deficit

During the past three years, when we have run high deficits, those deficits have had little inflationary impact. This was because our economy was running so far below capacity.

But that will no longer be the case. With our economy recovering, large budget deficits threaten to fuel inflation. So getting control of the federal budget will be critical in the government's effort to fight inflation.

What that means is that over the next few years—or as long as inflation poses a threat—Congress is going to have to make very hard choices. If we want to spend more money on a good program, we will have to throw out a bad one. The sunset process could make it possible for Congress to make those tough decisions in a systematic, orderly, way.

QUESTIONS AND ANSWERS ABOUT SUNSET

What is sunset?

Sunset is a procedure under which governmental programs come to an end unless they have been specifically reauthorized by the legislative body, in this case the Congress.

The specific sunset mechanism can be written in any number of ways. In S. 2, it takes the form of a ban on outlays for any program not re-enacted by the scheduled reauthorization date for that program. In this regard, the S. 2 sunset mechanism is little different from the regular reauthorization process practiced hundreds of times each year by Congress for programs with short-term authorizations. Thus, sunset is not a new process. It is new only in that S. 2 would apply the reauthorization process to now permanent programs.

Isn't the main purpose of sunset to improve Congressional evaluation of programs?

No. The main purpose of sunset is to give Congress a procedure for reconsidering all past legislative commitments, in an orderly and rational way.

In any given year, Congress will evaluate in depth certain programs and routinely reauthorize others. Sunset does not propose to shift this distribution of emphasis in any way. Sunset would require Congress to reconsider all like programs at the same time—something the Congress does not do now. But S. 2 would leave discretion with the authorizing committees to determine which programs would receive in-depth evaluation and which would not.

A principal factor in the origin of the sunset legislation was the proliferation of single-purpose programs which constitute the bulk of Federal programs. While most of these programs are reauthorized regularly, they are done so one at a time, with the result that Congress seldom has a perspective on the entire Federal effort in one programmatic area. The schedule set out in S. 2 would provide Congress with this kind of perspective.

The principal sponsors of S. 2 believe that improved program oversight is an important goal. But they also believe that oversight cannot be truly effective unless it is more comprehensive in scope—much as a doctor cannot evaluate the effectiveness of a single treatment if he is using several different treatments at the same time.

Sunset may be intended to force Congress to reconsider its past programs enactments, but is termination really necessary?

Yes. In the first place, Congress has passed legislation in the past designed to encourage improved Congressional oversight. Title VI of the Intergovernmental Cooperation Act required authorizing committees to evaluate permanent programs every four years. But that law has no action-forcing mechanism and, as a result, its requirements have never been observed.

The termination mechanism in S. 2 is necessary to ensure that reconsideration of programs will take place. It is not a draconian measure. By a great number of Federal programs operate on a short term today. They face the threat of termination every time their reauthorization comes up. Judging from the fact that no programs ever seem to die, termination, while it does force action, does not seem too much of a threat.

Shouldn't Congress test something as radical as termination before it applies it to virtually every program?

Congress already has tested the termination mechanism. Indeed, it does so hundreds of times each year—every time a program comes up for reauthorization.

The sunset bill would simply extend this tried and true reauthorization process to permanent programs as well.

Even if reauthorization of all programs is useful, why is it necessary to schedule reauthorizations by budget function?

Today, there are about 1,000 different Federal programs. Most of these programs are reviewed on a regular basis. But they are usually done so one program at a time. What with different expiration dates, and overlapping agency and committee jurisdictions, Congress has no opportunity to examine all health programs, for example, at the same time. Thus Congress is expected to pass judgment on one piece of a very complex puzzle without knowing how that piece fits into the puzzle as a whole.

Over the years, GAO has done a number of studies of conflicting and overlapping Federal programs. One of the best involved a study of outpatient health care facilities in the District of Columbia. GAO found, in 1975, that so many Federal agencies and programs were involved that no one knew what anyone else was doing. One result was that in a single neighborhood, there were 8 different clinics. In several of these clinics, doctors were seeing as few as four or five patients a day.

One of the fundatmental premises of the sunset bill is that Congress, if required to look at all like programs at the same time, would be able to eliminate such instances where gross waste of budget resources occurs.

Doesn't S. 2 establish a presumption against continuation of a program?

No more so than the regular reauthorization process does for current short-term programs.

More philosophically, S. 2 is basically a hopeful piece of legislation. Its purpose, over the long haul, is to free up resources not now being used effectively so that these resources can be directed to changing national needs. The bill was born not out of concern that government is too big, but out of a sense that government has many important jobs to do, and right now it is not doing them well enough. Toward this end, S. 2 does establish a presumption against reauthorization of programs which are not working well.

Isn't it premature to jump into sunset if we don't even know how many programs there are?

We do know the universe of Federal programs. Lists have been prepared by both GAO and CBO.

We do not know the number of pieces into which that universe will be divided. For example, the Elementary and Secondary Education Act can be considered as several programs, title by title, or as one program.

However, the subdivision of Federal programs is not important as far as the purposes of sunset are concerned. It is important only to the authorizing committees in their determination of priorities for program review.

With automatic termination, shouldn't there be a phase-out for programs Congress doesn't reauthorize?

Not necessarily. Currently, when an authorization for a program is not renewed, it simply ends. There is no requirement for a special phase down period.

Presumably, should any committee decide not to reauthorize a specific program, it would also make provision for phasing that program out. S. 2 does not include such provisions because of the difficulty of prescribing one general rule for all the different contingencies which might occur.

Are budget functions really the best groupings for program review and reconsideration?

At this time, yes. They are not perfect. But they are better than any other possible grouping we now have. S. 2 does include provision for amending budget functions as improvements in them are made.

Would sunset cause increased uncertainty among state and local governments?

This is unlikely, since the vast majority of aid programs for state and local governments are already short-term in nature. General revenue sharing, CETA, community development, waste treatment grants—these are just a few of the largest grant-in-aid programs which must face regular reauthorization under current practice.

How does S. 2 differentiate between reconsideration and evaluation?

S. 2 treats these two different concepts in two different ways. Title III sets out a procedure for selecting a few programs each year for in-depth evaluation by Congress and the agencies. Title I of S. 2 will amend it forcing Congressional reconsidertaion of and recommitment to any program before it can continue beyond the termination date.

The term "evaluation" implies in depth scrutiny. It is not a function to which the legislature is particularly suited. The resources required to do an evaluation will make it more of an executive branch function. Congress is simply not equipped to evaluate more than a handful of programs each year.

In contrast, Congress now reconsiders and reauthorizes hundreds of programs each year. A basic purpose of S. 2 is to make this reconsideration process more orderly—by grouping like programs together—and more comprehensive—by including now permanent programs in the schedule for review.

Won't S. 2 impose an impossible workload on Congress?

The workload question is the single most difficult issue posed by S. 2. In the narrowest sense, the only net increase in workload will result from the addition of a number of permanent programs to those now already reviewed from time to time.

In reality, S. 2 may very well impose an additional workload on congressional committees. However, the legislation has been written to provide every possible discretion to committees in setting their own workload within a set schedule. Moreover, there are ample safeguards in the bill as written to allow for changes in the schedule where workload burdens are found to be excessive.

What kind of additional staff resources will be required to carry out the provisions of S. 2?

Estimates of the extra staff requirements vary considerably. No one can say for sure what those requirements will be.

Again, it has to be noted that the only net increase in workload imposed by S. 2 is the addition of permanent programs to the list of those already reconsidered from time to time. To be sure, many permanent programs are also major programs. But even here, the extra staff requirements will be determined in large part by the priority that a committee gives to review of any one program. If Medicaid is slotted for major evaluation,

extra staff will be required. If only routine review is contemplated, extra staff may not be needed.

Wouldn't S. 2 alter the balance between Congress and the President by giving the President power to kill a program by veto?

The President already has veto power over those Federal programs that are reauthorized from time to time. He also has veto power over appropriations measures which contain funding for some permanent programs.

More important, however, S. 2 assumes that the goal of improving congressional control over Federal spending outweighs concerns of presidential personalities.

A major concern behind S. 2 is that Congress is abdicating its power of the purse today by failing to articulate national policy through the budget in a rational and orderly way. To a very great degree, the budget now runs itself. For Congress to dig in its heels and refuse to improve its performance will only perpetuate an existing imbalance between Congress and the President where budget matters are concerned.

Doesn't S. 2 threaten the progress made over the years in such areas as civil rights?

No. In response to repeatedly expressed concerns over the protection of basic civil rights, the Governmental Affairs Committee amended S. 2 to exempt from reauthorization requirements of the bill those activities which have as their objective the protection of civil rights guaranteed by the Constitution.

Under S. 2, what would prevent a minority of Senators from filibustering a program to death?

S. 2 is not intended to suggest or promote the widespread termination of programs by Congress. The termination provision of the bill is intended only as a means of forcing Congress to make a decision regarding the future of individual programs.

Therefore, S. 2 contains a specific provision to protect against the possibility of inadvertent termination. That provision allows for privileged consideration of a so-called "sunset reauthorization bill" extending funding for a program, at its current appropriation level, for anywhere from one year to the length of the entire review cycle. Such a bill would be in order at any time after a bill reported by a committee to reauthorize a program had been debated for 50 hours. S. 2 also contains a provision for discharging legislation from an authorizing committee.

Wouldn't S. 2, in effect, force Congress to re-enact the entire U.S. code every ten years?

S. 2 does not terminate any provisions of law. Therefore, it would not require Congress to re-enact the entire U.S. code every ten years.

The termination mechanism of S. 2 has been chosen carefully to avoid the termination of specific provisions of law. That mechanism involves nothing more than a ban on outlays for any program not reauthorized by Congress in accordance with the review schedule.

Is the S. 2 process workable?

It seems fair to assume that if Congress can reauthorize hundreds of programs each year in a disorderly way, that it can also reauthorized all these programs in an orderly way.

Moreover, S. 2 includes ample provisions for changing the review schedule should it threaten to become unworkable at any point.●

HAWAII'S CITIZEN VOLUNTEERS PROVE VOLUNTEERISM IS GOOD FOR THOSE WHO SERVE

● Mr. MATSUNAGA. Mr. President, our country is blessed with people who give willingly of their time and efforts in the service of their community. Many are ACTION volunteers—participating in programs such as Volunteers in Service to America (VISTA), the retired senior volunteer program (RSVP), and the foster grandparents program.

The people of the Aloha State have always been active volunteers and I was pleased, therefore, to note that ACTION's new regional director, Ilona Hancock, praised them highly during her first visit to Hawaii in early July. Although Ms. Hancock's visit was necessarily brief, she observed that Hawaii's volunteer programs compare very favorably with those on the mainland.

On the big island of Hawaii, where Ms. Hancock spent 1 day of her visit, 550 retired senior volunteers have logged more than 33,000 hours of service. Under the sponsorship of the Hawaii County Office of Aging, they serve as tutors, counselors, and community gardeners. One group has been so active in scouting that they have been made registered Girl Scouts. The RSVP volunteers are planning to undertake two new projects in the near future—the senior companions program and the telephone reassurance project—and they want to extend their services into the island's rural areas if funds can be raised.

Ms. Hancock's visit, though brief, was a real morale booster for the volunteers. As she said:

. . . It isn't only the amount of money and brick and mortar you put in that makes a community. It's the feeling people have for each other.

I am very proud of Hawaii's volunteers and, as a means of commending them, I ask that a recent article from the big island's daily newspaper, the Hawaii Tribune-Herald, about the volunteer programs, be printed in the RECORD.

The article follows:

[From the Hawaii Tribune-Herald, July 13, 1978]

VOLUNTEERISM IS GOOD FOR THOSE WHO GIVE

(By Carol Severance)

"Volunteerism—It's good for the community and it's good for the human beings who give of themselves."

That is the opinion of Region nine ACTION director Ilona Hancock, who visited the Big Island recently to get a firsthand look at volunteer programs here.

ACTION is the government agency which coordinates and funds such volunteer programs as Peace Corps, Vista and the Retired Senior Citizens Program.

"I believe you can see things on paper, but if you haven't seen the people doing the things it's hard to evaluate," Hancock said. "I believe in the value of face-to-face knowledge. Vitality and enthusiasm give life to an organization and that's what you can sense when you're talking to people."

Hancock was appointed to her position just four months ago, she said, and this was her first trip to Hawaii. Region nine also includes the states of California, Nevada and Arizona and the U.S. Pacific territories of Guam and American Samoa.

"Coming to Hawaii has been a fascinating experience for me," Hancock said. "What I had pictured was rows of coconut palms and white sand beaches. And what I found is this fascinating, multi-cultural, inter-ethnic community."

She said it was difficult to evaluate local programs after such a short stay; her visit to the Big Island was cut short after only one day because of an emergency situation in her home town of Berkely, California. But, she added, from what she had seen of programs here and on the other islands they compared favorably with those she has seen in operation on the mainland.

Marti Erickson, State Program Officer for ACTION, who accompanied Hancock to the Big Island along with Peter Bender, director of Statewide Volunteer Services Center in Honolulu, said the County of Hawaii is "extremely supportive of volunteer programs."

"The programs here are as innovative and creative as any in the state," she said.

Action programs on the Big Island include VISTA, RSVP and the Foster Grandparent Program.

In the latter, 16 senior citizens work with children and youths under the age of 18 who have special learning or developmental disabilities. Their services are utilized by organizations such as The Easter Seal Society and the Special Education School.

The 550 RSVP volunteers, all senior citizens, had logged well over 33,000 work hours by May this year, according to Matsunami. RSVP is a County of Hawaii program, she said, which is sponsored by Hawaii County Office of Aging. Actual service providers come under Parks and Recreation Elderly Activities Division.

RSVP volunteer serve as tutors and resource people in area schools. A gardening crew from Honomu grows vegetables at Hale Oluea, Hilo Counseling Center Day Treatment Program including center participants in their activities and selling the produce to aid the center financially.

The Bicentennial rock garden at Liliuokalani Garden is maintained weekly by senior volunteers from Pepeekeo. And a group of seniors from Keaau has participated so continually in Scouting activities for the past two years that they have been made registered Girl Scouts.

Hancock said that a new program, Senior Companions, will begin soon in Hawaii, first in Oahu and later on the neighbor islands. A national grant of $110,000 has been approved for the state and non-profit organizations interested in sponsoring the project are now making their proposals.

The Senior Companions program pairs on a one-to-one basis a low-income elderly person with a frail elderly person who might otherwise have to be institutionalized. Elderly people involved in this program will receive a stipend, Hancock said, much as Vista and Peace Corps volunteers do.

A somewhat similar project is operating now on the Big Island, according to Nancy Matsunami, director for RSVP of Hawaii County.

In the Telephone Reassurance Project senior citizens make daily calls to others who are confined to their homes and who are alone or in need of companionship.

Although an outreach worker will be sent if a caller feels there is some problem which needs outside attention, the calls are a lot more than just a safety check, she said.

"Some of the subscribers come to rely on their callers very heavily," Matsunami said. "It develops into a real friendship."

"The new direction for ACTION volunteers is to move into the rural areas," said Erickson. "But the problem is, the funds are not set up to cover this. Grass roots sponsors can't afford to sponsor volunteers and their transportation. That's something ACTION needs to deal with.

"It's something we really honed in on with Hancock," she added. "That's why it's good to have people higher up in government come out here and see what's going on."

Another area of current interest, Erickson said, is self-help advocacy. "Like senior rights. Seniors working for seniors," she said.

"It would really be good if there were a

group like those Girl Scouts working for themselves instead of always for other people," she said.

She said that a group of senior citizens is working in this area now on Oahu. Three senior Vista volunteers are working with the Kokua Council for Senior Citizens. And funds have been applied for to provide for two more volunteers to travel to the neighbor islands to work with interested senior citizens.

"Just think what those 550 senior volunteers are giving to the community," said Hancock, referring to the RSVP program on the Big Island.

"I don't like to talk in dollar terms but think what it would cost monetarily to provide those services," she said. "And what it would cost in human terms if the services were not being provided."

"I've had people say to me that they were just sitting in front on their TVs waiting to die when they heard of RSVP," she added.

"Volunteerism is a controversial topic today. Hancock said. "Some people say that people are doing things voluntarily that they should be getting paid for."

But there are needs that can't be met that way, she said, adding that none of the ACTION volunteers duplicate staff positions.

"There comes a time when everyone has to provide something to the community without asking what they'll get back," Hancock said.

"There has to be more than a monetary exchange.

"In the end, it isn't only the amount of money and brick and mortar you put in that makes a community," she said. "It's the feeling people have for each other." ●

PEACEFUL NUCLEAR ENERGY FOR FINLAND

Mr. GRIFFIN. Mr. President, it was announced recently that Australia has signed an agreement to supply uranium to Finland.

I share many of the concerns which have been expressed by some of my colleagues over the years about the dangers of nuclear proliferation and the need for strict safeguards for nuclear fuel exports.

But in the case of the Australian-Finnish agreement, the agreed safeguards are clearly adequate and there appears to be no reason for concern.

To begin with, we must recognize that Finland has a recognizable need for additional sources of energy. Among its Nordic neighbors, for example, Finland produces only 62 percent as much electricity per capita as Sweden, and less than 30 percent as much as Norway.

The uranium being supplied under this agreement will be used in four Finnish nuclear power reactors—one of which is already in operation, one currently being activated, and two others under construction.

And the safeguards incorporated in the cooperation agreement are substantial:

No third-country transfers without Australian consent.

Assurances that no uranium will be diverted from energy to military purposes.

No high enrichment of spent fuel without Australian consent.

Full International Atomic Energy Agency (IAEA) safeguards.

Both Australia and Finland have ratified the Nuclear Nonproliferation Treaty (NPT).

But even more reassuring than these impressive safeguards has been the consistent record of Finland, led by its distinguished septuagenarian President Urho K. Kekkonen, in opposition to nuclear weapons of any kind.

Indeed, just a couple of months ago, on May 11, 1978, President Kekkonen issued a long statement on Nordic security in the aftermath of the Helsinki Conference in which he reiterated his 1963 proposal that Scandinavia be designated a "nuclear free zone" by international treaty.

Under the circumstances, the most recent agreement between Finland and Australia cannot be viewed with any alarm.

Indeed, the only unfortunate aspect of the arrangement from our point of view may be that Finland is buying nuclear fuel from Australia rather than the United States. Given our mutual concern about the dangers of nuclear proliferation, and the close bonds of friendship between our two countries through the years, a Finnish-United States agreement would have been most appropriate.

However, it is especially important for Americans to keep in mind that we cannot really expect the Finns to buy more from us unless we are willing to buy more from them.

I ask unanimous consent that the article from the New York Times, entitled "Australia Will Sell Uranium to Finland," which appeared in the July 21, 1978, edition, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 21, 1978]

AUSTRALIA WILL SELL URANIUM TO FINLAND

SYDNEY, AUSTRALIA, July 20.—Australia, estimated to have a fifth of the non-Communist world's known uranium deposits, moved today toward becoming a major world supplier by signing its first safeguards agreement with an importing country.

The agreement, reached with the Finnish Government in Helsinki, aims at insuring that the uranium will not be diverted to nonpeaceful purposes. Australia is currently negotiating such accords with Euratom, representing the European Common Market, as well as with Japan, Iran, the Philippines, Sweden and Austria.

The way is now open for Finland to buy uranium from Australia for its nuclear-power program—a plant in operation and another that is being activated, with two others under construction.

PLEDGE AGAINST MILITARY USE

The accord, signed for Australia by Deputy Prime Minister J. D. Anthony and for Finland by the Acting Trade Minister, Paul Paavela, requires Australian consent before any uranium is re-exported to insure that the third country adheres to international controls. It also includes a pledge that nuclear material supplied by Australia not be diverted for military purposes.

Safeguards of the International Atomic Energy Agency are to be applied, providing international monitoring of compliance.

Australian consent is required before any high enrichment of the supplied uranium is undertaken or before spent fuel is reprocessed for re-use as fuel. Australian officials said that this brought Australia's position on reprocessing into line with that of the United States, which opposes the reprocessing system on the ground that it produces plutonium, a material that can be used to make a nuclear bomb. The United States is officially sticking to its opposition to reprocessing, although American officials say applications will be examined on a case-by-case basis.

A MODEL FOR OTHERS

The Australian-Finnish agreement, which is expected to be a model for others, includes a clause recognizing Australia's right to suspend shipments if there is any failure to adhere to its terms or to the safeguards of the international agency.

Foreign Minister Andrew Peacock described the signing as "an important first step in the establishment of a network of bilateral agreements between Australia and other countries."

Meanwhile, there is considerable interest here in the progress of the talks between Australian officials and Euratom. The key question is whether Australia will agree to the watering down of the prior-consent provisions covering retransfer of uranium. Euratom officials have said privately that such provisions contravene the Common Market Charter.

THE SINEWS OF FOREIGN POLICY

Mr. TOWER. The Right Honorable Mrs. Margaret Thatcher, the distinguished leader of the Conservative Party, Britain's loyal opposition, spoke in Brussels to Les Grandes Conferences Catholiques on June 23, 1978. The subject of her speech was "The Sinews of Foreign Policy" and because of its insightful observations on foreign policy, I recommend it to my colleagues and the American people.

The major thrust of Mrs. Thatcher's address is that principles defining an enduring foreign policy must be set forth to avoid the pitfalls of improvisation.

The first principle that she sets forth is one which is shared by most Americans. That principle—that only through strength can peace be maintained—has been proven time and again to be the cornerstone of a sound national security policy.

I commend Mrs. Thatcher's comments to my colleagues and ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

THE SINEWS OF FOREIGN POLICY

INTRODUCTION

It is an honour as well as great pleasure to follow today the many people of distinction who have spoken in this series of lectures. The tradition of Christian thought which you uphold has decisively influenced my own political thinking and that of my Party. It has helped to shape the Europe to which we all belong. It is an essential sinew of our foreign policy in the Western World.

We in Britain watched with anxiety the invasion of Shaba. We understood that our anxiety was as nothing compared with the anxiety here in Belgium.

We admired the speed and success with which the French and Belgian forces carried out their mission.

But the events in Zaire also served as one of the many warnings that both the analysis and the policies of the West may sometimes be defective.

We must see how to reshape our policies to meet the needs of a changing situation.

We were caught by surprise. The invasion of Shaba and the savagery and destructiveness which accompanied it form a part of a pattern which we had not anticipated. We lack a common policy towards Zaire and other countries threatened by the Soviet scramble for Africa.

But this in turn depends on our total view of world affairs and Europe's part in them.

Let me begin with the principles which guide our approach to foreign affairs, then consider in turn the promising signs and the worrying signs, before coming on to a number of key issues and policies.

PRINCIPLES OF FOREIGN POLICY

One of the difficulties about foreign affairs is the gap between the bland, unexceptionable but platitudinous statements usually enunciated when principles are called for and the immense complexity, and hasty improvisation, with which policy is usually carried out.

The difficulty is not new. A 19th century Conservative Prime Minister, Lord Salisbury, one of the best we have ever had, when asked to define his policy could go no further than say that, so far as he knew, British foreign policy was "to float lazily downstream putting out a diplomatic boathook to avoid collision" when necessary.

That definition hardly did justice to the subtlety and wisdom of the actual policy of Salisbury. But in the 19th century, matters of foreign policy, though complicated, at least did not have to be worked out under the shadow of nuclear arms.

A modern Prime Minister in Europe can hardly avoid realising that the decisions to which he may have to be a party will be far harder than those taken by statesmen at any previous time.

My first principle is that as long as we have potential enemies, we must recognise that peace can only be maintained through strength. Our first duty to freedom is to defend our own.

Foreign policy and defence policy must be interlocked, the first dictating the second.

There is no case whatsoever, as has happened too often in history, for military men to dictate diplomacy. There must be political control. At the same time, foreign policy must be supported by adequate military strength and understanding.

We are concerned to defend not only our sovereignty and that of our allies, but the way of life which enhances that sovereignty's value. In that context, and this is my *second* point, we have to distinguish between the 30 or so sovereign states in the world which are democracies and the 120 or so which are not.

It is true that none of our democracies is perfect. Most of our time and effort as democratic politicians is spent on trying to improve them.

But we have nothing to apologise for when dealing with the despotisms which seem to threaten us in Europe and elsewhere.

Here in the western community of democratic nations, war between us has been renounced as an instrument of foreign policy. Not so the Communist states. Democracies in the 20th century have never been engaged against each other in warfare in any major way. To reduce the risk of war therefore we must work for steady progress toward more democracies. With the advancing tide of democracy, the risk of war recedes. If the tide of democracy recedes, the risk of war advances.

Of course, we have to have relations with a great many countries which are not democracies:

Our antipathy to Communism will not diminish our efforts to reach whatever understanding we can with Russia and other Communist states.

It would be naive to suppose that many African states will move very far, very quickly towards democratic government. But that is no reason for slackening our endeavours to help them achieve the prosperity and quality of life needed to underpin national political stability.

But we should never hesitate to proclaim that democracies are morally superior to all states which are subject to tyrannical governments.

The third principle is that foreign policy commitments are not to be made and unmade at will. We are bound by past commitments. We have a respect for past contracts, both as governments and as ordinary citizens. We cannot expect others to keep their word to us unless we keep our word to them. When Chancellor Bethman Hollweg of Imperial Germany tore up the guarantee of Belgium's neutrality in 1914, dismissing it as a scrap of paper, he was tearing up something far more important than he seems to have known.

Continuity does not of course stop the evolution of policy nor the proper renegotiation of commitments in the light of changing circumstances.

Fourth, some foreign policy will be a matter of dealing with new situations as they arise, but we should have a picture of the world as we would like to see it in 25 years' time, and try to work realistically and patiently towards it.

Of course, we may be diverted, but I think that we have suffered in the last few years by not thinking enough about, for example, the sort of Europe which we should like to see at the end of the century or the kind of relationship which Africans and Europeans should develop.

We sometimes seem all too like the population of Syracuse in the days of the tyrant Dion as described by Plutarch when he said: "They had forgotten they were able to make things happen around them rather than always wait for things to happen to them."

The fifth point is simply the need for information and its intelligent interpretation. Again referring to the last century, it was doubtless possible for European statesmen to affect a lordly ignorance about the rest of the world. Today, largely due to the revolution in communications and a growing interdependence, nobody can afford to ignore even minor political trends in other parts of the world.

What on first sight may appear to be an innocuous minority movement in any country or continent can suddenly become a focus for intentional passions, propaganda or exploitation, as for example with Cuba at the time when Castro came to power.

Or, Angola after the Portuguese withdrawal.

We now know that the Russians and Cubans achieved a decisive victory for the Marxist faction there. Some Western leaders then believed that the Cuban involvement in Africa would stop. But what did we see? We saw the Cuban action repeated in Ethiopia, probably Zaire and they may have designs on Rhodesia and Namibia.

We must be careful not to choose the interpretation of the facts which arises only from our previous experience. We must approach them with a more open mind, and take into account any new context which may have arisen.

As Robert Conquest has said: "The chief problem today . . . lies in the relationship between our own political culture and ones quite alien to us, with their own history, attitudes, motivations: and the main danger is of applying our own assumptions to quite different mentalities and thus finding ourselves radically misunderstanding the world and conducting policies founded on fantasy".

My sixth point is that the national character of a people may give a nation historic goals which persist through changing political ideologies.

Russian imperialism, for example, was not born in 1917. The history of Russia since the fifteenth century has shown a constant drive to accumulate territory and influence beyond her frontiers.

The revolution and civil war barely interrupted this process. Russia was expansionist before, she is expansionist still.

PROMISING SIGNS

Because any review of foreign policy must of necessity identify the most urgent problems, the picture tends to seem gloomy. Good news is no news. But in fact there are many encouraging signs.

First, the heroic actions of a number of Russian dissidents over the past few years have brought home to us and to some Iron Curtain countries how deep-seated is the desire for liberty and how much can be achieved through resolve, courage and ideals.

Solzhenitsyn could not be ignored, nor could his quiet disappearance be arranged. In some ways the pen is still mightier than the sword.

Then we have seen a growing realisation by China of the threat that Russia poses to them as well as to us. Indeed, the Chinese criticisms of Russia have been even stronger than some of our Western ones. China is, of course, far from being a member of the golden club of democracies. In philosophical terms, we are different from her as much as we are from Russia. But we can recognise that China is not an expansionist power like Russia and she does not pose a threat to us. Our present friendship with China can have only beneficial consequences, both for our people, and hers.

Another good sign over the last year or so has been the political evolution in three Southern European countries, Spain, Portugal and Greece, which, five years ago, still had tough dictatorships. The transition from dictatorship to democracy in Spain and Portugal in particular is one of the few really encouraging things which have occurred.

Again we should not forget that many Third World countries are sympathetic towards the West. In so far as they trade with us and make use of our education, technology and culture, they absorb the customs of political democracy.

Democracy depends on private enterprise as well as on the ballot box and countries which have the first are more likely to be able to move towards the second. Free enterprise has historically usually preceded freedom, and political freedom has never long survived the end of free enterprise.

Next, among favorable signs, we should not forget that Western technology remains much more inventive than that of the Communist bloc. We may be bad sometimes at following up our own good ideas, bad at keeping secrets, but, looking back over the last generation, it has been Western inventiveness which has shaped the pattern of industrial advance.

Finally in the West we have a closer alliance than has ever been achieved between sovereign states in time of peace. In NATO and the European community, we have forged new associations between old enemies which have transformed the nature of European politics.

WORRYING SIGNS

Against the background of these encouraging developments we can identify set-backs and dangers.

The Soviet threat

First, although we have been the most economically successful countries the world has ever seen, we are not spending enough on defense in relation to the threat we face. Russia has established the largest armoury the world has ever seen, able to challenge the West increasingly by land, sea and air in every part of the world.

Not only does the Soviet Union maintain this vast armament, it maintains it on the basis of an economy incomparably weaker than those of the democracies. Western Europe alone more than matches the GNP of the entire Soviet bloc.

Further, although in the West we have the liberties of which I spoke, we have less of a spirit of resolve, and less of a sense of mission than we used to—less than the Communist countries, which openly boast of their desire to establish their own narrow and tyrannical system throughout the world.

Perhaps the poet Yeats put it best when he said: "The best lack all conviction, while the worst are full of passionate intensity."

I do not believe that this feeling will endure but it is a weakness we must face and cure.

The EEC

When we look at what is happening in the European Community, we find that some of the hopes we have always had for Europe's future are not being fulfilled.

The idea of European unity is a grand concept. But the cause of unity is surely not advanced by hundreds of petty internal regulations, such as on the content of ice cream or the activities of doorstep salesmen.

Moreover, we need far better machinery for ensuring that Community decisions in matters of trade and finance are in harmony with our European political interests, for example, as they affect Turkey, Yugoslavia, Australia or New Zealand. To us in Europe these Community decisions may seem detailed economic matters about levies, tariffs and quotas, to be settled as best we can to suit the economic interests of European producers. But these decisions affect, often substantially, the ability of some of our friends overseas to continue as our friends.

We have created an instrument but not yet learned how to use it in our own vital interests.

The Commission and the Council of Ministers need to be more farsighted, more political in their approach. The Soviet Union would not dream of taking such decisions on technical grounds only.

Perhaps this would be the point to sound a warning about the trend to increased protectionism. This would harm economic growth and political stability in the West and the underdeveloped countries alike.

The USA

While we in Europe have our problems, the United States has been through a difficult period in her great history.

The experiences of Vietnam, the traumas of Watergate, the open discussion about the activities of the CIA, have meant that our predominant ally has been through an understandable period of doubt and introspection.

But we should be encouraged by what President Carter said at Annapolis. We should applaud every evidence that the United States, having taken risks and suffered tragedies which we did not share, is still determined to play a positive and imaginative part in the world.

SOME KEY ISSUES

I want, in the last part of my talk, to discuss some of the major problems that we face and how we should approach them.

Defence and the community

Defence must be our first consideration. As we have seen in Britain and elsewhere, there are always politicians ready to neglect defence in favour of other expenditure which is more immediately rewarding and which they suppose will therefore be more popular.

I believe that such politicians underestimate those whom they represent.

Our people are ready to accept the need for stronger defences because they see these defences not as a provocation likely to lead to war but as a necessary condition for peace between East and West. The motorist who fastens his safety belt cannot be accused of trying to provoke a crash. It is not firmness but feebleness on the part of the West which could put a question-mark over the chances of a peaceful world for our children.

Peace is not best secured by pretending that all is well when it is not, by saying that Soviet leaders are other than they are, and that their aims and practices are quite different from what we know them to be.

The NATO Alliance will always be our best source of security. Indeed the United States, who will remain the foremost member of that alliance, has taken the lead in increasing her own contributions to our joint defences.

But should we not also recall that we have in Brussels the headquarters of two great organisations, the EEC and NATO, both concerned with the protection and prosperity of Western Europe but which have little to say to one another. Can that be right?

I understand the difficulties—the membership of the two organisations is not identical, though overlapping. The position of France must be respected, the Treaty of Rome does not cover foreign policy or defence.

The friendship of Turkey, for example, is crucial to the West. She has an association agreement with the EEC which needs revising. She might one day become a full member. She is a member of NATO, and it is vital that she remains so. Should not these things be considered together?

The expansion of the Community, to include Spain and Portugal might cause certain constitutional problems, but from a defence, as well as a political, point of view their entry seems a very different matter. It is essential. Yet who is there in the EEC deliberations to speak up for defence?

I feel no assurance that all these connected matters are being looked at together. Where there is so much at stake we cannot tolerate confusion of purpose in the West.

EAST/WEST RELATIONS

I said earlier that the West should take every opportunity of realistic debate and negotiation with the Soviet Union. I hope that the contacts which exist will in time become more fruitful. As I said publicly in Peking last year, we should continue day by day dealings with the Soviet Union and the search for balanced agreements which are of genuine advantage to both sides.

But among ourselves we should be realistic about the conditions of success. The main condition is clear enough. We shall not reach durable understandings with the Soviet Union until she realises that the West is capable of coherent and resolute protection of its own interests. It is precisely because we wish to avoid confrontation that we need to strengthen our policies.

To that end we must see our relationships with the Soviet Union as a whole. The supply by the West of credit, grain, and technology; the negotiation of different aspects of security and disarmament, Soviet and satellite activities in Africa, Asia and the Pacific are all features of one landscape.

Unless we learn, as the Soviet Union has learnt, to look at the landscape as a whole we shall be consistently out-maneuvered.

Human rights

Our relationship with the Soviet Union cannot be separated from the issue of human rights.

Respect for human rights is the foundation of our democratic way of life.

So accustomed are we to this thought that we regard as normal in our countries a degree of respect for human rights which is unparalleled elsewhere in the world. Among the world's sovereign states authoritarian regimes are easier to find than democracies and among the authoritarian regimes there is an immense variety of attitudes towards the rights of the individual.

For example, a characteristic of Marxist states is the depth and thoroughness of the control exercised over their subjects.

They aim to govern thought and faith as well as action. They regard no belief as private, no emotion as beyond their reach, whether about this world or the next, the past or the present.

I have previously mentioned Russian dissidents—the heroic actions of a number of Russian dissidents, like Yuri Orlof, have brought home to us yet again the real nature of the Soviet regime in this post-Stalinist age. Even the Communist parties of Western Europe have criticised it.

There is of course a connection between this thoroughness of control and the long life of these regimes.

We have seen this recently in Europe. Six years ago alongside the Marxist authoritarian regimes in Eastern Europe there were three other dictatorships in Spain, Greece, and Portugal. It is no coincidence that all the Marxist regimes remain, while all the others have vanished and have given way to democracy. The former rely not only on military support from the Soviet Union but also on a much more pervasive system of controls.

We must be free from double standards. We must not blind ourselves to contempt for human rights wherever it occurs.

The name of Steve Biko is well known as a man who died in the custody of the South African police and there are numerous accounts of prisoners' sufferings in Chile and Uganda.

But why is the United Nations not examining the atrocities in Cambodia and Ethiopia and the prison camps of Cuba, which no outsiders from the Red Cross or Amnesty International have ever seen?

Africa and the Third World

Any discussion of human rights takes us naturally to consider some of the problems of Africa.

Peace and prosperity in the world in the future will be influenced by our ability to solve the problems of Southern Africa. In this, we in the West have a constructive part to play, for we and the countries of the African continent are deeply interdependent.

To ensure her future prosperity Africa needs to develop her raw materials and expand her trade; we need both to maintain our standard of living and our way of life.

I believe that there is not only much goodwill towards us but a greater understanding in many countries in Africa of the value to them of trade, technical assistance and investment from the West.

In particular, some of them recognize the need to keep in their countries the Europeans whose skills and technology have contributed so much to their economic advance and who are so important to their future.

This is all in marked contrast to the destructive Soviet and Cuban military intervention in Africa and their complete failure to provide any economic assistance.

Let me take Rhodesia as an example of a problem in which we need Western and African understanding.

The history of Rhodesia is unique becaues it has never been under direct rule from Westminster. We have had responsibility with only tenuous power over the years.

In spite of this, the world looks to us even at this late hour, to take the lead in helping black and white Rhodesians to reach peaceful independence based on majority rule.

It is an African and Western interest to see a successful settlement. It is a Soviet and Cuban interest to see failure.

But what needs to be recognized by all who seek peace is that the fundamental principle of majority rule was conceded in 1976 after Mr. Smith's discussions with Dr. Kissinger. The objective of the Executive Council and the four parties to the Salisbury

Agreement is to see this principle of majority rule fulfilled. After all, it is black and white Rhodesians who have to live with each other in an independent Rhodesia and it is they who have reached their own internal settlement in Salisbury.

Black Africans in Rhodesia fully acknowledge that the prosperity of their country depends largely upon the willingness of the whites to stay in that country. It is therefore the views of black and white Rhodesians that really matter.

Here we have the foundations of a lasting settlement. It is a tender plant but one which we must do everything in our power to nourish. Failure to do so will encourage those who believe that they can achieve their objectives only by violence.

Time is running out, but we must do everything in our power to help the Rhodesians to hold free and fair elections by the end of 1978 and to end racial discrimination. And the Patriotic Front must realise that it is in their best interests and of their country to stop fighting and to participate in these elections.

A peaceful solution in Rhodesia would serve as an encouraging example to South Africa in tackling her own racial problems.

CONCLUSION

My theme today has been the need for resolution.

Resolution to face, not shy away from the opportunities, as well as the risks, of a troubled world.

Resolution to see international problems as they are and not as we would like them to be, nor as they seemed to be a year, or a decade ago.

Resolution to keep our friendships in Europe and across the Atlantic, as Dr. Johnson put it, "in good repair".

To falter would be to break faith with our heritage.

In the past Europeans have carried free commerce, scientific discovery, the Rule of Law, and democracy itself to the ends of the earth.

But we are more than just an economic or cultural entity, we are a spiritual force or we are nothing. For hundreds of years our story has been bound up with Christianity. It is our taproot to the history of civilisation and our link with the future. From it springs our belief in the essential dignity of man and his right to decide his own destiny; our belief in liberty, responsibility, duty and justice.

Together, let us resolve to work for these things, fight for them, live for them.

SENATOR ERVIN'S DEDICATION TO CONSTITUTIONAL GOVERNMENT: HIS TESTIMONY REGARDING PROPOSED ERA EXTENSION

Mr. HELMS. Mr. President, it was a privilege this morning to visit with my distinguished former colleague, Sam J. Ervin, Jr. "Senator Sam," as he is known is North Carolina, was in Washington to testify before the Subcommittee on the Constitution concerning the power of the Congress to extend the deadline for ratification of the proposed equal rights amendment.

Senator Ervin served for many years on the Senate Judiciary Committee as chairman of the Subcommittee on Separation of Powers. He is recognized as one of our country's foremost constitutional scholars. I know that I am not alone when I say that his wisdom, and his contributions to the deliberations in this Chamber, are sorely missed.

Senator Ervin's testimony before the Subcommittee on the Constitution today again reflected his dedication to the Constitution and to the difficult task of participating in a constitutional government. Like Thomas Jefferson, Senator Ervin cautions us to do what is fair and just, and to do it strictly as the Constitution permits—and not to break those "chains of the Constitution" which protect all our liberties.

Mr. President, I commend Senator Ervin's testimony to the consideration of my colleagues. I especially hope that many Senators will take time to review the hearing record and the lengthy discussion with members of the committee and the documents which former Senator Ervin submitted as part of the record.

However, knowing that many of us have limited time and that our colleagues in the House who recently held hearings on the subject of extending the ratification period for the proposed equal rights amendment did not have the benefit of Senator Ervin's learning on this subject, I ask unanimous consent that the statement of Senator Ervin be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SAM J. ERVIN, JR.

When it submitted the Equal Rights Amendment to the states for ratification or rejection on March 22, 1972, Congress resolved that the proposed amendment should become a part of the Constitution if ratified by three-fourths of the states within seven years from the date of its submission.

The Subcommittee is considering S. J. Res. 134, which was introduced in the Senate by Senator Birch Bayh and others and which understakes to extend the deadline for ratifying the Equal Rights Amendment an additional seven years.

Apart from such matters as the fairness of changing the rules of the game in the ninth inning, S. J. Res. 134 presents to this Subcommittee and the Congress the serious constitutional question as to whether Congress has the power to extend the deadline for ratifying the Equal Rights Amendment.

HOW CONSTITUTION IS TO BE INTERPRETED

Before elaborating my abiding conviction that the Constitution denies to Congress the power to do so, I wish to state how I believe the Constitution is to be interpreted.

I am not numbered among the legal activists who interpret the Constitution to mean what it would have said if they instead of the Founding Fathers had written it.

On the contrary, I believe the Constitution is to be interpreted in the manner described by America's greatest jurist of all time, Chief Justice John Marshall, in his famous opinion in *Gibbons v. Ogden*, (1824) 9 Wheat 1, 188, 9 L.Ed. 23, 68. I quote his words:

"As men whose intentions require no concealment generally employ the words which most directly and aptly express the ideas they intend to convey, the enlightened patriots who framed our Constitution, and the people who adopted it, must be understood to have employed words in their natural sense, and to have intended what they have said."

UNCONSTITUTIONALITY OF S. J. RES. 134

I submit the proposal embodied in S. J. Res. 134 is unconstitutional for several reasons, which I shall enumerate.

1. Congress has no powers except those granted to it by the Constitution either in express words or by necessary implication from express words. Since Article V, which governs its actions in proposing amendments, does not expressly or impliedly authorize Congress to extend the deadline fixed by it on March 22, 1972, for the ratification by the required number of states of the Equal Rights Amendment, Congress has no power to take such action, and the proposal embodied in S.J. Res. 134 is clearly unconstitutional.

As the Supreme Court declared in *Afroyim v. Rusk*, (1967) 387 U.S. 253, 257, "Our Constitution governs us and we must never forget that our Constitution limits the Government to those powers specifically granted or those that are necessary and proper to carry out the specifically granted ones."

To answer the constitutional question raised by S.J. Res. 134, recourse must be had to Article V of the Constitution, which defines the power of Congress to propose to the states for ratification or rejection amendments to the Constitution. Insofar as it is relevant to the question posed by S.J. Res. 134, Article V reads as follows:

"The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution * * * which * * * shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three-fourths of the several states."

Dr. Oliver Wendell Holmes makes this trenchant observation in his Autocrat of the Breakfast Table:

"Life and language are alike sacred. Homicide and verbicide—that is, violent treatment of a word with fatal results to its legitimate meaning, which is its life—are alike forbidden."

Those who maintain that Congress has the power to extend for seven additional years the deadline for state action on ERA are committing first degree verbicide on the words of Article V.

They make a two-pronged attack on the Constitution's words. First, they assert that Congress can extend the deadline because the Constitution is silent on the subject; and, second, that Congress can extend the deadline, even by a majority vote in each House, because the time for ratification or rejection is a matter of procedure and not a matter of substance.

The first of these arguments, i.e., that Congress can do anything with respect to any matter on which the Constitution is silent, is a most revolutionary proposition, which is totally irreconcilable with the indisputable truth that the Constitution contains an enumeration of all the powers granted by the people to the Federal Government. Every decision of the Supreme Court on the subject recognizes this principle:

"Whenever a question arises as to whether the Federal Government has the right to exercise any particular authority, recourse must be had to the Constitution itself in order to determine whether such authority is found therein either by express words or by necessary implication." 16 Am. Jur. Constitutional Law, Section 199.

Nothing can be found in Article V or any other provision of the Constitution which confers on Congress by express words or by necessary implication the power to extend by seven years the deadline for state action respecting ERA. Hence, such congressional power is non-existent.

2. The Supreme Court has declared that Congress has no power to extend the deadline for ratifying ERA beyond March 22, 1979.

This proposition finds complete support in the unanimous opinion of the Supreme Court in *Dillon v. Gloss*, (1920) 256 U.S. 368,

65 L. Ed. 994, where the Court assigns two reasons for this conclusion.

The first reason is that proposal of an amendment by the Congress and its ratification by the states are not treated by the Constitution "as unrelated acts, but as succeeding steps in a single endeavor."

S.J. Res. 134 undertakes to do in two endeavors what the Supreme Court declares must be done in a single endeavor.

In stating the second reason why Congress cannot extend the deadline for ratifying a proposed amendment, the Court asserts, in substance, that a proposed amendment loses its potency unless it is ratified in a reasonable time after its submission by Congress, and that Congress cannot permit any state to vote on the matter after that date unless it proposes the amendment to the states a second time, i.e., anew.

When it submitted the Equal Rights Amendment to the states for ratification or rejection on March 22, 1972, the 92nd Congress resolved that ERA should become a part of the Constitution only if it should be ratified by the legislatures of three-fourths of the states within seven years from the date of its submission. By so doing, the 92nd Congress declared that a reasonable time for state action on ERA will expire March 22, 1979.

In fixing the seven year limit for state action on ERA, the 92nd Congress followed the precedents set by Congress in submitting virtually all recent amendments to the states. Besides, its action harmonized with the Supreme Court decision in *Dillon* v. *Gloss*, which expressly adjudged that the Congress which submits a proposed amendment may fix a definite period for its ratification provided it keeps within reasonable limits, and that the Congress which submitted the 18th Amendment acted within reasonable limits when it specified that it should be ratified by the requisite number of states within seven years.

Advocates of ERA have already had a longer time to persuade the requisite number of states to ratify ERA than the advocates of any amendment ever added to the Constitution. All amendments heretofore adopted have been ratified within periods varying from a minimum of 4 months to a maximum of less than 4 years.

In the very nature of things, the power to fix a reasonable time for state action on a proposed constitutional amendment must reside in the Congress which submits it. It cannot be determined retroactively by a subsequent Congress motivated by the fact that the requisite number of states have refused to ratify it within the reasonable limit originally established.

The 95th Congress has power to legislate for the future. It has no power to amend the past. And that is precisely what it would be trying to do if it undertook to amend a congressional resolution adopted on March 22, 1972, by striking out seven years and inserting in its place fourteen years.

The reasons why a fair inference or implication from Article V is that ratification must be within a reasonable time after the proposals are well stated by the Supreme Court in *Dillon* v. *Gloss*. Let me quote the Court's words:

"First, proposal and ratification are not treated as unrelated acts, but as succeeding steps in a single endeavor, the natural inference being that they are not to be widely separated in time. Secondly, it is only when there is deemed to be a necessity therefor that amendments are to be proposed, the reasonable implication being that when proposed they are to be considered and disposed of presently. Thirdly, as ratification is but the expression of the approbation of the people and is to be effective when had in three-fourths of the states, there is a fair implication that it must be sufficiently contemporaneous in that number of states to reflect the will of the people in all sections at relatively the same period, which, of course, ratification scattered through a long series of years would not do."

After stating these things, the Supreme Court declared that if a proposed amendment is not ratified by three-fourths of the states within a reasonable time, it is "not again to be voted upon, unless a second time proposed by Congress." (256 U.S. 368, 375, 65 L.Ed. 994, 997)

Congress cannot extend the deadline by passing S.J. Res. 134 because it would be attempting to do in two endeavors what the Supreme Court says must be done in a single endeavor and because a reasonable time for the ratification of ERA has expired.

To be sure, however, Congress can submit the ERA to the states anew, i.e., a second time. For understandable reasons, advocates of ERA do not desire Congress to submit the amendment to the states a second time, i.e., anew. They recognize that such action can be taken by Congress only by a vote of two-thirds of both of its Houses, and will impose upon them the burden of persuading the legislatures of three-fourths of the several states to adopt new ratifying resolutions if ERA is to become a part of the Constitution.

Hence, it is not surprising that they seek to beat what they deem to be a constitutional devil around the stump. They emulate the ostrich. By sticking their heads in the sand, they blind themselves to the wording of Article V and to what the Supreme Court expressly declared in the case of *Dillon v. Gloss*.

Having done this, they conjure up these unsupportable notions: First, Congress can extend the deadline for ratifying the ERA by a simple majority vote of both Houses; second, a state which has ratified ERA cannot change its mind and rescind its ratification, but a state which has rejected ERA can change its mind and ratify it; and third, by extending the deadline for ratification instead of submitting ERA a second time, i.e., anew, to the states, Congress can embalm and preserve the vitality of ratifying resolutions adopted by states prior to the expiration of the original deadline of March 22, 1979.

These notions are clearly untenable. The first notion is totally inconsistent with the words of Article V. If it extends the deadline, Congress will be proposing that states vote on ERA during an additional 7 years, and Article V makes it as clear as the noonday sun in a cloudless sky that Congress cannot propose that the states vote on any amendment except by a two-thirds vote of both of its Houses.

The first notion attempts to put asunder what Article V irrevocably puts together. Indeed, it attempts to rewrite Article V in its entirety.

The Article clearly requires Congress to do everything connected with proposing amendments by a two-thirds vote of both Houses. It makes no distinction between matters of procedure and matters of substance—between the time for state action and the wording of a proposed amendment.

The second notion ignores the fundamental difference between the delegated powers which Congress enjoys and the original powers which a state legislature enjoys. Congress cannot take any action whatever unless it is authorized to do so either expressly or impliedly by a provision of the Constitution of the United States. A state legislature on the contrary can do anything it is not forbidden to do by the Constitution of its state or by the Constitution of the United States.

Neither the Constitution of any state nor the Constitution of the United States forbids a state to reverse its action in respect to a proposed amendment at any time before the amendatory process is complete, i.e., until the proposed amendment has been ratified by three-fourths of the states and thereby made a part of the Constitution. Consequently, until that has happened, a state which has ratified ERA can change its mind and rescind its ratification, and a state which has rejected ERA can change its mind and ratify it.

Four of the states, Tennessee, Nebraska, Idaho, and Kentucky, have expressly rescinded their prior ratification of ERA, and thereby reduced to 31 the number of states whose ratifications of ERA are still valid.

For the two reasons previously stated, Congress has no power to extend the deadline for ratifying ERA beyond March 22, 1979. But even if it possessed such power, Congress could not keep ratifications made before the expiration of the original deadline in force after that time by passing S.J. Res. 134. This is true because those ratifications applied to a proposed amendment which was to be effective only if it should be ratified by the legislatures of three-fourths of the states within seven—not fourteen—years from its submission by the Congress.

3. What has just been said is emphasized by the express language of the ratifying resolutions of at least twenty nine of the states which describe the proposed amendment they are ratifying as one which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several states within SEVEN YEARS from the date of its submission by the Congress.

The twenty-nine states so describing the proposed amendment they were ratifying as one expiring after March 22, 1979, if not ratified by three-fourths of the states by that time, and the years of their ratifying resolutions are as follows:

California	1972
Colorado	1972
Connecticut	1973
Delaware	1972
Hawaii	1972
Idaho	1972
Indiana	1977
Iowa	1972
Kansas	1972
Kentucky	1972
Maine	1974
Massachusetts	1972
Michigan	1972
Minnesota	1973
Montana	1974
Nebraska	1973
New Hampshire	1972
New Mexico	1973
New York	1972
North Dakota	1975
Ohio	1974
Oregon	1973
South Dakota	1973
Texas	1972
Vermont	1973
Washington	1973
West Virginia	1972
Wisconsin	1972
Wyoming	1973

By virtue of their express language, the ratifying resolutions of these twenty nine states will become null and void after March 22, 1979, if ERA is not ratified by the legislatures of three-fourths of the states by that date.

It is to be noted that ERA was ratified by these twenty nine states in the following years: 15 states in 1972, 9 states in 1973, 3 states in 1974, 1 state in 1975, and 1 state in 1977.

It is not only unconstitutional, but also irrational to count these states as voting for ratification after March 22, 1979, if ERA is not ratified by three-fourths of the states by that date. This is so because these ratifications were made in political haste immedi-

ately after ERA was submitted, and before legislators had reason to know that ERA is unnecessary, unrealistic, and destructive of the system of government the Constitution was ordained to establish.

Since this Subcommittee is concerned solely with the question of whether the deadline for ratifying ERA should be extended, I refrain from discussing how unnecessary, how unrealistic, and how destructive of our existing system of government it is. I have added to this statement appendices dealing with these matters, and ask that they and the copy of the opinion in *Dillon* v. *Gloss* be printed in the record of the hearing following this statement.

ASA T. SPAULDING, SR.—A FINE CITIZEN OF NORTH CAROLINA

Mr. HELMS. Mr. President, back in June a distinguished citizen of my State, Mr. Asa T. Spaulding, Sr., was presented the 50th Anniversary Citation Award, given by the Durham-area chapter of the National Conference of Christians and Jews.

The presentation occurred at a dinner honoring Mr. Spaulding in his home city of Durham, N.C.

For almost as long as I can remember, Mr. President, the name, Asa T. Spaulding, Sr., has been to me a familiar and respected one. I remember the many occasions that I heard Mr. Spaulding praised by the late U.S. Senator Willis Smith, whom I served as administrative assistant in the early 1950's. No man in North Carolina is more highly respected than Mr. Spaulding.

It is no surprise to me that Mr. Spaulding was honored as he was back in June—and on so many other occasions. He richly deserves all the recognition he has received, and more.

I commend to the consideration of my colleagues the response offered by Mr. Spaulding when he was honored at the Durham dinner. What he said on that occasion discloses a very great deal about his character and personality. I ask unanimous consent that the text of Mr. Spaulding's response to printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RESPONSE OF ASA T. SPAULDING, SR.

Mr. Chairman; Mrs. Smith, I do not think I could be with a more appropriate person on such a fitting occasion than with you; Mayor Evans, and you will always be "Mayor" to me; Congressman Brooks Hays; other distinguished guests; ladies and gentlemen:

Although I have witnessed many wonderful experiences before, I think of none in which I was personally involved that has been more deeply and humbly moving than the honor you have done me tonight.

In a time when our community, our state, our nation, and so many other parts of the world are in any thing but a happy mood; and when many deep divisions are rampant, Christians and Jews are assembled under the canopy of the fatherhood of God and the brotherhood of man here tonight to pay homage to two persons of opposite races and faiths; one a Jew and female, and the other a black Christian and male.

Both belong to different minorities, but with more or less common experiences. Both know what it is to be rejected, discriminated against, and persecuted; and to whom the word "Holocaust" has a special meaning, even if in different degrees.

While sitting here tonight, I have had many flash-backs to my boyhood on a farm in Columbus County, N.C., unable to attend school more than approximately 4½ months per year until finishing 7th grade at age 16. With no further educational opportunities available to blacks in that county at that time, I came to Durham to further my education.

Five years later, with a high school diploma, I was back in Columbus County serving as principal of the school I had previously attended.

Another flashback focused on my following a plow behind a mule from age 9 to age 16, wondering all that time if I would ever get away from that way of life. Nevertheless, I was constantly dreaming impossible dreams which I have continued to do until this day, and most of them have ultimately become realized.

Not only did I have flashbacks, I also had brief kaleidoscopic views of thousands of years of history, the rise and fall of nations, kingdoms, empires, and civilizations, to flash through my mind in rapid succession.

The most significant recollection, however, was of my grandfather who was a Sunday School superintendent for 42 years, and who inspired me to read the Bible through, both the Old and the New Testaments, before I was age 14. The result was the Bible became my guiding compass giving direction to, and shaping the philosophy of my life.

It was from the Bible that I learned that one of God's greatest gifts to man is the power of overcoming; and becoming; and that when one is in a state of hopelessness and despair with mountains of difficulties on both sides, enemies pursuing from behind, and a Red Sea of impossibility in front, the way of overcoming is not in self-pity, complaining, and giving up, but rather in drawing upon all of his or her resources, inner and outer, and using the rod in his hand and the will and determination in his or her heart, and to march forward never doubting the outcome. And to continue to march until all the walls of Jericho collapse. He who is plenteously provided for within, needs less from without.

It was in the Bible that I read: Come with me Abraham, and I will make of thee a great nation . . . Follow me Peter and John, and I will make you fishers of men . . . Go down into Egypt Moses, and I will make of you a great leader . . . That obedience is better than sacrifice . . . That being merciful is better than exploitation . . . That a pure heart is better than a vile one . . . That being a peacemaker is better than being a peacebreaker . . . and that it is in unselfish service that true greatness is found!

In Psalms 1, I found the recipe for good living, and Psalms 23, I learned the value of a Good Shepherd. For me, the Holy Bible is still the Book of books.

I owe so much to so many because I am but the sum total of all my contacts, experiences, and exposures, and many have contributed much to all of these, both known and unknown. Even though I realize how hazardous it is to start calling names, in addition to my wife and family, for what they meant to me, there are at least six other persons I must single out, namely:

1. Dr. A. M. Moore, who was born in Columbus County also, and who was responsible for my coming to Durham to continue my education, and for my first summer clerical job at the N.C. Mutual Life Insurance Company while in high school, and his wife who was my other mother after my coming to Durham at age 16.

It was my first summer job at N. C. Mutual that I learned that there is a wide range between the minimum requirements for holding a job and the maximum possibilities of that job, and that any job or position will expand or shrink to the size of the person holding it, largely depending upon the initiative, imagination, industry, commitment, and perseverance of the person.

2. Dr. James E. Shepard, President of the then National Training School and now North Carolina Central University, who was responsible for my having such a high regard for punctuality, discipline, and the importance of time and its wise use.

3 and 4. C. C. Spaulding, Sr., and W. J. Kennedy, Jr., former Presidents of North Carolina Mutual and mentors of mine who also made a tremendous impact upon my life.

5. Saul B. Ackerman, a Jewish Professor of mine in the School of Commerce, Accounts and Finance at New York University, who took such a personal interest in me, the only black in my class under him, that he changed the course of my life from becoming a CPA to becoming an Actuary by saying to me in his office after class one day: "Spaulding, I would like to make you the first Negro Actuary in America!" Such a thought had never previously entered my mind—the Actuarial field was such a tightly closed profession at that time.

6. Horace R. Bassford, Actuary of the Metropolitan Life Insurance Company, who permitted me to visit the home office of the Metropolitan, after having finished my Actuarial training at the University of Michigan, to do some special research there at a time when there were no black employees in the home office on any level.

When I went to the Greenbrier Hotel at White Sulphur Springs, West Virginia, to attend my first meeting of the Actuarial Society, I was such an oddity upon my arrival that the black doormen would not take my luggage out of the car until after I had checked in the hotel, they were so certain that I would not be admitted. I was told that no black had ever stopped there before.

Within a few minutes after I had registered, the news had spread so rapidly that it seemed as though all the blacks in town knew it and wanted to see me. I was extended an invitation in town to dinner that night to tell them about my experience.

When the first session of the meeting recessed for lunch in the dining room of the hotel, Mr. Bassford invited me to sit with him at the Metropolitan table and introduced me to others during the lunch period. After he had "broken the ice," there were no further problems for the remainder of the sessions.

What is of more importance, however, I believe, is that on such an occasion as this it would be remiss not to look back to November 19, 1977, when one of Abraham's descendants, the Arab, Anwar Sadat, was possessed with a "passion for peace," and at the same time in Israel another descendant of Abraham, a Jew, Menachem Begin, had similar concerns, and "the fullness of time" seemed to be at hand.

So President Sadat left Cairo with the courage of a martyr on his "mission for peace" not knowing what the consequences of his act might be. Would it be a Cain and Abel confrontation or an Esau and Jacob reunion? The world was waiting to see! In the meantime, God was moving in mysterious ways in performing his wonders.

When the door of President Sadat's plane was opened upon his arrival, and he descended the steps, he found Prime Minister Begin and his Cabinet waiting to greet him with open arms of goodwill. This was a high moment of history in the Middle East which radiated electrifying emotions around the world. Two former enemy descendants of Abraham had just pinpointed a new historical landmark in the Middle East. Would it become a new Memorial Plot in which the

seeds of Peace and Goodwill had been planted and would germinate, grow up, and bring forth the harvest of Peace in the Middle East for which the souls of mankind longed?

Ere long there were indications that the seeds of Peace and Goodwill might be germinating, for President Sadat and Prime Minister Begin joined in the chant: "No More Wars! No More Wars!" God grant that the seeds planted may flourish and bring forth the desired harvest despite the efforts of dissidents to the contrary.

It is admitted that this will not be easy. Long and tedious negotiations lie ahead. But the alternatives are unthinkable. All of us should, therefore, encourage and uphold the arms of President Sadat and Prime Minister Begin, and urge them to "keep the faith," and not to grow weary in well doing! They have gone too far forward to turn back. The fate of humanity could be hanging perilously upon their succeeding.

The era of beating swords into plowshares, spears into pruning hooks, nations not lifting up swords against nations, and the lion and the lamb lying down together with universal human rights for everyone, must come if universal peace is ever to prevail. It might help for us to remember what a former Ambassador from Israel, Avraham Harman, said in a Brotherhood Day Address at the White Rock Baptist Church in Durham approximately 15 years ago: "It is not given to anyone alone to begin and complete the truly great tasks of life, but an opportunity is afforded to everyone to make his or her contribution toward the completion." May we not be "weighed in the balance and found wanting!"

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

GUAM CONSTRUCTION AUTHORIZATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendment to the House amendments to S. 2821.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF FOOD STAMP WORKFARE PILOT PROJECTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secre- proceed to the consideration of Calendar Order No. 975, which I believe is cleared on the minority side.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, and I shall not object, I am informed that this matter was cleared by the committee.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A (S. 3271) to amend the Food Stamp Act of 1977 to extend the operation of the workfare pilot projects,

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

The last sentence of section 17(b)(2) of the Food Stamp Act of 1977 is amended by striking everything after "Act" and inserting in lieu thereof the following: "shall issue an interim report no later than October 1, 1979, and shall issue a final report describing the results of such pilot projects no later than October 1, 1980.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to amend the pilot project workfare provisions of the Food Stamp Act of 1977.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–1052), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

S. 3271 would extend the final reporting date established by the Food Stamp Act of 1977 for the food stamp workfare pilot projects to October 1, 1980.

BACKGROUND AND NEED

I.

The Food Stamp Act of 1977 mandates that the Secretary of Agriculture and the Secretary of Labor jointly conduct workfare pilot projects involving the performance of work in a public service capacity in exchange for food stamp benefits. The workfare pilot projects are to be conducted in one urban and one rural area in each of the Department's Food and Nutrition Service's seven regions and representative of a cross section of the political subdivisions in the respective States within the region. The number of pilot projects to be conducted is limited to 14.

The Departments of Agriculture and Labor are to report to the appropriate congressional committees on the progress of the projects before March 30, 1978, and September 30, 1978. A final report containing the results of the projects is to be submitted before March 30, 1979. The first interim report was submitted to the committees in compliance with the requirements of the act. However, due to unanticipated delays, the Department of Agriculture has requested legislation that would extend the operation of the workfare pilot projects and final reporting to October 1, 1980. The committee believes this request is warranted.

II.

Participants in the pilot projects are members of food stamp households whose earned income is less than their coupon allotment. They will be required to work in a public service capacity if they are unable to secure work in the private sector. The required hours of employment will be determined by dividing the household's coupon allotment by the Federal minimum wage. Compensation will be paid in the form of the monthly coupon allotment to which the household would normally be entitled. Persons required to participate in the pilot projects who refuse to accept public service employment will not be eligible for food stamp benefits during the month of refusal.

III.

The Departments of Agriculture and Labor have been working together to establish the administrative and regulatory provisions of the workfare pilot projects. However, because the section of the statute authorizing workfare makes specific reference to other provisions of the program that are being revised, such as the elimination of the purchase requirement and the new benefit levels, it has been determined that operation of the workfare pilot projects cannot be commenced until the new provisions are in effect. The Department of Agriculture anticipates that State agency implementation of the new provisions should commence by January 1979. In order to maintain the timetable for the final report established by the act, operation and evaluation of the projects would have to take place during the first 3 months of 1979. Three months would hardly be enough time to obtain sufficient data to evaluate the projects' effectiveness and compile a final report.

S. 3671 would require an interim report on the progress of the pilot projects before October 2, 1979, and a final report describing the results of such pilot projects before October 2, 1980. This extension would allow the workfare pilot projects to run through April 1980, so that all local operations may have at least 1 full year of operation, and then allow 6 months for the final collection and tabulation of data for the final report.

Mr. ROBERT C. BYRD. Mr. President, I believe the order has been entered for the convening of the Senate at 9 a.m. tomorrow morning; is that correct?

The PRESIDING OFFICER. The Senator is correct.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time be changed to 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. With the understanding that the time for the two leaders to be reduced to 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for the two leaders be limited to 5 minutes each on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators tomorrow?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. I thank the Chair.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, after the two leaders are recognized, I will call up the second supplemental appropriations bill under the authority already given to me by the order entered yesterday. And upon moving that measure to third reading on tomorrow, under the authority granted me by the order yesterday, I will ask that the clerk proceed to read the title to the legislative branch appropriations bill and upon moving that bill to the third reading, under the order entered on yesterday, when the Senate has proceeded to that point, I will then call up under the order given me on yesterday the HUD appropriations bill and hopefully that bill can be advanced to third reading on tomorrow.

There will be rollcall votes on amendments to these bills, on motions in relation to the same, but any votes on final passage of any one or more of the three measures will be put over until Monday under the order.

So Senators should be aware of the fact that there will be several rollcall votes on tomorrow, and I assume that the Senate will stay in until 5 or 6 o'clock, if necessary, or even longer, to complete action on these three appropriations bills, it being necessary, in view of the very diminished time period in which the Senate has remaining, to proceed if at all possible to move all three of those appropriations bills to third reading on tomorrow.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9:30 a.m. tomorrow morning.

The motion was agreed to; and at 9:08 p.m., the Senate recessed until tomorrow, Friday, August 4, 1978, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 3, 1978:

THE JUDICIARY

Theodore McMillian, of Missouri, to be U.S. circuit judge for the eighth circuit, vice William H. Webster, resigned.

U.S. RAILWAY ASSOCIATION

The following-named persons to be members of the board of directors of the U.S. Railway Association for the terms indicated:

Stanton P. Sender, of the District of Columbia, for the remainder of the term expiring July 8, 1980, vice W. K. Smith, elevated.

Nathaniel Welch, of Georgia, for the term expiring January 10, 1983, vice Charles B. Shuman, term expired.

For terms expiring July 8, 1984:

James E. Burke, of New Jersey (reappointment).

Robert C. Flannery, of California, vice Gale B. Aydelott, term expired.

HOUSE OF REPRESENTATIVES—*Thursday, August 3, 1978*

The House met at 10 a.m.

The Reverend Stanley B. Barry, D.D., L.H.D., president of the Columbia Spiritual Baptist Institution, Washington, D.C., offered the following prayer:

Our Father and our God we pray Thee that we may hold our liberty in high esteem, that strength, wisdom, and courage be given to all who work for a world of reason and understanding. We thank Thee for this wonderful country in which we are privileged to live.

Grant to us at this moment, O Righteous Father, the spirit of worship and true godliness. Let the good that lies in every man's heart day by day be magnified, that men will come to see more clearly not that which divides them, but that which unites them, that his true spirit of Christianity, its joy, its beauty, its hope, and above all, its abiding faith may continue to live among us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. ASHBROOK. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 362, nays 14, answered "present" 1, not voting 55, as follows:

[Roll No. 641]

YEAS—362

Abdnor	Burgener	Ellberg
Addabbo	Burke, Calif.	Emery
Akaka	Burke, Fla.	English
Alexander	Burleson, Tex.	Erlenborn
Ambro	Burlison, Mo.	Ertel
Ammerman	Burton, Phillip	Evans, Del.
Anderson, Calif.	Butler	Evans, Ga.
	Carney	Evans, Ind.
Anderson, Ill.	Carr	Fary
Andrews, N. Dak.	Carter	Fascell
	Cavanaugh	Fenwick
Annunzio	Cederberg	Findley
Applegate	Chisholm	Fish
Archer	Clausen, Don H.	Fisher
Armstrong		Fithian
Ashbrook	Clawson, Del	Flippo
Ashley	Clay	Flood
Aspin	Cleveland	Florio
AuCoin	Cohen	Foley
Badham	Coleman	Fountain
Bafalis	Conable	Fowler
Baldus	Conte	Frenzel
Baucus	Corcoran	Fuqua
Bauman	Corman	Gammage
Beard, R.I.	Cornell	Gaydos
Beard, Tenn.	Cornwell	Gephardt
Bedell	Cotter	Giaimo
Benjamin	Crane	Gibbons
Bennett	Cunningham	Gilman
Bevill	D'Amours	Ginn
Biaggi	Daniel, Dan	Glickman
Bingham	Daniel, R. W.	Goldwater
Blanchard	Danielson	Gonzalez
Blouin	Davis	Gore
Boggs	de la Garza	Gradison
Boland	Delaney	Grassley
Bolling	Derrick	Green
Bonior	Derwinski	Gudger
Bonker	Devine	Guyer
Bowen	Dickinson	Hagedorn
Brademas	Dicks	Hall
Breaux	Dingell	Hamilton
Breckinridge	Dodd	Hammer-schmidt
Brinkley	Dornan	
Brodhead	Downey	Hanley
Brooks	Drinan	Hannaford
Broomfield	Duncan, Tenn.	Hansen
Brown, Calif.	Early	Harkin
Brown, Ohio	Edgar	Harris
Broyhill	Edwards, Ala.	Harsha
Buchanan	Edwards, Calif.	Hawkins
Heckler	Markey	Railsback
Hefner	Marks	Rangel
Heftel	Marriott	Regula
Hightower	Martin	Reuss
Hillis	Mattox	Rhodes
Holland	Mazzoli	Richmond
Hollenbeck	Metcalfe	Rinaldo
Holt	Meyner	Risenhoover
Holtzman	Michel	Roberts
Horton	Mikulski	Robinson
Howard	Mikva	Rogers
Hubbard	Miller, Calif.	Rooney
Huckaby	Miller, Ohio	Rose
Hughes	Mineta	Rosenthal
Hyde	Minish	Rostenkowski
Ichord	Mitchell, N.Y.	Roybal
Jacobs	Moakley	Rudd
Jeffords	Moffett	Runnels
Johnson, Calif.	Mollohan	Ruppe
Johnson, Colo.	Montgomery	Russo
Jones, N.C.	Moore	Ryan
Jones, Okla.	Moorhead, Calif.	Satterfield
Jones, Tenn.		Sawyer
Jordan	Moorhead, Pa.	Scheuer
Kastenmeier	Moss	Schroeder
Kazen	Mottl	Schulze
Kelly	Murphy, Ill.	Sebelius
Kemp	Murphy, N.Y.	Sharp
Keys	Murphy, Pa.	Shipley
Kildee	Murtha	Shuster
Kindness	Myers, Gary	Sikes
Kostmayer	Myers, John	Simon
Krebs	Myers, Michael	Sisk
LaFalce	Natcher	Skelton
Lagomarsino	Neal	Slack
Latta	Nedzi	Smith, Iowa
Leach	Nix	Smith, Nebr.
Lederer	Nolan	Snyder
Leggett	Nowak	Solarz
Lehman	O'Brien	Spellman
Lent	Oakar	Spence
Levitas	Oberstar	St Germain
Livingston	Obey	Staggers
Lloyd, Tenn.	Ottinger	Stangeland
Long, La.	Panetta	Stanton
Long, Md.	Patten	Stark
Lott	Patterson	Steed
Lujan	Fattison	Steers
Luken	Pease	Stockman
Lundine	Pepper	Stokes
McClory	Perkins	Stratton
McCloskey	Pettis	Studds
McCormack	Pickle	Stump
McDonald	Pike	Symms
McFall	Poage	Taylor
McHugh	Preyer	Thompson
McKinney	Price	Thornton
Madigan	Pritchard	Traxler
Maguire	Pursell	Treen
Mahon	Quillen	Trible
Mann	Rahall	Udall

Ullman	Weaver	Wright
Van Deerlin	Weiss	Wydler
Vander Jagt	White	Wylie
Vanik	Whitehurst	Yates
Vento	Whitley	Yatron
Volkmer	Wilson, Bob	Young, Fla.
Waggonner	Wilson, C. H.	Young, Mo.
Walgren	Wilson, Tex.	Zablocki
Walsh	Winn	Zeferetti
Wampler	Wirth	
Watkins	Wolff	

NAYS—14

Brown, Mich.	Goodling	Rousselot
Burton, John	Jenrette	Sarasin
Collins, Tex.	Lloyd, Calif.	Steiger
Coughlin	Mitchell, Md.	Walker
Forsythe	Quayle	

ANSWERED "PRESENT"—1

McEwen

NOT VOTING—55

Andrews, N.C.	Ford, Mich.	Quie
Barnard	Ford, Tenn.	Rodino
Beilenson	Fraser	Roe
Burke, Mass.	Frey	Roncalio
Byron	Garcia	Santini
Caputo	Harrington	Seiberling
Chappell	Ireland	Skubitz
Cochran	Jenkins	Teague
Collins, Ill.	Kasten	Thone
Conyers	Krueger	Tsongas
Dellums	Le Fante	Tucker
Dent	McDade	Waxman
Diggs	McKay	Whalen
Duncan, Oreg.	Marlenee	Whitten
Eckhardt	Mathis	Wiggins
Edwards, Okla.	Meeds	Young, Alaska
Evans, Colo.	Milford	Young, Tex.
Flowers	Nichols	
Flynt	Pressler	

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 13385. An act to provide for a temporary increase in the public debt limit.

The message also announced that the Senate agrees to the amendments of the House to Senate amendment to a bill of the Senate of the following title:

H.R. 7581. An act to amend the Internal Revenue Code of 1954 to provide that certain income from a nonmember telephone company is not taken into account in determining whether any mutual or cooperative telephone company is exempt from income tax.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3243. An act to authorize the appropriation of funds to provide for additional administrative expenses associated with the implementation of the Local Public Works Capital Development and Investment Act of 1976, as amended.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT, FRIDAY, AUGUST 4, 1978, TO FILE REPORT ON H.R. 13511, THE REVENUE ACT OF 1978

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Friday, August 4, 1978, to file a report on H.R. 13511, the Revenue Act of 1978, along with any separate minority views.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Oregon?

There was no objection.

JOINT REFERRAL OF H.R. 13446, TO AMEND THE INTERNAL REVENUE CODE OF 1954, TO COMMITTEE ON EDUCATION AND LABOR

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the bill (H.R. 13446) to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to permit assignments or alienations of rights under pension plans which are pursuant to certain court orders, which was initially referred to the Committee on Ways and Means, be jointly referred to the Committee on Education and Labor.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PROMISE OF ASSISTANCE FROM GOVERNMENT OF REPUBLIC OF KOREA

(Mr. FLYNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLYNT. Mr. Speaker, I take this time to inform the House that, as a result of recent initiatives by the Speaker of the House, the minority leader, and the Committee on Standards of Official Conduct, the Government of the Republic of Korea has, for the first time, given assurances that former Ambassador Kim Dong Jo will supply new and concrete factual information regarding any financial transactions with Members of the U.S. Congress. It is expected that this information will be substantial and will contribute significantly to the progress of the current investigations.

Accordingly, this morning the Committee on Standards of Official Conduct, by the unanimous concurrence of all members present, decided to accept the offer of the Republic of Korea and will submit to that Government questions to which answers will be obtained from former Ambassador Kim, which will be forwarded and transmitted to this committee.

I welcome this new promise of assistance for cooperation from the Government of the Republic of Korea, which provides new evidence of friendship and cooperation between our two countries.

Mr. Speaker, I would like to add that in obtaining this agreement we have had the unrestricted cooperation of the U.S. Department of State.

BUSINESS WEEK MAGAZINE ATTACKS KEMP-ROTH BILL AS "COMPLETELY IRRESPONSIBLE" AND "WOULD WRECK COUNTRY"

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, one of the most widely respected journals in the United States is Business Week magazine.

I believe that, in view of the vote next week on tax legislation, Members of the House of Representatives will read with particular interest the editorial in the August 7, 1978, issue of Business Week concerning the so-called Kemp-Roth bill.

This editorial, entitled "Wishing Can't Make It So," says of the Kemp-Roth proposal that "it would be a completely irresponsible way to approach the Federal budget problem, and it would generate an inflation that would destroy the value of the currency."

The Kemp-Roth bill is based, says Business Week, on what the magazine describes as "flaky arithmetic."

Moreover, says Business Week, "Kemp-Roth would add $100 billion to a deficit that is already dangerously swollen. It would touch off an inflationary explosion that would wreck the country and impoverish everyone on a fixed income."

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD the complete text of the Business Week editorial to which I refer:

WISHING CAN'T MAKE IT SO

Riding on the momentum generated by the victory of Proposition 13 in California, Representative Jack F. Kemp (R-N.Y.) and Senator William V. Roth, Jr. (R-Del.) are trying to promote the taxpayer revolt into a national movement. They are sponsoring legislation that would arbitrarily reduce federal income taxes by one-third in three years, regardless of what that did to the federal budget.

A great many people in the U.S. seem to believe in miracles and magic, especially where federal finances are concerned. To such people, the Kemp-Roth proposal will look totally plausible and irresistibly attractive. But, in fact, it would be a completely irresponsible way to approach the federal budget problem, and it would generate an inflation that would destroy the value of the currency.

Tax cuts should be the reward for tight control of spending and a gradual reduction in the proportion of national income that the government preempts. The Kemp-Roth proposal would give the public the reward and postpone the cost-cutting.

Backers of Kemp-Roth have worked up some flaky arithmetic to support their claim that the tax cuts would generate so much economic growth that the budget would eventually come into balance (page 62). This is pure wishful thinking in an economy that is nudging its capacity limits and running at a 10% annual inflation rate.

Proposition 13 may have forced cutbacks on California municipalities, but the local governments can look to the state for help. The U.S. federal government is not a municipality. When its revenues do not match its spending, it borrows the difference, often using the Federal Reserve to create the money. Kemp-Roth boosters who argue that the best way to put a lid on spending is to shut off the revenue are solemnly asserting that wishing will make it so.

Kemp-Roth would add $100 billion to a deficit that is already dangerously swollen. It would touch off an inflationary explosion that would wreck the country and impoverish everyone on a fixed income. If taxpayers want to revolt and cut taxes, they must force sizable cuts in spending first.●

INFLATION, CAPITAL GAINS, AND COMMUNICATIONS

(Mr. ARCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ARCHER. Mr. Speaker, this morning's edition of the Washington Post contains an article with the following headline: "White House Strives to Revive Tax Bill." According to the article, the Carter administration is now attempting to undo various provisions of the Ways and Means Committee bill. Among the provisions which seems to cause the administration great concern is an amendment which I offered in committee which was adopted on a bipartisan vote of 21 to 16.

The amendment would eliminate purely inflationary increases for the purposes of taxing gains. In other words, it would index the basis of capital gains.

The administration has never once come to me to discuss this proposal. Neither the White House nor the Treasury Department has ever called me on the telephone to inform me with regard to their position on the matter.

I am quite perplexed in light of the President's greatly renowned desire to be "fair." Is it fair to tax inflation? Is it fair for the Government to deficit, spend and create inflation so that it can then tax it?

In a Brookings Institution publication, there is an article titled: Inflation Adjustment for the Individual Income Tax, by Emil M. Sunley, Jr. and Joseph A. Pechman. Mr. Sunley is now Deputy Assistant Secretary for Tax Policy in the Carter Treasury Department and I think that his apparent view—at least back then—on this matter is part of the reason that I am so surprised by the administration's new thrust. The article starts with the following language.

> Inflation causes significant increases in the effective rates of the individual income tax on real incomes for two reasons. The first involves the effect of inflation on the measurement of particular items of income for tax purposes, *principally capital gains, business income, and interest*. These problems are treated in other papers in this volume. The second reason, which is the subject of this paper, is that fixed dollar amounts, such as the rate bracket boundaries and the per capita personal exemption and credit, enter into tax liability computations. These amounts do not increase automatically with inflation. When a family's money income increases just enough to offset inflation, its real income stays the same. But as its money income increases, the family is thrown into higher tax rate brackets and the fixed dollar deductions, exemptions, and credits eliminate a lesser fraction of income otherwise subject to tax. The result is that tax liabilities increase faster than inflation and take away an increasing percentage of the family's real income. (Emphasis added.)

I did not say that. The Deputy Assistant Secretary for Tax Policy said that.

Now I am not so foolish as to think that the administration should run to me every time that I wish to propose something which is not in keeping with the President's philosophy. But I do think it would be helpful if they could explain to me why they are so adamantly opposed to an amendment which the committee has adopted, which has bipartisan support and which apparently, at least in theory, has the support of at least some key Treasury personnel. Maybe if the administration's people were a little more communicative they would not always be so far behind.

FOREIGN AID APPROPRIATION, 1979

Mr. LONG of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12931) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12931, with Mr. KAZEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, August 2, 1978, the Clerk had read through line 19 on page 7.

Mr. MAHON. Mr. Speaker, I move to strike the last word.

(Mr. MAHON asked and was given permission to speak out of order.)

STATUS OF APPROPRIATION BILLS

Mr. MAHON. Mr. Chairman, thus far the House has done very well in handling appropriation bills. When we conclude action on the foreign assistance bill that we are considering today, only one regular annual appropriation bill will be left for the House to consider: That will be the defense appropriation bill. I am honestly and sincerely hoping that we can finish the foreign assistance bill today and then begin work tomorrow on the defense appropriation bill.

Mr. Chairman, I think it might be helpful to the Members if we took a look at the situation in regard to appropriation bills. Including today, there are only 11 working days before the August recess-work period. When the House returns on September 6, there will be only 23 days until the planned adjournment date at the end of the first week of October. But the fiscal year will begin on October 1, and we need to have all our appropriation bills cleared by that time or else we will face a situation where agencies of Government are without operating funds and we would need a continuing resolution.

Among the "must" bills before adjournment are all the appropriation bills. Here is the situation with respect to them: The House has passed 11 of the 13 annual appropriation bills, virtually all of them in June in accordance with the provisions of the Budget Act. The Senate so far has passed only 2 of the 11 bills we have sent to the Senate and only one has been sent to the President. Last year at this time the Senate had passed 11 appropriation bills and 7 had been sent to the President.

The Senate Appropriations Committee is working diligently in an effort to clear and deal with these bills, two of them today and two or three tomorrow and Monday. I am very hopeful that we can begin to have conferences on these bills beginning next week and that we can come through with a reasonably adequate record.

We must move along and pass the foreign aid bill today. We worked on this bill until past 9 o'clock last night, as everyone knows, and we have almost 9 hours available today. We need to pass it today. We will then take up the defense bill tomorrow and continue on Monday and until it is completed.

That is a monumental task. Time is of the essence but I am confident we will be able to meet our requirements.

Everybody knows that this is my last year in the House of Representatives and this, of course, is my last year as chairman of the Committee on Appropriations. I would certainly like to end my career as chairman of this committee, in good fashion.

I would also like to say that Speaker O'NEILL and his staff, as well as the majority leader, Mr. WRIGHT and his staff, have been most cooperative in dealing with appropriation matters.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I know the gentleman from Texas (Mr. MAHON) has very good intentions as far as recommending this morning the speeding up of our consideration on the foreign aid appropriation bill, but I would point out to the gentleman, and to those Members of the House who have not yet seen the tentative schedule for next week's program that it seems strange to me that we should be asked to rush through consideration of the foreign aid appropriations bill when we are going to be asked next week to consider the ERA extension, which is virtually certain of dving in the other body, the Hawaiian Native Claims Study Commission, Fuels Transportation Safety Amendments, the Electric Fund Transfer Act, and a whole list of other bills that will die before this session adjourns.

If this is the kind of legislation for which we are asked to hurry up our consideration of the present bill, then it seems to me the gentleman ought to talk with the leaders on his side. Perhaps he could get some guarantee on the number of bills that we are going to be asked to act on before adjournment and that we will not be asked to waste time on legislation that has no chance of passage at all.

Mr. MAHON. I am speaking only, of course, of the appropriation bills, and we have to handle these appropriation bills before the beginning of the new fiscal year. I think we can do it, but as the gentleman knows, after completion of our consideration of the foreign aid bill and the defense bill, they must be considered by the other body before we can go through the procedure of conferences in order to complete action on them. The

gentleman knows that considerable time is required for the conferences between the House and the Senate, the drafting of reports, and passage of the reports through the House and Senate. We are simply trying to use the relatively short time remaining to handle the necessary appropriations business in the most efficient manner.

Mr. WRIGHT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas (Mr. WRIGHT) is recognized for 7 minutes.

Mr. WRIGHT. Mr. Chairman, the House deserves to be congratulated for behaving in a responsible manner yesterday in consideration of this always difficult question of foreign aid.

Wisely and properly, the membership rejected amendments to curtail the rural electrification program in India, and the United Nations development program in the world's poorest and most underdeveloped countries.

Certainly it is understandable that the House voted to eliminate economic assistance to Syria. Of all the confrontation states in the Middle East, Syria has been the most recalcitrant and the most intractable. By President Assad's vocal hostility to the peace effort of Egyptian Sadat, by his dogged refusal to join in peace talks of any kind with Israel, by the Syrian Army's massive presence in Lebanon, and by its brutal and indiscriminate assaults upon civilian neighborhoods in what appears to be a systematic attempt at the total destruction of the Lebanese Christian community, Syrian policy has earned the outrage of the Congress and of civilized humanity.

Yesterday evening the House expressed its harsh disapproval of the belligerent attitude which seems to have dominated Syrian policy.

Even here, however, a calm and sober view toward the future and our capacity to influence it might indicate the wisdom of allowing the President enough flexibility to try to influence events for the better. For several weeks, many of us in the Congress have been talking directly with the White House and the State Department about the grave situation in Lebanon. We have received repeated assurances that our officials are actively using their good offices in an urgent and continuing effort to influence a change in Syrian policy. While I have discerned few significant fruits of that effort, I dare not disparage the possibility that it may succeed.

What all of us must bear in mind as we proceed today in the further consideration of this bill is that, under our Constitution, the President of the United States is, and must be, the ultimate spokesman of American policy.

He must have sufficient flexibility, and sufficient tools, to influence the course of events.

Not only must he be able to discourage oppression and military adventurism; he must be able to encourage and reward such initiatives as will move events in the right direction.

We will face many temptations today to lash out in anger against past events of which we disapprove. But let us proceed with caution. Let us not foreclose the possibility of rewarding and assisting constructive change.

In our zeal to punish wrongdoing, let us not lose sight of opportunities for improvement. This is a world in ferment, and if we are to influence events for the better, the President must be able to encourage peaceful and democratic developments, to open the minds of emerging nations to the possibility of peaceful progressive change, to form friendships with newly emerging leaders in the underdeveloped world, to offer an avenue of escape from domination by the Soviet bloc for those who want such an avenue, and to convert the nonalined into friends.

In the past 2 years, we have improved our friendship and the state of our relations with such bellweather nations as Venezuela, Brazil, Nigeria, India, and the moderate Arab nations.

Let us not hastily act to close doors to future improvements.

If we angrily slam the door in the face of an emerging nation, which may be looking for new ways to work with us, we can do irreparable harm. The satisfaction we receive will be illusory, and the fruits of such ill-considered haste could be bitter.

My plea, therefore, is that in the consideration of this appropriations bill, we shall restrain our impulses to lash out in anger and refrain from the temptations to tie the hands of our own country or deprive ourselves of tools with which to encourage the right and progressive developments which, with our help, can lead to a more peaceful world.

The Clerk will read.

The Clerk read as follows:

MILITARY ASSISTANCE

Military assistance: For necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961, as amended, including administrative expenses and purchase of passenger motor vehicles for replacement only for use outside of the United States, $64,500,000: *Provided*, That none of the funds contained in this paragraph shall be available for the purchase of new automotive vehicles outside of the United States.

AMENDMENT OFFERED BY MR. RYAN

Mr. RYAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RYAN: Page 9, line 13, strike out "$64,500,000" and insert in lieu thereof "$59,500,000"; and in line 16, immediately before the period insert the following: ": *Provided further*, That not to exceed $8,100,000 of the funds appropriated or otherwise made available by this act for military assistance may be obligated or expended for military assistance for the Philippines".

POINT OF ORDER

Mr. OBEY. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. OBEY. I make a point of order that the gentleman's amendment comes too late. The Clerk had already read through the next section of the bill.

The CHAIRMAN (Mr. KAZEN). The Clerk had begun to read the next section, but he had not completed reading that section. The Chair did observe the gentleman from California (Mr. RYAN) on his feet, and the Chair would hold that he was timely recognized.

The Chair recognizes the gentleman from California (Mr. RYAN).

Mr. RYAN. Mr. Chairman, I ordinarily would take the floor very reluctantly after the magnificent speech of the majority floor leader, the gentleman from Texas (Mr. WRIGHT), but I think perhaps if we look at this amendment, it follows the general intent of his remarks, and I concur with his remarks.

We must be very careful not to slam doors, not to shut the door on our friends or those who could be our friends. But I would also like to point out the difference between slamming the door on a country and its people and perhaps shutting the door a little bit on a nation whose leaders have no support from their followers.

This amendment is very simple. It cuts back, does not cut out. It cuts down on the military assistance to a nation in the Pacific whose demonstrated capacity to rule its people through martial law for the last 6 years has left a sour impression all over the world. The Philippine nation and the Philippine people have been special friends of the United States for a long time. We know that. Their history moving toward independence that they have today is a long one. We like to think that perhaps more than any other nation in the world the Philippines and the Philippine people are a very special kind of people. We have had that kind of relationship. We have a long history of working together to achieve freedom going back long before World War II.

Philippine people live in this country as American citizens. Philippine people live in this country today as political refugees from a system which is one of the most repressive in the world. The military assistance that is granted to the Philippines under the present legislation will not be used to protect the country which might be for the same from outside invasion as compared to South Korea where there is a real fear of some kind of invasion immediately from the north.

There is no invasion of the Philippine Islands imminent. There are internal problems in the Philippine Islands. There is no question about that. They have an insurrection that has been going on for years in the southern part of the nation. They need some kind of assistance for that, but military assistance of this nature is inappropriate, in fact it is a violation of section 660 of the Foreign Assistance Act of 1974. I say, cut it back, because at least a part of that military assistance is used against its own people.

If I may, I would like to quote from a State Department report to the President, which says:

No real steps have yet been taken toward the restoration of democratic government or the elimination of the more severe intrusions on individual rights.

It goes on to say further:

Regarding freedom of expression, the Department declared that since September, 1972, numerous civil rights previously in effect have been restricted. The legislature has ceased to function. Public elections of local government officials have been supplanted.

In 1972, our aid to the Philippines was $18.5 million for military purposes. In 1973, 1 year after martial law was declared, the United States doubled aid to that Marcos regime to $45.3 million.

For the 4 years prior to martial law, the United States provided total military assistance from 1969 to 1972 of $80 million.

For the 4-year period since martial law was declared, we have given the Philippines $166.3 million, more than double the amount they had previously before martial law was declared.

Last year in a congressional action on this floor on this bill by the distinguished and very able Congresswoman from California (Mrs. BURKE), we reduced our military assistance to the Philippines by 9 percent, by a vote of 254 to 160.

It is possible to reduce aid, and I believe we should, simply to indicate on the part of the people of this country that we are not particularly attracted to the Philippine regime which retains its control and its rule over the people of the Philippines by the force of our military assistance. That is what sticks in my craw.

Mr. Chairman, I have here a couple cards used in the last election in the Philippines. This particular card, and I would suggest you all pay very close attention, because if we could get a law passed in this country to allow this system of elections, which requires only a slight bit of corruption, we could undermine our whole democracy.

This card is an actual card, a duplicate issued by the Commissioner of Elections in the Philippines, Mr. Leonardo B. Perez. It says, "Certificate of Registration as a Voter." The Marcos regime in that election handed these out by the hundreds of thousands in Manila and the surrounding areas. Those who were holders of this card did not have to have their names on a precinct list. They could vote anywhere in town, and I believe they did, not once, but many times.

Would not we like to have our supporters in our districts go around and vote in as many precincts as they could get to in the course of a day? Would not it have an effect on the election? Of course, it would.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. RYAN was allowed to proceed for 2 additional minutes.)

Mr. RYAN. Mr. Chairman, this green card was also handed out on the day of the election from the commissioner of elections to personal friends and supporters of the Marcos regime in the election, remember, where there was opposition. This card was given to those who were supporters, to go around after the election was closed to observe the counting of the ballots. How long did it take to count the ballots out in the rural areas? About a day to get the results.

How long did it take in Manila? It took a week. Why? Because it took a little more time when the votes came in to count them and possibly revise the figures when the green card holders or poll watchers were present, as they were in Manila.

Teachers were given money to act as election officials. They were given $200 a piece to act as election officials, and they were told, "either that election comes out right or you don't have a job."

I submit to the Members that if the Marcos regime cannot allow free elections, the Philippines is not a free nation. If we are going to give them money for military assistance when there is no external military threat, what is the money we appropriate to be used for? Obviously it is to keep the Filipino people themselves in a state of repression and a state of fear.

I do not think this Congress ought to support that kind of effort by that kind of government. I refer not to the people of the Philippines but to the government which represses the people of the Philippines. They are not a free nation, no matter what the Marcos government says, and as a consequence I would like to see this particular amendment agreed to, because I believe it will indicate to the Marcos regime and to the Filipino people themselves that we care about the conditions under which they live today.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have been a consistent supporter of human rights in the Philippines and everywhere else where it presents a problem. That is the reason for my reluctance in rising to oppose the amendment offered by my distinguished friend, the gentleman from California (Mr. RYAN), who has been doing a great job in this area.

In fiscal year 1978 the Committee on Appropriations accepted an amendment sponsored by the gentlewoman from California (Mrs. BURKE) which reduced the military assistance account by $1.5 million, to be applied against the Philippines. The fiscal 1979 request which we are now considering was submitted at the reduced fiscal year 1978 level.

The security assistance authorization bill which has just passed the House contains a further reduction of $5 million in this account to be applied against the Philippines. The bill before you reflects that reduction. If the gentleman's amendment were accepted, this would mean an additional $5 million reduction—a total reduction in the Philippines military assistance program of $11.5 million or 59 percent in less than a year.

Now, in addition, the Philippines will also suffer certain reductions in its military training and military credit sales accounts because of the committee's reduction of 20 percent in the overall accounts.

I share many of the gentleman's concerns about providing military assistance to the Philippines. I think they need us as much as we need them. But by maintaining a minimal program of military assistance, we accomplish two things: First of all, U.S. security assistance is vital to the maintenance of our military presence in an area of critical interest to the United States. It is also tangible evidence of continued U.S. interest in the Philippines, and it contributes to current efforts by the Philippine Government to increase its ability to meets its own defense needs, rather than to rely exclusively upon the United States.

In response, the Philippines has allowed the United States full use of major military facilities on its territory. These facilities, notably Clark Air Force Base and the Subic Bay Naval complex, continue to have an important role in U.S. strategic and defense posture. The forces which these bases support—the U.S. 7th Fleet and the 13th Air Force—are major components of the U.S. force structure in the Western Pacific. They provide defense for us and our allies in the Pacific and patrol vital sea lanes in a wide arc which extends from Northeast Asia to the Indian Ocean.

Thus, U.S. security assistance and Philippine permission for our use of the bases are important and complementary contributions to the mutual security of the two countries. Vice President Mondale and President Marcos reemphasized the importance of these security relationships to both countries in their joint statement in Manila on May 4 of this year.

Second, this small military assistance program provides a source of leverage which, to this date, has been used sparingly against the Marcos regime in order to bring about desirable changes in the human rights situation in the Philippines.

I can assure the gentleman that this Member will do everything in his power to utilize the leverage of our military assistance program in order to bring about a further improvement in the human rights situation in the Philippines.

Mr. Chairman, the committee has included specific reductions against the Philippines program for 2 consecutive years, and we have other cuts at hand. A further reduction could damage vital U.S. security interests.

Mr. Chairman, I therefore urge that the amendment be defeated.

Mr. RUDD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment.

This further cut in military assistance to the Philippines will bring our aid to this important ally down to only $8.1 million, which is less than half the amount initially requested by the administration.

The human rights situation was thoroughly studied by the Appropriations Committee, and the $13.1 million amount for military assistance to the Philippines has already taken into account the committee's assessment of that situation.

This amendment is premised on an incorrect and improper understanding of the real problems faced by the Philippine Government, and the need to institute certain measures that are unnecessary in this country, in order to preserve freedom and security for the majority of Philippine people.

A man who understands this situation perhaps better than any Member of Congress and better than most members of the U.S. media, his own professional colleagues—is Frederic S. Marquardt, editor of the Arizona Republic, my State's largest statewide daily newspaper.

Mr. Marquardt was born and raised in the Philippines.

His father was director of education there. His mother started the first school in Burauen, Leyte.

From 1928 to 1941, Mr. Marquardt was himself associate editor of the Philippines Free Press, probably the most respected publication in the islands during the American regime.

He has maintained close contact with the people of the Philippines, and visits there often Mr. Marquardt recently wrote to me about the charges of human rights violations that are the basis for this amendment, and sent me correspondence that he has sent to a colleague in the House.

I would like to quote pertinent portions of Mr. Marquardt's astute views on the Philippine situation

I feel very strongly that the United States should stop telling foreign nations how to conduct their internal affairs. The Republic of the Philippines was our most loyal ally in World War II. It is our friend today and with President Marcos' support, we maintain two of our most important foreign military bases at Clark Air Force Base and Subic Bay.

Last year I visited Malacanang Palace with a delegation of American men and women who had served on Bataan and Corregidor. President Marcos told us that if another war came in the Pacific, Americans could count on the same sort of support the Filipinos gave us in World War II. If any other chief of state anywhere has made such a promise, I have not heard about it.

The Filipinos are not insensitive to human rights. Santo Tomas University was teaching the humanities in the Philippines before there was a university in what is now the United States. In the 17th century, Filipino baranguays were choosing their leaders much as the colonists were doing in New England.

I have talked with many Taos the common people, in the Philippines. Without exception, they told me life has become safer now. Actually, after Marcos lifted the curfew, several wives told me they felt happier when they knew their husbands had to be home by midnight.

Marcos has a fairly substantial revolt on his hands in Mindanao and Sulu. Martial law is one way of stopping an urban guerrilla movement before it gets started.

Certainly there is an authoritarian government in the Philippines today. But the choice was between martial law and anarchy, and Ferdinand Marcos made the right choice. Why not let the Filipinos get back to democracy at their own pace and on their own time schedule?

And why not let them decide what democratic principles will work for them? They have experimented with a free press, and have seen some newspapers become completely irresponsible. I abhor censorship, but I also believe in the right of any country to set its own domestic standards.

In this country we have the benefit of trial by jury. Should we tell the Filipinos to adopt the same system or forego our aid? It is my studied opinion that justice in the Philippines would suffer drastically if we should do so.

I remember when Frank Murphy, later to become a Supreme Court Justice, served as Governor General of the Philippines. He persuaded Manuel Quezon and other leaders to adopt a unicameral legislature and institute a system of indeterminate sentencing in the courts of justice. Neither plan worked.

The Filipinos wisely returned to a bicameral legislature and fixed jail sentences, which suited their own tastes and traditions. And they now plan to replace the American presidential system with the British parliamentary system. Should we tell them not to do so? The question answers itself.

May I respectfully suggest that Congress seek to retain the few friends the United States still has. Why alienate them by telling them how to manage their domestic affairs, which are none of our business.

Mr. Chairman, I urge the defeat of this amendment. As Mr. Marquardt has so eloquently stated, let us keep the few friends that we still have in the world. We cannot afford to unnecessarily alienate or hurt them. We should help them, because we need their support as much as they need ours.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will not take 5 minutes, but first of all I think we should remember that the basic reason for military assistance is to assist in the security of this country. I think we should point out that $5 million has already been cut; that there has been a 20-percent cut across the board by the subcommittee on all FMS and IMET sales, which will certainly be reflected in this bill.

It is my judgment that this would be far too severe a cut.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. CHARLES WILSON of Texas. I yield to the gentleman from California.

Mr. RYAN. Mr. Chairman, will my distinguished friend from Texas assure me that the money sent to the Philippines will be used as military assistance on those bases?

Mr. CHARLES WILSON of Texas. No, the money will be used for the Armed Forces of the Philippines.

Mr. RYAN. Precisely.

Mr. CHARLES WILSON of Texas. It is in the interests of American security.

Mr. RYAN. But what is the interest of American security? Where are the Armed Forces in the Philippines employed?

Mr. CHARLES WILSON of Texas. I would assume that they are employed throughout the land.

Mr. RYAN. With martial law declared. What is the status of the chiefs of police in Manila? Does the gentleman know?

Mr. CHARLES WILSON of Texas. I do not have any idea, and I do not think it is relevant.

Mr. RYAN. I do. He is a member of the Armed Forces of the Philippines. I think he is either a colonel or a general in that service, and many of his troops are employed today as policemen in Manila. My whole point is that we are sending money to the Philippines Government which is used against the Philippine people themselves.

Mr. CHARLES WILSON of Texas. What was the question?

Mr. RYAN. The question has to do with whether or not the money we send to the Philippines, and send for military purposes, is not in fact then employed against the Philippine people themselves.

Mr. CHARLES WILSON of Texas. Well, I do not feel that it is. I feel that the money is necessary for the security of the United States. I feel it is necessary to maintain our bases and our presence in the Pacific Ocean, and I feel that this amendment should be defeated—respectfully.

Mrs. MEYNER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment offered by my good friend from California (Mr. RYAN). I offered the amendment that Mr. WILSON of Texas just talked about in the Committee on International Relations which reduced MAP aid for the Philippines by $5 million. I received reports soon afterwards that Vice President MONDALE promised President Marcos, while in Manila, that the administration would seek to get this cut restored. Largely because of administration pressure, the Senate appears to have become reluctant about reducing any military aid to the Philippines.

I believe that it is very important that we send a concrete signal, and this would only be a signal, of our concern for the serious human rights situation in the Philippines. We all know of the accounts of torture, disappearances, and arbitrary arrests of critics of Mr. Marcos, and we know they are increasing. Words do not seem to have any effect. We must show our concern in a more substantive way.

I know it is important that, at the same time, we must be aware of the ongoing base negotiations between the United States and the Philippines—negotiations that are very important to the security of our Nation and our allies.

And certainly we all know this is not the time to overhaul our aid relationship with the Philippines.

Our majority leader just made a very eloquent speech asking us not to lash out in anger. And what the amendment offered by the gentleman from California (Mr. RYAN) does is certainly not to lash out in anger. What it is, is a small symbolic cut in our large military aid programs to the Philippines, and I think it is an important expression of congressional concern.

Furthermore, I believe that a cut of $10 million in MAP aid may be necessary in order to get any kind of meaningful cut in the conference.

I certainly urge my colleagues to support the amendment offered by the gentleman from California (Mr. RYAN).

Mr. CHARLES WILSON of Texas. Will the gentlewoman yield?

Mrs. MEYNER. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. The gentlewoman understands that we have already made a small symbolic cut without the $5 million?

Mrs. MEYNER. Yes.

Mrs. CHARLES WILSON of Texas. So as far as symbolism is concerned, we have taken care of that in the bill.

Mrs. MEYNER. It has not happened on the Senate side, the gentleman must understand.

Mr. CHARLES WILSON of Texas. There is not much we can do about that.

Mrs. MEYNER. So when we get to conference it may be restored, so there well may not be any cut at all, and if we get the $10 million cut here maybe we will have a small symbolic cut left to send a message to the President of the Philippines.

Mr. RYAN. Mr. Chairman, will the gentlewoman yield?

Mrs. MEYNER. I yield to the gentleman from California.

Mr. RYAN. Mr. Chairman, is the gentlewoman aware of the remarks of Assistant Secretary Holbrooke who said the granting of military aid assistance programs to Asia are coming to an end and we have come down from 12 countries in 1977, to 8 this year, and to 4 in 1979. Why this need, if we are going to cut it out anyway, why this need to go on from here?

Mrs. MEYNER. I think that is very true and I think it is very important to point out we are sending $100 million in economic aid to the Philippines and $18.5 million in FMS aid. Why should we not cut back on MAP assistance? I think it is important we do that.

Mr. RYAN. If the gentlewoman would yield further, I think it is important to point out the Philippine military expenditures since 1972 have increased by 800 percent and the money has been applied to build up the armed forces. The only thing that happened in the Philippines besides the insurrections, which have been going on for 30 years in the southern part of that country, the only thing that has changed is that Ferdinand Marcos threw out freedom and threw out democracy and threw out free elections. He put his opponents in jail within 48 hours after the election was over. He went out and picked them up and put them in jail, those who ran against him.

Some of those Filipinos are able to talk to us and describe to us what is left of that once-free country. They are now political refugees here. The Filipino people, proud of their country, are unable to live in their own country largely because we do not have the capacity to keep from supporting a regime that cannot stand by itself.

I can assure the gentleman if the opposition party came to power in a free election in the Philippines, we would certainly be able to maintain our bases there if we want them.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to offer an amendment. I shall not take the 5 minutes.

I want to start out by saying I agree with virtually everything the gentleman from California has said about the present Philippine Government, and I disagree with the gentleman from Texas that this money is being used in an appropriate way in all respects, although perhaps he did not go that far.

But having said that, I do agree with the gentleman from Texas that this amendment is a mistake and we ought to turn it down. There are a lot of reasons for my feeling that way. I do not regard the suggested cut as "symbolic," as his letter suggested. Our committee has cut the amount of aid in this category to the Philippines from $18.1 to $13.1 million. That is far from a symbolic cut. And the cut the gentleman is suggesting is $5 million beyond that. That means he is suggesting we cut aid to the Philippines in this category alone by over 50 percent. That is not a symbolic act. That is a meat ax. I do not think we should do that.

There are liberals like myself who think the Philippine Government is lousy. I think the Philippine Government stinks. But I do not think we ought to be basing our views on this legislation on which governments we like and which governments we do not like, because what is going to happen is that the left in this House is going to try to throw out countries they do not like and the right is going to try to knock out the governments they do not like and the result will be a program in chaos.

So, what is going to happen is that the left of this House is going to try to knock out the people and the countries that they do not like and the right of this House is going to try to knock out the people and the countries they do not like, and we will end up with a bill that allows the administration no flexibility at all, and you will have a weakened President on your hands.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. OBEY. Not at this time, permit me to complete my statement.

Mr. Chairman, what bothers me very much about many Members of the House is that they are complaining on Mondays, Tuesdays, and Wednesdays about the weak President we have, and then on Thursdays and Fridays they are taking actions to cut his legs off. That does not make very much sense whether we are dealing with foreign affairs or domestic affairs.

So I would simply urge the Members to consider these facts. I believe that the Carter administration is well aware of the tremendous pressures in this House to cut back so far as the Philippines and other countries are concerned. This committee has taken not just symbolic action, but the committee has taken tough action. The State Department is bleeding all over the place about the 20-percent cut we made. They are going to try to get it put back in the other body. But let me say that I will try to stick with the position of the House when we get into conference.

But I think that we ought not to take irrational actions based upon people's personal predilections. That just is not a responsible way to legislate.

We need a strong President who will be paid attention to in international affairs.

I ask the Members to turn down this amendment and any of the others on both sides of the philosophical range that we are dealing with today.

Now I yield to the gentleman from California (Mr. RYAN).

Mr. RYAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to refer the gentleman to the Foreign Assistance Act, section 660 which reads as follows:

SEC. 660. PROHIBITING POLICE TRAINING.—(a) On and after July 1, 1975, none of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government . . .

I would now like to quote from a discussion with Mrs. Marcos, in which she talked with about a dozen Members of this House.

Mr. RYAN. Then the people who would be carrying out the commands, are they civilian officers or military officers—how do you differentiate between them?

Her answer was:

They are all one now. We have the Netrocom. They are all one—the military—

Her comment indicates that she, as Governor of Manila, is in distinct violation of the Foreign Assistance Act, quoted above. Why do we bother to write such laws, if we are not prepared to react to violation of such legislation?

The CHAIRMAN. The time of the gentleman has expired.

Mrs. BURKE of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like first of all to say that the committee has recognized the necessity to limit military assistance and military training in the Philippines. This has been a very difficult fight for me. I know that last year when I first introduced the whole question of limiting military training and military assistance, there were very few people who were cognizant of the injustices that take place in the Philippines. I want to assure this House and the members of this committee that military training in the Philippines will not be continued at the same level under this bill.

I personally will support this amendment to cut an additional $5 million from the military assistance program because of the background surrounding it, one of the things which the gentleman from California (Mr. RYAN) has referred to.

It is true that we have in this Congress consistently made laws when we have no intention of complying with those laws. We have on our books not only section 660 of the Foreign Assistance Act, as amended, but we have section 502(b) which says that we will not provide money to train or provide military assistance to nations which will, in effect, receive military training not to protect their country, but to deny the basic human rights of their citizens. That is what has happened in the Philippines.

Mr. Chairman, as the gentleman has pointed out, one of the things that was very clear in our conversation with Mrs. Marcos was with regard to the question of composition of the police. I did ask her, "Who are the ranking police officers in the government? Are they military people?"

She answered, "Yes. The military and the civilian police are all one."

Mr. Chairman, that is in direct violation of our law. Surely, when we provide military training to people, we bring them to Johns Hopkins; we bring them to our war colleges. We do not bring them here to train them on how to interrogate a woman who happens to be

leading a group of slum dwellers in their efforts to improve the way in which they live. We train them in order to protect those countries which we consider to be friends.

Mr. Chairman, there is no question as to the gravity. Mrs. Marcos herself, came here not as a wife, incidentally, but as an officer of the government. She came here as Governor of Manila and requested a meeting with us. It was in that role that she admitted that the military and the civilian police are all one entity in the Philippines.

A 1976 GAO report which makes it very clear that Congress has the responsibility to respect the provisions of the laws it passes, including section 660. If we do not do that, I do not know why we pass these laws. Do we just pass them to get them on the books so we can talk about them after we pass them?

Mr. Chairman, let us carry them out. The administration should receive one clear, ringing statement that this Congress will not be providing military training and guns to be used by civilian police to harass those who try to make their government responsive, and who do not believe that martial law is the best approach in that country and in others.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman and members of the committee, first of all, I would like to associate myself with the remarks of my two colleagues, the gentlewoman from California (Mrs. BURKE) and the gentleman from California (Mr. RYAN).

I would like to address the issue of these bases.

Mr. Chairman, the biggest economic factor in the whole nation of the Philippines is the money they get by our having bases there. If Marcos really wanted to go down the tube, he would close the American military bases, in which event, the economy would take a nosedive. Therefore, that is a false issue. It is in his best interests and in the best economic interests of that country to keep those bases open. They are big employers. They account for a great deal of the economic distribution within that country, everything that is not grabbed by the government and its cronies.

Mr. Chairman, if those bases were to be closed, the economy would go down so fast that Mr. Marcos would be out on his ear, which I think would be very salutary for that country.

Mr. Chairman, some of the Members asked us to give the administration a lot of flexibility. We gave them a lot of flexibility on the Chile arms pipeline yesterday. Anybody who read the newspapers today can see what the Government of Chile is, in effect, saying to law enforcement agencies in this country as far as the indicted murderers are concerned. They are saying, "Go take a flying leap for yourself."

Mr. Chairman, is that the kind of flexibility which we want to give such nations? We are giving the Philippines arms to protect themselves. From whom I do not know. Is it from the Philippine people?

As I understand, Mr. Chairman, the Philippines are a group of islands, an archipelago, with a lot of water around them. I think if there was an invasion force from any foreign nation, they would probably be able to spot it somehow crossing the seas or the Pacific Ocean. Therefore, I do not know whom they are protecting themselves from, except their own people.

Mr. Chairman, I do not think we should be in the position of arming the government to harass its own people, to kill its own people, and to torture its own people.

The trouble with this amendment is maybe it is symbolic. Why do we not deal with substance sometimes and just tell these corrupt Fascist dictatorships they are not going to be supported and stay in office with the hard-earned tax dollars of the working American men and women?

I think the amendment is good as far as it goes. I would like to see it go farther. But I would just like again to point out this phony argument about those bases. Those bases are needed more by the Philippine Government to help bring dollars into that country than they are by this Nation for our self-defense. I, honest to God, do not believe that if somebody is going to attack America they would do what happened in World War II and start at the Philippines. They would probably jump in at Guam or Hawaii. So I think that is a phony argument. Marcos would not dare close those bases because of the effect it would have on his economy, his people, and his regime. We ought to say something to these police states. If they want to have a police state, fine. We all criticize human rights in the Soviet Union. That is good, but we are not giving them the weapons by which they can go around shooting their own people. But we do it for corrupt dictatorships like the Philippines, and I do not know why.

The State Department worked so hard to turn around the Harkin amendment on Chile. I do not know if I want to trust that State Department with the great flexibility that all of our colleagues say is necessary in foreign aid. We saw the results of the flexibility on the part of this administration's policy in Chile. The Chilean Government said, "Do you think you are going to get those three indicted murderers? Just try to do it."

Mr. Chairman, I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I wish the gentleman from California would have taken the floor last night to make that same argument when I was working on cutting off a minor amount of money to be used for Uganda, but, unfortunately, he did not.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

There were so many people talking last night and so many people here, I did not have a whack at the floor. Today it is kind of early in the day, and we have junior Members who are not on the committee getting a chance to talk.

Mr. YOUNG of Florida. The gentleman makes an excellent point.

Mr. JOHN L. BURTON. I thank the gentleman.

Mr. YOUNG of Florida. Mr. Chairman, on the question of a phony issue as to the bases, I do not think it is a phony issue at all. I think it is a very, very necessary and serious issue. The majority leader, the gentleman from Texas (Mr. WRIGHT) said in his remarks earlier today—and I thought they should be well taken by this House—the hands of our country should not be tied, or we should not deprive ourselves of the necessary tools.

In the overall security plan for this great Nation of ours, Subic Bay and Clark Air Force Base play a very important role. We are presently involved in negotiations with the Philippines for our rights at those two bases. I do not think it is phony at all to place importance on those two bases.

During one of the debates last night I was accused of oversimplifying some of the issues. Maybe I am oversimplifying this issue today, and if that be the case, so be it. But I am going to cast my vote on this amendment based on what I think is good not for the Philippines, not for President Marcos, but based on what is good for the United States of America. Subic Bay and Clark Air Force Base are critical to our defense plans in the Pacific.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

The point I made is that Marcos cannot close those bases without causing such an economic depression in his country, that his government would go right down the tube. How much money is generated? How many civilian Filipinos are employed as a result of those bases? I was not saying those bases are not that important, although I do not think they are as important as the gentleman does. But the point I made is that they are so important to the economy of the Filipino nation that he does not dare close them down for that reason.

Mr. YOUNG of Florida. I would respond to the gentleman and say this, There is a raging argument before the Congress this very day about whether or not we will build a new aircraft carrier and whether or not that carrier would be a nuclear carrier or a conventional carrier.

To give you an idea how much importance I place on those bases, I do not think we could ever build enough aircraft carriers, nuclear or nonnuclear, to take the strategic place of Subic Bay and the Clark Air Force Base.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me observe that while the gentleman from Florida and I disagree on almost everything I could think of (if we did not

neither one of us could sleep nights) but the fact is the gentleman is right on this issue. It needs to be pointed out that while the gentleman from California has left the impression that our aid program for the Philippines is rapidly expanding, the fact is that the administration request for an increase above last year was zero. They did not add $1 to their request for the Philippines this year and we cut that by $5 million. That is a significant fact.

Mr. YOUNG of Florida. The gentleman is absolutely correct.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I have to take almost the opposite point of view. I have agreed with my leader, Mr. YOUNG on almost every issue up to now; but I have to say, I come as close to disagreement on this issue as much as I have in the last few years.

Is it not true from what I gather in the reports that Mr. Marcos, in effect, is trying to hold up the United States for more money for Subic Bay, in effect trying to hold us hostage for these bases we are talking about?

I ask that because I believe in defense. We are in the business of defending the free world, not just the United States, and it bothers this Member that President Marcos says, "We need more money from the United States." It almost puts us in a position of blackmail. We are there to defend the Philippines, too. I get little tired of our allies who want to hold us up.

It is for that reason I take the opposite point of view and I come very close to disagreeing with my colleague, the gentleman from Florida. I do not say I do, but I come close to the edge.

Mr. YOUNG of Florida. Well, Mr. Chairman, there are no funds in this bill relative to what the gentleman has alluded to as a holdup. There is no doubt that the negotiations are very difficult for our side.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has expired.

(At the request of Mr. LAGOMARSINO, and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 3 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would like the gentleman to complete his answer to the gentleman from Ohio.

Mr. YOUNG of Florida. Mr. Chairman, basically I have completed it. Negotiations are very difficult, but we ought not, as the distinguished majority leader said earlier today, we ought not to deprive ourselves of the necessary tools. I think if we deprive ourselves of Subic Bay and Clark Air Force Base, we have deprived ourselves of very necessary national defense tools.

Mr. LAGOMARSINO. Mr. Chairman, if the gentleman will yield, I would say I agree with the gentleman. Certainly, during this crucial negotiation period is not the time to do something to disrupt these crucial negotiations.

I would point out that Subic Bay and Clark Air Force Base are not only important to us and the Philippine Islands, they are important to all the southeast and southern Asia, to Australia and New Zealand. I would imagine if representatives of those countries were sitting here today they would vote unanimously against this amendment, because they have much more at stake than we do.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I have just come from the ASEAN Conference where the members of the Southeast Asia Conference are sitting together with our State Department to discuss our mutual problems. I would say it would be most unfortunate now to pass this amendment deleting funds. I think we have made our point very clear to the Filipinos that we do not condone in any manner, shape, or form, the methods they are using in their own political system and the deprivation of human rights that exist there; but I think we have an overriding national interest to maintain those facilities that we have in the Philippines.

We are cutting those facilities back now. We are cutting Clark Air Force Base back to about one-tenth of what it was. We are cutting Subic Bay back; however, those base facilities are important to the security interests of the United States.

I think if we were to pass this amendment, it would send a signal to them that I think is the wrong signal at this present time.

They are not very anxious to keep us there. They are not overly anxious to keep us there because they are the target of other nations as a result of our bases being there.

The important element, however, is the fact that these bases are part of our global strategy. If the Members recall, they turned down an offer that was made to them by a previous administration of a billion dollars for those same bases.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for his comments, and I must say I am happy that he and I are back together again.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, if these bases are as important as some people feel they are—I do not happen to think they are, but some people do feel that way—then it seems to me it is important in the interest of the United States that we consider this amendment very carefully.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has expired.

Mr. BEDELL. Mr. Chairman, I ask unanimous consent that the gentleman from Florida (Mr. YOUNG) may be allowed to continue for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. YOUNG of Florida. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, we have been on the consideration of this amendment now for 1½ hours. We have, I believe, 70 amendments before us. The chairman of the full committee has already indicated the importance of our trying to wind this up today. How on Earth we could, if we continue at this rate, I do not know, because I am afraid we would be shortchanging the Members.

The CHAIRMAN. For what purpose does the gentleman from Maryland (Mr. LONG) rise?

Mr. LONG of Maryland. I ask unanimous consent, Mr. Chairman, that all debate on the pending amendment and all amendments thereto close within 15 minutes, at 11:45 a.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. HARKIN. Mr. Chairman, I object.

Mr. JOHN L. BURTON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. LONG of Maryland. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will each be recognized for 1 minute.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

The Philippine bases are important to the security of the United States and negotiations are now underway to allow us to continue using them.

The assistance which the funds in this bill will permit, are not a payment for those negotiations, but are part of a long-term U.S. agreement to help the Philippine Government develop its own defense forces.

In the negotiations that have been ongoing, the United States has not been held up.

As a matter of fact, the Philippine Government has come down considerably since the time 2 years ago when the United States reportedly offered $1 billion in assistance to that Government in return for the use of the bases.

Mr. Chairman, Clark Air Force Base and the Subic Bay Naval Base are not any benefit to the Philippines. The presence of U.S. forces at those bases also serves the interests of the other countries in Southeast Asia.

Above all they serve the security interests of the United States.

A reduction in assistance at this time could prejudice the negotiations and could ultimately result in the denial of those bases to the United States.

This must be avoided.

I urge a no vote on the amendment proposed by the gentleman from California.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, putting aside all the arguments on the torture, abductions, assassinations, and everything that continues to go on in the Philippines, as reported by Amnesty International, the International Commission of Jurists, and the Association of Ministers in the Philippines, putting all that aside, do we really want to spend our taxpayers' hard-earned dollars to line the pockets of Marcos and his wife?

Here is a headline: "Marcos Seizes Airline That Billed Wife." His wife ran up a bill of $3 million against the airline, and what does Marcos do? He just takes it over.

Here is another: "5 Years of Philippine Martial Law Builds Personal Power of Marcos."

They own the hotels in Manila, they own companies. There is a saying in the Philippines that "under marital law everything is relative." You have to be related, and if you are related to the Marcos', you become a multimillionaire.

That is where our taxpayers' dollars are going. So I say we should support the Ryan amendment on the Philippines and save some of our taxpayers' dollars.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the gentleman from Iowa (Mr. BEDELL).

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, I will not object, but I think for the rest of the day I will object to these requests for transfers of time. However, I will not object to this one.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. RYAN) which would reduce grant military assistance for the Philippines by $5 million—from $13.1 million to $8.1 million.

Mr. Chairman, for some time I have been greatly concerned over repeated reports of violations of basic human rights and over the repression of the freedom of assembly and the right to express opinions in opposition to government programs in the Philippines. Such charges have been well documented, both in the press and by reputable organizations such as Amnesty International, and even the State Department's Country Reports on Human Rights Practices states that—

> No real steps have yet been taken toward restoration of democratic government or the elimination of the more severe intrusions on individual rights.

I think that it is time that the U.S. Congress take substantive action to demonstrate to the Marcos government that it will not tolerate the use of American aid to support such practices.

Last week, I and several other Members of the House had the opportunity to meet with Imelda Marcos, the wife of the Philippines' ruler and a significant force in her own right in that country. The ensuing discussion was frank and productive, especially from the standpoint of enabling us to express our own personal views on the status of human rights in the Philippines.

One thing that was revealed by Mrs. Marcos that afternoon is of particular concern to me. She admitted that it is an official policy of her country to utilize military personnel, trained and equipped by U.S. funds, in the arrest and interrogation of prisoners.

There have been numerous detailed accounts of the extremely brutal nature of these interrogations. These allegations of torture have been well-documented and fabrication can be ruled out. The International Security Assistance Act of 1978, which passed the House earlier today, contained a provision which prohibits security assistance for police, domestic intelligence, or other comparable law enforcement activities to those governments which engage in a consistent pattern of violation of internationally recognized human rights. I am hopeful that this language will serve to put an end to the misuse of U.S. security assistance which has been so rampant in the past—in the Philippines and in other nations as well.

I believe that the treatment of prisoners by the Marcos government is testimony to the need for greater U.S. attention to the human rights environment in the Philippines. The amendment we are now considering—the Ryan amendment—is needed to demonstrate our concern in this regard.

It is important to keep in mind that this amendment affects only a relatively small portion of total U.S. military assistance to the Philippines. It would cut only 27 percent from MAP, leaving $8.1 million. Furthermore, over $34 million of MAP moneys remains in the pipeline untouched, and the Ryan amendment would have no effect on the $18.5 million for foreign military sales and $0.7 million for international military education and training.

I believe that, if anything, the Ryan language is not strong enough, especially in light of the fact that the State Department has noted that "the Philippines is neither perceived as a threat by other nations in the region nor threatened by them." This statement in itself raises significant questions about the scope of our military aid program to the Philippines.

Mr. Chairman, what, then, is the necessity of these significant amounts of "security assistance"? Who is the Philippine Government trying to secure itself from? I fear that part of the answer lies in the thousands of repressed Filipino citizens existing in the hovels of Greater Manila and elsewhere throughout the Philippines, whose only real threat is the burning desire to speak their minds.

Some, oblivious to the dissension boiling beneath the surface, will point to the stability that Mr. Marcos seems to have brought to the volatile Philippines and rely on that as justification for certain repressive tactics. They further claim that steps taken by the present government have been benign in the sense that the stability it seems to have brought has improved the average Filipino's lot in economic terms as well.

I would contend that this is not the case. While defense expenditures as a percentage of total Government spending have risen from the 9.3 percent in 1972 to over 16 percent in 1976, badly needed funds for domestic resource development have been curtailed. The terrific stress that the unjustified Philippine military buildup is putting on the economic infrastructure of the country is perhaps best revealed by the fact that, in 1976, the Philippines led the list of countries that received U.S. Government and U.S. dominated multilateral agency funding with nearly $1½ billion.

Part of this showed up in the Philippine external debt which rose almost 50 percent in 1 year to $5.6 billion in 1976. Yet, the concentration of wealth in that country is deplorable and the poor are suffering disproportionately due to the spiraling inflation that has set in, in large part the result of nonproductive military spending. Whats more, a U.S. Agency for International Development report has projected that Philippine defense spending will rise to 20 to 25 percent of total Government spending within 1 year.

The tremendous upsurge in U.S. economic and military assistance since the imposition of martial law in 1972 particularly bothers me because I believe that it constitutes a demonstration of implicit official U.S. support for the policies that are being pursued by the Philippine Government. It seems to me that nothing should be further from the truth and that we should pass the Ryan amendment to send the message to the Marcos government that the United States is displeased and prepared to act to convey that displeasure. It is not too much to ask that the recipient of such substantial U.S. assistance adhere to the basic principles of free speech, right to assembly, protection from physical abuse, and detention without a trial, and the other rights that all the world's people are entitled to.

When considering this issue, I think it is important to understand the close relationship which has existed over the years between the United States and the Philippines. The people of the United States justifiably feel a strong historical affinity to the Filipino people. And, as a close military ally, we, of course, support the territorial integrity of the Philippines. At the same time, however, I think that Members of the Congress have a responsibility to insure that U.S. aid is not used to support the repressive policies of foreign governments.

I understand the concerns of those who argue that the United States should not interfere with the internal affairs of foreign nations. Nevertheless, I do not believe that insisting that U.S. aid not be used for domestic repression constitutes meddling or interference. To the con-

trary, it is a justifiable and necessary condition for receipt of our aid.

Mr. Chairman, I submit that any government that prevents the free exchange of ideas, fails to adequately account for the needs of the poor and imprisons those who speak out for peaceful change should not receive our support. I further believe that, given the track record of the Marcos government since the imposition of martial law in 1972, the implementation of genuine economic and human rights reforms in the Philippines should be essential to continued U.S. support of that government.

Mr. Chairman, I would prefer that we cut off all military aid to the Philippines pending substantive improvement in the human rights situation but, being realistic, I realize that that wish might not be shared by a majority here. Yet, surely there should be a majority in favor of a reduction to make the point that the United States is not blind to the repression that grips the country and will not condone continued violations of human rights.

Adoption of the Ryan amendment, which would reduce grant military assistance to the Philippines by $5 million, would constitute a clear signal to President Marcos—and, indeed, to all recipients of U.S. aid—that the U.S. Congress will not countenance violations of basic human rights. I believe that this is a reasonable amendment, and I hope that all of my colleagues will support it as a modest, yet highly significant, proposal.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, last week, when the gentleman from Iowa arranged for a meeting, at her request, between Mrs. Marcos and several Members of Congress, I asked her why her government put people in jail for what they said or printed. She replied that this was only done when what they said was "subversive."

I then asked her what they considered too subversive. She responded, and I am now quoting, "It is subversive because it is contrary to our policy and our line."

Mr. Chairman, we should have learned by now from our experiences with Batista of Cuba, Thieu of South Vietnam, to mention a few, that alining ourselves, because we have military bases in their countries, with corrupt dictatorial regimes is self-defeating?

Napoleon, the greatest military genius in history, said:

> In war, the moral is to the material as three is to one.

If we continue to ally ourselves with corrupt, tyrannical governments, we are going to end up losing the contest because their own people are going to say, "Well, how are you any different than the people you are opposing?"

So I suggest that the gentleman from Iowa is absolutely right. If we really want to help the Philippine people and help the Government in becoming a sound, well-based Government, then we will send them a message by approving this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, this is another message. We gave them a message last year. It did not help much. We are trying to give them a bigger message.

Again, the gentleman from Wisconsin said how the Philippine Government is backing down on its harsh demands to retain the bases. That is because they need the bases there for the economic well-being of their country, and they would not dare close those bases. So, the issue of the bases being closed is a false argument. The bases are something that Marcos needs to stay in power more than we need them for our own national security.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, let me say that no one is more sympathetic to the plight of the Philippine people than I am. I have had two of my friends blown apart out there in the Philippines. However, I do think that I am not going to try to be more Philippine that the Filipinos. I have spoken to many of the leaders, the opposition leaders, and they want the bases to be maintained. If we do not work and try to keep our bases there, we are going to be in great trouble. I think American interests must be served. We, in the International Relations Committee, have already cut this item by $5 million. The Committee on Appropriations has already cut by $5 million this aid. These cuts are sufficient to send the human right message; further cuts will be self-defeating for the American interest.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. RYAN).

Mr. RYAN. Mr. Chairman, the only point I would like to make, finally, is that this whole matter does not have to do with our bases in the Philippines. That contract goes on. It is simply a matter of us trying to indicate to the Marcos government and to the people of the Philippines beyond Mr. Marcos, that we are concerned about their survival as free people. I think the Philippine election, as bad as it was this year, was because of the House action taken last year. If there is more significant action taken here, when Marcos is in violation of U.S. law in his use of U.S. funds perhaps there will be some kind of recognition by Marcos that he must loosen his grip on the lives of his people.

The CHAIRMAN. To close debate, the Chair recognizes the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, let me say that I strongly sympathize with the gentleman from California (Mr. RYAN), who is doing a most distinguished job in this area. I cannot agree with this amendment. I do oppose it because it does seem to me that it is not enough cut to hurt economically, irreparably, but it is enough of a cut however, to produce great irritation.

I have also discussed with the gentleman from California the possibility that it seems to me that if this aid which goes to armed forces doing a police role is really a violation of the law, it is up to the administration to enforce the law, not up to Congress to pass another law to enforce it. I personally have agreed to cooperate with the gentleman from California in writing a letter to the General Accounting Office asking if we could not get some sort of investigation to determine whether there is an unlawful misuse of money, and get the administration to act, thus making congressional action unnecessary.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from California (Mr. RYAN).

The question was taken, and on a division (demanded by Mr. LONG of Maryland) there were—ayes 12; noes 25.

RECORDED VOTE

Mr. JOHN L. BURTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 142, noes 264, not voting 26, as follows:

[Roll No. 642]

AYES—142

Ambro	Fithian	Moffett
Ammerman	Florio	Mottl
Anderson, Calif.	Garcia	Murphy, Pa.
Applegate	Gaydos	Nolan
Ashbrook	Grassley	Oberstar
Aspin	Green	Ottinger
AuCoin	Hamilton	Pattison
Baucus	Hanley	Pike
Beard, R.I.	Hannaford	Poage
Bedell	Harkin	Quayle
Bellenson	Hawkins	Rangel
Benjamin	Hollenbeck	Reuss
Bevill	Holtzman	Richmond
Bingham	Jacobs	Rinaldo
Blouin	Jeffords	Risenhoover
Bonior	Johnson, Colo.	Rogers
Brodhead	Jones, Tenn.	Roncalio
Brown, Calif.	Kastenmeier	Rosenthal
Buchanan	Keys	Roybal
Burke, Calif.	Kildee	Russo
Burton, John	Kindness	Ryan
Burton, Phillip	Kostmayer	Sawyer
Caputo	Krebs	Scheuer
Carr	LaFalce	Schroeder
Chisholm	Leach	Seiberling
Clay	Lehman	Sharp
Collins, Tex.	Long, La.	Shuster
Corman	Lujan	Slack
Cornell	Luken	Solarz
Cornwell	Lundine	Stangeland
D'Amours	McClory	Stark
Davis	McCloskey	Stokes
Dellums	McHugh	Studds
Dodd	McKay	Traxler
Dornan	Maguire	Tucker
Downey	Markey	Udall
Drinan	Marlenee	Vanik
Early	Mattox	Vento
Eckhardt	Metcalfe	Volkmer
Edgar	Meyner	Walgren
Edwards, Calif.	Mikulski	Walker
Emery	Mikva	Watkins
English	Miller, Calif.	Waxman
Ertel	Miller, Ohio	Weaver
Evans, Colo.	Mineta	Weiss
Evans, Ind.	Minish	Wirth
Fenwick	Mitchell, Md.	Yates
	Moakley	

NOES—264

Abdnor	Boland	Cavanaugh
Addabbo	Bolling	Cederberg
Akaka	Bonker	Clausen, Don H.
Alexander	Bowen	Clawson, Del
Anderson, Ill.	Brademas	Cleveland
Andrews, N.C.	Breaux	Cohen
Andrews, N. Dak.	Breckinridge	Coleman
Annunzio	Brinkley	Conable
Archer	Brooks	Conte
Armstrong	Broomfield	Corcoran
Ashley	Brown, Mich.	Cotter
Badham	Brown, Ohio	Coughlin
Bafalis	Broyhill	Crane
Baldus	Burgener	Cunningham
Bauman	Burke, Fla.	Daniel, Dan
Beard, Tenn.	Burleson, Tex.	Daniel, R. W.
Bennett	Burlison, Mo.	Danielson
Biaggi	Butler	de la Garza
Blanchard	Byron	Delaney
Boggs	Carney	Derrick
	Carter	

Derwinski	Jordan	Rhodes
Devine	Kazen	Roberts
Dickinson	Kelly	Robinson
Dicks	Kemp	Roe
Diggs	Lagomarsino	Rooney
Dingell	Latta	Rose
Duncan, Oreg.	Lederer	Rostenkowski
Duncan, Tenn.	Leggett	Rousselot
Edwards, Ala.	Lent	Rudd
Edwards, Okla.	Levitas	Runnels
Ellberg	Livingston	Ruppe
Erlenborn	Lloyd, Calif.	Santini
Evans, Del.	Lloyd, Tenn.	Sarasin
Evans, Ga.	Long, Md.	Satterfield
Fary	Lott	Schulze
Fascell	McCormack	Sebelius
Findley	McDonald	Shipley
Fish	McEwen	Sikes
Fisher	McFall	Simon
Flippo	McKinney	Sisk
Flood	Madigan	Skelton
Flynt	Mahon	Skubitz
Foley	Mann	Smith, Iowa
Ford, Mich.	Marks	Smith, Nebr.
Forsythe	Marriott	Snyder
Fountain	Martin	Spellman
Fowler	Mazzoli	Spence
Frenzel	Meeds	St Germain
Fuqua	Michel	Staggers
Gammage	Milford	Stanton
Gephardt	Mitchell, N.Y.	Steed
Giaimo	Mollohan	Steers
Gibbons	Montgomery	Steiger
Gilman	Moore	Stockman
Ginn	Moorhead, Calif.	Stratton
Glickman		Stump
Goldwater	Moorhead, Pa.	Symms
Gonzalez	Moss	Taylor
Goodling	Murphy, Ill.	Thompson
Gore	Murphy, N.Y.	Thornton
Gradison	Murtha	Treen
Gudger	Myers, Gary	Trible
Guyer	Myers, John	Ullman
Hagedorn	Myers, Michael	Van Deerlin
Hall	Natcher	Vander Jagt
Hammer-schmidt	Neal	Waggonner
	Nedzi	Walsh
Hansen	Nichols	Wampler
Harris	Nix	White
Harsha	Nowak	Whitehurst
Heckler	O'Brien	Whitley
Hefner	Oakar	Whitten
Heftel	Obey	Wiggins
Hightower	Panetta	Wilson, Bob
Hillis	Patten	Wilson, C. H.
Holland	Patterson	Wilson, Tex.
Holt	Pease	Winn
Horton	Pepper	Wolff
Howard	Perkins	Wright
Hubbard	Pettis	Wydler
Huckaby	Pickle	Wylie
Hughes	Preyer	Yatron
Hyde	Price	Young, Fla.
Ichord	Pritchard	Young, Mo.
Ireland	Pursell	Young, Tex.
Jenrette	Quillen	Zablocki
Johnson, Calif.	Rahall	Zeferetti
Jones, N.C.	Railsback	
Jones, Okla.	Regula	

NOT VOTING—26

Barnard	Fraser	Pressler
Burke, Mass.	Frey	Quie
Chappell	Harrington	Rodino
Cochran	Jenkins	Teague
Collins, Ill.	Kasten	Thone
Conyers	Krueger	Tsongas
Dent	Le Fante	Whalen
Flowers	McDade	Young, Alaska
Ford, Tenn.	Mathis	

The Clerk announced the following pairs:

On this vote:

Mr. Le Fante for, with Mr. Burke of Massachusetts against.

Mr. Dent for, with Mr. Teague against.

Mr. Conyers for, with Mr. Krueger against.

Mr. ASHLEY changed his vote from "aye" to "no."

Mr. DODD and Mr. BAUCUS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

(By unanimous consent, Mr. ANNUNZIO was allowed to speak out of order.)

THE INTRODUCTION OF CORRECTED VERSION OF H.R. 13686, EXTENDING REGULATION Q FOR 2 YEARS

Mr. ANNUNZIO. Mr. Chairman, yesterday I introduced H.R. 13686, a bill to extend regulation Q for 2 years. I was joined by 23 cosponsors on the legislation. The legislation was a simple extension of regulation Q with nothing else included in the bill. However, through a mistake in typing the final draft, an incorrect title was placed on the bill which reflected additional matters as part of the legislation.

I am today introducing a revised bill which contains the correct title so as to avoid any confusion on the intent of the bill.

The CHAIRMAN. Are there further amendments? If not, the Clerk will read.

The Clerk read as follows:

INTERNATIONAL MILITARY EDUCATION AND TRAINING

International military education and training: For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, as amended, $25,700,000.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 9, lines 20 and 21, delete "$25,700,000" and insert in lieu thereof "$25,220,000:" *Provided,* That none of the funds contained in this paragraph shall be available for Afghanistan."

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Let the Chair make this request. There are approximately 70 amendments on the desk. This bill will be read paragraph by paragraph. The Chair requests those Members who have amendments not only to be standing, but to address the Chair at the proper time, because the Chair cannot identify a Member who is not standing and does not address the Chair for recognition. The Chair has no way of knowing whether or not these amendments will all be presented, so the Chair will request that all Members who have amendments be standing and seek recognition at the proper time.

PARLIAMENTARY INQUIRY

Mr. CHARLES WILSON of Texas. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman from Texas will state it.

Mr. CHARLES WILSON of Texas. Mr. Chairman, did I understand the Chairman to say that there are 70 amendments at the desk?

The CHAIRMAN. That is correct, 70.

Mr. CHARLES WILSON of Texas. Would it be in order, Mr. Chairman, to consider those amendments en bloc?

The CHAIRMAN. Only by unanimous consent.

Mr. CHARLES WILSON of Texas. I thank the Chairman.

Mr. ASHBROOK. Mr. Chairman, when we were debating the authorization for foreign aid, I offered this amendment which, very simply, would strike the $600,000 for Afghanistan which appears in the report on page 41 under international military education and training program.

That amendment I offered on the authorization bill did not pass. I was amazed during the next day or two, I must have had a minimum of 10 or 15 Members come up and say, "Well, your Afghanistan amendment passed, didn't it?"

I said, "No, it didn't."

They said, "I can't believe it."

So like a lot of things, we ought to take a second shot at it. Possibly the second time around reason will prevail.

Frankly, I see no reason for $600,000 going to Afghanistan. My friend, the gentleman from Wisconsin, the chairman of the Committee on International Relations (Mr. ZABLOCKI) made a very impassioned, reasoned argument in favor of retention of the language, retention of the amount.

I think, on reflection, with the direction the Government of Afghanistan is going and particularly in light of all the debate we just had on the Philippines particularly, that the statement of our colleague, the gentlewoman from California (Mrs. BURKE), there is no question in my mind what this money will be used for as far as Afghanistan is concerned; so, very simply, we would cut out the appropriations for Afghanistan on the international military and training program.

Mr. Chairman, I urge support for this amendment.

Mr. OBEY. Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, I think the House set the proper pattern on the last vote when it rejected attempts on a country-by-country basis to impose our own personal judgments about which countries ought to have aid retained and which countries should not.

I think it is terribly important for us to realize some things. First of all, I invite anyone in this Chamber who can name at this moment the prime minister of Afghanistan to stand. How many people can? I see none.

I wonder if I could ask every Member in the House who knows where Afghanistan is on the map to stand? Some have stood.

Mr. Chairman, the gentleman from Ohio states that intelligence tests on the floor of the House violate the rules of the House. The gentleman is probably right.

My point is there are very few people in the House who know the faintest thing about Afghanistan. I do not. Perhaps the gentleman offering the amendment does and a few others do.

I do know a couple things we ought to keep in mind, however; one, we had a change in the Afghanistan Government very recently. We do not yet know what the final pattern of that government is going to be. We do know that just 3 weeks ago they threw out two pro-Soviet ministers. We do not know who they replaced them with in terms of what their views are; but we do know who went out.

Second, understandably we know that country has had a long relationship with the Soviet Union. We would, too, if we were a neighbor to the Soviet Union as they are.

Third, we know we have an important narcotics control program in Afghanistan. I think it is important to retain the

cooperation of that country in dealing with that problem.

Fourth, I would point out that we have already on human rights grounds cut 20 percent from each of the two military items in this bill because of our concern about human rights violations in a number of countries, including Afghanistan; so I would urge, without taking up any more of the House's time, for the time being to restrain ourselves, as we did on the last amendment, and allow the person we appoint as Secretary of State and allow the man we elect as President to determine whether it is in our national interest to cut off those funds to not only Afghanistan, but any other country in this bill.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I strongly concur with what the gentleman has expressed.

I want to add that in authorizing this type of military training, we are acting to support the national interests of the United States. We are not trying to be nice to Afghanistan. No one can tell a month or a year from now what may develop there.

But if we deny this economic tool, this military-economic tool, to the President, we have weakened his ability to influence the course of events in that section of the world.

Mr. OBEY. Mr. Chairman, the gentleman is exactly correct.

Let me point out that if we do adopt this amendment, we abdicate to the Soviets all influence in Afghanistan. I do not think that is an especially smart thing to do.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to say first off that, although I speak mostly to the minority because as a matter of fact my views on defense and foreign policy coincide generally with those of the minority more than they do with those of the majority, I feel we are making a serious mistake if we adopt this amendment, because of the precedent it will set today.

The Department of Defense and the Executive of the United States do not have to spend the money just because we appropriate it. I think we have to have some trust in their judgment.

Second, if we adopt this amendment because Afghanistan has shown indications of having a left-wing government, I feel we will set a dangerous precedent for the rest of the day, and Members who are more liberal than perhaps the Member who offered this amendment will be trying to offer amendments for most of the countries in Central America and South America.

Mr. Chairman, I think this sets a dangerous precedent. I think we should try to abide by the precedent we set previously and not name any countries, leftwing or rightwing.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. CHARLES WILSON of Texas. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, in the main I have supported the elimination of assistance to totalitarian regimes. It is my own current estimate that the Afghanistan leadership is pro-Soviet. It is admittedly Marxist.

But this switch in regimes is so recent that I really do think it is ill-advised at this time for us not to leave the administration flexibility. If this new regime behaves as we expect it will, more likely than not we are apt to see that they will literally welcome the Soviets and move into the Soviet orbit. I would not be surprised if that proves to be the case.

However, I think it would be a mistake to prejudge the matter, and we should give the administration flexibility and see how events unfold.

So, Mr. Chairman, I join with the gentleman from Texas (Mr. CHARLES WILSON) and urge that we reject this amendment.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I agree with the gentleman from California (Mr. PHILLIP BURTON).

I would also like to say to the House that certainly if Afghanistan turns out to be a totalitarian, Marxist regime, the administration will not spend these funds.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The gentleman from Ohio (Mr. ASHBROOK) makes the point of order that a quorum is not present, and the Chair will count.

Does the gentleman from Ohio (Mr. ASHBROOK) insist upon his point of order?

Mr. ASHBROOK. Mr. Chairman, inasmuch as I do not see 20 Members standing, yes, I do insist.

The CHAIRMAN. The gentleman from Ohio (Mr. ASHBROOK) insists on his point of order.

Mr. ASHBROOK. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The gentleman from Ohio (Mr. ASHBROOK) withdraws his point of order.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Ohio (Mr. ASHBROOK) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 152, noes 236, not voting 44, as follows:

[Roll No. 643]

AYES—152

Abdnor	Broomfield	Cornell
Ammerman	Brown, Mich.	Coughlin
Anderson, Calif.	Brovhill	Crane
Applegate	Buchanan	Cunningham
Archer	Burke, Fla.	D'Amours
Armstrong	Butler	Daniel, Dan
Ashbrook	Byron	Daniel, R. W.
Badham	Caputo	Davis
Bafalis	Cederberg	Devine
Bauman	Chappell	Dickinson
Beard, Tenn.	Clausen, Don H.	Dodd
Bedell	Clawson, Del	Dornan
Bevill	Cohen	Drinan
Bowen	Coleman	Duncan, Tenn.
Breaux	Collins, Tex.	Early
Brinkley	Corcoran	Edwards, Ala.
		Edwards, Okla.
Emery	McClory	Russo
English	McDonald	Ryan
Ertel	McKinney	Santini
Evans, Ind.	Marks	Satterfield
Flippo	Marlenee	Sawyer
Gammage	Marriott	Schulze
Gaydos	Mattox	Shuster
Gilman	Miller, Ohio	Skelton
Gradison	Moakley	Smith, Nebr.
Grassley	Montgomery	Snyder
Gudger	Moore	Spence
Hall	Moorhead, Calif.	St Germain
Hansen	Mottl	Steed
Harkin	Murphy, Ill.	Stockman
Harsha	Murphy, Pa.	Stratton
Hillis	Myers, Gary	Stump
Holt	Myers, John	Symms
Huckaby	Nichols	Taylor
Ichord	O'Brien	Trible
Ireland	Oakar	Tucker
Jacobs	Pattison	Vander Jagt
Johnson, Colo.	Pease	Waggonner
Jones, N.C.	Pike	Walker
Kazen	Quayle	Wampler
Kelly	Quillen	Watkins
Keys	Rhodes	Weaver
Kindness	Risenhoover	White
Leach	Roberts	Whitehurst
Lent	Robinson	Whitley
Livingston	Rose	Wolff
Lloyd, Tenn.	Rousselot	Wydler
Long, La.	Rudd	Wylie
Lott	Runnels	Young, Fla.
Lujan	Ruppe	Zeferetti
Luken		

NOES—236

Addabbo	Fascell	McEwen
Akaka	Fenwick	McFall
Ambro	Findley	McHugh
Anderson, Ill.	Fish	McKay
Andrews, N.C.	Fisher	Maguire
Andrews, N. Dak.	Fithian	Mahon
Annunzio	Flood	Mann
Ashley	Florio	Markey
Aspin	Flynt	Martin
AuCoin	Foley	Mazzoli
Baldus	Ford, Mich.	Meeds
Baucus	Forsythe	Metcalfe
Bellenson	Fountain	Meyner
Benjamin	Fowler	Michel
Bennett	Frenzel	Mikulski
Biaggi	Fuqua	Mikva
Bingham	Garcia	Milford
Blanchard	Gephardt	Miller, Calif.
Blouin	Giaimo	Mineta
Boggs	Gibbons	Minish
Boland	Ginn	Mitchell, Md.
Bolling	Glickman	Mitchell, N.Y.
Bonior	Goldwater	Moffett
Bonker	Gonzalez	Mollohan
Brademas	Goodling	Moorhead, Pa.
Breckinridge	Gore	Moss
Brodhead	Green	Murphy, N.Y.
Brooks	Guyer	Murtha
Brown, Calif.	Hagedorn	Myers, Michael
Brown, Ohio	Hamilton	Natcher
Burgener	Hammer-schmidt	Neal
Burke, Calif.	Hanley	Nedzi
Burleson, Tex.	Hannaford	Nix
Burlison, Mo.	Harris	Nowak
Burton, John	Hawkins	Oberstar
Burton, Phillip	Heckler	Obey
Carney	Hefner	Ottinger
Carr	Heftel	Panetta
Carter	Hightower	Patten
Cavanaugh	Holland	Patterson
Chisholm	Hollenbeck	Pepper
Clay	Holtzman	Perkins
Cleveland	Horton	Poage
Conable	Howard	Preyer
Conte	Hubbard	Price
Corman	Hughes	Pritchard
Cornwell	Hyde	Pursell
Cotter	Jeffords	Rahall
Danielson	Jenrette	Railsback
de la Garza	Johnson, Calif.	Rangel
Delaney	Jones, Okla.	Regula
Dellums	Jordan	Reuss
Derrick	Kastenmeier	Richmond
Derwinski	Kildee	Rinaldo
Dicks	Kostmayer	Roe
Dingell	Krebs	Rosenthal
Downey	LaFalce	Rostenkowski
Duncan, Oreg.	Lagomarsino	Roybal
Eckhardt	Lederer	Sarasin
Edgar	Leggett	Scheuer
Edwards, Calif.	Lehman	Schroeder
Eilberg	Levitas	Sebelius
Erlenborn	Lloyd, Calif.	Seiberling
Evans, Colo.	Long, Md.	Sharp
Evans, Del.	Lundine	Sikes
Evans, Ga.	McCloskey	Simon
Fary	McCormack	Sisk
		Skubitz

Slack	Traxler	Whitten
Smith, Iowa	Treen	Wiggins
Solarz	Udall	Wilson, Tex.
Spellman	Ullman	Winn
Staggers	Van Deerlin	Wirth
Stangeland	Vanik	Wright
Stanton	Vento	Yates
Stark	Volkmer	Yatron
Steers	Walgren	Young, Mo.
Steiger	Walsh	Zablocki
Stokes	Waxman	
Studds	Weiss	

NOT VOTING—44

Alexander	Jones, Tenn.	Rogers
Barnard	Kasten	Roncalio
Beard, R.I.	Kemp	Rooney
Burke, Mass.	Krueger	Shipley
Cochran	Latta	Teague
Collins, Ill.	Le Fante	Thompson
Conyers	McDade	Thone
Dent	Madigan	Thornton
Diggs	Mathis	Tsongas
Flowers	Nolan	Whalen
Ford, Tenn.	Pettis	Wilson, Bob
Fraser	Pickle	Wilson, C. H.
Frey	Pressler	Young, Alaska
Harrington	Quie	Young, Tex.
Jenkins	Rodino	

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for, with Mr. Burke of Massachusetts against.

Mr. Rogers for, with Mr. Le Fante against.

Mr. Dent for, with Mr. Thompson against.

Mr. Conyers for, with Mr. Teague against.

Mr. Beard of Rhode Island for, with Mr. Krueger against.

Mr. WAGGONNER changed his vote from "no" to "aye."

Mr. WALGREN changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 9, lines 20 and 21, strike out "$25,700,000" and insert in lieu thereof "$12,450,000".

Mr. HARKIN. Mr. Chairman, this amendment would reduce funds in the appropriation for military training, military training only, by an additional $13.5 million. The Committee on Appropriations has already reduced the amount by $4.3 million.

The recommendation of the committee was based on its assessment of the doubtful human rights record of many of the proposed recipients of this aid. This is shown on page 42 of the committee's report.

I applaud the committee's action and feel that they have done right, but I do not think that they have gone quite far enough.

At least 11 of the 41 proposed recipients of military training have records of very serious human rights violations and there are probably others, and of those that may not have seriously violated human rights, they are listed as not really important for our national security.

For example, Mr. Chairman, Indonesia, which still holds tens of thousands of political prisoners, many of them for more than 12 years, is slated to receive $2.5 million. The sum of $450,000 is slated for the armed forces of Bolivia, which just staged a coup when its hand-picked candidate was unable to win the Presidential election without massive election violations.

The administration also proposed military training for 13 other authoritarian governments. While there does not seem to be the same level of violations as in many other countries, the administration has failed to give any compelling national security reason that we should support these countries.

These countries are all located in Asia, Africa, and Latin America. As the last three Secretaries of Defense have pointed out, the vital areas of U.S. national security are Europe, the Middle East, and Northeast Asia.

Let me make it clear that my amendment is not intended, nor need it affect the continuation of military training to countries in the Middle East and Europe. I agree with the committee's recommendation that any reduction would be applied "in a manner that would * * * imperil the delicate Middle East balance and peace initiative."

On the other hand, we should reduce military training to all those authoritarian governments which play no role in our national security, especially those guilty of human rights violations.

Military training, of all kinds of security assistance, forges the closest identification between ourselves and the recipient governments. We are increasing the skills of the foreign nations militarily so that each will be more effective in conducting not only military operations, but police operations. When the military personnel are part of the military dictatorship, and they in turn are part of the police force, we are, therefore, increasing their capabilities to repress the population in their exercise of legitimate human rights.

Mr. Chairman, what I am doing is cutting an additional $13.2 million.

Here is where it would come from:

From those countries listed as serious human rights violators, $10.4 million, including Korea, Bangladesh, of all places, Morocco, Bolivia, Haiti, Nicaragua, and Paraguay.

Another $4.06 million will come from those countries assistance for which cannot be justified on national security grounds. Those countries are Malaysia, Ghana, Honduras, and Peru, among others.

Finally, Mr. Chairman, I have asked for a $3.08 million cut, which represents 70 percent of the funds proposed for the Canal school, the school located in the Canal Zone in Panama, in which much of this military training for the Latin American countries is going on.

All told, Mr. Chairman, that equals $17.5 million.

The committee cut, as I said, $4.3 million of that $17.5 million. I am just going the rest of the way and asking for an additional $13.2 million cut.

Mr. Chairman, if this amendment is adopted, which I hope it is, this will effectively cover all of the countries which I have listed in all of my amendments that I have at the desk right now. If this amendment is adopted, I would see absolutely no reason at all to bring any separate amendments with respect to other countries up later on in the bill because I believe that this amendment covers the waterfront in terms of reducing our involvement in military training to the right wing governments and to the left wing governments and other governments like Upper Volta or Equador or Honduras or Ghana.

What they need, Mr. Chairman, is economic aid. They need help for their poor people. They do not need more guns and ammunition or military training for their police forces so that they might at some time in the future become more repressive toward their own citizens.

Mr. Chairman, I urge adoption of the amendment.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have been a great admirer of the gentleman from Iowa. He has done a remarkable job and has made a great impression on this Congress because of his work on human rights. I have voted for every single one of his human rights amendments.

I have to rise, however, in opposition to the amendment at this time. I understand that this is the first in a series of over 50 amendments to be offered by the gentleman, and I shall be obliged to oppose each and every amendment.

Mr. Chairman, the House Committee on Appropriations has labored many long days in order to report to this body what we consider to be a reasonable and just bill, particularly with respect to the issue of human rights.

For a number of years, the gentleman has been, as I said, in the vanguard of human rights advocacy; and I am proud to say that I supported him. However, I naturally cannot support what amounts to a massive assault on the foreign aid bill, which the subcommittee and the full committee worked so hard to fashion.

Last year the committee brought to the House a bill which singled out several countries which we deemed gross violators of human rights. This year in marking up this bill we debated the issue at great length. There was a tremendous disagreement among our members as to which countries should or should not be included in such restrictive language this year. Finally, as listed on page 9 of our report—and I recommend everyone turn to it and read it—the committee has listed 27 perceived violators of human rights. The committee had a great deal of difficulty in gathering consistent and credible information regarding the human rights situation in the various countries. Further, there were so many countries with which one or more members of our committee had reservations that had we listed them all, there would have been few qualified countries remaining.

Finally, there was a great discussion over whether such restrictions should be limited to the military assistance accounts or should the restrictions be extended to the banks and bilateral economic assistance programs?

In the end, Mr. Chairman, the committee members felt that they could not put together a list of gross violators of human rights that would satisfy everyone. We felt a responsible compromise

was not to lock the administration into any fixed position by listing countries in the bill, but to inflict across-the-board reductions in the military credit sales account and the military training account and to voice our concern in the report. This we have done. Excluding Israel, we have reduced the military credit sales account by 20 percent. We have reduced the military training by 20 percent. In compliance with the authorization bill, we have reduced the Philippines MAP program by $5 million. We have listed 27 countries in our report which we felt needed closer scrutiny from a human rights perspective, and we have included a general provision, section 113, which generally deals with human rights. It is a very difficult field in which to pin anything down, and the situation changes from one year to another. A great deal of our information is 2 or 3 years old, and we are not in a really factual position at any time to say that this or that situation prevails today. That is why it seemed to us that we should make a general cut and list a number of countries which we felt were in a sense indicted, and leave it up to the administration to make the specific cuts. That is why, Mr. Chairman, I feel the committee has acted in a responsible manner, and I urge that the amendment be defeated.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

I want to compliment the gentleman in the well for his leadership in the human rights area over the past 3½ years that I have been associated with the gentleman since I have been here. I know his concern in that area, and I know that we have been mutually supportive of each other in those respects in the past. I guess I am concerned about the fact that we tend to continue on certain programs without really questioning them, and we continue on down a path. Unless we sort of stop and really take a hard look at what we are doing, I am afraid that a lot of this money is going for things that we really do not want it to go for.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. HARKIN, and by unanimous consent, Mr. LONG of Maryland was allowed to proceed for 2 additional minutes.)

Mr. HARKIN. Will the gentleman yield further?

Mr. LONG of Maryland. I yield to the gentleman.

Mr. HARKIN. Mr. Chairman, if the gentleman will yield, I just want to ask the gentleman how we justify, it is a minor sum, but like the $175,000 in military aid to Chad and $100,000 to Mali or $450,000 to Sudan, those seem like very minor amounts and I know the gentleman cannot keep track of every country, and I do not expect him to; but my point is why do we have to spend this money for military training to those countries? They are not listed as human rights violators. They are not listed for national security, either. Why do we have to spend that money?

Mr. LONG of Maryland. Mr. Chairman, in response to the gentleman, I might say I have often raised the same question in my own mind and in my own heart. I have no doubt a great deal of our foreign aid rests on a dubious foundation.

The great problem is that we are a legislative body and not an administrative body. We cannot, it seems to me, go into every situation, try to find out what goes on and pass legislation to deal with it. Heavens knows, I wish we could, and in many situations I have done exactly that; but the trouble is we spread ourselves too thin and it is just hopeless and we will probably do the wrong thing at the wrong time. That is why we made a general cut and told the administration what countries to consider and give attention to. I thought that was the responsible thing to do and it was the one thing we could get agreement on within the subcommittee.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I hope that the amendment is defeated. As I said yesterday, I have served on this subcommittee for 18 years. If the gentleman from Iowa has only been around here in the sixties or early seventies, he would have seen that in 1963 this military aid program was $1.3 billion, in 1968 it was $1.78 billion, and in 1973 it reached a record $4.2 billion. This committee has worked diligently to bring that figure down to a level of $64,500,000 for the military assistance program this year. IMET has seen similar reduction. From a figure of $0.861 billion in 1972 it has been reduced to $25.7 million. And even before anyone else in this Chamber began speaking on human rights, it was myself and the gentleman from Maryland who introduced an amendment that became known as the Conte-Long amendment. The prevention of any sale or grant or military credit sale to any underdeveloped country in the world for sophisticated weapons of war became law. It was way back in the early sixties that we tacked that amendment on. I do not have to show my credentials in regard to how I feel on human rights.

Mr. Chairman, I think the gentleman from Iowa is beating a dead horse. We did a good job on the question of military aid to the Philippines in the committee hearings and markups. We cut military training to the Philippines, and yet the gentleman comes in here today supporting an amendment by the gentleman from California (Mr. RYAN) to cut the military training program to the Philippines by yet another $5 million. They forced a rollcall and now what kind of message have they sent? Prior to that rollcall we sent the message to the Philippines that we were not happy with their human rights situation and, therefore, we cut their program; but they want further cuts? And as a result of them wanting more they come here and place an amendment, get a rollcall, and they take at least a 2-to-1 beating. Now the Philippines can look at us and say, "The House of Representatives agrees with us. Look at the beating they took."

So the gentleman is beating a dead horse. Here again, the administration asked for $32.1 million for military training. We cut it down to $25.7 million. We put in our report that we are not happy with some of these countries on human rights; yet the gentleman from Iowa is going to come in here and take another beating, and the gentleman is going to deliver a message to those countries that the House of Representatives is with them. The House does not agree with these countries. The House just feels the gentleman is going too far.

The committee has been conscientious in its work. They held hearings for days and weeks and months and after a lot of debate in hearings and markups, they came out with what they thought was a good figure.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Since I mentioned the gentleman's name, I would be glad to yield.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding. It is my duty, I believe, as a legislator and as a Representative of my constituents to express my conscience and my best judgment on the floor of the House. I am not a member of this committee. I cannot do this in the subcommittee or in the full committee.

I would remind the gentleman when we report something from my Committee on Agriculture, the gentleman from Massachusetts is more than ready to take the floor and to debate the House on agricultural legislation which we have debated, which we have pulled out of our full committee, that on which we have done our work; but the gentleman does not seem reticent about amending an agriculture bill. I have an obligation, not only to my own conscience, but to my constituents, to raise these issues on the floor of the House.

We may get beat, but at least the American people and the press are going to know what we are doing here, and it is not going to slip by unnoticed. I believe I have an obligation to point these things out to the American people.

Mr. CONTE. Mr. Chairman, if I may answer the gentleman, he is absolutely right, he has that obligation. I do not deny that he has that right, but he is doing it over and over again.

I do not do that on the agriculture bill. I take my shot where I think it is good, and if I lose, I let it go. I do not keep beating that dead horse, because I know if I keep doing that, I will lose my effectiveness, and I do not want to do that. I want to be able to trim that agriculture bill and bring it down to some level of reality, but if I keep going after everything in that agriculture bill, I will lose my effectiveness.

Mr. HARKIN. As the gentleman usually does on the agriculture bill.

Mr. CONTE. I did not hear what the gentleman said.

Mr. HARKIN. I said, as the gentleman usually does on the agriculture bill.

Mr. CONTE. No, I do not. But in any case, let me continue with this.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. CONTE. Mr. Chairman, I want the Members to know that I admire the gentleman from Iowa (Mr. HARKIN), but let me give the Members another side of this story.

Back in the old days I used to get whacked on the head, because I would be supporting some of these programs in foreign aid. One of the Members on my side of the aisle during a Democratic administration tried to cut out this program that the gentleman is trying to knock out right now for Indonesia, and I took the well of the House and argued against the Republicans on this side and said:

> Look, the only program we have with Indonesia is this military training program, and if we are ever going to have a chance in that country, it is through this program.

Of course, it was about that time that Sukarno told us what we could do with our foreign aid and what the United States could do right down the line. I had a very, very difficult debate, but we won it. We won it by a close vote.

The only thing that toppled Sukarno was the fact that they had those young officers who came over here to our War College and were trained by Americans.

If we are going to have any input in some of these countries that violate human rights and foster repression, it is by having those young men come here to be trained in our War College. They come here and live in the homes of American people, they see how we live and how our democratic form of government operates, and then they can go back and hopefully try to influence their own governments to do what is right in the area of human rights.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, certainly the gentleman is not condoning what those young officers did when they took over? The bloodbaths that they instigated in that country are well known throughout the world.

Did they learn that in our training schools? If so, the gentleman is adding credence to my argument.

Mr. CONTE. Mr. Chairman, I heard the gentleman say there are a lot of people in jail in Indonesia. I had been in Indonesia many times before the coup, and believe me, there was not room enough in all the jails for the people incarcerated in Indonesia under Sukarno.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know that the gentleman from Iowa (Mr. HARKIN) has offered this amendment with the best of intentions, and in fact, as he knows, I have most often sided with him on these types of amendments, because we must be concerned about human rights and about what participatory role we are playing in repression in these other countries.

I think it is fair to say as well that the administration now in office is very sensitive to these matters.

What we have seen in the last year and a half is the difficulty both the administration and the Congress have in attempting to implement, in consistent fashion, a human rights policy. There is no question that this Congress and the Carter administration are committed to improving human rights conditions around the globe.

The problem is how to implement that policy in a fashion which is reasonable fair and effective and which serves the interests of the United States as well as of the people we are trying to help.

Our committee, as the gentleman from Massachusetts (Mr. CONTE) pointed out, spent months reviewing the facts and the testimony, not just from the administration but from many others, with respect to human rights conditions in many of the countries that relate to this amendment.

We are convinced that the administration has made every conceivable effort to implement the policy in a reasonable way. But it is also clear to this committee that we have not been able to develop as yet, either in the administration or in the Congress, a simple standard to implement the policy. Therefore, the committee reached what I consider to be a reasonable conclusion, that is, to say that we are concerned about human rights in these 27 countries listed in the report, and that, therefore, we are going to reduce the appropriation which the administration requested. We reduced it by 20 percent, which is the most significant reduction in this account that has ever been taken by this committee. We then said to the administration:

> You determine, based upon your priorities and your assessments of United States interests, how to allocate that remaining 80 percent.

I think the best course at this particular time would be to give the administration that year in order to make those rather difficult judgments, apply the 80 percent of budget request that we have given it, and then we can see what has been done a year from now. I think, given the very difficult problem of implementation, that is the reasonable course.

Therefore, while I sympathize with the gentleman from Iowa—I share his concern about human rights—it is fair to say that our committee and the administration share that concern, and we are trying, as effectively as we can, to implement the policy.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

I think the virtue of that position is the effect it has on the administration. They regard it as being clearly irresponsible. But it is very difficult for them to argue against. I think what you do, when you have a cut about this size, is that you force them to rethink their own thoughts, and I think you force them to face the fact that Congress means business in a serious but not a reckless way, and you force them to make their judgment this year and next year about how you bring out the nonessential training aspects of this program.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from New Jersey.

Mr. HUGHES. I thank the gentleman for yielding, and I want to congratulate my colleague from New York for a well-balanced and reasoned statement. I would like to associate myself with the gentleman's remarks. I think he has put his finger on the overall problem.

Mr. McHUGH. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the military training cut amendmen offered by the gentleman from Iowa. I would agree with him that he certainly has every right and, as he sees it, a duty to bring these matters to the attention of the House, and I think, although I disagree with him, that it does perform a function; because certainly the State Department, and the administration, and the Embassies of all of the countries that are involved in this program are paying very close and very careful attention to the debate that goes on here. And no matter how the vote turns out, I think that is helpful and it will have some beneficial effect.

Mr. Chairman, I want to point out, as has already been stated, that the committee has already cut some 20 percent from the President's request. That is going to force the administration to review its priorities, to review these programs, and perhaps change or eliminate some of them. I think the administration should have the flexibility to do that. The administration is still putting its act together. There has been a change of emphasis, perhaps not publically admitted yet, but there has been a change of emphasis on the human rights program. I think that now the administration is looking more to traditional means of diplomacy to achieve the results that we all want to achieve. One of the things which can be used in the human rights campaign is this military training program. By offering this training program to military officers, many of whom will become leaders of their country, we have a chance to influence them and, as has already been pointed out, they will have a chance to see the benefits of our form of government and how it works.

During a trip to Latin America last August, by the Subcommittee on Inter-American Relations, many of us were, I think, very impressed by the fact that,

although the senior officers of some of the countries where we have now more or less cut off aid, particularly military aid, were upset about that, they understood why. They were not angry. They were hurt and disappointed. But they did tell us that the younger officers, the ones who are not receiving this kind of training, who do not have the benefit of this kind of association with Americans, and our American military, are very upset. Those officers, as they rise in rank and assume positions in their governments, may well turn to other countries for training, and so on, if we do not resume training assistance.

So, I think that the military training provisions in the bill, especially in the cut down amount, is completely warranted. I would urge rejection of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 107. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Uganda, Cambodia, Laos, or the Socialist Republic of Vietnam.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 11, line 15, after the word "directly" add "or indirectly".

Mr. YOUNG of Florida. Mr. Chairman, this amendment ought to be labelled the Job Creation Amendment of 1978, for it has undoubtedly made many jobs all over this country in research, the preparation of material, and delivering it to Members of Congress. Members have heard from the White House, the Treasury Department, the State Department, the Secretary of Agriculture, the Secretary of Commerce; they have heard from the League of Women Voters and any number of organizations, all the way down to the U.S. Chamber of Commerce, telling us why Members ought not to support this amendment which prohibits indirect U.S. aid to Vietnam, Cambodia, Laos, and Uganda.

I just got a mailgram yesterday from the U.S. Chamber of Commerce, and it starts out by saying:

On behalf of over 74,000 members, National Chamber respectfully urges you support H.R. 12931, Foreign Assistance Appropriations, as reported by the Appropriations Committee.

They are against any amendments, and they are specifically, later on in the mailgram, against the amendment that is before us today. This is really interesting to me, Mr. Chairman, because just a few short weeks ago, at the request of chamber officials on the west coast of Florida, I attended a meeting. They asked me to discuss the foreign assistance program, which I did.

Most of the time of that meeting was taken up by questions and answers, and an exchange of thoughts and ideas between the members themselves and this Member of Congress. Mr. Chairman, I would report that there were none in that room that day who were willing to indicate that they were for sending aid to Cuba or to the four countries in this amendment, directly or indirectly. So, I question just how accurate this mailgram from Hilton Davis, vice president of the Chamber of Commerce of the United States really is. I do not think, if he will poll the chamber people in my district, I do not think he is going to get the same answer.

Now, to the amendment. Not too long ago the President of the United States, for whatever reason he determined to do so, went to Yazoo, Miss., and held a town meeting. In that town meeting he was buffeted by questions from the audience as to activities on the part of his administration that had been unpopular. President Carter closed that town meeting with this statement: He said that he was opposed to providing any U.S. aid to Vietnam.

Mr. Chairman, the crowd that had been rather cool to the President up to that point erupted in a show of support for that statement. When the President made the statement that he was opposed to U.S. aid to Vietnam, he did not put any qualification on it. He did not say: "I am opposed to direct aid but I am for indirect aid." He said: "I am against aid to Vietnam."

I support him. The people of Yazoo, Miss., supported him at that time, and his rating in the polls went up for a short period of time after that.

The question of U.S. aid to Vietnam, Laos, Cambodia, or Uganda is a question of aid to those countries whether it is direct or whether it is indirect, and all the arguments in the world are not going to change that.

The Congress has spoken out loudly and clearly that we are opposed to direct aid to those countries.

What I am seeking to do today is to amend this bill the same as we did last year on this bill. This House voted last year 295 to 115 to adopt the language of this amendment, to include the words "or indirectly."

Why do I want to prevent aid going to these four countries directly or indirectly? Members have a right to know why I chose these four countries last year and this year.

Let me start out with Cambodia. To begin with, there is no money in this bill that is going to go to Cambodia directly or indirectly, and that is good, because Cambodia has got to be the most vicious government any of us have ever known about under the dictatorship of the Khmer Rouge, or whoever it is that runs the show in Cambodia now. If Members have been taking the time to read the newspaper columns of one columnist Jack Anderson, they will have seen that he has documented time and time again the tremendous torture, and genocide taking place there.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has expired.

(By unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 5 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, I thank my colleagues for not objecting.

We will pass over Cambodia, as I said, because there is not any money in this program, as we all know, for that purpose.

Let us go on to Laos. Laos has refused to make an accounting for any American who is missing in action. Laos has refused even to talk about making an accounting. They will not even discuss it with us. Not too long ago, in the same appropriation period we are involved in, our Government approved a $5 million shipment of rice to Laos. I was tempted to object to that, and I felt that I should, but I did not because I felt that maybe we ought to make the first step toward establishing a relationship with Laos, and we approved that $5 million worth of rice for Laos. But here we are, several months later, and still no accounting for our missing in action. And still the Laotian Government refuses even to discuss it.

By the way, some of our money is going to Laos anyway. The World Bank approved a loan to Laos just this year and two more loans are pending before the World Bank. One of those is for a water project similar to those we are not going to do here in our own country.

Let us move on to Vietnam. This very week in this House Chamber we heard some of the most emotional speeches we have ever heard on the floor of this House, talking about the families of American military personnel who are still listed as missing in action, talking about the tremendous feelings they must have when the Vietnamese Government refuses to make accountings. It was suggested that Vietnam gave us back maybe 100 bags of bones. One of our colleagues used that description, but it was also pointed out that more than 1,500 Americans are still listed as missing in action in Vietnam and nothing is being done about them.

I was willing to take the first step in Laos, but as it relates to Vietnam I suggest to my colleagues that we have already taken the first step in Vietnam and we have taken the second step and we have taken the third step.

We could have denied them admission to the U.N. We did not. As a matter of fact, our ambassador to the U.N. welcomed them with open arms.

We have given them money through UNICEF.

They have a 5-year program under UNDP.

And the World Bank has a program—and their scheduling problem is as bad as ours. They had it scheduled for July 15 and then for August 1, and now it is August 7 when IDA of the World Bank is going to take up the first of 5 loans to Vietnam.

The first loan is $60 million. And of course we are the largest contributor to IDA and the World Bank. There are soft loans, no interest, no repayment for the first 10 years, then at no interest they supposedly will pay it back over the 40 years remaining.

I do not think that American tax dollars should be taken up through our tax collection procedure and passed on to Vietnam, be it directly or indirectly.

Let me go on to Uganda. Uganda is the fourth country we are discussing. We are expected to believe that Idi Amin is really cleaning up his act. Bill Peterson writing for the Washington Post staff on June 16, 1978 had this to say:

Arrests, killings continue in Uganda, Senate is told.

Amnesty International charged yesterday that although Ugandan President Idi Amin has declared 1978 a year of "peace and reconciliation," the patterns of arbitrary arrests, disappearances, torture and killings "persist unaltered" under his dictatorship.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I will yield in just a moment.

The article goes on further to say:

The human rights monitoring group that was awarded the 1977 Nobel Peace Prize said that from 50,000 to 300,000 people have been arbitrarily killed in the African nation since Amin came to power in 1971.

One of our colleagues in the other body said:

I feel very strongly that this nation cannot sit idly by while genocide is being practiced in Uganda.

I agree with that statement.

The story goes on to say:

Every new crisis, it said, brings on a new wave of random arrest and killings. Politicians, businessmen, writers, academics, foreigners and religious leaders have been particularly singled out.

It goes on:

The government, it added, has "institutionalized" various forms of torture, including gouging out eyes and electric shock treatments.

The story goes on and on.

At this point, Mr. Chairman, I will ask to submit this material under the unanimous consent request I have been previously granted in the House.

The material referred to follows:

ARRESTS, KILLINGS CONTINUE IN UGANDA, SENATE IS TOLD

(By Bill Peterson)

Amnesty International charged yesterday that although Ugandan President Idi Amin has declared 1978 a year of "peace and reconciliation," the patterns of arbitrary arrests, disappearances, torture and killings "persist unaltered" under his dictatorship.

The human rights monitoring group that was awarded the 1977 Nobel Peace Prize said that from 50,000 to 300,000 people have been arbitrarily killed in the African nation since Amin came to power in 1971.

Unless international pressure is increased on Uganda, "there is good reason to fear" that human rights violations of the same scale "could continue for a long time to come," the volunteer group said in a report to the Senate subcommittee on foreign economic policy.

The report was released as the Senate was urged to bar U.S. coffee imports from Uganda in an effort to topple Amin's regime.

"I feel very strongly that this nation cannot sit idly by while genocide is being practiced in Uganda," Sen. Frank Church (D-Idaho) said in opening three days of hearings on the matter.

"It appears that trade with the U.S. may be an important factor in maintaining the economic viability of the Amin government," Church said at another point.

Coffee is Uganda's only major export. In 1977, the United States imported about one-third of the coffee produced in the country. Britain imported about 20 percent.

On Monday, the House approved a resolution urging the Carter administration to ban all trade with Uganda. The resolution, however, is not binding on the president and falls short of the mandatory sanctions being urged by Sen. Mark O. Hatfield (R-Ore.) and other members of Congress.

Both Hatfield and Church yesterday praised Procter & Gamble and Hills Brothers for deciding to stop buying Uganda coffee. Two other companies, General Foods and Nestle, have stopped buying Uganda coffee for resale in the United States, but are continuing to purchase it for foreign markets.

Hatfield criticized the Carter administration, the United Nations and Third World countries for their reluctance to act on the Ugandan government. Amin, he said, is guilty of the "most flagrant forms of genocide against his own people."

"We're led to believe that a ban on coffee imports could lead to a toppling of his regime," Hatfield said in an interview.

Amin has declared he has turned over a new leaf, and has invited Hatfield and other officials to have dinner with him—an invitation Hatfield has declined.

Amnesty International said it could find little evidence of any real change in Amin. Its study reported on 847 known killings since the beginning of 1977, including some as recent as April.

Although there have been periods during that time when killings temporarily diminished, the group said, "The Uganda government has taken no steps to improve the human rights situation."

Every new crisis, it said, brings on a new wave of random arrest and killings. Politicians, businessmen, writers, academics, foreigners and religious leaders have been particularly singled out, it said.

The government, it added, has "institutionalized" various forms of torture, including gouging out eyes and electric shock treatments.

In some cases, arrested persons are ordered at gunpoint to murder other prisoners by hitting them on the head with a hammer, ax or car axle, the report said. "In one version of this grotesque and common method of killing, detainees are lined up: the first man is given a hammer to kill the next man, he is, then in turn, killed by another man, until the whole line is killed, the last survivor being shot."

PALESTINIANS ON LIST OF UGANDA PASSPORTS

A list of 27 Palestinians who allegedly were issued passports by Uganda has been examined by the Central Intelligence Agency and appears to be genuine, a Senate subcommittee disclosed yesterday.

Among those on the list, according to Sen. Frank Church (D-Idaho), is a known member of Al Fatah, the terrorist organization. Committee sources refused to identify him, but said he is known to have taken part in terrorist activities.

Church made his document public as his subcommittee on foreign economic policy heard witnesses urge the United States to sever all remaining commercial and diplomatic ties with Uganda because of Gen. Idi Amin's policies of genocide, torture and terror.

Amin's regime has been accused of collaborating with Palestinian and other terrorist groups, primarily in actions against Israel.

The CIA, in confirming the apparent authenticity of the list, did not comment on Ugandan activities. But William C. Harrop, a deputy assistant secretary of state, testified, "We have no evidence that as of now they [the Ugandans] are supporting international terrorism."

Committee sources refused to say how the list was acquired except that it was from a "non-U.S. source."

Included are the names of 11 persons who allegedly hold diplomatic passports, which usually enable bearers to avoid routine immigration and customs regulations.

The list purportedly was prepared by the Ugandan Internal Affairs Ministry's passport office for the secretary of internal affairs, according to a Feb. 6, 1978, cover letter describing it as "an up-to-date list of Uganda passports issued to Palestinians . . ."

Church asked the CIA whether the document was genuine and whether any of those listed were known members of the Palestine Liberation Organization or "any other radical Palestinian group."

CIA Director Stansfield Turner replied that "as far as this agency is able to determine, the document . . . is a copy of an authentic Ugandan government document." He said the passports appear genuine, and one individual named was known to have traveled on the passport listed.

Turner said the CIA had no other information on the use of Ugandan passports, but said "many North African and Middle Eastern nations" regard Palestinians as stateless persons and issue passports "that enable them to travel freely, without necessarily revealing that they are Palestinians."

While sources would not identify the known terrorist on the list, they confirmed a man listed as holding a diplomatic passport, Khaled Mohammed el-Shekh, is the PLO's Kampala representative.

The United States has no diplomatic mission in Uganda. Thomas P. Melady, former ambassador to Uganda, said the presence of a Ugandan mission here enables Amin to spy on Ugandan exiles in the United States and then persecute their relatives at home.

Harrop said that despite the State Department's condemnation of Amin, the department thinks the Ugandan mission is useful for the interests of the 100 or so Americans in Uganda.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I will be happy to yield to my colleague, the gentleman from Texas, Mr. CHARLES WILSON.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I thank the gentleman for yielding.

Would the gentleman from Florida (Mr. YOUNG) tell us when the last World Bank loan to Uganda was made?

The CHAIRMAN. The time of the gentleman has expired?

(On request of Mr. CHARLES WILSON of Texas, and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. The last World Bank loan to Uganda was before Idi Amin came into power.

Mr. CHARLES WILSON of Texas. I thank the gentleman very much.

Mr. YOUNG of Florida. Since it is my time, I will continue and say that much of the money was still in the pipeline when Amin took over. I will also say to the gentleman that the World Bank uses another form to make it really indirect, instead of indirect, they first established the East African community through which Uganda got aid, and this so-called East African community has been in receipt of loans from the World Bank for several years.

Mr. CHARLES WILSON of Texas. If that is the case, then this amendment should say "or indirect, or really indirect."

Mr. YOUNG of Florida. The "really indirect" is implied as I am sure the gentleman is aware of.

Also Uganda is in for a very large

United Nations program over a 5-year period.

Mr. CHARLES WILSON of Texas. That is not under the World Bank, if the gentleman will yield.

Mr. YOUNG of Florida. I yield.

Mr. CHARLES WILSON of Texas. That is not under the World Bank because since Idi Amin has been the head of that country, there has not been a World Bank loan and there has been no money.

Mr. YOUNG of Florida. I would say this amendment is not directed only to the World Bank, it is directed to any American tax dollars in this bill that would go to these four countries directly or indirectly through any of the international banks or organizations. The World Bank is only one of many indirect routes through which this money will reach Vietnam, Laos, or Uganda.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Florida (Mr. YOUNG).

Mr. Chairman, again, I rise in opposition to the amendment offered by my able and dedicated friend, the gentleman from Florida (Mr. YOUNG).

Although I have great sympathy for the amendment, and I know the gentleman realizes my great sympathy, last year we were unable to retain this type of language. The Senate was and still is adamantly opposed to such language. The only purpose the amendment can achieve is to delay the bill and further tie up needed foreign assistance funds for worthy programs of all kinds such as population control, the Peace Corps, food and nutrition, Middle East programs, and so on.

Inasmuch as we have the specific provision prohibiting bilateral assistance to these countries, the problem does not lie in our bilateral assistance programs. The problem is centered in the U.S. contributions to the various international organizations and the international financial institutions.

Some of the countries named in the gentleman's amendment would receive assistance through the international financial institutions or would receive assistance through the various United Nations programs.

For example, Uganda and Vietnam are scheduled to possibly receive funds through the U.N. development program in the next 5 years.

In the hearings before our committee, concern was expressed with respect to providing assistance to these countries; and the witness from the State Department stated that these funds would not be used to prop up any particular country, but would be targeted at helping the poor people within the country.

I think the gentleman from Iowa (Mr. HARKIN) is very much interested in that aspect of the problem.

In the case of the international financial institutions, Cambodia and Uganda are not scheduled to receive any assistance for the next calendar year. We have been up this road before on this restriction issue. As was indicated last year, the international banks have indicated that they cannot accept the U.S. contribution with such restrictions attached.

As the gentleman from Florida (Mr. YOUNG) knows, once the House passed these restrictions, I supported them wholeheartedly in the Senate-House conference. Since the consideration of last year's bill, the committee has been supplied with legal opinions from the General Counsel of the Inter-American Development Bank, the World Bank, and the Asian Development Bank as well as an opinion from the General Counsel of the Treasury Department. In addition, the Comptroller General of the United States, the American Law Division of the Congressional Research Service, and the International Law Division of the District of Columbia Bar have all addressed this issue. They all agree that without amendments to their charters, the banks could not accept the U.S. contributions with these conditions attached.

In fact, the Inter-American Development Bank refused to accept the U.S. contribution for fiscal year 1975 because certain restrictions were attached to the funds.

I am not sure that I agree with the legal opinions.

However, the fact is, whether those opinions are correct or not, the Senate accepts them; and so does the administration. As a practical matter, we cannot get an agreement in the Senate with these restrictions attached. As the gentleman knows, last year we got a letter from the President, which was sort of a face-saving device; and with that, we were able to pass a bill. But without it, we would never have gotten an agreement with the Senate and could not have gotten a bill past the Congress.

The CHAIRMAN pro tempore (Mr. SHARP). The time of the gentleman from Maryland (Mr. LONG) has expired.

(On request of Mr. YOUNG of Florida and by unanimous consent, Mr. LONG of Maryland was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the comments of the gentleman from Maryland (Mr. LONG) because I really believe that we are saying the same thing.

I would like to tell the chairman that I, too, have read the charter, or the articles of agreement, as they are technically referred to.

I would just suggest to our colleagues that in all of these legal opinions, nowhere have they told us what language in the charter prohibits this type of restriction.

To the contrary, the Library of Congress Congressional Research Service said in an official memorandum the following:

> There does not appear to be any language in any of these charters which requires refusal of general contributions or payments because of the attempted attachment of conditions or restrictions to such payments or contributions made by member states.

Mr. Chairman, these are the people whom we hire to do that research for us. With respect to the legal opinions that we get from outside, these people do not have a vote in Congress. These other people, the ones we pay for, can give us this information.

Mr. LONG of Maryland. Mr. Chairman, let me say that I am inclined to agree with the gentleman, but the trouble is the banks do not want to accept the money with those restrictions attached.

My solution to the problem is to offer an amendment to reduce further the soft loan window of the International Development Association by $330 million, and the Inter-American Development Bank by $254 million. This type of action is a much more effective way to get our message across, because there is no doubt about the legality of it. As far as the international organizations, such as the UNDP, are concerned, the International Development and Food Assistance Act of 1978, which provides the authorization for the International Organization Account, contains an amendment which prohibits direct or indirect assistance to Vietnam, Cambodia, Uganda, and Cuba.

The net effect of the amendment would be to place a restriction on our contribution to these banks, which they would not accept.

I am not terribly sympathetic with their point of view, but that is the problem we are up against. I do think if we can pass a cut to these banks later on, it would effectively deliver a message that would make it meaningful, and we can sell it.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, at the outset let me say that the chairman of this committee has laid the groundwork for one of the most mischievous and damaging amendments to the committee bill that is a gigantic cut on the banks, which I hope will be beaten soundly when we get to that. This amendment is peanuts compared to what he is trying to do. It really cuts the heart out of what the administration has been trying to do. I am quite surprised that he as chairman of the subcommittee would be leading or even thinking of offering that amendment. I could see it coming from my side of the aisle but not from the chairman of the subcommittee.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding.

Since the gentleman does so many things that surprise me, I think the gentleman is entitled to be surprised by some of the things that I do.

Mr. CONTE. It is perfectly all right, but I still say I am quite surprised that as the so-called subcommittee chairman the gentleman would be trying to cut the heart out of his administration's program.

Mr. Chairman, I feel that there is nothing left to say on this topic except that here we go again. We have been over the

same territory for many times before. Last year the debate was over the appropriation bill, and as the Members all know, it ended up after the President sent a letter to the chairman stating that he was going to direct the U.S. representatives to the international financial institutions to vote against loans to Vietnam, Cambodia, Laos, Cuba, Uganda, Angola, and Mozambique, and also against loans for palm oil, sugar, and citrus if these loans harmed U.S. producers of these or similar commodities. This so-called compromise opened the Pandora's box of troubles that we feel here today.

Here is yet another amendment to place restrictions on U.S. contributions to multilateral institutions which include the United Nations assistance programs and the international financial institutions. This time it is to bar foreign assistance going indrectly to the four countries the gentleman from Florida has mentioned. I opposed the amendments last year, and I oppose them again this year.

I would like to make a few brief points. First, let us take this out of the realm of human rights. Human rights does not have a thing to do with what is going on here in this amendment. I know that the countries listed here are violators of human rights, and I say, as I said earlier today, that I take a back seat to no one in condemning them for it, but why we have singled out these countries is beyond me. There are other countries just as bad, and maybe worse. What is happening is that we are witnessing yet another attempt to force U.S. bilateral political concerns onto multilateral development assistance programs.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida. I am going to have to get more time, between the gentleman from Florida and the Chairman.

Mr. YOUNG of Florida. I will be glad to request more time.

(At the request of Mr. YOUNG of Florida, and by unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. I appreciate the gentleman's comments, and he has never tried to kid me about where he stood on this. I appreciate that, but I wonder if the gentleman would be willing to name those countries that have a worse human rights record than Uganda and Cambodia, for example.

Mr. CONTE. They are bad. They are very bad, but there are maybe at least 20 countries that have very bad human rights, and they have not been named here.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I agree with the gentleman that there are 20 or more in this world that have very serious human rights records.

Mr. CONTE. If we are going to name them by degree, I would say Uganda and Cambodia are the worst. I agree with that.

We are trying to politicize them. I remember a few years ago when UNESCO became politicized and discriminated against Israel. We withheld our contribution to UNESCO for that very reason.

Have we forgotten that the United States has withdrawn from the ILO over this same issue of politicization. If this amendment is adopted, we would be doing the exact same thing we accused other countries of doing. We would appear as hypocrites to the rest of the world. I am sad to say that such a judgment would be warranted.

It is clear, as I mentioned, from the opinion of legal experts that the multilateral programs cannot accept restrictions on aid; however, for the sake of the argument, let us assume they could be coerced into accepting these restrictions.

For just one moment, think of what would happen to multilateral programs if each country could impose limits on how its contributions to the Bank were to be used. What would result would be a collection of special accounts administered under the guise of a unitary fund. Such an institution would be incapable of mounting a coherent lending program. The United States might get its way in pushing the banks to accept some policies it favors, but other strong governments might get other policies they prefer. The Saudis might use their financial leverage to bar loans to countries that fail to have the "correct" policy on Middle Eastern affairs, for instance, or others might yield to pressure from the African States to stop loans to countries not endorsing a position like theirs on Southern African questions. The consequnces of a U.S. precedent on this would be at best unpredictable, at worst disastrous.

It should also be pointed out that this type of amendment does grave damage to our legitimate efforts to improve human rights around the world. Who is going to listen to us if our actions to protect human rights become equated with attempts to attack countries with whom we have political disagreements? All we will accomplish is to discredit ourselves in the eyes of the world.

Mr. Chairman, we should take a moment to look at the programs under attack here. UNICEF, the United Nations Children's Fund, is a humanitarian program of wide acceptance and spotless reputation. UNICEF has had programs in Vietnam for years under all of the different governments.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for an additional 4 minutes.)

Mr. CONTE. Mr. Chairman, is it really so important to us to prevent U.S. dollars contributed to UNICEF from going to the aid of the little children in Vietnam? Is this what we want to tell our people?

What about the "infamous" World Bank loans to Vietnam? That was mentioned here today. You would think, given the howls of protests from my dear friend, the gentleman from Florida, that the loans are being used to rebuild the Saigon Hilton as a resort hotel for the fat cats of Hanoi. Instead, the money is being used for an earth dam and irrigation system to help small farmers produce rice to help end the starvation in Vietnam and raise the average income of these farmers from about $160 per year to $500. In other words, the project is aimed at meeting two of our overriding goals of development—the increase of food production and helping the "poorest of the poor."

What about the other nations on the hit list of the gentleman from Florida? We know Cambodia is rapidly retreating into the stone age. It does not belong to any of the IFI's and takes little aid from the outside world. Therefore, as even the gentleman from Florida (Mr. YOUNG) mentioned on the floor, the prohibition of indirect aid to Cambodia would be virtually meaningless.

Laos is in the midde of a severe famine. As we did in Public Law 480 aid, we should allow our humanitarianism to determine our policy in Laos.

Finally, with respect to Uganda, we should recognize that its economy is in shambles and qualifies for no World Bank aid and no more than symbolic assistance from the African Development Fund. Both UNICEF and UNDP programs in Uganda are humanitarian programs mainly directed at helping to heal the sick, the ill, and the malnourished. Some projects are health and nutrition programs aimed at improving the physical condition of mothers and children. Does it make sense to deny aid to ill and undernournished women and children in the name of advancing human rights? I think not.

In conclusion, the real issue involved in these so-called human rights amendments is whether we are going to abide by the rules of international organizations, rules which we helped formulate and promised to abide by. Or are we going to try to force our bilateral concerns on the world? This kind of amendment will eventually end our participation in multilateral organizations.

Mr. Chairman, I know there are a lot of people who would be very happy about that.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman from Massachusetts (Mr. CONTE) for yielding, and I strongly support what our colleague has been saying.

I would like to remind this House that it was over 50 years ago that Herbert Hoover took boatloads of food to feed the starving in Soviet Russia. We did not even have diplomatic relations with Soviet Russia at that time.

We in this country have never cared who sat in the palaces of the world when people were starving in the streets. We cannot have fallen so far back from what has been the practice in this country for over half a century, a practice well-known to all of us, a practice we have followed without regard to politics.

Mr. Chairman, help for the starving must be one of the responsibilities we assume in this country.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(By unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my friend, the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I know the gentleman from Massachusetts (Mr. CONTE) would never mislead the House or never misstate a position of this gentleman from Florida. I know that the gentleman knows I have never suggested that they were going to use this money to build the Saigon Hilton Hotel.

To the contrary, the gentleman is well aware that I have made a major issue out of the fact that this money, this first World Bank loan to Vietnam, was going to be for water management projects, because I have likened that to the water management projects this administration has decided not to build in the United States.

Mr. Chairman, I am sure the gentleman did not mean to mislead anybody, and I am sure the gentleman knows that I have never suggested that this money would be used to build the Saigon Hilton.

Mr. CONTE. Mr. Chairman, to restate my words, I said that the gentleman would have us believe that we were building the Saigon Hilton "for the fat cats of Hanoi."

Mr. YOUNG of Florida. Mr. Chairman, the gentleman says what I thought he said.

On the point concerning Cambodia, Mr. Chairman, I have here the World Bank's annual report, and Cambodia is still listed as an eligible member.

Mr. CONTE. Mr. Chairman, the gentleman said right here on the floor that Cambodia was not going to be assisted by this appropriation.

Mr. YOUNG of Florida. The gentleman is absolutely correct. I said this gentleman is not aware of any money going from these funds to assist Cambodia, but they are still a member and they are eligible.

Mr. CONTE. Mr. Chairman, we are talking about this year and these funds.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this House has already on two occasions this afternoon taken a responsible position on the question of naming countries that either the left or the right does not like. In this case I think we are naming countries in this amendment that almost everybody does not like.

But I would like to talk a little bit about the specifics, as did the gentleman from Massachusetts (Mr. CONTE), because I think it is important to understand exactly what we are being asked to do. We are being asked to pass an amendment that really does not do anything.

The penalty for that action is to destroy the international banking structure, which this country took lead in establishing after World War II, to destroy the device which enabled us to spread the burden around, which enabled us to invite the participation of many other countries to help support the poorer countries of the world, so that Uncle Sam was not left as almost the only country with the burden. And as a result, through the years, our contribution to the World Bank, for instance, has declined from almost 50 percent of World Bank funding to about 18 percent in the most recent replenishment. If you are a fiscal conservative, it should be terribly important that we retain those banks as functioning entities, because if we do not, we lose the ability to bring in other countries who will share, in a responsible way, in assisting the poorer countries of the world.

Mr. Chairman, I want to talk a little bit about the specific countries involved. As the gentleman from Massachusetts has indicated, Cambodia is not going to get any money anyway, because Cambodia has opted out of the world. Cambodia has put up a big red fence around itself and it does not want the banks in there, it does not want UNICEF in there, it does not want anybody in there. Good God, we ought to wish Cambodia would want some people there. What would we do if this were 1939 and we had Nazi Germany on our hands? If the U.N. had existed then, would we say we ought to adopt an amendment to prohibit UNICEF from going into Nazi Germany to help a few kids who might get wiped out in a holocaust? Would we say that? We ought to wish that Cambodia would allow UNICEF in, and that they would allow the banks to come in, because, to the extent that you can make those countries look at economic reality, to the extent you can get them to shed their ridiculous dogma, you might make a little sense out of the economy in that part of the world and you might save a few people's lives and you might help, over a period of time, to mature that government and make it less destructive. We are arguing against our own international interests if we support this amendment.

But the argument today is not whether we like Laos, Cambodia, Vietnam, or anybody else. The argument is simply whether or not we want to continue in a position of world leadership, in economic terms, through the device of the international banks. That is the only point that is really at issue. We cannot cut off one dime to any of the countries named in this amendment. We do not have that power under the structure of the international banks. All we can do is say that we "ain't" going to play the game. All we can do is say we will not have any funds in those banks. Then we will not have any influence on where banks money goes. How does that help anybody in the countries named in this amendment?

I want to make one other point. The gentleman from Florida is very clever. The gentleman from Florida would have us believe that CRS, our legislative research arm, indicates that the banks can, under their charters, accept the money. What he did was to read to you a letter which CRS sent on October 4, of last year. He did not read to the Members the amended letter which they sent on November 16.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. OBEY. That second amended letter reads as follows:

> Nevertheless, in response to your specific request the inquiry has been broadened beyond the narrow question presented and addressed in the October 4 CRS memorandum.

It says that on page 2, and if we go to page 4 it says:

> It would seem that a strong argument can be made that the lending institutions may not, consistent with their charters and board of governors resolutions, accept subscriptions and contributions from countries which contain conditions or restrictions similar to those contained in H.R. 7797.

Those are virtually identical to these restrictions here today. If that isn't good enough for us, I would like to read a letter from eight people who really do not know anything about this subject. They are all former Secretaries of the Treasury, and they are: Robert Anderson—not exactly a leftist; Joe Barr; John Connally; C. Douglas Dillon; Henry Fowler; David Kennedy; George Shultz; William Simon. In a letter to us, all of them say:

> Unfortunately, it is possible that amendments may be offered again this year which would earmark U.S. contributions to the banks in a way which will prohibit their use for loans for certain countries and certain commodities. If such restrictive amendments were to be adopted, they would effectively end U.S. participation in the banks. The Charters of these multilateral institutions do not permit the banks to accept funds so conditioned by individual members.

It goes on. I think it is good that the banks do not accept earmarked funds. I think it is good that the banks do not want to accept money under those circumstances because they have the same problems we have on this House floor. They have people on the right who do not like certain countries, and they have got people on the left who do not like certain countries politically, and if we allow political judgments to enter into what is esentially an economic decision, we screw up the whole operation.

That does not lead to development; that just further polarizes the best institutions we have which can help lift people out of poverty and establish a sensible economic structure in the Third World. It is sheer suicide for American interests if we adopt this amendment. I hope that Members will put emotions aside, follow the interests of the United States and oppose the amendment, and defeat it resoundingly.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I would like to say to the gentleman that the reason I did not read the amended letter was because I knew the gentleman

was going to do so. I thought that was part of the game plan.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(At the request of Mr. YOUNG of Florida and by unanimous consent, Mr. OBEY was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. OBEY. Surely.

Mr. YOUNG of Florida. I would say to the gentleman that this amended letter really is based on a lot of quotes from a lot of former Secretaries of the Treasury and some people from the World Bank, but it does not quote anything in the charter that says it cannot be done.

Mr. OBEY. Will the gentleman answer me a question? What vested interest does William Simon have in lying to the House of Representatives?

Mr. YOUNG of Florida. I am not suggesting that William Simon, who is one of the very best friends I have, would lie to anybody.

Mr. OBEY. Does the gentleman think he would tell a lie to the House of Representatives? Does the gentleman think George Shultz would lie to the House of Representatives?

Mr. YOUNG of Florida. Will the gentleman yield?

Mr. OBEY. Surely.

Mr. YOUNG of Florida. I would like to make an understanding with the gentleman, since he has yielded to me. I will be more than willing to yield to him at any time, as he has indicated he would to me, but I think we ought not interrupt each other while we are attempting to question each other, and have a meaningful dialog.

The answer to the gentleman's question is no, I do not think they would lie.

Mr. OBEY. Mr. Chairman, I do not yield further at this time. I want to read further from the CRS November letter.

This broader inquiry now includes consideration of the institutions Charters, relevant Board of Governors Resolutions, subscription agreements and replenishment agreements viewed within the context of the conditions and restrictions contained in H.R. 7797.

These restrictions were identical to those in the bill this year.

The question is simply this: Are you going to take BILL YOUNG's judgment that maybe these eight Secretaries of the Treasury are wrong, or take the judgment of the Comptroller General, the judgment of the present Secretary of the Treasury, and all of the administration, and the black and white statement of CRS as well?

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(On request of Mr. SEIBERLING, and by unanimous consent, Mr. OBEY was allowed to proceed for 1 additional minute.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I just want to say I think it is too bad all the Members of the House are not here. I think we have heard from the gentleman from Wisconsin one of the most outstanding and refreshing statements I have heard on the subject of foreign affairs in many, many months. We heard a voice of reason and responsibility bringing us all back to our senses and asking us whether or not the American people are still ready to assert leadership in the world, to work through to a more sane and rational world state of affairs, or whether we are going to heed all the extreme voices that would tear apart the structure we have so painstakingly built up over the last 30 years to try to make sense out of the world.

I commend the gentleman from Wisconsin for his outstanding and statesmanlike role in this whole debate.

Mr. YOUNG of Florida. Mr. Chairman, I demand the gentleman's words be taken down. I just do not think my remarks should be considered as hysterical and I demand the gentleman's words be taken down.

Mr. SEIBERLING. Mr. Chairman, in the interest of proceeding.

Mr. BAUMAN. Mr. Chairman, I demand the regular order.

Mr. SEIBERLING. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

Mr. BAUMAN. Mr. Chairman, I object and I demand the regular order.

Mr. SEIBERLING. Mr. Chairman, I ask unanimous consent to withdraw whatever the remarks are that the gentleman from Florida found objectionable. They were not addressed to him or against any other Member. I did not mention his name. Whatever the words are that he finds objectionable, then, in the interest of an amicable debate, I ask unanimous consent to withdraw them.

The CHAIRMAN. Is there objection to the unanimous-consent request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Chairman, I rise in support of the amendment.

First, Mr. Chairman, I think on this matter of reasonableness, it is rather interesting that over the years whenever the majority side prevails, it is reason. Whenever one of our amendments is passed, whenever a limiting amendment is passed, whenever something is done that stops the juggernaut from rolling full speed ahead, the next day we hear that the House was in an ugly mood last night. Reason did not prevail.

In my files I have over 50 examples of those kinds of statements: Oh, it was terrible what happened in the House last night. We did not have the facts. T[he] Members misunderstood the amendm[ent]. We stayed in session too late [and so] forth. You all know what I am [talking] about.

In all fairness, in a deli[berative body] it is not appropriate to t[alk about] reason always being on [the majority] side. It is not good [when] wrong people prev[ail]. [We] know the facts w[ill] [pre]vail.

Many of us [have] I am not s[ure] this, but I am sure it does not always lie with the majority.

With that I would like to say, here we go again on the matter of foreign aid. It is a question of who likes what. I have heard it said that the World Bank and the international institutions are not going to like the Young amendment or my amendments. They cannot live with it, and they will not endure it if we prevail in our will.

What about the other side of the coin? I do not think the American taxpayers want their money to go indirectly to these nations. So what is our decision?

Are you going to tell the World Bank and the bureaucrats, "You live with it"? Or are you going to go to the American taxpayers and say, "You live with it"?

That is what the fundamental decision is.

So what if the World Bank and some of these institutions do not like the letter of the law as we work our will in this Chamber. So what? Do we have to go on bended knee? Are we going to be the "bended knee" Congress?

I heard my distinguished friend, the chairman say, "Why, we could not do this because the Senate would not agree." Do we have to get down on our knees to the Senate? Do we have to get down on our knees and say, "Kind sirs, we will accede to your every wish?" Do we have a will of our own?

Do we go on bended knee to these international institutions and the World Bank and say, "Oh, since you cannot live within the letter of our law and since you will not follow the recommendations of this Congress we will back down." Do we go on bended knee to them and say, "Kind sirs, we are sorry, we will accede to your every wish"?

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the ger[tle]woman from New Jersey.

Mrs. FENWICK. Mr. Chair[man] thank my colleague for yield[ing]

Mr. Chairman, I do not [want] on bended knee to anybod[y]

Mr. ASHBROOK. You [are]

Mrs. FENWICK. I [am] trying to do is to e[xpress] own feelings abo[ut] but, more impo[rtant] most America[ns].

Mr. ASH[BROOK] me reclai[m]

Does [the] most [of] ind[ividuals] [like] c[hat]

Mrs. FENWICK. I share the gentleman's concern about this, but I have spoken to the people who handle the program in the United Nations, the development funds, and I asked them whether, because there are so many problems involved, it would be possible for a nonprofit agency to distribute the funds or the food; I was told yes. We do not have to repeat the mistakes of the past, handing over large amounts of food to the government, not directly to the people. We should be able to do that.

Mr. ASHBROOK. I would hope that as a matter of reality that it would.

Let me make one more point.

We overlook one fundamental point here and that is that this is our own money we are talking about. It does not belong to someone else. It starts sounding like it is somebody else's money and that we have nothing to do with it. But it is our money. And what is wrong with us setting some reasonable restrictions and provisions or caveats as to how our money will be used?

I find it amazing that our debate always seems to center on what somebody else wants. We must go on bended knee to the international banks and institutions who ask us for this money. What is wrong with our standing up and saying, "This is the way our money will be used period."

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, the gentleman from Ohio (Mr. ASHBROOK) is absolutely correct.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. YOUNG of Florida and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Florida. Mr. Chairman, this debate has again gotten a little bit off the subject of this amendment. The gentlewoman from New Jersey (Mrs. FENWICK) would like to direct it to the subject of feeding hungry people. That is just not the point here. That is not what this amendment is about.

Let me refer to the International Policy Report done recently by the Center for International Policy in which they discuss a World Bank project in Bangladesh in which the rich got richer and the poor got poorer. This was supposedly to irrigate land for the poor farmers but it ended up with the rich farmers getting the benefits.

What else happened? The project called for the purchase of pumps and the purchase price was agreed upon at $9 million. All of a sudden, Mr. Islam, who apparently is some big shot, got into the act and, overnight, the cost of the pumps went from $9 million to $12 million.

The deal smelled so bad that the World Bank official in Bangladesh recommended to the World Bank officials in Washington, D.C., that they cancel the deal.

The World Bank officials in Washington, D.C., said to ignore the fact that the price has gone up a third overnight because Mr. Islam got into the act. Ignore that. Go ahead and proceed. Buy the pumps for $12 million instead of $9 million.

Mr. Chairman, how much time do we want to take today for me to recite example after example just like this to prove to the Members that the poor people in this world are being used by the international moneychangers, who are using the "poorest of the poor" as an excuse to transfer more resources so that they can rake them off, and the rich get richer while the poor still get poorer?

Mr. ASHBROOK. Mr. Chairman, if my colleague will let me reclaim whatever time I have left, the bottom line will still be noted on the other side. It will be that when all is said and done, American business still will sell those pumps and everything will therefore come out all right.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

(On request of Mrs. BURKE of California and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mrs. BURKE of California. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. Surely, I yield to the gentlewoman from California.

Mrs. BURKE of California. Is it not a fact that this amendment will cut $18 million out of UNICEF, because any time we talk about indirect aid, we are talking about cutting back on that program as well?

What the gentlewoman just said, which we cannot dispute, is that many of the programs for hospitals, the programs which affect children and mothers, which affect disasters, refugees, all of those things are often funded. As an example the UNICEF amount involved is $18 million.

Mr. Chairman, when the Members vote on this, I hope no one will misunderstand it. They will be cutting back that amount of money for feeding hungry children around this world.

One of the things the taxpayers in this country have felt is that they would rather send their money to where it is needed. One of the things that I feel very proud of is that we see appeals in magazines all over this country, and people respond because they do not care what the people who are leading those countries think or say. They do not worry about whether or not the President of Chile is a dictator. If the country's children are starving, our people feel that we have a responsibility. I have not found many people who do not want to aid some countries because they may be run by dictators. We may disagree with them, but we are not willing to do that because we feel there is a responsibility. We cannot avoid that in this bill.

Mr. ASHBROOK. I would only respond by saying that the gentlewoman, like the gentleman from Massachusetts (Mr. CONTE), uses the most honorable purposes. You use very good grounds as an umbrella and a cover for some of the greatest travesties, some of the greatest wastes.

Mr. BLOUIN. A point of order, Mr. Chairman.

I see no difference between that comment about the gentlewoman and the comment of the gentleman from Ohio (Mr. SEIBERLING) in reference to the gentleman from Florida.

I ask that that comment be stricken from the RECORD.

Mr. ASHBROOK. I do not agree with that.

The CHAIRMAN. The gentlemen will suspend.

Mr. ASHBROOK. The programs are a travesty.

Mr. BLOUIN. Mr. Chairman, I demand that the gentleman's words be taken down.

The CHAIRMAN. The gentleman demands that the words be taken down.

The Clerk will report the words objected to.

The CHAIRMAN. Does the gentleman from Iowa (Mr. BLOUIN) insist on his demand?

Mr. BLOUIN. Mr. Chairman, I withdraw my request.

Mr. BAUMAN. I object.

The CHAIRMAN. The request does not take unanimous consent to be withdrawn.

Mr. BAUMAN. Did the gentleman not object to the words and demand that they be taken down?

The CHAIRMAN. The gentleman can withdraw his objection, and it does not take a unanimous-consent request to do that. The gentleman can automatically withdraw his request. That is what the gentleman is doing.

Mr. BAUMAN. That is unfortunate because I would like to have them read and ruled in order as they undoubtedly are.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ASHBROOK was allowed to proceed for 1 additional minute.)

Mr. ASHBROOK. I want to proceed with what I was saying because there was no improper reference. We have heard all the debate.

The gentleman from Massachusetts (Mr. CONTE), my friend, would make it look like those of us who favor this amendment are for taking food out of the mouths of needy children. All I am saying—and I say it honestly and openly to my friend—is that the hungry children argument becomes an umbrella for voting against an amendment that will prevent travesties, that will prevent all types of waste and fraud. So, yes, we look at each other and point the finger once in awhile but it is not in the spirit of questioning motives.

I happen to think the Young amendment should pass, and to hang its defeat onto hospitals and needy children and food I think obliterates the purpose of the Young amendment and, as a matter of fact, impugns the motives of my good friend and colleague, the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Our distinguished colleague, the gentlewoman from California (Mrs. BURKE) tried to make it appear that this was a worldwide project we were affecting. She said it was affecting programs all over the world. This amendment only goes to four countries, and UNICEF does not come anywhere near $18 million in those four countries. This is not a worldwide effort; this is only aimed at those four countries and for very specific reasons.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have great respect for the gentleman from Florida (Mr. YOUNG), and, as he knows, I have followed his leadership on this bill in the past, and I will follow it in the future, but I think this amendment that he has offered goes too far.

Mr. Chairman, I rise in opposition to the amendment mainly because Vietnam and Laos are eliminated for being considered for indirect assistance under this amendment. I believe this is the wrong place and the wrong time to address ourselves to Vietnam and Laos in this manner.

I would be the first to emphasize that this Congress is not going to provide direct or reconstruction aid to Vietnam and Laos. I have made tihs point very clear to officials of these countries, especially Vietnam, in meetings I have held with them since 1975. I think recent statements by Vietnamese officials indicate their own understanding of the situation and the fact that the United States is not going to provide reconstruction aid.

However, I do not feel it would be prudent to include Vietnam and Laos in this amendment because it would be overkill at a time when we are beginning to see progress on the MIA issue. In the last year, the Vietnamese have been cooperative with our Government on the MIA's and the release of women and children holding U.S. citizenship. I would hope we could continue to see progress.

Mr. Chairman, we also cannot overlook the fact that these two countries, especially Vietnam, are second level powers to be reckoned with in Southeast Asia and really Asia as a whole. They are evidently trying to remain nonalined and independent of the two major Asian Communist powers, Russia and China. I think it is in the best interest of our allies in that part of the world such as Japan, Thailand, South Korea, and Indonesia that Vietnam is encouraged to steer an independent course and not pushed into the camp of the Soviets or Chinese.

The Soviets would like to have a sea base at Cam Rahn Bay in Vietnam. So far the Vietnamese have not let the Soviets or other nations move into Cam Rahn Bay or any other strategic area of Vietnam.

We have much more to consider than just our personal and emotional feelings toward Vietnam and Laos. We must also consider the effect our actions in this body might have on our allies in Southeast Asia and Asia as a whole down the road.

I do not wish to tie this issue to the MIA situation, but I must also be realistic and admit that gestures on our part do have a beneficial effect on the progress we are making toward receiving more information on missing Americans and the return of remains.

I am also aware that Vietnam has expressed some interest in U.S. engineering and technical help in developing their natural resources and a limited amount of trade. While this might go against the grain for some, I have said many times in my own district that I see nothing wrong with selling our products to the Vietnamese in return for hard currency.

The National Chamber of Commerce, representing the business community of the Nation, has sent each of us a telegram asking us to support the bill as reported in the interest of increase world trade.

Mr. Chairman, it would seem to me that it is hard to pick out certain countries as the Young amendment does and not include others. If you are opposed to aid or assistance, direct or indirect, going to these or any other countries then you should just vote against the entire bill on final passage.

I hope my colleagues will look at the whole picture today and try to lay aside their emotions and realize that reason dictates we vote against this amendment.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I thank the gentleman. I would like to engage the ranking minority member of the committee in a colloquy.

It is my understanding that UNDP plans to spend $17,700,000 between now and 1981 in Laos. That is in addition to the $812 million for IDA.

Under the gentleman's amendment, could the UNDP operate in Laos?

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I am happy to yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, the answer to the question is yes. This would not stop UNDP or any of the organizations from operating in these countries. They just would not use our money.

I answer the question yes: because we have done it before. We did this in Cuba. On February 9, 1970, the Congress of the United States adopted a law that said:

> Provided further that the President shall seek to assure that no contribution to the United Nations development program authorized by the Foreign Assistance Act of 1961, as amended, shall be used for projects for economic or technical assistance to the Government of Cuba so long as Cuba is governed by the Castro regime.

The answer is yes; it has been done before, and if it was done before, it can be done again.

Mr. Chairman, will the gentlewoman yield further?

Mrs. SMITH of Nebraska. I yield further to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentlewoman yielding, to give me the opportunity to respond to a point that I think really needs a response.

It has been suggested that this amendment introduces into the debate on this bill the subject of the four countries, Vietnam, Cambodia, Laos, and Uganda.

Well, Mr. Chairman, that is not the case at all. Those four countries were introduced by the Committee on Appropriations and by the Subcommittee on Foreign Operations of the Committee on Appropriations. Read your bill. The bill says there shall be no direct assistance to those four countries; so the Committee on Appropriations introduced the four countries.

All this amendment does is expand it from direct assistance to direct or indirect.

I submit to you that American tax dollars going to Uganda or to Vietnam are still American aid for those countries whether they go directly or whether they go indirectly, and I can tell you the people who live in my district understand this well and maybe you ought to pay attention to this. Because many of the people who live in my district came from your districts and should indicate to you how the people of your district feel on this issue. The people in my district have come from all over America.

They have chosen to reside in Pinellas County, Fla.

So I say to the Members that what they say should give us an indication of what your own constituents are going to say. The people in my district say in overwhelming numbers there should not be any direct or indirect aid to Vietnam, Cambodia, Laos, or Uganda.

Mr. Chairman, I thank the gentlewoman for yielding.

Mrs. SMITH of Nebraska. Mr. Chairman, I yield back the balance of my time.

Mr. McHUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we have probably spent too much time on this amendment already, and I will not take my 5 minutes. I will yield to the gentleman from Illinois (Mr. HYDE), if he is interested in speaking, in just a few moments.

The basic point is that this amendment does not deal with simply four countries. This amendment deals with our total participation in the multinational lending institutions. I hope the members of this committee fully appreciate that, because that is the significance of the amendment.

If, as the gentleman from Florida (Mr. YOUNG) has indicated, we were concerned only with a few countries—and we could add to his list Cuba, Mozambique, and Angola, since they will surely

be the subject of subsequent amendments—the fact is that only 0.2 of 1 percent of all the multinational lending institution aid goes to those seven countries. We are talking about 0.2 of 1 percent of all bank lending.

So why is this such a major question? It is a major question only because if this amendment passes, none of our contributions will go to any of those banks, and all countries that depend upon the aid which is provided will get none of our contributions.

Second, I think we have to look at this from the standpoint of the United States. These banks are terribly important to our own economy. It has been mentioned previously that for every dollar we contribute to the banks, $2 are spent by the banks in the United States for goods and services. Moreover, in the long term, our economic health depends very much upon how much these developing nations grow and develop.

At the present time one out of every eight manufacturing jobs in the United States is tied to exports. One-third of all agricultural produce in our country is involved in exports. Nonetheless, we have a negative balance of payments. If our balance-of-payments situation is to improve, our export markets must improve. The best opportunity for that type of expansion is in a developing world. That developing world will simply not expand and will not provide viable customers for the goods and services of our country without the type of assistance these banks provide.

Accordingly Mr. Chairman, I sincerely hope that the members of this committee will not be deluded into thinking this amendment is about Cambodia, Uganda, Laos, and Vietnam. It is not. It is about all our contributions to these banks.

Mr. Chairman, I now yield to the gentleman from Illinois (Mr. HYDE), who has been very patient.

Mr. HYDE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I just want to make a few remarks about this issue.

First of all, I am pleased to hear the spirited discussions and the requests about taking words down, et cetera, because it proves a couple of things. It proves that people passionately care about very important issues.

They say that the disease of apathy has infected America, and it seems that way at election time. But on this issue, as on so many issues, if the people would understand the workings of the legislative process, they would know that there are many Members who feel very deeply, into the very core of their beings, on these issues, and their emotions run high because they care. I think that speaks well for the democratic process.

I hope my conservative credentials will not be impaired because I oppose the amendment offered by my good friend, the gentleman from Florida (Mr. YOUNG). But I think I am in good company with John Connally and Bill Simon, whose letter opposes this sort of an amendment because of the inability—call it unwillingness, if you want—of the international financial institutions to accept strings on our money.

I think it is important to understand what the issue is, and the gentleman from New York (Mr. MCHUGH) highlighted it. It is not the acceptability of these four countries, because we could add a much longer list of countries that are morally ugly and that are destructive of the most elementary human rights. The real question is: Do we want to continue to belong to the multinational institutions? Do we want to continue to participate in them in a nonpolitical way? Is it worth the candle?

What do we get out of it? What does the world get out of it?

I think, adding up the pluses and the minuses, it is important for this country's security, for its economy, and for its moral health to belong to such institutions, although they are imperfect surely, and we could cite horrible example after horrible example of waste and abuse.

The CHAIRMAN. The time of the gentleman from New York (Mr. MCHUGH) has expired.

(By unanimous consent, Mr. MCHUGH was allowed to proceed for 4 additional minutes.)

Mr. HYDE. Mr. Chairman, will the gentleman yield further?

Mr. MCHUGH. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I simply want to point out that the multilateral institutions perform, it seems to me, three indispensible functions. No. 1, you have to look at the crushing burden of world hunger, world poverty, world instability. You cannot look at this in a vacuum. We in this country have a couple problems. I certainly do. One of them is obesity. But I tell the Members that is a problem in all of America. We have other problems. We feel privation if we do not have a color television set. But you ought to go and visit Cairo, you ought to go and stand there in the evening, looking at the masses of people. You ought to go and visit the City of the Dead, where people live in the cemetery. You ought to go to visit the village in Mali where 80 percent of the people are blind from river blindness. We must understand that there is an indescribable need to help all sorts of people. The multilateral institutions can do this better than we can bilaterally, because we cannot carry it ourselves. By acting in concert with the efforts of other countries, we get more bang for the buck, we get more of the burden lifted and, not least importantly, we get a form of international cooperation which helps toward political stability and alleviating a lot of suffering humanity.

It just seems to me that there is political profit in the multilateral institutions. There is economic profit. And I am not citing simply some benefits recited by the Department of the Treasury or AID, but such a conservative capitalist group as the U.S. Chamber of Commerce. The statistics are there for us to see. But I think there is moral profit in our supporting membership, notwithstanding that some of the money goes to some countries that we despise. That is the spin-off. That is the price we pay for the greater good to us helping in an organized, international way to alleviate the crushing burden of hungry, unfed people, unclothed people, unhoused people. If you have ever been to Chile and see people who live in the mud, and then see the public housing projects that this money is going for, if you see engineering universities and hydroelectric plants, how can you turn your back on this great good because of this evil that is minuscule in comparison to the good that results in our belonging to this organization?

I do not think we can turn our backs on those people, and I think we should belong and we should lead and maintain our influence in an international organization that does so much good. In this way we live up to our greatness as a people and as a Nation.

Mr. LONG of Maryland. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The question was taken; and on a division (demanded by Mr. HARKIN) there were—ayes 40, noes 20.

Mr. HARKIN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

Mr. LONG of Maryland. Mr. Chairman, if the gentleman would withhold his demand, I wonder if we could increase that time.

Mr. Chairman, I ask unanimous consent that all debate conclude at 15 minutes to 3 o'clock, in 15 minutes.

Mr. HARKIN. Mr. Chairman, too many Members want to speak.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. HARKIN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. LONG of Maryland. Mr. Chairman, I ask unanimous consent to withdraw the motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, nothing any of us can say add much to what my colleague from Illinois (Mr. HYDE) and my colleague from Mississippi (Mr. MONTGOMERY) have said, but let me add just a few words, and I shall not take my full 5 minutes.

One issue is the moral issue that my colleague from Illinois and some of the others touched on. That is fairly clear. The second is the dollars and cents, the economic issue, and here we clearly benefit by the defeat of the amendment.

There is a third issue that my colleague from Mississippi touched upon that I think gets lost in the process of all this debate and all these details, not only on this amendment but on some

others. That is the strategic question. Basically, we are in a world where right now there are two superpowers, the Soviet Union and the United States. We are concerned about the Soviet Union, first of all, moving militarily in Western Europe; and though we recognize the chances of their moving militarily there are probably appreciably less than 1 percent, we cannot take any chances on that less than 1 percent.

But, that 1 percent diminishes as the Communist world becomes no longer a monolith. As Vietnam and Laos and Rumania and other nations express some independence—to the extent we encourage that independence in the Communist world—we enhance our own strategic position.

Second, while there is less than a 1-percent chance that the Soviets would move militarily in Western Europe, there is better than a 99-percent chance that they are going to try and take advantage of instability wherever it exists on the face of the Earth. Where there is hunger, where there is desperation, they want to move. What we ought to be doing is to encourage stability. The weapon of hunger is a weapon not of our country; it is a weapon of our opposition. We should do nothing to endanger our own strategic position in this regard.

I am sure the gentleman from Florida is sincere—but I believe the amendment he offers is shortsighted, is not in our own strategic best interests, and we should be calm and cool enough to recognize that reality.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, there will be much discussion over the merits of prohibition "indirect aid" to several different countries including Uganda. Briefly I want to call attention to another form of "indirect aid" to Uganda which by all indications is far more instrumental to preserving the Amin regime in Uganda. I am talking about the very real and extensive assistance provided Amin by Kenya.

In the past few weeks, I have received reports from several sources unknown to one another alleging considerable Kenyan complicity with Amin. These reports have been received independently and I have made known my concerns to the State Department. At present, I think the reports can best be described as allegations, but I am confident that their authenticity will be borne out in the next few weeks. Specifically, the following is said to be taking place:

A number of high-ranking Kenyan Government officials including the Vice President, and other Cabinet Ministers are profiteering in coffee smuggling from Uganda. Since the actual exchange rate between Ugandan and Kenyan shillings is now 16:1, it is apparent that there is much money to be made from such clandestine commercial activity.

Several Kenyan officials including the vice president have allegedly been responsible for returning some Ugandan refugees to Amin whereupon they have been put to death in Uganda.

A member of Kenyatta's personal family has reportedly entered into an agreement to supply food and uniforms to Amin's army.

The leading Kenyan trucking firm, KENATCO, which is owned by the Kenyatta family, is transporting foodstuffs and other goods into Uganda for Amin and hauling Ugandan coffee to Kenyan ports for export.

Kenyan police and military officials have systematically harassed Ugandan refugees who have sought safety and security in Kenya. Bishop Otim and other reputable Ugandans have been arrested and periodically detained by Kenyan authorities.

Agents of Amin's dreaded State Research Bureau are allowed to operate in Nairobi with impunity—free to spy on Ugandan refugees and to intimidate them. It is known that some Ugandans have been kidnaped and returned home while in Kenya.

If even part of these reports are true, it is little wonder that the Kenyan Government officials would counsel against economic sanctions on Amin. Just this spring some of the Kenyan officials reputed to be most heavily involved in the lucrative coffee smuggling visited Washington seeking military and economic aid while urging that economic restrictions not be applied to Uganda. There is substantial reason to believe that at least some of these people stand to lose money if such sanctions are applied. Furthermore, Kenya as a whole stands to lose to the degree that it has profited economically from Uganda's misery.

Needless to say, I am very concerned by some of the allegations made against Kenyan Government officials. Given the fact that this bill appropriates more than $30 million in economic and military aid for Kenya in fiscal year 1979, I think it is important that more attention be given to probing the degree to which Kenyan authorities are cooperating with Amin and rendering vital services to him which allow him to sustain his genocidal policies.

Mr. Chairman, there is another aspect of this indirect aid amendment which concerns me. Surely the sponsor of this amendment does not want to preclude the possibility of our country offering assistance to those seeking refuge from the turmoil and upheaval in such countries as Angola and Uganda. Yet unless an exception is made for refugees living outside their home countries, that will be the effect of such amendments.

Right now there is a very constructive proposal that has been submitted to AID by the experiment in international living which envisions bringing a small number of Ugandan refugees here to study in the United States. In the refugee camps of Kenya, there are many young Ugandans who have been cut adrift without any prospect of getting an education and returning home to rebuild their country. The experiment has developed an excellent proposal to carefully screen Ugandan students to come to American universities and to live with American families while pursuing undergraduate and graduate studies. Careful provision has been made to insure that each of these students would be a bona fide refugee who has fled the destruction and terror of the Amin regime. However, if the amendment before us is adopted, these young Africans will have to continue to bide their time without much hope.

When I inquired with the AID offices earlier this year, I was told that AID attorneys had concluded that the language in the fiscal year 1978 foreign assistance appropriation concerning indirect aid for Uganda precluded AID extending any assistance for educational programing for Ugandan refugees. The same interpretation was cited for blocking such assistance to Angolan students. Yet at the same time, it is quite possible for South African refugees to receive educational assistance through the Southern Africa Special Requirements Fund.

This situation seemed unfair and shortsighted to me. There is no reason why we should not extend assistance to bona fide refugees nor is there any reason why there should be a discriminatory practice at AID to offer assistance to refugees in the southern African region and not to the millions of African refugees living elsewhere on the continent.

Consequently, I was heartened when authorization was provided in the fiscal year 1979 International Development and Food Assistance Act for $15 million for African refugees. I am further encouraged to find that this bill appropriates the full amount for this purpose.

Now I am dismayed to learn that the progress which has been made to clear up the confusion and to extend much needed assistance to some of the nearly 3 million African refugees may be set back by a misguided, simplistic effort to prohibit "indirect aid" to Uganda, Laos, and Cambodia. As if it were not bad enough to have endured the terror of Amin's Uganda, for example, and to escape with a few possessions to Kenya, these refugees would now be denied any educational assistance by the sponsor of this amendment. Surely this is not the purpose he wants to achieve.

I would hope that a way can be found to amend this amendment or to make an exception which will enable AID to offer assistance to bona fide refugees living outside their home countries. This is the very least that can be done. Furthermore, it makes good sense to offer educational assistance and other help to refugees. In many cases, these people are among the most promising citizens some of these countries have. Often they already have some education and they are seeking more in hopes of developing into future leaders who can return home and help build new societies. In the case of Uganda, we could hardly spend our limited assistance more effectively than to help educate young Ugandans in the professions and technical skills so that they can return home in Amin's aftermath and be in position to fill the

tremendous leadership void that is certain to exist.

For several years, our country has seen fit to bring foreign military officers here to the United States to be trained along side American officers and to expose them, in part, to the virtues of an open, democratic system. Why should we not do the same for bona fide refugees from whom could be drawn the leaders of many African states in the future?

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, very briefly, if the gentleman would just give me a half minute or so I regret that I have not been on the floor for much of this debate because I have been working up the second budget resolution. As a member of the Task Force on Human Resources on that budget resolution, I look at the 5.7 percent unemployment rate in this country, and I look at the 37 percent of the jobs being tied to international trade. For that reason I believe the amendment ought to be rejected.

As a member of the Domestic Monetary Policy Subcommittee of the Committee on Banking, Finance and Urban Affairs, I also believe that this amendment ought to be defeated.

I think in the long run and in the short run the amendment is a bad amendment in terms of the industrial and economic growth of this country.

Mr. Chairman, I rise in opposition to the weakening amendments to the bill H.R. 12931, which is as essential to American interests as it is to the economic development of the Third World countries. At present, there are more than one million American workers who depend on our exports to the Third World countries. In addition, 37 percent of our net direct investment is earned from investments in developing countries.

In fact, the most recent improvement in our trade position is attributed to our balance of trade with many of the countries who would benefit from this bill. Moreover, I suspect, that in all likelihood, any future improvement in our trade position will depend on the extent to which we can increase those exports of goods and technology that are needed in the development plans and goals of these countries. Indeed, unless we pursue a course of genuine economic interdependence, we will strain our already problematic internal economic conditions, as well as our overall posture in the Third World.

The primary purpose of our foreign assistance program is to assist the developing countries, while maintaining freedom and world peace in a world of growing economic interdependence. In future years, this purpose undoubtedly implies that many of the developing countries will become focal points in the world economic system. Thus, it is undeniable that these countries also will create a greater demand for many of the goods we produce. Therefore, the basis of our foreign assistance program is even more important today than it was several years ago.

While it is true that there has been a domestic increase for Federal dollars, the United States must nonetheless continue to strengthen its ties with the developing nations. In so doing, we will reduce some of the economic risks to America which may occur simply because we are linked to the world economy.

Today, unfortunately, there are factions in the Congress which have chosen to seize every available opportunity to push their views, which call for less Federal Government, less spending for domestic programs, and less spending for foreign aid. Although these views are often appealing to the American people, I believe that their consequences invariably will be contrary to those some of us had intended. It is clear that the Founding Fathers believed that our foreign policy should be based on reason rather than political expedience.

However, there are those of us in the Congress who have somehow ignored the advice of the Founding Fathers, and prefer to espouse their own interpretations as to what should compromise our foreign policy. Not only are these interpretations often at variance with the ideals of democracy, but they contravene the goals of our foreign policy and mirror a myoptic and ephemeral sense of the international order.

In 1978, for Members of Congress to implicitly argue that foreign aid is not an integral instrument of foreign policy is to suggest that the United States exists in a vacuum. Moreover, I would submit that this practice undermines the role that industrial democracies must play in assisting the Third World in facilitating its development. I need not rehearse the somber developments in Africa, Latin America, and Asia that further hurt our posture in the Third World. At this juncture, to add another impediment to our emerging Third World foreign policy through reduced foreign aid is absolutely incredulous.

We are presently ranked 13th on the list of 17 industrialized donors. We give less than 1 percent of our GNP or approximately 0.26 percent. Therefore, further reductions in our aid undoubtedly will impair our ability to conduct any kind of meaningful foreign policy.

As it stands, this bill is $1.1 billion lower than the administration's budget request and only $614 million above the fiscal year 1978 appropriation. However, the increase above the fiscal year 1978 appropriation reflects former U.S. commitments to the international financial institutions and additional institutions which have not heretofore requested funds.

The questions are not just those of the amounts of foreign aid or the level of U.S. assistance to the multilateral institutions, but rather, what are the real implications of our foreign policy? To understand the implications, we need to look, not only at this bill but also at some fundamental changes in the political and economic dimensions of the international system. Since it is difficult to separate these dimensions, I would suggest that we exercise discretion with respect to these sensitive issues. Needless to say, perhaps more than any other nation, the United States has been unable to remain isolated from these changing political and economic dimensions.

If we allow ourselves to accept the proposed amendments to restrict the use of funds by multilateral institutions; and, to cut the total appropriation, we will have regrettably strengthened the foundation for the neoisolationist attitude that is emerging in the Congress. Insofar as these cutting amendments are concerned, put simply, it is more fashionable to develop unsubstantiated arguments for an amendment so long as it is consonant with the Proposition 13 syndrome. Despite my attempts to spellout the real purpose of these amendments, I have been unable to understand their purpose from a practical policy standpoint.

Interestingly, one of the arguments advanced by the proponents is that more money for foreign aid means less money for domestic programs that benefit the American people. However, many of the proponents of this argument are the same individuals who voted for across-the-board cuts in many of these vital domestic programs.

Similarly, another argument raised in support of these amendments is that American taxpayers are tired of footing the bill for big government programs. Yet, when the Defense Appropriations bill reaches the House floor, later this week, there probably will be attempts to increase it—when clearly foreign aid is a much more efficient method of promoting world security.

In addition, the opponents of the bill's funding level argue that since the United States is experiencing inflation, a large deficit, and public debt, there is a need for greater fiscal responsibility. Apparently, those who hold this view believe that the problems of inflation and low investment spending, not to mention unemployment, are not related to the health of the developing countries. No where is the nexus clearer than here. Unquestionably, attempts to export the dual problems of unemployment and inflation will only be countered by more restrictive policies in other countries.

I cannot stress the importance of sustained and nonrestrictive foreign assistance as an instrument of our foreign policy. Fostering economic development in the developing countries is not an insurmountable problem; its solution requires a multifaceted policy. Although American foreign assistance can never produce a total solution to the problems of the developing countries, it must provide long-term benefits for both recipient and donor, lest we lose a significant test of our commitment to the principles of democracy.

If we are to structure a new foreign aid policy, then it should not only include the concern for human rights and protection of our national interest, but

also the problems of worldwide economic recession, which invariably affects our economic stability. Foreign policy ultimately should be an extension of our domestic policy. What we are witnessing today is an attempt to negate this premise.

Therefore, I urge my colleagues to oppose the weakening amendments now before us.

Mr. FINDLEY. Mr. Chairman, I rise in opposition to the amendment.

I thought my colleague, the gentleman from Illinois (Mr. SIMON), made some very valid points, and I will add just one to them. He spoke of the strategic issue and of the moral issue. I will add another one, and that is whether or not the amendment will permit international financial institutions to function.

I see no way that an international banking institution can survive if members who participate reserve the right of veto. I see that as the fundamental, underlying problem posed by the amendment offered by the gentleman from Florida.

We have embarked upon a number of cooperative ventures with other countries. NATO is perhaps the best known of all, and there the great weakness is there must be unanimous agreement for anything to be done.

If we retire from our present posture in international financial institutions and insist upon the right of veto over what the bank does, even though we are a minority stockholder, there is no possible way we can prevent other member states from adopting the same attitude, and in that event we will have no international banking institutions.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Again I am sure the gentleman would not mislead or misinterpret what my amendment is intended to do. There is nothing in this amendment that would give anybody a veto. What the amendment attempts to do is to say there would not be any U.S. dollars in that loan. We are not trying to ruin the World Bank or any other institution. We are just trying to say that American dollars are not going to be taken out of American taxpayers' pockets and put into the financial institutions for loans to these countries.

Mr. FINDLEY. The gentleman has underscored the point I was trying to make. The effect of the amendment is to establish the right of a veto in the hands of the United States, and other nations inevitably will follow that example.

Mr. CONTE. Mr. Chairman, if the gentleman will yield. I heard the gentleman from Florida earlier on the floor today say that he would like to see a special fund set up so that the United States would have a fund in which indirect aid was prohibited to these four countries. Well, in that case, any other country could come up with their own special fund if they did not like the philosophy of any one particular country, and there could well be 80 or 90 such special accounts. This would destroy the bank.

Mr. FINDLEY. It would be a very unusual bank.

Mr. YOUNG of Florida. Mr. Chairman, if the gentleman would yield, I would like to say to the gentleman from Massachusetts (Mr. CONTE) if that happened then it would not be the first time because the OPEC countries today are working through the Asian Development Bank and they are developing the countries that they want developed and they have created a separate fund. Their aid can only go to countries that they say their money will go to. They are in the process of doing the same thing with the United Nations, to let the United Nations administer the money, but the OPEC countries will decide who gets the money and what it is used for.

Mr. FINDLEY. I hope we do not feel constrained to follow that tactic. If we follow the tactics you say the OPEC nations are following, the result will be no international institution.

Mr. YOUNG of Florida. That is what is happening.

Mr. OBEY. Mr. Chairman, if the gentleman will yield, we could do the same thing the OPEC countries are doing if we gave our AID programs to the U.N., and we could say, "Hey, fellows, do you want to administer this for us?"

But I do not think that is what the gentleman wants.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me ask my colleague, the gentleman from Florida, whose amendment has been attacked because there is the fear that it runs counter to the charters of some of these financial institutions. Would the gentleman comment upon that?

We have had much of this legislation relating to these institutions before our Committee on Banking, Finance, and Urban Affairs. We try to put restrictions on the money going say to South Africa. We have all heard of that, directly or indirectly. What do the charters say on this subject?

Mr. YOUNG of Florida. Mr. Chairman, if the gentleman will yield, I appreciate the gentleman asking that question, because that was left up in the air. The question was asked and I did not have the opportunity to respond to the question, and I am glad to be given this opportunity.

Mr. Chairman, the Library of Congress Congressional Research Service says that there does not appear to be any language in any of these charters which requires refusal of general contributions or payments, because of the attempted attachment of conditions or restrictions to such payments or contributions made by member states.

The gentleman from Wisconsin rejected that by saying there was an amended letter put out that superseded it. The truth is the amended letter did not eliminate that at all. That still stands. That was their opinion. The amended letter quoted from some other people who had given opinions, and, in effect what the amended letter said was, since that was the opinion of these World Bank officials, they would not accept the money.

But I would say I agree with the first letter from the Congressional Research Service.

Here are the Articles of Agreement of the International Development Association, which is the soft loan channel of the World Bank. I submit there is nothing in these Articles of Agreement—for any of our colleagues who would want to read it—that prohibits the acceptance of any funds, because of restrictions. I would further point out that it does say in section 2 of article VI, that all matters such as this shall be vested in the Board of Governors. It goes on to say that the Board of Governors or the Executive Directors, to the extent authorized, may adopt such rules and regulations as may be necessary and appropriate to conduct the business of the association.

We go on to article 10. I hope the Members will please pay attention to this one. It says the following:

> Any question of interpretation of the provisions of this agreement arising between any member and the Association or between any members of the Association shall be submitted to the Executive Directors for their decision.

Therefore, Mr. Chairman, I say that there are three different areas giving the Board of Directors of the World Bank or IDA the opportunity to make a decision as to whether they will or will not accept restricted funds. However, I submit to the gentleman and to our colleagues that they have not made that decision. There have been no meetings for that purpose. This subject has not been presented to the Executive Board; at least if it has, it has been kept very confidential like practically everything else they do.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's clearing up that question.

The committee saw fit, in section 107, to say:

> None of these funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance . . .

Why should we not then also say "indirectly"? What is so damaging about that?

Mr. YOUNG of Florida. If the gentleman will yield further, I do not think there is anything damaging at all.

Mr. ROUSSELOT. In other words, if we can support the concept of not giving it directly, we really should follow through by saying not giving it indirectly; is that not so?

Mr. YOUNG of Florida. If the gentleman will yield further, our President, as I said earlier, at a town meeting at Yazoo, Miss., got the greatest reception, perhaps the greatest he has ever gotten,

from the people in attendance when he told them that he opposed any U.S. aid to Vietnam. He did not put a qualification on there as to "direct" aid or indirect aid. He just said he was opposed to aid to Vietnam. He got a great reception from the crowd on that point.

Mr. ROUSSELOT. Therefore, as to those in the committee who supported this concept of no direct aid, that really is the same as saying no indirect aid also; is that not correct?

Mr. YOUNG of Florida. Of course, it is.

Mr. ROUSSELOT. That just seems like a very reasonable position to me, but I understand that we are not supposed to have reasonable positions here.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, as our good leader and colleague, the gentleman from Florida (Mr. YOUNG) points out, it is very easy to stand up in public and say, "I do not want any money from my taxpayers to go to Vietnam or to Cuba" or name any other country.

Of course, in many of these cases, what the bureaucrats want to do, the State Department, AID, and others, is to give it to someone else to do what they do not do. They do not hold the smoking gun—they give it to someone else.

AMENDMENT OFFERED BY MR. HARKIN TO THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. HARKIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN to the amendment offered by Mr. YOUNG of Florida: Page 11, line 17, strike the period and insert the following: "*Provided*, That none of the funds appropriated pursuant to this act shall be obligated or expended to finance indirectly Chile, Argentina, Uruguay, Korea, Indonesia, and the Philippines".

POINT OF ORDER

of Florida. Mr. Chairman, of order against the

The gentleman will

Mr. Chairman, that the gen- amendment e original out of

an

Mr. YOUNG of Florida. Yes, I do, Mr. Chairman.

In rebuttal to the gentleman's point, the amendment does not name countries. The amendment adds only the words "or indirectly."

The gentleman's amendment proceeds to add countries to that amendment. The original amendment does not add any countries.

Mr. HARKIN. Mr. Chairman, that is why my amendment amends the gentleman's amendment.

The CHAIRMAN. The Chair is ready to rule.

The section of the original bill to which the amendment of the gentleman from Florida (Mr. YOUNG) refers does contain the names of four countries. The gentleman is amending a section with countries named in it and is in effect offering a further prohibition with respect to those four countries.

The amendment of the gentleman from Iowa (Mr. HARKIN) refers to indirect aid; and all it does is to add additional countries.

PARLIAMENTARY INQUIRY

Mr. YOUNG of Florida. Mr. Chairman, may I make a parliamentary inquiry prior to the ruling?

The CHAIRMAN. The gentleman will state it.

Mr. YOUNG of Florida. It is my understanding under the rules that the amendment must be germane to the amendment as opposed to the bill.

The CHAIRMAN (Mr. KAZEN). The amendment is germane to the amendment because it refers only to indirect aid and adds additional countries to those affected by the gentleman's original amendment. But the main thrust of the amendment is to indirect aid, which is not changed by the amendment offered by the gentleman from Iowa (Mr. HARKIN). The Chair respectfully overrules the point of order.

Mr. HARKIN. Mr. Chairman, I rise to offer this amendment because I am concerned that our country have a consistent and humanitarian human rights policy. All of the countries that are mentioned in section 107—Uganda, Cambodia, Laos, the Socialist Republic of Vietnam—are either Communist or left wing or socialist governments. But the human rights policy of this country should not be ideological; it should be humanitarian. We should not distinguish between human rights violators on the left or the right. We should condemn and impose sanctions on all dictatorships which use torture, prolonged detention without charges, and secret police to repress their opposition, and we should do this irrespective of ideology.

t are the countries listed in sec- —Uganda, Cambodia, Laos, and st Republic of Vietnam. Are istent and gross violators? ments of Cambodia and bly the worst violators n the world today. hat we should pro- these countries, fer to have the amendment

later—to give humanitarian aid to people in those countries.

What about Vietnam and Laos? While there are serious violations in these countries, and while I am particularly dismayed at what happens to Vietnamese and Laotians who try to leave these countries, there has not been the widespread torture or wanton killing of these governments' opponents. There are certainly political prisoners in Vietnam, but there have been no serious credible reports of widespread or even consistent use of torture or murder.

Contrast that situation to the present situation in Argentina? Amnesty International estimates that on the average 20 people in Argentina disappear every day, either abducted or killed by rightwing death squads or agencies of the Government. Two years after the coup, Amnesty says 15,000 people in Argentina alone have disappeared. And 8,000 to 10,000 are detained in official prisons, not to speak of those who are kept in secret camps or "safe houses," maintained informally by the Government or the rightwing death squads.

And the situation is very similar in countries such as Uruguay, Chile, the Philippines, Indonesia, and even today the Philippine Government is increasingly turning to the use of political assassination to silence the critics of the Marcos regime.

So I say if we are going to have specific country prohibitions, and if we are going to have an indirect prohibition on aid to certain countries, then let us be consistent, and let us apply it across the board to both rightwing and leftwing dictatorships.

I offer my amendment in good faith. I think we ought to adopt my amendment to put these countries on with the countries that are listed, because they are serious violators of human rights also.

But in the final analysis I do believe that the amendment offered by the gentleman from Florida (Mr. YOUNG) to cut out all indirect aid ought to be defeated. But if the amendment offered by the gentleman from Florida, Mr. YOUNG, passes—and I do not intend to vote for it, but if it does pass—let us at least be consistent and apply it across the board to those countries, whether they are leftwing or they are rightwing, that repress the legitimate human rights of its citizens.

Mr. KREBS. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from California.

Mr. KREBS. I thank the gentleman for yielding.

I want to congratulate the gentleman in the well for bringing some semblance of evenhandedness to this whole issue. For some reason, as the gentleman correctly pointed out also, this amendment and similar amendments that have been before us have seen fit to somehow ignore the dictatorship of the right that unfortunately gave us World War II. Certainly we should have learned a few lessons out of that war and some of the events that took place there, and in some

of the countries that the gentleman enumerates—Chile, Argentina, et cetera. So while I personally will vote against this particular amendment for the reasons so well articulated by the gentleman from Illinois (Mr. HYDE) and others, nevertheless, I think it is about time that we start realizing that there are dictatorships on both ends of the political spectrum.

Mr. HARKIN. I thank the gentleman for his words. I would hope that the gentleman would support my amendment and defeat the Young amendment, but I am saying I do not know what is going to happen on the floor. I am not the best judge of how votes go around here, so if it passes, we ought to be evenhanded. That is why I say let us get my amendment adopted.

Mr. KREBS. Will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from California.

Mr. KREBS. I thank the gentleman for yielding. I just want to make sure that the record is clear that I certainly will vote for the gentleman's amendment.

Mr. HARKIN. And against the Young amendment.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, my colleague, the gentleman from California, wanted to keep the record clear. Well, just to keep the record clear, the Nazis were a socialist organization and as long as I have been in politics, socialists have always been on the left, rather than the right.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to say that I am in equal opposition to both amendments for the same basic reason. The basic defect of the amendment of the gentleman from Florida (Mr. YOUNG) is certainly not cured, it is more or less compounded by the amendment offered by the gentleman from Iowa, for the same basic reasons which I will set forth.

Mr. Chairman, I think both follow the arguments of reductionism, where the real issue is not being addressed at all. The real issue is whether or not we wish as a matter of national policy and whether it is in conformity with the national interest to continue our participation in these international financial institutions, whose records of success and whose performance have clearly justified the faith reflected by the American leaders, beginning with President Eisenhower, when this approach as a matter of national policy was adopted.

Now, both amendments, in effect, would testify that we have reached the point of withdrawing as a matter of policy from these institutions. There is no other basic issue that we will be voting on other than that, because the nature of the amendments clearly indicates that this is what we are deciding. We are deciding to withdraw from these institutions after many years.

Now, as chairman of a subcommittee that has substantive jurisdiction on authorization on matters pertaining to the multinational or the international financial institutions, we began earlier this year extensive hearings, which are still progressing, precisely for that reason, because in view of the erratic behavior not only on the part of the House, but on the part of the Senate over the last 8 years with respect to our part in the bargain that resulted in these agreements with these other nations in the multinational approach, as differentiated from the bilateral-aid type of approach--I might say parenthetically it is a shame we had to adopt both types of activities in one bill, because the bilateral aid sets forth a complete set of different principles involved in the making and implementing of our policy, as reflected in the multinational approach; so in these hearings, the principal attempt was to anchor down if we had reached the point in our national destiny whether, indeed, in fact, our national policy should be abandoned or changed or some other policy in lieu thereof be adopted.

We were honored by the presence of the Congressman from Florida (Mr. YOUNG) who spent one whole morning testifying before the subcommittee. I asked the gentleman specifically, point blank, did he believe, as a matter of policy, we should abandon this approach? If my memory serves me right, I am sure the gentleman said no.

The reason I was glad to have the gentleman's participation was because the gentleman has followed this line of approach, which in my opinion, though indirectly, nevertheless, its main impact is to compel our withdrawal.

We also had the distinguished chairman of the Subcommittee on Appropriations (Mr. LONG) because, after all, the substantive committee in its effect can only be as good as the Committee on Appropriations permits it to be. The subcommittee chairman was given an opportunity to appear and he did appear before the committee, so that I feel the real issue here is whether we in the House of Representatives have reached the point whether or not as a matter of national policy we continue full participation in these multinational institutional activities.

The fact is that not any one of us that I know of wants to give aid to Uganda or Vietnam. I do not know of any Member here who does, unless it just has not come to my attention.

The CHAIRMAN. The time of the gentleman from Texas (Mr. GONZALEZ) has expired.

(By unanimous consent, Mr. GONZALEZ was allowed to proceed for 3 additional minutes.)

Mr. GONZALEZ. Mr. Chairman, I never challenge any Member's motives in the House of Representatives. I always assume that since I know my motives are pure and good, the motives of every one of my colleagues are pure and good, too.

But there is an interesting thing here. The issue was raised recently by the gentleman from Illinois about how some of our leaders—and I took that to mean President Carter—found it easy to say, "Oh, no, we don't want any aid for Vietnam," but yet by actions and other things the indication was the other way.

The truth of the matter is that I am the Member who attempted to offer the amendment to the articles of agreeemnt or modification of the IMF about 2½ years ago. That would have prevented our participation on the basis that these nations such as Cambodia and Communist Vietnam would be permitted membership in the IMF as a result of these changes. I could not get 17 Members to stand up and get a recorded vote.

This side of the aisle was in full support because the then President, President Ford, said that not only this type of program but the articles of agreement, as amended, were necessary for the carrying out of the pursuit of the full national policy of the United States of America.

So all those Members who now want to have these amendments that would in effect withdraw our participation, where were they on that occasion? Because once that was approved, there was no way that membership could be denied under the IMF articles to these countries, which in turn would enable them to become recipients of some kind of activity on the part of the multilateral financial institutions.

So what I am saying is that I think a lot of it depends upon partisan matters. When President Ford asked for it because it was necessary to get these subscriptions to the front and to get the continued appropriations, I noticed that we had support from both sides of the aisle, and we did not hesitate on our side to prosecute the case of the administration. But it seems to me now that since we have a democratic administration and a President who is saying no more and no less than all his predecessors since President Eisenhower said, suddenly with a vengeance we wish to restrict and cripple this program.

The CHAIRMAN. The time of the gentleman from Texas (Mr. GONZALEZ) has again expired.

(On request of Mr. SEIBERLING, and by unanimous consent, Mr. GONZALEZ was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman for yielding.

I think the gentleman from Texas (Mr. GONZALEZ) has made a very constructive contribution to this debate, and I think he has put his finger on the basic issue here.

The basic issue that is inherent in this debate is whether or not the United States wishes to continue to participate in these international financial institutions—all of which we ourselves helped create—or whether we do not wish to participate. If we adopt the approach of this amendment, we will destroy our abil-

ity to effectively support these institutions.

On the other hand, the gentleman from Florida (Mr. YOUNG) himself has another amendment which I think is very much in order. That amendment, as I understand it, would direct our representatives on the governing boards of those institutions to seek adoption of amendments to their charters to establish human rights standards to be considered in dealing with applications before those institutions. That is a sensible, workable way to approach this problem, and it would not destroy our participation in the institutions.

Mr. Chairman, I commend the gentleman from Texas (Mr. GONZALEZ) for his outstanding statement.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am delighted to yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I think my colleague, the gentleman from Texas (Mr. GONZALEZ) has made a good point.

I will stipulate for the record, as one Member who supported the gentleman on those amendments and stood with him, that there have always been 25 or 30 Members on this side who seemed to vote for foreign aid programs regardless. But there has always been a number of us who have been willing to offer amendments in both Republican and Democratic administrations and stand up and try to get votes.

Mr. Chairman, I think the record ought to show that.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would simply like to commend the gentleman in the well for his statement. I would simply like to observe that I really do not care if this amendment is adopted or not. This amendment is equally irresponsible, along with the amendment offered earlier. I think it is equally destructive of our national interest. They both belong in the same amendment so that we can see truly how irresponsible they are.

Mr. Chairman, I would urge the killing of the entire amendment.

Mr. LONG of Maryland. Mr. Chairman, I move that all debate on the Young of Florida amendment, on the Harkin amendment, and all amendments thereto, close at 3:15.

The CHAIRMAN. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The question was taken; and on a division (demanded by Mr. YOUNG of Florida) there were—ayes 35, noes 8.

Mr. HARKIN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. HARKIN. Mr. Chairman, I withdraw my demand for a recorded vote.

The CHAIRMAN. The point of order of no quorum is withdrawn and the demand for a recorded vote is withdrawn.

So the motion was agreed to.

The CHAIRMAN. Members standing at the time the motion to limit debate was made will be recognized for 30 seconds each.

Mr. WALKER. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from California (Mr. DORNAN).

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ASHBROOK. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, again I repeat that the issue in this is very clear: Whether or not we are going to succumb to the mandate of the world banking institutions or whether or not we are going to accede to the taxpayers of this country. I think we ought to listen to the taxpayers and not something that somebody sitting over in their ivory tower orders us to follow.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, again I only ask the Members, if they are inclined to go along with the Young of Florida amendment, to adopt my amendment, then get an evenhanded approach and take into account the repressive governments of the right as well as the left. I ask for the adoption of my amendment. Personally I will vote against the Young of Florida amendment, but again I think it should be evenhanded.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, I believe the amendment of Mr. YOUNG of Florida should be defeated for many reasons. I shall vote against it.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I yield to my colleague from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I would just like to point out the real issue here is whether we want to maintain the international structure of the banks which have served this country so well for so many years. As all the Secretaries of the Treasury, going back to President Truman, have indicated, the banks cannot accept our contribution with any kind of limitation whatsoever. I would strongly urge that we oppose the Harkin amendment and defeat the Young amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, this does not involve ideology, it simply involves the question of whether or not America will continue to participate as a world leader in the economic affairs of the Third World. I think our national interest requires that we do so.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I take this time, not only to oppose these amendments but to express my opposition to any and all amendments which in one disguise or another will have the effect of destroying the principle of multilateral aid through international, financially responsible development banks.

Mr. Chairman, if I can communicate that principle to the members of the committee, with these comments, I will not have to impose on their time in the debate on future amendments.

For those members who hold the understandable, if misguided, opinion that we should not participate in any foreign assistance program in any form—bilateral—I have very little to say except that this is not the issue before the Congress. We are going to vote today or tomorrow for some amount and some form of foreign assistance.

For those Members who are realistic enough to recognize this fact but who are concerned for political or ideological reasons about the size of the U.S. contribution, I say do not cut, do not cripple, do not encumber the multilateral approach.

Why?

Let us suppose that the United States determines that it is in our interest for foreign policy, for national security, for humanitarian or for economic reasons that "Country X" should receive $4 million in development aid.

We can accomplish this objective in two ways: First, we can tax the American people $4 million and make a grant or loan to "Country X"; or second, we can use the highly leveraged development banks to provide $1 million or less that will be matched by other developed countries to achieve our objective at one-quarter or less than the cost to our taxpayers using conventional bilateral foreign aid.

Your taxpayers and mine will appreciate that kind of a bargain.

All of which brings me to the political realities of the vote on this amendment.

Many of us are looking for a way to cut expenditures—a goal to be devoutly sought. On the surface, this amendment seems a cheap way to accomplish this objective.

Nothing could be further from the truth.

If, by our vote today, we destroy the carefully nurtured network of international development institutions, a rational U.S. foreign policy based solely on bilateral aid will cost many times more in the future.

During my first term in Congress, we considered the creation of the International Development Agency. The idea originated in a Democratic Congress, but was refined, developed, improved, and supported by the Eisenhower administration.

I spoke for and voted for IDA that year and for every replenishment thereafter.

No opponent of mine has ever questioned that speech or those votes.

If you feel that you must vote to cut

foreign aid expenditures, do so in a way which will not destroy the international financial institutions which have served so well not only to bind together the free nations of the developed world but also to serve as a bridge between us and our friends of the Third World.

Mr. Chairman, a vote against these amendments is a vote for the best interests of the United States; a vote against this amendment is a vote for international stability; a vote against these amendments is the proper vote.

I urge the defeat of the amendments.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, I have only voted once in 18 months to cut off debate, but even that was once too often. Never again. I take a vow that I will never again as long as I am serving in this House vote to cut off debate. I fully appreciate the disadvantage of my being a minority member today. It has taken 30 minutes to get recognized and then to be held to 30 seconds is absurd. I have worked on the MIA/POW issue for 12 years and my experience teaches me that Vietnam will only respond to a firm stand—not a carrot. Fifty-nine small boxes of bones is all we have received in 5 long years. We must vote for the Young amendment. I appreciate the logic of the gentleman from Illinois (Mr. HYDE)—that in any multilateral organization once you start a list of countries "beyond the pale" it can quickly get out of control as we have seen for the last 2 days, but there is no comparison between Chile and Cambodia on any possible rational scale. The suppression of political freedom for some viewpoints—even the horror of many political murders and disappearances—undoubtedly also vicious murders—cannot be equated with 2 million human beings "genocided" out of moral existence. Cambodia and Uganda, like Hitler's Nazi rule, are yes, "beyond the pale." We must start a list of countries to be frozen out of receiving even indirectly a single U.S. dollar. Please support Young.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. YOUNG).

PREFERENTIAL MOTION OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. YOUNG of Florida moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) is recognized for 5 minutes in support of his motion.

Mr. YOUNG of Florida. Mr. Chairman, I regret using this tactic, but this time limitation was placed on this measure after what I would consider to be a rather mischievous amendment to the amendment that was presented. So, that is the only reason for using this method to get the time.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Iowa.

Mr. HARKIN. Is the gentleman referring to me in calling me mischievous?

Mr. YOUNG of Florida. No, I did not. I said that this would be a mischievous amendment.

Mr. HARKIN. Your amendment?

Mr. YOUNG of Florida. Your amendment to my amendment.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, I appreciate the gentleman's courtesy. I cannot think of anything more important for any Member of this House to judge than the staggering crime of genocide. I do consider the Harkin amendment mischievous, but not the author. I understand fully the outrage against torture and persecution that motivated him to try and add seven nations to the Young amendment.

However, in looking at this list of nations on the Harkin amendment, Chile, Argentina, Uruguay, South Korea, Nicaragua, Indonesia, and the Philippines, I see that the gentleman suffers from confusion between the incomprehensible slaughter of millions—millions—and the suppression of thousands and the murder and torture of dozens—dozens.

I am convinced Adolph Hitler in today's amoral world would be receiving multinational bank aid.

The ultimate torture is death. I realize many men while being tortured beg for death. One of the books written about our returned prisoners of war is entitled: "They Would Not Let Us Die." But once a man has survived torture—and you can ask any of our returned POW's who were tortured—after the tortured are freed or escape they will tell you that they are glad that life was not taken from them by their torturers. The torturers of Cambodia left life to not a woman—not a child—2 million dead, 2 million. You cannot in any sense of the imagination fairly compare Uruguay with Cambodia. Uruguay sadly overreacted to the terror of Tupamaros guerrillas, but how does a rational person compare this with those 400,000 mutilated human beings in Uganda. I make the point that we cannot diminish the horror of these 400,000 dead souls in Uganda, because they are black. Anyone who considers himself a rational liberal would not consider doing that. So it must be a subconscious blind spot based on geography and color. A few little redheaded children with blue eyes who have their faces crushed in with those massive hard rubber bullets in Northern Ireland get more press attention than thousands of black children bayoneted to death in Uganda.

I could add a mischievous substitute amendment to the Harkin amendment, and add Panama, because we know the regime of Torrijos has caused the death of liberty in that troubled land. I could add Northern Ireland in revenge because I myself was shot in the back with one of those massive 6-inch hard rubber bullets while covering that civil strife as a journalist. But Torrijos, bad as he is, is no psycho Idi Amin and the British in Ireland are light years removed from the crazed Communist killers of Pol Pot in Cambodia.

We simply must draw up a list in this House, liberals and conservatives alike, of countries where the dead cry out by the hundreds of thousands for justice for the survivors. A rational list that denies money to mass murderers, multinational funds to modern Hitlers.

The life of Stephen Biko is not more important than 2 million nameless souls in Cambodia. He met death with dignity. With his name and memory intact—a hero to millions. Scharansky is far luckier than most of the people who are being imprisoned across the globe. His voice screams in our ears, "Next year in Jerusalem." This brave man's brave wife gets to come to this country and counsel with free people to fight for her husband's life. She sees her husband's face emblazoned across the cover of Time magazine across the globe the very week Mrs. Avital Scharansky arrives in the United States. Hope, always hope. But not in Cambodia or Uganda, just more death.

I talked to a top scientist out in the Rayburn Room yesterday who was begging me to help him raise money so that he could go back to Bulgaria or Czechoslovakia, where he was arrested only last March for human rights demonstrations, where he had his passport picked up as he was thrown across the Czech border. He wants to fight again for justice. I asked him: "Aren't you afraid of dying? They'll kill you next time." He said:

It is too late for the Soviet Communists and their friends. They should have killed us all years ago. The world knows too much about us.

No such visibility for the brave in Uganda or Laos or Vietnam or Cambodia—only nameless murder or dark dungeons with a slower death. I voted with the gentleman from Iowa (Mr. HARKIN) against Chile yesterday. I realize that there was a flaw in our votes, because we were punishing the Government of Chile, however, imperfect it is, for the acts of one of its citizens and one American who killed two people here on Sheridan Circle. If we punish a nation for circumstantial evidence on two murders, why not vote with a vengeance against a government guilty as charged for 2 million.

When Jane Fonda took around the college circuit her pieces of cluster bombs protesting their use against North Vietnam, some of you praised her self-righteousness. But when CBU's or napalm are used by other nations, she and you are silent. Why? What is the cause of the hypocrisy in this House? Why this outrage over Chile and a stubborn blindness to massive, massive slaughter of Ugandans by a black Hitler and Cambodians by Stalinist killers.

Where is the consistency some of you promised to maintain only yesterday. Ask the families of missing-in-action men if they believe Vietnam after 5

years will respond to generous and decent diplomacy. Their answer is, "Hell no." Communists only respond to firmness and resolve. Please support the Young amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. LONG) for 5 minutes in opposition to the preferential motion.

Mr. LONG of Maryland. Mr. Chairman, there is no real difference between me and the gentleman from Florida on this basic question. I do not want to see our money directly or indirectly used to support some of the most infamous regimes I suppose in all human history.

Last year when we tried to put this amendment through, I supported it with everything I could in the House-Senate conference. We reached an absolute stalemate. There was no way to get this through a Senate-House conference.

The result was we came back here and all we succeeded in accomplishing was a congressional legislative stalemate. Finally we had to go back to conference. After we received certain assurances from the President, we struck out the "indirect" language and came back to the House.

I am convinced, right or wrong, there is no way we can get the Young amendment through the Senate-House conference. The net effect of the amendment is simply dilatory and would slow up the foreign aid bill. Since, as chairman, I have the responsibility for getting the bill through, I urge the Members to oppose the amendment.

Mr. OBEY. Mr. Charman, if the gentleman will yield, I would once again point out, Mr. Chairman, that none of those in support of the bill as it came out of the committee are interested in doing one thing for any of the governments mentioned here today. The fact is that Uganda has one sickness now in Idi Amin. We would be cutting off an attempt to eradicate another sickness in Uganda if we adopt this amendment. What the amendment tries to do is cut off funding for a program to help eliminate tuberculosis. I do not think it helps the people of Uganda to abandon them to two sicknesses, rather than one, one that we might be able to do something about, the other that we cannot do something about.

But, regardless of the specific countries involved, we know that if we adopt this amendment it is the end of our participation in the international banking structure. Eight former Secretaries of the Treasury say so.

They cannot accept our money. I do not think we want to say that because we do not like the way 1 percent of the money is going to be spent that we are going to opt out of participation in the most important economic units in the world today. That is what we would do. It would be against our national interests. I urge the Members to vote for America's interests and to turn down the amendment offered by the gentleman from Florida (Mr. YOUNG).

Mr. LONG of Maryland. Mr. Chairman, if I have any time remaining, let me simply urge the members of the committee to vote against the Young amendment and the amendment to the amendment.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Florida (Mr. YOUNG).

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN) to the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and on a division (demanded by Mr. HARKIN) there were—ayes 23, noes 28.

RECORDED VOTE

Mr. HARKIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 41, noes 360, not voting 31, as follows:

[Roll No. 644]

AYES—41

Ammerman	Gaydos	Mottl
Anderson, Calif.	Harkin	Murphy, Pa.
Bedell	Hawkins	Nolan
Benjamin	Hefner	Panetta
Brown, Calif.	Holland	Pike
Burke, Calif.	Johnson, Colo.	Richmond
Burke, Fla.	Krebs	Roncalio
Burton, John	Long, La.	Russo
Burton, Phillip	Maguire	Ryan
Caputo	Mattox	Santini
Carr	Miller, Calif.	St Germain
Cornell	Mineta	Stark
Edwards, Calif.	Moffett	Stokes
	Montgomery	Weaver

NOES—360

Abdnor	Chappell	Fish
Addabbo	Chisholm	Fisher
Akaka	Clausen, Don H.	Fithian
Alexander	Clawson, Del	Flippo
Ambro	Clay	Flood
Anderson, Ill.	Cleveland	Florio
Andrews, N.C.	Cohen	Flynt
Andrews, N. Dak.	Coleman	Foley
Annunzio	Collins, Tex.	Ford, Mich.
Applegate	Conable	Forsythe
Archer	Conte	Fountain
Armstrong	Corcoran	Fowler
Ashbrook	Corman	Frenzel
Ashley	Cornwell	Fuqua
Aspin	Cotter	Gammage
AuCoin	Coughlin	Garcia
Badham	Crane	Gephardt
Bafalis	Cunningham	Giaimo
Baldus	D'Amours	Gibbons
Baucus	Daniel, Dan	Gilman
Bauman	Daniel, R. W.	Ginn
Beard, R.I.	Danielson	Glickman
Beard, Tenn.	Davis	Goldwater
Beilenson	de la Garza	Gonzalez
Bennett	Delaney	Goodling
Bevill	Dellums	Gore
Biaggi	Derrick	Gradison
Bingham	Derwinski	Grassley
Blanchard	Devine	Green
Blouin	Dickinson	Gudger
Boggs	Dicks	Guyer
Boland	Dingell	Hagedorn
Bolling	Dodd	Hall
Bonior	Dornan	Hamilton
Bonker	Downey	Hammer-schmidt
Bowen	Drinan	Hanley
Brademas	Duncan, Oreg.	Hannaford
Breaux	Duncan, Tenn.	Hansen
Breckinridge	Early	Harris
Brinkley	Eckhardt	Harsha
Brodhead	Edgar	Heckler
Brooks	Edwards, Ala.	Heftel
Broomfield	Edwards, Okla.	Hightower
Brown, Mich.	Eilberg	Hillis
Brown, Ohio	Emery	Hollenbeck
Broyhill	English	Holt
Buchanan	Erlenborn	Holtzman
Burgener	Ertel	Horton
Burleson, Tex.	Evans, Colo.	Howard
Burlison, Mo.	Evans, Del.	Hubbard
Butler	Evans, Ga.	Huckaby
Byron	Evans, Ind.	Hughes
Carney	Fary	Hyde
Carter	Fascell	Ichord
Cavanaugh	Fenwick	Ireland
Cederberg	Findley	Jacobs
Jeffords	Moss	Sikes
Jenrette	Murphy, Ill.	Simon
Johnson, Calif.	Murphy, N.Y.	Skubitz
Jones, N.C.	Murtha	Slack
Jones, Okla.	Myers, Gary	Smith, Iowa
Jordan	Myers, John	Smith, Nebr.
Kastenmeier	Myers, Michael	Snyder
Kazen	Natcher	Solarz
Kelly	Neal	Spellman
Kemp	Nedzi	Spence
Keys	Nichols	Staggers
Kildee	Nix	Stangeland
Kindness	Nowak	Stanton
Kostmayer	O'Brien	Steed
LaFalce	Oakar	Steers
Lagomarsino	Oberstar	Steiger
Latta	Obey	Stockman
Leach	Ottinger	Stratton
Lederer	Patten	Studds
Leggett	Patterson	Stump
Lehman	Pattison	Symms
Lent	Pease	Taylor
Levitas	Pepper	Thompson
Livingston	Perkins	Thornton
Lloyd, Calif.	Pettis	Traxler
Lloyd, Tenn.	Pickle	Treen
Long, Md.	Poage	Trible
Lott	Preyer	Tucker
Luken	Price	Udall
Lundine	Pritchard	Ullman
McClory	Pursell	Van Deerlin
McCloskey	Quayle	Vander Jagt
McCormack	Quillen	Vanik
McDonald	Rahall	Vento
McEwen	Railsback	Volkmer
McFall	Rangel	Waggonner
McHugh	Regula	Walgren
McKay	Reuss	Walker
McKinney	Rhodes	Walsh
Madigan	Rinaldo	Wampler
Mahon	Risenhoover	Watkins
Mann	Roberts	Waxman
Markey	Robinson	Weiss
Marks	Roe	White
Marlenee	Rogers	Whitehurst
Marriott	Rooney	Whitley
Martin	Rose	Whitten
Mazzoli	Rosenthal	Wiggins
Meeds	Rostenkowski	Wilson, Bob
Metcalfe	Rousselot	Wilson, C. H.
Meyner	Roybal	Wilson, Tex.
Michel	Rudd	Winn
Mikulski	Runnels	Wirth
Mikva	Ruppe	Wolff
Milford	Sarasin	Wright
Miller, Ohio	Satterfield	Wydler
Minish	Sawyer	Wylie
Mitchell, Md.	Scheuer	Yates
Mitchell, N.Y.	Schroeder	Yatron
Moakley	Schulze	Young, Fla.
Mollohan	Sebelius	Young, Mo.
Moore	Seiberling	Zablocki
Moorhead, Calif.	Sharp	Zeferetti
Moorhead, Pa.	Shipley	
	Shuster	

NOT VOTING—31

Barnard	Harrington	Rodino
Burke, Mass.	Jenkins	Sisk
Cochran	Jones, Tenn.	Skelton
Collins, Ill.	Kasten	Teague
Conyers	Krueger	Thone
Dent	Le Fante	Tsongas
Diggs	Lujan	Whalen
Flowers	McDade	Young, Alaska
Ford, Tenn.	Mathis	Young, Tex.
Fraser	Pressler	
Frey	Quie	

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

PARLIAMENTARY INQUIRY

Mr. YOUNG of Florida. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YOUNG of Florida. Mr. Chairman, we are in the parliamentary position now that the next vote will be on the Young amendment to prohibit aid to Cambodia and Vietnam?

The CHAIRMAN. The Chair will state that the gentleman has not stated a parliamentary inquiry.

The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 198, noes 203, not voting 31, as follows:

[Roll No. 645]

AYES—198

Abdnor	Evans, Ind.	Myers, John
Addabbo	Fish	Myers, Michael
Alexander	Flippo	Nichols
Ambro	Flood	Oakar
Ammerman	Florio	Panetta
Anderson, Calif.	Flynt	Pike
	Forsythe	Poage
Andrews, N C.	Fountain	Quayle
Andrews, N. Dak.	Fuqua	Quillen
	Gammage	Regula
Applegate	Gaydos	Rinaldo
Archer	Gibbons	Risenhoover
Armstrong	Gilman	Roberts
Ashbrook	Ginn	Robinson
AuCoin	Glickman	Roe
Badham	Goldwater	Rogers
Bafalis	Goodling	Rousselot
Bauman	Gradison	Rudd
Beard, R.I.	Grassley	Runnels
Beard, Tenn.	Gudger	Russo
Benjamin	Guyer	Santini
Bennett	Hagedorn	Satterfield
Bevill	Hall	Schulze
Biaggi	Hammer-schmidt	Sebelius
Breaux		Shipley
Brinkley	Hanley	Shuster
Broomfield	Hansen	Sikes
Brown, Ohio	Harsha	Sisk
Broyhill	Hefner	Skubitz
Buchanan	Hillis	Slack
Burgener	Holland	Smith, Nebr.
Burke, Fla.	Holt	Snyder
Burleson, Tex.	Hubbard	Spence
Butler	Huckaby	St Germain
Byron	Ichord	Staggers
Caputo	Ireland	Stangeland
Carter	Johnson, Colo.	Steed
Cederberg	Jones, N.C.	Stockman
Chappell	Jones, Okla.	Stratton
Clausen, Don H.	Kazen	Stump
	Kelly	Symms
Clawson, Del	Kemp	Taylor
Cleveland	Kindness	Traxler
Cohen	Lagomarsino	Treen
Coleman	Latta	Trible
Collins, Tex.	Lederer	Vander Jagt
Corcoran	Lent	Volkmer
Coughlin	Levitas	Waggonner
Crane	Livingston	Walgren
Cunningham	Lloyd, Calif.	Walker
Daniel, Dan	Lott	Walsh
Daniel, R. W.	Luken	Wampler
Davis	McDonald	Watkins
de la Garza	McEwen	Weaver
Delaney	Marlenee	White
Devine	Marriott	Whitehurst
Dickinson	Martin	Whitley
Dornan	Mattox	Wiggins
Duncan, Tenn.	Miller, Ohio	Wilson, Bob
Early	Minish	Wilson, C. H.
Edwards, Ala.	Mitchell, N.Y.	Winn
Edwards, Okla.	Moore	Wolff
Eilberg	Moorhead, Calif.	Wydler
Emery		Wylie
English	Mottl	Yatron
Ertel	Murphy, N.Y.	Young, Fla.
Evans, Del.	Murphy, Pa.	Zeferetti
Evans, Ga.	Murtha	

NOES—203

Akaka	Bolling	Carney
Anderson, Ill.	Bonior	Carr
Annunzio	Bonker	Cavanaugh
Ashley	Bowen	Chisholm
Aspin	Brademas	Clay
Baldus	Breckinridge	Conable
Baucus	Brodhead	Conte
Bedell	Brooks	Corman
Beilenson	Brown, Calif.	Cornell
Bingham	Brown, Mich.	Cornwell
Blanchard	Burke, Calif.	Cotter
Blouin	Burlison, Mo.	D'Amours
Boggs	Burton, John	Danielson
Boland	Burton, Phillip	Dellums
Derrick	Leach	Pettis
Derwinski	Leggett	Pickle
Dicks	Lehman	Preyer
Dingell	Long, La.	Price
Dodd	Long, Md.	Pritchard
Downey	Lundine	Pursell
Drinan	McClory	Rahall
Duncan, Oreg.	McCloskey	Railsback
Eckhardt	McCormack	Rangel
Edgar	McFall	Reuss
Edwards, Calif.	McHugh	Rhodes
Erlenborn	McKay	Richmond
Evans, Colo.	McKinney	Roncalio
Fary	Madigan	Rooney
Fascell	Maguire	Rose
Fenwick	Mahon	Rosenthal
Findley	Mann	Rostenkowski
Fisher	Markey	Roybal
Fithian	Marks	Ruppe
Foley	Mazzoli	Ryan
Ford, Mich.	Meeds	Sarasin
Fowler	Metcalfe	Sawyer
Frenzel	Meyner	Scheuer
Garcia	Michel	Schroeder
Gephardt	Mikulski	Seiberling
Giaimo	Mikva	Sharp
Gonzalez	Milford	Simon
Gore	Miller, Calif.	Smith, Iowa
Green	Mineta	Solarz
Hamilton	Mitchell, Md.	Spellman
Hannaford	Moakley	Stanton
Harkin	Moffett	Stark
Harris	Mollohan	Steers
Hawkins	Montgomery	Steiger
Heckler	Moorhead, Pa.	Stokes
Heftel	Moss	Studds
Hightower	Murphy, Ill.	Thompson
Hollenbeck	Myers, Gary	Thornton
Holtzman	Natcher	Tucker
Horton	Neal	Udall
Howard	Nedzi	Ullman
Hughes	Nix	Van Deerlin
Hyde	Nolan	Vanik
Jacobs	Nowak	Vento
Jeffords	O'Brien	Waxman
Jenrette	Oberstar	Weiss
Johnson, Calif.	Obey	Whitten
Jordan	Ottinger	Wilson, Tex.
Kastenmeier	Patten	Wirth
Keys	Patterson	Wright
Kildee	Pattison	Yates
Kostmayer	Pease	Young, Mo.
Krebs	Pepper	Zablocki
LaFalce	Perkins	

NOT VOTING—31

Barnard	Harrington	Quie
Burke, Mass.	Jenkins	Rodino
Cochran	Jones, Tenn.	Skelton
Collins, Ill.	Kasten	Teague
Conyers	Krueger	Thone
Dent	Le Fante	Tsongas
Diggs	Lloyd, Tenn.	Whalen
Flowers	Lujan	Young, Alaska
Ford, Tenn.	McDade	Young, Tex.
Fraser	Mathis	
Frey	Pressler	

The Clerk announced the following pairs:

On this vote:

Mr. Le Fante for, with Mr. Burke of Massachusetts against.

Mr. Dent for, with Mr. Tsongas against.

Mr. Teague for, with Mr. Ford of Tennessee against.

Mr. Jones of Tennessee for, with Mrs. Collins of Illinois against.

Mrs. Lloyd of Tennessee for, with Mr. Diggs against.

Mr. Krueger for, with Mr. Conyers against.

Mr. BUTLER changed his vote from "no" to "aye."

Messrs. SAWYER, MOLLOHAN, and RAHALL changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM:

On page 11, line 7, delete the period and add the following: ", *Provided, however,* That such prohibition shall not apply to graduate students from Uganda completing their studies at U.S. institutions."

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, let me say that we have discussed this amendment with the members of the subcommittee. We have examined it, and we have no objection to it.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman.

Mr. Chairman, may I just take a minute to say what this is about. This has to do with about $35,000 of appropriations for the purpose of allowing graduate students from Uganda who are in this country to complete their studies.

There are about 15 of these students. We hope that these young people, if they are allowed to complete their studies in the United States, will go back as friends of the United States. If we apply this prohibition strictly to them they are likely go back hating the United States. I think we would like to avoid that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 11, strike out the period on line 17 and insert in lieu thereof ", except that funds appropriated or made available pursuant to this Act for assistance under part I of the Foreign Assistance Act of 1961 (other than funds for the Economic Support Fund or peacekeeping operations) may be provided to any country named in this section (except the Socialist Republic of Vietnam) in accordance with the requirements of section 116 of the Foreign Assistance Act of 1961."

Mr. HARKIN. Mr. Chairman, while I have always opposed assistance to the government of any country which engages in a consistent pattern of gross violations of recognized human rights, I have always been careful, at least with respect to amendments, to provide that assistance may be extended to such a country if that assistance will benefit the needy people in that country.

In the first place, if the assistance can go to the needy people in that country, persons who are truly in need of our support, it will be an encouragement to these people in standing up to that government which gives these people little or no say in the affairs of their government.

In fact, in most cases, the very repressive character of these governments is a sign of the opposition of the needy people to the governments.

The logical and I think absurd message to be drawn from our refusal to extend humanitarian aid to these needy people would be that if they simply acquiesced to their governments, their governments might be less repressive; and then we might extend aid. I do not think

this is the sort of message we want to send to our friends around the world.

In the second place, Mr. Chairman, aid which directly benefits needy people is in the finest tradition of American humanitarian concern and resolve. As a nation of immigrants, it is only natural that we should take an interest in the quality of people's lives everywhere; and as a prosperous people, mindful of our blessings, we must give help where it is most desperately needed.

Finally and most fundamentally, our aid to needy peoples must be considered in connection with our human rights policy, which is, at bottom, motivated by our desire to uphold the worth of individuals everywhere.

In this sense, then, humanitarian aid, far from being a bypass, is the natural and necessary complement to our human rights policy.

Mr. Chairman, it is with this in mind that I ask that the Members support my amendment, which will allow aid to these countries only if such aid will directly benefit the needy people in these countries which I have mentioned; Uganda, Laos, Cambodia, and Vietnam.

What we are talking about, of course, is the tremendous need that the poor people in these countries have. We have heard it said that the people in Uganda are facing severe cases of malnutrition and tuberculosis. We can do something about helping those people in that country.

In Laos alone they have the highest incidence of infant mortality of any country in the world. Also in Laos many of the people are still being killed by stepping on mines and bombs that we dropped on that country during the Vietnam war. There are extensive cases of malaria in Laos coming from the water that has stood in the bomb craters in that country.

I believe we ought to cut off aid that goes to the Governments of Uganda and Laos and Vietnam and all those other countries. However, if there is a way by which we can, through the Red Cross or through the United Nations or through the good ship *Hope* or something like that, get some aid to directly help the poorest of the poor people in those countries to fight tuberculosis, to fight malaria, to bring up their standard of living a little bit, then I think again that is in the finest tradition of America humanitarian aid. Further it does, I think, much more to undercut the very governments to which we are opposed.

Therefore, Mr. Chairman, I am hopeful that while we have voted to cut off direct aid to these countries, the Members would support giving this aid where it is needed. It is to the people who have no say in the way their government is run; and if we were to help these people out, it would be in the finest tradition of American humanitarian help.

POINT OF ORDER

Mr. LONG of Maryland. Mr. Chairman, I do make a point of order against the Harkin amendment.

The CHAIRMAN. The gentleman is insisting on his point of order?

Mr. LONG of Maryland. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LONG of Maryland. Mr. Chairman, I make a point of order against the gentleman's amendment because it is legislation on an approprition bill, which is in violation of clause 2, rule XXI.

The gentleman's amendment clearly would place substantial additional new duties on officers of the Government. Mr. Chairman, in chapter 26, section 11.1, of "Deschler's Procedures," the following is stated:

> But when an amendment, while curtailing certain uses of funds carried in the bill, explicitly places new duties on officers of the government or implicitly requires them to make investigations, compile evidence, or make judgments and determinations not otherwise required of them by law, then it assumes the character of legislation and is subject to a point of order.

Mr. Chairman, the gentleman's amendment intends that aid should be provided to certain countries if such assistance will directly benefit the needy people in such countries. Several legislative provisions currently exist that presently provide for such determinations, but these provisions do not apply to all the funds appropriated in this bill.

In addition, the gentleman's amendment would require officials to make judgments and determinations that they are not required to make at the present time. We presently have no AID programs or AID missions in any of these countries. In two of the countries we do not have diplomatic relations, Vietnam and Cambodia. In one country we have no U.S. Government representative, and that country is Uganda. The gentleman's amendment would not only allow direct assistance to flow to these countries, which is not now possible, but also would require some U.S. Government official to determine if the assistance is reaching the needy. This would require a U.S. Government official to travel to these countries to make an onsite inspection since there are no AID missions in any of these countries and no U.S. Government representation present in three of the countries. The gentleman's amendment definitely places substantial additional duties on U.S. Government officials.

Also current law prohibits any direct assistance to Vietnam, Laos, Cambodia, Uganda, Mozambique, or Angola. The gentleman's amendment would allow direct assistance to flow to these countries if the assistance would benefit the needy people. This in effect changes the existing law. The amendment is legislative in nature and in violation of clause 2, rule XXI.

The CHAIRMAN. Does the gentleman from Iowa (Mr. HARKIN) wish to speak to the point of order?

Mr. HARKIN. Mr. Chairman, by the fact that I have included section 116 of the Foreign Assistance Act of 1961, by that very inclusion those four countries so named and listed are then put in the category of being gross violators of human rights, and because of the inclusion, then, of section 116, which I have laid out in my amendment, there are no new duties imposed in my amendment—only the requirements of existing law.

The CHAIRMAN. Does the gentleman from Maryland (Mr. LONG) have anything further?

Mr. LONG of Maryland. I would simply say that we do not have missions in these countries, and the duties that would be required, to find out whether needy people would get the money, would require us to send people there. That clearly imposes duties on the Government which are not implied in the current legislation.

The CHAIRMAN (Mr. KAZEN). The Chair is ready to rule.

According to the amendment, the only funds that the amendment refers to are funds provided for in the bill, and the only exception would be to the Socialist Republic of Vietnam; but funds are to be provided in accordance with the requirements of law and the law cited is, on its face, applicable to the countries covered by the amendment; so the Chair does not see that there are any new duties imposed on anyone by the amendment. Therefore, the Chair respectfully overrules the point of order.

The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The question was taken; and on a division (demanded by Mr. HARKIN) there were—ayes 12, noes 33.

Mr. HARKIN. Mr. Chairman, because I feel so strongly about this one amendment, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-six Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Iowa (Mr. HARKIN) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 110. Of the funds appropriated or made available pursuant to this Act, not to exceed $96,000 shall be for representation allowances of the Agency for International Development during fiscal year 1979: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the chairman of the subcommittee what a "representation allowance" is for the record. Is that what is commonly known as a booze fund?"

The CHAIRMAN. The gentleman from Ohio (Mr. ASHBROOK) is seeking an answer from the gentleman from Maryland (Mr. LONG).

PARLIAMENTARY INQUIRY

Mr. HARKIN. Mr. Chairman, I have a parliamentary inquiry.

May I inquire, what section are we on?

The CHAIRMAN. The Chair will state that section 110 has been read.

Mr. HARKIN. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The gentleman from Ohio (Mr. ASHBROOK) has the floor.

Mr. HARKIN. I am sorry, Mr. Chairman, I did not know that.

The CHAIRMAN. The gentleman from Ohio (Mr. ASHBROOK) will proceed.

Mr. ASHBROOK. Mr. Chairman, I am asking a question of my friend and colleague, the gentleman from Maryland (Mr. LONG), for the record.

What is a "representation allowance?"

Mr. LONG of Maryland. Mr. Chairman, if the gentleman will yield, it is entertainment expenses.

Mr. ASHBROOK. Entertainment?

Mr. LONG of Maryland. Yes, for the overseas missions of AID.

Mr. ASHBROOK. Overseas?

Mr. LONG of Maryland. Overseas entertainment expenses.

Mr. ASHBROOK. What kind of entertainment, tickets to theaters?

Mr. LONG of Maryland. No. As far as I know, these are simply expenses incurred when they invite dignitaries to parties in embassies and that sort of thing.

Mr. ASHBROOK. Mr. Chairman, our former colleague, H. R. Gross, used to refer to this as a "booze fund." Is that what it is, stripped of all its verbiage?

Mr. LONG of Maryland. It certainly is not used totally to purchase alcoholic beverages.

Mr. ASHBROOK. Mr. Chairman, I would like to state for the record that $96,000 is, basically, going for entertainment of that type.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. To what section?

Mr. HARKIN. This is section 110.

The CHAIRMAN. The Clerk will report the amendment to section 110.

PARLIAMENTARY INQUIRY

Mr. CONTE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONTE. Mr. Chairman, has the Clerk begun to read section 111?

The CHAIRMAN. No, the Clerk has not yet read section 111.

Mr. CONTE. I thank the gentleman.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 12, strike out lines 1 through 4 and insert in lieu thereof the following:

SEC. 110. None of the funds appropriated or made available pursuant to this Act shall be used for entertainment expenses of the Agency for International Development during fiscal year 1979.

POINT OF ORDER

Mr. OBEY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. OBEY. Mr. Chairman, is it my understanding that the amendment amends section 109?

The CHAIRMAN. The gentleman is correct.

Mr. OBEY. Then, Mr. Chairman, I renew the point of order that the amendment comes too late. We have read beyond that section of the bill.

The CHAIRMAN. The Chair will sustain the point of order.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 12, strike out lines 5 through 11 and insert in lieu thereof the following:

SEC. 110. None of the funds appropriated or made available pursuant to this Act shall be used for entertainment expenses of the Agency for International Development during fiscal year 1979.

Mr. HARKIN. Mr. Chairman, here we have $96.000 for representational allowances. The gentleman from Ohio (Mr. ASHBROOK) raised the question as to what this was for. I was told yesterday by the Administrator of AID that this $96,000 for representational allowances is for entertainment expenses for our AID agencies overseas.

Section 109—and I am sorry I missed that; I was engrossed in reading—that is the entertainment expenses for AID here in Washington. But section 110, the $96,000, is for entertainment expenses for all of our AID missions throughout the world.

I do not think it is anything less than blatant hypocrisy to cut funding for poor nations in the name of a taxpayers' revolt and, at the same time, include in this bill $96,000 for entertainment allowances at our AID missions abroad. It is particularly disgraceful that, after the committee has expressed its concern over the luxurious living expenses of AID administrators—and I will refer the Members to the report accompanying this bill—that we should support a provision which provides for entertainment expenses. Mr. Chairman, is it not enough that our administrators already live in mansions, usually with maids and butlers, in these poor countries? Why, on top of all of this, do we need to pay for the parties in these mansions?

Let us also remember that our administrators in this program project an image of America to the poorest people of the world, and then let us ask ourselves how many of these impoverished people are invited to these parties in these mansions.

Mr. Chairman, I would suggest that if we want our AID programs to be effective abroad, we ought to cut down on the mansions that the administrators live in and $96,000 for entertainment expenses. The Members know, as sure as they are sitting here, that not one poor person in those countries are ever invited to those parties. It is only the rich and the uppercrust.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague for yielding.

Mr. Chairman, I think my colleague has an excellent amendment, and I think the facts of life are probably rather simple. The people who are invited to these parties are American businessmen who are there selling the goods and services that we keep hearing this program involves.

I think we could very well cut that out. The American businessmen could probably entertain the AID officials rather than the other way around.

Mr. HARKIN. They could afford to pay for their own parties and get a good tax deduction at the same time.

Mr. Chairman, I will close by saying that we are trying to pursue our image to these poor people in these countries. This body just refused to even take a recorded vote on whether to extend humanitarian aid to the sick and needy in four countries whose governments—and I repeat governments—have horrible human rights records. But the poor and sick in those countries, with our help, could improve their lot, and obtain better government. When people have malaria or tuberculosis, or are illiterate, I believe we should help them, regardless of their government.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, these funds are used to pay for representation expenses in the field missions of AID. They provide an excellent vehicle to communicate with host government officials benefiting personnel from both governments. The subcommittee reduced these funds by $14,000 from $110,000 down to $96,000 which is the same level as last year. I hope the committee will vote this down.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am sorry that the gentleman from Iowa saw fit to put this amendment in. We are dealing with nickels and dimes here. This is $96,000 for the entire global entertainment program of AID.

If any Members have ever been out there in the boondocks and looked at some of the AID entertainment affairs, what happens is that the head of AID or the head of the mission in that particular area, once a year, perhaps on the Fourth of July, invites the natives in, people in that particular area, and they may serve some liquor and food. They do not always serve tea and crumpets.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, these funds are used to pay for representation expenses in the field missions of AID. These funds provide an excellent vehicle to communicate with host government officials in a relaxed atmosphere benefiting personnel from both governments. Contrary to popular belief, most of these funds are used to purchase food and other staples.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. HARKIN. Maybe we would be a little bit better off if they got out of those mansions and knocked on a few doors and met some of those people.

Mr. CONTE. Let me tell the gentleman about that mansion deal. That was in Egypt, in Cairo. We have a new AID administrator, Mr. Gilligan, who is doing a fantastic job, a great job in this particular area of tightening everybody's belt. They used counterpart funds in Egypt. Both there and in India we have enough counterpart funds to wallpaper the Empire State Building and still have tons and tons of paper left over. They paid for that home with counterpart funds. So, if they use counterpart funds for a little entertainment and a little relaxation, that is perfectly all right. I hope the gentleman is not going to pursue this amendment.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York. I will move it around.

Mr. SCHEUER. Mr. Chairman, I was in Ghana last year, and there was a conference of INTERPOL. All the law enforcement officials from all over the world were there, and our AID people did have a small gathering for all of them. It was a time when they relaxed, a time when we could get a lot of business done in terms of drug enforcement and other law enforcement problems.

If the people in this House could see the conditions under which our AID officials live in some of the poorer countries of the Fourth World, I assure them that they would feel that this pitiful little allowance to entertain, whether law enforcement officials or health ministers, as they sometimes do, to promote the policies we are concerned with, is many times worth it.

They live under the most spartan and oppressive conditions, under terrible security conditions. As I say, I think this is a pitiful little sum we are giving them. It probably should be larger. I hope this will be defeated and we can go on with the many remaining amendments.

Mr. CONTE. We did cut it down in committee. There is not much entertainment in many of those places where AID has missions.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. McHUGH. I appreciate the gentleman yielding.

I think my friend, the gentleman from Iowa, may be having a little fun at this point. Perhaps I am wrong and he is dead serious. There are about 64 aid missions around the world. They in fact do not have a great deal of money to spend, because when we divide the $96,000 among those 64 missions there is not much for each. Moreover, these funds are not just for liquor. They are also for food, and the minimum type of entertainment that is often appropriate to get business accomplished in some parts of the world.

I think many Members of Congress are familiar with how that works.

I hope this amendment will be defeated.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa. I know he will be fair about this.

Mr. HARKIN. On the last amendment I asked Members of this body to vote so we could get some money to eliminate tuberculosis in Uganda and malaria in Laos, and yet we could not get a vote. Yet we are asking that we give $96,000 for entertainment purposes around the world.

Mr. CONTE. The gentleman knows I was with him.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The question was taken; and on a division (demanded by Mr. HARKIN) there were—ayes 16, noes 25.

Mr. HARKIN. Mr. Chairman, I demand a recorded vote, and pending that I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-two Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand by the gentleman from Ohio (Mr. HARKIN) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 111. Of the funds appropriated or made available pursuant to his Act, not to exceed $73,900 shall be for entertainment expenses relating to the Military Assistance Program, International Military Education and Training, and Foreign Military Credit Sales during fiscal year 1979: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the total section 111 on the grounds it is not authorized in law and lines 17 through 19 constitute legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Maryland (Mr. LONG) desire to speak to the point of order?

Mr. LONG of Maryland. Mr. Chairman, I oppose the point of order being made by the gentleman.

The language the gentleman refers to is not legislation in that it does not direct nor does it require a U.S. Government official to use U.S.-owned foreign currencies. It merely states that steps should be taken, where possible, to utilize U.S.-owned foreign currencies in lieu of dollars.

In addition, in section 612(b) of the Foreign Assistance Act of 1961, as amended, which is the paragraph that authorizes the use of foreign currencies, the following language appears:

The President shall take all appropriate steps to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

Therefore, the language the gentleman is raising a point of order against is merely a restatement of the language contained in the authorizing legislation and does not constitute legislation in an appropriation bill. I ask for a ruling by the Chair.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) desire to be heard further on the point of order?

Mr. BAUMAN. Mr. Chairman, the language of section 111 goes well beyond assigning duties by the President and assumes by its proviso that the duties are assigned to anyone that might have the appropriate authority and that certainly goes beyond the scope which the gentleman has cited as legislative authority for that amount of money, which is entertainment expenses.

The CHAIRMAN. The Chair feels that the question of authorization may be a valid point of order. The Chair will call on the chairman of the committee to show that this sum is authorized. Can the gentleman from Maryland (Mr. LONG) make such a showing?

Mr. LONG of Maryland. Mr. Chairman, we have no specific authorization, merely citations.

The CHAIRMAN. The Chair then will sustain the point of order and the entire section is stricken.

The Clerk will read.

The Clerk read as follows:

SEC. 114. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly any assistance to Mozambique or Angola.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 13 line 11, insert "or indirectly" immediately after "directly".

Mr. ASHBROOK. Mr. Chairman, the amendment I am offering prohibits indirect aid to Angola and Mozambique. There is no justification for either direct or indirect aid to these countries.

Angola and Mozambique are completely hostile to our interests. They are controlled by avowed Marxist leaders that openly profess their contempt for democratic principles.

Typical of their views is a 1977 speech by Samora Machel, the leader of Mozambique, before the Third Frelimo Congress. He stated:

The historic mission of the Party which we have created is to direct, organize, orientate and educate the masses for the destruction of capitalism and the building of socialism . . . The Party which our Congress created is an internationalist one . . . To make our country a pure revolutionary base for the struggle of other oppressed peoples and classes and to reinforce the world anti-imperialist front are essential tasks of our Party. . . Today we have a Marxist-Leninist Party, as the vanguard organization of our people, which will know how to lead us firmly along the path to build socialism. This is a completely new factor in our history. It shows the decisive and irreversible advance of our fight, to the phase when we openly face the forces of capitalism within our country, and the armies of imperialism at the external level.

The Marxist regime of Augustina Neto in Angola is being propped up by Soviet arms and thousands of Cuban troops. There is still an active anti-Neto force fighting this brutal dictatorship.

U.S. tax money should not go to help these nations which are under Soviet domination. Our dollars will simply be used to perpetuate their rule over the people.

I urge adoption of my amendment.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, speaking for myself only and not my candidate for President of the United States, the gentleman from Illinois (Mr. CRANE), I would oppose the amendment.

Mr. ASHBROOK. Mr. Chairman, that comes as a shock.

Mr. JOHN L. BURTON. Mr. Chairman, I was not speaking for the gentleman from Illinois (Mr. CRANE). I was speaking for myself.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to this amendment. Although I have great sympathy with the amendment, last year we were unable to retain such language. The Senate is adamantly opposed to such a provision, and I have some doubt that the President would sign into law any bill containing such an amendment. The only purpose that the amendment will achieve is to delay the bill and further tie up needed foreign assistance funds for worthy programs, such as those in Israel. Since we have the specific provision prohibiting bilateral assistance to these countries, the problem does not lie in the bilateral assistance programs, but it is centered in the U.S. contributions to the various international organizations and the international financial institutions.

I might point out to the gentleman that Angola is not a member of any of the international financial institutions and therefore not eligible for loans from those institutions. There is the possibility that small amounts of assistance will go to Angola through several of the U.N.-related organizations. Mozambique is a member of only one of the IFI's—the African Development Bank, and is therefore eligible for assistance from the African Development Fund to which we are recommending a relatively modest contribution of $25,000,000. Mozambique will also be eligible to receive small contributions from several of the U.N. related organizations.

We have been up this road before on this restriction issue. As was indicated last year, the international banks have indicated they cannot accept the U.S. contribution with such restrictions attached. Since the consideration of last year's bill, the committee has been supplied with legal opinions from the General Counsels of the Inter-American Development Bank, the World Bank and the Asian Development Bank as well as an opinion from the General Counsel of the Treasury Department. In addition, the Comptroller General of the United States, the American Law Division of the Congressional Research Service and the International Law Division of the District of Columbia Bar have all addressed this issue. They all agree that without amendments to their charters, the banks could not accept U.S. contributions with these conditions attached.

The net effect of the gentleman's amendment would be to place an unacceptable restriction on our contribution to these banks which could deny them the use of the funds recommended in this bill. The basic question would be do we want the United States to participate in the various international financial banks? I certainly am not pleased with the total operation of these organizations nor do I agree with some of their proposed country allocations. But, the committee felt the United States should continue its participation in these groups and recommended the appropriations. I assure you the committee plans to monitor their activities and would attempt to direct more of their aid to the poor.

Mr. Chairman, I urge the amendment be defeated.

Mr. McHUGH. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I rise with absolutely no sympathy for this amendment, because it is, as was the one previously offered by the gentleman from Florida (Mr. YOUNG), an amendment which appears to be one thing but is quite another.

This amendment ostensibly relates only to Angola and Mozambique. The bill provides no direct assistance to Angola or Mozambique, so we are dealing only with indirect assistance.

In 1977, Angola received no assistance from any multilateral bank. Mozambique in 1977 received one $8.8 million loan for roads, which constituted 0.6 of 1 percent of all bank lending.

So here we are talking about indirect assistance which for both countries amounts to 0.6 of 1 percent of all the lending for all the banks.

Now, that is what this amendment is dealing with. It is a minuscule amount of lending. Really what the gentleman is getting at—and this is what the gentleman from Florida (Mr. YOUNG) tried to do—is to scuttle all U.S. contributions to the banks. Because this amendment would preclude indirect assistance to a country, even one, the banks would be unable, as previously stated, to accept any of our contributions.

Mr. Chairman, this amendment, like the amendment offered by the gentleman from Florida (Mr. YOUNG), would destroy the banks, and for that reason it should be rejected by the committee, as was the prior amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment was rejected.

AMENDMENT OFFERED BY MR. SOLARZ

Mr. SOLARZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLARZ: Page 13, strike out the period at the end of line 11 and insert in lieu thereof ", except that funds appropriated or made available pursuant to this Act for assistance under part I of the Foreign Assistance Act of 1961 (other than funds for the Economic Support Fund or peacekeeping operations) may be provided to Mozambique or Angola in accordance with the requirements of section 116 of the Foreign Assistance Act of 1961.".

Mr. YOUNG of Florida, Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Chairman, will the gentleman be willing to allow us to have a copy of the amendment?

Mr. SOLARZ. Mr. Chairman, I was under the impression that the minority side had already had copies, but if they do not, obviously, I would be more than happy to provide it.

Mr. YOUNG of Florida. I thank the gentleman.

Mr. SOLARZ. Mr. Chairman, I suspect that offering this amendment is a little bit like whistling in the proverbial wind or, like King Canute, trying to singlehandedly hold back the tides. But I did feel that it would be unfortunate if this bill were adopted today without at least some effort to strike from the language of this legislation the prohibition under any circumstances whatsoever of direct American bilateral assistance to the countries of Mozambique and Angola. For those Members who are concerned about the possibility that American economic assistance might somehow or other be used to shore up what, to the thinking of some people in this country, are the repressive regimes of both of those nations, they should know that the language of this amendment provides that any aid which we would give to both

these countries, or to either of them, were this amendment to be adopted, would only go to the most needy people in both Angola and Mozambique.

Why do I, therefore, propose this amendment? I propose it because it seems to me that southern Africa has become a part of the world which is increasingly important to the foreign policy and national security of our own Nation.

Today a war is raging in Zimbabwe. And the chances are that in the next few years an armed struggle for majority rule will break out in South Africa as well. If we are going to have any success whatsoever in our efforts to achieve a peaceful transition to majority rule in both Zimbabwe and, ultimately, in South Africa, we are going to need not only the understanding and the good will of the white community in both of those countries, but we are going to need the active diplomatic assistance of the so-called frontline African states, of which Angola and Mozambique are two of the most important.

I would submit to my friends on the committee that the consequences of a failure on our part to facilitate a peaceful transition to majority rule in both Rhodesia and South Africa are so potentially catastrophic, not just for the people of those countries, but for our own multiracial society as well, that it is a small price to pay to provide a limited amount of economic assistance to the poor people of both these countries if in the process of so doing we put ourselves in a better political and diplomatic position to enlist the cooperation of these two important countries in the search for a peaceful solution in both Rhodesia and South Africa.

Mr. Chairman, a number of people have complained about the character of the regimes in both of those countries, and I do not come here today as an apologist for the governments in Mozambique and Angola.

There are plenty of things they have done with which I might personally disagree, but I do know that in both countries we now have governments which appear to be committed to improving the social and economic conditions of the people who live there. I do know, more importantly, that whatever one may think of those two governments and the ideologies to which they profess allegiance, that they are among the poorest countries in the world. Both of them recently achieved their independence.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. SOLARZ was allowed to proceed for 3 additional minutes.)

Mr. BAUMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. SOLARZ. I will yield to the gentleman in just a moment, if he will be patient.

Both of them recently achieved their independence, and at the time they became independent they were left under the most abysmal circumstances imaginable. I cannot think of any more telling indictment of 500 years of Portuguese colonialism, and let me remind the Members parenthetically that to the very end the United States was supporting the Portuguese colonial position in both countries, that at the time Mozambique achieved its independence, I think there were maybe a dozen, if that many, native Mozambican physicians in the entire country. Ninety-five percent of the people in Mozambique are illiterate. And they have a per capita income of 180 paltry dollars a year.

I cannot believe that the American people would seriously object to our providing a measly $500,000, which is what the administration asks for, to help the poor people of Mozambique to better their lot in life.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I will be happy to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I strongly support the spirit of the amendment offered by the gentleman from New York, and I wonder if he would agree to a substitute. It is the same one, but it adds, after the word "Angola," "Whenever there are shortages of food or medical supplies * * *"

Would that be agreeable to the gentleman?

Mr. SOLARZ. Well, any suggestion from the gentlewoman from New Jersey deserves serious consideration. I would like to see the exact text of the amendment. My time will shortly expire, and I will be happy later on to accept the addition, assuming it makes sense. But I just want to complete one or two thoughts on the amendment I have introduced.

Mr. Chairman, let me point out to my friends on the committee that so far Britain, Canada, Denmark, Norway, Sweden, and The Netherlands have all provided assistance to these countries. We have just had one of the most remarkable diplomatic triumphs of the postwar era, for which our country deserves a lot of credit, involving an agreement between South Africa and the Southwest African Peoples Organization concerning Namibia. The fact of the matter is that without the active assistance of the front line states in general, and Angola in particular, that agreement would never have been achieved.

Now, we want to be in a position to move on to additional agreements, and just as we had success in Namibia, we can have success in Zimbabwe, and perhaps in South Africa as well.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(By unanimous consent Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, this is my final thought before I yield to my friend from Maryland. If there is anybody here who believes that there is any hope whatsoever of achieving an agreement to provide for a peaceful transition to majority rule in either Rhodesia, or ultimately in South Africa, without the cooperation of the frontline states, they simply have no understanding whatsoever of the prevailing political realities throughout southern Africa. It is a very small price to pay to permit a limited amount of economic assistance to the poorest of the poor in two of the poorest countries of the world which, frankly, could be justified on humanitarian grounds alone, even if there were no additional political considerations, so that we can put ourselves in a better position to achieve one of our most fundamental diplomatic objectives, which is to put an end to the violence now going on throughout southern Africa, and permit majority rule governments to come to power, which have the support of the people in that part of the world.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

At the risk of jeopardizing his amendment, I give it my wholehearted support.

The gentleman has eloquently made his case. I hope the members of this committee pay heed to what he has said, because we do indeed have to help the people in Mozambique if we are to have any settlement of those problems in Africa.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, if I may just briefly—and I thank my colleague for yielding—I would point out one of these two nations was specifically mentioned by the President, when he had a briefing for a number of us, as an area where he felt some movement was possible.

The CHAIRMAN. The time of the gentleman (Mr. SOLARZ) has again expired.

(On request of Mr. SIMON, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Mr. Chairman, I would simply point out that is the request of the President.

Second, in all these areas there is the danger that we come in—and I see my colleague, the gentleman from Illinois (Mr. ANDERSON), on the floor. I remember when he got up on the floor one time and said, and this is when President Ford was President. that the problem across the aisle is that we look at the White House and we think that Richard Nixon is in the White House. There is unquestionably the Watergate and Vietnam atmosphere and we have moved in too heavily and we simply cannot finesse all these situations, but we come in with these heavy-handed changes and amendments, and whether it is a Jerry Ford or a Jimmy Carter, the President needs flexibility to deal with the very complex situations that our oversimplified amendments do not recognize.

So I rise in support of the amendment. I think it is a step in the right direction.

Mr. SOLARZ. I thank the gentleman for his support.

Mr. BAUMAN. Mr Chairman, I rise in opposition to the amendment.

Mr. Chairman, I did not expect to have a rerun of the Southern African debate again this afternoon, but the gentleman from New York and I have become expert in dueling over this issue.

I am sorry quite frankly that I did not reserve a point of order against this amendment because it in fact amends existing law which is already on the books. Section 553(b) of the 1961 act already contains a prohibition against any assistance to Mozambique, Angola, Tanzania, or Zambia except when the President of the United States waives the prohibition by giving Congress notice that it is in the best foreign policy interest of the United States.

This bill before us contains in an earlier section $50 million for the Southern African program. What the gentleman's amendment proposes is to waive the prohibition already in law which requires that the President tell Congress what he is going to do in the matter of aid to this area.

As one of the authors of the section of the law I am referring to, I can tell the Members the House adopted this prohibition because the two nations involved, Angola and Mozambique, despite the characterization of the gentleman from New York, are both not only controlled by Marxisits—Communists, if you will—dictatorships, despite the Portugese colonialism that existed before. They are both controlled now by oppressive governments. The Marxist government of Angola is engaged in civil war with a pro-Western faction against President Agostinho Neto. In Mozambique there is a staging area for Rhodesian terrorists for attacks against both blacks and whites and missionaries in Rhodesia.

So what the gentleman proposes is to allow Andrew Young and Mr. Vance and Mr. Carter to get together and decide to give aid to either one of these states, both of which Mr. Young has visited many times and expressed support for. That is not a proper use for our tax dollars.

I think we ought to allow the law in existence to remain. If the President wishes, he can under existing law, come in and tell us he wants to do this.

The language in the present law will allow aid for education, for job training, refugees, for those displaced in war, for transportation, all these purposes are now covered under existing law without requiring a blank check regarding Mozambique as does the amendment of the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, if the gentleman will yield, there is no Member of the House for whose parliamentary expertise I have greater respect than the gentleman from Maryland (Mr. BAUMAN) but as I read the language of the bill before us, on page 13, section 114, which my amendment seeks to alter, it says:

> None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly any assistance to Mozambique or Angola.

If I interpret that correctly, and I wish the gentleman would correct me if I am wrong, it means that whatever there is or may be in other sections of the law, that no money under this bill, which provides the money for our foreign aid program, can go directly to Mozambique or Angola.

Mr. BAUMAN. Quite frankly, Mr. Chairman, I cannot respond to the gentleman with certainty. I think the language in the law now may apply. The gentleman may be entirely right, but the net effect of what he suggests is to repeal the existing law and remove any Presidential declaration. And if the gentleman is concerned about accomplishing what he seeks to accomplish, then he ought to reoffer his amendment to keep in the Presidential reporting requirement at the very least.

Mr. SOLARZ. Since the gentleman appears to acknowledge that were this bill to be adopted without my amendment, that any aid to Mozambique or Angola would be prohibited——

Mr. BAUMAN. The gentleman is not correct. Not any aid in this bill. But, for instance, last year the administration, with no notice to the Congress sent $20 or $30 million to Angola under the food assistance program, and they can offer other assistance under other laws.

Mr. SOLARZ. But under the terms of this bill, and the existing language of the bill, it would prohibit any type of aid to Mozambique or Angola.

Mr. BAUMAN. That is as it should be, because these Communist-controlled client states serve as staging grounds for activities in southern Africa against the best interests of their citizens, their neighboring state, and our own country.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have to object to this amendment even though, of course, it strikes a humanitarian note. The fact is that the policy of the United States has been, as legislated by Congress, not to give aid to Mozambique and Angola. Now, all of a sudden, we are asked to do it if it reaches the needy people. The reason why, of course, we have that provision, is that we do not want to help these countries by helping their needy, because when we help their needy then, without question, we are helping the country. We are talking about a problem that they have to solve in some way. I wish somebody would come to the United States and take care of our needy.

Let me say this, I want to see the needy taken care of, but we all know that much of the aid, food, money, and otherwise that we send for the care of the needy has gone to just about everybody but them. Even though it is my intention to give assistance to the needy, we still have no way of absolutely knowing that it will go for that purpose.

However, let me also point this out, we want to help the needy people, but that is a big world out there and there are at least 1 billion needy people. We cannot possibly help them all. Why on Earth do you have to feel we have got to assist the Communist and the Marxist countries, countries which have been very hostile to us? Why do we have to give them help?

What on Earth is the urgency of all of this when there are so many places to which we can give our help and make sure that the nations have the kind of government we approve of and want to help?

Mr. Chairman, this amendment would undermine a policy established by Congress, and I have to oppose it.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair will remind our guests in the gallery that any expression pro or con on any subject being debated on the floor is prohibited.

We would appreciate it if our guests in the gallery would adhere to that rule.

AMENDMENT OFFERED BY MRS. FENWICK AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SOLARZ

Mrs. FENWICK. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

> Amendment offered by Mrs. FENWICK as a substitute for the amendment offered by Mr. SOLARZ: Page 13, strike out the period at the end of line 11 and insert in lieu thereof ", except that funds appropriated or made available pursuant to this Act for assistance under part I of the Foreign Assistance Act of 1961 (other than funds for the Economic Support Fund or peacekeeping operations) may be provided to Mozambique or Angola for food or medical supplies in accordance with the requirements of section 116 of the Foreign Assistance Act of 1961.".

Mr. BAUMAN. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) reserve a point of order against the amendment.

The gentlewoman from New Jersey (Mrs. FENWICK) is recognized for 5 minutes in support of her amendment.

Mrs. FENWICK. Mr. Chairman, this amendment merely says that food and medical supplies may be provided, that we may use funds to send those two items to these two countries, Mozambique and Angola.

Mr. Chairman, we have to think about the future, too. Perhaps Russia is sending bullets, and Cuba may be sending men with guns; but when the United States sends food and medical supplies to those countries, that tells something about this country and about our concern for the people of those countries.

Mr. Chairman, I do believe that it should be done in prudent and small amounts. However, if there should be an epidemic or if there should be widespread starvation in those countries, I think that this would be one of the finest things we could do.

I urge very much that the gentleman from New York (Mr. SOLARZ) accept my substitute.

Mr. SOLARZ. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, if the gentlewoman's amendment can escape the parliamentary scrutiny of my friend, the gentleman from Maryland (Mr. BAUMAN), I am happy to announce to the House that I would be delighted to accept this creative and constructive change in my amendment.

Mrs. FENWICK. Mr. Chairman, I thank my colleague.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) insist on his point of order?

Mr. BAUMAN. Mr. Chairman, does the gentlewoman from New Jersey have any time remaining?

The CHAIRMAN. The gentlewoman has already yielded back her time.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

The only reason I reserved a point of order is that, quite frankly, the amendment previously offered by the gentleman from New York (Mr. SOLARZ) and the amendment offered by the gentlewoman from New Jersey (Mrs. FENWICK) pertain only to part 1 of the 1961 act. A cursory glance at the index of that law indicates no direct food assistance is provided in part 1. However, I want to make plain to the gentlewoman from New Jersey that under existing law—the Food for Peace Act, for example, which we passed here previously—the United States is already rendering food assistance to these countries, including $20 million or $30 million to Angola within the last 6 months.

Mr. Chairman, what disturbs me is that, regardless of the present law, these amendments suggest the United States should give assistance to Communist-dominated countries, one of which now contains roughly 18,000 Cuban troops. I do not see any necessity to aid Mr. Castro's endeaver in Africa with medicine or food. If he is going to keep troops in Africa, it seems to me that it is his obligation, and not that of the American taxpayers, to finance his own operations.

With that, Mr. Chairman, I will withdraw my reservation of a point of order.

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) withdraws his point of order.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from New Jersey (Mrs. FENWICK). I want to take this time, hopefully, to try to put some things in perspective, some things which may not appear immediately related to the amendment. I think we in this House make a serious mistake to assume that any government in its present form is locked forever into that form. I think all of us ought realize that governments are constantly evolving. Those which are Communist-dominated now may evolve into another structure. Those which are socialist governments may evolve into another structure. But it is my very distinct impression that in the evolution of a nation, as a nation evolves toward democratic principles and democratic ideals, it does so primarily because there is a lift of the standard of living for a lot of people. We make their lives a little better.

As the Members know, I have said so many times in this well, this is my country, and I am very proud of it, but when we did not enjoy the same standard of living as we now enjoy, I think we Americans did some things which were terribly wrong, simply because our people were hurting so badly. They did things that were cruel and unjust certainly, and inhuman. It is difficult for us in this room, now enjoying the level of economic sophistication and well-being that we enjoy—it is difficult for us to go back and realize that the story behind the story of "I Left My Heart at Wounded Knee" is a very real story. Americans did do those terrible things, those terrible things were done because we had not gotten enough of a sense of well-being out to all Americans.

It is reported by many historians that following the post-Reconstruction Era in America more than 2,000—more than 2,000—black people were lynched in this country. That is a tragic and sorry record. It is a stain on us, but as America has lifted the level of well-being for the masses of its people, that precluded the possibility of another "Wounded Knee" or the other tragic episode involving Black Americans and violence against us.

We fought a war, brother against brother, in this country. A terrible carnage existed in this country. We fought a long, hard war that perhaps was reported to end at Appomattox. The only reason that war was fought—or one of the reasons—was that we had not raised the level of living for the masses of Americans.

Let me say I am optimistic about the future of the African states—all of them. I think they are in a process of evolving toward something good. I think that the thing they are evolving toward will be some form of democratic government. When I do not know; how soon I do not know. But I think to the extent and degree that this country can contribute to the well-being of people in any African state, no matter what its political ideology is, we are accelerating the process of democracy around the world. I know this may sound very idealistic, but it is very real. The nation that could move away from the actions that laid the basis for "I Left My Heart at Wounded Knee"—that same nation ought realize the value of a humanitarian purpose with regard to any nation on the face of the Earth, regardless of what its political ideology or practice might be at any time in history.

AMENDMENT OFFERED BY MR. ANDERSON OF ILLINOIS TO THE AMENDMENT OFFERED BY MR. SOLARZ

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment to the amendment.

PARLIAMENTARY INQUIRY

Mr. SOLARZ. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SOLARZ. Mr. Chairman, I do not necessarily have any problems with the amendment about to be offered by the gentleman from Illinois, although I have not seen it; but my understanding is that we now have pending an amendment to the amendment, which was offered by the gentlewoman from New Jersey (Mrs. FENWICK).

Would another amendment be in order?

The CHAIRMAN. The understanding of the Chair is that the gentlewoman from New Jersey offered her amendment as a substitute for the amendment offered by the gentleman from New York (Mr. SOLARZ).

The gentleman from Illinois (Mr. ANDERSON) is offering an amendment to the amendment offered by the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I thank the Chair for the explanation.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of Illinois to the amendment offered by Mr. SOLARZ: Strike the period at the end of the Solarz amendment, and insert: ": *Provided*, That no assistance shall be provided under this Act to Mozambique or Angola except in accord with section 533(c)(2) of the Foreign Assistance Act of 1961, as amended.".

Mr. ANDERSON of Illinois. Mr. Chairman, I think a reading of the amendment makes clear that the purport and the intent of the amendment is simply to try to preserve the desirable features of the language of the 1961 act, which was referred to by the gentleman from Maryland (Mr. BAUMAN) a few minutes ago.

I was challenged by the words that were spoken by my friend, the gentleman from Illinois (Mr. SIMON), when the gentleman said that regardless of who is in the White House, he should certainly have the ability, regardless of party, to conduct the foreign policy of this country without being unduly shackled or restrained.

It seems to me that the kind of total proscription, the kind of total ban against any aid, regardless of the circumstances, that has been placed in the bill now before us by the committee perhaps is the kind of restraint that is unduly restrictive; that there well could arise circumstances under which it might be desirable for the President of the United States in order to use his negotiating position to advantage to preserve peace or to advance the cause of peace in this region of the world in southern Africa, it might be desirable to hold forth the promise of some form of bilateral economic aid. Yet, at the same time I respect the argument of the gentleman from Maryland (Mr. BAUMAN) that this would represent the kind of change in policy that ought to be preceded by adequate notice to the Congress; that a continuum of cooperation and consultation between the Executive and the Congress is what provides the basis for good foreign policy. If a sharp departure is to be made and the President or the Agency for International Development suddenly begin dispensing or disbursing economic aid to Angola and Mozambique, I think, that kind of change in policy ought to be preceded by the notification and consultation that is contemplated by the 1961 Foreign Assistance Act; so that is the reason for the amendment.

I think with that addition, that I could support that logic that has been offered

by the gentleman from New York in support of his amendment.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, as usual, the gentleman from Illinois has come forward with a very constructive and creative recommendation. I glady accept the amendment to the amendment and I hope that when we reach the point in the parliamentary pecking order, when we get to the vote on it, that it will be adopted, because I do think it strengthens this effort, on the one hand to give the President more flexibility in the conduct of our foreign policy in that very critical part of the world, and yet, on the other hand, to maintain the obligation on the part of the President to keep us closely informed about his actions.

Mr. ANDERSON of Illinois. Mr. Chairman, I thank the gentleman for his contribution.

Mr. Chairman, let me say one final word in response to the argument against the amendment offered by the gentleman from New York (Mr. SOLARZ) as stated by the subcommittee chairman, the gentleman from Maryland (Mr. LONG). He said there were a billion people out there in the world ready and waiting to be helped, and why on Earth should we pick out the people who reside in countries that are for the time being headed by Marxist leaders, by dictators and leaders who may even be repressive?

I think the answer to that question may simply be this: That we may well require the cooperation of these countries, because, whether we like it or not, they are very strategically located with respect to the trouble that exists on that continent, and rather than foreclose entirely the possibility of the kind of negotiations that could possibly lead to a peaceful resolution of the disputes that now rage in that part of the world, we ought to equip the President with the kind of flexibility that he needs to conduct the foreign policy of this Nation.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address my question either to the gentleman from Maryland (Mr. LONG) or to the ranking member of the subcommittee, the gentleman from Florida (Mr. YOUNG).

Is there any money contained in this bill for either Mozambique or Angola in direct aid?

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, the answer is: No.

Mr. BAUMAN. There is no money in this bill for direct aid?

Mr. YOUNG of Florida. The gentleman is correct.

Mr. BAUMAN. Then obviously the discussion here has been academic. It might be better left until next year when the Committee on Appropriations can decide whether it wishes to appropriate money for either one of these two countries. I have listened to the eloquence of a number of my colleagues on this subject.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, it is conceivable that the Senate may put it in, I will say to the gentleman.

Mr. BAUMAN. I will say to the gentleman from Illinois (Mr. YATES) that it is conceivable the other body may do almost anything.

Mr. YATES. I merely advanced that as a possibility.

Mr. BAUMAN. Mr. Chairman, addressing myself to the point, there is no money in this bill for either of these countries. Yet we are bending over backward in this effort today under the guise of humanitarianism to change the law to pave the way for future aid to these Communist countries.

I think it is safe to predict that in the next 12 to 14 months, before the fiscal year ends, neither of these Communist-dominated countries is going to contribute one whit to the welfare of either the United States or their own people, in view of their record.

Mr. Chairman, while the gentleman from Illinois (Mr. ANDERSON) has offered a better solution than was originally suggested, I just do not think it is necessary under the circumstances.

Mr. ASHBROOK. Mr. Chairman, will my colleague, the gentleman from Maryland, yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, as I read section 114 now, there can be no direct aid. But in light of our amendments, on which we only missed by three or four votes adding "indirect aid" as a category of prohibition, are we now, based on that overwhelming vote, going to go exactly the other way and allow direct aid in a bill when it starts out in the authorizing committee as not allowing direct aid?

If that is true, it seems to me we are going 180 degrees around the circle and meeting ourselves coming back the other way. Is that my colleagues understanding of what is happening?

Mr. BAUMAN. Mr. Chairman, as I read the limitation offered by the combined amendments, it does repeal direct aid limitations that are now in the law, once it opens up all of part I of the 1961 act. That part contains extensive different types of foreign aid. This means next year, if this continues—and I suppose it would have to be offered in the next appropriation bill—there is the possibility of direct bilateral aid to these two countries.

Mr. ASHBROOK. Mr. Chairman, it does seem very strange, based on our near success in preventing indirect aid, that the apologists for foreign aid are now going the other way and cutting out the prohibition for direct aid. I hope everybody understands what has happened.

Mr. BAUMAN. Mr. Chairman, I yield back the balance of my time.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to all the amendments.

Mr. Chairman, one of my colleagues just said, "Any time, any place, anywhere." The gentleman is correct. I oppose all amendments to this bill any time, any place, anywhere.

I am very uncomfortable about opposing this amendment, especially the amendment offered by the gentleman from New York (Mr. SOLARZ), because all my practical instincts tell me that it would be a very good thing for this country if the President had the ability to reward good conduct as well as punish bad conduct—what is in our eyes bad conduct—on the part of other countries around the world.

But the fact is that so far this bill has held together pretty well. I think, frankly, it has held together better than I or anybody else on either side of the aisle expected. There is only so much burden that this bill can carry. We know it still is going to have a tough time holding together. We know it is still going to have a tough time achieving final passage. There is a lot that I do not like in the bill. I do not like the limitations on Mozambique and Angola, for the reasons I just discussed. I am appalled at what we did last night on Syria, and that amendment alone bothers me enough to worry about whether I should support the bill on final passage. I think a lot of other Members for a lot of other reasons are concerned about final passage.

So I would simply suggest that, while this may be a good idea, I think at this time it simply risks our ability to hold the bill together. And for practical reasons, if for no other, I would urge the Members to oppose it. For those Members who feel uncomfortable about doing that, I just want to read a little quotation from George Bernard Shaw. Shaw said this upon hearing that the Honorable Joseph Burgess, M.P., had given up his seat in the House rather than compromise on an important issue:

> When I think of my own character, smirched with compromise, rotted with opportunism, mildewed by expediency—dragged through the mud of borough council and battersea elections, stretched out of shape with wire-pulling, putrified by permeation, worn out by twenty-five years pushing to gain an inch here, or straining to stem a backrush, I do think Joe might have put up with just a speck or two on those white robes of his for the sake of the millions of poor devils who cannot afford any character at all because they have no friend in parliament. Oh, these moral dandies, these spiritual toffs, these superior persons. Who is Joe, anyhow, that he should not risk his soul occasionally like the rest of us?

While I certainly do not want to suggest that any Member of this House is a spiritual dandy, I do want to suggest that there is only so much baggage that this bill can carry.

I am tremendously proud of the conduct of the House on this bill today and I think, frankly, we would endanger the chances of passage of this bill if these amendments were adopted. On the practical grounds, I would urge the rejection of all of these amendments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ANDERSON) to the amendment offered by the gentleman from New York (Mr. SOLARZ).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey (Mrs. FENWICK) as a substitute for the amendment offered by the gentleman from New York (Mr. SOLARZ), as amended.

The amendment offered as a substitute for the amendment, as amended, was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SOLARZ), as amended.

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 19, nays 24.

So the amendment, as amended, was rejected.

AMENDMENT OFFERED BY MR. HANLEY

Mr. HANLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANLEY: on page 13, line 11, change the period to a semicolon and insert the following: "except that such funds shall be available to finance the completion of the training of Angolan students who started training prior to fiscal year 1978."

Mr. HANLEY. Mr. Chairman, this amendment is designed to correct an inadvertent problem that arose as a result of congressional action to cut off all forms of aid to the Marxist, Cuban supported government of Angola. The unintentional effect of the restrictions placed in the fiscal year 1978 foreign aid appropriations bill was to deny financial assistance to 24 Angolan college students studying in America. These students have no affiliation with the current communist regime in Angola, having been nominated by the pro-Western UNITA and FNLA factions. As a result of the victory of the Marxist regime, these students cannot now return to their homeland. We can all understand that the purpose for cutting of aid to Angola was to prevent American tax dollars from being used to support a Marxist regime under heavy Cuban and Russian influence. It was not designed to halt the education of young students whose views coincide with our own.

My amendment is narrowly written to allow for continued AID funding for these 24 students only. The language has been examined by the committee and the general counsel at AID and provides no loopholes which would allow any funneling of aid to Angola. At present, State Department regulations prohibit these students from working, and without the funding necessary to complete their final 2 years of education, they will find themselves alone in a strange land without aid or comfort. I hope that you can all join with me and support this amendment. Not only will it help these students now, but should future events allow their return to Angola, we will be sending home 24 highly trained individuals, who have had first hand experience with American democracy and who know and understand our firm commitment to freedom and liberty.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I would be delighted to yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, the members of the subcommittee have examined the amendment offered by the gentleman from New York. We think it is meritorious and have no objection to it.

Mr. HANLEY. I appreciate the gentleman's acceptance of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. HANLEY).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to this section? If not, the Clerk will read.

The Clerk read as follows:

SEC. 115. None of the funds made by this Act may be obligated under an appropriation account to which they were not appropriated unless the Appropriations Committees of both Houses of the Congress are previously notified fifteen days in advance.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I have an amendment at the desk prior to line 17.

Mr. BAUMAN. Regular order. The Clerk has begun to read title II.

The CHAIRMAN. For what purpose did the gentleman rise?

Mr. HARKIN. I have an amendment at the desk on page 13, line 16.

The CHAIRMAN. The Clerk will report the amendment.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Chairman, did not the Clerk read title II?

The CHAIRMAN. He did not read title II. He started to. I think he read two words.

Mr. BAUMAN. Yes, he did.

Mr. Chairman, I make a point of order that the amendment comes too late.

The CHAIRMAN. The Chair will point out to the gentleman that the paragraph had not been completely read.

The Chair has previously warned the committee that the Chair does not know which amendments are supposed to be offered, and has requested the authors of amendments to be on their feet and to request recognition at the proper time. The Chair will admonish Members one more time.

At this time the Chair will recognize the gentleman from Iowa (Mr. HARKIN) and will direct the Clerk to read the amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 13, immediately after line 16, insert the following new section:

SEC. 116. Of the total budget authority provided in this title for payments not required by law (other than the sums allocated to Israel, Egypt, Jordan, and Syria for the Economic Support Fund), two per centum shall be provided from obligation and expenditure. Of the amount provided in this title for each appropriation account, activity, and project, for payments not required by law, the amount withheld pursuant to this section shall not exceed five per centum.

Mr. HARKIN. Mr. Chairman, this is the 2-percent cut on title I. Basically, what I have done, however, is carve out the sums that are allocated that would be on page 6 of the bill. That would be $785 million for Israel, $750 million to Egypt, $93 million to Jordan, and $90 million to Syria. Those funds, of course, would not be cut at all because I feel we have an obligation to the Middle East to keep up the level of support over there to see if we can reach some kind of peaceful solution to the problems in the Middle East.

I would take the 2-percent cut from everything else that is in title I except for those earmarked funds for the Middle East. So, what we are really talking about is a 2-percent cut that would come off of all the funds that would be left after we take the funds out for those four countries so designated. Besides that, there would be no more than 5 percent that could be taken from any one program.

Therefore we could not just go into, let us say, one country and take all of it from one area without taking it from across the board.

Again, this is in line with the 2-percent cuts that have been offered on previous bills. I have always supported them because I for one believe there is always 2-percent waste or 2-percent mismanagement in any one of these programs, and a 2-percent cut I think is the least we can do to meet the demands made by the people this year that we tighten our belts a little in Washington and that our agencies and departments, both in the State Department and in the Defense Department and everywhere else, kind of tighten up a little bit and do just as well with a little bit less.

I cannot see that the 2-percent cut would be in any way harmful at all. In fact I think it would be a challenge to the Department of State to do as good a job with just a little bit less money.

I urge the adoption of the amendment.

AMENDMENT OFFERED BY MR. LONG OF MARYLAND TO THE AMENDMENT OFFERED BY MR. HARKIN

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Maryland to the amendment offered by Mr. HARKIN: Strike out the parenthetical clause that appears after "law" appearing in the first sentence.

After the word "title" appearing in the first sentence, insert the following: ", except for the appropriations for Agriculture, rural development, and nutrition, Development Assistance, Population, Development Assistance, Health, Development Assistance, Education, Development Assistance, American schools and hospitals abroad, Refugee assistance, Disaster assistance, and for activities, programs and projects for direct assistance in the Middle East and Africa."

Mr. LONG of Maryland. Mr. Chairman, this is the meat-ax cut that we expected to come further along in the bill, but the very ingenious and resourceful

gentleman from Iowa has managed to precipitate the controversy at a somewhat earlier point in the bill.

I offer this amendment to exempt some of the programs I consider potentially beneficial to the poor people and programs that deal with Middle East peace efforts from this irresponsible across-the-board reduction. The amendment would exempt agriculture, rural development, nutrition, population control, health, education, American schools and hospitals abroad, refugee assistance, disaster assistance, and activities and programs for the Middle East and Africa. These exemptions would amount to about $3 billion so the remainder of the programs totaling roughly $800 million would be required to be reduced by a 2-percent overall reduction which would amount to a reduction of approximately $17 million.

This would allow the House to vote for an across-the-board reduction which would not injure some of the more important and beneficial programs. I must point out I am opposed to any across-the-board reduction at this point, but if a reduction must be applied some of the more important programs should be exempted. I urge the adoption of my amendment to the amendment of Mr. HARKIN.

Mr. HARKIN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Maryland (Mr. LONG) to my amendment.

Mr. Chairman, when you get through all of the things the gentleman from Maryland has put in there as exceptions, what it does is it guts the 2 percent cut and you really do not have a 2 percent cut. After you get through all of the things that are exempted in the amendment offered by the gentleman from Maryland (Mr. LONG) you might as well not have any cut at all.

I do think the Members would be interested in having at least a modest cut in this bill, a 2 percent cut, and I would urge the Members to take a close look at all of the things the chairman of the subcommittee has excluded, and I would say that with what is left is not very much of a cut at all.

I would hope that the Members would defeat the amendment offered by the gentleman from Maryland (Mr. LONG) and go ahead and adopt the 2 percent across-the-board cut.

Again, what I am saying is that in these 2-percent cuts, it is not a meat ax attack, as it has been called. We know as well as anyone that there are certain areas of waste and inefficiency, and we are saying that we will give them a challenge so as they can tighten up and do a little bit better job with a little less money.

Mr. CONTE. Mr. Chairman, if the gentleman will yield, can I ask the chairman of the committee, the gentleman from Maryland (Mr. LONG) a question through the gentleman from Iowa?

Mr. HARKIN. Certainly, I yield for that purpose.

Mr. CONTE. Does this amendment except a whole range of things, does it exempt, for instance, aid to Israel and Egypt?

Mr. LONG of Maryland. If the gentleman will yield, that is right, that is just what the amendment offered by the gentleman from Iowa (Mr. HARKIN) does.

Mr. CONTE. The amendment offered by the gentleman from Iowa (Mr. HARKIN) does that?

Mr. LONG of Maryland. We both agree on that, but I add to the exceptions such programs on population control, education, health, disaster assistance, refugee relief and Africa.

Mr. CONTE. That answers my question.

Mr. LONG of Maryland. I have exempted programs that justify the use of foreign aid and I hope the committee will sustain me.

Mr. VOLKMER. Mr. Chairman, if the gentleman will yield, I am curious, and I have tried to listen to the debate to find out where the cuts are made, and I am not sure that I know basically where it goes. Of course, on the other amendments that we have had on other bills that have involved a 2-percent across-the-board cut, we have had a pretty good idea about how much we are cutting out and how much we are leaving in. Could the gentleman from Iowa tell me about how much of a reduction there would be? If not, I will ask the gentleman from Maryland.

Mr. HARKIN. I am sorry, but I do not have the exact figure.

Mr. LONG of Maryland. Mr. Chairman, if the gentleman will yield, I will be very happy to respond. Would the gentleman from Iowa permit me to address the question that was asked?

Mr. HARKIN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I might add at this point that I hope we defeat this across-the-board reduction after we provide these exceptions to it because I am opposed to these types of reductions.

Mr. VOLKMER. I will reserve judgment on them, unless they mean something.

Mr. LONG of Maryland. The programs that will be reduced involve technical assistance; international organizations, that is the U.N., the contingency fund; narcotics control; economic support assistance except the Middle East and Africa; the peacekeeping operation, and so on.

Mr. VOLKMER. After narcotics, what was the next one?

Mr. LONG of Maryland. Economic support assistance excluding the Middle East and Africa.

Mr. VOLKMER. Yes.

Mr. LONG of Maryland. All of these affected programs add up to $800 million?

Mr. VOLKMER. That is $800 million?

Mr. LONG of Maryland. That is right; 2-percent cut of that would be $16 million.

Mr. HARKIN. Basically, what we have in title I is $3.875 billion. That is in title I. We subtract from that the $1.628 billion for Israel, Egypt, and Jordan. We have already taken out Syria last night. We have left $2.47 billion. We take 2 percent of that.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has expired.

(On request of Mr. VOLKMER and by unanimous consent, Mr. HARKIN was allowed to proceed for 3 additional minutes.)

Mr. HARKIN. To continue, Mr. Chairman, what we do then is that we take 2 percent of the $2.47 billion that is left over.

Mr. VOLKMER. Is that "billion" or "million"?

Mr. HARKIN. "Billion." We come up with, if my figures are correct, a $44,940,000 cut out of a total of $3.8 billion.

Mr. VOLKMER. If the gentleman will yield further, Mr. Chairman, if I remember the figures of the gentleman from Maryland (Mr. LONG) correctly, he gave me the figure of $800 million. What he is trying to take away is $16 million, so his amendment would take $16 million out of that $44 million, and we would only have $28 million, I imagine, if my arithmetic is correct.

Does the gentleman follow?

Mr. HARKIN. I do not follow that.

Mr. VOLKMER. Is it $74 million or $44 million?

Mr. HARKIN. It is $44,940,00.

Mr. VOLKMER. That is what the Harkin amendment would cut, so that the top figure we can save the taxpayers is $44 million, is that correct?

Mr. HARKIN. That is correct.

Mr. VOLKMER. And the gentleman from Maryland would save $16 million out of that, which we would not save the taxpayers; is that correct?

Mr. HARKIN. I do not know. The gentleman would have to ask the gentleman from Maryland.

Mr. VOLKMER. Is that correct?

Mr. LONG of Maryland. If the gentleman will yield, Mr. Chairman, so that I can respond, the cut under my amendment would be $16 million instead of whatever it would be under the gentleman's amendment.

Mr. VOLKMER. The figure of the gentleman from Iowa is $44 million. In other words, the gentleman from Maryland is not saving $16 million; he is making the taxpayers spend another $28 million; is that correct?

Mr. LONG of Maryland. No. The gentleman's figure is 2 percent of $2.4 billion, I believe.

Mr. HARKIN. The way we can figure it is that there is $3.875 billion in the bill. Subtract from that $1.628 billion for Israel, Egypt, and Jordan. We are left with $2.47 billion. Take 2 percent of that. That is my cut. That should equal, if my mathematics is correct, $44,940,000.

Mr. LONG of Maryland. If the gentleman will yield further, the point I am making is that I would like to save some money. Later on I will have an amendment to offer that will save some real money in the amount of $584 million; but I do not think we should have meat

ax cuts which hurt the best part of the bill.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has again expired.

Mr. VOLKMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the reason I had the colloquy was to try to determine exactly what we were cutting. I think we have resolved it; I hope so.

If I have determined it correctly from the gentleman from Iowa (Mr. HARKIN), his amendment would cut $44 million out of a total of $2.47 billion under title I, except for Israel, Egypt, and Jordan. It would not cut Syria, that has already been cut yesterday, as I understand it.

Under the amendment of the gentleman from Maryland (Mr. LONG), there would only be a cut of $16 millon out of the total programs, and those would be programs other than the ones we previously listed. Those would not be cut at all.

Mr. Chairman, I personally favor the amendment of the gentleman from Iowa. I believe 2 percent is not going to hurt any of these other programs, even though some of them may be very good. I agree some of them are, but I disagree that all of them are the best.

Again, Mr. Chairman, I disagree with the gentleman from Maryland, and I favor the approach of the gentleman from Iowa.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

I would like to have the attention of my good friend, the gentleman from Iowa (Mr. HARKIN). I am undecided as to whether I am going to support the gentleman's amendment or not, but let me ask the gentleman this question: If the amendment of the gentleman from Iowa prevails and then later on the gentleman from Maryland (Mr. LONG) offers his amendment to gut the banks, what position is the gentleman from Iowa going to take on that?

Mr. HARKIN. If the gentleman will yield, Mr. Chairman, my position is to offer a 2-percent cut on this title, a 2-percent cut on the next title, and a 2-percent cut on the next title.

Mr. CONTE. I realize that. What is the position of the gentleman from Iowa on the amendment of the gentleman from Maryland?

Mr. HARKIN. If my amendment prevails, I will not support that cut.

Mr. CONTE. Mr. Chairman, I will support the amendment of the gentleman from Iowa.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, I thank the gentleman for yielding.

I think it is clear that the amendment offered by the gentleman from Iowa (Mr. HARKIN) will pass. The climate of this committee and of this country certainly leads to that inevitable conclusion.

I would simply like to put in perspective something which the gentleman from Massachusetts and other members of this committee know, and that is that this bill has already been substantially cut. Our subcommittee has cut out of this administration request $1.1 billion, which is a 13-percent cut. I recognize that is not going to be persuasive in terms of convincing people not to apply across-the-board cuts to these accounts or to this entire bill. I think that the amendment offered by the gentleman from Iowa (Mr. HARKIN) will pass, but I think it is very important for everyone to understand that we are not coming here with a basket of goodies which have not been selected out. We have taken care over many months to cut this bill very thoughtfully and selectively to distinguish between which programs work and which programs do not. I think it is important that the record reflect that.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Missouri.

Mr. VOLKMER. I appreciate the gentleman's yielding. I, too, support the Harkin amendment basically for that purpose. I think if we get the 2 percent along the line it will probably preclude a larger percent cut at the very end.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding.

Let me say in response to my very able friend, the gentleman from New York (Mr. McHUGH) that this is a shell game in which we talk about what we are cutting. In our committee, what we cut was the Presidential budget request, which was a tremendous increase over last year. What we came through with was a bill that is the largest Foreign Aid bill in 25 years and the largest increase for the banks that they have ever received. So when we make these cuts, we are not really cutting very hard. But I still think we should not cut good programs.

Mr. CONTE. Mr. Chairman, what the gentleman from Maryland is saying is that we should support the gentleman from Iowa (Mr. HARKIN) in his 2-percent cut. He has just made a very good argument. I sit down and yield back the remainder of my time.

Mr. LONG of Maryland. If I could respond, what I am saying is, save our cuts for the big money later on.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the Harkin amendment. I would like to have the gentleman from Iowa (Mr. HARKIN) if he will, spell out for us the exact difference in the two amendments insofar as money is concerned. I know he did that before. I would just like to have that made clear.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

I do not have the way that the gentleman from Maryland (Mr. LONG) came up with his figures, so I have no way of knowing what his figures are. I really do not. All I know is I can tell the Members how I arrived at my figures and what my figures would be, and I will be glad to do that if the gentleman wants me to reiterate those.

Mr. LAGOMARSINO. Would the gentleman please do so, briefly?

Mr. HARKIN. Yes. Title I contains a total appropriation of $3,875,420,000. There is included in title I $785 million for Israel, $750 million for Egypt, and $93 million for Jordan. Syria has been taken out because of last night. When we add that up, that equals $1.628 billion, so we take $1.628 billion and subtract it from $3.875 billion, the total appropriation, because the $1.628 billion is the amount going to those three countries in the Middle East, one of those being Israel. We have $2.247 billion left. We take 2 percent of that. That leaves us with a cut of $44,940,000. That is how I arrived at my figure.

Mr. LAGOMARSINO. I thank the gentleman. Would the gentleman from Maryland (Mr. LONG) care to tell me what figures he has?

Mr. LONG of Maryland. If the gentleman will yield, it is very simple. The programs that the gentleman from Iowa (Mr. HARKIN) would cut amount to approximately $2.2 billion—2 percent of $2.2 billion. I am leaving out and eliminating very excellent programs. My amendment would reduce the affected programs and would amount to $800 million. The 2-percent reductions then would be applied to the $800 million, and we would save $16 million instead of $44 million. The purpose of this 2-percent reduction is to get the House in a mood so they will not pass a real cut later on. I want a real cut. That is why I am offering an amendment later on to cut the payments to IDA and the IDB by $584 million. The gentleman can see the purpose of this thing is to say, "Oh, we cut the bill already."

Mr. LAGOMARSINO. I understand the gentleman's position, but I am going to vote for the 2 percent, and I plan to vote for his bank amendment later on, too.

Mr. LONG of Maryland. Very good. Thank you.

Mr. ERLENBORN. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment offered by the gentleman from Maryland (Mr. LONG).

Mr. Chairman, I had understood that my colleague, the gentleman from Maryland (Mr. LONG) had offered an amendment to the Harkin amendment. I meant to rise in support of the amendment of the gentleman from Maryland (Mr. LONG).

May I direct an inquiry to the Chair, am I addressing the amendment at the proper time?

The CHAIRMAN. The gentleman is, except that the Chair advises the gentleman, if the gentleman has not been in the Chamber, we are not talking about the amendment the gentleman from Maryland (Mr. LONG) has cutting a certain percentage. The amendment pend-

ing is an exception to the amendment offered by the gentleman from Iowa (Mr. HARKIN).

Mr. ERLENBORN. Mr. Chairman, I thank the Chair for that clarification. I believe I am addressing the proper amendment. As I understood, the gentleman from Iowa offered an amendment providing for a 2-percent across-the-board cut, with certain exceptions, including the Middle East, and that the gentleman from Maryland (Mr. LONG) has offered an amendment to that amendment, including additional exceptions. I wanted to address myself to that and support the Long amendment.

Mr. Chairman, as one of the members and the ranking Republican on the Select Committee on Population, we have addressed ourselves in the committee to the possibility of one of these across-the-board cuts being offered to the foreign aid appropriations bill being debated today. It is our conclusion as a committee that the family planning programs and the health programs should not be included in any such across-the-board cut. As I understand the amendment of the gentleman from Maryland, it does exempt those family planning and health programs.

Population problems of the underdeveloped and the developing part of the world is a continuing and difficult problem that threatens to make it difficult or impossible for our foreign aid program to accomplish its purpose. To reduce our efforts in the field of family planning and health programs in these underdeveloped countries, I think, would be a very self-defeating move for this House to undertake. All of the development assistance, all of the assistance for the countries to become self-sufficient in the production of food, can be hampered or possibly completely destroyed by uncontrolled population growth; so I would hope that if the House is in a mood to adopt the across-the-board cut, it would first adopt the Long amendment so that these population-related programs and health programs would not be subject to the cut.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman. I agree with the gentleman completely, of course, and I want to point out that several other meritorious programs are exempted, such as agricultural, rural development assistance, nutrition, health development assistance, education development assistance, American schools and hospitals abroad, refugee assistance, disaster assistance. We cut them as much as we could.

The one place where a good deal of fat is left is in the banks. That is where we should cut and not cut 2 percent off these good programs.

AMENDMENT OFFERED BY MR. MILLER OF OHIO AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HARKIN

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio as a substitute for the amendment offered by Mr. HARKIN: Page 13, immediately after line 16, insert the following new section:

SEC. 116. Of the total budget authority provided in this title, except for the appropriations for Agriculture, rural development, and nutrition, Development Assistance, Population, Development Assistance, Health, Development Assistance, Education, Development Assistance, American schools and hospitals abroad, Refugee assistance, Disaster assistance, and for activities, programs and projects for direct assistance in the Middle East and Africa," for payments not required by law 8 per centum shall be withheld from obligation and expenditure. Of the amount provided in this title for each appropriation account, activity, and project, for payments not required by law, the amount withheld pursuant to this section shall not exceed 20 per centum.

Mr. MILLER of Ohio. Mr. Chairman, I thought we had the possibility of making a good cut in the foreign assistance bill. As a matter of fact, we did have the possibility of making a good cut, and I am not sure how it will unfold from here on out.

The gentleman from Iowa (Mr. HARKIN) saw fit to publish in the RECORD my amendment that I have offered on the other appropriation bills. That is the amendment I have worked on and fine tuned over the years, and apparently it turns out now to be the Harkin amendment today. I think we should take a look at what is going on.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. When I finish my statement, I will be glad to yield.

Mr. Chairman, what we have before us now in my amendment is the amendment that was offered by the gentleman from Iowa (Mr. HARKIN). Added to that, we have the amendment that was offered by the gentleman from Maryland (Mr. LONG). Compounding that a little more is the fact that the 2 percent goes to 8 percent and the 5 percent goes to 20 percent.

I sent out two "dear colleague" letters stating that I would be offering an 8-percent reduction, and that is what this amounts to. Whatever the amount is that was stated would be saved by the amendment before us prior to this amendment, we would now have a reduction of fourfold. So if $16 million was to be saved by the amendment before us, this substitute will save $64 million.

I think if we are going to have a cut, we should have something more than just a token cut. Last year I offered a 5-percent amendment to the same bill, and it was approved by the House. It was wiped out in the conference, but nevertheless a 4-percent reduction was made in the overall bill.

It appears that this year proposition 13 may have had something to do with it, because the members of the committee have decided that they would support at least a 2-percent cut, and it appears they would go for as much as 8 percent on this particular bill.

When we are giving money to other countries 8 percent is not too large a cut.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I will yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding.

I recognize that the gentleman from Ohio (Mr. MILLER) has offered a similar amendment in the past, and I wondered why he was not going to offer the amendment to this bill. I wondered if he saw fit for some reason to change his amendment or not offer it. I thought it was such a good amendment in the past that the Members should be able to express themselves on the 2-percent cut in the bill.

When the gentleman from Missouri asked me to detail how I arrived at my figure, I was able to tell him, and I think it is on the record right now.

I would like to ask the gentleman in the well if he could give us the information as to how his amendment breaks down, exactly how much money he is cutting from title I, and what figure he finally arrives at. Could the gentleman tell us that?

Mr. MILLER of Ohio. When the gentleman from Iowa was asked that same question a few minutes ago, just on what his amendment would do, he was able to convey that. The gentleman from Maryland was able to add on. But the two did not come out the same. The two conflicted. If the gentleman can straighten that out, I will be happy to tell the gentleman exactly what it is. I have the figures that the gentleman from Iowa quoted. He said $3.875 billion is in the bill. And once you deduct the $1.628 billion, which would be for the Middle East and Africa, you would have left $2.247 billion. I have those figures. After the gentleman from Maryland gave his figures, the figures of the gentleman from Iowa and the figures of the gentleman from Maryland did not coincide. If the gentleman from Iowa can get them to coincide I will give him the total.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. MILLER) has expired.

(On request of Mr. HARKIN and by unanimous consent, Mr. MILLER of Ohio was allowed to proceed for 3 additional minutes.)

Mr. HARKIN. If the gentleman will yield further, I know where I got my figures. The gentleman from Maryland was able to explain precisely what his figures were. I would just like to know just what the gentleman's bottom line is. What numbers is the gentleman talking about, and how does he arrive at them?

Mr. MILLER of Ohio. That is exactly what I did in every one of the 2 percent reductions that I offered on the appropriations bills. I also had them worked out as to the mandatory and non-mandatory amounts. What is the bottom-line reduction in the gentleman's amendment?

Mr. HARKIN. Mine is $44,940,000.

Mr. MILLER of Ohio. What is the additional reduction in the amendment offered by the gentleman from Maryland?

Mr. HARKIN. His is not an additional. His is a substitute for mine.

Mr. MILLER of Ohio. What is he adding to it and what is the final net of the gentleman's amendment?

Mr. HARKIN. I am sorry, I do not know exactly how he arrived at his.

Mr. MILLER of Ohio. That is exactly what I am talking about. Mine is four times the amount of the gentleman's from Maryland. The gentleman's is 2 percent; mine is 8 percent.

Mr. HARKIN. But mine is now four times his.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman from Ohio, my very good friend, for yielding.

Mr. Chairman, let me say that the gentleman's amendment, which covers the same areas that mine does, exempts all of the things that I would exempt from the cut, which gives us an amendment which is an 8 percent reduction of $800 million, and according to my figures, that is approximately $64 million, which is 4 times my amendment which reduces programs by $16 million.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I believe the gentleman from Maryland has expressed it correctly, that the exemptions of the gentleman from Ohio are identical to those of the gentleman from Maryland; that, along with it, the amendment of the gentleman from Ohio, which is exempted by the amendment of the gentleman from Iowa, that that is the amount, the $64 million, of the gentleman from Ohio. The amendment of the gentleman from Iowa does not contain the exemptions, except the Middle East and Africa, while this gentleman's amendment contains the additional figures.

So the gentleman's is not four times that of the gentleman from Iowa, unless the amendment of the gentleman from Maryland is adopted to the amendment of the gentleman from Iowa.

Mr. MILLER of Ohio. That is correct.

Mr. LONG of Maryland. If the gentleman will yield, my understanding is that the substitute to the amendment and my amendment to the amendment cover exactly the same programs.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. MILLER) has expired.

(By unanimous consent, Mr. MILLER of Ohio was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, I would if we could take a 5-minute recess to figure this all out.

Mr. MILLER of Ohio. Since it is my time I would like to state, we had the confusion before and we are just compounding it by four.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of Ohio. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman. I have studied the amendment of the gentleman from Ohio very carefully. I offered an amendment to the amendment of the gentleman from Iowa which would exclude a number of programs and bring the total coverage down to $800 million after excluding a great many worthwhile programs. Now, the gentleman from Ohio covers the same ground as I do.

I have read his exclusions, and they are the same as mine, including the Middle East, including all the population programs and others. So, when we get down to the gentleman from Ohio's amendment, he is simply taking 8 percent of the $800 million as his cut instead of 2 percent of the $800 million, which is what I am proposing—$64 million. That is my understanding.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(By unanimous consent, Mr. MILLER of Ohio was allowed to proceed for 2 additional minutes.)

Mr. MILLER of Ohio. After all of the conversation that we have had, if the Harkin amendment would be approved and the amendment offered by the gentleman from Maryland would be approved, there would be a $16 million reduction. The amendment that the gentleman from Ohio has offered would increase that amount by four times, and there would be a $64 million reduction. It is just that simple.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the substitute amendment of the gentleman from Ohio; I rise in opposition to the Harkin amendment, and in support of the amendment to the amendment which I have offered.

It is very simple. The cuts that both the gentleman from Ohio and I offer are very small cuts. They are not adequate, and I want to offer an amendment later that will save the taxpayer $584 million. I think this proposal is designed to undercut those larger cuts I will recommend later on.

The gentleman from Ohio would cut basically $64 million. I would cut basically $16 million. We apply the cuts to the same programs only different percentages. I want to cut off the fat, and that will be the amendment that I will propose later on. Members should save your votes for then. I hope Members will all work with me on my proposed amendment.

Mr. OBEY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I think it is very important, now that we have all had our fun, that we understand what we are doing here. I think everybody is happy now that the gentleman from Ohio has finally figured out what it is that he is cutting. I do not know what he is cutting in the Middle East. I do not know if he is cutting the Magarin Dam or not. I do not know what he defines as the Middle East.

But I will make a couple of observations. If we cut this bill in the amount suggested by the gentleman from Ohio, we are exempting the food and nutrition account, which has a 20-percent increase over last year; we are exempting the health account, which has a $40 million increase over the $95 million base, which is a very large increase; we are exempting the education account, which has a 33-percent increase over last year; and we are cutting 8 percent out of organizations such as UNICEF, narcotics control, military training, and military assistance.

I think, regardless of ideology, we do not want to cut those programs that deeply. I do not think, given the fact that we have already cut the two military accounts in this bill by 20 percent, that we want to cut them by an add-on that would be almost 50 percent in those two accounts.

We defeated efforts earlier in the day to reduce military training and military assistance accounts by a significant amount, and I think we want to stick to it.

I want to make another statement, which I hope will not be misunderstood. I am not objecting to aid here for any country, but in all fairness—in all fairness—yesterday we cut out the entire amount for Syria. We are being asked to cut by 8 percent programs which go to countries which have in the main a per capita income of $200 a year, but we are being asked to exempt from that cut the aid to Israel, and aid in this bill amounts to $500 per capita for the citizens of Israel.

I am not objecting to that aid for Israel, but I do wonder what kind of moral posture we find ourselves in if we exempt from the cut, as the gentleman from Ohio does, a country which is receiving in per capita aid twice as much as the annual per capita income of all of the human beings in the part of the world we are cutting under the Miller of Ohio amendment.

I recognize reality. I recognize Members of this House want to cut the foreign aid bill, just like they cut the HEW bill just a couple of months ago.

So I would urge you, if you want to do that, if you feel that is necessary: Take the Harkin amendment, but do not take the Miller of Ohio amendment; that is just stretching credibility too far.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Miller of Ohio substitute, in opposition to the Long of Maryland amendment to the Harkin amendment, and in support of the Harkin amendment.

Let me say that the figures are these: Under the Harkin amendment you save $44.9 million. If the Long of Maryland amendment is adopted to the Harkin amendment that savings would be reduced to a piddling $16 million. Under the Miller of Ohio substitute amendment, it would be a $19.1 million increase in savings on the Harkin amendment but it would be really, with all of the exemptions, a very big cutback in very many programs if we use the 8 percent.

The Harkin approach is 2 percent across the board except for the areas

which have been exempted, Israel, Egypt, Jordan, and Syria, and the Economic Support Fund, I believe that makes sense because we are trying to preserve some kind of stability or to create stability in that portion of the world.

I think that if the legislative calendars can live with a 2-percent cut, I believe that this program can live with a 2-percent cut, which becomes $44.9 million worth of the taxpayers' money that would have to come out of the Treasury.

I think that is a real logical and good approach.

I think the savings of only an additional $19 million, as against the havoc that the 8 percent cut would make in our whole program would cause a tremendous amount of hardship. I believe we would find ourselves in a position where the other body would insist on our going to a higher level whereas the savings under the Harkin amendment, with the 2-percent cut, I think that position could be sustained in conference.

I think we ought to have a vote.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA TO THE AMENDMENT OFFERED BY MR. MILLER OF OHIO AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HARKIN

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida to the amendment offered by Mr. MILLER of Ohio as a substitute for the amendment offered by Mr. HARKIN: add "International Narcotics Control" after "Disaster Assistance".

Mr. YOUNG of Florida. Mr. Chairman, if we are going to start exempting programs, one of the programs that I really support in this whole foreign aid program is the international narcotics control. If we can get this program to where it is really effective in stopping the flow of narcotics into the United States at their very source, then we will have done a tremendous job for the people of America whether you are talking about the effects of narcotics on the physical body, whether you are talking about their effects on the mental capability of people, or whether you are talking about the millions of dollars that are spent in health care for people that are affected by drugs, or whether you are talking about the millions of dollars worth of property that has been destroyed or stolen by people who are stealing for the purpose of securing money to be able to purchase narcotics, I think that this is an important program.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding.

I wonder if the gentleman could tell us how much is in the appropriation bill for the international narcotics control and how much it was last year?

Mr. YOUNG of Florida. I can tell the gentleman that for this bill the amount is $40 million.

Mr. HARKIN. How much was that over last year? What was it last year?

Mr. YOUNG of Florida. It was $37.1 million last year.

Mr. HARKIN. Is the gentleman saying there is at least a 2-percent waste and inefficiency in that program which could be tightened up?

Mr. YOUNG of Florida. What I am saying to the gentleman is that my amendment goes not to his 2-percent amendment but to the substitute, which is an 8-percent cut, which would cut $3.2 million from the narcotics control program. If we are going to exempt some of the others, we certainly ought to be concerned enough to exempt a program like international narcotics control.

Mr. HARKIN. One further point: The gentleman's amendment is to the substitute, not to mine; is that correct?

Mr. YOUNG of Florida. That is correct.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I would like to associate myself with the gentleman's remarks when he expresses concern for an extremely important program, a program already whittled down way below what it should have been. We need these dollars. These dollars are extremely important to a very important program, a very good program aimed at eradication and control in the very areas that are producing the narcotics which are flowing into our Nation and creating the problem here at home.

Mr. Chairman, I would urge that our colleagues support the gentleman's amendment.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. Yes, I am happy to yield to my distinguished chairman, the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I also support the gentleman's amendment to the substitute to add narcotics control as a protected program because I think it is a good program which we ought to fund. I support the gentleman's amendment, whether or not the gentleman supports my amendment to the Harkin amendment which excludes a great many of the more valuable foreign aid programs, including the Middle East.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. JOHN L BURTON. What does this do to the $64 million as opposed to the $44.1 million or the $16 million?

Mr. YOUNG of Florida. To begin with, it was not $64 million, it is $66,240,000.

Mr. JOHN L. BURTON. That was the figure of the gentleman from Ohio (Mr. MILLER).

Mr. YOUNG of Florida. The figure is $66,240,000. What it does to that is that it reduces that amount by $3.24 million.

Mr. JOHN L. BURTON. That would bring it to what?

Mr. YOUNG of Florida. $63 million. The gentleman can add it up.

Mr. JOHN L. BURTON. No; we subtract, do we not?

Mr. YOUNG of Florida. It is $63 million.

Mr. LONG of Maryland. If the gentleman will yield, Mr. Chairman, it brings it down to $61 million approximately, I believe.

Mr. JOHN L. BURTON. The $61 million as against $44 million.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the support that has been voiced on both sides of the aisle for this amendment to the substitute. Before I get carried away with success for the first time in about a week, Mr. Chairman, I yield back the balance of my time.

Mr. McHUGH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the nature of the debate and the confusion it has engendered, at least among many Members, is ample demonstration as to why these types of amendments should not be adopted on the floor of the House.

Frankly, the amendment offered by the gentleman from Maryland (Mr. LONG) and the substitute offered by the gentleman from Ohio (Mr. MILLER), as amended by the amendment offered by the gentleman from Florida (Mr. YOUNG), are not understood by the members of the committee. These are matters which have been looked at carefully for months by our subcommittee.

Mr. Chairman, I am sure that the average member of this committee and the average Member of the House does not understand what is involved in many of these accounts that we are exempting and funding.

I think it really is unfortunate and almost disgraceful that we should be acting in this fashion on the floor of the House.

If we are going to adopt an amendment to cut title I, then I think the amendment of the gentleman from Iowa (Mr. HARKIN) came closest to something people can understand. It is a 2-percent amendment across the board which exempts only the Middle East. I think people understand what that means, at least. I am not so sure it is wise because, as I pointed out before, we already cut 13 percent out of this bill.

However, if there is going to be a cut—and there is indication that there is—then the Harkin amendment is the only one that makes sense, the only one people understand; and I certainly hope that the committee will not accept any other amendment offered.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I agree that these meat-axe cuts, across-the-board cuts, are wrong. I have said so from the very beginning.

I feel the Harkin amendment ought to be defeated; but, in the meanwhile, to protect ourselves in case it should pass, I want to make sure it does the least damage to important programs. I have listed what those programs are. They are

agriculture and nutrition, population, health, etc. I have added those to the exempted programs that would not be cut by the Harkin amendment as amended by my amendment.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

The gentleman is absolutely right and I agree with him wholeheartedly. I would like to fight the whole thing. But I do not like across the board cuts. But the practical aspect of it and the political reality is that we are getting a cut, and if we are going to do it, then we should go along with the Harkin approach.

I was amused on the last amendment by my good friend, the gentleman from Florida (Mr. YOUNG). I flagged that to his attention just before he got up. I said, "You know, they are cutting $40 million out of narcotics—control program." I was pleased that he offered the amendment. And the Peace Corps. As we go through the justification book we could find dozens of others that maybe we would want to exempt. This is a very bad way to legislate and shows the weakness of a cut across the board.

There was a long, protracted argument here of whose amendment this 2-percent cut across the board belonged to—who was the author of this amendment—and that the gentleman from Iowa (Mr. HARKIN) was guilty of plagiarism, that he stole this amendment from the gentleman from Ohio. This amendment has been hanging around this Congress for the 20 years I have been here. It used to be the Frank Bow amendment. He used to offer it to every single appropriation bill. I never supported it, and it got beaten every time, and it ought to get beaten right now because it is a poor way to legislate.

I know the gentleman from Ohio (Mr. MILLER) has worked hard on his amendment. He has put so many hours into writing this amendment. He stays up all night writing this amendment and then gives that powerful speech on the floor of the House, in the well of the House. We can see how many hours he has prepared in giving that speech. It is so different every time, I do not know where he finds the words to give to this body, where they come from—but he does his job well.

I hope the Miller amendment is soundly defeated and the Long amendment is soundly defeated.

Mr. McHUGH. I agree with the gentlemen and his remarks.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words. I have been here for the entire debate. It is criticized when we offer special amendments to cut specifically. Now it is criticized when we offer general amendments. I think we understand the pattern. The committee does not want any cut. I mean we are criticized across the board regardless of what we offer—a general, a specific, any kind of amendment. I think the pattern is clear. I will say to my fellow Representatives they do not want any cut of any kind.

I urge we support the Harkin amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. LONG) to the amendment offered by the gentleman from Iowa (Mr. HARKIN).

PARLIAMENTARY INQUIRY

Mr. CONTE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONTE. What amendment are we voting on?

The CHAIRMAN. The Long amendment to the Harkin amendment.

The question was taken; and on a division (demanded by Mr. LONG of Maryland) there were—ayes 14, noes 51.

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG) to the amendment offered by the gentleman from Ohio (Mr. MILLER) as a substitute for the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The amendment to the amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment, as amended, offered by the gentleman from Ohio (Mr. MILLER) as a substitute for the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred four Members are present, a quorum.

The pending business is the demand for a recorded vote by the gentleman from Ohio (Mr. MILLER).

A recorded vote was refused.

So the amendment, as amended, offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The question was taken; and on a division (demanded by Mr. HARKIN) there were—ayes 74, noes 18.

RECORDED VOTE

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 293, noes 52, answered "present" 1, not voting 86, as follows:

[Roll No. 646]

AYES—293

Abdnor	Andrews, N.C.	Badham
Addabbo	Andrews, N. Dak.	Bafalis
Akaka	Applegate	Baldus
Ambro	Archer	Baucus
Ammerman	Ashbrook	Bauman
Anderson, Calif.	Aspin	Beard, R.I.
Anderson, Ill.	AuCoin	Beard, Tenn.
Bennett	Gibbons	Patterson
Bevill	Gilman	Pattison
Biaggi	Ginn	Pepper
Bingham	Glickman	Perkins
Blanchard	Goldwater	Pettis
Blouin	Gonzalez	Pike
Boggs	Gradison	Poage
Boland	Grassley	Preyer
Bolling	Gudger	Pritchard
Bowen	Guyer	Purseli
Brademas	Hagedorn	Quillen
Breckinridge	Hall	Rahall
Brinkley	Hamilton	Regula
Brodhead	Hammer-schmidt	Reuss
Brooks	Hanley	Rhodes
Broomfield	Hannaford	Rinaldo
Brown, Mich.	Hansen	Risenhoover
Broyhill	Harkin	Roberts
Buchanan	Harris	Robinson
Burgener	Harsha	Roe
Burke, Fla.	Hefner	Rogers
Burleson, Tex.	Hightower	Rooney
Burlison, Mo.	Hillis	Rose
Burton, John	Holland	Rousselot
Butler	Holt	Roybal
Byron	Horton	Rudd
Carney	Hyde	Runnels
Carr	Ichord	Ruppe
Carter	Ireland	Russo
Cederberg	Jacobs	Ryan
Chappell	Jeffords	Santini
Clausen, Don H.	Johnson, Colo.	Satterfield
Clawson, Del	Jones, Okla.	Sawyer
Cleveland	Kazen	Scheuer
Coleman	Kelly	Schroeder
Collins, Tex.	Keys	Schulze
Conable	Kildee	Sebelius
Conte	Kindness	Sharp
Corcoran	Krebs	Shuster
Cornell	LaFalce	Sikes
Cornwell	Lagomarsino	Skubitz
Cotter	Latta	Slack
Coughlin	Leach	Smith, Iowa
Crane	Leggett	Smith, Nebr.
Cunningham	Lehman	Snyder
D'Amours	Lent	Spellman
Daniel, Dan	Levitas	Spence
Daniel, R. W.	Livingston	St Germain
Danielson	Lloyd, Calif.	Stangeland
Davis	Long, La.	Stanton
de la Garza	Lott	Stark
Delaney	Lundine	Steed
Derrick	McClory	Steers
Derwinski	McCloskey	Steiger
Devine	McCormack	Stratton
Dickinson	McDonald	Stump
Dicks	McKay	Symms
Dingell	McKinney	Taylor
Dodd	Madigan	Thornton
Dornan	Mahon	Traxler
Downey	Mann	Treen
Drinan	Marks	Trible
Duncan, Tenn.	Marlenee	Tucker
Eckhardt	Marriott	Udall
Edwards, Ala.	Martin	Ullman
Edwards, Okla.	Mattox	Van Deerlin
Eilberg	Mazzoli	Vander Jagt
Emery	Meyner	Vanik
English	Michel	Volkmer
Erlenborn	Miller, Calif.	Waggonner
Ertel	Miller, Ohio	Walgren
Evans, Del.	Mineta	Walker
Evans, Ga.	Minish	Walsh
Evans, Ind.	Moakley	Wampler
Fascell	Mollohan	Watkins
Fenwick	Montgomery	Waxman
Fish	Moore	Weaver
Fithian	Moorhead, Calif.	Whitehurst
Flippo	Moorhead, Pa.	Whitten
Flood	Murphy, Ill.	Wilson, Bob
Florio	Murphy, Pa.	Wilson, Tex.
Foley	Murtha	Winn
Ford, Mich.	Natcher	Wirth
Forsythe	Neal	Wolff
Fountain	Nichols	Wright
Frenzel	Nolan	Wydler
Fuqua	Nowak	Wylie
Gammage	Obey	Yatron
Gaydos	Ottinger	Young, Fla.
Gephardt	Panetta	Young, Mo.
Giaimo		

NOES—52

Annunzio	Duncan, Oreg.	Kastenmeier
Armstrong	Early	Kostmayer
Ashley	Edwards, Calif.	Lederer
Bedell	Fary	Long, Md.
Beilenson	Findley	McFall
Bonior	Goodling	McHugh
Bonker	Green	Meeds
Burton, Phillip	Holtzman	Mikulski
Cavanaugh	Howard	Mitchell, Md.
Corman	Johnson, Calif.	Murphy, N.Y.
Dellums	Jordan	Myers, Gary

Myers, Michael	Rosenthal	Studds
Nedzi	Rostenkowski	Vento
Oberstar	Seiberling	Weiss
Patten	Simon	Yates
Pease	Solarz	Zablocki
Price	Staggers	
Rangel	Stokes	

ANSWERED "PRESENT"—1

Alexander

NOT VOTING—86

Barnard	Heftel	Nix
Breaux	Hollenbeck	O'Brien
Brown, Calif.	Hubbard	Oakar
Brown, Ohio	Huckaby	Pickle
Burke, Calif.	Hughes	Pressler
Burke, Mass.	Jenkins	Quayle
Caputo	Jenrette	Quie
Chisholm	Jones, N.C.	Railsback
Clay	Jones, Tenn.	Richmond
Cochran	Kasten	Rodino
Cohen	Kemp	Roncalio
Collins, Ill.	Krueger	Sarasin
Conyers	Le Fante	Shipley
Dent	Lloyd, Tenn.	Sisk
Diggs	Lujan	Skelton
Edgar	Luken	Stockman
Evans, Colo.	McDade	Teague
Fisher	McEwen	Thompson
Flowers	Maguire	Thone
Flynt	Markey	Tsongas
Ford, Tenn.	Mathis	Whalen
Fowler	Metcalfe	White
Fraser	Mikva	Whitley
Frey	Milford	Wiggins
Garcia	Mitchell, N.Y.	Wilson, C. H.
Gore	Moffett	Young, Alaska
Harrington	Moss	Young, Tex.
Hawkins	Mottl	Zeferetti
Heckler	Myers, John	

Mr. TAYLOR changed his vote from "no" to aye."

Mr. BEILENSON changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

● Mr. LEGGETT. Mr. Speaker, I would like my colleagues to consider for a few moments the regressive impact of amendments which may be offered to the foreign assistance appropriations bill. I am of the opinion that certain proposals, which would reduce total aid, place restrictions on the development of competing commodities, and prohibit aid to Vietnam, Cambodia, Laos, Mozambique, Angola, Uganda, and Cuba on a political and human rights basis, are perhaps too desperate of an attempt to secure for Congress oversight and review of our foreign aid projects.

We have all been witness to the flow of power from the legislative to the executive branch in the past several years. The foreign assistance appropriations bill should not be treated as the occasion to retrieve some of our lost influence in the national policymaking process. In the first place, the charters of the lending institutions prohibit the acceptance of funds with restrictions on indirect aid. The current appropriation of $2.6 billion is the very minimum level of funding needed to maintain our voting power in the banks activities. The United States accrues important revenues from participation in the banks and triggers and encourages the contributions of other countries. Because of these factors, the sunshine legislation which is currently before House consideration would have the effect of eclipsing our total voting power and influence in the distribution of foreign aid, would cast a gloomy shadow over our economy and other economies, and most significantly, would darken the futures of less developed countries for sustained economic growth.

The United States has a strong economic self-interest in promoting unrestricted and full participation in the international banking institutions. The developing countries supply 50 percent of our imports. This includes 75 percent of our hard rubber supply, 50 percent of our copper supply, 60 percent of our bauxite supply and 50 percent of our tin supply.

Four hundred million dollars currently accrues from our participation in the banks. Although the present demand of the less developed countries for our manufactured goods helps to drain the market of surplus commodites and curbs inflation, it is not realistic to expect that these countries shall continue to rely on the industrial countries for manufactured goods, and will continue to be the suppliers of only raw materials. Aid to developing countries will inevitably promote industrialization and the resulting new markets will allow the United States to take in new trading partners, and by breaking market monopolies, will help distribute the gains of the market more equitably.

Participation in the banks generates 1 million jobs, $7 billion in foreign investment, and $300 million which are earned by U.S. holders of bank bonds. For every American dollar spent on developing countries, the international financial institutions spend $2 on goods and services in the United States. In view of our import, export, and investment relationships with the developing countries, we ought to examine closely those amendments which would place protectionist restrictions on the production of a few domestic commodities, and which would render our contributions to foreign development unacceptable.

Our political self-interest argues for keeping our hand in the lending banks. Poverty in the Third World creates a particularly volatile climate for political upheavals as has recently taken place in Zaire, Peru, and Afghanistan. Because some of the Third World countries have achieved nuclear capabilities, all efforts must be made to maintain favorable relations for effective arms limitation. For the politically explosive underdeveloped countries and the potentially nuclear equipped developed nations, restrictions must be abandoned when aid to these countries is considered.

We must depoliticize our aid to foreign countries. Forty-five percent of the urban poor are concentrated in Southeast Asia, but if political restrictions are placed on our aid to certain Asian countries, our contributions to alleviate this poverty will not be accepted. The Asian Development Bank currently uses its leverage in land reform to reverse the still feudal conditions which keep much of Asia impoverished. If our contributions to the Asian Development Bank are restricted or reduced, such activities may be curtailed.

More than a third of the world's population is starving. In 36 countries income averages less than $265 per person per year. In another 34 countries per capita income is less than $520 per person per year. Many Asian and African economies have a growth rate of 2 percent per year and a population growth which demands an accelerating economy. If we restrict or reduce our contributions to global development now, we may have to pick up the tab for global welfare later.

Instead of free food, to combat hunger, sound assistance to developing countries means providing the tools to alleviate poverty. The International Development Association (IDA) and Inter-American Development Bank (IDB) have led the lending institutions in "new directions." The IDA has increased its loans to the poorest countries from 79 percent in 1972 to over 90 percent in 1977. The IDB's concessional loans to the poorest countries have increased from 12.7 percent in 1970 to 57.5 percent in 1977. If the foreign assistance bill is further reduced, the activities of both banks would be jeopardized. The United States has only contributed 50 percent of its 1973 pledge to the IDA to date, and sustained failure to provide funds would put us in default on our international commitment and would encourage other members to renege on their own commitments. Because the contributions of all doners to the IDB are linked, our reductions would automatically reduce the contributions of the other countries. If the Long amendment, which would reduce funding to the IDB by an additional 31 percent were passed, the effect would be the loss of $750 million to Latin American countries.

For too long the industrialized countries in the West have been saddled with an image that the aid they offer to less developed countries is calculated to serve their own "imperialistic" interests. If we demand that our aid be accepted on our strategic terms, when other countries who control 75 percent of the banks offer unrestricted aid, or if we default on our pledges, we run the risk of perpetrating this image. The international financial institutions afford an avenue to shake this pejorative image, to offer aid unconditionally and receive more benefits than our own "strategic" terms could provide.

For the sake of our true interests—both political and humanitarian—Congress should accept the committee's request and oppose all restrictions on aid to underdeveloped countries.●

Mr. LONG of Maryland. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KAZEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12931) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1979, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on

the bill H.R. 12931, just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. YOUNG of Florida. Mr. Speaker, reserving the right to object, I do so only to inquire of the chairman of the subcommittee if he can give us some idea now as to what the plan will be for the further consideration of the bill we have had before us today?

Mr. LONG of Maryland. Mr. Speaker, if the gentleman will yield, it is my understanding—and I am not in charge of this, as the gentleman knows—that we plan to come in at 9 o'clock and take up the bill tomorrow, but I may be wrong on that.

Mr. YOUNG of Florida. Does the gentleman mean we will take it up for the balance of the day or until it is concluded?

Mr. LONG of Maryland. On that I have not been informed.

The SPEAKER. The Chair will respond.

We will begin consideration of the bill at 9 o'clock and proceed until 11 o'clock or 11:30. The Committee will then rise on that particular bill, and we will take up the conference report on the defense authorization bill which will be managed by the gentleman from Illinois (Mr. PRICE).

After the consideration of conference report has been concluded, we will take up the rule on the defense appropriation bill and hope to get in some of the general debate. We plan to adjourn at the regular time tomorrow.

Mr. YOUNG of Florida. Mr. Speaker, further reserving the right to object, when will this bill on foreign aid appropriations be rescheduled?

The SPEAKER. The Chair will state to the gentleman that the bill will be rescheduled when it is feasible to do so. In view of the fact that the consideration of the bill has taken so long, it is difficult to give an accurate prediction.

The Chair is anticipating and it is the belief of the gentleman from Texas (Mr. MAHON) that we can finish consideration of the defense bill by Tuesday. On Wednesday we anticipate taking up the CETA bill, and following that, the tax bill. When we have an opportunity, we will return to consideration of the foreign assistance appropriation bill.

Mr. YOUNG of Florida. I thank the Speaker.

Mr. LONG of Maryland. Mr. Speaker, if the gentleman from Florida will yield, I could not quite hear what the Speaker said.

Do I understand the Speaker plans to resume consideration of the foreign aid bill, except for tomorrow, on next Wednesday?

The SPEAKER. The gentleman is not correct. After the defense bill, we will take up the CETA legislation, and following the CETA legislation we will consider the tax bill. At the first opportunity when we have an opening on the calendar, we will come back to this bill.

Mr. LONG of Maryland. Mr. Speaker, it is obvious that tomorrow we will not be able to finish the bill in 2 hours.

Could the Speaker give us any idea when the foreign aid bill will be rescheduled?

The SPEAKER. The Chair will state that in days gone by it was possible to schedule legislation in such a manner, but when the House consumes 2 days on a bill that it used to complete in half a day, it makes it difficult to schedule legislation; so it is difficult to say when we will come back to the foreign aid bill.

The Chair might add that there are other emergency matters of special importance to the House that we must take up before we can get back to this legislation.

Mr. LONG of Maryland. I thank the Speaker.

Mr. YOUNG of Florida. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT ON TOMORROW, FRIDAY, AUGUST 4, 1978, DURING THE 5-MINUTE RULE

Mr. CORNWELL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce may be permitted to sit on tomorrow, Friday, August 4, 1978, during the 5-minute rule for the purpose of taking testimony only.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FOREIGN AID AND POPULATION ASSISTANCE

(Mr. SISK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SISK. Mr. Speaker, the foreign assistance appropriation bill before us today, H.R. 12931, allocates $195,000,000 for population programs. I fully support population programs, but I firmly believe that as they are now structured by AID they are not doing the job.

The population problem is getting worse, not better, in the developing world and the need for corrective action is now.

Last March, the distinguished chairman of the Subcommittee on Foreign Operations held a special hearing on population matters, with particular reference to AID's programs in this area. Notably, every expert who testified suggested that this program was not workable and should not be given increased funding. Dr. Irene Tinker, head of the Office of International Science, AAAS, and president of the International Center for Research on Women pointed out:

Population programs have largely been based on the theory that women, especially women from the lower socio-economic levels, have many children because they lack the knowledge or access to contraception. It follows from this theory that the development of safe contraception and its wide dispersal will lead to smaller family size.

Unfortunately, the theory is not based upon accurate scientific data.

Dr. Kingsley Davis, considered by many as the dean of American demographers, and former president of the American Population Association, testified:

In short, the main purpose of population policy in less developed areas—to eliminate rapid population growth and thus remove it as a major obstacle to raising living standards—has not been accomplished. I do not believe it can be accomplished by an exclusive family planning approach.

Speaking before the Select Committee on Population earlier this year at the invitation of the chairman, our distinguished colleague, JIM SCHEUER, Dr. Davis declared:

The inadequacy of these (family planning) policies is suggested by the fact that population growth in the less developed countries as a whole has *not* slowed down, but has *increased* . . . The rate was 9.96 percent in 1950–55, and 12.26 percent in 1970–75. According to the projections the rise in rate is due to continue for another half decade, after which a slow decline will set in. However . . . , the absolute increase of population in the less developed countries is projected to go on increasing despite a slight decline in the rate. In 1995–2000, the five-year increase will be 451.4 million, whereas in 1950–55 it was only 163.6 million. These figures do not indicate that the effort to limit population growth has been successful or will be successful. On the contrary, it looks to be probably the most tragic failure in the entire history of the human species. (Emphasis added.)

Every 5 years, Mr. Speaker, the world adds over 366 million people, compared to 221 million people in the 5 years between 1950 and 1955. Much has been made of the fact that in a few countries, mostly small islands and enclaves, birth rates have declined. For example, the birth rate in Trinidad and Tobago dropped 16 points between 1950 and 1975. But surprisingly, that country did not have an official family planning program. But in Nepal, where an official family planning program has been in existence for many years with U.S. support, the recent results of the World Fertility Survey show the birth rate increasing, from 40.0 to 44.7.

Similarly, take India, Bangladesh, and Pakistan, all nations which have had long established family-planning programs. What has happened? The birth rate in Pakistan and Bangladesh remains unchanged, while the growth rate has dramatically increased. In India, a nation with family-planning programs for almost 30 years, the birth rate has recently begun moving upward.

In most of the developing world, average desired family size is between four and six children, and in Africa the average is greater than six. But our entire philosophy has been simply to allow and encourage people to have the large number of children they desire. This is precisely what has caused the population problem; it cannot be considered its cure.

Our distinguished coordinator of population affairs, Ambassador Marshall Green has put it this way:

Excessive population growth, perhaps more than any other single phenomenon on

the world scene, threatens denial to our children and their children and endless generations to come of those very goals which mankind seeks: life, liberty, and the pursuit of happiness.

As long as most couples want families of four, five, and six children, rather than one, two, or three, it will be impossible humanely to bring down average fertility to a replacement level . . .

The crucial question comes down to how to achieve as soon as possible average family sizes of two rather than the five-six children which are now prevailing . . . Obviously, this cannot be achieved by family planning programs alone, no matter how widespread, how freely available, and how acceptable and effective the means of birth control. . . . (Ambassador Marshall Green, Coordinator of Population Affairs, Dept. of State, before the International Seminar on Population, Employment, and Change, November 3, 1977.)

Accordingly, AID's present population programs are unworkable. This is not the time, Mr. Chairman, to undertake a dramatic change in our population policy. But it is time to say to the managers of these programs that they must be changed, they must be effective, if we are going to vote—year after year—to spend millions of dollars of the taxpayers' money.

Our distinguished colleague, CLARENCE LONG, addressed this question to his expert panel last year. They all recommended that no additional funds be spent. I wish to share this exchange with my colleagues:

Mr. LONG. In 1976, $103 million was available for population planning. In 1977, it's $143.4 million. This year, they are asking for $177 million. In view of what you have told us here today, would you feel that we justified in increasing the appropriation above last year's appropriated level?

Mr. DAVIS. No.

Mr. BLACKWELDER. No.

Mr. DAVIS. Not unless there is reorganization. Not unless the program is changed.

Dr. TINKER. I would agree with that.

Mr. DAVIS. Otherwise, how can you change it? That is your leverage.

(Hearings before the Subcommittee on Foreign Operations and Related Agencies, U.S. House of Representatives Appropriations Committee, March 31, 1977, pages 368–412.)

And as recently as this June, in its report on the foreign aid appropriations bill the committee stated its belief that—

Merely providing methods for controlling births is not the complete answer to the population problem. Additional factors must be considered and AID needs to concentrate more on correcting the factors that cause high birth rates.

It noted further that—

Additional population development assistance should be provided to countries that show a positive concern toward their population growth problems and have taken active steps to reduce this growth. Countries that have not shown a positive and active concern in their own population growth problems should be excluded from receiving such assistance.

In closing, Mr. Speaker, let me say that there have been many witnesses who have ably suggested what changes should be made in these programs. These programs must be designed to give people the incentive to reduce their family size. This can be done as it has been in Sri Lanka and Singapore. Both of these countries have provided greater economic and social benefits to those couples who have limited their family size to less than 3 children. It is time AID got the message: The Congress will not fund unworkable programs.

A CALL FOR JAPAN TO CONTRIBUTE TO FREE WORLD DEFENSES

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, yesterday I discussed our security relationship with Japan in terms of Japan's expenditures for defense as related to those of the United States and other free world nations. Today I will outline some additional effects of this imbalance and possible ways to achieve greater contributions by Japan to free world security.

Growing problems in our defense relationship with Japan demand that we turn our attention to them. As I spoke of yesterday, Japan's insufficient acceptance of its defense responsibilities is having substantial effects on the U.S. militarily, politically, and economically.

A report to the Congress by the Comptroller General dated June 15, 1977, and entitled "The United States and Japan Should Seek A More Equitable Defense Cost-Sharing Arrangement" states,

The 1960 Treaty of Mutual Cooperation and Security sets forth the mutual United States-Japan defense interests and obligations, recognizing the common concern of maintaining international peace and security in the Far East. It provides that the countries will, individually and in cooperation with each other, maintain and develop their capacities to resist armed attack, subject to their constitutional provisions. The treaty also requires the United States to act to meet the common danger of an armed attack against Japan, in accordance with U.S. constitutional provisions and processes, and to consult with the Government of Japan before making changes in U.S. forces or combat equipment deployed in Japan.

Due to article 9 of the Japanese Constitution which prohibits the maintenance of war potential, and a self-imposed limit by the Japanese Government of 1 percent of the GNP for defense spending, the Japanese burden for mutual security is terribly inadequate. When we look at the facts it is clear that the United States is pulling more than its share of the load.

Over 47,000 U.S. military personnel are stationed in Japan. Direct costs are $1 billion annually. U.S. Naval Forces are used to keep sea lanes open to facilitate trade, along with U.S. forces deployed in other Asian countries. For example, at the time of the Comptroller's report to the Congress there were over 40,000 U.S. forces in Korea at a cost of $600 million annually, because Japan has stressed that stability in Korea is vital to its interests.

In addition to this the U.S. military employs 24,000 Japanese citizens costing $400 million annually. Not only does the United States pay their salaries it also provides for their retirement as part of the Federal retirement system. Twenty million dollars is spent annually in Department of Defense retirement accrual for Japanese employees. Cumulative retirement liability exceeds $300 million. An additional $1 billion was recently set aside for upkeep costs. These expenditures tax our economy to a point that they can no longer be ignored.

Japan, on the other hand, is expected to spend only $535 million for land rental fees in 1978 to house U.S. forces. Development assistance of $1.3 billion to countries in Asia is their only other contribution. In light of the fact that Japan is currently the free world's second largest economy, these contributions to mutual security are far too low.

With an economy that powerful, Japan should feel obligated to maintain a military system in proportion to it. As of now Japan's armed forces are 10 years behind other major powers. This situation must be altered, and now is a prime time for the change to occur. The nation of Japan is speaking in regard to defense with candor as never before, and it appears that they are beginning to view their defense spending limit of 1 percent of the GNP as impractical and inequitable.

The time is right for Japan to substantially expand their defense forces and for the United States and Japan to seek a more equitable defense cost-sharing arrangement.

In the report I mentioned earlier, some alternatives for cost-sharing methods were offered. The concept of complementarity would involve the United States and Japan developing complimentary military defense capabilities. Goals for increased Japanese financial contributions would include: First, logistical support; second, improved compatability between the United States and Japan; and third, increased operational cooperation This has potential for reducing our expenditure and would involve Japan assuming an increased role in mutuality.

Other alternatives are labor cost sharing and joint use of underused military facilities. According to the report, joint use would increase opportunities for cooperation with Japan, meet self-defense force needs, and better use of increasingly expensive facilities—

In comparing the continuously large United States bilateral trade deficits with Japan, and the multibillion dollar cost of stationing U.S. forces in Asia, with Japan's modest defense expenditures and tremendous economic capabilities, I feel strongly that the U.S. is justified in seeking increased Japanese support for common defense costs.

Failure to redress the imbalance between ourselves and Japan in terms of security expenditures will only exacerbate the balance of payments problem as well as to weaken our mutual security over the long haul. The responsible leadership in both countries should act promptly to address this problem.

CONGRESS SHOULD BREAK THE POSTAL SERVICE MONOPOLY

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, our country became great because enterprising Americans put their shoulders to the wheel, and their imaginations and their talents to work.

But in this day of Government interference and over-regulation, there is always some arrogant bureaucracy or quasi-government agency to step in and try to break that enterprising spirit.

The latest example of overbearing bureaucratic arrogance is the Postal Service action to stop 14-year-old Kenny Maguire of Charleston, S.C., from delivering messages and such as wedding invitations in his neighborhood.

Young Kenny earned $10 delivering 80 wedding invitations, but the Postal Service stopped his business because they said it interferes with their legal monopoly over mail delivery.

Never mind that Kenny Maguire's delivery service was faster and less expensive.

I believe that Congress should break the Postal Service monopoly, so that enterprising Americans like Kenny Maguire can provide the American people with the mail service that they expect and should receive, but are not getting from the Postal Service.

I would like to include a Phoenix Gazette editorial on this subject at this point in the RECORD:

[From the Phoenix Gazette, Aug. 2, 1978]

GOLIATH SOMPS DAVID

Just as an elephant is afraid of a tiny mouse, so the U.S. Postal Service fears Kenny Maguire, age 14. The lad has been running a neighborhood delivery service in Charleston, S.C., so the Postal Service decided that he was violating federal law and competing illegally.

The feds, you see, have a monopoly on first class mail. Maguire had been charging 5 cents to destinations below Broad Street, and 8 cents above Broad. He cleared $4 in June, but it was a big contract that brought down the postal inspector. He delivered 80 wedding invitations, which shot his July earnings up to $10—and shot down his summertime self-employment.

Years ago it was common practice in small towns to give a child a couple of pennies, or even a nickel, to take a message to someone. Were all these children breaking federal law, and were all the message senders guilty of being an accessory before the fact?

Suppose one writes a note to his banker, puts it in an envelope—then delivers it personally? Does that put one in competition with the Postal Service?

The situation in Charleston is duplicated all over the nation in cities of any size. First class mail service within the city is poor; that is, sometimes letters travel faster from coast to coast than from one block to another.

Thus there is a void existing. Kenny Maguire's service was inexpensive and fast, and the U.S. Postal Service simply could not compete with that.

THE CASE AGAINST CONSOLIDATION OF HELICOPTER PILOT TRAINING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, during debate on H.R. 13635, the Defense Appropriations bill for fiscal 1979, it is anticipated that an amendment will be offered to consolidate undergraduate helicopter pilot training. The proposal is not a new one. Specifically, this is the third successive year that this proposal has been brought before the Congress by the Defense Department. In each previous instance the proposal has been decisively rejected.

Several issues should be brought to the attention of the Members today:

First, let me emphasize the fact that the Navy does not seek consolidation. The Army has not proposed consolidation. The proposal comes from the Office of the Secretary of Defense through the efforts of individuals who are not nor have ever been Navy or Army aviators. They are think-tank planners who make a career of their profession. They base their proposal for consolidation on factors which ignore Navy requirements for specialized training.

Vigorous objections to consolidation have been made by many of the Navy's outstanding leaders including Adm. Thomas Moorer, former Chief of Naval Operations, widely recognized for his great contributions in uniform. Those in the Navy who support consolidation in the main do so under orders from OSD.

The principal argument for consolidation of helicopter pilot training is a claim for very significant cost savings. Two years ago, consolidation was voted by the House simply on the claim that it meant $100 million in savings. A very large percentage of the Members had not heard the full debate. They were simply told, as they came in the doors, to vote for the amendment and save $100 million. The Senate looked more carefully at the facts and voted just as decisively against consolidation. The proposal was dropped in conference.

Last year there was not a vote in the House, but the Senate, looking at the facts, voted 75 to 21 against consolidation.

Nothing daunted the think-tank planners are back again. The facts have not changed. It was brought out in 3 days of hearings in the House Committee last year that instead of a saving of $100 million the costs would be very similar, the saving would be minimal, and it could even cost more for the Army to provide training to meet Navy requirements than the present Navy costs.

As a matter of fact, it took last year's hearings on this proposal to cause the OSD group to realize that the Army training syllabus would need many hours of training added to it to meet minimum standards for Navy helicopter pilot training. The present difference in the Army and Navy programs shows a total of over 30 additional simulator and flight hours required in the Navy program.

There are key issues upon which the continued rejection of the proposal for consolidation must be based. In their training syllabus, it is very clear that the Navy is meeting two specific objectives. First is the education and training of naval officers to naval standards. The second is the transition from basic fixed-wing flight training into the rotary-wing environment—something the Army does not consider necessary or desirable. The Navy does not consider that either objective can be properly accomplished within the Army flight training program.

A primary issue upon which the rejection of the training consolidation proposal is based is the purported cost avoidances which OSD claims can be gained through consolidation.

Now let us summarize. Two years ago OSD was claiming that consolidation would save $175 million in a 5-year period, or $35 million per year. Our subcommittee reviewed OSD's proposal. Serious questions were raised on the obvious lack of formal analysis or sound documentation to accompany the OSD recommendation. We requested a formal study which was to be reviewed in the next appropriation hearings.

That study was purportedly done as an objective analysis of the cost avoidances which might accrue to UHPT consolidation. However, information was contradictory. In essence, the upper-level, "ivory tower" planners held to their claims of savings based on theory. The Navy side of the controversy was given a once-over-lightly treatment. By no stretch of the imagination could the Navy have been said to be a full partner in the discussions on costs or training requirements.

Three days of hearings were held on the issue last year. The hearings were available to everyone. They show the following:

The OSD analysts did not ask the Navy for assistance in analyzing the Navy cost figures. As a matter of fact, the OSD representatives admitted in the hearing that the Navy was never formally advised of any study of their training program; they were not even advised of visits to the Navy training installations by the OSD representative in question.

When the cost analysis was completed by the in-house OSD group, after a period of several months in preparation, the Navy was given 5 days—2 of them weekday days—in which to analyze and comment on the OSD analysis. Even then their views were reported in a separate section of the document, as though through an afterthought.

Last year's hearings also demonstrated several significant facts on purported cost avoidance. First, by the time the hearings were held, OSD's claims on cost avoidances had dropped from $35 million per year to $20 million per year—simply because the subcommittee had asked for documentation on their claims; but documentation could not be produced. Then, during the hearings, an exhaustive audit trail of the OSD cost analysis was produced which clearly showed the real cost avoidances—a maximum of $11 million in 5 years, or about $2 million per year. But that was the maximum; it could easily cost more to consolidate, and it is certain that the program will not meet Navy's requirements.

I want now to ask your indulgence and urge that you read the Audit Trail which was developed during last year's hearings.

AUDIT TRAIL OF OSD UNDERGRADUATE HELICOPTER ANALYSIS

(Developed from factual information available to but not used by OSD)

The OSD study purports to cost out for 5 years (FY78 through FY82) Navy helicopter training as currently operated. For Navy it is done from a zero base. In contrast, a 5 year Army cost for a "175/40" syllabus is shown only as an incremental increase, with no illumination of Fort Rucker's cost from a zero base. The study attempts to establish a total cost of Navy undergraduate helicopter pilot training for 5 years (FY78-82) of $222.8 million. It states that Army costs to do a similar but still incomplete job for the same period are $119.0 million. It avoids any source documentation or statistical data for Army figures, so that the $119 million must be accepted on faith from OSD. However, the $222.8 million costs attributed to Navy are challenged as follows:

(1) *Out year start point.*—A reduction in Navy helicopter training costs is already included in the Five Year Defense Plan (FYDP). OSD ignored this and leveled out for the five years an FY78 total of $34.42 million. Using a base of $34.42 million annually for five years instead of accepting the FYDP base for Navy UHPT for FY78-82 wrongly count as costs built in savings in Navy's plan which average better than $6.4 million per year in the out years, as the following table illustrates:

[In millions]

Navy UHPT costs	Fiscal year 1978	Fiscal year 1979	Fiscal year 1980	Fiscal year 1981	Fiscal year 1982
OSD costing	$34.42	$34.42	$34.42	$34.42	$34.42
Navy costs in FYDP	34.42	29.19	27.28	27.67	27.87
Difference	0	5.23	7.14	6.75	6.55

OSD/Navy 5 yr. difference: $25.7 million.

(2) *Other program budget decisions.*—In the December '76—January '77 time frame other budget decisions were made and implemented impinging on helo training which adjusted costs for such things as fuel prices, industrial fund pay raises, etc. These adjustments were not accounted for in the OSD study so certain savings attributed to the consolidation, if allowed to remain, would be double counting. The net difference reduces the alleged savings.

OSD/Navy 5 yr. difference: $1.7 million.

(3) *Fort Rucker detachment costs.*—If Navy helo training is moved to Rucker the requirement for 100 Navy officers, 109 Marine officers, and 20 Navy enlisted men equates to $4.4 million per year (FY79-82) as opposed to the understated detachment costs in the OSD analysis of $3.5 million per year.

OSD/Navy 5 yr. difference: $4.0 million.

(4) *Prior year investment costs.*—Savings in appropriations should be limited to just $2.7 million for outlying fields and $0.5 million for a flight simulator building. An additional $3.0 million in cost savings claimed by OSD for procurement of a flight simulator if Navy retains its helicopter training is actually either a cost avoidance or a wrongly stated new requirement. Army says that they do not have to buy an additional simulator if they get Navy helo training, which means that if they don't get Navy helo training they have sufficient assets in flight simulators to transfer one to Navy. The $0.5 M is the cost of a building in which to put the flight simulator.

OSD/Navy 5 yr. difference: $3.0 million.

(5) *Reimbursable costs for foreign students.*—OSD mistakenly charged as Navy helicopter training costs the expense of training foreign students. These costs are reimbursable and should not be charged to military training accounts.

OSD/Navy 5 yr. difference: $8.8 million.

(6) *Support tail and military support.*—The OSD analysis costed Navy's support tail and military support based on the F78 total leveled out for the five years. Support tail and military support should be applied only against the actual numbers for each year, which are considerably less. (Same principle as item 1.)

OSD/Navy 5 yr. difference: $8.9 million.

(7) *Increases in student load.*—OSD extrapolated an increase in Navy's student load in the out years from an FY 78 budget base. If the FY 79 workload increases 10%, OSD reasoned that costs should increase by 10% and added this cost arbitrarily to the FY 78 budget base, extended into the out years. In so doing OSD ignored economies already built into Navy's plan by the Integrated Flight Training System (NIFTS) which shifts flight training costs into the least costly vehicle. (For example the T34C teaches instruments at a cost of $81 per hour as opposed to $240 per hour for the TH-1 helicopter.) This amounts to a double penalty since by adjusting its FYDP base Navy had already accounted for this workload increase. (Same principle as item 1.)

OSD/Navy 5 yr. difference: $10.8 million.

Five year total of items 1 through 7 above: $62.9 million.

In the following item OSD underestimated amounts which would increase the alleged savings by moving Navy helo training to Fort Rucker:

(1a) *Base operating support adjustment.*—Although moving Navy helo training will not result in closure of Whiting Field, there remains a reduction in Base Operating Support at Whiting Field attributable to helicopter training alone.

OSD/Navy 5 yr. difference: $5.8 million.

Five year net of total OSD/Navy differences: $62.9M − $5.8M = 57.1 million ($57.1 million is the net reduction in alleged savings).

OSD's claimed 5 year savings by merging Navy helicopter training under the Army is arrived at as follows:

OSD estimate of Navy 5 year costs: $222.8 million—(from a zero base).

OSD estimate of Army 5 year costs: −$119.0 million—(as an incremental increase).

Difference: $103.8 million (savings).

However, if the mathematical sum of the previous erroneous items are subtracted from this claimed $103.8 million 5 yr. savings, the claimed savings are reduced as follows: $103.8 million −$57.1 million = $46.7 million.

Thus lacking any challenge by the OSD study to program costs attributed to the Army, the initial savings for 5 years are reduced from $103.8 million to $46.7 million.

However, the $46.7 million includes a cost avoidance of $23 million for T34C aircraft procurement. Extracting this cost avoidance reduces claimed savings as follows: $46.7 million −$23.0 million = $23.7 million.

However, the proposed Army flight training syllabus, admittedly by OSD, lacks sufficient instrument hours to meet Navy requirements. An additional 20 hours of instrument time would be required of each Navy student which OSD costs out at $1.1 million for FY 78 and $2.9 million per year for FY 79-82. This is a total additional cost of training, if Navy is moved to Fort Rucker, of $12.7 million, and reduces claimed 5 year savings as follows: $23.7 million, −12.7 million = $11.0 million.

This $11.0 million 5 yr. savings averages out to $2.2 million per year for the five years, based on an unaudited Army cost figure.

However, the OSD error in Navy cost calculations ($57.1M) represents 25% of the total OSD 5 year estimate of Navy costs. If OSD costs are in error by 25% in favor of Army costs to justify this proposed merger, then the country stands to lose at least $20 million over the next five years.

Further, if training aircraft are not procured for the Navy they must eventually be procured for the Army, unless it is assumed that Navy helicopter training is a terminal program that will be phased out in the near term. By using OSD rationale, if training aircraft are procured for the Army, and if it is assumed that those aircraft would be as economical as the Navy's T34C, then the $23 million procurement cost must be moved from the Navy column to the Army column. Instead of negligible dollar savings over five years as a price for all the turbulence of shifting Navy helicopter training to the Army, the country could be left with an additional five year cost of $43 million dollars, simply by using OSD's rationale of equating investment costs with operating costs.

ANALYSIS OF THE GENERAL ACCOUNTING OFFICE MAY 5TH REVIEW OF THE OSD REPORT

The GAO May 5, '77 review substantiates the previously recorded errors in the OSD report since it states, specifically, on page 2 that it used only "the Navy's budget estimate for conducting a separate program during fiscal year 1978." This means that the GAO leveled out FY 78 base figures and ignored Navy's out year program for FY 79-82 already in the FYDP, which is budget quality data. This FY 79-82 outyear program was included in the Navy cost analysis sheet enclosed with the OSD report, and immediately available to the GAO.

The GAO review also admitted on page 2 that it did not audit Army figures, stating "we did not verify the accuracy of each service's cost estimate but believe that the estimates represent the best available data since their budgets for the program are based on this data." The GAO cannot have it both ways. If they accept Army program data, which is just an estimate, for Navy helicopter training for five years, then they should have accepted Navy program data derived from the FYDP for the full five years, which shows a substantial reduction in FY 79-82. These reductions are due to changes in aircraft mix to use more fuel-efficient aircraft, and changes in military manpower and support due to shifting to contractor maintenance.

These basic errors of omission on the part of the GAO lead it to the erroneous reading of $5.8 million annual savings in military retirement costs on page 3. Since Navy's initial plan included contractor support for the T34C aircraft, and since Navy could go to contractor support for their helicopter program if it is retained by the Navy, this potential reduction in military retirement costs is largely included in the plan.

This substantiates the need for both OSD and GAO to limit their acceptance of Navy's planned program to just FY78 in order to support their claim of major savings. It is obvious that under either Army or Navy programs where contractor support is used in-

stead of military support, military retirement/veterans benefit costs no longer apply. Therefore the GAO figure of $5.8 million savings over Navy's program for FY79–82 are misleading, and false in the context of occurring simply because of the UHPT consolidation. These savings accrue in the outyears under either program due solely to the shift to contract maintenance.

Further, the GAO review mistakenly attributes $3.4 million annual savings in base operating costs to Pensacola Naval Air Station from elimination of Navy helicopter training, on the basis that Navy helicopter students would no longer be supported by NAS Pensacola. This is false because the base operating support costs for NAS Pensacola result from the attendance of all students, including helicopter trainees, at the Naval Aviation Schools Command for pre-flight training, which would continue even under the proposed consolidation. Therefore there are no savings here.

One significant feature is that the Army flight training syllabus lacks sufficient instrument hours to meet the Navy requirements. To complete this training in the Navy's T–34C would cost approximately $81 per hour, as opposed to $240 per hour to accomplish the training in the Army's TH–1 training helicopter. Additionally, 21 T–34C's which have already been authorized and had funds appropriated are presently on a hold status in DOD because of the UHPT issue. Those aircraft are available now to do this training. Keep in mind that if these aircraft are not procured by the Navy, they will eventually be needed in some form by the Army to accomplish this training.

You have been told that GAO supports consolidation. What you have not been told is that the hearings indicate that OSD and GAO worked out an agreement prior to GAO's review of the OSD analysis to insure that GAO would support the OSD position.

As recently as May 18 of this year GAO provided an unsolicited letter to the chairmen of the Appropriations and Armed Services Committees requesting their support of this consolidation. The initiator of that letter, Mr. M. W. Kandle, is a former OSD employee and colleague of the OSD officials who are now pressing for UHPT consolidation.

Most of us in Congress have high respect for GAO and its personnel. We want to have confidence in its findings. Usually we do. However, there is a clear showing that the present GAO recommendation does not have the solid basis of impartiality which we have come to expect.

I will repeat that at no time in the debate today will you hear that there is broad-based support for this consolidation. The Navy does not want it. The Army will only do the training if ordered to take it on. The only impetus for this proposal comes from the two or three zealous civilian representatives who apparently have enjoyed a highly paid career seeking to accomplish consolidation and who have stopped at nothing to see their objectives, right or wrong, reached. One can find few uniformed officials who support the proposal. The ones who do are either senior officers who must support the proposal in public or turn in their uniforms; or they are relatively junior officers who may be supporting the proposal because they see advancement and promotion at the end of the rainbow.

It has been pointed out time and again, with good reason, that this proposal is really the first step by civilians in the Office of the Secretary of Defense to consolidate all flight training of all the services into one neutered program which will not serve the specific requirements of any service. If these civilians have their way, flight training will eventually be accomplished at one giant training base.

I will conclude these remarks by stating that the case against the consolidation of the Navy and Army helicopter flight training programs is clearly laid out in the record. The Navy must retain its capability to accomplish this training simply because their requirements and the type of flying they do differs from the Army. The cost avoidances which the civilian, nonflying, nontraining oriented officials speak of are illusory.

In summary, I stand firmly behind my remarks of June 9 of this year to the Comptroller General of the United States when I said:

I have maintained throughout this issue that should anyone ever demonstrate convincingly that: (1) the Navy's total UHPT and officer training requirements could be met in any Army training, and (2) that the cost savings be compelling, the Congress would rush to a consolidation of UHPT, my position notwithstanding. In fact, I would support consolidation under those conditions. It has not happened. And it will not, because so many in the Congress now understand all of the facts of this issue.

GOVERNMENT ACCOUNTABILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 5 minutes.

● Mr. STEIGER. Mr. Speaker, the decision by the Ways and Means Committee to support significant reductions in taxes confirms my belief that the 95th Congress will provide meaningful tax relief for our citizens—including a substantial reduction in the tax rate for capital gains.

Throughout this debate we have been aware of the alarming increase in the level of the Federal deficit and the need to control Federal expenditures.

I believe that the present mood of the Congress supports this goal and I anticipate that considerable attention will be paid to this issue in the first session of the 96th Congress.

The bill I am introducing today with my colleagues, Messrs. GEPHARDT, HORTON, and FUQUA—the Government Accountability Act of 1978—will not in itself resolve these vital issues but will provide an important first step in the process which the Congress must undertake.

Under its provisions, the President would be required to rank all Federal spending programs within most departments in the executive branch so as to provide his insight into the relative effectiveness of these programs. In general terms, the President's ranking will be based upon the statutory basis of the program, the design of the program as implemented by the agency and the quality of the management effort put forth by the agency.

The report will be required during January of 1979 and every 2 years thereafter.

A second, discretionary portion of the report, will permit the Director of OMB to provide specific suggestions aimed at strengthening existing programs or eliminating those whose existence can no longer be justified. I wish to emphasize the concept of strengthening ineffective programs. Ranking a program as the least effective should not be tantamount to elimination. It should assure action that will result in more for our tax dollars.

I would also suggest that the ranking called for in this report is an ongoing process in the executive branch. This process should be the basis for President Carter's commitment to zero-base budgeting. However, the fact that this bill requires a ranking on a comprehensive basis and that the results be made public will permit the public to participate in this process for the first time.

In my view, the public must be permitted access to this process if we are to succeed in limiting Federal expenditures in the years ahead.

Senator PERCY is the Senate author and we discussed this concept with many of our colleagues and have found considerable bipartisan support. We will circulate the bill for cosponsorship in both Houses of the Congress and I urge my colleagues to carefully consider this concept.

H.R. 13723

A bill to require biannual reports to Congress on the effectiveness of Government programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Government Accountability Act of 1978".

SEC. 2. (a) The Congress finds that—

(1) the public confidence in the ability of the Congress and the Executive branch to manage the Federal government effectively has declined;

(2) the Federal government is not as accountable as it should be in serving the public interest;

(3) the Federal government, unlike private enterprise, has no built-in mechanism for calling attention to and eliminating programs that are not proving to be cost effective;

(4) the Executive branch, the Congress and the public do not possess adequate information on the relative effectiveness of Federal programs.

(5) the taxpaying public is properly demanding more accountability for the expenditure of tax revenues and demanding that the public expenditures not grow any larger with respect to the economy as a whole;

(6) the further uncontrolled growth of government will pose a threat to our democratic society and economy;

(7) the Federal government cannot be competently managed and new programs for future needs cannot be implemented unless workable management techniques are developed to assess program effectiveness; and

(8) such limitations demand that all Federal programs should be evaluated using traditional management standards and that ineffective programs should be strengthened to better serve the public or eliminated.

(b) The purposes of this Act are to—

(1) provide for a far more professional and efficient management of the Federal government;

(2) identify those programs which are ineffective and determine the cause of their ineffectiveness;

(3) encourage the development of uniform methods for evaluating Federal programs;

(4) provided Congress additional tools needed to identify ineffective Federal programs.

SEC. 3. (a) For the purposes of this Act—

(1) The term "program" means an organized set of activities carried out pursuant to separate statutory authorization or for which Federal expenditures are specifically allocated by the Federal Government, and which can be evaluated in terms of relative effectiveness in pursuing a governmental goal, but shall not include national foreign intelligence activities;

(2) The term "executive department" shall have the meaning given it in section 101 of title 5, United States Code.

(3) The term "independent establishment" shall have the meaning given it in section 104 of title 5, United States Code, except that such term includes the United States Postal Service and the Postal Rate Commission but does not include the General Accounting Office or the independent regulatory agencies.

SEC. 4. (a) At the beginning of the 96th session of Congress and every two years thereafter the President shall submit to the Congress a report on the management of the executive branch (hereinafter called the "Management Report"). The Management Report shall be submited on the same day as the budget is transmitted to the Congress under section 201 of the Budget and Accounting Act, 1921.

(b) It is the intent of Congress that the President shall be granted full discretion in the design of the Management Report provided that:

(1) Programs shall be:

(i) designated within each executive department and within each independent establishment, according to their relative effectiveness, as excellent, adequate, or unsatisfactory, and

(ii) ranked as to their effectiveness relative to all other programs within each category in that executive department or within that independent establishment.

(2) The designation and ranking of programs as to relative effectiveness shall be determined by the degree to which each program's statutory objective is being met, which shall be based on:

(i) the clarity of the statutory design and objective upon which the program is based,

(ii) the overall design of the program as effectuated by the responsible Executive department or independent establishment, and

(iii) the overall quality of the management of the program by the responsible Executive department or independent establishment.

(c) The Management Report shall include the President's reasons for the program designations and rankings he has made.

(d) The Management Report shall include a list of those programs or areas the President recommends for administrative or Congressional improvement during that Congress.

(e) The Management Report shall include the report of the Director of the Office of Management and Budget required under Section 5 of the Act, including the President's recommendations and proposed actions pursuant to it.

SEC. 5. (a) The Director of the Office of Management and Budget (hereinafter called the "Director") shall provide an evaluative report on Federal programs to the President which shall be forwarded to the Congress by the President with his Management Report.

(b) In his report the Director shall identify any programs, including those carried out by the Independent Regulatory Agencies, that are contradictory to other Federal programs and recommend corrective legislation. The Director shall also recommend the termination or modification of any programs whose relative ineffectiveness no longer justifies continued Federal expenditures or only justifies a lower level of Federal expenditures.

SEC. 6. The President may from time to time submit to the Congress reports supplementary to the Management Report, each of which shall include such supplementary or revised recommendations as the President may deem necessary or desirable to achieve the purposes of this Act. The Director may, from time to time, submit to the President reports supplementary to the report required by section 5.

IF NOT THE BEST, AT LEAST NOT THE WORST

(By Laurence H. Silberman)

(NOTE.—Laurence H. Silberman is a Senior Fellow at the American Enterprise Institute and counsel to the law firm of Dewey, Ballantine, Bushby, Palmer & Wood. He is a former undersecretary of labor, deputy attorney general of the United States, and ambassador to Yugoslovia. He is a vice chairman of the Republican National Committee's Advisory Council on General Government and chairman of its subcommittee on Efficacy and Accountability of Government Programs. This article benefited from contributions by other members of the subcommittee, the majority of whom are in agreement with the proposal.)

In this article I offer a legislative proposal to help identify those relatively ineffective governmental programs eligible for termination. I do so in the conviction that the inexorable, fundamentally aimless growth of government has become a serious, even dangerous, economic and social burden to our society. I also believe—and this is a separate consideration—that good management of government, the rational deployment of public sector resources, is virtually impossible unless we develop workable and credible techniques to bury our past governmental mistakes.

Candidate Carter promised the American people that, if elected, he would truly manage the federal government. Brandishing his own Excalibur, zero-based budgeting (hardly an innovation even to the government), he offered a vision of his management sword slicing away layers of superfluous bureaucratic fat. Along with needed surgery, the candidate committed himself to a massive reorganization designed to harmonize inconsistent and overlapping governmental functions into larger streamlined units.

To be sure, one cannot effectively manage the federal government or, for that matter, any organization, without a clear conceptual framework—not inappropriately called by an ideology[1]—a framework which suggests coherent interrelated goals. Otherwise, individual decisions do not fit together, and it is impossible for a chief executive to delegate significant responsibilities to subordinates. Each new issue has to be decided by him alone since subordinates cannot predict his decision. Hence, we see the now familiar picture of President Carter pondering each new question as if it were an isolated *ad hoc* engineering problem. He does not seem to understand that talk of managing the government is empty without a clear presidential vision of what the government should and should *not* strive to accomplish.

That is why it is so exasperating to read the fatuous "advice" to the Republican Party certain liberal political columnists persist in offering; that pragmatism (meaning practicality) rather than ideology should be our by-word.[2] The two concepts are not by any means inconsistent. Pragmatism without ideology is quackery, but a coherent concept of governance without careful attention to realistic means of pursuing that concept is, similarly, doomed to failure.

Still, to give the President his due, he has implicitly recognized that managing government necessitates pruning dead bureaucratic branches. Unfortunately, his heralded methods, so far at least, have yielded little return. He has submitted his own first budget, and I defy anyone to point to the impact of zero-based budgeting. And, although he has combined energy functions into a new department (in the process he should have done some cutting), he plans to offset the consolation by splitting HEW and establishing a new Department of Education. In short, Mr. Carter's management so far at least, is something to write home to Georgia about.

The hard, miserable, squirmy but incontestable truth is that any effective strategy for managing government must come to grips with our overriding problem: We Americans cannot seem to eliminate any governmental programs no matter how wasteful they may be. This should be of equal concern to those who wish to maintain or even expand the present level of government as well as those who believe—as do most Republicans—that government's share of our GNP must be reduced. For we cannot create new governmental programs, given budgetary realities, unless other less desirable activities are shucked off. Indeed, our reluctance to initiate new programs is surely in part attributable to the widespread realization that a program, once initiated, achieves instant immortality.

Why is it so difficult for government to exercise what some have called constructive powers of self-destruction? By now, it is almost conventional to answer this question by pointing to the "iron triangle"; the relationship among congressional committees which develop programs, the bureaucracy which administers programs, and the constituency which benefits from the programs. This tight-knit triple alliance, it is argued, is inherently stronger than a generalized diffuse constituency for reform because although the latter is much larger, the former can always muster greater political power at the point of engagement. Intensity of defense, on the part of those with a great deal directly to lose, successfully withstands attack from those whose potential gain is only marginal.

Rather than decry the strength of the iron triangles, which will not in any way diminish their effectiveness, we should seek ways to enhance the political force of the generalized constituency for reform. The vast majority of Americans are aware that government is too large, too intrusive, but they cannot agree on which part should be cut back. Fundamental to the reformers' weakness, then, is the absence of a common evaluation language. Since there is no uniform method of evaluating programs, generating a national political consensus as to prime targets for elimination is extremely difficult. Although virtually everyone will agree that, theoretically, some government programs are more effective than others, the

[1] Ideology is one of those words with a shifting, plastic meaning sometimes used as a pejorative by those who feel threatened by *any* coherent set of political ideas. (Ed. note: And it is sometimes used, by those who value coherence, as a term of disparagement toward particular sets of ideas which, because of their flaws, actually are threatening.)

[2] Perhaps by advising pragmatism these columnists really mean to suggest that Republicans should not fundamentally challenge dominant Democratic party ideology.

lack of generally accepted measuring techniques prevents widespread agreement as to those *least* effective.

Of course, the drive for expansion and resistance to cut-backs is hardly unique to governmental bureaucracies. All bureaucratic structures manifest an impulse to growth undoubtedly rooted in human nature. Even business enterprises would surely expand indefinitely were it not for economic limitations—limitations that are apparent only because of systematic accounting methods. Without balance sheets and profit-and-loss statements predicated on neutral objective evaluation criteria, corporations would find it extraordinarily difficult to prune failing or less successful branches. (Indeed, this is often difficult to accomplish even with these criteria.) Enterprises in Communist nations, operating without benefit of modern accounting techniques (some do experiment with market mechanisms, but the concept of profit remains ideologically offensive) are, for that reason, inherently less efficient than capitalist corporations. Without a means of constantly eliminating its least effective portions, no bureaucratic system can be truly efficient.

This problem is somewhat less acute for government defense spending, where the basis for evaluating programs is better established, than for social and economic programs. Military expenditures are subject to a conceptual discipline which the social programs lack; defense planners work in the shadow of a hypothetical balance sheet. For instance, in the period between World War I and World War II the great questions of military planning were 1) should tanks be massed for breakout as De Gaulle, Guderian, Tukachevsky, and Patton argued, or should they be distributed throughout infantry companies as most General Staffs (particularly the French) maintained, and 2) did airpower (aircraft carriers) vastly outweigh the importance of battleships as Billy Mitchell contended and most fleet admirals denied? The first question was decisively answered in a few weeks in the spring of 1940 and the second in a few December days of 1941.

Since our social regulatory programs never face a similar day of reckoning, program evaluation isn't stimulated by the sense of urgent need that imposes a measure of discipline on those responsible for national defense. That is not to suggest that the Defense Department would not benefit from heightened evaluation pressure; the Pentagon's corridors are hardly off limits to roaming programmatic white elephants. But the hypothetical balance sheet—a possible future war—induces something of a competitive relationship between defense programs (of course, all military systems are designed to compete with other military systems) and that very competition breeds increased concern for effective evaluation.

In recent years social scientists have devoted enormous effort to developing techniques to evaluate the government's domestic programs, particularly social programs initiated during the Great Society era. Despite methodology still tentative, their work has succeeded in raising doubts as to the relative efficacy of many of these initiatives of the 1960s. But since often, indeed characteristically, government programs are launched by legislation that directs pursuit of vague and conflicting goals, evaluators are seriously handicapped. Results are often justified by goals shifted and tailored after the fact to fit evaluation findings. Some defenders even assert their favored programs can be supported on the basis of the bureaucratic employment they afford rather than the results they do (or do not) produce—a rationale that can be used to defend *any* governmental expenditure.

Moreover, since evaluation of governmental programs is complicated and confusing, normally the press pays it little attention and, therefore, the American people are ill-informed as to the relative effectiveness of various parts of their government. Washington cognoscenti are probably well aware of the least worthy federal programs, but that knowledge is not widely shared. For this reason, the sunset laws, designed to force Congress periodically to examine existing programs and either cancel or modify those that cannot be affirmatively ratified, are likely to be ineffective. Without an informed and aroused public interest in the elimination of poor programs, there is little possibility of outmaneuvering the iron triangles at periodic "sunset" times.

II

Can we fashion a kind of government balance sheet that will serve to draw the press' and thereby the public's attention to the least effective federal programs? I propose legislation that would oblige the President once a year, six months before the budget presentation, to report to Congress on the management of the executive branch. In this report the President would be required to *rank* programs within each department in accordance with their relative effectiveness as compared to other programs in the same department and would also be required to include an accompanying explanation of his ranking. I suggest three mandatory subcriteria to help judge a program's degree of success in meeting its goals: (a) coherence of statutory objectives, (b) design of the program, and (c) quality of management. To those who would say—correctly, I might add—that we already have too many presidential reports and that they are normally unread and unremarked, I assure *this* report would not go unnoticed. Since it has the ingredient that commands attention in Washington, winners and losers, it would surely attract intense interest.

The director of OMB would be asked to provide a second discretionary part of the report that would point to those programs throughout the federal government that have contradictory aims and, therefore, actually work against each other, and to propose appropriate corrective legislation.[3] Further, the director would be called upon to propose elimination of any programs that he believed deserved interment. Since OMB would inevitably provide staff aid for the President's report, as it does for the development of the President's budget, the director (and the President) would surely reach some conclusions as to the least meritorious federal government programs. Admittedly, it does not follow that the administration would publicly recommend elimination of those programs; but it should have that opportunity. My guess is that most directors, almost as a matter of pride, would wish to point to poor programs or at least to some whose statutory goals or administrative design were faulty and needed rethinking. By placing this responsibility on the director rather than the President it is somewhat more likely that we would see meaningful analyses and recommendations; the political heat on the President would be a little less fierce. In any event, the presidential ranking portion of the report will carry its own prescriptive implications. That is why I believe the actual ranking should have a presidential imprimatur, in part, to give the report greater public visibility—which is after all its prime purpose—and, in part, to gain a greater impact on the bureaucracy.

[3] The form is similar to the President's annual economic report—part of which is formally authored by the President and part by the chairman of his Council of Economic Advisers.

Is the plan technically feasible? I believe so. OMB has often asked departments confidentially to rank their programs when tight budgets required cuts. Budget-wise administrators, to be sure, have sought to defeat this OMB strategy by listing programs in the reverse order of their popularity: That is, the most politically popular programs were listed as most eligible for budget cuts, without regard to effectiveness.

Why, it might be asked, would not the same thing happen under this proposed legislation? Since the rankings would be public, accompanied by a rationale, no President and no department head would wish to appear foolish by adopting an unpersuasive technique. In the weeks leading up to the publication of the report constituencies would lobby fiercely for a higher place for their favored programs. It is virtually inconceivable, then, that a popular and effective program would be placed low on a department's list. Perhaps ineffective but particularly popular programs would gain a somewhat higher than deserved ranking; but if those at the bottom were not the very worst they almost certainly would be poor ones. The President's best defense against constituency cries of outrage would be his use of a respected methodology.

How would programs be defined? Generally in accordance with existing enabling or appropriations legislation that identifies discrete programs. Where that was not entirely feasible, definitions could be modified—perhaps by giving the President some definitional authority—to take into account separate functions managed separately (it is not my thought that staff functions would be compared as against other staff functions, but that should not be out of the question). Some department heads might try to lump vulnerable programs into broader categories, but OMB and the President would probably resist that device. More likely the plan's incentive would draw in the opposite direction; to induce breakdown of an agency's functions into smaller measurable units so that the most vulnerable ones at the bottom would represent a lesser portion of departmental "empires." Certainly, if a separable portion of a departmental function were particularly ineffective that function's bureaucracy and constituency would not wish the better portions dragged down with the worst.

How burdensome would be compliance with this legislation? In my view, most people who have managed federal departments have actually performed a similar function, although not as precisely and overtly as this legislation would require. Any good government manager faced with the ever present need to allocate relatively scarce resources has a rudimentary but, nonetheless, operative program ranking system in mind. (Despite the popular cliche, one always compares apples and oranges if one has a limited amount of money to buy fruit.) So this process will not be as shocking as it might otherwise seem. Of course, the first year the President is required to make this report will be the most difficult; subsequent years would benefit from development and criticism of the analytical base.

Different Presidents and different parties would surely take somewhat different positions as to the effectiveness of certain programs, but that is not undesirable. The administration that designs a new program normally will not be as objective in evaluating its relative effectivenss as successor administrations. And differing political values will have inevitable impact on the ranking process. Still, I predict we would all be surprised at the extent of agreement among succeeding administrations.

III

A distinguished professor of the Harvard Law School used to confess—tongue in cheek—that after many years of teaching he

had been unable to conceive a way to eliminate the bottom half of a law school class. Recently a number of universities did discover that which had eluded the professor: Simply eliminate student ranking. Some have even altogether abolished grades. Grades, of course, evaluate the work of students and, therefore, are indispensable to a society which wishes to allocate opportunities in accordance with merit. Those who wished to attack the merit ethic, therefore, properly trained their guns on the academic grading systems. And elimination of class ranking by itself weakens that system because it removes the discipline which compels grading integrity. Without student ranking, which forces attention to the fairness of relative grading, there is a natural temptation to raise the grades of those in the bottom half, thereby tending to obliterate differences among students. Grade inflation can, and has, taken place even where students are ranked, but without ranking it progresses much more rapidly.

The point is that a ranking system has a tendency to force more credible evaluation because it provides discipline to any evaluation process. Thus, a presidential ranking of departmental programs would pressure program evaluators to produce evaluations that will be more intelligible and persuasive. Indeed, press attention and criticism of the annual report would probably focus attention on the evaluation process throughout the year. That too, is a plus.

What impact would the proposed legislation have on the federal bureaucracy? Surely a desirable degree of competition among the managers of departmental programs would be introduced—not just quantitative competition (as is true today) but a qualitative competition. Bureaucrats faced with a day of program reckoning would necessarily devote greater efforts to managing existing resources than to seeking new resources. In fact, the prospect of future program expansion would be directly tied to existing performance.

Subcabinet officers—at the assistant secretary level—would encounter new pressures which they do not now find. Today, there is little incentive to devote the relatively short period most of these officials serve (less than two years on the average) to better management of programs. Such efforts normally go unnoticed and, therefore, unrewarded. Too often, the press naively labels those appointees who have minimal management impact on their agencies and consequently do not attract internal criticism as the good managers. An ambitious appointee is therefore, induced to make a positive mark by launching a new program, preferably by legislation. Passage of a bill is the type of dramatic act, because it normally follows a political struggle, that attracts press attention and, therefore, confers political benefits. The annual report on management of the executive branch would change this dynamic. Which appointee would wish to see his programs listed at the departmental bottom, particularly if that represented a decline from previous years? And if it became difficult to recruit able persons to administer fundamentally misconceived programs, so much the better. This would add to the possibility of reform.

Although the President would accrue a political burden, he would, in return, gain a good deal of management clout over the bureaucracy. And lately the capacity of any President truly to direct the executive branch has considerably diminished. (It is not to excuse recent presidential abuses of power to recognize that they, in part, stemmed from presidential frustration over inability to direct the bureaucracy.) OMB is one key to any President's power to manage the government; and OMB's influence, as the agency which would provide the President with staff and expertise to perform this function, would necessarily increase. Furthermore, the President need not take all the political heat; when programs are ineffective because of inconsistent or inadequate legislative guidance, he could properly point to prior Congressional responsibility.

Finally, and most important, I believe this proposal, if made law, would induce Americans to think of government programs as competing against each other for limited resources. Annual publication of the least effective programs would provide a rallying point for the generalized constituency for reform. That is not to say that the least effective program in each department should or would be eliminated each year, but the truly worst programs would not escape concentrated attention because, over time, they would be widely seen for what they are. Changes in management or design of others would be encouraged. The sunset laws would have greater promise; Congress would find it considerably more difficult to reauthorize a program which the whole country recognized as ineffective.

If the Republican Party endorses this proposal, will President Carter support it? Of course he will: He is committed to *managing* the government—isn't he? ●

INTERNATIONAL AND DOMESTIC TOURISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SKUBITZ) is recognized for 5 minutes.

● Mr. SKUBITZ. Mr. Speaker, I have waited long enough. In fact, I probably have waited too long to bring to your attention the urgent need for legislation in the area of tourism. Something has to be done about tourism and the U.S. Travel Service, and it has to be done now.

At the authorization hearings which were held on May 15, 1978, I made my views known. I stressed the fact that for more than 15 years, the Congress and my subcommittee have been wrestling with problems and issues of tourism in the United States and the problems have not been resolved, nor have they gone away.

For the past year and a half, we have used the excuse of waiting not for Godot or the great American dream, but for the Arthur D. Little final report on the national tourism policy study in order to forestall any proposed legislation.

Oh, yes, this long awaited report, this shining example of consultants' solutions, is now available. We have waited and waited for this document which was heralded as the Rosetta stone of tourism with which we would unlock the doors of the bureaucracy and bring forth full fledged a National Tourism Agency of the United States. Would you be surprised if I tell you that it contains nothing new?

The mountain has given birth to a mouse, a mouse whose parentage is somewhat in doubt since it is my understanding that the report has been shelved. Hardly surprising in that the report is nothing less than a proposed reorganization by reshuffling bureaucrats and creating new bureaucrats to produce a new superagency.

As I said, Mr. Speaker, I have waited long enough. Yesterday, therefore, I introduced my own bill, H.R. 13720, cosponsored by Mr. MADIGAN and Mr. LENT. We have entitled it: "The Visitors Promotion Act of 1978." In good conscience, we had to do something now. To those of us who would still wait for Godot, may I remind them that he never came.

This bill is very simple. Since for 15 years the Congress had been dissatisfied with the performance of the U.S. Travel Service, it is time we put it out of its misery. It is time that we provided the travel industry, the administration, and the Department of Commerce with a clearly defined blueprint of what it is we really want from an agency whose stated purpose is the development of the largest single growth item of our gross national product: Tourism. This bill, which repeals the act of July 19, 1940 (16 U.S.C. 18–18d) and the International Travel Act of 1961 (22 U.S.C. 2121–2127), provides for a new, revitalized and semi-independent agency under the aegis of the Department of Commerce. This agency, whose duties and responsibilities are fully and clearly spelled out, would be headed by an administrator.

Its purpose, to establish, coordinate, and execute a national tourism policy, something this country has never had. The name of this new agency would be the Visitors Information Agency of the United States.

For the first time, the United States will have an agency which will promote, encourage, and develop tourism programs at the local and State level and will foster the awareness of tourism as a vital economic tool in regional development. It will also coordinate our international efforts to increase the flow of returning U.S. dollars through tourism.

If I worked in the business, I would want to know why my labor leaders were not insisting on congressional action. If I was a stockholder in a major hotel or resort development, I would demand to know why management was doing nothing about promoting our national tourism interests. If I was a member of a local chamber of commerce, I would want to know what my State was doing about a national tourism policy. If I was a voter, I would want to know why my local elected officials were not doing anything now to promote regional economic development through tourism. Let me remind the travel trade, great and small, that if you do not ask, you will get nothing from this Congress.

Thank you, Mr. Speaker.●

SERIOUS DRUG PROBLEM ON GUAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Guam (Mr. WON PAT) is recognized for 30 minutes.

Mr. WON PAT. Mr. Speaker, I would like to draw my colleagues' attention to the recent drug hearings that were held on Guam.

After 18 months of urging on my part, Lester Wolff, chairman of the Select Committee on Narcotics Abuse and Control, agreed to schedule hearings on Guam to look into the serious problems

we are facing there as a result of heroin addiction. The hearings were held on Guam this past month and I want to thank my colleagues, DANIEL AKAKA, BILLY LEE EVANS, and BENJAMIN GILMAN for the excellent job they did in conducting their inquiry. I am sure they now agree with my own assessment that the drug abuse problem on Guam has grown completely out of hand.

Over the past 10 years, the Island of Guam has been transformed from a quiet peace-loving community where the average citizen felt little need to lock his doors at night into a society of mounting tension where burglaries and murder are becoming commonplace. My own home has been burglarized, and I personally am unwilling to go out alone at night for fear of being an innocent victim of such disorder and crime. Most observers attribute the incredible increase in crime on Guam to heroin which began coming into Guam during the height of the Vietnam war and now continues at a volume high enough to sustain approximately 1,000 local addicts.

As a result of our hearings, I am expecting some specific recommendations from the committee as to what can and should be done about the problem.

At this time I would like to yield to my distinguished colleague (BEN GILMAN) who has been pursuing this matter with such diligence on behalf of the committee.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Guam (Mr. WON PAT) for yielding and for his kind remarks. Through his persistent efforts, the Narcotics Select Committee directed its spotlight on the severe narcotics trafficking problem in Guam, where, along with other members of the select committee—the gentleman from Hawaii (Mr. AKAKA) and the gentleman from Georgia (Mr. EVANS)—we saw at first hand the magnitude and depth of the drug trafficking problem on that island—an island that is only 30 miles long, 4 to 8 miles wide, covering an area of approximately 209 square miles, populated by approximately 110,000 individuals of which about 25,000 are U.S. military personnel and their dependents, but an island that has become a transshipment point for Southeast Asia narcotics to the United States.

Mr. Speaker, a drug crisis exists on Guam. Approximately 800 to 1,400 individuals are heroin addicts * * * some authorities estimate drug abuse to be as high as 3,000. This constitutes a heroin addiction ratio ranging from approximately one addict for every 137 individuals to 1 addict for every 37 individuals, a sizable addiction problem, particularly since the median age of the population on Guam is less than age 19.

In 1976, Guam had 104.5 treatment admissions per 100,000, placing it in a rating of metropolitan areas 10th between Boston and Cleveland. Emergency room, drug-related cases numbered slightly more than 76 per 100,000, ranking this island third to San Francisco and Detroit. Drug-related deaths of 6.82 per 100,000 placed Guam fifth among 24 other major U.S. communities. These deaths in 1976 also included 11 homicides and 4 suicides, but in the following year, in 1977, there were 9 reported drug-related deaths, 10 homicides, and 15 suicides. During the first half of 1978, the number of drug related deaths rose to 7, exceeding the 1977 figure, and included 14 homicides, and 5 drug-related suicides.

According to local governmental officials, the heroin purity level on Guam ranges from 87 percent pure to 100 percent, compared to the retail heroin purity level in the United States of about 4 to 6 percent, thereby unquestionably placing Guam first among any community in the United States with the highest heroin purity level, when compared to statistics of 24 major metropolitan areas.

The crime rate has also soared. According to the director of public safety, Pedro Manibusan:

Total drug arrests have increased 71.3 percent from 87 arrests in 1973 to 149 arrests in 1977.

Drug arrests involving heroin have almost tripled since 1973, from 20 arrests in 1973 to 59 arrests in 1977.

The crime rate per 100,000 population on Guam has increased from 8,888 offenses in 1973 ot 10,199 offenses in 1977, an increase of 14.8 percent.

Property crimes—robbery, burglary, larceny and motor vehicle theft—which have accounted for approximately 50 percent of the total crime, increased 72.5 percent from 3,150 offenses in 1973 to 5,433 offenses in 1977.

The breakdown of property crimes by offense for 1973 and 1977 is as follows:

Offenses	1973	1977	Percent
Robbery	79	156	+57.5
Burglary	1,215	2,276	+87.3
Larceny	1,246	2,360	+89.4
Motor vehicle theft	610	641	+5.1
Total	3,150	5,433	+72.5

Judge Paul J. Abbate, Presiding Judge of the Superior Court of Guam, states that as "a conservative estimate that 40 percent of the burglaries, robberies and homicides are heroin related."

According to Speaker Joseph Ada, the epidemic drug problem existing on Guam "has far outgrown the scope of our local resources. Its magnitude and dangers demand financial and professional assistance which we simply do not have." Speaker Ada further stated:

We desperately need your help.

And he elaborated in his testimony before our Narcotics Select Committee:

Keeping Narcotics away from Addicts appears to be an almost impossible task. The amount of heroin seized is minimal compared to the amount smuggled into Guam. It has been estimated that only 1 percent of total heroin shipment was seized in 1977.

The 1977 comprehensive criminal justice plan of the Territorial Crime Commission has stated the drug problem in Guam in the following manner:

First. There is a lack of a clear, coordinated, and consistent public policy relative to drug abuse.

Second. There is a lack of a uniform and accurate ongoing data collection for law enforcement and criminal justice agencies.

Third. There is a lack of sufficient and properly trained personnel for law enforcement and other criminal justice agencies.

Fourth. There is a need for advanced training in evidence gathering/handling for law enforcement personnel.

Since February 1978, the Drug Enforcement Administration has initiated a task force consisting of local Department of Public Safety Officers, and an Assistant U.S. Attorney, a representative from Alcohol, Tobacco and Firearms, and the Guam Attorney General's Office to concentrate on "major" violators.

The local jurists expressed concern with regard to sentencing a defendant to the local penitentiary, which has been referred to in testimony as a cesspool. The Guam Penitentiary was originally constructed for 40 inmates and now houses over 90 prisoners. The prison facility is in a deplorable condition, and the correctional officers are poorly trained. At any given time, with a staff of only 32 correctional officers, there may be only 3 officers overseeing the entire prison.

During the hearings, it was clearly established that the lack of manpower and resources make it virtually impossible to effectively interdict the flow of narcotics. Guamanian customs is responsible for clearing and inspecting all military and civilian passengers, cargo, and household effects. To accomplish this mammoth task the customs service has 34 men. The Guam Airport (GIAT) reported a total volume of 705,000 passengers. Even so, GIAT is classed as a small airport by the Federal Aviation Administration. Guamanian customs conducted 2.5 million inspections last year. An official representative of the port authority testified that during his 15 years of employment, he had never seen customs inspect any containerized cargo.

When you consider the possibility of narcotics entering Guam by way of cargo shipments, the foregoing remark is staggering. Since 1976, there have been approximately 1.2 million tons of cargo imported; 250,000 tons of cargo exported, and 425,000 tons transshipped. The port authority reported that 85 percent of the cargo was in containers, with the remaining 15 percent being in the form of breakbulk.

Drug treatment, prevention and rehabilitation on Guam appears to be a dismal failure. In 1973 the Guam Memorial Hospital was designated as a Single State Agency (SSA) for drug prevention. In February 1978, this SSA's functions were transferred to the Mental Health and Substance Abuse Agency. In 1973 no funds were provided to implement the Single State Agency's drug program; trained individuals were unavailable. A new sign has been printed on the door for the Mental Health and Substance Abuse Agency, as the Single State Agency to the Guam Memorial Hospital but a mental health coordinator has yet to be appointed to join the ranks of the eight-person staff.

Mr. Speaker, the drug problem on

Guam is acute. I could continue to detail what I trust is a clear picture of the drug problem on Guam. Suffice it to conclude by saying that heroin is readily available on the island; the addiction rate is excessive in relation to other major metropolitan areas; the heroin purity level is high; and the island has become a transshipment point for smuggling this deadly drug into the United States.

RECOMMENDATIONS

The Narcotics Select Committee has begun to analyze and review the material and information gathered during the hearings. The following are suggested areas that could assist Guam in its fight against narcotics trafficking and drug abuse:

First. Because of the limited manpower and training, we have requested U.S. Customs to study the feasibility of placing U.S. Customs on Guam.

Second. The deplorable state of the Guam Penitentiary, coupled with the lack of space for a projected prisoner population, has caused us to request assistance and recommendations from the U.S. Bureau of Prisons.

Third. As the U.S. mails may be another method of smuggling narcotics into Guam, the Postal Service will be requested to place a postal inspector on Guam.

Fourth. The Department of Public Safety has requested our assistance in obtaining funds from the Law Enforcement Assistance Administration. The goal of the Department of Public Safety is to organize and develop a closely coordinated multi-agency task force with sufficient expertise and resources to efficiently enforce and prosecute drug violators.

Fifth. Although the military showed a great deal of accomplishment and cooperation in dealing with the drug problem, we question whether they have an accurate pictures with regard to the magnitude of the drug problem. From outside sources the Narcotics Select Committee has received information that would lead us to believe, as we have found during our investigation of drugs in the military, that the military officers and enlisted men have different perceptions as to the magnitude of the drug problem.

Sixth. Clearly, more professionally trained drug counselors administering a viable drug abuse prevention and rehabilitation program are urgently needed.

Mr. Speaker, hopefully, by providing the adequate funds, manpower, equipment, and legislative assistance to Guam then we will be able to plug another hole in the dike withholding a flood of narcotics from our land.

Mr. AKAKA. Mr. Speaker, will the gentleman yield?

Mr. WON PAT. I yield to the gentleman from Hawaii.

Mr. AKAKA. Mr. Speaker, I thank the gentleman for yielding. Mr. Speaker, I was honored to chair the hearings in Guam and to be given the opportunity to work with my colleague (Mr. WON PAT on this crucial matter. Mr. WON PAT has been insisting for over 1 year that the select committee travel to Guam to call Federal attention to the serious problems that drug trafficking were causing in the territory. Personally, I was amazed by what I heard and what I saw. Because of these hearings, Guam has already received additional DEA agents, and I expect that more Federal help in a variety of forms will come in the near future.

Due to the success which we have had in reducing the quantity of heroin coming from Mexico, at least one-third of all heroin in the United States today is now coming from Southeast Asia. As a result, Guam, and my State of Hawaii, are being utilized as transshipment points for dangerous narcotics. Hawaii, like Guam, is undergoing some painful changes due to the sudden availability of nearly 100 percent pure heroin. Drug related deaths and crime have skyrocketed in these two areas in recent years.

I commend Mr. WON PAT for his efforts for I know that Mr. WON PAT has worked very hard with Guam's leaders to commit additional resources for coping with this serious drug problem. Through his continued efforts, both here and in Guam, I believe Guam will receive the resources it needs to deal effectively with the drug situation on the island.

Mr. WON PAT. Mr. Speaker, I yield back the remainder of my time.

RUNNING ON A TREADMILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, in the time I have served in this esteemed body, seldom have I seen so much energy expended for such meaningless results, as on the issue of tax reform. The recently issued report from the Joint Committee on Taxation shows that despite the $16 billion tax cut measure approved by the Ways and Means Committee, almost every American taxpayer will actually pay more to the Government next April.

It has been an exhausting run on the treadmill, Mr. Speaker, and we have gone nowhere. But we have only ourselves to thank. It is because of our decision in the last session of Congress to raise taxes on social security that the proposed reduction in income taxes is being offset. And with inflation eating away at the consumer's pocketbook, virtually no discretionary income is left for the American family.

Nonetheless, I stand here on the floor of the House day-in and day-out, and watch this body spend the taxpayer's dollar as if the money grew on trees. Is it any wonder that inflation has eroded the purchasing power of our currency? The latest figures I saw showed that the average worker spends 131 days a year earning enough to pay his bill to Uncle Sam, and his State and local government.

Not long ago Business Week magazine editorialized on this issue, and made some worthwhile suggestions which the House would do well to take note of. Essentially, Congress and the President's troop of economic advisers are urged to start chipping away at the layers of bureaucracy which suck in Federal dollars like a high-powered vacuum cleaner. A proposition 13 approach to managing our Federal Government would actually go a long way toward granting some significant relief to the over-burdened taxpayer.

When we consider legislation with such huge sums of money, why not see where we can cut back on our Federal payroll? Why not see if the private sector already has the machinery to carry out a program which another appendage of our unwieldy bureaucracy would ordinarily be created to do? Let us move forward with a firm commitment to encourage investment in the business sector, so that economic growth can proceed without interference from Government. And once and for all, let us get down to the job of trimming those Government regulations which only add to the cost of doing business, add to the increase in consumer prices, and only aggravate further our rate of inflation.

I will take this opportunity to let the President know that his "easy money" policies on the Federal Reserve Board are certainly not helping the economy situation either. This is an election year, and the President's party certainly has nothing to be proud of on the fiscal front. The voters in my home State, by going to the ballot box this past June, have demonstrated a better record of achievement in fighting inflationary government spending than anyone here in Washington. I would like to see those of us in Congress, along with the policymakers in the administration, get off the treadmill, and take a long, hard run at a well-planned, coherent economic platform which will restore some health and vitality to our economy, and enable the American people to spend their money on themselves, and not on wasteful Government programs.●

VANIK'S LIBRARY OF CONGRESS STUDY MAKES CONVINCING CASE FOR ENACTMENT OF THE KEMP-ROTH TAX RATE REDUCTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

● Mr. KEMP. Mr. Speaker, yesterday afternoon, our colleague from Ohio (Mr. VANIK) read into the RECORD an extensive study prepared at his request by the Library of Congress. He is one of the most articulate spokesmen in Congress against the Kemp-Roth legislation to reduce individual income tax rates. He is a spirited opponent, and as always I welcome the debate which he and I have helped heighten on this crucially important public policy question. Its outcome will substantially affect the future of our economy.

I take this opportunity to thank him for having had a specialist in taxation and fiscal policy at the Library of Congress prepare this study and for bringing it to our attention yesterday.

I thank him because this study helps build the case for the enactment of the Kemp-Roth legislation, for reducing individual income tax rates, for that is the amendment which I intend to offer to the tax bill, H.R. 13511, ordered reported by the Committee on Ways and Means. It makes a very strong case for enactment for the Kemp–Roth measure.

This is truly one of the most remarkable studies and record precedes that I have ever read. Our colleague's rhetoric says the study shows that Kemp-Roth ought not to be enacted. The study's rhetoric says essentially the same thing, particularly in its attack on the premises on which Kemp-Roth rests, although I must say it "hedges its bet" in a number of instances.

Yet the figures which it reports and thereby brings to this debate add substantially to the case for enactment of Kemp-Roth. As a matter of fact, the study brings information to us in support of Kemp-Roth which has never before been made public.

What have VANIK and the Library study helped me show will happen if Kemp-Roth is enacted?

That all categories of taxpayers will have less tax liability.

That the upper income brackets will pay a greater percentage of the total individual income taxes paid to the Federal Government.

That the real gross national product will increase over what would otherwise occur.

That the real gross national product growth rate will increase over what would otherwise occur.

That unemployment would drop dramatically.

That millions of new jobs would be created.

That disposable personal income would rise dramatically.

That the savings rate would increase.

That residential investment would increase and construction accelerate.

That nonresidential investment would increase and construction grow.

That he has not answered satisfactory his assertion that Kemp-Roth is going to produce monstrous deficits and horrendous inflation.

Let me give specific examples of how this study builds the case for Kemp-Roth.

ALL CATEGORIES OF TAXPAYERS WILL HAVE LESS TAX LIABILITY

All categories of taxpayers will have less tax liability if Kemp-Roth is enacted. They will have to give up less of their income to the Federal Government in the form of taxes. Table 1 of the VANIK-Library of Congress study shows this.

UPPER INCOME BRACKETS WILL PAY GREATER PERCENTAGE OF TOTAL TAXES

Income tax liability distribution is offered in such a way that those making less than $30,000 will be paying less of the total individual income taxes paid to Uncle Sam, while those making $30,000 or more will be paying a greater percentage of that total.

Those making between $30,000 and $50,000 are now paying 21.29 percent of the total taxes paid to Washington; that will increase to 21.3 percent. Those making between $50,000 and $100,000 are now paying 13.02 percent of that total; that will increase to 13.2 percent. Then we start to get some big jumps. Those making between $100,000 and $200,000 are now paying 7.12 percent of the total; that will jump to 7.6 percent. And those now making over $200,000, who are now paying 7.45 percent of the total, will be paying 8.5 percent. Table 1 shows this to be true.

FEDERAL INCOME TAX LIABILITY FOR EVERY CATEGORY OF TAXPAYER REDUCED

The Kemp-Roth bill, or amendment to H.R. 13511, will reduce the Federal income tax liability for every category of taxpayer: single persons, married couples without dependents, married couples with dependents. Table 2 shows this.

The study did not contain tables illustrating the fact that surviving spouses, heads of households, estates and trusts would also have reduced Federal income tax liability.

REAL GROSS NATIONAL PRODUCT AND REAL GNP GROWTH RATE WOULD INCREASE

The projected impact of Kemp-Roth on the real gross national product and on the real gross national product growth rate, both discounted for the inflation caused increases in GNP and GNP growth rates, is very favorable.

All three econometric studies used by, and cited in, the Library's study—Data Resources, Inc. (DRI), Wharton, and Chase Econometrics—show significant increases in real GNP and in real GNP growth rate, compared to no tax cut and compared to the administration's proposed tax cut. I repeat, all three econometric studies show this.

Chase says that real GNP would go up 1.2 percent in 1979, if Kemp-Roth becomes law, compared to no tax cut. Wharton says it would go up to 2.9 percent in that year, and DRI says it would go up 2.8 percent.

Chase says that real GNP would go up 2.4 percent in 1979, if Kemp-Roth passes, compared to no tax cut. Wharton says it would go up 4.8 percent, and DRI says it would go up 4.9.

Chase says that it would go up, compared to no tax cut, by 2.7 percent by 1982. But both Wharton and DRI agree the increase would be 6 percent that year.

The studies show increases, over what would otherwise occur, in the real growth rate, discounted for inflation, of real GNP. Chase says 0.9 percent in 1979. Wharton concludes 1.5 percent, and DRI says 1.7 percent. In 1980, Chase says it would be 1.2 percent higher than what we could otherwise expect; Wharton says 1.8 percent; and, DRI concludes 2.1 percent.

Comparisons drawn between Kemp-Roth and the administration's proposed tax cut show similar increases in real GNP and in real GNP growth rates if Kemp-Roth is enacted over what would occur if the President's proposal were enacted. This is important because none of the alternatives to Kemp-Roth—the Vanik-Pickle amendment, the Corman amendment, the Fisher amendment—are as large as the President's original proposal. Thus, Kemp-Roth would compare more favorably against them, too.

These figures are drawn from table 5 of the Library's study.

KEMP-ROTH WOULD DROP UNEMPLOYMENT RATE

The Vanik-Library study concludes that the enactment of Kemp-Roth would substantially reduce unemployment in the United States. Few things could be more important to the well-being of our people, all of them.

Chase shows the unemployment rate would drop, if Kemp-Roth were enacted, by 0.6 percent in 1979, but DRI concludes it would drop by a full percentage point, and Wharton concludes it would drop by 1.1 percent.

Chase shows the unemployment rate would drop by 0.3 percent in 1980, but DRI shows a drop of 1.7 percent and Wharton shows a drop of 2.1 percent.

Chase shows a drop of 0.7 percent in 1982, but DRI shows a dramatic drop of 2.3 percent and Wharton a staggering 3.3 percent reduction.

When the figures are forecast out to 1987, Wharton shows a drop of a full 4 percentage points.

These figures are drawn from table 7.

KEMP-ROTH WOULD CREATE MILLIONS OF NEW JOBS

The Vanik-Library study then translates these reductions in the unemploymen trates arising from enactment of Kemp-Roth into the number of jobs which would be created.

Wharton, for some reason, either did not forecast this or the Library decided not to use them, but Chase shows 700,000 new jobs in 1979, with DRI showing 1,100,000 new jobs that year. For 1980, Chase shows 1,400,000, and DRI shows 2 million. For 1982, Chase shows 2.2 million, with DRI showing 3.3 million. The reference here is to table 7 also.

This gives our country massive employment, instead of massive unemployment.

DISPOSABLE PERSONAL INCOME WILL RISE DRAMATICALLY

Chase, Wharton, and DRI all show dramatic increases in real disposable personal income. Real disposable personal income is that income over and above inflation-caused increases. It is real disposable personal income that gives a taxpayer, a family, more purchasing power, a higher living standard.

If Kemp-Roth is enacted, in 1979 Chase says real disposable personal income will go up by 2.7 percent. DRI says 4.7 percent, and Wharton says 5.1 percent.

In 1980, Chase says it would go up 4.6 percent, DRI says 7.6 percent, and Wharton says 8.3 percent.

By 1982, Chase says real disposable personal income that year would climb 5.9 percent, with DRI saying 9.1 percent and Wharton saying 10.7 percent.

The figures are astounding when you stretch the effects of the Kemp-Roth tax rate reductions on the living standard of the people out almost a full decade. Wharton forecasts an increase in 1987 of 15.8 percent.

There are similar figures for comparisons between Kemp-Roth and the ad-

ministration's proposals. Please see table 10.

THE SAVINGS RATE WOULD INCREASE UNDER KEMP-ROTH

People would save more of their income, if Kemp-Roth were enacted. That is the conclusion of all three econometric models. I think savings would go up even higher than the figures projected here, and I have addressed myself to this point in floor remarks in the past several weeks: July 14, p. 21032–21038; July 26, p. 22940–22943; and August 1, p. 23748–23750. I invite all my colleagues to read carefully the savings questions raised and answered in those three pieces, because they relate not only to the savings question but also to the Federal deficits and inflation potential questions.

That notwithstanding, all three models do predict increases in the savings rate. Chase says savings would go up by 1.1 percent in 1979; DRI agrees, but Wharton says 1.3 percent, DRI says 1.4 percent, Wharton 1.7 percent, and Chase 1.8 percent in 1980. There are similar projections for later years and in contrast with the administration's bill.

I find it very interesting that this table, table 10, gives us no definition of savings. If savings is aggregate personal savings, aggregate retained earnings of corporations, and investment assets, that is one thing. If it is just aggregate personal savings, that is another. The reason this is important is that increases in personal savings and retained earnings are what will offset the potential net deficits, after feedback from an expanded economic base, and thereby mean little or no inflation. Inflation is a product of Government expanding the money supply, which it has done in order to pay part of Federal deficits. If there is a sufficient increase in savings and retained earnings to cover that deficit, then there will be no need for creating additional money, thus no inflation from that, and there will be no crowding out of investment capital. As a matter of fact, if savings respond the way we think they will and have articulated in the three RECORD references I have just cited, we will have crowding in. Table 12 is essentially irrelevant to this House's deliberations until that and related questions are answered, for we do not know the premises for which the conclusions were drawn in table 12.

RESIDENTIAL AND NON-RESIDENTIAL CONSTRUCTION WOULD INCREASE

The enactment of Kemp-Roth would be a dramatic spur to residential investment and nonresidential investment, thus to residential construction and nonresidential construction. Employment in the severely depressed building trades would increase commensurately; millions in the building trades now out of work or underemployed would return and be fully employed. No doubt, this is a major part of the increases in jobs and decreases in unemployment reflected in other tables.

Chase says real fixed nonresidential investment would go up by 2.4 percent in 1979, if Kemp-Roth is passed. DRI says 4.8 percent and Wharton says 5 percent.

Chase says 5.7 percent in 1980, Wharton says 8.0 percent and DRI says 9.5 percent.

In 1982, Chase says it will rise by 8.8 percent. Wharton says 10.2 percent and DRI says a staggering 15.7 percent.

The figures are in the same pattern for additional investment in residential structures.

Chase shows a percentage increase of 2.5 in 1979, DRI shows 4.2, and Wharton says 6.2. In 1980 Chase says we would have a 3.2 percent increase, DRI says 5 percent and Wharton says 5.9 percent.

These figures are drawn from table II.

VANIK-LIBRARY STUDY CONFUSE DEFICIT AND INFLATION QUESTIONS, DO NOT ANSWER THEM

Our colleague's assertion, that of Walter Heller, that of our colleague from Connecticut (Mr. GIAIMO) and that of the CBO study which he released, that Kemp-Roth will increase the deficit to such an extent that inflation will rage across the land, has not been reinforced by this study, as he claims it has in his introduction of it yesterday.

If we are to have such disastrous and disruptive inflation during the period forecast by the three econometric studies in the Library's report, then why do we—simultaneously—have an increase in real GNP? An increase in the real GNP growth rate? A drop in unemployment and the creation of jobs for millions? A rise in real disposable personal income? A rise in the savings rate and the amount of real dollars—not inflated dollars—saved by the taxpayers and consumers? A rise in residential investment and construction? A rise in nonresidential investment and construction?

Let me discuss why Kemp-Roth is not inflationary.

WHY KEMP-ROTH IS NOT INFLATIONARY

With so many economic decisions affected by tax rates, it is obvious that the market supply of goods and services must respond to changes in tax rates.

Our economy functions because people respond to changes in relative prices. The price of butter relative to that of margarine. Or beef relative to chicken. Capital relative to labor, and so on.

A tax rate change is just another relative price change. It changes the prices of leisure and current consumption in terms of foregone current and future income.

To claim that people do not respond to these price changes goes against the basic principles of economic science.

Yet there is no recognition of such responses in the economics now used to brand Kemp-Roth, the Tax Rate Reduction Act, as wildly inflationary. This is the charge of our colleague, of a portion of the Library's new study, of Walter Heller.

Walter Heller tells us, in contrast to what we know about the impact of tax rates on economic decisionmaking, that the decision to save does not depend on the relative prices of current consumption and future income. He tells us that the so-called Denison's Law shows that savings do not respond to higher after-tax reward. The problem here is that Denison's Law is inherent in the formulae structure of almost all of the econometric models. Thus, it skews their calculations on expansion of the tax base, deficits, and inflation.

But the most recent empirical studies of the responsiveness of savings conclude that "private savings is indeed strongly affected by changes in the real after-tax rate of return." As a matter of fact, the principal study dismisses Denison's Law as a "conjecture based on evidence which is flimsy at best and dangerously misleading at worst."

I do not know why Walter Heller is not on top of major studies in and changes going on in the economics profession. Of course, he may have known of the study and its conclusions, but did not want to believe it, refer to it, or incorporate it in his article, or into his own judgment as to the value of Kemp-Roth, for non-economic reasons. After all, he and his career have been closley identified with partisan politics.

But a current understanding of the Kemp-Roth bill's effect on savings is absolutely crucial to assessing an asserted inflationary effect.

Let's try to reach such an understanding. In order to judge the impact of a cut in marginal tax rates on growth and inflation, we have to know what the cut will do to GNP and saving. To finance itself without causing inflation, a tax cut can do four things:

First. It should increase GNP, which is the tax base, and get back revenues to offset some or all of the initial cut.

Second. It should cause existing savings and investment funds to switch out of tax shelters and nontaxable uses into taxable uses, raising the tax base and revenue. (This probably also raises GNP by shifting saving and investment from low-yield, but sheltered, projects into straightforward, high-yield activities.)

Third. A tax cut should make saving more rewarding after taxes. It should raise the total amount of saving in the economy. Some of this saving would go to buy the bonds the Treasury may have to sell to cover any deficit remaining from the tax cut. Any excess would be used to increase net investment and growth.

Fourth. A tax cut should increase incentives for ouput and employment.

Roth-Kemp, which is a cut in marginal tax rates, will do all of the above as the Library of Congress study shows it will, because the after-tax reward from working and saving will be enlarged.

As long as revenues rise to offset the tax cut, or as long as savings rise by enough to cover any added debt, the Federal Reserve does not have to buy even one additional Treasury bill, and does not have to add one cent to the money supply.

The Chase Econometrics study presented to the Senate Subcommittee on Taxation and Debt Management on July 14 estimates that personal savings, retained earnings, and other capital inflows will rise enough from the tax-rate reductions found in the Roth-Kemp bill to cover any added deficit and to still leave enough saving left over to increase net investment by well over one-half, de-

livering an enormous boost to real growth.

Thus, Roth-Kemp is not inflationary. It is self-financing four ways. Dr. Heller has forgotten why inflation occurs, and has no way to distinguish between a tax cut which alters incentives, reduces the use of tax shelters, and stimulates savings and investment, and one which simply cuts Federal revenue and forces the Federal Reserve to create money to buy Treasury debt.

If the Roth-Kemp bill is self-financing, why does Chase predict small increases in inflation: rates from Roth-Kemp? Note first, these increases are very small for a tax cut. But, note more importantly, Roth-Kemp does not inherently require the inflationary printing of money to finance it.

THE CASE FOR KEMP-ROTH WELL MADE

Mr. Speaker, as I said at the outset, I want to thank the gentleman from Ohio (Mr. VANIK) for putting this new Library of Congress study into the RECORD. I do not know why he did so, for when you contrast the rhetoric with the charts, he has given us a contradiction almost without parallel. I can only ask "why?"

But aside from that rhetoric, the study's charts give us the hard statistic data needed to support Kemp-Roth when it comes to the floor. They help make the case for Kemp-Roth.

It is a case well made.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 5 minutes.

● Mr. SARASIN. Mr. Speaker, I was absent for part of the legislative session of the House of Representatives on July 20, 1978. Had I been present, I would have voted in the following fashion:

Rollcall No. 574: H.R. 13467: Second supplemental appropriations. The House agreed to resolve itself into the Committee of the Whole, "yes";

Rollcall No. 579: H.R. 13467: Second supplemental appropriations. The House agreed to an amendment that reduces total appropriations for payments not required by law by 2 percent, "yes"; and

Rollcall No. 580: H.R. 13467: Second supplemental appropriations. The House passed the measure making supplemental appropriations for the fiscal year ending September 30, 1978, "yes."

Mr. Speaker, on July 21, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 581: H.R. 12433: Housing and community development. The House agreed to resolve itself into the Committee of the Whole, "yes;"

Rollcall No. 582: H.R. 12433: Housing and community development. The House rejected an amendment that sought to prohibit use of funds for the reorganization or transfer of any function of any area, field, or insuring office relating to multifamily housing or community planning or development, "yes;"

Rollcall No. 583: H.R. 12433: Housing and community development. The House rejected an amendment that sought to strike provisions requiring that FAIR insurance rates be no higher than those set by the principal State-licensed rating organization for essential property insurance on the private market, "no;"

Rollcall No. 584: H.R. 12433: Housing and community development. The House agreed to an amendment that prohibits social security increases occurring after May 1978, from being considered as income for purposes of determining eligibility for, or amount of assistance available to, any recipient under public housing laws, "yes;"

Rollcall No. 585: H.R. 12433: Housing and community development. The House passed the measure to amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation, and related programs, "yes;" and

Rollcall No. 586: H.R. 13468: District of Columbia appropriations. The House passed the measure making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1979, "yes."

Mr. Speaker, on July 24, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 588: H.J. Res. 946: National Guard Day. The House passed the joint resolution to designate October 7, 1978 as National Guard Day, "yes."

Mr. Speaker, on July 25, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 590: H.R. 11823: Reserve retirement benefits. The House passed the measure to amend section 1331 (c) of the U.S. Code, to allow certain otherwise ineligible reservists to become eligible for retired pay, "yes;"

Rollcall No. 591: H.R. 12349: DuNoir Basin. The House passed the measure, amended, to provide for the DuNoir Basin addition to the Washakie Wilderness, "yes;"

Rollcall No. 592: H.R. 12973: Social services. The House passed the measure, amended, Social Services Amendments of 1978, "yes;"

Rollcall No. 593: H.R. 11889: Medal of Honor recipients' pension. The House passed the measure to amend title 38, U.S. Code, to increase from $100 to $200 the monthly rate of special pension payable to each person who has been awarded the Medal of Honor, "yes;"

Rollcall No. 594: H.R. 11890: DIC compensation benefits. The House passed the measure, amended, to amend title 38 of the U.S. Code to provide that the survivors of a veteran who was rated totally and permanently service-connected disabled for a period of at least 10 years would be entitled to dependency and indemnity compensation as though the veteran had died from a service-connected disability, "yes;"

Rollcall No. 595: H.R. 12426: NYC financial assistance. The House agreed to the conference report on the measure to authorize the Secretary of the Treasury to provide financial assistance for the city of New York, "yes;" and

Rollcall No. 596: H.R. 11877: Peace Corps authorization. The House agreed to the conference report on the measure to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act, "yes."

Mr. Speaker, on July 26, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 597: H.R. 10285: Commodity Exchange Act extension.—The House agreed to resolve itself into the Committee of the Whole, "yes;"

Rollcall No. 598: H.R. 10285: Commodity Exchange Act extension.—The House rejected an amendment that sought to permit States to pass and enforce State laws identical to those in the Commodity Exchange Act, "no;"

Rollcall No. 599: H.R. 10285: Commodity Exchange Act extension.—The House agreed to an amendment that requires the reporting of export sales to the Commission within 48 hours, and requires the Commission to make this information public, "yes;"

Rollcall No. 600: H.R. 10285: Commodity Exchange Act extension.—The House passed the measure to extend the Commodity Exchange Act, as amended, for 4 years, "yes;"

Rollcall No. 601: H.R. 3350: Seabed mining.—The House agreed to the substitute that gives the Commerce Department jurisdiction over deep seabed mining operations, "no;"

Rollcall No. 602: H.R. 3350: Seabed mining.—The House rejected an amendment that sought to require applicants for licenses and permits to submit comprehensive work plans, "no;"

Rollcall No. 603: H.R. 3350: Seabed mining.—The House passed the measure to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto, "yes;"

Rollcall No. 604: H.R. 7577: Economic opportunity and community services amendments.—The House rejected an amendment that sought to retain the ratio of Federal/State assistance contributions to community service agencies at 60 percent Federal/40 percent State, "no"; and

Rollcall No. 605: H.R. 7577: Economic opportunity and community services amendments.—The House passed the measure to amend the Economic Opportunity Act of 1964, "yes."

Mr. Speaker, on July 27, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 606: S. Con. Res. 98: Adjournments of Congress. The House agreed to the concurrent resolution relating to adjournment to a date certain

during the remainder of the 95th Congress, "yes";

Rollcall No. 608: H.R. 12157: Export-Import Bank. The House rejected an amendment that sought to prohibit the Bank from financial transactions to establish or expand the production of commodities, unless the President certifies the commodity is not in surplus and its import would not substantially injure U.S. firms and employees producing the same or competing commodity, "no";

Rollcall No. 609: H.R. 12157: Export-Import Bank. The House rejected an amendment that sought to prohibit the Bank from participating in transactions with countries which the Secretary of State determines engage in a consistent pattern of gross violations of internationally recognized human rights, "no";

Rollcall No. 610: H.R. 12157: Export-Import Bank. The House rejected an amendment that sought to prohibit the Bank from participating in transactions unless the purchaser of exports endorses certain fair and equal employment principles, "no";

Rollcall No. 611: H.R. 12157: Export-Import Bank. The House rejected an amendment that sought to require the Bank to submit an evaluation to Congress, based on an analysis by the Nuclear Regulatory Commission describing safety standards and nuclear practices of any country in which the Bank enters into transactions involving the sale of nuclear reactors, "no"; and

Rollcall No. 612: H.R. 12157: Export-Import Bank. The House passed the measure to amend and extend the Export-Import Bank Act of 1945, "yes."

Mr. Speaker, on July 28, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 613: H.R. 9400: Civil rights of institutionalized persons. The House agreed to resolve itself into the Committee of the Whole, "yes";

Rollcall No. 614: H.R. 9400: Civil rights of institutionalized persons. The House passed the measure to authorize actions for redress in cases involving deprivations of rights of institutionalized persons accused or protected by the Constitution or laws of the United States, "yes";

Rollcall No. 615: H.R. 12432: Civil Rights Commission. The House agreed to resolve itself into the Committee of the Whole, "yes";

Rollcall No. 616: H.R. 12432: Civil Rights Commission. The House rejected an amendment that sought to delete provisions giving the Commission authority to study discrimination based on age or handicap status, "no"; and

Rollcall No. 617: H.R. 12432: Civil Rights Commission. The House agreed to an amendment that prohibits the use of funds by the Commission to influence the passage or defeat of legislation before Congress or State legislatures, except when the Commission is requested to give an opinion, "yes."

Mr. Speaker, on July 31, 1978, I was absent from the legislative session of the House of Representatives. Had I been present I would have voted in the following fashion:

Rollcall No. 619: H.R. 9938: Ocean shipping. The House passed the measure, amended, to provide for the regulation of rates or charges by certain State-owned carriers in the foreign commerce of the United States, "yes";

Rollcall No. 620: H.R. 12514: International security assistance authorization. The House agreed to the rule (H. Res 1286) under which the bill was considered, "yes";

Rollcall No. 621: H.R. 12931: Foreign assistance appropriations. The House agreed to the rule (H. Res. 1247) waiving certain points of order and providing certain procedures during consideration of the bill, "yes"; and

Rollcall No. 622: H.R. 12514: International security assistance authorization. The House agreed to resolve itself into the Committee of the Whole, "yes."

Mr. Speaker, on August 1, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 624: H.R. 12972: SSI work disincentives. The House passed the measure, amended, to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplementary security income benefits program, "yes";

Rollcall No. 625: H.J. Res. 963: National POW-MIA Recognition Day. The House passed the joint resolution designating July 18, 1979, as "National POW-MIA Recognition Day", "yes;"

Rollcall No. 626: H.R. 4030: Utility holdings of private foundations. The House passed the measure to amend the Internal Revenue Code of 1954 to increase the amount of the stock which certain private foundations may hold in certain public utilities without being subject to the excise tax on excess business holdings, "yes;"

Rollcall No. 627: H.R. 12514: International security assistance authorization. The House agreed to an amendment, as amended, that lifts the embargo on arms shipments to Turkey upon the President's certification to Congress that it is in the national interest of the United States and NATO to do so, and that Turkey is acting in good faith to achieve a just settlement of the Cyprus problem, the early peaceable return of refugees to their homes, continued removal of Turish troops from Cyprus, and the early resumption of intercommunal talks, "no;"

Rollcall No. 628: H.R. 12514: International security assistance authorization. The House agreed to an amendment, as amended by a substitute, that expresses the sense of Congress that further withdrawal of ground forces from Korea may risk upsetting the military balance in that region, and that requires the President to report to Congress on the effect of any proposed withdrawal plan on preserving deterrence in Korea, "yes;" and

Rollcall No. 629: H.R. 12514: International security assistance. The House agreed to the Stratton amendment as amended by the Derwinski substitute mentioned in rollcall No. 628, "yes."●

CONSUMER COOPERATIVES WILL ALLOW CONSUMERS TO HELP THEMSELVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, an urgent credit need will be filled with the creation of the National Consumer Cooperative Bank, under H.R. 2777, as reported by the House-Senate conference last week. The act will create a self-help vehicle for consumers by establishing a central bank to make loans at the market rate of interest to nonprofit consumer cooperatives.

There is a very real need for such a bank. The growth of co-ops in this country has been stunted because of the lack of credit available from private lending sources. Banks have traditionally refused to lend to consumer co-ops due to wariness of nonprofit organizations and because cooperatives are so often located in inner-city areas.

H.R. 2777 will fill this credit need by establishing both technical and financial assistance for the estimated 1,000 cooperatives now in existence and will provide starting capital for the creation of new cooperatives. The act authorizes $2 million for each of the 3 upcoming years as loan capital for the Bank.

This act should not be interpreted as establishing another Government subsidized program. On the contrary, the Consumer Co-op Bank will repay the Government's investment at competitive interest rates. The co-ops will only be started with Government capital. They will be owned and operated entirely by its members.

An estimated 1.2 million citizens belong to consumer cooperatives across the country. These co-ops sell anything from automobile repairs to health services, but the vast majority of co-ops deal in food. By narrowing the price difference between producers and consumers, co-ops usually offer goods and services at 20 to 30 percent below the average price.

Co-ops not only aid people in fighting the battle against inflation, but stimulate the community in which the co-op exists. A co-op insures that community dollars stay in the community and encourages the neighborhoods to grow and prosper into self-supporting entities.

A consumer co-op applies the democratic principle to running a business. The co-op is owned and operated by the members, with a board of directors elected from the members. Profits from the co-ops are returned to the members, usually on the basis of how much they have used co-op services as customers.

There is every indication that H.R. 2777 will establish a successful and rewarding business venture for all involved. The farm credit cooperative system is perhaps the best indication of the potential impact of the act. In 1933, 13 banks were created as agricultural cooperatives. During the next four decades,

the sales and assets of these farm co-ops increased 20 times. Consumer co-ops, however, have not been able to expand, because of lack of credit availability.

H.R. 2777 will provide the funds for both existing and new consumer cooperatives to thrive and prosper. I am proud to be a cosponsor of this long overdue legislation.●

CAPTIVE NATIONS WEEK COMMEMORATED HERE AND ABROAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, the highly successful '78 Captive Nations Week was highlighted by rallies and assemblies in the United States and abroad. Not only are our own people reminded of the continued existence and reality of all the captive nations, including those in the Soviet Union, but also the over 1 billion people held in totalitarian Red captivity are made further aware of the firm and principled stand of our Nation toward their eventual freedom and independence. These persistent effects are what trouble the Red totalitarian regimes most as they attempt to advance their charade of "détente" with the West.

Continuing our report on the '78 Week, as selected by the National Captive Nations Committee, I submit the following examples: First, proclamations by Gov. Bruce E. Babbitt of Arizona and Mayor Thomas J. Early of Worcester, Mass.; second, an article "Captive Nations March for Freedom" in the July 17 the News World; third, reports in the China Post of July 18 and 22 on Free China's Captive Nations Week events; and fourth, reports in the Ukrainian Weekly of July 23 on the New York and Chicago events:

CAPTIVE NATIONS WEEK

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect agression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom loving peoples in the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations week and inviting people of the United States to observe such week with appropriate prayer, ceremonies and activities and expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, Bruce Babbitt, Governor of the State of Arizona, do hereby proclaim the week of July 16 through 22, 1978, as "Captive Nations Week" and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of the captive nations.

PROCLAMATION

Whereas: the imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechslovakia, Latvia, Estonia, Byelorussia, Romania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cassackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos and others; and

Whereas: the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas: the freedom loving peoples of the captive nations look to the United States as the citadel of human freedom and human rights and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas: the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of the captive nations:

Now, therefore, I. Thomas J. Early, Mayor of the City of Worcester, do hereby proclaim the week of July 16-22, 1978, as "Captive Nations Week" in the City of Worcester and call upon our citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

CAPTIVE NATIONS MARCH FOR FREEDOM

(By Hal McKenzie)

More than 1,000 marchers representing 30 nations held captive under communism marched down Fifth Avenue yesterday in a parade brightened by dozens of national flags, colorful native costumes and a troupe of Chinese lion dancers.

The marchers assembled at 59th Street at 9 a.m. and proceeded to St. Patrick's cathedral where a memorial mass was held in memory of the approximately 73 million killed by Soviet communism and 232 million held captive behind the Iron Curtain, as well as many millions more killed and enslaved by communism in Asia and Africa.

Celebrant and homilist Dr. Walter Jaskewicz, S-J, said that the word of God was too strong for "even a superpower" to stop and that, like a seed, it would one day bear fruit in freedom.

After the service, the parade marched to the bandshell at 72nd Street in Central Park for a midday program of speeches and traditional folk entertainment. The parade, which stretched for several blocks, was led by the Trinity Marching Band from Queens and livened by the drums and cymbals of a lion-dancing troupe from the Choy-Lee-Fut Kung-Fu School of Chinatown.

The Chinese delegation seemed to be the largest, marching in the middle of the parade with dozens of red and blue Nationalist Chinese flags. Some red and yellow Vietnamese flags were seen mingled with the Chinese delegation as an obvious gesture of solidarity.

For the first time in a N.Y. Captive Nations Week parade, a woman bearing the flag of Rhodesia marched in the procession as a protest against United Nations sanctions against Rhodesia.

Marchers from captive nations such as Lithuania, Latvia, Slovakia, E. Germany, Turkestan, Azerbaijan, Bulgaria, Cossackia, Estonia, Poland and Hungary made up the bulk of the rest of the parade.

At the bandshell in Central Park, where the parade terminated, Rep. Mario Biaggi, D-N.Y., urged that organizations like the Captive Nations Committee of New York, which organized the event, keep up their activities so as to keep hope for freedom alive in the captive nations.

"There are less than two dozen democracies left. . . . It is important to preserve them but more importantly we must have conversion from totalitarianism to democracy," Biaggi said to the cheers of the crowd.

The newly-installed chairman of the Captive Nations Committee, Horst Uhlich, a native of E. Germany, told the crowd, "Freedom, like friendship, continues only when we work for it, dream about it, wish for it with all our hearts, because freedom is very difficult to win and to keep, but very easy to lose."

Republic of China Counselor General K. C. Dun also addressed the crowd, as did Congressman and candidate for lieutenant governor Bruce Caputo. Proclamations were read from Gov. Carey and President Carter.

The rally concluded with traditional songs and dances from several captive nations.

In other events scheduled for Captive Nations Week, Mayor Koch is to issue a proclamation at City Hall at 2:30 this afternoon, and a rally will be held at the Statue of Liberty Sunday, July 23, at 1:30 p.m.

DR. KU WARNS OF PEIPING THREAT IN CABLES TO WASHINGTON TALKS

(U.S. "normalization of relations" with Peiping will hurt U.S. interests aside from bringing grave consequences to Asian and global peace and security, Dr. Ku Chengkang warned in his cables yesterday to the Senators and Representatives who will be attending Washington gatherings marking the Captive Nations Week.)

The cables were sent to U.S. Senators S.I. Hayakawa and Daniel P. Moynihan and Representatives Daniel J. Flood and Edward J. Derwinski.

Text of the cables, identical in content, is:

Peiping and Moscow are at odds but similarly bent on human enslavement and attainment of hegemony. Their fundamental confrontation with the free democratic camp therefore will remain unchanged. If any party tries to cultivate Peiping against Moscow, the mistake of strengthening post-war Soviet Russia will be repeated and the free world then must face another destructive enemy.

Peiping badly needs Washington on its side to cope with Moscow but has not changed its anti-American policy and will continue as America's archenemy. America cannot gain by fostering a potential aggressor. Peiping furthermore wants major U.S.-Russian hostilities for the burial of Russian revisionists and American imperialists in nuclear ashes. Those who think Washington and Peiping share common interests are playing themselves into the Chinese Communist hands and can bring serious damages to American interests.

Normalization with Peiping will imply approval of its totalitarian control of 800 million Chinese and serve to enhance the regime's suppression of those who dare stand up for freedom. This goes diametrically against the Captive Nations Week and human rights campaigns initiated by America.

U.S. CONGRESSMAN WARNS ON DÉTENTE DANGERS

"Détente does not mean we have to bargain and barter with the Communists to build a 'structure of peace' in our time in

order to 'buy' Soviet friendship and yet ignore the crimes against humanity which are constantly being perpetrated under Soviet Russian imperialism," said U.S. Representative Delwin Clawson.

In his speech to the Foreign Language Center of the Political Warfare College to commemorate the 1978 Captive Nations Week, Clawson said the plight of the citizens of Latvia or Estonia, of Czechoslovakia, Poland or mainland China require people's constant attention.

He said the hundreds of millions of people who are denied their basic individual rights have not been forgotten.

He noted it is an unfortunate fact that the Carter Administration has continued to press for full "normalization of relations" with Peiping, at the same time that it seems to have gone out of its way to give its friend—the Republic of China—the cold shoulder.

Sacrificing the Republic of China, a model of successful development within the private enterprise system, Representative Clawson said, would be injurious not only to the people here, but also to the United States and all the free peoples of Asia.

DR. KU: LIBERATING MAINLAND KEY TASK

(To liberate the 800 million captive people on the mainland is the key to solving the China problem, Dr. Ku Cheng-kang, honorary chairman of the World Anti-Communist League, said at a mass rally to commemorate the 1978 Captive Nations Week at the Sun Yat-sen Memorial Hall in Taipei yesterday.

(Addressing some 3,000 people in his capacity as chairman of the rally, Dr. Ku noted that only when China becomes a free democratic and united nation, will there be a free and democratic Asia.)

He said a free and democratic China is in the interest of free nations from the long-term point of view.

He urged freedom-loving people in all nations to unite to struggle for freedom and human rights of the enslaved people.

He also suggested an alliance between the Republic of China, Korea and Japan to establish a chain defense in the Western Pacific region.

The mass rally was attended by high-ranking government officials, foreign envoys, representatives from all walks of life and distinguished guests.

Premier Y. S. Sun also delivered a speech at the rally in which he said human rights cannot be upheld through the application of a double standard.

Other speakers at the rally included U.S. Congressman John Ashbrook; Chairman of the National Center of Independents and Farmers of France Bertrand Motte; Vice-President of the Supreme Court of the Ivory Coast, Georges Creppy; Japanese Diet Member Taikan Hayashi; the publisher of "Replica" in Saudi Arabia, Sheik Mohammed Salahuddin; and the Counselor of State Council of Uruguay, Willy Patocchi.

In concluding the rally, a declaration was made stating that the "United States as a Pacific nation cannot dodge her historic responsibility to maintain Asian-Pacific common security as she strives to bring lasting freedom and human rights to all mankind."

The declaration also said:

Ours are democratic open political and social systems. Our economic construction has been well in progress for growing prosperity. We furthermore possess strong defense capabilities and unity of mind for anti-Communism.

The security of Asia, Africa and Latin America is in a state of emergency.

We therefore urgently ask that a consolidated security system be formed by the free nations of Northeast and Southeast Asia so that the region can be saved from wholesale communization.

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CAPTIVE NATIONS WEEK RALLY

The Captive Nations Week Rally held yesterday morning at the Sun Yat-sen Memorial Hall was a great success as speakers from six continents voiced their staunch support for the Captive Nations Week movement and lauded the Republic of China's epic struggle against Communist threat and aggression.

The mass rally was attended by more than 3,000 persons from all walks of life including more than 45 foreign visitors who came to the Republic of China to commemorate the occasion. It marked the highlight of this week's observance in calling attention to the plight of the captive people behind the iron curtain countries, including the vast Chinese mainland which has become, as Congressman Edward Derwinski (R.-Illinois) put it, the world's "largest prison camp." The observance is in line with U.S. President Jimmy Carter's Captive Nations Week Proclamation for the people "to renew their dedication to the cause of all people who seek freedom, independence and basic human rights."

Dr. Ku Cheng-kang, honorary chairman of the world Anti-Communist League and chairman of the 1978 Captive Nations Week Rally, delivered the keynote speech. He pointed out that the Red scourge goes on, because free nations have been committing one grave mistake after another vis-a-vis Communism and slavery. "Communist forces," he declared, "are not invincible but have been left at large." In analyzing the mistakes made by the free world, Dr. Ku listed the following: 1) failure to strengthen the battlefront of freedom against autocracy so as to effectively deal with world Communization strategies; 2) failure to apply sufficient military and economic strength to the maintenance of freedom and security in the face of Communist growth; 3) failure to unite freedom forces for the dealing of blows at those Communists vying for hegemony and 4) failure to remember the bitter lesson of free peoples victimized by deceitful Communists.

After noting the danger of implementing the mistaken policy of pitting Peking against Moscow, Dr. Ku said the key to the China issue lies in the successful freeing of the 800 million captive people so that their enormous combined strength can be channeled into the free camp for the building of world peace and security.

Premier Sun Yun-suan also reminded the audience that the Chinese Communists are the source of world turmoil. He noted, however, that the Chinese Communists have a fragile power structure and their internal struggles are violent. Lauding President Jimmy Carter's proclamation of "Human rights Day" and the "Bill of Rights", the Premier stated that human rights, cannot, however, be upheld through the application of a double standard. He then declared that "We seek to unite with all the democracies to raise high the anti-Communist banner of freedom and human rights. We want to convey the anti-Communist movement for freedom and human rights behind the iron curtain and to the Chinese mainland".

Other speakers included Congressman John M. Ashbrook, R-Ohio, Mr. Bertrand Motte, chairman of the French National Center of Independents and Farmers party, Counselor Willy Patochi of the Uruguay State Council, Vice President Georges Creppy of the Ivory Coast Supreme Court, Mr. Taikan Hayashi, member of the Japanese House of Representatives and Sheik Mohammed Salahudin of Saudi Arabia. They all expressed their staunch support for the Republic of China's endeavors in promoting human rights and liberating enslaved peoples. They were also greatly impressed by the unity, freedom and economic prosperity the people enjoy here. They realize more than ever the importance of the existence of the Republic of China to the stability and peace of Asia and the Pacific region.

All free people should indeed actively help the people on the Chinese mainland to rise for freedom and human rights. Dr. Ku's suggestion that the people of the Republic of China, Korea and Japan should unite together and establish a strong island chain of defense to protect freedom and security in the Western Pacific should be heeded. The United States should abandon its futile search for a formula to "normalize" its relations with the Chinese Communists because it merely weakens the democratic camp and endangers world peace.

NEW YORK MARKS CAPTIVE NATIONS WEEK

NEW YORK, N.Y.—The 20th Captive Nations Week here was observed with a tripartite program, beginning on Sunday, July 16 and ending Sunday, July 23.

The observance was organized by the Captive Nations Committee of New York, a branch of the National Captive Nations Committee (NCNC), which was responsible for arranging for a Divine Liturgy at St. Patrick's Cathedral, a march to Central Park's Band Shell and a special program, featuring American speakers, ethnic entertainment and the reading of official proclamations and resolutions.

The program on Sunday, July 23, at the Statue of Liberty was sponsored by Americans to Free Captive Nations, an organization dedicated to the liberation of all the Captive Nations.

The Sunday, July 16, program began at 9 a.m. with the gathering of various national groups with their flags at 59th Street and the march to St. Patrick's Cathedral for the Liturgy, celebrated by the Rev. Dr. Walter Jaskewicz, S. J.

After the Liturgy, over 500 participants formed ranks and marched along Fifth Avenue to the tunes of the Trinity Marching Band from Queens and livened by the drums and cymbals of a lion-dancing troupe from the Choy-Lee-Fut Kung-Fu School of Chinatown.

The honorary mashal of the parade was Dr. John O. Flis, President of the Ukrainian National Association, who led the marching column with Dr. Ivan Docheff, honorary chairman of the CNC-N.Y., and Horst Uhlich, its current chairman.

The program at 12 noon at the Central Park mall began with the pledge of allegiance led by Caso Gallo of the Queens Post of the Catholic War Veterans followed by the singing of the American national anthem by Mrs. Helmi Mandsalu (Estonian).

In his introductory remarks, Mr. Uhlich, who defected from East Germany, told the gathering that "freedom, like friendship, continues only when we work for it, dream about it, and wish for it with all our hearts, because freedom is very difficult to win and to keep, but very easy to lose."

In turn, he introduced Mrs. Mary Dushnyck, Vice-President of the Ukrainian National Association and president of the New York Fraternal Congress, to serve as master of ceremonies. Mrs. Dushnyck spoke briefly on the importance of Captive Nations Week, read the proclamation issued by President Carter and introduced the speakers and performers.

Although they belong to two different political parties, two U.S. Congressmen appearing at the program assailed with equal intensity the present policy of detente and the down-playing of the captive nations held in bondage in the USSR and other Communist dominated lands.

Rep. Mario Biaggi (D-N.Y.) said that the work of ethnic organizations for the liberation of the captive nations is in the interest of the United States, but the U.S. government shies away from openly supporting the

captive nations even though U.S. Congress enacted a law for that purpose.

Rep. Bruce Caputo (R-N.Y.), the Republican candidate for lieutenant-governor of New York, also criticized the present administration for practicing a "selective human rights" policy and failing to give meaningful moral support to the captive nations.

Other speakers who spoke along the same vein were Republic of China Consul General K.C. Dun and Dr. Docheff.

In turn, Olya Kormylo, Ukrainian university student of Newark, N.J., read the proclamation by Gov. Hugh Carey, a statement by Mario Cuomo, secretary of state of New York, and a Pastoral Letter on Captive Nations Week issued by Bishop Basil Losten of the Ukrainian Catholic Eparchy of Stamford.

A set of resolutions was read by resolutions chairman Peter C. Wytenus of the Lithuanian group, and adopted by the gathering.

Ethnic entertainment included Estonian folk melodies sung by Mrs. Mandialu, Estonian numbers by pianist Paul Tobias, the Croatian Cardinal Stepinac Folk Dance Group led by Steve Basic of the Croatian Central Committee, and the Chinese Lion Dancers under the direction of Mr. Woo.

In addition to Mrs. Dushnyck and Dr. Flis, other Ukrainians on the committee were vice-chairman Volodymyr Hladky, of the Ukrainian section of American Friends of the ABN (AF-ABN), Dr. Valentina Kalynyk, president of Americans to Free Captive Nations, Inc., and Dr. Aleksander Sokolyszyn, press chairman. Dr. Walter Dushnyck, editor of "The Ukrainian Quarterly," represented the UCCA.

The largest and best organized group was the Chinese, followed by the Turkestanis, Croatians and the Balts.

On Monday, July 17, Herbert Rickman who said he was Ukrainian-born on "both sides," presented the Captive Nations Week proclamation in behalf of Mayor Edward I. Koch who was scheduled to present it personally but was called to an important meeting at the last minute. Some 50 representatives gathered with their national flags to receive the proclamation. Brief addresses were delivered by Dr. Docheff, Mr. Uhlich and Dr. Boleslaus Niemeckas.

Representing the Ukrainian group were Dr. Dushnyck, Roman Huhlewych, honorary president of the United Committee of Ukrainian American Organizations, Kornel Wasyluk, head of the New York SUMA branch, who brought 15 members to City Hall, Dr. Sokolyszyn, head of the ODFFU branch in Astoria, Bohdan Kachor, head of the ODFFU in New York, and Nicholas Rywak and Samuel Mass, representing the Holy Cross Post of Ukrainian Catholic Veterans in Queens, who, like the SUMA group, came with their banners.

GENERAL GRIGORENKO ADDRESSES CHICAGO CAPTIVE NATIONS WEEK RALLY

(By Alex Harbuziuk)

CHICAGO, ILL.—Gen. Petro Grigorenko urged some 1,000 persons gathered at a downtown rally on Saturday, July 15, to "demand that the Helsinki Accords be nullified" if the Soviet Union does not stop violating them.

"The fight for human rights in the Soviet Union is continuing and we are morally bound to support it . . . with actual sanctions," Gen. Grigorenko declared at the Captive Nations Week rally.

Speaking in Ukrainian with an English translator, he pointed out that the three dissidents sentenced the previous week by Soviet courts "are not the only ones. There are tens of thousands who support the fight for human rights and national identity."

He noted, however, that the most enlightened elements of each nation are being eradicated. "I, as a former Soviet political prisoner, confirm categorically that dissidents and freedom fighters of the enslaved nations are wasting away in jails, concentration camps and psychiatric institutions."

He charged that Soviet policy toward the captive nations continues to be "merciless genocide." He contended that "the Ukrainian population has actually declined" since the 1927 census.

"It is an unenviable fate for a man to be deprived of his native land. It is an even deeper sorrow to see one's nation suffering and yet be helpless to act. Many of us present here today have lived through such an experience. Not long ago, I, too, was denied the right to return to my dear and unforgettable homeland, Ukraine," said Gen. Grigorenko, who last year was prohibited from re-entering the USSR after undergoing surgery in the United States.

Gen. Grigorenko, was one of the founders of Helsinki monitoring committees in the USSR.

He also said, "At the same time as Asia, Africa and Latin America have liberated themselves from colonial yokes, and ideas of national identity have captivated the world, it is particularly hard to accept the fact that one's nation is suffering under the national and social enslavement of Russian colonial imperialism."

Gen. Grigorenko ended on a hopeful note, saying, "The people in the Soviet Union are rising up and I believe that in my lifetime I shall return to a free Ukraine."

He also hoped out loud that the people of other nationalities who were listening also would be able to see their homelands free. Those final statements were greeted with hearty applause.

Clapping on several occasions interrupted Gen. Grigorenko's 20-minute speech at the Daley Center plaza.

Making remarks earlier in the program were Reps. Frank Annunzio (D-Ill.), Marty Russo (D-Ill.) and Henry Hyde (R-Ill.); Chicago Alderman and former congressman Roman Pucinski; Illinois State Rep. Boris Antonovych and others.

Hundreds in the audience held placards identifying their homelands, espousing a particular cause or naming specific victims of Soviet persecution.

Many at the rally carried flags, some were dressed in native costumes.

The outdoor rally, sponsored by the Captive Nations Committee of Chicago, attracted representatives of various news media.

Afterwards, the Ukrainian Congress Committee of America branch here honored Gen. Grigorenko at a luncheon in the Bismarck Hotel.

Some of the signs read: "Ukrainians Want Freedom, Justice and Peace;" "Rudenko and Tykhy are victims of the Helsinki Accords;" "Soviet Justice is a 3-Ring Circus;" "USSR Persecutes Those Who Practice Religious Faith;" "Freedom for Iryna Stasiv-Kalynets;" "Persecution is a Way of Life in the USSR;" "Human Rights Are Violated in Lithuania;" "Down with Detente;" "Communist Empire—Graveyard of Free Nations."

Among Rep. Hyde's comments were: "A day like today serves to remind us that Eurocommunism is nothing more than a modified version of old Soviet imperialism. Communism is still the greatest enemy of humanity."

Rep. Hyde said it is strange that the very week that dissidents are sentenced to prison in the Soviet Union "we continue to try to negotiate a SALT agreement with their slave master. The least we could do is adjourn the talks."

State Rep. Antonovych, a Republican, called on everyone to support President Carter's human rights policy.

He also announced that he would begin a 300-mile walk from Chicago to the state capital in Springfield on July 28 to stimulate interest in a letter-writing campaign to Congress, to Soviet officials and to the prisoners.

MEANY SCORES DENIAL OF RIGHTS IN CAPTIVE NATIONS WEEK STATEMENT

WASHINGTON, D.C.— George Meany, president of the AFL-CIO, denounced several countries where there are violations of human rights and said that the American workers will continue to stand up in defense of those who seek basic freedoms.

Mr. Meany's remarks were included in his 1978 Captive Nations Week statement. The American labor leader said that on the occasion of the 20th anniversary of the week, it is important to "redouble efforts on behalf of individuals who are denied their basic freedoms and liberties."

He stressed that the American labor movement has consistently stood up in defense of human rights activists, and he denounced South Africa, Chile, Uganda and the Soviet Union for repressions, saying that they are not 'purely internal affairs."

Below is the full text of Mr. Meany's statement:

On this 20th observance of Captive Nations Week, the AFL-CIO calls upon the labor movements, the nations and peoples of the free world to redouble their efforts on behalf of individuals who are denied their basic freedoms and liberties.

The American labor movement has consistently supported the struggle of human rights since its inception and applauds those organizations who have courageously spoken out on behalf of those who are silenced. We must not permit political or economic expediency to dull our words. Those individuals actively involved in this struggle to look to us for support and assistance. They must be continually assured that their trust is not misplaced.

The 12th Constitutional Convention of the AFL-CIO stated in December 1977 that "Abuses and threats to basic human rights are the most searching issues that divide the world today, and the clearest tests of American ideals and resolve. Where these issues are concerned, whether in Southern Africa, Chile, Uganda or the Soviet Union, there are no longer any purely internal affairs."

The AFL-CIO recognizes the vicious contempt shown to subjugated people in nations captured by totalitarian forces. It further recognizes the fraudulent intent of the Soviet Union in signing the Helsinki Accords. For these reasons, American labor will work tirelessly to seek freedom for the peoples of Eastern Europe and in every other region where suppression of liberty has become the norm and human rights are violated.●

PERSONAL STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

● Mr. WEISS. Mr. Speaker, the following is how I would have voted on certain votes had I been present:

Rollcall No. 619, on passage of the bill H.R. 9998, to provide for the regulation of rates or charges by certain State-owned carriers in the foreign commerce of the United States, considered under suspension of the rules. This bill passed by a vote of 329 to 6. I was paired on this vote and would have voted in favor of this bill.

Rollcall No. 620, a vote on a resolution allowing H.R. 12514, the International Security Assistance Act, to be considered on the House floor. This resolution passed by a vote of 323 to 21. I was paired on this vote and would have voted in favor of the resolution.

Rollcall No. 621, a vote on a resolution allowing H.R. 12931, the foreign assist-

ance appropriations, to be considered on the House floor. This resolution passed by a vote of 265 to 84. I was paired on this vote and would have voted in favor of the resolution.

Rollcall No. 622, a motion for the House to resolve into the Committee of the Whole in order to consider H.R. 12514. This motion passed by a vote of 317 to 11. I would have voted in favor of this motion.●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF AMERICANS WORKING ABROAD

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ULLMAN. Mr. Speaker, on August 2, 1978, the Committee on Ways and Means ordered favorably reported to the House H.R. 13488, with amendments, relating to the taxation of Americans working abroad. The bill would restore the prior flat exclusion for income earned by U.S. citizens in areas other than Canada and Western Europe. In addition, deductions would be allowed in all foreign countries for certain cost-of-living, housing, education, and annual home living costs. The bill includes special rules for employees living in camps, for foreign moving expenses, and for deferral of gain from selling a residence.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 13488 on the floor of the House.

The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule which would provide:

First, committee amendments, which would not be subject to amendment;

Second, 1 hour of general debate, to be equally divided;

Third, waiving all necessary points of order; and

Fourth, one motion to recommit, with or without instructions.

I anticipate that H.R. 13488 will be officially reported to the House and the committee report filed on Tuesday, August 8, 1978. It is our intention to request a hearing before the Committee on Rules as expeditiously as possible.●

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted as follows to:)

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. YOUNG of Alaska (at the request of Mr. RHODES), for today, August 3 and tomorrow August 4, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GOODLING) and to revise and extend their remarks and include extraneous matter:)

Mr. GOLDWATER, for 5 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. STEIGER, for 10 minutes, on August 4.

Mr. SARASIN, for 5 minutes, today.

(The following Members (at the request of Mr. CORNWELL) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. WEISS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GOODLING) and to include extraneous matter:)

Mr. ANDERSON of Illinois in two instances.

Mr. DUNCAN of Tennessee.

Mr. COHEN.

Mr. STEIGER.

Mr. MCKINNEY in two instances.

Mr. ARCHER.

Mr. DORNAN in two instances.

Mr. SARASIN.

Mr. LAGOMARSINO.

Mr. ASHBROOK in two instances.

Mr. MICHEL in two instances.

(The following Members (at the request of Mr. CORNWELL), and to include extraneous matter:)

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. KILDEE in two instances.

Ms. MIKULSKI.

Mr. HEFTEL in two instances.

Mr. FRASER.

Mr. WAXMAN in 10 instances.

Mr. MCDONALD in five instances.

Mr. LAFALCE.

Mr. HARRIS.

Mr. BRECKINRIDGE.

Mr. DRINAN.

Mr. AMBRO in two instances.

Mr. VENTO.

Mr. FORD of Tennessee.

Mr. MARKEY in two instances.

Mr. CAVANAUGH.

Mr. SANTINI.

Mr. RISENHOOVER.

Mr. WEISS in two instances.

Mr. EILBERG.

SENATE BILLS REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3243. An act to authorize the appropriation of funds to provide for additional administrative expenses associated with the implementation of the Local Public Works Capital Development and Investment Act of 1976, as amended; to Committee on Public Works and Transportation.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7581. An act to amend the Internal Renveue Code of 1954 with respect to the treatment of mutual or cooperative telephone company income from nonmember telephone companies, and for other purposes; and

H.R. 13385. An act to provide for a temporary increase in the public debt limit.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 13385. To provide for a temporary increase in the public debt limit.

ADJOURNMENT

Mr. CORNWELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 30 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, August 4, 1978, at 9 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4703. A letter from the Inspector General, Department of Health, Education, and Welfare, transmitting the fifth quarterly report of his Office, covering the period April 1 through June 30, 1978, pursuant to section 204(b) of Public Law 94-505; to the Committee on Government Operations.

4704. A letter from the Acting Assistant Secretary of the Interior, transmitting notice of the receipt of project proposals under the Small Reclamation Projects Act of 1956 from the Buffalo Rapids Irrigation Project, District No. 1, Montana, and the Pioneer Water Co., California, pursuant to section 10 of the act; to the Committee on Interior and Insular Affairs.

4705. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on the status of the International Disaster Assistance account for the third quarter of fiscal year 1978, pursuant to section 492 of the Foreign Assistance Act of 1961, as amended (89 Stat. 849); to the Committee on International Relations.

4706. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

4707. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exer-

cised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

4708. A letter from the Secretary of Commerce, transmitting the first annual report on the National Voluntary Laboratory Accreditation program; to the Committee on Science and Technology.

4709. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report covering the 6 months ended June 30, 1978, on reviews and hearings arising from complaints of unfair trade practices by foreign governments, pursuant to section 301(d)(2) of the Trade Act of 1974; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZABLOCKI: Committee on International Relations. H.R. 13311. A bill to amend the Ports and Waterways Safety Act of 1972, and for other purposes; with amendment (Rep. No. 95–1384, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5523. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Cowlitz Tribe of Indians in Indian Claims Commission docket No. 218, and for other purposes; with amendment (Rep. No. 95–1327). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior aid Insular Affairs. H.R. 11451. A bill to establish the true location of a portion of northerly boundary of the Angeles National Forest, located in Los Angeles County, Calif., on the common line between section 16 and 17, township 4 north, range 10 west, San Bernardino meridian, and to establish the center quarter corner of said section 16 (Rep. No. 95–1428). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 10029. A bill to direct the Secretary of the Interior to convey certain lands in Clear Creek County, Colo., to Harold and Doris Harlan; with amendment (Rep. No. 95–1429). Referred to the Committee of the Whole House.

Mr. HALL: Committee on the Judiciary. H.R. 4530. A bill for the relief of Elisabetta Basso Gallizio; with amendment (Rept. No. 95–1430). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 7604. A bill for the relief of Margaret Somerville Jefferis (Rept. No. 95–1431). Referred to the Committee of the Whole House.

Mr. EVANS of Georgia: Committee on the Judiciary. H.R. 7419. A bill for the relief of Vasilios Georgios Valcanos; with amendment (Rept. No. 95–1432). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 1335. An act for the relief of Shin Myong Yo Purdom, also known as Myong Yo Sin (Rept. No. 95–1433). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. S. 405. An act for the relief of Chong Cha Williams (Rept. No. 95–1434). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 6664. A bill for the relief of Lily Lirio Galindo; with amendment (Rept. No. 95–1435). Referred to the Committee of the Whole House.

Mr. HALL: Committee on the Judiciary. H.R. 7550. A bill for the relief of Joanne Lapointe; with amendment (Rept. No. 95–1436). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GEPHARDT:

H.R. 13722. A bill relating to the independent contractor status of individuals for employment tax purposes; to the Committee on Ways and Means.

By Mr. STEIGER (for himself, Mr. GEPHARDT, Mr. HORTON, and Mr. FUQUA):

H.R. 13723. A bill to require biennial reports to Congress on the effectiveness of Government programs, and for other purposes; to the Committee on Government Operations.

By Mr. ANNUNZIO (for himself, Mr. REUSS, Mr. ASHLEY, Mr. ST GERMAIN, Mr. GONZALEZ, Mr. HANLEY, Mr. MITCHELL of Maryland, Mr. NEAL, Mr. PATTERSON of California, Mr. BLANCHARD, Mrs. SPELLMAN, Mr. AUCOIN, Mr. TSONGAS, Mr. HANNAFORD, Mr. CAVANAUGH, Ms. OAKAR, Mr. MATTOX, Mr. VENTO, Mr. BARNARD, Mr. WATKINS, Mr. BROWN of Michigan, Mr. ROUSSELOT, Mr. HYDE, and Mr. LEACH):

H.R. 13724. A bill to amend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BOWEN (for himself, Mr. BEVILL, Mr. BREAUX, Mr. BUCHANAN, Mr. COCHRAN of Mississippi, Mr. DICKINSON, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Alabama, Mr. FLIPPO, Mr. FLOWERS, Mr. GUDGER, Mr. MONTGOMERY, Mr. NICHOLS, Mr. WATKINS, Mr. WHITTEN):

H.R. 13725. A bill to amend the Endangered Species Act of 1973 to clarify congressional findings, intent, policy and purpose; to provide for economic and inflationary assessment of proposed listings; to review certain actions to determine whether exemptions from certain requirements of that act should be granted for such actions; to establish an Endangered Species Committee to review those actions; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BREAUX:

H.R. 13726. A bill to provide for permanent tax rate reductions for individuals and businesses; to the Committee on Ways and Means.

By Mr. BREAUX (for himself, Mr. LONG of Louisiana, Mr. TREEN, Mrs. BOGGS, Mr. MOORE, Mr. HUCKABY, and Mr. LIVINGSTON):

H.R. 13727. A bill to name a certain Federal building in Shreveport, La., the "Joe D. Waggonner Federal Building"; to the Committee on Public Works and Transportation.

By Mr. BRECKINRIDGE:

H.R. 13728. A bill to establish the Office of Congressional Legal Counsel; jointly, to the Committees on House Administration, the Judiciary, and Rules.

By Mr. DEVINE:

H.R. 13729. A bill to amend the Internal Revenue Code of 1954 to reduce by 2 percentage points the existing excise taxes on transportation of persons and property by air; to the Committee on Ways and Means.

By Mr. STEIGER:

H.R. 13730. A bill to amend the Internal Revenue Code of 1954 to clarify that a custodial account for regulated investment company stock described in section 403(b)(7) that permits an employee to withdraw funds prior to retirement may be treated as an annuity contract described in section 403(b)(1); to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 13731. A bill to amend title 10, United States Code and the Public Health Service Act, as amended, to provide for adjustments in the benefits afforded participants in the Armed Forces Health Professions Scholarship Program; jointly, to the Committees on Armed Services, and Interstate and Foreign Commerce.

By Mr. DICKS:

H.R. 13732. A bill to amend the Internal Revenue Code of 1954 with respect to the period for including in gross income certain advance payments accrued by life care communities; to the Committee on Ways and Means.

By Mr. DOWNEY:

H.R. 13733. A bill to permit regulation of automated blood pressure machines to insure the accuracy and reliability of their performance; to the Committee on Interstate and Foreign Commerce.

By Mr. McDONALD:

H.R. 13734. A bill to amend the Occupational Safety and Health Act of 1970 to prohibit restrictions on work rules in locations in which there is hunting, fishing, or shooting sports, and for other purposes; to the Committee on Education and Labor.

By Mr. MOTTL:

H.R. 13735. A bill to direct the Civil Aeronautics Board to disapprove any renewal and terminate any effect of the Airlines Mutual Aid Pact and to prohibit the approval by the Civil Aeronautics Board of any agreement or pact the purposes of which are similar to the Airlines Mutual Aid Pact; to the Committee on Public Works and Transportation.

By Mr. WALSH:

H.R. 13736. A bill to provide that the price of unleaded gasoline may not exceed by more than 3 cents per gallon the price for comparable leaded gasoline; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST (for himself and Mr. BLANCHARD):

H.R. 13737. A bill to protect predators from indiscriminate slaughter; to the Committee on Merchant Marine and Fisheries.

By Mr. WOLFF (for himself and Mr. FOUNTAIN):

H.R. 13738. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. DEVINE (for himself, Mr. CORCORAN of Illinois, Mr. KEMP, Mr. RUDD, Mr. QUAYLE, Mr. LATTA, Mr. ASHBROOK, Mr. CUNNINGHAM, Mr. MOTTL, Mr. PURSELL, Mr. TAYLOR, Mr. BEVILL, Mr. MILLER of Ohio, Mr. FINDLEY, Mr. BURKE of Florida, Mr. MICHEL, Mr. EDGAR, Mr. HYDE, Mr. COLLINS of Texas, Mr. ROUSSELOT, Mr. JACOBS, Mr. WALKER, and Mr. EDWARDS of Oklahoma):

H.J. Res. 1105. Joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

By Mr. LEGGETT (for himself, Mr. DON H. CLAUSEN, Mr. FORSYTHE, Mr. MCCLOSKEY, and Mr. JOHNSON of California):

H. Con. Res. 679. Concurrent resolution to prohibit commercial fishing on the Klamath and Trinity rivers of California; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. RHODES introduced a bill (H.R. 13739) for the relief of the J. R. Norton Co., which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of the rule XXIII, proposed amendments were submitted as follows:

H.R. 7308

By Mr. MCCLORY:

(Substitute for the committee amendment to the title.)

—Amend the title so as to read: "A bill to prescribe procedures for the use of electronic surveillance within the United States for the purpose of obtaining foreign intelligence information.".

—Page 41, line 2, strike out "the Special Court having jurisdiction under section 103" and insert in lieu thereof "a United States district court".

Page 41, line 8, strike out "Special Court" and insert in lieu thereof "court".

Page 41, strike out line 13 and all that follows down through line 2 on page 44 and insert in lieu thereof the following:

JURISDICTION

SEC. 103. (a) The United States district courts shall have jurisdiction to receive applications for court orders under this title and to issue orders under section 105 of this title.

(b) Proceedings under this title shall be conducted as expeditiously as possible. If any application to the United States district district court is denied, the court shall record the reasons for that denial, and the reasons for that denial shall, upon the motion of the party to whom the application was denied, be transmitted under seal to the United States court of appeals.

Page 52, line 14, strike out "a judge designated pursuant to section 103" and insert in lieu thereof "a judge having jurisdiction under section 103".

Page 55, beginning on line 19, strike out "shall be retained" and all that follows down through line 22 and insert in lieu thereof "shall be retained for a period of at least ten years from the date of the application and shall be stored at the direction of the Attorney General under security procedures approved by the Director of Central Intelligence.".

Page 58, line 16, strike out "Special Court" and insert in lieu thereof "court".

Page 58, beginning on line 17, strike out "Unless all the judges of the Special Court are so disqualified, the" and insert in lieu thereof "The".

Page 58, line 23, strike out "Special Court" and insert in lieu thereof "court".

Page 58, line 25, strike out "Special Court" and insert in lieu thereof "court".

Page 59, line 7, strike out "Special Court" and insert in lieu thereof "court".

Page 59, line 24, strike out "Special Court of Appeals" and insert in lieu thereof "United States court of appeals".

Page 60, line 11, strike out "Special Court of Appeals" and insert in lieu thereof "court of appeals".

Page 60, line 17, strike out "Special Court" and insert in lieu thereof "court".

Page 60, line 18, strike out "Special Court of Appeals" and insert in lieu thereof "court of appeals".

Page 60, line 24, strike out "Special Court" and insert in lieu thereof "court".

Page 60, line 25, strike out "Special Court of Appeals" and insert in lieu thereof "court of appeals".

Page 61, beginning on line 7, strike out "Special Court or Special Court of Appeals" and insert in lieu thereof "district court or court of appeals".

Page 61, line 11, strike out "Special Court of Appeals" and insert in lieu thereof "court of appeals".

—Page 62, after line 15, insert the following new subsection:

(l)(1) Notwithstanding any other provision of this title, whenever the President has reason to believe that, based upon information obtained through an electronic surveillance under this title or otherwise, an individual who has diplomatic immunity conferred by the United States is, within the United States, intercepting by electronic means the communications of individuals in the United States and that such intercepting of communications is being conducted on behalf of a foreign power and in violation of the laws of the United States, the President shall—

(A) so inform the chairman and ranking minority member, or, in his discretion, the members, of the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate;

(B) except as provided under paragraph (2), so inform any individual believed to be a particular target of such intercepting of communications in order that such individual may take such precautions as such individual considers advisable; and

(C) except as provided under paragraph (2), so inform the Ambassador or Charge d'Affairs or other principal representative of such foreign power to the United States, inform such Ambassador or Charge d'Affairs or other principal representative that such intercepting of communications is illegal under the laws of the United States, and request that such intercepting of communications be ceased immediately.

(2) The President shall not be required to comply with the provisions of subparagraph (B) or (C) of paragraph (1) in any case in which the President certifies in writing to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate that to comply with the provisions of such subparagraph would cause serious damage to the national security of the United States.

—Page 62, strike out lines 16 through 25.

And redesignate the following sections accordingly.

—Page 63, line 2, strike out "semiannual" and insert in lieu thereof "quarterly".

—Page 64, line 23, insert ", where appropriate" after "damages".

H.R. 12931

By Mr. HARKIN:

Page 68, beginning on line 14, strike out "the designation of the chief judges pursuant to section 103 of this Act" and insert in lieu thereof "such date of enactment".

—Page 22, line 17, immediately after the comma insert "or for any government which engages in a consistent pattern of gross violations of internationally recognized human rights including torture or cruel, inhuman or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial for the right to life, liberty, and the security of the person,".

EXTENSIONS OF REMARKS

CZECHOSLOVAKIA ANNIVERSARIES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. BIAGGI. Mr. Speaker, this year marks several important anniversaries in the history of Czechoslovakia. Sixty years ago, following the debacle of World War I, Czechoslovakia became an independent state. She was a model democracy, and her people looked forward to a future blessed with freedom and peace. Forty years ago, those dreams were shattered for the first time when, in the Munich Pact, Czechoslovakia was sacrificed in a vain attempt to stop the aggressive policies of Hitler. After World War II, democracy was restored to Czechoslovakia. It proved to be short-lived, however, and 30 years ago, the Communists seized power, placing Czechoslovakia under the specter of Stalinism.

The restrictions and repression endured by the Czechoslovak people seemed to be coming to an end 10 years ago, under the leadership of Alexander Dubcek. In one of the boldest experiments in postwar Eastern Europe, Mr. Dubcek undertook a general liberalization. He sought to establish what he called "socialism with a human face." During what is referred to as the "Prague Spring," intellectual freedom flowered, and once again, hope was instilled in the hearts of freedom-loving Czechs and Slovaks.

Unfortunately, these welcome changes were looked upon with great alarm by the leaders of the Soviet Union. To the Soviets, Dubcek's experiment in Socialist democracy was entirely too unorthodox, and seen as a threat to the iron-handed control they had maintained over Eastern Europe. On August 21, 1968, troops from the Soviet Union and four other Warsaw Pact countries invaded Czechoslovakia. For the third time this century, the dream of a free and independent Czechoslovakia was destroyed. Dubcek, and other Czechoslovak leaders, were arrested and taken to Moscow. There, they were forced to sign, under duress, a communique sanc-

tioning the "temporary occupation" of the Czechoslovak Republic.

Ten years later, that "temporary occupation" is still in effect. Russian troops remain in Czechoslovakia in such large numbers that the military balance in Central Europe is weighted heavily in Soviet favor. The 10 years following the invasion have been marked by renewed repression, extensive purges, and a massive violation of fundamental civil and political rights. A case in point is the persecution of those who signed Charter 77, a document demanding that Czechoslovakia meet its obligations as a signatory of the Helsinki Accord.

The continued occupation of Czechoslovakia by Soviet troops is in blatant violation of that nation's sovereignty, and the right of her people to self-determination, as outlined in articles I, II, III, IV, and VII of the Helsinki Accord. In addition, it endangers the peace, stability, and prosperity of Europe. Finally, it is in violation of the assurances made in 1968 by the Soviets to the Czechoslovak people that the troops would be withdrawn as soon as the situation "normalized."

On this, the 10th anniversary of the invasion, Czechs and Slovaks in their own country and in exile are demanding a withdrawal of Soviet troops. Their views are outlined in a document known as Petition '78. I salute their efforts, and assure them that they have the support of the American Congress and the American people in their struggle for freedom and independence.●

LABOR-MANAGEMENT RELATIONS FOR FEDERAL EMPLOYEES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. CLAY. Mr. Speaker, when H.R. 11280, the Civil Service Reform Act of 1978, is considered by the House, I understand that an amendment may be offered which would significantly narrow the scope of issues over which employees may bargain with agency management. My views on title VII in general were adequately expressed in supplemental views of myself, Mr. FORD of Michigan, Mr. HEFTEL, Mr. MICHAEL O. MYERS, Ms. SCHROEDER, Mr. SOLARZ, and Mr. CHARLES H. WILSON of California, which are a part of the committee report (95–1403) of the bill. I do, however, want to support the balanced approach which the committee took in dealing with scope of bargaining in title VII.

Originally, title VII of the bill provided that employees could bargain over everything except that which is prohibited by law—pay, money-related fringe benefits, retirement, and so forth. The administration wanted to retain, for all practical purposes, the existing practice which hearings before the Subcommittee on Civil Service conclusively demonstrated was overly narrow, management-oriented, confusing, and antiquated.

The committee wisely adopted a balanced approach to these divergent points of view. While I opposed the approach in committee, it does strike an acceptable middle ground in this complex issue. Thus, employees still cannot strike, cannot bargain over pay, and cannot have an agency shop as they may in the private sector.

On the other hand, the committee has preserved for agency managers the right to keep off of the bargaining table those prerogatives which the committee believes are essential for them to manage effectively. Specifically, a labor organization cannot bargain with agencies over:

First. Its mission, budget, internal security, or personnel necessary to conduct its work;

Second. Its direction of its employees;

Third. Its assignment of work, contracting out, or personnel necessary to conduct its work; and

Fourth. Those actions necessary in the event of a national emergency.

Further, while the bill provides that governmentwide regulations are negotiable, it permits the Federal Labor Relations Authority to make them nonnegotiable if the Government can prove a "compelling need" for uniformity in all agencies. Under this arrangement, the Government could not remove an issue from the bargaining table by merely issuing a regulation.

Were an amendment to narrow the scope of bargaining approved by the House, an agency with an innocuous regulation that each of its male employees must wear a tie while on official duty could invoke that regulation to bar the issue from negotiation with an employee representative.

Mr. Speaker, title VII of H.R. 11280 strikes a careful and judicious approach to labor management relations in the Federal sector. The issues over which employees may bargain are already modest and very limited. The committee, while it has not adopted the far-reaching approach that I prefer, has adopted a position which moves slightly beyond existing practice.

I urge my colleagues to support the committee position on labor-management relations and to oppose any crippling amendments which may be offered on the floor of the House.●

MARY LOUISE SCHWARZMANN, A DEDICATED LADY

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. ARCHER. Mr. Speaker, I would like to share with my colleagues an event that is very special to me and to the residents of the Houston area.

This week marks the 20th anniversary of service of Mrs. Mary Louise Schwarzmann to the people of our city as the chief caseworker in my office and those of my three immediate predecessors.

Actually, Mary Lou's assistance to Houstonians began before the Seventh District of Texas was even created—back in August of 1958 when she went to work for the late Albert Thomas, who at the time was the congressman who represented the entire county in which Houston is located. When he died in office in 1966, Mary Lou stayed on as the caseworker in the office of Mrs. Lera Thomas, who won a special election to serve during the remainder of her late husband's term.

When the Seventh District was created later that year, Mary Lou stayed on again—this time as the caseworker for George Bush—and there was simply no way I was about to try serving that district in 1971 without her at my side.

In an occupation where excellence is a minimum job standard, Mary Lou Schwarzmann stands out as one of the most talented, effective, and dedicated caseworkers to be found anywhere in government.

As a mother who raised two daughters from infancy alone following the untimely death of her husband, and now as a proud grandmother of five, Mary Lou stands out as a symbol of love and determination.

As someone you would just like to know, have as a friend, and simply be around—Mary Lou is a rare prize.

No; she is not retiring this year. This is no goodbye speech or anything like that. It is just a good time for my constituents and I to pause for a moment and give our sincere thanks to a wonderful lady for giving us so much of her life.●

TEXTILE INDUSTRY MERITS PROTECTION

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. COHEN. Mr. Speaker, I rise to address a grave national problem, that of textile imports. Pending before this Congress is legislation, H.R. 10853, of which I am a cosponsor, which would insure that the United States does not pursue the dangerous policy of lowering tariffs on imported textiles and apparel at a time when the domestic industry is most in need of protection.

Textile imports have risen dramatically in the past 6 monhts. This wave of foreign goods has already had a negative impact on the national economy. In my own State of Marine, unemployment among textile workers is about twice that of workers in other areas of the economy.

The textile industry is highly competitive. Firms in my district invest millions each year, more than half their annual revenue, in efforts to diversify and modernize their mills and plants. The following article from Industry Week, which I ask to be reprinted in the RECORD, indicates that this willingness to innovate is not unique to the Maine mills, but is rather a feature of textile companies across the Nation.

It would be catch-22 indeed if we managed our trade policies to the detri-

ment of those domestic sectors which have shown a desire, but not the means, to reach the peak of economic efficiency. Maintaining present tariff levels for imported textiles is not an expensive funeral payment for dying industry, but rather a shot-in-the-arm for a vigorous and promising sector experiencing acute pressures from subsidized foreign goods. I believe that if my colleagues were to consult the following article, they would be inclined to concur.

The article follows:

DO TEXTILES FACE A FRAYING FUTURE?

(By Vivian C. Pospisil)

During the next 22 years, the U.S. textile industry will face challenges that promise to dwarf the 12 labors of Hercules. Imports of textiles and apparel, particularly from developing nations, pose the most substantial threat to the entire fiber/textile/apparel industrial complex, the nation's largest manufacturing employer. Expenditures required to meet cotton dust, noise, and effluent standards could severely constrain capital spending for productivity improvements. Energy shortages may impact petrochemical-based manmade fibers, a vital raw material, as well as the basic textile manufacturing process.

The industry, however, like the mythological strong man, boasts considerable muscle, especially its technological leadership, which will enable it to overcome many of these obstacles. The textile industry should expand to the year 2000, but at something less than a robust pace. The industry's historical 4.5 percent annual growth rate will drop to about 3.2 percent, projects Predicasts Inc., a Cleveland economic research firm.

The import situation would be worse were it not for the Multifiber Arrangement (MFA), an agreement among 50 nations that sets the pattern for bilateral trade pacts. As now composed, the MFA permits an average combined growth rate in imports of textiles and apparel into the U.S. of 6 percent per year. The combined U.S. textile and apparel industries' growth rate, however, is only 3 percent per year.

The situation promises to unravel still further. Some 18 of the U.S. textile industry's bilateral trade agreements expire this year, including those with the four largest exporters to the U.S.: Hong Kong, Taiwan, Japan, and South Korea. The industry is pressing for greater protection under the bilaterals, but federal trade negotiators are leaning toward renewal at current levels, and the future likely will see tariff reductions.

Textile companies are equally concerned about the entry of developing nations into textile production and export. Many of these countries, such as Mainland China, are not covered by bilaterals, and, notes Peter McGuinness, director, Market Research & Economic Analysis Dept., Burlington Industries Inc., New York, imports from those countries are swelling at a faster rate than shipments from countries covered by agreements.

Developing nations tend first to set up industries for their basic needs—food, clothing, and housing—he points out. "Once a country gets into these industries, it looks for something to export, and textiles and apparel are commodities that it already has."

LOST JOBS

The outlook for stricter import restraints is not encouraging. The federal government prefers gradual tariff reductions, by as much as 60 percent over the next eight years. Burlington, in conjunction with an economic forecasting firm, has run several econometric simulations of industry conditions should tariffs be cut in half. One finding: the loss of some 500,000 U.S. textile and apparel jobs by 1990. Additionally, the "ripple effect" of lost jobs in supplier industries, such as fibers, and less spending by those out of work could mean more than 2 million jobs lost by 1990. (Some 300,000 to 400,000 textile and apparel jobs have been lost to imports over the last decade.)

Imports to date have captured some 10 percent of the domestic textile and apparel market. Mr. McGuinness adds, and with a 50 percent reduction in tariffs, that penetration could grow to 30 percent by 1985.

Another dire forecast: Kurt Salmon Associates Inc., a New York textile and apparel consulting firm, predicts that under present trade policies, imports of textiles and apparel could grow 140 percent by 1990, capturing 35 percent of domestic consumption.

Although imports are battering U.S. manufacturers, observers believe the textile industry will be able to compete if it can reduce the number of stages in textile production through automation, and thus reduce labor costs. For example, more computer control of production, increased use of filament yarns to avoid yarn spinning, and faster growth in nonwoven fabric technology—which circumvents traditional weaving and spinning processes altogether—may help to offset foreign competition.

Apparel, the major user of textiles, confronts a less optimistic prognosis for automation. Whereas labor costs in the textile industry represent 10 percent to 15 percent of the cost of the final product, in the apparel industry labor represents 33 percent of cost of a garment. "Garment concentration will settle in areas where labor costs are low," observes James Rumsey, Monkman Rumsey, Wilmington, Del., fiber and textile industry consulting firm. "The United States will just have to put up with more and more imports."

Inadequate research has been devoted to reducing the labor costs of apparel, believes Dr. David Chaney, dean, School of Textiles, North Carolina State University, Raleigh. "In an industrialized country like ours, we've either got to succeed in making apparel by less labor-intensive methods, or else we've got to transfer the apparel industry into those areas of the world where labor is low-cost."

A likely development over the next 22 years: U. S. makers of apparel will move more of their operations overseas or enter into joint ventures with foreign manufacturers to take advantage of cheaper labor. It is much less likely, however, that producers of textiles will expand overseas, because of the high capital equipment costs. (In fact, there have been no major new textile mills built in the U. S. in nearly a decade. Capital expenditures have gone into new production lines and modernization of existing facilities, as well as government-mandated controls for air, water, and noise pollution. Recently, however, Burlington announced plans to build a $30 million denim weaving plant in Stonewall, Miss.)

By the year 2000, the various fiber, textile, and apparel manufacturing processes will be concentrated in those countries where manufacturing costs are lowest. Developed nations, like the U.S., will manufacture and export more manmade fiber and yarns, nonwoven textiles, and higher-quality, fashion-oriented fabrics. "America will be much more of an exporter 20 years from now," predicts Don Gay, president, Don Gay & Associates Inc., a Clemson, S. C., textile industry consulting firm. The U. S., he believes, has an energy supply situation that is as good as, or better than, that of many of the other highly industrialized nations, such as Japan, and will have the raw materials and capacity for fiber and nonwoven manufacturing in particular.

Nations with low labor costs will manufacture and export high-volume, less-style-oriented fabrics and garments, "staple kinds of things where the leadtime between production and delivery, allowing for overseas travel, does not create undue fashion risk," comments Prof. Arthur Price, director, Textile Dept., Fashion Institute of Technology (FIT), New York. To Prof. Price, the next 22 years should see the U. S. textile industry become a net exporter, "as the industry becomes more capital-intensive, and as the developing nations become less competitive laborwise."

CUSTOMIZED PRODUCTS

Just as U.S. industry led in the development of mass production, it also will lead in the trend to customized production. "The world of the future will apply the computer to production in order to have an infinite variety of automated, custom products for everybody," asserts Samuel Wolpert, president of Predicasts.

The ability to customize production and to change direction quickly will be particularly important to the textile and apparel industries. In mass-produced fabrics, says Mr. Wolpert, "the developed world just doesn't have a chance against developing countries."

Another plus for U.S. producers: In the next 20 years, mills will continually increase productivity so that by the year 2000, textile manufacture will be at least 50 percent more productive in terms of yards of fabric produced per employee, says North Carolina State's Dr. Chaney.

The challenge lies in finding a method to make a variety of fabrics from the same machine by making simple adjustments, while at the same time increasing machinery speed. Apparel manufacturers, for example, would prefer buying 2,000 yd. rather than 100,000 yd. of fabric to make a pilot run on a garment, explains consultant Mr. Rumsey. At present the textile industry is not geared to run such short yardages.

More flexibility also will help the industry become more market-oriented. "There will be much more emphasis in the future on producing what the market demands, rather than 'let's make what we can make best and hope that somebody wants it,'" notes Fred Fortess, director of textile and apparel research, Philadelphia College of Textiles & Science.

As they become more market-oriented, textile manufacturers will increasingly gear their production to home furnishings, a market in which some companies already have reaped the rewards of strong demand, particularly in carpets and rugs. Burlington, the nation's largest textile firm, is also the largest producer of carpets and rugs, and these products, along with draperies, sheets, pillowcases, towels, and furniture fabrics, now constitute about 30 percent of the firm's sales. (Apparel accounts for 60 percent of sales, and industrial fabrics 10 percent.) J. P. Stevens & Co. Inc., New York, the second-largest textile company, also derives about a third of its sales from home furnishings.

The apparel market now consumes about 42 percent of all textile fibers, the home furnishings market 30 percent and the industrial market 24 percent. (The remainder is exported.) By the year 2000, some industry observers believe, home furnishings will be the largest textile market in terms of fiber consumed, and perhaps as a percentage of domestic production. Predicasts, for example, projects that by 1990, of a total of 16.5 billion lb of fiber consumed by the textile market, home furnishings will consume 5.9 billion lb and apparel 5.7 billion lb.

"Home furnishings are not as subject to imports," notes Robert S. Small, chairman, Dan River Inc., Greenville, S.C., who is also the current president of the American Textile Manufacturers Institute Inc., Washington. "Apparel will continue to take more of the consumer dollar, but I think, by the same token, imports will take more of the apparel dollar."

Demographic trends also indicate that home furnishings may grow at a faster rate than apparel. Says Burlington's Mr. McGuinness: "I'd expect apparel to grow in relation to the population"—which is expected to increase at a rate of only about 1 percent per year through the 1980s.

MORE HOUSEHOLDS

The home furnishings market, on the other hand, will grow in relation to household formation. More dynamic growth is predicted here because the post-World War II baby boom population is moving into its 30s, getting established, and looking for homes. "They're also at a cycle in their business careers when they are starting to make more money," notes Mr. McGuinness. "So you would expect home-buying, and even second-home-buying—vacation homes—to be very good for the next two decades."

The carpet and rug industry, which has grown rapidly over the last 20 years, will begin to feel the effects of a maturing market. However, a growing replacement market, as well as a rebound in new housing starts to the 2 million-plus level by 1980, will result in an above-average growth rate in the future, says Predicasts.

A Delphi survey of carpet and rug industry executives, recently conducted by Kurt Salmon Associates, projects an industry shipments growth rate of 3.3% annually to the year 2000, a prediction the consulting firm considers unduly pessimistic. The industry can comfortably ship 2 billion sq yd of carpeting by the year 2000 (compared with shipments of 921 million sq yd in 1976), the firm projects.

FIT's Prof. Price offers a dissenting opinion on future textile markets: "I don't see home furnishings overtaking apparel at all, and certainly not in the framework of the society we're now living in. Clothing is important to our individuality. It's manifest in the freedoms we live under. We show ourselves to the outside world by what we wear, and that will certainly continue."

The U.S. is also entering a long-term trend in which people will dress up more, he believes. "It's interesting to note that the dressing-down trend occurred in a period of high economic activity," he says. "There's much to say for the fact that in periods of low economic activity, people need to dress up to make themselves feel a little bit better about the plight they're in."

Monkman Rumsey's Mr. Rumsey agrees that apparel will continue to be the largest textile market, but he also believes, as do many in the textile industry, that industrial fabrics will command a larger market share, growing from their present 24 percent market share to about 27 percent in the year 2000.

A wide range of fibers and end uses characterize the industrial textile field. Fibers are chosen not for aesthetic reasons, but to meet specific standards of strength, stability, or temperature resistance (or all three) in such end uses as bullet-proof vests, fire-proof uniforms for firemen and pilots, and various automotive applications such as fiberglass-reinforced plastics.

Predicasts projects that the market for glass textiles in reinforced plastics will nearly quadruple by 1990, and that the overall industrial textile market will grow by about 3 percent annually.

CHANGING FIBERS

One of the most dynamic areas of change in the textile industry is fibers. A former textile industry manager illustrates the point: "I was born poor because my family had been in the silk business. Rayon wiped silk out. Like a dummy, I grew up and went to work for a rayon company. Then nylon wiped us out."

The majority view appears to be that synthetic fibers will capture an increasing share of textile production, although cotton industry spokesmen argue vehemently that the natural fiber will at least maintain its present market share, and may even increase it somewhat.

Cotton's share of the market gradually will decline, states North Carolina State's Dr. Chaney. "It won't be rapid, unless the cotton dust problem suddenly looms very large, and by enforcement of very rigid dust standards in the plants the industry is suddenly faced with a very large investment to process cotton, versus the alternative of going to all man-made fibers." He notes, however, that U.S. cotton interests are strong enough to force a dust standard compromise if the rules threaten to damage the industry.

In 1977, manmade fibers represented 73 percent of all fibers consumed by the textile industry, cotton represented 26 percent and wool, 1 percent. Just ten years ago, the market shares were: cotton, 50 percent; manmade, 47 percent; and wool, 3 percent.

Monkman Rumsey's Mr. Rumsey, formerly an E .I. du Pont de Nemours & Co. product manager, believes that the year 2000 will see cotton representing 12 percent to 16 percent of domestic textile production. "That 12 percent is probably the lowest limit for cotton, since in all likelihood in some end uses it will perpetually be involved."

He does not see oil prices knocking the pins out from under synthetic fibers. But he does see inflation affecting the cost of land, the value of food from the land, and ultimately, the economics of growing cotton.

Dan River's Mr. Small predicts that cotton will be about 15 percent to 20 percent of the market in the year 2000, and that its principal use will be in blends with manmade fibers.

The price and performance of synthetics will outweigh the desirable and familiar characteristics of natural fibers, both wool and cotton, says Philadelphia College's Mr. Fortess. His forecast: the total of 12 billion lb of fiber consumed today will grow to a minimum of 20 billion lb in 2000. And all of that 8 billion lb increase will be in manmade fibers. Cotton will maintain its present consumption level of 3 billion lb to 3½ billion lb per year, he says.

Dr. W. Denney Freeston, dean, School of Textiles, Georgia Institute of Technology, Atlanta, foresees growth in synthetics because of efforts by fiber manufacturers to improve their performance. Recent successes include developing synthetic yarns with characteristics that more closely simulate those of natural fiber yarns. New air jet entanglement procedures, for example, give a bulky, hairy, more "natural" surface to fibers.

Also important, he notes, is the current work going on to develop surface finishes that will enable synthetic fibers to transport moisture from the skin to the outer surface of a garment where it can be evaporated more readily.

The biggest snag to the growth of synthetic fibers is potential energy shortages that could affect the price and availability of petroleum feedstocks. However, notes Dr. Freeston, "I would like to think that people will sooner or later wake up to the fact that the stupid thing is burning oil, and that putting it into durable applications such as polymers is the logical use of oil. It should certainly be the number one priority."

COTTON DISAGREES

On another side of the fiber issue, Cotton Inc., New York, a research and promotion association of cotton producers, predicts—not surprisingly—that mills will increase their consumption of cotton to 35 percent of the market by 1985, and that that percentage should still be in effect by the year 2000.

"There will be inflation in cotton, but I can't see it being more than the average rate" for all commodities, says David Cox, Cotton Inc. vice president of economic research and development. At the same time, he believes that synthetic fiber prices are now artificially low because the federal government is still holding down the price of petroleum, and because the market is still enjoying the benefits of synthetic fiber overcapacity.

Cotton Inc. also counters the argument that land will increasingly be needed for food production. "We're going to have a relatively modest increase in population in the U.S., so in terms of domestic requirements for products of the land, we're not going to see any great increase," Mr. Cox asserts. "In fact, we're using less land today to grow food and fiber than we used 50 years ago, despite a tremendous increase in total output."

Among synthetic fibers, polyesters will grow the fastest, especially over the next ten years, since capacity already exists to handle increasing demand. Polyester is inexpensive to produce, and it should benefit from a trend toward lighter-weight fabrics.

Nylon will grow more slowly (1 percent to 4 percent annually) but will remain the second-largest manmade fiber family because of its use in carpets. Olefins are growing rapidly, particularly in furniture fabrics and indoor/outdoor carpeting, and, Predicasts predicts, will be the third-largest synthetic fiber consumed by the textile industry by 1990. Acrylics will grow moderately, by 3 percent to 5 percent per year, forecasts consultant Mr. Gay.

The cellulosic fibers, rayon and acetate, will probably lose some market share over the next 20 years, decreasing from about 8 percent of the textile market in 1980 to about 3 percent in 2000.

It is unlikely that any new large-volume fibers will explode on the market in the next 22 years. "The spectrum, of desirable properties is pretty well covered," observes North Carolina State's Dr. Chaney. The next two decades will more likely see modifications of present fibers.

New specialty fibers with high-performance characteristics will be developed for the industrial market, says Georgia Tech's Dr. Freeston. They may emerge from liquid crystal research which promises to yield a fiber with "very high strength and stiffness" compared with current nylon and polyester families, he says.

KNITS VS. WOVENS

Another element of textile manufacturing which is highly subject to changes in technology and consumer preferences is fabric construction. The pendulum has swung dramatically in the last ten years—from woven fabric to knitted fabric and back to wovens. Refinements in filament fiber and knitting machinery, as well as another swing in consumer preferences, favor knitting to rebound, but at a gradual rate.

"There is right now an exaggerated decline in knitwear," says Monkman Rumsey's Mr. Rumsey. "It's been caused by a superabundance of rather commodity-like goods. That'll reverse. The trend now is toward finer-gage knitting machinery, which means more threads to the inch and more sophisticated styling, and just generally a more satisfactory article."

Knitting's decline will persist for the next few years, he believes, but then will reverse. By 2000, he believes, knitted textiles will make up 35 percent to 40 percent of the fabric produced in the U.S. Their share today: 30 percent.

Knitting enjoys a number of manufacturing advantages including high speeds, low noise, and quick changeover. "You can hook a knitting machine to a computer or electronic controls and change the patterns at will," explains North Carolina State's Dr. Chaney. "That's not readily done with weaving." Knits also have a variety of dimensional properties including relatively stretchy or stable structures.

Despite knitting's production pluses, it won't sweep wovens from the apparel market; personal tastes are too fickle for one to dom-

inate for long. Typical of this phenomenon was the dramatic upsurge of doubleknits in the late 1960s, their saturation of the apparel market, and their steep decline over the last five years. Today, most shoppers prefer woven fabrics, particularly woven textured polyester.

"At lot of the problems with knits that caused the consumer to finally reject them have been eliminated," notes Burlington's Mr. McGuinness. "However, we now have to wait for a period of time until the public forgets the problems, and then reintroduce knits."

Weaving technology, however, is also advancing. New machinery processes such as water jet and air jet looms wil help to increase weaving speeds "drastically," believes Monkman Rumsey's Mr. Rumsey. These technological improvements may reduce the economic advantage of knitting to the extent that knitted fabrics may be restricted to applications where their properties give better performance, such as in sportswear, notes Georgia Tech's Dr. Freeston.

The fastest-growing fabric category, however, is neither knits nor wovens, but nonwovens—a broad range of fabrics generally consisting of sheet or web structures made by bonding or interlocking fibers or yarns by mechanical thermal, chemical, or solvent means. Applications include book coverings, disposable diaper linings, disposable apparel, and carpet underlay. By 2000, consultant Mr. Gay feels, their use will spread to drapes, upholstery, sheets, and towels.

Nonwovens offer a big plus: fast-paced production. A nonwoven system can produce fabric at speeds of 400 or more fpm, while knitting produces fabric at only 5 fpm. Another asset: Nonwovens also significantly reduce the number of stages from fiber to fabric.

ANOTHER LIFETIME

The use of nonwovens in fashion apparel may be more than 22 years away but, as FIT's Dr. Price observes, "you have to remember that the whole nonwovens industry, as anything substantial in the marketplace, is not more than 25 years old. What you're talking about is another lifetime for this industry."

Nonwovens will provide the impetus for the integration of fiber companies into selling fabric assemblies, rather than just fiber and yarn, predicts Philadelphia College's Mr. Fortess, formerly director of new product development at Celanese Corp., New York. Textile companies, in order to protect their investment, are likely to move back into spinning and assembling fabrics by means other than knitting and weaving.

Nonwovens will also represent the most significant technological changes in the textile industry to the year 2000. Other changes in procedures and processes will increase machinery speed and computer control of production lines, and reduce the industry's energy requirements.

Both North Carolina State and Georgia Tech have energy conservation research projects underway in conjunction with textile companies. Georgia Tech's Dr. Freeston points to wet processing and drying of fabric as the area of textile manufacturing with the greatest potential for energy savings. Thermal techniques now used to dry fabrics will be replaced by mechanical, nonthermal means, he notes. Air conditioning and humidification systems needed in mills to overcome problems of static electricity may be reduced or eliminated through installation of new low-energy control systems.

Georgia Tech has developed a procedure that allows a textile mill to reuse a dyebath some 10 to 20 times, while changing colors. The process results in a 65 percent saving in chemicals, a 50 percent reduction in water consumption, and a 30 percent cut in energy use. But, "that's just a stop-gap first step," observes Dr. Freeston. "There will be more significant changes in dyeing and finishing in the future."

A major change in textile manufacturing may emerge within the next two decades from a research study sponsored by the National Science Foundation at Georgia Tech. A continual process to convert polymers or fiber to finished garments is possible for utilitarian apparel by the year 2000, but may be farther out for fashion apparel, says Dr. Freeston.

Conventional methods for converting a polymer to fiber and then to yarn, fabric, and garments involve at least six to several dozen separate operations. Georgia Tech is researching the first process steps that could enable a manufacturer to assemble fibers on a form through a nonconventional method of entangling fibers, similar to nonwoven manufacturing. Such a process would mean significant savings in both energy and labor costs.

FAMILIAR FABRIC

Although textile companies would like to funnel their profits into new processes to lower costs and improve productivity, many of their dollars will be consumed in dealing with an old and familiar "fabric": red tape.

The Occupational Safety & Health Administration has announced new cotton dust standards that will allow .7 mg of dust per cu meter of air in some areas of mills and .2 mg per cu meter in other areas. The former will be tough to attain, says Robert E. Coleman, chairman, Riegel Textile Corp., Greenville, S.C., and the latter is "both technically and economically impossible." Also impossible is the proposed 85 dB standard for noise in the mills, he charges.

By 1990, "weavers especially will still be reeling from astronomical expenses incurred in complying with government regulations in noise, dust, and pollution control measures, although it's likely they'll get some relief on noise controls," says Walter N. Rozelle, associate editor, Textile World, in the magazine's December 1977 issue. "Government agencies will finally decide that the classical weaving system simply does not lend itself to massive redesign measures that would result in wholesale reductions in induced noise."

The burdens of regulatory costs will lead to the most significant change in the composition and character of the U.S. textile industry in the next two decades: further consolidation of manufacturers. "The pressures that all industry is under today will force more verticalization and consolidation in the textile industry," observes North Carolina State's Dr. Chaney. Fewer, larger manufacturers will be able to contribute more to the implementation of advanced technology. The industry overall will become more sophisticated, more self-sufficient, and better able to cope with economic, consumer, and regulatory pressures, the dean predicts.

The trend toward verticalization will require a different breed of textile manager in the year 2000. "You will need a management that can look over all aspects of textile processing and integrate them," says Philadelphia College's Mr. Fortess. "Instead of 20 companies going their own way, you'll have one major company with 20 divisions. There will be a pooling of management skills in inventory control, finance, and marketing." ●

FIFTY GOLDEN YEARS FOR JOHN AND MARY MULLALLY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. KILDEE. Mr. Speaker, it is with great pleasure that I announce to my colleagues in Congress that on August 22, two of my constituents, John Patrick Mullally and Mary Julia Vermette Mullally, will be celebrating their golden wedding anniversary. Married in St. Mary's Church in Mt. Morris, Mich., the couple will be commemorating the event with a mass at that same church on August 13, followed by a reception at the Mount Morris Knights of Columbus Hall. In attendance will be numerous friends, guests, and relatives, including several of their seven sons and daughters, 22 grandchildren, and one great-grandchild.

Born in Coleman, Mich., John Patrick Mullally graduated from Central Michigan University in 1923, and like six other of his brothers and sisters who graduated from CMU, became a teacher. He taught at Stanley School in Mount Morris for 4 years, coaching both softball and basketball teams in that area. Later, he began selling life insurance, and soon operated his own firm, Mullally Insurance Agency in Mount Morris, for 20 years. He retired in 1970.

Mary Julia Vermette Mullally was born in Mount Morris. She graduated from Eastern Michigan University in 1925, and taught school in Birch Run and Mount Morris.

Mr. Speaker, 50 years is a long time in anyone's book. For two wonderful people though, such as John Patrick Mullally and Mary Julia Vermette Mullally, I know this milestone is especially meaningful. I cannot convey my sense of pride and happiness for these people enough, and I am sure that their children, grandchildren, great-grandchild, and other relatives and friends share that pride. ●

OVERCROWDING IN AMERICA'S PRISONS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. ZEFERETTI. Mr. Speaker, on July 22, an inmate riot at the Pontiac Correctional Center in Illinois resulted in the deaths of three correction officers.

One day later, one officer and two inmates were stabbed to death at the Georgia State prison.

These recent uprisings in our Nation's prisons focus greater attention on one aspect of our criminal justice system that has been largely overlooked by the Federal Government, and that is massive overcrowding in our Federal, State, and local prisons.

A closer look at the two facilities where riots occurred indicated that overcrowding was certainly a major contributing factor to the disturbances. The Illinois prison was built in 1871 to house 600 prisoners. It now holds nearly 2,000. The Georgia State prison was designed for 1,100 prisoners, but it now incarcerates nearly 2,500.

The inmate population in this country is continuing to swell with little relief in sight. With the rise in crime over the

past few years, the American public has rightfully demanded a crackdown on crime and criminals. In the last 5 years, the number of inmates has jumped from 204,000 to 278,000, an increase of 36 percent.

In the State of New York, recent revisions in that State's criminal code will most likely result in the arrest and detention of an increased number of lawbreakers, particularly juvenile offenders, making the adequacy of space paramount and making the cry for new prison construction even greater. In New York City, this space problem is particularly acute at the local level.

Despite this skyrocketing rise in the number of prisoners, the facilities available for confining these convicted criminals have not kept pace. Many of the institutions were built more than 50 years ago and are grossly outdated. In many cases, two and three inmates are squeezed into cells designed for a single prisoner. Overcrowding is so acute in some States that officials have been forced to enlist the use of trailers, tents, and warehouses to meet their needs.

In my view, correctional facilities offer the greatest potential for significantly reducing crime. As an excorrectional officer myself, I can vouch for the validity of the deterrent factor in preventing crime. Simply stated, a potential criminal will think twice before breaking the law if he is aware that he will be arrested and face certain incarceration. However, due to the lack of adequate facilities, judges many times grant suspended or reduced sentences. Parole boards release inmates not because they have been rehabilitated, but because there is a need for space.

This "revolving door" system of justice must be stopped. The American people are exposed to convicted criminals walking our streets because we have nowhere to incarcerate them.

There is little doubt that new and better prison facilities are a necessity, but the poor financial condition of many of our State and local governments makes a Federal response to the condition of these institutions a necessity.

Too often in the past, many of our leaders have taken an "out-of-sight, out-of-mind" attitude toward prison construction because it is politically expedient to allocate money elsewhere.

For these reasons, I have introduced H.R. 10402, the Corrections Construction and Program Development Act of 1978. Enactment of this measure would provide Federal funds for up to 75 percent of the cost of acquisition, construction and renovation of State, county and local prison facilities.

Many State officials are under court order to reduce overcrowding, and nearly every State has plans on the drawing boards for new prison facilities. The major stumbling block in building these much-needed correctional institutions is the lack of sufficient funds.

Mr. Speaker, our overcrowded prisons are virtually a powder keg that could explode into violence, riots and death at any time. The Federal Government has the obligation to see that Federal moneys are made available to alleviate the financial burdens preventing the expansion of our correctional facilities. I urge by colleagues on the Judiciary Committee to give active consideration to my proposal, for our society must be protected. If we are to address ourselves to the need for an effective criminal justice system, then we must give increased priority to this need for additional Federal, State and local facilities.

I am confident that such a commitment by my colleagues in Congress will prove effective in reducing recidivism and preventing would-be offenders from engaging in criminal acts. Incarceration can once again become a major deterrent to crime.●

INTERVIEWS DESCRIBING LIFE IN CAMBODIA

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, I would like to place in the RECORD descriptions of life in Cambodia by two Cambodian refugees, interviewed in June of this year:

INTERVIEWS WITH CAMBODIAN REFUGEE IN SURIN, THAILAND CONDUCTED BY AMERICAN EMBASSY OFFICER IN JUNE 1978

ACCOUNT OF MON SIEU*

Mon Sieu, 30, from Siem Reap Province, fled to Thailand June 15 from Oddar Meanchey Province. His account follows:

CONDITIONS OF LIVING IN DEMOCRATIC KAMPUCHEA

"I was forced to move with 104 families from my native Siem Reap Province to Pongro collective, Cheng Kal District, Oddar Meanchey Province. I fled to Thailand June 15 this year because I could no longer endure the persecution of the people which is common in Cambodia.

"In 1975-78, most of the time, we had enough rice to eat during the harvest season. The rest of the time, eating in communal dining halls, we had rice gruel. We ate from a big cauldron. We rarely had enough to eat. Salt was usually added to the gruel and sometimes a fish would be thrown in, but not very often.

"We were required to awaken at 0400 and were forced to work right away without anything to eat until noon. At noon we ate in the commune and then went straight back to work without rest. We worked until 1630, then had dinner. Occasionally, we would get a second bowl of gruel at dinner. After the meal, we rested. We were not allowed to go anywhere, except for those who were assigned patrol duty.

"We built our own houses, three by three meters, made of poles. Each family had the same size house, regardless of the number of members of the family.

"There was one 'revolutionary doctor,' called Boeut, in Kouk Pongro. He was another farmer, appointed by the village chief. Boeut had no training, but was simply ordered to go to Cheng Kal from time to time to get herb medicine. Neither Boeut nor his medicines were effective. We had a lot of malaria, dysentery, and beriberi. Two people recently died of diseases. There was not a high infant mortality rate, but fewer children were born than before. There were still a lot of babies born, but the children are all skinny.

*(Refugee agreed to use of his name in public document.)

SYSTEM OF ADMINISTRATION AND DISCIPLINE

"There were no Khmer Rouge soldiers in the collective, although there were some soldiers in Cheng Kal. There were six civilian administrators: the *'Sangkat'* (collective) chief, deputy collective chief, the village chief, deputy village chief and the 'member' (second deputy). At dusk, soldiers on patrol and spies (*chhlop*) from Cheng Kal came into the village to hide under the houses and listen to what members of the family say to each other. When the civil administrators wish to execute someone, they call for soldiers to come to the village.

"At the meeting held in the village, the village chief usually reprimanded people about their work. If you were slow, you were criticized and accused of being a saboteur. During the meetings, you could only listen. You could not criticize, suggest or propose anything. No one would dare even to speak. There was an atmosphere of fear and terror in the village. No one dared do anything unless ordered to do so. In the family and with extremely close friends, people would talk. No one had the confidence of his neighbors, so you would not consider discussion of uprising against the government.

"If you had a problem, such as being bullied, or your food was taken, in principle, you could bring it up with the village officials. In fact, people are so scared that they do not quarrel with each other or commit crimes against each other.

"Most crimes are being late for work. Sometimes, if only one villager is late for work, the village chief will call a meeting to reprimand him. The village will be criticized publicly. The third time he is late, he will be executed. We saw many people dragged away to be killed. My friends have seen people killed with their own eyes. Last month, one villager was executed for being late.

"Aside from being late, the villagers are punished for complaining about food and about the way we are fed. If the spies hear you complain, you are 'finished' (executed). You cannot complain about insufficiency of food, that food is tasteless, that food doesn't have enough salt or is badly cooked. For a single such error, you can be executed.

"We were also warned about pre-marital sex. If you want sex, you have to get married. There was no case known in our village of pre-marital sex.

"There is no such thing as 'light punishment' in Cambodia now. You are either warned at a meeting or executed. We were never beaten; we were just executed.

EXECUTIONS

"My friend saw three villagers killed. They were taken to another collective in Cheng Kal. Many holes had already been dug in the ground. Four Khmer Rouge soldiers ordered the villagers to kneel down in front of the holes. The soldiers then hit the villagers on the head with bamboo poles. The villagers fell into the holes.

"My brother Moeun was killed recently. Moeun was 25, formerly a monk. He was employed by the Khmer Rouge as a teacher of small kids. I learned of his death from neighbors after I arrived in Thailand. I do not know the cause or whether it was connected with my flight to Thailand."

INTERVIEW WITH CAMBODIAN REFUGEE IN BURIRAM, THAILAND, CONDUCTED BY AMERICAN EMBASSY OFFICER IN JUNE, 1978

ACCOUNT OF SOURCE G*

Source G, 31, from Koh Kong Province, was a farmer before and after the Khmer Rouge takeover. He arrived in Thailand in January, 1978. His account follows:

*(The name of the individual refugee who provided this account has been excised to protect the identity of family members or friends still in Cambodia.)

CONDITIONS OF LIFE IN DEMOCRATIC KAMPUCHEA

"From 1975 to 1978, we received 300 grams of rice per day for three persons. This was seriously insufficient. Once a week, we received a little fish and vegetables. The people are sick and weak from hunger and disease and can hardly work. Dysentery, malaria and beriberi are very common.

"We worked from 0400 to 1100, 1300 to 1800 and again from 1900 to 2200. If you are tired, it is too bad. You still must work. If you do not go to work, you get only half a bowl of porridge. The second or third time you do not go to work, you are killed. For other offenses, fighting, killing, etc., it depends on the seriousness. You may be reprimanded once, then killed."

SYSTEM OF ADMINISTRATION AND DISCIPLINE

"My village had 2,000 persons. It was headed by a village chief. Occasionally, I saw three or four soldiers pass through the village. There were no other cadres, and recently there were no spies (*chhlop*). Despite the few Khmer Rouge around, no one dares revolt. There is no outside support, so it is impossible. Friends speak secretly of the situation, but if you are overheard, you are killed.

"At the meetings held every ten days, the village chief only says, 'You must work harder.' There is nothing else. No news, only, 'You must work.' We could not criticize or make suggestions. No one dares for fear of being killed. No one even dares bring up a problem with the Khmer Rouge."

EXECUTIONS

"The Khmer Rouge have killed soldiers, police, and officials of the former regime, as well as students, teachers and even business people. This began in 1975 and has continued. It has intensified recently, as the regime is trying to root out all those tainted by the former regime.

"I have not seen actual killings, but I regularly saw people tied up and led away. They disappeared and we all believed that they were killed. Of a former population in my village of 2,000, I estimate that 300 former soldiers were killed and more than 100 children died of starvation. About 1,000 remain of the 2,000.

"Seven members of my family were killed by the Khmer Rouge, two brothers-in-law and five cousins. The brothers-in-law were former officials, the five cousins, four of whom were males, were young members of the mobile work groups. They worked hard but occasionally would rest and talk. The Khmer Rouge spies (*chhlop*) overheard them. I saw them tied up and taken away. After that, they 'disappeared'."

HUMAN CIVIL AND POLITICAL RIGHTS

"You cannot say there is a system of justice in Cambodia. There are no human rights. There are no courts. We had no idea about the central government. You can only pray to Buddha." ●

ENDANGERED SPECIES: THE PORK-BARREL FACTOR

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. DUNCAN of Tennessee. Mr. Speaker, the continuing controversy surrounding the Endangered Species Act and its application in the Tellico Dam case has led many, including some of my colleagues, to charge the Tennessee Valley Authority with failure to comply with section 7 of the act and consult with the Department of Interior. Such allegations are totally unfounded.

Before the snail darter was listed as an endangered species, at a point when the Tellico project was some 75 percent complete, TVA began frequent and intensive consultations with the Fish and Wildlife Service in an effort to resolve the snail darter question. These consultations included biweekly reports to the service and TVA's prompt compliance with information requests made by the service. Those consultations are continuing today.

On June 23 of this year, S. David Freeman, Chairman of the TVA's Board of Directors and a man whose views regarding Tellico differ substantially from those held by past TVA leadership, appeared before the Subcommittee on Fisheries, Wildlife Conservation and the Environment during its oversight hearings on the Endangered Species Act. In his prepared statement, Chairman Freeman noted that TVA had been cooperative with the Department of Interior. Further, when questioned about the concern expressed by some that TVA had not been cooperating, he replied that he didn't think anyone, including the Department of Interior, could dispute the fact that "* * * TVA was fully cooperative."

Many other charges, both false and misleading, have been leveled against TVA during the Tellico controversy. I have addressed only one here. However, I would like to draw my colleagues' attention to the following piece which appeared in the Washington Post on July 11, 1978, and which outlines some of the allegations which have been made. I would then like to refer my colleagues to the "Letter to the Editor" by former TVA Board Chairman Aubrey J. Wagner, in last Friday's Post. Mr. Wagner ably rebuts those allegations. This letter also follows:

ENDANGERED SPECIES: THE PORK-BARREL FACTOR

(By Lewis Regenstein)

The Post's June 19 editorial "The Darter and the Dam" is based on, and repeats, the same false and misleading information being so widely spread by the opponents if the Endangered Species Act.

The Senate is expected to vote this week on amendments to gut and cripple the Endangered Species Act. Those amendments would place in jeopardy the future survival not just of the snail darter but also countless other rare and endangered species, including the whooping crane, grizzly bear, California sea otter, Mississippi sandhill crane, northern Rocky Mountain timber wolf, Florida sea cow (manatee), spotted owl, Bachmann's warbler and many other types of imperiled wildlife, including whales, dolphins, and even the Asian elephant, threatened by a habitat destruction project of the Agency for International Development.

The amendments to the Endangered Species Act that are being pushed, including those introduced by Sens. Howard Baker (R-Tenn.) and John Culver (D-Iowa), and an even worse one sponsored by Sen. John Stennis (D-Miss.), would seriously weaken Section 7 and cut the heart out of the act. Section 7 prohibits agencies of the U.S. government from taking actions that would wipe out endangered species and from funding or authorizing projects that would destroy habitat critical to their survival. Under the proposed amendments, a procedure would be set up through which the U.S. Government could be allowed to wipe out any species, under certain circumstances, that gets in the way of federal projects, such as highways, dams or stream channelization programs.

Opponents of the act would have us believe that only obscure, "unimportant" species would be affected by these amendments, species like the snail darter, a 3-inch minnow that is threatened by the Tellico Dam being built in Tennessee by the Tennessee Valley Authority. In fact, all species—including snail darters—are important links in the chain of life and are essential if nature's delicate balance and the earth's life-support systems are to remain intact. What is actually involved here is virtually all endangered wildlife whose habitat is threatened by government boondoggles.

Moreover, not even the pork-barrel lobby has been able to make a valid case that the act is inflexible and needs changing to allow such projects to go forth. Clearly, it is premature and unnecessary to amend the act now when there is no compelling reason to do so. Of the approximately 5,200 potential or actual conflicts that have arisen between federal projects and endangered species under the act, all but one have been resolved, usually administratively, through negotiation, modification or compromise. For example, a lawsuit by conservationists forced the Federal Highway Administration to reroute an interstate highway around, instead of through, the last refuge for the 40 or so Mississippi sandhill cranes remaining in the wild. As a result, and because of the Endangered Species Act, we now have both a highway and sandhill cranes in Mississippi.

The one exception has been the TVA's Tellico Dam, a situation in which the TVA adamantly refused to consult with the Interior Department as required by the act and negotiate a compromise that would not destroy the snail darter. There has, thus, never been an instance of good-faith consultation under the act that did not result in an acceptable solution being found. The now-famous (or infamous) dam is a largely worthless project that could not be justified even if there were no snail darters involved.

In fact, the project's concrete, labor and earthwork amount to less than 20 percent of the widely touted $119-million figure. The dam was never intended to generate any significant amount of power, and will not do so. Most of the money has gone to forcibly buy up and to build road improvements for future development of the rich farm land surrounding the dam, 25,000 acres of which will be destroyed if the dam gates are closed, along with major Indian archeological sites, a beautiful river valley, the finest trout stream in the Southeast and the last free-flowing stretch of the Little Tennessee River.

If the fertile farmland—much of it forcibly seized from its owners—were developed or returned to agricultural purposes, almost all of the cost of the project could still be recovered. As Sen. Gaylord Nelson (D-Wis.) pointed out in opposing these amendments, TVA itself admits that the value of farm production could reach $52 million a year versus an estimated $3 million from hydroelectric power. TVA and the Interior Department are now working together to work out a plan that will solve this problem.

If the Supreme Court's Tellico Dam decision has the result of slowing down the pork-barrel lobby and the construction of such wasteful and inflationary projects, it would be the best thing that could happen for the American taxpayer and for the fight against inflation.

Most Americans wan to see their precious wildlife heritage preserved for future

generations so that their children can see what a bear or crane looks like—as well as a highway. The decisions Congress is now making on amending the act could well determine whether much of our wildlife survives or disappears forever into extinction.

TVA, THE TELLICO PROJECT AND ENDANGERED SPECIES

Lewis Regenstein's op-ed article ["Endangered Species: The Pork-Barrel Factor," July 11] errs at several points concerning TVA's Tellico project.

TVA did not "adamantly refuse" to consult with Interior about the snail darter. There were early and continuing staff consultations. TVA was interested in saving the darter *and* the project, which was half complete before the darter was discovered. So we transplanted it to the Hiwassee River, where it is thriving, having reproduced successfully for three seasons. Interior, on the other hand, refused to permit further or other transplants, their primary interest apparently being to stop the project.

The merits and demerits of Tellico were extensively debated in the region and in Congress before construction started in 1967. Congress was satisfied that the project was good and should be completed.

As to power, it will generate 200 million kilowatt hours of electricity in an average year. That is enough non-polluting energy from a renewable source to heat 20,000 homes or enough to meet all the needs of a small city. It is more than is generated at 13 of TVA's dams and less than at 16—hardly an insignificant amount.

Its flood storage would have prevented $15-million flood damages at Chattanooga alone in just one storm in 1973.

As to farm land, there are between 20,000 and 30,000 acres of idle land in the immediate area now and have been for some time. Those are acres for which farmers are being paid not to plant. The $52-million value of farm production foregone that Mr. Regenstein cites has meaning in evaluating the project *only* if it is clear that it will not be produced elsewhere and that it would, in fact, be produced if the project were not completed. That is clearly not the case in this instance. In any case, the productive value of the land as a factor in the total worth of agricultural production was reflected in the prices paid for the land and taken into account in cost:benefit determinations when economic justification for the project was determined.

To call this section of the Little Tennessee "the finest trout stream in the Southeast" greatly overstates the case. Trout fishing there is strictly "put and take," with trout surviving only because Fontana Dam, upstream, cools the water sufficiently for trout habitat. There is no natural reproduction. Most trout are caught with whole kernel yellow corn, the way my grandfather caught carp in our mill pond. There are hundreds of miles of streams in the nearby mountains that, if given comparable stocking and attention, would easily equal or exceed as *real* trout streams the 8 or 10 miles of trout water that will be altered by Tellico.

I heartily endorse the intended purposes of the Endangered Species Act. But when it is used to stop everything in its way regardless of its impact on man or the merits of the project or the costs involved, it is time to amend it. There are still some worthwhile projects around. Tellico will be one of the most useful that TVA has ever built.

AUBREY J. WAGNER,
Chairman of the Board,
Tennessee Valley Authority.●

NOT A BLACK-WHITE ISSUE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. McDONALD. Mr. Speaker, many well meaning persons have contacted me relative to proposed impeachment action against Andrew Young, asserting that it was a racially motivated action. Nothing could be further from the truth. In fact, among the Members supportive of such action, I have never heard that motive mentioned or even inferred. This motive has even been termed a "Ku Klux Klan" mentality. Well, it is interesting to learn that the Baltimore News-American agrees that it is Andrew Young's qualifications and lack of any capacity to serve that are in question, not his color. Therefore, I am pleased to invite the attention of my colleagues to the following editorial from the Baltimore News-American of July 19, 1978:

NOT A BLACK-WHITE ISSUE

". . . in the event something untoward should happen to Andy Young, the black community will walk away from the Carter administration."

The threat came from Rep. Parren J. Mitchell, leader of a group of 16 blacks in the House of Representatives. The "something untoward," of course, would be the long-overdue firing of UN Ambassador Andrew Young for conduct unbecoming a diplomat.

Should that step take place, it would have nothing to do with the color of Mr. Young's skin, and Mr. Mitchell ought to know it. It would have everything to do with Mr. Young's demonstrable lack of capacity to serve as America's spokesman at the UN. He has shown neither the talent nor the temperament for diplomacy, and it's an insult to blacks to suggest they are any less aware of this than whites. It's not that kind of issue.

Diplomacy is the art of conducting international negotiations and presiding over the conduct of foreign affairs. Inherent in the practice of that art, according to dictionary definitions, is a high degree of "dexterity and tact."

Ambassador Young couldn't have been less dexterous than when he said "there are hundreds, perhaps thousands of political prisoners" in the United States, and said so right in the middle of President Carter's blasting of the Soviet Union treason trials.

Ambassador Young couldn't have been more tactless than when he accused the British of "almost inventing racism," and President Carter's four predecessors of perpetuating the invention. Certainly he sunk to new depths of artlessness in labeling the Cuban presence in Africa "a stabilizing influence."

These are the issues, Mr. Mitchell, and we're sure they are as troublesome and disturbing to the black as the white community. If "something untoward" does happen to Andy Young, it will be because Andy Young did not measure up to one of the most demanding ambassadorial positions in the world. It will be because he failed to appreciate the larger obligations of those who practice the art of diplomacy.

An ambassador to another nation, or the United Nations, has to curb the temptation to sound off without thinking. As Henry Kissinger said, Mr. Young "has to understand that he is an ambassador of the United States. . . .

"He should learn discipline or not continue in his post." ●

HOUSE FRANKING RULE UNINTENTIONALLY RESTRICTS 96 MEMBERS MORE THAN OTHER MEMBERS

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. STEIGER. Mr. Speaker, as the chief sponsor of a tax proposal, I find myself in the middle of an important public debate. Although I welcome this debate, I am chagrined to find that my capability as a legislator is considerably impaired by an unanticipated effect of the franking rule we adopted on March 2, 1977. I should note that this measure can similarly handicap 95 other Members of this body.

Under the new rule, this session 339 Members of Congress may frank a mass mailing of more than 500 pieces as late as September 6, that is, up until the day "not less than 62 days before" the election in November. For the rest of us, that mailing privilege does not exist, simply because our States happen to hold their primary elections shortly after September 6. For us, even if we have no primary contest, as is my case, no mailing of more than 500 pieces may use the congressional frank after July 12. Rather than relinquishing the frank for 62 consecutive days before the general election, for us it is for 4 full months, or nearly half of the session. Let me give you an idea of what this rule means in my own situation this session.

According to several current news reports, including an item in the August 1 edition of the New York Times, people all over the United States are now receiving mail telling them "about the bad points" of "the so-called Steiger amendment, which would cut the capital gains tax." One of these mailings has been dispatched by the Democratic National Committee, which urges "about 800 State and local party leaders * * * to get the word around."

Several other mailings have been sent by a self-styled committee of reformers that calls itself "Citizens for Tax Reform in 1978, Inc.," a committee housed in suite 230, 1730 Pennsylvania Avenue NW., a block from the White House.

Then, too, many of my constituents are receiving highly one-sided reports about the Steiger amendment in such regular fugitive materials as the newsletters of the AFL–CIO and the UAW's Washington report.

As a firm believer in the intrinsic worth of a spirited public debate, and an occasional practitioner of the art of self-defense, I have recently gone about the job of assembling statistics and drawing up some great illustrations to refute these several misguided though perfectly legitimate mass mailings.

Then, as I prepared to go to press with Steiger's response to his critics, I find to

my dismay that I may not use the frank to communicate even one paragraph of my legislative defense directly to my constituents until after November 14, long after this debate and this session are ended. For now, while the debate is brewing, I can merely envy the majority of our colleagues whose primary elections are over and done, and whose ability to communicate is restricted for only 62 consecutive days before the November election.

Still, there can be no question that a rule restricting some Representatives' communications more than it restricts the communications of other Representatives, however unintentionally, is a discriminatory rule. If any of my colleagues doubt the unfairness of this rule, let me assure you that when one's major legislative effort is under heavy and sustained attack, the loss of the mailing privilege for 4 consecutive months really is not a minor matter. It can effectively impose a silence between the Representative and the constituency.

For the five or six members of my constituency who are regular readers of the CONGRESSIONAL RECORD, I would like to point out that the franking rule prevents me from directly communicating to you the real effects and meaning of my proposed legislation. To my colleagues, I submit that the new franking rule sufficiently restricts the informing function of some 90 Members of Congress that for almost half of this session each of these 90 Representatives may be only half a Representative. The rule is not just. But fortunately the injustice can be corrected in a simple manner. If we change the rule by less than 7 days, every Member will have an equal chance to communicate via the frank up until September 12, or "56 days before the date of the election," rather than "62 days." Without this change, 62 days really means 4 months for Members representing districts in Arizona, Colorado, Connecticut, Delaware, Florida, Minnesota, Nevada, New Hampshire, New York, Rhode Island, Utah, Vermont, Wisconsin, and Wyoming.●

HAWAII IDEAL FOR RESEARCH IN ASTRONOMY

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. HEFTEL. Mr. Speaker, in recent years remarkable progress has been recorded in the science of astronomy. The State of Hawaii, because of its unique climate and geography, has been judged an ideal location for conducting astronomical observations. In fact, a major international project to construct an observatory on the world's highest island mountain, Mauna Kea, is presently being undertaken by a team of astronomers from Canada, France, and the University of Hawaii. This observatory will compliment existing research facilities, owned separately by Great Britain and the University of Hawaii, which are already operating on Mauna Kea.

Mr. Speaker, I commend this article from the August 1, 1978, issue of the New York Times, detailing Hawaii's contribution to the field of astronomy:

ISLAND IN HAWAII IS BECOMING A WORLD ASTRONOMY CENTER

(By Walter Sullivan)

MOUNT MAUNA KEA, HAWAII.—Here, atop the most massive protruberance from the earth's surface—the highest island mountain—astronomers from four nations are developing one of the world's most important observation sites.

Its telescopes, some already in operation, will probe the farthest observable reaches of the universe, and, closer to home, study such targets as the atmospheres of moons orbiting Jupiter and Saturn in ways previously beyond reach.

After tests at sites around the world, many astronomers have become convinced that conditions for observation are better here than anywhere else in the Northern Hemisphere.

The summit of this volcano, 13,796 feet above the surrounding sea, is so high that clouds rarely pass overhead. Even more important, the air above is extremely dry, making the site ideal for infrared observations—one of the fastest growing fields of astronomy.

KEY TO MANY MYSTERIES

Infrared wavelengths—those beyond the red end of the spectrum—are strongly absorbed by water vapor, but their observation is the key to many astronomical mysteries. The infrared telescope being build here at a cost of $6 million provided by the National Aeronautics and Space Administration has a mirror 120 inches in diameter.

Its design is much like that of an ordinary optical telescope except that it must avoid exposure of the optics to any structural surfaces that might radiate heat—that is, energy at infrared wavelengths.

The site's disadvantages include winds that sometimes exceed 125 miles an hour and a location bristling with cinder cones left by past eruptions, suggesting the possibility of another. There has, however, been no volcanic activity on this mountain for thousands of years.

The atmosphere is so thin that the astronomers do not live here and some find it difficult to do profound thinking. They commute from a base station at 9,200 feet elevation, where they can do much of their homework.

PREPARATION FOR EARTHQUAKES

Finally there are occasional earthquakes, one of which has already done slight damage. The telescope mounts have been built with the possibility of temblors in mind.

The advantages, however, are overwhelming. The site's nearness to the Equator means that most of the southern and all of the northern sky, can be observed. Astronomers sometimes have rare conditions when clearness and stability of the atmosphere make it possible to observe features only one second of arc in angular width.

Such nights occur fairly often at the Kitt Peak National Observatory in Arizona, considered an excellent site and perhaps the most extensive observing facility in the world. Here, it has been estimated that they occur three times more frequently.

While remoteness of the site is a problem for some sponsoring institutions, notably in France, almost halfway around the world, it also means there are virtually no city lights to contend with.

NORMAL STREET LAMP GLOW

Even the most remote mainland American sites are near enough to a community with sodium vapor street lamps for their glow to be scattered back from overhead. Thus every spectrum recorded from the light of the most distant object shows an overwhelmingly strong sodium line.

Here the nearest large city is Hilo, but like other shoreline communities, it is usually covered by low-lying clouds.

Mauna Kea and its twin summit, Mauna Loa, crown the largest volcanic massif on earth, rising in a gentle slope more than 30,000 feet from the Pacific floor. While Mount Everest stands 29,141 feet higher above the distant sea, its height above the surrounding land is far less.

The summit of Mauna Kea is a cluster of barren humps of volanic debris reminiscent of a lunar landscape, but sometimes in winter it is white with snow, providing the Hawaiians with the rare experience of skiing while their fellow islanders are swimming off the beaches far below. A two-stage rope tow is operated, as well as jeep service that shuttles skiers back to the top.

The crown jewels of the summit are three great telescopes all nearing completion. NASA's infrared telescope, when finished early next year, will be operated by the University of Hawaii as a national facility.

FRANCE-CANADA PROJECT

The chief interest of the space agency is to use the instrument in conjunction with spacecraft making observations of such targets as the moons of the outer planets to determine the temperatures and compositions of their atmospheres. Infrared observations are also opening new vistas on cosmology as well as the formation of stars and planets.

The primary optical telescope, in terms of expected performance, is one with a 144-inch mirror being built as a joint project in Canada, France and the University of Hawaii. It was budgeted in 1973 at $18 million, to be provided equally by France and Canada.

Each of those countries, when the telescope goes into operation some time next year, will be entitled to 42.5 percent of the observing time. The University of Hawaii, in return for providing support facilities, will use the remaining 15 percent.

The largest telescope on the summit is Britain's 150-inch reflector, to be used for both optical and infrared work. It is a "bargain basement" instrument without the precisely shaped mirror needed for distinguishing tiny features. The mirror reportedly became available after the manufacturer had made it as an experiment. It should be in operation before the end of this year.

The University of Hawaii has been operating an 88-inch reflector here since 1970.●

FRASER-VENTO RESOLUTION CALLING FOR IMPROVED PROCEDURES FOR RESOLVING UNITED STATES-CANADIAN AIR POLLUTION DISPUTES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. FRASER. Mr. Speaker, we recently introduced legislation aimed at improving procedures for resolving United States-Canadian disputes about air pollution (H. Res. 1275). The Fraser-Vento resolution calls on the United States and Canadian Governments to push for the establishment of a joint task force to examine and report to the President and the Congress and the Canadian Government on options for dealing with air pollution issues along and across the boundary.

Air quality issues are becoming more important as both the United States and

Canada become increasingly reliant on coal as a major energy source. Since the United States-Canadian International Joint Commission (IJC) has no authority over air issues, disagreements over air pollution must be handled on a case-by-case basis. We cannot effectively solve transboundary air quality issues if we continue to proceed on an ad-hoc fashion.

At this point, I would like to insert into the RECORD an adaptation of a recent article by Alice Brandeis Popkin, associate administrator for EPA International Activities, on United States-Canadian clean air problems and related matters. One of the main points made by Ms. Popkin is that we at the present do not have effective diplomatic institutions and instruments for dealing with United States-Canadian clean air problems.

[Adapted from the June 1978 issue of EPA Journal]

INTERNATIONAL COOPERATION BEGINS AT HOME

(By Alice Brandeis Popkin)

We need to remind ourselves constantly that environmental protection begins at home. In this case, "home" means working with our close neighbor, Canada, to solve pollution problems.

On the national level, the U.S.-Canadian International Joint Commission works continuously to monitor or develop solutions to pollution problems. The Commission, or "IJC" as it it called, is a mixed Canadian-American body empowered by the two governments to look into specific environmental or other boundary waters problems (the Garrison diversion project in North Dakota is a recent example). The IJC's recommendations to governments, while not legally binding, are seldom thwarted or ignored.

When we successfully resolve an air or water quality problem with Ottawa, we also help achieve U.S. environmental objectives of direct, practical benefit to Americans.

But it is not always an easy process. Even though the issues involve many of the same difficulties we experience domestically, they are frequently complicated by questions of national sovereignty.

PHILOSOPHICAL AND POLITICAL DIFFERENCES

Pollution control problems between the U.S. and Canada are directly traceable to differences in governmental philosophy and the legal/political systems found in the two countries. U.S. laws require the use of best available control or treatment technologies, as well as control of source location, to achieve air and water quality objectives. The philosophy of minimum treatment and emission control at the source is becoming well-established in our regulatory practice.

Canadian Federal authorities, while sharing many U.S. environmental objectives, have little control over pollution, which Canada's constitutional system entrusts largely to its Provinces. This means that the U.S. must cope with two separate political jurisdictions when seeking redress on specific problems. For example, in recent negotiations over pollution controls on the Atikokan generating station just north of Minnesota's Boundary Waters Canoe Area, the U.S. confronts not Canadian Federal but Ontario Provincial regulations and practices. A similar situation exists with the Poplar River generating plant north of Montana which comes under Saskatchewan's jurisdiction. It takes little imagination to picture the complexity and unpredictability of bargaining in these circumstances.

IJC PROCEDURES

As mentioned earlier, the International Joint Commission (IJC) is the major institutional mechanism for bridging bilateral environmental disputes with Canada. To date the IJC has focused mainly on water quality problems, notably in the Great Lakes, but also in other lakes (e.g. Champlain) and in the Red, Rainy, Souris, Richelieu, St. John, and Niagara rivers, to name a few. The procedure for referring a problem to the IJC is relatively simple in concept if not in practice. When the governments cannot solve a problem, they negotiate a formal "Reference" to the Commission. The six Commission members (three from each country) then appoint a Board composed equally of members from each country to study the problem and recommend a solution to the Commission, which in turn reviews the findings, modifies them if it sees fit, and reports its recommendations to the governments.

Of particular interest is the requirement that the board members, whose duties are in addition to their regular work, serve as individuals and are asked not to be bound by agency positions on the issue under study. This procedure helps to make IJC findings more objective, authoritative, and in the end, more acceptable to governments.

WATER RESOURCES A WELL-ESTABLISHED CONCERN

In the past, most U.S. trans-boundary pollution problems were concerned with shared water resources—at first with use and quantity, and more recently with quality. Our first major water agreement with Canada, the Boundary Waters Treaty, was signed in 1909. Its emphasis is on joint use, but Article IV, probably the first environmental clause in any international treaty, also commits each party not to pollute the other.

By and large then, we have institutions and procedures for dealing with Canada on problems of water pollution, however imperfectly. Unfortunately, we do not yet have such "handles" for solving air pollution problems. Over the years, as industrial development has spread into transfrontier areas, both countries have increasingly experienced transboundary air pollution problems.

NEED TO IMPROVE RESOLUTION OF AIR QUALITY ISSUES

Although cumbersome at times, the slow but sure IJC procedures for resolving water pollution problems have not yet proved effective for air issues. While we and Canada have informally agreed to extend the "thou shalt not pollute thy neighbor" provision of Article IV in the 1909 Treaty to include transboundary air pollution, the Canadian government has not yet been able to agree to requests for specific air pollution. References to the IJC. The two existing air pollution References, covering Michigan-Ontario air issues and a general transboundary air pollution monitoring mandate cannot be used to resolve particular point-source problems. These still are being handled directly by the two governments with as yet few positive results. The two current air issues on the Canadian side, Atikokan and Poplar River, are at an impasse over Canadian unwillingness to install sulfur dioxide scrubbers on either of these coal-fired installations. The Poplar River issues also includes water quantity and quality problems. These the Canadians have consented to refer to the IJC. The people of Minnesota and Montana fear that unscrubbed emissions from the two plants will produce long-term, cumulative harmful effects on the U.S. side of the border. We are continuing to press vigorously for better sulfur controls, but as yet without success.

While there are few specific air pollution complaints from Canada regarding U.S. sources, the Canadian government has recently begun to make inquiries into a problem believed to emanate from the fluoride emissions of the Reynolds Metals aluminum smelter along the St. Lawrence River in Massena, New York.

DIFFERENCES NEED TO BE BRIDGED

Because we live in such intimate contact along our borders, we are obliged to seek ways to bridge air quality differences with Canada. We hope over time that cooperative practices will multiply, erasing our disparities of system or practice, to the mutual benefit of the people in both countries.

LEGISLATION TO IMPROVE THE RESOLUTION OF U.S.-CANADIAN AIR QUALITY DISPUTES

To better deal with a growing array of air quality problems, we need to expand our dialogue at all levels between the governmental entities and the people of the U.S. and Canada. Beyond that, institutional innovations are likely to be needed as well.

As a first step toward improving procedures for resolving United States-Canadian air pollution disputes, the Fraser-Vento resolution calls for the establishment of a new air quality task force under IJC auspices. The new study group, composed of public and private representatives from both the State and Federal level, would investigate existing and proposed activities causing air pollution along the international border, evaluate the need for a United States-Canadian clean air agreement and recommend other ways for resolving disputes.

If you are interested in cosponsoring the resolution, printed below, please call Mark Carlson of my staff at 225–4755.●

LIFE UNDER THE PRESENT REGIME IN CAMBODIA

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, I would like to place in the RECORD the accounts of two refugees who have lived under the present Cambodian regime:

INTERVIEW WITH CAMBODIAN REFUGEE IN BURIRAM, THAILAND, CONDUCTED BY AMERICAN EMBASSY OFFICER IN JUNE 1978

ACCOUNT OF THACH KEO DARA*

Thach Keo Dara, 20, is a former student from Siem Reap. He fled to Thailand in January 7, 1978. His account follows:

CONDITIONS OF LIFE IN DEMOCRATIC KAMPUCHEA

"Villagers received one tin of rice per day in 1975. In 1976 and 1977, we received two tins of rice (500 grams) from January to May and one tin (250 grams) per day from May to December, during the dry season. This was not enough.

"Each day you worked from 0600–1100, 1300–1700 and, during the dry season from 1800–2300, especially the young people to dig canals and irrigation ditches. When we did not work in the fields, we made baskets or rope. In 1975–76, the young people did not get a single day off. Starting in 1977, we got one day off every ten.

"Occasionally, on my day off, I would meet my girl friend. We were not allowed to show any affection or signs of love, or even that we were friends. We could only talk about work. If we did anything else in 1975 until about April 1977, the village chief would arrest us, and send us to 'Angka Leu' (to be executed). After that, the situation was

*(Refugee agreed to his name being used in public document.)

slightly more relaxed. The village chief could arrange a marriage.

"My family was sent to Battambang. I was not allowed to contact them nor to go to visit them since 1975. The village chief had told us that 'no contact is allowed'."

SYSTEM OF ADMINISTRATION AND DISCIPLINE

"My village had about 55 'old' families and 30 'new' families. An 'Old Cambodian' was the village chief. The people were treated the same and had to do the same kind of work.

"For a minor error, such as being late for work, you were warned twice and the third time 'sent to Angka Leu' (executed). For a serious mistake, such as talking against the communist regime, you were executed the first time. If Angka orders you to build a dam and someone sabotages the project in some way, or questions the wisdom of the project, then he would be 'sent to Angka Leu.' I knew one fellow named 'Yom' who used to discuss the organization of the new government. Early in 1977, he was 'sent to Angka Leu.' Generally, though, the people feared the government and would not speak about it. They feared execution."

EXECUTIONS

"I know of eight former GKR soldiers and two policemen who were arrested at the end of 1976 and 'disappeared'. There were also former government officials who were killed in the same period. I knew two third-year students who were sent to 'Angka Leu' in 1977. I myself studied for ten years, but the Khmer Rouge did not know this. They are continuing to search to get rid of all classes of people. If I had not fled to Thailand, I would have been killed by the Khmer Rouge, since someone in the next village told the Khmer Rouge I was a former student.

"I had one relative who was a former GKR, Kim Thai Long, my mother's brother, who was killed by the Khmer Rouge. A villager from my uncle's village saw his execution. He was beaten to death by poles. This happened in April, 1977. My uncle was a second lieutenant, about 28 years old. He had a wife, but the Khmer Rouge did not harm her."

HUMAN, CIVIL AND POLITICAL RIGHTS

"In my village, there were no human, civil or political rights, since the people had to follow orders. You had no right to propose, suggest or criticize anything.

"If another villager stole your rice, you had to tell the village chief. After hearing this story, the village chief would call a meeting of the whole village and decide publicly what to do. The village chief would describe what had supposedly happened, then ask the villagers what to do. But in my village, there was no such problem. People were to fearful of death to commit the slightest offense."

INTERVIEW WITH CAMBODIAN REFUGEE IN SURIN, THAILAND CONDUCTED BY AMERICAN EMBASSY OFFICER IN JUNE 1978

ACCOUNT OF THU HAT*

Thu Hat, 24,was from Chhuk village, Kasiang collective, Chong Kal district, Oddar Meanchey Province. In April, 1978, he was forced to move to Srey Snam, Siem Reap Province. He arrived in Thailand May 27, 1978. His account follows:

CONDITIONS OF LIFE IN DEMOCRATIC KAMPUCHEA

"I lived in Srey Snam. The situation in Chhuk was very bad, but food rations improved when I was taken to Srey Snam. In Srey Snam, we had a bowl of rice gruel twice a day.

"In both places, we worked in the field. I transplanted rice seedlings and hauled fertilizer. In the dry season, I helped dig a water reservoir. We worked from 0430 to 1100, from 1200 to 1700, and from 1800 to 2230. During the rainy season, when we planted rice, we rested in the evenings.

"I was married with a one year old baby. We left the baby at the children's center when we went to work at 0430 and fetched the baby on the way home at night. Lots of babies were born in my village, but the infant mortality rate was very high.

"Many villagers are being relocated. No reason was given, but we noticed that many villagers near the Thai border have been moved away from the border."

SYSTEM OF ADMINISTRATION AND PUNISHMENT

"During meetings, we were warned not to steal, fight, or quarrel. If you are late for work, the first time you are warned. The second or third time you are killed. If you criticize the new system, you are killed immediately. No one ever heard of any other crimes, such as stealing or murder. We were too afraid.

"There is no system of justice or courts in Cambodia. Orders have been issued not to commit such and such offenses. When an offense is committed, the Khmer Rouge can carry out the execution immediately. The village chief orders the execution, and the spies (chhlop) are the executioners. Only when there are mass executions are the soldiers called in."

EXECUTIONS

"I was a soldier before April 1975, a private. I fled Cambodia because the Khmer Rouge discovered that I had been a soldier. Someone in the village must have informed them. I would have been executed for being a soldier.

"Before I fled, in April and May, many former soldiers were arrested. Five or six Khmer Rouge soldiers would come to the village and pick up the former soldiers. The soldiers did not dare resist because they are picked up separately. The soldiers were tortured by beating to try to force them to reveal who else had been a soldier. Afterward, they were dragged into the forest, where they 'disappeared.' The soldiers were called by the Khmer Rouge, 'Oppressors of the people who deserved death.'

"Earlier, a friend of mine and I transported about 70 suspected former soldiers to Steng and O Chik and later to Kouk Tapeang and Pongro Ta Truong. The former soldiers were told they were being moved to repair a dam. After the dam was repaired, a large meeting was called. The soldiers were then tied up, carried away and executed.

"Even though the Khmer Rouge discovered that I was a former soldier, at first they did nothing to me because my village was very big. They were afraid that they would alert others. A few days before I fled, they began to take soldiers from my village. Five friends of mine were taken away to the fields, beaten, then taken to the forest. I saw this. I fled soon after.

"Before, I heard of the same thing happening in other villages, but I kept working, hoping that I would not be discovered. After this happened, the women were forced to take the place of the men who had been killed."

HUMAN, CIVIL, AND POLITICAL RIGHTS

"There are no such things as human or civil rights in Cambodia. Only the Khmer Rouge have rights." ●

*(Refugee agreed to use his name in public document.)

A SETBACK FOR PEACE IN RHODESIA

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. MARKEY. Mr. Speaker, yesterday's vote by this House to lift the trade embargo on Rhodesia by the end of this year will be a grave setback for peace in all of southern Africa, but most especially Rhodesia itself, unless this action can be modified during the conference committee consideration of the military aid bill.

I regret that we did not show the same wisdom, when we approved this amendment, we displayed the same day by defeating a proposal to end the sanctions immediately. I say this because I believe that we have dealt a possibly severe blow to our present policy which supports real majority rule under a democratic constitution and after a peaceful settlement of the current struggle in Rhodesia.

The cause of peaceful change in southern Africa, including the settlement among all parties in the two nations to be called Namibia and Zimbabwe, demands that U.S. policy remain firm and unwavering. To remove our Nation's trade embargo on Rhodesia now would do great and very likely irreparable harm to this cause. To end economic sanctions now would undermine the credibility of our policy not only at the United Nations but also with the frontline nations whose role in promoting a peaceful settlement has been crucial already in the agreement on Namibia.

I believe that the United States must continue to work for a lasting settlement of the Rhodesian conflict. This settlement should provide for free and fair elections, open to all, supervised by international inspection, and administered under a truly neutral transitional administration. In the words of a recent editorial published in the New York Times—"Lifting sanctions and endorsing the internal settlement now would end all remaining hope of bringing all black factions into an agreement to submit to elections supervised by the United Nations."

It is clear that for free and fair elections to take place, the parties involved must all make some compromise in their present positions. But let us not forget that the leadership of the "external" nationalist Patriotic Front has expressed willingness to sit down at an all-parties meeting. The factions now in power in Salisbury allied with Ian Smith, however, have so far refused to do so. We will mock democracy, not promote it, by taking any action which will have the clear and certain effect of encouraging a policy of no concessions by the Salisbury regime now dominated by Ian Smith.

It is my belief, Mr. Speaker, that the plan developed jointly by Great Britain and the United States offers the best hope—perhaps the last hope—for democracy in the nation seeking to become freed from its colonial and racist past. Our policy has wisely insisted on favoring no one side in the Rhodesian conflict. Our policy has wisely sought to help all parties agree to meet and work out a peaceful settlement and constitutional accord based on free and fair elections. Our policy has wisely been that of a neutral party, seeking to serve as go-between and broker. This policy makes sense. It offers hope. It advances our Nation's real interests and future influence in the southern half of Africa.

It would be wrong to suspend sanctions before we have real, unmistakable evidence that an all-parties conference will be held and that guarantees of open elections have been honored and a government has been installed based upon those elections. During the period 1972 to 1977 when the Byrd amendment was in force, and we imported chrome from Rhodesia, no progress toward majority rule was achieved. Only after America ceased this trade did Smith consider any concessions to one man/one vote whatsoever. Now is not the time to weaken our resolve. Now is not the time to choose sides. Now is not the time to abandon a policy that—in the case of Namibia—is already bearing fruit.

The amendment adopted by this House yesterday in a vote of 229 to 180 weakens our resolve. It chooses sides. It abandons a policy already bearing fruit.

It sends a message to Salisbury that the Smith alliance need not carry out full and open talks with all parties. It stiffens their stubborn resolve to carry on the war, to insist upon the preservation of the white minority privileges embodied in the Salisbury agreement of March. It invites more bloodshed and a final outcome in which we have backed not only the wrong side but also very likely the losing side.

I urge my colleagues to reassess this action during the weeks ahead, so that in the end we cast our lot not with Ian Smith's blueprint for the future of Zimbabwe, but instead with the future of that nation agreed upon by all the parties to the current conflict.●

PHILADELPHIA AMONG FIRST WITH MODEL FOR ECONOMIC ACTIVITY

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. EILBERG. Mr. Speaker, this week the city of Philadelphia announced that it will be among the first cities in the country to develop a model for predicting the level of local economic activity.

Mayor Frank L. Rizzo has announced that the city has signed a contract with an economic forecasting company to develop a model to provide economic estimates on output for some 40 major sectors of the city. This output will constitute the gross city product for Philadelphia, just as we have a national gross product.

In addition, the model will provide predictions on a number of key economic variables for Philadelphia, including residential construction, manufacturing investment, and retail sales.

The model will be a particularly useful tool for city agencies and departments involved in planning and carrying out economic development programs, and for businesses in the city. The current model now used by the city produces estimates for the eight-county Philadelphia region, providing little detailed information for the city itself.

The new model will draw on predictions from the forecasting firm's well-known national model. These estimates, along with data for both Philadelphia and the neighboring counties, will be used to develop separate forecasts for both the city and the surrounding seven counties.

Research and development for the model will take place over the next 18 months. The development costs for this effort will be drawn from Federal community development funds.

Mr. Chairman, I am proud to inform my colleagues that the city of Philadelphia is in the forefront of this kind of research and development.●

ATROCITIES IN RHODESIA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. DORNAN. Mr. Speaker, I ask to beg your indulgence, for a moment, on a highly relevant, but nevertheless, profoundly unpleasant subject. When I viewed the special television broadcast of "Holocaust," a spellbinding drama about Hitler's genocidal war against the Jewish people, I was appalled by the thought that men could actually contemplate such mass murder. The vastness of the crime, the enormity of it, is difficult to absorb. But, through it all, I wondered, how is it possible that any man, with all of his faculties, could deliberately murder a child?

Mr. Speaker, why is the murder of children so intrinsically repugnant, on a scale of crime far beyond that of other crimes? Why is it that the snuffing out of the life of a little child fills us with a curious mixture of horror and overwhelming pity and, in some instances, an almost insatiable desire for revenge? Psychologists, philosophers, and theologians may debate the question endlessly. But I should like to offer this reason: The thing is so repulsive to us because children are so innocent. A child knows little or nothing of the great evils of the world, and his little mind has absorbed few of its pervasive corruptions. A child retains something of the purity of heart and simplicity of virtue that men, in realizing their past transgressions against one another, often long for in the winter of their lives. That, in the final analysis, is why I think we are instinctively appalled by the murder of children.

So too, there is something especially profane about violence done to missionaries. The missionary often surrenders all the comforts of civilized life in order to bring love and truth to the objects of his affection. In denying himself or herself, the missionary tries to preserve and cultivate what innocence there is left in this world. The mission of these men and women of God is hardly self-serving, except in a deeply spiritual way; for it is a mission of mercy, and that alone.

Mr. Speaker, it is sad to say that the blood of innocents and the blood of martyrs still flows. Perhaps the only compensation for us in this world is that the Christian Fathers were right when they told us that the blood of the martyred fertilizes the seeds of faith. Otherwise, I confess, the recent massacres of men, women, and children at the Emmanuel Mission School in Rhodesia are inexplicable.

Mr. Speaker, the so-called "soldiers" of the "Rhodesian Patriotic Front" are nothing more than bloody terrorists and I pity the poor misguided souls who call them Freedom Fighters. Their silent victims—missionaries and children—condemn them with an eloquence of denunciation far greater than that ever uttered in the halls of the United Nations. Perhaps these most recent events will have some impact on the mysterious thinking of Ambassador Young.

A constituent of mine, Mr. Robert Cleaves of Marina Del Ray, Calif., was kind enough to send me a copy of his letter to Senator HAYAKAWA on the Emmanuel Mission Massacre. I ask that my colleagues take some time from their busy schedules and give their attention to Mr. Cleaves' report.

JULY 17, 1978.

Re Rhodesian situation.
Senator S. I. HAYAKAWA,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HAYAKAWA: On July 15, I returned from an extensive six week trip to Southern Africa. Mr. Vernon Gillespie met with me during my stop-over in New York. Pursuant to my conversation with Mr. Gillespie, I am writing this letter and sending you the enclosures. Over the last several years, I have been extensively involved in both the political and military situation in Rhodesia as well as the Republic of South Africa. As an observer with the Rhodesian security forces, the following events transpired.

I was at Grand Reef Air Base near Umtali on the morning of June 24, 1978. At 7:10 a.m., a report was received that a massacre had occurred at the Emanuel Mission School, 18 miles southeast of Umtali. A fire force was immediately dispatched. Upon arrival, I witnessed a shocking site. After an extensive interview with approximately 50 of the 250 schcol children, and the director of the facility, I wrote the following story and caused it to be transmitted to UPI (London) and to 27 newspapers in the United States via Panax Corporation:

"Patriotic Front terrorists massacred 12 whites at the Anglican Emmanuel Mission School 18 miles south east of Umtali shortly before 9 p.m. on 23 June.

Scene of the murders was the school pavilion where the staff and their families were taken after being forceably removed from their homes.

Three adult men ages 29, 30 and 37, 5 adult women ages 50, 37 and three unknown, and two young girls ages 4 and 5 and one boy age 6, and one 3 week old baby were found axed, bayoneted, bludgeoned and kicked to death on the grounds of the school pavilion. The victims comprise all but 2 of the entire teaching staff for 250 black children ages between 13 and 20.

Only one woman managed to escape. However, she had been repeatedly raped and bludgeoned, and at this stage is thought to have been bayoneted. She was flown to Salisbury in a state of extreme shock and unconscious after being found by security forces hiding in the bushes a scant 50 yards from the scene of the atrocity which took place 14 hours earlier.

Four of the 5 women had also been violently sexually assaulted by members of the

gang. One woman still had a crude axe lodged in the base of her skull.

Another woman was found with her arms flung out in a pathetic but futile attempt to save her 3-week-old baby girl. Both had been bayoneted and the mother of the tiny infant had her face crushed by a log weilded by one of the terrorists. Two of the other women were singled out for a particularly depraved brand of sexual assault and before being killed one woman had her breast slashed repeatedly by a bayonet.

The three little children were found lying in various poses next to the body of their mother. The woman had not been raped because she was in her menstrual cycle, but she had been bayoneted in the lower groin.

Her youngest child had been kicked to death and the footprint of a terrorist boot was clearly identifiable on the small child's face and neck. Her brother and sister were both bludgeoned and hacked to death.

It is believed that this murder and the resulting terror and screaming of the rest of the victims triggered the terrorists rampage of bestial lust and mutilation.

The school registar, Mr. Ian McGarrick, was the sole white to have escaped unharmed. For some reason he was overlooked at his home while the rest were being rounded up. He was unaware of the incident until the morning when he discovered it and raised the alarm.

Approximately 8 terrorists armed with AK 47 Soviet automatic rifles then forced the 250 children into the school yard. They told them what political faction they supported. The children did not respond. They were then asked if they understood the term "Neo Colonialist"—again silence. The children were then given a lecture of benefits of the Zimbabwe African Nationalist Union headed by Robert Mugabe and forming a part of the so-called Patriotic Front.

Next the pupils were ordered back to their rooms and told to leave the school on Monday, 26 June.

Before leaving, the terrorists robbed the mission store of a large quantity of food and clothing. The result of the terror is the closing of the school, depriving 250 black children of education.

Headquarters of the mission is the Elim Organization based in Cheltenham in England.

On July 27 last year the secondary school and pupils of the Elim School in North Inyanga were moved to the site of today's atrocity. During the move a bus carrying some of the pupils detonated a landmine. Two pupils died and 11 were injured. Another bus sent to pick up the survivors detonated a second landmine injuring more pupils and killing a tribesman. This latest attack against a mission group has claimed more white lives than any other single incident throughout the history of the war. It also is the only incident which appears to have been directed against whites because they were white. Not one of the black boys or girls were physically harmed. The names of the dead are being withheld pending notification of next of kin.

The previous worst incident against a missionary body was at the St. Paul's Jesuit Mission at Mussami, 35 miles Northeast of Salisbury 2 years ago where seven missionaries including 4 nuns were machine gunned to death by terrorists."

At the time I interviewed the witnesses, the identities of the victims were unknown. The one woman that escaped has since died, making the total number of victims 13. Also, the school registrar, Mr. Ian McGarrick, was not actually "overlooked". He had been warned by a servant, and hid in his home.

Obviously, the above report constitutes only a small part of the information that I obtained during my interviews with the children. Contrary to the cruel and senseless assertion by our Ambassador to the United Nations, Mr. Andrew Young, there is absolutely no doubt but that the atrocities were perpetrated by the terrorist forces of the "Patriotic Front." I would be most happy to testify before any congressional investigatory agency concerning this atrocity, as well as others that I have witnessed while in Rhodesia. Invariably, within 24 hours following the commission of an atrocity by the communist trained, backed and supplied "Patriotic Front", either Mr. Joshua Nkomo and/or Robert Mugabe have denied that their forces perpetrated the act, and have blamed the Rhodesian Security Forces, and generally the Selous Scouts. I have been with the Selous Scouts. I know their training and their mission. I can assure you that it does not include the perpetration of atrocities. They are the "Green Berets" of the Rhodesian Security Forces.

Subsequent to the Emmanuel Mission Massacre, on July 1, Patriotic Front Terrorists butchered 14 black civilians on a black farm compound in the Headlands area, 140 kilometers east of Salsbury. A few days later, two more missionaries were killed by terrorists. Then, just a few days ago, a convoy of civilians travelling south from Kariba were ambushed and three were killed, again by "freedom fighters" of the Patriotic Front.

Senator Hayakawa, I have personally interviewed several of Mr. Mugabe's "soldiers". I concur wholeheartedly with Sir Douglas Bader, Royal Air Force Fighter Ace of the Second World War, who observed that the soldiers of Robert Mugabe and Joshua Nkomo are nothing more than murderers.

I have been told by members of the Patriotic Front that they are not communists simply because they use communist weapons. However, I have the original of a political training notebook taken from one of Mr. Robert Mugabe's "soldiers" that shows quite clearly what the quid pro quo is in exchange for those Soviet weapons. It is a total and complete communist indoctrination designed to align Rhodesia with the Soviet Union. Needless to say, that would be a serious blow to the West, given the existing Soviet satellites of Angola and Mozambique. South Africa would be the next target. If the Soviet Union controlled Rhodesia, Angola, Mozambique, and South Africa, the United States would be in serious jeopardy in view of the mineral resources that would be denied us.

To show the clear cut nature of the "Patriotic Front", I enclose a copy of an original poster being circulated in West Germany, together with its English translation.

I urge you to read my report on the Emmanuel Mission Massacre into the CONGRESSIONAL RECORD, as well as the text of the enclosed poster.

The internal settlement in Rhodesia must be supported. I have personally interviewed all of the members of the Executive Council to the internal settlement, which was filmed and distributed through UPI TN (London). The three black members of the Executive Council have put their necks on the chopping block along with Mr. Smith, if the internal settlement is not successful. Messrs. Nkomo and Mugabe have already stated that they would be eliminated if the Patriotic Front successful in taking over Rhodesia.

The four members of the Executive Council, together with their constituencies, are fighting a difficult battle to maintain a democratic nation under majority rule, with one man one vote. Rhodesia has agreed to all of the terms of the Kissinger proposal, and the black leaders representing the vast majority of black Rhodesians have joined with Mr. Ian Smith in an effort to save Rhodesia. Yet, our State Department Foreign Policy is designed to compel the Rhodesian Government to deal with the "Patriotic Front" whose leaders have stated time and time again that peace can only come through the barrel of a gun, that they will not participate in an open democratic election, and that they represent and endorse elite black minority rule of the black people of Rhodesia.

I also enclose a copy of a map of Africa which clearly depicts the Soviet involvement on that continent.

Very truly yours,

ROBERT N. CLEAVES.●

H.R. 10909, THE CLINICAL LABORATORY IMPROVEMENT ACT OF 1978

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, today, I join with Congressman OMAR BURLESON in urging the passage of an amendment to H.R. 10909, the Clinical Laboratory Improvement Act, which will provide for a 2-year renewable waiver for certain rural hospitals from standards prescribing qualifications for supervisory personnel, technologists, or both.

While the bill does include a phased approach to the implementation of national standards for clinical laboratories not previously covered by existing Federal law, once the last phase has been implemented the bill provides no further authority to grant waivers to laboratories which experience problems recruiting and/or retaining appropriately qualified personnel. I believe the need for a renewable waiver for rural hospitals experiencing temporary shortages of qualified laboratory personnel is compelling.

Under the provisions of H.R. 10909 as reported by the House Committee on Interstate and Foreign Commerce, the Secretary, or a State-delegated primary enforcement responsibility, cannot permit any deviation from compliance with prescribed personnel standards. Thus, I strongly recommend and concur with Congressman BURLESON that this legislation be further amended to authorize a renewable waiver of rural hospital laboratories from personnel standards under certain limited conditions.

It is important to note that while recent demographic data suggests some moderation in the migration of people away from rural areas, for the most part this change involved predominantly young families. There is no apparent groundswell among young, unmarried Americans to remain in or move to rural areas. For these individuals, who comprise the largest segment of the clinical laboratory work force, rural communities do not offer the amenities and advantages many of them are seeking. There are generally few marriage opportunities, climate is sometimes harsh, and entertainment options frequently are limited or not attractive. Over half of all the hospitals in the country have 100 beds or less and many of them are located in isolated geographical areas—all of which contributes to a continuing problem in maintaining appropriate staffing complements in such facilities.

Further, there is also little opportunity for career advancement in the rural hospital laboratory, and the limited range of tests performed and their relative simplicity offer little challenge to the college-trained technologist.

This waiver, as proposed in Mr. BURLESON'S amendment, might follow much the same pattern that has developed with the waiver from the medicare 24-hour nurse staffing requirement mentioned above.

In 1972 Representative OMAR BURLESON proposed an amendment to the medicare program that permitted the Secretary of HEW to waive the requirement for medicare participating hospitals to have 24-hour registered nurse staffing, provided the hospital was making a good faith effort to achieve compliance with this requirement and provided no undue health hazard existed. This provision, enacted by Congress as an amendment to the Social Security Act in 1971 (Public Law 91-690), has been important in assuring access to needed hospital care for medicare beneficiaries.

I urge my colleagues to consider Congressman BURLESON'S amendment to H.R. 10909 when it reaches the floor for final consideration.●

NO NEED FOR NEW DEPARTMENT OF EDUCATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. ASHBROOK. Mr. Speaker, Americans are increasingly fed up with the massive and unresponsive Federal bureaucracy in Washington, D.C. They are tired of having so many of their hard-earned dollars go to pay the high cost of government.

I strongly believe that big government should be cut down to size. We need less Federal spending and less bureaucracy.

Unfortunately members of the Carter administration do not seem to agree. They are pushing for the formation of yet another bureaucratic structure, a new U.S. Department of Education.

Over $10.3 billion is presently earmarked for education out of HEW's 1978 budget of about $185 billion. President Carter and his associates do not believe this is enough. By creating a new Cabinet-level department, a heavy weight would be hung around the taxpayer's already tired neck.

An editorial published July 23, 1978, in the Cincinnati Enquirer sums up the arguments concerning a new Department of Education. The Carter administration feels that education would be administered better if Federal responsibility is concentrated in one place. But as the Enquirer points out:

This ignores the very valid notion that education has never been, and ought never to be, a Federal function or responsibility.

Before we rush headlong into creating another costly bureaucratic structure, I suggest we consider the arguments raised by this excellent editorial:

EDUCATION: THE NATION NEEDS NO NEW DEPARTMENT TO OVERSEE SCHOOLS

Somewhere out there, safe in the protective obscurity of bureaucratic Washington, lurks the seed for a U.S. Department of Education. Its creation would be an error in judgment, at best. Surely the department would have a greater impact on the nation's pocketbook than on the quality of its instruction.

Supporters of the idea, and President Carter has counted himself in that number, contend that education is poorly served as the junior member of the triumvirate with health and welfare. The fiscal 1978 budget for the Department of Health, Education and Welfare (HEW) is about $185 billion, they contend, but education was scheduled to get only a $10.3-billion share.

It says something about the basis for the argument, however, that education's alleged junior status is measured wholly in dollars. Even at that, the figures are not genuinely indicative of education's federal status since the schools participate in other programs operated by different agencies.

That, too, becomes the foundation for an argument in support of a separate Department of Education. It is said that the schools will be better served if federal responsibility is concentrated in one place, so that local schools can avail themselves of all the assistance possible with a minimum of bureaucratic meandering. Of course, this ignores the very valid notion that education has never been, and ought never be, a federal function or responsibility.

Hypotheses aside, the creation of an education department will mean one thing, and one thing only—the addition of another layer of fat to an already overweight federal administration. Experience should have shown us by now that it is not reasonable to expect that HEW would diminish in size with the removal of its responsibilities in education.

More likely, the health and welfare branches would expand to fill the void, while the new department would take off growing on its own. One need only recall the creation of the Energy Department for a preview.

And what of the great administrative costs that would accrue to the American taxpayers by the establishment of the department? The money used to support the department would necessarily take away from the funding that might otherwise be available to the schools.

Proposition 13 and its attendant resistance to increased taxation should have underscored the error in predicating public improvements on government expansion alone. The American people should not fail to make that point clearly and as often as necessary to prevent the creation of a Cabinet-level Department of Education.

SHCHARANSKY—NOT FORGOTTEN

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. HARRIS. Mr. Speaker, the publicity has died down. Anatoly Shcharansky has begun his long years of imprisonment. But I want to make it perfectly clear—he has not been forgotten. This Congress has made a commitment to Anatoly Shcharansky, and I and many other Members are determined to stand by him and other victims of Soviet hypocrisy and repression.

In a recent letter to the Secretary General of the United Nations, many of us voiced our outrage at the failure of the Soviet Union to comply with the human rights provisions of the Helsinki accord and with the most basic principles of individual rights and human dignity.

The Soviet government must cease its arbitrary refusal to emigration applicants. I urge that government to free their prisoners of conscience, and release those who have been illegally denied their right to emigrate so that they may rejoin their loved ones. At this time, I urge this special appeal on behalf of emigration activist Anatoly Shcharansky, whose imprisonment is unjustified and whose only wish is to join his wife in Israel.●

PLODDING TOWARD ADJOURNMENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. MICHEL. Mr. Speaker. I was recently reminded of a piece of wisdom stated by the late, great Senator from Illinois, Everett Dirksen. He said:

Progress is often made as much by what we take off the books as by what we add on.

How true that statement is in regard to the Congress. We over-legislated for so many years that we have too many laws on the books to properly oversee. The Washington Star has editorially commented on this fact and I want to take this opportunity to place in the RECORD, "Plodding Toward Adjournment," the Washington Star, July 30, 1978:

PLODDING TOWARD ADJOURNMENT

Congress is taking a lot of heat as time runs out on the second session of the 95th. President Carter is critical of the slow pace on Capitol Hill and has drawn up a list of 10 items for Congress to concentrate on as it heads toward adjournment.

The critics have a point. But there's also something to be said for congressional procrastination.

Of course Congress has dallied too long over the energy bill. The nation and the world ought to know where we stand on energy conservation and on oil and gas pricing, and that can only come through a definitive policy established by Congress.

Yes, the Turkish arms embargo ought to be lifted. Yes, airlines ought to be deregulated. Yes, reforms ought to be enacted to make the federal civil service more manageable and responsive, provided of course that the misconceived Hatch Act liberalization amendment is removed from the bill before passage.

But what of other items on Mr. Carter's priority list? Congress would be fully justified in shuffling the labor "reform" bill on to the next Congress, or into perpetual limbo for that matter. The Humphrey-Hawkins full employment bill likely would produce as much confusion, if not mischief, as good and it deserves a slow legislative shuffle.

Something certainly ought to be done to hold down hospital costs but whether President Carter's bill is the answer is debatable.

The New York City aid measure has been enacted, but there's doubt in some quarters about its ability to cure NYC's problems and about its setting a precedent for the federal

government's bailing out cities in financial trouble.

Countercyclical revenue sharing? There apparently is so much doubt about that proposal to pour federal money into areas where unemployment rates reach certain levels that the measure hasn't even made it out of committee in either house.

Mr. Carter's tax cut-tax reform bill? With inflation far from under control, there's a good deal of doubt as to whether a tax cut is in order. In any event, Mr. Carter's soak-the-rich reform, which many critics claim amounts primarily to a load-more-on-the-middle-income-taxpayers plan, is getting well deserved revision on Capitol Hill.

Beyond the White House list of priority items are a lot of other measures that need attention before adjournment, which is targeted for October 7: highway and mass transit aid, creation of new judgeships, foreign aid financing, to name a few. But there's also a long list of items that can be put off or sent to the legislative scrap heap—those for which there is no pressing need, those that would increase the size and scope of the federal government.

It has been said that congressional procrastination has saved the republic. There's some validity to that.●

EDITORIAL SUPPORT FOR FUELS TRANSPORTATION SAFETY BILL

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. MARKEY. Mr. Speaker, I want to call to the attention of my colleagues an editorial which appeared in the Christian Science Monitor yesterday, August 2, 1978.

I am most pleased that this prestigious newspaper has endorsed H.R. 11622, the Fuels Transportation Safety Amendments Act of 1978, which I have cosponsored with Congressman JOHN DINGELL, the distinguished chairman of the Energy and Power Subcommittee. As the editorial states:

Congress ought not to wait for a disaster to drive them to enact these needed precautions.

I hope my colleagues will heed the wise counsel of the Christian Science Monitor editorial which follows:

KEEP LNG SAFE

All too often it takes a catastrophe involving human suffering to awaken the public and government to the need for instituting preventive measures or imposing safety restrictions. When that happens, invariably the response is, "Why did it take a disaster to get people concerned?"

Congress and the American public now have a golden opportunity to reverse that pattern in regard to the storage and transportation of potentially dangerous liquefied natural gas in densely populated cities. The General Accounting Office, the investigative arm of Congress, has just concluded a year-long study with warnings that current safety standards are too lax. They allow huge storage tanks to be built in or near big cities and do not bar tanker trucks from the congested elevated highways of cities such as Boston, where, the GAO concludes, a traffic mishap could result in explosions and fires of disastrous proportions.

It is of little comfort that the industry's safety record in recent years has been good, that the last major U.S. disaster involving LNG was in 1944, as the industry has been quick to point out in opposition to the GAO's findings. Just last month, however, an out-of-control tanker truck carrying liquified gas exploded in Spain, killing more than 100 persons and leaving a 60-foot crater.

The GAO recommends that future tanks be located in "remote" areas, that current storage facilities in urban areas not be permitted to expand, and that efforts be made to place more such facilities below ground. The study also urges that trucks and rail cars carrying liquified gas be barred from traveling through densely populated areas, unless it is impossible for them to make deliveries otherwise. And to thwart possible sabotaging of storage areas by terrorist groups, the GAO urges increased security measures.

The U.S. House will vote next week on a bill introduced by Representatives Markey of Massachusetts and Dingell of Michigan that would expand the safety requirements on LNG and address a number of the concerns outlined in the GAO report. Congress ought not to wait for a disaster to drive them to enact these needed precautions. And other large cities might well follow the lead of New York City in restricting the trucking of hazardous materials through inner city areas, in banning all storage of LNG within the city, and in strictly enforcing such regulations. Federal transportation policies already require trucks with dangerous cargoes to choose alternative routes where possible, and the U.S. Department of Transportation should make greater efforts to enforce these requirements more stringently. Why wait? ●

SER PROJECT GETS NEW SCHOOL-TO-WORK PROGRAM

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. KILDEE. Mr. Speaker, recently the Department of Labor's Employment and Training Administration awarded SER-Jobs for Progress a $1.7 million contract to conduct a school-to-work transition project. SER's national director Ricardo Zazueta signed the contract with the Department's Assistant Secretary Ernest G. Green on June 7.

The purpose of the project is to explore the feasibility and to assess the effectiveness of having a network of community-based organizations link with the private sector and public secondary schools to provide special career development assistance.

The in-school youth who will participate in the project will be economically disadvantaged high school juniors and minority-group senior students. During the course of the project, SER will provide:

First. Occupational and career information, exposure, and exploration; second, vocational counseling and personal guidance; third, training in job search, interview, and test taking skills; fourth, job development, referral, placement, and followup.

Participants will be exposed to the career development activities for about 4 to 8 hours each week.

The project, which will run through January 16, 1980, will be conducted in Miami, Denver, Sacramento, Houston, and Forth Worth. It is expected that about 240 students will be served at each school site.

SER will conduct an evaluation of the project at the end of the period to assess the impact of the project's special career development assistance on the youth served and their transition from school to work.

SER-Jobs for Progress is the national vehicle for the delivery of employment and training services to this Nation's Hispanic-American citizens.

SER's basic thrust is to assist the disadvantaged poor in improving their quality of life. Through job training and related programs to upgrade educational and vocational skills, SER opens the door to meaningful employment and career opportunities.

June 10, 1978 marked SER's 13th year of operation. During this time, it has grown to a national network with more than 100 offices in 20 States. SER has serviced more than 120,500 individuals since it was founded in 1965.

The following article in the Business and Finance section of the Los Angeles Times on February 1, 1978, describes the work Zazueta and SER-Jobs for Progress is doing to bring attention to the growing problems faced by the Hispanic community:

HISPANICS SEEKING ECONOMIC CLOUT

(By Nancy Yoshihara)

Making government and industry aware of the economic problems of Hispanic Americans is essential in views of the growing population of U.S. citizens of Spanish ancestry, according to the director of a job development group.

Ricardo Zazueta, national director of Los Angeles-based SER Jobs-for-Progress Inc., said in a recent interview, "By 1990, Hispanic Americans will be the largest minority group in the United States, surpassing the blacks."

He said government projections put the Hispanic population in the neighborhood of 30 million by that date, up sharply from the 16 million reported in the 1970 U.S. Census. The figures do not include undocumented or illegal aliens.

Zazueta heads a federally funded nonprofit organization which was founded in 1966 in Corpus Christi, Tex. SER, which is an acronym for Service, Employment & Redevelopment and means "to be" in Spanish, concentrates on providing job training and placement of Mexican-Americans, Cubans, Puerto Ricans and other Spanish-speaking people.

The organization, which has 106 offices in 18 states, is now holding its first national conference in Washington, D.C.

"With the conference," Zazueta explained, "We hope we can draw attention and focus on our problems from the Administration, Congress and business and industry."

He maintains that current political issues such as the illegal alien problem and the Panama Canal have brought greater awareness of Hispanics, but they continue to receive low priority in job programs when compared to blacks and women.

"The silent minority, the lost minority, the sleeping giant—these are all terms that have been used to describe us," Zazueta said. He believes that dispelling myths and stereotypes about Hispanics is critical in wiping out the paternal U.S. attitude that "we're not ready for self determination."

Zazueta expressed concern over a proposal for a new identification system which is designed to provide a stopgap answer to the

illegal alien problem. "Some bill may be asking for identification cards from each of us to get a job just because we look 'undocumented,' Spanish or brown," he said.

"The stereotype that we're all 'undocumented' is a fallacy, especially with the large number of Hispanics in the United States now and who were here before the Anglos came."

He attributes part of this to inaccurate statistics about Hispanics. The U.S. Census groups citizens of Spanish ancestry with its "other races" category. Zazueta said that in 1970 the Census Bureau undercounted Hispanics by 1.5 million in California alone. As the result of a subsequent law suit, which was won, the Census Bureau plans to list Hispanics as a separate category in 1980, according to Zazueta.

Meanwhile, SER's general profile of a Hispanic shows that his or her economic level is $5,000 lower than the national average annual income of $15,000. It also indicates that the average education level of a Hispanic is about four years behind an Anglo and two years behind a black.

Zazueta says about 80 percent of the Hispanic population is located in urban areas, contrary to the farm worker stereotype. The unemployment rate within these communities is 11.5 percent, about twice the national rate.

Noting that 44 percent of the Hispanic population is under the age of 18, Zazueta points out that employment is one of the critical issues for the minority group.

Although SER has trained and placed about 150,000 individuals since 1966, the executive said the organization has had to turn away many from its programs because of limited funds. He adds that the Hispanics need some 6 million jobs by 1980 to bring the unemployment rate down to about 4 percent and at least half that many jobs to bring the rate down to the current national rate of about 6 percent.

In an attempt to sound out business on these problems, SER works with major corporations such as Atlantic Richfield, Crown Zellerbach, General Electric, General Motors and others through its National Amigos de Ser Business Advisory Council.

"It's taken quite some time to sensitize major corporations, but they are now starting to recognize the large number of Hispanics," Zazueta said. "Still we're underrepresented in the corporate world. We're working on that this year."●

ORANGE COUNTY MUSCULAR DYSTROPHY SUMMER OLYMPICS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. PATTERSON of California. Mr. Speaker, on Saturday, August 5, 1978, the Buena Park Optimists Club, in conjunction with McDonald's Restaurants in Orange County, Calif., will sponsor a "Special Olympics" track and field meet for children who have muscular dystrophy.

The thrill of competition and the satisfaction obtained from engaging in sports activity is something that should be universally enjoyed by all segments of our populace. I am particularly pleased to see the victims of muscular dystrophy given this opportunity to overcome the self-consciousness they live with and the fear of disability that they harbor. It is truly gratifying to know that regardless of their affliction, victims of muscular dystrophy will be given the chance to experience organized sports activity.

Indeed, Mr. Speaker, where these youngsters place in the track and field events they will engage in today is secondary. The important thing is that they all will emerge as winners for their display of fortitude and courage as they engage in the Muscular Dystrophy Summer Olympics.●

SUBSTITUTING GENERIC DRUGS FOR BRAND NAME PRODUCTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. BIAGGI. Mr. Speaker, I would like to share with my colleagues some observations and comments on the issue of substituting low-cost generic drug products for brand name products.

As chairman of the Human Services Subcommittee of the Select Committee on Aging, I know that excessive drug costs fall most heavily on those least able to afford it, the elderly and the disabled. Persons over 65 buy 1 of every 4 prescriptions, and 87 percent of what they pay must come out of pocket. I also know that drugs often affect the elderly differently than they affect most age groups in the population. Variations in quality may be critical to older persons. For these reasons, I am committed to the concept that low-cost, high-quality drugs be made generally available.

PROGRESS

Considerable progress has been made within the past decade toward assuring the quality of generic drug products. The longstanding argument that brand name drugs are superior to generics has finally been swept aside. The Pharmaceutical Manufacturers Association, a representative organization of major drug manufacturers, has testified before a Senate subcommittee that—

> Quality is independent of brand or generic name; it depends upon the credentials of the manufacturer and his commitment to the highest standard in the production of drug products.

Evidence presented by the FDA indicates that large manufacturers have no better credentials than small ones. A review of FDA records of the most serious classes of recalls from fiscal years 1974 to 1977 shows no evidence of widespread differences between the products of large and small firms, or between brand and generic name products.

The issue of which particular drugs might not be substitutable is also addressed. I am pleased to say that my home State of New York has led the way in compiling an extensive list of "safe effective, and therapeutically equivalent prescription drugs." The FDA has approved the New York list and is compiling a similar positive formulary to be made available for use by all States. These lists only contain drugs "which have undergone the most stringent and modern version of the drug approval process" according to testimony of FDA Commissioner Kennedy. This means that some well-established drugs are not included because they were not tested under modern techniques.

In addition, on January 1, 1977, the FDA instituted requirements that are designed to insure the therapeutic equivalency between drugs. These requirements may be established for any drug upon presentation of certain documentation. Given the FDA mandate to assure drug quality, the FDA list should be accepted as the final word as to drug product equivalency.

Progress also has been made toward insuring the availability of low-cost drugs. Eight years ago, every State prohibited drug product selection. As of June of this year, 39 States and the District of Columbia had decided to permit drug product selection. Although relatively few studies have been done of consumer savings resulting from these laws, preliminary information points to substantial savings. A sophisticated prescription audit in Delaware found statistically significant consumer savings in the 2 years following enactment of drug substitution legislation for 7 out of 10 of the most frequently used multiple-source drugs.

REMAINING BARRIERS TO SUBSTITUTION

Although a great deal has been done to make low cost, high quality drugs generally available, substitution remains substantially inhibited. A prescription audit in Michigan showed that substitution occurred for only 1.5 percent of all prescriptions for multiple source drugs in the year after enactment of legislation permitting substitution. This meant an actual savings of only $200,000 to $300,000 out of a potential savings of between $13.5 million and $17.6 million. The low rate of substitution is thought to be due to the provision of the State law that requires the purchaser to request substitution.

There are many other subtleties of State legislation which may prevent consumer savings. Uncertainty as to pharmacist and physician liability may produce reluctance to substitute or to authorize substitution. FTC Commissioner Pertchuck has recently testified that, to the best of his knowledge, "not one lawsuit has been filed against a pharmacist for legally substituting a lower-cost generic drug product." Still, in the absence of State provisions clarifying the issue, liability is a serious concern.

Other barriers to substitution may result from inhibited competition in the drug industry. Some States which permit substitution do not provide for consumer information on drug prices. Price information for both doctors and patients is a crucial part of stimulating competition and driving down drug prices. Extensive drug promotion and sampling campaigns may bias physicians or pharmacists to dispense a particular, higher priced brand name drug without its being medically necessary. Assurances that this drug promotion is accurate in its representation of drug quality are necessary components of any plan to stimulate competition.

The experience of State laws in these areas should be useful in determining which State provisions are most successful in producing consumer savings. Unfortunately, no studies have been completed which evaluate these provisions. For this reason, Federal drug substitution legislation enacted during this Congress would be premature. Also, as Commissioner Pertchuck recently pointed out, the cost of Federal enforcement of such legislation would be prohibitive.

WHAT THE FEDERAL GOVERNMENT CAN DO

Although waiting for developments on the State level is probably the wisest strategy, there are a number of ways in which the Federal Government can take part in assuring the availability of low-cost, high-quality drugs.

With regard to making these drugs available to Federal and State human service programs, I have two suggestions.

First, I urge the Commissioner to continue to establish maximum allowable costs for State medicaid reimbursements. If, as Commissioner Kennedy has testified, the MAC represents the lowest possible cost at which multiple-source drugs are generally available to providers, costs might well be contained in this manner. Unfortunately, the program has yet to be widely implemented.

Second, I urge the FDA Commissioner to continue cooperating with States which seek to purchase drugs themselves. The FDA is currently assisting New York State with such a plan by determining the ability of low bidders to produce high quality drugs.

With regard to making low cost, high quality drugs available to the individual consumer, I also have some suggestions.

I urge my colleagues in the House and Senate to move swiftly toward passage of the Drug Regulation Reform Act, H.R. 12980. This act contains several significant provisions with respect to drug product selection. It would encourage price competition by allowing the Secretary to require that drug prices be posted in every pharmacy. It would give the Secretary leverage over drug promotion in two ways: (1) put limitations on samplings; and, (2) require that informational and promotional material include information for patients relating to the side effects and effectiveness of the drug. Finally, it would encourage physicians to deal more frequently with generic names by establishing a Federal drug compendium. The compendium would arrange drugs by their generic name within therapeutic and diagnostic categories.

The Government must also attempt to insure the availability of low cost drugs does not encourage drug misuse. Misuse is a significant problem among senior adults, who often do not fully understand the drug problems peculiar to old age. For this reason, I urge the Commissioner to establish a requirement that informational and promotional material include statements of side effects of particular significance to the elderly. I also urge the Commissioner to undertake an informational campaign to increase awareness of the problems of drug misuse among the elderly and to institute new labeling techniques which feature larger print with information on drug content and dosage requirements.

A drug benefit program will be a crucial part of any national health care plan. The Government must attempt to stimulate savings without sacrificing quality before the advent of national health insurance. Such a program should insure that the elderly and the disabled will no longer have to suffer the excessive burdens of drug costs on their relatively fixed incomes. It should provide high quality multiple-source and single-source drugs to all Americans, while being fiscally sane.

In short, Mr. Speaker, the issue of drug substitution is one which the Congress cannot afford to ignore if we are serious about making adequate health care available to everyone both in the present and the future.●

HARMING BLACKS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. McDONALD. Mr. Speaker, as I have stated on previous occasions, I do not always agree with William F. Buckley, Jr., particularly on matters of foreign policy. However, he recently wrote a very cogent column on the problem that occurs when you have Andrew Young as our U.N. Ambassador and attempt to bring any sanity into our policy on Rhodesia. As he points out, and Bishop Muzorewa, of Rhodesia, has learned, no one in a black leadership position wants to contradict Andrew Young simply because he is black, not because he is correct in his views. This hurts all black Americans in Mr. Buckley's view and I agree. Mr. Buckley's column, as it appeared in the Atlanta Journal for Friday, July 28, 1978, in part, follows:

HARMING BLACKS

(By William F. Buckley, Jr.)

NEW YORK.—Bishop Muzorewa has been in town attempting to persuade key American politicians of the extravagant immoderation of our present policy of boycotting Rhodesia for the sin of failing to turn the country over to the guerrilla leaders, whose well-fed spokesmen in the field no longer kill missionaries for the purpose of eating them, satisfying themselves merely to kill them.

Bishop Muzorewa, a black leader who has fought successfully for political freedom for his people against a regime far fiercer and more determined than any that ever stood in the way of Martin Luther king and Andrew Young, has spoken to key senators and commentators, and hopes he has made his point—that the economic persecution of Rhodesia is unwarranted, unjust, and hazardous to the prospects of a biracial society, which is what Rhodesia would become—the only such society in Africa, the rest of them being either all-black racist or all-white racist.

Why—Bishop Muzorewa was asked—has he not approached black leaders in America and asked them for their support? The bishop hedged.

There is, you see, the problem of Andrew Young, conspicuously—perhaps most conspicuously—the figure in the Carter administration who remains adamant in declining to give the present regime a chance.

"It would seem (I remarked to the bishop) the way things are going, if Andrew Young announced that a triangle had four sides, other black leaders in America would all nod their heads in agreement."

"If that is the case," said the bishop, a highly skilled polemicist, "why do you suggest that I should approach other black leaders?"

The point was neatly made. Why go after Ben Hooks of the NAACP, or Vernon Jordan of the Urban League, or Parren Mitchell of the Black Caucus—or even William Raspberry of the Washington Post—if they subscribe to the doctrine of the infallibility of Young?

He has not resigned, which would have been the dignified thing to do. And President Carter is afraid to fire him. Mr. Mitchell was entirely straightforward in the matter. "In the event something untoward should happen to Andy Young, the black community will walk away from the Carter administration."

These words are grounds for general disconsolation. I say this having 10 years ago proposed (in Look Magazine) that it would greatly benefit the United States, and more profoundly inter anti-black racism than any economic or legislative contrivance, if during the 1980s a black man were elected president of the United States.

Andrew Young makes such a thing sheer fantasy—more properly, the combination of Andy Young and a constituency that regards fidelity to anything he says as a transcendent intellectual and moral obligation.

But the necessary point to make here is that if Carter were to fire Young, he would not be letting down the black people. There would not be implicit in such a dismissal any lack of concern for black civil rights, for black economic and social advancement. Indeed, Young could easily be replaced by a highly qualified black.

What is harming the black community is not the prospective dismissal of Young for the best of reasons, but hanging on to him—as alleged representative of the American people—for the worst of reasons. Mr. Carter not only undermines his own authority, which is of incidental concern, he reinforces the conviction that thinking blacks will cease to think, and morally sensitive blacks will cease to discriminate—if the political fate of a single prominent black politician is at stake. As the voters of Harlem finally had enough of Adam Clayton Powell Jr. and let him go.

Unquestionably in due course the black voters of America would register their relief that the most prominent of their representatives has been removed from the podium whence he embarrasses all Americans by a blurred sense of reality, and a tendency to mischievous, indeed sometimes revolting, allegation.—(c1978)●

McKINNEY OPPOSED TO LIFTING TURKISH ARMS EMBARGO

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. McKINNEY. Mr. Chairman, today's vote on removing the remaining restrictions on U.S. arms sales to Turkey provides us all with a most difficult decision regarding our country's national security. Few would argue that both Turkey and Greece are necessary for the security of NATO's southeastern flank. Yet, the results of lifting the embargo have widespread, and perhaps negative, ramifications on the essential alinement

of these geographically strategic countries which, until now, have discouraged Warsaw Pact and Soviet aspirations toward the Mediterranean and Middle East. In addition, our rule of law and our campaign to promote human rights could be severely discredited as a result of that decision this afternoon.

While I and a majority of my colleagues have consistently opposed the removal of the embargo in the past, this year's vote has required many of us to reevaluate our position. There is a new Turkish Government, after 4 years the Cyprus problem remains unsolved and Greece's democratic institutions have been restored and strengthened under the leadership of Prime Minister Karamanlis. In view of these important events, I am heartened to find that this year's debate is less emotionally charged. I firmly believe most of us have thoroughly and objectively reviewed the most up-to-date information available on this issue from a wide variety of sources. This being the case, let's now look at the facts.

The partial arms embargo against Turkey is primarily symbolic. It has permitted the delivery to Turkey of $724.9 million in military aid and $10 million in economic aid during the past 5 years. The administration has time and again stated that the primary effect of lifting the embargo will be to instill renewed trust and confidence between the United States and Turkey, not to strengthen a decaying NATO partner. Also, as many have pointed out, the Turkish Government has made it quite clear that it will remain in NATO regardless of the outcome of the embargo vote.

It is just as clear that the 1975 embargo, while clearly required by the Foreign Assistance Act, has failed in its primary objective of promoting a Cyprus settlement. Turkey has failed to respond to previous congressional concessions with respect to the embargo; the Turkish Government continues to occupy about 40 percent of the island and full human rights have not been restored to the more than 200,000 refugees now living there.

In contrast is Greece, whose Prime Minister has made clear that his government wishes to return to a full role in NATO, but cannot unless the embargo is maintained as a way to encourage a just settlement on Cyprus. The opposition to Mr. Karamanlis' government, led by Andreas Papandreou, supports total and permanent withdrawal from NATO, and the Socialist Party's platform receives wide, but not as yet commanding, support from the Greek citizenry.

President Carter has repeatedly argued that, in view of the embargo's discouraging results, we should embark on a different course, "one which offers the prospect of real movement toward a negotiated solution" in Cyprus. Such may be the case, although I doubt the efficacy of this "carrot and stick" strategy which seeks to persuade after the carrot has been swallowed and only the short-lived memory of the meal remains. I think it important to note that I doubt if any of us here today would oppose the lifting of the embargo if we were sure such an action would result in a just settlement for Cyprus. We have no such assurance, however, and as a result other considerations must come into play.

One factor which I believe has received too little attention is the political impact that lifting the embargo will have on the Karamanlis government. As my colleague, Mr. DERWINSKI, said during yesterday's debate:

> The facts of life are that the anti-Karamanlis minority in the Greek Government, led by Mr. Papandreou, who has a record of anti-Americanism that dates back many years, would be perfectly capable of exploiting this issue and using it against the best interest of the government of Mr. Karamanlis.

Few would refute this statement, and it is possible that a socialist coalition formed of anti-NATO and proembargo forces could succeed during the next election in gaining a majority in the Greek Parliament. In view of this danger to Greek democracy, coupled with my desire to support the rule of law while simultaneously promoting human rights, I must oppose the lifting of the partial embargo.

If there were an immediate and justifiable need for lifting the embargo at this very moment perhaps I would weigh this decision differently. The plain fact is, however, that President Carter is merely trying to eliminate a symbolic punishment placed upon the Turkish Government after they broke U.S. law and violated the spirit of our alliance by using American weapons to invade Cyprus. While we cannot be sure that lifting the embargo will provide the Socialist Party success in upcoming Greek elections, that prospect seems more likely than a Cyprus settlement by an embargo-free Turkish Government. In addition, given President Carter's supposed campaign to promote basic human rights, I find his advocacy of this proposal contradictory, in that it rewards a country for ignoring our efforts to eliminate human rights violations in Cyprus. If that campaign is to succeed, this country must remain steadfast and consistent in our condemnations. These arguments, and many others being discussed here today, make it morally and intellectually impossible for me to support the President's proposal. I hope a majority of my colleagues agree.

Thank you.●

FATHER DAMIEN: APOSTLE TO THE LEPERS

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. HEFTEL. Mr. Speaker, when great and noble spirits are born into this world, the lives of other men are blessed. Hawaii is a land greatly blessed by such a noble spirit. Although born in Belgium in 1840, Father Damien de Vuester adopted Hawaii as his country and her people, especially the lepers of Kalaupapa, as his family. As a priest in the Catholic faith, he loved his God without reserve, and served his people with perseverance and loyalty.

While he was alive, Father Damien inspired great and influential men worldwide to address themselves and their fortunes to conquering the dreaded disease, leprosy. However, he contracted the disease himself, defeating the belief that leprosy was inherited. Father Damien died in Kalaupapa settlement, an apostle among the lepers.

I wish to bring to the attention of my colleagues an article by Margaret Shelgren, "Shepherd of the Lepers," that appeared in the July 1978 issue of the Knights of Columbus' Columbia magazine. The article deals with Father Damien in the service of his God and his fellow men.

The text follows:

SHEPHERD OF THE LEPERS

(By Margaret Shelgren)

On the threshold of Hawaii's State Capitol a special anniversary is observed each year with much "aloha." These visitors and "locals" gather on April 15 before a dark bronze statue and drape it with fragrant, multicolored flowers to pay tribute to a man who died on that day in 1889.

The man so honored is their beloved "leper priest," Father Damien de Vuester, born in 1840.

Very nearly as controversial as the man himself is the compelling monument known to people the world over. Its identical twin stands in Statuary Hall in the Capitol, Washington, D.C., following action by the third legislature of the State of Hawaii. In the matter of individuals to be commemorated nationally, the overwhelming first choice went to the Belgian priest whose story "has become the inspiration for all men who believe in the eternal principle of brotherhood." Two years later Kamehameha I, who welded the islands into a unified kingdom, was designated as the second representative from Hawaii to the hall of heroes. The pair of statues was placed in 1969.

"Once in a while a state government does something right," said Alfred Frankenstein, art critic and journalist from San Francisco. "The main reason for my revisiting Statuary Hall was to see the figure of Father Damien of Molokai . . . perhaps the only figure of them all to which one will return."

Yet strong objections had been voiced in Hawaii over its selection. If there were those who expected something "pretty," they heard how the artist Marisol worked from a picture taken two months before Damien's death from leprosy. She had seen beauty in his physical ruin. For, as she said, "This was a man who had found himself in Hawaii and had become a Hawaiian. I cannot see Father Damien as a young European priest before he has accomplished what he wanted . . . without the marks of his accomplishment . . . I made a man, not a monument."

It was Mahatma Ghandi who remarked: "The political and journalistic world can boast of very few heroes who compare with Father Damien of Molokai . . . It is worthwhile to look for the sources of such heroism."

Through artistic eyes, Marisol looked and translated what she saw into bronze: the priest's devotion to his flock, his unfaltering courage and the clear flame of his faith—"ideals toward which all men strive." Yet any dissension the state-commissioned project provoked was entirely consistent with the Damien legend. The Martyr of Molokai unwittingly evoked controversy not only in his lifetime but after death.

He was "not the kind of person whose character would immediately appeal to thousands," commented Michael F. McCauley, reviewing two Damien biographies for "Com-

monweal." "He was—as he himself admitted—headstrong, more than occasionally impatient, driven by superhuman endurance and obstinately unyielding. An altogether difficult person to work with and, to a certain extent, difficult to portray with the typical aura of the plaster saint."

Despite all this—indeed because of it—"his influence," according to one young student, "never stops . . . We want to be shown . . . not told." Damien's ultimate demonstration of his faith completely overshadows any other aspect of his life: the jealousies, criticism and vilification that are so often the encumbrance of strong, single-purposed individuals. It is his record of self-sacrifice and dedication without compromise that speaks for itself.

"He was a man who loved his God without reserve. Whatever he did was for the glory and honor of God. He loved his adopted country, Hawaii. He loved his people and worked with them constantly. He was a man who worked with perseverance, regardless of the trials he encountered." In these words Brother Grimaldi, principal of Damien High School in Honolulu, eulogized the world-renowned priest on the 87th anniversary of his death.

"In a very real sense he transcended all creedal differences in his service to the people of Hawaii," Gov. George Ariyoshi said at the same occasion of the humble European who came to care for Hawaii's "living dead."

"I would ask," he continued, "that you honor this great individual, not only by your presence here today, but—as a Catholic, in your own faith, and non-Catholics, in your own way—by being a servant of God, a servant of all the people of Hawaii and of the world."

Echoing the feelings expressed in Honolulu, Patsy T. Mink testified before the National Parks Subcommittee in Washington, D.C., two weeks later, as she sought to establish a park where Damien toiled and died: "The legacy of untiring devotion and care that Father Damien left has served as a source of inspiration and directed much attention to leprosy. As modern methods of treatment have developed through the years, the patient population has dwindled to no more than 150, most of whom currently live at Kalaupapa by choice."

But in 1873, when young Damien vowed to go "to Molokai and labor for the poor lepers, whose wretched state of bodily and spiritual misfortune has often made my heart bleed within me" 800 people were confined on the lonely peninsula. Of this number about 650 were seriously ill, many urgently in need of the last sacrament.

To alleviate the suffering that characterized the place, the newcomer threw himself into an around-the-clock regime, giving equally of his compassionate help to Catholic and non-Catholic victims of the age-old scourge.

"But never by a single act or word of condescension was he to show that he regarded his services or his coming to Molokai as a deed particularly heroic or a favor in any way to the lepers," John Farrow wrote in "Damien the Leper."

Joining that popular biography (which reviewers call "pietistic" and "inaccurate"), two other works appeared in the centenary year of Damien's arrival in the leprosy settlement. These are "Holy Man: Father Damien of Molokai" by Gavan Daws, and "A Man for Now" by John Beevers.

These two volumes, according to McCauley, "could arouse enough interest to inspire an apathetic Christian population."

But the apathy to which he refers is nowhere evident in the 50th state. Rather, the response to Mrs. Mink's crusade to save Kalaupapa from future development was impressive. Few of the letters supportive of her measure failed to mention the legacy of selfless service that made Damien a venerated figure around the world. A sampling of those letters are recorded in the pamphlet identified as H.R. 11180, published by the U.S. Government Printing Office, 1976.

The author of one such letter is biographer Gavan Daws, now professor of Pacific History at the Institute of Advanced Studies in the Australian National University. A non-Catholic—in fact a "non-Christian in the strict sense of the word"—Daws evaluates "the leper priest" as a great man in the history of Hawaii, the history of the United States and the history of the world in relation to leprosy.

In light of current approbation why did controversy surround this exceptional man in life?

His youth had been quite commonplace. Born Jan. 3, 1840, in the peaceful farming village of Tremeloo in Belgium, he was one of eight children in the household of Frans and Catherine de Vuester. For his first 20 years Damien was known as Joseph—named for the head of the Holy Family by a kinsman acting as godfather.

Days followed a simple pattern where tilling the soil and obedience to God's laws earned contentment. As a youth Joseph saw two sisters and a brother embrace the religious life.

As for himself, the lad displayed a streak of mischief, a certain degree of obstinacy and a love of solitude, none of which set him apart from others of his age. He excelled in games, performed his share of farm chores and learned a few skills from the village blacksmith, until he had completed such formal education as the nearby elementary school at Werchter could offer.

Thereupon the youngster was sent to an academy at Braine-le-Compt for additional courses, but primarily to learn French. Flemish would be too provincial for a man in business, and Joseph's father had decided that his youngest son must be a merchant.

Joseph formed no close friendships in the new environment but spent his limited leisure time in solitary rambles and in letter-writing.

"It is to you, my dear parents, that I owe the education which I am receiving and which will be useful to me all my life. I do not know how I can ever prove, as I ought, my gratitude to you for all the benefits you have conferred upon me from my earliest years," he once wrote.

At the same time he contemplated a religious vocation—this made more relevant through a steady correspondence with his brother Auguste (Brother Pamphile) then a novice with the Sacred Hearts Fathers. During the summer of 1858 the two studied together in the monastery of the Sacred Hearts, from which Joseph returned to school with an even firmer resolve to dedicate his life to God.

After countless hours in prayer and meditation, he considered his physical capabilities, together with his affinity for solitude and silence, as suited to the Trappist Order. But when Pamphile heard Joseph's ideas he proposed that his younger brother follow him into the Congregation of the Sacred Hearts. And Joseph changed his mind.

"He was on the verge," Daws wrote, "of crossing from the farm to the Church, abandoning a worldly occupation for a religious vocation, leaving one family for another, setting about not his father's but his Father's business."

"Do not stop me, because to forbid your son to follow the will of God in choosing a condition in life would be an ingratitude that would bring down cruel punishments upon you," Joseph de Vuester said in a letter to his parents dated Dec. 25, 1858.

They concurred with his wishes.

In taking the religious habit and the name Brother Damien, Joseph de Vuester lacked the usual academic preparation, but excelled in thoughtfulness and the capacity for hard work. With him, according to Daws, "things to think about were often turned into things to do." And as the ardent young postulant became known for his stamina, amiability and impulsiveness, he was well-liked by all.

In appearance he was rather short and stocky, with a broad set of features and a tendency toward near-sightedness. But he attracted others by his vitality and goodness.

Apparently his understandings were crystallized when he professed his vows in the congregation. His letters afterward conveyed a more fatherly authority: "Attend to the sacraments; pray day and night; do nothing except for the glory of God; meditate on His great love, on the gravity of sin, on death, on the last judgment . . ."

Three years later he embarked for Hawaii, "young and very green" in the eyes of his superior, but released for the Pacific mission by the father-general of the congregation. Because Father Pamphile—chosen to make the voyage—had fallen ill of typhus, Damien would go in his brother's place, following Christ's command to "teach all nations."

"It would be impossible for me to tell you of the immense happiness of the missionary," he wrote his parents, "when he sees the new country which he must water with his sweat each day in order to win these uncivilized souls to God."

This "new country"—Honolulu in March 1864—saw Damien with two other brothers attending a mission college to prepare for ordination. Then on May 12, he became a priest in Our Lady of Peace Cathedral, still standing in Honolulu's Fort Street Mall.

But no such landmark remains on the Island of Hawaii where the new priest toiled in the Puna and Kohala Districts, "heroic labor endured beneath the blazing sun, for he was builder, carpenter and even architect" or where "he celebrated Mass on mountainside or in native huts, wherever a few of the faithful could be induced to gather, and his sturdy, cassock-swathed figure became a familiar sight as he tramped his little domain," Farrow says.

But he would play out a greater drama and meet death with the lepers on Molokai, having answered an appeal for "a noble Christian priest, preacher or sister to go and permanently console these poor wretches." Such a plea made in the Hawaiian newspaper "Nuhou," in regard to the "living dead" exiled on Kalawao Peninsula, resulted in renewed rivalry between Catholics and Protestants—the latter feeling, apparently, that Damien's sacrifice was a reflection upon themselves. They resented the favorable press coverage.

Still, even Bishop Louis Maigret, SS.CC., of Honolulu could not explain the devotion that Damien roused locally.

"He was being admired and exalted for his sacrifice in going among the victims of leprosy without a place to live, without the necessities of life. And yet, there was nothing unusual in this among the Sacred Hearts fathers and brothers at Kalawao before Damien. But all that had happened without noise, without public admiration," reports Daws.

Why try to explain a miracle?

People now, as they did a century ago, want to account for Damien's unpretentious gift of inspiring others—the charisma that attracted worldwide attention. And they tabulate his physical accomplishments.

In the year before he died, the number of buildings in the settlement was inventoried at 374. Most had been built during his tenure, many by the priest himself. An indignant and highly vocal advocate on behalf of his forgotten and miserable flock, the "holy man" of Molokai demanded housing materials for sick people who lay on damp

grass in dilapidated shacks. And government funds barely provided them with food.

Naturally his vehemence kept him in "hot water" with the board of health, which called him "obstinate, headstrong, brusque and officious." He could not act otherwise. Deliberations and "red tape"—whether political or religious—were incomprehensible to him. Nothing, to his way of thinking, took precedence over "his children's" needs, whether he dealt with church or civil authorities.

Like a true son of God, he went about doing good, drawing criticism for his impulsiveness and the bold methods he used to alleviate suffering. Like Christ he was reviled and scorned by those he put to shame, many of whom spoke out against him, trying to justify their petty lives.

His record is eloquent.

Timothy Cardinal Manning, archbishop of Los Angeles, in Honolulu for the celebration of Catholicism's 150th anniversary in Hawaii, spoke of the future, anticipating "a much finer Church of convinced and dedicated people capable of articulating their faith and serving it."

Although future numbers cannot be predicted, he stressed that influence never depends upon numbers and pointed to the work of Father Damien, saying: "One man's life can send ripples through the world."

And Damien's "ripples" moved men like Ira Barnes (Brother Joseph Dutton) to leave his job in America, and Brother James Sinnett to come from Ireland, to work on Kalawao Peninsula.

The Rev. Hugh Chapman, Anglican priest in London, established and maintained a fund for Damien's use, despite accusations that the Britisher wanted "to create sympathy for an idolatrous priest in that abominable region."

Individuals like American surgeon G. W. Woods and British philanthropist Edward Clifford—drawn to Hawaii by Damien's reputation—went to study leprosy centers elsewhere. Thus one highly significant aspect of Damien's career was a change in the world's attitude toward Hansen's disease, as leprosy is more accurately known. His very illness made a lie of popular misconceptions regarding the disease, making it plain for instance that leprosy is contagious, not hereditary, and stimulating a concerted effort to stamp out mankind's most hideous ailment.

News of Damien's death brought word that Chapman would continue the fund for Damien's cause. With its concepts and purposes enlarged, the project became known as the National Leprosy Fund. Its contributors numbered many officials and socially prominent people—including the archibishop of Canterbury and the prince of Wales—and it supported leprosy research not only in India and other British colonies, but provided special treatment for victims in England.

It paid too for the monument that stands in Kalaupapa today—a granite cross bearing a bas relief of Damien's head. Designed by Edward Clifford (who had painted landscapes on the pensinsula and written a book about Damien), the British monument is inscribed in both England and Hawaiian: "Greater love hath no man than this, that a man lay down his life for his friends."

Meanwhile Mother Marianne Cope had relinquished authority as provincial superior of the Syracuse Franciscans, answering the Hawaiian king's request for sisters to help in Honolulu's Kakaako Hospital for lepers.

What she considered her real work however began in 1888, when Damien—in failing health—appealed for female assistance on Molokai. She did not send him sisters; instead she took them, against advice that conditions were too dreadful for women.

Mother Marianne simply said: "In God's name we will go." And for the next 40 years she carried on Damien's tradition of compassionate service.

Within six months of her arrival "the leper priest" was dead. However he was consoled by their presence: "When I think that my poor afflicted children will have a mother's care, I am happy indeed!"

"The only real change came in the 1930s," according to Kenneth Ho, director of public relations at St. Francis High School in Honolulu, "when the Territorial Government began hiring additional people to help staff Kalaupapa and the Franciscans began receiving financial considerations."

Today the tradition is perpetuated by a Franciscan nun who presides over nine nurses in a 23-bed hospital. Sister Wilma tells how she came to Molokai in 1946, taking up residence in a rotting, termite-infested old wooden building just before sulfones were discovered as an effective treatment for Hansen's disease. "I told my mother that when I grew up I would become a nun and work in Father Damien's place," she said in a recent interview.

Like an echo . . . "Father Damien has been my hero since childhood," remarked Padre Humberto Almazan, internationally famous movie star who became a priest in 1966. As executive producer and principal actor, he played the role of Damien in a million-dollar picture filmed in Hawaii in 1976. Profits from the venture go to the Holy Apostles seminaries in Connecticut, Washington, D.C., and South America, as well as benefiting leper missions in Indonesia.

"The chance to tell this man's story is a fantastic privilege," he said. "In my decision to become a missionary priest I was inspired by nobody else but Damien."

If Damien was a difficult man, historians feel that his colleagues and superiors were difficult as well—yet all were in a difficult situation. But of the peasant priest who earned the decoration of Knight Commander of the Royal Order of Kalakaua, Daws says he was "an unusual man, living in a turbulence of holiness."

Damien, described by Robert Louis Stevenson as "a man who wish his own idiosyncracies and personal defects, with all the grime and paltriness of mankind—but nonetheless a hero and a saint," was slandered after death in a letter written by a Protestant clergyman in Honolulu. Stevenson sprang to his defense and wrote the famous broadside which caused worldwide discussion of Damien the man.

Despite the remark by Bishop Herman Koeckemann, SS.CC., of Honolulu in 1890, that "probably no place in the world concerns itself less about Damien than the islands," the "ripples" which fanned out from Molokai were broader and deeper than anyone living then could know.

Who could measure the "aloha" in the hearts of islanders?

"Because he touched them, hugged them in Hawaiian-style greeting, conversed with them in their language, dressed their sores, amputated as necessary their fingers, toes or feet, shared his tobacco pipe, dipped into the common calabash of 'poi,' laughed with them, played with diseased children and showed no cultural distress at their disfigurement, Damien was accepted by the leprosy patients," explains Russell Apple, Parks Services historian. No other white man ever became one of them.

And in that very witness—Damien's patience, gentleness, humility, poverty and sacrificial love—men saw Christ and realized, as has been said, that "in most things Jesus was a scandal to the times."

With the rapid growth of the Sacred Hearts Congregation as proof that he produced religious vocations, Damien's canonization procedures were begun in 1938. Of the testimony accruing it is revealed that 60,000 cases of aid to supplicants in Spain alone were recorded within a 20-year period. Perhaps the whole dimension of his influence will be uncovered in time.

In the meantime Hawaii has preserved the area where Damien toiled and died. And it is here that a growing number of pilgrims retrace the heroic priest's footsteps, now that modern science has eliminated the stigma Molokai once wore.

More and more tourists are seeking firsthand the landscape Damien knew so well, remnants of his handiwork, the graves he dug and the precipice he climbed to take the Gospel to healthy congregations on the other side of the island.

In Kalaupapa today, individuals are "getting involved" with that former "keeper of the garden of the dead," as he called himself.

"I believe that there is something of him in every one of us," concludes Nino Martin, executive producer and director of the TV special, "Damien," who does not hesitate to explain his emotional involvement with "the leper priest."

"Damien was committed to his own special concepts and philosophies," he points out. "A humanitarian, he fought the opposition and maintained his integrity with no fear of the consequences. In fact he transcended fear. I know that working on his story has changed me. I am now able to reaffirm my beliefs and stick to them. Damien demonstrated how to oppose massive forces and make changes."

Martin's experience, including filming on location at Kalaupapa, left him "emotionally drained," he said.

Apple describes how he became engrossed with Molokai's saint. Assigned to a study of the peninsula, the historian concluded: "Everything that seemed to have happened that was good for Kalaupapa seems seems to have been caused by Damien."

"As modern Catholics look to postconciliar spirituality for answers to the questions about tomorrow," Maggie Bunson writes, "a man like Damien takes on a new aura."

And in a very real sense Hawaii needs no landmarks to keep his memory alive. Where Damien's name is a household word, the "apostle of the lepers" is honored by people of all races and creeds, for he transcended all the differences in his adopted land.

ABORTION: RULES FOR DEBATE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. DRINAN. Mr. Speaker, Father Richard McCormick, S.J., is one of the most distinguished Catholic moral theologians in the modern world. He is professor of Christian ethics at the Center for Bioethics at the Kennedy Institute of Georgetown University in Washington, D.C.

Father McCormick published an article in the July 22 issue of America magazine, the national Catholic weekly, entitled "Abortion: Rules for Debate."

This discussion, printed in the Jesuit weekly, America, is reprinted here in its entirety:

ABORTION: RULES FOR DEBATE

(By Richard A. McCormick)

There are a million legal abortions done annually in the United States. If this is what many people think it is (unjustified killing of human beings, in most cases), then it certainly constitutes the major moral tragedy of our country. In contrast, over many years 50,000 Americans were lost in Vietnam. About

the problem of abortion and its regulation, however, Americans are profoundly polarized, and there seems little hope of unlocking deeply protected positions to reach any kind of national consensus. Yet surely that is desirable on an issue so grave.

I have been professionally involved in this problem for well over 20 years, on podium and in print, and above all in many hundreds of hours of conversation. Such experiences do not necessarily increase wisdom. But they do generate some rather clear impressions about the quality of discourse on the problem of abortion. I have to conclude, regrettably, that the level of conversation is deplorably low. On both sides, slogans are used as if they were arguments; the sound level rises as verbal bludgeoning and interruptions multiply; the dialogue of the deaf continues. Some of our most prestigious news media (e.g., The New York Times, The Washington Post) support policies that stem from moral positions whose premises and assumptions they have not sufficiently examined, let alone argued. The same can be said of some anti-abortionists in the policies they propose. An executive assistant in the Senate told me recently that the two most obnoxious lobbies on the hill are the anti-abortionists and the pro-abortionists. Briefly, civil conversation on this subject has all but disappeared. Perhaps that is as it should be. Perhaps now is the time for camping in abortion clinics or beneath Joseph Califano's office windows. But I think not, at least in the sense that such tactics should not replace disciplined argument.

Many of us have become bone weary of this discussion. But to yield to such fatigue would be to run from a problem, not wrestle with it. If stay we ought and must, then it may be of help to propose a set of "rules for conversation," the observance of which could nudge us toward more communicative conversation. That is surely a modest achievement, but where the level of discourse is as chaotic and sclerotic as it is, modesty recommends itself, especially when so many begged questions and non sequiturs are traceable to violations of some of the fundamental points raised below. I do not believe these guidelines call for compromise or abandonment of anyone's moral conviction. At least they are not deliberately calculated to do this. Basic moral convictions have roots, after all, in some rather nonrational (which is not to say irrational) layers of our being. Rather, these suggestions are but attempts to vent and circumvent the frustrations that cling to bad arguments. In qualifying certain arguments as "bad," one unavoidably gives his position away at some point. But that is neither here nor there if the points made have independent validity. Perhaps the following can be helpful.

Attempt to identify areas of agreement. Where issues are urgent and disputants have enormous personal stakes and investments, there is a tendency to draw sharp lines very quickly and begin the shootout. Anything else strikes the frank, let-it-hang-out American mind as hypocrisy. We have, it is argued, seen too many instances where a spade is called a shovel. Serious moral issues only get postponed by such politesse. Well and good. But this misses an important point: There are broad areas of agreement in this matter, and explicitly speaking of them at times will at least soften the din of conversation and soundproof the atmosphere. Some of those areas are the following.

Both those who find abortion morally repugnant and those who do not would agree that abortion is, in most cases, a tragic thing, an undesirable thing. It is not a tooth extraction, though some heavy doses of wishful thinking and sanitized language ("the procedure") sometimes present it this way. Therefore, all discussants should be clear-headedly and whole-heartedly behind policies that attempt to frustrate the personal and social causes of abortion. One thinks immediately of better sex education (which is not equivalent to so-called plumbing instructions), better prenatal and perinatal care, reduced poverty, various forms of family support, more adequate institutional care of developmentally disabled children, etc. Furthermore, anyone who sees abortion as a sometimes tragic necessity should in consistency be practically supportive of alternatives to this procedure. While these two areas of agreement will not eliminate differences, they will—especially in combination with an overall concern for the quality of life at all stages—inspire the stirrings of mutual respect that improve the climate of discussion. That is no little achievement in this area.

Avoid the use of slogans. Slogans are the weapon of the crusader, one who sees his role as warfare, generally against those sharply defined as "the enemy." Fighting for good causes clearly has its place, as do slogans. The political rally or the protest demonstration are good examples. But slogans are not very enlightening conversational tools, simply because they bypass and effectively subvert the process of communication.

I have in mind two current examples. The first is the use of the term "murder" to describe abortion. "Murder" is a composite value term that means (morally) unjustified killing of another person. There are also legal qualifiers to what is to count as murder. To use that term does not clarify an argument if the very issue at stake is justifiability. Rather it brands a position and, incidentally, those who hold it. It is a conversation stopper. Moreover, the term "murder" is absolutely unnecessary in the defense of the traditional Christian position on abortion.

On the other hand, "a woman has a right to her own body" is not an argument. It is the conclusion of an often unexamined argument and therefore a slogan with some highly questionable assumptions. For instance: that the fetus is, for these purposes, a part of the woman's body; that rights over one's body are absolute; that abortion has nothing to do with a husband, etc. To rattle some of these assumptions, it is sufficient to point out that few would grant that a woman's rights over her own body include the right to take thalidomide during pregnancy. The Supreme Court of our nation has gone pretty far in endorsing some of these assumptions. But even justices not above the use of a little "raw judicial power" would choke, I think, on the above slogan as an apt way to summarize the issue.

Represent the opposing position accurately and fairly. Even to mention this seems something of an insult. It contains an implied accusation. Unfortunately, the accusation is too often on target. For instance, those opposed to abortion sometimes argue that the woman who has an abortion is "antilife" or has no concern for her fetus. This may be the case sometimes, but I believe it does not take sufficient account of the sense of desperate conflict experienced by many women who seek abortions. A sense of tragedy would not exist if women had no concern for their intrauterine offspring.

On the other hand, those who disagree with a highly restrictive moral position on abortion sometimes describe this position as "absolutist" and say that it involves "total preoccupation with the status of the unborn." This is the wording of the unfortunate "Call to Concern" (Christianity and Crisis, Oct. 3, 1977), which was aimed explicitly at the American Catholic hierarchy. The track record of the hierarchy on social concerns over a broad range of issues is enough to reveal the calumnious character of such protests. As Notre Dame's James Burtchaell wrote apropos of this manifesto: "Ethicians are expected to restrain themselves from misrepresenting positions with which they disagree" (Christianity and Crisis, Nov. 14, 1977).

Distinguish the pairs right-wrong, good-bad. Repeatedly I have heard discussants say of a woman who has had an abortion: "She thought at the time and afterwards that it was not morally wrong." Or: "She is convinced she made the right decision." It is then immediately added that the moral character of an action depends above all on the perceptions of the person performing it.

Indeed it does. But the term "moral character" needs a further distinction. One who desires to do and intends to do what is supportive and promotive of others (beneficence), performs a *good* act. That person may actually and mistakenly do what is unfortunately harmful, and then the action is morally *wrong*, but it is morally good. On the contrary, one who acts from motives of selfishness, hatred, envy, performs an evil, or *bad*, act. Thus, a surgeon may act out of the most selfish and despicable motives as he performs brilliant lifesaving surgery. His action is morally *bad* but morally *right*. One's action can therefore, be morally good, but still morally wrong. It can be morally right, but morally bad.

The discussion about abortion concerns moral rightness and wrongness. This argument is not settled or even much enlightened by appealing to what a person thought of it at the time, or thinks of it afterward. Nor is it settled by the good and upright intentions of the woman or the physician. Those who destroyed villages in Vietnam to liberate them often undoubtedly acted from the best of intentions, but were morally wrong.

Not only is this distinction important in itself; beyond its own importance, it allows one to disagree agreeably—that is, without implying, suggesting or predicating moral evil of the person one believes to be morally wrong. This would be a precious gain in a discussion that often witnesses this particular and serious collapse of courtesy.

Try to identify the core issue at stake. There are, of course, many issues that cluster around the subject of abortion. There are issues of health (fetal, maternal), family stability, justice (e.g., rape), illegitimacy, etc. They are all genuine concerns and can represent sources of real hardship and suffering. Those who believe that abortion is sometimes justifiable have made a judgment that the hardships of the woman or family take precedence over nascent life in moral calculation. Those who take an opposing view weigh the scales differently.

The core issue is, therefore, the evaluation of nascent life. By this I do not refer to the question about the beginning of personhood. That is a legitimate and important discussion. But the definition of "person" is often elaborated with a purpose in mind. That is, one defines and then grants or does not grant personhood in terms of what one wants to do and thinks it appropriate to do with nonpersons. That this can be a dog-chasing-tail definition is quite clear. As Princeton's Paul Ramsey is fond of saying: Does one really need a Ph.D. from Harvard to be a person, or is a functioning cerebral cortex quite sufficient?

The core issue, then, concerns the moral claims the nascent human being (what Pope Paul VI in a brilliant finesse, referred to as *personne en devenir*, a person in the process of becoming) makes on us. Do these frequently or only very rarely yield to what appear to be extremely difficult alternatives? And above all, why or why not? That is, in my judgment, the heart of the abortion debate. It must be met head on. It is illumined neither by flat statements about the inviolable rights of fetuses nor by assertions about a woman's freedom of choice. These promulgate a conclusion. They do not share with us how one arrived at it.

Admit doubts, difficulties and weaknesses

in one's own position. When people are passionately concerned with a subject, as they should be in this case, they tend to overlook or even closet their own doubts and problems. Understandable as this is—who will cast the first stone?—it is not a service to the truth or to good moral argument.

For instance, those with permissive views on abortion (who often favor Medicaid funding) sometimes argue that denial of Medicaid funding means a return to the back-alley butchers for many thousands of poor. This is deceptively appealing to a sensitive social conscience. But it fails to deal with the fact that in some, perhaps very many places, there is precious little price differential between the butchers and the clinics that now offer abortion services. So why go to the butchers? Furthermore, it conveniently overlooks the fact, noted by Daniel Callahan (Christianity and Crisis, Jan. 8, 1973), that the woman most commonly seeking an abortion is not the poor, overburdened mother of many children, but "an unmarried, very young woman of modest, or relatively affluent means whose main 'indication' for abortion will be her expressed wish not to have a [this] child [now]."

Or, again, it is occasionally argued that in a pluralistic society we should refrain from imposing our moral views on others. This was the solution of The New York Times (Jan. 23, 1973), when it welcomed the Wade-Bolton decisions of the Supreme Court. It stated: "Nothing in the Court's approach ought to give affront to persons who oppose all abortion for reasons of religion or individual conviction. They can stand as firmly as ever for those principles, provided they do not seek to impede the freedom of those with an opposite view."

I agree with Union Theological's Roger Shinn when he says that this view is simplistic and disguises its own weaknesses. He wrote: "If a person or group honestly believes that abortion is the killing of persons, there is no moral comfort in being told, 'Nobody requires you to kill. We are only giving permission to others to do what you consider killing.'" The protester ought surely to reply that one key function of law is to protect minorities of all types: political, racial, religious and, as here, unborn (cf. Perkins Journal, Fall 1973).

On the other hand, the traditional Christian view on abortion (until recently, universally proposed by the Christian churches) was that the fetus was inviolable from the moment of conception. There are, I believe, certain phenomena in the preimplantation period that raise doubts and questions about evaluation—and that is all, namely, they do not yield certainties. I have in mind the twinning process, the estimated number of spontaneous abortions (thought to be huge) and, above all, the rare process of recombination of two fertilized ova into one. To admit that such phenomena raise serious evaluative problems is quite in place, if as a matter of fact they do. Indeed, I would argue that it is a disservice to the overall health and viability of the traditional Christian evaluation to extend its clarity and certainty into areas where there are grounds for residual and nagging doubts.

Distinguish the formulation and substance of a moral conviction. This may seem a refined, even supertechnical and sophisticated, guideline better left in the footnotes of the ethical elite. Actually, I believe it is enormously important for bringing conversationalists out of their trenches. And it applies to both sides of this national debate.

For instance, not a few anti-abortionists appeal to the formulations of recent official Catholic leaders in stating their moral convictions. Specifically, Pius XI and Pius XII both stated (and, with them, traditional Catholic ethical treatises on abortion) that direct abortion was never permissible, even to save the life of the mother. As this was understood, it meant simply and drastically: Better two deaths than one murder. Concretely, if the only alternatives facing a woman and physician were either abort or lose both mother and child, the conclusion was drawn that even then the direct disposing of the fetus was morally wrong.

That is a formulation—and almost no one, whether liberal or conservative, endorses the conclusion as an adequate and accurate way of communicating the basic value judgment (substance) of the matter. Some moral theologians would say, in contrast to the popes, that in this instance the abortion is indirect and permissible. Others would say, again in contrast to the popes, that it is direct but still permissible. For instance, the Catholic Bishop of Augsburg, Josef Stimpfle, recently stated: "He who performs an abortion, except to save the life of the mother, sins gravely and burdens his conscience with the killing of human life." A similar statement was made by the entire Belgian hierarchy in its 1973 declaration on abortion. Of those very rare and desperate conflict instances, the Belgian bishops stated: "The moral principle which ought to govern the intervention can be formulated as follows: Since two lives are at stake, one will, while doing everything possible to save both, attempt to save one rather than to allow two to perish." What is clear is that all would arrive at a conclusion different from the official one, even though the language might differ in each case.

The point here is, of course, that ethical formulations, being the product of human language, philosophy and imperfection, are only more or less adequate to the substance of our moral convictions at a given time. They will always show the imprint of human handling. This was explicitly acknowledged by Pope John XXIII in his speech (Oct. 11, 1962) opening the Second Vatican Council. It was echoed by Vatican II in "Gaudium et Spes": "Furthermore, while adhering to the methods and requirements proper to theology, theologians are invited to seek continually for more suitable ways of communicating doctrine to the men of their times. For the deposit of faith or revealed truths are one thing; the manner in which they are formulated without violence to their meaning and significance is another" (n. 62).

This statement must be properly understood. Otherwise theology could easily be reduced to word shuffling. If there is a distinction between substance and formulation, there is also an extremely close, indeed inseparable, connection. One might say they are related as are body and soul. The connection is so intimate that it is difficult to know just what the substance is amidst variation of formulation. The formulation can easily betray the substance. Furthermore, because of this close connection, it is frequently difficult to know just what is changeable, what permanent. Where abortion is concerned, one could argue that the church's substantial conviction is that abortion is tolerable only when it is a life-saving, therefore also life-serving, intervention. Be that as it may, to conduct discussion as if substance and formulation were identical is to get enslaved to formulations. Such captivity forecloses conversations.

On the other hand, something similar must be said of the 1973 abortion decisions of the U.S. Supreme Court. The Court was "evolutionary" in interpreting the notion of liberty enacted in 1868 as the 14th Amendment to the Constitution. There is no evidence that the Congress and states understood that amendment to include the liberty to abort. Yet the Court asserts that "liberty" there must be read in a way consistent with the demands of the present day. Therefore, it concluded that the right to terminate pregnancy is "implicit in the concept of ordered liberty."

That is but a formulation of the notion of constitutionally assured liberty, and to treat it as more than that, as an ironclad edict, is to preempt legal development. Indeed, the Court itself gives this away when it treats the term "person" in the Constitution in a very static and nondevelopmental way, as John Noonan has repeatedly pointed out.

It looks at the meaning of the term at the time of the adoption of the Constitution and freezes it there—just the opposite of what it does with the term "liberty." Such vagaries reveal that the Court's decisions and dicta are hardly identical with the substance of the Constitution. To argue as if they were is to confuse legal substance and legal formulations, and to choke off conversation. In brief, we must know and treasure our traditions without being enslaved by them.

Distinguish morality and public policy. It is the temptation of the Anglo-American tradition to identify these two. We are a pragmatic and litigious people for whom law is the answer to all problems, the only answer and a fully adequate answer. Thus, many people confuse morality and public policy. If something is removed from the penal code, it is viewed as morally right and permissible. And if an act is seen as morally wrong, many want it made illegal. Behold the "there ought to be a law" syndrome.

This is not only conceptually wrong; it is conversationally mischievous. It gets people with strong moral convictions locked into debates about public policy, as if only one public policy were possible given a certain moral position. That is simplistic. While morality and law are intimately related, they are obviously not identical. The closer we get to basic human rights, however, the closer the relationship ought to be in a well-ordered society. It is quite possible for those with permissive moral convictions on abortion to believe that more regulation is required than is presently provided in the Wade and Bolton decisions. Contrarily, it is possible for those with more stringent moral persuasions to argue that there are several ways in which these might be mirrored in public policy.

I am not arguing here for this or that public policy (though I am personally deeply dissatisfied with the present one on nearly all grounds). The point, rather, is that public discourse would be immeasurably purified if care were taken by disputants to relate morality and public policy in a more nuanced way than now prevails.

Distinguish morality and pastoral care or practice. A moral statement is one that attempts to summarize the moral right or wrong, and then invites to its realization in our conduct. As the well-known Redemptionist theologian Bernard Häring words it: Moral theology operates on a level "where questions are raised about general rules or considerations that would justify a particular moral judgment" (*Medical Ethics*, p. 89). A moral statement is thus an abstract statement, not in the sense that it has nothing to do with real life, or with particular decisions, but in the sense that it abstracts or prescinds from the ability of this or that person to understand it and live it.

Pastoral care (and pastoral statements), by contrast, looks to the art of the possible. It deals with an individual where that person is in terms of his or her strengths, perceptions, biography, circumstances (financial, medical, educational, familial, psychological). Although pastoral care attempts to expand perspectives and maximize strengths, it recognizes at times the limits of these attempts.

Concretely, one with strong convictions about the moral wrongfulness of abortion

could and should be one who realizes that there are many who by education, familial and religious background, economic circumstances, are, or appear to be, simply incapable in those circumstances of assimilating such convictions and living them out, at least here and now. This means that compassion and understanding extended to the woman who is contemplating an abortion or has had one need by no means require abandonment of one's moral convictions. Similarly, it means that a strong and unswerving adherence to a moral position need not connote the absence of pastoral compassion and deafness to the resonances of tragic circumstances. I believe that if more people understood this, the abortion discussion would occur in an atmosphere of greater tranquility, sensitivity and humaneness—and therefore contain more genuine communication.

Incorporate the woman's perspective, or women's perspectives. I include this because, well, frankly, I have been told to. And I am sure that there are many who will complain: "Yes, and you put it last." To which a single response is appropriate: "Yes, for emphasis." In the many discussions I have had on abortion where women have been involved in the discussion, one thing is clear: Women feel they have been left out of the discussion. This seems true of both so-called pro-choice women and so-called pro-life adherents.

But being told to is hardly a decisive reason for urging this point. And it is not my chief reason. Women rightly, if at times one-sidedly and abrasively, insist that they are the ones who carry pregnancies and sometimes feel all but compelled to have abortions. Thus, they argue two things: 1) They ought to have an influential voice in this discussion; 2) up to and including the present, they feel they have not had such a voice.

There are all kinds of shouts that will be heard when this suggestion is raised. We are familiar with most of them. For instance, some will argue paternal rights against the Supreme Court's 1976 Planned Parenthood v. Danforth decision. Others will ask: Which women are you talking about, pro-life or pro-choice? And then, of course, they will begin issuing passes to the discussion on the basis of predetermined positions. Still others will wonder why the fetus does not have a proxy with at least equal say. And so on. One can see and admit the point in all these ripostes. There is nothing in femaleness as such that makes women more or less vulnerable to error or bias in moral discourse than men, yet when all is shrieked and done, the basic point remains valid: The abortion discussion proceeds at its own peril if it ignores women's perspectives. As Martin I. Silvermann remarked in a recent issue of Sh'ma: "The arguments change when you must face the women" (Jan. 20, 1978).

One need not make premature peace with radical feminists or kneejerk pro-abortionists to say this. Quite the contrary. One need only be familiar with the growing body of literature on abortion by women (e.g., Linda Bird Francke's *The Ambivalence of Abortion*, Random House, or Sidney Callahan's essays on abortion) to believe that the woman's perspective is an important ingredient in this discussion. To those who believe that this is tantamount to conferring infallibility on Gloria Steinem, it must be pointed out that in nearly every national poll, women test out more conservatively than men on the morality of abortion.

These are but a few guidelines for discussion. I am sure that there are many more, perhaps some of even greater importance than the ones mentioned. Be that as it may, I am convinced that attention to these points cannot hurt the national debate. It may even help. Specifically, it may prevent good people from making bad arguments—chief of which, of course, is that it is only bad people who make bad ones.

NEW ENGLAND'S COAL CONVERSION POTENTIAL

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. McKINNEY. Mr. Speaker, the Energy Task Force of the New England Congressional Caucus recently released its report analyzing the prospects for increased coal use in the Northeast. Entitled "Coal Conversion Potential for New England," the report concludes that coal can be used to replace up to 7 percent of current oil use, or 29.5 million barrels of New England's annual consumption of 409 million barrels. While nothing close to the National Energy Plan's ambitious goal of 35 percent coal use, or even up to today's 18 percent national coal consumption rate for all energy, this coal utilization level can and must be pursued to add one more OPEC-proof element to our energy supplies.

However, the study also confirms the earlier GAO, CBO, and OTA conclusions that the NEP set coal expectations unrealistically high and that alternative fuels must be maximized in the near term. Solar generation, geothermal, small hydroelectric, biomass, and others all offer New England indigenous energy supplies and new prospects for economic growth and employment. It just seems that environmental and economic constraints prevent the immediate substitution of coal for oil and New England must await further developments in coal oils and gases before our coal use can expand beyond these levels.

I would be remiss if I did not call your attention to the work done on this study by Geoffrey Bentley, Congressional Fellow, whose exhaustive research and tireless efforts made the study possible.

As cochairman of the Caucus Energy Task Force, Congressman PAUL TSONGAS and I recommend this study to our colleagues across the Nation as a model of the detailed study which will be required to meet the energy challenge.

The executive summary of the coal conversion report follows:

COAL CONVERSION POTENTIAL FOR NEW ENGLAND

(By Geoffrey K. Bentley, Congressional Fellow)

EXECUTIVE SUMMARY

Conversion potential

Today, virtually all of New England's fossil fuel, primary electrical generating units* use oil. They consume about 71 million barrels of residual oil annually—about 18 percent of New England's total petroleum consumption of 409 million barrels in 1976. Yet the vast majority of these boilers burned coal at one time. Indeed, during the Arab oil embargo, the use of coal by the utilities was extensive. Therefore, at first inspection, the prospects for significant conversion in the utility sector appear great, and the potential for oil saving significant.

Currently, there are 11 utility boilers in New England under Prohibition Orders from the Department of Energy (DOE) to convert from oil to coal (Table I).

*Baseload steam electric boilers.

TABLE I.—SUMMARY OF NEW ENGLAND'S COAL CONVERSION POTENTIAL

[Gross estimates based on 1974 and 1976 data]

		Baseline [2] conversion		Maximum [3] conversion	
	Residual oil [1] consumption (million barrels per year)	Oil saving (million barrels per year)	Additional coal use (million tons per year)	Oil saving (million barrels per year)	Additional coal use (million tons per year)
Industrial sector—Major users	16.33	0	0	[4] 1.63	0.43
Utility sector—Base load, steam electric plants	71.27	[5] 21.62	4.91	[6] 29.49	6.87

[1] Industrial sector figures based on 1974 data. Utility sector figures based on 1976 data.
[2] Prohibition order cases.
[3] Prohibition order and notice of intent to issue prohibition order cases.
[4] 10-percent saving.
[5] 30-percent saving.
[6] 41-percent saving.

If all 11 units were to convert, there would be a saving of nearly 22 million barrels of oil annually, or 30 percent of the total used by the utility sector. This represents about 5 percent of all petroleum consumed by the six state region, and a 3 day supply of imported oil for the nation as a whole.

Three of the 11 boilers may be converted under a voluntary plan acceptable to federal and state authorities and the New England Electric System, the holding company for the Brayton Point (Somerset, Massachusetts) units. This will save about 10.7 million barrels of oil annually, and in itself, will represent a 15 percent reduction in oil consumption for New England's utility sector, and a 2.6 percent saving overall for the region.

In addition to the 11 utility boilers under Prohibition Orders, there are 7 for which DOE issued Notices of Intent. A Notice of Intent informs a utility that an order prohibiting oil-burning is pending. If all 18 boilers were converted, fully 41 percent of present residual oil consumption in the utility sector would be saved. This is about 7 percent of all petroleum consumed by New England.

In the industrial sector, there are over 150 major fuel consumers in New England according to 1974 DOE statistics. In that year, they used over 16 million barrels of residual oil. These units consume a relatively small proportion of the total oil and represent an insignificant amount of potential fuel saving using DOE criteria for conversion. In fact, the baseline coal conversion plan (Table I)

shows no contribution from the industrial sector.

The passage of the National Energy Act will probably not have a major effect on the coal conversion potential for New England. Existing regulatory legislation has already identified conversion candidates, and the economic dis-incentives most likely to pass as part of the energy bill will not apply in most cases. On the other hand, tax credit provisions for new and innovative pollution control equipment may have relevance in stimulating fluidized bed commercialization as a substitute for scrubber, sulphur-control technology.

Cost, supply, and transportation

The economics of coal conversion for utility and industrial users in New England are only marginally attractive for even the best candidates. Although the boiler may be coal-capable in a physical sense, the cost of making the units coal-burning in an environmentally acceptable fashion is prohibitive in many cases. This is especially true of older units whose service life is limited.

The overall economics of coal conversion appear to hinge on whether expensive flue gas desulphurization systems are required for sulphur control. If 1.5 percent sulphur (by weight) coal can be burned without scrubbers, then the fuel cost saving in burning coal may offset additional costs of operation and investment in particulate control equipment. This is the case for the Brayton Point voluntary conversion plan. On the other hand, if scrubbers are required, a 150 megawatt plant (approximately 2 million barrels of oil per year) may have to spend $20 million in pollution control equipment. Capital investments such as these quickly offset potential fuel savings, and both costs—capitalization and operating—are considered by the federal government in issuing conversion orders.

Guarantees of supply and interstate transport are not major factors influencing coal conversion programs. The additional coal requirements (4.9 million tons annually for baseline conversion plans) can be met by three to four mines whose production is dedicated to New England's use. Eastern coal, rather than western, will be used because of its higher energy content and lower fuel (transportation) cost.

The equivalent of two coal trains (10,000 tons per train) a day will be sufficient to supply all the coal requirements. An estimated 3,200 additional rail cars will be needed, or an increase of only 2 percent in the hopper car fleet serving the Northeast. Ocean barge transport will be used extensively as part of the coal delivery system the largest conversion candidates are coastal utilities.

While there is little concern about interstate transport, there are problems with local transport, handling and storage of coal at many plants. It is not practical to order conversion in cases where rail spur lines or docking facilities have been removed, coal storage areas eliminated, and new construction built in adjoining sites. It is one thing to burn coal during a temporary emergency (winter 1973/74) when air quality standards are relaxed and coal supply can be handled in an ad hoc fashion. It is quite different to implement a permanent change given current air quality standards and permanent means of coal storage and handling.

Environmental factors

Coal burning has many deleterious effects on the environment. The two significant long-term impacts, for which there are no easy solutions, are the "greenhouse effect" from additional carbon dioxide in the atmosphere, and the waste management problem. The former effect, clearly global in scope and not directly attributable to coal use in New England, may have a severe influence on world-wide temperatures, weather and ocean currents. Waste management involves the removal and safe disposal of large volumes of residue materials, some of which contain trace elements and toxic compounds.

Appropriate control technology can reduce pollution emission levels to meet local air quality standards for the oxides of sulphur and nitrogen and particulate matter. But the result is a waste disposal problem which is of greater concern than questions of transportation and supply.

The generation of fly ash and sludge waste from New England plants may reach many millions of tons per year and require tens of acres of disposal ground. Increasingly stringent codes on land use and the transport of such waste materials as powdery coal ash, and public resistance in allowing their communities to accept combustion wastes, make it difficult for plants without on-site disposal capability to burn coal. On-site disposal is very limited for most New England facilities.

Synthetic fuels

The production of boiler oils from coal could satisfy several needs at the same time for New England. The region's dependence on world oil would be reduced as coal would be used as the primary energy source, but without the environmental disruptions and problems associated with coal-burning. Present estimates are that synthetic fuels will cost $30 to $40 per barrel by the time they are commercially available in the late 1980's if demonstration programs are authorized as part of the new DOE supply initiatives. The economic competitiveness of synthetic fuels will depend on the supply and price of world oil at that time.

Summary

Coal conversion in New England will reduce the region's oil dependency by 2 to 7 percent. Environmental cost factors and waste management problems work against more widespread conversion to coal.

There are several developments which will enhance the prospects for near-term conversion to coal. The most important is to create conditions by which available, medium to low sulphur content coal can be burned without the need of expensive desulphurization equipment. This will have effects in two ways—improvement of the economics for conversion, and elimination of the sludge waste problem.

Air quality standards in some areas of New England apply differently to the burning of oil and coal on an equalized Btu basis. For example, 1.5 percent sulphur coal is approximately equal to 2.2 percent sulphur oil on a pounds per Btu basis, yet this coal cannot be burned at several plants while the surrounding oil can be burned according to site-specific variances. By applying the same sulphur standard on an energy basis as used for oil, it may be possible to burn coal without expensive desulphurization controls.

Another possibility is to use advanced combustion systems which remove the oxides of sulphur and nitrogen as part of the burning process. Tax credit provisions in the proposed National Energy Act will be a step in this direction by encouraging the more rapid commercialization of fluidized bed combustion systems as a substitute for scrubber units for sulphur control. A final development would be the rapid promotion of an ash recycling industry in New England. Not only would ash disposal be controlled, but a new industry would be spawned.●

THE DANGER OF CONFRONTATION POLITICS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. MICHEL. Mr. Speaker, the Chicago Sun Times reports that former Illinois Governor Dan Walker has changed his mind. Walker, author of the report on the causes and prevention of violence in 1968, had used the words "police riot" to describe the action of police in Chicago during the 1968 convention. Those words were widely reported and there are still people who believe that the Chicago police were to blame for the violence in the streets in Chicago.

But here is what Walker is saying today, according to the Sun Times:

. . . maybe I shouldn't have used that phrase because it does color everything . . . (the phrase was) unfortunate . . . there's no question about the fact that some people planned some very, very bad things—some of the demonstration leaders . . . they planned confrontation. They really did. And they planned violence . . .

This is a far cry from the picture painted of those demonstration leaders during the sixties. The media portrayed them as secular saints, idealistic "kids" instead of the vicious, cold, calculating bunch of radical activists they were.

Walker's words about "confrontation" are of interest. We have it on the word of no less an authority than Marge Tabankin, current head of VISTA, the Federal Government volunteer agency, that tax dollars should be used for confrontation. Is this what we have learned in 10 years? Is this what President Carter wants?

At this time I will insert in the RECORD "Walker Regrets 'Police Riot' Tag," Chicago Sun Times, August 1, 1978:

WALKER REGRETS "POLICE RIOT" TAG

(By William Braden)

Ten years after the 1968 Democratic National Convention here, the author of the controversial Walker Report says his use of the term "police riot" was unfortunate.

Former Illinois Gov. Dan Walker made that concession in a Sun-Times interview.

The National Commission on the Causes and Prevention of Violence had contracted with Walker, then a Chicago attorney, to prepare the report on confrontations between Chicago police and demonstrators during the convention late in August 1968. The document was completed Nov. 18 and rushed into print without commission evaluation.

A section of the report's summary referred to police action in enforcing an 11 p.m. curfew to clear Lincoln Park of demonstrators the nights of Aug. 25 and 26. The report stated:

"To read dispassionately the hundreds of statements describing at firsthand the events of Sunday and Monday nights is to become convinced of the presence of what can only be called a police riot."

A Sun-Times reporter told Walker about a recent interview with local writer Charles A. Remsberg, a member of the Walker Report staff who actually wrote the report's sections describing confrontations in Grant Park and at the Conrad Hilton Hotel.

Remsberg said his processing of material for the report made him "more sympathetic with the police position." He said "there was a lot more a flavor of deliberate provocation and really degrading sorts of things that were done to these cops on the line than I ever found filtered through TV or the newspapers."

Referring to the term "police riot" in Walker's summary, Remsberg said, "Like all catch phrases, it conveys more or less than it should, depending on your perspective. I don't think it tells the whole story. It doesn't allow for nuances, I guess is my reaction to it."

Walker said he agreed: "That was the problem with it. That phrase, because it was so colorful, it kind of was picked up and used to characterize everything I said. And, of course, that's not true. It was specifically limited to a few officers and to a few incidents. And maybe I shouldn't have used that phrase because it does color everything."

Walker said he agreed the phrase was "unfortunate," and he said he also agreed with Remsberg that provocation of the police by demonstrators "did not come through adequately on television."

"I wish people understood a little better what I wrote in that report," he said. "I think that even in retrospect, I told the story the way it happened, at least to the best of my ability, and I went through an awful lot of work to try and get at the facts."

"But there's no question about the fact that some people planned some very, very bad things—some of those demonstration leaders. Maybe not the wild things, like LSD in the water supply. But they planned confrontation. They really did. And they planned violence. I don't have any doubt of that. And I said so in the report.

"And the police got uptight. And that's perhaps understandable also. I think that since then police tend to put these things in a little better perspective—they've learned through experience to do that. And then the inevitable happened.

"Most of the policemen, as I said, acted very responsibly—although that statement in the report has been largely lost sight of. Some—a minority—got out of hand. There's also no question about that."

Whether or not it was wise to use the word "riot," Walker added, the word did "aptly describe what happened in a few places where there was literally a riot going on."

Walker did not define his concept of "riot" or explain how the actions of a few policemen could constitute a riot.

The word generally is defined in law as a disturbance of the public peace by three or more persons. The Illinois Criminal Code refers to it as "mob action," which it defines as the "use of force or violence disturbing the public peace by two or more persons acting together and without authority of law."

The code also defines it as the "assembly of two or more persons, without authority of law, for the purpose of doing violence to the person or property of anyone supposed to have been guilty of a violation of the law, or for the purpose of exercising correctional powers or regulative powers over any person by violence."

Walker said some demonstrators wanted to provoke police into doing what they did do. But he said much of the violence could have been avoided by allowing demonstrators to sleep in Lincoln Park and hold demonstrations in specific areas.

"The other thing that could have been done is better command control among the police," he said. "But that was a function of not having been through this kind of thing before.

"The department has done a lot. I know that their training courses have been changed. A lot of their procedures for handling this kind of situation have been changed. No question about the fact that the police departments here and elsewhere across the country learned from that experience."

Nobody was killed in the 1968 disturbances. Nobody was shot by the police, and nobody was critically injured. Compared to the deaths of four Kent State University students in 1970 by Ohio National Guard troops, and from the perspective of a decade, Walker was asked if the level of violence here in 1968 appears to soften at all in magnitude.

"Oh, I think it does," he said. "But I think that all of us at that time anticipated this whole area of group violence to grow more, as it turned out, than it did. And I guess that's a tribute to the good sense of the young people—that after a couple of years when everybody thought they were going to tear the country apart, it didn't happen. The young people, quote, came to their senses unquote. And what we have seen is something we didn't predict at that time at all. And that's the change in focus from group violence to these individual acts of terrorism that are increasing around the world."

Asked if the 1968 disorder has had any lasting effect, he said: "It's had a lasting effect on many methods of handling crowds—no question about that—in police departments. But I don't think it's had any lasting effect on the city of Chicago, in the sense of Chicago's reputation."●

HAREBRAINED IDEA IS A FAST GROWING COMPANY

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. FORD of Tennessee. Mr. Speaker, I was pleased that the Washington Post chose to highlight my good friend, Mr. Frederick W. Smith of Memphis, in its business section yesterday. Fred parlayed what many people called a harebrained idea into one of the fastest growing companies in the United States, the Federal Express Corp. Headquartered at Memphis International Airport, Federal Express has already added immeasurably to the Memphis economy.

Mr. Speaker, Fred Smith is a great Memphian not only because of his business acumen but also because of his insight into the affairs of our community. He has no illusions that Memphis is perfect but he works hard to make it a better place for all citizens.

Mr. Speaker, I would like to share with you the article from the Washington Post which follows:

BEHIND THE FAST RISE BY FEDERAL EXPRESS

(By Dan Dorfman)

Quick now, what's the hottest stock issue of 1978? No, it's not Resorts International (the first entry into Atlantic City gambling). Resorts has been public a long time. Give up? Its Federal Express Corporation, the Memphis-based, explosively growing national air freight company whose orange, white, and purple delivery vans are becoming almost as conspicuous in some metropolitan areas as the local taxi. The stock, which came out early in April at 24, skyrocketed to a recent record high of 47½ in the volatile over-the-counter market. What, you ask, is behind it all?

For some insights, I recently went to hot, sticky Memphis (population: 775,000) to see the company's dynamic founder: 33-year-old Frederick W. Smith. A graying rich kid who made it on his own. Smith is a noteworthy example of the imaginative and aggressive entrepreneur who is still alive and throbbing in the South.

About 12 years ago—when he was 21—Smith turned in his college thesis at Yale. Its premise: There's no way airlines can compete effectively with either truckers or railroads in the transportation of bulk freight. However, after exhaustive research, Smith saw glowing potential—a booming business, in fact—in an airline service that could deliver overnight small (under 70 pounds), high priority packages. These products would run the gamut from integral parts of computers and diagnostic equipment to human organs and legal briefs. His skeptical professor didn't think such a business had a ghost of a chance, considering the airline industry's intense competition and heavy regulation. Nevertheless, he gave Smith a passing grade, but a mediocre one—a C.

I had drinks with Smith at his new $275,000 twelve-room home in the heart of Memphis, and he laughed about that college incident. Said Smith: "The professor didn't understand how the goddamn world worked . . . that America was spreading out technologically . . . that the efficacy of our society is to be smarter, not to work harder. This meant the creation of a host of new productivity-improving equipment with innumerable complex parts . . . And the need for early delivery of such items was becoming as urgent between Appleton, Wisconsin, and Lubbock, Texas, as it was between New York and Chicago . . ."

A Vietnam veteran with more than 200 combat missions and the son of a wealthy businessman who founded Dixie Greyhound Bus Lines, Smith didn't have an easy time getting Federal Express off the ground. There were times, in fact, Smith may have thought his professor was right. Federal Express, incorporated in the summer of 1971 (Smith was 26 at the time), didn't begin its air freight service until April of 1973. In the previous year—while the mechanics of the business were being thrashed out—the company ran chartered flights.

It was agony the first few years. The first profitable month wasn't until July of 1975, and there were major financing problems. In fact, things got so bad in early 1973 that the 150 employees on the job that year were asked not to cash their checks right away. Around the same time, Smith was in Chicago trying to raise capital. He didn't get it. But later that year, the company managed to raise $24.5 million in venture capital, and these funds, plus another $31.5 million in bank loans, enabled the company to keep its head above water.

As it turned out, Federal Express developed into one of the biggest venture-capital deals ever, with investors anteing up $91 million in the first three years for Smith's bold scheme. Surely there were days when some of them must have thought it a harebrained scheme as Federal Express racked up wicked losses of $29 million in its first 26 months.

But that was yesterday, and the company's growth since then has been meteoric. In April of 1973, the company, aside from its 150 employees, had 10 aircraft, served 22 cities, and delivered 15 packages the first night. Today, there are 2,800 full-time employees (4,200 all told). The fleet has since swelled to 69 aircraft (both owned and leased). The company delivers 35,000 packages a day (at around $22 each) and services 130 major markets and 15,000 communities.

Accompanying this expansion, at least recently, has been rapid growth in both sales and earnings. For example, in its most recent fiscal year, ending last May 31, Federal Express's pretax earnings shot up to $20.6 million from $8.2 million a year earlier. On a per-share basis, reflecting the companys recent recapitalization and stock offering for the past year, earnings jumped to $3.53 a share from $1.01. And revenues ran up to $160 million from $109.2 million.

Importantly, too, there has been a dramatic improvement in the balance sheet. As of a year ago, equity capital had shrunk to $7.8 million in the face of an awesome $52.5-million debt. Today, the company sports a $54 million net worth, and its total long-term debt has shrunk to roughly $33 million.

It all adds up to a sharply rising stock price, and probably nobody is more delighted at that rise than Smith himself. He owns about 465,000 shares and warrants (plus ad-

ditional shares in a family-owned company) that are worth about $24 million. When I mentioned this, he bristled: "Money doesnt mean a damn thing to me," he says. "I don't need a lot of money, and I don't spend a lot of money."

I'm not about to question Smith's disdain for money. But it's worth noting that he was indicted in February 1975—though later acquitted in a jury trial—for allegedly obtaining funds from a bank by using false documents.

There's no doubt that Federal Express' future was considerably enhanced last November when legislation was passed that allowed the company to increase the previous limit of 7,500 pounds of cargo per plane. That chopped delivery costs a hefty 30 percent. But that same legislation is also likely to heighten competition—perhaps dramatically—in an air freight market (namely small packages) that is already 23 percent controlled by Federal Express. So where does the company go from here?

The ever confident Smith told me that the market's strong growth potential (he estimates that 90 per cent of all freight is actually small, express-type packages)—coupled with the company's momentum, heavy promotional bombardment, drive, and savvy—should permit Federal Express to continue to turn in above-average growth and achieve a rising market share. He sees the prospects of broader market coverage domestically and expansion into European markets. And there may be a brand-new lucrative business—Federal Express, Smith tells me, is planning to petition the Civil Aeronautics Board to permit the company's craft to get into the short-haul passenger market during the day. At present, Federal Express delivers its packages to 88 airports in the wee hours of the morning.

Looking ahead, Smith figures fiscal 1979 should produce another rise in earnings to about $4.35 to $4.50 a share on revenues of between $200 million and $220 million. "We could earn more, but the expense side of the ledger will run pretty rich this year," he tells me. This is a reference to the heavy outlays the company will be pouring into new data tele-communications, and operational systems. Smith believes a reasonable projection for fiscal 1980 is an earnings performance of about $5 a share on revenues of $260 million to $270 million.

Though Smith was born in Marks, Miss., he has spent most of his life in Memphis.

"Memphis is a horrible place," Smith told me. "There are serious structural problems when 30 percent of the people earn 70 percent of the income and 70 percent (primarily the blacks) get only 30 percent of the income. You have a massive underemployed black population, and it's not because the jobs aren't there or the blacks don't want to work. The real problem is that powerful interests in this city want the status quo maintained." ●

POLITICAL CAMPAIGN IN EASTERN OKLAHOMA

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. RISENHOOVER. Mr. Speaker, political campaigns in this country, besides playing the most vital role in our representative democracy, relieve boredom of hot summer days.

I include in the RECORD a report written by E. N. "Pete" Earley of the Tulsa Tribune. It is a classic report of a typical eastern Oklahoma campaign. The material follows:

PURE RISENHOOVER—VETERAN CAMPAIGNER TAKES OFFENSIVE

(By E. N. Earley)

Ted Risenhoover felt right at home.

The 2nd District representative was perched on the back of a pickup truck at a Democrat women's picnic in Sallisaw. His tie was loosened, his shirt-sleeves were rolled up and Risenhoover was serving the chicken and potato salad munching crowd his after dinner specialty—grilled opponent.

"The average age of Congress is 60," Risenhoover said through the squeaky public address system. "Now I'm 44 and my opponent is 25 or 26—it's hard to tell. Who do you think those Congressmen are going to listen to?"

With that, he jumped to the ground, called out "Come on Mom!" jumped into a helicopter with his mother and pilot and drowned out primary opponent Mike Synar by buzzing over the picnic as the folks watched the whirly-bird and waved.

It was pure Risenhoover.

"I'm not really much of a politician," he had said earlier. "I got a bad temper and when people make me mad, I fight back.

"Hell, a bunch of hoodlums blew up my newspaper long before I ran for office. I carried a sawed-off shotgun in my car for three years.

"I know what it's like to be under fire so when some bureaucrat or some newspaperman or some politician takes after me, I kick ass and sometimes it makes me unpopular."

That's pure Risenhoover.

He's the Congressman that newspaper reporters seek out for outrageous quotes, the representative who receives more special interest contributions than any of his Oklahoma Democrat peers, and he's the rage of Washington gossip columnists who write about his "swinging single's lifestyle" complete with heart-shaped water bed.

"That was all a lie," Risenhoover says.

"I don't think it hurt him any," an aide says, "A few seconds ago, an old man asked me where he could get one of those things.

"I ain't no pope," Risenhoover says. "My constituents know that. I'm single and I like to date women, but not married women. I also don't mind tippling a few after work.

"But I work hard for my district.

"Tulsans don't understand my district. The newspapers hate me because I won't let Tulsa take our water. They just don't understand my people.

"My folks don't care about all that crap about PAC (political action committee) funds. We have a lot of poor people in my district. Most of them can't afford to give me much money so they understand when I accept PAC funds.

"It doesn't matter because my folks know I work for them.

"When they need help, I'm there getting them their Social Security checks and getting more jobs for my district. That's what counts to them.

"When you're hungry and out of work, you want to be fed and have a job—you aren't worried about your congressman's private life or what the press says about him. If he helps you, you remember. And that's what I do because I know what it's like to be poor.

Risenhoover says he has brought $33 million in new grants and building loans into the 17 counties he represents around Tulsa. He says unemployment has dropped a whopping 48 percent, and welfare payments are down 7.8 percent.

Whether or not voters think Risenhoover is responsible for the improvement may depend on their politics, but Risenhoover does know about the plight of the poor.

His parents grew up in eastern Oklahoma around Stigler, but fled to Arizona during the dust bowl days. His father was drafted during World War II and died during an explosion on a ship being loaded with ammunition while docked in Chicago.

His mother, Allene, moved back to Stigler and supported her four children by taking in wash, selling fruit, and ironing clothes until 2 or 3 a.m.

"I'm not ashamed of what I did," Mrs. Risenhoover says. "Ted was the oldest and he had to help. He had two paper routes and we all worked. Why, I never had a dishwasher, air-conditioning or even carpet on my floor until a few years ago when Ted bought me a house in Tahlequah."

"I could have ended up in prison instead of Congress," says Risenhoover. "Times were tough."

Risenhoover went into the Air Force, traveled to Europe, Africa and the Middle East, attended college and moved to Tahlequah at Northeastern State University and bought a weekly newspaper.

It was bombed in 1965 after Risenhoover printed stories about a car-thief ring and prostitution.

He has been married and divorced twice. He has two children.

And he wants to win re-election for a third time.

How much trouble he will have in the primary is hard to tell, Risenhoover's staff says. He is supported by the "old Democrat guard" and by labor officials who are powerful in the predominately blue-collar district.

But his primary opponent claims Risenhoover does not show up to work and when he does, he works for the Washington labor leaders—the George Meany's, not the Joe Blows from Muskogee.

Risenhoover has been handicapped, he says, because he can not leave Washington to campaign as much as he would like. Tuesday he kept a frantic schedule by landing in Tulsa at 4:30 p.m., and jumping into a helicopter (he quickly pointed out that it costs less to rent than one minute of television time).

He was headed for Roland to walk the streets shaking hands and giving away campaign buttons shaped like hand-guns (he is against gun control), but he had to cancel the Roland trip because he stopped in Vian to visit a friend dying of cancer.

"He's a Republican, but I like him anyway," he quipped.

His "whirlwind drop-in" at the Sallisaw picnic was a show-stopper as kids and adults deserted hand-shaking candidates to crowd around the red and white helicopter. Even the pilot handed out campaign material.

From there, Risenhoover went to the Bristow Country Club for a candidate forum and more servings of "grilled opponent."

Then it was back to Tulsa with 10 minutes to spare before his 10 p.m. flight for Washington.

"This is going to be a rough race," he said. "My opponent already is lying about my record and I'm not going to let him get away with it."

Risenhoover believes his Democratic and Republican opponents are working together to defeat him. He also believes Gov. David Boren is working behind the scenes to hurt him just like a national environmental group and the Republican Party, which have promised to work against him. Some of the aides think Sen. Dewey Barlett put Risenhoover on the Republican 'hit list'.

"Nobody is going to beat me without a fight," he says. "And I'm ready for this one. Just let them come on. I have never turned away from a good fight."

And that is indeed, pure Risenhoover.●

BREAKING THROUGH THE CRACKS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. VENTO. Mr. Speaker, Mary E. Healy, my constituent from St. Paul, Minn., recently brought to my attention an excellent editorial which appeared in the July 29, St. Paul Pioneer Press.

It emphasizes dramatically the need for a major overhaul and reform of our welfare programs—in this case medicaid—to insure that people who need help in times of trouble and emergency are able to secure it.

This Congress will adjourn in October without passing a welfare reform bill. This must be a priority next year.

Mr. Speaker, I submit the editorial, "Why Can't Welfare Help?", and urge my colleagues to consider the number of people like Timothy Wirth—and his family—who live in this country today but who are denied the assistance they need to live a decent and rewarding life.

[From the Pioneer Press-Dispatch, July 29, 1978]

WHY CAN'T WELFARE HELP?

The case of Timothy Wirkus demonstrates the major weakness of this country's welfare system: the system cannot deliver help to the average family when it is struck by a catastrophe until the family has been ruined financially.

When Timothy was 10, he was knocked unconscious by a piece of scaffolding that fell on him. Now he is 16 and he is still unconscious. His family has cared for him at home for all those years, with somebody at his side 24 hours a day to monitor his breathing (through a tracheotomy) and his tube feedings.

It has been a struggle, financially. The family was eligible for Medicaid payments because Timothy's medical costs were in excess of his father's income. But the system insisted that Timothy's father spend a certain amount on medical care each month before Medicaid would contribute. For some unfathomable reason, that amount varied from month to month and the family never knew how much to budget.

Timothy's father died about a month ago, leaving a $6,000 pension and an $8,000 insurance benefit. The insurance money was to help support Mrs. Wirkus in her later years, but the welfare system insists that every penny of it must be spent—and in a prescribed manner—before Timothy can receive anymore Medicaid funds.

A church has started a fund to buy necessary items that are not covered by public assistance, things like soap, towels and paper tisues. But welfare authorities, trapped by the system, cannot guarantee that even the value of those gifts will not be deducted from Medicaid.

There are, of course, reasons for all the system's rules, but somehow the combination of rules has resulted in a jumble of red tape that makes it imposible for the system to serve the needy without adding to their misery and putting them in a position where they may be on public assistance for life.

This is the same system that is being ripped off for millions of dollars by chiselers ranging from women with fictitious families to doctors who pad their bills. Surely something can be done, beyond mere frustrated weeping.●

SARASIN ANNOUNCES RESULTS OF QUESTIONNAIRE

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. SARASIN. Mr. Speaker, several months ago, I mailed each of my constituents a questionnaire seeking their opinion on numerous issues of national concern. Since then, I have received responses from some 14,000 individuals. I feel that the results of this poll are extremely enlightening and informative and I would like to take this opportunity to share my findings with my colleagues.

In particular, there are several issues which indicated strong sentiments on the part of my constituents. On the question of whether they would support substantial Federal tax cuts to stimulate economic growth and create new jobs, 83.1 percent of the respondents favored such action. This large majority is indicative of the need for the Kemp-Roth Tax Reduction Act, of which I am a cosponsor, and I hope that the Congress will heed the message of the people.

In the areas of energy, my constituents also expressed strong opinions on several points. Eighty percent opposed the use of a Federal tax on oil to raise the price and discourage consumption, while 70.8 percent supported deregulation of new natural gas. The underlying directive of the people is to have the economy, not the Government, act as regulator in the energy field.

In the area of criminal justice, 92.3 percent of my constituents favor a mandatory prison sentence for crimes involving use of a gun. As I have long advocated, more stringent laws applied against criminals are seen by the people as a deterrent to violent crimes.

Finally, I would highlight the 34.2 percent who opposed Federal subsidization of the national railroads. Though a majority support subsidization—and I agree, as evidenced by my cosponsorship of H.R. 8819 which would rehabilitate the Nation's railroads, the large minority suggest concern over the effectiveness of this quasi-public industry. Congress must be much more demanding of the railroad service which it supports.

The full results of my questionnaire follow:

QUESTIONNAIRE RESULTS

(Answers in percent)

Do you favor the proposal to establish a separate cabinet-level Department of Education to take over these programs from H.E.W.? Yes, 43; no, 57.

Do you favor substantial federal tax cuts to stimulate economic growth and create new jobs? Yes, 83.1; no, 16.9.

Do you favor a personal income tax credit to help defray college or post-secondary education tuition costs? Yes, 63.5; no, 36.5.

Do you favor such tax credits for private and parochial elementary and secondary school costs? Yes, 39.3; no, 60.7.

Do you favor higher federal taxes on oil to raise the price and discourage consumption? Yes, 20.1; no, 79.9.

Do you favor legislation to guarantee farm prices at the "100% parity" level which would assure a profit at a particular ratio to production costs? Yes, 31.1; no, 68.9.

Do you favor the Administration's proposal to replace categorical welfare programs, such as food stamps and housing allowances, with straight cash payments? Yes, 17.5; no, 82.5.

Do you favor drilling for oil and natural gas off the Atlantic Coast? Yes, 88.2; no, 11.8.

Do you favor the deregulation of new ntaural gas to increase production? Yes, 70.8; no, 29.2.

Do you favor the withdrawal of U.S. troops from South Korea? Yes, 52.7; no, 47.3.

Do you believe in instant voter registration on election day just by appearing and claiming the right to vote? Yes, 17.8; no, 82.2.

Should the federal government impose high tariffs or quotas on foreign products to protect U.S. jobs, even if it means higher prices for all consumers? Yes, 37.9; No, 62.1.

Do you believe in the use of federal tax dollars to pay for political campaigns now financed by voluntary public contributions? Yes, 22.1; no, 77,9.

Should public employees now exempt be required to join the Social Security System? Yes, 70.5; no, 29.5.

Are you satisfied with the congressional investigation of alleged South Korean influence buying? Yes, 27.4; no, 72.6.

Do you support a mandatory prison sentence for crimes involving use of a gun? Yes, 92.3; no, 7.7.

Should Congress decriminalize the personal use, but not the sale, of marijuana? Yes, 46.7; no, 53.3.

Should the Post Office discontinue the Saturday delivery of mail? Yes, 39.5; no, 60.5.

Should the federal government continue to keep the national railroad system running, even if it requires large subsidies? Yes, 65.8; no, 34.2.

Should non-retirement portions of the Social Security System, like medicare and disability payments, be funded out of general revenues to keep the retirement system fiscally sound without the scheduled large increases in payroll taxes? Yes, 77.1; no, 22.9.●

WHAT ABOUT INCENTIVE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. STEIGER. Mr. Speaker, it is fascinating to watch the games being played by those who oppose the Kemp-Roth proposal.

The Wall Street Journal recently ran a piece by Paul Craig Roberts which deals with the fundamental issue: incentive.

The argument that additional Government spending is noninflationary while a reduction in taxes is inflationary is exceedingly interesting but fails to consider the net effect of higher taxes plus spending.

The article which follows should be read with interest by all those who consider Government policy especially since the argument made on behalf of incentive and supply is fundamental and basically sound.

The article follows:

[From the Wall Street Journal, Tuesday, August 1, 1978]

THE ECONOMIC CASE FOR KEMP-ROTH

(By Paul Craig Roberts)

Walter Heller is known to the public as a liberal economist who was Chairman of the Council of Economic Advisers under a Demo-

cratic President, and Herbert Stein as a conservative economist who held the same position under Republican Presidents. Both agree that the Kemp-Roth tax rate reduction bill is economic nonsense. "It would soon generate soaring deficits and roaring inflation," says Mr. Heller. "I agree," says Mr. Stein.

Before the public is misled by their agreement into concluding that there is no economic case to be made for Kemp-Roth, I would like to show that there is.

Profs. Heller and Stein both think of tax cuts in Keynesian terms of the dollar amount put into the economy to fuel spending. They believe tax cuts work by raising the disposable income of consumers, who then spend more. The increased spending soaks up excess capacity and unemployed labor, thus moving the economy to higher levels of employment and GNP. The Kemp-Roth bill is, in their view, too large a tax cut. They believe it would fuel more new spending than there is excess capacity and produce an inflationary excess demand.

As Mr. Heller put it on this page July 12, the bill would "simply overwhelm our existing productive capacity with a tidal wave of increased demand." A smaller tax cut, he thinks, would be in order. In his July 18 article, Mr. Stein agreed with this economic analysis, but supported Kemp-Roth as a desperate means of forcing a reduction in federal spending.

A CURIOUS ANALYSIS

This economic analysis, first of all, is a curious one for economists who believe that tax cuts work by increasing demand. Without Kemp-Roth, taxes will increase due to automatic tax increases caused by inflation and higher Social Security taxes; one would expect Keynesians to be worrying about the need to offset the depressing effects of "fiscal drag."

In the context of ongoing tax increases, the Kemp-Roth reductions in the personal income tax rates do not amount to much in dollar terms. Net of the tax increases, Kemp-Roth is a $2 billion cut in 1979, a $15 billion cut in 1980, an $18 billion cut in 1981, a $7.5 billion cut in 1982 and a $1 billion cut in 1983—hardly enough to overwhelm the nation's productive capacity with a tidal wave of consumer spending. Keynesians ought to believe that the net additions to demand provided by Kemp-Roth are too small to have much impact on the economy, just as Mr. Heller says that the Mellon cuts of the 1920s were too small in dollar terms to have had any relation to the prosperity that followed.

The economic case for Kemp-Roth, though, does not rest on increasingly dubious Keynesian premises about government policy "injecting" spending to add to aggregate demand. Like the Mellon tax cuts, it is based on incentive effects, on the economics of supply. As the adage goes, it is hard to teach old dogs new tricks, and Keynesians, who have spent four decades thinking in terms of spending and demand, find it hard to understand arguments about incentive and supply.

The new supply economists think of tax rate changes as incentive changes, not as income changes. To understand the difference, consider the removal of a tariff that is high enough to prevent trade in a commodity. When the tariff is lifted, no revenues are lost, no budget deficits result and no money is put into anyone's hands. Yet clearly economic activity will expand. * * * For an additional day's earnings of $100 he gets to keep $75. Suppose that his house needs painting and a painter costs $80 a day. Since his after-tax earnings are only $75, he saves $5 by painting his own house and chooses not to earn the additional $100. Alternatively, the carpenter and painter may swap services, but either way the tax base is smaller by $180, and the government loses tax revenues.

Studies by Gary Becker of the University of Chicago have made it clear that capital and labor are employed by households to produce nontaxable income through nonmarket activities, such as a carpenter painting his own house. The amount of household-owned capital and labor supplied in the market is affected by tax rates. The higher they are, the more households allocate their resources to the production of nontaxable income.

Now consider the decision between using income for current consumption or saving and investing it for future income. The price to the person of enjoying additional current consumption is the amount of future income he forgoes. The higher the tax rate, the smaller the amount of after-tax future income he sacrifices by enjoying additional current consumption.

Take the case of a person facing the 70% tax rate on investment income. He can choose to invest $50,000 at a 10% rate of return, which would bring him $5,000 per year of additional income before taxes. Or he can choose to spend $50,000 on a Rolls-Royce. Since the after-tax value of $5,000 is only $1,500, he can enjoy a fine motor car by giving up only that amount. Britain's 98% tax rate on "unearned" (investment) income has reduced the cost of the Rolls-Royce in terms of forgone income to only $100 a year. The profusion of Rolls-Royces seen in England today is mistaken as a sign of prosperity.

Walter Heller tells us, though, that the decision to save does not depend on the relative prices of current consumption and future income; that "Denison's Law" shows that savings do not respond to higher after-tax rewards. But the most recent empirical studies of the responsiveness of savings are those of Michael Boskin of Stanford, who concludes that "private saving is indeed strongly affected by changes in the real after-tax rate of return." He specifically dismisses "Denison's Law" as a "conjecture based on evidence which is flimsy at best and dangerously misleading at worst." A current understanding of the Kemp-Roth bill's effect on savings is absolutely crucial to assessing an asserted inflationary effect.

To summarize the above points: With so many decisions affected by tax rates, it is obvious that the market supply of goods and services must respond to changes in tax rates. Our economy functions because people respond to changes in relative prices; the price of butter relative to that of margarine, beef relative to chicken, capital relative to labor and so on. A tax rate change is just another relative price deficits of the past decade have originated from increased government spending and tax rebates—fiscal policies designed to increase demand, not incentives. These deficits add to the demand for funds in the financial markets, thus pushing up interest rates. The Federal Reserve then adds to the money supply, monetizing the deficit in an effort to avoid rising interest rates and crowding out, and this excessive money creation causes inflation.

While Keynesian eyes can see no difference between these deficits and deficits caused by cutting taxes, in terms of incentives this difference is decisive. Lower tax rates increase after-tax rates of return, which in turn expand private savings. When Mr. Boskin's measures of the responsiveness of savings are applied to the Kemp-Roth bill, they predict an increase in gross savings of $35 billion in the first year and a steady growth thereafter. Mr. Ture has even higher estimates of the savings effect, as does Chase Econometrics.

Savings, of course, represent the supply of funds in the financial markets. So deficits caused by tax rate cuts add to the supply of funds as well as the demand for funds. This allows the deficit to be financed without pressure on interest rates and money creation. There is so need to monetize the deficit and thus no inflationary effect. In addition, the larger GNP also means higher revenues for state and local governments and corporations, which reduce their own borrowings and ease pressure in the financial markets.

THE CHASE FORECAST

Chase Econometrics has considered all of these effects in studying the effect of the Kemp-Roth bill. Chase forecasts that the federal government would recover in revenue reflows 41 percent of the $25 billion tax cut in the first year. This rises to 72 percent in the seventh year. The remaining deficit is more than covered by the increase in personal savings, retained earnings, and state and local government surplus. Thus the deficit puts no pressure on credit markets. The tax cut generates enough new savings to finance the deficit plus an increase in private investment.

It is theoretically true, of course, that government spending could increase rapidly enough to soak up all additional savings and restore pressure to monetize the deficit. But if government spending in real terms could be held to current levels for about two years, the Kemp-Roth bill would get us out of the high deficit, high inflation, low productivity, low growth doldrums, and save transfer programs like Social Security.

As for Mr. Stein, many proponents of Kemp-Roth agree with him that government spending is already too high, but this is a separate issue. Legislatively, tax bills are separate from spending bills, and there is no way to tie them together. The only purpose that could be served by the bill's sponsors calling for accompanying spending cuts would be to threaten the vested interests of the congressional spending committees and their constituents, leaving the bill hostage to a bitter and quite unnecessary political fight.

As for Mr. Heller, he does better when he takes off the Keynesian blinders and relies on his own experience with the Kennedy tax cuts. In his article on Kemp-Roth he says, "To attribute to the 1962–64 tax cuts all the expansion and revenue increases in 1963–68 boggles the mind. It totally ignores the huge (over-) stimulus of the Vietnam expenditures." In other words, the tax cut did not pay for itself. But he saw these events differently in testifying before the Joint Economic Committee in February 1977.

* * * * *

Yet this is in fact how tax cuts work. A tax rate reduction does not in itself produce more real goods and services. There cannot be more income unless people produce more; the only way a tax cut can boost GNP is by providing an incentive for more production. If people respond to tax cuts by working less, as Mr. Heller suggests, then GNP would fall and Keynesian fiscal policy wouldn't work either!

When tax rates are reduced, the after-tax rewards to saving, investing and working for taxable income rise. People switch into these activities out of leisure, consumption, tax shelters and working for nontaxable income. The incentive effects cause an increase in the market supply of goods and services—thus the name "supply side economics."

Consider first the choice between working for additional taxable income and enjoying additional leisure. The price to the person of additional leisure is the amount of income, after tax, that he gives up by not working. Obviously, the higher the tax rate he faces, the cheaper leisure is in terms of the income he sacrifices. In our nation with its substantial income cushions, work disincentives are not limited to the top tax brackets.

Studies by Martin Feldstein of Harvard show that the lack of a significant gap between after-tax take-home pay and untaxed unemployment benefits has made leisure a free good for one million workers, thus shrinking GNP and the tax base by the value of their lost production.

Consider next the choice between working for taxable and nontaxable income. Take the case of a carpenter facing a 25 percent change. It changes the prices of leisure and current consumption in terms of forgone current and future income. To claim that people don't respond to these price changes goes against the basic principles of economic science. Yet there is no recognition of such response in the brand of economics now used to brand Kemp-Roth as wildly inflationary.

Since Mr. Heller goes out of his way to criticize those of us who have done staff work on the Kemp-Roth bill, he should be especially interested in the results of the congressional staff debates on these points over the past year. The Congressional Budget Office, like the Treasury, once habitually offered simplistic revenue estimates that omitted the expanded tax base and revenue feedbacks. These static revenue estimates are now discredited. CBO Director Alice Rivlin has been forced to admit that her models, based on familiar Keynesian principles, are "unable to provide estimates of the long-run impact of tax cuts."

(By the way, Prof. Heller's own staff work could use some polishing. The numbers he attributed to Norman Ture do not come from Mr. Ture.)

Mr. Heller and Mr. Stein believe the Kemp-Roth bill depends on stimulating GNP sufficiently that government revenues will not fall even in the first year, thus avoiding an inflationary deficit. In arguing that feedbacks are not large enough to recover all revenues, they are demolishing a straw man. This is not what the bill's proponents mean when they say it would pay for itself. Part of the projected deficit will indeed be eliminated by revenue from the larger GNP. The remaining deficit will not be inflationary because it will be self-financing.

* * * * *

ANTICIPATING THE LAFFER CURVE

In his testimony Prof. Heller anticipated the Laffer Curve, saying that the Kennedy cut "was the major factor that led to our running a $3 billion surplus by the middle of 1965 before escalation in Vietnam struck us. It was a $12 billion tax cut which would be about $33 or $34 billion in today's terms, and within one year the revenues into the federal Treasury were already above what they had been before the tax cut." He concluded, "Did it pay for itself in increased revenues? I think the evidence is very strong that it did."

On this point Mr. Denison has something interesting to say. His estimate of the gap between actual and potential GNP for 1962 and 1963 is only $12 billion—the size of the Kennedy tax cut. Obviously, such a small gap left little room for an expansion based on increased demand and unused capacity. If Mr. Denison is correct, the substantial expansion that followed the tax cut had to be based on something else, a supply-side response to the higher after-tax rates of return.

Far from being wildly inflationary even with little unused capacity in 1962, the Kennedy tax cuts promoted healthy and noninflationary expansion. Once demand management is forgotten and incentive effects are understood, there is every reason to believe the Kemp-Roth tax cuts would do the same.●

HOPE FOR CYPRUS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following thoughtful analysis of the Cyprus problem:

[From the Los Angeles Times, Aug. 3, 1978]

CYPRUS: NO MIRACLES, BUT STILL HOPE; THE HATRED IS ANCIENT, YET RENEWED TALKS COULD BRING PEACE—EVENTUALLY

(By Kevin Michel Cape)

The delicate fragrance of a Cyprus breeze is unforgettable—an exotic amalgam of lemon and Judas trees, verbena, lavender and sage. Yet just four years ago the stench of death filled the sea air when Turkey used American weapons to invade this island, plunging Cyprus into a brief but bloody conflict.

The Turks seized about 40 percent of Cyprus, dividing it in two and leaving one in three Greek Cypriots a refugee. Washington responded by immediately imposing an arms embargo on Turkey, which the Senate last month voted to repeal conditionally. On Tuesday the House narrowly passed a similar measure that would let President Carter lift the embargo if he can certify that it would serve the national interest and that Turkey is seeking a solution to the Cyprus conflict.

The congressional action adds up to a victory for Carter, who had urged an end to the embargo, calling it "the most important foreign-policy issue" before Congress.

Carter hopes to end the alienation of Turkey, one of Washington's new reliable allies outside Europe and the nation that has contributed more ground forces than any other to NATO. He is also eager to reinstate U.S. military bases in Turkey, some of which monitored Soviet military activity until the Turks closed them down in retribution.

If the congressional arms embargo has succeeded in estranging the Turks, it has also failed to produce a notable wave of pro-Americanism in Greece. The Greeks withdrew from NATO's integrated military command after the Cyprus invasion, and American naval visits to Greek ports had to be curtailed because of riots against American businesses and government offices.

All of this has left the rest of the NATO community puzzled by U.S. inability to shore up the alliance's ragged southern edge.

"I cannot understand the logic of Congress in keeping the arms embargo against Turkey," said a British commodore in April. "Doesn't anyone in Congress realize the importance of Turkey to us here in the Mediterranean?"

For most Americans, Cyprus—the focal point of the conflict—is simply the name of a distant place appearing frequently in print and on celluloid. For me, having spent most of the past year teaching the children of Greek and Turkish military officers, the Cyprus question has taken on importance far beyond the current international conflict.

From talking at length with the parents of my students, I came to conclude that it would have been fruitless, and even harmful, for Congress to continue the embargo—or, indeed, to take any stand other than that of strict neutrality. To do so would be rather naive—for no diplomatic miracle is going to end overnight the centuries-old hatred between Greek and Turkish Cypriots.

Indeed, history seems to have fated both communities to despise and persecute the other, depending on which side has the upper hand. Crossing back and forth between the Greek and Turkish sections of Nicosia (with a special Turkish army pass in hand), I found it remarkable how both the Greeks and the Turks could call on centuries of cultural prejudice to twist interpretations of history.

One conversation I had with a Turkish navy commander is a case in point.

"You keep calling what we did in 1974 an 'invasion,' " he complained to me. "It wasn't; it was a military operation designed to eliminate a growing cancer."

Again and again, the Turkish Cypriot community rejected the word "invasion" with special vehemence. "Doesn't the world know that Turkey had diplomatic legitimacy on its side?" the officer asked rhetorically. "The Geneva accords signed in 1959 (by Greece, Turkey and Britain) specifically grant the signatories the right of unilateral action if the independence of Cyprus is threatened," the Turkish commander reminded me sharply. "With the fanatical clique that governed in Athens in 1974, there was no doubt that Cyprus was about to become a colony of Greece."

When asked if he thought it was right to grab 40% of the island for 20% of the people, the Turk responded, "Oh, a detail to be worked out." Then he fell into silence, which was followed by a tirade against Greek atrocities committed against Turkish Cypriots.

The view is somewhat different from the opposite side of what Greeks call the Attila line. A Greek restaurant owner told it his way: "We were an independent country before the Turks invaded. In turmoil, yes," he said, "but still independent.

"They had absolutely no right. Protecting the interests of Turks on the island was a cover to protect their own designs, to make Cyprus into a Turkish military base . . . When they came it was complete terror: murder, rape, looting." This Greek restaurateur followed with a blood-curdling description of Turkish atrocities committed on Greek Cypriots.

Had there been any Greek atrocities on Turks before the invasion? "I never saw any," he said. But did you ever hear of any? I asked. "Well, yes, but it was not like what the Turks did—they are Asians. After World War I they murdered over a million Armenians."

I tried to pin him down: What exactly was the difference between what the Turks did to the Greeks and vice versa? "I don't know" he answered, turning away.

In such an atmosphere, even the wisdom of Solomon could not sort out the claims and counterclaims, for much of what both Greek and Turkish Cypriots say is true. Yet, if moral certitudes are elusive on Cyprus, there are some hopeful signs that the island may be spared a repeat of the 1974 horror.

One recent indication of reconciliation came last month when the Turkish foreign ministry announced a further reduction in the number of its troops on Cyprus, bringing the total pullout to more than 17,000 since the invasion. About 27,000 Turkish soldiers remain, and their presence will almost certainly be the focus of discussions in the fall between the Greek premier, Constantine Caramanlis, and his Turkish counterpart, Bulent Ecevit.

The fact that the two leaders will be pursuing face-to-face negotiations for the third time this year means that a peaceful arrangement is increasingly possible—yet bargaining may drag on for years.

Though the level of fear and hatred between Turkish Cypriots and the more numerous Greeks has declined only slightly since the invasion, the continued negotiations leave room for hope that, left to their own devices, the two parties perhaps will find

their own path to detente, entente and cooperation.

Certainly both countries desperately need peace—Greece because it wants to be the 10th member of the European Common Market and knows that it cannot win a war with Turkey, and Turkey because its economy is in a shambles. My hope for the friends I have made in both countries is perhaps best expressed in a poem that Ecevit wrote in his youth:

A magic blue between us, a warm sea,
Two peoples on its shores equal in beauty,
The golden age of the Aegean
Will revive again with us●

HUMAN RIGHTS VIOLATIONS REPORTED

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. WEISS. Mr. Speaker, as a member of the Ad Hoc Congressional Committee on Irish Affairs, I was deeply disturbed upon reading of the human rights violations reported in the Amnesty International Report on Northern Ireland recently released.

I am inserting in the RECORD an excerpt from the report which describes one example of the kind of treatment accorded to prisoners in Northern Ireland. I commend Amnesty International for bringing these cases to the attention of the world and applaud Congressman BIAGGI, chairman of the ad hoc committee, for organizing this House effort to bring the human rights violations in Northern Ireland to public attention. The excerpt follows:

CASE NO. 7

Male: Arrested in 1977 and brought to Castlereagh Holding Centre, where he was held for five days. He was subsequently released without charge. He had a medical examination by police doctor II on arrival at the detention center. He was also examined during his stay in the detention center and on his release.

Maltreatment alleged: General beating, direct trauma to the head, hairpulling, pulling and stretching and bending of wrists, severe beating on the right ear, threats.

Symptoms (immediate): He stated that during the alleged maltreatment he passed out several times, had pains all over his body and lost hearing in his right ear. (Present): Nervousness, nightmares, less appetite than previously, irritability.

Medical report: By Dr. JI, examination in detention center.

Signs: some tenderness in right lower quadrant and left upper arm. Signs of bruises on left upper arm. Perforation of right eardrum with signs of fresh blood, seemed "groggy" and confused, and not very coherent.

Conclusion: There is consistency between the alleged maltreatment and the signs. The medical report is very short. It should be added that this case has also been examined by an ear, nose and throat specialist, but the medical report is not available. It would be of great value to have the report from the police doctor, Dr. II, and the report of the speicalist.●

PANAMA FOREIGN ASSISTANCE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. DORNAN. Mr. Speaker, we still march down that same masochistic path. How historians will eventually assess the foreign assistance program of the United States is something that taxes my imagination. But to me, at least, a pattern is developing that approaches a status of a general law of international relations: The United States is a nation that, out of good will, desire to be loved, or a perverse sentimentalism, cannot restrain itself from contributing to the coffers of its enemies.

Mr. Speaker, Panama's dictatorship is a case in point. During the debates on the wisdom of the latest Panama Canal treaties, those of us who opposed those conventions warned our colleagues of the dangerous character of the Torrijos government. We said that this government could not, and should not, be trusted. We were told that our opposition to the treaties was jingoistic, a throwback to the bad old days of "Big Stick" diplomacy. We were told that we were, somehow, behind the age.

Mr. Speaker, dare I say it? Yes, we told you so! Yes, you were wrong. Yes, those bright hopes for a new era of friendship with Panama, under this dictatorship, were nothing more than vacuous sentiments. Consider the facts:

Panama has issued a 14-page foreign policy statement. That statement is to set forth the foundation for Panamanian foreign policy for the future of that nation. Panama's Foreign Minister Nicolas Gonzalez Revilla declared:

The centerpiece of our foreign policy has been the canal. Now that an agreement has been reached with the United States, we felt we needed to redefine our foreign policy.

The specifics of the new foreign policy statement make the Panamanian dictatorship's intentions toward the United States abundantly clear. If President Carter did not envision such a nightmare when he was pressing for ratification of the canal pacts, he can justly entertain no illusions now. Panama has called for the United States to give up its strategically crucial naval base at Guantanamo Bay, Cuba, and grant "self-determination" to Puerto Rico, even though no more than 5 percent of the Puerto Rican population favors independence. Panama also calls for the cession of Israeli-occupied lands in the Middle East and the support of "some independence struggles that exist in the world." The Foreign Ministry was not clear on that point. But I will bet my bottom dollar that freedom for the Baltic States, Eastern Europe, and the black resistance movement in Angola is not at the top of the list. The Panamanian foreign policy statement does indeed signal a new era in United States-Panamanian relations: an era of outright hostility.

With ratification of the canal pacts, there were many in the Congress and the administration who believed that the Torrijos government would adopt a policy of leniency toward its own citizens. The respected human rights organization, Freedom House, has consistently rated Panama among the worst violators of human rights in the world, with the lowest possible rating on political rights and the next lowest rating on civil rights. The Inter-American Press Association has yearly deplored the absence of freedom of the press in Panama.

Mr. Speaker, if there was a brief thaw in the Torrijos treatment of political opponents, it appears that the cold winds of repression are freezing Panamanian aspirations. Since June of this year, there is evidence that the regime is starting to crack down on dissidents once again. On June 14, Panama's secret police opened fire on student demonstrators killing two law students opposed to the recently ratified treaties, Jorge Camacho and Demostenes Rodriguez. That same day, dissident students were arrested and jailed without benefit of trial. Two days later, 12 supporters of former President Arnulfo Arias were arrested without cause, beaten and incarcerated. One man, Roman Rivera, was beaten so severely that he died. And the arbitrary police actions are not exclusive Panamanians. An American citizen, Rose Marie Aragon, and her 18-year-old daughter, Rocio, were detained, held incommunicado, and then summarily deported from the country. These are just a few of the many recent and continuing violations of civil, political, and human rights in Panama.

Mr. Speaker, I would like to call your attention to the recent pastoral letter of the Panamanian Bishop's Conference, entitled "The Present Situation of the Country." The letter, signed by Archbishop Marcos McGrath and the bishops of Panama, called attention to the serious political corruption, violations of civil and political rights, and the rise of totalitarian forces within the country. Said the bishops: "Certain Marxist elements—speak—not only for the government but the whole nation."

Mr. Speaker, the Members of this House have recently sent numerous "Dear Colleague" letters, calling to the attention of their comrades the gross violations of human rights in Soviet Russia, Eastern Europe, and other parts of the world. Yesterday, I supported a motion that would cut off arms sales to the right-wing regime in Chile. Now, we are confronted with yet another human rights issue. I hope that some of my colleagues, who are so exercised over human rights violations in South Africa and Chile, will show consistency in the case of Panama. This dictatorship is not going to be bought off by the United States. It has made its allegiance clear on numerous occasions. In foreign policy, it is laying the groundwork for an alliance with the enemies of this Nation. At home, it continues the same old policy of deception, violence, and repression. We in Congress

had better show the political courage of former Panamanian President Arnulfo Arias. He has put his very life in jeopardy. Can we not back his total commitment with strong words, at least, against the repression in Panama.●

FREEDOM OF THE PRESS: A REPORTER'S ORDEAL

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. WEISS. Mr. Speaker, the erosion of first amendment protections in our Nation seems to be continuing and, in some ways, accelerating.

The latest threat to the principle and reality of a free press in this country involves the contempt sentence facing New York Times reporter N. A. Farber and the $5,000-a-day fine pending against the Times.

Mr. Farber and the Times are about to be heavily penalized because they are adhering to a fundamental journalistic and legal principle of our Nation—that a reporter and the paper he or she works for do not have to reveal their sources of information or the notes gathered in the course of an investigation.

Many specialists in first amendment law are especially alarmed by this case since they regard New Jersey's so-called shield law as sanctioning precisely the kind of stance adopted by Mr. Farber and the Times. Perhaps the Supreme Court will eventually recognize the validity of Mr. Farber's and the Times' defense. But as of now, all that stands between a reporter acting on first amendment guarantees and an indefinite jail term is a brief stay granted by Justice Thurgood Marshall.

In refusing to identify his sources or hand over his notes, Mr. Farber is acting to protect the integrity of American journalism and to uphold the freedom of the press from governmental control and interference. If a reporter cannot offer an ironclad guarantee of confidentiality to sources who require anonymity, then the public's access to information will be severely impaired. And if Mr. Farber is jailed and does ultimately hand over his notes, investigative reporting in our Nation will have been irreparably damaged.

Coming in the wake of the Supreme Court decision in the case of Zurcher against Stanford Daily, the jailing of N. A. Farber and the levying of fines against the New York Times would represent a de facto repeal of first amendment guarantees.

I hope that Justice Marshall and his colleagues will recognize the gravity of this threat and will act to affirm one of the central principles of our democracy.●

ALTHOUGH THE EMBARGO HAS BEEN LIFTED—TURKEY IS UNDER THE GUN

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1978

● Mr. SANTINI. Mr. Speaker, this week the House of Representatives voted to lift the Turkish arms embargo that had been imposed 3 years ago. The vote was 208 to 205. I did not support the lifting of that embargo and regret that we lost that vote. I believe that such legislative action is a misguided response to the obstinate refusal of the Turkish Government to rectify the gross injustices that persist on the island of Cyprus.

As long as 200,000 Greek Cypriots are denied restoration to their island homes, there cannot be any real justice on Cyprus. Our Nation has professed a worldwide committment to human rights. The dispossession of 200,000 Greek Cypriots is a flagrant violation of their human rights.

The totalitarian conditions on the island of Cyprus represent a festering wound on the face of humanity in desperate need of healing. However, to date, the only response from the Turkish Government has been intransigence and indifference. This posture cannot be justified.

I would be willing to consider providing arms assistance to our NATO allies in Turkey if that nation would be willing to exhibit a good faith effort to restore equity and democracy on the island of Cyprus. To date that good faith effort has not been demonstrated.

For the future, there does not seem to be any chance that we can reverse the decision to lift the arms ban this year. It has already passed the U.S. Senate. For now all we can do is either clasp our hands in prayer or cross our fingers in hope. We must hope that in the next 12 months the Turkish Government does initiate real and substantial changes on the island of Cyprus. Turkey will now undergo a 12-month test of sincerity and credibility. Although the embargo has been lifted, Turkey is very much under the gun. If they fail that test, I am absolutely confident that the full force and effect of the Turkish arms embargo will be restored by the House of Representatives next year.●

SENATE—*Friday, August 4, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. KANEASTER HODGES, JR., a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

O Lord our God, for this moment set our minds on things above, that we may meditate upon Thy holiness, Thy goodness, Thy mercy, and Thy watchful care over this Nation. Grant us perseverance in seeking Thee, wisdom in knowing Thee, faithfulness in loving and serving Thee.

"Set our feet on lofty places;
Gird our lives that they may be
Armored with all Christ-like graces
In the fight to set men free.

"Grant us wisdom, Grant us courage,
That we fail not man nor Thee!
Grant us wisdom, Grant us courage,
For the living of these days." Amen.
—H. E. FOSDICK, 1930.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 4, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KANEASTER HODGES, JR., a Senator from the State of Arkansas, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. HODGES thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield my time to the distinguished acting Republican leader if he needs it.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The acting minority leader, the Senator from Alaska.

FISHERY CONSERVATION AND MANAGEMENT AUTHORIZATIONS

Mr. STEVENS. Mr. President, there is at the desk H.R. 10732 which has been

returned from the House with an amendment to the Senate amendment. I was awaiting the arrival of the chairman of the Appropriations Committee, my good friend from Washington.

Pending his arrival, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 10732.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the text of the bill (H.R. 10732) entitled "An Act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1979, 1980, and 1981", with the following amendment:

Strike out all after line 4 on page 1 of the Senate engrossed amendments over to and including line 8 on page 9, and insert:

SEC. 2. That section 2 (a) (7) and (b) (6) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1861 (a) (7) and (b) (6)) are each amended by inserting "and United States fish processors" immediately after "United States fishe·men".

SEC. 3. Section 3 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1802) is amended as follows:

(1) Paragraph (10) is amended—

(A) by striking out "or" at the end of subparagraph (C);

(B) by redesignating subparagraph (D) as subparagraph (E);

(c) by striking out "(C)" in subparagraph (E) (as so redesignated) and inserting in lieu thereof "(D)"; and

(D) by inserting immediately after subparagraph (C) the following new subparagraph:

"(D) the processing at sea of fish, for human consumption or commercial use, by any method, including, but not limited to, freezing, cooking, canning, smoking, salting, or drying; or".

(2) Paragraph (11) (B) is amended to read as follows:

"(B) aiding or assisting one or more vessels at sea in the performance of any activity, relating to fishing, including, but not limited to, fueling or other supply, repair, storage, refrigeration, or transportation.".

(3) Paragraph (25) is redesignated as paragraph (27).

(4) The following new paragraphs are inserted immediately after paragraph (24):

"(25) The term 'United States fish processors' means facilities located within the United States for, and vessels of the United States used, or equipped, for, the processing of fish for human consumption or commercial use.

"(26) The term 'United States harvested fish' means fish caught, taken, or harvested by vessels of the United States within any fishery for which a fishery management plan prepared under section 303, or a preliminary fishery management plan prepared under section 201(g), has been implemented.".

SEC. 4. Title II of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1821–1825) is amended as follows:

(1) Section 201(d) is amended by adding at the end thereof the following new sentence: "The portion, if any, of the harvest from any fishery which is approved under section 204(b) (6) (B) for transfer from vessels of the United States to foreign fishing vessels for processing at sea shall be treated as United States harvested fish in determining the total allowable level of foreign fishing within such fishery.".

(2) Section 201(g) (2) is amended by inserting immediately before the semicolon the following: ", including, in any appropriate case, a permit authorizing the acquisition by such vessel, for processing at sea, of United States harvested fish from vessels of the United States.

(3) Section 204(b) is amended—

(A) by amending paragraph (3)—

(i) by amending subparagraph (D) to read as follows:

"(D) the estimated amount or tonnage of fish which will be caught, taken, or harvested in each such fishery by each such vessel during the time the permit is in force;",

(ii) by redesignatng subparagraph (E) as subparagraph (F), and

(iii) by inserting immediately after subparagraph (D) the following new subparagraph:

"(E) the amount or tonnage of United States harvested fish, if any, which each such vessel proposes to acquire, for processing at sea, from vessels of the United States; and";

(B) by amending paragraph (6)—

(i) by inserting "(A)" before "After" in the first sentence thereof,

(ii) by inserting ", subject to subparagraph (B)," immediately after "may approve" in the second sentence thereof, and

(iii) by adding at the end thereof the following new subparagraph:

"(B) (i) In the case of any application which specifies that one or more foreign fishing vessels propose to acquire, for processing at sea, Unted States harvested fish from vessels of the United States, the Secretary may approve the application only if, based upon the information developed in accordance with section 303(a) (4) (C), United States fish processors do not have the capacity, or will not utilize their capacity, to process all of the United States harvested fish from the fishery concerned.

"(ii) The amount or tonnage of United States harvested fish which may be acquired during any year by foreign fishing vessels under permits approved under this paragraph may not exceed the amount or tonnage of such fish which will not be utilized by United States fish processors.

"(iii) In deciding whether or not to approve any application under this subparagraph, the Secretary shall take into account, with respect to the foreign nation concerned, such matters pursuant to section 201(e) (4) as may be appropriate.

"(iv) If two or more foreign nations make applications described in clause (i), the Secretary may allocate the quantity or tonnage of United States harvested fish available for transfer to foreign fishing vessels for processing at sea among such nations after taking into account the factors set forth in section 201(e) (1) through (4)."; and

(C) by amending paragraph (7) by redesignating subparagraph (D) as subparagraph (F), and inserting immediately after subparagraph (C) the following new subparagraphs:

"(D) If the permit is issued other than pursuant to an application approved under paragraph (6) (B), the restriction that the foreign fishing vessel may not acquire, for processing at sea, United States harvested fish from vessels of the United States.

"(E) If the permit is issued pursuant to an application approved under paragraph (6) (B), the maximum amount or tonnage of the United States harvested fish which may be acquired for processing at sea from vessels of the United States.".

SEC. 5. Title III of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1851–1857) is amended as follows:

(1) Section 302(h) (5) is amended by inserting "the capacity of United States fish processors, and the utilization of such capacity, to process United States harvested fish from," immediately after "from,".

(2) Section 303(a) (4) is amended—

(A) by striking out "and" at the end of subparagraph (A);

(B) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof ", and"; and

(C) by adding at the end thereof the following new subparagraph:

"(C) the capacity of the United States fish processors to process, and the extent to which such processors will utilize such capacity to process, for human consumption or commercial use, the portion of such optimum yield which consists of United States harvested fish; and".

(3) Section 303(a) (5) is amended by striking out "and number of hauls." and inserting in lieu thereof "number of hauls, and the estimated processing capacity of, and the actual processing capacity utilized by, United States fish processors.".

(4) Section 307 is amended—

(A) by striking out "and" at the end of paragraph (1) (H);

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(3) for any vessel of the United States, and for the operator or owner of any vessel of the United States, to transfer directly or indirectly, or attempt to so transfer, any United States harvested fish for processing at sea to any foreign fishing vessel, while such foreign vessel is within the fishery conservation zone, unless the foreign fishing vessel has been issued a permit under section 204 which authorizes the acquisition by such vessel, for such purpose, of United States harvested fish of the species concerned.".

Resolved, That the House agree to the amendment of the Senate to the title of the bill.

Mr. ROBERT C. BYRD. Mr. President, I am advised that the distinguished Senator from Washington (Mr. MAGNUSON) has no problem with calling up the House message.

UP AMENDMENT NO. 1588

Mr. STEVENS. On behalf of the Senator from Washington, Mr. President, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) for Mr. MAGNUSON proposes an unprinted amendment numbered 1588.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment, insert the following:

SEC. 2. (a) Section 2(a) (7) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801(a) (7)) is amended by striking out "United States fishermen" and inserting in lieu thereof "the United States fishing industry".

(b) Section 2(b) (6) of such Act (16 U.S.C. 1801(b) (6)) is amended by inserting immediately after "development" the following: "by the United States fishing industry".

SEC. 3. Section 3 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1802) is amended by redesignating paragraph (25) as paragraph (27), and by inserting the following new paragraphs immediately after paragraph (24):

"(25) The term 'United States fish processors' means facilities located within the United States for, and vessels of the United

States used or equipped for, the processing of fish for commercial use or consumption.

"(26) The term 'United States harvested fish' means fish caught, taken, or harvested by vessels of the United States within any fishery for which a fishery management plan prepared under title III or a preliminary fishery management plan prepared under section 201(h) has been implemented.".

SEC. 4. Title II of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1821–1825) is amended as follows:

(1) Section 201(a)(2) is amended by striking "(f)" and inserting in lieu thereof "(g)".

(2) Section 201(c)(3) is amended by striking out "exceed" and inserting in lieu thereof "harvest an amount of fish which exceeds".

(3) Section 201 is amended by redesignating subsections (f) and (g) as (g) and (h) respectively, and by inserting after subsection (e) the following new subsection:

"(f) FOREIGN ALLOCATION REPORT.—The Secretary of the Treasury, in cooperation with the Secretary and the Secretary of State, shall prepare and submit a report to the Congress and the President, not later than July 1 of each year, setting forth—

(1) a list by species of all allocations made to foreign nations pursuant to subsection (e) and all permits issued pursuant to section 204(b)(6)(B); and

(2) all tariff and nontariff trade barriers imposed by such nations on the importation of such species from the United States."

(4) Section 201(h)(1), as redesignated by paragraph (2), is amended to read as follows:

"(1) shall contain a preliminary description of the fishery and a preliminary determination as to—

"(A) the optimum yield from such fishery;

"(B) when appropriate, the capacity and extent to which United States fish processors will process that portion of such optimum yield that will be harvested by vessels of the United States; and

"(C) the total allowable level of foreign fishing with respect to such fishery;".

(5) Section 204(b)(3) is amended—

(A) by amending subparagraph (D) to read as follows:

"(D) the estimated amount or tonnage of fish which will be caught, taken, or harvested in each such fishery by each such vessel during the time the permit is in force;",

(B) by redesignating subparagraph (E) as subparagraph (F), and

(C) by inserting immediately after subparagraph (D) the following new subparagraph:

"(E) the amount or tonnage of United States harvested fish, if any, which each such vessel proposes to receive at sea from vessels of the United States; and".

(6) Section 204(b)(4) is amended by striking out "such application in the Federal Register and" and inserting in lieu thereof "a notice of receipt of the application in the Federal Register. Any such notice shall summarize the contents of the applications from each nation included therein with respect to the matters described in paragraph (3) and shall be set forth under the name of each Council to which it will be transmitted for comment. The Secretary of State".

(7) Section 204(b)(6) is amended—

(A) by inserting "(A)" before "After" in the first sentence thereof,

(B) by inserting ", subject to subparagraph (B)," immediately after "may approve" in the second sentence thereof, and

(C) by adding at the end thereof the following new subparagraph:

"(B)(i) In the case of any application which specifies that one or more foreign fishing vessels propose to receive at sea United States harvested fish from vessels of the United States, the Secretary may approve the application unless the Secretary determines, on the basis of the views, recommendations, and comments referred to in subparagraph (A) and other pertinent information, that United States fish processors have adequate capacity, and will utilize such capacity, to process all United States harvested fish from the fishery concerned.

"(ii) The amount or tonnage of United States harvested fish which may be received at sea during any year by foreign fishing vessels under permits approved under this paragraph may not exceed that portion of the optimum yield of the fishery concerned which will not be utilized by United States fish processors.

"(iii) In deciding whether to approve any application under this subparagraph, the Secretary may take into account, with respect to the foreign nation concerned, such other matters as the Secretary deems appropriate."

(8) Section 204(b)(7) is amended by redesignating subparagraph (D) as subparagraph (F), and inserting immediately after subparagraph (C) the following new subparagraphs:

"(D) If the permit is issued other than pursuant to an application approved under paragraph (6)(B), the restriction that the foreign fishing vessel may not receive at sea United States harvested fish from vessels of the United States.

"(E) If the permit is issued pursuant to an application approved under paragraph (6)(B), the maximum amount or tonnage of United States harvested fish which may be received at sea from vessels of the United States.".

SEC. 5. Title III of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1851–1861) is amended as follows:

(1) Section 302(h)(5) is amended by inserting "the capacity and extent to which United States fish processors will process United States harvested fish from," immediately after "from,".

(2) Section 303(a)(4) is amended—

(A) by striking out "and" at the end of subparagraph (A);

(B) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof ", and" and

(C) by adding at the end thereof the following new subparagraph:

"(C) the capacity and extent to which United States fish processors, on an annual basis, will process that portion of such optimum yield that will be harvested by fishing vessels of the United States; and".

(3) Section 303(a)(5) is amended by striking out "and number of hauls." and inserting in lieu thereof "number of hauls, and the estimated processing capacity of, and the actual processing capacity utilized by, United States fish processors.".

(4) Section 307 is amended—

(A) by striking out "and" at the end of paragraph (1)(H);

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(3) for any vessel of the United States, and for the owner or operator of any vessel of the United States, to transfer directly or indirectly, or attempt to so transfer, any United States harvested fish to any foreign fishing vessel, while such foreign vessel is within the fishery conservation zone, unless the foreign fishing vessel has been issued a permit under section 204 which authorizes the receipt by such vessel of United States harvested fish of the species concerned."

Mr. STEVENS. Mr. President, let me present a statement for Senator MAGNUSON. It is a statement we have prepared jointly.

Mr. President, H.R. 10732 contains a simple authorization for fiscal year 1979 for $30 million for the administration of the Fishery Conservation and Management Act. This legislation also provides the Secretary of Commerce with the statutory authority needed to regulate "joint ventures" within our 200-mile fishery conservation zone—that is, arrangements whereby foreign fish processing vessels buy fish from U.S. fishermen at sea.

Mr. President, this bill was passed by the Senate on June 14 and the House passed its version on July 11. The differences between the Senate and House bills were primarily ones of approaching the problem—not differences in objectives. The amendment we are offering today reflects an agreed approach by both the Senate Committee on Commerce, Science, and Transportation and the House Merchant Marine and Fisheries Committee after detailed study, consultation, and cooperation.

The intent of this joint venture legislation is to provide the Secretary of Commerce with full statutory authority to deal with joint venure applications and to consider fully the ability of the American fish processing industry to process the fish which foreign vessels seek to process off our shores.

First, the bill amends the findings and purposes of the FCMA to clarify congressional intent that the entire U.S. fishing industry should be benefited by the FCMA's assertion of extended jurisdiction. For the purposes of the FCMA's findings and purpose of developing our fisheries, there is an amendment clarifying Congress intent that the entire industry, and not just the harvesting segment of the industry, should be benefited.

Second, joint ventures will not be permitted to receive any part of the optimum yield of a fishery if the U.S. processing capability is adequate to process such fish. Finally, there is the issue of trade barriers which some foreign nations have erected inhibiting the development of some of the U.S. underdeveloped fisheries. The bill addresses this issue by requiring the Secretary of the Treasury, in cooperation with the Secretaries of Commerce and State, to report annually to the Congress and the President on all allocations of U.S. fish to foreign nations and all tariff and nontariff trade barriers imposed by such nations of the importation of such species from the United States.

Mr. President, this legislation, originally reported as S. 3050, and considered thoroughly by both the Senate and the House, will fill a gap in authority that was unforseen when Congress originally enacted the FCMA. The amendments are badly needed and I urge my colleagues to approve them.

Mr. President, I move that the Senate concur in the House amendment to the Senate amendment with the amendment of the Senate just stated.

The motion was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield to me——

Mr. STEVENS. I thank the Senator for his courtesy.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 973, 974, and 976.

TRANSFER OF CERTAIN PROPERTY TO THE DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

The bill (S. 3119) to transfer certain real property of the United States to the District of Columbia redevelopment fund agency, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with the provisions of this Act, the Mayor of the District of Columbia, consistent with the approval by the Council of the District of Columbia of the urban renewal plan requiring such action, is authorized and directed on behalf of the United States to transfer to the Redevelopment Land Agency all right, title, and interest of the United States in and to the following real property in the District of Columbia:

A tract of land known for the purposes of assessment and taxation as lot 803 in square 493 and described as follows:

Beginning for the same at a point in the west line of Fourth Street Southwest, 269.0 feet south of the south line of C Street Southwest, and running thence due south, with said west line of Fourth Street Southwest, 169.34 feet;

thence northwesterly 603.44 feet to the east line of Sixth Street Southwest;

thence, with said east line of Sixth Street Southwest due north 20.75 feet;

thence southeasterly 201.17 feet;

thence due east 374.0 feet to the point of beginning, containing 40,927.75 square feet, all as shown on a plat survey recorded in the Office of the Surveyor for the District of Columbia in survey book 18 at page 91.

SEC. 2. The Redevelopment Land Agency is hereby authorized in accordance with the District of Columbia Redevelopment Act of 1945 (D.C. Code, secs. 5–701 through 5–719), to lease or sell, as an entirety or parts thereof separately, to one or more redevelopment companies or other lessees or purchaser, such real property as may be transferred to such Agency under the authority of this Act.

SEC. 3. No transfer or donation of any interest in real property under the authority of this Act shall constitute a local grant-in-aid in connection with any urban renewal project being undertaken with Federal assistance under title I of the Housing Act of 1949, as amended.

SEC. 4. As used in this Act, the terms "lessee", "purchaser", "real property", and "redevelopment company" shall have the respective meanings provided for such terms by section 3 of the District of Columbia Redevelopment Act of 1945 (D.C. Code, sec. 5–702).

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–1050), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSE OF THE BILL

The purpose of the bill is to authorize the Mayor of the District of Columbia to transfer title to certain real property in Southwest Washington, between 4th and 6th Streets, just north of the railway tracks, from the United States to the District of Columbia Redevelopment Land Agency (RLA). The RLA intends to sell or lease the land to a developer in accordance with the urban renewal plan for Southwest Project Area C. Essentially, the bill will clear any lingering title to land the Federal Government relinquished to certain railroads at the turn of the century for other land within the District.

BACKGROUND

Pursuant to the Union Station Acts of Congress, approved on February 12, 1901 (31 Stat. 767), and on February 29, 1903 (32 Stat. 909), certain public streets in Southwest Washington were vacated and abandoned, and perpetual use of these areas was granted to the Philadelphia, Baltimore & Potomac Railroad Co., the Baltimore & Ohio Railroad Co., and the Terminal Co. The United States, however, retained bare title to these lands. Congress made the grant to the railroad in consideration for the exchange and transfer to the United States of certain lands in the District then owned by the railroads.

For many years, these lands were used for such purposes as switch tracks, loading platforms, open air storage, truck-loading areas, and produce scales. During this time the railroad paid taxes on these lands to the District of Columbia.

But with the decline in train traffic at midcentury, the District began planning for the redevelopment of the railroad property for commercial use that would generate employment and tax revenues. An urban renewal plan for Southwest Project C initially was approved by the District of Columbia Board of Commissioners on November 30, 1956, and subsequently has been approved by the District Council. Accordingly, during the period from 1958 to 1962, the Redevelopment Land Agency purchased the rights and interests of the railroad companies for a total of $1,521,635. Title was conveyed to the Agency by House Joint Resolution 397 in 1965. Thereafter, the Agency found it necessary to acquire the property, some 41,000 square feet, which is the subject of the present bill, and it acquired the railroads' rights and interests in the property in 1970 for $451,000.

In 1975, the House, in H.R. 9958, voted to transfer title for the 41,000 square feet, but the Senate Committee on the District of Columbia deferred action at that time until the District had assurances that a private developer would fully utilize the entire site. After public offering, the Redevelopment Land Agency has selected a group that has submitted plans for a $40 million to $50 million office complex and is prepared to commence construction this year.

In view of the value of the land which the railroads transferred to the United States in consideration for the right to use the parcels in question, and of the taxes the railroads have paid on these parcels over the years, it was the opinion of independent appraisers that the value of the railroads' rights and interests in these parcels was equivalent to the value of the land had the legal title been held by the railroads. The authority which would be granted by the enactment of S. 3119 is needed, therefore, to assure RLA legal title prior to the commencement of construction.

There are no buildings on the property, other than a fan shaft for the Metro. Because the triangular property is surrounded by a sheer drop to the public street on one side, the railroad on the second side, and an RLA parcel on the remaining side, its only appropriate use is by the developer of the adjacent parcel.

The bill was submitted as part of the Mayor's 1977 legislative package, and the Mayor's report indicates that: "The Office of Management and Budget has advised that there is no objection."

NEED FOR LEGISLATION

This legislation is outside the scope of the Council's authority since it concerns property of the United States, which the Council, under section 602(a)(3) of the Home Rule Act (87 Stat. 774, Public Law 93–198) is powerless to affect. Since the Council has already approved an urban renewal plan which authorizes the RLA to dispose of the subject property (once title is acquired), no further Council action will be required to carry out the plan.

In connection with other property with a similar history, Congress transferred title by enacting Public Law 89–317. At that time, legal opinions were sought from the Justice Department and the General Services Administration. On October 22, 1963, the Assistant Attorney General, Lands Division, Department of Justice, advised the Executive Director of the District of Columbia Redevelopment Land Agency that "the General Services Administration, through the Administrator, may assume control of the Government's interest in the real estate as surplus property, and dispose of it under the provisions of the Surplus Property Act." The letter stated that if this procedure could not be followed, "it may be necessary for Congress to specifically authorize some department or agency to take control of and convey the interest of the United States."

In a letter dated April 3, 1975, the General Counsel of the General Services Administration concluded "that the Congress has retained to itself the authority to take any further action with respect to the vacated streets."

The authority which would be granted by S. 3119 is needed, therefore, to clear any cloud on the title under the Union Station Acts, and transfer it to the Redevelopment Land Agency for an urban renewal project.

FLEXIBILITY OF CONTRACTUAL AUTHORITY OF THE TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3120) to enhance the flexibility of contractual authority of the Temporary Commission on Financial Oversight of the District of Columbia, which had been reported from the Committee on Governmental Affairs with an amendment to strike all after the enacting clause and insert the following:

That section 2(c) and 3(c) of the Act entitled "An Act to provide for an independent audit of the financial condition of the government of the District of Columbia", approved September 4, 1976 (Public Law 94–399, 90 Stat. 1205), are each amended by striking out "fixed price".

SEC. 2. Section 2 of such Act is amended by adding at the end thereof the following new subsections:

"(h) The Commission may select the government of the District of Columbia as a qualified person under subsection (a), and the chairman of the Commission may enter into contracts with the government of the District of Columbia under subsection (c).

"(i)(1) The Commission is entitled, through an authorized representative, to inspect the facilities and audit the books and

records of any contractor performing a contract under this Act, and any subcontractor performing any subcontract under a contract made by the Commission under this Act.

"(2) Each contract entered into under this Act shall provide that the Comptroller General and his representatives are entitled, until the expiration of three years after final payment, to examine any pertinent books, documents, papers, or records of the contractor or any of his subcontractors engaged in the performance of and involving transactions relating to such contract or subcontract.

"(j) Payments made by the Commission to the government of the District of Columbia under contracts entered into pursuant to the authority of this Act shall be available for matching purposes under any federally funded grant program provided that the grant is for a purpose similar to any purpose specified in section 2(a) of this Act.".

SEC. 3. Section 3 and 4 of such Act are amended by striking out "1979" each place it appears therein and inserting in lieu thereof "1982".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-1051), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSE

The purpose of the bill (S. 3120) is to enhance the flexibility of contractual authority of the Temporary Commission on Financial Oversight of the District of Columbia so as to facilitate restructuring of the District's financial management systems and accomplish an audit of the District's financial position on an annual basis.

BACKGROUND

Public Law 94-399 was enacted in 1976 after studies by the General Accounting Office and Arthur Andersen & Co., conducted respectively for the House and Senate District Committees, demonstrated the need for substantial improvement in the financial management systems of the District of Columbia government. The act was designed to help the District become more self-sufficient under the Home Rule Charter and established the specific requirement for the District's financial position to be audited annually by a certified public accountant. The studies referred to above showed that before an audit could be effectively conducted, numerous improvements in accounting and related financial management systems would have to be designed and implemented.

The Temporary Commission on Financial Oversight of the District of Columbia was established under the act to develop and help implement such improvements. To carry out its responsibilities, the Commission was authorized to select and enter into negotiated fixed price contracts with persons qualified to design and install new systems that may be required.

NEED FOR CHANGES

The Commission, confronted with a number of projects to modernize and make more effective a variety of bookkeeping, payroll, and other financial records, has attempted to encourage broad participation through competition by qualified firms for specific contracts. However, because of the present status of many of the records, the Commission is encountering reluctance on the part of potential contractors to propose fixed price. They point out that in system design work, as in research and development, there are simply too many unknowns to permit them to propose a fixed price without opening them to undue risk. Consequently, they decline to propose at all, thereby reducing the competition. Or they insert numerous conditions and hedges into their proposals which make it difficult for the Commission to make comparative evaluations of the proposals received.

Since the number and size of projects to date have been small, these problems have not been insurmountable. However, as the Commission's program gains momentum, the projects will become larger and more numerous, thereby increasing the Commission's problem of getting first-rate competitive proposals from qualified firms.

To alleviate this, the Committee proposes the first change; namely, the striking of "fixed price" from sections 2(c) and 3(c). Changing these subsections will give the Commission greater flexbility in better fitting the type of contract it uses to the nature of the work to be done. This flexibility should help to increase competition. The change will simply permit the Commission to continue using fixed price when appropriate but employ other types of contracts, such as cost plus fixed fee, when such are more appropriate.

This proposed change would also be in line with the recommendations of the Commission on Government Procurement which was created by Public Law 91-129. With respect to the procurement of professional services, that Commission recommended procurement of such services should be accomplished by using competitive proposals from an adequate number of qualified firms. It also recommended use of negotiation procedures which would take into account the technical competence of the proposers, the proposed concept of the end product, and the professional competence of the bidders as well as cost and fee. The Commission specifically noted that this latter element should not be the dominant factor. These recommendations are extensively incorporated into the procurement processes of the Temporary Commission on Financial Oversight. This proposed first change would enable full incorporation of them.

The second change recommended, the addition of a new subsection (h) to section 2, is also intended to give the Commission added flexibility by permitting it to support certain projects jointly with other Government agencies. Under existing Federal grant programs, several District government departments have been working with their Federal counterparts to develop improvements in long-standing systems that are now wholly or partly encompassed under Public Law 94-399.

In such cases, the District government contracts for the system improvement and the Federal agency reimburses the District for a portion of the cost, in accordance with an agreement made in advance. The new section 2(h) herein recommended would permit this Commission to participate in such projects.

The Commission would enter into an agreement with the District to finance all or part of that portion of the project not being financed by the Federal grant agency or agencies. The Commission would help the District formulate the project, insure that the requirements of Public Law 94-399 were included in the Request for Proposal, and, in exchange, the District would give the Commission the rights to participate in or, as appropriate, to veto the selection of the contractor to ensure that the requirements of Public Law 94-399 and the Commission's procurement policies were observed and included in the Request for Proposal and contract, to participate in monitoring the contractor's performance, and to ensure that the system improvements being designed fit into the total program of system improvements for which Public Law 94-399 makes it responsible.

This arrangement not only should help to keep down the Commission's total outlay for contractors but also should help to expedite the program and to bring to bear on the project the expertise of the cognizant Federal agency. The Commission would not plan to use this arrangement often, but only in a few, highly selective projects in order to assure a financial management system adequate to the needs of a modern city.

The third change is the addition of a new susbection 2(i), which authorizes the Commission and the Comptroller General to inspect the facilities, books, and records of all contractors and subcontractors. While virtually all of the contracts entered into by the Commission allow such inspections, this amendment will assure such authority under law, and provide, contractually, for backup inspections by the Comptroller General.

The Comptroller General believes, and the Commission agrees, that this specific authority will greatly improve his ability to perform his general duties under Public Law 94-399, and to meet the requirements in section 2(e)(4) that he approve, disapprove, or modify plans for auditing systems which are submitted to him under the act. The committee also agrees with this assessment. It feels, moreover, that the tighter controls and closer inspections which may result from this authority are needed to cope with the greater contractual flexibiltiy created by other amendments in this bill.

The fourth change, adding a new subsection 2(j), is designed to clarify the Commission's authority to finance that portion of any joint District of Columbia Federal project not financed by the Federal grant agency or agencies. The projects envisioned by this subsection and by the new subsection (h) are those that the Commission would have a duty to undertake, whether or not the District had already done so on its own. Congress has assumed the task of creating the Commission to oversee the entire process of audit and financial reform. It, therefore, would prefer to assume the cost, and thus the oversight responsibilities, for any overlapping programs.

This new subsection makes Commission funds specifically available for the local share of matching funds in the federally-assisted audit system projects now under development or planned for the near future. Commission funds, in a manner similar to the District's own operating budget, are drawn from two "sources": U.S. Treasury unappropriated funds and those funds already appropriated to the District of Columbia. Contract payments are thus made from a unique blend of funds. The District's local share of matching funds is drawn from a different but also unique mix of moneys. The committee wishes to avoid any confusion as to the local or Federal source of the District's share under the Federal grant program. This subsection is drafted, therefore, to let all Commission funds be used for the local share, due to the singular mix of funds involved and the Commission's own independent duty to perform the same projects.

The fifth change amends section 3 and

4 of the act by striking out "1979" each place it appears therein and inserting in lieu thereof, "1982". The act mandated that the Commission would oversee and complete the first three annual audits. Inasmuch as the Commission was not organized and did not have full-time staff until the latter half of 1977, and because of the enormity of the task confronted, a first audit will not be possible until 1980, with subsequent audits under the Commission mandate in 1981 and concluding in 1982.

PACKERS AND STOCKYARDS ACT AMENDMENTS

The Senate proceeded to consider the bill (S. 3272) to amend the Packers and Stockyards Act, 1921, to authorize value based tariffs, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

That the Packers and Stockyards Act, 1921, is amended as follows:

(a) Section 305 of the Act (7 U.S.C. 206) is amended by inserting immediately before the period at the end thereof the following: ": *Provided*, That rates and charges based upon percentages of the gross sales prices of livestock shall not be prohibited merely because they are based upon such percentages rather than on a per head basis"; and

(b) Section 310 of the Act (7 U.S.C. 211) is amended by—

(1) in the introductory paragraph, striking out "unjust, unreasonable, or discriminatory" and inserting in lieu thereof "violative of section 304, 305, or 307";

(2) in subsection (a) thereof—

(A) striking out "just and reasonable" and inserting after the word "May" the following: "in accordance with the standard set forth in section 305";

(B) striking out "as both the maximum and minimum" and inserting in lieu thereof "as the maximum or minimum or both";

(C) inserting immediately before the semicolon at the end thereof ": *Provided*, That the Secretary shall prescribe the rate of charge, or rates or charges, on a percentage or per head basis at the election of the stockyard owner or market agency, or on any other basis elected by the stockyard owner or market agency unless the Secretary finds such other basis to be violative of section 305"; and

(3) in subsection (b), striking out "more or less than the rate or charge" and inserting in lieu thereof "other than the rate or charge or rates or charges".

SEC. 2. The Secretary of Agriculture shall appoint an interagency task force within the Department of Agriculture for the purpose of analyzing and recommending methods by which any livestock sellers, or their agents, may furnish to livestock marketing agencies, dealers, or packers, who purchase livestock or provide marketing services, information concerning the existence of any lien or security interest in or against such livestock. The Secretary shall submit a report of the findings and conclusions of such task force, including legislative recommendations, to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives no later than February 1, 1979.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to amend the Packers and Stockyards Act, 1921, and for other purposes.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-1053), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

BACKGROUND AND NEED

I.

In 1921, when Congress enacted the Packers and Stockyards Act, the Secretary of Agriculture was given jurisdiction over the reasonableness of rates at large terminal stockyards that were located for the most part at the major rail terminals. These stockyards had a virtual monopoly over commerce in livestock and they were regulated as public utilities.

With the passage of time, more and more of the Nation's livestock were marketed through smaller stockyards known as country auction markets, and there was some concern in the livestock industry over the fact that the Secretary had no jurisdiction over the reasonableness of the rates at these markets. In response to this concern, Congress, in 1958, amended the Packers and Stockyards Act to extend the jurisdiction of the Secretary of Agriculture to include the rates of all auction barns handling livestock transactions in commerce. It is estimated that nearly 2,000 such markets were thereby brought under the rate jurisdiction of the Secretary.

The newly regulated markets duly filed tariffs and a large number, if not a majority, of these tariffs reflected the longstanding practice of charging the consignor of livestock a commission for stockyard services which is usually expressed as a percentage of the price received for the animal. These commissions commonly range between 3 percent and 5 percent and such tariffs are known as percentage or value-based tariffs. The legislative history of the 1958 amendments discloses no congressional intention of tampering with the basis upon which rates and charges were established by the industry.

II.

In the early and mid-1970's, cattle prices fell and several auction barns filed new percentage tariffs with the Packers and Stockyards Administration of the Department of Agriculture seeking to increase their rates. However, the Packers and Stockyards Administration in a number of instances refused to accept these tariff increases and in two recent administrative proceedings forced markets to accept instead per head tariff schedules which produced significantly less revenue. The Packers and Stockyards Administration took the position that percentage tariffs are illegal under the Packers and Stockyards Act because charges vary depending upon the price received for the animal although the service provided by the auction barn is similar, if not identical. The Packers and Stockyards Administration further held that only tariffs which assess charges on a per head basis are acceptable. See In re *Giles Lowery Stockyards, Inc.*, P. & S. Docket No. 4782, 35 A.D. 267 (1976); and In re *Central Arkansas Auction Sale, Inc., et al.* P. & S. Docket Nos. 5249-5252 36 A.D. 764 (1977). The decisions of the USDA judicial officer in these cases were upheld in *Giles Lowery Stockyards* v. *Department of Agriculture* 565 F. 2d 321 (5th Cir., 1977), and *Central Arkansas Auction Sale, Inc.* v. *Bergland*, 570 F. 2d, 724 (8th Cir., 1978), and the Supreme Court has declined to further review these decisions. (See Nos. 77-1364 and 77-1366, cert. den. June 12, 1978, 46 Law Week 3762).

SHORT EXPLANATION

S. 3272, as reported by the Committee on Agriculture, Nutrition, and Forestry, amends the Packers and Stockyards Act to—

(1) Authorize, in addition to per head tariffs, the use of value based or percentage tariffs by firms selling livestock on a commission basis, or any other basis elected by the stockyard or market agency if the Secretary finds it not to be violative of the act; and

(2) Authorize the Secretary of Agriculture to prescribe maximum or minimum rates or charges or both.

The bill would also require the Secretary of Agriculture to appoint a USDA interagency task force to analyze and recommend methods by which sellers of livestock or their agents may disclose to livestock marketing agencies, dealers, or packers the existence of any lien or security interest in or against their livestock. The Secretary would transmit the findings and conclusions of the task force, including legislative recommendations, to the congressional agriculture committees before February 2, 1979.

Due to the tremendous growth in the number of posted stockyards, the monopoly theory under which livestock markets were first brought under regulation by Congress in 1921 is no longer appropriate. Auction markets are frequently located within close proximity to each other and aggressively compete with one another for livestock. The recent Federal investigations into the rates at auction markets have proven exceedingly costly to both the Government and the market operators and have prompted decisions by the USDA judicial officer outlawing a form of tariff employed by a great portion of the industry for more than half a century. (The Secretary of Agriculture estimates that at least 900 livestock marketing agencies employ percentage or value-based tariffs. The decisions themselves reflect the difficulty of applying a monopoly theory of public utility regulation to numerous small independently owned auction barns (which agressively compete with one another) and could have the effect of eliminating the smaller auction barns, allegedly in the interest of marketing efficiency. (See e.g. *Central Arkansas, supra*, 36 A.D. 764 at 822-823.)

The continued availability of competitive, reasonably priced, and conveniently located livestock marketing channels is essential, particularly for small producers. Competition in livestock marketing channels will best serve the public interest in assuring the reasonableness of rates at the thousands of auction markets across the country. This competition is best assured by allowing the individual auction markets to choose their own tariff basis, so long as it is not violative of the Packers and Stockyards Act.

TIME-LIMITATION AGREEMENT—S. 2796

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, this request having been cleared on both sides, that at such time as S. 2796, a bill to amend the Consumer Product Safety Act, to extend the authorization of appropriations, and for other purposes, is called up and made the pending business of the Senate, there be a time agreement on it as follows: 10 minutes on the bill to be equally divided between Mr. FORD and Mr. SCHMITT; 6 minutes on an amendment by Mr. SCHMITT, to be equally divided in accordance with the usual form;

and no other amendments except committee amendments which will be offered by Senator FORD, with a time limitation on any amendment to an amendment of 10 minutes, to be equally divided in accordance with the usual form, and with the same time limitation of 10 minutes on any debatable motion in relation thereto, appeal, or point of order if such is submitted to the Senate for discussion.

Mr. STEVENS. Mr. President, does the Senator reserve the right to call this bill up at his discretion?

Mr. ROBERT C. BYRD. Yes.

Also, that the majority leader may be authorized to call up the bill at any time.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That the Majority Leader be authorized to call up at any time S. 2796 (Order No. 819), a bill to amend the Consumer Product Safety Act to extend the authorization of appropriations, and for other purposes, and that when the Senate proceeds to its consideration, no amendments shall be in order (except committee amendments and an amendment by the Senator from New Mexico (Mr. Schmitt), on which there shall be 6 minutes); debate on any amendment to such amendments shall be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 10 minutes, to be equally divided and controlled, respectively, by the Senator from Kentucky (Mr. Ford) and the Senator from New Mexico (Mr. Schmitt): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ORDER FOR CONSIDERATION OF H.R. 13125

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the majority leader may be authorized to call up H.R. 13125, an act making appropriations for agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1979, and for other purposes, anytime after this week. I have cleared this with the minority leader.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. STEVENS. I believe it is anytime after Monday morning.

Mr. ROBERT C. BYRD. That is correct.

Mr. STEVENS. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. If the Senator will yield, I understand that when we finish the supplemental appropriations bill, we will bring up the legislative appropriations bill and also the HUD appropriations bill. Then the agricultural appropriations bill would come after that.

Mr. ROBERT C. BYRD. No. This merely gives the majority leader autnority to call it up at any time after this week.

Mr. MAGNUSON. I have told many members of the committee that that would be sort of the general agenda today.

Mr. ROBERT C. BYRD. The agriculture bill would not be called up today.

I thank the distinguished Senator from Washington.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1978

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized to call up H.R. 13467.

Mr. ROBERT C. BYRD. Mr. President, under the authority granted me by the order previously entered, I ask that the Chair lay before the Senate Calendar Order No. 985, the Second Supplemental Appropriation.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

Calendar No. 985, a bill (H.R. 13467) making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

Mr. STEVENS. Mr. President, will the Senator withhold that for one moment?

Mr. MAGNUSON. Yes.

Mr. STEVENS. Mr. President, I ask unanimous consent that Mary Wise be permitted access to the floor on my behalf today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. To which side does the Senator wish the quorum call charged, or does he seek unanimous consent to charge it to both sides?

Mr. STEVENS. To both sides equally, Mr. President.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The time for debate on this measure is limited to 1 hour, to be equally divided between and controlled by the Senator from Washington (Mr. MAGNUSON) and the Senator from North Dakota (Mr. YOUNG), with 30 minutes on any amendment except one by Senator BUMPERS, on which there shall be 1 hour, one by Senators LAXALT and DECONCINI, on which there shall be 1 hour, an done by Senator CHAFEE, on which there shall be 1½ hours, on which no point of order shall lie on the basis of germaneness or legislation on an appropriation bill; and with 15 minutes on any debatable motion, point of order, or appeal.

The Senator from Washington.

Mr. MAGNUSON. Mr. President, this is labeled the second supplemental appropriations bill. That is a little bit of a misnomer. We have already had eight supplemental bills out of the Appropriations Committee up to date, but some of them have been directed to specific matters, and I suppose, because of the variations of this bill, which contains funds for virtually every department and agency of Government, and because of its broad scope, it probably could be appropriately named the "Second Supplemental."

The total amount contained in the bill reported by the Appropriations Committee for the fiscal year 1978 supplemental is $6,637,650,686.

This amount is $304,261,500 above the House, and $530,796,300 below the President's budget estimates. The principal reason for the substantial increase above the House is that the Senate considered several supplemental estimates submitted by the President and the administration after the legislation had been acted on by the House.

That has been an increasing problem for the Appropriations Committee, and I do not know how, but we have just got to be doing something about it. One department will send up an urgent supplemental, and by the time the House acts on it, another one comes in, or they will send up a change in the amount, such as they did on SBA yesterday. But anyway, that is the principal reason for the Senate figure being above that of the House. The largest of these was $378 million for the Small Business Administration for the disaster loan fund.

That came about, of course, because of a succession of disasters this year, the drought and all these other matters involving farmers, mainly, and the seeming inability downtown to work on these applications after they came in. There was a time when 6 months had gone by before they even had the application blanks ready for the farmers who were hurting in this matter.

Finally they came up, and we find that they amount to about $378 million. Overall, however, the Senate considered budget estimates totaling $7,168,446,986. This was $492,560,500 more than the estimates considered by the House and, even though we considered almost $500 million more than the House, we ended up reporting only $300 million more than the House, cutting 40 percent from the additional amounts considered.

A summary table on pages 4 through 6 of the report shows a chapter-by-chapter breakdown of the bill on a comparative basis, and I will briefly review that shortly.

Title I of the bill includes general program supplemental items for the various departments and agencies.

Title II of the bill—I have been discussing title I items—includes the costs associated with the October 1, 1977, general Government pay raise.

This is mandatory, and the bill includes an extra amount to take care of that October 1, 1977 pay raise. In Title II, the committee recommends the appropriation of $3,218,507,136 for payment of the general government pay raise. This is a reduction of $71,173,300 below the budget request for pay costs. I would like to point out that nearly 20 percent of the pay and related costs for fiscal year 1978 pay raises have been absorbed by the agencies—and we should compliment the agencies on this—without any increase in the appropriated amounts. The total estimate of the pay raises was $4.1 billion in fiscal year 1978.

Title III of the bill includes the general provisions.

Mr. President, I would like to point out that this bill is called the Second Supplemental Appropriations Act. I would like to note that this bill is the eighth supplemental to be considered in the Senate since the Second Session of the 95th Congress began. Earlier this year, the Senate passed the following supplementals: The Urgent Power Supplemental (H.J. Res. 746), the Urgent Disaster Supplemental (H.J. Res. 796), the United States Railway Supplemental (H.J. Res. 859), the Disaster Loan Supplemental (H.J. Res. 873), the Black Lung Supplemental (H.J. Res. 945), the Grain Inspection Services Supplemental (H.J. Res. 944), and the Agriculture Supplemental (H.J. Res. 1024). Our committee is concerned with the increased number of supplementals in recent years. We suggest that the Office of Management and Budget take steps to insure that this does not happen during the 1979 fiscal year. The committee feels that the use of supplemental funding should only occur under circumstances beyond the control of the initial planning stages. To achieve this goal, the committee would suggest that the initial planning stages in the administration of programs by the Office of Management and Budget be done a little more effectively in order to assure that there is more program planning and less supplemental spending.

Mr. President, this is the 8th supplemental to be considered by this Congress.

The committee is in a mood right now where it feels that if any more supplementals show up, we should not even call a meeting to consider them. Maybe that is the way to shake them up downtown, so that they will be on time for what they consider to be their urgent needs.

Chapter I of the bill provides funds for the Department of Agriculture and related agencies. The total budget estimates considered were $6,136,000. The Senate committee recommendation is $151,226,000—an increase of $145,090,000 over the budget estimates and a decrease of $36,480,000 under the House bill. The principal increase in this area was for rural water and waste disposal grants, $50 million; and watershed and flood prevention operations, $80 million.

Chapter II of the bill provides supplemental appropriations for Foreign Assistance Act activities. The budget estimates were $38,394,000. The committee recommends $22,040,000—a decrease of $16,354,000 below the budget estimate and an increase of $790,000 above the House bill.

Chapter III of the bill provides supplemental funds for the Department of Housing and Urban Development and independent agencies, such as the Environmental Protection Agency. The budget estimates total $560,777,000. The committee recommends $539,553,000—a decrease of $21,224,000 below the budget estimate and an increase of $1 million above the House bill.

Chapter IV concerns the Department of the Interior and related agencies. Budget estimates total $507,547,000. The committee recommends an appropriation of $542,161,000—an increase of $34,614,000 above the budget estimates and a decrease of $29,074,000 below the House allowance.

Chapter V of the bill provides funds for the Department of Labor and the Department of Health, Education, and Welfare. The budget estimates total $487,752,000. The committee recommends appropriations of $282,725,000—a decrease of $205,027,000 below the budget estimates and a decrease of $96,949,000 below the House bill.

Chapter VI provides supplemental appropriations for the legislative branch. The budget estimates total $60,027,550. The committee recommends appropriations of $19,207,550—a decrease of $40,820,000 below the budget estimate and an increase of $10,144,500 above the House bill.

For military construction, the committee considered supplemental appropriations of $73,540,000. Although concerned over the potential erosion which is resulting from foreign currency reevaluation, the committee has not recommended any supplemental appropriations for fiscal year 1978. This is entirely due to the lack of authorizing legislation. This position is consistent with the action taken by the House.

Chapter VII provides funds for the Department of Energy. The budget estimates totaled $5,350,000. The committee recommends supplemental appropriations of $8,700,000—an increase of $3,350,000 above the budget estimates and concurrence with the House bill.

Chapter VIII provides funds for the Departments of State, Justice, Commerce, the Judiciary, and related agencies. The committee considered estimates totaling $665,594,000. The committee recommends appropriations of $656,121,000—a decrease of $9,473,000 below the budget estimates and an increase of $399,349,000 above the House. As I indicated before, this is due almost entirely to the Small Business Administration disaster loan fund supplemental which the committee considered and the House did not.

Chapter IX of the bill provides funds for the Department of Transportation and related agencies. The committee considered budget estimates of $93,429,000 and recommends appropriations of $131,044,000. This sum is $37,615,000 above the budget estimates and $82 million above the House bill. In this case, the principal reason for the increase above the budget estimates is the inclusion of an acquisition, construction, and improvements appropriation of $60 million for the Coast Guard for a replacement ice breaker.

Chapter X of the bill provides funds for the Treasury Department, Postal Service, and related agencies. The budget estimates for these agencies total $632,220,000. The committee recommendation is for a supplemental appropriation of $551,600,000—a decrease of $80,620,000 below the budget estimates and an increase of $2 million above the House bill.

Chapter XI of the bill provides funds for the Department of Defense. The budget estimates total $748 million. The committee has recommended appropriations of $514,766,000—a decrease of $233,234,000 below the budget estimate and $85 million below the House bill.

That completes my opening statement, Mr. President, and I will soon yield for any questions which any Members of the Senate may have. The chairmen of the subcommittees are also present to answer those questions.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment, with no points of order being waived thereby.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 6, strike "$3,675,000" and insert "$1,455,000";

On page 3, line 3, strike "$5,260,000" and insert "$1,000,000";

On page 3, beginning with line 16, insert the following:

AGRICULTURAL CONSERVATION PROGRAM

Of the funds appropriated under this head in the Supplemental Appropriations Act, 1978, $30,000,000 are rescinded.

On page 4, line 15, strike "$8,500,000" and insert "$9,500,000";

On page 4, line 23, strike "$7,480,000" and insert "$7,270,000";

On page 6, beginning with line 13, insert the following:

VETERANS INSURANCE AND INDEMNITIES

For an additional amount for "Veterans Insurance and Indemnities", $1,000,000, to remain available until expended.

On page 8, line 13, strike "$21,310,000" and insert "$19,310,000";

On page 8, beginning with line 14, insert the following:

CONSTRUCTION

For an additional amount for "Construction", $825,000, to remain available until expended.

On page 8, line 20, strike "$54,000,000" and insert "$39,000,000";

On page 8, line 20, strike "$40,000,000" and insert "$25,000,000";

On page 9, line 1, strike "$7,809,000" and insert "$5,049,000";

On page 9, line 8, strike "$204,000,000" and insert "$194,000,000";

On page 10, beginning with line 22, strike through and including page 11, line 2;

On page 12, beginning with line 5, insert the following:

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION SALARIES AND EXPENSES

Of the amount appropriated under this head for fiscal year 1978, the restriction on the amount which shall be available for reimbursement to States under section 7(c)(1) of the Occupational Safety and Health Act of 1970 (29 U.S.C. 656(c)(1)) for furnishing consultation services for employers under section 21(c) of such act (29 U.S.C. 670(c)) is increased by $2,000,000.

On page 13, line 8, strike "$2,323,000" and insert "$1,900,000";

On page 13, after line 14, insert the following:

CENTER FOR DISEASE CONTROL

For an additional amount for design and engineering for construction of an addition to the Appalachian Laboratory for Occupational Safety and Health, $1,500,000.

On page 13, beginning with line 15, strike through and including page 14, line 2;

On page 14, beginning with line 5, strike through and including line 6;

On page 14, beginning with line 13, strike through and including page 15, line 3;

On page 15, line 19, strike "$223,939,000" and insert "$180,000,000";

On page 15, line 24, strike "304" and insert "301";

On page 15, line 24, strike "$600,000" and insert "$2,400,000";

On page 16, beginning with line 1, insert the following:

SPECIAL INSTITUTIONS

Gallaudet College, Howard University, the National Technical Institute for the Deaf, and the American Printing House for the Blind are authorized to make purchases through the General Services Administration.

On page 16, beginning with line 13, strike through and including line 15;

On page 17, beginning with line 14, insert the following:

SENATE

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Maryon Pittman Allen, widow of James B. Allen, late a Senator from the State of Alabama, $57,500.

COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS AND EXPENSE ALLOWANCES OF THE VICE PRESIDENT, PRESIDENT PRO TEMPORE, THE LEADERS OF THE SENATE

EXPENSE ALLOWANCES OF THE VICE PRESIDENT, PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS AND MAJORITY AND MINORITY WHIPS

For an additional amount for "Expense Allowances of the Vice President, President Pro Tempore, Majority and Minority Leaders and Majority and Minority Whips", $10,000 for the President Pro Tempore, $10,000 for the Majority Leader, and $10,000 for the Minority Leader; in all $30,000; *Provided*, That, these funds shall remain available for such respective allowances through September 30, 1979. Effective fiscal year 1978 and each fiscal year thereafter, the expense allowances of the Majority and Minority Leaders of the Senate are increased to $10,000 each fiscal year for each leader. Effective with fiscal year 1978 and each fiscal year thereafter, there is hereby authorized an expense allowance for the President Pro Tempore which shall not exceed $10,000 each fiscal year. The President Pro Tempore may receive the expense allowance (1) as reimbursement for actual expenses incurred upon certification and documentation of such expenses by the President Pro Tempore, or (2) in equal monthly payments. Such amounts paid to the President Pro Tempore as reimbursement of actual expenses incurred upon certification and documentation pursuant to this provision, shall not be reported as income, and the expenses so reimbursed shall not be allowed as a deduction, under the Internal Revenue Code of 1954.

SALARIES, OFFICERS AND EMPLOYEES

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For an additional amount for "Offices of the Majority and Minority Leaders", $110,000, to remain available for obligation until September 30, 1979: *Provided*, That, the amount authorized for the offices of the Majority and Minority Leaders is increased by $50,000 each fiscal year for each Leader.

CONTINGENT EXPENSES OF THE SENATE

POSTAGE STAMPS

For an additional amount for "Postage Stamps", $2,000, to remain available for obligation until September 30, 1979: *Provided*, That, effective with the fiscal year ending September 30, 1978, the allocation for air mail and special delivery postage for the Office of the Secretary is increased to $4,625 each fiscal year.

ADMINISTRATIVE PROVISIONS

SEC. 101. Effective with the fiscal year ending September 30, 1978, the first sentence of section 101 of the Legislative Branch Appropriation Act, 1976 (2 U.S.C 61a–9a), as amended, is amended by striking out "$5,500" and inserting in lieu thereof "$7,500".

SEC. 102. Any funds made available for the purposes specified in section 109 of the Supplemental Appropriations Act, 1977, shall be transferred to and merged with the funds appropriated for such purposes for the fiscal year ending September 30, 1978.

SEC. 103. The seventh paragraph under the heading "Administrative Provisions" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), as amended, is amended by striking out "$35 per day;" and inserting in lieu thereof "the rates in effect under section 5702 of title 5, United States Code, for employees of agencies;", and by striking out "$50 per day" and inserting in lieu thereof "the daily rate in effect under section 5702 of title 5, United States Code, for employees of agencies".

SEC. 104. (a) Effective November 1, 1978, in lieu of the seventeen statutory positions designated for the Stationery Room, the Secretary of the Senate may establish such number of positions in the Stationery Room (but not less than fifteen), as he determines necessary for the proper and efficient discharge of its functions, and to designate the titles and fix the compensation of such positions: *Provided*, That, upon implementation of the authority contained in this subsection, the Secretary of the Senate shall transfer to the positions so established those individuals employed in the Stationery Room on October 31, 1978, and may appoint individuals to any remaining positions so established or to any position which is established after November 1, 1978, or becomes vacant after that date.

(b)(1) The aggregate annual gross compensation (other than longevity and merit compensation) paid to employees appointed to the positions established under subsection (a) shall not exceed for any fiscal year $287,474 (A) increased by the percentage specified for positions under the jurisdiction of the Secretary of the Senate in the last Order of the President Pro Tempore of the Senate issued before November 1, 1978, under authority of section 4 of the Federal Pay Comparability Act of 1970, and adjusted to the next higher multiple specified in such Order, and (B) increased and adjusted as provided in Orders of the President Pro Tempore of the Senate issued after November 1, 1978, under authority of such section.

(2) The aggregate of payments of gross compensation (other than longevity and merit compensation) paid to employees appointed to positions established under subsection (a) shall not exceed at any time during each fiscal year one-twelfth of the amount specified in paragraph (1) multiplied by the number of months (counting a fraction of a month as a month) which have elapsed during that fiscal year.

(c) Nothing in this section shall be construed as abolishing the seventeen statutory positions designated for the Stationery Room, but in no event shall such positions be available during a period in which the Secretary is utilizing his authority under subsection (a) of this section.

SEC. 105. (a) Upon the recommendation of a Senator-elect (other than an incumbent Senator or a Senator elected to fill a vacancy), the Secretary of the Senate shall appoint two employees to assist such Senator-elect. Any employee so appointed shall serve through the day before the date on which the Senator-elect recommending his appointment commences his service as a Senator, except that his employment may be terminated before such day upon recommendation of such Senator-elect.

(b)(1) Salaries of employees appointed under subsection (a) shall be paid from the appropriation for "Administrative, Clerical, and Legislative Assistance to Senators".

(2) Salaries paid to employees appointed upon recommendation of a Senator-elect under subsection (a) shall be charged against the amount of compensation which may be paid to employees in his office under section 105(d) of the Legislative Branch Appropriation Act, 1968, as amended and modified (2 U.S.C. 61–1(d)) (hereinafter referred to as the "clerk-hire allowance"), for the fiscal year in which his service as a Senator commences. The total amount of salaries paid to employees so appointed upon recommendation of a Senator-elect shall be charged against his clerk-hire allowance for each month in such fiscal year beginning with the month in which his service as a Senator commences (until the total amount has been charged) by whichever of the following amounts is greater: (1) one-ninth of the amount of salaries so paid, or (2) the amount by which the aggregate amount of his clerk-hire allowance which may be paid as of the close of such month under section 105(d)(1)(B) of such Act exceeds the aggregate amount of his clerk-hire allowance actually paid as of the close of such month.

(c) Each Senator-elect and each employee appointed under subsection (a) is authorized one round trip from the home State of the Senator-elect to Washington, D.C., and return, for the purposes of attending conferences, caucuses, or organizational meetings, or for any other official business connected with the impending Congress. In addition, each Senator-elect and each such employee is authorized per diem for not more than seven days while enroute to and from Washington, D.C., and while in Washington, D.C. Such transportation and per diem expenses shall be in the same amounts as are payable to Senators and employees in the office of a Senator under section 506(e) of the Supplemental Appropriations Act, 1973 (2 U.S.C.

58), and shall be paid from the contingent fund of the Senate upon itemized vouchers certified by the Senator-elect concerned and approved by the Secretary of the Senate.

(d)(1) Each Senator-elect is authorized to be reimbursed for expenses incurred for telegrams and telephone services related to his position as a Senator-elect in an amount not exceeding one-twelfth of the total amount of expenses authorized to be paid to or on behalf of a Senator from the State which he will represent under section 506 of the Supplemental Appropriations Act, 1973. Reimbursement to a Senator-elect under this subsection shall be paid from the contingent fund of the Senate upon itemized vouchers certified by such Senator-elect and approved by the Secretary of the Senate.

(2) Amounts reimbursed to a Senator-elect under this subsection shall be charged against the amount of expenses which are authorized to be paid to him or on his behalf under section 506 of the Supplemental Appropriations Act, 1973, for each of the twelve months beginning with the month in which his service as a Senator commences (until all of such amounts have been charged) by whichever of the following amounts is greater: (1) one-twelfth of the amounts so reimbursed, or (2) the amount by which the aggregate amount authorized to be so paid under section 506(c) of such Act as of the close of such month exceeds the aggregate amount actually paid under such section 506 as of the close of such month.

(e) This section shall take effect on October 1, 1978.

On page 26, beginning with line 9, insert the following:

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

For the comprehensive evaluation of energy policy alternatives, $1,000,000, to remain available until expended, and for ten staff employees to be available for the life of the project, notwithstanding any limitation currently or hereafter imposed by law.

On page 27, line 4, strike "$595,000" and insert "$655,000";

On page 57, line 4, strike "$575,000" and insert "$635,000";

On page 27, beginning with line 15, insert the following:

SENATE OFFICE BUILDINGS

For an additional amount for "Senate Office Buildings", $1,110,000, to remain available until expended.

On page 28, beginning with line 1, insert the following:

LIBRARY OF CONGRESS JAMES MADISON MEMORIAL BUILDING

For an additional amount for "Library of Congress James Madison Memorial Building", $7,675,000, to remain available until expended.

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $100,000, to remain available for obligation until September 30, 1979.

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SALARIES AND EXPENSES

The proviso in the paragraph under this heading in the Legislative Branch Appropriation Act, 1978 (Public Law 95-94), is amended by striking out "$3,000,000" and inserting in lieu thereof "$3,500,000".

On page 29, beginning with line 12, insert the following:

GENERAL PROVISION

The period of July 1, 1976 through September 30, 1976 shall be treated as a fiscal year for the purposes of section 7 of the Flood Control Act of 1941, as amended (U.S.C. 701c-3).

On page 30, line 20, strike "$900,000" and insert "$727,000";

On page 30, line 20, beginning with the colon, strike through and including the word "Nations" in line 24;

On page 31, line 24, strike "$1,445,000" and insert "$4,495,000, of which $3,050,000 shall be available for payments to United States Deputy Marshals for overtime duties performed between 1972 and 1978";

On page 32, line 15, strike "$106,000,000" and insert "$117,000,000";

On page 33, line 12, strike $549,000" and insert "$1,749,000";

On page 33, beginning with line 14, insert the following:

NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION

FACILITIES

For renovation of facilities as authorized by the Act of October 29, 1974 (88 Stat. 1535-1549) $3,150,000, to remain available until September 30, 1980.

On page 34, line 1, after "capital" insert a colon and the following:

Provided, That not to exceed $200,000 may be reprogrammed from the fiscal year 1978 appropriations to be used for construction and installation of improvements to existing National Bureau of Standards buildings.

On page 34, beginning with line 11, insert the following:

MARITIME ADMINISTRATION

OPERATIONS AND TRAINING

For an additional amount for "Operations and training", $750,000.

On page 36, beginning with line 15, insert the following:

SMALL BUSINESS ADMINISTRATION

DISASTER LOAN FUND

For an additional amount for the "Disaster Loan Fund", $378,000,000: *Provided*, That "$375,000,000 of such amount shall remain available without fiscal year limitation and $3,000,000 shall be transferred to 'Salaries and expenses'.

On page 37, beginning with line 16, insert the following:

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, share facilities, vessels, and aircraft, including equipment related thereto; $60,000,000 to remain available until expended.

On page 38, line 15, beginning with "for" strike through and including the word "expended" in line 16, and insert in lieu thereof the following: ", $51,500,000, to remain available until expended, of which not more than $29,500,000 shall be available for operating losses and not more than $22,000,000 shall be available for capital improvements";

On page 40, line 9, strike "$5,400,000" and insert "$9,900,000";

On page 40, line 11, strike "$4,100,000" and insert "$1,600,000";

On page 43, line 11, strike "$169,487,000" and insert "$69,487,000, and in addition, $100,000,000 which shall be derived by transfer from 'Secretary of Defense Readiness Fund, 1978' ";

On page 43, line 16, strike "$57,900,000" and insert "$66,400,000";

On page 43, line 19, strike "$16,298,000" and insert "$22,798,000";

On page 45, beginning with line 10, insert the following:

"Senate office buildings", $484,600;

"Senate garage", $8,400;

On page 53, line 6, strike "$384,133,000" and insert "$441,133,000";

On page 53, line 8, strike "$257,851,000" and insert "$266,551,000";

On page 53, line 12, strike "$19,325,000" and insert "$10,625,000";

On page 59, line 2, after 'Administration' insert "and $6,000,000 shall be provided by transfer form the appropriation for 'Flood insurance' ";

On page 72, beginning with line 25, strike through and including page 73, line 5, and insert in lieu thereof the following:

SEC. 303. (a) Section 8332 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(1) An individual who is entitled to an annuity upon separation from service as a congressional employee may be allowed credit for service as an employee of the Democratic Senatorial Campaign Committee, the Republican Senatorial Campaign Committee, the Democratic Congressional Committee, or the Republican National Congressional Committee if such employee makes the deposit provided for in section 8334(c) of this title with respect to congressional employees for such service. The period of service which may be credited under this subsection by any individual shall not exceed 10 years.".

(b) The amendment made by subsection (a) shall apply to individuals who are entitled to annuities upon separation from service as congressional employees on or after the date of the enactment of this Act.

SEC. 304. The Supplemental Treasury and Post Office Departments Appropriation Act, 1949 (62 Stat. 561), also known as the Act of June 19, 1948, is amended by adding at the end thereof the following:

"No disbursement may be made from the appropriation to the Treasury Department entitled "Bureau of Internal Revenue Refunding Internal-Revenue Collections" except (a) refunds to the limit of liability of an individual tax account, and (b) refunds due from any credit provisions of the Internal Revenue Code enacted prior to January 1, 1978.".

Mr. YOUNG. Mr. President, I support the comments of the distinguished chairman of the Committee on Appropriations, Mr. MAGNUSON. I would like to make a few brief comments in support of this supplemental appropriations bill as reported by the committee.

The budget request for this bill is $7,168,446,986. The committee is recommending $6,637,650,686, which is $530,796,300 below the budget estimate and $304,261,500 above the House. The committee reduction is 7.4 percent below the budget estimate.

The primary purpose of this supplemental appropriations bill is to provide for increased pay costs caused by automatic cost-of-living pay increases, as authorized by law. $3.2 billion of the $6.6 billion recommended by the committee is for the increased pay costs for active military and civilian personnel. In addition, there are other compensation, pension and retired pay costs included in this bill, which are mandated by law. Examples of such requirements are veterans' compensation and pensions in the amount of $489.6 million, civil service retirement and disability fund in the amount of $428.7 million, retired pay for Defense in the amount of $169.6 million.

The remaining items in the bill consisting of funds for land and water conservation fund, $205 million; fire suppression costs, $256 million; student loan insurance fund, $180 million; economic

development assistance program, $117 million; Postal Service, $91 million; Small Business Administration, $378 million.

Mr. President, the Committee on Appropriations is very mindful of its responsibilities to hold hearings, review and evaluate budget requests in detail and to make reductions to the maximum extent possible and at the same time permit the agencies of our Government to function efficiently. I believe that on this supplemental appropriations bill the members of the committee and all of the subcommittees involved have carried out their responsibilities by cutting $530.7 million below the budget estimate, which is a 7.4 percent reduction.

Mr. President, this bill involves 10 of the 13 appropriations subcommittees. I hope that Members who seek amendments to this bill will state their desires in advance so that we can ensure that the proper subcommittee members and staff are available when they bring up their amendments.

I urge my colleagues to support the bill as reported by the committee.

Mr. President, I would hope on this bill there will be no percentage cutback offered. These are all practically mandatory and very necessary expenditures. I do not know how we could apply a percentage cutback.

Mr. President, I do hope there will be no amendments offered to this bill.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mr. MAGNUSON. Mr. President, I wish to express my appreciation to the Appropriations Committee members and our staff for the manner in which they have handled these numerous supplemental appropriations requests. It has been a more difficult job than handling the regular appropriations bills. I hope this will not occur again.

Mr. President, the subcommittee chairmen have been notified to be here. I see the Senator from Rhode Island wants to speak. I presume he has an amendment which deals with the part of the supplemental involving the so-called Hart Building. Is that correct?

Mr. CHAFEE. That is correct.

Mr. MAGNUSON. If that is correct, the Senator from Pennsylvania is here but Senator SASSER, the chairman of that subcommittee, is not here. We are trying to reach him now. Senator HOLLINGS is also interested in the matter. The best I can think of right now, because Senator CHAFEE is the only member I see who is ready, is to suggest the absence of a quorum until other members have arrived in the Chamber.

The ACTING PRESIDENT pro tempport. Does the Senator wish the time to be charged equally to both sides?

Mr. MAGNUSON. Yes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that Polly Gault and John Casciotti of my staff and Wendy Wertheimer, Mary Frances Lowe, David Main, Robert Rubin, David Winston, and Larry Horowitz of the Human Resources Committee staff be granted the privilege of the floor during debate and votes on the supplemental appropriations bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that, throughout the votes and deliberation today, Martin Frank and Leslie Hayes of my staff may have the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Richard Arnold and Ark Monroe of my staff be granted the privilege of the floor during debate and votes on this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BUMPERS. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Does the Senator ask unanimous consent that that be charged equally to both sides?

Mr. BUMPERS. Yes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. (HUDDLESTON). Without objection, it is so ordered.

AGRICULTURE

● Mr. EAGLETON. Mr. President, the second supplemental includes total appropriations of $280,040,000 for Agriculture programs. This consists of $98,814,000 for increased pay costs which cannot be absorbed, $2 million below the budget request, and $181,226,000 in program supplementals, which is $145,090,000 above the budget request, but $6,480,000 less than the House bill. In addition, we are recommending a rescission of $30 million as proposed by the President for a drought and flood conservation program. This rescission was never acted upon by the House.

The bill includes $1,455,000 for the Animal and Plant Health Inspection Service. This amount consists of $1,255,000 requested for inspection and quarantine activities, and $200,000 for gypsy moth control. Other House increases for the Animal and Plant Health Inspection Service have been deleted since they cannot effectively use the money or pursue the recommended programs.

An appropriation of $50 million is included in order to bring rural water and waste disposal grants up to the authorized level. In the area of flood prevention and conservation, there is $80 million in the bill for section 216 emergency flood prevention operations as well as $20 million for emergency conservation measures. Page 9 and page 11 of the report outline the States where there are requests outstanding for these funds.

The bill also includes $20 million for subscription to capital stock of the Federal Crop Insurance Corporation. Although additional cash is badly needed, the committee is hopeful that comprehensive crop insurance and disaster program reform legislation, which has been pending for at least 2 years, will be enacted soon to avoid future requests of this nature.

The bill also includes $7.7 million for the Soil Conservation Service for starting on work to implement the Soil and Water Resource Conservation Act and the Rural Clean Water Act.

For salaries and expenses, the bill includes $121,000 for the Commodity Futures Trading Commission and $1 million for the Farmers Home Administration, the amounts that can be spent for additional staff during the time remaining in the fiscal year. Although the committee was very sympathetic to increased FmHA staffing needs, we feel it would be better to fund additional Farmers Home personnel in fiscal year 1979 since few additional personnel can be hired this year. The regular 1979 Agriculture appropriations bill has been reported with $20 million for additional Farmers Home personnel.

Finally, the bill includes a rescission of $30 million for the drought and flood conservation program. This rescission was proposed by the President, but was not acted on by the House. The funds are not needed, and their rescission will have no program impact.●

FOREIGN OPERATIONS

● Mr. INOUYE. In chapter II on Foreign Assistance Act activities the committee recommends two amendments:

First. An increase of $1 million for an additional U.S. contribution of $9.5 million equaling the budget request. Additional detail appears on page 14 of the committee report.

Second. A reduction of $210,000 in migration and refugee assistance funds. This reduction would provide $300 in reception and placement grants for Indochinese refugees rather than $350 as requested. Senator SCHWEIKER made this amendment in committee and details are provided on page 17 of the committee report.●

CHAPTER III

● Mr. PROXMIRE. Mr. President, the Senate Appropriations Committee has recommended $539,553,000 in supplemental funding under chapter III of H.R. 13467, for the Department of Housing and Urban Development, the Environmental Protection Agency, the National Commission on Air Quality, and the Veterans' Administration. The amount recommended for chapter III is $21,224,000 below the budget estimate and only $1,000,000 more than the House approved bill.

The major portion of the $539,553,000 contained in chapter III consists of

$24,300,000 for rent supplements under the rent supplement program at the Department of Housing and Urban Development; $8,000,000 for the air pollution abatement and control program at the Environmental Protection Agency; and $489,600,000 for increased veterans compensation and pension payments. Specifically, the $24,300,000 for rent supplements would provide 1-year, stop-gap rent supplement assistance, pending implementation of the new troubled projects operating subsidy program. The $8,000,000 under EPA abatement and control would provide support to State and local agencies in the development of revised State implementation plans (SIP's) under the provisions of the Clean Air Act Amendments of 1977. Finally, the $489,600,000 recommended for veterans' compensation and pensions would cover cost-of-living increases authorized by legislation passed late last year.

The amount recommended by the committee is identical to the funding provided by the House with the exception of an addition of $1,000,000 for veterans insurance in accordance with a recently received supplemental budget request, not considered by the House.

The committee has also recommended a total of $295,061,000 for pay increases for the agencies under the jurisdiction of the HUD-Independent Agencies Subcommittee, which is $16,084,000 below the budget request of $311,145,000. The amount recommended is $6,000,000 below the House due to a reduction in HUD's pay costs accompanied by language transferring $6,000,000 into this account from the flood insurance program.

Mr. President, again, the amount recommended by the committee is $21,224,000 below the budget request, while the figure recommended for the pay raise portion of the bill under the jurisdiction of the HUD-Independent Agencies Subcommittee is $16,084,000 below the budget request of $311,145,000 and $6,000,000 below the House approved figure.●

CHAPTER IV

● Mr. ROBERT C. BYRD. Mr. President, for chapter IV, covering the Department of the Interior and related agencies, the committee recommends total appropriations of $542.2 million. This includes $326.5 million for the Interior Department and $215.6 million for the Forest Service, the Department of Energy, and several other related agencies. The recommendation for chapter IV is $34.6 million over the budget estimates and some $29 million under the House allowance.

For the Interior Department, the committee has approved the budget requests for firefighting costs on public lands under the jurisdiction of three agencies. The committee also has approved the full $205 million requested for partial costs of the Redwoods National Park legislative taking. For the Bureau of Indian Affairs, the committee has added $5.6 million for self-determination contract support costs and $825,000 to accommodate repair of flood damages on two Indian irrigation projects. The recommendation for territorial affairs includes an increase of $25 million to purchase a hospital facility on Guam. The total territorial allowance deletes unbudgeted House increases totaling $17.8 million.

Under related agencies, the committee has agreed to House increases for solvent refined coal technology and regulatory costs. Otherwise there is general agreement with budget and House amounts with two exceptions. Under the Forest Service, presuppression activities not tied directly to fire occurrences have been reduced by $10 million. The other adjustment is deletion of funding for the Joint Federal-State Land Use Planning Commission for Alaska since the State legislature has not provided required matching funds.●

● Mr. MAGNUSON. Mr. President, chapter 5 of the second supplemental bill before you deals with the Departments of Labor and Health, Education, and Welfare, The President requested $488 million for these programs, and the committee cut this amount nearly in half, by $208 million, down to $280 million. This is $100 million below the House level.

Some of you may think we have been too tough in cutting back these requests so sharply, but the administration seems to be coming up all the time with new supplemental requests that could have been included in their original budget submission. I do not know why these could not have been included in the regular bill. Coming up with an appropriations request at this point in the fiscal year for $224 million for the student loan insurance fund, for example. The committee trimmed that back by $44 million, down to $180 million.

A request for repairs to St. Elizabeths Hospital of $55 million was also turned down, although the House had accepted most of this request. For years the committee has been asking for a comprehensive plan for mental health services in the District of Columbia. Until we get that plan and get a commitment from the District government for the ultimate disposition of that facility, we are not going to keep pouring money into it. I think Senator LEAHY might want to take a look at this situation in the District of Columbia Appropriations Subcommittee.

Mr. President, I yield the floor for any discussion that my colleagues would like to have on any of these items.●

SECOND SUPPLEMENTAL APPROPRIATION BILL H.R. 13467

● Mr. SASSER. Mr. President, the total amount of chapter 6 relating to the legislative branch is $20 million which is: $10 million over the House allowance; and, $40 million below the budget request.

The principal item of increase over the House allowance is $7.7 million for the new James Madison Memorial Library building. Last June 13, the Senate passed S. 3112 which provided an additional $10 million authorization for the final stage of construction of the Madison building. The committee is recommending $7.7 million, a reduction of $2.3 million below the budget estimate. This amount should be sufficient to complete the building.

The principal reduction below the budget estimate is the denial of the $3.75 million budget request for the Hart building.

So far, the entire steel superstructure, as well as the stone and marble exterior, has been bought and paid for. The Architect of the Capitol still has in reserve a balance of $32 million in unobligated funds. The committee proposes that the shell of the building, which is already under contract, be completed and that the Architect then continue to finish the building with the $32 million currently available for that purpose.

On February 28, 1978, the Senate Office Building Commission requested the General Accounting Office to review the costs of the Hart building. The committee prefers to wait until it can fully consider that report before recommending for or against any additional funding for the Hart building.

Mr. President, these are the highlights of chapter 6. I shall be pleased to answer any questions the Members may wish to raise.●

SUMMARY OF CHAPTER VIII ITEMS—SECOND SUPPLEMENTAL

● Mr. JOHNSTON. Mr. President, the supplemental items in chapter 8 of the bill total $8,700,000 under title I, general supplements. This is the same amount as allowed by the House. However, the amount is $3,350,000 over the supplemental estimates submitted for our consideration. The difference between the recommendation and the estimate is due mainly to the denial of transfer authority in the amount of $3,350,000. I will briefly summarize the items and the purposes for which funds are recommended.

For the Department of Energy, $3,000,000 is recommended to accelerate the activities of the Federal Energy Regulatory Commission. This new Commission inherited tremendous backlogs from the abolished Federal Power Commission, and the President requested an amount of $3,305,000 in transfer authority to allow the new Commission to hire additional personnel to deal with this backlog and additional workload given to this organization under the Department of Energy Organization Act and other energy acts authorizations. The request for transfer authority, using funds appropriated for other purposes, was denied and the committee agreed with the House in providing new budget obligational authority instead of a transfer.

For the Army Corps of Engineers, the committee recommends the amount of $100,000 for general investigations and $2,000,000 for construction, general. These amounts are the same as provided by the House. Additionally, under general investigations, the committee recommended that the corps allocate $150,000 from within available funds for planning of the Sowashee Creek project authorized in 1976, and $55,000 from within available funds for study of the

Bethel, Alaska, waterfront which has been suffering severe erosion and deterioration. Details on these items are included in the committee report on pages 70 and 71. The $2,000,000 appropriation for construction, generally is for the engineering, design, and planning of the Montgomery to Gadsden Coosa River project as allowed by the House. The committee also recommends that the Chiefs of Engineers use an amount not to exceed $525,000 from within available construction, general funds to correct the damaging surge problem in Quivira Basin, Mission Bay, Calif.

An amount of $3,600,000 is recommended for the Nuclear Regulatory Authority. This is the same as the House allowance, but a reduction of $1,750,000 from the supplemental budget estimate. These additional funds are for development of safety and environmental criteria in support of the high-level waste management efforts, the resident inspector program at nuclear reactor sites and related cost of initiating these newly authorized programs. Because of the lapse of time before the supplemental funds would become available, the account provided should be sufficient for these important activities.

In title II, increased pay costs mandated by law, the committee recommendation for the items that come within the initial jurisdiction of the Subcommittee on Public Works is the same as the House allowances. In those instances where pay cost requirements were proposed on the basis of transfer of funds previously appropriated for other purposes, the committee agreed with the House to provide new budget obligational authority.●

● Mr. HOLLINGS. Mr. President, for chapter VIII there is recommended new budget authority totaling $656,121,000. This is a net decrease of $9,473,000 to the budget. We recommend the following seven changes netting to $399,349,000 to the amount allowed by the House:

First, deletion of four positions and associated costs of $173,000 for the U.S. Ambassador to the United Nations. Insufficient time remains in the fiscal year to fill these positions which are funded in the 1979 budget;

Second, deletion of $628,000 allowed by the House for the Antitrust Division that is not required; and the addition of $3,050,000 for settlement of back overtime claims of deputy U.S. marshals;

Third, restoration of $11,000,000 for the Economic Development Administration. This was originally budgeted under title IX but is not authorized. We have restored it for titles I ($8,000,000) and ($3,000,000) to expand the funding to the public works improvement program and for projects similar to that funded under title IX;

Fourth, addition of $1,000,000 to the National Oceanic and Atmospheric Administration to complete the funding of an aquaculture facility at Newport, Oreg.; and provide a critically needed weather surveillance radar in eastern Kentucky;

Fifth, addition of $6,150,000 to renovate the former Marjorie Webster Junior College purchased last year into the National Fire Academy.

Sixth, addition of $750,000 to the Maritime Adminisration to improve living conditions and training facilities on the five vessels on loan to the State marine schools; and

Seventh, addition of $378,000,000 to provide additional capital to the disaster loan fund of the Small Business Administration. Due to the drought, storms, and other disasters, the appropriations to this fund will be $2,640,000,000 for fiscal 1978.

The House inserted a provision in the bill which the committee, on my motion, deleted. The deleted proviso begins on page 30, line 20, of the bill and would restrict our Ambassador to the United Nations, Andrew Young, or any of his staff, from promoting, expressing, or otherwise disseminating their individual views. This proviso is outrageous and unacceptable. Our country is founded on the freedom of expression and the President can take whatever action he deems necessary when an Ambassador expresses views differing with the President's policies. It is the duty of the Congress to make certain that the freedom is not stultified in anyway, but that it persists. This proviso is better found in some Soviet document rather than in the laws of Congress and therefore it has been stricken.●

DOT, CHAPTER IX

● Mr. BAYH. Mr. President, for the Department of Transportation portion of the bill chapter IX, the committee recommends a total of $131,044,000 in new budget authority. This is an increase of $82 million over the House bill and $37.6 million more than the budget estimate.

The major changes are, first, for the Coast Guard, an appropriation of $60 million for the procurement of an icebreaker to replace the *Westwind*. That vessel has reached the end of its useful life, having been constructed in 1944. The subcommittee held extensive hearings on the need for this procurement. It is clearly cost effective and will enable the Coast Guard to better perform its icebreaking and other responsibilities in the lakes. This item is authorized in Public Law 95–61 and, if we do not appropriate the money in this bill, that authorization will expire. That would mean that we would have months and perhaps years of further delay and inflationary cost increases. I urge the Senate to accept this committee recommendation.

Second, for Amtrak, the committee has included the appropriation of $22 million, the remaining authorization for capital grants. That amount is necessary in order to enable Amtrak to exercise options to replace up to eight locomotives for use in the Northeast Corridor. We have been dismayed for some time at the delay down at DOT in making decisions as to the type of equipment that will meet the trip-time goals for the corridor under the Northeast Corridor improvement program. The administration has decided that this procurement is needed at this time, if we are to have any chance of meeting the goals of the improvement program.

In addition, the committee has considered requests for transfer authority of $9 million and an appropriation of $9,940,000 to liquidate contract authority, both of which are approved. An increase in the limitation on commitments of $49,479,000 for UMTA was reduced to $40 million.

Title II of the bill contains $144,526,000 in budget requests, for increased pay costs. The committee has recommended $139,667,000, a reduction of $4,859,000 below the administration's request. This is $150,000 above the house and a like amount below the budget request for the National Transportation Safety Board and is necessary as a result of an increase in general aviation accidents, analysis of recent accidents involving DC–10 landing gear failures, and increased postage rates. The committee also considered transfer requests of $66,677 and $7,591,000 in increases in limitations on administrative expenses. The bill includes $63,331 and $6,661,000, respectively.●

CHAPTER X—TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT

● Mr. CHILES. Mr. President, the committee recommends appropriation of $709,386,000 for chapter X—programs and activities under the jurisdiction of the Treasury, Postal Service, and General Government Subcommittee. This includes $551,600,000 for increased program costs under title I and $157,786,000 under title II to support the pay increase granted Federal civilian employees in October 1977.

The committee recommendation for increased program requirements is a reduction of $80,620,000 below the supplemental budget estimate and an increase of $2,000,000 above the House bill. The recommendation for increased pay costs concurs with the House allowance and is a reduction of $106,000 below the supplemental estimate.

The substantial reduction below the supplemental budget estimate for increased program requirements is due primarily to denial of funding for the Federal Preparedness Agency of the General Services Administration. This request was to initiate an ambitious acquisition program to extend the capability of the strategic and critical materials stockpile to support the Nation's military and industrial needs for the first 3 years of a major two-front conventional conflict. A stockpile policy bill (H.R. 4895) has been reported by the Senate Armed Services Committee and is pending floor consideration. This bill requires authorization for stockpile acquisitions and disposals. The denial of funding for this activity pending completion of the authorization process agrees with the House bill and the Senate version of H.R. 12930—fiscal year 1979 appropriations for Treasury, Postal Service, and general government activities.

The $2 million increase above the House allowance is for the Internal Revenue Service. The recommended amount for IRS—$11,900,000—is still a reduction of $3,400,000 below the President's request. In addition to the inflationary pressure, IRS has had to contend with a number of unbudgeted items during this fiscal year. These include expenses incurred in anticipation of an energy bill being enacted, lost production in Northeast service centers due to the adverse weather of the past winter and cost overruns due to the May postal rate increase.

The committee recommends section 304 in general provisions to modify the Supplemental Treasury and Post Office Departments Appropriations Act, 1949 (62 Stat. 561). This act created a permanent indefinite appropriation to refund Internal Revenue overpayments. However its use for other purposes has increased in recent years to include overpayments that were never contemplated when the statute was enacted over three decades ago. A total of $35.7 billion was disbursed from this appropriation in fiscal year 1977.

The committee recommended language in section 304 makes no change in the authority of the Internal Revenue Service to issue refunds or to disburse overpayments for statutory entitlement items enacted prior to January 1, 1978. It will require an annual review and appropriation for statutory entitlement provisions enacted subsequent to January 1, 1978. This change agrees with the legislative intent of the Budget Impoundment and Control Act of 1974 (Public Law 93-344).

Mr. President, the committee urges favorable consideration of this bill.●

● Mr. STENNIS. Mr. President, the budget request for the defense portion of the supplemental bill is $2.9 billion. The recommended appropriation is $2.6 billion in new budget authority, which is $300 million below the budget estimate and $58 million under the House allowance.

Chapter XI of title I funds increased subsistence costs, cost-of-living increases in military retired pay, dollar devaluation, particularly in Germany and Japan, indirect hire foreign national pay increases, and funds for the procurement of fleet satellite communications spacecraft 4 and 5.

The recommendations include transfer of the $100 million fiscal year 1978 readiness fund as an offset against the request of over $300 million in new budget authority to meet currency devaluation.

Title II of the bill includes $2.1 billion to fund the 7.05 percent pay raise for military and civilian personnel, which went into effect on October 1, 1977.●

UP AMENDMENT NO. 1589

(Purpose: To rescind $54,000,000 of the sums appropriated for the construction of the Hart Senate Office Building)

Mr. CHAFEE. Mr. President, I send to the desk an unprinted amendment on behalf of myself, Mr. DANFORTH, Mr. DECONCINI, Mr. DOMENICI, Mr. GARN, Mr. HELMS, Mr. LUGAR, MR. PROXMIRE, Mr. ROTH, and Mr. WALLOP, and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE), for himself and Mr. DANFORTH, Mr. DECONCINI, Mr. DOMENICI, Mr. GARN, Mr. HELMS, Mr. LUGAR, Mr. PROXMIRE, Mr. ROTH and Mr. WALLOP, proposes an unprinted amendment numbered 1589:

On page 27, after line 17, insert the following: "Hart Senate Office Building

"Appropriations provided to the Architect of the Capitol in Public Law 92-607, Public Law 93-245, and Public Law 93-554 for construction and equipping the Hart Senate Office Building (also identified as the extension of the New Senate Office Building) are hereby rescinded in the amount of $54,000,000.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Senator from Rhode Island and the Senator from Arkansas be in charge of the time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair inquires, is this the amendment on which there has been requested 1½ hours?

Mr. CHAFEE. That is correct.

The PRESIDING OFFICER. The Senator may proceed.

Mr. MAGNUSON. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. How much time is there on this particular amendment?

The PRESIDING OFFICER. One hour and a half.

Mr. MAGNUSON. My request is that the time be in the charge of the Senator from Arkansas and the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Harold Brayman, Lee Verstandig and David Narsavage be granted the privilege of the floor during debate of this amendment and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, the amendment we are considering now does the following thing: It rescinds the unspent funds on the Hart Building, that mammoth complex that is being built next to the Dirksen Building, in the extent of $54 million. There is currently appropriated for that building $85 million. This rescission of $54 million, if accepted, would leave $31 million which can be spent on the building. Of that amount, 15 has already been spent and 16 would be left to get out of the contract and wind up the complete affairs of the building. What would be left there then would be—Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CHAFEE. Mr. President, what would happen to this amendment would be that adequate money would be left to pay off any contracts outstanding, get out of the whole business, finish the project—not finish the building, but the contracts, end them up, rescind them all.

A steel structure would be left and the whole boondoggle would be ended. Then we would decide what to do with this steel structure that should have been stopped a long time ago.

Mr. President, many might say, "We are too late. We have gone too far. Here is this steel building, a hole dug, we cannot stop."

Well, I say to that, Mr. President, that I wrote to the Rules Committee. I introduced a resolution sent to the committee 3½ months ago when there was only a hole there. I asked them to stop construction of that building, get out of the contracts, make a garage out of it, make a park, have a great big monument to Philip Hart, say the whole thing was a mistake and call an end to it.

I might say, Mr. President, that resolution acted as the greatest single spur to construction that has ever happened around here. They really lit a fire under the contractor and they have been rushing up that steel ever since, which is unfortunate.

Mr. President, what are the objections to this building? The objections are twofold.

First of all, the expense of it, particularly in connection with the times we are living in now.

Mr. President, as everybody in this Chamber knows, and that includes everybody sitting in the galleries, the single greatest problem facing this country is not the Soviets, is not unemployment, is not the condition of our water or our air. The greatest single problem facing this Nation right now is soaring, raging inflation, which we cannot seem to get a handle on. It is now running, if we extrapolate the monthly figures, into double digits—a really frightening thing.

We have the President saying to us, "Hold down expenditures." He is going to hold down salary increases to 5.5 percent. He is urging everybody to hold down expenditures.

In this Chamber we are doing the same thing. Two percent cuts here, 2 percent cuts there. Anything we can do to hold down expenditures of this Federal Government.

Even at that, I might say, Mr. President, even with the most optimistic figures, this budget is going to be $50 billion in deficit, which is further going to fuel inflation.

Just yesterday we heard the distinguished member of the Appropriations Committee, Mr. HOLLINGS, on this floor, and I quote:

Everybody is worried about inflation. The Senate voted two days ago to try to reduce and get to a balanced budget by 1981. Let's balance it in a steady fashion, as we are trying to do here, rather than a meat ax approach. But let's not kid ourselves, let us cut back on inflation.

That was what Senator HOLLINGS said yesterday on this floor.

Here in this context, when everybody is looking to the Federal Government to do its part in curbing inflation, how can we justify going ahead with what will end up being the most costly Federal building ever built in the history of this Government?

The costs are going to end up close to $200 million. The only close one to that is the FBI Building which is twice the size of this Hart Building, and that came in at $126 million.

Let us look at the costs of this building. We started out—what a tragic mistake—in 1972, $48 million.

Listen to the figures as we go up.

Year 1972, $48 million; 1973, $68 million; and 1974, $85 million.

They keep tossing a few more million in.

Now, they are going to come in very shortly and ask for $37 million more. That will get the building up to $122 million. Then GAO says that figure is unrealistically low.

The only thing we know about the figures that come to us from the Architect of the Capitol is that they are always wrong, and they are always wrong on the low side.

I must say it is good that he is not Treasurer of the United States or head of OMB, because he would have us in even greater difficulty.

Mind, the $122 million is unrealistically low, that is what he says now in 1978 with 3 years to go for final construction. That does not include the furnishings. That does not include the renovations that are going to have to be accomplished on the Russell and Dirksen Buildings.

Do we think when we have 50 Senators in that hot building, with 16-foot ceilings, that their 50 compatriots in the other buildings will be content with only 8-foot ceilings?

We cannot stand that. We have to have a 16-foot ceiling like the other fellow.

So there will be mammoth renovations to the Russell and Dirksen Buildings.

I might say, Mr. President, on the expenses of the Russell and Dirksen Buildings, anybody trying to make any cuts in the walls will run into a lot of expense.

Those are not computed in the figures before us today.

Now, what kind of a building is this that we are saying to the people of the United States that we wish to build in this time of soaring inflation when, theoretically, we are doing everything to hold back expenses?

Well, 16-foot ceilings, as I mentioned. There is wood paneling. A rooftop restaurant.

Mind, we already have two restaurants. One hundred Senators, two restaurants with 250 seats. So they are figuring on adding 100 new seats over in the new building. That is 3½ seats to every Senator. We have to really move around at lunchtime.

A new gym, twice the size of the two gyms we have.

How can anybody justify this?

Indoor tennis court. Will that not be splendid?

I must say, that Mussolini-style building is an outrage. I think it is just saying to the people of the United States, "Don't do as we do, do as we say, fight inflation everywhere but do not expect us to."

So that is one of my objections to this building, the size and cost of it.

Second, Mr. President, and I think an even more serious objection, is the fact that if we build this building, inevitably the size of the staff of the U.S. Senate is going to increase.

I know my friend from Arkansas is going to rise in defense of this building and say how jammed we all are in our present offices.

Is it not terrible that we do not even get the OSHA standards, the staff is crammed into 67 square feet of space apiece?

Well, Mr. President, I will guarantee one thing, if this building is built, staff will fill it, new staff will be added, and we will be right back where we started.

Now, how can I say that?

Well, it does not do any harm to take a little look at history.

In 1955 when there were 96 Senators—that was only 23 years ago, there were 96 Senators—everybody in the Russell Building, everybody seeming to get along all right, they had 2,000 staff for the U.S. Senate. That includes everybody. The people in our home districts, in our home areas, the people who work in the restaurant, who work in the Senate, everybody—2,000.

So we built the Dirksen Building, 850,000 square feet. That was opened in 1958.

What has happened? Staff in the U.S. Senate has expanded three and a half times. There are now 7,000 staff for the U.S. Senate.

Everybody in the Government says, "Hold down employment. Let us cut back on the size of the U.S. Government."

I am confident that the Senator from Arkansas probably campaigned on that when he was home in his State.

To some extent, we have held down the growth of civilian employment in the U.S. Government. In the last 23 years, while the staff of the Senate has gone up 3 and a half times, the rest of the Government civilian employment has gone up only 17 percent. So the executive branch is doing its part. How about the Senate trying to do its part as well?

The tragic thing is that there is no end in sight. As I mentioned, there is an irrefutable law that exists which is that staff expands to fill available space. As surely as this building is built, it will be jammed with staff. We will all say that we need more people, more money to pay for the people, and up will go the budget.

Mr. President, efforts have been made over the last several years to add space for us in the U.S. Senate, and we can look at some of the buildings that have been added for us in that time. It is not as though we have just been stuck with the Dirksen Building. That is 85,000 square feet. But listen to what else we have taken over. We have taken over the Plaza Hotel, 14,000 square feet; the Immigration Building, 54,000 square feet; the Capitol Hill Hotel, 23,000 square feet; the Senate Court Apartments, 42,000 square feet; the Hill Apartments, 18,000 square feet. On and on it goes. There seems to be an inexhaustible appetite of the U.S. Senate to occupy space.

Is this going to be the end of it, if we get this new building? Well, not according to the Architect of the Capitol. Listen to what he said in a letter to Senator PELL, dated May 18, Senator PELL being chairman of the Rules Committee. Listen to what the Architect of the Capitol said in this letter:

> At present ratios of Senators' office space to committee and support space, this translates into 920,000 gross square feet of building needed by 1987 in addition to the Hart Building.

Did you hear that one, everybody? Nine hundred twenty thousand gross square feet by 1987, 10 years from now, in addition to the Hart Building. What happens if we get two more Senators from Washington, D.C.? Each will need a new building, at this rate of growth.

Mr. President, somewhere we have to draw the line. Somebody has to say enough is enough. The only way we are going to cut down on the size of staff is for everybody to be so cram-jammed that they will not be able to add more staff. That is the best thing that could happen to the U.S. Senate.

I see the distinguished majority leader smiling. I know he concurs. I suspect that he is going to vote with me on this. I am not betting on it, but I think I have him tilting, and I think he sees the folly of this building. Mr. President, the majority leader needs space to hang up his coat.

Mr. ROBERT C. BYRD. The Senator from Rhode Island has my coat now. He will soon have my shirt, if he keeps talking. [Laughter.]

Mr. CHAFEE. That is a coat anybody would love to have—and the trousers with it. [Laughter.]

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. ROBERT C. BYRD. That is my square dance suit, and there ain't nobody else going to get any of it. [Laughter.]

Mr. CHAFEE. That suit certainly adds some volume to the music that takes place, wherever the majority leader plays the fiddle, at the square dance.

Mr. President, there are a lot of jokes about this building. I did not know Senator Hart. A lot of people say that this is probably the most inept, inappropriate type of memorial to Senator Hart that possibly could be constructed. I cannot comment on that. Others might be able to do so.

All I know is that in a time when we are urging the rest of the Nation to curb inflation, I think it is appropriate for us to do our part and hold back. Maybe we will need a building sometime. I hope we do not.

I have a cure in lieu of this building.

Mr. ROBERT C. BYRD. Mr. President, what is the Senator's cure?

Mr. CHAFEE. My cure, first of all, is to take a very accurate space appraisal of what we have existing in our present surroundings. Is it necessary for the Architect of the Capitol to be located in the Capitol? Does he have to be here, or could that space be used more appropriately by some of the staff we are talking about?

Second, there are all kinds of staff or auxiliary functions in the Russell Building and the Dirksen Building: The upholstery shop, the cabinet shop, the paint shop, the plumbing and heating shop, the masonry shop, the electrical shop, the sheet metal and carpentry shop, the beauty and barber shops, the furniture storage.

Does the furniture storage have to be in the Dirksen Building, occupying 9,000 square feet?

It seems to me, Mr. President, that we have to use more imagination instead of embarking on this incredibly expensive building, let us face these auxiliary functions and house them in cheaper space.

Senators may have noted that last week the New York Times reported that an IBM building will cost $75 million, and it is a 41-story building, with floor space exactly the same as this building. How can we justify spending what will end up to be $200 million on a building that has the space IBM seems to get for $75 million?

So, Mr. President, I urge my colleagues to support this amendment, to stop everything, get out of the contracts, and let us pause and take a look at how we can do this job better, if indeed we should have more space.

Mr. DANFORTH. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. DANFORTH. Mr. President, I think the Senator from Rhode Island has performed a real service in pointing out this somewhat comical situation—and it is.

I think that a lot of people, when they talk about the new Hart Building, do so with a degree of jest. When the facts are described, as the Senator from Rhode Island has done so precisely, it is a little hard to stop smiling—when you hear about the third Senate gym and the third Senate dining room and the paneled offices and the 16-story building, and so forth.

But I think that what is more important than the building itself is the symbol it represents. This is not just another building in Washington. There must be hundreds or thousands of government buildings in Washington. This is a symbol that is being erected. This is a monument that is being constructed.

The issue involved in this symbol is very simple to describe: Will the American people believe in their Federal Government?

We did get the message in proposition 13. We were told by the American people that they believe they are paying too much in taxes, that they believe that Government is just too big, that it is taking too much from them. They would not object if they believed they were getting their money's worth in response, but the fact is that they do not believe they are getting their money's worth.

So what we have been doing over the last few weeks or months is gradually whittling down authorization bills, gradually whittling down appropriations bills—2 percent here, 2 percent there; and people are saying, "Well, what are you taking it out of? How can you take it out of our programs? How can you take it out of programs that affect the lives of people?" We are saying, We have to do that. We have to cut down some of these programs, because all of us are suffering from inflation."

We now have a 10-percent annualized rate of inflation in this country, and we simply have to get this Government under control.

We in Washington are doing more to the American people than we are doing for the American people. But if we start cutting down 2 percent at a time programs that affect the way that the people in this country live, the very least we are going to have to do is to make some sacrifices for ourselves, and the most obvious sacrifice that we can make is to stop this ridiculous building, and that is what it is. It is a laughable situation. That is why everyone laughs about it. But at stake is our own credibility. At stake is whether or not people believe in their Government, whether we can say anything to the American people any more that is believable.

It is absolutely ridiculous. The IBM Co., one of the major companies in the United States, builds a major office building, 40 or 41 stories high in the middle of New York City, for some $75 million, and we are going up to $122 million, some say $200 million to build, what is it, a five- or six-story office building for ourselves. Listen to some of the rest of the figures.

Mr. BUMPERS. Mr. President, before the Senator goes on, will he yield for one comment?

Mr. DANFORTH. Certainly.

Mr. CHAFEE. On whose time?

Mr. DANFORTH. On the Senator's time, of course.

Mr. BUMPERS. I am not sure I have time.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Do I have time on this?

The PRESIDING OFFICER. Yes, the Senator does.

Mr. BUMPERS. On my time.

I refer the Senator to page 5 of the bill which says the total amount of the bill is $1,118 million. Decrease it $26 million below the budget estimate. In addition, the total amount of the bill is subject to further reduction of 5 percent pursuant to section 311 of the bill which provides of the total budget authority provided in this act for payments not required by law 5 percent shall be withheld from obligations and expenditure. So we already cut it 5 percent.

Mr. DANFORTH. Mr. President, the question is whether this thing is going to be built or not. That is the issue. And at what cost is it going to be built?

In Kansas City, Mo., a major sports complex was just completed just a few years ago, consisting of two stadiums, a baseball stadium for the Kansas City Royals, hopefully our next world champions, and a football stadium for the Kansas City Chiefs. It is a beautiful sports complex. It covers some 300 acres of real estate, and the total cost of doing that was $55 million.

We are going maybe three times that high for this office building.

The St. Louis arch and visitor center—granted it was built about 10 years ago, and we have had inflation since then—was built for $13 million.

Missouri Western State University, a whole university in St. Joseph, Mo., situated on 744 acres of prime land at St. Joseph, was built in the 1960's at a cost of $13 million.

So we have something that is totally beyond comparison and an incomparable monument that we are building beyond the wildest dreams of anyone in the business world or anyone out there in the country. It is a palace we are building. It is not just a building.

I think Senator CHAFEE is absolutely right when he says that you talk about the staff being crowded around here. Maybe what we should do is cut down on the staff. But as soon as we create another building what we are going to end up doing is cram that building with yet more people to write memorandums to each other.

I wish I could say that this building is the only example.

Mr. MAGNUSON. Mr. President, will the Senator yield for an observation on my time?

Mr. DANFORTH. Certainly.

Mr. MAGNUSON. I merely want to point out one thing. There is no money in this bill for this building at all. When it comes to how you are going to furnish it, and all these costs are taken out of the air, that will have to come along in the future appropriation, the legislative appropriation. It seems to me the time to be talking about that is when we have that before us and come down and testify. But there is no money in this bill for this building at all. I have not looked at it. But I can see it from a distance. There is a shell over there. I am talking about the legislative procedure here. It seems to me that the Senator from Rhode Island and the Senator from Missouri should wait until we come to an item that is going to add to the building or put some of the things in that they object to or not put them in and talk about it then.

I want to make that observation.

Mr. DANFORTH. I understand the Senator's observation. But we have been trying to make this point now for some half a year, and it seems that as soon as Senator CHAFEE first made the point we had an acceleration in the building

project in order to create sort of a law of inertia so that the argument can be made at some subsequent time, "We already pumped so many tens of millions of dollars in this thing there is no turning back now."

It is exactly like the arguments on the war in Vietnam. After you lose the first 10,000 or 20,000 people, what is another 10,000 or 20,000 additional people? So you get deeper and deeper involved in this sort of situation.

I wish this were the only example of extravagance around this place, but the problem is that we take in the Senate and Congress, and Washington in general, every halfway reasonable concept, for example, that you need office space for our personnel. Then we take the most far-out imaginable or even unimaginable extreme as to what we can do or what we can build or what the cost should be. Then when we get that farthest out number that anyone can possibly think of, it seems that we multiply it by 2 or 3.

I was amazed to get a letter from the Secretary of the Senate about a month or so ago about the newspapers in the Marble Room. It was absolutely ridiculous, and I am glad the Secretary of the Senate is intending to do something about it and is calling our attention to it.

The Marble Room, for those who do not know, is located right across this little alcove here, and it is for Senators only. No one else may go in there except Senators and pages going in looking for Senators. I think people would say it would be nice to have some newspapers for Senators to read in the Marble Room. But according to the Secretary of the Senate we got to the point where we were subscribing to no less than 229 newspapers, 74 percent of which were never read by anyone and that the annual cost, according to the Secretary of the Senate, for newspaper subscriptions for one room was $37,826. And only 100 Senators may go in there and read them, and all of them have subscriptions to newspapers at their homes and all of them have subscriptions to newspapers in their offices, and they may go in the cloakroom if they want to read newspapers. Yet we got involved in something where we just went out to the most far out extreme that anyone could imagine and started spending $37,000 on newspapers.

Consider if you will the Capitol Police Department. It is just one other example. That is why I am saying this building is a symbol of what we are talking about. It is not the whole thing. The Capitol Police Department consists of 1,186 police officers—1186. The cost is $21.8 million. These 1,186 people are supposed to protect 535 Members of Congress and maybe 17,000 staff people around here.

The entire city of Kansas City, Mo., with a population of over half a million people manages with a police department of 1,200. Hannibal, Mo., which has probably about the same population as Capitol Hill, about 19,000 people, manages with 42 police officers.

How do we get involved in these extreme boondoggles as Senator CHAFEE called them? How do we get involved in this concept that absolutely anything goes around this place? And how can we convince the American people that we are doing something around here other than squandering their money that they have earned by the sweat of their brow on our own luxury?

This building is a symbol, and it should be stopped.

I yield the floor.

Mr. SCHWEIKER. Mr. President, we had a discussion earlier on the role of the Capitol Police and what they were costing us. I do not want to reopen the argument, but I do think it is important for the Members to be aware of what they are doing.

I have been advised by the Sergeant at Arms of the Senate that this very week it has been necessary for the Capitol Police to detain and interview five disturbed individuals who were around the Senate Chamber. I might say they were not Senators. There were also four bomb threats in the last few days in the Senate.

Mr. President, I ask unanimous consent that a statement by Chief Powell relating to the previous colloquy on the Capitol Police be printed in the RECORD at the proper place in the previous colloquy.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF CHIEF POWELL

Mr. Chairman, included within the area of our responsibility are approximately 195 acres of ground, twenty buildings or portions thereof, with a total of 76 entranceways, and consisting of a total of 7,584,788 square feet.

There is a total of 492 fixed posts which requires the assignment of 820 officers. These assignments are exclusive of all administrative, communications, certain investigative and supervisory personnel.

The leasing by the Congress of certain space in two privately owned buildings, the assignment of additional personnel to the galleries of the respective Houses, and the assignment of personnel to cover security posts for certain committees investigating sensitive matters has resulted in 45 new posts requiring the services of 75 officers. This requirement has been filled largely by the utilization of present personnel working overtime duty.

During calendar year 1977 the Capitol Police were called upon to furnish additional police services for 68 different committees or subcommittees for a total of 3,809 requests for 5,417 officers totalling 26,661 man-hours.

For special events, such as the Presidential Inauguration, Joint Sessions and Joint Meetings, visits by foreign Heads of State, demonstrations and various receptions, we had 1,407 requests which required 8,702 officers for 43,183 man-hours.

We received 178 requests for countersurveillance services from 47 different sources utilizing 784 officers for 2,800 man-hours.

Due to various requests or as a result of certain intelligence, we responded to 272 bomb related inspections, utilizing 855 officers for a total of 1,162 man-hours.

During 1977 we recruited and trained 91 new appointees and retrained or provided specialized training for 1,038 officers. All of this training totalled 140,586 man-hours. Additionally, 22 members of the Capitol Police force have now graduated from the F.B.I. National Academy, and, of course, we are planning for continued participation in this very fine training facility.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. CHAFEE. On his time.

Mr. BUMPERS. Of course, on my time.

I would like to start off by saying that the Senator from Missouri should check with Congressman MICHEL and Senator MORGAN to find out whether they think we have too many Capitol Police.

Mr. PROXMIRE. Congressman MICHEL said we had too many. He was the one who had the beating. The answer is to not spend so much money on police. There are other answers to this problem. But not to hire more and more policemen.

Mr. BUMPERS. Then someone should offer an amendment to cut the number of Capitol Police.

I am filling in for others, who could deliver a much more ringing defense of this building, and would enjoy it a lot more than I would. I do not particularly relish the role in which I have been cast here.

This building was designed and authorized long before I got to the Senate. I do not know how I would have voted if I had had the opportunity to vote back then. I probably would have voted against it and would have instead offered a substitute to cut the Senate staffs in half.

I am curious, incidentally, why somebody has not come up with that idea. We are trying to house the people who are working for the Senators and the committees in sort of halfway decent circumstances so they can do their work in an orderly, thoughtful way.

I pay my AA and my legislative aide between $45,000 and $50,000, and each one of them has about 26 square feet, with a great many other people surrounding them, and with phones ringing all the time. They are supposed to be thoughtful and sensitive and give me the best advice they can give me on the critical issues the Senate debates.

I am not red hot for all these fancy office spaces for staff. I am willing to cut back staff. As a matter of fact, I daresay that I turned back more of my office account in clerk hire money last year than anybody in the Senate.

The Senator from Rhode Island has said that he bets that when I ran for the Senate I said I would be frugal and I would help to cut out all the waste. He is dead right. But I did not promise to take leave of my senses.

I cannot think of anything that would be more exciting to tell my people than that we have already spent $16 million on that building, and we are going to terminate it, even though the steel and marble are already bought and paid for. We are going to terminate it. We are going to tear it down. We are going to pay the contractors the damages they may sustain as the result of the termination of their contracts, which will cost about

$19 million. It is going to cost $35 million to terminate it, and another $14,725,000 to convert it to a garage. Now, my people would love that because that converts to $100,000 per parking space as compared to $18,000 if we build a parking garage.

You talk about penny-wise and pound-foolish, that would have to be the height of idiocy.

Mr. CHAFEE. Mr. President, will the Senator yield for a question there?

Mr. BUMPERS. Yes.

Mr. CHAFEE. Is his theory in life that once you keep stumbling ahead on a useless project that is going to be extremely expensive because if you quit it might cost you some money, far less than if you plunged ahead? Sure it costs some money to cease this thing. Mistakes were made. But let us cut our losses. Why go ahead with a $200 million building because it might cost us $16 million to quit?

Mr. BUMPERS. The present anticipated cost of this building is $120 million, not $200 million.

But if I could, I would like to answer the Senator's question with a question. There was a proposed Federal building in Providence, R.I., and OMB and GSA decided to defer it because of the cost, and so the Senator from Rhode Island introduced a bill to bypass OMB, and the bill passed, and now we are going to build a building in Providence, R.I., thanks to a bill by that Senator, and that building is going to cost the Federal Government $250 a square foot to lease for 20 years, and at the end of 20 years the developer still has the building.

Mr. CHAFEE. I wonder if the Senator, Mr. President, will yield on that?

Mr. BUMPERS. I would be happy to.

Mr. CHAFEE. If we are going to go back and forth on the States' amounts on this floor, let me just say there has not been built in the city of Providence since 1938 any Federal building.

I did not introduce any bill to provide for the construction of a new building. GSA sent up the prospectus in the matter, and the building, hopefully, will be built.

But if every community in this country has not had built a building for 30 years, they are doing very well. I wonder if that is true for Arkansas?

Mr. BUMPERS. I want to apologize to the Senator. I did misspeak myself. It was not a bill. It was a submission by GSA to the Rules Committee which, in turn, approved it. It did not require a bill.

But the simple fact is that this building in Rhode Island is going to cost the Federal Government $250 a square foot over a 20-year period and, at the end of 20 years, the United States has nothing. The developer still has the building, and the United States will continue to spend $12.50 or more a foot a year to continue renting that building.

Now, we are talking about the Senate building that is going to cost $101 a square foot, and it is built to last a hundred years. The United States will still own it so long as it lasts.

The suggestion is clear here, of course, that somehow or other we are building a big monstrosity there that is going to necessitate hiring another 3,000 people to fill it up. I am standing here and telling my colleagues I am willing to cut my staff back. I do not know how I could do it but I will.

The Senator from Rhode Island makes analyses and comparisons of the way things used to be around here. Well, I will tell you how things used to be around here. There used to be a 6-month session; there used to be between 50 and 100 rollcalls a year; there used to be about 20 letters a day coming to the Senator from Arkansas' office; there used to be about 30 bills a year passed.

You know, I hear people constantly in the coffee shops saying, "Why don't they teach our children like they used to? Why don't they do something about crime? Why don't they cut spending? Why don't they do everything?"

Have you ever noticed this obsession that everybody seems to have with "them" instead of with "us"?

One time somebody said to Will Rogers, "Why aren't things like they used to be, Will?" Will said, "Things ain't like they used to be and they never were," and they never will be again, and I am glad.

I like the life we have now. I wish we could control inflation, because so far as I am concerned that and energy are the only two things that keep this country from realizing its potential.

My 4-year-old brother died of acute indigestion because my mother and father lived in a remote village in the Ozark Mountains. That is the reason my mother made my father move to town. He died of a condition that would only require a routine visit to a doctor's office today.

I worked in a canning plant when I was 12 years old for 10 cents an hour 60 hours a week. I worked for an hour in 120 degree heat; go down, take salt tablets, drink water, and then go and work another hour. Those were the good old days. Well, they are not good old days to me. I do not want any more of them. Maybe this is not the most stirring defense of that building over there, but I will tell you one thing, you look at all these cost charts, and it is not the worst deal in the world.

Incidentally, you know, Mr. President, I could hardly wait to get to the Senate. I ran hard, and I got here. I had read all those Jack Anderson stories about all the perks a Senator had. I could hardly wait. He said, 'They have their own subways, their private elevators, free haircuts, free shoeshines, subsidized food," and I certainly expected a limousine and a chauffeur.

Some of that was correct. Senator Humphrey and I got rid of the free haircuts and free shoeshines, so they would not have that to write about.

But look at the comparison of the cost of the Rayburn Building. In today's dollars, the Rayburn Building cost $186 a square foot. So $101 a square foot does not look like too bad a bargain to me. The FBI Building, in today's dollars, cost $90 a square foot. The A.T. & T. Building in New Jersey, $101 a square foot. The Federal Office Building in Albany, N.Y., $139 a square foot. The IBM Building in New York, $110 a square foot. The Underwood Headquarters Building in Westwood, Mass., $110 a square foot. A.T. & T.'s mammoth building in New York City, $107 a square foot, and to house only about 1,000 people.

I am interested in the comments about the Senate annex buildings that the Senator discussed. You are not permitted in those buildings to have a file cabinet over two decks high, because they are afraid the floor will fall in.

Of course, my office does qualify for high office standards. You know something? I practiced law in a big town of 1,700 people. I had twice as nice an office there as in the Senate. I daresay anybody here could say the same thing.

I do not care; I am not squawking. I very seldom use all the space in my office. I took an office 2 years ago with 25 square feet less in it so my staff could have a little more space. If I could cut it in half I would do that, to give them a little more space.

People back home would love to see me, probably, standing up here condemning instead of defending, in a ringing, denunciation of Government waste in that building.

I am reminded of a comment made by Gerald Ford. The former President said this in a speech to Congress:

> You know, I have always understood the difference between those fine, meritorious projects in Michigan and those boondoggles in the other 49 States.

That is what we are talking about here. You can jump on a building in Washington, D.C., for the benefit of Senators, and who is going to protest? Why, everybody is going to love you.

I was reluctant to mention that Rhode Island building a while ago. If I had had a chance to get it in Arkansas, my people would have thought I was remiss if I had not done it, just as the people of Rhode Island feel the same way about their distinguished Senator.

But anytime it is in Washington, you can jump on it and scream to high heaven, and you ain't going to make anybody mad. As a matter of fact, you are going to make a lot of friends.

Somebody sent me a copy of a picture of the distinguished Senator from Rhode Island standing out there in front of the bulldozers at the Hart Building and said, "Why don't you do this?"

The reason I do not do it is because I do not want to park my car in a $100,000 space.

As I say, I do not relish the position I find myself in at this time, but I do not think the Senate ought to take leave of its senses and spend $50 million for a parking garage, either.

Why was this not raised before? I will tell you why it was not raised before. I mean everybody knew what the cost was. The Senator from Wisconsin has

been here during all the planning stages, the authorization, and the appropriation, and many other Senators have. Why is this just now suddenly dawning on everybody to be a big proposition of waste? And I use the word "proposition" advisedly.

Well, who is for waste? Somebody said to me the other day, "I think this is the fair way." Well, who is for the unfair way? They talk about equal rights and human rights. Who is for inhuman rights and unequal rights? I do not hear anybody around this floor defending unequal rights, inhuman rights, uncivil rights. Of course we are not.

There are times to cut spending around here.

I voted against that *Nimitz* class aircraft carrier, one of the biggest turkeys ever passed on this floor, and I want to thank the Senator from Rhode Island for his very eloquent argument against that *Nimitz* class carrier along with the distinguished Senator from Iowa (Mr. CULVER). Is it not funny that you cannot bring a defense budget on this floor that is too big for some of the Members? And to hear them talk, some of the social programs cannot be too small to accept. But when you find something that you can jump on and make political hay and not make anybody mad, God is with you, good, bad, or indifferent. The Hart building is a great example.

Even if I agreed with the Senator from Rhode Island that the building was really a turkey, I would be reluctant to join him because Phil Hart was the kindest, most thoughtful, most generous, and I think one of the best Senators who ever served in this body. I was happy to attend the ceremony for him before he died, when we all signed our names proudly to the architect's drawing book.

Mr. MAGNUSON. Mr. President, I wonder if the Senator from Arkansas would allow me to make an observation here.

Mr. BUMPERS. I yield.

Mr. MAGNUSON. One of the problems we have here is that we have a planning group, and I hope the Senator will listen. We have the planning group, and they will not allow a building to be built more than a certain height. As I understood, the theory was that no building in the area should be higher than the Capitol.

That means that when you build, you have to spread out more, and that is more costly. If we did not have that planning restriction—and I am sure neither the Senator from Rhode Island nor the Senator from Missouri would vote to cut that out and allow tall buildings—we could put an addition on top of the Russell Building. We could put some more stories on top of the Dirksen Building.

This building, of course, is going to be built to use a long, long time. I have had an office, ever since I have been here, in the Russell Building. I think it is about 80-some years old now. They have just got around to where the windowsills are finally rotted out because they are made of wood, and they are putting in better windows. But it is built so that you could build a ten-story addition, and have everybody ride the elevators. But we do have the zoning thing, which means you have to spread, and when you do that, it just costs you a little more.

All Federal buildings—and I used to handle that appropriation for the General Services, on the Federal buildings—have all run, throughout the country, about the same average as a private building. But you do have to have a little more ornate sort of thing when you have a building that is going to last that long.

Someone talked about the IBM building. We have some buildings at home that look like the architect took a shoe box and put some holes in it, and turned it up this way. We cannot build a building like that; this is one of the problems.

I hope this building will last for years and years and years. It is going to be built that way. But we do have the zoning, and I do not think anyone in this body would vote to repeal that zoning ordinance. Otherwise we could have had this tall building over there to take care of it.

I want to add one thing. I am pretty crowded. I have been, as I say, in the same office since I came here. I have been in the same office for 34 years, on the first floor of the old building. I had more room when I first came there; now we are chock-a-block.

I do not intend to move. I am all right. But in those days I got about 100 pieces of mail a day from my State. I now average about 650. That is the difference. So I have to have one room that takes care of the mail.

These are not experts. These are not people who determine policies. They are just seeing that the constituents get answered. More people are paying more attention to Washington; hence this debate. Therefore, you have to have the facilities for them.

There has been some argument about—I do not know what they are going to put in the building after it gets built.

Surely, if they put in the building the things I have in my office, they hardly cost a thing. You can buy them in a secondhand store, the furniture and everything else.

When you build a building like that, you will try to accommodate some things. Someone said there will be a restaurant on top. Well, that is not a restaurant for Senators. I would like to see a public cafeteria up there, if we build the building. There is no place for the public to eat around here. I would like to see a public cafeteria. It is just as cheap to build it on top of the building as it is down in the basement.

These are the sort of things that grow.

This building is designed to take care of 1,700 employees, I believe.

I will also say there has been a building commission. The distinguished Senator from Oklahoma (Mr. BELLMON), who I do not think anyone around here would suggest to be a spendthrift, has been on that commission. The commission has had a great number of people over a period of time. They have all recommended we do something about this.

I deplore too much staff, too. I voted against giving every Senator an extra staff person. But that has been added.

I think the correspondence and the activity has been so great that it is one of the serious problems.

This building will not cost any more than the cost for an average building.

I went through this business the Senator from Rhode Island talked about going through in Rhode Island. We had a running philosophical fight for years which started with Post Offices, whether we should build the buildings or whether we should lease them under a lease-purchase plan.

In every study we made, we found that the buildings would cost all the way from 60 to 90 percent more if you leased them, which will be done in Providence. We have the figures. That will average $250 per square foot by the time you are through. Then after 20 years the building reverts back to the owner.

So instead of renting down here, I think it is better that we build something. What Members want to put into it makes no difference to me. It is easy to jump and say, "What, building a restaurant on the roof?" Well, put it in the basement, but have a place for people to eat. You have to go blocks before you can find a restaurant around here. The only restaurant right close is one that is going to be torn out soon.

There are a lot of other factors, but on the actual comparison of square foot to square foot it is a different type of building. We could build a shoebox over there which would be a lot cheaper, I suppose, but I do not think the American people want that. Or we can keep on renting.

It is there. It started 11 years ago. The commission has approved of it.

I am intrigued with the suggestion of the Senator from Rhode Island that, though I do not think it will alleviate the necessity of building some kind of building, some of the people around here can be moved out and can go over to some rental property perhaps. Maybe that should be done.

But there is this zoning problem and Senators must remember that when they are talking about building quarters for our number of people. I hope it does not increase, but the work is more. The Senator will find that out the longer he is here. Every year it gets more and more and more as the country grows. People expect a service.

Legislatively, I am going to vote against the Senator for another reason: That this amendment does not belong on this bill. There is no money in this bill. for it anyway. It should be proposed when the committee recommends more money. That is the time for the Senator to make his speech, not today.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Will the Senator yield me 5 minutes?

Mr. CHAFEE. I yield.

Mr. PROXMIRE. I congratulate the distinguished Senator from Rhode Island and the Senator from Missouri on their excellent statements on this building. These are two of the finest speeches I have heard in a long time, and most pertinent this year, when we are talking about balancing the budget.

A week ago the Senate voted overwhelmingly for a balanced budget in a couple of years. We are also looking forward to a tax cut. Then we turn around and say we are going to spend this kind of money on ourselves. How can we spend this $122 million, which is the present estimate, and which the GAO calls unrealistic—it will be a great deal more than that, some indications being it will be over $200 million—how can we justify spending this kind of money on ourselves and then expect to hold down spending money on health, education, welfare, defense, and in the many other areas where there will be great pressure to increase spending?

I think there has just been no answer to the argument made by the distinguished Senator from Rhode Island, that in the executive branch since 1960 there has been no increase in personnel, no increase in the last 15 years, no increase in the last 10 years. We have had a tripling, three time as many people on our staff. Yes, I know we have to answer more mail. The fact is I have 6 people in my office answering mail out of a staff of 29. I think that is fairly typical. We had maybe three people answering mail when I first came here 20 years ago.

But that is no excuse for the kind of overwhelming increase we have had in staff in the last few years.

Mr. President, I cannot imagine a more galling symbol of congressional arrogance. First of all, I do not believe this building is necessary. We all know that staff expands to fill the space available to it, and a third building will lead to an increase of staff allowances as well, of course, as additional day-to-day operating expenses.

We have a gym. I use the gym probably as much as anybody in the Senate. It is in the Dirksen Building. There are three other Senators who use that gym. It stands idle all day long. There are four nice rooms there. Cliff Case uses it, and a few other Senators come down and take a shower there once in a while, maybe once a month or twice a month, and that is about it. It stands idle. It is a nice gym. It has some weight-lifting equipment, a stationary bicycle, and a few other things. It has six shower stalls. Now we are going to build a new gym. A new gym?

Then we are to have a glorified hearing room, a multimedia center, with anchorman booths and separate interview rooms, with an extra elevator for electronic equipment.

It is going to be something, apparently, like the conventions at Madison Square Garden and the Chicago Stadium. But it will be there all the time. Whenever ABC wants its booth, it will have its booth, NBC and CBS, and so forth.

Then a rooftop restaurant. Some people said it ought to be opened to the public. That is fine. I am talking about the American public, I am talking about all the public, the people in Utah, in Missouri. If they had a vote on this, I do not think they would vote for a special restaurant if they came to Washington in the next couple of years at a cost of probably millions of dollars.

There is to be a solar demonstration project which the architect has said may not be cost-efficient and which may cost as much as $1 million. That is duplicative since the House recently installed a similar project in one of its buildings.

Interior art work and landscaping will add several hundred thousand dollars to the building.

Mr. President, the real question before us is if we really mean business about holding down spending we are going to vote for a 2-percent cut in the rest of this supplemental. I presume we may carry as we have rather consistently, with 2 percent cuts in all the appropriations bills that come along. Yet we are going to provide for ourselves a beautiful palace that we do not need, that cannot possibly be justified?

I do hope the Senate will recognize that it is not only good politics, which it is, frankly, but it also is good sense to pass the Chafee amendment.

(Mr. McGOVERN assumed the chair.)

Mr. BUMPERS. Mr. President, I shall yield in just a second to the Senator from Pennsylvania.

I do not resent the defense of the building, because I think any alternative is just folly. I do resent coming here, after this building is well out of the ground and with $15 million already spent on it and hear all of these objections being raised. I was not here when all this took place. I was just looking through three supplemental appropriations for this building. I note that the Senator from Wisconsin did object to the parking garage across the street but not one time did he submit an amendment to strike this building from those supplemental appropriations on three separate rollcall votes.

I said earlier if I had been here at that time, I might not have voted for that building. I would have offered an amendment to delete it. But I certainly would not stay in this Senate from 1970 or 1972 to now and wait until the steel is tall in the air and say, "Let's tear it all down and start over again."

I yield to the Senator from Pennsylvania for what time he might want.

Mr. SCHWEIKER. Mr. President, as the ranking Republican on the Senate Legislative Appropriations subcommittee that has historically funded this building, I should like to give my reasons for supporting the chairman of the committee, because I think there are some very sound and valid reasons.

The argument has been made as to why we need this staff, why we need this growth, why we need this expansion. I think there are some very clear indexes that scream out for some kind of attention and settlement in terms of our responding to the need. Let me just go over the last 20 years, from 1958 to the present.

Over that 20 years, the Senate staff has increased from 2,415 employees to 6,212 employees. That is a 150-percent increase in Senate staff. Then we compare it to what happened to the parameters that we are supposed to be influencing, thorugh legislation.

The Federal budget for that period of time, 20 years, has increased from $82 million in 1958 to $462 million in 1978, or almost $400 million. That is a 500 percent increase. The Federal budget, that we are supposed to oversee, interact with, interphase, intelligently legislate on, propose, dispose, amend, or whatever, has increase 500 percent, but our staff has gone up 150 percent. I think that begins to put the figure in perspective.

Gross national product—that is a measurement of how the whole country is doing economically. Lord knows, we are certainly interacting with that today in almost everything we do. During this 20-year period, our gross national product has gone up from $442 billion to $2.43 trillion. That is a 500-percent increase.

Let us put everything on the table. Let us not kid ourselves. Senate staffs have grown 150 percent, the Government that we are supposed to oversee and interact with has gone up 500 percent, gross national product, has gone up 500 percent.

Let us talk big things instead of little things. That is what our job is and what our responsibilities are.

Mr. HARRY F. BYRD, JR. Will the Senator from Pennsylvania yield?

Mr. SCHWEIKER. When I finish, I will. Let me make my point; then I shall yield.

We put up with crowded conditions in the Senate that no other executive agency of the Federal Government puts up with. We also put up with crowded conditions that many businesses would not put up with. The General Services Administration says that for a matter of a healthy environment, just being able to operate effectively and efficiently in a healthy climate, we should have at least 150 square feet per employee. We have 65 square feet per employee.

You do not have to talk to many Senate staffers to find that out. Anybody who moves downtown is just aghast at the gradiose space they have there and the spaciousness of their offices compared to what we deal with here. There is no magic here. It is clearcut, 65 square feet to 150 square feet.

Let me talk about what I had as a Senator from a big State when I came here. Senators from big States have a problem because the office allowance, while it does increase, does not increase proportionately with the rise in population.

When I came here 10 years ago, I received 500 letters a day. Our mail lately has been running 5,000 pieces a day, a tenfold increase. Yet I have my same seven rooms to handle that. Seven

rooms, and my mail volume has gone up tenfold.

What has brought that about? The computers. Look at the labor-management fight. Look at the other big fight, the Panama canal. All the sides geared up and sent computer letters to me. That is the fight now. We never had that before. That is what it is all about.

What are we legislators supposed to do? We are supposed to respond to those computers. We do not have the sophisticated computers they have. We have to have more people to do that. That is what it takes. I answer all my mail, every single letter. But it is a gargantuan task when you receive 5,000 a day.

It is all right to say we should not answer these computer letters. Fine. But I do disagree. I happen to think that, whether it is a computer letter or not, people send it, and they want a response. They feel you have people on your staff for that, and they like to feel you cared enough to answer that letter.

I think that gives a pretty good picture on mail, really the bulk of what we do here in terms of bodies.

Let us talk about efficiency that everybody is talking about. When I came here, I said I was entitled to seven rooms. That is only a couple of rooms over what a Senator from a small State is entitled. It is far out of proporation to what we really ought to have. I could not get seven rooms when I came here. It took me 8 years to get seven rooms together. I had to live for 8 years with an office that was broken up into three sections—five rooms here, a room there, and a room across the street.

My mail had to go back and forth a block or a block and a half underground, or sometimes, in wet weather, we had to run mail back and forth to each other. Talk about inefficiency. Talk about doing your work intelligently. You cannot even get seven rooms that are contiguous. It took me 8 years until I had enough seniority to get seven rooms together.

Then there is the cycle. Every time I get an option on a suite that gives me 65 square feet more, I feel strongly obligated to take it. I do not want to move my staff. But my staff screams to breathe. Whenever there is a move and 65 feet available, I have to take it to keep peace in the office staff. And rightly so, when you see their working conditions.

Eight years it has taken me to obtain seven rooms together. If that is an efficient, productive operation, I would like to see it. I think these are some things we have to crank into the debate on what is really happening here.

Are these figures comparable? Are they comparable? Well, I happen to think they are more than comparable.

Let us look at the Government part. If you took the Rayburn Office Building and added inflation to what it cost to build that building, it costs $185 a square foot in 1978 dollars. We are only talking about $101 a square foot for the Hart Building. We are oceans ahead of the Rayburn Building in efficiency and economy. Compare $101 a square foot to $185 a square foot. That is the Rayburn Building, two blocks away compared to our Hart Building.

That is allowing for inflation, which you cannot get away from today in the construction industry.

Mr. PROXMIRE. Will the Senator yield on that particular point?

Mr. SCHWEIKER. No, I shall yield when I am through.

The J. Edgar Hoover FBI Building, another building right down the street here, cost $90 a square foot. If you have been through the building, and I have, it is big open halls, with a lot of conveyor belts running back and forth and filing cabinets standing end to end. Hallways are almost the size of football fields. They do not have committee rooms, individual offices, partitions, seven-room suites, Senator's offices, all which restrict floor space and drive up square foot costs.

Let us go to commercial buildings. Well, I think Senator BUMPERS already touched on this, but I think it bears repeating.

ATT LONG Lines, Bedminster, N.J., cost $111 a square foot; the Federal office building in Albany, N.Y., $139 a square foot; Underwood headquarters in Westwood, Mass., $110 a square foot. These prices lead one to believe the Hart Building is not that far out of line.

I was very interested to hear the proponents of the amendment say that the IBM building was a good illustration. They were talking $78 a square foot. That sounds great, $78 a square foot. What they do not tell you, and the key here, is that the IBM building cost is for just a shell. That is a shell of a building. They make their tenants put in the partitions, creating the office space adding another $30 or $40 a square foot which the tenant pays.

So add $78 a square foot and $20 to $40 a square foot they have to pay and this IBM building cost exceeds the Hart building.

Another thing, we are restricted to build, as Senator MAGNUSON very well pointed out, to a certain height level. We have to build another way. We have to build for longevity, for permanence, because if we build for logevity and permanence we get some advantages in cost in the long run.

One of the best illustrations of that is this west front of the Capitol. I do not want to start another fight. We have been fighting that for a few years. But it is made of sandstone. It is made of sandstone, and it looks like it is made of sandstone. It is deteriorating, cracking, peeling. It must be painted each year.

Now, we want to pull it down. The only argument is, do we replace the wall there or move it out 40 feet?

I am not getting into that argument, but we have to undertake a major restoration. It is going to be horrendously expensive to replace the sandstone first.

Why have sandstone? Because I think a few Senators back then stood up and said, "We can save a bundle, we'll have sandstone and save you guys a lot of money. We'll let the other Senators, generations later, worry about pulling it down, supporting the gap with structural steel beams. We will take it now." A "penny wise and pound foolish" decision.

So we have a monstrosity to replace because some Senators wanted sandstone, would not have marble, but paid for sandstone. Our buildings are of marble, and there are logical construction reasons why they are marble. In the long run it is cheaper in terms of what it is costing the taxpayers.

So all I can say is that there are not any easy answers. If we really look at the indexes of Government growth, of GNP, if we look at the indexes of the Federal bureaucracy what we are trying to cope with, the Senate is way behind.

It has been mentioned that we fought this battle before. I have been on this committee several years, and we have had nine hearings on this bill and four record votes. Each time we have got an affirmative vote. Four affirmative votes.

So I am a little confused as to why after four votes and in the middle of the building project, we want to come in and do something that can only be counterproductive. These efforts cannot really save any money.

The time to vote it down was before we started it, not now. It will only cost more money no matter how we do it.

Just look at their proposal, because we are caught in the middle of their proposal, in the middle of a building project. We have some figures. They wanted to rescind the money. There is no money in this bill, and that is an important point, because we are being asked to go back and take money already appropriated.

Why did they not stand up when we appropriated it and strike it? Why now?

What logical, practical economy move is it to take it up now and use it at this point?

We have $52 million either spent or under contract. Under contract, that is the key word.

There are contract rights involved. If we start backing out of contracts, we will pay a pretty fee for that. That is exactly what we are going to pay.

All this talk about saving money at this late date in the cycle is like a lady 8 months pregnant. We tell her to do everything, anything at all, but please do not have the baby. We do not want to be bothered with it.

My point is that we had a couple of other fights on this floor to get freshmen and new Senators extra staff. We adopted Senate Resolution 60. The reason was the senior Members were holding back staff and the junior Members could not express themselves. They were being discriminated against. They could not get staff in committees.

I was junior then and I went along with this; I supported it. But we had the vote on it, and we voted for it.

That is the issue. We voted for staff then, incurred the obligation. Then why welsh on the bill now? Why did they not fight it and beat it then? Some of them were for it then.

They are advocating now that we do not want this building to house the staff we voted for before.

When we come down to what we are really saying this amendment does, $35 million would be expended, including termination contract costs. Nobody is getting any money for that, but we cannot expect a contractor to purchase material, leave it on the job site and not pay him something for it.

So, $35 million is down the drain. Of course, if we do convert it to a parking garage, as has been mentioned as the best feasible use, and it may be, if we do not make a building out of it, some $14 million will be spent to redo the site and refill the hole or build around it. It is an estimated cost of $50 million, and this comes to an astounding $100,000 per parking place.

What kind of sense does that make at this stage of the game?

All I can say is that I commend the Senators. I think they are doing the right thing. But, frankly, it should have been done years ago. That is when the battle should have been fought. It is expensive now. It is counterproductive to stop the building now.

I frankly think my opponents do not have a strong case. If we look at what GNP has done and what the Federal bureaucracy has done, I think we are barely able to keep our head above water.

I think, if we are going to see a competent legislative branch of Government we will have to have some staff around here.

Sure, we have too many for the space, I cannot argue that. All I can say is that we incurred these obligations years ago, we voted four times for this, we voted for the extra staff. I did not hear any Senators now standing up saying, "Don't give me that staff, I have a desire to cut staff."

I did not hear that, so let us pay the bill we have incurred.

Several Senators addressed the Chair.

Mr. CHAFEE. Mr. President, I ask for the yeas and nays at this time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. I ask the distinguished Senator for 2 minutes.

Mr. CHAFEE. Yes.

Mr. GARN. Mr. President, I am pleased to cosponsor with my distinguished colleague (Mr. CHAFEE) this amendment to stop the construction of this building.

The time is running out rapidly, so I only wish to make one point. On the rest of my remarks, I will not take time of the Senate.

I listened to my distinguished colleague from Pennsylvania talk about our problems of space and the need for additional space. I have experienced the same problem that every other Senator has.

My staff is just as crowded, if not more crowded, than any other Senator's. I have five rooms. One of those is the reception area that has a desk and three chairs in it.

OSHA would not approve what we are doing. There is no doubt about that.

So, I agree there is need for space. But there is not need for a new senatorial palace, and those of us who oppose it would not be here today if we were building a simple office building to provide space like the American people work in day after day.

We do not need a restaurant, as my colleague from Wisconsin pointed out. We do not need another gym. We do not need marble halls. We do not need atriums. We do not need two-story offices.

We need some simple space, and that is where my objection comes. That is why I support my colleague from Rhode Island, that we are building another marble palace like the Rayburn Building, and look at what a monstrosity that is. Look at those big, wasteful halls and all the trim.

I would suggest that maybe we defeat this and then build a simple office building like the American people work in, rather than a marble mausoleum that is a monument to the waste and inefficiency of the U.S. Senate.

Several Senators addressed the Chair.

Mr. YOUNG. Mr. President, I yield myself three minutes under the bill.

Mr. President, from the political point of view, I would be better off to vote to discontinue this new Senate office building.

I voted against Senate Resolution 60 to increase staff. Perhaps some increase in staff was necessary, but I think we went too far. I think the building itself is too elaborate. For my own case, I have enough space, but Senators from larger States do not have enough.

The building we have embarked upon is too expensive. There is no question about that. But the problem is that we have gone so far now that the cost would be too great, with no economy at all, to discontinue it now.

I repeat some of the figures that have been given. The value of the work under contract, including administration and miscellaneous expenses, $52,891,000. Estimated cost to terminate outstanding contracts, $19 million. The estimated amount that would have to be expended if construction is halted, including termination costs, $35 million. Estimated cost to halt construction, terminate outstanding contracts, and construct a parking garage, $49,925,000.

Mr. President, I believe that most of the money we already have spent or have obligated would be lost if we stopped construction of the building now. So I will be voting to continue construction of the building, although it would probably be more popular in my State to vote against it.

Mr. BUMPERS. Mr. President, I understand that I have 1 minute remaining, and I have agreed to yield it to the Senator from Kentucky, which I now do.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, enough has been said, and not much can be added in 1 minute, except to say that this building is really the completion of a building that was approved many years ago, the Dirksen Building, which was halfway completed because the Korean War intervened and it could not be completed. The Hart Building is not a new building, in fact, but a continuation and a completion of that building.

With respect to all the things that have been objected to here today—the gymnasium, the restaurants—not a single penny has been appropriated by this body for any of those features. The time still remains for this body to make a decision as to what extent those features would be added.

The other thought I have is this: Much has been said that we are doing something for ourselves. There is not a Senator here, so far as I know, who complains about the space that is provided for him. It is adequate. We do not complain. It is for the staff. For whom does the staff really work? They work for the people in our various States, in my judgment.

We could do as I understand they do in the Parliament in England. When they receive a letter from a constituent, they send back a preprinted postcard acknowledging the fact that the letter has been received.

As everyone knows, some requests we receive require hours, days, weeks of an individual's time, in order to accommodate the citizen and to find out what the problem is that he has with the bureaucracy.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUDDLESTON. Will someone yield me a minute on the bill?

Mr. YOUNG. I yield the Senator 1 minute on the bill.

Mr. HUDDLESTON. I thank the Senator.

Whether we like it or not, Mr. President, a Senate office has become an ombudsman for the citizens of this country in dealing with the bureaucracy that has been established. There is no other place they can go, no other individual anywhere who will listen to their problems. We have to do so, and I think we should.

Sometime ago, it was decided that all our committee meetings should be open, and I think that is proper. Every time the Appropriations Committee or any of its subcommittees meet down here on the first floor, long lines of people stand down the hall, trying to get it. They cannot get in; there is not enough room. If we are going to have open committee hearings, there should be room for the people to come in. That does not exist at the present time.

The distinguished Senator from Missouri, for whom I have a great deal of respect and who I believe is one of the very best Senators in this body, likened the problem of our security here with that of Hannibal, Mo. I do not believe even Mark Twain would draw that kind of allegorical situation.

This is the Capital of the United States of America, the greatest country in the world, the greatest city in the world, the

seat of the greatest government that the mind of man has ever conceived.

Every kook in the world gets through here sooner or later, and we have the Capitol Police. Some Members of this body can recall when bombs were exploding here. The police protect us, yes, but the people in these galleries have a right to sit there with some confidence that they will not be blown off the face of the Earth while they are here watching their government in operation.

I will guarantee that not a week goes by in which our Capitol Police do not apprehend some individual who is either in the gallery or trying to get in the gallery, who has come with some malicious intent toward this body and toward the people in this body.

The police are not here to protect only us. They are here to protect the Capitol of the United States of America, and I believe the people in America expect that to happen.

We do not need any more restaurants for the Senators; but when these people go down to eat, they stand in line, trying to get in. Maybe we need a restaurant for the people. But that decision still can be made.

We talk about something ridiculous and silly. To stop a building to which serious consideration has been given for 10 years, as to the need for it, to stop a building with six stories of steel already in place, would be the most laughable thing the Senate could do.

The need has not decreased a bit since those decisions were made. In fact, it has increased. It would be folly, besides being tremendously expensive, to eliminate that building at this point.

I happen to be running for reelection, and I know the political implications of this. I have traveled the country. I know the climate today. One thing that has always surprised me since I came to this body was the willingness of some to exploit every single possibility that came before us to take cheap shots at the body itself, knowing what the reception was going to be in the press throughout the land, and I know precisely what they all say.

But we are not talking about a palace; and if we are, it can be changed. It can be changed by this body at any time. It can be stripped down to bare necessities, and I favor that. I think that is all we need. I do not need another gym, another restaurant, or any of those features. We have an opportunity to alter this construction project in any way we deem advisable. But to say that we are not going to give our staff the space they need to respond to the citizens of this country, to me, is highly irresponsible.

Mr. WALLOP. Mr. President, will the Senator from Rhode Island yield me 2 minutes?

Mr. CHAFEE. I yield.

Mr. WALLOP. Mr. President, I ask unanimous consent to have printed in the RECORD, following my remarks, a document entitled "Several Myths Regarding the Cost and Need for the Hart Senate Office Building" and an article published in today's New York Times, "Steel Supports for New Senate Building Rise; So Do Costs and Delay."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WALLOP. Mr. President, I hope my good friend from Kentucky will not think that everybody who supports the amendment offered by the Senator from Rhode Island and other cosponsors, including me, are ipso facto, taking cheap shots at the Senate. Those of us who cry out for some kind of responsible reaction to an irresponsible situation should not be accused of taking cheap shots.

I think the argument has been made that we have too much mail. Why do we not make 100 mail rooms down there? We can do that.

The argument has been made that GSA has said everybody would be happy to have several hundred square feet. GSA, until last year, made the argument that everybody would be happy to be in a room at 74 degrees, and now it is 68 degrees, and I agree with that figure, too.

We are living in a time that is dictated by the economics of the time, and the economics are not at the point where this country can allow itself to wallow in self-indulgence. That is the way Rome fell, and that is surely the way America will fall, if we do that.

I believe in CHAFEE's law, that staff, like gas, will expand to fill any volume, and there is a problem with that.

Possibly you can justify a certain amount of more staff, but one thing happens: The more it is, the more difficult it is to get a handle on the budget, because the more advocates there are for the various causes that are footloose in the country.

And the more difficult it becomes as we increase in numbers and volume, and it has been proven because as it has grown the budget has grown at a greater rate and in each time we add and add and have no restraint on our ability to hire or to place it our ability to handle that budget will go farther and farther out to sea like a ship leaving port.

Mr. President, I again hope that those of us who take a look at the amendment of the Senator from Rhode Island will look at it not as a cheap shot but as an opportunity to be responsible and to do something responsible with the building that is about to be built.

EXHIBIT 1

SEVERAL MYTHS REGARDING THE COST AND NEED FOR THE HART SENATE OFFICE BUILDING

Myth Number One: "The Senate Staff has only 65 square feet per person."

That figure is not accurate. Of the 6,000 Senate employees in Washington, many do not work in what we term "office space", such as employees of the restaurants and janitorial workers. If you compare the number of office workers with the 604,000 "usable" square feet of office space we have (not counting hearing rooms), simple division shows that each Senate office employee has at least 100 square feet of working space.

Myth Number Two: "The Hart Building will relieve overcrowding."

That's very unlikely. In the past several years, we achieved a 46 percent increase in available office space. Did the staff get extra working space? No, the Senate offset that increase with a boost of some 50 percent in the number of staff, thus maintaining the same staff-space ratio.

Myth Number Three: "When the Hart Building is completed, that will be the end of it."

That is not so. It will take tens of millions of dollars to renovate the Russell and Dirksen Buildings to enlarge the existing Senatorial suites. There will also be costs for furnishing, staffing and maintaining the new building. And the Architect says we'll need a fourth major Senate Office building—about as large as Hart—by the late 1980's.

Myth Number Four; "The Hart Building will end up costing 'only' $122 million.

Sadly, that is wrong. The General Accounting Office says the Architect's figure of $122 million is unrealistically low. Based on the track record of the Hart Building's escalating cost since first conceived in 1972, a more realistic "final cost" figure would be $213 million by the time of completion in 1981.

Myth Number Five: "The Hart Building will cost only $101 per square ft., while the Rayburn Building would cost $185 per square ft. at today's prices."

That $101 figure is wrong. The real cost per gross square foot (including all the lower-cost parking and truck docking space, etc.) is $115, and that's still using the Architect's out-of-date cost figures of $122 million for the whole building. As for that $185 figure on the Rayburn Building, it conflicts with the Architect's own testimony to the Senate Appropriations Committee in 1974. The cost then to build the Rayburn Building was $60 per gross square foot. Construction costs haven't tripled since 1974.

Myth Number Six: "We're so far along, it's impractical to stop the building now."

I don't believe it's impractical to cut our losses at $31 million when the alternative is to spend $200 million on something we shouldn't have. That $31 million covers the $16 million already spent, plus as much as $15 million to clean up existing contracts.

[From the New York Times, Aug. 4, 1978]

STEEL SUPPORTS FOR NEW SENATE BUILDING RISE; SO DO COST AND DELAY

(By Steven Rattner)

WASHINGTON, Aug. 3.—The steel supports for a new Senate Office Building are rising on a vacant Capitol Hill lot, and so are the costs, the delays and the tempers of nearly everyone involved.

According to present estimates, the nine-story building will not be finished until mid-1981, two years behind schedule, and will ultimately cost at least $122 million as against original projections of $47.9 million in 1976. And the delays and the costs may keep rising.

With the new building, the Senate will nearly double its office space, but the building's opponents say that it would be better to cut the fast-growing staff. The building will also maintain the tradition of Congressional elegance: unending marble, plentiful wood paneling, double-height Senatorial offices and a rooftop restaurant for senators only. However, some people consider such displays of opulence undesirable.

WANTS A LINE DRAWN

"My strong feeling is that we've got to draw the line somewhere on this constant, constant expansion," said Senator John H. Chafee, Republican of Rhode Island, the organizer of the opposition. "I'm a firm believer in Chafee's law—that staff expands to fill the space available."

Mr. Chafee has been joined by Senator William Proxmire, Democrat of Wisconsin,

who in March bestowed on the project his "Golden Fleece" award for what he saw as misuse of taxpayers' money.

Proponents, once numerous, are now difficult to find. Senator Ernest Hollings, Democrat of South Carolina, cited by several Congressional sources as an advocate, refused through a spokesman to comment. Aides to several other senators, while declining to make the legislators available, talked about the need to reduce the cost of the structure, which was designed by John Carl Warnecke.

A supplemental legislative appropriations bill, scheduled soon for Senate consideration, contained $37.5 million to meet some of the cost overruns. However, senators removed that in committee, ostensibly to await a report now in preparation by the General Accounting Office.

DESIGN CONCEPT CHANGED

Planning for the building, which will be known as the Philip A. Hart Senate Office Building, after the late Senator from Michigan, began almost a decade ago when the Government acquired the land behind the Dirksen Senate Office Building. But over the half decade of design, the concept changed markedly. Instead of simply transforming the Dirksen Building's U shape into a rectangle, as was originally envisioned, an entirely different building was designed.

The changes called for the rooftop restaurant, and provision was made for a tennis court on top of a connecting wing. One hundred private bathrooms—two for each senator's office—were incorporated. The thickness of the marble was doubled. The 3,000-square-foot multimedia room was improved.

And the costs rose. At present, the building would cost $101 a square foot, and Mr. Chafee has calculated that that figure could rise to $185 a square foot, for a total of $215 million. By comparison, office space in the new Citybank building in New York cost less than $60 per square foot, according to the bank. However, the comparability of the figures is a hotly debated issue here.

Moreover, the Architect of the Capitol, who supervises such construction, has yet to calculate the cost of renovating the two existing Senate office buildings. The renovation will be needed when half of their occupants move to the new structure. Nor do the cost estimates include furnishings for the new building.

"The Hart Building is comparable in quality to the other Senate and House office buildings," Elliott Carroll, executive assistant to the Architect of the Capitol, said in defending the cost. "This building has to last forever."

Imposing no limit on the quality of the new Senate Office Building means, for example, a double-decked design to afford 16-foot ceilings in senators' private offices. It also means $1.5 million in wood paneling in the private offices because "senators deserve as much amenity and dignity in their offices as the vice president of a local bank," said Mr. Carroll. The two other Senate buildings have no wood paneling.

MORE SPACE SEEN NEEDED

At present, each Senate employee has an average of 67 square feet of office space, as against an average of 169 in the executive branch and a private standard of 150, according to Mr. Carroll. The new building would raise the average to 132 square feet based on Senate employment in 1977. But by the time the Hart Building opens, Mr. Carroll said, another building will be needed, and a potential site is already being studied.

This prospect has caused Mr. Chafee and others to call for a ceiling on the size of the Senate staff. It has grown from 1,962 in 1955 to 6,900 at present and is still growing. Total civilian Government employment has risen by less than 20 percent.

The opponents of the new building would like to rip down the nine-story steel structure, keep the three-story underground parking garage and create a Philip A. Hart Park. That would mean a total cost of $50 million, or $100,000 per parking space. The garage would be one of the most expensive ever built.

OTHER POSSIBILITIES

Another possibility would be to remove some of the frills. Eliminating interior marble would save $2.9 million. Eliminating the center wing, which contains the athletic facilities and the media center, would save $2.1 million. Canceling the automatic mail delivery system would save $1.8 million.

The problems faced by the Hart Building follow an illustrious tradition. The Dirksen Building, which ran $15 million over budget and was completed nearly two years late, was built with garage ramps too steep for cars, mail chutes that led to the cafeteria kitchen and bronze clock hands too heavy for the clocks to move.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. HELMS. Mr. President, I am honored to be a cosponsor of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. The Senator yielded to me.

Mr. CHAFEE. I yield.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. HELMS. Notwithstanding some of the comments made in defense of this bill, Mr. President, if there is one law that is carefully obeyed in Washington, D.C., it is Parkinson's law and one-upmanship.

I saw in the morning paper a few weeks ago a photograph of an office of a second-level bureaucrat in the executive branch of the Government, and one could hit a home-run ball from one end to the other, with two or three couches, and all sorts of stuffed chairs and other comforts of life.

I am sure that there are some Senators who would like to see that sort of thing here. But I think we should cut it out for the executive branch. I think we should cut it out for everyone. And I am absolutely confident that this building should be stopped.

The Senator from Kentucky mentioned Mark Twain. If Mark Twain were around today I think he might paraphrase his statement "Everybody talks about the weather and nobody does much about it." Mark Twain would probably say the same thing about inflation, and that is the bottom line of the Senator's amendment. He is trying to cut Government spending. He is trying to cut Government waste. And he is willing to do it where he works, and that is the sum total of this amendment. If that is a cheap shot, so be it, Mr. President, because this building is a farce, and it should be stopped so that no more millions of dollars of the taxpayers' money should be wasted.

The only way that inflation can be stopped is by balancing the Federal budget, and cutting out the extravagant and wasteful spending by the Federal Government. I checked just the other day and discovered that the Federal debt now stands at more than $741 billion—an increase of more than $73 billion during the past 12 months.

Every branch of Government is spending too much money—including Congress. In fact, Congress is responsible for excessive spending by the other branches, because it is Congress that appropriates the money—thus allowing the incredible increase in the Federal debt.

I wonder how many Americans realize that Congress spends in excess of a billion dollars a year on itself?

It is not very popular to oppose enormous Federal spending programs, but those of us in Congress must bite the bullet, and vote against such wasteful spending. And I happen to think that Congress ought to start with the money it spends on itself.

For this reason, I am cosponsoring with Senator CHAFEE an amendment to the supplemental appropriations bill (H.R. 13467) which would rescind all unexpended funds previously appropriated for construction of the Philip A. Hart Senate Office Building. From the very beginning, I have opposed the new building (we already have two office buildings). But the Senate went ahead and approved the building.

The first proposal concerning this new building was approved in 1972, before I came to the Senate. At that time, it was estimated that it would cost $48 million. The next year (1973), the estimate jumped to $68 million, and to $85 million in 1974. I took the position that the project ought to be abandoned, and that we should make-do with the two buildings which we already have.

After all, when I worked here in the early 1950's, there was only one Senate Office Building, which took care of the 96 Senators we had then. Now we have 100 Senators, and it is pretended that we must have three times as much space? It just does not make sense.

And it certainly does not make sense when you consider that the estimated cost of the new building has now climbed to $122 million. By the time it is completed—if it is completed—the new building will cost the taxpayers in the neighborhood of $213 million.

The plans for this new building include a number of ridiculous frills. For example, there is to be a gymnasium for Senators—at a cost of $350,000. I am told that each of the two buildings included a gymnasium when they were built, but I do not even know where they are. Also, there are plans for a "rooftop dining room," costing the taxpayers $600,000. No wonder the taxpayers are angry.

It may be that we will lose this vote. But, at least, we will be able to tell which

Senators are willing to forgo their own convenience and comfort in order to do something about inflation.

We need to cut out all of the frills and waste in the Federal Government. If we are willing to face up to our responsibility, we can balance the Federal budget, and we can do something about inflation—instead of just talking about it.

And the time to start is now.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I ask unanimous consent that Miss Ann Lisher, of my staff, be accorded the privilege of the floor during consideration and vote on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, the Senator from Virginia (Mr. HARRY F. BYRD, JR.), left the Chamber. He wishes to speak on this amendment for a minute or so. I appreciate it if he is accommodated.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Rhode Island has 3½ minutes remaining.

Mr. SCHWEIKER. Mr. President, I know the Senator from Michigan wants to speak.

So I yield him 2 minutes on my minority time on the bill.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. GRIFFIN. Mr. President, like the distinguished Senator from Kentucky, I am up for election this year. I suspect that it would be expedient, and wise, for me to keep my mouth shut. However, having been his good friend, as were my colleagues—and being from the State of Michigan—I am conscious, of course, that this building already under construction, at which the pending amendment is aimed, was named in honor of the late Philip A. Hart.

I will remember an occasion well over 2 years ago, when many of us were gathered in a room upstairs. Phil Hart's health then was failing fast. Senator MUSKIE, the leadership, and many of his colleagues on both sides of the aisle, met with Phil Hart and presented him pictures and drawings of the Philip A. Hart Building, already planned and authorized.

The project was well along at that time. Everyone knew then what the building would look like.

Of course, we had already adopted the resolution to name it the Philip A. Hart building. Frankly, except for Phil Hart's death, not much has changed since then.

Of course, Mr. President, Phil Hart would be the last one to ask the Senate to proceed with such a building if it were not justified.

But there was an urgent need several years ago for the space this building would provide. I can only say, as one Senator who represents a rather large State, that there is a greater need for that space today.

I invite members of the press corps—as I invite constituents who come in every day—to go through my office and other Senate offices to see just how our staff is accommodated. They should see firsthand just how badly more space is needed.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRIFFIN. Mr. President, may I have an additional 1 minute yielded to me?

Mr. SCHWEIKER. Mr. President, I yield 1 minute on the bill to the Senator.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. GRIFFIN. The issue posed by this amendment is not whether we should have a new restaurant or a gymnasium. The question is whether we should stop construction altogether of a building that is so far along.

Bring on your amendments to eliminate the gymnasium and other plush items. Bring on your amendments to eliminate the cafeteria, if you wish. I will vote for those amendments. But the amendment before us now would stop the whole project. I believe that would be a foolish waste. That would not be in the public interest; certainly it would not be in the interest of the Senate as an institution; and I urge that the amendment be defeated.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield me 2 minutes?

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, there are a few figures that I think are appropriate to this debate.

Eighteen years is a short period of time. But in comparing 1960 with 1978 we find this:

The Defense Department in 1960 had 1,039,996 civilian employees. In April 1978, it had 981,582 employees.

The White House Office in 1960 had 338 employees. In April of this year it had 376 employees. The Supreme Court had 163 employees in 1960 and 323 in 1978.

Now we come to the legislative branch.

In 1960 the legislative branch had 14,954 employees.

In April of this year the legislative branch had 39,558 employees, a threefold increase in that short period of time.

Now we come to the matter of appropriations.

The cost of operating the legislative branch in 1960, the total cost of the legislative branch of Government was $116 million.

In this budget we are now considering today, the cost of operating the legislative branch will be $1.118 bllion, a 10-fold increase in that 18-year period of time.

I shall support the amendment offered by the Senator from Rhode Island. If this building is built and when it is moved into, the number of staff will greatly increase, the cost of the legislative functions of Government will greatly increase, more laws will be proposed and the cost of Government—already too high—will greatly increase.

Mr. MAGNUSON. Mr. President, I yield myself 1 minute on the bill.

The Senator from Virginia is absolutely right in suggesting that we discuss this on the legislative appropriation bill. There is no money in this bill for this project one way or another, and when the legislative bill comes up and when there is a suggestion of money to finish the building or how you furnish it or what you do with it, that is time to do this. There is no money in this bill for this project at all, and we are not discussing the legislative bill. We are discussing supplemental. There is nothing in here for that.

As I said, that is one reason I am going to vote against it. It does not belong on this bill. The argument should be when there is something before the Senate which contains an appropriation for this particular building. Then Senators can stand up and argue for or against it.

But to do this here now when there is no money in this bill at all—it is a supplemental bill and not a legislative bill—is improper. The Appropriations Committee is plagued with these things. Again I am trying to see if we cannot stop all this legislation on appropriation bills.

Several Senators addressed the Chair.

Mr. DANFORTH. Mr. President, will the Senator from Rhode Island yield me 1 minute?

The PRESIDING OFFICER. The Senator is recognized for 1 minute.

Mr. DANFORTH. The issue here is not simply a building. The issue is symbolic, and the symbolic question is how big and expensive and opulent and garish and extravagant and palatial the Federal Government is going to be. Washington is supposed to be the seat of Government of the American people. It is Washington, D.C.; it is not Versailles.

Mr. BUMPERS. Mr. President, has all time expired?

The RESIDING OFFICER. The Senator from Rhode Island has 1 minute remaining.

Mr. CHAFEE. Mr. President, I would like to take my 1 minute plus 9 minutes on the bill, if I might.

Mr. SCHWEIKER. Mr. President, I yield 2 minutes.

Mr. CHAFEE. I would like to answer a couple of points made on the floor.

First, the point that the steel is up, why did we not do something sooner? The answer is that 3½ months ago, be-

fore there was a single bit of steel, I wrote the Rules Committee and submitted a resolution and asked for them to kill this building, to stop. Nothing happened. Therefore, it proved to be the greatest incentive for acceleration for the steel erection business that has ever taken place. The construction company went all out.

We did what we could, but nothing came from the Rules Committee, nothing came before this Senate. So this is the only way we can get something done.

Second, the chairman of the Appropriations Committee says this is not the appropriate place. He says for us to wait for some bill to come from OMB. But if we wait, then we will be caught in a Catch-22 situation. People will say, "Why didn't you do something sooner?" So we moved on this supplemental in order to stop everything in connection with this building.

Mr. President, I would just like to say this: There are two issues before us that I think are of extreme importance.

One is the one that has been stressed dealing with the palatialness of this building. This is straight neo-Mussolini. Never has a building like this been seen. It goes far and away being the most expensive Federal building ever constructed in the history of the Government, and that is going some. The FBI Building, the Rayburn Building do not hold a candle to the price of this one. The FBI Building is twice as big and will cost less. So the first thing is the opulence of the building.

The second point, Mr. President, is can this Senate really do anything about inflation? We all complain, every speaker gets up and speaks about inflation. We passed overwhelmingly a resolution the other day that there will be a balanced budget in 2½ years. Here is a chance to do something. Let us stop this foolish building that somehow got out of control.

The answer is, "We are caught up, we cannot do anything about it."

I say it is better to cut our losses, cut them at $30 million rather than plunging into $200 million.

As for an appropriate memorial for Senator Hart, I will support any kind of appropriate memorial, but I have difficulty believing that this would be the most appropriate one, although I will have to yield to others on that. But the key point is inflation is really the scourge of this Nation. Let us make some small gesture to stop that inflation.

The PRESIDING OFFICER. The time of the Senator has expired.

All time on the amendment has expired.

● Mr. ROTH. I support the amendment offered by the Senator from Rhode Island and cosponsored by myself and several of our colleagues.

Mr. President, the American people are tired of more costly Government and constantly increasing governmental size. They have spoken out clearly in the last few months not only in California, but all across the Nation. In over 30 States, citizens movements have begun to force State and local governments to cut back on their spending and reduce the tax burden shouldered by the American taxpayer. Twenty-two States have passed resolutions asking the Congress to call a constitutional convention for the purpose of formulating an amendment to the Constitution which would place limits on spending by the Federal Government.

Yet, we in the Congress refuse to recognize the demands of the American people. We have decided we need a new marble and bronze gilded castle so we can coddle ourselves and work in palatial surroundings. How can we expect the American people, labor and business and all sectors of our economy to make sacrifices in the fight against inflation when we spend $122 million to add another building to the eight we already occupy? How can we expect the bureaucracy to cut back on wasteful spending when we spend lavishly on ourselves?

This proposed new building is an extravagant and unnecessary expense. It will contain more floor space than would be contained in 580 average American homes, based on the average size of all homes sold in the United States in 1977. The cost of the building when money was first appropriated in 1972 was $48 million. Present projections indicate it could cost well over $200 million when completed. And what of the many other uncalculated costs? Maintenance, police protection, utilities, and additional staff will all be expensive and their costs will undoubtedly rise over the years.

The Philip A. Hart Building—a designation that parodies the late Senator's unostentatious style—will be nine stories in height. It is to be crowned by a terraced rooftop restaurant; there will be a gymnasium, added to the two already existing, that includes a basketball court easily converted into indoor tennis courts, and a "multimedia" center in which electronic magic can dispatch each senatorial pronouncement to breathlessly waiting constituents.

Mr. President, I need not describe any further this latest example of extravagant and unnecessary spending. The Capitol Hill empire has grown large enough already. It is time to demonstrate to the American people that we mean business in the fight against inflation and wasteful spending of the taxpayer's money. I applaud the amendment offered by my colleague from Rhode Island and urge the Senate to act favorably on it.●

Mr. CHAFEE. Mr. President, I ask unanimous consent that a statement by Senator DECONCINI be printed in the RECORD prior to the vote on my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. DECONCINI

I associate mysef with the remarks of my able colleague from Rhode Island.

If ever a doubt existed as the necessity for greater budgetary restraint, the economic news of last week should have dispelled it. The evidence is clear. A recrudescence of double digit inflation is upon us. Under such circumstances, I think it would be hard to find a member of this body who would deny that it is imperative to take the first steps toward containing the seemingly inexorable growth in federal expenditure.

Indeed, almost everyone, judging by both the polls and the "pols", favors cutting the Federal budget. Certainly this holds at the level of abstract rhetoric. The rub comes in which reductions in specific programs and activities are recommended. Thus the consensus dissolves because no one wants to see his program cut. The problem always seems to boil down to the question of whose ox will get gored first.

Since I am one of those who believes that economy, like charity, properly begins at home, I can conceive of no better place to start with trimming unnecessary expenditures than with the Hart building. If we expect the executive branch to take our constantly reiterated demands for efficiency and economy in the conduct of the public business seriously, we must be willing, at the very least, to deny ourselves the luxury and convenience of another opulent office building. To do otherwise, gives the lie to our virtuous fiscal intentions.

We are told, of course, that, because of the resources that have already been sunk in the edifice now slowly taking shape, we cannot afford to terminate the project. I do not find this argument compelling. It never makes good business sense to throw good money after bad, especially when the money involved belongs to the American taxpayers. In my view, not only can we afford to stop construction of the Hart complex; we cannot afford not to do so.

I am, therefore, pleased to support the effort my friend from Rhode Island has undertaken to reverse an earlier mistaken decision and urge my colleagues to approve this proposed recission.

Mr. PERCY. Mr. President, I will vote to table the amendment offered by my distinguished colleague from Rhode Island (Mr. CHAFEE) which would have halted construction of the Hart Senate Office Building. The amendment would have rescinded all unexpended appropriations remaining to the Architect of the Capitol for the construction of this new office building.

My colleague's amendment has the best of goals—to cut unnecessary Federal spending and to start cutting now—literally in our own backyard. I commend his intentions. I believe my own record in working for legislation to reduce Government spending and accountability to the taxpayers we serve is clear.

However, I do not believe it is in the interest of the taxpayer or the Federal budget to stop construction. The cost to terminate the project at this date—that is, what we have already spent and the cost to halt the superstructure contract and restore the Dirksen Building—is estimated at $30,990,000. That is $31 million of the taxpayers' money down the drain with no return whatever on that investment. No business would follow such a procedure.

The Senate has already appropriated $85 million for the Hart building, of which $16 million had been spent as

of July 1, 1978. It would cost an additional $15 million to halt construction.

I believe the need for more office space is evident. Since 1958 the number of Senate staff has increased 150 percent in response to the increased demand being place on all Members of the Senate. The mail I have received and answered has more than tripled since I began my first term in office in 1967. I have already received more than 270,000 letters this year alone. They must, and are all answered.

But even if it were determined that the additional space is not necessary to the operation of the Senate, it would be considerably more cost efficient to finish the building and rent or sell it for commercial purposes than to throw it and $31 million out the window.

My distinguished colleagues from Pennsylvania (Mr. SCHWEIKER), and Arkansas (Mr. BUMPERS), both members of the Appropriations Committee which has reviewed all appropriations for this new building, have offered figures today showing the cost per square foot of the Hart Building to be on a par with other similar structures being built today.

I believe the taxpayers would not argue that more space is needed. Their objections arise, and rightly so, when their money is being spent on projects that are unnecessary and more costly than private projects of the same caliber. They are concerned, as am I, in getting a good return on their investment and I believe we can achieve this return on the new Hart Building. By the same token, I would hope that in future consideration of plans for this building we would take into account the items included in the plans which we could do without, such as the gymnasium. And I would urge that this and any other items that are not absolutely essential to the operations of Senators and staff located in this building be eliminated.

For this reason, I voted for the amendment offered by my colleague from Washington (Mr. MAGNUSON) to put a $135 million ceiling on all appropriations for the construction and furnishing of the Hart Building. This action should assure that the building costs will be contained and I will vigorously oppose any additional appropriations for the Hart Building.

Mr. BUMPERS. Mr. President, I move to table the amendment of the Senator and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the motion of the Senator from Arkansas to lay on the table the amendment of the Senator from Rhode Island. The clerk will call the roll.

Mr. MAGNUSON. Mr. President, I want to say——

The PRESIDING OFFICER. The Chair will advise the Senator that a motion to table is not debatable.

The clerk will call the roll.

Will the Senator ask unanimous consent for what he wishes to do?

Mr. MAGNUSON. I still want to repeat there is no money in this bill for this project.

The PRESIDING OFFICER. The Senator is recognized for 1 minute.

Mr. MAGNUSON. The Senator did not appear before the Appropriations Committee, not that I recall. When there is some money for this building before the Appropriations Committee, I will be glad to welcome him to testify as long as he wishes. That is my point on this bill.

Mr. CHAFEE. Let me just say that we are caught in the same old position of people saying "Why didn't you come here sooner?"

The PRESIDING OFFICER. The Chair will have to advise the Senator that debate is not in order on a motion to table.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HODGES (when his name was called). Mr. President, on this vote I have a pair with the Senator from Arizona (Mr. DECONCINI). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote, "yea." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Alabama (Mrs. ALLEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CLARK), the Senator from Arizona (Mr. DECONCINI), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. HASKELL), the Senator from Montana (Mr. HATFIELD), the Senator from Maine (Mr. HATHAWAY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Georgia (Mr. NUNN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Tennessee (Mr. SASSER), the Senator from Georgia (Mr. TALMADGE), and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

The result was announced—yeas 45, nays 29, as follows:

[Rollcall Vote No. 284 Leg.]

YEAS—45

Abourezk	Hatfield,	Nelson
Bayh	Mark O.	Percy
Bentsen	Hollings	Riegle
Bumpers	Huddleston	Sarbanes
Byrd, Robert C.	Humphrey	Schweiker
Cannon	Jackson	Scott
Case	Kennedy	Sparkman
Chiles	Long	Stafford
Cranston	Magnuson	Stennis
Culver	Mathias	Stevens
Durkin	Matsunaga	Stevenson
Eagleton	McGovern	Weicker
Ford	Melcher	Williams
Glenn	Metzenbaum	Young
Griffin	Morgan	
Hart	Muskie	

NAYS—29

Bartlett	Hayakawa	Pell
Biden	Helms	Proxmire
Byrd,	Javits	Randolph
Harry F., Jr.	Laxalt	Roth
Chafee	Leahy	Schmitt
Danforth	Lugar	Stone
Dole	McIntyre	Thurmond
Garn	Moynihan	Tower
Hansen	Packwood	Wallop
Hatch	Pearson	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Hodges, for.

NOT VOTING—25

Allen	DeConcini	Heinz
Anderson	Domenici	Inouye
Baker	Eastland	Johnston
Bellmon	Goldwater	McClure
Brooke	Gravel	Nunn
Burdick	Haskell	Ribicoff
Church	Hatfield,	Sasser
Clark	Paul G.	Talmadge
Curtis	Hathaway	

So the motion to lay UP amendment No. 1589 on the table was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HODGES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, as long as so many Senators are present, I would suggest that those subcommittee chairmen who have portions of this bill stay here and handle their own portion of the bill. If not, I will put their statements into the RECORD and handle matters myself.

I do want to say to the Senators we have some time on the amendment of the Senator from Arkansas on immunization, and there are other amendments which should not take very long. I am hopeful we can have the amendments out of the way in an hour or an hour-and-a-half, at least.

I also want to say there may be votes on some of these amendments, but passage on these appropriations bills being considered today will be put off until beginning at 3 o'clock on Monday afternoon.

Mr. HART. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. Did the Chair announce that the last amendment was agreed to?

The PRESIDING OFFICER. No. The Chair said that the motion to lay the amendment on the table was agreed to.

The Senator from Arkansas.

Mr. JAVITS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. BUMPERS. I yield.

Mr. JAVITS. Mr. President, I ask unanimous consent that Alan Bennett, of my staff, and Jerry Cohen and Jocelyn Samuels, of Senator MOYNIHAN's staff, be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, will the Senator yield 10 seconds to me?

Mr. BUMPERS. I yield.

Mr. THURMOND. Mr. President, I ask unanimous consent that Mr. Twilley of my staff be granted the privileges of the floor during the consideration and votes on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas.

UP AMENDMENT NO. 1590

(Purpose: To provide $8.2 million for immunization against flu)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an unprinted amendment numbered 1590.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

"CENTER FOR DISEASE CONTROL

"For an additional amount for influenza vaccination, $9,200,000, to remain available until expended."

Mr. MAGNUSON. Mr. President, may we have order? This is a very important amendment.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BUMPERS. Mr. President, I am pleased to hear the Chair say this is a very important amendment. I suppose everything is relative, but I personally think it is very important. Before the Senators who are still here leave, I hope they will take the time to read the "Dear Colleague" letter which was hand carried to their respective offices last evening. While I wish they could hear the arguments both for and against this amendment dealing with the influenza vaccine program which the Center for Disease Controls wants very badly for this winter, I want them to have at least an embryonic knowledge on what is said here before they vote.

Mr. President, there is 1 hour on this amendment, 30 minutes to a side. I assume Senator SCHWEIKER, the principal opponent to this amendment, will control the opponent's time.

Let me start off again with something of an apology for the administration because the administration admittedly has not done a good job in preparing the Congress for this proposal. It has not done a good job in getting the information to Senator KENNEDY's Health Subcommittee, as requested. I would like to emphasize, however, that this is not a sufficient reason to reject the administration's proposal.

Mr. President, this amendment is very simple. The administration originally asked for $15 million to implement an influenza vaccine program this fall for high-risk people. When we say "flu" around here for the past 2 years, we automatically think swine flu. I hope everybody will disabuse their minds of that because this is not swine flu. It has nothing to do with swine flu. It is not a program to immunize the entire population. It is not a program in which the United States Government accepts total liability for any ill effects which may result. We are comparing apples and oranges when we compare the swine flu program with the amendment I am offering today.

What we are talking about is a program to give HEW and the States, in concert, the opportunity to immunize only 10 percent of the high-risk people in this country.

Who are the high-risk people? They are the children, 12 and under, who are chronically ill. They are those people over 65, sitting in wheelchairs in nursing homes, suffering from emphysema, acute arthritis, and any number of other permanent disabilities which limit their health to the point that influenza becomes a serious risk to their life.

What are the risks in this program? There are some risks. But I remind you that there are risks in every program. The question is, are the risks acceptable?

Mr. President, I daresay that very few people in this country know that 1 out of every 4 million children who take polio vaccine is probably going to die from polio. I say further that when you take your child into the clinic and the doctor says to you, "I am going to give your child this polio vaccine, but you must understand that he has a 1 in 4 million chance of dying," a lot of mamas are going to scream and start running out the door with their children, because they are not willing to accept even that small risk.

What are we talking about here? The administration says that if we do not give this vaccine to these high risk, indigent, medicaid-eligible people, 600 of them will probably die from influenza this fall, and if we do give them the vaccine, two will probably die from the neurological disorders that will result from the administration of the vaccine.

Those are not bad odds if you are 75 years old, in a wheelchair, suffering from emphysema, and have no money to buy influenza vaccine. My parents are both dead but I tell you, if either one of them were living and you explained those risks and those odds to me, I would insist that they take that vaccine.

Do you know what the chances are of dying from influenza as compared to dying from the vaccine? Two hundred times as great. Your chances of dying if you get influenza are 200 times greater than they are if you take the shot. I am telling you, to some of the elderly people, who do not have too many years left but who love life as dearly as you and I love it, those are acceptable odds.

What is going to happen if the Senate turns its back on all these people? There are 40 million high-risk people out there and we are trying to get at only 10 percent of them. because we have waited so long now and the House rejected it out of hand, provided zero money for flu vaccines.

So now, the time has come when the administration can use only $8.2 million. They could not use $15 million if we gave it to them. So we have already said to 4 million people, "You are not going to get the vaccine if you are on medicaid."

All I am here today saying is, let us give the administration what it says is its last effort. It can effectively use $8.2 million. Let them immunize those 4 million people who are really in the high-risk category.

In the swine flue case, the pharmaceutical companies came to the U.S. Government and said, "We are not going to make this vaccine unless you guarantee us against all losses for any ill effects from giving it. You, the U.S. Government, are going to have to assume what is now $750 million in claims or we are not even going to make the vaccine." And they did not make the vaccine until President Ford said to Congress:

I want the money; we have to do it; we are faced with an impending epidemic in which thousands of people are going to die.

I want you to know something. I talked to some medical experts in this country and almost every one of them said, "I have grave doubts about the advisability of that program." I can go through this Chamber and talk to every Senator in here and I guarantee you, 80 percent of them will tell you, "I voted for that swine flu program, but I did not want to."

When the Senator from Pennsylvania stands up to take his stand against this amendment, he is going to tell you that he voted for it, but he did not want to and he has been sorry ever since. I cannot say that I am sorry. You know, we did not have swine flu. There were untoward results.

Let me tell you something: So far as Guillain-Barré syndrome is concerned, any time you take any kind of vaccine, there is a generic possibility you are going to get it. However, the possibility is so infinitesimally small that it is hardly worth talking about.

But we are not talking about swine flu. We are talking about a vaccine that will immunize you against Russian flu, a very mild form of influenza. The Senator from Pennsylvania is going to say that nobody ever died from Russian flu. That is so infinitesimally small that it is hardly Russian flu in this country. That is one of the reasons.

How many people died last year from influenza? Twenty-nine thousand Amer-

icans. And what kind did they die from? They died from A-Victoria, A-Texas, and Hong Kong.

And what is this flu vaccine? Russian flu, A-Victoria, A-Texas, and Hong Kong. Nothing new about those. They have been tested. This particular vaccine covers all four of them. It has been tested on 2,000 people, the biggest test ever run since 1976.

On this vaccine, the pharmaceutical companies are not asking us for anything. The vaccine is already manufactured. Twelve million doses are going out to the private sector and the people who can afford it are going to get it. But the people sitting indigent, feeble and infirm in wheelchairs, in nursing homes who are on medicaid are not, unless we provide $8.2 million today to give it to them.

That does not seem like it is too hard to understand, to me. What if we had taken this position when we were giving live polio virus vaccines and a few children got the live virus vaccine and died?

Why, if you want to go around scaring old women and little children, you could have used that for years and said, "Let us give up on polio vaccine; it is too dangerous." But we did not do it and I thank God and you thank God that we did not.

So, if you want to torpedo a program around here, say, as the Congressmen over in the House said, "These are the same friendly folks who brought us swine flu." Just as if anybody who brought the flu vaccine is a Typhoid Mary.

That just does not happen to be the case, Mr. President. The fact is that the Congress of the United States has the opportunity right now—and this is the last opportunity they are going to have, because the House's version of this bill does not contain this provision. If we adopt it, we are simply going to conference with it. It is the last chance Congress has to exonerate itself and say to the elderly people in this country who are indigent and infirm, "We do care about you; we do not have enough money to give it to all of you, but we are going to give it to as many as we can."

What is the other reason for going against it? The liability. The opponents are going to tell you the liability problem has not been solved. I guess the liability problem has not been solved, but if we give shots under this $8.2 million, we are not going to have the liability. The U.S. liability is to tell the people what the risks are, and the States share that liability with us.

Mr. President, we are not going to give those shots out here in the halls of Congress. We are going to send this money to the States that want it. We asked those States back in March, "How many of you will participate and put up one-third of the money if we put up two-thirds?" Fourty-two States responded affirmatively and said, "Yes, we believe in it strong enough that we will even put up a third of the money."

If we take our child down to get a mumps shot, a measles shot, a rubella shot, the doctor giving it will tell us that one out of so many million children who take a mumps shot will wind up with encephalitis. They will tell us the same thing with a measles or a rubella shot.

They say, is the risk great enough? I will say one thing, it certainly is, as far as I am concerned. We have just now in this country begun to recognize how lax and how laggardly we have been in providing childhood immunizations. In the case of rubella, we have had a vaccine to prohibit it since 1967, and still have a big exposure to it.

What are the economic costs to the Congress for that?

No. 1, everybody knows, particularly the women know that if they are pregnant and if they get rubella their child is going to have a physical or mental infirmity.

Ten percent of all the people in mental institutions in this country are a result of rubella syndrome.

We had an immunization program in Arkansas when I was Governor. We immunized virtually every child in that State against measles, mumps, rubella, in a 2-year period of time, became No. 2 in the country.

What did it cost us? My wife headed the program. I think I gave her $50,000 out of my emergency fund. We called in the National Guard, recruited everybody to join hands, and we immunized those children.

We did not have a case of measles for 2 years in our State after that. We did it, all told, for about, probably $250,000.

Do we know what it costs a State to institutionalize one rubella syndrome child for a lifetime? Five times that much. Five times as much as it took us to immunize virtually every child in our State. If that is not good economics, I do not know what is.

Yes, there are risks here. Nobody denies that. The question is are the risks enough to outweigh the benefits? I say they are not. I say the benefits far outweigh the risk.

Finally, Mr. President, we are not going to force anybody to take it. We will tell them the risks before they take it. We are not assuming the liability. All we do is tell them the risk. If they want it, fine, we will help them get it. If they do not, that is their prerogative.

Mr. President, I used to own a half interest in a nursing home. I sold it a few years ago. I would say it was a very good, well-run nursing home, one of the best in the State. The care there was superior.

But I watched A Victoria go racing through that nursing home last year and about a month later 8 to 10 people were dead. Once it starts, do not start administering the vaccine because it is worthless. If we do not do it now, if we do not do it before the virus hits this country, there is no point in doing it.

One point needs to be made. Out of this $8.2 million, $1.8 million of that will fund the research on the efficacy and effectiveness of vaccines, and the effects of influenza on pregnant women.

We need it desperately in this country. It is a chance for the U.S. Senate to stand up and say that we are not frightened by the specter of something that happened 2 years ago.

We will not discontinue immunizing people because of what we consider the influenza fiasco of 2 years ago.

I beseech my colleagues to think very carefully about this. We will continue to give flu vaccines. If this amendment is defeated today, it will just be defeated on all those scare tactics.

We give them now, and have been giving them for a long time, A Victoria, A Texas, Hong Kong. It is nothing new. The only thing new is the Russian and it is a very mild form of influenza.

If the pharmaceutical companies did not think it was safe, they would be back up asking us to assume the responsibility and the liability.

They already have their money on the line. They believe in it and are willing to take the risk. Why should we not? And why not, for the 4 million people who need it, deserve it, and look to us to get it.

Mr. President, I reserve the remainder of my time.

Mr. HODGES. Mr. President, will the Senator yield me 4 or 5 minutes?

Mr. BUMPERS. I am happy to yield to the Senator.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. HODGES. Will the Senator yield me 5 minutes?

Mr. BUMPERS. Yes.

Mr. HODGES. I thank the Senator for yielding.

Mr. President, I commend the senior Senator from Arkansas for what I think is a courageous stand. It would have been simple to have forgotten this issue, to let it go by the board, because it is not something we can be comfortable with.

There are many who are afraid of flu vaccine. But I am reminded of a story Mark Twain tells. He told a story of a cat which jumped on one of these old wood-burning stoves. It was a black stove. It had gotten black by the fumes of the wood burned in it. The stove burned the feet of that cat. Mark Twain said that you could never again get that cat on a stove of any kind, black, white, hot, or cold. He said that the problem with that cat was that he got more out of that experience than was in it.

That is the way those who are frightened of the old flu vaccine are. They are trying to get more out of that experience than is in it.

Certainly, there are problems with it. As the senior Senator from Arkansas pointed out so capably, if we walk away from everything we have problems with, we would not even have technology today.

Those who have kept up with the invention of the telephone and the telegraph know that it was only after thousands of failures that the inventors succeeded. But that is not even the issue here. That is the stalking horse, the straw man.

The issue is: Are we willing to vote flu vaccine for people who need it?

I suggest that we all should support the senior Senator from Arkansas on this. There is nothing to be afraid of

There is no worry. There is no down side, and those who say there is are simply being misleading.

The risks are minimal. But even if there were great risk, the use of vaccine, is something for the people to decide, and not by us here in this body, and not those running for office, afraid of some political issue.

I commend the Senator for his courage. I urge my colleagues to adopt the amendment. It is an excellent one.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I rise in support of the committee position. I might say, the committee position was voted upon in the Labor-HEW Appropriations Subcommittee. It was voted in the full committee.

In each case, the committee position, rejecting this program prevailed. Now, why did it prevail, Mr. President?

I think there are some very good reasons, and my good friend from Arkansas, with whom I joined in the argument just a moment ago, strongly differs with me on this issue to be sure. As the ranking Republican on the House Health Subcommittee, I have spent the past year researching and working on this very issue. I do not agree with the scientific assessment my colleague has presented in this case. I do not think we can dismiss the swine flu fiasco with a wave of our hand and say there is no relevance here. The problems of the swine flu fiasco are very relevant to the proposal before us today.

What did we find out from the swine flu fiasco? We found that the scientists and HEW felt sure there was going to be an epidemic that was going to sweep this country, possibly killing hundreds of thousands of people.

President Ford, the director of the Center for Disease Control, and the Secretary of HEW all said, "We have got to do it, we must go forward with a mass influenza program, the medical community demands it, and we have the knowledge and expertise to beat an epidemic before it happens."

I, in good conscience, looked President Ford and the CDC Director straight in the eye and said, "These guys must really know what they're talking about. The experts must know what they are doing."

So, I went along with it. I had many doubts because there was a mild murmur of protest in the community, but I thought, surely, our health establishment knows what we should be doing.

Well, after giving them to go-ahead, we found ourselves behind one of the biggest medical disasters in recent memory, because they did not know what they were talking about. The technology was not developed enough to give accurate predictions in this area, or provide a safe vaccine. There really were some honest differences in the scientific community that came out afterward, and the establishment missed the target by a mile.

Was there a swine flu epidemic? There was not any swine flu epidemic. True, one person died of swine flu in Fort Dix, N.J., but he died before we did anything. That caused us to push the panic button. Not a single, solitary soul, after that little outbreak in Fort Dix, N.J., ever got the swine flu. It never showed up. The whole system went beserk.

It is as though somebody threw a time bomb in the computer and it blew up. None of the predictions came true. Nobody died; nobody even got the disease. We never heard of the swine flu again, except for the fiasco the program caused.

The technology we are using today is the same we had then. That is the methodology we are using today. It is the same group of scientists saying, "Rush ahead on a new flu program. We have to save these senior citizens that Senator BUMPERS is concerned about."

I do not want to be saved, if that is the kind of saving you get, because 120 people have filed claims involving death from the vaccine we knew so little about; 120 claims have been filed for their deaths, and the Federal Government faces a possible liability burden of $800 million that the taxpayers, and we, as Senators, will have to face up to.

Secretary Califano said, in fact, that we are going to assume liability for at least a portion of the swine flu claims, those stemming from the disease called Guillain-Barré Syndrome: "We are sorry about it, we apologize, and we will pay a percent of the bill." That is the assumed liability there.

Before the swine flu program began, nobody had ever mentioned Guillain-Barré disease. Nobody ever heard of it. We learned something about influenza vaccines the hard way. Nearly 500 people learned the hard way and came down with GBS. We now know—and this is not disputed—that Guillain-Barré disease is associated with flu vaccinations of the kind proposed here today. They have not found out how to eliminate it from the immunization. If the odds are one in a hundred thousand that you are going to get Guillain-Barré from a flu shot, how many people would want to take the shot? I know I would not want to take it, if I knew I ran the risk of being crippled or paralyzed or killed. I wouldn't want to run that risk on the basis of what we know now about the Russian flu.

Supporters of this proposal say we should think about the senior citizens. Let us think of the risks we are exposing them to. What kind of help is that? Who needs it? One hundred twenty people are dead in connection with the last program, the state of the art has not progressed any more than before, and we want to do the same sort of thing all over again. We have a liability bill of $814 million that we will have to pick up, that we will have to deal with in some way.

They say that all we are talking about in this new program is $8 million. The State public health officials have commonsense, and they are the people who would have to administer these flu programs. They are responsible for them. In testimony before the House of Representatives, the Association of State and Territorial Health Officials said, "Wait a minute. We're not sure we want another flu program. We don't think the Federal Government knows what it is doing. We don't want the liability problem tossed to the States, either."

In fact, they stated before the House committee that another quarter of a billion dollars in liability claims are likely to be filed in the new flu vaccine program, aimed at so-called high-risk persons only.

So what sense does it make to rush into this appropriation, to fund a program without a policy, when we do not know what we are doing? I cannot think of a more wasteful way or a more unsafe way to invest our money in health at this particular time. Will we never learn from our past mistakes? Does the swine flu fiasco not count for something? Must we rush into a new program? Why should the Congress be rushed into it?

There is a potential Russian flu epidemic now that we have to worry about, according to HEW. The Russians are coming! The Russians are coming! Watch out for the Russian flu. But the Center for Disease Control is a little more careful about what they are saying this time. They are saying that the Russian flu is one of the mildest forms of flu known in modern times. They also admit that nobody, not even in Russia, has ever died from the Russian flu.

There have been no deaths attributed to Russian flu, no expected deaths from the Russian flu, and there is a potential quarter of a billion dollars in liability suits facing us, according to the State health officials' estimate.

HEW tells us, "We have worked out the liability problem. There is no problem." The States have not said they have worked it out. They are estimating about a quarter of a billion dollars.

The Senator from Arkansas has said that all you have to do is have an informed consent program to let vaccinees know there is a risk of Guillain-Barré disease, and then the Feds have no liability. That is not true. The Deputy General Counsel of HEW has himself said that once a person signs an informed consent form we are not at all certain that exempts the Federal Government from liability with respect to Guillain-Barré disease. Informed consent is not exculpatory. So we do not even know who would be liable, to what extent, for injuries associated with a new program—and HEW admits that. I have been asking for hearings in the authorizing Health Subcommittee of the Human Resources Committee. We have not held any hearings on this program on the Senate side. I have asked for at least some kind of proper authorization process. No, we are in too much of a hurry to do that. We want to take funds for this program from the venereal disease control section. That is what we are doing.

We have no statute on the books to authorize a flu program, so HEW proposes to raid the venereal disease authority, take that money away and rush this program through. I think the venereal disease epidemic is a more important, known health problem than the theoretically expected Russian flu epidemic. We are robbing Peter to pay Paul. They could not get another flu author-

ization through now, in view of the last fiasco, so they want to go that back-door route.

Mr. JAVITS. Mr. President, will the Senator yield on that subject?

Mr. SCHWEIKER. I yield.

Mr. JAVITS. Mr. President, Senator BUMPER'S amendment would fund a new influenza immunization program through unappropriated venereal disease authorizations. I am the author of the new venereal disease legislation, now part of S. 2474, the Health Services Extension Act of 1978, which, in addition to extending the VD authority for 3 years, would repeal that section of the law which permits the Secretary to use venereal disease funds for other disease control prorgams. This bill has been reported by the Human Resources Committee, of which I am ranking minority member, and should come before the Senate in the next few weeks. I feel strongly that the repeal of that provision which allows the Secretary to "raid" the venereal disease authority is essential to maintain the singular and categorical intent of that section of the Public Health Service Act to authorize nationwide venereal disease prevention and control activities and none other.

Mr. President, this amendment demonstrates once again the apathy Congress has shown historically for venereal disease programs.

Venereal disease is at the epidemic level of an estimated 10 million cases in the United States today. Programs for prevention and control of VD are in dire need of funds. Why mount a massive expensive program against a flu about which the Center for Disease Control has repeatedly expressed uncertainty in terms of severity and possible extent when a proven, raging epidemic of venereal disease with serious and tragic consequences actually exists? Why cut its opportunity for financial help to fight it?

Venereal diseases constitute a number of life-threatening infections that affect over 10 million Americans every year and are singular among communicable infections in terms of epidemic proportions, extent of serious consequences, and economic impact. This year VD will pathologically sterilize 100,000 women under 30 years of age and cause more than 7,000 infant deaths as well as mental retardation and severe birth defects in thousands more. I will remind my colleagues that swine flu caused the death of one person.

The administration is up in arms about teenage pregnancy and came before us with a bill authorizing $60 million for services for the estimated 1 million pregnant adolescents. These are necessary services, and I am a cosponsor of that bill. But there are over 2.5 million adolescents with venereal disease—that is one out of every eight teenagers. Why are we not up in arms about that? I point out that the entire venereal disease prevention and control program was appropriated at only $32 million for this fiscal year, and asks Senators to make the comparison.

In fact, one authority in the venereal disease legislation has never been appropriated—the authority for research, education, demonstration, and training. Such programs are crucial, particularly in light of the need to educate young people about these diseases. Public awareness through education is a most potent technique for coping with epidemic venereal disease. Professional education and training are also key components of the total VD program to target and intervene in the increasingly worsening problem of clinical management. The new bill which will come before us will alleviate this problem by combining the two VD authorities, this one for education, research, and training with the project grants to States.

I believe the venereal disease prevention and control program has been crippled by the lack of funding for this authority and I seek adequate funding for fiscal year 1979 for all venereal disease programs.

Mr. President, the venereal disease epidemic continues to feed on silence and social stigma. During my tenure in public office, I have sought to mount a battle against the diseases themselves, which infect so many of our citizens, but also against the ignorance, biases, and myths about the diseases which pervade our society to this day, infecting so many more. The grim reality of the tragic consequences of VD cannot be ignored. They are intolerable. I repeat that one out of every eight teenagers today is infected with venereal disease.

If we are really going to combat a communicable VD epidemic, should we not get our priorities in order and our heads out of the sand finally to provide impetus and direction to deal with an epidemic which exists in staggering proportions, with devastating consequences, for which there is clear legislative authority?

I hope my colleagues will support these vital programs when they come before us in S. 2474, the Health Services Extension Act, and in appropriations measures.

So, Mr. President, I feel deeply about the venereal disease section.

Back on May 19, Senator SCHWEIKER, Senator CHAFEE, and I asked for a hearing of the Health Subcommittee on the proposed immunization program—I am the ranking minority member of the full committee, and Senator SCHWEIKER is the ranking minority member of the subcommittee—in order to see whether we should go forward with it.

I feel that if anything like this flu program is to be undertaken, it certainly should be with separate authorizing authority, not just raiding venereal disease, where a serious epidemic is raging.

Mr. SCHWEIKER. I thank the distinguished Senator from New York, because he has been the principle sponsor of the venereal disease program.

It is sort of ironic. We know that we have an epidemic of venereal disease; we know it is out of hand. We have the possibility of a Russian outbreak coming up; it is one of the mildest forms of flu. Nobody has died from it. We do not expect anybody to die from it, and yet we are being pushed to rush in with a new program for Russian flu.

Keep the liability question in mind. A bill of $814 million is confronting us now, from the last flu fiasco, and $400 million of that is from victims of Guillain-Barré syndrome. We know that Guillain-Barré will also be associated with the next batch of flu vaccine in the program coming up. It has nothing to do with the swine flu vaccine in particular; it is connected with all flu vaccines. So let us not kid ourselves and say there is no relationship. Guillain-Barré is in the next batch, and somebody is going to get it. The experts' statistics tell us that if this program works the way it is supposed to, somebody is going to die because we do not have the scientific expertise to take the Guillain-Barré risk out of the flu vaccine. We cannot do it.

So why the big hurry? There is no epedemic. Nobody is dying. There is $814 million in liability claims pending.

The representative of the State public health officials organization who testified in the House also represented the head of the public health department in New Jersey. He testified that they anticipate another $228 million in claims if this new program goes ahead. I cannot imagine more negative signals on a program. Why do programs seem to have a life of their own around here? We rush full steam ahead to spend more and more money on a project that gives every indication of being fundamentally unsound.

Do I have some scientific evidence to back me up? You bet I do. Dr. Albert Sabin. I am sure my colleagues all know who Dr. Sabin is. He is one of the inventors of the polio vaccine. Clearly, he is an authority on vaccines. He wrote an article for the Journal of the American Medican Association, published on June 27, 1977. It is a very technical article. I will not get into the details, but I will state the bottom line:

> In my judgment there is now no basis for recommending the annual administration of influenza vaccines to so-called high-risk groups and persons over 64 years of age.

You could not have a more clear-cut expert witness. Do not do it. Do not rush. We do not have the technology. We do not know what we are doing.

There is a big difference between flu immunizations and childhood immunizations, a program I strongly support which would also be hurt by this proposed flu program. Childhood immunizations usually are done once and provide lasting protection. Flu vaccine is only effective, if at all, if given on a yearly basis.

Do not kid yourselves about $8 million. Let us put the whole price down. As the program reaches more of the growing target population in future years, the price tag for the program HEW wants approaches $100 million yearly. That is where we are heading; and this supplemental request is the foot in the door.

I said this in the argument on the last amendment. If you want to fight a bill, start in the beginning, before too much has already been invested. Right now the horse is stalking. We are looking at a $100 million annual program coming up. We just had the worst flu immunization disaster in history, and HEW wants to start a program that is going

to add up to $100 million a year, not counting liability costs. It does not really make any sense.

Getting back to the State picture a moment, the States are also concerned about liability, and so are the vaccine companies. So are the insurers, and if you ask them they will all shrug their shoulders and say, "We do not know who will be liable. We hope it won't be a problem."

That is why I want full, public hearings and a proper authorization process. I want to find out who is going to pay the $1 billion price tag or the quarter-of-a-billion dollar liability price tag. I want to know who is going to be responsible if some people die, as some people did die from Guillain-Barré associated with the flu vaccine.

These are the arguments that I think make sense, and this is why the subcommittee and the full committee have turned this program down. This is why the House of Representatives overwhelmingly rejected it.

What does it mean to the people who are going to administer this program? They are going to be in the States. What are the States doing in August, September, and October? They are gearing up for the childhood immunization programs—that is what they are doing—reliable immunization programs that have a proven track record.

The States testified before the House committee that they are going to have to push aside their childhood immunization programs, divert resources from them, if HEW really wants them to implement a crash flu program. If we pass this program, we will be robbing from an authorization for VD on one hand and then stealing State health personnel away from the childhood immunization program. Those immunization programs are proven. Those are the kind of programs that Dr. Sabin supports. He does not support this kind of flu program.

Let us just think about what we are doing and where we are going. It is obvious to me that the state of our knowledge is not what it should be before we start a program. I think someday we may well want to have a flu vaccination program. I am not arguing that at all. We may well want to have mass flu immunizations for the population at large, or for high-risk groups. But first we have to know what we are doing. Let us not rush in to face the Guillain-Barré disease still in the vaccine, or some other unsuspected adverse effect from the vaccine that may show up this time.

Let me make this clear. There is ample flu vaccine available, and if people want to take the risk, they can get the shot. I will not take the risk myself. I will not recommend a member of my family have the flu shot, based on the state of the art right now. I would recommend they have immunization for all the childhood diseases. That I would recommend. But I would not recommend this. I certainly would not recommend it to the high-risk people. I certainly would not recommend it to the chronically ill. How are they going to fight Guillain-Barré disease? How will their systems take it? It is like playing Russian roulette with Russian flu. That is what we are being asked to do here today: play Russian roulette with Russian flu.

It seems ironic to me. We have a program here, and every single signal we see is negative. I quoted Dr. Sabin, one of the leading vaccine authorities, who said we just do not know enough to give flu vaccinations. They are quite a bit different from the proven polio, measles, and mumps immunizations.

We also have a General Accounting Office report looking into what happened in the swine flu fiasco, and it says:

GAO recommends that the Congress establish a national liability policy before another mass immunization program is needed.

You could not make it any clearer than that. There is a clear warning, we need a national liability policy. That is one thing we do not have. The Federal Government is not willing to assume liability. The State people say, "Wait a minute, there may be a quarter billion dollars in liability claims. We do not really want to take responsibiilty, either." And then you ask about informed consent and the deputy general counsel from HEW says, "Wait a minute. We are not really sure if we require people to sign a consent form warning of Guillain-Barré disease, that it protects the Federal Government from claims at all." We are not certain. Who is certain? No one. What kind of sense does it make to go ahead with that hanging over us?

Now, you look around Washington. and we have big arguments about spending, about waste, about inefficiency. We get positive signals or at least mixed signals on a lot of programs, and people can honestly differ about those signals, on whether Government should grow, or whether those programs should expand or not.

Here is a program that with every negative signal in the world coming at us and yet we are supposed to rush pell-mell into it, no matter what Dr. Sabin says, no matter what GAO says, no matter what the State public health officials say, just because we think it is a great idea.

It really is sort of ironic. We just came through the worst medical disaster in history in terms of modern technology and you want to give them a prize for what has been done and approve a program that may cost $100 million annually. This really should be given the Golden Fleece of the Month Award by the Senator from Wisconsin, and I might say he supports my position and will be here in a moment or two to back me up. This program surely should not get a green light from Congress in light of our past experiences.

So, Mr. President, I hope that our good sense will prevail, and we do not rush pell-mell into another program with all these negative signals.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Mr. President, I shall just make two or three observations.

The Federal Government is not being asked to pick up the tab for claims for any ill effects that may result from the giving of this vaccine. That point has been made time and time again.

You just pretend that we are back into a swine flu program all you want to, but it is entirely different. We are not assuming any liability. The vaccine is already made and is going to be given to 12 million people, whether the U.S. Government participates or not. We are not picking up the tab. The only obligation we have is to tell the people what the risks are.

The Senator talks about Dr. Sabin. Let me give a few names, starting with Dr. Foege, incidently, who is a fine doctor, head of the Center for Disease Control, who says this program is vitally needed.

These are the people to depend on. I am not a doctor. I am a lawyer. I do not know anything about influenza. The only person who even holds himself out as an expert on these sort of things is Senator Kennedy of Massachusetts, and I feel sure he is going to vote for this amendment simply because the risks are worth taking when you consider the benefits.

But Secretary Califano convened the conference of the finest medical minds, the finest immunologists in the country and asked them certain pertinent questions:

Question:

Should the list of high-risk population groups for whom flu shots have been recommended be revised in any way?

Answer:

The majority of participants clearly favored continuing the recommendation for annual influenza immunization of high-risk persons as they are now defined by the Public Health Service Advisory Committee on Immunization Practices (ACIP).

Question:

Based on our current information, does comparison of benefits and risks still support the recommendations of the January 30 conference?

Answer:

The data bearing on benefit and risks of influenza vaccines were again reviewed. The risk of death from influenza is clearly several hundred times more likely than death attributable to the vaccine. The precise ratio will vary somewhat since such factors as age and health of the individual and prevalence of influenza will differ. The evidence presented at this conference, however, reinforces the conclusion reached in January that the benefits of the vaccine greatly outweigh the risks. It may be noted that there is an international as well as national consensus in this matter.

Question:

Have our clinical trials provided an adequate sample to test the vaccine and to determine whether it is safe and effective?

Answer:

The approximately 200 subjects enrolled in the clinical trials is adequate. These are, in fact, the largest clinical trials conducted, with the exception of those in 1976.

Question:

What are the risks of vaccine compared with its potential benefits for the high-risk groups such as chronically ill children and the elderly?

Answer:

Based upon the clinical trial data, the immediate side effects of 1978–79 influenza vaccine are expected to be mild and infrequent in persons of any age group or health status. The only known, serious reactions

observed with influenza vaccines have been the rare instances (1 in 100,000) of Guillain-Barré Syndrome and the even rarer anaphylactic type allergic reactions.

Mr. SCHWEIKER. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. After I finish the answer then I will yield.

There is no basis for assuming that either of these occurs more frequently in the chronically ill or the elderly. In fact, observations during 1976–77 demonstrated that the frequency of Guillain-Barré Syndrome after vaccination for persons 65 years of age and older was similar to that seen in younger adults and similar in those receiving monovalent and bivalent vaccines. Thus, the benefit-to-risk ratio is even higher for these groups than the general population since they are at no greater risk of reactions but at greater risk of death from influenza.

Two concerns recently raised in Congress and in the press were discussed: One was that influenza vaccine had never prevented an epidemic (with the inference that it was, therefore, ineffective in general). The point was made that, in order to prevent an epidemic, a large proportion of the population at risk would need to be immunized in advance of exposure to influenza. This level of immunization has never been achieved in large population groups, and thus the question of whether an epidemic could be prevance of exposure to influenza. This level of regular use of influenza vaccine by the military has provided experience on a smaller scale which strongly suggests that epidemics *could* be prevented were the vaccine deployed for that purpose. The other concern dealt with the claim that the epidemics of A/USSR influenza at the Naval and Air Force Academies this past spring were evidence of vaccine failure. It was pointed out by conference participants that no such conclusion could be reached since vaccines used at the Academies (prior to the epidemic) did not contain the A/USSR viral antigen.

That is what they had was Russian flu.

Mr. President, I know my time is just about up, and I simply urge the Senate to support the amendment.

Mr. MAGNUSON. Mr. President, will the Senator from Arkansas yield?

Mr. BUMPERS. I would be happy to.

Mr. MAGNUSON. I want to vote for the amendment of the Senator from Arkansas because I do not think it is quite fair to compare this program with the swine flu matter. It is a different thing altogether, and it is going to be helpful.

The more I listen to the testimony, the more I believe it is going to be helpful for a great number of elderly people in this country.

It is awfully hard to gauge just what immunization does. I know one thing: We put a little money into the rubella program and we did not have a rubella epidemic.

I am not so sure, if you want to turn the coin around—the swine flu thing was some kind of a fiasco, but we did not have any swine flu, did we? However, this is a different program, and I hope the Senate will agree to the small amount involved. It will help the States do what they might want to do. The child immunization program is going well, but I think this relates to a different type of people, and for $15 million I think we ought to try this one. I cannot see any harm. I can see a lot of good in the future.

Mr. BUMPERS. I thank the Senator very much.

Mr. President, I will just make one further observation. That question and answer that I read a while ago from the conference report of the Secretary convened back in the latter part of July was signed by Frederick C. Robbins, chairperson and June E. Osborn, vice chairperson. Dr. Robbins is a Nobel Prize winner in medicine.

The PRESIDING OFFICER (Mr. FORD). All the time of the Senator from Arkansas has expired.

The Senator from Pennsylvania has 12 minutes.

Mr. SCHWEIKER. How much, Mr. President?

The PRESIDING OFFICER. Twelve.

Mr. SCHWEIKER. Mr. President, I would like to lay a couple of facts on the table. The Senator from Arkansas made the point that there is a 1 in 100,000 chance of getting Guillain-Barré from flu vaccine. That is the apparently accepted issue in the scientific community today, no question about it.

I wonder if he would like to be one of the ones in the 100,000 who gets crippled or paralyzed, because I am not just talking about deaths. We have hundreds of people who are claiming other personal injuries as a result of the flu shot, blindness, paralysis, being crippled and who have lived through the rest of their lives with whatever it was the Federal Government gave them.

When they walked in the Federal Government said, "Hey, we are going to save you. We are going to help you. You need this shot. Come and get it."

Now we want to say it all over again.

In terms of sampling, I think there is a good case in point as to why the state of our knowledge about adverse effects is where it is today. How many people have we tested in clinical trials? We have only tested 2,000 people. That may sound like a lot, but go back to your 1 in 100,000 Guillain-Barré risk. We could not possibly pick that up if we only test 2,000 people, whether it is a risk of 1 in 100,000 or 1 in 50,000 or 1 in 75,000 or 1 in 25,000.

What does that clinical trial mean? It means we tried the shot on 2,000 people, and they made it through the Russian roulette game.

We tested just about the same number of people in the swine flu program, and lo and behold. Guillain-Barré did not show up. Now we know why it did not. It only strikes 1 in 100,000, so we were fooled.

My point today is simply that the state of scientific methodology and technology is not up to par for a program like this today. We should not rush in when we do not know. That is also what Dr. Sabin is saying.

The Senator mentioned that the head of the Center for Disease Control is recommending this. True, and I happen to respect him. I think he is a very able fellow, but the last Director of the Center for Disease Control recommended the swine flu program. I sat right across the table from him and he said, "We need it. It will save lives."

Do you know what happened to him? He was fired. He had two fiascos back-to-back, the Legionnaires' disease investigation and the swine flu program and he was fired up. He was head of the Center for Disease Control, too.

On Legionnaires' disease, and I do not mean to get into that today except to say that it took a year to find out what caused it. We finally found the disease organism, but to this day we do not know where it lurks in the environment; we do not know where the carriers are, so all kinds of people are getting Legionnaires' disease all across the country, not just Legionnaires, because we have not yet found how Legionnaires' disease is transmitted or where the organism is harbored. The science is not there yet. There are some things we do not yet know, and that is the kind of yellow light we see flashing here. When you can only test 2,000 people, and the risk is 1 in a 100,000 shot, how are you going to find out?

The House of Representatives looked at the facts and did something about this program. They acted very responsibly—they took $15 million and reduced it to $3 million so that we could do more research. If you want to be positive and constructive, I would urge you to support that kind of approach. Do not sell the American people a bill of goods again and give them the same kettle of fish they had before.

The Senator has stated that there is no relationship between this program and the last one, we cannot look at the swine flu next to the Russian flu or whatever and compare them. That simply is not true. Guillain-Barré is assoicated with both vaccines, and the CDC admits it and says Guillain-Barré is in this vaccine. We do not know what else is in there, because this is a new vaccine, and we have only tested it in 2,000 people. We do not think there is anything else in there. That is our best judgment. That is the way it was in the swine flu program, too, and then we found out about Guillain-Barré.

The other spinoff is liability, the same liability problem exists here that existed before. The State health officials say it may well amount to a quarter of a billion dollars in claims, which is their best guess. We are still struggling with an $800 million burden from last time. What are we doing to the taxpayer? Here is $1 billion, and we do not know what we will do about it. We do not know how to eliminate the Guillain-Barré disease from the flu vaccine. We do not know whether or not influenza this year is going to be serious—the swine flu did not show up, despite our best predictions.

We do know that the Russian flu is one of the mildest flus. No one has died from it anywhere in the world, and they do not expect anybody to die here.

We have also been told that the liability problem is somebody else's problem. HEW says, "Well, we won't have to assume it this year. You do not have to worry about it."

The State people say, "We certainly

cannot assume it. We think it is going to be a quarter of a billion dollars. We cannot assume it."

To the poor individual who takes the shot, the Federal Government is saying, "Wait a minute, we are going to put the burden on him, because once he signs the consent form for the shot we told him he needed, we are off the hook."

The HEW deputy general counsel says, "Wait a minute, we are not sure we are really off the hook. He may sue if he is crippled or if his son or daughter dies." The United States has similar claims pending against it, not just from swine flu, but dating back to 1972. I cannot imagine a worse situation.

There may be some other statements to be heard, Mr. President. I ask unanimous consent that Sheila Burke of Senator DOLE's staff be allowed access to the floor; and I also ask unanimous consent that Michael Shorr of Senator JAVIT's staff be granted privileges of the floor during the consideration of all matters pertaining to this bill, the supplemental appropriations, H.R. 13467.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays.

ILL-ADVISED INFLUENZA IMMUNIZATION PROGRAM

● Mr. DOLE. Mr. President, the health of our citizens is of concern to each of us here today. Any unnecessary death is an unacceptable death and every effort should be employed to prevent these from taking place.

But Mr. President, the program that has been suggested by my distinguished colleague from Arkansas, Senator BUMPERS, may well cause more distress than it prevents. The memory of the disastrous swine flu campaign is still with us. Can we in good conscience go forward with another flu immunization program before we effectively deal with the problems of the past? Can we promise our citizens that Guillain-Barré syndrome will not strike again as a result of this new immunization program?

No, Mr. President, we cannot. My distinguished friend from Pennsylvania, Senator SCHWEIKER has presented an eloquent case against funding for a flu immunization program. Serious questions similar to those raised by Senator SCHWEIKER have been raised by many others. We cannot afford to ignore their concerns.

The hearings on the entire subject of Federal immunization programs as suggested should, indeed, be pursued. Until such time as these questions are answered we must move cautiously.

I urge each of you to join Senator SCHWEIKER in his effort to protect the public, by opposing this ill-advise influenza immunization program.●

Mr. SCHWEIKER. Mr. President, I move that the amendment be laid on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, the yeas and nays have been requested.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Arkansas (Mr. BUMPERS). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alabama (Mrs. ALLEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CLARK), the Senator from Arizona (Mr. DECONCINI), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Colorado (Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Georgia (Mr. NUNN), the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Pennsylvania (Mr. HEINZ) and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

The result was announced—yeas 30, nays 47, as follows:

[Rollcall Vote No. 285 Leg.]

YEAS—30

Bartlett	Hatch	Pearson
Byrd, Harry F., Jr.	Hatfield, Mark O.	Percy
Cannon	Hayakawa	Proxmire
Chafee	Helms	Sasser
Danforth	Javits	Schmitt
Dole	Laxalt	Schweiker
Garn	Long	Scott
Goldwater	Lugar	Stennis
Griffin	McIntyre	Tower
Hansen	Packwood	Young

NAYS—47

Abourezk	Hodges	Nelson
Bayh	Hollings	Pell
Bentsen	Huddleston	Randolph
Biden	Humphrey	Riegle
Bumpers	Jackson	Roth
Byrd, Robert C.	Kennedy	Sarbanes
Case	Leahy	Sparkman
Chiles	Magnuson	Stafford
Cranston	Mathias	Stevens
Culver	Matsunaga	Stevenson
Durkin	McGovern	Stone
Eagleton	Melcher	Thurmond
Ford	Metzenbaum	Wallop
Glenn	Morgan	Weicker
Hatfield, Paul G.	Moynihan	Williams
	Muskie	Zorinsky

NOT VOTING—23

Allen	Curtis	Heinz
Anderson	DeConcini	Inouye
Baker	Domenici	Johnston
Bellmon	Eastland	McClure
Brooke	Gravel	Nunn
Burdick	Hart	Ribicoff
Church	Haskell	Talmadge
Clark	Hathaway	

So the motion to lay on the table was rejected.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment.

The amendment was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to

Mr. LEAHY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, I hope we can have some order in the Senate, because in behalf of the Senator——

The PRESIDING OFFICER. If the Senator will suspend, I shall try to get him order.

Will the Senators take their seats and continue their conversations outside the Chamber?

The Senator may proceed.

Mr. MAGNUSON. Mr. President, there has been so much talk today about a matter that really, I reiterate, does not belong on this bill. But because we did have a vote on it and because I think a lot of the facts involved are a little bit confusing, and I think the implication might go abroad that some of us are trying to embellish our own nest or something like that—which, I think, we are not trying to do—and figures were thrown around here today very loosely about the cost of the building over there and what the furnishings are, whether we are going to have a restaurant on the top. I suggest that we have a public cafeteria and nobody can go in there but the public—no Senators. If one of my constituents wants to invite me in for some food, that is his privilege. I think that would be a great switch around here. That is what we need.

UP AMENDMENT NO. 1591

Mr. MAGNUSON. The Senator from Arkansas and I are going to offer an amendment and if anyone wants to join us, it is all right. The amendment is that on page 27, after line 23, insert the following: "For an additional amount for 'construction of extension of the new Senate Office Building, $54,853,000' to remain available until expended; provided that the amount of $140 million shall constitute a ceiling on the total cost for construction and initial furnishing of the extension to the new Senate Office Building."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be added as a cosponsor on the amendment.

Mr. PROXMIRE. Will the Senator yield for a question?

Mr. MAGNUSON. In other words, we shall put a cap on it so all these figures that are being thrown around here today are going to be settled once and for all.

The PRESIDING OFFICER. If the amendment will be sent to the desk, the clerk will state it.

Mr. MAGNUSON. Anyone who wants to cosponsor this, the Senator from Washington will welcome.

The PRESIDING OFFICER. Without objection, the Senator from West Virginia (Mr. ROBERT C. BYRD) is added as a cosponsor.

Mr. MOYNIHAN. If the Senator will yield, I should like to be considered as a cosponsor.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. MAGNUSON) for himself and others, proposes an unprinted amendment numbered 1591:

On page 27 after line 23, insert the following:

"For an additional amount for 'construction of extension to the new Senate Office Building, $54,853,000' to remain available until expended, *Provided*, That the amount of $140,000,000 shall constitute a ceiling on the total cost for construction and initial furnishing of the extension to the new Senate Office Building."

The PRESIDING OFFICER. There are 30 minutes on the amendment, 15 minutes to a side, equally divided between the Senator from Washington and the Senator from Pennsylvania.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Senator from California (Mr. CRANSTON) be added as a cosponsor, the Senator from New Jersey (Mr. WILLIAMS), the Senator from North Dakota (Mr. YOUNG), the Senator from New York (Mr. MOYNIHAN), and the Senator from New Jersey (Mr. CASE).

Mr. HANSEN. Mr. President, will the distinguished Senator from Washington yield for a question?

Mr. MAGNUSON. Yes.

Mr. HANSEN. I am not clear how Senators may be privileged to eat at this cafeteria. As I understand the distinguished Senator from Washington, they would be able to eat there only upon invitation of the public; is that right?

Mr. MAGNUSON. I should think we ought to make a switch around here once in a while.

Mr. HANSEN. Yes, I am for that.

Mr. MAGNUSON. It would cost no more to have a cafeteria on top of the building than it does to have it in the basement. It is a nice view, when people come around here. I should think the Senators ought to keep out of it. If some constituents want to invite us to come in and be their guests, we can eat there.

Senators, we do not need any more restaurants. The public needs some place to eat around here. That is what we need.

Mr. HANSEN. Will there be any restriction on the number of times we can be guests of the public? Will that involve us in the question of ethics?

Mr. MAGNUSON. Well, I cannot answer that.

Mr. GOLDWATER. Will the Senator yield on that point?

Mr. MAGNUSON. Yes, I yield.

Mr. GOLDWATER. Will the food be any better?

Mr. MAGNUSON. The food probably would be a little better than we have around here.

Mr. GOLDWATER. It has to be.

Mr. MAGNUSON. We do have great food, but I have had better.

Mr. PROXMIRE. Will the Senator from Washington yield?

Mr. MAGNUSON. That is not part of the amendment. That is merely a suggestion.

Mr. PROXMIRE. Will the Senator yield on his amendment?

Mr. MAGNUSON. I think we ought, once and for all, put a cap on this. Then we can see what they want. We can change that if we want to. But all these figures thrown around today—a real estate broker would have an awful time trying to sell space in the building with all the figures we have today.

Mr. PROXMIRE. Will the Senator from Washington yield for a question?

Mr. MAGNUSON. Yes, I yield.

Mr. PROXMIRE. May I ask the Senator how he arrived at his figure of $140 million? May I tell the Senator first, before he responds to the question, that I was standing here with an amendment to offer. I arranged with the Chair to be recognized when the Senator from Washington was recognized instead.

Mr. MAGNUSON. Well, once in a while, you know, we have some ideas on these things, too.

Mr. PROXMIRE. Of course. If the Senator would permit the Senator from Wisconsin to state the basis of his question, I would appreciate it. May I do so?

Mr. MAGNUSON. The what?

Mr. PROXMIRE. May the Senator from Wisconsin state the basis for his question? Then I would like to ask the Senator from Washington a question.

Mr. MAGNUSON. OK.

Mr. PROXMIRE. I have a ceiling figure here of $135 million rather than $140 million. To the $85 million already appropriated, it adds the full $37.5 million in a supplemental, which was requested by the Architect of the Capitol. That is all he requested. Then I added $7 million on top of that, which the GAO claims was left out of the Architect's estimate of the cost. Then, in addition to that, I added $5 million for furnishings.

I submit that, in view of the fact that we are taking the Architect's figure, that we are adding everything that the GAO says could have been left out of that, that on top of that we are putting in $5 million additional for furnishing, we are putting in $135 million, which is almost three times as much as was originally contemplated when they said it would cost $48 million. Why is $135 million not enough?

Mr. MAGNUSON. I have no objection to that, except that I think once in a while, in a building where the whole project is going to cost $135 million, there ought to be a little leeway. This is only a ceiling. They do not have to spend this much. We can change it any time we wish.

I know the Senator's figures. I understand that there is $125 million for construction and $10 million for furnishings; but I would have a leeway of $5 million.

Mr. PROXMIRE. The only suggestion I have there is that I think, in view of the record of the Architect——

Mr. MAGNUSON. Does the Senator want to reduce it to $135 million?

Mr. PROXMIRE. I should like to reduce it to $135 million.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to amend my amendment to a $135 million cap.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

The amendment was modified, as follows:

On page 27 after line 23 insert the following:

"For an additional amount for "Construction of Extension to the New Senate Office Building, $54,853,000" to remain available until expended, *Provided*, That the amount of $135,000,000 shall constitute a ceiling on the total cost for construction and initial furnishing of the Extension to the New Senate Office Building.

Mr. STONE. Will the Senator yield for a unanimous consent request to join in his amendment as modified?

Mr. MAGNUSON. Yes.

Mr. STONE. I ask unanimous consent that I be added as a cosponsor to the amendment as modified.

Mr. MAGNUSON. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I have no more to say about it. This Congress has got to move on and get busy. Let us settle this now and get it over with.

I thank the Senator for cosponsoring the amendment.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington still has the floor.

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. MAGNUSON. Yes.

Mr. METZENBAUM. Mr. President, I ask the Senator, and I am not opposed to going forward with the new office building, I recognize that what it costs has to be paid, but I have difficulty understanding why, when the Government buys something that was originally supposed to cost $48 million, any other person who would buy a building and had a contract, they buy it, and for $48 million they would expect to buy it for $48 million.

If the costs go up, they do not keep adding on. If anybody builds a building downtown with a general contractor, that is the price and that is what they get it for.

I am always puzzled why, when our Government buys a building, whether it is the renovation of Union Station,

whether it is the new Senate Office Building, or any other building around here, whatever the original price, we do not get a contract like anybody else.

We have to be especially taken. We have to pay two or three times as much before we are satisfied.

My question to the Senator is, What is there about our method of doing business in contradistinction to private enterprise which would buy a building for a fixed sum that requires us to pay $135 or $140 million for a building originally supposed to cost $48 million, even though I know there are inflationary factors?

But the private company would not do it in the same way.

Mr. MAGNUSON. As I mentioned, the plans were changed. The plans were changed to increase the size and thus the cost, and this is what has happened.

But I want to show the Senator from Ohio, this is only a ceiling. He can cut it down all he wishes.

General Services always gets caught in that. I am hopeful that legislative committees will do something about this. Not the Appropriations Committee, that is why I offer this amendment.

It is a ceiling. In the meantime, he can change anything he wishes, and I may be at least persuaded that some of the things should be changed.

But I want to get this over with so that at least we can go ahead and have a reasonable third Senate Office Building, which I think is needed, and do it within a sense of frugality consistent with what we should have for this particular purpose.

Mr. METZENBAUM. One more question. Would the Senator advise us, since the maximum is to be $135 million, how many square feet are to be in the building? In other words, what price are we paying per square foot for this building?

Mr. MAGNUSON. $101 per square foot, I understand.

Mr. METZENBAUM. I thank the Senator.

But I will make a comment——

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. CHAFEE. Mr. President, I would like to ask, if I might, a question of the Senator from Washington.

What does he mean when he says "Initial furnishing"?

Is that the carpets, desks, drapes? What does "initial" mean, everything furnished?

Mr. MAGNUSON. That is whatever the committee wishes to decide.

I am just here putting some cap on total expenditures, which the Senator from Rhode Island was arguing about, using the figure $200 million, and all this.

I am saying the best figure we can get, this is a ceiling.

Now, when they come up for some money for furnishings, or what they are going to do, I told the Senator from Rhode Island I will open the Appropriations Committee and he can testify all day on his viewpoint. I may agree with some of it.

But let us get going here. We have a structure over there and the longer we wait, the more it is going to cost.

We are going to have it. The vote told the Senator from Rhode Island that. We are going to have it, and I do not particularly care about some of the arguments of what goes into it.

But we are putting a cap on it, as to all this argument about $200 million.

But at least we are not going to pay $250 per square foot that we are paying in Providence.

Mr. CHAFEE. We can debate that all day long, if the Senator wishes. But his amendment says that the cap includes original, initial furnishings, and my question is, What is meant by that?

If we can have it from the colloquy that the initial furnishings means furnished, I think that would be helpful.

Mr. MAGNUSON. Well, the amount of the building, we are not going to have people come in there and sit on apple boxes on a concrete floor. We have to furnish it.

I am giving a little leeway. I do not know how they are going to furnish it.

I told the Senator that if he furnishes it like my office is furnished, he goes down to a secondhand store and buys all the stuff.

But maybe some other Senators, some other fellows coming along, want a little better furnishings. I do not know. We tend to become a little sentimental with it. I am just giving enough leeway.

We do not have to spend all this, it is just a cap, a ceiling.

Mr. CHAFEE. It is a cap that includes the building ready to use, furnished?

Mr. MAGNUSON. The cap includes everything.

Mr. CHAFEE. Everything. Great.

Mr. President, I would like to point out that the discussion this morning has dealt with the cost of this building. A lot of people have accused me of using reckless figures.

I know even this final figure that, apparently, everybody is prepared to accept, is a figure that is not only above the $37 million the Architect says, but it goes $7 million beyond that.

So the total figure is way beyond anything that anybody in officialdom ever spoke about the cost of this building.

Mr. MAGNUSON. I told the Senator, it is a ceiling. The Senator can come down and talk to the Appropriations Committee about what we do with it.

But is still $60 million below his figure.

Mr. CHAFEE. We just hope its furnished.

Mr. MAGNUSON. $60 million.

Mr. ROBERT C. BYRD. Mr. President, let us vote. We have been on this subject half a day. We have two other bills to go.

The PRESIDING OFFICER. All time has been yielded back——

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Washington. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alabama (Mr. ALLEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CLARK), the Senator from Arizona (Mr. DECONCINI), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Georgia (Mr. NUNN), the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Minnesota (Mr. ANDERSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Pennsylvana (Mr. HEINZ), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

The result was announced—yeas 65, nays 13, as follows:

[Rollcall Vote No. 286 Leg.]

YEAS—65

Abourezk	Hodges	Packwood
Bartlett	Hollings	Pearson
Bentsen	Huddleston	Pell
Bumpers	Humphrey	Percy
Byrd, Robert C.	Inouye	Proxmire
Cannon	Jackson	Randolph
Case	Javits	Riegle
Chiles	Kennedy	Sarbanes
Cranston	Laxalt	Sasser
Culver	Leahy	Schweiker
Dole	Long	Sparkman
Durkin	Lugar	Stafford
Fa'eton	Magnuson	Stennis
Ford	Mathias	Stevens
Glenn	Matsunaga	Stevenson
Griffin	McGovern	Stone
Hansen	McIntyre	Thurmond
Hart	Melcher	Weicker
Hatfield, Mark O.	Metzenbaum	Williams
	Morgan	Young
Hatfield, Paul G.	Moynihan	Zorinsky
Hayakawa	Muskie	
	Nelson	

NAYS—13

Biden	Garn	Schmitt
Byrd, Harry F., Jr.	Goldwater	Scott
	Hatch	Tower
Chafee	He'ms	Wallop
Danforth	Roth	

NOT VOTING—22

Allen	Clark	Heinz
Anderson	Curtis	Johnston
Baker	DeConcini	McClure
Bayh	Domenici	Nunn
Bellmon	Eastland	Ribicoff
Brooke	Gravel	Talmadge
Burdick	Haskell	
Church	Hathaway	

So Mr. MAGNUSON's amendment (UP No. 1591) was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1592

(Purpose: Add $2,900,000 for expansion of the Rehabilitation Hospital of the Pacific)

Mr. MAGNUSON. Mr. President, I send to the desk an amendment on behalf of the Senator from Hawaii and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. SARBANES). The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. MAGNUSON), on behalf of the Senator from Hawaii (Mr. INOUYE), proposes an unprinted amendment numbered 1592:

On page 15, line 25, strike "$2,400,000" and insert in lieu thereof "$5,300,000"

Mr. MAGNUSON. Mr. President, the Senator from Hawaii made a very good case for this amendment, which adds $2.9 million for expansion of the Rehabilitation Hospital of the Pacific, during the course of the hearings. It is a matching fund. It will be matched by an equal amount by local funding, and I think that the $2.9 million of Federal funding will do the job with the remainder of the money to be raised locally.

This is an unusual rehabilitation facility because it serves an eligible population of more than 1 million people but those 1 million people are scattered from almost all over the Pacific, some of them as far as 2,300 miles. There is a long waiting list for services.

I think the amendment is worthwhile in view of the local contribution, and I urge its adoption and so move.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SCHWEIKER. Mr. President, the Labor-HEW chapter of the second supplemental is most austere. The total amount being made available is $282,725,000. This is $99,949,000 below the House and $208,027,000 below the President's request.

Our subcommittee examined the administration requests most carefully. We rejected proposals that we regarded as unnecessary or unwise spending. On other matters we denied funding on grounds that the agencies could not use the amounts they requested in the short time remaining before the end of the fiscal year.

In all, 7 items were completely denied and 10 others were reduced.

The most controversial item among the supplemental requests was the $15 million proposed for a new flu immunization program. Our committee denied the funds after concluding that the administration had not solved serious liability problems, lacked proper and continuing authority, and had left many important questions of implementation and cost unresolved.

Nevertheless, we understand the vaccine has been manufactured and will be available privately to all who may want it.

I point out actions on several other programs:

The committee recommends $21.3 million to meet increased minimum wage costs for those participating in the jobs for older workers program. The additional funds are needed to sustain the current level of 47,500 enrollees at the new minimum wage.

We also provide bill language to permit the Labor Department to increase funding for onsite OSHA consultation services from $9 to $11 million. Consultation helps businessmen to identify and remedy health and safety problems in a nonadversary manner.

In health, we have denied the House allowance of $52.2 million for renovation and construction at St. Elizabeths Hospital, which has lost its accreditation. The committee is reluctant to proceed with this work until it receives the comprehensive plan it requested both for the facility and for mental health services in the District of Columbia.

The committee did not include $628,000 for special projects for schools of optometry, but will have an opportunity to reconsider this decision in conjunction with our forthcoming conference with the House.

In education, the committee included $37.8 million for basic State grants for the education for the handicapped program. We are advised by HEW that this is the amount needed to fully fund the Federal share of this important and expanding program in fiscal year 1978.

The committee action also dealt with a number of other programs, including ACTION and the Corporation for Public Broadcasting. I invite my colleagues to look through our report to acquaint themselves with the committee's recommendations.

Mr. President, I believe we have developed a most prudent Labor-HEW chapter, and I am glad to recommend its adoption.

UP AMENDMENT NO. 1593

Mr. MAGNUSON. Mr. President, I send to the desk another amendment and ask for its consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Washington (Mr. MAGNUSON) proposes an unprinted amendment numbered 1593:

Page 44, line after line 5, insert the following:

"Chapter XII

"Military Construction

"Military Construction, Navy

"For an additional amount for highways in Washington State under the defense access roads program of the Department of Defense, $8,500,000, to remain available until expended.".

Mr. MAGNUSON. Mr. President, I offer an amendment to take care of an emergency that has arisen regarding the orderly completion of the road system necessary to provide access to the Trident submarine base in Kitsap County in the State of Washington.

The Military Traffic Management Control Agency of the Department of Defense has notified my office that it cannot proceed with property acquisition necessary to build S.R. 3 in Kitsap County until the entire financial package has been assembled.

This road will provide the major access to the Trident submarine base.

Without this amendment this entire access project will grind to a halt and a year will be lost. This difficult situation did not surface until yesterday.

I urge my colleagues to accept this amendment.

Mr. President, this amendment has been approved by the chairman of the Military Construction Subcommittee. Unfortunately, it was of an emergency nature that was not taken up when we had the bill up on Tuesday of this week. But it is an emergency that has arisen over a road system which involves the Trident base, which is military construction.

I cleared it with him. The House committee, as I understand, will be willing to accept this amendment and I ask for its adoption.

The PRESIDING OFFICER. Is all time yielded on the amendment?

Mr. MAGNUSON. I yield back my time.

Mr. SCHWEIKER. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

UP AMENDMENT NO. 1594

Mr. MAGNUSON. Now, Mr. President, the Senator from Vermont has an amendment. I have taken a good long look at it. It is a very important program and it has been authorized. It includes funds that we did not really consider, although we had long hearings on many, many items, and this is a program that I think involves the health initiative in this country, particularly in the rural areas, and it should be included in the supplemental.

I yield to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized to offer his amendment.

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Vermont.

The legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY) proposes an amendment numbered 1594.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page (13), between lines (14) and (15), insert the following:

"Health Services Administration, for an additional amount for the Rural Health Initiative program, authorized under Section 330 of the Public Health Service Act, $6,000,000."

Mr. LEAHY. Mr. President, I am offering today an amendment to H.R. 13467, the fiscal year 1978 supplemental appropriations bill.

The rural health initiative, a primary health care program authorized under section 330 of the Public Health Service Act, has had a shortfall in funds for fiscal year 1978 in the amount of $8 million.

Fifty-one applications from 27 States for operational and planning and development grants have been approved by the Office of Rural Health. However, unless these moneys are appropriated, these projects cannot be funded. I am, therefore, asking that $6 million be included in the fiscal year 1978 supplemental bill to fund those projects in areas of the greatest medical underservice.

Approximately one-half of these proposed primary health care projects are in the South and Appalachia. The most medically underserviced regions in the Nation. In the South alone, there are 361 counties which have been designated by the Federal Government as medically underserviced areas, but which have not as yet received primary health care funding from the Federal Government.

The rural health initiative has already made an impressive start toward alleviating the problems of rural Americans. Since 1975, approximately 250 projects have been begun in 43 States. However, most of the nonmetropolitan areas of the Nation still have enormous health needs.

Rural America contains almost one-third of this country's population, but is served by only 12 percent of the Nation's physicians and 18 percent of our nurses. This health manpower shortage is especially disconcerting in view of the fact that rural America is the home of nearly one-half of the poor and a disproportionate share of the elderly. There is a greater incidence of chronic illness in nonmetropolitan areas. Perhaps most alarming of all is that adjusted death and infant mortality rates are inordinately high in rural settings, especially among minorities and the poor, where, these rates run 50 to 70 percent above national norms.

In light of rural America's critical health needs, in light of the progress which the rural health initiative has made toward meeting these needs, I ask that $6 million be included in H.R. 13467 for this valuable, successful program.

Mr. President, we originally were going to ask for a figure closer to $10 million, but we have, in effect, made a substantial cut in this regard.

I move the adoption of the amendment. I believe it has been cleared by the chairman and the ranking minority member of the committee.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. LEAHY. Certainly.

Mr. ROBERT C. BYRD. Mr. President, this program which provides funds for primary health care in medically underserved rural areas has used all of its funds and there are still many applications pending including the Tri-District, North Fork, and Oceana Health Clinics in West Virginia, which I know of.

Mr. President, I ask unanimous consent that I be added as a cosponsor, if the Senator will allow me, of his amendment.

Mr. LEAHY. I would be honored to have the distinguished majority leader as a cosponsor of this amendment.

The PRESIDING OFFICER. The Senator from West Virginia will be added as a cosponsor of the Senator's amendment.

Mr. LEAHY. Mr. President, I also ask unanimous consent that the distinguished senior Senator from West Virginia be added as a cosponsor.

The PRESIDING OFFICER. The Senior Senator will also be added.

● Mr. RANDOLPH. Mr. President, I would like to associate myself with the remarks of the distinguished majority leader, Mr. ROBERT C. BYRD, and the Senator from Vermont (Mr. LEAHY). Rural health care is very important to the residents of West Virginia. We are the second most rural State in the Nation. It is very difficult for all of our residents to have their health care needs adequately served.

A program such as rural health initiatives is necessary if West Virginians are to have good primary health care. I strongly endorse this amendment which add funds to the rural health initiatives program.

Mr. LEAHY. I am delighted to have the senior Senator from West Virginia (Mr. RANDOLPH) as a supporter. The interest of the Senator in health services is well known. This is particularly true in rural areas. The Senator was the sponsor of the Appalachian Regional Development Act of 1965 which had as one of its primary focuses the delivery of health care to the citizens of the rural Appalachian area. I compliment the Senator from West Virginia. I also thank him for his support on this amendment and his intense interest in rural health care problems.●

Mr. MAGNUSON. Mr. President, I personally talked to the Senator from Vermont about this, but I would ask the Senator from North Dakota if he is familiar with it, after hearing the Senator from Vermont, and if it would be agreeable to him.

Mr. YOUNG. The Senator from Vermont contacted me earlier and we discussed it, and I am familiar with it.

Mr. LEAHY. I thank the distinguished Senator from North Dakota. I want to yield back all my time.

Mr. MAGNUSON. I yield back all my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment was agreed to.

Mr. LEAHY. Mr. President. I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I thank the distinguished chairman of our committee for his consideration of this matter, and also the distinguished ranking member.

The PRESIDING OFFICER. Are there further amendments? The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I would like to propound a question to the manager of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. SCHWEIKER. I yield whatever time the Senator wants.

Mr. HARRY F. BYRD, JR. May I ask the distinguished manager of the bill how much has been added to the bill by the Senate?

Mr. MAGNUSON. Well, there is $3 million——

Mr. HARRY F. BYRD, JR. I beg the Senator's pardon?

Mr. MAGNUSON. I am adding it up. $18 million plus the amount added to the building.

Mr. HARRY F. BYRD, JR. The Senate has added $54 million for a new Senate Office Building.

Mr. MAGNUSON. That is right.

Mr. HARRY F. BYRD, JR. In addition to the $54 million for the building how much has been added?

Mr. MAGNUSON. Approximately $17 million.

Mr. HARRY F. BYRD, JR. So the Senate has added $71 million?

Mr. MAGNUSON. $17 million.

Mr. HARRY F. BYRD, JR. Plus the $54 million for the new Senate Office Building, for a total of $71 million.

Mr. MAGNUSON. That is correct.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. YOUNG. It is my understanding that there is no money in this bill for the Senate office building.

Mr. HARRY F. BYRD, JR. Well, there is now.

Mr. YOUNG. I understand that the Senator from Washington placed a ceiling on the building, I did not realize that money was added.

Mr. HARRY F. BYRD, JR. Yes, it does.

Mr. YOUNG. By way of authorization or appropriation?

Mr. HARRY F. BYRD, JR. The amendment added $54 million, which the manager of the bill has just confirmed.

Mr. YOUNG. As I understand, it authorizes expenditures up to the ceiling, but I did not understand that we appropriated money in the bill for the Hart building.

Mr. HARRY F. BYRD, JR. Mr. President, I ask that the amendment be brought to the Senator from Virginia.

The PRESIDING OFFICER. Will the Senator from Virginia repeat his request?

Mr. HARRY F. BYRD, JR. Will the desk send to the Senator from Virginia the amendment offered by the Senator from Washington which was voted on a few moments ago?

Here is what the amendment says:

An additional amount for construction of extension of the new Senate office building, $54,853,000 to remain available until expended.

Then it has a proviso of a ceiling. So the Senator from Washington is correct. The Senate has added to this bill $71

million; $17 million in miscellaneous items and $54 million for a new Senate office building.

Mr. MAGNUSON. That is correct.

UP AMENDMENT NO. 1595

Mr. JAVITS. Mr. President, I send an amendment to the desk in behalf of myself and Senator MOYNIHAN, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from New York (Mr. JAVITS), for himself and Mr. MOYNIHAN, proposes an unprinted amendment numbered 1595:

On page 5, strike line 22 and insert in lieu thereof "$12,000,000, to remain available until September 30, 1979, of which not more than $4,000,000 is available to provide assistance as authorized by section 504 of the Federal Water Pollution Control Act, as amended (33 USC 1364): *Provided*, That the Federal share of assistance under section 504 shall not exceed 50 per centum of the total amount necessary to minimize and mitigate the adverse effects of an emergency determined eligible for such Federal assistance by the Administrator [of the Environmental Protection Agency]."

Mr. JAVITS. Mr. President, this amendment represents an effort to make some response to a very serious emergency which has struck us in my State at Niagara Falls, N.Y., where there is a situation described by the New York State Health Commissioner, Robert P. Whalen, as "a great and imminent peril."

Mr. President, indeed it is. In order to be able to quote a Federal agency on the subject, we have asked for and received a letter from the U.S. Environmental Protection Agency. To make it clearer, Mr. President, may I say that it relates to deposits of very serious and very harmful chemicals, over the years thrown into a canal by the Hooker Chemical Company, which occupied a factory in that area for many years. Indeed, when I was in the Chemical Warfare Service in World War II, Hooker was one of our principal suppliers. It is also charged that the Army used it as a dumping ground for similar dangerous chemicals.

What has happened is that that neighborhood, called the Love Canal neighborhood, which has received a lot of coverage in the media lately, unhappily for us, has suddenly developed into a major environmental hazard. I now quote from the letter of the U.S. Environmental Protection Agency, a letter of August 4 addressed to Senator MOYNIHAN signed by the regional administrator, region 2, Eckardt C. Beck:

The hundred or so simple homes in the area rest atop an old chemical dump site, plowed over several years ago. But as the ground settled, and the rains came and went, strange things began to happen. Corroding waste-disposal drums broke through the grounds of backyards. Trees and gardens began to die. Pools of chemicals sometimes settled in basements, or near the grounds of the school. The air began to smell. Children returned from their play with burns on hands and face.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., August 4, 1978.

Hon. DANIEL P. MOYNIHAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOYNIHAN: The small neighborhod in Niagara, New York, called Love Canal has received much newsprint and TV coverage recently. I have been there and seen it first hand. The situation is no less disturbing than the press accounts make it out to be.

The hundred or so simple homes in the area rest atop an old chemical dump site, plowed over several years ago. But as the ground settled, and the rains came and went, strange things began to happen. Corroding waste-disposal drums broke through the grounds of backyards. Trees and gardens began to die. Pools of chemicals sometimes settled in basements, or near the grounds of the school. The air began to smell. Children returned from their play with burns on hands and face.

As a result, the New York State Health Department has recommended the evacuation of pregnant women and infants, and is continuing an investigation into a disturbingly high rate of miscarriages which have been detected for possible high white blood-cell counts. (EPA has identified 11 compounds suspected of being carcinogenic out of a total which the New York Times termed "an incredible mixture of 82 industrial chemicals thus far.")

The presence of various types of toxic substances in our environment has become increasingly widespread—a fact which President Carter has termed "one of the grimmest discoveries of the modern era." Chemical sales in the U.S. now exceed $100 billion per year, with over 30,000 chemical substances in commerce. To these, a thousand new ones may be introduced each year. Love Canal can now be added to a growing list of environmental disasters involving toxics which range from industrial workers being stricken by nervous disorders and cancers, to the discovery of toxic materials in the milk of nursing mothers.

Through the national environmental programs it administers, EPA is attempting to draw a chain of Congressional Acts around the toxics' problem. The Clean Air and Water Acts, the Safe Drinking Water Act, the Pesticide Act, the Resources Conservation and Recovery Act, the Toxic Substances Control Act—each is an essential link.

Under the Resources Conservation and Recovery Act, EPA is in the process of preparing regulations which will make grants available for State inventories of industrial waste disposal sites. We are working to make sure these regulations provide that such inventories include full assessments of any potential dangers created by these fills.

Which brings us to the missing link. If health-related dangers are detected, what are we as a people willing to spend to correct the situation? How much risk are we willing to accept? Who's going to pick up the tab? One of the chief problems we are up against is that ownership of these sites has shifted so many times over the years, often no one claims liability in case of an accident. And no secure mechanisms are now in effect to determine liability.

With regard to the measures that are being pursued now at Love Canal, the Hooker Chemical Company, which owned the fill when it was a toxic-waste dump, has this role in cleaning up Love Canal needs to be determined. Both the State and Federal government are looking into their purses—e.g. your purse—to attempt to find means to remedy the situation. No one has payed more dearly than the residents of that community.

I don't think that any of us labor under the illusion that there is, or will be soon, if ever, a simon-pure antiseptically safe world. But it is within our power to exercise intelligent and effective controls designed to significantly cut risks. A tragedy, unfortunately, has now called upon us to decide on, the level of commitment we desire for defusing future Love Canal.

Sincerely yours,

ECKHARDT C. BECK,
Regional Administrator, Region II.

Mr. JAVITS. The last paragraph reads:

I don't think that any of us labor under the illusion that there is, or will be soon, if ever, a simon-pure antiseptically safe world. But it is within our power to exercise intelligent and effective controls designed to significantly cut risks. A tragedy, unfortunately, has now called upon us to decide on the level of commitment we desire for defusing future Love Canal.

Mr. President, I refer to the law which we invoked as the authority for this request for appropriation of $4 million, with a proviso in the amendment that the Federal Government is only to contribute half of whatever it costs up to $4 million, and the State will do the rest. Indeed, the State has already spent over $700,000, but that is certainly insufficient to deal with this situation.

This particular kind of problem is specifically referred to in section 504 of the Federal Water Pollution Control Act, and I would like to read the operative part of that section:

SEC. 504 (b) (1) The Administrator is authorized to provide assistance in emergencies caused by the release into the environment of any pollutant or contaminant, including but not limited to those which present or may reasonably be anticipated to present an imminent and substantial danger to the public health or welfare.

Then paragraph (2) of that same section provides $10 million—a sum not to exceed $10 million—and says:

The amounts available under this paragraph shall remain available until expended. There is authorized to be appropriated such sums as are necessary to maintain that portion of such fund available for emergency assistance at a $10 million level.

Mr. President, on one occasion, in March of this year, the Environment and Public Works Committee report to the Budget Committee asked $5 million and appropriations for this section 504. Nothing was done about that request. Now we have, in our judgment, a highly perilous situation. We do not know what its extent may be. It so appears to Senator MOYNIHAN and myself, and apparently to the Environmental Protection Agency, though it does not and cannot support our request because of the OMB, which is not going to let them do it. That is why I read their letter into the RECORD, to show that this is a very real and serious emergency.

We feel that it falls precisely within the language of this kind of an emergency which I have read to the Senate. It cannot be what is so frequently called a Pandora's box around here for the following reasons:

First. This fund is limited to $10 million. That is all it is, or is going to be.

Second. It is limited to an imminent or substantial danger to the public health or welfare. Certainly, Mr. President, by the finding of the EPA itself, this is an imminent and substantial danger to the public health or welfare.

Mr. President, there is a very tragic

list of maladies which have been suffered by the residents of this area, according to the reports which we now have from the State commissioner of health. There have been a very large proportion of miscarriages, some 35 percent, as against the normal rate of 20 percent. There has been a very abnormal rate of birth defects in the pregnant women, some 13 percent as against the normal rate of 2 percent, and in one part of this area, a rate of 29 percent in birth defects as against the normal rate of 1.8 percent.

It is going to be necessary, aside from moving the families which are on the site—even if we say, "All right, let the State do that," it is going to be necessary to do something about either removal of this danger, and as I say, we have no idea of how far it could spread or what it could do to very much larger areas, or installing tile drains along this canal to lower the water level and try to deal with some way of more safely disposing of these wastes.

Nor can we, at this moment, because of this serious emergency, stop and have a lawsuit with someone, perhaps Hooker Chemical, which has long since left the area, in order to find out who is responsible.

So, Mr. President, because it is an imminent, direct, and substantial danger to the public health or welfare, fully within the contemplation of this statute to which I have referred, and therefore meets the test of section 504, because the amount which we ask is a modest one, and because we provide for equal matching, I hope very much that the Senate will at least allow this amendment to be taken to conference by the committee.

I reserve the remainder of my time.

Mr. PROXMIRE. Mr. President, will the Senator from Washington yield me time in opposition?

Mr. MAGNUSON. I yield such time as the Senator from Wisconsin may require.

Mr. PROXMIRE. Mr. President, I must resist this amendment, first because it is not in the budget. OMB has made no request for it. The interpretation of section 504 by undoubtedly the most brilliant lawyer in the Senate (Mr. JAVITS) as permitting this kind of expenditure is, in my opinion, questionable.

This is certainly not a recent development. This is a result of a toxic waste dump by the Hooker Chemical Co. from 1947 to 1952, 25 or 30 years ago. Furthermore, it is clear that the city has not taken any kind of action to clean up the situation, although some responsibility certainly lies with the city. The Hooker Co., for instance, has offered to share the cleanup cost of the tentative city plan to dig tile drainage ditches along the sides. They have had no comment throughout the controversy. This is from an article in the New York Times of August 2. The article goes on to say:

The city appears to have been uncooperative with neighborhood requests for help, with State and Federal agencies.

The city tax assessor has refused to grant any tax abatement on the homes even though the banks now refuse to mortgage.

It goes on to say:

The city council voted last Wednesday to acquiesce to the opinion of its bond counsel that they ought not spend any public money on the land and that some of the canal site is owned privately.

It is a question of who is responsible? Is the city responsible? Is the county responsible? Is the State responsible? This is not an overwhelming matter like the New York fiscal crisis. We are being asked to provide $4 million. The State of New York is proposing a tax reduction this year of $750 million.

As I say, for the Appropriations Committee to be asked on the floor of the Senate at the last minute to move into a situation of this kind when the experts in the administration do not support it, or at least do not say they would approve any request for funds, seems to me to put us in a very, very difficult position.

There is no question that the Senator from New York is completely correct, in indicating that this is a bad situation, a dangerous situation, a situation that does threaten the health and the life of people in this area. But it seems clear to me that it is not a situation that is beyond the reach of the State of New York and to some extent the county and city involved.

At any rate, the need for Federal help under these circumstances is not clear and in view of the fact that the administration does not support providing these funds I feel that it is proper for the Senate to resist the amendment.

Mr. JAVITS. I yield to my colleague from New York.

Mr. MOYNIHAN. I thank my colleague. Mr. President, I shall be brief.

Mr. President, I ask unanimous consent that I might include in the Record a statement on this matter which has been prepared by Dr. Cohon of my staff, who is a professor of environment engineer at Johns Hopkins University. I would draw your attention to a table on the levels of toxic chemicals found in the canal and the highest levels deemed acceptable by the New York Department of Health.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Levels of toxic chemicals found in the Love Canal

[Micrograms per cubic meter]

	Highest values observed	Levels deemed acceptable by New York State Department of Health
Chloroform	24	.06
Benzene	270	0.2
Trichlorethylene	73	0.9
Toluene	570	10
Tetrachlorethylene	1,140	.4
Chlorobenzene	240	2
Chlorotoluene	6,700	2
mp zylene	140	10

* There are no Federal safety standards for pollutants in the home; New York State Department of Health figures have been approved by an interagency panel of experts.

Mr. MOYNIHAN. Mr. President, today I am submitting an amendment with my colleague, the senior Senator from New York, to remedy an environmental emergency in New York State. This is a situation that warrants the immediate attention of the Congress and the executive branch. An amalgam of highly toxic chemicals, several of them known carcinogens, have severely contaminated an area of Niagara Falls, N.Y., known as the Love Canal. In those too recently passed days of lesser environmental awareness, a chemical company dumped some 80 poisonous substances into the water of the canal. Those chemicals infiltrated the homes of nearby residents by rising through saturated basements to become insidious components of the air. Identified chemical compounds found in levels far surpassing those accepted as safe by the New York State Department of Health include benzene, chloroform, trichlorethylene, tetrachlorethylene, chlorobenzene, and other substances of acknowledged toxicity. I have enclosed for the RECORD a chart which notes these disparities.

The tragedy of this situation far exceeds this list of statistics, however. As an environmental disaster, this incident is probably unsurpassed in terms of human suffering. It is particularly alarming, because of the subtle and gradual effects of the pollutants. In recent studies of area residents, the chemicals have been found to cause higher than average incidences of miscarriages, birth defects, and cancer, as well as immeasurable property damage. The incidence of cancer in area residents is as high as that documented for heavy smokers nationally. This threat to the health of residents and visitors to the area is well documented, and I ask unanimous consent to include for the RECORD a chart and newspaper articles which demonstrate this fact.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INCIDENCE OF MISCARRIAGES AND BIRTH DEFECTS IN WOMEN AND CHILDREN LIVING ON CANAL

	Incidence rate in women living on canal	Rate in same women before living on canal
Miscarriages:		
South	9/35 pregnancies, 35.3 percent.	9/97 pregnancies, 20 percent.
North	8/43 pregnancies, 25 percent.	10/117 pregnancies, 13.6 percent.
Birth defects:		
South	4/30, 13.3 percent.	2/89, 2.2 percent.
North	2.9/35, 29 percent.	1.8/109, 1.8 percent.

UPSTATE WASTE SITE MAY ENDANGER LIVES—ABANDONED DUMP IN NIAGARA FALLS LEAKS POSSIBLE CARCINOGENS

(By Donald G. McNeil, Jr.)

NIAGARA FALLS, August 1.—Twenty-five years after the Hooker Chemical Company stopped using the Love Canal here as an industrial dump, 82 different compounds, 11 of them suspected carcinogens, began percolating upward through the soil, their drum containers rotting and leeching their contents into the backyards and basements of 100 homes and a public school built on the banks of the canal.

Children and dogs have been burned playing on the canal site, and large numbers of miscarriages and birth defects have been found among inhabitants of the modest one-story homes along the site.

Tomorrow, the State Health Department is scheduled to recommend whether the Governor should declare a health emergency and evacuate the area's families with small children.

The canal, dug in the 1890's to provide power and water for a model-city scheme, was used as a toxic-waste dump by the Hooker Chemical Company from 1947 to 1952. Thousands of drums were dropped directly into the receding water or buried in its banks.

In 1953, Hooker sold the land to the city's Board of Education for $1.

The school was built on it, and lots were sold to developers of "raised ranch" and box houses, which sold for 20,000 to 30,000 a few years ago.

In 1976, after six years of abnormally heavy rains, the canal "overflowed its underground banks," residents say, and the stuff began surfacing—an incredible mixture of 82 industrial chemicals so far, 11 of them suspected carcinogens, according to the Federal Environmental Protection Agency.

Children and dogs have been burned playing in the fields, visitors have had the soles of their shoes corroded through, and some backyard trees have been completely gnawed away by chemical action.

It has also begun seeping through basement walls, and air monitors placed by the Federal agency have counted levels of from 250 to 5,000 times as high as is safe for some chemicals in some homes.

The State Health Department ran blood test and epidemiological histories on residents of 97th and 99th Street between Frontier Avenue and Colvin Boulevard—about 100 families.

Preliminary figures counted four children with birth defects among 24 in the southern block of the stretch, all of them mentally retarded, one mother said. It also showed a miscarriage rate of 29.4 percent. Thus far the department has refused to draw conclusions from these figures because the statistical sample is very small.

Residents say many in the neighborhood have died of rectal, breast and blood cancers, and the Health Department has said it plans to make a study going as far back as 20 years to test the truth of this. Many residents said their dogs had died of tumors or distemper before they reached the age of 3.

A CASE IN POINT

Karen Schroeder, one of whose four children was born with a cleft palate, an extra row of teeth and slight retardation, grew up at 476 99th Street, and now lives at 460. Her protest to The Niagara Falls Gazette and Representative John LaFalce, Democrat of Tonawanda, first raised official concern for the neighborhood.

Her backyard seems to be the lowest draining point for the waters leeching out of the fill. Her swimming pool was popped out of the ground by the rising water table, her whole garden killed. The redwood posts of her backyard fence eaten away, and local authorities pumped 17,500 gallons of chemical filled water out of her yard in two days this year, water that even Chemtrol, the country's biggest waste disposal company, refused to handle, she said. So it was trucked to Ohio and poured down a deepwell disposal site.

Her dog died young and now her husband, Timothy, jokes that their daughter's Easter rabbit has become their miner's canary. "If it dies, we'll know to move away."

ASKED TO REPEAT TESTS

She and 40 other neighbors have been asked to repeat their state blood tests because of "abnormalities" that were found. A State Heatlh Department spokesman identified them as liver abnormalities, but said it might be a laboratory problem.

Mrs. Schroeder said she had heard they found a high white blood count in her and in her mother, Aileen Voorhees, who is the neighborhood record-holder for chemicals detected in basement air: 12,835 micrograms per cubic meter.

"Do you want to see the paper of what's coming through my wall?" Mrs. Voorhees asked yesterday, handing over a sheet sent her by the E.P.A. to translate blips that had come over on the air monitoring machine installed on a big basement workbench. The elements included chloroform, benzene, trichloroethene, toluene, petrachloroethene, 1,3,5, trichlorobenzene—high amounts of nine of the 11 it could test for—at least two of them carcinogenic.

The homeowners who bought land next to the canal did so because they had been told it would be turned into a park and be near the school, Mrs. Voorhees said.

"TICKING TIME BOMBS"

"They didn't let anybody know it was dangerous," she said. "They didn't know how far the stupid chemicals were going to run."

The Love Canal site is one of 38 known industrial waste landfills in Niagara County, and probably the most serious health hazard of the thousands in the nation, Eckhardt C. Beck, regional director for the E.P.A. said.

"We've been burying these things like ticking time bombs—they'll all leech out in 100 or 100,000 years," he said. "We're mortgaging our future if we don't control them more carefully. And the bottom line is who's going to pay to clean this thing up?

The Hooker Company, which has offered to share the cleanup costs of a tentative city plan to dig tiled drainage ditches along the sides of the canal, has had no comment throughout the controversy.

A spokesman at the company's Houston headquarters, Sandie Kroeger, said the president, Donald Baeder, could not be reached yesterday.

No lawsuits have yet been filed by any party to the dipsute, and no culpability has been acknowledged by anyone.

The city appears to have been uncooperative with neighborhood requests for help and with state and Federal agencies. * * * Robert P. Whalen ordered the county to fence off and decontaminate the area, cover or remove all the exposed pesticides, and ventilate the homes.

TAX ABATEMENTS DENIED

The county health commissioner, Francis J. Clay, installed $15 supermarket fans in two homes, and put up a fence children still walk through without knocking down.

* * * And she must still pay $1,200 taxes on a home whose market value she says has fallen to zero.

The City Council voted last Thursday to acquiesce to the opinion of its bond counsel they ought not spend any public money on the land since some of the canal site is owned privately, by a school teacher in Pennsylvania who, according to a local reporter, has stopped paying his taxes.

Federal involvement and liability is also an issue.

Representative LaFalce's office is investigating whether the Army dumped chemical warfare material into the canal. A retired city bulldozer operator, Frank Ventry, said that he had helped backfill about 18 barrels the Army trucked to the area from what he called a chemical warfare site. The Army has denied any files on such dumping, but told Mr. LaFalce's assistants it was still checking.

"If the Army dumped, we should get Federal aid, damn it," Mrs. Schoeder said. "If they dumped, let them get their fanny in here and clean it up, too."

A young man who asked not to be identified who used to swim in the canal as a child, said he had seen the Army dump material there three times. Over the years, as dumping continued, the canal's water began to sting like battery acid and boils appeared "the size of silver dollars," he said. "Every kid I knew had them. The Army has talked to lots of them."

He is 34, and totally disabled with Hodgkin's disease, a lymph cancer. "Two of my friends from there has the same thing—but not the bleeding so much," he said. "My brother has nerve disease. But I got Social Security. I don't want trouble. I don't want help. I don't want nothing from the Army, from Hooker, from the city, from nobody."

HEALTH CHIEF CALLS WASTE SITE A "PERIL"

(By Donald G. McNeil, Jr.)

NIAGARA FALLS, N.Y., August 2—Citing a great and imminent peril, Dr. Robert P. Whalen, the New York State Health Commissioner, recommended today that pregnant women and infants up to 2 years of age leave their homes in the contaminated Love Canal area of this city immediately, and that the public school on the property not open in the fall.

Members of the 20 affected families on the site, which is a quarter-mile-long landfill formerly used as a dump for toxic industrial chemicals, said they could not afford to move, and planned to meet tonight in front of their homes to collect the mortgage and tax bills of all their neighbors and resolve not to pay them. They also planned to demand some aid from the government or from companies that used the dumping site to relocate themselves and their children.

CAREY NAMES STUDY GROUP

The Niagara Falls Superintendent of Schools, Robert A. Utter, said he would abide by the Health Department's recommendation, assuming that a tentative city plan to build tile-covered drainage ditches to catch chemical-filled rain water runoff had not been completed when school opens Sept. 5.

Governor Carey's office announced the appointment of a task force headed by William Hennessey, the Transportation Commissioner, to recommend to him next week what the state should do and where money for the moves and eventual cleanup of the site should come from.

The Love Canal area is a three-block-long section on the eastern edge of the city where 100 homes and the 99th Street School back onto an industrial landfill used by the Hooker Chemical and Plastics Corporation to dump toxic wastes from 1947 to 1952.

In 1976, after six years of unusually heavy rains, the wastes began leaching out into the backyards and basements of the homes and the playground of the school. In rainy weather large multicolored fuming pools of chemical liquids stand on the property, residents say.

Tests by the Federal Environmental Protection Agency have found 82 different chemical compounds in the houses, backyards and basement air, 11 of them suspected carcinogens.

Dr. Whalen cited the "significant excess" of miscarriages and birth defects in making his recommendations: a 29.4 miscarriage rate and five children out of 24 with birth defects, four of them retarded, at the southern end of the canal.

"There is a great and imminent peril to the health of the general public at or near the said site," he said.

"NOBODY'S DRAGGING THEIR FEET"

"Whatever has to be done, we're going to do, if we can legally do it," City Manager Donald O'Hara said of the report. "There is no hesitation to spend the dollars. I'm waiting for an opinion from our bond council now.

"Nobody's dragging their feet. The city's spent bucks—$40,000 at this point. But we can't spend money that will become a personal liability to the Council members."

The city's intent to dig tiled drainage

ditches to carry off ground water—a proposal Dr. Whalen endorsed today—was stymied last week by its bond-counsel's opinion that it could not spend tax dollars to change private land. The southern-most chemical-fill part of the canal site is the property of Lee C. Armstrong of Kane, Pa., who has not paid taxes on the land recently.

According to Mr. O'Hara the city will begin proceedings to take title to the land next year.

Mr. Armstrong said yesterday that he did not plan to oppose takeover proceedings or plans to build a drainage ditch and said the city could buy the land for a little over his costs any time it wanted to. However, he would not name a figure.

John S. Coey, president of Hooker Chemical Corporations industrial chemical group in Houston said, "Moving the 20 families is a medical problem and we haven't seen the data so we can't comment. Under the terms of the deed [of the land from Hooker to the Board of Education] the Board of Ed was told that they assumed financial responsibility for the land, but the company is concerned."

Lois Eisner, who lives in a modest white modular home at 454 99th Street, on the edge of the canal site, has two children—Scott, 22 months old, and Kristen, 3, who was born with a birth defect of the ureter, is on antibiotics and may have to be operated on soon. Mrs. Eisner said she had had two miscarriages, one since moving to the area.

"Right now we don't know what we're going to do. My husband's parents live down the street, so we can't go there. My mom's only got a one-bedroom apartment. A decent apartment in this area costs $180 to $200 a month—we can't afford that with our mortgage payments."

Her next-door neighbor, Bonnie Snyder, said of her 22-month-old adopted daughter Bethany, "I don't let her eat sugar. I open up my bread drawer and I see "no preservatives" and I laugh. She's been breathing chemicals all this time. My dog is five years old. It has had 14 operations for cysts. If we can get some money, we'll move out."

A faint choking smell of pesticide drifted into the front yard as they talked. In the plot out back, which is piebald with patches of Queen Anne's lace and grass alternating with pools of bare, shiny mud, oil drums of Lindane and other pesticides have surfaced, their tops rusted through. One of these swallowed third base behind the 99th Street School last fall, residents say.

The 50-foot ash tree over Mrs. Snyder's head was dying, one half of its branches naked. Its owner, Karen Schroeder, who was attending the Health Department meeting in Albany, said earlier this week that a testing laboratory had told her its roots were being burned by acid.

Mr. MOYNIHAN. The local, State, and Federal Governments agree that something must be done to alleviate this horrendous situation. The State government has not been unaware of this problem, and has committed $700,000 toward beginning to solve it. New York State Department of Health officials have had numerous discussions with experts in both health and environmental fields, and have made several recommendations for future action. These include evacuating pregnant women and children under 2 years of age from the immediate area, closing the area's school, ventilating the affected homes, installing tile drains along the canal to lower the water level under the homes, and removing the wastes buried in the canal. I ask unanimous consent that a letter from Governor Carey detailing these actions be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR PAT: We request your assistance in securing federal aid for the State of New York to enable the State and its political subdivisions, the county of Niagara and the City of Niagara Falls, to combat the effects of an environmental emergency caused by the "Love Canal chemical waste landfill" and which is affecting an entire neighborhood in the City of Niagara Falls.

This situation was brought to the attention of the State in early April and a site visit was conducted on April 13th by Commissioner of Health, Robert Whalen; and En Con's Commissioner, Peter Berle, and others. Close on-site monitoring of conditions ensued, and a special health panel was established to study the problems and make specific recommendations.

Based on the most recent evidence available to the Commissioner of Health, as a result of these special investigations, on August 2 Commissioner Whalen issued an order setting forth facts and findings of the environmental emergency and recommending relocation of persons particularly at risk and other interim actions to protect the public health.

The State has committed $700,000 for environmental and health testing, of which $400,000 has been expended to date. Because of the need to relocate families from the neighborhood, the State has also committed funds to provide temporary shelter. We are earnestly discussing with the County of Niagara, the City of Niagara Falls, and the Hooker Chemical Company their ability to commit additional public and private funds.

I urge you to take what measures are available to secure emergency aid to assist the State and locality in abating and removing this environmental emergency threat to public health.

Sincerely,

HUGH L. CAREY,

Mr. MOYNIHAN. These immediate measures do not offer a long-range solution, however; a permanent disposal site must be found for the wastes, and the homes may have to be repaired or entirely relocated.

Thus we must recognize a Federal interest in further resolution of this problem. The alleviation of environmental emergencies is recognized as an appropriate activity of the U.S. Environmental Protection Agency. Section 504(b) of the Federal Water Pollution Control Act authorizes the Administrator of the EPA to "provide assistance in emergencies caused by the release into the environment of any pollutant or other contaminant * * * which present an imminent and substantial danger to the public health or welfare." Beyond this statutory authority, however, the Federal Government has a certain responsibility noted by the New York Times at the end of their article published on August 2; it is possible that the Department of Defense deposited chemical warfare material into the canal.

The vehicle for Federal involvement is at hand. The March 15, 1978, budget recommendation of the Environment and Public Works Committee requested a $5 million appropriation for section 504 of the Water Pollution Control Act. I would request that $4 million of that amount be allocated for alleviation of the situation on the Love Canal. This seems the least we can do to mitigate the further suffering of those unwittingly subject to these horrible consequences.

Mr. President, I want to congratulate my colleagues, the senior Senator from New York, and Representative JOHN LAFALCE for their tireless efforts on behalf of Niagara Falls.

This incident might be preserved as an example of a peculiarly primitive poisoning of the atmosphere by a firm. There is no way to avoid the origins of this situation nor yet to minimize its gravity.

I regret, Mr. President, that the Bureau of the Budget has not as yet found it possible to approve the request made by the Governor for assistance in this case, and in the circumstances I must accept and sav that I can fully understand the position of the Senator from Wisconsin.

The Senator from Wisconsin has proven more than forthcoming to matters of sufficient magnitude to be on the floor of the U.S. Senate with respect to my State, with respect to the whole range of urban policies in this country.

This is a situation which needs to be attended to. If the Federal Government cannot provide funds, the State must. We are a State of 18 million people. We have a gross national product equivalent to that of Canada. We will clear up the muck in our own canals if we have to. But we are not, I hope, to be faulted with seeking Federal assistance and we will persist.

I believe the Senator from Wisconsin has accurately described the situation which confronts him. I am sure I speak for my senior colleague when I say that we accept this explanation.

My revered senior colleague and I have made our case. At this point the administration has not yet accepted it.

In those circumstances, the Senator from Wisconsin has done what he felt he had to do. I would like to express my appreciation for his courtesy and attention. I see the Senator from Maine is on his feet.

Mr. MUSKIE. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. MUSKIE. My attention was drawn to this problem this morning as I was watching the Today Show which carried, I believe, a very useful and moving account of this disaster which has stricken this community.

There is no doubt that these toxic materials were deposited 25 or 30 years ago. I suspect that in our present industrial and other practices we may be putting in place without knowing—and we may not know it for decades—toxic materials which may have similarly unanticipated results.

It is for that reason that the Environmental Subcommittee last year included section 504 in the law.

As I understand the Senator's amendment, it does not mandate that these sums be spent on this project; it merely provides that the 504 fund be funded to the extent of $4 million leaving discretion to the Administrator to determine, by rule and regulation or standards that he may set, whether or not this particular situation, which on its face would appear to qualify for assistance, should in fact qualify for that assistance.

Mr. MOYNIHAN. The Senator is correct.

Mr. MUSKIE. All we are being asked to do here today is to fund, to the extent of 40 percent of the amount authorized, this emergency provision designed to protect people against environmental emergencies.

Mr. MOYNIHAN. The Senator is correct. Unfortunately, the Office of Management and Budget has declined and that, I believe, is the controlling situation with the Senator from Wisconsin.

Mr. MUSKIE. I think the Senator from Wisconsin has some points which ought to be taken into account. I have no judgment on whether or not the State of New York has moved as expeditiously as it should have moved; whether the community has; whether a plan for relief has been devised; whether a plan for solution has been devised.

I support the amendment, because I see it as a way of making resources available from the Federal Government to be of assistance if in the judgment of the Administrator such assistance is warranted, given the nature of the disaster, given the participation by the State, given participation by the community, and given the development of a plan that makes some sense relevant to the disaster.

In supporting the amendment I do not by any means want to suggest that I am mandating that this particular disaster be funded. I think the Administrator has to make that determination.

I think that section 504 having been put in the law and this disaster having occurred, which suggests the relevance of that provision of the law, we ought to provide some funds that the Administrator could use, for which the members of this community could apply, and which the Administrator could grant if he is satisfied on the point that Senator PROXMIRE has raised and on some of the points that I have raised. I think there ought to be money available for assistance following the proper exercise of administrative discretion.

Mr. PROXMIRE. Will the Senator from New York yield?

Mr. MOYNIHAN. I am happy to yield to the Senator from Wisconsin.

The PRESIDING OFFICER. The Chair informs the Senator from New York that the time of the proponents has expired.

Mr. PROXMIRE. Mr. President, I shall take time from the opponents of the bill, if I may.

The PRESIDING OFFICER. There are 9 minutes remaining to the chairman of the committee in opposition to the amendment.

Mr. MAGNUSON. I yield 4 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, first I want to express my real gratitude and to say how deeply impressed I am by the statesmanlike position taken by the distinguished Senator from New York (Mr. MOYNIHAN). It is a very painful position for him to take. This is red hot politically, no question about it. We all know how our people would feel if they were in the same position.

At the same time, as I understand what the Senator is telling me, he agrees that, in view of the position taken by the administration—and I do not try, rightly or wrongly, to speak for the administration—I think the Senator from Maine concurs in that. Although the Senator from Maine concurs with the Senator from New York that this is a sound amendment, in the circumstances, in view of the fact that they feel they cannot afford it, I have to continue with the position that I took.

I will say that, in the event that we can get a request from the OMB or for reprograming in EPA, we would be delighted to act on that most expeditiously. We shall do our best to encourage them to do exactly that, reprogram the money so it can be made available. We shall be happy to do it.

Mr. MOYNIHAN. Will the Senator yield for a moment?

Mr. PROXMIRE. Yes, indeed.

Mr. MOYNIHAN. That seems to be a most generous and feasible proposition. We can go to the OMB, and go to EPA, ask for either redress funds or reprograming, because the Senator from Maine is surely right that this provision of the bill should be funded. In the precise situation of this moment before the Senate, the Senator from Wisconsin clearly has difficulties that are not of his making.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator.

The PRESIDING OFFICER. The time of the proponents of the amendment has been used. The Senator from Washington has 5 minutes remaining on the amendment in opposition.

Mr. MAGNUSON. I shall yield my time if anybody wants any more time.

Mr. YOUNG. I yield myself time from the bill, about 3 minutes.

I would like to ask the Senator from Maine, could this money be taken out of existing funds? I understand EPA has about a billion dollars of unobligated money. Do we actually need a new appropriation for this purpose?

Mr. MUSKIE. The reason we provided for emergencies in this specific way, I say to the Senator, is so that the larger fund available for funding waste treatment would not become a grab bag for supposed emergencies. In other words, we want emergencies to be very carefully and precisely evaluated so that any funds provided would not become a grab bag. That is why we tried to spell out very specifically and narrowly the eligibility requirements. If we make the big waste treatment fund available for emergencies, I can foresee a flood of requests for supposed emergencies that would be very difficult to say no to. But if we limit emergencies of this kind to this fund, then it must meet a very specific legislative standard. That is why we did it this way.

I have not examined the language of the general statute to be able to guarantee that my answer is correct. But I think it is correct.

Mr. YOUNG. Are the funds exhausted from the emergency funds that the Senator mentioned?

Mr. MUSKIE. It has never been funded. The Environmental Committee asked for funding and that funding was not provided.

Mr. YOUNG. In the next bill to be taken up today, the HUD bill, we will be considering funds for this very purpose.

Mr. MUSKIE. We do not need an additional authorization bill. We sent our request in our March 15 report to the Budget Committee. The Budget Committee, of course, does not specifically line-item a fund of this size, so we left that to the Appropriations Committee. I can understand that it was overlooked. I do not know whether it was specifically rejected.

It does seem to me that, since this disaster occurred, this might be a good reason not to grant funds directly to this problem, but simply to provide $4 million as available if the Administrator finds that an emergency, under the standards of the act, actually exists. He has to set standards; he ought to set regulations; he ought to set limitations; he ought to require a plan; and he ought to require participation by State and local authorities. I think all of that ought to be provided as a safeguard. But I think that these funds ought to be made available to the Federal Administrator so that if the Administrator is satisfied that the statutory conditions are met, then the money is available to him up to the amount suggested.

Mr. YOUNG. I can understand the necessity for funds in this amendment and I am not opposing it, but it is a little difficult for the Senator from North Dakota to understand why when the EPA has unobligated a billion dollars, that $4 million is not available for the purpose. We will be considering the HUD appropriations bill this afternoon. It would be more appropriate to add funds to the HUD bill under EPA.

Mr. MUSKIE. That may be so. This is supplemental to EPA, the Environmental Protection Agency. This particular fund has never been funded. It cannot be funded in this appropriation bill. I do not know of a more appropriate appropriations bill.

Mr. YOUNG. One of my problems is that I tried to talk Members of the Senate out of offering another 2-percent cut. We thought we knew what money was in the bill or what would be offered. But here we are adding additional funds and we spoil our arguments of not making motions to cut 2 percent.

The PRESIDING OFFICER. The 3 minutes which the Senator yielded to himself from the bill has expired.

Mr. MUSKIE. May I have a minute?

The PRESIDING OFFICER. There are 5 minutes available to the chairman of the committee in opposition to the amendment that is still available. All time for the proponents has been used.

Who yields time?

Mr. YOUNG. I have time on the bill. How much?

The PRESIDING OFFICER. The Senator from North Dakota has 4 minutes remaining on the bill.

Mr. MAGNUSON. I yield to the Senator.

The PRESIDING OFFICER. The Senator from Washington has 5 minutes remaining on the amendment.

Mr. YOUNG. I do not need any more time. I yield 4 minutes to the Senator from Maine.

Mr. MUSKIE. I do not need 4 minutes. I simply say that last year, we exhibited generosity for disasters of one kind or another in this country that is without precedent in the history of the country. We provided low-interest loans of $5.8 billion to the farm sector of our economy, and we have provided for disasters through my 20 years in the Senate.

You cannot anticipate disasters. How do you anticipate them? So we provided this modest $10 million fund to meet a very specific kind of disaster. Now we are told that that is excessive. I mean, what is our standard of values?

Mr. YOUNG. I should like to make it plain that I am not opposed to the motion. I am not opposed to making the funds available. My only question is the method.

Mr. MUSKIE. I am glad to hear that, and I apologize to the Senator for misunderstanding the motives of his question.

I am not selling this particular project for relief, because I do not know enough about it, but I think that this is a disaster and if there is a role for the Federal Government to play, I think it is a modest request to make $4 million available in such event. That is the sum total of my position this afternoon.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. MAGNUSON. I yield to the Senator.

Mr. JAVITS. Mr. President, we have had an excellent discussion, I think, from Senator MUSKIE.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Do we have the right to a quorum at this particular point, once the time is yielded back on the amendment?

The PRESIDING OFFICER. Once all time on the amendment has either been used or yielded back, the request for a quorum would be in order.

Mr. JAVITS. Mr. President, it is my intent to ask for a quorum call only for the purpose of conferring with the chairman of the committee and with Senator PROXMIRE and Senator SCHWEIKER to see if we might not adopt the suggestion of the chairman of the Budget Committee, which would be entirely agreeable to me, or try to make some other disposition of this matter which will not involve new funds, but will draw it out of existing funds.

Also, I will make it subject to rules and regulations of the Administrator and will vest the Administrator with complete authority to spend the money, to spend it as he deems to be consonant with the provisions of the act, in order to try to do something about that because we do face an immediate emergency.

Mr. President, when the time is ripe, I will ask for a quorum.

Mr. SCHWEIKER. If the Senator will yield for a minute, I am not handling this particular title of the bill. Senator YOUNG is the ranking member and I suggest in lieu of me the Senator consult with Senator YOUNG.

Mr. JAVITS. That is fine. Senator YOUNG has been very gracious about this suggestion.

The PRESIDING OFFICER. Who yields time on the amendment?

Mr. MAGNUSON. Mr. President, what is the situation here now? I am willing to yield back the remainder of my time.

I understand that the Senators from New York are going to withdraw the amendment. Is that correct?

Mr. JAVITS. Yes.

Mr. President, if the Senator will yield back his time, I will ask for a quorum.

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Washington yields back his time. The Senator from New York suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, following the advice which we have received in this emergency from Senators on the floor, including the chairman of the Appropriations Committee (Mr. MAGNUSON), the ranking member (Mr. YOUNG), Senator PROXMIRE, chairman of the Banking Committee, and Senator MUSKIE, chairman of the Budget Committee, we are going to try to do what they would like us to do.

We believe their motivation is sympathetic to ours. Hence, in order to facilitate the passage of this, we withdraw this amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. MAGNUSON. Mr. President, the Senator from Pennsylvania has an amendment.

UP AMENDMENT NO. 1596

(Purpose: Restore $2,265,000 for the Peace Corps to provide additional skills and language training. Authorization was signed by the President on August 3, 1978)

Mr. SCHWEIKER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER), for himself and Mr. INOUYE, proposes unprinted amendment numbered 1596.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, after line 19, insert the following:

INDEPENDENT AGENCY ACTION—INTERNATIONAL PROGRAMS PEACE CORPS

For an additional amount for "Operating expenses, international programs", $2,265,000: *Provided*, That this appropriation shall not be available until the enactment of authorizing legislation.

Mr. SCHWEIKER. Mr. President, on this amendment I am speaking on behalf of the Senator from Hawaii, chairman of the Foreign Operations Subcommittee (Mr. INOUYE), on which I am the ranking Republican. He has asked me to put it forth for him today.

Mr. President, for the past several years the Congress has urged the Peace Corps to restructure its programs in order that more volunteers could be sent to small villages in the developing world where they could work directly with the poor. It is at the village level the strengths of the Peace Corps can be used most effectively, as volunteers who have been trained in agriculture, health practices, and shelter construction share their skills with the uneducated and rural poor.

The new leadership of the Peace Corps has responded to congressional concerns. They have requested funding to provide improved skills training to the volunteers—training in the use of appropriate technologies, and training in the best and most appropriate means of bringing health care, food, and shelter assistance to those who need it most.

Mr. President, the Committee on Appropriations did not approve this request because legislation authorizing the appropriation of funds had not been enacted. Subsequent to the committee's reporting of the bill, that legislation was signed by the President. We can now move—we can act quickly to provide the Peace Corps with what it needs to place volunteers in the field—to reach out to the small villages in rural areas of the developing world.

This amendment will provide the funds needed for improved training. I ask the Senate to adopt it.

I might say on the supplemental budget request, and this is a budget-covered item, the administration asked for $3.6 million. This amendment is for $2.265 million, which I believe will be satisfactory to them. But it is under their budgetary request.

Mr. President, I ask for its consideration and adoption.

Mr. MAGNUSON. Mr. President, I move the adoption of the amendment. I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (UP No. 1596) was agreed to.

Mr. MAGNUSON. Mr. President, I understand that is the last amendment on the bill.

ENGINEERING ANALYSIS FOR FORTY FORT RIVERBANK

Mr. SCHWEIKER. Mr. President, a very serious problem is developing along the North branch of the Susquehanna River in Forty Fort, Pa. Forty Fort is a neighboring community to Wilkes-Barre which is the area devastated by tropical storm Agnes in 1972.

During the Federal disaster recovery effort to restore the communities along the Susquehanna River, the Army Corps of Engineers, at the direction of the Of-

fice of Emergency Preparedness, rebuilt about 1,800 feet of riverbank in Forty Fort.

On July 19, 1978, the Luzerne County engineer wrote the Baltimore District engineer informing him that portions of this rebuilt riverbank are eroding and sliding into the Susquehanna. I ask unanimous consent that the Luzerne County engineer's letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FORTY FORT BOROUGH, LUZERNE COUNTY EMBANKMENT RESTORATION

JULY 19, 1970.

Attention: Col. G. K. Withers, District Engineer.

U.S. Army Corps of Engineers,
Baltimore District,
Baltimore, Md.

DEAR COLONEL WITHERS: Within the last two weeks, a very serious embankment failure has been brought to my attention by Luzerne County's Levee Maintenance Personnel. The embankment failure is serious enough to bring to the attention of the U.S. Army Corp. of Engineers and I have done just that within the past several days. I have spoken to several gentlemen from the Baltimore District and find that the question of jurisdictional authority is an impediment to allowing the Corps of Engineers to perform repair work in this area.

I am writing this letter in an effort to describe to you the details of events surrounding this embankment failure and to ask that you pursue the possibility of having the Baltimore District perform repair work necessary to stabilize the existing embankment.

Forty Fort Borough, as I am sure you are aware, is protected by substantial Federal Flood Protection System (Forty Fort-Swoyersville Flood Protection System) constructed by the U.S. Army Corp. of Engineers several years ago. The southern most or downstream terminus of the Flood Protection System ties into high ground at a location along River Street in Forty Fort immediately adjacent to several residential properties. This particular high ground suffered substantial erosion during the 1972 flood disaster and subsequently was restored by the Corps of Engineers under direction from the President's Office of Emergency Preparedness. The restoration work consisted basically of several hundred feet of embankment restoration and the installation of a rock armor facing along the full extent of the restoration. Within the past two weeks, we have noticed a substantial and rapid movement both vertical and horizontal of a portion of this embankment which is creating considerable concern on the part of adjacent property owners as well as the Borough Council in the Borough of Forty Fort. I believe their concerns are well founded for several reasons, primarily however because of the potential of rapid erosion of this embankment during a high water condition which could jeopardize the integrity of the Flood Protection System in Forty Fort.

In discussing the problem with several Baltimore District Personnel, I find that your authority is limited in this particular area since the property in question is privately owned and does not fall within your jurisdiction as it relates to flood protection. My contention is however, that since the Corps of Engineers performed the restoration work after the Agnes Disaster and since that restoration work has obviously failed to perform the function for which it was designed, a responsibility exists to perform the necessary repair work to restore the embankment to a condition as it existed prior to the failure and to perform necessary work to prevent similar failures in the future. I have some very serious reservations concerning the adequacy of the design and construction performed in this area after the Agnes Disaster in view of the recent failures which I believe can be obviously attributed to a failure of the embankment rather than a failure of the base structure upon which the embankment rests.

I just today spoke to Mr. Al DeLucia from the Federal Disaster Assistance Administration and discussed the problem with him since he is a representative of the agency which assigned the Corps of Engineers to this project. I was somewhat amazed in listening to his comments concerning the type of restoration work that had been performed along this embankment. In essence, he told me that the restoration work was designed to be only a temporary restoration and certainly not something that was designed or constructed to last an indefinite period of time. I told Mr. DeLucia that had that been the case, I believe that the President's Office of Emergency Preparedness would have had an obligation to tell the property owners along River Street who are affected by this embankment that the restoration was only temporary and that they could expect failure of the embankment in the future. It is inconceivable to me that the Corps of Engineers approached this restoration with that type of performance in mind.

In light of these events, I am asking that you review the entire status of your authority and/or responsibility relative to stabilization of this embankment and to exercise any authority you may have in effecting immediate repairs. I believe this problem is serious enough to require your immediate attention and I would very much appreciate some correspondence from you concerning this matter. Mr. Dave Buettner, Mr. Ed Hecker and Mr. Joe Hemler of the Baltimore District are all familiar with this problem and I believe would be able to discuss it with you.

Would you please at your earliest possible convenience, get back to me with your decision relative to permanent repairs. In the interim, Luzerne County will construct a temporary protective fence which will hopefully prevent any accidents due to the deep open cracks which have evidenced themselves in the embankment.

Thank you very much.

Very truly yours,

JOHN L. CHURNETSKI,
Luzerne County Engineer.

Mr. SCHWEIKER. Subsequently, Mr. President, an onsite inspection was undertaken by the Army Corps of Engineers and the Federal Disaster Assistance Administration which confirmed the existence of this problem.

I have discussed this matter with Lt. Gen. John W. Morris. Chief of the Army Corps of Engineers, who informs me that while an erosion problem affects approximately 400 of the 1,800 feet of riverbank, his engineers have not been able to undertake a detailed engineering analysis to determine the extent of the problem.

Therefore, I would like to ask the distinguished chairman from the State of Washington if he would be willing to direct the Chief of the Army Corps of Engineers to undertake a preliminary analysis of the situation in Forty Fort. Because of the urgency of this problem, I feel the Chief should make his recommendations to the Senate and House Appropriations Committees no later than September 15, 1978.

I am recommending this route because I am seeking a long-lasting solution to this erosion problem. Obviously, the work performed following the Agnes disaster was not sufficient, and I do not want to repeat our mistake by promoting a patchwork solution at this time when a more permanent solution might be obtained.

Mr. MAGNUSON. I can appreciate the difficulties this community in Pennsylvania is experiencing. I remember well the debate we had here in the Senate to approve the disaster aid following the Agnes disaster. Pennsylvania was hard hit. I have no objections to our directing the corps to do this analysis. We will bring this matter before the conference and request that the House go along with this request.

Mr. SCHWEIKER. I thank the chairman.

YEAR-ROUND NAVIGATION ON THE GREAT LAKES

● Mrs. HUMPHREY. Mr. President, I would like to commend the committee for its expeditious work on the second supplemental appropriations bill for 1978.

In particular, I wish to thank Senator BAYH and the Transportation Subcommittee for recognizing and acting on the need for an icebreaker specifically designed and equipped to serve the Great Lakes.

In June 1977, when the Congress addressed the icebreaker requirements for the Great Lakes under H.R. 7557, Senator Hubert Humphrey was hopeful that an immediate solution was in sight. Both Houses of Congress approved the sum of $60 million for the purchase of a Great Lakes icebreaker, and President Carter signed it into law.

The Transportation Subcommittee, in early summer, directed the U.S. Coast Guard to develop an updated statement of conceptual design and operating characteristics to be made available to Congress by September 30, 1977. This study has now been completed.

Significant funds and time have been devoted to the extension of the winter navigation season on the Great Lakes, but we have been hampered by the Coast Guard's opposition to a single purpose vessel. The Coast Guard's desire for a vessel which could operate on both polar and Great Lakes waters is admirable, but it has been proven impractical. The adaptation of arctic icebreakers for use on the Great Lakes has not provided steady, reliable service needed by lake shippers and requested by their respective congressional representatives.

The issue of the requirements for icebreaking on the Great Lakes began in the early 1960's. We are faced with a situation of attempting to navigate winter waters with an icebreaking fleet that was designed in 1937.

The *Mackinaw*, the only vessel designed for such activities, was built in 1942 and is not an efficient vehicle for achieving the ambitious but realistic goals we have established to insure the future growth of Great Lakes shipping and subsequent economic benefits. Vice Adm. Paul E. Trimble, U.S. Coast Guard, retired, testified to this fact in March of 1977 when he stated that—

Though icebreaking technology, automation and habitability standards have advanced since her early 1940 design, the *Mackinaw* is still an effective icebreaker but is

starting to have more frequent engineering breakdowns.

Another renovated wartime designed and constructed polar icebreaker, the *Westwind*, has been assigned to supplement the work of the *Mackinaw*. Limitations were cited by Admiral Trimble, and they were proven to be factual by damages incurred by the *Westwind* in December of 1977.

Only two icebreakers are currently in use on the Great Lakes. The purchase of a specially designed vessel, tailored to the unique requirements of the Great Lakes, would extend the useful life of the two existing vessels. It would be approximately 6 years before the Coast Guard could design and make available the use of such an icebreaker.

Mr. President, the record of past testimony and hearings clearly indicates a need for the most efficient, available vessel for use during the upcoming season. Senator Hubert Humphrey commented on numerous occasions on the necessity for an expedient solution to the winter navigation problem on the Great Lakes, and I fully share his enthusiasm for accomplishing this objective in 1978.

I strongly urge my colleagues to join me in support of the committee's recommendations in providing the funds for purchase of such an icebreaker in this supplemental appropriations bill.●

● Mr. SCHMITT. Mr. President, I intend to vote against the second supplemental appropriations bill for fiscal year 1978. I would, however, like to explain my reasons for opposing this legislation and my concerns about this method of appropriations.

The purpose of the budgetary process is to plan, in a systematic way, the budget of the U.S. Government on an annual basis. In that planning, I understand that miscalculations may occur and that unforeseen circumstances may arise. These factors, however, should be taken into consideration during the planning stage.

Mr. President, when New Mexicans and. I am certain. the rest of the citizens of this country plan their budgets, they do not enjoy the luxury of supplemental appropriations. If they make a mistake in planning, if they miscalculate their needs, if they run out of money before the end of the month or year, they must contend with this situation themselves. The citizens of this country do not print money to make up the difference. They do not go to their employer and ask for more money because they miscalculated their budget.

The citizens of this country must exercise fiscal responsibility in their personal financial planning. The citizens of this country exercise the fiscal responsibility which their Federal Government refuses to exercise.

Fiscal year 1978 began last October 1. I find it difficult to understand why the first supplemental appropriations bill was reported from the House Appropriations Committee to the full House on September 28, 2 days before the fiscal year even began. What justification is there for a $6 billion appropriations bill to supplement other appropriation bills even before the Federal Government had an opportunity to spend the other money.

Mr. President, we are now being told that the U.S. Government miscalculated and needs an additional $6.8 billion. How many more times will we be asked for more money for this fiscal year? How much more money will be asked for? This approach to the national budget is irresponsible. If private citizens planned their budget this way, we would label them irresponsible. Yet somehow it seems to be alright for the Federal Government to run its budget in this manner.

Mr. President, my concern, however, goes further. In the last month we enacted a 2-percent cut in two appropriation bills. I supported both of these efforts. My fear is that what we accomplished here will be undermined in the near future by supplemental bills.

The Government for too long has not exercised the type of responsibility which is expected and demanded of businesses and private citizens. This Government acts as though there is no limit to the finances of this country. At the same time that we are talking about a balanced budget, at the same time we are talking about cutting back or limiting Government, we are continuing the habits of the past and enacting huge supplemental appropriation bills. Mr. President, we cannot expect the citizens of this country to take us seriously.

I hope that the Senate rejects not only this bill, but reconsiders this method of appropriations. I hope that the Congress enacts supplemental appropriation bills in only very rare and emergency situations rather than routinely.

Mr. President, for these reasons, I shall oppose this bill.●

Mr. MUSKIE. Mr. President, the bill before us today, H.R. 13467, the second supplemental appropriations bill for fiscal 1978, is likely to be the last spending bill for fiscal 1978. This supplemental provides budget authority of $6.6 billion to fund numerous items which could not be included in the regular appropriations bills last summer.

As chairman of the Budget Committee, I would like to bring to the Senate's attention the current status of the budget in comparison to the final budget ceilings for fiscal year 1978 which we adopted in the second budget resolution last September.

If the bill in its present form were enacted into law, it would raise total outlays for fiscal year 1978 to $447.9 billion, a comfortable $10.35 billion below the second budget resolution outlay ceilings.

Budget authority, however, would reach $499.8 billion, a scant $0.3 billion below the second budget resolution ceiling of $500.1 billion. This is too close for comfort and I would urge Senators to keep this situation in mind in the event that any floor amendments to this bill are considered.

Any amendment, combination of amendments or subsequent legislation which results in increasing fiscal 1978 budget authority by more than $0.3 billion would not be in order because it would cause the second budget resolution budget authority ceiling to be exceeded.

I am pleased that Congress is likely to be successful in keeping Federal spending within the budgetary ceiling established for fiscal 1978. I hope that we will be even more successful in our efforts to restrain Federal spending in fiscal 1979.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MAGNUSON. Mr. President, unless there is some discussion of the bill, this would complete action on the bill now, for all intents and purposes. On Monday, according to the unanimous-consent agreement, we will have an up or down vote on the bill at 3 o'clock.

Mr. ROBERT C. BYRD. That is not exactly correct. The order provides that the vote occur not before 3 o'clock.

Mr. President, I ask unanimous consent that the vote on this bill occur at 3 p.m. on Monday and that paragraph 3 of rule XII be waived.

Mr. SCHWEIKER. Mr. President, I ask the majority leader to withhold the request.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on this bill occur at 3:30 p.m. on Monday and that paragraph 3 of rule XII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. CRANSTON. Mr. President, I ask unanimous consent that in anticipation of consideration of S. 2828, H.R. 12028, and H.R. 12936 today or Monday the following members of the Veterans' Affairs Committee staff be afforded the privileges of the floor from this point forward and throughout the day and Monday until final disposition of whichever of these measures is last disposed of: Garner Shriver, Gary Crawford, John Pressly, Ed Scott, Jon Steinberg, Bill Brew, and Babette Polzer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the following staff members be granted the privilege of the floor during consideration and vote on S. 2796; Amy Bondurant, Martha Maloney, Dan Jaffe, and Steve Halloway.

Mr. DURKIN. Will the Senator yield for a similar request?

Mr. PROXMIRE. Yes, I yield.

Mr. DURKIN. Mr. President, I ask unanimous consent for a similar privilege for Tim Fagan and Susan Currier of my staff.

Mr. HARRY F. BYRD, JR. I make a similar request for Ed Beck of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE BRANCH APPROPRIATIONS, 1979

Mr. ROBERT C. BYRD. Mr. President, in accordance with the order entered the other day, I ask the Chair to lay before the Senate the appropriations bill for the legislative branch.

The PRESIDING OFFICER. The bill will be stated.

The assistant legislative clerk read as follows:

A bill (H.R. 12935) making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. Time for debate on this bill, H.R. 12935, is limited to 1 hour, to be equally divided between and controlled by the Senator from Tennessee (Mr. SASSER) and the Senator from Pennsylvania (Mr. SCHWEIKER), with 30 minutes on any amendments, except one amendment by Senator CHAFEE, on which there shall be 1 hour, with 20 minutes on any debatable motion, appeal, or point of order.

Mr. ROBERT C. BYRD. Mr. President, the manager of the bill, Mr. SASSER, is on his way to the Chamber.

CONSUMER PRODUCT SAFETY ACT AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, while we are awaiting the arrival of the manager of H.R. 12935, I ask unanimous consent that the Senate proceed to the consideration of S. 2796, without prejudice to the legislative appropriations bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2796) to amend the Consumer Product Safety Act to extend the authorization of appropirations, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with amendments as follows:

On page 1, line 6, after "2081" insert "(a)";

On page 2, beginning with line 5, insert the following:

SEC. 3. (a) Section 7(b) of the Consumer Product Safety Act (15 U.S.C. 2056(b)) is amended—

(1) by inserting "(1)" after "(b)";

(2) by redesignating paragraph (1) through paragraph (4) as subparagraph (A) through subparagraph (D), respectively;

(3) in subparagraph (C) as so redesignated in paragraph (2), by striking out "and" at the end thereof; and

(4) by striking out subparagraph (D), as so redesignated in paragraph (2), and the two sentences following subparagraph (D), and inserting in lieu thereof the following:

"(D) include—

"(i) an invitation for any person (other than the Commission), within 30 days after the date of publication of the notice, to submit to the Commission an existing standard as the consumer product safety standard; and

"(ii)(I) an invitation for any person (other than the Commission), within 30 days after the date of publication of the notice, to offer to develop the consumer product safety standard; or

"(II) a statement by the Commission that it has determined, in accordance with the provisions of paragraph (2)(A), that development by the Commission is a more expeditious method of developing a consumer product safety standard which would adequately protect the public from the unreasonable risk of injury associated with such product than proceeding under subclause (I), and that the Commission intends to develop the standard in accordance with the provisions of paragraph (2)(B); and

"(E) specify the period in which the offeror of an accepted offer, or the Commission, is to develop the proposed standard.".

(b) Section 7(b) of the Consumer Product Safety Act, as amended in subsection (a), is further amended by adding at the end thereof the following new paragraph:

"(2)(A) The Commission may develop a consumer product safety standard without making any invitation specified in paragraph (1)(D)(ii)(I) whenever the Commission determines, taking into account—

"(i) the nature of the risk of injury associated with such product;

"(ii) the expertise of the Commission with respect to such risk of injury; and

"(iii) the resources available to the Commission and the priorities established by the Commission;

that development by the Commission is a more expeditious method of developing a consumer product safety standard which would adequately protect the public from the unreasonable risk of injury associated with such project than proceeding under paragraph (1)(D)(ii)(I). The Commission shall give interested persons opportunity to submit written comments to the Commission during the 30-day period following publication of such determination under paragraph (1).

"(B) Regulations prescribed by the Commission under subsection (d)(3)(B) and subsection (d)(3)(C) shall apply to any action by the Commission under this paragraph.

"(C) If any person participates with the Commission in the development of a consumer product safety standard under this paragraph, in accordance with regulations prescribed by the Commission under subsection (d)(3)(B), the Commission may agree to contribute to the person's cost with respect to such participation, in any case in which the Commission determines that such contribution is likely to result in a more satisfactory standard than would be developed without such contribution, and that the person is financially responsible. The provisions of subsection (d)(2) shall apply to any contribution made by the Commission under this subparagraph.".

SEC. 4. (a) Section 7(d)(1) of the Consumer Product Safety Act (15 U.S.C. 2056(d)(1)) is amended by inserting "subsection (b)(2) and" after "as provided by", and by striking out "(b)(4)(B)," and inserting in lieu thereof "(b)(1)(D)".

(b) Section 7(e)(1) of the Consumer Product Safety Act (15 U.S.C. 2056(e)(1)) is amended by adding at the end thereof the following new sentences: "Regulations prescribed by the Commission under subsection (d)(3)(B) and subsection (d)(3)(C) shall apply to any action by the Commission under this paragraph resulting from the circumstances specified in subparagraph (A). The provisions of subsection (b)(2)(C) also shall apply to any such action by the Commission.".

(c) Section 7(f) of the Consumer Product Safety Act (15 U.S.C. 2056(f)) is amended to read as follows:

"(f) If the Commission publishes a notice pursuant to subsection (b) and the Commission does not publish a proposed consumer product safety standard within 45 days after the expiration of the period specified in subsection (b)(1)(E), the Commission shall—

"(1) by notice published in the Federal Register, terminate the proceeding begun by such notice published pursuant to subsection (b); or

"(2) publish in the Federal Register the reasons for not publishing the proposed standard and specify the time period within which such standard will be published.".

SEC. 5. Section 7(c) of the Consumer Product Safety Act (15 U.S.C. 2056(c)) is amended to read as follows:

"(c) Notwithstanding subparagraph (D)(ii) of subsection (b)(1), if the Commission determines that any standard has been issued, adopted, or proposed by any other Federal agency or by any other qualified agency, organization, or institution, and that such standard, if adopted, in whole, in part, or in combination with any other such standard (or portion thereof), would eliminate or reduce the unreasonable risk of injury associated with the product, then it may in lieu of proceeding under this section, publish such standard, in whole or in part, or such combination of standards, with nonmaterial modifications as a proposed consumer product safety rule. If the Commission adopts such standard or standards in part, then it may limit any invitation or statement under subparagraphs (D)(ii)(I) and (II) of subsection (b)(1) to such appropriate material modification of the remaining provisions as would eliminate or reduce the unreasonable risk of injury associated with the product.

SEC. 6. (a) Section 4(a) of the Consumer Product Safety Act (15 U.S.C. 2053(a)) is amended by striking out "Senate, one of whom shall be designated by the President as Chairman. The Chairman, when so designated shall act as Chairman until the expiration of his term of office as Commissioner." and inserting in lieu thereof the following: "Senate. The Chairman shall be appointed by the President, by and with the advice and consent of the Senate, from among the members of the Commission. An individual may be appointed as a member of the Commission and as Chairman at the same time.".

(b) Section 4(i) of the Consumer Product Safety Act (15 U.S.C. 2053(i)) is amended by striking out "before January 1, 1978," in paragraph (1)(A) thereof; and by striking out "before January 1, 1978" in paragraph (1)(B) thereof.

Mr. FORD. Mr. President, will the Chair advise the Senator what the time limitation is on this measure?

The PRESIDING OFFICER. No amendment shall be in order on this bill, except committee amendments and an amendment by the Senator from New Mexico (Mr. SCHMITT), on which there shall be 6 minutes. Debate on any amendment to such amendment shall be limited to 10 minutes, to be equally divided between and controlled by the mover of the amendment and the manager of the bill. Debate on any debatable motion, appeal, or point of order which is submitted, or on which the Chair entertains debate, shall be limited to 10 minutes, to be equally divided between the mover and the manager.

On the question of final passage, debate shall be limited to 10 minutes, to be equally divided between and controlled by, respectively, the Senator from

Kentucky (Mr. FORD) and the Senator from New Mexico (Mr. SCHMITT).

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a question?

Mr. FORD. I yield.

Mr. HARRY F. BYRD, JR. I note that under the unanimous-consent agreement, no amendments are permitted.

Mr. FORD. That is correct.

Mr. HARRY F. BYRD, JR. It is a very unusual unanimous-consent request. I am sure there must be some special reason for it.

Mr. FORD. It was asked for yesterday, and there was no objection to it. We did not anticipate any problem at all with the bill, since it provides an authorization for the Consumer Product Safety Commission for the next 3 years.

Mr. HARRY F. BYRD, JR. The Senator from Virginia does not have an amendment, but the Senator from Virginia is a little concerned when we start a precedent of unanimous-consent agreements whereby no amendments can be presented when bills are called up. Since it already has been done, it is after the fact. This may be a very special case.

Mr. FORD. For me, it is a very special case. I do not know what it means to the Senator from Virginia

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. FORD. Mr. President, this bill extends the authorization of the Consumer Safety Commission for 3 years and makes certain legislative changes to address criticism of the Agency's past performance. The committee has held extensive oversight hearings into the Agency's performance, and as a result I am pleased to bring S. 2796 to the floor for consideration by the full Senate.

Some background information is important to understand the need for the Agency's 3-year reauthorization. The Consumer Product Safety Act was enacted in October of 1972. This act, which established the Consumer Product Safety Commission, gave the Federal Government a major role in assuring the health and safety of the American public. The National Commission on Product Safety had shown that each year, 20 million Americans are injured by hazards relating to consumer products.

The Commission has now been in business for almost 6 years and has been frequently criticized for its performance by its congressional oversight committees, the Civil Service Commission, the General Accounting Office, and others. Some parties have suggested dismantling of the Agency.

The Committee on Commerce, Science, and Transportation has held lengthy oversight hearings during the 95th Congress into the Agency's performance and 3 days of hearings were held in April of this year to specifically consider the reauthorization of the Commission. As an outgrowth of this review, the committee decided to reauthorizes the Agency for 3 years as well as to amend the act to address some valid criticism of the Agency's past performance.

Mr. President, I am convinced of the need for this legislation and for congressional support for the continuation of the Commission. In spite of differing opinions as to the Commission's past performance, a number of witnesses including consumer groups, trade associations and citizens, commented with unanimous support of a 3-year reauthorization at our April hearings.

Mr. Phillip Knox, vice president of Sears, Roebuck & Co., in testimony before the committee stated:

> We feel very strongly that anything less than three years would be a disservice to the Commission, a disservice to consumers who have a right to look to it for protection, and those of us in the business community who want to work with the Commission to achieve its purpose.

Sharon Nelson, legislative counsel for Consumers Union, testified to the committee:

> We do believe that the 3-year authorization is appropriate, because it would give the Agency the time it needs to turn its record around and allow a new Chairman, the time to institute the necessary management reforms.

The Commission has been frequently criticized in the area of mandatory standard development. However, Mr. Baron Whittaker, president of Underwriters Laboratories, Inc. stated his view that the mere presence of the Commission has had a very positive effect on the further development of industry voluntary standards. Mr. Whittaker further stated that a more useful indication of the Commission's contribution would be the 7 million products that have been recalled and subsequently corrected through the Commission's product recall program.

Others have written in support of the continuation of the Commission discussing the importance of its mission to reduce the number of product-related deaths and injuries. In an article for the Nation, entitled "Consumer Product Safety Commission—A 'Battered Agency,'" Mark Green and David Moulton of Public Citizens Congress Watch state:

> What is at stake here is not merely reshuffling some organizational boxes in Washington but the lives of tens of thousands of Americans, many children, who are being killed or permanently injured by shoddy products.
>
> The commission still has the potential to reduce this suffering significantly, and indeed has done so in several instances to date. For example, child-resistant caps on packages containing poisonous or toxic substances, required by CPSC regulation under the Poison Prevention Packaging Act, are estimated to have prevented 40,000 poisonings since 1973. An estimated 4,500 injuries and 175 deaths have been avoided since 1974 as a result of CPSC regulations requiring that cribs be designed to minimize the chance that infants will suffocate between the mattress and slats.

The Commission has had severe personnel difficulties in the past 5 years which lead to charges of abuse by the Civil Service Commission. However, new leadership has now been brought into the Commission. President Carter has recently appointed two new Democratic Commissioners, reappointed a third, and designated a new Chairman. These Commissioners appeared in April before the Consumer Subcommittee and agreed that anything less than a 3-year reauthorization would demoralize staff, cut needed research, and make it impossible to hire key talended people.

I am pleased to note that the Commission has issued its first safety standard under the leadership of the new Chairman well before its due date of September 8. The standard came as a result of legislation which I introduced to establish a Federal minimum safety standard for cellulose home insulation. I think this expeditious action on the part of the Commission is an important sign that dynamic leadership is beginning to assert itself effectively.

Mr. President, the foregoing statements demonstrated the need for a 3-year reauthorization for this Agency. Along with the necessity for continued authorization, the committee believes that certain changes in the procedural rules of the agency as required by the Consumer Product Safety Act should help to improve the Agency's performance.

Amendments to the act contained in S. 2796 attempt to address these procedural problems. One of the most frequent criticisms of the Commission's past performance has been that only three final mandatory product safety standards have been developed under section 7, the "offeror process." Before the agency can proceed on its own, it must by law solicit offers from nongovernment groups to write a proposed product safety standard. This process was originally conceived to insure that both consumers and industry would have an opportunity for meaningful participation in the development of mandatory product safety standards. The result has been substantial delay with the Commission's staff duplicating much work as it reviews the proposal. Although the act provides that the process shall take no more than 330 days, the General Accounting Office found the three standards issued to date took an average of 834 days to develop.

As a result of this situation, this legislation amends the act to grant the Commission limited flexibility to serve in place of an outside offeror in standard development proceedings under specified circumstances. Specific criteria has been set for the Commission to follow in any standard development that is not begun under the offeror process and reflects the committee's desire that the offeror process be utilized whenever feasible.

Under current law, the Commission has not had flexibility to publish portions of a voluntary standard developed by a group attempting to address risks associated with their product. The legislation amends the act to clarify and expand the Commission's authority to promulgate existing voluntary standards when they would adequately address the risk of injury associated with a particular product. This amendment will lead to a much higher level of participation by the Commission with the private sector in the development of adequate voluntary standards.

This legislation amends the act to provide that the Commission Chairman serve at the pleasure of the President with the advice and consent of the Sen-

ate. This committee passed a similar amendment to the Consumer Product Safety Act in the first session of this Congress but it was not acted on by the House. The legislation also extends a provision of the act which expired in January, to allow an individual to bring a civil action against the Commission for a claim based upon misrepresentation, deceit or gross negligence.

Mr. President, the congressional mandate 5 years ago with the inception of the agency was to reduce the number of product related injuries and deaths that occur each year. Regardless of the valid criticisms directed at the agency, the fact remains that the Commission has reduced suffering and death in the past. With continued strict congressional oversight, Commissioners who are committed to the Agency's mission, and amendments to the act allowing greater flexibility within the Commission, I believe that the Commission does have the potential for improvement of its performance. If it does not, Mr. Chairman, as I have stated before, I will be the first to move to dismantle the Agency.

Mr. President, I yield a couple of minutes to the distinguished Senator from New Hampshire (Mr. DURKIN).

Mr. DURKIN. I thank the Senator from Kentucky.

Mr. President, I support this effort by Senator FORD.

We all know that we have had troubles with the Consumer Product Safety Commission. It was an absolute disaster with Mr. Byington as Chairman. It became a worldwide travel program for him, and there was very little regulation for the consumers' benefit.

We have a new Chairman. We have new people on the Commission. This should straighten out some of the legitimate criticisms and provide the continuity and the certainty of funding so that they can do the job the Commission was created for.

Mr. President, the Consumer Product Safety Commission has some of the most important responsibilities of any regulatory agency in the Government. If it is effective, thousands of injuries and a significant number of deaths can be prevented each year. It it is unsuccessful, the public's risk from consumer products is bound to increase. I believe this authorization provides the Consumer Product Safety Commission the necessary authority to greatly increase its efficiency in protecting the consumer. I believe it deserves the full support of the Senate.

I can assure my colleagues that the Senate Commerce, Science, and Transportation Committee will continue its careful oversight to assure that the Consumer Product Safety Commission's recent improved performance is fostered and strengthened in the future.

Mr. FORD. I thank the Senator from New Hampshire.

UP AMENDMENT NO. 1597

(Purpose: To provide for consultation by the Commission with such parties as necessary prior to Commission development of a consumer product safety standard. To delete provision relating to providing costs of participants in development of consumer product safety standard)

Mr. FORD. Mr. President, I send two amendments to the desk.

The PRESIDING OFFICER (Mr. STEVENSON). The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. FORD) proposes an unprinted amendment numbered 1597.

Mr. FORD. Mr. President, I ask unanimous consent that these amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments considered en bloc are as follows:

On page 3, line 19, immediately before "The" therein:

"After consultation with such interested parties as the Commission shall deem necessary,".

Strike all from page 4, line 16, through "subparagraph." on page 5, line 3.

Mr. FORD. Mr. President, these committee amendments have been agreed to by both sides.

The first committee amendment simply provides that the Commission should consult with such parties as necessary prior to Commission development of a consumer product safety standard.

The purpose of the second amendment is to delete the provision for funding of outside participation in the development of a product safety standard when the Commission chooses not to use the offeror process. The committee has agreed with the Senator from Idaho, Senator MCCLURE, to delete this provision of the amendment to the act. It is agreed that, by this action, Congress does not offer an opinion with respect to the present legal authority of the Commission in the area of funding of outside participation when the Commission chooses to develop a standard without using the offeror process.

Mr. President, the distinguished Senator from New Mexico is not in the Chamber. How much time do I have remaining? I have 6 minutes on these two amendments. That would be 12 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. FORD. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I have submitted two committee amendments to the desk and ask that they be considered en bloc.

The distinguished Senator from New Mexico (Mr. SCHMITT) is here now. I do not believe there is any objection to these two amendments.

The amendments take care of Senator MCCLURE's objection, and if the Senator has no objection I yield back our time so we can proceed and go on to a voice vote.

Mr. SCHMITT. Mr. President, if the Senator will yield, I ask if the amendment of the Senator from New Mexico is included in the committee amendment?

Mr. FORD. No, it is not. Does the Senator wish to present that?

Mr. SCHMITT. Then I will present it. The Senators may go ahead with the others on the committee amendment.

Mr. FORD. Mr. President, all time having been yielded back, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc of the Senator from Kentucky.

The amendments were agreed to en bloc.

Mr. SCHMITT. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Until the committee amendments have been disposed of floor amendments are not in order.

Mr. FORD. Mr. President, I ask unanimous consent that all committee amendments be considered en bloc and be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1598

(Purpose: To require certain reporting requirements by the Commission)

Mr. SCHMITT. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. SCHMITT) proposes uprinted amendment No. 1598.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, after line 18, add the following new section:

"SEC. 7. Section 27 of the Consumer Product Safety Commission Act (15 U.S.C. 2076) is amended by adding at the end thereof the following new subsection:

'(m)(1) For purposes of this subsection:

(a) the term 'Commission' means Consumer Product Safety Commission;

(b) the term 'rule' means

(1) any rule prescribed by the Commission pursuant to section 9 of the Consumer Product Safety Act (15 U.S.C. 2058);

(2) any rule prescribed by the Commission pursuant to section 2 (q)(1)(B) of the Federal Hazardous Substances Act (15 U.S.C. 1261 (q)(1)(B);

(3) any rule prescribed by the Commission under section 3 of the Poison Prevention Packaging Act (15 U.S.C. 1472);

(4) any rule prescribed by the Commission under section 4 of the Flammable Fabrics Act (15 U.S.C. 1193).

(m)(2) Within 18 months after the date of the enactment of this Act, the Commission shall conduct a study of all the rules which the Commission has issued and which are in effect on the date of the enactment of this

Act. At the end of such 18 month period, the Chairman of the Commission shall submit a report to the Congress which shall, to the extent practicable and appropriate—

(A) recommend the deletion of particular rules and portions of rules, including reasons for such recommendation; and

(B) recommend the initiation of appropriate rulemaking proceedings under the Consumer Product Safety Act (15 U.S.C. 2076) to make changes or modifications in particular rules or portions of rules.

(m)(3) In any case in which the Commission proposes to delete any rule or portion of a rule during the 18 month period specified in paragraph (2), the Commission shall notify each House of Congress of such proposal at the time such proposal is published in the Federal Register.

(m)(4)(A) To the extent practicable and appropriate, the Chairman of the Commission shall include in the report submitted to the Congress under this subsection, for each rule which the Commission has issued and which is in effect on the date of the enactment of this Act—

(i) an economic impact analysis which takes into account, for such rule, the cost impact on and benefits to consumers and affected businesses (with particular attention to small businesses),

(ii) a paperwork impact analysis containing—

(I) an estimate of the numbers of, and a description of the classes of, persons who are required to file reports, maintain records, and fulfill any of the information gathering requirements under such rule;

(II) an estimate of the nature and amount of the information required to be filed in such reports, the frequency of such reports, the nature and number of records that are kept by such persons, and the amount of time such persons would require, and the costs which would be incurred, to keep such records and make such reports; and

(III) a description of steps being taken by the Commission to insure that there is no unnecessary duplication in recordkeeping and report filing resulting from such rule;

(iii) a judicial impact analysis showing the effect of such rule on the operation, workload, and efficiency of the Federal courts, including an analysis of the cost impact on and benefits to court administration, changes in judicial procedure, effects on jurisdiction, and demands on court personnel; and

(iv) such other explanatory and supporting statements and materials as the Commission determines necessary and appropriate for congressional consideration of such report.

(B)(i) Except as provided in clause (ii), no material submitted to the Congress by the Chairman of the Commission under this paragraph shall be subject to any judicial review, including any judicial review to determine whether such material is sufficient to comply with the requirements of this paragraph. In the event the Chairman of the Commission finds that it is impractical or inappropriate to submit the information required under clauses (i) through (iii) of subparagraph (A), the Chairman of the Commission shall submit a statement as to why he cannot so comply.

(ii) If any material submitted to the Congress by the Chairman of the Commission under this paragraph also is included in any rulemaking record of the Commission, any determination regarding whether such material is subject to judicial review in connection with any review of such rulemaking record shall not be affected by the submission of such material to the Congress under this paragraph.

(m)(5) The Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives shall, in the exercise of their oversight responsibilities, examine, study, and take other appropriate action with respect to the report submitted to the Congress under this subsection and referred to such committees."

Mr. SCHMITT. Mr. President, I believe it has become clear that the Senate in many cases, at least, is willing to require agencies to evaluate the impact of their regulatory activity on the economy, on the court system, and on individuals. The aim of this amendment is to require the Commission to study all its past rules with a view to modernizing, simplifying, and codifying these rules.

Under the amendment, the Commission must study and make recommendations regarding its rules. Those recommendations will include a report where practicable and appropriate on the economic, paperwork, and judicial impact of each rule proposed to be retained, deleted, or modified. The economic impact analysis will take into account the cost impact on, and benefits to, consumers and affected businesses, particularly small businesses. The paperwork impact analysis will include study of the numbers and classes of persons subject to the paperwork requirements of the rule and of the Commission's efforts to minimize burdens and unnecessary duplication. The judicial impact analysis will show the effect of the rule on the courts.

This amendment is substantially similar to language contained in the conference committee report on the Federal Trade Commission Amendments of 1978 (H.R. 3816).

Mr. President, I recognize that the Consumer Product Safety Commission is relatively new compared to many other agencies and is required by statute to undertake findings before promulgating its safety standards and requirements which are more rigorous than other Federal regulatory agencies are subject to. I am also aware that in 1975 the Commission recodified the Flammable Fabrics Act. However, according to testimony received by the Commerce Committee during hearings last year on regulatory reform legislation, there remain 10 to 20 years of accumulated regulations which need to be reviewed. Such a review will be valuable, even for a relatively young agency such as the Consumer Product Safety Commission. After all, unchanging rules of conduct enforced under ever changing conditions should logically result in muddle.

Mr. President, the past regulatory activity of this Commission does not present the worst case of regulatory abuse. One reason for this is the stringent, perhaps too stringent, statutory requirements imposed by the Congress on the Commission's standard development. But more importantly, as I have said before on the floor, I believe, it has been the thorough and tenacious oversight of the Commission conducted by the chairman of the Consumer Subcommittee, the distinguished Senator from Kentucky, that has contributed to the sensitivity the Commission has demonstrated in standard promulgation.

If the Congress would follow the example of the distinguished Senator from Kentucky, we might nearly so often, if at all need to discuss such issues as "recodification" and "legislative veto." Oversight is one of the most effective tools we in Congress possess to review agency programs and activities.

When it is done diligently, then it works, and as with this commission tremendous progress can be made. When it does not work, the public interest is poorly served.

But I submit, Mr. President, that oversight is something we must make work. It will not work by itself.

One further point, Mr. President. I note that the Consumer Subcommittee has recognized the importance of agency performance by requiring in the report on S. 2796 that the CPSC provide a detailed evaluation of its performance during the preceding fiscal year in its annual report to Congress.

Mr. President, I ask unanimous consent that the appropriate section of the report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PERFORMANCE EVALUATION

The level and duration of the authorization proposed in S. 2796 should enable the Commission to be more responsive to one of the criticisms most frequently leveled at the agency by Congress, the executive branch, and the public: its failure to articulate measures by which its effectiveness should be judged. In order to remedy this deficiency, the Commission should develop a complete evaluation program which accurately demonstrates its yearly performance. The committee recognizes that such an evaluation program will consume both time and resources. The level of authorization proposed will enable the Commission to develop a comprehensive evaluation plan for past and ongoing programs which will both demonstrate the accomplishments of the agency, and facilitate the ability of Congress to discharge its oversight functions.

The committee has noted in the past that the bottom line of any activity undertaken by the Commission should be the extent to which that action has contributed to a reduction in product related injuries and deaths. It has been observed that a precise measurement of the commission's success in this area is often difficult to obtain. It testimony before the committee, the president of the country's largest independent testing laboratory stated that it is extremely difficult, if not impossible, to measure activities that do not occur as a result of Commission action. Nevertheless, the committee believes that a yearly evaluation by the Commission of its contribution to product safety, and its success in meeting specific goals should be included as an appendix to the yearly report provided to Congress under section 27(j) of the Consumer Product Safety Act. The committee believes that CPSC should be capable of providing the Congress with a more complete assessment of its accomplishments than has been the case in the past. The Commission report on this subject should include the following areas:

(1) An analysis of the agency's specific accomplishments relative to each of the four statutory purposes as enumerated in section 2(d) of the Consumer Product Safety Act;

(2) The relationship between specific Commission programs and activities and other Federal Government programs with similar objectives, and the degree to which such activities have been coordinated to reduce overlap;

(3) Identification of specific conflicting, overlapping, obsolete, or ineffective laws or activities under the Commission's jurisdic-

tion, together with recommendations for their elimination or classification;

(4) The estimated impact of Commission regulatory activities, voluntary standard improvement, and consumer education in reducing product-related deaths and injuries during the preceding fiscal year;

(5) The extent to which the Commission has succeeded in meeting self-imposed goals aimed at improving its performance in specific areas such as the handling of consumer questions, handling of petitions, responding to congressional inquiries, and meeting self-imposed deadlines for Commission activities.

Mr. SCHMITT. Again, Mr. President, I thank the distinguished chairman of the Consumer Subcommittee for his patience and assistance in this matter and I applaud his oversight again of the Consumer Products Safety Commission. I will look forward in the future days, weeks, and years in participating with him in that oversight as well as the oversight of many other agencies.

If it can be said that any one Senator can make a difference, then the Senator from Kentucky has made a difference.

Mr. FORD. I thank the Senator.

Mr. SCHMITT. I have no further need for my time and yield it back.

Mr. FORD. Mr. President, I shall take only 1 minute.

I express my personal appreciation to the Senator from New Mexico for his kind words as they relate to me and the oversight of the Consumer Subcommittee. I promise the Senator from New Mexico that we will continue this type of oversight. We are doing this oversight in other areas. Maybe we can accomplish what we are attempting to do without one-House vetoes, two-House vetoes, and this sort of thing, which is going to create more work for all Senators. Maybe if each Senator does his own work then we will eliminate such requirements.

Mr. President, I have no objection to the amendment of the Senator from New Mexico. I yield back the remainder of my time and am prepared to take a vote.

Mr. SCHMITT. Mr. President, if I may just make one further comment, I join with the Senator from Kentucky in hoping that ourselves and our colleagues will make legislative vetoes and other types of oversight activity outside the committee structure unnecessary.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. SCHMITT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I believe there are no further amendments to the bill. Therefore, I call for the third reading.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 2796), as amended, was passed, as follows:

S. 2796

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Product Safety Act Authorization Act of 1978".

SEC. 2. Section 32(a) of the Consumer Product Safety Act (15 U.S.C. 2081(a), is amended by (1) striking out "and" at the end of phrase (3); (2) striking out "1978." and inserting in lieu thereof "1978;"; and (3) inserting the following at the end thereof:

"(5) $55,000,000 for the fiscal year ending September 30, 1979;

"(6) $60,000,000 for the fiscal year ending September 30, 1980; and

"(7) $65,000,000 for the fiscal year ending September 30, 1981.".

SEC. 3. (a) Section 7(b) of the Consumer Product Safety Act (15 U.S.C. 2056(b)) is amended—

(1) by inserting "(1)" after "(b)";

(2) by redesignating paragraph (1) through paragraph (4) as subparagraph (A) through subparagraph (D), respectively;

(3) in subparagraph (C) as so redesignated in paragraph (2), by striking out "and" at the end thereof; and

(4) by striking out subparagraph (D), as so redesignated in paragraph (2), and the two sentences following subparagraph (D), and inserting in lieu thereof the following:

"(D) include—

"(i) an invitation for any person (other than the Commission), within 30 days after the date of publication of the notice, to submit to the Commission an existing standard as the consumer product safety standard; and

"(ii)(I) an invitation for any person (other than the Commission), within 30 days after the date of publication of the notice, to offer to develop the consumer product safety standard; or

"(II) a statement by the Commission that it has determined, in accordance with the provisions of paragraph (2)(A), that development by the Commission is a more expeditious method of developing a consumer product safety standard which would adequately protect the public from the unreasonable risk of injury associated with such product than proceeding under subclause (I), and that the Commission intends to develop the standard in accordance with the provisions of paragraph (2)(B); and

"(E) specify the period in which the offeror of an accepted offer, or the Commission, is to develop the proposed standard.".

(b) Section 7(b) of the Consumer Product Safety Act, as amended in subsection (a), is further amended by adding at the end thereof the following new paragraph:

"(2)(A) After consultation with such interested parties as the Commission shall deem necessary, the Commission may develop a consumer product safety standard without making any invitation specified in paragraph (1)(D)(ii)(I) whenever the Commission determines, taking into account—

"(i) the nature of the risk of injury associated with such product;

"(ii) the expertise of the Commission with respect to such risk of injury; and

"(iii) the resources available to the Commission and the priorities established by the Commission;

that development by the Commission is a more expeditious method of developing a consumer product safety standard which would adequately protect the public from the unreasonable risk of injury associated with such product than proceeding under paragraph (1)(D)(ii)(I). The Commission shall give interested persons opportunity to submit written comments to the Commission during the 30-day period following publication of such determination under paragraph (1).

"(B) Regulations prescribed by the Commission under subsection (d)(3)(B) and subsection (d)(3)(C) shall apply to any action by the Commission under this paragraph.

SEC. 4. (a) Section 7(d)(1) of the Consumer Product Safety Act (15 U.S.C. 2056(d)(1)) is amended by inserting "subsection (b)(2) and" after "as provided by", and by striking out "(b)(4)(B)," and inserting in lieu thereof "(b)(1)(D)".

(b) Section 7(e)(1) of the Consumer Product Safety Act (15 U.S.C. 2056(e)(1)) is amended by adding at the end thereof the following new sentences: "Regulations prescribed by the Commission under subsection (d)(3)(B) and subsection (d)(3)(C) shall apply to any action by the Commission under this paragraph resulting from the circumstances specified in subparagraph (A). The provisions of subsection (b)(2)(C) also shall apply to any such action by the Commission.".

(c) Section 7(f) of the Consumer Product Safety Act (15 U.S.C. 2056(f)) is amended to read as follows:

"(f) If the Commission publishes a notice pursuant to subsection (b) and the Commission does not publish a proposed consumer product safety standard within 45 days after the expiration of the period specified in subsection (b)(1)(E), the Commission shall—

"(1) by notice published in the Federal Register, terminate the proceeding begun by such notice published pursuant to subsection (b); or

"(2) publish in the Federal Register the reasons for not publishing the proposed standard and specify the time period within which such standard will be published.".

SEC. 5. Section 7(c) of the Consumer Product Safety Act (15 U.S.C. 2056(c)) is amended to read as follows:

"(c) Notwithstanding subparagraph (D)(ii) of subsection (b)(1), if the Commission determines that any standard has been issued, adopted, or proposed by any other Federal agency or by any other qualified agency, organization, or institution, and that such standard, if adopted, in whole, in part, or in combination with any other such standard (or portion thereof), would eliminate or reduce the unreasonable risk of injury associated with the product, then it may in lieu of proceeding under this section, publish such standard, in whole or in part, or such combination of standards, with nonmaterial modifications as a proposed consumer product safety rule. If the Commission adopts such standard or standards in part, then it may limit any invitation or statement under subparagraphs (D)(ii)(I) and (II) of subsection (b)(1) to such appropriate material modification of the remaining provisions as would eliminate or reduce the unreasonable risk of injury associated with the product.

SEC. 6. (a) Section 4(a) of the Consumer Product Safety Act (15 U.S.C. 2053(a)) is amended by striking out "Senate, one of whom shall be designated by the President as Chairman. The Chairman, when so designated shall act as Chairman until the expiration of his term of office as Commissioner." and inserting in lieu thereof the following: "Senate. The Chairman shall be appointed by the President, by and with the advice and consent of the Senate, from among the members of the Commission. An individual may be appointed as a member of the Commission and as Chairman at the same time.".

(b) Section 4(1) of the Consumer Product Safety Act (15 U.S.C. 2053(1)) is amended by striking out "before January 1, 1978," in paragraph (1)(A) thereof; and by striking out "before January 1, 1978" in paragraph (1)(B) thereof.

SEC. 7. Section 27 of the Consumer Product Safety Commission Act (15 U.S.C. 2076) is amended by adding at the end thereof the following new subsection:

"(m)(1) For purposes of this subsection:

"(a) the term 'Commission' means Consumer Product Safety Commission;

"(b) the term 'rule' means

"(1) any rule prescribed by the Commission pursuant to section 9 of the Consumer Product Safety Act (15 U.S.C. 2058);

"(2) any rule prescribed by the Commission pursuant to section 2 (q) (1) (B) of the Federal Hazardous Substances Act (15 U.S.C. 1261 (q) (1) (B);

"(3) any rule prescribed by the Commission under section 3 of the Poison Prevention Packaging Act (15 U.S.C. 1472);

"(4) any rule prescribed by the Commission under section 4 of the Flammable Fabrics Act (15 U.S.C. 1193).

"(m) (2) Within 18 months after the date of the enactment of this Act, the Commission shall conduct a study of all the rules which the Commission has issued and which are in effect on the date of the enactment of this Act. At the end of such 18-month period, the Chairman of the Commission shall submit a report to the Congress which shall, to the extent practicable and appropriate—

"(A) recommend the deletion of particular rules and portions of rules, including reasons for such recommendation; and

"(B) recommend the initiation of appropriate rulemaking proceedings under the Consumer Product Safety Act (15 U.S.C. 2076) to make changes or modifications in particular rules or portions of rules.

"(m) (3) In any case in which the Commission proposes to delete any rule or portion of a rule during the 18-month period specified in paragraph (2), the Commission shall notify each House of Congress of such proposal at the time such proposal is published in the Federal Register.

"(m) (4) (A) To the extent practicable and appropriate, the Chairman of the Commission shall include in the report submitted to the Congress under this subsection, for each rule which the Commission has issued and which is in effect on the date of the enactment of this Act—

"(i) an economic impact analysis which takes into account, for such rule, the cost impact on and benefits to consumers and affected businesses (with particular attention to small businesses);

"(ii) a paperwork impact analysis containing—

"(I) an estimate of the numbers of, and a description of the classes of, persons who are required to file reports, maintain records, and fulfill any of the information-gathering requirements under such rule;

"(II) an estimate of the nature and amount of the information required to be filed in such reports, the frequency of such reports, the nature and number of records that are kept by such persons, and the amount of time such persons would require, and the costs which would be incurred, to keep such records and make such reports; and

"(III) a description of steps being taken by the Commission to insure that there is no unnecessary duplication in recordkeeping and report filing resulting from such rule;

"(iii) a judicial impact analysis showing the effect of such rule on the operation, workload, and efficiency of the Federal courts, including an analysis of the cost impact on and benefits to court administration, changes in judicial procedure, effects on jurisdiction, and demands on court personnel; and

"(iv) such other explanatory and supporting statements and materials as the Commission determines necessary and appropriate for congressional consideration of such report.

"(B) (i) Except as provided in clause (ii), no material submitted to the Congerss by the Chairman of the Commission under this paragraph shall be subject to any judicial review, including any judicial review to determine whether such material is sufficient to comply with the requirements of this paragraph. In the event the Chairman of the Commission finds that it is impractical or inappropriate to submit the information required under clauses (i) through (iii) of subparagraph (A), the Chairman of the Commission shall submit a statement as to why he cannot so comply.

"(ii) If any material submitted to the Congress by the Chairman of the Commission under this paragraph also is included in any rulemaking record of the Commission, any determination regarding whether such material is subject to judicial review in connection with any review of such rulemaking record shall not be affected by the submission of such material to the Congress under this paragraph.

"(m) (5) The Committee on Commerce, Science, and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives shall, in the exercise of their oversight responsibilities, examine, study, and take other appropriate action with respect to the report submitted to the Congress under this subsection and referred to such committees.".

Mr. FORD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE BRANCH APPROPRIATIONS, 1979

The PRESIDING OFFICER. The Senate will resume consideration of H.R. 12935, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12935) making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes,

The Senate resumed consideration of H.R. 12935.

Mr. FORD. Mr. President, if the Senator from Tennessee will yield one moment for a unanimous-consent request, I ask unanimous consent that Amy Bondurant, Dan Jaffe, and Martha Maloney, of my staff, be accorded the privilege of the floor during discussion and vote on the HUD and independent agencies appropriations bill.

Mr. MATSUNAGA. Mr. President, reserving the right to object, are these members of the Senator's staff?

Mr. FORD. Staff and committee, yes.

Mr. MATSUNAGA. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, I ask unanimous consent that the committee amendments, with the exception of the amendment on page 66, lines 1 through 3, be considered and agreed to en bloc, and that the bill, as thus amended, be regarded for purposes of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments were agreed to as follows:

On page 2, beginning with line 2, insert the following:

SENATE

COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS AND EXPENSE ALLOWANCES OF THE VICE PRESIDENT, THE LEADERS, AND WHIPS OF THE SENATE

COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS

For compensation and mileage of the Vice President and Senators of the United States, $6,480,000.

EXPENSE ALLOWANCES OF THE VICE PRESIDENT, MAJORITY AND MINORITY LEADERS AND MAJORITY AND MINORITY WHIPS

For expense allowances of the Vice President, $10,000; Majority Leader of the Senate, $5,000; Minority Leader of the Senate, $5,000; Majority Whip of the Senate, $2,500; and Minority Whip of the Senate, $2,500; in all $25,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions and longevity compensation as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows:

OFFICE OF THE VICE PRESIDENT

For clerical assistance to the Vice President, $767,000.

For an additional amount for "Office of the Vice President", fiscal year 1978, $35,500.

OFFICE OF THE PRESIDENT PRO TEMPORE

For Office of the President Pro Tempore, $116,000.

For an additional amount for "Office of the President Pro Tempore", fiscal year 1978, $4,900.

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For Offices of the Majority and Minority Leaders, $411,000.

For an additional amount for "Offices of the Majority and Minority Leaders", fiscal year 1978, $27,600.

FLOOR ASSISTANTS TO THE MAJORITY AND MINORITY LEADERS

For Floor Assistants to the Majority and Minority Leaders, $103,000.

For an additional amount for "Floor Assistants to the Majority and Minority Leaders", fiscal year 1978, $100.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For Offices of the Majority and Minority Whips, $239,000.

For an additional amount for "Offices of the Majority and Minority Whips", fiscal year 1978, $16,800.

OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY AND THE CONFERENCE OF THE MINORITY

For Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority, $132,000.

For an additional amount for "Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority", fiscal year 1978, $4,700.

OFFICE OF THE CHAPLAIN

For Office of the Chaplain, $40,000.

For an additional amount for "Office of the Chaplain", fiscal year 1978, $3,200.

OFFICE OF THE SECRETARY

For office of the Secretary, $4,116,000, including $180,253 required for the purpose specified and authorized by section 74(b) of title 2, United States Code: *Provided*, That, effective October 1, 1978, the Secretary may appoint and fix the compensation of a Staff Assistant at not to exceed $27,745 per annum in lieu of not to exceed $25,776 per annum;

an Assistant Reporter of Debates at not to exceed $33,115 per annum in lieu of not to exceed $35,084 per annum; an Assistant Keeper of Stationery at not to exceed $30,072 per annum in lieu of not to exceed $27,566 per annum; a Chief Clerk, Stationery Room, at not to exceed $21,480 per annum in lieu of not to exceed $19,332 per annum; a Bookkeeper, Stationery Room, at not to exceed $19,690 per annum in lieu of not to exceed $17,542 per annum; a Senior Counter Clerk, Stationery Room, at not to exceed $15,752 per annum in lieu of a Clerk at not to exceed $14,678 per annum; a Secretary to Parliamentarian at not to exceed $20,585 per annum in lieu of not to exceed $18,258 per annum; an Assistant Journal Clerk at not to exceed $34,368 per annum in lieu of not to exceed $21,480 per annum; a Counter Clrek, Stationery Room, at not to exceed $14,678 per annum in lieu of an Information Clerk, Digest, at not to exceed $11,277 per annum; a Counter Clerk, Stationery Room, at not to exceed $14,678 per annum in lieu of a Clerk at not to exceed $13,962 per annum; an Associate Historian at not to exceed $26,671 per annum in lieu of not to exceed $23,628 per annum; a Photo Historian at not to exceed $25,955 per annum in lieu of not to exceed $28,998 per annum; a Secretary at not to exceed $20,585 per annum in lieu of not to exceed $21,480 per annum; a Journal Clerk at not to exceed $44,034 per annum in lieu of not to exceed $45,645 per annum; a Secretary at not to exceed $20,585 per annum in lieu of not to exceed $19,332 per annum; a Second Assistant Journal Clerk at not to exceed $27,566 per annum in lieu of a Clerk of Enrolled Bills at not to exceed $25,776 per annum; a Legislative Clerk at not to exceed $44,034 per annum in lieu of not to exceed $45,645 per annum; an Assistant Legislative Clerk at not to exceed $34,368 per annum in lieu of not to exceed $44,034 per annum; a Second Assistant Legislative Clerk at not to exceed $27,566 per annum in lieu of not to exceed $32,578 per annum; a Technical Advisor at not to exceed $32,041 per annum in lieu of not to exceed $35,084 per annum; a Bill Clerk at not to exceed $32,578 per annum in lieu of not to exceed $29,177 per annum; an Assistant Bill Clerk at not to exceed $25,776 per annum in lieu of not to exceed $21,480 per annum; a Terminal Operator at not to exceed $21,351 per annum in lieu of a Clerk, Public Records Office, at not to exceed $16,110 per annum; a Messenger at not to exceed $12,172 per annum in lieu of a Reference Assistant at not to exceed $14,678 per annum; a Technical Services Specialist in the Library at not to exceed $20,406 per annum; and in the Office of Classified National Security Information: a Director at not to exceed $50,478 per annum; a Professional Staff Member at not to exceed $40,096 per annum; a Classified Documents Specialist at not to exceed $27,566 per annum; and two Secretaries at not to exceed $20,585 per annum each: *Provided further*, That the provisions of the preceding proviso shall not apply to the position of Legislative Clerk or Assistant Legislative Clerk so long as the position is held by an individual who has held the position continuously since December 31, 1977.

For an additional amount for "Office of the Secretary", fiscal year 1978, $220,800.

COMMITTEE EMPLOYEES

For professional and clerical assistance to standing committees and the Select Committee on Small Business, $10,528,000.

For an additional amount for "committee employees", fiscal year 1978, $243,300.

CONFERENCE COMMITTEES

For clerical assistance to the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, $375,000 for each such committee; in all, $750,000.

For an additional amount for "conference committees", fiscal year 1978, $52,300.

ADMINISTRATIVE, CLERICAL, AND LEGISLATIVE ASSISTANCE TO SENATORS

For administrative, clerical, and legislative assistance to Senators, $70,881,000.

For an additional amount for "administrative and clerical assistants to Senators", fiscal year 1978, $4,464,100.

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For Office of the Sergeant at Arms and Doorkeeper, $19,803,000: *Provided*, That, effective October 1, 1978, the Sergeant at Arms and Doorkeeper may appoint and fix the compensation of an Auditor at not to exceed $15,752 per annum; two Teletype operators at not to exceed $12,530 per annum each; two Assistant Cabinetmakers at not to exceed $15,573 per annum each; six Parking Attendants at not to exceed $4,475 per annum each; a Secretary at not to exceed $15,036 per annum; a Layout Technician at not to exceed $13,962 per annum; a Manager, Computer Operations at not to exceed $34,368 per annum in lieu of an Operations Manager at not to exceed $31,862 per annum; a Manager, Planning, Budget and Administration at not to exceed $34,368 per annum in lieu of a System Supervisor at not to exceed $34,368 per annum; a Manager, Data Network at not to exceed $34,368 per annum in lieu of a Network Supervisor at not to exceed $34,368 per annum; a Manager, Systems Programming at not to exceed $34,368 per annum in lieu of a Senior Programmer Supervisor at not to exceed $34,368 per annum; a Manager, Administrative Application Development at not to exceed $34,368 per annum in lieu of a Senior Programmer Supervisor at not to exceed $34,368 per annum; a Manager, Legislative Applications Development at not to exceed $34,368 per annum in lieu of a Systems Supervisor at not to exceed $34,368 per annum; a Manager, User Training and Liaison at not to exceed $34,368 per annum in lieu of a Systems Supervisor at not to exceed $34,368 per annum; an Office Manager at not to exceed $20,048 per annum in lieu of an Office Supervisor at not to exceed $19,332 per annum; two Senior Applications Analysts at not to exceed $32,220 per annum each in lieu of two Senior Computer Specialists at not to exceed $31,146 per annum each; two Senior Applications Analysts at not to exceed $31,146 per annum each in lieu of two Senior Programmer Analysts at not to exceed $28,819 per annum each; four Senior Computer Specialists at not to exceed $31,146 per annum each in lieu of four Senior Programmer Analysts at not to exceed $28,819 per annum each; a Senior Computer Specialist at not to exceed $32,220 per annum in lieu of a Lead analyst at not to exceed $29,535 per annum; two Applications Analysts at not to exceed $28,819 per annum each in lieu of a Senior Programmer Analysts at not to exceed $28,819 per annum; four Computer Specialists at not to exceed $28,819 per annum each in lieu of two Programmer Analysts at not to exceed $26,492 per annum each and a Programmer Analysts at not to exceed $26,134 per annum; ten Senior Programmer Analysts at not to exceed $26,492 per annum each in lieu of two Systems Programmers at not to exceed $26,492 per annum each, a Programmer Analyst at not to exceed $26,492 per annum, a Systems Analyst at not to exceed $26,492 per annum and a Computer Specialist at not to exceed $24,344 per annum; thirteen Senior Programmer Analysts at not to exceed $24,344 per annum each in lieu of seven Programmer Analysts at not to exceed $26,492 per annum each, a Systems Analyst at not to exceed $26,492 per annum, a Systems Programmer at not to exceed $26,492 per annum, two Computer Specialists at not to exceed $24,344 per annum each, a Computer Specialist at not to exceed $23,270 per annum and a Programmer Analyst at not to exceed $21,833 per annum; six Programmer Analysts at not to exceed $21,838 per annum each in lieu of a Programmer Analyst at not to exceed $26,492 per annum, a Computer Specialist at not to exceed $24,344 per annum and a Computer Specialist at not to exceed $23,270 per annum; four Programmer Analysts at not to exceed $18,974 per annum each in lieu of a Programmer Analyst at not to exceed $26,492 per annum and two Program Analysts at not to exceed $21,838 per annum each; a Text Processing Specialist at not to exceed $19,332 per annum in lieu of an Office Systems Specialist at not to exceed $17,542 per annum; two Text Processing Specialists at not to exceed $17,542 per annum each in lieu of an Office Systems Specialist at not to exceed $17,542 per annum and a Liaison and Documentation Specialist at not to exceed $17,542 per annum; three Seniors Systems Programmers at not to exceed $28,819 per annum each in lieu of three Senior Programmer Analysts at not to exceed $28,819 per annum each; a Junior Systems Programmer at not to exceed $23,270 per annum in lieu of a Computer Specialist at not to exceed $23,270 per annum; a Data Base Systems Programmer at not to exceed $26,492 per annum in lieu of a Systems Analyst at not to exceed $26,492 per annum; a Network Technical Control Supervisor at not to exceed $32,220 per annum in lieu of a Senior Computer Specialist at not to exceed $31,146 per annum; a Communications Software Specialist at not to exceed $32,220 per annum in lieu of a Senior Computer Specialist at not to exceed $31,146 per annum; a Communications System Specialist at not to exceed $29,535 per annum in lieu of a Programmer Analyst at not to exceed $26,492 per annum; a Communications Software Programmer Analyst at not to exceed $26,492 per annum in lieu of a Systems Programmer at not to exceed $26,492 per annum; a Network Equipment Supervisor at not to exceed $26,492 per annum in lieu of a Systems analyst at not to exceed $26,492 per annum; two Network Technicians at not to exceed $19,153 per annum each in lieu of not to exceed $23,270 per annum each; two Junior Network Technicians at not to exceed $15,215 per annum each in lieu of two Computer Terminal Installers at not to exceed $10,382 per annum each; three Computer Terminal Installers at not to exceed $12,888 per annum each in lieu of a Keypunch Operator at not to exceed $12,351 per annum, a Data Conversion Operator at not to exceed $11,277 per annum and a Computer Terminal Installer at not to exceed $10,382 per annum; an Office Systems Supervisor at not to exceed $28,819 per annum in lieu of a Training Specialist at not to exceed $26,492 per annum; a Technical Training Specialist at not to exceed $26,492 per annum in lieu of a Systems Programmer at not to exceed $26,492 per annum; an Office Systems Training Supervisor at not to exceed $26,492 per annum in lieu of a Training Specialist at not to exceed $26,492 per annum; seven Senior Office Systems Specialists at not to exceed $22,912 per annum each in lieu of two Training Specialists at not to exceed $22,912 per annum each and three Office Systems Specialists at not to exceed $17,542 per annum each; eight Office Systems Specialists at not to exceed $18,258 per annum each in lieu of a Training Specialist at not to exceed $22,912 per annum, four Office Systems Specialists at not to exceed $17,542 per annum each and a Printing Operator at not to exceed $16,826 per annum; nine Office Systems Specialists at not to exceed $16,647 per annum each in lieu of five Office Systems Specialists at not to exceed $17,542 per annum each, two Printing Operators at not to exceed $16,826 per annum each and a Quality Controller at not to exceed $16,826 per annum; two Office Systems Specialists at not to exceed $15,036 per annum each in lieu of an Office Systems Specialist at not to exceed $17,542 per annum; a Senior Training Specialist at not to exceed $22,912 per annum in lieu of a Training Spe-

cialist at not to exceed $22,912 per annum; three Training Specialists at not to exceed $18,258 per annum each in lieu of three Office Systems Specialists at not to exceed $17,542 per annum each; four Training Specialists at not to exceed $16,647 per annum each in lieu of an Office Systems Specialist at not to exceed $17,542 per annum and two Printing Operators at not to exceed $16,826 per annum each; a Production Manager at not to exceed $25,060 per annum in lieu of not to exceed $23,986 per annum; a Hardware Manager at not to exceed $25,060 per annum in lieu of an Operations Supervisor at not to exceed $23,986 per annum; two Computer Resource and Performance Analysts at not to exceed $22,912 per annum each in lieu of two Data Standards Specialists at not to exceed $22,912 per annum each; a Documentation Specialist at not to exceed $22,017 per annum in lieu of a Computer Performance Analyst at not to exceed $22,017 per annum; six Job Controllers at not to exceed $16,826 per annum each in lieu of six Lead Operators at not to exceed $16,468 per annum each; six Lead Operators at not to exceed $16,110 per annum each in lieu of not to exceed $16,468 per annum each; a Data Conversion Operator at not to exceed $11,277 per annum in lieu of a Computer Terminal Installer at not to exceed $10,382 per annum; a Secretary at not to exceed $21,122 per annum in lieu of a Technical Writer at not to exceed $21,122 per annum; a Secretary at not to exceed $14,857 per annum in lieu of a Secretary Typist at not to exceed $13,962 per annum; a Secretary at not to exceed $14,141 per annum in lieu of a Junior Operator at not to exceed $14,678 per annum; three Secretaries at not to exceed $13,962 per annum each in lieu of a Secretary Receptionist at not to exceed $13,962 per annum, a Secretary Typist at not to exceed $13,962 per annum and a Secretary at not to exceed $12,888 per annum; a Secretary/Receptionist at not to exceed $13,604 per annum in lieu of a Quality Controller at not to exceed $16,826 per annum; a Secretary Typist at not to exceed $13,067 per annum in lieu of a Quality Controller at not to exceed $16,826 per annum; a Receptionist at not to exceed $12,172 per annum in lieu of an Operations Clerk at not to exceed $13,246 per annum; an Office Systems Supervisor at not to exceed $26,492 per annum; a Text Processing Specialist at not to exceed $14,678 per annum; two Senior Systems Programmers at not to exceed $31,146 per annum each; a Data Resources Manager at not to exceed $25,060 per annum; a Secretary at not to exceed $14,320 per annum; two Senior Network Technicians at not to exceed $26,492 per annum each; a Technical User Liaison at not to exceed $14,468 per annum; a Special Projects Officer at not to exceed $32,220 per annum; a Receptionist at not to exceed $13,246 per annum; two Captains, Police Force at not to exceed $25,776 per annum each; two Sergeants, Police Force at not to exceed $17,900 per annum each; three Detectives, Police Force at not to exceed $16,826 per annum each; two Plaincothes Officers, Police Force at not to exceed $15,752 per annum each; a Clerk at not to exceed $13,962 per annum in lieu of not to exceed $12,888 per annum; a Clerk at not to exceed $12,888 per annum in lieu of not to exceed $11,814 per annum; an Auditor at not to exceed $12,888 per annum in lieu of not to exceed $11,814 per annum; a Purchasing Clerk at not to exceed $15,036 per annum in lieu of not to exceed $13,962 per annum; a Clerk at not to exceed $12,530 per annum in lieu of not to exceed $11,456 per annum; a Supervisor of Door Attendants at not to exceed $19,153 per annum in lieu of a Messenger Acting as Assistant Doorkeeper at not to exceed $15,752 per annum; an Assistant Supervisor of Door Attendants at not to exceed $17,184 per annum in lieu of a Messenger Acting as Assistant Doorkeeper at not to exceed $15,036 per annum; a Director, Service Department at not to exceed $41,170 per annum in lieu of a Superintendent, Service Department at not to exceed $41,170 per annum; an Assistant Director, Service Department at not to exceed $28,640 per annum in lieu of an Assistant Superintendent, Service Department at not to exceed $25,776 per annum; a Technical Clerk at not to exceed $13,962 per annum in lieu of a Photostat Operator at not to exceed $13,962 per annum; a Secretary to the Director, Service Department at not to exceed $16,468 per annum in lieu of a Secretary to Superintendent, Service Department at not to exceed $16,468 per annum; ten Inserting Machine Operators at not to exceed $12,888 per annum each, in lieu of not to exceed $11,814 per annum each; three Senior Press Operators at not to exceed $17,542 per annum each, in lieu of three Printing Press Operators at not to exceed $16,468 per annum each; eleven Printing Press Operators at not to exceed $16,468 per annum each, in lieu of eleven Offset Press Operators at not to exceed $15,394 per annum each; a Senior Pressman/Repairman at not to exceed $17,900 per annum in lieu of not to exceed $17,363 per annum; an Assistant Night Supervisor, Duplicating Section at not to exceed $18,079 per annum in lieu of not to exceed $17,363 per annum; eleven Addressograph Operators at not to exceed $13,425 per annum each, in lieu of not to exceed $12,530 per annum each; a Secretary at not to exceed $13,425 per annum in lieu of not to exceed $12,530 per annum; a Secretary-Receptionist at not to exceed $14,857 per annum in lieu of not to exceed $13,962 per annum; a Supervisor, Supply Section at not to exceed $16,289 per annum in lieu of not to exceed $15,394 per annum; a Technical Clerk at not to exceed $13,425 per annum in lieu of not to exceed $12,530 per annum; six Automatic Typewriter Repairmen at not to exceed $17,542 per annum each, in lieu of not to exceed $16,468 per annum each; three Repairmen at not to exceed $16,110 per annum each, in lieu of not to exceed $15,036 per annum each; a Film and Video Cameraman at not to exceed $25,597 per annum in lieu of not to exceed $23,270 per annum; a Laboratory Supervisor at not to exceed $25,597 per annum in lieu of not to exceed $23,270 per annum; an Audio Engineer at not to exceed $21,122 per annum in lieu of not to exceed $19,332 per annum; an Audio Engineer at not to exceed $16,468 per annum in lieu of not to exceed $15,036 per annum; a Skilled Laborer at not to exceed $12,888 per annum in lieu of not to exceed $11,814 per annum; a Skilled Laborer at not to exceed $12,530 per annum in lieu of not to exceed $11,456 per annum; a Laborer at not to exceed $12,888 per annum in lieu of not to exceed $11,814 per annum; two Senior Door Attendants at not to exceed $15,036 per annum each, in lieu of two Messengers Acting as Assistant Doorkeeper at not to exceed $15,036 per annum each; twenty—five Door Attendants at not to exceed $12,530 per annum each, in lieu of twenty-five Messengers at not to exceed $12,530 per annum each; six Door Attendants at not to exceed $11,814 per annum each, in lieu of six Messengers at not to exceed $11,814 per annum each; a Door Attendant at not to exceed $10,740 per annum in lieu of a Messenger at not to exceed $10,740 per annum; a Door Attendant at not to exceed $10,382 per annum in lieu of a Messenger at not to exceed $10,382 per annum; a Chief Door Attendant for the Minority at not to exceed $13,962 per annum in lieu of a Chief Messenger for the Minority at not to exceed $13,962 per annum; three Door Attendants for the Minority at not to exceed $12,530 per annum each, in lieu of three Messengers for the Minority at not to exceed $12,530 per annum each; a Secretary/Receptionist at not to exceed $15,394 per annum in lieu of a Receptionist at not to exceed $13,067 per annum: *Provided further*, That, effective April 1, 1978, the Sergeant at Arms and Doorkeeper may appoint and fix the compensation of an Executive Assistant at not to exceed $42,065 per annum in lieu of a Special Assistant at not to exceed $30,788 per annum.

For an additional amount for "Office of Sergeant at Arms and Doorkeeper", fiscal year 1978, $1,219,000.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For offices of the Secretary for the Majority and the Secretary for the Minority, $411,000.

For an additional amount for "Offices of the Secretaries for the Majority and Minority", fiscal year 1978, $20,700.

AGENCY CONTRIBUTIONS AND LONGEVITY COMPENSATION

For agency contributions for employee benefits and longevity compensation, as authorized by law, $7,785,000.

For an additional amount for "agency contributions and longevity compensation", fiscal year 1978, $785,000.

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the Office of the Legislative Counsel of the Senate, $815,000.

For an additional amount for "Office of the Legislative Counsel of the Senate", fiscal year 1978, $33,300.

CONTINGENT EXPENSES OF THE SENATE

SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $694,000 for each committee; in all, $1,388,000.

For an additional amount for "Senate Policy Committees", fiscal year 1978, $93,500.

AUTOMOBILES AND MAINTENANCE

For purchase, lease, exchange, maintenance, and operation of vehicles, one for the Vice President, one for the President pro tempore, one for the Majority Leader, one for the Minority Leader, one for the Majority Whip, one for the Minority Whip, for carrying the mails, and for official use of the offices of the Secretary and the Sergeant at Arms and Doorkeeper, $58,000.

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, as amended, including $740,881 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, and Senate Resolution Numbered 140, agreed to May 14, 1975, $30,625,000.

For an additional amount for "Inquiries and Investigations", fiscal year 1978, $1,553,800.

FOLDING DOCUMENTS

For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $4.57 per hour per person, $103,000.

For an additional amount for "Folding Documents"; fiscal year 1978, $7,600.

MISCELLANEOUS ITEMS

For miscellaneous items, $29,443,000.

For an additional amount for "Miscellaneous Items", fiscal year 1978, $4,015,500.

POSTAGE STAMPS

For postage stamps for the offices of the Secretaries for the Majority and Minority, $420; Chaplain, $200; and for air mail and special delivery postage for the office of the Secretary, $3,925; office of the Sergeant at Arms and Doorkeeper, $240; and the President of the Senate, as authorized by law, $1,215; in all, $6,000.

STATIONARY (REVOLVING FUND)

For stationery for the President of the Senate, $4,500, and for committees and officers of the Senate, $34,500; in all, $39,000.

ADMINISTRATIVE PROVISIONS

SEC. 101. Any funds appropriated under the heading "Senate" in any appropriation Act for the fiscal year ending September 30, 1978, and any funds made available for obligation through September 30, 1978, by section 109 of the Supplemental Appropriations Act, 1977, shall remain available for obligation through September 30, 1979, for the same purposes for which appropriated or made available.

SEC. 102. Effective October 1, 1978, the number of employees in the Office of the Legislative Counsel of the Senate who may be designated as, and receive the compensation of, a Senior Counsel is increased to five.

SEC. 103. Effective on the first day of the first month following the date of the enactment of this Act, the Secretary of the Senate may appoint and fix the compensation of two Senior Assistants, Document Room at not to exceed $14,678 per annum each in lieu of two Assistants in Document Room at not to exceed $14,678 per annum each; a Senior Assistant, Document Room at not to exceed $14,678 per annum in lieu of an Assistant at not to exceed $13,246 per annum; a Senior Assistant, Document Room at not to exceed $14,678 per annum in lieu of an Assistant at not to exceed $12,530 per annum; two Senior Assistants, Document Room at not to exceed $14,678 per annum each in lieu of two Assistants at not to exceed $12,172 per annum each; an Assistant, Document Room at not to exceed $12,530 per annum in lieu of a Reference Assistant at not to exceed $14,678 per annum; three Assistants, Document Room at not to exceed $12,530 per annum each in lieu of three Assistants in Document Room at not to exceed $14,678 per annum each; a Chief Messenger, Library at not to exceed $13,962 per annum in lieu of a Chief Messenger in Library at not to exceed $13,246 per annum; a Messenger, Library at not to exceed $13,246 per annum in lieu of a Messenger at not to exceed $13,962 per annum; and three Counter Clerks, Stationery Room at not to exceed $14,678 per annum each in lieu of three Clerks at not to exceed $14,678 per annum each: *Provided*, That an employee serving as an Assistant in Document Room at not to exceed $14,678 per annum on the last day of the month in which this Act is enacted and who continues to serve as an Assistant, Document Room, after such last day may be paid compensation at not to exceed $14,678 per annum so long as such employee continuously serves in such position.

SEC. 104. (a) Effective April 1, 1978, the clerk-hire allowance of each Senator from the State of Georgia is increased to that allowed Senators from States having a population of five million but less than seven million, the population of said State having exceeded five million inhabitants.

(b) Effective April 1, 1978, the table contained in section 105(d)(1) of the Legislative Branch Appropriation Act, 1968, as amended and modified (2 U.S.C. 611(d)(1)), is amended by striking out

"$644,937 if such population is 7,000,000 but less than 9,000,000;"

and inserting in lieu thereof

"$644,937 if such population is 7,000,000 but less than 8,000,000;

"$664,627 if such population is 8,000,000 but less than 9,000,000;".

SEC. 105. (a) For the period beginning on October 1, 1978, and ending on December 31, 1980, there is established within the Office of the Secretary of the Senate an office to be known as the "Office of Classified National Security Information" (hereafter in this section referred to as the "Office"). The Office shall be under the policy direction of the Majority Leader, the Minority Leader, and the chairman of the Committee on Rules and Administration of the Senate, and shall be under the administrative direction and supervision of the Secretary of the Senate. The Office shall have the responsibility for safeguarding such restricted data and such other classified information as any committee of the Senate may from time to time assign to it.

(b) The Office shall have authority—

(1) upon application of any committee of the Senate, to perform the administrative functions necessary to classify and declassify information relating to the national security considerations of nuclear technology in accordance with guidelines developed for restricted data by the responsible executive agencies;

(2) to provide appropriate facilities for hearings of committees of the Senate at which restricted data or other classified information is to be presented or discussed; and

(3) to establish and operate a central repository in the United States Capitol for the safeguarding of restricted data and other classified information for which such Office is responsible.

(c) All records, documents, and data in the custody of the Office of Classified National Security Information established by section 2 of Senate Resolution Numbered 252, Ninety-fifth Congress, are transferred to the Office established by subsection (a).

(d) As an exercise of the rulemaking power of the Senate, section 2 of Senate Resolution Numbered 252, Ninety-fifth Congress, is repealed effective October 1, 1978.

SEC. 106. Section 117 of the Second Supplemental Appropriations Act, 1976 (2 U.S.C. 61f–1a), is amended by striking out "$10,000" and inserting in lieu thereof "$25,000".

SEC. 107. During the fiscal year ending September 30, 1979, amounts required to be deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund under section 8344 of title 5, United States Code, with respect to any officer or employee of the Senate (including an employee in the office of a Senator) shall be paid from the contingent fund of the Senate. Effective October 1, 1979, amounts required to be so deposited with respect to any individual who is an officer or employee of the Senate (including an employee in the office of a Senator) on September 30, 1979, shall be paid from the contingent fund of the Senate so long as the individual serves continuously as an officer or employee of the Senate.

SEC. 108. (a) Section 506 of the Supplemental Appropriations Act, 1973 (2. U.S.C. 58), is amended by redesignating subsections (h) through (j) as subsections (i) through (k), respectively, and by inserting after subsection (g) the following new subsection:

"(h)(1) For purposes of subsections (a) and (e), an individual who is selected by a Senator to serve on a panel or other body to make recommendations for nominees to one or more Federal judgeships or to one or more service academies shall be considered to be an employee in the office of that Senator with respect to travel and official expenses incurred in performing duties as a member of such panel or other body, and shall be reimbursed (A) for actual transportation expenses and per diem expenses (but not exceeding actual travel expenses) incurred while traveling in performing such duties within the Senator's home State or between that State and Washington, District of Columbia, and (B) for official expenses incurred in performing such duties. For purposes of this subsection and subsection (a), 'official expenses' means expenses of the type for which reimbursement may be made under subsection (a)(9) when such expenses are incurred by or on behalf of a Senator, and, for accounting purposes, such expenses shall be treated as expenses for which reimbursement may be made under subsection (a)(5).

"(2) The amount of official expenses incurred by individuals selected by a Senator for which reimbursement may be made under this subsection shall not exceed $500 each calendar year, and the total amount of expenses incurred by such individuals for which reimbursement may be made under this subsection shall not exceed $3,000 each calendar year.".

(b) The amendment made by subsection (a) shall take effect on January 1, 1978.

SEC. 109. (a) Effective with the fiscal year beginning October 1, 1978, and each fiscal year thereafter, the appropriations for "OFFICE OF THE SECRETARY" and "OFFICE OF SERGEANT AT ARMS AND DOORKEEPER" under the heading "SALARIES, OFFICERS AND EMPLOYEES" shall be available for the payment of additional annual compensation (hereinafter referred to as "merit compensation") to employees rated as outstanding and exceptional by the Secretary of the Senate and Sergeant at Arms and Doorkeeper, respectively.

(b) Subject to the provisions of subsections (c) and (d), each fiscal year, the Secretary of the Senate may authorize merit compensation for not to exceed 8 employees of his Office and the Sergeant at Arms and Doorkeeper may authorize merit compensation for not to exceed 18 employees of his Office. Each such authorization shall continue in effect until it is terminated or changed by the Secretary of the Senate or the Sergeant at Arms and Doorkeeper, as the case may be.

(c) No employee shall be eligible to receive merit compensation unless such employee has occupied the same position for at least two years and is being compensated at the maximum annual salary for the position so occupied, except that, in the discretion of the Secretary of the Senate or the Sergeant at Arms and Doorkeeper, as the case may be, an employee who is receiving merit compensation and is transferred to another position in which he is compensated at the maximum annual salary shall be eligible to receive merit compensation while occupying such other position.

(d)(1) The amount of merit compensation which may be paid to an employee (as authorized by the Secretary of the Senate or the Sergeant at Arms and Doorkeeper, as the case may be) shall not exceed an amount equal to ten percent of the maximum annual rate of compensation of the position occupied by such employee rounded to the next highest multiple contained in section 1(a) of the applicable Order of the President pro tempore of the Senate issued under authority of section 4 of the Federal Pay Comparability Act of 1970.

(2) The amount of merit compensation which may be paid to an employee, when added to his regular annual compensation and his longevity compensation, shall not exceed the maximum annual compensation which may be paid to Senate employees generally as prescribed by law or orders of the President pro tempore issued under authority of section 4 of the Federal Pay Comparability Act of 1970.

(e) Within thirty days following the end of each fiscal year, the Secretary of the Senate and the Sergeant at Arms and Doorkeeper shall file reports with the Senate Committee on Appropriations detailing the use and implementation of the authority contained in this section. Such reports shall include the names of all employees receiving merit compensation under authority of this section at the end of the fiscal year, the positions occupied by them, and the date when each such employee first began to receive merit compensation.

SEC. 110. (a) Subsection (a) and (b) of section 106 of the Legislative Branch Appropriations Act, 1963 (2 U.S.C. 60j), are amended to read as follows:

"SEC. 106. (a) This section shall apply to—

"(1) each employee of the Senate whose compensation is paid from the appropriation for Salaries, Officers and Employees under the following headings:

"(A) Office of the Secretary, including individuals employed under authority of section 244 of the Legislative Reorganization Act of 1946 (2 U.S.C. 74b);

"(B) Office of the Sergeant at Arms and Doorkeeper, except employees designated as 'special employees'; and

"(C) Offices of the Secretaries for the Majority and the Minority;

"(2) each employee of the Senate authorized by Senate resolution to be appointed by the Secretary of the Senate or the Sergeant at Arms and Doorkeeper, except employees designated as 'special employees'; and

"(3) each employee of the Capitol Guide Service established under section 441 of the Legislative Reorganization Act of 1970.

"(b)(1) Except as provided in paragraph (2), an employee to whom this section applies shall be paid, during any period of continuous creditable service, additional annual compensation (hereinafter referred to as 'longevity compensation') at the rate of two times the multiple contained in section 1(a) of the applicable Order of the President pro tempore of the Senate issued under authority of section 4 of the Federal Pay Comparability Act of 1970 for (A) each year of creditable service performed for the first five years and (B) each two years of creditable service performed during the twenty-year period following the first five years.

"(2) The amount of longevity compensation which may be paid to an employee, when added to his regular annual compensation, shall not exceed the maximum annual compensation which may be paid to Senate employees generally as prescribed by law or orders of the President pro tempore issued under authority of section 4 of the Federal Pay Comparability Act of 1970.

"(3) For purposes of this section—

"(A) creditable service includes (i) service performed as an employee described in subsection (a), (ii) service performed as a member of the Capitol Police or as an employee of the United States Capitol Telephone Exchange while compensation therefor is disbursed by the clerk of the House of Representatives, and (iii) service which is creditable for purposes of this section as in effect on the last day of the month in which the Legislative Branch Appropriation Act, 1979, is enacted;

"(B) in computing length of continuous creditable service, only creditable service performed subsequent to August 31, 1957, shall be taken into account, except that, in the case of service as an employee employed under authority of section 244 of the Legislative Reorganization Act of 1946, only creditable service performed subsequent to January 2, 1971, shall be taken into account; and

"(C) continuity of creditable service shall not be deemed to be broken by separations from service of not more than thirty days, by the performance of service as an employee (other than an employee subject to the provisions of this section) whose compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives, or by the performance of active military service in the armed forces of the United States, but periods of such separations and service shall not be creditable service.

"(4) Longevity compensation shall be payable on and after the first day of the first month following completion of each period of creditable service upon which such compensation is based.".

(b) The amendment made by subsection (a) shall take effect on the first day of the first month which begins after the date of the enactment of this Act. The gross compensation of employees entitled to longevity compensation on such first day under section 106 of the Legislative Branch Appropriation Act, 1963, shall be adjusted in accordance with the provisions of such section as amended by subsection (a). No increase in compensation by reason of such amendment shall take effect for any pay period beginning before such first day, and no monetary benefit by reason of such amendment shall accrue for any period before such first day.

On page 37, line 13, strike "101" and insert "111";

On page 38, line 3, strike "102" and insert "112";

On page 38, line 4, after "6" insert "of the House passed version";

On page 45, line 13, strike "$11,172,000" and insert "$11,368,000";

On page 45, line 18, strike "208" and insert "218";

On page 47, beginning on line 16, insert the following:

SENATE OFFICE BUILDINGS

For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel, and for personal and other services; for the care and operation of the Senate Office Buildings; including the subway and subway transportation systems connecting the Senate Office Buildings with the Capitol; uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902), prevention and eradication of insect and other pests without regard to section 3709 of the Revised Statutes as amended; to be expended under the control and supervision of the Architect of the Capitol in all $10,328,600, of which $210,000 shall remain available until expended.

SENATE GARAGE

For maintenance, repairs, alterations, personal and other services, and all other necessary expenses, $164,000.

On page 53, line 1, strike "4,100,000" and insert "$4,600,000";

On page 56, line 1, strike "116,500" and insert "$136,500";

On page 56, line 1, strike "$37,000" and insert "$57,000";

On page 64, beginning wtih line 4, strike through and including line 9;

On page 65, beginning with line 10, insert the following:

SEC. 310. (a) The provisions of subsections (a) and (b) of section 106 of the Legislative Branch Appropriation Act, 1963 (as amended by section 110 of this Act), shall apply to telephone operators (including the chief operator and assistant chief operators) on the United States Capitol telephone exchange and members of the Capitol Police whose compensation is disbursed by the Clerk of the House of Representatives in the same manner and to the same extent as such provisions apply to individuals whose compensation is disbursed by the Secretary of the Senate. For purposes of so applying such subsections, creditable service shall include service performed as an employee of the United States Capitol telephone exchange or a member of the Capitol Police whether compensation therefor is disbursed by the Clerk of the House of Representatives or the Secretary of the Senate.

This Act may be cited as the "Legislative Branch Appropriation Act, 1979".

Mr. SASSER. Mr. President, I move the adoption of the one remaining committee amendment on page 66, lines 1 through 3.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. SASSER. I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time on this amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARRY F. BYRD, JR. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. What is the pending amendment?

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

On page 66, beginning with line 1, insert the following:

Sec. 311. Of the total budget authority provided in this Act, for payments not required by law, five per centum shall be withheld from obligation and expenditure.

Mr. SCHWEIKER. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. SCHWEIKER. This is the 5-percent cut the committee recommended in our budget, and we are asking for the yeas and nays. This is a committee amendment, but we do ask for a rollcall vote since it is a 5-percent cut.

Mr. HARRY F. BYRD, JR. I think that is very fine and I certainly approve of the 5-percent cut and I approve of the rollcall vote. But may I ask a question of the distinguished Senator from Pennsylvania? The amendment says:

Of the total budget authority provided in this Act, for payments not required by law, 5 per centum shall be withheld from obligation and expenditure.

What does that mean, "not required by law?"

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield time on the bill to the Senator.

Mr. SCHWEIKER. Yes, I do.

It is a word of art to generally include pay and entitlements.

Mr. HARRY F. BYRD, JR. I beg the Senator's pardon?

Mr. SCHWEIKER. It is a word of art to generally describe pay and entitlements.

I might say that this 5 percent represents a $55 million cut, and that is the issue at hand. It is a 5-percent cut on all these pay and entitlements across the board, to further explain the amendment.

The total bill is $1.1 billion, and this is a $55 million cut.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield, as I understand it, the total bill is $1.1 billion. This amendment would reduce that figure by $55 million; is that correct?

Mr. SCHWEIKER. The Senator is correct. I am a strong supporter of this amendment. We discussed this in committee and, I think in keeping with the times and the look that is normally taken on the floor, we tried to be responsive to what we thought the floor colleagues would do in this area, and that is why we did ask for a rollcall vote.

Mr. HARRY F. BYRD, JR. Will the Senator yield for another question? On

page 7 of the bill, lines 21 and 22, it says, "For administrative, clerical and legislative assistance to Senators, $70 million." I assume the 5-percent cut would apply to that item?

Mr. SCHWEIKER. Yes, indeed. We are cutting ourselves.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. SCHWEIKER. We are cutting ourselves. We are cutting the Library of Congress, we are cutting the Government Printing Office, we are cutting GAO, all around.

Mr. HARRY F. BYRD, JR. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 66, lines 1 through 3. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alabama (Mrs. ALLEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CLARK), the Senator from Arizona (Mr. DECONCINI), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Maine (Mr. HATHAWAY), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Georgia (Mr. NUNN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Georgia (Mr. TALMADGE), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Arkansas (Mr. BUMPERS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mrs. HUMPHREY), and the Senator from New Hampshire (Mr. MCINTYRE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY) and the Senator from Iowa (Mr. CLARK) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), the Senator from California (Mr. HAYAKAWA), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

The result was announced—yeas 72, nays 0, as follows:

[Rollcall Vote No. 287 Leg.]

YEAS—72

Bartlett	Eagleton	Jackson
Bayh	Ford	Javits
Bentsen	Garn	Kennedy
Biden	Glenn	Laxalt
Byrd, Harry F., Jr.	Goldwater	Leahy
Byrd, Robert C.	Hansen	Long
Cannon	Hart	Lugar
Case	Hatch	Magnuson
Chafee	Hatfield, Mark O.	Mathias
Chiles	Hatfield, Paul G.	Matsunaga
Cranston	Helms	McGovern
Culver	Hodges	Melcher
Danforth	Hollings	Metzenbaum
Dole	Inouye	Morgan
Durkin	Nelson	Moynihan
Packwood	Sarbanes	Muskie
Pearson	Sasser	Stevenson
Pell	Schmitt	Stone
Percy	Schweiker	Thurmond
Proxmire	Scott	Tower
Randolph	Sparkman	Wallop
Riegle	Stafford	Weicker
Roth	Stennis	Williams
	Stevens	Young
		Zorinsky

NAYS—0

NOT VOTING—28

Abourezk	Curtis	Huddleston
Allen	DeConcini	Humphrey
Anderson	Domenici	Johnston
Baker	Eastland	McClure
Bellmon	Gravel	McIntyre
Brooke	Griffin	Nunn
Bumpers	Haskell	Ribicoff
Burdick	Hathaway	Talmadge
Church	Hayakawa	
Clark	Heinz	

So the committee amendment on page 66, lines 1 to 3, was agreed to.

Mr. SCHWEIKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SASSER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SPARKMAN. Will the Senator yield?

Mr. SASSER. I yield.

INTERNATIONAL SECURITY ASSISTANCE ACT OF 1978

Mr. SPARKMAN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 3075.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 3075) entitled "An Act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security Assistance Act of 1978".

CONTINGENCY FUND

SEC. 2. Section 451(a) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1978 not to exceed $5,000,000" and inserting in lieu thereof "fiscal year 1979 not to exceed $10,000,000".

INTERNATIONAL NARCOTICS CONTROL

SEC. 3. Section 482 of the Foreign Assistance Act of 1961 is amended by striking out "$39,000,000 for the fiscal year 1978" and inserting in lieu thereof "$40,000,000 for the fiscal year 1979 none of which may be used for the eradication of marihuana through the use of the herbicide paraquat, unless the paraquat is used in conjunction with another substance or agent which will warn potential users of marihuana that paraquat has been used on it".

HUMAN RIGHTS

SEC. 4. (a) Paragraph (1) of section 502B (a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) The United States shall, in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, promote and encourage increased respect for human rights and fundamental freedoms throughout the world without distinction as to race, sex, language, or religion. Accordingly, a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries.".

(b) Paragraph (2) of such section is amended by striking out "It is further the policy of the United States that, except under circumstances specified in this section" and inserting in lieu thereof "Except under extraordinary circumstances which necessitate a continuation of security assistance".

(c) Paragraph (3) of such section is amended by striking out "the foregoing policy" and inserting in lieu thereof "paragraphs (1) and (2),".

(d) Section 502B(b) of such Act is amended by striking out "subsection (a)(3)" and inserting in lieu thereof "subsections (a)(2) and (3)".

ASSISTANCE TO POLICE AND OTHER LAW ENFORCEMENT FORCES

SEC. 5. (a) Section 502B(a)(2) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "No security assistance of any kind may be provided to or for the police, domestic intelligence, or similar law enforcement forces of a country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights, unless the President certifies in writing that extraordinary circumstances exist warranting the furnishing of such assistance.".

(b)(1) Section 36(a) of the Arms Export Control Act is amended—

(A) by redesignating paragraphs (5) through (9) as paragraphs (6) through (10), respectively; and

(B) by inserting the following new paragraph (5) immediately after paragraph (4):

"(5) a listing of each license issued during the preceding calendar quarter for the export of defense articles or services sold for more than $100,000, either sold under this Act or sold commercially and licensed under section 38 of this Act, to or for any forces of a country which perform police, domestic intelligence, or similar law enforcement functions, setting forth with respect to each such license—

"(A) the defense articles or services to be exported under the license and the quantity of each such article or service to be exported; and

"(B) the name and address of the consignee and ultimate user of each such defense article or service;".

(2) Section 36(b)(1) of such Act is amended in the first sentence by striking out "(8)" and inserting in lieu thereof "(9)".

(c)(1) Section 38(a) of the Arms Export Control Act is amended by inserting the following new paragraph (3) immediately after paragraph (2):

"(3) In addition to other items so designated, the President shall designate as defense articles for purposes of this section (A) those items which, on the date of enactment of the International Security Assistance Act of 1978, were classified as crime control and detection instruments and equipment under regulations issued pursuant to the Export Administration Act of 1969, and (B) any comparable items.".

(2) Paragraph (7) of section 47 of such Act is amended by striking out "(1)".

HUMAN RIGHTS AND MILITARY TRAINING

SEC. 6. Section 502B(a)(2) of the Foreign Assistance Act of 1961, as amended by section 4 of this Act, is further amended by adding at the end thereof the following new sentence: "No assistance under chapter 5 of part II of this Act may be provided to a country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights, unless the President certifies in writing that

extraordinary circumstances exist warranting the furnishing of such assistance.".

MILITARY ASSISTANCE

SEC. 7. (a) Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There is authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $163,500,000 for the fiscal year 1979. Not more than the following amounts of funds available to carry out this chapter may be allocated and made available for assistance to each of the following countries for the fiscal year 1979:

"Portugal	$27,900,000
"Spain	41,000,000
"Jordan	45,000,000
"Philippines	13,100,000
"Greece	35,000,000

The amount specified in this paragraph for military assistance to any such country for the fiscal year 1979 may be increased by not more than 10 per centum of such amount if the President deems such increase necessary for the purposes of this chapter.".

(b) Section 516(a) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end thereof ", and until September 30, 1981, to the extent necessary to carry out obligations incurred under this chapter during the fiscal year 1978 with respect to Indonesia and Thailand".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 8. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out $270,000,000 for the fiscal year 1978" and inserting in lieu thereof "$90,000,000 for the fiscal year 1979".

INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

SEC. 9. (a) Section 515 of the Foreign Assistance Act of 1961 is amended in the first sentence of subsection (b)(1)—

(1) by striking out "fiscal year 1978" and inserting in lieu thereof "fiscal year 1979"; and

(2) by striking out "Brazil" and inserting in lieu thereof "Turkey, Indonesia, Thailand".

(b) Such section is amended in subsection (d) by striking out "865 for the fiscal year 1978" and inserting in lieu thereof "800 for the fiscal year 1979".

(c) Such section is amended in subsection (f) by striking out "1976" in the third sentence and inserting in lieu thereof "1977, except that the President may assign an aggregate total of not to exceed eight additional defense attachés to such countries in order to perform security assistance management functions under this subsection".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 10. (a) Section 542 of the Foreign Assistance Act of 1961 is amended by striking out "$31,000,000 for the fiscal year 1978" and inserting in lieu thereof "$32,100,000 for the fiscal year 1979".

(b) Chapter 5 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 544. COURSES IN HUMAN RIGHTS.—Effective October 1, 1979, the curriculum of all programs funded under this chapter shall include, as a prerequisite for completion of all other courses, a course encompassing the internationally recognized principles of human rights."

ASSISTANCE FOR PEACEKEEPING OPERATIONS

SEC. 11. (a) Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"CHAPTER 6—PEACEKEEPING OPERATIONS

"SEC. 551. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries and international organizations, on such terms and conditions as he may determine, for peacekeeping operations and other programs carried out in furtherance of the national security interests of the United States.

"SEC. 522. AUTHORIZATION OF APPROPRIATIONS.—(a) There is authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, for the fiscal year 1979, $29,400,000.

"(b) Amounts appropriated under this section are authorized to remain available until expended.

"SEC. 553. EMERGENCY PEACEKEEPING ASSISTANCE.—If the President determines that as the result of unforeseen circumstances, assistance under this chapter in amounts in excess of the funds otherwise available for such assistance is important to the national security interests of the United States, then the President may exercise the authority of section 610(a) of this Act to transfer funds available to carry out chapter 11 of part I for use under this chapter without regard to the 20 percent increase limitation contained in that section.

"SEC. 554. ADMINISTRATIVE AUTHORITIES.—Except where expressly provided to the contrary, any reference in any law to part I of this Act shall be deemed to include reference to this chapter and any reference in any law to part II of this Act shall be deemed to exclude reference to this chapter.".

(b) Section 502B(d)(2)(A) of such Act is amended by inserting "or chapter 6 (peacekeeping operations)" immediately after "and training)".

(c)(1) Section 620B of such Act is amended in paragraph (1) by inserting "or 6" immediately after "5".

(2) Section 653(b) of such Act is amended—

(A) by striking out "part V" both places it appears and inserting in lieu thereof "chapter 6 of part II"; and

(B) by inserting immediately before the comma in paragraph (2) "or assistance under chapter 6 of part II".

(3) Sections 669(a) and 670(a) of such Act are each amended by inserting "providing assistance under chapter 6 of part II," immediately after "training.".

(4) Section 406(a)(1) of the International Security Assistance and Arms Export Control Act of 1976 is amended by inserting ", no assistance under chapter 6 of part II," immediately after "assistance" in the first sentence.

FOREIGN AND NATIONAL SECURITY POLICY OBJECTIVES AND RESTRAINTS

SEC. 12. Section 1 of the Arms Export Control Act is amended by adding at the end thereof the following new paragraph:

"It is the sense of the Congress that, in implementing United States policy on conventional arms transfers worldwide, a balanced approach should be taken and full regard given to the security interests of the United States in all regions of the world and that particular attention should be paid to controlling the flow of conventional arms to the nations of the developing world. To this end, the President is encouraged to continue discussions with other arms suppliers in order to restrain the flow of conventional arms, ammunitions, and implements of war to the less developed countries of the world.".

RENEGOTIATION ACT OF 1951

SEC. 13. Section 22 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

"(c) The provisions of the Renegotiation Act of 1951 do not apply to contracts for the procurement of defense articles and defense services heretofore or hereafter entered into under this section or predecessor provisions of law.".

REPORTS ON SECURITY ASSISTANCE SURVEYS

SEC. 14. Chapter 2 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

"SEC. 26. REPORTS ON SECURITY ASSISTANCE SURVEYS.—(a) The President shall report to the Congress on a quarterly basis on security assistance surveys carried out by United States Government personnel. Such reports shall specify, for each such survey authorized during the preceding calendar quarter, the country with respect to which the survey will be conducted, the purpose of the survey, and the number of United States Government personnel who will participate in the survey.

"(b) Upon a request of the chairman of the Committee on International Relations of the House of Representatives or the chairman of the Committee on Foreign Relations of the Senate, the President shall grant that committee access to the results of security assistance surveys conducted by United States Government personnel.".

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILING

SEC. 15. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$77,000,000 for the fiscal year 1978" and inserting in lieu thereof "$682,000,000 for the fiscal year 1978 and $674,300,000 for the fiscal year 1979".

(b) Section 31(b) of such Act is amended by striking out "$2,102,350,000 for the fiscal year 1978, of which" and inserting in lieu thereof "$2,152,350,000 for the fiscal year 1978 and $2,085,500,000 for the fiscal year 1979, of which amount for each such year".

(c) Section 31(c) of such Act is amended by striking out "the fiscal year 1978" and inserting in lieu thereof "the fiscal year 1979".

(d) Section 31(d) of such Act is amended by striking out "$100,000,000" inserting in lieu thereof "$150,000,000".

TURKEY ARMS EMBARGO

SEC. 16. (a) Section 620(x) of the Foreign Assistance Act of 1961 shall be of no further force and effect upon the President's determination and certification to the Congress that the resumption of full military cooperation with Turkey is in the national interest of the United States and in the interest of the North Atlantic Treaty Organization and that the Government of Turkey is acting in good faith to achieve a just and peaceful settlement of the Cyprus problem, the early peaceable return of refugees to their homes and properties, and continued removal of Turkish military troops from Cyprus, and the early serious resumption of intercommunal talks aimed at a just, negotiated settlement.

(b) The Foreign Assistance Act of 1961 is amended by inserting immediately after section 620B the following new section:

"SEC. 620C. UNITED STATES POLICY REGARDING THE EASTERN MEDITERRANEAN.—(a) The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy. The Congress further declares that any action of the United States with respect to section 620(x) of this Act shall not signify a lessening of the United States commitment to a just solution to the conflict on Cyprus but is authorized in the expectation that this action will be conducive to achievement of a Cyprus solution and a general improvement in relations among Greece, Turkey and Cyprus and between those countries and the United States. The Congress finds that—

"(1) a just settlement on Cyprus must involve the establishment of a free and independent government on Cyprus and must guarantee that the human rights of all of the people of Cyprus are fully protected;

"(2) a just settlement on Cyprus must include the withdrawal of Turkish military forces from Cyprus;

"(3) the guidelines for intercommunal talks agreed to in Nicosia in February 1977 and the United Nations resolutions regarding Cyprus provide a sound basis for negotiation of a just settlement on Cyprus; and

"(4) the recent proposals by both Cypriot communities regarding the return of refugees to the city of New Famagusta (Varosha) constitute a positive step and the United States should actively support the efforts of the Secretary General of the United Nations with respect to this issue.

"(b) The Congress declares that United States policies in the Eastern Mediterranean region shall be consistent with the following principles:

"(1) The United States will accord full support and high priority to efforts, particularly those of the United Nations, to bring about a prompt, peaceful settlement on Cyprus.

"(2) All defense articles furnished by the United States to countries in the Eastern Mediterranean region will be used only in accordance with the requirements of this Act, the Arms Export Control Act, and the agreements under which those defense articles were furnished.

"(3) The United States will furnish security assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes, including when necessary to enable the recipient country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization, and when furnishing that assistance is not inconsistent with the objective of a peaceful settlement among all concerned paries to the Cyprus problem.

(4) The United States shall use its influence to insure the continuation of the ceasefire on Cyprus until an equitable negotiated settlement is reached, shall encourage all parties to avoid provocative actions, and shall oppose strongly any attempt to resolve disputes by force or threat of force.

"(5) The United States shall use its influence to achieve the withdrawal of Turkish military forces from Cyprus in the context of a solution to the Cyprus problem.

"(c) Because progress toward a Cyprus settlement is a high priority of United States policy in the Eastern Mediterranean, the President and the Congress shall continually review that progress and shall determine United States policy in the region accordingly. To facilitate such a review the President shall, within sixty days after the date of enactment of this section and at the end of each succeeding sixty-day period, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, a report on progress made toward the conclusion of a negotiated solution of the Cyprus problem. Such transmissions shall include any relevant reports prepared by the Secretary General of the United Nations for the Security Council.

"(d) In order to insure that United States assistance is furnished consistent with the policies established in this section, the President shall, whenever requesting any funds for security assistance under this Act or the Arms Export Control Act for Greece and Turkey, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate his certification, with a full explanation thereof, that the furnishing of such assistance will be consistent with the principles set forth in paragraph (3) of subsection (b) of this section. The President shall also submit such a certification with any notification to the Congress, pursuant to section 36(b) of the Arms Export Control Act, of a proposed sale of defense articles of services to Greece or Turkey.".

ADDITIONAL AUTHORIZATION FOR THE ECONOMIC SUPPORT FUND

SEC. 17. In addition to the amounts otherwise authorized to be appropriated for the fiscal year 1979 to carry out chapter 11 of part I of the Foreign Assistance Act of 1961, as added by title III of the International Development and Food Assistance Act of 1978, there is authorized to be appropriated to the President for the fiscal year 1979 to carry out that chapter with respect to Turkey $50,000,000.

SPECIAL SECURITY ASSISTANCE PROGRAM FOR THE MODERNIZATION OF THE ARMED FORCES OF THE REPUBLIC OF KOREA

SEC. 18. (a)(1) The President is authorized, until December 31, 1982—

(a) to transfer, without reimbursement, to the Republic of Korea, in conjunction with the withdrawal of the 2d Infantry Division and support forces from Korea, such United States Government-owned defense articles as he may determine which are located in Korea in the custody of units of the United States Army scheduled to depart from Korea; and

(b) to furnish to the Republic of Korea, without reimbursement, defense services (including technical and operational training) in Korea directly related to the United States Government-owned defense articles transferred to the Republic of Korea under this subsection.

(2) Any transfer under the authority of this section shall be made in accordance with all the terms and conditions of the Foreign Assistance Act of 1961 applicable to the furnishing of defense articles and defense services under chapter 2 or part II of that Act, except that no funds heretofore or hereafter appropriated under that Act shall be available to reimburse any agency of the United States Government for any such transfer or related services.

(b) In order that transfers of defense articles under subsection (a) will not cause significant adverse impact on the readiness of the Armed Forces of the United States, the President is authorized, in lieu of such transfers, to transfer additional defense articles from the stocks of the Department of Defense, wherever located, to the Republic of Korea to compensate for the military capability of defense articles withdrawn from Korea in any case where he determines that—

(1) the transfer of specific defense articles located in Korea would have a significant adverse impact on the readiness of the United States Armed Forces;

(2) the defense capability provided by Armed Forces of the Republic of Korea in order to maintain the military balance on the Korean peninsula; and

(3) a comparable defense capability could be provided by less advanced defense articles in the stocks of the Department of Defense which could be transferred without significant adverse impact on the readiness of the United States Armed Forces.

The President shall report to the Congress each determination made under this subsection prior to the transfer of the defense articles described in such determination.

(c) The total value (as defined in section 644(m) of the Foreign Assistance Act of 1961) of defense articles transferred to the Republic of Korea under this section may not exceed $800,000,000.

(d) The President shall transmit to the Congress, together with the presentation materials for security assistance programs proposed for each fiscal year through and including the fiscal year 1983, a report describing the types, quantities, and value of defense articles furnished or intended to be furnished to the Republic of Korea under this section. Each such report shall also include assessments of the military balance on the Korean peninsula, the impact of withdrawal on the military balance, the adequacy of United States military assistance, the impact of withdrawal on the United Nations and the Republic of Korea command structure, Republic of Korea defensive fortifications and defense industry developments, the United States reinforcement capability, induce tensions in the area.

(e) It is the sense of the Congress that further withdrawal of ground forces of the United States from the Republic of Korea may seriously risk upsetting the military balance in that region and requires full advance consultation with the Congress. Prior to any further withdrawal the President shall report to the Congress on the effect of any proposed withdrawal plan on preserving deterrence in Korea; the reaction anticipated from North Korea; a consideration of the effect of the plan on increased incentives for the Republic of Korea to develop an independent nuclear deterrent; the effect of any withdrawal on our long-term military and economic partnership with Japan; the effect of any proposed withdrawal on the United States-Chinese and United States-Soviet military balance; and the possible implications of any proposed withdrawal on the Soviet-Chinese military situation.

REPORTS TO CONGRESS

SEC. 19. (a) Section 8(d) of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971, is amended in the second sentence by striking out "Additionally, the President shall also submit a quarterly report to the Congress" and inserting in lieu thereof "The annual presentation materials for security assistance programs shall include a table".

(b) Section 408(b) of the International Security Assistance and Arms Export Control Act of 1976 is amended by striking out "(1)" and by repealing paragraph (2).

(c)(1) The International Security Assistance and Arms Export Control Act of 1976 is amended—

(A) in section 202, by striking out "(a)" immediately after "SEC. 202." and by repealing subsection (b);

(B) by repealing section 217;

(C) by repealing section 218; and

(D) in section 407, by striking out "(a)" and by repealing subsection (b).

(2) The International Security Assistance Act of 1977 is amended—

(A) in section 9—

(i) by striking out "REVIEW OF" in the section heading;

(ii) by striking out "(a)" immediately after "Sec. 9."; and

(iii) by repealing subsections (b) through (e); and

(B) by repealing section 23.

(3) Section 5 of the Emergency Security Assistance Act of 1973 is repealed.

(4) Section 17 of the Foreign Assistance Act of 1974 is repealed.

SAVINGS PROVISION

SEC. 20. Enactment of this Act shall not affect the authorizations of appropriations and limitations of authority applicable to the fiscal year 1978 which are contained in provisions of law amended by this Act (other than sections 31 (a), (b), and (d) of the Arms Export Control Act.)

SEC. 21. It is the sense of the Congress that the United States should be responsive to the defense requirements of Israel, and sell Israel additional advanced aircraft in order to maintain Israel's defense capability, which is essential to peace.

UNITED STATES RELATIONS WITH THE SOVIET UNION

SEC. 22. (a) The Congress finds and declares that a sound and stable relationship with the Soviet Union will help achieve the objectives of the Foreign Assistance Act of 1961 and the Arms Export Control Act, strengthen the security of the United States, and improve the prospects for world peace.

(b) Therefore, it is the sense of the Congress that the President, in cooperation with the Congress and knowledgeable members of the public, shall make a full review of

United States policy towards the Soviet Union. This review should cover, but not be limited to—

(1) an overall reevaluation of the objectives and priorities of the United States in its relations with the Soviet Union;

(2) the evolution of and sources of all bargaining power of the United States with respect to the Soviet Union and how that bargaining power might be enhanced;

(3) what linkages do exist and what linkages should or should not exist between various elements of United States-Soviet relations such as arms control negotiations, human rights issues, and economic and cultural exchanges;

(4) the policies of the United States toward human rights conditions in the Soviet Union and how improved Soviet respect for human rights might be more effectively achieved;

(5) the current status of strategic arms limitations talks and whether such talks should be continued in their preent framework or terminated and renewed in some other forum;

(6) the current status of other arms control negotiations between the United States and the Soviet Union;

(7) the challenges posed by Soviet and Cuban involvement in developing countries and a study of appropriate policy responses and instruments to meet those challenges more effectively;

(8) the impact of our relations with the People's Republic of China on our relations with the Soviet Union;

(9) the impact of strategic parity on relations between the United States and the Soviet Union and on the ability of the United States to meet its obligations under the North Atlantic Treaty;

(10) United States economic, technological, scientific, and cultural relations with the Soviet Union and whether those relations are desirable and should be continued, expanded, restricted, or linked to other aspects of relations between the United States and the Soviet Union;

(11) the evolution of Soviet domestic politics and the relationship between Soviet domestic politics and its foreign policy behavior especially towards the United States; and

(12) what improvements should be made in the institutions and procedures of United States foreign policy in order to ensure a coherent and effective policy towards the Soviet Union.

(c) The President shall report the results of the review called for by subsection (b) to the Congress not later than 90 days after the date of enactment of this Act.

REPORT ON REVIEW OF ARMS SALES CONTROLS ON NON-LETHAL ITEMS

SEC. 23. The President shall, within one hundred and twenty days of enactment of this Act, report in writing to the appropriate committees of Congress the results of the review conducted pursuant to section 27 of the International Security Assistance Act of 1977.

USE OF FOREIGN CURRENCY

SEC. 24. (a) Section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)) is amended to read as follows:

"(b)(1)(A) Notwithstanding any other provision of law but subject to section 1415 of the Supplemental Appropriation Act 1953—

"(i) local currencies owned by the United States which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961 and of the requirements of the United States Government in payment of its obligations outside of the United States, as such requirements may be determined from time to time by the President; and

"(ii) any other local currencies owned by the United States in amounts not to exceed the equivalent of $75 per day per person or the maximum per diem allowance established under the authority of subchapter I of chapter 57 of title 5 of the United States Code for employees of the United States Government while traveling in a foreign country, whichever is greater, exclusive of the actual cost of transportation:

shall be made available to Members and employees of the Congress for their local currency expenses when authorized by the Speaker of the House of Representatives, the President of the Senate, the President pro tempore of the Senate, the Majority Leader of the Senate, or the Minority Leader of the Senate, and shall be made available to Members and employees of a standing or select committee of the House of Representatives or the Senate or of a joint committee of the Congress for their local currency expenses when authorized by the chairman of that committee.

"(B) Whenever local currencies owned by the United States are not otherwise available for purposes of this subsection, the Secretary of the Treasury shall purchase local currencies for such purposes to the extent provided in annual appropriations acts.

"(2) On a quarterly basis, the chairman of each committee of the House of Representatives and the Senate and of each joint committee of the Congress shall prepare a consolidated report itemizing the amounts and dollar equivalent values of each foreign currency expended and the amounts of dollar expenditures from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditures, including per diem (lodging and meals), transportation, and other purposes and showing the total itemized expenditures, during the quarter of such committee, and of each Member or employee of such committee, and shall forward such consolidated report to the Clerk of the House of Representatives (if the committee is a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Secretary of the Senate (if the committee is a committee of the Senate or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such consolidated report shall be open to public inspection and shall be published in the Congressional Record within ten legislative days after the quarterly report is forwarded pursuant to this paragraph. In the case of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives, such consolidated report may, in the discretion of the chairman of the committee, omit such information as would identify the foreign countries in which Members and employees of that committee traveled.

"(3)(A) Each Member or employee who receives an authorization under paragraph (1) from the Speaker of the House of Representatives, the President of the Senate, the President pro tempore of the Senate, the Majority Leader of the Senate, or the Minority Leader of the Senate, shall within thirty days after the completion of the travel involved, submit a report setting forth the information specified in paragraph (2), to the extent applicable, to the Clerk of the House of Representatives (in the case of a Member of the House or an employee whose salary is disbursed by the Clerk of the House) or the Secretary of the Senate (in the case of a Member of the Senate or an employee whose salary is disbursed by the Secretary of the Senate). In the case of an authorization for a group of Members or employees, such report shall be submitted for all Members of the group by its chairman, or if there is no designated chairman, by the ranking Member or, if the group does not include a Member, by the senior employee in the group. Each report submitted pursuant to this subparagraph shall be open to public inspection.

"(B) On a quarterly basis, the Clerk of the House of Representatives and the Secretary of the Senate shall prepare a consolidation of the reports received by them under this paragraph with respect to expenditures during the preceding quarter by each Member and employee or by each group in the case of expenditures made on behalf of a group which are not allocable to individual members of the group. Each such consolidation shall be open to public inspection and shall be published in the Congressional Record within ten legislative days of the completion of the consolidated report."

(b) Notwithstanding section 20 of this Act, the amendment made by subsection (a) of this section shall take effect on the date of enactment of this Act.

RHODESIA EMBARGO

SEC. 25. Section 533(d) of the Foreign Assistance Act of 1961 is amended by inserting "(1)" immediately after "(d)" and by adding at the end thereof the following new paragraph:

"(2) In furtherance of the purposes of this section and the foreign policy interests of the United States, the Government of the United States shall not enforce sanctions against Southern Rhodesia after December 31, 1978 unless the President shall determine that a government has not been installed, chosen by free elections in which all political groups have been allowed to participate freely.".

Amend the title so as to read: "An Act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1979, and for other purposes.".

Mr. SPARKMAN. Mr. President, I move that the Senate disagree to the House amendments and agree to the conference requested by the House on the disagreeing votes of the two Houses and that the Chair be authorized to appoint the conferees.

The motion was agreed to; and the Presiding Officer appointed Mr. SPARKMAN, Mr. CHURCH, Mr. CLARK, Mr. BIDEN, Mr. MCGOVERN, Mr. CASE, Mr. JAVITS, Mr. PERCY, and Mr. BAKER conferees on the part of the Senate.

LEGISLATIVE APPROPRIATIONS, 1979

The Senate continued with the consideration of the bill.

Several Senators addressed the Chair.

Mr. SASSER. I yield to the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that Michael Shorr, of Senator JAVITT'S staff, and Betty McKay of Senator HAYAKAWA'S staff, be granted the privileges of the floor during the consideration of the legislative and other appropriations bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, the total amount of the bill is $1,118,048,400, which consists of $742 million for congressional operations and $376 million for related agencies. The total is:

First, within the $1.2 billion ceiling established for the bill in the first concurrent resolution on the 1979 budget;

Second, $196 million over the House allowance;

Third, $26 million below the budget estimates.

In addition, the total amount in the bill is subject to a further reduction of 5 percent pursuant to section 311 of the bill which provides:

Of the total budget authority provided in the Act, for payments not required by law, five per centum shall be withheld from obligation and expenditure.

1. SENATE INCREASE

The $196 million increase over the House allowance is required to fund the operations of the Senate. By custom, the House does not consider Senate activities.

2. REMAINDER OF THE BILL

For the remainder of the bill, the committee in recommending virtually no change in the amounts in the bill recommended by the House.

3. GENERAL PROVISION—PAY CEILING

The committee is recommending concurrence in a general provision included in the House bill which would freeze, during fiscal year 1979, the pay of any individual in the executive, legislative, and judicial branches of Government whose rate of pay is $47,500 per year or more.

4. CONCLUSION

Mr. President, I do not believe it is necessary to go into any further detail on this bill. The committee-recommended bill and the accompanying report have been available to the Members and their staff for over a week. I shall be pleased to answer any questions the Members may wish to pose after I yield.

Before yielding, however, I should like to compliment my colleague, the senior Senator from Pennsylvania, and the ranking minority member of the subcommittee, Senator SCHWEIKER. He was faithful in his attendance during the long tedious hours of the hearing process. During the discussions and meetings preceding the markup of the bill, I found his experienced advice to be sound and very helpful to me in my first year as chairman of the legislative branch Appropriations Subcommittee.

I now yield to the ranking minority member of the subcommittee (Mr. SCHWEIKER).

Mr. SCHWEIKER. Mr. President, I rise to join my distinguished colleague from Tennessee (Mr. SASSER) in support of the fiscal year 1979 legislative appropriations bill. This is Mr. SASSER's first year as chairman of the Legislative Appropriations Subcommittee and I want to say I have enjoyed working with him very much. He is very fair and very thorough, and I congratulate him on the fine leadership he has shown in this bill.

Although this budget level total exceeds $1 billion, I want to stress some very important points.

We are recommending here today only $742 million for congressional operations, of which, as Chairman SASSER said, $196 million was the Senate alone. But the remaining portion of this bill, $376 million is for related agencies, the Library of Congress, the Government Printing Office, GAO, the Botanic Gardens, the kinds of things that in many ways relate to public service.

The bill we are recommending is $26 million below the budget request before the 5 percent cut we adopted is made. Therefore, we are now more than $84 preceeding the markup of the bill, I a 13.6-percent decrease.

Section 108(a), which is found on page 30 of the committee report, was added at my request. This section is designed to allow Senators to pay legitimate travel costs for members of their service academy and judicial nominating panels.

When I was first elected to the House in 1960, I established a merit selection service academy nominating panel. More recently, Senator HEINZ and I set up a panel to review and recommend nominees for Federal judgeships. Some members all of whom are volunteers, cannot afford the travel costs to meetings far from their home areas. Furthermore, the printing and mailing costs are becoming burdensome.

This new provision would allow Senators the flexibility to spend up to $3,000 annually from their official office expense accounts to cover these approved expenses. This is not additional money. This provision does not increase the expense account.

Mr. President, this budget has been closely scrutinized, and I recommend it strongly to my colleagues.

Mr. President, the Congress portion of this bill is only $742 million and the Senate's is only $196 million of that. As a matter of fact, as I said, the bill we are recommending is $26 million below the budget request before the 5-percent cut that we just adopted. We specifically asked for a record vote so that we would be on record as cutting our own budget 5 percent. We think that is significant; we think it is in keeping with the mood of the country. We think we are willing to do that to ourselves and to our own agencies.

We tried to approach this in a prudent and frugal way. We think we did. We asked for a rollcall vote because, while we knew our colleagues would agree with the cut, we would like them to join in the record to show that we are willing to cut our own thing in our own houses and our own auxiliary responsibilities, too.

UP AMENDMENT NO. 1599

Mr. DURKIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. DURKIN) proposes an unprinted amendment numbered 1599:

Page 26, line 24 before "(B)" add the following: each of the service academies,

Mr. DURKIN. Mr. President, I should like to commend the legislative Appropriations Subcommittee for recognizing that members of service academies selection committees and selection panels incur considerable expense which they must take care of out of their own pockets. In the State of New Hampshire, we have had excellent success with the service academy selection committees. They spend many hours, interviewing over 100 students a year, at considerable expense of time, energy, and money to themselves.

My amendment recognizes and appreciates the thrust of the committee recommendation to provide the travel and per diem expenses for travel within the States and to and from Washington. My amendment would merely add that per diem expenses and travel would be allowed for visiting the service academies. The reason for this is the ability of the selection committees to function certainly would be enhanced by viewing the individual service academies first hand.

It is my understanding that the chairman of the subcommittee has no objection and that the Republican floor manager has no objection, either. I am prepared to yield back the remainder of my time.

Mr. SASSER. Mr. President, we have discussed this amendment at length with the Senator from New Hampshire and I have cleared this amendment with the ranking minority member. The committee is agreeable to accepting it.

The purpose of this amendment, as the distinguished Senator from New Hampshire has explained, would be simply to allow a Senator to deduct from his total allocation of funds the expenses of individuals that he or she may have appointed to a service academy selection commission, deduct their expenses or a portion thereof for travel from their home to the service academy from the total amount allocated to the respective Senators.

Mr. DURKIN. There is no increase in funds.

Mr. SASSER. There is no increase in allocation of funds to the respective Senators.

Mr. SCHWEIKER. Will the Senator yield?

Mr. SASSER. Yes, I yield.

Mr. SCHWEIKER. Mr. President, I think this is a good amendment. Not only is there no increase in the Senator's allowance, but it must come out of the Senator's allowance. If he is to do this, he cannot use his travel allowance for other purposes. So it is not only a matter of no increase, but he has to take it out of his travel allocation.

The PRESIDING OFFICER (Mr. MELCHER). Do the Senators yield back their time,

Mr. DURKIN. I yield back my time.

Mr. SASSER. Yes, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DURKIN. I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1600

(Purpose: Automatic distribution of bound congressional records to Members would not be made available unless requested in writing, thus eliminating unwanted distribution)

Mr. SASSER. Mr. President, I send

to the desk an amendment to H.R. 12935 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. SASSER) on behalf of himself, Mr. PELL and Mr. SCHWEIKER, proposes an unprinted amendment numbered 1600.

Mr. SASSER. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 50, between lines 24 and 25, insert the following:

Hereafter, notwithstanding any other provision of law, appropriations for the automatic distribution to Senators and Representatives (including Delegates to Congress and the Resident Commissioner from Puerto Rico) of the bound and bi-weekly Congressional Records shall not be available with respect to any Senator or Representative unless such Senator or Representative specifically, in writing, requests that he or she receive copies of such Records.

Mr. SASSER. Mr. President, without losing my right to the floor, I yield to the Senator from Illinois.

TECHNICAL AMENDMENTS TO PARAGRAPH 6 OF RULE XLII OF THE STANDING RULES OF THE SENATE—SENATE RESOLUTION 533

Mr. STEVENSON. Mr. President, I thank the Senator for yielding. I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 533) making technical amendments to paragraph 6 of rule XLII of the Standing Rules of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senator proceeded to consider the resolution.

Mr. STEVENSON. Mr. President, the Select Committee on Ethics is recommending two technical amendments to Senate Resolution 110. The first provision allows GAO to retain confidential financial disclosure filings for a period of 7 years, returning them only to those persons who request a return, rather than to all reporting individuals as is now the case. This will reduce the expense of administering the system. Attempting to locate reporting individuals and return 2,000 forms a year after having retained such forms for 7 years is costly and often impossible. The second provision allows GAO to utilize the confidential filings filed this May 15, 1978, in audits required by Senate Resolution 110. Due to a technical mistake made at the time Senate Resolution 265 was adopted, the power of the GAO auditors to utilize this year's confidential filings was removed.

These amendments have no objection to them. They have been cleared on both sides. I urge their adoption.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 533) was agreed to as follows:

Resolved, That paragraph 6(b) of rule XLII of the Standing Rules of the Senate is amended—

(1) by striking out "not less than" in the first sentence; and

(2) by striking out the last two sentences and inserting in lieu thereof the following: "Any paper which has been filed with the Comptroller General for seven years in accordance with the provisions of this paragraph shall be destroyed by him or, if so requested by the individual concerned or his legal representative, shall be returned unopened to such individual or legal representative, unless the Select Committee has directed the Comptroller General to retain such paper and to destroy or return it at a later date.".

SEC. 2. Paragraph 6(c) of such rule XLII is amended to read as follows:

"(c) Notwithstanding the provisions of subparagraph (b) and of paragraph 2 of rule XLIV (as in effect prior to January 1, 1978), the Comptroller General, after giving notice to the individual being audited, may examine the material filed pursuant to this paragraph and paragraph 1 of such rule XLIV for the purpose of conducting an audit as required under paragraph 5(e).".

LEGISLATIVE BRANCH APPROPRIATIONS, 1979

The Senate continued with the consideration of the bill.

Mr. SASSER. Mr. President, I think all of us in this Chamber share a concern about the great number of publications that are automatically distributed to our offices—many of which we do not want or have any use for.

This amendment focuses on the bound CONGRESSIONAL RECORD.

Currently, the hard bound CONGRESSIONAL RECORD consists of 33 volumes annually. Each set costs $1,400.

Each Member of Congress automatically receives a 33-volume set each year, whether he wants it or not. The total distribution to all recipients totals 2,700 sets annually at a cost of $3.5 million.

The senior Senator from Rhode Island (Mr. PELL) and I have received indications from our colleagues that many of them do not need this particular publication and would prefer not receiving it at all.

Accordingly, the effect of this amendment, which was developed in cooperation with the distinguished chairman of the Joint Committee on Printing (Mr. PELL) would be to limit the distribution of the 33 volume hard bound RECORD to those Members and committees specifically requesting it.

The thrust of the amendment is not to deny the bound RECORD to those Members who need this publication, but rather to eliminate unwanted publications. The chairman of the Joint Committee on Printing has assured me that if this amendment is adopted, all 2,700 recipients would be canvassed and all unwanted distribution would be eliminated.

If only one-third of the current recipients indicate they no longer want this publication, the savings to the American taxpayer would exceed $1.5 million—each year.

● Mr. PELL. Mr. President, I join with the distinguished chairman of the Legislative Appropriations Subcommittee, Senator SASSER, in presenting this amendment to eliminate unnecessary and wasteful costs in production and distribution of the biweekly and hard-bound copies of the CONGRESSIONAL RECORD.

As chairman of the Joint Committee on Printing, I share with Senator SASSER a determination to increase efficiency and reduce costs in the Federal Government's printing program generally, and in congressional printing costs specifically. This amendment is a step toward that goal.

Under existing law, the biweekly and hard-bound copies of the CONGRESSIONAL RECORD are distributed automatically to each Member of Congress and each committee whether or not the Members or committees have requested them, have need for them, or want them.

The effect of the amendment we are presenting today would be to limit the distribution of these two publications to those Members and committees specifically requesting them. The amendment would not deny the biweekly or bound RECORD to any Member or committee who wants them. The fact is, however, that there are clear indications that many Members have no need for the RECORD in the biweekly or hard-bound form and would rather not receive them at all. In many cases, the biweekly and hard-bound editions end up in trash barrels without every having been used.

Mr. President, the bound copies of the CONGRESSIONAL RECORD, consisting of 33 volumes, are printed and distributed by the Government Printing Office at an estimated cost of more than $3½ million. If only one-third of the current recipients indicate they no longer want these publications, the savings to the Government—and the taxpayers—would be more than $1½ million a year.

If the amendment is adopted, the Joint Committee on Printing will send questionnaires to the Members and committees requesting that they specify if they wish to continue to receive the biweekly and/or hard-bound editions of the CONGRESSIONAL RECORD.

In addition to the distribution of the hard-bound RECORD to Members and committees, the RECORDS are distributed to designated depository libraries throughout the United States.

The Public Printer, at the direction of the Joint Committee on Printing, has established an advisory council on micropublishing, which involves publishing public documents in such forms as microfiche, at considerable savings in tax dollars. The advisory council has been activated and is considering an increased use of microfiche instead of hard-bound copies for the use of depository libraries, many of which have indicated a preference for microfiche. Through this approach, there is a prospect of additional savings to the Government of another $1½ million on the CONGRESSIONAL RECORD alone.

Finally, I note that the Appropriations Committees of both Houses provided funds last year enabling the Joint Committee on Printing to undertake a broad study of the entire Government Printing Office operation by a private management consultant firm, with emphasis on seeking means to reduce the waste and

duplication of publications prepared for the Congress.

The results of that study will be available later this year, and I expect the study will provide the basis for additional recommendations to reduce the cost to the taxpayers of printing and binding operations. At the same time, the Joint Committee on Printing is undertaking a comprehensive review of the provisions of title 44 of the United States Code, which govern Government printing and binding activities. I believe that review will also produce recommendations which, if enacted, will bring about further increased cost effectiveness and efficiency.

In these efforts, I look forward to continuing close cooperation with the Appropriations Committee.

The amendment we have offered today is one step that we can take now, without awaiting the results of further studies, to save the taxpayers' dollars without reducing essential services. I am happy to join in offering the amendment and I urge its adoption.●

Mr. SASSER. Mr. President, I yield back my time.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield back his time on the amendment?

Mr. SCHWEIKER. Yes, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRY F. BYRD, JR. Will the Senator from Tennessee yield for a question?

Mr. SASSER. I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. On page 7, line 21, for administrative, clerical, and legislative assistance to Senators, $70,881,000.

My question to the Senator from Tennessee is, What is the corresponding figure for the current year?

Mr. SASSER. Was the distinguished Senator from Virginia referring to the bill itself?

Mr. HARRY F. BYRD, JR. Yes, page 7.

Mr. SASSER. What line?

Mr. HARRY F. BYRD, JR. Lines 21 and 22.

Mr. SASSER. I say to the distinguished Senator from Virginia that the corresponding figure for the current year is $60,665,000.

Referring to the committee report on page 15, second paragraph, I quote there:

The Committee recommendation for fiscal year 1979 reflects the merger of appropriation "Legislative Assistance to Senators" into this appropriation. The budget request for this appropriation proposed two changes. First, an increase of $4,000,000 was requested to maintain the fiscal year 1978 obligation level in fiscal year 1979. This requirement arose because fiscal year 1978 operations totaling $64,665,000 were financed with a $4,000,000 carryover of unused funds from fiscal year 1977 and $60,665,000 in new budget authority appropriated in fiscal year 1978. Consequently, a year-to-year increase of $4,000,000 is required to maintain the fiscal year 1978 obligation level of $64,665,000 in fiscal year 1979. Secondly, an increase of $6,216,000 was requested to fully fund the newly merged Legislative Assistance account so that the budgeting practice for it would match the practice employed for budgeting for Members' clerk hire. This change in budgeting is also required to accommodate the increased usage of this allowance by Members.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. President, may we have order, we cannot hear what the manager of the bill is stating.

The PRESIDING OFFICER. The Senate will come to order.

Mr. HARRY F. BYRD, JR. If the Senator would yield for another question——

Mr. SASSER. I yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. On page 8, line 5, it specifies that the Sergeant at Arms and doorkeeper may appoint and fix the compensation of an auditor at not to exceed $15,752.

As a matter of interest, and I do not have the answer to the question, of course, I am wondering, what is the auditing process? Is this a new position? Do we have auditors in the Senate?

Mr. SASSER. Yes. I would say to the distinguished Senator that this is a new position.

This is a new position, but not a new function, and this individual would assist the clerk and the Sergeant at Arms in auditing various accounts in the Accounting Department of the Administrative Office of the Sergeant at Arms. That Office has instituted new and improved recordkeeping and budgeting procedures with the assistance of the General Accounting Office and the Appropriations Committee.

Mr. HARRY F. BYRD, JR. I think that is very important. I am not clear on it, but I think it is very important. I am just wondering what auditing process we have at the present time.

Mr. SASSER. At the present time, the Financial Clerk of the Senate audits all vouchers paid by the Senate. This is simply an effort by the Sergeant at Arms to maintain better cost control and actually stricter budgetary control over the activities under his jurisdiction.

Mr. HARRY F. BYRD, JR. Does the Sergeant at Arms have an auditor?

This is labeled an auditor.

Mr. SASSER. This auditor or this individual in this position is to audit the various vouchers that come through the Sergeant at Arms' office. These vouchers are audited, I will say to the Senator from Virginia, before they go on to the Financial Clerk.

Mr. HARRY F. BYRD, JR. Yes.

That is not being done at the present time?

Mr. SASSER. It is not being done by an auditor at the present time. The accounting system has been revised and improved and the position is required to handle the increased workload resulting from tighter controls.

Mr. HARRY F. BYRD, JR. I take it that this is not—although it is called an auditor—a certified public accountant?

Mr. SASSER. No, it is not.

I think both the Senator from Virginia and I would agree that we would have great difficulty employing a certified public accountant at $15,000 a year.

Mr. HARRY F. BYRD, JR. That is what caught my attention.

Mr. SASSER. Yes.

Mr. HARRY F. BYRD, JR. It provides for an auditor not to exceed $15,752. Immediately below it, two assistant cabinetmakers at $15,573.

Mr. SASSER. Yes.

Mr. HARRY F. BYRD, JR. It appears to me it is very desirable to have an auditor. But I think if we are going to have a competent auditor, in the accepted sense, that a salary at least double that would be required.

Mr. SASSER. I will say that this particular individual would be employed to carry out activities more in the nature of a bookkeeper, or that sort of thing. This individual would conduct a preliminary audit, and be a watchdog before the figures are sent over to the financial clerk where they would be subject to a stricter audit.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. SASSER. I thank the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Delaware.

UP AMENDMENT NO. 1601

(Purpose: To withhold 5 percent of total budget authority from obligation without exception)

Mr. ROTH. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative cleark read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 1601.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 66, at the end of the bill, insert the following:

"SEC. 312. Notwithstanding the preceding provisions of this Act, of the total budget authority provided in this Act, five per centum shall be withheld from obligation and expenditure."

Mr. ROTH. Mr. President, the thrust of my amendment would be to strike the words "for payments not required by law" which are contained in section 311.

Section 311 says that we are cutting the appropriation by 5 percent, but it contains the ambiguous language "for payments not required by law."

After discussing this language with a number of people, including legislative assistants, counsel, and others, it is clear that this language is not clear, so that although it appears that we are making a 5-percent cut, it could be substantially less.

Mr. President, I had and still would offer an additional amendment to cut another 2 percent from this appropriation. However, in the interest of trying to reach a compromise and expedite the proceedings, I would be willing to rely on section 311 if my amendment were accepted, striking out the words "for payments not required by law."

I should like to point out to the Senate what has happened to the legislative

branch appropriations during the last 10 years.

In 1968, the legislative branch appropriation was $275 million-plus. Ten years later, we are proposing an appropriation of $1.118 billion. That is four times greater than the appropriation that was made for 1969. More specifically, it represents a 374-percent increase over the appropriations provided that year.

Mr. President, the Government has called for restraint, for prudence, on the part of the private sector. It has asked labor to be restrained in its wage demands. It has asked business not to raise prices. It seems to me that if we expect the private sector, the working people of America, the small businessmen and businesswomen, to listen to our admonishments, we should practice what we preach. The best way of practicing what we preach is to show restraint in our spending.

Mr. President, what I am asking is that we make a straight-out 5-percent cut across the board and eliminate this ambiguity in section 311. No one is certain what it means.

Mr. SASSER. Mr. President, the committee will accept the amendment proposed by the distinguished Senator from Delaware.

The PRESIDING OFFICER. Does the Senator from Delaware yield back the remainder of his time?

Mr. ROTH. Mr. President, Senator STONE is on his way to the Chamber, and I know he has some remarks. If we can get unanimous consent that his remarks can be included as part of the RECORD at this stage, I will be happy to yield back the remainder of my time.

Mr. MATSUNAGA. Mr. President, will the Senator from Delaware yield?

Mr. ROTH. I am happy to yield.

Mr. MATSUNAGA. Will the Senator explain briefly exactly where the cuts will be and how much percent?

Mr. ROTH. I say to the distinguished Senator from Hawaii that what the language of the committee amendment says is that of the total budget authority provided in this act, 5 percent shall be withheld from obligation and expenditure. My amendment in no way affects that language. How it will be applied will be exactly the same before and after my amendment.

Mr. MATSUNAGA. So that this will not be over and above the 5 percent which we already cut. Am I correct?

Mr. ROTH. In one sense, yes. We are making it clear that there will be an across-the-board 5-percent cut, period. Nothing in addition to that. I do not intend to offer, as I suggested in my statement, an additional 2-percent cut.

Mr. MATSUNAGA. So that wherever we have made a 5-percent cut, the proposed cut of the Senator from Delaware will not apply. Am I correct?

Mr. ROTH. I am not offering the 2 percent.

Mr. ROBERT C. BYRD. Mr. President, I ask the Senator if my understanding of his amendment is correct, as follows: To strike out the words appearing on line 2, after the word "Act," on page 66, "for payments not required by law."

Mr. ROTH. On page 66.

Mr. ROBERT C. BYRD. Then, the effect of the Senator's amendment would be to reduce by 5 percent even those payments that are required.

Mr. ROTH. No, that is not correct. We checked that with legislative counsel. As an appropriation, we could not affect, for example, pensions or other obligations of that kind.

Mr. ROBERT C. BYRD. What about the salaries of Senators?

Mr. ROTH. It would have no effect on the salaries of Senators.

Mr. JAVITS. May we know what it would have an effect on?

Mr. ROTH. Yes. This 5 percent would be applied to the total appropriation, and then those reductions would be made in accordance with the committee amendment. But it would have to be made against items that were not mandatory. Salaries are mandatory; pensions are mandatory. There are other things that would be mandatory. It would in no way change our legal commitments.

Mr. JAVITS. May we know from the manager of the bill what the committee assumed this meant—what the committee assumed "payments required by law" meant? What was subsumed under that heading?

Mr. SASSER. In all candor, I respond to the Senator from New York by saying that the language that is contained in the Senate bill was adopted in toto from the language which came over from the House of Representatives.

Mr. JAVITS. Will this item be in conference?

Mr. SASSER. This item will be in conference and will be considered in conference.

Mr. JAVITS. If it is the same language, how can it be in conference?

Mr. SASSER. It can be changed.

Mr. JAVITS. The language is now being changed?

Mr. SASSER. We are changing it here.

Mr. JAVITS. So long as it will be in conference and can be spelled out, I have no objection.

Mr. ROTH. Mr. President, I am not trying to, and I do not want to, cut the lawful commitments we have for people who are pensioned or salaries of employees. We are trying to insure that there is a substantial cut in the overall appropriation where the reduction is permissive, and that is the intent of this amendment, and I think this is what the chairman of the subcommittee understands.

Mr. President, did the chair rule that Senator STONE's remarks will be included in the RECORD?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I yield back the remainder of my time.

Mr. SASSER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, included in the legislative appropriations bill for 1979 is a small but significant provision which will be of immeasurable benefit to millions of hearing-impaired Americans. Last year, I proposed an amendment to the legislative appropriations bill to provide for teletypewriter equipment to be installed in the Senate, so that deaf and hearing-impaired constituents could have telephone communication with their Senators. My amendment was accepted.

LAST YEAR'S TELETYPEWRITER AMENDMENT

Unfortunately there was an inadvertent omission which meant that the amendment authorized only the purchase of equipment, and not the hiring of operators to run the teletypewriters. This resulted in a year's delay of implementation, in spite of the fact that the Sergeant at Arms office has worked diligently to obtain the appropriate equipment for this service.

This year's legislative appropriations bill contains funding for staff to run the teletypewriters. I understand from the Sergeant at Arms office that once the staff is authorized, the teletypewriters can be operating by October 1.

TELEPHONE DEPENDENCY

Gradually, the public is becoming more sensitive to the fact that our great dependence on the telephone presents many difficulties for those who are not able to use it. Persons with hearing impairments cannot readily use the telephone. For them, the teletypewriter, an instrument which combines the telephone, a typewriter keyboard, and a message screen, has proven to be a satisfactory alternative to the telephone. Various Government agencies and departments are beginning to install teletypewriters, so that those with hearing limitations can have immediate access to information. Likewise, I believe our hearing-impaired constituents should also be able to write and telephone their Senators, as others may.

This summer, one of my college interns was a Kansan who is enrolled at Gallaudet College. It bothered me that when she needed information from other branches of the Government, she was unable to pursue it, because of this communication barrier. You and I would have simply telephoned, but because the Senate had no teletypewriter, she was cut off from the source of information. I know that there have been other hearing-impaired employees in the Senate who have encountered the same problem. I only regret that we are just now taking steps to remove this barrier.

CONCLUSION

I am pleased that the Sergeant at Arms has so diligently pursued this matter, and look forward to the first day of operation of the teletypewriters. It is estimated that approximately 14 million Americans have a hearing impairment of one degree or another. It is wrong to deny them the access to their representatives which others enjoy. I hope that the installation of this equipment will result in increased participation in legislative affairs on the part of hear-

ing-impaired individuals. Their voice is important, and needs to be heard. I believe that this bill provides a way to meet that objective.

Mr. SASSER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

UNANIMOUS-CONSENT AGREEMENT, ORDER OF PROCEDURE MONDAY

Mr. ROBERT C. BYRD. Mr. President, under the authority that was vested in me by the order entered I ask that the vote occur on final passage of the legislative branch appropriations bill on Monday following the vote which is to occur on the supplemental appropriations bill, with the following provision: That there be a 10-minute limitation of debate, that there be debate not to exceed 10 minutes on the legislative appropriations bill, to be equally divided between the managers.

The PRESIDING OFFICER. Does the Senator also ask that paragraph 3 of rule XII be waived?

Mr. ROBERT C. BYRD. And that paragraph 3, rule XII be waived.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Virginia reserves the right to object.

Mr. HARRY F. BYRD, JR. It will be on the legislative appropriations bill?

Mr. ROBERT C. BYRD. Yes, 10 minutes of debate. If any Senator needs it or wants to speak on the legislative appropriations bill before the vote on final passage, it will be up to 10 minutes for that purpose.

Mr. HARRY F. BYRD, JR. May the Senator from Virginia have 3 minutes?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I am sure the distinguished Senator from Tennessee will yield to the Senator from Virginia 3 minutes out of the 5 minutes allotted to him on Monday.

Mr. SASSER. Yes.

Mr. ROBERT C. BYRD. Yes. That is assured.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1979

Mr. ROBERT C. BYRD. Mr. President under the order of the Senate earlier this week, I ask that the Chair lay before the Senate the bill making appropriations for the Department of Housing and Urban Development.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 12936) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1979, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. The time for debate on this bill is limited to 1 hour to be equally divided and controlled by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Maryland (Mr. MATHIAS), with 30 minutes on any amendment except on the so-called 2-percent cut amendment to be offered by Senator PROXMIRE on which there shall be 2 hours and with 15 minutes on any debatable motion, appeal, or point of order.

The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the HUD-independent agencies appropriation bill for fiscal year 1979, as reported by the Senate Appropriations Committee, provides total new budget authority of $68,464,374,000, which is $255,526,000 above the amount contained in the House-passed version of the bill and $1,053,160,000 less than the budget estimate.

This legislation provides funding for the Department of Housing and Urban Development, the Veterans' Administration, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, the Department of the Treasury's revenue sharing operations and a number of smaller agencies, offices, and councils.

Before I turn to a discussion of the bill as reported I serve notice on my colleagues that I intend to bring up an amendment later in the debate to slash another $810,205,000 from the bill by cutting all controllable accounts by 2 percent. I will explain this proposal in more detail when I call up the amendment.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By far the largest portion of the budget authority provided in the bill is devoted to the activities of the Department of Housing and Urban Development, including the disaster assistance program. The bill as reported contains $32,246,568,000 for the Department. As usual the vast bulk of this funding—$24,650,950,000 to be exact—is for assisted housing. This support together with a carryover from the current fiscal year of $6,400,000,000 will be used to enter into contract commitments for subsidized housing covering up to 40 years. The amount provided by the committee for housing subsidies is identical to the President's budget estimate and the amount contained in the House passed bill.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a moment?

Mr. PROXMIRE. I yield to my friend from Virginia.

Mr. HARRY F. BYRD, JR. Will the able Senator from Wisconsin put me down as a cosponsor of his $810 million cut amendment?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from Virginia, Senator HARRY F. BYRD, JR., be included as a cosponsor of the amendment cut $810 million from the bill.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the committee has added $4,000,000,000 in standby authority to the bill as passed by the House for the purchase of 7½ percent mortgages under the emergency mortgage purchase assistance program. Although the Department would not use these funds unless the Secretary found they were needed due to a housing recession, and although the money involved is to come from recaptured budget authority and thus does not show up as additional new budget authority, the potential net outlay impact is substantial. If all of this additional mortgage purchase assistance authority were used, total net outlays could be $600,000,000 or more.

The committee has also recommended the addition of $20,000,000 to the House-passed bill for a new congregate services program for senior citizens who live in public housing or section 202 housing for the elderly projects. This is a new program which provides wholesome meals and other supportive services to elderly tenants who might otherwise have to be placed in nursing homes.

Other changes in the HUD title of the bill, as passed by the House, include an increase of $6,000,000 in the public housing operating subsidy program to the budget request of $729,000,000; an increase of $7,000,000 in the section 701 comprehensive planning grant program to the budget request of $57,000,000; reductions of $5,000,000 in flood insurance and $2,000,000 in housing counseling; the restoration of $3,000,000 of a total House cut of $6,000,000 in HUD's policy development and research program; and the restoration of $4,298,000 and 165 positions cut by the House from HUD's salaries and expenses.

Before we leave the HUD title of the bill, I point out that a savings of $1,000,000,000, or all but $53,160,000 of the cut the committee has recommended in the President's budget, represents a decision to require HUD to use recaptured dollars to purchase mortgages under a special assistance program rather than providing HUD with new budget authority. This is now a budget reduction in the true sense of the word and should be discounted in assessing the real impact of what we have done with the administration's budget requests.

RELATED AGENCIES

Turning now to the other agencies supported through this legislation, the most significant changes the Committee has recommended are in appropriations for the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, and the Veterans' Administration.

The committee has added a very substantial $347,525,000 to the House-ap-

proved budget for the Environmental Protection Agency. The $5,721,971,000 recommended for the Agency is $46,611,000 above the budget request.

Most of the increase over the House is accounted for by the restoration of $300,000,000 cut by the House from the waste treatment construction grant program. However, the committee has also recommended the addition of $15,000,000 to the administration's request for State resource assistance under the solid waste program, the addition of $35,000,000 to a budget request of $25,000,000 for air quality planning, resulting in a $60,000,000 planning program under section 175 of the Clean Air Act, the addition of $10,000,000 to the budget request for state air control agency grants, providing a recommended total of $85,000,000, the restoration of $14,000,000 out of a total House cut of $25,000,000 in the section 208 areawide waste treatment planning grant program. Finally the committee has suggested a reduction of $10,000,000 in State water control agency grants in view of the availability of $30,000,000 for administrative support costs from the waste treatment construction grant program.

Although a number of minor changes have been recommended in the EPA budget, the only other change in the House bill which has a major impact is the approval of language which would provide a minimum setaside for each State under the construction grant program.

The committee has recommended an appropriation of $4,358,200,000 for the National Aeronautics and Space Administration. The amount approved is $13,400,000 below the budget and $24,310,000 above the House allowance. The committee has recommended the restoration of $20,500,000 for a Skylab retrieval mission, provided $12,810,000 cut by the House for a space shuttle launch pad and reversed House report language which would have set up a space shuttle reserve from funds requested for the large space telescope, the Jupiter orbiter/probe and the new solar polar mission.

The committee recommended a number of minor changes in the space agency's budget. Perhaps the most controversial is the decision to eliminate the earmarking of $5,700,000 for lunar sample analysis in the belief that this type of basic research should compete for National Science Foundation funds with other projects in the geological sciences.

Turning now to the NSF budget, the committee has recommended a total of $927,000,000, which is $7,000,000 below the budget estimate but $33,100,000 above the House allowance. The committee has approved the full amount authorized for research and related activities, resulting in an increase over the House in NSF's research programs of $40,000,000.

Last, but not least, among the major agencies funded through the bill is the Veterans' Administration. The committee has recommended a total VA budget of $18,278,228,000. Although the amount recommended is $57,519,000 below the budget estimate, this is primarily due to a $49,300,000 cut in GI bill benefit payments accompanied by language barring the use of these funds to make loans to veterans attending low tuition schools. The loan program was primarily meant as a vehicle to help veterans at high tuition schools supplement their regular GI bill benefits and that is what the committee's proposal would do.

The committee recommended the deletion of some substantial House add-ons to the administration's budget request for VA programs. The total committee reduction of $182,287,000 below the House includes the deletion of $62,919,000 in House medical care increases and the elimination of $52,085,000 for unbudgeted hospital construction projects. However the committee recommended the addition of $20,000,000 to the budget request for medical care costs, and an add-on of $7,545,000 to the medical research budget request.

Mr. President, that summarizes the major actions the committee has recommended. Obviously there are a multitude of minor changes that time prevents me from discussing.

Before I relinquish the floor, I want to thank Senator MATHIAS, the distinguished and most capable ranking minority member of the subcommittee, for his invaluable help and consultation on this bill. Without his willingness to reach an accommodation on a number of delicate subjects the journey of the bill through the Appropriations Committee would have been a very difficult trip. I also want to commend Bob Clark, the staff expert on the minority side, whose knowledgeable cooperation and assistance has made everyone's job just a little bit easier.

I also want to thank Tom van der Voort, the staff expert on the majority side, who did a superb job, as he always does, in assisting the subcommittee on this bill.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill, as thus amended, be regarded, for purposes of amendment, as an original text; provided, that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments, agreed to en bloc, are as follows:

On page 2, line 11, strike "$37,500,000" and insert "$50,000,000";

On page 2, line 20, after "1979" insert the following:

Except that unutilized balances of setasides contained in previous appropriations acts to assist in financing the development or acquisition of low-income housing projects to be owned by public housing agencies other than under section 8 of the above Act shall remain in effect during fiscal year 1979;

On page 3, line 13, strike "$4,463,000,000" and insert "$4,460,000,000";

On page 4, begining with line 14, insert the following:

CONGREGATE SERVICES PROGRAM

For contracts with and payments to public housing agencies and nonprofit corporations for congregate services programs as authorized by the Congregate Housing Services Act of 1978, $20,000,000, to remain available until September 30, 1984.

On page 4, line 25, strike "$723,000,000" and insert "$729,000,000";

On page 5, beginning with line 2, strike through and including line 5, and insert in lieu thereof the following:

For assistance payments to owners of eligible multifamily housing projects, in the program of operating subsidies for troubled multifamily housing projects under the Housing and Community Development Amendments of 1978, $74,000,000, together with any excess rental charges collected after September 30, 1977, to remain available until September 30, 1980.

On page 6, beginning with line 2, insert the following:

EMERGENCY MORTGAGE PURCHASE ASSISTANCE

The aggregate amount of purchases and commitments authorized to be made pursuant to section 313 of the National Housing Act, as amended (12 U.S.C. 1723e), out of recaptured Emergency Mortgage Purchase Assistance authority, is further increased by $4,000,000,000.

On page 8, line 3, strike "$50,000,000" and insert "$57,000,000";

On page 8, line 26, strike "$90,000,000" and insert "$85,000,000";

On page 9, line 14, strike "$10,000,000" and insert "$8,000,000";

On page 9, line 23, strike "$56,000,000" and insert "$59,000,000";

On page 10, line 7, strike "$3,500" and insert "$2,500";

On page 10, line 8, strike "$521,808,000" and insert "$526,106,000";

On page 13, line 10, strike "$3,500" and insert "$2,500";

On page 13, line 13, strike "$328,028,000" and insert "$328,528,000";

On page 13, line 16, strike "$664,115,000" and insert "$710,940,000";

On page 13, line 19, strike "$94,555,000" and insert "$94,755,000";

On page 14, line 4, strike "205(e),";

On page 14, line 4, strike "$4,200,000,000" and insert "$4,500,000,000";

On page 15, line 23, strike "$2,926,000" and insert "$3,026,000";

One page 16, line 14, strike "$1,166,000" and insert "$1,146,000";

On page 17, line 11, strike "$3,292,200,000" and insert "$3,295,700,000";

On page 17, line 20, strike "$134,690,000" and insert "$148,500,000";

On page 19, line 3, strike "$907,000,000" and insert "$914,000,000";

On page 19, line 23, strike "$1,000,000" and insert "$500,000";

On page 20, line 17, strike "$806,400,000" and insert "$846,400,000";

On page 20, line 18, after the comma, strike through and including the comma in line 25;

On page 21, line 22, after "applies" insert the following:

Provided further, That none of the funds provided by this Act shall be used to pay an investigator, through a grant, at more than the maximum rate paid for GS–18

On page 22, line 7, strike "$82,600,000" and insert "$77,600,000";

On page 22, line 24, strike "$4,900,000" and insert "$3,000,000";

On page 25, line 2, after "expended" insert the following:

Provided, That no part of past or future transfers from this account to the Education Loan Fund shall be used to make education loans to individuals attending a school where the combined tuition and fees for the academic year are $700 or less

On page 26, line 5, strike "$5,362,618,000" and insert "$5,299,699,000";

On page 26, line 10, strike "$217,607,000" and insert "$210,212,000";

On page 26, line 24, strike "$3,500" and insert "$2,500";

On page 27, line 5, strike "$616,258,000" and insert "$615,670,000";

On page 27, line 13, strike "$2,000,000" and insert "$3,000,000";

On page 27, line 15, strike "$348,890,000" and insert "$330,701,000";

On page 28, line 17, strike "$2,000,000" and insert "$1,000,000";

On page 28, line 18, strike "$119,297,000" and insert "$85,401,000";

On page 29, line 2, strike "$15,000,000" and insert "$5,000,000";

On page 34, line 14, strike "$30,290,000" and insert "$29,895,000";

On page 38, beginning with line 3, insert the following:

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals for projects not specifically solicited by the Government: *Provided*, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 408. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the maximum rate paid for GS–18, unless specifically authorized by law.

Mr. PROXMIRE. I ask unanimous consent that the distinguished Senator from Florida (Mr. STONE) be added as a cosponsor of the $810 million cut that we are recommending in the overall funding provided by the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maryland,

Mr. MATHIAS. Mr. President, again this year I want to thank the chairman of the subcommittee, the distinguished Senator from Wisconsin (Mr. PROXMIRE), for his courtesy and for the extensive cooperation he has given to me personally during the many hearings and the subcommittee and committee consideration of this complicated bill. Senator PROXMIRE has sat for many, many hours, through many, many witnesses. He has borne the burden of this very important legislation, and I am grateful to him.

I think the sheer work and the intensive concentration that Mr. PROXMIRE applies to this bill from beginning to end has to be seen, has to be witnessed, in order to be fully appreciated. I think that during all of this time it is notable that he remains totally cooperative with all of the other members of the subcommittee and, especially and specifically, with me. For this I do want to thank him.

I also wish to express special appreciation to his staff on the subcommittee, Mr. Tom van der Voort and Mr. Bobby Mills and Mr. Robert Clark of the minority staff for their helpfulness, for their very professional work on the bill, and for their cooperation with and support to me and my staff. Senator PROXMIRE has covered well the length and breadth of this bill and, therefore, I will very briefly touch upon only a few items that are of special interest.

In the HUD area of the bill, I was particularly pleased that the subcommittee and the full committee accepted my amendments increasing funding for the comprehensive planning grants program which I consider of continuing importance, and the rehabilitation loan fund. There is no question that this latter program is very much in demand; in fact, funds during the current fiscal year have already run out and new applications cannot be funded until the start of fiscal year 1979. It is also important, I believe, that we were able to increase funding for the research and technology part of HUD although I would wish we could have gone up to the budget estimate of $62 million. For many years we have hoped that the new research generated under this account would provide breakthroughs in lessening the cost of housing, in perfecting new housing finance mechanisms and in revitalizing the older parts of our cities and, I believe, we now have reason to hope that at least some of the objectives of this program will be realized.

I am very gratified that my amendment to restore most of the House cut for anticipatory research at the EPA has been accepted. I do not believe we are sufficiently funding certain of the research efforts at EPA, nor do I believe that they are sufficiently staffed. In this instance, the restoration will provide for the 22 positions that the House had cut for anticipatory research and it is hoped that their efforts in studying the effects of such things as acid rain will result in effective countermeasures or solutions to the problems this type of research can anticipate. I believe it was also very important that the committee accepted my amendment to increase funding for air quality planning under section 175 of the Clean Air Act Amendments of 1977. It is essential that this country, through efforts in its communities and in the States, move ahead very rapidly in identifying the causes of air pollution and designing methods of counteracting them.

Also under EPA, I was pleased that the chairman accepted my amendment to increase funding for areawide waste treatment planning under section 208. This very important, ongoing EPA program funds some of the very best work being done throughout the country. Also of importance is the committee's funding, on my recommendation, of the dredge and fill program under section 404 of the Clean Water Act of 1977. As the committe report states, approximately 20,000 permit applications are received each year and the dollars and the 60 positions provided should augment the Agency's ability to adequately review major permit applications.

Turning to the National Aeronautics and Space Administration, let me first say that, for the first time, the chairman and I managed, through a give and take process, to come to an agreement based on compromises on both sides that meant we did not actually vote on the different items under research and development in the NASA budget. Such a compromise always means, of course, that neither party gets exactly what it wants. I would have preferred not to cut back on certain increases in funding provided by the House and in the budget, and I know that Senator PROXMIRE was very reluctant to concede on fully funding certain budget items, accepting only small cuts in others, and in maintaining at least parts of certain House increases in others. Perhaps the item of most significance is the $20.5 million that the committee has provided for development of the teleoperator retrieval system. It is important to note that this system was already under development and would have continued under development, but at a lower level of funding, had not the orbit of Skylab begun to decay well before predicted. We do not know at this time whether it will be possible to boost Skylab into a higher orbit, providing it longer life, and usefulness to the space program, or to control its deorbit so that those pieces of it which will not disintegrate in entering the Earth's atmosphere will surely fall harmlessly into the ocean. Unfortunately, it may not be possible to mount a successful Skylab rescue mission. For instance, there may be more solar flare than is predicted and this will affect the current orbit of Skylab and could cause it to come down too soon for it to be reached in a rescue mission.

But I think the importance of our action here in providing the resources necessary to attempt a rescue mission cannot be overestimated. I do not think we in the Congress or those at NASA or the American people would want to now close the door on the possible chance of saving Skylab. And so, funds have been provided, but with report language that calls for a recission of that portion of the funds that are to be committed by NASA for the Skylab reboost or deorbit mission should it be determined that this becomes a mission impossible.

Of those accounts that I reluctantly agreed with the chairman to either cut back or eliminate, perhaps the one that hurt the most was to call on NASA to cease their direct support for analysis of the rocks and materials we brought back from the Moon. I do not think the chairman or anyone else, believes, that we should stop doing lunar sample analysis, but he feels very strongly that this should be supported out in the academic and scientific community separately from NASA and, therefore, should continued Government support be needed, it should be provided by the National Science Foundation. This is spelled out in the report, but I think I should note here that no extra funds have been provided to the National Science Foundation for this undertaking. Therefore, language has been inserted in the report that the committee "does not wish, however, to cause an interregnum in this program and, therefore, expects that NASA will continue to support, from available funds, the more promising on-going lunar sample analysis on a short-term basis while new funding mechanisms, in cooperation with NSF, are established."

As a final comment on the research and development part of NASA, let me say to the chairman that I think our bill as reported is modest, and I do not believe the best interest of this country can be served by any further cuts. Involved in this over $3 billion account are some incredibly intricate and incredibly important undertakings which cover the whole range of space exploration, scien-

tific exploration, engineering development, and applied space technology designed to serve us in a very tangible way on Earth. It is an account which has gone through a very stiff shaking down from the Office of Management and Budget before it has reached us. It is an account that could be much larger and probably pay much greater dividends to the country, and we have cut that budget request, finally arrived at after the compromises between OMB and NASA, by $9.4 million. The cut may be much more substantial than that if it is decided that it is impossible to save Skylab. Now that we have done our work, and after we have compromised, and frankly, Mr. Chairman, I feel after I have compromised downward just as far as I could go and perhaps a little too far in order to join with you in supporting this account without forcing a vote in the subcommittee or full committee, I find it hard to accept that you will be presenting an amendment to cut back further. I do not believe there exists the flexibility in this account to accommodate an added cut of 2 percent without doing real harm to our space efforts.

To complete my comments on NASA let me say, I attach great importance to our restoring the funding for the so-called second phase of pad "B" at the launch complex at the Kennedy Space Center. With the multibillion dollar Space Shuttle era about to start, I believe it would be foolhardy to cut $12,810,000 when, by so doing, with one mishap we could seriously delay and impede the whole Space Shuttle program. Let us remember that this is the only manned Space program this Nation now plans to undertake for the rest of this century, and that when each orbiter returns to Earth, it is to be refurbished, refueled and put to work again. The supporting mechanism for this has to be at the pad and it entails highly intricate engineering devices that from time to time could go wrong. Therefore, a back up system must be built now, which will later also be used as a regular operational mechanism to service the hundreds of missions that the Space Shuttle will fly.

Finally, I am pleased to have succeeded in restoring the $7 million cut in research and program management for NASA. NASA, as is noted in the report, has dramatically decreased its personnel in the past few years and the present budget level will support only the same level of personnel as are now on board. In fact, it is now evident that because of increased costs for utilities and other fixed items it may not be possible under the budget estimate for NASA even to continue to support its present personnel.

I was very disappointed that the vote in the subcommittee to increase Senator PROXMIRE'S recommendation of only $500,000 for the National Institute of Building Sciences was negative. While there may be some room for criticism, we should remember that the very way this institute is set up in the authorization act provides that it will become privately supported in a very short time and that all the Congress and the people are called upon to do is to provide some rather modest and initial funding until they get going, and then they will wean themselves away from Government support. I think it is incumbent on us to provide at least that minimum support necessary for them to succeed.

As for the National Science Foundation, I was especially pleased that my amendment restoring all of the House cuts in research and related activities except for $4 million, which will be unauthorized, succeeded in the subcommittee and is now in the bill. I have spoken before about the importance I, and I believe many others, attach, to supporting basic research and certain applied research in this country. I will not belabor the point here except to say that I think our Government errs on the modest side. This is not to say that there cannot be improvement in our research undertakings and in its management. On that subject, Senator BELLMON has raised certain criticisms of NSF's management and I offered to join with him in going into this in detail with NSF.

I was very pleased to support Senator BAYH'S amendment to increase funds for the Veterans' Administration medical and prosthetic research so that the VA will not be cutting back on its research in the various VA centers throughout the country.

Finally, I would like to address the cost-sharing requirement contained in the bill. My remarks will be supplementary to those contained in the report at page 79. I would direct the attention of all U.S. Government regulation writers to NASA's management instruction based on this provision (published in the Federal Register 36FR 20219, 20220, October 19, 1971) which is an example of a correct interpretation to be given to the provision in the bill. The management instruction states, in part:

> Cost sharing is not applicable to contracts for basic or applied research resulting from an unsolicited proposal when the proposer certifies in writing to the contracting officer that it has no commercial, production, educational, or service activities on which to use the results of the research; and that it has no means of recovering any cost sharing on such projects. In the foregoing situations, where there is no measurable gain to the performing organization, there is, therefore, no mutuality of interest and it would not be equitable for the government to require cost sharing.

Attention is also directed to other language in NASA's management instruction which delineates specific cases in which cost-sharing is not required.

I would also refer Government regulation writers to the December 1972 report of the Commission on Government Procurement, the April 1976 report of the President's Biomedical Research Panel, and the April 1977 education report of the Commission on Federal Paperwork, which all pointed out the unreasonable paperwork and reporting burdens imposed on educational institutions and recommended the elimination of cost sharing on research projects with them except where they would clearly benefit by use of the results through commercial or production activities. Educational institutions for many years have voluntarily shared costs at levels above agency requirements. I am sure that the committee expects they will continue to do so. However, it is not the committee's intention to impose on them unreasonable costly paperwork and reporting requirements.

It may be that this cost-sharing provision should not be carried in this bill but I suggest that if this is the case, it, or a similar provision, should then be contained in a legislative bill so that it goes into the United States Code in a way that will equitably affect all recipients of Government research contracts or grants.

I ask unanimous consent that statements by our distinguished colleagues, the Senator from Massachusetts (Mr. BROOKE) and the the Senator from Pennsylvania (Mr. HEINZ), be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BROOKE

I must strongly oppose the amendment offered by the distinguished Senator from Wisconsin. As I understand it, this amendment would reduce by two percent every non-entitlement item contained in the HUD-Independent Agencies Appropriations bill which was reported by the Appropriations Committee. I recognize the need to reduce the federal deficit and to control the rate of inflation. However, I strongly believe that housing for low-income families and the elderly is one national priority which should not be lightly disregarded in our rush to slice the Federal budget. Therefore, I urge my colleagues to oppose this amendment which would impose a disproportionately harsh burden upon low-income families and elderly Americans.

The distinguished Senator from Wisconsin has stated that his proposal to cut specific programs by two percent avoids a "meat ax" approach to reducing the budget while preserving the funding decisions made in Committee. With regard to the HUD budget, however, this amendment would effectively result in an across-the-board reduction in HUD programs, almost all of which are non-entitlement accounts. This amendment would also negate the Appropriations Committee funding recommendations which resulted from careful consideration of all proposals offered during its deliberations.

The full Appropriations Committee has reported a bill that is already $1.015 billion less than the original HUD appropriations request. This amount represents an overall reduction of three percent, and brings the HUD budget well below the targets set in the budget resolution.

A two percent reduction in the HUD Appropriation bill would have serious impact on essential housing and community development programs.

It would mean:

1. A cut of 7,500 housing units for low and moderate income families and the elderly. This would mean that funds would be available for 30,000 fewer housing units than this year, and almost 40,000 fewer housing units than FY 1977. This would also mean that for FY 1979, only about 348,000 units of assisted housing could be produced—a figure far below the 400,000 units which were originally requested by the Administration.

2. A cut of about 600 housing units in the Section 202 housing program for the elderly and handicapped.

3. About 400 fewer section 312 loans for the rehabilitation of residential properties in support of urban revitalization programs.

4. About three fewer urban development

action grants, or significantly smaller grants to cities.

5. A cut of $15 million in public housing operating subsidies which are not even adequate to meet the operating needs of public housing authorities at the Appropriations Committee level.

6. About 42 fewer troubled projects would receive the new flexible operating subsidy designed to assist financially distressed FHA-insured multifamily projects.

7. A reduction of up to 750 new HUD staff positions.

Mr. President, there was ample opportunity for the Appropriations Committee to consider amendments to cut specific HUD programs. Extensive hearings and lengthy deliberations led to the funding decisions recommended by the Committee. I believe that this amendment would jeopardize the integrity of the Appropriations Committee action.

The distinguished Senator from Wisconsin will recall that he supported the Chiles Amendment to the Housing Authorization bill which reduced funding for low-income housing programs to the Administration's requested level. Although I strongly opposed the Chiles Amendment, there was a rational basis for cuts in the authorization of programs which exceeded the targets set in the first concurrent resolution on the budget. This is clearly not the case with regard to appropriations, however, since the Committee's recommendations do not exceed the budget, and in fact are three percent below the Administration's budget.

A similar attempt was made on the House floor to cut the HUD-Independent Agencies appropriation by two percent. I am pleased that the House accorded great weight to the judgment of its Appropriations Committee and soundly rejected that amendment. And I strongly urge my colleagues to reject this amendment.

The Administration also opposes this amendment. I have received a letter from HUD Secretary Patricia Harris strongly urging that no further reductions be made in the HUD budget, and I ask that this letter be placed in the Record.

WASHINGTON, D.C.,
August 3, 1978.

HON. EDWARD W. BROOKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BROOKE: We are concerned that an effort may be made in the Senate to reduce the appropriation for the Department of Housing and Urban Development for fiscal year 1979 by an additional 2 percent from the level recommended by the HUD-Independent Agencies Subcommittee.

I strongly urge that no further reductions be made from our budget request. The budget submitted for this Department was sound and fully justified, recognizing the balance which must be sought between competing national priorities and the Nation's housing needs. The levels recommended by the Committee for programs for which we are seeking funding are within our budget recommendations. We would hope that the Senate would accord considerable weight to those recommendations.

Although a 2 percent cut may appear insignificant, it could mean a reduction of almost 7,500 housing units for low income families. It could mean nearly four hundred fewer Section 312 loans in support of programs to aid urban revitalization. The reduction of 2 percent would mean, also, a reduction of up to 750 new positions, thus depriving HUD of staff badly needed to speed processing of applications for housing and community development assistance.

I would hope, therefore, that the Senate would refrain from making further reductions from our budget request.

Sincerely yours,

PATRICIA ROBERTS HARRIS.

I also have been informed that the Office of Management and Budget opposes the Proxmire amendment.

From the very beginning, HUD Secretary Harris has characterized her budget as a lean, bare-bones budget. When she appeared before the HUD-Independent Agencies Subcommittee on April 13, she said the following:

"I believe the budget we are presenting is a good one; and it provides an appropriate balance between the needs of the people and the resources available to meet those needs. I would hope that Congress would approve this budget and not make reductions as has been the case in the past. It is not HUD which would suffer the consequences of a reduction. Rather, it is the poor who would be further deprived if our requests are not approved. I would urge that this Committee not be responsible for such an unfortunate result."

I wish to echo the Secretary's words which are most appropriate today, and urge my colleagues to oppose any reductions below the levels recommended by the Appropriations Committee.

STATEMENT OF SENATOR HEINZ

I wish to express my profound concern about this effort to reduce the appropriations for urgently needed housing and urban development initiatives. The bill brought before us by the full Appropriations Committee is already under the budget request by over $1 billion. The legislation calls for significantly less spending than we on the Senate Banking Committee felt was necessary.

The amendment before us does not seek to speak to the problems which we had before us in the Housing Subcommittee, the Banking Committee, or the Appropriations Committee. Rather, without regard to desperate human needs or to the initiatives which had been deliberated upon by 4 different committees, this amendment would use a blind approach to simply cut spending. It is not tied to rhyme or reason, to needs or programs, to budget decisions or committee deliberations. The amendment would simply strike at persons in this country who are least able to turn to any other alternatives.

When the Administration came before us this year, it requested enough funding for 400,000 Section 8/public housing units. This was the figure we worked with in the Budget Committee. After considering needs, we increased this amount in the Banking Committee. On the floor of the Senate, an amendment was passed which was meant to bring the assisted housing in line with the Administration request and the Budget Committee authorization. Unfortunately, because of miscalculations, the amount agreed upon by the Senate fell 25,000 units short of the estimated needs. To now further reduce the number of assisted units will only increase the burden of misery for many Americans. It is safe to say that, as always, those who will be the first to suffer will be the elderly and the handicapped.

What will be gained by this reduction as proposed by my colleague Chairman Proxmire? We will prevent some 7500 families from having an opportunity for decent, safe and sanitary housing. We will decrease elderly and handicapped units by 600. We will, most likely, ensure the failure of a number of low-income housing projects in which the federal government holds major investments. We will knock 3-4 cities out of the Urban Development Action Grants programs. We will stop some 500 families from rehabilitating their homes, 80 others from participating in the successful urban homesteading program. We will take away counseling assistance which has proved so effective in preventing defaults.

It appears that we will be successful, if this amendment passes, in making many helpless people homeless. I must question whether we will really be saving the federal government any money. It seems more likely that by adding to the misery of those most in need of our compassion and assistance, we are certain to place heavier costs on the federal government in other areas: specifically in nursing homes, health care centers, and welfare offices. By ignoring our goal of providing each and every American with shelter, we are only putting off the inevitable, and, ironically, making it more expensive at a later date. The needs before us will neither fade away, nor be legislated away. They will endure.

I urge my colleagues to reject this amendment and this approach. Our compassion and leadership require better legislation than an across-the-board cut. It is easy to just reduce funding; it is more in keeping with this body to act deliberately and on the basis of reason. If, in fact, we are unable to determine where reductions in this bill should come, then we are only acting out of weakness to accept this amendment, not out of wisdom, logic, or strength. The careful consideration of the issues before us which would be adversely impacted by this amendment have received attention and scrutiny by the Budget Committee, the Banking Committee, the Appropriations Committee, and the full Senate. To reverse this weight of wisdom, and to reduce the role of these Committees and the Senate to so little should be opposed by all. The weight and tradition of our processes have given us a good bill. To turn our backs on all the work we have done would be a serious breach of our commitment to low income Americans. I urge my colleagues to support this bill as is and to vote down this amendment.

AMENDMENT NO. 3429

Mr. MORGAN. Mr. President, I call up my amendment No. 3429.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. MORGAN), for himself and Mr. JAVITS.

Mr. MORGAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, line 9, after the semicolon, insert the following: "for the registration under section 3 of the Military Selective Service Act of all male persons who attain eighteen years of age during the fiscal year 1979;".

On page 23, line 10, strike out "$7,045,000" and insert in lieu thereof "$17,000,000".

Mr. MORGAN. Mr. President, I ask unanimous consent that the name of the Senator from Arizona (Mr. GOLDWATER) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, I yield myself 5 minutes.

For the benefit of those who are here, it will be my intention to reserve the remainder of my time, and I believe it is the leaders' intention that we then go over until Monday.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. MORGAN. I yield.

Mr. ROBERT C. BYRD. I ask unanimous consent that the manager of the bill give me 1 or 2 minutes to state the situation.

Mr. PROXMIRE. I yield the majority leader whatever time he wishes.

Mr. ROBERT C. BYRD. Mr. President, for the benefit of Senators on both sides of the aisle, the distinguished Senator

from North Carolina and I and the chairman have discussed this matter. The vote on the amendment of the Senator from North Carolina will not occur today. As a matter of fact, there will be no more rollcalls today.

However, if Senators wish to call up amendments during the remainder of the day, some of which may be voice voted, they are certainly free to do so, and are encouraged to do so.

Otherwise, Senators may be sure that the rollcall vote, if such is ordered on the amendment by Mr. MORGAN, will be on Monday.

LEGISLATIVE PROGRAM FOR MONDAY

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 10 o'clock on Monday morning. I ask unanimous consent, after the two leaders or their designees have been recognized under the standing order on Monday morning, and after any orders for the recognition of Senators that may be entered prior thereto, that the Senate resume its consideration of the HUD appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would mean, Mr. President, that on Monday after the two leaders are recognized, the Senate having come in at 10 o'clock, action would be resumed on the HUD appropriation bill. Rollcall votes would occur during the morning on amendments and motions in relation to the same, but the final rollcall vote on HUD would not occur until after the vote on passage of the legislative appropriation bill.

Mr. MATHIAS. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. That order has already been entered.

Mr. PROXMIRE. Let me ask the majority leader this: I understand that the final votes on all three of these bills, the supplemental appropriation bill, the legislative appropriation bill, and the HUD bill, will occur on Monday. We will have had very little debate, as I understand it, on the HUD bill. Will there be debate on amendments on Monday?

Mr. ROBERT C. BYRD. I think that would have to be, by virtue of necessity. It could not be foreseen that the Senate would spend 4 or 5 hours today on the Hart Office Building. That did happen; the Senate spent most of today debating that provision, and consequently there was no chance to finish the others bills today.

Mr. MATHIAS. If the distinguished majority leader will yield, I think he sees what is in the hearts and minds of men, certainly the minds of the men and women of the Senate, as well as or better than anyone else around here. Is there not a danger that Members will assume that there will be no rollcall votes until 3 o'clock on Monday?

Mr. ROBERT C. BYRD. No. No.

Mr. MATHIAS. And that we might have very poor attendance earlier in the day on Monday? These are very important amendments which will be voted on on this bill.

Mr. ROBERT C. BYRD. If the Senator will permit me, they have no basis whatsoever to make that assumption, because when the leadership entered into the order, I believe it was yesterday—may I ask the distinguished assistant Republican leader, when this order was entered, was it not made absolutely, positively, indubitably, and unquestionably clear that rollcall votes could, might, and problably would occur on Monday prior to the hour of 3 o'clock p.m., but only the votes on final passage of these three appropriation bills would begin no earlier than 3 o'clock on Monday?

It was explicitly stated in the RECORD, and will be there for all to read, that other votes could occur and probably would occur.

I am glad that the Senator from Maryland has raised the question now, because it gives me the opportunity to again state that for the record.

Mr. MATHIAS. I would think——

Mr. STEVENS. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. What the Senator from West Virginia says is correct. Unfortunately, though, while the Senator made clear that there could be votes on other matters before 3 o'clock on Monday, the assumption was, however, that we would be able to get through with these appropriations measures today, that all three of these appropriation bills would be finished today, and that we would be on other matters on Monday.

I hoped, for instance, that we would be on the Interior appropriations on Monday.

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. And had we been, there would have been votes on the Interior appropriations on Monday. But I do think Senators who were interested in this bill would have been under the impression, when they stayed here today, that the Senate would have finished its consideration of all amendments on this bill today.

Mr. ROBERT C. BYRD. However, they were not here today. I assume about a fourth of the Senators have been absent today, so those who were absent could not complain because the bill was not completed, but those who have stayed and labored in the vineyard through the heat of the day should be the ones who are disappointed.

But there is nothing we could do about it, because the Senate spent so much time on the amendment dealing with the Hart Office Building.

Mr. MATHIAS. Mr. President, if I could make a suggestion, I have been here all day today, and I will be here on Monday, so it makes no difference to me.

Mr. FORD. It is just a short drive.

Mr. MATHIAS. But having been here all day today, I think the impression may have gotten around this afternoon, having listened to what Senators were saying, that Senators would be clear on Monday, and I would urge Senator STEVENS and those on the majority side to make sure that the hotline gets to every Senator's office before all the birds have flown that that impression which may be abroad is in error.

Mr. ROBERT C. BYRD. All the Byrds will not have flown.

Mr. FORD. Mr. President, will the majority leader yield for a point of information?

Mr. ROBERT C. BYRD. ROBERT and HARRY will be around.

May I say to my friend we will make every effort to notify other Senators through the cloakrooms, as he suggests.

Mr. FORD. Will the majority yield?

Mr. ROBERT C. BYRD. Yes.

Mr. FORD. What is the procedure left to us this afternoon? The Senator from North Carolina has an amendment on which he will take 5 minutes, and then we will lay that amendment over until Monday for a vote. What follows the Senator from North Carolina?

Mr. ROBERT C. BYRD. Any other Senator who wishes to call up his amendment today could do so, and advance it to the point of utilizing all the time on it.

Mr. FORD. If it is acceptable to the majority and the minority, could it be attached to the bill?

Mr. ROBERT C. BYRD. Yes; it could be voice voted.

Mr. FORD. Would it be appropriate for me to get unanimous consent that my amendment be taken up following the amendment of the distinguished Senator from North Carolina?

Mr. ROBERT C. BYRD. Yes, indeed.

Mr. FORD. I ask unanimous consent, then, Mr. President, that I be allowed to call up an amendment following the amendment of the distinguished Senator from Carolina.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, with all respect to the majority leader, there is a problem involved in the fact that this bill is going to carry over until Monday, and it does present a problem with regard to the timing of the votes on the amendments. The current intention is to come in, as I understand it, at 10 o'clock on Monday?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. Could the majority leader get some of these people who have gone away with, I think, the unfortunate impression—I want to assure you that I made no commitments or anything—under the mistaken impression that this bill would be finished and that the three votes on final passage could be the first votes? Could we reach some sort of understanding as to when these first votes would come up, that will be carried over?

I am not talking about the votes which might come up on amendments that are raised Monday, but the votes that will carry over until Monday. Can we get an understanding as to when they will take place so we can accommodate these people who have gone? I cannot anticipate what votes will be called for on Monday morning and neither can the manager of the bill or the ranking member. We said such things might occur.

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. There are things that are coming up today. We know two of them now. Could we get an agreement

that they will start at 3 o'clock preceding the third reading votes on the other bill?

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, ordinarily I would be a little hesitant to agree to such a suggestion in view of the fact we only have 41 working days remaining between now and October 7. But if it is agreeable with the distinguished Senator from North Carolina, who happens to be the Member who presently has an amendment up, whose amendment will be laid aside temporarily from time to time to call up other amendments, but whose amendment can be the amendment upon which a vote will occur, if it is agreeable to him to set a particular time for a vote on his amendment that is all right with me and I would gladly accede in this instance.

I know the distinguished assistant Republican leader worked hard on his side of the aisle to get the 3-day rule waived so that the Senate could proceed to take up all three of these appropriations bills today. I feel an obligation in return for that courtesy to try to work out an arrangement that will accommodate all Senators as much as possible.

Mr. STEVENS. What about the amendment of the Senator from Kentucky?

Mr. FORD. Perhaps it could be disposed of now.

Mr. PROXMIRE. I do not know about that.

Mr. FORD. We can get into it, and we will have a good argument and then we will lay it over until Monday and try to beat the chairman.

Mr. ROBERT C. BYRD. I would like to ask the Senator from North Carolina, what time would be agreeable to him?

Mr. MORGAN. I will be agreeable to whatever time would be most suitable for the leadership.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. STEVENS. I might say that a majority of the Senators coming back for votes anticipate the votes will begin at 3 o'clock. On the matters to be carried over I picked 3 o'clock because I think that is when people expect votes not completed today to commence on Monday. Again, we have made no assurance. I do not know what can come up on Monday morning. There was no assurance that there would be no votes on amendments raised on Monday. The idea was that the votes we carried over would commence at 3. I would urge the majority leader to consider that.

Mr. MORGAN. That would be agreeable with me.

Mr. ROBERT C. BYRD. Then if it is agreeable with the manager of the bill and the ranking member, and if it is feasible, we will proceed on the basis that the first vote on any amendment to the bill will occur at 3 p.m. on Monday. The first vote will be on Mr. MORGAN's amendment.

Mr. MATHIAS. We have objection on this side.

Mr. PROXMIRE. Is the objection to the timing?

Mr. MATHIAS. To the time.

Mr. PROXMIRE. Is 3 o'clock too late?

Mr. ROBERT C. BYRD. Mr. President, without an agreement we are going to vote well before 3 o'clock. It is to the benefit of Senators who want to be accommodated not to object to this agreement.

Mr. MATHIAS. May I suggest to the distinguished majority leader 3:30, 30 minutes later?

Mr. STEVENS. We are talking about something that could not occur anyway because the vote on the supplemental takes place at 3, and the vote on the legislative at 3:15.

Mr. ROBERT C. BYRD. No. That is at 3:30.

Mr. STEVENS. And these amendments, or whatever happens on this bill, will follow them. I do not know what the argument is.

Mr. ROBERT C. BYRD. Except votes on amendments may occur in the morning.

Mr. STEVENS. But I am talking about the carry-over votes on this bill will occur after we have disposed of the supplemental and the legislative bill under the agreement which is already an order. Am I not correct?

The PRESIDING OFFICER. Under the previous order the vote on the supplemental will occur at 3:30.

Mr. STEVENS. May I inquire when will be the legislative vote?

The PRESIDING OFFICER. There will be 10 minutes of debate following that vote, which would make it 5 minutes to 4.

Mr. MATHIAS. Could these follow sequentially right after that in the order in which they arise?

Mr. ROBERT C. BYRD. Unless we enter a new order, a vote will occur on Mr. MORGAN's amendment during the morning and on Mr. FORD's amendment following that vote.

I am trying to get an order that will allow a vote on Mr. MORGAN's amendment at 3 o'clock and on the second amendment that is ordered at 3:15, and then the vote will occur on the supplemental at 3:30. That would protect some Senators. Otherwise, we are going to have a half-dozen votes before 3 o'clock. I do know that I would like to accommodate the acting Republican leader. I announce right here and now that he has worked hard to get the 3-day rule waived.

Mr. STENNIS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. What is the unanimous-consent request, if any, which is before the body?

The PRESIDING OFFICER. The unanimous-consent request is for the timing of the vote on the amendment of the Senator from North Carolina.

Mr. STENNIS. What time is proposed?

The PRESIDING OFFICER. Three o'clock is proposed on Monday afternoon.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that rollcall votes ordered on amendments relating to the HUD appropriations bill prior to the hour of 3:30 p.m. on Monday occur on Monday following the votes on the supplemental appropriations bill and the legislative appropriations bill, and occur in sequence back-to-back.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Reserving the right to object, I want to state I am indebted to the majority leader for his courtesy. Again I want to emphasize we have no agreement about any amendments that might be raised on this bill once we commenced work on Monday morning on matters which are not carried over, just so everybody understands it. Right?

Mr. ROBERT C. BYRD. Exactly. The only votes being carried over are votes on passage of the two previous appropriations bills and any rollcall votes ordered today on the amendments to the HUD appropriations bills.

Mr. STEVENS. That is my understanding.

Mr. SCHMITT. Reserving the right to object, I have a point of clarification of the majority leader. If there were any tabling motions on amendments, that would interject certain flexibility in that schedule.

Mr. ROBERT C. BYRD. Let us say, for example, that Mr. MORGAN calls up his amendment—of course, he will reserve his time, by unanimous consent—if a Senator moved to table that, it is my understanding that that tabling motion would go over also because it has to do with that amendment.

Mr. STEVENS. That would be my understanding, too.

It is also my understanding, if I may ask my good friend, that either Mr. MORGAN, or Mr. FORD or whoever else might call up an amendment here might reserve 5 or 10 minutes of his time for addressing the Senate on Monday prior to his vote——

Mr. ROBERT C. BYRD. Yes, by unanimous consent, he can do that.

Mr. STEVENS. By consent. He has to ask for it.

Mr. ROBERT C. BYRD. It has to be by unanimous consent.

Mr. STEVENS. Mr. President, reserving the right to object, and I do not expect to object, I just want to be sure that the Morgan amendment, under this concept agreement, the vote thereon, and argument on it would not come until the afternoon of Monday?

Mr. ROBERT C. BYRD. Mr. MORGAN is going to utilize 5 minutes of his time today. The managers of the bill may utilize some time today.

Mr. President, I ask unanimous consent, so there will be no question about it, that the vote on the amendment by Mr. MORGAN occur on Monday, after utilizing whatever time remains on that amendment, following the vote on the legislative appropriation bill.

Mr. MATHIAS. Mr. President, further reserving the right to object, just to avoid a possible disappointment on the part of some Senator on Monday, it is my hope, a hope the consummation of which is devoutly to be desired, that the debate on this amendment will have been completed by 3 o'clock, or by 3:30, I guess; at any rate, the time at which the first vote has been ordered.

In the event that we have not completed debate, is it the understanding of the majority leader that, at that time, we would suspend the debate, we would have the rollcalls that were then ordered, and then would resume debate when all of the rollcalls then ordered have been completed?

Mr. ROBERT C. BYRD. We shall have the two rollcall votes on the passage of the two appropriations bills. If, when Mr. MORGAN completes his statement today, there are 10 minutes remaining on his amendment, or 20, and Mr. FORD gets unanimous consent that that amendment be laid aside and he be allowed to take up his amendment, on Monday, whatever time is left on the Morgan amendment will be there for use.

Mr. STEVENS. I think the question is, What happens to pending business at 3:30 on Monday? If it still is not finished, it will be set aside and taken up after the votes?

Mr. ROBERT C. BYRD. Yes.

Mr. MATHIAS. And will be resumed after the votes, that is what I ask.

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Under the previous order, the first vote will occur at 3:30 p.m. on the supplemental appropriations bill, to be followed by 10 minutes of debate on the legislative appropriations bill, to be followed by a vote on that bill.

The request now is that Mr. MORGAN's amendment will be voted on on Monday following the vote on the legislative appropriations bill; and that other amendments offered today will be voted upon back to back, following the vote on Mr. MORGAN's amendment.

Mr. ROBERT C. BYRD. Let me modify that request, Mr. President; that such votes occur if ordered to lay over until Monday and following any time that may be reserved on those amendments not utilized today.

Mr. STEVENS. Reserving the right to object, we have not eliminated, as I understand it, that short time, should it be required, on either the supplemental or the legislative appropriations for statements and third reading not to exceed 10 minutes, 5 minutes on either side, if it is requested?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. PROXMIRE. If the Senator will yield further, we also have other amendments to the HUD appropriation bill, which I am sure will be called up.

Mr. ROBERT C. BYRD. On Monday morning.

Mr. PROXMIRE. I understand they can be discussed and voted on at that time. Can they be discussed and voted on after the vote on the Morgan amendment?

Mr. ROBERT C. BYRD. The Senate will come in at 10 o'clock on Monday. After the two leaders have been recognized under the standing order, the Senate will proceed to the consideration of the HUD bill. Amendments will be called up, voted on or, by unanimous consent, they can be laid over until after the other votes, following the two votes on the appropriations bill. But there is nothing in this order that prevents Senators from calling up amendments on Monday morning, beginning at 10:10, utilizing their time, getting rollcall votes, having the rollcall votes, having those amendments out of the way. All that is being carried over precisely are those amendments called up today and, by order, put over.

Mr. PROXMIRE. I want to be sure there is nothing in this unanimous-consent request that would prevent an amendment from being called up to the HUD appropriation bill after these votes, say 4 o'clock, and debated.

Mr. ROBERT C. BYRD. No, no.

Mr. PROXMIRE. Can they be taken up at that time or not?

Mr. ROBERT C. BYRD. To make it clear, amendments can be called up to the HUD appropriation bill as long as the bill is on second reading on Monday.

Mr. PROXMIRE. I understand.

Mr. ROBERT C. BYRD. It is only when the bill goes to third reading that no further amendments can be called up.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as described?

The Chair hears none. It is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from North Carolina for his illimitable patience and courtesy in yielding.

Mr. MORGAN. Mr. President, I yield myself 5 minutes and I ask unanimous consent that Mr. John Stirk and Everett Engstrom, of my staff, may have the privilege of the floor during consideration of the HUD appropriation bill.

Mr. MATHIAS. Will the Senator yield?

Mr. MORGAN. Yes.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Marion Morris of my staff, and Mr. James Schuyler, of the Banking Committee and Mr. Steve Halloway, of the Commerce Committee, may have the privilege of the floor during this debate and vote thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, if the Senator from North Carolina will yield, I make the same request for Mr. John Ryan and Mr. Eugene Iwanciw, of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1979

The Senate continued with the consideration of H.R. 12936.

Mr. MORGAN. Mr. President, I ask for the yeas and nays on my amendment lest I forget it.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MORGAN. Mr. President, this is, to me, a very important amendment. It has to do with the readiness of our Armed Forces and it is something that my office has spent nearly a year on. I want to state it briefly today and then reserve the remainder of my time for Monday.

Under the present selective service law, males are required to be registered when they reach 18 years. In 1972, there were no more draft calls. Nevertheless, under the law, from 1972 until 1975, registrations were required, but in 1975, President Ford cut the budget of the Selective Service to the extent that they no longer registered 18-year-olds. So we do not know where the 18- and 19- and 20-year-old young men of America are. This has nothing to do with reinstating the draft; it simply says that we want these young men registered in a time of an emergency.

Why am I so concerned? We have a year's study of the voluntary Army and I shall take just a minute to give some figures. We have the total force concept now. If we have mobilization, the Reserves are immediately supposed to fill their role in combat. As a matter of fact, over 50 percent of the Army forces are Reserves.

What happens? We simply do not have the Reserves to fill the bill. In the U.S. Army Reserves, our peacetime level is 260,000. We only have 190,000. Therefore, today, we are 70,000 men below peacetime levels.

In the National Guard, which is a part of the Reserve component, our peacetime level is 400,000. Our actual level is 349,000. So we are actually 51,000 men below the peacetime levels in the National Guard.

The total wartime requirement of Reserves and the Guard is 706,000. Today, we have 539,000. So in our wartime requirement of Reserves we are 167,000 men short and these are men who will constitute more than 50 percent of the combat forces.

Now, in the time of mobilization, without any selective service organizations at the State level, and without the 50,000 unpaid volunteers who should be ready to work, it would take us from 5 to 6 months before we could ever set the machinery up to be able to draft the first person.

(Mr. HODGES assumed the chair.)

Mr. MORGAN. What my amendment does is simply increase the appropriations for Selective Service from $7 million, which now maintains a very minimal staff in Washington, up to $17 million, which would enable them to gear up at the State level and recruit the volunteers for us to register these young men so that we will know where they are.

It has nothing to do at all in reinstating the draft. I wanted to make that clear.

So, Mr. President, with that, I reserve the remainder of my time until Monday.

Mr. PROXMIRE. Will the Senator yield on this amendment?

Mr. MORGAN. I will yield on the Senator's time.

Mr. PROXMIRE. Yes, indeed. Of course.

Mr. MORGAN. May I just say, Mr. President, that I offer this amendment on behalf of Senator JAVITS, Senator GOLDWATER, and myself. They will want to speak Monday, too.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I am

very concerned about this amendment because it seems to me that this should be handled by the Armed Services Committee. There is no question that the Armed Services Committee has the expertise, the knowledge, the experience, and the responsibility. But to leave it to floor debate on the HUD appropriation bill to decide what to do about this very important military problem, puts us in a very difficult position, because the President has issued a proclamation that there should be no more registration as the Senator from North Carolina indicated. President Ford issued that proclamation. We are told President Carter supports that position.

We are also given to understand that no matter how much more money we put in this bill, the administration will not spend the money on registration.

It seems to me, under these circumstances, that if the Armed Services Committee, with their great expertise and competence, and I mean that, feels that we should put registration back into effect, then they should take action to say so.

As the Senator knows, it is possible a point of order may lie against this amendment. We have discussed this with the Parliamentarian. He is not sure about it. He would probably leave it up to a decision by the Senate.

But whether or not we can overrule the Presidential proclamation in an appropriation bill is a substantial question. That is the reason why this Senator is particularly concerned.

I suppose one can also make an argument that the Selective Service has had nothing to do for years. That means they have had no physicals to give and no other function. If we provide this money now, when President Carter's intention is apparently the same as President Ford's—not to implement registration—it seems to me we are increasing the amount in this bill to no real purpose.

Mr. MORGAN. Of course, the Senator is correct in that the matter should be considered by the Armed Services Committee, and it has been, in the House they voted 17-to-0 to do this.

It was in the Senate. We are waiting for another report which will be available the end of this year.

I say to the Senator that, of course, with regard to the HUD appropriation, this is where the Selective Service budget is found.

But I feel so strongly about the lack of readiness on the part of the United States to meet an emergency that I do not believe we can wait for another year. If we appropriate this additional $9 million, as evidenced by President Ford's proclamation he does not have to spend it.

But I would say to the Senator that from our study of several months with the military, having read the most recent reorganization report, that if this money is made available it would be utilized by the President.

Mr. PROXMIRE. Mr. President, I would like to read from the committee report. It is brief, but it indicates the problems involved here:

> At the same time, the President's Reorganization Task Force is currently undertaking a study of the System's organization and management which will examine, among other things, the ability of Selective Service to meet DOD manpower requirements under conditions of rapid mobilization and the possibility of merging the System with DOD.

Now, that is currently being studied:

> Furthermore, the Senate Armed Services Committee—

On which the Senator from North Carolina serves, and I understand other cosponsors of his amendment also serve:

> Furthermore the Senate Armed Services Committee has requested the Secretary of Defense to submit, by December 31, 1978,

Five months from now:

> a study assessing the costs and consequences of a number of alternatives to the current structure of the all-volunteer force. These alternatives include mandatory selective service registration at age 18 and a standby system to classify registrants in the event of mobilization.

This study is going on at the present time. The report has not been completed and is not due until December 31, 1978:

> In view of the uncertainty surrounding the role of the System and the existence of options ranging from a merger of the System with DOD, which could be expected to cut costs, to a reinstatement of mandatory registration, which would greatly increase costs, the Committee agrees with the House that the best course to follow is to keep the System in place at current levels of activity pending a final determination as to its future.

We should act with full knowledge of what these studies indicate to us, rather than prejudging the issue on the basis of abbreviated debate on the floor, and without committee action.

Mr. President, I reserve the remainder of my time.

Mr. MORGAN. Mr. President, I yield myself 1 minute to answer the questions that have been raised.

The reorganization committee of the President only had to do with where the Selective Service would be located. The reorganization committee director stated to my staff that the mission of the Selective Service remains intact and the issue of registration was not a factor in the study.

With regard to the other study, the chairman of the Manpower Subcommittee (Mr. NUNN) is the man who called for it to be reported in December. He now agrees that this action can be taken and I am sure will state it Monday on the floor.

My concern is that we just cannot continue to wait and wait and wait, without at least knowing where these young men are, especially when we are more than 160,000 men down in the Reserves, and these are the people who constitute part of our combat forces.

I reserve the remainder of my time.

Mr. PROXMIRE. Mr. President, the difficulty is that if we act favorably and pass the amendment, it means we are acting without the results of the study before us.

That is why a study is being undertaken. Sure, it is costing money, but I am sure it can give us some knowledge and understanding of the situation.

It seems to me it is not logical for us to impetuously act to provide registration without having the facts in front of us in adding this money, which, as I pointed out, the administration is resisting. I think they will not spend it in any event.

I reserve the remainder of my time.

Mr. WALLOP. Will the Senator yield me 5 minutes off the bill to engage in a dialog about certain problems we see with the bill?

Mr. PROXMIRE. Yes, I yield 5 minutes on the bill to the distinguished Senator. I beg the Senator's pardon, I am very sorry, I should not have done that because, after all, the pending amendment is the amendment by the Senator from North Carolina.

It may be that other Senators would like to discuss that amendment while it is pending.

Mr. FORD. Mr. President, there was a unanimous-consent agreement that my amendment would follow the Senator's amendment.

Mr. PROXMIRE. Yes. The Senator just wanted to engage in a very brief colloquy at this time, unless there is some other amendment to be called up at the present time.

Mr. FORD. The Senator and I are holding Senators here. If the Senator's horse is hitched outside, I will be glad to yield to him. But if he is not in a hurry, I could get mine out of the way.

Mr. WALLOP. I certainly would not want to do that. My horse is not hitched, he is grazing on the lawn. All I have to do is make sure he is clean.

I am sure we have time.

Mr. DURKIN. I say to the Senator from Wyoming that I wonder if the horse that is grazing on the lawn is the one he used in the ads very successfully in his campaign.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. Is the Senator asking unanimous consent that the pending amendment be set aside?

Mr. FORD. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1602

(Subsequently numbered Amendment No. 3432)

(Purpose: To increase Consumer Product Safety Commission authorization)

Mr. FORD. Mr. President, under the previous order, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Kentucky (Mr. FORD), for himself and Mr. DURKIN, proposes an unprinted amendment numbered 1602:
>
> On page 12, line 16, strike "$40,000,000" and insert in lieu thereof "$42,500,000, of which $2,500,000 shall be used for such purposes as the Commission shall determine to be necessary and appropriate in carrying out its function".

Mr. FORD. Mr. President, I ask unanimous consent that the name of the Senator from New Hampshire (Mr. DUR-

KIN) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. FORD. I yield, without the time being charged against me.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 12028

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the Veterans Housing bill, Calendar No. 978, H.R. 12028, is called up, there be a time agreement thereon as follows: One hour on the bill, to be equally divided between Mr. CRANSTON and Mr. STAFFORD; 30 minutes on any amendments; 15 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate for discussion; the order to be in the usual form, and with the proviso that the bill not be called up before 1:30 p.m. on Monday.

The PRESIDING OFFICER. Is there objection?

Mr. DURKIN. Mr. President, reserving the right to object, I will not object if the majority leader will add the usual language with respect to the possibility of nongermane amendments to be offered by the Senator from New Hampshire.

Mr. ROBERT C. BYRD. The request I made would preclude nongermane amendments.

Mr. DURKIN. My request is this: Will the Senator extend his unanimous-consent request to allow for the possibility of one nongermane amendment to be added by the Senator from New Hampshire?

Mr. STEVENS. May we inquire what it is?

Mr. DURKIN. An amendment dealing with veterans' payments.

Mr. ROBERT C. BYRD. That may be germane. I would have no objection to that amendment, if it is not germane.

Mr. STEVENS. Was this discussed with the committee in any way? Are they aware of it at all?

Mr. DURKIN. I am not sure.

Mr. PROXMIRE. The Senator is not talking about an amendment to the HUD bill, is he?

Mr. DURKIN. No.

Mr. STEVENS. He is talking about an amendment to the veterans' bill. I have no objection to the request of the Senator from West Virginia. May I just have a few moments to check out the request with respect to the nongermane amendment? Does the Senator have a time limit on it?

Mr. DURKIN. Fifteen minutes to a side.

Mr. STEVENS. I will check on it.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request temporarily.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, Senator DURKIN, having withdrawn his request for modification of the time agreement which I earlier stated in relation to Calendar Order No. 978, H.R. 12028, the veterans' housing, I renew my request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 12028 (Order No. 978), an act to amend title 38, U.S.C., to improve the housing programs of the Veterans' Administration, but in any event no earlier than 1:30 p.m., Monday, August 7, 1978, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover, of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 15 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from California (Mr. CRANSTON) and the Senator from Vermont (Mr. STAFFORD): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1979

The Senate continued with the consideration of the bill.

Mr. FORD. Mr. President, my amendment adds $2,500,000 to the discretionary funds of the Consumer Product Safety Commission. I am convinced of the necessity of this amendment for three reasons:

First, the Appropriations Committee has already cut the agency $1.4 million below the OMB request for fiscal year 1979, a figure reducing the budget of the Commission below that of the 1978 budget without even considering inflationary cost increases.

If the additional 2-percent cut proposed or announced by the Senator from Wisconsin is accepted along with my amendment, this would reduce the budget approximately to what OMB requested for fiscal year 1979.

Second, the Commission has new leadership which is committed to the agency's mission of reduction of product-related injuries and deaths. To cut the budget of the agency now will cripple this new effort before the leadership has had a chance to effectively assert itself.

Third, the new Commission has narrowed its focus to only those hazards that are serious and widespread. This agency is the only Federal agency with sole responsibility to protect consumers in their homes against hazards such as fires and accidental poisonings. A budget level below that of the President's recommendation will directly reduce this protection to the public.

Mr. President, I want to emphasize that I share concern over the ever-expanding Federal bureaucracy and believe that the Appropriations Committee is doing an excellent job of holding the line on the overall budget. However, I think the committee may not be aware of the effect of the committee cuts on an agency whose budget is already the third smallest of all the independent regulatory agencies and tiny in relation to its broad jurisdiction. Indeed, the CPSC is not part of the ever-expanding bureaucracy. Since CPSC's creation its budgetary resources have been steadily shrinking. Due to inflation, the Appropriations Committee's $40 million mark is $7.4 million less, in 1974 dollars, than the fiscal year 1974 budget.

Mr. President, $40 million would leave little discretionary money to devote to the Commission's priority projects. Fixed costs such as salaries and rent already consume 80 percent of the $40 million budget. Only $8.3 million is presently available for directly supporting the priority projects. An additional 2-percent cut to the $40,000,000 as proposed by Senator PROXMIRE's amendment would reduce these discretionary funds by $800,000.

This new Commission has already shown that it is serious about focusing its efforts on product hazards that pose several risks. The Commissioners recently narrowed the list of priority projects from 46 to 24, including programs on such initial hazards as flammable home insulation, chainsaws, and cancer-causing substances.

Mr. President, as chairman of the Consumer Subcommittee, I have been one of the most outspoken critics of excessive cost and inefficiency within the Consumer Product Safety Commission. The Committee on Commerce, Science, and Transportation has held lengthy oversight hearings during the 95th Congress into the agency's performance. As an outgrowth of this review, the committee decided to reauthorize the agency for 3 years as well as to amend the act to address some valid criticism of the agency's past performance. I intend to continue vigorous oversight to attempt to keep the agency operating at optimum efficiency.

Mr. President, I am convinced of the necessity for congressional support for this agency at this time. The Commission has had severe personnel difficulties in the past 5 years which lead to charges of abuse by the Civil Service Commission. However, new leadership has now been brought into the Commission and President Carter has recently appointed two new Commissioners, reappointed a third, and designated a new Chairman.

I am pleased to note that the Commission has issued its first safety standard, a Federal minimum safety standard for cellulose home insulation, under the leadership of the new Chairman well before its due date of September 8. I think this expeditious action on the part of the Commission is an important sign

that new dynamic leadership is beginning to assert itself effectively.

Mr. President, the congressional mandate 5 years ago with the inception of the agency was to reduce the number of product-related injuries and deaths that occur each year. Regardless of the valid criticisms directed at the agency, the fact remains that the Commission has reduced suffering and death in the past. With continued strict congressional oversight, Commissioners who are committed to the agency's mission, amendments to the authorization act allowing greater flexibility within the Commission, and an adequate budget provided by this amendment, I believe the Commission will improve its performance.

Mr. President, I yield such time to the Senator from Nevada, the chairman of the Committee on Commerce, Science and Transportation, as he may need.

Mr. CANNON. Mr. President, I support the amendment offered by Senator FORD to increase the appropriation of the Consumer Product Safety Commission by $2.5 million.

We are all concerned about the ever-expanding Federal bureaucracy—its price tag keeps growing, while the value of the product it delivers is more and more in question.

While the Consumer Product Safety Commission is part of the bureaucracy, its budget history makes it an exception to the rule. Due to inflation, a $40 million budget for fiscal year 1979 would give the Commission 21 percent less buying power than it had in fiscal year 1974—the year of the agency's first budget.

Yet it is precisely a $40 million budget that the Appropriations Committee has recommended. That figure is $1.5 million less than the President's recommendation, and nearly $5 million less than the Commission's estimate of its budget requirements.

The committee's cut is apparently meant to save taxpayers a few dollars. In fact, it will likely cost them plenty in increased injuries and related expenses. The Consumer Product Safety Commission is the only Federal agency with the sole responsibility to protect consumers in their homes from electric shocks, fires, burns, accidental poisonings, and the like. A cut in its budget will directly reduce the protection afforded the public from these hazards.

Since 1973, for example, the Commission estimates that its requirements for child-resistant caps on bottles containing poisons and other toxic substances have prevented as many as 172,000 poisonings.

Last year alone, the Commission's activities resulted in remedial action taken on more than three-quarters of a million hazardous consumer products, bringing the total since 1973 to over 7 million.

Two of the four sitting Commissioners joined the Commission only this year. The newly appointed Chairman has been in office for just over a month. For the first time in the Commission's history it is united in its commitment to protect the American public from hazardous consumer products.

This is not the time to hamstring the new Commission by reducing its already modest budget. Nor is it the time to shortchange the American public by reducing the protection they receive from dangerous consumer products.

I urge support for Senator FORD's amendment to add $2.5 million to the Consumer Product Safety Commission appropriation.

Mr. FORD. I thank the Senator from Nevada.

Mr. President, I yield 1 minute to the Senator from New Hampshire.

Mr. DURKIN. I thank the Senator from Kentucky. I realize that time is a problem, and I will be very brief.

Mr. President, I have in the past criticized the leadership of the Consumer Product Safety Commission, and expressed my dismay of its poor performance. But today I am supporting the addition of $2.5 million to the agency's appropriation.

The agency, probably for the first time since it was established nearly 5 years ago, seems to be capable of providing effective action in the area of consumer product safety. There is a new, committed majority headed by a dedicated Chairman. Already, the Commission shows evidence of a new spirit; for example, they are well ahead of schedule in issuing mandatory regulations on potentially flammable and corrosive cellulose insulation.

This is certainly not the time to cut this agency's budget. Because of the close scrutiny of the HUD-Independent Agencies Subcommittee, the funds available to this agency have not grown by the leaps and bounds we see elsewhere. The budget has not even kept pace with inflation, and the agency has substantially less money than it did when established in 1973.

There is a need for effective product safety regulation, and the Consumer Product Safety Commission now seems ready and willing to provide it. But it will not be able to provide it without adequate funding. I strongly urge my colleagues to support this amendment.

Mr. FORD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Kentucky has 7 minutes.

Mr. FORD. I reserve the remainder of my time.

Mr. PROXMIRE. Mr. President, let me say in response to the distinguished Senator from Kentucky, that what he is proposing is to fund the Consumer Product Safety Commission above the budget. He says that in the event a 2-percent cut goes through, then the Commission would be back at the budget level. That would give it a preferred position even if the 2 percent is adopted, and it may not be adopted, because under those circumstances only the Consumer Product Safety Commission would enjoy full funding, everything that was asked, and everybody else would be cut 2 percent.

Of all the agencies in the Government, this is probably the one agency which should not enjoy that kind of increase, and I will indicate why.

The recommended level of $40 million is not a meat-ax cut. It could be taken in four areas that could easily absorb a cut of this magnitude without seriously impairing Commission performance:

First, reduction of approximately $600,000 and 28 positions in administration as compared with a House cut of $651,000 and 31 positions in the same area. There is general acknowledgement that the Commission has too many administrators.

Second, reduction of $1,000,000 in the information and education activity. There is no concrete evidence indicating that public safety campaigns reduce product-related injuries. This cut would still leave the information and education function with about $3.5 million.

Third, reduction of $500,000 for National Bureau of Standards contracts. The committee understands that Bureau of Standards work has not been very helpful to the Commission.

Fourth, reduction of $250,000 for travel. The Commission turned this amount back to the Treasury at the end of fiscal year 1977, because it could not use what the Congress gave it.

It should be noted that these are suggested areas of reduction, adding up to a total cost saving of $2,350,000, substantially more than the proposed cut in the Commission's budget request of $1,463,000.

But above all we should not add funds to this Commission because it just has not done its job. It has not performed.

The Commission has set mandatory standards for miniature Christmas tree lights, that according to the Commission, cause 1,900 injuries and no deaths each year, and swimming pool slides, that cause 659 injuries a year. Yet the Commission proposes to set a voluntary standard for chain saws, that caused 40,000 injuries in 1977 and have caused 30 deaths since 1973, with many injuries occurring to those with previous experience in using the saws. The reason for a voluntary standard is that it can be developed more quickly. How long will it take to set such a standard by the Commission's own estimate? Nineteen months at a minimum.

Thus we have a Commission setting enforceable standards for consumer products with a low injury potential and voluntary standards for a much more lethal product because of the time problem, yet even this voluntary standard will take 19 months, at a minimum, to develop.

I am not prepared to recommend a drastic cut in the Commission's budget because a new Chairman has just come onboard to work with a Democratic majority. But the subcommittee should, at the very least, cut the fat out of the Commission's budget, which is what my amendment would do.

The Appropriations Committee chairman, I think, put it best when he said here is an agency, a commission, that has not done its job. We should not reward promises when past performance has been that bad. If the performance improves, then the subcommittee stands ready to push hard in supplemental appropriation legislation and elsewhere for a bigger Commission budget. We should reward, as I say, performance and not promises, particularly at a time when we are reducing other budgets by 2 percent, 5 percent, and so forth.

To do what the Senator from Kentucky is doing in this amendment, which is to give the Consumer Product Safety Commission an especially favored posture,

seems to me is something that few Senators should want to support.

Mr. President, I reserve the remainder of my time.

Mr. FORD. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. It is nice to stand here and listen to those who have been here a long time tell us how bad the Consumer Product Safety Commission is, but it was that way before I got here, and all I heard in the statement of the Senator from Wisconsin is past history. It is rhetoric.

What we are talking about is a blood transfusion, to try to get an agency to act effectively. The Senator has not given them a golden fleece award yet, so they have been doing pretty good. They are the third lowest-funded independent agency in the Federal Government and now the Senator is trying to cut more out of them.

They were funded at $40.6 million this year and now the Senator wants to go below that. He wants to make it $39.2 million.

They have a new chairman over there and they have a new board. They have already done things in 30 days that in the past took 19 months. Why does the Senator not give them an opportunity? The only thing I am trying to do is for them to come out of this place even, not millions behind, and with inflation their actual ability to protect the public is constantly eroded.

It is nice to talk about 2-percent cuts. It is nice to talk about taking the fat out, but when you have nothing but bone left over there you cannot even take the fat off of it.

They have 30 or 40 positions over there. The Senator wants to get rid of them. Fine. Tell us how we are going to do it before we get civil service reform. Eighty percent of that budget is already fixed so the Senator gives the leadership over there approximately 10 percent. Ten percent only to try to do something innovative and do a job for the consumers of this country.

So, Mr. President, I hope that the manager of the bill on this floor will give the Commission an opportunity to initiate Senator MAGNUSON's program out in Washington to save primarily the young and the elderly from scalding by poorly designed hot water heaters. If we cut out $800,000 of the discretionary funds, we may never get to it.

Mr. President, I believe the Senator from Wisconsin is trying to do his job, but there should be some place along the way where we strengthen certain critical programs. I have spent 2 years in oversight on this Commission. I believe they are ready to work. If they do not I will be the first one to stand on this floor and say abolish the Commission. But I hope we would be given an opportunity for the next 3 years to see if we cannot save lives and prevent injuries in this country.

I reserve the remainder of my time.

Mr. PROXMIRE. Mr. President, I shall take a minute.

In my statement I pointed out specific areas where we could cut $2,300,000. It was not rhetoric. It was a specific reduction.

The distinguished Senator from Kentucky has not discussed any of those suggested cuts.

I pointed out that we could cut administration. We could cut information and education activities. We could cut National Bureau of Standards contracts. We could cut travel. I indicated precisely how much we could cut and indicated why on the basis of past performance.

There is no question that $39 million is a whale of a lot of bone in any agency, a lot of bone.

He said the Commission is just down to the marrow and bone and there is no fat left.

Mr. President, I pointed out some areas of fat, and it seems to me it is perfectly proper under these circumstances to say that when the Commission does a better job they will have plenty of money with which to do that better job. We will reward them then and not before.

I reserve the remainder of my time.

Mr. FORD. Mr. President, will the Chair advise the Senator from Kentucky how much time he has remaining? It should be 5 minutes.

The PRESIDING OFFICER. I assume 5 minutes.

Mr. FORD. Mr. President, if the Senator from Wisconsin has no objection, I am going to ask unanimous consent that the amendment be set aside and that we would have then 5 minutes on a side based on the amendment. Of course, we have time on the bill that we can take.

Mr. PROXMIRE. Mr. President, how much time do I have remaining on the amendment?

The PRESIDING OFFICER. The Senator has 10 minutes on the amendment.

Mr. FORD. Mr. President, I ask a point of information, though, before I make the motion. When does the vote on this amendment come or when will consideration of the amendment come in the order of things on Monday?

Mr. STEVENS. Following the Morgan amendment.

The PRESIDING OFFICER. It will come Monday after the other two bills which begin at 3:30 p.m.

Mr. ROBERT C. BYRD. Mr. President, what about the amendment by Mr. MORGAN?

Mr. FORD. Mr. President, Mr. MORGAN has an amendment. That will be three.

The PRESIDING OFFICER. It will also follow the amendment of Mr. MORGAN.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. FORD. Mr. President, I then ask unanimous consent that this amendment be temporarily set aside until an appropriate time then on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, did the Senator from Wyoming wish me to yield to him?

Mr. WALLOP. Mr. President, no. I shall engage in a brief colloquy with the chairman of the committee and of the subcommittee at the appropriate moment.

AMENDMENT NO. 3430

(Purpose: To strike the requirement that education loans made under title 38, United States Code, be limited to students attending schools where tuition and fees are $700 a year or more)

Mr. CRANSTON. Mr. President, I call up amendment No. 3430 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself and Mr. STAFFORD, proposes amendment numbered 3430.

On page 25, beginning with the colon on line 2, strike out all through "less" on line 7.

Mr. CRANSTON. Mr. President, on Monday, the Senate will take up H.R. 12028. At that time, Senator STAFFORD and I will offer an amendment to amend title 38, United States Code, in order to give the Administrator of Veterans' Affairs the authority to establish and apply criteria for education loan eligibility, first, to limit such eligibility to veterans and other eligible persons attending educational institutions with high rates of tuition and fees, and, second, to require repayment of certain loans—especially small loans—earlier than the approximately 11½-year period provided by current law.

Mr. President, as I have discussed with my distinguished colleague, the chairman of the Subcommittee on HUD-Independent Agencies, I believe this amendment to be offered Monday will satisfactorily address the concerns that prompted the subcommittee to recommend and the full committee to approve language in this appropriations bill limiting VA education loans to individuals enrolled in schools where combined tuition and fees are $700 a year or more.

Hence, Mr. President, I have called up for myself and Senator STAFFORD amendment No. 3430 to the pending measure. This amendment would strike this limitation language from the appropriation bill, and I think we can proceed now to the immediate consideration of this amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield on my time? I may support the amendment, but I want to find out more about it.

The difficulty with providing loans for people attending low-tuition schools is not that they will not pay this money back. The difficulty is that the GI bill provides benefits which should be adequate for people to meet moderate tuition and book costs, and so forth.

The GI bill was never intended, and I think the Senator from California knows far more about this than I do, since he is the chairman of the Veterans Committee, to provide automobiles or better housing or that kind of thing for a veteran. It was meant to give him the subsistence he needed and the money for his tuition.

On the other hand, if a veteran was admitted to a high tuition school and was a veteran with limited means, obviously it would be very difficult for that veteran, in many cases, to come up with the wherewithal to pay that tuition. He

might be able to swing an additional $400 or $500, but it would be hard for him to attend a school that charged a high tuition.

It might be very important for him to attend that school. He might be a brilliant veteran, and the country would gain from the opportunity afforded him to attend the school. So we provided these loans for that express purpose as an addition to the GI bill.

Some people wondered whether a veteran should get assistance not only under the GI bill, of which so many of us took advantage after World War II, but also through loans on top of that. But because high tuition schools became so difficult for limited income veterans to attend, we thought supplementary loans made sense.

We have found, and the GAO has documented the fact, that in some cases veterans take advantage of the taxpayers by going to a school that charges very little tuition, in some cases almost none, getting a loan in addition to GI bill payments, and using the loan to buy an automobile or other purposes not related to education.

So we want to make sure, if this amendment is accepted, that this abuse, which has been documented, can be corrected, and that we have some way of making sure that the loans are provided only for those who are the neediest, particularly for those who need them to attend a college which has a higher level of tuition and where, therefore, the burden on the veteran would be greater.

Mr. CRANSTON. Mr. President, I agree with much that the distinguished Senator has stated. The purpose is not only to help where tuition is high, but there are circumstances where the cost of living is excessive, and where additional help is needed. For that reason we are concerned, I am concerned, the committee is concerned, about the $700 automatic cutoff.

I think the concerns expressed by Senator PROXMIRE are very well covered by the title 38 amendment that we are offering, that will be considered on Monday, and let me read the part of that that responds directly to the Senator's concerns because they are concerns that we share:

> The Administrator shall conduct, on a continuing basis, a review of the default experience with respect to education loans made under this subchapter. On the basis of information developed in the course of that review, and for the purpose of ensuring that approvals of loans made under this subchapter are based on financial need directly related to the costs of education, the Administrator, notwithstanding the provisions of this subchapter, is authorized to apply criteria, established in regulations prescribed after opportunity for public comment, to limit eligibility for loans made under this subchapter and to reduce the loan repayment period in connection with certain types of loans. Such eligibility criteria may prescribe a minimum amount of tuition and fees which an eligible veteran or eligible person must be obligated to pay in order to be eligible for a loan under this subchapter (except that any such criterion shall not apply to loans made as a result of exercise of the delimiting period extension provided for in section 1662(a)(2) of this title).

Our amendment would carry out both of the GAO report recommendations for legislative action. We have taken their recommendations into serious account and responded to them.

Mr. PROXMIRE. Well, I appreciate that. I am still concerned with the fact that this was a way to supplement what many people considered a generous program, I think one of the finest programs we had, the GI bill.

Mr. CRANSTON. Yes, it is.

Mr. PROXMIRE. Not only did the GI bill help the veterans but it helped the country. One of the reasons why the country is as prosperous as it is today is because so many took advantage of the GI bill after World War II. It developed their skills and made for a more productive industry and commerce and a much finer educational system generally. I think it was a great contribution. But the loan program, which is a supplement to GI bill payments was, as I said, designed to help people who had high education costs.

Now, the Senator said he is trying to deal with that issue, and I think his amendment does. I was a little put off at the beginning, by his expression on concern about defaults. I am concerned about defaults, too. But that is a separate question.

Mr. CRANSTON. Yes.

Mr. PROXMIRE. That issue is not related to the loan question. That is not related to the $700 cutoff. That is a question as to whether we ought to have the loan at all and, of course, it applies not only to veterans but to any kind of loan program.

That is a very unfortunate, painful, and difficult problem for us, but it is quite different from my concern here which focuses entirely on whether or not this is going to be directed at the neediest veterans in terms of getting the funds they need so that they can go to a high tuition college. Otherwise they may have to say, "No, I cannot go to Harvard." "I cannot go to Stanford." "I cannot go to any one of the very finest universities, even though I am accepted because I just do not have the money to get in and I cannot borrow the money because the loan is not available. The money is going instead to somebody who may be using that loan" as was pointed out, "for an automobile or something of that kind."

Mr. CRANSTON. It is because of that concern that the amendment states specifically and stresses "for the purpose of insuring that approval of loans made under this subchapter are based on financial need directly related to the cost of education."

Mr. MATHIAS. Mr. President, if the Senator from California will yield, just by way of illustration, we are not only thinking of students who may want to go to Harvard, where the tuition is now in excess of $7,500 a year, but what about the great public college system in the Senator's own State of California where the tuition is relatively low but where the cost of living is relatively high? That cost of living is, after all, an expense of education because you have to eat, and you have to have a place to sleep when you are in college, and the mere fact that the tuition may be low does not eliminate the eating and sleeping that, whether we like it or not, are a part of existing while you are learning.

Mr. CRANSTON. That is very true not only of California but of Washington and the Senator's own State of Maryland, and elsewhere in the country.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, speaking from my time in opposition to the amendment, I think Senator CRANSTON has an excellent amendment. I think it makes sense. I think the jurisdiction is and should be in his committee, and I am sure that is one of the things he is concerned about. He has done the best in his amendment to safeguard and prevent the abuses that have been documented as having taken place in the past.

He and I and the Senator from Maryland all agree the GI bill should be made available, including the loan program, to the neediest students under all circumstances, and I think we have made a record here that should help to achieve that in administering the program.

I am happy to support the amendment.

Mr. CRANSTON. I thank the Senator very, very much, and I yield back whatever time I have on the amendment.

The ACTING PRESIDENT pro tempore. Does the Senator from Wisconsin yield back the remainder of his time?

Mr. PROXMIRE. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. CRANSTON. I thank the Senator and chairman very, very much for his cooperation, and I thank the Senator from Maryland also for his helpful comments.

I send to the desk just for printing the amendment which we will call up on Monday, the amendment that I quoted.

I would like now briefly to go into another matter relating to the appropriations for the VA.

The ACTING PRESIDENT pro tempore. On whose time does the Senator proceed? There is a time limit.

Mr. CRANSTON. Mr. President, will the Senator yeld me about 3 minutes on the committee bill?

Mr. PROXMIRE. I yield the Senator 3 minutes.

The ACTING PRESIDENT pro tempore. On whose time does the Senator proceed? There is a time limit.

Mr. CRANSTON. Mr. President, will the Senator yield me about 3 minutes on the committee bill?

Mr. PROXMIRE. I yield the Senator 3 minutes.

The ACTING PRESIDENT pro tempore. The Senator from California.

APPROPRIATIONS FOR THE VA

Mr. CRANSTON. Mr. President, earlier this week, the distinguished and able chairman of the Appropriations Committee subcommittee on HUD-In-

dependent Agencies, the Senator from Wisconsin (Mr. PROXMIRE), and I met regarding appropriations for the Veterans' Administration for fiscal years 1978 and 1979. He and I share very deep concerns for the adequacy and effectiveness of benefits and services for our Nation's veterans and the efficiency and cost-effectiveness of the VA's programs. Our discussions covered a number of issues that I would like to relate to our colleagues.

FISCAL YEAR 1978 SUPPLEMENTAL—GENERAL OPERATING EXPENSES ACCOUNT

With regard to fiscal year 1978 supplemental appropriations for the VA, the House of Representatives approved, in H.R. 12936, a reduction of $1.8 million from the amount requested by the President for the VA's general operating expenses account. The House Committee, in its report on that legislation—House report No. 95–1350—directed that the reduction be applied to the costs of certain legislatively mandated activities: Five studies concerning Veterans Education matters, totaling $1.5 million, and educational counseling outreach efforts, estimated to cost $3 million. These activities were mandated by the GI Bill Improvement Act of 1977, Public Law 95–202.

Mr. President, the Senate Appropiriations subcommittee on HUD-Independent Agencies recommended—and the Full Committee approved the recommendation—that the House reduction of $1.8 million be sustained. However, the distinguished chairman of the subcommittee and I are in full agreement that these statutorily required activities be carried out in a timely fashion.

I would note, in this respect, that the five studies in question are of major importance to the GI bill program because they concern matters of very great interest and concern to veterans, the Veterans' Administration, and institutions providing education and training to the Nation's veterans; and in two cases, implementation of administrative provisions enacted in 1976 in Public Law 94–502 were suspended by law pending the outcome of the studies. The studies mandated by the GI Bill Improvement Act are to cover the following subjects:

First, under section 304(b), the extent of utilization of GI bill entitlement, successful completion of programs under the GI bill, and the extent to which Vietnam-era veterans have successfully readjusted to civilian life.

Second, under section 305(a)(3), the need for computing—for purposes of the so-called 85–15 rule—students who receive grants from any Federal department or agency and the problems in making such computations.

Third, under section 305(b)(2)(A), the specific methods for improving the process by which post-secondary educational institutions and courses are approved for GI bill purposes.

Fourth, under section 305(b)(2)(B), the need for legislation or administrative action in regard to discontinuances of GI bill educational assistance for unsatisfactory progress.

Fifth, under section 307, the provisions and administration of chapter 31 of title 38, United States Code, vocational rehabilitation, including recommendations for legislation. This last study is to be conducted in conjunction with the Department of Health, Education, and Welfare.

Mr. President, it is important to note that Public Law 95–202 specifically authorized the appropriation of $3 million for the purposes of carrying out the first, third, and fourth studies. The VA has requested $1.5 million in GOE as a fiscal year 1978 supplemental and $1.07 million in regular appropriations in fiscal year 1979.

Action has already been initiated on all five studies. The study regarding vocational rehabilitation is already overdue but is excepted to be received within a few weeks.

Mr. President, I would emphasize that in the case of each study, the Committee on Veterans' Affairs believes that it is necessary to have such information as was mandated by law in order to address these extremely important areas of concern.

The GI Bill Improvement Act of 1977, Mr. President, also mandated the VA to make available educational counseling services to any eligible veteran requesting such services. In addition, section 1663 of title 38 was amended by Public Law 95–202 to require the VA "to take appropriate steps (including individual notification where feasible) to acquaint all eligible veterans with the availability and advantages of such counseling services."

The Committee on Veterans' Affairs believes that the need for an effective outreach program related to these counseling services is well substantiated. The committee report on the legislation last year specifically noted—Senate Report No. 95–468, page 73—that "often those most in need of counseling assistance are those veterans generally unaware of available government benefits, programs, and services." The committee further stated its belief "that the needs for an effective outreach program and an effective counseling program are indeed compelling."

Mr. President, I, therefore, ask the distinguished chairman of the HUD-Independent Agencies Subcommittee whether I am correct that, despite the fact that appropriations for the VA's general operating expenses account may not specifically contain funds added for those programs, it is the committee's intention that those activities be carried out with any funds that may be available in fiscal years 1978 and 1979?

Mr. PROXMIRE. Mr. President, I am in full agreement with the comments made by the chairman of the committee on Veterans' Affairs, the Senator from California (Mr. CRANSTON), regarding the importance of the VA carrying out the studies and the educational counseling outreach services that were mandated by Congress in the GI Bill Improvement Act of 1977. In fact, the report of the Appropriations Committee on the fiscal year 1978 Supplemental Appropriations Act—H.R. 12936—contains language pointing out the committee's intention that the VA carry out those activities on a timely basis, in accordance with the law, with available funds for fiscal years 1978 and 1979, and it is my understanding with regard to fiscal year 1978 that unobligated balances in the GOE account are available to initiate these activities.

FISCAL YEAR 1979—VA HEALTH CARE

Mr. CRANSTON. Mr. President, I thank the Senator from Wisconsin (Mr. PROXMIRE).

Mr. President, with regard to the fiscal year 1979 HUD-independent agencies appropriations bill, H.R. 12036, I have indicated to the floor manager my belief that the level of funding reported by the Appropriations Committee is inadequate in the area of VA health care. The veterans' Affairs Committee, in its March 15, 1978, report to the Budget Committee, recommended—and successfully fought for—a substantial increase over the President's budget request. On June 7, 1978, Senator STAFFORD, the ranking minority member of the Veterans' Affairs Committee, and I wrote to the chairman of the HUD-Independent Agencies Appropriations Subcommittee urging that the appropriations levels that our committee had so strongly recommended be funded. That letter and the enclosures provide specific details in support of our recommendations. Thus, to provide my colleagues with full information regarding our recommendations, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., June 7, 1978.

Hon. WILLIAM PROXMIRE,
Chairman, Subcommittee on HUD-Independent Agencies, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter contains our recommendations on fiscal year 1979 appropriations for the Veterans' Administration hospital and medical care program and general operating expenses.

It is hoped that the recommendations contained in this letter, along with the enclosed copy of this Committee's March 15, 1978, report to the Budget Committee (referred to hereafter as "Report to the Budget Committee"), will be helpful to you in carrying out your responsibilities on the Appropriations Committee. Our common goal of better serving this Nation's 30 million veterans has been evident in the cooperation between our Committees, and we look forward to a continued close relationship.

VA HEALTH CARE PROGRAM

The Committee's recommendations for the VA health care program specifically concern eight appropriation accounts: (1) medical care; (2) medical and prosthetic research; (3) medical administration and miscellaneous operating expenses (MAMOE); (4) major construction; (5) minor construction; (6) grants for construction of State extended-care facilities; (7) grants to the Republic of the Philippines; and (8) assistance for health manpower training institutions. These appropriation accounts are described in detail at pages 30 to 40 of our Report to the Budget Committee.

For fiscal year 1979, the Administration has requested appropriations of $5,937 million for these eight appropriation accounts, an increase of approximately $280.5 million (4.7 percent) over the appropriation levels for fiscal year 1978. (The fiscal year 1979 figure

does not include $158 million in Administration-proposed cost-saving legislation or $16 million in other Administration legislative proposals; see the Report to the Budget Committee, page 30.)

Background of recommendations

In June, 1977, the National Academy of Sciences published the report of its 3-year study of the VA hospital and medical system. Although its release engendered much controversy, the report was the most comprehensive review ever undertaken of the VA health-care program. In accordance with the provisions of Public Law 93-82, which directed the study, the VA published a response to the Academy study in September, 1977. In February, 1978, the VA submitted plans to implement those study recommendations with which it agreed. More detail on the implementation recommendations are provided in Enclosure B.

Even beyond the specified recommendations, the Academy study and the VA response are important, not only as tools in effective Congressional oversight, but also, because of the impetus they supplied for VA self-examination. Throughout the VA response to the Academy study, the VA indicated that it had already begun to rectify cited deficiencies. The VA's Chief Medical Director, Dr. John D. Chase, in commenting on the Academy study, stated:

"This in-depth evaluation, and the publicity it generated, together with the Department's intensive self-examination in response, set forces in motion that unquestionably will shape a constructive blueprint for VA health care delivery for many years to come. The * * * NAS study * * * stimulated a number of new VA methodologies, as well as completion of others already under way." ("External Appraisals Put Focus On VA", *U.S. Medicine* (January 15, 1978), p. 9).

This Committee, in its followup of the Academy study and VA response, held a series of six hearings during the period September 30, 1977, to March 6, 1978: two general overview hearings; and separate hearings on mental-health care; geriatric and long-term care; health-care planning, resource allocation, and budgeting; and the cost and quality of care and VA medical research.

Thus, this past year has been one in which this Committee has made a very careful assessment of the current program in terms of making more effective use of existing resources and identifying needed changes. Based on the very close and detailed insights which the Committee has thus gained into the VA health-care system and a close review of the Administration's budget request for fiscal year 1979, the Committee reached the strongly held view that the Administration request is far too stringent and, in certain major respects, based on arbitrary constraints. We are, therefore, deeply troubled as to the serious reductions in the quality of care provided veteran-patients that would occur in fiscal year 1979 and thereafter if substantial increases are not made in the Administration's appropriations request.

In line with the recommendations made in this Committee's Report to the Budget Committee, we have concluded that the health care needs of veterans require appropriation increases totaling $256 million over the President's budget request. (Of this amount, $50.1 million is for programs not yet authorized.) This represents an increase of 4 percent over the approximately $5.9 billion proposed in the President's January budget.

Recommendations for regular appropriations

We recommend that VA health-care appropriations for fiscal year 1979 be increased 206.2 million for programs already authorized. The recommended increases are in six appropriation accounts. The House Appropriations Committee has recommended a total increase of 158.3 million for those same accounts.*

First, in the medical care account, an additional 110 million is needed as follows: for staffing improvements to prevent a reduction of operating beds, to comply with accreditation standards, and to meet realistic workload requirements; for high priority specialized medical services; and for implementation of recommendations made in the National Academy of Sciences report with which the VA concurs. Second, an additional $18.3 million is needed in medical and prosthetic research to prevent the drastic elimination of medical research programs at up to 60 VA hospitals and to maintain and make selected modest increases in other VA research activities. Third, in medical administration and miscellaneous operating expenses, an additional $1.7 million is needed for implementation of National Academy of Sciences study recommendations and to maintain the Exchange of Medical Information program at its present level. Fourth, in major construction, an additional $54.3 million is needed as follows: to restore the design funds for the Camden VA hospital; for three long-needed research and education buildings at VA hospitals in Miami, Long Beach, and Shreveport; for renovation of needed space in the older buildings at the San Francisco VA hospital; and for a parking lot at the Philadelphia VA hospital. Fifth, in minor construction, an additional 11.8 million is needed for research and education facility improvements, outpatient facility projects related to those improvements. Sixth, an additional $10 million is needed for grants for construction of State extended-care facilities.

We also recommend, for inclusion within the regular Appropriations Act, an appropriation at the same level as in the current fiscal year, $1.7 million, for the medical grant program in the Philippines. Both Houses have passed legislation extending this program through fiscal year 1979 and we expect costs under this program in fiscal year 1979 to approximate this year's spending. This would bring our recommendation for regular appropriations legislation up to $207.9 million over the Administration request.

Our recommendations are summarized by line item in Enclosure A and explained in detail in Enclosure B to this letter. Also, in Enclosure C we describe this Committee's plans for new health-care legislation which, when enacted, will require supplemental appropriations.

GENERAL OPERATING EXPENSES

We also recommend, with respect to general operating expenses for the VA, total increases in appropriations of $13.8 million above the Administration's request of $662.1 million (not counting, for reasons stated on pages 26-27 of the Report to the Budget Committee, any reductions for cost-saving legislation). This aggregate of $629.9 million would include an increase of $7.4 million for programs presently authorized in order to permit the hiring of approximately 162 additional compliance specialists and 190 additional campus veterans representatives (Vet-Reps). As noted on pages 44 and 45 of this Committee's Report to the Budget Committee, we continue to believe that these needs are clearly justified in light of the important role that such personnel have in curbing serious abuses of the GI Bill. The additional compliance specialists would enable the VA to perform the statutorily mandated number of compliance surveys of educational institutions during the coming year; and the additional Vet-Reps would maintain during fiscal year 1979 a ratio of trainees to Vet-Reps of 1,680:1—the same level which was maintained in fiscal year 1977 and which we believe is a realistic level for assisting GI Bill veterans and educational institutions.

In addition, an increase of $5 million is recommended—and would be specifically authorized by section 402 of H.R. 5029 as passed by the Senate on May 26—for the implementation of the provisions of the Committee's comprehensive pension-reform measure (S. 2384) in an efficient and effective manner, including outreach to veterans and survivors likely to be affected, without impairing the effective administration of other VA programs.

That same measure includes a provision (section 403) authorizing the appropriation of $350,000 for the conduct of studies mandated in other sections of the bill.

The Committee plans to report a bill mandating the conduct by the VA of a planning study on the feasibility of revitalizing the home-improvement loan program and improving the VA Loan Guaranty Program's relationship with local communities seeking to upgrade and rehabilitate existing housing and neighborhoods. As part of that same legislation, the Committee would provide an authorization of appropriations of $1 million for the conduct of the study.

We urge your favorable action now on $7.4 million additional for GOE, and of $6.35 million in supplemental appropriations after the enactment of the authorizing legislation described above.

SUMMARY

We recommend your Subcommittee's favorable consideration of regular fiscal year 1979 appropriations of $6,145,089,000 for the VA health-care program. This includes the $5,937,223,000 proposed in the President's budget request, and $207,866,000 in additional appropriations for programs already authorized; it does not include the estimated $48.4 million needed for the Committee's new legislative initiatives in health care (as described in Enclosure C) which should be dealt with in a supplemental appropriation. The precise breakout is included in Enclosure A. Again, the Committee urges that the $1.7 million for the Philippines extension—now authorized in H.R. 5029 for FY 1979 as passed by both Houses—be appropriated in the regular Appropriations Act.

The Committee also recommends appropriations of $629.5 million for General Operating Expenses—the $622.1 million in the President's budget request plus $7.4 million for programs already authorized. In addition, we recommend supplemental fiscal year 1979 appropriations of the $6.4 million which the Committee expects will be authorized in legislation enacted later this year.

Further explanations of our recommended health-care and GOE increases for programs already authorized are contained in Enclosure B to this letter.

We and our staffs will be pleased to answer any questions or supply any additional information that you or your staff may request with respect to the recommendations contained in this letter.

*With respect to the assistance to health manpower training institutions program, however, the House Appropriations Committee reduced the President's estimate by 27.6 million, on the assumption that the program, which expires in fiscal year 1979, will be extended. We do not believe that a reduction of funds based on that assumption is warranted in planning for appropriations purposes. That assumption is not consistent with action taken by the Senate in passing H.R. 5029. section 306 of which provided an authorization of fiscal year 1979 appropriations sufficient to meet all commitments under this program. Our recommendations for this program are contained in Enclosure B.

Thank you very much for your interest and attention.

Sincerely,

ALAN CRANSTON,
Chairman.
ROBERT T. STAFFORD,
Ranking Minority Member.

Enclosures.

ENCLOSURE A.—SUMMARY OF RECOMMENDATIONS FOR REGULAR APPROPRIATIONS FOR HEALTH CARE PROGRAMS [1]

[In thousands of dollars]

Appropriation account	Appropriations		
	Proposed in President's budget Jan. 19, 1978	Recommended by Veterans' Affairs Committee	Additions to President's proposed budget
Medical care	[2] 5,279,699	5,389,706	+110,007
Medical and prosthetic research	112,667	130,977	+18,310
MAMOE	47,855	49,591	+1,736
Construction:			
Major	295,855	350,125	+54,270
Minor	121,147	132,990	+11,843
Grants for construction of State extended care facilities	5,000	15,000	+10,000
Assistance for HMT institutions	75,000	75,000	0
Grants to the Republic of the Philippines [3]		1,700	+1,700
Total	5,937,223	6,145,089	207,866

[1] Note that the foregoing letter also includes a recommendation of an additional $48,400,000 for anticipated legislation (not including $1,700,000 for the Philippines medical-grant program) above the President's VA health-care budget proposal.

[2] Does not include $158,453,000 in proposed cost-savings legislation or $16,326,000 in other proposed legislation.

[3] The Philippines medical grant program is included in this table of programs already authorized because both Houses have passed legislation which would extend the existing program for at least 1 yr and inclusion of this program in a regular appropriations measure seems warranted.

ENCLOSURE B: DETAILED JUSTIFICATION OF FY 1979 APPROPRIATIONS RECOMMENDATIONS FOR EXISTING PROGRAMS SUBMITTED TO THE APPRPRIATIONS COMMITTEE BY SENATORS CRANSTON AND STAFFORD

VA HEALTH CARE PROGRAM

Medical Care: We recommend an increase of $110 million in appropriations for medical care, over the $5.28 billion proposed by the President, to be allocated in three areas as follows:

(1) *Staffing improvements.* The Committee believes that an additional $84.4 million is needed in the following areas:

$32.3 million for staff to initiate operations at 5 new hospitals and prevent the otherwise unnecessary, arbitrary reduction of approximately 1,900 hospital beds;

$22.8 million for staffing improvements to compensate for underestimates of outpatient staff visits;

$23.7 million for additional staff in order to continue the trend toward improving the quality and cost-effectiveness of care through the provision of more acute care;

$5.6 million for new staff to correct deficiencies noted in Joint Commission on Accreditation of Hospitals surveys;

$791,000 for staff at those VA hospitals that wish to intensify their affiliations with medical schools through a mission change to more rapid-turnover, acute-care facilities.

The need for these staffing improvements is discussed on pages 31 and 32 of the Report to the Budget Committee.

An additional $32.3 million is needed to provide staffing for 5 new VA hospitals, to be activated in fiscal year 1979, without a reduction in staffing (1,500 full-time employee equivalents) and beds (1,900) at other VA facilities. In order to carry out an OMB-imposed limitation that the five new VA facilities being activated in fiscal year 1979 result in no increase in VA staffing resources, the Administration's budget proposes a reduction of beds at other hospitals in order to achieve the savings necessary to accommodate the staffing needs of the new activations. (Preliminary estimates were that 2,532 beds would have to be eliminated to achieve the desired saving, which did not include 600 beds to be eliminated for fire and safety, patient privacy, and JCAH accreditation purposes. Current estimates indicate that about 1,200 beds need to be eliminated to make the desired renovations for safety, privacy, and accreditation purposes, but that the original $32.3 million in additional funds are still necessary to staff the newly activated hospitals without reductions in staffing and beds in other hospitals in the system.) Thus, while the VA system is growing due to the new activations, an unjustified "no-staffing-increase" policy for the activations is being implemented and unrealistic workload estimates are being imposed on the rest of the system.

The Administration's proposal for outpatient staffing is another example of contrived workload estimates being imposed on VA facilities. Adequate outpatient resources for eligible veterans is essential to efficient health-care delivery in order to avoid more costly, unnecessary hospitalization. Yet despite the increasing demand for outpatient services as a preferred and more efficient mode of health-care delivery, outpatient workloads have repeatedly been underestimated (an average of 7 percent over the past 3 fiscal years). For fiscal year 1979, the appropriation request allows for an increase of 165,000 outpatient staff visits (1 percent) over fiscal year 1978, *all* of which is attributable to the planned activation of outpatient clinics in the five new outpatient facilities to be activated in fiscal year 1979. The proposed appropriation thus allows for no real increase at existing facilities although experience has shown that the increases allowed in the past have consistently fallen short of the need for outpatient services. Budget requests which impose "no-growth" estimates on a system that is in fact experiencing increased demand, particularly in outpatient services, are actions which will inevitably lead to a reduction in the quality of care throughout the system.

Another example of the deleterious consequences of this "no-growth" policy can be cited. In fiscal year 1979, fifteen new alcohol treatment units will be activated. The incidence of alcoholism, the most common diagnosis in VA hospital patients, has been of particular concern to this Committee and also to the Administrator of Veterans' Affairs. Once a patient is discharged from a program of inpatient alcohol treatment, the availability of follow-up outpatient care through alcohol treatment clinics is crucial to recovery and rehabilitation. Yet, hospitals and clinics are expected to "absorb" this potential increased workload since no additional outpatient funds are budgeted for this purpose.

Over the past three years, a comparison of budget estimates with actual outpatient experience shows an average underestimate of 7 percent. Such deliberate underfunding is of serious concern to VA hospital directors. In order to cope with the demand for care, inpatient medical personnel may be "borrowed" when the demand on outpatient staff becomes too great. Thus, a severe strain may also be placed on inpatient staffing and resources, with resultant impact on the quality of inpatient care.

Considering the past underestimates in Administration budget requests, which did allow for some increases in workload, and considering the Administration's fiscal year 1979 policy of no staffing increases at all except for new outpatient facilities, this Committee strongly recommends that an additional $22.8 million for 435,000 outpatient staff visits—a modest 3 percent growth over fiscal year 1978—should be appropriated.

(2) Specialized medical services. This Committee recommended (on pages 32 and 33 of its Report to the Budget Committee) an additional $14.8 million for high priority specialized medical services as follows:

Respiratory care: one new and six expanded units ($5,924,000);

Hemodialysis centers: five (4 new and 1 expanded) units ($2,910,000);

Hospital-based home care for spinal cord injury: ten (3 new and 7 expanded) units ($1,594,000);

Intensive care: one unit ($901,000);

Hospital-based home care: five units ($590-000);

Cardiopulmonary rehabilitation: one unit ($646,000);

Rheumatology/immunology one unit ($527,000);

Rural hospital-based home care: two units ($286,000);

Electron microscopy: one unit ($410,000);

Nuclear medicine: one unit $880,000);

Orthotic lab: one unit ($101,000);

Self-dialysis: one unit ($54,000).

The programs in specialized medical services bring an intensified focus to medical problems, and these programs recommended for funding enhance the quality of care by shortening the length of inpatient stay and, in some cases, providing an alternative to hospitalization. The hospital-based home care programs provide the potential for veterans to live in their homes and receive care from a team of visiting health-care professionals consisting, as necessary, of a physician, a public health nurse, a social worker, a rehabilitation specialist, a dietitian, and nursing assistants. The hospital-based home care program for spinal cord injury, the largest of these recommended programs, is specially geared to the unique needs of those with a disability for which the VA has pioneered medical treatment.

The veteran population is growing increasingly older and the medical program must be prepared to meet the increasing needs of an older population. Hospital-based home care is one alternative for those able to live independently and avoids costly extended inpatient care. Cardiopulmonary and respiratory care centers can also play an important role in the treatment of heart disease and chronic, obstructive lung diseases such as emphysema, which affect a substantial part of the patient population. Rheumatology/immunology centers bring together various disciplines which focus on the debilitating effects of arthritis, rheumatism, and other related diseases afflicting elderly patients in particular. There is a clear need for more medical information on the causes, effects, and treatment of such diseases; and, given the VA's patient population, it is especially suited to help meet this need while rendering better-focused care through rheumatology/immunology centers.

Hemodialysis centers enable a veteran to live a relatively independent life outside the hospital while returning only for scheduled dialysis treatments; self-dialysis centers teach the veteran and his or her family to perform this procedure at home, thus returning to the hospital only for periodic check-ups. The new or expanded dialysis facilities are necesary to assure fully adequate follow-up capacity. Because dialysis treatments are needed to sustain life, a patient cannot be discharged until continued therapy has been assured.

Thus, specialized medical services fill real needs in the veteran patient population and enable the VA to deliver better-focused and more cost-efficient care. The Commit-

tee considers funding for these srevices to be critically important.

(3) Implementation of National Academy of Sciences health-care recommendations. The concrete results of the National Academy of Sciences study to date are the VA's plans to implement those study recommendations with which the VA agrees. At the last two hearings on the Academy study and the VA response, the Committee reviewed those plans and it is generally satisfied with them. The VA estimates that a total of $19.54 million is needed for fiscal year 1979 implementation, but the President's budget makes provision for only $8.45 million. The remaining $11.09 million should, the Committee strongly believes, be appropriated. Funds would be allocated among appropriation accounts as follows:

$10.26 million to the medical care account;

$736,000 to medical administration and miscellaneous operating exepnses;

$91,000 to General Operating Expenses.

These funds will enable the VA to undertake implementation of the recommendations such as:

Strengthening utilization-review, cost-control, and quality-assurance programs, specifically, the VA's quality assurance program, Health Service Review Organization (HSRO) and the VA's method of external review of a facility, the Systematic External Review Program (SERP);

Increasing the use of dental auxiliaries in order to cope with the increased workloads;

Meeting the needs of the aging veteran population through the development of a center for domiciliary facility program development, evaluation, and training, and assessing the extended hospital-care program;

Developing an integrated management information system adequate to meet planning and operational needs;

Assuring compliance with the legal and civil rights of involuntarily committed patients to receive periodic administrative review; and

Developing a cost-accounting system as a prelude to possible third-party reimbursement by private and governmental insurers.

The Committee places a high priority on implementation of the NAS study's recommendations for improvements, and is not satisfied with the prospects of having implementation made dependent upon the haphazard reprogramming of funds, particularly in the context of an already too-tight health-care budget. Nor does the Committee believe that implementation of the study should come at the expense of carrying out other aspects of the VA's ongoing health-care responsibilities.

Thus, the Committee strongly recommends an increase of $10.26 million in the medical care account for implementation of these NAS recommendations.

Comparison to House Appropriations Committee Recommendations. With respect to medical care, our recommendations parallel the actions of the House Appropriations Committee in the areas of allowing the activation of five new hospitals without requiring the reductions in beds and staffing at other VA facilities (both recommendations are for $32.3 million), staffing improvements (we recommend $8.7 million more), and outpatient care staffing (we recommend $4.8 million more). However, the House Appropriations Committee total medical care increase of $82.9 million above the President's request does not include funds for correcting JCAH-cited deficiencies, intensifying medical affiliations, developing additional specialized medical services, and implementing the NAS recommendations. We believe that a clear need exists for additional funding in each of these areas and would note that the development of specialized medical services and implementation of such NAS recommendations as utilization review would have long-term beneficial effects on the VA's ability to provide high quality, cost-effective care far beyond the initial investment.

Medical and Prosthetic Research: We recommend an increase of $18.3 million in appropriations for research in health care over the $112.7 million proposed by the President for the coming fiscal year. The President's appropriation request would provide an increase of only $800,000—less than one percent—which means a substantial decrease in real dollars.

VA medical research has made major contributions to the Nation's health care. VA medical investigators pioneered the development of new measuring techniques using radioactive materials, which led to the creation of a new branch of medicine, nuclear medicine. The concept of computed tomography is credited to a VA investigator; today, the CT scanner is used in lieu of painful and intrusive procedures to examine patients. And, to cite just one further example of many others that could be mentioned, it was a VA researcher who first realized the dangers of high blood pressure and who worked on treatment and prevention of the disease; the cooperative studies program presently includes large-scale, multifacility research efforts in this area.

Research activities in the VA provide patient-care benefits not only through the enhancement of medical knowledge, but also directly through clinical practice in VA facilities. Each institutional investigator and over 90 percent of career development investigators devote a significant portion of time to patient care. The availability of research funds also makes a major contribution to the recruitment and retention of high quality physicians and helps strengthen medical school affiliations. The Administration's proposed cuts for research would thus have serious adverse implications for the quality of health care veterans receive.

The past twelve months have been particularly noteworthy for the VA's medical research program. In July 1977, the National Academy of Sciences' Committee on Biomedical Research in the Veterans' Administration, in its report on Biomedical Research in the VA, stated:

The VA offers a unique opportunity to carry out a wide variety of clinical studies involving a distinct patient population in a large number of hospitals under a single management.

A high quality research program with its attendant focus on inquiry and creativity fosters an environment conducive to professional excellence in health care delivery.

The overall national biomedical research effort will be more effective if the current pluralistic system of funding is maintained. Such a system prevents any single [Federal] agency from monopolizing the nature and direction of research.

This Committee believes that the VA has made important contributions to medical science through its research program and was impressed by some of the current special research programs, especially the career development and cooperative studies programs. ("Biomedical Research in the Veterans' Administration", at page 1–1.)

The Academy's report also noted the effect of medical research on recruitment and retention of physicians:

"The site visitors met with an almost universal conviction on the part of VA professional staff that research is an important recruitment incentive for many competent physicians. This belief was emphasized repeatedly not only by investigators themselves, but by many of the chiefs of staff and chiefs of major services interviewed . . . In addition, [the chiefs of staff and chiefs of major services] felt it would be impossible to staff their services with able physicians without the recruitment device of research." ("Biomedical Research in the Veterans' Administration", at pages 3–38 to 3–39.)

In addition to the enthusiastic support of the National Academy on Sciences Committee on Biomedical Research in the VA, 1977 saw the award of the coveted Nobel Prize for Medicine to two VA researchers. Dr. Rosalyn Yalow was cited for her pioneering work in developing a technique, radioimmunoassay, to detect minute traces of hormones in the human body, and Dr. Andrew Schally, for his discovery of several brain hormones.

Yet despite the recognition by the National Academy of Sciences and the honor conferred on these two VA researchers through the award of the Nobel Prize, the VA, in order to stay within the strictures of the President's budget for fiscal year 1979, has plans to eliminate medical research in as many as 60 hospitals. Those 63 other hospitals with continuing programs would suffer decreased funding. The VA also plans to reduce sharply, by nearly half, funding for the appointment of new researchers in its career development program. Through that program, the VA is able to attract young investigators, many of whom remain with the VA, providing and stimulating high-quality clinical care after the term of their appointment ends. Also, continued funding for investigators currently employed in the VA under the career development program with 2- to 6-year appointments would be jeopardized.

Dr. Yalow expressed her concerns about the shrinking VA research dollar to this Committee as follows:

"If the VA is to function as a first class model system for health care delivery, research cannot be neglected. What has happened to research funding over the past 15 years? The medical research program was 3.2 percent of the medical care budget in 1965; 3.4 percent in 1970. In 1975, it was well on its way down, only 2.6 percent of the budget, and in 1979, it is projected to be even worse; research will have just under 2 percent of the medical care budget. Every year there appears to be a greater rate of decrease of investment in research. If this trend is not reversed, the day will come again when the VA hospital system might continue to exist, but it would return to the days of custodial care for an aging veteran population rather than being a system for delivering medical care second to none."

The Committee's recommended increase of $18.3 million will provide funds for the following critical areas in medical research:

$5.5 million to prevent the elimination of research in the approximately 60 hospitals;

$2.5 million to maintain the career development program at its current level;

$1 million to recruit new investigators in alcoholism, a major problem for veterans;

$5 million to fund the most meritorious of research projects recommended by the Merit Review Board;

$500,000 to initiate research at hospitals with emerging medical school affiliations; and

$1 million to equip research facilities at new facility activations.

In rehabilitative research, new projects would be funded in automotive adaptive equipment, spinal cord injury, locomotor systems, and sensory augmentation ($2.3 million). In health services research, projects in such areas as preventive health and technology assessment would continue to be funded ($570,000).

The House Appropriations Committee recommends a $14.9 million increase over the Administration's budget for VA research. While that amount would preclude the necessity for reductions in health-care research and would allow for some growth, we believe

very strongly that the additional funding that we are recommending is fully justified and responsive to important needs for greater knowledge about disabilities of particular significance to veterans.

Medical Administration and Miscellaneous Operating Expenses (MAMOE):

We recommend an increase of $1.7 million in appropriations for this account, $736,000 of which is needed to implement part of the National Academy of Sciences recommendations, as discussed previously under the medical care appropriation account, at pages 3–4 of this Enclosure.

A $1 million increase is recommended to maintain the Exchange of Medical Information (EMI) program at its current level. The EMI program is designed to encourage the mutual exchange of medical information and techniques between VA hospitals, research centers, and medical schools. This sharing of information between VA and non-VA facilities benefits national health care through increased efficiency and avoidance of duplicative activities. The program also improves VA health care by helping to keep VA services up to date with the most recent technological advances.

Rather than providing for such modest increases to the Administration's budget request for MAMOE, the House Appropriations Committee has recommended a $0.8 million reduction, apparently to prevent MAMOE-funded activities from growing at any rate in excess of other VA medical programs. In light of currently high demands on Department of Medicine and Surgey central office personnel, whose salaries are funded under this account, we are deeply concerned about the $1.5 million difference, aside from EMI, between the spending levels that we and the House Appropriations Committee are recommending here. The lack of such funds could have a serious adverse impact on the operations of the central office at a time when it is engaged in vital activities aimed at correcting deficiencies and making badly needed improvements in the overall structure of the VA health-care delivery system, and in such vital processes as budgeting, planning, and resource allocation.

In this connection, we believe you are aware that DM&S has recently implemented its Space and Function Deficiency Identification system and is heavily involved in the perfection of its Multi-Level Care system for the proper placement of patients in the various levels of care available in the VA health-care system. In addition, DM&S central office personnel have a major role in the implementation of NAS recommendations that can be slighted only at the risk of leaving unmet clearly identified needs for improvements—such as the development of more cost-effective staffing criteria for the appropriate allocation of VA health-personnel resources.

Major Construction: The Committee recommends an additional $54.3 million in appropriations for this account. In the Administration's budget, savings are included, from prior appropriated funds, of $7.3 million in design funds for the Camden VA hospital which were offset from the President's current appropriations request. We believe that the commitment of the Administration to proceed with the Camden hospital should be honored and recommend that the $7.3 million be restored.

An additional $17 million is recommended for the construction of three long-needed research and education buildings in Miami ($7.5 million), Long Beach ($8.4 million), and Shreveport ($1.1 million). Since 1974, there have been no funds requested by the President for research and education facilities, and the availability of funds has depended on Congressional appropriation. During that time, $15.4 million has been appropriated for three projects, which has been far too few to keep pace with the development of new medical school affiliations. Just as the funding of medical research investigators has an important bearing on the recruitment of physicians and on resultant patient care, the availability of adequate facilities for the conduct of that research is important in recruitment and retention. With the exception of the Chicago (Lakeside) VA hospital, which purchased and renovated a nearby building, the same VA facilities are recommended for funding that were recommended last year, despite increasing needs caused by new affiliations. We believe this reflects a prudent approach of recommending funding only for those hospitals where the need has become most critical.

An increase of $23.2 million is necessary for a medical facility improvement project at the San Francisco VA hospital. In 1976, the hospital was moved into a newly-constructed 436-bed building. Now that the older buildings, which formerly held hospital beds, have been vacated, the VA's plans have been to renovate those buildings to furnish support services, such as laboratories and radiology, for the main building. Dentistry, ambulatory care, research, and administration will also be upgraded through renovation of the older buildings.

Additional construction funds of $6.9 million are also needed for a parking lot at the Philadelphia VA hospital where the patient and employee parking situation is causing serious difficulties in the operation of the hospital.

The House Appropriations Committee recommended an increase of $53.3 million over the Administration's budget—only $1.1 million less than we are recommending—for major construction. With the exception of proposing that the Camden VA Hospital project proceed, however, there are no other items which we and House Committee both recommended. With respect to which of the worthwhile projects recommended by the House Committee and by our Committee should be funded, we would express particular concern that the three research and education buildings mentioned above be provided for. These projects have already been too-long delayed, and we believe that they should begin in fiscal year 1979.

Minor Construction: The Administration requested no funds for minor construction for research and education or outpatient improvements. We believe this to be a further example of the unrealistic nature of the Administration's VA health-care budget request. We recommend an increase of $11.8 million in minor construction funding for the VA's top priority projects in these areas—$6.93 million for research and education projects, $4.7 million for outpatient facility improvements, and $241,000 for energy conservation projects related to the improvements.

The House Appropriations Committee, however, has recommended a $1.85 million reduction below the Administration's request. We believe that any approach which totally eliminates the VA's top-rated research and education or outpatient improvements would be unwise.

Grants for Construction of State Extended-Care Facilities: The President's budget has reduced the request for this program from $15 million for fiscal year 1978 to $5 million for fiscal year 1979. In 1977, Administration-requested legislation, the State Veterans' Home Assistance Improvement Act (Public Law 95–126), was enacted consolidating the two prior State-Federal matching fund programs for the construction of State-run domiciliary and nursing home facilities—for which annual appropriations of $5 million had been authorizd for each program—and authorizing a total annual appropriation of $15 million.

The Administration's turn-about from its fiscal year 1978 requests for the consolidation of these programs and a 50-percent increase in appropriations for this account to its fiscal year 1979 request for a two-thirds reduction in funding is further evidence of how deeply the Administration's overall fiscal year 1979 VA health-care budget cuts into necessary and effective programs.

In order to gain the full benefit of this cost-effective measure in providing extended care for the rapidly growing numbers of elderly veterans, we recommend, as does the House Appropriations Committee, that appropriations be provided in the full amount authorized for fiscal year 1979, $15 million. The Committee has been assured that the applications in hand and expected to be received from States willing to provide the 35-percent required matching funds ensure that these funds could be fully and effectively utilized.

Health Manpower Training Institutions: The Committee and the Administration recommend total regular appropriations in the full amounts authorized for fiscal year 1979 for the programs of assistance to health manpower training institutions under chapter 82 of title 38, United States Code. In addition, this Committee has reported and the Senate passed on May 26, 1978, leigslation—section 306 of H.R. 5029—authorizing additional appropriations of sums necessary to eliminate the "shortfalls" that have occurred under these programs, that is, to fund commitments previously made by the VA under these programs for which appropriations have not yet been enacted and for which the full $75 million of appropriations authorized in fiscal year 1979 would not be adequate. We urge supplemental appropriations to the extent authorized in this legislation when it is enacted.

The House Appropriations Committee, however, has recommended a reduction of $27.6 million below the President's budget request based on the assumption that the authorizations of appropriations for these programs, presently scheduled to expire at the end of fiscal year 1979, will be extended by the Congress. The House Committee's assumption is inconsistent with the course of action taken by the Senate in passing H.R. 5029.

Moreover, we do not believe that it is clear that, as the House Appropriations Committee assumed, the assistance to health manpower training institutions programs will be extended beyond fiscal year 1979. Our two Committees have jointly requested a General Accounting Office report, expected to be received this summer, on those programs. It is premature to conclude in advance of receiving and analyzing the GAO report that the programs should or will be extended.

Thus, we recommend that, through regular appropriations of the full amount authorized in fiscal year 1979 and supplemental appropriations in amounts necessary to fund previous commitments under these programs, all approved but unfunded grants and other commitments be met with fiscal year 1979 appropriations. We view this approach as a more certain approach and preferable to trailing the program out over future years' authorization and appropriation actions. The need for the funds clearly exists at the present time and should, we believe, be met promptly.

GENERAL OPERATING EXPENSES

VA Department of Veterans' Benefits: We recommend that appropriations for General Operating Expenses (GOE) be increased by $7.414 million over the Administration's request of $622.1 million in order to enable the VA to carry out its program responsibilities properly and to comply with statutory requirements. We believe these additional monies are necessary to deal with the continuing problem of overpayments in the GI Bill education program. In part, the overpayments problem has resulted from an in-

adequate number of well-trained, full-time VA personnel to process individual changes of programs and to monitor compliance with the law.

A February 17, 1978, follow-up report by the General Accounting Office of its March 1976 report to the Congress on the overpayment of educational assistance benefits disclosed that as of June 30, 1977, the VA had identified $2.5 billion in educational assistance overpayments to veterans and dependents during the first 11 years of the current GI Bill program. Overpayments remaining uncollected as of March 31, 1978, amounted to more than $396 million.

We concur fully with the recommendation made by the GAO in its 1978 report that the VA "acquire enough full-time compliance survey specialists to make comprehensive surveys." We also agree that the use of part-time staff and lack of VA training and guidance for compliance specialists are factors which contribute to deficient surveys and that a "full component of trained, full-time specialists" is imperative to curb serious GI Bill abuse problems.

Section 1793 of title 38, United States Code requires the VA to conduct "an annual compliance survey of each institution offering one or more courses approved for the enrollment of eligible veterans or persons where at least 300 veterans or persons are enrolled under the provisions of this title or where the course does not lead to a standard college degree"; and to assign "at least one educational compliance specialist to work on compliance surveys in any year for each forty compliance surveys required to be made".

This Committee, in its Report to the Budget Committee, stressed the importance of maintaining an adequate number of compliance specialists in order to assure that the requisite number of compliance surveys are completed in fiscal year 1979. On the basis of the Administration's projection of trainees during the coming year, approximately 16,000 compliance surveys will need to be performed. This will require the VA to employ at least 400 compliance specialists—or 162 more than it currently employs. Any failure to provide adequately for the mandated annual compliance surveys would, we believe, be highly cost ineffective.

In addition, the Committee pointed out in that Report that section 243 of title 38 requires the Administrator to assign one veteran-representative (Vet-Rep) for each 500 persons enrolled under GI Bill education programs (excluding correspondence training). Vet-Reps are statutorily mandated to, among other things, "assure correctness and proper handling of applications, completions of certification of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted." (38 U.S.C. §243(a)(2)(B.) During fiscal year 1977, the ratio of Vet-Reps to trainees was approximately 1:1,680. For fiscal year 1979, the projections submitted by the Administration would further decrease the number of Vet-Reps and, even taking into account the expected decline in trainees, the ratio of Vet-Reps to trainees would be 1:2,300. The Committee believes, as stated on pages 44 and 45 of its Report to the Budget Committee, that at the very least the VA should maintain the ratio of Vet-Rep to trainees that existed in 1977 (1:1,680). Thus, to help solve the continued overpayment problem and to assure continued assistance to GI Bill trainees, an additional 190 Vet-Reps should, at a minimum, be employed to maintain the fiscal year 1977 ratio.

The House Appropriations Committee recommended a $5.8 million reduction in GOE. It specified that $5,488,000 is to be taken from the budget request for the Department of Veterans Benefits (DVB) and $328,000 from the request for travel, space rental and training costs. Those reductions were based primarily on that Committee's view that the Administration's budget for DVB staffing, when compared with 1973 workloads, were overstated. That analysis, however, does not take into account the various administrative requirements which have been added by legislative actions in the intervening years. For example, section 302 of Public Law 95-202 requires significantly increased outreach efforts in the VA's counseling programs for GI Bill trainees; and section 511 of Public Law 94-502 requires the conduct of annual compliance surveys by the VA of most institutions at which veterans receiving GI Bill benefits are enrolled. In addition, legislation applicable to all Federal agencies, such as section 504 of the Rehabilitation Act of 1973 and the Government in the Sunshine Act, have required the hiring of additional personnel to implement their objectives.

Thus we are very much concerned that the GOE reductions recommended by the House Appropriations Committee would significantly impair the ability of the VA to carry out its responsibilities, especially in the area of GI Bill programs where we believe that the Administration's budget is already too stringent for the VA to carry out its responsibilities effectively.

ENCLOSURE C: NEW HEALTH-CARE LEGISLATION

The Committee's health-care legislative agenda for the coming fiscal year is described on pages 40 to 43 of our Report to the Budget Committee. Last year the Senate unanimously passed, as title III of H.R. 5027, legislation providing for the establishment of a new program of readjustment professional counseling, a new program in preventive health care for veterans with service-connected disabilities, and improved treatment and rehabilitation programs for veterans suffering from alcohol or drug dependence or abuse disabilities. If enacted this year, the fiscal year 1979 costs of these provisions (as most recently estimated by CBO) would be approximately $27.2 million.*

In this connection, we would note that the Administration has recently submitted a legislative proposal to provide readjustment professional counseling to Vietnam-era veterans and their families and to authorize a pilot program for the treatment and rehabilitation of veterans with alcohol- or drug-dependence disabilities. The Senate-passed measures, however, make more adequate provision for achieving the common goals of these proposals. For example, the Administration's readjustment counseling proposal would provide eligibility for services to assist only Vietnam-era veterans experiencing psychological difficulties in readjusting to civilian life and only during the first year after the date of discharge or one year from the date of enactment of the law; the Senate measure would not be limited to Vietnam-era veterans and would provide for counseling, if requested, within 4 years after the date of discharge or 2 years from the date of enactment of the law.

The Administration's drug and alcohol proposal calls for a 3-year pilot program during which the VA may contract with halfway houses, therapeutic communities, or psychiatric residential treatment centers. The Senate measure is a permanent authority and is more comprehensive; it would require the VA to provide a broader range of treatment modalities, stressing the use of counselors who have recovered from drug and alcohol disabilities, authorizing the use of private halfway houses on a contract basis, authorizing treatment of persons administratively discharged under less than honorable conditions where drugs or alcohol were abused during service, authorize payment for treatment of a veteran in a community facility in certain circumstances, develop Federal coordination in this area, and provide for treatment of active duty service personnel during the last 30 days of service.

The Administration estimates that its professional readjustment counseling program would require $9.9 million in budget authority for fiscal year 1979; the fiscal year 1979 cost of the Senate-passed provisions is estimated at $18.25 million. The Administration's pilot program in drug and alcohol treatment is estimated to cost $4.7 million; the Senate provisions are expected to result in cost savings of $1.8 million in fiscal year 1979, mainly due to savings resulting from transfers from VA hospitals to halfway houses.

On May 26, 1978, the Senate unanimously passed H.R. 5029, the "Veterans' Programs Extension Act", which would extend certain VA health-care programs in the Republic of the Philippines (section 102); modify certain VA contract health-care authorities (section 301); provide for service-connected care of certain Filipino veterans in the U.S. (section 303); extend the VA's authority to enter into special pay agreements to aid in recruitment and retention of physicians and dentists (section 305); and provide authority to meet shortfalls in the program of assistance to health manpower training institutions (section 306). Since both Houses have passed a one-year extension of the authority to make payments to the Veterans' Memorial Medical Center in the Philippines for FY 1979, it is clear that the program will be authorized to be continued for at least one more year. Thus, we recommend an appropriation in the regular Appropriations Act at the same level as in the current fiscal year, $1.7 million, for grants to the Republic of the Philippines. The fiscal year 1979 estimate for the costs of the contract care amendment is $13.3 million; for service-connected care of certain Filipino veterans in the U.S., $100,000; for the special-pay authority extension, $7.6 million; and for the assistance to health manpower training institutions, $200,000.

We should also note that, for the reasons stated on pages 40 through 42 of our Report to the Budget Committee, no appropriations reductions based on the possible enactment of Administration-proposed cost-saving legislation should be expected.

In summary, enactment of the Committee's health-care legislative program is expected to entail fiscal year 1979 spending of approximately $50.1 million, which represents less than a 1-percent increase over the total amount requested for health care in the Administration's proposed budget.

We hope that, with the exception of the Philippine medical grant program which we recommend be funded through regular fiscal year 1979 appropriations legislation, these needs will be considered in supplemental appropriation bills after the necessary authorizing legislation is enacted later this year.

Mr. CRANSTON. Mr. President, the House-passed appropriations bill includes increases of $158.3 million over the administration request for all the VA health-care accounts except the assistance for health manpower training institutions account—seven of them—which both committees have cut by $27.6 million. The HUD-Independent Agencies Appropriations Subcommittee recommended, however, and the Appropriations Committee approved an increase of only $32.1 million over the President's request for these seven accounts.

*Those cost estimates were not received by the Committee in time to be incorporated in the Committee's Report to the Budget Committee. They are $3.7 million above the best estimates available at the time that Report was prepared.

I am particularly concerned about the effect of the Appropriation Committee's recommendations on the medical care account and on medical and prosthetic research. The President's budget would require the VA to reduce funding for staffing of its existing hospitals by $32.3 million—for approximately 1,500 full-time employees—in order that the new VA facilities scheduled to be opened in fiscal year 1979 may be activated without an overall increase in staffing. Thus, while the VA system is growing due to the new activations, the amendment has proposed an unjustified "no-staffing-increase" policy for the activations and unrealistic workload estimates for the rest of the system.

Mr. President, the administration's proposal for outpatient staffing is another example of contrived workload estimates being imposed on VA facilities. Adequate outpatient resources for eligible veterans is essential to the efficient provision of health care in order to avoid more costly, unnecessary hospitalization. Yet despite the increasing demand for outpatient services as a preferred and more efficient mode of health-care delivery, outpatient workloads have repeatedly been underestimated in administration budget requests—an average of 7 percent over the past 3 fiscal years. For fiscal year 1979, the appropriation request allows for an increase of 165,000 outpatient staff visits—1 percent—over fiscal year 1978, all of which is attributable to the planned activation of outpatient clinics in the five new outpatient facilities to be activated in fiscal year 1979. The administration-proposed appropriation thus allows for no real increase at existing outpatient facilities although experience has shown that the increases allowed in the past have consistently fallen short of the need for outpatient services. Budget requests which impose "no-growth" estimates on a system that is in fact experiencing increased demand, particularly in outpatient services, are actions which will inevitably lead to a reduction in the quality of care throughout the system.

Other areas where staffing is critically needed are to correct accreditation deficiencies, to implement recommendations of a National Academy of Sciences report, to improve inpatient staffing, and to provide needed specialized medical services.

The pending bill recommends an increase in the medical care account of only $20 million—$90 million less than the $110 million increase recommended by the Veterans' Affairs Committee, and $52.9 million less than the $82.9 million that the House has passed. I have indicated to the distinguished floor manager why I believe the figures in the reported bill are not adequate.

Mr. President, medical and prosthetic research is another area that has been severely threatened by administration cutbacks. The administration proposed an increase of only $800,000—less 1 percent—for VA health-care research in fiscal year 1979. This is less than what would be required just to counter inflation and would mean severe cutbacks in the research effort, including the closing of research programs at up to 60 VA hospitals.

The Veterans' Affairs Committee recommended an increase of $18.3 million over the administration's budget for VA health-care research in fiscal year 1979; and the House-passed appropriations bill includes an increase of $14.9 million. The Appropriations Committee has recommended an increase of only $7.5 million. I strongly believe that the amount passed by the House is more than warranted in order to keep pace with inflation and to allow for very modest increases in high-priority VA research efforts in cooperative studies, in rehabilitative research, including spinal cord injury, and in alcoholism.

Mr. President, VA research has produced great benefits in terms of advances in medical science, not only for VA health care, but for the Nation's health care as well. In addition, VA research activities attract and help retain bright young investigators who stay with the VA and who render quality care to our veterans. Also, as my colleagues are aware, the 1977 Nobel Prize for medicine was awarded to three Americans, two of whom are VA researchers. This excellent program warrants strong congressional support.

Mr. President, I would also note that the Appropriations Committee report provides for continued funding of the cooperative-studies research program at the fiscal year 1978 level and directs the VA to use approximately $2.6 million of the amount which it had budgeted for that program—and would thus save by staying at the 1978 level—to prevent the phasing out of research in any VA hospitals.

Mr. President, the VA's cooperative-studies program is an extremely valuable resource which makes use of the VA's nationwide network of health-care facilities to conduct multifacility research under uniform protocols and exacting scientific standards. I think that it would be highly inadvisable to require that any moneys budgeted for that program be used for other purposes.

Mr. President, I do agree with the Senator from Wisconsin (Mr. PROXMIRE), as he and I discussed, that the possibilities for greater National Institutes of Health—NIH—funding of the VA's cooperative studies program should be explored and that the VA should be applying for more funding from that source. However, I do not believe that the ultimate prospects for greater NIH funding of VA research warrant any reduction in the administration fiscal year 1979 request for the cooperative studies program.

Mr. President, I would also like to note the manner in which both the House of Representatives and the Senate Appropriations Committees have dealt with the assistance to health manpower training institution account. The administration fiscal year 1979 budget request is for $75 million, the total amount authorized under chapter 82 of title 38, United States Code, for that year for that program.

Although under current law, fiscal year 1979 is the last year that this program is authorized, the House-passed appropriation bill is based on the assumption that this authority will be extended beyond fiscal year 1979. The Senate Appropriations Committee has made that same assumption.

Mr. President, I have indicated to the Senator from Wisconsin (Mr. PROXMIRE) my concerns about making an assumption at this point that the chapter 82 program would be extended beyond fiscal year 1979 in light of the fact that he and I have jointly requested a GAO evaluation of it. Thus, I believe that, before receiving the GAO report, it is premature to assume future congressional action to extend the program.

However, Mr. President, in my discussion with the distinguished chairman of HUD-Independent Agencies Subcommittee, he assured me that, in not approving full funding for this program in fiscal year 1979, it was not assumed that the program would be extended for any purpose other to spend out the current grant commitments under the program—that is, no assumption is being made at this time that any authorizing legislation extension would be for the purpose of authorizing new grants or commitments.

Mr. PROXMIRE. Mr. President, the Senator from California (Mr. CRANSTON), has raised a very good point; and I would like to make clear that, in assuming an extension of the assistance to health manpower training institution program beyond fiscal year 1979, it was the subcommittee's and committee's intention to assume such an extension only for spendout purposes. That assumption makes it possible to appropriate for the program only such funds as are actually needed for expenditures in fiscal year 1979. I fully intend to reserve judgement, as does the chairman of the Committee on Veterans' Affairs, on the questions of whether to authorize and provide appropriations for new grants and commitments until after I have received and given full consideration to the GAO evaluation of this program.

Mr. CRANSTON. Mr. President, in summary, the House has voted to appropriate an overall increase of $130.7 million over the President's budget for VA health-care accounts. Although this is less than the increase recommended by the Senate Veterans' Affairs Committee, I believe the House-appropriated amounts will be sufficient to sustain an adequate level of care and to make the most needed improvements.

Therefore, I urge the distinguished chairman of the HUD-Independent Agencies Appropriations Subcommittee and the ranking minority member, Mr. MATHIAS, to consider carefully and sympathetically in conference the House-passed levels, and evaluate the need for substantial increases, particularly in the areas recommended by our committee. It is my hope that, in negotiations with the House, the chairman will give his utmost consideration to meeting the House substantially more than halfway. I would certainly hope for an increase in these amounts of at least $100 million over the administration's requests.

Mr. PROXMIRE. Mr. President, I would like to express my appreciation to the Senator from California (Mr. CRANSTON) for his deep concern for the needs of our Nation's veterans. During his tenure as chairman of the Veterans' Affairs Health and Hospital Subcommittee and now as chairman of the full committee, I have always found him to be an effective and persuasive advocate for our Nation's veterans. In light of the points made by my distinguished colleague, both in his committee's letter to me and in our meeting this week, I will certainly review very carefully in conference the appropriations levels for the VA health-care accounts and will evaluate the justification for the House-passed levels in the context of the points we have discussed.

Mr. CRANSTON. Mr. President, because I know that the chairman is an honorable man and will do what he says he will do, and because I am confident that he appreciates how very strongly I—and others—feel about these matters, I will withhold amendments I had intended to offer to increase these accounts. I want to serve notice that I will study the conference report levels most closely and will not support the final bill until I feel that the VA health-care levels have been resolved in a manner that is fair to our Nation's veterans who depend upon the VA hospital system and has moved substantially toward the House figures.

Mr. STAFFORD. As ranking minority member of the Committee on Veterans' Affairs, I want to join in the remarks of our distinguished chairman, Mr. CRANSTON. I, too, will be watching closely the results of the conference on these issues, and I, too, urge the ranking minority member of the subcommittee, Mr. MATHIAS, as well as the Senator from Wisconsin (Mr. PROXMIRE) to be fair and generous in assessing the figures in the House bill.

Mr. PROXMIRE. I thank my colleagues. We will certainly bear these views very carefully in mind as we deal with these items in conference with the House committee.

Mr. President, I yield to the very patient and distinguished Senator from Wyoming (Mr. WALLOP). I yield him 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

Mr. WALLOP. Mr. President, it has been my intention to call up an amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield? I beg his pardon for interrupting him right in the middle of his statement. By the way, I saw him riding a shank's mare this morning across Cabin John Bridge at 6:45.

Mr. WALLOP. Terribly wet.

Mr. ROBERT C. BYRD. Do the Senators know what a shank's mare is?

Mr. MATHIAS. We do in Maryland. We use it, too.

Mr. WALLOP. We do it in Wyoming, but we shun it. When we are in Washington it is one of the fastest ways around.

The ACTING PRESIDENT pro tempore. The Chair will officially recognize what a shank's mare is.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senators have completed their action for today on the pending HUD appropriation bill there be a period for the transaction of routine morning business with Senators allowed to speak up to whatever time is necessary therein, which would allow the conference report to be called up without being charged to time on the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I ask unanimous consent that our 2 minutes begin now.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. In the belief, Mr. President, that the housing policy for the country ought to address itself to the needs of the entire country as they exist in priority, it had been my intention to pursue in an amendment some lines that I have previously pursued before the distinguished Senator from Wisconsin's Banking and Housing Committee and other areas of Congress. The topic I have been pursuing is meeting the service needs of the energy impact areas of the country which I feel are not addressed in this measure.

It had been my intention to call up an amendment to the policy development and research section of the bill. The amendment would have required attention be directed to the above-mentioned topic. The chairman, the distinguished Senator from Wisconsin (Mr. PROXMIRE), had told me a point of order could be lodged against that, and I did not wish to get into a legislative fight. But, I do wish to point out that I feel there should be flexibility in public housing and in section 8 needs where construction costs in the areas are very high. I do not see how we can get that kind of flexibility without a research and development program directed to take into account the growth of population demands placed upon fixed income people and aging people. These demands are driving them out of the places where they have lived their entire lives. Also, these communities need a type of technical assistance in their proposal and grant-writing stages for community development programs and programs which are uniquely able to meet the needs created by rapid population growth energy impact areas.

So I will not bring up the amendment and hassle over the point of order, but would hope that we might look forward to hearings, and that we might, by this colloquy, provide some direction to HUD that they look at the needs of the entire country as they exist.

Mr. PROXMIRE. Mr. President, I have discussed this proposal with the Senator from Wyoming. I think he is absolutely right. I think the energy impact problem has not been addressed by HUD's or policy development and research program. I think they should address this issue. I think the suggestion of the Senator from Wyoming is logical and appropriate, and I warmly support it. I urge HUD to take a careful look at it, and, with the funds available, do their best to address this problem, as the Senator says, in all areas of the country.

Incidentally, he has testified before the Banking, Housing, and Urban Affairs Committee about this matter, and made a very fine record there. We called that record to the attention of HUD, and urged them to recognize the great need.

Mr. WALLOP. Mr. President, I thank the chairman in both his capacities, with both his chairmanship hats on. I truly hope we can begin an assessment of the problems promptly, because these are as severe and painful problems. Just as severe as problems that exist in the urban areas of the country.

The problems do certainly exist, as shown by several minor studies relating to housing and urban problems. Problems in energy impact areas are every bit as pressing and as difficult to solve.

I thank the chairman, and yield back the remainder of my time.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. MATHIAS. Mr. President, I yield 5 minutes to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, the Senate Appropriations Committee's recommendation in this bill with respect to NASA appropriations is $13,400,000 less than the requested NASA budget, and $30,400,000 less than the amount authorized in the House by its action on the fiscal 1979 NASA budget.

Mr. President, these cuts contain numerous items, and I would like to discuss briefly what I think is one of the most significant, and then insert in the RECORD some comments about other aspects of these cuts, so that the Record will be clear on just what the significance of those cuts may be, and the conferees may have reference to this in their discussions with the other body.

Mr. President, the complete cutoff of the funding to the lunar sample analysis activities goes well beyond the scope of most Appropriations Committee actions. The elimination of the total funding of $5.7 million for this program will cause a complete stoppage of a unique and invaluable part of NASA's systematic study of the nature, origin, and hidden history of the solar system. I hope that the Senate will reconsider this hasty action.

The importance of the lunar samples now extends far beyond the Moon. The early results of their study has given great new insight into the early history of our planet. These materials also could well provide the basis for unfolding the early history of the solar system. Trapped in the lunar samples are radiations and particles emitted by the Sun in the past. A study of a series of core samples reveal a record of the Sun's activities over billions of years. Already there have been discovered traces and ancient solar wind material in these samples.

Other lunar samples contain a history of a planet's earliest years, a chaotic and previously misunderstood time in the formation of a planet. From the remaining unstudied lunar samples, we can decipher how planets have formed and

grown. We can find this record nowhere else; the ancient rocks of the Earth have been destroyed by the continuing internal processes and surface weathering that have shaped our planet. The sample analysis program is also an important source of new technological "spinoffs." For example, the sensitive instruments originally used for the precise analysis of the lunar material are now used for analyzing environmental pollutants, for air pollution and auto exhaust monitoring, and for electrostatic separation of low-grade ores.

The committee report stated that it does not wish to terminate the program, even though all funds were terminated. The report states:

That NASA will continue to support, from available funds, the more promising ongoing lunar sample analysis on a short-term basis while new funding mechanisms, in connection with the National Science Founration (NSF), are established.

I believe that the funding mechanism is already in place, in NASA, and that NSF is not the Agency to research the NASA-collected, NASA-transported, and the NASA-usable results that the present NASA lunar sample program is producing. The unique features of this scientific activity resulted in a basic agreement between NASA and the NSF whereby NASA funds the data analysis for the output from NASA projects. This approach assures specifically focused management accountability and funding responsibility. In any case, the committee added no funds to the NSF budget request to allow for lunar sample analysis.

Deletion of this funding would also make us dependent on the activities of foreign investigators for much of our future information about lunar samples and related solar system questions. This lack of funding would remove an important source of scientific expertise for planning future missions involving the remote sensing of planetary surfaces or the return of samples from other planets. This action would also seriously compromise our future ability to analyze all extraterrestrial materials, meteorites, cosmic dust particles, and other samples from space.

Mr. President, at this point I ask unanimous consent that a series of statements and letters to me on this subject be printed in the RECORD. The first of those statements is from Leon T. Silver of the California Institute of Technology; the second is a joint statement by Dr. Thomas R. McGetchin and Jack R. Sevier of the Lunar Planetary Institute in Houston, Tex.; the next statement is by Mr. James Fred Hays, professor of geology at Harvard University; the next statement is from Dr. Gerald J. Wasserburg, professor of geology and geophysics at the California Institute of Technology; and the next statement is from the National Research Council, the chairman of its space science board, Mr. A. G. W. Cameron.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT FROM DR. LEON T. SILVER

I am an "alumnus" of the lunar sample analysis program. The new scientific principles and new analytical technologies I and other graduates" developed during the 1960's and '70's, and those still being developed, are now being applied on behalf of developing the natural resources of this nation. These principles and technologies are in the forefront of the effort to better understand the distribution and amounts of those resources.

To transfer responsibility for funding lunar sample and meteorite research to the National Science Foundation (NSF) would dilute if not destroy this synergistic activity. The NSF carries on an extremely important, but nevertheless extremely dispersed and chronically under-financed program of funding for scientific research. The lunar sample and meteorite analysis program in spite of its importance, would be lost in these other NSF responsibilities.

There is universal agreement throughout the world that the NASA lunar sample analysis program has been and continues to be the highest quality geoscience program in the world. To lose that program and its direct benefits to science and the space program would be a travesty before the judgment of history.

LUNAR AND PLANETARY INSTITUTE,
Houston, Texas, July 28, 1978.

DEAR JACK,

On July 25, the Subcommittee on HUD/Independent Agencies (Senator Proxmire, Chairman) of the Senate Appropriations Committee (Senator Magnuson, Chairman) voted to eliminate the entire $5.7M lunar sample analysis budget. On July 31, the Appropriations Committee will vote on the Subcommittee's recommendations (of which the $5.7M lunar sample analysis is but a minor part); shortly thereafter, the full Senate will vote on the Committee's recommendations; some time later the differences between the Appropriations bill which was passed in the House and the one to be passed in the Senate will be resolved in a House-Senate Conference Committee—the lunar sample line item is one of these differences.

The action is seemingly made innocuous by the Subcommittee's recommendations that the lunar sample work simply be transferred from NASA to National Science Foundation's geology program. However, no funds are proposed to be transferred with the program. NSF is already saturated with earth oriented geology proposals, and the lunar sample program would likely not fare very well, no matter how good the science was and no matter how well intentioned NSF management might be.

To make matters worse, it is also expected that next week, the lunar sample program will be the recipient of Proxmire's Golden Fleece award. When this happens, we expect that some of the Apollo astronauts will be sought out for comment in the press, or that you may wish to take the initiative and voice your views through your own contacts in the press or in government. The purpose of this letter is to acquaint you with some of the facts, as we perceive them, so that you will have a better basis on which to respond.

The following points, we think, are pertinent:

a. The sample analysis program is continuing to produce excellent science; indeed some of the most interesting results have been produced in the last couple of years as the lunar scientists have begun to reflect on their research in terms of comparative planetology; that is, the relationship of the moon and the processes that have taken place there to these same processes operating on earth and the rest of the planets.

b. The lunar sample budget has been declining from the early years so that today only the very best research proposals are being funded.

c. Substantial portions of the sample collection remain unstudied in any detail. Very few of the drive tubes from Apollo 15, 16, and 17 have even been opened; indeed one-third of the original 54 cores from Apollo remain unopened. Experience has shown that each year of analysis produces something new and different as the sample analysis program progresses to previously unanalyzed samples.

d. Improvements in laboratory techniques and measurement precision not thought possible early in the program continue to yield important new results.

e. Application of laboratory techniques developed for lunar sample analysis are finding important applications in other fields apart from the lunar sample program; for example, techniques and instrumentation developed in Wasserburg's Cal Tech laboratory are yielding important and basically new information on meteorite analyses.

f. The USSR is continuing their unmanned lunar sample program and have had two successful missions (Luna 20 and Luna 24) since Apollo 17. Luna 24 returned 160 gm. of which the U.S. received about 3 gm. (as a part of an agreement where they have received 18 gm. from the U.S.'s collection of 360 kgm.). Results of the analysis of the 3 gm. sample by the U.S. group (Wasserburg, Arnold, Papike, and about 10 others) were summarized in a conference here last December (attended by the Russian's) and were very impressive; clearly the work could not have been done anywhere else in the world with comparable thoroughness and precision.

g. One important spin-off of the program which is usually ignored is the development of top quality scientists. Today's young scientists, in a variety of fields outside the lunar sciences, were graduate students in the laboratories of Silver, Wasserburg, Arnold, etc, six to eight years ago.

Well, our list could go on and on but there is probably no point. The attached material gives more detail and specific examples of some of the more important recent results and applications of this work for the future, which we hope you can read if you have time.

Just one final word about where we are coming from, in case anyone thinks we (or the lunar sample PI's) are merely serving our own interest. Most of us are in this program because we think it is important science and that it has relevance to this country's overall space activities.

My association with the Apollo field geology team was one of the most satisfying periods of my career. I left a fascinating task and good position at Los Alamos (geothermal energy project) to come here a year ago because of these beliefs. I managed to talk Jack into giving up a good position at JSC to come here as associate director for the same reasons. These same views are shared, I think, by all the sample PI's. Most of them have a lot of other projects they could be working on, but believe that the most important thing right now is to continue what has been started on lunar sample analysis. If there were a discontinuity in this work for a two or three year period while NSF was getting cranked up to integrate them in their geology program, I think most of them would find a new focus of interest.

Feel free to call either of us for new developments. In the meantime, I hope you will feel like taking whatever action you can to reverse the decision of the Subcommittee.

Sincerely,

THOMAS R. MCGETCHIN,
Director.

JOHN R. SEVIER,
Associate Director.

AN OVERVIEW OF THE IMPACT OF THE LUNAR SAMPLE ANALYSIS PROGRAM ON THE NATION

The lunar sample analysis program has contributed in a number of ways, quite aside from the excellence of the science; these indirect benefits for the nation are substantial and consist of (1) a cadre of well trained,

highly motivated and uniquely qualified young PhDs; (2) a flow of new ideas, commonly with applications in practical areas; (3) new methods for approaching problems; and (4) new analytical hardware.

The lunar sample program has involved the nation's top university, government and industrial scientists and laboratories in geochemistry, mineralogy, physics of materials, petrology and related sciences in a program which is highly focused, scientifically exciting and vigorously competitive. One of the principal products has been a substantial group of aggressive, motivated and exceedingly able young PhDs who are both turned-on by the excitement of the science but experienced in producing in the context of mission requirements, deadlines and in competition with their peers. This pool of experience should benefit the nation in many ways which transcend the lunar program itself.

It is noteworthy that many of these lunar program "alumni" find professional homes not only in universities but in national laboratories, government agencies and industries which are mission oriented, focused on immediate national needs in the area of resources (energy and minerals) and national security.

Attendance and interest in Houston's Lunar (and Planetary) Science Conference continues to grow. The Conference gets bigger and broader. This year's topics included (special sessions on):

Planetary Interiors;
Space Industrialization;
Early Solar System Cosmology; and
Next 5 years in Space.

And also highlighted were:

Mars (Viking Results and other Mars papers);
The Volcanism on the Planets;
Cratering Studies (DoD and planetary).

There were over 450 papers given; attendance was over 750, including about 30 from foreign countries. Next year is the Tenth Conference. The Proceedings Volumes now run to over 28,000 pages—a remarkable, highest quality treatise on the moon (and increasingly comparisons with the other planets).

Lunar sample studies are the cornerstone of this Conference and in many ways of the entire science of planetology; they, with meteorites, provide the best data on early events in the solar system. Our experience with these samples guides our plans and dreams for future planetary exploration and eventual manned reconnaissance. New planetary data from automated missions is invariably measured against two principal calibration points—the moon and the Earth. The figures on the next two pages show the NASA/OSS planetary exploration plan. Note that sample return and manned landing are the eventual goals.

The lunar sample analysis program has provided a steady flow of new ideas into the geosciences world. Some are quite general, such as the concept of formation of the lunar crust by floation of plagioclase crystals out of an early magma ocean. This early history of the moon as recorded in the upland rocks, indeed, presents us with a view of the early earth which we have no way of seeing directly even in the oldest rocks on earth. The last decade in the geological sciences saw revolutions develop in the dynamics of the earth in its present state—so called, plate tectonics. Our first clear view of the early history of planets, particularly their crusts, that is, the first billion years of earth and solar system history, came from the moon. We've only just begun to unravel it.

Some of the recent highlights of research within the lunar sample and extraterrestrial material analysis program follow:

1. "In the beginning . . . "(Wasserburg said)" . . . The current creation myth is that the Solar System was born from a mix of interstellar gas and dust. A massive star (about 15 solar masses) evolved rapidly (10^8 years) and then exploded; the resulting shock wave triggered formation of stars in the cloud, one of which was the sun. Some of the material injected by this supernova is preserved today in lithic fragments in inclusions in meteorities, such as Allende. This is a heck of a good story and only requires an exploding 15 solar mass star to sire us . . ." (G. J. Wasserburg (Cal. Tech), Robert Clayton (U. Chicago), and their coworkers and others have discovered and described anomalies in the abundance of isotopes in small grains in certain primitive meteorites which are pre-solar in time and were apparently produced in a supernova shock wave in the pre-solar medium. The instruments used to measure these anomalies were high precision mass spectrometers developed for lunar sample analysis and built with NASA support. The discovery is called Pandora's Box because preliminary reconnaissance shows the anomalies exist in many elements of the periodic table. This certainly is one of the great discoveries in astrophysics in the last couple of decades. It is noteworthy on several counts—(1) It couldn't have been done without the high precision mass spectrometers developed at Cal Tech and Chicago for lunar sample work. (2) It's only just begun—the entire periodic table awaits exploration! (3) It's a classic marriage of two disciplines—computational astrophysical hydrodynamics (star makers) and observational geochemistry (lunar and meteoritic sample investigators). (This is great science in our view!)

2. The Lunar Regolith.—The Apollo 17 drill core and double drive tube from Shorty Crater were opened last year. Orange and black droplets in the soil continue to intrigue us; they are volcanic and probably represent lunar fire-fountains (like Hawaiian eruptions) early in the history of mare filling. The gas phase which drives the eruption is one principal point of interest because it is a clue to the volatile content of the moon (and other terrestrial planets) early in time. Perhaps the most prominent question (and answer buried in the regolith is the history of the sun. Changes in the solar wind with time are recorded by the light elements embedded on the surfaces of the fine grained particles in the regolith. The results suggest that the sun is a pretty well behaved star, not as variable as some thought was the case. That's important for climate—perhaps on the scale of our lifetimes, because some climatologists and astronomers have argued for substantial short-term variations.

3. Mars.—A session at the Conference was focused on Viking results and highlighted the emergence of the science of Comparative Planetology. We've had a reconnaissance look at the Moon, Mars, Venus and Mercury; JOP (Galileo) will give us our first close look at the satellites of Jupiter in the early 1980's. We're all eager to push on to Mars; OSS Planners would like a vigorous mission, perhaps with sample return in the late 1980's. Many of us would like to see manned flight to Mars. The prime scientific goal would be sample return; continued lunar sample work is homework for Mars and other manned missions of the future.

4. Volcanism, basalts, and remote sensing.—Apollo produced the geological reconnaissance of the moon; we've now pretty well defined what was and what was not sampled, in terms of the major surface rock types. Remote sensing data from lunar orbit and also from the earth has evolved substantially; we now know that about two-thirds of the major types of mare basalts are unsampled—particularly the older, redder types in the west side of the moon. These methods permit the astronomer's telescope and geologist's petrographic microscope to address the same data base. It should not go unnoticed that these methods of remote sensing for mineralogy can be applied to the earth, but that the moon has been the proper laboratory for their development because it has no atmosphere and lacks the complexities of terrestrial weathering and surface water.

5. Impacts.—Cratering on all scales dominates the moon and its history. The early large basin-forming impacts were the most interesting, perhaps, because such events undoubtedly happened on the earth as well. Computer modeling of monster impacts is producing fascinating detailed descriptions of the effects; disruption of the entire early crusts, large amplitude waves, and extensive local heating. Perhaps the most important development however has been the marriage of the DoD cratering community with the planetary scientists. The weapons effects people (at Los Alamos, Livermore and in Industry) have serious problems in predicting effects in large-scale events where the geology is complex—e.g. layered target rocks, variable ground water table. Large meteorite impact craters on the earth have certain similarities (especially for specific scale-depth-of-burst) with explosive craters. A very productive symbiotic relationship has evolved between the computational explosion effects community and the lunar sample and cratering investigators, in which the methods and observations of each was not readily available to the other. Field observations by geologists working on lunar problems have proved to be important to the DoD community; the computational capability of the DoD community is now being applied fruitfully to planetary cratering problems.

6. Industrialization of space.—Concepts continue to grow (despite a lot of flack) about how to use available raw materials of space for construction feed stock. There is some point in terms of scale (perhaps the mass of several aircraft carriers) where it becomes economically justifiable (or necessary) to look for an extraterrestrial source, because of the cost of launching material from the earth. There are two such sources currently recognized—the moon and earth-crossing asteroids. The moon contains abundant Fe and Ti (in some of the Mare, e.g. at the Apollo 11 and 17 sites) and Ca and Al (in the plagioclase-rich upland breccias). Reflection spectra of asteroids are most commonly similar to carbonaceous chondrite meteorites, which are mineralogical garbage buckets (olivine, pyroxene, some metal but a lot of low temperature hydrous minerals only partially understood)—however the volatiles might be very valuable and the metal phases as well. Most people look on these ideas as pretty far out but (1) people have thought through the initial chemical engineering of lunar materials, (2) some aspects of launch costs won't change—they're Newton's laws and its a long way to geosync! At some point in the future this option will be important for the U.S. to consider in hard engineering terms—the lunar sample community is doing that homework.

CONCLUSION

In short, the science continues to flow from the national commitment in Apollo. These scientific results are providing fuel which will fire future missions—by asking good scientific questions about the solar system (and finding occasional answers) and also by doing the homework which will pave the way to use of space by man. Maintenance of the lunar sample analysis program at its present current vigorous level of activity and high productivity is in the best interest of the nation and its future.

Summary.—Some of the major points discussed are outlined below (and in the matrix attached):

SOME SCIENTIFIC HIGHLIGHTS

Lunar mass spectrometers discover isotope anomalies in meteorites which suggest our

solar system began in a (pre-solar) supernova explosion.

History of the sun is embedded in surfaces of lunar soil particles.

Lunar soil contains volcanic beads with clues to early gases in planets.

Remote sensing methods map moon and show we've only begun (⅔ unsampled).

Early crust of moon (and earth) grew from molten rock ocean.

Feasibility studies of mining lunar resources underway.

SOME INDIRECT BUT SUBSTANTIAL BENEFITS FOR NATION

Uniquely well trained, motivated young group of scientists with PhD's in geological sciences.

Steady flow of new ideas regarding evolution of planets.

New methods for application, such as mineralogical remote sensing, small sample analysis methods and quarantine control.

New hardware, such as extremely high precision mass spectrometry.

SOME DIRECT INVOLVEMENT IN PRESSING NATIONAL NEEDS (LUNAR SAMPLE PROGRAM "ALUMNI")

Individuals in positions of prominence (National Academy, U.S. Senate).

Research Activities of Other Mission Agencies:

Nuclear Waste Disposal—Research by U.S. and Australian lunar scientists has suggested mineralogical sites for stabilization of nuclear waste;

Coal Quality—Microprobe techniques developed in lunar research being used for new approaches to coal quality assessment (LASL);

Geothermal—DOE Laboratories utilizing geoscientists trained in lunar program;

Nuclear Fuels—Low grade ores in the deep crust may be extracted by in situ methods; former lunar scientists pioneering work;

Metallic Ore Deposits—Remote sensing methods developed in lunar research;

Cratering—DoD models of cratering effects constrained by geological examples;

Solar Power/Space—Lunar materials may be utilized for large scale construction in earth orbit.

IMPACT ON NASA PROGRAMS

Future mission planning, e.g. Mars exploration and sample return.

Integral part of planetary sciences research program.

Utilization feasibility and future manned program.

Close interaction with Applications Program.

LUNAR SAMPLE RESEARCH AND PRESENT AND ANTICIPATED PRINCIPAL NATIONAL NEEDS

Area and specific items	Past experience and future influences of the lunar sample program				
	Principal agency involved	People: Continued supply of high level scientists	Ideas: Continued flow of ideas and models (For the Moon and the Earth)	Techniques: New methods and procedures	Instrumentation: New analytical hardware
Mineral and energy resources:					
Availability of fossil fuels, coal quality	DOE, USGS	Major influence		Major influence	Major influ
Availability of nuclear fuels	DOE, DOD, USGS	Substantial	Minor	Substantial	Do.
Management of nuclear waste	DOE, USGS	Major influence	Major influence	do	
Geothermal energy development	DOE	Substantial	Substantial	Minor	Minor.
Availability of critical metals—remote sensing	DOE, USGS	Major influence	Major influence	Major influence	Substantial.
Solar power development	DOE, NASA	Substantial	do	do	Do.
National security:					
Cratering	DOD, NASA	Major influence	do	Substantial	Do.
Small particle collection and analysis	DOD, NASA	Substantial	Substantial	Major influence	Minor.
Large structures in Earth orbit	DOD	do	Major influence	do	Substantial.
Basic science:					
Early solar system history	NASA	Major influence	do	do	Major influence.
History of sun	NASA	do	do	do	Do.
Comparison of the planets	NASA	do	do	do	Do.
Supernova isotopes in meteorites	NASA	do	do	do	Do.

NASA PLANETARY EXPLORATION PLANS: SIGNIFICANT EVENTS

Mission and events:

Pioneer Venus Orbiter, orbit insertion, December 1978.

Pioneer Venus multiprobe, Venus encounter/entry, December 1978.

Pioneer 11, Saturn encounter, September 1979.

Voyager 1, Jupiter encounter, March 1979; Saturn encounter, November 1980.

Voyager 2, Jupiter encounter, July 1979; Saturn encounter, August 1981; Uranus encounter, January 1986.

Solar maximum mission, launch, October 1979.

Venus orbital imaging radar, Venus encounter, 1983.

Solar polar mission, Jupiter encounter, 1984; solar poles passage, 1986.

Galileo mission, Mars flyby, April 1982; Jupiter encounter (orbit insertion/probe entry), 1985.

Comet Halley/Tempel 2 mission, Halley encounter, November 1985; Tempel 2 encounter, July 1988.

or

Comet Encke rendezvous, Encke encounter, 1987.

Mars geochemical orbiter, Mars encounter, 1987.

Mars sample return, Mars encounter, 1989; Earth return, 1991.

Saturn orbital dual probe, Saturn encounter, 1992.

HARVARD UNIVERSITY,
Cambridge, Mass., July 27, 1978.

Hon. EDWARD W. BROOKE,
U.S. SENATE,
Washington, D.C.

DEAR SENATOR BROOKE: I understand that the Proxmire Subcommittee of the Senate Appropriations Committee has voted to eliminate the Lunar Sample Analysis item ($5.7M) from the NASA budget. I am writing you to ask your help in overriding this hasty and ill-considered action.

The Apollo lunar samples are a priceless scientific resource and national treasure. Scientific study of these materials, underway for nine years, is still far from complete. Emphasis in recent years has shifted from descriptive characterization to testing of newly constructed models for the processes of planetary accretion and differentiation. Continuation of this work using lunar samples (and meteorites, where appropriate) is of great scientific importance, and is laying essential groundwork for further exploration of the other planets in the coming decades.

Furthermore, the laboratories and scientists supported by this budget item are an important component of this country's leading position in the space-related sciences. Few other government programs are as well-managed and scientifically productive as this one, and to destroy it at this time would be most short-sighted and damaging to our scientific stature.

Lastly, I would point out to you that Massachusetts has been a leader in this field with active lunar research groups at Harvard, MIT, U. Mass. (Amherst), and Arthur D. Little.

I urgently request your help in restoring this item to the NASA budget. Please let me know your views.

Yours truly,

JAMES FRED HAYS,
Professor of Geology.

CALIFORNIA INSTITUTE OF TECHNOLOGY,
Pasadena, Calif., August 3, 1978.

Hon. HARRISON H. SCHMITT,
Dirksen Senate Office Building, U.S. Senate,
Washington, D.C.

DEAR SENATOR SCHMITT: The Congress is now considering an action to delete a line item in the NASA budget to study lunar samples and extraterrestrial materials. In order to gain some perspective it may be of value to consider my previous views about the role of science in carrying out large technical enterprises and the relationship of the science function to the particular federal agency charged to carry out such a mission.

In a review of space science (Astronautics & Aeronautics, 1972) I presented an assessment of planetary exploration up to the middle of Apollo 15. It is of interest to look at both the introduction and conclusions. The introduction was as follows:

If this article can convey the enormous excitement and importance of the scientific results from the Apollo missions, it will achieve the chief goal I see for it . . . The sixpence of science so far obtained from the Apollo missions represents but a small part of the total coin of national commitment and skills that have placed men on the Moon and returned them safely to Earth. This sixpence of science, while not a large coin, gives a basic measure of the value of present and coming space exploration.

The conclusions were:

From an historical point of view, the Apollo-11 mission represents a remarkable achievement of human society and technology. The manned space missions before Apollo 11 were but a prelude, and to some people it appeared that the subsequent Apollo missions were but an extended encore. However, from a scientific point of view, Apollo 11 was an opening curtain for initiating the first intensive study of another planet.

With the recent landing and return of Luna 20 and the termination of the Apollo-series missions later this year, we are faced with the necessity of defining the future of planetary exploration by both manned and unmanned missions and the intrinsic role which science and science management must play in such a program.

Certainly our exploration of the solar system must comprise balanced studies of both the inner and outer planets, which exhibit such fundamental differences of properties . . . In all such considerations, one hard lesson must be learned and remembered: adequate scientific management must be an intrinsic part of all stages of these endeavors, beginning with the definition of the missions themselves. The scientific community must be willing to participate in both the planning, engineering, and decision-making functions. This will take a great deal of time and effort on its members' part. In balance, NASA management must honestly solicit such participation, and not mistake the sixpence of science for an insignificant coin to be inserted into the slot of a compact, preformed spacecraft which executes exquisite but meaningless Newtonian pirouettes.

It is now six years since the termination of the Apollo missions. These have been six years of intensive studies.

My enthusiasm and interest in the study of lunar materials and processes has not dimmed. My view of the importance of adequate scientific management in mission planning, engineering and decision-making has remained firm.

With regard to science management, it is my view that adequate and continued interaction between a mission-oriented agency and the scientific and engineering community is mandatory in order to carry out a project with understanding and efficiency. This requires a medium through which members of the scientific and engineering community outside of the mission agency can participate. The most obvious and successful mechanism is to carry out some basic and applied research by the general community under the aegis of the mission agency. This work must certainly be related to the charter of that agency. Such a relationship makes a wide spectrum of talents available to the mission agency for conception planning, engineering and decision-making functions. The need for such a relationship has recently been emphasized by President Carter in some communications to this Congress.

The removal of such a mechanism will keep the research activity within a pure research establishment and isolate the mission agency from critical evaluation and the inflow of creative ideas. The accessibility of the highly-skilled outside world for identifying and solving the mission agencies' problems then becomes very limited. To gain the dedicated attention and interest of a scientific and engineering community that has become totally isolated from the agencies' interests is very difficult. The connection between pure and applied research and engineering then becomes the difference between communicating inside and totally outside of the agency. There would thus be no good forum for interaction and the broad outside community would not serve as an available resource to agencies charged with achieving national objectives.

A positive example is seen in a recent study carried out by the Space Science Board of the National Academy of Sciences to establish a strategy for the exploration of comets, asteroids and interplanetary dust. The group addressed both the scientific objectives and the technical problems associated with such an endeavor. This was carried out under a contract with NASA and involved a group of capable people who were knowledgeable about spacecraft, science and technology. Many of the judgments were directly derived from the ongoing studies of lunar and extraterrestrial materials. In my view, it would not have been possible for the SSB to competently carry out such a study without the existence of a scientific community that was conducting research related to the agency's needs.

With regard to the need for more scientific research on lunar samples and extraterrestrial materials, there are four major areas which require further study.

For lunar work about five more years of study will be required to understand the early history of the lunar crust. Study of the Apollo samples has shown that at 3.9 billion years ago the moon and earth were heavily bombarded with small planetary bodies. There is no evidence of the history of the crust of the earth prior to this bombardment, but it is preserved on the moon. This study of the first 0.6 billion years of lunar history is just now being developed and requires great technical skill in order to piece together the history of the earth-moon system prior to the terminal cataclysm. The second matter requiring study is the cause of volcanic activity on the moon (a water-free planet) and a comparison of the lunar processes with volcanic activity on the other terrestrial planets. This may cast some light on the sources of volcanic activity on the earth.

The third area is the study of cosmic ray and solar wind bombardment over the past few hundred million years which is preserved on the moon.

The fourth problem is the origin of the solar system and the events which immediately preceded the birth of the solar system. This is now being carried out by the study of meteorites. The important new discoveries have been so startling that it is not clear where it will lead us. One thing is certain—we may now study the very birth process of the sun and the planets in detail and will want to pursue this matter urgently.

The above problem areas in the study of lunar and extraterrestrial materials represent ongoing activities which require further intensive study. As a direct result of the lunar program advances in technical skills have been produced and new approaches have been developed which can and are being applied to new problems. Some examples which merit attention are (1) the development of new methods for dating the formation of rocks and studying element migration. These developments will be applied in resource geology, in the search for ore deposits and in problems related to the storage of radioactive waste, (2) the development of new microanalytical techniques which may soon be directly applied in medical research and should lead to the precise analysis of individual human cells. These microanalytical techniques may be used in problems of heavy metal toxicity and to study metabolic functions. The difficulty is to get the medical researchers up to the technical skills of some of the lunar research achievements. (3) Another example of a major advance is in areas of remote sensing and in the interpretation of data obtained by this approach. This has application to problems in agriculture and ore deposits. (4) The most important product is a new generation of scientists who are truly interdisciplinary and can make contributions in the world of new problems which we now face.

Next week I hope to be back in the laboratory with a group of scientists trying to find small fragments of very ancient lunar lava (older than the oldest known rock on the earth) in a breccia brought back from Apollo 17, and to study a peculiar sample of basalt from Apollo 11 which has not yet been worked on. Let us hope that some time and money can be left to return to this challenging endeavor.

Respectfully,

G. J. WASSERBURG,
Professor of Geology and Geophysics.

NATIONAL RESEARCH COUNCIL,
Washington, D.C., August 4, 1978.

Hon. HARRISON H. SCHMITT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SCHMITT: In response to your request for positions taken by the Space Science Board with regard to the continuing importance of the analysis of lunar material and meteorites, I am enclosing the germane sections of a soon-to-be-released report of the Committee on Planetary and Lunar Exploration which has been adopted as policy by the Board.

Sincerely yours,

A. G. W. CAMERON,
Chairman, Space Science Board.

F. ROLE OF LUNAR SAMPLES AND LUNAR DATA IN PLANETARY SCIENCE

The lunar samples and the data from *in-situ* geophysical and geochemical experiments returned by the U.S. and Soviet missions to the Moon represent a unique and invaluable scientific resource bearing on the early history and evolution not only of the Moon, but also of the solar system. While meteorite studies also contribute to our understanding of the early solar system, the lunar samples are uniquely important because they can be related to specific geological features on a terrestrial planetary body with a clearly definable yet primitive history.

Lunar sample studies have provided us with a detailed picture of the early bombardment and magmatic differentiation which have shaped the major surface features of the Moon and, by implication, other terrestrial planets. In addition, sample studies continue to provide information on the current processes which are modifying the lunar regolith. ALSEP and Apollo sub-satellite geophysical and geochemical experiments have provided key data on the nature of lunar crust and mantle and on the interaction of the Moon with the particles and fields of the solar wind.

The policy of the U.S. in making data and portions of samples widely available has internationalized lunar science. There remains a vast wealth of information and new knowledge to be derived from the Apollo lunar samples. The continuing return of lunar material from Soviet missions promises to extend our knowledge to additional unexplored regions of the Moon. These samples are becoming available to scientists through a highly successful cooperative agreement between the U.S. and the U.S.S.R. In order to fully exploit the scientific information available from the Luna and Apollo samples, and to maintain or expand the present level of cooperation with the U.S.S.R., it is essential that a vigorous lunar studies program be maintained.

Detailed lunar sample investigations are also providing the impetus to develop new techniques to study extraterrestrial materials. This effort not only further advances our frontiers of knowledge, but also provides guidance for the efficient scientific study of future planetary sample returns. Similarly, as the synthesis of the abundant geophysical and geochemical data from lunar missions continues to refine our ideas on lunar structure, tectonics, and evolution, so it also aids in the planning of future missions to other terrestrial planets. We view lunar sample research and lunar data analysis and synthesis as essential elements of planetary studies and therefore recommend that these elements continue to receive substantial support as an integral and unique element of the exploration of the inner solar system.

In the 1975 SSB report, the need for a pristine and safe storage and processing facility for lunar samples was emphasized. NASA has initiated construction of a new and upgraded main curatorial facility for the Apollo lunar samples and has moved a substantial fraction of the lunar collection to a clean and secure storage area at a separate site. We fully endorse these moves to assure adequate preservation of this unique scientific treasure.

STUDIES ON METEORITES

Until the advent of space missions, meteorites were the only extraterrestrial objects

accessible for intensive laboratory investigations. Results from these studies played an important role in the planning for remote analysis of the lunar surface by the Surveyor missions and for the in depth analysis of lunar samples returned by the Apollo missions and the Luna missions. While the source of meteorites is not well known, they appear to form a series of connecting links between the larger planetary bodies. Meteorites still represent the most diverse samples of extraterrestrial planetary matter currently accessible for laboratory studies and thus have continued to be a unique ingedient in our thinking about the nature and history of the planets and the information of the solar system.

The availability of samples from all over the world for such investigations, including new falls and major discoveries of meteorites in the unexplored Antarctic by Japanese and American expeditions, has invigorated these investigations. The search for and preservation of meteorites in special collections and their distribution to the scientific community is a tribute to the cooperation of museum curators and scientists irrespective of nationality.

Experimental and theoretical work on meteorites is continuing to yield new and exciting results of the highest scientific importance relating to the nature of the planets and their evolution. Recent discoveries of the chemical, isotopic and petrologic nature of certain meteorites are strongly affecting our views about the conditions in the early stages of the solar system and the processes of planetary evolution.

COMPLEX strongly recommends continued intensive studies on meteorites as a parallel effort to the study of lunar samples, to earth-based observations of the solar system and to space missions in the study of the planetary system. These studies should be continued using advanced techniques. In addition, the development of new techniques should be encouraged, not only because of their contribution to meteoritic studies, but also because of their role in understanding lunar processes, in defining new experiments for space missions, and the potential of maximizing the scientific results from the study of samples returned from terrestrial planets.

Mr. SCHMITT. Finally, Mr. President——

The PRESIDING OFFICER (Mr. MATSUNAGA). The time of the Senator has expired.

Mr. PROXMIRE. I yield 1 additional minute to the Senator, Mr. President.

Mr. SCHMITT. Finally, I would include a statement written by the Senator from New Mexico quite a number of years ago which covers the activities of the lunar sample analysis program and its results, more importantly, up through about 1974.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EVOLUTION OF THE MOON: THE 1974 MODEL

Abstract.—The geology of the decade of Appollo and Luna probably will become one of the fundamental turning points in the history of all science. For the first time, the scientists of the Earth have been presented with the opportunity to interpret their home planet through the direct investigations of another. Mankind can be proud and take heart in this fact.

The interpretive evolution of the Moon can be divided now into seven major stages beginning sometime near the end of the formation of the solar system. These stages and their approximate durations in time are as follows:

1. The Beginning—4.6 billion years ago.
2. The Melted Shell—4.6–4.4 billion years ago.
3. The Cratered Highlands—4.4–4.1 billion years ago.
4. The Large Basins—4.1–3.9 billion years ago.
5. The Light-colored Plains—3.9–3.8 billion years ago.
6. The Basaltic Maria—3.8–3.0 (?) billion years ago.
7. The Quiet Crust—3.0 (?) billion years ago to the present.

The Apollo and Luna explorations that permit us to study these stages of evolution each have contributed in progressive and significant ways. Through them we now can look with new insight into the early differentiation of the Earth, the nature of the Earth's protocrust, the influence of the formation of large impact basins in the crust, the effects of early partial melting of the protomantle and possibly the earliest stages of the breakup of the protocrust into continents and ocean basins.

1. INTRODUCTION

The probability is very great that the synthesis of the geological discoveries of Apollo and Luna will become one of the fundamental turning points in the history of all science. For the first time men have been presented with the opportunity to interpret their own Earth through an understanding of a second planet. This second planet, which we call the Moon, is now a pitted and dusty window into the Earth's own origins and evolution.

The view through this window is new and at present incomplete. On the other hand, at the close of the decade of Apollo and Luna, we can speak with considerable confidence about the internal structure of the Moon, the composition of its crust, the past processes that formed that crust and the evolutionary sequence through which major portions of that small planet have passed. This paper will review the new limits on our interpretive understanding of the Moon and the sequence of events by which we gained this understanding. It also will suggest some of the new directions we can follow in search for understanding of the Earth as we attempt to apply our new vision of the Moon.

The summary of lunar science contained in this paper draws upon a broad spectrum of ideas and investigations performed by what has become known internationally as 'The Lunar Science Team'. One of the major difficulties inherent in such a large joint effort and in the intimate verbal contact among those involved is the nearly impossible task of properly acknowledging all contributors to a given idea or area of discussion. This is manifestly more difficult in a review paper such as this. For the present work, I hope that it will suffice to include some general references and to say that what the reader finds he can agree with should be credited to the lunar science team as a whole; what he finds he cannot agree with should be blamed on the author.

2. THE MOON AND ITS EVOLUTION

2.1 The beginning

Mysterious events were taking place around our youthful Sun about 4.6 billion years ago. The materials left over from the birth of that Sun were combining in systematic ways, but by largely unknown processes, to form the planets and their satellites. The specific beginning of the Moon remains unclear as is the case for all the planets and satellites in the solar system; however, there appears to be no reason to doubt that the beginning occurred about 4.6 billion years ago. On the other hand, the rate at which new information is being provided by the space investigations of the Soviet Union and the United States makes it almost certain that an internally consistent model for the origin of the solar system will appear in the not too distant future. It is this very rate by which we are learning, plus the vast detail that now constrains the possible models, that has presently saturated our collective ability to find a satisfactory model. A return to fundamental principles, extrapolated under the new constraints, has begun. However, the first new, generally accepted model for the evolution of the solar system has not appeared.

2.2 The melted shell

Sunset on the farside of the Moon was not always so starkly tranquil as it is now. About 4.6 billion years ago, when the growing Moon was approximately its present size, the Sun probably set on a glowing, splashing sea of molten rock. Storms of debris still swept this sea, mixing, quenching, outgassing, and remelting a primitive melted shell. This outer shell, and possibly the entire Moon, appears to have been melted by the great thermal energy released by the last violent stages of the formation of terrestrial planets. The actual processes by which this energy was released and, in fact, the processes by which the seemingly closely related materials of the Moon and Earth came together in space remain subjects of heated debate.

Inside the melted shell the crusts and upper mantle of the Moon were gradually taking form through processes associated with the fractional separation of phases on a planetary scale. At the base of the melted shell or possibly in the center of the completely melted Moon, an immiscible, dense liquid of iron and sulfur probably accumulated as the melting took place. The initial separation of silicate minerals in the outer melted shell then produced a combined crust and upper mantle a few hundred kilometers thick; the crust rich in calcium and aluminum (anorthitic plagioclase) and the upper mantle rich in magnesium and iron (pyroxene and olivine).

Our lunar samples indicate that, in addition to calciumfeldspar, about 30% of the volume of material of the outer 25 km of the crust is made up of minerals rich in magnesium and iron. Seismic information from beneath the area of our near-side net of seismometers indicates that the lower crust, that is, a zone between depths of about 25 and 65 km, is similar in mineralogical composition to the outer crust; however, it appears to be of a much more coherent and more uniform structure. Below 65 km and at least to about 200 km beneath the Moon's surface, our seismic evidence indicates that the upper lunar mantle is probably composed largely of pyroxene and olivine. Both the upper mantle and the crust, however, have been greatly modified by later events and materials.

Most of the major chemical differentiation we have observed on the Moon may have been established with the formation and cooling of the outer melted shell. This differentiation included the fractionation of siderophile and chalcophile elements into the immiscible iron-sulfur liquid; the fractionation of many major, minor, and trace elements between the crust and upper mantle during the fractional crystallization of silicate minerals; and the loss of volatile elements from the crust and upper mantle as the continued rain of primordial debris mixed and splashed the outer melted shell in the vacuum of space.

The distributions of rare earth elements presently form one of the major tests of the validity of arguments for the existence of an early melted shell as well as other events during the evolution of the Moon. We can assume that differences and similarities in the valence state and ionic radii of the rare earth elements, as compared to themselves and other elements, would exercise the major controls over the effect of various lunar processes on specific element distribution. The now obvious reduced oxidation state of the Moon and the systematic decrease in ionic radius with increasing atomic

number of the rare earth elements offers some simplifications to problems of interpretation. However, the uncertainties in the nature of lunar evolutionary processes and in critical distribution coefficients for these elements leave much room for alternative explanations of the observed distributions.

An additional uncertainty is the average or beginning abundances of the rare earth elements in the Moon. In the absence of these data, the abundances in chondrites are used as a standard for comparison; however, it is clear that the initial abundances and variations in those initial abundances can effect some interpretations.

The period of crystalization of the melted shell appears to have been dominated by the simultaneous formation of calcium-feldspar and one or more magnesium- and iron-rich minerals. The dense magnesium- and iron-rich minerals would sink in response to gravity to form a cumulate at the base of the melted shell. It is probable that the less dense calcium-feldspar floated upward in the shell for there has occurred a great enrichment of that mineral in the upper 60 km of the Moon. The dominant effects of these crystalization processes on the rare earth elements of the Moon were the gradual enrichment of rare earths in the residual liquid and the relative depletion of europium in that liquid as it was extracted preferentially by the calcium-feldspar.

As our confidence grows in the "melted shell" interpretation of the second phase of lunar evolution, we must emphasize the concept of early crustal melting and differentiation in our thinking about the early history of the Earth. In addition to the creation of the protoforms ("proto" means "first") of a crust, mantle and possibly a core at this time, the Earth probably also had accumulated a fluidsphere by virtue of a gravitational field strong enough to hold volatile components that would have been lost from the less massive Moon. The extreme depletion of the Moon's crust in components more volatile than sodium relative to the Earth seems to reflect this difference in mass. On Earth as on the Moon, it is probable that the major radial controls on the distribution of the elements were established at the very start of the planet's evolution.

It may be of interest to note at this point that in the oldest complexes on Earth there are rocks called anorthosites which are rich in calcium and aluminum as are the very old crustal rocks on the Moon. The early differentiation of a plagioclase-rich crust on Earth may account for at least the initial concentration of elements comprising these mysterious rocks. Understanding their origin and evolution is not a trivial problem as most of our known titanium resources are found in such rocks.

The early fluidsphere of the Earth is also of great interest. It can be assumed to have contained nitrogen, water and carbon because of the present great abundance of these components in the atmosphere and hydrosphere. They are also abundant in meteorites of the carbonaceous chondrite variety. The analysis of lunar volatile components that are indigenous (in contrast to solar wind derived components) indicates that the early fluidsphere of the Earth probably also contained significant sulfur and chlorine. The exact chemical and physical nature of this fluidsphere would be greatly dependent on temperatures which are presently unknown.

The formation of a core is one of the most important planetary phenomena that may have occurred at or soon after the time of the melted shell. There is geochemical, magnetic and seismic evidence suggesting that a core of a liquid solution of sulfur and iron accumulated in the Moon at or prior to 3.9 billion years ago. This would have occurred early in lunar history if the entire entire Moon was once molten, or somewhat later if there was a gradual gravitational migration of the immiscible liquid from the melted shell period through an always solid mantle.

Whenever the core formed, a remarkable and still little understood phenomena apparently occurred: an electric dynamo probably came into existence, began to perpetuate itself, and produced a magnetic field about 1/25th the strength of that presently associated with the Earth. Other alternatives for the creation of this field presently exist; however, its previous presence is unquestioned. Although the field is not presently active, regional magnetic anomalies left in crustal rocks persist. The anomalies have dimensions on the order of 100 km and the strongest known is, appropriately, near the crater Van de Graff. The presence of hard remanent magnetism in soil breccias formed only a few tens-of-million years ago suggests the possibility that the lunar magnetic field is only temporarily inactive.

If the creation of a lunar magnetic field was dependent on the formation of a conducting core as seems most likely, then such a core was present at least 3.9 billion years ago, the age of the oldest rock that has been examined for remanent magnetic evidence of an ancient field. It also seems likely that a protective magnetic field existed around the Earth at least as far into the past as that of the Moon's. The nature of the influence of this field on ancient climatic and biological processes on earth is not yet known, but there are many reasons to believe that this influence would have been considerable. The further delineations of the history and origin of the lunar magnetic field and those of other planets will bear heavily on our understanding of these terrestrial processes and their significance.

2.3 The cratered highlands

By about 4.4. billion years ago the surface of the Moon's outer crust was solid and must have looked not unlike the cratered highland areas we see today. As the debris storms continued their declining but still violent ways, this cratered and broken outer crust was saturated by craters 50 to 100 km in diameter. It is now composed largely of impact pulverized, shock melted and reaggregated plagioclase feldspar, a silicate mineral rich in calcium and aluminum. The intensity and depth of the disturbance of the outer crust cannot be over-emphasized. A debris zone formed that was at least 10 km thick by about 4.1 billion years ago. The size of the craters with which the surface is saturated and the seismic data we have accumulated, indicate that the total disturbance extended to about 25 km below the surface. It is not yet certain that the in-fall of debris declined in a continuous way or that this decline may have occurred in pulses of varying intensity.

The four to five hundred million years during which the cratered highlands were being profoundly modified by impacting debris may have resulted in changes in the characteristics of the rare earth element distributions established during the melted shell stage. Such changes would have been most extensive in the upper 10 km of the cratered highlands. The first obvious possibility is that new material with different rare earth characteristics from those in the early crust may have been added either from deep or extralunar sources. In addition, selective volatilization and redeposition of the light rare earth elements may have occurred. Possibly most important, however, was the regional hemogenization of the outer crust over areas on the scale of a few hundred kilometers in diameter. Presently observed geochemical heterogeneities on scales less than this must be the result of late additions of new materials. In particular, the most obvious geochemical anomalies appear to be the result of the additions of material derived from depth through excavation or magmatic activity.

It is highly probable that the protocrust of the Earth underwent comparable disturbance as did that of the Moon. There is no clear evidence of this yet recognized on Earth; however, we should begin to consider the implications of the occurrence of such intense cratering. For example, the rates of mechanical and chemical weathering of the protocrust in the environments of the fluidsphere probably were greatly accelerate with a resulting increase in the rates and degree of geochemical differentiation at the Earth's surface. The rates of early biological evolution also may have been greatly enhanced by the availability of nutrients and thermal energy and by the continuous mixing caused by impacting debris. That debris also may have continuously supplied the early organic building blocks of life which are present even now in some meteorites and in the interstellar medium.

2.4. The large basins

As the residue of creation was consumed by Earth and Moon alike, the debris storms decreased in frequency, although not without occasional unusually massive reminders of the past. Some time prior to about 4.1 billion years ago, large basins began to be formed by major impact events at a time when they could not be obliterated by smaller collisions or by a subsequent period of large collisions. Most of these basins are now partially filled by younger materials such as the basaltic maria; however, certain generalizations can be made.

The relatively young large basins, such as Serenitatis, are circular in shape and have deep original floors. Variations in gravitational accelerations measured from lunar orbit show that these young basins overlie large concentrations of mass (mascons) and have roughly concentric deficiencies of mass just inside their rims. The older large basins, such as Tranquillitatis, are irregular in shape, have shallow original floors, and contain no large concentrations or deficiencies of mass within them. Although all of the great basins appear to have been formed by major impact events, the general differences between them suggest a major change in the mechanical properties of the crust about 4.0 billion years ago. The final upward migration and crystallization of the highly fractionated residual liquids of the melted shell may have occurred at this time.

The mechanics of the formation of the large basins and the detailed physical and chemical processes associated with their formation are poorly understood. Most of our terrestrial experience with impact and explosion cratering has been on a scale where local shock effects, hemispherical excavation, ballistic ejection and limited movement of shock melted material have been dominant. We must now try to understand events on scales ten to a hundred times more energetic and which will interact with large portions of an entire planet. Regional or global shock waves, large scale lateral excavation, fluidized ejection and transport of pulverized debris, and regional movement and deep crustal injection of shock melted material are phenomena that may need to dominate our thinking about the formation and effects of the large basins. Samples from the lunar surface and data from orbital sensors indicate that rocks possibly formed from the residual liquids of the melted shell and which are rich in alkalies, radioactive isotopes, rare earth elements and phosphorus, are now present in varying amounts in the debris on the Moon's surface. They have been referred to as the "KREEP" basalts. Their major known distribution limits are between longitudes 5° E and about 60° W. They appear to be spatially associated with the southern portion of the Imbrium Basin and its ejecta blanket to the south and southwest.

The separation of large volumes of calcium feldspar and magnesium- and iron-rich minerals from the residual liquid of the melted shell appears to be the most likely

origin for at least the parent materials of the KREEP basalts. In addition to the great enrichment of all the rare earth elements and the greatly accented depletion of europium in these materials, we find the expected relative enrichment of the light over the heavy elements imposed by differences in ionic radii.

With the completion of the formation of the large basins and prior to their partial filling by younger materials, a major lunar surface formation existed that is now largely covered by light-covered plains materials and basaltic maria. This formation is now extensively exposed only inside the outer mountain ring of the Orientale Basin where it consists of a hummocky, cracked and locally draped layer that appears to have been shock melted lava that flowed within the basin just after the impact event that created it. Although now largely covered elsewhere on the Moon, impacts into this surface may have contributed significant amounts of its material to the debris that was forming on the surrounding highland regions.

There are many good reasons to believe that the early crust of the Earth suffered the same violent indignities of large basin formation as did the Moon's crust. Although the subsequent 4 billion years of dynamic Earth history have masked the effects of this violence, there are now many new things to look for and many new lines of interpretation to pursue. For example, the distribution of the early ocean basins may have been determined by the distribution of large impact basins and groups of basins. Also, throughout the Earth's crust there have long been recognized regional provinces that are rich in certain elements and which are the loci of ore deposits of those elements. For example, the southwestern United States is one such geochemical province rich in copper. Our present understanding of the origin and structure of these provinces is very limited even though much time, effort, and money has been spent in endeavoring to understand. Locked in the mechanics of the formation of the very large lunar basins, and their penetration into the crust, and in the distribution of ejecta around such basins may be much of the understanding we seek.

2.5 The light-colored plains

The first event possibly generated by the Moon's interior processes about 3.9 billion years ago was the surface deposition of light-colored, plains-forming materials. Visual and geochemical studies conducted from lunar orbit indicate that these light-colored materials are composed largely of the pulverized, but possibly annealed remnants of the ancient feldspar-rich crust. The surface features of the plains that fill large basins on the far side of the Moon suggest that the materials underlying the plains are eruptive and have partially filled all the great basins that then existed. These surface features include irregular, nearly rimless mare-like craters and low, finely hummocky terrain overlain locally by smooth, ponded material. The eruption of such light-colored plains materials may have been driven by the first internal melting of the lunar mantle. These early melts probably were rich in gaseous components. Through additional partial melting of the mantle, less gaseous and more magnesium- and iron-rich basaltic melts would later concentrate in much larger volumnes to form the maria.

There are other light-colored plains in old, irregular depressions on the Moon's surface. Many of these, particularly those that are roughly circumferential to the large basins near the limits of their ejecta blankets, may have formed from the ponding of fine debris ejected or remobilized by the impacts that formed the basins. Still other plains as yet have no obvious origins. It is probable that both eruptive and impact processes created light-colored plains during this period of time.

2.6. The basaltic maria

Just after the last of the large basins were created about 3.9 billion years ago, the final major internally generated episode of evolution took place. This chapter of lunar history consists of the flooding of all the great basins on the frontside of the Moon by vast, now frozen "oceans" of dark basalt. Only the very deepest of basins on the farside, such as Tsiolkovsky, were affected by the formation of the maria. To some degree, however, all portions of the broken outer crust must have been permeated up to a general mare "sea-level".

The tremendous upwellings and extrusions of the basaltic maria were perpetuated by heat from radioisotopic decay, and, in this case, geochemical and petrogenetic arguments suggest that portions of the Moon's upper mantle or even deeper inner mantle probably melted. The radioisotopic heat accumulation was probably accentuated by at least one of four factors: (1) the insulative properties of the outer crustal regolith produced during the cratered highland period, (2) the additional insulative properties of regional blankets of hot ejecta from large basins, (3) the possible heat contribution from the less differentiated inner mantle and (4) in some cases of the earliest maria eruptions, the local release of pressure caused by the formation of the large basins.

The extrusions of the products of the melting appears to have been in pulses each of which is now represented by the basaltic filling of many of the large basins and of other topographically low areas. The distribution of different chemical varieties appears to be roughly concentric to the Tranquillitatis region. This suggests that successive surface eruptions of the maria may have been controlled by the interaction of the equipotential surfaces of the lunar gravitational field with an off-set lunar figure and the borders of impermeable crust beneath older mare eruptive areas. The limits of the large basins would be the dominant lateral modifier of this idealized pattern of eruption.

The early extrusion of each major pulse of mare basalt may have been very rapid through the intensely and deeply broken outer crust of the preceding cratered highland stage. If this was true, then each local basalt-filled basin may be a single cooling unit and similar in internal structure to our own planet's basaltic and ultramafic stratiform sheets. Most of the upper visible portions of these basins, however, are now comprised of extensive lava flows, 10 to 100 m thick, and, in some cases, several hundred kilometers long. These flows, along with some pyroclastic debris, appear to have erupted from late stage, localized centers and then spread over vast areas in and around the large basins.

Variations in the internal composition of the Moon or in temperatures as a function of depth caused the period of mare basin flooding to span at least the time from 3.8 to 3.0 billion years ago. Such variations in composition or depth of origin also caused major differences in the contents of titanium and certain minor and trace elements in the basalts that were produced as this time passed. Finally, near the end of each of several periods of mare flooding, mantles of chemically distinct, orange, black, red and green basaltic material were deposited as pyroclastic debris over large areas. This debris is unusually rich in magnesium, iron, some volatiles and primitive lead isotopes; it may have been derived from the very deep, less differentiated interior of the Moon.

The details of the rare earth element distribution after the crystallization of the melted shall may offer some clues to the depths of origin of the mare basalts. As the magnesium- and iron-rich cumulate formed at the base of the shell, the lunar mantle was gradually formed. In an extremely simplistic model, the cumulate as it formed would trap and isolate an intercumulate liquid. Because of the progressive concentration of the rare earth elements in the residual liquids, the intercumulate liquid would tend to have progressively higher concentrations of these elements with decreasing depth and age of accumulation in the mantle. In addition, the separation of calcium-feldspar from the residual liquid would cause the intercumulate liquid to have a progressively greater depletion of europium relative to other rare earths with decreasing depth in the mantle.

A large number of characteristics of the basaltic maria indicate that they originated by the partial melting of selected portions of the lunar mantle. In particular, the nearly complete remelting of localized intercumulate material is suggested by the approximately 4.5 billion year model ages of many mare basalts. The characteristics of the rare earth abundances in the various mare basalts. The characteristics of the rare earth abundances in the various mare basalts suggest a depth dependent sequence of remelting of the mantle to produce the magmas from which they crystallized. This sequence is based on the expected increases with decreasing depth in (1) the total rare earth abundances, and in (2) the relative depletion of europium relative to other rare earths. The probable sequence of maria sampled to date in order of decreasing depth of origin is: Apollo 15(3.2 by), Apollo 12(3.1 by), possibly Luna 16(3.4 by), Apollo 17 (3.8 by), and Apollo 11 (3.7 by). As is indicated by the apparent ages of the maria, the remelting of the mantle was generally from the outside in as has been suggested by many works based on geophysical arguments.

There is a further suggestion in this sequence that the titanium-rich portions of the original mantle, from which came the Apollo 17 and 11 basalts, were formed relatively late (shallow mantle depths) in the crystallization of the melted shell. The remelting of titanium- and iron-rich oxides in addition to the intercumulate material may account for the enrichment of the heavy rare earths relative to the light rare earths in the Apollo 17 and Apollo 11 titanium-rich basalts.

With the completion of the eruptions of the maria, a relative quiet settled forever on the surface of the Moon. When the waves and currents in the surface flows of the maria had finally been arrested, the Moon's appearance differed only slightly from that of today.

We perhaps should note at this point that the oldest rock terrains on Earth also contain vast layered rock sheets which in aggregate are basaltic or ultramafic in composition. Their resemblance to the lunar maria may be more than coincidental. The possibly higher rate of radioisotopic heat accumulation in the Earth due to its larger volume to surface area ratio would have accelerated and prolonged any internal melting that might have produced mare-like materials. Again, as with the anorthosites, the question of the existence of terrestrial maria is not of trivial interest because much of the nickel, chromium, and platinum-group metal resources of our planet are located within these sheets of rock. In addition, the eruption and weathering of terrestrial basaltic maria may have produced a "geochemical pulse" at the Earth's surface of presently undefined significance.

2.7 The quiet crust

About 3 billion years ago, except for faint rumblings and occasional sharp ringings we hear now as seismic reminders of the past, the storied Moon apparently completed the visible record of its tale. There are some indications of a brief period of later internal

activity, possibly a convective overturn of the mantle, but nothing like the continuing activity of Earth and apparently of Mars. The stratigraphically young ridge and volcanic system in Mare Procellarum, the great regional graben systems across the southeast quadrant of the frontside of the Moon, and the light-colored swirls of apparent alteration scattered around the whole Moon may reflect the embryonic stresses of aborted evolution.

Thus, we bring ourselves to the Moon, as it is at present. In many respects, the Moon is as chemically and structurally as differentiated as the Earth, lacking only the continued refinements of mantle melting and convection and crustal weathering and metamorphism. In other respects, the Moon moves through space as an ancient text, related to the history of the Earth only through the interpretations of our minds, and as the modern archive of our Sun, recording in its soils much of immediate importance to man's future well-being. Our only means of reading the text and using the archive is to study what we now have and, most importantly, to continue to go there.

3. THE HISTORY OF APOLLO'S AND LUNA'S SCIENCE

3.1 Tranquility base—Apollo 11—(July 20, 1969)

What was the history of events of Apollo and Luna that have led us to this first-order interpretation of the evolution of another planet? The most important of those events occurred in the southern region of Mare Tranquillitatis. That region holds a unique place in the annals of science and of mankind. The event which history will remember as having changed forever the course of that same history was the landing of Apollo 11 by Armstrong, Aldrin, and Collins.

Science for its part finally had real and factual insight into the temporal dimensions, if not all of the actualities, of the evolution of our sister planet. The ages of at least major portions of the rock in the lunar crust were found to be very old relative to known terrestrial rocks and to most previous estimates of the probable ages of lunar rocks. Support for the arrested evolution of the Moon was also illustrated by the lack of significant internal seismic activity. The fact that the relatively young-appearing Tranquillitatis mares was 3.7 *billion* years old seemed to confirm that we would be studying our own past along with that of the Moon. As a consequence of comparing the very highly cratered highlands of the Moon with the relatively uncratered but nonetheless very old maria, it was necessary to conclude that a major change in the frequency of large impact events occurred prior to 3.7 billion years ago. This conclusion caused major revisions in our stratigraphic interpretations related to the time scale of lunar and, therefore, terrestrial evolution.

The rocks of the maria were found to be basaltic as predicted; however, they were not only unusually rich in iron and titanium and poor in sodium, carbon and water by terrestrial standards, but were highly differentiated chemically relative to solar and meteoritic elemental abundances. Because of this and other new factors, the isotope and trace element chemistry of the Moon was obviously not to be a straight-forward application of fact and prejudice gained from studies of the Earth and meteorites. Within the basalts as a whole we began to see that the crust of the Moon was much richer in uranium and thorium than would be expected from accepted solar abundance. The basalts also appeared to make up several flow units that in turn appeared to be locally differentiated through fractional crystallization. Related to this crystallization is a still incompletely identified, immiscible sulphur-rich gas phase that produced spherical holes and vugs in most of the basalt samples. The detailed nature of this gas phase in these and many other rocks from all other landing sites remains a mystery.

Tranquillity Base gave us our first direct exposure to the complexities and puzzles of the lunar soils, or what became known as the 'lunar regolith'. As had been supposed from previous investigations, including Ranger, Surveyor and early Luna missions, most of the material in these soils appeared to have been derived by the pulverization, shock metamorphism, shock melting and local reaggregation of the underlying basalts. The reaggregation process produced dark matrix breccias that are chemically and texturally nearly equivalent to the soils. Within the soils and soil breccias there were found to the small amounts of exotic materials including not only basaltic material from distant or now covered maria, but also anorthositic and granitic non-mare debris apparently derived from the cratered highlands to the south. Meteoritic debris, migrant volatiles from other regions, gases derived from the solar wind and the effects of galactic cosmic rays were also identified. The debris that may have come from the cratered highlands seemed to confirm the Surveyor VII results at Tycho that the southern lunar highlands, and, therefore, the lunar crust, were rich in calcium and aluminum silicates.

Possibly most important to science, Apollo 11 confirmed that much of our intellectual experience in geoscience was applicable to our studies of the Moon; however, it also confirmed that our intellectual insight was in great need of expansion.

3.2 Mare cognitum—Apollo 12—(November 19, 1969)

Conrad, Bean, and Gordon on Apollo 12 landed within a few hundred meters of a previously landed Surveyor III automated spacecraft in Mare Cognitum southwest of Imbrium. Their mission returned obvious complexity to lunar science after the emotional early simplifications following the results from Apollo 11. The structure of the gardened upper few meters of the lunar surface became a complex history book not only recording solar and cosmic events, but showing that the relative mobility of volatile elements in high vacuum would be of great significance in interpreting geochemical measurements. Representatives were uncovered of heretofore unsuspected rocks rich in potassium, rare-earth elements and phosphorus (KREEP basalts) apparently recording a fractionation event that occurred about 4.5 billion years ago in the melted shell. The range of ages of the basaltic maria was extended downward to about 3.2 billion years; that, is the formation of the mare basalts covered at least half a billion years. It also was found that the major chemical variability in basaltic maria extended to varieties with relatively low quantities of titanium. The surface units of the maria were confirmed to be differentiated flows on the order of several tens of meters thick.

Of considerable importance to lunar stratigraphy was the fact that the landing site was located on a ray of debris from the crater Copernicus. Rays were thus seen to consist of large masses of material and not just disruptions of the surface by relatively small amounts of ejecta. Material from this ray was used to determine that the event that formed Copernicus probably occurred 0.9 billion years ago. This date now provides an anchor to much of the stratigraphic correlation of events that occurred after the formation of the basaltic maria.

The geophysical data from Apollo 12, taken in concert with the strange findings from Apollo 11, began to establish their own special surprises. The seismometer showed us that the upper crust of the Moon rings like a bell when hit. It has the unusual and unexpected combined properties of very low attenuation (high Q) and very intense wave scattering. Such properties probably are the result of a dry, pervasively fractured crust in which individual blocks have well-seated contact points against one another.

Magnetometers onboard automated orbital spacecraft had previously showed that the Moon presently has essentially no global magnetic field (less than 1 γ). In contrast, the Apollo 12 surface magnetometer showed that local, low-intensity fields (around 100 γ) were present. This, combined with the presence of hard remnant magnetism in the rocks, indicated that there had been a strong ancient global magnetic field (200–300 γ).

3.3. Mare fecunditatis—Luna 16—(September 20, 1970)

The sample return from the northwestern part of Mare Fecunditatis by Luna 16 demonstrated an important new dimension to the previous Luna and Surveyor automated study of the Moon's surface. The data from the materials of the upper surface of this great eastern plain permitted further generalizations to be made concerning the character of the basaltic maria previously sampled by Apollo 11 and 12 in Mare Tranquillitatis and Mare Cognitum. Although each mission had sampled only a very small part of the vast region contained in these three, widely separated maria, the internal consistency of the results of various investigations on the samples increased the confidence that much of the data from an individual mission were representative of broad regions.

The crystallization age of a fragment of the local Fecunditatis basalt was determined to be about 3.4 billion years, intermediate to the 3.7 and 3.2 billion year crystallization ages measured for Tranquillitatis and Cognitum mare basalts, respectively. Some other characteristics of the Fecunditatis basaltic material also are intermediate relative to Tranquillitatis and Cognitum including the titanium and silicon contents. On the other hand, new ranges in the variability of basaltic compositions were established by the Luna 16 analyses; rare earth element concentrations are lower than found for earlier missions and the depletion of europium relative to chondrites is less.

The investigation of the regolith characteristics at the Luna 16 site indicate broad similarities with those of Tranquillity Base; however, the non-mare components of the regolith shows many distinctive features relative to both the Apollo 11 and 12 sites. In particular, the chemistry of the non-mare components indicate that the cratered highlands surrounding Fecunditatis that have contributed to the regolith have retained their own distinctive provincial character as has been seen at all Apollo and Luna landing sites.

3.4. Fra Mauro—Apollos 13 and 14—(February 5, 1971)

To the east of the Mare Cognitum landing site of Apollo 12, and in the highlands south of the crater Copernicus, we planned the landing of the Apollo 13 mission. We were anticipating insight into the intensity and timing of the event that formed the Imbrium Basin through the study of its ejecta blanket. Instead, we received new insight into ourselves. The courage of Lovell, Haise, and Swigert, and the resourcefulness of the ground controllers of their mission following the explosive destruction of the Service Module gave one of history's most graphic examples of man's potential in the face of extreme adversity.

Apollo 14 and Shepard, Mitchell, and Roosa inherited Apollo 13's exploration plan for Fra Mauro. The mission told us that not only did the Imbrium event occur barely 100 million years before the oldest mare basalt extrusions, but that such massive collisions cause much more geologic disruption and transfer much more heat energy into a planet's surface than we had ever before imagined. In fact, it now appears that much

of the pulverized crustal material ejected from the large basins moved many hundreds of kilometers across the Moon's surface and had many of the mechanical, dynamic and metamorphic characteristics of volcanic ash flows.

The Apollo 14 mission also confirmed the extreme chemical differences between the highlands and the maria detected on previous missions. On the other hand, the abundance of rocks richer in alkalies, radioactive isotopes, rare earth elements and phosphorus than were other known highland rocks suggested a well-defined provincial nature to the distribution of at least some lunar materials other than the maria.

With Apollo 14 we finally established the baseline of a net of seismometers. In conjunction with the Apollo 12 seismometer, it became possible to look at the structure and physical properties of the lunar crust through the analysis of data from natural and man-made seismic (impact) events. Most importantly, evidence appeared that at least the outer portions of the Moon are layered. Also, the first evidence of moonquakes began to accumulate indicating that, although very quiet, the Moon was not yet completely dead internally.

3.5 Hadley Apennines—Apollo 15—(July 30, 1971)

The Apollo 15 mission to Hadley Rille at the foot of the lunar Apennine Mountains introduced a new scale to lunar exploration. First, Scott, Irwin, and Worden began to look at the whole planet through the eyes of precision cameras and electronics as well as the eyes of man. Then, on the Moon's surface they reached beyond our earlier hopes and were the first to use a powered surface vehicle to rove and observe the wide variety of features available for investigation.

The varied samples and observations from the vicinity of Hadley Rille and the mountain ring of Imbrium pushed our knowledge of lunar time and processes back past the 3.9 billion-year barrier we had seemed to see on previous missions. We discovered, however, that our interpretations of lunar history behind this barrier would have to come through the masque of multiple cycles of impact brecciation. Nevertheless, through the clasts in the breccias we began to vaguely see into the first half-billion years of lunar evolution and into some of the details of the melted shell period. In addition, we expanded our delineation of the complex volcanic processes that created the present surfaces of the maria. These processes now were seen to include not only internally differentiated lava flows but possible processes of volcanic erosion that could create the lunar sinuous rilles. We also saw once again how pervasive are the effects of contamination of surface materials by the rays of distinct impact events.

With Apollo 15, we finally established a geophysical net, particularly a seismic net, by which we began to see into the inside of a second planet; the structure of that planet as partly described earlier had begun to be deciphered. This net and correlations of its information with other facts have shown that the general structure of at least major portions of the Moon's interior is as follows: an upper, broken, calcium- and aluminum-rich silicate crust extending from 0 to 25 km; a lower, coherent, calcium- and aluminum-rich silicate crust from 25 to 65 km; an upper, magnesium- and iron-rich silicate mantle from 65 to about 200 or 300 km; an inner, probably chondritic and volatile-bearing silicate mantle from about 300 to about 600 km; a lower, also probably chondritic and volatile-bearing, seismically active, locally melted mantle from about 600 to about 1100 km; and an at partially fluid, possibly iron-sulfur core from about 1100 km to the Moon's center at 1735 km.

Our geophysical station at Hadley-Apennines also told us that the flow of heat from the Moon was possibly two times that expected for a Moon of the approximate radioisotopic composition of the Earth's mantle. If true, this tended to confirm earlier suggestions that much of the radioisotopic materials in the Moon were concentrated in its crust. Otherwise, the interior of the Moon would be more fluid and active than is recorded by the seismometers.

We began to be able to correlate our landing areas around the whole Mcon by virtue of geochemical X-ray and γ-ray mapping from orbit. These remote sensing investigations disclosed the provincial nature of lunar chemistry, particularly by highlighting differences in the ratios of aluminum to silicon and of magnesium to silicon within the maria and the highlands. By outlining anomalies in the distribution of uranium, thorium, and potassium, the γ-ray information suggested that large basin-forming events were capable of creating surface geochemical provinces through the ejection of deep-seated material. From our orbital investigations, we also greatly expanded our knowledge of the distribution and geological correlation of gravitational and magnetic anomalies in the Moon's crust. This was accomplished by use of a small satellite ejected by Apollo 15 prior to leaving lunar orbit for the return to Earth.

Possibly of equal importance with all these discoveries by Apollo 15 was the realization, by ourselves and through television by millions of people around the world, that there yet existed beauty and majesty in views of nature previously outside human experience.

3.6 Apollonius region—Luna 20—(February 21, 1972)

The second automated sample return mission from the Moon, Luna 20, landed in the Apollonius region south of the large basin Crisium and 120 km north of the Mare Fecunditatis landing site of Luna 16. As with Luna 16's data on the basaltic maria, the most important aspect of the Luna 20 sample was the increased global perspective it gave us with respect to the character of lunar highlands. When compared with the investigation of cratered highland material sampled on Apollos 14 and 15 and later on Apollos 16 and 17, the Luna 20 materials emphasize the homogenization effects of the half-billion years of cratering that formed the highland regions we now see. It is in the remaining traces of heterogeneity which reflect ancient highland provinces that we see the extent of the homogenization.

The materials of the Apollonius region appear to be similar to the materials returned slightly later by Apollo 16 from the Descartes region. The major exceptions to this similarity are the significantly lower aluminum contents of debris probably representative of the Apollonius region and the abundance of fragments representing a distinctive suite of crystalline rocks known as the anorthosite-norite-troctolite suite. This suite first became recognized after Apollo 15 as possibly being the much reworked remnants of at least portions of the ancient lunar crust. Luna 20 confirmed its importance. In addition to these major distinctions, the Luna 20 materials show differences in their trace element concentrations relative to other highland areas. In particular, the rare Earth elements are present in clearly lower abundances than in materials from Apollos 14, 15 and 16.

The last crystallization age of some of the Luna 20 rocks appears to be about 3.9 billion years and continued to point up this age as reflecting a major age limit in lunar history. The same general age for the cooling of highland or highland-like materials had been determined for the ejecta blanket of the Imbruim Basin at Fra Mauro, for the rocks of the Apennines and soon would be determined for the highland rocks at Descartes. This age limit was now seen to represent one of the following occurrences: (1) a major thermal event associated with the formation of several of the large basins over a relatively short period, (2) a major thermal event associated with the formation of the light-colored plains, or (3) the rapid cessation of the period of major cratering that had continually reworked the cratered highlands until most vestiges of original ages had disappeared and only the last local impact event was recorded. As we attempt to explain the absence of very old rocks on Earth, we also should not forget these possibilities.

3.7 Descartes—Apollo 16—(April 21, 1972)

Apollo 16 found that we were not yet ready to understand the earliest chapters of lunar history exposed in the southern highlands. In the samples returned by Young, Duke, and Mattingly from the Descartes area, we seem to see that the major central events of that history were compressed in time far more than we had guessed. There are indications that the formation of the youngest major lunar basins, the eruption of light-colored plains materials, and the earliest extrusions of basaltic maria took place over about 100 millions years of time around 3.9 billion years ago. Also, indications are present at Descartes that the light-colored plains may be the loci of many of the observed regional magnetic anomalies, suggesting that the plains formed as single cooling units that were initially above the Curie point.

The extreme complexity of the problem of interpreting the lunar highland rocks and processes became clearly evident even as the Apollo 16 mission progressed. Rather than discovering materials of clearly volcanic origin as had been expected, most information suggests that the samples from the Descartes regolith had been subjected to an interlocking sequence of igneous and impact processes. Some of these samples may have been derived from the distant, now covered surface layer of shock melted lava in the large basins as well as from bedrock beneath the Descartes highland region. A new chemical rock group known as 'very high aluminum basalts' could be defined although their ancestry relative to other lunar materials has been obscured by the final events that gave the cratered highlands their present form. The results of Apollo 16 have within them an integrated look at almost all previously and subsequently identified highland rock types. With this complexity comes a unique opportunity to understand the formation and modification of the Moon's, and potentially the Earth's early crust.

Appollo 16 continued the broad scale geological, geochemical and geophysical mapping of the Moon's crust from orbit. This mapping greatly expanded our knowledge of geochemical provinces and geophysical anomalies and has helped to lead to many of the generalizations it is now possible to make about the evolution of the crust.

3.8 Taurus-Littrow—Apollo 17 (December 11, 1972)

Near the coast of the great frozen sea of Serenitatis, Apollo 17 carried Cernan, Evans, and myself to visit the valley of Tauru-Littrow. The unique scientific character of this valley helps to mitigate the sadness that with our visit the Apollo explorations ended. If this end had to be, it would have been difficult to find a better locality to synthesize and expand our ideas on the evolution of the Moon.

At Taurus-Littrow we have looked at and sampled the ancient lunar record ranging back from the extrusion of the oldest known basaltic maria, through the formation of the breccias of the Serenitatis mountain ring, and thence back into clasts in these breccias that may reflect the very origins of the lunar crust itself. Also, we have found and are studying volcanic materials and debris-forming processes that range forward from the

formation of the earliest basaltic maria surface and through 3.8 billion years of modification of that surface.

The pre-mare events in the Taurus-Littrow region that culminated in the formation of the Serenitatis Basin produced at least three major and distinctive units of multilithic breccias. The oldest of these breccia units contains distinctive clasts of crystalline mafic and ultramafic rocks which appear to be the remains of the fractional crystallization of portions of the melted shell. This conclusion is supported by one of these distinctive clasts, a crushed rock of magnesium olivine, which has an apparent crystallization age of 4.6 billion years. The old breccia unit containing these clasts has been intruded and locally metamosphosed by another breccia unit which was partially molten at the time of intrusion. This intrusive event appears to have occurred about 3.9 billion years ago. Such intrusive breccias are probably the direct result of the massive impact event that formed the nearby large basin of Serenitatis; however, an internal eruptive origin cannot yet be ruled out. The third unit appears to partially cap the tops of the mountains and it may be another old ejecta unit from one of the several large basins within range of the valley. This breccia contains a wide variety of clasts of mafic crystalline material plus other, previously unrecognized material that includes barium-rich granitic rock.

The valley of Taurus-Littrow and other nearby low areas appear to be a coincidental structural window that exposes some of the oldest, if not the oldest, basaltic maria extruvives on the Moon. With a 3.8 billion years age, they are 50 to 10 million years older than the basalts at Tranquility Base. Like the Tranquility Base basalts, the Taurus-Littrow rocks are titanium-rich with up to 13 weight percent TiO_2. Except for near-surface, fine-grained varieties, the texture and composition of the Taurus-Littrow basalt appears to be essentially uniform to depths of at least 120 m. This suggests that the valley may be the top of a very thick cooling unit of basaltic material. Geophysical evidence indicates that this unit may be as thick as 2 km indicating also that, when taken with the present height of the surrounding massifs, the valley may have an original depth of over 4 km.

One of the many major remaining puzzles of potentially great significance is that of the tectonic history of the valley and the massifs surrounding it. Several facts suggest that the structural boundary between the valley and the massifs has been active throughout most of its existence. A young scarp strongly resembling that of a fault suggests recent activity. Also, there are no debris accumulations at the base of the steep (20–25°) slopes of the massifs; in fact, there tends to be a continuous shallow moat instead. In addition, the soils and rocks that are present at the bases of the massifs are all tens to hundreds of millions of years old rather than having the imprint of the presumed 3.9 billion year age of the massifs. All of these considerations suggest that blocks of the lunar crust may be in continuous, but episodic motion in spite of the obvious general strength and quiescene of that crust. Recently identified, but rare near-surface moonquakes may also relate to this phenomenon.

Relatively recent modifications of the lunar surface as a result of internal processes also are indicated by the visual and photographic data on the mysterious light-colored swirls that were obtained by Apollo 17 from orbit. The swirls, of which Riner Gamma in Oceanus Procellarum is the most well known example, are much more widely distributed than previously thought, particularly in broad regions to the north and east of Mare Smythi. In all known instances, the swirls have no discernable topographic relief and are superimposed on all associated features. In addition, many swirls are zoned with light-colored zones bordering an inner dark-colored zone that is darker than the surrounding, unaffected surface. These characteristics suggest fluidized alteration processes have formed the swirls. The fluids in turn may have their origin in the continued, gradual degassing of the lunar interior.

The modification of the surface of the valley basalt included the addition of mantles of beads of chemically distinctive orange glass and black devitrified glass. These glasses may have been formed as the result of processes once active within the deep interior of the Moon. The titanium-rich, basaltic to ultramafic glasses surprised us once again; their 10–30 million-year exposure age is young and was expected for the dark mantling deposits seen in photographs, but their 3.5 to 3.7 billion-year cooling age was not expected. The explanation for this difference is complex and not yet completely understood. The glasses also have an unusual complement of trace elements, including lead, zinc, sulfur, chlorine and others. Some of the more volatile trace components are present as relatively low temperature absorbed material. The volatile lead in the orange glasses is extremely enriched in primitive lead isotopes and has other isotopic characteristics that indicate early isolation from the rock systems that produced other lunar materials examined to date. Green glass beads found at Hadley-Apennines on Apollo 15 have similar but less definitive characteristics. The characteristics of the glass beads strongly suggest a volcanic source and a parent material in or below the mantle of the Moon and different in major respects from the parent of the mare basalts.

As a follow-up to the recognition of orange and black pyroclastic materials on the lunar surface at Taurus-Littrow, Apollo 17 also provided visual and photographic data from orbit that has permitted the identification and interpretation of broad areas of similar materials around the southwestern, southern and southeastern borders of the Serenitatis Basin. It is now clear that the previously identified and mappel "dark-mantle materials" in these areas (and most probably elsewhere on the Moon) are indeed volcanic deposits made up of various combinations of layers of orange, black, red and green glass and devitrified glass.

4. THE FUTURE

For all of our Apollo missions we left the Moon before the lunar sunrise had progressed into the vast region of the lunar west: Mare Procellarum, where the young mysterious features of that region's central ridge system still awaits the crew of a mission diverted after Apollo 13; Mare Orientale, whose stark Alpine rings have been viewed closely by man only in the subdued blue light of the Earth. The promise of the story in these regions has not diminished, but seemingly watches for the progression of the sunrises and the landing craft of another generation of explorers. When that time comes and we merge the scientific revolution brought about by Apollo and Luna on the Moon with the simultaneous revolution brought about by new insight into the origins of ocean basins and continents on the Earth, we may begin to understand the great stresses and strains within our crust as ocean floors grow and continents move. Within future understanding features like the basalts of Mare Procellarum and its vast ridge and volcanic system may lie further inspiration for all of us.

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U.S. Geological Survey. Interagency Report: Astrogeology 36. Swann, G. A. *et al.*, Preliminary description of Apollo 15 sample environments. September 1971.

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Apollo 17

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U.S. Geological Survey. Interagency Report: Astrogeology 70. Larson, K. B. et al., Preliminary catalog of pictures taken on the lunar surface during the Apollo 17 mission. January 1972.

U.S. Geological Survey. Interagency Report: Astrogeology 71. Apollo Lunar Geology Investigation Team, Documentation and environment of the Apollo 17 samples: a preliminary report. January 1973.

U.S. Geological Survey. Interagency Report: Astrogeology 72. Apollo Lunar Geology Investigation Team, Preliminary geologic analysis of the Apollo 17 site. March 1973.

Mr. SCHMITT. Mr. President, the other cuts that were taken in the NASA budget covered the tracking and data acquisition program, the expendable launch vehicles, advance programs, development, test and mission operations, satellite power systems, and construction of facilities.

I ask unanimous consent that statements covering each of these areas be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

TRACKING AND DATA ACQUISITION PROGRAM

The Appropriations Committee recommended a $2,400,000 reduction in funding requested for the Tracking and Data Acquisition Program: $1,000,000 unspecified and $1,400,000 for support of the Search for Extraterrestrial Intelligence (SETI).

The Office of Space Tracking and Data Systems budget is almost totally keyed to support of programs and projects approved in prior years. The support workload, which is very heavy in FY 1979, is based upon approved missions with well-defined support requirements which have undergone thorough review. Some of the upcoming major flight projects approved in prior years which will require extensive support in FY 1979 include NIMBUS-G, Seasat, HEAO-B, Pioneer Venus Orbiter and Probe, as well as the Shuttle Orbital Flight Tests.

Given the high priority of supporting approved ongoing and upcoming missions, any reduction in the FY 1979 requirements would impact the systems implementation program keyed to providing cost efficient and reliable general purpose support capabilities. For these reasons, the $1,000,000 unspecified reduction should be restored.

Search for Extraterrestrial Intelligence (SETI)—$600,000 P.A. Space Science Program, $1,400,000 Tracking and Data Acquisition.

The Appropriations Committee recommendation to delete SETI funding would prevent starting the SETI effort in FY 1979. These funds provide the initiation of instrument development and modification/augmentation of systems needed to allow SETI observations to begin.

Recent scientific advances have strongly suggested that evolution toward intelligent and technological societies on other habitable planets is likely and that these societies would most likely communicate through transmissions in the microwave region—that region in which signals may easily traverse interstellar distances and remain detectable.

SETI has developed amid a background of intense public and scientific interest in the possibilities of extraterrestrial life. For relatively modest resources, the United States can undertake an effort whose scope vastly surpasses that of previous and current U.S. and USSR activities. I urge my colleagues to restore the $2,000,000 for the SETI program.

EXPENDABLE LAUNCH VEHICLES

The Appropriations Committee recommended a decrease of $2,500,000 in the Expendable Launch Vehicle (ELV) budget request for FY 1979 and the amount authorized by the Senate. NASA's FY 1979 ELV budget request, which was formulated on the basis of reduced launch activities as we approach the transition to the Shuttle era, already reflects a sharp decrease in FY 1979 to $76,500,000 from the FY 1978 ELV budget of $134,500,000. The ELV program represents our total civilian, and in part our military, space launch capability until the Space Shuttle is operational. The value of payloads far outweigh launch vehicle costs. It is therefore extremely important that the technical and other necessary support facilities are available to assure successful launch performance. Any reduction in the ELV funding level could adversely affect the ability of NASA to successfully provide such launch capability.

ADVANCED PROGRAMS

The Committee on Appropriations recommended $7,000,000 for Advanced Programs, an amount $5,000,000 less than that contained in the FY 1979 NASA authorization bills as passed by both the House and the Senate. NASA activities in this important area provide the basis for future programs and systems and are therefore critical in maintaining continued U.S. leadership in space activities.

Major emphasis in FY 1979 is to be focused on system studies and the definition of near-term mission options that are made possible as a result of operational capability and flexibility of the space transportation systems. Mr. President, curtailment of funding support in this extremely critical area of NASA activities will adversely affect future U.S. space leadership and innovation. I strongly urge the conferees to support the $12,000,000 funding level for Advanced Programs as contained in the FY 1979 NASA authorization bill passed by the Senate on May 18, 1978.

DEVELOPMENT, TEST AND MISSION OPERATIONS

The Committee on Appropriations recommended a $3,000,000 reduction in the funding level of $163,000,000 for Development, Test, and Mission Operations (DTMO) re-

quested by the President, and contained in the FY 1979 NASA authorization bill, would adversely affect the near-term success of the Space Shuttle, particularly the orbital flight test program. As my colleagues know, the Space Shuttle is at an important stage of preparation for First Manned Orbital Test Flight. In FY 1979, DTMO funding would support the following major NASA activities which provide essential support to Shuttle-related activities at the Centers:

Software checkout at the avionics integration laboratory at PSC;

Mission Control Center modification at JSC;

Ground vibration testing and main propulsion testing at MSFC and NSTL;

Reconfiguration and preparation of launch facilities at KSC; and,

Support to engineering systems analysis at the Centers.

If the DTMO budget is reduced, important activities in support of Shuttle DDT&E would be adversely affected, requiring a rebalancing of program effort in an attempt to hold as closely as possible to critical milestones.

It should be noted that the NASA FY 1979 budget request for DTMO represents a $13,000,000 reduction from the FY 1978 funding level, even in the face of rising material and labor costs. NASA would have great difficulty absorbing a further cut of $3,000,000, particularly since NASA development activities at this time are devoted largely to Shuttle test requirements.

SATELLITE POWER SYSTEMS

The Appropriations Committee recommended a $3,000,000 cut in the $6,000,000 funding level for Satellite Power Systems contained in the House-passed NASA appropriations bill. Funding for this area is needed by NASA to support solar power satellite space related technology, including the development of thin, lightweight, high efficiency, radiation resistant solar cells; and microwave energy technology in areas of direct current-to-microwave energy conversion, microwave beam forming, antenna construction, radio frequency interference, and interactions of microwave beams with the ionosphere. This work is critical to enable our Nation to effectively evaluate the costs and benefits of satellite power system technology as a possible future energy source.

CONSTRUCTION OF FACILITIES

REHABILITATION AND MODIFICATION

The Appropriations Committee has recommended a reduction of $4,000,000 in the FY 1979 Rehabilitation and Modification Program. The NASA FY 1979 request of $17,800,000 for the Rehabilitation and Modification program represents a distillation of $43,000,000 in initial requests from NASA's Centers. The program as presented to Congress involves $4,700,000 of projects which directly support specific Research and Development programs and must be accomplished on schedule. It also includes about $5,000,000 of priority projects directly associated with energy reduction. This then leaves about $8,100,000 of work which relates to the preservation and upkeep of the institutional base such as utility systems, roofs and general building rehabilitation. These projects, for the most part, involve old and deteriorated facilities and are from a pressing, identified backlog of about $150,000,000 of such work. Deferral of work of this nature can only increase the risk of costly breakdowns, some of which can have serious mission impacts. This reduction would drastically tax the viability of this most essential program, especially when coupled with other budget constraints involving facility maintenance and repair.

In summary, Mr. President, the FY 1979 NASA budget request was accepted by the Senate in its action on the FY 1979 NASA fully balanced, minimum funding approach to meeting essential aeronautics and space objectives. The recommended reductions result in imbalance in the overall NASA program and would adversely affect the activities involved in the reductions. The proposed reductions would make it more difficult for NASA to carry out and advance an effective space and aeronautics program.

Our traditional lead in space, in science and in technology is under strong attack from many quarters. Maintaining this lead is a major weapon in our fight against inflation and trade deficits. These cuts in our most productive R. & D. budget are not only unwise but they are self-defeating if economic strength is our goal.

Mr. NELSON. I would like to ask my distinguished colleague from Wisconsin, the chairman of HUD and Independent Agencies Subcommittee, several questions regarding the EPA's fiscal year 1979 budget.

First, I want to commend the chairman and the committee for concurring with the House of Representatives' decision to restore $1.5 million for the Great Lakes research and development program. This add-on brings the amount to the current spending level of $3.6 million. While I would have preferred an increase in funding, nonetheless, this amount overrides the serious mistake made by EPA in recommending substantial cuts in this vital program.

Secondly, I note on page 34 of the committee report that H.R. 12936 restores $3 million with a minimum of 14 positions to the Great Lakes abatement and control program. This addition will help this Nation meet its international obligations under the Great Lakes Water Quality Agreements of 1972.

The chairman knows, and I believe it is important for the Senate to know, that the programs funded by the Congress under the requirements of the 1972 agreement are unquestionably in the national interest and deserve high priority treatment. Unfortunately for some unbeknown reason, EPA has decided that saving the Great Lakes is a rather low priority issue. They are dead wrong.

For the last several years EPA has submitted a totally inadequate budget request for the Great Lakes program and for the last several years Congress has wisely slapped EPA on the wrist and increased the funding of this important program. Congress has met our international obligations over the objections of the executive branch.

My question to the chairman of the subcommittee is this: Is it the clear intent of the committee, and I would add the House since the committee concurred with the House recommendation to restore the cuts in this program, that saving the Great Lakes and meeting our obligations under international law is a very, very high national priority?

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. NELSON. Moreover, that by once again adding funds to this program the Congress is telling the administration and telling the EPA in the most direct and clear language possible, that this effort is to go forward. This program helps us understand the basic ecology of the lakes. This program identifies sources of pollution and ways to control pollution entering this massive ecosystem. It authoriaztion bill and represents a very care- should continue unimpaired by the bureaucrats at EPA or OMB.

Mr. PROXMIRE. I share the Senator's concern. It is time for EPA to comply with the policy and programs established by the Congress. It is time for them to understand that we believe the Great Lakes are vital and that EPA's handling of its Great Lakes responsibility have been woefully inadequate. It is time for EPA to understand that Congress means what it says in requiring our commitments to be met and the environmental quality of this magnificent resource to be improved.

Mr. NELSON. I cannot overestimate the importance of sending EPA a signal on this issue. The administration is now renegotiating the 1972 Water Quality Agreement and EPA should know in unmistakable terms that the Congress wants action taken to save the Great Lakes. EPA is also beginning to develop their fiscal year 1980 budget request. Through this colloquy I hope the administration will finally get the message and we will not be in the same situation next January that we have found ourselves in during the last several years of trying to understand why an administration that claims that it is sympathetic to the environment, once again recommends cuts in programs that are essential to the protection and enhancement of the world's largest collection of fresh water.

In a very blunt way, we in the Congress are telling the OMB and EPA to keep their hands off the Great Lakes. Rather than spending considerable time and effort cutting this program it should spend more time, more manpower, and more money improving the lakes. Would the Senator agree?

Mr. PROXMIRE. I would.

Mr. NELSON. I thank the Senator.●

Mr. MATHIAS. Mr. President, there is widespread concern about the possibility of an across-the-board cut on the HUD and independent agencies appropriations bills. Just one example of that widespread concern is a letter which has come to me today from John Wasylik, the national commander in chief of the Veterans of Foreign Wars. In that letter, the commander in chief says that the Veterans of Foreign Wars of the United States oppose any reduction in the Veterans' Administration budget since, in its present form, it is marginal to effectively carry out the programs mandated by the Congress of the United States.

Mr. President, I agree with Commander Wasylik in his judgment and I intend to fight very hard to keep the budget of the Veterans' Administration, as contained in he bill, intact. I hope that will not be further reduced.

I ask unanimous consent that Commander Wasylik's letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., August 4, 1978.

Hon. CHARLES MCC. MATHIAS, Jr.,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR MATHIAS: It is my understanding that in conjunction with the

Honorable Harrison A. Williams, Jr., you will offer a motion to table a motion by the Honorable William Proxmire to cut the HUD—Independent Agencies appropriation, including the Veterans Administration Budget, by two percent.

The Veterans of Foreign Wars of the United States opposes any reduction in the Veterans Administration Budget since, in its present form, it is marginal to effectively carry out the programs mandated by the Congress of the United States.

In view of the foregoing, you have the full support of the Veterans of Foreign Wars of the United States in defeating any motion to reduce the Veterans Administration Budget.

With best wishes and kindest personal regards, I am

Sincerely,

JOHN WASYLIK,
National Commander-in-Chief.

Mr. PROXMIRE. Mr. President, it is my understanding that the order was that after debate on the HUD appropriation bill ceases we would automatically go into routine morning business. As far as I know, there will be no further discussion today.

The PRESIDING OFFICER. The Senator is correct.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to routine morning business.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT OF THE NATIONAL SCIENCE FOUNDATION — MESSAGE FROM THE PRESIDENT—PM 206

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Human Resources and the Committee on Commerce, Science, and Technology, jointly, by unanimous consent:

To the Congress of the United States:

I am pleased to submit to the Congress the 27th Annual Report of the National Science Foundation, covering Fiscal Year 1977.

This is an important document. Many of the issues facing our Nation today, in areas such as energy, the economy, and the environment, require special knowledge and detailed information. Advances in the sciences, many of which are discussed in this report, enhance our understanding of ourselves and the world about us, and thus assist us in seeking wise and intelligent solutions to these complex problems.

Federally supported scientific progress has flourished now for several decades. This pursuit of scientific knowledge—at colleges and universities, national research centers, and other research organizations—depends heavily on judiciously allotted Federal funds, as does the education of many talented young students who might not otherwise attain the careers in science for which they are qualified.

This report describes in brief many of the National Science Foundation's activities in the past year, in support of basic and applied research, as well as education and training in science and engineering. There is a significant emphasis upon basic research, the principle mission of the NSF. In recent years, the American people have learned that even with the help of the most advanced technology, some of our most pressing national problems can be tackled only by diligent, long-term attention. The needed basic research supported by the National Science Foundation continually enlarges our capacity to deal with many of these major national and international issues.

I believe the activities of the National Science Foundation reviewed in this Annual Report represent funds well spent in the public interest. I, therefore, commend this report to your close attention, confident that many of you will share my interest in the extraordinary range of scientific pursuits that it describes.

JIMMY CARTER.

THE WHITE HOUSE, *August 4, 1978.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the President of the United States, transmitting the 27th Annual Report of the National Science Foundation, be jointly referred to the Committee on Human Resources and the Committee on Commerce, Science, and Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:54 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 3075) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes, with amendments; insists upon its amendments to the bill; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ZABLOCKI, Mr. FASCELL, Mr. ROSENTHAL, Mr. WOLFF, Mr. HAMILTON, Mr. BINGHAM, Mr. SOLARZ, Mr. PEASE, Mr. STUDDS, Mr. BROOMFIELD, Mr. DERWINSKI, Mr. FINDLEY, and Mr. WINN were appointed managers of the conference on the part of the House.

The message also announced that the House agrees to the amendment of the Senate to H.R. 10787, an act to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 10939, to authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes.

At 1:06 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House agrees to the amendment of the Senate to the amendments of the House to the bill (S. 2821) to authorize $8,868,000 for grants to the government of Guam for construction of public facilities, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Human Resources:

The following-named persons to be Members of the National Council on Educational Research:

Carl H. Pforzheimer, Jr., of New York;
Wilson C. Riles, of California;
Alonzo A. Crim, of Georgia;
Betsy Levin, of North Carolina; and
Catharine C. Stimpson, of Washington.

The following-named persons to be Members of the National Commission on Libraries and Information Science:

Robert W. Burns, Jr., of Colorado;
Horace E. Tate, of Georgia;
Joan Helene Gross, of New York;
Clara Stanton Jones, of Michigan; and
Frances Healy Naftalin, of Minnesota;

The following-named persons to be members of the National Advisory Council on Women's Educational Programs:

Eliza Macaulay Carney, of Arizona;
Gladys Gunn, of Ohio;
Kathleen Elaine Humphrey, of Idaho;
Paul Parks, of Massachusetts;
Bernice Sandler, of Maryland;
Ellen Sherry Hoffman, of the District of Columbia;
J. Richard Rossie, of Tennessee.

(The above nominations from the Committee on Human Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Appropriations, without amendment, adversely:

H.R. 3946. An act to suspend for a temporary period the rate of duty on wool not finer than 46's (together with additional and minority views) (Rept. No. 95–1065).

By Mr. MOYNIHAN, from the Committee on Finance, with an amendment:

H.R. 12050. An act to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition (Rept. No. 1066).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. STONE:

S. 3376. A bill for the relief of Space Systems Laboratories, Inc., of Melbourne, Fla.; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 3377. A bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 3378. A bill to amend the definition of the term "qualified vessel" under a capital construction fund; to the Committee on Commerce, Science, and Transportation.

S. 3379. A bill for the relief of Andrew N. Respicio; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 3377. A bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; to the Committee on Governmental Affairs.

ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT

Mr. THURMOND. Mr. President, on October 1, 1976, the Senate took a monumental step in the direction of assisting unemployed veterans, especially hard-core unemployed veterans of the Vietnam era consisting principally of blacks and other minorities, by passing the Veterans' Education and Employment Assistance Act of 1976 (S. 969). Title VI of this act amended chapter 41 of title 38 to create within the Department of Labor a separate agency to be known as the Veterans' Employment Service to be headed by an Assistant Secretary of Labor for Veterans' Employment.

It was the opinion of the Veterans' Affairs Committee in enacting this legislation that the creation of the position of an Assistant Secretary of Labor for Veterans' Employment would significantly increase the ability of the Veterans' Employment Service to deal effectively with employment problems in governmental and private sectors. Unfortunately, the Senate provision creating the Assistant Secretary of Labor for Veterans' Employment was amended in the House and the position was reduced to that of a Deputy Assistant Secretary (DASVE). The DASVE position was formally authorized under Public Law 94-502.

Mr. President, effective administrative implementation of the employment laws is one of the keys to resolution of employment problems. A stronger institutional role in Government policymaking for the Veterans' Employment Service would substantially assist in alleviating the unemployment which is so rampant today among our veterans' population.

Unfortunately, the inefficacy of the role of the Deputy Assistant Secretary of Labor for Veterans' Employment has been tragically dramatized by the administration's dismal failure to implement effectively any of its major employment initiatives for veterans. I have already stated in the Senate on March 20, 1978, my criticisms of the Department of Labor's failure to carry out the administration's veterans' employment initiatives or to administer the variety of programs with which it is charged responsibility under existing law. I will not repeat them here today. It is sufficient to say that the administration's record in this vital area is ample evidence that new direction and clout are needed within the Department of Labor to assure that the incidence of veterans' unemployment is reduced. Something positive needs to be done.

I think the proper course which should be pursued by the Senate concerning this critical problem is to reaffirm what was done by the Senate Veterans' Affairs Committee and by the full Senate in the passage of S. 969. The bill which I now propose would do precisely this. The bill would authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment to head the Veterans' Employment Service. I believe this step would assure that veterans' employment problems would receive the attention needed at an appropriate policy level within the Department of Labor to effect genuine results.

Mr. President, the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and AMVETS support the establishment of a full Assistant Secretary of Labor for Veterans' Employment. I ask unanimous consent that letters addressed to me in support of this bill from the above named veterans' organizations be inserted in the RECORD, together with the text of the bill.

There being no objection, the letters and bill were ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
Washington, D.C., August 2, 1978.

Hon. STROM THURMOND,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR THURMOND: I would like to express the appreciation of The American Legion for the legislation you and other concerned Members of Congress enacted in helping to create laws that were intended to alleviate the high unemployment rate of veterans, especially those who served during the Vietnam Era. However, the failure to place young veterans in meaningful employment is not the result of legislative shortcomings but rather the blame lies with the ineffective attempt by the Department of Labor to implement these laws.

There is no need to review the legislation history of S. 969, which you introduced in the 94th Congress to create an Assistant Secretary of Labor for Veterans Employment. It was unfortunate that a conference committee decided in the waning hours of the 94th Congress to reduce his position to a Deputy Assistant Secretary for Veterans Employment.

We continue to support this concept because the individual who holds this position will have direct access to the Secretary of Labor with full responsibility for program planning, including appropriate funding and utilization of personnel, and accountability for those provisions of Congressionally-mandated employment and training programs affecting veterans.

During the swearing-in ceremony of Secretary of Labor Ray Marshall in January 1977, an ambitious Department of Labor program was announced promoting employment to veterans. It is ironic that a program geared to the hiring of veterans was coupled with a nine month delay in the hiring of the first Deputy Assistant Secretary for Veterans Employment. As you know, the DASVE resigned in June 1978 after serving in this capacity for less than a year. The Department of Labor also abolished the position of Director for Veterans Employment Service, adding the responsibility for the day-to-day functions of the Service to the DASVE.

Our National Commander has written to the Secretary of Labor urging that the Director of VES be re-established with a caveat that a qualified and experienced individual will be appointed as Director. Our Commander also informed Secretary Marshall that The American Legion is mandated to seek the establishment of a full Assistant Secretary for Veterans Employment, to have full authority and access to policymaking councils, as the only effective way to insure that the rights of veterans to full participation in DOL employment and training programs are protected and that laws are fully implemented.

I am enclosing a copy of Resolution No. 84 adopted by our 1976 National Convention, which is our current position on this matter.

The American Legion will appreciate your consideration of reintroducing legislation to establish a full Assistant Secretary for Veterans Employment at a Level IV category which is the same as the five Assistant Secretaries now in the Department of Labor. We also suggest that your legislation include a recommendation establishing the Veterans Employment Service, headed by a Director, as a separate agency within the Department of Labor.

Your consideration of and attention to this request is deeply appreciated.

Sincerely,

MYLIO S. KRAJA,
Director, National Legislative Commission.

Enclosure.

[58th Annual National Convention of the American Legion, Seattle, Wash., August 24-26, 1976]

RESOLUTION NO. 84

Subject: Establishment of Assistant Secretary of Labor for Veterans Employment Service and to establish the Veterans Employment Service as a separate agency within the United States Department of Labor.

Whereas, Congress has established a Veterans Employment Service in the United States Department of Labor to promote vocational opportunities for veterans and to monitor and functionally supervise the many laws related to veterans employment and training; and

Whereas, Congress has required that the Secretary of Labor shall assign to each state a Representative of the Veterans Employment Service and additional representatives when justified by the veteran population of the State to carry out the purposes of the Veterans Employment Service in the several States; and

Whereas, The Department of Labor has assigned a Regional Veterans Employment Representative to each of its ten Regional offices to direct veterans employment affairs in the Region, being responsive both to the Director of the Veterans Employment Service and the Assistant Regional Director for the Employment and Training Administrative Administration; and

Whereas, Because of the complexity of veterans employment and training laws and programs, including numerous references to veterans in the various titles of the Comprehensive Employment and Training Act, and because of the involved channels of organization through which he must operate, it is difficult for the Director of the Veterans Employment Service to maintain the necessary direction and control of these significant programs; and

Whereas, Legislation has been introduced in Congress to provide for a separate agency within the Department of Labor to be known

as the Veterans Employment Service, and to authorize the appointment of an Assistant Secretary of Labor for Veterans Employment, and for other purposes; and

Whereas, Various individuals and groups have indicated their willingness to compromise by accepting a Deputy Assistant Secretary of Labor or a Deputy Assistant Undersecretary of Labor for Veterans Employment in lieu of a full Assistant Secretary, which is contrary to the purpose and intent of the established position of The American Legion; now therefore be it

Resolved, By The American Legion in National Convention Assembled in Seattle, Washington, August 24, 25, 26, 1976, that The American Legion support legislation, or an executive order, and/or any and all administrative efforts to establish a full Assistant Secretary of Labor for Veterans' Employment, and to establish the Veterans Employment Service as a separate agency within the United States Department of Labor; and be it further

Resolved, That The American Legion, both legislatively and administratively, oppose the establishment of any such position at a level lower than Assistant Secretary of Labor for Veterans Employment.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., August 2, 1978.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: It is my understanding you will introduce legislation to establish within the Department of Labor the position of a full Assistant Secretary of Labor for Veterans Employment.

As you are aware, our 77th National Convention, held in New York City in August of 1976, passed Resolution No. 665, supporting legislation to authorize an Assistant Secretary of Labor for Veterans Employment, and a copy thereof is enclosed. Subsequently, on October 15, 1976, Public Law 94-502 established within the Department of Labor the position of Deputy Assistant Secretary of Labor for Veterans Employment. Although we were not happy with the level of the position, in the interest of veterans we were willing to give it a fair trial. Unfortunately, under the stewardship of the incumbent, the Veterans Employment Service continued to deteriorate, due to his lack of qualification and isolation from the Secretary of Labor.

It is my firm opinion that the Veterans Employment Service will only significantly enhance veterans employment if the position of Assistant Secretary of Labor for Veterans Employment is established, giving the incumbent thereof direct access to the Secretary of Labor and authority commensurate with his vast responsibilities.

In view of the foregoing, the Veterans of Foreign Wars of the United States fully supports the legislation you intend to introduce. With best wishes and kind regards, I am

Sincerely,

JOHN WASYLIK,
National Commander-in-Chief.

Enclosure.

RESOLUTION NO. 665—ASSISTANT SECRETARY OF LABOR FOR VETERANS EMPLOYMENT

Whereas, Congress has established a Veterans' Employment Service in the United States Department of Labor to promote vocational opportunities for veterans and to monitor and functionally supervise the many laws related to veterans' employment and training; and

Whereas, Congress has required that the Secretary of Labor shall assign to each State a Representative of the Veterans' Employment Service and additional representatives when justified by the veteran population of the state to carry out the purposes of the Veterans' Employment Service in the several states; and

Whereas, The Department of Labor has assigned a Regional Veterans' Employment Representative to each of its ten Regional Offices to direct veterans' employment affairs in the Region, being responsive both to the Director of the Veterans' Employment Service and the Assistant Regional Director for Manpower; and

Whereas, because of the complexity of veterans' employment and training laws and programs, including numerous reference to veterans in the various titles of the Comprehensive Employment and Training Act, and because of the involved channels of organization through which he must operate, it is difficult for the Director of the Veterans' Employment Service to maintain the necessary direction and control of these significant programs; and

Whereas, legislation has been introduced in Congress to provide for a separate agency within the Department of Labor to be known as the Veterans' Employment Service, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; now, therefore

Be it resolved, by the 77th National Convention of the Veterans of Foreign Wars of the United States, that we support legislation now in Congress to authorize an Assistant Secretary of Labor for Veterans' Employment and to establish the Veterans' Employment Service as a separate agency within the United States Department of Labor.

Adopted by the 77th National Convention of the Veterans of Foreign Wars of the United States held in New York, New York, August 13 through 20, 1976.)

DISABLED AMERICAN VETERANS,
Washington, D.C., August 2, 1978.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: This office has recently been informed that you intend to introduce legislation in the U.S. Senate relating to the Department of Labor's Veterans Employment Service (VES).

The VES is presently administered within DOL by a "Deputy Assistant Secretary for Veterans Employment." It is my understanding that your bill would confer upon the head of the VES the title and position of "Assistant Secretary of Labor for Veterans Employment."

As yourself, our organization has long been concerned over the high unemployment rate of veterans—especially those veterans who served during the Vietnam Era Conflict.

The DAV, through this office and through the office of our National Director of Employment, has attempted to ameliorate the employment rate of veterans in both the private and Federal sectors. With respect to the latter, we have had extensive dealings with the VES, as that agency is responsible for policy formulation and administrative implementation of all DOL programs affecting veterans.

In recent years, the DAV has been highly critical of what we perceived to be a definite ineptitude on the part of the VES to effectively and energetically fulfill its responsibilities.

With the upgrading of the Director of VES to an Assistant Secretary of Labor status in 1976 (P. L. 94-502), we had hoped to see a noticeable revitalization of veterans employment initiatives by the Federal Government.

Unfortunately, this has not occurred.

The VES, under the "leadership" of its first DASVE, made no noteworthy contributions in the form of new veterans employment initiatives or effective implementation in enforcement of existing veterans programs. This dismal fact was undoubtedly due in part to the inability of the DASVE himself—who has since resigned. But we also feel the efforts and impact of the VES in solving veterans employment problems have been greatly impeded due to that agency status within DOL itself.

This was true prior to P.L. 94-502 and it is true today. The DASVE (and the VES Director before him) simply did not have the authority and status within DOL to effectively initiate, administer and enforce veterans employment programs. The head of this agency must have such authority and this, in essence, means he must have direct and immediate access to the Secretary of Labor himself.

Your intended legislation would address this problem. Its enactment would place the VES on an equal footing with all other Assistant Secretary and programs within DOL and at last foster the type of Federal veterans employment effort that all of us have so long desired.

In short, Senator Thurmond, our organization considers passage of this legislation to be most essential and we support and commend you in your efforts to effect such passage.

Sincerely yours,

JOHN F. HEILMAN,
Deputy National
Director of Legislation.

AMVETS,
Washington, D.C., August 2, 1978.

Hon. STROM THURMOND
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR THURMOND: In view of the recent circumstances concerning the veterans' employment activity as administered by the U.S. Department of Labor, we are constrained to reiterate our views with respect to the current position of Deputy Assistant Secretary of Labor for Veterans' Employment (DASVE) as opposed to our original request for the establishment of the office of a full Assistant Secretary.

Time and circumstances, subsequent to the appointment of the DASVE has, we believe, substantiated the rationale that a full Assistant Secretary would provide the needed direct line of communication and liaison between the Veterans' Employment Service and the Secretary of Labor and the White House.

Therefore, AMVETS strongly urges that steps be taken to elevate the position of Deputy Assistant Secretary for Veteran's Employment to that of a full Assistant Secretary and that the person selected to fill that position be a qualified, career professional possessing the knowledge and expertise required for the effective performance of the duties thereof.

AMVETS believes that this action is of vital importance to our Nation's veterans and will fully support all legislation directed thereto.

Sincerely,

C. DENNIS MCCLURE,
National Service
and Legislative Director.

S. 3377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 41 of title 38, United States Code, is amended by—

(1) striking out in the table of sections the word "Deputy" in the item relating to section 2002A;

(2) striking out "Deputy" before "Assistant Secretary" in section 2002;

(3) striking out "Deputy" in the catchline of section 2000A; and

(4) striking out "Deputy" before "Assistant Secretary" in section 2002A.

SEC. 2. Any reference in any law, regulation, directive, or other document to the

Deputy Assistant Secretary of Labor for Veterans' Employment shall be deemed to refer to the Assistant Secretary of Labor for Veterans' Employment.

Mr. THURMOND. Mr. President, as I understand it, this bill, under the reorganization, will be referred to the Governmental Affairs Committee, but I ask unanimous consent that after they consider it that the bill be referred to the Veterans' Committee for further consideration.

The PRESIDING OFFICER. Will the Senator state his request again?

Mr. THURMOND. I ask unanimous consent that since they have changed the jurisdiction to the Governmental Affairs Committee for a bill of this nature, that after that committee considers it, it also be sent to the Veterans' Affairs Committee for its consideration.

Mr. MAGNUSON. Has this been cleared on both sides of the aisle?

Mr. THURMOND. I cleared it with Senator PERCY on this side.

Mr. MAGNUSON. Mr. President, I will have to object.

The PRESIDING OFFICER. Objection is heard.

Mr. THURMOND. Mr. President, I withdraw the request.

By Mr. INOUYE:

S. 3378. A bill to amend the definition of the term "qualified vessel" under a capital construction fund; to the Committee on Commerce, Science, and Transportation.

● Mr. INOUYE. Mr. President, the legislation I am introducing today would amend section 607 of the Merchant Marine Act of 1936, to extend capital construction fund privileges to inland waterway towboat and barge operators and domestic ocean vessel operators engaged in coastwise and intercoastal shipping.

Pursuant to a capital construction fund agreement with the Secretary of Commerce, any U.S. citizen owning or leasing one or more "eligible vessels," as defined, may establish a capital construction fund.

The purpose of such an agreement is to provide qualified replacement vessels, or additional vessels, constructed or reconstructed in the United States, and documented under U.S. laws, by offering a tax incentive to vessel owners and lessors. Under existing law, qualified vessels must operate "in the United States foreign, Great Lakes, or non-contiguous domestic trade or in the fisheries of the United States."

Most of the deposits to the fund are attributable to what would otherwise be taxable income for Federal income tax purposes from the operation of eligible or qualified vessels. This income is not subject to tax for the tax year during which it is deposited in the fund. Tax consequences are deferred until withdrawals from the fund have occurred. Usually, this is with respect to "qualified withdrawals" for the construction or reconstruction of a qualified vessel or payment of principal or related indebtedness. The tax consequences result from a required reduction in basis, providing less allowable depreciation expense for vessels constructed or reconstructed with fund proceeds.

My proposal would expand the scope of the capital construction fund so that it could be used for vessels operating between points in the 48 contiguous States.

Mr. President, recently the president of the Shipbuilders Council of America, Edwin M. Hood, said that enactment of legislation such as I am introducing today would have an important threefold effect.

He said, and I quote:

First, a cumulative balance of approximately $650 million in currently approved Capital Construction Funds could be used toward the U.S. construction of vessels to meet an expected expansion of demand for domestic waterborne service over the next two decades;

Secondly, for domestic shipping operators, the present problem of attracting equity capital and retaining earnings for fleet expansion and vessel replacements would be substantially alleviated; and,

Thirdly, with the full spectrum of U.S. shipbuilding facilities, large and small, facing a scarcity of new contracts, unemployment for a significant number of shipyard workers could be avoided.

Mr. President, all three of these effects would support and enhance the shipping policy of the United States to promote a strong and viable merchant marine consisting of ships built in the United States, and owned and manned by U.S. citizens.●

ADDITIONAL COSPONSORS

S. 2128

At the request of Mr. INOUYE, the Senator from Iowa (Mr. CLARK), the Senator from Idaho (Mr. CHURCH), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 2128, a bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes.

S. 3038

At the request of Mr. WILLIAMS, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 3038, a bill to amend title XVIII of the Social Security Act to provide coverage under the supplementary medical insurance program, of certain lenses and illumination aids for individuals suffering from severe limitation of central visual acuity and of the services of an optometrists in prescribing such lenses and aids.

S. 3094

At the request of Mr. STONE, the Senator from Alabama (Mrs. ALLEN) was added as a cosponsor of S. 3094, a bill to establish a program to develop artificial marine reef fishing for the Gulf of Mexico and the Atlantic Ocean.

S. 3265

At the request of Mr. ROTH, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 3265, a bill to amend the Internal Revenue Code of 1954 to allow an individual to exclude from gross income the gain from the sale or exchange of the individual's principal residence.

S. 3285

At the request of Mr. TOWER, the Senator from Arkansas (Mr. HODGES) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 3285, a bill to extend the investment tax credit. to certain agricultural structures.

SENATE JOINT RESOLUTION 147

At the request of Mr. ANDERSON, the Senator from Michigan (Mr. RIEGLE), the Senator from Nebraska (Mr. CURTIS), the Senator from Maryland (Mr. SARBANES), the Senator from Massachusetts (Mr. BROOKE), the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from Kentucky (Mr. FORD), the Senator from Michigan (Mr. GRIFFIN), the Senator from Oregon (Mr. MARK O. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Tennessee (Mr. SASSER), the Senator from Missouri (Mr. EAGLETON), the Senator from Texas (Mr. TOWER), the Senator from California (Mr. CRANSTON), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Joint Resolution 147, designating July 18, 1979, as "National POW–MIA Recognition Day."

SENATE RESOLUTION 515

At the request of Mr. HUDDLESTON, the Senator from Montana (Mr. PAUL G. HATFIELD) was added as a cosponsor of Senate Resolution 515, relating to the transportation crisis for farmers and shippers of agricultural commodities.

AMENDMENT NO. 1582

At the request of Mr. GLENN, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of amendment No. 1582, proposed to H.R. 12934, the State, Justice, Commerce appropriations bill.

AMENDMENT NO. 2176

At the request of Mr. DURKIN, the Senator from Delaware (Mr. BIDEN), the Senator from Iowa (Mr. CULVER), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of amendment No. 2176 intended to be proposed to S. 1500, the Alaska National Interest Lands Conservation Act.

AMENDMENT NO. 3409

At the request of Mr. PERCY, the Senator from Tennessee (Mr. BAKER) and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of amendment No. 3409 intended to be proposed to S. 991, a bill to establish a separate Cabinet-level Department of Education in the Federal Government, and for other purposes.

SENATE RESOLUTION 534—SUBMISSION OF A RESOLUTION ON SOCIAL SECURITY FINANCING REFORM

Mr. HART submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 534

Whereas, the Congress enacted the Social Security Amendments of 1977 in an effort to counteract the deteriorating financial position of the social security program;

Whereas, the Social Security Amendments of 1977 called for substantial new social se-

curity tax revenues to be raised in addition to those then provided for under law;

Whereas, the increase in social security payroll taxes provided for in the Social Security Amendments of 1977 represents one of the largest peacetime tax increases in the history of the United States;

Whereas, the increase in social security payroll taxes threatens to aggravate inflation and unemployment at a time when the economy of the United States can ill afford either such effect;

Whereas, there is a pressing need to effect fundamental reform of the financing structure for the social security system; and

Whereas, insufficient consideration has been given to the alternative of using general revenues to assist in defraying the rising costs of the social security program: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Senate Committee on Finance consider legislative proposals offering alternative mechanisms for financing the social security system, including those that advocate the use of general revenues to fund the Disability Insurance and Hospital Insurance Trust Funds, and report out to the Senate (favorably or unfavorably) a proposal for such an alternative mechanism prior to January 1, 1979; and

(2) if the Committee on Finance and the Senate have not acted on a proposal for such an alternative mechanism prior to January 1, 1979, the increases in the social security taxes scheduled to take effect on January 1, 1979, should be deferred for twelve months and any general tax cut enacted in 1978 by this Congress should take into account any effect such deferral has on efforts to achieve a balanced budget.

● Mr. HART. Mr. President, today I am submitting a resolution expressing the sense of the Senate that the Finance Committee hold hearings and report out legislation proposing an alternative mechanism of financing the social security program or any portions thereof. The resolution further states it is the sense of the Senate that if the committee and the Senate are unable to act on such a proposal prior to the scheduled implementation of the new tax rates established by the Social Security Act Amendments of 1977, the effective date of the scheduled increases be delayed for 12 months, and that the administration's proposed tax cut be reduced by an amount equal to the deficit in the social security trust fund caused by the deferral.

The social security system has been running a deficit since 1975, and the situation promised to get worse pending financing reform efforts by Congress. The factors responsible for the system's dwindling balances are varied and include substantial changes in demographic variables—such as longer life spans, lower birth rates, and the "aging of the baby boom"; the effects of inflation and recession which when combined caused an increase in social security benefit payments, while there was also a reduction in tax receipts; and a flaw in the benefit formula that overadjusted for inflation.

In response to this situation, Congress enacted legislation to put the social security trust funds on a more solvent basis. However, while the 1977 amendments revised the payroll tax rate and taxable wage base schedule upward, the legislation represented less of a "reform" of the social security financing structure, than a way of dealing with the dilemma of chronic deficits capable of draining trust fund reserves within a few years. Additionally, the increase in social security taxes facing American workers as a result of this legislation represents one of the largest peacetime tax increases experienced in this country.

Based on recent statements by eminent economists of a variety of persuasions, I am convinced that implementation of this large tax increase at this time could have disastrous inflationary effects, and could also reduce the growth of employment so sorely needed in our economy.

This increase is untimely, at best, given our current rate of inflation and unemployment. Both social security taxes and social security benefits are currently the second largest and most rapidly growing item of the Federal budget. For many, payroll taxes have risen to the point where they exceed personal income tax liability. Furthermore, such massive increases in taxes threaten to concentrate the attention of contributors only on the costs and liabilities of the system, thus straining public support for a program which stands out as our most fundamental commitment to reasonable health and comfort for the aged.

Certainly, much progress has been made by the 1977 statute, especially with respect to urgently needed revisions in the benefit structure. But it would be a mistake to view the amendments as the final word on financing of social security benefits. Indeed, following enactment of the controversial amendments, several legislative proposals were introduced which appear to offer viable alternatives to payroll tax increases approved last December. The American people deserve to have the benefit of a careful investigation of these proposals before the increased tax schedule takes effect in January 1979. If a more equitable financing proposal can be identified, Congress has an obligation to act on it.

Mr. President, this resolution should not be taken as an attempt to avoid the responsibilities of dealing with the short- and long-term problems facing the social security trust funds. Rather, it is a determined effort to examine carefully all viable options of providing an equitable and effective financing structure for the system before increasing the payroll tax liability of millions of Americans beyond what is necessary.

Four decades after its inception social security remains the most important mechanism for supporting the elderly. I support the social security system and believe that through it we have entered into a commitment to millions of people who have shaped their lives accordingly. This commitment will be honored, but it should not be done through an inequitable and inefficient financing structure, which also will prove to be highly inflationary in an already highly inflationary period.

If the Senate is unsuccessful in passing an alternative financing program, we must postpone these inflationary and antiemployment taxes. However, the postponed taxes, combined with a continued increase in benefit payments, may result in an increased Federal deficit, which would also be inflationary. To eliminate the possibility of an increased budget deficit, the other personal and business tax cuts proposed by the administration must be reduced by the possible deficit created in the social security trust fund.●

AMENDMENTS SUBMITTED FOR PRINTING

VETERANS HOUSING PROGRAMS—H.R. 12028

AMENDMENT NO. 3431

(Ordered to be printed and to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to H.R. 12028, an act to amend title 38, United States Code, to improve the housing programs of the Veterans' Administration.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS—H.R. 12936

AMENDMENT NO. 3432

(Ordered to be printed.)

Mr. FORD (for himself and Mr. DURKIN) proposed an amendment to H.R. 12936, an act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1979, and for other purposes.

AMENDMENT NO. 3433

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to H.R. 12936, supra.

VETERANS HOUSING PROGRAM—H.R. 12028

AMENDMENT NO. 3434

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself and Mr. STAFFORD) submitted an amendment intended to be proposed by him to H.R. 12028, an act to amend title 38, United States Code, to improve the housing programs of the Veterans' Administration.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will conduct public hearings jointly with two subcommittees of the House Small Business Committee on the underutilization of small business in the Nation's efforts to encourage industrial innovation.

The hearings will take place on August 9 and 10, beginning at 9:30 a.m., on each day. The first morning will be conducted in the Senate Small Business Committee hearing room, 424 Russell

Senate Office Building; and the second morning in the House Small Business Committee hearing room, 2359 Rayburn House Office Building.

Innovation is a matter of national importance, as indicated by the recent Presidential review memorandum requesting 28 Federal departments and agencies to search for ways to encourage this activity. Small business in the past has made a striking record in this field. According to many studies, small enterprises and individual inventors have accounted for between one-half and two-thirds of all U.S. inventions and innovations.

Those wishing to participate in the hearings may contact the Senate Small Business Committee (202/224–5175) or the House Small Business Committee (202/225–5821).●

COMMITTEE ON THE JUDICIARY

● Mr. MATHIAS. Mr. President, I wish to announce that public hearings will be held by the Judiciary Committee to examine the Federal Bureau of Investigation's forcible crimes against banking institutions program. The hearings will be held on Friday, August 11, 1978, in room 2228 of the Dirksen Senate Office Building at 9:30 a.m.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the committee office, 2226 Dirksen Senate Office Building, telephone (202) 224–5225.●

SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE

● Mr. ABOUREZK. Mr. President, I wish to announce that the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary will continue hearings on the FBI Charter in the area of informants. The hearing will be held Thursday, August 10, 1978, at 9:30 a.m. in room 2228, Dirksen Building.●

ADDITIONAL STATEMENTS

REV. EDWARD L. R. ELSON ADDRESSES ASBURY COLLEGE

● Mr. HUDDLESTON. Mr. President, on Sunday, June 4, the Reverend Edward L. R. Elson, Chaplain of the Senate, gave the baccalaureate address at his alma mater, Asbury College in Wilmore, Ky. This occasion also marked the 50th anniversary of the Chaplain's graduation from this Christian liberal arts institution.

Since his graduation from Asbury in 1928, Dr. Elson has provided many years of distinguished service to God and country. He served as pastor of the National Presbyterian Church for more than 26 years and has been the Chaplain of the Senate since January 1969.

SALARIES AND EXPENSES

He holds 20 academic degrees (17 honorary doctors degrees), 18 military decorations, and 13 Freedom Foundation awards. He has authored eight books, contributed to more than a dozen others, and has written articles for numerous religious and secular magazines.

Dr. Elson is the only clergyman ever to have baptized a President of the United States after he became President, having baptized President Eisenhower at the National Presbyterian Church in February 1953.

He has held numerous high positions in the church and has made several important missions during his career in Government.

Mr. President, I ask that Dr. Elson's baccalaureate address be printed in the RECORD.

The address follows:

LIFE'S SINGLE VOCATION

President Kinlaw, Members of the Board, Members of the faculty, parents, friends and honored members of the Class of 1978. It is to this class we speak today.

Only two barriers remain to your final emancipation from this campus. One is the Baccalaureate sermon, and the second is like unto it, the Commencement Address. Now that we are both sentenced to the first of these requirements, let us make the best of it.

My class, the Class of 1928 has lived and worked elsewhere twelve and a half times as long as we were here. But you will understand the affinity we feel for this place by the presence of so many of us on the campus today.

Permit me then, on behalf of the Class of 1928, to welcome the Class of 1978 to the legion of Asbury Alumni who circle the world. Henceforth, every five years you will return for your reunion in the same cycle with the remnants of our class.

After fifty years we have made our golden pilgrimage to the scenes of yesteryear. We have come just as we are, with our bulges and our baldness, our bridge-work and our bifocals, toting along our pills and vitamins to reinforce the wanning vitality. We come, of course, to share the wisdom only acquired by experience. Remember the little doggerel—

"King Solomon and King David
Lived very merry lives
With very many lady friends
And very many wives.
But when old age came creeping
With very many qualms
King Solomon wrote the Proverbs
And King David wrote the Psalms."

You are so much better looking than we were in 1928. You are taller and tougher. You have been innoculated against diseases which decimated earlier generations. You have been on balanced diets fortified by vitamins from your infancy.

Some of us wear athletic scars and several of us battle scars from a war or two. Your athletic equipment has been more protective and repairs to injured bodies more prompt and more complete.

You are scrubbed and combed and coiffed better. Does it surprise you for me to report that some of my classmates took their first shower bath here? When we arrived water on tap was not a universal home installation. And if middle class homes had running water, frequently it was only cold water brought indoors by gravity from a spring or well. Dean Jay B. Kenyon in his memoirs wrote that there wasn't a bath tub on the campus when he arrived as a college freshman. In contrast, we lived in relative comfort for our generation. Do you know that you live in a nation which now has 96 percent of all the bath tubs in the world?

You are the first generation to be devoid of epidemics such as diphtheria, smallpox, scarlet fever, mumps, measles, and tuberculosis.

A college classmate of mine, beside whom I played a horn in the College band, died as a result of an appendectomy a few days before he was to get his degree. Peritonitis took his life. Had there been penicillin, Howard Keller would probably be living an adult life today. Such a death is almost unheard of today. Such is the improvement in health.

Look at the difference in life expectancy. A young man today can expect to live 50 percent longer than his grandfather. The American Geriatrics Society has predicted that by the end of the century an American may look forward to a life expectancy of 120 years with Social Security beginning at 105—if you choose to retire.

Our generation walked as you have walked in the light of a silvery moon down some Kentucky lover's lane with palpitating hearts and wistful longings. Now every Wednesday morning I attend a prayer breakfast with a young Senator, Harrison Schmitt who has been to the moon and back, and is a devout Methodist layman.

What a different world! We came on railroad trains drawn by magnificent steam locomotives. Some of us rode three days to get here. Now you come by jet in five hours from any place in the United States.

Tomorrow you will join us as holders of a degree from Asbury College. It will be an honorary degree. Every degree is an honorary degree. Some are taken in course and some are achieved in the public domain. But they are all honorary.

The most significant thing about your parchment will be on the college seal with its motto Eriditio et Religio—Erudition and Religion—academic excellence and elevated piety. Your most priceless memory, if it is at all like ours will be the legacy of an undergraduate education in a Christian community at work—and the work has been education.

Asbury College is not a Protestant monastery or convent refining life by rigid discipline which produces automatic responses to every life situation. This College is not a perpetual camp meeting or unbroken religious conference, though life is lived in the Spirit and fresh visitations of the Holy Spirit are expected and welcomed. This is not a professional divinity school. That school is across the street. This institution stakes down its life on precise theological presuppositions; but it is a liberal arts college. The product is an educated Christian person—a person whose life is fulfilled in Jesus Christ and who brings Christ's spirit to bear upon every problem in every crisis of life.

Tomorrow you join the fellowship of 2000 thousand others who have received degrees in the eighty-eight years since J. W. Hughes founded the College. The generations of Alumni list: 1576 ministers of the gospel in twenty denominations, 507 missionaries overseas, 185 college presidents, deans, departmental heads, 211 physicians, 75 commissioned Salvation Army officers, 7 bishops, 1 Chaplain of the Senate, the most prolific preacher-author-missionary in half a century, the greatest scholar-author on the Civil War soldier, the minister appointed by the General Assembly of the Presbyterian Church to preach in Washington in 1978 as National Church Preacher.

That is an awesome assembly you will be joining.

The most important thing about the current issue of the Alumni "Ambassador" is not what it says about the Chaplain of the Senate, but what President Kinlaw says is the purpose of this College. On the inside of the cover we find his statement—

"The College regards the biblical message of redemption as integral to human wholeness. Students are thus encouraged to accept the transforming grace and presence of Jesus Christ through the cleansing and infilling of the Holy Spirit, a theme carefully reiterated by a layman, Dr. Luce last night.

That brings me to the theme of this sermon, "Life's Single Vocation". The word "vocation" is derived from "vocare"—a summons or call to a particular course or role.

Jesus had just reduced the Sadducees to speechlessness when the Pharisees accosted him. A religious expert among them asked Jesus "Which is the great commandment in that law?" Promptly, spontaneously, instinctively Jesus affirmed

"Thou shalt love the Lord thy God with all thy heart, with all thy soul and with all thy mind.

"This is the first and great commandment.

"And the second is like unto it, Thou shalt love thy neighbour as thyself."—Matthew 22: 37–39.

This is the total commitment to which we are called. This is life's single vocation. The love which Jesus talks about here is not fleshly, erotic love, nor is it, filial, and affection for family and friends but Jesus uses the Greek word for love, "agape" meaning the surrender of the whole being, in its totality, to the living God.

The doctrine of the single vocation is the heart and center of the Christian way of life. This was carefully formulated by our spiritual ancestors in the Westminster Assembly of 1643 which among other things produced the Shorter Catechism of my Church. The formula declares that for the Christian there are many ways to make a living but only one way of life—the way of total commitment to God, to the Lordship of Christ.

A man might be a farmer, a blacksmith, a miller, a merchant, a silversmith, a teacher, a preacher, persons of diverse skills and talents but only one vocation. The first question in the catechism is "What is the chief end of man?" And for over three hundred years anyone schooled in this tradition answers "The chief end of man is to glorify God and enjoy Him forever."—the purpose of life is to serve God, to make known his majesty and rulership—and to know the joy of the Lord in this life and beyond. It is a willing, selfless total commitment.

There are many honorable ways to make a livelihood but only one way to live—and that is to manifest the splendor of God as revealed in Christ and to do it in all of life. This is the specialty which takes precedence over every other specialty. This is what the past says to the future. And this is the wisdom of God for all time. More important than the degree we carry from this place is the commitment to the single vocation.

If you enter the field of medicine, living the single vocation, then every human being will be regarded as God's child and every effort to prevent suffering, to preserve a vital physical and spiritual existence will be to manifest God's glory.

Go into law and the person of single vocation will manifest God's glory by seeking to achieve justice under God, the Ruler of a moral universe. He will acknowledge that all law in civilized society is based upon, derived from the law first given to Moses on Sinai.

Go into business and the purpose of the person of the single vocation will be the release of economic resources for the common good. Go into architecture or engineering and life's purpose will be to discover the laws of the universe, put there first by the mind of God, and bring them to fullness of expression and services for man who is God's highest creation.

Go into science and manifest God's glory there, and the person of the single vocation will rejoice because beyond the universe is the First Cause—his original premise of the Creative Spirit at the heart of things is big enough for every unfoldment. The scientist will see law and order in the universe. Order witnesses to intelligence, intelligence to a mind, mind inheres in personality, the Person is God.

And while the scientist himself will be working with data derived by scientific methodology, by experimentation, measurement, attestation, he will rejoice as Dr. Werner Von Braun pointed out to me one evening at dinner that truth and reality do not always come to men by scientific methodology but also by way of personal experience, by intuition, by spiritual insight, by revelation and in the historical process. The person of the single vocation, whatever his specialty, responds to truth and reality as they reach him over many avenues and by many methods—from the mystic's awareness, the musician's rapture, the saint's holiness of life as well as from the laboratory and scientific experimentation.

Go into teaching and the person of single vocation will begin on the premise that he is helping God's children come to their birthright as children of the light, that he is teaching not subjects but persons, that his highest endeavor will be to open fresh vistas of insight, discovery and creativity which lead to fullness of life. And if a person enters that higher order which Presbyterians call "teaching elder" or minister of the church, the person of single vocation will regard as the highest role not that of ecclesiastical titan but the personal instrument of God's grace, the transmitter through personality of the Good News of the Living Lord of Life.

If the purpose of life is to make manifest the life of God in the life of man, then the public servant, the Christian statesman, will seek to discover God's will for man, to find the highest possible moral basis for action, to stake down his position on that platform, to work from that premise.

I wish more Asburians took this spirit into the political arena. I heard of one alumnus who has served in the legislature of Pennsylvania and another in the California legislature. This nation needs people of the single vocation in politics—not to parade their piety, but to bring Christian insights into public affairs.

Such a person faces constantly the necessity for making the highest possible moral choice in the existential situation. Christian perfection is not flawless political judgment but the refinement of and growth in moral choice.

We are not perfect. We are not Jesus. There was only one Lord Jesus Christ. If Jesus were like me, the sinner that I am, He couldn't be my Savior. He must be one apart utterly unique in his person, coming from God, entering our life, becoming part of our life, dying for our salvation.

And we are not in the Church because we are flawless in political judgment or pedagogical theory, or church administration. We are in the Church because we are sinners redeemed by faith in Christ's finished work. We are not perfect, but we follow a perfect Lord. We are not holy but we worship a holy God.

In the early days of the Wesleyan movement, in the "class meeting", people were exhorted to "go on to perfection". Such striving was also characteristic of the Keswick movement and later the Oxford Group movement. It appears now in some of the disciplined Christian movements such as Yokefellow International. Yokefellows take the yoke of Christ and say with Paul, "Not as though I had already attained—I press toward the mark of the high calling of God in Christ Jesus".

It is holiness of life, perfection in love, fullness of the grace of Christ which mark the way of life's single vocation.

During my growing years as a high school student my expectation was to attend the United States Military Academy and make the Army a career and I had been promised an appointment to the Academy. Then in my senior year in high school, during a day alone in a cabin in the woods, I was unmistakably called to the ministry. Not in a huge crowd, or an evangelistic campaign but alone with my Lord that call came to me with a clarity, never doubted thereafter, and corroborated every day since.

I wrote a letter thanking my Congressman for the proferred appointment to the Academy. The government pays cadets to go to the Academy. How could I now be properly educated for the ministry, a seven or eight year program, when there were other Elsons to be put through college?

By and by the answer came. An uncle and some friends secured a music scholarship for me on the blowing end of a horn and a job as a janitor in one of the men's dormitories known as Morrison Hall. The college was then only thirty-four years old. For my janitor's job, I received twenty cents an hour, the next year, twenty-five cents an hour. My last year I was the Assistant Pastor of the Presbyterian Church in Wilmore.

So, in the fall of 1924 with some money, with my horn and my job I began my preparation in this college with the Latin motto "Eriditioet Religio"—erudition and religion—academic excellence in a Christian community of learners. On this campus the munity of learners. On this campus the disbeliever, the agnostic were the bizarre or the odd-ball person on our campus. Chapel and prayer as natural as three meals a day. There was a singleness of purpose which produced superior scholars—reflected later in post graduate schools to which graduates went.

Life's single vocation—glorifying God in the totality of life—was unfolded here in three facets which illuminate the great Commandment: the dignity of work, the majesty of the mind or the exaltation of the intellect, and the completeness of the Christian commitment.

We had the largest organized group of "student volunteers" on any American nominations. Student leadership for the nadergraduates who were preparing to be the foreign missionaries of a dozen different denominations. Student leadership for the national movement came out of this campus.

In our sophomore year we made our class motto "100% for Christ". By Christmas every member of our class was a professing Christian. Rm. 36, where for four years we held our Monday night class prayer meeting, was becoming a shrine of deep devotion, a holy of holies.

On Thursdays for two of those years, instead of eating lunch I fasted and met with a small group of disciplined students for prayer and life orientation.

Then in my senior year when I was also the Assistant Pastor of the Presbyterian Church here, I began writing prayers, a practice I continued after my ordination until by 1935 I had a book of four-hundred pages of personally composed prayers. Now I know God was helping me get ready for my present work of Senate Chaplain where I have already prepared one thousand four hundred twenty prayers.

Commencement came in 1925, the end of our freshman year. All the students except the graduating class left for home and summer jobs. But on a music scholarship, I had to remain to play in the ceremonies. At first I resented this stricture. But this obligation threw me, for the first time, into direct association with the greatest living missionary and author of this century—then a missionary to the intellectuals of India—Dr. E Stanley Jones, an alumnus of Asbury College, who was back on campus to do then what I am doing today. His book, *The Christ of the Indian Road* had already been translated into more than twenty languages and was selling more than any book since Bunyan's *Pilgrims' Progress*. Now, that book has been translated into over 40 languages and sold more than three million copies. Several of his remaining twenty-eight books have sold over one million copies each. His daughter, Eunice, is the wife of Washington's Methodist Bishop, Dr. James K. Matthews.

On an early morning walk that Commencement season I watched Dr. Jones, with new Testament in hand, pacing the floor of the

front veranda of the some where he was staying as he prepared his address.

I will never forget him and his gracious words as he took me into his heart that day more than half a century ago. Later I was to share programs with him in retreats, in services aboard ship, in my pulpit in Washington. Long ago, I repented my resentment at having to play my horn at that Commencement.

If a music scholarship put me in touch with E. Stanley Jones, it was the janitor's job which put me in touch with my greatest teacher, my first professor of theology—Dr. Frank P. Morris.

My janitor's work included servicing his lecture room and quarters. He was a great scholar, a superb teacher, and a first rate preacher, a total man in his discipline and dedication. To this day I remember exactly some of his statements. For example, "I have learned that the unconscious presuppositions of my childhood have beocme the philosophic conclusions of my mature manhood"—a whole philosophy of religious education. He was a man of single vocation, glorifying God in every act, dignifying work, enhancing the intellect, spending himself for Christ. He had cultural depth. He could preach in a cathedral or on a street corner and be equally effective.

If I went to work at 5:00 a.m. the chances were he would be at his desk in his study. If I did my janitor's job late at night, he was refining his lectures for the next day.

And he dignified physical work. He had a Model T Ford with shiny brass radiator and beautiful black paint which he carefully serviced one day a week more as a pet than as a mode of transportation.

When I was far enough advanced to take theological courses, I subscribed to every course he taught in systematic theology and learned from him the profound Christian truths about God and man and destiny and duty—truths I will carry with me through this life and beyond.

The St. Paul window in the National Presbyterian Church in Washington is a gift from his widow and was dedicated by Dr. Stanger and the Seminary Choir in 1970.

Then there was the inimitable Dr. Henry Clay Morrison, aristocrat in temperament, autocrat in rulership, compassionate and tender in human relations, painless extracter of money from the saints for the College, the last of the silver tongued orators of the American pulpit. A few people here will recall his spending forty minutes to introduce William Jennings Bryan who spoke for an an hour and a quarter. And the big debate was which was the greater orator. Bryan was outmatched.

But my point with Dr. Morrison is how he worked—his prodigious accomplishments—College President, Editor, Evangelist, Chautauqua artist, all at one time.

He introduced a new word to us. He said, "Lads, don't foo-doodle". "Foo", he explained meant "going about". "Doodle" was translated "doing nothing" so foo-doodle meant "going about doing nothing." We were admonished to work, work, work. That was God's order of life, and, therefore, all work may be to the glory of God.

Scores of students had campus jobs as must be true today. No one made a conscious distinction between those who had to work and those for whom it was not necessary.

A student was not degraded by working nor elevated because he didn't. A student might don over-alls or a chef's white cap and apron before breakfast and at nightfall appear at a social gathering in tuxedo or evening dress. All of us were persons, respected when we were respectable, honored when we were honorable.

We learned the dignity of all forms of work.

Living out the single vocation means the exaltation of the intellect—the majesty of the mind. You can't go on to Christian perfection without obeying the commandment which says, "Love the Lord Thy God with all thy mind".

More graduates of two Kentucky Colleges—Berea College and Asbury College—go on to take post-graduate degrees than from all other universities and colleges in the state combined. Why? It is the exaltation of the mind, the honor given by Christian commitment to the intellect. The difference is in the motivation. If one is to serve Christ he can have nothing less than the best intellectual equipment and mental training obtainable.

In a Christian community of learners—in a Christian college—a few things are settled and have ceased to be speculations. Truth is found and forever fixed in the person of Jesus Christ, the one absolute, the fixed point of reference by which everything else is measured.

In an academic atmosphere charged with the spirit of the living Christ, and peopled by persons destined to serve Him there is an eagerness of mind for knowledge, an earnestness of spirit for wisdom. Academic excellence in a spiritual community became and has remained a legacy of this place.

Life's single vocation is lived out loving the Lord with all the mind He has given us.

The single vocation means completeness of dedication to Christ.

As students many of us were striving week after week, day after day for holiness of heart, for more perfect love, for utter abandon to the will and purpose of life. We would sing—

"I'll go where you want me to go, dear Lord
Over mountain or plane or sea
I'll say what you want me to say, dear Lord
I'll be what you want me to be."

There were fewer than one hundred in my graduating class. One, Bell Irvin Wiley, became the greatest scholar on the American Civil War soldier, author of twenty-four books, and President of the Civil War Centennial Commission. Another, Sollie McCreless, who had to work his way through school, borrowed a few hundred dollars to start a medical insurance society and now heads one of the great insurance empires of the world. Although he never became a minister, he has been able to endow theological professorships, support missionaries and give new buildings.

Some in my class died young in foreign lands. Dedication was complete and there was a readiness to pay whatever price was necessary for the spread of the gospel.

The blood of the martyr was to become the seed of the Church in our generation—in South America, the Philippines, in Africa, in China, in Europe.

What does total commitment mean? It means nothing is held back—mind, soul, heart, body all are surrendered to Christ.

Jesus commissioned his followers saying, "Ye shall be my witnesses". The word "witness" in English does not really, convey what Christ intended his disciples to understand. This is a luminous word, which walks forth from the Greek in a revealing transliteration to declare "Ye shall be my martyrs".

That commission tracks a daring pathway through the apostolic age to our age. The disciples were to shine for Christ and they soon discovered they would burn as they shone. They did go forth. They made martyrdom a proof of Christ's resurrection.

There have been men and women in our age like my colleague, Dr. John D. Hayes.

John D. Hayes was born in China. He attended another Christian College, Wooster, where our founder, J. W. Hughes, sent his son Arthur who became a great Presbyterian Church leader. John Hayes was an honor student, a football and baseball star. He graduated from Princeton Seminary and won a Rhodes scholarship. At Oxford, where he was Captain of the Crew he met and married Barbara Kelman, daughter of the famous preacher, Dr. John Kelman. Then with his bride he left for China as a missionary-teacher, supported by the congregation I served so long as pastor in Washington.

World War II came. Mrs. Hayes and their children were returned to the United States on the first Gripsholm. John Hayes was imprisoned by the Japanese for four and a half years. When I assumed my pastorate in Washington in 1946 he was one of the assistant ministers while gaining rehabilitation from his war days. He longed to return to China, pleading with the Board of Missions and his doctors to return. He believed he could get along with the Agrarian Reformers who threatened to take over China.

After several years of helpful service on our staff he went back to China without his family. He saw Chiang Kai-Shek's armies retreat and the Communist armies arrive. For awhile the Communists paid no attention to the American teacher-evangelist.

Then one night he was arrested and at bayonet point taken to a dark, dank prison which in itself was enough to destroy a man.

Then John Hayes went through the most excruciating experience. They accused him of being an American spy and I was his American contact. They tortured him, kept him awake day and night, week after week, brainwashed him. Five times they threatened to cut off his head. But John Hayes was an emissary of Christ, not a spy—a man with a single vocation.

When he came up for trial the court had all my letters and our Church bulletins which carried the names of Trustees like J. Edgar Hoover and Admiral Sydney Sours, who was President Truman's Security Council Secretary—and the name "National Presbyterian Church" consumed their interest.

None of us heard from John Hayes for more than a year and he was presumed to have vanished. Late one night I answered a long distance phone operator who put a man on the phone. It was John Hayes in Seattle and his voice was like a voice from the sepulchre.

In a few days he was back in Washington bearded and gray, with deep lines but luminous radiant eyes and a countenance which shone with the love of Christ, an incandescence from above—light refined and made brilliant by suffering. I asked him to celebrate the Lord's Supper with me on Christmas Eve. As John Hayes knelt with me behind the Holy table, a university student near the front of the church, something of an agnostic, exclaimed after the service: "I just could not keep my eyes off that face".

The whole nation became interested in him, Reader's Digest carried his witness. A movie, "The Sign of the Hawk," was based on his life. The Pentagon studied his report and his person to learn more about the effect of brainwashing. One day I asked John Hayes what sustained him in the relentless torture and he said, "Well, Edward, I determined to be true to truth and true to Christ, with or without my head". We too have lived with heroes and martyrs to Christ's glory, as truly as in any age.

We have met and worked with men of the single vocation and we are called to nothing less.

John Hayes completed his career working with students in Indonesia. When he was accidentally killed and buried in Taladega, Indonesia, we had a memorial service in the National Presbyterian Church in Washington attended by diplomats and church officials and hosts of friends.

Let no one say John Hayes squandered his life. He gave it at the beginning to Christ, lived the single vocation in complete commitment to Christ.

We join that noble company singing the *Te Deum*.

"The goodly fellowship of the Prophets praise thee.

"The noble army of Martyrs praise thee."

And with the hymn writer exclaim,

"They climbed the steep ascent of heaven
Through peril, toil and pain
O God, to us, may grace be given
To follow in their train."

There are many callings and professions but for the Christian, there is only one vocation—to love the Lord with all the heart and mind and soul—to reflect the dignity of work, the majesty of the mind, the totality of the Christian's commitment.

God does not promise we will escape suffering in this vocation He promises something better. He says, "I will go with you, I will never leave you nor forsake you. Underneath are the everlasting arms even unto the end—of the end—of the end." Amen.

Let us pray in the words of the Convening Prayer in the United States Senate on Tuesday, May 9, 1978 which has been called my Asbury Senate Prayer.

"Blessed are the pure in heart: for they shall see God".—Matthew 5: 8.

Almighty God, our Creator and Lord, give us pure hearts to see Thee, stout hearts to bear our own burdens, willing hearts to bear the burdens of others and believing hearts to cast our burdens on Thee. Spare us from having cold hearts, indifferent hearts, or careless hearts. Give us hearts that beat in unison with Thee that we may carry forward the divine intention for this Nation and the world.

"A heart in every thought renewed,
And full of love divine,
Perfect and right and pure and good
A copy Lord of Thine."

—Charles Wesley, 1707–1788.

Through Jesus Christ, our Lord. Amen.

THE FARNBOROUGH AIR SHOW

● Mr. GOLDWATER. Mr. President, every year the nations of the world and companies representing leading aircraft manufacturers gather at a show in Europe, sometimes in Paris, France and sometimes in Farnborough, England, to display their latest achievements in the fields of aircraft technology and development. Some years ago, it was my distinct honor to represent the President of the United States at the Paris Air Show and that was immediately following this country's decision to cancel development of a supersonic transport. Needless to say, our SST decision astonished European manufacturers who could not bring themselves to believe that the United States would ever bow out of a project that meant technological advancement. The fact that we did, led to worldwide doubt as to whether this Nation any longer had an interest in maintaining its well-established lead in the field of aircraft development.

Mr. President, I recite this history for a very important reason. So far, I have seen no indication that the Carter administration plans official representation at this year's Farnborough Air Show. And I understand there has been no official go-ahead for U.S. companies to be represented at that show. If indeed, we plan to skip this event, I fear that it will merely confirm in the minds of competing nations their suspicion that the United States is indeed forfeiting its prominent position in the field of aviation. The whole thing strikes me as short-sighted and ridiculous and I feel so strongly about it that I have sent President Carter a personal letter urging him to send a representative to the Farnborough Air Show and to urge American companies to be represented.

Mr. President, because of the importance of this matter, I ask that my letter to President Carter and two articles from the July 31 issue of Aviation Week and Space Technology be printed in the RECORD.

The material follows:

U.S. SENATE,
Washington, D.C., August 2, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As long as I can remember, the United States has been represented at the Paris Air Show and the Farnborough Air Show which is held in England. These events are held on alternate years so there is no competition between them.

So far, I've seen no indication that anyone is going to represent you or that you yourself might attend the Farnborough Show held this September. I further understand that there has been no official go ahead on United States companies or the United States itself being represented at that show.

I made a report to President Nixon after a trip to the Paris Air Show which immediately followed our cancellation of the Supersonic Transport and told him that the European manufacturers couldn't believe that the United States would ever quit anything that meant technological advancement; but, the fact that we had would cause them to multiply their efforts in this field. They have done this and our declining balance of payments is due mostly to our declining sales of airframes to other countries, which has been caused by the increased competition from abroad.

I sincerely urge you to pay proper attention to the Farnborough Air Show and to have yourself represented if you cannot make it, and to urge American companies to be represented at that show. I do not like having to bother you with little trivia like this, but I don't think the decline in our airframe, avionics and engine sales are matters that can be blithely ignored.

This letter will be inserted in the Congressional Record after it is delivered to your office because the time is short and I want American industry to know that there is an interest some place in this city in its plight.

With respect,

BARRY GOLDWATER.

[From Aviation Week & Space Technology, July 31, 1978]

U.S. LIMITS AIRCRAFT AT FARNBOROUGH

(By David A. Brown)

LONDON.—More than 80 different types of aircraft are expected to be displayed at the 1978 Farnborough air show, according to the Society of British Aerospace Companies (SBAC), but chances of the appearance of any significant number of advanced U.S. aircraft appear to be fading.

Efforts are still being made to obtain clearance for only two U.S. military aircraft, the Boeing Vertol CH-47C assault helicopter and the Fairchild Republic A-10A close support aircraft, but as of late last week the U.S. government had not agreed to either aircraft appearing in the show.

All other U.S. military aircraft are being held out of the show because of a directive forbidding their appearance issued by the Carter Administration in furtherance of its arms control policies (AW&ST June 19, p. 37).

Sikorsky Aircraft Div. of United Technologies has decided not to bring its new S-76 commercial helicopter to Farnborough in order not to disrupt the already delayed development flight test program.

The Soviet Union also has canceled an anticipated display of the Yakovlev Yak-42. The Soviets informally notified the SBAC earlier that they would be exhibiting an unspecified aircraft. British officials were led to believe this would be the Yak-42.

As the deadline neared for final exhibition commitments, the Soviets were pressed for a formal commitment and after some hesitation, said they had no plans to exhibit.

Somewhat similarly, Sikorsky reserved space in the show's static display area for the S-76 and as of late last week had not canceled this reservation. Company officials said, however, that the helicopter would not be appearing because this would disrupt the flight tests.

The SBAC said that there would be 350 exhibits representing about 450 aerospace firms, including 45 aerospace firms from the U.S.

Aerospace industry groups from France, West Germany, Japan, the Netherlands, Switzerland, Italy and Canada will have exhibits, along with individual exhibitors from Australia, Romania, Poland, Spain, Argentina and Brazil.

The U.S. Commerce Dept. canceled its planned U.S. pavilion earlier this year (AW&ST Mar. 20, p. 13) but this has not caused any of the major U.S. companies to leave the show.

Both Boeing Vertol and Fairchild Republic said the State and Defense departments so far have taken no action on their requests for permission to exhibit and, in the case of Fairchild, a bailment on an A-10 to participate in the flying display.

Fairchild officials last week said that unless some action is taken soon, it will be too late to arrange participation in the show. First A-10s to be based in Britain will be arriving at U.S. bases here about the time the show is held in early September, but whether one will be in the country by opening day is unknown.

Boeing officials said that if the State Dept. approves the Chinook's appearance in the show, it then would try to locate a helicopter that could be displayed. The company has discussed with the Argentine military the possibility of using one of its undelivered helicopters for this purpose.

Stars of the show are likely to be the French Dassault-Breguet Mirage 2000 prototype, which made its first flight earlier this year, and the British Aerospace (Hawker Siddeley) Sea Harrier. The Sea Harrier has not yet flown, but company officials are pushing for a rollout, first flight and short flight test program in the five weeks before the show to enable the aircraft to appear in the flying display.

An unusual display of sea-going V/STOL support equipment is being prepared for presentation with the Sea Harrier.

Other aircraft that will be shown include:

British Aerospace (Hawker Siddeley) Nimrod AEW flying testbed (AW&ST) Sept. 12, 1977, cover. This is a modified Comet being used to flight test the avionics systems that will be used in the Nimrod airborne early warning aircraft.

Dowty-ducted propulsor Islander. This modified Britten-Norman Islander has been equipped with ducted propulsors developed by Dowty and is being flown as a technology development testbed.

Gates Learjet 28/29 business jets with winglets for added cruise efficiency.

Grumman American Cheetah, Tiger, Cougar light aircraft and the Turbo AgCat version of the biplane agricultural aircraft.

Hughes 500M-D light attack helicopter, recently purchased by the Israeli armed forces.

Aermacchi MB 339 jet trainer now in development.

De Havilland of Canada Dash 7 four-turboprop STOL transport.

Embraer EMB-111 Bandeirante maritime reconnaissance aircraft.

Norman Firecracker aerobatic trainer (AW&ST) June 13, 1977, p. 63).

CASA C. 101 jet trainer, making its first appearance outside Spain.

Returning to the Farnborough show will be the Panavia Tornado multirole combat aircraft, the Britten-Norman Islander/Trislander line of aircraft, the British Aerospace (Hawker Siddeley) Hawk, the Dassault-Breguet/Dornier Alpha Jet trainer/strike aircraft, and the Dassault-Breguet Falcon 10 and 20 business jets.

[From Aviation Week & Space Technology, July 31, 1978]

WASHINGTON ROUNDUP—WHO'S ON FIRST?

Only five weeks remain before the Farnborough international air show opens its gates to world aerospace representatives in England, and an air of puzzlement still dominates the marketing offices of U.S. companies that are baffled over Carter Administration rules—or nonrules—on what they can say or show. A number of firms have submitted technical presentations to State and Defense departments for review, following an Administration edict that they do so, and with the time scale shortening, are getting no response (see p. 22). The situation has reached a bureaucratic nadir of sorts in that the Commerce Dept. has formally written to the Defense Dept. in a plea for clarification of what it can and cannot do to promote U.S. sales at next year's Paris air show, having already pulled out of Farnborough on grounds of high show costs that U.S. companies cannot afford.

Representatives of one large U.S. aerospace company, who also sought clarification, were told by the Administration in no uncertain terms that the Carter technical transfer policies are serious, that the companies must coordinate with State and Defense Dept. and that the best way for an American to exhibit at Farnborough is to stick with models of projects publicly announced, preferably commercial, and with brochures made public at the time of the project unveiling. One senior industry representative said he got the impression that the Administration is looking for a scapegoat, since there were ominous references to possible penalties for noncompliance of up to $100,000 for a company and up to $10,000 for an errant individual salesman or engineer who goes too far in exploiting technical information in the hopes of a foreign sale.●

NUTRITION AND THE PUBLIC INTEREST

● Mr. McGOVERN. Mr. President, according to a recent survey by Yankelovich, Skelly, and White on, "Nutrition: A Study of Consumers' Attitudes and Behavior Towards Eating at Home and Out of Home"—

Nutrition has become an important "buzz" word in American society—a subject of controversy as well as of interest to the welfare of the country, industry, government and the average consumer today.

The survey report found the following nutrition picture:

Interest in nutrition as a subject of interest is growing in giant leaps and bounds—with 77% of the consumers interviewed indicating that they are more interested in nutrition than they were a few years ago. Information about nutrition is more modest, with only 24% of the public indicating they consider themselves to be well-informed on the subject; 63%, fairly well-informed; and 13% not well-informed at all. Behavorial manifestations suggest that self-perception is perhaps somewhat overstated—but the appetite for more and more information on the subject is manifest.

As an indication of the public's growing appetite for nutrition information, the Congress is currently examining existing food safety and labeling laws. The House has a number of bills addressing this topic, including H.R. 10358, on which Congressman PAUL ROGERS has just completed hearings. The Senate has two bills, S. 2540 and S. 3117, which include many of the same features contained in the ROGER'S bill.

Beginning in August, the executive branch is initiating 10 days of public hearings on food labeling which are cosponsored by the Department of Agriculture, the Food and Drug Administration, and the Federal Trade Commission. As chairman of the Nutrition Subcommittee, I am encouraged by the attention this vital area of nutrition is receiving from my congressional colleagues, and the agencies in the executive branch. Moreover, because of the broad public and governmental interest, I believe that the Congress should avail itself of the opportunity to address more fully a spectrum of related nutrition information concerns, of which labeling is only one very specific category.

As a result, the Nutrition Subcommittee will hold 2 days of hearing next Wednesday the 9th and Thursday the 10th, in order to discuss the breadth of nutrition information issues which might be examined by the Congress in the coming months. At that time, as part of the testimony, we will hear from the USDA, FDA, and FTC concerning the objectives of their national hearings, as well as other related matters that were not included as topics of discussion in those hearings.

The Nutrition Subcommittee anticipates holding further hearings, later this year, to provide the basis for developing a comprehensive nutrition labeling and information legislative proposal for consideration and action during the 1st session of the 96th Congress. In addition to having the agency representatives return to tell us what they discovered from their national hearings, our subsequent hearings will be open to all interested groups and individuals who wish to testify.

I believe that the Congress has received a clear signal from the American people concerning, generally, the desire for more communication of nutrition information and, particularly, their right to know what is in their food. For example, a year ago a benchmark survey of issues relating to food nutrition and the American consumer, conducted by the Marketing Science Institute, discovered a general consensus that there was insufficient communication between various critical groups such as consumers and food manufacturers, food retailers and nutritionists, farmers and food manufacturers, and so on.

However, as evidenced in the decision by the USDA, FDA, and FTC to sponsor national food labeling hearings, I do not think we know yet how best to convey nutrition information, either on labels or through other media. Thus, while it would appear that it is time to act, I believe it is the responsibility of the Congress to proceed in a comprehensive and systematic fashion that will consider the needs of all concerned parties. Specifically, it is important to insure that short run decisions or too narrow a perspective does not result in false starts which cripple or set back the longer term objective of encouraging consumers to be more informed through a consistent program and policy of nutrition labeling and information.

Nutrition labeling and information is an issue that will affect consumers, food producers and manufacturers, and media specialists. The right to know what is in one's food and how to transmit effectively the information necessary for exercising that right, are of national import largely because of the potential health and economic impact. Therefore, in addition to the heightened awareness shown by consumers, I am encouraged by the interest and enthusiasm of the food industry for this undertaking, and have every reason to believe that they will continue to contribute to the congressional deliberations.

In conclusion, I ask to have printed in the RECORD the highlights of the Yankelovich survey.

The material follows:

NUTRITION: A STUDY OF CONSUMERS' ATTITUDES AND BEHAVIOR TOWARD EATING AT HOME AND OUT OF HOME

(By Yankelovich, Skelly and White, Inc., presented at the 1978 Food Marketing Institute Convention, Dallas, Tex.)

HIGHLIGHTS

Nutrition has become an important "buzz" word in American society—a subject of controversy as well as of interest to the welfare of the country, industry, government and the average consumer today.

Much has already appeared on the subject—but the results of the current study provide some significant insights into the current trends, attitudes and contradictions influencing the consumer's daily diet, food purchasing, cooking and serving behavior.

In terms of nutrition, American consumers are in a state of flux and transition.

The results of the research document six major currents:

I. The nutrition picture

Interest in nutrition as a subject of interest is growing in giant leaps and bounds—with 77% of the consumers interviewed indicating that they are more interested in nutrition than they were a few years ago. Information about nutrition is more modest, with only 24% of the public indicating they consider themselves to be well-informed on the subject; 63%, fairly well-informed; and 13% not well-informed at all. Behavioral manifestations suggest that self-perception is perhaps somewhat overstated—but the appetite for more and more information on the subject is manifest.

Consumers want more information on how to eat well on less money (51%); how to avoid foods with harmful ingredients (40%); how to plan balanced meals (27%); ideas for healthful snacks; diet and weight control (for which there is an apparently insatiable demand for information), and a host of other subjects.

Yet, the interest in nutrition cannot automatically be translated as commitment to traditional and/or improved nutrition habits. Indeed among this same public, three out of four consumers agree that they either eat what they like and don't worry (17%), or at best, try for a balanced diet—but don't make a big deal of it (59%). Only a minority

(24%) describe their own nutrition behavior as "feeling very strong about only eating what's good for you" (14%), or at least concentrating on calories (10%). Several factors contribute to this wide gap between interest and personal outlook and behavior.

II. The New Values

Perhaps the single most significant current in the entire nutrition picture is the conflict and tug between the changing values of today and the rigidity of traditional nutritional concepts. The New Values [1] with their stress on self and self-fulfillment, the new role of women, more relaxed and casual lifestyles, less formality and rigidity—run counter in many ways to the rigors of adhering to a set routine of three meals a day, regular mealtimes, making sure that every meal is balanced, or sticking to a menu in which certain foods are appropriate for only certain meals. The results of the changing values have been the adoption of and support for new and different concepts of nutrition, many of them supported by leading nutritionists—and all of them with important planning and merchandising implications. Consumers split down the middle in terms of their basic approach to nutrition and diet. One out of two, 48%, whom we refer to as the "Unconventional", believe that the balanced food day is more important than the balanced meal; that it is not necessary to eat three meals a day; and that any food can be eaten at any meal.

The remaining 52%, the "Conventional", retain their commitment to the more traditional views.

III. Physical Fitness

Certainly for the "Unconventionals", and to a slightly lesser degree, the "Conventionals", the major support for good nutrition today emanates from one of the key new values—the mounting national commitment to physical fitness and well-being. Improved diet and physical fitness as the major factor creating the growing concern with nutrition—far ahead of the efforts of media, government, or the medical profession.

IV. Product Safety and Government Regulation

According to the consumers, government product safety regulations and the publicity given to them, have had a dual impact. On the one hand, they have contributed to a far more aware and alert public, with vast majorities expressing concern about cholesterol (64 percent), use of pesticides (71 percent), sugar content (64 percent), and additives (62 percent). On the other hand, a certain backlash is evident. Seven out of ten (71 percent) agree that there's too much talk these days about what's good and bad for you when it comes to food, and 55% of the women mention confusion and controversy over product safety as a major barrier to good nutrition.

V. Dieting

Still another key underpinning to the nutrition picture is the emphasis on dieting and being thin. While only 10% describe themselves as real "Calorie Addicts"—people who are mostly concerned about calories in planning their own diets—dieting has all but become a national pastime. One out of five consumers (21%) said that they had either started or stuck to diet in the week preceding the interview. The reason for this interest is clear. Almost half of the families (44%) indicate that at least one member of their family is overweight.

VI. Fast foods

No documentation of the nutrition outlook would be complete without mention of the fast food phenomenon, where convenience takes over and all ideas of good nutrition quickly fade. Two out of three of the consumers have been to a fast food restaurant at least once in the preceding month—and 66% of this group agree that the food served at the fast food restaurant is not as good or nutritious as what they eat at home.

Other findings of the study—in brief—point to the following:

The Family Diet.—Most consumers feel that they are eating better than they did a year or two ago (+47 percent net difference—better vs. worse).

The Major Problems.—The poor and teenagers are identified as those whose diets have deteriorated in the past few years.

Barriers to Nutrition.—Major barriers to good nutrition include snacking (45 percent, women); no time to cook (51 percent, employed women); and advertising to children on television (36 percent, parents).

The Final Decision.—In the final decision on what to buy and serve, factors that people identify as being most decisive are the budget (41 percent), calories (35 percent), and recommended nutrients (17 percent).

Changing Food Habits—According to the consumers, they are eating more salads, fresh fruits and vegetables, cheese, chicken and fish, and less candy, bacon, butter and traditional snack items such as potato chips. While their claims may be somewhat overstated, they reflect that the government push for revisions in the American diet has a good environment on which to build.

Nutritional Labelling.—About one out of four (26 percent) say that they pay a lot of attention to nutritional labelling. An equal number ignore it (27 percent). Generally close to half of the consumers (42 percent) claim that the labelling is too technical.

Dating.—Of all problems on the minds of consumers when they go to shop for food, freshness heads the list (67 percent).

The Responsibility for Educating the Public About Nutrition.—The government is regarded as being primarily responsible for nutrition education (65 percent), followed by major food manufacturers (45 percent), and doctors (39 percent).●

[1] Yankelovich, Skelly and White, Inc.—"Monitor"

TESTIMONY ON THE TAXATION OF INTERSTATE COMMERCE

● Mr. MATHIAS. Mr. President, last week the Committee on the Judiciary held hearings on my bill, S. 2173, the interstate taxation bill. At those hearings, we heard the testimony of Donald K. Barnes, special counsel to Moorman Manufacturing Co. in its appeal to the U.S. Supreme Court. *Moormon Manufacturing Company* v. *Bair* (46 U.S. W 4703, June 15, 1978).

As Mr. Barnes astutely points out, the Court in the Moorman case has again urged Congress to use its commerce clause power to impose a degree of uniformity on the taxation of interstate commerce. Also, and importantly, the Court has announced its intention to abandon case-by-case analysis of interstate taxation controversies and to leave it in the hands of Congress to define the limits to state taxation of interstate trade.

I submit for the RECORD and I urge all of my colleagues to read Mr. Barnes' lucid and eloquent testimony and to support S. 2173, which will provide some order in a system of taxation that has become, and will otherwise remain, a confused and confusing morass of conflicting, self-defeating rules.

The material follows:

STATEMENT OF DONALD K. BARNES

My name is Donald K. Barnes. I am here pursuant to the Committee's invitation to Moorman Manufacturing Company, whose special counsel I was in the recent disastrous appeal to the United States Supreme Court. The Company's president, Richard A. Liebig, very much regretted that it was impossible for him to be here himself, and asked me to express that to you. He assumed your particular interest in Moorman lies in the consequences of the Supreme Court decision in *Moorman* v. *Bair*, 46 USLW 4703, June 15, 1978. He therefore sent me as his surrogate.

While I have been much concerned from the beginning under P.L. 86–272 with the development of predecessors to this Bill, I will confine my remarks today to Title III, which is the part that relates to Moorman's current difficulties.

Moorman Manufacturing Company is a manufacturer of animal feeds. It is an Illinois corporation with its general offices and principal factory in Quincy, Illinois. It sells its products in thirty states, including Iowa, primarily directly to farmers. It pays net income tax to Illinois according to the Illinois statute, which incorporates the standard three-factor apportionment formula which appears also in the Uniform Division of Income for Tax Purposes Act of the National Conference of Commissioners on Uniform State Laws.

In the years in question, it paid tax on that same basis to Iowa. The Director of Revenue assessed deficiencies based on the Iowa single-factor formula of sales-by-destination. The result, of course, was very substantial double taxation, since Iowa was taxing 100% of the income derived from manufacturing in Illinois and selling to Iowa customers, while Illinois was taxing much of the same income through the property and payroll factors measuring the operations in Illinois.

When Moorman sued the trial court held that Iowa's formula violated Due Process since it taxed values not in the state and violated the Commerce Clause by creating double taxation. The Supreme Court of Iowa reversed.

The United States Supreme Court accepted the Appeal, and on June 15, 1978, affirmed the decision against Moorman, in an opinion by Justice Stevens. Justices Brennan, Powell and Blackmun wrote dissenting opinions. While a Petition for Rehearing is pending, its granting is so extremely unlikely that it is not too soon to analyze the decision and attempt to assay its impact.

The gravamen of the decision appears to be that the subject of apportionment formulae is too complicated for judicial definition and should be handled by Congress.

Thus: The prevention of duplicative taxation . . . would require national uniform rules for the division of income . . . It is clear that the legislative power granted to Congress by the Commerce Clause . . . would amply justify the enactment of legislation requiring all States to adhere to uniform rules for the division of income. It is to that body, and not this Court, that the Constitution has committed such policy decisions.

When the matter of state interference, by taxation or otherwise, with interstate commerce first arose many years ago, the Court had open to it three choices: (1) it could have said that the Commerce Clause preempted state action, and therefore no state regulation or taxation of interstate commerce would be valid in the absence of Congressional permission; (2) it could have said that in the absence of implementation by Congress of its Commerce Clause authority the states were completely uninhibited in their treatment of interstate commerce; (3) or it could, as it did, embrace the far more difficult regime of giving the Commerce Clause a self-executing quality and attempting to define it case by case.

One of the earlier cases (*Welton* v. *Mis-*

souri, 91 US 275 (1875)) seems almost to take the first approach: states may not tax interstate commerce without Congressional permission. Although the Justices have several times urged Congress to step in, Moorman is the first case in which the case-by-case has been abandoned and the entire problem passed to Congress, not by requiring Congressional permission for state taxation but removing virtually all constitutional restraint on such taxes and leaving it to Congress to define the limits, if any.

Undoubtedly in adopting the case-by-case method the Court assumed a burden of unanticipated dimensions which has become more onerous as state taxation, particularly of out-of-state entities, has become more rapacious. We must sympathize with the Court's desire that Congress do its duty. However, it is regrettable that the Court did not simply say: "These state tax cases are too complicated for us and we will adjudicate no more of them—let Congress make the rules". Instead, it went into thirteen pages of rationalization that in effect overrules all precedent.

It repudiates the long-established Constitutional doctrine that "Income is the product of capital or labor or both combined".

It holds that a state may tax income earned in other states.

It holds that the taxpayer must prove that the assumption underlying all division of income formulae, including Iowa's—that the income element in every dollar of receipts is the same as every other dollar—is correct.

It calls for what it calls "separate accounting" to divide income between manufacturing and sales, rather than the detailed cost comparisons in the record.

It accepts anything as "rough approximation", ignoring the near precision figures stipulated in the record.

It holds that the fact that 44 states do it one way does not indicate that a conflicting way by one state is wrong.

The net result is that a state may tax 100% of the income from goods manufactured elsewhere and sold to customers in the state, notwithstanding that the same income is properly taxed in the state of manufacture; and that a state may reach outside to tax values outside its borders (here the capital and labor expended in Illinois to produce the goods sold to Iowa customers).

The temptation is far too strong for states to resist. The Iowa formula puts a subsidy on exports from the state and a tariff on imports. The competitive advantage to local business is obvious: an Iowa manufacturer pays tax on 100% of its income from local sales, whereas his competitor in Illinois must pay that tax and the Illinois tax, too. And the Illinois manufacturer pays tax on 100% of its local income while its Iowa competitor pays on only one-third of its income from Illinois business. Legislatures of course favor that situation, and regrettably so do some short-sighted businesses, as demonstrated by the fact that the Iowa Manufacturers Association filed briefs supporting the Iowa formula.

This decision puts an end to the state trend towards uniformity, which trend the Multistate Tax Commission has been bucking with its overall consolidation and nonbusiness income efforts. Already it appears that Minnesota will upset the standard formula, as Florida, Wisconsin, New York and Massachusetts are doing (by giving sales double weight).

It is now urgent, as it has not been before, for Congress to lay down the rules. The longer the delay the harder it will be to curb extraterritoriality.

It is far more important that Congress take charge in some fashion than what the fashion is. Uniformity is imperative under the conditions of high rates. It is true, of course, that if the Iowa rule (sales-by-destination-only) were universal, there would be no double taxation. Taxes would be paid, however, to the wrong states—wrong because those would not be the states which provided the only rationale for taxes on business: services to the business; and wrong because they would be paid by persons having no political influence in the taxing state. Inevitably severe discrimination against out-of-state competitors would result—as it does in Iowa.

While Moorman would be glad to have S. 2173 enacted in its present form, it may be pertinent to mention a few details to which there could be improving alternatives.

The original ancestor to this bill provided that the tax must be computed according to the prescribed formula. This invoked the opposition not only of tax collectors but also of short-sighted business representatives who wanted the benefit of the subsidy provided by the sales factor. S. 2173 is an improvement in that it merely sets the prescribed formula as a ceiling; the states are free to subsidize exports if they wish.

The bill does a splendid service in eliminating from the tax base dividends from subsidiaries. The subsidiaries pay their own taxes and there is no reason for their earnings to be taxed twice. It would be an improvement to forbid the taxation of any dividends.

The restrictions (in Section 303) on consolidated returns are inadequate. A state should never be permitted to force consolidation. In cases of fraud, IRC 382 adjustment might be permitted.

In the explanation accompanying introduction of the bill, in the Congressional Record of October 4, 1977, it is said that the sales factor is included in the apportionment formula because "it is recognized that part of the income is attributable to the selling activity in the market State". That attribution is, of course, entirely correct, and it is fully measured by the property and payroll factors. The sales factor, as the Willis Committee recognized, is illegitimate in an apportionment formula because it does not apportion and distorts the true apportionment achieved by the property and payroll factors.

Thus, while we disapprove the sales factor because it cannot be justified on economic or fiscal grounds, we recognize its political expediency and do not suggest it as a reason for not proceeding with this bill, passage of which is very important not only to business but also to those states which have been trying to bring their procedures into line with the Commerce Clause. It would be a shame, however, to force the one state has has a completely sound apportionment formula, West Virginia, to abandon that policy and replace it with a formula including the unsound sales factor. If it is politically inexpedient to delete the sales factor entirely, some amendment should be made to protect West Virginia.

Complaints by state officials that the bill would reduce their income are completely unjustified. There is no such thing as a "market state" as distinguished from a "producer state". Every state is both market and producer in equal amounts. My state of Florida is a "market" for automobiles. How does it pay for them? Not in money, because Florida doesn't print any money. It pays with oranges and resort hotels. Thus if Florida taxes all the income of the orange groves and the hotel proprietors it gets all it has coming to it without taxing the out-of-state activities of the automobile factories. There is no more reason for Florida to collect a tax (as the sales factor does) on Michigan factories than for Michigan to collect a tax on Florida hotel rooms occupied by Michigan residents (who are the "market").

While this statement is directed exclusively to Title III, we believe the entire bill is needed and urge its adoption.

Moorman Manufacturing Company and I thank you for this opportunity to present its views. I request permission to file for your consideration and the record a longer statement which will discuss other parts of the bill.●

ANNIVERSARY OF FRENCH FLEET ENTERING NEWPORT HARBOR

● Mr. PELL. Mr. President, our Nation in 1976 celebrated the 200th anniversary of the signing of the Declaration of Independence, but it is too often forgotten that the issuance of the declaration was but one of the many significant events that culminated in the formation of the United States of America.

Saturday, July 28, was the 200th anniversary of another significant event in the struggle of the American Colonies for their independence. On that date, in 1778, a French fleet, under the command of Count D'Estaing, entered the harbor at Newport, R.I., directly challenging the British forces who had occupied Newport for 18 months. The French forces destroyed several British ships, giving great encouragement to the Newport population.

Count d'Estaing then sailed from the harbor to give battle to a larger British fleet commanded by Lord Howe, but a severe storm dispersed both fleets, and the French fleet regrouped and sailed to Boston for refitting.

Even though the French incursion was a brief one, it gave heart to the Newport residents and foreshadowed the later arrival in 1780 of General Rochambeau with a force of 5,000 men, a force that played a significant role in the ultimate victory of Gen. George Washington and the Continental Army.

Mr. President, on Saturday, the French naval sortie into Newport Harbor was observed by a ceremony at the statue of General Rochambeau overlooking Newport Harbor. The ceremony was sponsored by the Love-Day Foundation of Newport and directed by Dr. Brian Sullivan. I commend Dr. Sullivan and the foundation for their sponsorship of this observance which serves to remind us all of the historical basis of the long and close friendship between our Nation and the people of France.●

SUPPRESSION OF MEDICAL TECHNOLOGY BY HEW

● Mr. DOLE. Mr. President, during the past year, the delivery to the public of potentially lifesaving drugs and medical devices developed under the auspices of the Department of Health, Education, and Welfare has been dealt a crippling blow. In clear violation of Federal regulations governing disposition of inventions, HEW has reversed its longstanding policy of permitting universities and medical research institutes to collaborate with the private sector for purposes of developing medical advances for diagnosing and treating such diseases as cancer, arthritis, hepatitis, and muscular dystrophy. HEW's decision to effectively suppress these medical breakthroughs is

without precedent and is so unconscionable that I feel they are properly designated "horror stories."

HOW HEW CONTROLS MEDICAL TECHNOLOGY

HEW's present position of denying to inventors and their universities ownership rights to inventions they have made under HEW grant and contract support precludes the possibility of these inventions ever reaching the public. Inventions derived from Government-supported research almost always exist as a prototype and, therefore, must undergo very expensive development and clinical evaluations. The Government research represents only a small fraction of the total cost of bringing a new drug or medical device to the public. Product development and evaluation of medical devices, which often take years to accomplish and require investments of millions of dollars, can only be carried out by the private sector. The Government has neither the financial resources nor the expertise to bring a medical innovation to completion. Industry just cannot be expected to underwrite a very risky development process unless it is provided a modicum of protection through granting of patent rights for a limited period of time.

AN ILLUSTRATIVE CASE: A NEW DIAGNOSTIC TEST FOR CANCER

To understand how lifesaving medical technology is made available to the public and how its development is dependent on the whim of HEW bureaucracy, consider the following scenario.

At a prominent medical research institute, a professor was awarded a grant by the National Cancer Institute of the National Institutes of Health (NIH) to investigate carcino-embryonic antigens (CEA) as a diagnostic marker for cancer. Initial evaluation of the new assay has revealed it is superior to existing procedures for detecting cancer of the digestive tract. These cancers are extremely difficult to treat and, therefore, early detection is absolutely crucial.

The advantages of diagnosing and evaluating cancer with blood samples were felt to be so significant that the professor promptly brought his research findings to the attention of the administration of the medical school as well as to his project manager at NIH. The NIH as well as the university informed the professor that funds for clinical evaluation, running into the millions of dollars, were unavailable and suggested that he seek support from a private firm interested in marketing the device. Several companies were contacted in an effort to establish a collaboration with the university. At least one firm expressed a willingness to commit the necessary capital for development, but pointed out that even if the assay turns out to be as effective as the present evidence indicates, the company has no protection against its competitors copying the technique. Were this to take place, not only would the competitor have saved itself millions of dollars of risk capital, but in light of the limited market the firm could never recoup its investment. It, therefore, insisted on patent rights for a reasonable period of time as a shield against unscrupluous practices of other firms.

Believing this to be a reasonable request, the professor petitioned HEW for rights to the invention so that patent protection could be extended to the private firm. After going many months without receiving word from HEW, the university requested a status report. It was informed the petition was under study.

Several more months have gone by and it is a year and a half since the initial petition was submitted. The university was recently informed by the private company that it no longer can commit its funds and must rescind its agreement. The professor has essentially given up on HEW and is back in his laboratory working on other projects. Interest in this once promising cancer diagnosis breakthrough has almost totally dissipated, and the assay is little more than an idle curiosity in the professor's laboratory notebook.

There is little more to add to the story except to state that the scenario is not fiction. The professor's name is Dr. Sela, who is president of the world-renowned Weizmann Institute in Israel.

HEW SEEKS TO RESTRAIN NEW INVENTIONS

Recognizing the importance of developing its medical inventions, HEW, for the past 10 years, has been willing to relinquish ownership of inventions to grantees in order to foster commercialization. HEW's decision to actively encourage private-public collaborations was made following an investigation in 1968 by the GAO of the pharmaceutical research programs in NIH. The GAO could not find evidence of a single pharmaceutical developed with NIH support ever having reached the public, and concluded that HEW's retention of all rights to inventions was the primary reason for its pitiful record.

In 1968, in response to the GAO's accusation that hundreds of millions of dollars had been expended on drug research with no measurable return, HEW altered its policy and began awarding patent rights to grantees in nonprofit institutions. In the next 10 years, the introduction of more than 70 inventions attracted hundreds of millions of dollars for capital formation. The benefits to the public measured in terms of jobs and business enterprises created, trade spawned, and human lives saved are difficult to calculate. All this at no additional cost to the taxpayers.

How short the institutional memory of HEW. For some inexplicable reason, HEW has now decided to pull the plug on development of Government-supported biomedical research and thereby deprive us of the medical innovations we have come to expect in return for the billions of dollars in annual Federal expenditures for biomedical research.

HEW HORROR STORIES

My office has documented 29 cases where a university has been joined by the sponsoring institute of NIH—that is, NCI—in its petition to HEW's General Counsel for Ownership Rights on an Invention. The petitioners have not received so much as an acknowledgement.

In the past 10 years, following standard operating procedures of HEW, a petition for invention rights was thoroughly reviewed by the sponsoring institute of NIH. The institute's recommendation for invention rights was then forwarded to the Assistant Secretary for Health, who made the final decision. Thus, prior to August 1977, the HEW General Counsel did not undertake a separate review, and therefore additional delays were nonexistent. As can be seen from the enclosed list of petitions, delays caused by the General Counsel are, in some cases, now running almost a year.

In response to inquiries from my office, I have been informed that all patent matters are being deferred pending completion of the General Counsel's study and that HEW does not have a good estimate as to when the review will be completed.

The decision to "stonewall" esteemed scientists from some of our most prestigious universities is in clear violation of the Federal procurement regulations that state that—

> The agency (HEW) is obligated to consider, record and notify the party requesting patent rights—and that if the agency does not wish to grant greater rights, the basis for the final action must be communicated.

Of the 29 cases requesting patent rights, 13 cases have identified a private firm that has offered to commit millions of dollars for development. Included in this list of horror stories are potential cures and diagnostic methods for cancer, arthritis, tuberculosis, hepatitis and muscular dystrophy. The magnitude of the problem is made graphic from a consideration of the individual cases. For example:

"Bioassay for Cancer Treatment," University of Arizona (Drs. Salmon and Hamburger). An article in the June 26 edition of Time magazine describes a new means of testing the effectiveness of drugs in a specific case of cancer, without having to administer them to the patient. In cancer chemotherapy, patients often suffer needlessly from the drug's toxic side effects even though therapy may not retard the cancer. With this procedure, physicians will be able to plan an individual course of treatment. It can also be used to evaluate new anticancer drugs without endangering the patient.

"Treatment for Several Auto-Immune Diseases," University of Texas (Dr. Goldstein). Thymosin is a hormone treatment which is expected to prove effective in treating patients with malfunctioning immune systems, which include several types of cancer, rheumatoid arthritis, muscular dystrophy and possibly schizophrenia. By providing immunities the body cannot produce, it is effective in treating immunodeficiencies in children who suffer from raging infections because of a breakdown in natural immune systems. Immunodeficient patients will be treated with thymosin in the way diabetics are supplied with insulin. In cancer studies, thymosin has been found to be very effective against lung cancer of the dreaded oat cell-lung cell type.

"Blood Test for Detecting Cancer," Columbia University (Dr. Spiegelman). This invention is a method for detecting the presence and evaluating the status of cancer by assaying blood plasma for

tumor-related viral proteins. The blood test would be ideal for initial mass screening programs for early detection of the disease. The procedure would also be useful in evaluating the outcome of surgical, chemotherapeutic and radiation therapies and for determining whether there has been a recurrence of the disease.

"Treatment of Hypertension," University of Vermont (Dr. Kuehne). A naturally occuring alkaloid, Vincadifformine, has been widely used in several countries in Europe to treat cerebral vascular diseases and hypertension. For the elderly, who are high-risk candidates for stroke, this drug is believed to be of special importance. Because of unstable political conditions in the country where the substance is found, it is anticipated that sufficient quantities of the drug will not be available for FDA clearance in the United States. Thus the total synthesis of the drug is a major breakthrough for all patients suffering from arterial disease.

SACRIFICE OF LIVES TO GOVERNMENT OVERMANAGEMENT

The above cases and the 25 other inventions represent the cream of the NIH biomedical research program. Yet they are being held back from development. Why? Who is served by HEW's policy? Certainly not the taxpayers who have paid for this research. Certainly not the scientists and physicians who have devoted so much of their energies to conquer these dreaded diseases. And certainly not those of us unfortunate enough to need these technologies to sustain life.

Rarely have we witnessed a more hideous example of overmanagement by the bureaucracy. In the anticipation of a presently nonexistent abuse, HEW is apparently willing to intervene in the development of lifesaving technology.

The extent to which HEW is willing to go in its control of biomedical research findings obtained by NIH- supported university scientists is illustrated in the following passage from an internal memorandum of the HEW General Counsel:

Historically the objectives of our patent policies have been to make inventions developed with government funding available to the public as rapidly and as cheaply as possible, goals which are sometimes incompatible.

While these objectives are basically sound, recent experience with the high cost of proliferating health care technology suggests that there may be circumstances in which the department would wish to restrain or regulate the availability and cost of inventions made with HEW support, sometimes encouraging rapid, low cost availability, at other times restraining or regulating availability.

What I believe we are witnessing in HEW is an ill-considered "lashing out" at medical science out of a sense of frustration about the cost of health care. It seems clear to me that HEW's change in policy is in fundamental conflict with its mandated mission of bringing beneficial medical technology to the taxpayer. I am shocked to learn that HEW has in effect destroyed the process by which the inventions I have identified are transferred to the public, presumably on the basis that the new technology may increase the cost of medical care.

As the ranking member of the Health Subcommittee of the Senate Finance Committee, and having devoted so much of my time this session to a consideration of the rising costs of health care, I have more than a passing interest in this problem. The Senator from Kansas, however, fails to understand how HEW's policy of cutting off the scientific process at its very inception can ever result in lower health care costs, not to mention the disastrous consequences of such a policy for maintaining the health of our citizens.

It is my position that the technology must be developed sufficiently before judgments about benefits to the public can judiciously be made. Let me illustrate this point. I am advised that HEW is now aiding in development of a drug that will, at the cost of less than a dollar a day, dissolve gallstones. This treatment would be obviate the need for costly surgical treatment and the $200-a-day charge for hospitalization. Can anyone maintain that NIH should not develop this drug to the point where its cost to the user can be evaluated? But, as I have demonstrated, this is precisely the position that HEW has adopted.

HEW'S DISTRUST OF THE SECTOR

The unfortunate state of HEW's technology delivery system, I feel, is symptomatic of Government reluctance to involve the private sector in efforts to solve the problems besetting this country. We must face the reality that the creative energies in the private sector must be utilized in tackling the societal challenges of health, energy, and urban decay. President Carter stated in his 1978 state of the Union address that—

Government cannot solve our problems. Government cannot eliminate poverty, or provide a bountiful economy, or reduce inflation, or save our cities, or cure illiteracy, or provide energy.

It is time we stop paying lip service to the contributions of the private sector and demonstrate good faith with decisive action. Although patents may be but a small factor in establishing meaningful private-public collaborations, it does provide an opportunity for the Government and private sectors to display mutual trust and a willingness to work together on common problems.

ACTION TAKEN BY SENATOR DOLE

Today, I am calling on the Secretary of HEW to justify his Department's policy, and tell the American public why it is in the public interest to be deprived of the benefits of the world's finest biomedical research program. I am also requesting that the GAO immediately undertake for the Congress a full-scale investigation of the medical technology transfer program in HEW and its relationship to Federal patent policy. Finally, together with Senator BIRCH BAYH of Indiana, I shall be introducing a bill establishing a Federal patent policy that will give universities and small businesses the opportunity to develop inventions funded with Government support.

Mr. President, I ask unanimous consent to have printed in the RECORD a table entitled "Petitions for Invention Rights."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PETITIONS FOR INVENTION RIGHTS

Sponsoring institute (NIH)	Date sent to general counsel	Inventor and university	Invention
Employee—Bureau of Standards	Sept. 28, 1977	Cetas—University of Arizona	Birefringement crystal thermometer for measuring heat of cancerous tissue during electromagnetic-wave treatment.
National Institute of Allergy and Infectious Diseases (NIAID).	Oct. 6, 1977	Remers/Kumar—University of Arizona	New mitomycin anticancer agents.
National Institute of General Medical Sciences (NIGMS).	Oct. 14, 1977	Powers—Georgia Institute of Technology	Compounds to treat emphysema and arthritis.
National Heart, Lung, and Blood Institute (NHLBI):			
NIGMS	do	Fox—Columbia University	Aqueous hypertonic solution for treatment of burns.
NIGMS	Nov. 1, 1977	Everett—University of Houston	Apparatus and synthesis of film transfer characteristics.
National Cancer Institute (NCI)	Nov. 4, 1977	Sela/Arnon—Weizmann Institute	Test for diagnosing cancer.
NHLBI	Dec. 8, 1977	Normann—Baylor University	Remote monitoring of blood pumps.
NCI	Dec. 20, 1977	Goldstein—University of Texas	Hormone (thymosin) treatment of immune system diseases (cancer, arthritis, muscular distrophy).
NCI	Dec. 29, 1977	Salmon/Hamburger—University of Arizona	Bioassay for the treatment of cancer.
NCI	Jan. 26, 1978	Townsend/Earl—University of Utah	Synthesis of anti-cancer compounds.
National Cancer Institute	Jan. 27, 1978	Pogell/McCann—Saint Louis University	Pamamycin—a new broad spectrum antibiotic.
National Institute of Dental Research (NIDR), Division of Research Resources (DRR).	Jan. 31, 1978	Latham/Georgiade—University of North Carolina.	Appliance to be placed in the mouth of infants to correct bilateral cleft of the lip and palate.
NIAID, NHLBI	do	Goetzel/Austin—Harvard University	Synthetic therapeutic agents for anaphylaxis, asthma, etc.
NHLBI	Feb. 10, 1978	Mahoney—University of Colorado	Device to examine hemoglobins to detect abnormalities.

PETITIONS FOR INVENTION RIGHTS—Continued

Sponsoring institute (NIH)	Date sent to general counsel	Inventor and university	Invention
National Institute of Arthritis, Metabolism, and Digestive Diseases (NIAMDD).	Feb. 13, 1978	Walser—Johns Hopkins University	Salts of Keto acids for purpose of alleviating hyperammonemia due to liver damage caused by such disorders as cirrhosis, hepatitis or genetic liver damage.
Employee	Feb. 28, 1978	Vurek—NIH employee	Measurement of carbon dioxide in blood plasama for diagnostic purposes.
Do	Apr. 5, 1978	Walker—Employee NIH	Needle valve detent attachment for controlling cuff deflation during the taking of blood pressure.
NCI	Apr. 7, 1978	Apple/Formica—University of California	Anticancer drug—Azetomicins.
NCI	Apr. 11, 1978	Spiegelman—Columbia University	Method for detecting cancer.
NIGMS	Apr. 20, 1978	Marshall/Rabinowitz—University of Miami	Synthetic carbohydrate—Protein conjugates for extending conditions under which enzyme can be used in biochemical processes.
NCI	do	Farnsworth—University of Illinois	Anticancer drug—Jacaranone.
NCI	May 1, 1978	Turcotte—University of Rhode Island	Anticancer drug.
National Institute of Neurological and Communicative Disorders and Stroke.	May 8, 1978	Jobsis—Duke University	Method for noninvasive monitoring of oxygen sufficiency in human tissues and organs by infra-red radiation.
NIGMS	May 24, 1978	Montalvo—Gulf South Research Institute	An invention to selectively measure substances in the blood to diagnose blood disorders.
NCI	May 26, 1978	Pettit/Ode—Arizona State University	Anticancer drug.
Employee	June 21, 1978	Leighton—Employee	Intracranial pressure gauge.
NCI	June 29, 1978	Kuehne—University of Vermont	A method for synthetically preparing a useful naturally occuring substance. The natural substance is used in making a drug for treatment of high blood pressure.
NICHD	July 17, 1978	Gray—Illinois Institute of Technology	Prolong release of antifertility drugs.
NCI	do	Gosalvez—University of Madrid	Novel anti-cancer compounds—Analogs of adriamycin.

HOUSING ASSISTANCE PROGRAMS: SUCCESS WITH SECTION 312

● Mr. MARK O. HATFIELD. Mr. President, as appropriations for HUD programs come before the Senate for approval, I wish to make mention of the section 312 rehabilitation housing program and commend my colleagues on the Banking, Housing, and Urban Affairs Committee for recognizing the success of this program as shown by the substantial funding increase proposed for fiscal year 1979.

Section 312 has proven itself to be one of the best housing assistance programs to be developed by the Federal Government in years. Successful urban renewal projects, assisted by the 312 program, have gained notice in a number of major cities across the Nation; keeping alive the hope that one day our rundown neighborhoods will be renewed and revitalized.

I would like to illustrate my comments by referring to one of the most successful projects in the Nation, in Portland, Oreg. The city of Portland and the Portland Development Commission operate one of the largest single-family home rehabilitation programs in the country. It involves some 22 neighborhoods and 1,300 units per year with a total expenditure of $9 million, with benefits being provided both to low- and moderate-income homeowners.

Portland has pioneered not only the making of large multifamily rehabilitation loans but also cooperative housing and community development financing of section 8 rehabilitation projects. Each year an additional 200 to 300 units in subsidized multifamily units are being completed.

Portland's success in housing conservation and rehabilitation is due primarily to the fact that programs are not limited to Federal dollars. To leverage and supplement Federal funds, the city has developed the public interest lender (PIL) and local home improvement loan (LHIL) programs in cooperation with local financial institutions. Under the PIL program, 11 private lending institutions participate in extending a line of credit to the city for the financing of rehabilitation loans. By lending at below market interest rates to the city, lenders receive tax-free interest and borrowers receive lower interest rates. Since 1973, the city has loaned in excess of $7 million under the PIL program.

The section 312 program has been, and continues to be, the cornerstone of Portland's housing conservation program. Since 1965, the 312 loans have enjoyed outstanding success in assisting people to rehabilitate their homes. Specifically over the last 2 years, an average of approximately 350 loans per year, involving $3½ million annually of 312 funds have been made to the bloc grant neighborhoods.

Unfortunately, Portland's successful project, along with the projects in three other Oregon cities, have been unnecessarily deterred by a history of sporadic funding patterns. Greater foresight should be expected on the part of administrators when dealing with a program which has already proven itself as a key element in the present attempt to renew our central urban areas. The momentum established by the success of section 312 should not be lost.

I strongly urge the acceptance of the increased funding levels as reported out of committee and admonish my colleagues to join in my commitment to see that this progressive program receives an even and adequate flow of funds over the years ahead.●

SECURITY FOR INTELLIGENCE AGENTS

● Mr. BENTSEN. Mr. President, yesterday I was shocked to read that Mr. Philip Agee, a former CIA employee who now drifts from country to country peddling Agency secrets, is renewing his efforts to divulge and publicize the identity of American intelligence agents.

Mr. Agee's crusade against his former colleagues clearly jeopardizes the lives of agents in the field and threatens to do real harm to our national security.

I find it inconceivable, Mr. President, that Mr. Agee and his cohorts—who deliberately menace the lives and effectiveness of CIA personnel—are not in clear violation of the criminal law. In 1976 I first introduced legislation, now S. 1578 to fill this inexcusable gap and insure that there are criminal penalties for current or former intelligence employees who reveal the identity of active agents.

Mr. President, it is hard to express the sense of outrage I felt when I read yesterday's news and discovered this latest attack on our intelligence agencies. Prodded on by their friends at the recent Communist youth festival in Havana, Mr. Agee and his small band of disgruntled radicals have declared war on the Central Intelligence Agency, the Federal Bureau of Investigation, and military intelligence.

In his incredible fanaticism he threatens to do deadly harm to our national security by naming and picketing and protesting against U.S. intelligence agents overseas. If he succeeds he should go to jail, and my legislation will declare in clear and decisive terms that his acts are criminal and punishable by a long term in prison.

Mr. President, I stand second to none in my interest to find and punish wrongdoing committed by Government employees or anyone else. We have had a difficult ordeal in recent years. We have discovered abuses and we have moved to correct them. But the time has come to look to the future. We now have strong and effective oversight of our intelligence agencies. We must continue to provide a strong and effective intelligence service.

We need a strong intelligence capacity in order to face up to our responsibilities around the world, to insure the security of this Nation and our allies, to effectively continue our advocacy of human rights. A strong America must have a strong intelligence capability.

I believe that anyone who so recklessly threatens the safety of our agents, as Mr. Agee does, should go to jail. This kind of senseless and stupid act cannot be justified or condoned. There can be no tolerance of the warped mentality of those who so dangerously prejudice our security. Those who engage in this kind of extremism serve the cause of the Gulag with as much effectiveness as if they had been on the payroll of the KGB. Perhaps they should contemplate the result if they made their threats toward Russian intelligence. I suggest that they would not be reading about themselves

in the Russian press. I suggest they would be found face down in a ditch.

Mr. President, I ask that the article from yesterday's Washington Post be printed in the RECORD at the conclusion of my remarks.

I ask my colleagues to read it and join me in sponsoring S. 1578, a bill that will state our clear condemnation of Mr. Agee's activities, our support for the protection of our agents, and our desire to punish those who so gravely jeopardize our intelligence service, its agents, and our country.

The article follows:

WORLDWIDE EFFORT BEING LAUNCHED TO "DESTABILIZE" CIA

(By George Lardner, Jr.)

Perched just below Dupont Circle is the apparently temporary headquarters of a new international campaign to "destabilize" the Central Intelligence Agency.

The anti-CIA announcements are being made in Havana, but the vehicle is a magazine being put together by former CIA officer Philip Agee, "the agency's No. 1 nemesis," and a number of colleagues bent on "exposing CIA personnel and operations whenever and wherever we find them."

The new publication, which is expected to appear roughly six times a year, is called the Covert Action Information Bulletin, and its tone is uncompromising. Urging a worldwide effort to print the name of anyone who works abroad for the CIA, Agee advises readers of the premier issue not to stop there. Once the names have been made public, he recommends:

"Then organize public demonstrations against those named—both at the American embassy and at their homes—and, where possible, bring pressure on the government to throw them out. Peaceful protest will do the job. And when it doesn't, those whom the CIA has most oppressed will find other ways of fighting back."

Agee concludes: "We can all aid this struggle, together with the struggle for socialism in the United States itself."

"This thing is incredible . . . unbelievable," exclaimed CIA spokesman Herbert Hetu. "The motivation of these people has got to be more than that they're just ticked off at the CIA.

"This goes beyond whistle-blowing," Hetu added of the magazine. "Whistle-blowing is supposed to be directed at wrongdoing. These people are operating under the overall pretext that everything we do is wrong."

Expelled from Britain and a succession of other Western European countries over the past two years, Agee is reportedly living in Rome, but the magazine is being published here by C. I. Publications Inc., a nonprofit corporation set up in the District on Dec. 22.

Its incorporators, directors and officers are William H. Schaap, a lawyer and editor in chief of a newsletter called the Military Law Reporter; Ellen Ray, a colleague of Schaap on various boards and projects; and Louis Wolf, coeditor with Agee of a new book entitled "Dirty Work: The CIA in Western Europe."

It is designed partly as a how-to-do-it book aimed at "breaking the 'cover' of thousands of CIA agents around the world."

The headquarters of C. I. Publications Inc. is given in the incorporation papers as a sixth-floor suite in the Dupont Circle Building at 1346 Connecticut Ave. NW, which houses the Public Law Education Institute.

The institute's president, Thomas P. Alder, told a reporter yesterday he had not been aware of Schaap's use of the address for his "sideshow" magazine and indicated he would put a stop to it. The institute publishes the Military Law Reporter Schaap edits.

The financing for the new undertaking was unclear. Alder said Schaap, Agee and all the others who could answer such questions were still in Havana, where they have been taking part in an anti-CIA tribunal that began last week as part of the International Youth Festival.

In announcing the plans there, Agee and Schaap have said they hope to establish a worldwide network of "researchers" who will keep CIA officers under close scrutiny and forward their names to the Covert Action Information Bulletin for publication. Others associated with Agee in the so-called "CIA Watch" are James and Elsie Wilcott, former CIA finance and support personnel who are also taking part in the Havana festival.

In a joint statement in the first (July 1978) issue of Covert Action entitled "Who Are We," Agee and the others describe the magazine as a successor to Counter-Spy, which went out of business a year and a half ago.

Counter-Spy folded after a welter of controversy over the 1975 assassination in Athens of CIA station chief Richard S. Welch. The magazine had earlier listed Welch's name as a CIA official stationed in Peru.

Unlike Counter-Spy, Agee and the others said in the first issue of Covert Action, "We are confident that there will be sufficient subscribers to make this publication a permanent weapon in the fight against the CIA, the FBI, military intelligence and all the other instruments of U.S. imperialist oppression throughout the world."

According to John H. Rees, editor of a conservative newsletter called Information Digest and Washington correspondent for the Review of the News magazine (originally put out by the John Birch Society), Schaap is a member of the National Lawyers Guild, and, with Ray, served on the Counter-Spy magazine advisory board. The two also participated together in the National Lawyers Guild's Southeast Asia Military Law Project and served as the guild's observers in February 1977 at the Baader-Meinhof trials in Stammhein. Rees reported in Information Digest's latest issue.

Several hundred copies of Covert Action were reportedly sent from Washington, and more were distributed free in Havana.●

THADDEUS KOSCIUSZKO

● Mr. GRIFFIN. Mr. President, on August 13 in the city of Detroit, a statue will be dedicated to commemorate a great emancipator of both the American and the Polish peoples, the Revolutionary War hero Thaddeus Kosciuszko.

The 22-foot high bronze equestrian statue is a gift from the Government of Poland to the people of the United States. Its 12-foot-high granite base is a gift from the city of Detroit in conjunction with the Polish Festival of Detroit and the Polish Century Club of Detroit.

Both gifts will honor General Kosciuszko, who served our two countries with devotion and distinction.

Throughout his life—including service as a volunteer for American freedom, and later as leader of the Polish national uprising—Kosciuszko demonstrated an unwavering enthusiasm for the cause of freedom. He was greatly admired and respected by generals and peasants alike. Of him, Thomas Jefferson once said:

He is the purest son of liberty . . that I have ever known, and the kind of liberty which extends to all, not only to the rich.

Kosciuszko was born in 1746 in Poland where he attended Warsaw's Royal Military School, specializing in military engineering and the art of fortification. After further military studies in France, Kosciuszko traveled to America where he volunteered to serve the American cause, and was commissioned a colonel in the Revolutionary Forces on October 18, 1776.

The first important test of Kosciuszko's military engineering genius was to devise a plan of defense at Saratoga. This decisive battle—in which the British General Burgoyne was soundly defeated in October 1777—caused the leading European powers to recognize American independence. Saratoga often is called the turning point of the American Revolution.

Kosciuszko's next, and perhaps most important, work in America was to fortify the Heights of West Point, an accomplishment that won him great acclaim.

But it was not until after 6 years of service in the Revolutionary War, during which he often fought as a common soldier and was shot several times, that Kosciuszko was promoted by Congress in 1783 to Brigadier General for "his long, faithful and meritorious services."

In that same year, he helped to found the Society of the Cincinnati, whose aim was to promote liberty—and to this day Kosciuszko is one of the very few foreigners carried on the rolls of this distinguished patriotic group.

We Americans owe him much for his role in our battle for independence.

Historians say that Kosciuszko's 8 years in America contributed to his growth as a true democrat. After his return to Poland in 1784, he again proved himself a brave soldier as he led a peasant army against Russian soldiers to preserve Poland's independence. He was immediately popular, especially among the lower classes. In a short period of time, the entire Polish nation regarded him as their spiritual leader.

Aside from his obvious attributes of bravery, vision, and selfless dedication to others, Kosciuszko's devotion to liberty was so complete that his passion to secure freedom for everyone permeated all that he did.

Once imprisoned for more than 2 years by the Russian Empress Catherine, he refused to accept his own freedom unless 12,000 other Poles in Russian prisons also were set free—a condition her son, Czar Paul I, met soon after ascending the throne.

And before he left America for the last time in 1798, Kosciuszko deposited a will with his friend Thomas Jefferson—directing Jefferson to employ his estate in "purchasing negroes * * * and giving them liberty in my name, in giving them an education * * * in having them instructed for their new condition in the duties of morality which may make them good neighbors, good fathers or mothers, husbands and wives, and in their duties as citizens, teaching them to be defenders of their liberty and country and of the good order of society and in whatsoever may make him happy and useful * * *"

This man, Thaddeus Kosciuszko, belongs both to Poland and the United States. To both nations he is a source of pride, a hero, a link between our two countries—and a lasting symbol of our shared ideals of freedom, brotherhood, and equality.●

STUDY SHOWS NEA NOT SUPPORTIVE OF CHILD NUTRITION

● Mr. MCGOVERN. Mr. President, recently many of us in the Senate received a letter from the National Education Association expressing opposition to Senator PERCY's amendment to S. 991. Senator PERCY's amendment, which now has 52 cosponsors, would prevent the transfer of the child nutrition programs from USDA.

In their letter dated July 25, 1978, the National Education Association claims that: "The NEA has traditionally supported continuation and expansion of the school feeding programs."

Since the creation of the Select Committee on Nutrition and Human Needs in 1968 we have enacted 17 public laws concerning child nutrition and nutrition education The National Education Association never testified before the select committee during the committee's existence, and testified on only one of the 17 bills before the Agriculture Committee, in 1969.

Mr. President, I have a high regard for the NEA and its role in our society. But I do not understand how NEA can make their claim of historical support for child nutrition. To whom have they communicated their support? In what forum?

I ask that the attached materials, including a report by the Library of Congress on the testimony of NEA, be printed in the RECORD.

The material follows:

[From the Library of Congress, Congressional Research Service, Washington, D.C., Aug. 4, 1978]

To: Senate Committee on Agriculture, Nutrition, and Forestry, Subcommittee on Nutrition. Attention: Honorable George McGovern.

From: Education and Public Welfare Division.

Subject: Testimony of the National Education Association on Child Nutrition Programs during the period of July 31, 1968 through December 1977.

During the tenure of the Senate Select Committee on Nutrition and Human Needs, July 31, 1968 through December 1977, 17 bills were enacted regarding child nutrition programs.

After examining the Congressional Information Service Index for the period of times of 1970 through May 1978, the Witness List for hearings before the Senate Select Committee on Nutrition and Human Needs during the Committee's existence, and the calendars of the Senate Committee on Agriculture and Forestry for the period of time of August 1968 through 1969, we have found, through these sources, that the National Education Association (NEA) never testified before the Senate Select Committee on Nutrition and Human Needs regarding child nutrition programs, and, in fact testified only once, in the fall of 1969, before the Senate Committee on Agriculture and Forestry regarding amendments to the child nutrition programs, S. 2548.

CHILD NUTRITION LEGISLATION ENACTED SINCE THE CREATION OF THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

Public Law No., date of enactment, and brief description of major provisions of the law:

91–207, Mar. 12, 1970. Provided temporary emergency assistance in the form of additional funds from sec. 32 to enable the States to continue serving free and reduced-price lunches and breakfasts.

91–248, May 14, 1970. Established uniform national guidelines to determine eligibility for the free and reduced-price meal program; changed the State-matching requirements for the lunch program; authorized funds for nutritional training and surveys; created the National Advisory Council on Child Nutrition; 50 percent of the nonfood assistance program funds were reserved for schools without food service; provided the Secretary with the authority to issue regulations concerning competitive foods in schools. 91–295, June 30, 1970.—Made permanent the special milk program and included Guam in tho program.

91–295, June 30, 1970. Made permanent the funding from sec. 32 for programs under the National School Lunch Act for fiscal year 1972; extended the school breakfast program through fiscal year 1973; and provided for uniform national guidelines for eligibility determination for free and reduced-price breakfasts.

92–32, June 30, 1971. Provided additional funds for the summer program of the special food service program for children to meet immediate needs resulting from insufficient funds for that summer.

92–153, Nov. 5, 1971. Made sec. 32 funds available until a supplemental appropriation was passed; provided an average rate of reimbursement of 6 cents per lunch; established a guaranteed level of reimbursement for the free and reduced-price lunch program; and directed the Secretary to determine the needs of additional funds for the school breakfast and the nonfood assistance programs.

92–433, Sept. 26, 1972. Created the special food program for women, infants, and children (WIC); increased the average reimbursements rate for lunch to 8 cents; gave States the option to establish eligibility for the free lunch program up to 25 percent above the income guideline and established eligibility for the reduced-price program not to exceed 50 percent above the guideline; extended the special food service program for children and school breakfast program through fiscal year 1975; changed the funding method for the school breakfast program to performance funding; and prohibited the Secretary from prescribing regulations prohibiting the sale of competitive foods.

93–13, Mar. 30, 1973. Required the Secretary to grant cash in lieu of commodities to States in any fiscal year that the Department found itself unable to provide at least 90 percent of the amount of commodity assistance to schools it promised in its proposed budget for that year.

93–86, Aug. 10, 1973. Granted special purchasing authority to USDA to purchase commodities at market price if surplus or price-support commodities were not available for purchase and donation to schools.

93–150, Nov. 7, 1973. Increased the general assistance reimbursement for the lunch program to 10 cents and set the special assistance rate for free lunches at 45 cents and 10 cents less for the reduced-price lunch, all 3 rates are to be adjusted semi-annually; raised the eligibility for the reduced-price to 75 percent above the Secretary's poverty guideline; set the reimbursement rate for the breakfast program at a minimum of 8 cents for all breakfasts served, 15 cents for a reduced-price breakfast, and 20 cents for a free breakfast, all rates to be adjusted semi-annually; in cases of severe need, 45 cents was authorized for a free breakfast. Extended the WIC program through fiscal year 1975; amended the special milk program so that children eligible for a free lunch would also be eligible for an additional free milk.

93–326, June 30, 1974. Set the level of commodity assistance at 10 cents per lunch, to be adjusted annually. Extended the Secretary's authority to purchase commodities at market prices through fiscal year 1975; made permanent the provision for eligibility for reduced-price meals at 75 percent of the poverty guideline.

93–347, July 12, 1974. Established a minimum rate of reimbursement for a half-pint of milk served in the special milk program at 5 cents, to be adjusted annually; extended the special purchasing authority through fiscal year 1977.

94–20, May 2, 1975. Extended temporarily the special food service program for children through Sept. 30, 1975.

94–28, May 28, 1975. Extended temporarily the WIC program through Sept. 30, 1975.

94–105, Oct. 7, 1975. Expanded the eligibility for the reduced-price program to 95 percent above the Secretary's guideline and made the reduced-price lunch program mandatory in schools and institutions participating in the national school lunch program; allowed for the inclusion of any public or licensed nonprofit, private residential child care institution to participate in the national school lunch program; allowed that in the case of senior high school students, the type A lunch only had to be offered rather than served to qualify for reimbursement; created the child care food program with reimbursement rates to be the same as in the lunch program; made separate the summer food service program for children which was expanded to include nonprofit residential summer camps; extended the special purchasing authority through Sept. 30, 1977, while requiring that at least 75 percent of the value of the commodities donated for each lunch must be in the form of foods; granted any State which phased out its commodity distribution facilities prior to June 30, 1974, the right to receive cash in lieu of commodities; included the Trust Territory of the Pacific Islands in the definition of States; mandated a plate waste study; waived the matching requirement of State and local funds for free and reduced-price meals; made permanent the school breakfast program; extended the WIC program through fiscal year 1978 and expanded eligibility in the program; extended the reservation of funds in the nonfood assistance program through fiscal year 1977; created a new section to authorize the Secretary to make cash grants to State education agencies to conduct nutrition education projects; and expanded eligibility in the special milk program to include the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and the Trust Territory of the Pacfic Islands.

95–88, Aug. 3, 1977. Provided for the development of programs and technical, financial, and material support for developing nations regarding nutrition and health strategies important to mothers and children, including breast feeding.

95–166, Nov. 10, 1977. Extended the Summer food service program through fiscal year 1980 with major changes to prevent fraud and abuse in the program; extended the Secretary's special purchase authority through fiscal year 1982; allowed that any school may refuse to accept up to 20 percent of the commodities offered to it and received other commodities when available; directed the Secretary to provide cash in lieu of commodities if the difference of the estimated value is less than 100 percent; required a study cash in lieu of commodities; gave local districts the option to permit junior high school students foods offered to them in the lunch program; created a new nutrition education and training program; changed the name of the nonfood assistance program to the food service equipment assistance while establishing a priority system for the apportionment of nonreserved funds; provided that children eligible for free milk under the special milk program may receive it only when milk is provided at times other than the period of meal service in outlets operating the school lunch, breakfast, or child care food program; revised the State administrative expenses program; increased the especially needy schools reimbursement

rate for the school breakfast program; gave the Secretary the authority to approve the types of competitive foods sold during the time of food service.●

SMALL BUSINESS LEGISLATIVE COUNCIL SUPPORTS OSHA AMENDMENTS

● Mr. BARTLETT. Mr. President, I have received a letter from the Small Business Legislative Council in support of my OSHA amendment which was agreed to on Wednesday.

It was stated on the floor by an opponent during the debate on the amendment that the small business associations opposed the amendment. This is the second small business association letter I have received in support of the amendment.

I submit the letter for the RECORD and I hope that its contents will be of interest to my colleagues.

The letter follows:

Hon. DEWEY F. BARTLETT,
Russel Senate Office Building
Washington, D.C.

DEAR SENATOR BARTLETT: The Small Business Legislative Council (SBLC), affiliated with the National Small Business Association, is an organization of national trade and professional associations whose members are predominantly smaller businesses. The SBLC speaks on behalf of its member associations on those issues of vital concern to the small business community. Currently the SBLC represents approximately 4 million small businesses nationwide.

The SBLC wholeheartedly supports those initiatives which we feel will lessen the regulatory burden that presently frustrates the small business sector. For this reason we applaud your amendment to H.R. 11445, to provide an exemption from the Occupational Safety and Health Administration's (OSHA) rules and regulations to those small firms with 10 or fewer full-time employees doing business in industries falling under the Bureau of Labor Statistics classification of low-risk industries.

The attached listing of 31 national associations indicates the type of support that this approach to lessening regulation has within the small business community. When a giant company and a small business are asked to meet the same government standards, the two companies are not being treated equally or fairly. With respect to both substance and procedure, small business should bear a different compliance burden. Applying different standards to different size businesses can be justified on several grounds. First, the burden of paperwork on the small business is much greater if its owner must fill out the same number of forms that the largest corporation is asked to complete. In addition, the social impact of practices subject to regulation is different between the large and small. Many regulations come into being as part of an effort to control the largest companies, with small businesses being caught up in the net without regard to the impact of regulation upon it.

SBLC supports a "two-tier" system of regulation to equalize the burden of compliance, and your amendment to H.R. 11445 is a first step to this end. A "two-tier" system would treat each company according to its size and abilities; exempting those small businesses with fewer than 10 employees in essentially low-risk industries is a step toward the relief small businesses need and want.

On behalf of the Small Business Legislative Council, we wish to express our appreciation for your leadership in helping to attain one of the major goals that will reduce the burden of regulation on the business community.

Sincerely,

HERBERT LIEBENSON,
Associate Executive Director.

ATTACHMENT

American Association of Nurserymen, Washington, D C.
Association of Steel Distributors, Cleveland, Ohio.
Automotive Warehouse Distributors Association, Kansas City, Mo.
Building Service Contractors Association International, McLean, Va.
Christian Booksellers Association, Colorado Springs, Colorado.
Independent Bakers Association, Washington, D.C.
Independent Sewing Machine Dealers of America, Inc., Hilliard, Ohio.
Machinery Dealers National Association, Silver Spring, Maryland.
Manufacturers Agents National Association, Irvine, California.
Menswear Retailers of America, Washington, D.C.
Narrow Fabrics Institute, New Rochelle, New York.
National Association of Independent Lumbermen, Arlington, Virginia.
National Association of Men's and Boys Apparel Clubs, Atlanta, Georiga.
National Association of Retail Druggists, Washington, D C.
National Beer Wholesalers' Association of America, Inc., Falls Church, Virginia.
National Building Material Distributors Association, Chicago, Illinois.
National Candy Wholesalers Association, Washington, D.C.
National Concrete Masonry Association, McLean, Virginia.
National Family Business Council, West Bloomfield, Michigan.
National Home Improvement Council, New York, New York.
National Independent Dairies Association, Washington, D.C.
National Insulation Contractors Association, Washington, D.C.
National Office Machine Dealers Association, Zanesville, Ohio.
National Office Products Association, Alexandria, Virginia.
National Parking Association, Washington, D.C.
National Patent Council, Inc., Arlington, Virginia.
National Precast Concrete Association, Indianapolis, Indiana.
National Small Business Association, Washington, D.C.
Small Business Service Contractors Association, Washington, D.C.
Electronics Representatives Association, Chicago, Illinois.
National Association of Plastic Distributors, Devon, Pennsylvania.●

AMERICAN GI FORUM

● Mr. TOWER. Mr. President, the American GI Forum of the United States is scheduled to hold its 30th annual national convention beginning August 7 in Corpus Christi, Tex. A patriotic national veterans' family organization, the American GI Forum is open to all but composed mainly of the men, women, and youth of our country's Mexican American or Hispanic community.

Thirty years ago on March 26, 1948, the American GI Forum of the United States was founded in Corpus Christi, Tex., by Hector P. Garcia, M.D., and other concerned Texans of Mexican ancestry. Dr. Garcia, who is widely referred to as Dr. Hector by his many friends throughout the country, returned to Corpus Christi after having served in combat in World War II as an officer in the Medical Corps. It was after that return that Dr. Hector and his involved colleagues founded the American GI Forum as an organization dedicated to protecting and providing the same opportunities for returning veterans of Hispanic ancestry which a grateful nation already was extending to all other returning veterans of World War II.

The American GI Forum is a strong and effective advocacy organization that has waged a relentless campaign for equal opportunities for Hispanics in jobs, education, judicial courts system, housing, health, and minority enterprise. For example, through grants and scholarships, this organization is providing Hispanic youth with invaluable opportunities for meaningful participation in the educational processes of our colleges and universities. As a result, countless numbers of American youth of Hispanic heritage are confidently taking their places in the professional and managerial ranks of this competitive society we live in today.

The American GI Forum has also developed an outstanding record of success in creating vital new business opportunities for minority entrepreneurs and other socially and economically disadvantaged persons. The business developopment organization or BDO perhaps has been the single most important vehicle which the American GI Forum has used successfully to bring minority businesses into the competitive free marketplace. A measure of the BDO's success has been the millions of dollars in approved loans and contracts for new as well as existing minority businesses.

The American GI Forum has not only been guided by the outstanding leadership of its esteemed founder, Dr. Hector, but also by the selfless and dedicated leadership of its national director, Antonio G. Morales. Its membership also has included so many persons who have contributed to the advancement of the Hispanic community, including the Honorable Gilbert G. Pompa, who is one of the highest ranking administration officials as the newly confirmed Director of the Community Relations Service in the Justice Department.

The American GI Forum is a national veterans' family organization. It officially represents its own membership and symbolically represents Hispanics everywhere who have answered the calls of our Nation for military service time and time again in the name of freedom.

As ranking member of the Senate Armed Services Committee, it is my privilege to visit with military units of the United States all over the world. Having made eight trips to Vietnam, I visited with military units in the field and their commanding officers. Their reports to me have always indicated that the dedicated performance and professionalism of the Hispanic member reflects the highest credit on the military and reflects the highest patriotism.

Mr. President, the courage and patriot-

ism of the Hispanic military member was captured in a moving article on M. Sgt. Roy P. Benavidez, U.S. Army Special Forces—Green Berets—retired, by Fred Barbee of the El Campo Leader-News. Although all efforts to assist Master Sergeant Benavidez in obtaining the Congressional Medal of Honor have yet to come to fruition, the saga of his Vietnam service is a fitting tribute to the same spirit that is embodied in the American GI Forum of the United States I ask that the attached newspaper article be printed in the RECORD.

The article follows:

ROY BENAVIDEZ . . . SOMETIMES PATIENCE WEARS THIN

(By Fred Barbee)

El Campo's Roy Benavidez is a patient man.

An uncommonly patient man.

You see, Master Sergeant Roy P. Benavidez, U.S. Army Special Forces (Green Berets) Retired, has been getting a runaround of bureaucratic innuendo and military double talk for the past three years.

And that's enough to tire a man out.

Any man, that is, but one the calibre of Roy Benavidez, who has a drawer full of Purple Hearts and other medals, including the Second highest this nation has to offer, the Distinguished Service Cross (DSC).

It's this "Second" highest thing that concerns Roy and his many friends and supporters, who range from his wife and children to members of Congress and Army generals.

Unfortunately, none of the above are privileged to serve on a group called simply the "Senior Army Decorations Board." This board, whose members are anonymous and whose actions are not subjected to any sort of public scrutiny, supposedly has reviewed a request submitted first in 1974 by Sgt. Benavidez' former commanding officer, Lt. Col. Ralph R. Drake, to upgrade the Distinguished Service Cross to the Congressional Medal of Honor. The request was based on new and substantive evidence not available when the sergeant was first put up for the DSC.

"I consider his heroic deeds deserving of the award of the Medal of Honor." Lt. Col. Ralph R. Drake, May 12, 1975.

This faceless Senior Army Decorations Board reportedly (but, in the aura of official secrecy, who knows for sure) reviewed Sgt. Benavidez' case in June 1976 and again in April 1977. In both instances the Board disapproved upgrading the DSC to the Medal of Honor with the same obtuse reason given, that "no new substantive information" had been presented.

One wonders what the distinguished Senior Army Decorations Board used for comparison, since by the Army's own admission, the original recommendation for the award of the DSC and accompanying supportive statements had been lost somewhere in the vast wasteland of military red tape.

Nevertheless, a third attempt was made through Congressman John Young's office in October 1977. The attempt contained a completely documented report of one of the most heroic acts any man has ever attempted, accomplished and amazingly, lived through.

In December 1977 Secretary of the Army Clifford Alexander wrote Congressman Young a letter containing what has now become an Army theme song: "I regret to inform you that following a full and careful review the Board (there's that "Board" again) determined that the information was not new substantive evidence not previously considered."

Accordingly, the request to upgrade Sergeant Benavidez' award of the Distinguished Service Cross to the Medal of Honor was not favorably considered."

Secretary Clifford's letter went on to say: "It is neither fair nor equitable to subject the members of the "Board" (same old Board) to microscopic inquiry with respect to their votes of conscience. Therefore it is Department of the Army policy not to reveal exact reasons for or against any specific recommendation." This, in response to Cong. Young's request for "a detailed statement in support of the board's position if they render an unfavorable report."

"I've been told by some high ranking officers, friends of mine, that Vietnam was an unpopular war and that bringing up anything about it now is also unpopular," Roy said recently in his matter-of-fact way.

"You know, it seems that those who deserted and avoided serving are getting more consideration from Washington these days than those of us who served and did our jobs," the sergeant added.

What, then happened on that awful day in May ten years ago in the Republic of Vietnam?

Or, perhaps this particular action on May 2, 1968 actually took place outside the boundaries of Vietnam, perhaps in an area where U.S. forces were not supposed to be. After all, at about that time the American public was being fed information downgrading the amount of U.S. participation in the actual combat operations.

Perhaps that is a contributing factor to the continuing "runaround" given Sgt. Benavidez and his supporters, maybe "we weren't supposed to be there, so officially, let's just ignore it and it'll go away."

May 2, 1968 was a typical Vietnamese summer day, Roy Benavidez recalls, hot and steamy, punctuated only by the not so distant sounds of an unglamorous, dirty war.

In his own words, which have since been corroborated in every detail by eye witnesses on the scene, Roy Benavidez recounts the actions that won for him the DSC and the subsequent accolades of his superior officers in requesting for him the Medal of Honor.

"It is evident that the courageous acts performed by SSG Benavidez saved the lives of the remaining team members," said MSG./ Raymond F. Stipsky, April, 1968.

"On that day I had been monitoring the radio on our command radio. A team inserted earlier that morning had been compromised. Our slicks and gunships had been hit in attempts to get the team out. I went to our air strip and saw helicopters returning all shot up, with door gunners, crew chiefs and co-pilots wounded.

"One chopper had a young man who was going into shock, another man who had been hit in the side of the face. I went up to Warrant Officer Larry McKibben's ship as he was trying to jump it to get it started. Activity was coming in fast, people yelling for help, radios bursting with orders; in short, mass confusion.

"I knew WO McKibben and his copilot, WO Bill Fernan, as we had worked together in other areas. I jumped into his ship and said, 'Let's go.' He asked me what I was doing, as I wasn't supposed to be on his ship, and wasn't on duty. I told him, 'If you get me to them (the downed team), I'll get them out.'

"He got his ship started and we got into the air and made contact with the team on the ground. They were told to get ready, because we were coming in to get them out.

"As we were coming in, our Bird Dog (aerial spotter) came on the air. He and other choppers in the area of operations (A/O) indicated that the PZ (Pickup Zone) was hot and that snipers were at tree-top level. McKibben showed me where we were on his map. I asked, 'Can I be dropped at an area about 75–100 meters from where the team is?' We told the team that I'd be coming from the south and that I would identify myself upon reaching them before I removed my head set. I said to the pilot, 'Give me five minutes to get to them. I'll call you from their radio.'

"I then made the Sign of the Cross and rolled out of the chopper. I started running toward the team. I saw the ship heading in their direction, also. I felt my right leg burning and my face bleeding while I was running. I fell two or three times. I started yelling for Mousseau (Ssgt. Lloyd Mousseau, assistant team sergeant). I got to him, saw that he was wounded, and got his radio and called McKibbean and told him to come in from the north of the PZ, fire at tree-top level, make two passes and on the third pass, tell me what you see.

"We lay flat on the ground, with heavy firing all over the area. I got my green smoke grenade and threw it out to the edge. I got on the radio and asked, 'What do you see?' McKibben answered, 'Green smoke. We'll pick you up, so be ready.'

"Mousseau, Sgt. Jim Conners and their Vietnamese interpreter got up. I asked if there was anyone else. Mousseau said 'Only Wright, (Sfc. Leroy Wright, team leader), and he's dead.' I saw Wright lying to my right at a distance. I led the men to the chopper and then rushed back to Wright, who was dead. Knowing that he was the team leader, I knew that he had the SOI (Standard Operating Instructions) and an intelligence gathering device (camera) around his neck. I got them and I remember turning toward the waiting chopper; suddenly I started tumbling in the air. My head, back and legs were hurting, ears were spinning. I crawled and yelled and came upon the chopper, which had been downed in the meantime.

"I believe that if it were not for Sgt. Benavidez' courageous decision to join his men on the ground, no one would have gotten out of that LZ alive." CW2 Ronald Radke, Feb. 23, 1975.

"Mousseau, Conners and some other men from the downed chopper came up and somebody asked, 'What do we do now?' I said, 'We get away from the downed ship. I then led the group to the far end of the PZ. A smoking chopper came by. I don't remember what happened to it. Another one came by and one or two of the men ran out to get on it.

"Those of us left got into a defensive perimeter (eye witness accounts state that Sgt. Benavidez organized the defensive action and continually made rounds shoring up the perimeter and the spirits of the men) and then comforted and helped each other with our wounds.

"Some had been shot several times; my back and leg were getting stiff. Mousseau was shot in the arm and side of the face. I asked for a radio. We had the emergency type. Our batteries were getting weak, but I made contact with the Greyhounds (supporting helicopter units) and told them we had moved from McKibben's downed ship. I helped bandage Mousseau's face, Conners' arm and leg and the door gunner and the interpreter, who were hit in the stomach and chest.

"I feel very strongly that MSG Benavidez deserves the Medal of Honor in that he was able to operate and take charge of a situation that would have been impossible for anyone else. Even though he was seriously wounded, he repeatedly risked his life to rescue personnel and retrieve equipment. I am proud to know MSG Benavidez." WO William R. Darling, Feb. 28, 1977.

"Jets started to come into the area shooting. Our position was getting heavy rifle and grenade fire from all directions. I told some chopper that we were getting too weak and that I couldn't see them, just hear them. Somebody on the radio said to get ready to move, 'We're coming in.'

"I yelled for whoever can, to get up, that a ship is coming in. I don't remember who I led to the ship, one at a time, or what, but on one of my trips back to our position, Mousseau was lying on his back. I bent over to pick him up and something hit me on my head. I spun, kicking and yelling. I saw

something that will never leave my memory—a North Vietnamese pointing his weapon at me.

"He drew back and hit me in the mouth with the butt of his weapon. I lunged at him, jabbing with my knife. He came at me with his bayonet. I grabbed the weapon and bayonet with my left arm, stabbing him as I did. I must have left my knife in him, as I didn't get back with it.

"I then pulled Mousseau up on his feet. My left arm was numb, my right arm was burning and my upper lip was cut in half. The interpreter begged me not to leave him there, and I helped him up, picked up somebody's weapon and when a chopper came in, we all started for it.

"Some of the others were still at the edge of the zone and we started to load up. I can't recall who or how many I helped into the chopper. (The official citation on the DSC credited Benavidez with saving the lives of eight men).

"I remember seeing two North Vietnamese under the chopper as I was pulling Mousseau and the interpreter into the ship (Mousseau was on the sergeant's back and the interpreter on his arm).

"I remember getting my weapon up and firing at them, then throwing it at them when it refused to fire anymore. I was told later that I had killed both of them. Mousseau was still hanging on my shoulders and the interpreter was hanging on my left side.

"I couldn't see too well because of blood in my eyes, and my right arm was locked to my side. I refused to board in the ship until everyone else was on board. Someone then yanked my left arm up, which felt like it was coming out of my body. I landed on top of bodies, between the pilots. We flew away and I remember thanking God and praying that we would get medical aid soon.

"We landed and unloaded. I remember asking for Mousseau, Conners and Lt. Col. Drake, our commanding officer. I had trouble breathing and moving my left arm and right leg, as my body had begun to stiffen up. We were initially taken to Saigon.

"Col. Drake came to see me. He told me that I was in intensive care and that Conners was there, too, but that Mousseau didn't make it and died in the air on the way in. I asked Col. Drake, 'Did you get the SOI and the camera?' He said that he did."

On July 24, 1968 Roy Benavidez was awarded the Distinguished Service Cross. The official citation reads, in part: "Staff Sergeant Benavidez' extraordinary heroism and devotion to duty were in keeping with the highest traditions of the military service and reflect great credit upon himself, his unit and the United States Army."

And there the matter remained until 1974, when Congress voted to allow citations for the early years of the Vietnam War to be reconsidered for upgrade.

At that time Col. Drake, Benavidez' commanding officer put into motion a request that should have been routine, but has since developed into what appears to be a glaring example of military pompcsity.

The matter suggests several leading questions.

Did the prestigious Senior Army Decorations Board really consider the additional testimony on the 1968 action?

If they did, why did they refuse to upgrade the medal, with every eye witness who lived through the action citing the unbelievable display of heroism on Sgt. Benavidez' part that day?

What criteria did this group of anonymous men use in arbitrarily refusing to upgrade the medal?

Is Vietnam really such a distasteful memory in the Pentagon, where it was promulgated for so many years, that they still can't bring themselves to admit a mistake was made by the first Decorations board that considered the medal?

If the Army is really sincere in learning all the facts about this case, why have they never questioned Col. Drake?

What does the treatment that Roy Benavidez has received do for the image of the "Volunteer" Army? Maybe that's one of the reasons it isn't working.

Yes, Roy Benavidez is a patient man.

However, his many friends and supporters aren't so patient. They would like some answers, but more military mumbo-jumbo, and although it apparently goes against the bureaucratic and military grain, the American public still has a "right to know."

Long Trip From El Campo to Vietnam and Back

Master Sergeant Roy P. Benavidez was born in Cuero on August 5, 1935 and attended Catholic elementary school there. Following his parents' deaths, he and his younger brother, Roger, were adopted by their aunt and uncle, Mr. and Mrs. Nick Benavidez Sr. of El Campo. Participating in all sports at El Campo Northside School, Roy lettered in track and participated in state level Golden Gloves competition.

Having begun his military career in the 36th Infantry Division, Texas Army National Guard at El Campo, Benavidez enlisted in the active Army at age eighteen. He quickly volunteered for Special Forces and Airborne training, but was turned away as being too young and too light of weight.

After completing infantry basic training at Fort Ord, California and Fort Carson, Colorado, Roy served as a rifleman and squad leader with the 7th Infantry Division, 17th Infantry Regiment in Korea. His next overseas assignment took him to the 6th Infantry Regiment in Berlin.

Returning to a stateside assignment with the Military Police School at Fort Gordon, Georgia in 1958 Sergeant Benavidez became acquainted with General William C. Westmoreland, commander of the famed 101st Airborne Division.

Responding to General Westmoreland's encouragement, Benavidez once again volunteered for Special Forces and Airborne training; this time accepted. Subsequently, he was assigned to the 325th Infantry Regiment, 82nd Airborne Division, Fort Bragg, North Carolina. Initially serving as squad leader and platoon sergeant, Sergeant Benavidez was later moved to the Commanding General's personal staff at division headquarters.

The build-up in South Vietnam once more saw Benavidez on overseas duty; this time the Military Advisory Group, I Corps. Serving as an advisor to a Vietnamese Infantry Battalion. When wounded and temporarily paralyzed from the waist down, he was evacuated to Brooke Army Medical Center at Fort Sam Houston.

Assigned to the 82nd Airborne after his recovery, SSG Benavidez again volunteered for Special Forces and was assigned to the Special Forces Training Group, where he attended the Operational and Intelligence School. In addition to working with light and heavy weapons, he cross-trained as a medic.

After spending some time with an "A" Team in the "E" Company of the 7th Special Forces Group in early 1968, Benavidez returned to South Vietnam to serve with Detachment B–56 Intelligence Reconnaissance Team (SIGMA) of the 5th Special Forces Group. On May 2, 1968 SSG. Benavidez distinguished himself above and beyond the call of duty by the valorous action that won him the Distinguished Service Cross.

While recovering at Brooke Army Medical Center from his wounds, General Westmoreland personally presented the Distinguished Service Cross to SFC Benavidez. Remembering Benavidez, General Westmoreland said, "I see you took my advice to join the Special Forces and go Airborne. Are you still Airborne?" Benavidez shouted, "All the way, Sir." Smiling, the General said, "With that enthusiasm and spirit, I can understand why you were given such a high award."

Following his release from the hospital SFC Benavidez was assigned to the 10th Special Forces at Fort Devens, Mass. in 1969 and the following year was reassigned to the 1st Infantry Division at Fort Riley, Kansas where he worked as an assistant operations sergeant and later served on the Commanding General's staff.

Returning to Fort Sam Houston in 1972, MSG Benavidez served as personal driver to Lt. General Patrick F. Cassidy, Fifth U.S. Army Commander. In 1973, he transferred to his final assignment with the Infantry Team, U.S. Army Readiness Group.

MSG Benavidez's decorations include the Distinguished Service Cross, three Purple Hearts, (with two more earned but not issued) Army Commendation, Good Conduct, Army Occupation, and Vietnam Service Medals, U.S. Parachutist Badge, Vietnam Parachutist Badge, Presidential Unit Citation, Valorous Unit Award, the Vietnamese State Presidential Citation, Meritorious Unit Commendation, and the Army Expeditionary Medal.

In Sept. 1976 Roy Benavidez was given a medical discharge, with 80 percent disability. This is presently being considered for change to 100 percent.

He is a member of the Legion of Valor, American Legion, Disabled American Veterans, Maryknoll Society, the Special Forces Decade Association and Lone Star Chapter, 82nd Airborne Association.

With his wife and two children Roy Benavidez now makes El Campo his home. He is presently pursuing an associate of arts degree at Wharton County Junior College.●

PAUL R. CONNOLLY

● Mr. MATHIAS. Mr. President, our sorrow on the death of a distinguished citizen is always deeper when he is also a respected friend. Paul R. Connolly left a legacy of good will, integrity, and uncompromising professionalism among his colleagues and warm compassion and faithfulness among his friends and family. Paul Connolly was a Marylander, generous in his contributions to civic affairs, and honored in Washington and the country for his legal accomplishments.

He rose to the heights of his profession of a civil trial lawyer. His partnership in the firm of Williams and Connolly testifies to this.

He was honored by his peers on many occasions, including his appointment to the chairmanship of the litigation section of the American Bar Association. Only last year he was awarded an honorary doctor of laws degree by Loyola College, his alma mater. He was a graduate of the Georgetown University Law School and served his country as an officer in the Navy in World War II.

It is a mark of Paul Connolly's public spirit that he never let formalities or technicalities deter him from doing those things he considered to be right and useful. Although he was a Democrat, he once generously agreed to organize a committee of lawyers to work for my reelection to the House of Representatives. Although his heart may have prevailed over his judgment in that isolated instance, it was typical of the generous and effective way in which he reacted to public causes.

On the day of his death, his partner, Edward Bennett Williams, said in the U.S. District Court of the District of Columbia:

He was a great lawyer, but much more important than that, your Honor, he was a great human being—one who was filled with compassion, and goodness, and kindness, and fairness and decency, with a reputation for integrity never once sullied and never once challenged—warm, gentle, generous and outgoing.

The Honorable William B. Bryant, U.S. District Court Chief Judge, responded:

This Court, as is the entire national legal community, is indeed saddened by the news . . . . We all knew him, and I had the good fortune of knowing him personally. . . . He was one of the most outstanding members of our legal community. He gave it all he had. To the regular work of the law firm, to the work of the various agencies that are charged with and are dedicated to the fair administration of justice, to the American Bar Association, to various trial lawyer groups—wherever there was work to be done in the interest of improving the quality of justice—I know for a fact that Paul Connolly found time to make a contribution.

In the U.S. District Court for the Southern District of New York, his close associate David N. Webster declared:

I shall not attempt to detail Paul Connolly's accomplishments because although I grew up as a lawyer under him and have been associated with him for twenty years, no list of mine will ever be complete.

"Judges of this court are aware of his dedication to the law and the scholarship that he brought to it, both as a litigator and writer.

The Honorable Vincent L. Broderick, U.S. District Court Judge, then replied:

The bar in this city shares with the bar in Washington and shares with you and your partners this loss. We here in New York knew Paul Connolly well, and we had tremendous respect for him, and we share completely your assessment of his role as a leader of the bar.

These are the words of those who knew Paul Connolly's works best and lived with him day by day. Maryland and the Nation has lost a truly fine person and a reknowned litigator. I have lost a friend.

I ask that an article from the Washington Post of July 14, 1978, be printed at this point in the RECORD.

The article follows:

PAUL R. CONNOLLY, TRIAL LAWYER, PARTNER IN NOTED FIRM, DIES

(By J. Y. Smith)

Paul R. Connolly, 56, a partner in the noted Washington law firm of Williams & Connolly, died yesterday at Georgetown University Hospital following a heart attack.

Like Edward Bennett Williams, who is regarded as one of the leading criminal lawyers in the nation, Mr. Connolly was a trial lawyer. Like Williams, he defended many persons charged with criminal offenses. But his specialty was civil litigation. In the 30 years that he practiced here, he tried cases ranging from personal injuries and contracts to antitrust matters and the Alaska pipeline.

Mr. Connolly and Williams became partners in 1967. One was expert in criminal law, the other in civil law, and their firm was capable of any kind of trial work.

In 1971, they were joined by Joseph A. Califano, Jr., who had been President Johnson's chiem adviser on domestic affairs and who now is secretary of Health, Education and Welfare. Califano, the 17th lawyer to join the firm, concentrated on corporate affairs, and the scope of legal services offered by what was then known as Williams, Connolly & Califano expanded. Williams & Connolly, which includes The Washington Post among its clients, now has more than 50 lawyers.

Both Williams and Califano credited Mr. Connolly with a major role in this growth.

"He made a tremendous contribution," Williams said. "I regarded him as one of the finest lawyers I ever knew."

"In human terms, he was the most decent person I ever met," Califano said. "He loved to litigate, he loved the law. In the law firm, he was the glue in terms of keeping everybody together."

Associates described Mr. Connolly as a perfectionist who tried each case as if it was to be his last.

Among his more publicized cases was the defense of Otto Kerner, former governor of Illinois and then a U.S. Court of Appeals judge. Kerner and Theodore J. Isaacs, who had been Illinois state revenue director, were convicted of bribery, conspiracy and related charges in connection with a scheme in which they were said to have bought race track stock at favorable terms and then granted favors to the track owners.

He won a case before the U.S. Supreme Court in which he represented Maryland colleges with church connections. The American Civil Liberties Union had challenged the Maryland state practice of providing financial aid to these institutions. The ACLU said that such aid violated the doctrine of separation of church and state.

In a case involving ownership of a device that separated the meat from chicken necks, Mr. Connolly suggested that members of the jury be permitted to ask questions about how it worked. The court agreed to this novel suggestion. Mr. Connolly's client won.

Mr. Connolly was not in awe of judges. A judge in the U.S. District Court in Washington twice overruled him in a case involving a contract, and then said:

"The court is watching you, Mr. Connolly."

"Mr. Connolly is watching the court," Mr. Connolly replied.

Paul Raymond Connolly was born in Baltimore on June 28, 1922. He remained a devout member of the Catholic Church throughout his life. Despite the hard times of the Great Depression, he was able to go to Loyola College in Baltimore and graduated in 1943.

He entered the Navy and is believed to have been the first American officer to visit Hiroshima after it was devastated by the atomic bomb on Aug. 6, 1945, in the closing days of World War II. Mr. Connolly, a lieutenant aboard the destroyer John Pierce, arrived in the city Aug. 15, the day after the Japanese surrender. It was an experience he often recalled in later years.

"It was the only time in my life I have really been ashamed to be an American," he told People magazine in 1975.

"People cowered by the side of the road. Many of them were badly disfigured with large sores running on their arms and faces. They had these vacant looks in their eyes, just a haunting terror. 'God,' you said to yourself, 'these are human beings and we've done this'. . . . No one who has seen the results of an atomic bomb could consider using it again," he said.

Mr. Connolly entered Georgetown University Law School after his discharge from the Navy. There he met Edward Bennett Williams, who taught a course that Mr. Connolly took. Williams recruited him for the prestigious Washington law firm of Hogan & Hartson, and Mr. Connolly went to work there in 1948. Williams himself was just setting up his own practice.

Mr. Connolly remained with Hogan & Hartson until he resigned to join Williams.

Mr. Connolly was a former chairman of the litigation section of the American Bar Association. Last year he chaired a seminar on white-collar crime that he described as "the fastest growing legal specialty in the United States." He elaborated on his views in a speech to students in which he said:

"Once we understand—as older Jesuits and their students will—that the prime matter of white-collar crime is money and dishonesty its substantial form, the reason for its proliferation is obvious. Our society has become so materialistic that money is nearly its only value and the competition for it has become so intense and the need for it so great that the means for its acquisition are tested, not by any morality, but by utility and acceptability. Never mind that the means are not honest. The test is, do they work?"

Mr. Connolly concluded by recalling an axiom he attributed to his mother: "Don't do anything you would not want to read about on the front page of the (Baltimore) Sun-papers."

An associate recalled that Mr. Connolly also lived by another maxim: "Take one case each year on behalf of one person or one cause that needs you and can't afford you."

Mr. Connolly was a member of the American, District of Columbia and Maryland bar associations. He was a fellow of the American College of Trial Lawyers and a former adjunct professor of law at Georgetown University.

He also was a member of the Metropolitan, Chevy Chase, George Town, Burning Tree and Mid-Ocean clubs.

Survivors include his wife, the former Mary Catherine Garvey, whom he married in 1948, of the home in Washington, and six children, Mary Tressa Hamby, of Reston, Paul Brian, of Chevy Case, Margaret C., of Washington, Sheila B., of Chevy Chase, Michael Ignatius, a student at Pomona College in Claremont, Calif., and Peter Christopher, of the home.

Williams said he would ask Chief Judge William B. Bryant to adjourn the U.S. District Court here at the close of today's business in memory of his partner.

DEFENSE AUTHORIZATIONS, 1979—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on H.R. 10929 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10929) to authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 31, 1978.)

Mr. STENNIS. I have conferred with

our minority leader. I thank him for his cooperation. I want him to join in the presentation.

I yield to the Senator from Alaska, Mr. President.

Mr. STEVENS. We are prepared to agree that the matter be disposed of with a voice vote, Mr. President. I believe the Senator will move the adoption of the conference report.

Mr. STENNIS. Mr. President, I do not have any remarks on this matter today. I may have a few remarks on Monday.

Mr. President, we do have a few very minor matters to correct, some errors in the printing of the joint statement of the managers. The corrections have already been made for the House side. I am sorry, but we will have to ask the indulgence of the Senate for just a couple of minutes.

Mr. President, I would like to correct for the record a small number of errors that appear in the printed joint statement of managers, House report No. 95–1402. On page 20 of the joint statement, regarding the F–18, the figure for advanced procurement for fiscal year 1980 should be $55 million, not $85 million. On page 27, the number of M60A3 tanks to be procured should be 410, not 450. On page 28, the proper figures arrived at by the conferees for the Mark 46 torpedo should be as follows: House—54.8, Senate—26.1, and conference agreement—$26.1. Also on page 28, it should be pointed out that the House and Senate authorizations for the Mark 15 close-in weapon system included spares, but a figure of $71.1 agreed upon by the conference did not include spares.

I ask unanimous consent to correct those figures.

Mr. STEVENS. Reserving the right to object, it is my understanding that these changes were also approved by the House in its voice vote today.

Mr. STENNIS. The Senator is correct. These changes have already been brought to the attention of the House and were corrected.

Mr. STEVENS. We do not object.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I move adoption of the conference report.

The PRESIDING OFFICER. The question is on adoption of the conference report.

The conference report was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE ASSASSINATION OF ORLANDO LETELIER UNDERSCORES THE NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on September 21, 1976, Chilean exile Orlando Letelier was assassinated, his car ripped apart by a powerful explosive. Mr. Letelier, a persistent critic of the Chilean Government, spoke out particularly against the gross violations of human rights committed by that regime. Today, 22 months after his death, what many at first suspected now seems borne out by evidence—the Chilean Government, whose disregard for human rights he criticized so openly, appears to have ordered, plotted, and carried out Mr. Letelier's assassination.

Mr. President, in the 2 years since Orlando Letelier's death, national attention has frequently been focused on human rights violations in Chile. Yet there is a tendency on our part to see such violations, in Chile and elsewhere, as isolated events, domestic incidents that appall us but fail to touch our lives. When we look at the United States, a country that goes to tremendous lengths to safeguard the human rights of its citizens, human rights violations seem all the more remote to us.

The assassination of Orlando Letelier underscores the fact that we cannot ignore the continuing violations by the Chilean Government of human and political rights. Whether this occurs in Chile or the United States or anywhere else, these acts cannot be ignored by the world community.

Among the actions the world community can take to safeguard human rights, the Genocide Convention stands out as particularly important. Of course, the Genocide Convention does not guarantee Chilean political rights, nor would it apply to Mr. Letelier's assassination. Rather the Genocide Convention addresses itself to a still more fundamental right. By defining and outlawing genocide, the treaty affirms and protects for all humanity the right to live.

President Truman first asked the U.S. Senate to ratify the Genocide Convention over 29 years ago. And 29 years later, that treaty still awaits our approval.

Mr. President, it is not enough that the human rights of U.S. citizens are unassailable. It is not enough that we condemn human rights violations where they occur. Certain human rights violations are more than domestic incidents. They are international crimes with international consequences. Violations of these human rights, such as the right to live, are crimes against all humanity, and all humanity must join to eliminate them.

By ratifying the Genocide Convention we can join with 83 other nations to outlaw genocide and safeguard the right to live. The Senate can no longer withhold its consent. We must ratify the Genocide Convention and affirm our membership in the world community.

Mr. President, I yield the floor.

FEDERAL ELECTION COMMISSION AUTHORIZATION

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator PELL, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 3025.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 3025) entitled "An Act to authorize appropriations for the Federal Election Commission for fiscal year 1979", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended by striking out "and" after "1977," and inserting after "1978" the following: ", and $8,624,000 for the fiscal year ending September 30, 1979": *Provided*, That none of the funds appropriated hereunder for fiscal year 1979 shall be used by the Commission to audit a House or Senate candidate or his or her authorized committee, unless such audit is based on a finding by the Commission of reason to believe that a violation of this Act has occurred.

SEC. 2. (a) The Secretary of State of each State (or, if there is no such office in a particular State, the equivalent State officer) shall notify the Federal Election Commission after an individual has qualified under the law of the State involved for nomination for election, or election, to Federal office. Such notice shall be submitted within 5 days after such individual has so qualified.

(b) The provisions of this section are repealed, effective October 1, 1979.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate disagree to the House amendments to S. 3025, that a conference be requested with the House of Representatives on the disagreeing votes between the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PELL, Mr. CLARK, and Mr. GRIFFIN conferees on the part of the Senate.

REGULATION ON TAXATION OF FRINGE BENEFITS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote by which the motion to reconsider the vote on passage of H.R. 12841 was laid on the table be vitiated; that the vote by which H.R. 12841 was passed be vitiated; that the vote bringing the bill to third reading be vitiated; that amendment No. 3261 by the Senator from Montana (Mr. MELCHER) be agreed to; that the motion to reconsider the vote on the amendment be reconsidered and laid on the table; that the bill again be advanced to third reading, passed again as amended; and that the motion to reconsider the vote by which the bill was passed be laid on the table, and that a statement by the Senator from Montana (Mr. MELCHER) be incorporated in the RECORD.

The text of the amendment is as follows:

AMENDMENT NO. 3261

(Purpose: To include negotiated subsistence allowances under section 3 of the bill, which excludes statutory subsistence allowances to State police officers from gross income for income tax purposes)

On page 2, line 19, after the word "allowances" insert the following: "or subsistence allowances negotiated in accordance with state law"

On page 2, line 23 after the word "allowance" insert the following: "or a subsistence allowance negotiated in accordance with State law"

On page 3, line 7, after the word "allowance" insert: "or subsistence allowance negotiated in accordance with State law".

Mr. STEVENS. This has been explained and we do not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. MELCHER. Mr. President, today I am submitting, on behalf of Senator HATFIELD of Montana and myself, an amendment to H.R. 12841, a bill to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes. Included in this bill is a provision prohibiting the IRS from initiating action to collect retroactive taxes on certain statutory subsistence allowances to State police officers that have been determined to constitute taxable income as a result of the recent Supreme Court decision in Commissioner against Kowalski. This decision held that cash meal allowances paid to a State trooper were includable in gross income. This could lead the IRS to begin collecting retroactive taxes on subsistence allowances from our State law officers dating as far back as 1969. It has been estimated that such assessments could run as high as $7,000 on individuals who are in the $12,000 to $15,000 income bracket, threatening them with potential bankruptcy, jeopardizing their life savings, and the equity in their homes. A total of 9,000 troopers in some 15 States would be affected by the Supreme Court's decision.

In correcting this problem, H.R. 12841 is a vitally important remedy of fairness and a sound policy. However, without further amendment Montana's 200 State highway patrolmen could miss out on the relief provided by this legislation. This is because the language of the bill, as it now stands, refers only to "statutory" subsistence allowances, and in Montana, such subsistence allowances are not provided for in the State statutes, but rather are provided as part of a negotiated agreement under Montana law providing for negotiation on such issues.

Senator HATFIELD and I urge the Senate to accept this correcting amendment to H.R. 12841 so that 200 Montana State highway patrolmen and their families are treated fairly in comparison to their counterparts in other States under our Federal tax code.●

ORDER FOR RECOGNITION OF SENATOR SCHMITT AND SENATOR STEVENS ON MONDAY; AND FOR SENATE TO RESUME CONSIDERATION OF HUD APPROPRIATIONS BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order—and I ask that that time for the two leaders be limited to 5 minutes each on Monday—the Senator from New Mexico (Mr. SCHMITT) be recognized for not to exceed 15 minutes; after which the distinguished Senator from Alaska (Mr. STEVENS) will be recognized for not to exceed 15 minutes; after which the Senate will resume consideration of the HUD appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 o'clock on Monday morning. The distinguished Senator from New Mexico (Mr. SCHMITT) will be recognized for not to exceed 15 minutes, after the two leaders have been recognized for not to exceed 15 minutes under the order. Following Mr. SCHMITT, Mr. STEVENS will be recognized for not to exceed 15 minutes. If he does not want his time, it will be yielded to the distinguished Senator from New Mexico by unanimous consent.

Then the Senate will resume its consideration of the HUD appropriations bill. The pending question at that time, I believe, Mr. President, will be on the question of adopting the amendment by Mr. MORGAN.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I believe it is understood that the final vote on the amendment will be delayed until after the votes on the supplemental and legislative appropriations bills.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Then upon the expiration of time on the Morgan amendment, the amendment by Mr. FORD, I believe, will again be before the Senate.

The PRESIDING OFFICER. The Senator is correct again.

Mr. ROBERT C. BYRD. The vote on the amendment, if it proceeds to a rollcall vote, will follow the disposition of the Morgan amendment in the afternoon.

The PRESIDING OFFICER. As usual, the Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Now, Mr. President, upon the expiration of the times involving the Morgan amendment and the Ford amendment, other amendments will be in order, motions with relation to the bill will be in order, rollcall votes may occur thereon prior to the hour of 3:30 p.m., other matters may be taken up, conference reports, for example, may be called up during the morning and prior to the hour of 3:30 p.m., and rollcall votes may occur thereon.

The votes that have been ordered to occur beginning at 3:30 p.m., Mr. President, are as follows: The vote on the supplemental appropriation bill, which will occur at 3:30 p.m., final passage; the vote on the legislative appropriations bill will occur after 10 minutes of debate following the vote on the disposition of the supplemental appropriations bill; both of those votes may be rollcall votes. Certainly, the vote on the supplemental appropriation bill will be a rollcall vote. The rollcall has not yet been ordered. I would presume that the vote on final passage of the legislative appropriation bill will also be a rollcall vote, but again that vote has not been ordered.

Following those two votes, the vote would occur with respect to the Morgan amendment. Then a vote will occur with respect to the Ford amendment. Presumably, they will be rollcall votes, also.

After that, rollcall votes will occur on any additional amendments or motions for which orders have been entered prior to 3:30 p.m. such votes to occur after the votes which I have already alluded to.

Also, during the afternoon and the aforementioned votes, rollcall votes will occur on amendments and motions in relation to the HUD appropriations bill, and the Senate will complete action on the HUD appropriations bill at some point during the afternoon or evening of Monday.

Other matters may come up during the afternoon.

So, therefore, the program that I have stated is not necessarily the entire program for Monday.

Mr. President, the distinguished assistant Republican leader observes, and had a private conversation with me, that it will be possible for Mr. MORGAN and Mr. FORD, likewise, to have additional time following the votes which will begin at 3:30 p.m. for brief discussions of their amendments before votes thereon.

They may wish to reserve time from the morning, from the time remaining to them, or time may be taken from the bill just prior to the votes on those respective amendments, which would allow for some debate, at least, if the proponents of the amendments or the opponents thereof wish to have such debate.

The PRESIDING OFFICER. The Chair will remind the Senator from West Virginia, the distinguished majority leader, there is time left on the amendment.

Mr. ROBERT C. BYRD. Yes.

Now, Mr. President, in sum, there will be several rollcall votes on Monday.

Rollcall votes may and can occur on Monday at any time after the Senate convenes.

The only rollcall vote that is specifically set insofar as time is concerned—insofar as a definite hour is concerned—is the vote on the passage of the supplemental appropriations bill. A rollcall vote has not yet been ordered, but there undoubtedly will be a rollcall vote, and that will be at 3:30 p.m.

The only other vote that is fairly specific in time is the vote on the legislative appropriations bill, which will occur 10 minutes after the disposition of the supplemental appropriations bill, and that probably will be a rollcall vote.

There will be other rollcall votes during the day. There may be rollcall votes during the morning; there can be rollcall votes during the morning. There undoubtedly will be additional rollcall votes during the afternoon.

RECESS UNTIL 10 A.M., MONDAY, AUGUST 7, 1978

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 10 o'clock on Monday morning next.

The motion was agreed to; and at 6:31 p.m. the Senate recessed until Monday, August 7, 1978, at 10 a.m.

HOUSE OF REPRESENTATIVES—*Friday, August 4, 1978*

The House met at 9 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

I sought the Lord and He heard me and delivered me from all my fears.—Psalms 34: 4.

O God, who has taught us that in quietness and in confidence shall be our strength; help us to realize that Thou art with us and that with Thee is strength adequate for all our needs. We come to Thee with our faults and our failures, asking Thy forgiveness. We come with our anxieties and our worries, looking for courage and confidence which comes from faith in Thee. We come with problems to be solved and decisions to be made, seeking wisdom from Thee to walk in wise and winsome ways.

Grant us peace in our hearts as we labor this day and give us light upon our way and love for every day. May we have strength sufficient for the work we have to do, the burdens we have to carry, and the decisions we have to make. Help us to fight the good fight, to endure to the end, and finally to obtain the victory. For Thy name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On August 2, 1978:

H.J. Res. 945. Joint resolution making an urgent appropriation for the black lung program of the Department of Labor, and for other purposes, for the fiscal year ending September 30, 1978; and

H.R. 11877. An act to authorize supplemental appropriations for fiscal year 1978, and to authorize appropriations for fiscal year 1979, for the Peace Corps, and to make certain changes in the Peace Corps Act.

On August 3, 1978:

H.R. 1751. An act for the relief of Lucy Davao Jara Graham;

H.R. 2555. An act for the relief of Michelle Lagrosa Sese;

H.R. 2945. An act for the relief of Mrs. Amelia Doria Nicholson;

H.R. 3995. An act for the relief of Habib Haddad;

H.R. 4607. An act for the relief of William Mok; and

H.R. 5928. An act for the relief of Miss Coralia Raposo.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to Senate amendments to a bill of the House of the following title:

H.R. 8336. An act to enhance the outdoor recreation opportunities for the people of the United States by expanding the National Park System, by providing access to and within areas of the National Park System, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 5646. An act to amend the Regional Rail Reorganization Act of 1973 to require ConRail to make premium payments under certain medical and life insurance policies, to provide that ConRail shall be entitled to a loan under section 211(h) of such Act in an amount required for such premium payments, and to provide that such premium payments shall be deemed to be expenses of administration of the respective railroads in reorganization;

H.R. 7577. An act to amend the Economic Opportunity Act of 1964, and for other purposes; and

H.R. 11445. An act to amend the Small Business Act and the Small Business Investment Act of 1958.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 11445) entitled "An act to amend the Small Business Act and the Small Business Investment Act of 1958," disagreed to by the House; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. NELSON, Mr. MCINTYRE, Mr. NUNN, Mr. HATHAWAY, Mr. HASKELL, Mr. CULVER, Mr. WEICKER, Mr. BARTLETT, and Mr. PACKWOOD to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 7577) entitled "An act to amend the Economic Opportunity Act of 1964, and for other purposes," disagreed to by the House; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILLIAMS, Mr. NELSON, Mr. CRANSTON, Mr. HATHAWAY, Mr. RIEGLE, Mr. JAVITS, Mr. HATCH, and Mr. CHAFEE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House with an amendment to a bill of the Senate of the following title:

S. 2821. An act to authorize $8,868,000 for grants to the government of Guam for construction of public facilities, and for other purposes.

The message also announced that the Senate had passed bills and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 1624. An act to authorize an additional Assistant Secretary of Commerce;

S. 2782. An act to protect consumers from misrepresentative advertising of gold and silver jewelry, and for other purposes;

S. Con. Res. 96. Concurrent resolution authorizing the reprinting of book II of the Senate report entitled "Intelligence Activities and the Rights of Americans" (S. Rept. 94–755); and

S. Con. Res. 97. Concurrent resolution authorizing the printing of additional copies of the committee print entitled "Preliminary Guide to Export Opportunities to Japan".

OMITTED FROM CONGRESSIONAL RECORD OF THURSDAY, JULY 27, 1978

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2759. An act to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and assist the victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purpcses; and

S. 2788. An act to amend the Regional Rail Reorganization Act of 1973 to authorize the purchase of an additional $1,200,000,000 of the series A preferred stock of the Corporation, and for other purposes.

RULES COMMITTEE SHOULD GIVE SHORT SHRIFT TO ADMINISTRATION'S REQUEST FOR ALTERNATIVE TO WAYS AND MEANS COMMITTEE TAX REFORM BILL

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I note with amazement the long delayed gnashing of teeth with which the alleged friends of tax reform are greeting the Ways and Means Committee bill recently reported and now pending in the Rules Committee. I would be the first to admit that this bill is not perfect. The difficulties facing the committee in finding a consensus were well noted in the press and were watched with interest by the roughly 100 percent of the House Members interested in taxes. Controversy kept our committee in impasse for more than 3 months during the markup. The liberal majority of the majority party found it impossible to agree on anything during this period of time, but patience on the part of the chairman—who is now being severely criticized for not being an autocrat—eventually brought out a moderate bill by a vote of 25 to 12.

The cries of outrage are not a response to conspiracy, or surprise, but are intended to cover the failure of a discredited approach to tax reform which the American people will no longer accept. Incredibly, I hear that the administration, so long helpless on this issue, now is asking the Speaker to intervene and have made in order an alternative never considered in the committee nor even conceived when the committee was meeting. It is a mawkish performance, demeaning to the intelligence of the House, the orderliness of our procedures, and the sound principle of separation of powers. I hope the Rules Committee will give such a suggestion short shrift.

NEW $50,000-A-YEAR JOB CREATED BY CARTER ADMINISTRATION

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I note, and I am sure that the American people will note, that yesterday the Carter administration created a new $50,000-a-year job. Evidently out of a personality clash arising within Government, we now have a brand new $50,000-a-year job, for which Federal income taxes of 30 average families earning $15,000 a year in my district will be required just to pay the salary. I think this is the kind of tax burden Americans are revolting against. I think it is the kind of expansion in Government that contributes to the inflation that Americans have said is unacceptable.

FOREIGN AID APPROPRIATION, 1979

Mr. LONG of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12931) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 272, nays 7, answered "present" 1, not voting 152, as follows:

[Roll No. 647]

YEAS—272

Akaka	Broomfield	Derwinski
Alexander	Brown, Mich.	Devine
Ammerman	Broyhill	Dickinson
Anderson, Calif.	Buchanan	Dicks
	Burgener	Dingell
Anderson, Ill.	Burke, Fla.	Dornan
Andrews, N. Dak.	Burleson, Tex.	Downey
	Burlison, Mo.	Drinan
Annunzio	Burton, Phillip	Duncan, Oreg.
Archer	Butler	Duncan, Tenn.
Ashbrook	Carney	Early
Aspin	Carr	Edgar
AuCoin	Carter	Edwards, Ala.
Badham	Cederberg	Edwards, Calif.
Bafalis	Clausen, Don H.	Edwards, Okla.
Baldus		Eilberg
Bauman	Clawson, Del	Erlenborn
Beard, R.I.	Coleman	Ertel
Beard, Tenn.	Collins, Ill.	Evans, Del.
Bedell	Conable	Evans, Ga.
Beilenson	Conte	Evans, Ind.
Benjamin	Corcoran	Fary
Bennett	Cornell	Fascell
Bevill	Cotter	Fenwick
Bingham	Coughlin	Findley
Blanchard	Crane	Fish
Boggs	Cunningham	Fisher
Bonker	Daniel, Dan	Fithian
Brademas	Daniel, R. W.	Flippo
Breckinridge	de la Garza	Flood
Brinkley	Delaney	Florio
Brooks	Derrick	Flynt
Foley	Mahon	Runnels
Fountain	Mann	Russo
Frenzel	Markey	Ryan
Fuqua	Marks	Santini
Gibbons	Marlenee	Satterfield
Gilman	Marriott	Scheuer
Glickman	Mazzoli	Schroeder
Gonzalez	Michel	Schulze
Goodling	Mikulski	Sharp
Grassley	Miller, Calif.	Shuster
Green	Miller, Ohio	Sikes
Guyer	Mineta	Simon
Hall	Minish	Skubitz
Hamilton	Mollohan	Slack
Hammer-schmidt	Montgomery	Smith, Nebr.
	Moore	Snyder
Hanley	Moorhead, Calif.	Solarz
Hannaford		Spence
Hansen	Moorhead, Pa.	St Germain
Harkin	Moss	Staggers
Harris	Murphy, Ill.	Stangeland
Harsha	Murphy, Pa.	Stanton
Hefner	Murtha	Steed
Hightower	Myers, Gary	Steers
Hillis	Myers, Michael	Steiger
Hollenbeck	Natcher	Stokes
Holt	Neal	Stratton
Holtzman	Nedzi	Studds
Horton	Nichols	Stump
Howard	Nix	Symms
Hughes	Nowak	Taylor
Hyde	Oakar	Thompson
Ichord	Oberstar	Traxler
Johnson, Calif.	Obey	Treen
Johnson, Colo.	Ottinger	Ullman
Jones, Okla.	Panetta	Van Deerlin
Jordan	Patterson	Vanik
Kastenmeier	Pease	Vento
Kazen	Perkins	Volkmer
Kelly	Pettis	Walgren
Kildee	Pike	Walker
Kindness	Poage	Wampler
Kostmayer	Preyer	Watkins
Krebs	Price	Waxman
Lagomarsino	Pritchard	Weaver
Leach	Quillen	Weiss
Lederer	Rahall	Whitehurst
Lehman	Railsback	Whitten
Levitas	Regula	Wilson, C. H.
Livingston	Reuss	Winn
Long, La.	Rhodes	Wirth
Long, Md.	Rinaldo	Wolff
McClory	Roberts	Wright
McCloskey	Robinson	Wylie
McDade	Roe	Yates
McFall	Rogers	Yatron
McHugh	Rooney	Young, Fla.
McKay	Rose	Young, Mo.
McKinney	Rosenthal	Zablocki
Madigan	Rostenkowski	
Maguire	Roybal	

NAYS—7

Armstrong	Lott	Wilson, Bob
Davis	McDonald	
Lloyd, Calif.	Quayle	

ANSWERED "PRESENT"—1

Addabbo

NOT VOTING—152

Abdnor	Danielson	Ireland
Ambro	Dellums	Jacobs
Andrews, N.C.	Dent	Jeffords
Applegate	Diggs	Jenkins
Ashley	Dodd	Jenrette
Barnard	Eckhardt	Jones, N.C.
Baucus	Emery	Jones, Tenn.
Biaggi	English	Kasten
Blouin	Evans, Colo.	Kemp
Boland	Flowers	Keys
Bolling	Ford, Mich.	Krueger
Bonior	Ford, Tenn.	LaFalce
Bowen	Forsythe	Latta
Breaux	Fowler	Le Fante
Brodhead	Fraser	Leggett
Brown, Calif.	Frey	Lent
Brown, Ohio	Gammage	Lloyd, Tenn.
Burke, Calif.	Garcia	Lujan
Burke, Mass.	Gaydos	Luken
Burton, John	Gephardt	Lundine
Byron	Giaimo	McCormack
Caputo	Ginn	McEwen
Cavanaugh	Goldwater	Martin
Chappell	Gore	Mathis
Chisholm	Gradison	Mattox
Clay	Gudger	Meeds
Cleveland	Hagedorn	Metcalfe
Cochran	Harrington	Meyner
Cohen	Hawkins	Mikva
Collins, Tex.	Heckler	Milford
Conyers	Heftel	Mitchell, Md.
Corman	Holland	Mitchell, N.Y.
Cornwell	Hubbard	Moakley
D'Amours	Huckaby	Moffett
Mottl	Rousselot	Trible
Murphy, N.Y.	Rudd	Tsongas
Myers, John	Ruppe	Tucker
Nolan	Sarasin	Udall
O'Brien	Sawyer	Vander Jagt
Patten	Sebelius	Waggonner
Pattison	Seiberling	Walsh
Pepper	Shipley	Whalen
Pickle	Sisk	White
Pressler	Skelton	Whitley
Pursell	Smith, Iowa	Wiggins
Quie	Spellman	Wilson, Tex.
Rangel	Stark	Wydler
Richmond	Stockman	Young, Alaska
Risenhoover	Teague	Young, Tex.
Rodino	Thone	Zeferetti
Roncalio	Thornton	

Mr. MARLENEE and Mr. BENNETT changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make an announcement with regard to next week's schedule.

The Chair would like to announce that next week we will meet at noon on Monday, and go until 8 o'clock p.m. On Tuesday, we will meet at noon and go until 8 o'clock p.m.

On Wednesday, we will meet at 10 a.m., as we usually do, and we will go until we finish the CETA bill, regardless of the lateness of the hour.

On Thursday, the House will meet at 10 o'clock and go to 8 o'clock p.m. On Friday, the House will meet at 10 o'clock a.m., and we would rise at the usual hour of 3 o'clock p.m.

Next week, on three evenings we will go to 8 p.m. On Wednesday night we will go until the CETA bill is completed.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12931, with Mr. KAZEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, August 3, 1978, the Clerk had read through line 16 on page 13.

AMENDMENT OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WAXMAN: On page 13 of the bill after line 16, insert the following new section:

"SEC. 116. Funds appropriated or made available in this act for international narcotics control shall not be used for the eradication of marihuana through the use of the herbicide paraquat, unless the paraquat is used in conjunction with another substance or agent which will effectively warn potential users of marihuana that paraquat has been used on it."

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the amendment because it is not a proper limitation on an appropriation bill but is legislation on an appropriation bill. It requires additional duties of some person or persons in the Government, not only to determine whether or not the herbicide named is being used but to go beyond that and also determine whether it is being used

in conjunction with another substance as a warning, and so on. None of this is authorized by law. It is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from California wish to be heard on the point of order?

Mr. WAXMAN. Mr. Chairman, the authorization bill has similar language that would provide for this kind of restriction in the use of the money and I would consider it an essential point of what we are trying to accomplish in the appropriation billl.

The CHAIRMAN. Does the gentleman from California (Mr. WAXMAN) wish to be heard on the point of order?

Mr. WAXMAN. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will be heard.

Mr. WAXMAN. Mr. Chairman, the authorization bill has similar language that would provide for this kind of restriction of the use of money. I would consider it an essential part of what we are trying to accomplish in the appropriations bill.

The CHAIRMAN (Mr. KAZEN). The Chair is ready to rule.

The Chair will inform the gentleman from California (Mr. WAXMAN) that the authorization bill is not as yet law. Were it law, the gentleman's amendment might be authorized and in order, but at this point the Chair will, very respectfully, sustain the point of order.

Mr. WAXMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman and members of the Committee, what I was doing by this amendment was to restrict the spraying of marihuana with a herbicide called paraquat, which is a very dangerous substance to people's health. It may well cause irreversible lung damage. I think it is a very serious matter which we ought to deal with, at least insofar as our own participation in this program.

The authorization bill has provided, by virtue of an amendment offered by our colleague, the gentleman from New York (Mr. WOLFF) to stop the spraying of marihuana for the purpose of eradicating the crop. It also provides that if they are to continue that eradication, they must use a substance which will make it identifiable.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from New York (Mr. WOLFF).

Mr. Chairman, the gentleman from New York (Mr. WOLFF) as I say, is the author of a similar amendment which is now part of the authorization bill and would, I assume, be a conferee in the negotiations between the House and the Senate on the authorization bill. I would like to ask whether it would be the intent of the gentleman to pursue the restriction on the spraying of marihuana with paraquat, unless there is some substance used, such as red dye, or something like that, which will be effective in advising the user that it has been sprayed with paraquat?

Mr. WOLFF. Mr. Chairman, that is correct. I am a conferee on the security assistance bill and this amendment was added actually at the request of the gentleman who has addressed the question, the gentleman from California (Mr. WAXMAN) and the gentleman from California (Mr. MILLER). Although marihuana is an illegal substance, we certainly do not want to do injury to those, even though it is illegal, using the substance. Therefore we have agreed to put this amendment in to identify the fact that the marihuana has been sprayed.

I can assure the gentleman that we will uphold the position of the House in conference.

Mr. WOLFF. Mr. Chairman, I thank the gentleman for those words.

In light of the fact that the authorization bill, both on this side and the other body, provides for language which will make it conference-able, then I will not offer any further amendments which may well be in order at this time.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I would like to thank the gentleman from California (Mr. WAXMAN) for offering the amendment and for the gentleman's leadership in this matter. It is a matter which affects millions of Americans. This morning on television they said at least some 55 million Americans have at least tried marihuana at one time or another. I do not think we want to be in position of having the Government impose a harsher penalty than they would for the actual crime, if you will, because we know that 11 States have modified their laws. It has also been the source of practical interest here in developing a national policy where we have in the Criminal Reform Act held for a decriminalization, and the last two Presidential candidates have endorsed this position. I also think that we should not impose that harsh a penalty in terms of what can possibly cause irreparable health damage to many, many people.

I want to also thank the chairman, the gentleman from New York (Mr. WOLFF) of the Select Narcotics Committee, for his help in collaborating in and devising a compromise and offering the language on the authorization bill because I think that is a major step forward.

I think this is a major step forward. I think it is just too nonsensical to say to anyone, "If you do not want to suffer irreparable mental damage, don't smoke marihuana."

In my own State, it is comparable to breaking the speeding law. They give the driver a ticket, and he pays the fine. I suggest that we would not want to blow up people's cars if they went over 55 miles an hour, and I think anything analogous is not our intent here.

Mr. Chairman, I thank the gentleman from California (Mr. WAXMAN) for his very strong and able leadership in this matter.

Mr. WAXMAN. Mr. Chairman, I thank the gentleman from California (Mr. MILLER) for his leadership.

I also want to add before I yield to others seeking recognition that I in no way would want to encourage people to smoke marihuana or cigarettes or to drink alcohol excessively. All of those substances, I think, are going to be clearly harmful to one's health. Furthermore, in the case of paraquat in particular, this is a known poison and will certainly have damaging health effects. I find it unconscionable to think that our Government would be involved in anyway with spraying marihuana with a poison that will be ingested by as many as 15 million of our citizens.

The CHAIRMAN. The time of the gentleman from California (Mr. WAXMAN) has expired.

(On request of Mr. GILMAN and by unanimous consent, Mr. WAXMAN was allowed to proceed for 2 additional minutes.)

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I want to commend the gentleman from California (Mr. WAXMAN) for working out a reasonable compromise in place of his initial proposal to cut off all funding for marihuana eradication in Mexico.

I think the gentleman's initiative is a practical compromise, one that our Nation will be able to work with, and one that will permit this Nation to continue to work closely and cooperatively with the Mexican Government in our joint efforts to interdict narcotics trafficking and to eradicate the cultivation of illicit drugs at their source.

The Government of Mexico has cooperated with our own drug-enforcement people in Mexico. The Mexican Government has been extremely cooperative in attempting to eradicate not only marihuana production, but opium production as well. The gentleman's initial thrust in attempting to eliminate funds for the spraying of marihuana with paraquat would have affected Mexico's entire eradication program including its opium production, which very much concerns this Nation.

Mr. Chairman, I think that using paraquat mixed with an effective warning agent, a technique that our own Government is trying to work out with the Mexican authorities, will provide a reasonable basis for taking a substance that is harmful and mixing it with a warning agent.

I might add that we have gone a long way in stemming the flow of marihuana and heroin from Mexico, mainly through the cooperative efforts of the Mexican law enforcement authorities and our own drug enforcement authorities. We certainly do not want to do any harm to that successful effort.

There can be no doubt that the Mexican Government regards marihuana as highly detrimental to the health of its citizens and accordingly is providing substantial funds—over $200 million during the last 5 years—to purchase paraquat and is providing the personnel to eradicate the marihuana fields within its territory. Our Nation contributes to that joint international narcotics eradication program by providing aircraft, equipment, training and maintenance—some $50 million during the same 5-year period of 1973–77. The Mexican Government is legitimately using its funds to purchase a herbicide that would eradicate marihuana, a drug that that nation and our Nation regard as harmful and illicit, and is assisting us in the wider effort of interdicting narcotics traffick-

ing and in eradicating the cultivation of illicit drugs, including opium-producing poppies.

Mr. Chairman, I recently received an unclassified telegram from our Ambassador to Mexico that clearly underscores the gravity of the issue of marihuana eradication in Mexico and which reads in part as follows:

1. A very high official of the attorney general's (AG) office telephoned embassy morning of August one to say that on his return from a ten-day absence, he found a report from Mexican Embassy in Washington that an amendment sponsored by Senator PERCY would cut funds to GOM eradication program unless GOM ceased using paraquat.

2. The official said GOM wanted embassy to be aware of following points:

(A) GOM, at USG invitation, sent a team of its herbicide specialists to Washington for meeting with USG specialists from State, Agriculture, EPA, and HEW.

(B) GOM specialists returned with clear impression that USG investigation of possible effects to health of those who might use marijuana sprayed with paraquat was shallow and inconclusive.

(C) GOM specialists nevertheless asked USG specialists to suggest alternate herbicides which are superior to paraquat as far as environmental considerations and effectiveness are concerned. GOM specialists received no definitive answers and were told that little was known about effects of smoking marijuana sprayed with any herbicide.

(D) The official reiterated that Mexico's internal drug problem centered on marijuana and that GOM had a responsibility to its own citizens to devote its resources to the destruction of marijuana. Thus far, USG cooperation made it possible for Mexico to attack its own problem, marijuana, in a more effective manner while simultaneously attacking the opium poppy which is of primary concern to the U.S. However, should the USG cease to provide resources for the eradication campaign, he said Mexico would have to devote its resources primarily to eradication of marijuana, using paraquat or whatever other herbicide is superior as concerns effectiveness and the environment.

If the United States were to withdraw its support of the international narcotics control program and prohibits the use of funds for paraquat spraying operations, then this Nation would be moving backward in its relations with a friend and ally who has joined with us in a close, cooperative effort to interdict narcotics trafficking and to eradicate the cultivation of the illicit drugs at its source.

Mr. Chairman, as I stated in yesterday's support of the Wolff amendment, this Nation cannot have it both ways. We cannot prohibit the manufacture, sale, or possession of marihuana on the one hand, which we have done under the Controlled Substances Act, and then attempt to legalize it by placing restraints on the eradication of the very substance that we have condemned. With or without paraquat, there is no such thing as sanitizing an illicit, harmful substance, protestations by casual users of marihuana to the contrary.

Mr. WAXMAN. Mr. Chairman, I thank the gentleman for his remarks. I agree with him that we would not want to affect the eradication of opium poppies, but I would hope that the Mexican Government would get a signal from this that we also do not want to have paraquat sprayed on marihuana that will come into this country and poison our own people.

I herewith attach my statement on the serious public health issue posed by paraquat spraying of marihuana.

Mr. Chairman, the United States has been supporting a paraquat spraying program in Mexico for 3 years. It has cost the American taxpayers more than $35 million. The United States, according to news reports, has provided Mexico with 76 aircraft, trained the pilots, and provided technical experts to run the spraying equipment and to locate marihuana fields.

The amendment that GEORGE MILLER and I offer today states that none of the funds under the foreign aid appropriations bill can be used to fund spraying marihuana with the highly toxic herbicide paraquat.

At the present time 36 percent of the marihuana crossing the border from Mexico to the United States is contaminated with paraquat, which can cause irreversible lung damage. On March 12 of this year HEW Secretary Califano warned the American public that the paraquat program had created a serious public health threat. Paraquat poisoning may lead to the coughing of blood, difficulty in breathing, and other respiratory discomforts.

There are five reasons why Congress should act promptly to stop the paraquat spraying of marihuana. First, the paraquat spraying program is a waste of the taxpayers' money. Second, it is a serious threat to public health. Third, it is unethical. Fourth, it is discrediting our drug enforcement programs in the eyes of all our citizens. And fifth, millions of Americans around the country have asked that the program be stopped.

THE TAXPAYER ISSUE

First, let me point out to you that the taxpayers' money is being wasted on this program. We are talking about $35 million in taxes over 3 years that has already been spent. This program was supposed to destroy the marihuana crop. The idea was to spray marihuana with the poisonous herbicide paraquat; the paraquat was supposed to destroy the plants so they could not be harvested. However, instead, farmers in Mexico harvested the crop immediately after it was sprayed, before the herbicide had a chance to kill the crop.

Why appropriate millions more to spray marihuana with paraquat when the crop is going to be harvested anyway?

THE PUBLIC HEALTH ISSUE

Second, I would like to point out that the chief health officer of our Nation, the Secretary of Health, Education, and Welfare, Joseph Califano, on March 12, issued a warning to the American public that the paraquat program posed a major public health risk for Americans. The March 12 HEW news release says paraquat can lead to permanent lung damage for some marijuana users. The Secretary based his warnings on studies conducted by HEW's National Institute on Drug Abuse.

NIDA tests have conclusively established that highly toxic paraquat is found in the smoke of sprayed marihuana which is inhaled into the human body. Inhalation of paraquat-contaminated marihuana, particularly with prolonged exposure, may seriously impair the ability of the body's lungs to absorb oxygen. This causes an irreparable condition known as fibrosis.

Our Federal Government's own estimates reveal over 16 million Americans smoke marihuana regularly, and that 46 million have tried it. If the marihuana these people have used or now use causes permanent lung damage, we are facing a public health hazard of our own making that will disillusion and anger millions of our people.

We have all seen in recent weeks congressional findings about the high proportion of our own Armed Forces that are using marihuana. We cannot ignore the serious harm which may come to these people as a result of the American financed paraquat program.

NIDA reports that some paraquat residues on Mexican marihuana were above 2,200 parts per million. That figure is 40,000 times the tolerance level set by our Environmental Protection Agency. Although the National Environmental Protection Act requires that an environmental impact statement be prepared before this program became operable, one was never processed or submitted. Now, after being out of compliance with NEPA for 2½ years, the State Department has finally begun work on an environmental impact statement on the domestic effects of this program.

The Government has a responsibility to protect the health and welfare of our people. The health risk of spraying marihuana with paraquat is documented and it is serious. Instead of the State Department continuing to defend this ill-considered program, they should be working to stop it at once.

Another health concern is that marihuana users frightened of permanent lung damage may turn to drugs other than marihuana, drugs which themselves pose serious health problems and addiction.

THE ETHICAL DILEMMA OF THE PARAQUAT PROGRAM

Third, I am concerned about how we in Government look in the eyes of our own people, and in the eyes of other nations when we spray a crop with a herbicide we know causes permanent lung damage.

I feel our Federal programs should be guided by the same principle physicians themselves adhere to: "First, do no harm."

The State Department has cavalierly asserted it has no official responsibility for this program and the damage it inflicts because marihuana is an illegal substance. Yet, surely ethical questions must be raised when our Government disregards the health of 16 million of our people. Our own Government should never be involved in a program that creates or increases a health risk for American citizens or citizens of other countries for that matter.

If, as the State Department insists, we do not have control over this program and how the money is spent—if these ethical decisions are made for us by the Mexican Government, then why is the U.S. Congress funding the program?

CREDIBILITY OF FEDERAL DRUG PROGRAMS

Continuing the paraquat spraying program discredits our drug enforcement programs in the eyes of our citizens, particularly our young people. How can we claim on the one hand that our drug programs are motivated by a desire to protect persons from harm, when one of those programs can cause irreversible lung damage?

In effect, the paraquat program shows the United States using taxpayers' money to damage the lungs of some of these same taxpayers. This is reminiscent to me of a paradox revealed at hearings on HEW's new antismoking campaign. At least $70 million in Federal moneys will go for tobacco subsidies while another $23 million is allocated to discourage Americans from smoking. Such inconsistencies make the Federal Government look foolish and inept.

When the Federal Government knowingly exposes millions of citizens to needless health risks, this leads to deep distrust of our public health programs. Federal officials know that marihuana possession in small amounts has been decriminalized in 11 States. They know over 16 million persons use this substance regularly. The Federal Government is undertaking limited studies of cancer patients using marihuana to alleviate nausea and loss of appetite experienced after chemotherapy. Yet the Federal Government is financing the contamination of marihuana entering this country by the ton. This contradiction suggests a bureaucracy careening through public health issues without a clear sense of purpose.

When our State Department spends $35 million in American taxes on paraquat, then turns around and claims the program is an internal affair of the Mexican Government, it is about as credible as a street pusher shrugging and telling a judge, "Who—me?"

PUBLIC DEMAND TO STOP THE PROGRAM

Finally, there is public demand to stop the paraquat program. The 16 million Americans who smoke marihuana regularly do not want to be endangered by this contamination.

Importantly, the cry to end this program does not come only from marihuana users. Newspapers from all over the country, conservative and liberal, from East, West, and Midwest, have denounced this unconscionable use of public funds.

The New York Times says of this program: "The cure was worse than the disease." The Seattle Times says the program is "full of irony." It continues that the program converts a relatively harmless substance into the killer weed once talked about. The Chicago Sun Times says: "Citizens concerned about justice * * * should hope the ban on paraquat is put into effect." The Des Moines Register calls the paraquat program "an example of drug control gone wild. The United States either should insist on the same safeguards it would require if the program were conducted in this country, or it should terminate its support."

This is not a lifestyle issue. This is not a partisan issue. This is a public health issue and this is a matter of ethics and decency.

I join with Republican Senator CHARLES PERCY, sponsor of a similar amendment in the U.S. Senate, approved by a voice vote last week, and I join my colleague, California Democrat GEORGE MILLER, in denouncing the paraquat spraying of marihuana, and urging you to support our amendment to halt additional funding for this program.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I trust that the people of our country realize that the House is meeting long hours day after day. This session began at 9 o'clock, at a time when most of us ordinarily seek to keep abreast of the work in our offices or when we are doing committee work.

We are in session, going about the Nation's business, and this week in particular, Mr. Chairman, we have dealt with many serious, important matters of great interest and of great concern to our Nation and to the world. The debate has been high-level debate. The discussions have been deep; they have been thorough; and the results, in the main, have been sound.

The decisions are far reaching. They will strengthen the stature of America and strengthen national and world appreciation for the Congress. I am confident our country and the world will applaud what has happened here.

My primary purpose at this time is to applaud the leadership of the distinguished gentleman who is the chairman of the subcommittee which is responsible for the bill now before us. Responsibility seems to encourage the development of leadership in Members of the House. Ability is expected in a Member of the Congress of the United States, but sometimes the talents that a Member possesses are never fully understood and fully realized until the reponsibilities of leadership are thrust upon them.

The distinguished gentleman from Maryland (Mr. LONG) has accepted and discharged the important responsibilities of the trying task which is his as chairman of the Subcommittee of Foreign Operations in an outstanding way. I am confident that the House fully appreciates the splendid manner in which he has conducted his work as chairman and the leadership which he has provided. The preparation of this bill and its presentation to the Floor of the House are among the most difficult assignments that can be thrust upon any Member. Mr. LONG has accepted these responsibilities and has carried them out in a very creditable manner. I want the record to show that this Member is proud to be a colleague of the gentleman from Maryland (Mr. LONG).

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—FOREIGN MILITARY CREDIT SALES

FOREIGN MILITARY CREDIT SALES

For expenses not otherwise provided for, necessary to enable the President to carry out the provisions of sections 23 and 24 of the Arms Export Control Act, $648,000,000: *Provided*, That of the amount provided for the total aggregate credit sale ceiling during the current fiscal year, not less than $1,000,000,000 shall be allocated to Israel.

The CHAIRMAN. Are there amendments to title II?

For what purpose does the gentleman from Iowa rise?

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

AMENDMENT OFFERED BY MR. HARKIN

Mr. MILLER of Ohio. Mr. Chairman, I am a member of the committee.

The CHAIRMAN. The Chair has recognized the gentleman from Iowa (Mr. HARKIN).

Mr. MILLER of Ohio. Mr. Chairman, I was on my feet at the time.

The CHAIRMAN. The Chair will tell the gentleman that he might have been on his feet, but the Chair was not aware that he addressed the Chair.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Let the Chair make this announcement for the last time during the consideration of this bill. On yesterday twice the Chair admonished the members of this Committee that if they had amendments pending, it was their duty to be standing and to address the Chair seeking recognition. Otherwise the Chair would have no way of knowing that they had an amendment to offer. The Chair is for the third and last time admonishing the Committee that those who have amendments not only be on their feet but seek recognition. On this particular occasion the gentleman from Ohio (Mr. MILLER) did not seek the Chair's attention, and the Chair did recognize the gentleman from Iowa (Mr. HARKIN), who did seek the Chair's attention.

Mr. MILLER of Ohio. I would also like to indicate that I was on my feet seeking recognition, and while seeking recognition a decision was made.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN). First, the Clerk will report the amendment.

The Clerk read as follows:

AMENDMENT OFFERED BY MR. HARKIN

Page 13, lines 21 and 22, strike out "$648,000,000" and insert in lieu thereof "$635,400,000".

Mr. HARKIN. Mr. Chairman, in regard to my colleague, the gentleman from Ohio (Mr. MILLER), I was at the table there. I was looking over towards his direction. I saw the gentleman back there. I did not know whether he was going to grab the microphone. The Clerk had finished reading the title, and my experience from yesterday had been that they were so quick in moving on that I did not want that to pass. I did not know whether the gentleman from Ohio knew where they were. That happened to me yesterday on one amendment. I had an amendment to a title, and I was back about three rows. By the time I got to the microphone, they were on another section. I thought that might happen here, so I was on my feet immediately.

Mr. MILLER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. I thank the gentleman for yielding.

I recall yesterday when that took place. I want the record to show that I also saw the gentleman sitting there, and I was on my feet at the same instant the gentleman was on his feet. I just want the record to show that.

Mr. HARKIN. I know the gentleman's past history in offering 2-percent amendment cuts. I voted for every one of them and supported every one that the gentleman has offered. As I said, I offered this only because I thought that it might get by without being offered on this title.

The CHAIRMAN. Let the Chair state to the gentleman from Ohio (Mr. MILLER) that his amendment is in no way jeopardized and that the Chair will protect the gentleman's right to offer an amendment.

Mr. MILLER of Ohio. Apparently, Mr. Chairman, it will be necessary for me to stand here at the microphone; is that correct?

The CHAIRMAN. The gentleman knows the rules.

The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, the purpose of the amendment is to reduce the appropriations for foreign military credit sales by 2 percent.

It is the same kind of 2-percent cut that we have had in the past, the one we had on title I yesterday. It is a total reduction of $12,960,000.

The committee recommended, and we agreed to these cuts. This 2-percent cut should not apply to Israel. In addition, I would argue that the security interest in the Middle East is substantial and that the other Middle East countries should not be reduced.

Also, we should continue to provide military assistance to the democratic countries in Europe.

Let me just say, I have exempted especially Israel, because I do not feel that many of the countries, in fact, in the committee's report they listed 27 countries in which it had received information of serious violations of human rights and 16 of these are slated to receive some military sales cuts; however, I have exempted Israel, because while I may not thoroughly agree with what Prime Minister Begin is doing, I may not agree with his stance in the Middle East, I wish he would do things differently; at least, Mr. Begin was elected in a free and open election by the people of his country.

There have been no indications of any serious human rights violations in the country of Israel. There have been some indications of problems with the Palestinians in the occupied territories; but nothing that even compares with what is going on in the right wing or left wing dictatorships around the world; so I do not think this cut should be applied to Israel. I think it needs the foreign military credit sales and my amendment specifically exempts that.

Mr. OBEY. Mr. Chairman, will the gentleman yield for a question?

Mr. HARKIN. I will yield for a question to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, did the gentleman intend not to exempt Jordan and Lebanon, the other two Middle East countries who will receive moneys in the amendment?

Mr. HARKIN. No; that is not my intent at all. I said I would argue the security interest in the Middle East is substantial and the other Middle East countries should not be reduced.

Mr. OBEY. But the gentleman's amendment does not exempt Jordan and Lebanon from the reductions, as I understand it.

Mr. HARKIN. But the bill does not itself. The bill does not itself specifically provide a set amount of money for those countries. It only provides a set amount of money for Israel.

Mr. OBEY. Mr. Chairman, if the gentleman will yield further, that is correct; but the problem is that there is a widespread understanding of what will, in fact, be available to the other countries, and if we do apply the 2-percent cut across the board without specifically exempting those two countries, I think it would send a very peculiar signal to the Middle East, which I do not think we want to send.

Mr. HARKIN. No; because if those countries were, in fact, set out as receiving a set amount of appropriations, that would be different, but they are not.

Mr. OBEY. Mr. Chairman, does the gentleman have any objection to an amendment to clarify that the 2 percent would not apply in those cases?

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. OBEY. Mr. Chairman, I ask unanimous consent that the gentleman be allowed 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. CONTE. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from Wisconsin (Mr. OBEY) has requested that the gentleman from Arkansas (Mr. HARKIN) be allowed 3 additional minutes and the gentleman from Massachusetts (Mr. CONTE) reserves the right to object.

Mr. CONTE. Mr. Chairman, we sat here now for 2 days on this bill.

Mr. Chairman, I am not going to object this time, but this is the last time that anyone asks for additional time that I will not object.

Mr. Chairman, I have a further announcement. At 3:30 o'clock this afternoon, the tailor is coming in from Hong Kong and he will measure up 435 pin stripe pants, long-tailed jackets and stove-pipe hats for all the Members. All Members should be here for this 3:30 o'clock full measurement.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin (Mr. OBEY)?

There was no objection.

Mr. OBEY. Mr. Chairman, will the gentleman yield for another question?

Mr. HARKIN. Just one more question.

Mr. OBEY. Mr. Chairman, would the gentleman have any objection to adding an amendment to the gentleman's amendment which makes it clear that Jordan and Lebanon are not to be included in the reduction?

Mr. HARKIN. Mr. Chairman, I would have no objection to that. That would specifically carve them out.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. It is my understanding that the 2-percent cut which the gentleman contemplates here in the amendment would involve approximately $12 million; is that the gentleman's understanding?

Mr. HARKIN. I have $12.96 million.

Mr. LONG of Maryland. $12.96 million, or $13 million.

Mr. HARKIN. Yes.

Mr. LONG of Maryland. So this added to the gentleman's amendment of yesterday makes a grand total of about $57 million, is that about right?

Mr. HARKIN. That is about right.

Mr. LONG of Maryland. Mr. Chairman, if the gentleman will yield further, I objected to the gentleman's amendment yesterday. I do not think the sum of money here involved is sufficiently great, so I would not have any tremendous objection to the gentleman's amendment.

Mr. Chairman, I will accept the amendment, unless it is amended further, so we can speed things up.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I have the same concerns the gentleman from Wisconsin (Mr. OBEY) has, especially with regard to Lebanon and Jordan. I think it would be proper for us to accept an amendment that exempts those countries. Specifically, I have great concern about Lebanon.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I may be mistaken, but I thought the Clerk read an amendment that would, on page 13, lines 21 and 22, strike out "$648,000,000" and insert in lieu thereof "$635,400,000."

This amendment has nothing to do with a 2-percent cut across the board. Am I right, Mr. Chairman? Is that the amendment that is pending before the committee?

Mr. HARKIN. That is a 2-percent cut.

The CHAIRMAN. The Chair will state that the amendment that is pending just changes the figure.

Mr. HARKIN. Yes, that is right, Mr. Chairman, but it is a 2-percent cut in actuality.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, it was mentioned that there is an exemption for Israel, but upon reading the amendment I find no exemption for Israel stated.

Mr. HARKIN. Mr. Chairman, if we take the 2 percent out and leave the "Provided" clause in there, it means that not less than $1 billion is allocated for Israel.

Mr. YATES. Mr. Chairman, if the gentleman will yield, the exemption is in

the original bill. All this does is change the figures.

Mr. HARKIN. Yes, the gentleman is correct.

Mr. MILLER of Ohio. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Chair will inquire of the gentleman, is his amendment a substitute or an amendment to the amendment?

Mr. MILLER of Ohio. No, it is not, Mr. Chairman. I am just standing waiting for my turn.

The CHAIRMAN. The Chair will, then, put the question on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

Mr. OBEY. Mr. Chairman, I will have an amendment to offer in about 8½ seconds.

The CHAIRMAN. For what purpose does the gentleman from Missouri (Mr. VOLKMER) rise?

Mr. VOLKMER. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Missouri (Mr. VOLKMER) is recognized for 5 minutes.

Mr. VOLKMER. Mr. Chairman, just to give the gentleman from Wisconsin (Mr. OBEY) enough time to review his amendment and make sure it is correct, I wish to state that I have supported every 2-percent cut. I think the record in this House will show that.

I do support the amendment offered by the gentleman from Iowa (Mr. HARKIN). I do not support a larger increase because I feel that in all fairness we should have a 2-percent cut across the board. I saw fit to take that position in the budget resolution and offered my amendment for that purpose. I do believe that in time we will be coming up with the defense appropriation bill, and it is going to be interesting to me, to say the least, to find out whether at that time, when the defense appropriation bill comes up, those Members who are now supporting 2-percent cuts and have supported a 2-percent cut in HEW and are supporting a 2-percent cut or urging a larger cut in this bill will support a 2-percent cut on the defense appropriation bill.

Mr. Chairman, if the gentleman from Wisconsin (Mr. OBEY) is prepared to offer his amendment, I will yield back the balance of my time.

AMENDMENT OFFERED BY MR. OBEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HARKIN

Mr. OBEY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY as a substitute for the amendment offered by Mr. HARKIN: Page 13, lines 21 and 22, strike out "$648,000,000" and insert in lieu therof "$635,400,000".

Strike out the period at the end of the paragraph and insert the following provision: "*Provided further*, That not more than $2,500,000 shall be available for Lebanon and $8,500,000 shall be available for Jordan."

Mr. OBEY. Mr. Chairman, I will not take my full 5 minutes. I will just give the gentleman from Florida (Mr. YOUNG) a chance to read my amendment to make certain he approves it. I hope he does approve it.

We have to draw the amendment to say that not more than the designated amount would be available for Jordan and Lebanon; otherwise, it would be subject to a point of order. But I want it clear for purposes of legislative history that the intent is to insure that Lebanon and Jordan will get the full budget amount.

The reason I do this is very simple. I think it is in everyone's interest for Lebanon to develop its own military capability. I know Israel wants that. I know, from talking to both Israeli officials and from talking to President Asad of Syria that he wants it, as well. And I think, therefore, that since they are in general agreement, it is in the interest of the entire area for Lebanon to develop its own military capability. We ought to insure maximum assistance in their doing so. I think that the argument goes likewise for Jordan.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

I have no objection to the amendment. It was certainly my intent, as I made it clear in my remarks in the well, that I did not want to have any lessening of the amounts going to the Middle East. I am just curious as to why they were not specifically spelled out when they came out of the subcommittee. Why were they not added specifically in the bill? I am curious about that.

Mr. OBEY. They were not added because it was generally understood what the countries would get. I think there was absolutely no question about what those countries would get. We had in our committee report an indication of what they would get, and it was clear that the administration would not touch those two countries. With the 2-percent cut, however, it might be interpreted Congress would interpret that cut to go across the board. We just want to make sure our intent is clear.

Mr. HARKIN. The figures the gentleman cited in his amendment are the figures the subcommittee indeed had agreed upon?

Mr. OBEY. They are the budget request. The effect of this would provide for the budget request for Israel and for Jordan and for Lebanon.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

Mr. Chairman, will the gentleman clarify for me where the amendment comes? Does it come in after the period on line 24, after the words "shall be allocated to Israel"?

Mr. OBEY. That is correct.

Mr. YATES. And the period there is stricken, and then the language is inserted after the line "not less than $1,000,000,000 shall be allocated to Israel," your amendment there reads: "provided further that not more than $2,500,000 shall be available for Lebanon and $8,500,000 shall be available for Jordan"?

Mr. OBEY. The gentleman is correct.

Mr. YATES. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY) as a substitute for the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The amendment offered as a substitute for the amendment was agreed to.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I just want to make it clear what we are doing here because we have this fetish on this 2-percent cut. This is cutting military credit sales. Whenever we come to a discussion of foreign military assistance, two words come to mind: risk and opportunity.

There is always danger involved in the spread of armaments around the globe. That we know. But such sales transfers or provisions of export credits provide us, in the long run, with a tool. They are the key instrument of our foreign policy. In many cases they reap numerous benefits.

First of all, let me make it clear. This section here is not a giveaway program. The export credits are repaid, with interest. The credits are extended for the acquisition of military equipment and services. Although this is not a major rationale for the program, it is beneficial to our balance of payments, which is in serious trouble at the present time. It helps our trade posture. Many of the export credits are for strategic areas in which we try to maintain some influence in Africa and in the Middle East—of course, part of the Middle East now has been excluded—and out in Southeast Asia. We also know the committee has already made substantial reductions in this area. In fact, it is cut $24.5 million from the original request. I think that a further cut of $12 million, or whatever it comes to, will damage the interests of the United States and further hurt our balance of payments.

It is paid back with hard currency, and with interest.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I would like to say to the gentleman and to the committee that I am not one who believes that it is wise or humane to provide weaponry to kill other humans indiscriminately. I do feel that we must make a very cautious effort in this whole enterprise.

Mr. CONTE. Mr. Chairman, I take back my time. No one is arguing that point which the gentleman is discussing. I am saying that this does not provide for a giveaway program; it provides for money that is going to come back into the Treasury, with interest. The gentleman felt so strongly on this philosophical question that I am surprised he wanted to exclude the Middle East.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we only have a few more minutes before the Committee must rise and turn the floor over to Mr. MAHON for his defense appropriation bill. I would hope that in order to get a little more work done, we could just accept this amendment without a recorded vote. I hope that sufficient Members will not stand.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment and would like to make just one observation.

The argument that all of these foreign aid programs help our balance-of-trade situation is really of interest to me, in view of the fact that every year as our foreign aid program gets larger, so does our balance-of-trade deficit. So, Mr. Chairman, while in theory it sounds great, in practice it just does not work.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 300, noes 29, not voting 103, as follows:

[Roll No. 648]

AYES—300

Addabbo	Carter	Flippo
Akaka	Cavanaugh	Flood
Ambro	Cederberg	Flynt
Ammerman	Chappell	Foley
Anderson, Calif.	Clausen, Don H.	Ford, Mich.
Andrews, N.C.	Clawson, Del	Forsythe
Andrews, N. Dak.	Coleman	Fountain
Annunzio	Collins, Ill.	Frenzel
Applegate	Collins, Tex.	Fuqua
Archer	Corcoran	Gammage
Armstrong	Corman	Gephardt
Ashbrook	Cornell	Giaimo
Aspin	Cotter	Gibbons
AuCoin	Coughlin	Glickman
Badham	Crane	Gonzalez
Bafalis	Cunningham	Grassley
Baldus	D'Amours	Gudger
Bauman	Daniel, Dan	Guyer
Beard, R.I.	Daniel, R. W.	Hagedorn
Beard, Tenn.	Davis	Hall
Bedell	de la Garza	Hamilton
Benjamin	Delaney	Hammer-schmidt
Bennett	Dellums	Hanley
Bevill	Derrick	Hannaford
Bingham	Devine	Hansen
Blanchard	Dickinson	Harkin
Boggs	Dicks	Harris
Boland	Dingell	Harsha
Bonker	Dornan	Hefner
Bowen	Downey	Hightower
Brademas	Drinan	Hillis
Breckinridge	Duncan, Tenn.	Hollenbeck
Brinkley	Early	Holt
Brodhead	Eckhardt	Holtzman
Brooks	Edgar	Horton
Broomfield	Edwards, Ala.	Howard
Brown, Calif.	Edwards, Calif.	Hughes
Brown, Mich.	Edwards, Okla.	Hyde
Broyhill	Eilberg	Ichord
Buchanan	Erlenborn	Jacobs
Burgener	Ertel	Johnson, Calif.
Burke, Fla.	Evans, Colo.	Johnson, Colo.
Burleson, Tex.	Evans, Del.	Jones, Okla.
Burlison, Mo.	Evans, Ga.	Jordan
Burton, John	Evans, Ind.	Kastenmeier
Burton, Phillip	Fary	Kazen
Butler	Fascell	Keys
Byron	Fenwick	Kildee
Carney	Fish	Kindness
Carr	Fisher	Kostmayer
	Fithian	Krebs
Latta	Myers, Michael	Skubitz
Leach	Natcher	Slack
Lederer	Neal	Smith, Iowa
Lehman	Nichols	Smith, Nebr.
Lent	Nolan	Snyder
Levitas	Nowak	Spellman
Livingston	Oberstar	Spence
Lloyd, Calif.	Obey	St Germain
Long, La.	Ottinger	Staggers
Long, Md.	Panetta	Stangeland
Lott	Patten	Stanton
Luken	Patterson	Stark
McClory	Pattison	Steed
McCloskey	Pease	Steers
McCormack	Pepper	Steiger
McDade	Perkins	Stockman
McDonald	Pettis	Studds
McFall	Pike	Stump
McHugh	Poage	Symms
McKay	Preyer	Taylor
McKinney	Price	Thompson
Madigan	Pritchard	Thornton
Maguire	Pursell	Traxler
Mahon	Quayle	Udall
Mann	Quillen	Ullman
Markey	Rahall	Van Deerlin
Marks	Regula	Vander Jagt
Marlenee	Reuss	Vanik
Marriott	Rhodes	Vento
Martin	Roberts	Volkmer
Mattox	Robinson	Waggonner
Mazzoli	Roe	Walgren
Michel	Rogers	Walker
Mikulski	Rooney	Wampler
Miller, Calif.	Rose	Watkins
Miller, Ohio	Rostenkowski	Weaver
Mineta	Roybal	Weiss
Minish	Runnels	Whalen
Mitchell, Md.	Ruppe	Whitehurst
Moffett	Russo	Whitten
Mollohan	Ryan	Winn
Montgomery	Santini	Wirth
Moore	Satterfield	Wolff
Moorhead, Calif.	Sawyer	Wright
	Scheuer	Wylie
Moorhead, Pa.	Schulze	Yates
Murphy, Ill.	Seiberling	Yatron
Murphy, Pa.	Sharp	Young, Fla.
Murtha	Shuster	Young, Mo.
Myers, John	Sikes	

NOES—29

Anderson, Ill.	Goodling	Rosenthal
Bellenson	Green	Simon
Bonior	Kelly	Solarz
Conable	LaFalce	Stokes
Conte	Lagomarsino	Stratton
Duncan, Oreg.	Myers, Gary	Treen
Findley	Nedzi	Wilson, Bob
Florio	Nix	Wilson, C. H.
Gilman	Oakar	Zablocki
Goldwater	Rinaldo	

NOT VOTING—103

Abdnor	Gore	O'Brien
Alexander	Gradison	Pickle
Ashley	Harrington	Pressler
Barnard	Hawkins	Quie
Baucus	Heckler	Railsback
Biaggi	Heftel	Rangel
Blouin	Holland	Richmond
Bolling	Hubbard	Risenhoover
Breaux	Huckaby	Rodino
Brown, Ohio	Ireland	Roncalio
Burke, Calif.	Jeffords	Rousselot
Burke, Mass.	Jenkins	Rudd
Caputo	Jenrette	Sarasin
Chisholm	Jones, N.C.	Schroeder
Clay	Jones, Tenn.	Sebelius
Cleveland	Kasten	Shipley
Cochran	Kemp	Sisk
Cohen	Krueger	Skelton
Conyers	Le Fante	Teague
Cornwell	Leggett	Thone
Danielson	Lloyd, Tenn.	Trible
Dent	Lujan	Tsongas
Derwinski	Lundine	Tucker
Diggs	McEwen	Walsh
Dodd	Mathis	Waxman
Emery	Meeds	White
English	Metcalfe	Whitley
Flowers	Meyner	Wiggins
Ford, Tenn.	Mikva	Wilson, Tex.
Fowler	Milford	Wydler
Fraser	Mitchell, N.Y.	Young, Alaska
Frey	Moakley	Young, Tex.
Garcia	Moss	Zeferetti
Gaydos	Motti	
Ginn	Murphy, N.Y.	

The Clerk announced the following pairs:

Messrs. STUDDS, MOFFETT, WOLFF, and CAVANAUGH changed their vote from "no" to "aye."

Mr. KELLY and Mr. RINALDO changed their vote from "aye" to "no."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there additional amendments to title II?

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 13 after line 24, insert the following paragraph:

"Of the total budget authority provided in this Title, except for budget authority for payments required by law and for the Middle East, two per centum shall be withheld from obligation and expenditure; *Provided*, That of the budget authority provided in this Title for each appropriation account, activity, and project, except for budget authority for payments required by law and for the Middle East, the amount withheld shall not exceed five per centum."

Mr. LONG of Maryland. I reserve a point of order, on the amendment, Mr. Chairman.

Mr. MILLER of Ohio. Mr. Chairman, I just had the amendment read to show what is going on and the fact that somehow today we are reflecting the mood of the country and the mood of the Congress to reduce spending. The amendment that has just been approved is the amendment that was started on this side of the aisle, and now it appears, since the mood of the country is to reduce spending, it has shifted to the other side of the aisle. I think this should be very evident from the record that at the present time we do have the people voting on both sides of the aisle for a reduction, but the recognition that I requested to offer the amendment did not come to this side of the aisle, even though I am a member of the Committee on Appropriations.

The recognition went to the other side of the aisle and the amendment was offered there. Therefore, it was started by the opposite party.

Now, if that is the game we are playing, I guess we should at least have the American people know where the reduction started.

Therefore, Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio (Mr. MILLER)?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PEACE CORPS

For expenses necessary for Action to carry out the provisions of the Peace Corps Act, as amended (22 U.S.C. 2501 et seq.), $95,000,000: *Provided*, That of the funds appropriated under this heading, not more than $320,000 shall be available for the United Nations Volunteer Program.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 14, line 9, strike the period and

insert the following: ": *Provided further*, That none of the funds appropriated in this paragraph shall be used to pay for abortions."

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, the majority has had an opportunity to examine the gentleman's amendment and is ready to accept it as offered.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman from Maryland and I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 60; noes 8.

So the amendment was agreed to.

● Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of H.R. 12931, foreign aid appropriations, and against all amendments that would further restrict our foreign aid program in ways damaging to international cooperation and to our own national security.

Critics of our foreign aid program are fond of using the excuse that foreign aid has no constituency and is therefore expendable when it comes to allocating the national budget. This reminds me of an advertisement used by the Peace Corps some years back that began by saying "Nobody will care if you don't join the Peace Corps." This was followed by a picture of an obviously indigent person from a Third World country with a simple caption that read "Nobody."

Mr. Chairman, I have just returned from a world hunger mission, in the company of that most gracious lady, Mrs. Lillian Carter. In the course of this study mission we visited several African countries populated by millions of "nobodies," men, women, and children living from day-to-day, hand-to-mouth, on a per capita income of about $100 per year. These inhabitants of the Sahel, where the drought of 1968–74 and the resulting famine are still evident, may not be our constituency but they should be our concern. It is for these people that we authorized just last year $200 million, a modest contribution compared to the efforts of other donors, for the Sahel development program. Of this amount, I was ashamed to report to my hosts, the Appropriations Committee has seen fit to appropriate only $60 million, $30 million less than the administration requested and $40 million less than was recommended by the International Relations Committee for the 1979 fiscal year.

Given this lack of commitment to a program that so obviously benefits the poor—since the vast majority of people who inhabit the Sahel are, by definition, miserably poor—it is not surprising that some of my colleagues find it easy to slice away larger chunks of aid from our commitments to international organizations and financial institutions. Before doing so, however, I wish to remind my colleagues that behind the impersonal facade or multilateralism stand real people in need, a need that we cannot even pretend to address in a serious way with a commitment of a mere 0.22 percent of our gross national product.

I urge my colleagues to join me in support of H.R. 12931, a modest effort to live up to our international responsibilities.●

Mr. LONG of Maryland. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KAZEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12931) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1979, had come to no resolution thereon.

GENERAL LEAVE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill H.R. 12931, just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

CONFERENCE REPORT ON H.R. 10929, DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1979

Mr. PRICE. Mr. Speaker, I call up the conference report on the bill (H.R. 10929) to authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 31, 1978.)

Mr. PRICE (during the reading). Mr. Speaker, in view of the fact that this conference report, Report No. 95–1402, was printed in the CONGRESSIONAL RECORD of July 31, 1978, and available to the Members of the House, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. PRICE) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. DICKINSON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I am aware of the urgent business scheduled today and the crowded agenda facing the House, so I shall be as brief as possible.

House conferees on the defense appropriation authorization bill reached agreement with the Senate on Monday, July 31, after 11 formal conference sessions and numerous meetings by designated subcommittees of the conference.

The conference report was printed in the CONGRESSIONAL RECORD for Monday, July 31, beginning on page 23506, and has thus been available to all Members.

The authorization bill as initially approved by the House provided $37.9 billion in new authorizations. The Senate amendment authorized $36.1 billion. The conference report contains authorizations totaling $37 billion.

In line with the specific authority provided by the House, the conference was only closed after the House conferees, by rollcall vote, agreed to go into closed session for national security purposes with the understanding that sitting Members of the House were allowed to sit in on all closed sessions. In addition to procurement and R. & D. programs which sometimes involved classified national security information, the conferees also considered some intelligence programs which, of necessity, had to be discussed in closed sessions.

I would like to express my appreciation to Mr. BOLAND of Massachusetts for the cooperation of the members and staff of his committee in working out the differences on intelligence-related activities over which both committees have responsibility. The additional conferees for consideration of intelligence-related activities were Mr. BOLAND, Mr. BURLISON of Missouri, Mr. MINETA of California, and Mr. ROBINSON of Virginia. I express my appreciation to all of them. Mr. BOB WILSON, the ranking minority member of our committee, is also the ranking minority member of the Intelligence Committee and represented both committees in conference.

I would also like, Mr. Speaker, to express my appreciation to all of the House conferees who established an outstanding record of attendance at the conference and diligent attention to detail.

The conferees worked hard on numerous differences on which initially the House and Senate were quite far apart. There were 43 procurement money differences, 55 language differences and over 180 R. & D. differences to be settled in the conference.

I believe the conferees have brought back a good bill which strikes the best possible compromise between the House and Senate positions.

The major dollar authorizations in the conference report are as follows: Procurement, $24.597 billion; R. & D. $12.264 billion; and civil defense $96.5 million.

In manpower the bill authorizes an active duty end strength of 2,055,750 and a civilian personnel end strength of

1,005,500. It authorizes for the Ready Reserve a minimum average strength of 834,875.

The total dollar authorization of the bill is $36.957 billion. This is $942 million below the bill as passed by the House and $857 million above the bill as passed by the Senate.

The final total of the bill is $1.473 million above the bill originally submitted by the President.

As the Members of the House know, the bill contains authorization for a nuclear aircraft carrier, the CVN–71. This carrier was approved overwhelmingly by both Houses and the question of having the carrier was not an issue in conference. However, the House bill provided $2.1 billion for the aircraft carrier and the Senate amendment provided $1.9 billion. The conferees accepted the lower figure for a $200 million reduction in the authorization for the aircraft carrier.

It is very important to note that subsequent to submission of the bill, the administration informed us of its support for a conventional carrier (CVV) estimated by the administration to cost $1.575 million. If the cost of that carrier is added to the administration request, the total amount authorized by the conference report is actually slightly less than the total administration request.

In summary, Mr. Speaker, I believe we have obtained the best bill we could expect under the circumstances and have provided for the most urgent needs of the Defense Department while taking into account the restraints of the budget. I urge all Members to support the bill.

I would like to briefly highlight some items in the bill.

The Department of Defense budget request for the Navy's F–14A Tomcat aircraft was for $524 million to procure 24 aircraft. The House added 12 aircraft to the request, bringing the total to 36 in view of Navy testimony that the flyaway cost would increase by $3 million per aircraft if the buy for fiscal year 1979 was put at 24. The Senate authorized funding for 28 aircraft. House conferees were able to persuade Senate conferees that the funding for 36 aircraft authorized by the House would most economically meet the needs of the Navy.

The House added $90 million for the procurement of AV–8A aircraft in lieu of the 18 A–4M's requested for the Marine Corps. The Senate also deleted the authorization for the A–4M's but did not authorize any AV–8A's. The Senate conferees argued that the money provided by the House for AV–8A's should be put into research and development for the AV–8B program, and the House agreed with the Senate in this program.

For the Air National Guard, the conferees provided 8 C–130H aircraft and 16 A–7D 2-place trainer aircraft. This is a continuation of the policy to modernize our Guard and Reserve Forces.

The conferees agreed to an authorization of $20.6 million to allow the Department of Defense to continue its studies and exploratory development of a cruise missile carrier. The administration had requested and the Senate had approved $41 million. The House had denied all authorization for the program. Senate conferees, on the other hand, did not want to preclude the investigation of the cruise missile carrier for use in a mixed force with B–52's for the mid- and late-1980 era.

In the spirit of compromise, the conferees agreed to allow study and exploratory development, including hardware—that is, hardware that is not of production quality—to continue the exploration of an alternative way of deliver ing cruise missiles in the future. If this study and exploratory development phase indicates the feasibility of a dedicated cruise missile carrier, then the President can advise the Congress and request funds for full-scale engineering development. I might add that in our compromise, military and commercial aircraft will be investigated as potential cruise missile carriers.

The EF–111A tactical jamming aircraft was still another program that was in major disagreement between the House and Senate conferees. We receded to the Senate position to procure modification kits to convert five F–111A aircraft to EF–111A jamming systems, but reduced the authorization by $10 million—to $151.3 million. We on the House side are still very much concerned over the effectiveness and cost of this aircraft. I am hopeful during the coming year the Air Force will be able to reduce program costs and to correct the deficiencies that currently exist in the system.

The Senate receded to the House position to fully fund the development of the Navy's 3,000-ton surface effect ship. As many of us realize, the surface effect ship is this country's only high technology shipbuilding program, that, if successful, will give us a high-speed, 80-knot-and-above ship that will have multimission applicability. The $80 million authorized will fully fund the fiscal year 1979 development program.

Overall, the conferees agreed on an authorization of $12.3 billion for Research, Development, Test and Evaluation, a reduction of $209.5 million from the administration's request.

There were a total of 181 research and development items in dispute in the conference. A table included in the joint explanatory statement of the committee of conference details the resolution of these differences.

With regard to manpower strengths, for active duty personnel, the conferees agreed on a total of 2,055,750. This level exceeds the administration request by 6,750—primarily to permit necessary increases for training in the Army and Navy. The end strengths by services are as follows:

Army	775,800
Navy	523,550
Marine Corps	190,000
Air Force	566,400

The average strengths authorized for the reserve components are essentially those passed by the House originally with minor adjustments for an accounting change. The strengths are as follows:

Army National Guard	362,200
Army Reserve	195,750
Naval Reserve	87,000
Marine Corps Reserve	33,000
Air National Guard	92,150
Air Force Reserve	53,075
Coast Guard Reserve	11,700

The conferees agreed with the House to extend the authority for reserve recruiting incentives and to allocate $25 million for these incentives in fiscal year 1979. The authority for these incentives was extended to assist in improving reserve strengths.

The conferees agreed on a civilian personnel strength of 1,005,500. That is 2,000 spaces lower than requested by the administration. It was also agreed to retain the standby authority of the Secretary of Defense to exceed the civilian ceiling by 1¼ percent.

The conferees authorized funds for the Navy for 15 new ships at $6,181.5 million.

As indicated earlier, the authorization included $1.9 billion for a repeat *Nimitz*-class nuclear-powered aircraft carrier.

Both Houses had determined by their prior votes on the bill that the repeat *Nimitz* is clearly the most cost-effective and combat-effective option for a single carrier choice.

The conferees also authorized $369 million for advanced procurement of AEGIS (antiship missile system) components for a nuclear-powered cruiser of the Virginia class, with the understanding that these components will be interchangeable with the system being placed on the DDG–47 conventionally powered destroyers. This was a compromise for the original House position which had approved $1 billion for a new nuclear cruiser.

Seventy million dollars was authorized for long-lead funding for another amphibious assault carrier to bolster the deficiencies in Marine Corps helicopter lift capacity for amphibious operations.

The bill also contains two significant language changes affecting shipbuilding.

One calls for a Navy shipbuilding policy of a sufficient number of more survivable and less costly ships. It requires the President to give Congress his reasons why certain combatant ships should be nuclear or conventionally powered.

The other language change repeals title VIII of Public Law 93–365, the provision for an all-nuclear-powered Navy, since that provision is no longer necessary.

The conferees consider the shipbuilding provisions of H.R. 10929 to be a step toward maintaining and building a balanced, capable naval force for the future.

Under the general provisions title of the bill, there are 19 separate sections. For example, the conferees adopted a Senate amendment which provides that no individual who performs bagger or carryout services in military commissaries shall be considered "employed" for purposes of the Fair Labor Standards

Act of 1938 if the compensation for such services is derived from commissary patrons as tips.

This amendment was prompted by a Civil Service Commission decision for commissary baggers to be included in the definition of "Federal employees" in the Fair Labor Standards Act.

Our Armed Services Investigations Subcommittee Panel on Non-Appropriated Fund Activities has looked into the situation and does not concur with the Civil Service Commission.

The conference was informed that the Department of Defense opposes the Civil Service Commission ruling. Also, there is clear indication that commissary bagger/carryout personnel, as well as patrons, strongly oppose the Civil Service Commission decision. Therefore, your House conferees concurred in the Senate amendment.

Also under general provisions, the Senate conferees accepted House language to extend for 2 years three authorities which would otherwise expire on September 30, 1978. Those authorities are for special pay and bonuses for health professionals, reenlistment and enlistment bonuses for enlisted members in critical skills, and financial assistance for Marine Corp officer candidates in the platoon leaders class. The conferees also accepted the House provision to place in statute the present organizational structure of the Army Dental Corps.

In addition, the House conferees agreed to accept, with an amendment, a Senate provision to revise sea pay for Navy enlisted personnel. The conferees agreed to continue the application of the present system of sea pay to all enlisted members on active duty on September 30, 1978, who would lose eligibility under the new sea pay provision. This save pay protection would be effective for 3 years. Instead of moving immediately to the new higher rates, the conference agreed to move gradually, over 3 years, to the new rates, as requested by the House conferees.

These are just some of the numerous, important provisions in the bill which will bring about enhanced capability and improved management in the military forces. The conference report deserves the support of the Members of the House.

There are several printer's errors in the printed version of the conference report (95–1402).

On page 2, in section 201, at the end of the line beginning "For the Air Force", the letter "b" appears and should be the word "be".

In title VI, section 601(c) (page 8), after the word "Act" on the fifth line of this subsection, there should be a period instead of a comma.

In title VII, section 702 (page 8), the report refers to "section 731". This should be section "701".

On page 12 in the printed version, section 805(d) of title VIII, in the sentence beginning "Such officer", the word "commanded" should be "commander".

On page 16, in the title preceding section 817, the word "canal" should precede the word "zone".

In the printed version of the statement of the managers accompanying the conference report, there are several corrections necessary and I would like to highlight the significant ones for clarity in the legislative record.

On page 20, in the section entitled "F–18 (Hornet)", the figure "$85.0 million" should be "$55.0 million".

On page 27, in the section entitled "M60A3 tank production", the number of tanks which were agreed to be authorized was "410" not the "450" number which now appears in the statement.

In the section entitled "Mark 46 torpedoes", on page 28 of the statement, the figure "$364.1 million" should be "$54.8 million" and the figure "$335.4 million" should be "$26.1 million".

On page 28, in the section entitled "Mark 15 close in weapons system", the figures "$114.1 million" and "$58.4 million" included money for spares, as well as the systems themselves. The figure of $71.1 million for the Mark 15 close in weapons system which is outlined in this section does not include money for spares, although the conferees did agree to provide $15.2 million for spares and this money is included in the overall bill total for Other Weapons, Navy, of $102 million.

Mr. DAVIS. Mr. Speaker, will the gentleman yield for a question?

Mr. PRICE. I yield to the gentleman from South Carolina.

Mr. DAVIS. Mr. Speaker, I would like to ask the chairman of the committee a question regarding the language in the Statement of Managers relative to the Navy CTX airplane. Our committee report had language which stated that the committee approved the $27.4 million for 22 CTX airplanes with the understanding that the procurement would be through a military interdepartmental purchase request and that the aircraft to be procured would be common with that of the Army and Air Force.

However, the language in the Statement of Managers stated that the aircraft authorized should be procured through open competitive procedures insofar as possible, and without breaching existing contractual commitments. Does that mean that the Navy cannot purchase the same type of CTX aircraft that they purchased last year?

Mr. PRICE. Mr. Speaker, I will state to the gentleman from South Carolina (Mr. DAVIS) that the language does not mean that at all. It simply means, in my judgment, that the contract for procurement of 22 aircraft authorized and funded in fiscal year 1978, which was executed by the Army on December 29, 1977, will prevail.

This contract included options for procurement of 22 additional aircraft each year in fiscal years 1979 and 1980. The Statement of Managers language says that the aircraft should be procured through open competitive procedures, insofar as possible, and without breaching existing contractual commitments. So, therefore, it means that after the existing contract has expired, any additional aircraft must be purchased through open competitive procedures.

Mr. DAVIS. And this existing contract would be the one for the other option taking place, whether it is exercised or not?

Mr. PRICE. In my opinion the gentleman is correct.

Mr. DAVIS. I thank the gentleman.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

Mr. Speaker, on page 13 of the conference report there is a section 810(a) expressing the policy of the United States to modernize the combatant forces of the U.S. Navy through the construction of advanced, versatile, survivable, and cost-effective combatant ships, and then the paragraph goes on and reads further:

> . . . including naval aviation platforms, that are more survivable, less costly, and more effective . . .

What does the phrase "less costly" mean at that point? Does that mean less costly than the ships that are presently under construction?

Mr. PRICE. I think it means the most favorable contract arrangements that could be made.

Mr. YATES. Does the gentleman mean it is less costly than those that are being made at the present time?

Mr. PRICE. Mr. Speaker, I will yield to the gentleman from Florida (Mr. BENNETT), the chairman of the Subcommittee on Seapower and Strategic and Critical Materials, to answer that question.

Mr. BENNETT. I thank the gentleman for yielding.

Mr. Speaker, it does not mean precisely what the gentleman just said. It means, instead, that, in approaching what ship we are to build, the question of the cost shall be an element and the question of the combatant efficiency shall be an element.

Mr. Speaker, we must bear in mind that this provision comes about as a result of the Senate having a provision saying that we would have to build less costly ships, and you could not build a more costly ship. And we had a provision in our bill saying you had to explain why you were not going to make new combatant ships nuclear. And to compromise and put the same wording in there, with the wording which was in the House proposal in the conference committee, we eliminate title VIII but, at the same time, provide that there be a report by the President as to why he chose one ship over the other, why nuclear or not nuclear, why a cheaper ship, or a more expensive ship. He would have to explain why he chose one over the other. So the "less costly" does not mean less costly than we now build, but less costly than would be involved in other ships that were coming up for consideration.

Mr. YATES. Mr. Speaker, will the gentleman yield further?

Mr. PRICE. I yield to the gentleman from Illinois.

Mr. YATES. Does not there have to be some standard which is applied to the phrase "less costly"?

Mr. BENNETT. If the gentleman will yield, yes, there is such a standard, and the standard is the competition in the procurement.

Mr. YATES. Does the gentleman say the intention of the conferees is that this applies for the future, that when there is competition for ships, that the less costly vessel would have to be accepted?

Mr. BENNETT. Oh, no. It has to be considered as an element.

Bear in mind that this language did not come from the House. It came from the Senate. We compromised the Senate language by saying there has to be a report, in either event.

What is the page the gentleman was referring to?

Mr. YATES. Page 14 of the report I am reading from.

Mr. BENNETT. Since I helped draft the language, I can just say that I took the Senate language and the language from the House side and made it logical. The language originally comes from the Senate, but we made it livable by doing this.

Mr. YATES. As I read this language, I may say to the gentleman, it seemed to me what the gentleman is saying is that the present cost of shipbuilding is too high, that therefore we have to get something that is less costly. I do not know how else one can interpret that.

Mr. BENNETT. That is what the Senate wanted.

Mr. YATES. I see. And that is why that language is in there?

Mr. BENNETT. Absolutely. It came from the Senate.

Mr. YATES. I thank the gentleman.

Mr. BENNETT. Mr. Speaker, I rise in support of the conference report on H.R. 10929. I would like especially to address the shipbuilding portions of that bill.

The conference report provides $6,191.5 million for 15 new construction naval vessels, long lead for 5 more ships and some conversion funds. The President's budget provided only $4,712.4 million for 15 new construction ships, while the House approved bill provided $7,026.1 million for 16 new construction ships.

Let me run down the agreements:

We restored the entire amount for the long lead items for the Trident program.

We agreed upon the cheaper version of the nuclear powered aircraft carrier—$1,930.0 million for a repeat *Nimitz* carrier.

We agreed upon $369 million for those Aegis components which can be used on any new or existing nuclear cruiser or any Aegis destroyer.

We provided $45 million to convert an LPH to a platform that can be converted to any of several roles—including especially air antisubmarine warfare and air mine-countermeasure operations as well as marine amphibious assault landings.

We provided $70 million for long lead funds for another LHA—amphibious landing assault ship.

The Trident program requested this year included long lead for two more items. These items were both nuclear equipment and propulsion equipment. Restoration of the long lead items enables the industrial base for these very valuable items to be maintained.

With respect to the *Nimitz* carrier, the House had authorized $2,129.6 million while the Senate had authorized $1,390 million. The difference represented the cost of putting the magazines down below the water line. The Senate pointed out the advantage of having an exact repeat *Nimitz* rather than a ship with design changes. It also pointed out that the change in the location of the magazines reduced the ordnance capacity of the carrier by one-third. The House thought these arguments sufficiently important to agree to the lower figure proposed by the Senate.

The House authorized $1,096 million for full funding for a nuclear cruiser. The Senate authorized nothing for the cruiser. Both the House and the Senate think that it is extremely important to get Aegis to sea as quickly as possible. Therefore, we agreed to obtain an Aegis system but to let the decision as to which kind of naval vessel it should be installed on await congressional action next year.

The Senate had included $45 million so that a LPH could be made into a convertible platform from which, upon appropriate conversions, various kinds of missions could be carried out. The conferees were especially anxious that this platform be used for antisubmarine warfare and for mine-countermeasure operations. The LPH's should be able to be reconverted to amphibious landing operations in addition to its other additional roles.

The Senate provided $70 million for long lead funds for another LHA amphibious landing assault ship. This LHA is to give the Marine Corps additional flexibility with respect to its amphibious landing operations in light of the removal of one LPH from full time Marine Corps assignment.

The Senate bill provided two major legislative changes. One would repeal title VIII of Public Law 93–365 which requires that all new major combatant ships of the strike force be nuclear powered unless the President determines that it is not in the national interest. The Senate bill also had its own new title VIII requiring all new aircraft carriers to be smaller and cheaper than the *Nimitz* class carrier or the intermediate size carrier, the CVV, unless the President finds that it is not in the national interest.

The conferees tried to move the Navy forward with a new section that would drop the title VIII of Public Law 93–365 and title VIII of the Senate bill and replace them with a new section which requires the President to present to the Congress his conclusions with respect to the survivability and cost effectiveness of each new combatant ship recommendation whether such ship should be nuclear or conventionally powered and the reasons for such conclusions and recommendations. Thus the President will be required to state why each new ship is large or small, why each new ship is nuclear or conventionally powered, and his reasons for selecting the particular ship that he did. The House Armed Services Committee will insist that for each major combatant ship of the strike forces there be an analysis of the comparative value of nuclear ships for the same mission whenever conventional ships are being requested.

On the whole, I think the authorization bill went a step forward in getting more ships of the battle effectiveness and the cost effectiveness required for our Navy. Not every decision should be based solely on money aspects. The decisions for obtaining new ships for our Navy must also be based on having our ships able to win in battle and save American lives in so doing. A cheap ship that cannot win is more of a waste than an expensive one that can win.

Mr. BOB WILSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 10929 and urge its adoption as submitted.

The defense authorization bill before you today represents many months of work by both Armed Services Committees and the best judgment of the House and the Senate. It is a compromise between these two bodies and I think, for the most part, incorporates the best of the two bills.

Some of the programs originally authorized by the House were reduced or cut entirely, as were some on the Senate side. The programs that were reduced were weighed carefully for their priority or merit against other important programs in the competition for funds. Certain other programs were reduced without prejudice.

Similarly, both sides accepted additions in their bills, all with prudent consideration given to our limited budget.

The result is a bill $942 million below that passed by the House, $857 million above that passed by the Senate, and $42 million below the halfway point between the House and Senate bills. The bill total, $37 billion, is $1.5 billion above the President's original bill, and $102 million below the President's bill when the aircraft carrier, which he later approved, is included. As you can see much effort was made to keep the bill total at a conservative level.

In procurement, the bill is $1.3 billion below the House version, $1.2 billion above the Senate version and $1.7 billion above the President's bill. In research and development the bill is $426 million

above the House bill, $297 million below the Senate bill and $210 million below the President's request. In civil defense the level authorized was $96.5 million, $40.5 million below the House bill and equivalent to the Senate and administration bills.

A number of programs of utmost importance to the House were retained in the compromise bill, including the nuclear aircraft carrier, the F–14 and F–18 fighter aircraft, the advanced tanker cargo aircraft (ATCA), the A7D trainer aircraft for the National Guard, the MK–48 torpedo, and the surface effect ship.

Major items from the Senate bill retained include $151 million for modification of the Air Force's F–111 aircraft into electronic warfare radar jamming airplanes, conversion of an LPH amphibious assault ship into a light carrier for testing V/STOL concepts, and advance procurement of a sixth LHA amphibious assault ship for Marine Corps use. Also added from the Senate version, in research and development, were authorizations for $95 million for the LAMPS ASW program with the understanding that the program would be restructed to reduce costs, $36 million for development of a 120 mm German tank gun for use with XM–1 tank, and funds for V/STOL technology and a study of the cost effectiveness and operational concept design of V/STOL aircraft, including the AV–8B+.

Other changes included the substitution of the AV8B Harrier aircraft, a newer and more advanced V/STOL aircraft still in the testing stage, for the AV8A Harrier, compromise on the authorized level for the sea-launched cruise missile (SLCM) and ground-launched cruise missile (GLCM), and authorization of 410 M60 tanks, a level close to that recommended by the House.

In its compromise on Navy shipbuilding, the conferees provided advance procurement of $369 million, rather than full funding, for the Aegis equipped nuclear cruiser. The Senate conferees agreed to authorize long-lead funding for Aegis system components for a nuclear-powered Aegis cruiser, whether the vessel be a new vessel or a conversion of the *Virginia* class. The House agreed that the Aegis components would be common to the conventionally powered DDG–47 system, should it be necessary to interchange the equipment among these ships.

In addition to the new ships that were approved and the conversion of the LPH, advance procurement for a Trident submarine was authorized.

With respect to future shipbuilding policy the conferees agreed to repeal title VIII which required nuclear power in combatant ships.

It is important to note that the conferees agreed to a provision which establishes as future policy a requirement that the Navy should be provided with less costly but more survivable and more effective ships. Further, the President is asked to report on these factors in future requests for Navy ships.

I feel the authorization bill before you now is a sound one, worthy of your full support. It combines the stronger programs of the two bills and will help maintain an adequate defense posture. Although I feel this country needs and deserves certain improvements in our defense capabilities, the bill before you is the best we can offer given the funding constraints we have imposed upon ourselves.

I would like to address at this time several important aspects of the bill, particularly in the Navy shipbuilding program.

The principal superiority of the U.S. Navy over the Soviet Navy lies in its carrier force. The carriers and their air wings in combination with the SSN688 attack submarines constitute the only combatant ships that will threaten Soviet naval operations in the coming decade.

I am pleased to be able to say that at long last the country's two legislative bodies have agreed to include in their defense authorization bill a large deck carrier of the *Nimitz* class.

There are a total of 15 new ships authorized, 10 of which are combat ships and 5 are support ships. Although the shipbuilding program does include a *Nimitz* class carrier, I am concerned that the shipbuilding program will barely enable the Navy to continue modernization. This program will not move the Navy forward toward a 600-ship level that was an original objective.

I hope that in coming years Congress will commit itself to improving our Navy's shipbuilding program in order to offset the continuing improvements in Soviet naval capabilities.

Other provisions of the conference agreement of special note include:

Authorizing the Commandant of the Marine Corps to be a permanent member of the Joint Chiefs of Staff; and

Removal of certain restrictions in the law, thereby permitting Navy women to be assigned to noncombat ships on a permanent basis and to temporary duty on combat ships not expected to be assigned a combat mission.

Further, there are a variety of provisions designed to improve recruitment and reenlistment rates, for both the Active and Reserve Forces. These and other provisions of the bill combine to make it progressive as well as sound.

Despite certain shortcomings inherent in all compromises, the bill before you is adequate for our defense requirements, and again I urge your affirmative vote.

● Mr. ICHORD. Mr. Speaker, I urge my colleagues to support the conference report on the fiscal year 1979 defense authorization bill. This report represents the product of many hours of difficult negotiations with the Senate. The conferees confronted with over 200 differences labored long and hard in reaching agreement on major differences of great complexity. It was a difficult conference in which the House position prevailed on a number of issues, the Senate on others, and in a great many instances, both the House and Senate conferees were adamant and were forced to strike a compromise. The bill, which we bring back to the House, is a good bill and I would commend Chairman PRICE whose leadership provided the foundation for agreement.

Although personally I do not agree with all of the actions taken, I rise in support of the bill and would merely use this opportunity to address myself to the most controversial and widely debated issue, that of the cruise missile carrier.

On the recommendation of the Research and Development Subcommittee, which I chair, the Armed Services Committee deleted the entire $41.2 million requested. This action was based on the vulnerability, high cost and performance constraints of the proposed wide bodied cruise missile carrier. On May 24, the action of the committee was upheld on this floor by a vote of 246 to 145.

The Senate which had fully funded this questionable program was adamant in its position. The resultant compromise now before you provides $20.6 million for study and exploratory development and precludes the use of these funds for engineering development of any aircraft other than the B–52 as a cruise missile carrier. Additionally, the language in the report requires that the President report to the Congress on the results of such study and exploratory development together with his decision on the aircraft to be used.

I would point out to my colleagues that I led the opposition to this compromise and attempted to uphold the mandate of the House. The basis for the original House action has not changed. The Defense Department only recently awarded contracts to Lockheed, Boeing, and McDonnell-Douglas for conceptual studies of various alternative aircraft systems. A cruise missile carrier, other than the B–52, is not needed for years and, in fact, may be precluded or at least limited by SALT. Funding for any prototype demonstration of a wide-bodied cruise missile carrier prior to a Presidential decision on the type aircraft to be used is unnecessary and premature.

In conclusion, I should point out that 16 of the 26 conferees had serious reservations regarding the conference action and, for the benefit of my colleagues and the Department of Defense, I point out that this action does not represent a clear mandate of support for the administration's proposed cruise missile carrier program. It is a "wait and see" position which will not impede the President in any way in the ongoing SALT negotiations, a concern of a number of conferees, or in his decision on the type aircraft to be used.●

Mr. BOB WILSON. Mr. Speaker, I have no further requests for time.

Mr. PRICE. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report on the bill H.R. 10929, Department of Defense Authorization Act of 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 13635, DEFENSE APPROPRIATIONS, 1979

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1291 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1291

Resolved, That during the consideration of the bill (H.R. 13635) making appropriations for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6, rule XXI, are hereby waived: beginning on page 14, line 10 through page 17, line 10; beginning on page 18, line 9 through page 20, line 17; beginning on page 21, line 9 through page 23, line 2; and beginning on page 24, line 15 through page 27, line 18.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1291 is the rule providing waivers of points of order during the consideration of the bill H.R. 13635, making appropriations for the Department of Defense for the fiscal year ending September 30, 1979. The total appropriation is for $119.3 billion and it covers most military functions of the Department of Defense.

House Resolution 1291 provides waivers of points of order against several parts of the bill for failure to comply with the provisions of clauses 2 and 6, rule XXI, dealing with authorizations in an appropriations bill and with reappropriations.

The waiver of the rule prohibiting reappropriations is necessary to allow the Department of Defense, in several specific instances, to transfer funds that have already been appropriated into new programs where they can be utilized more effectively. In addition, in order to allow the Defense Department to carry out its procurement efforts and some research and development programs in an orderly fashion, the Appropriations Committee has provided that some funds appropriated for fiscal year 1979 may remain available for the next 2 or 3 fiscal years. That also constitutes a reappropriation which requires a waiver.

The waivers of clause 2 of rule XXI, which prohibits appropriations that have not been authorized by law, are granted only for specific provisions in this bill that are contained in the authorizing language, H.R. 10929, which has passed both the House and the Senate.

Mr. Speaker, I support the rule and urge the adoption of House Resolution 1291.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule waives points of order against certain provisions of H.R. 13635, the Department of Defense appropriations bill for fiscal year 1979, for failure to comply with clauses 2 and 6 of rule XXI. These clauses relate to unauthorized appropriations and reappropriations, both of which are contained in the bill.

H.R. 13635 provides appropriations totaling $119.2 billion and transfer authority of $160 million for the Department of Defense and related agencies. This is $9.5 billion over last year's appropriation but $103.4 million below the administration's request.

There are a number of important national security issues regarding weapons systems and other matters raised in this bill, but under this rule these issues can be addressed during the amendment process.

Mr. Speaker, I urge adoption of the rule.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. NEDZI). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. VOLKMER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 330, nays 7, not voting 95, as follows:

[Roll No. 649]

YEAS—330

Addabbo	Early	Luken
Akaka	Eckhardt	Lundine
Alexander	Edgar	McClory
Ambro	Edwards, Ala.	McCloskey
Ammerman	Edwards, Calif.	McCormack
Anderson, Calif.	Edwards, Okla.	McDade
	Eilberg	McDonald
Anderson, Ill.	English	McFall
Andrews, N.C.	Erlenborn	McHugh
Andrews, N. Dak.	Ertel	McKay
	Evans, Colo.	McKinney
Annunzio	Evans, Del.	Madigan
Applegate	Evans, Ga.	Maguire
Archer	Evans, Ind.	Mahon
Armstrong	Fary	Mann
Ashbrook	Fenwick	Markey
Aspin	Findley	Marks
AuCoin	Fish	Marlenee
Badham	Fisher	Marriott
Bafalis	Fithian	Martin
Baldus	Flippo	Mattox
Bauman	Flood	Mazzoli
Beard, R.I.	Florio	Michel
Beard, Tenn.	Flynt	Mikulski
Bedell	Foley	Miller, Calif.
Beilenson	Ford, Mich.	Miller, Ohio
Benjamin	Forsythe	Mineta
Bennett	Fountain	Minish
Bevill	Fuqua	Mitchell, Md.
Blanchard	Gammage	Moffett
Boggs	Gephardt	Mollohan
Boland	Gibbons	Montgomery
Bonior	Gilman	Moore
Bonker	Glickman	Moorhead, Calif.
Bowen	Goldwater	
Brademas	Gonzalez	Moorhead, Pa.
Breckinridge	Goodling	Murphy, Ill.
Brinkley	Grassley	Murphy, Pa.
Brodhead	Green	Murtha
Brooks	Gudger	Myers, Gary
Broomfield	Guyer	Myers, John
Brown, Calif.	Hagedorn	Myers, Michael
Brown, Mich.	Hall	Natcher
Broyhill	Hamilton	Neal
Buchanan	Hammer-schmidt	Nedzi
Burgener		Nichols
Burke, Fla.	Hanley	Nix
Burleson, Tex.	Hannaford	Nolan
Burlison, Mo.	Hansen	Nowak
Burton, John	Harkin	Oakar
Butler	Harris	Oberstar
Byron	Harsha	Obey
Carney	Hefner	Panetta
Carr	Hightower	Patten
Carter	Hillis	Patterson
Cavanaugh	Hollenbeck	Pattison
Cederberg	Holt	Pease
Chappell	Holtzman	Pepper
Clausen, Don H.	Horton	Perkins
	Howard	Pettis
Clawson, Del	Hughes	Pike
Coleman	Hyde	Poage
Collins, Ill.	Ichord	Preyer
Collins, Tex.	Jacobs	Price
Conable	Jeffords	Pritchard
Conte	Johnson, Calif.	Pursell
Corcoran	Johnson, Colo.	Quayle
Corman	Jones, Okla.	Quillen
Cornell	Jordan	Rahall
Cotter	Kastenmeier	Railsback
Coughlin	Kazen	Regula
Crane	Kelly	Reuss
Cunningham	Keys	Rhodes
D'Amours	Kildee	Rinaldo
Daniel, Dan	Kindness	Risenhoover
Daniel, R. W.	Kostmayer	Roberts
Davis	Krebs	Robinson
de la Garza	LaFalce	Roe
Delaney	Lagomarsino	Rogers
Dellums	Latta	Rooney
Derrick	Leach	Rose
Derwinski	Lederer	Rosenthal
Devine	Leggett	Rostenkowski
Dickinson	Lehman	Roybal
Dicks	Lent	Runnels
Dodd	Levitas	Ruppe
Downey	Livingston	Russo
Drinan	Lloyd, Calif.	Ryan
Duncan, Oreg.	Long, Md.	Santini
Duncan, Tenn.	Lott	Satterfield

Sawyer	Steed	Walgren
Scheuer	Steers	Walker
Schroeder	Steiger	Wampler
Schulze	Stockman	Watkins
Seiberling	Stokes	Waxman
Sharp	Stratton	Weiss
Shuster	Studds	Whalen
Sikes	Stump	Whitehurst
Simon	Symms	Whitten
Sisk	Taylor	Wilson, Bob
Slack	Thompson	Wilson, C. H.
Smith, Iowa	Thornton	Winn
Smith, Nebr.	Traxler	Wolff
Snyder	Treen	Wright
Solarz	Udall	Wylie
Spellman	Ullman	Yates
Spence	Van Deerlin	Yatron
St Germain	Vander Jagt	Young, Fla.
Staggers	Vanik	Young, Mo.
Stangeland	Vento	Young, Tex.
Stanton	Volkmer	Zablocki
Stark	Waggonner	

NAYS—7

Bingham	Fascell	Weaver
Dingell	Giaimo	
Dornan	Ottinger	

NOT VOTING—95

Abdnor	Ginn	Mottl
Ashley	Gore	Murphy, N.Y.
Barnard	Gradison	O'Brien
Baucus	Harrington	Pickle
Biaggi	Hawkins	Pressler
Blouin	Heckler	Quie
Bolling	Heftel	Rangel
Breaux	Holland	Richmond
Brown, Ohio	Hubbard	Rodino
Burke, Calif.	Huckaby	Roncalio
Burke, Mass.	Ireland	Rousselot
Burton, Phillip	Jenkins	Rudd
Caputo	Jenrette	Sarasin
Chisholm	Jones, N.C.	Sebelius
Clay	Jones, Tenn.	Shipley
Cleveland	Kasten	Skelton
Cochran	Kemp	Skubitz
Cohen	Krueger	Teague
Conyers	Le Fante	Thone
Cornwell	Lloyd, Tenn.	Trible
Danielson	Long, La.	Tsongas
Dent	Lujan	Tucker
Diggs	McEwen	Walsh
Emery	Mathis	White
Flowers	Meeds	Whitley
Ford, Tenn.	Metcalfe	Wiggins
Fowler	Meyner	Wilson, Tex.
Fraser	Mikva	Wirth
Frenzel	Milford	Wydler
Frey	Mitchell, N.Y.	Young, Alaska
Garcia	Moakley	Zeferetti
Gaydos	Moss	

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mr. Abdnor.
Mr. Richmond with Mr. O'Brien.
Mr. Burke of Massachusetts with Mr. Gradison.
Mr. Le Fante with Mr. Rousselot.
Mr. Jenrette with Mr. Caputo.
Mr. Zeferetti with Mr. Cohen.
Mr. Shipley with Mr. Emery.
Mr. Murphy of New York with Mrs. Heckler.
Mr. Ginn with Mr. Quie.
Mr. Biaggi with Mr. Rudd.
Mr. Breaux with Mr. Cochran of Mississippi.
Mrs. Chisholm with Mr. Trible.
Mr. Danielson with Mr. Wiggins.
Mr. Dent with Mr. Cleveland.
Mr. Ford of Tennessee with Mr. Frenzel.
Mr. Garcia with Mr. Lujan.
Mrs. Lloyd of Tennessee with Mr. Milford.
Mr. Moakley with Mr. Sarasin.
Mr. Mikva with Mr. Thone.
Mr. Tsongas with Mr. Wydler.
Mr. Ireland with Mr. Kemp.
Mr. Rangel with Mr. Holland.
Mr. Pickle with Mr. Brown of Ohio.
Mr. Teague with Mr. Frey.
Mr. White with Mr. Mitchell of New York.
Mr. Meeds with Mr. McEwen.
Mr. Long of Louisiana with Mr. Tucker.
Mr. Phillip Burton with Mr. Sebelius.
Mrs. Burke of California with Mr. Roncalio.
Mr. Baucus with Mr. Pressler.
Mr. Ashley with Mr. Walsh.
Mr. Conyers with Mr. Young of Alaska.
Mr. Diggs with Mr. Fraser.
Mr. Gaydos with Mr. Mathis.
Mr. Gore with Mr. Huckaby.
Mr. Hawkins with Mr. Hubbard.
Mr. Blouin with Mr. Jones of North Carolina.
Mr. Harrington with Mr. Heftel.
Mr. Clay with Mr. Krueger.
Mr. Cornwell with Mr. Whitley.
Mr. Flowers with Mr. Charles Wilson of Texas.
Mr. Fowler with Mr. Skubitz.
Mr. Metcalfe with Mr. Skelton.
Mrs. Meyner with Mr. Wirth.
Mr. Barnard with Mr. Mottl.
Mr. Jenkins with Mr. Moss.

Mr. WEAVER changed his vote from "aye" to "no."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 638, EXTENDING DEADLINE FOR RATIFICATION OF EQUAL RIGHTS AMENDMENT

Mr. MURPHY of Illinois, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1439), on the resolution (H. Res. 1295), providing for consideration of the joint resolution (H.J. Res. 638) extending the deadline for the ratification of the equal rights amendment, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12452, COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973

Mr. MURPHY of Illinois, from the Committtee on Rules, submitted a privileged report (Rept. No. 95–1438), on the resolution (H. Res. 1294), providing for consideration of the bill (H.R. 12452) to extend and amend the Comprehensive Employment and Training Act of 1973, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 8729, AIRPORT NOISE COMPATIBILITY PROGRAMS

Mr. MURPHY of Illinois, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1437), on the resolution (H. Res. 1293), providing for consideration of the bill (H.R. 8729) to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to aircraft operators to comply with noise standards, and for other purposes, which was referred to the House Calendar and ordered to be printed.

TWENTY-SEVENTH ANNUAL REPORT OF NATIONAL SCIENCE FOUNDATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science and Technology:

To the Congress of the United States:

I am pleased to submit to the Congress the 27th Annual Report of the National Science Foundation, covering Fiscal Year 1977.

This is an important document. Many of the issues facing our Nation today, in areas such as energy, the economy, and the environment, require special knowledge and detailed information. Advances in the sciences, many of which are discussed in this report, enhance our understanding of ourselves and the world about us, and thus assist us in seeking wise and intelligent solutions to these complex problems.

Federally supported scientific progress has flourished now for several decades. This pursuit of scientific knowledge—at colleges and universities, national research centers, and other research organizations—depends heavily on judiciously allotted Federal funds, as does the education of many talented young students who might not otherwise attain the careers in science for which they are qualified.

This report describes in brief many of the National Science Foundation's activities in the past year, in support of basic and applied research, as well as education and training in science and engineering. There is a significant emphasis upon basic research, the principle mission of the NSF. In recent years, the American people have learned that even with the help of the most advanced technology, some of our most pressing national problems can be tackled only by diligent, long-term attention. The needed basic research supported by the National Science Foundation continually enlarges our capacity to deal with many of these major national and international issues.

I believe the activities of the National Science Foundation reviewed in this Annual Report represent funds well spent in the public interest. I, therefore, commend this report to your close attention, confident that many of you will share my interest in the extraordinary range of scientific pursuits that it describes.

JIMMY CARTER.

THE WHITE HOUSE, *August 4, 1978.*

CONSTRUCTION OF PUBLIC FACILITIES AUTHORIZATION FOR GUAM

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2821) to authorize $8,868,000 for grants to the government of Guam for construction

of public facilities, and for other purposes, with a Senate amendment to the House amendments thereto, and concur in the Senate amendment to the House amendments.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendments, as follows:

GUAM

SEC. 1. (a)(1) For grants to the government of Guam for the rehabilitation, upgrading, and construction of public facilities, there is hereby authorized to be appropriated to the Secretary of the Interior (hereinafter in this Act referred to as the Secretary) $13,868,000 for fiscal year 1979, and $20,000,000 thereafter, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs from October 1978 price levels as indicated by engineering cost indexes applicable to the types of construction involved.

(2) The Secretary may place such stipulations as he deems appropriate on the use of funds appropriated pursuant to subsection (a)(1) hereof.

(3) Grants provided pursuant to this Act and not obligated or expended by the government of Guam during any fiscal year will remain available for obligation or expenditure by such government in subsequent fiscal years for the purposes for which the funds were appropriated.

(4) Funds provided under paragraph (a)(1) may be used by Guam as the matching share for Federal programs and services.

(5) Authorizations of moneys to be appropriated under this subsection shall be effective on October 1, 1978.

(6) The Secretary is directed to prepare and transmit to the Congress no later than July 1, 1979, an analysis of the capital infrastructure needs of Guam for the 1985–1990 timeframe. The analysis shall detail the nature and type of infrastructure needed, the adequacy of the existing infrastructure, the estimated costs of improvement, extension, rehabilitation, or replacement of the existing infrastructure to meet the projected demands, the capability of local government to fund such costs and the options available, and shall provide a series of alternatives for Federal support for that portion of the infrastructure which cannot be financed by local government.

(b) The government of Guam in carrying out the purposes of this Act or Public Law 95–134, may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Such amounts may be credited to the appropriation or fund which provided the services and facilities. Agencies and instrumentalities of the Federal Government may, when practicable, make available to the government of Guam upon request of the Secretary such services and facilities as they are equipped to render or furnish, and they may do so without reimbursement if otherwise authorized by law.

(c) Section 30 of the Organic Act of Guam (64 Stat. 384), as amended, is further amended by adding at the end thereof the following: "Beginning as soon as the government of Guam enacts legislation establishing a fiscal year commencing on October 1 and ending on September 30, the Secretary of the Treasury, prior to the commencement of any fiscal year, shall remit to the government of Guam the amount of duties, taxes, and fees which the governor of Guam, with the concurrence of the government comptroller of Guam, has estimated will be collected in or derived from Guam under this section during the next fiscal year, except for those sums covered directly upon collection into the treasury of Guam. The Secretary of the Treasury shall deduct from or add to the amounts so remitted the difference between the amount of duties, taxes, and fees actually collected during the prior fiscal year and the amount of such duties, taxes, and fees as estimated and remitted at the beginning of that prior fiscal year, including any deductions which may be required as a result of the operation of Public Law 94–395 (90 Stat. 1199) or Public Law 88–170, as amended (82 Stat. 863).".

(d) Section 205 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95–134) is amended by striking out "$25,000,000: *Provided*" and inserting in lieu thereof "$35,000,000: *Provided*, That $10,000,000 of such sums is not authorized to be appropriated prior to October 1, 1978. Health care needs shall include goods and services provided to maintain and operate the Medical Center of the Marianas: *Provided further*".

TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 2. (a) There is hereby authorized to be appropriated $15,000,000 for the Bikini people evacuated from Bikini Atoll, Trust Territory of the Pacific Islands, as a result of United States nuclear tests commencing in 1946, and their descendants. Of this $15,000,000:

(1) $12,000,000 is authorized for the relocation and resettlement of the Bikini people within the Marshall Islands; and

(2) to compensate the Bikini people for any radiological damage to their atoll an additional $3,000,000 shall be held in trust pursuant to the trust agreement established by Public Law 94–34, with the proceeds to be distributed in accordance with the provisions thereof.

(b) None of the funds authorized pursuant to subsection (a)(2) above shall be available for payment of any attorneys fees or associated expenses.

(c) The Secretary of the Interior shall prepare and submit to Congress by July 1, 1979, a progress report on his efforts to establish a permanent location for the displaced people of Bikini Island. Such report shall review: alternative actions taken to provide the people of Bikini with temporary homes; political and social consequences of the relocation of these people on Kili Island; and the Secretary's attempt to locate, acquire, and develop a permanent location for the settlement of these people. Such report shall also suggest probable economic, social, political, and cultural consequences which may result from the permanent settlement of these people in various alternative locations and inform the Congress of additional plans adopted by the Secretary, together with any recommendations he may have for legislation necessary to implement those plans, to provide further assistance to the people of Bikini.

NORTHERN MARIANA ISLANDS

SEC. 3. (a) There is hereby authorized to be appropriated for expenditure after October 1, 1978, not more than $12,000,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs from October 1978 price levels as indicated by engineering cost indexes applicable to the types of construction involved, to assist in the acquisition and construction of a powerplant for the Northern Mariana Islands together with upgrading, rehabilitation, or replacement of distribution facilities.

(b)(1) The government of the Northern Marianas in carrying out the purposes of this Act, Public Law 95–134, or Public Law 94–241, may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Such amounts may be credited to the appropriation or fund which provided the services and facilities. Agencies and instrumentalities of the Federal Government may, when practicable, make available to the government of the Northern Marianas, upon request of the Secretary, such services and facilities as they are equipped to render or furnish, and they may do so without reimbursement if otherwise authorized by law.

(2) Any funds made available to the Northern Mariana Islands under grant-in-aid programs by section 502 of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (Public Law 94–241), or pursuant to any other Act of Congress enacted after March 24, 1976, are hereby authorized to remain available until expended.

(3) Any amount authorized by the Covenant described in paragraph (2) or by any other Act of Congress enacted after March 24, 1976, which authorizes appropriations for the Northern Mariana Islands, but not appropriated for a fiscal year is authorized to be available for appropriation in succeeding fiscal years.

(c) Notwithstanding the provisions of the Food Stamp Act of 1977, the Secretary of Agriculture is authorized, upon the request of the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the Constitution of the Northern Mariana Islands, and for the period during which such legislation is effective, (1) to implement a food stamp program in part or all of the Northern Mariana Islands with such income and household standards of eligibility, deductions, and allotment values as the Secretary determines, after consultation with the Governor, to be suited to the economic and social circumstances of such islands: *Provided*, That in no event shall such income standards of eligibility exceed those in the forty-eight contiguous States, and (2) to distribute or permit a distribution of federally donated foods in any part of the Northern Mariana Islands for which the Governor has not requested that the food stamp program be implemented. This authority shall remain in effect through September 30, 1981, and shall not apply to section 403 of Public Law 95–135.

(d) The Secretary of the Treasury is authorized and directed, upon the request of the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the Constitution of the Northern Mariana Islands, without reimbursement or other cost to the government of the Northern Mariana Islands, to administer and enforce the provisions of section 601, 603, or 604 of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (Public Law 94–241; 90 Stat. 263, 269) and in order to administer and enforce the collection of any payroll tax or other tax measured by income which may be in force in the Northern Mariana Islands prusuant to section 602 of such Covenant. This authority shall continue until such time as the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the Constitution of the Northern Mariana Islands, requests the Secretary of the Treasury to discontinue the administration and enforcement of such taxes. The administration and enforcement of such taxes by the government of the Northern Mariana Islands shall begin on January 1 of the year following the year in which such Northern Mariana Islands law is enacted.

VIRGIN ISLANDS

SEC. 4. (a) There is hereby authorized to be appropriated to the Secretary not to ex-

ceed $5,000,000 of which not more than $1,000,000 may be appropriated for fiscal year 1979 to be paid to the government of the Virgin Islands for the purpose of promoting economic development in the Virgin Islands. The Secretary shall prescribe the types of programs for which such sums may be used.

(b) (1) There is authorized to be appropriated for construction of hospital facilities in the Virgin Islands not more than $52,000,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs from October 1978 price levels as indicated by engineering cost indexes applicable to the types of construction involved.

(2) Grants provided pursuant to this section and not obligated or expended by the government of the Virgin Islands during any fiscal year will remain available for obligation or expenditure by such government in subsequent fiscal years for the purposes for which the funds were appropriated.

(3) Funds provided under paragraph (b) (1) may be used by the Virgin Islands as the matching share for Federal programs and services.

(4) Authorizations of moneys to be appropriated under this subsection shall be effective on October 1, 1978.

(c) (1) Section 9(c) of the Revised Organic Act of the Virgin Islands (68 Stat. 497) is amended by deleting the period at the end thereof and inserting "or such other date as the Legislature of the Virgin Islands may determine.".

(2) Beginning as soon as the government of the Virgin Islands enacts legislation establishing a fiscal year commencing on October 1 and ending on September 30, the Secretary of the Treasury, prior to the commencement of any fiscal year, shall remit to the government of the Virgin Islands the amount of duties, taxes, and fees which the governor of the Virgin Islands, with the concurrence of the government comptroller of the Virgin Islands, has estimated will be collected in or derived from the Virgin Islands under the Revised Organic Act of the Virgin Islands during the next fiscal year, except for those sums covered directly from collection into the treasury of the Virgin Islands. There shall be deducted from or added to the amounts so remitted, as may be appropriate, at the beginning of the fiscal year, the difference between the amount of duties, taxes, and fees actually collected during the prior fiscal year and the amount of such duties, taxes, and fees as estimated and remitted at the beginning of that prior fiscal year, including any deductions which may be required as a result of the operation of Public Law 94-392 (90 Stat. 1195).

(3) Subsection 28(a) of the Revised Organic Act of the Virgin Islands is amended by deleting the phrase "less the cost of collecting all of said duties, taxes, and fees.".

(d) There are hereby authorized to be appropriated to the Secretary such sums as may be necessary, but not to exceed $20,000,000 per annum, for fiscal years 1979, 1980, and 1981 for grants to the government of the Virgin Islands to offset any anticipated deficit during such fiscal years. The Secretary is authorized and directed, after consultation with the Governor of the Virgin Islands, to impose such conditions and requirements, on these grants as he deems advisable. Not later than July 1, 1979, the Secretary shall submit to the Congress a report on the financial condition of the Virgin Islands. The report shall:

(1) identify, the specific sources of revenues, both Federal and local, available to the Government of the Virgin Islands;

(2) chart the revenues derived from each source and what, if any, increases could be occasioned in the amount of such revenues by actions of the Virgin Islands Government;

(3) Describe the extent to which changes in actual revenues were occasioned by actions of the Federal Government or by circumstances beyond the control of the Virgin Islands Government;

(4) analyze expenditures to determine what economies, if any, could be obtained and identify the actions which could be taken by the Virgin Islands Government to obtain such economies;

(5) review the long term debt structure of the Virgin Islands Government, including, but not limited to, whether such debt was incurred for purposes authorized by law, the total amount of such debt, the relation of the total debt ceiling, and the impact retirement of the debt will have on the future economic situation of the Virgin Islands;

(6) detail and discuss various alternatives available to the government of the Virgin Islands and the Federal Government to revise and improve the process of supporting the necessary expenditures of the Virgin Islands Government; and

(7) include his recommendations for any changes he deems advisable in the present Federal-territorial economic relationship.

AMERICAN MEMORIAL PARK

SEC. 5. (a) The Secretary, acting through the Director of the National Park Service, is authorized and directed to develop, maintain, and administer the existing American Memorial Park (hereinafter in this section referred to as the "park"), located at Tanapag Harbor Reservation, Saipan. The park shall be administered for the primary purpose of honoring the dead in the World War II Mariana Islands campaign.

(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Mariana Islands to develop, maintain, and administer the park.

(c) Other points in the Northern Mariana Islands relevant to the park may be identified, established, and marked by the Secretary in agreement with the Governor of the Northern Marianas.

(d) The Secretary shall provide for interpretative activities at the park, for which he is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities shall be conducted in the following four languages: English, Chamorro, Carolinian, and Japanese.

(e) Notwithstanding any provision of law to the contrary, no fee or charge may be imposed for entrance or admission into the American Memorial Park.

(f) The Secretary shall transfer administration of the park to the government of the Northern Mariana Islands at such time as the Governor, acting pursuant to legislation enacted in accordance with sections 5 and 7 or article II of the Constitution of the Northern Mariana Islands, requests such a transfer. All improvements, including real and personal property, shall thereupon be transferred without cost to the government of the Northern Mariana Islands and thereafter the full cost of development, administration, and maintenance for the park shall be borne by the government of the Northern Mariana Islands, except as provided in subsection (g) of this section.

(g) For the development, maintenance, and operation of the park (but not for any acquisition of land or interests in lands), there is hereby authorized to be appropriated not to exceed $3,000,000 effective October 1, 1978. Amounts appropriated pursuant to this subsection shall remain available until expended.

(h) Nothing contained in this Act is intended to alter or diminish the authority to exercise the five year option contained in article VIII of Public Law 94-241.

WAR IN THE PACIFIC NATIONAL HISTORICAL PARK

SEC. 6. (a) In order to commemorate the bravery and sacrifice of those participating in the campaigns of the Pacific theater of World War II and to conserve and interpret outstanding natural, scenic, and historic values and objects on the island of Guam for the benefit and enjoyment of present and future generations, the War in the Pacific National Historical Park (hereinafter in this section referred to as the "park") is hereby established.

(b) The boundaries of the park shall be as generally depicted on the drawing entitled "Boundary Map, War in the Pacific National Historical Park, Guam" numbered P-24-80,000-B and dated March 1978, which shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior. Following ninety days notice to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate, the Secretary may make minor revisions of the boundary of the park by publication of a revised map in the Federal Register.

(c) Within the boundaries of the park, the Secretary may acquire lands and interests therein by donation, purchase with donated or appropriated funds, exchange, or transfer.

(d) Other points on the island of Guam relevant to the park may be identified, established, and marked by the Secretary in agreement with the Governor of Guam.

(e) The Secretary shall administer property acquired in accordance with the laws generally applicable to the management of units of the National Park System.

(f) The Secretary is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities will be conducted in the following three languages: English, Chamorro, and Japanese.

(g) The Secretary is authorized to enter into negotiations with the Secretary of Defense for the berthing and interpretation of a naval vessel of World War II vintage which shall be accessible to the public on the island of Guam.

(h) Within two years from the date of enactment of this Act, the Secretary shall develop and transmit to the committees named in subsection (b) a general management plan for the national historical park consistent with the purposes of this section. Within five years from the date of enactment, the Secretary, through the Director of the National Park Service, shall conduct and transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives a study of additional areas and sites associated with the Pacific campaign of World War II. The study shall contain a description and evaluation of each area or site, and an estimated cost of acquisition, development, and maintenance of the area or site, if appropriate, together with such additional authority as may be needed to enable him to implement his recommendations. The Secretary shall concentrate his study within Guam and the Northern Mariana Islands, but shall also investigate additional areas and sites within the Trust Territory of the Pacific Islands to the extent possible, and may include other areas and sites in the Pacific area if practicable.

(i) The Secretary is authorized and directed, to the maximum extent feasible, to employ and train residents of Guam or of the Northern Mariana Islands to develop, maintain, and administer the park.

(j) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed for entrance or admission into the War in the Pacific National Historical Park.

(k) For the purposes of the park established under this section, effective October 1, 1978, there are authorized to be appro-

priated such sums as may be necessary, but not to exceed $16,000,000 for the acquisition of lands or interests in lands and $500,000 for development.

VIRGIN ISLANDS NATIONAL PARK

SEC. 7(a)(1). The first paragraph of section 1 of the Act of October 5, 1962 (76 Stat. 746; 16 U.S.C. 398c), is amended by adding a comma after the worlds "adjoining lands, submerged lands, and waters" and inserting "and Hassel Island located in Saint Thomas Harbor and adjoining lands, submerged lands, and waters.".

(2) Such section 1 is further amended by inserting immediately before the last paragraph, the following:

"HASSEL ISLAND

"The area known as Hassel Island in Saint Thomas Harbor consisting of approximately 135 acres, together with such adjoining lands, submerged lands, and waters as the Secretary of the Interior deems appropriate, but the boundaries shall not, in any event, extend beyond 100 yards from the mean high water mark of the island.".

(b) Section 2 of such Act is amended by—

(1) inserting "(a)" after "SEC. 2.";

(2) adding at the end of the first sentence the following: "In acquiring such lands, up to 6.6 acres, the Secretary may, when agreed upon by the landowner involved, defer payment or schedule payments over a period of ten years and pay interest on the unpaid balance at a rate not exceeding the current prevailing commercial rate.", and

(3) adding the following at the end thereof: "(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Virgin Islands to develop, maintain, and administer the Virgin Islands National Park.".

"(c) Subject to continued protection and use of Hassel Island for park and recreation purposes, and such other conditions as the Secretary may deem appropriate, the Territory of the Virgin Islands may, within, but not after, five years after the date of the enactment of this subsection, by duly enacted legislation acquire all interests of the United States in Hassel Island by reimbursing the United States in an amount equal to the amount actually expended by the United States for the acquisition of lands and interests in lands and for the costs of construction of permanent improvements, if any.

"(d)(1) Except for property deemed necessary by the Secretary of the Interior for visitor facilities or administration of the park, any owner or owners of improved property on Hassel Island on the date of its acquisition, may retain for themselves a right of use and occupancy of the property for noncommercial residential purposes for twenty-five years or, in lieu thereof, for a term ending at the death of the owner or the owner's spouse, whichever is later. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner. The authority of the Secretary to acquire the property commonly known as the Royal Mail (hotel) by condemnation shall be suspended for ten years from the date of enactment if such owner or owners agree, in writing, within ninety days after the enactment of this subsection to grant to the United States the right to purchase such property at a purchase price, mutually agreed upon by the Secretary and the landowner, which does not exceed the fixed value of said property on July 1, 1978.

"(2) As used in subsection (d)(1), 'improved property' means a single-family dwelling, the construction of which began before January 1, 1977, together with such lands as are in the same ownership and appurtenant buildings located thereon.

"(3) The Secretary may terminate a right of use and occupancy retained pursuant to subsection (d)(1) upon his determination that such use and occupancy is being, or may be, exercised in a manner inconsistent with the purposes for which they were included within the park and upon tender to the holder of such right of the amount equal to the value of that portion of the right which remains unexpired on the date of termination.".

(3) Section 3 is amended by inserting "(a)" immediately after "SEC. 3." and by adding the following new subsection at the end thereof:

"(b) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed for entrance or admission into the Virgin Islands National Park.".

(4) Section 4 is amended to read as follows:

"SEC. 4. Effective October 1, 1978, there are authorized to be appropriated such sums as may be necessary for the acquisition of lands and interests in lands within the Virgin Islands National Park. For purposes of this section, acquisitions of land on Hassel Island shall be deemed to be acquisitions qualifying for payment under the provisions of paragraph (2) of the Act of June 10, 1977 (Public Law 95-42; 91 Stat. 210). In addition to such sums as may have heretofore been appropriated for development of public facilities within the Virgin Islands National Park, effective October 1, 1978, there are authorized to be appropriated not more than $1,000,000 for restoration and rehabilitation of historic structures and for development of public facilities on Hassel Island, and not more than $500,000 as a grant to the Territory of the Virgin Islands for its use in furthering projects undertaken pursuant to the Land and Water Conservation Fund Act, the Historic Preservation Act, or other comparable programs upon the transfer of title to the United States of all properties held by the territory on Hassel Island.".

(5) Section 2(c) of the Act entitled "An Act to authorize the establishment of the Virgin Islands National Park, and for other purposes" (70 Stat. 940; 16 U.S.C. 398) is amended by adding the following sentence at the end thereof: "Notwithstanding the acreage limitations and boundary designations contained in this section, the Secretary is authorized to accept through donation, or purchase from a willing seller, the real and personal property located on Lots 251-252 Estate Contant Enighed, Parcels 86B and 86AA Cruz Bay Quarter.".

AUTHORIZATIONS TO REMAIN AVAILABLE

SEC. 8. Any amount authorized by this Act or by the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95-134; 91 Stat. 1159) but not appropriated for a fiscal year is authorized to be available for appropriation in succeeding fiscal years.

TECHNICAL AMENDMENTS

SEC. 9. Section 501 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95-134; Stat. 1159) is amended—

(1) by inserting ", notwithstanding any provision of law to the contrary." after "it is hereby declared to be the policy of the Congress"; and

(2) in subsection (a) by striking out "Notwithstanding any provision of law to the contrary, any" and inserting in lieu thereof "Any".

EFFECTIVE DATE

SEC. 10. Authorizations of moneys to be appropriated under this Act shall be effective on October 1, 1978.

Mr. PHILLIP BURTON (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. DON H. CLAUSEN. Mr. Speaker, reserving the right to object, I do so in order that we can have an explanation.

The gentleman is referring to Guam construction authorizations for all the territories, that was passed by the Senate yesterday?

Mr. PHILLIP BURTON. Mr. Speaker, if the gentleman will yield, that is correct.

Mr. DON H. CLAUSEN. That was introduced by Senator HANSEN, as referred to in the Senate RECORD on page S12418.

Mr. PHILLIP BURTON. That is correct.

Mr. Speaker, will the gentleman yield further?

Mr. DON H. CLAUSEN. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I would just like to note that, among other things, the Senate did reduce by $20 million the amount we had provided for Guam. There was some misunderstanding between the Office of Management and Budget and the committee.

I yielded to their recollection of the discussion and decided we would accept the Senate amendments, as before us.

Mr. Speaker, we have before us today the conference report on S. 2821, the 1978 authorization bill for the offshore areas of Guam, American Samoa, the Northern Mariana Islands, the Virgin Islands, and the Trust Territory of the Pacific Islands.

Earlier this year the Senate passed its version of this bill. The House Interior Committee added various provisions and the bill was reported out of committee without dissent on May 3. It was then passed by the House on June 5 by a roll-call vote of 292 to 54. A technical amendment to the bill was subsequently approved in the House on June 7.

On August 3, the Senate passed S. 2821 with some amendments, and it is this bill we are taking up here today. It is a good bill, I believe, and one that should be supported by my colleagues in the House.

S. 2821 now contains provisions that will do the following: For Guam: $13.9 million is authorized for grants for capital improvement projects in fiscal 1979, with $20 million authorized thereafter, and the Secretary of Interior is directed to prepare and submit to Congress by July 1, 1979, a study of the capital infrastructure needs of Guam for the years 1985 to 1990. From this study, we should be able to determine what sums, in addition to the $20 million, will be needed by Guam in the years ahead.

For both Guam and the Virgin Islands, the prepayment of taxes sections, which originated in the House, have been changed somewhat by the Senate. The provisions were significantly reduced but made permanent, as opposed to the 5-year proposal in the House bill, but they do not extend to those taxes which go directly into the treasuries of either Guam or the Virgin Islands. As in the

House-passed version of the bill, the governments of Guam or the Virgin Islands will not be eligible for prepayments until their fiscal years are changed to coincide with ours.

Also, for Guam, S. 2821 amends Public Law 95–134 which authorized $25 million to enable the government of Guam to purchase the Medical Center of the Marianas to take care of their health care needs. This, as I pointed out on the floor on June 5, will allow up to an additional $10 million to be appropriated to cover all bona fide loans, payments due for goods and services provided, and interest paid or due thereon relating to the maintenance and operation of the hospital until the purchase is complete. Additionally, it will cover the rising costs involved in this purchase due to the delay in appropriating the funds. Hopefully there will be some funds remaining to meet other health care needs in Guam.

The $15 million authorized by the House for the Bikini people of the Marshall Islands, Trust Territory of the Pacific Islands, is still in S. 2821 and does not represent the final amount that may well eventually be needed to help these people whose lives have been so traumatically affected by U.S. nuclear testing on Bikini Atoll. The Senate has made a change in the proposed distribution of the $3 million authorized for the people.

While the House authorized $1.5 million to be paid to the people as ex gratia payments and another $1.5 million to be paid into the Bikini trust fund established under Public Law 94–34, the Senate has provided that the entire $3 million be put into the trust fund, and my colleagues on the committee and I have agreed to this plan.

In addition to the above, the bill authorizes the Secretary of Interior to prepare and submit to the Congress a progress report on the Bikini people and their resettlement in the Marshalls.

For the Northern Mariana Islands, the $12 million the House authorized for a powerplant is still in the bill. As I remarked back in June, the Northern Marianas are dependent upon a 35-year-old power barge on loan from the U.S. Corps of Engineers. If they are to ever develop the private sector of their economy and encourage the kinds of business investment out there that they need to succeed, a powerplant is essential since the barge is inadequate to meet their growing needs.

Another provision provides that any funds made available to the Northern Mariana Islands under grant-in-aid programs provided for in section 502 of the covenant (Public Law 94–241) or pursuant to any other act of Congress enacted after March 24, 1976, or any amendments enacted to these acts, shall remain available until they are expended. Additionally, any amounts authorized by the above for a fiscal year shall remain available for appropriation in succeeding fiscal years.

The House-approved food stamp language was revised in the Senate in order to make it comply with some requests made by the Department of Agriculture. As written, if the government of the Northern Marianas decides to request the program, it will give them some flexibility in its design. Additionally, it will enable them to have it only for the length of time the NMI find it necessary to have it operating.

The House language authorizing the Secretary of the Treasury, if requested by the Governor of the Northern Marianas, to administer and enforce the collection of the various taxes, including the Federal taxes, in the islands, remains in the bill, with a slight modification.

And lastly, the American Memorial Park is authorized to be established at Tanapag Harbor, Saipan. The park's primary purpose is to honor the dead in the World War II Mariana Islands campaign, and "relevant to the park", a phrase contained in this section, makes it clear that any other areas of significance related to the campaign may be identified, established and marked by the Secretary in agreement with the Governor of the Northern Mariana Islands. The $3 million herein authorized for the park, is in addition to the $2 million provided in the Covenant.

For the Virgin Islands $5 million is authorized for an economic development loan fund to help local entrepreneurs; $52 million is authorized for the Virgin Islands hospitals. This will provide for a hospital on St. Croix, one on St. Thomas, and a clinic on St. Johns.

Additionally, a $20 million grant for each of 3 years is authorized to the Government of the Virgin Islands to offset any anticipated deficit during these years, while directing the Secretary of the Interior to submit to the Congress by July 1, 1979, a very comprehensive report on the financial condition of the Virgin Islands in order to prevent continuing deficits. This $20 million, like the other sums authorized, will be available until appropriated because of language contained in S. 2821.

The authority granted in section 4 (d) to the Secretary of Interior to impose such conditions and requirements as he may deem advisable is confined to the 3-year $60 million grants for the Virgin Islands as provided in said section 4(d).

Additionally, the U.S. Government will now pick up the costs of collecting all revenues pursuant to subsection 28(a) of the Virgin Islands Revised Organic Act tax provisions which includes the income tax as well as other revenues. This change was made while drafting the prepayment section for the Virgin Islands and is one that should have taken place a long time ago.

Under the provisions of S. 2821, the Virgin Islands will also get a park, namely, Hassel Island, which consists of approximately 135 acres and is located in St. Thomas Harbor. Up to $1 million for restoration and rehabilitation of historic structures is authorized for Hassel Island and up to $500,000 for development of public facilities.

Additionally, a donation of land and property to be used for an environmental study center in the Virgin Islands National Park is permitted by language in the bill.

For Guam, the bill authorizes the creation of the War in the Pacific National Historical Park on Guam, to establish this park $16 million is authorized to commemorate the bravery of those who participated in the campaigns of the Pacific during World War II. Another $500,000 is authorized for development of the park. Again, as in the Northern Marianas park section, "relevant to the park" means that the Secretary may identify, establish and mark any other areas of significance related to the World War II campaign.

I believe that sums up the major provisions of S. 2821. Thanks are due to many individuals for their work on this bill. My colleagues on the Interior Committee, especially Congressmen DON CLAUSEN and ROBERT LAGOMARSINO, are to be commended for their fine contributions to this legislation. Congressman WON PAT has once again come through for his constituents in Guam as will be evidenced by all of the benefits the people of Guam will be receiving from this bill. Eddie Pangelinan, the elected representative to Washington from the Northern Mariana Islands, is responsible for the powerplant authorization and the other benefits that will accrue to the Northern Mariana people as a result of his contributions to the legislation and he is to be acknowledged and thanked.

Senators JACKSON, BENNETT, JOHNSTON, HANSEN, and MCCLURE also played a leading role in formulating this bill. And Jim Beirne, Tony Bevinetto and Laura Stevens, Senate staff members, are all to be commended for their work on this bill as are Tom Dunmire, Eni Hunkin, Pat Krause and Lee McElvain of the House Interior Committee staff.

And finally, the people of the Virgin Islands have Delegate RON DE LUGO to thank for all the provisions that will benefit them in the years ahead. Without his enormous political skills and his credibility here in the Congress, it could not have been done. Because of his tireless efforts, the long-term health care needs of the Virgin Islands people have been addressed by the Congress. Thanks to him, local Virgin Islands people will finally be helped in order to develop the private sector of the Virgin Islands' economy.

And all the people in general will benefit from the grants which will permit the Virgin Islands government to significantly reduce its revenue shortfall until the current Hess oil tax vacation ends. The grants provision reflects RON's concern that the Virgin Islands be in a position of strength in order to bargain with Hess Oil and it confirms RON's wisdom in earlier opposing the short-term budget relief the Hess agreement would have provided the Virgin Islands government.

In fact, it was precisely for this reason that the Senate and the House agreed to authorize the $20 million a year grant program, an action that would have never been taken but for the belief in RON's ability to resist the easy solution to complex problems facing the people of the Virgin Islands. As one distinguished Member of the other body stated,

"If I weren't convinced that RON DE LUGO was fiscally responsible, I could never have approved of this 3-year $60 million grant."

S. 2821 is the product of the efforts of many concerned legislators like RON DE LUGO and TONY WON PAT and others, and my colleagues on the committee and I urge the House to approve it.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of S. 2821 and concur in the amendments of the other body. Essentially, this is the same authorization legislation that passed the House by a vote of 292 to 54 on June 5, 1978. Since that time, the bill was amended, undergoing essentially a "tightening" up process. Let me explain.

Based on testimony by the administration, section 1 now authorizes $20 million in additional funds beyond fiscal year 1979 to the government of Guam for purposes of capital improvements. In all likelihood additional sums will be needed; however, the administration at this time is unable to provide a detailed program for infrastructure development to support this conclusion. Accordingly, subparagraph 1(a)(6) directs the Secretary of the Interior to provide relevant data and cost estimates to the Congress by July 1, 1979.

Section 3 of the bill has been modified upon the request of the administration to allow the Secretary of the Treasury sufficient flexibility—if and when requested by the Northern Marianas—to administer and enforce tax collection in the Commonwealth. You will recall, that it was the consideration of the Interior Committee that the IRS be enlisted to assist the new Commonwealth with its expertise in establishing and maintaining a viable tax system.

Section 4 has been amended, authorizing sufficient funds to cover for 3 years the anticipated financial deficits in the Virgin Islands. The other body added this provision following testimony—information not available to the House at the time of passage—by the U.S. Comptroller for the Virgin Islands. He raised serious questions relevant to the fiscal operations of the Virgin Islands Government and concludes that:

A decision must be made soon to increase revenues and/or decrease expenditures or the territorial government could become virtually insolvent.

Accordingly, in addition to authorizing sufficient funds to keep the Government of the Virgin Islands solvent, S. 2821 mandates that a comprehensive analysis of financial conditions in the Virgin Islands be made and that the report be submitted to the Congress no later than July 1, 1979.

Lastly, the bill, as now amended, directs the National Park Service to review sites and areas of historical interest in the Pacific as a result of World War II and to recommend alternatives for their preservation.

Mr. Speaker, on June 5, 1979, I stated before this body:

In this bill, we demonstrate legislative responsiveness. It is frugal in cost when compared to the social and economic problems it will overcome.

Since the legislation before us represents an improvement, I urge my colleagues once again to lend their full support in passage.

Mr. DON H. CLAUSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from California (Mr. PHILLIP BURTON).

There was no objection.

A motion to reconsider was laid on the table.

DEFENSE APPROPRIATIONS, 1979

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13635) making appropriations for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Alabama (Mr. EDWARDS) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas (Mr. MAHON)?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Texas could inform the House the program for the remainder of the day. Is it the intention of the gentleman to go forward into amendments and have votes this afternoon?

Mr. MAHON. Mr. Speaker, if the gentleman will yield, it has been announced that the House would adjourn today at around 2 o'clock. If we have 2 hours of general debate, it is not expected that any controversial amendments will be brought up. We would want to finish the general debate and begin to read, but not very far.

Mr. BAUMAN. So that there probably will not be further votes today?

Mr. MAHON. I do not think there will be any recorded votes today.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Texas and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13635, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Texas (Mr. MAHON) will be recognized for 1 hour, and the gentleman from Alabama (Mr. EDWARDS) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we come now to the consideration of the last general appropriation bill of this session, the Department of Defense appropriation bill.

As I pointed out in the House yesterday, we have done an excellent job in securing the timely passage of appropriation bills through the House. But only one of the regular annual appropriation bills has cleared both the House and the Senate and gone to the President. I am pleased to report that it now appears that we are beginning to move rapidly. In my opinion, I repeat, the House has done a magnificent job in passing the various appropriations bills in this session. We have passed about 10 supplementals and 11 regular appropriation bills and we now have this major bill to consider.

This is the largest bill, I believe, that has ever been presented to the House of Representatives in the history of the Congress. The bill is slightly over $119.3 billion. It is a far cry from the first appropriation bill for the Armed Forces that I had the honor to present to the House of Representatives.

I became a member of the Committee on Appropriations back in 1939. In 1940 I became a member of the War Department Appropriation Subcommittee. We had not provided for the unification of the services at that time. On April 9, 1949, on a Saturday, we filed the first report on a unified appropriations bill for the armed services, and on April 13, we passed the bill through the House and sent it to the other body. That bill was not as large as the one we have today. It was for $13 billion.

The House was not as vote-happy at that time as we are now, when we are having votes on matters of relative insignificance. In fact, there was no rollcall vote on that measure back in 1949. There was only one vote in opposition. The bill was passed by a vote of 271 to 1 and we have come a long way from $13 billion to $119 billion.

I think we need to recognize that the $119 billion provided in this bill is not all the money that is in the budget which is being considered by the Congress for national defense. This bill does not include $2.6 billion for the production of nuclear warheads. That appropriation is handled by the Subcommittee on Public Works.

This bill does not include the funds for civil defense, and it does not include a number of items that could properly be called a portion of our national defense effort. It does not include the $8 billion in the President's budget for foreign aid. I realize that foreign aid is a very controversial subject, and that it could be

argued with considerable validity that much of it is not for national defense.

I think it must be admitted that the purpose of the foreign aid request of the President is to promote peace and stability in the world and in the defense of the United States. So one could say that we are considering about $130 billion at this session of Congress for national defense, which is not a small sum.

The report on the bill is over 400 pages. It would be impossible in a short time to cover the various items funded in the bill. Generally speaking, there is in the bill for the Army about $29 billion, for the Air Force about $33 billion, and a whopping $41 billion for the Navy.

Those Members who are interested—and all of the Members are—if they will turn to pages 4 and 5 of the committee report they will see just what the committee has done by way of major additions and reductions in the President's budget.

Members are interested in the funds provided for the Reserve Components. The bill provides more than $5 billion for the Reserves, some $300 million more than was requested in the budget. I quote a statement in the committee report on the funding of the Reserves.

COMMITTEE SUPPORT OF THE RESERVE COMPONENTS

The fiscal year 1979 budget includes requests of over $4.9 billion dedicated solely for the pay, allowances, operation, and maintenance for the Reserve components, not including those additional funds requested within the procurement accounts for Guard and Reserve support or those activities budgeted within the active components for direct support of the Reserve components. The request is an increase of $240 million above the amount provided in fiscal year 1978. The Committee is recommending for fiscal year 1979 a total of approximately $80 million above the amount requested in the budget for the operating accounts. Additions for aircraft procurement exceed $257 million.

The Committee is recommending the following for the Reserve components:

An increase of $5 million to support continuation of the reenlistment bonus begun last year;

An increase of $4 million to provide funds for the newly recommended authorization of an enlistment bonus;

An increase of $3.1 million to continue the 48 paid drill status of 3,000 Army Reserve members;

An increase of $74.9 million to continue the Naval Base Reserve at its 87,000 average strength level;

An increase of $31.4 million to fully fund the requested 363,000 average strength of the Army National Guard;

The addition of 16 C–130H transport aircraft totaling $145 million for the Air National Guard;

The addition of 7 two placed TA–7D aircraft for the Air National Guard at a total cost of $96.6 million;

The addition of one C–9B transport aircraft for the Navy Reserve.

A new general provision restricting the number of times that Reserve and Guard component members may perform equivalent training in lieu of their normal scheduled training;

Full funding of the request for recruitng and career retention personnel;

An increase in real property maintenance totaling $6,500,000;

Full support for a total of 825,458 man years for all Reserve components, an increase of 35,758 above the requested 789,700 man years;

An increase of 670 man years to the active Navy for Naval Reserve support;

In recommending these adjustments in the fiscal year 1979 request, the Committee has again presented a balanced package that recognizes the continued strength shortfalls the Reserves are facing and provides the necessary funds for significant improvements; this continues the Committee's strong support for the nation's Reserve components which form such an increasingly critical element of our country's "total force" concept.

Mr. Chairman, I will obtain permission later to revise and extend my remarks and place in the RECORD a lot of information which I think will be of interest and should be included.

It seems a little unreal that, with no war in progress, and no war anticipated, certainly, in the near future, we would be appropriating $119 billion for defense, along with other defense-related items; that we would have 500,000 servicemen and women overseas, that we would have 2 million in uniform, and that we would have 1 million civilian employees of the Defense Department.

George Washington said we should not keep large standing armies, large standing military forces; and, of course, in his day that was right. But we have to be sure in today's world that we are in a state of considerable readiness.

Some say, "Well, we lost the war in Korea, we lost a war in Vietnam," or "We did not achieve our objectives." There is a lot of argument pro and con on that issue. But bear in mind: that any lack of success in Vietnam and Korea was not because we lacked the military power, was not because we lacked the weapons, was not because we lacked the manpower. Whatever lack of success we experienced was not as a result of any deficiency on the part of the United States in that respect. It was a matter of foreign policy.

We state in the report that for the present and for the forthcoming fiscal year we consider the sums requested in this bill to be reasonably adequate. It provides a lot of items for all of the three services, which will be discussed further in the general debate and in the amendment period. We are $9 billion above the defense bill of last year. If you want to add the $2 billion in the budget, but not in this bill, for pay increases which will come next year in the supplemental, you will have about an $11 billion increase over last year. It is a lot of money available to the Defense Department. The unobligated balance totals about $18 billion, as the Members will note from the report. The unexpended balance available to the Defense Department is a whopping sum of $79 billion.

Of course, this results somewhat by reason of the fact that we fully fund weapons systems that take a number of years to build. Last year we had a lot of discussion about the B–1 bomber. This year we will have a lot of conversation about the aircraft carrier. In my service as chairman of this committee I have had the honor and the privilege of piloting bills through this House which provided large sums of money for the Navy and for the carriers. We are not attacking the carrier. The carrier is an important element in our Defense Department. We have a very considerable carrier force, a total of 13. The latest addition will be the aircraft carrier *Carl Vinson*, which is scheduled to join the fleet in 1982. This will be the fourth nuclear carrier.

There will be a motion made to delay any carrier in this year's bill. That issue will be discussed at some considerable length. So I think that it would be wise for us to proceed and complete this debate today, and then on Monday to proceed under the 5-minute rule to consider this measure. At the conclusion of my remarks, I shall insert a discussion and table comparing the United States and U.S.S.R. Navies.

Mr. Chairman, in further reference to my work on defense appropriations, I would like to say that I have been a prodefense member since I entered the Congress in 1935. I became a member of the War Department Appropriation Subcommittee in 1940 and chairman of the Defense Subcommittee for all the services in 1949. I have presented to the House through the years defense appropriations totaling $1.7 trillion. I do not apologize for being the recordholder in this area.

Under leave to extend my remarks, I place in the RECORD at this point, a discussion and table comparing the Navies of the United States and the Soviet Union.

COMPARISON OF U.S. VERSUS U.S.S.R. NAVIES

During the last few years, there has been a growing debate in Congress and in the media concerning the rapid decline in the number of ships in the U.S. Navy; the considerable growth in the Soviet Navy, and its emergence as a "blue water" or deep ocean fleet; the Soviet shipbuilding program of some 23 ships per year compared with an average of only 15 ships per year for the U.S. Navy; and generalized comparisons of the U.S. Navy with the U.S.S.R. Navy. The Committee wishes to make a few constructive observations relating to these issues without engaging in a discussion as to whether or not we need a fleet of 500 or 600 or 1,200 ships to meet our worldwide maritime responsibilities and commitments.

The first issue addresses the decline in the number of ships in the U.S. Navy. In the early 1970's, the Navy made a conscious decision to strike older and less capable ships from the fleet. The reason for this decision was twofold. First, the older ships were costly to operate and maintain, and even after major modernization, these older ships would still be lacking in effectiveness compared with today's ships and their technology. Second, the funds saved in avoiding costly modification efforts on these older ships could be made available to build new ships and thereby improve and modernize our fleet. Since the newer ships would be far more capable than those to be retired, the Navy did not plan to replace the older ships on a one-for-one basis. Therefore, the fact that the fleet has declined in numbers from 967 ships in 1974 to 459 ships today is not as serious as it may appear looking at bare numbers alone. Older ships that were retired did not and could not meet today's threat, whereas the newer ships entering the fleet do, or nearly so. Navy witnesses testified that, in part, it is through our technological growth that made possible a reduction in the number of ships we require. This is not to say that numbers are not significant and important in any peacetime or war scenario. The most recent five year shipbuilding pro-

gram will increase the fleet to over 525 ships by the end of fiscal year 1984.

The second issue concerns the growing Soviet fleet, its emergence as a deep ocean Navy, and the Soviet shipbuilding program of some 23 ships per year since 1970. This, of course, is all true. However, the Soviet Navy is experiencing the same obsolescence problems the U.S. Navy has experienced in certain types of ships and these Soviet ship numbers are predicted to decline as older Soviet ships are retired. It should be noted also that a large number of these current Soviet ships as well as ship deliveries in the last seven years include smaller patrol combatants, mine warfare, and other ships the U.S. Navy has chosen not to build in large numbers in that time span. There is no question but that the U.S. Navy has and continues to outdeliver the Soviets in total surface combatant ship tonnage annually. We simply build larger and more capable ships.

As examples of the foregoing discussion, data provided by the Navy earlier this year indicates that between the years 1970 and 1977, the U.S. Navy has delivered more total ships in the category of major warships over 1,000 tons, nuclear-powered attack submarines, and replenishment ships than have the Soviets. In that same time span, on the other hand, the Soviets have delivered a total of approximately 100 other ships in the category of nuclear-powered ballistic missile submarines, conventionally powered submarines, patrol ships, and minesweepers. The U.S. Navy has delivered a total of only four patrol combatants and mine warfare ships in that timeframe and has chosen not to build and deliver any submarines in the latter category between 1970 and 1977.

It should be emphasized that the significant U.S. ship delivery output in that seven year period is in spite of our many shipbuilding problems. If the U.S Navy had not experienced the construction delivery slippages in its shipbuilding programs at the three major shipyards where the outstanding claims were pending, and if the ships in those shipyards had been delivered by their original contract delivery dates, the U.S. Navy would have had 30 additional major surface ships and nuclear-powered attack submarines in the fleet today. It might be pointed out also that as of May 9, 1978, the U.S. Navy had a total of 105 ships under contract. These ships under contract include a nuclear-powered aircraft carrier, 47 surface combatants (of which two are nuclear-powered cruisers), 27 nuclear-powered attack submarines, and 26 other ships. In addition, there were three other ships funded in fiscal year 1978 that were not yet under contract as of that date. They are a nuclear-powered attack submarine, a DDG-47 AEGIS destroyer, and the DDH-997 air capable ship. In summary, therefore, our testimony this year disclosed that new construction ship deliveries programmed for fiscal year 1979 will arrest the decline in numbers of ships in the fleet and will increase our active ship force levels.

One of the main concerns of the Committee is that while we have been experiencing increased sophistication and complexity of our ships, we also have been faced with a shortage of skills in shipyards and a decrease in productivity. These factors all mean longer ship construction periods and increased costs when compared with shipbuilding programs of past years. We are using only about nine shipyards for new construction and three of those nine shipyards are building about 70 percent of those ships under construction contracts. Unless this overall trend is reversed, the Committee fears that this could well portend a smaller U.S. Navy of the future. Perhaps a large number of less costly ships in all combatant categories may well be the ultimate solution of this dilemma. In the final analysis, however, this is a decision Navy planners must address in future shipbuilding programs.

The other issue involves comparisons of U.S. and U.S.S.R. navies. While the Committee does not wish to engage in a "numbers game" when comparing the U.S. and Soviet navies, nevertheless, numbers are inevitably used in making such comparisons. These comparisons can be irrelevant when done improperly or out of context. The Committee feels, therefore, that some observations in this area are in order. Navy witnesses in testimony this year mentioned a Soviet navy of some 1,700 ships. That number can be misleading because it includes nearly 400 ships classified as patrol combatants, amphibious warfare, and minewarfare ships. Our Navy has built relatively few patrol combatants, our amphibious ships, while fewer in numbers, are far more capable and larger, and most of our minewarfare ships are in the Naval Reserve Fleet and as such are not included in U.S. Navy ship numbers usually cited. Another 780 Soviet ships are in the auxiliary ship category and include mobile logistics and other support ships. Some 675 other support ships in that 780-ship total include over 100 ocean tugs, over 80 surveying ships, about 75 buoy tenders, and significant numbers of oceanographic research ships, water carrier ships, barracks ships, cargo ships, and so forth. In other words, many of these ships are in the category of ships that would be operated by our Coast Guard, by the Navy's Military Sealift Command, by the National Oceanic and Atmospheric Administration, by university and sea grant institutions, and/or would be included in our merchant marine.

On the other hand, U.S. Navy ship numbers exclude ships operated by the Military Sealift Command (MSC), which is a command of the U.S. Navy much like the Military Airlift Command is a command of the Air Force. The MSC operates 35 auxiliary and support ships for the U.S. Navy. These ships include several types of auxiliaries such as oilers, supply ships, fleet tugs, research, instrumentation, surveying, cable repair, and other specially configured ships for the U.S. Navy. In addition, the 58 Navy Reserve Fleet (NRF) ships, while manned by active U.S. Navy personnel up to as much 75 percent of the total manning for NRF ships, normally are excluded from U.S. Navy ship totals. If 29 NRF destroyers are included in the U.S. Navy numbers, a different picture emerges in the major surface combatant totals for the U.S. and USSR navies as shown in the following table:

	U.S.	U.S.S.R.
Over 3,000 tons:		
Aircraft carriers	13	1
Cruisers	27	37
Destroyers	93	90
Frigates	63	---
Total ships over 3,000 tons	196	128
Under 3,000 tons:		
Frigates	2	105
Total major surface combatants	198	233

Another meaningful comparison might involve the navies of the U.S. and its allies with the navies of the USSR and its allies. While it is true the Soviet Navy has a large number of ships, it must be remembered that a significant number are small in size and are for coastal defense. The other Warsaw Pact members, however, have relatively few major surface combatants. Our allies, on the other hand, (including NATO, France, Japan and Spain), have navies which total nearly 1,300 ships. This total includes aircraft carriers, helicopter carriers, cruisers, destroyers, frigates, submarines, amphibious, minewarfare, patrol escorts, and other craft. Our testimony disclosed that new construction by NATO countries of destroyers, frigates and submarines increased from 12 ships in 1976 to 21 ships in 1977, including some for export. Navy witnesses had no data available for NATO naval auxiliary ship construction. Our NATO allies particularly have a major role to play in any European confrontation and their contribution should not be overlooked in such overall Navy comparisons.

The foregoing Committee observations are being made for the purpose of placing the U.S. Navy and its Soviet counterpart in a more meaningful perspective.

Under leave to extend. I include a summary tabulation from the committee report and a statement in the Forces supported by the bill.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1978 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1979

Agency and item	New budget (obligational) authority fiscal year 1978 [1]	Budget estimates of new (obligational) authority fiscal year 1979	New budget (obligational) authority recommended in bill	Bill compared with— New budget (obligational) authority, fiscal year 1978	Bill compared with— Budget estimates of new (obligational) authority, fiscal year 1979
(1)	(2)	(3)	(4)	(5)	(6)
RECAPITULATION					
Title I—Military personnel	$26,055,837,000	$27,211,200,000	$27,176,446,000	+$1,120,609,000	−$34,754,000
Title II—Retired military personnel	9,010,000,000	10,148,938,000	10,139,838,000	+1,129,838,000	−9,100,000
Title III—Operation and maintenance	33,510,493,000	37,376,200,000	37,338,507,000	+3,828,014,000	−37,693,000
Title IV—Procurement	29,571,289,000	31,927,600,000	32,157,971,000	+2,586,682,000	+230,371,000
(Transfer from other accounts)	(258,500,000)		(136,400,000)	(−122,100,000)	(+136,400,000)
(Liquidation of deficiency)	(21,000,000)			(−21,000,000)	
Title V—Research, development, test, and evaluation	11,347,217,000	12,468,000,000	12,215,448,000	+868,231,000	−252,552,000
(Transfer from other accounts)			(23,800,000)	(+23,800,000)	(+23,800,000)
Title VI—Special foreign currency program	2,480,000	14,362,000	13,092,000	+10,612,000	−1,270,000
Title VII—Working capital funds	170,800,000	100,800,000	100,800,000	−70,000,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1978 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1979—Continued

Agency and item	New budget (obligational) authority fiscal year 1978 [1]	Budget estimates of new (obligational) authority fiscal year 1979	New budget (obligational) authority recommended in bill	Bill compared with— New budget (obligational) authority, fiscal year 1978	Bill compared with— Budget estimates of new (obligational authority, fiscal year 1979
(1)	(2)	(3)	(4)	(5)	(6)
Title VIII—General provisions (additional transfer authority, sec. 833)	($750,000,000)	($750,000,000)	($750,000,000)		
Title IX—Related agencies	45,050,000	53,183,000	54,725,000	+$9,675,000	+$1,542,000
Total, Department of Defense (NOA)	109,713,166,000	119,300,283,000	119,196,827,000	+9,483,661,000	−103,456,000
(Transfer from other accounts)	(258,500,000)		(160,200,000)	(−98,300,000)	(+160,200,000)
Total funding available	109,971,666,000	119,300,283,000	119,357,027,000	+9,385,361,000	+56,744,000
(Transfer authority)	(750,000,000)	(750,000,000)	(750,000,000)		
(Liquidation of deficiency)	(21,000,000)			(−21,000,000)	
Distribution by organizational component:					
Army	27,061,830,000	30,342,252,000	29,370,504,000	+2,308,674,000	−971,748,000
(Transfer from other accounts)	(60,200,000)		(99,400,000)	(+39,200,000)	(+99,400,000)
(Liquidation of deficiency)	(21,000,000)			(−21,000,000)	
Navy	38,200,347,000	40,135,800,000	41,231,740,000	+3,031,393,000	+1,095,940,000
(Transfer from other accounts)	(114,500,000)		(15,000,000)	(−99,500,000)	(+15,000,000)
Air Force	31,264,346,000	34,217,400,000	33,581,386,000	+2,317,040,000	−636,014,000
(Transfer from other accounts)	(83,800,000)		(45,800,000)	(−38,000,000)	(+45,800,000)
Defense agencies/OSD	4,131,593,000	4,402,710,000	4,818,634,000	+687,041,000	+415,924,000
Retired military personnel	9,010,000,000	10,148,938,000	10,139,838,000	+1,129,838,000	−9,100,000
Related agencies	45,050,000	53,183,000	54,725,000	+9,675,000	+1,542,000
Total, Department of Defense (NOA)	109,713,166,000	119,300,283,000	119,196,827,000	+9,483,661,000	−103,456,000
(Transfer from other accounts)	(258,500,000)		(160,200,000)	(−98,300,000)	(+160,200,000)
Total funding available	109,971,666,000	119,300,283,000	119,357,027,000	+9,385,361,000	+56,744,000
(Transfer authority)	(750,000,000)	(750,000,000)	(750,000,000)		
(Liquidation of deficiency)	(21,000,000)			(−21,000,000)	

[1] Includes amounts in Supplemental Appropriation Act, 1978.

FORCES TO BE SUPPORTED

DEPARTMENT OF THE ARMY

The fiscal year 1979 budget will support Active Army forces of 16 divisions, 5 separate brigades, 1 combat brigade—Air Cavalry, and 3 armored cavalry regiments and Reserve forces of 8 divisions, 24 separate brigades, and 4 armored cavalry regiments. A summary of the major active forces for fiscal years 1977, 1978, and projected for 1979 follows:

	Fiscal year— 1977	1978	1979
Divisions:			
Airborne	1	1	1
Infantry	5	5	4
Mechanized	5	5	6
Armored	4	4	4
Air assault	1	1	1
Total	16	16	16
Nondivisional combat units:			
Armored cavalry regiments	3	3	3
Brigades	5	5	5
Combat brigade air cavalry	1	1	1
Active duty military personnel: End strength (thousands)	782	774	772

DEPARTMENT OF THE NAVY

The proposed budget will support an active fleet of 457 ships at the end of fiscal year 1979 compared with 452 at the end of fiscal year 1978 and 464 at the end of fiscal year 1977 and an active aircraft inventory (Navy and Marine Corps) of 5,213 at the end of fiscal year 1979 slightly reduced from fiscal year 1978. The forces will include 13 multipurpose (CV/CVN) carriers. 167 ASW and air defense escort ships and 65 amphibious assault ships at the end of fisacl year 1979 as well as 2,051 Navy and Marine Corps tactical aircraft and 433 ASW aircraft. A number of new ships will join the fleet during fiscal year 1979 including 4 nuclear attack submarines, 1 amphibious assault ship, 1 submarine tender, and 8 destroyers from new construction. A summary of active Navy forces to be supported, as reflected in the January Budget, follows:

	Fiscal year— 1977	1978	1979
Commissioned ships in active fleet	464	452	457
Warships	293	295	304
Other	171	157	153
Submarine launched ballistic missile launchers	656	656	656
Multipurposes (CV/CVN) carriers	13	13	13
ASW and air defense escort ships	155	160	167
Amphibious assault ships	62	64	65
Aircraft inventory (active)	5,478	4,480	5,213
Tactical aircraft (USN and USMC)	2,112	2,060	2,051
ASW aircraft (fixed and rotary wing)	463	435	433
Marine divisions	3	3	3
Active duty military personnel	721,338	723,824	711,700
Navy	529,697	532,324	521,700
Marine Corps	191,641	191,500	190,000
Reserve components personnel, paid drill training	123,796	119,103	84,400
Navy	94,105	87,000	51,400
Marine Corps	29,691	32,103	33,000

DEPARTMENT OF THE AIR FORCE

For end fiscal year 1979, the Air Force budget provides for an active force structure of 80 tactical fighter and attack squadrons, organized into 26 combat wings, 6 air defense interceptor squadrons, and 24 strategic bomber squadrons, including both B–52s and FB–111s. Also supported in this budget are 32 airlift squadrons. The Minuteman and Titan ICBM Force will be kept at its current strength of 1,054 launchers.

A summary of major Air Forces as proposed in the President's Budget follows:

Category	Fiscal year— 1977	1978	1979
USAF tactical fighter and attack squadrons [1]	77	79	80
USAF air defense interceptor squadrons	6	6	6
Strategic bomber squadrons	25	24	24
ICBM launchers	1,054	1,054	1,054
USAF airlift squadrons	32	32	32
Aircraft inventory, active [2]	9,256	9,238	9,157
Active duty military	570,479	570,800	565,600
Reserve components personnel [3]	(139,873)	(144,300)	(145,600)
Air National Guard	91,336	92,300	92,400
Air Force Reserve	48,537	52,000	53,200

[1] Includes overseas interceptors.
[2] Includes active Air Force, Air National Guard, and Air Force Reserve.
[3] Projected average strength (paid duty training).

The gentleman from Florida, BOB SIKES, and I have sat together in committee over a period of many years. He and I have worked together in the interest of our country. BOB SIKES has done an outstanding job for the Nation. He has never faltered in his dedication and support of programs designed to promote the defense and security of the Nation. The country owes him a debt of gratitude. His interest in the military has been a prime concern.

I would like to say much the same thing about my distinguished colleague from Georgia, JACK FLYNT, my friend, an unwaivering supporter of all national defense causes throughout his service in the Congress and on the Appropriations Committee. JACK FLYNT has not served on the subcommittee as long as BOB SIKES, but his service has been of the highest quality. His knowledge of military matters has been of great assistance to me and the committee.

Further, I would like to say this about the staff of the Defense Subcommittee: Without their assistance, the discharge of our responsibilities would have been

impossible. No group in government is more knowledgeable or dedicated in military matters than the Defense Subcommittee professional staff which includes Ralph Preston, John Garrity, Pete Murphy, Derek Vander Schaaf, Chuck Snodgrass, Dave Willson, Bob Davis, John Plashal, and Austin Smith. They are ably supported by Sandy Gilbert and Marcia Matts.

Mr. Chairman, I reserve the balance of my time.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before getting into my remarks on this defense bill, I think it would be in order to remind the House that our beloved chairman, the gentleman from Texas, GEORGE MAHON, is bringing his last defense bill to the floor. I could not speak today without first commenting on what a tremendous man GEORGE MAHON is. He has been a real inspiration to me. I have been on a number of subcommittees and committees since I have been in Congress, and never have I dealt with a person who has been more fair with the minority, who has been more forthcoming with information he had that the whole committee should have, a man who had a greater determination to see to the adequate defense of this country.

So, I believe that as GEORGE MAHON leaves this House, what he has done for the defense of the country will be remembered here for generations to come.

I would also like to comment, Mr. Chairman, if I may, that we are losing on our subcommittee two other very able, dedicated public servants in BOB SIKES of Florida and JACK FLYNT of Georgia. These three have been determined that we would have a good defense in this Nation. This country is stronger and this country is better for their having served on this subcommittee and in the Congress. All three have been extremely helpful to me and to the minority, and we shall miss them on the subcommittee.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I cannot let this moment pass without saying that I appreciate the words of my friend from Alabama. I can reciprocate by saying that I have never served with a finer man than JACK EDWARDS of Alabama, who has done a good job, who has cooperated in a nonpartisan way in the interests of national defense. It has been an honor and a privilege to work with him and all the members of the subcommittee.

Mr. EDWARDS of Alabama. Mr. Chairman, I appreciate the gentleman's comments. This subcommittee does work closely together. I think the thing that makes it a good subcommittee is that we can really disagree, and we do. We have some real good knock-down drag-out fights on our subcommittee.

We usually come out with a bill that is the best a composite group can produce. And that is not to say we always all agree with everything in the bill, but I believe the Members can assume properly that when we come to the floor with a bill it has been hashed over in great detail.

I would also like to comment, Mr. Chairman, on the work of the other members of the subcommittee and on the very fine staff that we have. This is a tremendous bill in scope and in dollars and in number of pages of hearings and in the number of pages of committee reports and all the rest. There is no way we could do it without the very able staff that we have.

The chairman has presented an excellent summary of the recommendations and the details of all these actions are laid out in our committee report. I will not belabor this point. I intend to focus on a few key issues as I see them.

Mr. Chairman, for fiscal year 1979, the committee is recommending a total of $119.4 billion. That amount would exceed last year's level by a whopping $9.4 billion. While some portion of the proposed increase is due to inflation, one-third to a half would constitute real program growth or about 3 percent. Real program growth translates into improved combat readiness in the near term with continued modernization and enhanced capabilities over the long run.

When compared to the budget request, the recommended amount would constitute a net increase of $56.7 million. By our standards, that would be a very modest increase indeed.

But Mr. Chairman, that number provides no insight into our deliberations. While we funded the budget at close to the amount requested, we took considerable liberties with the amounts approved for each service within the budget. I want to stress that we did not set out to rearrange the budget, but it surely worked out that way.

To fully understand what we did, it is necessary to look at how the committee redistributed the funds between the three services. In brief, we cut approximately $1.2 billion from the Army and Air Force R. & D. and procurement accounts and, in effect, added a net $1.4 billion in unbudgeted items to the Navy procurement account—$976 million for shipbuilding and $425 million for aircraft.

That in a nutshell, Mr. Chairman, is what my comments are about.

The budget, as presented to the Congress last January, proposed a significant shift in priorities away from those established by earlier administrations. The budget placed renewed emphasis on increasing the combat capabilities of our conventional air and ground forces in NATO, which is essential, while placing less emphasis on shipbuilding programs and certain Navy missions—a subject which is in some controversy now. There is certainly no agreement yet between the Navy and Defense Department as to what the future role of the Navy should be or at least I do not perceive such a clear understanding. But I think this is at the heart of the problem with the Navy portion of the budget.

The committee unquestionably supports the plan to strengthen our NATO defense posture. The committee also believes that we cannot allow any further decline in our naval strength. The Navy is no longer able to buy the ships and aircraft in the quantities it needs to effectively carry out all of its assigned missions.

Mr. Chairman, I think this was the single most important factor we considered in reaching our recommendations.

The United States is a seapower. Our dependence on the sea has continued to grow as we have become more involved in the world economy. Yet as our dependence on the sea has increased, our ability to control the sealanes has come under increasing challenge by the Soviet Union.

Herein lies the real problem, Mr. Chairman.

While all of us want to provide what is necessary for the defense of this Nation, the truth is there is only so much money available. This being the case, we have to struggle with the problem of how best to spend the dollars available, and I am just not sure that this bill adequately addresses this problem.

As I said, we took $1.2 billion from the Army and Air Force and, in effect, gave it to the Navy. In other words we are robbing Peter to pay Paul.

The Army appears to be getting its production problems under control and is now producing tanks, antitank weapons and the like in reasonable quantities.

The Air Force also apparently is getting its house in order because it is now buying its principal weapon system—tactical fighter aircraft—in significant quantities. We found that the Air Force has been able to buy from three to four times as many aircraft with only 55 percent more funding than the Navy. Thus, the Air Force is able to meet its needs for the most part, but if the Navy continues down this road, it will not be able to maintain its 12 active carrier airwings very much longer. The reason is very simple. The Navy needs to buy at least 180 tactical combat aircraft per year just to stay ahead of normal peacetime attrition, but actual deliveries of naval combat aircraft have been running far below that figure.

In the face of growing Soviet tactical air capabilities in Europe, the Air Force could certainly use more F–15's. This year we provided funds to buy 78 of these aircraft. That converts to a monthly production rate of 6.5 aircraft—a relatively low rate. Last year we provided funds for 97 F–15's or 8 per month. There is a capacity in being to produce 12 to 13 per month or up to 156 F–15's per year. We could have added F–15's for the Air Force, and we probably should have.

Personally, I am very concerned, and I believe the committee shares this concern, that one of the reasons the Navy is unable to buy all the aircraft it needs is that there are just too many different types of aircraft in the inventory.

We held special hearings on the various tactical air programs this year, and it was clear that the Air Force's aircraft procurement policy is in faily good shape. The Air Force is getting down to four

tactical combat aircraft—the F–15 and F–16 fighters, A–10 attack aircraft, and the E–3A airborne early warning and control aircraft.

The Navy's aircraft procurement programs, by comparison, are in need of a major overhaul. This year, for example, the Navy requested funds to buy eight different tactical combat aircraft—A–4M attack; A–6E, attack; EA–6B, electronic warfare; F–14A, fighter; F/A–18, fighter/attack; CH–53E, assault helicopter; P–3C, ASW, and E–2C, airborne early warning. Not being satisfied with that, the committee deleted the A–4M aircraft, but added A–7E and AV–8A attack aircraft and increased the buy of F–14 and F–18 aircraft. The net result of all this is that the Navy may be buying 9 different types of tactical combat aircraft, and if tactical support were included—CTX, C–9, and EC–130 aircraft—the Navy would be buying 12 different tactical aircraft in fiscal year 1979.

With this kind of procurement policy, it is impossible to buy aircraft in economical numbers. The F/A–18 and AV–8B will help to reduce the number of different aircraft in the Navy and Marine Corps inventory in the future by replacing four existing aircraft—the F–4, figter; A–7, attack; AV–8A/C, attack, and A–4, attack—and could, in turn, lead to larger and more economical buys of fewer types of planes.

Let us now turn to the question of ships. The problem here is very simple. Navy ships are costing too much.

This problem is already manifesting itself in the Trident and SSN–688 submarine programs. Everybody agrees that these are fine boats and that they will serve a useful purpose. But the Trident costs about $1.2 billion each. The cost of each SSN–688 is about $400 million. The result is that we are only planning to buy 13 Tridents and 37 SSN–688 class boats. We really need many more than that.

Mr. Chairman, we could have more smaller submarines in more oceans of the world for about the same cost if we were not so totally captivated by the need to build ever larger and more expensive vessels. The recent decision taken by the conference committee to repeal title 8 of the defense authorization bill—requiring nuclear power on naval ships—is a step in the right direction. We need to build less expensive ships in far greater numbers, but we cannot do that if we spend all our money on just a few ships.

The fleet is shrinking in size, and we are buying fewer and fewer ships each year. We need to be able to put ships in all the oceans of the world, but that cannot be done if we do not have the ships. This bill, for example, contains funds to buy the single most expensive ship in history—the CVN–71 nuclear-powered aircraft carrier. By the time we finish building this ship, the price tag will probably exceed $2.5 billion; and at the very earliest, the CVN–71 would be delivered in 1986 or 1987. Well, the question is whether we really need this expensive carrier at this time. We could build many more Navy combat ships for $2.5 billion. And so the committee gave considerable attention to this question. By a 7 to 6 vote, the subcommittee said to build the CVN–71. When the full committee voted on the question of deleting this carrier the vote was 26 to 26 and so the motion to delete failed. You can see that this is not easily resolved.

And so, Mr. Chairman, the more we spend on expensive Navy ships and planes, the less we can spend on other requirements for the Army and Air Force and more particularly on the Navy's other needs. Contrary to popular belief, there is a bottom in the money well, and therefore we must clearly have priorities that reflect a well-balanced defense posture—one that meets the threat head on and not one shaped by service rivalries, or by disputes between the services and the Secretary of Defense or one shaped by defense contractors. And in truth, the priorities should not necessarily be set by the Congress. But we do get extremely frustrated by the confusion generated by the administration.

The bottom line is that the committee has recommended $41.2 billion for the Navy, $29.4 billion for the Army, and $33.6 billion for the Air Force; and it may be of interest that the Navy consistently gets 45 to 50 percent of all military procurement funds.

I cannot say this is wrong, but I do argue that the numbers are subject to question when we have a fuzzy policy on the Navy mission, when the Navy does not have enough ships or aircraft and we are still spending money like it was going out of style on a few ships and close to a dozen different Navy aircraft.

I could argue all day long about how much is needed in this bill and how much each military branch requires. When we get right down to it, though, I don't believe there is anyone in this Chamber that knows the answer to that question. I certainly do not have the answer. But the problem does cry out for study and consideration and a clear sense of direction.

Well, Mr. Chairman, we have carefully reviewed the budget. We have deleted some items. We have added some, and we have transferred some from one area to another. We did the best we could, but this is not a perfect bill by any stretch of the imagination. With some of the exceptions noted earlier, I believe that the funding, as proposed in the bill, is adequate to meet our needs for a strong defense posture at this time. But in the years to come, I believe we will be called upon to spend even greater sums if we are to respond to the continuing Soviet advances and if we are to provide funds for our own technological breakthroughs. That is why it is so important to make the best use of every defense dollar.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, I happily join in paying tribute to the distinguished chairman of the committee, the gentleman from Texas (Mr. MAHON), my beloved colleague of many years. I have been privileged to sit by his side during countless hours of committee hearings, through many markups, and through days of floor deliberations. I know the caliber and the contributions of this man. His work has truly been monumental. It will endure for many years. The gentleman from Texas (Mr. MAHON) is a great American, the kind of leader the Congress needs.

By the same token, Mr. Chairman, I proudly recognize the outstanding contributions to the Congress, to national security, and to the Nation of our distinguished colleague, the gentleman from Georgia (Mr. FLYNT). I know this very distinguished colleague very well. I have been happy to share with him a warm friendship. No man could have worked harder in all his undertakings; no man could have been more zealous in his efforts to insure the security of America. His background in the military, in law, in public life admirably fitted him to step into the position of leadership in the Congress. There always is a need here for men of character and ability. He has accepted great responsibility in an unflinching manner. Few have worked harder or been more highly respected. He has performed the work entrusted to him in a way that will endure to his credit throughout the year. This Congress and the Nation will miss the services of the able and distinguished gentleman from Georgia, my close and dear friend, JOHN FLYNT.

Mr. Chairman, while participating in what I anticipate will be my last markup on the subject of appropriations for the defense of the United States—H.R. 13635—I was forcefully reminded of and, to an extent, appalled by the pattern of the manner in which major budget decisions are made in our democracy. Particularly is this true of the process of allocating our fiscal resources among the various agencies of Government.

It is not at all surprising to find that in times of relative well-being, particularly after engaging in conflict, we move drastically to draw down our military forces and to reduce support and weapons procurement. We seldom compensate this reduction with significant increases in research, development, and testing to insure the capability to achieve readiness in further emergencies.

There are always the same several reasons for the drawdown. One is that we no longer need to maintain military strength at the levels of periods of conflict. This is obvious and accepted. Another, incredibly, is that a maintenance of levels consistent with the sound base needed to rapidly expand to a wartime footing would be antagonistic to our potential adversaries. A third is that we can no longer continue spending for the national defense at prudent levels when there are so many pressing domestic social requirements confronting us. And always is the claim that there is fat in the military budget; as if all the other programs were as lean and hungry as a tiger on the prowl.

The fact is the military budget is clearly the most closely screened and highly visible of all the executive branch departments and agencies. The budget review process within the Department of Defense is detailed and exhaustive. Furthermore, the DOD program is consid-

ered on a line-by-line basis in the context of a 5-year defense program. I know of no other Government agency where such a detailed display is required. The budget proposed by DOD is then screened at the Office of Management and Budget and, finally, receives the sharpest scrutiny of all in the House and Senate. Certainly, our Defense Appropriations Subcommittee spends hundreds of hours reviewing literally thousands of individual line items to insure that the so-called fat is properly rendered. Obviously this is not a foolproof process. We do make mistakes; but there is a conscientious effort made to insure that the taxpayer receives full value on his investment in our national security.

There needs to be debate about our national priorities and the proper level of resource allocation to each. That is what our annual budget review process provides. Over the past decade this annual determination has resulted in an ever-decreasing percentage of our resources being spent on national security. For example, in 1960 we chose to spend about 49 percent of our budget allocation on national defense and about 25 percent on domestic social programs. This year we will spend about 24 percent on our national defense and about 52 percent on domestic social programs. Yet there are those who continue to clamor for a lower allocation in the defense area.

In my view, this antidefense syndrome is contrary to the desire of the American people we represent and is taking us on a course which inevitably will lead us into the very confrontation we want to avoid. The American people have been misled into a false sense of security vis-a-vis the Soviets and the real impact of their large and growing expenditures on offensive military systems—both conventional and strategic. For those who advocate an ever-increasing share of the pie for social programs, I would only comment that, without a strong and viable defense posture, those programs can all be meaningless. If the pendulum does not soon start a swing back to a more balanced national program, we will be courting disaster.

I had hoped that this my last effort would help to produce a defense budget which would give the Soviets a clear signal that we intend to maintain the credible defense posture needed to insure a world at peace. Unfortunately, this appropriation for our national defense does not achieve that objective and I would be remiss in my responsibility to the American people and my colleagues if I did not raise this warning signal. Time is running out.

Although this year's defense budget showed a modest increase in dollars, the budget was, in essence, a repetition of last year's downturn in the priority of defense programs. Another cut is in prospect from the administration next year. All the tough talk, diatribe, and litany from the present administration about our defense capability cannot alter that fact.

This does not speak well for security. This is not a judgment from my own perspective. It is an assessment echoed by, almost without exception, every military leader who is in position to know. Here are the words of the then-Chairman of the Joint Chiefs of Staff, Gen. George Brown, in his fiscal year 1979 posture statement:

> * * * In light of the extensive growth in military capabilities of the Soviet Union, it is questionable whether what has been done is enough to assure the security and well-being of our country in the coming years.

There was absolutely no substantive refutation of the Chairman's statement throughout this year's hearings. Witnesses were quick to point out that the United States does not need to match the Soviets' buildup stride for stride, system for system. On that score, I would agree. Yet we need to stay in the same race, at least stay on the same track. I simply must question that our present appropriations do that, or that they even come close.

When cuts are made in Government expenditures, national defense usually is the first victim because no one is shooting at us. Agriculture is always a potential victim because there are now so few Members of Congress who are rural oriented. In fact, it is shocking to realize that half of the agriculture budget is allocated to food stamps. Including food stamps in the agriculture budget is necessary to obtain enough metropolitan support to pass the bill.

Neither the problem nor the threat receives priority consideration when defense funding is allocated. The projected overall annual budget is simply a pie to be split in a way which will bring the least outcry from those affected. Despite their numbers, those in uniform have few vocal spokesmen in comparison with those dependent on other agencies.

Defense planning cannot properly be conducted on a 1-year basis. Procurement of ships, aircraft, and major weapons extends over a number of years. Changes in military tactics and developments in technology require funding plans far into the future. Yet the fact is that much of the defense budget is allocated on a year-by-year basis, and constant changes in anticipated future requirements are costly and sometimes wasteful. Spending programs in other departments can more readily be based on year-by-year requirements. When DOD is allocated its slice of the pie, the Department must determine which of all its necessary programs can be fitted into an unrealistic, austere resource commitment. This makes it more difficult for the Defense Department to evaluate the Soviet and Warsaw Pact threat to the United States and NATO, or any other military threat, and then develop a viable response. In time of peace, defense appropriations are decided after consideration of the needs for domestic requirements rather than on the basis of national security requirements. The result is a constant slimming of that portion of the pie left for the military.

This process then necessitates public statements to soothe our concern that we aren't meeting the military threat at hand. We are told we do not need a manned penetrating bomber; then money is requested to do a study on what a new manned penetrating bomber might involve. This is true even though a detailed study on the subject has been completed and the product is in being. We are told that a larger, clearly more capable nuclear carrier is not needed; yet, all contemporary studies from within the Defense Establishment point to the overriding fact that the larger carrier is more capable, is needed now and, over its life cycle, is more economical.

We are told that to build a nuclear carrier will only be at the expense of vital numbers of other ships, when in fact the number of vessels requested has already been cut in half by the present administration. In an effort to economize and possibly to confuse the enemy, we have discarded or delayed the neutron bomb, the B–1, the mobile missile system known as MX, and the Minuteman III—the only advanced missile under development in the Western Hemisphere. This contrasts with the many intercontinental ballistic missile systems which have been developed by the Soviets. If we have an edge on the Soviets at this time, it is that we have so confused them with rhetoric that they have no idea what we plan. Apparently, neither does the Defense Department because of constant changes in administration policy toward defense.

Now it is proposed, as an alternative to the Minuteman III, to dig more holes for the Minuteman II system, but not to install missiles in them. Theoretically, the Russians, not knowing which holes contain armed missiles, would have to zero in on all of them. This, as though the Russians would not know exactly which holes were empty. Only the American people and our allies would be confused by this tactic. The zeal of the American media and some public officials for revealing every possible secret about our armaments would soon insure printed maps detailing which sites are loaded and which are empty.

It is unnecessary to reiterate what the committee has done on specific items in this budget. Those details are easily obtained through a reading of the report itself. My point is that I have been in Congress long enough to remember some of the obvious lessons of the past, including the beginning of the Second World War. It seems all too appropriate to conclude by reminding my colleagues of Winston Churchill's recollection of the factors influencing the beginning of the last great war. A thorough reading of the literature of that time will make clear that, beginning with the Treaty of Versailles itself, the allied nations consistently deluded themselves into believing that continued reticence in providing adequate armed forces would somehow invoke the same action in Germany. It was an attitude which did not prevent a war—it encouraged one. The delusion that lesser spending, lesser commitment to national defense will build a lasting peace by causing a similar restraint in opposing forces is ludicrous. Many nations throughout history which ascribed to such a view have not survived. I call attention to Mr. Churchill's perception of this folly:

> There can hardly ever have been a war more easy to prevent than this second Armageddon. I have always been ready to use force in order to defy tyranny or ward off

ruin. But had our British, American, and Allied affairs been conducted with the ordinary consistency and common sense usual in decent households, there was no need for Force to march unaccompanied by Law; and Strength, moreover, could have been used in righteous causes with little risk of bloodshed. In their loss of purpose, in their abandonment even of the themes they most sincerely espoused, Britain, France and, most of all, because of their immense power and impartiality, the United States, allowed conditions to be gradually built up which led to the very climax they dreaded most. They have only to repeat the well-meaning, shortsighted behavior towards the new problems which in singular resemblance confront us today to bring about a third convulsion from which none may live to tell the tale.

To paraphrase a familiar quote—those who fail to heed the lessons of history are doomed to repeat its mistakes. The devastating effect of the modern weaponry possessed by our potential adversary could quickly produce a catastrophe for our free democratic society if we insist on repeating the mistakes which led to World War I and World War II.

There is something firmly inconsistent with a defense plan about which so many of our top military leaders express serious concern. Commonsense tells us that when the Chairman of the Joint Chiefs of Staff expresses reservations over the weakness of our response to the Soviet threat, there must be a problem. As I conclude my effort on this defense appropriation bill, I wonder whether the American people—the farmer, the factory worker, the engineer, the nurse, or the social worker—are happy or will be satisfied with what we have provided for the defense of our Nation. It does not counter the fact that the Russians and the Warsaw Pact nations are far ahead of America and our NATO allies in conventional weapons. We have been surpassed and we are falling behind in nuclear weapons. Russia is biding her time because they are growing stronger while, in comparison, we grow weaker. This is dangerous. It invites adventurism. It invites confrontations which may not be able to withstand. In H.R. 13635 we have stayed close to the guidelines of the budget. In doing so, we have rearranged priorities, inflicted cuts, and made additions—all to a limited extent. In the process, we became, to a degree, a part of the problem of inadequate defense. I hasten to say that we in the committee at least tried to bring forth a better bill.

Hopefully, America will develop a better answer to this compelling problem before we find ourselves in a situation from which there is no return to the peace and freedom we so fervently desire.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I would just like to take this opportunity to join with my colleague from Alabama in paying tribute to the gentleman in the well, as well as my colleague from Georgia (Mr. FLYNT) on the pending retirement of the gentleman from Florida (Mr. SIKES). The service of the gentleman from Florida in the Congress has added immeasurably to the defense of this Nation and to its defense posture.

The gentleman from Florida (Mr. SIKES) has been a credit to the Congress, to all of us. While on very few occasions we might have differed, we probably have one difference coming up during the bill; but aside from that, really, the gentleman has added to the safety of the people of this country. The gentleman has added to their security. The gentleman has done yeoman service in the interests of the gentleman's constituency and the people.

Mr. Chairman, I did not want this moment to pass without adding my words to those of my colleague who spoke earlier.

The CHAIRMAN. The time of the gentleman from Florida (Mr. SIKES) has expired.

Mr. SIKES. Mr. Chairman, I am very grateful for my colleague's comments.

Mr. MAHON. Mr. Chairman, I yield 1 additional minute to the gentleman from Florida (Mr. SIKES).

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Chairman, this is indeed an opportune time to pay tribute to a magnificent American, the gentleman from Florida (Mr. SIKES), who has given of his life and contributed his best thinking to the House over all these years.

I think the best memorial to the gentleman that we could have is his great contribution to national defense, and I think, in view of all the things that have happened, in view of the great development of our country and its advances since the gentleman has been in Congress—almost 40 years now—we should be aware that the gentleman has made a contribution that nobody else I know of has surpassed.

Mr. Chairman, this is a great opportunity for me on this occasion, on behalf of the Florida delegation, to pay this tribute to the gentleman from Florida (Mr. SIKES), who has contributed so much not only in defense matters but in many others.

Mr. SIKES. Mr. Chairman, I am most grateful to my colleague the gentleman from Florida (Mr. BENNETT) for his remarks.

Mr. MAHON. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania (Mr. FLOOD).

Mr. FLOOD. Mr. Chairman, I rise in support of H.R. 13635, the defense appropriation bill for fiscal year 1979.

Before commenting on the bill, Mr. Chairman, I would like to join my friends and make a few remarks as well about our beloved colleague, GEORGE MAHON, chairman of the Committee on Appropriations.

Mr. Chairman, throughout the history of this great institution there have been thousands of Americans who have had the honor to serve in this great House of Representatives. Of those thousands, only a few truly deserve the accolade, "a giant of the House." Mr. Chairman, GEORGE MAHON is one of those "giants."

GEORGE MAHON is a man of invincible integrity. He is a man of tremendous ability who has masterminded the complexities of this Federal budget, and that is some thing. He is a man of strength, whether dealing with Presidents or the common man. He is a man of wisdom who recognizes the role of compromise in a divided society. He is a man of compassion who is also sympathetic to both friends and political foes.

Those are the words that come to my mind when describing the greatness of GEORGE MAHON—integrity, ability, strength, wisdom, compassion.

Over the years I have stood shoulder to shoulder with GEORGE MAHON through many, many political battles, and I stand with him today.

Mr. Chairman, I might say, too, that we are losing two other Members of just this same caliber, and all these words I have spoken apply to the gentleman from Florida (Mr. SIKES) and the gentleman from Georgia (Mr. FLYNT).

Mr. Chairman, I believe the 1979 defense appropriations bill is a sound bill, a prudent bill, a bill which strikes the proper balance between maintaining a strong national defense and carrying out a sensible fiscal policy.

There will be criticism from various Members who believe the amount in this bill, $119 billion, is excessive, and that significant reductions should be made. To those Members I say, "You fail indeed to recognize that only through the shouldering of the burden of maintaining an adequate national defense during peacetime can we hope to avoid having to involve our Armed Forces in wartime."

While it is true that the figure of $119 billion is rather awesome, it should be put in the perspective of the gross national product which exceeds $2,000 billion. Expenditures for national defense, measured as a percentage of the gross national product and the Federal budget, have remained stable over the last few years and have declined significantly in the last decade and a half.

Thus, the level of this proposed defense budget is continuing the middle-of-the-road approach to defense expenditures of recent years. I am including in my remarks the following table which shows the comparatively modest role of defense expenditures relative to the economy as a whole:

DEPARTMENT OF DEFENSE BUDGET—FINANCIAL SUMMARY

[In percent]

	Fiscal year—				
	1964	1968	1977	1978	1979
Department of Defense:					
Federal budget (outlays)	41.8	43.3	23.8	22.8	23.0
Gross national product	8.0	9.3	5.2	5.2	5.1
Labor force	8.3	9.9	4.9	4.9	4.9
Net public spending	27.9	29.5	15.6	15.2	15.2

Mr. Chairman, there will be others here today who will address themselves to their belief that a $119 billion defense budget is inadequate. They will speak of a need to accelerate the deployment of certain weapons systems and to increase research and development expenditures for the Department of Defense. I believe those Members fail to recognize both the inflationary impact of such a policy and the fact that the Soviet Union will inevitably match our increased outlays

with larger defense expenditures of its own.

I would like to comment on one aspect of the fiscal year 1979 defense portion increase of the defense budget for the current year and attributable to expansion of our support of NATO. The administration has made the strengthening of NATO a key element in its defense policy. The committee held special hearings on NATO this year, and a wide variety of topics were covered, including NATO strategy, NATO air defense, NATO communications, and the future size and shape of NATO forces. Administrative officials have assured us that an expanded American support for NATO would be met by increased expenditures of our NATO allies. In view of the extensive arms buildup by the Warsaw Pact and the willingness of our NATO allies to increase their defense effort, I support the administration's NATO initiatives.

Mr. Chairman, the Defense Appropriations Subcommittee held extensive hearings on this bill for many months. There are thousands of pages of published hearings. The recommendations in this bill were not arrived at hastily. The subcommittee spent an entire month marking up this bill—an entire month. Of course, because of the complexity and enormity of the bill, there are some individual items with which I am not totally satisfied. However, these relatively minor items do not detract from my strong support for the overall bill.

Mr. Chairman, I urge the Members to support the recommendations of the committee and pass the fiscal year 1979 appropriations defense bill.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia (Mr. ROBINSON), pending which I yield myself 1 minute, because I want to mention that the gentleman from Virginia is one of the ablest members on this subcommittee. He is one of the most knowledgeable men on this subcommittee. It is, indeed, a pleasure to work closely with him, to be supported by him, and I do not know what our side would do if it were not for his ability to grasp the issues, to assimilate those issues in his head, and to come out with logical answers. The gentleman from Virginia (Mr. ROBINSON) is a credit to this committee, and before he speaks I wanted to make these remarks.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, let me join the gentleman from Alabama in his references to the work of the gentleman from Virginia (Mr. ROBINSON). He works hard. He is a man of strength and dedication and his work on the Subcommittee on Defense Appropriations and on the Select Committee on Intelligence has been outstanding.

Mr. EDWARDS of Alabama. Mr. Chairman, I now yield to the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Chairman, my colleague from Alabama and my chairman pay me a very high compliment for which I am most grateful, and particularly in view of the fact that they are well aware that in one significant area with regard to the debate that will follow I will be opposing them in a matter which is of great concern to all of us, and which led to the very close votes which have already been alluded to.

Mr. Chairman, I would also be remiss as a member of this subcommittee if I did not pay tribute, and very just tribute, to our chairman, who is retiring from the committee after this session of the Congress. As one who has only been here a short time in terms of the length of time that he has served—serving only my fourth term in Congress—I feel it a rare privilege to have at an early date in my service been able to arrive at a point where I was able to become a member of this subcommittee, where I serve with a man who not only is the ranking individual on the Appropriations Committee, but is the ranking individual in this House and the ranking individual in the whole Congress. He has served in the capacity in which he brings this bill to the floor longer than any other man in history, and as such I consider it a rare privilege to have been under his tutelage and to have had the opportunity to gain access to the very in-depth knowledge that he has of our country's defense, and the history of it.

Mr. Chairman, I would also like to pay tribute to those two gentlemen who are retiring from the subcommittee, the gentleman from Florida (Mr. SIKES) and the gentleman from Georgia (Mr. FLYNT), for whom I have the highest admiration, and whom I will miss very greatly as the years go on, assuming I am given the privilege of rejoining the committee after the elections in November.

I regret that the situation is such that these remarks that we are making here this afternoon really constitute sort of an exercise in futility. We are singing to the choir, so to speak. There are few individuals present who are not already totally acquainted with the content of this bill, and we are going through the motions to a degree that does not seem to be absolutely necessary, but it is a part of the way that we do things. However, anyone who takes the time to read the record of what has gone on today will learn a great deal.

Mr. Chairman, this bill H.R. 13635 provides for the commitment of a very large amount of money to the common defense in the fiscal year beginning October 1, 1978. This money will be collected in large measure from the taxpayers of the United States, but, because of our continuing heavy deficit position, a significant fraction will have to be borrowed.

The total in this bill is about 119 and a third billion dollars. This is approximately $52.5 million more than the requested budget authority, and about $9.4 billion more than the total provided to date, including supplementals, for the similar Defense Establishment purposes in fiscal year 1978.

Inflation, of course, is what we are going to pay for in much of the increase—such things as cost-of-living pay increases for members of the Armed Forces and civilian employees of the Department of Defense, and fully half a billion dollars just to absorb currency revaluation impacting on our overseas defense expenses because of the softness of the dollar in the world money markets.

The amount of money provided in this bill for a real increase in national defense capacity is small. I think it no exaggeration to say that the commitment to the maintenance of a strong deterrent posture against a rash major adventure by the Soviet Union a decade or so hence is difficult to discern here. The commitment to a prudent defense is in the marginal area.

I believe my record as a member of the Committee on Appropriations testifies to my recognition to a need for fiscal restraint. As a member of the subcommittee which developed this bill, I have not been inclined to give the generals and admirals everything they want—and you will find in the report considerable stern language in regard to various program shortcomings and inadequate justifications for budgeted items, to many of which reproofs I subscribe. When it comes to trying to decide what it would take to preserve this country in the face of enemy attack, however, I believe in giving particular weight to the earnest arguments of the officers of extensive training, and battle experience, who would be responsible for the preservation effort.

As we consider this bill, let us keep in mind the time perspective. We are dealing with funds to maintain our defense establishment in the next fiscal year—a year we hope and expect will not see our Nation involved in armed conflict. If this hope should prove to be misplaced, we would have to fight with the weapons at hand. The additional and replacement weapons systems proposed to be bought with money in this bill will not be delivered for varying terms of years.

We seek to avoid a disastrous miscalculation of our capacity and resolve in the mind of a potential enemy. But let us not make a fatal miscalculation of our own as to the planned capacity and aggressive intentions of an enemy building methodically the might to realize global power ambitions in future decades.

Because we have no ambitions to be achieved by force of arms, and have no national expectation of initiating conflict at a time and place, and in the manner, of our choosing, we are at a disadvantage. We must prepare to defend ourselves against a wide variety of threats.

Our security blanket is thin—near threadbare from wear and age in spots.

The U.S. Arms Control and Disarmament Agency released this month a report which should disturb us—should make us wonder not whether we propose to commit too much in this bill, but whether we propose to invest too little.

For example, a chart in this report shows a steady decline in U.S. defense

expenditures from 1968 to 1976, while Soviet expenditures for defense increased at about the same rate. The same was true for NATO and the Warsaw Pact nations. NATO defense spending went down steadily. Warsaw Pact military spending went up at an even greater rate than that of the Soviet Union.

In the same period, according to another chart in this report of Mr. Paul Warnke's Agency, military spending rose in every area of the world except North America—Europe as a whole, Latin America, Africa, the Near East, South Asia, the East Asian Pacific.

Armed forces personnel in uniform around the world increased by 11 percent from 1967 to 1976—from 23.6 million to 26.2 million. NATO military manpower slipped 26 percent—from 6.6 million to 4.9 million—while Warsaw Pact forces rose 15 percent, from 5.2 million to 6 million. The so-called developing countries were developing militarily—29 percent worth, from 12.1 million in uniform to 15.6 million.

Who can say with conviction, in the face of these trends, that the defense funding for our own country proposed by the bill before us is too much?

We turn away only at great peril to the future survival of this Nation as we know and love it from such ominous figures as I have cited.

There are those in this House who have been grumbling over what they see as a weighting of this bill in favor of the Navy. In the large congressional district which I am privileged to represent, the only military installations of any size in area or personnel are Army, and my own uniformed service of many years ago was in that branch. The testimony presented before our subcommittee, however, made plain to me that the Navy has become the service of most urgent need because of years of shortsighted shortchanging.

To project our power to any point on the globe at which our national interests might be threatened, we must have—and we have had for many generations—the ability to preserve our access to all the sea lanes of the world.

And, yet, we have been letting our historic advantage slip away by reducing the size of our Navy and neglecting, in particular, its surface fleet needs, while the Soviet Union has pressed ahead on the construction of a blue-water naval force of impressive power.

Despite promises last year that the next budget would do better by the Navy, the estimates submitted this year for fiscal year 1979 proposed funding for only half as many vessels as we have been given to expect would be sought.

The Navy total in the bill is swelled primarily by the approximately $2 billion included for one additional *Nimitz* class nuclear-powered aircraft carrier—not requested in the budget. All of us will have opportunity later to discuss aircraft carriers in general and, in particular, the best carrier in the world, the *Nimitz* class. I shall note at this time, therefore, only that the one element of naval power in which we still have a substantial advantage over any potential adversary—let us say straight out the Soviet Union—is the mobile air base of great offensive power, defensive capacity and survivability, the large attack aircraft carrier.

And one further carrier note for the moment: Contracting for another *Nimitz* class carrier in fiscal 1979 will not increase that advantage; it will merely keep our deployable attack carrier strength at current level for the next couple of decades, by replacing a ship which will be more than 40 years old when the CNV–71 provided for in this bill is ready for full duty at sea.

Not many years ago, the United States had access to more than 100 overseas air bases. Now, the number is on the order of 30, with long-term availability at the mercy, in many instances, of highly volatile political currents.

As we move forward in the study of this very large, multifaceted appropriation bill, let us consider soberly the need to provide for a state of national preparedness which must intensify over a long period of years, unless there is a dramatic—and not now to be anticipated—abatement of the growth of the threat presented by the Soviet Union and its Warsaw Pact allies.

We must have a ready Air Force, of course, and a ready Army, but—particularly in a conflict of conventional arms—we must have a Navy capable of projecting its power to the center of crisis anywhere in the world, and maintaining the essential bridges for our land forces.

Our Navy, as one recent report comparing Soviet and American military trends since the Cuban missile crisis comments, "now enters an era of reduced options and reinforced risks."

Let us examine this bill in the light of its purposes—improving the deterrent to major war and improving our capacity to survive and prevail if war should come—not simply next year but at any future time for which long-range preparations must be initiated now.

We will be talking about a great deal of money, but perspective must be the key word. All the major categories of budgeting, including military personnel costs, operation and maintenance, procurement and research, development, test and evaluation, are below the budget estimates which were submitted to us by the executive branch—except procurement. Only two areas of funding have grown over fiscal year 1978 totals by more than 10 percent—retired military personnel costs, a matter of continuing concern, and operation and maintenance, which includes a substantial rising factor of civilian employee hire, likewise a cause for concern.

The procurement net increase would have been nearly $1 billion more if it were not for the decision not to fund another Trident submarine, because of the slippage in the construction program for this ballistic missile sub.

The cost of increasingly sophisticated weapons systems is very high, but here, again, perspective is important. In our defense budget, the full spectrum of personnel costs is edging toward 60 percent, relative to costs associated with procurement, operation, and maintenance of weapons systems and their installations.

In the Soviet Union, the allocation is almost precisely reversed, giving this adversary a substantial advantage in preparing for war—which is what a defense budget is all about.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. ROBINSON) has expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 3 additional minutes to the gentleman from Virginia (Mr. ROBINSON).

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I will be happy to yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, just dealing directly with the particular subject to which the gentleman referred, the new naval aircraft carrier, when the authorization committee met, we made some very severe cuts in other areas in order to accommodate the carrier and put that in the bill.

Would it not be true to say that the Committee on Appropriations did the same thing, that it gave up some very precious weapons systems which we seriously need in order to get the carrier in under the budget, and that in the event the carrier were not put in there, then we lose in both respects? Would that be correct?

Mr. ROBINSON. I certainly agree with the gentleman.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, on the subject of the carrier versus other needs of the Navy, one of the problems that we found is that there is no authorization floating around anywhere for additional Navy ships other than the carrier, which is unbudgeted. This bothers me.

Mr. Chairman, I would hope that the Committee on Armed Services would, in its consideration next year, give thought to other surface combatants which should be authorized, budgeted or not, so that we, in turn, on our committee may have a chance to look at other ships for possible inclusion in our bill.

Mr. Chairman, I am concerned about the Navy's 5-year plan. I do not think it calls for enough ships.

Therefore, Mr. Chairman, I would urge our colleagues on the Committee on Armed Services to look next year beyond the budget to our needs for surface combatants and, hopefully, next year if the administration does not do an adequate job in budgeting, we can come to this floor and take care of the problem.

Our hands are tied this year. The only ship we have to deal with beyond the budget is the carrier.

Mr. ROBINSON. Mr. Chairman, I agree with the gentleman wholeheartedly; and I, of course, acknowledge that we thought we were going to have a budget this year that would present us with the choice of 30 different ships and perhaps 2 small carriers. However, when

the budget was presented, we found we had only 15 ships that were suggested and no carriers.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman, today we have before us the results of 6 months of hard labor by the Appropriations Subcommittee on Defense. The ever-increasing size and complexity of the Department of Defense budget is amply evidenced by this bill and the over-400-page report that accompanies it.

Sadly for us, this is the last year our committee, the Congress, and the American people will have the benefit of the tireless leadership of the gentlman from Texas, GEORGE MAHON. During his 44 years of service in this House, his contributions to the security of our Nation and the well-being of our citizens have been unparalleled. The wisdom, decency, and courage of GEORGE MAHON have shone as an example to each of us who have been privileged to serve with him. As I look back over my own 17 years in this House, GEORGE MAHON stands tall in my memories. He has chosen now to leave us for a gentler life but his spirit will always stand tall in the history of this House.

We also face sadness with the departure of two of our most eminent colleagues, BOB SIKES and JACK FLYNT. We have worked together as a team at this very difficult job. Both of these Southern gentlemen have served long and diligently in behalf of their own constituents and in behalf of the Nation at large. BOB and JACK, I wish you much-deserved happiness in the future years. Your expertise, knowledge and diligence will be missed by all.

I would also pay tribute to our very able minority leader of the subcommittee, JACK EDWARDS, and to each of the members of the subcommittee.

Mr. Chairman, the committee and the House also owe a debt of gratitude to the hard work and expertise of the members of our committee staff. I say to each of them: I am proud of you and I thank you.

Now the time has come to move forward toward the final consideration of this bill. The responsibility falls on each Member of the Congress to render a judgment.

I support this bill, as I have in years past, because the effective defense of our country is vital. Though most of the components of this bill are necessary for that purpose. Others are not. Included with the committee report are my separate views on some of the items in the bill. Basically, I do not believe in stoking the vaults of the Pentagon to bursting point, and this we have done.

This bill, as reported, would provide $9.4 billion more for the Department of Defense than was provided for the same purposes in the current fiscal year. This year again we continue to trend toward ever-higher and higher defense spending even though we are at peace. The billions we have poured into our Military Establishment have not prevented the encroaching spread of Communist influence around the world. The billions we have spent on defense have not lessened the many problems we face here at home.

The total amount recommended in this bill is $56.7 million more than was requested in the budget. In the area of procurement, the amount recommended is $362.5 million above the budget, partially offset by a reduction of $228.8 million for R.D.T. & E. But, as noted in my separate views, these are net figures. The committee has recommended adding over $3 billion for procurement and R. & D. programs that were not included in the President's 1979 budget. The unbudgeted items are listed on pages 4 and 5 of the report.

Distorting this bill out of all proportion is the long and heavy shadow of a fifth nuclear-powered aircraft carrier. The estimated cost of this unneeded ship is exorbitant, $2.4 billion. The actual cost cannot now be predicted with any certainty. Construction of CVN–68, 69, and 70 are now estimated to cost on the average of 42.2 percent more than the original estimated cost. If we project only a 25-percent increase for the proposed CVN–71, we are looking at a possible cost of $3 billion for this one ship alone. The record of the delivery slippage and the likelihood that construction of a CVN–71 could not begin for perhaps another year casts doubt that this ship could be completed before the 1990's. To insist upon building it would commit us to the expenditure of further billions in future years in order to efficiently deploy yet another nuclear-powered carrier battle group.

Just last week at the meeting of the full Appropriations Committee, two votes were registered. One was on an amendment not to fund any carrier this year. It failed 26 to 26. Why was this vote so close? The reason is that we are all confused by a barrage of statistics and opinions that are not relevant to the basic issue. Until we have established a clear mission for the Navy we cannot plot the future size or balance of our naval force. We do not know what to build.

One thing we do know for sure. If we continue to build ever larger, ever more expensive ships we will eventually have a smaller fleet. If we continue to build these mammoth vessels, we are simply providing bigger and more valuable targets for the increasingly accurate and deadly Soviet missiles.

I myself believe that the golden era of large-deck carriers is coming to an end, as the era of battleships ended with World War II. To build yet another one serves no useful purpose whatsoever. With the disarray that now exists in our shipbuilding industry, we would simply be adding another $2 billion more to the bloated unobligated balances of the Department of Defense.

As in previous years, the unobligated balances continue to prove that we are giving the Department vastly more money than they can possibly spend. The revised estimate of this slush fund at the end of fiscal year 1978 is $16,337,000,000. That is $2 billion more than the original estimate of $14.3 billion. At the end of fiscal year 1979, the unobligated balances are estimated to be $16,174 million. This too is an under estimate. If we go on throwing unnecessary money into this pot we might as well christen it Fort Knox.

There are other items in this bill that cause me grave concern. The costs of our communications programs have almost doubled in the past several years to over $4 billion annually. We have plenty of programs in R. & D., but obsolete equipment still in the field.

We still do not have an operational defense satellite communications system II of four satellites more than 9 years after the program started. The first fleet satellite communications satellite was not launched until this year, over 6 years after program initiation and at double the original cost. Despite the dismal history of this program we continue to fund almost any request relating to communications satellites. My separate views discuss our communications satellites programs in depth. This is an area we need to monitor most carefully in the future.

The administration has placed emphasis on the need to increase the readiness and modernization of our own and our allied forces in Europe. The committee has generally provided the funds requested for this purpose.

The committee has also considered the quality-of-life problems of our All-Volunteer Force and I am pleased that this bill includes substantial funding to improve the housing of our service men and women. Funding for real property maintenance has been increased by over $134 million, of which $52 million is directed to BEQ and BOQ. I and other members of the committee visited our troops in Germany last fall. I was appalled by the conditions of some of the barracks, particularly in the forward areas. I hope these conditions will be corrected as soon as possible.

The committee has also recommended $94.8 million to extend overseas travel and transportation entitlements to junior enlisted personnel. Lack of this entitlement has imposed hardship on the lowest paid members of our forces. The committee has been concerned, however, about the possible effects on military readiness of increasing the number of dependents overseas, and the need for a comprehensive evacuation plan in the event of hostilities. We have, therefore, requested a detailed report assessing these problems.

As I have said, Mr. Chairman, I shall support this bill because I must. Much of this funding is needed. We must, however, continue with our efforts to cut the spiralling costs of the Defense budget before we break the bank and I will discuss those cuts at greater length when the amendments are offered.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. BOB WILSON).

Mr. BOB WILSON. Mr Chairman, I thank the gentleman from Alabama for giving me a few minutes out of the committee's time. I do not intend to take

time to do more than say "Amen" to the accolades to the chairman, my good friend from Texas (Mr. MAHON), to the gentleman from Georgia (Mr. FLYNT) and to the gentleman from Florida (Mr. SIKES). I will take more time on Monday under the 5-minute rule to say what I want to say from my heart about these fine gentlemen. It will give me all weekend to be able to choose my words to say even better things than I have in mind right now.

Mr. Chairman, I would like to address an inquiry to the chairman about the cut in the professional development and education funding in this particular bill. The Department requested approximately $400 million and the gentleman's committee has reduced it by $39.7 million.

I am particularly concerned about the Naval Post Graduate School and the Air Force Institute of Technology. I want to point out that in the committee report on page 28, there was included a paragraph from our Committee on Armed Services' report which stated:

The Committee is concerned about the under-utilization of the Naval Post Graduate School at Monterey, California.

It pointed out that the current enrollment there forces it to operate in a relatively inefficient manner and it is underutilized.

Yet, in the report on the next page your committee is asking the Defense Department to reassess the necessity for operating both the Naval Post Graduate School and the Air Force Institute of Technology.

It also says:

Any reduction deemed necessary from the budgeted program for the Naval Post Graduate School and the Air Force Institute of Technology are not to be made prior to submission of the requested plan.

Now, my query to the gentleman is this: Is the committee suggesting that the entire 10-percent cut occur other than in the area of the Post Graduate School and the Air Force Institute?

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, the reduction is not aimed at the school at Monterey, the school referred to by my colleague who is on the Committee on Armed Services, the ranking minority member of that committee. Some minimal reduction might possibly be made at the service schools, but this is aimed at the contracting out that is being done by the Armed Forces.

Mr. BOB WILSON. Mr. Chairman, I appreciate that fact. I think the committee has been very wise in recommending a review of the total situation, because if our two Government-sponsored schools are underutilized, and at the same time we are going out and contracting, it really does not make much sense.

Mr. Chairman, I certainly salute the committee for realizing this fact and calling for a complete review of this situation.

Mr. MAHON. Mr. Chairman, if the gentleman will yield further, I appreciate the remarks the gentleman has made.

Mr. BOB WILSON. Mr. Chairman, I would point out that the Congressman who represents the district in which the Naval School is located is the gentleman from California (Mr. PANETTA).

Mr. Chairman, I yield to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, we have already discussed this question with the committee and the committee staff. I, too, am concerned about the underutilization of the Naval School and the Air Force Institute of Technology. The committee has recommended that there is a need for more efficient use of these schools, but has also provided for a 10-percent reduction in professional education. It is also my understanding that the primary target for these reductions is the use by the services of private institutions, as opposed to the military schools.

Mr. Chairman, I appreciate the gentleman making that clear on the floor and I thank the gentleman for raising that issue.

Mr. BOB WILSON. Mr. Chairman, I spent some time recently with a retired full admiral from the gentleman's district, who pointed out that he graduated from the Naval Academy 40 years ago and the training he got there was sufficient to take him clear through the Navy.

But he points out that the men who are now graduating from the Naval Academy are facing far more complex weapons systems and far more problems than did those who graduated 40 years ago, and for that reason this postgraduate training is necessary if we are going to survive in a very complex military environment.

Mr. Chairman, I yield back the balance of my time.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia (Mr. FLYNT).

Mr. FLYNT. Mr. Chairman, before discussing the bill and the report, I want to pay the highest tribute of which I am capable to the chairman of my committee, the gentleman from Texas (Mr. MAHON), and the gentleman from Florida (Mr. SIKES) who will be leaving this committee and this Congress at the end of this Congress.

It has been a pleasure which defies description to serve under the leadership, the guidance, and the tutelage of a man like GEORGE MAHON. It was said of him a few minutes ago that he is indeed a "Giant" among men and a "Giant" among his colleagues. I have just concluded reading a new biography of this great Texan, and I recommend it to my colleagues.

Also I especially pay tribute to another retiring member of this subcommittee with whom I have worked actively and diligently over the years of my service in Congress, the Honorable ROBERT L. F. (BOB) SIKES of Florida. I believe that BOB SIKES has worked in as dedicated a fashion perhaps a more dedicated fashion for a strong America, a strong national security, and a strong national defense than any other person.

Mr. Chairman, I have watched his expertise. I have watched his dedication and his motivation, and, Mr. Chairman, I think I can say without any fear of contradiction that the United States is a stronger and a more secure place in which to live and to look forward to the future because of the dedicated efforts of GEORGE MAHON of Texas and BOB SIKES of Florida.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I gladly yield.

Mr. ADDABBO. Mr. Chairman, as the gentleman from Georgia (Mr. FLYNT) was speaking of his retirement, the thought just came to my mind that with the retirement of GEORGE MAHON, BOB SIKES, and the gentleman in the well, the gentleman from Georgia JACK FLYNT, this Congress and the American people will lose over 100 years of great expertise in working on behalf of the American people.

Mr. FLYNT. Mr. Chairman, I thank my colleague, the gentleman from New York (Mr. ADDABBO).

I wish to express my appreciation to my colleagues, the gentleman from Alabama (Mr. EDWARDS) and the gentleman from Virginia (Mr. ROBINSON), the gentleman from Pennsylvania (Mr. FLOOD), the gentleman from New York (Mr. ADDABBO), and others who have been most gracious in their remarks concerning the gentleman from Texas (Mr. MAHON), the gentleman from Florida (Mr. SIKES), and your humble servant.

Mr. Chairman, in discussing a bill of this magnitude, a bill of this importance, one never knows where to begin or where to end. It is difficult to discuss it in the time allotted.

I wish that there were more interest and attention being paid to the general debate on this bill, because, Mr. Chairman, it is upon the effective administration of this bill and others like it in the out years that the future destiny of the United States of America and, yes, of the free world will depend.

Mr. Chairman, it should be repeated for emphasis, that this bill contains approximately $119 billion 357 million. By looking at the figures on paper, this would indicate an increase of approximately $9 billion over the fiscal year 1978 appropriation bill for the Department of Defense.

But, Mr. Chairman, this is not an accurate assessment, and it certainly does not mean that we will buy that much more defense and national security with the funds appropriated in this bill because the virus of inflation will eat up most of the increase provided in this bill over the same bill for fiscal year 1978.

Mr. Chairman, of this amount, approximately $29.4 billion is for the Army, $41.2 billion is for the Navy, $33.6 billion is for the Air Force, and nearly $5 billion for defense agencies.

Mr. Chairman, some people may think that the amount allocated to the Department of the Navy in this bill may be excessive, by comparison with the amounts for the other two services. But, Mr. Chairman, it is my opinion that in recent years the requirements and the needs of the Navy have not been funded. Like my colleague, the gentleman from

Virginia, my military experience was not in the Navy. It was in the Army. But I have a great admiration and respect for those who wear the Navy uniform. The Navy has been the forgotten child of the Department of Defense and of the Congress in recent years, and I believe this increase to be fully justified for the Department of the Navy.

Mr. Chairman, we have included in this bill at least 15 unbudgeted items which at the proper time I will ask unanimous consent in the House to enumerate. We have deleted about 21 items which were included in the budget estimate but not included in this bill. The basis of the committee recommendations on each of these is set forth, I believe satisfactorily, in the report. I commend the reading of this report to every Member of this House, and I believe that a thorough reading of this report will justify an affirmative vote on final passage of this bill and, in most instances, will justify a negative vote against most amendments.

Mr. Chairman, in years past I have participated in both general debate and under the 5-minute rule when the bill was being read for amendments, on such matters as the funding of the B–1 strategic bomber. I think it is unfortunate that we lost the B–1 fight. In subsequent years, after the gentleman from Texas (Mr. MAHON), the gentleman from Florida (Mr. SIKES) and I are no longer here, the Congress may be willing to reconsider its decision and that judgment, and include the B–1 strategic bomber in the inventory of the U.S. Air Force aircraft.

Mr. Chairman, the big fight this year during the amendment of this bill will be on the question of whether or not to fund the new carrier, the CVN–71. This would be the follow-on carrier to the existing aircraft carrier of the *Nimitz* class. We feel that this is an absolute "must." We feel that if the Navy is going to maintain its preeminent position on the seas in time of peace and in time of war and keep those sea lanes open, we must go forward with this new addition to the carrier force of the U.S. Navy.

A good many of us will have more to say about this when we reach the 5-minute rule. Let me say now that I feel very strongly about the inclusion of the funds in this bill for the new nuclear carrier (CVN–71) as I do any segment of this bill. We will have more to say about that when we reach the 5-minute rule.

I want to comment on the fact that in this bill we include $335,100,000 most of which is associated with the initial procurement of 110 XM–1 tanks.

This tank will be the new main battle tank of the U.S. Army. In the subsequent production models of this tank, it will be equipped with a 120 millimeter gun which we believe will be the equivalent of or superior to any tank gun on any tank anywhere in the world.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 4 additional minutes to the gentleman from Georgia.

Mr. FLYNT. Mr. Chairman, in connection with the XM–1 main battle tank and specifically with respect to the research and development on this new main battle tank of the Army, there have been unaccounted for delays. There have been delays which have disappointed some of us who have supported this tank program. But, Mr. Chairman, we believe that the kinks have been ironed out. We believe that the research and development team and the user elements of the Army, in cooperation with each other and in conjunction with the other defense agencies and with this committee, and the Committee on Armed Services, have come up with what we believe will be a satisfactory main battle tank for the remainder of this century. For several years, it has been no secret to anyone that we have been out-tanked and out-tank gunned, but I think that with the production which is being initiated as a result of the funds included in this bill, the XM–1 tank will become a reality for our Army.

Let me point out that in this connection we hope to achieve an average monthly rate of tank production of as much as 90 of these XM–1 tanks. But, we have not been satisfied, in funding this bill, to provide for an eventual and total production capacity of only 90. While we expect to produce only 90 tanks per month for the foreseeable future, we have, wisely included provisions of this bill to permit a surge capability of 150 tanks per month production. Let me emphasize that we do not intend to build 150 tanks a month, but we feel that it is economy and foresight to include in the provisions of this bill a capability to surge to a tank production rate of 150 XM1 tanks per month.

Mr. Chairman, the committee has always been cognizant of the need of adequate support for the Reserve components. In this connection let me say that the committee is recommending an increase of $5 million for a continuation of the re-enlistment bonus program begun last year; an increase of $4 million to provide funds for enlistment bonuses; an increase of $3.1 million to continue the 48 paid drill status of 3,000 Army Reserve members; an increase of $74.9 million to continue the Naval Reserve at its 8,700 average strength level; an increase of $31.4 million to fully fund the requested 363,000 average strength of the Army National Guard; the addition of 16 C–130H transport aircraft for the Air National Guard, which may have to be cut as a result of the conference committee action on the authorization bill.

Mr. Chairman, there will be a number of elements of this bill which will be changed by amendments offered by the committee to meet the requirements and the limitations imposed upon us by the conference report adopted earlier today.

Let me speak briefly about the cruise missile program about which we have heard so much. Even those of us who are the strongest supporters of the B–1 strategic bomber program have lent our support and shall continue to lend our support to an adequate development of the cruise missile system. In this bill we have included approximately $175 million for procurement of 36 air-launched cruise missiles (ALCM) for the Air Force and slightly over $40 million for the advanced procurement funding of the ground-launched cruise missiles (GLCM). These figures are subject to adjustment to conform to the levels of the authorization bill.

Mr. Chairman, even more important than that, we have included approximately $464 million in research and development funds for the further development and finalization of the best cruise missile programs, both for the Air Force and Navy, that we can possibly provide, and we feel that this cruise missile program will be well underway with the funds for procurement as well as research and development which are included in this bill.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I would like to comment on one thing the gentleman has said and which was also alluded to by the gentleman from Virginia.

It certainly is not my intention to cut the Navy budget.

Mr. FLYNT. I think every Member of the House is aware of the statement just made by the gentleman from Alabama.

Mr. EDWARDS of Alabama. And I would argue that the Navy budget in fact needs to be increased, but my argument comes in two basic areas: That is, whether we in fact are trying to build the right ships at the right time, or, second, whether in fact the Navy has so many tactical aircraft that there is no way they can get an economical buy of one of them, and the Navy really needs to cut down on the number of tactical aircraft and get on with the business of building the planes they so desperately need to get them up to the 180-plane-per-year production which is necessary to replace the attrition rate.

Mr. FLYNT. I completely agree with my friend from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, during the Presidential campaign of 1976, candidate Jimmy Carter repeatedly said our Nation should cut from $5 to $7 billion from the defense budget. He said these cuts could be made through "management improvement efforts." President Ford said that such a budget cut could not be made without harming our national defense effort.

Two years later, we now know that President Ford's view was the correct one. But that did not change the result of the election. President Ford, who knew what he was talking about, won the defense debate. Jimmy Carter, who did not know what he was talking about, won the Presidency.

President Carter has learned that candidate Carter was wrong when it came to defense cuts, something many of us sus-

pected at the time. President Carter has backed off his campaign promise and for good reason: it was irresponsible and showed a woeful misunderstanding of national security needs. I am glad that the experience of being Commander in Chief has taught President Carter just how right President Ford was and just how wrong candidate Carter was. It is times like these when I wish we could "recall" defective candidacies and promises in the same way we recall defective cars.

Although I am glad that the President has seen the light, so to speak, on the major issue of defense cuts, I do not wish to give the impression that I believe the Carter administration is handling our national defense needs with the same degree of competency as the Ford administration. The decision not to build the B–1 bomber may well be the single most harmful decision President Carter has yet made. One of the world's leading defense authorities, John W. R. Taylor, editor of the authoritative "Jane's All the World's Aircraft" has said this decision could doom the West since it leaves us vulnerable to Soviet attack.

Our fleet is also in trouble and the Carter administration shows no understanding of the grave problems involved.

The committee report addresses the problems of our Navy and quite correctly reminds us that numbers alone do not tell the full story when it comes to comparisons of the Soviet and American fleets. I recognize, as does the committee, that in an age of sophisticated weapons technology, sheer numbers are not always the best way to measure relative strength. The committee report quite correctly points out that the estimated number of Soviet ships, 1,700, includes vessels such as patrol combatants and mine warfare ships.

But we cannot ignore the numbers, because quite often, looked at by laymen with little military knowledge, they can seem terribly impressive. In short, the size of a fleet can be a persuasive propaganda device.

Let us take a look at the size of the American and Soviet fleets as publicly reported:

According to the committee report, the Soviets have 233 major surface combatant ships; the United States has 108. In ships over 3,000 tons we have 196 to their 128.

The Soviets have 37 cruisers, we have 27.

The Soviets have 260 attack submarines, we have 77.

The Soviets have 91 nuclear missile submarines, we have 41.

Only in aircraft carriers do we lead the Soviets. We have 13, they have 1.

This is how the Chief of Naval Operations, Adm. James L. Holloway III, describes the state of our Navy today:

> The U.S. Navy currently holds the advantage in the naval balance, although by only a slim margin of superiority over the Soviets in some scenarios involving the most vital U.S. national interests.

This certainly is not a reassuring assessment. Yet, as the report points out, one reason for our decline in ships is that we have chosen to "phase out" outmoded ships and build fewer but better ones. And I understand that we should also consider the fleets of our NATO allies. But even considering these facts, the very fact of the growth of the Soviet fleet is of profound importance.

There is a growing ability of the Soviet Navy to interdict the shipment of Middle East oil to industrialized nations of the world. Soviet ships maintain a continued presence adjacent to the petroleum routes in the Mediterranean, the Indian Ocean, the Persian Gulf, and off the west coast of Africa.

As you know, both foreign policy and national defense are concerned not only with the way things are but the way things appear to be. The facts about the Soviet fleet, I have just related to you are a convincing argument to the world that the Soviets care about their naval power.

The New York Times reported recently that NATO sees the Soviet threat to the oil route to be extremely grave. Adm. Isaac C. Kidd, Jr., Supreme Allied Commander in the Atlantic, says that in the last 10 years interference with the NATO supply lines has risen from 11th place to 2d place on the Soviet Union's list of high-priority missions. They have been able to do this, the admiral said, because they have spent—and I quote—"A national fortune" in building up their Navy at the expense of all other national programs.

I am glad that the committee is recommending, against the views of the administration, that we build a nuclear aircraft carrier. Let me quote from the report of the committee:

> There is a large body of testimony and studies that confirm that a nuclear-powered carrier is far superior to the CVV in mission effectiveness and in flexibility, regardless of the type of aircraft embarked. The Committee believes that the many advantages a CVN has over the CVV also far outweigh the cost differential between the two carriers. Furthermore, the Committee is of the opinion that if a nuclear carrier is to be funded, it should be the most modern we can build, incorporating any changes resulting from our experience with the *Nimitz* as well as the so-called option 12 magazine protection enhancements.

I agree with that assessment. Yes, the nuclear carrier is costly. But the question remains: Do those who oppose the building of this carrier on the cost argument alone believe we are really saving anything by building a cheaper but less efficient carrier? And if there are persuasive arguments that show that a less costly conventional carrier can meet all requirements that the nuclear carrier can, let us hear them. Thus far, those arguments have not been convincing. The fact of the matter is that in choosing to build this nuclear carrier, we not only build a powerful ship—we commit our Navy to a strategy of strength. I hope we never have to use this strength. But the fact that we have decided to build this great ship, tells the Soviets that we are not going to respond to their challenge simply by allowing them to dominate the seas. I believe that by voting to fund the nuclear carrier we are symbolically telling the Soviets that we have decided to do all we can to see to it that our fleet becomes what it once was, the greatest in the world. We do this not for any reason of false pride or national aggrandizement but for purposes of defense and ultimate survival.

I want to say that I am also glad that the committee decided to fund 12 more F–14's than the administration requested, as well as 4 more F–18's. The committee has shown that it understands the national defense needs of the 1980's even if the administration does not.

Finally let me say that what counts, ultimately, is not simply weapons, or numbers of fighting men or sophisticated systems of defense. What matters is the national will, the belief in our system, in our role as leader of the West. We did not seek this role. But since it was thrust upon us by history we have no choice but to commit our efforts to the strongest possible defense system.

Despite various misgivings, I urge Members to vote for this bill since it at least recognizes some of the facts we have to deal with in a world when Soviet military might grows every day.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. CHAPPELL), a member of the subcommittee.

Mr. CHAPPELL. Mr. Chairman, I want to add to all that has been said by way of accolade to those distinguished members of this subcommittee who are retiring: the chairman, the gentleman from Texas (Mr. MAHON); the gentleman from Georgia, Mr. JACK FLYNT; and the gentleman from Florida, Mr. BOB SIKES.

It has been my real pleasure to serve with these distinguished gentlemen and to recognize the tremendous leadership they have given this subcommittee, this Congress, and the country. As the gentleman from New York (Mr. ADDABBO) has said, they represent more than 100 years of experience in this body. And with that tremendous experience they have carried unusual expertise in varied areas which has been most beneficial to this subcommittee in the vast areas of defense. This House, this Congress and our country are going to thoroughly miss their expertise and experience, and it is going to be a while before we can bring from the horizon those who can fill their places on this committee and carry forward the tremendous and good work they have done.

I would like also to add to what has been said a moment ago about the gentleman from Virginia, Mr. KEN ROBINSON, because truly he has given real service to this committee.

But, too, I would like to commend all the subcommittee and the staff, because I think we have truly done a remarkable job under the circumstances with the bill before us.

One thing is certain the greatest social function a government can perform for its people is to keep their security and keep them free.

All of us espouse the idea that we want to do all we can in the form of needed health and welfare for our people, but

the first obligation is to keep them secure in their homes and their nation. This is the issue before us now.

We must recognize this fact that over the past 25 years the investment in our military effort and compared to our welfare and related efforts have been reversed. Whereas we used to spend some 55 percent on defense—just 25 years ago—we now spend 25 percent. Where we used to spend 25 percent on the social programs for our people, we now spend better than 55 percent.

The point I make is we have to have a balance, we have to keep a balance between those things we have to do in the international field and those things we have to do domestically.

We all abhor war. Yet all of us must admit that the only way we can prevent war is to be prepared to win it. If we forget that premise then we forget the premise upon which peace will be formulated and maintained in the world.

I believe we have come before this Congress with a defense budget that makes sense. I hope we are going to make, in our concluding action, no less effort than is represented by this bill.

Our experts tell us there are three levels of consideration when we talk about the strength of our national defense forces based upon the threat that faces us. They tell us there is a level which they call the minimal risk level. If we were to go to that minimal risk level, we would be spending roughly twice as much on national defense as we are spending.

They tell us there is another level which they call the prudent risk level. That is the three-quarter level or that at which we could be reasonably satisfied we could meet any threat thrust at us.

Then there is what they call the fiscally restrained level, which is that minimum level based upon what we think we can afford with the money we can provide for national defense. We can make no less an effort and still feel minimumly assured that we can protect ourselves from the threat thrust at us.

It is this kind of budget which we have brought to you, a fiscally restrained budget—a minimum one. I hope all of us will recognize that not a prudent risk budget, not a minimal risk budget, but a fiscally restrained budget.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROBINSON. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. CHAPPELL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, we have tried to provide our Army, our Navy, our Marine force, and our Air Force those things which they minimally must have—a bare bone budget.

With reference to the Navy, I wonder whether we have even done that. We hear a great deal of talk now about what level we are going to maintain with reference to our naval forces. Admiral Holloway and Admiral Moorer—both former CNO—told a number of us the other day that we must not go below a level of 13 aircraft carriers.

That is all we are trying to provide in this legislation. The *Midway* will be more than 40 years old before we can build another to take its place. The aircraft carrier which we provided in this bill is designed to take the place of that more than 40-year-old carrier.

The committee will assure the Members from its hearings that we can get this *Nimitz*-type carrier for some $1.9 billion, while the small carrier which many have proposed to take the place of the large one will cost $1.575 billion. When we add the cost of the fuel which must be provided to the small carrier over the life of the nuclear core that is in the *Nimitz*-type, we bring the cost of the small carrier to $1.905 billion or more. This means that the small carrier is not exactly inexpensive, the relative costs are a push, and that is not even taking into account the cost of getting that fuel to the smaller carrier.

Therefore, Mr. Chairman, I hope we are not going to make any move to reduce the one area where we have superiority over the Soviets, and that is in seapower. This superiority is primarily because of the aircraft carrier.

This vessel is essential in the Navy's power projection role. If our Navy is not provided sufficient strike force ships to destroy concentrations of enemy ships and aircraft at sea as the strike force moves into position to hit enemy bases ashore, then the threat environment cannot be reduced to a level where escort forces, including frigates, can perform their assigned missions. Those who advocate taking the money provided for CVN-71 and using it to buy smaller, less capable ships simply do not understand naval power.

How does the fighting capability of FFG-7-class, single-screw, 26-knot frigates relate to the issue of whether or not to build a CVN? The mission of the frigate is entirely different than that of the carrier. Without the CVN and its embarked airwing to gain control of the air, the surface escorts would be reduced to a mere coastal defense force which is a miniscule part of our maritime strategy. As our overseas base structure continues to shrink—we are now down to about 30 worldwide—we must keep our carrier-based tactical air viable if we hope to maintain a capability to interject our power and influence overseas.

In a recent address, Henry Kissinger had this to say about the role our carriers play in foreign affairs:

> In the crises in which I was involved, the use of naval power—particularly of carrier power—turned out to be almost invariably the crucial element. As the number of our bases around the world is diminishing, the capacity to move our power quickly and without political inhibitions, to signal our determination, is most frequently represented by the deployment of naval ships.

He went on to say in that same address:

> I feel very strongly and I will have occasion to say publicly, that I cannot imagine reducing the number of our carriers. If anything, I think we should increase it.

Mr. Chairman, the funding we have included in this bill for CVN-71 will not, I repeat, will not increase the size of our carrier force, it will only replace an outdated 41-year-old carrier—the U.S.S. *Midway*. The CVN-71 included in this bill is vital to our continuing ability to maintain our naval superiority and essential to our ability to maintain a world at peace.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I am reluctant to interrupt my distinguished colleague's train of thought; but I would be remiss if I were not to say that no man in Congress knows more about this subject than does the distinguished gentleman from Florida (Mr. CHAPPELL). He has spent years in the uniform of the Navy. He is a pilot. He is a captain in the Naval Reserve; but more than that, he is expert from the standpoint of his research and the hours of constant, tireless work to learn what the defense of America is all about.

Mr. Chairman, I said earlier that one of the heartening things about service in the House is to watch Members develop in responsibility, in expertise, and in learning so they can carry a greater and greater share of this important load which is upon our shoulders.

The CHAIRMAN. The time of the gentleman from Florida (Mr. CHAPPELL) has expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 2 additional minutes to the gentleman from Florida (Mr. CHAPPELL).

Mr. SIKES. Mr. Chairman, will the gentleman yield further?

Mr. CHAPPELL. I yield to the gentleman from Florida.

Mr. SIKES. To continue, Mr. Chairman, I do not know anyone who has accomplished that expertise in higher degree or in a finer way than has my distinguished colleague and very good friend, the gentleman from Florida (Mr. CHAPPELL). He is truly a leader in the Congress, truly an expert in the field of defense; and I appreciate what he has done.

Mr. Chairman, I hasten to include, as the distinguished gentleman did a few moments ago, the work of the distinguished gentleman from Virginia (Mr. ROBINSON). He, too, has developed in a most pleasing way in responsibility, and he is definitely one of the most valuable members of the Committee on Appropriations. His expertise in the field of defense is something which makes me very happy; and I feel that we are in good hands with the gentleman from Florida and the gentleman from Virginia helping to carry this very heavy load in the years ahead.

Mr. CHAPPELL. Mr. Chairman, I thank the gentleman from Florida (Mr. SIKES). I am sure the gentleman from Virginia (Mr. ROBINSON) and I both wish we had more time to yield for just such remarks.

Mr. Chairman, let me say in concluding that I hope we will support this bill in its entirety and that we will make no less effort than is represented by the bill.

I would be remiss if I did not say again how much we appreciate the fine work which our chairman has done and how much we appreciate his fine leadership and the fine leadership which has come

from his great counterpart on the other side of the aisle, the gentleman from Alabama (Mr. EDWARDS). They are truly outstanding leaders.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. YATES).

Mr. YATES. I thank the chairman for yielding.

Mr. Chairman, I am not a member of the subcommittee, but I have followed the defense budget over the years. In this respect I propose to follow the two ranking gentlemen who are members of the Subcommittee on Defense. I think they are among the most knowledgeable in the House on the subject of defense. They are, of course, the chairman of the Subcommittee on Defense, the gentleman from Texas (Mr. MAHON), and the ranking member, the gentleman from Alabama (Mr. EDWARDS), both of whom took the position that we ought not to be providing funds in this budget for the construction of a new carrier, the CVN-71.

Mr. Chairman, it is rather strange, after having attended Committee on Appropriation hearings for just about 30 years and finding in the course of those hearings that there were so few times when the Committee on Appropriations refused to follow the recommendations of any of its subcommittees, let alone the Subcommittee on Defense, which is ordinarily followed almost unanimously, that with respect to providing funds for a nuclear aircraft carrier, the committee split by a vote of 26 to 26. That is unheard of.

Mr. Chairman, I attribute that not to the fact that I had offered the amendment as to the fact that the gentleman from Texas (Mr. MAHON) and the gentleman from Alabama (Mr. EDWARDS) both made very strong pleas against funding the aircraft carrier.

I think the nub of the argument was sounded by my friend, the gentleman from Alabama (Mr. EDWARDS) a few moments ago when he said that his opposition to the nuclear carrier stemmed from the question primarily as to whether it was the right ship at the right time. The carrier will not be off the ways if these funds are provided for it before 1987, 10 years from now. What will be the state of the art of war in 10 years? Will we want another nuclear aircraft carrier at that time, or will we want hard-hitting smaller ships that are able to permit the Navy to carry out its mission to a much more effective degree?

We do know that the authorizing committee of the House and the Senate have just agreed upon a change in basic shipbuilding policy in the conference report that was approved only a few minutes ago in the House. Section 810 of the new conference report says this:

It is the policy of the United States to modernize the combatant forces of the United States Navy through the construction of advanced versatile, survivable, and cost-effective combatant ships in sufficient numbers, having sufficient combat effectiveness, to defend the United States against enemy attack and to carry out such other missions which may be assigned to the Navy by law. In order to achieve such policy, the Navy should develop plans and programs for the construction and deployment of weapons systems, including Navy aviation platforms, that are more survivable, less costly—

Less costly—

than this one weapon—

Which starts out at a cost of almost $2.5 billion and whose ultimate cost is unknown. But we do know that costs of shipbuilding have escalated almost in geometric proportion rather than arithmetic proportion over the years—less costly, says this report, and more effective than those presently in the Navy.

I propose to offer an amendment at the appropriate time which will strike the funds for the nuclear carrier. I believe that the nuclear carrier 10 years from now may be ready to have the same fate as was accorded the battleship *Missouri*, which did a tremendous job in World War II but which at the end of the war was placed in mothballs because it was deemed by the Navy no longer to be pertinent for its striking forces.

I think that over the years the Navy has seen its ships deteriorate. We are now engaged in a shipbuilding program. The Navy has today approximately 460 ships. It needs 600 ships. If we could afford the $2.5 billion for the nuclear carrier and whatever the other ships of the Navy cost, perhaps in that case we would agree to accept the nuclear carrier. But Mr. Chairman, there has to be a limit on expenditures. Our ship purchases have to be cost-effective.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding. I would like to say to the Members that it is the purpose of the committee to read the first paragraph of the bill after we have finished the general debate, only the first paragraph, which would be through line 11. At that time a a motion to strike the last word would be in order and there may be some further discussion at that moment, but the gentleman from Mississippi will consume the last time available to the majority in general debate.

Mr. MONTGOMERY. Mr. Chairman, I would like to join with my colleagues to say to Chairman MAHON just how much we are going to miss the chairman. The gentleman is addressed formally as the gentleman from Texas and that is what he is, a perfect gentleman and a great chairman. We are certainly going to miss the gentleman.

Chairman MAHON and his wife live in the same apartment building as I do. We live on the same floor and Chairman MAHON has certainly helped keep me straight and I thank the gentleman for the help he has given me.

To the gentleman from Florida, Mr. BOB SIKES, the gentleman has always plowed a straight line, that is for defense, and the gentleman has always shown a special interest in the National Guard and the Reserves. The gentleman also will be greatly missed.

The same applies to the gentleman from Georgia, Mr. JACK FLYNT, who has had some of the tough jobs in Congress and the gentleman has handled them well and has always worked with the National Guard and the Reserves.

I would like to commend the Committee on Appropriations for bringing out in my opinion a balanced bill, a bill that will do a proper job, as far as I am concerned, in the military defense of our Nation. I think one of our strong committees, or subcommittees, is the Appropriations Subcommittee on Defense. Each member is very, very capable. I have had the personal privilege of dealing with the gentleman from Texas (Mr. MAHON) on defense matters and also with the gentleman from Alabama, Mr. JACK EDWARDS, who represents the minority side on defense appropriations.

Because of the action of the Congress even today in passing a defense authorization bill, I will offer an amendment to raise the dollar figure for the Reserves and the National Guard incentives figure, which in the bill we are talking about today is $9.5 million for incentives, enlistments, and reenlistment bonuses.

My amendment, Mr. Chairman, would add $15.5 million, which will be a total of $25 million for the incentive program for reservists, to include educational incentives.

Now, under this Appropriation Act basically it would be enlistment and reenlistment. My amendment would add $15.5 million and would include the educational incentives.

There are several reasons why I offer the amendment. As I said, the DOD authorization bill conference report which has just been passed included $25 million for incentives. The House authorization bill had $32 million. The Senate had a lower figure. The agreement was $25 million; so my amendment would be in line with the authorization.

I might say that this amendment is supported by Dr. John White, who is the assistant secretary of Defense for Manpower. He has written a letter to the gentleman from Texas (Mr. MAHON). It is also supported by Dr. Chase, head of the Reserves.

Why do we need this amendment? The National Guard and Reserves cannot survive, in my judgment, in the volunteer environment, unless they have incentives. We have had a small incentive program going, thanks to the Congress and not much help from the Pentagon. It is working and it needs more help. Under the Selective Reserves and National Guard, we are now 58,000 short of the authorized strength by the Congress. This is way down. This is lower than the Guard and Reserve have ever been. The Ready Reserve units are 151,000 short of personnel, or 16 percent of their strength. Fifty percent of the combat missions of the Army and the Air Force today are the responsibility of the National Guard and Reserve. If they do not have this personnel, they cannot fill these missions that have been given to them by the Defense Department.

I might say that this add-on, in effect, will not increase the total appropriations.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has expired. There is no further time on this side.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the distinguished chairman.

Mr. MAHON. Mr. Chairman, I appreciate the generous remarks that the gentleman has made and, of course, we will have the issue before us next week. There was only $500,000 in the budget for these purposes.

We added $9 million more. Maybe at a later time additional funds will be required, but we felt we went above the budget as far as we could go at the time.

Mr. MONTGOMERY. Mr. Chairman, I appreciate the committee chairman's pointing that out.

There just were not any further funds to be put in here, through the budget process downtown, but I think the Defense Department realizes we have to do something now.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, the fact that there has been footdragging on the part of the Department does not justify footdragging here.

As the distinguished chairman of the committee has said, we have gone part way now. The authorization has been increased by the authorizing committee, and I think it would be fully justifiable if we go all the way, if we go as far as we can, to really give the Reserve components the best chance they could have to do a good job.

Mr. MONTGOMERY. Mr. Chairman, they cannot do a good job unless we do this, and it is not going to add anything to this bill if we increase the Reserve program. Unless we put a little money in the authorized strength levels, the National Guard and the Reserve Forces are not going to make it and still maintain their strength levels. We will have money left over, so there will not be an extra cost as far as this Defense appropriation bill is concerned.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Alabama (Mr. EDWARDS) is recognized for 6 minutes.

Mr. EDWARDS of Alabama. Mr. Chairman, I spoke a moment ago about the gentleman from Virginia (Mr. ROBINSON), and there is one other comment I would like to make which I think is important.

As the Members know, our subcommittee is responsible for the appropriations for the intelligence activities in this country. This year the gentleman from Virginia (Mr. ROBINSON) was assigned to the House Permanent Select Committee on Intelligence, in addition to his many duties on this subcommittee.

I want to say that the knowledge the gentleman has gained on that new committee, the Select Committee on Intelligence, has been invaluable to us on the Subcommittee on Defense of the Committee on Appropriations. What he has been able to learn there has been of great benefit to us. I do not know how the gentleman does both jobs so well, but he does.

Mr. Chairman, in the remaining time that I have, let me suggest this: As I was sitting here and as the debate was going on, I was thinking about GEORGE MAHON. There must be an awful lot he can tell us. He has been here about 44 years now. He was the first chairman of the subcommittee that handled the defense bill back in 1949, I believe it was, and he is still doing it.

I wonder if the gentleman from Texas (Mr. MAHON) might take the floor—I would be glad to yield to him—and give us a few of his thoughts about how it was 44 years ago and how it is today. The gentleman will have about 5 minutes, Mr. Chairman, and I wonder if he would just comment on a few of these things.

Mr. MAHON. Mr. Chairman, if the gentleman will yield, let us go back to when we created the Unified Services legislation, but before we do that, let me say this:

I have been thinking about the deficiencies in the discussion today. Praise has been heaped upon members of the subcommittee, especially upon GEORGE MAHON, but we have neglected to say what we should say about the men in uniform with whom we have worked through the years. This Nation has been very, very fortunate in having such distinguished men in the military services. It is well to take note of the high quality of our military personnel. I have been closely associated with them for decades and I can testify to their dedication and loyalty.

We complain about the mistakes that have been made, and there have been mistakes that have occurred in such a large and complex worldwide operation. But the opportunities I have had to observe the high quality of the men in uniform has been a great experience for me. I refer to General Marshall, General Eisenhower, General Bradley, Admiral Nimitz, Admiral Halsey, and many others of lesser rank.

In the old days there were only five members of the subcommittee. We now have 13. The tendency on the part of Congress at that time in military matters was to say, "You've got to trust somebody. Therefore, we will trust General Marshall" or others in high positions in the uniformed services.

That was more or less the tendency at that time, but there has now been a distinct change in procedure. Our problems are much more complex. The subcommittee has been increased in size, the staff of the subcommittee has been greatly increased, and the individual members of the subcommittee have defense staff members. So we have gone much deeper into the actual operation of the Defense Department, and that, I think, has been a healthy development.

We have a changing world, but I continue to look forward with a great deal of optimism to the future. I believe we have the strongest defense establishment in the world. I think we are going to keep it that way.

I take my hat off to the military men and women in uniform who have continually fulfilled their responsibilities.

Mr. EDWARDS of Alabama. Mr. Chairman, if I have any time left I will just close this debate by saying that we all have great respect for the gentleman from Texas, GEORGE MAHON. We shall all miss him here. He has been a tremendous person, and we have all been proud to know him. Even though he has risen to such great heights in this Congress—and he is a man who, more than the average Member, has had to carry on his shoulders a great burden as chairman of the Appropriations Committee and the Defense Subcommittee—he has always—and I mean always—had time for any Member of this House who wanted to come to visit with him about any problem. I think that is the mark of a great man.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the distinguished gentleman from Texas.

Mr. MAHON. Mr. Chairman, I am greatly humbled by all of these extravagant remarks about me. After all, I came from a cotton patch in west Texas, and I know how people live who are not among the high and mighty.

Mr. Chairman, it has been a great experience to be associated with my colleagues. The association that we have had with each other has been wonderful, and that is one of the things I will miss here. But I will never forget the kind things that have been said about GEORGE MAHON today by my colleagues who serve with such dedication on the subcommittee.

Mr. EDWARDS of Alabama. Mr. Chairman, at the appropriate time in the House I will ask permission for all Members to revise and extend their remarks.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; $9,123,499,000.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. RUPPE. I thank the gentleman for yielding.

Mr. Chairman, I rise in order to make a few remarks concerning the funding of a project that I have fought against and that the people of northern Michigan have overwhelmingly opposed for several years.

I refer to the Navy's proposed telecommunications system known under such names as Project Sanguine, Project Seafarer, and Project ELF. The Navy has in recent years favored a Michigan site for this extremely low frequency antenna system. Despite heavy criticism of this project, including last years' House Armed Services Subcommittee on In-

vestigations report criticizing the project, it appears to have a life of its own, reappearing in a different version despite premature rumors of its demise.

I heartily commend and deeply appreciate the efforts of my colleagues on the House Armed Services Committee, who have stood firm in their opposition to this large, underground antenna system which was proposed to be buried in northern Michigan. Your foresight in critically evaluating the Navy's huge Seafarer proposal which resulted in a much smaller proposed system known as Project ELF was a service to the Nation and deeply appreciated by the people of northern Michigan.

Your action indicates that Congress is indeed taking a strong leadership role in developing not only an effective defense posture but also insuring that money is not spent for defense projects of questionable feasibility and need.

Although the conference committees compromise authorization language on Seafarer/ELF is not as strong as the House-passed version of the H.R. 10929, it does insure that the project will not be built this year.

However, the concern of my constituents is that ELF, if approved, will later become a giant—a resurrection of the old Seafarer system. Despite promises by the Department of Defense and the executive branch to abide by the wishes of the people of northern Michigan, the Navy has promoted this system with a fervor unsurpassed in recent memory, disregarding questions about the feasibility, impact, and even the necessity of such a system. Public opponents of this measure have been identified by the Navy as antimilitary and promptly dismissed.

So while I reluctantly support the compromise language in the conference committees version of H.R. 10929, I must say I would prefer to see this project put to rest once and for all rather than postponing a final decision for yet 1 more year.

I would hope therefore that my colleagues would support the ELF language in H.R. 13635, the Department of Defense appropriations bill. The committee has recommended only $2.4 million for the next fiscal year to be used only at the existing test facility. It would put to rest the never-ending funding of an expanded ELF site and the Navy could not continue to promote a new and expanded ELF test site.

I would also hope the House would insist upon this language in conference so that the Navy would turn to other more viable and less costly alternatives to the ELF communications proposal.

Again, the House can be proud of its leadership role in the controversial Seafarer/ELF proposal and I sincerely appreciate the efforts of my friends and colleagues in this matter.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Navy shipbuilding program.

Mr. Chairman, I would like to address a number of points raised in recent debates on the nuclear carrier authorized this year in the House and Senate authorization bills.

I.

Building a nuclear carrier would not require the building of a lot of other nuclear ships. The Navy does not procure ships on a task force basis. The ships which will accompany a carrier on any particular mission will be selected for that mission, and there can be and often is a mix of nuclear and nonnuclear components of the task force.

There is no doubt that the nuclear carrier's operations are enhanced by nuclear escorts, but it can operate effectively without them.

Moreover, nuclear cruisers can be used for other missions as well as escorting nuclear carriers. They can, for instance, be used to escort convoys in intermediate risk areas as well as go on independent missions undertaken on the spur of the moment.

There is no standard carrier task force. A carrier task force consists of one or more carriers with cruisers, destroyers, and other units in numbers appropriate to the assigned mission and to the anticipated hostile threat. These ships operate together in a task force for mutual support and increased military effectiveness in the destruction of enemy forces. As the name implies, a task force is constituted to perform a specific task, and the number and kinds of ships involved are related to that task. Under some situations, a task force might have six units and under others only two.

II.

The nuclear powered aircraft carrier is not a vulnerable target and is the least vulnerable of all carriers, as shown by the study conducted for the sea-based air platform study.

The aircraft carrier is a movable target moving at a relatively high rate of speed. Its escorts and its air wing provide several layers of protection against any threats. Aegis on its escorts will increase its defensive capability immeasurably. The ship is constructed to take much punishment and survive.

Because of this, survivable and capable nuclear powered aircraft carriers can go into high threat areas where a CVV can not. I refer you to details on this to be found at pages 441–451 of the Seapower Subcommittee authorization hearings this year.

III.

The nuclear carrier is more cost effective than a smaller conventional carrier. The sea-based air platform study completed this last year, at the request of Congress, clearly showed that the *Nimitz*-class carrier is the most cost-effective of the carriers. This was also the conclusion of the National Security Council Study of 1976.

The main purpose of a carrier is to provide a platform for launching and recovering aircraft. The nuclear powered *Nimitz*-class carrier carries far more of the most capable aircraft than does the smaller CVV.

Since the plans are to buy only one carrier between now and the year 2000, it is wisest to buy the most cost-effective carrier.

The nuclear carrier is not the expensive way to go.

The major expense of the nuclear aircraft carrier is in its initial purchase. However, the initial purchase includes 13 years of fuel—a factor which is forgotten in examining the cost of conventionally powered equivalent. The cost of delivering the fuel for 13 years also has to be considered for conventionally powered carriers.

The Navy has found that for a military equivalent capability, an all nuclear task force can operate with a fewer number of ships than can a conventionally powered task force. This is largely because the escort does not have to go off the line to be refueled. Over the life of the task force, the present Navy figures show the cost of buying and operating an all nuclear task force may run from a percentage point less than a conventionally powered task force to a 5 to 6 percentage points more.

The 1976 cost studies made by the Navy's Systems Analysis Division show that the undiscounted life cycle costs of the nuclear force was calculated to be 1.3 percent more at 1976 fuel oil prices and 1.9 percent less if the price of oil doubled, all other things held constant.

Decision for the nuclear carrier, however, should not be made on costs alone because the tactical values of the nuclear carrier are so superior and so outstanding and important that to put dollar values on them is impossible. To increase our chances to win in war, and to minimize our personnel losses as we do so, are objects more easily achieved by the nuclear carrier; and even if there be some additional cost, it is not consequential in this context.

IV.

The Navy knows what it needs and speaks without discord for a nuclear carrier.

It is not the Navy that does not know what it wants as alleged by some Navy critics, but it is the executive branch that raises discord and for purely budgetary reasons.

On May 19 of last year the President presented a shipbuilding program to the Congress which had 30 ships for $8.5 billion for fiscal year 1979. Four days later, the Navy was allowed to ask for only 17 ships for $6.3 billion. When the President's program was brought to the Congress it had only 15 ships for $4.7 billion. None of the President's programs had a carrier in it at this point.

After the Armed Services Committee approved a shipbuilding program of $7.1 billion including a nuclear carrier, the President then sent word to the Congress that he would like to have an intermediate sized carrier—CVV—in the budget for $1.5 billion. It has been obvious from all the hearings that the administration's vacillating Navy shipbuilding program is that way solely for budgetary reasons, not for defense reasons.

All of the Navy flag officers who testified before our subcommittee testified that they are in favor of building a *Nimitz*-class carrier this year. They favor building a carrier this year and they favor it being nuclear powered. Secretary Claytor told our committee if Congress provides the nuclear carrier, the Navy will build it with enthusiasm.

Despite all of the changing views by the administration on the shipbuilding program, Secretary Brown testified that there was no change in the roles and missions of the Navy. He wants a two ocean Navy with full capability to protect our sea lines of communication and be able to project power ashore, no matter how long any war we are in may be.

v.

The nuclear carrier can be built and should be authorized and funded this year.

The carrier can be built at this time. Newport News indicated last year in a letter of September 28 that it was ready to build the CVN–71. This position has just been reconfirmed by a letter from Newport News to the Secretary of the Navy on August 1, 1978.

It has been said that the last CVN (CVN–70) has not yet been put to contract. On the contrary, this is not true and it is in fact being built under an option on the basic contract for the *Nimitz* carrier. It is nearly one-half complete and under active construction. There may be some terms that have not yet been settled but there is an agreement with Newport News to build the carrier.

This is the time to authorize a new carrier to be built by Newport News. The last carrier was authorized in 1973. It is now 1978. This 5-year gap is the longest hiatus between carriers in the program. Unless the carrier is put under contract by October of this year, as the Navy says it can do, the shipbuilder will have to begin laying off trained workmen who will be needed later on when the ship is built.

vi.

It is said by some critics that the aircraft carrier is outmoded, but notably no one can say by what it has been outmoded. It is the one element of our Navy which gives to our Navy whatever affirmative edge we may have over other Navies of this world. There is no authority on world armaments who disagree with this statement.

Mr. Chairman, before I close, I want to pay tribute to Chairman MAHON, a man of tremendous services to, and achievements for, our country. He has been a trusted and beloved friend of mine for the many years we have served here together. No Congressman in our Nation's history has done more than he for this country and for mankind. We will all miss him greatly.

Mr. VOLKMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think at this time I should advise the committee that I have proposed amendments to each section in the bill for a 2-percent cut. As we have previously discussed in appropriations bills, there were various arguments pro and con on across-the-board cuts with one amendment. I believe that perhaps that is a valid argument that was made by the former subcommittee chairman, that we would be just making one cut and not saying exactly what we are doing for each section.

Therefore, I along with my staff have reviewed each section and offered a 2-percent cut on each section so that we can discuss them each individually in order to determine exactly what we are doing. I agree with the Appropriations Committee that this is the proper way to do a 2-percent cut.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would certainly not argue that a Member ought not to have the right to offer any amendment that he wants to offer, but we are going to have some amendments considered in this bill that will be massive in the dollar figure. Everybody knows that we have talked during general debate about the carrier. The last thing we need is, for example, to have the carrier deleted, which is about $2 billion, and have added on top of that a 2 percent cut to each section of the bill.

I would hope that the gentleman would withhold his amendments by section, and if he intends to offer a 2-percent cut, to do it at the end of the bill. I have not talked with the Parliamentarian, but I assume that an amendment to cut 2 percent across the board would be in order. But, let us not get at this thing by section when we know we are going to have some massive dollar figure amendments offered on specific items in the bill.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. VOLKMER. Is the gentleman saying, then, that is it preferred to offer one amendment to the total bill rather than discussing each section individually so that the Members know exactly where they are cutting on the 2-percent cut?

Mr. EDWARDS of Alabama. I am not suggesting that the gentleman offer any amendment.

Mr. VOLKMER. I realize that.

Mr. EDWARDS of Alabama. But I am arguing that I believe it is unwise to start cutting 2 percent from each section and then have that cut either affect the decision on the carrier or take a chance that both the carrier and 2 percent would be cut.

Mr. VOLKMER. No. In that instance I would be willing to withhold my amendment until the matter of the carrier is disposed of, and I am sure since I am not a member of the committee and the gentleman from Illinois (Mr. YATES) is a member of the committee, that he would be recognized before I would be on that section anyway.

Mr. EDWARDS of Alabama. I appreciate the gentleman's forbearance. I think it would be a mistake to offer that amendment to each section.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, the Committee on Appropriations, in going through the budget request of the President for Defense, has cut the President's request already by about $3 billion, and added above the budget about $3 billion for certain items that were not budgeted. I think it would be a monumental mistake to undertake a 2-percent across-the-board cut on the bill that is before us.

One of the things that we must bear in mind is this. This appropriation bill is above the authorization and above the budget in some respects, and we told the Rules Committee that we would of course reduce the overall totals for procurement and R. & D. to the authorized levels. So further reductions will be made in the bill.

I appreciate the forbearance of the gentleman from Alabama.

Certainly if we are going to have a 2-percent amendment on every appropriation we will have to spend next week or much of it on this bill, which it seems to me is unnecessary under the circumstances.

Mr. EDWARDS of Alabama. I can say, Mr. Chairman, and I referred in my opening remarks to the great controversy we had in our subcommittee over these items, that there is no padding in this bill. There is no padding in this bill. We have cut everywhere we could.

I have a feeling that nowadays committees are thinking in terms of coming to the floor expecting a 2-percent cut and somehow putting a little extra in there to take that cut. I can guarantee that we have not come to the floor with any padding, looking for a cut.

PARLIAMENTARY INQUIRY

Mr. EDWARDS of Alabama. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EDWARDS of Alabama. Mr. Chairman, it is my understanding that shortly the chairman will move to rise. The Clerk has read the first section. My parliamentary inquiry is: When we rise, and return on Monday to this bill, will amendments be in order to section 1 of the bill?

The CHAIRMAN. Yes, they will be. Until the Clerk reads the next paragraph, amendments to this section will be in order.

Mr. EDWARDS of Alabama. I thank the chairman.

Mr. MAHON. Mr. Speaker, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOUNTAIN) having assumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 13635) making appropriations for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just under consideration, H.R. 13635, making appropriations for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes.

With particular reference, Mr. Speak-

er, to those Members who would like to revise and extend their remarks in commenting on the distinguished service of our chairman, the gentleman from Texas, GEORGE MAHON, I ask unanimous consent that they may be permitted to do so. Further, Mr. Speaker, I also ask unanimous consent that the chairman of the Committee on Appropriations and others may be permitted to include tables and extraneous material in connection with this legislation.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from Alabama?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. EDWARDS of Alabama asked and was given permission to address the House for 1 minute.)

Mr. EDWARDS of Alabama. Mr. Speaker, I have taken this time for the purpose of asking the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT) about the program for next week.

Mr. WRIGHT. Mr. Speaker, will the distinguished gentleman from Alabama (Mr. EDWARDS) yield?

Mr. EDWARDS of Alabama. I yield to the gentleman.

Mr. WRIGHT. Mr. Speaker, it is our intention that the House will meet at noon on Monday and will have the call of the Consent Calendar. Then we will continue with consideration of the Defense Department appropriation bill since no bills are scheduled under suspension.

We shall meet again at noon on Tuesday and hope to complete consideration of the Defense Department appropriation bill on that day. Again, because of the compacted schedule there will be no suspensions.

On Wednesday the House will meet at 10 a.m. and we hope during that day to complete consideration of H.R. 12452, the CETA amendments of 1978. This will be under an open rule with 2 hours of general debate. However, if we come in at 10 o'clock in the morning and the Members are not too generous with the general debate, we ought to be able to get on with the actual amending process of that bill by noon, in which event we ought to be able to conclude the legislation at a reasonable hour.

Mr. EDWARDS of Alabama. Mr. Speaker, if I may interrupt the gentleman, the Speaker had previously said this morning that we would stay as long as necessary on Wednesday to complete that bill. Is that still the intention?

Mr. WRIGHT. It is certainly the plan and the hope of the leadership that that would be done. The gentleman is aware, as I am, of the treacherous situation that sometimes arises in the wee small hours of the morning. Let us plan and work toward the objective of concluding that bill at a reasonable hour.

On Thursday the House will meet at 10 a.m. We have three bills on schedule for Thursday and the balance of the week.

The first is the Revenue Act of 1978, that is the tax bill, H.R. 13511.

I feel certain that this bill will be a matter of great interest to all Members. The plan is to ask for them to schedule their activities in the expectation that that bill will be up on Thursday.

For the remainder of the week we have scheduled H.R. 7308, the Foreign Intelligence Surveillance Act, and House Joint Resolution 638, to extend the deadline for ERA ratification.

Mr. EDWARDS of Alabama. Mr. Speaker, if I may interrupt again, I understand a rule has been granted on H.J. Res. 638 for 2 hours of debate.

Mr. WRIGHT. The gentleman is correct; a rule has been granted. It amounts to, if I understand it correctly, an open rule. I think it would be only realistic for me to express some doubt that we could complete this entire program next week.

Mr. EDWARDS of Alabama. Mr. Speaker, if I may interrupt for one moment further, does the distinguished gentleman know whether it is a fact that the amendment requiring a two-thirds vote was not made in order on that resolution?

Mr. WRIGHT. I am not sure.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, as a proponent of the request for an amendment to the rule permitting a vote of the House on the two-thirds question, there was a tie vote reached on it and the rule was not amended, so the rule does not provide for a separate vote on that question.

Mr. EDWARDS of Alabama. Mr. Speaker, I thank the gentleman from Missouri (Mr. VOLKMER).

Mr. WRIGHT. If the gentleman will yield further, Mr. Speaker, the House will adjourn by 3 p.m. on Fridays and by 8 p.m. on all other days except Wednesdays.

Conference reports may be brought up at any time, and any further program will be announced later.

I would suggest to the gentleman that, given the exigencies of our list of uncompleted legislation and the timeclock that is running on the remainder of this session, it is going to be incumbent upon all of us to try to deal with the legislative business expeditiously and not to engage in dilatory tactics. If we can do that and at the same time not preclude anyone who desires to speak to the substance of any issue at stake, we will be doing well, because there is a great number of matters that need to be attended to.

There are other things which might be taken up next week. There are conference reports pending on the National Consumer Cooperative Bank Act, the intelligence and related program authorization for fiscal year 1979, and the FIFRA authorization. In addition, we have bills that have been commenced and not completed, including the foreign assistance and related programs appropriation bill and the Civil Rights Commission authorization.

Therefore, to the extent that it might be possible, we would try to work any of that legislation that we could into the program next week; but I see little likelihood that we can complete the schedule.

Mr. EDWARDS of Alabama. Would the gentleman be good enough to place in the RECORD at this point the supplement to the tentative whip notice which lists the bills that are subject to being called up but which will not necessarily be called up.

Mr. WRIGHT. Yes, indeed. I would say to the gentleman from Alabama that we will be delighted to insert that list in the RECORD at this point.

Mr. EDWARDS of Alabama. I thank the gentleman.

The list referred to follows:

During the Week of August 7, other legislation may be scheduled on days when early completion of the scheduled bills makes time available.

Among bills subject to being so called up, not necessarily in this order, are:

H.J. Res. 1088, New York City Aid Appropriations.

H. Res. 1201, Executive Reorganization Plan No. 2.

H. Res. 1237, Funding for House Ad Hoc Energy Committee.

Conference report on H.R. 2777, National Consumer Cooperative Bank Act.

Conference report on H.R. 12240, Intelligence and Related Program Authorization, FY '79.

Conference report on S. 1678, FIFRA Authorization.

H.R. 12432, Civil Rights Commission Authorization (complete consideration).

H.R. 1, Ethics in Government Act (subject to a rule being granted).

H.R. 11280, Civil Service Reform Act (subject to a rule being granted).

H.R. 13007, Electronic Fund Transfer Act (open rule, one hour).

S.J. Res. 4, Hawaiian Native Claims Study Commission (open rule, 1 hour).

H.R. 11622, Fuels Transportation Safety Amendments (subject to a rule being granted).

H.R. 11711, Adjustment Assistance Programs Improvements (subject to a rule being granted).

H.R. 12796, Union Station Improvement Act (open rule, 1 hour).

H.R. 8729, Airport and Aircraft Noise Reduction Act (modified open rule, 2 hours).

H.R. 11733, Surface Transportation Assistance Act (subject to a rule being granted).

ADJOURNMENT TO MONDAY, AUGUST 7, 1978

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO EXTEND REMARKS IN RECORD NOTWITHSTANDING COST

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,642.50.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, I do so only to ask the majority leader whether it is correct, from what we heard before regarding the program, that the foreign aid appropriation bill will not be called until after the Labor Day Recess?

Mr. WRIGHT. If the gentleman will yield, Mr. Speaker, I think it is very likely that it will be postponed until after the Labor Day recess, because of the exigencies of the legislative schedule.

Mr. BAUMAN. I thank the gentleman.

Mr. WRIGHT. If it were possible to bring the bill up the week after next, perhaps we would; but I doubt that, too. During the week after next we must spend 2 days, as the gentleman is aware, under the statute, on the budget resolution. Therefore, I think it unlikely that we will be able to resume consideration of the foreign assistance appropriation bill until after the district work period recess.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Texas (Mr. WRIGHT), and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

A TRIBUTE TO ROBERT MENAUGH, WHO HEADED HOUSE RADIO-TELEVISION GALLERY

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I take this time to pay tribute to a man who for many years of his life served the Members of the House of Representatives and who on Wednesday died. I speak of Robert M. Menaugh who, as many Members are aware, was for 35 years Superintendent of the House Radio-Television Gallery.

Mr. Speaker, everyone who dealt with Bob Menaugh will recall his unfailing thoughtfulness and courtesy and his desire to make it possible for Members of the House more effectively to communicate to the people whom we represent. He was a faithful and dedicated public servant.

As Mr. Menaugh was born in my home State of Indiana, I felt a special bond with him. To him and to his widow and his family and friends, I extend my profound sympathy.

Mr. Speaker, I ask to insert at this point in the RECORD the text of an obituary published in the Washington Post today, Friday, August 4, 1978.

The obituary is as follows:

ROBERT MENAUGH, HEADED HOUSE RADIO–TV GALLERY

Robert M. Menaugh, 73, who was superintendent of the House Radio-Television Gallery for 35 years before retiring in 1974, died Wednesday at the Woodbine Nursing Home in Alexandria following a stroke.

During his years on the Hill, he helped lead the fight to achieve equal status for the broadcast journalist with that of the press.

Mr. Menaugh helped direct a long string of broadcast "firsts" 'in the House of Representatives. He guided the first live television broadcast of a State of the Union address, given by Harry S. Truman on Jan. 6, 1947, and the first color telecast of a State of the Union, delivered by Lyndon B. Johnson on Jan. 12, 1966.

He also helped coordinate live broadcasts of Gen. Douglas MacArthur's "farewell address," a wartime speech given by Winston Churchill, and coverage of the 1954 shooting in the House chamber by Puerto Rican nationalists.

After retiring as superintendent in 1974, he received letters of appreciation from then President Ford, congressmen, and broadcast journalists, including Walter Cronkite and Joseph McCaffrey.

Mr. Menaugh was born in Salem, Ind. He came to Washington in 1931 and worked as a doorman in the Speaker's Lobby before being named superintendent of the old House Radio Gallery in 1939.

He served as a colonel in the Army's Bureau of Public Relations during World War II.

During his years as head of the gallery it grew from 26 reporters in 1939 to an association of 565 reporters representing more than 130 news organizations.

In 1973, Mr. Menaugh received the John W. McCormack Award of Excellence as the outstanding employee of the House of Representatives.

He was a Mason and member of the National Press Club.

Mr. Menaugh was a member of the Westminster Presbyterian Church in Alexandria.

He is survived by his wife, Helen, of the home in Alexandria; a daughter, Mrs. John Baxter, of Wheaton, Ill.; a brother, John, of Salem, Ind., and two grandchildren.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that following my own remarks in tribute to Mr. Robert Menaugh, all Members may have 5 legislative days within which to revise and extend their remarks in tribute to Mr. Menaugh.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

REGULATION OF FOREIGN INVESTMENTS IN U.S. AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California, (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, foreign investment in American agriculture is growing at a rapid rate, yet there is no Federal registration system for such purchases. Thus, I am currently cosponsoring H.R. 13356, the Agriculture Foreign Investment Disclosure Act of 1978, which would institute a nationwide system of registration for foreign owners of our agricultural lands.

The General Accounting Office reports that there is no reliable information on the amount or location of foreign-owned farmland in the United States. As our land becomes an increasingly sound investment for foreigners, particularly in view of the decline of the dollar, the need for registering and monitoring these purchases is becoming more vital to our own national interest. Over the past year, the purchase by foreigners of tens of thousand of acres of family farmland has been reported. But without registration there is no way to determine the scope of all transactions. According to Bob Grounds, executive vice president of the Ventura County, Calif., Agricultural Association, there is a potential problem in my district, as I am sure there is in many others, of unchecked foreign investments harming the concept of family farming and even endangering the national interest. We cannot afford to wait another 5 to 10 years to discover who controls American farmland.

There is but sparse hard data on the actual amount and location of foreign farmland investment in the United States. Further, foreign holdings will no doubt go up as a result of the instability of the dollar. The time has come for strict Government monitoring of foreign agricultural investments to protect the American family farmer and the national interests of the United States. Thus, as a cosponsor of H.R. 13356, I urge my colleagues to lend their support to this necessary piece of legislation.●

"THE END"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise to join my distinguished colleague from Chicago, Honorable JOHN FARY, in protesting the outrageous movie "The End" which is a Burt Reynolds production.

Congressman FARY has already outlined in his own remarks the obnoxious and degrading slurs which are used in this movie to characterize Polish people, and therefore, there is no need for me to repeat any of them myself.

I am outraged by the vicious degrading of the Polish people in this film. It is needless for me to point out to my colleagues the innumerable and invaluable contributions made by the Polish people not only to our great country but to the advancement of culture and civilization in the entire world.

We are all familiar with such revered names as Gen. Casimir Pulaski, eminent Polish nobleman who established our American cavalry and gave his life for our freedom in the American Revolutionary War; Thaddeus Kosciuszko, courageous Polish patriot who fought in our Revolutionary War and engineered the fortification of West Point; Ignace Jan Paderewski, distinguished Polish pianist and statesman; Nicolaus Copernicus, respected founder of modern

astronomy; and so many others too numerous to mention without whose contribution the world would have been a poorer place indeed.

As an American and the son of Italian immigrants, I am only too well acquainted with the innuendos, the sick jokes, and the countless other vicious, contemptible, and cruel methods employed by our mass media to degrade members of ethnic and minority groups, and the latest, most chilling example of this malicious defamation can be found in the film, "The End."

It is high time that a halt is called to the scurrilous portraits of ethnic Americans which the media not only allows but seems to encourage. Everyone knows that Polish-Americans are no less lacking in intelligence than other Americans, that Italian-Americans are no more crooks than other Americans, just as Mexican-Americans are no lazier or devious than the rest of us.

Such inexcusable slurs upon the dignity and integrity of ethnic minorities are not only an affront to the fundamental American concept of fairplay, but more importantly, constitute a destructive attack upon many of those very individuals who have contributed in lasting and tangible ways to the building of this Nation—a Nation which by its very definition is comprised of immigrants from every corner of the globe.

It is a tragic commentary upon our times that those ethnic groups and minorities which have managed to retain a vestigate of their original national identity—while at the same time assimilating the best concepts of democratic society—should be made to suffer most acutely by motion pictures, television programs, radio broadcasts, and periodicals which demean their identity.

Polish-Americans, and members of every other minority and ethnic group, who by their vigor and pride have contributed so much to America's strength and greatness, have every right to be free from ridicule.

For too long the intolerable situation of defaming minority groups in mass media has been allowed to exist, and the time is long overdue for the movie and television industries to do much more than the little they have done in the past to eliminate the discord, racial strife, and hatred they are peddling in the name of "ethnic humor."

Because of my deep concern over the insidious disparagement of ethnic Americans, I have introduced House Concurrent Resolution 6, expressing the sense of the Congress that the producers and the distributors of motion pictures and television programs should immediately cease the production and distribution in interstate and foreign commerce of those films which degrade, or demean, racial, religious, and ethnic groups and affect the moral behavior of all people throughout the Nation.

I want to make it clear that this resolution has not been introduced for the purpose of censoring the motion picture and television industries. We all know that they are fully protected by the Constitution which guarantees the freedom they enjoy, but at the same time, a serious question has been raised in the minds of millions of Americans about the abuse of their privilege of informing and entertaining the public and disseminating information and news.

This question was reflected in the decision rendered last month by the Supreme Court in Federal Communications against Pacificia Foundation. In that case, which involved an afternoon radio broadcast of a satiric monolog entitled, "Filthy Words," the Court held that broadcasting has limited first amendment protection, that the Federal Communications Commission's review of broadcast content does not constitute censorship, and that further, the Federal Communications Commission "was warranted in concluding that indecent language * * * was used in the challenged broadcast." The FCC had earlier stated its intention to "clarify the standards which will be utilized in considering 'the growing number of complaints about indecent radio broadcasts which use' any obscene, indecent, or profane language."

I believe that those individuals who control the media are to a great extent abusing the protection of the first amendment, and in so doing, they are undermining the very principle of respect for individual rights which is guaranteed to every American as his birthright.

The mass media persists in ridiculing and stereotyping our minority groups by using such repugnant words as Wop, Kike, Polack, et cetera. By the use of such derogatory terminology, the mass media has been derelict in its responsibility to help create a society in which people are proud of their country, their institutions, and their heritage.

In view of the Supreme Court decision in the "Filthy Words" case, I urge all Americans who are offended by obscene characterizations of ethnic groups and individuals to voice their strong objections to the Federal Communications Commission, to the offending segments of mass media, to their Representatives in the Congress and the Senate, and wherever possible, to file legal suits seeking to recover damages for this malicious and spurious defamation.

I also want to urge the House Interstate and Foreign Commerce Committee to hold hearings on this entire issue in order that consideration may be extended to House Concurrent Resolution 6 and similar pending bills which seek to remedy this growing problem. It is, after all, Congress' right and obligation to speak out against the harm which is inflicted upon ethnic, racial, and religious groups, and upon the fabric of our democratic society.

In closing, I want to commend my distinguished colleague from Illinois, Mr. FARY, for focusing the attention of the Members of this Congress on the intolerable situation which has been caused by the distribution and showing of objectionable films like "The End," and I join him in vigorously opposing any defamatory activity directed by the mass media in the United States against Polish-Americans, Italian-Americans, Greek-Americans, Spanish-Americans, or any other of America's dedicated ethnic groups, who have contributed so much to our Nation's strength and stature, and have every right to be free from the harm directed at them by thoughtless panderers of hatred and discord.●

MAKING OUR CITIES LIVABLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PATTISON) is recognized for 5 minutes.

● Mr. PATTISON of New York. Mr. Speaker, I am concerned about livable cities in this country, about maintaining and rehabilitating our cities so that they can be safe and pleasant places to live. Right now, attention is being focused on the cities and on plans to improve living conditions in cities. Part of this attention needs to be focused on the problem of crime in the cities. The fact that I have served on the Committee on the Judiciary and now serve on the Subcommittee on the City and the Committee on Banking, Finance, and Urban Affairs puts me in a unique position; I have studied crime and cities from two very different angles.

Repeat criminals account for a large portion of crimes committed across the country. Ramsey Clark stated that in the large cities about two-thirds of the arrests take place among only 2 percent of the population. A study in Washington, D.C., showed that between 1971 and 1975, 7 percent of those arrested for serious crimes accounted for 24 percent of arrests for those crimes. In other words, 7 percent of those arrested averaged three or four arrests during that period; some were arrested up to 10 times. Another study of 10,000 persons by the University of Pennsylvania revealed that 650 chronic offenders were responsible for one-third of the arrests and two-thirds of the crime committed by the group over a 5-year period.

Career criminals are more knowledgeable about the criminal justice system than first offenders and more likely to be able to use it to their advantage: to remain free during pretrial; to use trial delaying tactics and continue to perpetrate crimes on the streets; to employ plea bargaining and other tactics to avoid long sentences.

In this Nation, with our emphasis on individual liberties, our judicial system contains many protections for a person accused of a crime. As crime rates have climbed higher and higher in recent years, there has been a great cry about the rights of innocent victims of crime as well. There is a fine balance between the rights of both that we are committed to maintain. Career criminals, however, have often learned how to take advantage of the protections in our system, with the result that they are free to continue practicing a life of crime against innocent people. What we seek is a method of reducing crime that does not involve a reduction of basic civil liberties.

A few weeks ago, I entered into the CONGRESSIONAL RECORD the remarks of Senator MATHIAS on the subject of career criminals in our cities, including a plan to combat this problem. Today, I am in-

troducing H.R. 13747, "The Repeat Offender Prosecution and Prison Improvement Act of 1978," which follows the plan outlined by Senator MATHIAS in S. 28. This bill focuses on removing career criminals from the streets.

This bill would set up within the Law Enforcement Assistance Administration an office of repeat offenders prosecution projects, which would provide technical assistance to local governments for establishing programs which identify and expedite the prosecution and conviction of career criminals. It would also provide for additional prison facilities, based on the fact that the present shortage of prison facilities at the State and Federal level has an effect on judicial sentencing policy. I believe such targeted and efficient programs will do much to alleviate crime in our cities, and I believe sufficient safeguards of liberties exist in this bill.

To make very clear my perspective, I continue to believe that law enforcement is a function that belongs within State jurisdiction. It is not a Federal function. I do not want a Federal police force. When a young person steals a hubcap, the local officer is better qualified to deal with the problem than a Federal police force. However, since crime is a major nationwide problem, there is good reason to have Federal involvement in attacking the situation. Appropriate Federal functions can be research, demonstration programs, and technical assistance to communities to develop new types of anticrime programs, among others.

The bill I am introducing today places the Office of Repeat Offenders Prosecution Projects within LEAA, which is the logical agency for such a program. I am aware that in the next few months the Subcommittee on Crime will be carefully considering several bills regarding LEAA or another agency for law enforcement assistance after fiscal year 1979. Quite naturally, the process of examining the role of LEAA as a whole would precede consideration of a new division within LEAA. Nonetheless, I think it is important to look at this proposal along with others that are being currently considered to upgrade the environment of our cities. Safety is a No. 1 concern for residents of cities. Without assurances of reasonable safety, individuals and businesses will not choose to invest their time, money, and energy in cities.●

CAPTIVE NATIONS WEEK SCORES FURTHER SUCCESSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania, (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, on the 20th observance of Captive Nations Week further successes were realized with parades and rallies in our largest cities, an early proclamation by the President—symbolically coincident with the infamous Soviet Russian trials—and events on Capitol Hill. Some 500 attended the reception hosted by Senators S. I. HAYAKAWA and DANIEL P. MOYNIHAN in the Senate Caucus Room. About 250 participated 2 days later, on July 20, at the luncheon cohosted by Representative EDWARD J. DERWINSKI and myself in the Rayburn Building. The two seminars that followed under the sponsorship of the American Council for World Freedom and the National Captive Nations Committee was most educational with respect to the Belgrade Conference, human rights and the captive nations.

In the spirit of Public Law 86–90, I submit further evidences of the successful 1978 week, which are as follows: First, proclamations by Gov. Blair Lee III of Maryland and Mayor Thomas J. Ryan, Jr., of Rochester, N.Y., and a certificate of recognition by Gov. John N. Dalton of Virginia; second, a report on "Congress Notes 20th Observance of Captive Nations Week," in the July 20 issue of the Capital Spotlight; third, reports and addresses on the week in the July 22 China Post; and fourth, the messages to the President, program and release of the California Captive Nations Committee:

THE STATE OF MARYLAND GOVERNOR'S PROCLAMATION

Whereas, The imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos and others; and

Whereas, The desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, The freedom loving peoples in the captive nations look to the United States as the citadel of human freedom and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, The Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples;

Now, therefore, I, Blair Lee III, Acting Governor of the State of Maryland, do hereby proclaim July 16–22, 1978, as "Captive Nations Week" in Maryland, and call upon the citizens of this State to join in observing this week by offering prayers for the peaceful liberation of oppressed peoples all over the world.

MAYOR THOMAS J. RYAN, JR.'S PROCLAMATION

Whereas, policies of the Soviet Union and other communist powers have led to the subjugation and domination of thousands of freedom-loving peoples whose yearnings for independence, and whose right to self-determination, have been arbitrarily ignored, and

Whereas, the United States of America, having thrived on the guiding principles of liberty and justice, is the ultimate symbol of human freedom and therefore has a unique obligation to make independence a reality for enslaved populations everywhere, and

Whereas, Rochesterians recognize their special responsibility to the overseas relatives and friends of many of our City's residents, who contribute so much to the nourishment of basic human rights and to the civic betterment of our community, and

Whereas, the Congress of the United States has established the third week in July each year to demonstrate our sympathy with and support for freedom, independence, and self-determination of captive peoples throughout the world, and

Whereas, at the ceremony in Rochester the ethnic groups represented, each with their national flags and native costume, include East Germany, Estonia, Hungary, Latvia, Poland, Ukraine and Yugoslavia,

Now, therefore, I, Thomas J. Ryan, Jr., Mayor of Rochester, do hereby proclaim July 17–July 22, 1978 to be "Captive Nations Week" in Rochester and urge all Rochesterians to rededicate themselves to work and pray for the day when freedom for all the world's people will be a reality.

GOV. JOHN M. DALTON'S CERTIFICATE OF RECOGNITION

By virtue of the authority vested by the Constitution in the Governor of the Commonwealth of Virginia, there is hereby officially recognized: "Captive Nations Week, 1978."

The peoples of other nations, who once were free and are now dominated by authoritarian regimes, remind us of our own precious freedom and the need for our eternal vigilance to defend it.

Reminding us that freedom is indivisible, the American Council for World Freedom and the National Captive Nations Committee have set aside the period July 16–22, 1978, as Captive Nations Week, and I call the message it suggests to the attention of all Virginians.

[From the Capital Spotlight, July 20, 1978]

CONGRESS NOTES 20TH OBSERVANCE OF CAPTIVE NATIONS WEEK

Members of Congress, the diplomatic corps and leading foreign affairs experts are in the midst of the 20th Observance of Captive Nations Week, July 16–22, with a Congressional reception and luncheon/seminar on Capitol Hill.

Attending the Tuesday, July 18 reception, co-hosted by Senator S. I. Hayakawa (R-CA) and Senator Daniel P. Moynihan (D-NY), were more than 50 Congressmen and 5 diplomats including his Excellency Peter M. Towe of Canada, His Excellency Hugo B. Margain of Mexico, His Excellency James C. H. Shen of China, the Honorable Dr. Anatol Dinbergs from the Legation of Latvia and the Honorable Dr. Stasys A. Backis from the Legation of Lithuania. The reception was held in the Senate Caucus Room from 5–7 p.m.

The luncheon/seminar on Thursday, July 20, co-hosted by Representatives Daniel J. Flood (D-PA) and Edward J. Derwinski (R-ILL), featured two panels for the 50 Congressmen and 4 diplomats who attended. Panelists discussing "The Belgrade Conference and Captive Nations," chaired by Dr. Stefan Possony, and "Human Rights and Captive Nations—Where Do We Go From Here?", chaired by Dr. Lev E. Dobriansky, include Mark Anderson of the AFL-CIO, Frank Manson of the American Legion and a representative from the State Department. The luncheon/seminar was held in Rooms 338-340 Rayburn House Office Building from 12 noon to 5 p.m.

Captive Nations Week, established in 1959 after President Dwight D. Eisenhower signed Public Law 86–90, salutes the more than one billion victims living in captive nations throughout the world. This year's activities in Washington, D.C. are coordinated by the American Council for World Freedom in cooperation with the National Captive Nations Committee.

[From the China Post, July 22, 1978]

MANIFEST SUBLIME MORAL COURAGE TO END SLAVERY AND WIN FREEDOM

(By Dr. Ku Cheng-kang)

Distinguished Guests, Ladies and Gentlemen:

Freedom is no less dear, if not dearer, than life itself. It is the quality of inalienable dignity of man's life. Enunciations such as "Give us liberty or give us death!" have reverberated through history. Communist expansion leaves us no choice but to rise for the defense of freedom and elimination of Red tyranny. We the representatives of the Republic of China's various circles and our distinguished guests from throughout the world have gathered here today for a Captive Nations Week Rally because we have to bring together freedom forces, promote human rights and set free the captive masses of people.

1. BASIC MISTAKES OF FREE NATIONS IN FACING COMMUNISTS

The world situation remains complicated and volatile but still is fundamentally a continuation of confrontation and struggle between freedom and democracy on the one hand and slavery and totalitarianism on the other as reflected in thoughts, systems and ways of life. Red scourge goes on, all because free nations have been committing one grave basic mistake or another vis-a-vis Communism and slavery. Communist forces are not invincible but have been left at large.

The first mistake is the failure to strengthen the battlefront of freedom against autocracy so as to effectively deal with world communization strategies. Instead, attempts to bring about a power equilibrium through multipolar check and balance and through detente have dispersed the free world's own strength, leaving gaps for multifront Red expansion.

The second mistake is the failure to apply sufficient military and economic strength to the maintenance of freedom and security in the face of Communist growth. Instead, vain attempts have been made at the conference table. Concessions made to Red tyrants have not brought lasting peace, for the Communists never take part in peaceful coexistence.

The third mistake is the failure to unite freedom forces for the dealing of blows at those Communists vying for hegemony. Planners of unity with Peiping for the checking of Moscow are not mindful of the common characteristics of the two Red regimes and their unchangeable identical goals of world communization and human enslavement.

The fourth mistake is the failure to remember the bitter lessons of free peoples victimized by deceitful Communists. The Red bloc is bent on burying free nations, but free world appeasers have been seeking common interests as grounds for rapport. This has enabled the Communists to trick free nations into supplying them with food stuff and sophisticated facilities, all for the enhancement of strength for suppression and belligerence.

2. THE DANGER OF ATTEMPTS TO PIT PEIPING AGAINST MOSCOW

Contradiction does exist between Peiping and Moscow but revolves only around their race for hegemony and human enslavement. The dispute does not change the fundamental confrontation of Communists and democratic forces. Attempts to use Peiping against Moscow are serious mistakes, for the blurring of line between friend and foe amounts to self-demolition of the democratic camp.

Backward, poor and confused, Peiping doesn't have the strength to check Moscow. Furthermore, alliance with the regime, instead of halting Moscow's expansionist move, rubs the Russians the wrong way, turns them ruder towards the U.S., and makes them hasten external steps. Mounting of tension throughout the world necessarily follows such steps.

To inject strength into Peiping for the sake of harnessing Moscow is to repeat the post-World War II mistake of helping Russian growth. Cultivation of aggressive Communist forces is to put so much more hostile power at the free world's own doorstep.

We must point out that Peiping is trying to pull the U.S. to its side just so that American strength can be employed against Russian threat. This pitting of a secondary enemy against the primary one is part of the regime's standing tactics of combining unity with struggle. The Americans in the meantime are referred to as "U.S. imperialists," to be dealt with sooner or later. Peiping is eagerly playing "the American card" in an attempt to prosecute its grand scheme—provocation of major U.S.-USSR hostilities so as to bury both the "Russian revisionists" and "American imperialists" in nuclear ashes, thus killing two birds without even using a stone.

3. HOW THE CHINA ISSUE SHOULD BE VIEWED

The China issue is a focus of world attention and has conspicuously gained importance because of Washington's move towards "normalization of relations" with the Chinese Communists.

The Chinese Communists do not truly command the 800 million people on the mainland, and the graveness of China issue does not lie there. Really serious is that Peiping, while keeping that many people in chains, occupies a vast strategic area of the Asian Continent and has been active as a major source of world turmoil.

Solution of the China issue does not hinge on how to pacify Peiping and coexist with it. To the contrary, the key is successful freeing of that number of captive people so that their enormous combined strength can be channeled into the free camp building of world peace and security. This is the best and only correct formula if a way is to be named for the solution of China issue. Any attempt to make the Chinese Communists go to the conference table and accept a condition other than this is a dangerous mistake.

To "normalize relations" with Peiping or sign "peace treaties" with it amounts to an acknowledgement that the Chinese Communists can continue enslavement of the 800 million people and to a pat on the shoulder for the regime to intensify its suppression of resistance. This goes diametrically against the spirit and demand of the human rights campaign.

Even though Peiping is now treating the United States as its secondary enemy because of its need to compete and cope with Russia, its "anti-U.S. imperialist" policy will not change. The regime will continue as America's unmistakable enemy as long as it exists. Growth can make Peiping America's most aggressive enemy and the clash of interests will then be absolute. Those who think that Peiping shares common interests with the U.S. will, if they are permitted to have their way, expose Americans to growingly serious threat and bring unavoidable damage to Asian and world peace and security

Only when China is unified and rebuilt in freedom and democracy can all of Asia be free and democratic. Furthermore, removal of the Bamboo Curtain can soon be followed by the lifting of the Iron Curtain elsewhere in Asia as well as in Europe and Cuba. Only when all of China is free and democratic can the long-range interests of all free nations be assured.

Peiping's rule of slavery will be recorded in history as a brief transitional phenomenon. China's outstanding traditional culture is the greatest source of strength against Communism. Peiping will inevitably fall apart as the Chinese struggle on for freedom and human rights.

4. STEPS WE ADVOCATE

Through struggle against Communist forces, man's determination to win freedom, exercise human rights, seek progress and achieve happiness has been sharpened and forged as the main current of this age. Struggles behind the Iron Curtain for freedom and human rights are growing and spreading. The world situation is thus increasingly in favor of the free democratic camp. At this turning point of history, we strongly advocate the following steps:

We urge that at this stage of anti-Communist struggle, we all stand firmly on the battlefront of freedom, no longer allowing communization of any single piece of free land or enslavement of any free man. All the free nations and peoples of the world should heighten vigilance, unite vigorously, and strive on as one to enhance freedom, at the same time helping the captive peoples fight for a final victory of freedom and human rights.

We urge that the United States stand at the head of a strong freedom formation, pool more freedom forces through thorough exhibition of moral courage, strengthen these forces through full cooperation with friends and allies, and spur such forces to action through manifestation of America's own strength for freedom. To do this, America must stop moving towards "normalization of relations" with the Chinese Communists and abandon the dangerous plan to ally with Peiping for the checking of Moscow. As the U.S. strives to contain Russian expansion, she must work to end Chinese Communist rampancy.

We urge that the Republic of China, the Republic of Korea and Japan unite together and, in conjunction with Southeast Asia's free nations, establish a strong island chain of defense to protect freedom and security in the Western Pacific. Japan also should immediately drop her plan to sign a "peace treaty" with the Chinese Communists.

We urge that positive free world assistance be extended to the heroic African struggle against Communist aggressors and to the Middle East quest of peace and action against Communist infiltration.

We urge that all the free nations actively help the Chinese mainland people's rise for freedom and human rights, because restoration of those 800 million people to freedom must come first if Asia is to stay free and secure and if the world is to have strength to keep peace.

Ladies and gentlemen: Promotion of human rights is the clarion call of this age for the freeing of the captive masses of people. We must build an invincible international united battle formation against Communist forces of enslavement. Our mission is to create a lasting new era of freedom from slavery.

[From the China Post, July 22, 1978]

HON. JOHN MILAN ASHBROOK, U.S. HOUSE OF REPRESENTATIVES

Premier Sun, Chairman Ku, my colleagues on the platform, my fellow freedom fighters of the Republic of China:

Best wishes to the free Chinese people from your brothers and sisters of the United States of America.

We meet in a free country and climate of freedom, but we must remember why we are here. We speak for those enslaved people throughout the world who cannot speak for themselves. We speak for those millions behind the Iron and Bamboo Curtains who are persecuted daily by Communism. We speak for those who are pressed by the scourge of Communism each day of the year.

Communism makes bold promises to people everywhere in the world. And yet it is history and it is offered only in slavery, brutality and oppression. Cambodia today we see the face of Communism 1978 style. It is brutal, it is repressive, it kills many Cambodia countrymen, but all of us today know it is

exactly the same Communism which oppresses the people in East Europe, and the people of Russia and on the mainland of China.

The course of the free world, on the other hand, is guided by the teachings, by the example, and by the leadership of great men in history such as George Washington, Sun Yat-sen, Jacques Rousseau, Simon Bolivar, Abraham Lincoln. These men are leaders, oppressed no one, thought no one to be in prison or in concentration camp. They only sought a better way of life for all who would follow the way of freedom.

Quite the opposite, the teachings of Marx, Lenin, Mao, Stalin, Castro and others stand a stark contrast to our spiritual fathers, to the spiritual leaders of our revolution through history to be free.

Captive Nations Week is a living reminder that we cannot win our struggle against deadly Communism by observing this week only once a year. Our brothers and sisters behind the Iron and Bamboo Curtains live in slavery 52 weeks a year, not just one week. We must be freedom fighters 52 weeks a year, until our brothers and sisters are free.

TELEGRAM

THE PRESIDENT OF THE UNITED STATES,
The White House,
Washington, D.C.:

American citizens and exiles of captive nations assembled today in a rally in San Diego organized by the California Captive Nations Committee to commemorate Captive Nations Week respectfully urge you to include in your human rights campaign the people of all captive nations. As a first step we suggest to nullify the U.S. signature on the infamous Helsinki agreement in which the western countries ratified and implicity endorsed the Soviet conquest of Eastern Europe thereby condemning the people of the East European captive nations to perpetual slavery and bondage. The continued overt violations by Moscow of the terms of this agreement pertaining to human rights and the fact that the Belgrade review conference has turned out to be a mockery should be reasons enough for you to abrogate that pact. The next step should be the severance of the recently unwarranted improved diplomatic relations with Castro's Cuba.

AMERICA'S SURVIVAL

THE CAPTIVE NATIONS OUR FIRST LINE OF DEFENSE

California Captive Nations Committee's Interfaith Memorial-Celebration and Rally to "Wake Up" America, July 23, 1978, 1:30 p.m.

The Lipizzan Horse Show follows at 3 o'clock. San Diego Community Concourse.

By joint congressional resolution and Public Law 86-90, observance of Captive Nations Week is the law of the land. Please come. Hear inspirational messages from former captives; hear the joy of their music and their dances in celebration of their freedom.

Where freedom exists, it is taken for granted—like the air we breathe; where freedom is denied, the craving for liberty is like suffocation.

We dare not fail.

"Those who expect to reap the blessing of freedom must undergo the fatigue of supporting it."—THOMAS PAINE.

CALIFORNIA CAPTIVE
NATIONS COMMITTEE,
June 30, 1978.

THE PRESIDENT OF THE UNITED STATES OF AMERICA, JIMMY CARTER,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Recently a California Captive Nations Committee has been formed in which are represented local American patriotic societies and organizations of refugees from some captive nations. The committee's objective is to keep alive with the American public in this area the memory of the tragic fate of the subjugated people living under a Communist dictatorship, deprived of their freedom, their independence and their human rights.

On behalf of the committee I respectfully remind you of the resolution taken by Congress in 1959 known as "Captive Nations resolution (Public Law 86-90) in which the Senate and the House of Representatives authorized and requested the President to issue a proclamation designating the third week in July of that year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate ceremonies and other activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

Mr. President, may we express the hope that you will heed this resolution like you did last year but that this time you will issue your proclamation much earlier than in 1977. In that year it was emitted when the 3rd week of July had already started.

We are also respectfully suggesting the use of far stronger language than in your previous proclamation such as a denunciation in no uncertain terms of the captors who keep the people of those hapless nations under their pitiless heels.

Here you have a splendid opportunity to show the world that your concern for human rights is really genuine and that you have learned in your first 18 months in the Presidency that appeasement of the Communist bosses at the expense of the liberty of other people won't work.

Respectfully yours,

JOHN E. VAN BUUREN,
Executive Secretary.

[From the California Captive Nations Committee]

RELEASE

The newly formed California Captive Nations Committee will sponsor a memorial celebration and rally at the San Diego Community Concourse on Sunday, July 23, at 1:30 p.m., culminating the 20th annual Captive Nations Week Events.

The United States Congress inaugurated the observance in July 1959 with a Resolution (Public Law 86-90) authorizing and requesting the President to issue a proclamation designating the third week in July as "Captive Nations Week" to be observed with appropriate ceremonies and activities by the American people. The Congress further requested the Chief Executive "to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for the Captive Nations of the world."

Since that hopeful beginning, some nine more nations have been added to the twenty-two previously subjugated by Communist imperialism. According to Committee Chairman, Captain Henry E. Phelps: "We must wake up America to the continuing advance of Soviet imperialism on all continents and, most important, to the fact that the fierce drive for liberty of the subjugated peoples is really America's first line of defense."

Capt. Phelps added that the Soviet Union has been forced to employ Cuban and Warsaw Pact troops to subvert and enslave the captive nations.

The California Committee was formed around a nucleus comprised of the San Diego Friends of Free China, Alpha 66, a Cuban Freedom group, and various captive nations organizations representing Eastern European peoples. The rally will feature distinguished speakers, some of whom have been imprisoned by either the National Socialists of Hitler's Third Reich or the Soviet Socialists of the Kremlin.

Ethnic groups originating from the Captive Nations will stage dances to traditional music to express the joy of their freedom in the United States. Representatives of the Judeo-Christian community will offer prayers for the liberty of those who are not free.●

CONGRESSMAN FISHER TO OFFER AMENDMENT TO TAX CUT BIILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. FISHER) is recognized for 5 minutes.

● Mr. FISHER. Mr. Speaker, when the House considers H.R. 13511 the tax cut bill, Mr. CORMAN and I hope to offer an amendment along the following lines assuming a rule is granted which makes such an amendment in order.

This amendment to the Ways and Means tax bill contains the following features:

The committee bill cuts individual taxes through bracket widening, an increase in the standard deduction, selected rate cuts, and an increase in the personal exemption to $1,000. The amendment would replace these changes with a modified rate schedule and an increase in the general credit from $35 to $100 per exemption.

The amendment would preserve the provisions of the committee bill that set a 35-percent maximum rate on capital gains, exclude gains on home sales, and eliminate the existing minimum tax on capital gains. But in place of the committee's micro-mini tax on capital gains, the amendment would place a new limitation on the amount of capital gains that could be deducted from the regular tax base.

One-half of total capital gain can now be excluded from income even though the remaining half may be sheltered by ordinary losses. Under the proposal, the special exclusion for capital gains would generally be limited to the amount of capital gains subject to tax. This new limitation could never reduce the amount of excluded gains below $5,000 nor would it apply in a manner to reduce the benefits of charitable deductions.

ADVANTAGES OF AMENDMENT

The bill, as amended, would have a revenue cost similar to the original Ways and Means bill—$18 billion in calendar year 1979 compared to $16.1 billion in the committee bill. The proposed changes would improve the bill in the following respects:

The amendment would provide greater tax relief than the committee bill for all income classes through $50,000.

The amendment would provide the same capital gains relief to unsheltered taxpayers as the committee bill, but at a revenue cost $300 million less. Taxpayers who have ordinary income exceeding ordinary losses would be unaffected by the amendment and would pay no minimum tax.

At the same time, the amendment would build upon the committee bill to provide a true alternative minimum tax. Under the committee bill, individuals with millions of dollars of capital gains and no regular tax liability would pay a micromini tax of no more than 5 percent on their gains. The capital gains tax for these persons might rise to 17½ percent under the true alternative tax—although the usual rate in such cases would be 10 to 12 percent.

In contrast to the micromini tax approach in the committee bill, this amendment would have no negative impact on incentives for charitable giving.

The following table compares the individual income tax liability under present law, the committee bill and the Corman-Fisher amendment for various income groups.

INDIVIDUAL INCOME TAX LIABILITIES BY EXPANDED INCOME CLASS, PRESENT LAW, COMMITTEE TAX BILL, AND CORMAN-FISHER AMENDMENT

[In millions of dollars, 1978 levels]

Expanded income class	Present law		H.R. 13511 (committee bill)			Corman-Fisher Amendment		
	Tax liability	Percentage distribution	Tax liability	Percentage distribution	Change in tax	Tax liability	Percentage distribution	Change in tax
Less than $10,000	8,110	4.4	−7,620	4.4	−490	6,608	3.9	−1,502
$10,000 to $15,000	17,067	9.3	16,217	9.3	−849	15,406	9.0	−1,661
$15,000 to $20,000	24,055	13.1	22,716	13.1	−1,339	22,309	13.0	−1,746
$20,000 to $30,000	44,774	24.3	41,830	24.1	−2,944	41,345	24.2	−3,429
$30,000 to $40,000	26,007	14.2	24,405	14.1	−1,672	24,005	14.0	−2,072
$40,000 to $50,000	13,182	7.2	12,304	7.1	−878	12,264	7.2	−918
$50,000 to $100,000	24,009	13.0	22,637	13.1	−1,372	22,998	13.4	−1,011
$100,000 to $200,000	13,130	7.1	12,624	7.3	−506	12,827	7.5	−303
$200,000 and over	13,743	7.5	13,053	7.5	−690	13,378	7.8	−365
Total	184,148	100.0	173,405	100.0	−10,743	171,144	100.0	−13,004

Source: Office of the Secretary of the Treasury Office of Tax Analysis, Aug. 3, 1978.

Note: Details may not add to totals due to rounding. Excludes basis adjustment for inflation. ●

FINANCIAL INSTITUTIONS REGULATORY ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, recently, the House Committee on Banking, Finance and Urban Affairs reported out legislation encompassing the most major reform of the regulation and supervision of the Nation's financial institutions in recent times. To assist Members who I am sure are receiving many letters and calls concerning this bill, I am providing the following summary of this legislation:

SUMMARY OF THE LEGISLATION

H.R. 13471 contains 20 titles which:

Upgrade and sharpen the machinery of Federal financial regulation;

Place ceilings on borrowing by bank insiders;

Place greater responsibility on boards of directors to oversee their financial institution;

Establish firm conflict of interest standards for policymaking officials who regulate financial institutions;

Give the financial supervisory agencies power to monitor and regulate takeovers of Federally-insured institutions;

Prohibit preferential treatment on loans to bank insiders where banks have placed their funds on deposit in correspondent accounts;

Provide additional disclosure to the supervisory agencies and the public of material facts on activities of banks and bank officials;

Provide mutual savings banks with the right to obtain a Federal charter, thus bringing this group of financial institutions under the dual Federal-State chartering system enjoyed by all other depository institutions;

Provides better coordination among financial supervisory agencies;

Limits access by the Federal Government to an individual's bank records without due process;

Prohibits bank holding companies from engaging in property and casualty insurance business, with exemptions for small communities and small holding companies;

Allows federally chartered thrift institutions to offer transaction accounts where States allow such accounts;

Allows federal chartered thrift institutions to offer alternative mortgage instruments where State-chartered institutions have this power; and

Makes permanent the prohibition on credit card surcharges. *Title I—Supervisory Authority Over Depository Institutions:* Provides the financial institution supervisory agencies with additional powers over depository institutions. These powers are civil money penalties for violations of laws, regulations, and cease-and-desist orders; improved cease-and-desist authority; authority to require depository institution holding companies to divest nondepository subsidiaries if those subsidiaries are causing damage to the depository institution subsidiaries of holding companies. Limitations are placed on insider loans by commercial banks—executive officers and major stockholders are limited to loans to themselves, their affiliated companies, and their political committees which, in the aggregate, total no more than 10 percent of the capital accounts of the bank: overdrafts to directors and executive officers are prohibited; and all insider loans must be nonpreferential as to terms and conditions. Removal and suspension of financial institution insiders who threaten the safety and soundness of financial institutions is made easier while at the same time requiring the agencies to provide due process for individuals so affected.

Title II—Interlocking Directors: Prohibits interlocking directors among depository institutions (banks, savings and loan associations, credit unions, and mutual savings banks) which are in the same standard metropolitan statistical area; or in the same city, town, or village if not in an SMSA. The title also would prohibit such interlocks for large financial institutions regardless of their location.

Title III—Foreign Branching: Makes changes in the Federal Deposit Insurance Act requested by the Federal Deposit Insurance Corporation. These changes include giving the FDIC authority to approve foreign branches of State nonmember insured banks; providing expanded subpena power for bank supervisory agencies in carrying out investigations and examinations; giving FDIC authority to write regulations for laws which they enforce; providing protection for examiners against intimidation and threats; and several technical changes in statutes dealing with reports of conditions of banks and the insurance of accounts.

Title IV—Conflicts of Interest: Places restrictions on officials of the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Home Loan Bank on postemployment activities. All of these officials would be prohibited from accepting employment with an institution over which they had jurisdiction if they did not comp.ete the term for which they were appointed. Additionally, these officials would be prohibited from appearing before their former regulatory agency for a period of 2 years after their service regardless of whether they completed their term.

Title V—Credit Union Restructuring: Upgrades the agency which supervises insured credit unions by creating a three-member board (the National Credit Union Administration Board) and makes technical and conforming changes in the credit union statutes to reflect the creation of the board. Members of the new board would be subjected to the same conflict-of-interest provisions as those in title IV for the other four financial institution regulatory agencies.

Title VI—Change in Bank Control Act: Provides for prior notice to the appropriate banking agency of any proposed change of control of an insured bank or bank holding company. The agencies would have 60 days to review the information contained in the notice and could within that time period disapprove the proposed acquisition based on criteria specified in the title.

Title VII—Change in Savings and Loan Control Act: Provides for prior notice to the Federal Home Loan Bank Board of any proposed change of control of an insured savings and loan institution or savings and loan holding company. The Federal Home Loan Bank Board would have 60 days to review the information contained in the notice and could within that time period disapprove the proposed acquisition based on criteria specified in the title.

Title VIII—Correspondent Accounts: Prohibits preferential treatment in the granting of loans to insiders where correspondent relationships exist. The banking agencies could levy civil money penalties for violations of the nonpreferential treatment provision. Each executive officer and major stockholder would be required to report annually to his board of directors the details of loans received from correspondent banks. Each bank would provide that information to the bank regulatory agencies. Each bank would also provide in a publicly available annual report a list of each insider receiving loans from correspondent banks and an aggregate amount for all such loans.

Title IX—Disclosure of Material Facts: Requires each insured bank to report annually a list of its major stockholders and the ag-

gregate amount of all its loans to officers or major stockholders, their affiliated companies, and their political or campaign committees. The information required to be provided to the public in title VIII would be included in this report.

Title X—Federal Financial Institutions Examination Council: Establishes an examination council composed of top officials of the FDIC, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, and the National Credit Union Administration. The Council would develop uniform standards for examinations of financial institutions and improve coordination among the agencies on a variety of supervisory matters.

Title XI—Right to Financial Privacy: Gives individuals notice of, and a chance to challenge, Federal Government agency requests for their bank records. Access to individual bank records would be governed by the procedures provided by the title and would guarantee that the customer knows who is looking at his records. The agencies would be required to follow the procedures established by this title when they seek an individual's records and to provide a cost reimbursement to the financial institution providing the documents.

Title XII—Charters for Thrift Institutions: Provides mutual savings banks the option of seeking a Federal charter from the Federal Home Loan Bank Board. This gives these institutions the same option now available to commercial banks, credit unions, and savings and loans.

Title XIII—Holding Companies: Prohibits bank holding companies from providing insurance as a principal, agent, or broker unless the insurance is to insure the life of a debtor or is to provide indemnity for payments while a debtor is disabled. Bank holding companies in communities of less than 5,000 population or in communities which have inadequate insurance facilities, or a holding company having less than $50 million in assets would be exempt.

Title XIV—Amendments to the National Banking Laws: Repeals the 6 per cent dividend limitation on preferred stock offered by national banks; extends the time allowed for divesting of real estate acquired by national banks; gives the Comptroller of the Currency authority to revoke a national bank's trust powers; gives the Comptroller authority to declare, in emergencies, national bank holidays when a Governor in a State declares an emergency State bank holiday; allows the Comptroller to delegate his powers; authorizes the Comptroller to issue rules and regulations; allows outside directors of national banks to qualify by owning holding company stock; and authorizes national bank investments in banker's banks.

Title XV—Termination of National Bank Closed Receivership Fund: Provides a procedure under which the Comptroller of the Currency may terminate the Closed Receivership Fund which operated prior to the establishment of the Federal Deposit Insurance Corporation in the 1930's.

Title XVI—Transaction Accounts: Allows federally chartered thrift institutions to offer non-interest-bearing transaction accounts if State-chartered institutions are given the power to offer such accounts.

Title XVII—Financial Regulation Simplification Act of 1978: Requires the five Federal financial institution supervisory agencies to review, streamline, and sharpen their regulations and to develop a procedure for issuing regulations which assure meaningful participation by interested parties and the public.

Title XVIII—Alternative Mortgage Instruments: Allows federally chartered thrift institutions to offer alternative mortgage instruments in those States which allow them for State-chartered institutions.

Title XIX—Prohibition on Credit Card Surcharges: Makes permanent the prohibition against charging an extra fee for a consumer who chooses to pay for merchandise or services using a credit card. A temporary prohibition enacted 2 years ago on a test basis expires on February 1, 1979.

Title XX—Effective Date: Provides that the act will take effect 120 days after enactment.●

ALL-VOLUNTEER FORCE WORKING OUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 20 minutes.

● Mr. ASPIN. Mr. Speaker, a few months ago I was chatting with a young Army captain about the company he commanded. I am always leery of the cold numbers and multicolored charts with overlays that predominate in Washington, so I listened closely. He shook his head intently and told me the all-volunteer concept just was not working.

I have heard the Pentagon's spiel many times as row after row of analysts has explained how the All-Volunteer Force is working superbly in this best of all possible worlds. So I was very interested in the field experience of this dedicated and hard working young officer who commanded 200 of these volunteers. He told me:

> The AVF (all-volunteer force) just isn't working out. It's the men who are coming in. Gee, sir, they aren't very smart.

Of course, officers have been grousing about recruits ever since Baron von Steuben. He tied hay around the right leg and straw around the left leg of young recruits in the Revolution who didn't know the difference between left and right so they could be taught to march to commands of, "hayfoot, strawfoot, hayfoot, strawfoot." But this young officer clearly was not a grouser. From my long talk with him I knew he had an analytical mind. So I asked just what it was about these volunteers that brought him to the conclusion they were too dumb to serve.

"Well, sir," he said, "that's what I read in the papers."

The last man drafted was inducted at the end of December 1972. The draft law remained on the books to induce recruits for 6 months more. On June 30, 1973, the draft authority died, having haunted young men for a third of a century.

With 5 years of experience behind us, I decided it was time to take a close look at this creature we call the AVF. A rounded picture means listening to experiences in the field, looking over the statistics, hearing out the Pentagon analysts, and sounding out the researchers in academia who have studied the AVF but have no commitment to official policy.

When we look at the common criticisms that have been made—that the AVF is too dumb, too black, too small and too expensive—we find that there is no substance to some of these complaints and little to others. When we probe over a wider range of issues, we find that there are indeed problems—real ones that require attention.

This brief report on the All-Volunteer Force after 5 years looks at some of the common myths that ought not bear repeating. It also takes a look at some of the real problems that the volunteer system needs to confront.

QUALITY

Like the Army captain quoted at the beginning, there is a widespread perception that only "dummies" are volunteering and that the quality of our Armed Forces is falling rapidly.

The main measure of intelligence is taken from tests that divide volunteers into five groups roughly comparable to the A through F grading system.

Military Intelligence Groupings

Group:	*Percentile*
Mental Category I	93–100
Mental Category II	65–92
Mental Category III	31–64
Mental Category IV	10–30
Mental Category V	0–9

Under the law, the bottom tenth of society—the Cat V's—cannot be inducted. Attention then focuses on the number of Cat IV's recruited. As the draft law was expiring in 1973, the House Appropriations Committee imposed a ceiling of 18 percent on the proportion of Category IV's any service could induct. When the volunteer era began, the Pentagon reported the Cat IV figures for each service each month. And each month the Army had trouble; it frequently exceeded the 18 percent ceiling and only occasionally came in under it.

The monthly reports made headlines: "Army takes too many low IQ recruits." But never did I see anyone ask the origin of that 18 percent ceiling. Was it a rational choice to prevent recruiters from recklessly pursuing quantity at the expense of quality? A simple check of the records would have shown that in the 20 years of the draft preceding the imposition of that ceiling, the Army had inducted fewer than 18 percent category IV's only twice, in 1960 and 1961. The 18 percent ceiling, therefore, did not require the Army to keep up its intelligence standards; it required the Army to set entirely new standards. Quite simply, it was an unreasonable standard against which to measure the Army's performance in the all-volunteer era.

Figure 1 shows the percentage of Category IV's taken into all four services—not just the Army—in every year since 1952. The chart highlights the little recognized fact that in the worst recruiting year of the all-volunteer era, the services combined have accepted fewer of those so-called "dummies" than in any year under the draft. These men are not "dummies." They are fully capable of performing many jobs in the military. In fact, under the irrationally high standards of today, Sergeant York would probably never be allowed into boot camp.

FIGURE 1.—Mental category IV recruits as percent of all accessions (four services combined).

	Percent
1952	45.9
1953	37.2
1954	29.6
1955	28.8
1956	26.8

1957	24.2	1968	24.6
1958	18.0	1969	24.4
1959	15.4	1970	23.2
1960	13.6	1971	21.8
1961	12.9	1972	17.5
1962	16.3	1973	14.1
1963	13.5	1974	10.2
1964	14.5	1975	6.1
1965	14.4	1976	4.8
1966	16.6	1977	5.1
1967	21.6	1978	3.8

Figure 2 gives the Category IV figures for each year broken down by service. While the Army had considerable difficulty coming in under the 18-percent ceiling in the opening months of the All-Volunteer Force (the beginning of fiscal year 1974), it eventually got its recruiting system in order. In succeeding years it has had no problems holding down the Category IV intake.

FIG. 2. PERCENT OF MENTAL CATEGORY IV's 1951–77,[1] ENLISTEES AND INDUCTEES

	Fiscal year—								
	1951–52[2]	1953	1954	1955	1956	1957	1958	1959	1960
Army	44.1	26.9	29.8	27.8	26.5	30.5	26.6	20.9	17.0
Navy	40.8	34.2	25.7	36.2	32.3	16.3	7.2	6.5	7.1
Marine Corps	49.3	27.4	34.4	20.2	34.9	25.6	9.0	9.7	16.4
Air Force	39.7	40.7	26.8	26.6	18.2	15.0	7.7	10.5	11.7
Total, DOD	45.9	37.2	29.6	28.8	26.8	24.2	18.0	15.4	13.6

	Fiscal year—								
	1961	1962	1963	1964	1965	1966	1967	1968	1969
Army	13.2	22.5	21.5	19.9	19.2	23.4	26.3	28.0	27.5
Navy	10.0	11.8	5.5	10.9	13.8	5.7	11.6	16.6	19.2
Marine Corps	7.1	9.0	3.9	9.2	3.9	13.5	17.4	22.2	25.7
Air Force	16.1	7.2	8.4	4.3	7.5	6.6	12.2	17.0	17.7
Total, DOD	12.9	16.3	13.5	14.5	14.4	16.6	21.6	24.6	24.4

	Fiscal year—								
	1970	1971	1972	1973	1974[3]	1975[3]	1976[3]	1977[3]	1st half fiscal year 1978[3]
Army	25.8	25.2	18.8	17.2	17.8	10.0	7.4	9.2	7.6
Navy	16.4	14.0	20.2	15.6	3.5	4.8	4.1	2.4	1.8
Marine Corps	24.2	20.7	22.2	15.6	7.5	3.5	2.9	4.3	3.5
Air Force	18.1	17.8	8.6	4.2	.6	.4	.5	.1	.1
Total, DOD	23.2	21.8	17.5	14.1	10.2	6.1	4.8	5.1	3.8

[1] Includes administrative acceptees and males only prior to fiscal year 1974.
[2] May 1951 to June 1952.
[3] All-volunteer years.

A few other points about the quality of all-volunteer recruits ought also to be noted.

First. In addition to fewer Category IV's, there are also fewer Category I's. In other words, there are fewer A and D students enlisting and more B and C students. Category I takes in the smartest 7 percent of the public. A large number of men and women of this intelligence level are not really crucial in the enlisted ranks. More of them are needed in the officer corps, but so many people are ready to sign on as second lieutenants that the services are able to pick the cream of the crop. Figure 3 shows the average scores for enlisted recruits for the last 3 years of the draft and the first 4 of the All-Volunteer Force. Combined, the four services show a marginal improvement. The Marine Corps shows the greatest improvement while the Army shows a marginal decline.

Second. There are frequent reports from the field saying that the recruits are too dumb to understand and handle complicated weapons. If the recruits today can not handle the weapons, the recruits in wartime will never be able to. As figure 1 indicates, a wartime force must always dig deeper into the Category IV supply. The solution is not to malign the recruits; it is to take the user into account when the weapons are designed. The Air Force has done this with the F–15 Eagle. It found that the earlier F–4 Phantom often taxed the skills of repairmen. So it designed the F–15 with many of the more complicated components in plug-in boxes. The repairmen in the field would simply remove the whole defective section, replace it with a new one and send the defective section back to the rear where more senior and more skilled career civilians could perform the actual repairs.

FIG. 3.—AVERAGE TEST SCORE RESULTS FOR ENLISTED RECRUITS (FROM ARMED FORCES QUALIFICATION TEST)

	Fiscal year—						
	1971	1972	1973	1974	1975	1976	1977
Army	51.9	53.8	53.0	48.9	52.0	52.9	49.4
Navy	60.1	54.7	55.5	57.6	58.4	61.8	61.2
Marine Corps	48.9	48.9	50.6	56.6	57.2	59.8	56.1
Air Force	56.5	59.9	61.3	61.2	62.2	65.5	67.1
DOD	54.3	54.6	55.1	54.1	56.1	58.1	56.4

Note: Figures for earlier years are unavailable.
Source: MARDAC/DOD.

Third. Another measure of quality frequently used is the intake of high school dropouts. This is not so much a measure of intelligence as of discipline; statistics show that the dropouts tend to get into more trouble in the service than those with high school diplomas who, even if not especially intelligent, have at least shown the self-discipline to stick it out and get their diplomas.

For example, one survey [1] showed that dropouts were being kicked out of the service for unsuitability at almost three times the rate of high school graduates. This kind of figure prompted calls for limits or even a ban on the enlistment of high school dropouts. This, however, overlooks the fact that most of the high school dropouts still made good GI's. An interesting example is James R. Henslick. He dropped out of high school after the 11th grade in 1948, was drafted during the Korean war, rose through the ranks of the Army and become a brigadier general in 1978.

The survey cited above showed that 24 percent of the dropouts enlisted were later discharged for unsuitability. But to turn the figure around, that means that of every 100 dropouts the services refuse to enlist, they are losing 76 qualified men. The high school diploma is used as a measure of discipline because it is the only one that can be reduced to statistics. But clearly it doesn't prove very much. A good drill instructor ought to be able to do a better job of separating the wheat from the chaff after a couple of weeks of working with the men. But, first, this requires that they be enlisted and, second, the measures cannot be reduced to neat charts. For those concerned about degrees, figure 4 shows that the proportion of high school graduates in the enlisted ranks continues to climb with or without the AVF—as does the proportion of officers with college degrees.

Fourth. Effectiveness is not simply a matter of the IQ of recruits. How the services use their people also determines the effectiveness of the services. The General Accounting Office found that only 25 percent of the Category IV's and

[1] See *Ending The Draft: The Story of the All Volunteer Force*, by Gus C. Lee and Geoffrey Y. Parker, Human Resources Research Organization, Alexandria, Va., April 1977, p. 395.

high school dropouts in the service were assigned to the jobs for which the services trained them, and fully 40 percent reported that they spent little or no time doing the work for which they were trained.[2] This is a waste of expensive training, it means that people are doing jobs they do not know all that well, it lowers morale, and it lowers the overall quality of the force.

Fifth. Many who have cited the number of Category IV's in uniform seem to feel the services should accept no one at this intelligence level. This ignores the fact that the services have many jobs which do not require more than Category IV intelligence. Figure 5 shows in the shaded columns the proportion of jobs each service described in 1972 as requiring only Category IV level intelligence.[3] The unshaded columns show the actual experience for the first 4 years of the All Volunteer Force. This raises a question: Are the services actually taking too few low IQ recruits? The chart indicates that all four services must assign reasonably intelligent men and women to low skill jobs. There is no surer way to lower morale and raise discontent. The services ought to consider lowering, not raising, their intelligence standards for recruits.

FIGURE 4.—*Educational level attained*

COMMISSIONED OFFICERS

(Percent graduated from college)

1960	57.2
1962	64.6
1963	69.4
1965	72.3
1967	72.9
1969	76.3
1970	78.8
1971	82.1
1972	84.5
1973	87.4
1974	88.8
1975	91.2
1976	91.6

ENLISTED FORCE

(Percent graduated from high school)

1960	66.1
1962	72.7
1963	72.8
1965	81.6
1967	82.7
1969	82.0
1970	85.2
1971	85.6
1972	81.3
1973	86.2
1974	86.7
1975	87.4
1976	87.8

FIGURE 5.—*Mental Category IVs*

Service	*Services' expressed needs*	*Services FY 74–77 intake*
Army	18.0	11.1
Navy	14.5	3.7
USMC	14.3	4.6
USAF	5.0	0.4

QUANTITY

The most serious charge is that the all-volunteer force simply cannot get enough volunteers. This is spurred by periodic news reports saying that the Army (or the Navy or the Marine Corps) failed to make its recruiting goals in the preceding month.

If the services make their goals it is not news. If a service misses its recruiting goal, it can and often does still make its strength goal. In other words, the goal is to have the same number of men and women as there are jobs. The number of recruits (people coming into the service) is one side of the equation; the number of people leaving is the other side. Frequently, the services have overestimated the number leaving in any month. Figure 6 shows the recruiting results for the last quarter of 1977 side by side with the programed and actual strength of each service on the last day of the year.

FIGURE 6

	Enlisted accessions (all sources) October–December 1977			Active military strength, Dec. 31, 1977 (thousands)		
	Objective	Actual	Percent	Objective	Actual	Percent
Army	26,900	26,900	100	771	771	100.0
Navy	21,600	19,600	91	524	527	101.0
Marines	8,700	8,700	(1)	191	191	(1)
Air Force	16,500	16,500	100	571	572	(2)
Total	73,800	71,800	97	2,058	2,060	100.1

[1] 99 plus.
[2] 100 plus.

Note that the Navy had a disastrous recruiting quarter. Yet, at the end of the quarter it actually had 3,000 more men than it wanted. The four services taken together fell 2,000 men short of their recruiting goals and 2,000 men over their strength objectives.

When looking at quantity figures, then, the recruiting data are only one part of the equation. The bottom line is the number of men and women in uniform. This figure has commonly been ignored. Figure 7 shows the total strength for each of the services for the past several years. The chart shows that the only real drop since the drawdown after Vietnam has come in the Air Force—the one service all agree has no trouble attracting all the men and women of the quality it wants. The Air Force decline is a factor of the reduction in missions, economies and other nonrecruiting factors. The Navy has also had cutbacks that coincide with the declining number of ships in the Navy and a consequent drop in manpower needs. But the Marine Corps and Army—the two services supposed to have the biggest problems attracting the needed numbers—have held a relatively steady course.

Some critics, acknowledging the services can keep current force levels, say that is not the point. They allege the point is that the post-Vietnam force levels were picked by the Nixon administration because they could be met and not because they provided sufficient manpower for defense. They note that the post-Vietnam force levels fluctuate between 2.0 million and 2.1 million while the pre-Vietnam levels fluctuated between 2.4 million and 2.5 million.

FIG. 7.—ARMED FORCES STRENGTH LEVELS[1]

[In thousands]

	Army	Air Force	Navy	Marine Corps
Year:				
1970	1,323	791	693	260
1971	1,134	755	623	212
1972	811	726	588	198
1973	801	691	564	196
1974	783	644	546	189
1975	784	613	535	196
1976	779	585	525	192
1977	779	581	525	190
1978	767	574	523	190

[1] Strength as of June 30 (Apr. 30 for 1978).

During this time period, however, the Defense Department went through several civilianization campaigns designed to put civilians into jobs that did not require uniformed personnel. Thus if we look only at military manpower in the four services combined, we find it declined 22 percent from 1964 to 1978. But if we look at the Defense Department total of military, civilian, and contract personnel, we find the decline from 1964 is only 9 percent.

That is still a decline, of course. Economic planning says that when manpower is cheap, you maximize your use of it and do not put so many resources into costly technology. When manpower costs rise, you look for other alternatives.

Manpower costs are soaring throughout our society, not only in the military. Throughout the business world companies are emphasizing labor saving technology. One of the biggest revolutions is taking place in the newspaper business where computer linkages from reporter to typesetting equipment have eliminated a vast number of positions and raised productivity enormously. Newspapers are now turning out more papers with a smaller production staff. The military is similarly able to get more punch with fewer men in uniform.

Figure 8 shows how all this has affected the Army.

FIGURE 8.—U.S. ARMY EMPLOYMENT

[In thousands]

Employment category	1964	1978
Defense civilians	12	26
Contract employees	73	179
Department of Army civilians	462	416
Uniformed Army	860	666
Combat arms	(232)	(204)
Grand total	1,407	1,287

The statistic commonly looked at is the size of the uniformed service which has dropped 23 percent between 1964 and 1978, a rather substantial decline. But civilians contribute directly and substantially to the Army's missions as well. The number of civilians on the Army's payroll dropped slightly between 1964 and 1978. But the number of contract employees (for example, those persons employed by contractors who now do the kitchen chores and maintain the grounds, thereby freeing military personnel for military work) has increased 2½ times. The number of civilians has also doubled in the defense agencies; (for

[2] See "Problems Resulting From Management Practices in Recruiting, Training and Using Non-High School Graduates And Category IV Personnel," General Accounting Office, FPCD–76–24, Jan. 12, 1976.

[3] See "Qualitative Accession Requirements," Central All-Volunteer Force Task Force, Defense Department, OASD (M&RA), November 1972.

example, the Army no longer has people to buy fuel; the Defense Logistics Agency buys fuel for all the services and then distributes it.)

But the bottom line is at the bottom of the chart—the number of Army personnel on the cutting edge, in the combat arms (infantry, artillery and armor), has only declined modestly since 1964. And, while it cannot be shown on the chart, the firepower in the hands of the combat arms has increased markedly since 1964.

COSTS

Can we afford the All-Volunteer Force? Military personnel costs now consume about 55 cents of every defense dollar, up from 42 cents a decade ago. For many, the end of the All-Volunteer Force is a good way to save a lot of money. The total bill for basic military pay last year (fiscal year 1977) came to $16.8 billion; if we had paid the rates of a decade earlier in 1967, the bill would have come to only $6.5 billion. That $10.3 billion increase can be seen as a very hefty burden to carry for the sake of an all-volunteer military. That assumes, of course, that the $10.3 billion increase is the result of the all-volunteer decision. However, that is not the case.

In 1967, long before Congress even considered ending the draft, it decided that the military pay scales were unreasonably low. It adopted a policy that military pay—except for recruits—should be comparable to private sector pay.

In 1971, in anticipation of the end of the draft, Congress decided that the pay of junior servicemen would have to be competitive as well. So, on November 14, 1971, the pay of a recruit was doubled from $134 a month to $264. There were also raises for privates, corporals and new lieutenants. This was the all-volunteer pay raise.

If we take the total value of that raise plus all the subsequent cost-of-living increases applied to that raise, we find that the cost of the all-volunteer raise in 1977 came to $1.7 billion or only 6½ percent of the rise in the payroll over the last decade. The other five-sixths went largely to more senior people and was the result of the 1967 decision to bring military pay scales in line with private enterprise.

To save a lot of money would require not only that we decide to reinstitute the draft, but also that we decide to order a minority of young people to do something against their personal choice and then pay them less than the going wage for doing it. That was one of the real horrors of the old system.

For the man drafted, the system is a triple shaft: (a) under a system of involuntary servitude he is forced to do something against his will; (b) at the same time he is in effect taxed far in excess of his peers by being forced to work for less than the going rate; and (c) while he is in uniform, his undrafted peers may be gaining seniority at a job in the civilian sector. It would be difficult to invent a system that was less fair.

Congress is not about to lower pay scales, so, if it should restore the draft and leave pay untouched, the cost savings would not be great, but there would be some savings. The all-volunteer force requires a large squad of recruiting sergeants all over the country. It requires paid advertising, which the services did not use when the draft was around. There are also some savings. For example, the large Selective Service System with its thousands of offices around the country has been reduced in size.

Determining the exact figures for all these costs and savings is difficult. Estimates cover such a wide range that AVF fanatics can choose the low end of the range and actually show the volunteer force is cheaper than the draft, while AVF denigrators can quote the high end and show costs out of this world. The General Accounting Office (GAO), the watchdog arm of Congress, is one of the fairest and least biased agencies of Government. In a 103-page study,[4] it pinpointed 37 cost elements of the all-volunteer force. In the 6¼ year period from fiscal year 1972[5], when the services first started payouts for the all-volunteer force, through fiscal year 1977, the GAO found AVF costs totaling more than $18 billion, a dramatic figure which garnered considerable press attention.

More than 77 percent of the costs stemmed from the 1971 volunteer pay raise, according to the GAO. Another 7 percent was devoted to improvements in military housing, such as dividing barracks for more privacy. These are "sunk" costs; there is no savings here from ending the all-volunteer force. The GAO further said it believed there were offsetting savings that it could not calculate. The bottom line then, is that the anuual savings to be achieved from abolishing the all-volunteer system would be something less than $465 million a year.

The all-volunteer force does not come free. And $465 million certainly is not chicken feed. But, if our goal is to prune a half-billion dollars from the defense budget, I would suggest we could start by eliminating the tax subsidy for military commissaries (supermarkets), which totals $558 million, before going after the all-volunteer force.

REPRESENTATION

Critics commonly speak of the excess of blacks and poor in the military as if this is evil because it means the lower classes will do the fighting while the upper classes stay home, safe and warm. Actually the all-volunteer force means that a larger proportion of blacks and disadvantaged youth are able to beat their disadvantages in the relative safety and security of a peacetime military. In the event of war, they will go to fight and bear the brunt of the first few months' battle. But they will rapidly be joined by their middle-class brothers. The all-volunteer force was never intended to operate in wartime. The very first chapter of the report of the President's Commission on an All-Volunteer Force (the Gates Commission) made three recommendations for setting up an all-volunteer force: First, double the pay of recruits; second, make various improvements in the conditions of military service and in recruiting; and third, establish a stand-by draft system to be used in times of emergency.[6]

Blacks comprise about 13 percent of the U.S. teenage population. Yet in the first 4 years of the all-volunteer force, almost one-quarter of the Army's recruits have been black and in the first half of the current fiscal year (October 1977 through March 1978) one-third of the Army's recruits were black.

The concerns with these figures are twofold: First, that the military ought to be representative of society as a whole, and, second, that too large a proportion of blacks means that in the event of war blacks will bear an unreasonable burden of the casualties. As just noted, the concern over casualties is largely baseless since the draft would be resumed in wartime.

As for representativeness, the concern is largely confined to race. Few are concerned that the military is unrepresentative because it has so few women, or so many youth, or, for that matter, no handicapped recruits. And no complaints have been heard that it is unrepresentative because the services refuse to accept the least intelligent portion of the population. The draft was not representative either. The Selective Service was just that—selective. Still, it did not produce one black Army inductee for every two whites.

To understand the issue of black representation, it is necessary first to understand why blacks are so overrepresented. Figure 9 shows the unemployment rates for male teenagers (defined as ages 16 to 19) broken down by race. The black and white unemployment rates start close together, diverge in the 1960s and open a yawning gap in recent years.

The spurt in numbers of black unemployed youth actually begins before the all-volunteer force era. The first big leap came in 1970—and not entirely incidentally the surge in black enlistments started in 1971 and 1972. In terms of whole numbers, the pool of unemployed white teenagers has doubled since 1954; but the equivalent pool of unemployed blacks has quintupled. Teenage unemployment rates for both races jumped in the short but deep depression of 1975–76. But as the chart shows, the black teenage unemployment rate has actually worsened in 1977 and 1978 while the white rate has recovered. Thus, even if we still had the draft, it appears reasonable to assume that blacks would be seeking out jobs in uniform at an increasing rate.

[4] Additional Cost of the All-Volunteer Force, General Accounting Office, Washington, D.C., FPCD–78–11, February 6, 1978.

[5] During this period the Government moved the start of the budget year from July 1 to October 1. That produced an extra 3 months or "Transition Quarter" that fits into no fiscal year.

[6] Report of the President's Commission on an All-Volunteer Force, Washington, D.C., 1970.

FIGURE 9

MALE YOUTH UNEMPLOYMENT (AGES 16 TO 19)

Year	Blacks		Whites (percent)
	Percent	Thousands	
1954	14.4	44	13.4
1955	13.4	42	11.3
1956	15.0	48	10.5
1957	18.4	57	11.5
1958	26.8	84	15.7
1959	25.2	80	14.0
1960	24.0	85	14.0
1961	26.8	95	15.7
1962	22.0	74	13.7
1963	27.3	94	15.9
1964	24.3	87	14.7
1965	23.3	93	12.9
1966	21.3	93	10.5
1967	23.9	106	10.7
1968	22.1	98	10.1
1969	21.4	98	10.0
1970	25.0	114	13.7
1971	28.9	129	15.1
1972	29.7	145	14.2
1973	26.9	136	12.3
1974	31.6	168	13.5
1975	35.4	176	18.3
1976	35.4	179	17.3
1977	37.0	194	15.0
May 1978	38.2	209	12.5

The unemployment rate is the simplest explanation, but not a complete explanation for the growth of black enlistments, however. As figure 10 shows, blacks joined the services in the late 1950's and early 1960's in proportions lower than their percentage in the population as a whole, even though their unemployment rate was even then running at almost double that of white male teenagers. But in recent years they have joined in proportions far higher than their representation in the general population.

To understand this, we need to look at the mental categories again. In the 1950's frequently half of the blacks tested were rated in category V and banned by statute from serving. Even as recently as 1971–72, 29 percent of the blacks tested were rated category V, versus only 4 percent of whites taking the test. Throughout the 1960's blacks campaigned against the use of culturally biased tests in schools and businesses. The military intelligence tests were also criticized. The response was a new test in 1973. As a result of the change, the proportion of category I and III blacks rose from 33 percent in 1972 to 42 percent the next year. For whites, there was a rise of only 1 percentage point, from 83 to 84 percent. Figure 11 compares the proportions of "desirable" (categories I–III) blacks available with the proportions enlisting. We see the following:

FIGURE 10

BLACKS AS A PERCENTAGE OF ENLISTED ACCESSIONS AND THE 18 TO 21 YR OLD MALE POPULATION

Year	Blacks as a percent of all accessions	Blacks cat. I–III accessions as a percent of all cat. I–III accessions	Black 18 to 21 yr old males as a percent of all 18 to 21 yr old males
1953	10.60	4.00	10.25
1954	9.00	4.50	10.25
1955	10.50	5.25	10.25
1956	9.50	5.50	10.50
1957	8.00	4.25	10.50
1958	7.00	4.25	10.50
1959	6.50	5.00	10.50
1960	8.00	5.75	10.50
1961	8.00	5.50	10.50
1962	9.25	6.00	10.50
1963	10.25	6.50	10.50
1964	10.00	7.00	10.50
1965	10.50	7.00	10.50
1966	9.00	5.00	10.50
1967	11.25	5.25	10.50
1968	11.25	5.50	10.50
1969	11.75	5.75	10.75
1970	12.50	7.25	11.50
1971	13.50	8.00	11.60
1972	14.50	10.00	11.75
1973	17.00	14.50	12.00
1974	21.00	18.50	12.00
1975	18.25	16.50	12.25
1976	16.50	15.00	12.50

In the 1953–57 period blacks comprised only 2.2 percent of the available Category I–III manpower pool. Yet they comprised 4.7 percent of the category I–III men joining the services. In other words, they joined in numbers 2.1 times greater than their share of the pool.

FIGURE 11

BLACK ELIGIBLES AND BLACK VOLUNTEERS

Years	Blacks as percent of—		Ratio
	Joiners	Availables	
1953–57	4.7	2.2	2.1:1
1971–72	10.5	5.0	2.1:1
1975	14.6	7.0	2.1:1

In 1971–72 the proportion of black Category I–III's had more than doubled to 5 percent while they comprised 10.5 percent of all those joining. Again, they joined in numbers 2.1 times greater than their share of the Category I–III pool.

In 1975, as a result of improving education and the "debiasing" of the tests, blacks comprised 7 percent of the available Category I–III manpower pool, but 14.6 percent of Category I–III's joining. Once again, blacks joined in numbers 2.1 times greater than their proportion of the pool.

In sum, the rise in black enlistments is not simply the result of unemployment. Nor is it the result of taking more low IQ blacks. Quite simply, intelligent blacks are enlisting in the all-volunteer force at rates similar to those of the preceding two decades under the draft. The only difference is that far more blacks now qualify for service.

In addition to unemployment rates and intelligence scores, there is one more reason blacks enlist in large numbers in the service: they feel they get a square deal.

Actually, they are not volunteering for the military so much as the Army. While blacks comprise about 13 percent of the teenage population, about 20 percent of the Army's volunteers in the volunteer era have been black, but only about 10 percent of the Navy's volunteers are black. The Army has a good reputation in the black community. This is undoubtedly helped by the fact that it has large numbers of senior sergeants who are black. The Navy isn't so popular in the black community, in part because the Navy only accepted blacks as stewards until after World War II. The Navy also has small numbers of blacks in the senior enlisted ranks. The Navy has moved mountains in recent years, especially under the leadership of Adm. Elmo Zumwalt when he was chief of naval operations, to improve its standing in the black community; with time those efforts will bear fruit. But the point here is that blacks are not just joining the military because they have no choice; they are choosing the Army because they feel it is fair and, for many, because they see in the number of senior black sergeants that there are genuine career opportunities for them in the Army.

To complain of the large proportion of blacks in the Army is to complain of the Army's remarkable record as an equal opportunity employer. The Army has been years ahead of most of the rest of society in giving the black citizen a fair deal. For this it deserves praise, not the carping so prevalent today.

The problem is not "too many" blacks in the Army; it is too few clearly favorable job opportunities elsewhere.

I find it interesting that the complaint that it is unfair to blacks that so many should serve in the Army is a complaint raised largely by whites. The NAACP has not complained about this. The Congressional Black Caucus has not complained either. I find it difficult to argue that a practice is harmful to blacks if blacks do not feel that way.

Representative RONALD V. DELLUMS, Democrat of California, a Marine veteran and active member of the Black Caucus, has written:

> Black volunteers understand what joining the military means. If, through the exercise of free choice by individuals, there are more blacks in the service than in the population, we should expect a proportionately greater sacrifice. The whole idea of a volunteer army is that the individual will take this risk and this responsibility on by his or her free choice. It is not the role of the military to turn a volunteer down while telling him "your community will not stand for it." And despite protestations to the contrary, that is what we are talking about; denying blacks opportunity to join the military.

THE FUTURE

Thus far the analysis shows there is little to be concerned about. In terms of quantity and quality and the other traditional complaints about the all-volunteer force, we find that the system is indeed working and working quite well. That is the past 5 years. What about the next 5 years and the years thereafter?

Figure 12 shows the number of males turning 18 each year in the second half of the 20th century. In other words, this is the main pool from which the military draws its enlisted manpower.

FIGURE 12.—*American males turning 18 each year*

1952	1,037
1953	1,089
1954	1,075
1955	1,074
1956	1,132
1957	1,148
1958	1,164
1959	1,228
1960	1,323
1961	1,507
1962	1,424
1963	1,409

FIGURE 12.—*American males turning 18 each year*—Continued

1964	1,398
1965	1,929
1966	1,792
1967	1,794
1968	1,791
1969	1,858
1970	1,913
1971	1,958
1972	2,005
1973	2,045
1974	2,069
1975	2,146
1976	2,150
1977	2,143
1978	2,138
1979	2,171
1980	2,130
1981	2,098
1982	2,070
1983	1,979
1984	1,874
1985	1,822
1986	1,783
1987	1,805
1988	1,850
1989	1,895
1990	1,736
1991	1,643
1992	1,609
1993	1,648
1994	1,626
1995	1,657
1996	1,707
1997	1,774
1998	1,856
1999	1,934
2000	1,987

The all-volunteer system began in 1973 as that pool was approaching record size. It will peak in 1979 and then plummet 18 percent by 1986, reflecting the end of the postwar baby boom. It will then rise and fall briefly before beginning to ascend again in the final years of the decade. (That climb in the 18-year-old pool will result from the babies about to be born to the babies of the 1950's baby boom who are now starting their own families.)

It is that 18-percent slump in the coming decade that worries many observers for it means recruiters will have to find the same number of volunteers from a smaller pool.[7]

Figure 13 shows how the pressure will increase on our recruiting system. It shows how many men the recruiters will have to find from every 100 eligible 18-year-olds in order to keep a level force. (The actual number of recruits needed goes up and down each year as a result of thousands of small changes in the work to be done. For simplicity's sake, this chart assumes that 350,000 men will be needed each year and that one-third of the 18-year-olds each year will be considered ineligible due to poor health or low IQ's.)

FIGURE 13.—*Male recruits per 100 eligibles needed to maintain constant force level*

1974	25.2
1975	24.3
1976	24.3
1977	24.4
1978	24.4
1979	24.1
1980	24.5
1981	24.9
1982	25.2
1983	26.4
1984	27.9
1985	28.7
1986	29.3
1987	28.9
1988	28.2
1989	27.6
1990	30.1
1991	31.8
1992	32.5
1993	31.7
1994	32.1
1995	31.5
1996	30.1
1997	29.4
1998	28.1
1999	27.0
2000	26.3

The chart shows that the recruiters needed to attract about 25 of every 100 eligibles in 1974, the first full year of the all-volunteer force. But they will need to get 29 of every 100 in 1986 and a substantial 33 of every 100 in 1992, the toughest year.

The key then is to increase the size of the pool or to decrease the need for new male recruits. Here are several possible ways to do this. I do not necessarily subscribe to all of them.

Increased reenlistments—The services are not accepting all those qualified and willing to reenlist. Every 10 reenlistments means about a dozen fewer recruits needed—because some recruits will be washouts. This costs money because reenlistees receive more pay, but it saves money because reenlistees do not have to go through expensive training and are more productive than newcomers.

Fewer first term losses—The services are now booting men out of the service before completion of their enlistment faster than in the days of the draft. There appear to be three reasons:

a. When you were compelling people to join, you did not dare let them out for simply being slow or a minor problem; every draftee would then have sluffed off, it was felt. Now there is a feeling of "volunteer in, volunteer out." When a soldier wants out, he is very often let out since, if anything, it will improve the morale of those remaining by removing an irritant.

b. Volunteers—even in the draft era—included a large proportion of men who were thrashing about trying to find their way in the world. A force that is entirely volunteer includes a larger proportion of thrashers who have trouble adjusting.

c. The leaders of the services have started bragging that proof that the all-volunteer force works can be found in the lower court-martial rate. The services now have a vested interest in keeping that court-martial rate down. Commanders know they will be judged in part by how many courts-martial they call. Therefore, there is an incentive to give a troublemaker his discharge papers rather than boost the court-martial rate.

If the service contract were treated like a real contract, the attrition rate should fall, lowering the need for recruits.

The best way to discourage recruits from seeking to get out of the contract is to make it a little more expensive for them. This does not mean a court martial or corporal punishment. Right now there is no incentive to complete the enlistment tour. We could provide that encouragement in a number of ways:

a. Deny veterans benefits in the future to anyone who fails to complete his tour. VA benefits are now available to anyone who serves 180 days in uniform;

b. Fine those leaving the service early by, for example, automatically denying them pay for their last month in uniform;

c. Provide that a certain portion of pay for first termers be withheld as "mandatory savings." The total sum plus interest would be payable on completion of the enlistment contract. The entire sum would be forfeited if the contract was not completed.

Women—When the all-volunteer force began, the services realized they had been compelling men to join for years while turning women away by the droves. The services are now taking far more women and this will reduce the need for male recruits. More women can be used without ever putting them into combat jobs. However, there is a ceiling on how many women can be utilized without putting them in such jobs. For example, if the Navy becomes half female but women aren't allowed to serve on ships, then they will take up most of the shore billets. That means the males will have to spend most of their lives at sea because there wouldn't be many jobs on shore to rotate them into.

Civilians—A variety of jobs can be contracted out or turned over to civil servants, for example, in the supply and maintenance area. Two centuries ago only those who fought served in uniform. Food was provided by contractors. Artillery was drawn by civilian teamsters. This didn't work well. Commanders had little control over the contractors. The food might be rotten and the teamsters might pack up and go home just before they were needed. The reaction was to try to put everybody in uniform. Here is a list of just a few enlisted job titles—Military Occupational Specialities—found in the Army today:

Animal Specialist; Audio-Visual Equipment Repairman; Broadcast Journalist; Club Manager; Court Reporter; Dog Trainer. All are necessary jobs, but not all must necessarily be done in uniform.

Establish NCO ROTC—Right now we have a Reserve Officer Training Corps (ROTC) program in 4-year colleges, but nothing for junior colleges and vocational-technical schools. The services ought to consider a version of ROTC in those schools designed to prepare men

[7] The Soviets will face an even more serious manpower crunch. First, while our pool is shrinking 18 percent, theirs will be cut 24 percent. After 1983, according to U.S. Census Bureau analyses, the Russians won't have enough 18-year-olds to keep their present huge force structure even if they draft every available male and let none of them go into the general economy. They will have to make some adjustments, possibly extending the length of military service, possibly cutting the size of their force, possibly both. Second, about one-fifth of their pool has comprised non-Russian speaking minorities (Uzbeks, Tadzhiks, Kazakhs, etc.). The language problem vastly complicates training and lowers effectiveness. In coming years, the non-Russian speaking minority will grow to one-third of all 18-year-olds and further erode quality. (See "Soviet Population and Manpower Trends and Policies," Murray Feshbach and Stephen Rapawy, in *Soviet Economy in a New Perspective*, U.S. Congress, Joint Economic Committee, 1976, pp. 113–54.)

and women for service in the noncommissioned officer ranks. Incidentally, the ROTC programs in the 4-year colleges have long since passed their Vietnam-era nadir and are now over-subscribed.

More intense recruiting—Additional recruiters can be put into the field and more money can be devoted to advertising. The marginal cost of additional recruits is very high, however, so I do not see this as a very cost-effective way to mine the manpower lode.

More pay, benefits, bonuses—The pay is already quite good. In the concentration on the salary dollar, however, we sometimes forget there are other attractions to the military. One of the reasons the Air Force draws so well is its reputation for giving high quality training in fields that are applicable in the civilian world. This is one of the drawbacks to the Army for "infantryman" and "tank driver" are not perceived as very marketable skills. Educational opportunities are one of the biggest drawing cards. Congress abolished the GI bill a few years ago. We may want to restore that. It will attract people who want a college education but cannot make the financing right out of high school. But we must pay attention to nonmonetary benefits as well. When a young man gets trained in one skill and assigned to work in an entirely different area, he is not usually happy. When he visits home he conveys that unhappiness to his friends. Young servicemen are our best recruiters; on the other side of the coin, they are our best derecruiters as well.

Two-year enlistments—These were dropped with the end of the draft. It is preferable to have 3- and 4-year enlistments in the high skill areas or the serviceman ends up leaving the military just as he is mastering his job. But in lower skill areas, where the length of the training period is not great, the 2-year tour can be a positive asset. It could draw young men and women who are turned off by the longer commitment now required. And in the combat arms—infantry, artillery, armor—the use of the 2-year tour would provide a larger pool of trained personnel to keep in reserve in case of war.

Adjust standards—About one-third of the young men turning 18 this year will not even be considered by the services. The easiest way to enlarge the manpower pool is to consider some of these men who are now rejected out of hand. Unfortunately, a red light goes on when a change in standards is suggested. Change does not mean standards have to be lowered so the sickly and incompetent are brought into uniform.

a. Physical qualifications—The height, weight, blood pressure, and other such physical standards imposed by the U.S. military are among the highest in the world. In many categories the standards are high to enlist but markedly lower to reenlist, a curious way to go about things. There is one reason for setting a standard—those who don't measure up cannot perform the work, will be absent too many days to be productive, or would have their condition exacerbated by military service. Analysts outside the Defense Department,[8] however, have been unable to find any connection between many of the standards and a good reason for them. About one out of every six 18-year-olds is considered ineligible under current physical standards.

b. Intelligence standards—As described earlier, there are indications the services have imposed such strict intelligence standards that they are refusing out of hand to consider many men who are fully capable of serving and doing the work.

c. High school graduate standard—This standard was created 20 years ago because it was discovered that high school dropouts had a high failure rate in the services. It is really a very poor quality control measure, however, since almost one-quarter of the recruits with high school diplomas still fail while more than half of the dropouts succeed. How long would, say, an airplane manufacturer stay in business if it used a quality control measure that failed to uncover a large number of its lemons and that also declared a large number of perfectly good planes to be lemons?

The high school graduate standard should be replaced with a more discreet screen. For example, if a dropout volunteers, his teachers can be contacted. Their personal knowledge of the youth is much more helpful than the mere fact that he is a graduate or a dropout. If the volunteer has worked since leaving school, his employers can say if he has been responsible or a disciplinary problem. All this requires some additional work, of course, but checking references is nothing new for a big business.

This is a long, but by no means exhaustive, list of actions that could be taken to draw more volunteers and make the all-volunteer force a long term success. I have concentrated on actions within the control of the Government, but other measures would be helpful as well. For example, now that the anti-military syndrome of the Vietnam era has subsided, more high school counselors are recommending to young men that they serve a hitch. More such recommendations could add substantially to the pool of volunteers in coming years.

There are other problems we cannot ignore.

Doctors—With the end of the doctor draft, there has been a sharp downturn in the number of military physicians. A few years ago the Pentagon proposed a special pay scale for military medical personnel that would make military medicine fully competitive with private sector earnings. Congress flinched when it saw that would mean paying doctors more than generals and Congressmen. So the pay scale was trimmed.

What can we do? One suggestion is to draft doctors and only doctors. The discrimination in such a practice is too obvious for it to merit serious attention. Another possibility is for Congress to grit its teeth and jack the medical pay scale way up. Another possibility is to farm out more military medical care (military medical doctors treat more wives, children, and retirees than they do men and women in uniform) to civilian doctors.

But we should also recognize that the problem may be of short duration. We perceived a major civilian doctor shortage several years ago and went on a crash program to build more medical schools. There is widespread feeling now that we have overdone it and are about to be inundated with a surplus of doctors. Here are the numbers of active physicians in the country as put together by the Department of Health, Education, and Welfare:

1974 (actual)	349,000
1975 (actual)	361,000
1980 (projected)	428,000
1985 (projected)	494,000
1990 (projected)	560,000

The problem of the current military medical shortage is far from insurmountable but at the present moment it is worsening.

Women's skills—The increased use of women is not an unmixed blessing. The services are taking more women because they have opened up more and more jobs—virtually everything except combat and combat-related work. But despite all we hear about women's lib and consciousness raising, the overwhelming bulk of the women volunteers want to be nurses or secretaries or to fill other traditional roles. To be able to accept and use larger numbers of women, they must be willing to move into nontraditional roles in larger numbers. This does not mean that millions of young women must become crawler tractor operators, plumbers or the like. It does mean more women becoming intelligence analysts and communications specialists.

Reserves—The size of the Reserve forces has declined rapidly in the last 5 years for two reasons.

First, during the draft years men who did not want to serve 2 years on active duty but feared being caught in the draft would seek out a Reserve or National Guard unit where the active duty service was short. Without the draft motivator around, these men are not joining.

Second, a major source of Reserve manpower is servicemen who have completed their active duty obligation. The total military obligation is 6 years. In the draft years most men served 2 years on active duty and 4 in the Reserves. The 2-year enlistment has been abolished now, however. Thus fewer recruits are needed and fewer personnel leave the service for the Reserves. Also those who do leave the service for the Reserves have a shorter Reserve obligation.

There is, to be sure, a Reserve problem. It is time for Congress to review the entire structure of the Reserves and update our assessments of the numbers and categories of personnel needed. For example, I have been told that the latest estimates on the numbers of reservists we would need to replace casualties in

[8] See *Physical Standards in an All-Volunteer Force;* David S. C. Chu and Eva Norrblom, Rand, 1974.

a major European war are based on Israeli losses in the 1973 war multiplied by an almost randomly chosen figure. That would be a pretty slim foundation for a major national policy. The Reserves are too broad an issue to cover adequately in this space, but the problems are of sufficient import to warrant a full congressional inquiry.

There are still other problems that confront our forces today. Representative WILLIAM A. STEIGER, Republican of Wisconsin, recently listed a number of them. He told of making unannounced visits to major military installations and spending days talking with service people at all levels. He listed the themes he heard repeatedly:

Volunteers charged that recruiters had misled them about training opportunities and assignments;

Senior officers said discipline was atrocious and lots of men were deserting;

Top sergeants complained that the quality of troops was declining and that the large numbers of "dummies" make it hard to train recruits;

Crime rates have soared on bases and one base was said to be controlled by "the criminal element" after dark;

Drug use was rampant.

Then Congressman STEIGER pointed out that he made this tour in 1971, at the height of the draft.

The military has its problems. Right now there is an active effort to make the all-volunteer concept carry the hod for every problem that crops up. But very often there is no causal link between the all-volunteer system and the "problem." Take desertion rates, for example. Almost every week some critic of the all-volunteer system points out that the Navy is suffering one of the highest desertion rates in its history; rarely do I see it noted that the Army is enjoying one of its lowest desertion rates in its history.

It would be more logical to argue that sailors desert because they are allergic to Navy blue. Figure 14 shows the rates in recent years for all the services. The rates for the Army and Air Force have fallen ever since the all-volunteer system was begun, the rate for the Navy has risen each year since then, and the rate for the Marine Corps first rose and then fell. Clearly, there is no link between desertion and the all-volunteer system.

Desertion rates in all the services will probably jump in 1979. This may well prompt more reports that they indicate the failure of the all-volunteer force. The rise, however, will stem from the decision of the FBI to economize and stop handling routine deserter cases after October 1, 1978.

There is little link between the all-volunteer system and many of the horror stories laid at its feet. Take the stories about recruits who are virtually illiterate, for example. But our colleges are also complaining that our high schools are producing graduates who can not read. The problem is not unique to the all-volunteer system.

FIGURE 14

DESERTION RATES PER 1,000 AVERAGE ENLISTED MONTHLY END STRENGTH

Fiscal year	Army	Navy	USAF	USMC
1964	13.4	6.2	0.6	17.8
1965	15.7	6.7	.39	18.8
1966	14.7	9.1	.35	16.1
1967	21.4	9.7	.12	26.8
1968	29.1	8.5	.44	30.7
1969	42.4	7.34	.63	40.2
1970	52.3	9.9	.80	59.6
1971	73.5	11.1	1.5	56.2
1972	62.0	8.8	2.8	65.3
1973	52.0	13.6	2.2	63.2
1974	41.2	21.2	2.4	89.2
1975	26.8	22.4	1.9	105.0
1976	17.7	24.8	1.2	69.2
1977	13.3	31.6	.5	47.0

NATIONAL SERVICE

In the popular simplification of the all-volunteer issue, the debators are generally divided into two mutually exclusive groups: those who say all is well and there is nothing to worry about; and those who say the sky is falling and disaster abounds.

Actually, when you look behind the headlines, you find the gulf between the two is not so great.

From academia, Prof. William R. King of the University of Pittsburgh produced a study for the Senate Armed Services Committee[9] a year ago which suggested that we switch from the all-volunteer system to one of "minimally coercive" national service. This approach has been embraced by Senator SAM NUNN, Democrat of Georgia, who commissioned the King study. It has also led many to believe that the senator and the professor want to resume the draft. But what on Earth is minimally coercive national service. Here's how NUNN recently described what he was thinking of:

> National service could simply require the nation's youth to register with the government and submit to several days' exposure to orientation programs. These would be designed to provide factual information concerning a wide range of service and training opportunities for which the individual may be suited.[10]

In other words, you would really still have an all-volunteer service: the only difference would be a beefed-up Selective Service System that would act as an adjunct to the service recruiters. This is not a substantive change of vast magnitude.

In the House the premier critic of the AVF has probably been Representative ROBIN BEARD, Republican of Tennessee, who recently arranged for a study of the all-volunteer Army by a political scientist, Jerry L. Reed.[11] Congressman BEARD has described the condition of the all-volunteer Army as "shocking." But the principal recommendation made by Reed suggests "a variable incentive package to individuals who elect to enter military service." This, too, is not a return to the draft.

In reading these critics, I find that all are ill-at-ease with a system that has cast aside that most powerful concept of John F. Kennedy:

> Ask not what your country can do for you; ask what you can do for your country.

They are looking for two ingredients they find missing: a spirit of patriotism and a desire to perform national service.

Patriotism—One side of the coin is the feeling that men and women should join the service out of patriotism. The other side of the coin worries that the military has become a job. A volunteer service with volunteers attracted by good pay and benefits is viewed as a mercenary force.

It would perhaps be nice if we could rely on patriotism and not pay to draw people. But patriotism in the 1970's is not that big a draw. Saying it ought to be does not make it so. We have to deal with realities.

Second, what is so bad about young men and women being attracted by pay, promotion opportunities, educational benefits. These are basic drives throughout our economy. Why should underpaid patriotism be the key to working in one sector and one sector only of our society?

Third, how would a return to the draft restore patriotism? How is patriotism the motivator when we use a system that forces tens of thousands of young people into a job they do not want? The present system is certainly more patriotic than involuntary servitude.

Fourth, since when has patriotism been the main spur behind peacetime military recruiting? For the century and a half before World War II men joined out of a spirit of adventure, for travel, to get away from overbearing parents, for a thousand and one reasons—just as today.

National Service—One argument holds that military duty is a responsibility of citizenship, that everyone should share in the defense of liberty. No better source than George Washington can be called on to make this argument:

> It may be laid down as a primary position, and the basis of our system, that every citizen who enjoys the protection of a free government, owes not only a proportion of his property, but even of his personal services to the defense of it.

Under the draft, however, what we had was not a system whereby "every citizen" joined in the defense of the Nation. We had a selective service system that selected one small part of society to carry the load. If only a few are to be selected, then why not let them select themselves rather than impose involuntary servitude?

What Washington had in mind was a form of universal military training

[9] *Achieving America's Goals: National Service or the All Volunteer Armed Force*, William R. King, Senate Armed Services Committee, Sen. Report 94-462, 1977.

[10] *An All-Volunteer Force for the United States*? Sens. Sam Nunn and Edward W. Brooke, AEI Defense Review, American Enterprise Institute, Washington, D.C., 1977.

[11] *The Beard Study: An Analysis and Evaluation of the United States Army*, prepared by J. L. Reed, preface by Rep. Robin Beard, unpublished mimeograph study, Washington, D.C., April 1978.

(UMT): "The citizens of America—with a few legal and official exceptions—from 18 to 50 years of age shall be borne on the militia rolls, provided with uniform arms. * * *" This is a very appealing form of universal service. In the 20th century context it would mean that every youth would be called up for training lasting from several weeks to a few months and then go home to be carried on the militia—now the National Guard—rolls until an emergency produced a call. Such UMT was the subject of a broad national debate in the 1950's and has cropped up at various other times because it is obviously fairer to order all to serve for the same period than to order a few to serve 2 years while others serve not at all. The objection to UMT is not ideological, but practical. The services hate the idea because they would become one immense schoolroom. The services would never be fit to fight. The military just cannot use everybody. They want to be selective.

A variation of the UMT theme is universal national service. Every youth would be called on to give a year or two to his country, but he or she would decide whether to serve in the military, VISTA, Peace Corps, as a hospital aide, in forestry work—as in the old Civilian Conservation Corps, and so forth.

Some aspects of this are very appealing. It holds out a promise of resolving youth unemployment. And it would be a remarkable agency for socialization, mixing youths from all parts of the country and all class backgrounds.

But universal national service flounders on practical considerations. Two years of national service would require the placement of 8 million men and women. The services only want about 10 percent of them. There are not enough hospital bedpans for the rest to empty. If we send hundreds of thousands to plant trees on the slopes of the Rockies, they would trample more seedlings than they would plant. They would have few skills to contribute; with all due respect to our youth, the single most widespread skill among 18-year-olds today is probably skateboarding.

This is not meant to cast aside the idea of national service. It is the universality aspect which causes the problems. National service and voluntarism are desirable goals to be encouraged—national service and voluntarism, not just in the military, but VISTA, church service programs, and innumerable other existing and potential service programs. But voluntarism should remain the key for the peacetime military until we decide that we want to draft everyone.

Those who feel ill at ease because we are not asking all Americans to serve their country should keep in mind the distinction between wartime and peacetime.

The all-volunteer force will be scrapped should we go to war again. Those who recognize this fact commonly think it is true because no one would volunteer when blood is in view. This is not correct. The Vietnam experience should not dominate our reading of history. In 1941, 1917, 1898, and 1861, volunteers overwhelmed the recruiters. These were crusades and everyone wanted to be a crusader.

At the beginning of the Civil War, in April 1861, President Abraham Lincoln asked for 75,000 volunteers for three months service—93,000 responded. But the Union soon got a bloody nose and it became clear the war would not be won in one brilliant battle. By the end of July, with the bloom off the war, Lincoln had called for 612,000 volunteers to serve for three years. He got 714,000. In terms of today's population, that would amount to almost 5 million volunteers. In the middle of the war, volunteers dried up and Congress passed the first draft law in the Nation's history. But voluntarism improved in 1864 and met the remaining calls of the war. Only 2 percent of the Union Army was ever conscripted.

In 1917, the United States declared war on Germany. President Woodrow Wilson asked for a conscription law the very next day and quickly obtained it. The purpose of the draft was not to raise an armed force from among the unwilling; rather it was to prevent the hordes of earger volunteers from undermining the economy. Modern warfare required not just warriors, but war production. As Senator Calder of New York said:

> Under a volunteer system there is no way of preventing men from leaving necessary industries and crippling resources that are just as important as an army itself.

Conscription was taken so seriously that the very next year all voluntary enlistments were actually forbidden because they "played havoc" with the Nation's manpower plans.

In World War II, the draft was resumed even before Pearl Harbor.[12] Voluntarism was never banned, but the agency administering the draft was named the Selective Service System because its job was to pick and choose who should stay and who should go.

Given attitudes now current, the United States is unlikely to enter into any military adventure without public support on the scale of these examples. In that event, the draft will be needed, not to obtain manpower, but to manage its flow as in the two world wars.

Stated simply, when there is a demonstrable need for national service and for national sacrifice, Americans of all ages will respond.

[12] To erase a popular myth, the House of Representatives did not keep the draft alive by only one vote just four months before Pearl Harbor. The House did pass the "Service Extension Act of 1941" by a vote of 203–202 on Aug. 12, 1941. The bill, however, did not extend the draft; it extended the term of active service under the draft from 12 months to a maximum of 30 months—and applied it retroactively. Opponents felt the legislation was unfair to the draftees; they had been told to serve 12 months, and now, halfway through their service, were being told they would have to stay longer. Contrary to popular belief, if the bill had been defeated it would have had no impact on the war effort since only a few thousand men out of 1.7 million in the Army would have finished their 12 months before Pearl Harbor; new draftees would have replaced them anyway. (See Congressional Record, 77th Congress, 1st Session, Tuesday, Aug. 12, 1941, pp. 6996–7077.) ●

INFORMAL REPORT ON VISIT TO PEOPLE'S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas (Mr. DE LA GARZA) is recognized for 15 minutes.

Mr. DE LA GARZA asked and was given permission to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, I take this time to make a very informal report to the House about an official visit which some of the members of the Committee on International Relations, myself included, made to the People's Republic of China, that is, mainland China. I would like to inform the House that under the leadership of the chairman of the Asian Subcommittee, the gentleman from New York (Mr. WOLFF) we were invited by the People's Institute for Foreign Relations of said country to visit. I might add that other members of the group who belong to the Select Committee on Narcotics and I visited in Hawaii where we held extensive hearings, and in Guam, as to how the drug situation in Guam developed into a major problem. Then the other segment of the group proceeded to other parts of the Pacific.

Our group that went to mainland China began our visit in the port city of Shanghai where we were received by an official delegation there. We visited some of the educational facilities. We visited a very interesting petrochemical complex, somewhat outside of Shanghai. I visited as part of the delegation one of the communes which is outside the city of Shanghai.

I might add some of the personal experiences, if I might, in this commune. I had always visualized, I regret to say erroneously, that a commune was solely and strictly an agricultural endeavor.

I was quite surprised to find that what we know as an agricultural commune is not necessarily what we had imagined was an agricultural endeavor. It is not necessarily so. This commune has a wood manufacturing facility where they manufacture bowls, buckets, et cetera, made out of wood. They also have a section that is a small boat repair yard and also part of the commune works at making parts for a tractor factory in Shanghai.

Another section of the commune works in building parts for bridges, all within what we thought was basically an agricultural endeavor.

Now, it is true that the majority of the work is agricultural and I was very fortunate to be able to visit the agricultural section of that commune.

Also, we visited what was formerly the drama institute, which is basically a col-

lege for young people dealing in the arts, dance, ballet and drama.

From there, we went to Peking, where we had the privilege of meeting with one of the leaders of the People's Republic of China, Vice Premier Dung, whom we had the privilege of visiting for almost an hour and a half.

We were fortunate to be able to visit the mausoleum that has the body of Chairman Mao; also there, we visited the university.

We visited what was called the Forbidden City, what had been the ancient capital or the ancient palaces of the rulers of China many years back and some of the parks wherein they had residences in years back.

From there we went south and west to the city of Chien which was the ancient capital or one of the ancient capitals of China. Again here we visited the university. We were able to visit some of the institutes and visit with some of the leaders there in that community.

From there, we went to Canton, which is all the way south. I had a very happy visit there in that area. That area of China is semitropical, such as my area in Texas. It was good to see the palm trees and all the tropical foliage to which we are so accustomed in south Texas in this area of China.

I know the question has been asked and will be asked, what is the situation, inasmuch as this is a Communist country? Well, I have not had the privilege of being in Russia, but I do not know that they are necessarily the same type of communism. What we saw in the mainland of China, in my personal perspective, is that perhaps with that number of people, upwards of 950 million, I think it is 980 some million people, now, some sort of community endeavor is needed. Everyone is working, doing one thing or another. I think it should be made very clear that when they say that communism is a leveler that levels everyone, that is not necessarily so, Mr. Speaker, because we still saw people picking up garbage.

We still saw street sweepers, we still saw people with nicer homes than others, we still saw people with automobiles, we still saw people walking on the sides of the street, and we still saw people riding motorcycles—although there were very few of those, I might say; they were mostly bicycles.

So the idea that communism is an equalizer, that it makes everybody an equal, is not a fact. If we use the vernacular, we might say, "It ain't necessarily so," because there are still people there who have to pick up the garbage, there are still people who live on the side of the road in what we would call shacks, and there are still what we would call slums. That ideological facet of it, I think, can be clearly seen.

But the fact that they are feeding their people, there is no question about that. We saw no one in the areas where we were who, as far as we could tell, did not have at least a minimum adequate diet. Whether by design, by accident, or because this is a fact, I cannot tell, but we saw no beggars on the streets, we saw no cripples on the streets, and we saw no people sleeping in doorways or in halls as we have seen in many other capitals of the world, including this one.

So something is working in that respect. In the agricultural sector we saw that they are not mechanized. One of our colleagues, I remember, made the point, and very correctly so, that there were some 200 people working in a field that could very well be handled in this country by 1 man and a tractor.

But the question then was this: What do we do with the other 199 when we bring 1 man and a tractor in to do the job in that particular field? So it may well be that this is the way to go if they want those 200 people working, so they do not bring in a tractor and 1 person to do the job.

In the areas of the products they grow, we were very interested to see that they rotate their crops. While traveling on the train, Mr. Speaker, we saw that they had every level of rice growing at one time. Rice was being planted, we could see, in some of the fields, but down the road rice had already been harvested. Farther on down we could see that there were stands of rice and rice paddies and rice in the fields. So they had a year-around production. This was outside of Canton. They had a year-around production of rice planting in the fields, and rice had already been harvested.

Of interest to those of us who work in the agricultural sector was the fact that at this time—and it was especially interesting to those of us from south Texas—the watermelons were in at that time. There were mounds and mounds of watermelons that were being brought into the city, and this south Texan consumed a sizable supply of those watermelons that were there. They were comparable to south Texas watermelons, but I might say that they were not quite as good.

Eggplant was in harvest and in season at that time. Peaches and some oranges were being harvested in the areas of the south around Canton.

The political question, Mr. Speaker, is probably the most interesting. In our political discussions with them, they still insisted on the preconditions for normalizing relations with them. They insist that we drop diplomatic relations with Taiwan, that we remove all our troops from Taiwan, and that we sever our treaty obligations with Taiwan. Apparently they will not budge from that. Those are their preconditions that they set out as far as normalizing relations with us.

There was some glimpse or some inkling of a change that I got as a result of one question which I happened to ask of one of the leaders. He said, "Well, we have worked with the Kuomintang twice. We cannot rule it out a third time."

Some of the media and some of our people have tried to make out that perhaps this is an entree or perhaps this is a lead. I do not know whether it is or not, but the gentleman did say we could not rule out a third time.

The question is: What will we do, and how will we solve that issue? That is a policy decision, of course, for the administration to make, and I am not one to believe, as we read recently, that we have 435 Secretaries of State.

But I think we have a responsibility. And I think that, especially those of us who serve on the International Relations Committee in this House, should advise and consult with the administration. My humble perusal of the situation is that we should do as the Chinese do and wait, that there is no great hurry and no great need to normalize immediately their liaison office, which is tantamount to an embassy, but we do not call it that. So my thought is: What will we gain by calling it an embassy, since we already have a presence there?

So I think we can go slow in that and keep talking to them. I know that there are those who say that we must normalize immediately. Again, we saw there people from about five major industries in the United States, who were there and negotiating with their government either selling equipment or training or technology. They seemed to be doing very well without having something called an embassy. As a matter of fact, I thought they were doing better than some of the countries where we have embassies. So the question is: What do we get by calling the place an embassy? I say, let us take a close look and let us keep looking at it. Let the American industrial complex go and do their thing without the intervention of the Government.

ADDITIONAL VIEWS OF MR. GEPHARDT REGARDING SOCIAL SECURITY INCOME TAX CREDIT TO H.R. 13511

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. GEPHARDT) is recognized for 5 minutes.

● Mr. GEPHARDT. Mr. Speaker, during markup of H.R. 13511, I offered an amendment to provide a 5-percent social security income tax credit. My proposal would provide employees, self-employed persons, and employers with a refundable credit against income taxes equal to 5 percent of payroll taxes paid for tax years beginning in 1979 and 1980. The existing employer's ordinary and necessary business expense deduction for payroll taxes would be reduced by the amount of the credit taken. The amendment was defeated by a vote of 11 yeas to 24 nays. It was also offered as part of the Fisher substitute, which failed by a vote of 13 yeas to 19 nays with one pass.

When H.R. 13511 is offered on the floor, I intend to offer my social security amendment once again. This is probably the last opportunity this year to provide some form of relief from the social security tax increases mandated by H.R. 9346

last year. It is not a true rollback of the payroll tax, as some of my colleagues have proposed, nor is it similar to the general revenue disability and hospital insurance accounts that were proposed this past spring in Ways and Means. The latter proposal was initially passed by the committee by a vote of 19 yeas to 18 nays, but this action was reversed in a matter of days. My amendment, however, appears to be the only social security amendment that would be germane to the tax bill now known as the Revenue Act of 1978 and, unless it is adopted, the full brunt of the payroll tax increases scheduled for 1979 and 1980 will be felt.

The amendment provides for a refundable tax credit. This means that if a taxpayer owes no income taxes, he or she will still receive the credit in the form of a refund. The credit also would be available and refundable for employers who, under the principle called "parity" now embedded in our social security system, are subject to the payroll tax increases as well and have an equal right to relief. However, because employers already receive an income tax deduction for payroll taxes paid, my amendment would require that their deduction be reduced by the amount of the credit taken so that, in essence, a double deduction would not result. Only Federal, State, and local employees, or those employees of not-for-profit organizations not participating in the social security system, would be denied this credit and that seems only fair.

It is estimated by the Joint Committee on Taxation that a 5-percent social securitv income tax credit would decrease Federal revenues by $5.6 billion in 1979. This figure, if added to the tax cuts proposed in H.R. 13511 or the Fisher substitute. is within the target figures of Congress first budget resolution. Given the tax cuts and increases proposed in H..R 13511, a 5-percent social security credit may be the only tax cut wage earners below $20,000 will receive. All eligible taxpayers, however, would receive the credit and a typical family would have their income taxes reduced in the following amounts:

INCOME[1] AND SOCIAL SECURITY TAX UNDER 1977 LAW, ULLMAN-JONES PROPOSAL, AND CORMAN-FISHER PROPOSAL—4-PERSON, 1-EARNER FAMILIES

		Ullman-Jones proposal				Corman-Fisher proposal			
		Without social security credit[3]		With 5-percent social security credit[3]		Without social security credit[3]		With 5-percent social security credit[3]	
	1977 law tax[2]	Tax	Change in tax	Tax	Change in tax	Tax	Change in tax	Tax	Change in tax
Wage income:									
$5,000	−$8	$6	$14	−$9	−$1	$6	$14	−$9	−$1
$10,000	1,031	997	−34	966	−65	799	−232	768	−263
$15,000	2,208	2,172	−35	2,126	−81	2,021	−187	1,975	−233
$20,000	3,145	3,260	115	3,198	53	3,178	33	3,117	−29
$25,000	4,115	4,322	207	4,252	137	4,246	131	4,176	61
$30,000	5,197	5,332	135	5,262	65	5,213	16	5,143	−55
$40,000	7,813	7,766	−47	7,695	−118	7,598	−215	7,528	−286
$50,000	10,915	10,700	−215	10,629	−286	10,654	−261	10,584	−332
$100,000	29,845	29,360	−485	29,290	−556	29,584	−261	29,514	−332

[1] Assumes itemized deductions equal to 23 percent of gross income.
[2] Social security tax calculated under 1977 wage base ($16,500) and 1977 rate (5.85 percent), employees' share only.
[3] Social security tax calculated under 1979 wage base ($22,900) and 1979 rate (6.13 percent), employees' share only.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis, Aug. 3, 1978.

This may not be the best means to rework the way we finance the social security system. Thus, the credit would only be available for the 2-year period in which my colleagues and I on the Social Security Subcommittee have promised to do just that. Between now and then, however, the 5-percent social security income tax credit will provide small, but needed relief to our taxpayers and our economy.●

UNDISGUISING THE TAX BURDEN

(Mr. WRIGHT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. WRIGHT. Mr. Speaker, for several months the pages of the RECORD have been filled with material decrying the awful burdens borne by high-income taxpayers in this country. No matter that the rich pay far less of their income in taxes than do the rich of most other industrialized countries, special pleaders would have us believe that we must have massive across-the-board tax reductions to save the rich from descent into poverty.

One of the theses given the greatest attention has been that contained in an article from the March issue of Harper's magazine by Paul Craig Roberts. Entitled "Disguising the Tax Burden," the article contends that "the rich are a depleted resource."

Donald W. Kiefer, a specialist in taxation and fiscal policy on the staff of the Congressional Research Service, has now replied to Dr. Roberts' article. It deserves the attention of all Members, and particularly those who have come to believe that massive tax cuts, now proposed by Dr. Roberts and his friends, would serve a legitimate need.

The analysis by Dr. Kiefer follows:

[From the Library of Congress, Congressional Research Service]

UNDISGUISING THE TAX BURDEN—AN ANALYSIS OF AN ARTICLE IN HARPER'S MAGAZINE, MARCH 1978

(By Donald W. Kiefer, Specialist in Taxation and Fiscal Policy, June 14, 1978)

An article entitled "Disguising the Tax Burden," written by Paul Craig Roberts, appeared in Harper's Magazine of March, 1978 (see Appendix). This article has received considerable attention in Congress, having been inserted in the Congressional Record several times and the subject of much Congressional discussion and interest. The article has also been the object of several inquiries to the Congressional Research Service, and this paper is intended to serve as a general response to those inquiries.

Professor Roberts has contributed a provocative stimulus to public examination of the Federal income tax. His observations provide, at least, a balancing corrective to much sensational reportage in recent years which may have created the erroneous impression that the upper income classes generally avoid taxation. The article strikes a number of appealing themes, however, detailed examination suggests greater heuristic than substantive merit. The approach here is to address the major points made by the article and organize the analysis under three general subject headings: (1) the distribution of the tax burden, (2) the nature of tax reform, and (3) the relationship between inflation and taxation.

1. THE DISTRIBUTION OF THE TAX BURDEN

The distribution of the Federal individual income tax burden across income classes is the focus of the initial portion of the Roberts article. The following table published by the Tax Foundation is reproduced in the article and the author draws attention to the facts that:

PERCENT OF TOTAL TAXES PAID BY HIGH- AND LOW-INCOME TAXPAYERS, 1970 and 1975

Adjustcd gross in-class come	Income level		Percent of tax paid	
	1970	1975	1970	1975
Highest:				
1 percent	[1] $43,249	[1] $59,338	17.6	18.7
5 percent	[1] 20,867	[1] 29,272	34.1	36.6
10 percent	[1] 16,965	[1] 23,420	45.0	48.7
25 percent	[1] 11,467	[1] 15,898	68.3	72.0
50 percent	[1] 6,919	[1] 8,931	89.7	92.9
Lowest:				
50 percent	[2] 6,918	[2] 8,930	10.3	7.1
25 percent	[2] 3,157	[2] 4,044	.9	.4
10 percent	[2] 1,259	[2] 1,527	.1	.1

[1] Or more.
[2] Or less.

Source: Tax Foundation computations are based on Internal Revenue Service, Statistics of Income.

"Half of the taxpayers, those whose adjusted gross incomes place them in the bottom 50 percent, account for only 7 percent of the total personal income tax collections. Taxpayers in the lowest 25 percent account for less than half of 1 percent of the personal income tax collected by the Government. . . . Taxpayers with incomes in the top 5 percent . . . paid over one-third of the total personal income taxes collected by the Federal Government in 1975. The top 10 percent of taxpayers . . . paid nearly half the total tax bill."

Mr. Roberts uses these observations to support two contentions: first, that "the

rich are a depleted resource," with regard to taxpaying ability, and second, that the distribution of the tax burden is something to "look at . . . and be amazed." Regarding the resources of the rich, Mr. Roberts' argument is a non sequitur; the relevant information is not what portion of the total tax burden the rich pay, but rather, what portion of their total income the rich pay in taxes. Even in the highest income brackets the average amount of Adjusted Gross Income (AGI) paid in taxes does not rise above 48 percent, and the percentage quickly falls to below 35 percent, as shown below:

Adjusted gross income class (AGI)	Total income tax as percent of AGI
$100,000 under $200,000	34.7
200,000 under 500,000	41.2
500,000 under 1,000,000	45.1
1,000,000 or more	48.1

Note: For income classes less than $100,000 see Table 3.

Source: Internal Revenue Service, Department of the Treasury, Preliminary Statistics of Income: 1975, Individual Income Tax Returns, January 1977. Table 1, p. 10.

Additionally, the effective tax rate percentages in the above table would be only about half as high if the income tax were measured as a percent of a more comprehensive definition of income, rather than Adjusted Gross Income (see Table 9 and the accompanying text). From these data it would seem difficult to draw the conclusion that the taxpaying capability of the wealthy is a depleted resource.[1]

The second inference Mr. Roberts draws from the data in the Tax Foundation table is that the distribution of the tax burden is "amazing." However, the tax distribution would look less amazing if the table also showed the distribution of income among taxpayers. While it is true that the higher income taxpayers pay most of the taxes, it is also true that they have most of the income. Table 1 shows tax data for 1975 for income groups similar to those in the Tax Foundation table.[2] The table reveals that the upper-income 50 percent of taxpayers do indeed pay about 93 percent of all Federal income taxes; however, they also receive 86 percent of all adjusted gross income and 90 percent of all taxable income. Similarly, those with adjusted gross incomes above $15,000 represent about 27 percent of all tax returns but pay 75 percent of the total tax bill; these taxpayers also receive 62 percent of total adjusted gross income and 67 percent of all taxable income. Seen in this perspective, the distribution of the tax burden cited in the article by Mr. Roberts is no more a reflection of the tax system than it is a product of the unequal distribution of incomes among taxpayers.

Footnotes at end of article.

TABLE 1.—*Percent of tax returns, taxes paid, adjusted gross income, and taxable income by high- and low-income taxpayers, 1975*

Adjusted gross income (AGI)	Percent of			
	Tax returns	Tax paid	AGI	Taxable income
$50,000 or more	1.2	20.7	8.8	11.2
$30,000 or more	4.5	35.3	19.3	23.8
$25,000 or more	7.8	44.4	28.6	32.9
$15,000 or more	27.3	75.0	62.1	67.3
$9,000 or more	49.7	92.8	85.9	89.6
$9,000 or less	49.5	7.2	14.1	10.4
$4,000 or less	24.0	0.3	1.5	0.6
$2,000 or less	12.3	—	—	—

Source: Internal Revenue Service, Department of the Treasury, Preliminary Statistics of Income: 1975, Individual Income Tax Returns, January 1977. Table 1, p. 9.

Further evidence of this skewed income distribution is provided in the lower income brackets. The lower half of tax returns, those with adjusted gross incomes below $9,000, pay only 7.2 percent of the total income tax; however this half of the taxpayers receives only 14 percent of the adjusted gross income and 10 percent of taxable income. Similarly, the bottom one-fourth of taxpayers receives only 1.5 percent of taxable income, and as a result these taxpayers pay only 0.3 percent of the taxes.

By drawing attention to the difference between the percent of tax returns and the percent of taxes paid, Mr. Roberts' article seems to imply that the top 5 percent of taxpayers should pay 5 percent of the taxes, the top one-fourth of taxpayers 25 percent of the taxes, and so on. However, such a tax system would be highly regressive with upper income taxpayers paying a far lower portion of the tax bill than the portion of total income which they receive. In fact, given the present level of tax revenue, under such a tax system everyone in the lower half of the income distribution, those with adjusted gross incomes less than $9,000, would owe more in taxes than their entire taxable incomes!

It is also not surprising that in Table 1 taxpayers in the lower half of the income distribution pay a proportion of the tax bill which is less than their proportion of total income, and upper-income taxpayers pay more of the total tax bill than their portion of total income. This is what is meant by a progressive system of income taxation, which the U.S. income tax has been ever since its inception. Income tax progression is based on the notion that the ability to pay taxes increases more than proportionately with higher income, i.e. that upper income people can afford to pay a larger percentage of their income in taxes than lower income individuals.

While the appropriate degree of progression of the tax system is frequently debated, the concept of tax progressivity is rarely questioned in the United States. One measure of the degree of progressivity of the income tax is the extent to which it affects a redistribution of income. Table 2, reproduced from a recent article in the Washington Post, provides data on the income redistribution which results from the Federal income tax. (Table 2 not printed in RECORD.)

The Washington Post article makes the following observations with regard to the data in the table:

Although wealthier persons are taxed at higher rates than poorer ones—and pay the lion's share of the total income tax tab—taxpayers in almost all brackets wind up with roughly the same portion of the nation's income pie after income taxes as they had before.

A major reason is that while the effective tax rates vary somewhat for persons in different income brackets, they aren't sharply higher or lower except for those in the very top or bottom brackets—groups that may be extremely rich or poor but comprise relatively small numbers of taxpayers.

For the large group of taxpayers in the $10,000 to $30,000 income bracket the effective Federal tax rates vary very little, from a low of 9 percent to a high of 13.8 percent. Above that, the rates rise to 17, 24, and 30 percent—but only 5 percent of taxpayers fall in that group.

The figures provided by the Joint Committee on Taxation show these results:

The richest one-fourth of American households—those with incomes of $17,000 a year or higher—took home 55.5 percent of the income in this country in 1977. After Federal income taxes, they still had 53.2 percent. This is so despite the fact that they paid 74.3 percent of all personal income taxes.

The poorest one-fourth—wage earners making less than $5,000 a year—received 4.6 percent of the income that year. After Federal income taxes, their share rose to 5.2 percent. (These taxpayers paid less than 0.1 percent of personal income taxes.)

Those in the richest 5 percent of the country—taxpayers with incomes of $30,000 or more—earned 22.1 percent of the income in 1977. After Federal income taxes, they still had 19.7 percent of all income. (These figures include all income from capital gains—profits from the sale of stocks or other assets.)

The richest half of American households received 82.1 percent of all income before taxes. After taxes, they still held 80.4 percent. For the poorest half, the income tax boosted their share only modestly, to 19.6 percent, from 17.9 percent before taxes. (The dividing point between these groups was an income of $10,000 a year.)[3]

It is also important when considering the income distribution of any particular tax to consider the role of the tax in the overall tax structure. The income distribution of a single tax is, for most purposes, less important than the distribution of the overall tax burden and the contribution of the individual tax to the overall distribution. Table 3 shows estimates of effective tax rates for the major Federal, State, and local personal taxes displayed by adjusted gross income class. The estimates were developed by Joseph Minarik of the Brookings Institution and are based on 1977 data. The estimates indicate that the overall tax burden is distributed nearly proportionately over a wide range of income classes—$5,000 to $50,000—and would, in fact, be highly regressive were it not for the Federal individual income tax.

Thus, when the distribution of income and the overall tax structure are considered, the distribution of the tax burden appears more reasonable than the impression created by the Roberts article. After observing that tax-

payers who earned over $1 million in 1975 paid average taxes of over $1 million, the author asks the question of what public services a taxpayer receives for a million dollars in income taxes. This rhetorical inquiry overlooks the fact that the Federal income tax is not, and never has been, regarded as a payment for personal benefits from Federal services. The Federal income tax is based on the concept that an individual's tax liability should be scaled in accordance with his ability to pay taxes, and most observers would agree that an individual with an income in excess of $1 million has a substantial ability to pay taxes.

TABLE 3.—EFFECTIVE TAX RATES OF FEDERAL, STATE, AND LOCAL PERSONAL TAXES BY ADJUSTED GROSS INCOME CLASS, 1977

[Percent]

Adjusted gross income	Federal income tax	Federal sales and excise taxes	Personal contributions to social security	State and local income taxes	State and local sales and excise taxes	Property tax	Personal property and auto taxes	Total personal taxes
Less than 0	2.4	0.7	0.7	6.3	5.6	11.5	0.2	27.9
0 to $5,000	.4	5.3	9.1	8.7	23.8	33.6	1.7	84.8
$5,000 to $10,000	3.9	2.1	5.9	1.4	8.4	8.9	.6	31.7
$10,000 to $15,000	7.8	1.7	6.1	1.5	6.7	6.0	.4	30.3
$15,000 to $20,000	10.4	1.5	5.6	1.8	5.9	4.9	.4	30.8
$20,000 to $25,000	12.3	1.4	4.9	2.3	5.1	4.3	.4	31.2
$25,000 to $30,000	14.0	1.3	4.5	2.4	4.5	4.0	.4	31.5
$30,000 to $50,000	16.7	1.2	3.5	2.8	3.9	3.6	.3	32.6
$50,000 to $100,000	24.2	.9	1.1	4.1	2.9	3.7	.2	38.5
$100,000 and above	40.1	.4		6.8	1.5	3.8	.2	53.7

Source: Data provided by Joseph J. Minarik, Brookings Institution. Effective rates for incomes between 0 and $30,000 are unweighted averages of rates by $1,000 income classes calculated by Minarik.

2. THE NATURE OF TAX REFORM

The article by Mr. Roberts asserts two inaccurate themes about the nature of tax reform, one concerning the revenue implications of tax reform and the second concerning the distribution of the impact of tax reform and tax cuts across income classes of taxpayers.

The article asserts in several places that the "real" purpose of tax reform is to raise revenue. Early in the article Mr. Roberts states, "The rich are a depleted resource and so it is inevitable that the Government will come up with a new source of revenue in tax reform." Later the article states, "Enlarging the tax base will raise everyone's taxes. . . ." and in the conclusion, "Any clamors for tax reduction are translated into proposals for tax reform, which are further transformed into proposals for securing more revenues for Government."

In fact, however, tax reform measures are usually combined with tax reductions in a single legislative package so that the net revenue impact of the bill is a reduction in tax receipts, not an increase.[4] This occurs partly for the very pragmatic political reason that adoption of tax reform measures is easier if they are combined with tax reductions. However, it is also relevant that raising revenue is usually not the intention of tax reform; the reform measures are designed to improve the structure of the tax system to achieve greater equity or neutrality. Given the revenue requirements of the Government, any revenue raised by a reform provision can be used to finance offsetting general or specific tax cuts. As recent examples of this phenomenon, the Tax Reform Act of 1976 reduced Federal revenues by over $30 billion in its first three years, the Tax Reduction Act of 1975 (which contained several tax reform elements) reduced taxes by over $22 billion per year, and the Tax Reform Act of 1969 had a long-term impact of reducing revenues by $2.5 billion per year (however, the Act increased revenues during the first two years after enactment). Thus, the implication that the true purpose of tax reform is to increase tax revenue is erroneous.

Also misleading is the article's analysis of the distributional implications of tax cuts and tax reform. Mr. Roberts asserts, "Tax reform to help the poor is easy, because the poor don't pay any taxes; therefore it doesn't cost the Government anything." Later he reports, "That's why the Government likes to cut taxes for lower-income groups; it doesn't cost much to buy half the votes . . ." This contention overlooks the fact that tax cuts designed primarily to help low-income taxpayers almost always reduce the tax liabilities of all taxpayers, and therefore are very expensive in terms of decreased revenue. For example, the higher standard deduction made permanent by the Tax Reform Act of 1976 has a revenue cost of over $4 billion per year. The higher standard deduction helps low income taxpayers the most in terms of a proportionate reduction in tax (but not in terms of the dollar amount of reduction), and even removes some people from the tax rolls, but it reduces the taxable income and the tax liability of all taxpayers. The same is true of changes in the general credit, personal exemptions, and most other exclusions and deductions.

The article devotes considerable attention to the distribution of the impact of tax reform and implies, in conjunction with the contention that the purpose of tax reform is to increase tax revenue, that tax reform will primarily result in higher taxes for the middle-income taxpayers. The article states:

"Most people think that tax reform means making the rich pay taxes. They do not realize that the purpose of closing loopholes is to enlarge the tax base by redefining personal income to include fringe benefits and capital gains and by reducing deductions. Enlarging the tax base will raise everyone's taxes, but it will have the most severe effect on middle-income earners. The Government is refashioning its tax net to catch those it pretends to protect. Fringe benefits are a larger percentage of a $15,000 salary than they are of a $100,000 salary, and so are itemized deductions."

Later it makes the following observation:

"Hailed everywhere as loopholes for the rich, deductions are the primary income shelter for those in the middle to lower tax brackets, where most of the income is. The percentage difference between adjusted gross income and taxable income is greater the lower the income bracket."

The point is further made in the following quotation:

Dr. Roger Freeman, former White House aide and Hoover Institution Fellow at Stanford University, summed up his book on tax loopholes (Tax Loopholes: The Legend and the Reality) as follows:

"The literature of the tax reform drive usually asserts that most of the loopholes were designed for and work for the benefit of the rich, that poor and middle income taxpayers are taxed on all of their income, with no escape possibilities, and that most of the income that avoids taxation is to be found in the very high income brackets. The facts, however, suggest the opposite: much or most of the untaxed income is in the low and medium brackets."

That neatly sums up why the Government's tax reformers are interested in reducing deductions. You can't raise revenues for the Government unless you go where the untaxed income is.

Several observations should be made about this series of contentions. First, the characterization of tax reform as a "soak the rich" endeavor is inaccurate. Tax reform, of course, means different things to different people, and many different tax reform plans have been proposed. However, the "loophole closing" variety of tax reform usually represents an attempt to achieve a more comprehensive tax base by eliminating certain exclusions, exemptions, deductions, or credits to achieve greater neutrality and equity. This is not a euphemism for soaking the rich; a tax provision which allows one taxpayer with $10,000 of income to pay taxes on only a small fraction of that income while another $10,000 taxpayer pays taxes on substantially more of his income may be just as serious a violation of equity or neutrality as a provision which allows the rich to escape taxation. In fact, the evidence suggests that the variation in tax liabilities among taxpayers with equal incomes is largest in the lower-income classes. Table 4 presents data on the percent of tax returns which have less than one-half, two-thirds, and three-fourths of the average tax liability in each income class. As shown, the most uniform tax liabilities occur in the middle income ranges, and the dispersion increases in the upper and lower brackets.

TABLE 4.—PERCENT OF TAX RETURNS WITH TAX LESS THAN ½, ⅔, AND ¾ OF THE AVERAGE, BY INCOME CLASS, 1978[1]

Expanded income class[2]	Taxes as proportion of average: Less than ½	Less than ⅔	Less than ¾
0 to $2,500	[3]	[3]	[3]
$2,500 to $5,000	24.4	28.8	30.4
$5,000 to $7,500	17.1	21.8	24.4
$7,500 to $10,000	17.5	22.4	25.8
$10,000 to $15,000	10.3	16.0	19.5
$15,000 to $20,000	4.7	10.6	15.2
$20,000 to $25,000	3.2	7.1	11.2
$25,000 to $30,000	2.7	7.3	11.2
$30,000 to $50,000	3.3	7.9	12.8
$50,000 to $100,000	5.3	11.2	16.0
$100,000 to $200,000	6.0	11.8	16.0
$200,000 to $500,000	5.6	13.4	19.4
$500,000 to $1,000,000	5.9	13.7	20.4
$1,000,000 to $100,000,000	4.7	10.5	17.0
All classes[4]	9.3	14.4	18.1

[1] Average effective tax rates were computed separately for 105 income classes and for joint and single tax returns, allowing for varying numbers of personal exemptions. Omitted from the analysis are returns of heads of households and married people filing separately, returns with negative income, and returns with negative or zero tax while claiming the standard deduction. The tax law in effect at the beginning of 1978 is assumed to continue for the full year.

[2] Expanded income is adjusted gross income, plus excluded moving expenses, sick pay, and ½ of long-term capital gains.

[3] Not calculated because of insufficient sample size.

[4] Includes negative income not shown separately.

Source: Brookings 1970 MERGE file projected to 1978. Figures are rounded. Minarik, Joseph S. Taxation, in Setting National Priorities, The 1979 Budget, Joseph Pechman, ed. The Brookings Institution, Washington, D.C., 1978. p. 136.

Footnotes at end of article.

Tax reform has traditionally been concerned with both horizontal equity and vertical equity. Thus, there is an attempt to assure that taxpayers with equal abilities to pay taxes do, in fact, pay equal taxes, as well as an attempt to achieve, in practice, the desirable degree of tax progressivity. This type of tax reform will increase the taxable income of some people (those who presently have special tax benefits) in all income ranges, including the lower- and middle-income ranges. However, two points, which are discussed later, are important to keep in mind with regard to this observation: (1) the increase in taxable income under such tax reform plans is generally greater in the upper income brackets, and (2) such tax reform plans usually include proposals to change the tax rate structure to a new lower rate schedule which would raise about the same amount of tax revenue and would achieve approximately the same distribution of the tax burden across income classes as the present tax system. In other words, under such tax reform plans the redistribution of the tax burden would be toward those in all income classes who presently enjoy special tax benefits, not primarily a shift of the tax burden from one income class to another.

A second observation regarding the quotations above concerns the distribution of fringe benefits and itemized deductions by income bracket. Very little information exists on the distribution of fringe benefits by income class. The only known distributional estimates were derived from the MERGE file of the Brookings Institution and are contained in a paper presented by Emil Sunley at the Brookings conference on comprehensive income taxation.[5] The employee benefits included in the distributional estimates, and the aggregate revenue effect of taxing them, are indicated in Table 5. (Ibid., Table 3-3, p. 93.)

The employee benefits for which distributional estimates are available fall into the categories of retirement programs and insurance. No estimates are known to exist regarding the total amount or distribution of fringe benefits of other types, ranging from discounts for retail store clerks to use of corporate aircraft by executives. The estimates of the distributional impact of taxing the fringe benefits are contained in Table 6. (Sunley, op. cit., Table 3-4, p. 94.)

As shown in the Table, taxing the income value of pension and insurance employee benefits with no other tax adjustment, would have the largest proportionate impact on the lower income brackets. On the other hand, when aggregate amounts are considered, 47 percent of the benefit from the non-taxation accrues to people with incomes in excess of $30,000, and 60 percent goes to people with incomes over $25,000. Regarding the distributional implications of taxing fringe benefits, Sunley urges in the conclusion of his paper that marginal tax rates be reduced in conjunction with the reform, thus assuming the more typical tax reform stance that reform is not a revenue raising device, but rather a means of distributing the tax burden more equitably.

TABLE 5.—*Revenue effect of taxation of employee benefits under the individual income tax, 1977*

[In billions of dollars]

Benefits and reform provision	*Amount of revenue*
Pension and profit-sharing plans:	
Tax vested employees on employer contributions attributable to them. Tax benefits in excess of amortized contributions	9.4
Sick pay and certain disability pensions:	
Repeal sick pay provisions. Treat disability pensions like other pensions	(*)
Group term life insurance:	
Tax employees on employer premiums attributable to them	1.3
Group health insurance:	
Tax employees on employer premiums attributable to them	6.6
Workmen's compensation:	
Tax disability benefits when paid. Tax employees on employer premiums for medical and survivor benefits	1.4
Disability insurance:	
Tax benefits when paid. Permit employees to exclude any employee contributions from income	0.3
Supplemental unemployment:	
Tax benefits when paid	(*)
Group prepaid legal services:	
Tax employees on employer premiums attributable to them	(*)
Total [1]	19.8

*Less than 0.05.

[1] The revenue gain from the package is greater than the sum of the individual estimates because as the tax base is expanded taxpayers are pushed into higher tax rate brackets.

SOURCE: Brookings MERGE File.

TABLE 6.—REVENUE EFFECT OF REFORM OF TAXATION OF EMPLOYEE BENEFITS UNDER THE INDIVIDUAL INCOME TAX, BY COMPREHENSIVE INCOME CLASS, 1977

Comprehensive income class (thousands)	Effect of reform [1]	
	Revenue increase (millions of dollars)	Tax increase (percent)
Less than $2.5	0	0
$2.5 to $5	87	79.0
$5 to $10	701	15.3
$10 to $15	1,552	12.2
$15 to $20	2,480	12.9
$20 to $25	3,004	14.0
$25 to $30	2,673	13.9
$30 to $50	5,399	14.4
$50 to $100	2,617	12.5
$100 to $200	827	6.7
$200 and over	434	2.7
All classes	19,774	12.1

[1] See table 3-3 for the reform provisions.

Source: Brookings MERGE File.

The above quotations from Mr. Roberts' article also assert that itemized deductions are a larger percentage of a $15,000 salary than a $100,000 salary. The data regarding itemized deductions can be analyzed from several perspectives, most of which do not lead to Mr. Roberts' conclusion. Table 7 provides selected data on itemized deductions based on 1975 tax returns. The first important observation is that the proportion of taxpayers who itemize deductions, rather than use the standard deduction, increases significantly as adjusted gross income increases, as indicated in column 1 of the Table. Only about 19 percent of taxpayers in the $5,000 to $10,000 AGI bracket itemize deductions, and about 41 percent of those in the $10,000 to $15,000 AGI class do. On the other hand, virtually all taxpayers over $100,000 in AGI itemize deductions. Second, when all taxpayers are considered, the dollar amount of itemized deductions as a percent of AGI increases steadily as income increases, as shown in column 2. It is only when the tax returns of those taxpayers who itemize deductions are isolated, as shown in column 3, that itemized deductions as a portion of AGI are higher in the lower income brackets (ignoring brackets above $200,000). However, even in considering these returns it is important to go beyond the deduction figures to consider the reduction in tax which results from the deductions. Because of the progressive tax rate structure a dollar deduction is worth more in terms of reduced taxes, to an upper-income taxpayer than to a lower-income taxpayer. Column 4 of Table 7 shows estimates of the average tax reduction, as a percent of AGI, which results from itemizing deductions for returns with itemized deductions.[6]

TABLE 7.—SELECTED DATA ON ITEMIZED DEDUCTIONS FROM 1975 INDIVIDUAL INCOME TAX RETURNS

Adjusted gross income	Percent of returns itemizing deductions (1)	Itemized deductions as percent of adjusted gross income (2)	Itemized deductions as percent of adjusted gross income on itemizing returns (3)	Tax reduction from itemizing as percent of adjusted gross income for itemizing returns (4)
0 to $5,000	2.9	3.6	74.1	11.20
$5,000 to $10,000	18.8	7.8	38.6	6.56
$10,000 to $15,000	41.2	11.4	27.3	5.19
$15,000 to $20,000	55.3	13.3	23.9	5.26
$20,000 to $25,000	72.8	15.2	20.7	5.18
$25,000 to $30,000	82.8	16.4	19.8	5.54
$30,000 to $50,000	89.1	17.0	19.0	6.84
$50,000 to $100,000	94.5	17.4	18.4	9.20
$100,000 to $200,000	97.3	17.9	18.4	11.41
$200,000 to $500,000	98.1	20.5	20.8	14.56
$500,000 to $1,000,000	99.0	24.9	25.1	17.43
$1,000,000 and over	99.1	26.6	26.8	18.76
Total	31.7	12.9	22.9	

Source: Author's calculations and estimates based on Internal Revenue Service, Department of the Treasury, Preliminary Statistics of Income: 1975, individual income tax returns, January 1977

These estimates show that the tax reduction resulting from itemized deductions, expressed as a percent of AGI, even considering only itemizing returns, increases rather rapidly for incomes above $25,000. Thus, considering all tax returns, itemized deductions are not a larger portion of income in the $15,000 income bracket than in the $100,000 bracket. If one focuses only on tax returns with itemized deductions, the deductions are larger as a percent of income at the $15,000 level than at the $100,000 level, but the tax reduction which flows from the deductions is much larger, again as a proportion of AGI, at the higher income level.

The final element of the above quotations from the article which deserves comment is the observation that, "The percentage differ-

Footnotes at end of article.

ence between adjusted gross income and taxable income is greater the lower the income bracket." This observation leads Mr. Roberts to the contention that this is why tax reformers are interested in reducing deductions; to raise revenues for the Government you have to go where the untaxed income is.

The percentage difference between AGI and taxable income is largest in the lowest income brackets. However, this does not mean there is considerable tax revenue to be gained by reducing deductions in the low income brackets, because even a large percent of a small amount of money is still a small sum. As shown in Table 1, the lower income half of taxpayers have only 14 percent of total AGI and 10.4 percent of total taxable income; thus, even if the total difference between taxable income and the AGI in these income brackets were removed, the increase in tax revenue would not be large.

It is also important to note that the difference between AGI and taxable income in the lowest income brackets does not, for the most part, result from itemized deductions (as demonstrated above) as the quotation from the article would appear to imply. The difference at these income levels results largely from the $750 personal exemptions and the standard deduction (now termed the zero bracket amount), and most tax reform proposals do not suggest reducing these provisions. In fact, most recent tax reform bills have increased one or the other of these provisions to provide additional tax relief to lower income taxpayers, as noted earlier in Mr. Roberts' article.

A final important factor regarding this point is that a comparison of AGI and taxable income biases the analysis of untaxed income because some of the untaxed income is excluded, that is it does not appear as part of AGI. One of the most important aspects of the tax code in this regard is the treatment of capital gains. Table 8 shows calculations based on the Treasury Tax Model of the distributional impact of full taxation of capital gains. The revenue impact increases significantly in the higher income brackets.

TABLE 8.—REVENUE EFFECT OF FULL TAXATION OF CAPITAL GAINS AND LOSSES, BY INCOME CLASS, 1976 INCOME LEVELS

[In millions of dollars]

Income class (thousands) [1]	Repeal of 50 percent capital gains exclusion and alternative rate [2]	Introduction of deferral charge for capital gains and credit for capital losses [3]	Unlimited deduction of capital losses against ordinary income	Total
Less than 0	0	—193	—279	—472
$0 to $5	9	36	—44	—1
$5 to $10	99	85	—207	—23
$10 to $15	173	274	—116	331
$15 to $20	279	309	—108	480
$20 to $30	528	483	—233	778
$30 to $50	1,075	816	—202	1,689
$50 to $100	1,866	1,215	—253	2,828
$100 and over	4,271	2,177	—179	6,269
Total	8,299	5,201	—1,620	11,880

[1] Income is defined as adjusted gross income plus the excluded part of captial gains minus capital losses not deducted in arriving at adjusted gross income.

[2] Data also reflect repeal of the 50 percent reduction in long-term capital losses deducted against ordinary income.

[3] The deferral charge and credit are computed from table 4-3, using an interest rate of 8 percent.

Source: U.S. Department of the Treasury, Treasury Tax Model. For additional imputations made to the model, see text note 11. Figures are rounded. Wetzler, James W., "Capital Gains and Losses in Comprehensive Income Taxation," Joseph A. Pechman, ed., The Brookings Institution, Washington, D.C., 1977. p. 123.

Of course, capital gains are not the only income item excluded from the tax base, and some of the other exclusions—e.g., social security payments and unemployment compensation—disproportionately benefit lower income taxpayers. The overall impact of the various exemptions can be evaluated by examining the change in taxable income which would result from revising the tax system toward a more comprehensive income base, eliminating most of the present deductions and exclusions. Such a tax system was the subject of an extensive study by the U.S. Treasury published in January 1977, which developed a model comprehensive income tax, i.e., the "complete" tax reform package.[7] The Treasury comprehensive income base included most forms of income now excluded or deducted in an attempt to arrive at a truer approximation of economic income. The few adjustments allowed in the model comprehensive income tax base include a credit for medical expenses in excess of 10 percent of income, a deduction for State and local taxes, a deduction for child care expenses, a deduction of 25 percent of the first $10,000 of the wages of secondary earners in a family (to mitigate the "Marriage penalty"), and exemptions of $1,600 per tax return (instead of a standard deduction) and $1,000 per individual. Table 9 compares the tax base under the Treasury comprehensive income tax base to taxable income under present tax law by comprehensive income class, and the comparison is graphed in Figure 1. (Figure 1 not printed in RECORD.) Based on this analysis the largest proportionate tax benefits under the present tax system, compared to a comprehensive tax system, accrue to the upper income classes. All income classes would experience an increase in taxable income under the Treasury's comprehensive income tax, but the percentage increase would be lowest in the middle income brackets from $10,000 to $30,000 in income.[8] And the Treasury's model comprehensive income tax incorporated a revised tax rate schedule (as do most such tax reform proposals) which would raise about the same amount of total revenue, and achieve nearly the same income distribution of the tax burden, as the present income tax structure. The net effects of such a revision, therefore, would be to simplify the tax system, to achieve a more equitable distribution by shifting more of the tax burdent to those who presently enjoy special tax benefits, and to increase tax neutrality. Thus, contrary to Mr. Roberts' assertions, tax reform is not a disguised tax increase, nor would it result in generally higher taxes for middle income taxpayers.

TABLE 9.—TAX BASE FOR COMPREHENSIVE INCOME TAX PROPOSAL

[In billions of dollars, 1976 levels]

Comprehensive income class (in thousands of dollars)	Comprehensive income	Child care and secondary worker provisions	Exemptions [1]	Comprehensive income subject to tax [2]	Present law taxable income	Change in taxable income	Percent change in taxable income
Less than 0	—3.6	0	0	0	0.8	—0.8	—100.0
0 to 5	81.0	—.1	—68.0	12.9	10.1	2.8	27.7
5 to 10	171.2	—1.5	—83.5	86.1	69.2	16.9	24.4
10 to 15	205.7	—4.4	—71.7	129.6	111.3	18.3	16.4
15 to 20	209.1	—6.6	—57.1	145.4	129.9	15.5	11.9
20 to 30	253.7	—8.2	—51.4	194.1	164.6	29.5	17.9
30 to 50	169.0	—3.1	—21.4	144.5	97.0	47.5	49.0
50 to 100	120.2	—1.0	—8.5	110.7	54.7	56.0	102.4
100 or more	63.5	—.3	—2.0	61.2	31.7	29.5	93.1
Total	1,269.9	—25.3	—363.6	884.5	669.2	215.2	32.2

[1] The amounts shown do not include the value of exemptions that, if allowed, would reduce comprehensive income subject to tax to below zero.

[2] Since comprehensive income subject to tax cannot be less than zero, it is greater than the sum of the first 3 columns by the amount of the negative income in the first comprehensive income class.

Source: Department of the Treasury, Blueprints for Basic Tax Reform, Jan. 17, 1977. Table 8, p. 161. Percent change in taxable income column added by author.

3. INFLATION AND THE INCOME TAX

The final portion of the article by Mr. Roberts is devoted to the interaction of inflation and the tax structure and advocacy of tax indexation. A hypothetical example in the article illustrates that a taxpayer would suffer a substantial tax increase if we experience annual inflation of 5 percent and do not alter the U.S. tax code for the next 45 years. This example is statistically correct, however, it is so hypothetical that it offers little of relevance to understanding the tax system because the U.S. tax code is rarely static for one year, let alone 45! In fact, over the past two decades revisions in the tax structure have occurred at an average rate of more than one per year.[9]

A study in 1976 by Emil Sunley and Joseph Pechman compared the actual U.S. individual income tax, including all of its occasional revisions and reforms, with the income tax as it would have been had it been indexed for inflation from 1960 to 1975.[10] The results of their analysis are shown in Table 10. (Ibid., p. 159.) Column 4 of the Table shows that if no changes had been made in the income tax between 1960 and 1975, individual income tax revenues would have risen from $39.5 billion in 1960 to $171.6 billion in 1975. Column 3 of the Table indicates that an income tax which was indexed for inflation would have automatically adjusted revenues so they would have increased from $39.5 billion in 1960 to $129.6 billion in 1975, the tax revenue increase resulting from a rise in real income but not inflation. Column 2 shows actual tax revenue each year yielded by the U.S. income tax; every year after 1964 the actual income tax produced less revenue than would have an indexed income tax. The difference in 1975 amounted to $10 billion. Thus, the tax cuts and revisions which occurred between 1960 and 1975 more than offset the impact of inflation on the individual income tax structure.[11]

Footnotes at end of article.

TABLE 10.—INDIVIDUAL INCOME TAX LIABILITIES, ACTUAL, ASSUMING AUTOMATIC INFLATION ADJUSTMENT, AND ASSUMING NO TAX CHANGES, 1960–75

[Dollar amounts in billions; effective rates in percent]

Year	Adjusted personal income [1]	Individual income tax liabilities			Effective tax rates		
		Actual [2]	Assuming automatic inflation adjustments [3]	Assuming no tax change [4]	Actual [2]	Assuming automatic inflation adjustments [3]	Assuming no tax change [4]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1960	370	39.5	39.5	39.5	10.7	10.7	10.7
1961	380	42.2	40.8	42.2	11.1	10.7	11.1
1962	404	44.9	44.3	45.3	11.1	11.0	11.2
1963	425	48.2	47.3	48.4	11.3	11.2	11.4
1964	455	47.2	51.4	54.0	10.4	11.3	11.9
1965	492	49.5	56.7	61.9	10.1	11.5	12.6
1966	538	56.1	62.9	69.6	10.4	11.7	12.9
1967	573	62.9	67.8	77.4	11.0	11.8	13.5
1968	623	71.5	74.5	87.2	11.5	12.0	14.0
1969	677	78.9	81.7	95.3	11.7	12.1	14.1
1970	717	81.9	86.5	100.4	11.4	12.1	14.0
1971	760	85.4	92.0	110.7	11.2	12.1	13.3
1972	831	93.6	101.8	126.5	11.3	12.3	15.2
1973	930	108.1	115.4	143.6	11.6	12.4	15.4
1974 [5]	1,007	[6] 114.3	124.2	161.0	[6] 11.4	12.3	16.0
1975 [5]	1,060	[7] 119.7	129.6	171.6	[7] 11.3	12.2	16.2

[1] Personal income less transfer payments and other labor income, plus employee contributions for social insurance.
[2] As reported in "Statistics of Income," less surcharge but including 1974 rebate.
[3] Assumes that the elasticity of the individual income tax with respect to changes in real income is 1.4. See appendix, table 5–6, for the derivation of the tax liabilities.
[4] See appendix, table 5–7, for the derivation of the tax liabilities.
[5] Estimated.
[6] After the rebate of 1974 taxes enacted in the Tax Reduction Act of 1977.
[7] After enactment of the Tax Reduction Act of 1975.

Sources: "Survey of Current Business," vol. 56 (January 1976), pts. 1 and 2; and U.S. Internal Revenue Service, "Statistics of Income, Individual Income Tax Returns," various issues.

For this reason, contrary to the implication in Mr. Roberts' article, the Federal tax burden as a percentage of income has remained relatively constant over the years. Table 11 shows the average percentage of personal income claimed by the Federal individual income tax (Column 1) for five year periods from 1946 to 1977. The percentage has been virtually constant from the early 1950's to the present.[12]

The same is true of total Federal personal tax and nontax receipts as a percent of Gross National Product (Column 2) which has grown by only about half a percentage point over the past 27 years. The growth in taxes has occurred almost exclusively at the State and local level, as shown in Column 3 of the Table.

Footnotes at end of article.

TABLE 11.—FEDERAL, STATE, AND LOCAL PERSONAL TAXES AS A PERCENT OF INCOME 1946–77

Years	Federal individual income tax revenue as percent of personal income	Federal Government personal tax and nontax receipts as percent of gross national product	State and local government personal tax and nontax receipts as percent of gross national product
	(1)	(2)	(3)
1946–50	8.59	7.31	0.81
1951–55	10.33	8.29	.91
1956–60	10.18	8.37	1.19
1961–65	10.05	8.26	1.50
1966–70	10.94	9.07	2.02
1971–75	10.35	8.79	2.74
1976–77	10.44	8.83	2.96

Source: Author's calculations based on data from Data Resources, Inc.

While the tax revisions over the past several years have offset the aggregate tax impact of inflation, it is also important to consider the effect on the distribution of the tax burden caused by inflation and the offsetting tax changes. Table 12 shows for selected example incomes the tax impact of an inflation of 10 percent based on 1975 tax law. As shown in column 7 the percentage increase in tax liabilities which results from a given level of inflation is greatest in the lowest income classes.[13] This fact would suggest that to offset the tax effects of inflation tax cuts should be proportionately larger in the lower income classes. In fact, this is the shape the recent tax cuts have assumed.

TABLE 12.—EFFECT OF 10 PERCENT INFLATION ON THE TAX LIABILITIES OF A FAMILY OF 4, SELECTED INCOME LEVELS, 1975

Income before inflation	Tax before inflation		Tax after 10-percent inflation				Effect of not indexing [2]		
			No indexing [1]		With indexing [2]				
	Amount (dollars)	Effective rate (percent)	Amount (dollars)	Effective rate (percent)	Amount (dollars)	Effective rate (percent)	Percentage increaes in tax	Percentage point increase in effective rate	Percentage reduction in income after tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
$8,000	347	4.3	483	5.5	382	4.3	26.4	1.2	1.2
$10,000	709	7.1	899	8.2	780	7.1	15.3	1.1	1.2
$12,000	1,085	9.0	1,279	9.7	1,194	9.0	7.1	.7	.7
$15,000	1,612	10.7	1,889	11.4	1,773	10.7	6.5	.7	.8
$20,000	2,590	13.0	3,010	13.7	2,849	13.0	5.7	.7	.8
$25,000	3,700	14.8	4,292	15.6	4,070	14.8	5.5	.8	.9
$30,000	4,964	16.5	5,799	17.6	5,460	16.5	6.2	1.1	1.2
$50,000	11,570	23.1	13,556	24.6	12,727	23.1	6.5	1.5	2.0
$100,000	33,800	33.8	38,700	35.2	37,180	33.8	4.1	1.4	2.1
$250,000	115,760	46.3	130,460	47.4	127,336	46.3	2.5	1.1	2.1
$500,000	262,760	52.6	292,160	53.1	289,036	52.6	1.1	.5	1.2
$1,000,000	556,760	55.7	615,560	56.0	612,436	55.7	.5	.3	.6

[1] Assumes tax law applying in 1975. Tax liability computed on the assumption that the faily deducts the low-income allowance of $1,900 or 16 percent of income, whichever is greater, and that the maximum tax rate on earned income does not apply.
[2] The exemptions, the exemption credit, the low-income allowance, and the rate brackets of the 1975 law are increased by 10 percent. Assumes maximum tax rate on earned income does not apply.
[3] Percentaages computed from unrounded data.

Source: Sunley & Peachman, op. cit. p. 156.

However, the recent tax cuts have not uniformly offset the effects of inflation in all income classes. Table 13 shows calculations by Sunley and Pechman of the distribution of the tax burden in 1975 compared to what the distribution would have been under indexed tax laws of 1960, 1965, and 1972. The Table makes clear that the combination of inflation and tax revisions over the period has affected the different income classes unequally. In general, the income classes between $20,000 and $200,000 have experienced the largest real tax increases during this period. The income classes above and below this range have incurred smaller real tax increases, or in some cases tax reductions, depending on the year being compared. Thus, while the tax cuts have more than offset the aggregate impact of inflation on the tax system, they have not prevented an increase in the real tax burden on a wide range of upper-middle income classes. If one of the purposes of tax cuts is to offset proportionately the impact of inflation on taxpayers, a somewhat altered distributional pattern for future tax cuts will be necessary.

TABLE 13.—COMPARISON OF INDIVIDUAL INCOME TAXES UNDER THE 1975 LAW AND UNDER THE 1960, 1965, AND 1972 LAWS, INDEXED FOR INFLATION, 1975

1975 adjusted gross income class	Effective rates of tax (percent)				Percentage difference in effective rates: 1975 minus indexed—			Percentage difference in tax:[2] 1975 minus indexed—			Percentage difference in disposable income:[2] 1975 minus indexed—		
	Actual 1975 law	Indexed 1960 law[1]	Indexed 1965 law[1]	Indexed 1972 law[1]	1960 law	1965 law	1972 law	1960 law	1965 law	1972 law	1960 law	1965 law	1972 law
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
$0 to $5,000	2.1	6.2	4.2	2.0	−4.1	−2.1	0.1	−67.1	−51.0	6.2	3.3	2.2	−0.1
$5,000 to $10,000	7.4	10.0	7.9	7.1	−2.6	−.5	.3	−25.8	−6.2	4.2	2.4	.5	−.3
$10,000 to $15,000	9.9	11.0	9.0	9.4	−1.1	.9	.5	−10.8	9.6	5.6	1.0	−1.0	−.6
$15,000 to $20,000	12.0	12.9	10.8	11.1	−.9	1.2	.9	−7.4	11.4	7.6	.8	−1.4	−1.0
$20,000 to $25,000	13.7	14.0	11.8	12.6	−.3	1.9	1.1	−2.3	16.1	8.8	(4)	−2.2	−1.3
$25,000 to $50,000	17.4	16.6	14.2	15.6	.8	3.2	1.8	4.3	22.6	11.4	−1.2	−3.8	−2.1
$50,000 to $100,000	26.7	23.7	20.5	23.7	3.0	6.2	3.0	12.7	30.0	12.4	−3.9	−7.7	−3.8
$100,000 to $200,000	34.7	33.0	28.9	32.3	1.7	5.8	2.4	5.4	20.1	7.7	−2.1	−7.8	−3.3
$200,000 to $500,000	40.4	41.0	35.9	38.7	−.6	4.5	1.7	−.6	13.3	4.9	1.8	−6.5	−2.1
$500,000 to $1,000,000	42.2	44.7	38.5	41.5	−2.5	3.7	.7	−4.6	10.4	2.5	5.7	−5.1	−.3
$1,000,000 and over	39.8	43.1	36.2	39.7	−3.3	3.6	.1	−6.4	11.1	1.2	7.2	−4.7	−.9
All classes	[3] 12.9	13.7	11.4	11.9	−.8	1.5	1.0	−6.4	12.7	8.2	.6	−1.7	−1.1

[1] Under the indexed laws, the limits of the rate brackets, personal exemptions, and the standard deduction are adjusted for the change in the consumer price index to 1975.
[2] Differences expressed as a percentage of tax liabilities or disposable income under the indexed laws.
[3] Effective rate in this table differs from the effective rate in table 5-3 because incomes in the two tables are not the same. See note 11 in text.
[4] Less than 0.05.

Source: Brookings 1972 Tax File projected to 1975. Figures are rounded. Sunley and Pechman, op. cit. p. 160.

FOOTNOTES

[1] This is not to suggest that the wealthy ought to pay more taxes, but merely to draw attention to the deficiencies in the argument being reviewed.

[2] The percentages and income levels in Table 1 do not precisely match those in the Tax Foundation table because the IRS does not publish the tax data by the brackets used in the Tax Foundation table.

[3] Pine, Art, Income Tax Doesn't Redistribute U.S. Wealth, the Washington Post, March 27, 1978. p. A 14.

[4] This observation—that tax reform legislation has not generally served to mask tax increases—is also true over the long term. See analysis in the next section.

[5] Sunley, Emil M., Employee Benefits and Transfer Payments, in Comprehensive Income Taxation, Joseph A. Pechman, ed., the Brookings Institution, Washington, D.C., 1977. pp. 75–106.

[6] The average tax reduction from itemizing as a percent of AGI was estimated by calculating the average taxable income within each income class, and by multiplying the marginal tax rate associated with that taxable income by the percent in Column 3 of Table 5. This procedure understates the tax reduction somewhat because it does not account for the deductions dropping taxpayers into lower tax brackets.

[7] Department of the Treasury, Blueprints for Basic Tax Reform, January 17, 1977. 230 p.

[8] This result is consistent with the data in Table 4.

[9] This count includes only bills which have had a revenue impact; it ignores "technical" bills.

[10] Sunley, Emil M. and Joseph A. Pechman, Inflation Adjustments for the Individual Income Tax, in Inflation and the Income Tax, Henry Aaron, Ed., the Brookings Institution, Washington, D.C., 1976, pp. 153–166.

[11] An update of the Sunley-Pechman data reveals that in 1977 the indexed income tax would have produced revenue virtually equal to actual receipts.

[12] Mr. Roberts draws attention to the growth of Federal taxes in 1976 compared to GNP. The relationship, of course, is not perfectly constant. Taxes fall, compared to income, in tax cut years, and rise in other years, (such as 1976) as shown in the following figure. However, the average has been relatvely constant, as shown in Table 11.

[13] However, this does not imply that the largest increase in effective tax rate, or the largest reduction in income after tax, occurs in the lower brackets. See Table 13, columns 8 and 9.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. GINN (at the request of Mr. WRIGHT) for today, on account of attending a meeting relating to Fort Stewart-Hunter and Kings Bay Submarine Base.

Mrs. MEYNER (at the request of Mr. WRIGHT) for today, on account of illness.

Mr. RODINO (at the request of Mr. WRIGHT) for today, on account of illness in the family.

Mr. SISK, for 2 weeks on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. COLEMAN) to revise and extend his remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes today.

(The following Members (at the request of Mr. DANIELSON) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. PATTISON of New York, for 5 minutes, today.
Mr. FORD of Michigan, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. FISHER, for 5 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. ASPIN, for 20 minutes, today.
Mr. BINGHAM, for 10 minutes, today.
Mr. DE LA GARZA, for 15 minutes, today.
Mr. ALEXANDER, for 30 minutes, today.
Mr. GEPHARDT, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FLYNT, to revise and extend his remarks and include extraneous material during general debate in the Committee of the Whole today on H.R. 13635.

Mr. JOHN L. BURTON, to revise and extend his remarks and to include extraneous matter following his statement appearing on page H7846 of the CONGRESSIONAL RECORD of August 3, 1978.

(The following Members (at the request of Mr. COLEMAN), and to include extraneous matter:)

Mr. CONABLE.
Mr. ANDERSON of Illinios in two instances.
Mr. HOLLENBECK.
Mr. MCCLOSKEY.
Mr. STEIGER.
Mr. DEVINE.
Mr. CARTER.
Mr. SYMMS in two instances.

(The following Members (at the request of Mr. DANIELSON), and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr GONZALEZ in three instances.
Mr. MAZZOLI in two instances.
Mr. BONKER.
Mr. JOHN L. BURTON in two instances.
Mr. LAFALCE.
Mr. MAHON.
Mr. BRECKINRIDGE in four instances.
Mr. CORMAN.
Mr. ST GERMAIN.
Mr. ROSE.
Mr. VOLKMER.
Mr. WAXMAN in six instances.
Mr. ERTEL.
Mr. LUKEN.
Mr. MCKAY.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1624. An act to authorize an additional Assistant Secretary of Commerce; to the Committee on Interstate and Foreign Commerce;

S. 2782. An act to protect consumers from misrepresentative advertising of gold and silver jewelry, and for other purposes; to the

Committee on Interstate and Foreign Commerce;

S. Con. Res. 96. Concurrent resolution authorizing the reprinting of book II of the Senate report entitled "Intelligence Activities and the Rights of Americans" (S. Rept. 94–755); to the Committee on House Administration; and

S. Con. Res. 97. Concurrent resolution authorizing the printing of additional copies of the committee print entitled "Preliminary Guide to Export Opportunities to Japan"; to the Committee on House Administration.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 58 minutes p.m.), under its previous order, the House adjourned until Monday, August 7, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4710. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during June 1978, to Communist countries, pursuant to section 2(b)(2) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

4711. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during the month of June 1978, pursuant to section 234 of the Legislative Reorganization Act of 1970, as amended; to the Committee on Government Operations.

4712. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on the impact of development programs, projects, and activities on the integration of women into the developing economies of countries receiving assistance, pursuant to section 113 of the Foreign Assistance Act of 1961, as amended (91 Stat. 536); to the Committee on International Relations.

4713. A letter from the Comptroller General of the United States, transmitting a report on the major caliber lightweight gun system (PSAD–78–122, August 4, 1978); jointly, to the Committees on Government Operations, and Armed Services.

4714. A letter from the Comptroller General of the United States, transmitting a report on the reconnaissance and intelligence activities of the Defense Department (PSAD–78–114, August 4, 1978); jointly, to the Committees on Government Operations, the Armed Services, and the Select Committee on Intelligence.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CLAY: Committee on Post Office and Civil Service. S. 274. An act to amend chapter 49 to title 10, United States Code, to prohibit union organization and membership in the armed forces, and for other related purposes; with amendment (Rept. No. 95–894, pt. II). Referred to the Committee of the Whole Houses on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 1293. Resolution providing for the consideration of H.R. 8729. A bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to aircraft operators to comply with noise standards, and for other purposes (Rept. No. 95–1437). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 1294. Resolution providing for the consideration of H.R. 12452. A bill to extend and amend the Comprehensive Employment and Training Act of 1973, and for other purposes (Rept. No. 95–1438). Referred to the House Calendar.

Ms. CHISHOLM: Committee on Rules. House Resolution 1295. Resolution providing for the consideration of House Joint Resolution 638. Joint resolution extending the deadline for the ratification of the equal rights amendment. (Rept. No. 95–1439). Referred to the House Calendar.

Mr. ULLMAN: Committee on Ways and Means. H.R. 13511. A bill to amend the Internal Revenue Code of 1954 to reduce income taxes, and for other purposes; with amendment (Rept. No. 95–1445). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SAWYER: Committee on the Judiciary. H.R. 1446. A bill for the relief of Lester Bruce Priday. (Rept. No. 95–1440). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R 2655 A bill for the relief of Rolando R. Gaza and Teresita C. Gaza; with amendment (Rept. No. 95–1441). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 8927. A bill for the relief of Monika Grantz (Rept. No. 95–1442). Referred to the Committee of the Whole House.

Mr. SAWYER: Committee on the Judiciary. H.R. 9352. A bill for the relief of James William Dibben (Rept. 95–1443). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 9611. A bill for the relief of Craig Day (Rept. No. 95–1444). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONABLE:

H.R. 13740. A bill to amend and revise provisions of the Internal Revenue Code of 1954 relating to nonprofit organizations, and for other purposes; to the Committee on Ways and Means.

By Mr. ALEXANDER:

H.R. 13741. A bill to strengthen the economy of the United States through increased sales abroad of American farm products; jointly, to the Committees on Agriculture and International Relations.

By Mr. FORSYTHE:

H.R. 13742. A bill to amend title 4 of the United States Code to restrict the authority of any State or political subdivision to impose any income tax on any compensation paid to any individual who is not a domiciliary or resident of such State or political subdivision; to the Committee on the Judiciary.

By Mr. KREBS (for himself, Mr. GRASSLEY, Mr. NOLAN, Mr. THOMPSON, Mr. WEAVER, Mr. PEASE, Ms. HOLTZMAN, Mr. GLICKMAN, Mr. WHITTEN, Mr. EILBERG, Mr. ICHORD, Mr. HUCKABY, Mr. COHEN, Mrs. SPELLMAN, Mr. MICHEL, Mr. WAMPLER, Mrs. HOLT, and Mr. GOODLING):

H.R. 13743. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes; to the Committee on Agriculture.

By Mr. LAFALCE:

H.R. 13744. A bill to establish parity of interest rates on savings accounts linked to checking accounts by means of automatic transfers; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY of New York (for himself, Mr. LEGGETT, Mr. FORSYTHE, Mr. DINGELL, Mr. YOUNG of Alaska, Mr. HUBBARD, Mr. HUGHES, Mr. TRIBLE, Mr. AKAKA, Mr. TREEN, Mr. LENT, and Mr. SIKES):

H.R. 13745. A bill to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1979, 1980, and 1981; to the Committee on Merchant Marine and Fisheries.

By Mr. PANETTA:

H.R. 13746. A bill to provide for the administration of the Internal Revenue Code of 1954 without regard to certain Revenue rulings relating to the definition of the term "employee"; to the Committee on Ways and Means.

By Mr. PATTISON of New York:

H.R. 13747. A bill to provide for financial assistance to improve the capabilities of units of local government to deal with career criminals, to establish the Office of Repeat Offenders Prosecution Projects within the Law Enforcement Assistance Administration, and for other purposes; to the Committee on the Judiciary.

By Mr. ST GERMAIN (for himself and Mr. REUSS):

H.R. 13748. A bill to amend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions and to provide that there shall be no differential with respect to transactional accounts; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SISK (for himself and Mr. KREBS):

H.R. 13749. A bill to amend sec. (b)(10)(A) and (C), Agricultural Adjustment Act of 1938 (7 U.S.C. 1281); to the Committee on Agriculture.

By Mr. DE LA GARZA (for himself, Mr. FOLEY, Mr. WAMPLER, Mr. AKAKA, Mr. BOWEN, Mr. BROWN of California, Mr. HUCKABY, Mr. JENRETTE, Mr. JOHNSON of Colorado, Mr. KREBS, Mr. MATHIS, Mr. MOORE, Mr. NOLAN, Mr. RISENHOOVER, Mr. ROSE, Mr. SEBELIUS, Mr. SYMMS, Mr. VOLKMER, Mr. TRAXLER, Mr. ANDREWS of North Dakota, Mr. BAFALIS, Mrs. BOGGS, Mr. BONKER, Mr. BREAUX, and Mr. BURGENER):

H.R. 13750. A bill to implement the International Sugar Agreement between the United States and foreign countries; to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; jointly, to the Committees on Agriculture, and Ways and Means.

By Mr. DE LA GARZA (for himself, Mr. CEDERBURG, Mr. FRASER, Mr. GUYER, Mr. HANSEN, Mr. HEFTEL, Mr. IRELAND, Mr. LEGGETT, Mr. LIVINGSTON, Mr. LONG of Louisiana, Mr. MCFALL, Mr. QUIE, Mr. RONCALIO, Mr. SIKES, Mr. SISK, Mr. SMITH of Iowa, Mr. STANGELAND, Mr. TREEN, and Mr. WAGGONNER):

H.R. 13751. A bill to implement the International Sugar Agreement between the United States and foreign countries; to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; jointly, to the Committees on Agriculture, and Ways and Means.

By Mr. BRECKINRIDGE (for himself, Mr. ROSE, Mr. PRESSLER, Mr. BAUCUS, Mr. WATKINS, and Ms. KEYS):

H. Res. 1296. Resolution to establish a select committee to study nonmetropolitan America; to the Committee on Rules.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7308

By Mr. ERTEL:

—Page 41, line 2, strike out "the Special Court having jurisdiction under section 103" and insert in lieu thereof "a United States district court".

Page 41, line 8, strike out "Special Court" and insert in lieu thereof "court".

Page 41, strike out line 13 and all that follows down through line 2 on page 44 and insert in lieu thereof the following:

JURISDICTION

SEC. 103. (a) The United States district courts shall have jurisdiction to receive applications for court orders under this title and to issue orders under section 105 of this title.

(b) Proceedings under this title shall be conducted as expeditiously as possible. If any application to the United States district court is denied, the court shall record the reasons for that denial, and the reasons for that denial shall, upon the motion of the party to whom the application was denied, be transmitted under the seal to the United States court of appeals.

Page 52, line 14, strike out "a judge designated pursuant to section 103" and insert in lieu thereof "a judge having jurisdiction under section 103".

Page 55, beginning on line 19, strike out "shall be retained" and all that follows down through line 22 and insert in lieu thereof "shall be retained for a period of at least ten years from the date of the application and shall be stored at the direction of the Attorney General under security procedures approved by the Director of Central Intelligence.".

Page 58, line 16, strike out "Special Court" and insert in lieu thereof "court".

Page 58, beginning on line 17, strike out "Unless all the judges of the Special Court are so disqualified, the" and insert in lieu thereof "The".

Page 58, line 23, strike out "Special Court" and insert in lieu thereof "court".

Page 58, line 25, strike out "Special Court" and insert in lieu thereof "court".

Page 59, line 7, strike out "Special Court" and insert in lieu thereof "court".

Page 59, line 24, strike out "Special Court of Appeals" and insert in lieu thereof "United States court of appeals".

Page 60, line 11, strike out "Special Court of Appeals" and insert in lieu thereof "court of appeals".

Page 60, line 17, strike out "Special Court" and insert in lieu thereof "court".

Page 60, line 18, strike out "Special Court of Appeals" and insert in lieu thereof "court of appeals".

Page 60, line 24, strike out "Special Court" and insert in lieu thereof "court".

Page 60, line 25, strike out "Special Court of Appeals" and insert in lieu thereof "court of appeals".

Page 61, beginning on line 7, strike out "Special Court or Special Court of Appeals" and insert in lieu thereof "district court or court of appeals".

Page 61, line 11, strike out "Special Court of Appeals" and insert in lieu thereof "court of appeals".

Page 68, beginning on line 14, strike out "the designation of the chief judges pursuant to section 103 of this Act" and insert in lieu thereof "such date of enactment".

—Page 63, line 2, insert "(a)" after "SEC. 108."

Page 63, after line 9, insert the following new subsection:

(b) The Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate shall periodically review the information provided under subsection (a). If either such committee determines that an electronic surveillance of a United States person under this title has produced no foreign intelligence information and that the disclosure of the fact of such surveillance to such United States person would not harm the national security, such committee shall inform such person of the fact of such surveillance and that no foreign intelligence information was derived from such surveillance.

H.R. 12441

By Mr. RUPPE:

—Page 1, after line 5, add the following new section:

SEC. 2. (a) Section 28 of the Toxic Substances Control Act (15 U.S.C. 2627) is amended—

(1) by redesignating subsections (b), (c), and (d) thereof as subsections (c), (d), and (e), respectively; and

(2) by inserting after subsection (a) the following new subsection:

"(b) Toxic Substances Injury Assistance.—(1) For purposes of this subsection, the term 'chemical substance' has the same meaning as provided under paragraph (2) of section 3 of this Act without regard to the exception provided in subparagraph (B) thereof.

"(2) Whenever the chief executive of any State—

"(A) has reason to believe that there is present in the environment of such State any chemical substance or mixture which may cause injury to the health or welfare of any human being or animal; and

"(B) (i) orders, pursuant to law, the authorities of such State to impound or otherwise condemn any livestock, including poultry, or food which may contain any such chemical substance or mixture; or

"(ii) finds that any livestock, including poultry, or food containing such chemical substance or mixture is seized or otherwise may not be disturbed in commerce by action of a Federal official;

such State, upon application to the Administrator, may receive, in accordance with the provisions of paragraph (3), not more than 75 percent of the disbursements or payments made by such State for the assistance or indemnification of any person harmed in his business by such action of the chief executive or such Federal official or by the effects of such chemical substance or mixture present in the environment.

"(3) (A) The Administrator may make grants to States under paragraph (2) according to the following order of priorities:

"(i) actions principally involving polybrominated biphenyls; and

"(ii) actions involving other chemical substances or mixtures.

"(B) Each applicant for assistance under the provisions of subparagraph (A) of this paragraph shall furnish such assurances to the Administrator as the Administrator may require that such applicant will—

"(i) take all steps necessary to assure that the applicant is subrogated to the rights of the recipients of disbursements or payments made by such applicant for the assistance or indemnification of the actual losses of such recipients arising out of circumstances described in paragraph (2);

"(ii) take all steps necessary to recover the amount of such disbursements or payments from any person liable as the result of the presence in the environment of any chemical substance or mixture which is the subject of an application under paragraph (2);

"(iii) take all steps necessary to recover from the recipients of disbursements or payments made by such applicant for the assistance or indemnification of the actual losses of such recipients arising out of the circumstances described in paragraph (2), all amounts recovered by such recipient—

"(I) under any contract of insurance; or

"(II) as a recovery or award allowed or made as the result of any action brought by or on behalf of any such recipient for the purpose of obtaining damages or other monetary compensation or indemnification against any other person arising out of circumstances described in paragraph (2); and

"(iv) return to the Administrator, in the same proportion as the funds granted to such applicant under this subsection bear to the total amount of State disbursements or payments, such recoveries as may be received by such applicant under subclause (I) and (II) of clause (iii).

"(4) The Administrator may make grants to States for the establishment, maintenance, and operation of medical programs or facilities to detect or monitor and eliminate the effect on the environment, and particularly on human beings, livestock, including poultry, and other animals, of the presence of any chemical substance or mixture which the chief executive of any such State and the Administrator have reason to believe may be injurious to the health or welfare of any human being or animal in such State or adjacent States or regions. Such grants may also be utilized by any such State for the treatment of human beings, livestock, including poultry, and other animals adversely affected by chemical substances or mixtures, to the extent that such treatment is otherwise not reasonably available. Nothing contained in this paragraph shall authorize the Administrator to make grants which would duplicate grants under any other provision of this section.

"(5) Upon application by the chief executive of a State the Administrator may make payments to any individual for actual medical expenses incurred by such individual in the diagnosis or treatment of any injury to any such individual caused, or reasonably believed to be caused, by the presence of the chemical substance or mixture which is the subject of an application under paragraph (2).

"(6) Grants and payments made available under the authority provided in paragrph (3), (4), or (5) my be made for any circumstance described in paragraph (2) occurring on or after January 1, 1973.".

(b) Section 28 of the Toxic Substances Control Act, as amended in subsection (a), is further amended—

(1) in subsection (c) thereof, as so redesignated in subsection (a), by inserting "or subsection (b)" after "subsection (a)" the first place it appears therein;

(2) in subsection (c)(1)(A) thereof, as so redesignated in subsection (a), by inserting "or subsection (b), as the case may be" after "subsection (a)";

(3) in subsection (d) thereof, as so redesignated in subsection (a), by inserting

"and subsection (b)" after "subsection (a)"; and

(4) in subsection (a) thereof, as so redesignated in subsection (a), by inserting before the last sentence thereof the following new sentence: "For the purpose of making grants and payments under subsection (b) there are authorized to be appropriated $50,000,000 for the fiscal year ending September 30, 1979, $50,000,000 for the fiscal year ending September 3, 1980, and $50,000,000 for the fiscal year ending September 3, 1981.".

H.R 13635

By Mr. NICHOLS:

—On page 2, line 11, delete "$9,123,499,000" and insert in lieu thereof "$9,139,299,000":

On page 2, beginning on line 19, delete "$6,456,450,000" and insert in lieu thereof "$6,463,150,000".

On page 3, line 12, delete "$7,507,195,000" and insert in lieu thereof "$7,519,295,000".

H.R. 13635

By Mr. VOLKMER:

—Page 2, line 11, strike "$9,123,499,000" and insert in lieu thereof "$8,941,030,000".

—Page 2, line 19, strike "$6,456,450,000" and insert in lieu thereof "$6,327,321,000".

—Page 3, line 3, strike "$2,015,900,000" and insert in lieu thereof "$1,975,582,000".

—Page 3, line 12, strike "$7,507,195,000" and insert in lieu thereof "$7,357,052,000".

—Page 3, line 12, strike "$541,150,000" and insert in lieu thereof "$530,327,000".

—Page 3, line 20, strike "$541,150,000" and insert in lieu thereof "$530,327,000".

—Page 3, line 20, strike "$541,150,000" and insert in lieu thereof "$530,327,000".

—Page 4, line 3, strike "$225,825,000" and insert in lieu thereof "$221,210,000".

—Page 4, line 11, strike "$82,725,000" and insert in lieu thereof "$81,108,000".

—Page 4, line 19, strike "$185,325,000" and insert in lieu thereof "$181,619,000".

—Page 5, line 2, strike "$782,900,000" and insert in lieu thereof "$767,242,000".

—Page 5, line 9, strike "$255,477,000" and insert in lieu thereof "$250,367,000".

—Page 5, line 19, strike "$10,139,838,000" and insert in lieu thereof, "$9,937,041,000".

—Page 6, line 4, strike "$9,097,422,000" and insert in lieu thereof "$8,915,474,000".

—Page 6, line 15, strike "$11,705,155,000" and insert in lieu thereof "$11,471,051,000".

—Page 7, line 6, strike "$733,475,000" and insert in lieu thereof "$718,805,000".

—Page 7, line 16, strike "$9,243,892,000" and insert in lieu thereof "$9,059,014,000".

—Page 7, line 24, strike "$3,034,350,000" and insert in lieu thereof "$2,973,663,000".

—Page 8, line 18, strike "$416,900,000" and insert in lieu thereof "$408,562,000".

—Page 9, line 3, strike "$386,500,000" and insert in lieu thereof "$378,770,000".

—Page 9, line 14, strike "$19,900,000" and insert in lieu thereof "$19,502,000".

—Page 9, line 24, strike $386,500,000" and insert in lieu thereof "$378,770,000".

—Page 10, line 15, strike "$789,700,000" and insert in lieu thereof "$773,906,000".

—Page 11, line 11, strike "$932,700,000" and insert in lieu thereof "$914,046,000".

—Page 11, line 21, strike "$365,000" and insert in lieu thereof "$358,000".

—Page 12, line 13, strike "$87,500,000" and insert in lieu thereof "$85,750,000".

—Page 12, line 19, strike "$2,500,000" and insert in lieu thereof "$2,450,000".

—Page 12, line 22, strike "$1,648,000" and insert in lieu thereof "$1,615,000".

—Page 13, line 13, strike "$500,000,000" and insert in lieu thereof "$490,000,000".

—Page 14, line 24, strike "$916,708,000" and insert in lieu thereof "$898,373,000".

—Page 15, line 17, strike "$757,900,000" and insert in lieu thereof "$742,742,000".

—Page 16, line 11, strike "$1,555,200,000" and insert in lieu thereof "$1,524,096,000".

—Page 17, line 4, strike "$1,071,456,000" and insert in lieu thereof "$1,050,027,000".

—Page 18, line 5, strike "$1,591,000,000" and insert in lieu thereof "$1,559,000,000".

—Page 18, line 20, strike "$4,504,000,000" and insert in lieu thereof "$4,413,000,000".

—Page 19, line 8, strike "$1,983,800,000" and insert in lieu thereof "$1,944,124,000".

—Page 19, line 23, strike "$274,800,000" and insert in lieu thereof "$269,304,000".

—Page 19, line 24, strike "$351,900,000" and insert in lieu thereof "$344,862,000".

—Page 19, line 25, strike "$32,200,000" and insert in lieu thereof "$31,556,000".

—Page 20, line 2, strike "$128,000,000" and insert in lieu thereof "$125,000,000".

—Page 20, line 3, strike "$2,129,600,000" and insert in lieu thereof "$2,087,008,000".

—Page 20, line 4, strike "$1,493,000,000" and insert in lieu thereof "$1,463,000,000".

—Page 20, line 5, strike "$318,000,000" and insert in lieu thereof "$311,640,000".

—Page 20, line 6, strike "$191,000,000" and insert in lieu thereof "$187,000,000".

—Page 20, line 8, strike "$769,400,000" and insert in lieu thereof "$754,012,000".

—On page 58, after line 15, add a new section to read as follows:

SEC. 863. Of the total budget authority in this Act, for payments not required by law, two percentum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in the Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five percentum.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of July 28, 1978 (page 23204).

H.R. 12296. April 24, 1978. Judiciary. Requires any Federal agency, in promulgating any regulation pursuant to the Administrative Procedure Act, to publish its findings regarding whether such regulation should set lesser standards for compliance for individuals and small business and small organizations or whether such small entities or individuals should be exempt from such regulation. Requires such promulgating agency to obtain the comments of the Small Business Administration with respect to the impact of such regulation on such individuals and small entities.

Requires that such exemptions or lesser standards be incorporated in the proposed regulation where appropriate.

H.R. 12297. April 24, 1978. Education and Labor. Adds integrated pest control management services, including services for producers of agricultural commodities, to the types of projects to be performed by the Young Adult Conservation Corps under the Comprehensive Employment and Training Act of 1973 (CETA).

Includes integrated pest management services among the projects for which the Secretary of Labor is authorized to provide financial assistance under CETA youth employment and training provisions.

H.R. 12298. April 24, 1978. Ways and Means. Amends Title XVIII part A (Hospital Insurance Benefits for the Aged and Disabled) of the Social Security Act and repeals provisions of the Internal Revenue Code imposing a tax on employment and self employment income. Provides for the financing of the hospital insurance program from general revenues.

Repeals the increases in the contribution and benefits base enacted by the Social Security Amendments of 1977.

H.R. 12299. April 24, 1978. Education and Labor. Establishes an Office on Domestic Violence. Requires the Administrator of such Office to: (1) maintain a national clearinghouse on domestic violence; and (2) develop a national media campaign concerning domestic violence.

Requires the Federal Council on Domestic Violence, established by this Act, to make grants for programs designed to prevent domestic violence and to aid victims of domestic violence.

H.R. 12300. April 24, 1978. Merchant Marine and fiisheries. Amends the Fishery Conservation and Management Act of 1976 to: (1) include the Northern Mariana Islands within the definition of "State"; (2) include the Northern Mariana Islands in the Western Pacific Council; and (3) increase the number of voting members on the Council.

H.R. 12301. April 24, 1978. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to design and construct on an expedited basis certain flood control facilities on portions of the Big Sandy River in Kentucky and West Virginia.

H.R. 12302. April 24, 1978. Public Works and Transportation. Amends the Local Public Works Capital Development and Investment Act of 1976 to increase the amount authorized to be appropriated to carry out such act to $10 million.

H.R. 12303. April 24, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend for 2 fiscal years, through fiscal year 1980, the program of financial assistance for nurse training.

Authorizes the Secretary of Health, Education, and Welfare to make grants to cover the costs of traineeships for the training of licensed registered nurses to be nurse anesthetists.

Requires the Secretary to arrange for a study to determine the need to continue a specific program of Federal financial support for nursing education.

Authorizes the Secretary to increase the limits on Federal loan insurance and insured loans to students enrolled in specified health professions schools.

H.R. 12304. April 24, 1978. Ways and Means. Amends the Internal Revenue Code to allow certain small businesses to compute taxable income under the cash method and without regard to inventories. Increases the corporate surtax exemption and reduces the corporate tax rates. Provides for limited recognition of the gain from the sale or exchange of a sole proprietorship prior to the age of 55, and nonrecognition after age 55. Allows the rapid amortization of expenses of a businesss for property acquired to put the business in compliance with Federal law and which does not have any economic usefulness to the business.

H.R. 12305. April 24, 1978. Post Office and Civil Service. Increases the amount of regular group life insurance to which Federal employees are entitled to up to twice the annual salary of such employee. Decreases the contribution of such employee for such insurance. Permits the continuation of regular and optional life insurance during the retirement of any Federal employee who has been insured by such insurance for a period of five years immediately preceding such person's date of retirement.

Authorizes the provision of additional optional life insurance on the life of such employee and on the lives of such employee's family members.

H.R. 12306. April 24, 1978. Ways and Means. Amends the Internal Revenue Code to direct the Secretary of the Treasury to issue regulations corresponding to the principles set forth in a certain private letter ruling relating to the exclusion from gross income of amounts deferred by participants in public deferred compensation plans.

H.R. 12307. April 24, 1978. Public Works and Transportation. Directs the Secretary of the Army, acting through the Chief of En-

gineers, to undertake Federal maintenance of the Conn Brown Harbor Annex, Texas.

H.R. 12308. April 24, 1978. Public Works and Transportation. Directs the cost of construction and maintenance of the channel to divert the Colorado River, Texas, which flows into Matagorda Bay, to be entirely at Federal expense.

H.R. 12309. April 24, 1978. Agriculture. Amends the Packers and Stockyards Act of 1921 to restrict the authority of the Secretary of Agriculture to determine the justness or reasonableness of any stockyard service rate or charge, to only those rates or charges for services at stockyards which have a certain minimum annual sales volume.

H.R. 12310. April 24, 1978. Agriculture. Amends the Agricultural Act of 1949 to change the formula for the nonrecourse loan level for cotton. Sets a minimum loan level for the 1978 crop of cotton, and increases the minimum established price for the 1978 through 1981 crops.

H.R. 12311. April 24, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act and the Internal Revenue Code to reduce tax rates on employment and self-employment income below the level established by the Social Security Amendments of 1977, to increase Federal participation in the funding of benefits under such Title and under the Medicare program, and to raise to $100,000 in 1980 the ceiling on the amount of income that is subject to the tax.

H.R. 12312. April 24, 1978. Education and Labor; Ways and Means. Amends the Employee Retirement Income Security Act to revise the definition of church plan. Deems as a church plan any plan established and maintained by an organization whose principal purpose is the administration of retirement benefit and welfare programs for church employees. Deems as a church employee any employee of a tax-exempt organization which is associated with or controlled by a church or convention of churches.

Sets forth guidelines relative to treatment of church plans which presently fail to conform with the requirements of this Act.

H.R. 12313. April 24, 1978. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to provide grants to States to reimburse them for a study to assess the cost of assuring accessibility to handicapped individuals in federally assisted education programs.

Authorizes the Secretary to make grants to educational institutions to pay the Federal share of the cost of removing architectural barriers.

Establishes criteria for such grant programs.

H.R. 12314. April 24, 1978. Ways and Means. Amends the Trade Act of 1974 (with respect to the authority of the President to negotiate trade agreements) to direct the President to reserve any article for which an agreement limiting agricultural imports has been entered into, from negotiations to reduce or eliminate customs duties or import restrictions.

H.R. 12315. April 24, 1978. Ways and Means. Amends part D (Child Support and Establishment of Paternity) of Title IV of the Social Security Act to extend the period in which States may receive payments for child support collection and paternity determination services. Establishes computerized information retrieval systems to assist in the administration of programs under parts A (Aid to Families with Dependent Children) and D of Title IV.

Increases the limit on Federal funding for programs under the AFDC program of Title IV and for social services under Title XX (Grants to States for Services).

Establishes work training programs under the AFDC program.

H.R. 12316. April 24, 1978. Banking, Finance and Urban Affairs. Authorizes the appropriation of specified funds for the National Center for productivity and Quality of Working Life for fiscal year 1979.

H.R. 12317. April 24, 1978. Agriculture. Directs the Secretary of Agriculture to convey specified lands to the Holmes County School District, in Holmes County, Mississippi.

H.R. 12318. April 24, 1978. House Administration. Establishes in the Smithsonian Institution the Thomas A. Edison Centennial Commission to initiate and encourage the development of publications, projects, and programs, and to coordinate activities relating to the life and achievements of Thomas A. Edison.

Authorizes the State University of New Jersey to apply to the Commission for grants to assist specified State and Federal agencies in the compilation and publication of "The Papers of Thomas A. Edison."

H.R. 12319. April 24, 1978. Rules. Amends the Congressional Budget Act of 1974 to establish a two-year cycle for the congressional budget process. Requires each standing committee of Congress to review the laws and programs under its jurisdiction every other year, and to consider the desirability of new legislation in such areas. Requires separate consideration for authorizing legislation, budget resolutions, and appropriation bills.

H.R. 12320. April 24, 1978. Public Works and Transportation. Amends the Water Resources Development Act of 1974 to increase the appropriations limitation on repair of a dam on the Big Sandy River, Kentucky and West Virginia.

H.R. 12321. April 24, 1978. Ways and Means. Amends the Internal Revenue Code to reduce, according to specified formula, the foreign tax credit allowed to United States citizens and corporations if such citizens or corporations violate a fair employment principle governing the employment of employees in the Republic of South Africa.

Establishes a Commission on American Employment Practices in South Africa to monitor compliance with such fair employment principles.

H.R. 12322. April 24, 1978. Agriculture. Amends the Rural Electrification Act of 1936 to redefine "telephone service" as any telecommunication service for the transmission of voice, data, sounds, signals, pictures, writing, or signs of any kind by wire, radio, light, or other electromagnetic systems, including (1) all lines, facilities, or systems used in rendition of such service and (2) community antenna and cable television facilities. Excludes from "telephone service" message telegram service, or radio broadcasting services or facilities.

H.R. 12323. April 24, 1978. Ways and Means. Amends the Internal Revenue Code to: (1) reduce corporate tax rates; (2) repeal the investment tax credit; (3) disallow exclusions from gross income for interest earned on government securities and for amounts used for shipping industry construction; (4) disallow deductions for certain depreciation expenses, for intangible drilling costs of oil and gas wells, and for certain income of Domestic International Sales Corporations (DISC) and Western Hemisphere Trade Corporations; (5) repeal percentage depletion allowances and special capital gains treatment for certain mining production activities; and (6) establish a tax credit for contributions to employee stock ownership plans.

H.R. 12324. April 24, 1978. Interior and Insular Affairs; Interstate and Foreign Commerce; Science and Technology; Rules. Amends the Atomic Energy Act of 1954 to provide that any contract entered into by the Department of Energy for the producing or enriching of special nuclear fuel shall provide that no change in price for uranium enrichment services shall permit the recovery of revenues greater than the sum of Government costs and normal and ordinary business expenses.

Revises the procedure for giving Congress notification of any change in enrichment services prices under this Act.

H.R. 12325. April 24, 1978. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 12326. April 25, 1978. Interstate and Foreign Commerce. Amends the Developmental Disabilities Services and Construction Act to rename such Act the Developmental Disabilities Act.

Replaces the National Advisory Council on Services and Faculties for Developmentally Disabled with the National Advisory Council on Services, Facilities, and rights of the Developmentally Disabled.

Extends grant authorizations to fiscal 1981 for: (1) State allotments; (2) special projects; and (3) university affiliated programs.

H.R 12327. April 25, 1978. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay a monthly pension of $150 to each veteran of World War I who meets specified service requirements, or to the surviving spouse (who meets specified requirements), or when there is no surviving spouse, to the child or children (who meet specified requirements).

H.R. 12328. April 25, 1978. Interior and Insular Affairs. Amends the National Trials System Act by requiring the Secretary of the Interior to study the feasibility of designating the Overmountain Men Victory Trail in the States of Tennessee, North Carolina, and South Carolina, and as a national scenic trail.

H.R. 12329. April 25, 1978. Ways and Means. Amends the Internal Revenue Code to create the World Peace Tax Fund and a Board of Trustees to administer the Fund and to make grants for research and other projects aimed at achieving world peace.

Permits persons conscientiously opposed to participation in war to designate his or her income, gift, or estate taxes to be paid into the Fund.

H.R. 12330. April 25, 1978. District of Columbia. Amends the District of Columbia Code to restrict the possession and carrying of pistols, other firearms, and other dangerous weapons by members of the District of Columbia Department of Corrections to periods of time when they are on duty and authorized by the Director of the District of Columbia Department of Corrections.

H.R. 12331. April 25, 1978. Public Works and Transportation; Education and Labor. Amends the Public Buildings Act of 1959 to direct the Administrator of General Services to develop plans for the restoration of the Pension Building in the District of Columbia to house the Museum of Building Arts.

Sets forth the duties of the Museum including the development of educational programs, the support of research, the presentation of exhibitions, and the establishment of an information center and a Document Center.

H.R. 12332. April 25, 1978. Science and Technology. Authorizes the Secretary of Health, Education, and Welfare to make grants for research and development of new methods of research, experimentation, and testing which minimize the use of, and the pain inflicted upon, live animals.

H.R. 12333. April 25, 1978. Judiciary. Amends the Administrative Procedure Act to require that specified agency decisions which have been exempt from the Act may no longer be made without first holding a public hearing thereon pursuant to such Act. Extends the amount of public notice required for and grants a right to make an oral presentation at such hearings.

Requires warrants for administrative inspections or seizure of property by Federal

officials. Permits judicial review of administrative decisions before administrative remedies are exhausted.

H.R. 12334. April 25, 1978. Agriculture. Amends the Food and Agriculture Act of 1977 to authorize the Secretary of Agriculture, whenever a set-aside is in effect for one or more of the 1978 through 1981 crops of wheat, feed grains, upland cotton, and rice, to increase the established price for any such commodity by such amount as the Secretary determines appropriate to compensate producers for participation in any such set-aside.

H.R. 12335. April 25, 1978. Ways and Means. Amends the Internal Revenue Code to prohibit sponsors of collectively bargained multiemployer pension plans, who terminate such plans for reasons other than financial inability to continue contributions to such plans, from qualifying a similar plan for tax-exempt status within five years of the termination of the original plan.

Amends the Employee Retirement Income Security Act of 1974 to relate the maximum termination insurance benefit guaranteed by the Pension Benefit Guaranty Corporation to the social security wage base in effect in 1978.

H.R. 12336. April 25, 1978. Agriculture. Amends the Agricultural Act of 1949 to increase the established price for the 1978 crop of wheat.

H.R. 12337. April 25, 1978. Ways and Means. Amends the Internal Revenue Code to allow active participants in a retirement plan an income tax deduction for contributions to an individual retirement account in taxable years prior to the individual's rights under the retirement plan.

H.R. 12338. April 25, 1978. Ways and Means. Amends the Internal Revenue Code to qualify buildings used in connection with, or in the trade or business of, farming for the investment tax credit. Treats any gain realized by the sale of such farm building as ordinary income rather than as capital gain.

H.R. 12339. April 25, 1978. Ways and Means. Amends the Internal Revenue Code to allow public utilities to exclude from gross income, as contributions to capital, all amounts received in aid of construction of electric energy, steam, or gas facilities.

H.R. 12340. April 25, 1978. Banking, Finance and Urban Affairs. Authorizes a certain nonprofit corporation to have medals struck in commemoration of the XIII Olympic Winter Games to be held in Lake Placid, New York in 1980.

H.R. 12341. April 25, 1978. Post Office and Civil Service. Prohibits the mailing of any business solicitation which resembles a bill or statement of account.

H.R. 12342. April 25, 1978. Public Works and Transportation. Authorizes the appropriation of an additional $10,000,000 for the Library of Congress James Madison Memorial Building.

H.R. 12343. April 25, 1978. Education and Labor. Repeals the School Lunch Act and the Child Nutrition Act of 1966 and combines the school lunch and breakfast programs into a single school food service program. Extends the existing child care food, summer food service, food service equipment assistance, and special supplemental food programs.

H.R. 12344. April 25, 1978. Interior and Insular Affairs. Modifies the southern boundary of the Salt River Maricopa Indian Reservation, Arizona.

H.R. 12345. April 25, 1978. Rules. Amends the Congressional Budget Act of 1974 to: (1) require that the contents of the first concurrent resolution of the budget be separated into two titles; and (2) prescribe a two-step process for the consideration of amendments to such resolution.

H.R. 12346. April 25, 1978. Ways and Means. Amends the Internal Revenue Code to authorize any taxpayer to elect to have any portion of any overpayment of tax or any contribution in money which the taxpayer forwards with the return for such taxable year be available, as the taxpayer may designate on such return, for the National Endowment for the Arts or the National Endowment for the Humanities.

H.R. 12347. April 25, 1978. Interstate and Foreign Commerce. Extends authorizations of appropriations under the Public Health Service Act: (1) for the prevention of heart, lung, and blood disease programs; (2) for cancer prevention programs; (3) for National Research Services Awards; and (4) for assistance to medical libraries.

Requires the Director of the National Cancer Institute to establish and support programs for the diagnosis, prevention, and treatment of cancer and for rehabilitation and counseling respecting cancer.

Establishes the President's Cancer Panel.

Transfers authority from the Surgeon General to the Secretary of Health, Education, and Welfare to conduct research on the physical and mental impairments of man.

H.R. 12348. April 25, 1978. Interstate and Foreign Commerce. Amends the Drug Abuse Office and Treatment Act of 1972: (1) to extend the authorization of appropriations through fiscal year 1979; and (2) to require the Secretary of Health, Education, and Welfare to annually report to the President and Congress on the extent of drug abuse in the United States, the effectiveness of the drug abuse prevention functions carried out through any entity of the Department of Health, Education, and Welfare, and proposals for changes in the drug abuse prevention functions carried out through the Department.

Requires States to permit political subdivisions to submit recommendations for State drug abuse prevention programs.

H.R. 12349. April 25, 1978. Interior and Insular Affairs. Designates the DuNoir Basin as a segment of the Washakie Wilderness area of the Shoshone National Forest, Wyoming.

H.R. 12350. April 25, 1978. Armed Services. Authorizes the Secretary of the Army to establish an Army Reserve career interest program for persons between the ages of 14 and 18.

H.R. 12351. April 25, 1978. Interior and Insular Affairs. Amends the Federal Coal Leasing Amendments Act of 1975 to allow the Secretary of the Interior to prescribe the terms and conditions applying to lands added to approved coal lands leases.

H.R. 12352. April 25, 1978. Ways and Means. Amends the Internal Revenue Code to provide that income earned from the use of certain railroad rolling stock shall be treated as income from sources within the United States for purposes of assessing income tax liability. Disallows tax credits for any payments made to foreign countries for the use of railroad rolling stock.

H.R. 12353. April 25, 1978. Veterans' Affairs. Extends the authority to make veterans readjustment appointments of Vietnam era veterans to the Federal Government through September 30, 1980. Abolishes the time limitation on eligibility for such appointments for veterans eligible on April 9, 1970, or who were separated from the armed services on or after such date. Raises the maximum level for such appointments from GS–5 to GS–7.

Provides that any disabled veteran shall be eligible for such appointment without regard to certain existing limitations on the amount of education a veteran may have to be eligible for such an appointment.

H.R. 12354. April 25, 1978. Veterans' Affairs. Extends the authority to make veterans readjustment appointments of Vietnam era veterans to the Federal Government through September 30, 1980. Abolishes the time limitation on eligibility for such appointments for veterans eligible on April 9, 1970, or who were separated from the armed services on or after such date. Raises the maximum level for such appointments from GS–5 to GS–7.

Provides that any disabled veteran shall be eligible for such appointment without regard to certain existing limitations on the amount of education a veteran may have to be eligible for such an appointment.

H.R. 12355. April 25, 1978. Interior and Insular Affairs. Authorizes the appropriation of a specified sum for the Nuclear Regulatory Commission for fiscal year 1979. Allocates the amount authorized to named programs of the Commission.

Amends the Atomic Energy Act of 1953 to require any person proposing to enter into an arrangement with the Commission for the conduct of research, development, evaluation activities, or for technical and management support services to furnish such information to the Commission as will allow a determination as to the existence or absence of a conflict-of-interest.

H.R. 12356. April 25, 1978. Interior and Insular Affairs. Amends the Surface Mining Control and Reclamation Act of 1977 to increase the 1979 fiscal year authorization concerning: initial regulatory procedures over surface coal mining operations; the program for mining and reclamation projects on Federal lands; and the study of regulation of surface mining on Indian lands.

Amends such Act to increase by specified amounts for fiscal years 1979 and 1980 the sums authorized to be appropriated for State and Federal regulatory authority payments of expenses incurred by small coal surface mining operators in meeting application requirements regarding the determination of certain environmental studies.

H.R. 12357. April 25, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from the coverage of the Federal Unemployment Tax Act agricultural hand-harvest labor performed by full-time students under the age of 16 years, which is remunerated solely on a piece rate basis.

H.R. 12358. April 25, 1978. Interstate and Foreign Commerce. Amends the Public Health Act to authorize the Secretary of Health, Education, and Welfare to make a grant to develop standards for the accreditation of organizations providing hospice care.

Authorizes the Secretary to study and demonstrate: (1) methods for the provisions of hospice care; (2) methods for financing hospice care; and (3) the costs and benefits of hospice care.

Defines "hospice care" as such home care, outpatient services, and backup inpatient services as may be required for terminally ill patients and such support services as such patients' family members may require as a result of such patients' illnesses.

H.R. 12359. April 25, 1978. Banking, Finance and Urban Affairs. Prohibits the Secretary of Housing and Urban Development from approving any application for rental increases in federally assisted housing unless the amount of such increase is permitted under State and local law.

H.R. 12360. April 25, 1978. Interstate and Foreign Commerce. Makes ionization smoke detectors containing any radioactive isotope banned hazardous substances subject to the prohibitions of the Federal Hazardous Substances Act.

H.R. 12361. April 25, 1978. Interstate and Foreign Commerce. Directs the Consumer Product Safety Commission to (1) carry out a study of the different types of surfacing materials used in playgrounds and determine the relationships between such materials and the occurrence of accidents and injuries at such facilities; and (2) promulgate advisory safety standards for playground equipment.

Requires playground equipment in fed-

erally assisted playgrounds to comply with such standards.

H.R. 12362. April 25, 1978. Merchant Marine and Fisheries. Establishes in the executive branch the National Zoological Foundation consisting of a National Zoological Board and a Director. Directs the Foundation to award scholarships for the training of staff members for zoos and aquariums, initiate and support research to improve the welfare of animals in zoos and aquariums, establish accreditation standards for zoos and aquariums, and to make specified project and program grants. Authorizes the Foundation to initiate and support appropriate research at academic and other nonprofit institutions.

H.R. 12363. April 25, 1978. Ways and Means. Defines "public provider" for purposes of reimbursement to nonprofit rehabilitation clinics which provide medical services to aged and disabled individuals covered by the Supplementary Medical Insurance program of Title XVIII (Medicare) of the Social Security Act.

H.R. 12364. April 25, 1978. Interior and Insular Affairs. Establishes the Guam National Seashore to conserve and protect outstanding natural, scenic, and cultural values on the island of Guam. Authorizes the Secretary of the Interior to acquire lands within the boundaries of such seashore.

H.R. 12365. April 25, 1978. Interior and Insular Affairs. Establishes the War in the Pacific National Historic Park in Guam. Directs the Secretary of the Interior to administer the park. Sets forth procedures for the acquisition of lands within the Park.

H.R. 12366. April 25, 1978. Interior and Insular Affairs. Transfers the Mar-A-Lago National Historic Site from the United States to the Marjorie Merriweather Post Foundation of the District of Columbia.

H.R. 12367. April 25, 1978. Judiciary. Amends the Immigration and Nationality Act to authorize the seizure and forfeiture of vessels, vehicles, and aircraft used to illegally transport aliens into the United States.

Sets forth exceptions to such authority, including a vessel, vehicle, or aircraft used as a common carrier unless the owner or other person in charge was at the time of the alleged illegal act a consenting party or privy thereto.

Provides for such seizure without a warrant if incident to an arrest, or if the Attorney General has probable cause to believe such illegal transport occurred.

H.R. 12368. April 25, 1978. Ways and Means. Increases the rate of tax on wages and self-employment income under the Internal Revenue Code.

Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to permit the making of loans among the Trust Funds under such Title.

Amends such Title to: (1) include Federal employees within the coverage of such Title; (2) establish a working spouse's benefit; (3) eliminate gender-based distinctions in awarding benefits; and (4) increase the amount which an individual may earn without a reduction in benefits.

H.R. 12369. April 25, 1978. Education and Labor. Amends the Farm Labor Contractor Registration Act of 1963 to exclude individuals who are employed in the detasseling of hybrid seed corn and whose permanent domicile is located less than 50 miles from their place of employment from the definition of migrant worker for purposes of such Act.

H.R. 12370. April 25, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend authorization of appropriations through 1979 for grants to States for comprehensive State health planning. Extends authorization of appropriations through fiscal year 1981 for: (1) specified disease control programs; (2) specified family planning services and programs; (3) genetic disease programs; (4) sudden infant death syndrome programs; (5) hemophilia programs; (6) home health services; and (7) lead-based paint poisoning prevention programs.

Authorizes the Secretary of Health, Education, and Welfare to make grants for hypertension programs and lead-based paint poisoning prevention programs.

Requires the Secretary to establish a Select Panel for the Promotion of Child Health.

H.R. 12371. April 25, 1978. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to eliminate the testing of new human drugs and new animal drugs for effectiveness. Establishes drug advisory committees to review new human drug and new animal drug applications promptly. Requires assistance to small businesses engaged in drug manufacture to insure their compliance with such Act.

H.R. 12372. April 25, 1978. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax deduction of up to $2,500 annually and $10,000 in a lifetime for contributions to an individual housing account. Makes such accounts tax exempt and allows distributions from such an account to be tax free if such distributions are used exclusively for the purchase of a principal residence for the distributee.

H.R. 12373. April 25, 1978. Agriculture. Establishes within the Department of Agriculture a Task Force on Beef-Grading Standards, which shall make determinations and recommendations with respect to establishing new beef-grading standards to replace existing standards.

Directs the Secretary of Agriculture to establish new beef-grading standards within three months after receiving the Task Force's recommendations.

H.R. 12374. April 25, 1978. Judiciary. Declares a certain individual retroactively lawfully admitted to the United States for permanent residence, as of the date of such individual's entry, under the Immigration and Nationality Act.

H.R. 12375. April 25, 1978. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 12376. April 25, 1978. Judiciary. Directs the Secretary of the Treasury to pay such sums as may be necessary to a certain individual in full settlement of such individual's claims against the United States.

H.R. 12377. April 26, 1978. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to revise the method of computation of annuities for certain retired employees and their surviving spouses.

H.R. 12378. April 26, 1978. Interstate and Foreign Commerce; Ways and Means. Permits payment of charges, under certain conditions, for services of a physician without regard to the fee profile requirement under the Supplementary Medical Insurance program of Title XVIII (Medicare) of the Social Security Act.

H.R. 12379. April 26, 1978. Interior and Insular Affairs. Authorizes the Secretary of the Interior to provide grants to local governments and urban and insular areas for the rehabilitation and development of recreation areas and facilities.

H.R. 12380. April 26, 1978. Ways and Means. Amends the Federal-State Extended Unemployment Compensation Act of 1970 to allow a State to limit the time within which special unemployment benefits under such Act must be collected by an individual to a three-year period. Requires such a restriction after January 1, 1981.

H.R. 12381. April 26, 1978. Public Works and Transportation. Names a specified building in Jackson, Mississippi, as the "James O. Eastland Federal Building."

H.R. 12382. April 26, 1978. Ways and Means. Amends the Internal Revenue Code to: (1) remove the adjusted gross income limitation on the credit for the elderly; (2) increase the amount of the credit; and (3) provide an annual cost-of-living adjustment for the credit.

H.R. 12383. April 26, 1978. Armed Services. Authorizes the Secretary of the Army to convey specified lands to the Alabama Space Science Exhibit Commission for use as a permanent site for the Alabama Space Science Exhibit.

H.R. 12384. April 26, 1978. Education and Labor. Amends the Higher Education Act of 1965 to authorize the Commissioner of Education to establish a system of undergraduate tuition advances to be repaid as an income tax imposed by the Internal Revenue Code of 1954.

Establishes a trust fund in the United States Treasury for such tuition advance program.

H.R. 12385. April 26, 1978. Ways and Means. Amends the Internal Revenue Code to provide cost-of-living adjustments for the individual income tax rates and withholding tables.

H.R. 12386. April 26, 1978. Ways and Means. Amends the Internal Revenue Code to provide cost-of-living adjustments for the individual income tax rates and withholding tables.

H.R. 12387. April 26, 1978. Veterans' Affairs. Eliminates the requirement that States have a program of matching the Federal amounts of veterans' accelerated educational assistance payments in order for a veteran to be eligible for such accelerated payments.

Increases the rate at which such accelerated assistance payments may be paid per school term.

H.R. 12388. April 26, 1978. Agriculture. Directs the Secretary of Agriculture, acting through the Agricultural Stabilization and Conservation Service and the Commodity Credit Corporation, to make incentive payments to any qualified dairyman with respect to: (1) any dairy cow which such person markets and delivers for slaughter; and (2) any bred dairy heifer or dairy cow exported.

H.R. 12389. April 26, 1978. Judiciary. Permits felons to qualify for Federal jury service upon restoration of civil rights through any means.

Defines "publicly draw," for the purpose of provisions specifying procedures for selection of prospective jurors, to include drawings made by means of electronic data processing. Provides Federal employees disability and death benefits coverage to Federal jurors.

Revises Federal juror fees and allowances to, among other changes: (1) increase per diem pay, and (2) replace set statutory travel and subsistence allowances with standards promulgated by the Director or the Administrative Office of the United States Courts.

Requires employers to preserve employment rights of employees serving Federal jury duty.

H.R. 12390. April 26, 1978. Judiciary. Authorizes the Attorney General to: (1) institute a civil suit for or in the name of the United States whenever there is reasonable cause to believe that a person confined in a State correctional health facility is being deprived of Federal constitutional or statutory rights; and (2) intervene in a case for deprivation of Federal rights brought on behalf of a person so confined.

Prohibits a person involuntarily confined in a State institution from bringing a Federal action under a certain Civil Rights Act unless State administrative remedies which meet certain minimum standards as developed by the Attorney General have been exhausted.

H.R. 12391. April 26, 1978. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 12392. April 26, 1978. Armed Services. Establishes a Department of Defense Military Retirement and Disability Fund to be administered by the Secretary of Defense. Stipulates that such Fund shall be used to make payments of military retirement pay, retainer pay for personnel of the Inactive Reserve Fleet, and payments to survivors of military personnel.

H.R. 12393. April 26, 1978. Judiciary. Amends the False Claims Act to authorize nationwide service of subpoenas requiring the attendance of witnesses in suits under such Act.

H.R. 12394. April 26, 1978. Judiciary. Authorizes, when justice so requires, Federal payment of specified travel expenses and allowances of persons released from custody pending an appearance to face criminal charges before another Federal court.

H.R. 12395. April 26, 1978. Ways and Means. Amends the Internal Revenue to promote the survival of independent newspapers by providing for the establishment of tax exempt trusts for paying estate taxes on such papers, and by postponing the payment of estate taxes on such papers.

H.R. 12396. April 26, 1978. Ways and Means. Amends the Internal Revenue to promote the survival of independent newspapers by providing for the establishment of tax exempt trusts for paying estate taxes on such papers, and by postponing the payment of estate taxes on such papers.

H.R. 12397. April 26, 1978. Ways and Means. Amends the Internal Revenue to promote the survival of independent newspapers by providing for the establishment of tax exempt trusts for paying estate taxes on such papers, and by postponing the payment of estate taxes on such papers.

H.R. 12398. April 26, 1978. Interior and Insular Affairs. Corrects the map of the Hells Canyon National Recreation Area to specify that the boundary between Saulsberry and Freezeout Saddles is the hydrologic divide.

H.R. 12399. April 26, 1978. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax deduction of up to $2,500 annually and $10,000 in a lifetime for contributions to an individual housing account. Makes such accounts tax exempt and allows distributions from such an account to be tax free if such distributions are used exclusively for the purchase of a principal residence for the distributee.

H.R. 12400. April 26, 1978. Education and Labor; Interstate and Foreign Commerce; Judiciary; Ways and Means. Amends the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy.

Amends the Internal Revenue Code of 1954 to allow income tax deductions for adoption expenses.

Prohibits the sale of children in interstate or foreign commerce.

Amends the Public Health Services Act to establish grant programs for (1) pregnant adolescents; (2) providing States with matching funds for adoption and related services; (3) family planning; (4) personnel training; (5) human reproduction research; and (6) community information and education. Establishes the Committee on Uniform Adoption Regulations and the National Office of Adoption Information and Services.

H.R. 12401. April 26, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to require the Secretary of Health, Education, and Welfare to have the national guidelines for health planning reflect the unique circumstances and needs of the medically underserved populations including isolated rural communities.

Requires that members of the Statewide Health Coordinating Council who are consumers of health or mental health care and who are not providers of health or mental health care must include individuals who are members of rural and urban underserved populations, if such populations exist in the State.

H.R. 12402. April 26, 1978. Judiciary. Amends the Federal Torts Claims Act to increase from $25,000 to $50,000 the amount of a claim for damages against the United States for injury or loss of property or personal injury caused by an employee of a Federal agency which may be settled by the agency without the written approval of the Attorney General.

H.R. 12403. April 26, 1978. Ways and Means. Amends Titles II (Old-Age, Survivors, and Disability Insurance) and XVIII (Medicare) of the Social Security Act and the Internal Revenue Code to finance the payment of disability benefits and hospital insurance disability benefits through general tax revenues, rather than through employment and self-employment tax revenues.

Reduces employment and self-employment tax rates below the rates established by the Social Security Financing Amendments of 1977.

H.R. 12404. April 26, 1978. Veterans' Affairs. Sets increased flat rates for veterans' non-service-connected disability pension, aid-and-attendance allowance, and survivors' benefits. Revises the list of specified categories of payments excluded from the determination of annual income for benefit payment purposes. Requires pension applicants to report the income of each spouse and child on account of whom added pension is applied for or received.

H.R. 12405. April 26, 1978. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 12406. April 26, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Administrator of the Environmental Protection Agency to make grants to small public water systems for the purpose of enabling such systems to meet national primary drinking regulations.

H.R. 12407. April 26, 1978. Judiciary Directs that specified service be included in computing a certain individual's length of service in the United States Coast Guard.

H.R. 12408. April 26, 1978. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 12409. April 26, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12410. April 26, 1978. Judiciary. Declares a certain individual to have satisfied residence and physical presence requirements for naturalization, under the Immigration and Nationality Act.

H.R. 12411. April 27, 1978. Agriculture. Amends the Food and Agriculture Act, with respect to the payment limitation per person for cotton, feed grain, rice, and wheat programs, to state that any two individuals who are married to each other shall be considered as separate persons if each, either separately or jointly: (1) has acquired land by means independent of the spouse; and (2) is currently operating such land for agricultural purposes with funds or other assets acquired independently of the spouse.

H.R. 12412. April 27, 1978. Veterans' Affairs. Makes any veteran with a permanent and total service-connected disability who is subject to loss of muscular control or seizures as a result of a service-connected nervous disorder eligible for specially adapted housing assistance.

H.R. 12413. April 27, 1978. Interior and Insular Affairs; Interstate and Foreign Commerce; Rules. Directs the Secretary of Energy to conduct a study of the storage of spent nuclear fuel at temporary fuel storage facilities, and the permanent storage of radioactive waste.

Requires the President to issue a plan with respect to the temporary and permanent storage of such waste.

Permits Congress to reject such plan by the adoption of a concurrent resolution.

H.R. 12414. April 27, 1978. Interstate and Foreign Commerce. Directs that all utility rate schedules which provide for the sale of electric power shall do so at price levels which have been subject to and ordered into effect after prior public notice and full hearing. Prohibits the sale of electric energy except in accordance with rate schedules fixed, approved or allowed to go into effect by a regulatory authority. Prohibits such regulatory authority from instituting a rate schedule without prior public notice and full hearing.

Sets procedures for the adjudication of alleged violations of this Act.

H.R. 12415. April 27, 1978. Appropriations. Appropriates $500,000,000 to the Department of Labor, Employment and Training Administration, to carry out Title VIII of the Comprehensive Employment and Training Act of 1973.

H.R. 12416. April 27, 1978. Ways and Means; Judiciary. Amends the Internal Revenue Code to permit certain individuals to file a petition for a declaratory judgment to determine whether a tax ruling of the Secretary of the Treasury is in accordance with existing law.

H.R. 12417. April 27, 1978. Interior and Insular Affairs. States that the purpose of this Act is to establish the National Reserves System for the protection of outstanding ecological, scenic, historic, cultural, and recreational landscapes through new local-State-Federal partnerships.

Establishes a National Reserve Council whose duties are to regulate such areas designated as National Reserve Planning Areas and to provide licenses, permits, grants, and loans to agencies implementing approved management programs for such a reserve.

Designates Pine Barrens, New Jersey, as a National Reserve Planning Area.

Establishes a National Reserves System Fund.

Makes provisions for review of such reserves and in the event of violations, penalties.

H.R. 12418. April 27, 1978. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to prohibit the television broadcasting of programs portraying nudity, obscenity, or explicit sexual activity.

H.R. 12419. April 27, 1978. Ways and Means. Amends the Trade Act of 1974 (with respect to the authority of the President to negotiate trade agreements) to direct the President to reserve any article for which an agreement limiting agricultural imports has been entered into, from negotiations to reduce or eliminate customs duties or import restrictions.

H.R. 12420. April 27, 1978. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide payment for optometric and medical vision care uder the supplementary medical insurance program.

H.R. 12421. April 27, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from the gross income of an employee amounts paid or expenses incurred by the employer for educational assistance to the employee.

H.R. 12422. April 27, 1978. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire the Walnut Street Theatre, Philadelphia, for inclusion in the Independence Historical Park in that city.

H.R. 12423. April 27, 1978. Interior and Insular Affairs. Establishes as a National Historic Reserve the Central Whidbey Island Historic District, Washington.

H.R. 12424. April 27, 1978. Interstate and Foreign Commerce. Amends Title XIX (Medicaid) of the Social Security Act to permit States to provide home health care and other services to individuals who would otherwise be eligible to receive medical assistance if they were institutionalized.

H.R. 12425. April 27, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase from 22 to 26 the age until which a child's insurance benefits may be paid on the basis of full-time student status, and the age before which a child must have become disabled to qualify for disability benefits.

H.R. 12426. April 27, 1978. Banking, Finance and Urban Affairs; Ways and Means. Authorizes the Secretary of the Treasury to guarantee obligations of the city of New York. Makes interest income received or any obligation so guaranteed taxable under the Internal Revenue Code.

H.R. 12427. April 27, 1978. Ways and Means. Requires that until further Congressional action is taken, the determination of whether an individual is an employee for purposes of social security taxation, unemployment taxation, and income tax withholding shall be made in accordance with audit practices and regulations in effect December 31, 1975.

H.R. 12428. April 27, 1978. Agriculture. Establishes within the Department of Agriculture a National Nutrition Education Council to plan and coordinate the activities of Federal agencies concerning nutrition education and nutrition education research.

Directs the Secretary of Agriculture to conduct demonstration projects pertaining to the dissemination of nutrition information.

H.R. 12429. April 27, 1978. Ways and Means. Amends the Internal Revenue Code to allow a deduction to any business enterprise engaged in the manufacture, importation, distribution, lease, or sale of any product for contributions to its product liability loss reserve account and for amounts paid to a captive insurer (wholly or partially-owned by the taxpayer) for product liability insurance.

H.R. 12430. April 27, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12431. April 27, 1978. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 12432. May 1, 1978. Judiciary. Authorizes the appropriation of such sums as may be necessary to carry out the Civil Rights Act of 1957.

Amends such Act with respect to: (1) the compensation of Civil Rights Commission members, (2) the deadline for a report by the Commission to the Congress on violations of civil rights, (3) the establishment of advisory committees to the Commission, and (4) vacancies on the Commission.

Amends such Act to require the Commission (1) to study age and handicap discrimination, (2) to review related Federal law and policies, and (3) to serve as a clearinghouse for information regarding such discrimination.

H.R. 12433. May 1, 1978. Banking, Finance and Urban Affairs. Extends specified housing assistance programs, the comprehensive planning program and the flood insurance program.

Amends the Housing Act of 1949 to extend specified rural housing programs.

Provides additional assistance to persons receiving aid under the rural housing interest credit program who are unable to afford a dwelling.

Authorizes the Secretary of Housing and Urban Development to enter into contracts with public housing agencies for the establishment of congregate housing projects. Provides for congregate services in existing public housing.

Establishes the National Neighborhood Reinvestment Corporation to continue and expand upon the work of the Urban Reinvestment Task Force.

H.R. 12434. May 1, 1978. Interior and Insular Affairs. Establishes the Channel Islands and Santa Monica Mountains National Park and Seashore in California.

Directs the Secretary of the Interior to undertake specified transportation studies.

Establishes the Channel Islands and Santa Monica Mountains National Park and Seashore Advisory Commission.

H.R. 12435. May 1, 1978. Merchant Marine and Fisheries. Prohibits the import, export possession, transport, or sale of any elephant product. Directs the Secretary of the Interior to administer this Act. Authorizes the Secretary to issue permits for acts herein prohibited for scientific purposes. Establishes civil and criminal penalties for violation of this Act. Establishes rewards for persons providing information regarding violations of this Act. Requires the Secretaries of the Interior, Treasury, and the department in which the Coast Guard is operating to enforce this Act, and to promulgate regulations for such enforcement. Permits citizens suits to enforce this Act.

H.R. 12436. May 1, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act and the Internal Revenue Code to include all Federal employees who begin their employment on or after January 1, 1979, and all Members of Congress and other officers and employees in the Legislative branch of the Government under the Old-Age, Survivors, and Disability Insurance system.

H.R. 12437. May 1, 1978. Veterans' Affairs. Establishes a program of direct loans to veterans for the installation of residential solar energy systems and other energy conserving improvements.

Establishes within the United States Treasury a Veterans Administration Solar Energy Revolving Fund for such loan program.

H.R. 12438. May 1, 1978. Government Operations. Directs that whenever the Consumer Price Index is specifically required or authorized to be used by any Federal officer to make calculations or determinations under any Act of Congress, the Consumer Price Index so utilized shall be the "Consumer Price Index for all-urban consumers."

H.R. 12439. May 1, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that entitlement to wife's insurance benefits, in the case of a wife who has in her care a child of the insured individual entitled to child's insurance benefits based on such individual's wage record, shall continue after her divorce from such individual even though she has not attained age 62, if she continues to have such child in her care.

H.R. 12440. May 1, 1978. Ways and Means. Amends the Internal Revenue Code to require the Internal Revenue Service to pay costs incurred by a taxpayer for professional assistance during a tax audit if the audit does not result in additional tax liability.

H.R. 12441. May 1, 1978. Interstate and Foreign Commerce. Increases the appropriations authorization for carrying out the Toxic Substances Control Act.

H.R. 12442. May 1, 1978. Interstate and Foreign Commerce. Amends the Consumer Products Safety Act to extend the authorization of appropriations contained in such Act.

Authorizes the Consumer Product Safety Commission to develop consumer products safety standards on its own without an invitation to entities outside the Commission if the Commission finds that it is in the public interest to do so. Sets forth guidelines to determine when it is in the public interest to develop standards.

H.R. 12443. May 1, 1978. Judiciary. Amends the Immigration and Nationality Act to eliminate the hemispheric immigration quota system for lawfully admitted aliens, including those born in colonies or other component or dependent areas of a foreign state.

Establishes a Select Commission on Immigration and Refugee Policy to study existing laws and policies governing immigration to the United States and to make appropriate administrative and legislative recommendations to the President and the Congress.

H.R. 12444. May 1, 1978. Banking, Finance and Urban Affairs. Amends the Coinage Act of 1965 to change the size, weight, and design of the one-dollar coin.

H.R. 12445. May 1, 1978. Ways and Means. Amends the Internal Revenue Code to provide that an individual's allowable charitable contributions shall be deducted when determining the individual's adjusted gross income; thereby providing the deduction to individuals who do not itemize.

H.R. 12446. May 1, 1978. Banking, Finance and Urban Affairs. Amends the Housing and Urban Development Act of 1970 to direct the Secretary of Housing and Urban Development to establish and maintain a demonstration project for the purpose of determining the feasibility of having the Government National Mortgage Association provide secondary financing for moderate-income families with mortgages which have graduated rates of amortization.

H.R. 12447. May 1, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act and the Internal Revenue Code to require coverage under such Title for new Federal employees after December 31, 197 and to permit present employees to elect such coverage. Entitles Federal employees who elect such coverage to a transfer of retirement credits to the Old-Age, Survivors, and Disability Insurance program.

H.R. 12448. May 1, 1978. Interstate and Foreign Commerce. Amends the Controlled Substances Act to make phencyclidine (PCP) a Schedule I (most dangerous substances) rather than a Schedule III drug.

Sets forth minimum mandatory prison terms for phencyclidine traffic.

Revises provisions specifying penalties for sale of controlled substances to persons under 21 to (1) repeal the requirement that the seller be at least 18 years old and (2) set forth separate mandatory prison terms for the sale of phencyclidine.

H.R. 12449. May 1, 1978. Interstate and Foreign Commerce. Amends the Controlled Substances Act to make phyencyclidine (PCP) a Schedule I (most dangerous substances) rather than a Schedule III drug.

Sets forth minimum mandatory prison terms for phyencyclidine traffic.

Revises provisions specifying penalties for sale of controlled substances to persons under 21 to (1) repeal the requirement that the seller be at least 18 years old and (2) set forth separate mandatory prison terms for the sale of phyencyclidine.

H.R. 12450. May 1, 1978. Ways and Means. Amends the Internal Revenue Code to revise the social security tax rates established by the Social Security Amendments of 1977.

Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase allocations of employment income and decrease allocations of self-employment income from the Treasury to the Federal Disability Insurance Trust Fund.

Permits the making of loans between the Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund.

H.R. 12451. May 1, 1978. Ways and Means. Directs the Internal Revenue Service, during the years 1976–1979, not to adopt a position which is inconsistent with audit practices and regulations in effect December 31, 1975, in determining whether an individual is an employee for purposes of social security taxation, unemployment taxation, and income tax withholding.

H.R. 12452. May 1, 1978. Education and Labor. Extends the Comprehensive Employment and Training Act of 1973 through fiscal year 1979.

H.R. 12453. May 1, 1978. Education and Labor. Revises generally the Comprehensive Employment and Training Act of 1973.

Includes among the major revisions (1) consolidation of administrative provisions, (2) simplification of comprehensive employment and training plans, (3) restriction of most comprehensive employment and training services programs to the economically disadvantaged, (4) consolidation of specific youth programs and utilization of uniform eligibility requirements, and (5) creation of a program of private sector job initiatives.

H.R. 12454. May 1, 1978. Judiciary. Revises the Federal judicial districts for the State of Illinois.

H.R. 12455. May 1, 1978. Judiciary. Directs the President to promulgate and publish regulations for merit selection of nominees for United States attorney.

Stipulates that the President may waive such procedures and that no nomination may be invalidated for failure to comply with such procedures.

H.R. 12456. May 1, 1978. International Relations. Amends the Foreign Assistance Act of 1961 to require the Secretary of State to transmit to the Congress an annual report on the status of human rights in all foreign countries.

H.R. 12457. May 1, 1978. Banking, Finance and Urban Affairs. Amends the United States Housing Act of 1937 to authorize the Secretary of Housing and Urban Development to make contributions to enable public housing agencies to enter into security arrangements designed to prevent crimes and insure the safety and well-being of tenants.

H.R. 12458. May 1, 1978. Education and Labor. Amends the Older Americans Act of 1965 to, among other things: (1) establish the Office of Affirmative Action and Minority Affairs; (2) establish affirmative action programs to furnish special assistance to older persons who are members of minority groups: (3) to insure advocate services to residents of long-term care facilities; (4) develop educational opportunities for older persons; (5) establish specified nutrition projects for the elderly; (6) authorize the President to call a White House Conference on Aging; and (7) make grants to Indian tribes for older Indians for social and nutritional services.

Amends the Age Discrimination Act of 1965 to prohibit any age discrimination in federally assisted programs.

H.R. 12459. May 1, 1978. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to undertake certain flood control measures on portions of the Big Sandy River, and the Cumberland River, in Kentucky and West Virginia.

H.R. 12460. May 1, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to make specified changes in the services provided by migrant health centers and community health centers.

Sets forth a schedule under which community mental health centers must provide the full range of mental health services required by such centers under the Community Mental Health Centers Act.

Repeals financial distress grants for community mental health centers effective October 1, 1980.

Extends the authorization of appropriations for specified programs under the Public Health Service Act and the Community Mental Health Centers Act.

H.R. 12461. May 1, 1978. Ways and Means. Amends the Trade Act of 1974 (with respect to the authority of the President to negotiate trade agreements) to direct the President to reserve any article for which an agreement limiting agricultural imports has been entered into, from negotiations to reduce or eliminate customs duties or import restrictions.

H.R. 12462. May 1, 1978. Post Office and Civil Service. Requires that Federal employees be given compensatory time off to conform to religious requirements of abstention from work during certain periods of time.

H.R. 12463. May 1, 1978. International Relations; Interstate and Foreign Commerce. Amends the Export Administration Act to prohibit investments in South Africa. Prohibits South African investors, if engaged in unfair employment practices, from receiving export licenses, entering into Federal contracts, receiving tax credits, or using Export-Import Bank services. Establishes an Advisory Board to recommend policy in implementation of this Act.

H.R. 12464. May 1, 1978. International Relations; Interstate and Foreign Commerce.

Amends the Export Administration Act to prohibit investments in South Africa. Prohibits South African investors, if engaged in unfair employment practices, from receiving export licenses, entering into Federal contracts, receiving tax credits, or using Export-Import Bank services. Establishes an Advisory Board to recommend policy in implementation of this Act.

H.R. 12465. May 1, 1978. Ways and Means. Amends the Internal Revenue Code to: (1) permit certain dividends paid by certain personal holding companies to be treated as paid during the taxable year; (2) change certain filing requirements for shareholders of corporations, for private foundations, and for transferors of property to tax exempt organizations; (3) permit bankrupt estates to qualify as shareholders in Subchapter S corporations; and (4) award interest to taxpayers whose property has been wrongfully seized by the Internal Revenue Service.

H.R. 12466. May 1, 1978. Education and Labor. Amends the Rehabilitation Act of 1973 to extend the authorization of appropriations for research and training in the rehabilitation of handicapped individuals. Requires a certain portion of such funds to be set aside for spinal cord injury programs. Extends the authorization appropriations for special projects and demonstrations relating to rehabilitation of handicapped individuals and requires a set aside for funding existing and new spinal cord centers. Requires the establishment of no less than five regional comprehensive treatment centers in each of the fiscal years 1979 and 1980 to provide services to individuals with spinal cord injuries.

H.R. 12467. May 1, 1978. Education and Labor. Amends the Rehabilitation Act of 1973 to extend programs and authorities under such Act, to make changes in the administration of certain programs, and to add new programs relating to the provision of rehabilitative services to the handicapped.

H.R. 12468. May 1, 1978. Ways and Means; Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to conduct a study assessing the cost effectiveness of reimbursing providers of respiratory therapy according to an hourly salary equivalency system and the effect of such a proposed system upon the quality of respiratory therapy services.

H.R. 12469. May 1, 1978. Education and Labor. Establishes in the Office of Education the National Office of the Handicapped. Consolidates in such Office specified programs and functions of various Federal agencies dealing with the handicapped. Sets forth the organization of such Office.

Establishes a Federal Council on Handicapped Individuals to provide advice and assistance to the President concerning the problems and needs of handicapped and severely handicapped individuals.

H.R. 12470. May 1, 1978. Interstate and Foreign Commerce. Establishes as an independent instrumentality within the Department of Commerce, the Standards for Product Liability Tort Law Review Panel to review State product liability legislation, to determine whether such legislation is in accordance with basic standards set forth in this Act.

States that the product liability cause of action provided by this Act shall be in lieu of all existing causes of action for damage as a result of bodily injury caused by a product.

H.R. 12471. May 1, 1978. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for amounts contributed to a product liability trust, up to the fair market value of product liability insurance for the taxpayer. Sets forth the requirements such a trust must meet to be tax-exempt.

H.R. 12472. May 1, 1978. Banking, Finance and Urban Affairs; Interstate and Foreign Commerce. Establishes the Federal Insurance Commission to regulate the insurance industry.

H.R. 12473. May 1, 1978. Ways and Means. Amends the Internal Revenue Code to allow small business investment companies electing to be taxed as regulated investment companies and having a tax deficiency as a result of a judicial judgment or administrative settlement, concerning certain capital gains dividend deductions to satisfy such deficiencies by paying out dividends within 90 days after the judgment or settlement.

H.R. 12474. May 1, 1978. Ways and Means. Amends the Internal Revenue Code to qualify trusts established for the payment of product liability claims as tax exempt organizations. Allows taxpayers a business income tax deduction for contributions to such trusts, but only to the extent they do not exceed the reasonable costs of product liability insurance for the taxpayer.

H.R. 12475. May 1, 1978. Education and Labor; Interstate and Foreign Commerce; Small Business; Ways and Means. Amends the Small Business Investment Act, the Securities Act of 1933, the Employee Retirement Income Security Act, and the Internal Revenue Code of 1954, to promote the formation and growth of new small businesses and to facilitate investment in such concerns.

H.R. 12476. May 1, 1978. Judiciary. Amends the Administrative Procedure Act to require Federal agencies to prepare and publish in the Federal Register an economic impact analysis of all proposed and final rules subject to the provisions of the Act.

H.R. 12477. May 1, 1978. Interstate and Foreign Commerce; Public Works and Transportation; Education and Labor. Directs the Secretary of Transportation to establish regional reserves of railroad rolling stock for lease to rail carriers for seasonal, specialized, or high volume operations which in and of themselves do not justify the purchase of equipment.

Authorizes the Secretary to make grants to States to upgrade rail lines which are abandoned or subject to abandonment.

Establishes a Federal Bus Administration

within the Department of Transportation. Authorizes the Secretary to make grants for developing State bus plans and to make grants for planning or renovating bus terminals.

Requires that, in carrying out this Act, opportunities for employment be afforded to the unemployed.

H.R. 12478. May 1, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12479. May 1, 1978. Judiciary. Provides that a certain judge received a specified salary per year as of the time such judge relinquished office.

H.R. 12480. May 1, 1978. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to two individuals in full settlement of their claims against the United States.

H.R. 12481. May 2, 1978. Interior and Insular Affairs. Authorizes appropriations, for specified purposes, for: (1) Guam; (2) Bikini Atoll and Kili Island, Trust Territory of the Pacific Islands; (3) the Saipan Permanent Power Station for the Northern Mariana Islands; and (4) the Virgin Islands.

Establishes: (1) the Guam National Seashore to protect natural values on the island of Guam; and (2) the War in the Pacific National Historical Park on the island of Guam.

Includes Hassel Island in the Virgin Islands National Park.

H.R. 12482. May 2, 1978. Merchant Marine and Fisheries; Interstate and Foreign Commerce; Judiciary. Requires the Secretary of the Interior to issue regulations relating to traps and trapping. Sets forth standards for approved traps.

Establishes an advisory commission to advise the Secretary on traps designed or intended for use.

Prohibits trapping on Federal lands where such trapping will adversely affect any species of mammal or bird.

Sets forth a procedure for the application and issuance of trapping permits.

Requires shipping certificates for packages containing specified parts of trapped animals shipped in interstate commerce.

Sets forth criminal penalties for violations of this Act.

H.R. 12483. May 2, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that any individual who is entitled to a monthly benefit under such Title for the month preceding the month in which such eligible individual dies shall be entitled for the month in which he dies to a prorated benefit based upon a specified formula.

H.R. 12484. May 2, 1978. Education and Labor. Amends the Rehabilitation Act of 1973 to extend programs and authorities under such Act, to make changes in the administration of certain programs, and to add new programs relating to the provision of rehabilitative services to the handicapped.

H.R. 12485. May 2, 1978. Interstate and Foreign Commerce. Amends the Food, Drug, and Cosmetic Act to authorize the Secretary of Health, Education, and Welfare to enter into a non-renewable three year preapproval marketing agreement allowing, under specified conditions, for the widespread distribution of a new drug prior to approval of its application.

Directs the National Academy of Sciences to establish a Select Committee which, upon request, shall review any adverse decision by the Secretary regarding an application under this Act.

Establishes a National Patient Information Leaflet Advisory Council to review all recommendations of the Secretary regarding the development and availability of a patient information leaflet for a particular drug.

H.R. 12486—May 2, 1978. Agriculture; Ways and Means. Authorizes the President to prohibit the importation of sugar from any country not a member of the International Sugar Organization, and to otherwise regulate foreign trade in sugar to implement the International Sugar Agreement. Authorizes the Secretary of Agriculture to impose quotas and fees on the importation of sugar and "sugar-containing products."

H.R. 12487. May 2, 1978. Armed Services. Authorizes the Secretaries of the Army and the Air Force to establish regulations for the accounting and fixing of responsibility for property issued to the National Guard components of such departments.

Makes the loss, destruction, or damage of such property chargeable against a member's pay if it was a result of such member's gross negligence or willful misconduct. Makes such a loss, destruction, or damage chargeable to a State or territory where it was a result of active duty in support of such a civil authority.

H.R. 12488. May 2, 1978. Ways and Means. Lists products the manufacture of which shall constitute the "steel sector" for purposes of determining the appropriate product sector with respect to import restriction authority under the Trade Act 1974.

H.R. 12489. May 2, 1978. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 12490. May 2, 1978. Ways and Means. Amends the Tariff Schedules of the United States to eliminate the customs duty on the importation of live worms, if a product of Canada.

H.R. 12491. May 2, 1978. Ways and Means. Increases the rate of tax on wages and self-employment income under the Internal Revenue Code.

Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to permit the making of loans among the Trust Funds under such Title.

Amends such Title to: (1) include Federal employees within the coverage of such Title; (2) establish a working spouse's benefit; (3) eliminate gender-based distinctions in awarding benefits; and (4) increase the amount which an individual may earn without a reduction in benefits.

H.R. 12492. May 2, 1978. Agriculture; Ways and Means. Authorizes the President to (1) to limit the importation of sugar from any country not a member of the International Sugar Organization, (2) to implement the International Sugar Agreement, and (3) to impose quotas and fees on the importation of sugar.

Authorizes the Secretary of Agriculture to establish a system of sugar price support payments. Suspends other price support programs for sugar.

H.R. 12493. May 2, 1978. Post Office and Civil Service. Authorizes appropriations to carry out the provisions of Title 13, U.S.C. (Census) for fiscal year 1979. Stipulates that appropriations to carry out the provisions of such Title shall be subject to annual authorization.

H.R. 12494. May 2, 1978. Post Office and Civil Service. Directs the President to make a compilation of all Federal statistical activities and to submit such compilation to Congress.

Terminates all Federal statistical authority not otherwise provided for by law as of a specified date.

Requires that each report accompanying a bill or resolution which provides for Federal statistical authority to contain specified information including the purpose for which such information is being sought, the costs involved, and the number of respondents from which such information is to be obtained.

H.R. 12495. May 2, 1978. Armed Services; Merchant Marine and Fisheries. Limits eligibility for appointment and admission to any United States service academy to male individuals.

H.R. 12496. May 2, 1978. Judiciary. Adds Johnstown to the list of places where the United States District Court for the Western District of Pennsylvania shall be held.

H.R. 12497. May 2, 1978. Ways and Means. Amends the Internal Revenue Code to allow individuals a limited income tax credit for charitable contributions in lieu of a deduction.

H.R. 12498. May 2, 1978. Armed Services. Revises the procedures under which unclaimed property which has come into the control or custody of one of the armed forces may be disposed of.

H.R. 12499. May 2, 1978. Ways and Means. Amends the Internal Revenue Code to allow taxpayers to elect a 12-month amortization period or an additional ten percent investment tax credit for new pollution control facilities.

H.R. 12500. May 2, 1978. Ways and Means. Amends the Internal Revenue Code to allow a credit against income tax for specified percentages of social security taxes paid by an employee. Makes the earned income credit permanent.

H.R. 12501. May 2, 1978. Ways and Means. Amends the Internal Revenue Code to allow an additional investment tax credit for machinery and equipment placed in service in existing manufacturing plants or in nearby areas.

H.R. 12502. May 2, 1978. Banking, Finance and Urban Affairs. Extends, from June 30, 1978, until June 30, 1981, the authority of the Secretary of the Treasury to make loans under the New York City Seasonal Financing Act.

H.R. 12503. May 2, 1978. Judiciary. Prohibits any proposed constitutional amendment from becoming an amendment unless, in addition to ratification by three-fourth of the States, both Houses of Congress pass a resolution declaring that such ratification was made within a reasonable time after submission to the States and fairly represents a current consensus by three-fourths of the States that the proposed amendment be a part of the Constitution.

H.R. 12504. May 2, 1978. Post Office and Civil Service. Establishes pay classifications ATC–1 through ATC–9 for Federal air traffic controllers and establishes salary levels to correspond to such classifications. Requires trainees and nonjourneyman controllers to be classified in positions ATC–1 through ATC–8 positions. Requires the classification of journeyman controllers at positions ATC–4 through ATC–9 on the basis of the award of points which reflect the type of facility where such person performs duties and the complexity of the job considering such characteristics as the volume of air traffic and runway configurations.

H.R. 12505. May 2, 1978. Science and Technology. Directs the Secretary of Energy and the Administrator of the National Aeronautics and Space Administration to initiate a Solar Power Satellite Research, Development, and Demonstration Program to study technical problems regarding the viability of the solar satellite concept.

Requires the Secretary, in consultation with the Administrator, to submit to Congress a comprehensive plan to implement the program.

H.R. 12506. May 2, 1978. Ways and Means. Amends the Internal Revenue Code to provide graduated income tax rates for corporations ranging from a 14 percent rate on the first $25,000 of income to a 48 percent rate on income in excess of $100,000,000.

H.R. 12507. May 2, 1978. Agriculture; Banking, Finance and Urban Affairs. Establishes a rural community development grant program for units of local government which have a population of 20,000 or less and are located in nonmetropolitan areas.

H.R. 12508. May 2, 1978. Judiciary. Amends the Immigration and Nationality Act to require a State or private adoptive agency to evaluate the proposed adoption of a child by a United States citizen or resident alien grant visa.

Eliminates the limit on the number of alien children that may be adopted.

Raises the age limit for certain children born outside the United States eligible for automatic U.S. citizenship. Removes certain naturalization requirements regarding adopted alien children.

H.R. 12509. May 2, 1978. Judiciary. Amends the Immigration and Nationality Act to exclude from admission into, and provide for the deportation from, the United States of any alien who engaged or assisted in, or incited or directed others to engage in, the persecution of others on the basis of religion, race, national origin, or political opinion.

H.R. 12510. May 2, 1978. Banking, Finance, and Urban Affairs. Amends the Federal Reserve Act to base the expiration dates of the terms of office of the chairman and the vice chairman of the Federal Reserve Board of Governors on the end of the term of the President who appointed them.

Enunciates the duties of the vice chairman of the Board.

H.R. 12511. May 2 1978. Education and Labor. Amends the National School Lunch and Child Nutrition Acts to extend the child care food program and the women, infants, and children (WIC) program through fiscal year 1979. Increases the appropriation authorized for the WIC program for fiscal year 1979.

H.R. 12512. May 2, 1978. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to require the Administrator of the Federal Aviation Administration to develop and effectuate comprehensive noise abatement plans for airports operated by the Administration. Requires the Administrator to establish and maintain an aircraft noise monitoring program for each such airport.

H.R. 12513. May 2, 1978. Agriculture; Judiciary. Amends the Commodity Exchange Act to increase the fine and the imprisonment term for specified prohibited acts by any person in connection with any account, agreement, or transportation involving a regulated options contract for the sale of an agricultural commodity for future delivery.

Authorizes the district court with jurisdiction over either a criminal trial or a civil action brought by a State to order all or any part of a fine or judgment to be paid to the victim of the offense or to the injured person.

H.R. 12514. May 3, 1978. International Relations. Authorizes appropriations for fiscal year 1979 for (1) international disaster relief, (2) international narcotics control, (3) foreign military sales, (4) foreign military assistance, (5) foreign peacekeeping operations assistance, (6) international military education and training, and (7) foreign economic assistance to Turkey. Imposes restrictions on such assistance with respect to total amounts, human right violations, and Congressional oversight. Repeals various related Congressional oversight provisions. Authorizes weapons transfers to Korea.

H.R. 12515. May 3, 1978. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay a monthly pension of $150 to each veteran of World War I who meets specified service requirements, or to the surviving spouse (who meets specified requirements), or when there is no surviving spouse, to the child or children (who meet specified requirements).

H.R. 12516. May 3, 1978. Judiciary. Prohibits, after specified dates: (1) any licensee or permittee from manufacturing, importing, or otherwise placing or receiving, in commerce any explosive, or (2) any person from placing or receiving in commerce any explosive sold as military surplus, unless such substance contains a material which permits identification of the manufacturer and date of manufacture after detonation and a material which permits detection of the substance prior to detonation.

H.R. 12517. May 3, 1978. Judiciary. Prohibits, after specified dates, (1) any licensee or permittee from manufacturing, importing, or otherwise placing or receiving, in commerce any explosive, or (2) any person from placing or receiving in commerce any explosive sold as military surplus, unless such substance contains a material which permits identification of the manufacturer and date of manufacture after detonation identification and a material which permits detection of the substance prior to detonation.

H.R. 12518. May 3, 1978. House Administration. Directs the Secretary of the Treasury to maintain in the Presidential Election Campaign Fund, the House of Representatives Election Campaign Account. Sets forth a procedure for the payment of matching funds from the Account to candidates for election to the House of Representatives who meet certain eligibility requirements. Limits expenditures from personal funds which may be made by such eligible candidates.

H.R. 12519. May 3, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act and the Internal Revenue Code to require the financing of disability insurance benefits from general revenues, to reduce social security tax rates on employment and self-employment income, to reduce disability benefits to reflect a recipient's need based on family income, and to require the publication and dissemination to disability examiners of standard regulations defining physical and mental impairment for purpcses of making disability determinations. Requires the establishment of a training program for State and Federal officials who make determinations of disability.

H.R. 12520. May 3, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from gross income statutory subsistence allowances received by police officers after 1969.

H.R. 12521. May 3, 1978. Post Office and Civil Service. Includes within the definition of "air traffic controller" for purposes of statutes pertaining to Federal employee pay, retirement, and employment, persons actively engaged in providing preflight, inflight, or airport advisory service to aircraft operators and the immediate supervisors of such persons.

H.R. 12522. May 3, 1978. Judiciary. Authorizes the Attorney General to (1) institute a civil suit for or in the name of the United States whenever there is reasonable cause to believe that a person confined in a State correctional or health facility is being deprived of Federal constitutional or statutory rights, and (2) intervene in a case for deprivation of Federal rights brought on behalf of a person so confined.

Prohibits a person involuntarily confined in a State institution from bringing a Federal action under a certain Civil Rights Act unless State administrative remedies which meet certain minimum standards as developed by the Attorney General have been exhausted.

H.R. 12523. May 3, 1978. Banking, Finance, and Urban Affairs. Authorizes the Secretary of Housing and Urban Development to pay to a State 66⅔ percent of the amount the State pays on behalf of senior citizen homeowners for real property taxes. Requires a State which wishes to receive such payments to pay all the property taxes due by the senior citizen and to obtain repayment upon the death of the homeowner from the estate. Directs the State to repay amounts paid by HUD upon receipt of payment from the estate.

H.R. 12524. May 3, 1978. Interior and Insular Affairs. Expands and makes changes with respect to, the Federal San Luis Unit Service Area of the Central Valley Reclamation Project, California.

H.R. 12525. May 3, 1978. Ways and Means. Amends the Internal Revenue Code to allow handicapped individuals who are incapable of operating highway vehicles an income tax deduction for their commuting expenses.

H.R. 12526. May 3, 1978. Ways and Means. Entitles, under the Social Security Act, States whose rates of insured unemployment is at least six percent to partial reimbursement on an ascending sliding scale of unemployment compensation costs incurred above a certain amount.

H.R. 12527. May 3, 1978. Education and Labor. Amends the Older Americans Act of 1965: (1) to require each State in order to be eligible for a grant under the Act to develop and administer a State plan for the aged for social services, nutrition services and multipurpose senior centers; (2) to authorize grants to support the development of comprehensive, coordinated systems of community long-term care for older persons; (3) to authorize the President to call a White House Conference on Aging in 1981; and (4) to direct the Commission on Civil Rights to study discrimination based on race or ethnic background in federally assisted programs affecting older persons.

H.R. 12528. May 3, 1978. Public Works and Transportation. Amends the local Public Works Capital Development and Investment Act of 1976 to increase the amount authorized to be appropriated to carry out such Act to $10,000,000.

H.R. 12529. May 3, 1978. Interior and Insular Affairs. Amends the Alaska Native Claims Settlement Act to direct the 13th Regional Corporation to select 2,345,000 acres from public lands.

H.R. 12530. May 3, 1978. Interstate and Foreign Commerce.

Amends the Emergency Petroleum Allocation Act of 1973 to eliminate regional preferences relating to crude oil, residual fuel oil, or other petroleum products.

Prohibits the imposition of any tariff or similar charge on the importation of residual fuel oil or any refined petroleum product unless such fee is imposed on an equal basis in each region of the United States.

H.R. 12531. May 3, 1978. Merchant Marine and Fisheries.

Amends the Great Lakes Fisheries Act of 1956 to require the United States Section of the Great Lakes Fishery Commission to prepare a report concerning the conservation and management of the Great Lakes fisheries.

Authorizes the Secretary of the Interior to provide for the construction of the Great Lakes fish hatcheries.

H.R. 12532. May 3, 1978. Ways and Means.

Amends the Internal Revenue Code to provide that the zero bracket amount shall be subtracted from an individual's taxable income when using income averaging in order to tax the averaged income in the same manner, and to the same extent, it was taxed when the standard deduction was used in tax computations.

H.R. 12533. May 3, 1978. Interior and Insular Affairs.

Establishes standards for the placement of Indian children in foster or adoptive homes with emphasis on maintaining Indian identity and preventing the dissolution of Indian families.

H.R. 12534. May 3, 1978. Ways and Means. Amends thhe Internal Revenue Code to promote the survival of independent newspapers by providing for the establishment of tax exempt trusts for paying estate taxes on such papers, and by postponing the payment of estate taxes on such papers.

H.R. 12535. May 3, 1978. Interior and Insular Affairs; Interstate and Foreign Commerce.

Authorizes and directs the Secretary of Energy to enter into cooperative agreements with designated States and Indian Tribes to pay a certain percentage of the costs of: (1) assessing the radiation levels of residual radioactive materials from former uranium ore processing sites located in such States and on Indian land; and (2) limiting the risk of exposure of individuals to such radioactive materials.

H.R. 12536. May 3, 1978. Interior and Insular Affairs. Increases ceilings for development and acquisition funding of specified units of the National Park System. Makes boundary changes to park units. Designates new wilderness areas and requires the development of wilderness area management plans.

Establishes new units within the park system, including new national historic trails.

Amends the Pennsylvania Avenue Development Corporation Act to authorize specified land transfers.

Authorizes grants to local governments for recreation rehabilitation and development.

Adds river segments to the Wild and Scenic Rivers System.

H.R. 12537. May 3, 1978. Armed Services. Authorizes appropriations to the Department of Energy for the Naval Petroleum Reserves.

Amends the provisions of Federal law relating to the Naval Petroleum Reserves including making the Secretary of Energy responsible for the administration of the Reserves.

H.R. 12538. May 3, 1978. Armed Services. Amends the Federal Civil Defense Act to authorize the use of Federal civil defense funds by local civil defense agencies for natural disaster relief (or civil disturbance relief).

H.R. 12539. May 3, 1978. Armed Services. Requires that, upon request, members or former members of the uniformed services or their dependents be given essential medical and dental care in any facility of the uniformed services. Allows such individuals to receive nonessential care subject to the availability of space and facilities and the capabilities of the medical and dental staff.

H.R. 12540. May 3, 1978. Post Office and Civil Service. Provides third-class mailing privileges to Gold Star Wives of America, Inc.

H.R. 12541. May 3, 1978. Ways and Means. Amends the Internal Revenue Code to qualify services performed by a surviving spouse as consideration for purposes of excluding portions of jointly held property from a decedent's taxable estate.

H.R. 12542. May 3, 1978. International Relations. Establishes oversight procedures with respect to whether Egypt, Israel, or Saudi Aribia are engaging in international agression.

Requires suspension of certain arms sales agreements with these countries if they engage in international aggression.

H.R. 12543. May 3, 1978. Public Works and Transportation. Specifies the eligibility requirements and the formula for computing benefits for persons receiving assistance for flood damage at Baytown, Texas.

H.R. 12544. May 3, 1978. Ways and means. Amends the Tariff Schedules of the United States to include animal feeds which are admixtures of soybeans (rather than grains) and other specified products in the definitions of "mixed feeds" and "mixed-feed ingredients."

H.R. 12545. May 3, 1978. Ways and Means. Amends the Internal Revenue Code to permit inclusion of employment-related expenses incurred for the care of the spouse and handicapped dependents of the taxpayer, as well as dependents under age 15, in determining the credit for expenses for household and dependent care services rendered outside the taxpayer's household.

H.R. 12546. May 3, 1978. Ways and Means. Amends the Trade Act of 1974 (with respect to the authority of the President to negotiate trade agreements) to direct the President to reserve any article from negotiations to reduce or eliminate customs duties or import restrictions any article for which an agreement limiting agricultural imports has been entered into, from negotiations to reduce or eliminate customs duties or import restrictions.

H.R. 12547. May 3, 1978. International Relations. Amends the Foreign Assistance Act of 1961 to direct the President to give preference, in the issuance of housing project guaranties, to foreign projects utilizing solar energy technology. Directs that such preference also be given to projects using other specified renewable energy technologies.

H.R. 12548. May 3, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to carry out developmental and demonstration projects for providing, improving, or expanding accessibility, acceptability, or quality of health services provided to medically underserved populations.

H.R. 12549. May 3, 1978. Ways and Means. Amends the Internal Revenue Code to allow an individual to deduct from gross income the cost of acquiring stock in a qualified energy invention corporation.

H.R. 12550. May 3, 1978. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire lands in Puget Sound, Washington, for the preservation of the Central Whidbey Island Historic District.

H.R. 12551. May 3, 1978. Ways and Means. Postpones until January 1, 1979, the effective date of the provision of the Social Security Amendments of 1977 which eliminates the monthly retirement earnings exemption under which an individual who earns less than a specified exempt amount in any month may receive full social security benefits under the Old-Age, Survivors, and Disability Insurance program for that month regardless of the amount of such individual's total earnings for the year.

H.R. 12552. May 3, 1978. Interior and Insular Affairs. Amends the Internal Revenue Code to create the World Peace Tax Fund and a Board of Trustees to administer the Fund and to make grants for research and other projects aimed at achieving world peace.

Permits persons conscientiously opposed to participation in war to designate income, gift, or estate taxes to be paid into the Fund.

H.R. 12553. May 3, 1978. Judiciary. Expands Federal Government liability for the act of its officers who routinely perform investigative, inspection, or law enforcement functions to include certain intentional and ministerial acts.

States that such liability shall be exclusive and preclude any remedy against officers individually.

Directs the Attorney General to pay the attorney fees incurred by such an officer in connection with a criminal investigation into such officer's official actions.

H.R. 12554. May 3, 1978. Ways and Means. Amends the Internal Revenue Code to limit to 20 percent the income tax rate on common stock dividends income under $2,000 of individuals earning less than $50,000 a year.

H.R. 12555. May 3, 1978. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 12556. May 4, 1978. Agriculture. Directs the Secretary of the Treasury to pay to a certain farm an amount to be determined by the Secretary of Agriculture to have been lost by such farm as a result of specified Federal regulations.

H.R. 12557. May 4, 1978. Armed Services. Authorizes appropriations to the Department of Energy for the Naval Petroleum Reserves. Amends the provisions of Federal law relating to the Naval Petroleum Reserves including making the Secretary of Energy responsible for the administration of the Reserves.

H.R. 12558. May 4, 1978. Ways and Means. Amends the Internal Revenue Code to allow certain individuals whose employers make contributions to pension plans a deduction for their contributions to employer pension funds.

H.R. 12559. May 4, 1978. Agriculture; Science and Technology. Directs the Secretary of Agriculture to coordinate and carry out research culminating in the commercialization of latex from parthenium or other hydrocarbon-containing plants. Requires the Secretary to maintain a bank of research data on native latex. Authorizes the Secretary to enter into cooperative projects with the Government of Mexico to accomplish the purposes of this Act. Authorizes the Secretary to conduct specified activities to promote the development of native latex.

H.R. 12560. May 4, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to direct the Secretary of Health, Education, and Welfare to make grants and contracts to public and private entities to acquire the automated equipment, supplies, and personnel required to conduct multiple screening of blood specimens routinely collected from newborn infants for metabolic disorders.

H.R. 12561. May 4, 1978. Ways and Means. Amends the Internal Revenue Code to allow a limited deduction from the gross income of an employee for cash contributions made for his benefit to certain retirement plans.

H.R. 12562. May 4, 1978. Ways and Means. Amends the Internal Revenue Code to deny compensation under the Federal Unemployment Tax Act to substitute teachers who are paid on a per diem basis and are employed for less than 45 days in the applicable base period.

H.R. 12563. May 4, 1978. Interstate and Foreign Commerce. Amends the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act to extend the filing date of a study of specified rulemaking procedures of the Federal Trade Commission.

H.R. 12564. May 4, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to require States having agreements for coverage of their employees under the system of insurance established by such Title to make payments and reports on a calendar-quarter basis.

H.R. 12565. May 4, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to make the payment of social security benefits conditional upon the actual payment of taxes due with respect to self-employment income. Requires the Secretary of Health, Education, and Welfare to maintain records of self-employment income tax payments.

H.R. 12566. May 4, 1978. Ways and Means. Amends the Internal Revenue Code to provide cost-of-living adjustments for the in-

dividual income tax rates and withholding tables.

H.R. 12567. May 4, 1978. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to provide that the chairman and the vice chairman of the Federal Reserve Board shall continue to serve after the expiration of their terms until their successors are designated and have qualified.

H.R. 12568. May 4, 1978. Banking, Finance and Urban Affairs. Directs the Secretary of the Treasury to secure directly from the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency annual reports containing the amount, date, and obligor of each loan and investment of the bank in each country which meets the criteria for denial of assistance for violations of human rights under the Foreign Assistance Act of 1961.

Requires the Secretary of State to provide the Secretary of the Treasury a list of those countries which meet the criteria for such denial of assistance.

H.R. 12569. May 4, 1978. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to authorize the Law Enforcement Assistance Administration to require a State planning agency or other recipient to reimburse the Administration for the Federal cost of any equipment which was $100,000, or more, if such equipment has not been placed in use in one year or has not continued in use during its useful life.

H.R. 12570. May 4, 1978. Banking, Finance and Urban Affairs. Revises the definition of "income" for purposes of determining eligibility for low-income housing under the Housing Act of 1937.

H.R. 12571. May 4, 1978. Merchant Marine and Fisheries. Amends the Fishery Conservation Zone Transition Act to give effect to the Reciprocal Fisheries Agreement between the United States and Canada for 1978.

H.R. 12572. May 4, 1978. Interstate and Foreign Commerce. Provides protection for certain sales representatives terminated from their accounts without justification by requiring the principals to indemnify the sales representatives.

H.R. 12573. May 4, 1978. Governmen Operations; Rules. Abolishes specified Federal regulatory agencies on September 30, 1978, unless Congress and the President approve their continuation. Sets limits on the continued existence of Federal regulatory agencies. Sets forth the procedures to be followed by the President to transfer the functions, powers, and duties of terminated agencies to himself or to a successor agency.

H.R. 12574. May 4, 1978. Banking, Finance and Urban Affairs. Amends the Interstate Land Sales Full Disclosure Act to revise certain disclosure requirements, to extend the power of the Secretary of Housing and Urban Development to enforce this Act, to increase penalties for violations of this Act, to create the right of attorneys general to sue as parens patriae, and to insure the provision of basic services promised by a developer of a subdivision.

Directs the Secretary to appoint an Administrator of Interstate Land Sales.

H.R. 12575. May 4, 1978. Banking, Finance and Urban Affairs. Establishes a Solar Energy User Assistance Program to provide financing for the purchase and installation of domestic residential solar hardware.

H.R. 12576. May 4, 1978. Armed Services. Authorizes the advance payment of station housing allowances for members of the uniformed services assigned overseas.

H.R. 12577. May 4, 1978. Interstate and Foreign Commerce. Amends the Federal Railroad Safety Act of 1970 to authorize appropriations for fiscal year 1979 to carry out the provisions of such Act.

Amends the Hours of Service Act to prescribe maximum on-duty and minimum off-duty hours for signal system employees.

Removes the authority of the National Transportation Safety Board to investigate rail accidents.

H.R. 12578. May 4, 1978. Ways and Means. Amends the Internal Revenue Code to: (1) permit certain dividends paid by certain personal holding companies to be treated as paid during the taxable year; (2) change certain filing requirements for shareholders of corporations, for private foundations, and for transferors of property to tax exempt organizations; (3) permit bankrupt estates to qualify as shareholders in Subchapter S corporations; and (4) award interest to taxpayers whose property has been wrongfully seized by the Internal Revenue Service.

H.R. 12579. May 4, 1978. Public Works and Transportation. Amends the Public Buildings Act of 1959 to direct the Administrator of General Services to develop plans for the restoration of the Pension Building in the District of Columbia to house the Museum of Building Arts.

Sets forth the duties of the Museum including the development of educational programs, the support of research, the presentation of exhibitions, and the establishment of an information center and a Document Center.

H.R. 12580. May 4, 1978. Banking, Finance and Urban Affairs. Amends the Home Owners' Loan Act of 1933 to authorize Federal savings and loan associations to make and invest in graduated payment mortgages and reverse annuity mortgages.

H.R. 12581. May 4, 1978. Banking, Finance and Urban Affairs. Extends from June 30, 1978, until June 30, 1981, the authority of the Secretary of the Treasury to make loans under the New York City Seasonal Financing Act.

H.R. 12582. May 4, 1978. Judiciary. Prohibits Federal enforcement of any hiring, promotion, or admission quota based upon race, creed, color, national origin, or sex.

H.R. 12583. May 4, 1978. Government Operations. Requires the General Services Administration to establish a nationwide network of Federal Information Centers for the purpose of informing the public of programs and procedures of the Federal Government and for other appropriate and related purposes.

H.R. 12584. May 4, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend authorization of appropriations for: (1) health service research; and (2) health statistical activities.

Establishes the Cooperative Health Statistical System to produce uniform health information and statistics.

Requires the Secretary of Health, Education, and Welfare to study the costs of environmentally related diseases.

Establishes the National Center for Health Care Technology to conduct comprehensive assessments of health care technology. Establishes the Health Care Technology Advisory Committee to evaluate the performance of such Center.

Requires the United States Committee on Vital and Health Statistics to assist individuals who have been exposed to hazardous substances.

H.R. 12585. May 4, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12586. May 4, 1978. Judiciary. Relieves a certai individual of all liability for payment to the United States of a specified sum due the United States for the overpayment of compensation for work injuries.

Directs the Secretary of the Treasury to pay to such individual an amount equal to the aggregate of any amounts paid by such individual, or withheld from sums otherwise due such individual concerning such indebtedness.

H.R. 12587. May 8, 1978. Interstate and Foreign Commerce. Amends the Controlled Substances Act to direct the Attorney General to establish a marihuana pretrial diversion program in which any person arrested by Federal law enforcement officers solely for the possession of not more than 30 grams of marihuana or not more than seven grams of hashish may elect to receive drug-related counseling rather than be subject to criminal prosecution. Requires Federal law enforcement officers to issue field release citations in lieu of making arrests for possession of marihuana or hashish possession in such limited quantities.

H.R. 12588. May 8, 1978. Education and Labor. Amends the Fair Labor Standards Act of 1938 to prohibit the employment of blind persons, or persons with impaired sight, at less than the applicable minimum wage under such Act.

H.R. 12589. May 8, 1978. International Relations. Amends the International Investment Survey Act of 1976 to increase the appropriation for fiscal year 1979 to carry out such Act.

Amends such Act to change the date that the President is to submit the final report on the findings on the feasibility of a system to monitor foreign direct investment in rural and urban property and a nationwide land data system.

Transfers to the President (now the Council on International Economic Policy) the responsibility to review the results of any studies and surveys conducted under such Act.

H.R. 12590. May 8, 1978. Ways and Means. Amends the Internal Revenue Code to provide that percentage depletion allowable to a corporation electing Subchapter S status shall not be deducted in arriving at the taxable income of such corporation, but shall be allowed as a deduction from the gross income of the shareholders of such corporation.

H.R. 12591. May 8, 1978. Ways and Means. Amends the Internal Revenue Code to exempt logging trucks and carnival trucks from the highway use tax.

H.R. 12592. May 8, 1978. Ways and Means. Amends the Internal Revenue Code to exclude certain services by private foundations as trustees of trusts in which they have beneficial interests from the excise tax on self-dealing

H.R. 12593. May 8, 1978. Ways and Means. Establishes within the Internal Revenue Service an Office of Taxpayer Services to assist taxpayers with information and to receive and evaluate complaints of improper, abusive, or inefficient service by revenue personnel.

Establishes civil and criminal penalties for investigations of matters unrelated to the tax laws, and for the violation of other constitutional and legal rights guaranteed to taxpayers.

Requires the Secretary of the Treasury to prepare and distribute pamphlets advising taxpayers of their rights and of appeal procedures.

Requires a continuing audit of the administration of Federal Reveue laws by the Comptroller General of the United States.

H.R. 12594. May 8, 1978. District of Columbia. Amends the District of Columbia Self-Government and Governmental Reorganization Act to increase the annual Federal payment to the District for fiscal years 1979 and thereafter.

H.R. 12595. May 8, 1978. Merchant Marine and Fisheries. Amends the Migratory Bird Hunting Stamp Act to set the fee for Federal migratory-bird hunting and conservation stamps at $5, and authorizes the Secretary of the Interior to raise such fee to $7.50.

Directs the Secretary to prohibit the hunting of migratory birds in any State which fails to approve an acquisition to waterfowl habitat within a reasonable time.

H.R. 12596. May 8, 1978. Science and Technology. Authorizes the Secretary of Health Education, and Welfare to make grants for research and development of new methods of research, experimentation, and testing which minimize the use of, and the pain inflicted upon, live animals.

H.R. 12597. May 8, 1978. Government Operations; Small Business. Amends the Office of Federal Procurement Policy Act to require the payment of interest on contract payments which are overdue under Federal contracts with small businesses.

H.R. 12598. May 8, 1978. International Relations. Authorizes appropriations to the Department of State for fiscal year 1979 to conduct the foreign affairs of the United States.

Requires the Secretary of State to demonstrate solar energy technology in foreign Service buildings located abroad.

Establishes an Assistant Secretary of State for International Narcotics Matters.

Authorizes appropriations for fiscal year 1979 to: (1) the International Communication Agency; and (2) the Board for International Broadcasting.

Sets forth responsibilities for the President and Secretary of State to develop science as a diplomatic aid.

Establishes: (1) the Commission on Proposals for a Center of Conflict Resolution; and (2) the Institute for International Human Rights.

H.R. 12599. May 8, 1978. Science and Technology. Directs the Secretary of Energy and the Administrator of the National Aeronautics and Space Administration to initiate a Solar Power Satellite Research, Development, and Demonstration Program to study technical problems regarding the viability of the solar power satellite concept.

Requires the Secretary, in consultation with the Administrator, to submit to Congress, by January 3, 1979, a comprehensive plan to implement the program.

H.R. 12600. May 8, 1978. Interior and Insular Affairs. States that power and energy marketed by the Southwestern Power Administration shall be sold at uniform system-wide rates. Provides that agreed points of delivery shall not be changed unilaterally.

H.R. 12601. May 8, 1978. Post Office and Civil Service. Directs the Postal Service to issue a commemorative postage stamp in observance of the thirtieth anniversary of the founding of the modern State of Israel.

H.R. 12602. May 8, 1978. Armed Services. Authorizes the Secretaries of Defense, the Army, Navy, and Air Force to establish or develop military installations and facilities at specified locations. Authorizes appropriations for each such location. Authorizes the Secretary of Defense to construct or acquire military family housing in specified numbers at specified locations. Authorizes appropriations for such purpose.

H.R. 12603. May 8, 1978. Merchant Marine and Fisheries. Amends the Great Lakes Pilotage Act of 1960 to remove the requirement that a United States registered pilot hold an unlimited master's license.

H.R. 12604. May 8, 1978. Agriculture; Ways and Means. Authorizes the President to prohibit the importation of sugar from any country not a member of the International Sugar Organization, and to otherwise regulate foreign trade in sugar to implement the International Sugar Agreement. Authorizes the Secretary of Agriculture to impose quotas and fees on the importation of sugar and "sugar-containing products."

H.R. 12605. May 8, 1978. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to establish new procedures for the planning and construction of public telecommunications facilities. Sets forth new requirements for the application to the Corporation for Public Broadcasting for construction grants.

Authorizes appropriations to the Public Broadcasting Fund for fiscal year 1978 through 1983.

Requires any public broadcast station desiring to receive funds to establish a community advisory board.

H.R. 12606. May 8, 1978. Ways and Means. Amends the Internal Revenue Code to exempt from taxation annuity contracts purchased by the Uniformed Services University of the Health Sciences for a civilian faculty or staff member of such University.

H.R. 12607. May 8, 1978. Ways and Means. Amends the Internal Revenue Code to qualify trusts established for the payment of product liability claims as tax exempt organizations. Allows taxpayers a business income tax deduction for contributions to such trusts only to the extent they exceed the reasonable costs of product liability insurance for the deducting taxpayer.

H.R. 12608. May 8, 1978. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for contributions to a qualified higher education fund established by a taxpayer for the purpose of funding the higher education of a dependent child under age 30.

H.R. 12609. May 8, 1978. Agriculture; Interior and Insular Affairs. Provides for the orderly management of the Boundary Waters Canoe Area in Minnesota.

Directs the Secretaries of Agriculture and the Interior to implement a program of intensive forest management within the Superior National Forest and on other Federal lands for the purpose of replacing softwood timber.

Directs the Secretary of Agriculture to develop an outdoor recreation program in the Area.

H.R. 12610. May 8, 1978. Judiciary. Authorizes classification of certain individuals as children for purposes of the Immigration and Nationality Act.

H.R. 12611. May 9, 1978. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to revise the economic regulation of the airline industry.

H.R. 12612. May 9, 1978. Ways and Means. Subjects specified kinds of preserved beef and veal products to the policy of Congress related to the restriction of beef imports. Revises the formula for the determination of beef and veal import quotas. Repeals the authority of the President to suspend a proclamation limiting beef imports. Directs the President to limit beef imports at any one port of entry in order to insure the geographical distribution of such imports. Declares it the policy of Congress that a quota should be imposed upon the importation of cattle. Directs the President to impose such limitation and to limit such imports at any one port of entry.

H.R. 12613. May 9, 1978. Armed Services. Amends the Uniform Code of Military Justice to require the Judge Advocate General of each armed force to establish: (1) one or more general court-martial districts for that armed force; and (2) one or more special court-martial judicial districts for that armed force. Revises the classification and jurisdiction of courts-martial.

Sets forth provisions concerning: (1) rights of the accused; (2) composition of courts-martial; (3) pre-trial procedure; (4) trial procedure; (5) appeals; (6) sentencing; and (7) clemency.

Authorizes cases in the United States Court of Military Appeals to be reviewed by the Supreme Court of the United States by writ of certiorari.

H.R. 12614. May 9, 1978. Banking, Finance and Urban Affairs. Amends the Bank Holding Company Act of 1956 to prohibit bank holding companies and their subsidiaries from selling property and casualty insurance as principals, agents, or brokers.

H.R. 12615. May 9, 1978. Agriculture. Amends the Agricultural Act of 1949 to change the farm allotment factor in the payment formula for the 1977 crops of grain sorghum and barley actually planted to such crops within the feed grain allotment established for the farm.

H.R. 12616. May 9, 1978. Ways and Means. Amends the Internal Revenue Code to allow a surviving spouse to treat as furnished consideration, for estate tax purposes, up to a 50 percent share of any joint farm or small business property which was unpaid for at the time of marriage, determined at the rate of two percent a year if such spouse actually participates in the operation of such farm or small business.

H.R. 12617. May 9, 1978. International Relations. Amends the Foreign Assistance Act of 1961 to direct the President to give preference, in the issuance of housing project guaranties, to foreign projects utilizing solar energy technology. Directs that such preference also be given to projects using other specified renewable energy technologies.

H.R. 12618. May 9, 1978. Small Business. Amends the Small Business Investment Act of 1958 to authorize the Small Business Administration to guarantee the timely payment of all principal and interest as scheduled on any debenture issued by any qualified State or local development company.

H.R. 12619. May 9, 1978. Ways and Means. Establishes within the Internal Revenue Service an Office of Taxpayer Services to assist taxpayers with information and to receive and evaluate complaints of improper, abusive, or inefficient service by revenue personnel.

Establishes civil and criminal penalties for investigations of matters unrelated to the tax laws, and for the violation of other constitutional and legal rights guaranteed to taxpayers.

Requires the Secretary of the Treasury to prepare and distribute pamphlets advising taxpayers of their rights and of appeal procedures.

Requires a continuing audit of the administration of Federal Revenue laws by the Comptroller General of the United States.

H.R. 12620. May 9, 1978. Science and Technology. Requires the Secretary of Energy to develop research, development, and demonstration programs concerning the use of solar photovoltaic energy systems.

H.R. 12621. May 9, 1978. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to expand the class of collateral eligible for use as security for Federal Reserve notes.

H.R. 12622. May 9, 1978. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 12623. May 9, 1978. Agriculture. Establishes a Commission on the Humane Treatment of Animals to study the treatment of animals.

H.R. 12624. May 9, 1978. Interstate and Foreign Commerce. Amends the Developmental Disabilities Services and Facilities Construction Act to extend authorizations of appropriations under such Act for (1) basic State allotments; (2) supplementary allotments to States to assist them in meeting funding requirements; (3) university-affiliated demonstration and training programs, including satellite centers; (4) construction and renovation of facilities used in such university-affiliated programs; and (5) special projects.

Extends the due dates for certain reports required under such Act and under the De-

velopmentally Disabled Assistance and Bill of Rights Act.

Repeals the provision establishing a National Advisory Council on Services and Facilities for the Developmentally Disabled.

H.R. 12625. May 9, 1978. Interior and Insular Affairs; Merchant Marine and Fisheries.

Designates specified public lands and waters in the State of Alaska for inclusion in the National Park, National Wildlife Refuge, Wild and Scenic Rivers and National Wilderness Preservation Systems. Makes provisions for the management of subsistence uses of fish and wildlife on national lands.

H.R. 12626. May 9, 1978. Judiciary. Provides for the regulation of United States participation in international amateur sporting events, and for the promotion of amateur athletics generally, through national governing bodies that are certified for individual sports and regulated by the United States Olympics Committee.

H.R. 12627. May 9, 1978. International Relations. Amends the Foreign Assistance Act of 1961 to require the Secretary of State to transmit to the Congress an annual report on the status of human rights in all foreign countries.

H.R. 12628. May 9, 1978. Judiciary. Directs the United States District Court for the Central District of California shall be held at Santa Ana, Riverside, and San Bernardino as well as Los Angeles.

H.R. 12629. May 9, 1978. Interior and Insular Affairs. Terminates the requirement that Guam pay interest on certain sums due the United States for assistance for public works projects and other specified programs and projects.

H.R. 12630. May 9, 1978. Merchant Marine and Fisheries. Amends the Fishery Conservation and Management Act: (1) to delete from the definition of fishing any operations at sea in support of or in preparation for catching or harvesting fish; and (2) to delete processing vessels from the definition of fishing vessels.

Prohibits any foreign processing fishing vessel from fishing within the fishery conservation zone unless such vessel has a valid permit issued pursuant to the Act.

Authorizes the Secretary of Commerce to approve any application for a foreign processing vessel that proposes to receive fish harvested by vessels of the United States unless United States processing capability is adequate.

H.R. 12631. May 9, 1978. Merchant Marine and Fisheries; Science and Technology. Establishes in the executive branch an independent establishment known as the Office of Chesapeake Bay Research Coordination to coordinate research efforts regarding the Chesapeake Bay. Establishes the Chesapeake Bay Advisory Committee to provide a continuing review of the research projects of the Chesapeake Bay area and to advise the Director of the Office.

H.R. 12632. May 9, 1978. Judiciary. Authorizes the granting of permanent residence status to certain alien workers residing continuously in the Virgin Islands since May 12, 1970.

Establishes special procedures for adjusting the immigration status of such workers.

Establishes the Interagency Task Force on Virgin Islands Immigration to investigate the best methods of providing social services to such workers.

H.R. 12633. May 9, 1978. Interstate and Foreign Commerce. Amends the Toxic Substance Control Act to authorize the Administrator of the Environmental Protection Agency to make grants to reduce or alleviate adverse health effects caused by chemical substances. Requires that priority be given to cases involving polybrominated biphenyls.

Increases the amounts authorized to be appropriated under such Act for fiscal years 1978 and 1979.

H.R. 12634. May 9, 1978. Public Works and Transportation. Designates the Social Security Administration District Office Building in Pittsburg, Kansas, as the "Joe Skubitz Federal Building."

H.R. 12635. May 9, 1978. Education and Labor. Amends the Rehabilitation Act of 1973 to provide that the term "handicapped individual" does not include any individual who is an alcoholic or drug abuser for purposes of provisions of such Act which requires affirmative action programs for the handicapped by Federal contractors and which prohibit discrimination against the handicapped by entities receiving Federal financial assistance.

H.R. 12636. May 9, 1978. Agriculture. Repeals the Federal Crop Insurance Act. Empowers the Commodity Credit Corporation, commencing with farm production for 1980, to insure agricultural producers for up to 90 percent of the cost of production of a specified product against losses due to unavoidable or natural causes.

H.R. 12637. May 9, 1978. Merchant Marine and Fisheries. Amends the North Pacific Fisheries Act of 1954 to implement a protocol to the International Convention for the High Seas Fisheries of the North Pacific Ocean.

Amends such Act with regard to enforcement responsibilities and illegal acts in the fishery conservation zones.

Requires Canadian or Japanese fishing vessels authorized to fish in the U.S. fishery convervation zone to have on board a registration permit.

Requires the Secretary of Commerce to assure full implementation under the Convention of marine mammal research and protection.

H.R. 12638. May 9, 1978. Interior and Insular Affairs; Interstate and Foreign Commerce; Public Works and Transportation. Prohibits the construction of any regulated interstate pipeline unless the Federal Energy Regulatory Commission grants a certificate of public convenience and necessity for such construction.

H.R. 12639. May 9, 1978. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full payment for legal services rendered in a certain legal action.

H.R. 12640. May 9, 1978. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 12641. May 10, 1978. Ways and Means. Increases the temporary public debt limit until September 30, 1979.

H.R. 12642. May 10, 1978. Ways and Means. Amends the Second Liberty Bond Act to increase the amounts of bonds which may be issued at a rate above four and one-half percent.

Permits the Secretary of the Treasury, with the approval of the President, to increase the interest rates and the investment yields on any offerings on United States savings bonds for any interest accrual period.

H.R. 12643. May 10, 1978. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married person filing a separate return to the amount actually earned by that individual.

H.R. 12644. May 10, 1978. Education and Labor. Amends the Higher Education Act of 1965 with regard to determinations of independent student status for purposes of basic educational opportunity grants under such Act.

H.R. 12645. May 10, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from gross income statutory subsistence allowances received by State police officers between 1969 and 1978.

H.R. 12646. May 10, 1978. Judiciary. Directs that United States attorneys be appointed and subject to removal by the Attorney General rather than the President.

Eliminates set terms for United States attorneys.

H.R. 12647. May 10, 1978. Interstate and Foreign Commerce. Amends the Noise Control Act of 1972 to require a noise abatement plan to be submitted to the Administrator of the Environmental Protection Agency and the Secretary of Transportation by the owner or operator of any airport subject to such Act and the agency with jurisdiction over land use in such area affected by the airport noise.

H.R. 12648. May 10, 1978. Public Works and Transportation. Authorizes appropriations for Federal-aid highway programs, highway safety projects, and mass transportation projects. Authorizes the Secretary of Transportation to make Federal financial assistance available for State projects for highway bridge replacement, interstate highway resurfacing, traffic control signalization and urban bikeways. Authorizes the Secretary to carry out specified transportation demonstration projects.

Amends the Urban Mass Transportation Act to revise Federal financial assistance programs under such Act.

H.R. 12649. May 10, 1978. Agriculture. Declares that it is in the public interest to retain, protect and improve agricultural land, including land in and around urban areas, to reduce its conversion to nonagricultural uses and to limit the encroachment of industrial activities. Establishes the Agricultural Land Review Commission to study, issue research grants, report and recommend pursuant to such policy. Authorizes the Secretary of Agriculture to provide financial and technical assistance for pilot projects testing methods of retaining, protecting and improving such land.

H.R. 12650. May 10, 1978. Education and Labor. Authorizes the Commissioner of Education to make grants to State and local educational agencies to pay the Federal share of establishing community education programs.

Defines "community education program" as a program operated by a local educational agency providing educational, recreational, health care, cultural, and other related services for the community.

Establishes a Community Education Advisory Council to advise the National Institute of Education concerning community education programs.

H.R. 12651. May 10, 1978. Education and Labor. Authorizes the Commissioner of Education to make grants to State and local educational agencies to pay the Federal share of establishing community education programs.

Defines "community education program" as a program operated by a local educational agency providing educational, recreational, health care, cultural, and other related services for the community.

Establishes a Community Education Advisory Council to advise the National Institute of Education concerning community education programs.

H.R. 12652. May 10, 1978. Education and Labor. Amends the Youth Conservation Corps Act to change the ceiling on authorizations under such Act to a minimum authorization.

H.R. 12653. May 10, 1978. Ways and Means. Amends the Internal Revenue Code to provide a $8,500 tax exclusion from gross income for any amount received as earned income or as a pension or annuity.

H.R. 12654. May 10, 1978. Judiciary. Amends provisions of Federal laws dealing with the appointment of United States attorneys to limit them to two full terms, to set forth the

reasons for which they may be removed from office, and to establish a new method for their selection utilizing a United States Attorney Selection Commission for each judicial district.

H.R. 12655. May 10, 1978. Agriculture. Requires annual reporting to the Secretary of Agriculture by foreign persons and agents of purchases of agricultural lands. Imposes civil penalties for reporting violations.

H.R. 12656. May 10, 1978. Post Office and Civil Service. Denies pension and survivor's annuity benefits to any Federal employee who is convicted of any felony committed in connection with his or her Federal employment or who has fled the United States to avoid prosecution for any such felony.

H.R. 12657. May 10, 1978. Post Office and Civil Service. Stipulates that Memorial Day shall be observed on May 30th of each year.

H.R. 12658. May 10, 1978. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for agency fees, court costs, attorneys' fees and other necessary costs and fees incurred in the adoption of a child.

H.R. 12659. May 10, 1978. Ways and Means. Amends the Internal Revenue Code to allow a medical deduction for the costs paid for the custodial care of a dependent suffering Down's syndrome.

H.R. 12660. May 10, 1978. Banking, Finance and Urban Affairs. Requires the President to direct the United States Governor of the International Monetary Fund, the United States Governor of the International Bank for Reconstruction and Development, the United States Governor of the International Finance Corporation, the United States Governor of the Inter-American Development Bank, the United States Governor of the International Development Association, the United States Governor of the Asian Development Bank, and the United States Governor of the African Development Fund, to propose requirements that their respective institutions establish human rights standards to be considered in connection with each application for assistance.

H.R. 12661. May 10, 1978. Ways and Means. Amends the Internal Revenue Code to provide that an individual's allowable charitable contributions shall be deducted when determining the individual's adjusted gross income; thereby providing the deduction to individuals who do not itemize.

H.R. 12662. May 10, 1978. Judiciary. Establishes a program of death and disability payments and provision of medical services, appliances, and supplies for volunteer safety officers and their survivors who are killed or injured in the line of duty.

Places such program under the Administrator of the National Fire Prevention and Control Administration.

H.R. 12663. May 10, 1978. Interior and Insular Affairs. Establishes a Potomac River Shoreline Area Advisory Commission to develop a plan for the management of specified areas of the Potomac River located in Virginia, Maryland, West Virginia, and the District of Columbia.

H.R. 12664. May 10, 1978. Veterans' Affairs. Requires, upon application by the insured, waiver of the payment of premiums for National Service Life Insurance during any time after which the insured has attained the age of 70 and has paid premiums on the insurance for not less than 25 years.

H.R. 12665. May 10, 1978. Banking, Finance and Urban Affairs. Authorizes the Secretary of Energy to make grants to States for the purpose of conducting Solar Access Reviews to identify legal alternatives to assure access to direct sunlight and methods of encouraging adoption of such alternatives.

Allows the Secretary to make grants to Regional Solar Energy Centers (organizations for accelerated introduction of commercial solar energy technology).

H.R. 12666. May 10, 1978. Small Business. Amends the Small Business Investment Act of 1958 to authorize any person to provide equity capital to small business conecrns in amounts aggregating to not more than five percent of such person's net worth.

Repeals the provision of the Small Business Act which authorizes grants for studies, research and counseling concerning the operation of small business enterprises.

H.R. 12667. May 10, 1978. Agriculture; Ways and Means. Authorizes the President to prohibit the importation of sugar from any country not a member of the International Sugar Organization, and to otherwise regulate foreign trade in sugar to implement the International Sugar Agreement. Authorizes the Secretary of Agriculture to impose quotas and fees on the importation of sugar and "sugar-containing products."

H.R. 12668. May 10, 1978. Merchant Marine and Fisheries. Directs the Secretary of Commerce, acting through the National Oceanic and Atmospheric Administration, to establish a comprehensive program for the study, monitoring, and assessment of polar living marine resources and the marine environment of the Arctic and Southern Oceans.

H.R. 12669. May 10, 1978. Merchant Marine and Fisheries. Directs the Secretary of Commerce, acting through the National Oceanic and Atmospheric Administration, to establish a comprehensive program for the study, monitoring, and assessment of polar living marine resources and the marine environment of the Arctic and Southern Oceans.

H.R. 12670. May 10, 1978. Public Works and Transportation; Science and Technology. Directs each Federal agency to use and encourage the use of solar energy technologies. Requires each agency to review the programs, projects, and policies it is administering, and assess the feasibility of alternative approaches utilizing solar energy technologies. Establishes the National Solar Energy Advisory Council to advise the Secretary of Energy in the performance of his duties under this Act.

H.R. 12671. May 10, 1978. Public Works and Transportation; Science and Technology. Directs each Federal agency to use and encourage the use of solar energy technologies. Requires each agency to review the programs, projects, and policies it is administering, and assess the feasibility of alternative approaches utilizing solar energy technologies. Establishes the National Solar Energy Advisory Council to advise the Secretary of Energy in the performance of his duties under this Act.

H.R. 12672. May 10, 1978. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors, and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting: (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 12673. May 10, 1978. Agriculture; International Relations. Amends the Agricultural Act of 1954: (1) to establish United States Agricultural Trade Offices abroad, for the purpose of developing, maintaining, and expanding international markets for United States agricultural commodities; and (2) to rename agricultural attachés agricultural counselors, and to require annual reports from them on specified subjects.

Amends the Commodity Credit Corporation Charter Act to require the Corporation to finance export sales of agricultural commodities on credit terms of from three to ten years.

Establishes an Assistant Secretary of Agriculture for Commodity Programs and an Under Secretary of Agriculture for International Affairs.

H.R. 12674. May 10, 1978. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to direct the Civil Aeronautics Board, in carrying out its functions, to consider competition in air transportation and the encouragement of new air carriers as being in the public interest.

Revises procedures and factors to be considered for the issuance of certificates to engage in air transportation. Establishes time limitations for the disposal of such applications. Restricts the Board's ratemaking authority. Establishes procedures for the certification of new air carriers.

H.R. 12675. May 10, 1978. Rules; Public Works and Transportation. Amends the Federal Aviation Act of 1958 to revise the economic regulation of the airline industry.

H.R. 12676. May 10, 1978. Public Works and Transportation Amends the Federal Aviation Act of 1958 to revise the economic regulation of the airline industry.

H.R. 12677. May 10, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12678. May 11, 1978. Ways and Means. Amends the Internal Revenue Code to provide that an individual's allowable charitable contributions shall be deducted when determining the individual's adjusted gross income; thereby providing the deduction to individuals who do not itemize.

H.R. 12679. May 11, 1978. Agriculture. Amends the Federal Crop Insurance Act to repeal the requirement that a list of indemnities paid for losses on farms shall be posted annually in each county at the county courthouse.

H.R. 12680. May 11, 1978. Ways and Means. Amends the Internal Revenue Code to qualify services performed by a surviving spouse as consideration for purposes of excluding portions of jointly held property from a decedent's taxable estate.

H.R. 12681. May 11, 1978. Banking, Finance and Urban Affairs. Permits the provision of low-income housing assistance under the Housing Act of 1937 in Chicago, Illinois, without regard to criteria which restrict new construction of housing in areas where 30 percent or more of the population is nonwhite.

H.R. 12682. May 11, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from gross income statutory subsistence allowances received by State police officers between 1969 and 1978.

H.R. 12683. May 11, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from gross income statutory subsistence allowances received by State police officers between 1969 and 1978.

H.R. 12684. May 11, 1978. Veterans' Affairs. Provides war veterans' and dependents and survivors' benefits eligibility for Americans who fought in the Abraham Lincoln Brigade during the Spanish Civil War.

H.R. 12685. May 11, 1978. Ways and Means. Amends the Trade Act of 1974 (with respect to the authority of the President to negotiate trade agreements) to direct the President to reserve any article for which an agreement limiting agricultural imports has been entered into, from negotiations to reduce or eliminate customs duties or import restrictions.

H.R. 12686. May 11, 1978. Ways and Means. Amends the Internal Revenue Code to make new greenhouses eligible for the investment tax credit.

H.R. 12687. May 11, 1978. Ways and Means. Amends the Internal Revenue Code to allow manufacturers placing property eligible for the investment tax credit in designated "labor surplus" areas to take double investment tax credits and depreciation deduction for the property. Doubles the allowable de-

duction for real property taxes on realty used in connection with this property.

H.R. 12688. May 11, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from the coverage of the Federal Unemployment Tax Act agricultural handharvest labor performed by full-time students under the age of 16 years.

H.R. 12689. May 11, 1978. Agriculture; International Relations; Interstate and Foreight Commerce; Ways and Means. Establishes a National Board of Agricultural Governors to: (1) set parity prices and comprehensive cost of production prices for agricultural commodities; (2) establish a national production goal and allocate acreage allotments or marketing quotas; (3) establish a program to acquire reserve stocks; (4) establish import quotas; (5) conduct producer referendums on proposed regulations; and (6) establish and administer all agricultural and marketing programs of the Federal Government.

H.R. 12690. May 11, 1978. Judiciary. Makes the killing of an officer or employee of the Veterans' Administration who is performing official duties a Federal crime.

H.R. 12691. May 11, 1978. Interior and Insular Affairs. Establishes an administrative procedure and guidelines to be followed by a newly created office of the Department of Interior in determining whether or not Indian tribes shall be granted Federal recognition.

H.R. 12692. May 11, 1978. Ways and Means. Amends the Internal Revenue Code by providing graduated corporate income tax rates ranging, over seven brackets, from a 16 percent rate on a corporation's first $25,000 income to a 45 percent rate on income over $150,000.

H.R. 12693. May 11, 1978. Judiciary. Provides that refugees who were paroled by the Attorney General for temporary entry into the United States under the Immigration and Naturalization Act and later admitted for permanent residence into the United States shall be treated for naturalization purposes as having established permanent resident status as of the date of such temporary entry.

H.R. 12694. May 11, 1978. House Administration. Requires the President pro tempore of the Senate and the Speaker of the House of Representatives to install telecommunication devices to enable deaf persons and persons with speech impairments to engage in toll-free communications with Members of Congress.

H.R. 12695. May 11, 1978. Ways and Means. Amends the Trade Act of 1974 (with respect to the authority of the President to negotiate trade agreements) to direct the President to reserve any article for which an agreement limiting agricultural imports has been entered into, from negotiations to reduce or eliminate customs duties or import restrictions.

H.R. 12696. May 11, 1978. Ways and Means. Amends the Internal Revenue Code to provide that an individual's allowable charitable contributions shall be deducted when determining the individual's adjusted gross income; thereby providing the deduction to individuals who do not itemize.

H.R. 12697. May 11, 1978. Judiciary. Entitles a certain individual to a Federal retirement annuity.

H.R. 12698. May 12, 1978. Judiciary. Directs that the United States Court for the Central District of California shall be held at Long Beach as well as at Los Angeles.

H.R. 12699. May 12, 1978. Interstate and Foreign Commerce. Postpones until January 1, 1979, the effective date of the provision of the Social Security Amendments of 1977 which eliminates the monthly retirement earnings exemption under which an individual who earns less than a specified exempt amount in any month may receive full social security benefits under the Old-Age, Survivors, and Disability Insurance program for that month regardless of the amount of such individual's total earnings for the year.

H.R. 12700. May 12, 1978. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to prohibit the television broadcasting of programs portraying nudity, obscenity, or explicit sexual activity.

H.R. 12701. May 12, 1978. Ways and Means. Amends Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual may work without being considered as having engaged in substantial gainful activity, and thus forfeiting disability status, if such individual's earnings are at a rate (calculated on a monthly basis) that does not exceed the exempt amount established under such Title. Excludes from an individual's income, for purposes of determining eligibility for benefits under such Title, an amount equal to the expenses which such individual incurs in earning income.

H.R. 12702. May 12, 1978. Agriculture. Amends the Food Stamp Act of 1977 to deny eligibility for food stamps to any household including a person participating in a strike or labor dispute which the President determines is causing or substantially contributing to: (1) a critical shortage of any essential resource or strategic material; or (2) unemployment in an industry not directly involved in such strike or labor dispute.

H.R. 12703. May 12, 1978. Interior and Insular Affairs; Merchant Marine and Fisheries. Designates specified public lands and waters in the State of Alaska for inclusion in the National Park, National Wildlife Refuge, Wild and Scenic Rivers and National Wilderness Preservation Systems. Makes provisions for the management of subsistence uses of fish and wildlife on national lands.

H.R. 12704. May 12, 1978. Armed Services. Authorizes the Administrator of General Services to dispose of a specified amount of tin presently held in the national and supplemental stockpiles and to use the proceeds of such disposition to acquire a specified amount of copper for inclusion in the national stockpile.

H.R. 12705. May 12, 1978. Public Works and Transportation. Amends the Local Public Works Capital Development and Investment Act of 1976 to increase the amount authorized to be appropriated to carry out such Act to $10,000,000.

H.R. 12706. May 12, 1978. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to provide for the pricing of Federal Reserve System services and for the payment of interest on reserves which member banks are required to maintain.

H.R. 12707. May 12, 1978. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to stipulate that nothing in such Act shall be construed to authorize any regulation designed to restrict hunting, sport fishing, or shooting sports or to establish safety or health standards for work performed in any location which is customarily used for such activities.

H.R. 12708. May 12, 1978. Interior and Insular Affairs. Removes residency requirements and acreage limitations applicable to lands subject to reclamation laws.

H.R. 12709. May 12, 1978. Agriculture; Ways and Means. Directs the Secretary of Agriculture to establish (1) a National Sweetener Program; (2) a National Sweetener Advisory Board; (3) production quotas and price objectives for domestic-source sweeteners; and (4) marketing quotas for both domestic-source and foreign-source sweetener products.

H.R. 12710. May 12, 1978. Merchant Marine and Fisheries. Prohibits the taking of wolves or other predators on public lands by private individuals or Federal or State agencies. Permits the taking of any individual predator, upon order of the Secretary of the Interior or the Secretary of Agriculture, upon a demonstration that such predator has been killing domestic livestock. Prohibits the use of aircraft in taking predators.

H.R. 12711. May 12, 1978. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax deduction of up to $2,500 annually and $10,000 in a lifetime for contributions to an individual housing account. Makes such accounts tax exempt and allows distributions from such an account to be tax free if such distributions are used exclusively for the purchase of a principal residence for the distributee.

H.R. 12712. May 12, 1978. Judiciary. Relieves two individuals and a corporation of liability to the United States in a specified amount.

H.R. 12713. May 12, 1978. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 12714. May 15, 1978. Armed Services. Entitles enlisted members of the uniformed services to a basic allowance for subsistence in addition to a per diem allowance while traveling on temporary duty.

H.R. 12715. May 15, 1978. Ways and Means. Amends the Internal Revenue Code to repeal the carryover basis provisions enacted by the Tax Reform Act which provide that beneficiaries receiving property from a decedent's estate will retain the decedent's basis in the property. Restores prior law which "stepped up" or "stepped down" the property's basis to its market value at the time of death without imposing tax consequences on the appreciation or depreciation the property underwent while held by the decedent.

H.R. 12716. May 15, 1978. Ways and Means. Amends the Internal Revenue Code to revise the social security tax rates established by the Social Security Amendments of 1977.

Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase allocations of employment income and decrease allocations of self-employment income from the Treasury to the Federal Disability Insurance Trust Fund. Repeals increases in the contribution and benefit base.

Permits the making of loans between the Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund.

H.R. 12717. May 15, 1978. Ways and Means. Amends the Internal Revenue Code to: (1) remove the adjusted gross income limitation on the credit for the elderly; (2) increase the amount of the credit; and (3) provide an annual cost-of-living adjustment for the credit.

H.R. 12718. May 15, 1978. Interstate and Foreign Commerce. Requires franchisors to give franchisees 90-days notice, with limited exceptions, of intent to cancel, or failure to renew, a franchise agreement. Allows such cancellation or failure to renew only for certain specified reasons. Requires a franchisor to compensate a franchisee for the value of the franchisee's business when the franchisor, for a legitimate business reason, fails to renew the franchise. Sets forth the judicial remedies available to a franchisee for a violation of this Act by the franchisor.

H.R. 12719. May 15, 1978. Ways and Means. Amends Titles II (Old-Age, Survivors, and Disability Insurance) and XVIII (Medicare) of the Social Security Act and the Internal Revenue Code to finance the payment of disability benefits and hospital insurance benefits through general tax revenues, rather than through employment and self-employment tax revenues.

Reduces employment and self-employment tax rates below the rates established by the Social Security Financing Amendments of 1977.

H.R. 12720. May 5, 1978. Banking, Finance and Urban Affairs. Directs the Secretary of

Housing and Urban Development to implement a demonstration program to provide increased security for public housing projects.

Directs the Secretary to survey and report to Congress on crime in public housing projects.

H.R. 12721. May 15, 1978. Ways and Means. Requires that until further Congressional action is taken, the determination of whether an individual is an employee for purposes of social security taxation, unemployment taxation, and income tax withholding shall be made in accordance with audit practices and regulations in effect December 31, 1975.

H.R. 12722. May 15, 1978. Judiciary. Directs that the United States District Court for the Central District of California shall be held at Santa Ana as well as Los Angeles.

H.R. 12723. May 15, 1978. Armed Services. Amends the Aviation Career Incentive Act of 1974 with respect to eligibility for, and entitlement to aviation career incentive pay in the uniformed services.

H.R. 12724. May 15, 1978. Merchant Marine and Fisheries. States that if the proposed route of a pipeline, powerline, or telephone line crosses privately owned land and crosses any area within the National Wildlife Refuge System, the Secretary of the Interior shall permit the use of, or grant easements for, the passage of such line across such area.

H.R. 12725. May 15, 1978. Ways and Means. Amends the Internal Revenue Code to qualify services performed by a surviving spouse as a consideration for purposes of excluding portions of jointly held property from a decedent's taxable estate.

H.R. 12726. May 15, 1978. Government Operations. Extends countercyclical revenue sharing until fiscal year 1982 and decreases the unemployment percentage required for authorization of such program from six to five percent.

H.R. 12727. May 15, 1978. Education and Labor. Establishes the Congressional Award program in the United States and its territories to recognize and promote youth leadership and excellence in the areas of expedition fitness, personal creative development, and public service.

H.R. 12728. May 15, 1978. Banking, Finance and Urban Affairs. Amends the Coinage Act of 1965 to change the size and weight of the one-dollar coin and to require that the obverse side of such coin bear the likeness of Susan B. Anthony.

H.R. 12729. May 15, 1978. Interstate and Foreign Commerce. Amends Title XIX (Medicaid) of the Social Security Act of permit county governments to provide to other residents through the States Medicaid plan a level of medical assistance which is greater in amount, duration, or scope than that available under the plan to other State residents.

H.R. 12730. May 15, 1978. Public Works and Transportation. Authorizes the Secretary of Transportation to approve Federal participation in State projects to repair or replace highway bridges not located on any of the Federal-aid systems. Amends the Highway Revenue Act of 1954 to extend the transfers of specified taxes collected in the general Treasury to the Highway Trust Fund. Amends the Land and Water Conservation Fund Act of 1965 to extend the transfers of specified taxes from such fund to the Treasury.

Postpones specified excise tax reductions under the Internal Revenue Code of 1954.

H.R. 12731. May 5, 1978. Judiciary. Directs that the disability benefits to which a certain individual may be entitled under the Social Security Act be computed without regard to the receipt of workmen's compensation.

H.R. 12732. May 16, 1978. Veterans' Affairs. Provides for up to $100 to be paid towards the cost of a veteran's monument or marker in lieu of a Government marker or headstone.

H.R. 12733. May 16, 1978. Interstate and Foreign Commerce. Directs that all utility rate schedules which provide for the sale of electric power shall do so at price levels which have been subject to and ordered into effect after prior public notice and full hearing. Prohibits the sale of electric energy except in accordance with rate schedules fixed, approved or allowed to go into effect by a regulatory authority. Prohibits such regulatory authority from instituting a rate schedule without prior public notice and full hearing.

Sets procedures for the adjudication of alleged violations of this Act.

H.R. 12734. May 16, 1978. Ways and Means. Amends Title XX (Grants to States for Services) of the Social Security Act to increase the ceiling imposed upon payments for services under such Title for the fiscal years 1979, 1980, 1981 and maintains the 1981 level for succeeding years.

H.R. 12735. May 16, 1978. Agriculture; Education and Labor; Interstate and Foreign Commerce; Judiciary; Ways and Means.

Establishes a program of long-term comprehensive services for the elderly financed by the Federal Government and the State

Establishes within the Department of the Treasury a Federal Long-Term Care Trust Fund for such program.

Requires a State to establish a State Long-Term Care Agency in order to receive funds under this Act.

Requires such State agency to create within the State a system of Community Long-Term Care Centers.

H.R. 12736. May 16, 1978. Ways and Means. Amends the Internal Revenue Code to increase, for 1979–80, the rate of tax on employment and self employment income for the purposes of the Old-Age, Survivors, and Disability Insurance Program of Title II of the Social Security Act and to decrease the rate for the Hospital Insurance Program of Title XVIII (Medicare) of such Act.

Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to: (1) increase Treasury allocations to the Disability Insurance Trust Fund for 1979–80; (2) decrease the contribution and benefit base for such years; and (3) establish the Hospital Insurance General Revenue Trust Fund.

H.R. 12737. May 16, 1978. Rules. Amends the Congressional Budget Act of 1974 to (1) require that the contents of the first concurrent resolution of the budget be separated into two titles, and (2) prescribe a two-step process for the consideration of amendments to such resolution.

H.R. 12738. May 16, 1978. Ways and Means. Amends the Internal Revenue Code to provide that any amount received as a National Research Service Award under the Public Health Service Act is excludable from the gross income of the recipient.

H.R. 12739. May 16, 1978. Ways and Means. Amends the Tariff Schedules of the United States to eliminate the customs duty on the importation of live worms, if a product of Canada.

H.R. 12740. May 16, 1978. Education and Labor. Amends the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

H.R. 12741. May 16, 1978. Post Office and Civil Service. Directs the Postmaster General to issue a commemorative stamp honoring General Casimir Pulaski.

H.R. 12742. May 16, 1978. Agriculture; Ways and Means. Authorizes the President to prohibit the importation of sugar from any country not a member of the International Sugar Organization, and to otherwise regulate foreign trade in sugar to implement the International Sugar Agreement. Authorizes the Secretary of Agriculture to impose quotas and fees on the importation of sugar and "sugar-containing products."

H.R. 12743. May 16, 1978. International Relations. Amends the Foreign Assistance Act of 1961 to establish as a nonprofit corporation the African Development Foundation. Authorizes the Foundation to make grants, loans, and loan guarantees to any African private or public group, association, or other entity for (1) the support of self-initiated community development effort; (2) development research by Africans and the transfer of development resources, expertise, and knowledge within Africa; (3) procurement from other sources of such technical or other assistance in cases and manners deemed appropriate by African recipient entities; and (4) such other projects as the Foundation considers appropriate.

H.R. 12744. May 17, 1978. Government Operations. Requires the General Services Administration to establish a nationwide network of Federal Information Centers for the purpose of informing the public of programs and procedures of the Federal Government and for other appropriate and related purposes.

H.R. 12745. May 17, 1978. Interior and Insular Affairs. Establishes the Boundary Waters Canoe Area National Recreation Area, in Minnesota.

H.R. 12746. May 17, 1978. Armed Services. Authorizes appropriations for fiscal year 1979 for weapons procurement by the armed forces. Establishes the authorized strength levels of each of the military departments and the level for civilian personnel positions within the Department of Defense. Sets forth the authorized average military training student load for each of the armed forces. Authorizes appropriations for fiscal year 1979 for programs of the Defense Civil Preparedness Agency.

H.R. 12747. May 17, 1978. International Relations. Amends the Export Administration Act of 1969 to prohibit the export to South Africa of aircraft and aircraft parts, helicopters and helicopter parts, and nonmilitary arms.

Establishes a procedure for Congressional veto of Presidential authorization of exports to South Africa under such Act.

H.R. 12748. May 17, 1978. International Relations. Amends the Export Administration Act of 1969 to prohibit the export to South Africa of aircraft and aircraft parts, helicopters and helicopter parts, and nonmilitary arms.

Establishes a procedure for Congressional veto of Presidential authorization of exports to South Africa under such Act.

H.R. 12749. May 17, 1978. District of Columbia. Amends the District of Columbia Self-Government and Governmental Reorganization Act to exempt from the Congressional approval requirement: (1) the expenditure of funds derived from the sale of any revenue bond, note, or other obligation issued solely to finance, or assist in the financing of, the activities of any housing finance authority established by the City Council; or (2) the payment of principal, interest, or both on any such bond, note, or other obligation.

H.R. 12750. May 17, 1978. Ways and Means. Amends the Internal Revenue Code to allow up to a $200 income tax deduction for one half of the expenses incurred for the installation and purchase of a teletypewriter for use by individuals whose sight, hearing, or speech is impaired. Permits an additional income tax exemption for a taxpayer or his spouse who is deaf.

H.R. 12751. May 17, 1978. Education and Labor. Amends the Higher Education Act of 1965 to authorize appropriations for, and establish a program of grants to, urban universities for: (1) development of urban-

oriented educational, research, or service programs; and (2) assistance in carrying out such programs.

Authorizes a five year comprehensive grant to a university qualifying as an "urban grant university" and establishes criteria for such designation.

Creates an Urban University Advisory Council to: (1) review, along with the Commissioner of Education, "urban grant university" applications; (2) advise the Commissioner; and (3) make recommendations to the President and to the Congress.

H.R. 12752. May 17, 1978. Ways and Means. Repeals the provisions of Federal law (Public Law 88-482) which impose quotas on fresh, chilled, or frozen meat of cattle, goats, and sheep.

H.R. 12753. May 17, 1978. Small Business. Amends the Small Business Act to direct each Federal agency engaged in rulemaking to prepare a written analysis of whether it is legal, feasible, and desirable to exempt small businesses from a rule or whether the agency should promulgate a rule with lesser compliance standards for small businesses.

H.R. 12754. May 17, 1978. Small Business. Amends the Small Business Act to direct each Federal agency engaged in rulemaking to prepare a written analysis of whether it is legal, feasible, and desirable to exempt small businesses from a rule or whether the agency should promulgate a rule with lesser compliance standards for small businesses.

H.R. 12755. May 17, 1978. Interstate and Foreign Commerce. Permits individuals or their relatives to make supplementary payments for medical services provided by a skilled nursing facility or an intermediate care facility without losing payments for such services under the Medicaid Program of Title XIX of the Social Security Act.

H.R. 12756. May 17, 1978. Education and Labor. Amends the Higher Education Act of 1965 to (1) raise the limits on the allowable account of federally insured loans to undergraduate students; (2) authorize eligible lenders to elect to have such loans collected by the Federal Government; (3) establish guidelines for such Government collection plan including repayment through wage withholding; (4) establish the Guaranteed Student Loan Fund in the United States Treasury; and (5) establish an advisory panel to consider questions relating to such federally insured higher education loans.

H.R. 12757. May 17, 1978. Government Operations; Rules. Requires each Federal agency to reduce the paperwork burden such agency places upon the private sector and State and local governments by a specified amount each year until fiscal year 1982.

Amends the Legislative Reorganization Act of 1970 to require all public legislation reported by any congressional committee to be accompanied by a Paperwork Impact Statement detailing the paperwork burden which would be imposed upon the public sector and State and local governments by such legislation.

H.R. 12758. May 17, 1978. Ways and Means. Entitles, under the Social Security Act, States whose rates of insured unemployment is at least six percent to partial reimbursement on an ascending sliding scale of unemployment compensation costs incurred above a certain amount.

H.R. 12759. May 17, 1978. Interior and Insular Affairs. Amends the Surface Mining Control and Reclamation Act of 1977 to require the Secretary of the Interior, in exchanging Federal land under the alluvial valley floors exchange program of such Act, to grant priority to exchanges in which the United States would acquire land possessing unique environmental values.

H.R. 12760. May 17, 1978. Ways and Means. Amends the Internal Revenue Code to provide that artistic compositions, copyrights, and the like shall not be included in the estate tax valuation of the creator's estate.

H.R. 12761. May 17, 1978. Interior and Insular Affairs. Amends the Federal Coal Leasing Amendments Act of 1975 to empower the Secretary of the Interior to prescribe the terms and conditions for permitting lessees of coal lands or deposits under such Act to acquire additional coal lands or deposits continguous to those embraced in the original leases.

H.R. 12762. Ways and Means. Amends the Internal Revenue Code to allow taxpayers to elect a 12-month amortization period or a 20 percent investment tax credit for new pollution control facilities.

H.R. 12763. May 17, 1978. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire lands and interests in lands in specified areas of Nebraska and to establish the Trails West National Historical Park in Nebraska once sufficent lands have been acquired.

H.R. 12764. May 17, 1978. Ways and Means. Amends Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received disability insurance benefits under Title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act or supplemental security income benefits as a disabled individual within five years of his most recent application for supplementary security income benefits.

H.R. 12765 May 17, 1978. Ways and Means. Amends the Internal Revenue to promote the survival of independent newspapers by providing for the establishment of tax exempt trusts for paying estate taxes on such papers, and by postponing the payment of estate taxes on such papers.

H.R. 12766. May 17, 1978. International Relations. Prohibits the Secretary of State from issuing a passport to a minor, or issuing a passport to a parent that includes a minor, unless the parent swears or affirms that the removal of the minor from the United States will not violate the terms of a child custody order issued by a State court.

H.R. 12767. May 17, 1978. House Administration. Authorizes the Board of Regents of the Smithsonian Institution to acquire the Museum of African Art.

H.R. 12768. May 17, 1978. Education and Labor. Amends the National Labor Relations Act with respect to the authority of the National Labor Relations Board to decide that a craft unit is an inappropriate collective bargaining unit to require such a decision to be based upon collective bargaining history or decided in the same manner as the initial establishment of such a unit would be.

H.R. 12769. May 17, 1978. Public Works and Transportation. Provides for Federal guarantees of private loans to certain privately owned; public used general aviation airports for improvements to such airports in order to promote local, feeder, and short haul air transportation.

H.R. 12770. May 17, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from gross income prizes won in the New York State olympic lottery.

H.R. 12771. May 17, 1978. Merchant Marine and Fisheries. Establishes in the executive branch the National Zoological Foundation consisting of a National Zoological Board and a Director. Directs the Foundation to award scholarships for the training of staff members for zoos and aquariums, initiate and support research to improve the welfare of animals in zoos and aquariums, establish accreditation standards for zoos and aquariums, and to make specified project and program grants. Authorizes the Foundation to initiate and support appropriate research at academic and other nonprofit institutions.

H.R. 12772. May 17, 1978. Interior and Insular Affairs. Directs the Secretary of the Interior to convey to the State of Oregon the reversionary interest in specified land held by the United States.

H.R. 12773. May 17, 1978. Judiciary. Authorizes classification of a certain individual as an immediate relative for purposes of the Immigration and Nationality Act.

H.R. 12774. May 17, 1978. Judiciary. Authorizes the issuance of a visa for permanent admittance of an individual to the United States, under the Immigration and Nationality Act.

H.R. 12775. May 18, 1978. Banking, Finance and Urban Affairs. Amends the Consumer Credit Protection Act to create safeguards for consumers in the utilization of electronic funds transfer services.

H.R. 12776. May 18, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act and the Internal Revenue Code to require the financing of disability insurance benefits from general revenues, to reduce social security tax rates on employment and self-employment income, to reduce disability benefits to reflect a recipient's need based on family income, and to require the publication and dissemination to disability examiners of standard regulations defining physical and mental impairment for purposes of making disability determinations. Requires the establishment of a training program for State and Federal officials who make determinations of disability.

H.R. 12777. May 18, 1978. Agriculture; International Relations; Interstate and Foreign Commerce; Ways and Means. Establishes a National Board of Agricultural Governors to: (1) set parity prices and comprehensive cost of production prices for agricultural commodities; (2) establish a national production goal and allocate acreage allotments or marketing quotas; (3) establishing a program to acquire reserve stocks; (4) establish import quotas; (5) conduct producer referendums on proposed regulations; and (6) establish and administer all agricultural and marketing programs of the Federal Government.

H.R. 12778. May 18, 1978. Ways and Means. Amends the Internal Revenue code to exclude from gross income statutory subsistence allowances received by State police officers between 1969 and 1978.

H.R. 12779. May 18, 1978. Small Business. Amends the Small Business Act to direct each Federal agency engaged in rulemaking to prepare a written analysis of whether it is legal, feasible, and desirable to exempt small businesses from a rule or whether the agency should promulgate a rule with lesser compliance standards for small businesses.

H.R. 12780. May 18, 1978. Post Office and Civil Service. Limits the number of individuals in the civil service employed by the United States to the number so employed on January 1, 1977.

H.R. 12781. May 18, 1978. Government Operations. Directs the Comptroller General of the United States to audit the gold held by the United States on the first day of each fiscal year and to report his findings to the Congress.

H.R. 12782. May 18, 1978. Judiciary. Amends the Immigration and Nationality Act to authorize the seizure and forfeiture of vessels, vehicles, and aircraft used to illegally transport aliens into the United States.

Sets forth exceptions to such authority, including a vessel, vehicle, or aircraft used as a common carrier unless the owner or other person in charge was at the time of the alleged illegal act a consenting party or privy thereto.

Provides for such seizure without a warrant if incident to an arrest, or if the Attor-

ney General has probable cause to believe such illegal transport occurred.

H.R. 12783. May 18, 1978. Banking, Finance and Urban Affairs. Authorizes a certain nonprofit corporation to have medals struck in commemoration of the XIII Olympic Winter Games to be held in Lake Placid, New York in 1980.

H.R. 12784. May 18, 1978. Agriculture; Ways and Means. Authorizes the President to prohibit the importation of sugar from any country not a member of the International Sugar Organization, and to otherwise regulate foreign trade in sugar to implement the International Sugar Agreement. Authorizes the Secretary of Agriculture to impose quotas and fees on the importation of sugar and "sugar-containing products."

H.R. 12785. May 18, 1978. Ways and Means. Amends the Internal Revenue Code to remove the sales price limitation on the exclusion of residential sales gains by the elderly. Provides for the payment of interest on excess taxes withheld from individual wages. Excludes the first $100 in interest or dividends on withdrawable savings deposits and debt securities. Provides for annual cost-of-living adjustments to personal exemptions and the individual income tax rates. Allows an individual income tax credit for a portion of the educational expenses of the taxpayer, his spouse and any dependents.

H.R. 12786. May 18, 1978. Armed Services. Requires the Defense Civil Preparedness Agency to prepare a study of the special civil defense needs of areas which contain significant elements of the United States strategic nuclear retaliatory forces.

H.R. 12787. May 18, 1978. Ways and Means. Subjects specified kinds of preserved beef and veal products to the policy of Congress related to the restrictions of beef imports. Revises the formula for the determination of beef and veal import quotas. Repeals the authority of the President to suspend a proclamation limiting beef imports. Directs the President to limit beef imports at any one port of entry in order to insure the geographical distribution of such imports. Declares it the policy of Congress that a quota should be imposed upon the importation of cattle. Directs the President to impose such limitation and to limit such imports at any one port of entry.

H.R. 12788. May 18, 1978. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to eliminate the requirement that home health agencies providing medical services under such Title have a nonprofit, tax-exempt status or a license granted by the State in which is provides such services.

H.R. 12789. May 18, 1978. Ways and Means. Amends the Internal Revenue Code to exempt certain taxicabs from the Federal excise tax on gasoline, diesel and special motor fuels.

H.R. 12790. May 18, 1978. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Security Act to provide payment for optometric and medical vision care under the supplementary medical insurance program.

H.R. 12791. May 18, 1978. Agriculture; Interstate and Foreign Commerce; Science and Technology; Ways and Means. Directs the Secretaries of Agriculture and Energy to conduct research programs regarding the use of agricultural products in the development of fuel.

Amends the Internal Revenue Code of 1954 to provide a (1) deduction with respect to the amortization of any qualified ethanol-producing facility; and (2) tax credit to eligible taxpayers for each gallon of gasoline containing at least ten percent ethanol sold to the public.

Provides federally guaranteed loans for the construction of ethanol-producing facilities.

Amends the Clean Air Act to exempt any fuel mixed with ethanol from certain prohibitions under such Act.

H.R. 12792. May 18, 1978. Ways and Means. Establishes within the Internal Revenue Service an Office of Taxpayer Services to assist taxpayers with information and to receive and evaluate complaints of improper, abusive, or inefficient service by revenue personnel.

Establishes civil and criminal penalties for investigations of matters unrelated to the tax laws, and for the violation of other constitutional and legal rights guaranteed to taxpayers.

Requires the Secretary of the Treasury to prepare and distribute pamphlets advising taxpayers of their rights and of appeal procedures.

Requires a continuing audit of the administration of Federal Revenue laws by the Comptroller General of the United States.

H.R. 12793. May 18, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to require States having agreements for coverage of their employees under the system of insurance established by such title to make payments and reports on a calendar-quarter basis.

H.R. 12794. May 19, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from gross income statutory subsistence allowances received by police officers after 1969.

H.R. 12795. May 19, 1978. Education and Labor. Amends the General Education Provisions Act to delete the name of a student from the definition of directory information which may be released without a student's consent.

Authorizes educational institutions to release names of students to an individual or organization without a student's consent provided that such requests designate whole class membership rolls of students at the same chronological level of progression, or graduates of a particular year.

H.R. 12796. May 19, 1978. Public Works and Transportation. Amends the National Visitor Center Facilities Act of 1968 to increase the amount which shall be made available from funds authorized to be appropriated to the Secretary of the Interior for Supplemental alterations and construction as the Secretary deems necessary for the provision of adequate facilities for visitors at the National Visitor Center, Washington, D.C.

H.R. 12797. May 19, 1978. Armed Services. Authorizes the Secretary of the Army to prescribe the oath to be taken by appointees to the United States Military Academy.

H.R. 12798. May 19, 1978. Armed Services. Removes the limitation on the number of cadets or midshipmen who may be appointed to the Reserves from the two-year Senior Reserve Officers' Training Corps course.

H.R. 12799. May 19, 1978. Armed Services. Stipulates that Corps of Cadets of the United States Military Academy may be commanded by commissioned officers of the Navy, Air Force, and Marine Corps, as well as by Army commissioned officers.

H.R. 12800. May 19, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend authorization of appropriations through fiscal year 1981 for specified programs.

Authorizes the Secretary of Health, Education, and Welfare to make grants for projects to demonstrate innovative methods of providing health care to medically underserved populations in nonmetropolitan areas.

Requires the Secretary to provide for the care and treatment without charge of any person suffering from Hansen's disease.

Authorizes grants for preventive health activities.

Authorizes appropriations through fiscal year 1981 for the prevention of hypertension.

H.R. 12801. May 19, 1978. Ways and Means. Amends the Internal Revenue Code to: (1) reduce corporate tax rates; (2) repeal the investment tax credit; (3) disallow special exclusions from gross income for interest earned on industrial development bonds and for amounts used for shipping industry construction; (4) disallow deductions for certain depreciation expenses, for intangible drilling costs of oil and gas wells, and for certain income of Domestic International Sales Corporations (DISC) and Western Hemisphere Trade Corporations; (5) repeal percentage depletion allowances and special capital gains treatment for certain mining production activities; and (6) establish a tax credit for contributions to employee stock ownership plans.

H.R. 12802. May 19, 1978. Education and Labor. Establishes a second career program, administered by the Secretary of Labor, to redress the pattern of discrimination against workers over 40 and assist such workers in finding careers. Establishes an Institute on Age and Employment to develop a formal plan on how to utilize workers over 40 most effectively.

H.R. 12803. May 19, 1978. Merchant Marine and Fisheries. Amends the Ports and Waterways Safety Act of 1972 to require that bulk cargo vessels subject to the Act can be equipped with the best available pollution control equipment and that certain United States oil tankers be equipped with a segregated ballast capacity.

H.R. 12804. May 22, 1978. Ways and Means. Prohibits the taxation of any amount received by an employee as an employee benefit (other than any amount received as wages or compensation) unless Federal law specifically identifies such benefit as being subject to taxation.

H.R. 12805. May 22, 1978. Merchant Marine and Fisheries. Amends the Fishery Conservation and Management Act of 1976 to (1) include fish processing at sea within the coverage of such Act; (2) revise total and individual foreign fishing allocations within specified United States fisheries; (3) revise certain foreign fishing permit requirements; and (4) prohibit transfers of United States harvested fish to foreign ships without the required fishing permits or outside the United States' fishery conservation zone.

H.R. 12806. May 22, 1978. International Relations. Amends the Peace Corps Act to establish the Peace Corps Foundation to assume the functions of the Peace Corps, and to revise the employment conditions, compensation, and assignment of Peace Corps volunteers. Transfers the assets and liabilities of the Peace Corps to the Foundation.

H.R. 12807. May 22, 1978. Agriculture. Directs the Secretary of Agriculture to issue a plan for financing and carrying out a research and education program with respect to freestone peaches.

H.R. 12808. May 22, 1978. District of Columbia. Authorizes the Temporary Commission on Financial Oversight of the District of Columbia to enter into contracts with the government of the District of Columbia with respect to financial planning services and auditing services. Removes the requirement that contracts negotiated for such purposes must be fixed price contracts.

H.R. 12809. May 22, 1978. Ways and Means. Amends the Internal Revenue Code to provide cost-of-living adjustments for the individual income tax rates and withholding tables.

H.R. 12810. May 22, 1978. Banking, Finance and Urban Affairs. Amends the National Productivity and Quality of Working Life Act of 1975 to extend the National Center for Productivity and Quality of Working Life through fiscal year 1979. Authorizes the President to transfer the functions, staff and property of the Center to departments and agencies of the Federal Government.

H.R. 12811. May 22, 1978. Agriculture. Amends the Federal Meat Inspection Act to direct the Secretary of Agriculture to appoint inspectors to examine and inspect the

method by which cattle, sheep, swine, goats, horses, mules, and other equines are slaughtered and handled in slaughtering establishments inspected under the act.

Directs the condemnation and destruction for food purposes of all carcasses and parts thereof which are not slaughtered in accordance with the prescribed methods of humane slaughter.

Prohibits the importation of any carcasses and parts thereof not slaughtered in accordance with such humane methods.

H.R. 12812. May 22, 1978. Post Office and Civil Service. Changes the observance of Memorial Day from the last Monday in May to May 30.

H.R. 12813. May 22, 1978. Agriculture. Amends the Packers and Stockyards Act 1921, to repeal the authority of the Secretary of Agriculture to determine rates and charges for stockyard services. Requires the authorized State department, agency, or association which is registered as a market agency to determine brand inspection fees.

H.R. 12814. May 22, 1978. Armed Services. Stipulates that the regular military compensation for overseas personnel shall be adjusted periodically to reflect any changes since January 1, 1977, in the rate of exchange between the dollar and the official currency of the country in which such personnel is stationed, except where such adjustment would reduce the compensation below that payable on the date of enactment of this Act.

H.R. 12815. May 22, 1978. Agriculture; Ways and Means. Authorizes the President to prohibit the importation of sugar from any country not a member of the International Sugar Organization, and to otherwise regulate foreign trade in sugar to implement the International Sugar Agreement. Authorizes the Secretary of Agriculture to impose quotas and fees on the importation of sugar and "sugar-containing products."

H.R. 12816. May 22, 1978. Public Works and Transportation. Authorizes appropriations for Federal-aid highway programs, highway safety projects and mass transportation projects. Authorizes the Secretary of Transportation to make Federal financial assistance available for State projects for highway bridge replacement, interstate highway resurfacing, traffic control signalization and urban bikeways. Authorizes the Secretary to carry out specified transportation demonstration projects.

Amends the Urban Mass Transportation Act to revise Federal financial assistance programs under such Act.

H.R. 12817. May 22, 1978. Ways and Means. Amends title XX (grants to States for services) of the Social Security Act to: (1) increase the ceiling on the total amount allocable to the States for social services; (2) require the involvement of local officials in the formulation of a statewide services program plan; (3) extend certain provisions of Public Law 94–401 pertaining to day care services; (4) authorize funds for the emergency shelter of adults in danger of physical or mental abuse; and (5) authorize appropriations for Guam, Puerto Rico, the Northern Mariana Islands, and the Virgin Islands.

H.R. 12818. May 22, 1978. Armed Services. Establishes an oil shale technology demonstration program within the Department of Energy to test the commercial, social, and environmental viability of oil shale technologies. Authorizes Federal financial assistance to affected States and localities for essential community planning and development activities necessitated by this act.

H.R. 12819. May 22, 1978. Banking, Finance and Urban Affairs. Directs the Secretary of the Treasury to mint and issue $1 coins bearing the likeness of Susan B. Anthony.

H.R. 12820. May 22, 1978. Education and Labor. Amends the Youth Conservation Corps Act to change the ceiling on authorizations under such act to a minimum authorization.

H.R. 12821. May 23, 1978. Interior and Insular Affairs. Expands the boundaries of the Indiana Dunes National Lakeshore. Increases the lakeshore's advisory commission membership. Prohibits land acquisition under specified circumstances. Authorizes appropriations for construction of a marine within the lakeshore.

H.R. 12822. May 23, 1978. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1974 to repeal the emergency financial operating assistance provided in such act for the costs of providing certain mandatory rail passenger service.

Directs the Secretary of Transportation to reimburse States and local public bodies and agencies for the cost of modernizing and rehabilitating rolling stock, and publicly owned road beds, and for the costs of supporting or operating class I electric railways.

H.R. 12823. May 23, 1978. Interior and Insular Affairs. Allows the sale of rights to use water for privately owned land in the Imperial Irrigation District in California without regard to acreage, residence, and payment restrictions of the Reclamation Act of 1902.

H.R. 12824. May 23, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act and the Internal Revenue Code to abolish the Disability Insurance Trust Fund and provide instead for the payment of disability insurance benefits from general revenues.

Reduces employment and self-employment tax rates below the rates established by the Social Security Amendments of 1977.

H.R. 12825. May 23, 1978. Ways and Means. Amends the Internal Revenue Code to provide that an individual's allowable charitable contributions shall be deducted when determining the individual's adjusted gross income; thereby providing the deduction to individuals who do not itemize.

H.R. 12826. May 23, 1978. Ways and Means. Amends the Internal Revenue Code to provide that gain from the sale of a taxpayer's residence will not be deferred if within one year (instead of 18 months) before the date of such sale, the taxpayer sold his principal residence at a gain, and such gain was not recognized for income tax purposes.

H.R. 12827. May 23, 1978. Ways and Means. Repeals the provision of the Social Security Amendments of 1977 which eliminates the monthly retirement earnings exemption under which an individual who earns less than a specified exempt amount in any month may receive full social security benefits under the Old-Age, Survivors, and Disability Insurance program for that month regardless of the amount of such individual's total earnings for the year.

H.R. 12828. May 23, 1978. Ways and Means. Amends the Internal Revenue Code to permit tax-exempt organizations to conduct conventions and trade show activities designed to educate individuals engaged in a particular industry about new products and services or new rules or regulations affecting such industry without subjecting such exempt organization to the unrelated business tax.

H.R. 12829. May 23, 1978. Interior and Insular Affairs. Amends the Mineral Leasing Act for Acquired Lands to provide that in the case of Camp Swift, Texas, environmental impact statements shall not be required with respect to the issuance of specified coal or lignite leases on military lands.

H.R. 12830. May 23, 1978. Interior and Insular Affairs. Establishes an administrative procedure and guidelines to be followed by a newly created office of the Department of Interior in determining whether or not Indian tribes shall be granted Federal recognition.

H.R. 12831. May 23, 1978. Interior and Insular Affairs. Amends the Mineral Leasing Act of 1920 to authorize the Secretary of the Interior to exchange Federal coal leases and to modify existing Federal coal leases to include additional lease acreage.

H.R. 12832. May 23, 1978. Veterans' Affairs. Provides that an individual who reenters active military service within 90 days after the date of such individual's discharge from military service shall have the one year limitation for applying for Veterans' Administration outpatient dental care (necessitated by a service-connected injury or condition) measured from the date of such subsequent military discharge.

H.R. 12833. May 23, 1978. Public Works and Transportation. Amends the Airport and Airway Development Act of 1970 to increase authorizations of appropriations for airport development programs for fiscal years 1979 and 1980. Authorizes additional appropriations for the purpose of developing general aviation airports for such fiscal years.

H.R. 12834. May 23, 1978. Interior and Insular Affairs; Judiciary. Extinguishes all claims by any Indian involving any transfer of lands or waters located within the State of Maine from, by, or on behalf of any Indian, including but not limited to, transfers pursuant to State statutes.

Stipulates that any Indian whose claim to occupancy, possession, or trespass was extinguished by this Act shall have the right to maintain an action against the United States for damages on the grounds that the transfers, when made, were in violation of the laws of the United States.

H.R. 12835. May 23, 1978. Government Operations; Small Business. Amends the Office of Federal Procurement Policy Act to require the payment of interest on contract payments which are overdue under Federal contracts with small businesses.

H.R. 12836. May 23, 1978. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to stipulate that nothing in such Act shall be construed to authorize any regulation designed to restrict hunting, sport fishing, or shooting sports or to establish safety or health standards for work performed in any location which is customarily used for such activities.

H.R. 12837. May 23, 1978. Armed Services. Authorizes the Secretary of Defense to waive provisions of law relating to government contracts with respect to contracts for property or services to be made from a friendly foreign government or international organization where such a waiver will facilitate cooperation relating to North Atlantic Treaty Organization defense equipment.

H.R. 12838. May 23, 1978. Ways and Means. Amends Title IV, part A (Aid to Families with Dependent Children) of the Social Security Act to extend the period in which States will receive additional Federal financial assistance for programs under such Title. Increases the ceiling on total funds allocable among the States beginning in the first quarter after September 30, 1978.

H.R. 12839. May 23, 1978. Ways and Means. Amends the Internal Revenue Code to allow a tax credit for 70 percent of the State and local individual income tax paid by an individual taxpayer.

Disallows tax reductions for State and local individual income taxes and for State and local general sales taxes.

H.R. 12840. May 23, 1978. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12841. May 24, 1978. Ways and Means. Prohibits the Internal Revenue Service from issuing any regulation between May 1, 1978, and October 1, 1979, providing for the inclusion of any fringe benefit in gross income for the purposes of taxation.

H.R. 12842. May 24, 1978. Ways and Means. Amends the Internal Revenue Code to allow a surviving spouse to treat as furnished consideration, for estate tax purposes, up

to a 50 percent share of any joint farm or small business property which was unpaid for at the time of marriage, determined at the rate of two percent a year if such spouse actually participates in the operation of such farm or small business.

H.R. 12843. May 24, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from gross income statutory subsistence allowances received by police officers after 1969.

H.R. 12844. May 24, 1978. Post Office and Civil Service. Sets the postal rate for personal domestic letter mail of individuals sealed against inspection. Requires the Postal Service to maintain the rate for the class of mail established by this Act at a certain percentage of the rate for the transmission of ordinary letters sealed against inspection.

H.R. 12845. May 24, 1978. Post Office and Civil Service. Authorizes the Comptroller General to hire, compensate, promote, and separate employees of the General Accounting Office on the basis of merit and in accordance with regulations promulgated by the Comptroller General, and without regard to existing provisions governing the employment of Federal workers.

H.R. 12846. May 24, 1978. Ways and Means. Amends the Internal Revenue Code to allow a ten percent investment tax credit for the construction of enclosures or structures used exclusively for the housing, raising, or feeding of poultry or their produce.

H.R. 12847. May 24, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to require States having agreements for coverage of their employees under the system of insurance established by such Title to make payments and reports on a calendar-quarter basis.

H.R. 12848. May 24, 1978. Ways and Means. Amends the Trade Act of 1974 to include in the articles reserved from Presidential tariff reduction or elimination negotiations, those articles on which action has been taken under the Agricultural Act of 1956 provisions for agreements limiting exports and imports of agricultural commodities, products, textiles, and textile products.

H.R. 12849. May 24, 1978. Banking, Finance and Urban Affairs. Authorizes national banking associations to underwrite and deal in non-general obligations of States and cities.

Sets limitations and restrictions on dealings in such obligations by national banking associations.

H.R. 12850. May 24, 1978. Interior and Insular Affairs. Amends the Federal Water Project Recreation Act to authorize the Secretary of the Interior to provide for public outdoor recreation facilities and fish and wildlife enhancement and to acquire such lands as necessary which are adjacent to water resources development projects where a non-Federal public body or Federal agency is unwilling or unable to properly administer project land.

H.R. 12851. May 24, 1978. Ways and Means. Amends the Internal Revenue Code to permit the recipient of a disability pension to elect to exclude a portion of such pension from his taxable income after he has reached age 65.

H.R. 12852. May 24, 1978. Public Works and Transportation. Exempts certain highway construction and improvement projects from the environmental impact statement requirements of the National Environmental Policy Act of 1969.

H.R. 12853. May 24, 1978. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to include the Occupational Safety and Health Administration of the Department of Labor within the definitions of employer and employee for purposes of coverage under such Act.

H.R. 12854. May 24, 1978. Judiciary. Declares a certain individual an immediate relative, under the Immigration and Nationality Act.

H.R. 12855. May 24, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12856. May 24, 1978. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual.

H.R. 12857. May 24, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12858. May 25, 1978. Banking, Finance and Urban Affairs. Authorizes the Secretary of Housing and Urban Development to make grants and to provide other forms of assistance to neighborhood organizations for planning and carrying out housing, economic, and community development, and for neighborhood conservation and revitalization projects.

H.R. 12859. May 25, 1978. Banking, Finance and Urban Affairs; Education and Labor. Authorizes the Secretary of Housing and Urban Development, in consultation with the Chairman of the National Endowment for the Arts, to make grants to, or contract with, nonprofit organizations for programs to revitalize both urban communities and neighborhoods commercially and culturally.

H.R. 12860. May 25, 1978. Interior and Insular Affairs.

Provides for a settlement of Indian land claims within the State of Rhode Island.

Establishes in the United States Treasury the Rhode Island Indian Claims Settlement Fund.

H.R. 12861. May 25, 1978. Interior and Insular Affairs.

Establishes an urban park and recreation recovery program to provide assistance for the rehabilitation and development of recreation areas and facilities to local governments.

H.R. 12862. May 25, 1978. Post Office and Civil Service.

Directs that Federal Employees Group Life Insurance be made available at any time before retirement to any otherwise eligible Member of Congress or congressional employee who is not covered by such insurance. Stipulates that no Member or employee who is already covered by such insurance shall be required to provide medical evidence of insurability as a condition for optional additional insurance.

H.R. 12863. May 25, 1978. Ways and Means.

Amends the Internal Revenue code to exclude from gross income statutory subsistence allowances received by State police officers between 1969 and 1978.

H.R. 12864. May 25, 1978. Merchant Marine and Fisheries.

Amends the Fishery Conservation and Management Act of 1976 to add to its purposes the establishment of Regional Fishery Management Councils as the primary bodies for the preparation of fishery management plans.

Establishes in the Treasury of the United States a Foreign Fishing Enforcement Fund consisting of fees paid to the Secretary of Commerce by foreign fishing vessels for fishing permits.

H.R. 12865. May 25, 1978. Interior and Insular Affairs. Modifies the exterior boundaries of the San Juan and San Isabel National Forests in the State of Colorado.

H.R. 12866. May 25, 1978. Public Works and Transportation. Amends the Tennessee Valley Authority Act to allow credits against required power investment return payments for expenditures for certified pollution control facilities.

H.R. 12867. May 25, 1978. Science and Technology. Directs the Secretary of Energy and the Administrator of the National Aeronautics and Space Administration to initiate a Solar Power Satellite Research, Development, and Demonstration Program to study technical problems regarding the viability of the solar power satellite concept.

Requires the Secretary, after consultation with the Administrator, to submit to Congress a comprehensive plan to implement the program.

H.R. 12868. May 25, 1978. Judiciary. Adds a new rule to the Federal Rules of Evidence providing that evidence obtained as a result of a search or seizure and which is relevant, obtained in good faith and is otherwise admissible shall not be excluded from evidence unless the court finds that such search or seizure was made in intentional violation of the fourth amendment to the Constitution of the United States.

H.R. 12869. May 25, 1978. Judiciary. Makes specified changes in the places of holding Federal district courts, in the divisions within judicial districts, and in judicial district dividing lines.

H.R. 12870. May 25, 1978. Banking, Finance and Urban Affairs. Directs the Secretary of Commerce to identify on a continuing basis business concerns which are in danger of closing or relocating and whose closing or moving would cause substantial economic dislocation in the community.

Provides, through the Secretary, loans for technical assistance and operating costs to an employee or employee/community corporation so that it may assume ownership of a concern so identified.

Authorizes loans to employees so that they may participate in a purchasing corporation.

H.R. 12871. May 25, 1978. Ways and Means. Amends the Internal Revenue Code to lower from 65 to 62 the age requirement for the exclusion of gain on the sale or exchange of the taxpayer's principal residence.

H.R. 12872. May 25, 1978. Banking, Finance and Urban Affairs. Amends the Coinage Act of 1965 to change the size and weight of the one-dollar coin. Requires that such coins bear on the obverse side the likeness of Harriett R. Tubman superimposed over that of Suan B. Anthony and on the reverse the unfurled flag of the United States.

H.R. 12873. May 25, 1978. Ways and Means. Amends the Internal Revenue Code to restore part of the pre-1969 tax treatment of capital gains by repealing the capital gains item of tax preference for the minimum tax; lowering the corporate alternative tax to 25 percent of net capital gain; and lowering the alternative individual tax to 25 percent of net capital gain.

H.R. 12874. May 25, 1978. Science and Technology. Requires the Secretary of Energy to develop research, development, and demonstration program concerning the use of solar photovoltaic energy systems.

H.R. 12875. May 25, 1978. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to authorize payment under the supplementary medical insurance program for foot care involving the cutting and removal of corns, warts, and callouses and the trimming of club nails.

H.R. 12876. May 25, 1978. Banking, Finance and Urban Affairs. Creates a Solar Energy Development Bank to make long-term, low-interest loans to encourage the use of solar energy in commercial and residential dwellings. Establishes a Solar Energy Fund in the Treasury of the United States to finance the activities of the Bank.

H.R. 12877. May 25, 1978. Banking, Finance and Urban Affairs. Creates a Solar Energy Development Bank to make long-term, low-interest loans to encourage the use of solar energy in commercial and residential dwellings. Establishes a Solar Energy Fund in the Treasury of the United States to finance the activities of the bank.

H.R. 12878. May 25, 1978. Armed Services. Revises military health care operations by: (1) appointing regional civilian administrations; (2) requiring the development of budgeting and services programs by health

care facilities; (3) authorizing private physicians to provide services at military facilities; (4) providing performance incentives for military medical personnel; and (5) requiring the recovery of the cost of military health care services for insurers and employees.

H.R. 12879. May 25, 1978. Ways and Means. Amends the Internal Revenue Code to (1) remove the limitation on the amount of the income tax credit allowed employers who hire unemployed individuals; (2) make the credit refundable; (3) limit the types of tax against which the credit may be applied; and (4) restrict its application to the hiring of individuals between the ages of 16 and 19.

H.R. 12880. May 25, 1978. Public Works and Transportation. Amends the Local Public Works Capital Development and Investment Act of 1976 to increase the amount authorized to be appropriated to carry out such Act to $10,000,000.

H.R. 12881. May 25, 1978. Science and Technology. Repeals the Metric Conversion Act of 1975, which established the United States Metric Board in order to facilitate voluntary conversion to the use of the metric system of measurement.

H.R. 12882. May 25, 1978. Ways and Means. Amends the Tariff Schedules of the United States to permit the importation free of duty of certain gloves and trousers designed for use in forestry.

H.R. 12883. May 25, 1978. Post Office and Civil Service. Directs that Federal Employees Group Life Insurance be made available at any time before retirement to any otherwise eligible Member of Congress or congressional employee who is not covered by such insurance.

Stipulates that no Member or employee who is already covered by such insurance shall be required to provide medical evidence of insurability as a condition for optional additional insurance.

H.R. 12884. May 25, 1978. Ways and Means. Amends the Tariff Schedules of the United States to permit the duty-free entry of materials certified to the Commissioner of Customs by the Secretary of Energy to be petroleum or petroleum products the entry of which is necessary for the Strategic Petroleum Reserve Program.

H.R. 12885. May 25, 1978. Post Office and Civil Service. Denies pension and survivor's annuity benefits to any Federal employee who is convicted of any felony committed in connection with his or her Federal employment or who has fled the United States to avoid prosecution for any such felony.

H.R. 12886. May 25, 1978. Agriculture. Prohibits the movement of any biological control organism into, through, or within the United States without the authorization of the Secretary of Agriculture.

H.R. 12887. May 25, 1978. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to compensate owners for damage to water wells or springs caused by construction of the Tennessee-Tombigbee Waterway project.

H.R. 12888. May 25, 1978. Ways and Means. Amends the Internal Revenue Code to permit residents of Guam to invest private retirement funds in tax-exempt pension, profit-sharing, or stock bonus plans.

H.R. 12889. May 25, 1978. Judiciary. Authorizes a certain individual to file a claim for credit or refund for overpayment of federal income taxes.

H.R. 12890. May 25, 1978. Judiciary. Relieves a certain former Air force member of liability to repay any amount which may be due the United States because of specified overpayments of basic allowance for quarters.

H.R. 12891. May 25, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12892. May 31, 1978. Public Works and Transportation. Requires the Secretary of the Army, acting through the Chief of Engineers, to relocate a certain water supply intake facility in South Dakota.

H.R. 12893. May 31, 1978. Banking, Finance and Urban Affairs. Establishes a program of grants by the Secretary of Housing and Urban Development to the States to assist in the implementation and execution of State community conservation and development strategies.

H.R. 12894. May 31, 1978. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants and enter into contracts for establishing, maintaining, and expanding family planning projects with particular emphasis on adolescents.

H.R. 12895. May 31, 1978. Veterans' Affairs. Sets increased flat rates for veterans' non-service-connected disability pension, aid-and-attendance allowance, and survivors' benefits. Revises the list of specified categories of payments excluded from the determination of annual income for benefit payment purposes. Requires pension applicants to report the income of each spouse and child on account of whom added pension is applied for or received.

H.R. 12896. May 31, 1978. International Relations. Amends the Foreign Assistance Act of 1961 to require the Secretary of State to report to the Congress on human rights in foreign countries receiving assistance under such Act every second year (presently each year). Requires such report to include the status of internationally recognized human rights in all countries except those countries wherein a report is required for security assistance (presently the report is limited to countries receiving development assistance).

H.R. 12897. May 31, 1978. Ways and Means. Amends the Internal Revenue Code to create the World Peace Tax Fund and a Board of Trustees to administer the Fund and to make grants for research and other projects aimed at achieving world peace.

Permits persons conscientiously opposed to participation in war to designate his or her income, gift, or estate taxes to be paid into the Fund.

H.R. 12898. May 31, 1978. Public Works and Transportation. Authorizes the Administrator of the Environmental Protection Agency, under the Federal Water Pollution Control Act, to make grants to any State, municipality, or intermunicipal or interstate agency for up to 25 percent of the costs of operating and maintaining publicly owned treatment works.

H.R. 12899. May 31, 1978. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to provide incentives for increased petroleum production through the use of tertiary recovery processes.

H.R. 12900. May 31, 1978. Banking, Finance and Urban Affairs. Amends the National Housing Act to enlarge the class of "historic structures" for which the Secretary of Housing and Urban Development may insure rehabilitation loans.

Increases the limit on the size of a loan financing a historic structure preservation which may be insured under this Act.

H.R. 12901. May 31, 1978. Science and Technology. Directs the Secretary of Energy and the Administrator of the National Aeronautics and Space Administration to initiate a Solar Power Satellite Research, Development, and Demonstration Program to study technical problems regarding the viability of the solar power satellite concept.

Requires the Secretary, in consultation with the Administrator, to submit to Congress, by January 3, 1979, a comprehensive plan to implement the Program.

H.R. 12902. May 31, 1978. Ways and Means. Amends the Tariff Schedules of the United States to suspend the customs duty on gypsum building boards and laths.

H.R. 12903. May 31, 1978. Ways and Means. Directs the Internal Revenue Service, during the years 1976–1979, not to adopt a position which is inconsistent with audit practices and regulations in effect December 31, 1975, in determining whether an individual is an employee for purposes of social security taxation, unemployment taxation, and income tax withholding.

H.R. 12904. May 31, 1978. Banking, Finance and Urban Affairs. Amends the Coinage Act of 1965 to change the size and weight of the one-dollar coin and to require that the obverse side of such coin bear the likeness of Susan B. Anthony.

H.R. 12905. May 31, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from gross income a corporate stock distribution to a stockholder based upon the reinvestment of stock dividends in the corporation by such stockholder pursuant to his election to participate in a qualified dividend reinvestment plan, as defined in this Act.

H.R. 12906. May 31, 1978. Post Office and Civil Service. Increases the amount of regular group life insurance to which Federal employees are entitled to up to twice the annual salary of such employee. Decreases the contribution of such employee for such insurance. Permits the continuation of regular and optional life insurance during the retirement of any Federal employee who has been insured by such insurance for a period of five years immediately preceding such person's date of retirement.

Authorizes the provision of additional optional life insurance on the life of such employee and on the lives of such employee's family members.

H.R. 12907. May 31, 1978. Ways and Means. Amends the Internal Revenue Code to restore part of the pre-1969 tax treatment of capital gains by repealing the capital gains item of tax preference for the minimum tax; lowering the corporate alternative tax to 25 percent of net capital gain; and lowering the alternative individual tax to 25 percent of net capital gain.

H.R. 12908. May 31, 1978. Ways and Means. Amends the Internal Revenue Code to promote the survival of independent newspapers by providing for the establishment of tax exempt trusts for paying estate taxes on such papers, and by postponing the payment of estate taxes on such papers.

H.R. 12909. May 31, 1978. Rules. Amends the Congressional Budget Act of 1974 to prohibit expenditures of the Federal Government from exceeding revenues except in time of war or national emergency declared by Congress.

H.R. 12910. May 31, 1978. Agriculture. Amends the Commodity Exchange Act to extend the Commodity Futures Trading Commission through fiscal year 1981. Prohibits options trading without express permission from the Commission. Revises specified registration, contract market designation, and grievance hearing procedures.

H.R. 12911. May 31, 1978. Ways and Means. Amends the Internal Revenue Code to eliminate the prohibition placed on income tax deductions for expenses incurred in attempting to influence the general public on legislative matters, elections, or referendums.

H.R. 12912. May 31, 1978. Judiciary. Directs the Administrator of Veterans' Affairs to pay a specified sum to a certain individual.

H.R. 12913. May 31, 1978. Judiciary. Treats a certain individual as a citizen of Switzerland for the purposes of taxes on income.

H.R. 12914. May 31, 1978. Judiciary. Directs the Secretary of Commerce, acting through the Commissioner of Patents, to extend a certain patent for seven years.

H.R. 12915. June 1, 1978. Government Op-

erations. Modifies the membership of the National Archives Trust Fund Board.

H.R. 12916. June 1, 1978. Education and Labor. Establishes a system of payments to or on behalf of workers who are totally disabled by or whose death was attributed to employment-related byssinosis (Brown Lung Disease).

H.R. 12917. June 1, 1978. Agriculture. Requires the Secretary of Agriculture to compile and publish a report, to be revised every three years, containing specific recommendations for a railroad transportation system adequate to meet the essential needs of the agricultural industry of the United States. Directs the Secretary to participate in all proceedings of any Federal agencies likely to make an impact on the agricultural industry of the United States or on rural development in order to foster the cause of an efficient and economical transportation system serving such interests.

H.R. 12918. June 1, 1978. Public Works and Transportation. Stipulates that upon the withdrawal of approval of any portion of an Interstate Highway, the State involved, subject to the approval of the Secretary of Transportation, shall not be required to refund to the Highway Trust Fund any sums paid to the State for intangible costs. Stipulates that refunds shall not be required if the State applies such funds to an eligible transportation project or to a public conservation or recreation purpose within ten years.

H.R. 12919. June 1, 1978. Merchant Marine and Fisheries. Amends the Fishery Conservation and Management Act of 1976 to increase the voting membership of the Pacific Regional Fishery Management Council. Declares the intent of Congress under such Act regarding certain fishing considerations in inland waters.

H.R. 12920. June 1, 1978. Judiciary. Provides for the regulation of United States participation in international amateur sporting events, and for the promotion of amateur athletics generally, through national governing bodies that are certified for individual sports and regulated by the United States Olympic Committee.

H.R. 12921. June 1, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from gross income statutory subsistence allowances received by police officers after 1969.

H.R. 12922. June 1, 1978. Science and Technology. Establishes in the United States Treasury a National Energy Trust Fund.

Authorizes the Secretary of Energy to provide assistance from such Fund for research, development, and technical demonstrations in the field of alternate energy sources.

H.R. 12923. June 1, 1978. Government Operations. Establishes the Federal Audiovisual Commission to insure that all Federal audiovisual materials are procured from private sector producers and distributed to audiences not in the Government only through qualified private sector distribution organizations.

H.R. 12924. June 1, 1978. Post Office and Civil Service. Increases the amounts of regular and optional group life insurance available to Federal employees. Establishes a plan of optional life insurance on family members.

H.R. 12925. June 1, 1978. Rules. Requires the enactment of separate legislation for appropriations to any Federal agency for employee salaries.

H.R. 12926. June 1, 1978. Agriculture. Amends the Food Stamp Act of 1977 to grant eligibility to receive food stamps to individuals who participate in psychiatric residential treatment programs conducted by a private nonprofit organization or institution approved, licensed, or certified by the State, for meals prepared and served under such programs.

H.R. 12927. June 1, 1978. Appropriations. Appropriates specified sums for fiscal year 1979 to each of the military departments and their reserve components and to the defense agencies for military construction projects.

H.R. 12928. June 1, 1978. Appropriations. Makes appropriations for fiscal year 1979 to the Department of Energy, the Department of the Army, the Department of the Interior and related agencies for public works.

H.R. 12929. June 1, 1978. Makes appropriations for fiscal year 1979 to the Department of Labor, the Department of Health, Education, and Welfare and related agencies.

H.R. 12930. June 1, 1978. Makes appropriations for fiscal year 1979 to the Treasury Department, the United States Postal Service, the Executive Office of the President, and related agencies.

H.R. 12931. June 1, 1978. Makes appropriations for fiscal year 1979 for: (1) Foreign Assistance Act activities; (2) foreign military credit sales; (3) migration and refuge assistance; (4) payments to international financial institutions; and (5) the Export-Import Bank.

Sets forth limitations on such appropriations.

H.R. 12932. June 1, 1978. Makes appropriations for fiscal year 1979 to the Department of the Interior, Department of Agriculture, Department of Energy, Department of Health, Education, and Welfare, and related agencies.

H.R. 12933. June 1, 1978. Appropriates specified amounts for the various components of the Department of Transportation for fiscal year 1979. Appropriates specified amounts for fiscal year 1979 to: (1) the National Transportation Safety Board; (2) the Interstate Commerce Commission; (3) the Panama Canal Zone Government; (4) the Civil Aeronautics Board; (5) the United States Railway Association; and (6) the Washington Metropolitan Area Transit Authority. Sets forth restrictions on the use of funds made available under this Act.

H.R. 12934. June 1, 1978. Appropriations. Makes appropriations for fiscal year 1979 to the Department of State, the Department of Justice, the Department of Commerce, the Judiciary and related agencies.

H.R. 12935. June 1, 1978. Appropriations. Appropriates funds for the Legislative Branch for fiscal year 1979.

H.R. 12936. June 1, 1978. Makes appropriations for fiscal year 1979 to the Department of Housing and Urban Development, to the Federal Disaster Assistance Administration and to independent, related agencies.

H.R. 12937. June 1, 1978. Education and Labor; Government Operations; Ways and Means. Eliminates the exemptions of Congress and the United States from requirements relating to employment and pay actions, privacy, social security, and occupational safety and health as are set forth in specified legislation.

H.R. 12938. June 1, 1978. Interior and Insular Affairs; Interstate and Foreign Commerce. Authorizes the Secretary of Energy to make grants to specified States for the restoration of abandoned uranium mill sites.

H.R. 12939. June 1, 1978. Agriculture; International Relations; Interstate and Foreign Commerce; Ways and Means. Establishes a National Board of Agricultural Governors to: (1) set parity prices and comprehensive cost of production prices for agricultural commodities; (2) establish a national production goal and allocate acreage allotments or marketing quotas; (3) establish a program to acquire reserve stocks; (4) establish import quotas; (5) conduct producer referendums on proposed regulations; and (6) establish and administer all agricultural and marketing programs of the Federal Government.

H.R. 12940. June 1, 1978. Interior and Insular Affairs. Removes residency requirements and acreage limitations applicable to lands subject to reclamation laws.

H.R. 12941. June 1, 1978. Judiciary. Authorizes the issuance of a visa and admission for permanent residence to the United States of a specified individual, under the Immigration and Nationality Act.

H.R. 12942. June 1, 1978. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 12943. June 1, 1978. Judiciary. Authorizes classification of two individuals as children for purposes of the Immigration and Nationality Act.

H.R. 12944. June 1, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12945. June 1, 1978. Merchant Marine and Fisheries. Directs the Secretary of Commerce to issue to a certain merchant mariner specified decorations in recognition of such seaman's service during World War II.

H.R. 12946. June 1, 1978. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12947. June 2, 1978. Judiciary. Prohibits, after specified dates: (1) any licensee or permittee from manufacturing, importing, or otherwise placing or receiving, in commerce any explosive, or (2) any person from placing or receiving in commerce any explosive sold as military surplus, unless such substance contains a material which permits identification of the manufacturer and date of manufacture after detonation and a material which permits detection of the substance prior to detonation.

H.R. 12948. June 2, 1978. House Administration.

Requires candidates for the offices of President and Vice President of the United States to be chosen by direct Presidential primaries conducted in each of the States.

Establishes guidelines for such primaries.

H.R. 12949. June 2, 1978. Ways and Means.

Amends the Internal Revenue Code to repeal the carryover basis provisions enacted by the Tax Reform Act which provide that beneficiaries receiving property from a decedent's estate will retain the decedent's basis in the property. Restores prior law which "stepped up" or "stepped down" the property's basis to its market value at the time of death without imposing tax consequences on the appreciation or depreciation the property underwent while held by the decedent.

H.R. 12950. June 2, 1978. Ways and Means.

Amends the Internal Revenue Code to extend the repurchase deadline for nonrecognition of gain on the sales of former residences in the case of members of the armed forces who are stationed overseas or are required to live in government quarters.

H.R. 12951. June 2, 1978. Ways and Means. Amends the Internal Revenue Code to exclude from gross income statutory subsistence allowances received by State police officers between 1969 and 1978.

H.R. 12952. June 2, 1978. Judiciary. Prohibits any person acting under color of law, without a prior adversary court proceeding, from searching any place or seizing any things in the possession, custody, or control of any person engaged in the gathering or dissemination of news for the print or broadcast media, unless with a warrant issued by a court upon probable cause that such person has committed or is committing a criminal offense.

H.R. 12953. June 2, 1978. Public Works and Transportation. Amends the Tennessee Valley Authority Act to allow credits against required power investment return payments for expenditures for certified pollution control facilities.

H.R. 12954. June 2, 1978. Appropriations. Rescinds specified funds under the Supplemental Appropriations Act, 1978, for the Agricultural Conservation Program of the Agricultural Stabilization and Conservation Service, as contained in the message of the President of May 12, 1978 (H. Doc. 95–335).

H.R. 12955. June 2, 1978. Veterans' Affairs. Provides that a remarried spouse of a deceased veteran may be buried with such veteran in a national cemetery in the National Cemetery System if such spouse so elects and such spouse's grave is adjacent to such veteran's grave.

H.R. 12956. June 2, 1978. International Relations. Amends the Peace Corps Act to establish the Peace Corps as a government corporation to assume the functions of the Peace Corps, to revise the employment conditions, compensation and assignment of volunteers.

H.R. 12957. June 2, 1978. Merchant Marine and Fisheries. Amends the Dingell-Johnson Sport Fish Restoration Act to deny benefits under that Act to any State which does not extend reciprocal fishing privileges to non-resident individuals who are aged 62 or over and hold valid fishing licenses issued by the State of their residency.

H.R. 12958. June 2, 1978. Ways and Means. Amends the Internal Revenue Code to direct the Secretary of the Treasury to increase the dollar amounts in each individual income tax bracket to reflect the rate of inflation as reported by the Secretary of Labor for the four previous quarters ending September 30.

H.R. 12959. June 2, 1978. Merchant Marine and Fisheries. Makes owners and lessees of vessels documented under the laws of the United States, for operation in foreign or domestic commerce or fisheries eligible to enter into agreements with the Secretary of Commerce, to establish a capital construction fund for replacing, acquiring, or reconstructing vessels. Redefines "qualified vessel" for such purposes.

H.R. 12960. June 2, 1978. Ways and Means. Amends the Internal Revenue Code to allow handicapped individuals who are incapable of operating highway vehicles an income tax deduction for their commuting expenses.

H.R. 12961. June 2, 1978. Veterans' Affairs Extends to fiscal year 1983 the authorization of appropriations to carry out a pilot program for the exchange of medical information between Veterans' Administration facilities and the medical community.

H.R. 12962. June 2, 1978. Veterans' Affairs Extends the authority of the Administrator of Veterans' Affairs to make grants for the construction of State home facilities for furnishing nursing home care to veterans to fiscal year 1984.

H.R. 12963. June 2, 1978. Veterans' Affairs. Requires that veterans receiving hospital, nursing home, or outpatient medical care from the Veterans' Administration for non-service-connected disabilities be charged for such care to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under worker's compensation or automobile accident reparation statutes of any State.

H.R. 12964. June 2, 1978. Veterans' Affairs Authorizes a three year pilot program for the treatment and rehabilitation in contract facilities of veterans with alcohol or drug dependencies.

H.R. 12965. June 2, 1978. Veterans' Affairs. Limits the circumstances under which travel expenses for certain veterans traveling to or from a Veterans' Administration facility in connection with the furnishing of medical care for non-service connected disabilities will be reimbursed.

H.R. 12966. June 2, 1978. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to provide readjustment professional counseling to Vietnam era veterans and their families.

H.R. 12967. June 2, 1978. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors, and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting: (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 12968. June 2, 1978. Small Business. Amends the Small Business Act and the Domestic Volunteer Service Act of 1973 to transfer to the Small Business Administration the authority to conduct a program of volunteer assistance for small businesses. Includes the transfer of the SCORE (Service Corps of Retired Executives) and ACE (Active Corps of Executives) programs to the Administration from the ACTION Agency.

H.R. 12969. June 2, 1978. Education and Labor. Amends the Higher Education Act of 1965 to permit facilities constructed or renovated with assistance under such Act to be used for religious worship, sectarian activities, or for a school or department of divinity.

H.R. 12970. June 2, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 12971. June 2, 1978. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 12972. June 5, 1978. Ways and Means. Amends Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual may work without being considered as having engaged in substantial gainful activity, and thus forfeiting disability status, if such individual's earnings are at a rate that does not exceed the amount specified by this Act. Excludes from an individual's income, for purposes of determining eligibility for benefits under such Title, an amount equal to the expenses which such individual incurs in earning income.

H.R. 12973. June 5, 1978. Ways and Means. Amends Title XX (Grants to States for Services) of the Social Security Act to: (1) increase the ceiling on the total amount allocable to the States for social services; (2) require the involvement of local officials in the formulation of a statewide services program plan; (3) extend certain provisions of Public Law 94–401 pertaining to day care services; (4) authorize funds for the emergency shelter of adults in danger of physical or mental abuse; and (5) authorize appropriations for Guam, Puerto Rico, the Northern Mariana Islands, and the Virgin Islands.

H.R. 12974. June 5, 1978. Agriculture; International Relations; Interstate and Foreign Commerce; Ways and Means. Establishes a National Board of Agricultural Governors to: (1) set parity prices and comprehensive cost of production prices for agricultural commodities; (2) establish a national production goal and allocate acreage allotments or marketing quotas; (3) establish a program to acquire reserve stocks; (4) establish import quotas; (5) conduct producer rederendums on proposed regulations; and (6) establish and administer all agricultural and marketing programs of the Federal Government.

H.R. 12975. June 5, 1978. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, and physical examination, and related routine laboratory tests.

H.R. 12976. June 5, 1978. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to authorize free or reduced rate air transportation for any person, fifteen years of age or younger, who is traveling to the United States from any place outside thereof for the purpose of being adopted by any resident of the United States.

H.R. 12977. June 5, 1978. Agriculture. Declares that it is in the public interest to retain, protect and improve agricultural land, including land in and around urban areas, to reduce its conversion to nonagricultural uses and to limit the encroachment of industrial activities. Establishes the Agricultural Land Review Commission to study, issue research grants, report and recommend pursuant to such policy. Authorizes the Secretary of Agriculture to provide financial and technical assistance for pilot projects testing methods of retaining, protecting and improving such land.

H.R. 12978. June 5, 1978. Merchant Marine and Fisheries. Amends the Shipping Act, 1916, to vest jurisdiction in the Federal Maritime Commission over complaints against shippers, consignors, and consignees.

Prohibits any shipper, consignor, or consignee (or agent or employee thereof) of a common carrier by water in foreign commerce from receiving or demanding less than the applicable Federal Maritime Commission cargo rates.

H.R. 12979. June 5, 1978. Judiciary. Repeals various provisions authorizing appeals to the United States Supreme Court, including (1) direct appeal from a United States district court decision holding an Act of Congress unconstitutional in a civil proceeding to which the United States is a party; (2) appeal from a United States court of appeals decision holding a State statute unconstitutional; and (3) appeal from a decision of the highest court of a State holding a State statute constitutional.

H.R. 12980. June 5, 1978. Interstate and Foreign Commerce. Requires the issuance by the Department of Health, Education, and Welfare of a descriptive monograph for every new drug entity or drug product manufactured, imported into, exported from, or distributed in the United States. Provides procedures for the issuance, amendment, suspension, and revocation of such monographs.

Prescribes the content of informational and promotional drug product labeling.

Prohibits drug product licensees from distributing free samples of prescription drugs. Forbids the disclosure by pharmacists to licensees of information contained in prescriptions.

Amends the Public Health Service Act to establish the National Center for Clinical Pharmacology to conduct and support research in clinical pharmacology and drug use in the United States.

H.R. 12981. June 5, 1978. Post Office and Civil Service. Requires the preparation of an environmental impact statement for any action causing the movement of 100 or more Federal employees who are employed in an Executive agency from a place of employment in one county to one or more places outside such county.

H.R. 12982. June 5, 1978. Ways and Means. Amends the Internal Revenue Code to require the withholding of income taxes from sick pay and any disability retirement benefit paid to an individual.

H.R. 12983. June 5, 1978. Interior and Insular Affair. Replaces the existing acreage limitation of 160 acres of reclaimed land per individual with a maximum land holding of 1,920 acres owned or leased by a farmer. Limits ownership of such land to 640 acres.

Abolishes the residency requirement for qualified recipients.

Restricts the transfer of water rights upon the sale of such land.

H.R. 12984. June 5, 1978. Banking, Finance and Urban Affairs. Authorizes the Secretary

of the Treasury to offer gold for sale to the public in the form of gold medallions. Provides for the issuance of such medallions.

H.R. 12985. June 6, 1978. Ways and Means. Amends the Internal Revenue Code to make the investment tax credit applicable to buildings and their structural components used for research and industrial purposes. Makes permanent the ten percent investment tax credit.

H.R. 12986. June 6, 1978. Banking, Finance and Urban Affairs. Amends the Coinage Act of 1965 to change the size, weight, and design of the one-dollar coin. Provides for the portrayal of the likeness of Georgia Neese Clark (Gray) on the obverse side.

H.R. 12987. June 6, 1978. Ways and Means. Amends the Internal Revenue Code to repeal the taxpayer's age requirement (65 years) and the dollar limitation on the adjusted sales price ($35,000) for the exclusion from gross income of gain realized on the sale of the taxpayer's principal residence.

H.R. 12988. June 6, 1978. Interior and Insular Affairs; International Relations; Merchant Marine and Fisheries; Ways and Means. Disclaims extraterritorial sovereignty by the United States over deep seabeds.

Requires exploration or commercial recovery of deep seabeds to be licensed in accordance with this Act. Directs the Secretary of Commerce to administer this Act, and to enforce civil and criminal penalties established herein.

Sets forth the effects upon such licenses on subsequent international agreements.

Imposes a tax on the removal of hard mineral resources from the deep seabed.

Establishes a Deep Seabed Revenue Sharing Trust Fund in the United States Treasury.

H.R. 12989. June 6, 1978. Ways and Means. Requires that until further Congressional action is taken, the determination of whether an individual is an employee for purposes of social security taxation, unemployment taxation, and income tax withholding shall be made in accordance with audit practices and regulations in effect December 31, 1975.

H.R. 12990. June 6, 1978. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to authorize the use of certain additional military service in the computation of "years of service" for purposes of retirement under such Act.

H.R. 12991. June 6, 1978. Armed Services. Amends the Military Selective Service Act to delete the requirement that Reserve officers who are ordered to active duty for not more than six months be on such duty for at least three months.

H.R. 12992. June 6, 1978. Armed Services. Authorizes the use of CHAMPUS (Civilian Health and Medical Plan of the Uniformed Services) inpatient cost-sharing rates for surgery performed on an outpatient basis.

H.R. 12993. June 6, 1978. Public Works and Transportation. Amends the Public Works and Economic Development Act of 1965 to authorize the Secretary of Commerce, acting through the Economic Development Administration, to make grants to States and units of local government for the purpose of funding labor intensive public works projects on public buildings, including construction, renovation, demolition, and energy conservation.

H.R. 12994. June 6, 1978. Public Works and Transportation. Amends the Public Works and Economic Development Act of 1965 to increase the authorization of appropriations for fiscal year 1979 to carry out the special economic development and adjustment assistance program of such Act.

H.R. 12995. June 6, 1978. Public Works and Transportation. Authorizes the appropriation of funds to provide for additional administrative expenses of the Secretary of Commerce including program evaluation costs associated with the implementation of the Local Public Works Capital Development and Investment Act of 1976, as amended.

H.R. 12996. June 6, 1978. Interior and Insular Affairs. Establishes an administrative procedure and guidelines to be followed by a newly created office of the Department of Interior in determining whether or not Indian tribes shall be granted Federal recognition.

H.R. 12997. June 6, 1978. Small Business. Amends the Small Business Act to increase, to the maximum amounts payable under the executive schedule for Federal employees, the maximum allowable compensation and travel expenses for experts and consultants employed by the Administrator of the Small Business Administration.

H.R. 12998. June 6, 1978. Armed Services. Entitles members of a uniformed service to a continued basic allowance for quarters if entitled to such allowance prior to assignment to field or sea duty.

H.R. 12999. June 6, 1978. Ways and Means. Requires that until further Congressional action is taken, the determination of whether an individual is an employee for purposes of social security taxation, unemployment taxation, and income tax withholding shall be made in accordance with audit practices and regulations in effect December 31, 1975.

H.R. 13000. June 6, 1978. Post Office and Civil Service. Authorizes the postage-free mailing of sample ballots in connection with any election conducted by any State or political subdivision thereof.

H.R. 13001. June 6, 1978. Rules. Amends the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office, at the request of any Member, to prepare for certain public bills and resolutions an estimate of the additional costs to State and local governments of carrying out any additional requirements imposed by such legislation.

Prohibits the consideration by either House of any bill or resolution for which such estimate predicts such additional costs to State or local governments, unless such bill or resolution authorizes new budget authority for payment of such costs by the Federal Government.

H.R. 13002. June 6, 1978. Ways and Means. Amends the Internal Revenue Code to permit a tax deduction for an assessment on any interest in certain types of real property if such assessment is used to provide municipal-type services.

H.R. 13003. June 6, 1978. Judiciary; Ways and Means; Rules. Subjects to public comment for not less than 120 days and rule relating to firearms which is proposed by or for the Bureau of Alcohol, Tobacco, and Firearms, and about which public notice and opportunity to comment are required. Permits such a rule to take effect only if, before the close of the 120-day period, neither House of Congress adopts a resolution disapproving such rule.

Establishes a procedure for consideration by both Houses of resolutions of disapproval of rules promulgated by Federal agencies.

H.R. 13004. June 6, 1978. Judiciary. Increases any monthly civil service annuity to which a certain individual may be entitled.

H.R. 13005. June 6, 1978. Judiciary. Authorizes the issuance of a visa and admission to the United States for permanent residence of a certain individual, under the Immigration and Nationality Act.

H.R. 13006. June 6, 1978. Judiciary. Declares two individuals natural-born alien children, under the Immigration and Nationality Act.

H.J. Res. 862. April 20, 1978. Judiciary Constitutional Amendment—Eliminates the force and effect of any treaty provision which denies or abridges any constitutionally enumerated right. Prohibits a treaty from permitting any foreign power or international organization to supervise, control, or adjudicate (1) the rights of United States citizens or (2) matters essentially within the domestic jurisdiction of the United States.

Predicates the effectiveness of a treaty as internal law of the United States upon the passage of appropriate legislation.

Requires executive agreements with foreign powers or international organizations to be made in the manner and to the extent prescribed by law.

H.J. Res. 863. April 20, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the week beginning October 8, 1978, as "National Schoolbus Safety Week."

H.J. Res. 864. April 20, 1978. Judiciary. Extends to 14 years the deadline for ratification of the equal rights amendment.

H.J. Res. 865. April 20, 1978. Judiciary. Constitutional Amendment—Limits to four the number of consecutive terms which may be served by Representatives, and limits to two the number of consecutive terms which may be served by Senators.

H.J. Res. 866. April 24, 1978. Interstate and Foreign Commerce. Expresses the sense of Congress that the President should ration petroleum products should imports of foreign-produced oil exceed an average of 8,500,000 barrels per day for 30 successive days.

H.J. Res. 867. April 24, 1978. Interior and Insular Affairs. Postpones for six months the implementation of the enforcement provisions of the Surface Mine Control and Reclamation Act of 1977.

H.J. Res. 868. April 25, 1978. Post Office and Civil Service. Authorizes and requests the President to annually designate the Sunday following Fire Service Recognition Day as "Memorial Sunday" for firefighters disabled or killed in the line of duty during the preceding year.

H.J. Res. 869. April 25, 1978. Judiciary. Constitutional Amendment—Prohibits deficit spending and increases in the national debt. Sets forth a schedule for repayment of the national debt.

H.J. Res. 870. April 25, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 871. April 25, 1978. Judiciary. Constitutional Amendment—Declares the term "person", with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 872. April 25, 1978. Judiciary; Ways and Means. Declares (1) that the Department of the Treasury does not possess authority to implement certain proposed firearms transaction reporting regulations, (2) that such proposed additional record-keeping requirements serve no useful purpose and are wasteful and (3) that the Department must seek explicit congressional authorization before proposing any rules or regulations for centralizing records required under existing firearms law.

H.J. Res. 873. April 26, 1978. Appropriations. Makes supplemental appropriations for the disaster loan program of the Small Business Administration for fiscal year 1978.

H.J. Res. 874. April 26, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the week of June 4, 1978 as "National Neighborhood Week."

H.J. Res. 875. April 26, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the last day in April of each year which is not a Saturday or Sunday as "National Pledge Allegiance to Our Flag Day."

H.J. Res. 876. April 26, 1978. Post Office and Civil Service. Authorizes the President of the United States to designate the last Friday of each year as "National Arbor Day."

H.J. Res. 877. May 1, 1978. Post Office and Civil Service. Authorizes the President of the United States to designate the last Friday of each year as "National Arbor Day."

H.J. Res. 878. May 1, 1978. Judiciary: Ways and Means. Declares (1) that the Department of the Treasury does not possess authority to implement certain proposed firearms transaction reporting regulations, (2) that such proposed additional recordkeeping requirements serve no useful purpose and are wasteful and (3) that the department must seek explicit congressional authorization before proposing any rules or regulations for centralizing records required under existing firearms law.

H.J. Res. 879. May 1, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 880. May 1, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 881. May 1, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 882. May 1, 1978. Post Office and Civil Service. Designates the John Philip Sousa composition known as "The Stars and Stripes Forever" as the national march of the United States.

H.J. Res. 883. May 2, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 884. May 2, 1978. House Administration. Establishes the President's Commission on the Victims of the Holocaust for the purpose of considering and developing plans for the design, construction, and location of a permanent memorial in the United States to the victims of the Holocaust.

H.J. Res. 885. May 2, 1978. Judiciary. Extends to 14 years the deadline for ratification of the equal rights amendment.

H.J. Res. 886. May 3, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 887. May 4, 1978. Judiciary. Constitutional Amendment—Amends the Constitution to require Congress to assure that the total expenditures of the Government, during any fiscal year, do not exceed the total receipts of the Government during such fiscal year. Permits an exception to such requirement in time of declared national emergency, but states that expenditures shall never exceed receipts by more than ten percent. Provides a schedule for the institution of such requirement.

Sets forth a schedule for the elimination of the federal indebtedness.

H.J. Res. 888. May 4, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 889. May 4, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 890. May 8, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 891. May 8, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the second full week in October 1978 as "National Legal Secretaries' Court Observance Week."

H.J. Res. 892. May 8, 1978. Post Office and Civil Service. Authorizes and requests the President to designate 1978 as the "Diamond Jubilee Year" of the United States tuna industry.

H.J. Res. 893. May 9, 1978. Judiciary; Ways and Means. Declares (1) that the Department of the Treasury does not possess authority to implement certain proposed firearms transaction reporting regulations, (2) that such proposed additional recordkeeping requirements serve no useful purpose and are wasteful and (3) that the Department must seek explicit congressional authorization before proposing any rules or regulations for centralizing records required under existing firearms law.

H.J. Res. 894. May 9, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 895. May 10, 1978. Merchant Marine and Fisheries. Prohibits the Secretary of Commerce from issuing permits pursuant to the Fisheries Conservation and Management Act of 1976 which authorize foreign vessels to receive or process fish harvested by vessels of the United States within the fisheries conservation zone during 1978.

H.J. Res. 896. May 10, 1978. International Relations. Declares that the Soviet Union should release Dr. Semyon Gluzman from prison and grant permission for him and his family to immigrate to Israel.

H.J. Res. 897. May 1, 1978. Post Office and Civil Service. Designates the week of June 19 through June 25, 1978, as "National 4–H Tree Farm Week."

H.J. Res. 898. May 11, 1978. Judiciary. Constitutional Amendment—Extends the right to vote in any election to nominate candidates for the office of President or Vice President of the United States, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress to citizens who will be 18 years of age or older on the date of the election for such office.

H.J. Res. 899. May 12, 1978. Post Office and Civil Service. Authorizes the President of the United States to designate September 8 of each year as "National Cancer Day."

H.J. Res. 900. May 12, 1978. Post Office and Civil Service. Authorizes the President of the United States to designate September 8 of each year as "National Cancer Day."

H.J. Res. 901. May 12, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the month of November, 1978, as "National REACT Month" (radio emergency associated citizens teams).

H.J. Res. 902. May 12, 1978. Judiciary; Ways and Means. Declares (1) that the Department of the Treasury does not possess authority to implement certain proposed firearms transaction reporting regulations, (2) that such proposed additional recordkeeping requirements serve no useful purpose and are wasteful and (3) that the Department must seek explicit congressional authorization before proposing any rules or regulations for centralizing records required under existing firearms law.

H.J. Res. 903. May 15, 1978. Judiciary; Ways and Means. Declares (1) that the Department of the Treasury does not possess authority to implement certain proposed firearms transaction reporting regulations, (2) that such proposed additional recordkeeping requirements serve no useful purpose and are wasteful and (3) that the Department must seek explicit congressional authorization before proposing any rules or regulations for centralizing records required under existing firearms law.

H.J. Res. 904. May 15, 1978. Post Office and Civil Service Authorizes and requests the President to designate the week of September 17, 1978, as "National Port Week."

H.J. Res. 905. May 15, 1978. House Administration. Authorizes appropriations for the acquisition of a monument to Doctor Ralph J. Bunche and its erection in United Nations Plaza Park in New York City.

H.J. Res. 906. May 16, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day as "National Grandparents Day."

H.J. Res. 907. May 16, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 908. May 16, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 909. May 16, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 910. May 16, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 911. May 16, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 912. May 16, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 913. May 16, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 914. May 16, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 915. May 16, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 916. May 17, 1978. Judiciary. Constitutional Amendment—Prohibits deficit spending and increases in the national debt. Sets forth a schedule for repayment of the national debt.

H.J. Res. 917. May 17, 1978. International Relations. Requests the President to (1) instruct the Department of State to report to Congress on the violations of human rights in Cambodia, (2) instruct the International Communications Agency to disseminate such information, and (3) instruct the Ambassador to the United Nations to introduce a resolution in the General Assembly condemning these atrocities.

H.J. Res 918. May 17, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 919. May 17, 1978. Judiciary. Constitutional Amendment—Directs that each judge of a district court of the United States shall be selected by election in the appropriate judicial district for a term of six years.

H.J. Res. 920. May 17, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the month of May, 1978, as "National Car Care Month."

H.J. Res. 921. May 18, 1978. International Relations. Reaffirms that the North Atlantic Alliance is a vital commitment of the United States.

Recognizes the success of the Alliance.

Declares Congressional support for strengthening the defensive capabilities of the Alliance and for lessening tensions with the Warsaw Pact countries through arms control agreements.

H.J. Res. 922. May 18, 1978. International Relations. Reaffirms that the North Atlantic

Alliance is a vital commitment of the United States.

Recognizes the success of the Alliance.

Declares Congressional support for strengthening the defensive capabilities of the Alliance and for lessening tensions with the Warsaw Pact countries through arms control agreements.

H.J. Res. 923. May 18, 1978. International Relations. Authorizes the President to invite the States and foreign countries to participate in the International Petroleum Exposition.

H.J. Res. 924. May 18, 1978. Judiciary. Constitutional Amendment—Provides for popular enactment and repeal of laws, except those with respect to declaring war and similar matters. Requires a petition signed by a number of persons equaling at least three percent of the total number of persons voting in the last Presidential election both in each of at least ten States and nationwide to place such an issue on the ballot and a nationwide majority of votes cast to pass it.

H.J. Res. 925. May 18, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the week of June 4, 1978 as "National Neighborhood Week."

H.J. Res. 926. May 18, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the week of June 4, 1978 as "National Neighborhood Week."

H.J. Res. 927. May 19, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 928. May 19, 1978. Post Office and Civil Service. Authorizes and requests the President to designate September 8, 1978, as "International Literacy Day."

H.J. Res. 929. May 19, 1978. International Relations. Directs the President to seek an international agreement to prevent pollution of the oceans by establishing tanker safety criteria.

H.J. Res. 930. May 22, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 931. May 22, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 932. May 22, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 933. May 23, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 934. May 23, 1978. Post Office and Civil Service. Designates 1978 as the "Back of the Yards Council Community Congress Year."

H.J. Res. 935. May 23, 1978. Post Office and Civil Service. Designates the first week in October, 1978, as "National Woodcarvers' Week."

H.J. Res. 936. May 23, 1978. Post Office and Civil Service. Designates the week of September 10 through September 17 of 1978 as "National Rehabilitation Week."

H.J. Res. 937. May 23, 1978. Post Office and Civil Service. Designates the week of September 10 through September 17 of 1978 as "National Rehabilitation Week."

H.J. Res. 938. May 24, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 939. May 24, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the week of September 17, 1978, as "National Port Week."

H.J. Res. 940. May 24, 1978. Judiciary; Ways and Means. Declares that: (1) the Department of the Treasury does not possess authority to retain on file, in excess of the minimum time necessary to complete a request for trace of a firearm, any of the information currently required by law to be reported at the time of purchase and recorded on Bureau of Alcohol, Tobacco, and Firearms Form 4473; (2) the Department has no authority to require submission of Form 4473 information except as presently permitted by law; and (3) the Department must seek explicit congressional authorization before proposing any rules or regulations for centralizing records required under existing Federal firearms laws.

H.J. Res. 941. May 25, 1978. Post Office and Civil Service. Authorizes and requests the President to designate Sunday, September 24, 1978, as "National Good Neighbor Day."

H.J. Res. 942. May 25, 1978. Post Office and Civil Service. Authorizes and requests the President to designate Sunday, September 24, 1978, as "National Good Neighbor Day."

H.J. Res. 943. May 25, 1978. Judiciary. Constitutional Amendment—Provides for popular enactment and repeal of laws, except those with respect to declaring war and similar matters. Requires a petition signed by a number of persons equalling at least three percent of the total number of persons voting in the last Presidential election both in each of at least ten States and nationwide to place such an issue on the ballot and a nationwide majority of votes cast to pass it.

H.J. Res. 944. May 25, 1978. Appropriations. Appropriates a specified sum for the Federal Grain Inspection Service of the Department of Agriculture for fiscal year 1978.

H.J. Res. 945. May 31, 1978. Appropriations. Appropriates funds to the Department of Labor, Employment Standards Administration, for payments from the Black Lung Disability Trust Fund. Makes certain funds already appropriated to the Department of Labor for other purposes available for such payments but requires the Fund to reimburse the Department.

H.J. Res. 946. May 31, 1978. Post Office and Civil Service. Authorizes and requests the President to designate October 7, 1978, as "National Guard Day."

H.J. Res. 947. May 31, 1978. International Relations. Requests the President to (1) instruct the Department of State to report to Congress on the violations of human rights in Cambodia, (2) instruct the International Communications Agency to disseminate such information, and (3) instruct the Ambassador to the United Nations to introduce a resolution in the General Assembly condemning these atrocities.

H.J. Res. 948. May 31, 1978. Post Office and Civil Service. Authorizes the President of the United States to designate the week beginning on the Sunday preceding the fourth Thursday in November of each year as "National Family Week."

H.J. Res. 949. May 31, 1978. Post Office and Civil Service. Authorizes the President of the United States to designate the Sunday preceding the fourth Thursday in November of each year as "National Family Week."

H.J. Res. 950. May 31, 1978. Post Office and Civil Service. Authorizes the President of the United States to designate the week beginning on the Sunday preceding the fourth Thursday in November of each year as "National Family Week."

H.J Res. 951. May 31, 1978. Post Office and Civil Service. Authorizes the President of the United States to designate the week beginning on the Sunday preceding the fourth Thursday in November of each year as "National Family Week."

H.J. Res. 952. May 31, 1978. Post Office and Civil Service Authorizes the President of the United States to designate the Sunday preceding the fourth Thursday in November of each year as "National Family Week."

H.J. Res. 953. May 31, 1978. Post Office and Civil Service. Authorizes the President of the United States to designate the week beginning on the Sunday preceding the fourth Thursday in November of each year as "National Family Week."

H.J. Res. 954. June 1, 1978. Judiciary. Constitutional Amendment—Prohibits deficit spending and increases in the national debt. Sets forth a schedule for repayment of the national debt.

H.J. Res. 955. June 5, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday of September after Labor Day of each year as "National Grandparents Day."

H.J. Res. 956. June 5, 1978. Judiciary. Constitutional Amendment—Declares the term "person", with respect to due process and equal protections, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 957. June 5, 1978. Judiciary. Constitutional Amendment—Requires any change in the U.S. tax law to increase Federal revenue to be approved by not less than two-thirds of all Members of Congress.

H.J. Res. 958. June 5, 1978. Post Office and Civil Service. Authorizes and requests the President to designate July 1, 1978, as "Free Enterprise Day."

H.J. Res. 959. June 5, 1978. Post Office and Civil Service. Authorizes and requests the President to designate the week of June 4, 1978 as "National Neighborhood Week."

H.J. Res. 960. June 5, 1978. Judiciary; Ways and Means. Declares (1) that the Department of the Treasury does not possess authority to implement certain proposed firearms transaction reporting regulations, (2) that such proposed additional recordkeeping requirements serve no useful purpose and are wasteful and (3) that the Department must seek explicit congressional authorization before proposing any rules or regulations for centralizing records required under existing firearms law.

H.J. Res. 961. June 6, 1978. Banking, Finance and Urban Affairs. Amends the Coinage Act of 1965 to change the size and weight of the one-dollar coin and to require that the obverse side of such coin bear the likeness of Abigail Adams.

H.J. Res. 962. June 6, 1978. Post Office and Civil Service. Designates the John Philip Sousa composition known as "The Stars and Stripes Forever" as the national march of the United States.

H. Con. Res. 572. April 24, 1978. International Relations. Declares it the sense of Congress that the President should do everything possible to expedite the return of John Jordwalis and Lorraine Jordwalis Vaicekauskiene to the United States from the Soviet Union.

H. Con. Res. 573. April 24, 1978. International Relations. Declares that the Congress: (1) joins the President in condemning Cambodia for its atrocities and disregard for human rights; (2) requests the President to call upon governments having diplomatic relations with Cambodia to use their good offices to influence the Cambodian authorities to rectify this situation; and (3) urges the President to cooperate with other nations to bring such human rights violations to an end.

H. Con. Res. 574. April 25, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 575. April 25, 1978. International Relations. Declares that the President should take steps to discourage activities by the United States which benefit the Government of Uganda including closing the Ugandan embassy in the District of Columbia, restricting the movement of officials of the Ugandan mission to the United Nations, supporting legislation to prohibit imports to or exports from Uganda, prohibiting the entry of individuals on scholarships from Uganda, prohibiting the training of Ugandans in areas having military application, revoking the landing rights of Ugandan aircraft in the United States, and prohibiting maintenance in the United States of equipment having police or military application.

H. Con. Res. 576. April 25, 1978. International Relations. Declares it the sense of Congress that the President should direct the Ambassador to the United Nations to offer a resolution removing the observer status of the Palestine Liberation Organization at the United States.

H. Con. Res. 577. April 25, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 578. April 25, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 579. April 26, 1978. International Relations; Post Office and Civil Service. Declares it the sense of the Congress (1) that the President should express to the Soviet Union the disapproval of the American people concerning the nondelivery of mail to persons residing within the Soviet Union and (2) that the United States should bring to the attention of the next Congress of the Universal Postal Union the failure of the Soviet Union to comply with certain articles of the Universal Postal Union.

H. Con. Res. 580. April 26, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 581. April 26, 1978. International Relations. Declares it the sense of the House of Representatives that the President undertake discussions with the other industrialized countries with a view toward establishing, in cooperation with the member countries of the Organization of Petroleum Exporting Countries (OPEC) which are in current account surplus, a major capital pool for productive investment in the developing countries.

H. Con. Res. 582. April 26, 1978. International Relations. Declares it the sense of the House of Representatives that (1) the President recognize the severity of the international monetary crisis; (2) the President undertake discussion with the other industrialized countries to develop a common approach to this crisis; and (3) the approach should focus on a long-term solution to the crisis caused by exclusive reliance on the dollar as the key international monetary reserve asset.

H. Con. Res. 583. April 26, 1978. International Relations. Declares it the sense of the Congress that the President should instruct the Secretary of State to request the Secretary General of the United Nations to work through existing United Nations agencies to secure a full accounting of Americans listed as missing in Southeast Asia.

H. Con. Res. 584. April 27, 1978. Budget. Sets forth the congressional budget for the United States Government for fiscal year 1979. Specifies the appropriate level of new budget authorities and the estimated budget outlays for each major functional category.

H. Con. Res. 585. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of F–16 aircraft to Israel, proposed to Congress April 28, 1978.

H. Con. Res. 586. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of F–15 aircraft to Israel, proposed to Congress April 28, 1978.

H. Con. Res. 587. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of F–5E and F–5F aircraft to Egypt, proposed to Congress April 28, 1978.

H. Con. Res. 588. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of F–15 aircraft to Saudi Arabia, proposed to Congress April 28, 1978.

H. Con. Res. 589. May 1, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 590. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of F–5E aircraft to Egypt, F–15 aircraft to Saudi Arabia, and F–15 and F–16 aircraft to Israel, proposed to Congress April 28, 1978.

H. Con. Res. 591. May 1, 1978. Ways and Means. Declares it the sense of Congress that the President should seek to include environmental and safety and health standards in trade agreements.

H. Con. Res. 592. May 1, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 593. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of F–5E aircraft to Egypt, F–15 aircraft to Saudi Arabia, and F–15 and F–16 aircraft to Israel, proposed to Congress April 28, 1978.

H. Con. Res. 594. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of F–15 aircraft to Israel, proposed to Congress April 28, 1978.

H. Con. Res. 595. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of F–16 aircraft to Israel, proposed to Congress April 28, 1978.

H. Con. Res. 596. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of F–5E aircraft to Egypt, proposed to Congress April 28, 1978.

H. Con. Res. 597. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of F–15 aircraft to Saudi Arabia, proposed to Congress April 28, 1978.

H. Con. Res. 598. May 1, 1978. International Relations. Expresses Congressional disapproval of the sale of 60 F–15 aircraft to Saudi Arabia, proposed to Congress April 28, 1978.

H. Con. Res. 599. May 1, 1978. International Relations. Expresses Congressional disapproval of the export of low-enriched uranium to India proposed by the President on April 27, 1978.

H. Con. Res. 600. May 2, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 601. May 2, 1978. International Relations. Expresses Congressional disapproval of the export of low-enriched uranium to India proposed by the President on April 27, 1978.

H. Con. Res. 602. May 2, 1978. International Relations. Expresses Congressional disapproval of the sale of 50 F–5 aircraft to Egypt, 60 F–15 aircraft to Saudi Arabia, and 15 F–15 and 75 F–16 aircraft to Israel, proposed to Congress April 28, 1978.

H. Con. Res. 603. May 3, 1978. Ways and Means. Declares it the sense of Congress that an import fee on oil should not be imposed as a means of reducing crude oil imports.

H. Con. Res. 604. May 3, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 605. May 4, 1978. International Relations. Declares it the sense of Congress that the President should direct the Ambassador to the United Nations to use all means at his disposal to obtain action by the General Assembly removing the observer status of the Palestine Liberation Organization at the United Nations.

H. Con. Res. 606. May 4, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 607. May 4, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 608. May 8, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 609. May 8, 1978. International Relations. Urges the Government of Canada to reassess its present policy of permitting the killing of newborn harp seals in Canadian waters.

H. Con. Res. 610. May 9, 1978. International Relations. Condemns those responsible for the crimes against Aldo Moro. States the sense of Congress that: (1) the President extend support to the Government of Italy; and (2) the President encourage nations of the North Atlantic Treaty Organization to work with the Italian Government to coordinate and strengthen efforts of free nations to apprehend terrorists and work through diplomatic channels for the isolation and condemnation of those countries which give refuge and support to terrorists.

H. Con. Res. 611. May 9, 1978. International Relations. Condemns those responsible for the crimes against Aldo Moro. States the sense of Congress that: (1) the President extend support to the Government of Italy; and (2) the President encourage nations of the North Atlantic Treaty Organization to work with the Italian Government to coordinate and strengthen efforts of free nations to apprehend terrorists and work through diplomatic channels for the isolation and condemnation of those countries which give refuge and support to terrorists.

H. Con. Res. 612. May 9, 1978. International Relations. Declares that the Congress condemns the violations of human rights by the Government of the Republic of Uganda

and urges the President to take certain actions with respect to such violations.

H. Con. Res. 613. May 9, 1978. International Relations. Declares it the sense of Congress that the President should do everything possible to expedite the return of John Jodwalis and Lorraine Jodwalis Vaicekauskiene to the United States from the Soviet Union.

H. Con. Res. 614. May 9, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 615. May 9, 1978. International Relations. Expresses Congressional disapproval of the sale of 50 F–5 aircraft to Egypt, 60 F–15 aircraft to Saudia Arabia, and 15 F–15 and 75 F–16 aircraft to Israel, proposed to Congress April 28, 1978.

H. Con. Res. 616. May 9, 1978. International Relations. Denounces the assassination of Aldo Moro as an abhorrent criminal act which deserves the fullest condemnation.

Expresses the sense of the Congress: (1) that the people and Government of Italy have the full confidence of the United States and should receive its full support in their efforts to apprehend the perpetrators of the murder of Aldo Moro and to eliminate the campaign of terrorism; and (2) that the President should redouble United States efforts to gain international cooperation in wiping out the scourge of terrorism.

H. Con. Res. 617. May 9, 1978. International Relations. Denounces the assassination of Aldo Moro as an abhorrent criminal act which deserves the fullest condemnation.

Expresses the sense of the Congress: (1) that the people and the Government of Italy have the full confidence of the United States and should receive its full support in their efforts to apprehend the perpetrators of the murder of Aldo Moro and to eliminate the campaign of terrorism; and (2) that the President should redouble United States efforts to gain international cooperation in wiping out the scourge of terrorism.

H. Con. Res. 618. May 10, 1978. International Relations. Condemns the murder of Aldo Moro as a senseless act of terrorism against the values of the free world. Provides that such murder may serve as a symbol of the irrational acts that may occur so long as terrorists believe that such inhumane acts will serve their purpose; and that unjust demands must be resisted in the future so as to foreclose this avenue of attempted political revolution being carried out by radical minorities.

H. Con. Res. 619. May 10, 1978. Intelligence. Urges the Attorney General to seek dismissal of the indictments of three former high-level officials of the Federal Bureau of Investigation.

H. Con. Res. 620. May 11, 1978. International Relations. Expresses Congressional disapproval of the sale of 50 F–5 aircraft to Egypt, 60 F–15 aircraft to Saudi Arabia, and 15 F–15 and 75 F–16 aircraft to Israel, proposed to Congress April 28, 1978.

H. Con. Res. 621. May 11, 1978. Interstate and Foreign Commerce. Expresses Congressional objections to proposed Department of Energy amendments which would increase entitlements paid to refiners of foreign crude oil by domestic refiners.

H. Con. Res. 622. May 15, 1978. Post Office and Civil Service. Calls for the retention by the United States Postal Service of the 13-cent rate for all first-class mail.

H. Con. Res. 623. May 16, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 624. May 17, 1978. International Relations. Expresses the sense of Congress that the unjustly imprisoned members and affiliates of the Soviet Helsinki Group should be granted their freedom and allowed to pursue their lawful activities in behalf of basic human rights.

Urges the President, the Secretary of State, and other appropriate executive branch officials to continue to express the opposition of the United States to the imprisonment of the Helsinki Group members.

H. Con. Res. 625. May 18, 1978. International Relations. Expresses the sense of Congress that the unjustly imprisoned members and affiliates of the Soviet Helsinki Group should be granted their freedom and allowed to pursue their lawful activities in behalf of basic human rights.

Urges the President, the Secretary of State, and other appropriate executive branch officials to continue to express the opposition of the United States to the imprisonment of the Helsinki Group members.

H. Con. Res. 626. May 18, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 627. May 18, 1978. Interstate and Foreign Commerce. Expresses the sense of Congress with regard to the national ambient air quality standard for photochemical oxidants.

H. Con. Res. 628. May 19, 1978. International Relations. Declares it the sense of Congress that the President should direct the Ambassador to the United Nations to use all means at his disposal to obtain action by the General Assembly removing the observer status of the Palestine Liberation Organization at the United Nations.

H. Con. Res. 629. May 22, 1978. International Relations. Expresses Congressional disapproval of the export of low-enriched uranium to India proposed by the President on April 27, 1978.

H. Con. Res. 630. May 22, 1978. International Relations. Expresses Congressional disapproval of the export of low-enriched uranium to India proposed by the President on April 27, 1978.

H. Con. Res. 631. May 22, 1978. International Relations. Expresses Congressional disapproval of the export of low-enriched uranium to India proposed by the President on April 27, 1978.

H. Con. Res. 632. May 22, 1978. Interstate and Foreign Commerce. Expresses the sense of Congress with regard to the national ambient air quality standard for photochemical oxidants.

H. Con. Res. 633. May 23, 1978. Interstate and Foreign Commerce. Requires the Department of Energy to report on the energy conservation impact of all legislation, rules, and orders that will substantially increase fuel consumption in the United States before such actions take effect.

H. Con. Res. 634. May 24, 1978. Provides for the adjournment of the House and the Senate.

H. Con. Res. 635. May 31, 1978. Directs the Clerk of the House of Representatives to make a correction in the enrollment of H.R. 5493.

H. Con. Res. 636. June 1, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Departments' authority, and directs that the regulations be withdrawn.

H. Con. Res. 637. June 1, 1978. Judiciary; Intelligence. Urges the Attorney General to seek dismissal of the indictments of three former high-level officials of the Federal Bureau of Investigation.

H. Con. Res. 638. June 5, 1978. Judiciary; Ways and Means. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms sales recordkeeping and other firearms control measures exceed the Departments' authority, and directs that the regulations be withdrawn.

H. Con. Res. 639. June 5, 1978. Interstate and Foreign Commerce. Expresses the sense of Congress with regard to the national ambient air quality standard for photochemical oxidants.

H. Res. 1140. April 19, 1978. Sets forth the rule for the consideration of H.R. 11504 (Consolidated farm and rural development).

H. Res. 1141. April 19, 1978. Ways and Means. Declares that there be no reduction of customs duties on textile, apparel, or fiber products and that such products be excluded from the current Tokyo Round of Multilateral Trade Negotiations in Geneva.

H. Res. 1142. April 19, 1978. Rules. Establishes in the House of Representatives a House Select Committee on Arson to conduct an investigation of arson in the United States.

H. Res. 1143. April 20, 1978. Sets forth the rule for the consideration of H.R. 11401 (NASA appropriations authorization).

H. Res. 1144. April 20, 1978. Sets forth the rule for the consideration of H.R. 11832 (Arms Control and Disarmament Act appropriations authorization).

H. Res. 1145. May 20, 1978. Sets forth the rule for the consideration of H.R. 11877 (Appropriations authorization for the Peace Corps).

H. Res. 1146. April 20, 1978. Rules. Amends rule X of the Rules of the House of Representatives to give the House Committee on Ways and Means jurisdiction over measures providing Federal impact aid to State and local government educational agencies in areas affected by Federal activities.

Qualifies the jurisdiction of the House Committee on Education and Labor over measures relating to education or labor generally to except from such jurisdiction measures providing Federal impact aid to State and local government educational agencies in areas affected by Federal activities.

H. Res. 1147. May 24, 1978. International Relations. Expresses the concern of the House of Representatives regarding the slaughter of dolphins by Japanese fishermen in the Sea of Japan on February 23 and 24, 1978.

Encourages the Government of Japan to join in certain discussions and information exchanges in an effort to eliminate such slaughter.

H. Res. 1148. April 24, 1978. Rules. Amends rule XLIV of the Rules of the House of Representatives to extend to June 30, 1978, the filing date for financial disclosure reports.

H. Res. 1149. April 25, 1978. Sets forth the rule for the consideration of H.R. 2222 (National Labor Relations Act coverage).

H. Res. 1150. April 25, 1978. Sets forth the rule for the consideration of H.R. 9400 (Rights of institutionalized persons).

H. Res. 1151. April 25, 1978. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the Federal Communications Commission should maximize local primary radio broadcast service in any proceeding respecting the provision of class I–A and I–B radio service.

Prohibits the operation of a standard broadcast station with power in excess of 50,000 watts.

H. Res. 1152. April 25, 1978. Post Office and Civil Service. Expresses the appreciation of the House of Representatives to Bob Hope on

the occasion of his 75th birthday, May 25, 1978.

H. Res. 1153. April 25, 1978. Post Office and Civil Service. Expresses the appreciation of the House of Representatives to Bob Hope on the occasion of his 75th birthday, May 25, 1978.

H. Res. 1154. April 25, 1978. House Administration. Amends the Supplemental Appropriations Act, 1974, to increase to three the number of Lyndon Baines Johnson congressional interns which may be hired by each Member of the House of Representatives. Authorizes the payment of additional compensation to such interns from the clerk-hire allowance.

H. Res. 1155. April 25, 1978. House Administration. Amends the Supplemental Appropriations Act, 1974, to make individuals attending or teaching at vocational schools eligible to serve as congressional interns in the House of Representatives.

H. Res. 1156. April 27, 1978. Rules. Amends the Rules of the House of Representatives to transfer the responsibility of investigating Communist and subversive organizations affecting the internal security of the United States to a standing committee on Internal Security established by this Resolution. Confers upon such Committee the responsibility for investigating all organizations within the United States aimed at overthrowing the Government of the United States by force, insurrection or other unlawful means or inciting or employing violence to obstruct the authority of the Federal Government with respect to matters of internal security of the United States.

H. Res. 1157. May 1, 1978. International Relations. Declares it the sense of the House of Representatives that the International Investment Survey should be completed during 1978.

H. Res. 1158. May 2, 1978. Resolves that the bill, H.R. 8331 to amend the Securities Investor Protection Act of 1970, with the Senate amendments thereto, be taken from the Speaker's table, and that the Senate amendments be agreed to with an amendment

H. Res. 1159. May 2, 1978. Directs the Speaker of the House of Representatives to certify to the United States Attorney for the District of Columbia, the report of a certain individual's refusal to testify before the Subcommittee on the Assassination of Martin Luther King, Jr., for prosecution for contempt of Congress.

H. Res. 1160. May 2, 1978. Post Office and Civil Service. Commends the town of Hudson, Florida, on the centennial of the town's founding.

H. Res. 1161. May 2, 1978. Post Office and Civil Service. Commends Hobart C. Jackson for his dedicated service and support for improved conditions in the delivery of services to the Nation's elderly.

H. Res. 1162. May 3, 1978. Waives points of order against the conference report on H.R. 6782 (Marketing orders for raisins).

H. Res. 1163. May 3, 1978. Banking, Finance and Urban Affairs. Expresses the sense of the House that the national motto, "In God We Trust," shall continue to be engraved and printed on the currency of the United States.

H. Res. 1164. May 4, 1978. Sets forth the rule for the consideration of H.R. 12222 (Foreign Assistance Act amendments).

H. Res. 1165. May 4, 1978. Sets forth the rule for the consideration of H.R. 7814 (Federal employee work schedules).

H. Res. 1166. May 4, 1978. Rules. Amends rule XIII of the Rules of the House of Representatives to declare that a committee cost estimate, with respect to the cost of such legislation to affected parties, will not be required to be contained in a committee report if such report contains a cost estimate prepared by the Congressional Budget Office.

H. Res. 1167. May 8, 1978. Post Office and Civil Service. Expresses the appreciation of the House of Representatives to Bob Hope on the occasion of his 75th birthday, May 25, 1978.

H. Res. 1168. May 9, 1978. Sets forth the rule for the consideration of H.R. 12157 (Export-Import Bank Act amendments).

H. Res. 1169. May 9, 1978. Post Office and Civil Service. Expresses the appreciation of the House of Representatives to Bob Hope on the occasion of his 75th birthday, May 25, 1978.

H. Res. 1170. May 9, 1978. Banking, Finance and Urban Affairs. Expresses the sense of the House that the national motto, "In God We Trust," shall continue to be engraved and printed on the currency of the United States.

H. Res. 1171. May 9, 1978. Post Office and Civil Service. Reaffirms the use of the phrase "Under God" as part of the Pledge of Allegiance.

H. Res. 1172. May 10, 1978. Sets forth the rule for the consideration of H.R. 11983.

H. Res. 1173. May 10, 1978. Sets forth the rule for the consideration of H.R. 10392.

H. Res. 1174. May 10, 1978. Sets forth the rule for the consideration of H.R. 11686.

H. Res. 1175. May 10, 1978. International Relations; Merchant Marine and Fisheries. Expresses the sense of the House that the exchange of the Panama Canal Treaty instruments of ratification should not occur earlier than March 31, 1979, unless implementing legislation has been enacted prior to such exchange.

Requires specific Congressional authorization by an Act of Congress prior to any conveyance, relinquishment, or disposition of U.S. property in the Panama Canal Zone to any foreign government.

H. Res. 1176. May 11, 1978. Sets forth the rule for the consideration of H.R. 12641.

H. Res. 1177. May 11, 1978. International Relations; Merchant Marine and Fisheries. Expresses the sense of the House that the exchange of the Panama Canal Treaty instruments of ratification should not occur earlier than March 31, 1979, unless implementing legislation has been enacted prior to such exchange.

Requires specific Congressional authorization by an Act of Congress prior to any conveyance, relinquishment, or disposition of U.S. property in the Panama Canal Zone to any foreign government.

H. Res. 1178. May 12, 1978. Sets forth the rule for the consideration of H.R. 12050.

H. Res. 1179. May 16, 1978. House Administration. Provides that where two or more Members of the House of Representatives pay the basic pay of an individual from the clerk-hire allowance of each such Member, such individual shall be considered to be on the payroll of only one such Member for purposes of determining the number of individuals employed by such Members under the clerk-hire allowance.

H. Res. 1180. May 16, 1978. House Administration. Provides that where two or more Members of the House of Representatives pay the basic pay of an individual from the clerk-hire allowance of each such Member, such individual shall be considered to be on the payroll of only one such Member for purposes of determining the number of individuals employed by such Members under the clerk-hire allowance.

H.R. Res. 1181. May 16, 1978. House Administration. Provides that where two or more Members of the House of Representatives pay the basic pay of an individual from the clerk-hire allowance of each such Member, such individual shall be considered to be on the payroll of only one such Member for purposes of determining the number of individuals employed by such Members under the clerk-hire allowance.

H. Res. 1182. May 16, 1978. House Administration. Provides that where two or more Members of the House of Representatives pay the basic pay of an individual from the clerk-hire allowance of each such Member, such individual shall be considered to be on the payroll of only one such Member for purposes of determining the number of individuals employed by such Members under the clerk-hire allowance.

H. Res. 1183. May 16, 1978. House Administration. Provides that where two or more Members of the House of Representatives pay the basic pay of an individual from the clerk-hire allowance of each such Member, such individual shall be considered to be on the payroll of only one such Member for purposes of determining the number of individuals employed by such Members under the clerk-hire allowance.

H. Res. 1184. May 16, 1978. Merchant Marine and Fisheries. Expresses the sense of the House that the exchange of the Panama Canal Treaty instruments of ratification should not occur earlier than March 31, 1979, unless implementing legislation has been enacted prior to such exchange.

Requires specific Congressional authorization by an Act of Congress prior to any conveyance, relinquishment, or disposition of U.S. property in the Panama Canal Zone to any foreign government.

H. Res. 1185. May 16, 1978. House Administration. Amends the Supplemental Appropriations Act, 1974, to increase to three the number of Lyndon Baines Johnson congressional interns which may be hired by each Member of the House of Representatives. Authorizes the payment of additional compensation to such interns from the clerk-hire allowance.

H. Res. 1186. May 16, 1978. Sets forth the rule for the consideration of H.R. 39.

H. Res. 1187. May 17, 1978. Sets forth the rule for the consideration of H.R. 8099.

H. Res. 1188. May 17, 1978. Sets forth the rule for the consideration of H.R. 10929.

H. Res. 1189. May 17, 1978. Post Office and Civil Service. Expresses the appreciation of the House of Representatives to Bob Hope on the occasion of his 75th birthday, May 25, 1978.

H. Res. 1190. May 17, 1978. Sets forth the rule for the consideration of H.R. 10729.

H. Res. 1191. May 17, 1978. Sets forth the rule for the consideration of H.R. 12481.

H. Res. 1192. May 18, 1978. International Relations. Declares the sense of the House of Representatives that, until such time as Kim Dong Jo is made available for examination under oath, authorization for the transfer of anything of value, directly or indirectly, to the Republic of Korea and appropriation of funds for transfer, directly or indirectly, to the Republic of Korea for nonmilitary purposes should be approved by the House of Representatives only where the refusal to so approve such authorization or appropriation would imperil the national security of the United States or the territorial integrity of the Republic of Korea.

H. Res. 1193. May 18, 1978. Sets forth the rule for the consideration of H.R. 12602.

H. Res. 1194. May 18, 1978. International Relations. Expresses the sense of the House that until the testimony of Kim Dong Jo is made available under oath, the transfer of anything of value to the Republic of Korea for nonmilitary purposes should be made only where the refusal to do so would imperil the national security of the United States or the territorial integrity of the Republic of Korea.

H. Res. 1195. May 22, 1978. International Relations. Declares that the House condemns all acts of international violence. Expresses the sense of the House that greater international efforts should be made to develop more

effective means of combatting and controlling world terrorism.

H. Res. 1196. May 22, 1978. Interstate and Foreign Commerce. Declares that it is the sense of the House that the Food and Drug Administration should not promulgate any rules or restrictions on the use and distribution of penicillin and tetracycline products in animal feeds at low levels until a well-designed epidemiological study and a thorough benefit-risk determination are made concerning the safety of such products.

H. Res. 1197. May 23, 1978. International Relations. Expresses the concern of the House of Representatives regarding the slaughter of dolphins by Japanese fishermen in the Sea of Japan on February 23 and 24, 1978.

Encourages the Government of Japan to join in certain discussions and information exchanges in an effort to eliminate such slaughter.

H. Res. 1198. May 23, 1978. Post Office and Civil Service. Expresses the appreciation of the House of Representatives to Bob Hope on the occasion of his 75th birthday, May 25, 1978.

H. Res. 1199. May 23, 1978. Interstate and Foreign Commerce. Declares it the sense of the House of Representatives that steps should be taken to insure that more efficient use is made of the existing stock of railroad freight cars and power equipment and to encourage the acquisition of new cars and equipment in order to meet the needs of American agriculture.

H. Res. 1200. May 23, 1978. Government Operations. Expresses the disapproval of the Senate of the Reorganization Plan Numbered 2 transmitted to the Congress by the President on May 23, 1978.

H. Res. 1201. May 24, 1978. Government Operations. Expresses the disapproval of the Senate of the Reorganization Plan Numbered 2 transmitted to the Congress by the President on May 23, 1978.

H. Res. 1202. May 24, 1978. International Relations; Judiciary. Expresses the sense of the House that the President should urge the U.S. High Commissioner on Refugees to assign the highest priority to alleviating the terrible plight of the Southeast Asian refugees by evolving a long-term international resettlement project to guarantee refuge and assistance to those who flee the oppressive regimes of Indochina. Declares that the President should take all necessary steps to open our doors to the greatest extent possible to the refugees of Vietnam, Laos, and Cambodia.

H. Res. 1203. May 24, 1978. Government Operations; Ways and Means. Declares that it is the sense of the House of Representatives that the Federal Budget must be brought into balance and outlines steps which must be taken to achieve such a budget by 1980.

H. Res. 1204. May 25, 1978. Sets forth the rule for the consideration of H.R. 12598.

H. Res. 1205. May 25, 1978. Sets forth the rule for the consideration of H.R. 12240.

H. Res. 1206. May 25, 1978. Sets forth the rule for the consideration of H.R. 12426.

H. Res. 1207. May 25, 1978. House Administration. Provides that where two or more Members of the House of Representatives pay the basic pay of an individual from the clerk-hire allowance of each such Member, such individual shall be considered to be on the payroll of only one such Member for purposes of determining the number of individuals employed by such Members under the clerk-hire allowance.

H. Res. 1208. May 31, 1978. Sets forth the rule for the consideration of H.R. 15.

H. Res. 1209. May 31, 1978. House Administration. Limits any increase by any committee of the House of Representatives during the 96th Congress in the following categories: (1) the amount of available funds for investigations and inquiries; (2) the funds available for the hiring of, and the number of staff personnel; (3) the amount of office space; and (4) the number of telephone lines.

H. Res. 1210. May 31, 1978. Rules. Amends the Rules of the House of Representatives respecting travel by Members and employees of committees of the House.

H. Res. 1211. May 31, 1978. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the Congress should promptly pass proposed legislation that would comprehensively revise the telecommunications policy of the United States in order to promote the application of new telephone technology and the expansion of nationwide telephone service at uniform and low rates.

H. Res. 1212. June 1, 1978. Sets forth the rule for the consideration of H.R. 11493.

H. Res. 1213. June 1, 1978. Sets forth the rule for the consideration of H.R. 12250.

H. Res. 1214. June 1, 1978. Sets forth the rule for the consideration of H.R. 12433.

H. Res. 1215. June 1, 1978. Sets forth the rule for the consideration of H.R. 12505.

H. Res. 1216. June 5, 1978. Expresses the sorrow of the House of Representatives upon the death of a former Senator from Arkansas.

Directs the appointment of a House committee to attend the funeral of the late Senator.

H. Res. 1217. June 5, 1978. International Relations. Declares the sense of the House of Representatives that the failure of the Soviet Union to comply with international agreements to which that country is a signatory, and the increased involvement by the Soviet Union in military activities, raise doubts with respect to the sincerity of the Soviet Union concerning a second strategic arms limitation agreement, and that the President, at this time, should not enter into a new strategic arms limitation agreement with the Soviet Union until the Soviet Union honors its commitments.

H. Res. 1218. June 6, 1978. Sets forth the rule for the consideration of H.R. 12930.

EXTENSIONS OF REMARKS

RISE OF FEDERAL EXPRESS

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. ALEXANDER. Mr. Speaker, recently the Washington Post financial pages carried an article about Federal Express Co., a company born in my part of the country. It termed the company's president, Frederick W. Smith, as "a noteworthy example of the imaginative and aggressive entrepreneur who is still alive and throbbing in the South."

Those of us who know Fred and have watched him overcome the trials and tribulations of running a successful business are proud of his accomplishments. I would like to share that Post article with my colleagues at this point:

[From the Washington Post, Aug. 3, 1978]

BEHIND THE FAST RISE BY FEDERAL EXPRESS

(By Dan Dorfman)

Quick now, what's the hottest stock issue of 1978? No, it's not Resorts International (the first entry into Atlantic City gambling). Resorts has been public a long time. Give up? It's Federal Express Corporation, the Memphis-based explosively growing national air freight company whose orange, white, and purple delivery vans are becoming almost as conspicuous in some metropolitan areas as the local taxi. The stock, which came out early in April at 24, skyrocketed to a recent record high of 47½ in the volatile over-the-counter market. What, you ask, is behind it all?

For some insights, I recently went to hot, sticky Memphis (population: 775,000) to see the company's dynamic founder: 33-year-old Frederick W. Smith. A graying rich kid who made it on his own. Smith is a noteworthy example of the imaginative and aggressive entrepreneur who is still alive and throbbing in the South.

About 12 years ago—when he was 21—Smith turned in his college thesis at Yale. Its premise: There's no way airlines can compete effectively with either truckers or railroads in the transportation of bulk freight. However, after exhaustive research, Smith saw glowing potential—a booming business, in fact—in an airline service that could deliver overnight small (under 70 pounds), high-priority packages. These products would run the gamut from integral parts of computers and diagnostic equipment to human organs and legal briefs. His skeptical professor didn't think such a business had a ghost of a chance, considering the airline industry's intense competition and heavy regulation. Nevertheless, he gave Smith a passing grade, but a mediocre one—a C.

I had drinks with Smith at his new $275,000 twelve-room home in the heart of Memphis, and he laughed about that college incident. Said Smith: "The professor didn't understand how the god-damn world worked . . . that America was spreading out technologically . . . that the efficacy of our society is to be smarter, not to work harder. This meant the creation of a host of new productivity-improving equipment with innumerable complex parts . . . And the need for early delivery of such items was becoming as urgent between Appleton, Wisconsin, and Lubbock, Texas, as it was between New York and Chicago . . ."

A vietnam veteran with more than 200 combat missions and the the son of a wealthy businessman who founded Dixie Greyhound Bus Lines, Smith didn't have an easy time getting Federal Express off the ground. There were times, in fact, Smith may have thought his professor was right. Federal Express, incorporated in the summer of 1971 (Smith was 26 at the time), didn't begin its air freight service until April of 1973. In the previous year—while the mechanics of the business were being thrashed out—the company ran chartered flights.

It was agony the first few years. The first profitable month wasn't until July of 1975, and there were major financing problems. In fact, things got so bad in early 1973 that the 150 employees on the job that year were asked not to cash their checks right away. Around the same time, Smith was in Chicago trying to raise capital. He didn't get it. But later that year, the company managed to raise $24.5 million in venture capital, and

these funds, plus another $31.5 million in bank loans, enabled the company to keep its head above water.

As it turned out, Federal Express developed into one of the biggest venture-capital deals ever, with investors anteing up $91 million in the first three years for Smith's bold scheme. Surely there were days when some of them must have thought it a harebrained scheme as Federal Express racked up wicked losses of $29 million in its first 26 months.

But that was yesterday, and the company's growth since then has been meteoric. In April of 1973, the company, aside from its 150 employees, had 10 aircraft, served 22 cities, and delivered 15 packages the first night. Today, there are 2,800 full-time employees (4,200 all told). The fleet has since swelled to 69 aircraft (both owned and leased). The company delivers 35,000 packages a day (at around $22 each) and services 130 mjor markets and 15,000 communities.

Accompanying this expansion, at least recently, has been rapid growth in both sales and earnings. For example, in its most recent fiscal year, ending last May 31, Federal Express's pretax earnings shot up to $20.6 million from $8.2 million a year earlier. On a per-share basis, reflecting the company's recent recapitalization and stock offering for the past year, earnings jumped to $3.53 a share from $1.01. And revenues ran up to $160 million from $109.2 million.

Importantly, too, there has been a dramatic improvement in the balance sheet. As of a year ago, equity capital had shrunk to $7.8 million in the fact of an awesome $52.5-million debt. Today, the company sports a $54 million net worth, and its total long-term debt has shrunk to roughly $33 million.

It all adds up to a sharply rising stock price, and probably nobody is more delighted at that rise than Smith himself. He owns about 465,000 shares and warrants (plus additional shares in a family-owned company) that are worth about $24 million. When I mentioned this, he bristled: "Money doesn't mean a damn thing to me," he says. "I don't need a lot of money, and I don't spend a lot of money."

I'm not about to question Smith's disdain for money. But it's worth noting that he was indicted in February 1975—though later acquitted in a jury trial—for allegedly obtaining funds from a bank by using false documents.

There's no doubt that Federal Express' future was considerably enhanced last November when legislation was passed that allowed the company to increase the previous limit of 7,500 pounds of cargo per plane. That chopped delivery costs a hefty 30 percent. But that same legislation is also likely to heighten competition — perhaps dramatically—in an air freight market (namely small packages) that is already 23 per cent controlled by Federal Express. So where does the company go from here?

The ever confident Smith told me that the market's strong growth potential (he estimates that 90 per cent of all freight is actually small, express-type packages)—coupled with the company's momentum, heavy promotional bombardment, drive, and savvy—should permit Federal Express to continue to turn in above-average growth and achieve a rising market share. He sees the prospects of broader market coverage domestically and expansion into European markets. And there may be a brand-new lucrative business—Federal Express, Smith tells me, is planning to petition the Civil Aeronautics Board to permit the company's craft to get into the short-haul passenger market during the day. At present, Federal Express delivers its packages to 88 airports in the wee hours of the morning.

Looking ahead, Smith figures fiscal 1979 should produce another rise in earnings to about $4.35 to $4.50 a share on revenues of between $200 million and $220 million. "We could earn more, but the expense side of the ledger will run pretty rich this year," he tells me. This is a reference to the heavy outlays the company will be pouring into new data, tele-communications, and operational systems. Smith believes a reasonable projection for fiscal 1980 is an earnings performance of about $5 a share on revenues of $260 million to $270 million.

Though Smith was born in Marks, Miss., he has spent most of his life in Memphis.

"Memphis is a horrible place," Smith told me. "There are serious structural problems when 30 percent of the people earn 70 percent of the income and 70 percent (primarily the blacks) get only 30 percent of the income. You have a massive underemployed black population, and it's not because the jobs aren't there or the blacks don't want to work. The real problem is that powerful interests in this city want the status quo maintained."●

GEORGE MAHON OF TEXAS

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. CEDERBERG. Mr. Speaker, this Sunday, August 6, marks the 33d anniversary of the first use of atomic energy in war. On that day, reasonable men everywhere realized the cost in human life and to our civilization that future war would exact.

When the Defense Subcommittee came into being in 1949, the first chairman was GEORGE MAHON of Texas. He set out, it seems, to do all in his power to make certain nuclear war would not again be inflicted on mankind. To this end he dedicated his energies to making America so strong none would dare attack.

His success is proven by history. We have been challenged and attempts have been made to bully us, but none has chanced to challenge nuclear war.

The elevation of GEORGE MAHON to the chairmanship of the Appropriations Committee diminished in no way his dedication to sufficient military strength. His efforts and his leadership can be traced directly to the U.S. position of strength in the world today.

Now, for the final time in his distinguished career, GEORGE MAHON brings to this Congress a bill to keep us strong. It is the product of his life's work. It is, in no small way, a reflection of the gentleman from Texas.

In my years of association with him and especially in my role as ranking minority member of the Appropriations Committee, I have seen him at work, always fair, always willing to listen, and always a friend.

During the budget overview hearings this year, I remarked that a fitting last hurrah for GEORGE MAHON would have been for us to balance the budget for him, just this once. That has not proven possible, but someday, perhaps it will.

I regret seeing GEORGE leave this Congress to return to his beloved Texas, but I thank him for the honor I have of serving with him.●

PANAMA AND SELFISH LAPSES

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. JOHN L. BURTON. Mr. Speaker, I am inserting for the benefit of my colleagues, the following editorial:

PANAMA AND SELFISH LAPSES

Congress, the press and the American people have developed a bad habit of walking away from foreign situations in which the nation has been deeply involved with no backward looks.

This is a new style of behavior, a selfish lapse from the grace with which this country faced the post-war plight in Europe and Asia. It is a reaction to an undigested adventure, a kind of flinch that we acquired in the bitterness of Vietnam.

Walking away with a shrug will be particularly wrong, morally and practically, in the case of Panama. If we did not, back in the high-flying days of 1968, participate in creating the dictator, Omar Torrijos, we certainly acquiesced in his seizure of power and assisted him, with aid and other endorsements, in staying in the saddle.

Historians will surmise, as most thoughtful Panamanians believe already, that we backed this morally decrepit leader because we could make a deal with him. He began to look like our ape in their parlor as we counseled him on curbing his excesses and performing the conciliations necessary to speed the treaty through the Senate.

Now our attention is turned away and he is reverting to type. The slaughter by pro-regime guerrillas of a still-undetermined number of college protesters on the eve of President Carter's visit has proved to be the prelude to a transition that has left Panamanians suspended between their hopes for an infusion of democracy and their fears of brutal treatment.

The turn has also been signalled by the Panamanian bishops, led by the respected Archbishop Marcos McGrath. They muted their apprehensions during the negotiations, but in a new pastoral letter they warn there are serious defects in the political structure, inefficient administration and lack of control over public funds, plus increasing domination by "certain Marxist elements." The deep rapport between Torrijos and Fidel Castro is a matter of continuing concern in Panama.

Torrijos concedes that after 10 years of strong-arm rule, he has an obligation to give his country something better. But he doesn't know exactly what, as he certainly intends to stay on as the centerpiece. He may let himself be chosen president by the 505 representatives to an assembly tailored by the regime to exploit its rural strength.

"I am not a very ambitious leader," Torrijos says, but his taste for the plunder of power is not requited. He says, "We must organize politically" and talks of restoring party politics; but insists there will be no direct election of a president until 1984. He has assigned the task of planning the new political phase to a commission headed by Romulo Betancourt, the man at his elbow, the treaty negotiator and the Marxist who once brought Che Guevara to Panama.

A chilling insight into Betancourt's political philosophy surfaced on July 21 when he told a crowd, "Let them even try to raise their little finger against this revolution and they will see a change from our position of tolerance. They will see how the armed branch of this revolution would deal a blow to those traitors and reactionaries."

The State Department is now planning to add to the regime's muscle by supplying $2.5 million in military assistance to the national guard. This is a partial fulfillment of the U.S. negotiators' pledge to seek congressional support for $50 million in military assistance over the next 10 years.

All in all the president contemplates a $20 million aid package to Panama, the only nation with a per capita product of more than $1,300 that gets economic assistance. This was grease that facilitated the treaty deal. Now Congress is being asked to bolster a dictator bent on reassuring himself.

All the past support of Torrijos was barely justified in moral terms, by the need for a treaty. Further support for a regime that flirts with totalitarians and drug-traffickers while it represses Panamanians will be unforgivable.●

EDITORIAL SUPPORT FOR CONSIDERATION OF THE KEMP-ROTH TAX RATE REDUCTION ACT AND EDITORIAL SUPPORT FOR ITS ENACTMENT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. KEMP. Mr. Speaker, our colleague from Indiana (Mr. BRADEMAS) read into yesterday's RECORD an editorial attacking the Kemp-Roth bill from Business Week magazine. The Kemp-Roth bill, formally known as the Tax Rate Reduction Act, is the legislation to reduce individual income tax rates for all people by about 33 percent over the next 3 years, and Business Week is a voice for a segment of America's business, corporate community.

Two points:

First, the questions, all of the questions, raised in the Business Week editorial have been answered accurately and thoroughly. Any Member, anyone, with an interest in those answers should turn their attention to the RECORD of July 14, at 21032–21038; July 26, 22940–22943; August 1, 23748–23750; and August 3, 24275–24278, particularly page 24277. You will find a complete refutation of the premises and conclusions of the Business Week editorial there.

Second, the editorials from the newspapers which speak for the people around the country have a different attitude, opinion about the Kemp-Roth bill. In increasing numbers they are coming out in support of enactment of the Kemp-Roth bill.

Since they speak in such contrast to the Business Week editorial, I think it is important to bring them to the attention of my colleagues. They are good indications of what the people are thinking.

A FLOOR VOTE ON INDIVIDUAL RATE REDUCTIONS AS AN AMENDMENT TO H.R. 13511, SHOULD BE ASSURED IN THE RULE

As the principal cosponsor of the Kemp-Roth bill in the House and as a spokesman for the 180-plus additional cosponsors in Congress, I was assured of the agreement between the chairman and the ranking minority member of the Committee on Ways and Means that the individual income tax rate reduction portions of the Kemp-Roth bill could be offered on the House floor as an amendment to the committee's bill.

The committee voted through its recommendation to the Rules Committee that such an amendment be allowed. Pursuant to that vote, the chairman, Mr. ULLMAN, sent a letter dated July 28 to the chairman of the Committee on Rules, Mr. DELANEY, received by his committee office on July 31, and I quote from it:

I am authorized and directed by the Committee to request a modified open rule which would provide for:

(1) The following 5 amendments, which would not be subject to amendment, if printed in the Congressional Record and if offered on the floor:

(a) an amendment by Mr. Kemp to the individual tax rate reductions contained in Title I of the bill.

But the Speaker has since publicly indicated that he will fight any attempt to let that portion of the measure come to the floor as an amendment. He is obviously trying to force it to be offered as the motion to recommit or a portion of such a motion, in hopes that fewer Members would vote for it as a motion to recommit. This is a very clear indication of how close we must be to a majority or that the majority party's head counts indicate that we have already gone over the top.

The Washington Star made this the subject of its lead editorial in this afternoon's editions. Let me quote from that editorial:

STRONG-ARMING KEMP-ROTH

During the House Ways and Means Committee's recent free-form debate on taxes, the Kemp-Roth bill was among many ideas discussed, most of which were rejected, including the major part of a proposal submitted by President Carter. What Ways and Means came up with was a $16 billion tax reduction bill that includes a controversial reduction in the capital gains tax.

But Chairman Ullman promised that all members of the House would get a chance to express their views on the Kemp-Roth proposal by allowing the Republicans to bring it up as a substitute to the committee's bill. Mr. Ullman said that since Kemp-Roth "is a political issue in every congressional district," it ought to be brought to a vote on the floor. The chairman said he was confident it would be rejected.

But Speaker O'Neill had a different idea. He has cast aside Mr. Ullman's commitment and finagled the Rules Committee into adopting a procedure that will prevent Kemp-Roth from coming to a direct vote on the floor.

Mr. O'Neill's strong-arm tactic seems excessive. Is he admitting that he isn't sure he can control his own Democratic troops or is the speaker just trying to throw his weight around, as he often is wont to do?

It's unlikely that the Democratic Congress would approve such a radical departure as the Kemp-Roth bill. But in denying House members a vote on it, Mr. O'Neill probably has given Republicans an even bigger opening to use it as a campaign issue.

National Republican Committee Chairman Bill Brock promptly denounced Mr. O'Neill's action as a "cowardly and dictatorial act," a violation of Mr. Ullman's pledge and an "outrage against overburdened American taxpayers."

Political broadsides like that could be effective, especially when taxpayers find out that with increases in the Social Security tax coming up and inflation shoving them into higher income tax brackets, the bill approved by the Ways and Means Committee won't mean much to the average American in the way of overall tax reductions next year.

The Buffalo Courier-Express addressed not only its support for Kemp-Roth, but also this attempt to keep it from coming to a floor vote, as an amendment to H.R. 13511, in an editorial yesterday morning, August 3:

LET KEMP-ROTH BILL GO TO VOTE

House Speaker Thomas P. "Tip" O'Neill, D-Mass., is some friend of the people. At a time when the public is pressing for tax relief and when the House is about to debate a $16-billion tax-cut measure approved by the Democratic-controlled Ways and Means Committee, it is outrageous that the speaker should be trying to keep the House from considering the Kemp-Roth tax-cut plan, proposed by Rep. Jack F. Kemp, R-Hamburg, and Sen. William V. Roth, Jr., R-Del.

O'Neill wants the House Rules Committee to bar consideration of the Kemp-Roth proposal, which would cut income taxes by 30 per cent over three years. Kemp, who claims that his bill may be within eight votes of House approval, has said that he is ready with two optional routes to overcome the O'Neill obstacles.

The Rules Committee will decide next week whether or not the Kemp-Roth measure can even be mentioned as an amendment when the debate opens on the Ways and Means tax-cut legislation.

O'Neill is in a poor position to be resorting to blocking tactics. The Ways and Means Committee has been floundering around, fashioning piecemeal changes to the tax code but never dealing properly with the over-all problem or the impact of inflation in putting taxpayers into higher brackets. The committee seems to have succeeded in working at cross-purposes, proposing, on the one hand, some relief for the taxpayer by increasing the personal exemption allowance, but, on the other, resorting to various means to limit or erase current deductions. What kind of tax relief the taxpayer would wind up with is purely conjectural.

The Kemp-Roth bill has a good deal of support in the House, as an earlier vote indicated, and it has a good deal of support among ordinary Americans. It is deserving of a vote on its merits, and every effort should be exerted to that end. O'Neill should not be allowed to prevail in suppressing this important matter.

KEMP-ROTH IS THE BEST ALTERNATIVE

In an editorial of July 26, entitled "Kemp-Roth Foes Sing Off Key," the Courier-Express observed:

Rep. Robert W. Giaimo, D-Conn., who heads the House Budget Committee, claimed that Kemp-Roth would "generate record deficits, roaring inflation and even higher interest rates."

What these critics have somehow managed to ignore is that these things are happening already as a result of the administration's lack of leadership. Inflation is already "roaring" at an annual rate of 10 per cent. The value of the dollar has fallen sharply in the world money market, with corresponding increases in the cost of imports, which have in turn encouraged increases in the cost of domestic goods. "Disaster" is here and now, and the best the administration has to offer is rosy predictions that things are bound to get better.

Criticism by an economist, while not always valid, is one thing, but criticism by a politician, when the motive is obviously polit-politician, when te motive is obviously polit-of the numerous alternatives that have been put forth. It merits support and another vote in Congress.

THE IMPORTANCE OF KEMP-ROTH TO RESTORING ECONOMIC VITALITY

Earlier in the month, the Buffalo Evening News discussed both the administration's opposition to the Kemp-Roth plan and the importance of that plan to restoring the country's economic vitality, in an editorial entitled "Overkill Attack on Kemp Bill":

The thunderous volleys fired by top economic aides of President Carter demonstrate that Rep. Jack Kemp's proposal to cut personal income taxes by 30 percent or so over three years has at least won the administration's respectful attention.

We are not surprised that an administration whose budget swims so deeply in the red, and which needs about every tax dollar harvested by the inequities of inflation, should object to having billions of those revenues left with the taxpayers.

Some leading economists, moreover, already fear a 1978 recession and the Carter administration itself predicts a slowdown of growth. So Washington next year could be furiously devising programs to spur a sluggish economy—and a hefty tax cut is one way to achieve that goal fast and efficiently. A tax cut put on the books this fall to become effective early next year would be faster still.

Critics of the Kemp-Roth idea do have a point, though, in questioning how rapidly that tax cut would, by stimulating the economy, rebuild federal revenues to the pre-cut level. Our hunch is that the administration's estimate of a loss of $110,000 billion by 1981 is intentionally alarmist and grossly pessimistic. But the Kemp-Roth projections, on the other hand, could be overly optimistic. On this point, everybody's estimate is a guess.

But to see this as a weak (or at least an unprovable) link in the Kemp-Roth rationale is not at all to discredit the tax-cut plan. It is to acknowledge, rather, that the deficit-deepening effect of the first phase of the Kemp-Roth plan will bear close watching—and that this kind of tax cut should certainly apply heavy pressures on Washington for accompanying deferrals and cutbacks of spending.

The Washington establishment might recoil at that latter idea, but we doubt whether Americans worried over high taxes and the excessive growth of big government would. In fact, this touches what is for us the most compelling argument for the Kemp-Roth bill, even though it is not an argument Rep. Kemp himself has emphasized.

By passing the Kemp-Roth bill, Congress would be telling the administration in no uncertain terms: "This is how much we're reducing tax rates for each of the next three years, so you'll just have to figure out how much revenue that will produce and plan your next budget accordingly. If you think its first-year deficit-deepening effect would fuel inflation too much, then it will be your problem to recommend appropriate spending cuts or program deferrals to counter that effect."

Best of all, individuals and businesses would also be able to plan how to spend and save and invest the additional dollars being left to them instead of being spent for them by the government.

BIPARTISAN ASPECTS OF KEMP-ROTH

The bipartisan nature of this attempt, Kemp-Roth, to lower individual income tax rates for everyone was the subject of a St. Louis Globe-Democrat editorial. Kemp-Roth is bipartisan in many ways. It rests upon economic premises used both by Republican and Democratic Presidents and administrations. It is cosponsored, in the House and Senate, by Democrats and Republicans. It was supported in a floor vote in March by Democrats and Republicans. And the individual income tax rate reductions are, quite obviously, for the benefit of everyone. Excerpts from this editorial follow:

Bipartisan support for the economic doctrine that governmental revenues increase when taxes go down should not come as a great shock. In the past this theory has worked successfully for both the Republican and Democratic parties.

Most frequently cited are the tax cuts that had been proposed by President John F. Kennedy in 1962. The reduction produced $143 billion more in federal revenues during a six-year period than the Treasury had forecast.

Rep. Jack Kemp, R-N.Y., goes back more than a half-century for another example. In 1920 the Republican Party captured both the White House and Congress with its promise to return this country to normalcy by reducing taxes that climbed as high as 63 percent during World War I.

Living up to the pledge to voters, the Republican-controlled Congress slashed away at taxes each year from 1921 to 1925. In this period the highest tax rate was cut from 63 percent to 25 percent and the lowest rate from 4 percent to 1.5 percent.

"This led to an enormous economic boom in the United States, no inflation and a reduction of the national debt," Kemp points out.

There is nothing mysterious about the process. The tax reductions stimulate the economy. In turn the rejuvenated economy pours additional tax revenues into government coffers. Today business and industry urgently need more capital for expansion, modernization and increased productivity. Unfortunately, government at present is siphoning off about 80 percent of the money available in the private market.

Roth-Kemp supporters contend their proposal would fight inflation by creating new jobs, increasing tax revenues and reducing the federal deficit. That's what happened in the early 1920s, and the time is at hand for the country once again to return to normalcy.

RESTORING INCENTIVES TO WORK, SAVE, INVEST AND TAKE RISKS CRUCIAL

An editorial, entitled "Incentive in a Tax Plan," in another major New York State paper addressed one of the most critical elements of the Kemp-Roth plan, the restoration of incentive to work, save, invest, and take risks by removing the unnecessarily high tax burden upon the reward from such incentive. This is a key point, because if there is any one, single thing that is exactly the same today as it was when the Kennedy tax cuts were being weighed, enacted, and implemented during the early sixties, it is the impact of taxes upon incentive. Human behavior has not changed over the past 15 years; people still act and react to barriers in the same ways. Excerpts from this very important editorial follow:

Conventional economists shudder at the mention of his name, but Rep. Jack Kemp, R-N.Y. is onto something.

Jack Kemp wants to cut taxes. Not just a smidgen, as Jimmy Carter has proposed, but a whole lot. With Sen. William Roth, R-Del., he is pushing for a 30 percent slash in personal income tax rates over the next three years.

Economists can and do argue incessantly about the applicability of the Kennedy tax cut experience to today's conditions. But what is compelling about Kemp's approach is not the fiscal impact so much as the psychology involved.

"I am not an economist," the four-term congressman says, "but I understand human behavior and I'm an expert on incentives."

Ah yes—incentives. There lies the crux of the matter. Jack Kemp believes the existing tax structure insidiously penalizes traditional virtues of thrift, hard work and investment while rewarding consumption, debt and leisure.

Why work harder to gain more nominal income when you merely wind up in a higher tax bracket and the government gobbles up a larger share of your hard-earned salary? Why put money into a savings account at 5.5 percent interest when inflation of 7 percent leaves you with a net loss of purchasing power?

Why buy stocks and bonds when you can invest in real estate on borrowed money, deducting the mortgage interest? "People don't work for pre-tax income, they work for take-home pay. Investors don't look for pre-tax profit, they worry about the net," Kemp says.

Unless tax rates are slashed significantly, inflation will continue to push wage-earners into even-higher tax brackets, he argues. "Even if nominal income keeps pace with inflation, the government gets more than its share of the extra dollars."

Economists may argue forever about its fiscal feasibility, but it is the only tax plan on the table that addresses the incentive issue.

I will report on additional editorial support for enactment of the Kemp-Roth tax rate reduction bill on Monday.●

BALANCE(S) OF POWER BOOK III B (III) SOUTHERN NATO FLANK

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, in my previous article in this series on the miltiary balances in the various regions of consequence today, NATO's northern flank was the subject. Today's selection focuses on the balance of forces in the Mediterranean area, viewed as NATO's southern flank.

This article, "Why a U.S. Fleet in the Mediterranean?" provides a useful summary of the forces in each NATO country and in other important Mediterranean countries, as well as an analysis of the threat they exist to oppose. The author, Adm. Horacio Rivero, U.S. Navy (Ret.), presents relevant information and a thoughtful argument for the continuing need for U.S. naval presence in this region of critical concern.

The article from which this selection has been excerpted first appeared in the U.S. Naval Institute proceedings, May 1977. Selections from Admiral Rivero's article follow:

THE MILITARY EQUATION

The Mediterranean basin is perhaps the most highly militarized area of its size in the world. The armed forces of the countries that ring the sea, excluding France, total about three million men. The two and a quarter million in the armies are organized into formations which include 64 divisions and 172 regimental or brigade size units. There are almost 4,000 tactical aircraft and approximately 900 naval vessels. To these must be added the ships and aircraft of the U.S.

Sixth Fleet, the deployed U.S. Air Force tactical squadrons, the units of the Soviet Mediterranean Squadron, and a proportion of the French Air Force together with the French Mediterranean Fleet. Almost 100 submarines have their home ports or are deployed in the waters of this crowded sea.

The quality of the various national military forces is uneven. At one extreme are the modern ships of the U.S., Soviet, French, and Italian navies, the sophisticated aircraft and air defenses in the air forces of the NATO allies, and the modern tanks, artillery, and anti-tank weapons of their armies. At the other, there is a high degree of obsolescence of equipment and a limited capacity for local defense in the armed forces of most of the developing nations, except for those involved in the Arab-Israeli confrontation and to some degree in Spain and Yugoslavia.

Tables 4, 5 and 6 provide some data on the size of the pertinent land, naval, and air forces of the countries of the Mediterranean littoral. Some indication of quality and modernity is included in the Army and Air Force tables. Sources of the data are *Jane's Fighting Ships* and *The Military Balance*, a publication of The International Institute for Strategic Studies.

The countries listed in the Navy table are limited to those whose navies includes warships capable of sustained operations on the high seas: aircraft or helicopter carriers, submarines, cruisers, destroyers, and frigates. Fast patrol boats firing missiles or torpedoes constitute the principal inventory of the navies of Algeria, Libya, Yugoslavia, Albania, and Israel.

TABLE 4.—ARMIES

	Divisions			Brigades	Medium tanks	Personnel
	Inf.	Mech.	Armd.			
Greece	11		1	15	860 M47, M48, AMX30	160,000
Turkey	12	2	1	15	1,500 M47, M48	453,000
Syria		3	2	8	3,000 T34, T54/55, T62	150,000
Israel				36	2,700 M48, M60, T54/55, T62	375,000
Egypt	6	3	2	17	1,945 JS3, T54/55, T62	275,000
Libya				4	330 T54/55, T62	25,000
Tunisia						20,000
Algeria				5	400 T34, T54/55	55,000
Morocco				2	150 M48, T54	55,000
Spain	3	1	1	21	370 M47/48, AMX30	220,000
Italy	5		2	13	1,300 M47, M60, Leopard	420,000
Yugoslavia	9			27	2,150 T54/55, M47, T34	190,000
Albania				9	85 T34, T54	38,000

Notes: (1) Lebanon, Cyprus, and Malta have negligible armed forces. (2) 8 Greek divisions and 8 brigades require mobilization. (3) Personnel figure for Israel is mobilized strength. (4) French Army not included, being committed to Central Region.

TABLE 5.—NAVIES

	Subs	Cruisers	Destroyers	Frigates	A/C carriers	Helo carriers
Greece	7		11	4		
Turkey	16		13	5		
Israel	2					
Egypt	12		5	3		
Libya				1		
Tunisia				1		
Spain	10		13	10		1
France	20	2	21	28	2	
Italy	10	3	9	18		
Yugoslavia	5		1			
Albania	4					

The French Navy is alone among Mediterranean navies in possessing a modest sea-based tactical air capability in the 60 fighter-bombers, fighter interceptors, and tactical reconnaissance aircraft on board its two aircraft carriers. Spain has on order 8 Harrier VSTOL aircraft for its helicopter carrier. The others must depend on air force aircraft, when they can be diverted from their overland missions, for their air support. Since there is a shortage of tactical aircraft in the NATO air forces in relation to the requirements of air defense and support of the land battle, the burden of providing air support for naval forces and merchant shipping necessarily falls on the U.S. Sixth Fleet with whatever assistance can be given by the French aircraft carriers.

With few exceptions, long range warships of modern design are present only in the French, Italian, and Spanish Navies. These include two aircraft carriers, two cruisers, 21 destroyers, 28 frigates and 20 diesel submarines in the French Navy; three cruisers, seven destroyers, ten frigates and six diesel submarines in the Italian Navy; and five frigates and four diesel submarines in the Spanish Navy. Most other warships in the Mediterranean navies capable of sustained operations on the high seas are of World War II or even earlier design.

TABLE 6.—AIR FORCES

	Tactical A/C	Most modern
Greece	238	36 F4.
Turkey	292	20 F4.
Syria	390	45 Mig 23.
Israel	1,130	235 F4.
Egypt	780	90 Mig 23/Mirage F1.
Libya	133	29 Mig 23.
Tunisia	12	F86.
Algeria	160	55 Mig 21/Su 7.
Morocco	48	24 F5.
Spain	86	36 F4.
France	419	45 Mirage F1.
Italy	319	182 F104S.
Yugoslavia	230	110 Mig 21.
Albania	96	12 Mig 21.

TABLE 7.—ASW AIRCRAFT

	Long range	Short range
Greece		12 HU16B Albatross.
Turkey		14 S2 Tracker.
Spain	3 P3 Orion	11 HU16B Albatross.
France	38 Atlantic, 23 P2 Neptune.	50 Alizé.
Italy	18 Atlantic	30 S2 Tracker.

Land-based ASW aircraft are operated by Spain, France, Italy, Greece, and Turkey, as shown in Table 7. The first three possess long-range aircraft, manned in Spain and Italy by the air force but under the operational control of the navy.

Of the aircraft types indicated in Table 7 only the P–3 Orion, the Atlantic, and the short-range Alizé can be considered to be up to date with some capability against modern submarines available in their ASW equipment. The S–2 Tracker, the HU–16 Albatross and the P–2 Neptune aircraft are obsolescent, as is their equipment, and are of marginal effectiveness in antisubmarine warfare.

Helicopters are carried on board the carrier in the Spanish Navy, on board two cruisers and four destroyers of the French Navy, and on board three cruisers, four destroyers, and six frigates of the Italian Navy. Others, shore-based, are operated by those navies as well as by Greece and Turkey. In both land- and sea-based modes they are employed in surface reconnaissance as well as in antisubmarine warfare.

Over 250 fast patrol craft, armed with anti-ship missiles or torpedoes, are included in the inventories of 12 of the navies in the area, as shown in Table 8.

Fast patrol craft, and particularly those capable of launching surface-to-surface missiles, have received wide attention in recent years, and theories have been advanced crediting them with the ability significantly to alter the naval balance against larger and more powerful warships. Despite these romantic theories, which in the case of fast torpedo boats (and the faster torpedo planes) were disproved by their limited success in World War II, these types are destined to remain of marginal value in a contest for naval supremacy. Their inferior sea-keeping qualities, endurance, and defensive capability, and the short effective range of their weapons limit them essentially to operations in coastal and restricted waters and make them particularly vulnerable to attack from the air. Notwithstanding the highly-touted success of the Egyptian FPB attack on the Israeli destroyer *Eilat* in 1967, conducted under target practice conditions against an unalerted ship lacking air cover, missile-firing fast patrol boats cannot be considered capable of being more than a nuisance in conventional naval warfare provide, of course, that the larger surface ships are operated with prudence and are furnished air cover when in areas where FPBs are suspected to be. Exceptions are areas close to the coast or to islands where FPBs can hide and from which they can sally for hit-and-run raids utilizing concealment and surprise. The eastern shore of the Adriatic Sea and the numerous islands of the Aegean offer conditions suitable for supporting this type of operation.

Nine of the Mediterranean navies possess a small amphibious warfare capability, adequate for commando raids or for landing light naval infantry units of battalion or, at most, regimental size. Table 9 depicts the amphibious warfare potential in terms of ships and landing craft. Marine-type landing force units are organized in France (one battalion), Spain (five marine light infantry regiments), Italy (two marine battalions), Morocco (one battalion), and Turkey (three marine battalions). In Greece an Army regiment is trained and equipped for landing operations and is dedicated to that mission.

NATO's Mediterranean navies are well suited for escort of convoy and for submarine and antisubmarine operations, but only under cover of their air forces. Such

cover is essential in an area where relatively short flying distances make attacks on ships and maritime aircraft by shore-based aircraft particularly profitable. The recent deployment of the two French aircraft carriers to the Mediterranean provides a much-needed improvement in this respect. Modern antiaircraft defenses are available only in some ships of the French and Italian Navies. Without friendly air support, Greek and Turkish ships cannot operate in an air threat environment.

Non-NATO navies are equipped mainly for coastal operations but have a limited antishipping capability in their obsolescent submarines and their fast patrol boats. An exception is Spain, which has a small modern force of five DEGs and four *Daphne* class submarines, a helicopter carrier, and a small unit of P-3 Orion long-range ASW aircraft.

All Mediterranean navies are designed to be supported logistically from their home naval bases and thus lack the staying power and ability to operate at a distance from their shores which mobile logistic support would provide. The NATO navies, however, are equipped and trained for limited replenishment at sea from U.S. and British logistic support ships, wihch would allow them to operate in company with ships of the Sixth Fleet and the Royal Navy for extended periods in wartime. NATO and bilateral naval exercises are conducted regularly to develop proficiency in combined operations, including underway replenishment.

TABLE 8—FAST PATROL BOATS

	Torpedo	Missile	Total
Greece	12	8	20
Turkey		4	4
Syria	11	6	17
Israel		18	18
Egypt	30	13	43
Libya		17	17
Algeria	12	9	21
Spain	2		2
France		7	7
Italy	11	1	12
Yugoslavia	34	10	44
Albania	42		42

TABLE 9.—*Amphibious Shipping*

Greece—8 LST, 5 LSM, 1 LSD, 8 LCU.
Turkey—50 landing craft.
Israel—10 landing craft.
Egypt—14 LCU, 14 landing craft.
Morocco—1 landing craft.
Spain—1 LPH, 1 LPA, 1 LKA, 3 LST, 2 LSM, 97 landing craft.
France—2 LSD, 5 LST, 26 landng craft.
Italy—1 LPA, 1 LKA, 64 landing craft.
Yugoslavia—31 landing craft.

The Soviet Mediterranean Squadron began operations in 1964, when a small detachment from the Black Fleet was deployed on a continuous rotating basis. Earlier, four W-class submarines had been based in Albania, but they were acquired by Albania in 1960 and 1961 when Albanian-Soviet relations cooled. Since 1964 there has been a gradual build-up in the number of deployed Soviet ships, with surges in times of crisis or for special exercises at the time of turnover. A major increase took place at the time of the 1967 Arab-Israeli war, after which the Soviets commenced basing their ships in Alexandria and Port Said in Egypt and to a lesser extent in Latakia and Tartus in Syria, while continuing to make frequent use of anchorages along the North Africa coast and off Kythera and Crete outside Greek territorial waters. Soviet naval bombers and naval reconnaissance and ASW aircraft, as well as Air Force attack and fighter aircraft, were also stationed at Egyptian air bases, creating for the first time since World War II a serious air threat to Allied navies in the Mediterranean.

The Soviet squadron has been stabilized in size as a force, consisting normally of 10 to 12 surface warships (cruisers, destroyers, and frigates) 12 to 14 submarines, 18 to 20 logistic support ships (which includes merchant vessels subordinated to naval command), and a small number (2 or 3 each) of amphibious, mine, intelligence, and hydrographic or research ships. By resorting to the device of "stockpiling" transit declarations and thus circumventing the notification requirements of the Montreaux Convention of 1936, the Soviet Navy has been able to reenforce its Mediterranean Squadron from the Black Sea on short notice; this has taken place in all periods of crisis.

The submarines, some of which are nuclear-powered, are deployed primarily from the Northern or Baltic Fleets, because of the limitations imposed by the Montreaux Convention on Black Sea-based submarines. The latter may deploy into the Mediterranean only incidentally to transit to naval bases in other parts of Russia for repairs or overhaul, or during their return voyage, and must make the transit in daylight and on the surface.

The Soviet Mediterranean Squadron suffered a serious set-back when Egypt withdrew permission for basing in its ports and air fields in 1975 and subsequently, in 1976, denounced the Russo-Egyptian treaty of friendship and cooperation. These actions deprived the squadron of its logistic and repair facilities in the area, forcing it to rely almost entirely on mobile logistic support except for limited use of Syrian ports. More importantly, it removed the squadron's land-based air ASW, bomber, and reconnaissance aircraft, as well as the fighter aircraft which had provided its cover at least as far as Crete.

The reopening of the Suez canal to maritime traffic in 1975 has provided the Soviet Navy with additional flexibility in its deployments, by facilitating the interchange of ships between the Mediterranean and Indian Ocean squadrons. Its primary value to the Russians is that it permits deployment of Black Sea Fleet ships to the Indian Ocean without the need to circumnavigate Africa, thus both reducing the strain on the Soviet Pacific Fleet and increasing the number of ships that can be maintained in routine overseas deployments world-wide. The Soviet merchant marine, more than half of which is based in Black Sea ports, is also aided by the availability of a short route to East Africa, the Indian Ocean, and Southeast Asia.

The Soviet squadron is a well-balanced force, designed to counter the U.S. Sixth Fleet and to interdict any hostile sea lines of communication. Soviet surface ships also naturally take advantage of opportunities to "show the flag" and through port visits to advance Soviet foreign policy aims in the countries of the Mediterranean.

The most modern ships of the Soviet Navy that deploy to the Mediterranean include the two helicopter cruisers of the *Moskva* class; cruisers of the Kynda, Kresta, and Kara classes; and destroyers of the Kildin, Kashin, Kanin, and Krivak classes. All are armed with antiaircraft missile launchers as well as guns. Anti-ship missile launchers are also reported as part of the armament of the Kynda, Kresta, Kara, Kildin, and Krivak classes. There is, in addition, the 800 ton Nanuchka class, armed with launchers for both short range anti-air and anti-ship missiles. With a few exceptions armed with antiaircraft missiles, the old cruisers of the *Sverdlov* class and the destroyers of the Krupnyy, Kotlin, and *Skoryy* classes have no missile batteries but are heavily armed with guns, torpedoes, and ASW weapons.

Submarines include the nuclear-powered Charlie, November, Echo II, and Victor classes and the diesel powered Foxtrot and Juliett classes. All except the November Victor, and Foxtrot are armed with anti-ship missiles.

The two helicopter cruisers were the first Soviet ships built to carry both rotary-wing aircraft and facilities for command and control of coordinated ASW operations. They deploy regularly to the Mediterranean from the Black Fleet and apparently were designed primarily to counter the U.S.●

REPORTS ON CONDITIONS IN CAMBODIA

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, I would like to place in the RECORD reports on interviews with two Cambodian refugees, conducted by American foreign service officers in Thailand:

INTERVIEW WITH CAMBODIAN REFUGEE IN BURIRAM, THAILAND, CONDUCTED BY AMERICAN EMBASSY OFFICER IN JUNE, 1978

ACCOUNT OF NIEN THOL [1]

Nien Thol, about 50, arrived in Thailand May 19, 1978, from Sisaphon. He had worked for 20 years in Phnom Penh in the government customs service. After April 1975, he was forced to become a farmer in Battambang Province. His account follows:

Conditions of Life in Democratic Kampuchea.—"I doubt that more than one-third of the former Cambodians are still alive. I doubt that the Khmer race will survive. The people have little to eat, only porridge. Before 1975, Battambang Province could produce enough rice to feed all Cambodians and export some. Now the whole country cannot produce as much. There are no medicines. The people are weak and listless."

Administration and Executions.—"From the very start, the Khmer Rouge used absolute terror and the actuality of death to gain control of the country. Since then people did not dare to criticize the Khmer Rouge or to do anything but work because the result would be certain-death.

"All of the new Cambodians are being eliminated, Buddhists, intellectuals, anti-Communists as well as former soldiers, students, and government officials, everyone even remotely associated with the former regime. I fled because the Khmer Rouge suspected that I was a former official and would certainly have killed me sooner or later. I did not dare speak to my children about my departure, because the Khmer Rouge spies (chhlop) are everywhere and greatly to be feared."

Human Rights.—"It is an absurdity to even speak of human, civil and political rights under present conditions in Cambodia."

STORY OF A KHMER COMMUNIST SOLDIER

EXTRACTS FROM AN AIRGRAM REPORT BY AN OFFICER OF THE AMERICAN EMBASSY AT BANGKOK

(The name of the individual refugee who provided this account has been excised to protect the identity of family members or friends still in Cambodia.)

SUMMARY

A soldier in the KC [2] regiment located in the Samrong area of northwestern Cambodia discusses his post-victory recruitment, training, and duties. He was told that the Vietnamese are considered to be unfriendly and was taught about four guiding principles of the state and Marxism-Leninism. He escaped after hearing he was marked for execution for having made three mistakes.

[1] Refugee agreed to use of his name in public documents.

[2] Khmer communist.

INTRODUCTION

Following is the story of a Cambodian refugee named T—, who arrived in Thailand at the beginning of September, 1976. An Embassy officer who visited the refugee camp near Surin shortly afterward interviewed him and obtained the following account.

THE MAKING OF A SOLDIER

T—— was born in 1954 and attended school for six years in his native village in Kompong Thom province. Afterwards, he settled down to be a farmer.

Shortly after the Communist takeover in 1975, he and his fellow villagers were moved to another village in a different district to farm. There, he encountered his brother, a former republican government soldier, whom the KC took away five days later. T—— never saw his brother again.

After two months, the KC selected young people, including our subject, ostensibly to build a road. They joined others in a line of twenty trucks and travelled to Siem Reap where, curiously, they were given a party and provided entertainment. They were then taken northward to R——, in Oddar Meanchey province, for further entertainment. Afterward, the KC lectured them about the revolution and told them they were going to become soldiers. Three truckloads of people were separated from the others and driven to C—— in the same province for two weeks' basic training. They were told that they were to replace longtime KC soldiers. Training included reconnaissance and guerilla fighting.

When the training was completed, T—— and his colleagues remained in that area, which was devoid of civilian population, cutting wood for 1½ months in the summer of 1975. After two weeks farming with other soldiers in another location, T—— was assigned to S—— in Oddar Meanchey province, where he remained until late August, 1976.

MILITARY ORGANIZATION AND DUTIES

Our source reported the presence of an important main-force unit in the Samrong area of what is now Oddar Meanchey-Siem Reap sector. It is the 107th Regiment, headed by a person of undetermined rank named Chheang. The regiment's 900 men are divided into three battalions, the 913th, 915th, and 917th. The head of the Samrong district committee, a man known as Hien (other members being his deputy Poul and economic affairs chief Koet), is political boss, and is considered to be superior to regimental commander Chheang.

T—— was presumably assigned to one of the battalions. Based at S——, his company was split into two parts: thirty soldiers who stayed in the village and seventy who lived outside it. They were responsible for watching several villages in the area. They moved around by foot. Duties were reconnaissance, which they undertook in three-man teams; planting mines, which they also did in three-man teams; and guarding the people. He claimed that at S—— he and his fellow soldiers also worked together with the people, but refugees listening to his tale did not believe him.

Among problems the KC were having, T—— said, was constant friction between old KC soldiers and those recruited more recently. The former did not consider the latter their equals and refused to take orders from any who may have been placed in a superior position to them. Another complaint was that the soldiers themselves did not have enough food to eat.

The source declared he never executed anyone nor saw it happen, noting that such work was done by a special mobile squad brought in from Samrong. He said the decision to execute someone was made by the KC village committee, which had only to report afterwards that someone had been killed.

INSTRUCTION

In describing his educational experiences while a soldier, T—— indicated what the KC themselves have been taught by superiors to be of particular interest. First, T—— said the KC learn that their government runs on the basis of four principles: nationalism, true democracy, socialism, and communism. He said they are careful to tell villagers only about the first two principles, which may help to explain why we hear so little about communism from refugees. The Army learns about Marxism-Leninism, and of Mao and Maoism, as well. There is thus a more strictly ideological content to the teaching than the usual platitudes about equality would suggest, assuming our soldier source is accurate.

Next, the soldiers learn clearly that Viet-Nam should not be considered to be Cambodia's friend. They are told that the Vietnamese came to Cambodia to fight the Americans between 1970 and 1973, at which time the KC "kicked them out." Superiors warn the soldiers of Viet-Nam's expansionist aims.

Finally, the soldiers are alerted in lectures to the dangers which counterrevolutionaries, those responsible for resistance, pose. T——— claimed that fighting occurred regularly, which is possible so close to the border. He noted that two KC had been killed at Samrong by unknown assassins. He saw wounded KC on one occasion lying along the road.

DEPARTURE

Sometimes refugees report that, in their areas, a person is allowed to make three "mistakes" After the third, he is killed. The rules of conduct under which T——— served appear to have been the same. His first mistake occurred at S———, where a farmer told him he was going to flee. Our source did not report the man to his superiors, but another KC made a report on T———, who was called up and rebuked. On the second occasion, T——— tried to marry a girl whom his commander also liked and would not allow him to marry. Some sort of committee overruled the commander, incurring his eternal wrath. Under the puritanical rules of the new Cambodia, T——— received his second warning when it was discovered that he slept with the girl once before they were married.

On their leader's orders, he and his fellow soldiers spent time listening under peoples' houses—an activity refugees claim happens frequently—to see if anyone was discussing fleeing to Thailand. T——— said he heard some persons talking about escaping but did not report them because he knew they would be executed. While he was sick in a nearby hospital during the past summer, some "friends" reported him on this matter, his third "mistake". Another friend came to the hospital to warn him that the village committee or *kena phum* had taken the decision that he was to be executed, which his commander was determined to carry out (possibly contradicting T———'s earlier statement that a special squad conducted the executions). At hearing the news, T——— said he left the hospital, went to a wat where KC store their guns and ammunition—all scarcely guarded, he claimed—took an M–79 and a bicycle and rode toward where his wife was living. Sounding somewhat like an old movie, T——— said he ran into five KC who had been sent after him, fired the M–79, and rode with his wife into the Thai sunset.

AMENDMENT CONFUSION

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. JOHN L. BURTON. Mr. Speaker, there seems to be such confusion about the savings surrounding the Harkin amendment, the Miller substitute to the Harkin amendment, the Young amendment, to the Miller substitute to the Harkin amendment, and the Long amendment to the Harkin amendment.

The debate calls to mind the famous Treasurer's report of the late Bob Benchley.

(The report is delivered by an Assistant Treasurer who has been called in to pinch-hit for the regular Treasurer who is ill. He is not a very good public-speaker, this assistant, but after a few minutes of confusion is caught up by the spell of his own oratory and is hard to stop.)

I shall take but a very few moments of your time this evening, for I realize that you would much rather be listening to this interesting entertainment than to a dry financial statement . . . but I am reminded of a story—which you have probably all of you heard.

It seems that there were these two Irishmen walking down the street when they came to a—oh, I should have said in the first place that the parrot which was hanging out in *front* of the store—or rather belonging to one of these two fellows—the *first* Irishman, that is—was—well, *anyway*, this parrot——

(After a slight cogitation, he realizes that, for all practical purposes, the story is as good as lost; so he abandons it entirely and, stepping forward, drops his facile, storytelling manner and assumes a quite spurious businesslike air.)

Now, in connection with reading this report, there are one or two points which Dr. Murnie wanted brought up in connection with it, and he has asked me to bring them up in connec—to bring them up.

In the first place, there is the question of the work which we are trying to do up there at our little place at Silver Lake, a work which we feel not only fills a very definite need in the community but also fills a very definite need—er—in the community. I don't think that many members of the Society realize just how big the work is that we are trying to do up there. For instance, I don't think that it is generally known that most of our boys are between the age of fourteen. We feel that, by taking the boy at this age, we can get closer to his real nature—for a boy *has* a very real nature, you may be sure—and bring him into closer touch not only with the school, the parents, and with each other, but also with the town in which they live, the country to whose flag they pay allegiance, and to the—ah—(*trailing off*) town in which they live.

Now the fourth point which Dr. Murnie wanted brought up was that in connection with the installation of the new furnace last Fall. There seems to have been considerable talk going around about this not having been done quite as economically as it might—have—been—done, when, as a matter of fact, the whole thing *was* done just as economically as possible—in fact, even *more* so. I have here a report of the Furnace Committee, showing just how the whole thing was handled from start to finish.

(Reads from report, with considerable initial difficulty with the stiff covers.)

Bids were submitted by the following firms of furnace contractors, with a clause stating that if we did not engage a firm to do the work for us we should pay them nothing for submitting the bids. This clause alone saved us a great deal of money.

The following firms, then, submitted bids: Merkle, Wybigant Co., the Eureka Dust Bin and Shaker Co., The Elite Furnace Shop, and Harris, Birnbauer and Harris. The bid of Merkle, Wybigant being the lowest. Harris Birnbauer were selected to do the job.

(Here a page is evidently missing from the report, and a hurried search is carried on through all the pages, without result.)

Well, that pretty well clears up that end of the work.

Those of you who contributed so generously last year to the floating hospital have probably wondered what became of the money. I was speaking on this subject only last week at our up-town branch, and, after the meeting, a dear little old lady, dressed all in lavendar, came up on the platform, and, laying her hand on my arm, said: "Mr. So-and-so (calling me by name) Mr. So-and-so, what the hell did you do with all the money we gave you last year?" Well, I just laughed and pushed her off the platform, but it has occurred to the committee that perhaps some of you, like that little old lady, would be interested in knowing the disposition of the funds.

Now, Mr. Rossiter, unfortunately our treasurer—or rather Mr. Rossiter our treasurer, unfortunately is confined at his home tonight with a bad head-cold and I have been asked (he hears someone whispering at him from the wings, but decides to ignore it) and I have been asked if I would (the whisperer will not be denied, so he goes over to the entrance and receives a brief message, returning beaming and laughing to himself). Well, the joke seems to be on me! Mr. Rossiter has pneumonia!

Following, then, is a summary of the Treasurer's Report:

(Reads, in a very businesslike manner).

During the year 1929—and by that is meant 1928—the Choral Society received the following in donations:

B.L.G	$500.00
G.K.M	500.00
Lottie and Nellie W	500.00
In memeory of a happy summer at Rye Beach	10.00
Proceeds of a sale of coats and hats left in the boat-house	14.55
And then the Junior League gave a performance of "Pinafore" for the benefit of the Fund which, unfortunately, resulted in a deficit of	300.00
Then, from due and charges	2,354.75
And, following the installation of the new furnace, a saving in coal amounting to $374.75—which made Dr. Murnie very happy, you may be sure.	
Making a total of receipts amounting to	3,645.75

This is all, of course, reckoned as of June.

In the matter of expenditures, the Club has not been so fortunate. There was the unsettled condition of business, and the late Spring, to contend with, resulting in the following—er—rather discouraging figures, I am afraid.

Expenditures	$23,574.85
Then there was a loss, owing to—several things—of	3,326.70
Car-fare	4,452.25
And then, Mrs. Rawlins' expense account, when she went down to see the work they are doing in Baltimore, came to $256.50, but I am sure that you will all agree that it was worth it to find out—er—what they are doing in Baltimore.	
And then, under the general head of Odds and Ends	2,537.50
Making a total disbursement of (hurriedly)	416,546.75

or a net deficit of—ah—several thousand dollars.

Now, these figures bring us down only to October. In October my sister was married, and the house was all torn up, and in the general confusion we lost track of the figures for May and August. All those wishing the *approximate* figures for May and August, however, may obtain them from me in the vestry after the dinner, where I will be with pledge cards for those of you who wish to subscribe over and above your annual dues, and I hope that each and every one of you here tonight will look deep into his heart and (*archly*) into his pocketbook, and see if he can not find it there to help us to put this thing over with a bang (*accompanied by a wholly ineffectual gesture representing a bang*) and to help and make this just the biggest and best year the Armenians have ever had. . . . I thank you.

(*Exits, bumping into proscenium*) ●

THE LOVE CANAL: A HEALTH HAZARD THAT DEMANDS IMMEDIATE ACTION

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. LaFALCE. Mr. Speaker, 20 to 30 years ago chemical industries in and around Niagara Falls, N.Y., and the city of Niagara Falls, used an area called the "Love Canal" as a landfill site, filling it with a number of substances, many of them toxic chemicals.

Recently many of these chemicals have risen to the surface and have been polluting both the air and the water in the neighborhood. In retrospect it is clear that the methods of disposal used in the past were inadequate—so inadequate as to constitute, literally, a time bomb.

I have been working closely with Federal, State, and local officials trying to ascertain the best ways to deal with this immense problem, protect the health and safety of the people affected, and insure that their financial security is protected as well. These are ongoing efforts, and much remains to be done.

But yesterday the State's health commissioner declared this to be an emergency, disclosed extensive official findings based on exhaustive investigations by his department and others, and made several recommendations as to what should be done in the circumstances. I believe that this situation is so serious, and its implications vis-a-vis past and future actions so far reaching, that I should share information on it with you and with our colleagues. Accordingly, I am submitting Dr. Whelan's report for insertion in the CONGRESSIONAL RECORD at this time.

The report follows:

[State of New York—Department of Health]

THE LOVE CANAL CHEMICAL WASTE LANDFILL SITE LOCATED IN THE CITY OF NIAGARA FALLS, NIAGARA COUNTY

ORDER

I, Robert P. Whalen, M.D., Commissioner of Health of the State of New York, pursuant to the statutory authority conferred upon me, having conducted or caused an extensive investigation to be conducted in relation to that certain site known as the "Love Canal Chemical Waste Landfill" located in the City of Niagara Falls, County of Niagara, and State of New York, and having determined, by previous orders made and issued by me in this matter, that said site constitutes a public nuisance and an extremely serious threat and danger to the health, safety and welfare to those using it, living near it, or exposed to the conditions emanating from it, consisting, among other things, of chemical wastes lying exposed on the surface in numerous places and pervasive, pernicious and obnoxious chemical vapors and fumes affecting both the ambient air and the homes of certain residents living near such site and having directed that certain remedial action be taken with respect thereto and, pursuant to my order and direction, further inquiry and investigation of the said Love Canal Chemical Waste Landfill site having been made;

Now, therefore, based upon epidemiological studies made by personnel of the State Department of Health and air quality sampling and studies made by personnel of both the State Department of Health and the United States Environmental Protection Agency of both the ambient air and selected homes at or near the site, and upon a review and examination of matters contained in Calspan Report No. ND-6097-M-1 prepared for the City of Niagara Falls by the Calspan Corporation of Buffalo, New York; a review and examination of the Conestoga-Rovers and Associates proposal, entitled "Proposal-Love Canal Chemical Landfill-Niagara Falls, New York—Site Study and Preliminary Design of Ground Water Pollution Abatement Plan," commissioned by and presented to the City of Niagara Falls; and a review and examination of a report entitled, "Phase I—Pollution Abatement Plan-Upper Groundwater Regime" prepared by Conestoga-Rovers & Associates, Waterloo, Ontario, Canada, jointly commissioned by the City of Niagara Falls, the City of Niagara Falls Board of Education and the Hooker Chemical Corporation; and, further, upon a review and due consideration of discussions had and reports submitted at a meeting held in the Conference Room, Division of Laboratories and Research, State Health Department, on June 15, 1978, attended by representatives of the State Health Department, the State Department of Environmental Conservation, the United States Environmental Protection Agency, the State Division of the Budget, the Commissioner of Health of the County of Niagara and by representatives of the Research Triangle Institute, consultants to the United States Environmental Protection Agency, which such meeting was convened to share information and obtain advice in relation to environmental health studies planned by the Department of Health with respect to the Love Canal Chemical Waste Landfill site; and, further, upon a review and due consideration of discussions had and reports submitted at that certain meeting held on July 14, 1978 in the 14th floor conference room, Empire State Plaza Building, Albany, New York, attended by representatives of the State Department of Health, the State Department of Environmental Conservation, the United States Environmental Protection Agency, the Board of Health of Niagara County, including the Niagara County Health Commissioner, the City of Niagara Falls, Conestoga-Rovers & Associates, Fred Hart & Associates, consultants to the United States Environmental Protection Agency, and by representatives of United States Congressman John LaFalce, and New York State Assemblymen Matthew Murphy and John Daley; and, further, upon a personal visit made to the Love Canal Chemical Waste Landfill site on April 13, 1978 by me in company with Peter Berle, State Commissioner of Environmental Conservation, and others; and, further, upon review and due consideration of discussions had and recommendations made at a meeting on July 31, 1978 in the Fiorella Room, Conference Center, LaGuardia Airport, New York, attended by me and members of my executive and scientific staff, by staff of the New York State Department of Environmental Conservation and by several of the nations leading experts in epidemiology,

toxicology and industrial hygiene called by me to render expert advice, concerning health hazards associated with the Love Canal Chemical Landfill site and upon all other proceedings, reports and discussions heretofore had herein and considered with respect to the Love Canal Chemical Waste Landfill site, including information that between the period 1940 and termination of the Korean War, that the Department of Army deposited chemical wastes in said Love Canal landfill site.

I do hereby find, conclude, recommend and order, as follows:

FINDINGS OF FACT

1. The Love Canal is a rectangular, 16 acre, below ground level landfill site located in the southeast corner of the City of Niagara Falls, Niagara County, New York, known as the "La Salle" area, with the southernmost portion of the site about ¼ mile from the Niagara River near Cayuga Island.

2. The site is bordered on the north by Colvin Boulevard; on the south by Frontier Avenue; on the west by 97th Street; and on the east by 99th Street.

3. The southern and northern sections of the site are bordered by single family homes on 97th and 99th streets, while the middle section is bordered by a grammer school.

4. In the early 19th Century the site was excavated as part of a proposed canal project linking the Niagara River and Lake Ontario.

5. The Love Canal project was abandoned and never completed and the abandoned canal subsequently used as a chemical and municipal waste disposal site.

6. The Hooker Chemical Company, Niagara Falls, New York, used the site for the disposal of drummed chemicals wastes, process sludges, fly ash, and other wastes, for a period of nearly 25 years, from on or about 1930 to on or about 1953.

7. The City of Niagara Falls, New York, also use the site for the disposal of municipal wastes for many years prior to and including 1953.

8. In or about 1953, the site was covered with earth and sold by the Hooker Chemical Company to the Board of Education of the City of Niagara Falls, New York.

9. The City of Niagara Falls Board of Education subsequently sold part of the site to others.

10. Ownership of the site is currently shared as follows:

City of Niagara Falls, 6.58 acres; City of Niagara Falls Board of Education, 3.53 acres; L. C. Armstrong, 5.98 acres.

11. There are presently 97 families with 230 adults and 134 children living in the houses adjacent to the northern and southern sections of the Love Canal.

12. The basement of homes bordering the site are now suffering from toxic chemical waste leachate intrusion from the site.

13. The grammar school on the site has no basement, but a crawl space only, however, the possibility of standing water next to classroom windows provides a mechanism for the transportation of and exposure of the school children to toxic vapors.

14. The soil strata surrounding and underlying the wastes, generally, consists of silts and fine sands of low permeability in the levels 4 to 6 feet below the surface; in the next levels 19 to 26 feet below the surface the soil is silts and clay of very low permeability; the next level to about 40 feet below the surface consists of compact loamy glacial till of low permeability; and the level 40 feet more or less below the surface consists of limestone bedrock.

15. The clay strata acts as a barrier and creates a perched groundwater condition.

16. Leachate containing both halogenated and unhalogenated organic compounds migrates in the top soil layer and is the conduit by which it reaches the basement of homes adjacent to the site.

17. More than 80 chemical compounds have been identified at the site itself.

18. Air samples taken in the basement of 14 houses adjacent to the site by the United States Environmental Protection Agency in February 1978 resulted in the identification of 26 organic compounds.

19. Air samples to monitor 10 selected compounds were taken by the Division of Laboratories and Research of the State Health Department in July 1978 from the basements of 88 houses peripheral to those built adjacent to the landfill site with the following results:

Compounds	Times found in houses	Percent of total houses sampled	Highest value observed (ug/m³)
Chloroform	23	26	24
Benzene	20	23	270
Trichloroethene	74	84	73
Toluene	54	61	570
Tetrachloroethene	82	93	1,140
Chlorobenzene	6	7	240
Chlorotoluene	32	36	6,700
m+p xylene	35	40	140
o-xylene	17	19	73
Trichlorobenzene	11	13	74

20. Seven of the chemicals identified in the air samples taken by the Division of Laboratories and Research are carcinogenic in animals and one, benzene, is a known human carcinogen.

21. In one home, in particular, the concentration of organic chemicals in the living space was well beyond the concentrations measured in the basement of any other house.

22. An epidemiologic study to determine whether residents presently living adjacent to the Love Canal are at increased risks for certain disorders was conducted by the Bureau of Occupational Health of the State Health Department in June 1978, utilizing spontaneous abortions and congenital defects as indicators of potential toxicity.

23. Based upon information obtained relating to maternal age, pregnancy order, and number of spontaneous abortions observed and expected among females residing in different sections of the Canal, the mean ages of females ever pregnant at the Love Canal, the duration of residence, and the mean age of the houses, the following was determined:

(a) A slight increase in risk for spontaneous abortion was found among all residents of the Canal and for the northern and southern sections, with the overall estimated risk 1.5 times greater than that expected.

(b) A significant excess of spontaneous abortions was localized among residents of 99th Street South.

(c) The miscarriage experience in the 99th Street North and 97th Street North and South sections approximated that which could be expected.

(d) A significant excess of spontaneous abortions occurred during the summer months of June through August.

(e) Congenital malformations were found among 5 children of adults presently residing on the Love Canal, with the distribution being 3 children from 99th Street South, 1 child from 99 Street North, and 1 child from 97th Street South.

(f) The mean ages of females ever pregnant on the Love Canal were comparable for 97th and 99th Streets.

(g) The average duration of residence on the Canal for 99th Street females was 16.5 years and 10.8 years for the 97th Street females.

(h) The mean ages of the houses located on 99th Street South was 26 years, for 99th Street North 21.6 years. for 97th Street North 18.6 years, and for 97th Street South 13.6 years.

CONCLUSIONS

1. A review of all of the available evidence respecting the Love Canal Chemical Waste Landfill site has convinced me of the existence of a great and imminent peril to the health of the general public residing at or near the said site as a result of exposure to toxic substances emanating from such site; that there is no evidence at present of unusual occurrence of acute illness of an allergic, neurologic, dermatologic or respiratory type among persons residing in the vicinity of the Love Canal; that there is growing evidence that there is a higher risk of subacute and chronic health hazards as well as spontaneous abortions and congenital malformations; and, pursuant to the authority conferred upon me by Public Health Law section 1388, enacted by Chapter 487 of the Laws of 1978, the existence of an emergency should be declared by me.

2. That the Conestoga-Rovers report, subject to appropriate modification and approval by the State Department of Environmental Conservation, represents a feasible interim plan with a reasonable probability of halting the migration of toxic substances through the soil of the Love Canal site to the houses at such site.

3. That the orders and directions heretofore given by me to the Niagara County Board of Health, and its Health Commissioner, to take certain remedial actions to alleviate the hazards emanating from the Love Canal site were reasonable and should be reaffirmed.

4. That further studies should be made to:

(a) delineate chronic diseases inflicting all residents who lived adjacent to the Love Canal landfill site, with particular emphasis on the frequency of spontaneous abortions, congenital defects, and other pathologies, including cancer;

(b) delineate the full limits or boundaries of the Love Canal with respect to possible toxic effects;

(c) determine, by continued air, water and ground sampling, the extent that leachate has moved;

(d) identify which groundwater aquifers, if any, have been contaminated by leachate;

(e) determine the possibility of minimizing the introduction of noxious odors and chemicals by way of drainage from outside the homes and to consider the utility or feasibility of installing customized ventilation systems, carbonfilters, and/or the special venting of sumps.

RECOMMENDATIONS

1. That pregnant women living at 97th and 99th Streets and Colvin Boulevard temporarily move from their homes as soon as possible.

2. That the approximately 20 families living on 97th and 99th Streets and Colvin Boulevard arrange to, temporarily relocate any children under two years of age as soon as possible.

3. That residents living in the vicinity assist local and State agencies in defining and abating hazardous conditions arising from the Love Canal landfill site.

4. That residents living on 97th and 99th Streets and Colvin Boulevard avoid use of their basements as much as possible especially for sleeping and eating purposes thereby reducing their exposure to elevated levels of organic compounds present in the air of their basements.

5. That consumption be avoided of food products home-grown by residents of 97th and 99th Streets and Colvin Boulevard.

6. That the Department of the Army continue the investigation initiated by it to determine the extent to which the United States Army was involved in chemical waste disposal at the Love Canal landfill site and inform the New York State Department of Health of significant findings obtained through its search of army archives and records, on-site inspections, or other sources utilized.

7. That the Niagara County Medical Society cooperate with staff of the State Health Department and the Niagara County Health Department in any study undertaken to

identify former residents of the Love Canal area to determine what, if any, chronic or adverse effects they now exhibit; further that private physicians and the hospitals of Niagara County also cooperate with such staff; the physicians to assist in identifying and obtaining the necessary consents from such former residents and the hospitals with respect to supplying the necessary medical records.

8. That the Commissioner of the New York State Department of Environmental Conservation provide on site supervision of any construction activity on the Love Canal Chemical landfill site by a member of his department or other responsible party designated by him.

I do hereby order and direct:

1. And declare, pursuant to the authority conferred upon me by Public Health Law, Section 1388, enacted by Chapter 487 of the Laws of 1978, the existence of an emergency and direct that the measures herein ordered are deemed reasonably necessary and shall be taken for the preservation and protection of the public health, and by virtue of the limited emergency nature of the action immediately necessary, which is herein directed to be taken, that the requirements of the State Environmental Quality Review Act are not applicable, except that neither any long-range plans to decontaminate the site, nor the implementation thereof, shall be exempt from the requirements of such Act.

2. The Niagara County Board of Health and the Niagara County Commissioner to take the following definite actions:

(a) Take adequate and appropriate measure to cause the removal from the Love Canal Chemical Waste Landfill site of all chemicals, pesticides and other toxic material which lie exposed or visible on the surface of the site.

(b) Take appropriate and adequate measures to limit accessibility to the site by the installation of suitable fencing or other effective means, together with periodic surveillance and monitoring, to assure that access to the site is properly restricted or limited.

(c) Take all other appropriate and necessary corrective action to abate the public health nuisance now existing at the Love Canal Chemical Waste Landfill site, including immediate steps to determine the feasibility of lowering the elevated levels of organic compound contamination in the air of basements by the moisture-proofing and venting of such basements use of carbon filtering devices in cooperation with the New York State Departments of Health and Environmental Conservation.

(d) Take all appropriate and necessary steps to undertake necessary engineering studies to provide a long-range solution for decontamination of the site. In connection therewith, that consultation and cooperation of the United States Environmental Protection Agency, the New York State Department of Environmental Conservation and the New York State Department of Health be sought, and approval of the New York State Department of Environmental Conservation.

(e) Make an initial report to me not later than 30 days from the date of service of this Order, concerning the progress made in implementing the orders and directions herein given, and thereafter report on the monthly basis as to such progress.

3. The City of Niagara Falls and County of Niagara Board of Health shall forthwith take all appropriate steps to implement the Conestoga-Rovers report entitled "Phase Pollution Abatement Plan Upper Groundwater Regime," subject, however, to the approval of the Commissioner of Environmental Conservation after due consideration is given by him to the feasibility of inclusion of title drainage system on at least the east and west sides of the school property, and they are hereby directed to respond to requests made by the Department of Environmental Conservation for additional information in relation to said report.

4. The City of Niagara Falls and County of Niagara Board of Health to report monthly as to progress in implementing the Conestoga-Rovers report.

5. That the City of Niagara Falls and Niagara County Board of Health, provided they receive approval of the Commissioner of Environmental Conservation for the implementation of the Conestoga-Rovers report, shall develop suitable plans for the safety of the workers employed to do the necessary work to implement the plan and to minimize hazardous exposure to residents that may occur during the course of the work, including appropriate steps to maximize dust control and minimize airborne pollution;

6. That the City of Niagara Falls Board of Education temporarily delay opening the elementary school on the Love Canal site to minimize exposure of school age children to waste chemicals while corrective construction activities take place.

7. The Niagara County Department of Health and the City of Niagara Falls, in cooperation with staff of the State Department of Health and State Department of Environmental Conservation to undertake additional studies to:

(a) delineate chronic diseases afflicting all residents who lived adjacent to the Love Canal landfill site, with particular emphasis on the frequency of spontaneous abortions, congential defects, and other pathologies, including cancer;

(b) delineate the full limits or boundaries of Love Canal with respect to possible toxic effects;

(c) determine, by continued air, water and ground sampling, the extent that leachate has moved out of the site to the surrounding neighborhood;

(d) identify which groundwater acquifers, if any, have been contaminated by leachate;

(e) determine the possibility of minimizing the introduction of noxious odors and chemicals by way of drainage from outside the homes and to consider the utility or feasibility of installing customized ventilating devices, carbon filtering devices, or the special venting of sumps.

8. That if monitoring shows that the levels of organic compounds in homes are not significantly reduced at the expiration of 12 months following corrective construction, or that if new evidence of hazards presently unrecognized of serious nature is forthcoming at any time, that a complete re-evaluation of the health hazards at the site shall be made by the State Health Department and other involved agencies at that time. Moreover, I shall periodically re-evaluate this situation and if necessary amend this order, issue additional orders and public health advisories.

9. That this Order supersedes all other previous orders and directions heretofore made and issued by me in connection with this matter, except as may otherwise be specified herein.

ROBERT P. WHALEN, M.D.,
Commissioner of Health.

Dated: August 2, 1978.●

THE TAX RULE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, today's Wall Street Journal contains an excellent editorial on a reported attempt by the Speaker to pressure the Rules Committee Democrats into denying the rule requested by the Ways and Means Committee on the tax bill to make in order the Roth-Kemp tax reduction amendment. As the editorial points out, the tax bill was reported from the Ways and Means Committee after the majority agreed to give the minority an opportunity to offer Roth-Kemp under the normal amendment process. The Speaker, on the other hand, apparently has no compunction about crossing one of his own committee chairmen, not to mention the American people, by unilaterally voiding the agreement and blocking full consideration of one of the most important issues to confront this Congress and the country.

Mr. Speaker, this heavy-handed procedural ploy aimed at quelling the tax revolt now rampant in this country will only further enrage the people and spur them to make more radical demands. We have only seen the tip of the revolt: Next thing you know some cleverly disguised patriots will be holding a big "T" party on Boston Harbor.

At this point in the RECORD, Mr. Speaker, I include the editorial from today's Wall Street Journal to which I alluded earlier to my remarks:

[From the Wall Street Journal, Aug. 4, 1978]

TIP O'NEILL'S RULES

Once upon a time, the House Rules Committee was the target of intense liberal hostility. It was alleged to be an undemocratic barrier to the working of the people's will. Times have changed. In the last few days, in a display of classic rulesmanship, Speaker Tip O'Neill has set out to use the Rules Committee to keep the House from voting on the Kemp-Roth tax cut bill.

The Republicans had been promised a floor vote on the measure, as part of a compromise under which the Ways and Means Committee at last reported out a tax bill. Speaker O'Neill has announced he doesn't consider himself bound by this agreement, and is using his considerable influence to get the Rules Committee to bring the bill out under a rule that does not provide for such a vote.

The Democratic leadership is reneging on its promise because many young Democrats are frightened to vote on Kemp-Roth. If they vote yes the bill may pass, putting control of this years' tax legislation in Republican hands. If they vote no on the larger tax cut in Kemp-Roth, they are likely to run into trouble with their mutinous constituents in this fall's elections.

If the Rules Committee obeys Mr. O'Neill, the Republicans can still attempt to insert Kemp-Roth via a procedural motion. But more Democrats will be tempted to vote against this, hoping that the issue can be fudged on the hustings and that their constituents won't realize they have opposed a tax cut.

As it happens, we always thought that the liberals were undervaluing the Rules Committee's role as a useful restraint on congressional irresponsibility. But we do think that a legislative majority ought to live up to its agreements with the minority.

And since the purpose of this move seems to be preventing the voters from discovering their representatives' real positions on cutting taxes, we wonder what happened to all the talk about letting the House work its will and insuring that the people benefit from sunshine in government.●

WHO'S GOING TO PROTECT US FROM OURSELVES

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

THE COLORADO SQUAWFISH

● Mr. McKAY. Mr. Speaker, the Colorado squawfish was once so common that the Federal and State game officials conducted a major eradication program. Farmers speared them with pitch forks and used them as fertilizer while fishermen discarded them on the river banks. Everything from dynamite to chemical control was tried to control these predators. On March 11, 1967, they were listed in the Federal Register as an endangered species and eventually were placed under the protection of the 1973 act. The Colorado squawfish recovery plan was signed in Washington and went into effect on March 16, 1978. An estimated $5 million will now be spent for their protection. It is noted, however, that the squawfish feed almost exclusively on other fish. Among these are the bonytail chub, now listed as endangered, and the razorback sucker, now listed as threatened. It seems that by protecting one, we are endangering the others. In other words, $5 million spent for the protection of the Colorado squawish is $5 million spent against the bonytail chub and the razorback sucker.●

KOREAN SCANDAL

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. ERTEL. Mr. Speaker, some time ago I announced by intention to offer an amendment to the Foreign Assistance Appropriations Act cutting off all funds for Peace Corps activities in South Korea. My amendment was designed to encourage the Government of South Korea to make former Ambassador Kim Dong Jo available to the House of Representatives in its investigation of Korean influence buying. Kim Dong Jo is believed to have information critical to the successful completion of this inquiry.

I am not going to introduce my amendment because the South Korean Government has assured the leadership of this House that former Ambassador Kim will supply investigators with details of his alleged transactions with Members of Congress. This is a modest but important step in getting to the bottom of the Korean scandal.

We have no assurance that former Ambassador Kim's testimony will be given under oath.

We have no assurance that he will be subject to cross-examination.

We do know, however, that for the first time the South Korean Government is willing to permit Mr. Kim to respond to written interrogatories. This, in itself, is an indication that the South Koreans may now appreciate the wisdom of acting in good faith and in the spirit of international comity between allies. In not introducing my amendment, I am suggesting that we adopt a wait-and-see attitude. If Mr. Kim provides new and concrete factual information as promised, the Committee on Standards of Official Conduct may have sufficient information to complete its investigation. If Mr. Kim is not forthcoming with this information or if the circumstances of his testimony are deemed inadequate, we may still want his sworn testimony before the committee. For the time being, however, I am satisfied that the investigation is proceeding in a positve manner and no immediate action by this body, such as my amendment, is required. In fact, for this House to impose further sanctions against South Korea at this time may be counterproductive.●

BALANCE(S) OF POWER, BOOK III C(I) MIDDLE EAST

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, in our ongoing examination of the military balances across the "Global Compass," our selections about the situation in Europe are now followed by a look at the forces that face each other in the Eastern Mediterrannean region: Israel, Egypt, Syria, and Jordan.

Although the United States is not linked to any of these countries by an alliance such as NATO, it is an area of critical importance to the United States, where any threat to peace presents clear dangers to U.S. security. Our dedication to the survival of Israel is a matter of clearest policy; and our concern for maintaining a stable military balance from all standpoints is a matter of the clearest national interest.

The following article, "The Military Balance of Power in the Middle East," by W. Seth Carus, provides valuable insights into the elements of the balance in that region and offers a concise summary of developments within the military forces of each country since 1973.

The article first appeared in Current History, January 1978.

There has always been an undercurrent of violence in the Middle East; war and the threat of war between the Arabs and Israel affect virtually all aspects of life. The struggle for military superiority between Israel and the Arabs has continued, with only brief respites, for 30 years. Since the 1973 October War this struggle has dramatically intensified.

Military superiority has usually been achieved not only on the battlefield but also as a result of peacetime improvements and planning. Standard measures of military power are of limited value for an assessment of the balance of military power between the Arab countries and Israel. Comparisons of equipment inventories are unrevealing and often confuse more than they clarify. Even the consideration of qualitative differences scarcely makes such analyses more useful. The only way to understand the balance of power is to examine the strategic doctrines of the participants and to determine the nature of the latent capabilities that their equipment provides. Weapons are useful for specific strategic purposes. Attempts to use weapons for purposes for which they are not suited can make them useless.

On the Arab side only the three powers directly adjacent to Israel—Egypt, Syria, and Jordan—will be considered. Other countries may also participate, but their importance is limited. This may not always hold true, but today only the front-line countries have military forces with sufficient size, quality and sophistication to affect the outcome of a war in the immediate future.

ISRAEL

The Israeli military of 1978 scarcely resembles that of 1973. There has been an enormous increase in weapons inventories, accompanied by qualitative improvements of a similar magnitude. The result of theses changes is a far more capable military force, with greater depth and sophistication. Most important, changes in Israeli strategic doctrine will greatly improve Israel's utilization of this military force.

Three major changes in strategic doctrine are worth mentioning. The first reflects a fundamental shift in policy, with far-reaching consequences. Through 1973, Israel relied on a strategy that is best described as an economy of force. Israeli military planners wanted military forces to place as little financial burden as possible on Israel's economy while remaining able to deter Arab attacks. This was an attempt to reduce Israeli defense costs to manageable proportions. Such a doctrine required an investment in highly visible and flexible weapons systems: fighter aircraft but not antiaircraft missiles and guns; tanks but not anti-tank missiles.

The dangers inherent in this strategy were exposed in 1973. An economy of force doctrine could succeed only if a war were fought under conditions favorable to Israel. An Arab surprise attack, the Egyptian development of effective anti-tank and anti-aircraft tactics, and relatively static battle situations contributed to the failure of the economy of force doctrine.

A NEW STRATEGIC DOCTRINE

Immediately after the 1973 war, Israel adopted a new strategic doctrine, which might be described as maximum deployable force. This new doctrine demanded the creation and deployment of the largest possible number of combat units. Larger defense budgets, massive United States military aid and a refined reserve structure made possible large increases in the number of Israeli combat and combat support units.

Israel's adoption of the maximum deployable force doctrine resulted from two specific conditions. First, Israeli defense planners learned in 1973 that quantity creates a kind of quality. This belief, now often expressed, seems to reflect a realization that beyond a certain point quantitative inferiority can make it impossible to benefit from qualitative superiority. Second, it was learned that alternate tactical capabilities were needed: anti-aircraft missiles and guns and anti-tank missiles were just as necessary as fighter aircraft and tanks, to meet the variety of tactical situations that can be encountered in war. Both considerations required increased force size.

To effect the second major change in strategic doctrine Israel had to be independent of external supply sources in wartime. In a sense, this was not a change. Israeli defense planners have tried, with little success to fight without wartime deliveries from other countries. What has changed is implementation. Enormous inventories of ammunition and spare parts now make it possible for Israel to fight an intense war lasting at least 30 days. Similarly, spare part inventories are sufficiently large to make

Israel independent for an extended period (allegedly for a year and a half). As a result, Israel is effectively independent of external supplies in the short term.

Virtually all Israeli arms now come from either the United States or Israel. The United States is Israel's most important supplier of arms. Israeli orders of American military equipment since October, 1973, now exceed $4.5 billion.[1] Most of the equipment is paid for by foreign military sales credits. Repayment of a substantial portion of her credits has already been "forgiven," meaning that no repayment is required.

It should not be supposed that all the credits to Israel go for military equipment orders. Often the credits have been used for indirect costs, including the costs of the October, 1973, airlift to Israel (costing at least $42 million, including charges for depreciation of the participating C-5A's) and payments to finance expansion of American tank production facilities (about $44 million). At other times, the costs for certain types of equipment are far greater than their military importance. For example, the order for 25 F-15 fighters (representing about one-twentieth of the current inventory of combat aircraft) was worth $653 million (including $40 million to cover United States research and development costs).

Israeli-produced arms are becoming increasingly important. The air force relies upon the Kfir fighter-bomber and the Shafrir air-to-air missile. The navy uses the Gabriel anti-ship missiles launched from Israeli-built vessels and guided by Israeli-built electronics. The army obtains virtually all its ammunition from domestic production. United States officials claim that four-fifths of Israeli arms are imported from the United States; Israeli officials claim that domestic production accounts for one-third of all acquisitions. Whatever the correct figure, domestic production is extremely important and accounts for a large portion of vitally needed items.[2]

A third major change in strategic doctrine has passed almost unnoticed. Since 1973, Israel has created strategic mobility forces. The 1976 Entebbe raid revealed many interesting features of Israeli defense forces, including the existence of a matured strategic mobility capability. All the equipment and tactics necessary for transportation of combat units far from Israel under combat conditions existed before the Entebbe raid. The air force, with about 25 C-130 and 10 Boeing 707 transports, is fully capable of transporting and supplying any of Israel's three paratroop brigades far from Israel.[3]

The Israeli military has also made substantial improvements in tactical capabilities through the acquisition of new equipment and the development of new tactical concepts. Manpower and inventory levels have been increased substantially. New types of equipment further extend combat capabilities. The army has increased the number of tanks from 2,000 to 3,000, the number of artillery pieces from about 800 to over 1,500, the full-tracked armored personnel carriers from 500 to several thousand. Anti-tank missiles have been purchased in large numbers, including many thousand TOW anti-tank missiles from the United States. More infantry units have been created. The navy has increased the number of missile boats from 14 to 21, with at least five more on order—including at least two Super Flagstaff hydrofoils. Harpoon anti-ship missiles with a range of 110 kilometers have been ordered from the United States. Allegedly some will be air-launched versions. Finally, three Israeli-produced 1124N Westwind maritime reconaissance aircraft are now in service.

The air force has increased its inventory of combat aircraft from 370 to about 550. Most of the new aircraft are American F-4E and A-4N jets, but about 100 are Israeli-built Nesher and Kfir fighter-bombers. The effectiveness of the newer aircraft is far greater than earlier aircraft. Large quantities of American-produced precision-guided munitions have been purchased, and the Israeli-designed Luz long-range air-to-surface missile is now in production. Electronic countermeasures have been substantially improved, using American and Israeli equipment. Acquisition of six Improved Hawk batteries, Chaparral anti-aircraft missile launchers, and anti-aircraft guns will improve air defenses. The E-2C airborne early warning aircraft will be operational in 1978.

Footnotes at end of article.

EGYPT

After 1973, Egypt embarked on a carefully defined military improvement program. This program has two main purposes. First, the Egyptians would like to reduce dependence on Soviet arms by the acquisition of Western equipment. Second, the Egyptians are trying to improve their equipment quality by the replacement or modernization of obsolescent weapons. For financial reasons, this program has proceeded very slowly. By judicious selection of equipment, however, it has proved possible to make substantial improvements at relatively little cost.

The effects of this improvement program have become increasingly apparent. The Egyptian army has acquired British Swingfire and French HOT anti-tank missiles (the former for the infantry, the latter for 42 newly acquired French Gazelle helicopters). Both missiles are far superior to the Soviet Sagger anti-tank missiles Egypt previously used. Egypt's navy has been rebuilding Soviet-supplied missile boats for over a year. The rebuilt boats receive new engines obtained in West Europe (from Italy or Britain), electronics from Britain (new radar and an electronic warfare system), and missiles from Italy (30 OTOMAT's have reportedly been ordered). Six new KOMAR-class missile boats have been built in Egypt and will probably be equipped with the Italian missile.[4] In addition, six Westland Sea King Mk. 37 helicopters delivered in 1976 and 1977 provide sophisticated anti-submarine capabilities.

The Egyptian air force has benefited most from the improvement program. While the inventory of combat aircraft has decreased somewhat, the number operational has probably increased. In 1973, possibly one-third of Egypt's combat aircraft were in storage. Today, all aircraft in inventory are operational. The quality of the average aircraft has improved considerably. Advanced model MiG-21, MiG-23/27, and Su-20 fighters from the Soviet Union have replaced less sophisticated equipment. French aircraft are used in significant numbers; a total of 52 Mirage III fighters have been delivered or are on order. Soviet aircraft are being improved using Western electronics. In addition, negotiations are under way with a group of United States and British companies to provide logistics and maintenance support for Egypt's 200 to 250 MiG-21 fighters.[5]

These qualitative improvements have had a significant impact on the force capabilities of the Egyptian military. At relatively little cost, many serious weaknesses have been corrected. Often improvements are dramatic: with fewer available aircraft, Egypt's inventory of combat aircraft can carry more ordnance over longer ranges than the 1973 inventory (even including all the aircraft then in storage). The naval improvement program has yielded far more benefits than could have been gained by buying large numbers of additional Soviet missile boats, as the Syrians have done. These improvements have made the Egyptian military far stronger. As additional Western equipment is received (especially in the electronics field), capabilities will increase further. Egypt's efforts comprise what should be considered a classic demonstration of intelligent defense planning.

Egypt, almost totally dependent upon Soviet arms five years ago, now relies increasingly on Western equipment. Britain, France and Italy are important suppliers of armaments. The United States provides a variety of non-lethal equipment: jeeps, electronic reconnaissance gear, C-130 transports and reconnaissance drones. Present plans call for a reduction of Egypt's dependence on Western suppliers. For the past several years, the Egyptians have been negotiating with French and British armament firms for the purchase of arms production facilities. At various times, discussions have focused on aircraft production facilities for French F-1 fighters, jet trainers and helicopters, and on missile production facilities for the British Swingfire anti-tank missile and for the French Crotale anti-aircraft missile. So far, nothing has come of these negotiations. The reasons for the failure have not been disclosed.

These developments should not be construed as an indication that Egypt has become independent of Soviet arms and logistic support, or as an indication of Egyptian independence in the immediate future. However, Egypt's shift toward the West is an important trend that, eventually, could lead to Egypt's independence.

Mention should be made of Egypt's unconventional warfare capabilities. Since the early 1960's, the Egyptians have had inventories of biological, chemical and radiological substances.[6] The acquisition of the Soviet SCUD surface-to-surface missile could provide a means of delivery for these substances, with sufficient range to reach deep into Israel.

Egypt's strategic problems are far more important than any material deficiencies. The crucial problem, simply put, is how to force battle on Israel. The Egyptians believe that Israel's great weakness is her inability to sustain heavy military casualties. Egyptian strategy therefore aims at inflicting heavy losses on the Israeli military, even at the cost of temporary Egyptian defeats. In 1973, the implementation of this strategy was fairly simple: merely by crossing the Suez Canal, it was possible to force battle on the Israeli forces. Political and strategic considerations forced Israel to attack Egypt's bridgehead across the canal.

This may not be possible today. As a result of the 1975 disengagement agreement between Egypt and Israel negotiated by United States Secretary of State Henry Kissinger, Israel's forward positions are now deep in Sinai. Any attack on these positions would expose the attacking units to the full force of Israel's superior tank units. Undoubtedly, these Israeli units will be much more effective deep in the Sinai desert than they were in 1973, when the proximity of the Suez Canal allowed Egypt's army to penetrate Israeli defenses merely by crossing the Suez Canal. The Egyptians have built the defense needed to protect the canal; a large defense zone capable of supporting five infantry divisions now exists on the east bank in the Sinai. It is, however, unlikely that Egypt can afford to let Israel come very close to the canal. The political risks of allowing Israeli troops to come within artillery range of the new developments along the canal (built at enormous cost) would be substantial. And the political consequences of another Israeli penetration across the canal would be devastating. Any aggressive Egyptian advances into Sinai would mean acceptance of these extremely high risks; risks that the Egyptians could accept only after serious deliberation. On the other hand, Egypt's adoption of a passive or defensive posture would also have serious consequences. The Egyptian attempt to solve this strategic dilemma will play a crucial role in determining the outcome of a future war.[7]

SYRIA

The 1973 war revealed important Syrian weaknesses. First, while Syria's air defense

system provided excellent coverage of the Damascus/Golan Heights area, it left the remainder of the country undefended. Second, serious command difficulties impeded the effective use of the Syrian army. This was especially true at the divisional level. Third, air force and army tactics were often abominable. Fourth, most Soviet-supplied equipment was unreliable and was highly susceptible to countermeasures.

Syria's air defense system has been expanded from 35 batteries in 1973 to almost 50 today, to permit the Syrians to defend important targets away from the front lines. In addition, more SA–6 missile batteries and the new SA–9 system (an improved version of the manportable SA–7 mounted on an armored car) will improve front-line defenses. The command problems experienced in 1973 do not seem to have recurred during the fighting in Lebanon, where the Syrians seem to have controlled their units effectively. Since control was exercised directly from Damascus, it is still uncertain to what extent command control of Syria's five divisions has improved. Efforts have also been made to improve tactics, although Syria's performance in Lebanon does not indicate any significant improvement. Because of the political constraints placed on the use of Syrian forces, this may mean very little, In a future war, Syrian tactics should be more effective than those employed in 1973.

Efforts have also been made to rectify Syrian equipment deficiencies. No specifics are available, but it is likely that improved versions of the Soviet SS–N–2 antiship missile (perhaps the new SS–N–2C variant?) will reduce Syrian vulnerability to Israeli countermeasures. The Soviet Atoll AAM–2 air-to-air missile (totally ineffective in 1973) will probably be replaced by a more effective missile. Many important quantitative increases have also been made in Syrian arms. The tank inventory has been increased from 2,000 in 1973 to 2,600 today (including 1,000 T–62 tanks and possibly a few T–72's—the most modern tanks in the Soviet arsenal). The number of combat aircraft is now about 420, compared with the 1973 strength of 330. Most new aircraft are significantly more capable. The number of MiG–21's has increased from 200 to 250. The inventory now includes about 50 MiG–23 and MiG–27 Flogger fighter-bombers. Finally, the navy has increased the number of missile boats from 9 to 12, supplementing them with a small frigate (two more are on order) and 9 Ka–25 Hormone anti-submarine helicopters—the type used on the new Soviet Kiev class aircraft carriers. The Soviet Union currently supplies most of Syrian weaponry. The only important exceptions are the few helicopters recently ordered from Italy and France, the all-terrain trucks supplied by the Germans, and Austrian ordnance and ordnance production equipment.

Unlike the Egyptians, the Syrians do not appear to have unconventional weapons. However, like the Egyptians, they have a full range of defensive equipment for protection against chemical, biological, or radiological attack. Syria's large inventory of Soviet FROG short-range and SCUD medium-range surface-to-surface missiles with high explosive warheads are intended for use against targets in Israel.

With improved tactics, training, and command, Syrian equipment acquisitions could have significant impact. It will be the quality of the Syrian solutions to qualitative deficiencies, however, that will largely determine the effectiveness of the Syrian military.

JORDAN

In a future war, Jordanian participation will be greater than it was in 1973. At that time, only two Jordanian tank brigades sent to aid Syria in the Golan Heights saw any action. That Jordan can now seriously contemplate fighting a major war against Israel is a consequence of a military modernization program started soon after the 1967 Six Day War. Limited Jordanian resources have made implementation long drawn out. Through 1973, most improvements were organizational, limited to the reformation of shattered combat brigades and their incorporation into two tank and three infantry divisions. The tank divisions were strengthened during 1973 and 1974 by the receipt of 184 tanks from the United States (including 52 newly built M–60A1's, the mainstay of both the United States and the Israeli tank forces). Construction of a tank rebuilding facility will permit the modernization of older tanks—again copying the United States and Israeli armies.[8] The quality of the infantry divisions has also been much improved. One division has been mechanized, with a second soon to follow.[9] This was made possible by the purchase from the United States of new M–113A1 armored personnel carriers, M–109 self-propelled artillery and TOW and DRAGON antitank missiles. The most important improvement, however, was the creation of a comprehensive Jordanian air defense system. Costing at least $540 million, this system will eventually comprise 14 Improved Hawk surface-to-air missile batteries, self-propelled anti-aircraft guns, and man-portable Redeye surface-to-air missiles. Though the full system will not be completed until 1979, a substantial portion is now operational. Three Hawk batteries are currently operational and three more will be delivered during the first three months of 1978. Along with other equipment now in service these weapons give Jordan an effective air defense system.

Currently, the Jordanians are almost totally dependent on United States-supplied weapons. The small quantities of equipment obtained elsewhere have come from Spain (4 light transport aircraft), Great Britain (Bulldog training aircraft), and Iran (F–5A/B jet fighters surplus to Iranian requirements). However, it should be noted that 26 of the 42F–5A/B's sent by Iran to Jordan in 1975 were transferred to Morocco that same year, leaving only 16 in Jordan.[10]

OTHER ARAB COUNTRIES

In 1973, a number of other Arab countries sent forces to support the front-line countries, including Algeria, Iraq, Kuwait, Libya, Morocco, Saudi Arabia, Sudan, and Tunisia. In general, these forces had little impact. Currently, only Iraq can provide a significant number of units, and they are of doubtful quality. Both Kuwait and Saudi Arabia have undertaken major improvement programs. It will be at least two or three more years before either country could be of any strategic importance. But in the context of the current military balance, all these forces are relatively unimportant. The Libyans have purchased several billion dollars worth of military equipment. There is, however, no indication that more than a fraction of this equipment is usable. For the foreseeable future, Libya will be important only as a possible source of arms for the front-line countries.

CONCLUSIONS

It is evident that all the front-line countries have effected major improvements in their military forces. Unfortunately, the impact of these improvements on the balance of military power is not so discernable. The difficulty is largely a consequence of the fact that military forces are usually optimized for particular kinds of wars. For this reason, the balance of military power is determined by the conditions under which a war is fought.

Military superiority can result from two related developments. The organization of military forces with a multiplicity of potentially usable capabilities ensures that latent capabilities will be available no matter what the nature of a war. Alternatively, decisive superiority in one or more crucial areas can make it possible to force an opponent to fight under unfavorable conditions.

In this context, an examination of the forces currently available to the Arabs and to Israel reveals a number of important facts. The Arab countries have made intensive efforts to develop new capabilities and to enhance existing capabilities. However, a comparison of these improvements with Israeli advances indicates that the improvements made by the Arabs have resulted in little, if any, relative improvement. More significant, the Israeli military now has the capability to meet a variety of highly unfavorable contingencies. The opposing Arab forces in general lack such a capability. Therefore, it will be almost impossible for the Arabs to repeat the early Egyption successes in the 1973 October War. Equally important, Israel seems to have decisive superiority in a number of areas that could be important in a future war.

Only if they can rectify the deficiencies resulting from the 1973 October War and only if they solve new strategic problems will the Arabs be able to overcome these Israeli advantages. The Israeli military is now superior to the Arab militaries, but the extent of that superiority is totally dependent on the ability of the Arab armies to correct qualitative deficiencies and to implement new strategies to meet the altered situation. Arab eneffectiveness in either area could lead to overwhelming Israeli superiority. But if the Arab states correct their deficiencies and develop new strategies, they might virtually eliminate Israel's superiority.

FOOTNOTES

[1] Defense Security Assistance Agency, *Foreign Military Sales and Military Assistance Facts*, December, 1976, provides official data on foreign military and commercial sales programs and on credits provided.

[2] Israel's domestic arms industry has been well covered by the American press. See for example William Farrell, *The New York Times*, February 15, 1977, p. 3. Unfortunately, most of these reports are sensational as a result of the efforts of American diplomats and defense officials. For a blatant example, see Clarence Robinson, *Aviation Week and Space Technology*, vol. 103 (December 13, 1975), pp. 14–17.

[3] All hard data for Israel and the Arab countries is based on compilations from numerous sources. Unfortunately, the standard source for such information, *The Military Balance 1976–77* by the International Institute for Strategic Studies, is inaccurate and incomplete. The best source for aviation data is *Flight International*, vol. 112 (July 20, 1977), pp. 325–341.

[4] *Aviation and Marine International*, vol. 4 (June, 1976), p. 21, and subsequent issues.

[5] On the MiG–21 overhaul proposal see *Aviation Week and Space Technology*, vol. 107 (September 26, 1977), pp. 22–3.

[6] Stockholm International Peace Research Institute, *The Problem of Chemical and Biological Warfare* (New York: Humanities Press, 1973) is the major source. See especially volume 2: *CB Weapons Today*, pp. 240–242.

[7] William Beecher, *The Boston Globe*, June 7, 1976, discusses these problems in some detail The first of many reports on Egypt's new defenses appeared in the *Evening Sun* (Baltimore), August 27, 1974, p. A3.

[8] The U.S. Army Corps of Engineers is responsible for the construction of this $33-million facility. See Stephen Klaidman, *Washington Post*, May 15, 1975, p. A12.

[9] These supplement 26 F–5E and 4F–5F delivered 1975–76. The U.S. press seems to have largely ignored this transaction.

[10] Plans to convert the third infantry division have been dropped.●

CONGRESSIONAL MYOPIA ON FOREIGN AID

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. BONKER. Mr. Speaker, judging by the rhetoric surrounding this year's foreign aid programs, it appears that current efforts to reduce the Federal budget rest solely with the programs to help others around the world. Because foreign aid appropriations represent less than one-quarter of 1 percent of U.S. GNP, it is unlikely that U.S. taxpayers will experience any relief.

A timely article in yesterday's New York Times by my good friend and colleague, MATT MCHUGH argues that there is an emerging assumption that foreign aid has no constituency, despite the fact that much of this aid benefits Americans. I believe our foreign-aid programs do have a constituency both at home and abroad stemming from our self-interest as well as a deep concern for the plight of the poor. Often overlooked is the fact that our foreign aid—which includes security assistance—is part of our overall defense program. By keeping our allies equipped and strong, we enhance our military preparedness. Being No. 1 in the world and leader of the free West necessarily involves commitments and support of our friends and allies.

Several polls have revealed that Americans do support foreign aid, particularly aid which benefits needy people. Regrettably, this has not been reflected in Congress. The steady decline of U.S. foreign aid measured in terms of the annual Federal budget or the GNP continues. What is not recognized is that 75 percent of our bilateral development assistance, and more than two times our contributions to international financial institutions, is used to purchase goods and services in the United States. I would urge my colleagues to heed MATT MCHUGH's advice and speak out against the myopic arguments of those who indiscriminately slash away at these important programs.

Mr. Speaker, I ask that Representative MCHUGH's article be inserted in the RECORD at this time.

TESTING FOREIGN AID

(By Matthew F. McHugh)

WASHINGTON.—The foreign aid bill is in serious trouble in Congress. It matters little that President Carter's budget request has already been slashed in committee by over $1 billion dollars (13 percent). Much deeper reductions are threatened because it is widely assumed that foreign aid has no constituency. That was not always the case.

Following World War II, the United States spent about 3 percent of its gross national product to rebuild a war-torn world. Our leaders had little trouble persuading us that these expenditures were in our national interest. By 1977, our development assistance had dropped to 0.22 percent of G.N.P., placing us in the bottom quarter of all developed nations. But even this much lower level of support has few adherents. What happened to the constituency for foreign aid?

Undoubtedly, many things account for the declining popularity of foreign aid. Pressing economic concerns at home have influenced current priorities, and an increasingly complex world has made it more difficult to appreciate the purposes of foreign aid.

After World War II our help was directed to people with whom we had much in common, and it showed rapid results because its beneficiaries possessed the skills to put it to immediate use. Furthermore, the threat of monolithic Communism lurked in the background, silencing potential critics. Today many of those we help differ from us in their values and cultures. They often lack democratic traditions and criticize us in public forums. Still, we are capable of understanding a changing world if our leaders frame the issue in perspective.

A recent letter from a fellow Congressman began: "How would your constituents feel. . . . if they knew that some of their hard earned tax dollars were scheduled to support the rule of Idi Amin? The Communists in Vietnam and Laos? Cuba, while Castro exports Communism and violence all over Africa?" Clearly, if the issue is posed in terms of support for Idi Amin, there will be no constituency for foreign aid. However, the United States provides no direct assistance to Idi Amin's Government. We do contribute to certain United Nations programs that function in Uganda, but the programs are modest and serve basic human needs. A good example is the United Nations Children's Fund. Between 1978 and 1980, UNICEF will spend $1.2 million in Uganda on a number of activities, including immunizing women and children against diseases such as smallpox. It could be argued that this supports Idi Amin, but are we prepared to deny help to people threatened by disease? I doubt it.

And what about aid to Vietnam and Laos? Direct assistance is prohibited. However, we do make contributions to the World Bank and other international financial institutions. Last year, 0.11 of 1 percent of those contributions went for projects in Laos to benefit starving people. Congress could prohibit such indirect assistance, of course, but the international financial institutions would then be prevented by their charters from accepting any of our contributions. The result would be to hurt those most in need, and our own economy. Perhaps it will suprise most Americans that for every $1 we contribute to the international financial institutions, they spend $2 to purchase goods and services in the United States.

The basic point, however, is that foreign aid should not be tested solely by our feelings about Idi Amin, Vietnam or Laos. It must be judged against the broader realities of our economic and political interests, as well as our traditional humanitarian values.

We have heard desperate statistics about world hunger many times, and I trust that we have not become callous to them. Is 1.3 percent of budget really too much to spend to alleviate hunger, poverty and disease? Moreover, our own national security will be vitally affected by the ability of the developing nations to increase agricultural production, curb birthrates, and become more self-sufficient. As Pope John XXIII said: "In a world of constant want there is no peace."

Finally, economic self-interest requires attention to the developing nations. We are increasingly dependent upon them for raw materials needed to fuel our economy. In addition, they offer the best opportunity for expanding our export markets. Exports now provide one of every eight manufacturing jobs in the United States, and a third of our agricultural produce is sold abroad. Given our negative balance of payments, continued growth of markets in the developing world is essential to our economic well-being.

The foreign aid program serves our interests. If political leaders, including those of us in Congress, present the case more effectively, there will be a constituency in the country to support it.●

LEUKEMIA VICTIM GETS VA BENEFITS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. CARTER. Mr. Speaker, Donald Coe of Tompkinsville, Ky. was hospitalized in early January 1977, and told by his doctors that he had a rare kind of cancer, acute hairy cell leukemia. In August of 1957, while in military service, he had been exposed to radiation from a nuclear blast (Smoky) at Yucca Flats, Nev. At that time he had suffered from nosebleed and other minor ailments.

My office was contacted about his effort to establish service-connection for his leukemia, and we have worked steadily on his case since that time. To do this, it was necessary to research the files on Nagasaki, Hiroshima, the atomic explosions over the atolls in the Pacific, and the problems of the Japanese fishermen who suffered from fallout from an atomic bomb which our country had dropped. Numerous medical authorities were consulted: Dr. William E. Beck, Dr. Karl Z. Morgan, and other experts in the field of radiation and nuclear physics.

Earlier this year, Chairman PAUL ROGERS of the Subcommittee on Health and Environment held hearings on the effects of exposure to ionizing radiation, during which the topmost experts in the United States and in England were called to testify. There is no question but that the hearings aided in the establishment of service-connection for Donald Coe.

Dr. William H. Foege and Dr. Glyn Caldwell of the Center for Disease Control in Atlanta studied a series of cases of individuals who were exposed to radiation from the Smoky blast and decided that the increased incidence of leukemia among those servicemen was statistically significant. For their work I shall always be grateful. For the assistance of as good a chairman as a Member could ever have. Hon. PAUL ROGERS, I will also ever be grateful. In doing the research in this case, I am deeply indebted to Louise Kiatta, Johanna Schrambling, and Francie de Peyster. I would also like to express my appreciation for the dedicated work of Mr. Jesse Brown, national appeals officer of the Disabled American Veterans, for his work on behalf of Mr. Coe.

I enclose for the RECORD an account of this case by science writer Walter Pincus which appeared today in the Washington Post. Mr. Pincus followed the hearings very closely.

[From the Washington Post, August 4, 1978]

LEUKEMIA VICTIM GETS VA BENEFITS: EX-GI EXPOSED TO A-TEST WINS CLAIM

(By Walter Pincus)

In a decision that could affect thousands of former soldiers, the Board of Veterans Appeals has decided to award service-connected disability benefits to a retired Army veteran who claimed the leukemia he suffers from resulted from exposure to radition during a 1957 nuclear weapons test.

Donald E. Coe, of Tompkinsville, Ky., whose case was ruled on Tuesday, was one of 300,000 servicemen who took part in nuclear

weapons tests at Nevada or Pacific sites between 1948 and 1958.

Some 40,000 of the soldiers, including Coe, participated in the 1950s in a series of nuclear tests in which troops conducted maneuvers through the test site within hours of the explosion. The other soldiers were witnesses to nuclear explosions.

About 2,400 former soldiers who participated in the tests recently reported to the Defense Department that they have subsequently come down either with leukemia or some other form of cancer.

Coe's case was the first time the board found "it is reasonably probable" that the radiation exposure during the 1957 weapons test called "Smoky" was a "competent causative factor" in leukemia that appeared 19 years after exposure and 16 years after Coe's retirement from service.

A VA regional board will now determine the extent of Coe's disability because of the leukemia and set the amount of compensation and benefits due him.

Since he has been in and out of the hospital during the past year, and had his spleen removed last February, it is likely he will be considered 100 percent disabled. In that instance, according to congressional sources, the 46-year-old Coe would be eligible to $754 a month plus allowances for his seven children.

In addition, his wife and children would be eligible for educational benefits under the GI Bill.

Currently, Coe gets a $165-a-month pension.

Contacted by phone yesterday, Coe said he was "happy they seen it my way; I couldn't see them finding it any other way than I was affected by the radiation."

Last January, Coe's physician in Nashville said the Smoky test veteran was too ill to go to Washington to testify at congressional hearings on the Nevada nuclear tests.

Yesterday Coe said, "I'm holding my own." He said he goes to the hospital once a month to get his blood checked and takes medicine to build up his white cell level.

The cases of Coe and Paul C. Cooper, another ex-GI at the Smoky test, created the first public interest in whether there was a connection between low-level radiation exposure of GI nuclear test participants and subsequent development of leukemia and other forms of cancer.

Cooper, who died of leukemia last February, was the first publicized case. The VA, on appeal, awarded him full disability last year but tied the finding not to radiation but to symptoms that appeared while he was still in the service.

Coe's case was taken up by his congressman, Tim Lee Carter (R-Ky), a medical doctor and ranking Republican on the House health and environment subcommittee.

With Carter and subcommittee Chairman Paul Rogers (D-Fla.) leading the way, an investigation was opened into the use of GIs during the 1950s nuclear weapons tests.

An initial inquiry into the Coe and Cooper cases by a doctor at the Atlanta-based U.S. Center for Disease Control was expanded and soon found six additional leukemia cases among the 2,235 soldiers who were in maneuvers after Smoky, a 45-kiloton shot, was detonated. The weapon was three times more powerful than the atomic bomb dropped on Hiroshima in 1945.

Although several physicians termed the initial Smoky leukemia findings—more than twice as many cases as expected—statistically significant enough to suggest there may have been a relationship between the radiation and the illness, most government doctors maintained to the Rogers subcommittee that such a connection did not exist.

The question of long-term health effects of low-level radiation—such as that at Smoky—has recently grown into a controversial issue in the medical and atomic energy communities.

The VA's record in awarding service-connected benefits to the few veterans who claimed their diseases stemmed from low-level radiation is inconsistent.

Over the past 10 years, at least 10 such awards were made to veterans but many more were turned down—mainly because the veteran could not prove he was at the test he claimed or that the radiation dose received was considered too low. In the previously approved cases, however, the veterans showed that during their active service there were symptoms of the disease that later appeared.

In Coe's case, no such finding was made. His symptoms first occurred in late 1976, years after retirement.

The recent Rogers hearings proved many military records of test participants were inadequate or previously unavailable. As a result, some veterans who had been turned down reapplied for VA benefits. Others who never filed claims began to do so.

A VA official said yesterday he had no numbers available but said "there was a lot of increased activity" in the filing of radiation-related claims.

It was against that background that the Coe case was decided.

According to the VA board record, material filed last month by Carter included a letter from the director of industrial safety and applied health physics at "a prominent nuclear laboratory," whose name was withheld.

This individual, who participated in Smoky, said the fallout from the test "was the greatest of any he had witnessed at the test site."

Yesterday, Carter said he was "deeply gratified" by the Coe decision and said it "will mean a great deal to thousands of others."

It was Carter who informed Coe's wife by phone yesterday morning of the VA award.

On Wednesday, Coe had asked his wife to call a VA official in Washington to see if any conclusion had been reached in the year-old case. The official, who knew it had been decided favorably for the veteran, said she would be hearing by mail.

Contacted yesterday, the official said, "I didn't tell her because until a decision gets out in the mail it isn't promulgated. I told her she could wait one or two more days." ●

THE NONPROFIT TAX REFORM ACT OF 1978

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. CONABLE. Mr. Speaker, I am today introducing H.R. 13740, a measure entitled "The Nonprofit Tax Reform Act of 1978". This is a complex measure, and I am introducing it for study purposes only so that interested parties can consider its impact on their organizations and their tax relationships. The tax problems in the nonprofit area are frequently complicated but do not involve large amounts of revenue. Because of uncertainties, complexities, and ambiguities, considerable man-hours can be invested by both the Internal Revenue Service and the nonprofit groups themselves. This measure is designed to try to reduce the problems inherent in nonprofit status and to make the overseeing of such organizations by the IRS more definite and certain so that activities and programs can be planned with confidence. I assume suggestions will be forthcoming which will necessitate the adding of other provisions. I confess that I have some reservations about some of the matters included in the bill, but, nevertheless, I offer it in the hope that the next Congress will benefit from the public discussion and definition of the many different issues involved.●

TWO-THIRDS REQUIRED

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. VOLKMER. Mr. Speaker, yesterday, on an 8 to 8 vote, the House Rules Committee denied the House of Representatives an opportunity to vote on the serious constitutional question of whether the extension of time of the equal rights amendment requires a two-thirds or majority vote for passage. I am sorry that the House of Representatives will not have the opportunity to vote on this issue as several members of the Judiciary Committee and numerous constitional authorities agree this is necessary and the proper procedure.

Erwin Griswold, former Solicitor General of the United States, and former Dean of the Harvard Law School states;

. . . this seems to me to be essentially a part of the process of amending the Constitution, as to which the Constitution is explicit that two-thirds majorities are required in both Houses of Congress.

Charles L. Black, Jr., Sterling professor of law, Yale Law School stated,

If the original resolution combined the proposal of the amendment and the setting of the time limit as an integral, locked-in part of the proposal, grammatically and as a matter of necessities of voting, the integral package being passed by a two-thirds vote—and that was true of the equal rights amendment—then it seems to me plainly right that a two-thirds vote of each House of Congress should be required for an extension. It may easily happen in any given case that a vote for the original resolution is cast partly on the ground that, in the view of the caster of the vote, the time is suitably limited. If that is not possible, then it must be because the limitation is simply nugatory or idle, it means nothing to anybody."

He further stated,

"It is impermissible to assume that this question of time means nothing to anybody. If that were so, why put it in? It cannot, therefore, be assumed that the original would surely have passed by the requisite two-thirds majority if the time had been longer.

Professor Thomas I. Everson, Lines Professor of Law Emeritus, Yale Law School said,

I think the general principle should be that you either have a two-thirds vote (on H.J. Res. 638) or a Presidential signature; and that is a sound general principle.

I believe this is an important constitutional question that is worthy of discussion by the full House.●

TIP AND JIMMY SHOW

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

• Mr. DEVINE. Mr. Speaker, a lot of publicity has been generated this past week about what you describe as "shabby treatment" by the President when your close friend Robert Griffin was fired from his high position in the General Services Administration.

Now, today's paper announces fence mending by the President, to placate you, and his appointing your friend to a $50,000 White House slot as assistant to the very able Robert Strauss.

The media of years gone by chuckled about the "Ev and Charlie Show," then the "Hugh and Jerry Show," but today it looks like the "Tip and Jimmy Show" is getting top rating as is indicated by companion editorials appearing in today's Wall Street Journal.

I guess the worm turns if we wait long enough. The editorials follow:

[From the Wall Street Journal, Aug. 4, 1978]

REPACKAGED AGAIN

It has become very clear to the Carter White House that the President is in big trouble. His reputation keeps sinking, and his miseries keep spreading. So his top-level advisers have decided to put Mr. Carter across to the Congress, the press and the American people by launching a concerted public relations campaign.

Gerald Rafshoon, the President's adman, has been hired to polish up the presidential image. He thinks Mr. Carter should do more traveling outside Washington. The Washington press corps, you see, has a "tendency to trivialize the presidency" and so distorts our picture of the President. Rosalynn Carter joined the campaign in a recent speech: "This is a good-news day, not a bad-news day." She's organizing dinners with media executives in the White House family quarters to put out the word.

None of the sales team seems to have considered that the President's image is in bad shape not because people are missing his message but because they're getting it—and they don't like it at all.

Not that this is his whole problem; Mr. Carter has been operating under some handicaps that have little to do with his policies. Watergate, Vietnam, and the Great Society hangover have left their poisons in the air. Moreover, the President's judgment in personnel matters has been awesomely bad. No one could have guessed that by now we'd have had a budget director who couldn't keep his financial affairs in order, a White House drug adviser who'd write a fake drug prescription and a U.S. Permanent Representative to the United Nations who evidently doesn't think the U.S. is much worth representing.

Still, President Carter's malaise isn't just some kind of marketing problem. The reason every White House misshap settles so snugly into the public mind is that the President can't manage to arouse any countervailing enthusiasm for the policies he's trying to promote. And that's because he and his advisers have seriously misread the direction the public mood is traveling.

When Jimmy Carter was nominated, he was widely seen as a moderate—someone who would affirm central American values after the beating they had taken for almost a decade. Admittedly, that idea of Mr. Carter was capacious and vague. But it certainly didn't have room in it for all the baggage that the candidate has since picked up.

His foreign policy, for instance, has drifted far from any secure base of domestic support. When he took office he faced a country just emerging from the shock of Vietnam and getting ready to believe again that the U.S. could stand for something decent in world affairs. He responded with policies—towards Africa, Vietnam, Cuba, Panama, the Mideast, the SALT talks—suggesting that what American policy needed was more reticence, more placating of regimes unfriendly to us, more distance from longstanding allies like Israel. The country in 1976 was excited by the idea of a human rights policy that we could offer the world with some pride; he produced one that has been largely an apology for past U.S. corruptions.

On economic matters, the gap is just as pronounced. Mr. Carter has persuaded himself quite unshakably that what Americans want from their tax system is "fairness" in the form of steeper progressivity and fewer loopholes. But in fact what people want is plain old lower taxes and some incentives for economic growth. In the same way, the President seemed to be caught quite off guard by the rising national worry about inflation; every time he scores a "success" on an issue like getting more federal aid to New York City, it registers as a failure to appreciate the current order of national concerns.

It would be impossible for anyone to go as far as some of the Carter folks would like without arousing some protest from the country. So the administration has bowed to budgetary constraints on its welfare reform and national health insurance plans. It has invoked national security on the Turkish embargo issue and the Saudi plane deal. It canceled a computer sale on behalf of Anatoly Shcharansky.

But these things haven't been very persuasive because they've carried so little conviction. The public is fearful of the U.S. position abroad, worried about inflation at home and fed up with a government that has increasingly declared itself the enemy of the private sector and individual autonomy. The President has treated these concerns as obstacles he must sometimes cope with rather than central concerns of his own political thinking. That's not moderation, it's waffling. And people can tell the difference.

The country, in short, has been moving in one direction while the President has set off on a near-opposite policy course. It's nice that the White House wants to start putting out the "good news," but unless the President can somehow manage some fundamental policy shifts, there just isn't going to be much good news to tell.

TIP O'NEILL'S RULES

Once upon a time, the House Rules Committee was the target of intense liberal hostility. It was alleged to be an undemocratic barrier to the working of the people's will. Times have changed. In the last few days, in a display of classic rulesmanship, Speaker Tip O'Neill has set out to use the Rules Committee to keep the House from voting on the Kemp-Roth tax cut bill.

The Republicans had been promised a floor vote on the measure, as part of a compromise under which the Ways and Means Committee at last reported out a tax bill. Speaker O'Neill has announced he doesn't consider himself bound by this agreement, and is using his considerable influence to get the Rules Committee to bring the bill out under a rule that does not provide for such a vote.

The Democratic leadership is reneging on its promise because many young Democrats are frightened to vote on Kemp-Roth. If they vote yes the bill may pass, putting control of this years' tax legislation in Republican hands. If they vote no on the larger tax cut in Kemp-Roth, they are likely to run into trouble with their mutinous constituents in this fall's elections.

If the Rules Committee obeys Mr. O'Neill, the Republicans can still attempt to insert Kemp-Roth via a procedural motion. But more Democrats will be tempted to vote against this, hoping that the issue can be fudged on the hustings and that their constituents won't realize they have opposed a tax cut.

As it happens, we always thought that the liberals were undervaluing the Rules Committee's role as a useful restraint on congressional irresponsibility. But we do think that a legislative majority ought to live up to its agreements with the minority.

And since the purpose of this move seems to be preventing the voters from discovering their representatives' real positions on cutting taxes, we wonder what happened to all the talk about letting the House work its will and insuring that the people benefit from sunshine in government.●

ANNUAL REPORT OF THE NATIONAL SCIENCE BOARD

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. MAHON. Mr. Speaker, I would like to commend to the attention of my colleagues a document which has just been sent by the President to all Members of Congress, the 10th Annual Report of the National Science Board, regarding basic research and perspectives on the conduct and support of basic research. Dr. Grover Murray, a long-time friend of mine from my hometown of Lubbock, Tex., is the 10th National Science Board Report Chairman. Dr. Murray, the former president of Texas Tech University in my district is one of the most able men it is my privilege to know, and he and his committee have done a tremendous job on this report.

The report is composed of three main parts: (1) detailed submissions from 14 mission agencies and 2 other agencies of the Federal Government, (2) analyses of selected aspects of Federal support of basic research; and (3) a comparative analysis of the mission agencies and the historical trends of their support of basic research.

In commenting on the report, Dr. Murray who is also Vice Chairman of the National Science Board, said, "As a result of this review of the agencies and their activities, the Board affirms its strong belief in the value of multiple support of scientific research by the Federal Government and in the key role of the mission agencies."

As the President points out in his message to the Congress regarding the report, science and technology contribute in significant ways to our international trade balance, to productivity and economic growth, and play an active role in helping the Government meet our Nation's needs.

I urge my colleagues to take a very close look at this valuable material from

the National Science Board, and I commend Dr. Grover Murray and the other members of the 10th National Science Board Report Committee for having given us this outstanding and helpful report.●

SELECT COMMITTEE TO STUDY NONMETROPOLITAN AMERICA

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, it is my privilege today to introduce a resolution for consideration by the Congress establishing a Select Committee To Study Nonmetropolitan America.

As chairman of the Congressional Rural Caucus, composed of over 100 bipartisan Members of Congress deeply interested and involved in the wide spectrum of issues affecting nonmetropolitan America, I have consistently been interested in affecting significant improvements in the small cities, towns, and rural areas of America.

What is needed now, however, is a select committee which can, specifically and exclusively, address the issues confronting nonmetropolitan America. This proposed committee would supplement the operations of the CRC and serve as a strong "right arm" for the caucus.

It is clear that there are disturbing and difficult problems facing America's small cities, towns, and rural areas. Lack of job opportunities, investment capital, government, medical, and health services are some of the crucial issues which plague nonmetropolitan America. The proposed committee could get to the heart of these vital issues in a significant and organized manner. Our experiences with the CRC indicate that these problems are difficult but not totally intractible if approached in an intelligent manner. While many committees and subcommittees admittedly handle a portion of the many problems confronting nonmetropolitan America, there is no committee in the House which even attempts an overall approach to the economic problems of rural America. The Congress needs a committee to pull together the diverse areas affecting rural America. The clear objective of the committee is to draw together in a single institutional framework all of the necessary inputs to create and support a realistic strategy for dealing with the problems noted.

The basic methodologies of the committee would be common to most investigating committees' hearings, invitation of views, data, judicious use of subpenas where necessary, employment of staff and other congressional operations. I propose that the life of the Select Committee on Nonmetropolitan America should be 2 years. The first year would be devoted to public hearings, the second to drafting legislative proposals. I would also propose that $300,000 be allotted for its operations.

I urge all Members of the Congress to consider this proposal, and join with me and the resolution's cosponsors in supporting its provisions.

Attached is the draft resolution creating the Select Committee on Nonmetropolitan America. The resolution follows:

Resolution to establish a select committee to study nonmetropolitan America

Resolved,

ESTABLISHMENT

SECTION 1. There is hereby established in the House of Representatives a select committee to be known as the Select Committee on Nonmetropolitan America (hereinafter referred to as the "select committee").

FUNCTIONS

SEC. 2. (a) The select committee shall conduct a full and complete investigation of—

(1) major economic issues affecting nonmetropolitan America;

(2) population trends affecting nonmetropolitan America;

(3) employment and employment-related issues in nonmetropolitan America;

(4) the quality of life in nonmetropolitan America;

(5) the needs of small businesses in nonmetropolitan America;

(6) the efficiency of Federal programs providing financial assistance and loans to persons in nonmetropolitan America, with particular emphasis on the effectiveness of such programs in providing jobs and other economic opportunities;

(7) housing in nonmetropolitan America; and

(8) credit needs and financial resources in nonmetropolitan America.

(b) In carrying out its responsibilities under this Act, the select committee shall not investigate or study agriculture or matters related to agriculture.

APPOINTMENT AND MEMBERSHIP

SEC. 3. (a) The select committee shall be composed of eight Members of the House, who shall be appointed by the Speaker, one of whom the Speaker shall designate as chairman.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the manner in which the original appointment was made.

(c) For purposes of this section, the term "Members" shall mean any Representatives in, or Delegate or Resident Commissioner to, the House of Representatives.

AUTHORITY AND PROCEDURES

SEC. 4. (a) The provisions of clauses 1, 2, and 3 of Rule XI of the Rules of the House of Representatives shall apply to the select committee.

(b) Nothing contained in subsection (a) of this section shall be construed to limit the applicability of clause (2)(i) of rule XI of the Rules of the House of Representatives to the select committee.

ADMINISTRATIVE PROVISIONS

SEC. 5. (a) Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under this resolution.

(b) In carrying out its duties under this resolution, the select committee is authorized—

(1) to appoint, either on a permanent basis or as experts or consultants, such staff as the select committee considers necessary;

(2) to prescribe the duties and responsibilities of such staff;

(3) to fix the compensation of each member of such staff at a per annum gross rate which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code;

(4) to terminate the employment of any such staff as the select committee considers appropriate; and

(5) to reimburse members of the select committee and of its staff for travel, subsistence, and other necessary expenses in connection with any meeting of the select committee, or subcommittee thereof, other than expenses in connection with any meeting of the select committee or a subcommittee thereof, held in the District of Columbia.

(c) The select committee and all authority granted in this resolution shall expire thirty days after the filing of the report of the select committee required under section 6(a) of this Act with the House, or just prior to noon on January 3, 1979, whichever date occurs first.

REPORT AND RECORDS

SEC. 6. (a) The select committee shall transit a report to the House as soon as practicable during the present Congress, but not later than January 2, 1979, containing the results of its investigations and study, together with such recommendations as it deems advisable.

(b) Any such report that is made when the House is not in session shall be filed with the Clerk of the House.

(c) Any such report shall be referred to the committee or committees that have jurisdiction over the subject matter thereof.

(d)(1) Except as provided in paragraph (2) of this subsection, the records, files, and materials of the select committee shall be transferred to the Clerk of the House.

(2) If the report of the select committee is referred to only one committee under the provisions of subsection (c) of this section, the records, files, and materials of the select committee shall be transferred to the committee to which such report is referred.●

INTERNS DESERVE CREDIT

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, I would like to take this opportunity to acknowledge and express my appreciation for the contributions made to congressional offices by our summer interns. Although their efforts are seldom overlooked, these young men and women—who perform numerous tasks essential to congressional offices—are seldom adequately recognized.

I sincerely thank Michael Swirsky, Julie Rothhouse, and Debbie Lachman of Brown University; Beth McCutcheon and Miriam Aroni of the University of California at Los Angeles; Chris Tackett of Centre College; Barry Meehan of the University of Kentucky; Leslie Levy of Miami University; Patricia Refo of the University of Michigan; Stuart Streichler of Bowling Green State University; Bill Marsteller of American University; Cheryl Nikonovich of Trinity College; and Robert Ross of Hampden-Sydney College for the outstanding work they have done these past several months.

These bright, amiable, and understanding students have not only performed the often routine and unexciting functions indispensable to office opera-

tion, but have also demonstrated a high level of competence in work on legislative research, public relations, testimony, and careful analysis of major legislation—all as a gratuity and contribution without compensation.

Commending them for their interest in government and assistance they have rendered to my staff, I am grateful for their service and wish them the best of luck in their future endeavors.●

REDUCING BIG GOVERNMENT

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. McCLOSKEY. Mr. Speaker, a constituent sent me the enclosed weekly bulletin of the Professional Insurance Agents of California and Nevada. It sums up so well what so many of our constituents are saying, and I insert it in the RECORD at this point in the hope that it fill stimulate our continued progress toward reducing the size, costs, and complexity of the U.S. Government.

While putting my thoughts together for this speech, a mysterious, official-looking bill hit my desk. It told me that I owed this country nearly $113,000 as my share of the government's $9 trillion debt.

Wondering how I could have had a hand in such unbelievable spending, I read on:

Item 1. $3 billion stolen annually in health programs.

Item 2. $6.5 billion annually to the Pentagon to buy five times as many routine supplies as are actually used. Weapons are not included in this figure. Then I discovered that 80% of these purchases are later scrapped in unused condition or sold for pennies on the dollar.

Item 3. $200 million annually for useless research grants showered on favored professors, such as $10,000 for a Library of Congress biography on Isaac Newton, when there are already 23 such works on hand.

Item 4. Subsidy payments of $600,000 annually to a single bee-keeper in Washington.

Item 5. The interest meter on the national debt ticks away at $85,000 per minute. No wonder so many of us are being forced into three-martini lunches.

Item 6. In the last 20 years, our federal government has spent $250 billion in foreign aid to finance both sides in 14 separate wars.

This information came to me from the National Taxpayer's Union in Washington, D.C. It's an organization which may get quite a lift now that California's Proposition 13 is law. Apparently, Californians are getting angry about their taxes and the way they are spent.

MORE ITEMS CITED, OTHERS ADDED

But as long as I've come this far, let me cite a few more items from the Taxpayer's Union and then add some of my own for flavor:

We've given the Pentagon $375,000 to study frisbees.

Teaching mothers how to play with their babies was a worthy project which cost only $159,000.

A study to find out why some people say "ain't" seems reasonable for $121,000.

To learn more about the mating calls of the Central American toad was a bargain at $29,324.

And the best for last: $80,000 to develop a zero gravity toilet.

I should add that in referring to the $9 trillion U.S. obligation, I followed the Washington practice of rounding it off for neatness by dropping the untidy $33 billion in excess of the $9 trillion.

ADDITIONALLY

In a good year, federal government regulations take about 45,000 pages in the Federal Register.

The nation's 41 regulatory agencies have more than doubled their budgets since 1974. Next year the tab will be $4.82 billion. A congressional committee was given a study which showed that the cost to American business to administer these regulations will hit $96.7 billion in 1978—an increase of $31.2 billion in two years.

A FEW EXAMPLES

Regulatory paperwork will cost the Eli Lilly Drug manufacturer $15 million per year.

Six hundred and sixty-six dollars of the price of your new car will be due to "help" from the government. It has increased by $216 since 1976 alone.

The average $50,000 home contains $9,844 worth of regulatory costs. In fact, the number of families who can afford a medium-priced home has dropped from 50% in 1970 to 27% in 1976.

DESSERT ON STATISTICAL MENU

But I've saved some of the best for dessert on my statistical menu:

HEW, with 1,144,000 aid recipients, employs 1,217,000 people—slightly more than the United States Army and Marine Corps combined.

Somehow or other, the HEW militia has recently dropped between $6.3 billion and $7.4 billion through a crack. Nobody knows if it was spent, ripped off or just what happened to it. But brushing that little incident aside, they still went back to Congress for an additional $43 billion for the 1979 budget. And at $182 billion per year, HEW consumes 36% of the entire federal budget.

The former chief actuary for the Social Security system has estimated that the demands over the next 75 years will exceed revenue by at least $1 trillion, providing there are no further changes in the system. This is a key point which I hope to tie to my real theme once I've purged myself of statistics.

AND JUST IN CASE YOU FORGOT

Our lawmakers do not seem to have too much confidence in our Social Security system, because they do not have to participate the way we do. Instead, they are permitted to invest 8% of their earnings in a private plan.

Did you know that the Civil Service Commission has reported that eight of 10 federal blue-collar workers are now receiving wages above the prevailing rates, due to the 125% in pay hikes they have received since 1970?

"ERISA'S OVERKILL REMEDY"

You might feel the same way that I do about some of the disgraceful practices which were part of private pension plans a few years ago, but ERISA's overkill remedy is far worse than the complaint. That fact is that employers introducing new plans have fallen back to pre-1968 levels, while the plan-cancellation rate is now 11 times the 1968 level.

Add to that the effect of proposed House Bill 12078, which would drive the cost of some employee-benefit programs to a point where sponsors will have no choice but to trim benefits such as retirement plans or do away with them completely.

If House Bill 12078 passes, the pressure on Social Security would be so grave that even more ominous regulations would be necessary to save the whole shooting match.

Even if you are the most ardent, dedicated supporter of our industry, you must know that the rules we have followed for some 225 years are in trouble today.

Attempting to forecast expenses to income is all but impossible in a climate of irrational litigation, inflation and burgeoning social programs of a "brother's keeper" nature.

The failure of the public and legislators to understand the mechanics of this business is a problem for which we must accept responsibility.

In the framework of a two-century life span, the problems have hit us overnight and we have committed the dual error of presuming we are understood while failing to do an adequate job of educating our market.

The crunch has come at a time when all citizens are concerned over rising costs. A few smoldering embers of bad insurance practices have been fanned vigorously by a few overzealous consumer activists who are religious in their conviction that most business, particularly big business, is inherently dishonest, evil, and cavalier in its attitude towards the public. Many of these activists now populate government agencies and are generating investigations, studies and denouncements of the industry.

GOVERNMENT TOUCH—DISASTER

And as far as government-run business is concerned, the record speaks for itself. Virtually everything the government has touched in the private sector has become a disaster—especially those programs catering to social needs which are rallying cries from consumer leaders and academicians of the new breed.

Keeping in mind that Social Security is an insurance proposition, just think of the know-how the feds could share with us in making our operations more efficient and affordable.

No one seems to know why 1977 suddenly turned from red to black in the property-casualty field.

Profits were embarrassing in spite of the need to recoup severe losses from prior years. But if you've read the article in the May 1 issue of *Business Week* entitled, "Sudden Riches for the Casualty Insurers," you know that consumers in certain areas are creating small "Proposition 13" demonstrations against us because they are angered and convinced that we are engaged in a rip-off.

I'm certain that if your daily experience is anything like mine you find precious few citizens who identify greedy lawyers, immoral contingencies and "go-for-the-throat" plaintiffs as contributing much to the problem.

Clearly, we have not done a good job in the public relations area and are still falling down badly, in spite of the leadership of companies such as Aetna, St. Paul, and Crum & Foster in their recent, excellent educational ads.

PRESSURE IS BUILDING

The pressure is building against us. Just as it has done against the health establishment, which we all sense will soon fall under crippling federal control and heaven knows at what cost and regulation for each of us.

It is within our power to halt or modify the changes which will ultimately be forced upon our industry? And should you as an agent, the wife of an agent, or any agency employee really be concerned?

As to your power to change the course of events. Proposition 13 is evidence of what is possible. It also shows that apathy acceptance of a situation, or counting on the other guy to do something while you sit tight, is an invitation to have bureaucrats run all over you while their ends are served.

If the results of several national polls taken during the Panama Canal deliberations

were an accurate reflection of public sentiment, the treaty should never have passed Congress. Apathy reigned, it seems, and a handful in the Administration squeaked the treaty through without public outcry. In contrast, when a prominent U.S. Senator recently remarked that a proposal to register serial numbers of all guns is tantamount to gun control, the response was swift—a flood of 351,000 letters to the Treasury Department in the first week with a ratio of 13 to 1 against the proposal.

ARE WE GETTING INVOLVED?

Are we getting that involved when we learn that key government agencies are being told that agents are a costly parasite in the delivery process?

Are we going out of our way to tell or write our state and federal representatives about the true reasons for rising rates?

Are we sure that in supporting states' rights, we are satisfied that state governments are not practicing the excesses and carelessness of the federal system?

Are we sure that our companies really are opposed to federal controls; or could it be that due to impossible regulation in some states and the hassle of fifty different approaches some might silently see central control as the lesser of two evils?

Are we joining the ranks of thousands of other small businessmen who are fed up to the teeth with IRS, OSHA, ERISA, EEO, DEC, and wage-and-hour regulations which are literally strangling us?

Are we trying to tell our clients that part of their expense is a share in supporting guaranty funds, residual markets and a host of other social problems being built into their premiums?

Are we telling them about astronomical settlements which are a matter of public record?

Are you making it clear that as an agent, you are paid a commission only when you produce and that the commission provides employment for two, three or more people in your community?

If we are not providing strong counter-arguments against the deck which is being stacked against us both by unknowing but concerned fellow citizens and the more devious anti-business forces at work today, then the vacuum exists in which we will get everything that's coming to us as we mill around like lost sheep.

When a bulletin from the U.S. Chamber, PIA or IIAA hits your desk, asking you to write or call your Congressman, don't say, "I'm too busy." Do it, right then. If you don't, that busy-ness you complain about might slip into someone else's hands by default, leaving you with plenty of time but no business.

I came from a country (England) where a government tried to pull a war-torn and weary people up by their bootstraps. The necessarily high taxes destroyed both business and personal incentive. The people, experiencing the same problems and concerns we have, believed the well-intentioned government promises to help medicine, railroads, ship-building and other vital enterprises. The results are known on a worldwide basis.

Though other problems dog the little island in its efforts to recover, I suspect that recovery from socialism, overly strong government, and labor domination will take years, if it ever comes to pass.

We have some of the symptoms and, for all of its evils—and there are many—I still believe that private enterprise is more efficient and less costly in most areas.

There have been excesses in the past. Not the least of them has been the tendency to operate for the convenience of the company. People, rather than being flesh and blood individuals, have become numbers, warranty cards, policyholders, claimants and damned nuisances.

Some lessons come hard, and for all the criticism I have heaped on the consumer activists, we would do well to remember that his or her excesses and pressures are awakening us to the alternative we face if we are apathetic enough to "let George do it." ●

CITIZEN OF THE YEAR: SISTER CLAIRE FOKEN

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. LUKEN. Mr. Speaker, I rise today with great pride and admiration to commend Sister Claire Foken of St. William Parish in Price Hill, who has made significant progress in the protection of the first amendment right, the freedom of religion. It is through her dedication and hard work in aiding the citizens of Pinecrest obtain the right to worship that she has, for the second time in 3 years been honored by the Delhi/Price Hill Press as Citizen of the Year. She is indeed a woman to be acclaimed and recognized. I would like to share the following article from the Hill News, Cincinnati, Ohio, which appeared on July 25, 1978.

[From the Hill News, Cincinnati Ohio, July 25, 1978]

CITIZEN OF THE YEAR: SR. CLAIRE FOKEN

SHE WON THE RIGHT TO WORSHIP AT THE PINECREST SENIOR APARTMENTS

It was a question of religious freedom for those who could not attend services at the various churches of all denominations across Price Hill.

Many of the residents of The Pinecrest, that apartment complex for seniors run by the Cincinnati Metropolitan Housing Authority, are shut-in because of physical problems. But the housing authority would not allow religious services because they claimed it would violate principles of separation of church and state.

The Pinecrest is a federally-subsidized project and like other public projects the freedom to pray in a group scared the directors of the housing authority. After all, group prayer was not permitted in public schools. This principle went as far as to suggest the phrase, "In God We Trust," be stricken from American currency.

Over a year ago, Sister Claire Foken, Sister of Charity, who works at St. William Church, took it upon herself to do something about it. The seniors, ever so aware of the meeting with their Maker, wanted to worship. Many felt they were "sinning" because they did not attend Sunday services. They felt private prayer was not what God wanted.

"I have gone down there three times and held prayer sessions," Sister Foken told *The Hill News* in August, 1977. "It was a wonderful thing. There were tears running down their faces, they were so happy to have the opportunity."

Since March of 1977, Sister had been working to allow religious services. She first went to Jerry Springer for advice on how to get the housing authority to change its position on religious services. Springer suggested a letter to Senator Howard Metzenbaum because it "wasn't a matter of city council." The mayor-to-be explained the matter was a Federal-oriented one.

Metzenbaum wrote to the local housing director requesting a policy statement or religious services on Metropolitan properties. The response: The housing authority was "not in favor of granting permission to hold religious services in authority buildings."

The Senator later found there was no national policy on religious services. Local housing authorities were under the jurisdiction of the US Department of Housing and Urban Development but the religious question was a local authority decision.

Sister Claire took action. She went to the newspaper for help. She enlisted the aid of public officials. The nun wrote letters. Started a petition drive.

By late October, the Mayor of Cincinnati, several councilmembers, Congressman Thomas Luken and a slew of news media from television, radio and newspapers attended a meeting of the housing authority.

Congressman Luken threatened to serve at an illegal Mass, although Sister Foken was working primarily to hold ecumenical services. The fact remained the service was forbidden.

"What will you do to us, arrest us?" Luken asked when he told the authority of the Mass, "I thought this was a democracy. How dare you, to take a vote on the freedom of worship."

Soon it was Sister Claire's turn to speak. "I am a human being, and I brought the proposal here last spring on behalf of other human beings," she told the housing authority. "I did not come here as a representative of the Sisters of Charity or the Catholic Church. I came here on behalf of the residents of the building."

What Sister may not have realized is her drive to allow religious services may have turned into a national issue. That is, if the local housing authority would have continued the ban. A national Christian group was prepared to finance a lawsuit that could have ended in the Supreme Court.

But the Cincinnati Metropolitan Housing Authority backed down and granted Sister Claire Foken's request.

The board of judges in deciding this year's Citizen of the Year, Sister Claire Foken, felt her actions were the most significant of all positive events on the hill from August, 1977, until the present.

While the criteria for selection of the Citizen of the Year was based on those who have served the hill beyond their normal everyday obligations, the judges felt Sister Claire's actions were more than prescribed for a woman in a religious order.

"They felt Sister Claire was no ordinary nun," said Richard Hines of *The Hill News*. "Had Sister Claire not been there to fight for the seniors, they still may have been without the freedom to worship."

This is the second time in three years that Sister Claire has been honored as Citizen of the Year. In 1976, when the Delhi/Price Hill Press sponsored the award, she was selected Citizen of the Year for her work with shut-ins.●

AIRLINE NOISE REDUCTION LEGISLATION: LET THE AIRLINES PAY

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. DELANEY. Mr. Speaker, the Committee on Rules recently sent to the floor of the House the Airport and Aircraft Noise Reduction Act (H.R. 8729) and the Noisy Aircraft Revenue and Credit Act of 1978 (H.R. 11986).

As a Representative of Queens County,

N.Y., home of two of the Nation's busiest airports, I am sensitive to the impact of aircraft noise on communities which surround major airports. Titles I and II of H.R. 8729 address the needs of these communities by improving and standardizing measurement of aircraft noise and by requiring land use planning in impacted communities to insure a minimum noise effect on residences. Title III of the legislation tends to the needs of the airlines in meeting Federal noise standards by 1985.

Proponents of title III will propose that H.R. 11986 be substituted as a replacement for the Public Works Committee title. This legislation would allow 2 percent of the current 8-percent excise tax on airline tickets to be used for financing retrofitting and replacing of engines and replacing planes not in compliance with the 1985 noise standards. From the fund created by the 2-percent tax airlines would be authorized to draw down up to 90 percent of the cost of retrofitting their engines, 75 percent for replacing engines, and 40 percent for replacing an entire aircraft. It is important to note that both domestic and foreign carriers will be eligible to tap this fund set up by the U.S. Government. According to the Air Transport Association, an industry trade association, this fund will cost the consumer $2.4 billion over the next 5 years.

Testimony before the Committee on Rules called the need for this funding mechanism into serious question. With recently reported record profits, and the improved regulatory climate, it is unclear whether the industry will continue to be subjected to the vagaries of a cyclical market which hinders profitability. Indeed, for the past several months I have been approached by airline representaives who extol the virtues of deregulation as a stabilizing force in the industry. "Let us compete" they say, "both the airlines and the consumers will be better off." Their analysis of the situation has been proven correct by the record airline profits under the climate of deregulation set by the Civil Aeronautics Board under Dr. Kahn.

However, in recent weeks these same lobbying groups have been pleading poverty and citing their inability to meet the capital needs thrust upon them by Government regulations aimed at protecting citizens around airports. In essence the airline industry is complaining because business is so good. They want Congress to believe that current record profits are not indicative of the true state of the industry.

Well Mr. Speaker, I would say to the airlines: "You can't have it both ways." They have gotten what they asked for; a climate of deregulation. Indeed, this Congress will very shortly have an opportunity to vote for permanent deregulation of the airline industry. This legislation would give the industry freedom to set prices and would allow them to recover the cost of meeting the noise requirements. If, as the industry says, deregulation is the answer to their problems let us give it to them. But before we allow the airlines to dip into the ticket tax we should allow deregulation to work. If they need 2 percent more out of every ticket for capital improvements let them recover it in the price of the ticket. If this approach fails there will be ample time in the next few years to install a funding mechanism without requiring an extension of the 1985 deadline.

In recent weeks the high-pressure lobbying by the airline industry has obscured a reasonable debate over the issues raised by this legislation. One of the most cogent analyses I have seen is in the August issue of Airline Executive, an industry trade publication. That magazine makes the point that recent increased profits coupled with deregulation may make the proposed financing mechanism unnecessary. I call my colleagues' attention to the article which is reprinted below.

Mr. Speaker, it is my hope the Congress will carefully consider the Airport and Aircraft Noise Reduction Act when it comes to the floor. After taking the economic arguments into account I think my colleagues will agree with me that title III of H.R. 8729 and its replacement, H.R. 11986, are not necessary at this time and should be stricken from this otherwise useful and beneficial legislation.

The article appears below:

[From Airline Executive, August 1978]

CURRENT PROFITABILITY EASES AIRLINE NEED FOR EQUIPMENT FINANCING

(By Hans J. Plickert)

A Senate/House Conference Committee will probably convene later this summer to reconcile different bills relating to the financing of a portion of the airlines' cost of meeting the Federal Aviation Administration's noise rules which will be implemented in stages over a four-year period ending December 31, 1984.

While it has been tempting to characterize the proposed funding as "federal financing", neither the Senate nor the House versions represent such financing in the true sense of the word. Rather, the funding will take the user tax route. Both approaches call for a reduction of the current 8% passenger transportation excise tax to 6% and a cut in the existing 5% cargo waybill tax to 3%.

The airlines would then continue to collect the old amounts, with the differential slated to go toward modification, retrofitting or replacement of aircraft. Under the House bill, this funding would continue for five years. The Senate version envisions a mandatory noise abatement charge for 12 months. Subsequently, the Department of Transportation must report on the results to the Civil Aeronautics Board which in turn will decide whether to keep the charge or vary its level.

The latter feature has already drawn some opposition from airlines which believe that such an annual review injects sufficient uncertainty into the program to make longer-term planning difficult, if not impossible. Certainly the prospect of collecting funds under a "temporary rate" while first the Department of Transportation and then the CAB evaluate the program is not a happy one for financial managers.

The bills also differ importantly in another regard with significant financial implications. The Senate version contains a waiver provision which permits airlines to continue operating non-complying two- and three-engine aircraft past 1985 if the airline has signed a contract for a replacement jet by 1983. This waiver provision raises the question of enforced compliance regardless of cost versus the possible public benefit in a more flexible deadline approach. The more flexible deadlines would allow carriers to take full advantage of new engine or airframe designs that could be developed in the early 1980's to assume the functions now performed by McDonnell Douglas DC-9s, Boeing 737s and, to some extent, the Boeing 727-100s. It is in relation to these aircraft that the noise rules have generated the greatest controversy.

While the aircraft manufacturers are now developing the new 160-200 seat passenger aircraft to replace the present four-engine jets in the early 1980s, there are no concrete plans to design follow-on aircraft for the smaller jets that are still doing Herculean duties in short-haul service and should be able to do so efficiently for some time to come. While retrofit of their engine nacelles appears technologically feasible, such kits have yet to be fully designed and priced.

The extent of this problem is significant. American Airlines, for instance, estimates that 99 of the 127 Boeing 727s it operated at the end of last year will have to be modified or retrofitted. The cost is not yet known. For that matter, several observers feel unsure that the noise reduction from a retrofitted jet can be discerned by human ears even though it can be shown on a meter. Thus, the real public benefits are not yet known.

The magnitude of the capital expenditures necessary to comply with the FAA noise rules is still uncertain. It will depend on the combination retrofit, modification or replacement program each airline adopts when it knows the costs involved. One current estimate is that as much as $7.5 billion will have to be spent by the U.S. airlines by 1985 for these programs in addition to normal replacement and expansion demands.

Various projections of airline capital needs over the next several years have been made by manufacturers and others, but they do not break out noise-rule-mandated costs. Nor does this appear totally practical. In the case of the older 707s and DC-8s, for instance, retirement in the 1980s could take place as part of the noise rule program but would be dictated by reasons of economy and operational efficiency and cost in any case.

Indeed, some airlines believe that even partial funding of a replacement program for aging aircraft discriminates against those carriers that have continually upgraded their aircraft inventory at their stockholders' risk with the use of internally generated funds and debt. These carriers thus attack the principle of public funding even while conceding that the $2 billion that might be generated by the 2% noise tax over a 5-year period would cover only a small portion of the necessary funds. One should also note the ever-present possibility that later revision of a noise financing bill could result in a diversion of funds from a carrier in full compliance with Federal Aviation Regulations Part 36 to one that is not, thus forcing companies to help finance their competitors.

Could the airlines in fact finance their noise-rule related capital needs without government help? The real key to the answer is whether the airlines can sustain their present profitability which has seen the system trunk's corporate rate of return on investment reach 11.6% in the 12 months ended March 31, 1978 while the return on stockholder equity reached 15.5%. There is little in the historical record to suggest that continuation of this performance can be considered a reasonable assumption. For that matter, even the more conservative 9.6% corporate return on investment and 11.8% return on equity achieved for the calendar year 1977 does not represent a level of profitability that has been sustained in the past.

It appears that the airline prospects for more stable future earnings trends are more favorable now than they have been in the decade-plus since the benefits of the conversion to jet aircraft formed the base for a

significant profit expansion. Yet one must take notice of the fact that the present regulatory environment has had a major beneficial impact on airline profits. Its full success cannot be proclaimed until it has stood the test of an economic slowdown.

It is also appropriate to note that the airlines have some claim on a publicly-designed financing scheme for three reasons. First, major changes in environmental rules are being introduced and made applicable to aircraft which met all regulations not only at the time of purchase but for many years thereafter. Second, in contrast to other industries which can use the pricing mechanism to pass the cost of environmental modifications on to the user or buyer, the airlines are prevented from doing so on a timely basis because of the regulatory mechanism.

Indeed, the industry might want to trade the necessity to finance their noise-related capital needs for the ability to fully control their pricing. The present CAB has encouraged pricing freedom only below the normal rates while moving slowly if at all toward greater managerial flexibility on the upside. Perhaps the simplest help in financing airline capital needs would be a pass-through of the 2% noise abatement charge without federal controls or review. Finally, the lead times necessary for aircraft commitments are such that corrective action in regard to regulatory policies might come too late to ensure the availability of financing if current CAB policies do not meet the test of time.

To cite the moral claim of the airlines on the government's help in setting up a partial financing mechanism to increase their equity base is not to deny the efficiency of the private capital market if it is allowed to operate unhampered. Airlines have generally been able to obtain adequate financing for their needs. Costs have been high at times, but this reflects the lender's or investor's perception of the risk involved.

TABLE 1.—*U.S. trunk airlines cash and short-term investments* [1]

	Millions
American Airlines	$447.6
Braniff International	30.8
Continental Air Lines	30.6
Delta Air Lines	107.5
Eastern Air Lines	103.6
National Airlines	12.3
Northwest Airlines	111.8
Pan American World Airways	178.0
Trans World Airlines	123.9
UAL, Inc.	529.0
Western Airlines	29.7
	1,704.8

[1] As of Mar. 31, 1978.

Certainly a reduction in the perception of risk in the past two years has permitted a number of airlines to tap the private capital market, starting in early 1977 with American Airline's $125-million preferred stock financing. *Interestingly, even during the difficult years of the early 1970's, the credit and equity markets were not closed to the airlines.* This is evidenced by the risk financing of Southwest Airlines and the placement of lease financing with the help of forms of equipment trust certificates.

One also notes with interest the raising of $100 million of equity funds last year by Trans World Airlines only a few months after its former chairman Charles Tillinghast decried the fact that the capital markets were closed to his company. All told, the ten trunks and Pan American raised about $403 million in public financing last year.

There is little doubt that the airlines are not the most preferred credit risks today. Insurance companies in particular lose no opportunity to inform regulators and legislators of their reluctance of investing in airlines (while they do assume specific aircraft risks). Still, insurance companies do lend money to profitable airline companies, as they did last year in the case of Braniff International, a company that was able to arrange a $60 million private placement with insurance companies. A prominent banking official told a securities analysts' forum a couple of years ago that banks were prepared to lend funds to airlines as long as debt/equity ratios were maintained, preferably on a 1:1 basis, but perhaps as high as 1.5:1 under certain conditions.

The ability of the airlines to raise money in the capital markets last year and the stated capability of a major bank to lend money takes on added significance when one realizes that the nation's trunk airlines and Pan American are approaching a 1:1 debt/equity ratio as a group and have improved on it in several individual instances.

Table 2 shows the total debt, non-current obligations under capital leases and the equity of the ten trunk carriers and Pan American as of March 31, 1978. One should note that the totals are modestly distorted because Braniff, Western and Delta (the latter being insignificant in this respect) had not yet restated their balance sheets in conformance with the requirements of the Financial Accounting Standard Board Statement 13. FASB 13 requires the capitalization and inclusion in the balance sheet of all capital lease obligations essentially by the end of this year.

However, the basic conclusions remain. At the end of the first quarter, the major airlines had total long-term obligations of $4.139 billion and capital leases capitalized at $2.095 billion. Relative to the total investment base of $11.215 billion, this represented 55.6% of capitalization. Five of the carriers will have debt ratios of less than 50% by the end of this year, even after adjustment of Western's debt for an estimate of lease capitalizations.

Moreover, seven of the airlines have significant ($1.209 billion) amounts of convertible securities outstanding. Reclassification of these as equity would add $1.209 billion to the equity base and lower the debt rate to 44.8%. It would also add American and, surprisingly, Pam Am to the list of companies with an adjusted debt rate of less than 50%. Since the trunk airlines may earn as much as $750 million this year, this suggests an over-all debt ratio of about 51% by the end of the year before adjustment for convertible debentures and about 41% after such adjustment. It should also be noted that banks typically make other adjustments for borrowing purposes which tend to increase the equity base.

Clearly, then, the airlines are in a position where they can attract new financing, it is also obvious that the present financing ability is still limited and can be increased only with a sustained profit trend. A series of studies have been undertaken in the past couple of years to determine the airlines' capital needs and the likelihood of their meeting these needs.

Given certain reasonable assumptions of traffic growth and aircraft service life a 1977 Boeing study concluded that the 1976–85 capital requirements of the trunks and Pan Am were $47 billion. An upward variation in the assumed service life of aircraft from 16 to 20 years led two other studies to conclude that $21 billion were needed. An ATA study of all U.S. airlines (based on a 5% traffic growth rate) estimated total capital needs at $26 billion for the 1976–85 period and $65 billion for the 1976–89 period.

Capital structures of U.S. trunk airlines [1]

[Dollars in millions]

	Long-term debt	Noncurrent obligations under capital leases	Equity
American Airlines	$558.8	$436.5	$703.6
Braniff International	270.7	-------	227.3
Continental Air Lines	234.7	-------	202.6
Delta Air Lines	202.8	-------	697.6
Eastern Air Lines	429.5	452.8	348.1
National Airlines	61.3	-------	198.8
Northwest Airlines	100.0	-------	760.2
Pan American World Airlines	741.2	335.4	336.5
Trans World Airlines	614.4	446.5	439.5
UAL, Inc.	825.4	423.8	887.3
Western Airlines	100.7	-------	179.6
Total	4,139.4	2,095.0	4,981.1

[1] As of Mar. 31, 1978.

NOTE.—Braniff, Delta and Western balance sheets had not yet been reclassified to capitalize all non-current obligations under capital leases, pursuant to FASB No. 13.

FAR 3 fleet noise rule

Aircraft type	Percent completion	Completion date
B–747		
B–727	50	Jan. 1, 1981
B–737	100	Jan. 1, 1983
DC–9		
B–720	25	Jan. 1, 1981
B–707	50	Jan. 1, 1983
DC–8	100	Jan. 1, 1985

A more recent Boeing study puts the value of aircraft to be delivered to U.S. airlines in the 1978–87 period at $32 billion in 1977 dollars. About $18 billion of this can be assumed to be growth-related while the remainder represents replacement aircraft. Presumably, this includes a large portion of noise-related capital expenditures except for retrofits and modifications. The studies appear to indicate that the airlines would be able to fully finance these needs at a 9–10% annual return on investment.

The current year will probably be the third in succession in which the return is in that general area (the 1976 return on corporate investment of the trunks and Pan Am was 8.5%). One can be hopeful that the recently emerged conservatism of airline managements plus an enlightened regulatory environment could combine to keep rates of return at a relatively satisfactory level.

Belief in the airlines' general ability to meet their financial needs does not guarantee that each trunk carrier will obtain all the funds it wants at the price it wants to pay. Far from it. It is obvious from Table 2 that carriers like Delta and Northwest will have no difficulty arranging for reasonable financing.

One should also note that even Eastern Air lines has drawn up a five-year budget which envisions capital expenditures of $615 million in addition to the recent Airbus

order. Given a modest profit, Eastern is in balance with the addition of about $312 million in new funds.

One other aspect of the airline's financial standing needs mention. At the end of 1977, the trunk carriers and Pan Am had cash assets and short-term investments of $1.787 billion. At the end of March, 1978, the total was $1.705 billion. Equipment commitments at about the end of January were $2.2 billion, of which $1.4 billion became payable this year and should be largely met with cash on hand and internally generated funds. Since that time, about $1.6 billion have been added to these commitments.

As of now, the carriers have not committed themselves to significant purchases of "new generation" equipment. The industry's cash generated from operations last year was about $1.880 billion and may come close to $2 billion this year. Less than $400 million a year is currently needed to meet debt retirement obligations. Thus, even after paying for new equipment, the industry should be able to keep its cash horde largely intact in 1978.

Assuming a more moderate earnings level on average than the current, it still appears possible for the trunks to show a net cash flow (after debt retirement) of as much as $14 billion in the aggregate between now and 1985. This would provide an adequate base to finance the contemplated additions to the aircraft fleet forecast in all available major studies. The key will be the maintenance of a reasonable level of profitability.●

EQUALITY IN AMERICA—STILL A WAY TO GO

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. HOLLENBECK. Mr. Speaker, although women and minorities in America have made great gains in recent years, they still lag far behind white males in their opportunities, salaries, and overall position in society. The following article from the Washington Post of August 2, 1978, gives a clear picture of the situation, and I wish to submit it for the RECORD in order that my colleagues might measure more adequately the distance we have come with the distance still to be traveled.

[From the Washington Post, Aug. 2, 1978]

PROGRESS ASIDE, MINORITIES, WOMEN SEEN LAGGING

(By Alice Bonner)

Despite 16 years of measurable progress, minorities and women have not made significant strides toward economic and social equality with white men, the U.S. Commission on Civil Rights reported yesterday.

The conclusion came in a report that commission members hailed as unique in its comparisons between white males—"the most advantaged group" in the country—and seven minority groups as well as all women.

Similar studies have generally compared minorities with themselves in a way that hides or distorts inequity, commission Chairman Arthur S. Flemming noted. He said the unusual benchmark of comparison with white males adds the missing link for usable social analysis.

"It gives a standard answer to the old question of 'Compared to what?'" staff member Deborah P. Snow said.

The study also took into account more minority groups than are usually included, and focused on quality of life as an indicator of equity rather than growth. It used in its measurement four of the main factors that illustrate the standard of living.

In education, women and minorities were found to be more likely than white males to drop behind in school, to leave high school without being graduated, to miss a college education and to work in jobs requiring less schooling than they had obtained, the study found.

For example, up to 60 percent of all high school graduates were over-qualified for their jobs, according to the 1976 census figures used in the study, but black males were more than 50 percent more likely to be underemployed than their white counterparts with diplomas.

Minorities and women pay a higher penalty for failing to continue or finish high school or college than do white males, the study found. The 11 percent of all minorities who finish college are likely to earn no more than 85 percent as much as comparably educated white males. Women of all races can be expected to earn less than 70 percent as much as white men similarly trained.

Women and minority men more often are unemployed, hired in low prestige positions, receive lower annual pay raises and, in disproportionate numbers, live in poverty more than their white male counterparts. These factors often do not change, even when the job qualifications, age and other factors are the same as for white men, the study concluded.

Teen-age unemployment, usually higher for females and minority group members than any other groups, was as much as 5 times that of white males in 1970 for many groups, and went up to over 8 percent in some cases by 1976.

The most severely affected minority groups, Puerto Rican males and black females, were signficantly more likely to be jobless than white male teen-agers.

Using the unemployment statistics as an example, the commission noted that, when they are measured as part of the national population, they can be misleading.

"Even when unemployment rates are relatively low, the rates for blacks and other minority groups are typically twice that of [whites]," the report said, adding that the nation tolerates a level of unemployment [for minorities] that would be considered intolerable for the country as a whole.

Female-headed and minority households are still concentrated in inner cities, generally live in rented rather than owned housing, for which they spend more than one-fourth of their income, and live in overcrowded conditions far more often than white male-headed families, the study found.

The commission's three recommendations for presidential action, based on the report:

A directive that all agencies and departments whose programs affect women and minorities review the findings and their implications.

Orders for the administration's reorganization staff to reconsider its assignment of primary statistical policy making authority with any agency other than the Office of Management and Budget.

Planning to overcome deficiencies identified by the commission in federal statistical gathering and use to develop ways of better measuring inequities.

Commission Vice Chairman Stephen Horn called the study one of the most significant the body has done. "It provides an approach that we hope will get into the bloodstream of decision-making by the federal government," he said.

Dr. Robert B. Hill, research director for the National Urban League, said the commission's use of white males as the benchmark to measure equality is not unprecedented, but that it has not been done as systematically or in as comprehensive a fashion before. "We think that's good," Hill said.●

GENERAL EXPLANATION OF H.R. 13722, A BILL RELATING TO THE INDEPENDENT CONTRACTOR STATUS OF INDIVIDUALS FOR EMPLOYMENT TAX PURPOSES

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. GEPHARDT. Mr. Speaker, in the conference report accompanying the Tax Reform Act of 1976, the conferees expressed concern regarding the handling of cases involving the status of an individual as an independent contractor or an employee for employment tax purposes. They urged that the Internal Revenue Service "to apply any changed position or any newly stated position which is inconsistent with a prior general audit position in this general subject area to past, as opposed to future taxable years" until the completion of a study of the problem by the staff of the Joint Committee on Taxation.

Unfortunately, as recently confirmed in testimony before the Senate Finance Subcommittee on Taxation and Debt Management, the IRS has not suspended its processing of cases as the conferees had intended. Witnesses from numerous industries testified that the IRS was continuing its abrupt departure from the longstanding law in this area. Assessments involving millions of dollars have been made or proposed, and several businesses have ceased operations as a result. Some independent contractors have ceased working until the law becomes clear again, and millions of jobs are threatened.

H.R. 13722 would alleviate this situation in two ways. First, it prohibits the IRS from applying a new or changed position in this area which is inconsistent with a general audit position, regulation, or ruling in effect on January 1, 1976. Second, the bill recognizes the independent contractor status of individuals who have been treated consistently and in good faith as independent contractors in reliance on rulings, cases, past IRS audit practices, industry practices, or the taxpayer's own longstanding practices.

The bill defines good faith to make the relief granted specific, administrable, and certain. In no event will good faith be found if the taxpayer's treatment of an individual as an independent contractor constituted negligence or fraud.

By protecting independent contractor status, the bill preserves the existence of individual entrepreneurs and independent small businessmen and women in the United States. The importance of preserving such independent entrepreneurs has been consistently recognized by Congress. By continuing the law as it existed before the IRS's change in position, the bill will also permit Congress to study this area free of the problems created by the IRS's abrupt departure from longstanding practice. The independent contractor status preserved by the bill would control for purposes of chapters 21, 23, and 24 of the Internal Revenue Code of 1954, as amended.●

WILDERNESS: "THE EXCESS OF ANY VIRTUE IS VICE"

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. SYMMS. Mr. Speaker, I would like to express my concern over the Rare II studies being conducted by the U.S. Department of Agriculture Forest Service. Of particular concern to me is the way in which all activity on over one-third of our National Forest System has been halted. I feel it is of utmost importance to speed up the Rare II reclassification process so that we can once again regain full use of our forests.

I think we need to more fully realize the devastating economic effect Rare II could have in the West. We have established a need for more wood products, mineral development, and grazing lands; but as more of our forests are reclassified as wilderness we will see less production resulting in even higher costs for wood products. This is not to mention the large numbers of people who will lose jobs as mills and logging operations will be forced to close.

Wood is a renewable resource that is in high demand by our society. Some of the proposed wilderness areas are heavily wooded, thus yielding a relatively low wilderness value. On the other hand these forests could be logged and greatly increase the production of wood products while boosting the economy of the West.

I feel the real issue here is agreeing on an equitable balance between wilderness and nonwilderness classification.

I wish to submit an article from American Forests, written by Jay Gruenfeld. Mr. Gruenfeld's knowledge and assessment of the Rare II studies is most enlightening. The article reads as follows:

DAVID IS GOLIATH NOW

(By Jay Gruenfeld)

It's a multiple pleasure to discuss the roadless-area issue. Not only is it of vital importance, but I'm an industrial forestry professional who also believes sincerely in the value of Wilderness areas. I'm a wilderness user to the point of addiction. By choice—usually by choice, anyhow (I've been lost a time or two)—I have spent over 200 days recreating in wilderness in the lower 48 states. (I'm using a capital "W" to denote land that has official federal designation as wilderness.)

This is not intended to be an exhaustive commentary, reflecting industry consensus, on Dr. Cutler's presentation on the Roadless Area Review and Evaluation process. It's just some comments from one point of view, although industry people would agree with most of this. A heavy majority of forest-industry people believe a Wilderness Preservation System is necessary and desirable. The question is, how much?

RARE II is designed to speed up the reclassification process, and industry is in total support of this objective. A speedup is not beneficial, however, if it doesn't result in an equitable solution. The major concern of the forest-products industry, the nonwilderness recreationists, miners, stockman, and other users of forest land is not with the Roadless Area Review and Evaluation process as described by Dr. Cutler in the May issue of American Forests. It is with the possible results of RARE II. The decision-making mechanism seems to be out of balance.

An observer might argue that nonwilderness benefits will certainly get fair treatment, and he could cite obvious favorable evidence such as the huge need for wood, a need which is expected to double by 2020. Wood is renewable, has a low energy cost, and the waste is even biodegradable. Many communities are dependent on trees for their jobs. Housing has been called the greatest social problem in the United States, and lumber prices are rising because of a wood shortage. Further, non-wilderness recreation is in far greater demand than wilderness recreation. National Forest ski-area use alone equaled the total Wilderness area use in 1976. One could also point out that, after all, the public will be involved and will act in their own best interest. So surely non-wilderness users will get a fair shake.

But consider some history.

When the Wilderness Act passed in 1964, it was to some like David whipping Goliath. A dedicated, hard-working minority of Wilderness believers with an appealing cause had convinced Congress of the wisdom of setting aside huge areas of forest land to provide primitive-wilderness benefits. Most industry people thought wilderness desirable but made a big effort to keep the areas smaller, principally to reduce the economic impact. Another major argument against wilderness establishment was the knowledge that the huge majority of people don't use Wilderness areas. When they recreate, it's developed recreation.

The achievement of getting over 14,000 square miles put into immediate Wilderness, with provision for massive increases at the sacrifice of many no wilderness benefits, was a dramatic accomplishment. You could call it a David-over-Goliath victory. But the preservationist David has now matured, and, to the slingshot-like weapons of emotion and total sincerity, he has added sophisticated use of litigation and appeals, and the Wilderness System has now increased by about 85 percent to nearly 26,000 square miles. He also, as Dr. Cutler said, has stopped all activity on 103,000 square miles, which is over one-third of the National Forest System. Let's face it, David looks a lot like Goliath now.

One of my favorite aphorisms is "the excess of any virtue is a vice." It may be applicable to the future Wilderness System because of the Wilderness Goliath.

You may believe I'm exaggerating the danger of an unwise, heavily overwildernessed resolution of the roadless-area issue. But consider this. Although the Forest Service was conducting an intensive study (Rare II) of National Forest roadless area, it was possible and perhaps politically desirable for Congress to bypass this process and pass this year the Endangered Wilderness Act that put over 2,000 square miles into instant Wilderness. And this area contained much prime timber and commercial forest land.

As part of this Act, one 71-square-mile area, small by Wilderness standards, was designated Wilderness even though most of it is prime timber-growing land and by most criteria is low-quality Wilderness. I'm familiar with this tract. If only one percent of its present saw-timber volume were harvested annually, it would be enough to build 1,500 large wooden homes.

Utilizing one year's harvest would provide about 150 direct jobs plus 150 or more indirect jobs. And this is in an area where the employment future is bleak. If this timber were valued at $12 below the 1977 average for sales in that ranger district, it would mean that one of the costs of establishing this Wilderness is to sacrifice a direct gross sales revenue of $3 million per year (15 MMBF × $200 per thousand board feet). A very high percentage—well over the 60-percent national average—is net income that would reduce taxes or otherwise help balance the budget.

When it becomes politically desirable for an Administration and a Congress to sacrifice this much in national wealth and jobs in order to provide relatively low-quality wilderness recreation, watch out—it looks as though the system is out of balance.

It's a common misconception that the Wilderness System includes very little commercially valuable forest land (land able to perpetually grow 20 cubic feet per acre per year or more in industrial wood).

In my home state of Idaho, we were astonished to learn recently that there are already over 3,000 square miles of commercial forest land in our existing Wilderness and primitive areas. This means that almost two-thirds of these areas are composed of commercial-quality forest land. To say it another way, nearly one commercial forest acre out of every six in Idaho National Forests is already in Wilderness or primitive areas. This 3,000 square miles is over 100 percent greater than the total forest land owned by the forest industries in Idaho. Many Idahonians—especially labor, industry, recreation-vehicle users, and other nonwilderness groups—think Idaho has already contributed its fair share to wilderness preservation.

Some say that a minimum growth capability of 20 cubic feet per acre per year is too low for commercial forest land. However, in many areas of Scandinavia timber is grown commercially on land that is much less productive. With improved management, these lowersite lands can produce 50 percent more than when unmanaged. Also, many of the Idaho lands are far above the minimum in productivity.

In the long run the cost in jobs of putting forest land into Wilderness is determined by the basic capacity of the land to produce harvestable trees. As wood value continues to rise, it becomes economical to harvest trees that were formerly inaccessible.

Our system requires participation by citizens for wise action on major problems such as public-land resource allocation. The public has a great deal of common sense, but common sense functions well only when it can be used with basic facts. On the roadless-area issue, the public doesn't have enough basic facts. This is partly due to an underfunded communications job by industry.

Here are just a few of the facts that, in my opinion, should be considered in reaching a balanced, equitable allocation of the National Forest roadless areas.

1. The basic strength of our civilization still rests in our ability to produce energy, minerals, building materials, fibers, chemicals, and foods through the application of capital, science, technology, and labor to natural resources.

2. There are already nearly 26,000 square miles of congressionally established Wilderness.

3. A Wilderness Preservation System is unique to the United States. It's a sign of affluence and of a new country with a pioneering history.

4. There are hundreds of thousands of square miles of wilderness in Canada and Mexico. This is part of the existing wilderness resource and should be considered when determining the optimum size of our domestic system.

5. National Forest timber sales have been declining. They are now well below the allowable harvest, which itself is considered by most professional foresters to be set at a very conservative level.

6. Delay in releasing roadless areas for harvest hurts industry, increases forest-product prices, causes inflation, and has contributed to mill closures and unemployment.

7. It is profitable for the Forest Service to sell timber. In fiscal year 1977 over 60 percent of the income from total National Forest timber sales was net contribution to the treasury after deducting timber-sales expense and all road costs. The timber-sale income of $625 million made up over 90 percent of the total National Forest income.

8. Replacing timber put into Wilderness by intensifying management on the better sites sounds better than it is. Harvesting a cost-free Creator-given tree usually provides a high net profit to the national treasury. This keeps taxes down and provides wealth that can be distributed the way society wants.

Intensifying management might mean investing heavily in improved site preparation, fertilizing the trees, and supporting these costs at a high rate of interest. Usually this means that you are paying a high cost (in the form of taxes or foregone benefits, etc.) for not harvesting. Forest fertilizers and other intensive forestry activities often have a high energy cost; the most common forest fertilizer is an oil derivative.

9. Urbanites especially do not realize that many thousands of square miles are available for wilderness experience in areas managed primarily for nonwilderness benefits. Urbanites do understand that there are people who can have a pleasurable "wilderness" experience in a Forest Service campground but would experience fear on boredom in a big-"W" Wilderness.

These are facts that the citizenry needs to hear before voicing an opinion on the value of tradeoffs.

Now for some comments with which some of you may not agree. Please accept them as the honest beliefs of a wilderness addict who also believes in the American system.

From personal conversations, I know that Rupert Cutler and I agree on the necessity for a *quality* Wilderness Preservation System. Although quality is a relative term, he and I do agree on two general points:

In the West at least, other than as a sort of frame for the pristine picture, heavily timbered commercial forest land has relatively low wilderness value. And the cost of the frame should be in balance with the value of the picture.

There is relatively little wilderness use of solid-forested areas, although their people-carrying capacity is high.

In the long term the Wilderness System will survive best if it does not include large areas of low-quality wilderness that have significant value for other uses. In the future low-quality wilderness areas will be vulnerable to dismemberment under increasing demands for shelter, energy, jobs, and other needs.

About five years ago I noted an interesting sociological wilderness statistic based on extensive observations. Since then this statistic has assumed increasing validity as I've continued my use of wilderness.

The fact is this: in over 200 days of wilderness use, I have never seen a black person. It's true that you don't usually see many people in wilderness areas, but 200 days is a long time and I've seen many people. I'm including people seen at the trailhead parking lots. This fact has some obvious implications in the allocation of National Forest roadless areas:

Most blacks and other people are in the East; Wilderness areas are almost entirely in the West. Thus the relative need for Wilderness is greatest in the East.

Putting commercial forest land into Wilderness tends to reduce the timber supply and consequently increases housing costs. Blacks as a group have above-average housing needs and below-average incomes. This fact and similar ones must be considered in determining what is an equitable balance between wilderness and nonwilderness.

As a new member of the council that guides the Society of American Foresters, I'm especially aware of the role professional foresters must play to help achieve a reasonable solution to the roadless-area issue.

The Society of American Foresters states that it's our professional responsibility to "use the knowledge and skills of the profession to benefit society." In my opinion, part of this responsibility is that professionals have a special obligation to represent the "silents." The silents are those whose interests are affected but who for some reason are inactive. It's too simplistic to say they deserve what they get. Dr. Cutler and I, as foresters, have a professional ethical commitment to sound land-use and forest-management decisions. Professionals, when they have the facts, have an obligation to temper uniformed public opinion with professional judgment, even when this takes a great deal of political courage. It's awfully easy to abdicate professional forestry responsibility and just count heads.

The end result of the RARE II process, Dr. Cutler states, is for the Forest Service to recommend:

(1) Which roadless areas should be added to the Wilderness Preservation System.

(2) Which areas should be managed for such nonwilderness uses as developed recreation, timber production, and manipulation of vegetation for wildlife.

(3) Which areas require further study.

This is a challenge to all of us who will have input to the process. It is a special challenge to the professionalism of the Forest Service. If, for example, after all this time and study, category 3 contains large areas of valuable commercial forest land, the National Forest professionals will have abdicated a decision-making responsibility, for as Dr. Cutler said last month in AMERICAN FORESTS:

"Without answers now, the disorder of a piecemeal approach will continue to add unnecessary costs to the already overburdened taxpayer and prevent industries and communities dependent on National Forests from establishing long-range plans and making needed investments."

I don't know for sure whether the preservationist David has become a Goliath, but I do know that things have changed dramatically and appear to be overbalanced against developed recreation, wildlife-habitat management, timber harvest, and other nonwilderness benefits.

Value-tradeoff discussions tend to dwell mostly on wilderness values compared to forest-product values. Other nonwilderness values are sometimes the most important.

In 1976 recreational use was 27 times greater outside the National Forest Wilderness System than within. A spokesman for a recreational-vehicle user group warned:

"RARE II could be an effective tool for curbing piecemeal and excessive wilderness designations. It could also mean a dramatic, massive, and permanent loss of areas important to recreational-vehicle use."

Wildlife is another valuable part of Wilderness recreation, but habitat management is necessary to optimize the management of most wildlife. This cannot be done easily in Wilderness but is often compatible with timber harvest.

There is yet another dimension to the roadless-area issue. States the Executive Secretary of the Idaho Mining Association:

"One of the most serious and perhaps least understood faults or deficiencies of the RARE II process is its failure to recognize and to give appropriate consideration to the third dimension—the depth dimension—of the land. The evaluation techniques now being employed to distinguish between wilderness and nonwilderness areas do not provide for measuring the value of subsurface mineral resources that may lie concealed within this third dimension. Decisions made with only a partial knowledge of the values involved are likely to be faulty and could cause more serious problems than they solve."

I suspect that the cooler heads in the middle of the environmental movement recognize that their Goliath-size strength must be constrained or the nation will suffer an unnecessary and wasteful reduction in the productivity of its natural resources. Also, labor, industry, and other users of nonwilderness need to wake up some sleeping giants and find some Davids in order to assure that the final decisions are in the national interest.

Senator Frank Church has said that the original congressmen and environmentalists who were instrumental in passing the Wilderness Act had no idea that the Wilderness Preservation System would reach its now-probable size. The 1976 programs prepared under the Resources Planning Act project a National Forest Wilderness System of 43,000 square miles by the year 2000, roughly a 115 percent increase over the 1975 total. The timber-sale program for 2000 is projected at 19.9 billion board feet, a 128 percent increase over the 1975 volume sold. However, timber sales decreased in '76 and '77—partly because of the roadless-area freeze. It now appears that the Wilderness goal for the year 2000 will be achieved, but radical changes must be made to reach the timber goal.

Some of you, I'm sure, feel as I do that the time has come to put a ceiling on the amount of National Forest land devoted solely to Wilderness. It's time to do other things. There is some logic in saying that the 26,000 square miles of National Forest currently in Wilderness is surely enough for the relatively few of us who use it. But this an emotional political issue, not one principally of logic. Compromise is necessary. Therefore, I personally would support the Resources Planning Act's 1976 program goals, which provides for an ultimate Wilderness System of about 43,000 square miles and an increase in timber harvest and other resource benefits. This should be enough Wilderness, and the resource loss will be endurable if the areas are chosen carefully.

The following analogy expresses how most of my coworkers in the woods and mills feel about determining the balance between Wilderness and other uses and how to select Wilderness areas:

"We need wood, jobs, and recreation. The forest is a factory producing wood, jobs, and recreation. To get more Wilderness, don't shut down the factory."●

DOLLAR CRISIS RIGGED TO SELL OUT U.S. SOVEREIGNTY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. SYMMS. Mr. Speaker, The Spotlight newspaper recently published an article which I would like to call to the attention of my colleagues.

In conjunction with The Spotlight article, I would like to quote some of the remarks made by Senator HARRY F. BYRD, JR., on the floor of the Senate on August 2 concerning our national debt:

Millions of citizens, banks, pension plans, companies, and local governments own the debt. If these accounts were not honored, there would be a national catastrophe. Our money and banking system would be crippled, if not destroyed, and so would all of those who ultimately hold the debt. Furthermore, foreign ownership of that debt is steadily increasing. During the 10-year period

from 1968 to the present, our foreign debt has increased more than tenfold. In 1968 the debt held by foreign sources was $11 billion, while today foreign governments hold $120 billion of U.S. bonds or notes.

Of the current foreign debt, about 65 percent consists of short-term securities maturing in 1 year or less. As of April, 1978, foreign official accounts held 94 percent of the $120 billion in debt securities owned by foreigners. The major foreign holdings of our public debt aggregated by country include the following: Germany, $31.3 billion; Japan, $24.5 billion; Middle East and African oil exporting countries, $15.1 billion; and United Kingdom, $9.4 billion. So, Mr. President, $120 billion of our notes and bonds are held by foreign governments.

Entirely separate from that, there are floating throughout Europe $375 billion Eurodollars, and those are dollars owned by individual foreign persons. The Federal Government must realize that it cannot continue to spend without some day having to meet its obligations.

The magnitude of our debt and its burdens upon our citizens is demonstrated by the cost of servicing the debt. The gross interest for the Federal debt for fiscal year 1979 is estimated to be $56 billion. This is almost 30 percent of the total receipts to be collected from personal income taxes. Let us put that another way. Of every income tax dollar paid by the individual income taxpayers of our Nation, 30 cents goes to pay the interest on the debt. The interest cost, at $56 billion, is more than the combined 1979 estimated expenditures for the Departments of Commerce, Housing and Urban Development, Interior, Labor, and Energy. . . .

More and more of our resources are devoted to Government activities, at the expense of our private economy. Uncontrolled Government spending, and the resultant huge deficits and debt, continually feed the fires of inflation. Expenditures must be paid for either by direct taxes or by inflation. . . . Despite widespread pay increases, the median family income in the United States in 1977, after discounting inflation, was almost exactly the same as it was in 1973 and only slightly above what it was in 1969. By way of contrast, median family income in real dollars rose by 35 percent in the 1960's.

Mr. Speaker, the Spotlight article, written by George Nicholas, follows:

[From Spotlight, Aug. 14, 1978]

DOLLAR CRISIS RIGGED TO SELL OUT U.S. SOVEREIGNTY

[By George Nicholas]

Vigilant and thoughtful patriots who have recognized the purpose underlying Washington's foreign policy for what it is—the surrender of America's historic hegemony and the submerging of national sovereignty in world government—have been divided and unsure about the means which would be used in putting over this plan.

Now, however, the shocking fall of the dollar and the crisis in U.S. leadership are beginning to expose the outline of the clandestine master plan to subordinate America to international authority.

The megabankers, corporate financiers and Rockefeller housecallers who control the Council on Foreign Relations—and thus Washington's strategic policies—simply intend to sell America retail.

Some of the milestones on this road to perdiction uncovered by The Spotlight's continuing investigation are:

Foreigners have been holding growing proportions of our national debt. More than 43 billion dollars in Treasury obligations were sold to foreign buyers in fiscal 1977. In the U.S. government securities market foreigners are now the largest customers; in the coming fiscal year debt service (i.e. interest owed) to overseas holders of U.S. debt instruments will be the second largest cause of our payment deficits—almost half as large as the deficit incurred by importing overpriced oil.

This is because government loans held by foreigners now exceed the holdings of all U.S. commercial banks—even those of the Federal Reserve. This concealed arrangement between American and foreign megabanks means that foreign financiers have come to wield ominous leverage and potentially decisive influence over the U.S economy.

Huge American land and farm tracts are being sold to unknown foreign holders at such dangerous rates that state legislatures have scheduled investigations of foreign land purchases in 11 states from California to New York. Until the result of some of these hearings from the largest states are in, there are no definite figures on the speed and extent to which American land is slipping under foreign ownership and domination.

One knowledgeable source interviewed by The Spotlight estimated that during the last 12 months foreign acquisitions of American land have increased eight-fold—a startling figure which may prove, moreover, a low estimate.

Conspiratorially covered sales of U.S. domestic businesses, corporations and holding companies to foreigners are also increasing apace. How such hidden transactions are engineered often in contravention of American law was vividly demonstrated earlier this year by the case of Bert Lance, who was found to have set up a secret consortium of British and Middle Eastern moneymen to buy up the stock of a large Washington bank holding corporation. Although the facts as they came to light clearly suggested violation of the Richardson Act—a law enacted specifically to bar conspiratorial corporate takeovers—Bert Lance and his confederates succeeded unscathed.

The sharp fall of the dollar on all international money markets—giving the lie to both the official spokesmen and the Establishment media who announced the Bonn summit meeting a "success"—further aggravated and accelerated these ominous trends. Foreign interests embarked on a new wave of acquisition, buying up America's assets with cheap American currency. And while American wage-earners watch the deepening crisis with apprehension, U.S. banks chalk up windfall super-profits, "American banks have made immense profits on the fall of the dollar," said a German economist interviewed by The Spotlight in New York. "I guess this year the plight of the United States does not really concern them. After all they are all multinational corporations now."

Just how heavily U.S. banks have become involved in making millions of dollars of loans and then concealing the lion's share of their take from U.S. authorities has been revealed by a former high bank official, now being interviewed by SEC investigators in New York. The Spotlight has learned from well placed sources that David Edwards, a vice president of Citibank—the New York megabank which ranks as the nation's largest international bank—told SEC authorities that Citibank, using the latest computer technology and ultrasophisticated worldwide electronic money transfer network, concealed its foreign currency dealings and its skyrocketing super-profits from U.S. regulatory and tax authorities.

According to Edwards, Citibank kept, in effect, two sets of books to be able to minimize its foreign exchange earnings and to distribute the profits to tax haven branches in Panama and Nassau. By falsely reporting contrived losses from multi-million dollar currency transactions in Europe, Citibank evaded taxes on its super-profits.

Furthermore, according to Edwards, Citibank set up huge secret currency caches in its Bahamas and Nassau branches where enormous profits from currency deals were, as bank terminology has it, "parked." According to Edwards, the "parking" transactions were described in a confidential memorandum which he handed over to SEC investigators. This confidential memorandum dealt with the way in which Citibank's New York office could gain "full control" over the currency parking transaction.

The memorandum, which was written in early 1976 by Paolo Cugnasca, a vice president of Citibank in charge of the international money market division, suggested that the parking of foreign exchange position "should be kept secret" and should "under no circumstances" be identified to outsiders or to U.S. authorities. The exact amount of funds which were transferred in such "profit parking operations" to unregulated Panama and Nassau branches for Citibank is not yet known.

However, informed sources point out that the practice of "parking" multi-million dollar super-profits is a common practice shared by all major U.S. banks which maintain offshore branches in unregulated locations such as Panama or the Bahamas precisely for this purpose.

To explore the background of this mounting crisis, The Spotlight has held a series of interviews and informal discussions with European economic and monetary experts in New York.

"By illegally 'parking' their profits abroad," observed a German journalist who writes on economics for West Germany's largest publishing syndicate, "the big U.S. banks and multinational corporations undermine their own national economy on two separate fronts.

"First, profits which are 'booked offshore' represent a hemorrhaging revenue drain for the United States. Second, by speculating against their own national currency—selling their own patrimony short as it were—the big banks give a terrible example of unscrupulous greed, of lack of confidence in the strength of their own economy, of profits over patriotism. And this hurts the dollar more than anything: it helps lower its value."

"The most shocking aspect of all this," remarked a young French monetary consultant, "is the way the American journalists refuse to deal with it. We French used to say that we have the world's most venal and manipulative newspapers, but after this I must hand the prize for massive coverup to the American media."

"It's incredible—the international monetary system is in ruins: the dollar is nearly destroyed; the world faces a severe depression, perhaps a great crash, and the newspapers and the networks here refuse to give the American public even a glimpse of the truth. It's the greatest journalistic coverup in history—absolutely incredible."

"I agree that the U.S. public is being manipulated by means of an unprecedented coverup," remarked a German policy analyst to this reporter. "At first it was probably just a 'gentleman's agreement' among top publishers and network executives to 'kill' this story. But now they are trapped in their lies and the coverup is fueled by desperation. If Americans knew the true state of affairs, there would be a national bank panic—or a political rebellion immediately. By committing large assets to hazardous currency speculation against the dollar, the large American banks make disaster inevitable for the U.S.

"It's a no-win game. If the banks make millions, as they are doing now, the dollar loses and ultimately America will be up for sale to the highest bidder. If the banks lose, they face ruin and the U.S. taxpayer must wade in to rescue them—to the tune of hundreds of billions. And it will all shortly collapse if neither of the above occurs for American banks are increasingly relying on petrodollars for their currency and loan po-

sitions and an estimated 60 billion of these petrodollars are short-term deposits from the richest oil producing countries.

"The day these deposits are withdrawn, the banks are through. Of course now that the OPEC countries have dropped the dollar, that day of reckoning is drawing ever nearer," said the German.

"I agree with my German and French friends," said a British economic writer, "Americans must see through this unprecedented press coverup. They must confront what they fear most: another great crash, worse than the 1929 one, and stop the selling off of their national assets right now before it is too late."●

FLYING HIGH IN OSHKOSH

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. STEIGER. Mr. Speaker, it has been my honor this week to represent the busiest airport in the world, Wittman Field in Oshkosh. Since 1970, Wittman Field has been the site of the annual Experimental Aircraft Association Fly-In.

The fly-in has brought about 400,000 flying enthusiasts to Oshkosh this week alone. Wittman Field is three times busier than Chicago's O'Hare Field, the world's busiest airport, with an average of 10,000 planes landing and taking off daily.

Every kind of plane imaginable—and some truly stretch the imagination—is likely to be seen during the week. And those attending represent a cross section of America, steelworkers, mechanics, policemen, psychiatrists, engineers, even Congressmen. Such distinguished colleagues as JIM LLOYD, DALE MILFORD, and BARRY GOLDWATER, JR., have participated in the fly-in.

In today's Washington Post, Tom Zito has an excellent piece capturing the flavor of the fly-in. It will, I am sure, be of interest to all who read the RECORD. The article follows:

FLYING HIGH IN OSHKOSH: WHERE AVIATION MADNESS TAKES WING

(By Tom Zito)

OSHKOSH, WIS.—When two or three pilots get together on the ground, it's called hangar flying, a euphemism for internal yammering about the time this radio went out, or the time that landing gear didn't come down or when that controller at Dulles wouldn't let so-and-so do you know what . . .

When 400,000 flying enthusiasts get together, as they have here since last weekend, call it certified aviation monomania. Oshkosh is usually known for the overalls it manufacturers; during the first week of August it becomes pilot heaven.

Where else, for instance, would thousands of people sit under trees escaping the heat of the day by listening to communications with a control tower on their portable radios?

"Bonanza 38125, you're ninth for the approach, follow the blue and white homebuilt with the rear engine."

It's the stuff that separates the putters from the fliers. On an average day here up to 10,000 planes land and take off making Wittman Field three times busier than Chicago's O'Hare, the world's busiest airport. It's so busy here that you can develop New York subway paranoia, a.k.a. convention dread—the fear you're going to run into the one person in a million you don't want to see.

Consider Jim Geirg, who flew 800 miles here from Connecticut in his Citabria to get away from his hometown flying buddies. He's clear to land, pulls off the runway, hops out of his plane and discovers his tie-down neighbor from Danbury Airport is right behind him.

Year around, Oshkosh is the home of 53,000 residents, many of them metal workers and wood processors. The town lies in the center of Wisconsin's flat, lake-spotted summer vacation area, about 75 miles northwest of Milwaukee. Although it's visited by more fliers than any other group of people, the city is best known for its gray and white-striped Oshkosh-by-Gosh overalls.

The Experimental Aircraft Association, which sponsors the Fly-In, began coming here in 1970, after two previous sites had become too small. The first annual Fly-In, a quarter of a century ago, was held at Milwaukee's Timmerman Field. About 40 planes showed up. By 1960 crowds forced the event to Rockford, Ill. Ten years later industrialization around that airport forced the second move.

With all the take-offs and landings—they're called "operations" in the trade—there are bound to be a few mishaps. And the pilots here, like most pilots, don't talk about them. They don't talk about the handful of people who have died in accidents here this week and they don't talk about the crash of Virginia Senate candidate Richard Obenshain Wednesday night. It's an unwritten code: Anything is fodder for conversation except death.

While virtually all of the people here are aviation nuts, they do represent a broad sample of America—a steelworker from Birmingham; a psychiatrist from Boston; an aeronautical engineer up from Cape Canaveral; a car mechanic from Montana; a United Airlines pilot; a city cop from Macon, Ga.

For 30 minutes a man from St. Paul and five other pilots fly their make-believe planes on a course to runway 36 at New Jersey's Peterboro—they're trying out a flight simulator in the gymnasium-sized exhibit. It's a circuitous path—through a standard instrument approach the commercial pilots fly every day—and at the end of it all, a man running the computer says a little nervously, "I wouldn't get into a plane with any of these guys"—all of whom are pilots.

"Well," says St. Paul, "that's why I do it for pleasure. Anybody who's flying to New Jersey is crazy."

Down the row a guy from Bozeman, Mont., is talking about how he and his brother got interested in flying during World War II.

"That was it," he said. "The ultimate way you could prove you were a man—shooting [someone] out of the sky. I was a failure. I couldn't pass the camouflage test. That's to say I couldn't read things printed in funny colors [he's color blind] so I couldn't keep up with my brother who went into the service. I had to learn on my own. He got out and got a job as an ag pilot [spraying crops]. He did that for almost 30 years and only had one accident. Flew his plane into the trees. He got out and had about 10 feet to jump down and he slipped on the wing, fell and broke his collar bone. Damn, that wasn't the only time Roger wasn't careful. He said the reason he was so safe all those years was that he'd never fly under power lines, like most sprayers do."

There's a man here who invented what he calls the flying car, which he brought along. You land the thing and in 10 minutes the wings are off and the propeller shaft is connected to the wheels—presto—you've got a car on your hands. "You never have to have anyone come out to the airport to pick you up," he said.

And there's a man from Chicago who flies a plane called Breezy which has no cabin, just a bunch of exposed struts.

"Sure it gets cold in Chicago" he said. "You just wear a snowmobile suit in the winter when you're flying."

You want checks with a photo of your airplane? What color paper? How about old generators from fighter bombers, miniature parachute packs, 50 kinds of headsets, a book containing photos of every airport in Kentucky, 1,100 home-built and military aircraft on display, a United Airlines 707 flying 50 feet above the deck, a special chemical that will stop your windshield from fogging? They're all here.

And then there is the man demonstrating the Convenience Bag, "for motion sickness and liquid disposal in flight." An automatic seal, he's saying, prevents leaking and spills but when somebody picks the thing up in his hands a stream of water erupts.

A guy from Texas is staring at Fifi, the only B-29 Superfortress that's still operational—now owned by a group called the Confederate Air Force—and he's recalling his days in the Pacific and nights sleeping on the huge, tail surfaces of the plane and his main memory of the war—he's repeating this over and over—is that the Japanese used to try to come aboard to steal morphine from the first aid kits.

"You know," he says, five times in succession. "Those people were really addicted to drugs."

And some kid—who has obviously been dragged to the show—says that morphine addiction is nothing compare to aviation monomania.

And this guy says that's the most un-American thing he's ever heard.●

ENOUGH OF MR. YOUNG

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. McDONALD. Mr. Speaker, it was refreshing to open the Op-Ed page of the New York Times yesterday, August 3, 1978, and read the editorial by Mr. John B. Oakes, former senior editor of the New York Times, on Andrew Young. It is becoming increasingly evident that all sectors of our populations, liberal, moderate, and conservative, are becoming united in their view; Andrew Young is an embarrassment to the United States as our United Nations Ambassador and should be removed. Mr. Oakes' column follows:

ENOUGH OF MR. YOUNG

(By John B. Oakes)

Once again the United States Ambassador to the United Nations, Andrew Young, has played to the audience with an offhand, eye-catching statement embarrassing to his nominal boss, the President of the United States, and injurious to the conduct of a rational American foreign policy.

Once again there have had to be explanations, retractions, apologies or excuses to cover the self-indulgent comments of this disarming *enfant terrible* of the Carter Administration.

Once again Mr. Young has made the President and the country look ridiculous in the eyes of the world, confused our friends and handed a delicious piece of propaganda to our opponents.

His statement to a French newspaper the other day that "hundreds, perhaps even thousands, of . . . political prisoners" languish in American jails was made just

at the moment when Mr. Carter was trying to place maximum heat on Moscow, in the name of human rights, during the dissidents' trials. It is a measure of Mr. Young's temperamental unfitness for a job he still holds that, when he gave that interview, he was obviously thinking not of its effect on the Russians or the Americans, or on the dissidents or human rights, but rather only of himself and of his own experience in the civil rights struggles of the past.

Such an egocentric frame of reference might be permissible if he were running for political office again; it is unacceptable when he speaks as a Cabinet-level representative of the United States Government.

When in the same interview he was asked about the recent massacres of men, women and children in several missionary outposts in Rhodesia, Ambassador Young—who is the principal American voice in the efforts to negotiate between the transitional Rhodesian Government of Ian D. Smith and the guerrillas—observed that "a planned operation of attacks against missions . . . can only have come from the Smith camp." Is it the considered American position that it is the Smith regime and not the guerrilla Patriotic Front that is responsible for these bestial murders; or was this merely another of the American Ambassador's frequent offhand remarks made in his official capacity but reflecting not facts or evidence but emotional commitment, of a piece with his freely thrown charges of racism against persons or peoples whom he dislikes or with whom he is in disagreement?

While it surely pleases the African supporters of the guerrillas, not to mention their Soviet backers, the extreme partisanship of Mr. Young could only erode whatever influence the United States has left as "honest broker" with the transition biracial Government in pursuing negotiations with the Patriotic Front.

At the same time, as Mr. Carter has repeatedly emphasized, Ambassador Young has unquestionably played a major part not only in reaching the recent agreement on Namibia but also in establishing better rapport with the third world in general and several of the black African states in particular. He has accomplished this feat at least in part by unilaterally adopting their policy line on such issues as use of Cuban troops in Angola and Ethiopia—already under attack even by numerous third-world countries, and clearly divergent from the stated policies of the United States Government, for which Mr. Young purportedly speaks. How deep and lasting will be the popularity thus gained for the United States in black Africa by such tactics is uncertain; what is certain is that it has been achieved at considerable and unnecessary cost to the image of the United States, further confusing an already confused foreign policy. Mr. Young's loose statements as United States Ambassador are a luxury that American policy, shaky as it is, cannot afford.

And yet, receiving at most a tap on the wrist for repeated verbal offenses that would have resulted in instant dismissal for anyone else, Mr. Young continues to be treated by President Carter as the Indispensable Man for the third world—as though no other American could be found who would pursue American policy in support of black freedom, equality and independence in Africa without at the same time finding it occasionally necessary to derogate our own institutions, give propaganda ammunition to our enemies and enrage our friends.

A recent New York Times/CBS Poll showed that the percentage of Americans who approve of "the way Jimmy Carter is handling his job as President" has dropped by 26 percentage points in little more than a year, to an unprecedented low (in June) of 38 percent. Perhaps Mr. Carter should consider whether one factor in this deplorable showing is his tendency to allow personal and political friendship, even in the most sensitive appointive posts, to take priority over the broader national interest.●

FDA'S PROPOSED RESTRICTIONS ON ANTIBIOTICS

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. ROSE. Mr. Speaker, today I conclude my series on antibiotics with a copy of testimony I presented before FDA's field hearing in Raleigh, N.C., on March 30, 1978. I also invite the public to scrutinize the proposed regulations in the following Federal Register actions to enable them to perceive FDA's position on this issue: 42 Federal Register 168, August 30, 1977, pages 43770–71; 42 Federal Register 204, October 21, 1977, pages 56254–56263; 43 Federal Register 14, January 20, 1978, pages 3032–3045. With this information, I urge the public to speak out and demand that Federal regulatory action be taken only after all the facts are in and the scientific community has reached a consensus.

The testimony follows:

TESTIMONY BY HON. CHARLIE ROSE III, BEFORE THE FOOD AND DRUG ADMINISTRATION ON THE PROPOSED REGULATIONS PERTAINING TO DISTRIBUTION IN ANIMAL FEED PREMIXES CONTAINING PENICILLIN AND TETRACYCLINE

Dr. Elder, I appreciate this opportunity to present my views on the Food and Drug Administration's proposed rules for New Animal Drugs for use in animal feed, more specifically, a proposal to limit the distribution of feed premixes of penicillin and tetracycline and to require a veterinarian's order before such drugs can be used by producers.

As Chairman of the House of Representatives Committee on Agriculture, Subcommittee on Dairy and Poultry, I held hearings last May 23 through May 25, 1977 on the impact of chemical and related drug products on those dairy, poultry and honey commodities under my jurisdiction. During those hearings, 19 witnesses, including Commissioner Donald Kennedy of FDA, discussed the proposed FDA restrictions on antibiotics in livestock and poultry feeds. With the exception of Doctor Kennedy, the witnesses representing 21 individual livestock and poultry producer organizations, scientific societies, trade associations and individual firms uniformly opposed the FDA proposals because of lack of evidence of the need for them and because of the increased cost to producers and/or consumers. I would like to introduce a copy of those hearings for the record at this time. I have also testified before the House Interstate and Foreign Commerce Committee, Subcommittee on Oversight and Investigations about our findings of such insufficient evidence for these proposed rules. I would also like to introduce a copy of that testimony for the record at this time.

Twenty-seven years of approved Bureau of Veterinary Medicine and the Food and Drug Administration's use of subtherapeutic use of antibiotics have permitted quality volume production under controlled conditions for 73% of our meat and poultry animals. It has produced better egg shell strength, controlled shipping fever and swine leptospirosis, improved animal growth rate and feed efficiency, prevented and treated bacterial infections, decreased liver abscesses in cattle and improved breeding rates. There are many other uses for antibiotics, and with this extended range over such a long time, it would be clear that normal operations of the market place would have removed their use long ago if they were dangerous. Nothing has happened but general health improvement in volume-produced animals.

Known experts, like Dr. T. H. Jukes of the University of California at Berkley and one of the discoverers of the feed-growth effect, admit neither higher-than-average occurrance of resistence infections among farm workers nor disappearance of the efficacy of treated animal feeds. Concern over increased Salmonella Shedding from antibiotics use becomes minimized as figures of non-livestock producing states show more incidents of Salmonella than those of the seven states producing ⅔ of hogs and ¼ of the beef cattle in the United States (non-livestock producing states: 25 cases per 100,000 population versus 8 cases per 100,000 population for livestock-producing states).

My chief concern, however, is the lack of scientific basis for these proposed rules. If there were uncontrovertible, well-documented scientific evidence that supported Dr. Kennedy's announced theoretical threat of pathogenic resistance transferring from animals to humans, I would be among those supporting a total ban on their use in any form; but that is not the case with antibiotics. I have examined a lot of the data brought before my subcommittee closely and I still hear the same problems; that Dr. Kennedy's actions are based only on the "threat" of a possible future effect and one unable to be scientifically documented by FDA; that Dr. Kennedy's actions are based on personal commitments, and not the facts as presented by the scientific community and from prolonged use; that alternative drugs are not easily available and those that are approved stand to be subjected to the same criteria as for the original drugs; that Dr. Kennedy admits he cannot prove cross-contamination between animals and humans from continuous antibiotics use; and that direct reading of factual scientific evidence shows contradictions of Dr. Kennedy's assertion that such contamination occurs.

The FDA's Antibiotics Task Force minority report reported a "concern" over "theoretical" transmission of bacterial resistance statements being made because damage cannot be proven and yet are being used as such proof such transmission occurs. I am concerned that Dr. Kennedy passed over his own NAFDC's recommendation that tetracycline's remain unchanged. I am concerned that competent contrary scientific evidence continues to be ignored by Dr. Kennedy as he enforces his admittedly "theoretical" premise that continued use of antibiotics increases the pool of drug-resistant bacteria. His statement is succinct enough; "The theoretical possibility that drug-resistant pathogens can be produced by antibiotic selection has become a real threat . . . and known routes of transfer exist by which antibiotics use in animals can contribute to such threats." (Commissioner Donald Kennedy, Presentation before NAFDC, Rockville, Md., April 15, 1977.)

The evidence I have seen as I have dealt with this over the past year refutes the scare tactic currently being imposed by FDA on the public. Rather than using the taxpayer's money to stop the use of drugs that are now damaging the health of people, FDA chooses to use its limited resources on a potential theoretical future threat of damage. I for one do not want to return to the food days of yesteryear with sickly, scrawny chickens and cows.

Many of the initial statements made by Dr. Kennedy on this issue have been challenged by groups and organizations knowledgeable in antibiotics. In a letter from North Carolina State University at Raleigh to one of my colleagues, their School of Agriculture and Life Sciences Committee on the Use of Antibiotics acknowledged they could not find

scientific evidence to support FDA's proposed actions. An Animal Health Institute 1973 study found that low-level antibiotics did not compromise the health of people or animals. The Canadian Health Protection Branch, Canada's FDA equivalent, admits to inconclusive results of research into antibiotics and their effect on animals and humans.

As you know, the origins for these proposed changes allegedly came from a British study called the Swann Report. But, after 4½ years of veterinarian-ordered controlled use of antibiotics, British farmers admit problems from using the few drugs available in unlikely combinations and to an increased use of copper sulfate, now unavailable except as a trace mineral to Americans. Many are returning to continuous therapeutic treatment on special order, using minimum amounts of 2½ tons. They have to endure a long wait for their order, which is unnecessary during a serious disease outbreak. British indications are that U.S. problems with controlling the use of antibiotics would be worse as their own surveys show greater use of the drugs after being controlled, rather than less use. And a subsequent study of the Swann Report, "The Braude Study", shows no converse improvement in human health from the British restrictions as one would expect.

I have been distressed since this last fall when Commissioner Kennedy announced at the Moss hearings that he would proceed informally with the regulatory process. His proposed veterinarian order is that result and it looks as if the proposed restrictions on antibiotics could be withdrawn for whatever reasons and the order would still be on the books. I believe this is a deliberate effect intended by Dr. Kennedy to avoid answering many of the unsettled questions put to him during this past year. The veterinarian order should not be enacted until after the major questions of safety and efficacy are answered by the scientific community.

The American Veterinarian Medical Association has estimated that only 11,000 veterinarians will be competent to treat food animals; that requiring such an order is inconsistent with standard veterinarian practice, that it will be too costly for small producers, and that litigation will increase against the veterinarians from residue problems suffered by both producers and consumers. I am personally concerned that there will be 18 counties in my state of North Carolina that have no veterinarian service at all. What are my producers supposed to do? Trot 100,000 squawking chickens over to the next county because the vet is too busy to come and service them at home?

And lastly, I must discuss the economic impact of these actions, even if the Commissioner does not feel such consideration is necessary before he turns the producer and veterinarian world upside down. We must weigh them carefully, for it has been shown that the higher the income of people, the better their health, and vice versa. For North Carolina, I expect a $736,000 loss directly, with the cost to consumers around $5.1 million ($1.00 worth of antibiotics yields $5–8 increased production returns). Livestock and poultry sales account for 37% of North Carolina's cash farm income out of $1.3 billion total farm income in 1976 ($33.1 million for broilers and $13.9 million for turkeys). Losses from poultry disease have been kept down at about $30 million for broilers and $10 million for turkeys. Our turkeys are known around the world for their quality, and our international reputation stands to suffer should FDA proceed on their theoretical fantasy trip of providing sterile food for sterile people living in a sterile environment.

In conclusion, I must argue that life is not sterile; beneficial organisms live and grow and interact with negative organisms in a complex symbiotic process. Zero tolerance for the human organism cannot exist, even though FDA is trying to achieve it. From the facts presented to me, it does not appear that curbing the use of antibiotics will provide the public with better health mechanisms than they have right now. Therefore, before we try to sterilize our environment with FDA's anti-antibiotic mop, I must insist that public hearings continue to be held until the basic safety and efficacy questions have been resolved, and that at least, the veterinarian order be delayed until those questions are answered.

The following is a list of questions I feel need further exploration before promulgating any restrictions on the use of antibiotics:

1. If there is alleged pathogenic transference to one group of animals, would there be such transference problems for all animals? (Dr. Kennedy would allow tetracycline to be continued for growth purposes in minor animal species).

2. Have any urban vs. rural studies been done? Meat-eaters vs. vegetarian?

3. Is there data on time and dose factors?

4. What is at issue here, "risk" or consumer information?

5. How does one account for the fact that the same dosage produces the same subtherapeutic effect as when the drugs were first introduced? Would not tolerance, and by extensions, resistance, have increased through the years and been transmitted through generations if there been actual genetic transference problems?

6. Is it true the American Veterinary Medicine Association has not provided unqualified support and has opposed these proposed rules?

7. Is it true there are only 43 practicing veterinarians throughout the nation for poultry prescriptions?

8. Artificial milk replacers for dairy calves have been developed since the advent of tetracycline. Will vets be able to prescribe tetracycline for this use in the future?

9. In the economic figures accompanying the proposed regulations, you estimate 18,000 plus supplemental applications from feed companies will be required. Does FDA have the resources to process 75 applications per day for one year as would occur when these applications are filed?

10. Are these proposed regulations relevant to maintaining health when Dr. Kennedy admits no one's health is compromised by the use of antibiotics in animal feed?●

"A NEW INFLATION CURE: COMPETITION"

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. MAZZOLI. Mr. Speaker, the New York Times this week carries a provocative article by Walter Adams, a professor of economics and past president of Michigan State University, East Lansing.

In the article entitled "Competition and Inflation," Mr. Adams offers a cogent view of the economic problems facing our country.

Professor Adams rejects the view that the Government needs to cut expenses while slowing the growth of the money supply. Neither is he sympathetic to the view that wage and price controls are needed.

Instead, he advocates "a vigorous competition policy." He asserts:

This approach would require a dismantling of Government programs that artificially stifle market forces and protect concentrated industries from competition.

This is interesting advice and deserves to be considered by all of us in the Congress.

The article follows:

COMPETITION AND INFLATION

(By Walter Adams)

"In the United States," says Milton Friedman, Nobel laureate and guru of the Chicago School, "inflation is headed up, not down. I would be very much surprised if it isn't in the 7 percent to 10 percent range by the end of the year." That is why he is betting on the Japanese yen and against the dollar by buying yen-denominated securities. "After all," he says, "speculating against the United States isn't a gamble. It's almost a sure thing."

To combat inflation, Professor Friedman would have the Government implement a drastic cut in expenditures coupled with a careful modulation of the money supply. This medicine, he is confident, would quickly break the cycle of inflationary expectations and set off a reduction in the general price level.

The Carter Administration, like its predecessors, has refused to embrace such Draconian measures—in part, because the price that would have to be paid in unemployment is politically intolerable. In addition, the Carter economists have begun to recognize—perhaps only intuitively—that the current inflation is not a classical demand-pull inflation (where too many dollars chase too few goods) but a cost-push inflation, fueled by an unchecked price-wage spiral and reflecting deep-seated imperfections in the economy.

The current inflation, as daily events make increasingly clear, is as much political as an economic problem of unbridled power concentrations. It is the result of a power grab by highly organized vested interests for a larger share of a fixed pie—or a pie growing more slowly than the combined appetites of the interests that desire to devour it. It is the kind of inflation that cannot be cured simply by monetary and/or fiscal restraints but that must be supplemented with an effective "incomes" policy, that is, a wage-price policy.

Unfortunately, Mr. Carter has not opted for an effective incomes policy. Rather, he has put his faith in "moral suasion" through behind-the-scenes jawboning—an appeal to big labor and big business to moderate their demands so that the inflation rate can be "decelerated." This approach has seldom succeeded in the past, and it is destined for another failure.

Automobile prices are a case in point. With the depreciation of the dollar and the appreciation of the Japanese yen and the West German mark, foreign producers have been forced to raise prices on cars imported into the United States. What has been the reaction of the American auto giants? Have they seized on this golden opportunity to drive imports from the domestic market and recapture the 15 percent share that these imports have taken from domestic producers and workers?

Quite the opposite. As the price of Volkswagens and Datsuns went up, so did the price of their domestic rivals: General Motors and Ford have raised prices on some models four times since January of this year—in addition to increases of nearly $400 a car, or 6 percent, when the new models hit the market last fall.

And the Administration applauds these moves on the theory that a series of piecemeal price increases will have less of an impact on annual inflation rates than a once-a-year lump-sum increase. This is small comfort to car buyers and inflation watchers.

The record in steel is equally unimpressive. Here, a price increase of 5.5 percent across the board was announced last December, followed by a 1.1 percent increase in April, a 3 percent increase in June, and rumors of yet another increase of 3 to 5 percent before the year's end. Robert S. Strauss, the President's chief inflation fighter, expressed delight that he had dissuaded the companies from insisting on increases twice that large.

And, as if to make sure that these increases "stick," the Administration has evolved a trigger price system to protect the steel industry from foreign competition—the only mechanism since World War II that has put an effective lid on the industry's penchant for reckless price escalation.

Trigger prices are, of course, a form of Government price support. Already, the trigger price system has raised the nation's bill by an estimated $5 billion, and it will inevitably have further inflationary effects as these price increases ripple through the economy. The Government could hardly have devised a more propitious mechanism for insuring inflation over and above what market conditions, if left free, would generate.

Clearly, monetary-fiscal policies plus moral suasion are not the answer. But does this mean that the Administration is helpless—that Professor Friedman must inevitably win his speculation against the Government? By no means. Short of wage and price controls—whose peacetime record is less than reassuring, the most attractive alternative is a vigorous competition policy. This would require a dismantling of Government programs that artificially stifle market forces and protect concentrated industries from competition.

Note what the mere threat of deregulation and the aggressive promotion of competition by the Civil Aeronautics Board has already done to airline rates—without, incidentally, causing losses to the carriers. Stopping the drift of protectionism in international trade would have the same effect. So would an antitrust policy that is more than a policeman looking the other way.●

EXTENSION OF REGULATION Q AND THE DIFFERENTIAL ON TRANSACTION ACCOUNTS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1978

● Mr. ST GERMAIN. Mr. Speaker, in recent months there have been increasing moves at both the Federal and State levels to provide the consumer with greater flexibility in the use of funds maintained in checking or transaction accounts. These developments grow out of consideration being given to a number of issues confronting depository institutions, their regulation, and consumer use of their services.

Last year the Senate Banking Committee reported a bill to the full Senate which if enacted would allow depository institutions in all States to offer NOW accounts—transaction accounts which bear interest. That bill approached the issue by responding to a number of intertwined issues as well. Those issues are the membership of the Federal Reserve System, reserve requirements for transaction accounts, and regulation Q—which sets a ceiling on the interest paid on savings accounts and mandates a higher rate for savings and loans.

Another development is the action by some States to allow depository institutions to offer noninterest bearing transaction accounts. These have been called NINOWs—noninterest bearing negotiable orders of withdrawals.

The Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation have proposed a regulation which will become effective on November 1, 1978 that allows a bank to have a preauthorized agreement with its depositors to allow an automatic transfer from a savings account to a checking account.

In States which allows savings and loans and mutual savings banks to offer noninterest bearing transaction accounts, it has also been established that those institutions may offer such automatic transfers as well.

Recently, the Banking Committee began consideration of the Federal Reserve membership question as well. Several bills are before the committee, each designed to provide a response to the concerns raised by the Board of Governors about the erosion of membership in the System.

Last spring, I introduced another approach to the checking account problem. That bill—the Consumer Checking Account Equity Act—would repeal the 45-year-old prohibition on paying interest on checking accounts and give savings and loans and credit unions explicit authority to offer transaction accounts. This approach, I believe, will be the simplest and most effective solution to the questions surrounding the payment of interest on checking accounts by all depository institutions in the long run.

In addition, the administration has established a task force to study the question of regulation Q. At a recent hearing of the subcommittee, and administration spokesman stated that the task force report will be delivered to Congress at the end of the year.

With most of these developments requiring more time for consideration that that left in this session of the Congress, there is a need to temporarily resolve two issues which cannot await final solution of the above issues. These issues are the expiration of regulation Q in December and the interest rate which may be paid on savings accounts used in conjunction with an automatic transfer agreement. Today, with Chairman REUSS of the Banking, Finance, and Urban Affairs Committee, I am introducing legislation which will address these two issues. The bill extends for 3 years the expiration of regulation Q. This period will allow sufficient time to digest the recommendations of the administration task force on regulation Q and to fully address the other problems discussed above. The bill also eliminates the differential between savings and loans and commercial banks on savings accounts which are used for automatic transfers to transactions accounts. The provisions of the bill are as follows:

To amend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions and to provide that there shall be no differential with respect to transactional accounts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. Section 7 of the Act of September 21, 1966 (Public Law 89–597), is amended by striking out "December 15, 1978" and inserting in lieu thereof "December 15, 1981".

SEC. 2. Section 102 of Public Law 94–200 (12 U.S.C. 461 note) is amended by inserting at the end thereof the following new subsection:

"(c) In any State where any provision of State or Federal law authorizes any savings and loan, building and loan, or homestead association (including any cooperative bank) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation or any mutual savings bank, as defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f)), to offer any third party-payment account, there shall be no interest rate differential between (1) banks (other than savings banks) the deposits of which are insured by the Federal Deposit Insurance Corporation and (2) savings and loan, building and loan, or homestead associations (including cooperative banks) the deposits or accounts of which are insured by the Federal Savings and Loan Insurance Corporation or mutual savings banks, as defined in section 3(f) of the Federal Deposit Insurance Act (12 U.S.C. 1813(f)), on savings accounts from which automatic transfers to third-party payments accounts may be made pursuant to the prearranged agreement of depositors or accountholders. Notwithstanding any of the provisions of subsection (b) of this section, the maximum rate of interest payable on such accounts shall be the rate which banks (other than mutual savings banks) insured by the Federal Deposit Insurance Corporation may pay on such accounts." ●

SENATE—*Monday, August 7, 1978*

(*Legislative day of Wednesday, May 17, 1978*)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. PAUL G. HATFIELD, a Senator from the State of Montana.

The Reverend J. Ithel Jones, D.D., LL.D., pastor, Collins Street Baptist Church, Melbourne, Victoria, Australia, offered the following prayer:

Let us pray:

We worship Thee, O God; we acknowledge Thee to be the Lord.

We have no wealth except what Thou hast given to us. The silver and the gold are thine and the cattle on a thousand hills.

Help us then to know that we are only stewards of Thy great bounty.

We acknowledge that we have not always treated the resources of the Earth in this way and we pray Thy forgiveness for the greed and selfishness we have shown in handling wealth that is thine alone.

Take from us now all pride and covetousness and grant us the spirit of unselfish service which alone can make a people great.

We believe that Thou has called this people to a place of great trust and responsibility among the nations of the world. Confidently therefore, we commend to Thee the President and all who with him share the burdens of government. Where they do right do Thou bless them; and where they go wrong, do Thou over-rule, that the life of all peoples may be enriched and we may find peace in our time.

Look upon Thy servants gathered in this house as they deliberate this day. Give to us all to know that "the fear of the Lord is the beginning of wisdom".

And to Thee would we ascribe all praise and glory now and forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 7, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL G. HATFIELD, a Senator from the State of Montana, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. PAUL G. HATFIELD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time does each of the leaders have today?

The ACTING PRESIDENT pro tempore. Not to exceed 5 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the regular order be restored with respect to the leaders' time for today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Each leader will have 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, am I correct in understanding that the distinguished Senator from Alabama, Senator ALLEN, wishes to have some of the leader's time this morning?

Mrs. ALLEN. Yes.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Alabama.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

THE REVEREND J. ITHEL JONES

Mrs. ALLEN. Mr. President, it is with great pride that I heard our fine deliberative body being blessed this morning by an old and dear friend, Dr. J. Ithel Jones of Wales and Australia.

My husband, Senator Jim Allen, and I, first met Dr. and Mrs. Jones when he was acting as guest minister at a Baptist church in Gadsden, Ala., about 12 years ago, and we have followed his distinguished career and have had pride in his accomplishments.

When Jim learned that Dr. and Mrs. Jones would be here in Washington as guests of Dr. and Mrs. Goulding at this time, he asked our Senate Chaplain, Dr. Elson, to invite him to open our morning session with prayer.

Dr. Elson graciously consented, and so it has been one of my dear Jim's wishes come true that Dr. Jones has been with us this morning.

When Jim Allen was lieutenant governor of Alabama, he asked Dr. Jones to open the Alabama State Senate with an invocation one morning, and in preparing his introduction asked Dr. Jones which would be correct, to introduce him as the Englishman or a Welshman. Dr. Jones looked long and hard at Jim and answered, "Would you rather be introduced as a yankee or a southerner?"

So, without anything else being said, we all knew exactly what he meant, being a southerner, so I wish to firmly put into the RECORD of the Congress of the United States Dr. Jones is a Welshman, and to welcome him to our body, and to thank him for being with us this morning.

Thank you, Mr. President.

DEATH OF POPE PAUL VI

Mr. STEVENS. Mr. President, I think the Senate should note the passing of Giovanni Batista Montini, who became Pope Paul VI on June 21, 1963. As a Protestant, I join the many American Catholics in mourning the death of their leader, and as an inhabitant of this planet, on which the Catholic Church has so much to offer in the way of leadership in so many places, I fervently hope that the process of selecting the 263d occupant of the throne of Saint Peter will lead to the selection of another "compassionate conservative" who will be willing to continue the work started by Pope Paul VI.

I ask unanimous consent that an article entitled "Pope Paul VI, Compassionate Conservative," written by Kenneth A. Briggs and published in this morning's New York Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMPASSIONATE CONSERVATIVE

(By Kenneth A. Briggs)

In contrast to Pope John XXIII, his predecessor, Paul VI was not naturally gregarious and innovative. He was the consummate bureaucrat in his Vatican career and not given to striking out in new directions.

AN APPRAISAL

If there had been no Second Vatican Council, begun under John XXIII and completed during his own reign, it is unlikely that Paul VI would have proposed such an updating of the church. But the modernizing was already well underway when he began his reign.

ENORMOUS SPIRITUAL QUALITY

Paul's contribution was a product of his superior intellect, applied in the delicate application of so many Vatican II reforms. It was felt also in his unassuming presence, in which many world leaders found a poignant, peaceful respite.

To those who met him across ideological and religious boundaries, Paul VI was first and foremost a man of surpassing spiritual quality.

He was a progressive exponent of human rights, a position that contrasted with his conservatism on church doctrine. He appealed for commitment to conventional Catholic principles as ardently as he championed the cause of the poor, the hungry and the oppressed.

To those who follow the proceedings of the church, he was much more. He performed the arduous and often thankless role as caretaker over a church that was in the midst of a tumultous change.

In terms of particular actions, Pope Paul may be best remembered for his 1967 encyclical that underscored the church's opposition to artificial means of birth control. It caused a storm of protest, particularly in the United States, and is often cited as a major reason for the large-scale decline in mass attendance that followed in America.

For the Pope it was a matter of unshakable faith in historical Catholic reasoning rather than a question that should be rethought according to modern psychological, demographic or theological factors. He listened to the case for loosening the ban, brought forcefully by those appointed to study the problem, then made his decision.

QUESTION OF WOMEN AS PRIESTS

The same pattern accompanied his decision in 1977 to approve a statement by the Congregation for the Doctrine of the Faith, which upheld the church's policy of refusing to ordain women to the priesthood. Since a priest must bear the image of a man because Christ was a man, he said, female priests were unthinkable.

Though these decisions often left progressives in the church disgruntled, his pleas for the downtrodden and his capacity for self-sacrifice won him a spiritual following that included all elements of the church.

His humility was epitomized when he offered himself in exchange for hostages held

captive in Mogadishu, Somalia. In a political world rife with cynicism, his offer bore the stamp of sincerity.

He faithfully put in effect many of the changes that Vatican II called for. He oversaw the rendering of the mass into the vernacular from Latin, undertook a revision of all seven sacramental rites and presided over a revamping of church government that introduced a variety of consultative councils from the parish level to the newly-formed Synod of Bishops, which has met in recent years.

He also brought into being guidelines for a radical new relationship between Catholic and Jews that has provided a healthier atmosphere between them.

Critics of his policies assert that he did not pursue many of the reforms with sufficient energy and that, because he was conservative by nature, the procedures were conducted without changing the basic power alignment at the various levels of the church. In particular, the critics assert that the Curia, the Vatican's central government, has not relinquished its strong control over church affairs despite the establishment of such complementary groups as the regular Synod of Bishops.

WORK STILL TO BE DONE

The progressives conclude that there is much unfinished business in the updating of the church because of Pope Paul's lack of enthusiasm for further reform.

As one who had risen from modest origins to the highest ecclesiastical authority, he revered the church and sought to protect it against the temptations of a secular age. He did not trust the sexual liberality of the present, or the tendency toward doctrinal relativism.

The losses to the church in numbers and influence caused him much grief. His messages during his last years were often a desperate cry to those in the church to try harder.

He extolled those who appeared most loyal by traditional standards and lamented those who, like the thousands of priests who married or resigned during his tenure, failed to conform. Once, extremely upset, he compared such priests to Judas.

But because he was understood most of all as a man of compassion, even by his opponents, the targets of his criticism saw his rebuke as sorrow rather than anger.

He showed the same characteristics in his reaching out to the non-Catholic world. He traveled more than any Pope in history, including memorable journeys to the United States, where he addressed the United Nations and a throng in Yankee Stadium and to India and to Africa. He took these opportunities to advance peace and justice, rather than pressing any theological claims.

He repeatedly appealed for peace in Vietnam and supported various drives for civil and human rights.

This aspect of his service was often taken for granted. But he set precedents in the cause of human betterment and justice that mark him as the most international-minded of Popes. His successor would undoubtedly be expected to follow this example.

He was a firm, though often reluctant, ecumenist. He embraced the Patriarch and prayed for reunion with the Eastern Orthodox. He also indicated strong desires to reach concord with the Angelican communion.

But his longings were tempered by a determination to retain Catholicism in an uncompromised state. He warned the Anglicans, for example, that the decision by some among them to ordain women would pose an obstacle to church unity. In doing so, however, he maintained cordial relations with them, even as he did with those outside the church who he knew would not understand his message or be receptive to Catholicism.

VETERANS' DISABILITY COMPENSATION AND SURVIVORS' BENEFITS IMPROVEMENTS ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 977.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2828) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Veterans Disability Compensation and Survivors Benefits Improvements Act of 1978".

TITLE I—VETERANS DISABILITY COMPENSATION INCREASES AND OTHER IMPROVEMENTS

SEC. 101. (a) Section 314 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "$41" and inserting in lieu thereof "$44";

(2) striking out in subsection (b) "$75" and inserting in lieu thereof "$80";

(3) striking out in subsection (c) "$113" and inserting in lieu thereof "$121";

(4) striking out in subsection (d) "$155" and inserting in lieu thereof "$166";

(5) striking out in subsection (e) "$216" and inserting in lieu thereof "$232";

(6) striking out in subsection (f) "$272" and inserting in lieu thereof "$292";

(7) striking out in subsection (g) "$322" and inserting in lieu thereof "$346";

(8) striking out in subsection (h) "$373" and inserting in lieu thereof "$400";

(9) striking out in subsection (i) "$419" and inserting in lieu thereof "$450";

(10) striking out in subsection (j) "$754" and inserting in lieu thereof "$809";

(11) striking out in subsection (k) "$937" and "$1,312" each time they appear and inserting in lieu thereof "$1,005" and "$1,408", respectively;

(12) striking out in subsection (l) "$937" and inserting in lieu thereof "$1,005";

(13) striking out in subsection (m) "$1,032" and inserting in lieu thereof "$1,107";

(14) striking out in subsection (n) "$1,172" and inserting in lieu thereof "$1,258";

(15) striking out in subsections (o) and (p) "$1,312" each time it appears and inserting in lieu thereof "$1,408";

(16) striking out in subsection (r) "$563" and inserting in lieu thereof "$604"; and

(17) striking out in subsection (s) "$843" and inserting in lieu thereof "$905".

(b) Section 314(p) of such title (as amended by subsection (a)(15) of this section) is further amended by inserting before the semicolon a period and the following new sentence: "In the event the veteran has suffered the anatomical loss or loss of use, or a combination of anatomical loss and loss of use, of three extremities, the Administrator shall allow the next higher rate or intermediate rate, but in no event in excess of $1,408".

(c) The first sentence of section 314(r) of such title (as amended by subsection (a)(16) of this section), is further amended by—

(1) striking out "If" and inserting in lieu thereof "Subject to the limitations of section 3203(e) of this title, if";

(2) inserting "(1)" after "is in need of"; and

(3) striking out "subject to the limitations of section 3203(e) of this title" and inserting in lieu thereof "or (2) special aid and attendance, such veteran shall be paid, in addition to such compensation, an allowance of $900 per month, if the Administrator finds that such veteran, in the absence of such aid and attendance by another person, would require hospitalization, nursing home care, or other residential institutional care".

(d) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended by—

(1) amending clauses (A) and (B) to read as follows:

"(A) has a spouse, $87, plus $55 for each child, if any;

"(B) has no spouse, $87 for the first child, plus $55 for each additional child, if any;";

(2) striking out clauses (C) through (G);

(3) redesignating clauses (H), (I), and (J) as clauses (C), (D), and (E), respectively;

(4) striking out "$37" in clause (C), as redesignated by clause (3) of this section, and inserting in lieu thereof "$40";

(5) striking out "$83" in clause (D), as redesignated by clause (3) of this section, and inserting in lieu thereof "$89"; and

(6) striking out "$70" in clause (E), as redesignated by clause (3) of this section, and inserting in lieu thereof "$75".

SEC. 103. (a) Section 360 of title 38, United States Code, is amended by inserting "(a)" before "Where" and inserting at the end of such section the following new subsection:

"(b) Where any veteran has suffered the loss or loss of use of an extremity as a result of service-connected disability so as to entitle such veteran to a rating of not less than 40 per centum and has suffered the loss or loss of use of the paired extremity as a result of non-service-connected disability, not the result of the veteran's own willful misconduct, which would, if service-connected, entitle such veteran to a rating of not less than 40 per centum, the Administrator shall determine the percentage increase, if any, which would be added to the combined value of such disabilities if both were service-connected and independently rated, and shall, in the same manner in which the Administrator would add such percentage to the combined value of less than total service connected disabilities, add such percentage to the rating of such veteran's service-connected disability.".

(b) The catchline of section 360 of such title is amended to read as follows:

"§ 360. Special consideration for certain cases of blindness, bilateral kidney involvement, bilateral deafness, or the loss or loss of use of paired extremities".

(c) The table of sections at the beginning of chapter 11 of such title is amended by striking out

"360. Special consideration for certain cases of blindness or bilateral kidney involvement or bilateral deafness."

and inserting in lieu thereof

"360. Special consideration for certain cases of blindness, bilateral kidney involvement, bilateral deafness, or the loss or loss of use of paired extremities.".

SEC. 104. Section 362 of title 38, United States Code, is amended by striking out "$203" and inserting in lieu thereof "$218".

TITLE II—DEPENDENCY AND INDEMNITY COMPENSATION INCREASES AND OTHER IMPROVEMENTS FOR SURVIVORS

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

§ 411. Dependency and indemnity compensation to a surviving spouse

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	*Monthly rate*
E–1	$297
E–2	307
E–3	314
E–4	334
E–5	343
E–6	351
E–7	368
E–8	388
E–9	[1] 406
W–1	376
W–2	391
W–3	402
W–4	426
O–1	376
O–2	388
O–3	416
O–4	439
O–5	484
O–6	544
O–7	590
O–8	646
O–9	694
O–10	[2] 760

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the surviving spouse's rate shall be $437.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the surviving spouse's rate shall be $814.

"(b) If there is a surviving spouse with one or more children (of a deceased veteran) below the age of eighteen, the dependency and indemnity compensation paid monthly to the surviving spouse shall be increased by $87 for the first such child, plus $55 for each additional such child.

"(c) The monthly rate of dependency and indemnity compensation payable to a surviving spouse shall be increased by $89 if the spouse is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

"(d) The monthly rate for dependency and indemnity compensation payable to a surviving spouse shall be increased by $45 if the spouse is so disabled as to be permanently house-bound but does not qualify for the aid and attendance allowance under subsection (c) of this section. For purposes of this subsection, the requirement of 'permanently house-bound, shall be met when the surviving spouse is substantially confined to such surviving spouse's house (ward or clinical areas, if institutionalized) or immediate premises by reason of a disability or disabilities reasonably certain to remain throughout such surviving spouse's lifetime."

SEC. 202. Section 413 of title 38, United States Code, is amended by—

(1) striking out in clause (1) "$140" and inserting in lieu thereof "$150";

(2) striking out in clause (2) "$201" and inserting in lieu thereof "$216";

(3) striking out in clause (3) "$259" and inserting in lieu thereof "$278"; and

(4) striking out in clause (4) "$259" and "$52" and inserting in lieu thereof "$278" and "$56", respectively.

SEC. 203. Section 414 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "$83" and inserting in lieu thereof "$89";

(2) striking out in subsection (b) "$140" and inserting in lieu thereof "$150"; and

(3) striking out in subsection (c) "$71" and inserting in lieu thereof "$76".

SEC. 204. (a) Chapter 13 of title 38, United States Code is amended by inserting after section 404 the following new section:

"§ 405. Special determinations

"(a) In any case under this chapter in which the Administrator is required to determine a number of months, the calendar month in which (1) a veteran is rated totally disabled, (2) a veteran died, and (3) a child will attain age 21, shall be considered as one full month.

"(b) In any case under this chapter where a monthly rate would contain a fraction of a dollar, such rate shall be fixed at the next higher dollar.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"405. Special determinations."

below

"404. Special provisions relating to surviving spouses.".

SEC. 205. (a) Chapter 13 of title 38, United States Code, is amended by inserting after section 411 the following new section:

"§ 411A. Benefits for surviving spouses of certain totally disabled veterans

"(a) Whenever any veteran dies, not as the result of the willful misconduct of such veteran or such veteran's spouse, and (1) at the time of death such veteran had a service-connected disability or disabilities rated as total without regard to any increase in the rating resulting from a determination in an individual case that such veteran was unemployable, and (2) the Administrator has not determined that such veteran's death resulted from a service-connected or compensable disability, benefits shall be paid to the surviving spouse as provided in subsection (b) of this section.

"(b)(1) In any case in which the service-connected disability or disabilities of such veteran had been so rated as total continuously for a period of twenty years or longer immediately prior to such veteran's death or had been so rated continuously during the period from the date of such veteran's discharge to the date of such veteran's death and such period was ten years or longer, benefits shall be paid to the surviving spouse of such veteran at the appropriate monthly rate provided for under section 411 or 412 of this title in the same manner and to the same extent as if the Administrator had determined that such veteran's death had resulted from a service-connected or compensable disability.

"(2) In any case in which the service-connected disability or disabilities of such veteran had been so rated as total continuously for a period not meeting the requirements of paragraph (1) of this subsection, benefits shall be paid to the surviving spouse of such veteran at the appropriate monthly rate provided for in section 411 or 412 of this title, in the same manner and to the same extent as if the Administrator had determined that the veteran's death resulted from a service-connected or compensable disability, except that—

"(A) the period for which such benefits shall be paid shall not exceed a number of months equal to the number of months the disability of such veteran was continuously so rated, or

"(B) the monthly rate of benefits shall be determined by multiplying the monthly rate which would otherwise be applicable under such section 411 or 412 (had the Administrator found that such veteran's death resulted from a service-connected or compensable disability) by the number derived by dividing (i) the number of months such veteran was continuously so rated by (ii) the number of months of remaining life expectancy (using standard mortality tables) of the surviving spouse at the time of such veteran's death,

whichever method of determining benefits the surviving spouse elects. An election to receive benefits under clause (A) or (B) of the first sentence of this paragraph shall be irrevocable if any benefits are paid pursuant to such an election. In no event shall the benefits payable under this paragraph exceed those which would be payable under such section 411 or 412 if the Administrator had determined that the veteran had died from a service-connected or compensable disability.

"(c) Surviving spouses receiving benefits under this section shall be entitled to all payments and the benefit of all other provisions of law under this title and other law, except benefits under sections 411 and 412 of this title, to which surviving spouses receiving dependency and indemnity compensation are entitled.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"411A. Benefits for surviving spouses of certain totally disabled veterans."

below

"411. Dependency and indemnity compensation to a surviving spouse.".

SEC. 206. Section 412(b) of title 38, United States Code, is amended by striking out "In" and inserting in lieu thereof "Except in cases in which the surviving spouse is receiving benefits under section 411A(b)(2)(B) of this title, in".

SEC. 207. (a) Chapter 13 of title 38, United States Code, is amended by inserting after section 414 the following new section:

"§ 414A. Benefits for surviving children of certain totally disabled veterans

"(a) Whenever any veteran dies and (1) there is no surviving spouse, (2) at the time of death such veteran had a service-connected disability or disabilities rated as total without regard to any increase in the rating resulting from a determination in an individual case that such veteran was unemployable, and (3) the Administrator has not determined that such veteran's death resulted from a service-connected or compensable disability, benefits shall be paid to the surviving children (in equal shares) as provided in subsection (b) or (c) of this section, as appropriate, except that no benefits under this section shall be paid to any child if the veteran's death resulted from the willful misconduct of such child or the veteran.

"(b)(1) In any case in which the service-connected disability or disabilities of such veteran had been so rated as total continuously for a period of twenty years or longer immediately prior to such veteran's death or had been so rated continuously during the period from the date of such veteran's discharge to the date of such veteran's death and such period was ten years or longer, benefits shall be paid to the surviving children of such veteran at the appropriate rate provided for under sections 413 and 414 of

this title in the same manner and to the same extent as if the Administrator had determined that such veteran's death had resulted from a service-connected or compensable disability.

"(2) In any case in which the service-connected disability or disabilities of such veteran had been so rated as total continuously for a period not meeting the requirements of paragraph (1) of this subsection, benefits shall be paid to the surviving child of such veteran in the same manner and to the same extent as if the Administrator had determined that the veteran's death resulted from a service-connected or compensable disability, except that the monthly amount payable to such child shall be determined by multiplying the monthly rate of dependency and indemnity compensation which would otherwise be payable under sections 413 and 414 of this title (had the Administrator found that such veteran's death resulted from a service-connected or compensable disability) by the number derived by dividing (A) the number of months such veteran was continuously so rated by (B) the number of months remaining from the date of the veteran's death until the child attains twenty-one years of age; but in no event shall the benefits payable under this paragraph exceed those which would be payable under sections 413 and 414 of this title if the Administrator had determined that the veteran had died from a service-connected or compensable disability.

"(c) In the case of any child of a deceased veteran described in subsection (a) of this section who became permanently incapable of self-support before attaining the age of eighteen, benefits shall be paid to or on behalf of such child at the rate provided under section 413 and, if applicable, section 414 of this title.

"(d) Surviving children receiving benefits under this section shall be entitled to all payments and the benefit of all other provisions of law under this title and other law, except benefits under sections 413 and 414 of this title, to which surviving children receiving dependency and indemnity compensation are entitled.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"414A. Benefits for children of certain totally disabled veterans."

below

"414. Supplemental dependency and indemnity compensation to children.".

SEC. 208. The first sentence of section 907 of title 38, United States Code, is amended by—

(1) inserting "(1) $1,500, or (2)" after "exceeding"; and

(2) inserting before the period a comma and "whichever is the greater".

SEC. 209. Section 906(b) of title 38, United States Code, is amended by striking out "dying in the service, and".

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. Section 109(b) of title 38, United States Code, is amended by inserting (1) before "Persons" in the first sentence thereof and inserting at the end thereof the following new paragraph:

"(2)(A) Any person who (i) after August 31, 1939, and before December 8, 1941, entered into the active service of the armed forces of any government allied with the United States during World War II, (ii) was a citizen of the United States at the time of entrance into such active service, and (iii) suffered a service-connected disability or disabilities during such service and before January 1, 1947, shall be entitled to the benefits of chapter 11 of this title at the same rates, in the same manner, and to the same extent as a veteran of the Armed Forces of the United States, except that any benefits payable monthly under such chapter shall be reduced by the amount of any benefits received monthly (or, if payable other than monthly, by the prorated monthly amount) from such government on account of such disability. No such benefits shall be paid under authority of this paragraph to any person who is not a citizen and resident of the United States.

"(B)(i) The Administrator shall make an independent evaluation of any disability or disabilities compensable under subparagraph (A) of this paragraph.

"(ii) In the case of any person receiving benefits from such government which are based on a determination by such government that such person has suffered a disability during active service in the armed forces of such government, such disability shall be conclusively presumed to be service-connected for all purposes of subparagraph (A) of this paragraph.

"(iii) Each person applying for or receiving benefits under subparagraph (A) of this section shall furnish (I) an authenticated certification from the allied government concerned attesting to the service of such person in the active service of the armed forces of such government and to the disability or disabilities suffered by such person in such service, and (II) such other proofs as the Administrator shall require in addition thereto (if such person is unable to obtain from such government such certification, in lieu thereof) including information concerning receipt of monetary benefits from such government.".

SEC. 302. Section 562 of title 38, United States Code, is amended by striking out "$100" and inserting in lieu thereof "$200".

SEC. 303. Section 1902(a) of title 38, United States Code, is amended by striking out "$3,300" and inserting in lieu thereof "$4,100".

SEC. 304. (a) The Administrator of Veterans' Affairs shall carry out, in consultation with the Secretary of Defense, a comprehensive study of the disability compensation awarded to, and health-care needs of, veterans who are former prisoners of war. The Administrator shall include in such study—

(1) descriptions and analyses of the repatriation procedures for former prisoners of war, including physical examinations, and the adequacy of such procedures and the resultant medical records of former prisoners of war;

(2) the types and severity of disabilities that are particularly prevalent among former prisoners of war in various theaters of operation at various times;

(3) a description and analysis of procedures used, with respect to former prisoners of war, in determining eligibility for health-care benefits and in adjudicating claims for disability compensation, including an analysis of the current use of statutory and regulatory provisions specifically relating to former prisoners of war; and

(4) a comparison with the treatment of, and any special consideration accorded to, former prisoners of war under the veterans' benefits programs of governments which were allied with the United States.

(b) Not later than March 1, 1979, the Administrator shall report to the Congress and the President on the results of such study, together with the Administrator's recommendations as to administrative and legislative actions necessary to assure that former prisoners of war receive compensation health-care benefits and for all disabilities which may reasonably be attributed to their internment.

SEC. 305. The third paragraph of the first section of the Act entitled "An Act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (36 U.S.C. 121), is amended by inserting immediately after the last sentence thereof the following new sentence: "Personnel employed as cemetery superintendents and assistant superintendents by the Commission shall be citizens of the United States.".

SEC. 306. The Secretary of Defense shall have placed in the Trophy Hall of the Memorial Amphitheater at Arlington National Cemetery a memorial plaque suitable for display before an international audience which shall bear the following inscription: "The people of the United States of America pay tribute to those members of its Armed Forces who served honorably in Southeast Asia during the Vietnam conflict.". To further honor those members of the Armed Forces who lost their lives in hostile action in Southeast Asia during the Vietnam conflict, the Secretary of Defense shall have placed near such plaque in a suitable repository a display of the Purple Heart Medal and other medals, ribbons, and decorations associated with service in Southeast Asia during the Vietnam conflict.

SEC. 307. None of the provisions of, or amendments made by, this Act, other than amendments providing new spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), shall be deemed to authorize, directly or indirectly, the enactment of new budget authority.

TITLE IV—EFFECTIVE DATES

SEC. 401. (a) The amendments made by this Act to title 38, United States Code, shall become effective on October 1, 1978.

(b) All other provisions of this Act shall be effective on the date of enactment of this Act.

Mr. ROBERT C. BYRD. Mr. President, I yield 3 minutes of my time to Mr. Cranston.

The ACTING PRESIDENT pro tempore. The Senator from California.

Mr. CRANSTON. Mr. President, S. 2828, the proposed Veterans' Disability Compensation and Survivors' Benefits Improvements Act of 1978, is a bill to provide a cost-of-living increase of 7.3 percent in the rates of disability compensation paid to our Nation's 2,600,000 service-connected disabled veterans and in the rates of dependency and indemnity compensation paid to the 364,000 survivors of veterans who died as the result of service-connected disability, and to make significant improvements in those programs.

BACKGROUND OF LEGISLATION

Mr. President, on July 31, 1978, our committee unanimously reported S. 2828 with an amendment in the nature of a substitute and a title amendment and at a later point in my remarks I will insert excerpts from our report, Senate Report 95-1054.

Mr. President, this bill was introduced on April 5, 1978, by the Senator from Georgia (Mr. TALMADGE), chairman of the Subcommittee on Compensation and Pension at the request of the administration. As introduced the bill provided for a 5.8-percent increase in the rates of disability compensation and dependency and indemnity compensation and made minor changes in the compensation and pension programs intended to facilitate their administration.

On June 22, 1978, I submitted, with the cosponsorship of Senators TALMADGE, STONE, MATSUNAGA, and DURKIN, now joined by Senators RANDOLPH, STAFFORD, THURMOND, HANSEN, and PAUL HATFIELD, amendment No. 3067 to S. 2828.

Mr. President, on June 30, 1978, the Subcommittee on Compensation and Pension, under the chairmanship of its vice chairman, Senator MATSUNAGA, held hearings on S. 2828, Amendment No.

3067, and other bills relating to the compensation programs. Testimony was received from P. C. Peckarsky, Director of the Compensation and Pension Service of the Veterans' Administration, and other representatives of the VA, and representatives of the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, Veterans of World War I, Non-Commissioned Officers Association, and Military Widows.

Earlier, on June 15, 1978, the Subcommittee on Housing, Insurance, and Cemeteries, under the chairmanship of the Senator from Florida (Mr. STONE), held hearings on legislative issues relating to housing and cemetery and burial programs. Testimony was received on cemetery and burial issues from Senators CLAIBORNE PELL and DENNIS DECONCINI, Congressman EDWARD BEARD, Dorothy Starbuck, chief benefits director of the VA and other representatives of the VA, and representatives of the Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, Continental Association of Funeral and Memorial Societies, Inc., and Wyoming Veterans Affairs Commission.

Mr. President, after reviewing the testimony received during the June 30 and July 15 hearings, our committee met in open session on July 27, 1978, to consider S. 2828 and amendment No. 3067 and unanimously voted to report S. 2828 with an amendment in the nature of a substitute.

Mr. President, S. 2828, as reported, which I will generally refer to as "the committee bill," in addition to providing for a 7.3-percent cost-of-living increase in compensation and DIC rates for some 3 million beneficiaries, would increase—by approximately 50 percent, the dependents' allowances paid, on a prorated basis, to those veterans receiving compensation who are rated 50-percent disabled or more and have dependents—presently 380,000—and DIC survivors with dependents—presently 35,982. The rates provided for would be in line with those approved by the Senate on July 31 in S. 2384, the Veterans' and Survivors' Pension Improvement Act, for non-service-connected VA pensioners. The committee has at this time chosen this approach in preference to that in H.R. 11888, passed by the House on June 28, 1978, to extend prorated compensation dependents' allowances to veterans with 40-percent rated service-connected disabilities. We will be considering the House approach, of course, in the process of reconciling our differences with the other body on this legislation.

Mr. President, S. 2828 as reported, is derived in part from Amendment No. 3067 and also includes several provisions which are contained in recent House-passed legislation. The provision in the committee bill—section 101(c)—relating to veterans in need of special aid and attendance is very similar to H.R. 11891, passed by the House on July 18, 1978. With respect to the provision—section 101(b)—relating to veterans who have lost or lost the use of three extremities, H.R. 11886, passed by the House on June 28, 1978, contains a similar provision. The increase in the special pension paid to recipients of the Medal of Honor—section 302 of the committee bill—is identical to the provisions of H.R. 11889, passed by the House on July 25, 1978. In addition, Mr. President, the committee bill—in section 306—would honor veterans who served in the Vietnam conflict, as does H.R. 12261, passed by the House on July 17, 1978.

Mr. President, our bill also responds to the concerns addressed in S. 13, introduced by the Senator from Hawaii (Mr. INOUYE) on January 10, 1977, S. 3187, introduced by the Senator from Delaware (Mr. BIDEN) on June 8, 1978, and S. 3236, introduced by the Senator from Texas (Mr. TOWER) on June 23, 1978. These bills, as is H.R. 11890, which passed the House on July 25, 1978, and of which S. 3187 is a counterpart measure, are designed to benefit the survivors of 100-percent service-connected disabled veterans whose deaths have not been determined to have been due to their service-connected disabilities. Provisions in the committee bill—sections 205 and 206—serve that same purpose.

Section 103 of the committee bill would also provide for special consideration under the service-connected disability compensation program for veterans who have suffered a serious service-connected disability of one extremity and a non-service-connected disability, at least as severe, to the other paired extremity; and H.R. 6501, passed by the House on May 23, 1977, deals with that same situation.

Finally, Mr. President, section 305 of the committee bill incorporates the provisions of S. 3347, which the Senator from South Carolina (Mr. THURMOND) and I introduced on July 26, 1978, to require the continuation of the current practice of employing only American citizens as superintendents and assistant superintendents of our overseas cemeteries for American war dead.

SUMMARY OF PROVISIONS

Mr. President, the committee bill has four titles: Veterans disability compensation increases and other improvements; dependency and indemnity compensation increases and other improvements for survivors; miscellaneous improvements; and effective dates.

Title I: Veterans' Disability Compensation Increases and Other Improvements.

Mr. President, the provisions of title I would:

First, provide a 7.3-percent cost-of-living increase for service-connected disabled veterans in basic compensation rates and in the rates payable for more severe disabilities.

Second, provide an increase in the additional allowances for spouses and children paid to service-connected disabled veterans rated 50 percent disabled or more. The increased allowances would be as follows:

Veteran rated 100 percent with a spouse or child, $87 monthly.

Each child or each additional child, $55 monthly.

Veterans rated 50 percent to 90 percent would receive such increased dependents' allowances at the following proportionate monthly rates:

Rating	Spouse or child	Each child or each additional child
50 percent	$43.50	$27.50
60 percent	52.20	33.00
70 percent	60.90	38.50
80 percent	69.60	44.00
90 percent	78.30	49.50

Third, provide a 7.3-percent cost-of-living increase in the additional allowances for dependent parents and helpless pouse, paid to service-connected disabled veterans rated 50-percent disabled or more.

Fourth, provide that a 100-percent service-connected disabled veteran who has suffered the loss or loss of use, or a combination of loss or loss of use, of three extremities shall be compensated at the next higher rate or intermediate rate, not to exceed $1,408.

Fifth, provide that veterans entitled to the aid-and-attendance allowance under section 314(r) of title 38, United States Code, who are in need of special aid and attendance shall receive $900 per month for such purpose, in addition to other compensation, if the administrator finds that, in the absence of care being provided by another person, the veteran would require hospital, nursing home, or other residential institutional care.

Sixth, provide that a veteran who has suffered the service-connected loss or loss of use of one paired extremity entitling the veteran to a rating of 40 percent or more, and who has also suffered the non-service-connected loss or loss of use of the other paired extremity which, if service connected, would entitle the veteran to a rating of 40 percent or more, shall be entitled to compensation based on a rating increased by the same amount that the rating would be increased by virtue of bilateral impairment if both disabilities were service-connected and would not result in total disability, but not including an increase for the non-service-connected disability itself.

Seventh, provide for a 7.3-percent cost-of-living increase in the annual clothing allowance paid to certain seriously disabled veterans whose disability tends to tear or wear out their clothing.

Title II: Dependency and Indemnity Compensation and Other Improvements.

Mr. President, the provisions of title II would:

First, provide a 7.3-percent cost-of-living increase in dependency and indemnity compensation—DIC—benefits payable to surviving spouses of veterans who died as a result of service-connected disability.

Second, provide an increase in the additional allowances paid to surviving spouses receiving DIC for dependent children, as follows:

One child	$87
Each additional child	55

Third, provide for a "housebound" rate, at one-half the aid-and-attendance rate, for surviving spouses receiving DIC who are so disabled as to be

substantially confined to their homes—ward or clinical areas if institutionalized—by reason of a disability reasonably certain to be permanent.

Fourth, provide for a 7.3-percent cost-of-living in DIC benefits for the children of veterans whose deaths were the result of service-connected disabilities, when no surviving spouse is entitled; when the child is age 18 to 22 and is attending an approved educational institution; or when the child became permanently incapable of self-support prior to reaching age 18.

Fifth, provide for benefits under the DIC chapter—chapter 13—under three approaches: (A) at the full DIC rate to the survivors of a veteran whose death has not been determined to be service connected and who had been rated totally disabled continuously (i) for 20 or more years at the time of death, or (ii) for 10 or more years continuously since the date of discharge from active service; and (B) to the surviving spouses of all other veterans who at the time of death were rated totally disabled on the following alternative bases, between which the surviving spouse could elect: (i) Payment at the full DIC rate for a period of time equal to the period during which the veteran was so rated, or (ii) monthly payments for life based on the amount payable under (i) spread out over the actuarially expected life of the surviving spouse—the monthly amount being calculated by multiplying the applicable DIC rate by a number derived by dividing the number of months the veteran was so rated by the number of months of remaining life expectancy of the surviving spouse; and (C) to the surviving children of veterans other than those described in (A) and (B) above, (i) at the full DIC rate to a child who became permanently incapable of self-support before reaching the age of 18 or a child of a veteran who had been rated totally disabled at the time of death continuously for a number of months greater than the number of months then remaining until the child reaches age 21, and (ii) in all other cases, at a rate to be determined by multiplying the applicable DIC rate by the number derived by dividing the number of months the veteran was continuously rated totally disabled by the number of months remaining before the child reaches age 21.

Sixth, increase the allowance for the funeral and burial expenses of a veteran who die from service-connected causes to $1,500, or the amount authorized under section 8134(a) of title 5, United States Code, in the cases of Federal employees who die from injuries sustained in the performance of duty, whichever is the greater.

Seventh, authorize the provision of memorial markers for veterans whose remains are not recoverable.

Title III: Miscellaneous Provisions. Mr. President, the provisions of title III would:

First, amend title 38, United States Code, to provide that Americans who, while citizens of the United States, volunteered between September 1, 1939, and December 8, 1941, to serve in the armed forces of the allies of the United States during World War II and suffered service-connected disabilities during such service shall be entitled, while they are citizens and residents of the United States, to service-connected disability compensation in the same manner and to the same extent as veterans who served in the U.S. Armed Forces, reduced by the amount of benefits received from the allied government.

Second, amend title 38, United States Code, to provide for an increase, from $100 per month to $200 per month in the rate of special pension payable to recipients of the Congressional Medal of Honor.

Third, amend title 38, United States Code, to provide for a cost-of-living increase, from $3,300 to $4,100, in the automobile assistance allowance for veterans with certain severe service-connected disabilities.

Fourth, require the VA to conduct, in consultation with the Secretary of Defense, a comprehensive study on issues relating to disability compensation awarded to, and the health-care needs of, former prisoners of war, including repatriation procedures, disabilities particularly prevalent among former prisoners of war, VA procedures in adjudicating compensation claims and in determining health-care eligibility, a comparison with other allied governments' benefits programs for their former prisoners of war, and a rationale for the VA's current interpretation of applicable law and regulations respecting prisoner-of-war benefits; and to submit to the Congress and the President by March 1, 1979, a report on the results of that study, together with the VA's recommendations as to administrative and legislative actions necessary to assure that a former prisoner of war receives compensation and health-care benefits for all disabilities reasonably attributable to his or her internment.

Fifth, amend the law establishing the American Battle Monuments Commission to require the Commission to hire only United States citizens as superintendents and assistant superintendents of ABMC cemeteries.

Sixth, direct the Secretary of Defense to place, in the Memorial Amphitheater in Arlington National Cemetery, a memorial plaque honoring those members of the U.S. Armed Forces who served honorably in Southeast Asia during the Vietnam conflict.

Seventh, clarify that none of the provisions of the committee bill, other than amendments providing for new spending authority, as defined in section 401 (c) (2) (C) of the Congressional Budget Act of 1974, would authorize directly or indirectly, the enactment of new budget authority.

Title IV: Effective Dates.

Mr. President, this title provides that the amendments made by the committee bill to title 38, United States Code, would be effective on October 1, 1978, and that all other provisions would be effective upon enactment.

Mr. President, in order that all Senators and the public may have a full understanding of the various provisions of this measure, I ask unanimous consent that there be printed in the RECORD pertinent excerpts from Senate Report No. 95–1054 accompanying the bill.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

INTRODUCTION

S. 2828 was introduced on April 5, 1978, by Senator Herman Talmadge, chairman of the Subcommittee on Compensation and Pension, at the request of the administration. As introduced, the bill provided for a 5.8-percent increase in the rates of disability compensation and dependency and indemnity compensation and made minor changes in the compensation and pension programs intended to facilitate their administration.

On June 22, 1978, Senator Alan Cranston, chairman of the Committee on Veterans' Affairs, submitted, with the cosponsorship of Senators Talmadge, Stone, Matsunaga, and Durkin, now joined by Senators Randolph, Stafford, Thurmond, and Hansen Amendment No. 3067 to S. 2828.

On June 30, 1978, the Subcommittee on Compensation and Pension held hearings on S. 2828, Amendment No. 3067, and other bills relating to the compensation programs. Testimony was received from J. C. Peckarsky, Director of the Compensation and Pension Service of the Veterans' Administration, and other representatives of the VA, and representatives of The American Legion, the Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, Veterans of World War I, Non-Commissioned Officers Association, and Military Widows.

Earlier, on June 15, 1978, the Subcommittee on Housing, Insurance, and Cemeteries held hearings on legislative issues relating to housing and cemetery and burial programs. Testimony was received on cemetery and burial issues from Senators Claiborne Pell and Dennis DeConcini, Congressman Edward Beard, Dorothy Starbuck, Chief Benefits Director of the VA, and other representatives of the VA, and representatives of the Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, Continental Association of Funeral and Memorial Societies, Inc., and Wyoming Veterans Affairs Commission.

After reviewing the testimony received during the June 30 and July 15 hearings, the Committee met in open session on July 27, 1978, to consider S. 2828 and Amendment No. 3067 and unanimously voted to report S. 2828 with an amendment in the nature of a substitute (derived in part from the provisions of Amendment No. 3067, S. 3347, H.R. 11889, H.R. 11891, H.R. 12261, and H.R. 12257, and incorporating provisions adopted in lieu of H.R. 6501, H.R. 11888, and H.R. 11890) and a title amendment.

DISCUSSION

Title I: Improvements in disability compensation

Background

The Veterans' Administration disability compensation program currently provides income for 2,241,105 veterans who have service-connected disabilities. This number is composed of disabled veterans with the following periods of service: 45,706 are disabled World War I veterans; 1,271,442 World War II veterans; 239,385 Korean-conflict veterans; and 482,836 Vietnam-era veterans. Compensation is paid according to the degree of disability. Section 355 of title 38, United States Code, provides that the ratings for disability, which range from 10 to 100 percent, shall be based "as far as practical on the average impairment of earning capacity resulting from such injury for civilian occupation." Other less tangible factors have also been traditionally considered by Congress in establishing compensation rates for those who sustained disabilities in the service of their country.

The following table reveals average cost and caseloads for veterans and survivors:

TABLE 1.—AVERAGE COST AND CASELOAD OF VETERANS DISABILITY AND SURVIVOR COMPENSATION CASES

Total costs	Fiscal year 1977			Fiscal year 1978 (estimated)			Fiscal year 1979 (estimated)		
	Average cases	Average cost	Total cost ($9,037,415)	Average cases	Average cost	Total cost ($9,614,394)	Average cases	Average cost	Total cost ($9,577,300)
Compensation (total)	2,606,948	$2,204	$5,745,896	2,613,715	$2,355	$6,155,982	2,613,520	$2,360	$6,167,534
Veterans (total)	2,241,105	2,097	4,700,497	2,249,405	2,241	5,040,110	2,250,005	2,244	5,048,165
Spanish-American War	4	6,246	25	3	6,333	19	3	6,333	19
Mexican border period	9	9,601	86	7	8,071	56	7	8,071	56
World War I	45,706	2,690	122,932	41,000	2,915	119,521	36,200	2,920	105,693
World War II	1,271,442	1,957	2,488,564	1,251,000	2,087	2,611,400	1,255,100	2,089	2,558,640
Korean conflict	239,385	2,368	566,829	239,200	2,521	603,099	239,000	2,522	602,830
Vietnam era	482,836	2,167	1,046,174	506,800	2,325	1,178,221	534,100	2,326	1,242,384
Peacetime service	201,723	2,359	475,887	211,395	2,497	527,794	215,595	2,498	538,543
Survivors (total)	365,843	2,858	1,045,300	364,310	3,063	1,115,872	363,515	3,079	1,119,369
Indian wars	1	3,161	3	1	3,161	3	1	3,161	3
Civil War	7	2,634	18	4	2,795	11	2	2,795	3
Spanish-American War	199	3,299	657	165	3,642	601	145	3,662	531
Mexican border period	3	3,535	11	3	3,535	11	2	3,535	7
World War I	33,570	3,333	111,894	32,400	3,532	114,433	31,400	3,538	111,105
World War II	185,183	2,453	454,179	180,837	2,623	474,418	177,175	2,629	465,781
Korean conflict	39,289	2,753	108,147	39,300	2,936	115,398	39,320	2,943	115,60
Vietnam era	59,564	3,450	205,517	63,100	3,732	235,475	66,570	3,738	248,15
Peacetime service	48,027	3,435	164,943	48,500	3,619	175,522	48,900	3,627	177,37

Source: Veterans' Administration, July 1978.

The Committee periodically reviews the service-connected disability compensation program to ensure that the benefits authorized provide reasonable and adequate compensation for disabled veterans and their families.

Traditionally, review by Congress occurred biennially, but continuing inflation has led to review on an annual basis. Rates were adjusted in the 93d Congress, 1974 (Public Law 93–295), and in the 94th Congress, 1975 and 1976 (Public Laws 94–71 and 94–433). In the first session of the 95th Congress, Public Law 95–117 provided an increase of 6.6 percent in the rates of disability compensation and dependency and indemnity compensation, and in the annual clothing allowance, effective October 1, 1977.

Increases in Disability Compensation Rates

Based on the changes in the Consumer Price Index from the effective date of the last increase (October 1, 1977), to date, together with projected increases to October 1, 1978, as estimated by the Congressional Budget Office, a 7.3-percent increase in benefits will be required to protect the purchasing power of benefits paid to disabled veterans and their survivors.

Disabled veterans and their survivors during the past year have continued to experience an increase in the cost of living, particularly in the first half of 1978. In January of this year, the VA originally proposed an increase of 5.8 percent in the applicable rates, but, on July 27, 1978, advised the Committee that OMB was projecting a 6.9-percent increase in the Consumer Price Index for the period October 1977, to October 1978, The Congressional Budget Office advised the Committee on July 25, 1978, that, based on CBO's July 1978, economic projections, CBO's estimate of the increase in the Consumer Price Index for the period from October 1977, to October 1978, was 7.3 percent.

The following table shows changes in the Consumer Price Index from January 1975, to June 1978:

TABLE 2.—U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX

[1967=100]

	1975	1976	1977	1978
January	156.1	166.7	175.3	186.9
February	157.2	167.1	177.1	188.3
March	157.8	167.5	178.2	189.8
April	158.6	168.2	179.6	191.3
May	159.3	169.2	180.6	193.2
June	160.6	170.1	181.8	195.1
July	162.3	171.1	182.6	
August	162.8	171.9	183.3	
September	163.6	172.6	184.0	
October	164.6	173.3	184.5	
November	165.6	173.8	185.4	
December	166.3	174.3	186.1	

The following table shows the current rates for disability compensation and those proposed by S. 2828, as reported, together with the number of veterans receiving compensation in each category:

TABLE 3.—COMPARISON OF COMPENSATION RATES UNDER PRESENT LAW AND UNDER S. 2828 AS REPORTED

	Increases		Number of veterans
	From—	To—	
Percentage of disability or subsection under which payment is authorized:			
(a) 10 percent	$41	44	876,120
(b) 20 percent	75	80	352,472
(c) 30 percent	113	121	314,863
(d) 40 percent	155	166	183,814
(e) 50 percent	216	232	114,499
(f) 60 percent	272	292	122,757
(g) 70 percent	322	346	86,893
(h) 80 percent	373	400	40,479
(i) 90 percent	419	450	13,861
(j) 100 percent	754	809	122,021
Higher statutory awards for certain multiple disabilities:			
(k) (1) Additional monthly payment for anatomical loss of use of any of these organs: 1 foot, 1 hand, blindness in 1 eye (having light perception only), 1 or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction), for each loss	56	56	
(2) limit for veterans receiving payments under (a) to (j) above	937	1,005	85,843
(3) Limit for veterans receiving payments under (j) to (n) below	1,312	1,408	
(l) Anatomical loss or loss of use of both hands, both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance	937	1,005	6,730
(m) Anatomical loss or loss of use of 2 extremities so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, either with light perception only or rendering veterans so helpless as to require regular aid and attendance	1,032	1,107	2,831
(n) Anatomical loss of 2 extremeties so near shoulder or hip as to prevent use of prosthesis or anatomical loss of both eyes	1,172	1,258	367
(o) Disability under conditions entitling veteran to 2 or more of the rates provided in (l) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service connected) in combination with total blindness (5/200 visual acuity or less)	1,312	1,408	49
(p) (1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed	1,312	1,408	
(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rates at 40 percent or more disabling (impairment of either or both ears service connected) next higher rate is payable, or (b) service connected total deafness of 1 ear next intermediate rate is payable, but in no event may compensation exceed	1,312	1,408	6,866
(q) [This subsection repealed by Public Law 90–493.]			
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to (o) or (p) rate	563	604	8,556
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound	843	905	6,949

Source: Veterans' Administration, July 1978.

For a broader perspective, the following table shows statutory increases in the compensation program since 1957:

TABLE 4.—HISTORY OF WARTIME SERVICE-CONNECTED COMPENSATION INCREASES, 1957 TO PRESENT

Sec. 314, title 38, subpar.—	Public Law 85–168, Oct. 1, 1957	Plus percent increase equals—	Public Law 87–645, Oct. 1, 1962	Plus percent increase equals—	Public Law 89–311, Oct. 31, 1965	Plus percent increase equals—	Public Law 90–493, Jan. 1, 1969	Plus percent increase equals—	Public Law 91–376, July 1, 1970	Plus percent increase equals—
(a)	$19	5.3	$20	5.0	$21	9.5	$23	8.7	$25	12.0
(b)	36	5.6	38	5.3	40	7.5	43	7.0	46	10.8
(c)	55	5.5	58	3.4	60	8.3	65	7.7	70	10.0
(d)	73	5.5	77	6.6	82	8.5	89	7.9	96	10.4
(e)	100	7.0	107	5.6	113	8.0	122	10.7	135	10.3
(f)	120	6.7	128	6.3	136	8.1	147	10.9	163	9.8
(g)	140	6.4	149	7.4	161	8.1	174	10.9	193	9.8
(h)	160	6.3	170	9.4	186	8.1	201	10.9	223	9.9
(i)	179	6.7	191	9.4	209	8.1	226	10.6	250	10.0
(j)	225	11.1	250	20.0	300	33.3	400	12.5	450	10.0
(k)										
(l)	309	10.0	340	17.6	400	25.2	500	12.0	560	10.0
(m)	359	8.6	390	15.4	450	22.2	550	12.0	616	10.1
(n)	401	9.7	440	19.3	525	18.2	625	12.0	700	10.0
(o)	450	16.7	525	14.3	600	16.7	700	12.0	784	9.0
(p)	450	16.7	525	14.3	600	16.7	700	12.0	784	9.9
(q)										
Subpar. (r) "A and A" nonhospitalization, Public Law 85–782, effective Oct. 1, 1958	150	33.3	200	25.0	250	40.0	300	12.0	336	10.1
Subpar. (S) (housebound cases) Public Law 86–663, effective Sept. 1, 1960	265	9.4	290	20.7	350	28.8	450	12.0	504	9.9
38 U.S.C. 362										

Sec. 314, title 38, subpar.—	Public Law 92–328, Aug. 1, 1972	Plus percent increase equals—	Public Law 93–295, May 1, 1974	Plus percent increase equals—	Public Law 94–71 Aug. 1, 1975	Plus percent increase equals—	Public Law 94–433, Oct. 1, 1976	Plus percent increase equals—	Public Law 95–117, Oct. 1, 1977	Percent increase from Jan. 1, 1996
(a)	$28	15	$32	9.4	$35	8.6	$38	6.6	$41	78.3
(b)	51	15	59	10.2	65	7.7	70	6.6	75	74.4
(c)	77	15	89	10.1	98	8.2	106	6.6	113	73.9
(d)	106	15	122	9.8	134	8.2	145	6.6	155	74.2
(e)	149	15	171	9.9	188	8.0	203	6.6	216	77.1
(f)	179	18	211	11.9	236	8.1	255	6.6	272	85.0
(g)	212	18	250	12.0	280	7.9	302	6.6	322	85.1
(h)	245	18	289	12.1	324	8.0	350	6.6	373	85.6
(i)	275	18	325	12.0	364	8.0	393	6.6	419	85.4
(j)	493	18	584	12.2	655	7.9	707	6.6	754	88.5
(k)		10	52	0	52	8.0	879	6.6	56	19.2
(l)	616	18	727	12.0	814	8.0	879	6.6	937	87.4
(m)	678	18	800	12.0	896	8.0	968	6.6	1,032	87.6
(n)	770	18	909	12.0	1,018	8.0	1,099	6.6	1,172	87.5
(o)	862	18	1,017	12.0	1,139	8.1	1,231	6.6	1,312	87.4
(p)	862	18	1,017	12.0	1,139	8.1	1,231	6.6	1,312	87.4
(q)										
Subpar. (r) "A and A" nonhospitalization, Public Law 85–782, effective Oct. 1, 1958	370	18	437	11.9	489	0	528	6.6	563	87.7
Subpar. (s) (housebound cases) Public Law 86–663, effective Sept. 1, 1960	554	18	654	11.9	732	7.7	791	6.6	843	87.3
38 U.S.C. 362						8.6	190	6.6	203	[1] 35.3

[1] From Aug. 1, 1972. Source: Veterans' Administration, July 1978.

Increase in dependents' allowances to veterans

The Committee bill incorporates a provision of Amendment No. 3067 relating to dependents' allowances (to S. 2828 as introduced), in order to increase substantially the dependents' allowances paid to veterans.

Under current law, veterans with service-connected disabilities rated from 50 to 100 percent receive additional compensation for each dependent. The amounts payable to veterans who are rated at 50- to 90-percent disabled are prorated according to the degree of disability—for example, a veteran rated 50-percent disabled receives 50 percent of the amount payable to a veteran rated 100-percent disabled with the same number and type of dependents.

Allowances are payable to such veterans for spouses, children, and dependent parents. If the veteran's spouse is severely disabled, or if the veteran has a child 18 or over attending an approved educational institution, an additional allowance is payable to the veteran.

The following table shows, in part, the current schedule of monthly allowances for veterans rated from 50- to 100-percent disabled.

TABLE 5.—SELECTED DEPENDENTS' ALLOWANCES UNDER CURRENT LAW

	Percent							Percent					
	100	90	80	70	60	50		100	90	80	70	60	50
Spouse	$46	$41.40	$36.80	$32.20	$27.60	$23.00	No spouse, but 1 child	30	27.00	24.00	21.00	18.00	15.00
Spouse and child	77	69.30	61.60	53.90	46.20	38.50	2 children	52	46.80	41.60	36.40	31.20	26.00
Spouse and 2 children	98	88.20	78.40	68.60	58.80	49.00	3 children	77	69.30	61.60	53.90	46.20	38.50
Spouse and 3 children	120	108.00	96.00	84.00	72.00	60.00	Each additional child	22	19.80	17.60	15.40	13.20	11.00
Each additional child	22	19.80	17.60	15.40	13.20	11.00							

The dependents' allowances payable to veterans and survivors differ substantially in each of the four major title 38 programs providing for such allowances: GI Bill educational assistance (chapter 34), service-connected disability compensation (chapter 11), dependency and indemnity compensation (DIC) (chapter 13), and need-based pension (chapter 15).

In preparing the Committee pension-reform measure, S. 2384, for introduction, the Committee reviewed the dependents' allowances payable to veterans and survivors in each of these four programs. The schedule of benefits and the amounts payable differ substantially in each program. For example, a married veteran attending school full time under the GI Bill receives an additional $59 per month for his or her spouse and an additional $52 per month for one child, plus $26 for each additional child. Under current law, a 100-percent service-connected disabled veteran who is married receives $46 per month for his or her spouse and $31 per month for one child, plus $21 for a second child, and $22 per month for each additional child. A surviving spouse receiving DIC receives $33 per month for each dependent child. The additional pension payable to a married veteran cannot exceed $15 per month for a spouse plus $5 per month for each dependent child up to a maximum of two.

One of the major provisions of S. 2384, the Committee-reported pension-reform measure (S. Rept. No. 95–1016), would establish a system of increased payments for the support of dependents more realistically in line with the actual costs of support than

the allowance provided under current law in any of these programs. Thus, S. 2384 would provide for an increase in the basic income standard of $87 per month if the veteran is married, with $55 per month added for each dependent child. The comparable amounts under current law are $15 per month for a spouse and $5 per month for each child up to two. The income standards applicable to surviving spouses would be similarly increased if there are dependent children.

The purposes of the four major VA programs under which dependents' allowances are authorized differ, of course, but in each program the dependents' allowance is intended to defray the costs of supporting the veteran's or surviving spouse's dependents. In the case of service-connected disabled veterans and surviving spouses receiving DIC, simple fairness requires eliminating the disparities between the compensation program and the proposed pension program by increasing the dependents' allowances payable to 100-percent service-connected disabled veterans and DIC beneficiaries to the levels provided for under the Committee bill is clearly warranted, as well as making proportionate increases to those rated 50 to 90 percent.

Thus, under the Committee bill, the dependents' allowances paid to veterans would be substantially increased—by an average of about 50 percent—in order to bring those allowances more realistically in line with the cost of supporting dependents. In addition, the Committee bill simplifies the schedule of benefits. The following table shows the dependents' allowances provided for under the Committee bill:

TABLE 6.—DEPENDENTS' ALLOWANCES UNDER S. 2828 AS REPORTED

	Monthly
Veterans rated 100 percent with a spouse, or a child but no spouse	$87
Each child or each additional child	55

The following proportionate rates for veterans rated 50 to 90 percent disabled:

Rating	One dependent (spouse or child)	Each additional dependent (child)
50 percent	$43.50	$27.50
60 percent	52.20	33.00
70 percent	60.90	38.50
80 percent	69.60	44.00
90 percent	78.30	49.50

Data supplied by the VA indicate that about 80 percent of all veterans rated 50- to 100-percent disabled have dependents. The following table indicates the number of veterans in each category and the 1977 costs of the compensation payable to those veterans for dependents follows:

TABLE 7.—VETERANS IN RECEIPT OF COMPENSATION WHO HAVE DEPENDENTS

Veterans with dependents	Number	1977 costs (millions)
Veterans rated 100 percent	75,660	$73.2
Veterans rated 90 percent	11,773	8.2
Veterans rated 80 percent	33,999	21.8
Veterans rated 70 percent	67,272	41.9
Veterans rated 60 percent	102,128	50.2
Veterans rated 50 percent	89,975	23.2
Total	380,807	218.5

Dependents

Spouses	357,041
Children	328,816
Parents	13,193
Total	699,050

Sourse: Veterans' Administration, July 1978.

Veterans receiving dependents' allowances for a dependent parent, a helpless spouse, or a child in school, would receive a 7.3-percent increase in those allowances, consistent with the cost-of-living increase in other compensation rates.

Increase in compensation for loss or loss of use of three extremities

The bill incorporates a provision, derived from Amendment No. 3067 and section 104 of H.R. 11886, passed by the House of Representatives on June 28, 1978, relating to veterans who have lost or lost the use of three extremities, in order to provide that such a veteran shall be compensated at the next rate or intermediate rate higher than his or her present compensation rate.

Under current law, service-connected disabled veterans rated at 100 percent may be entitled to additional compensation for certain permanent, severe disabilities, such as unreasonable blindness and paraplegia and combinations of disabilities, as specified in the applicable sections of chapter 11 of title 38, United States Code. For example, a veteran who has suffered the service-connected loss of use of both feet is compensated at the "l" rate—subsection (l) of section 314 of title 38. A veteran who has suffered the service-connected loss of both lower extremities at a level preventing natural knee action with prosthesis in place is compensated at the "m" rate—subsection (m) of section 314. A veteran who has lost both lower extremities so near the hip as to prevent the use of a prosthetic appliance is compensated at the "n" rate—subsection (n) of section 314. A veteran whose disabilities are such that he or she would be entitled to two or more of the rates under (l) through (n) is compensated at the "o" rate—subsection (o) of section 314—which is the maximum rate, currently $1,312 per month.

Subsection (p) provides that the next higher rate or an intermediate rate—established by regulation—may be allowed if the disabilities exceed those specified in subsection (l), (m), or (n). The veteran may also be entitled to a "k" award—subsection (k) of section 314—for certain specific disabilities.

Any veteran compensated at the "o" rate, or paid at the maximum rate authorized under subsection (p) of section 314, who is in need of regular aid and attendance, may be entitled to an additional $563 per month, under subsection (r) of section 314.

However, no specific recognition is granted under current law to veterans who have suffered the cumulative impairments of a triple amputation, loss of use of three extremities, or any combination of amputation or loss of use of three extremities. Depending on the severity of the disability involved, these veterans are compensated at the following rates.

	Monthly
"1½" (intermediate rate)	$985
If rated "1½" (intermediate rate) +"k"	1,041
If rated "m"+"k"	1,088
If rated "m½" (intermediate rate) +"k"	1,158
If rated "n"+"k"	1,228

A comparison of the rates payable to veterans who have incurred a double amputation or loss of use of two extremities, and who have incurred a triple amputation or loss of use of three extremities, indicates that the level of compensation payable to those in the latter group is, on the average, only about 9 percent higher than that payable to veterans in the former group. This differential is insufficient to compensate these veterans adequately for their loss of three extremities. Thus, the Committee bill would increase—to the next higher rate or intermediate rate—the rate of compensation payable to these veterans, in order to insure that they are adequately compensated for the cumulative impairments attributable to their disabilities. This provision would also insure that veterans in this group who require regular aid and attendance are, in appropriate cases, entitled to the aid-and-attendance allowance rate under subsection (r) of section 314.

About 727 veterans would be eligible for the new rate.

Special aid and attendance allowance for certain 100-percent service-connected disabled veterans

The Committee bill would provide for a monthly special aid and attendance allowance of $900 for a veteran whose disabilities are so severe that in the absence of care by another person the veteran would require hospital, nursing home, or other residential institutional care.

Under current law, a veteran compensated at the "o" rate or the maximum "p" rate may be eligible for additional compensation of $563 per month if he or she is in need of "regular aid and attendance". These "o" and "p" rates provide increased compensation to 100-percent service-connected disabled veterans with certain very severe multiple disabilities, such as those who are both blind and deaf and those who are paralyzed and blind, and those who are quadriplegic. Thus, the Committee bill would provide for an increased aid-and-attendance allowance of $900 per month—$10,800 per year—for veterans who are compensated at the "o" and maximum "p" rates and who require such special aid and attendance. H.R. 11891, passed by the House on July 18, 1978, contains a similar provision.

The current amount of $563 per month—$6,756 per annum—is insufficient to pay for adequate aid-and-attendance-type care in some cases. Thus, the provision for the higher rate in the Committee bill would assist some veterans who cannot survive away from a hospital or other institution without substantial daily personal care provided by another person at home. The Committee believes strongly that it is very desirable to enable such very seriously disabled veterans to reside in their own homes, rather than in institutions, if the nature of their disabilities is such that they are able to live at home with the aid and attendance of another person.

In the Committee's view, the higher aid-and-attendance allowance would be reserved for those situations in which it is clear, under all the facts and circumstances, that the nature of the veteran's disabilities is such that he or she requires the substantial daily aid and attendance of another person. In many such cases, of course, the attendance of another person would be required at many times during the day to assist the veteran with basic necessities such as eating, evacuation, turning over in bed, taking medication, and the like. In other cases, the personal attendance might not be required during all 24 hours of every day, but would still be necessary for a substantial portion of those hours. In all cases in which this special

allowance is being paid, it should be determined that the veteran is actually receiving substantial actual and direct personal care on a daily (or very nearly daily) basis. Otherwise, in the Committees' view, the determination that institutionalization would otherwise be necessary could not reasonably be made.

The Committee also notes that the impact on different individuals of the very serious disabilities which authorize the payment of compensation at the "o" and "p" rates varies from case to case. In some cases, veterans who are paraplegic, quadriplegic, or blind and deaf, or who have suffered multiple amputations, have adapted most remarkably and well to the incursions of those disabilities into the routines of daily life—eating, sleeping, moving about, managing one's affairs, attending to one's own other personal needs, and the like. In individual cases, self-motivation, the aid of families, professional rehabilitative care, and the assistance of mechanical devices, have enabled veterans to overcome, to some extent, the impact of their disabilities. Generally, these are not persons who would require the new allowance. Nevertheless, even in such cases, it is entirely reasonable to expect that, from time to time, such a veteran's disabilities would result in substantial incapacitation—and the veteran would be forced to seek institutional care even though he or she would prefer to remain at home. In such cases, the Committee strongly suggests that VA assist the veteran through payment of the higher aid-and-attendance allowance during that period—if, under the individual circumstances, the veteran believes that he or she would be more comfortable at home and, in the opinion of the veteran's physician, substantial daily care at home would suffice to avoid hospital, nursing home, or other residential institutional care that otherwise would be indicated.

Special consideration for veterans with partly non-service-connected impairments of paired extremities

Under section 360 of title 38, three groups of veterans with bilateral disabilities are paid at the 100-percent rate even though part of their disability is non-service-connected. In each of these three groups, the veteran has sustained a service-connected loss and a non-service-connected loss. The three groups are—

(1) service-connected blindness of one eye and non-service-connected blindness of the other eye;

(2) service-connected loss or loss of use of one kidney and non-service-connected severe involvement of the other kidney resulting in total disability; and

(3) service-connected total deafness in one ear and non-service-connected total deafness in the other ear.

The thread tying those three categories together is total impairment of an irreplaceable for other benefits available to 100-percent hearing, and kidney function. The effect of existing law is to compensate those veterans as if the entire bilateral organic impairment were service connected. The VA interprets this provision as making those veterans eligible for other benefits available to 100-percent service-connected disabled veterans, for example, dependents' allowances at the maximum rate and increased compensation under section 315 (k) through (p), where applicable.

The Committee bill would amend section 360 to provide that a veteran who has suffered the service-connected loss or loss of use of one paired extremity, entitling the veteran to a rating of 40 percent or more, and who has also suffered non-service-connected loss or loss of use of the other paired extremity—which if service-connected would itself be rated at least 40 percent—would be entitled to a percentage increase in his or her rating equal to the same amount that the rating would be increased by virtue of bilateral impairment if both disabilities were service connected, but less than totally disabling.

The argument that the bilateral loss is particularly severe in such cases finds support in the VA's regulation establishing a rating schedule for entirely service-connected "paired extremity" situations. The "bilateral factor", found in section 4.26 of title 38 of the Code of Federal Regulations (38 CFR 4.26), provides for a rating for less-than-total impairments of paired extremities higher than the combined rating for each disability would produce. It recognizes the increased disability resulting from the impairment of paired extremities and is applicable only to that particular situation.

For example, consider a veteran who has suffered the service-connected partial impairment of both hands, each of which would be independently rated at 30 percent. Under the schedule of rating disabilities, the 30-percent ratings, combined, would be 51, and the "bilateral factor", 10 percent of 51, or 5.1, would be added to make 56.1, which would then be rounded to 60, so that the final disability rating would be 60 percent. Under the Committee bill, this principle would be similarly applied. For example, consider a veteran who has suffered a service-connected below-the-knee amputation, which would be rated at 40 percent, and a non-service-connected below-the-knee amputation as well. The combined value of the "paired" disabilities would be 64, and the addition to the veteran's service-connected rating by virtue of the "bilateral factor" would be 6.4—so that the final rating would be 40 plus 6.4, or 46.4, which would be rounded to 50 percent. Such a veteran would then become entitled—as would others whom this provision is intended to benefit—not only for increased compensation payments by virtue of this provision, but also for proportionate increases in cases in which the veteran has dependents.

In the case of service-connected and non-service-connected paired-extremity disabilities, had it not been for the service-connected loss of the one extremity, the veteran would not, after suffering the non-service-connected loss of the paired extremity, be bilaterally impaired. In the Committee's view, the application of the bilateral factor to these situations of mixed service-connected and non-service-connected disabilities would not dilute the concept of service connection; nor would it directly compensate the veteran for a non-service-connected disability or create a precedent for very costly extensions of cumulative non-service-connected and service-connected disabilities for compensation purposes. Rather, it would recognize the risk of a severely disabling condition—bilateral impairment—to which the service-connected disability subjected the veteran, and, if the risk materializes, provide an appropriate additional measure of compensation.

On May 23, 1977, the House passed H.R. 6501, a bill to extend the bilateral-impairment principle of section 360 to veterans with so-called paired extremity losses—that is, the service-connected loss or loss of use of one extremity—such as an arm or a leg or a hand or a foot—and the loss or loss of use of the second paired extremity from non-service-connected causes, the combination of which renders the veteran totally disabled. A counterpart bill, S. 379, was introduced by Senator Williams on January 19, 1977.

The Committee has adopted the approach in the Committee bill as preferable to treating the mixed service-connected/non-service-connected disabilities as totally service-connected and thus affording a veteran in this situation the benefits provided to a veteran whose disabilities are entirely service connected. Also, the Committee bill would apply the bilateral factor to permit increased benefits for those veterans with paired service-connected/non-service-connected extremity disabilities whose cumulative disabilities do *not* render them totally disabled. The Committee believes that these veterans are also deserving of the special consideration which the Committee bill would provide for them.

Increase in annual clothing allowance

The Committee bill would provide for an increase of 7.3 percent in the annual clothing allowance, from $203 to $218, commensurate with the rate increases being provided for the compensation and DIC programs. Increasing the clothing allowance by this modest amount, $15, is justified by the projected rise in the Consumer Price Index between October 1, 1977, and October 1, 1978.

Under current law (section 362 of title 38), a special clothing allowance is provided to veterans whose service-connected disabilities require them to wear or use a prosthetic or orthopedic appliance which tends to wear out or tear their clothing. In 1971, in Public Law 92-329, Congress first authorized an annual clothing allowance (of $150) for these veterans. Prior to its enactment, the Administrator was authorized to furnish "special clothing" necessitated by the wearing of prosthetic appliances. However, the law did not authorize the replacement of conventional clothing subjected to extraordinary wear and tear.

Congress has acted in recent years to assure that the clothing allowance keeps pace with amount of inflation; and in the first session of the 95th Congress, as part of Public Law 95-117, an increase of 6.6-percent was authorized, consistent with the compensation cost-of-living increase provided for under that 1977 public law.

In 1978, 53,486 veterans are receiving clothing allowances. In the report accompanying the 1977 compensation legislation (S. Rept. No. 95-416 accompanying H.R. 1862), the Committee expressed its approval of the VA's outreach efforts in 1975 and 1976 to contact potentially eligible veterans, and it intends that the VA continue its outreach efforts to identify and communicate with all those disabled veterans who are eligible for the allowance but who have not yet applied for it.

Title II: Dependency and indemnity compensation increases and other improvements for survivors

The Committee bill also would provide for significant improvements in the dependency and indemnity compensation program authorized under chapter 13 of title 38 for the survivors of veterans who died as the result of service-connected disabilities; for a new program—to be known as section 411A and 414A benefits—for the survivors of certain veterans rated totally disabled at the time of death; and for improvements in the burial benefits program under chapter 23.

Increases in dependency and indemnity compensation rates

Background

The dependency and indemnity compensation (DIC) program, which supplanted the earlier death compensation program, was established in 1956 with the enactment of the Servicemen's and Veterans' Survivor Benefits Act (Public Law 84-881).

DIC is paid to the survivors—surviving spouses, unmarried children under the age of 18, as well as certain helpless children, children between the ages of 18 and 23 who are enrolled in school and certain needy parents—of servicemen or veterans who died on or after January 1, 1957, from: (1) a disease or injury incurred or aggravated in line of duty while on active duty or active duty training; or (2) an injury incurred or aggravated in line of duty while on inactive duty training; or (3) a disability compensable under laws administered by the VA.

Surviving spouses, children, and parents who are receiving death compensation by

reason of death occurring before January 1, 1957, may elect to receive DIC benefits in lieu of death compensation. Once they so elect, however, they cannot thereafter receive death compensation.

DIC is paid to surviving spouses at rates determined by the pay grade—service rank—of the deceased veteran. Children become entitled to DIC where there is no surviving spouse, or where the child has become permanently incapable of self support before reaching the age of 18, or is age 18 to 23 and pursuing an approved course of education. Unlike the DIC program for surviving spouses and children, parents' DIC[1] is a need-based program in the sense that parents whose annual countable incomes exceed specific income limitations are not eligible for benefits.

Cost-of-living increase

The Committee bill would provide a uniform cost-of-living increase of 7.3 percent in DIC rates for surviving spouses and children, the same rate of the compensation increase provided service-connected disabled veterans under title I of the Committee bill. Additional allowances for surviving spouses in need of aid and attendance, helpless children, children between the ages of 18 and 23 attending school, and surviving spouses and dependent parents in receipt of death compensation and in need of regular aid and attendance, would also be increased by 7.3 percent. The following table shows a comparison of those rates, in part, under current law with the rates provided for under the Committee bill:

TABLE 8.—COMPARISON OF MONTHLY DIC RATES, UNDER PRESENT LAW AND S. 2828 AS REPORTED

	From—	To—
Pay grade:		
E–1	$277	$297
E–2	286	307
E–3	293	314
E–4	311	334
E–5	320	343
E–6	327	351
E–7	343	368
E–8	362	388
E–9	378	406
W–1	350	376
W–2	364	391
W–3	375	402
W–4	397	426
O–1	350	376
O–2	362	388
O–3	388	416
O–4	409	439
O–5	451	484
O–6	507	544
O–7	550	590
O–8	602	646
O–9	647	694
O–10	708	760
Surviving spouse in need of regular aid and attendance	83	89
Surviving child (where no surviving spouse is entitled)	140	105
2 such children[1]	201	216
3 such children	259	278
More than 3 children, addition for each additional child	52	56
Addition if child is helpless	83	89
Helpless child, where surviving spouse is also entitled	140	150
Child attending school	71	76

[1] If there is more than 1 surviving child, an equal share of the total amount is paid to each child.

Increased dependents' allowances to surviving spouses

The Committee bill would provide for substantial increases in the monthly dependents' allowances paid to surviving spouses. Under current law, that amount is $33 for each child; under the Committee bill, the surviving spouse would receive $87 for the first child and $55 for each additional child. These increases would bring the surviving spouses' dependents' allowances more realistically in line with the actual costs of supporting children; and the new allowances are identical to the increased dependents' allowances provided for service-connected disabled veterans who are totally disabled under title I of the bill.

This increase would benefit approximately 31,000 (of the 218,000 surviving spouses receiving DIC) surviving spouses who have dependents.

Household rate for surviving spouses receiving DIC

The Administration-proposed provision in S. 2828 as introduced entitling a surviving spouse receiving DIC to an additional monthly allowance, if such surviving spouse is "housebound", is carried forward in the Committee bill, and the amount of that allowance is slightly increased—from $44 to $45—to reflect the 7.3-percent increase applicable to other rates.

The VA recommended such an allowance in its report entitled "Evaluation of Benefits under the Dependency and Indemnity Compensation (DIC) Program", submitted to Congress on January 31, 1978, and mandated by section 404 of Public Law 94–433, and included a request for funding of the new rate in its January budget request.

The VA recommended an intermediate rate for surviving spouses so disabled because such disabled persons incur substantially greater expenses for health care and other basic necessities.

Under current law, totally disabled veterans—but not surviving spouses similarly disabled—receiving compensation or pension are entitled to a "housebound" allowance. Such allowances are payable where the veteran is not so disabled as to be in need of regular aid and attendance, but is, by reason of disability or disabilities, substantially confined to his or her house, or the ward or clinical areas if the veteran is institutionalized.

Presently, disabled surviving spouses receiving DIC are entitled to a monthly aid-and-attendance allowance of $79. The new rate—one-half of the aid-and-attendance rate—would be payable to a surviving spouse who is so disabled as to be confined substantially to his or her house or immediate premises (or ward or clinical areas, if institutionalized) by reason of a disability or disabilities expected to remain throughout the surviving spouse's lifetime.

Approximately 2,800 surviving spouses would be eligible for the new housebound rate in fiscal year 1979.

Benefits for surviving spouses and children of totally disabled service-connected disabled veterans

The Committee bill incorporates the provision of Amendment No. 3067 relating to survivors of totally disabled veterans.

As discussed above, chapter 13 of title 38 provides eligibility for DIC to surviving spouses, children, and needy parents of veterans whose deaths are determined by the VA to be service connected.

Under VA regulations issued pursuant to chapter 13 (38 CFR part 3), if a service-connected disability or disabilities is found to be the primary or contributory cause of death, the veteran's death is considered to be service connected. These determinations are generally, the Committee believes, made on a liberal basis. For example, a veteran may be suffering from non-service-connected disabilities which by their very nature are so overwhelming that eventual death can be anticipated irrespective of coexisting disabling conditions which are service connected. Even though such a non-service-connected disability is the primary cause of death, the VA gives consideration to whether the coexisting service-connected conditions were of such severity as to have a material influence in accelerating death. Where death has been so accelerated, it will be considered as service connected. The survivors of any veteran whose service-connected disabilities were either the primary cause of death or contributed materially in producing death would thus be eligible for service-connected death benefits, primarily DIC. The Committee endorses this longstanding interpretation of current law.

The Committee bill would provide for payment of benefits under the DIC chapter—to be known as "section 411A and 414A benefits"—to the survivors of veterans who were rated totally disabled because of one or more service-connected disabilities at the time of death.

Background

This provision is the result of a careful review of two studies conducted by the Veterans' Administration of DIC claims submitted by survivors of totally and permanently disabled veterans, and the Committee's analysis of the needs of the survivors of totally disabled veterans.

In the 93d Congress, section 207 of Public Law 93–295 required the VA to conduct a study of DIC claim denials where the veteran at the time of death was receiving compensation from the Veterans' Administration based on a total and permanent service-connected disability. This study, submitted on January 31, 1975, revealed that 24.93 percent of the 2,976 cases reviewed had been denied because no relationship between the veteran's service-connected disability and the cause of death had been established.

The Committee was convinced that many of these denials were caused by the VA's failure to take into account adequately the total impact of a total and permanent disability, and included in S. 1597 the Veterans Disability Compensation and Survivors Benefits Act of 1975, reported June 19, 1975 (S. Rept. No. 94–214), a provision to grant DIC to all survivors of permanently and totally disabled veterans who had been so rated for a period of 1 year or more. The Senate passed S. 1597 with this provision, but it was not agreed to by the House. However, the Veterans Disability Compensation and Survivors Benefits Act of 1975, as enacted (Public Law 94–72) included a requirement that the VA conduct a second study of DIC claims.

The study required by Public Law 94–72 was submitted to the Congress on September 28, 1976. It indicated that of the 1,597 cases under review, 12.87 percent were denied on the ground that no relationship was shown to exist between the veterans' service-connected disabilities and the cause of death.

The Committee appreciates the careful and thorough efforts on the part of the VA to accord each DIC claimant the maximum leeway in establishing a claim. However, the fact remains that from 12 to 25 percent of DIC claims are denied because the veteran's death is not found to be service connected.

The appropriate Federal obligation to these survivors should, in the Committee's view, be the replacement of the support lost when the veteran dies. For example, assume that a veteran who is totally blind from service-connected causes dies at the age of 55 from a heart attack, having been so disabled from the age of 22—a period of 33 years. During that period, his wife and he depended upon his disability compensation for income support, but, because his death is not service connected, she would not receive DIC. In many, if not most of these situations, the surviving spouse is middled-aged or older. At such an age, it is very difficult for the surviving spouse (almost all of them are widows) to become self-sufficient, and the veteran's estate is likely to be inadequate for her support.

[1] The Committee pension reform bill, S. 2384, reported on July 17 (S. Rept. No. 95–1016), would restructure the parents' DIC program along the lines of the improved pension program in that measure.

Thus, the Committee bill would provide, under a new section 411A, for benefits with respect to surviving spouses, and, under a new section 414A, for benefits with respect to surviving children (hereinafter referred to as "section 411A benefits" and "section 414A benefits", respectively), to the survivors of certain veterans who were rated 100-percent service-connected disabled at the time of death, but not by reason of "individual unemployability,"[1] and whose deaths have not been determined by the VA to be service connected, under three approaches:

(1) Benefits at the full DIC rate to the surviving spouse or child of a veteran who immediately prior to death (A) had been continuously rated totally disabled for 20 or more years (the point at which the 100-percent rating becomes protected and cannot be reduced), or (B) had been rated totally disabled for 10 or more years continuously since the date of discharge (after a continuous 10-year period, service-connected status is acquired for the life of the veteran).

(2) To the surviving spouses of all other such veterans who are rated totally disabled at the time of death, benefits payable on the basis of either of the following alternatives, between which the surviving spouse could elect: (A) payment of the full DIC rate for a period of time equal to the number of months immediately preceding death, during which the veteran was continuously receiving compensation at the 100-percent-disabled rate, or (B) monthly payments for life based on the amount payable under (A) spread out over the actuarially expected life of the survivor, the monthly amount being calculated by multiplying the applicable DIC monthly rate by the number derived by dividing the number of months the veteran was rated totally disabled by the estimated number of months of remaining life expectancy of the surviving spouse at the time of the veteran's death (based on standard mortality tables). For example, if the veteran was so rated for 9 years and the remaining life expectancy of the surviving spouse is 18 years, the surviving spouse could elect to receive benefits (i) at the full DIC rate for 9 years or (ii) at the 50-percent (9÷18=50 percent) rate for as long as he or she lives.

(3) To the surviving children of the same category of veterans as described in (2), above, benefits to be determined by multiplying the applicable monthly DIC rate by the number derived by dividing the number of months the veteran was rated totally disabled by the number of months remaining before the child attains age 21. For example, if the veteran was rated at 100 percent for 6 years and the child is age 13 when the veteran dies, the child would receive benefits at 75 percent (6÷8=75 percent) of the DIC rate until the child reaches age 18, or age 23, if attending school. However, in the case of a helpless child, one who becomes permanently incapable of self-support before reaching age 18, the benefits would be paid at the full DIC rate as long as the child remains helpless.

This provision includes the limitation that in no case would monthly benefits be greater than those payable to survivors receiving DIC when the death of the veteran is determined to be service-connected. Also, this provision would not be applicable to the parents of veterans whose death is not determined to be service-connected.

Section 411A and 414A benefits would be payable in the same manner and to the same extent as DIC benefits. The basic surviving-spouse eligibility requirements relating to marriage—generally, marriage prior to certain dates, for one year or more, or for any period of time if a child is born during or before the marriage—would be the same. Presently, DIC benefits are terminated if the surviving spouse remarries, but, under section 103(d)(2) of title 38, such benefits are restored if the new marriage terminates in death or divorce; section 411A benefits would also be terminated and restored in such situations. In the case of certain survivors eligible for benefits under the military Survivor Benefit Plan (SBP), SBP benefits are, under section 1448(d) of title 10, United States Code, offset dollar for dollar by DIC benefits, and it is intended that this principle also be applied to section 411A and 414A benefits.

Under the new program, as in the DIC program, section 411A and 412A benefits would not be paid if the veteran's death resulted from his or her own willful misconduct.

These benefits would also not be paid in cases in which the veteran's death resulted from the surviving spouse's willful misconduct, in the case of section 411A benefits, or the surviving child's willful misconduct, in the case of section 414A benefits. These restrictions are necessary because the payment of section 411A or 414A benefits, unlike DIC benefits, is predicated on the lack of a finding by the VA that the veteran's death was service connected.

However, the fact that a veteran's death is not the result of natural causes would not bar the survivors from eligibility for section 411A or 414A benefits. The purpose of those benefits is to provide income security to the survivors. This reflects the Committee's view that the veteran's total disability, endured over a lengthy period of time, necessarily results in a substantial impairment of the veteran's ability to provide for his or her survivors; and that the primary purpose of the new benefit is to compensate for that impairment.

Thus, the actual cause of the veteran's death (with the exception of deaths attributable to willful misconduct) is irrelevant. For example, if a veteran, blinded during service, and his family derive their major support from the veteran's disability compensation, the impact of the veteran's death on the survivors is the same—loss of income—whether the veteran dies from a non-service-connected heart attack or as the result of a taxicab accident. (It should be noted that a death may be determined to be service connected even though it is "accidental"—for example, in the case of a death from a household fire in which the veteran's disability precluded his or her escape.)

On July 26, 1978, the House passed H.R. 11890, a measure having a similar purpose, which would entitle such survivors, where the service connection of the death was not established, to receive DIC if the veterans' total and permanent disability rating had been in effect for 10 years or more, or continuously from the date of discharge, but, in the case of a surviving spouse, only if the survivor had been married to the veteran for 5 years or more immediately preceding the veteran's death, and only if the veteran died from natural causes.

On June 8, Senator Biden introduced S. 3187, a counterpart of the House bill; and on June 23, 1978, Senator Tower introduced S. 3236, similar to the House bill but not requiring a 5-year period of marriage.

Another bill currently pending in the Committee, S. 13, introduced by Senator Inouye on January 10, 1977, would provide for the payment of DIC to all widows of 100-percent service-connected disabled veterans who died after December 31, 1956, of non-service-connected causes—with the benefits subject to a 50-percent offset against other income available to the widow.

Also pending before the Committee is S. 1929, introduced by Senator Thurmond on July 26, 1977, which would extend DIC eligibility to the survivors of blinded veterans, regardless of the cause of the veteran's death.

Such proposed legislation is based, as is this provision in the Committee bill, on the premise that the presence of a 100-percent service-connected disability, may reduce normal life expectancy and, even more importantly, so overwhelm a family as to prevent the normal accumulation of an estate sufficient to provide for the survivors.

Despite the VA's strong objections to all of those proposals on the grounds that very liberal cause-of-death adjudication are already made and that it is not a Federal responsibility to provide DIC in cases of non-service-connected deaths, the Committee believes that it is appropriate to provide benefits based on DIC rates with the level (or duration) of such benefits designed to provide appropriate support to the survivors, primarily on the basis of the duration of the 100-percent rating. Where the veteran's rating was in effect for a long period of time, the impact on the family is necessarily greater; and the effect on normal life expectancy may also be greater.

Burial benefits improvements

Funeral and Burial Expenses for Service-Connected Deaths

The Committee bill would provide for an increase of $700—from $800 to $1,500—in the allowance which the VA pays, at the request of the survivors, for funeral and burial expenses for a veteran whose death was service connected.

Until 1974, there was no difference between the funeral and burial benefits paid to the survivors of veterans who died from service connected causes and those who died from non-service-connected causes. The amounts so provided for funeral and burial expenses were substantially less than the average funeral and burial costs in this country. In clear recognition of the greater Federal responsibility for service connected deaths, the Congress corrected that situation, in part, by enacting legislation that increased substantially, from $250 to $800, by maximum allowance payable for such deaths. That legislation, section 5(a)(2) of the National Cemeteries Act of 1973 (Public Law 93-43), codified at section 907 of title 38, tied the amount of allowances payable at the request of the survivors to the amount payable under section 9134(a) of title 5, United States Code for Federal employees who die from injuries sustained in the performance of their duties.

The $800 maximum payable under that provision was set in 1958 and has not been increased despite the very substantial rise in funeral and burial expenses over the past 20 years. Estimates from the National Association of Funeral Directors indicate that the average cost of a funeral (including the basic funeral and the casket) in 1958 was $661; by 1976, the cost of an average funeral has risen to $1,348. The Bureau of Consumer Protection, Federal Trade Commission, in its June 1978 report, entitled "Funeral Industry Practices", indicated that funeral costs rise by about 8.5 percent per year, so that the estimated average cost of a funeral as of 1978 is over $1,500. Moreover, these figures do not include the cost of an interment receptacle, vault, or liner (the cost of these items range from $300 to $2,000), the cost of opening and closing the grave (the cost for this service ranges from $50 to $100), or the cost of the burial plot (the cost for a plot averages from $75 to $500). By adding these additional costs to the cost for the basic funeral, the Bureau arrived at a cost figure (described as conservative) of nearly $2,400 for the average total funeral today.

The Committee believes that the highest

[1] "Unemployability" refers to the payment of compensation at the 100-percent rate to veterans whose schedular evaluation, according to the Schedule of Rating Disabilities (38 CFR Part 4), is less than 100 percent, but who are unemployable. In most cases, such a rating is temporary.

priority of the VA programs relating to burial and cemetery benefits should be assistance to the survivors of those veterans who die from service-connected causes. Thus, because the costs related to burials have risen substantially since 1958, the Committee bill would increase the maximum allowance in such cases to $1,500 or the amount provided under the Federal-employee job-related-death provision (5 U.S.C. 8134(a)), whichever is greater.

In fiscal year 1977, 11,240 awards were made to survivors under this provision; for fiscal year 1978, 12,500 awards are projected by the VA, and for fiscal year 1979, 13,500 award are projected by the VA.

Memorial markers for unrecovered remains

The Committee bill also contains a provision derived from H.R. 12257, passed by the House of Representatives on June 19, 1977, to expand entitlement for a memorial marker where the remains of the deceased have not been recovered or identified, or were buried at sea, to include any situations where the remains of veterans are so missing or unidentified. Under current law, the VA can provide such a memorial marker (costs range approximately from $27 to $55 in fiscal year 1977—and approximately from $24 to $63 in fiscal year 1978) only for the remains of a service person who dies while on active duty, and not when the death occurs after leaving the service, although the survivors of all veterans whose remains are recovered are eligible for a VA-provided headstone or marker. The bill eliminates this anomaly so that such a marker can be provided to honor the memory of any veteran whose remains are not recovered or identified.

Title III: Miscellaneous provisions

Extension of compensation benefits to U.S. citizens who fought with allies in World War II

The bill provides entitlement to compensation to Americans who, while citizens of the United States, volunteered during the period of September 1, 1939, to December 8, 1941, to serve in the armed forces of our allies during World War II and suffered service-connected disabilities during such service, and who are now citizens and residents of the United States.

Background

During the period before the United States entered World War II, many Americans volunteered to serve in the Armed Forces of the United Kingdom and other countries with whom the United States was to become allied. Some American citizens who volunteered to fight in the forces of those countries when World War II began in Europe lost their American citizenship. Congress acted in 1942 to allow such persons to regain their citizenship by taking an oath before an American diplomatic official (Public Law 77–513). For purposes of that procedure, World War II was deemed to have begun on September 1, 1939, the date of the German invasion of Poland. (Two days later, on September 3, 1939, Britain and France declared war on Germany.)

Those persons (United States citizens when they volunteered to serve and United States residents when applying for and receiving benefits) were made eligible for GI bill veterans' benefits, such as educational assistance and home loan guarantees, by 1945 amendments to the Servicemen's Readjustment Act of 1944, which are now codified in section 109(b) of title 38. If the country in whose forces they served has entered into a reciprocal reimbursement agreement with the United States, they are also eligible for VA health care under section 109(a) of title 38. The only country which has such an agreement with the United States is the United Kingdom. (Section 109(a) also applies to all veterans of service with allies in World War I and II.) However, eligibility for VA disability compensation was never extended to such persons.

In the Committee's view, the extension of compensation benefits to American citizens who fought with our allies in World War II is important in order to recognize that those Americans who so served in the fight against Nazi totalitarianism and aggression and suffered disabilities in such service are deserving of appropriate remuneration to compensate for their service-incurred disabilities. The compensation benefits payable by the allied governments are far below comparable VA benefits. For example, an American who volunteered to serve in the British forces and who suffered a permanent disability rated at 100 percent, would receive from the British Government, depending on his service rank, from $2,707 per year (private) to $3,268 per year (major general). The comparable VA rate would be $9,048.

Committee Bill Provision

Under the Committee bill, compensation would be provided to these persons in the same manner and to the same extent as to veterans who served in the United States forces, reduced by the amount of benefits received from the allied government. Service connection would be presumed if the person were receiving benefits from the allied government, but the VA would evaluate the disability according to its own rating schedule.

There is little information on which to base an estimate of the number of persons who would be benefited by this provision. Several thousands of United States citizens—perhaps as many as 12,000—volunteered to serve in the British, French, or other allied forces prior to the attack on Pearl Harbor. According tc information received from the British Government, 2,000 persons residing in the United States are currently receiving "war pension"—similar to VA compensation—but, of course, not all may be American citizens who volunteered during World War II.

Medal of Honor pension increase

The Committee incorporates from Amendment No. 3067 the provision for an increase—from $100 to $200—in the monthly special pension paid to recipients of the Medal of Honor. The Medal of Honor is the highest award for bravery an individual in the United States may receive. Given by the President in the name of Congress, it recognizes that the individual to whom it is awarded has performed a deed so valorous at the risk of his own life, that, had he not done it, he would not have been subject to justifiable criticism. It was established 116 years ago and is the first military decoration formally authorized by our Government as a badge of valor. The history of this medal, the deeds for which it has been awarded, and those who have earned it are of the greatest concern to the Nation they have served. Amidst the ugliness and tragedy of war, many individuals who have been called to battle display outstanding courage and valor and willingness to make sacrifices. The most supreme acts of heroism are recognized by the award of the Medal of Honor.

To enhance the significance of this highest award, and to set it apart from all others, Congress provided in 1918 for a monetary stipend, now known as special pension, payable to recipients of the Medal. In 1961, an increase to $100 per month was authorized. Since that time, the Consumer Price Index has more than doubled, and thus the enhancement which the special pension represents has been seriously diminished. The Committee bill thus proposes to restore this enhancement by increasing the rate to $200 per month, which would benefit approximately 286 living recipients. The House passed a similar measure, H.R. 11889, on July 26, 1978.

Automobile assistance allowance

The bill incorporates from Amendment No. 3067 the provision of an increase—from $3,300 to $4,100—in the automobile assistance allowance provided for under chapter 39 of title 38. Under current law, veterans who have suffered the service-connected loss or loss of use of one or both feet, or one or both hands, or who are blind, are entitled to a one-time grant of $3,300 to assist them in purchasing an automobile. In addition, the VA provides special assistance to the veteran in adapting the automobile to the veteran's needs, as well as training in the use of the specially adapted automobile.

Background

The program of automobile assistance allowances—now chapter 39 of title 38—was established by the Congress in Public Law 79–663, enacted in 1946. Under that law, certain disabled veterans or World War II (with service between December 7, 1941, and December 31, 1946) were provided with or assisted in the purchase of an automobile or other conveyance. Public Law 82–187, enacted in 1951, extended these benefits to veterans of the Korean conflict—with service between June 27, 1950, and January 31, 1955. Such allowances are also provided to veterans of post-World War II peacetime periods, and, under Public Law 95–116, enacted in 1977, to veterans of World War I and the pre-World War II peacetime period.

Public Law 90–666, enacted in 1970, effective on January 11, 1971, increased the maximum amount payable toward the purchase of an automobile or other conveyance from $1,600 to $2,800. The law also provided, for the first time, for VA payment, in addition to the dollar grant, of the cost of necessary adaptive equipment, as well as of the maintenance, replacement, and installation thereof.

In 1975, the amount of the allowances was increased to $3,300 by Public Law 95–538. Since that time, the Consumer Price Index (CPI) component for new automobiles has risen approximately 22.7 percent and will very likely continue to rise.

Thus, an increase to $4,100 assures that the value of this benefit keeps pace with inflation.

VA study of disability compensation and health-care benefits for former prisoners of war

Recently, the Committee has become concerned about claims, particularly by former prisoners of war (POW's) from World War II who were interned in the Pacific theater, of long-lasting and progressive physical and psychological damage attributable to the conditions of the internment experienced by former POW's.

It appears that, because of the inadequate state of medical knowledge of various hardships suffered during internment, including the long-term effect of dietary deficiencies and unsanitary conditions, and because of the strong desire of former prisoners of war to return home as quickly as possible after World War II, those repatriation camps may have discharged veterans without thorough examinations and without close attention to their potential health problems. A major problem appears to be a lack of adequate records, necessary at a later date in order to establish service connection for ailments possibly related to internment. Also, conditions which may have seemed relatively minor at the time of repatriation may have become progressively debilitating. Thus, thirty years later, a former POW suffering from a debilitating disease that may well have resulted from his or her internment, may encounter extreme difficulty in proving service connection.

Former prisoners of war, moreover, may have a higher incidence of particular types of diseases. A National Academy of Sciences study in 1974 entitled "Follow-up Studies of World War II and Korean War Prisoners", indicated—

Higher rates of cardiovascular disease for prisoners of war interned in the Pacific theater during World War II than for non-POW's who served in that theater;

Strong statistical evidence of "K–Z syndrome", also known as "POW syndrome", which is marked by severe, permanent psychological scars and nonspecific physical problems and is attributed to organic brain disease, among POW's interned in the Pacific theater during World War II and during the Korean conflict;

Much higher incidence of tuberculosis and other infective and parasitic diseases among POW's interned in the Pacific theater during World War II and during the Korean conflict than among either non-POW's who served in those theaters or POW's interned in the European theater during World War II; and

Greatly increased death rates from nutritional disorders, nerve disorders, intestine and liver diseases, genitourinary diseases, and bone diseases among POW's interned in the Pacific theater during World War II.

The Committee believes that the research required for such a complex issue, which includes substantial historical analysis, can best be undertaken at this time by the agencies involved, the VA and the Department of Defense.

Thus, the Committee bill directs the VA to conduct and submit to Congress, by March 1, 1979, a study of the disability compensation and health-care benefits accorded former prisoners of war. The study would direct the VA, in consultation with the Department of Defense, to review the procedures used in repatriating POW's and to evaluate the adequacy of those procedures, including the resultant effect on the medical records of POW's. The report would also contain a study of the types and severity of disabilities particularly prevalent among POW's in specific theaters of operation. The VA would also review and analyze current law, regulations, and procedures with regard to claims of former POW's for service-connected benefits such as the VA's reasons for its current interpretation—that dental disabilities of former POW's must be established as service-connected before the VA authorizes outpatient dental treatment—of section 612(b)(3) of title 38; and undertake a comparison of the treatment accorded former POW's under the veterans' benefits programs of other governments. Finally, the VA would be required to include in the report appropriate administrative and legislative recommendations necessary to assure that former POW's are awarded compensation and health-care benefits for disabilities reasonably attributable to their internment.

American Battle Monuments Commission

The Committee bill incorporates the provisions of S. 3347, a bill introduced by Senators Cranston and Thurmond on July 6, 1978, to require the continuation of the current practice of the American Battle Monuments Commission (ABMC) of hiring U.S. citizens as superintendents and assistant superintendents of ABMC cemeteries.

The American Battle Monuments Commission is charged with responsibility for, among other things, maintaining 18 cemeteries in Europe, the final resting place for American soldiers who died in Europe during World War I and World War II, and five cemeteries for American war dead in other overseas locations. The United States, pursuant to a reservation sponsored by members of this Committee on the Panama Canal Neutrality Treaty for which instruments of ratification were exchanged on June 13, 1978—effective March 31, 1979—is currently negotiating with the Republic of Panama for a sixth such cemetery to be located in Corozal, Panama. The present overseas permanent employment authorization for the Commission for fiscal year 1979 is 4 military members, 40 U.S. civilians, and 335 local nationals.

The State Department has proposed that some of the 40 positions presently filled by American citizens, specifically seven superintendent positions in World War I cemeteries in Europe, be filled by foreign nationals. This change was suggested by the State Department to reduce costs by reducing the number of U.S. Government personnel in foreign countries.

The Committee believes that, whatever the merit of a policy of reducing the number of American citizens in U.S. Government positions overseas generally, this proposal to replace American citizens as superintendents and assistant superintendents of cemeteries located in foreign countries for the purpose of honoring our overseas war dead is inappropriate. As a consequence, the Committee bill would amend the Act which established the ABMC (36 U.S.C. 121) to require that all persons employed as cemetery superintendents and assistant superintendents be American citizens, as is the present practice.

Tribute to veterans who served in the Vietnam conflict

The Committee bill includes a provision which directs the Secretary of Defense to place a plaque in the Memorial Amphitheater in Arlington National Cemetery to honor veterans who served in the Vietnam conflict. This provision is derived, without charge, from H.R. 12261, passed by the House of Representatives on July 17, 1978, and is supported by the Administration. The plaque would bear the following inscription:

The people of the United States of America pay tribute to those members of its Armed Forces who served honorably in Southeast Asia during the Vietnam conflict.

In order to honor further those members of the Armed Forces who lost their lives in hostile action in Southeast Asia during the Vietnam conflict, the Secretary is to place near the plaque an appropriate display of the Purple Heart Medal and other decorations associated with such service in Vietnam.

In the National Cemeteries Act of 1973, the Secretary of Defense was directed to bring the remains of an unidentified member of the Armed Forces who died in Southeast Asia to Arlington National Cemetery for burial in the Tomb of the Unknown Soldier. However, because of the high effectiveness of identification procedures available to identify those who died in Vietnam, the Secretary has been thus far unable to locate an Unknown Soldier from among those who died in Vietnam. This provision, therefore, is intended to honor those who served in the Vietnam conflict and to create a present memorial to those who, so serving, made the ultimate sacrifice.

No authorization of new budget authority

The Committee bill contains, as a precautionary measure, a provision clarifying that (except for new spending authority—that is, entitlements such as the compensation, DIC, burial benefit, and automobile assistance rate increases and other improvements in the Committee bill) nothing in the bill should be construed as authorizing the enactment of additional new budget authority. This provision is advisable in order to preclude any interpretation of the provisions as authorizing appropriations for the costs of implementation and thereby requiring, prior to floor consideration, a waiver by the Senate under section 402(a) of the Congressional Budget Act of 1974, since the bill will be reported after May 15, 1978, and, possibly, referral to the Appropriations Committee under section 401(b)(2) of that act.

Cost estimate

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91–510, 91st Congress), the Committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from the enactment of the Committee bill would be $682.8 million in fiscal year 1979; $672.8 million in fiscal year 1980; $663.5 million in fiscal year 1981; $655.2 million in fiscal year 1982; and $647.4 million in fiscal year 1983.

A detailed breakdown of costs and cost-savings, as estimated by CBO, over the 5-year period follows:

Congressional Budget Office—Cost estimate

1. Bill number: S. 2828.

2. Bill Title: The Veterans Disability Compensation and Survivors Benefit Act of 1978.

3. Bill status: As ordered reported by the Senate Committee on Veterans' Affairs, July 27, 1978.

4. Bill purpose:

Title I

Section 101(a) would provide a 7.3 percent increase in the rates payable for disability compensation.

Section 101(b) would provide that veterans receiving compensation for the loss or loss of use of three extremities be paid at the next higher rate or intermediate rate above his/her present level of compensation.

Section 101(c) would provide for a special aid and attendance allowance of $900 per month for a veteran whose disabilities are so severe that, in absence of care by another person, such veteran would require hospital, nursing home or other residential institutional care.

Section 102 would increase allowances for dependent spouses and children under disability compensation to $87 a month for the first dependent and $55 monthly for each additional dependent. (Rates stated apply to dependents of a veteran rated 100-percent disabled.)

Section 103 would provide that a veteran who has suffered the service-connected loss or loss of use of one paired extremity entitling the veteran to a rating of 40 percent or more, and who has also suffered the nonservice-connected loss or loss of use of the other paired extremity, which if service-connected would also be rated 40 percent or more, would be entitled to a percentage increase in his/her rating equal to the same amount that the rating would be increased by virtue of bilateral impairment if both disabilities were service-connected.

Section 104 would increase by 7.3 percent the clothing allowance payable to veterans whose service-connected disabilities necessitate the use of prosthetic or orthopedic devices or wheelchairs.

Title II

Section 201 (a) and (c) would increase by 7.3 percent the rates payable to surviving spouses and children in receipt of dependency and indemnity compensation (DIC).

Section 201(b) would increase the allowance for dependent children of DIC surviving spouses to $87 for the first child and $55 for each additional child.

Section 201(d) would provide for housebound allowances for DIC surviving spouses

who, because of disability, are confined to their homes.

Section 202 would increase by 7.3 percent the rates payable to DIC surviving children where there is no surviving spouse entitled.

Section 203 would increase by 7.3 percent the rates payable to DIC surviving children who have attained the age of 18 but who are still entitled to benefits by virtue of being permanently incapable of self-support or in school.

Section 204 would clarify certain definitions and accounting provisions.

Section 205 would extend eligibility for full DIC benefits to surviving spouses of veterans who did not die of service-connected causes but who at the time of death were rated permanently and totally disabled and had been so rated for 20 years or more prior to the veteran's death, or for 10 years or more if such rating was continuous from the date of the veteran's discharge. Limited eligibility for DIC benefits would be extended to surviving spouses of veterans who were rated permanently and totally disabled at the time of death, but where such rating had been effective for less than 20 years. Such surviving spouses could elect to receive benefits in either of two ways: 1.) full benefits could be paid for the same number of months as the number of months that the veteran was rated permanently and totally disabled or 2.) reduced benefits could be paid throughout the lifetime of the surviving spouse (assuming she/he remains otherwise eligible). The amount of the reduced benefit would be computed as follows: the amount of the full DIC benefits for which the surviving spouse would otherwise be entitled would be multiplied by the number derived by dividing the number of months that the veteran was rated permanently and totally disabled by the number of months of life expectancy of the surviving spouse at the time of the veteran's death.

Section 206 would extend eligibility for memorial markers to veterans who die and whose bodies are not recovered.

Section 207 would extend eligibility for DIC benefits to surviving children of permanently and totally disabled veterans who did not die of service-connected causes, under the same provisions as applicable to surviving spouses in section 205.

Section 208 would increase from $800 to $1,500 the maximum burial benefit available for veterans dying of service-connected causes.

Title III

Section 301 would extend eligibility for disability compensation to American citizens who volunteered, during the period of September 1, 1939 to December 8, 1941, to serve in the armed forces of U.S. allies during World War II and suffered service-connected disabilities during such service. The amount of such compensation benefits would be reduced by the amount of any similar benefits received from the allied government.

Section 302 would increase from $100 to $200 the amount of the special monthly pension payable to all Medal of Honor recipients.

Section 303 would increase from $3,300 to $4,100 the maximum automobile assistance allowance available to certain disabled veterans.

Section 304 would direct the VA to conduct a study of the disability compensation and health care benefits accorded former prisoners of war.

Section 305 would require that superintendents and assistant superintendents of American Battle Monuments Commission cemeteries be American citizens.

Section 306 would provide for placement of a plaque honoring Vietnam-era servicemen in Trophy Hall of the Memorial Amphitheater at Arlington National Cemetery.

Section 307 specifies that, with the exception of new spending authority, nothing in this bill should be construed as providing new budget authority.

Title IV

Section 401 specifies that all amendments made to title 38, U.S.C. by this bill would be effective on October 1, 1978. All other provisions would be effective on the date of enactment.

5. COST ESTIMATE

[By fiscal years, in millions of dollars]

	Req.	1979	1980	1981	1982	1983
Title I:						
Sec. 101(a)	BA	312.9	314.4	316.0	317.5	319.2
	O	287.9	314.3	315.9	317.5	319.0
Sec. 101(b)	BA	2.5	2.5	2.5	2.5	2.5
	O	2.5	2.5	2.5	2.5	2.5
Sec. 101(c)	BA	12.1	12.2	12.3	12.3	12.4
	O	11.2	12.1	12.2	12.3	12.3
Sec. 102	BA	206.2	198.0	190.1	182.5	175.2
	O	189.7	198.7	190.7	183.1	175.8
Sec. 103	BA	(1)	(1)	(1)	(1)	(1)
	O	(1)	(1)	(1)	(1)	(1)
Sec. 104	BA	.9	1.0	1.0	1.1	1.1
	O	.9	1.0	1.0	1.1	1.1
Title II:						
Sec. 201 (a) and (c)						
Sec. 202	BA	67.7	68.1	68.4	68.8	69.1
Sec. 203	O	62.3	68.1	68.4	68.7	69.1
Sec. 201(b)	BA	46.1	41.5	37.5	34.2	31.0
	O	42.4	41.9	37.8	34.5	31.2
Sec. 201(d)	BA	1.5	1.5	1.5	1.5	1.5
	O	1.5	1.5	1.5	1.5	1.5
Sec. 204	BA	0	0	0	0	0
	O	0	0	0	0	0
Sec. 205	BA	22.3	23.0	23.7	24.4	25.1
Sec. 207	O	20.5	23.0	23.6	24.3	25.0
Sec. 206	BA	(1)	(1)	(1)	(1)	(1)
	O	(1)	(1)	(1)	(1)	(1)
Sec. 208	BA	7.7	7.7	7.7	7.7	7.7
	O	7.7	7.7	7.7	7.7	7.7
Sec. 210	BA	(1)	(1)	(1)	(1)	(1)
	O	(1)	(1)	(1)	(1)	(1)
Title III:						
Sec. 301	BA	0 1.5	1.6	1.6	1.7	1.7
	O	1.4	1.6	1.6	1.7	1.7
Sec. 302	BA	(1)	(1)	(1)	(1)	(1)
	O	(1)	(1)	(1)	(1)	(1)
Sec. 303	BA	1.4	1.3	1.2	1.0	.9
	O	1.4	1.3	1.2	1.0	.9
Sec. 304	BA	(2)	(2)	(2)	(2)	(2)
	O	(2)	(2)	(2)	(2)	(2)
Sec. 305	BA	0	0	0	0	0
	O	0	0	0	0	0
Sec. 306	BA	0	0	0	0	0
	O	0	0	0	0	0
Title IV:						
Sec. 401	BA	0	0	0	0	0
	O	0	0	0	0	0
Total S. 2828	BA	682.8	672.8	663.5	655.2	647.4
	O	629.4	673.7	664.1	655.9	647.8

[1] Less than $500,000.
[2] Not available.

6. Basis for estimate:

Title I

Section 101(a): The cost of the 7.3 percent increase in disability compensation rates was calculated by multiplying the number of veterans at each disability rating level by the increase in payment for that level.

Section 101(b): According to VA figures, there are 727 veterans receiving compensation for the loss or loss of use of three extremities. It is estimated that these veterans would receive an average increase in benefits of $290 a month.

Section 101(c): Since the determination of eligibility for the special aid and attendance allowance would have to be made on a case-by-case basis, the number of veterans who would qualify cannot be estimated precisely. This estimate assumes 3,000 eligibles a year.

Sections 102 and 201(b): The cost of the new dependents allowances for disability compensation and dependency and indemnity compensation was estimated by multiplying the number of dependents in each payment category by the amount of increase for that category.

Section 103: There are no data available upon which to base an estimate of the number of veterans who have lost, or lost the use of, one paired extremity due to service-connected causes and have also lost, or lost the use of, the other paired extremity as a result of non-service-connected causes. Since, however, the probability of losing an extremity in civilian life is quite low, it is reasonable to assume that the number of cases affected by this provision would be insignificant.

Section 104: There are approximately 63,000 veterans receiving clothing allowances. All such veterans would be eligible for the increased benefit.

Title II

Sections 101(a), 201(c), 202 and 203: The number of DIC recipients in each payment category were multiplied by the increase in payment for the category to estimate the cost of the increase in DIC rates.

Section 201(d): It is not possible to estimate precisely the number of DIC surviving spouses who would be eligible for housebound allowances, as no surviving spouse groups are now eligible for such benefits. A comparison with the number of compensation veterans who receive housebound allowances would not be valid, since all such veterans have service-connected disabilities. Of veterans receiving pension, 3.7 percent also receive housebound allowances. Unlike pension veterans, however, DIC widows need not be disabled, elderly, or needy. It can, therefore, be assumed that a much lower percentage of DIC widows would be eligible for this benefit. A rate of 0.8 percent was used for this estimate.

Sections 205 and 207: The estimate of the cost of these two sections is somewhat rough since much of the data needed to estimate the cost precisely is not available. According to the VA study, "Total Service-Connected Disability and Cause of Death" (September 1976), 22 percent of denied DIC claims were survivors of veterans who had been rated permanently and totally disabled for 20 years or more. Although the study does not include

data on claims of veterans who were rated 100 percent for 10 years or more and continuously since the date of discharge, it is assumed that this category would cover an additional 8 percent of denied DIC claims. Under these assumptions, there would be approximately 6,400 new cases eligible for full DIC rates as a result of this provision.

Based on the median age of such veterans at the time of death (60 years of age; it is assumed that the spouse would be approximately 3 years younger), the average life expectancy of white U.S. females (78 years), and the median number of years that such veterans were rated 100 percent (8.8 years), it is estimated that 200 new cases would elect full benefits for a limited time period and 1,600 cases would elect reduced benefits (estimated at 40 percent of full rates) for the remainder of their lives.

Section 206: Since the number of veterans whose remains are not recovered after their deaths would be quite low and the cost of memorial markers is small, the cost of this provision should not be significant.

Section 208: According to VA figures, there are approximately 11,000 claims for service-connected burial benefits each year.

Section 210: The cost of this provision would be insignificant.

Title III

Section 301: According to figures supplied by the Senate Committee on Veterans' Affairs, compensation benefits under this provision would be extended to approximately 1,000 cases at an average cost of $1,500 a year.

Section 303: There are currently approximately 1,700 claims for automobile assistance allowances each year that would be eligible for the higher benefit.

Section 304: Given the time frame necessitated by the deadline for filing the report on this bill, it was not possible to obtain from VA an estimate of the cost of this study. Since, however, Section 306 specifies that no new budget authority (other than spending authority) is authorized by this bill, the study must be made within the confines of the current VA budget request.

Section 305: Since this provision would not affect total employment or pay levels, it would have no cost.

Required budget authority.—Although this bill would result in additional future Federal liabilities through extensions of certain entitlements, the bill would require subsequent appropriation action to provide the necessary budget authority. The figures shown in the cost estimate above as "Required Budget Authority" represent that amount of budget authority needed to cover the estimated outlays that would result from the enactment of S. 2828.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by K. W. Shepherd.

10. Estimate approved by G. Nuckols, for James L. Blum, Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In compliance with paragraph 5 of rule XXIX of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the provisions of the Committee bill. The results of that evaluation are described below according to the first three titles of the bill: I—Veterans' disability compensation increases and other improvements; II—Dependency and indemnity compensation increases and other improvements for survivors; III—Miscellaneous provisions. Title IV (Effective dates) is expected to have no regulatory impact.

A. Estimate of the numbers of individuals and businesses who would be regulated, and a determination of the groups and classes of such individuals and businesses:

Title I.—Title I, which provides for rate increases and improvements in the service-connected disability compensation program, would not result in the regulation of any individuals or businesses.

Title II.—Title II, which provides for rate increases and improvements in the dependency and indemnity compensation program, a new program of benefits for the survivors of certain totally disabled veterans, and improvements in the burial benefits program, would not result in the regulation of any individuals or businesses.

Title III.—Title III, which contains miscellaneous improvements in certain service-connected programs, entitlement to disability compensation for certain allied veterans, an increase in the Medal of Honor pension, a memorial for veterans who served in Vietnam, and a continuation of the present practice of employing United States citizens to serve as superintendents in United States cemeteries abroad, would not result in the regulation of any individuals or businesses.

B. Determination of the economic impact of such regulations on individuals, consumers, and businesses affected:

As indicated above, there would be no such regulations.

C. Determination of the impact on the personal privacy of the individuals affected:

Titles I, II, and III.—Certain financial and other personal disclosures would be required of all persons applying for or receiving benefits under section 301 of the Committee bill, which would entitle certain allied veterans to disability compensation. Such disclosures would include information about income received from an allied government and other information necessary to establish eligibility, and would generally have a significant impact on the personal privacy of the affected individuals only with respect to financial matters.

D. Determination of the amount of additional paperwork that will result from regulations to be promulgated under the bill:

Titles I, II, and III.—Regulatory changes anticipated under the Committee bill will generate little if any additional paperwork.

SECTION-BY-SECTION ANALYSIS OF S. 2828 AS REPORTED

SECTION 1

Provides that this Act may be cited as the "Veterans Disability Compensation and Survivors Benefits Improvements Act of 1978".

TITLE I—VETERANS DISABILITY COMPENSATION INCREASES AND OTHER IMPROVEMENTS

SECTION 101

Subsection (a) of section 101 would amend subsections (a) through (s) of section 314, title 38, United States Code, relating to the rates of disability compensation, to increase the basic monthly rates of compensation paid to veterans with disabilities rated from 10 to 100 percent and other rates provided for in that section. Currently, a veteran with a 10-percent disability receives $41 monthly; and a veteran with a disability rated as total—100 percent—receives $754 monthly. Those rates would be increased to $44 and $809, respectively, by the Committee bill, and the rates for disabilities rated 20 to 90 percent would be increased proportionately. This section would also increase by 7.3 percent the higher rates of compensation authorized under subsections (1) through (o) of such section, for certain combinations of severe disabilities, the aid-and-attendance allowance rate authorized under subsection (r), the household rate authorized under subsection (s), and the limitation on the total amount payable monthly to a veteran entitled to compensation under subsection (k). Also, the maximum amount payable monthly to a veteran under subsection (p), which authorizes the Administrator to pay the next higher rate or intermediate rate to a veteran whose disabilities exceed the requirements prescribed in such section 314, or who is both blind and deaf, would be increased by 7.3 percent, from $1,312 to $1,408.

Subsection (b) of section 101 would further amend subsection (p) of section 314 to authorize an increase in the rate of compensation payable to a veteran who has suffered the anatomical loss or loss of use, or a combination of loss and loss of use, of three extremities. Thus, a veteran who has suffered such a severe combination of disabilities would be entitled to compensation at the next rate or intermediate rate higher than such veteran's present rate, but in no event exceeding $1,408, the maximum rate authorized under such subsection, as amended by subsection (a) of this section.

Subsection (c) of section 101 would further amend subsection (r) of section 314, relating to rates of disability compensation to provide for a special aid and attendance allowance of $900, payable monthly to a veteran entitled to compensation under subsection (o) of section 314 or to the maximum rate authorized under subsection (p), if the Administrator makes an express finding that the veteran is in need of the special aid and attendance of another person and that in the absence thereof, the veteran would require hospitalization, nursing home care, or other residential institutional care. Under existing law, a veteran compensated under subsection (o) or at the maximum rate under subsection (p) who is in need of regular aid and attendance receives $563 per month for such purpose (increased to $604 under subsection (a) of this section). Although all such veterans are very seriously disabled, the aid and attendance allowances payable to them are not conditioned on a finding that in the absence of care by another person they would require institutional care.

Subsection (d) of section 101 would authorize the Administrator to increase by 7.3 percent the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 who do not receive compensation under chapter 11 of title 38. Public Law 85–857 generally codified in title 38 of the United States Code the laws relating to veterans' benefits; and section 10 of that law provided that any individual who was receiving benefits as a veteran on December 31, 1958, under public laws administered by the VA but not so codified, was to continue to receive benefits at the rates payable under such public laws or under corresponding provisions of title 38, whichever is the greater, as long as he or she remains eligible.

SECTION 102

Clause (1) of section 102 would amend section 315 of title 38, relating to additional compensation—"dependents' allowances"—payable monthly to a totally disabled veteran who has dependents, to increase substantially those allowances. Under current law, a veteran so disabled who has a spouse, but no child, receives allowances of $46 per month; if the married veteran has one child, the amount is $77; if two children, $98; if three children, $120; and if more than three children, $120 plus $22 for each child in excess of three. Also under current law, a totally disabled veteran who has no spouse receives a monthly allowance of $30 for one child, $52 for two children, $77 for three children, and

$22 for each child in excess of three. Under the Committee bill, a totally disabled veteran would receive an allowance of $87 per month for the first dependent (whether a spouse or child) and $55 per month for each additional dependent (child).

Under paragraph (2) of section 315, the additional compensation payable to veterans rated from 50- to 90-percent disabled is prorated, so that, for example, a veteran rated at 50 percent would receive 50 percent of the amounts specified in paragraph (1) of such section. The method of prorating the amounts of additional compensation payable to veterans rated from 50- to 90-percent disabled would not be altered by the Committee bill.

Clauses (2) and (3) of section 102 amend paragraph (1) of section 315 by deleting existing clauses (C) through (G) of such paragraph and by redesignating existing clauses (H), (I), and (J) of such paragraph as clauses (C), (D), and (E), respectively.

Clauses (4), (5), and (6) of section 102 would amend clauses (C), (D), and (E) of paragraph (1) of section 315 (as redesignated by clause (3) of this section) in order to increase by 7.3 percent the amount of the dependents' allowance payable monthly to a totally disabled veteran who has a dependent parent or parents, from $37 (for each such parent) to $40; to such a veteran who has a severely disabled spouse, from $83 to $89; or to such a veteran who has a child of age 18 or over who is pursuing a course of education at an approved educational institution, from $70 to $75.

SECTION 103

Subsection (a) of section 103 would amend section 360 of title 38, relating to special consideration for certain cases of blindness, bilateral kidney involvement, or bilateral deafness, to add a new subsection (b), as follows:

New subsection (b) of section 360. Provides for special consideration in the case of a veteran who has suffered the service-connected loss or loss of use of an extremity, so as to entitle the veteran to a rating of not less than 40 percent, and has also suffered the non-service-connected loss or loss of use of the paired extremity, not a result of the veteran's own willful misconduct, if the non-service-connected disability is such that it would, if service-connected, entitle the veteran to a rating of not less than 40 percent. In such a case, the veteran's service-connected disability is to be increased by the percentage that would be added to the combined value of both disabilities if both were service-connected and were independently rated in the same manner in which the Administrator would add such percentage to the combined value of less than total bilateral service-connected paired disabilities. Thus, the disability rating of any veteran made eligible for such special consideration would be increased by approximately 10 percentage points, entitling the veteran to the appropriate monthly rate of compensation for the increased rating under sections 314 and 315 of title 38, as amended by sections 101 and 102, respectively, of the Committee bill. There is no comparable provision in current law, but existing section 360 provides that generally a veteran with—

(1) Service-connected blindness of one eye and non-service-connected blindness of the other eye,

(2) Service-connected loss or loss of use of one kidney and non-service-connected severe involvement of the other kidney resulting in total disability, or

(3) Service-connected total deafness in one ear and non-service-connected total deafness in the other ear, shall be compensated as if the entire disability were service connected.

Subsections (b) and (c) of section 103 would amend the catchline of section 360 to reflect the insertion of new subsection (b) of section 360 and the table of sections at the beginning of chapter 11 of title 38 to reflect the amendment to the catchline.

SECTION 104

Would amend section 362 of title 38 to increase by 7.3 percent the annual clothing allowance payable to a veteran receiving compensation whose disability requires the use of a prosthetic or orthopedic appliance or appliances, including a wheelchair, that tends to wear out or tear the veteran's clothing.

TITLE II—DEPENDENCY AND INDEMNITY COMPENSATION INCREASE AND OTHER IMPROVEMENTS FOR SURVIVORS

SECTION 201

Subsection (a) of section 201 would amend subsection (a) of section 411 of title 38, relating to dependency and indemnity compensation (DIC) for a surviving spouse of a veteran who died as a result of service-connected disability, to increase by 7.3 percent the DIC benefit payable monthly to such a surviving spouse. Under current law, DIC benefits are paid according to the pay grade—service rank—of the deceased veteran; and the amounts range from $277 per month for the surviving spouse of a veteran who had attained the grade of E–1 to $708 for the surviving spouse of a veteran who had attained the grade O–10. Those rates would be increased to $297 and $760, respectively under the Committee bill; and proportionate increases would be provided for in the intermediate rates and in the rates payable to the surviving spouses of veterans who had served in the positions specified in footnotes 1 and 2 to the table of grades and rates in existing section 411.

Subsection (b) of section 201 would amend subsection (b) of section 411 in order to increase substantially the dependents' allowance payable to a surviving spouse receiving DIC who has one or more children under the age of 18. If the surviving spouse has one child, the monthly DIC amount would be increased by $87, with $55 added for each additional child. Under current law, such increase is $33 for each child.

Subsection (c) of section 201 would amend subsection (c) of section 411 of title 38 in order to increase by 7.3 percent, from $83 to $89, the additional amount of DIC payable monthly to a surviving spouse who is a patient in a nursing home or helpless or blind or so nearly helpless or blind as to require the regular aid and attendance of another person.

Subsection (d) of section 201 would further amend section 411 of such title to add a new subsection (d), as follows:

New subsection (d) of section 411. Provides that the DIC payable monthly to a surviving spouse who is so disabled as to be permanently housebound, but not in need of regular aid and attendance, shall be increased by $45; and that, for purposes of this subsection, the requirement of "permanently housebound" would be met with the surviving spouse is substantially confined to such surviving spouse's house (ward or clinical areas, if institutionalized) or immediate premises by reason of disability or disabilities reasonably certain to continue for the remainder of such surviving spouse's life.

SECTION 202

Would amend section 413 to provide a 7.3-percent increase in the rates of DIC payable for the veteran's children where no surviving spouse is entitled. Currently, the rates are $140 for one child, $201 for two children, and $259 for three children, plus $52 per month for each additional child. The Committee bill would provide rates of $150, $216, and $278, respectively, with $56 for each additional child.

SECTION 203

Clause (1) of section 203 would amend section 414(a) to provide a 7.3-percent increase, from $83 to $89 per month, in the additional allowance payable to a child eligible for DIC who has attained the age of 18 and who became permanently incapable of self-support before reaching age 18.

Clause (2) of section 203 would amend section 414(b) to provide a 7.3 percent increase, from $140 to $150 per month, in the DIC payable, concurrently with the payment of DIC to a surviving spouse, to a surviving child who has attained the age of 18 and who became permanently incapable of self-support before reaching age 18.

Clause (3) of section 203 would amend section 414(c) to provide a 7.3-percent increase, from $71 to $76, in the additional DIC payable, concurrently with the payment of DIC to a surviving spouse, to a surviving child pursuing a course of education approved under existing section 104.

SECTION 204

Subsection (a) of section 204 would amend chapter 13 of title 38, entitled "Dependency and Indemnity Compensation for Service-Connected Deaths", to add a new section 405 ("Special determinations"), as follows:

New section 405: Subsection (a). Provides that in any case under chapter 11 in which the Administrator must determine a number of months, the calendar month in which a veteran is rated as totally disabled, a veteran died, or a child will attain age 21 shall be considered as one full month. This provision is necessary for the administration of new sections 411A and 414A, as added by sections 205 and 206, respectively, of the Committee bill.

Subsection (b). Provides that where a monthly rate would contain a fraction of a dollar, the amount would be rounded to the next higher dollar. This provision would facilitate the administration of new sections 411A and 414A, as added by sections 205 and 206, respectively, of the bill.

Subsection (b) of section 204 would amend the table of sections at the beginning of chapter 13 to reflect the insertion of new section 405.

SECTION 205

Subsection (a) of section 205 would amend chapter 13 of title 38 to add a new section 411A ("Benefits for surviving spouses of certain totally disabled veterans"), as follows:

New section 411A: Subsection (a). Provides that benefits under chapter 13 (the DIC chapter) shall be paid, as provided in subsection (b) of new section 411A, to the surviving spouse of a veteran who at the time of death had a disability or disabilities rated as total, not counting any increase in the rating by reason of "individual unemployability", where the veteran did not die as the result of the veteran's or surviving spouse's misconduct and the Administrator has not determined that the veteran's death resulted from service-connected disability. (In the schedule of rating disabilities found in part 4 of title 38 of the Code of Federal Regulations, section 4.16 provides that the Administrator may make a determination in an individual case that a veteran should be paid at the 100-percent rate, even though the veteran's disability or disabilities are such that his or her schedular rating is less than 100 percent.)

Paragraph (1) of subsection (b). Provides for benefits at the full DIC rate and in the same manner and to the same extent as DIC

benefits are paid to the surviving spouses of veterans who died as the result of service-connected disabilities, to be paid to the surviving spouse of a veteran who, immediately prior to death, had been (1) continuously rated totally disabled for 20 or more years, or (2) rated totally disabled for 10 or more years continuously since the date of discharge.

Paragraph (2) of subsection (b). Provides for benefits to be paid to surviving spouses of veterans rated as totally disabled at the time of death for continuous periods other than those described in paragraph (1) of the new subsection. Benefits would be paid in the same manner and to the same extent as DIC benefits are paid to the surviving spouses of veterans who died as the result of service-connected disability, but only on the basis of either of the following alternatives, between which the surviving spouse could elect: (1) payment of the full DIC rate for the number of months equal to the number of months immediately preceding death, during which the veteran was continuously receiving compensation at the 100-percent rate, or (2) monthly payments for life based on the amount payable under option (1) spread out over the actuarially expected life of the surviving spouse (the monthly amount being calculated by multiplying the current applicable DIC monthly rate by the number derived by dividing the number of months the veteran had been continuously rated totally disabled by the estimated number of months of remaining life expectancy of the surviving spouse at the time of the veteran's death (based on standard mortality tables). Thus, for example, if the veteran was so rated for 168 months (9 years) and the remaining life expectancy of the surviving spouse was 216 months (18 years) when the veteran died, the surviving spouse could elect to receive benefits (1) at the full DIC rate for 9 years or (2) at 50 percent (108÷216=50 percent) of the full DIC rate for as long as he or she lives. The surviving spouse's election of either of these options would be irrevocable once benefits are paid pursuant to the election, and in no case could benefits paid under this paragraph exceed DIC benefits.

Subsection (c). Provides that surviving spouses receiving benefits under this new section would be entitled to all payments under, and the benefit of, all other provisions of title 38, except DIC benefits, and other laws, to which surviving spouses receiving DIC benefits are entitled. Thus, benefits under new section 411A would be treated like DIC benefits for all purposes under law and there could be no duplicate payments of both DIC and benefits under the new section.

Subsection (b) of section 205 would amend the table of sections at the beginning of chapter 13 to reflect the insertion of new section 411A.

SECTION 206

Would amend section 412(b) of title 38, providing for the payment of DIC to surviving spouses who have children at VA pension rates under chapter 15 in those cases in which such pension would be payable at a higher rate, to clarify that a surviving spouse receiving benefits under the option set forth at subsection (b)(2)(B) of new 411A, as added by section 205(a) of the bill, (proportionate monthly benefits payable for life) could not receive greater section 411A benefits by virtue of existing section 412(b).

SECTION 207

Subsection (a) of section 207 would amend chapter 13 of title 38 to add a new section 414A ("Benefits for surviving children of certain totally disabled veterans"), as follows:

New section 414A: Subsection (a). Provides that benefits under chapter 13 shall be paid to the surviving children, where there is no surviving spouse, of a veteran who was rated totally disabled, as specified in new section 411A(a) (as added by section 206(a) of the bill), immediately prior to death and whose death has not been found by the VA to be the result of a service-connected disability. Such benefits would be payable to such surviving children (in equal shares) at the rates provided for in subsections (b) and (c) of this new section, but no such benefit would be payable to any child if the veteran's death resulted from the willful misconduct of the veteran or such child.

Paragraph 1 of subsection (b). Provides for benefits at the full DIC rate, and in the same manner and to the same extent as DIC benefits are paid to surviving children, to the child or children of a veteran who immediately prior to death had been (1) continuously rated totally disabled for 20 or more years, or (2) rated totally disabled for 10 or more years continuously from the date of discharge.

Paragraph 2 of subsection (b). Provides that in cases in which the veteran had been rated as totally disabled immediately prior to death but not for a period meeting the requirements of paragraph (1) of this subsection, benefits shall be paid in the same manner and to the same extent as DIC benefits are paid to surviving children, except that the monthly amount payable to a surviving child would be determined by multiplying the current applicable DIC rate by the number derived by dividing the number of months the veteran was rated totally disabled by the number of months remaining before the child attains age 21. For example, if the veteran was rated totally disabled for 72 months (6 years) and the child is age 13, or 96 months (8 years) from attaining age 21 when the veteran dies, the child would receive benefits of 75 percent (72÷96=75 percent) of the DIC rate until the child reaches age 18, or age 23 if attending an approved school. However, in no case could benefits under new section 414A exceed the DIC benefit that would be payable if the Administrator had determined that the veteran's death had resulted from service-connected causes.

Subsection (c). Provides that benefits under new section 414A would be paid at the full DIC rate to any child of a veteran who was rated totally disabled at the time of death (not counting any increase in rating due to "individual unemployability") if the child became permanently incapable of self-support before reaching the age of 18.

Subsection (d). Provides that surviving children receiving benefits under this new section would be entitled to all payments under, and the benefit of all other provisions of law under title 38, except DIC benefits, and other laws, to which surviving children receiving DIC are entitled. Thus, benefits under new section 414A would be treated like DIC benefits for all purposes under law, and there could be no duplicate payments of both DIC and benefits under the new section.

Subsection (b) of section 207 would amend the table of sections at the beginning of chapter 13 to reflect the insertion of new section 414A.

SECTION 208

Would amend section 907 of title 38, relating to allowances for the funeral and burial of veterans whose deaths are service-connected, to increase the amount of the allowance payable, at the request of the survivors of such veterans, to $1,500 or the amount equal to the amount payable, under section 8134(a) of title 5, United States Code, for the funeral and burial expenses of a Federal employee who dies from an injury sustained in the performance of duty, whichever is the greater. Under current law, the allowance for the funeral and burial expenses for such veterans is payable and has been, since 1974, at the same amount, presently $800, as is authorized under section 8134(a) of title 5 (enacted in 1959).

SECTION 209

Would amend section 906(b) of title 38, relating to the provision of memorial markers, to authorize memorial markers to honor the memories of veterans whose remains are unrecoverable. Under current law, such markers are authorized only in the case of persons who die while on active duty and whose remains are not recoverable.

TITLE III—MISCELLANEOUS PROVISIONS

SECTION 301

Would amend subsection (b) of section 109 of title 38, relating to benefits for certain discharged members of the armed forces of certain governments allied with the United States in World War II, to add a new paragraph (2), as follows:

New paragraph (2) of section 109(b): Subparagraph (A). Provides that service-connected disability compensation benefits under chapter 11 of title 38 shall be paid to any person who (1) after August 31, 1939, and before December 8, 1941, entered the active service of the armed forces of any government allied with the United States during World War II, (2) was at the time of entering such service a citizen of the United States, and (3) suffered a service-connected disability or disabilities during such service prior to the end of World War II. (The term "service-connected" is defined, for purposes of title 38, at section 101(16); and the definition here provided incorporates the term "in line of duty", which is defined in 105.) Compensation benefits would be paid in the same manner and to the same extent as to veterans of the Armed Forces of the United States as if the disability or disabilities had been suffered during active military, naval, or air service in the Armed Forces of the United States. Any benefits payable would be reduced by the amount of any benefits received from the allied government on account of the disability. No benefits would be paid, however, to any person who is not a citizen and resident of the United States.

Subparagraph (B). Authorizes the Administrator to make an independent evaluation of any disabilities compensable under subparagraph (A) of this new paragraph; provides that, in the case of a person receiving benefits from an allied government for a disability, service connection of that disability shall be conclusively presumed; and requires appropriate certifications and other proofs from any person applying for compensation under this new paragraph, including information concerning monetary benefits, if any, received from the allied government.

SECTION 302

Would amend section 562 of title 38, relating to the special pension paid to recipients of the Medal of Honor, to increase—from $100 to $200—the monthly rate of the special pension.

SECTION 303

Would amend subsection (a) of section 1902 of title 38, relating to the automobile assistance allowance payable to veterans with certain severe service-connected disabilities for the purchase of an automobile, to increase the amount of the allowance from $3,300 to $4,100.

SECTION 304

Subsection (a) of section 304 would require the Administrator of Veterans' Affairs, in consultation with the Secretary of Defense, to carry out a comprehensive study of

the disability compensation awarded to, and health-care needs of, veterans who are former prisoners of war. The study must include—

(1) Descriptions and analyses of repatriation procedures for former prisoners of war, including physical examinations performed, and the adequacy of such procedures and the resultant medical records of former prisoners of war;

(2) The types and severity of disabilities particularly prevalent among former prisoners of war in various theaters at various times;

(3) A description and analysis of the VA's precedures in determining eligibility for disability compensation and health-care benefits, including analyses of the use of current statutory and regulatory provisions specifically relating to former prisoners of war; and

(4) A comparison of benefits accorded former prisoners of war under the benefit programs of governments allied with the United States.

Subsection (b) of section 304 would require the VA to report to the Congress and the President, not later than March 1, 1979, the results of the study required by subsection (a) of this section, together with recommendations for administrative and legislative actions necessary to assure that former prisoners of war receive compensation benefits and health care for all disabilities reasonably attributable to their internment.

SECTION 305

Would amend the Act that created the American Battle Monuments Commission (36 U.S.C. 121) to add a provision requiring the continuation of the current ABMC practice of hiring U.S. citizens as cemetery superintendents and assistant superintendents for ABMC cemeteries. All such cemeteries are located overseas.

SECTION 306

Would direct the Secretary of Defense to place in the Memorial Amphitheater in Arlington National Cemetery a memorial plaque bearing the following inscription: "The people of the United States of America pay tribute to those members of its Armed Forces who served honorably in Southeast Asia during the Vietnam conflict." In order to honor further those members of the Armed Forces who lost their lives in hostile action in Southeast Asia during the Vietnam conflict, this section also directs the Secretary to place near the plaque an appropriate display of the medals, ribbons, and decorations associated with service in Southeast Asia during the Vietnam conflict.

SECTION 307

Would clarify that none of the provisions of the Committee bill, other than the amendments to title 38, United States Code, providing for new spending authority as defined in section 401(c)(2)(c) of the Congressional Budget Act of 1974 (Public Law 94-344), shall be deemed either directly or indirectly to authorize the enactment of new budget authority.

TITLE IV—EFFECTIVE DATES

SECTION 401

Would provide that the amendments made by the bill to title 38, United States Code, would be effective on October 1, 1978, and that other provisions would be effective upon enactment of the Committee bill.

RECORD OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, announcement is made that the Members of the Committee on Veterans' Affairs, on July 27, 1978, voted, 9 to 0, in favor of a motion to report S. 2828, as amended, favorably to the Senate.

CONCLUSION

Mr. CRANSTON. Mr. President, the pending measure would entail the following costs over the next 5 years, as more fully described in the committee report excerpts just printed in the RECORD, $682.8 million for fiscal year 1979; $672.8 million for fiscal year 1980; $663.5 million for fiscal year 1981; $655.2 million for fiscal year 1982; and $647.4 million for fiscal year 1983. The amount as to fiscal year 1979 is within the amounts allocated to function 700, veterans' benefits and services, in the first concurrent resolution on the budget, and the amended crosswalk filed by the committee pursuant thereto on August 1, 1978. The service-connected disability compensation program is the highest priority of this committee, and I strongly believe that the improvements made by this measure in that program are fully warranted. I am most gratified by the excellent contributions and cooperation of all the committee members in working on this legislation and am very thankful for the help of their staff members.

I would particularly like to express my appreciation to our ranking minority member, the Senator from Vermont (Mr. STAFFORD), for his help and guidance and to minority counsel, Garner Shriver, and assistant minority counsel, Gary Crawford.

I also wish to thank the able chairman of the Subcommittee on Compensation and Pension, the Senator from Georgia (Mr. TALMADGE) for his excellent work in the development of this legislation, and his staff member, Bobby Avary. In addition, I am very grateful to the vice-chairman of the Subcommittee on Compensation and Pension, the Senator from Hawaii (Mr. MATSUNAGA), who chaired the hearing on this legislation, and his staff member, Bill Baldwin.

Finally, I would like to thank for their excellent work on this bill and the committee report, committee staff members Mary Sears, Ed Scott, Jon Steinberg, Bill Brew, Ellen Miyasato, Harold Carter, Molly Milligan, Janice Orr, Ingrid Post, Mikki Day, Ann Garman, Maria Hamm, Terri Morgan, and the committee's GPO-detailed printers, James MacRae and Walter Klingner.

Mr. President, in closing I want to say one more special word of thanks to the national commander of the Disabled American Veterans, Oliver Meadows, for making it possible for us to bring this legislation forward successfully today. There is probably no person in America more knowledgeable about veterans' programs than Oliver Meadows. Obviously, this bill is of the most major significance for the organization he heads. We did not find ourselves in complete agreement with all of the recommendations of the DAV on every issue in this legislation, many of which were reflected in the House measures I have described. But, after lengthy discussions, it was agreed that our committee's approaches in several respects contained features that could prove even more beneficial than some of the House approaches, and it was agreed that America's disabled veterans would be best served by our moving forward with the committee's version of the various provisions in order to try, in reconciliation with the House provisions, to reach the best possible accords.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the text of the July 21 letter to me from Mr. Meadows.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DISABLED AMERICAN VETERANS,
Washington, D.C., July 21, 1978.

The Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: This letter is in reference to several legislative proposals that have recently been the subject of hearings conducted by the Subcommittee on Compensation and Pension of the Senate Veterans' Affairs Committee.

I specifically have in mind four measures which relate to the service-connected disability and death compensation programs of the Veterans Administration which propose certain benefit adjustments and liberalizations of the law that have been strongly supported by the Disabled American Veterans.

These measures concern the following issues:

(1). A service-connected disability and death compensation increase.

(2). Entitlement of DIC benefits to certain survivors of service-connected veterans who were totally disabled at time of death.

(3). The dependency allowance payments authorized under the service-connected disability and death compensation programs.

(4). Disability compensation increases for certain service-connected amputee veterans who suffer the loss, or loss of use of, a paired extremity.

As you are aware, the House Veterans' Affairs Committee has tken positive action on similar legislation—in fact, three of the issues in question have already received House approval and been referred to the Senate.

At this point in the legislative process, it is apparent that the House and Senate Veterans' Committees, though in fundamental agreement upon the need for this legislation, have in certain instances, taken somewhat dissimilar approaches. I do not, however, regard these differences as being very substantive in nature.

As you may be aware, I have voiced this opinion in recent conversations that I have had with your Committee Chief Counsel, Jonathan Steinberg.

With respect to these issues, I do want to take this opportunity to draw your attention to specific aspects of three of the measures (the Senate versions) which the DAV regards as being very meritorious:

(1) In regards to the service-connected disability and death compensation increase proposal, the DAV is very pleased that your Committee intends to first consider the latest Consumer Price Index data before making a decision on the adequacy of the 6.5 percent increase proposed by the House-passed bill.

(2) With respect to your Committee initiative relating to dependency allowance payments authorized for service-connected disability and death compensation recipients, the DAV deeply appreciates and supports your proposed, substantial increase for existing rates. We have long viewed the dependency payments of service-connected vet-

erans to be inadequate, especially when compared to those received by participants in the VA's non-service-connected pension, death pension and educational programs.

(3) While our organization was not in complete agreement with the Senate Committee's proposal relating to the issue of "presumptive" DIC benefit entitlement, we do agree with the following aspects contained in your proposal:

(a) Having a definition of the term "surviving spouse" for presumptive DIC purposes that is identical to the definition now contained in Chapter 13, Title 38, USC.

(b) Not requiring that a permanency determination must have been made by the VA with regard to the deceased veteran's 100 percent service-connected disability rating (some veterans can hold a total rating for a lengthy period of time without such a permanency determination having been made).

(c) Not excluding from presumptive DIC entitlement the survivors of veterans whose deaths were not due to "natural causes." We do agree with the "willful misconduct" stipulation.

(d) Providing some form of (reduced) DIC benefit to the survivors of veterans who do not meet the eligibility criteria for full, permanent DIC entitlement.

Regarding the fourth issue—the loss of paired extremities—the Senate Committee approach, as you know, does not correspond to that of our organization.

I suppose an "impartial observer," commenting upon our differences, might state that they essentially revolve around the question . . . Just what is the extent of our government's obligation to these veterans? I am still hopeful that the DAV and the Committee can arrive at a mutually acceptable answer to that question.

In closing, may I say that I have made these observations with the intent that they would convey to you, and to the members and staff of the Senate Veterans' Affairs Committee, just how much the DAV appreciates and values your efforts on behalf of America's service-connected disabled veterans.

In the hope that these views may also be of value to your ongoing discussions with the House Veterans' Affairs Committee and perhaps, in some way, facilitate the achievement of finalized versions of this important legislation, I have also made them known to the House Committee.

Thank you most kindly for your attention to this letter.

Sincerely yours,

OLIVER E. MEADOWS,
National Commander.

Mr. CRANSTON. Mr. President, I have known Oliver Meadows for 10 years as we have worked together on numerous veterans bills. He has always displayed a remarkable grasp of the technicalities, subtleties, and broad implications of legislation. He still does. I pledge to him and his organization, who have been so remarkably helpful on this legislation, that we will negotiate with the other body with an open mind and with the views of the DAV and the other service organizations very much in mind as we try to do what is best for America's veterans.

Mr. President, before closing, I again would like to pay tribute to our ranking minority member, the Senator from Vermont (Mr. STAFFORD), and the distinguished chairman of the Subcommittee on Compensation and Pension, the Senator from Georgia (Mr. TALMADGE), as well as all my colleagues on the committee. They are devoted to the needs of our Nation's service-connected disabled veterans. Their unanimous, bipartisan support in our committee's efforts to achieve improvements in the compensation and DIC programs appreciated by all veterans and is deeply gratifying.

Mr. President, I urge approval of the bill as unanimously reported by the Committee on Veterans' Affairs.

Mr. STEVENS. Mr. President, I yield 2 minutes to the Senator from Vermont.

Mr. STAFFORD. Mr. President, I thank the acting minority leader for giving me the 2 minutes.

I again want to express my appreciation for the opportunity in this Congress to work with the Senator from California (Mr. CRANSTON), the chairman of the Veterans' Affairs Committee, and our colleagues on both sides of the aisle. I think it has truly been a bipartisan committee, and the leadership that Senator CRANSTON has given us is excellent.

S. 2828 includes a number of important changes and additions to legislation beneficial to disabled veterans and their families. S. 2828 was introduced on April 5, 1978, by the chairman of the Subcommittee on Compensation and Pension of the Senate Committee on Veterans' Affairs, the distinguished Senator from Georgia, Mr. TALMADGE, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation for their surviving spouses and children.

When the bill was introduced, provision was made for a 5.8-percent increase in the rates of disability compensation for disabled veterans and indemnity compensation for disabled veterans' surviving spouses and children.

The other body has passed H.R. 11886, which authorizes a 6.5-percent increase in the rates of compensation for service-connected disabilities and a similar percentage increase in monthly payments to survivors of our war dead.

The Congressional Budget Office has revised its estimate of the October 1977, to October 1978, rise in the Consumer Price Index (CPI) to 7.3 percent. The policy of our committee has been to report an increase based on the most recent CBO estimate for the October to October period. Therefore, the bill before us provides for the 7.3-percent increase in the compensation and DIC rates for service-connected disabled veterans and survivors of veterans who die as a result of service-connected disabilities.

Congress has responded from time to time to insure that our Veterans' Administration benefits be increased so that our programs remain responsive to changing economic conditions. Congress has consistently tried to respond to the needs of service-connected disabled veterans. As the cost of living goes up and up, it has been the responsibility of our House and Senate to try to keep up with each substantial increase, so that worthy service-connected disabled veterans would not have to bear the burdens of inflation.

Another improvement included in the bill before us provides for increased payments for the support of dependents more in line with the actual costs of support than the allowances provided under existing law.

Under the committee bill, the dependents' allowances to be paid to veterans would be substantially increased, by an average of about 50 percent, in order to have those allowances more in line with the cost of supporting dependents.

The bill contains a provision relating to veterans who have lost or lost the use of three extremities, to provide that such a veteran shall be compensated at the next rate or intermediate rate higher than his or her present compensation rate.

It should be observed that a comparison of the rates payable to veterans who have had a double amputation or loss of use of two extremities, and who have incurred a triple amputation or loss of use of three extremities, indicates that the level of compensation payable to those of the last named group is, under present law, only about 9 percent higher than that payable to veterans in the first named group. The difference is obviously not sufficient to compensate those veterans for their loss of three extremities.

The committee bill would increase to the next higher rate of compensation to make sure that those veterans are adequately compensated for their impairment. We are informed that 727 veterans would be eligible for the new rate.

The bill before us would provide for a monthly special aid and attendance allowance of $900 for a veteran whose disabilities are so severe that without care by another person, the veteran would require hospital, nursing home, or other residential care. Approximately 3,000 veterans would be eligible for the increased rate.

The committee bill would provide for an increase of 7.3 percent in the annual clothing allowance. The new amount would be $218 instead of $203. This $15 clothing allowance increase is justified by the rise in the Consumer Price Index from October 1977, to October 1978. In 1971 Congress first authorized a special clothing allowance to veterans whose service-connected disabilities require them to wear or use a prosthetic or orthopedic appliance which tends to wear out or tear their clothing.

The committee bill would provide a cost-of-living increase of 7.3 percent in dependency and indemnity compensation for surviving spouses and children. This is the same rate of compensation increase provided service-connected disabled veterans in this bill. The same 7.3-percent increase is provided for surviving spouses in need of aid and attendance, helpless children, children between the ages of 18 and 23 attending school, and surviving spouses and dependent parents in receipt of death compensation, and in need of regular aid and attendance.

The bill would provide for increases in the monthly dependents' allowances

paid to surviving spouses. Presently, $33 is provided for each child. Under this bill the surviving spouse would receive $87 for the first child and $55 for each additional child. These increases would bring dependents' allowances closer in line with the actual costs of supporting children.

S. 2828 proposes to increase from $100 to $200 monthly the special pension payable to holders of the Congressional Medal of Honor. The present amount has been in effect since 1961. At the present time, some 270 persons are in receipt of this benefit. The first year cost of this will be approximately $300,000. The Medal of Honor is the highest award for bravery an individual in the United States may receive. Congress provided in 1918 for a monetary payment payable to Medal of Honor recipients. There are 286 living holders of this honor.

The bill includes an increase from $3,300 to $4,110 in the automobile assistance allowance. Veterans who have suffered a service-connected loss or loss of use of one or both feet, or one or both hands, or who are blind, are entitled to a grant to assist in purchasing an automobile and also special assistance in adapting the automobile to the veteran's needs. Since the last increase, the Consumer Price Index for new automobiles has risen 22.7 percent. It is likely to continue to rise.

The bill provides authorization for compensation to Americans, who, while citizens of the United States, volunteered during the period of September 1, 1939, to December 8, 1941, to serve in the armed forces of our allies during World War II, and suffered service-connected disabilities during such services, and who are now citizens and residents of the United States. Compensation would be provided to these persons in the same manner and to the same extent as to veterans who served in the U.S. forces, reduced, by the amount of benefits received from the allied government.

On July 6, 1978, Senators CRANSTON and THURMOND introduced S. 3347 to require the continuation of the present practice of the American Battle Monuments Commission of hiring U.S. citizens as superintendents and assistant superintendents of American Battle Monuments Cemeteries. The Department of State has proposed that some of the superintendent's positions, at this time held by American citizens in World War I cemeteries in Europe, be filled by foreign nationals. The committee believes the present practice should continue.

A provision is included in this bill directing the Secretary of Defense to place a plaque in the Memorial Amphitheater in Arlington National Cemetery to honor veterans who served in the Vietnam conflict. The other body has passed a similar provision.

The plaque would bear the following inscription:

The people of the United States of America pay tribute to those members of its Armed Forces who served honorably in Southeast Asia during the Vietnam Conflict.

In these rapidly changing times and through these inflation filled days, it is important that our veterans legislation be reviewed and updated to fulfill our obligation to those who have served our Nation in time of war and conflict. I commend to all of you the changes and improvements I have briefly discussed and urge support for passage of S. 2828.

Mr. President, I join the chairman of the committee (Mr. CRANSTON) in urging the adoption of S. 2828.

Mr. TALMADGE. Mr. President, I am pleased that the Senate is today considering S. 2828, my legislation to provide a cost-of-living increase in disability compensation benefits levels and dependency and indemnity compensation. This legislation which would become effective on October 1, 1978, provides for an estimated cost-of-living increase of 7.3 percent in payments to veterans with service-connected disabilities and to widows and children of veterans who died as a result of service-connected disabilities.

In addition, S. 2828 includes an amendment sponsored by our distinguished chairman of the Senate Veterans' Affairs Committee, Senator ALAN CRANSTON, and cosponsored by me and my other colleagues on the committee, to increase dependency allowances; provide additional compensation to veterans who have suffered the loss or loss of use of three limbs or who are in need of special medical aid; raise the automobile assistance allowance; provide for an average increase of 10 percentage points in the service-connected disability ratings of veterans who have suffered the impairment of extremities, partly as a result of non-service-connected disabilities; and entitle survivors of certain totally disabled veterans, whose deaths have not been found to be service connected, to receive benefits under the dependency and indemnity compensation law.

Mr. President, as chairman of the Subcommittee on Compensation and Pension, I would particularly like to thank my distinguished colleague, Senator MATSUNAGA, for chairing the subcommittee hearings on this bill. Further, I would like to commend the committee staff for their excellent work as well as the staff of the other members of the committee. Finally, I especially appreciate the cooperation and assistance of the service organizations, Veterans Administration, Congressional Budget Office, and various other interested persons in formulating that legislation.

This legislation, when approved by the Congress, will mean a great deal to thousands of disabled veterans and the widows and children of veterans in Georgia and throughout the Nation who, like everyone else, are caught in the grip of the ever-increasing cost-of-living and spiraling medical costs. I hope that the full Senate will approve this bill today and an agreed upon measure between the House and Senate can soon be sent to the President for his signature.

Mr. THURMOND. Mr. President, I am pleased to add my full support to S. 2828. The needs of the service-connected disabled veteran must always remain first in priority in the scheme of veterans' benefits.

S. 2828 is cosponsored by all the members of the Veterans' Affairs Committee and represents an amendment in the nature of a substitute to the original bill introduced by the chairman of the Subcommittee on Compensation and Pension, the distinguished senior Senator from Georgia, Senator TALMADGE. The act contains a number of provisions vital to the maintenance and continued welfare of millions of service-connected disabled veterans and their survivors.

To protect the fixed incomes of many disabled veterans who might survive solely on compensation benefits alone, the bill provides for a cost-of-living increase of approximately 7 percent. Additionally, the bill increases the rates for dependency allowances for dependents of disabled veterans and makes these rates more consistent with those paid under the VA pension and GI bill programs.

The bill also provides a level of compensation benefits above those provided for under existing statute for veterans who have suffered the service-connected loss or loss of use of three extremities. Additionally, veterans with the service-connected loss of one extremity who suffer the subsequent non-service-connected loss of use of the other paired extremity are provided additional benefits under the bill.

Mr. President, a particular concern of mine has been the needs of the survivors of service-connected blinded veterans who die of non-service-connected causes. Although blindness is all-pervasive in its disability, it is seldom the actual cause of death. Consequently, the survivors of many veterans with service-connected blindness have been denied dependency and indemnity compensation (DIC) benefits under existing law. On July 26, 1977, I introduced legislation (S. 1929) directed at assisting the survivors of blinded veterans. S. 1929 would have provided that the survivors of service-connected blinded veterans would receive DIC benefits, regardless of the cause of the veteran's death. I am, therefore, extremely pleased that the concept embraced in S. 1929 has been incorporated into the committee bill (S. 2828).

Section 360 of S. 2828 provides that VA DIC benefits will be extended to survivors and dependents of veterans who, prior to death, had been rated 100-percent service-connected disabled for 20 or more years or had been 100-percent service-connected disabled for 10 or more years continuously since the date of discharge. Other alternatives are provided under the act for DIC payments to surviving spouses and dependents where the deceased veteran could not meet the above criteria. I am confident that this provision will substantially alleviate the hardships imposed under existing law upon many survivors of disabled veterans who were blind or suffered from other disabilities.

Mr. President, S. 2828 also increases the aid and attendance allowance for certain catastrophically disabled veterans from $563 to $900 per month. The need for legislation in this area was brought to the attention of the committee by the Paralyzed Veterans Association to whom we are extremely indebted. S. 2828 will also increase the pensions of our Nation's 286 living recipients of the Medal of Honor from $100 to $200 per month, a deserved increase for those who have given so much of themselves for their country.

Mr. President, I wish to commend the staff of the Veterans' Affairs Committee for their diligence and industry in resolving the many difficult problems presented by the differing approaches contained in the House and Senate approaches to many of the issues addressed in S. 2828. I am extremely gratified that the committee developed a proposal which its members endorsed unanimously. I would like to acknowledge the contributions of the American Legion, VFW, AMVETS, the Paralyzed Veterans Association, the Blinded Veterans Association to the work of the committee. Also, I would particularly like to extend my appreciation to the Disabled American Veterans and to their great national commander, Oliver Meadows and the DAV legislative staff of Rick Heilman and Butch Joeckel for their initiative, perseverance, and industry in advancing the cause of the disabled veteran to whom the committee and the Nation will always owe a great debt.

Mr. President, I fully support S. 2828 and urge my colleagues to do likewise.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 11886, the House-passed measure, and that the bill be deemed as having been read twice.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 11886) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for their survivors, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be considered as having been read twice, and the Senate will proceed to its consideration.

Mr. CRANSTON. Mr. President, I move that H.R. 11886 be amended by striking out all after the enacting clause and inserting in lieu thereof the text of S. 2828, as amended.

The motion was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 11886) was read the third time, and passed.

Mr. CRANSTON. Mr. President, I move that the title of H.R. 11886 be amended with the title amendment proposed in S. 2828, as reported.

The motion was agreed to, and the title was amended so as to read:

A bill to amend title 38, United States Code, to increase the rates of disability compensation; to increase the rates of compensation for the loss or loss of use of three extremities; to increase the aid and attendance allowance for certain totally disabled veterans; to increase the rates of compensation for veterans with dependent spouses and children; to increase the rates of compensation for veterans with certain service-connected and non-service-connected disabilities of paired extremities; to increase the rates of dependency and indemnity compensation for surviving spouses, surviving spouses with dependent children, and surviving children; to increase the rates of special pension for persons awarded the Medal of Honor; to provide for payment of special benefits to surviving spouses and children of certain totally disabled service-connected disabled veterans; to increase the amount paid as burial and funeral expenses in the case of a veteran's death from a service-connected disability; and to provide for the payment of disability compensation to certain American citizens who served during World War II in the armed forces of nations allied with the United States; to increase the automobile assistance allowance for certain disabled veterans; and to provide for the furnishing of memorial headstones or markers to commemorate veterans who die after being honorably discharged and whose remains are not recovered; to pay tribute to those members of the Armed Forces who served honorably in Southeast Asia during the Vietnam conflict; to require that only United States citizens be employed as superintendents and assistant superintendents of American Battle Monuments Commission cemeteries; and for other purposes.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STAFFORD. I move to lay that motion on the table.

Mr. CRANSTON. Mr. President. I ask unanimous consent that S. 2828 be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Later the following occurred:)

Mr. CRANSTON. Mr. President. I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the amendment of the Senate to H.R. 11886.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

(The following proceedings occurred during the consideration of S. 2828 and are printed at this point in the RECORD by unanimous consent:)

Mr. ROBERT C. BYRD. Mr. President, I have a little problem with respect to my time. Mr. MOYNIHAN needs some of the leaders' time. I ask the distinguished acting Republican leader if I may have some of his time under the leaders' order. The Senator has yielded me 5 minutes.

Mr. MOYNIHAN. May I have 10 minutes?

Mr. ROBERT C. BYRD. How much time do I have remaining, including the time just received from Mr. STEVENS?

Mr. MOYNIHAN. Six minutes.

Mr. ROBERT C. BYRD. I yield 6 minutes to the distinguished Senator from New York.

IMPRISONMENT OF NEW YORK TIMES REPORTER

Mr. MOYNIHAN. Mr. President, I do very much wish to express my gratitude to the majority leader and to the acting minority leader for providing me this time at the opening of the Senate today on an issue which seems to me to be of unprecedented significance to liberty in the United States.

Mr. President, in the past few days the State courts of New Jersey have sent to prison a New York Times reporter and have imposed upon The New York Times a huge daily fine. The amount of the fine and the nature of the imprisonment are such that without anyone ever having intended it, or in any way anticipated it. We suddenly face the prospect that Government could destroy the New York Times, perhaps the most important newspaper in the world today. For the power to fine, more even than the power to tax, is the power to destroy.

Mr. President, it was exactly 243 years and 2 days ago that John Peter Zenger was acquitted in New York State for publishing articles concerning what he judged to be corruption in a colonial election, thereupon freedom of the press commenced as a legal doctrine in this country. Today we face the astonishing proposition that it may now be ending.

I would like to make clear what is at issue here. If the New Jersey court succeeds, the nonofficial news in the American press could disappear. At most, 5 to 15 percent of the press on any given day is made up of information about government which government does not officially desire to be published. The President has had a press conference; the majority leader held his regular Saturday morning gathering; the junior Senator from New York has issued a statement, this is the official news of the day, and the press reports it. But there are moments when it is the least important, and, indeed, the most misleading news.

Think back to the Watergate experience. It could never have surfaced, we would never have known of that fundamental constitutional crisis, had the press not felt free to obtain from confidential sources essential information imparted in the knowledge that those confidential sources would be protected.

The problem today, Mr. President, is that we cannot see for certain, at this moment, which way to proceed. The press itself, if I am not mistaken, will be divided.

It has been assumed, that the first amendment protects newspapers and newspaper reporters from the divulgence of their sources. The consequence there has been a proper reluctance to see the Congress or, indeed, any legislature, re-

inforce or restate those privileges on grounds that "what Congress can give Congress can take away." Yet today we face the evident situation that the Supreme Court will not confirm the existence of those immunities under the first amendment. Hence we face a dilemma and a crisis without equivalence, I believe, in the modern history of the American press.

Mr. President, we owe a debt to Mr. Farber, who, as the Washington Post said yesterday, is honorably imprisoned.

We owe a great concern for the publishers of the New York Times and the staff of that incomparable newspaper who are testing this issue. We in turn will be tested in our capacity to guide, to legislate or not to legislate in the weeks and months ahead in a way that I believe, as I have said, to be without precedence in its importance.

This is a moment for counsel. This is a moment for courage. This is a moment for firmness if a course is agreed upon as between the press and the Congress.

It seems to me almost certain that the issue will be before us. I hope it will come in an atmosphere of resolve and concern and an awareness that at no moment are we more tested in our commitment to the constitutional freedoms of the press than when their capacity to publish matters about government which government would like to see not published, is tested, as it is being tested now.

I thank the majority leader and the acting minority leader, who have given me this time as an expression of their concern. I know they share it. I see the majority whip is on the floor, and I know he shares this. It is an unexpected issue for us to have to deal with but one of such extraordinary consequence that I cannot but believe we will resolve to do so.

I thank the majority leader.

Mr. CRANSTON. Mr. President, I deeply share the concern of the Senator from New York about the circumstances involving the New York Times, a very great newspaper, and I want to work with him to see if there are any steps we can take to deal with this problem.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 987.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 517) waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2600, the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978.

The resolution was considered and agreed to, as follows:

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 2600, a bill to amend the Rehabilitation Act of 1973, to establish a comprehensive services program for the severely handicapped, and for other purposes.

Such waiver is necessary to permit consideration of new spending authority (as detailed below) to become effective in 2 fiscal years for which the first concurrent resolution on the budget has not been agreed to. Specifically, S. 2600 provides new spending authority under section 401(c)(2)(C) to become effective in fiscal years 1980, 1981, 1982, and 1983, prior to adoption of the first concurrent resolutions on the budget for such years.

S. 2600 extends the State allotment formula of the Rehabilitation Act of 1973 (Public Law 93–112), as amended, through fiscal year 1983, such formula being based on an allocation level equal to the amounts authorized to be appropriated in those fiscal years for grants to States for basic vocational rehabilitation services.

The effect of defeating consideration of S. 2600 would be to deny the States the advanced funding they need for adequate planning in providing vocational rehabilitation services. The matching requirement for State allotments is determined on the basis of funding decisions by State legislatures which generally meet and adjourn prior to May 15, the date by which the first concurrent resolution on the budget must be adopted under the Congressional Budget Act of 1974. During such sessions of State legislatures, commitments are made to provide such State's share, on the basis of which the Federal allotment is then paid to each State with an approved State plan. If legislation authorizing a nationwide allotment level for the program for fiscal years 1980–1983 is not enacted at an early date, many State legislatures will be unable to authorize the funds needed for vocational rehabilitation programs for such years.

For the foregoing reasons, pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 2600.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HUMANE METHODS OF SLAUGHTER ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 983.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3092) to amend the Federal Meat Inspection Act to require that meat inspected and approved under such Act be produced only from livestock slaughtered in accordance with humane methods.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Humane Methods of Slaughter Act of 1978".

SEC. 2. Section 3 of the Federal Meat Inspection Act (21 U.S.C. 603) is amended by inserting "(a)" immediately before the first sentence and adding at the end thereof a new subsection (b) as follows:

"(b) For the purpose of preventing the inhumane slaughtering of livestock, the Secretary shall cause to be made, by inspectors appointed for that purpose, an examination and inspection of the method by which cattle, sheep, swine, goats, horses, mules, and other equines are slaughtered and handled in connection with slaughter in the slaughtering establishments inspected under this Act. The Secretary may refuse to provide inspection or cause inspection to be temporarily suspended at a slaughtering establishment if the Secretary finds that any cattle, sheep, swine, goats, horses, mules, or other equines have been slaughtered or handled in connection with slaughter at such establishment by any method not in accordance with the Act of August 27, 1958 (72 Stat. 862; 7 U.S.C. 1901–1906), until the establishment furnishes assurances satisfactory to the Secretary that all slaughtering and handling in connection with slaughter of livestock shall be in accordance with such a method.".

SEC. 3. Section 10 of the Federal Meat Inspection Act (21 U.S.C. 610) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and inserting after subsection (a) a new subsection (b) as follows:

"(b) slaughter or handle in connection with slaughter any such animals in any manner not in accordance with the Act of August 27, 1958 (72 Stat. 862; 7 U.S.C. 1901–1906);".

SEC. 4. Section 20(a) of the Federal Meat Inspection Act (21 U.S.C. 620) is amended by inserting after the first sentence a new sentence as follows: "No such carcasses, parts of carcasses, meat or meat food products shall be imported into the United States unless the livestock from which they were produced was slaughtered and handled in connection with slaughter in accordance with the Act of August 27, 1958 (72 Stat. 862; 7 U.S.C. 1901–1906).".

SEC. 5. The Act of August 27, 1958 (72 Stat. 862; 7 U.S.C. 1901–1906), is amended by—

(a) inserting before the period at the end of 2(b) "and handling in connection with such slaughtering";

(b) repealing sections 3, 4(c), and 5;

(c) striking out "for purposes of section 3 hereof" in section 4(b);

(d) inseritng "and" after the semicolon at the end of section 4(a); and

(e) striking out the semicolon at the end of section 4(b) and inserting a period in lieu thereof.

SEC. 6. Nothing in this Act shall be construed to prohibit, abridge, or in any way hinder the religious freedom of any person or group. Notwithstanding any other provision of this Act, in order to protect freedom of religion, ritual slaughter and the handling or other preparation of livestock for ritual slaughter are exempted from the terms of this Act. For the purposes of this section the term "ritual slaughter" means slaughter in accordance with section 2(b) of the Act of August 27, 1958 (72 Stat. 862; 7 U.S.C. 1902(b)).

SEC. 7. The provisions of this Act shall become effective one year after the date of enactment. However, such provisions shall not apply to a person, firm, or corporation for such additional period of time as may be determined by the Secretary, if the Secretary, upon application, finds that compliance with the provisions of this Act on its effective date would cause undue hardship on such person, firm, or corporation.

● Mr. DOLE. Mr. President, S. 3092 amends the Federal Meat Inspection Act to extend the requirements of the Humane Slaughter Act of 1958 to cover all slaughtering conducted under Federal and State inspection, and in foreign

countries certified to export meat to the United States.

The original 1958 Humane Slaughter Act applied only to livestock slaughtered for sale to the Federal Government. When that act was passed 20 years ago, there was much opposition on the part of the meat packing industry. But since then, slaughterers have found that the use of humane methods promote efficient production, cuts losses of meat through reduced bruising of carcasses, and increases the safety of slaughterhouse employees. Now, 89 percent of federally inspected plants, and 95 percent of State-inspected plants conduct all their slaughter operations humanely. And of the 522 foreign plants currently exporting meat to the United States, some 88 percent use humane methods of slaughter.

Mr. President, economic considerations are not the only impetus for this bill. Our national morality and concern for other living creatures demand legislation to prevent needless suffering by the animals that provide such an important part of our food supply. In the hearings, and in the development of S. 3092, it has been made clear that not only slaughter, but preslaughter handling of livestock, must be conducted humanely from the time the animal arrives at the slaughter plant until the final stunning.

The bill also restates the 1958 act's exemption of ritual slaughter in order to protect the free exercise of religion. The Jewish and other religions rely on this exemption to assure a continuing supply of meat slaughtered according to religious requirements.

Mr. President, S. 3092 is a good bill. It has the support of all interested parties, and I urge its immediate enactment.●

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The ACTING PRESIDENT pro tempore. Without objection, the title amendment is agreed to.

The title was amended so as to read:

A bill to amend the Federal Meat Inspection Act to require that meat inspected and approved under such Act be produced only from livestock slaughtered in accordance with humane methods, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–1059), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

S. 3092 requires that *all* meat inspected and approved under the Federal Meat Inspection Act be produced from livestock slaughtered in accordance with humane methods as set forth in the Humane Slaughter Act of 1958. Currently, under the Humane Slaughter Act, only meat that is sold to the Federal Government must be produced from livestock that is slaughtered in a humane manner.

Under S. 3092, Federal meat inspectors would be required to make such inspections as would be necessary to prevent inhumane slaughtering. Both criminal and administrative sanctions would apply for violations. In addition, the bill prohibits importation of inhumanely slaughtered meat.

The bill would take effect 1 year after enactment. Under certain circumstances, however, the Secretary of Agriculture, upon application, could grant additional time if he finds that compliance with the bill on the effective date would cause an undue hardship.

The exemptions for ritual slaughter and the handling of livestock in connection with such slaughter, currently contained in the Humane Slaughter Act, are retained in S. 3092.

BACKGROUND AND NEED

I.

The Humane Slaughter Act specifically found several methods of slaughtering and handling in connection with such slaughter to be humane. The 1958 act also required the Secretary of Agriculture to designate methods of slaughter and handling that must be adhere to in all slaughtering plants selling meat to the Federal Government. Ritual slaughter in accordance with the Jewish faith or any other religious faith was declared to be humane and exempt from the provisions of the act.

II.

The impetus for the enactment of the Humane Slaughter Act was a growing national concern for the humane treatment of animals. Meat packers and processors, who may have been initially resistant to converting to humane slaughter methods, soon found an economic incentive to adopt those methods of slaughter and handling in connection with slaughter. Humane handling and slaughter reduce the incidence of injury to animals, which increases the amount of usable product per carcass. The risk of injury to slaughterhouse employees, who must work near the animals, is reduced through the use of humane methods of slaughter and handling.

In the years following the enactment of the Humane Slaughter Act, the vast majority of meat slaughterers and processors in the United States and those in foreign countries that export meat to the United States have adopted humane methods of slaughter and handling. Australia and New Zealand are the only countries exporting meat to the United States that do not employ humane slaughter techniques for all species. The slaughter of sheep in these countries does not comply with humaneness standards, although New Zealand is phasing in humane slaughter practices in the sheep industry.

COST ESTIMATE

In accordance with section 252 of the Legislative Reorganization Act of 1970, the committee estimates that there will be no significant additional costs incurred in carrying out the provisions of S. 3092, as amended. This cost estimate is based on the fact that existing USDA personnel would be used to carry out the inspection and enforcement activities required by the bill.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. CRANSTON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate on Wednesday, August 9, 1978, to hold a markup session on various legislative matters, some of which include S. 3314, the tort claims bill; S. 3178, the contract disputes bill; and S. 2089, diversity of citizenship bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, if we have any time remaining of the leadership's time on the minority side, I yield it back.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. SCHMITT) is recognized for not to exceed 15 minutes.

Mr. STEVENS. Mr. President, will the Senator yield just a minute?

Mr. SCHMITT. I yield.

Mr. STEVENS. Mr. President, I yield the 15 minutes allotted to me under the special order to the Senator from New Mexico.

Mr. SCHMITT. I thank the Senator for so yielding.

THE DEATH OF POPE PAUL VI

Mr. SCHMITT. Mr. President, I would associate myself very deeply with the remarks of the distinguished Senator from Alaska (Mr. STEVENS) concerning the untimely death of Pope Paul. His loss is felt by all around this world who know and recognize his contributions to our hopefully unceasing search for peace.

THE RIGHT TO A FREE PRESS

Mr. SCHMITT. Mr. President, I, too, wish to acknowledge the unique historical insight that the distinguished junior Senator from New York (Mr. MOYNIHAN) has brought to the issue of the rights of the press, and the rights of Americans to have a free press. There is absolutely no question that his concern is well placed, and that this Congress and this Nation must come to grips with not only the issue of how we guarantee that the public is well informed, but also the issue of how we guarantee that the press is indeed free.

GOVERNMENT POLICY AND INFLATION

Mr. SCHMITT. Mr. President, the main topic that I would like to discuss this morning is a topic very, very much, I think, on the mind of every American, because every American faces the problem of trying to make ends meet. We must take whatever income we have, from whatever source, and apply it to our daily, monthly, and yearly needs. But unfortunately, as we read the news-

papers, almost every day, certainly with every monthly report on economic indicators, we see that the task of making ends meet becomes increasingly difficult because of the monster we have created that is now known as inflation.

Mr. President, the Carter administration seems to have finally recognized that inflation is the Nation's No. 1 problem. Although inflation has been causing serious trouble to the Nation's economy for many years, the President's recent statements seem to suggest that it has only recently become a severe problem. In fact, the President states that the inflation rate of a year ago was "acceptable." This is the first time I have ever heard anyone suggest that a 6 percent rate of inflation is acceptable. It was only a few years ago, in 1971, that price controls were instituted when inflation approached the 5 percent level, and history will show that those controls did little good, and as a matter of fact aggravated the impact of inflation when they were once again removed.

At a 6 percent rate of inflation, today's dollar will be worth just 25 cents in the year 2000. This is a statistic that should give rise to some caution on the part of the productive sectors of the economy as they contemplate investment decisions—the decisions that eventually lead to increases in employment. Unfortunately, just in the last few days we have seen that the unemployment rate, instead of dropping, as had been thought, over the last month or two, has stayed about the same, increasing above 6 percent.

The uncertainty that inflation creates with regard to the economic future cuts down on investment, which is the life's blood of a growing economy, in this country or any country. Without investment, how will the jobs our country needs be created? More than likely, Government will be called upon to fill the breech, which sometimes it can do temporily but never permanently, as it has been so often in the past.

It is interesting that, with all the discussion of inflation, the real culprit is seldom pointed out. There is much talk of the wage-price spiral, cost push, and demand pull inflation—but it is only rarely that anyone in the administration will admit that deficit spending in the $60 billion range could possibly contribute to inflation.

As a matter of fact, in various hearings before the Banking Committee, representatives of the administration as well as apologists for it, have said that a $60 billion deficit on an annual basis is not inflationary; when asked what level would be inflationary, no one is able to get a definite answer.

Too often it is the victims of inflation—the American taxpayers, workers, and businessmen who are blamed, rather than the true cause of inflation, which is a long series of misguided fiscal policy decisions on the part of Congress and the executive branch.

To many observers there appears to be one major factor which is producing the ever-present inflation of prices that has discouraged Americans for almost a decade. This factor is the rate of increase in the total national supply of money with which we buy goods and services. The rate of increase in this "money supply" has been and still is more rapid than the rate of increase in the goods and services we produce to sell or buy. The more money there is in the country to spend, the higher the demand, but without increased production, the prices will go higher.

The reasons for the money supply increasing more rapidly than production are complex.

Basically, the increase is triggered by the high deficits in the Federal Government, just as most of our constituents have suspected for many years. Those high deficits in one way or another get spent for nonproductive work, to pump money into the economy without any increase in goods and services.

Every dollar the Government spends in excess of tax collected must be borrowed from our private banks, savings institutions, and other financial enterprises. This massive borrowing in recent years, $65.5 billion in the last year alone, causes interest rates to rise, and this is the trigger that can cause inflation.

The Federal Reserve System has the power to create "new money" by buying back the notes the Government owns. If the Fed chooses to accommodate the excessive fiscal policies of the executive branch and the Congress, and it generally goes, the money supply climbs. In recent years the money supply has been climbing at a rate of about 6 to 10 percentage points more than the 3.5 percent average growth in our gross national product—GNP. That is the measure of the production of goods and services in this country. This 6 to 10 percent has been the inflation rate.

Other activities contribute to inflation: Excessive price increases, excessive wage increases, nonproductive regulatory costs, energy prices which are governed by foreign control. All of these contribute, but the major contributor is the excess growth in the availability of money, without goods and services upon which we can spend that money.

This is not to say that a one-shot increase in the money supply does not stimulate the economy in the short run. In fact, studies demonstrate that in the short run there is such stimulations. Those studies also indicate that that stimulation dies out over just a few more months. Modern studies have shown that such increases in the money supply show up in increases in the GNP approximately 9 months after this increase. However, approximately 2 years after the increase in the money supply, additional inflation develops and the increase in GNP dies away. Continuously increasing the money supply in excess of the long run growth potential for GNP causes continuous inflation.

There are other contributing factors in inflation. A particularly important factor has been a decline in productivity. This decline has been caused by inadequate modernization of industries due to capital shortages.

It has also been caused, Mr. President, by inadequate attention by both the private sector and the public sector in the creation of new technologies over the last decade.

As we review our budgetary appropriations for this coming fiscal year, and as we search for ways in which we can cut those appropriations with this very thought in mind of reducing the inflation rate, let us remember that there are certain sectors of Federal activity that, over the long run, actually work to decrease inflation. It is those sectors which are increasing the availability of new technologies, of new ways of doing things, which, in the longer term, increase the rate of growth of our gross national product.

The budgets of the technology agencies, of the science agencies, all should be considered in the light that those expenditures, properly done, contribute to our long-term battle against inflation.

It has become clear to modern economists that to cut inflation, our long-term goal must be to gradually reduce the rate of growth in the money supply until it equals the long-run rate or growth of the GNP—about 3.5 percent. This will not be easily done, because too rapid a decrease could cause another recession and more unemployment.

But too slow a decrease, or no decrease at all, will just perpetuate inflation which, in turn, can cause another recession and increased unemployment.

However, a decrease to 3.5 percent over a 5- to 10-year period could probably be tolerated.

The gradual reductions in the size of our annual Federal deficits also will help reduce pressures to increase the rate of growth of the money supply and thus reduce inflation. Since it is borrowing to finance the deficits that perpetuates the need for more new money to hold interest rates down, the balancing of the budget can be a critical part of the solution. This also will not be easily done, because of the still too common tendency to try to solve national problems with money rather than common sense. However, a great deal can be done by increases in governmental efficiency and the adoption of policies which will solve problems rather than just continue to treat their symptoms by the application of money.

Mr. President, it is fortunate that, although Congress tends to at times overlook the real causes of inflation, major portions of the public, if not most of the public, have recognized the truth. I would like to commend to the attention of my colleagues an article which appeared in the May 22 issue of Business Week entitled, "The Great Government Inflation Machine."

I ask unanimous consent that this article be printed in the RECORD in full, along with an editorial which appears in the May 28, 1978, edition of the Clovis, N. Mex., News Journal, both of which I think will be helpful to my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE GREAT GOVERNMENT INFLATION MACHINE

Inflation in the U.S. is again at a dangerously high level—with wholesale and consumer prices both rising at double-digit

rates and with prices of some goods and services advancing at close to triple-digit rates. The grim fact is that the country is caught in the grip of the worst, most prolonged, and most pernicious inflation in its history. Inflation has reached the point where it is destroying the nation's efforts to achieve solid economic growth, is wrecking the financial markets, and is blasting the retirement hopes of everyone over 65 years of age.

One symptom of the current disease is that big business and big labor are raising prices and wages in an effort to stay whole. But the real villain is the federal government, which has been running huge deficits for years. What makes government's inflation engine so dangerous is that many of the measures Washington is taking to alleviate the painful impact of price increases on one segment or the other of the economy only make the inflation more virulent. Thus, to ease the pinch on people at the bottom of the income scale, the Carter Administration has increased the minimum wage—and guaranteed another burst of inflation. To offset the higher costs of fertilizer and farm machinery to agriculture, the Administration has boosted farm supports—shoving food prices up sharply. And to help out pensioners who see their retirement pay shrinking away, Congress has raised mandatory corporate and individual contributions to Social Security—adding another percentage point or so to the rate of inflation.

There is no easy way to control inflation. To cure it requires first understanding the fundamental cause and how it is manifesting itself. Solving inflation will take a long period of government self-restraint, a reduction of expectations by everyone, and a determination by elected officials not to buy votes with government spending.

Anyone who is not at least mildly panicked about the inflation outlook for the U.S. does not recognize the seriousness of the situation.

The nation's price level has been beyond understanding since 1965. There have been two horrendous surges of inflation since then, and there is every indication that the U.S. is in the midst of still another such surge now. More disturbing is that while prices ebbed and flowed in the years from the Civil War to World War II, they have climbed with hardly a pause in the years since the postwar period (chart). Neither peace nor domestic recession has made a dent in that upward curve—and it has been virtually an exponential curve since 1965.

Inflation now must be seen as so deeply embedded in the foundation of the society as to make the ability to eradicate it seem doubtful. And this is happening because of—not in spite of—the way that the democratic decisionmaking process works in Washington.

Inflation soared to the 16 percent annual rate that showed up in the April report on wholesale prices not because politicians are seeking to frustrate the American people. Rather, it is because politicians are responding to the deepest desires of the people for more: more income, more houses, more cars, more welfare, more environmental protection, more occupational safety—more, in short, of everything that the U.S. government has promised, or been expected, to provide.

And the government has been trying to provide more of everything without regard to the resources available to do so. The result is that it has run its engine of inflation at an ever-increasing clip. Since 1965, the basic trend of federal budget deficits has risen steadily, as has the speed at which the Federal Reserve has created money (chart, page 108).

INTO THE BREACH

Faced with the inescapable fact that price increases are running far higher than government forecasts at the turn of the year had predicted, Washington has shown some signs of trying to throw its inflation engine into reverse. In his Apr. 11 speech, President Carter announced that his Administration had elevated the fight against inflation to its No. 1 priority, put a 5½ percent ceiling on wage increases for federal employees, and promised intensified efforts to hold down wages and prices in the private sector. So effectively did the speech appear to touch the public mood that Congress has embraced the fight against inflation to a point where an election-year tax cut has been imperiled. The Federal Reserve, too, has taken up the battle, trying to damp down demand by kicking up the cost of money by ½ of 1 percent in just two weeks.

And as evidence of how deeply the public—here and abroad—fears this inflation, the U.S. stock market responded to Washington's new rhetorical mood by jumping 100 points on the heaviest volume in Wall Street history, while the dollar strengthened in world markets.

SAYING ONE THING, DOING ANOTHER

But it will take more than rhetoric to whip inflation now. Since the President's Apr. 11 speech, there have been disturbing signs that the inflation rate is not slowing but accelerating. First came the report that consumer price inflation had jumped to a 9.6 percent annual rate in March—followed by the May 4 announcement from the Labor Dept. of that horrendous jump in April wholesale prices—the biggest one-month gain since November, 1974. Charles L. Schultze, chairman of the President's Council of Economic Advisers, conceding that "the underlying pressures are not abating," says that the Administration has raised its inflation forecast for 1978 to between 6¾ percent and 7 percent from its January prediction of a 6 percent to 6¼ percent range.

The acceleration of inflation this year should not have come as a surprise—least of all to the government officials who are in a position to know the most about the thrust of government policy. Washington officials have a tendency to blame bad news on factors beyond their control—bad crops, greedy labor unions and business executives, nasty oil sheiks—and to an extent, they are correct in ascribing inflation to clusters of random events beyond their control. This winter's dreadful weather all over the country—obviously no fault of Washington—did everything from slashing the lettuce crop to interfering with the breeding habits of pigs, and prices of both lettuce and pork are on the rise.

But equally true—and far more important—is that government itself bears the prime responsibility for the high underlying inflation rate. Were the underlying rate of inflation lower, higher lettuce and pork prices would not hurt so much. The underlying rate is high—and has been high since World War II—and the grim truth is that Washington's economic policy is still on an inflation-breeding, inflation-feeding kick. The planned deficit in the high-employment federal budget—a concept that matches spending against the tax revenues that would flow in at high employment, and therefore provides the best measure of the degree of stimulation in the federal budget—is at its fourth-highest level since World War II. Today's level has been matched only in 1968 and 1972—both years that preceded sharp spurts in the inflation rate—and in 1975, when the economy was in deep recession. Roughly the same situation also applies to the rate of money supply growth that has prevailed over the past year.

Because of the manifest need to come off the policy high, Washington's latest anti-inflation moves may be more prudently viewed as signs of desperation than of determination. The Carter Administration is talking anti-inflation while running gigantic budget deficits. The new Federal Reserve Chairman, G. William Miller, is talking monetary restraint, but he has inherited a swollen money supply from his predecessor, Arthur F. Burns, who proved more effective at inveighing against inflation than in actually fighting it. Over the past year, bank reserves—the raw material out of which money is created—have grown far faster than the 7.8 percent growth rate of the money supply itself. Miller can talk tough, but the banks have the wherewithal to expand their loans as credit demand rises—a process that can lead to still faster money growth.

THE DIFFICULTY OF SAYING "NO"

Because inflation has become so entrenched in the economy, any hopes that the stock market and the public may have for an early return to price stability are not shared by economists. Although Schultze and Director Barry Bosworth of the Council on Wage & Price Stability (COWPS) say officially that Carter's "deceleration" program can succeed in slowing the pace of inflation, some Administration economists privately admit that the best they can really hope for is to hold the rate at its "underlying level" of 6 percent to 7 percent—and they are skeptical about their ability to do even that.

This pessimism is rooted in the knowledge that policies that would push down the underlying inflation rate will cause a level of pain that the political system cannot tolerate. Although Carter has pledged to stop any governmental actions that contribute to inflation, Bosworth warns: "I don't think the government yet realizes all the implications of saying, 'We're going to do the hard things and say no.'"

Liberals and conservatives disagree about what saying "no" means. For conservatives, saying no means that an acceleration of inflation will be countered by restrictive fiscal and monetary policies that will cause the growth of employment and output to slow or, if necessary, come to a halt. In the past, that kind of no has been said. President Eisenhower came into office in 1953 determined to wring inflation out of the system. The eight years of the Eisenhower Administration were marked by three policy-induced recessions, and real economic growth over the period averaged only 2.1 percent a year. Eisenhower's conservative economics kept the inflation rate through his Administration to an average of 1.4 percent a year. But the political cost was high. The Republican Party lost control of both houses of Congress in the 1954 election and has never won them back.

A few industrial European nations, particularly Germany, also said no to inflation after the oil-price increases of 1973, and they have had dramatic success in containing the increase in wages and prices. But here, too, progress has been purchased at high social and political costs in the form of youth unrest, political terrorism, and a general weakening of the social fabric—even though these countries have the luxury of exporting their non-native unemployed.

Liberals argue that slow growth has always been an ineffective way to fight inflation and is steadily becoming even less effective. "If, as conservatives suggest, we were to hold the growth of the money supply to a very small rate, we could end inflation," says Bosworth. "But how high would unemployment have to go to accomplish it? Obviously higher than 9 percent, because that was not enough in 1975."

While liberals and conservatives differ sharply over the cure for inflation, they have, surprisingly, reached a consensus that the present inflationary predicament was partly caused by political sins and policy errors of the 1960s and '70s that were linked to Presi-

dent Johnson's conduct of the Vietnam war and President Nixon's obsessive effort to obtain a huge plurality in the 1972 election (page 108). These served to magnify the inflationary impact of systemic forces operating on the economy since the New Deal.

EXPANDING CLAIMS ON NATIONAL INCOME

Increasingly, Americans have recognized the validity of competing claims. Ever since the days of the New Deal, there have been government provisions to help in protecting the weak against the worst ravages of a competitive economy. But the Administrations of John F. Kennedy and Lyndon B. Johnson greatly expanded the role of government in redistributing income and defined civil rights to include economic rights.

The Kennedy-Johnson era was marked primarily by a massive growth in government income-transfer programs, spearheaded by the war on poverty and other programs of the Great Society. The original intent was to raise the incomes of the most disadvantaged. But in the process, people not commonly regarded as poor also came to recognize Washington as a source of largess. Medicare, federal aid to education, disability insurance, and housing programs dispensed benefits without regard to income. The best measure of how far this process has come is the growth in federal transfers of funds to individuals and to state and local governments. Since 1961, transfers have grown at a 13 percent annual rate, while government purchases of goods and services have risen by 6 percent a year.

At first, these claims were relatively easy to meet because a rapidly growing economy provided abundant revenues to finance the programs. But these claims have proved impossible to divert, even at times of near-full employment, such as 1965, 1968, and 1973, and they have continued to grow much faster than the economy's ability to satisfy them. This is a major cause of the chronic deficits in the federal budget and a major reason why Carter's goal of a balanced budget has proved so elusive. In the 52 quarters since the beginning of 1965, the budget has been in surplus in only eight, while it showed a surplus in 18 of 52 preceding quarters.

At full employment, such deficits are inherently inflationary because they create excess demand. That is not a problem at the moment, with the economy still taking up the slack from the severe 1974–75 recession. But the risks are rising. "If there is no excess demand, the deficit cannot be inflationary," says Federal Reserve Board member Henry C. Wallich. "But if you continue to run large deficits, they will catch you sooner or later as you move toward full employment—and I think we are getting close now."

MAKING THE PRIVATE SECTOR PAY SOCIAL COSTS

There is a pervasive tendency today for government arbitrarily to shove back onto the private sector many claims that add directly to inflation. In the early 1970s, for example, the government responded to the demands of the growing environmental movement by passing legislation and regulations that forced industry to install costly equipment to abate air and water pollution and to protect worker health and safety. The only way for industry to recover these costs was to pass them on to consumers. The Environmental Protection Agency estimates that its regulations add 0.3 to 0.4 of a percentage point to the rate of inflation. Health and safety regulations have a similar inflationary impact.

Part of the cost of helping the poor also has been shunted to the private sector. Minimum-wage legislation is an alternative to direct subsidies to the poor. While economists argue vigorously over how much benefit the poor actually derive from the minimum wage, there is no question that it increases the labor cost of the private sector, and the January increase in the minimum hourly wage to $2.65 from $2.30 was a major reason why the household-services components of the consumer price index increased to a 12% annual rate in the first quarter.

What these and similar programs have in common is that their cost is hidden because it never appears on the federal budget. "This amounts to a policy of outright deception by the government," says Robert Crandall of the Brookings Institution.

These hidden costs also have had a disastrous effect on productivity growth, because the capital that has been invested in meeting the claims for a cleaner environment and a safer workplace has not been available for expansion of upgrading of productive capacity. COWPS's Bosworth, drawing on the research of Brookings economist Edward M. Denison, says that government regulation has been the most important cause of the decline in productivity in the past decade. "You can optimistically say that productivity is now growing at 2 percent a year," he says. "That means we have lost fully one-third of our productivity growth, and productivity is the only source of an expanding economic pie from which competing social claims can be satisfied."

UNDERMINING THE EFFICIENCY OF THE PRICE SYSTEM

Through a concern for equity, the government has reduced the efficiency of the price system in allocating resources. At one time, government efforts to help the poor were concentrated almost entirely on income transfers. In recent years, however, there has been a growing tendency to suppress price increases because they would have an adverse impact on low-income groups. As a result, governments on the federal, state, and local levels have increasingly tampered with the rationing role of prices in a market economy. In practical terms, this tendency has shown up most strongly in fights over national energy policy and in state and local disputes over utility rates, transit fares, and the cost of other essential services.

"If we had a more efficient allocation of resources, we could have produced more real output at lower prices," says Bosworth. "In the past, our ability to leave the price system alone produced big productivity gains."

THE BRACKET EFFECT OF PROGRESSIVE TAXES

But inflation, in many ways, makes the government's life easier by allowing it to meet expanding claims with inflation-generated revenues. During inflationary periods, the cost of government programs rises, but revenues rise much faster as increasing money income pushes taxpayers into higher tax brackets.

Inflation-induced tax receipts appear to lessen the budgetary constraints on federal programs. This illusion creates periodic euphoria over the "fiscal dividends" that will be available to the government at some time in the future. In this year's budget, for example, the Carter Administration projected a $76 billion surplus in fiscal 1983. This surplus would presumably be available to finance new social programs. But the bitter experiences of the past, most notably with the Vietnam war "peace dividend," demonstrates that such "dividends" are inevitably consumed by spending growth and by tax cuts before they can materialize.

These tax cuts have been essential to reduce the drag on the private economy caused by a rising federal bill. Congress has informally "indexed" the tax system to inflation with periodic rate cuts to offset the effect of inflation on individuals' tax bills. But this indexing process has produced rough justice at best. "Congress has done a reasonable job of indexing taxes in the aggregate," says Rudolph G. Penner of the American Enterprise Institute. "But each time it has thrown in a little income redistribution and has focused relief on the low end of the income scale."

THE COMMITMENT TO FULL EMPLOYMENT

This is the most fundamental change in the structure of the U.S. economy. Although government occasionally has attempted to cool inflation by clamping down on the growth of the economy, it has always backed off when unemployment reached politically intolerable levels.

Prior to World War II, workers and businessmen knew that if wages or prices got out of line, the result would be unemployment and a collapse of demand. Inflation was always followed by deflation, which kept the price level roughly stable over time.

But the suffering caused by the Depression was so severe that all Western governments adopted stabilization policies that have prevented deflation. This has undermined the discipline that the market imposes on wages and prices so that individuals and businesses no longer fear that their wage and price decisions will cause unemployment or loss of markets.

This belief that government will protect business and labor from the consequences of big wage and price increases is pervasive in Western society. In her book, Economic Heresies, socialist economist Joan Robinson, who worked closely with John Maynard Keynes at Cambridge, laments: "When it becomes clear that the relative incomes of individuals are mainly determined by the bargaining position of the group to which they belong, the ethics of the system—a fair day's work for a fair day's wage—disintegrates, industrial discipline is undermined, and the tradition of public service gives way to a general scramble for advantage."

Expansive government policies have consistently validated wage and price increases that otherwise would not stick in the marketplace. "When the government does that," says economist William Fellner of the American Enterprise Instiute, "it invites markets to steepen their cost trends and push price levels even higher, since they can safely assume that they will be accommodated by expansive policies."

President Carter has raised hopes of a deceleration of inflation. But even if he is serious in committing the government to stop taking inflationary actions—and such a commitment imposes political costs that will become increasingly difficult to bear as the 1980 election approaches—it will be exceedingly difficult to lower inflation significantly.

WHAT A DECADE HAS WROUGHT

Ten years of inflation have created a private-sector wage-price spiral that has assumed a life of its own. If the government attempted to hold down demand, prices would continue to rise, and the result would be a sharp drop in output and a sharp rise in unemployment. The country would be in a deep recession long before wages and prices could begin to adjust.

According to a CEA analysis, achieving a drop of one percentage point in the inflation rate through macroeconomic policy alone would require a two-point jump in the unemployment rate for two years and a loss of $100 billion worth of output. "Fiscal and monetary policy still affects employment and output," says CEA Chairman Schultze. "But they have a hell of a time unwinding an inherited inflation once it has gotten started."

The effectiveness of economic policy is severely restricted by the inflexibility of wages and prices. Most major union contracts, which set the pace for wages throughout the economy, are generally written for three years. "I don't think economists have emphasized enough the extent to which our inflationary problem is the result of overlapping, multiyear labor contracts," says Robert J. Gordon of Northwestern University. "No one union wants to give anything up, because they know prices won't respond as long as everybody else gets theirs."

The problem of wage momentum is exacer-

bated by distortions in the wage structure caused by slow growth and high inflation since 1973. Strong unions have been able to keep real wages growing in a weak economy, but the unorganized have not been so fortunate. As a result, the spread between wage gains in highly unionized industries and the rest of labor has widened, creating a sense of inequity that can only be redressed by a further upward ratcheting of wages and prices.

The experience of recent years has also given many businesses a vested interest in continued inflation. "When investment is planned and debts incurred on the basis of expectations that inflation will continue," says Joan Robinson, "a check to rising prices would cause acute financial embarrassment and might precipitate a sharp slump. An inflationary economy is in the situation of a man holding a tiger by the tail.

This lesson was very sharply drawn when an anti-inflationary Federal Reserve tightening in 1969 led to a credit crunch so severe that by June, 1970, a number of already troubled companies found themselves unable to refinance their short-term debt. The Fed was forced, in effect, to guarantee the commercial paper of Chrysler Corp.'s financial subsidiary and to save the big auto maker and other companies from financial disaster. This in turn forced the Fed to abandon its restrictive policy.

Volatile credit markets have made corporate financial officers far more cautious about the health of their balance sheets. But spotty profit growth and weak equity markets have forced corporations to raise more and more capital through debt. Thus, many companies are again vulnerable to a credit crunch resulting from sustained tightening by the Fed. And the unwillingness of the government to let major corporations fail would again force the Fed to change course.

THE THREAT OF RECESSION

The inflation syndrome built into U.S. society makes it highly unlike that President Carter's deceleration program can have much more than a minor impact on the inflation rate. History is likely to view Carter's effort as another failed experiment in incomes policy—attempts by government to override the imperfections of the marketplace with intervention that ranges from various forms of jawboning to outright wage and price controls.

Carter's modest incomes policy, like most others, will be seen as an attempt to moderate the crueler discipline of economic restraint. Administration economists realize that they cannot in short order break the cycle of inflationary expectations built up over the past decade.

The best they can hope for is that there are no new shocks to the economy, such as another oil-price increase, and that they get enough cooperation to keep price and wage increases from accelerating this year. If their hopes fail, there will be nothing to prevent a new surge in wage increases during next year's heavy round of collective bargaining.

At that point, the government will be forced to take more stringent action, either by imposing mandatory controls or restrictive economic policy, which would temporarily slow the pace of inflation. Deep down, Administration economists fear that the latter outcome is more likely. "The most realistic threat the country faces is not controls but another recession," says Bosworth. "We can see the signs already in the pressures of the Fed to tighten and on Congress to reduce our proposed tax cut. A recession is likely because that has always been government's anti-inflation policy."

HOW INFLATION THREATENS THE FABRIC OF U.S. SOCIETY

A year ago, Representative Norman Y. Mineta (D-Calif.) invited voters in his San Jose district to a forum on inflation. Only 30 people turned out. This year Mineta tried it again—and found himself facing a standing-room crowd. Indeed, the public's opposition to—and fear of—inflation has never been greater than it is today, as politicians from Mineta to President Carter have come to appreciate.

It is now a full generation since the first postwar programs that institutionalized inflation were launched and 15 years since the combination of the Great Society and the Vietnam war started inflation on the deadliest spiral in the nation's history. Americans who once believed their government could control inflation now look upon inflation as an illness for which there is no effective cure. Notes Patrick Caddell, president of Cambridge Surveys: "A year ago 25 percent of the public said there was no way to stop inflation. Now the proportion is 50 percent." Caddell is the President's personal pollster, and it is just such intelligence that persuaded Carter to train his guns on inflation.

There is the immediate shock of a head of lettuce that cost 59¢ a year ago and now costs $1.19; of the 10 percent jump in the cost of a home over a year ago, with home mortgage rates up to 10 percent; of the cost of a year at a private college that will average $5,110 next fall, 6 percent more than it cost last fall. A New Jersey homeowner mourns that the past two winters—the vilest in modern times—came when heating oil cost 49 cents a gal. vs. 15 cents a gal. five years ago.

These price jolts skew spending and investing patterns, and they sap the public's morale. "What you are really confronted with," says economist Fabian Linden of the Conference Board, "is a rate of inflation that exceeds your return if it is invested with any caution. What makes it all the worse is that we had a fairly well-organized financial society for a very long time, and now it has disappeared."

In Washington, economist William J. Fellner of the American Enterprise Institute warns: "For businessmen, the uncertainty of inflation is devastating. They can't foresee future costs, prices, markets, long-term growth prospects, and investment needs." Inflation may fatten corporate profits and the value of inventories, but the gains are illusory. "Businessmen," says Fellner, "further suffer the inequity of paying taxes on inflationary revaluations of their assets." This also is true of wage-earners, who must pay taxes on inflationary revaluations of their incomes.

This all might be tolerable if people were convinced that inflation was only a short-lived thing. The fact that inflation is swelling again makes is absolutely intolerable to a larger and larger slice of the population. "We're beyond a panic situation," says Caddell of Cambridge Surveys. "Americans have a marvelous ability to adapt, but there is the feeling of no one having credibility and of no one able to make an impact."

In fact, there are feelings even more basic than these among the American people. A generation of inflation has taught the nation these lessons:

In the short run, while it is possible to adjust salaries and to impose restraints on prices to minimize the impact of inflation, not all members of society benefit equally from these practices, and not all price hikes can be restrained. There are, says Gardner Ackley, professor of economics at the University of Michigan and at one time the chief economic adviser to President Lyndon B. Johnson, "uneven lags in the response of individual prices and wages to the forces that permit or create inflation." Those with flexible incomes do better than those with fixed incomes; organized labor does better than unorganized labor. Washington can talk down a domestic steel price hike but it cannot force a cut in the price of world oil.

In the longer run, no matter what adjustments are made to wages and prices, nearly everyone ultimately loses to inflation because their gains are watered down by higher prices or higher taxes or a combination of both. "It is the problem of the stick with two short ends," says Arthur Okun of the Brookings Institution and also a former chief economic adviser to President Johnson. "The individual who has bet wrong on future inflation is convinced he's got the short end and someone else must have the long end. But in a general inflation, even the winner may wind up getting shorted."

In the still longer run, not only most individuals but all society loses to inflation. Tensions between labor and management, between government and the people, and eventually among social and economic classes become overwhelming, and these tensions, Ackley says, "are thus destructive of the social and political fabric." Ackley adds, "A significant real cost of inflation is what it does to morale, to social coherence, and to people's attitudes toward each other."

Anything that threatens the nation's social cohesion is obviously dangerous. "This society," says Okun, "is built on both implicit and explicit contracts, ways of doing economic things economically. They are linked to the idea that the dollar means something. If you cannot depend on the value of the dollar, this system is undermined. People will constantly feel they've been fooled and cheated."

To Okun, all of this is the source of much of the social and economic divisiveness in the U.S. today. "Prolonged high inflation undermines the ability of labor and business, of political interests, and others to make deals and to strike compromises," he says. "We saw some of this in the coal strike. And it's been a fundamental problem in the battle over President Carter's energy program."

The U.S. is still a long way from class warfare, but many people worry about what could happen if inflation remains at anything approaching recent levels. At the moment it is the middle class, and, specifically, the nonunionized middle class, that feels the most put upon. Family income continues to go up on average, of course. But Professor Larry L. Leslie of the University of Arizona recently told the House Ways & Means Committee that gains by the poor are probably responsible for most of the rise in median income. The middle class, he claims, has lagged behind in terms of discretionary income.

What this will do to the American Dream—the idea of people being encouraged to work hard to move up from poverty to the middle class—remains to be seen. "The middle-class earners feel rotten because a lot of them haven't kept up with the median," says economist Rudolph G. Penner of the AEI. "The polls show the general public is compassionate over the poor, but that's easier when your own share of the economic pie is growing. When your share is not growing, but benefits are seen rising for the disadvantaged, there is bitterness."

That bitterness has been kept in check because the U.S. emerged from the most divisive period in its history—from Vietnam and Watergate—into a period that since 1975 has produced prolonged economic growth and only moderate inflation. Now the economic outlook is clouded, inflation is no longer waning, and this country could be heading into the worst period of economic and social dislocation since the Civil War.

BLUNT JIMMY

President Jimmy Carter's place in history is assured. As adept at inserting his foot in

his mouth, he is probably without peer. Either the man is incredibly naive and untutored or else believes the American people are.

For example, these tidbits in his recent pronouncements:

Ignoring the fact that inflation is an increase in the money supply, that rising prices are the result, rather than the cause of inflation, and that the government itself controls the supply of money, Mr. Carter told us that it is a myth that the government itself can stop inflation; that in almost the same breath in which he promised to veto legislation that would "fuel inflation."

Then, after chiding Congress for not enacting his long-stalled energy program (a program which includes both higher taxes on petroleum and certain categories of automobiles and the continued regulation of oil and natural gas), and threatening administrative action to restrict foreign oil imports, the president went on to add, "I can't imagine any circumstances under which I would favor wage and price controls (other) than a national emergency like all-out war." In the absence of such an emergency, one must assume that the chief executive is blissfully aware of the control which taxes, regulations and import restrictions exert over prices and wages.

And finally, still confusing inflation, the cause with prices, the effect, the president proceeded to shift the monkey of inflation from the government's back to the backs of workers and the business community. Said Mr. Carter: "Let me be blunt about this point. I am asking American workers to follow the example of federal workers and accept a lower rate of wage increase. In return," he continued, "They have a right to expect a comparable restraint in price increases for the goods and services they buy."

As an example, the president said, he would seek to limit federal pay raises to about 5.5 percent this year.

That, mind you, after having given his White House staff a pay boost of up to 25 percent in March of last year and another pay hike of 7.5 percent in November.

Some "example," that! Some "inflation fighter," he!

Mr. SCHMITT. Mr. President, as I indicated a few moments ago, one of the issues that contributes to inflation, although not nearly as much as our unsound fiscal policy, is the issue of energy costs—energy costs that have been driven up in recent years by a cartel control of the production of oil and, increasingly, the production of natural gas. Cartels control production because they control supply, and there is no question that as long as we in the Western World and other nations allow that cartel to control supply, we shall continue to pay more than we should at any given time for energy produced by that cartel. However, if one looks even at the longer-term trends that are going to affect the cartel as well as other nations of the world, one can see that demand very probably will outrace supply of fossil fuels. A well-known exploration geologist, Mr. Michael T. Halbouty, has recently published an article entitled "Acceleration in Global Exploration—Requirement for Survival." I ask unanimous consent that that article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ACCELERATION IN GLOBAL EXPLORATION—REQUIREMENT FOR SURVIVAL [1]

(By Michel T. Halbouty [2])

Modified from the writer's paper, "Future Trends in Exploration to Discover New Hydrocarbon Reserves Throughout the World and the Role to Be Played by the Organization of Petroleum Exporting Countries (OPEC) National Oil Companies," presented at the Organization of Petroleum Exporting Countries (OPEC) seminar on *The Present and Future Role of the National Oil Companies*, at OPEC Headquarters in Vienna, Austria, October 10, 1977.

[NOTE: The charts contained in the article are not reproducible in the RECORD.]

(Abstract. Although the demand for petroleum continues to increase as the availability of alternative energy sources lags, exploratory activities are not increasing accordingly. Exploratory wells, geophysical crew months, and acreage holdings all indicate that global exploration is not increasing and the resultant new discoveries of oil and gas required to supply the world's needs in the 1980s and 1990s are declining.

(There must be an immediate acceleration in exploration in all sedimentary basins: intensely drilled, moderately explored, partially explored, and essentially unexplored basins. It is estimated that nearly two-thirds of future commercial potential may be found in basins which are productive today. Terms for exploring frontier areas should reflect costs, including research for technologic advances, and risks, which are very high in the harsh environment areas.

(For there to be acceleration in exploration, dedication is required not only of geoscientists and private companies, but also of governments in order that coordinated, effective, and equitable working relations among the various groups can be achieved.)

INTRODUCTION

The worldwide petroleum industry is in the midst of one of the most critical periods in its entire 118 years of exciting history. Although exploration for new reserves of petroleum has been conducted in many parts of the world, there are still scores of onshore and offshore areas which need to be extensively explored to meet the soaring demand for new petroleum supplies. This need is compounded by the fact that worldwide reserves are not now increasing to any appreciable extent. If present trends continue, we soon shall be producing at a greater rate than reserves are being added; this, for the first time in history.

There is great urgency to search for and find new petroleum reserves, in order to establish enough lead time for the world's science and technology to research, develop, and produce in sufficient quantities other sources of energy which must meet the long-term energy requirements.

The future of the world's petroleum industry depends on political developments. Governments and politicians must agree on proper regulatory frameworks which enhance exploration for and development and production of the needed new petroleum reserves. Proper frameworks will provide the incentive needed for these activities.

In this regard it is interesting to note the involvement of government companies in the world's petroleum configuration. Although the first non-Communist government company (AGIF) was formed in Italy in 1926, by 1950 there were only seven. Most of the additions in that period were Latin American government companies. The first OPEC government company to be formed was NIOC in Iran, in 1951. By 1960 government companies numbered 17; by 1970 the number grew to 33, and to 51 today.

In addition, operations of 12 more companies (principally European and Japanese companies) are similar to private companies although these companies are at least partly owned or controlled by the respective governments. This adds up to a total of 63 government or government-controlled oil companies. Additional growth may be slowed by the fact that, at present, relatively few countries do not have at least one government oil company. Thus, governments all over the world are no longer just rule makers, referees, or judges in the exploration process, but they have become instead participants and, along with the private sector, co-accountable.

Although government oil companies are now playing an increasing role in the exploration for oil and gas, these companies as well as the private companies must engage in an accelerated worldwide petroleum search. Exploration represents the very heart of the petroleum industry. Exploration is where it all starts. All of the other segments of the industry—such as refining, marketing, and transporting—owe their existence to the success of exploration. Without reasonable success in the exploration effort, it is doubtful that any company (large or small, government or private) could stay in business. Without new discoveries a company would exist only so long as its present reserves. Therefore, this presentation stresses the need for extensive exploration in order to keep the world, as we know it, alive.

Many areas in the world have large petroleum potential, including that for discoveries of "giant" fields. Although I am optimistic that the exploration and producing segment of the petroleum industry can and will find and produce the needed oil and gas in a timely manner, there are many serious obstacles. They must be cleared in a manner which is most satisfactory to the majority of people. The challenges that I describe are really tests of our collective wills and desires to meet the future needs of mankind.

POLITICAL DISTRIBUTION OF HYDROCARBONS

The distribution of past production and remaining discovered reserves, along with an estimate of future resources, given in Figure 1, are based on the excellent study of Moody and Esser (1975). These diagrams (Fig. 1) are generally accepted as being representative of the current picture and future outlook for oil and gas.

North America has been dominant in production, with 42 percent, but the Middle East currently dominates the world's remaining discovered reserves, with 45 percent (or 56 percent of the non-Communist bloc). The Communist bloc is expected to become dominant at some future date, with 36 percent of the undiscovered potential. However, the future potential in the Communist bloc is heavily dominated by gas, and most of it is located in extremely harsh physical environments, where production would be costly.

It should be emphasized that no rate of discovery can be implied by the estimate of potential. Although the rate is likely to be proportional if all factors are weighed equally, some of this oil and gas can and will be found more quickly and easily than the rest.

Although the pie diagrams in Figure 1 are sized to indicate the volumes they represent, they show no indication of gas-oil relation. Almost all estimates indicate that just over one-half (about 53%) of the expected ultimate oil has been found to date and only 43% of the expected gas has been found.

[1] Manuscript received, September 29, 1977; revised and accepted, December 12, 1977.

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In terms of reserve to production ratios, or reserve life in years at current producing rates (Fig. 2), Western Europe, principally the North Sea, has the highest reserve life. However, it will quickly fall to the 25-year range by the early 1980s as production increases. The rapidity of such decline will be affected by the near-term discovery rate.

The Middle East is outstanding with the largest remaining reserve of any area and has a current reserve life of 52 years (Fig. 2). Further, even if Middle East production is permitted to climb to 30 million bbl/day (11 billion bbl/year), and new discoveries are minimal, this area still will have a reserve life approaching 40 years.

In all other areas the reserve life is in gradual and steady decline. A high discovery rate is essential to keep the decline in reserve life within acceptable bounds.

PRODUCTION FORECAST

The actual annual world producing rate currently stands at about 57 million bbl/day (Fig. 3). Future production is forecast to grow to above 66 million bbl/day without any new discoveries. Many observers, using the heretofore mentioned assessment of future potential for new discoveries, think world production could rise to 90 million bbl/day or a little more (Fig. 3). Whether this projection occurs will depend to a large extent on the rate and size of new discoveries, particularly in the immediate future. To gain perspective, this level of forecast implies that by the middle to late 1990s, only 20 years in the future, more than half of the world oil production will come from fields not yet found.

Although this is not a pessimistic outlook for exploration results, the potential demand for oil by the middle to late 1980s is expected to be greater than supplies available. Oil will be "supply limited," to use economists' terminology for energy crisis. To help resolve this impending dilemma, substantial progress is required in the area of conservation and in the development of alternate fuels. Otherwise, billions of people will have to forgo their rising expectation for a better life. Obviously, the lack of exploration success or the political and environmental restraints on developing production will make the job just that much more difficult. Finding as much oil and gas as possible stands as a very high global priority. All of us, whether in the government sector or the private sector, whether in a market-controlled economy or a centrally planned economy, must do our utmost to accelerate the discovery of new oil and gas in order to provide a smooth transition into the post-oil era. If we fail, a world catastrophe is not an improbable outcome. All of us will be losers.

EXPLORATORY DRILLING ACTIVITY

Since 1970, or about the time the supply problem was first publicized, only in North America has there been response to the need for increased exploration (Fig. 4); unfortunately, most of this effort is directed toward objectives with limited potential and has resulted only in discovery of small fields.

Outside of North America, exploratory drilling has remained constant (Fig. 4). Government companies have increased their share and now drill about half the exploratory wells outside the United States and Canada. This development is expected because the government sector is the most rapidly growing part of the petroleum industry. However, there is little doubt that exploratory drilling must be increased by both government and private companies.

GEOPHYSICAL ACTIVITY

The number of geophysical crew-months operated in the non-Communist world since 1970 shows growth in the United States and Canada and relatively constant levels outside North America (Fig. 5). In 1973, the only year in which data were available, government companies operated 1,200 crew-months. This represents 16 percent of the activity in the non-Community world and 30 percent outside the United States and Canada. Because offshore activity, which has more rapid coverage, is growing at the expense of onshore geophysics, annual geophysical coverage in terms of miles is undoubtedly rising somewhat, a relationship not depicted in Figure 5. Nevertheless, we are not likely to see a sizable increase in exploratory wells until the geophysical effort expands. These data also indicated that the industry is not responding to the need to accelerate discoveries.

ACREAGE IN FORCE

Acreage holdings in the non-Communist world in 1976 are down 13 percent from 1970 (Fig. 6). Reductions are noted in both onshore and shelf holdings. Holdings of deep-water acreage were slightly higher in 1976, although even this is down from a peak in 1974. These data include both private and government companies where acreage is actually assigned to the company. Excluded are countries such as Brazil and Mexico, where the entire country was unassigned through 1976, and where acreage was available only to the respective government companies. North American holdings are not shown separately, for they represent only about 15 percent of the total. This percentage is in marked contrast to those for exploratory tests and geophysical activity.

Overall acreage in force, therefore, represents additional evidence that the worldwide petroleum industry is not responding to the need for accelerating exploration.

DISCOVERY HISTORY

World oil discovery history, as depicted by the assignment of current geologic estimates of discovered reserves to the field-discovery year, is characterized by discovery rates which have been sporadic and generally increasing with time (Fig. 7). The sharp peaks, beginning in the late 1930s and continuing through the middle 1960s, represent years when most of the big Middle East fields were discovered. The rate of discovery of Middle East oil (but not of natural gas) has dropped off markedly in recent years.

Although it is difficult to appraise recent discoveries, data for the years 1965 to 1976 suggest that the recent discovery rate for the world is in a general decline (Fig. 8).

The Communist-bloc oil discoveries have been rather modest since 1967; in the rest of the world the amount discovered by government companies has increased since 1971 (Fig. 8). The greater part of this increase reflects the recent success by PEMEX in the Reforma area of southern Mexico. During most years, discoveries by government companies have been at rates of about 1 billion bbl/year, or about 7 percent of the non-Communist total. The discoveries by private companies between 1965 and 1969 primarily reflect those in the Middle East. The peak in 1968 shows the effect of the Prudhoe Bay discovery in Alaska. Since 1970, private company discoveries are heavily weighted by those of the North Sea.

These data present yet another line of evidence that the petroleum industry is not responding to the need with increased effort and commensurate results. If the estimate for future potential is reasonable, the decline in discovery and the constant level of effort are not due to lack of potential, lack of places to explore, or lack of demand. Discoveries must fill a rapidly increasing share of that demand, if it is to be met.

The current state of affairs must be changed. Inertia and difficulties associated with accelerating exploration programs must be reduced. Delays in obtaining acreage for exploration should be avoided and regulations governing acreage and drilling should be reasonable and encouraging.

BASINS OF THE WORLD

The exploratory status of the principal sedimentary basins where we may expect to find oil and gas can be shown by dividing these basins into four categories: (1) intensely explored, (2) moderately explored, (3) partially explored, and (4) essentially unexplored (Fig. 9). Although this categorization is somewhat subjective, others probably would be quite similar. The potential of deep ocean basins is considered minimal because of limited reservoirs, source rocks, or structures.

There are approximately 600 basins in the world. Of these, about 200 have had little or no exploration for oil and gas. These are not geologic mysteries, because sufficient work has been done to indicate their dimensions, amounts and types of sediment fill, and their gross structural aspects. The vast majority of the unexplored basins are in harsh physical environments, that is, in the Arctic, deep water, or remote interiors of continents. The remainder are either restricted by political problems or have been by-passed because of a combination of remote location and considerations of geologic potential.

Another 240 basins, included in the partially and moderately explored categories, have been explored to some extent, but without yielding commercial discoveries.

Approximately 160 basins are productive of commercial hydrocarbons. The distribution of these discoveries has been far from uniform. Only 25 of the 160 have past discoveries of 10 billion bbl of oil and/or equivalent gas (6 Mcf = 1 bbl) or more. These 25 basins contain 86 percent of the total hydrocarbons discovered to date. Further, only 6 of the 25 have discovered reserves of 50 billion bbl of oil and/or equivalent gas or more, and these 6 account for 66 percent of the total discovered petroleum. One basin, the Persian (or Arabian) Gulf, contains approximately 40 percent of all discovered hydrocarbons on an equivalent basis.

The disproportionate distribution is a key to solving our problem. These data suggest that about 50 percent of the world's basins utlimately will be productive of commercial finds. Consequently, as many as 100 of the unexplored basins may be productive. However, no more than 10 to 12 are likely to contain more than 10 billion bbl of oil and/or equivalent gas; two or three may be presumed to contain 50 billion bbl or more. None is likely to rival the Middle East in size.

All of these basins must be explored with deliberate and judicious speed, if the discovery rate in the future is to keep pace with the demand.

PRODUCTIVE BASINS

The productive basin areas of the world, from which a significant part of the potential estimate must be discovered, is divided into two somewhat subjective categories—mature and developing (Fig. 10).

I estimate that as much as 30 percent of the estimated undiscovered commercial potential oil and gas will come from mature producing areas. These are the exploratory hot spots of the past. Principal exploratory targets are: (1) extensions to known plays; (2) new plays, most probably in either stratigraphic and other subtle traps or in deeper drilling on known structures; and (3) from enhanced recovery of low-grade deposits. These areas will be typified by high finding costs and a disproportionate share of both gas and small fields. The finding costs will be offset somewhat by relatively low development costs and an inplace petroleum infrastructure. Mature areas exploration has been under way for many years in the United States, Canada, Western Europe, and the Soviet Union. It is just beginning in the Middle East and Venezuela. The recent giant gas discoveries in the Permian Khuff formations on known structures in the Middle East, the sizable Cretaceous discoveries in

Lake Maracaibo, and the Orenberg gas discovery in the Volga-Ural basin of the USSR are examples of the potential in mature basins. To accelerate the finding of this potential, a higher level of exploratory drilling is required.

According to my estimate, the developing productive areas, today's exploratory hot spots, contain up to 40 percent of the remaining commercial undiscovered potential. This potential is in addition to the same type of targets that are expected in the mature basins. Examples of new plays in developing basins are: (1) the discovery in the Moray Firth part of the North Sea; (2) the Upper Jurassic discovery in the central North Sea; (3) the Carboniferous discoveries in western Siberia; (4) the Cretaceous-Jurassic discoveries in the Reforma area of Mexico; and (5) the Nubian sandstone discoveries in the Gulf of Suez. Finding costs in the near future should be lower in the developing areas, as many large fields are anticipated. However, this will be offset to some degree by relatively higher development costs and, particularly, costs associated with expanding the petroleum infrastructure. To accelerate the finding of this potential, increased geophysical activity and improved geophysical data are required as well as a higher level of exploratory drilling.

In all, I expect that nearly two-thirds of the future commercial potential will be found in basins that are productive today.

FRONTIER BASINS

The significant petroleum frontiers of the world where sizable accumulations might be expected are shown in Figure 11. In these frontier areas very little exploration has been conducted. It is obvious from their locations that the hard-to-find petroleum would be in these areas. However, because the potential could be substantial, a sizable share of our exploration efforts should be directed toward these areas. Frontier areas may be divided into moderate and harsh physical environments.

Not many moderate environments remain as frontier areas. Examples of those in which exploration is now being permitted include the United States offshore Atlantic and Pacific, offshore Argentina, offshore Brazil, the east coast of India, and offshore Viet Nam. Others, such as the East China Sea and the Gulf of Venezula, are involved in boundary disputes. Internal political processes and boundary disputes are the main reasons that the areas with moderate environments are still frontier basins.

Industry access to the acreage is the key to accelerating discovery of this potential.

All moderate areas are particularly significant because they represent areas with potentially low finding costs and moderate development and petroleum-related costs. Several, such as offshore southern California, Gulf of Venezuela, and western Arabian peninsula, are adjacent to prolific producing areas. Others, such as the deeper Gulf of Mexico, offshore Viet Nam, and the Basin-and-Range province of the western United States, already have indications of productivity. Only the United States Atlantic offshore, offshore Argentina and Brazil, and the East China Sea are somewhat removed from currently productive areas. Each of these appears to have many structures and a thick sedimentary section, and they certainly warrant exploration.

Most of the harsh environmental areas are in the Arctic (Fig. 11). These areas present a significant technical challenge, not just to explore but to establish production once petroleum is found. Lead time from discovery to peak production in Arctic areas could easily require more than 10 years. This time depends on climate and weather, volumes of oil or gas, and government regulations.

South of the Arctic, most harsh areas are deep water—mostly in excess of 2,000 ft (600 m). Others are in the isolated interior of the continents of Africa, Asia, and South America. This potential too will be very expensive to find and to produce. Acreage availability under reasonable terms offers the real hope of accelerating discovery in the continental interiors.

The development of sophisticated technology, which obviously required, can be spurred or inhibited by expectations of acreage availability and terms for performance. Terms governing exploration and production in frontier areas should reflect the costs, including those for research to gain technologic advantage and for the risks involved. Governments controlling harsh frontier areas are beginning to recognize the costs and are offering incentives to companies willing to face the harsh environmental challenges.

The following is thought to reflect the kind of potential that may exist in these harsh environments. The Labrador Sea, Baffin Bay, Trondheim coast, offshore Greenland, southwest Ireland, and the Western Approaches to the English Channel are in many ways similar to the North Sea, at least in type of structure and age and kind of rocks. The Kara Sea, Khatanga trough, and the Tunkuska area of the USSR are basically extensions of West Siberia geology. The Dzungaria and Tarim basins of western China also have marked similarities to West Siberia, as well as to the Kara Kum basin of southern Asiatic Russia.

The offshore North Slope and Beaufort Sea are, in most respects, comparable to their productive onshore counterparts, as are the Atlantic coast of South America, the west coast of Africa, and the deeper part of the Gulf of Mexico. The big question in these latter areas is whether the individual fields will be large enough to be commercial in the deep-water environment.

The Barents Sea area off Norway and the USSR contains a variety of structures—anticlines, block faults, and salt domes. This area is productive onshore in the Pechora basin of northern European Russia. The Chukchi and Bering basins offshore between Alaska and Siberia also appear to contain numerous structures and a thick sedimentary fill.

Structurally, the basins of central Africa are somewhat similar to the Sirte basin in Libya. Oil shows have been found in recent drilling in Chad and Niger.

The Red Sea could prove to be similar to the prolific Gulf of Suez. It also has the same exploration difficulties, with the most likely exploration targets below a thick salt sequence.

The Exmouth area, in deep water off the northwest coast of Australia, is similar to the prolific gas area of the adjacent northwest shelf. The companies which recently submitted bids on this area hope that Exmouth is more oil-prone.

The Gulf of Alaska, although highly structured, is somewhat different from other major producing areas in that it is adjacent to Pacific trench development. The deep-water Amazon, Congo and Bengal fans display some of the characteristics of deltaic deposits, but they are somewhat different from any major productive areas developed to the present. Only the East Siberia Sea and several basins in Antarctica are not yet defined well enough to make some comment on their probable potential for oil and gas.

Major activity should begin as soon as possible if these frontier areas are to have any impact on production before the end of this century when it is most crucial. Although some of these areas may not contain substantial oil and gas deposits we should not overlook the attractive possibilities which may exist; therefore, all must be explored. For example, the recent discoveries west of the Scottish Shetland Islands—an area which is definitely classified as a harsh environment because of the adverse North Atlantic weather and relatively deep water—have excited the imagination of those courageous private companies that were willing and able to take chances to explore in such a harsh environment.

GIANT FIELDS

In some cases it seems reasonable to define "giant" in terms of geographic location. In the United States, Mexico, much of Canada, and Continental Europe, a field with 100 million bbl of oil or 1 Tcf of gas reserves is a giant. The same definition holds in southeastern Asia, Japan, China, Australia, central and southern Africa, and South America. However, in North Africa, the Middle East, and in Soviet Asia, the minimum size of a giant approaches 1 billion bbl or 10 Tcf. This also is true for the Arctic regions of North America. A composite compromise definition for a giant oil field is one with 500 million bbl of reserves recoverable by present methods, and a giant gas field is one which has 3 Tcf of reserves recoverable by present methods.

The present petroleum giants under this definition represent less than 1 percent of the world's fields, but 75 percent of the reserves, and they account for approximately 70 percent of present production.

Of the giant fields, 72 percent are in the Eastern Hemisphere, and 28 percent are in the Western Hemisphere. Surprisingly, these percentages are close to those of the respective land areas of the two hemispheres, excluding Antartica, which are 69 percent for the Eastern Hemisphere and 31 percent for the Western Hemisphere. The predominance of the giants in the Eastern Hemisphere is even more impressive because of the more intensive exploration of the Western Hemisphere. It is interesting to note that, in size, approximately one-third of the world's sedimentary basins are in the USSR.

Fifty-eight percent of the world's giant fields are within a crescent which extends from west-central Algeria through the Middle East, the southern USSR, through the Volga-Urals district and West Siberian basin to the Polar Urals (Fig. 12). This area is truly the fertile crescent. In the area of the crescent, 100 percent of the gas and 98.5 percent of the oil found to date are in anticlinal traps.

Historically, worldwide petroleum exploration efforts have been directed toward the discovery and exploitation of the anticlinal trap. Geological and geophysical methods are designed and used deliberately to find the anticline, the rollover, the fold, and the dome. However, large unexplored stratigraphic, unconformity-associated, and paleogeamorphic traps undoubtedly exist in greater numbers than present data would indicate.

In the future, many more giants are expected to be discovered; most of them will probably be in offshore areas, but a number of such fields are awaiting discovery in the less-explored onshore areas of every continent. They will be found on all of the world's shelves, including the broad shelves of the Russian Arctic. A majority of future onshore discoveries will be in Asia and the Middle East. Giants in nonmarine strata will be found in a broad spectrum of geologic locales. As the explorationist learns to broaden his thinking to include the less traditional approaches, giant fields might be found in stratigraphic, unconformity-associated and paleogeomorphic traps in all prospective basins.

Giant fields represent the economic lifeblood of nations, and it is toward such fields that we must direct our major efforts because a suitable technologic "breakthrough" for economic production of large quantities of other energy sources has not yet been adequately developed.

SUMMARY AND CONCLUSION

Most explorationists believe that the undiscovered potential throughout the world

is sizable. It is thought that about as much oil and slightly more gas remain to be found as have been discovered so far. Although these kinds of assessments are quite subjective, there are now enough data of various kinds to make this type of estimate credible.

The world discovery rate appears to be declining in the near term; that is, over the past 10 years. The incentive to reverse this recent decline is both compelling and obvious to all. However, except for isolated instances, such as exploratory drilling in the United States and Canada and worldwide offshore geophysics, exploration activity has remained constant over the past 5 or 6 years.

Well over half the future potential is likely to be in areas currently producing or known to be capable of producing. Accelerating discoveries in these areas hinges principally on increased geophysical activity and exploratory drilling and the development of new exploratory concepts.

Undiscovered potential in frontier basins is believed to be substantial. These areas can contribute large increments of discovery. This potential is mostly located in harsh, high-recovery cost environments. The required technology, which is highly sophisticated and expensive, presently resides almost exclusively in the private sector. To increase discoveries in the frontier areas will require both greater availability of the acreage and cooperation between the private companies and governments or government companies that control the acreage.

If we in exploration are going to meet the challenge to find the oil and gas that is so desperately needed, we must cause a sharp turnaround in both activity and results. The responsibility for this falls equally on independents, companies, government companies, or Communist governments. This responsibility can be shared equitably through coordinated and effective joint ventures among the involved parties.

There is absolutely no question in my mind that unified cooperative exchange and alignment of government and private companies of science, technology, know-how, and experience will be more effective and beneficial for all concerned—especially for the people of the world.

What I am emphasizing is that there should be coordinated and effective joint ventures between government companies and private companies in the exploration, development, and production effort for the world's new petroleum supplies of the future—and, by this, I mean a *true* partnership!

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Mr. SCHMITT. Mr. Halbouty's basic message is that, no matter what we do, we must increase the availability worldwide of fossil fuels at the same time that we decrease the demand for those fossil fuels. As many of the Members of the Senate have heard, one of the reasons that we must decrease the demand for fossil fuels is the possibility that the burning of those fuels will create an imbalance in the Earth's atmosphere with respect to the abundance of carbon dioxide. This question of the effect of increasing carbon dioxide in the atmosphere on the terrestrial environment is one of increasing discussion, research, and debate. Frankly, the geoscientific community just does not know the answer. However, it is an issue that more and more attention is being paid to.

An example of the research that is going on and some of the implications of some of the findings that are coming out of that research is an article from the August 4, 1978, issue of Science magazine, entitled "A Terminal Mesozoic 'Greenhouse': Lessons From the Past." This article was written by Dewey M. McLean, who is an associate professor of geology in the Department of Geological Sciences, Virginia Polytechnic Institute and State University.

Dr. McLean, in summarizing his effort, writes as follows: "The late mesozoic rock and life records" and I add parenthetically, that was the period of time in which the dinosaurs thrived and one of the closing events of that time was the extinction of the dinosaur, a question that has puzzled geologists for many, many years.

Summary. The late Mesozoic rock and life records implicate short-term (up to 10^5 to 10^6 years) global warming resulting from carbon dioxide—induced "greenhouse" conditions in the late Maestrichtian extinctions that terminated the Mesozoic Era. Oxygen isotope data from marine microfossils suggest late Mesozoic climatic cooling into middle Maestrichtian, and warming thereafter into the Cenozoic. Animals adapting to climatic cooling could not adapt to sudden warming. Small calcareous marine organisms would have suffered solution effects of carbon dioxide-enriched waters; animals dependent upon them for food would also have been affected. The widespread terrestrial tropical floras would likely not have reflected effects of a slight climatic warming. In late Mesozoic, the deep oceanic waters may have been triggered into releasing vast amounts of carbon dioxide into the atmosphere in a chain reaction of climatic warming and carbon dioxide expulsion. These conditions may be duplicated by human combustion of the fossil fuels and by forest clearing.

Mr. President, that all is very complex geological jargon, but what Mr. McLean is telling us is that there is a possibility that the extinction of many, many life forms, including the dinosaurs at the end of this particular point in geologic time, hundreds of millions of years ago, may have been caused by a coincidence of events that suddenly released large amounts of carbon dioxide into the atmosphere, by "suddenly" meaning maybe over a million-year period and maybe over as short a period of time as a thousand years.

We do not know, as scientists, what the effect of such a release would be, but in the research of Mr. McLean and his colleagues throughout the country and throughout the world, we are getting some insights into that. It is clearly something that we cannot ignore as we approach the solution to our energy problems. It is not to say that over the next thousand years, hundred years, or million years, suddenly, life will become extinct. I think that is impossible. But still, we must recognize that our increased use of fossil fuels should not continue, if only because of the possibility of the dangers envisioned by Dr. McLean. Fortunately, technology is providing us the alternatives to fossil fuels. Let us hope that politics provides us with the opportunity to use those alternatives.

HUMAN RIGHTS AND LATIN AMERICA

Mr. SCHMITT. Mr. President, on the subject of human rights policy, I think it is safe to say that Congress, the administration, and the country are in a period of some confusion.

There is no question that the principles upon which this country was founded and on which we still operate, and I hope will continue to operate throughout time, involve a protection of human rights. But just to respond to the violation of human rights in other countries, countries with which we must deal on a day-to-day and year-by-year basis in order to survive on this planet, there are very difficult questions to answer.

For example, our relationships with Latin America are very probably critical to the future of human relationships on this planet. We have not done well in our history with respect to Latin America. One could say we are still not doing well. There is no question in the minds of most people that violations of human rights occur in certain aspects of Latin American governmental policy. However, we must also remember that in order to change, over the long term, the policies of these countries, in order to have a Western Hemisphere that works together on these and other problems, we must be able to communicate.

So a balance must come between the zealous application of human rights principles and the zealous application of communications principles.

It is not an easy balance to maintain, but it is one which we must absolutely maintain.

Mr. President, I ask unanimous consent that an article appearing in Aviation Week and Space Technology of July 31, 1978, entitled "Rights Policy Confusion Halts Air Ambulance Sale" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RIGHTS POLICY CONFUSION HALTS AIR AMBULANCE SALE

(By Alton K. Marsh)

WASHINGTON.—Confusion over President Jimmy Carter's human rights policy is revealed in the sale of a Swearingen Merlin 4A air ambulance to the Argentine army.

Efforts to get clarification from the Dept. of State Bureau of Human Rights and Humanitarian Affairs revealed that there is no set policy. An official suggested manufacturers with questions about such sales should call the bureau.

The $1.6-million sale of the Merlin 4A air ambulance to the Argentine army is being delayed, despite a recent sale of a similarly equipped aircraft to the Argentine Ministry of Public Health. There is no equipment on the aircraft that is listed on the State Dept. munitions list of equipment prohibited from export to unfriendly nations.

The State Dept. had intended to send a letter signed by Assistant Secretary of State for Congressional Relations Douglas J. Bennet, Jr., to Sen. Lloyd Bentsen (D.-Tex.) July 21 announcing denial of the sale. The letter was stopped when it was learned the office of Julius L. Katz, assistant secretary for economic and business affairs, had not reviewed the matter. Bentsen wrote a letter to the State Dept. about the Swearingen sale.

When asked for a list of aircraft delayed for human rights reviews, an official of the bureau of human rights said such a list is "proprietary information." When asked for a list of countries where the human rights issue is considered a problem, the official said no list exists, adding that existence of such a list would constitute a policy.

The official said attempts are under way to develop an "early warning system" for manufacturers, but none now exists.

"If industry has a deal going with a country, let us know and we'll discuss it," the official said.

He did reveal that more than 200 export license applications for aircraft, construction equipment and trucks are pending for Argentina, where human rights violations are considered to be severe.

While export licenses are granted by the Dept. of Commerce, it is the staff of Patricia M. Derian, assistant secretary of State for human rights and humanitarian affairs, that must conduct human rights reviews.

"Commerce sends an application over when they are nervous about it," a State Dept. official said. He is one of several officials in the State Dept. who disagree with the early decision to deny an export license for the Merlin 4A air ambulance.

"Mostly Commerce is right. We like to know what is going on. But the Commerce licensing procedure is burdensome. Their internal referral requires 30 days to decide whether to send it to State," the State Dept. official said, adding that it is "illusory" for the Carter Administration to think the denial of an air ambulance contract can influence human rights policies in Argentina.

If the export license is denied, the Argentine army is expected to consider the Mitsubishi MU-2 turboprop or the Dassault-Breguet Falcon business jet.

Delays in handling paperwork in the State Dept. were admitted by the bureau of human rights official. There is a State Dept. rule to respond in 90 days.

William R. Edgar, vice president of the General Aviation Manufacturers Assn., said delays in the Dept. of Commerce stem from a "mammoth" self-protection operation.

"If they would define what countries have human rights problems, and what it will require to sell aircraft to those countries, we would establish the mechanism and attempt to comply. Our frustration revolves around the fact that we don't know the ground rules," Edgar said.

Edgar added that three-to-five month delays result from the review process. "This places the whole contractual sales procedure in jeopardy. We cannot guarantee any potential buyer we will be able to deliver on such and such a date."

His concern was echoed by an official in the Dept. of State, who said:

"At the advent of the human rights policy, no one understood the ground rules. Consequently, difficult decisions are passed to higher levels. It takes a long time to get people to agree to what goes down on a piece of paper the secretary of State will see."

The State Dept. has told the Dept. of Commerce that it wants all general aviation aircraft deliveries to military or law enforcement agencies in countries other than Japan, the U.S., Australia and members of the North Atlantic Treaty Organization to come under State Dept. review.

Last week the State Dept. Bureau of Public Affairs released a short statement on "U.S. Arms Transfer Policy in Latin America," which is intended for government use and is "not intended as a comprehensive U.S. policy statement."

Under the heading, "U.S. Policy," the document repeats these statements from President Carter's May, 1977, arms transfer policy:

Arms transfer are used to promote the security of the U.S. and its allies, but the burden of persuasion is on those favoring the sale.

The U.S. will not be the first supplier to introduce advanced weapons systems into a region that creates a new or significantly higher combat capability.

The State Dept. monitors travels of U.S. arms sales promoters.

The U.S. will assess the economic impact of arms transfers, particularly on recipients of American economic aid.

U.S. will consider the human rights situation.

U.S. will consider regional agreements among purchasers to limit arms acquisitions.

It is emphasized that sales agreements prohibit third party transfers without U.S. approval.

Mr. SCHMITT. Mr. President, this article deals with an example of what may be overzealous application of human rights policy in which an air ambulance sale has been delayed as a result of confusion within the administration on just what that policy is. That sale would be to Argentina.

In the same context, many scientists who have been dealing with the Soviet Union for many years are perplexed, and I think they would admit uncertain, about how to proceed for the present with respect to scientific interchanges with the Soviets.

On the positive side, these interchanges have provided us with one of our few windows into the activities of the Soviet Union and science and technology, as well as the activities of the Soviet Union, with respect to human rights.

Many of the so-called dissidents in the Soviet Union are coming from a scientific background. It has been through their contacts with their colleagues in this country and other nations of the world that we have gained some of our greatest insight into just what the human rights problems are in the Soviet Union.

On the other hand, American scientists and others throughout the world are deeply concerned about the recent trials and imprisonments of Soviet dissidents.

It is felt by many that the scientific community must show by action and words this displeasure. But does that mean we cease to be in contact with our colleagues behind the Iron Curtain?

An article in Science magazine for August 4, 1978, discusses this issue. Basically, it indicates that many scientists feel that the decision for interchange or no interchange should be left within the scientific community and should not become one of the bargaining chips of governmental policy.

Though I realize it is not a black and white issue, Mr. President, I would tend to come down on that side of the issue. Again, largely because I think the only way this world is ever going to progress into a better future is through communication and, if we ever cut off communication, then the chances of surviving to see that future becomes less and less.

At times, communication will be difficult, at other times, it will be all we have.

Mr. President, I ask unanimous consent that this article from Science entitled "Scientists Want Soviet Contacts Kept" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCIENTISTS WANT SOVIET CONTACTS KEPT

"We understand that because of the present political climate most of the participants and speakers at the Sixth International Conference on Atomic Physics from Western Europe and from the United States do not now plan to attend our conference in Riga," stated a telegram sent by the American, European, and Japanese organizers of the conference to their Soviet counterparts on 17 July. The cable went on to suggest that the conference be declared canceled and regretted the loss of opportunity for scientific contacts.

Such actions by individuals or groups of scientists on behalf of beleaguered colleagues have become increasingly frequent as the Soviet Union clamps down on its human rights movement. But recently scientists have become concerned that the process may get out of hand and all exchange may be severed by government mandate. Steps in this direction include the cancellation of the trip to Moscow by White House science adviser Frank Press, and moves in Congress to place legislative restrictions on science.

One fear is that scientific exchange may be made to bear the brunt of future expressions of displeasure with the Soviet Union. Wheat farmers have the clout to prevent a cutoff of grain shipments, industry can protest trade restrictions, but there is no immediate lobby to protect scientific exchanges.

Scientific groups have begun to make plain their desire that they be left to conduct protests in their own way and without government patronage or direction. "As for scientific exchange and its rules, we believe these matters are best left to the scientific community and to the consciences of its individuals. The result of leaving these matters to scientists will be, we believe, an optimum combination of protest and boycott on the one hand, and of continuing contact on the other," Federation of American Scientists director Jeremy Stone told a House committee hearing on the Shcharansky trial.

"Individual members and institutions in the American scientific community can decide for themselves what limits to set on the quality and extent of their exchanges with the Soviets and they are doing precisely that. They do not need, nor want, governments to preempt those decisions," AAAS executive officer William Carey told the same committee.

Stone several years ago took the lead in mounting active protests on behalf of imprisoned Soviet scientists, and prompted the

National Academy of Scientists, long averse to public protest, to do likewise. The development has occasioned what sometimes looks like a reversal of roles. NAS president Philip Handler recently condemned the sentence passed on physicist Yuriy Orlov in a public statement as strong as those made by the Federation of American Scientists. Meanwhile at the House hearing on Scharansky, Stone sounded as statesman-like as the Academy in describing what he called "the limits of responsible activism." One such limit was the suggestion that it "is not responsible for the U.S. government in the future to make such a point at such high levels of individual cases because it will too often lead to still worse treatment of those cases."

As for intergovernmental relations, some scientists believe that severing exchange agreements would serve only to harm the United States without influencing the behavior of the Soviet Union. "Science gives us an important window into what is going on," says a former high science official. As for the benefits of canceling science adviser Press's visit to Moscow, "I have very serious doubts as to whether there will be any effect," the same official says.—N.W.

NATIONAL CLIMATE PROGRAM ACT—H.R. 6669

Mr. SCHMITT. Mr. President, House and Senate conferees on the National Climate Program Act, H.R. 6669, are very close to agreement and, hopefully, before the end of the week we will have a National Climate Program Act.

This bill would initiate major new research and service programs.

Sponsored and initiated by Senator PEARSON and myself, this act with its intergovernmental climate program will be the guide for future assessment of the effect of climate on agriculture, energy use, water resources, transportation, human health and national security.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "The Management of Weather Resources."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MANAGEMENT OF WEATHER RESOURCES

"The history of our time is sprinkled with instances of new technologies running ahead of the social, economic, environmental, international, and institutional thinking that should accompany them. Precisely because the science and technology of weather resources management are still at such an early stage, there is an excellent chance in this field to do things right—that is, for policy to be made and institutions to be built in parallel with the scientific discoveries and technological innovations."

The comment above is part of the reply* by the 17 members of the Weather Modification Advisory Board to the question posed by Congress in the National Weather Modification Policy Act of 1976: in effect, What should the federal government be doing about changing the weather?

What can be done? The euphoric predictions of a generation ago, when cloud seeding was first invented, have not been borne out, but significant results have been obtained. The Advisory Board concludes that a more vigorous and better focused research and development effort can yield regional increases in mountain snowpack in the 1980's, increase the rainfall in areas such as the High Plains and the Midwest by late 1980's, reduce hurricane winds and hail damage by the 1990's, and very soon poke holes in the clouds over cities to let the sun shine through. The changes expected would be 10 to 30 percent increases for snow and rain; 10 to 20 percent reductions for some hurricane winds (with much greater reductions in wind damage); and up to 60 percent reduction for hail in some kinds of storms.

Should it be done? The case for managing local weather is very strong. The economic benefits of delivering more water in the right places—for irrigation, hydroelectric power, and municipal and industrial use—far outweigh the costs. Population growth and migration to sunny coastal areas are multiplying the number of people at risk from hurricanes and other severe storms.

To achieve a better grasp of these problems will take 10 to 20 years of concentrated R & D. At present, physicists cannot follow with assurance the chain of cause and effect through a cloud; we are still too heavily dependent on statistical inference. Yet people in 74 countries with interests at stake have bet good money on operational cloud seeding without the kind of semicertainty that would pass muster in a scientific journal. In the United States last year, clouds were seeded in 88 projects in 23 states, covering 250,000 square miles or 7 percent of our land area.

How should it be done? The air and clouds are a public good, belonging to no one. So we must make sure people intervene with prudence in the great envelope around the globe. The Advisory Board feels that we should resist the temptation to place a heavy regulatory hand on an industry still struggling to be born. But it does propose that the federal government license weather modifiers, just as pilots are federally licensed.

Managing the weather to serve human needs is in itself an environmental impact. Those who experiment in the sky need to go beyond guessing the outcome ahead of time; they should monitor during and assess afterward the ecological changes they may provoke. Deliberate changes in the atmosphere should also be designed in open consultation with the people likely to be affected, not all of whom are Americans.

As things stand, no one is in charge of the future of weather resources management. We are still tackling a 20-year problem with 5-year projects staffed by short-term contacts and funded by 1-year appropriations. It is not nearly good enough. The Advisory Board recommends putting the federal government's weather modification R & D in one consolidated action program (not a "lead agency"), and giving it a clear mandate to produce a kit of useful tools with which to make the best of the only evironment we have. If we start now, there *is* a chance to do things right, for a change.—HARLAN CLEVELAND.

The ACTING PRESIDENT pro tempore. The time of the Senator from New Mexico has expired.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 12936, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 12936) making appropriations for the Department of Housing and Urban Development, and so forth, and for other purposes.

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 1 hour, to be equally divided and controlled between the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Maryland (Mr. MATHIAS), with 30 minutes on any amendment, except one to be offered by Senator PROXMIRE on which there shall be 2 hours, and with 15 minutes on any debatable motion, appeal, or point of order.

The pending question is on the amendment by the Senator from North Carolina (Mr. MORGAN), which the clerk will state by title.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. MORGAN), for himself, Mr. GOLDWATER and Mr. JAVITS, proposes an amendment numbered 3429.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina.

ROUTINE MORNING BUSINESS

Mr. MORGAN. Mr. President, before proceeding on the amendment, I ask unanimous consent that there be a period for the transaction of routine morning business, with statements therein limited to not more than 5 minutes.

The ACTING PRESIDENT pro tempore. Is the Senator specifying that no time run on his amendment during this morning business?

Mr. MORGAN. Would the Chair repeat that?

The ACTING PRESIDENT pro tempore. Is the Senator asking that no time run on his amendment?

Mr. MORGAN. Until the end of morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

INTER-AMERICAN COURT OF HUMAN RIGHTS UNDERSCORES THE NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on July 18, a small ceremony at the headquarters of the Organization of American States marked a major event in the cause of international human rights. Grenada became the eleventh member of OAS to ratify the American Convention on Human Rights. Grenada's signature was a decisive one; with it the convention came into force.

The American Convention unequivocally affirms that there are essential human rights which transcend national boundaries. Regardless of an individual's nationality, certain rights are so crucial

*The Management of Weather Resources, vol. 1, *Proposals for a National Policy and Program* (Department of Commerce, Washington, D.C., July 1978).

that they justify international protection. More importantly, the treaty establishes the Inter-American Court on Human Rights. Composed of seven judges elected by an OAS assembly, the Court will try states for alleged violations of human rights. If a majority of the judges determine that a state is guilty, they can rule that appropriate remedies be provided.

Among the many rights protected by the convention, the first and most fundamental, is the right to live. Article 4, section 1 states that—

Every person has the right to have his life respected . . . No one shall be arbitrarily deprived of his life.

Mr. President, for 11 years I have spoken daily on the floor of this Senate about the right to live. I am proud that the United States is a party to a treaty that protects the rights of citizens in North and South America. But human rights violations are not limited to the Americas. Sadly, human rights are abused all over the world. Daily we are reminded of the unconscionable actions of the Governments of Cambodia, Uganda, and South Africa. Mr. President, a treaty that protects the rights of a part of the world's people will not suffice. Its guarantees must encompass the entire globe.

The United Nations Genocide Convention is such a document. Like the American Convention, the Genocide Treaty defines and punishes the crime of genocide, and it helps to guarantee the right to live to every citizen of the world. We who so forcefully denounce human rights violations on the floor of the Senate must take concrete actions to implement our goals. The American Convention on Human Rights is an important step toward realizing international human rights. But its implementation this summer also underscores the need to extend human rights worldwide, the need to ratify the Genocide Convention.

ONE ROSE GARDEN

Mr. SCHMITT. Mr. President, as we continue the discussion of the HUD appropriations bill, I think it is important to realize that many things are happening within the country to try to improve housing for the American people.

One of the most intriguing activities that I have run across recently is an ongoing effort in Albuquerque, N. Mex., by the realtors and realtor associates to rejuvenate a series of blocks in Albuquerque. This effort already has been undertaken for one block which has been almost completely rejuvenated, much to the joy and excitement of its residents, and it will be continued in at least three other locations in Albuquerque.

This is an all-volunteer effort, with the realtors providing the labor, with the homeowners providing the refreshments and encouragement and some of the labor, and with many business people in the community contributing materials at cost.

Mr. President, I ask unanimous consent that a description of this very outstanding exercise in community involvement by the business community be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE ROSE GARDEN PROMISED AND DELIVERED

The key to succeess in this neighborhood revitalization project is Realtor involvement.

It was gray, windy—not a typical Albuquerque day at all. But then again, there wasn't *anything* typical about what was happening on the 2900 block of Montclaire, N.E., that day. For there, on a Saturday in May, about 300 Realtors and Realtor-Associates—10 percent of the members of the Albuquerque Board of Realtors—had gathered to fulfill a promise they had made to the block's 20 homeowners.

What these 300 hardy souls had said, in effect, was, "We promise you a rose garden." They had committed themselves to rehabilitating the exteriors of all 20 properties during the course of a two-day weekend. And they were determined to accomplish that vow regardless of the weather.

Betsy Scanlan was there early on the 20th, wearing a blue blazer, red polka dot blouse, and a white neck scarf. Her quick smile easily outshone the day at hand. "For beautiful Albuquerque, this weather is unusual," she said. "But I don't think it's going to pass over."

Undaunted by clouds and rolling thunder, Betsy continued clipping at the straggling branches of an overgrown bush. "If we're going to do some good for the community, we have to participate. We're going to have to work together—people from all real estate companies—if this is going to be a success."

There is a name for the project Betsy was involved in—it is called R–4. The "R" stands for Realtor, of course, but it also indicates what the Albuquerque board members were trying to do to the properties on Montclaire: renew, restore, renovate, and rehabilitate. The "4" Stands for the four geographic divisions, or quadrants, of the city of Albuquerque. Montclaire lies within the northeast quadrant. The board plans to repeat the project on a similar block in each of the remaining quadrants.

HOW IT STARTED

But why get involved in R–4? Why spend a whole weekend working on somebody else's property? Virginia Clausen, President of the Albuquerque Board of Realtors and the creative force behind this highly successful project, put it this way at a kickoff meeting last January: "There comes a time when you must give of yourself." For her, neighborhood revitalization provided an ideal opportunity for meaningful involvement.

Virginia, who has been active in real estate for 18 years, maintains that in Albuquerque one cannot scratch the surface of a worthwhile project (be it church, symphony, or Little League) without finding a Realtor involved. "But in these situations," she says, "they are isolated. In the R–4 project, they became involved as a group."

Virginia is proud of her group. Indeed, whenever she talks about R–4, she is quick to point out that in order to accomplish such a project, "You need a superb bunch of people."

The R–4 bunch started with the chairman, Jim O'Connor, who has a banking background and three years' experience in real estate. At the January kickoff meeting, Jim set a positive tone for the project and indicated its ultimate aim: "We hope we will set an example that will encourage other neighborhoods to follow suit, and eventually, perhaps it will spread through the entire city."

The rest of the Project Committee eagerly joined in Virginia's efforts. Members included Brad Huckabee, Bill Davis, Gene Buescher, Bobbi Mundy, Bruce Molde, Robert Montoya, Gerry Falls, and Bill Echols. Max Mansur, the board's executive officer, served as an ex officio member of the committee throughout the project.

FINDING A NEIGHBORHOOD

The initial task of the R–4 Committee was to locate an appropriate area for revitalizing. They looked for a block of single-family homes that were moderately priced, owner-occupied, not near a commercial development, and in need of rehabilitation. At least a dozen sites were considered. The Montclaire block met all specifications.

The homes on Montclaire were about 18 to 25 years old and were in the mid–$30,000 price range. Most of the 20 flat-roofed, cinder-block houses were in need of paint, many lawns were browned out, trees and bushes were overgrown and unruly. In addition, the resident owners, for the most part, were young families or older couples living on fixed incomes.

Virginia saw in this block properties that needed revitalizing and homeowners in need of protection against today's rampant inflation.

DEVELOPING A PLAN

With the area chosen, the R–4 Committee then devised a project plan that reflected both organization and a personal touch. It had been decided that each house should be assigned a superintendent who would, in turn, recruit a crew to work on that property. But first, the superintendent had to contact his owner, explain the project to him or her, and get the owner's signature on a disclaimer that would free the board of all liability.

How did the residents of the block respond to an offer of something for nothing? "I didn't believe it," said one young homeowner. "I must have argued for 45 minutes with the Realtor who came to talk to me. I said they'd come out and slap a mechanic's lien on us after the work was done. But he said no."

"Most of the people were scared," said a woman who has lived on the block for 14½ years. "They thought it was going to cost them something. And many of them are retired and don't have the money."

Others were more enthusiastic. A young student/homeowner thought it was great, "particularly because the rest of the houses on the block will be fixed up. I've always kept mine up and will be selling soon. This is a plus for me."

An owner who at first echoed the "you don't get something for nothing" attitude of her neighbors quickly changed her mind. "When I found out it was the Albuquerque Board of Realtors, I had no qualms at all."

In a week's time, 19 of the 20 owners had signed disclaimers. The lone holdout was skeptical in the extreme. "I know that money is important to the people involved," he said, "and the program just didn't sound reasonable to me. I've never received something for nothing in all my life." He was also concerned that the workers "wouldn't be using the proper materials or the proper people. They could do more harm than good," he said.

But even the holdout gave in and signed, just days before the actual work began.

GETTING THE WORK DONE

And so, with 20 disclaimers signed, the R–4 Project became a reality. Early in the week of May 15–20, outside contractors took

care of major work: tree trimming, stump removal, the laying of concrete driveways, and major carpentry. Then, during the weekend of the 20th and 21st, hundreds of volunteers descended on the block.

Among them were real estate professionals of all kinds: brokers and salespeople, residential agents and commercial specialists, men and women, young and old, the successful and those on their way to success.

They scraped, washed, and painted houses; they dug up and sodded lawns; they planted trees and bushes; they cemented brick walls and replaced broken screen doors. Fran Urton and secretary Terri Walker painted a fence together. Betsy Scanlan trimmed bushes and laid sod. Clint Stoddard troweled cement between the bricks of a low wall. And Marty Lambert painted a mailbox and a house number sign.

During the course of the first day, David Rusk, the mayor of Albuquerque, toured the block and voiced encouragement to workers whom he knew by name. He termed the project "excellent," saying that it "represents the spirit of contribution that our real estate community has, and focuses on its desire to revitalize our neighborhoods."

Because of the weather, Saturday was devoted primarily to landscape work—sodding, planting, and laying gravel. Homeowners had been consulted ahead of time as to the kind of work they felt should be done. In fact, Larry Sallee, a Realtor whose interest in landscaping proved to be a real plus for the project, sat down individually with each owner to discuss his suggestions.

Changes and additions were made even while work was in progress. A privet hedge that was removed from one yard was planted as a divider between two others. Red lava rock gravel proved to be so popular with the owners that pickup trucks had to be dispatched to the supplier's shop for additional quantities.

Before the weekend was over, 1,600 yards of sod had been laid; 150 trees, 300 bushes, and 250 petunias had been planted; 90 cubic yards of red lava rock and 22 cubic yards of gray gravel had been spread; and 3 cubic yards of boulder gravel had been artfully placed around trees and along driveways.

As Saturday's crew left the block, wet and bedraggled, the block had already been drastically transformed.

Sunday dawned with sunshine and dry weather, made to order for all the painting that had to be done.

"We would have been finished yesterday," said John Harsch, speaking of the property he was supervising, "but the rain kept us from painting."

John's team completely sodded a lawn, planted 9 trees and 15 bushes, and painted the entire house—trim and all. "It's really fun," John said. "Kind of like an old-fashioned barn raising."

When asked about what special skills he brought to the project, John replied: "Well, my hands can surround a paintbrush."

As Sunday wore on, the initial skepticism of the owners had all but vanished. Mrs. Judy Holmes, a young mother of two, and a renter on the block, had from the outset kept a supply of lemonade outside her door for thirsty workers. She had even furnished hot dogs for her house's crew. Now, other residents joined in. Several of them served coffee to the working men and women.

"It's been like Christmas all week long," said Mrs. Holmes.

"It's like a fairyland," said another owner. "Even in the rain, there must have been 300 people working out here—soaking wet, but smiling and talking real enthusiastic to each other."

"Maybe now," said a woman who has owned her home for 25 years, "maybe now people will be proud to buy in the neighborhood."

The Albuquerque board is in agreement. Virginia Clausen contends that "pride of ownership is contagious." And she hopes that the R–4 Project will catch on all over Albuquerque and act as a spur to other neighborhood revitalization efforts.

R–4: THE BOTTOM LINE

Betsy Scanlan was there late in the afternoon on Sunday, just as she had been early on Saturday morning. And she was still doing her share for the R–4 Project. She was asked how she felt. Had the weekend been worth it?

"I'm sore," she said, "sore all over. But I'm very, very pleased with what we have accomplished—we Realtors and the homeowners who joined in. I think we've met expectations and surpassed them."

One of the homeowners, Mrs. Dolores Sandoval, was in agreement. She even went so far as to assure Virginia that "she had won herself a place in heaven" with the project.

But Virginia's goals were really much simpler. Fran Urton summed them up: "We're part of the community. And when you give to things like the R–4 Project, you always get more back. If you don't work together, you're not going to get things done. Lawyers work together. Doctors work together. Realtors, too should work together."

So the R–4 Project was really a success on two fronts. First, it showed how proper organization and effort could indeed revitalize a neighborhood. Second, and probably of equal importance to Virginia, it demonstrated the power and importance of Realtor involvement in the community.

Even the lone holdout and last owner to sign the disclaimer had been turned into a believer. On Sunday afternoon, as the last of the work was being completed, he looked up and down the street at the new trees and lawns, at the freshly painted houses and new driveways, and said: "It makes a lot of difference. If these folks need a donation to run this kind of project again, I'd help them out. That's the way I feel about it."

TUITION TAX CREDIT

Mr. HODGES. Mr. President, in the Washington Post this morning there was an excellent article by ERNEST F. HOLLINGS, Senator from South Carolina, entitled, "Tuition Tax Credit: A Costly Assault on Our 'Best Investment,'" together with an excellent editorial entitled "Tuition Tax Credits."

I ask unanimous consent to print this article and editorial in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From The Washington Post, Aug. 7, 1978]

TUITION TAX CREDIT: A COSTLY ASSAULT ON OUR "BEST INVESTMENT"

This week in the Senate, public education runs head on into the tuition tax credit plan. That proposal would turn our education on its head, benefit the few at the expense of the many, proliferate substandard segregation academies, add to the federal deficit, violate the First Amendment and destroy the diversity and genius of our public schools.

Tax credits for private elementary and secondary education are proposed with the assumption that government has an equal duty to both public and private schools. Let us be clear at the outset that the duty is not equal. The government's duty to the public is to provide public schools. Its duty to private or church schools is to leave them alone. Packwood-Moynihan proposes that the duty to leave the private schools alone be inverted to the duty to support them.

Federal assistance to public education is targeted, special-purpose aid such as aid to the needy and handicapped, compensatory education, guidance and testing. The average federal subsidy to the public-school student is $128. The private-school student is allowed to participate in that targeted aid, too, and the average per-pupil expenditure is $40. Ninety-eight percent of the Catholic schools participate in one or more of these federal aid programs. But now we are being asked to reverse course by providing an additional $250 for the private-school student—double that of the public-school child—and making it general assistance to boot, a windfall for private institutions rather than a helping hand for a deserving child. For Congress to authorize general aid for the private school while prohibiting it to the public would be horrendous.

As predicted, parochial school enrollment diminished between 1965 and 1975. Costs were not the major reason. The loss was due to the lowering birth rate, migration of Catholics to the suburbs and the abandonment of the inner-city schools, both public and private. It is a sad fact, but both have suffered; it is not because the public has pushed the parochial out. Now the drop-off has bottomed out, with a slight increase in parochial enrollment and a boom in private "protest schools." Nearly one of every five private schools is such a "protest school."

Packwood-Moynihan is not tax relief for Middle America. Only 3½ percent of families would be eligible for the tax credit at the elementary and secondary level. The proposal would benefit 4½ million private-school students at the expense of 44½ million public-school children. Because private-school students are predominantly upper and middle class, those families with the greatest ability to pay would reap the benefits. The millionaire would take a $250 credit for sending his son to Exeter, while families whose incomes are below $15,000 would receive only 17 percent of the benefits paid out.

Equal educational opportunity, mandated for public schools, is not required of the private—which are selective and generally choose the brightest, the advantaged, those without discipline problems and those fleeing from inner-city, integrated schools. The public school, by contrast, must take all comers. Additionally, it must abide by laws and court decisions that private institutions can ignore. The public school is bound by both law and conscience to reach out to every child as a matter of birthright. That is what public education is all about.

Far from being cost-containing, the tuition tax credit is budget-busting. The Congressional Budget Office estimates that just three years after the revised plan took effect, the elementary and secondary credit would cost $1.1 billion. If tuitions were raised, or if more children attended private schools, the cost would soar. Meanwhile, the American people would not sit idly by while their representatives opened the Treasury gates to private education at the expense of the public school. They, too, would demand an equal amount of general assistance for the public schools, and within five years that would mean an annual cost of at least $10 billion.

The scheme is blantantly unconstitutional. Every Supreme Court decision and all the constitutional scholars agree on that score. But more than that, it is undesirable. Americans since Thomas Jefferson have always insisted on the separation of church and state.

People realize that with general aid would come general control, and it would not be long before prayer were prohibited in the parochial school as it is today in the public school.

In a recent nationwide Roper survey, 64 percent of the American people opposed the tuition tax credit for private and parochial elementary and secondary education. Interestingly, only 43 percent of the Catholics surveyed favored it—while 48 percent of them were opposed.

As parent, citizen and officeholder, I am convinced that public education is the best investment a nation can make. It develops a diversity, a competitiveness, and a competence nowhere else available. Our public schools are run by 16,000 local school boards. Those who pose the straw man of a public-education monopoly have not breathed the diversity and vitality of 107,272 public schools.

TUITION TAX CREDITS

Bad in principle from the beginning, the tuition tax credit bill is now about to come to the Senate floor by an appropriately dubious route. The single thing to be said for last week's maneuvers is that they have drawn attention to the bill's defects. Those defects are numerous, profound and far beyond the remedy of any routine amendment or fiddling with wording.

Sen. Ernest F. Hollings (D-S.C.) puts the issue accurately in the article that we print today on the opposite page. The bill proposes giving federal aid to anybody who pays tuition, with the amount of aid based not on families' need but on the size of the tuition. That's unacceptable, but, as far as college students go, it's a secondary matter. The central danger in this bill is the unrestricted federal aid that it would extend, for the first time, to every kind of private elementary and secondary school.

This legislation would let people deduct part of any tuition payment from their federal income taxes. The federal government would, in this fashion, pay part of every tuition bill. The device is known as a tax subsidy. The Senate Finance Committee, that haven for every kind of special pleading, reported a bill last winter but never took it to the floor. It was waiting for the House, which passed a similar bill in June. Under that version, the U.S. Treasury would by 1980 pay, through tax credits, one fourth of every student's tuition up to $250 in colleges and $100 for schools. The cost would be $1.1 billion a year.

What about people with incomes so meager that they pay little or no tax, and have no use for a credit? The House, to meet that objection, wrote in a refund clause giving cash to anyone whose tax is smaller than the credit. The cost is small; the importance of the refund was that, when the bill got to the Senate, it was required to go to the Appropriations and Budget committees as well as to its warm friends in the Finance Committee.

On Tuesday, the Appropriations Committee voted a negative report—a recommendation to the Senate to kill the bill. On Wednesday, the Budget Committee voted a negative report, citing not only the bill's cost but also its radical and ill-considered reversal of long-standing American values. On Thursday, the Finance Committee hastily reported out a substitute bill, dropping the refund clause to avoid the other committees. That is the bill that will come to the floor—perhaps today. The new bill evades the other committees' jurisdiction, but it does nothing to meet their objections to it.

Since President Carter has said that he will veto this bill, some senators have apparently concluded that it offers a free ride—an opportunity to please some of their constituents, while relying on Mr. Carter to save them from the consequences. That's too easy. This bill is a fundamental assault on the public schools. Any vote for it in the Senate is a threat to the public school system. Regardless of the bill's outcome, the people who support it can properly be held accountable for their votes in precisely those terms.

OSHA AND HUMAN RIGHTS

Mr. BARTLETT. Mr. President, judging from the reaction of the Occupational Safety and Health Administration (OSHA) to the Senate's decision last week to exempt many small businesses from OSHA regulation, it would appear that the administration has now added a new dimension to its human rights campaign. Along with those liberties we commonly recognize as fundamental human rights, administration officials now suggest that we add the right to be strictly and unnecessarily regulated by the Federal bureaucracy.

Mr. Frank Greer, a spokesman for OSHA, advises us that the action of the Senate last week, lifting the unreasonable and unnecessary regulatory burden of OSHA from many small businesses "is a basic denial of fundamental human rights." OSHA Administrator Dr. Eula Bingham echoed this theme in an appearance this morning on the Today Show, stating that those affected by the Senate's amendment will be treated as "second class citizens." Perhaps OSHA will next suggest that our action has created an entire new class of U.S. political prisoners—prisoners of the hazardous workplace.

I suggest to my colleagues that if OSHA's response reflects the position of the administration and represents an official new definition of "human rights," then our conflict with the Soviet Union on this issue has apparently been resolved—in favor of the Soviet Union. For there is surely no more devoted champion of the right of government to control every aspect of the lives of its citizens, than is the Soviet Union.

I cannot believe this is the case. I prefer to believe that the criticisms aired by OSHA spring from an ignorance of democratic principles and an overzealous regard for the powers and authority of the bureaucracy. In my opinion, the kind of emotional arguments that have been offered by the opponents of my amendment demonstrate that there are no substantive arguments against the measure.

If there is indeed an issue of human rights involved in the Senate's action, surely it relates to the fundamental right of free people to engage in meaningful, productive, free enterprise without unnecessary governmental interference. And if there is a villain to be found who would deprive the American people of their "fundamental human rights," he will not be found in the Senate, but more likely in the Occupational Safety and Health Administration.

I thank the Senator for yielding.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. ZORINSKY). Is there further morning business? If not, morning business is closed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT-INDEPENDENT AGENCIES APPROPRIATIONS. 1979

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3429

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from North Carolina.

Mr. MORGAN. Mr. President, it has only been a few weeks since we considered the defense bill in this Chamber. Today, Mr. President, I am proposing an amendment to H.R. 12936. This amendment is directly related to the defense of the United States. The subject of my proposed amendment is registration of our young men to meet any future national emergencies. The Selective Service Act requires the registration of male persons under such rules and regulations as the President may prescribe.

Amendment 3429 to H.R. 12936 merely appropriates money for such registration. The President has, in 1975, terminated the existing procedures, for the purpose of evaluating an annual registration system and replacing the terminated procedure with new procedures providing for periodic registration.

The amendment merely appropriates funds to carry out the authorized registration under the procedures to be promulgated by the President.

In 1972, the U.S. embarked upon an unprecedented method of recruiting military manpower by suspending the draft and moving to a volunteer force. As a direct result of this policy, which had its origins and support in the Congress, the U.S. Army Reserves have declined in strength each year until we are at the lowest point in numerical strength in 20 years. Yet, the very foundation of the volunteer army is based upon the reserves, since half of the combat power and deployable units now reside in the Reserves and the National Guard.

The U.S. Army has suffered from dwindling strength levels, and our pool of reserve filler personnel in the individual ready reserve has declined from 900,000 in 1972 to 150,000 today and the future trends indicate that this pool will stay at a low level.

Mr. President, this is an alarming situation, since this pool of personnel is supposed to provide the manpower to fill up our active army and reserve forces in the event of a national emergency. It is becoming clearly evident that a standby draft is essential to insure that the necessary manpower can quickly be called up and trained. But do we have a strong standby system?

The answer is no! Testimony by the Defense Department and the Army this year shows that a standby draft will be

required for even a moderate conventional war of short duration. This year, the Defense Department increased its requirements for the Selective Service System by requiring that personnel be furnished to the training base as follows:

First, first inductees 30 days after mobilization;

Second, 100,000 inductees 60 days after mobilization; and

Third, 650,000 inductees 180 days after mobilization.

The present requirements for Army personnel are Presidentially directed and supported by the Defense Department and the Joint Chiefs as necessary for the security of our Nation.

The current Selective Service System cannot meet this new requirement. We simply do not have the machinery, and we do not know where our young men are. More funds and an expansion of mission will be required if the Selective Service System is to carry out this vital requirement. At present, the Selective Service System cannot adequately meet the deadlines, and it could be 5 to 7 months before the first inductions occur. If we combine the weak mobilization posture of the Selective Service and the low force strength levels of the Army Reserve, it becomes clear why the Joint Chiefs and the Chief of Staff of the U.S. Army have expressed deep concerns about our military posture to Congress this year.

This year, the House Armed Services Committee recommended to the chairman of the Appropriations Committee that the Selective Service budget be increased to $17 million for the purpose of registering young men for mobilization. Despite this recommendation, the Appropriations Committee voted to limit the funding to $7 million, which is equivalent to last year's budget plus inflation. The rationale for this decision was to delay a decision until the Presidential Reorganization Committee finished its study of the Selective Service System. This study has been completed and contains no objections to strengthening the Selective Service. In fact, Mr. MAHON stated that the House Appropriations Committee was willing to consider an increased budget should additional information result from the reorganization study.

When H.R. 12936 came to the floor of the House two amendments were proposed to increase the funding to $9.95 million and $9.5 million, and each of these amendments was defeated on a voice vote. The true consent of the House was never really tested since a rollcall vote was not taken. Therefore, we as the other portion of Congress and as representatives of the people of the United States must address this issue. The problem of mobilization has not been solved, it still exists and it is incumbent upon the Senate to address this issue, that is why I am proposing this amendment today, and why we cannot wait another year.

Yesterday, a very convincing article appeared in the Washington Post with respect to the strength of the volunteer service, and I quote one paragraph:

The biggest headache for Pentagon planners is that without the draft as an incentive, the National Guard and military reserves are withering.

I think this serves to emphasize the importance of moving on this matter.

My amendment is for registration only and is focused upon strengthening the mobilization base for all three services, principally the Army Reserve. Registration would be limited to 18-year-old males in the year of their birthday because:

First. The Selective Service law allows for registration of only males under paragraph 3 of the 1975 Selective Service Act.

Second. The major shortfall in personnel required during a mobilization exists in the combat arms which require young men.

Third. This action will provide a pool of personnel adequate to meet the initial and immediate mobilization requirements of 100,000 personnel.

Furthermore, Mr. President, the Selective Service System will be in a position to immediately go into operation on an expanded basis, since my amendment provides for reconstitution of Selective Service at the State level and the preenrollment of 50,000 unpaid volunteers who will be ready to begin serving.

Registration is also cost effective, since it will save millions of dollars through cost avoidance rather than patch together a system in the period following a national emergency. Many months of lost time can be saved by returning to registration, and the very act of registration makes it plain to the potential enemies of the United States that we still retain our resolve to fully bear arms should this be the decision of Congress and the President

Registration also signals to the youth of America that the price of freedom is founded upon a commitment of sacrifice. This action will also clarify the fact that the Volunteer Force is a peacetime organization only and that additional manpower to defend our Nation must come from our citizenry. The Volunteer Force cannot provide all the manpower to meet every contingency.

Also, Mr. President, registration is not a hardship. It is a civic duty and responsibility in the same manner as a registering for a drivers license or for a social security account. It recognizes the right of the Government to call upon its citizenry for information, support, and defense.

There is a historical precedent for this action since registration existed from 1972 to 1975 during the same period that the draft had ceased. In fact, the Presidential proclamation that stopped registration in 1975 included language authorizing future registrations. This year the Armed Services Committee recommended that the Defense Department furnish a detailed plan on how to implement a program of registration. In my testimony to the Armed Services Committee this year I stressed the need to move ahead now. Mr. President, we should not wait for another series of studies but be decisive and be decisive now. The Constitution states that it is the duty of Congress to raise armies and navies; therefore, it is our responsibility to decide how ready we want to be in peacetime and how strong we want to be in wartime. This issue is vital to the security of the United States, and it is not an inconsequential matter. Our military leaders fully support this amendment, and we need to only look to recent history for a model. In World War II the Selective Service System had been in operation since 1938 and when the bombs fell upon Pearl Harbor many thousands of young men had already been inducted and the Selective Service was operating. That is why it was possible to enroll over 16 million men 15 months before Pearl Harbor. We have no such capability now and our present Selective Service System is a far cry from its status during World War II and Korea. We must resolve the future of the Selective Service, so let us do the courageous thing by acting now. If we are willing to do controversial things in our treaties and arms sales, as we have shown this year, let us not weaken our resolve to wrestle with difficult problems at home. Let us once again put planning, preparation, and time on our side,

I call upon my colleagues to vote in favor of this amendment and to do so now without wasting an additional year of studies and hearings.

Mr. President, I reserve the remainder of my time.

Mr. GOLDWATER. Mr. President, I am pleased to be able to cosponsor this amendment. I believe it is time we recognize that the current state of our Selective Service machinery is such that too much of a delay would take place if the draft had to be reinstituted because of a national emergency. As has been pointed out, an unacceptable 5-to-7-month delay would take place, under the current arrangements with no registration, before the first person reported to basic training.

I was a coauthor of the Senate Armed Services report language which directed the Secretary of Defense to tell us by the end of this year what changes were needed for an effective standby draft, to include mandatory registration at age 18. While I was a coauthor of this language, I did not feel it went far enough, and I am not really convinced that further study of the matter is necessary. The facts and figures we have at hand now about the 5-to-7-month delay that would occur, if we had to reinstitute the draft, are data enough for me to support this amendment.

Mr. President, I might add that the sponsors of this amendment are not attempting to legislate on an appropriations bill. The registration authority we refer to is already available to the President, so additional legislation is not required.

This amendment only provides the funds necessary so that the Selective Service will be able to reinstitute the procedures necessary to handle a preregistration. The final decision, of course, rests with the President. In that regard, and if this amendment is accepted, I would encourage the President to direct that the registration initially apply to all those who have reached the

age of 18 since we discontinued registration in 1975.

Mr. President, I urge adoption of this amendment.

● Mr. PAUL G. HATFIELD. Mr. President, I am voting in support of amendment No. 3429 to H.R. 12936, to increase funds for registration of persons under the Military Selective Service Act to make it possible to register all men who attain 18 years of age during fiscal 1979. I want to make it clear that my vote reflects my great concern about the readiness of the U.S. Armed Forces and the inability of the current inactive Selective Service System to provide for the military manpower needs of this Nation in the event of a national mobilization. My vote does not indicate advocacy or support for a return to the draft at this time. Studies on alternatives to the present All-Volunteer Force concept are now underway and I am not prejudging them.

In its report on the defense authorization bill for fiscal year 1979, the Senate Armed Services Committee indicated its concern:

> Over the ability of the active military to attract sufficient numbers of "high quality recruits" and . . . indicated that "the Reserve forces are encountering even greater problems. The Selective Reserve—the units that would augment active military forces in a mobilization—are over 47,000 below authorized strength. Selective Reserve strengths have declined by over 15,000 in just the past year. The Individual Ready Reserve, the primary source of trained individuals for replacement and augmentation in an emergency, is almost 300,000 below mobilization levels for the Army alone. The Army Individual Ready Reserve personnel strength fell by 30% in the past year. . . . The All-Volunteer Force is a peacetime concept that is not now providing sufficient numbers of reserve personnel and would be hard pressed to provide additional numbers of active recruits should the national security require an expansion of current active force levels. The current inactive Selective Service System could only begin to provide draftees in limited numbers for initial assignment to units 7 months after mobilization—a period so long as to raise serious questions about our capabilities for an intense war with little warning.

In light of these findings the Senate Armed Services Committee felt that alternatives to the current structure of the All-Volunteer Force need to be explored. Accordingly, the committee report requires that "the Secretary of Defense submit, by December 31, 1978, a study assessing the cost and consequences of alternatives to current policies." These alternatives include "mandatory Selective Service registration at age 18 and "a standby system to classify registrants in the event of mobilization."

While the draft stopped in 1972 registration of 18-year-old males continued until 1975. It was stopped at that time by President Ford to reduce the budget. Authority to register 18-year-olds already exists. However, President Carter has not requested sufficient funds for fiscal 1979 to do it.

The Defense Department will be submitting their report to the Congress by the end of this year regarding alternatives to the All-Volunteer Force as indicated earlier in this statement. Without prejudging their findings and recommendations I want to indicate by voting for this amendment my great concern about the state of readiness of the Nation to meet an emergency involving a national mobilization. The additional funds provided by this amendment would enable the Selective Service, who now maintains a minimal staff in Washington, to gear up at the State level and to begin to line up volunteers to help in registering young men when they reach age 18 so that we will know just what the picture is.

As the Senate Armed Services Committee report indicated the "Selective Service System could only begin to provide draftees in limited numbers * * * 7 months after mobilization." Enactment of this amendment could save this time, and up to a year more, considering the fact that we usually budget on a yearly cycle, in putting the Selective Service machinery in place in order to conduct registrations.

Incidentally, Mr. President, I notice that the Joint House-Senate Conference Report on the Department of Defense Authorization Act, 1979, which the Senate approved on August 4 also underscores the need for action by pointing out that:

> The Selective Service System must be managed and funded in a manner to meet national security requirements.

In short the Armed Services Committees of the Congress have already reflected their concern for the military readiness and defense capabilities of this country in a national emergency requiring military mobilization. I supported these actions before the subcommittee and in the full committee. This amendment provides an opportunity to signal that concern even stronger than we have up to this time to the administration and to the Nation. More importantly, it provides an opportunity to effectuate those concerns by providing funds to help meet the Nation's manpower needs in the event of future national emergencies.●

● Mr. TOWER. Mr. President, I oppose this amendment but I am very sympathetic to the concern expressed by my distinguished colleague, Mr. MORGAN. I believe the evidence is quite clear that the All-Volunteer Force is having difficulty in recruiting the quantity and quality of people required to meet the needs of each of the services. This in turn raises the question of how we would meet force requirements during any national emergency. The obvious answer would be a return to the draft.

It has been pointed out during this floor debate, and also in our committee report on the fiscal year 1979 military procurement authorization bill that,

> The current inactive selective service system could only begin to provide draftees in limited numbers for initial assignment to units seven months after mobilization—a period so long as to raise serious questions about our capabilities for an intense war with little warning.

Therefore, I agree with my distinguished colleague that a problem of great magnitude does exist and something does need to be done about it. As things stand now, we are really inadequately prepared if we get into a conflict that requires a full mobilization effort. Certainly, we could not afford to lose 7 months while we wait for a revised draft system to begin to produce.

However, I believe there are alternatives to the amendment being proposed, and I think it would be more prudent to follow the recommendations contained in our Armed Services Committee report this year. The committee felt that an alternative to the current structure of the All-Volunteer Force needed to be explored and, therefore, directed the Secretary of Defense to submit, by December 31, 1978, an assessment of the costs and consequences of alternatives to current policies, to include:

First. Changes in existing Selective Service laws to improve both the effectiveness and fairness of the Selective Service System in the event it is needed;

Second. Changes needed for an effective standby draft for Active or Reserve Forces, including:

First. Mandatory Selective Service registration at age 18;

Second. Aptitude testing and medical examinations in high schools or for registrants at time of registration instead of at time of enlistment:

Third. A standby system to classify registrants in the event of mobilization.

Mr. President, with the Department of Defense directed to provide this study and the answers to a number of questions, it would seem to me to be premature to implement a mandatory registration system at this particular time. In addition, I wonder whether or not women would be required to register. Certainly this is an issue that has yet to be resolved.

Also, I am not sure I have a feel for how the American public would react to this amendment and whether or not it would be accepted without first making sure the requirement for this preregistration was firmly established.

Mr. President, for these reasons, I cannot support this particular amendment, but I reiterate that I believe the Senator from North Carolina does a service by bringing this amendment to the floor and having the problem brought to the attention of the Senate.

I would say to my colleague (Mr. MORGAN) that I would certainly support any reasonable addition of funds to the Selective Service that would help keep the registration machinery in a higher state of readiness. I believe it is well worthwhile to reinstitute and reconstitute a portion of the Selective Service System at the State level, as the Senator from North Carolina has proposed in his amendment.●

The PRESIDING OFFICER. The Senator's time has just expired.

The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the remaining time for debate on the pending amendment be postponed until the rollcall vote on the amendment is in order.

The PRESIDING OFFICER. Is there objection?

Mr. MORGAN. Mr. President, reserving the right to object, my understanding is that the debate was going to be held this morning, and it seems a little

bit unfair to me to continue the debate just before the vote. So I am reluctant to object. But will the Senator be willing to grant me an additional 4 or 5 minutes to respond then?

Mr. PROXMIRE. Certainly. I do not know how much time I have remaining.

Mr. President, how much time remains in opposition to the Morgan amendment?

The PRESIDING OFFICER. The Senator from Wisconsin has 10 minutes remaining.

Mr. PROXMIRE. Will the Senator agree to split that time, with 5 minutes going to each side?

Mr. MORGAN. If it is agreeable with the leader and by unanimous consent I shall agree to it.

Mr. ROBERT C. BYRD. Yes. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Susan Golub, of Senator JACKSON'S staff, be accorded the privilege of the floor during consideration of the pending measure, the HUD bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Kentucky (Mr. FORD).

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Wisconsin yield to me?

Mr. PROXMIRE. I am happy to yield to the distinguished majority leader.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, while waiting arrival of Senators in the Chamber, who are presently tied up in committee, and for reasons that there needs to be a recess for about 15 minutes because of some problems that have developed with the electronic bell system, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair, and I would think that this would be possibly 15 or 20 minutes, and I also ask unanimous consent that the time not be charged against anyone.

There being no objection, at 11:14 a.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 11:29 a.m., when called to order by the Presiding Officer (Mr. ZORINSKY).

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1979

The Senate continued with the consideration of H.R. 12936.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that of the time that remains to Mr. FORD and Mr. PROXMIRE on the amendment of Mr. FORD, there being 45 minutes remaining to Mr. FORD and 10 minutes remaining to Mr. PROXMIRE, as I understand——

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I ask unanimous consent that 5 minutes of the time on each side be retained for use just prior to the vote on that amendment, which will occur later today, and that that amendment now be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum call not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I ask unanimous consent that Chris Warner and Joan McAtee, of my staff, be permitted to remain on the floor during the remainder of the consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1603

(Purpose: To reduce the appropriations contained in this Act by 2 percent)

Mr. ROTH. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 1603:

On page 38, line 16, insert the following new section—

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 38, line 16 insert the following section:

"SEC. 409. Notwithstanding the preceding provisions of this Act, each appropriation contained herein, (except the following) is reduced by two (2) per centum:

Community Development Grants; Payments to State and Local Government Fiscal Assistance Trust Fund; Veterans Administration, Compensation and Pensions; and Veterans Administration, Readjustment Benefits.

Mr. ROTH. Mr. President, it is evident that the American economy is in serious trouble, far greater trouble than this administration is either aware of or willing to admit. Only 3 short years since this country suffered the severe effects of a destructive recessions, signs are beginning to appear that rising, unrestrained inflation is about to push us right back into the arms of recession again.

Recognizing that limiting Government spending is not an easily managed task, I am nonetheless confident that definite attempts at controlling inflation must be made.

By proposing and accepting one inflationary program after another, we are giving up the opportunity to put the country back on the road to real noninflationary growth.

Looking for a "quick-fix" to solve our economic problems, some advocate programs which encourage artificial growth, cosmetic fixes that stimulate the economy with huge injections of Government spending. Perhaps the greatest tragedy of all is the inability to make tough choices—to set priorities—and to follow through.

This expansion of Government growth and spending has too often been ignored or even contributed to by Members of Congress. The time has now come, however, for Congress to awaken to this danger and attempt to control it, for the implications of inaction are too horrendous to contemplate. It is time to do more with less.

Once again, the Appropriations Committee has attempted to resolve one of the most difficult problems the Senate must face each year. That problem is to sift through the requests of all of the substantive committees and the administration and to recommend to the Senate appropriations for fiscal year 1979. It is not an easy task, but it is one that is absolutely necessary. I acknowledge their effort and applaud it.

However, I am convinced that we must do more. As a first step toward again achieving some control over Government expansion I am suggesting that Government growth be held down by reducing overall spending. I am proposing that in order to achieve this limitation the Senate adopt my amendment which would reduce the committee's appropriation request by 2 percent.

The legislation which I am proposing today strikes at the very heart of that which the American taxpayer detests the most—waste and mismanagement.

I firmly believe that not even the best run Federal agency would contend there is not at least that amount of waste within its programs that a serious, effective management system could find and correct without destroying worthwhile programs. In addition, by such legislation, those affected agencies would be put on notice to track the effectiveness of all their programs and to set priorities as to the most valuable.

Again, Mr. President, I wish to emphasize I am not advocating irresponsible or precipitous elimination of all or any programs contained in this legislation. I am actually urging a more reasonable level of funding—that which is more consistent with the President's stated goals and certainly more in keeping with those with citizens have been demanding all over the country.

I acknowledge that this is not the most popular method of reducing spending, since programs, good or bad, may be affected. Yet the time has come when I believe such strong measures should be employed as a means to show both the administration and especially the American taxpayers that we are truly serious about reducing spending.

In fact, Mr. President, as I indicated to this body on Friday, the President's own OMB Director told the Budget Committee a week ago, Budget restraint is appropriate now. It is consistent with both the economic outlook and the need for increased governmental efficiency, which spending restraint will encourage. He also suggested that an across-the-board cut may indeed be necessary.

Mr. President, the time has come for action which will indicate to the American taxpayer that we are listening to his mandate and making a serious attempt to eliminate wasteful spending.

I yield the floor.

Mr. PROXMIRE. Mr. President, the distinguished Senator from Delaware has put the Senator from Wisconsin into an embarrassing position. The Senator from Delaware has been performing an extraordinarily useful purpose for the Senate and for the country over the past several months, and I hope he is going to continue.

He has organized the SOB's the Save Our Bucks group—the designation should not be given any other interpretation. It is a group of Senators, and I am proud and happy to say I belong to it.

This group of Senators is devoted to holding down increases in spending and making reductions in spending in a responsible way. I have supported the Senator from Delaware on all appropriations bill wherever I can.

Mr. MATHIAS. Will the Senator yield for a unanimous-consent request?

Mr. PROXMIRE. Yes.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Margaret Nalle of my staff be granted the privilege of the floor during consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. As I say, this amendment is a responsible amendment which would reduce Federal spending. It has been characterized as a meat-ax cut, though I would not agree. It would leave it up to the Office of Management and Budget as to where to make the reductions. This is the kind of an amendment which has been offered on the House and Senate floors in recent weeks and frankly I think it would be a mistake to propose it now. In effect, it would allow the executive branch, the President, and the Office of Management and Budget, to negate our decisions by completely deleting funding we may have provided for initiatives we consider to be especially worthy, while retaining the President's budget intact.

That kind of an amendment makes the actions of the Appropriations Committee, and the actions of the Senate generally, rather meaningless. We might as well simply let the Office of Management and Budget make the decisions. We would just vote a reduction in the total amount and let the executive branch pick and choose as to where the cuts ought to be made. I think the assumption behind this would be that the Senators are not competent to make reductions in specific parts of the budget.

This is why I am inclined, when the time comes, to offer a substitute amendment which would in effect, cut what would amount to 2 percent of the controllable items, but cut them in particular ways which would be more in keeping with the determinations made by the HUD-Independent Agencies Appropriations Subcommittee and the full Appropriations Committee. My proposal would more adequately reflect the preferences of Members of the Senate, while at the same time meeting the taxpayer's need by making a very, very substantial reduction in the budget and in the amount that has been proposed in the pending legislation.

Mr. President, I reserve the remainder of my time.

Mr. ROTH. Mr. President, as the distinguished Senator from Wisconsin knows, my principal purpose is to try to hold down the rate of growth in the Government. One way of doing that, of course, is to try to eliminate some of the inefficiencies which creep into any large organization. We have used the 2 percent across-the-board approach because, generally speaking, we think there are few, if any, agencies which could not reach that amount of greater efficiency, giving better service for less cost.

I would say that I am one who is very willing to use either the selective basis, where we try to eliminate unnecessary funds from a specific program, or the broader, across-the-board approach. Either way helps achieve my objective of slowing down the total cost of Government.

The Senator from Wisconsin has been a leader not only in the last several months but in years past in trying to bring about this result. I appreciate the help he has given the so-called SOB task force during the past several weeks, and the leadership he has shown time and again in the past. I thank him for his assistance and help in trying to bring about a more responsible and accountable Government.

Mr. SCHMITT. Will the Senator yield?

Mr. PROXMIRE. I yield time to the Senator from New Mexico in opposition to the amendment.

Mr. SCHMITT. First, I want to compliment the distinguished Senator from Delaware for his effort, primarily because it forces the Senate, belatedly on each one of these bills, to look at the total cost of Government and to look at those agencies—because many of us think the specific cut technique is the better technique—agencies which have been efficient and those agencies which have not been efficient. I think that is the key and not the across-the-board cut, although that is a good way to get the discussion started.

The key should be to force ourselves this year, next year and in all subsequent years, to consider what agencies are doing the job the Congress asked them to do, and doing it efficiently, and what agencies are not. Also we must ask the additional question, is the expenditure of money, whether efficiently expended or not, specifically inflationary or specifically deflationary? That is another very important question.

It is not the total amount of money but if it is spent efficiently and what is the end product of the money being spent. Does it contribute to inflation or does it actually contribute to deflation?

In the proposals of the Senator from Wisconsin and the Senator from Maryland I believe we will find a good judgment, at least the first cut having good judgment, on those two questions.

Mr. PROXMIRE. I thank the Senator from New Mexico. Before I yield, I would like to point out that the amendment by the Senator from Kentucky, which will restore funds cut from the Consumer Product Safety Commission and which will be voted upon later, does not meet the criteria set forth by the Senator from New Mexico. Those agencies which have been efficient should not be cut as much as those agencies which have not done their job, which have been inefficient, which have been incompetent. Of all the agencies whose budgets we have considered, the Consumer Product Safety Commission has probably done one of the least competent jobs. We will discuss that when the time comes. I think the criteria the Senator from New Mexico enunciates will be most useful.

Mr. President, I yield to the Senator from Maryland such time as he may need in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. I thank the Senator from Wisconsin for yielding.

Mr. President, I do oppose the amendment.

I oppose it not because I am unwilling to save the money. I am just as eager as the Senator from Delaware to save money. I have been concerned for a number of years about the growing gap between what the Federal Government takes in and what the Federal Government spends. This is a matter which I think should not only concern those of us here in Congress but, in turn, concern every housewife when she goes to the grocery store and sees that this week she gets a little bit less for the same number of dollars than she received last week. That is another way of spelling inflation. Certainly what the Federal Government does plays a part in the inflationary trend in our country.

Having said that, I think there is a better way to achieve the same goal. That is the way the Senator from Wisconsin has suggested, which he and I will follow.

To simply take a flat percentage cut from a budget does not reflect the kind of careful judgment which is needed.

It is needed in this particular case because this bill is already a billion dollars—more than a billion dollars, Mr. President—below the President's budget level for fiscal year 1979. Cuts have been made already by the committee under the leadership of the Senator from Wisconsin where it was believed that they were justified, or items added or increased that the committee believed were needed. I should be very reluctant to see us simply take a meat-ax to this very carefully sculpted bill. Personally, I think that most of the appropriations provided here are at the level that they ought to be, but because of the strong

pressures which exist here, I shall join at a later point with the Senator from Wisconsin in trying to probe the bill and find the places where additional savings can be made without impairing the efficiency of the operation of the governmental agencies whose funds are provided here.

Mr. President, I ask unanimous consent that Mr. Ernie Garcia, a member of the staff of the distinguished Senator from Kansas (Mr. DOLE), be granted the privilege of the floor during consideration of H.R. 12936, H.R. 13467, and H.R. 12935. He will be spending more time on the floor than most Members of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, if the Senator will yield back his time, I shall yield back my time. I have an amendment.

Mr. ROTH. Yes, I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

UP AMENDMENT NO. 1604

(Purpose: To reduce funding for certain programs within the Department of Housing and Urban Development, the Environmental Protection Agency, The National Aeronautics and Space Administration and the National Science Foundation (Total reduction of $810,205,000))

Mr. PROXMIRE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE), for himself, Mr. MATHIAS, Mr. HARRY F. BYRD, Jr., and Mr. STONE, proposes unprinted amendment No. 1604 as a substitute for unprinted amendment No. 1603:

On page 2, line 10, insert the following:

On page 2, line 10, strike "$1,334,950,000" and insert in lieu thereof "$1,310,424,000".

On page 2, line 15, strike "$24,650,950,000" and insert in lieu thereof "$24,140,745,000".

On page 7, line 24, strike "$400,000,000" and insert lieu thereof "$380,000,000".

On page 8, line 8, strike "$245,000,000" and insert in lieu thereof "$230,000,000".

On page 14, line 5, strike "$4,500,000,000" and insert in lieu thereof "$4,250,000,000".

On page 17, line 12, strike "$3,295,700,000" and insert in lieu thereof "$3,290,700,000".

On page 20, line 17, strike "$846,400,000" and insert in lieu thereof "$836,400,000".

Mr. PROXMIRE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

Mr. President, as many of my colleagues know, I was prepared on Friday to offer a substitute to the Roth amendment which would have cut every controllable account in the HUD-Independent Agencies bill, with two exceptions, by 2 percent. I felt that this was preferable to language in the general provisions of the bill mandating a 2-percent cut but leaving it up to the executive branch as to where to take that cut.

Of course, it would have been far preferable to be able to target a 2-percent cut by deciding what programs were best able to absorb that kind of reduction and applying the cut to those specific programs. I attempted to do that in subcommittee and lost. I then reluctantly decided that it would not be possible to get that kind of a targeted cut through the Senate and that an across-the-board reduction, with every agency and program sharing equally, had the best chance of succeeding.

Mr. President, I am happy to say that I appear to be wrong. After extensive discussion with the ranking minority member of the HUD-Independent Agencies Appropriations Subcommittee (Mr. MATHIAS), and with his invaluable help, I have been able to put together a targeted amendment which meets the goal Senator ROTH and I share of making a 2-percent cut in the controllable portion of the bill before us today and yet applies the cut to specific programs that Senator MATHIAS and I feel are in the best position to absorb the reduction.

Let me briefly explain the amendment. The vast bulk of the reduction it provides for would come from the Department of Housing and Urban Development's assisted housing programs. Although the dollars are considerable—$510,105,000 to be exact—the cut is just a little over 2 percent of the budget request for the section 8 and public housing programs.

Furthermore, the cut would be absorbed over a period of as long as 40 years, because it is a cut in HUD's authority to enter into long-term housing subsidy contracts.

Another substantial portion of the cut—$250,000,000—would come from the Environmental Protection Agency's waste treatment construction grant program. Although this is a reduction of almost 6 percent in the budget request, it is not going to have a significant impact on the program because the Congressional Budget Office itself says that "little of 1979 appropriations would be utilized in fiscal year 1979."

The EPA itself seems to recognize the force of this argument, because last Friday, the agency stated that they would rather see us cut $150,000,000 from the construction grant program than take an across-the-board 2-percent cut in agency activities. There is a certain amount of poetic justice in such a cut, since we have added more than $45 million to EPA's abatement and control account for unbudgeted programs.

Smaller cuts would come out of two other HUD programs—the urban development action grants program (UDAG) and the section 312 rehabilitation loan program. A reduction of $20,000,000, or 5 percent, in the UDAG program could be said to reflect this Senator's concern, and I am sure others share that concern, over the amount of UDAG money going into the urban renewal type of effort that the small amount of UDAG money that has gone into neighborhood revitalization thus far. A cut of $15 million in the rehabilitation loan program will simply mean a minor reduction in a program that, even with the proposed cut, will more than triple—increase threefold—in a 12-month period.

Finally, my amendment proposes to take very minor sums out of the National Aeronautics and Space Administration's research and development effort—$5 million, or less than two-tenths of 1 percent—and research fonded by the National Science Foundation—$10 million or 1.2 percent. These are truly token cuts and both agencies should be able easily to absorb reductions of this small—I should say microscopic—magnitude.

The amendment I am proposing today would result in a total cut of $810,205,000 in the HUD-Independent Agencies bill as reported to the Senate floor.

Mr. President, I could go on at great length about the frighteningly large deficits the Federal Government has been running of late, about the connection between this year's deficit spending and the steepening inflation rate, and about the need for showing some fiscal restraint by voting for this amendment. But these things have all been said before. They have been said ably. They should have been said and they will be said again, and again.

I suspect that most, if not all of my colleagues know how they will vote today. The issue is a very clear cut one: Are we to make a stand now against ever-increasing Federal spending or will we capitulate to the dozens of worthy but costly pressures that drive the budget ever upward? The decision is up to us.

Mr. President, I yield such time as the Senator from Maryland may desire.

Mr. MATHIAS. Mr. President, I thank the Senator from Wisconsin for yielding to me.

The PRESIDING OFFICER. The Chair must interrupt for one moment for a clarification from the Chair: The amendment of the Senator from Wisconsin is not in order until the amendment of the Senator from Delaware has been disposed of. They are both amendments to the bill.

Mr. PROXMIRE. My amendment was a substitute amendment for that of the Senator from Delaware. I waited until all time had been used up on both sides, then I sent my amendment to the desk as a substitute for the Roth amendment.

Mr. President, I understand the error. This amendment was sent to the desk without specifying that it should be a substitute for the Roth amendment. Is that the problem?

The PRESIDING OFFICER. Even if it were called such, it is not as broad as the Roth amendment and therefore, it would not be in order as a substitute.

Mr. MATHIAS. The Roth amendment hits the whole bill.

Mr. PROXMIRE. The Roth amendment hits every part of the bill. This hits every part of the bill that the Roth amendment hits, the parts that I specified in my statement.

Mr. MATHIAS. Every part in this amendment hits some part of the Roth amendment. It does not cover all of the territory the Roth amendment does, but everything in this amendment is covered in the Roth amendment.

The PRESIDING OFFICER. Only if this were drafted as a perfecting amend-

ment to the Roth amendment would this amendment be in order, unless by unanimous consent.

Mr. PROXMIRE. The Roth amendment says, "Nothwithstanding the succeeding provisions of this act, each appropriation contained herein"—meaning the entire bill—"except the following is reduced by 2 percent." The following relates to only a very few areas and those are not areas that are affected by the Proxmire-Mathias amendment.

Mr. MATHIAS. If the Senator will yield, may I ask unanimous consent that the Proxmire-Mathias amendment be in order at this point, notwithstanding any problems that may exist from a technical point of view?

The PRESIDING OFFICER. Unanimous consent may be requested.

Is there objection? Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I think this amendment makes the best of a very bad situation. It is a situation which is brought on by political and economic realities. I think those of us who have been in the Senate in the last few days recognize that there is a kind of wave of across-the-board appropriation cutting.

I should like to think that many Senators would agree that when we bring a bill to the floor, it is something we ought to be proud to stand behind. As a result of months of hearings and studies of budget requests from the executive branch and budget resolutions that have been passed by Congress, we come here with appropriation bills that are supposed to represent the lean, trim judgment of the Senate on the needs of the Government.

Usually an appropriation bill is a result of compromise between both the executive branch and the Senate and between various Senators who have strong views on a particular subject. It usually is a bill that represents the very best judgment of all the Members of the Committee on Appropriations as to what priorities to set for the coming year. In the bill in question, there have been many cuts made and some additions made, and the total end result has been that the budget requests submitted to the Congress by the various government agencies and departments, as I said earlier in this debate, have been reduced by over $1 billion.

And yet, we now face the political reality that some Members of the Senate would support an additional across-the-board 2 percent cut. Such a cut would go to the whole bill even to those parts of it which are entitlements, and thus, the result would be a much more substantial than 2 percent cut in those parts of the bill that are controllable by the appropriations process.

In other words, the 2 percent would relate to the total, but it would not apply to those entitlements and, therefore, would cut much more deeply into the controllable items.

Our chairman, the manager of the bill (Mr. PROXMIRE), very wisely had prepared to offer a substitute which would cut 2 percent only from those line items in the bill which are truly controllable. While this is preferable to the former method, it would still result in making unacceptable cuts in many programs and projects funded in this bill.

Now, the chairman is a very reasonable man and a thoughtful man. He has been more than willing to meet with us who are concerned that even a 2-percent cut in controllable items can hurt certain agencies and certain programs and projects way beyond what is desirable. We have been able to compromise, while keeping the chairman's overall target reduction figure of $810,205,000 by which the bill would have been reduced by cutting controllable items only by 2 percent. We have been able to work out pinpointed reductions in certain selected accounts.

Mr. President, I do not want to pretend this has not been a painful process or to say, very frankly, I wish we did not have to do it.

I suggested earlier, I cannot agree every one of these cuts will be of benefit to the function of government.

Perhaps I am wrong but in recognition of the political realities, I have worked with the chairman on this compromise and support this amendment. I hope we are not setting precedence here. On that subject, I believe it is particularly important to point out that the $250 million cut in EPA construction grants is not meant, in any way, to set a precedent for future funding for this essential program. The committee had voted for $4,500,000,000 for this program and this is the level that is anticipated out in the communities and it is one to which we should return in the next fiscal year. Let the record be clear that it is not our intent to reduce funding in any way below future authorizations and budget requests for EPA construction grants.

I argued very hard in committee for increased funding for HUD's rehabilitation loan fund as I did for NASA's research and development account and the National Science Foundation research and related activities account. It is very hard for me now to support reductions in these programs.

Mr. President, I support this amendment as the best of hard choices that those of us on the Appropriations Committee can take.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the vote on this amendment occur after the vote on the Ford amendment and that we reserve 5 minutes on a side to discuss the amendment at that time.

The PRESIDING OFFICER. Is there objection?

Without objection it is so ordered.

Mr. CRANSTON. Mr. President, may I have a bit of time now to speak on the amendment?

The PRESIDING OFFICER. Is the Senator considering this as his 2-hour amendment?

Mr. PROXMIRE. I beg pardon?

The PRESIDING OFFICER. Is the Senator considering this his 2-hour amendment?

Mr. PROXMIRE. This is my 2-hour amendment. That is correct.

The PRESIDING OFFICER. I thank the Senator.

Mr. PROXMIRE. I yield such time as the Senator from California may require.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I appreciate very much the chairman yielding to me.

First, I thank him for taking account of the great need of veterans in our country for adequate assistance and certain revision that he, therefore, made in his amendment which now does not provide any cuts in veteran programs. I am grateful for that adjustment because I think it is recognition of a very important need in our society.

Mr. PROXMIRE. The Senator is correct. No cuts are proposed in the veterans portion of the bill.

Mr. CRANSTON. Regretfully, I do have to oppose certain portions of the amendment that relate to housing. Therefore, I will oppose the amendment.

I am very concerned that we still are failing to meet the housing needs of so many Americans. I know that the goal of providing decent housing at a time when housing costs so much for low-income people makes it more and more difficult to meet our objectives. But I think we must continue to do so.

I regret that many government programs have not worked as well as they should in moving us toward this goal. Yet, I believe that section 8 housing, UDAG housing, and rehabilitation loans are very important in seeking to meet housing needs where assistance is required if people are to be decently housed.

I recognize the rehab loans have tripled over a 12-month period. But I think the program will succeed. It is very popular. Even more support is required for that.

For these and many other reasons well known to the Members of this body and the public that is interested in housing, I hope this amendment will be rejected.

Mr. PROXMIRE. Mr. President, in response to my good friend from California, who is a great expert on housing as well as a very valuable member of our Banking, Housing, and Urban Affairs Committee, the principal housing committee of the Senate, I would point out that what the amendment does is provide for between 350,000 and 360,000 housing units. This would be well above the average provided over the past 10 years, and far above what has been provided over the past 4 or 5 years.

This comes at a time of very serious inflation, particularly in the housing area, where prices have gone up an average of 11 percent, far more than they have in the nonhousing sectors of our economy.

Just as a matter of timing, it seems wise to hold down the increase. It seems not only to be sensible from the overall standpoint of preventing too big a deficit, but also from the specific standpoint of seeing that housing, which is suffering severely from inflation, does not suffer from more inflation at this particular time, under these particular circumstances.

I appreciate the Senator's deep and sincere concern for housing, which I

share. This is the time to shave the proposed increase, which originally was 400,000 units. Due to inflation, that has been pared to about 375,000 units, but the amendment goes down a little below that.

So I hope Senators will recognize that we are not in any sense making a sharp reduction in housing starts. We simply are trying to hold the subsidy programs down moderately, still permitting a substantial increase in housing starts, but doing it in a reasonable way, recognizing the problem of inflation.

Mr. CRANSTON. I thank the chairman for his comments. I know that he shares fully my concern and that of many others with respect to the need for more adequate housing in our country.

I am glad that the amendment he proposes does permit some progress on that front. I know of the Senator's great concern about inflation. He has been one of the most effective Members of this body in the very difficult battle against inflation, and I share that concern, too. I know it is that concern which motivates him to offer this amendment in this way at this time.

The main reservation I have about the figures suggested for growth in providing housing, as compared to other years, is that our performance in other years was so miserable that in comparison to what was accomplished then, it is not really that significant. We have to take into account what our goals are and move toward those goals more rapidly. I recognize that inflation is a factor as we make decisions such as this. I thank the Senator for his effective work on this front.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SCHMITT. Mr. President, the Senator from Wisconsin and the Senator from Maryland are to be commended for sitting down and working out this compromise relative to a reduction in Federal expenditures on this measure.

In the area of housing, it is important to realize that even though a cut of that magnitude is going to be perceived as a burden, and in fact will be a burden, on the Department of Housing and Urban Development, I think it became clear in the hearings before the Banking Committee—as well as my personal research into the question of management within HUD—that the problems are not nearly so much the amount of money as how that money is being spent and at what efficiency it is being spent.

I call the attention of the Senate to the fact that in the multihousing area alone, we find a difference of more than 200 days in processing time between various service units of HUD; whereas, in some units, particularly those in the Western and more rural States of the country, but still in fairly large population areas, we are seeing processing times of 55 days or less for a particular project. In the larger areas, where most of the particular units are being built, we are seeing processing times of 255 days or more. Within that difference, there is a tremendous administrative cost.

I hope this particular effort today, as well as the efforts of the distinguished chairman of the Banking Committee and others, will begin to bring home to HUD the need to find a better management structure, a much more efficient management structure, in which these services not only are funded but also actually are delivered.

I think that therein we probably can find even a greater perception of housing services, if we just learn how to do it efficiently.

I again compliment the Senators on their effort. I believe the net result this year will be positive and that it will bring to the attention of the authorization committees the fact that the agencies they oversee are going to be subject to increasing scrutiny, in terms of the efficiency with which they use the dollars that finally are authorized and appropriated.

I thank the Senator, and I yield the floor.

● Mr. STEVENSON. Mr. President, earlier this year the Senate approved the fiscal year 1979 NASA authorization bill authorizing $4,388,600,000 to the agency. Of this amount, $3,866,600,000 is for space research and development activity and $522 million is for carrying out NASA's aeronautical research responsibilities.

I believe the importance of our aeronautical research program is self-evident. About 78 percent of the civil air transports flying today are U.S. built. Civil aircraft, engines, and parts exports in 1976 amounted to $5.7 billion which is due directly to the productivity of our aircraft. We are facing growing competition in the marketplace for future aircraft purchases. It is the objective of NASA's aeronautics program to lay the technological foundation to assure the continued favorable competitive position of U.S. aircraft in the large market forecast for the mid-1980's.

The rationale for NASA space funding for fiscal year 1979, representing much less than 1 percent of the total Federal budget, is not so visible, yet I am firmly convinced that our space program must go forward. I cite several reasons for my view:

The importance of research and technology advancement to the United States and the fact that NASA contributes a significant share to this activity through—

Increasing the knowledge and understanding of the Earth and space environment;

Application of this knowledge to societal problems including health, communications, weather and climate, energy, resource monitoring, and other areas affecting the well-being of man and his environment;

Increased productivity of the Nation through the continued generation of new technology as evidenced by the massive stimulation of the computer industry;

Development of new materials and processes;

Direct initiation of new multimillion dollar industries such as communications satellite research, development manufacture, launch, and operation;

Indirect initiation of new industries from side effects of advanced technology projects, that is, the digital watch industry with a predicted volume of $2.8 billion by 1980—source: Business Week magazine, October 27, 1975; and

Building a bank of technology that can and will be drawn on as time passes and various problem-solving needs arise.

Development of a national 5-orbiter fleet to provide economical, flexible, and routine access to space which will—

Serve military, NASA, and other Government agencies, commercial/industrial and international users;

Eliminate dual, costly, limited capability throw-away launch vehicles presently maintained by NASA and the Department of Defense;

Save an estimated $19.5 billion in launch costs for an equivalent level of space activity from 1981 through 1990, the base period for orbiter economic analyses; and

Present new opportunities for the use of the unique characteristics of the space environment.

International considerations including—

Maintaining a leadership role in all phases of space activity and offsetting accelerating programs of France, Germany, Japan and Brazil as well as the Soviet Union;

Increasing the direct contribution of space activities to the U.S. balance of payments now ranging from $175–200 million annually with a total contribution of $2.17 billion between 1966 and 1977;

Indirectly contributing to the U.S. balance of payments through the development of new products utilizing advanced technology and new materials; and

The subjective assessment that cooperative agreements with some 100 nations for space research and applications—undertaken on a quid-pro-quo or reimbursable basis—contribute to international goodwill and understanding.

Representative of responsible fiscal planning since—

Essentially all activities are conducted on a project basis;

All new initiatives are specifically authorized based upon first year cost, total estimated cost, and the ability to accommodate these costs in future years without exceeding a responsible budget level of necessitating the cancellation, with resultant waste, of projects under way; and

Level budget has been maximized as a planning tool.

A $3.867 billion reflects a continuation of the decline in resources committed to this portion of the national research and technology base. For instance, in dollars of the fiscal year 1979 budget, the authorization for space would have been about $5.2 billion in fiscal year 1971.

While the Appropriations Committee recommendation for NASA in H.R. 12936 is some $29 million below the Senate authorization bill and $13.4 million

below the budget request, I believe it is a good bill. It will support a balanced program in space and aeronautics. It maintains intact the programs initiated in prior years and supports those new initiatives and science and technology advancements that are necessary for a sound program in the years ahead.

The amendment of the Senator from Wisconsin would impose a $5 million cut in NASA funding. While I believe the NASA budget is already severely fiscally constrained, I will not oppose this reduction in the interest of overall austerity in Government spending.●

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the following staff members have the privilege of the floor during the debate on this measure: Jerry Cohon, George Kuhn, and Jocelyn Samuels, of Senator MOYNIHAN's staff; Barbara Washburn, of Senator JAVITS' staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I believe a Senator wishes to speak on this matter, so I ask unanimous consent that there may be a quorum call, with the time not charged to either side.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. PROXMIRE. I yield the Senator such time as he requires.

Mr. HELMS. I thank the Senator.

Mr. President, I commend the distinguished Senator from Wisconsin on his amendment, which is characteristic of his constant efforts to reduce Federal spending.

I wonder if he would honor me by allowing me to be a cosponsor of this amendment.

Mr. PROXMIRE. I would be proud and happy to have the distinguished Senator from North Carolina as a cosponsor.

Mr. President, I ask unanimous consent that the name of the Senator from North Carolina be added as a cosponsor of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Senator.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Mr. Alan Boyd, of Senator CASE's staff, and Mr. Al Eisenberg, of Senator WILLIAMS' staff, be accorded the privilege of the floor during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it not be taken from either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I wish to send an amendment to the desk.

The PRESIDING OFFICER. There is an amendment pending.

Mr. STEVENS. Mr. President, I ask unanimous consent that that amendment be set aside temporarily so that I may discuss my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1605

(Purpose: to provide a set-aside for Indian Housing projects)

Mr. STEVENS. Mr. President, I now send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes unprinted amendment numbered 1605.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 25, insert the following after "1979":

: *Provided further*, That at least $50,000,000 of the new contract authority herein made available shall be used only for contracts or annual contributions to assist in financing the development or acquisition of low income housing projects for Indians and Alaskan Natives

Mr. STEVENS. Mr. President, the amendment I propose requires the Department of Housing and Urban Development to provide at least $50 million in new annual contributions contracts for Indian and Alaska Native housing. I point out that this is out of the money that is already in the bill for new contract authority. This is not an increase. I am well aware of the fact that the committee has felt that "set-asides" are not in the best interest of the national housing effort, however, a special case can be made for Indian housing programs.

In March of this year the General Accounting Office issued a report entitled, "Substandard Indian Housing Increases Despite Federal Efforts—A Change Is Needed." The report indicates that although the Federal Government has built 27,000 new homes on Indian Reservations between 1970 and 1976, the number of families living in substandard housing increased from about 63,000 to about 86,000 during that period. In 1971 it was estimated that about 7,000 new homes for Alaskan Natives were required. In 1978 that figure is still 7,000. HUD has built some homes in Alaska, but they have not approached the level of production that we anticipated 7 years ago.

The conclusion of the GAO report was that:

Existing Federal programs have not been successful in meeting the Indian housing needs because they are underfunded, have not received enough emphasis, require too many complex and time-consuming procedures, lack flexibility, require more trained people, and are uncoordinated.

I repeat the GAO stated these programs are underfunded and have not received enough emphasis.

Among the recommendations to the Secretary of HUD were to: Assess HUD's goals for Indian housing in view of the increasing need and provide the funds necessary to meet these goals. The Secretary of the Interior was given a similar directive for those units which should be constructed through the housing improvement program of the Bureau of Indian Affairs. The chairman of the Interior Appropriations Subcommittee, Senator BYRD, was kind enough to accept the amendment I offered to the Interior bill which will provide almost a 50-percent increase in that program.

However, because the Bureau must rely on direct appropriations for housing construction rather than having the HUD contracting authority, this additional $10 million will provide only 240 new units and 350 repairs to existing units.

The amendment I am offering to this bill would provide about 5,000 additional units of Indian housing in the coming year, increasing the total proposed to be funded by the Department of Housing and Urban Development to about 11,000—or about one-eighth of the existing need.

Mr. President, from past experience, I do not believe it is wise to allow HUD the flexibility of totally deciding what type of assisted housing programs they will provide. One reason that the Indian effort in HUD has not been more successful is that it is far more difficult to build on reservations and remote Alaskan villages than in the urban and suburban areas of the United States.

Along with the more remote areas, we have correspondingly higher costs. The GAO report notes that the HUD established prototype costs have often adversely affected needed production of Indian housing because in many cases they represent the cost of a type of house not particularly suited to the needs of Indians; are based on costs not representative of those incurred on reservations; and do not reflect current costs.

In particular, the costs HUD has allowed in the past do not reflect increased costs of construction on reservations associated with remote locations, widely scattered building sites, availability of skilled labor, and increased contractor bids resulting from the unavailability of legal protection, usually available under State law, for enforcement of claims.

In many cases where the estimated

cost of the project exceeded prototype limits, the project was either delayed or certain design features were eliminated which adversely affected the livability and quality of the project's houses.

Mr. President, each of us is aware of the fact that Federal agencies try to spend all the money appropriated to them. Most agencies also try to spend the money in the most efficient manner, to get the best product at a reasonable price—otherwise they will be in for a hard time when the next year's appropriations are considered. Given these facts, it is only reasonable that without specific guidance by Congress, in this case including a specific amount of money that must be spent, the Department of Housing and Urban Development would not choose to expand its effort in the Indian housing area—it is more difficult than building in other areas and it is more expensive than building in other areas. Given the choice, I think HUD would like to get out of Indian housing programs altogether.

Existing HUD instructions require, in effect, that prototype costs be established for each Indian area unless a special analysis is made showing that the cost factors of an adjoining non-Indian area are similar to those of the Indian area. In most instances, HUD has neither provided the separate prototype costs nor have they even made the required analysis to justify the use of prototype costs from non-Indian areas. As of the date of publication of the HUD report, 147 reservations were without prototype costs of their own.

Let me repeat that, Mr. President: As of the date of the publication of the HUD report, 147 reservations were without prototype costs of their own, and without prototype costs there can be no viable Indian program. This is just one example of what I consider to be HUD's lack of commitment to meeting the demand for Indian housing. The report cites other examples such as the failure of the Department to provide adequate levels of assistance and training to the staffs of the Indian housing authorities.

You may ask, why I am seeking to increase funding for Indian projects while being so critical of the way the Department has managed the program to date. At this time, HUD is really the only show in town. To provide an additional 5,000 units of housing through the Bureau of Indian Affairs would require a direct appropriation of $250 million—10 times the amount required for the same number of units using the type of financing available in HUD programs. And the need exists. I still believe that if HUD would be less rigid in their dealings with Native Americans, the Department could make a significant contribution to bettering the conditions on our reservations and Alaskan villages.

The additional funding I am seeking for the Indian housing programs is only about 2 percent of the new contract authority which the committee has provided for HUD in this bill. As the committee did not require HUD to obligate specific amounts for any of the other programs, I would also recommend that the Department make whatever revisions are necessary in the proposals they have made for fiscal 1979 to accommodate the redirection of funds envisioned by my amendment.

Mr. President, I hope the manager of the bill and other Members of the Senate will look favorably upon this amendment. I have offered it because the history of the Department clearly warrants our special attention to the housing problems of the Indian areas of the Nation.

Now, the manager of the bill asked me why we should earmark for Indians when we do not do that for anyone else?

It is a very interesting thing, Mr. President, and we went back and looked it up. In prior bills there have been set-asides for low-income housing projects to be owned by public housing agencies other than under section 8 of the act. That has occurred at least through the last 4 years, and because of those set-asides for other than section 8, the Indian housing programs under the act—I believe it is specifically section 5(c) of the authorizing legislation that deals with Indian housing—have, in fact, been funded.

This year there is no special set-aside for low-income housing other than section 8, so not having that specific set-aside for projects other than under section 8, we do not trigger the set-aside that would come about by virtue of the amendments that were offered by our late distinguished colleague from Montana. You may recall he would always have an amendment to assure an adequate amount to be set aside for Indian housing.

The Senator from Wisconsin, however, is correct in that Senator METCALF did not offer his amendments specifically to this bill. They came about by virtue of the set-aside provision for the special low-income housing program, projects owned by public housing agencies other than those financed under section 8 of the act.

So, Mr. President, knowing that my good friend is also the chairman of the Banking, Housing, and Urban Affairs Committee, and knowing that he realizes the extent of the recommendations made by the GAO, I would like to ask the manager of the bill another question after he takes the opportunity of responding. I hope he sees what I am talking about. I respect the committee's desire not to earmark, but by virtue of not earmarking for other than section 8 we have, in fact, lost the triggering mechanism which would come about for Indian housing.

Therefore, I think we ought to meet the unique Federal responsibility for Indian Americans by earmarking in this bill, and it would be my hope the manager of the bill would take this type of an amendment to conference and see if the Members of the House can find some way, along with the chairman, to assure an adequate amount of funding to meet Indian housing, particularly in light of the comments of the GAO which, again, I point out to the managers of the bill, reported that these Indian housing needs are underfunded and have not received enough emphasis.

I think this amendment would give them some of those funds and, hopefully, HUD would give them the emphasis required.

Mr. PROXMIRE. Mr. President, using some time in opposition to the amendment, the budget justification by HUD in support of their fiscal 1979 budget request indicated that the Department planned to provide $25.2 million in contract authority and $819.7 million in new budget authority to build 6,000 units of Indian housing.

A table setting this forth is on page 7 of the committee report. I recognize the force Senator STEVENS' argument with regard to the extreme need for Indian and Alaskan Native housing.

On the other hand, my 2-percent budget cut amendment would reduce overall funding for assisted housing by $510 million.

Mr. President, to double the funds provided for Indian housing in the face of the overall cut seems to place an undue burden on other kinds of housing starts. I hope the Senator from Alaska will not press his amendment, with the understanding that we will safeguard the $819.7 million in budget authority for Indian housing proposed in January and require the Department to spend the money as originally intended.

We will work on that very hard to get conference report language directing that this initial Indian housing commitment is implemented.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. STEVENS. What was the amount he said? $819 million? I would hope we would get $819 million, but I——

Mr. PROXMIRE. Yes. We are talking about new budget authority to build the units over a 40-year period. It is stretched out over that period. Although $819 million sounds like a lot, we actually propose tens of billions of dollars throughout the country for housing on a contract authority basis.

Mr. STEVENS. But is there $819 million earmarked in this budget? I was not aware that that much was earmarked.

Mr. PROXMIRE. No, it is not earmarked, but what I am saying is that the Department planned to provide $25.2 million in annual contract authority for Indian housing this year, which would multiply out to $819.7 million in new budget authority over the years. The funds are not earmarked.

We have not earmarked this money, as the Senator knows, in the past. We have earmarked public housing funding, as the Senator knows, for a different reason.

The public housing set aside in the past has been to insure that all assisted housing funds did not go to the section 8 program, but that local housing agencies continue to receive public housing funds. We have never earmarked funds within the public housing or section 8 programs. An Indian housing earmark would be such a specific set-aside.

On the other hand, I feel that the Senator's case is a very strong one. I feel support for Indian housing should be earmarked in some way. I feel all the money proposed by HUD for the Indian housing program should be for Indian

housing, and I will do my best, in conference, to persuade the House conferees to go along with that position. I am sure all my fellow Senate conferees will agree to see that the money should be spent as intended.

Mr. STEVENS. If the Senator will yield, I, on investigation, find that he is correct. My memory was that we had specifically earmarked, in the appropriations bill. We did not do so, but by specifically earmarking for other than section 8, and then specifically earmarking 50 percent of the funds under section 8 for the construction of new or substantially rehabilitated housing, it would in fact make a substantial amount available for Indin housing.

Most of the earmarkings are out of this bill; so we now face, for the first time, the necessity for total reliance upon the report of the distinguished chairman's subcommittee as to how much is to be available for Indian housing, and it comes about at a time when the GAO says that more funds must be made available.

The difficulty is that, as I understand it, this will lead to less funds being made available, rather than more. I pointed out that despite the efforts of the past few years, we now have a situation where there has been an increase in the number of units, an increase from 63,000 to 86,000 in the number of families on Indian reservations living in substandard housing. I really think, unless we take hold of it, the problem will get worse and not better.

Let me ask the chairman this: I am sure he is aware that among the recommendations in the GAO report I referred to earlier was a recommendation to Congress that Indian housing programs and the responsibility for Indian housing be consolidated into a single agency, and that we recognize that a wide range of options such as loans, grants, and subsidies will be needed to serve various income levels and cope with the unique conditions and special needs of Indians living on reservations.

Mr. PROXMIRE. The Senator is correct; the GAO did make that finding.

I will say to the Senator that we will work for strong language in conference. But earmarking the funds in this way is something the administration has strongly resisted, I think for good reason. It destroys much of HUD's flexibility, and once we start earmarking here, it is difficult to avoid it elsewhere. If we start earmarking in the Appropriations Committee, it seems to me we will infringe upon the execution of the programs and on the authorizing process.

Mr. STEVENS. I was about ready to ask my good friend a question as chairman of the authorizing committee, but I do not want to prejudice my Indian and native friends' case.

Mr. PROXMIRE. Good.

Mr. STEVENS. Because the Senator happens to wear two hats. He is wearing one hat here today as chairman of the appropriations subcommittee that deals with HUD, but he is also chairman of the Banking, Housing, and Urban Affairs Committee.

I do not want it to seem that I am taking advantage of the Senator in his capacity as appropriations manager of this bill; but in his other capacity as chairman of the Banking, Housing, and Urban Affairs Committee, will the Senator be following through on the recommendations in the GAO report? Can we look forward to action by that committee on the recommendations of GAO, which state that we ought to be taking action to consolidate all of these into one agency so we know what is going on in Indian housing, and can set up a viable housing program for Indians?

I assume if we had that, there would be in the authorization bill, then, a specific item which would in fact direct whatever that new agency was to take the action that GAO says is necessary to meet this need.

Mr. PROXMIRE. Yes, indeed. As chairman of the Banking Committee, I would be greatly in favor of that. We always give particular weight and attention to GAO reports. In this particular case, the Senator from Alaska has been a real champion of meeting the needs of Indians and Alaskan Natives, and we will do what we can to provide full and effective consideration in the authorizing committee. I might also say that, as far as this bill is concerned, I will be happy to fight hard in conference for the strongest conference language. So we will get at it in two ways: in the authorizing committee, and in the conference in a few days or weeks when we go to conference with the House.

Mr. STEVENS. Mr. President, I do note that the housing bill for 1974 contained specific earmarking or setaside of funds for Indian and Alaskan Native housing. That has expired now, as I understand it. I assume the Senator's Committee on Banking, Housing, and Urban Affairs will be holding some sort of hearings next year for the authorization for fiscal 1979, and that would appear to be a time when it might be better to handle this in terms of specific authorizations for a specific program.

Mr. PROXMIRE. The Senator is correct; we will be holding hearings and marking up the authorization, and at that time will give the Senator's position every consideration.

Mr. STEVENS. Mr. President, I do not know whether I have any time left, but the Senator from Oklahoma (Mr. BARTLETT) has asked to be a cosponsor of the amendment I have offered.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. STEVENS. I will say to my good friend from Oklahoma that we do not have the basic earmarking of the authorization bill, and I believe under the circumstances I will withdraw the amendment, but I will be happy to yield him some time.

Mr. BARTLETT. I would appreciate it if the Senator would add my name as a cosponsor before he withdraws his amendment, and also would yield to me for some short remarks.

Mr. STEVENS. I yield to the Senator from Oklahoma, and I ask unanimous consent that his name be added as a cosponsor.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I am very pleased to learn of this amendment. I had hearings about 3 years ago in Oklahoma concerning Indian housing, and, to sum it up in one word, very succinctly, Indian housing is a disaster. There is not the interest in HUD that there should be, and there is not the coordination between HUD, the Indian Health Service, the BIA, and the Department of the Interior that is needed. We found that there was no cooperation in having audits so that the Indian housing units were properly administered and properly handled. The business practices, in many cases, were rather questionable, because those charged with this responsibility were not given any guidance, any help, in what was expected of them.

Most of all we found that there just was not the independence in HUD in having any starts for Indian housing. The Indian tribes wanted very much to have an Indian desk at the area HUD offices, but this was not forthcoming. In fact, the recommendations that were made out of the hearing by ourselves and staff were grossly forgotten by the Department of Housing and Urban Affairs. There was no action taken at all in any direction to correct the very obvious inequities that did exist then and which still exist today.

I compliment the Senator from Alaska (Mr. STEVENS) for setting aside in his amendment $50 million specified for Indian housing. With the commitment from the chairman I can understand his willingness to pull down the amendment. He is emphasizing a great need which is not being attended to by the various departments who have the responsibility of Indian housing at various levels and with various specifics.

I am very pleased with his bringing this to a head and I do hope in the next session of the Senate there will be some meaningful progress made because it is very badly needed.

Mr. STEVENS. Mr. President, I thank the Senator from Oklahoma. As I pointed out, we have earmarked $10 million for the housing improvement program under BIA.

The GAO has suggested, and I think wisely, that there be a consolidation of the Indian housing programs so that we can have someone directly accountable for those programs. They are too fractionated right now.

I am pleased to have the comment that in the authorization bill for fiscal 1979 he will give consideration to this. It would be my intention to follow through at that time and urge that there be a specific delineation of what the Indian housing program in the future should be, who should be primarily in charge of it, and how to apportion these moneys which really are the only viable moneys, the contract authority moneys, which will be used for Indian housing needs in the future.

Mr. BARTLETT. What we found in our hearings was that none of the agencies involved really took a genuine interest in Indian housing, and because of the fractioning of responsibility each of the Government units with responsibility was willing to shuck it and blame

someone else with their failures. I think it is very important to pinpoint the responsibility and to make certain that somehow in HUD there will be some very close coordination, either with an Indian desk in the area offices or in some other way, so that the Indian tribes can be heard, so that they can have a chance to put forth their grievances, their desires, and their needs. This has not been possible with the present arrangements which exist today.

Mr. STEVENS. I thank the Senator. The item that bothers me in the GAO report is that there are no prototype costs which have been established for 147 reservations. That means that there can be no viable Indian housing program in those areas. As the Senator knows, one must establish the prototype cost before this type of funding can be arranged.

Again, I thank the Senator from Oklahoma for his assistance. I know of his deep commitment to the welfare of the Indian people not only of his area but of the Nation.

I will say that the Indian people are losing a great advocate with his retirement. We are sorry to see that take place in view of the developments which are occurring throughout the country and the increasing awareness of the needs of the Indian people and the Alaskan Natives in my State.

Mr. BARTLETT. The Senator from Oklahoma would like to have 3 minutes on another matter. Would this be a convenient time?

Mr. STEVENS. I do not think there is any time left on this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STEVENS. Has the time of the opposition expired?

The PRESIDING OFFICER. It has expired.

Mr. STEVENS. Mr. President, I withdraw the amendment and suggest to the manager of the bill on our side that he grant the time to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator has withdrawn his amendment, is that correct?

Mr. STEVENS. I do.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. MATHIAS. Mr. President, I yield 2 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma has 2 minutes.

Mr. BARTLETT. I ask unanimous consent that Thomas Wasinger of my office be granted the privileges of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. MATHIAS. Mr. President, I ask unanimous consent that I may yield to the Senator from South Carolina without the time being charged to either side.

Mr. STEVENS. Mr. President, may I say before the Senator begins his comments that we do not object, that the procedure he is following has been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from South Carolina is recognized.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1979

UP AMENDMENT NO. 1606

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the actions of the Senate in passing H.R. 12934 and the appointment of conferees, and the request of the Senate for a conference with the House, the motion to reconsider the vote by which the bill passed and third reading of the bill all be vitiated, and that certain technical amendments numbered UP Amendment No. 1606 at the desk be agreed to, the bill be considered as having been read a third time, passed, a motion to reconsider laid on the table, and the previous action on requesting a conference be reinstated.

Mr. President, these technical changes merely conform the bill to the actions of the Senate in approving H.R. 12934 on August 3, 1978. The first four changes result from amendments offered by Senator KENNEDY and Senator MATHIAS and they contained two parts. When the Senators modified their amendments in one part, we failed to revise the other portions. We have checked with both of the Senators and this is agreeable with them.

The next change is in the Economic Development Administration of the Hollings substitute to the Roth amendment. In specifying that $75 million of the reduction in the bill would be replaced by using the Economic Development revolving fund, we failed to make the limitation apply to obligations "for business loans and guarantees." Without the addition of those words, the interest payments to the Treasury of some $37 million would also be included in the limitation and this was never the intention.

Last, we would delete section 607 from the bill. This was added as the preamble to the Hollings substitute and is no longer necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of UP Amendment No. 1606 is as follows:

1. On page 12 line 15: change the amount "$28,996,000" to "$28,396,000".

2. On page 13 line 1: change the amount "$27,512,000" to "$24,181,000".

3. On page 16 line 8: change the amount "$561,391,000" to "$561,341,000".

On page 16 lines 9 and 10 change the figure "18,877" to "18,775".

4. On page 25 line 23: following the words "total obligations" insert "for business loans and guarantees".

5. On page 56 after line 23 strike Section 605.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1979

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, I make the point of order a quorum is not present and ask unanimous consent that the time not be taken from either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1:30 p.m. today.

There being no objection, the Senate, at 1:08 p.m., recessed until 1:30 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. TALMADGE).

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, does the Senator from Oregon wish to speak on the pending business?

Mr. MARK O. HATFIELD. Yes, I do.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MARK O. HATFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Wisconsin to the amendment of the Senator from Delaware.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator time from the bill. How much does he wish to have?

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. MARK O. HATFIELD. I wish to have 5 minutes.

Mr. ROBERT C. BYRD. Mr. President, I yield 5 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

STATEMENT IN OPPOSITION TO AMENDMENT NO. 3429

Mr. MARK O. HATFIELD. Mr. President, I thank the distinguished majority leader (Mr. ROBERT C. BYRD) for arranging the time.

I rise today in opposition to the amendment proposed by the Senator from North Carolina (Mr. MORGAN). His amendment would not only increase the fiscal level of the appropriation for the Selective Service Agency from the $7.05 million level recommended by the Appropriations Committee to $17 million, but also require the registration of all 18-year-old males beginning in fiscal year 1979 under section 3 of the Military Selective Service Act of 1975.

Mr. President, the fiscal considerations of this amendment ought to be reason enough for the Senate to reject this backdoor attempt to return our Nation to the conscription program which tore at the very seams of our Nation's unity during the 1960's and early 1970's. Several of my colleagues have time and time again stood to call for a percentage cut in the budgets of the various appropriations measures considered by this body. The cry is: "The people have spoken." "The American people will no longer stand

idly by while the Federal Government spends at will." Yet just last week a Senator stated before this body that when the people say they want cuts they do not mean cuts in defense. Mr. President, I have seen no solid proof that this is what the American people mean. I have personally seen the slanted questionnaires and misleading fund raising letters which play on the American people's fears. I would contend that if more of an honest effort were made to inform the American public of the absolutely astronomical nature of defense spending—both in absolute terms and in terms of the benefits to our people which must be foregone as the result of that spending—they would rise up in opposition to the insatiable appetite this country has to spend and spend and spend for more and more "defense."

Constant barrages of propaganda which continually emphasize the weaknesses of this country and the strengths of the Soviet Union cannot help but mislead the American public into thinking that at any moment our national defenses will, like the walls of Jericho, "come tumbling down." Anyone who takes an objective look at the forces which this country can muster in the time of a major attack will have to admit that the U.S. defense posture is more than adequate to meet our every requirement.

I say all this to lay the foundation for the arguments which are being raised in the discussion on this amendment today. We are told that we must provide for a system of increased readiness, or as my colleague from North Carolina puts it: "A higher level of preparedness." Basic to this reasoning is the preeminence of a supposed threat which I would contend is greatly exaggerated. The war this amendment prepares us for is the war of yesterday, unless, of course, my colleague foresees U.S. involvement in a Vietnam-type conflagration in the near future.

The next war of the size which would require more troops than are already filling our ranks will be fought quickly and with nuclear arms, not over a period of several months and with rifles and tanks. Therefore, there is absolutely no reason to provide for an annual registration for wartime mobilization.

Mr. President, before embarking on any expansion in the authority of the Selective Service Agency, of the establishment of a national program of registration for our 18 year olds, we would do well to consider and challenge the premises underlying the current force levels and examine their relationship to our actual—not supposed—defense requirements. As this has not been done by either the administration or the Congress (outside of a few hearings in the Armed Services Committee on the matter), I would suggest that we are adding to the waste of taxpayers' money which so many of my colleagues have been trying to do away with in having a system set up to draft without the necessary induction authority to actually implement the draft.

We are told that this amendment would not reinstitute the draft, but how many times has this body provided the funds for what was to be a limited program, and then only later to discover that the program miraculously grows—its supporters contending that as long as the money is there why not go all the way. That is what is intended here, Mr. President. I cite a study which was prepared for the Armed Services Committee by a Mr. William King in the Fall of 1976 entitled: "Achieving America's Goals: National Service or the All Volunteer Force?" in which Mr. King describes the steps necessary to bring about a reinstitution of the draft with the least possible opposition from the American public. His call for a gradual introduction of various component parts of the program begins with the implementation of a national registration requirement similar to the one we are considering today. The first step, Mr. President.

Furthermore, reflective of the hysteria surrounding the calls for a resumption of the draft, is the argument in support of an end to the all-volunteer force which contends, and I quote again from Mr. King's study: "* * * the all-volunteer force is essentially a peacetime concept."

The PRESIDING OFFICER (Mr. SPARKMAN). The time of the Senator from Oregon has expired.

Mr. ROBERT C. BYRD. Mr. President, does the Senator wish to have some additional time?

Mr. MARK O. HATFIELD. I wish maybe another 4 minutes.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. PROXMIRE I yield 4 minutes from the bill on the amendment to the distinguished Senator.

Mr. MARK O. HATFIELD. I thank the Senator for his consideration. Perhaps I am mistaken, Mr. President, but I have assumed that it is precisely because we have been at peace that we initially went to the all-volunteer force. Conscription was no longer necessary. But now, I hear my colleagues trying to convince us that we are no longer in "peacetime," else why would we be calling for an end to our "peacetime concept"—though the back door, no less?

I am further puzzled by these congressional calls for a reinstitution of the draft in light of statements by such men who should know our actual manpower requirements best: Secretary of Defense, Harold Brown, former Chief of Staff of the Armed Forces, Gen. George Brown, Army Chief of Staff, Gen. Bernard Rogers, and Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics, Mr. John White. I ask unanimous consent that their respective statements as reported in the Atlanta Constitution, the Colorado Springs Sun, and the Washington Post be printed in the RECORD following the balance of my remarks. (Gen. George Brown's remarks were made only this week at an American Enterprise Institute round table discussion on the role of the Joint Chiefs of Staff).

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MARK O. HATFIELD. Mr. President, I do not claim that the all-volunteer force is with out problems, neither do the gentleman I cited above. However, we are all in agreement that the problems which are being experienced are normal given the circumstances surrounding recruitment for a military force of the size this country seeks to maintain. The problems can in no way, however, justify a return to the draconian practice of compelling military service in our free society, particularly since we are not at war. Much needs to be done to bolster our Reserve Forces, and I will support incentive programs to bring our Reserve components up to a level which takes the pressure off the need to maintain a large active force during peacetime. This becomes particularly important as manpower costs continue to require a majority of our Nation's defense expenditures.

Mr. President, I contend that the calls for a return to the draft reflect the saber rattling of the cold war era and have little if any relationship to our true defense requirements. Again, our military leaders hold this position; this is not a "dove" versus "hawk" issue. If this Nation is not at war, and I have no reason to believe it is, then I must conclude that there is no reason to believe it is, then I must conclude that there is no reason to return to a draft or anything resembling a draft. As soft a sell as the amendment of the Senator from North Carolina might seem, it is clearly an effort to get a foot in the door to reinstitute the draft. I urge my colleagues to vigorously oppose this amendment, as well as any substitute which I understand may be offered that requires the mandatory registration of our Nation's youth. Patriotism cannot be legislated or required; it must come from within each and every individual. I trust that my colleagues will defeat this effort to legislate patriotism and establish another bureaucracy for which there is no need.

Mr. President, in closing, I also wish to point out that a draft cannot be considered as a measure to meet emergency situations. A draft is a long-term proposition which brings in experienced individuals under military consignment for an extended training period. So to call for a draft as an emergency measure to meet an unforeseen military involvement by this country is without solid foundation.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Washington Post, July 30, 1978]

MILITARY MANPOWER CHIEF SEES NO NEED FOR DRAFT

(By George C. Wilson)

The post-Vietnam experiment of trying to fill the ranks of the peacetime military entirely with volunteers is working so well that there is no need for the draft in sight, according to the Pentagon's manpower chief.

Dr. John P. White, in taking that position during an interview with The Washington Post, dismissed the recent political talk about returning to the draft as "more smoke than fire."

Even with the upcoming sharp drop in the nation's population of 18 years olds, White said, the Army, Navy, Air Force and Marine Corps should be able to keep filling their ranks with volunteers.

A shortage of 18-year-old males, he said, could be offset by taking more females into the services.

Other responses planned, he said, include

reducing the dropout rate within the services and inspiring more people in the service to reenlist.

Although several lawmakers have recently been warning that the "all-volunteer force" is not working and some kind of compulsory national service may have to be legislated, White countered that such suggestions fly in the face of hard numbers.

In contrast to the mid-1950s when the armed services took 75 percent of the eligible 18-year-old males, White said, today they need only about 20 percent of them. Reasons for this include a smaller infantry—2 million on active duty in 1978 compared to 3.3 million in 1954; longer enlistments; a larger teen-age population to draw from, and more women in the ranks.

The services should not have to recruit a significantly higher percentage of the 18-year-old males between now and 1985, White said. He predicted the total recruited would still be close to the current 20 percent of those eligible. (The United States had 1.8 million militarily eligible 18-year-old males in 1977 and is expected to have 1.6 million in 1985.)

White and his Pentagon colleagues have declared war on the dropout rates of the services to reduce the need for new volunteers. The Army, for example, saw 42 of every 100 men who signed up in 1974 drop out before finishing their obligated tours. New goals to reduce attrition have been set for all the services.

"There are several things" driving demands to return to the draft, White said, despite what he considers the proven success of the volunteer system.

"One, which is a legitimate social issue, is the question of whether or not people have an obligation to serve in some way.

"If you really look at that, it comes back down to some kind of national service" for young Americans that would require creation of additional government service agencies to absorb the young people the military could not use.

Or, to put it another way, "back to the CCC," the Civilian Conservation Corps established by President Franklin D. Roosevelt to combat unemployment during the Depression.

Critics of the all-volunteer force, White said, tend "to hold it up for comparison against some poorly defined but clearly better system. The impression is that there is always an alternative that will work better . . . .

"If you give us more people" by going back to the draft, White continued, "you're going to shorten the tour length. If you shorten the tour length, I'm not going to be able to train them as well."

White acknowledges there are problems in the all-volunteer force. "You bet your life we have them," he said. "Anybody who recruits between 350,000 and 400,000 people a year is going to have problems." Congress could help the Pentagon with these problems by approving legislation for managing the force better, such as more flexibility in giving bonuses to service people, White said.

Chairman John C. Stennis (D-Miss.) of the Senate Armed Services Committee has referred to reported shortcomings of the all-volunteer force in urging that alternatives be considered.

A yearning for the "good old days" is another part of the political impetus for going back to the draft, White believes.

White, who was a lieutenant in the Marine Corps from 1959 to 1961, said, "I am bemused by surveys and TV shows from Europe which quote captains of the infantry as saying the Army isn't like it was during the draft. The captain talking wasn't in the Army when we had a draft. He's never seen anything but a volunteer soldier." (Draft calls ended in December 1972.)

Also, said White, some people want to return to the draft to obtain a bigger U.S. military force. "As I go around" talking about the all-volunteer force, said White, I hear that "it isn't big enough."

However, given the statistical and political realities, "the press is overplaying 'here comes the draft'" stories, White said.

"When you translate those legitimate concerns" about the current all-volunteer force "into registration and conscription," the political sentiment for shifting back melts away, he said.

The toughest test ahead for the all-volunteer force will come between 1985 and 1990 when the 18-year-old population dips.

Asked if he expects the draft to be reinstituted during his scheduled four-year tour of duty at the Pentagon, barring war, White replied without hesitation:

"No, I do not. I do not see either any need nor any sentiment for it. There's more smoke than fire."

[From the Atlanta Constitution, June 23, 1978]

BROWN UNCERTAIN ABOUT FUTURE OF ALL-VOLUNTEER MILITARY FORCE

SEATTLE.—Defense Secretary Harold Brown said Thursday he feels optimistic about the all-volunteer military force, but is uncertain about its future.

"So far, in peacetime and in an economy operating at less than full employment, it is working," Brown said.

But, the Pentagon chief added, "we don't yet know for sure" whether an adequate volunteer-based military force can be maintained when civilian jobs become plentiful and when a declining youth population reaches military age in the 1980s and 1990s.

And Brown forecast more acute competition from private industry for technically trained personnel needed to operate increasingly sophisticated military equipment.

Brown's appraisal of the five-year-old all-volunteer service came in a speech prepared for delivery to graduates of the University of the Pacific College of Dentistry in San Francisco.

The speech followed by two days Sen. Sam Nunn's assertion that "there is growing consensus that the all-volunteer force . . . may fail to provide an adequate foundation for the future national security needs of our nation."

The Senate Armed Services Committee, at the Georgia Democrat's behest, has ordered the Pentagon to study alternatives.

Without specifically noting Nunn's criticisms, Brown said the armed services are managing to achieve 96 percent of their recruiting goals while maintaining forces at about 2.1 million men and women. This, he said, "approaches the minimum needed for our national security."

The defense secretary also said fears that the volunteer service would become a "poor man's force" of questionable quality "had not been realized."

"Analysis to date suggests that the armed forces today . . . are a reasonable reflection of the population of the United States—perhaps a bit less so than under the draft," Brown said. He added that various indicators of quality are mixed.

"We are obtaining high-school graduates in adequate numbers for the most part, although the number of recruits in the highest mental categories is not so great as previously," Brown said.

"We have problems recruiting and retaining for some technical skills and some less attractive positions," he added. "But discipline and morale in general appear to be higher than under the draft. Commanders tell me that their troops are the best ever."

Brown acknowledged, however, that the National Guard and Army Reserve forces constitute another problem. He said "our ability to attract volunteers for the reserve units . . . has not been entirely satisfactory."

Brown also said a number of measures are being taken to improve the attractivess of military service in both the active and reserve components, and that women are being given an increasingly wider role

But, the defense secretary added, "I see no likelihood of removing" restrictions against women serving in direct combat roles.

[From the Colorado Springs Sun, June 17, 1978]

"TOO EARLY" TO DISCREDIT VOLUNTEER ARMY: ROGERS

It is too early to call the volunteer Army a failure, Gen. Bernard W. Rogers, Army Chief of Staff, said Friday in a news conference at Fort Carson.

Gen. Rogers, who was commander of Fort Carson from September 1969 to December 1970, said the Army is in good shape as far as the number and quality of active troops is concerned. The problem, he said, is that the Army Reserve and the National Guard are short of men.

The government should extend some of the same benefits that have been successful in getting men into the Army to men considering the reserves, Gen. Rogers said. These benefits should include enlistment bonuses for recruits joining reserve units that would be called up early during an emergency, he said.

Educational assistance—$2 from the government for every $1 a soldier saved for his future education—should also be offered reservists, Gen. Rogers said.

He said the active units are getting both the quantity and quality of men needed under the volunteer Army system. Despite what some reports might lead one to believe, he said, the soldiers in the volunteer Army are "winners."

"These troops are among the best soldiers I've served with in my 35 years in the service," Gen. Rogers said.

Gen. Rogers said criticism of President Carter made by recently retired Maj. Gen. John Singlaub was not justified.

Gen. Singlaub has attacked the president for ignoring the advice of the Joint Chiefs of Staff. Gen. Rogers said he had a better view of the situation because, unlike Gen. Singlaub, he had attended the meetings between the Joint Chiefs and the president.

Gen. Rogers said he was pleased to see the progress that had been made at Fort Carson since he was commander there. He noted there had been progress in replacing the World War II-era barracks with new living quarters and said that, by 1980, Fort Carson would be one of the finest bases in the Army.

One never uses "never" in the Army, he said, and so he could not say Fort Carson would never be closed down.

"I am a betting man, however, and I would bet the base will be open for a long time to come," he said.

The PRESIDING OFFICER. Who yields time?

VETERANS' HOUSING BENEFITS IMPROVEMENT ACT OF 1978

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed now to the consideration of H.R.

12028, the Veterans' Housing Benefits Improvement Act of 1978.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

Calendar No. 978, H.R. 12028, a bill to amend title 38, United States Code, to improve the housing programs of the Veterans' Administration.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs with an amendment in the nature of a substitute and a title amendment.

The PRESIDING OFFICER. Time for debate is limited to 1 hour equally divided. Who yields time?

Mr. CRANSTON. I yield myself such time as I may need.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I rise in support of H.R. 12028, which I reported from the Committee on Veterans' Affairs on July 31. This bill, H.R. 12028, the proposed Veterans' Housing Benefits Improvement Act of 1978, was ordered favorably reported unanimously, with an amendment in the nature of a substitute and a title amendment, by the Committee on Veterans' Affairs meeting in open session on July 27, 1978.

BACKGROUND OF LEGISLATION

Mr. President, H.R. 12028 was passed by the House of Representatives on July 17, 1978, and in the Senate the measure was referred to the Committee on Veterans' Affairs.

Earlier, on June 15, 1978, Mr. President, the Subcommittee on Housing, Insurance and Cemeteries of the Committee on Veterans' Affairs, chaired by the Senator from Florida (Mr. STONE), received testimony on a number of issues relating to VA housing programs, including the issues addressed by the House of Representatives in H.R. 12028. Testimony was received from Dorothy Starbuck, Chief Benefits Director of the Veterans' Administration, and other representatives of the VA, and representatives of the Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, Mortgage Bankers Association, National Manufactured Housing Federation, and National Housing Law Project.

BASIC PURPOSE

Mr. President, the basic purpose of H.R. 12028 as reported, which I will refer to as "the committee bill," is to improve VA housing assistance programs by increasing certain housing-related entitlements, expanding entitlements relating to certain wartime service so as to include Vietnam-era veterans, and restructuring the VA mobile-home loan program so as to make it more similar to the conventional housing loan program. Almost all are supported by the administration.

SUMMARY OF PROVISIONS

Mr. President, the committee bill includes amendments to title 38, United States Code, that would:

First, in order to counter the effects of inflation in the housing area, increase, from $25,000 to $30,000, the chapter 21 maximum grant to assist certain severely disabled veterans to acquire specially adapted housing, and increase, from $17,500 to $25,000, the chapter 37 maximum loan guaranty amount for conventional VA home-purchase loan guaranties.

Second, extend entitlement under chapter 37, relating to home, condominium, and mobile home loans, to approximately 168,000 veterans who served on active duty during the Vietnam era for periods between 90 and 181 days. This change would provide chapter 37 entitlement for Vietnam-era veterans on the same basis that it is provided to veterans with service during World War II and the Korean conflict.

Third, grant authority to the Administrator of Veterans' Affairs to guarantee loans for certain specified energy-related home improvements at an interest rate—set in consultation with the Secretary of HUD—higher than that set for loans for the purchase of homes.

Fourth, provide for chapter 37 loan guaranties for the purchase of a unit in an approved converted condominium development or project.

Fifth, require the Administrator to investigate the desirability of exercising the present statutory authority to take an assignment of a VA-guaranteed loan before allowing any such loan to go to foreclosure.

Sixth, improve the VA mobile-home program by: No. 1, making it similar to the conventional home loan program by revising the criteria relating to restoration of entitlement following use of loan entitlement to purchase a mobile home to make such criteria parallel to those for restoration of entitlement following use of loan entitlement to purchase a conventional home, substituting a maximum loan guaranty of $17,500 or 50 percent of the loan for a dollar maximum loan amount, increasing the term of years for the purchase of a single-wide mobile home to 15 years, 32 days, and permitting use of remaining loan entitlement to purchase a mobile home when the veteran is moving from a conventional home to a mobile home; and No. 2, authorizing the Administrator, under certain conditions, to delegate to the Secretary of Housing and Urban Development responsibility for the inspection of the mobile-home manufacturing process, and adding a requirement that random onsite inspections include the monitoring of safety factors involved in the installation of such homes.

Seventh, make conforming amendments to the VA's direct loan authority to reflect as to direct loans to purchase conventional housing, the increase made by the committee bill in the maximum loan guaranty amount, and, as to direct loans to purchase mobile homes, the substitution of a maximum loan guaranty for the current dollar maximum loan amount in the mobile-home loan program.

Eighth, authorize the use of any material, including but not limited to marble, granite, bronze, or slate, for VA-provided headstones or memorial markers when requested by the person entitled to request the headstone or marker if the Administrator determines that the requested material is cost effective and, if the marker or headstone is to be placed in a national cemetery, esthetically compatible with the cemetery area.

VETERANS BENEFITED

These improvements would have important significance for large numbers of our Nation's veterans. The VA currently guarantees approximately 380,000 housing loans per year; and the bill would provide increased entitlement to approximately 28 million eligible veterans. Under the specially adapted housing assistance program, approximately 3,800 severely disabled veterans will benefit over the next 5 years from the grant increase which this bill would provide. In addition, as I have noted, this bill will provide new VA housing assistance entitlement to approximately 168,000 Vietnam-era veterans.

INTEREST RATE FOR ENERGY-RELATED HOME-IMPROVEMENT LOANS

Mr. President, I want to comment specifically on one provision in the committee bill which has potential significance for the Nation that reaches beyond the VA and the individual veterans affected. The bill authorizes the Administrator, in consultation with the Secretary of Housing and Urban Development, to guarantee loans for energy-related home improvements at an interest rate higher than that set for guaranteed loans for the purchase of a home. The type of home improvements for which such a VA-guaranteed loan would be made include installation of a solar energy system and improvements in the energy efficiency of a home. The provisions relating to the latter type of improvements—energy efficiency improvements—are derived from similar provisions that have already been approved both by the Senate, on September 13, 1977, in H.R. 5037, as amended, and by the House of Representatives, on October 13, 1977, also in H.R. 5037, as further amended, as the Congress has worked on the National Energy Conservation section of the National Energy Act. That legislation has been in conference since October 13, 1977.

The committee believes that it is vitally important that all agencies of the Government be enlisted in the fight against excessive energy consumption, and it believes that the program authorized by the committee bill, which is similar to an approach approved by the Senate last year in section 311 of S. 457, the GI Bill Improvement Act of 1977, will serve to involve the VA housing assistance program in that effort in a meaningful, constructive way.

Mr. President, in order that all Senators and the public may have a full understanding of the various provisions of this measure, I ask unanimous consent that there be printed in the RECORD at

this point pertinent excerpts from Senate report No. 95–1055 accompanying this bill.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

DISCUSSION

Background

The Veterans' Administration provides assistance to help veterans acquire housing in a number of ways. The principal form of such assistance is provided by the loan guaranty program operated under chapter 37 of title 38, United States Code. Through that program, housing credit assistance, in the form of guaranties of loans made by private lenders, is available to eligible veterans. These guaranties are made on loans to purchase conventional homes, condominiums, farm residences, and mobile homes. Also, under chapter 37, in areas of the country where private financing for VA-guaranteed loans is not generally available, the VA provides another form of assistance to help veterans acquire housing—direct loans, in which the VA assumes the role of the lender.

Another form of VA housing assistance is provided to certain severely disabled veterans in the form of grants to assist these veterans acquire specially adapted housing.

Loan guaranty program

Assistance under the housing loan guaranty program is primarily through the substitution of the Government's guaranty on a portion of the veteran's loan for other safeguards normally used by lenders such as substantial downpayments or relatively short loan terms.

Eligibility under current law is generally available to veterans who served during or since World War II. The minimum length of active service necessary for entitlement under current law varies from 90 days for veterans of World War II or the Korean conflict, to 181 days for those veterans who served only between World War II and the Korean conflict or from the end of the Korean conflict to the present.

The Government's guaranty on a loan is limited to a maximum of 60 percent of the loan and is further limited by a maximum dollar amount. Under current law, the upper dollar limitation is $17,500 which means that any loan for an amount in excess of $29,166 would carry less than the maximum statutory guaranty.

The VA loan guaranty program is extremely important both to veterans who are helped in the purchase of homes and to the economy as a whole, which benefits by the stimulus provided by veterans' activity in the housing market. In the last 5 years alone, more than 1½ million veterans have obtained VA-guaranteed loans to purchase homes valued at more than $51 billion.

Direct loan program

The VA's direct housing loan program serves as a substitute for the loan guaranty program in areas—typically rural areas or small cities and towns not located near large metropolitan areas—identified by the Administrator as "housing credit shortage areas," meaning areas in which private lenders are not generally available to provide VA-guaranteed home loans. In such cases, the VA can serve as the lender and make direct loans to eligible veterans for the purchase or improvement of housing.

Although the utilization of this program has been declining in recent years (2,785 such loans were made in fiscal year 1976 and the VA's estimate for fiscal year 1979 is for 2,515 such loans) due to a rising availability of private funds for guaranteed loans, the program remains an important asset to some veterans.

Specially adapted housing grants

Under the specially adapted housing grant program, veterans with certain permanent and total service-connected disabilities affecting locomotion so that they require housing adapted with special fixtures and other modifications are eligible for a grant from the VA to assist them to acquire such housing. Such severely disabled veterans have distinctive housing needs such as wider doorways to accommodate wheelchairs, ramps instead of stairs, oversized and specially equipped bathrooms, and the like; and because these requirements substantially increase the cost of a house, the VA provides a grant to assist the eligible veteran acquire suitable housing. In addition, VA employees work closely with such severely disabled veterans and with the designers and builders of such a specially adapted new home or of modifications to an existing structure to meet the veteran's needs, so as to provide expert help in the process of creating a specially adapted unit. This grant is limited to 50 percent of the cost to the veteran of the housing unit and the land on which it is located, up to a maximum of $25,000.

Home loan guaranty

The Committee bill would amend section 1810 of title 38 by increasing, from $17,500 to $25,000, the maximum home loan guaranty entitlement for the purchase of a conventional home, a single-family residential unit in a condominium, or a farm residence.

The VA loan guaranty is designed to substitute, in large measure, for a downpayment when a veteran purchases a house. Under present law, the guaranty is limited to 60 percent of the loan amount up to a maximum guaranty of $17,500. It generally permits veterans to obtain loans for residences without a downpayment or with a lower downpayment than would otherwise be required.

However, under the current maximum, only loans that do not exceed $29,166 can be guaranteed to the full 60-percent level; all above that amount are guaranteed at a lower percentage. The average guaranteed loan in fiscal year 1977 was $34,500 and, in the first half of fiscal year 1978, $38,016. Thus, it is apparent that lenders are, with increasing frequency, not receiving the maximum 60-percent protection. As a result, lenders are becoming less willing to make VA-guaranteed loans.

The following table compares the percentage of the loan guaranteed at selected amounts with a 60-percent or $17,500 maximum guaranty and a 60-percent or $25,000 maximum guaranty:

TABLE 1.—*Percentage of loan guaranteed—(60-percent guaranty)—$17,500 maximum/$25,000 maximum*

Loan amount	60-percent/ $17,500	60-percent/ $25,000
$20,000	60.0	60
$30,000	58.0	60
$40,000	43.0	60
$41,677	41.9	60
$50,000	35.0	50
$60,000	29.0	42
$70,000	25.0	38
$80,000	22.0	31
$90,000	19.0	28
$100,000	18.0	25

According to the VA, the average guaranty to lenders in the first half of fiscal year 1978 was approximately 42.7 percent. This is a decline of about 3 percent from fiscal year 1977 and is the lowest level of protection since fiscal year 1968.

By increasing the maximum loan guaranty entitlement to $25,000 and thus assuring lenders a greater degree of protection, the Committee bill should increase lender willingness to make VA-guaranteed loans. In addition, this increase would bring the VA loan guaranty more in line with the statutory intention of providing a 60-percent guaranty to the lender.

Eligibility for home loan benefits for Vietnam-era veterans

The Committee bill would amend section 1802(a) of title 38 by reducing, from 181 days to 90 days, the active-duty requirement for Vietnam-era veterans seeking VA home loan benefits. Under current law, veterans with active service of 90 or more days, any part of which occurred during World War II or the Korean conflict, are eligible for VA home loan benefits. Veterans whose only active service was after the end of World War II (July 25, 1947) and prior to the beginning of the Korean conflict (June 27, 1950), or after the end of the Korean conflict (January 31, 1955), must have served on active duty for a period of more than 180 days to be eligible for VA home loan benefits.

Although the Vietnam era (August 5, 1964, to May 7, 1965) is considered a period of war for the purpose of eligibility for other veterans' benefits, the present criteria place Vietnam-era veterans in the same category as veterans with only peacetime service.

The Committee believes that the same chapter 37 eligibility standards applied to veterans of World War II and the Korean conflict should be applied to Vietnam-era veterans. For that reason, the Committee bill would shorten the length-of-service requirements for Vietnam-era veterans to 90 days of active-duty service (while leaving the requirement at more than 180 days for post-Vietnam-era veterans). This equitable change would expand VA housing program eligibility to include approximately 168,000 additional veterans with Vietnam-era service.

Converted condominiums

The Committee bill would amend section 1810 of title 38 to make eligible for a chapter 37 guaranty, a loan for purchase of a single-family unit in an apartment building that has been converted into a condominium housing project. Although current law allows VA loan guaranties for units in new condominium projects or for units in a structure built and sold as a condominium, there is currently no provision for units in existing structures that have been converted into condominiums.

The VA has expressed opposition to the inclusion of converted condominiums in the loan guaranty program. Its opposition is based on the premise that many of the apartment buildings recently converted into condominium projects are older buildings which may have structural defects or other significant problems related to their age. In addition, because it currently has no program of inspection for converted condominium projects, the VA is concerned that it could not adequately protect the interests of veterans who wish to purchase units in such condominiums. The VA believes that, without adequate inspection standards to determine the soundness of an older building, veterans may be exposed to unforeseen capital expenditures, such as the replacement of a furnace or heating system, that would fall on all owners in a condominium project and could result in the veteran's inability to meet mortgage payments.

The Committee favors the inclusion of converted condominiums in the VA loan program. These condominiums provide a relatively low-cost housing alternative to veterans who do not have the means to buy conventional housing, and excluding such units from coverage works a hardship on

those veterans. With regard to the inspection of converted condominium units, the Committee notes that the Department of Housing and Urban Development (HUD) administers a similar loan guaranty program for converted condominiums and has established guidelines for the inspection of buildings converted into condominium projects. The Committee believes that these guidelines could be adopted or modified by the VA in inspecting converted condominiums and would insure adequate protection for the veteran wishing to buy such a home. Moreover, in light of the fact that the current guaranty program includes the purchase of a unit in a structure originally built as a condominium, regardless of the age of the structure, it seems clear that it is necessary for the VA soon to develop standards to assess the soundness of older multifamily structures in any event.

VA loan assignment practices

Under present law (section 1816 of title 38) and implementing regulations (section 36.4318 of title 38, Code of Federal Regulations), the VA has authority to take an assignment of a VA-guaranteed loan from the holder of the loan. The purpose of this assignment authority is to allow the VA the option of exercising forbearance toward a veteran who is experiencing financial difficulties so that a feasible repayment arrangement, perhaps more lenient than the mortgage loan holder might be amenable to, might be worked out. Such arrangements can save the loan from foreclosure and enable the veteran to keep his or her home.

Although the VA has this authority and has, on numerous occasions, indicated its commitment to the use of it in appropriate cases, there is some question about the extent of the VA's activity in this regard. For instance, at the June 15 hearing before the Subcommittee on Housing, Insurance, and Cemeteries, one witness testified that in the Los Angeles region, from the years 1974 through 1976, there were more than 6,000 foreclosures involving VA-guaranteed loans, and that not once in those 6,000 cases did the VA use the assignment authority. In response to posthearing questions on this testimony, the VA did not contest these figures but explained that it is active in servicing loans long before a default becomes insoluble and that it urges lenders to exercise forbearance toward veterans experiencing repayment problems so that, if such forbearance by the lender fails, there is little purpose in the VA taking further action to save a loan.

Although the Committee appreciates the VA's role in loan servicing, it is not convinced that adequate efforts are being made to help veterans remain in their homes and to avoid foreclosure. The Committee's concern regarding foreclosures involves not only the impact that a foreclosure has on the individual veteran, in terms of financial and social costs, but extends to the wider concerns regarding the costs of foreclosure on the economy in general. Certainly, if an individual veteran is unable to meet any reasonable repayment schedule, the VA should allow a loan to go to foreclosure. However, before doing so, the Committee believes that the VA should make every reasonable effort to avoid such a result.

Accordingly, the Committee bill would require the VA, within 30 days following notice from the note holder of intention to institute suit or foreclosure (the present period within which the VA may, by law, exercise the assignment authority), to investigate the desirability of taking an assignment of the loan. This change would leave the Administrator free to allow a loan to go to foreclosure when that result is inevitable, while indicating the Committee's strong concern that the decision to do so be made in each case after careful consideration of the facts relating to the individual's current and probable future financial circumstances.

Solar-energy and energy conservation home improvement loans

During the first session of the 95th Congress, the Committee reported and the Senate passed, as section 311 of S. 457, the GI Bill Improvement Act of 1977, a provision which would have authorized additional VA housing loan guaranty and loan assistance to veterans for the purpose of assisting them to fund home improvements involving the installation of solar energy units or other energy-conservation improvements. Although that provision was ultimately dropped in the House of Representatives in favor of a requirement for a study by the VA, in consultation with the Department of Housing and Urban Development, to determine the most effective means of using VA housing programs to encourage veterans to install solar energy systems and to apply residential energy conservation measures, the Committee and Senate action indicated a commitment to the proposition that the VA home loan program can and should be used in support of the national energy conservation program.

In April 1978, the VA submitted the report, entitled "A Study of the VA Housing Solar Energy and Weatherization Programs," which had been mandated by section 311 of the GI Bill Improvement Act of 1977. Although the VA reported not finding any significant interest among lenders or veterans with respect to home improvement loans for energy-related matters, the Committee remains convinced that the national interest requires that all feasible positive actions be taken in the area of energy conservation and that VA home loan programs, because of their wide impact, are an important vehicle to carry a share of the effort in this respect.

To this end, the Committee bill includes a provision specifically authorizing the Administrator, in consultation with the Secretary of Housing and Urban Development, to set an interest rate for loans for home improvements involving energy-related improvements, at a rate higher than the interest rate for loans for the purchase of homes. This is a step that the VA recommended for exploration in its report. The Committee bill also specifies the types of improvements that can be undertaken to qualify for the loan.

As the Committee noted in its report on S. 457 last year (S. Rept. No. 95–468), residential energy use accounts for 20 percent of the total energy consumed in the United States per year, and it is widely acknowledged that residential use is characterized by many energy-inefficient practices that could be curtailed by wider utilization of energy conservation measures. Further, oil and gas, fuels in relatively short supply in the United States, are heavily used for residential energy purposes. As noted in the Committee report on S. 457, at current production and usage levels, the United States will exhaust its domestic reserves of oil and gas by the year 2020. Solar energy stands as an alternative to these fuels, and the Committee believes that its use should be encouraged on all fronts, the VA home loan program among them.

As noted above, the approach adopted in the Committee bill differs somewhat from that proposed by S. 457 last year. Whereas in S. 457 the approach relied on an increase in basic entitlement for a loan guaranty, with the additional entitlement available specifically for solar energy or other energy conservation improvements, the Committee bill would provide specific authorization for the Administrator, in consultation with HUD, to set an interest rate for loans for such solar energy or other energy conservation home improvements at a level higher than the rate set by the Administrator for loans to purchase homes. This approach was chosen for two principal reasons. First, with the $7,500 increase in maximum loan guaranty entitlement provided in another provision in the Committee bill (the amendments to section 1810 of title 38 made by section 5(2) of the Committee bill), all eligible veterans will automatically receive additional entitlement which may be applied to any authorized purpose, including a home-improvement loan for energy-related improvements. Thus, a specially targeted increase in entitlement would no longer seem necessary at this time. Second, the Committee believes that use of the authority to establish a higher interest rate for guaranteed home improvement loans for energy-related purposes should help to stimulate the lending market to make such loans and, at the same time, make it possible for interested veterans to secure such home improvement loans on terms and conditions more favorable than are currently available because the veteran would have the guaranty of the Government in support of a portion of the loan.

The Committee bill contemplates two general categories of home improvements under the general rubric of "energy related improvements," those involving solar energy systems, and those focusing on residential energy conservation measures. Also, the improvements from the two categories could be combined in a single home improvement package.

Under the solar energy heading, the Committee bill includes "solar heating," "solar heating and cooling," and "combined solar heating and cooling," as defined in clauses (1) and (2) of section 3 of the Solar Heating and Cooling Demonstration Act of 1974 (42 U.S.C. 5502). In that act, the terms are defined as follows:

"[t]he term 'solar heating,' with respect to any building, means the use of solar energy to meet such portion of the total heating needs of such building (including hot water), or such portion of the needs of such building for hot water (where its remaining heating needs are met by other methods), as may be required under performance criteria prescribed by the Secretary of Housing and Urban Development utilizing the services of the Director of the National Bureau of Standards, and in consultation with the Director of the National Science Foundation, and the Administrator of the National Aeronautics and Space Administration; and the terms 'solar heating and cooling' and 'combined solar heating and cooling,' with respect to any building, mean the use of solar energy to provide both such portion of the total heating needs of such building (including hot water) and such portion of the total cooling needs of such building, or such portion of the needs of such building for hot water (where its remaining heating needs are met by other methods) and such portion of the total cooling needs of a building, as may be required under performance criteria prescribed by the Secretary of Housing and Urban Development utilizing the services of the Director of the National Bureau of Standards, and in consultation with the Director of the National Science Foundation, and the Administrator of the National Aeronautics and Space Administration, and such term includes cooling by means of nocturnal heat radiation, by evaporation, or by other methods of meeting peakload energy requirements at non-peakload times."

In addition, as used in the Committee bill and in section 311(a) of S. 457, as passed by the Senate last year and explained in the report accompanying that bill (S. Rept. 95–468, at p. 127), the terms include a passive system based on conductive, convective, or radiant energy transfer; the term "passive system"

includes, but is not limited to, window and skylight glazing, thermal floors, walls and roofs, movable insulation panels (in conjunction with glazing), portions of a residential structure which serve as solar furnaces so as to add heat to residences, double pane window insulation, or other components designed to enhance natural transfer of energy for the purpose of heating or heating and cooling a residence as determined by the Administrator.

Continuing with the definitions included in S. 457, the Committee bill would define "a residential energy conservation measure" as: caulking and weatherstripping of all exterior doors and windows; furnace efficiency modification limited to replacement burners, boilers, or furnaces which devices are designed to reduce the firing rate or to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency, devices for modifying flue openings which will increase the efficiency of the heating systems, and electrical or mechanical furnace ignition systems which replace standing gas, pilot lights; clock thermostats; ceiling, attic, wall, and floor insulation; water heater insulation; storm windows and doors; heat pumps; and such other measures as the Administrator may by regulation identify for the purposes of this provision.

The Committee bill provision relating to the setting of an appropriate interest rate for loans for energy-related home improvements would require the Administrator to consult with the Secretary of Housing and Urban Development for the purpose of helping to foster a coordinated national policy on interest rates on federally guaranteed or insured loans for energy-related home improvements. It is the Committee's expectation that all activity in the VA's efforts to encourage energy conservation under its home loan program will be done in concert not only with HUD but with all other Federal agencies involved in similar programs, including the Department of Energy, the National Aeronautical and Space Administration, the Bureau of Standards, and any other appropriate agencies.

In authorizing the adoption of a specific interest rate for loans to make energy-related home improvements, the Committee is mindful of the January 30, 1978, opinion of the Office of the General Counsel, Veterans' Administration that stated that:

"The Administrator is free to prescribe an interest rate for VA guaranteed loans for the repair, alteration, or improvement of a dwelling (section 1810(a)(5) of title 38) that is different from the interest rate for guaranteed loans for some or all of the other purposes specified in section 1810(a)."

The Committee's action in specifically authorizing the adoption of a different and higher interest rate for energy-related improvements pursuant to new section 1810(a)(7) is not intended to limit or restrict the Administrator's existing authority to set different interest rates for this purpose or other purposes under section 1810(a) as discussed in the above mentioned opinion of the Office of General Counsel. Rather, the Committee bill is declaratory of existing law on this point, and the Committee specifically affirms its view that the Administrator presently has statutory authority to set different interest rates as appropriate and stresses that the authority in this bill is designed to reflect the Committee's commitment to the importance of energy-related home improvements and to provide appropriate context for coordinated exercise of that authority with respect to home improvement loans for energy-related purposes.

Mobile-home loan program

The Committee bill would restructure the VA mobile home program (section 1819 of title 38) to make it more like the current program for conventional home loans. First, the Committee bill would substitute a maximum loan guaranty (50 percent of the loan up to a maximum guaranty of $17,500) for the present statutory maximum dollar loan amounts. Second, it would increase the maximum term of years for which a loan for a single-wide mobile home can be financed from 12 years and 32 days to 15 years and 32 days. Third, the Committee bill would provide the same criteria for restoration of loan entitlement as in the conventional housing loan program. Fourth, it would change the current mobile-home loan program to allow a veteran to use his or her remaining entitlement when moving from a conventionally built home to a mobile home. Fifth, the Committee bill would provide for some changes in the current VA mobile-home inspection requirements.

Under current law, mobile-home loans are guaranteed up to 50 percent of the face amount of the loan and guaranteed loans cannot exceed $12,500 for a single-wide mobile home and $20,000 in the case of a double-wide mobile home. The maximum term of such loans are 12 years and 32 days and 20 years and 32 days, respectively. Present law limits restoration of section 1819 loan guaranty entitlement to a single time for a veteran, provided the first loan has been repaid in full.

Purposes for which loans may be used

By restructuring the current provisions of section 1819, the Committee bill would clarify the purposes for which a guaranteed mobile home loan may be used. These purposes include the purchase of a lot on which to place a mobile home, the purchase of a new or used single-wide or double-wide mobile home and the lot on which to place such a home, and the amount needed to cover the cost of necessary preparation of a lot already owned or to be acquired by the veteran, including the installation of utility connections, sanitary facilities, and paving and construction of a suitable pad.

Loan guaranty changes

The Committee bill would amend section 1819(c)(3) of title 38 by providing for a maximum loan guaranty of 50 percent of the loan amount up to a guaranty of $17,500. These limitations correspond to those for the VA conventional home loan program in present law under which that maximum loan guaranty is 60 percent of the loan amount up to a guaranty of $17,500. Current law limits the guaranty of a loan to purchase a mobile home to 50 percent of the loan and sets a limit on the amount of the loan a veteran can obtain for a mobile-home, as follows:

Single-wide mobile home	$12,500 (plus appropriate additional amount to cover necessary site preparation of already owned lot).
Double-wide mobile home	$20,000 (plus appropriate additional amount to cover necessary site preparation of already owned lot).
Single-wide mobile home and undeveloped lot.	$20,000 ($12,500 maximum for the mobile home, plus additional appropriate amount to cover necessary site preparation).
Double-wide mobile home and undeveloped lot.	$27,500 ($20,000 maximum for the mobile home, plus additional appropriate amount to cover necessary site preparation).
Single-wide mobile home and suitably developed lot.	$20,000 ($12,500 maximum for the mobile home).
Double-wide mobile home and suitably developed lot.	$27,500 ($20,000 maximum for the mobile home).
Undeveloped lot	$7,500 (includes amount to cover necessary site, preparation).
Suitably developed lot	$7,500.

Although these limits on the amounts of mobile home loans may not have posed significant problems in the past, the costs of a mobile home have increased sharply in recent years due to inflation, the increasing quality of the workmanship in the construction of such homes, and the promulgation and enforcement of HUD standards relating to mobile home construction and safety; and the higher costs have reduced the relative value of the VA guaranty. This has resulted in a decrease in recent years in the utilization of this VA entitlement. Relative to the total number of VA loans, the proportion of VA mobile home loans is presently lower than seems desirable to the Committee.

According to the VA, in September 1976, the price of 42 percent of all mobile homes sold at retail exceeded $12,000, and in October 1977, the price of 70 percent of all mobile homes so sold exceeded $12,500. The average price of a single-wide mobile home in 1977 was $11,865, and of a double-wide mobile home, $19,775. According to the Manufactured Housing Institute, in 1978, average prices were expected to increase to $13,407, and $22,345, respectively. Thus, prospects for the veteran to use a VA loan guaranty to purchase a mobile home under the current program are growing dimmer each year.

The change proposed by the Committee bill, from a 50-percent guaranty with a loan maximum to a guaranty of 50 percent of the loan or $17,500, whichever is the lesser, would allow loans to be made for higher amounts as follows:

TABLE 2.—*Percentage of loan guaranteed—50 percent guaranty $12,500 loan maximum—50 percent guaranty to $17,500 (no loan maximum)*

Single-wides

[In percent]

Face amount of loan	Under current law—50 percent guaranty with $12,500 loan maximum	Under committee bill—50 percent guaranty up to $17,500 (no loan maximum)
$7,000	50	50
$10,000	50	50
$12,500	50	50
$15,000		50
$20,000		50

Double-wides

	50 percent guaranty with $20,000 loan maximum	50 percent guaranty up to $17,500 (no loan maximum)
$12,000	50	50
$15,000	50	50
$20,000	50	50
$25,000		50
$30,000		50
$35,000		50
$40,000		44

Another reason for the changes that would be made is by the Committee bill in the mobile-home-loan program is that most mobile homes are financed in the same manner as automobile loans, that is, as consumer credit transactions. Mortgage companies and banks, the traditional sources of financing for conventional VA loans, have been reluctant to finance VA mobile-home loans. This is due, in part, to the higher risks presented by such loans and, in the case of banks, to the fact that the VA-guaranteed loans bear lower interest rates than consumer loans originated by the dealer and sold to the bank and are, therefore, less attractive.

The Committee believes that these changes in the VA mobile-home program would make the program more attractive to lenders by making it more closely parallel to the conventional program and, thus, would increase the opportunity for veterans to obtain loans to purchase mobile homes.

Term of years for a VA mobile-home-loan guaranty

The Committee bill would amend section 1819(d)(1) of title 38 to increase the term of years for a VA loan guaranty for the purchase of a single-wide mobile home for a single-wide mobile home and a lot on which to place such a home for 12 years and 32 days to 15 years and 32 days.

The Committee supports this increase in the term of years for a VA loan guaranty because it would result in a decrease in the veteran's monthly loan payments, thereby making mobile homes purchases more affordable and permitting more veterans to qualify for these loans. This change would be particularly helpful to veterans in lower income brackets.

Criteria for mobile-home-loan evaluations

The Committee bill would amend section 1819(e)(4) of title 38 in order to clarify the Administrator's role in determining the reasonableness of the amount of a mobile-home loan. Specifically, this provision would insure that loans would not be guaranteed when the amount of the loan is in excess of the amount determined reasonable by the Administrator based upon—

(1) The costs involved where the veteran is purchasing a new mobile home;

(2) The reasonable value of the homes where the veteran is purchasing a used mobile home;

(3) The reasonable value of any lot which the veteran is purchasing; and

(4) The appropriate amount of the costs of any necessary site preparation.

Mobile home inspections

The Committee bill would modify existing requirements in present section 1819(1) of title 38 for the VA to conduct two types of inspections of mobile homes under the mobile home loan program. This dual requirement calls for the VA to make periodic inspections of the manufacturing process of mobile homes to be sold to veterans using VA loan guaranty assistance and to conduct random onsite inspections of mobile homes purchased by such veterans.

The Committee bill would alter these requirements in two respects. First, the Administrator would be permitted to delegate the VA's responsibility for inspecting the manufacturing process to the Secretary of Housing and Urban Development, subject to three conditions: (1) Acceptance of that delegation by the Secretary, (2) a requirement to be expressed in the delegation of authority that the Administrator be provided the full results of such Department of Housing and Urban Development (HUD) inspections, and (3) the right of the Administrator, set forth in that delegation instrument, to withdraw all or part of the delegation when appropriate. Second, the bill would add to the onsite inspection requirement responsibility to monitor safety factors involved in the installation of mobile homes purchased with VA assistance.

The Administration has proposed elimination of both mobile home inspection requirements, and the House of Representatives, on September 12, 1977, passed administration-requested legislation, H.R. 4341, to that effect. A counterpart measure, S. 1643, was introduced by the chairman of this Committee, by request, on June 8, 1977. On July 17, 1978, the House of Representatives passed, as section 7(f) of H.R. 12028, provisions similar to H.R. 4341.

In support of the administration's proposal, the VA pointed out that the National Mobile Home Construction and Safety Standards Act of 1974 (title VI of Public Law 93–383) included a requirement that HUD establish mobile home construction and safety standards and conduct inspections necessary to enforce these standards. It is the VA's position that, because it adopted the standard issued by HUD and because HUD, or State agencies designated by HUD, conduct enforcement inspections using such standards, it is a duplication of effort for the VA also to conduct such inspections. The Committee has carefully examined the HUD inspection program and submitted and received responses (made part of the hearing record on this legislation) to numerous interrogatories, and, on the basis of this examination, the Committee does not oppose a carefully drafted delegation to HUD. However, the Committee bill continues to assign to the VA ultimate responsibility, at least on a back-up basis, to assure that veterans purchasing mobile homes with VA guaranties are adequately protected.

Accordingly, the Committee bill would authorize the VA to delegate to HUD the task of conducting (directly or through State or local agencies) inspections of the manufacturing process, subject to prompt VA access to the results of HUD (or HUD-designee) inspections and the right of the Administrator to withdraw at any time or all of the delegation and for such period of time the Administrator deems appropriate. In addition, the existing requirement that the VA include in the Administrator's annual report to Congress the results of the inspections of the manufacturing process is unchanged by the Committee bill.

The VA's rationale in support of its proposal to eliminate the random onsite inspections was grounded on an interpretation of Public Law 91–506, enacted on October 3, 1970, which created the VA's mobile home program and originally mandated the onsite inspections. The VA indicated that it believed these inspections had a twofold purpose: first, to insure that veterans received a quality product, and, second, to evaluate the program in order to provide data to the Congress for the Congress' use in deciding whether to extend the mobile home program beyond its original termination date of July 1, 1975. The VA indicated further that, because the first purpose is served by the HUD manufacturing process inspections and the second obviated by the Congress' action in Public Law 93–569 repealing the termination date for the program, the random onsite inspections are no longer necessary.

Regardless of the original purpose of the onsite inspections, the Committee feels strongly that such inspections continue to serve important purposes helpful to the VA and the Congress in their continuing assessment of the mobile-home loan guaranty program and that the requirement to make such inspections should be strengthened (rather than eliminated) in order to include a requirement that, during such onsite inspections, the VA monitor safety factor involved in the installation of mobile homes purchased by veterans.

The Committee has adopted this position for a number of reasons. First, HUD does not conduct onsite inspections, and the Committee recognizes that a number of problems relating to a particular mobile home can arise between the time it leaves a manufacturing plant and the time it is set up at the site where it will be occupied. Mobile homes, particularly double-wide units, are vulnerable to structural damage during the transportation to dealers and to home sites, and the Committee believes it is important, therefore, that the VA and the Congress have a direct source of information on that type of problem. The Committee is further concerned that the VA remain active in monitoring the actual installation of mobile homes and that it not rely solely on the completion of a placement certificate by the mobile-home dealer and the veteran as evidence of safe installation. The Committee understands and appreciate that such certificates include a statement to the effect that the mobile home in question is properly installed; but the Committee continues to have concerns arising, in part, from the VA's reports of the results of its onsite inspections. For example, in the Administrator's 1976 annual report to the Congress, the VA reported making 810 onsite inspections of mobile homes purchased with VA assistance and noted that only 39 percent of the units inspected had tiedowns adequate to withstand hurricane-force winds. Installation of such tiedowns is important because a mobile-home unit can be blown over and severely damaged by high winds. Random onsite inspections should help the VA check for such items as tiedowns and other significant safety and liveability aspects of the installation of the units inspected and work to bring about a better safety record.

In acting to retain the inspection requirements, the Committee wishes to emphasize its views that the mobile-home-loan program is an important facet of the overall VA housing assistance program, particularly because it offers lower income veterans a housing alternative, and, hence, that the VA must remain active in monitoring the quality and safety of mobile homes in order to protect those veterans who purchase them.

Specially adapted housing grant increase

The Committee bill would amend section 802 of title 38 to increase, from $25,000 to $30,000, the maximum amount of specially adapted housing grants. These grants are designed to assist certain severely disabled veterans to acquire specially adapted housing.

Under current law, the specially adapted housing grant is limited to 50 percent of the total cost of the house, up to a maximum grant of $25,000. The current maximum limit was established in 1974 when the average cost of construction of such a house was $53,000. Since that time, the average cost has risen to over $66,000. By raising the maximum limit for a specially adapted housing grant from $25,000 to $30,000, the Committee bill would enable a majority of veterans who are eligible for this benefit to obtain a grant which will approximate 50 percent of the cost of a home and thereby help meet the needs of this special group of veterans who have been so severely disabled in our Nation's service.

Material for VA-provided headstones or memorial markers

The Committee bill would amend section 906 of title 38 to authorize the Administrator to provide headstones and memorial markers made of any material requested by the veteran's survivors, including (but not limited to) marble, granite, bronze, or slate, if the Administrator determines the requested material to be cost effective and, if the headstone or marker is to be placed in a national cemetery, aesthetically compatible with the cemetery area.

Currently, the materials used for VA-provided headstones and markers are marble, granite, and bronze. Slate is not used because the VA believes that slate lacks the uniform quality, color, and durability to be a suitable material for VA-provided headstones and markers. The Committee recognizes, however, that slate has long been widely used in ceme-

teries in parts of the country and that the highest grade of slate has qualities of durability and uniformity comparable to marble and granite. Thus, it is the Committee's view that, if a particular material is requested by the veteran's survivors, and if the Administrator determines that the requested material is cost effective and, if proposed for placement in a national cemetery, otherwise compatible with the cemetery area, the VA should provide headstones and markers made of marble, granite, bronze, slate, or any other requested material. In adopting this view, the Committee emphasizes that it is not restricting the Administrator's discretion in providing headstones or memorial markers by mandating the use of any particular material; rather the Committee is requiring that the Administrator give full and appropriate consideration to the desires of the survivors of eligible veterans as to the particular composition of the headstone or marker for the veteran's grave.

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress), the Committee, based on information supplied by the Congressional Budget Office, estimates that the 5-year cost resulting from the enactment of the Committee bill would be $4.4 million in fiscal year 1979; $4.2 million in fiscal year 1980; $5.9 million in fiscal year 1981; $6.5 million in fiscal year 1982; and $6.3 million in fiscal year 1983.

A detailed breakdown of costs and cost-savings, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 12028.

2. Bill title: Veterans Housing Improvements Act of 1978.

3. Bill status: As ordered reported by the Senate Committee on Veterans' Affairs, July 27, 1978.

4. Bill purpose:

Section 2: Would increase the maximum specially adapted housing grant from $25,000 to $30,000.

Section 3: Would reduce the active duty requirement for Vietnam era veterans for VA housing loans from 181 days to 90 days.

Section 4: Would authorize the Administrator, in consultation with the Secretary of HUD, to set an interest rate for energy related home improvement loans at a higher level than that for conventional housing loans.

Section 5: Would authorize the use of veterans' loan guaranties for the purchase of converted condominiums. Under current law the use of loan guaranties for condominiums is restricted to new condominiums.

Section 6: Would increase the maximum loan guaranty entitlement from $17,500 to $25,000.

Section 7: Would provide that, before a VA-guaranteed loan is allowed to go to foreclosure, the VA must evaluate the desirability of taking an assignment of the loan.

Section 9: Would restructure the VA mobile-home-loan program to accomplish the following:

Substitute a maximum loan guaranty (50 percent of the loan up to $17,500) for the current limitations on the amount of guaranteed loans.

Increase the term of years for a loan for a single-wide mobile home from 12 to 15 years.

Provide for the same criteria for restoration of loan entitlement as applies to the conventional housing loan program.

Authorize the use of remaining loan entitlement for a mobile home.

Allow the Administrator to delegate the inspection of the mobile home manufacturing process to HUD.

Specify that the on-site inspection of mobile homes by VA include a check for safety factors involved in the installation of such homes.

Section 10: Would substitute a maximum loan amount for direct mobile home loans for the current limitation.

Section 11: Would authorize the use of slate for VA-supplied headstones and memorial markers in addition to the currently used marble, granite and bronze. In addition, this section would allow the individual requesting the headstone to specify the material so long as the administration finds it to be cost-effective and, if placement is to be in a national cemetery, aesthetically compatible with the cemetery.

Section 12: Specifies that amendments made by H.R. 12028 would take effect on October 1, 1978.

5. Cost estimate:

[By fiscal years, in millions of dollars]

	1979	1980	1981	1982	1983
Sec. 2	4.4	4.2	4.2	3.7	2.6
Sec. 3	(1)	(1)	(1)	(1)	(1)
Sec. 4	(1)	(1)	(1)	(1)	(1)
Sec. 5	(1)	(1)	(1)	(1)	(1)
Sec. 6	(1)	(1)	1.1	1.6	1.8
Sec. 7 [2]	(3)	(3)	(3)	(3)	(3)
Sec. 9	(1)	(1)	.6	1.2	1.9
Sec. 10	(1)	(1)	(1)	(1)	(1)
Sec. 11	0	0	0	0	0
Total	4.4	4.2	5.9	6.5	6.3

[1] Less than $500,000.
[2] See "Basis for Estimate" section.
[3] Not available.

The cost of this bill fall within budget function 700.

6. Basis for estimate:

Section 2: Costs resulting from the increase in the specially adapted housing grant program are based on VA participation rate estimates. Since the maximum benefit is usually granted, it is assumed that all grant recipients would receive the full $5,000 increase.

Section 3, 4, and 5: These three sections all extend entitlement of the home loan guaranty programs. As these programs operate at a net cost to the Federal Government, any increase in participation in the programs would result in additional costs. Since, however, all loans guaranteed by VA are secured and the cost of defaults is offset by the sale of the property, the cost to the Government per loan is small. It is not expected that the net cost of these three sections would be significant.

Section 6: The cost of increasing the maximum loan guaranty level is based on VA estimates of loan terminations and claims. The number of terminations is estimated to increase from 7 in 1978 to 511 in 1983.

Section 7: In the time frame necessitated by the deadline for filing the report on this bill, it was not possible to obtain from VA a determination of how this section would be implemented. Without such a determination, it is not possible to estimate the cost of this section.

Section 9: Improving the mobile home loan program would increase outlays in the loan guaranty revolving fund. It is estimated that the number of new loans resulting from these provisions would range from 1,150 in 1979 to 2,750 in 1983.

Section 10: Since the direct loan program operates at a net income to the Federal Government, the improvement of the direct mobile-home-loan program would result in a slight savings in Federal costs.

Section 11: As slate is not more expensive than the other materials available, there should be no cost to this provision.

7. Estimate comparison: None.

8. Previous CBO estimate: On May 3, 1978, CBO submitted to the House Committee on Veterans' Affairs a cost estimate for H.R. 12028 as ordered reported by the committee. Total outlays shown in that estimate ranged from $4.4 million in fiscal year 1979 to $6.3 million in 1983. H.R. 12028 as ordered reported by the Senate Veterans' Affairs Committee contains changes in several provisions contained in the House bill as well as number of new provisions.

9. Estimate prepared by: K. W. Shepherd.

10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

SECTION-BY-SECTION ANALYSIS OF H.R. 12028 AS REPORTED

SECTION 1

Would provide that this Act may be cited as the "Veterans' Housing Benefits Improvement Act of 1978."

SECTION 2

Would amend section 802 of title 38, United States Code, relating to assistance furnished for specially adapted housing for certain severely disabled veterans, to increase the maximum amount of a specially adapted housing grant from $25,000 to $30,000.

SECTION 3

Clause (1) of section 3 would amend subsection (a) of section 1802 of title 38, relating to the basic entitlement to housing loan guaranties and direct housing loans under chapter 37 of title 38 on the part of World War II and Korean-conflict veterans with 90 or more days of active service, by extending entitlement to Vietnam-era veterans on the same basis. Under existing section 1818 of title 38, Vietnam-era veterans generally must have 181 or more days of active service to be eligible for such loan guaranties and loans. Thus, the effect of this amendment is to extend eligibility to Vietnam-era veterans who served for at least 90 days but less than 181 days.

Clause (2) of section 3 would make technical corrections in the structure of existing subsection (b) of section 1802 to clarify its intent.

SECTION 4

Clause (1) of section 4 would amend paragraph (1) of subsection (a) of section 1803 of title 38, relating to the maximum percentage (currently 60 percent) which the United States may guarantee of a housing loan made to an eligible veteran under chapter 37, by deleting the current limiting description of loan-guaranty eligibles—"World War II or Korean-conflict veterans"—and to substitute a description which covers all veterans eligible for benefits under that chapter to accord with the eligibility change made by the amendment to present section 1802(a) in section 3 of the Committee bill.

Subclause (A) of clause (2) of section 4 would amend paragraph (1) of subsection (c) of section 1803, relating to required terms and conditions of loans guaranteed or insured under chapter 37 and the authority of the Administrator of Veterans' Affairs (in consultation with the Secretary of Housing and Urban Development) to set maximum interest rates for such loans, by redesignating existing paragraph (1) of such subsection (c) as subparagraph (A) of paragraph (1) of such subsection.

Subclause (B) of clause (2) of section 4 would amend subparagraph (A) of section 1803(c)(1) (as redesignated by subclause (A) of clause (2) of this section) to provide for an exception to the maximum rate of interest established under such subparagraph (A), that is, the higher interest rate established under such new subparagraph (B) of section 1803(c)(1), as added by subclause (C) of clause (2) of this section, described *infra*.

Subclause (C) of clause (2) of section 4 would insert after paragraph (1) of subsection (c) of section 1803 a new subparagraph (B), as follows:

New subparagraph (B) of section 1803(c) (1) would authorize the Administrator, specifically with respect to loans guaranteed or insured under chapter 37 for certain energy-related home improvements, to set a maximum interest rate at a level higher than the maximum rate established under subparagraph (A) of section 1803(c)(1) (as redesignated by clause (2)(A) of this section of the Committee bill) for other loans guaranteed or insured under chapter 37. In setting such higher maximum rate, the Administrator is directed to consult with the Secretary of Housing and Urban Development in order to promote a coordinated national policy on interest rates for federally guaranteed or insured loans for energy-related home improvements.

SECTION 5

Would amend section 1810 of title 38, relating to certain requirements for the guaranteeing of loans to eligible veterans under chapter 37 and the maximum of guaranty entitlement, as follows:

Clause (1)(A) of section 5 would amend clause (6) of subsection (a) of section 1810, specifying purposes for which chapter 37 loan guaranties may be made, by removing a restriction in current law that limits guaranties on loans for purchases of units in condominium projects to only those units in new condominium projects or structures specifically built and sold as a condominium. As a result of this amendment, housing loans to eligible veterans for the purchase of units in converted condominium projects or developments would be eligible for chapter 37 guaranties.

Clause (1)(B) of section 5 would further amend section 1810(a) by inserting at the end of such subsection a new clause (7), as follows:

New clause (7) of section 1810(a) would add a new category to the listing of purposes for such loan guaranties: that is, the improvement of the veteran's home by either installation of solar heating, solar heating and cooling, or combined solar heating and cooling, or application of a residential energy conservation measure. This new clause also defines these terms and provides examples of each.

Clause (2) of section 5 would amend subsection (c) of section 1810 by increasing from $17,500 to $25,000, the maximum housing loan guaranty amount under chapter 37.

SECTION 6

Would make conforming amendments to subsection (d)(2) of section 1811 of title 38, relating to direct VA loans to veterans, by providing for technical adjustments, as follows:

Clause (1) of section 6 would amend subparagraph (A) of such section to make adjustments in the formula for determining entitlement for a direct loan for conventional housing, so as to reflect the increase, made by section 5(2) of the Committee bill, in the maximum housing loan guaranty.

Clause (2) of section 6 would amend subparagraph (B) of such section to make adjustments in the formula for determining entitlement for a direct loan to purchase a mobile home, so as to reflect the substitution, made by section 9 of the Committee bill, of a maximum loan guaranty amount for a dollar maximum loan amount in the mobile home loan guaranty program.

SECTION 7

Would amend subsection (a) of section 1816 of title 38, relating to the procedures applicable when a veteran with a guaranteed loan defaults in the payment of such loan to require the VA, before allowing the holder of the obligation to proceed to foreclosure, to investigate the desirability of exercising the existing statutory authority to pay the balance of the obligation and then taking an assignment of the obligation from the holder of the obligation.

SECTION 8

Subsection (a) of section 8 would make conforming amendments to section 1818 of title 38, relating to the chapter 37 eligibility of veterans who serve after January 31, 1955, and generally requiring more than 180 days of active service, by removing coverage under this provision of veterans who served during the Vietnam era. Under the amendment to existing section 1802(a) made by section 3 of the Committee bill, veterans with service during the Vietnam era would be made eligible for chapter 37 benefits on the same basis (generally 90 days of active service as World War II and Korean-conflict veterans) as follows:

Clause (1) of subsection (a) would amend subsection (a) of section 1818, relating to the eligibility for chapter 37 benefits of veterans who served after January 31, 1955, by excluding from the coverage of existing section 1818 those veterans whose active service includes any service during the Vietnam era (August 5, 1964, to May 7, 1975).

Clause (2) of subsection (a) would amend clause (3) of subsection (a) of section 1818 so as to reflect the exclusion provided for in the amendment made by clause (1) of this subsection.

Clause (3) of subsection (a) would amend the language in subsection (a) of section 1818 following clause (3) thereof by including a reference to section 1802(a) of title 38, together with section 1818, as a provision governing the chapter 37 eligibility of veterans whose active service includes service after January 31, 1955, and prior to August 5, 1964, or after May 7, 1975. Section 1802(a), as it would be amended by section 3 of the bill, governs entitlement under chapter 37 when a veteran has served in more than one period on which such entitlement may be based.

Clause (4) of subsection (a) would repeal subsection (b) of section 1818 and redesignate subsection (c) thereof as subsection (b). The subsection which would be repealed governs chapter 37 entitlement of veterans whose active service included both service after January 31, 1955, and service during an earlier period (World War II or the Korean conflict) which resulted in chapter 37 entitlement.

Clause (5) of subsection (a) would amend the catchline of section 1818 so as to reflect the amendments made to that section.

Subsection (b) of section 8 would amend the table of sections at the beginning of chapter 37 so as to reflect the amendments which would be made by subsection (a)(5) of this section to the catchline of section 1818.

SECTION 9

Would amend section 1819 of title 38, relating to direct loans and guaranties of loans to veterans for the purchase of mobile homes and mobile home lots, by restructuring the VA mobile home loan program in a number of ways, as follows:

Clause (1) of section 9 would amend subsections (a) and (b) of section 1819 to clarify the purposes for which loans may be guaranteed under section 1819, so as generally to preclude the use of remaining entitlement for the purchase of a second mobile home while the veteran still has a mobile home purchased with assistance under section 1819, and to change the conditions under which restoration of entitlement occurs.

Subsection (a) as so amended (consisting of three paragraphs) of section 1819 would list, in paragraph (1), the five purposes for which a guaranteed loan may be made to an eligible veteran: (A) the purchase of a lot on which to place a mobile home already owned by the veteran; (B) the purchase of a new or used single-wide mobile home; (C) the purchase of a new or used single-wide mobile home together with a lot on which to place it; (D) the purchase of a new or used double-wide mobile home; or (E) the purchase of a new or used double-wide home together with a lot on which to place it. These purposes are, under current law, stated in subsections (a) and (b) of existing section 1819. The amended subsection (a) of section 1819 would also provide, in paragraph (2), that any loan for any of these five purposes may also contain an appropriate amount to prepare the lot on which the mobile home is to be placed. Similar provisions are, under current law, contained in paragraphs (1) and (2) of subsection (b) of existing section 1819. In addition, the amended subsection (a) of section 1819 would specify, in paragraph (3), that any loan made for the combined purchase of a mobile home and a lot on which to place it shall be considered as part of one loan, but that the transaction may be evidenced by either a single loan instrument or separate loan instruments for the purchase of the mobile home and for the purchase (and preparation) of the lot.

Subsection (b) (as so amended) (consisting of two paragraphs) would provide, in paragraph (1), that use of entitlement under section 1819 shall preclude the use of remaining entitlement for the purchase of an additional mobile home until the veteran has disposed of the first unit or it has been destroyed by fire or other natural hazard. There is no comparable provision in current law. The amended subsection (b) would also provide, in paragraph (2), for restoration of chapter 37 eligibility, after the use of entitlement to purchase a mobile home, on the same basis as is currently provided for in existing section 1802(b) of title 38 for restoration of entitlement after the use of entitlement to purchase a conventional home. Thus, after using entitlement to purchase a mobile home, a veteran generally would have chapter 37 entitlement restored if (1)(A) the property that secured the loan has been disposed of by the veteran or destroyed by fire or other natural hazard, and (B) the loan has been paid in full or the Administrator has been released from liability as to the loan, or, if the Administrator has suffered a loss on such loan, the loss has been paid in full or (2) an eligible veteran transferee assumed the loan and substituted his or her entitlment for the original veteran's, the transferor's, entitlement. Under current law, use of a mobile home loan guaranty entitlement under existing section 1819 precludes the use of housing loan guaranty entitlement under any other section of chapter 37 until the section 1819 guaranteed loan has been paid in full (existing section 1819(a)); and the mobile home loan guaranty entitlement under section 1819 may be restored only once after the first guaranteed loan has been repaid in full (existing section 1819(g)).

Clause (3) of section 9 would amend subsection (c) of section 1819 by deleting language made unnecessary by other amendments made by the Committee bill, and by revising provisions relating to the scope of loan guaranty under section 1819 and to the use of such entitlement after use of chapter 37 entitlement for the purchase of a conventional home, as follows:

Subclause (A) of clause (2) would amend paragraph (1) of subsection (c) of section 1819 by deleting language regarding the purposes of guaranteed loans which is redundant in light of the amendments to subsection 1819(a) which would be made by clause (1) of this section of the Committee bill.

Subclause (B) of clause (2) would amend paragraph (3) of subsection (c) of section 1819 by providing that the maximum mobile-home-loan guaranty shall be $17,500 or 50

percent of the loan amount, whichever is the lesser. Under current law, the maximum guaranty may not exceed 50 percent of the loan (section 1819(c)); and maximum limits are placed on loans which may be guaranteed, as follows:

Single-wide mobile home	$12,500 (plus appropriate additional amount to cover necessary site preparation of already owned lot).
Double-wide mobile home	$20,000 (plus appropriate additional amount to cover necessary site preparation of already owned lot).
Single-wide mobile home and undeveloped lot.	$20,000 ($12,500 maximum for the mobile home, plus additional appropriate amount to cover necessary site preparation).
Double-wide mobile home and undeveloped lot.	$27,500 ($20,000 maximum for the mobile home, plus additional appropriate amount to cover necessary site preparation).
Single-wide mobile home and suitably developed lot.	$20,000 ($12,500 maximum for the mobile home).
Double-wide mobile home and suitably developed lot.	$27,500 ($20,000 maximum for the mobile home).
Undeveloped lot	$7,500 (includes amount to cover necessary site preparation).
Suitably developed lot	$7,500.

Thus, the amendment would modify current law so that the structure of the loan guaranty program for any of the section 1819 purposes would become the same as that for conventional housing loans: that is, a guaranty of a percentage of the loan (up to 50 percent for section 1819 purposes) up to a maximum amount of such guaranty ($17,500 for section 1819 purposes), and would differ from the conventional housing loan guaranty in the maximum percentage amount of the guaranty (60 percent under existing section 1803, which the Committee bill would not alter) and the maximum amount of such guaranty ($25,000 as would be provided for under amendments made by section 5(2) of the Committee bill).

Subclause (C) of clause (2) would amend subsection (c) of section 1819 by adding a new paragraph (4), as follows:

New paragraph (4) of section 1819 would provide that the maximum entitlement available to be used under section 1819 shall not exceed $17,500; and that the use of chapter 37 entitlement under section 1810 (guaranty) or 1811 (direct loan) for the purchase of conventional housing shall reduce entitlement under section 1819 for the purchase of a mobile home to the same extent that entitlement under section 1810 is reduced to less than $17,500. Under current law (section 1819(a)), a veteran would have to have the maximum home loan guaranty available to qualify for a mobile-home-loan guaranty.

Clause (3) of section 9 would amend subsection (d) of section 1819 by deleting (in conformity with the amendment made by subclause (B) of clause (2) of this section of the Committee bill) all language establishing and relating to the establishment of maximum loans which may be guaranteed, and by increasing by 3 years—from 12 years and 32 days to 15 years and 32 days—the maximum term of years of guaranteed loans for the purchase of a lot alone and for the purpose of a single-wide mobile home and a lot.

Clause (4) of section 9 would amend clause (4) of subsection (e) of section 1819 by deleting (in conformity with the amendments made by clause (3) of this section of the Committee bill deleting from subsection (d) of existing section 1819 the maximum amounts of guaranteed loans) the reference to the maximum limits specified in subsection (d) of existing section 1819 on guaranteed loans; and by clarifying that the amount of the guaranteed loan may not exceed an amount determined to be reasonable and specifying the elements of the determination of reasonableness, as follows: (A) for the portion of a loan to purchase a new mobile home, such cost factors as the Administrator considers proper to take into account; (B) for the portion of a loan to purchase a used mobile home, the reasonable value of the property as determined by the administrator; (C) for the portion of the loan to purchase a lot, the reasonable value of the lots as determined by the Administrator; and (D) for the portion of a loan to cover necessary preparation of the site where the mobile home will be placed, an appropriate amount as determined by the Administrator.

Clause (5) of section 9 would amend section 1819 by repealing existing subsection (g) in its entirety. The subsection to be deleted limits restorations of entitlement under section 1819 to a single restoration following full repayment of the loan. The amendments made by clause (1) of this section of the Committee bill provide a new basis for restoration.

Clause (6) of section 9 would make the redesignation of the remaining subsections in section 1819 made necessary by the repealer in clause (5) of this section of the Committee bill.

Clause (7) of section 9 would amend subsection (h) of section 1819 (as redesignated by clause (6) of this section), relating to the Administrator's inspections of the mobile-home manufacturing process and conduct of random onsite inspections. The amendments would authorize the Administrator to delegate to the Secretary of Housing and Urban Development the responsibility for inspection of the manufacturing process of mobile homes to be sold to veterans using VA assistance under chapter 37, subject to the following conditions: (1) acceptance of the delegation by the Secretary of Housing and Urban Development, (2) a requirement that the VA promptly be provided the results of the inspections, and (3) the right of the Administrator at any time to withdraw the delegation, fully or partially. The amendments made by this clause would also require, in connection with VA random onsite inspections of mobile homes purchased by veterans with assistance under chapter 37, the monitoring of safety factors involved in the installation of such homes.

Clause (8) of section 9 would amend subsections (i), (j), and (l) of section 1819 (as redesignated by clause (6) of this section) so as to reflect the redesignation of subsection (i) thereof as subsection (h), as would be made by clause (6) of this section of the Committee bill.

Clause (9) of section 9 would amend subsection (l) of section 1819 (as redesignated by clause (g) of this section) so as to reflect the redesignation of subsection (j) thereof as subsection (i) thereof, as would be made by clause (6) of this section of the Committee bill.

SECTION 10

Would amend section 906 of title 38, United States Code, relating to VA-supplied headstones and markers, by adding a new subsection (c) at the end thereof, as follows:

New subsection (c) of section 906 would provide that such VA-supplied headstones and markers may be made of any material, including but not limited to marble, granite, bronze, or slate, if the material which is requested by the person entitled to make such request is determined by the Administrator to be cost effective and, when the headstone is to be placed in a national cemetery, esthetically compatible with the cemetery area. Under current law, there are no standards for VA selection of material for such headstones and markers and, as a matter of practice, the VA supplies only marble, granite, or bronze headstones or markers.

SECTION 11

Would clarify that none of the provisions of the Committee bill, other than the amendments to title 38, United States Code, providing for new spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), shall be deemed to authorize, either directly or indirectly, the enactment of new budget authority.

SECTION 12

Would provide that the amendments made by the act shall be effective October 1, 1978.

CONCLUSION

Mr. CRANSTON. Mr. President, the pending measure would entail the following costs over the next 5 years, as more fully described in the committee report excerpts just printed in the RECORD: $4.4 million for fiscal year 1979; $4.2 million for fiscal year 1980; $5.9 million for fiscal year 1981; $6.5 million for fiscal year 1982; and $6.3 million for fiscal year 1983. The amount as to fiscal year 1979 is within the amounts allocated to function 700, veterans' benefits and services, in the first concurrent resolution on the budget, and the amended crosswalk filed by the committee pursuant thereto on August 1, 1978.

Mr. President, in closing, I want to express my sincere thanks to my good friend from Vermont (Mr. STAFFORD) for his fine assistance as the committee's ranking minority member and to the minority counsel, Garner Shriver, and assistant minority counsel, Gary Crawford, for their important contributions.

Mr. President, I would also like to thank my able colleague and friend, the Senator from Florida (Mr. STONE), for his diligent efforts on this measure as the chairman of the Subcommittee on Housing, Insurance, and Cemeteries, and to his staff member, Thomas Moore, for his good work on this bill.

I would also like to thank committee staff members, Bill Brew, Ed Scott, Jon Steinberg, Kerry Shortle, Molly Milligan, Harold Carter, Terri Morgan, Ann Garman, Ingrid Post, Mikki Day, Maria Hamm, Janice Orr, and the committee's GPO-detailed printers, James MacRae and Walter Klingner, for their fine work on this legislation.

(Mrs. ALLEN assumed the chair.)

Mr. STAFFORD. Madam President, let me start by saying that, as always, I thoroughly enjoy the opportunity to work with the distinguished Senator from California (Mr. CRANSTON), the chairman of the committee, and with the members of the committee, particularly with my dear friend and colleague, Senator HANSEN of Wyoming; and with the staff on both majority and minority

sides. Truly it is a bipartisan committee that seeks always to serve the veterans and the United States.

I rise in support of H.R. 12028, a bill to improve the housing programs of the Veterans' Administration. Through the years, Congress has supplied, through the Veterans' Administration, assistance to veterans in meeting their housing needs.

H.R. 12028 passed the other body by a vote of 373 to 0 on July 17, 1978. The bill as recommended by our Senate Committee on Veterans' Affairs is similar, and I will point out the differences.

We continue to observe rapidly rising costs in the building of homes, both conventional and mobile. Inflation is as great or greater in the housing market as in any part of American life today. It is important that our committee and the Congress continue to review our veterans' housing programs to help combat inflation and to better serve our veteran population.

The bill before us at this time would increase the maximum amount of specially adapted housing grants from $25,000 to $30,000. Under current law, veterans whose service-connected disabilities preclude their locomotion without wheelchair or other special devices may receive a grant of $25,000 or 50 percent of the cost of a specially adapted home with ramps, handrails, and other specifications. The $25,000 amount is not sufficient to pay for half of such a specially adapted house. Consequently, our committee recommends the increase to $30,000. The last increase was in 1974, and it is time for an increase because of the increase in building costs since that date.

The Congressional Budget Office estimates this provision will cost $4.4 million for next fiscal year.

Our bill would reduce from 181 days to 90 days, the minimum amount of active duty service required of Vietnam-era veterans. The bill would make the 90-day military service eligibility requirement for home loan benefits, which now apply to World War II and Korean Conflict veterans, applicable to the Vietnam era. Eligibility requirements for peacetime veterans remains 181 days.

Another provision of this bill will increase the maximum loan guaranty entitlement from $17,500 to $25,000. The increasing cost of constructing or buying homes has certainly affected the Government's guaranty of the home mortgage. Consequently not as many young veterans have been able to qualify for home loans. This proposed change should encourage lenders to make Veterans' Administration guaranteed loans.

The Veterans' Administration started its mobile home program in 1970 to assist young veterans in obtaining low-cost housing. It is interesting to note that 75 percent of those veterans who have obtained mobile home loans under this program have been Vietnam-era veterans. This bill proposes to liberalize the mobile home program.

The bill provides for a loan guaranty of $17,500, or 50 percent for the current maximum of the amounts of the guaranteed loans. The bill also increases the maximum terms for which loans are financed for single-wide mobile homes from 12 years to 15 years. It provides for the same criteria for restoration of loan entitlement as in the conventional housing loan program. Under present law, if a conventionally constructed home is disposed of and the loan is paid in full, the entitlement is restored. The bill would authorize a veteran to use remaining loan entitlement when moving from a conventional to a mobile home.

Under the present law, the VA is required to inspect the manufacturing process of mobile homes as well as to conduct random onsite inspections of mobile homes purchased by veterans. Our bill retains both inspection requirements but permits the Veterans' Administration to delegate the inspection of the manufacturing process to Housing and Urban Development, and there is added the requirement to the onsite inspection responsibility for a checking by the VA of safety factors relating to the installation of mobile homes. We consider this an important requirement.

Our Senate committee made a requirement in its bill now under consideration that the Administrator of the VA investigate the desirability of taking an assignment before a loan goes to foreclosure. It does not stop a loan going to foreclosure, but it would provide for specific evaluation of the desirability of an assignment.

Last year in one of the Senate-passed bills, provision was proposed for an increased loan entitlement for veterans for the purpose of making energy-conserving home improvements. This was not accepted by the other body.

We are now proposing an authorization for the Administrator, in consultation with the Secretary of Housing and Urban Development, to set an interest rate for loans for energy-related home improvements at a higher level than the conventional housing loan rate.

We provide in the bill before us authority with the Administrator for the use of slate for VA-provided headstones or memorial markers in addition to marble, granite, and bronze as now provided in VA regulations. This new authorization would allow the person entitled to request a headstone to specify the material providing the Administrator finds that it is "cost effective" and if the memorial to be placed in a national cemetery is "esthetically compatible" with the cemetery.

Current law relative to headstones and markers is:

The Administrator shall furnish, when requested, appropriate Government headstones or markers at the expense of the United States for the unmarked graves of the following:

(1) Any individual buried in a national cemetery or in a post cemetery.

(2) Any individual eligible for burial in a national cemetery (but not buried there), except those persons or classes of persons enumerated in section 1002.

My own State of Vermont produces a great amount of granite and marble used in the cemeteries of our country and the world. We also have an excellent grade of slate. I take no position as to which product I favor or prefer, but I do feel that a choice should be available to the beneficiary under the law. Freedom of choice is the issue involved in this amendment, providing the cost to the Government is competitive and comparable.

Slate is used extensively in cemeteries throughout New England. It has been used for headstones and markers in our part of the country since before the Revolutionary War. Over the years headstones and markers have been found to be durable, cost-effective, attractive, and accepted by the public.

I fail to understand why the use of slate as a possible material for Government-provided markers would be ruled out and not permitted as a choice. That choice—that alternative—should be available to those who desire slate for a headstone or marker.

This bill makes a number of needed improvements in the laws relating to veterans. I urge my colleagues to support H.R. 12028.

Madam President, I yield the floor and reserve the remainder of my time on the bill.

Mr. THURMOND. I am pleased to add my full support for H.R. 12028. This Act will increase the VA specially adapted housing grant, for certain disabled veterans who have suffered the loss or loss of use of both lower extremities or who have suffered other disabilities which require the use of a wheelchair or other prosthetic device for locomotion, from $25,000 to $30,000.

The act also reduces the required active-duty service period for Vietnam era veterans for the GI home loan guaranty program from 181 days to 90 days and will raise the maximum home loan guaranty under present law of $17,500 to $25,000.

Madam President, H.R. 12028 will also enhance the home-buying power of millions of veterans across the country by significantly improving and revamping the mobile home loan program. Under the committee bill the maximum mobile home loan guaranty would be increased to $17,500 or 50 percent of the loan amount. Additionally, the bill will increase the term of years for a loan on a single-wide mobile home from 12 to 15 years, and will make other significant improvements in this important program that will render mobile home loans more accessible to our Nation's 30 million veterans.

Madam President, I fully support H.R. 12028 and urge my colleagues to do likewise.

AMENDMENT NO. 3434

(Purpose: To amend title 38, United States Code, so as to give the Administrator of Veterans' Affairs the authority to limit eligibility for education loans to veterans and other eligible persons attending high tuition institutions and to require repayment of certain loans over shorter periods of time)

Mr. CRANSTON. Madam President, on behalf of the distinguished ranking minority member of the Veterans' Affairs Committee (Mr. STAFFORD) and my-

self, I call up amendment No. 3434 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. CRANSTON), for himself and Mr. STAFFORD, proposes an amendment numbered 3434:

On page 24, between lines 2 and 3, insert the following new section:

Mr. CRANSTON. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, between lines 2 and 3, insert the following new section:

"SEC. 12. Section 1798 of title 38, United States Code, is amended by—

"(1) amending subsection (a) by inserting before the period 'and criteria established under subsection (g) of this section'.

"(2) amending subsection (e)(3) to read as follows: 'The Administrator shall report to the appropriate committees of the Congress on February 1 of each year the results of the continuing review required by subsection (g) of this section, the cumulative and most recent twelve-month default experience (broken down with the maximum feasible detail and specifying the default experience and default rate at each educational institution along with a comparison of the collective default experience and default rate at all such institutions, separately with respect to loans made under this section the repayment of which is accelerated under section 1682A of this title and loans made under this section the repayment of which is not so accelerated), and any steps being taken or proposed to be taken to reduce default rates.'; and

"(3) inserting at the end thereof the following new subsection:

"(g) The Administrator shall conduct, on a continuing basis, a review of the default experience with respect to education loans made under this subchapter. On the basis of information developed in the course of that review, and for the purpose of insuring that approvals of loans made under this subchapter are based on financial need directly related to the costs of education, the Administrator, notwithstanding the provisions of this subchapter, is authorized to apply criteria, established in regulations prescribed after opportunity for public comment, to limit eligibility for loans made under this subchapter and to reduce the loan repayment period in connection with certain types of loans. Such eligibility criteria may prescribe a minimum amount of tuition and fees which an eligible veteran or eligible person must be obligated to pay in order to be eligible for a loan under this subchapter (except that any such criterion shall not apply to loans made as a result of exercise of the delimiting period extension provided for in section 1662(a)(2) of this title.' ".

Redesignate section 12 as section 13.

Mr. CRANSTON. Madam President, the purpose of our amendment is to amend title 38, United States Code, in order to give the Administrator of Veterans' Affairs the authority to establish and apply criteria for VA education loan eligibility, first, to limit such eligibility to veterans and other eligible persons attending educational institutions with high rates of tuition and fees and, second, to require repayment of certain loans—especially small loans—earlier than the approximately 11½-year period provided by current law.

Madam President, the VA education loan program was originally enacted in 1974, in the Vietnam Era veterans' Readjustment Assistance Act of 1974, Public Law 93–508, as subchapter III of chapter 36 of title 38, United States Code. Amendments were made affecting the program in both the Vietnam Era Veterans Education and Employment Assistance Act of 1976, Public Law 94–502, and the GI Bill Improvement Act of 1977, Public Law 95–202.

Under current law, veterans and other persons receiving assistance under the GI bill who are enrolled on at least a half-time basis in a course leading to a standard college degree or in a course, of longer than 6 months duration, leading to a professional or vocational objective are eligible for VA education loans. Specifically, the law provides in section 1798(b)(2) of title 38 that eligibility for and the amount of a loan needed by a veteran or other eligible person—up to $2,500 per year—are to be determined by subtracting the total amount of the individual's financial resources from the actual cost of attendance. The total amount of financial resources is defined to include adjusted annual income, cash assets, and other financial assistance available to the individual. Actual cost of attendance means charges for tuition, fees, room and board, books, and other reasonable expenses related to attendance at the institution in which the individual is enrolled.

Under the provisions of section 1798(d)(1), the loan must be repaid within a period beginning 9 months after the date the borrower ceases to be at least a half-time student for 9 months and ending 10 years and 9 months after such date.

Madam President, on May 11, 1978, the General Accounting Office issued a report entitled "Improvements Needed in VA's Education Loan Program." This report cited VA data as indicating that "as of December 31, 1977, 44 percent of all matured loans were in default." Subsequently, the VA, after collecting the necessary data to compute the default rate properly, calculated the default rate to be 46.1 percent as of December 31, 1977. I note that this has improved somewhat for the first quarter of 1978, and the most recent rate of default is 39.8 percent. But that is still a disgraceful figure, Mr. President.

Our amendment would carry out both of the GAO report recommendations for legislative action.

Specifically, Madam President, the GAO recommended that the Congress amend the VA education loan program authorizing legislation to "Give the administrator the authority to:

"Limit program eligibility to veterans attending high tuition institutons; and

"Require repayment of small loans over less than 10 years." Our amendment would give the Administrator this authority to exercise in consideration of two factors: The detection of any particular patterns of defaults by the Administrator in the course of continuing reviews of education-loan default experience and the necessity to exercise that authority in order to assure that education loans are based on financial need directly related to the costs of education.

Madam President, I am greatly alarmed by this high rate of default on VA education as are a number of my colleagues, including the distinguished chairman of the Subcommittee on HUD-Independent Agencies (Mr. PROXMIRE).

Madam President, on July 31, in connection with the markup of the HUD Independent Agencies Appropriations Act for fiscal year 1979, H.R. 12936, the provision, offered by Senator PROXMIRE at the subcommittee markup, that would limit payments out of the VA education loan fund to students in institutions which have tuition and fees in excess of $700 per year. I opposed this limitation for a number of reasons, and wrote Senator PROXMIRE on July 21 in that regard. I ask unanimous consent that my letter to him be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., July 21, 1978.

Hon. WILLIAM PROXMIRE,
Chairman, Subcommittee on Appropriations for HUD and Independent Agencies, U.S. Senate, Washington, D.C.

DEAR BILL: It is my understanding that the Subcommittee on Appropriations for HUD and Independent Agencies has under consideration a recommendation with respect to readjustment benefits administered by the VA under the GI Bill which would reduce the amount of fiscal year 1979 appropriations from $2,193,300,000—the amount requested by the Administration and approved by the House—to $2,144,000,000. This $49.3 million reduction would, as I understand it, be accompanied by a provision in the bill limiting education loans to students in institutions with tuition and fees in excess of $700 a year. This apparently derives from a recommendation made by the General Accounting Office (GAO) in its report of May 11, 1978, entitled "Improvements Needed in VA's Education[al] Loan Program", that the Congress should amend the authorizing legislation to give the Administrator the authority to "limit program eligibility to veterans attending high tuition institutions in accordance with congressional intent as stated in the legislative history. . . ."

As you are aware, Bill, the Veterans and Dependents Education Loan Program was originally enacted in 1974, in the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (Public Law 93–508), as subchapter III of chapter 36 of title 38, United States Code. Amendments were made affecting the program in both the Vietnam Era Veterans Education and Employment Assistance Act of 1976 (Public Law 94–502) and the GI Bill Improvement Act of 1977 (Public Law 95–202).

Specifically, the law provides in section 1798(b)(2), title 38, U.S.C., that eligibility for and the amount of a loan needed by a veteran or other eligible person is determined by subtracting the total amount of the individual's financial resources from the actual cost of attendance. The total amount of financial resources is defined to include adjusted annual income, cash assets, and other financial assistance available to the individual. Actual cost of attendance means

charges for tuition, fees, room and board, books, and other reasonable expenses related to attendance at the institution in which the individual is enrolled.

I am greatly concerned about this proposed recommendation for a number of reasons. First, I believe it was never the Congressional intent to limit eligibility to these loans to only veterans attending high-cost institutions. Rather, although the Senate Committee on Veterans' Affairs report accompanying the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (S. Rept. No. 93-907) noted the Committee's interest in veterans attending certain higher cost institutions, a full review of the legislative history indicates that it was the Committee's intent that all veterans enrolled in programs of education have access to adequate resources to aid them in meeting the costs of obtaining their education. Indeed, the Committee report noted that the program was designed "to provide a resource beyond the high-cost, limited, commercial credit sources to which the veteran is often forced to turn. . . ." It should be emphasized that the Committee deliberately patterned the language authorizing the VA loan program after the authority for HEW student loan programs which are not limited to students in high-cost institutions. Furthermore, although reports accompanying the 1976 and 1977 amendments cited by the GAO Report (S. Rept. No. 94-1243 and H. Rept. No. 94-586) referenced the loan program as a means of providing access to high-cost institutions in lieu of tuition assistance allowances, this reference should not be interpreted to mean that the Congress intended that only veterans enrolled in high-cost institutions should have access to such loans.

Second, I note that on May 12, 1978, the VA issued DVB Circular 20-78-28, "Veterans Administration Education Loan Processing". This Circular provides guidelines to ensure the integrity of the VA education loan program, including specification of the income and expenses to be taken into consideration, expenses to be specifically excluded, controls relating to repayments, and other items which the VA expects will significantly improve the efficient operation of the program.

These guidelines, which have been developed by the VA in response to the high rate of VA education loan defaults (39.8 percent as of the most recent report for the month of March), exclude consideration of non-education-related expenses (such as car loan payments and credit-card debts) in determining the individual's need for a loan, thereby more closely—and, in my view, appropriately—restricting eligibility for the VA education loan program.

Although I share your concern at the high rates of these defaults, I believe the implementation of these new guidelines is a more equitable means of ensuring the integrity of the program. Indeed, even a program of education with tuition and fees totaling less than $700 may be out of reach for certain economically disadvantaged veterans and dependents without other resources. At the very least, I believe that these guidelines need to be tested in practice to see what effect they have in curbing abuses prior to the imposition of any recommendation along the lines suggested by the GAO.

Third, last year, in the GI Bill Improvement Act of 1977, the Congress approved a modified extension of the 10-year delimiting period for GI Bill educational benefits which makes veterans and dependents enrolled in programs of higher education on a full-time basis at the time of their 10-year delimiting date eligible for VA educational loans during the 11th and 12th years following the establishment of their eligibility for GI Bill benefits. You may recall that this provision was enacted in lieu of a proposal which Senator Durkin and I made and which the Senate approved for reduced amounts of GI Bill educational benefits during the 11th and 12th years. The imposition of such a recommendation as your Subcommittee is considering would severely damage the operation and purposes of this modified extension which relies on the VA education loan program.

Fourth, with respect to the GAO report, I note that it recommended that the Administrator be given the authority to limit the program in this fashion. Action by the Appropriations Committee to mandate that loans be made only to those in high cost institutions does not give the Administrator the discretionary authority

Finally, I must point out that I believe this would be an instance where the Appropriations Committee is exercising authority which properly belongs to the authorizing committee.

I regret very much the delay in communicating my concerns to you. I thank you for your attention, and I would urge you, in your capacity as Chairman of the Subcommittee, to reconsider the Subcommittee's recommendation in light of these concerns.

With warm regards,

Cordially,

ALAN CRANSTON,
Chairman.

Mr. CRANSTON. Madam President, during consideration of H.R. 12936 on Friday, the Senate accepted Amendment No. 3430—offered by Senator Stafford and myself—to strike the limitation. I indicated at that time that when H.R. 12028 was considered by the Senate, I would offer the amendment now pending before the Senate as an alternative means of taking corrective action in light of the GAO's recommendations to the Congress.

Madam President, the GAO recommended only that the VA have the authority to limit loans to high-cost institutions; the provision now struck from H.R. 12936 would have given the VA no other option. It would have imposed an arbitrary limit as a matter of law.

Madam President, I believe that it would be unwise to limit the Administrator in this fashion. This is especially true because the cost of education and the need for additional financial resources cannot truly be measured solely in terms of the cost of tuition and fees. The VA, in its response to the GAO report, cited four other factors that bear more heavily on the VA loan participation rate: First, the availability of other student loans; second, the availability of part-time jobs; third, the cost of living; and fourth, economic conditions.

Our amendment today, by requiring that the administrator conduct an ongoing review of the VA education loan default rate, is designed to assure that no eligible veteran or eligible person who is truly in need of assistance will be refused consideration for that assistance based solely on the cost of his or her tuition. It does, however, give the administrator the authority to limit eligibility in instances where particular patterns of default rates are evident and where it is necessary to do so in order to assure that approvals of education loans are based on financial need directly related to the costs of education. I believe eligibility for VA education loans must be truly needs-based and the cost of tuition and fees is not the only factor to take into account.

It is important to note, Madam President, one exemption provided in our amendment from any such limitation established by the Administrator. Under current law, eligible individuals have entitlement to up to 45 months of educational assistance benefits that ceases at the end of 10 years from the date the individual first became eligible for these benefits. Public Law 95-202, enacted last year, provided for a limited extension of the delimiting date under which persons enrolled on a full-time basis at the time their delimiting date passes are eligible for 2 additional years of VA education loans of up to $2,500 per year. Our amendment would exempt from any Administrator imposed limitations on minimum amounts of tuition and fees or shorter repayment periods those loans made to eligible individuals pursuant to this delimiting date extension because these individuals are not in receipt of any GI bill educational assistance allowances during the extension period.

Madam President, I would like to note for the record that, following receipt of the draft GAO report, the VA itself moved quickly to develop and implement new guidelines to insure the integrity of the educational loan program. On May 12, 1978, the VA issued DVB Circular 20-78-28, "Veterans Administration Educational Loan Processing," specifying the income and expenses to be taken into consideration, expenses to be specifically excluded, controls relating to repayments, and other items which the VA expects will significantly improve the efficient operation of the program. These guidelines exclude consideration of non-education-related expenses—such as car loan payments and credit-card debts—in determining the individual's need for a loan, thereby more closely restricting eligibility for the VA education loan program.

Madam President, these guidelines reflect a number of the other recommendations made by the GAO in its report. I am hopeful that both the actions already taken by the VA in this area and the actions that this amendment would authorize the Administrator to take will assure that the VA education loan program will function in a much more responsible manner in the future in terms of the cost to the taxpayer, but yet be responsive to the needs of individuals receiving assistance under the GI bill. Madam President, as chairman of the Veterans' Affairs Committee, I intend to monitor very closely the VA's progress in this regard.

I urge the Senate to approve amendment No. 3434.

Mr. STAFFORD. Madam President, I join the Senator from California (Mr. CRANSTON) in urging the adoption of the amendment.

I yield back the remainder of my time.

Mr. CRANSTON. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. STAFFORD. Madam President, I

move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STAFFORD. As I understand it, the Chair has ruled that the motion to lay on the table has carried?

The PRESIDING OFFICER. The Senator is correct.

UP AMENDMENT NO. 1607

(Purpose: Amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veteran's cemeteries)

Mr. HANSEN. Madam President, today, I am submitting an amendment to the Veterans' Housing Improvement Act of 1978, H.R. 12028, which will amend title 38, United States Code to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans' cemeteries.

This measure, Madam President, will authorize appropriations of $5 million for the fiscal year beginning October 1, 1978, and $5 million for each of the 4 succeeding fiscal years. These Federal funds will be used on a 65/35 cost-sharing ratio with the States for eligible cemetery projects.

The PRESIDING OFFICER (Mr. MOYNIHAN). Will the Senator send his amendment to the desk?

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. HANSEN), for himself, Mr. THURMOND, Mr. STAFFORD, Mr. RANDOLPH, Mr. STONE, Mr. MATSUNAGA, Mr. DECONCINI Mr. WALLOP, Mr. GARN, Mr. GOLDWATER, Mr. STEVENS, Mr. CANNON, Mr. LAXALT, Mr. MELCHER, Mr. YOUNG, Mr. RIEGLE, Mr. MCCLURE, and Mr. GRIFFIN, proposes an unprinted amendment numbered 1607:

On page 24, between lines 2 and 3——

Mr. HANSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, between lines 2 and 3 insert a new section as follows:

SEC. 12. Chapter 24 of title 38, United States Code, is amended by—

(1) adding at the end thereof the following new sections:

"§ 1008. Aid to States for establishment, expansion, and improvement of veterans' cemeteries

"(a) There is authorized to be appropriated $5,000,000 for the fiscal year commencing October 1, 1978, and $5,000,000 for each of the four succeeding fiscal years. Subject to the conditions set forth in subsection (b) of this section, sums appropriated pursuant to this section shall be used for making grants to any State which submits and has approved by the Administrator, applications for assistance in establishing, expanding, or improving veterans' cemeteries owned by a State.

"(b) The amount granted to any State for the purposes of subsection (a) shall be subject to the following conditions:

"(1) No State may receive a grant or grants in any fiscal year in excess of 20 per centum of the total amount appropriated for that fiscal year.

"(2) The amount granted to a State shall not under any circumstances exceed 65 per centum of the total value of the land and improvements.

"(3) Insofar as a grant made to a State is concerned, the total value of the land, which the State already owns and dedicates to such purpose at the time of the grant, may be considered in determining the amount of the State's contribution. However, the value of such land may only be considered once.

"(4) Where the cost of improvements is less than 65 per centum of the total value of the land and improvements, as determined pursuant to paragraph (3) above, the amount granted to a State shall not exceed the actual cost of the improvements and no future credit for the difference will be established.

"(c) Any grant made under subsection (a) to any State for establishing a cemetery for veterans shall be made on condition that the establishment of such cemetery shall conform to such standards and guidelines relating to site selection, planning, and construction as the Administrator shall prescribe, by regulation, taking into account such standards and guidelines, including those provided for in section 1004(b), (c), and (d) of this title as are applicable to the National Cemetery System.

"(d) Grants under this section shall be made on such other terms and conditions as may be prescribed in regulations by the Administrator.

"(e) Sums appropriated pursuant to subsection (a) of this section shall remain available until the end of the second fiscal year following the fiscal year for which they are appropriated.

"§ 1009. Payments to States for the interment of veterans and maintenance of States veterans' cemeteries

"(a) For the calendar year 1979 and each calendar year thereafter the Administrator may pay to any State upon application therefor in such form and containing such information as he may prescribe (1) an amount equal to 65 per centum of the reasonable cost of interment incurred by such State, such amount not to exceed $150 for each eligible person interred in a State veterans' cemetery during that year, and (2) an amount equal to 65 per centum of the reasonable cost of perpetual care maintenance, and such amount not to exceed $40 for each eligible person interred in a State veterans' cemetery during that year.

"(b) Payment of funds to any State under subsection (a) for the maintenance of any cemetery for veterans shall be made on condition that such cemetery be maintained in conformity with such standards and guidelines as the Administrator shall prescribe by regulation, taking into account such standards and guidelines as are applicable to the National Cemetery System.

'(c) The Administrator shall, prior to September 30, 1979, and biennially thereafter, conduct a survey to determine the reasonable cost of interment and perpetual care maintenance for the purposes of payment under subsection (a) of this section.

"(d) Payments under this section shall be made on such other terms and conditions as may be prescribed in regulations by the Administrator."; and

(2) inserting at the end of the table of sections at the beginning of such chapter—

"1008. Aid to State for establishment, expansion, and improvement of veterans' cemeteries.

"1009. Payments to States for the interment of veterans and maintenance of State veterans' cemeteries.".

On page 24, line 3, strike out "SEC. 12" and insert in lieu thereof "SEC. 13".

Mr. HANSEN. Mr. President, the Veterans' Administration's share will be 65 percent. The VA has estimated the first-year cost to be about $5 million, increasing thereafter to approximately $8 million in the fifth year.

I am pleased to have as cosponsors Senators STAFFORD, THURMOND, MATSUNAGA, RANDOLPH, DECONCINI, WALLOP, GARN, GOLDWATER, STEVENS, CANNON, LAXALT, MELCHER, YOUNG, RIEGLE, MCCLURE, GRIFFIN, and STONE.

I would especially commend and thank our colleague, the distinguished Senator from South Carolina, STROM THURMOND, for his tremendous assistance in support of this amendment and in advancing the principle of this amendment during committee consideration. I would also express appreciation for the excellent help of a former minority counsel member of our Veterans' Affairs Committee, James Medina, who spent a great amount of time and effort in drafting the original bill from which this amendment was taken.

Mr. President, this legislation has been considered by the Senate Committee on Veterans' Affairs, and discussion previously has taken place on the Senate floor regarding the merits of this bill. I ask unanimous consent that at the conclusion of my remarks, a copy of my statement, as amended, regarding my introduction of this bill on May 18, 1977, be placed in the RECORD for the benefit of my colleagues. I believe that these remarks will outline the merits and impact of this bill upon States and the thousands of veterans that reside therein.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT

This bill implements, in part, the study made by the Veterans' Administration at the direction of Congress in Public Law 93-43, the National Cemeteries Act of 1973.

This bill would:

First. Authorize a program of assistance to the States for the establishment, expansion, improvement, and maintenance of States veterans' cemeteries.

Second. Establish a cost-sharing ratio of 65/35 for any one or any combination of the projects stated above, the 65 percent part of the ratio being the VA's contribution. Insofar as the grant made to the States is concerned for establishing, expanding, or improving veterans cemeteries, the total value of the land owned by the States and dedicated for such purpose may be considered in determining the amount of the State's contribution. The costs incurred for the interment and perpetual care maintenance would also be shared at a ratio of 65/35 but the VA's contribution would be limited to $150 per interment and $40 in maintenance costs for each eligible person interred in the cemetery during the year.

Third. Require any cemeteries established under this program to conform to the standards and guidelines applicable to the National Cemetery System.

Fourth. Authorize appropriations of $5 million for the fiscal year beginning October 1, 1978, and $5 million for each of the 4 succeeding fiscal years.

Mr. President, the different governing bodies of our Nation have, in the past, shown a willingness to shoulder a measure of responsibility for the burial of veterans. A great majority of the States provide some assistance, financial or in kind, for veterans

burials. The most common benefit is a burial allowance, provided by the State or a particular subdivision thereof. Other benefits provided are the furnishing of burial plot, care, maintenance, and decoration of veterans' graves.

One of the underlying considerations in passage of the National Cemeteries Act of 1973, Public Law 93-43, was fulfillment of the veteran's desire to be buried with his comrades-in-arms, those with whom he shared the hazards and vicissitudes of wartime service, and with whom he continued his association after the wars through membership in veterans' organizations. Many veterans were unable to fulfill this desire for different reasons. Two of the reasons are a national cemetery did not exist in a sufficiently close proximity, or the national cemetery in their State was full.

The National Cemetery System study I mentioned reaffirmed the lack of sufficient gravesites at national cemeteries, and the need for more veterans' cemeteries. The Veterans' Administration recognized the problem and embarked on a program to alleviate the insufficient gravesites. Criteria was established under which it could be determined in what areas new cemeteries should be established. I would like to submit, for the RECORD, its statement of criteria:

"1. Location—The land should be located as close as possible to the density of veteran population in the region under consideration.

"2. Availability—The land should be available at no cost to national-cemeteries appropriations if possible.

"3. Size—Sufficient acreage should be available to provide gravesites for estimated needs to the year 2000 but not less than 500 acres, since the cemetery is for the entire region.

"4. Accessibility—The site should be readily accessible by highways, railroads, and/or other public transportation.

"5. Topography—The land should range from comparatively level to rolling and moderately hilly terrain. Rugged contours cut by erosion are unsuitable since development and maintenance costs would be excessive and grave areas would be inaccessible to elderly and infirm visitors. The land should not be subject to flooding. Means of disposing of storm water should be available.

"6. Water table—The water table should be lower than seven feet.

"7. Soil requirement—The soil should be free from rock, muck, quicksand, or other materials that would hamper the economical excavation of graves by normal handmethods. In general, the soil should meet the standards of good agricultural land that is capable of supporting lawns, shrubs, and trees with normal care and without the addition of topsoil."

"8. Utilities—Gas and electricity should be available.

"9. Water supply—An adequate supply of water at moderate cost is essential.

Mr. President, the 500-acre figure mentioned for size is for a regional cemetery. A State veteran's cemetery could be considerably smaller such as 100 to 150 acres.

Based on this criteria and on the advice and recommendation of the Advisory Committee on Cemeteries and Memorials, the Veterans' Administration determined that five new cemeteries would be established at the following locations:

March Air Force Base, Riverside, Calif.

Otis Air Force Base, Bourne, Mass.

Indiantown Gap, Harrisburg area, Pennsylvania.

Marine Corps Base, Quantico, Va.

Naval installation, Calverton, N.Y.

As expected, these cemeteries are being built on a regional basis where the greatest demand exists. However, there is demand for veterans' cemeteries in other parts of the country. For example, the following 14 States presently do not have a national cemetery: Connecticut, Delaware, Idaho, Massachusetts, Michigan, Montana, Nevada, New Hampshire, North Dakota, Rhode Island, Utah, Vermont, Washington, and Wyoming.

In addition, the following nine States have national cemeteries, but the cemeteries are full. This is tantamount to having no cemetery at all.

Alabama, Arizona, Georgia, Maine, Maryland, New Jersey, Pennsylvania, Virginia, and California—only cremated space.

It should also be noted that some States have a national cemetery but the veterans of that State feel it is inadequate. This is to say that many veterans feel that unless the cemetery is within a certain radius of the home of the decedent, the family may indeed prefer a private cemetery closer to home.

Mr. President, because of the reasons I have stated, many veterans have been denied the honor and privilege of being buried alongside their comrades.

Enactment of this bill would make it possible for States and the Federal Government to share its mutual obligation toward veterans in this respect.

The interests of the States in such programs is clearly established by the unilateral action taken by most States some assistance in the burial of veteran.

The proposed program for assistance to the States would furnish an impetus to States to undertake further participation in meeting the burial needs of veterans.

The establishment of States veterans' cemeteries would complement those cemeteries already established or planned for the National Cemetery System and make it possible for every veteran, who so desires, to be buried with this comrades-in-arms in a cemetery in his home State.

Mr. DECONCINI. Will the Senator yield?

Mr. HANSEN. Let me first yield to my colleague (Mr. STAFFORD).

Mr. STAFFORD. I thank the distinguished author of the amendment, Mr. President, and I shall support the amendment. I properly should since it has been pointed out that I am a cosponsor of the amendment and the bill on which the amendment is based.

Mr. President, I support the Hansen amendment and remind all of you that this amendment is the same as S. 1556 which was introduced by Senator HANSEN on May 18, 1977. At that time, I joined along with a number of our colleagues in the sponsoring of this legislation for a program of assistance to States for veterans' cemeteries.

The bill carries out the study made by the Veterans' Administration at the direction of Congress in the 93d Congress.

For a number of years bills have been introduced in both the House and Senate for the establishment of additional veterans' cemeteries. Several such bills have been introduced during this 95th Congress. There is indeed considerable interest in the establishment, expansion, improvement, and maintenance of veterans' cemeteries.

The national cemetery system study submitted on January 21, 1974, to the Congress affirmed the lack of sufficient gravesites at national cemeteries and the need for more veterans' cemeteries. The Veterans' Administration has recognized the problem and a program has been started. The proposed legislation would authorize grants for establishment, expansion, and improvement of State veterans cemeteries with payments to assist in defraying the cost, and make it possible for the States and the Federal Government to share their mutual obligation toward veterans.

There are 14 States that do not have a national cemetery. My home State of Vermont is one of those. There are nine States with national cemeteries but those cemeteries are full.

There is a strong desire among veterans to have a final resting place within their home States and be buried with their comrades-in-arms. Under the present system, there is a geographic maldistribution of national cemeteries. Veterans and their families are quite often confronted with a difficult choice. They must forego possible burial in a national cemetery, or leave their home State for burial in a far-distant place.

Undoubtedly most of us would prefer the establishment of a national cemetery in each individual State within the national cemetery system. This is apparently not possible at this time. A Federal-State partnership in which the Federal Government would provide 65 percent of the costs in establishing and maintaining the veterans' cemeteries merits our consideration and support.

I yield the floor to the Senator from Wyoming.

Mr. HANSEN. May I yield to the distinguished Senator from Arizona.

Mr. DECONCINI. Mr. President, I would like to speak in support of Senator HANSEN's amendment to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans' cemeteries.

In 1974, and again in 1975, the Veterans' Administration included this proposal in its budget. Congress, unfortunately, deleted the request. Available space in neighboring States is no argument if that space is too distant from veterans and their families. Surveys show veterans and their survivors prefer burial sites within a 75-mile radius of their residences. Distances greater than that work a hardship by making it difficult and often impossible for individuals to visit the gravesite.

Arizona is one of only nine States with a national cemetery, but aside from space for cremations, that cemetery is closed. My original intent was to propose an amendment to provide a new national cemetery in Arizona. With its high proportion of retired military veterans, there is an urgent need for veterans' cemetery facilities. However, on reconsideration, I chose to join with Senator HANSEN in supporting this amendment, because I believe it will provide the necessary impetus and assistance to the State program presently underway.

Arizona, together with Maine and Maryland, is one of the first States to have an active veterans' cemetery program. In 1976, because of nonavailability of space in Arizona's national cemetery, the State of Arizona authorized the development of a parcel of land to be used as a veterans' cemetery, and on November 11, 1978, the Arizona Veter-

ans Memorial Cemetery will be dedicated.

The interest of these three States in their veterans is manifested in their unilateral action to furnish assistance in the burial of veterans. The amendment being considered here today will provide further incentive to States seeking to meet this need. Matching Federal funds will enable more States to follow suit.

In addition, Mr. President, I ask unanimous consent to have printed at this point in the RECORD the remarks in support of this amendment from Comdr. James J. Murphy, Jr., of the Arizona Department of the Disabled American Veterans.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

DISABLED AMERICAN VETERANS,
Department of Arizona, June 9, 1978.
U.S. Senator ALAN CRANSTON,
Chairman, U.S. Senate Veterans Affairs Committee, Washington D.C.

DEAR SENATOR CRANSTON: First of all, may I express my sincere appreciation for your invitation to attend the hearings to be held in Washington on June 16, 1978, on S. 1556, for certainly the legislation is very near and dear to my heart: However, I find the difficulty in attending the hearing insurmountable at the present time. Therefore, I would respectfully request that you enter into the record the following statement on behalf of all Veterans of Arizona and their survivors, living or deceased.

Honorable Senators and Members of The Congress of The United States:

1. Arizona has sought a National Cemetery within its borders through more than forty years, using every possible approach and meeting only utter frustration: We have memorialized the Congress through our legislature year in and year out: We have had our Congressional Delegation introduce bills before the Congress in both the Senate and the House of Representatives repeatedly: We have authored resolutions and guided them through the nationally chartered Veterans Organizations with adoption at all levels, all to no avail.

2. Finally, in complete desperation, we of the Veterans organizations in 1971 formed a non-profit corporation to seek land suitable to the purpose, to offer to the Federal Government in hopes that they might see fit to consider the establishment of a National Cemetery in Arizona if we provided the land and the site: And we took heart when the National Cemetery Act of 1973 was enacted, which provides in part: "That the Veterans Administration was authorized to acquire additional land by purchase, gift, donation, etc., for the creation of National Cemeteries in the states." We quickly directed the offer of 640 acres of land in Northeast Phoenix for an Arizona National Cemetery. As recently as February of this year 1978, we again offered to the Veterans Administration, at their suggestion, a 17.2 (seventeen and two/tenths) acres of land, which comprises the first phase of our Arizona Veterans Memorial Cemetery, and received a rejection which in effect stated that the Veterans Administration was "locked in" to the regional concept of National Cemeteries, and we consider this as rank discrimination against the Veteran or Arizona and the twelve other states who do not as yet have a National Cemetery within the borders of their respective state.

3. Arizona's more than 300,000 Veterans and their families are certainly entitled to the Federal benefit of a National Cemetery on an equitable basis with the Veterans of states currently having a National Cemetery, and S 1556 will assist towards that end inasmuch as our Veterans organizations petitioned the Legislature in 1975 for the establishment of an Arizona Veterans Memorial Cemetery and which will become a reality on Veterans Day, November 11, 1978, with approximately $200,000.00 advanced by the State of Arizona, and more than $60,000.00 in trust and pledged by the individual Veterans and Veteran organizations of the State of Arizona. It seems only in justice that the Federal Government should be contributing for a Federal benefit already available to more than two-thirds of the states.

4. Arizona has seventeen Congressional Medal of Honor Recipients most of whom are buried in private cemeteries simply because their beloved survivors could not afford the expense of traveling to another state for visitation to his final resting place. We feel that whether a Veteran enlisted from California, Illinois, New York or Arizona, he should be entitled to equal access to a Federal benefit and certainly S. 1556 would go a long ways toward equalizing the burial benefit for Arizona Veterans and twelve other states currently without benefit of a National Cemetery.

5. Finally, and in conclusion, Honorable Members of the U.S. Senate, we the Veterans of Arizona and the survivors of those Veterans who have made the supreme sacrifice most sincerely urge your support of S. 1556 which will enable us in a large measure to establish within the boundaries of our state a shrine dedicated to those who served this nation in her hour of need and which will proudly commemorate that service.

Respectfully submitted,
JIM MURPHY,
Past Department Commander,
Disabled American Veterans.

Mr. THURMOND. Mr. President, I strongly support the cemetery amendment offered by my colleague, the distinguished Senator from Wyoming, Mr. HANSEN, and myself. I was a cosponsor of the original bill (S. 1556) which constitutes the text of this amendment. I am hopeful that passage of this provision will make possible the beginning of a program whereby each State may have a cemetery in which its own veterans can be buried.

The amendment would authorize the appropriations of $5 million for the fiscal year commencing October 1, 1978, and $5 million for each of the 4 succeeding fiscal years. These funds would be made available for grants to any State which submits, and has approved by the Administrator, an application for assistance in establishing, expanding, or improving veterans' cemeteries owned by a State.

Under the amendment, no State would be permitted to receive in excess of 20 percent of the total appropriations for that fiscal year and the total amount of money granted to a State under the amendment shall not exceed 65 percent of the land and improvements. Moreover, the fair market value of the land available for contribution by the State for cemetery purposes would be considered in computing the State's contributions. Under the amendment in no instance may a State be granted in excess of the actual cost of improvements, where such amount would be less than 65 percent of the cost of the land and improvements.

The amendment also authorizes the Administrator of Veterans' Affairs to prescribe regulations governing site selection, planning, and construction of these cemeteries, so that, when completed, they will be impressive replicas of present components of our national cemetery system, of which our States and our States' veterans population may be exceedingly proud.

Mr. President, the amendment also contains a provision whereby the Administrator would pay to any State an amount not to exceed $150 for each eligible veteran interred in a State veterans' cemetery established under this act, and a further amount not to exceed $40 for each member of a veteran's family interred in the cemetery, such amounts to be used for purposes of perpetual care. The amendment also directs the Administrator to make biennial studies to determine the adequacy of such maintenance payments.

In testimony before the Subcommittee on Housing, Insurance, and Cemeteries on June 15, the VA testified that the first year cost of this amendment would be about $5 million and would increase in the fifth year to approximately $8 million.

Mr. President, I am pleased to endorse this amendment for the favorable consideration of my colleagues. Relief under its provisions will be afforded States which either have no veterans' cemeteries or where the State's cemetery is so small or inconveniently located away from the State's veterans population as to preclude use by a vast majority of the veterans population whom it was designed to serve.

I note that we have a number of committee members who originally sponsored S. 1556 and a number of other bill sponsors outside the committee, numbering 18 in all. I urge its timely passage by the Senate and hope that it will receive prompt support in the House.

● Mr. STONE. Mr. President, I am delighted to join Senators HANSEN and THURMOND in urging passage of this amendment to H.R. 12028. I am an admirer of the distinguished records of service to our veterans compiled by both Senators THURMOND and HANSEN.

This amendment would authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans' cemeteries. America's veterans have been called upon to make the ultimate sacrifice—to give their lives, if necessary, in the defense of the entire Nation. It is the Nation, therefore, through its Federal Government that should bear major responsibility for providing this necessary service to our veterans.

I joined in cosponsoring this amendment because States such as my State of Florida, with its 1,230,000 veterans, would gain Federal assistance in meeting the cemetery needs of a growing veteran population. Florida's lone open national veterans' cemetery is expected to be filled by 1989, and it is located in the northwest panhandle of the State—400 to 600 miles from the center of our veterans' population in central and south Florida. This concern was echoed by Senator DECONCINI when he testified on Arizona's need for additional cemetery space be-

fore the Senate Veterans' Affairs Subcommittee on Housing, Insurance and Cemeteries, which I have the privilege to chair.

This amendment would give States such as Florida and Arizona the option of properly establishing their own cemeteries for veterans that would be every bit as impressive as any in our national cemetery system, yet located within reasonable distance of veterans and their families. I am pleased to endorse this amendment for the favorable consideration by my colleagues.

Mr. President, I would also like to take this opportunity to express my strong support of H.R. 12028, the Veterans Housing Improvements Act. As chairman of the Subcommittee on Housing, Insurance and Cemeteries, I was pleased to hold hearings on this bill and other matters relating to the housing program. Testimony revealed that the home loan guaranty program is one of the most successful programs administered by the Veterans' Administration. Since 1944, it has given many veterans the chance to realize the dream of homeownership. Today, we are making it better by raising the loan guaranty amount to $17,500 and mortgage limit to $60,000, reducing the eligibility requirements for Vietnam-era veterans, allowing guarantees of concerted condominiums, revising the mobile home loan program, and increasing the specially-adapted housing grants to disabled veterans.

I would like to express my appreciation to the distinguished chairman of the Senate Veterans' Affairs Committee, Senator CRANSTON, for his quick action on this proposal, and to his committee staff—Mary Sears, Ed Scott and Bill Brew for all their assistance. I urge my colleagues to give H.R. 12028 their favorable consideration.●

● Mr. CHILES. Mr. President, earlier this afternoon the Senate agreed to an amendment offered by the distinguished Senator from Wyoming to H.R. 12028 which would authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans' cemeteries.

The problem of inadequate burial sites for veterans in my own State is a very pressing one. Florida has an ever increasing veteran population with only one national cemetery of limited size.

I would like to associate myself with this amendment and ask unanimous consent that I be added as a cosponsor to this amendment to H.R. 12028, the Veterans' Housing Benefits Improvement Act of 1978.●

Mr. HANSEN. Mr. President, I thank my distinguished colleague from Arizona.

Mr. CRANSTON. Mr. President, as my good friend (Mr. HANSEN) knows, and as the Senator from South Carolina (Mr. THURMOND) also knows, this amendment is not one that I am supporting, and I will vote against it. However, I appreciate the concerns of these two Senators and those of the Senator from Arizona (Mr. DECONCINI), the Senator from Florida (Mr. STONE), and others, which prompted the offering of this amendment. I am ready to vote on it. I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the Hansen amendment was agreed to.

Mr. DECONCINI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OPPOSITION TO AMENDMENT NO. 1607

Mr. CRANSTON. Mr. President, I would like to explain why I voted in opposition to amendment No. 1607 to H.R. 12028, submitted by my friend, the Senator from Wyoming (Mr. HANSEN).

The amendment would provide for the creation of a program of Federal assistance to the States in support of State veterans' cemeteries. The program would have three elements, each funded on a 65-percent Federal and 35-percent State matching fund basis: Grants to State for the establishment, expansion, or improvement of State veterans' cemeteries; payments to the States for the cost of interment of each eligible person in such a cemetery, up to a maximum Federal payment of $150 per interment; and payments to the States for annual maintenance of each grave of each eligible person, up to a maximum Federal payment of $40 per year per eligible grave. The amendment would authorize the appropriation of $5 million per year for each of the next 5 fiscal years for the grants to establish, expand, or improve State cemeteries. In calculating the 35-percent State share for purposes of such grants, the States would be given credit for the total value of land already owned by the State and dedicated as a State veteran cemetery.

The principal impetus behind this bill, I believe, is the perceived inadequacy of the existing Veterans' Administration national cemetery system, including the newly developed regional system. I recognize that this system is not immediately accessible to all veterans and that this fact creates pressure for the establishment of additional veterans' cemeteries, either by the Federal Government or, failing that, from State governments. Although I can understand and appreciate this position, I am not able to support the legislation in question for the following reasons:

First, I do not believe that it is feasible to have a veterans' cemetery, provided by either the Federal Government or a State, readily accessible to all veterans. Studies have consistently indicated that most individuals will be buried within 50 miles of their last home. Therefore, even the establishment of one veterans' cemetery in each State would not provide an accessible veterans' cemetery gravesite for each veteran desiring one.

Second, even if it were feasible for the Federal Government to support the goal of a readily accessible veterans' cemetery for all veterans, either directly or through assistance to the States, I do not believe that the establishment and maintenance of new veterans' cemeteries has a sufficiently high priority in relationship to other needs for benefits and services for veterans to warrant congressional action at this time. In a time of increasing fiscal restraint, I cannot support embarking on a new venture with the substantial future cost implications of this measure. The finite resources available for veterans' programs must be focused on high-priority areas.

This year, particularly, I believe that means improvements in veterans' and survivors' programs for service-connected disability and death and reform of the need-based VA pension program, and, in the area of burial benefits, increased allowances necessary to provide an appropriate level of burial assistance to the survivors of veterans who die from service-connected causes. Such an improvement was included as section 208 in the committee reported version of S. 2828, the proposed "Veterans Disability Compensation and Survivors Benefits Improvements Act of 1978" which the Senate passed earlier today.

Third, I have some serious reservations about the particular program envisioned by this amendment. One problem that concerns me is the lack of any recapture provisions in the bill. In a similar program under chapter 81 of title 38, relating to Federal assistance to the States for the construction and operation of State extended-care facilities, there is a specific provision—section 5036—entitling the United States to recover money granted to a State when, within a specified period, the State ceases to operate a grant-assisted facility in the manner in which it was agreed to be operated so as to qualify for the Federal grant. A similar provision would seem indicated in this proposed program.

Another issue that concerns me relates to the provisions in the amendment describing Federal payments for interments and maintenance of gravesites. The amendment authorizes Federal payments for the interment of "each eligible person" and for annual perpetual-care maintenance for the grave of "each eligible person". But the term "each eligible person" is nowhere defined in the bill, and it could be interpreted to include, not only veterans of wartime service and the other limited categories of veterans currently eligible for monetary burial benefits under section 902 and 903 of title 38, but also all other veterans, and the spouses and dependents of veterans. Such a result might not only be very costly, but it also would mean the expenditure of Federal funds for monetary burial benefits for individuals for whom no such benefits are provided under the existing statutory program of veterans benefits. I do not believe that such an expansion should occur without the Congress more fully and clearly considering the merits and implications of such changes. In addition, with respect to the provision for the annual payment by the VA of up to $40 toward the maintenance cost of the gravesite of "an eligible person", I would point out that no such maintenance payment is currently made to private cemeteries in which veterans are buried. Thus, the amendment would further expand Federal burial benefits

only in the case of the survivors of those who would be buried in State veterans' cemeteries.

A final concern that I have about the impact of the amendment is also related to the Federal payment to a State of up to $150 toward the cost of interment of certain veterans who have died from non-service-connected causes. Under existing law, in section 903 of title 38, the survivors of certain eligible veterans receive a similar $150 allowance to help defray the plot or interment costs of the veteran's funeral. There are companion bills, H.R. 12252 passed by the House, and S. 2870 in the Senate, to authorize the payment of this amount to a State instead of to the veteran's survivors when an eligible veteran is buried in a State veterans' cemetery.

Although I do not support such a change, it does reflect the underlying spirit of section 903 of a single payment to assist with plot costs for an eligible veteran by shifting the payment of the allowance from the survivors to a State providing free burial space. The Hansen amendment, on the other hand, contains no provision precluding the survivor's entitlement to this allowance of up to $150 for expenses actually incurred by them when the Federal Government pays a State up to $150 toward the interment costs and the total costs of interment exceed $150. The result of this would seem to be to authorize a double payment—up to $300, instead of the currently authorized $150—of the interment allowance. This result, like others brought about by this amendment, should be considered by the Congress on its own merits and not as part of a larger program to assist States establish veterans' cemeteries.

For these reasons, Mr. President, I voted against amendment No. 1607 to H.R. 12028.

Mr. HANSEN. Mr. President, I should like to add my full support to the Veterans' Housing Benefits Improvement Act of 1978 (H.R. 12028). This legislation will assist those eligible veterans so they may have an opportunity to obtain adequate housing.

First, for certain disabled veterans who have suffered the loss or loss of use of both lower extremities or other disabilities which require the use of a wheelchair, an increase in a VA housing grant will be provided to remodel standard homes to better accommodate the veteran. This increase will be from $25,000 to $30,000.

Second, H.R. 12028 will raise the maximum home loan guaranty under the existing law of $17,500 to $25,000, and it will reduce the necessary active-duty service period from 181 days to 90 days for Vietnam-era veterans so they may participate in the GI home loan guaranty program.

Third, this legislation will overhaul and improve the mobile home loan program for eligible veterans. This committee bill will increase the maximum mobile home loan guaranty to $17,500 or 50 percent of the loan. The term of years for these loans will be increased from 12 to 15 years on a single-wide mobile home. Other very important and necessary improvements will be made in this mobile home loan guaranty program so that millions of veterans will be able to obtain adequate housing.

Mr. President, I urge my colleagues to support H.R. 12028.

Mr. CRANSTON. Mr. President, I know of no further amendments and I believe we are ready to vote on the committee amendment, as amended.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the committee amendment, as amended, was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. CRANSTON. I yield back my time.

Mr. STAFFORD. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back and the bill having been read the third time, the question is, Shall the bill pass?

The bill (H.R. 12028), as amended, was passed.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold?

Mr. JAVITS. I withhold that request.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate's amendments to H.R. 12028.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Will the distinguished Senator from New York yield to me briefly?

Mr. JAVITS. I yield the floor.

THE DEATH OF POPE PAUL VI

Mr. ROBERT C. BYRD. Mr. President, I take 1 minute from the pending amendment on behalf of Mr. PROXMIRE to send a resolution to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 535) relative to the death of Pope Paul VI.

Resolved, That the Senate has received with profound sorrow the news of the death of Pope Paul VI.

Resolved, That the Senate sympathizes with the communicants of the Roman Catholic Church in this country and abroad upon the death of a preeminent spiritual leader who endeared himself to peoples of all nations and all faiths by his untiring efforts to promote unity among religions, to advance the dignity of the individual, and to maintain international peace.

Resolved, That the Secretary of State is requested to transmit a copy of this resolution to the Papal Secretary of State, the Vatican City.

Mr. ROBERT C. BYRD. Mr. President, I ask that the names of the cosponsors be read.

The PRESIDING OFFICER. The clerk will state the names of the cosponsors.

The legislative clerk read as follows:

Mr. ROBERT C. BYRD, for himself, Mr. BAKER, Mr. CRANSTON, Mr. STEVENS, Mrs. ALLEN, Mr. DECONCINI, Mr. EAGLETON, Mr. MUSKIE, Mr. KENNEDY, Mr. LEAHY, Mr. DURKIN, Mr. MOYNIHAN, Mr. MCINTYRE, Mr. BIDEN, and Mr. PAUL G. HATFIELD.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Messrs. JAVITS, HANSEN, STAFFORD, MATHIAS, RIBICOFF, and THURMOND be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The resolution (S. Res. 535) was considered and unanimously agreed to.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the resolution was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. HATCH. Mr. President, it is with deep sadness that we received the news of the death of Pope Paul VI. While Catholics the world over are experiencing personal grief at the loss of their spiritual leader, we all share in the loss of an individual whose quest for peace and compassion for the victims of war and injustice served as an inspiration at a time when the world sorely needed the inspiration of a thoroughly moral and ethical man. Pope Paul demonstrated a great humanity and love of God's children by his world travels to promote understanding between all peoples. His compassionate nature was felt and understood by all those who observed his activities and heard his public pronouncements.

We hope that the cardinals of the Catholic Church who will soon meet in Rome will be guided to select a successor to Pope Paul who will continue in the high spiritual tradition of reason, good will, and leadership which he established.●

● Mr. DOLE. Mr. President, as news of the Pope's death spread yesterday and this morning, a wave of sadness and mourning occupied the hearts and minds of countless numbers of people. Certainly, the special relationship that links the Pope with 550 million Catholics makes their mourning particularly meaningful. However, he also means a great deal to

those of us who are not Catholic, but who respect his position, his spiritual leadership, his compassion, and the burdens under which he labored as head of the Roman Catholic Church.

Some of his activities were particularly meaningful to non-Catholics, like myself. Most obviously, his ecumenical and outreach efforts deserve our praise and appreciation.

He will be long remembered for his important role in bringing people of different religious faiths together—a role symbolized by his meetings with the Archbishop of Canterbury and with the Orthodox Patriarch of Constantinople. These meetings stand out as images that symbolize a lifetime of work strengthening the relationship between different branches of the Christian faith.

Throughout his reign, one outstanding attribute always stood as a beacon of light. This attribute was an overwhelming, never-ending sincerity in everything he did. Few doubted that his motives were pure, that they ran strong, and that he really believed in what he was doing.

Deeply disturbed with war, distressed with problems of human suffering, and agonized by acts of terrorism, the Pope stood out as a humanitarian concern with the plight of all people. When he offered himself as hostage for captives held in Somalia—and when he intervened on behalf of Aldo Moro—he demonstrated a concern which he felt deeply in the heart.

His was not an easy reign. The last 15 years have been a very difficult time in the life of the Catholic Church. Even though Pope John XXIII convened Vatican II, three of the four annual sessions were held after Paul became Pope. The problems, the turmoil, and the reforms associated with Vatican II came to the fore during his 15 years. The task of implementing reforms as internal pressures rocked the church—was no easy job.

The term "controversial" can be fairly applied to Pope Paul VI. His times were divisive—but questions which had to be answered were bound to bring a strong response from various parts of the church. In his case, the adjective "controversial" is not a euphemism used to describe some other problem—rather, it is a commentary on the times and the difficult questions which Christians must face in today's world.

In fact, he was a mediator between different groups within the church. Without consistently pleasing any faction—he faced up to the tough decisions and followed through on them as someone with tenacity and conviction—and faith. His weathering of these problems is a further credit to a man of frail health who maintained his vigorous spiritual constitution right to the end.

Pope Paul's outreach to both Christians and non-Christians is best symbolized by his travels throughout the world. Appropriately named, since Saint Paul was an extensive traveler in the service of God, he went to 16 different countries on 6 different continents. He never hesitated to break new pathways where he could be helpful. A shining light to the world—he made his presence felt through his work in the church—and made his presence felt around the world.

Mr. President, I join my colleagues in mourning the death of Pope Paul. Even though the church is an institution that continues in God's work without dependence on any single individual, his work will be long remembered, and his contribution will be forever manifest.●

● Mr. PERCY. Mr. President, I am deeply saddened by the death of Pope Paul VI. We all mourn the death of this man of tranquility who inspired people of all faiths to seek peace.

As the leader of his faith in difficult times of turmoil and transition, Pope Paul VI will be remembered as one of the great Popes in the history of the Roman Catholic Church.

During his 15 year reign as the leader of the world's 600 million Catholics, he stood firm and remained true to his beliefs, even in the face of criticism. He tirelessly sought to build his church and understand pressures for change.

In world affairs he was an outspoken advocate for peace. His actions supported his beliefs as he reached out to people everywhere through personal travel and verbal pronouncements from the Vatican.

He was the most traveled pontiff ever, visiting 16 countries in 6 continents to dramatize the need for social justice and human rights. He had significant influence in formulating opinions regarding social issues.

Pope Paul VI reached beyond the traditional jurisdiction of the Roman Catholic Church to lead the crusade for world peace through such actions as the fact finding mission he sent to Vietnam, his frequent meetings with world leaders and his visit in 1965 to the U.N. General Assembly. He also expanded the national composition of the College of Cardinals to include Third World nations and the progressive viewpoints of modern times.

That strong vein of unity carried over to the Christian faith as a whole when he improved relations with Protestant and Eastern Orthodox Christians. This was dramatized by his personal meetings with Archbishops of Canterbury and the Orthodox Patriarch of Constantinople.

Mr. President, Pope Paul VI weathered the storms of the tumultuous 60's and 70's. His church and every peace-loving citizen of the world is better for it.

He will be sorely missed.●

Mr. MATHIAS. Mr. President, I ask unanimous consent to speak out of order with the time charged to neither side.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

POPE PAUL VI

Mr. MATHIAS. Mr. President, one of the most enduring institutions in the history of mankind is the Roman Catholic Church. As the church sails majestically through the ages, her servants come and go. In the case of Popes we can count the links in the chain of time leading back to St. Peter. But the lives and deaths of Popes remind us that we are all links in the great cable that carries the race from a dimly perceived past to an unknown future.

Pope Paul VI knew that he was a link between past and future. Almost every act of his pontificate was a conscious forging of a link between the great tradition of the past and the demand of the future. He was, as cardinal and archbishop, one of the ministers of his great predecessor Pope John XXIII. In that role he thoroughly understood and supported the goals of aggiornamento. Pope John's death left the church far from those goals, but poised to seek them. It fell to Pope Paul's lot, after his election to preside over the Holy See, to implement the doctrine of aggiornamento and to execute the decrees of the Vatican Council.

This has meant that Paul VI was a Pope in charge of change. Experience in all ages has shown that change, however necessary and however desired by some, is usually painful. Those who bring change are almost always the target of bitter complaint and even hatred, no matter how pure their motives. Paul VI has not escaped this fate. Caught between the past and the future, he has been the target of each. For example, when he reduced the official calendar of saints to those whose lives are authentically recorded and proven, the acolytes of those thought discredited visited their fury on the brow of the Pope who had striven for truth and purity in the faith.

Yet at his death it is not Pope Paul's trials, but his triumphs we remember. As no other prelate in history, he numbered his flock among all the races of men and in all corners of the Earth. To underscore his universal love and concern, he visited Asia, Australia, and Africa as well as North and South America. Under his guidance, the leadership of the Roman Catholic Church broadened so that it not only was no longer predominantly Italian, but no longer even European or Western. The conclave to elect a successor to Pope Paul will be the final evidence of his success as the faces of Asia, Africa, and the Americas take their places in the Sistine Chapel.

Although Pope Paul was a spare figure with an ascetic face that contrasted with the ample girth and jolly smile of John XXIII, he was a very human man who felt deeply the sorrows and grief of men and women the world over. He shared the aspirations of the average citizen and was not reluctant to join with other leaders, such as the heads of the Anglican Communion and the Greek Orthodox Church, to seek the common goals.

As we say farewell to Paul VI, we can remember his words at the United Nations which are, in themselves, a fitting and moving epitaph: "Jamais plus la guerre."

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time on this particular quorum call not be charged against either side, because the managers are not aware of the fact that we have completed action on the other bill

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL MARITIME SATELLITE TELECOMMUNICATIONS ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 958, the International Maritime Satellite Telecommunications Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time not be charged against the other bill for a period not to exceed 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the bill.

The legislative clerk read as follows:

A bill (H.R. 11209) to provide for the establishment, ownership, operation, and governmental oversight and regulation of international maritime satellite telecommunications services,

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "International Maritime Satellite Telecommunications Act".

SEC. 2. The Communications Act of 1934, as amended (47 U.S.C. 151 et seq.), is further amended by adding at the end thereof the following new title:

"TITLE VII—INTERNATIONAL MARITIME SATELLITE TELECOMMUNICATIONS

"DECLARATION OF POLICY AND PURPOSE

"SEC. 701 (a) The Congress hereby declares that it is the policy of the United States to provide for the participation of the United States in an organization which is established or empowered to develop and operate an international maritime satellite telecommunications system (hereinafter in this title referred to as 'the organization'). Such participation shall be in either the International Maritime Satellite Organization or another international maritime satellite telecommunications organization. Such system shall have facilities and services which will serve maritime commercial and safety needs of the United States and foreign countries.

"(b) It is the purpose of this title to provide that the participation of the United States in the organization specified in subsection (a) of this section shall be through the Communications Satellite Corporation, which constitutes a private entity operating for profit, and which is not an agency or establishment of the Federal Government.

"DEFINITIONS

"SEC. 702. For purposes of this title—

"(1) the term 'common carrier' has the meaning given it in section 3(h) of this Act;

"(2) the term 'corporation' means the Communications Satellite Corporation incorporated on February 1, 1963, under section 301 of the Communications Satellite Act of 1962;

"(3) the term 'satellite earth terminal station' means a complex of communications equipment located on land, operationally interconnected with one or more terrestrial communications systems, and capable of transmitting telecommunications to, or receiving telecommunications from, the space segment;

"(4) the term 'space segment' means any satellite or capacity on a satellite maintained under the authority of the organization, for the purpose of providing international maritime telecommunications services and the tracking, telemetry, command, control, monitoring, and related facilities and equipment required to support the operation of such satellite or capacity;

"(5) the term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

"(6) the term 'person' includes an individual, partnership, association, joint stock company, trust, or corporation.

"DESIGNATED OPERATING ENTITY

"SEC. 703. (a)(1) The Communications Satellite Corporation is hereby designated as the sole operating entity of the United States for participation, for the purpose of providing international maritime satellite telecommunications services, in the organization.

"(2) The corporation may participate in and is hereby authorized to sign the operating agreement or other like instruments of the organization as the sole designated operating entity of the United States.

"(b) The corporation—

"(1)(A) subject to the provisions of subsection (d) of this section, shall be the sole owner and operator of any satellite earth terminal station in the United States; and

"(B) shall interconnect such stations, and the maritime satellite telecommunications provided by such stations, with the facilities and services of United States domestic common carriers and international common carriers, other than any common carrier, system, or other entity in which the corporation has any ownership interest, as authorized by the Commission; and

"(2) may establish, own, and operate the United States share of the jointly owned international space segment and associated ancillary facilities.

"(c) The corporation shall be responsible for fulfilling any financial obligation placed upon the corporation as a signatory to the operating agreement or other pertinent instruments, and any other financial obligation which may be placed upon the corporation as the result of a convention or other instrument establishing the organization. The corporation shall be the sole United States representative in the managing body of the organization.

"(d) Any person, including the United States Government or any agency thereof, may be authorized, in accordance with paragraph (1) or (2) of this subsection, to be the sole owner or operator, or both, of any satellite earth terminal station if such station is used for the exclusive purposes of training personnel in the use of equipment associated with the operation and maintenance of such station, or in carrying out experimentation relating to maritime satellite telecommunications services: *Provided,* That—

"(1) if such person is the United States Government or any agency thereof, such satellite earth terminal station shall have been authorized to operate by the executive department charged with such responsibility; or

"(2) in all other cases, such satellite earth terminal station shall have been authorized by the Commission.

"(e) The Commission shall determine the operational arrangements under which the corporation shall interconnect its satellite earth terminal station facilities and services with United States domestic common carriers and international common carriers, other than any common carrier, system, or other entity in which the corporation has any ownership interest, for the purpose of extending maritime satellite telecommunications services within the United States and beyond. The initial determination shall be made by the Commission no later than 6 months after the date of the enactment of this title, and the Commission shall thereupon transmit to the Congress a report relating to such determination.

"(1) Notwithstanding any provision of State law, the articles of incorporation of the corporation shall provide for the continued ability of the board of directors of the corporation to transact business under such circumstances of national emergency as the President or his delegate may determine would not permit a prompt meeting of the number of directors otherwise required to transact business.

"IMPLEMENTATION OF POLICY

"SEC. 704. (a) The Secretary of Commerce shall—

"(1) exercise such supervision over the corporation as may be necessary to ensure that the activities of the corporation are consistent with the national interest of the United States;

"(2) coordinate the activities of Federal agencies with responsibilities in the field of telecommunications (other than the Commission), so as to ensure that there is full and effective compliance with the provisions of this title;

"(3) take all necessary steps to ensure the availability and appropriate utilization of the telecommunications services provided by the organization for general governmental purposes, except in any case in which a separate telecommunications system is required to meet unique governmental needs or is otherwise required in the national interest; and

"(4) exercise his authority in a manner which seeks to obtain coordinated and efficient use of the electromagnetic spectrum and orbital space, and to ensure the technical compatibility of the space segment with existing communications facilities in the United States and in foreign countries.

"(b) The President is authorized to issue instructions to the corporation in connection with its relationships and activities with foreign governments and international entities and other organizations (including the organization) as may be necessary to ensure that such relationships and activities are consistent with the foreign policy of the United States.

"(c) The Commission shall—

"(1) institute such proceedings as may be necessary to carry out the provisions of sections 703(b) and 703(e) of this title;

"(2) make recommendations to—

"(A) the Secretary of Commerce, for the purpose of assisting the Secretary in supervising the corporation pursuant to subsection (a)(1) of this section; and

"(B) the President, to assist the President in his issuance of instructions to the corporation pursuant to subsection (b) of this section;

"(3) grant such authorizations as may be necessary under title II and title III of this Act to enable the corporation—

"(A) to provide to the public, pursuant to section 703(b)(1)(B) of this title, space segment channels of communications obtained from the organization; and

"(B) to construct and operate such satellite earth terminal stations in the United States as may be necessary to provide sufficient access to the space segment;

"(4) establish procedures to provide for the continuing review of the telecommunications activities of the corporation as the United States signatory to the operating agreement or other like instruments; and

"(5) prescribe such rules as may be necessary to carry out the provisions of this title.

"(d) The Commission is authorized to issue such instructions to the corporation with respect to regulatory matters within the jurisdiction of the Commission.

"STUDY OF STRUCTURE AND ACTIVITIES OF COMMUNICATIONS SATELLITE CORPORATION

"SEC. 705. (a) The Commission shall conduct a study of the corporate structure and operating activities of the corporation, with a view toward determining whether any changes are required to ensure that the corporation is able to fulfill its obligations and carry out its functions under this title, this Act, and the Communications Satellite Act of 1962.

"(b) The Commission shall transmit a report to the Congress no later than 12 months after the date of the enactment of this title relating to the study of the corporation conducted under subsection (a) of this section. Such report shall contain a detailed statement of the findings and conclusions of such study, any action taken by the Commission related to such findings and conclusions, and any recommendations of the Commission for such legislative or other action as the Commission considers necessary or appropriate.

"STUDY OF PUBLIC MARITIME COAST STATION SERVICES

"SEC. 706. (a) The Commission shall conduct a study of public maritime coast station services, as that term is defined in 47 CFR Part 81, with particular emphasis on high seas services, with a view toward determining whether the rules and regulations of the Commission and the assignment of licenses and radio frequencies in effect on the date of the enactment of this title should be subject to any alteration in order to establish a systematic approach for the provision of modern and effective maritime telecommunications systems.

"(b) The Commission shall transmit a report to the Congress no later than 18 months after the date of the enactment of this title relating to the study of public maritime coast station services conducted under subsection (a) of this section. Such report shall contain a detailed statement of the findings and conclusions of such study, any action taken by the Commission related to such findings and conclusions, and any recommendations of the Commission for such legislative or other action as the Commission considers necessary or appropriate.

"STUDY OF RADIO NAVIGATION SYSTEMS

"SEC. 707. (a) The President, in conjunction with Government agencies which will or may be affected by the development of a Government-wide radio navigation plan, shall conduct a study of all Government radio navigation systems to determine the most effective manner of reducing the proliferation and overlap of such systems. The objective of such study shall be the development of such a plan.

"(b) The President shall transmit a report to the Congress no later than 12 months after the date of the enactment of this title relating to the study conducted under subsection (a) of this section. Such report shall contain a detailed statement of the findings and conclusions of such study, any action taken by the President related to such findings and conclusions, and any recommendations of the President for such legislative or other action as the President considers necessary or appropriate for implementation of a Government-wide radio navigation plan.".

Mr. HOLLINGS. Mr. President, this bill provides for the establishment, ownership, operation, and regulation of International Maritime Satellite Telecommunications Services. It provides for the U.S. participation in the International Maritime Satellite Organization (INMARSAT) which is likely to be created to develop and operate an International Maritime Satellite Telecommunications system.

As reported by the Commerce Committee, this bill accomplishes seven objectives: First, the bill declares that it is the intent of the Congress that the United States participate through a private entity in INMARSAT or another organization designed to serve the maritime commercial and safety needs of the United States and foreign countries; second, designates the Communications Satellite Corp. (COMSAT) as the U.S. entity to provide maritime satellite communications; third, authorize COMSAT to be the sole owner and operator of any satellite Earth terminal stations in the United States; fourth, requires COMSAT to serve as a participating common carrier subject to the Communications Act of 1934 and connect its facilities with other domestic and international carriers, as authorized by the Federal Communications Commission; fifth, authorizes the President to issue instructions to COMSAT, as the U.S. representative to an International Maritime Satellite Organization, with regard to foreign policy, and allows the Secretary of Commerce to supervise COMSAT with respect to the national interest; sixth, authorizes the Commission to issue instructions to COMSAT, as the U.S. representatives to an International Maritime Satellite Organization, with respect to regulatory matters; and seventh, requires the Commission to conduct certain studies and to administer the bill.

By way of background on the evolution of this bill, S. 2211 was introduced on October 17, 1977. Hearings were held by the Communications Subcommittee of the Committee on Commerce, Science, and Transportation, and on May 8, 1978, on that bill and on the staff working draft dated April 28, 1978. The full committee met on June 27, 1978, and ordered the staff working draft, with several modifications, to be substituted for the text of H.R. 11209, which had been referred to the committee on May 16, 1978. H.R. 11209, as amended, was then ordered reported and is before us at this time.

The Commerce Committee determined that COMSAT is the best entity to represent the United States in the INMARSAT organization. The creation of a monopoly to any new telecommunications facilities should only be undertaken after thoroughly weighing the consequences of such action for the public interest. International Maritime Satellite facilities, because of the very high startup and operating costs, and a potentially limited maritime market, will be provided by a single, integrated system, with little or no chance for duplicative competitive systems to exist. The U.S. operating entity participating in that system will be the sole supplier of U.S. segment capacity obtained from the system. This function will be a monopoly activity, whether the entity is COMSAT or a multicarrier owned corporation. While it will be subjected to appropriate regulatory scrutiny, FCC Chairman Ferris described the situation that could well occur if a multicarrier-owned corporation were to be created.

If a group of competing carriers were allowed to own and control the satellite entity, these carriers might collude to divide the market and might discriminate against nonowners. Even if ownership were offered to all interconnecting carriers, a potential for arbitrary market segmentation or joint marketing would remain. Cooperation in owning and operating the satellite segment might extend to rates and services offered the public, and choice and innovation in the marketplace for maritime services might be significantly lessened.

Chairman Ferris concluded:

It therefore may be desirable to designate an operating entity which neither owns nor is owned by any carrier which participates in the competitive pickup and delivery of maritime communications services within the United States.

The cost to the United States for use of the INMARSAT space segment will be independent on who owns the U.S. entity. That cost will be passed along to customers in the form of rates paid by U.S. users regardless of whether the U.S. entity is owned by one carrier or a multitude of carriers, or another entity. Accordingly, it was determined that COMSAT be designated.

As reported, the bill differs from the House-passed bill in three respects.

First, COMSAT is directed to operate as a "participating carrier" instead of as a "carrier's carrier". The difference was best described by Mr. Walter Hinchman, chief of the Common Carrier Bureau of the FCC:

. . . the distinction is best made in terms of the way most of the telecommunications industry operates today, and it operates on a participating carrier basis, where the carrier has responsibility, ownership and operating responsibility for those facilities within its geographic area of service. This is the way the bill system interconnects with the independent telephone industry. It is the way the U.S. carriers interconnect with their overseas correspondents, as well as the way the international carriers connect with the domestic carriers in the U.S.

The committee believes the "participating carrier has significant advantages over a "carrier's carrier" arrangement in the areas of, first, investment and operating costs and administrative expenses; and second, terrestrial access to the satellite system.

The participating carrier arrangement eliminates "layering" and, as a result, permits the customer to realize significant economies in this portion of his maritime service. Furthermore, as a participating carrier, the U.S. entity would be directly responsible to the customer for satellite service and rates. As a result, the entity would be more likely to pursue cost-cutting measures than if it were able to pass on costs to other carriers under a carrier's carrier mode of operation.

Also, there would be a more competitive environment in the provision of terrestrial access to the satellite system since the U.S. entity would be free to interconnect with any U.S. domestic or international carrier. This would provide the customer an opportunity to select the least expensive means of accessing the satellite system.

As Chairman Ferris indicated in answer to a subcommittee question:

. . . the U.S. operating entity would be more accountable to the ultimate consumer

and more conscious of the need to minimize costs and rates under a participating carrier arrangement than under a carrier's carrier arrangement. Moreover, there would be no unnecessary layering of administrative and operating costs as would likely result under a carrier's carrier arrangement.

The second difference is that this bill authorizes sole ownership of the Earth stations by COMSAT. The committee believes the maritime satellite system would operate most efficiently as a single, integrated system. As such, COMSAT should have the sole ownership and control of not only the U.S. portion of the space segment, but of the Earth stations as well. This is particularly consonant with the choice of the participating carrier arrangement which provides for interconnection at the Earth station with the terrestrial networks of domestic and international carriers.

Since only a small number of Earth stations are involved, the multiple ownership advocated by the carriers would detract from the efficiency of the system without a compensating benefit to the customer. Further, the FCC has identified a number of questions raised by multiple ownership which would have to be resolved. Resolution of these questions would involve the FCC in business decisions which would be contrary to public policy efforts to rationalize and reduce Government regulation.

The third difference is that the House passed bill would repeal the authorized user decision for the purposes of INMARSAT. This means that users would be allowed to directly interconnect, by passing the carriers. Since there is a serious question how dense the maritime traffic will be on the INMARSAT system, direct interconnection would encourage the larger users to establish their own systems, leaving smaller users to rely on the carrier-provided system. This result would mean higher rates for the smaller users, which in turn could mean underutilization of the system. Further, to repeal, in part, the authorized user decision without a full inquiry into the ramifications of such an action would be ill advised. The FCC is currently reviewing this decision and the committee believes we should allow this reconsideration to proceed unfettered.

This bill has represented a bipartisan effort. It is a good effort to balance competition and monopoly in the public's interest. The bill is needed soon so that the United States can sign the operating agreement and assist in the formation of the INMARSAT organization.

Accordingly, I urge its adoption.

Mr. President, I want to thank my ranking colleague on the other side, Senator GRIFFIN of Michigan. He has worked hard on this measure. Obviously, today, with his primary on tomorrow, he is required to be in Michigan, but he gave his clearance that it be brought up.

I yield now to my friend, the distinguished Senator from Alaska, who also participated in the hearings in a very fundamental way with the leadership of marking up this bill.

Mr. STEVENS. Mr. President, I do support the bill and acknowledge the leadership of the distinguished Senator from Michigan.

It was my privilege, in behalf of the Committee on Commerce, to attend one of the meetings on the International Maritime Satellite program when it was held in London 3 years ago at the suggestion of the then chairman of the subcommittee, Senator Pastore. Since I was in the area anyway, I did attend that meeting.

We are very, very interested in my State in the development of this new telecommunications service. I congratulate my good friend from South Carolina for having worked out a bill that is acceptable to the committee. I know of no opposition to it on this side.

Mr. HOLLINGS. Mr. President, I move the passage of the bill.

● Mr. SCHMITT. Mr. President, the purpose of H.R. 11209 is to provide for U.S. participation in the International Maritime Satellite Organization (INMARSAT) or another international organization established or empowered to develop and operate a maritime satellite telecommunication system. I support this legislation.

The INMARSAT Convention, must be signed by countries representing 95 percent of the investment shares by July 5, 1979. The United States fully participated in negotiating the INMARSAT agreements and has been allocated a 17 percent investment share. Thus, without U.S. participation, the INMARSAT agreement would probably not become effective. As Communications Subcommittee Chairman HOLLINGS said at the hearings, the United States "would be in an international fix . . . if we did not go forward with INMARSAT."

H.R. 11209 designates the Communications Satellite Corp. as the U.S. representative in INMARSAT. COMSAT is also authorized to be the sole owner of the U.S. Earth stations.

Although my instinctive reaction is against Government-sanctioned monopolies; I was persuaded by the testimony presented at the Communications Subcommittee hearing that a maritime satellite system would operate most efficiently if it were a single, integrated system. In order to provide customer access to the system, existing and future domestic and international carriers would be authorized to connect their network to the satellite system at the Earth stations. Thus COMSAT and the domestic and international carriers, under the provision of this bill, will participate in providing a thorough service to the customer.

Mr. President, this legislation provides the most efficient method of U.S. participation in INMARSAT. It will result in improved maritime communications and otherwise serve the best interest of the United States.●

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment and third reading of the bill.

The committee amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 11209) was read the third time and passed.

Mr. HOLLINGS. I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I thank the Senator from Alaska and the distinguished majority leader (Mr. ROBERT C. BYRD).

Mr. ROBERT C. BYRD. I thank the distinguished Senator from South Carolina (Mr. HOLLINGS) for the leadership he has shown in this area and for his able management of the bill.

I also thank the distinguished Senator from Alaska (Mr. STEVENS), who is the ranking manager, for the work he has done.

Mr. President, I suppose we are ready to return to consideration of the HUD appropriation bill.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1978

ORDER FOR YEAS AND NAYS

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request? I ask unanimous consent that it be in order to order the yeas and nays now on the passage of the supplemental appropriation bill that will occur at 3:30 today.

The PRESIDING OFFICER (Mr. HODGES). Is there objection? The Chair hears none, and it is so ordered. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1979

The Senate continued with the consideration of H.R. 12936.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and I ask that the time not be charged against either side.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that Alan Bennett be granted privilege of the floor during debate on the HUD appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum and ask unanimous consent it be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I ask whether it is anticipated that other amendments will be called up?

Mr. PROXMIRE. I understand that an amendment may be called up by the Senators from New York.

Mr. ROBERT C. BYRD. One of the Senators from New York is in the chair, and I would be glad to relieve him from duty in the chair. The other Senator from New York is in the Chamber. Could we get to that amendment soon?

(Mr. ROBERT C. BYRD assumed the chair.)

UP AMENDMENT NO. 1608

(Purpose: To provide funds for the cleanup of the Love Canal in Buffalo, N.Y.)

Mr. MOYNIHAN. Mr. President, I send to the desk an unprinted amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN), for himself and Mr. JAVITS, submits an unprinted amendment numbered 1608.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 13, line 17, strike line 17 and insert in lieu thereof, "$713,440,000 to remain available until September 30, 1978, of which $4,000,000 is available to enable the Administrator of the Environmental Protection Agency to provide assistance as authorized by Section 8001(a) of the Resource Conservation and Recovery Act, (42 U.S.C. 6981); *Provided*, That the Federal share of assistance under Section 8001(a) shall not exceed 50 per centum of the total amount necessary to carry out any project under that section"

Mr. MOYNIHAN. I thank the distinguished presiding officer.

Mr. President, this is a matter about which my senior colleague, Senator JAVITS, and I spoke on Friday.

The distinguished chairman and the manager of the bill, Senator PROXMIRE, asked if a new arrangement for the funding involved might be worked out. We believe we have done this.

The amendment we have introduced has to do with the horrendous situation that has developed in Niagara County, in the city of Niagara, at the site of the former Love Canal. The Love Canal was used as a dump for many chemicals of the most toxic kind during the period just after the Second World War. It has since been filled and has been used as a housing site. There has been a technological assault upon the people living there, of a sort that has not only raised tense apprehension in Niagara but has also illustrated to us all the grave problems connected with toxic waste disposal in a most dramatic and forceful way.

We are seeking relief in this situation, and we are asking that the Federal Government join the State of New York on an even basis with respect to funds, in attempting to resolve this situation. In the process, we hope to learn more about the handling of such situations, which undoubtedly—unbeknownst to us—exist in a great many places in the Nation, threatening life in extraordinary ways which we are only just beginning to understand.

Mr. President, it is my duty at this point to be presiding over the Senate. My revered and most able senior colleague is in the Chamber, and with his permission I will resume my duties in the chair, and ask that he proceed in this amendment, which is submitted on behalf of both of us.

The PRESIDING OFFICER. The Senator from New York (Mr. JAVITS) is recognized on his time on the amendment.

(Mr. MOYNIHAN assumed the chair.)

Mr. JAVITS. Mr. President, we have had a very difficult time with this situation, because it is a sudden emergency. It deserves Federal attention, and this is a very appropriate opportunity to get that attention. If I could invoke the assistance of Senator PROXMIRE, if he would be good enough to hear me, I think we can help to work this out.

I know the built-in problems are not to increase the amount provided by the budget and what the committee already has done in this situation. I realize that $15 million is available for grants to States for solid waste programs under section 4008(a)(1) of the Resource Conservation and Recovery Act.

The easy way to do it would be to earmark $4 million of the $15 million as a maximum for these purposes, and our amendment calls for 50 percent matching. So there is no question about that.

I realize, also, that we have brother Senators who are dependent upon the fact that the $15 million would be earmarked for this purpose, and neither they nor we had the remotest idea in advance that this situation would face us in the Niagara Falls area.

I realize, also, that there is a specific provision by which this kind of emergency can be met, and that relates to section 504 of the Water Pollution Control Act of 1976. I realize that that particular provision—to wit, section 504—has not been funded and that the manager of the bill on the part of the majority does not feel that he wants to get into that funding in this particular time and in this particular amendment.

Also, we have reason to believe—I am sure the Senator will rely on us to that effect—that if not more than 10 percent of the $15 million which is already appropriated as I have described, under the Resource Conservation and Recovery Act, is made available for the purpose of this problem in Niagara Falls, the Senators who are deeply interested in the $15 million would have no serious objection. We have estimates which indicate that that amount is inadequate for the purpose of dealing with the situation.

Therefore, we have proposed an amendment which will give the managers of the bill complete flexibility and confidence, and we know that when they take the amendment, as we hope they will, they will use their flexibility in order to negotiate a situation which will endeavor to help this particular problem without invading their principle that they do not want to exceed the budget. We know that. However, in order to give them that flexibility, it may be that when the matter is in conference our colleagues who have deep feelings about the $15 million will consent to perhaps some amount in addition to the $10 million which we have been discussing as capable of being made available for this particular problem.

It may be that there will be some other source which can be tapped for the purpose, without interferring with these principles. Because we understand all the hazards and the fact that we might come out of it with nothing, we have tried to draft an amendment which would give the conferees complete flexibility.

If we limit it to the $15 million they do not have the complete flexibility and we are under the problem of invading a fund, which they have negotiated and stipulated for, beyond the point where some of our colleagues are willing.

It is for that reason that I hope very much the managers could consider the possibility of taking an amendment to conference which will give them the flexibility to try to help us, and that is all I ask for.

We have tried to draft one. If we are not doing it effectively or efficiently, then we will do our utmost to meet their views.

Second, I understand that the proviso which we have written in here with respect to the limitation on the Federal share, et cetera, may be subject to a point of order. If that point of order is made, I am prepared to submit an amendment—Senator MOYNIHAN will, who is the proponent—to leave out that proviso, and we will state affirmatively that this is simply a matter of authority on the part of enabling the Administrator of EPA to provide assistance that we understand that he will not provide assistance unless he is satisfied that there be an equal sharing between the United States and the State. Upon all those bases I hope very much the managers may consider simply taking this to conference as a means for trying to find a way to help in a situation in which they are obviously sympathetic but also have been seeking some way in which to work it out practically.

Mr. PROXMIRE. May I say to my good friend from New York that I am speaking in opposition to the amendment. We did have a discussion of this matter in some detail, as the Senator knows, on Friday. We also discussed it informally. The two Senators from New York have been extremely vigorous and active in trying to work this problem out.

The Congressman from the district, Congressman LAFALCE, also has been working very, very hard on the issue. And we understand the genuine problem that you have up there. There is no question about it. It is a problem and it is a tragic problem. We want to work it out.

We have several problems with this approach. No. 1, we feel that the State of New York should be able to do it itself. As I indicated in some detail on Friday, the evidence was that the city had done little, the county had done little or nothing, and the State may be doing something, but we do not know whether they will or not. We can put language in the bill but one would have to make, as

the Senator indicated, a point of order against sharing because a point of order, as I understand, would lie against that particular section.

But I am also concerned about the fact that we have already added $46 million to the budget requests for abatement and control, and this amendment would increase that total. Furthermore, I am very opposed to the notion that we should earmark funds for particular programs in this bill. Once we start doing that there just is no place to draw the line.

Senators have risen on the floor in the course of debate on the bill and requested that we earmark money in various ways, and the committee has resisted their entreaties in each case. As the Senator knows, once we start earmarking funds for research and development, abatement and control, enforcement, or buildings and facilities, there is just virtually no end to it.

Furthermore, Mr. President, I understand that this is a 1978 appropriation, that is, the money would be appropriated for the year 1978, the fiscal year ending on September 30. I ask the attention of the Parliamentarian to this. The amendment is to a bill which is a 1979 fiscal year bill. In other words, the fiscal year does not begin for this bill until October 1.

First let me ask the Chair if under these circumstances the amendment is in order with respect to that particular condition? Is it in order to offer an amendment to take effect in the current fiscal year on a bill which will not be in effect until October 1, 1979, that is, fiscal 1979?

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. Will the Senator suspend while the Chair responds?

A point of order would not lie against the amendment on the grounds that it affected only the fiscal year 1978.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. PROXMIRE. I yield.

Mr. JAVITS. Mr. President, I intend to submit an amendment, because I am told by the staff that "1978" is a typographical error, to make it September 30, 1980, and omitting the proviso, and on behalf of Senator MOYNIHAN and myself, with his approval, I shall send to the desk a revised amendment.

Mr. PROXMIRE. As I understand it, the Senator in his revised amendment will change the section.

Mr. JAVITS. That is right, to section 504.

UP AMENDMENT NO. 1608

(Purpose: To provide funds for the cleanup of the Love Canal in Buffalo, N.Y.)

Mr. JAVITS. Mr. President, on behalf of Senator MOYNIHAN and myself, I send a modified amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from New York, Mr. JAVITS, for himself and Mr. MOYNIHAN, proposes an unprinted amendment numbered 1608, as modified.

On page 13, line 17, strike line 17 and insert in lieu thereof, "$713,440,000 to remain available until September 30, 1980, of which $4,000,000 is available to enable the Administrator of the Environmental Protection Agency to provide assistance as authorized by Section 504 of the Federal Water Pollution Control Act (33 U.S.C. 1364).".

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, as I understand it the Senator is now offering an amendment to provide $4 million; is that correct? Is that the correct amount?

Mr. JAVITS. That is right.

Mr. PROXMIRE. With no sharing?

Mr. JAVITS. The sharing is not in order if written in the bill.

Mr. PROXMIRE. That is right.

Mr. JAVITS. I state that it is my purpose and intent, as the sponsor of the amendment, that the Administrator will not use this authority unless the State provides at least 50–50 matching, and I emphasize the words "at least" and point out that the Administrator has that power. This is just an enabling act. The Administrator does not have to do anything as a matter of fact.

Mr. PROXMIRE. As I understand it, we do not know how much it will cost to meet this problem, but as I understand it the estimates are that it might cost a total of $4 million. If that is the case, why should we provide so much in this bill?

Mr. JAVITS. Mr. President, the amendment provides up to $4 million. If the Senator will take this to conference, let us be frank with each other, and wants $3 million, it is OK with us. We are anxious to get something going. I am serious about it.

Mr. PROXMIRE. The Senator is not earmarking——

Mr. JAVITS. We are not being unreasonable or silly, and I want the Senator to help us, and I think we deserve this. Take something to conference which gives the Senator enough latitude to work it out. I know he can. He has complete authority over it.

Mr. PROXMIRE. I am reluctant to do this because of a number of reasons I have already mentioned. We are already over the budget in the abatement and control account and we would be over the budget substantially more under these circumstances. I am willing to commit myself to working to add $4 million in conference but in return I would hope the Senator would not press his budget add-on here today.

Mr. JAVITS. What else can we do, I ask the Senator? Look at our situation. We have an emergency situation. Section 504 is expressly written to take care of the emergency. There is no money appropriated for section 504 unless we put it in somewhere, and give you some basis for settling with the House.

It is very rare that Senators are as frank as we are and say to the conferees:

All we are doing is giving you a basis for trying to work it out. We are not going to have any second-guessing about it. We know it has got to be equally matched by the States. But, after all, if you circumscribe use even in giving you the basis for it, where are we?

Mr. PROXMIRE. May I say to the Senator if you look at page 13 of the bill, on lines 16 and 17, $710,940,000 is provided for abatement and control activities to remain available until September 30, 1980. We say there is ample leeway in that $710 million to provide $4 million for this purpose.

What I say is when we go to conference I will do my very best to urge the House conferees, and I am sure on the basis of everything I have heard they will be more than willing to do so, to have conference language instructing the EPA to provide this $4 million for the assistance to the Love Canal up near Buffalo.

Mr. MATHIAS. Mr. President, will the Senator yield for a question?

Mr. JAVITS. I have been a conferee a lot of times; the Senator from Wisconsin has been a conferee at least as many times as I have. We are both very experienced. You come to the conferees with only a statement in the RECORD that you are going to use your best efforts, and somebody may get obstinate about it and say, "There is nothing in the bill and no commitment by the Senate. Forget it. We are not going to do anything?" They may.

If you have something that you are bringing from us you have to confer about it, and you have got to do something about it. That is, in my judgment, the way in which we have some chance to get a result.

Mr. PROXMIRE. May I say to my good friend from New York there are circumstances where that is the case. But we have talked to some of the people who will be House conferees and we have looked at the situation there, and we recognize the power of the New York delegation in the House, we recognize what the facts of life are, and there is no question that the House conference is going to be extremely sympathetic to this. They have indicated that to us, and there is no question in my mind that whatever we put in here is going to be maintained at that level.

Mr. JAVITS. May I say to the Senator, that he is making us do what we really should not be made to do. The Senator is saying that we are better off leaving this amendment as it is, and risk having it go down to defeat. We have got to accomplish something here for the people of New York. This is a real emergency; we cannot go away with just an assurance that you will use your best efforts. We will give you a legislative basis for using your best efforts.

I yield to the Senator.

Mr. MATHIAS. Mr. President, I have an inquiry of the Senator from New York. If we were dealing here with a case of atomic radiation, with nuclear poisoning, is there any doubt in the mind of the Senator from New York that there would be a Federal role to be played here?

Mr. JAVITS. No question about it whatever. Incidentally, Hooker Chemical—and I know it because in my branch of the military service—I was in the Chemical Corps for almost 5 years—Hooker Chemical was a Government contractor and a lot of this is chlorine

and chlorine residue, which was their business.

Mr. MATHIAS. If I could pursue my question of the Senator from New York, because I think what the Senator from Wisconsin has raised is an interesting and pertinent question, is there a Federal role here? If there was a kind of technology required to cope with that atomic radiation or nuclear poisoning, I think we are clear the Federal Government would have to step in. There would be no question about it. Over night they would be there.

Mr. JAVITS. Of course.

Mr. MATHIAS. Are we dealing with a technical problem?

Mr. JAVITS. We certainly are.

Mr. MATHIAS. We are dealing with problems which have occurred frequently or is this a unique situation in which the technology is beyond the scope of local authorities involved, in which experimental—has this kind of poisoning ever been exhumed before?

Mr. JAVITS. No. As a matter of fact, what the authorities are very deeply concerned about is that this may be an indication of a new type of threat that we are facing. They as yet do not know, but there may well be similar situations. Indeed, the fellow who was up there on Saturday, the head of the Federal Disaster Assistance Administration, makes those points himself as shown by the news report which is in yesterday's paper, which I ask unanimous consent be made a part of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 6, 1978]

FEDERAL AIDE TOURS CONTAMINATED NIAGARA SITE TO ASSESS FACTORS FOR AID

(By Donald G. McNeil, Jr.)

NIAGARA FALLS, N.Y., Aug. 5.—William H. Wilcox, head of the Federal Disaster Assistance Administration, inspected the chemically contaminated old Love Canal site today at the request of President Carter and said he did not yet know whether he would recommend that the neighborhood be declared a disaster area.

"The jury is still out," he said, adding that he would have to look over the data on chemical testing already done and on the state's ability to pay for a cleanup alone and "perhaps meet with the White House on it."

He spoke at a final news briefing on the lawn of the 99th Street School in front of a crowd of newsmen, most of whose shoes and pants were splashed with mud smelling faintly of pesticides, picked up when they followed Mr. Wilcox along the canal site, which is still soggy from Wednesday's rainfall.

"This isn't a flood or a tornado. It's unique. I think it will take a somewhat creative interpretation of the disaster legislation to fix," he said.

HEALTH EMERGENCY DECLARED

On Wednesday, the State Health Commissioner, Robert P. Whelan, declared a health emergency for the area and recommended that pregnant women and families with children under 2 years of age leave their homes immediately and that the public school remain closed in the fall.

After the city and county complained that they could take no action because of tax-spending restrictions, the state moved into the public school and began providing rent vouchers, medical advice and moving help for the 37 families immediately affected by Dr. Whelan's declaration.

If the area is declared a major disaster area or an emergency area, Federal money and the help of Federal agencies in virtually unlimited amounts will be available for evacuation and cleanup, a disaster agency spokesman said.

That declaration, if the President makes it, would probably supersede efforts by Senators Jacob K. Javits and Daniel Patrick Moynihan to attach a $4 million supplement to appropriations for the Resource Conservation and Recovery Act, to dig up and clean out the landfill. The amendment, due to reach the Senate floor on Monday, won tentative support from the White House and the Office of Management and Budget late yesterday because it is based on a very narrow section of the law approving the use of funds for demonstration landfill projects.

EARLIER EFFORT OPPOSED

An earlier effort by the Senators to get funds under a section of the Water Pollution Control Act was opposed in committee by the Office of Management and Budget as being inflationary because its language was broad enough to let many other municipalities declare environmental disasters and apply for funds.

One of the conditions of that the O.M.B. director, James McIntire, had listed as necessary for his support for the measure was that the original polluter, Hooker Chemical and Plastics Corporation, be sued by the state to share, voluntarily or under court order, the costs of the cleanup of the neighborhood. Hooker, one of the area's major employers, used the site as a dump for its toxic chemical wastes from 1947 to 1952. The city also had a sanitary landfill in the canal, and many residents have said they saw the Army dump there, although the Department of Defense has denied it.

In 1953, Hooker deeded the land to the Board of Education for $1. The board built a school on it and sold neighboring lots to individuals and developers, who built homes with backyards reaching almost to the filled canal's old banks. Private individuals and the city still own some of the land directly over the canal.

CHEMICAL LEECH INTO SOIL

In 1976, after six years of unusually heavy rains, the canal's chemical contents, now in drums rotted by rust, began percolating to the surface and breaking open into shiny pools or leeching into backyards, killing plants and causing burns to dogs and children playing there.

Its fumes began filtering into basements, and the Environmental Protection Agency tested for and found 82 chemicals in the ground and air this year, 11 of them suspected or definite carcinogens.

Today, Mr. Wilcox, enthusiastically escorted by residents and trailing the rear guard of a weeklong media blitz after him, saw some of the results of the chemical reaction.

At first there was some hesitation on the part of the 20 or so representatives of the disaster agency, the two Senators' offices, the Governor's office, a local Congressman, the E.P.A. and the local government to step into the two-inch-deep mud.

Mr. MATHIAS. We are dealing with a unique public health problem.

Mr. JAVITS. Exactly.

Mr. MATHIAS. Which may have national implications.

Mr. JAVITS. Exactly. That is very much what they are worried about. That is just exactly what is bothering them.

Mr. MATHIAS. I thank the Senator.

Mr. PROXMIRE. Mr. President, I am very, very reluctant to do what I may feel required to do. I hate to move to table this amendment because if we do that and prevail, it means there is nothing the conferees can do under those circumstances to help New York.

I am sure we do want to do everything we can to help New York under the circumstances without, as I say, exceeding the budget any more than we have. We are already, as I pointed out, $46 million over the budget in this account.

In view of the fact that the problem is not an overwhelming problem, it seems to be a problem that can be remedied for $4 million or so, and in view of the fact that the State is proposing or putting into effect a $750 million tax reduction this year, in view of the fact that the Federal Government only a few days ago decided to authorize a $1.6 billion assistance for New York City, in view of the fact that the State is eligible to get Federal disaster relief, and there is every reason to expect that they will get it, and get it promptly, and get it rather fully, which will cover the problem not of cleaning up the pollution, but will cover the problem of those who are involved there, under all those circumstances, I hope the distinguished senior Senator from New York will consider the proposal I made before, and permit us to go to conference and urge our colleagues to take out of the $710 million for abatement and control activities the $4 million needed to clean up the Love canal. We can make sure that is provided by strong language in the conference report.

I think Senator MOYNIHAN and Senator JAVITS have been very active in talking with the Office of Management and Budget and the administration, generally, about this. They are sympathetic, and I think there is every reason to expect that if we do it, as I suggest, the problem will be taken care of.

Mr. JAVITS. May I say most respectfully, Mr. President, to my colleague, that for myself—and I will discuss it with Senator MOYNIHAN—I am ready to face a tabling motion. If the United States of America will not recognize a situation like this, in which there is a deep Federal interest and a serious danger based upon the activities of a defense contractor—a serious danger to the people of the State of New York—for the sake of $4 million, let us know it. Let the Senate vote yea or nay on the record.

If this bill involved dead pigeons in Idaho, we would not be arguing about it. We would pass the bill like that, and we would not oppose it. We have to have a little character around here, Mr. President.

I appreciate the many things the Senator from Wisconsin has done, including aid for New York City. But I think this is really something that would not be contested in any other bill. I doubt very much that anybody would argue about this assistance for an emergency, a real emergency.

We have not invented the emergency. I think we might just as well face it. Let us vote it up or down, and let us permit the Senate to record itself on this issue for the people of the State of New York if that is what the Senator wants to do, and if he does, okay.

It seems to me this is the kind of situation where something ought to be taken to conference which can be worked out. The Senator has it completely within his control to do so, and I will not argue about it. We told the Senator about that.

But to leave us absolutely denuded, I cannot see that.

Mr. PROXMIRE. Mr. President, may I say to the Senator from New York that we do not leave you denuded. We promise that we are going to go to conference and fight for this, we are going to fight for New York, and I have indicated that we have every indication we will get $4 million in conference.

Furthermore, we have not allowed one single add-on on the floor. We turned down the distingiushed Senator from Alaska, we turned down other Senators and, under the circumstances, for us to give in here where New York has it within its reach, has it within its grasp, to get these funds, and we say we are going to fight to put this through conference consideration, it seems to me we are assisting New York in the most effective way we can.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may request a quorum call without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I ask unanimous consent that James Lockemy, of the staff of the senior Senator from North Carolina (Mr. THURMOND) be granted the privileges of the floor during the debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. I make the point of order that a quorum is not present.

The PRESIDING OFFICER. Does the Senator wish the time for the quorum call to be charged equally to both sides?

Mr. MATHIAS. I ask unanimous consent that it not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that Susan Brannigan and Robert Paquin of my staff have the privilege of the floor during all votes and debates this afternoon and evening on all matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I ask that unprinted amendment No. 1608 submitted for myself and Senator JAVITS be withdrawn.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

UP AMENDMENT NO. 1609

Mr. JAVITS. Mr. President, I send an amendment to the desk for myself and Senator MOYNIHAN and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS), for himself and Mr. MOYNIHAN, proposes an unprinted amendment numbered 1609:

Page 38 after line 15, insert:

Section 409. It is the sense of the Congress that a serious environmental disaster having occurred in the City of Niagara Falls respecting the Love Canal area for which Federal assistance is required, such federal assistance should be forthcoming under this Act.

Mr. JAVITS. Mr. President, this is a way to accomplish what we are trying to accomplish. It just happens that we have two managers in whom I have literally unquestioned faith. I know if they did not deliver on what they are telling us, and the conditions that we have discussed, they would find it extremely difficult to come back with this bill. But having had a world of experience with this matter, I deeply believe they need to have something which will be before the conferees. This is, in my judgment, a recognition on the part of Congress that this is an emergency and ought to be dealt with. We have consulted with both of our colleagues. They will speak for themselves, but I gather they see no reason why this cannot give them the basis for the way in which they wish to handle the matter in conference.

Senator MOYNIHAN and I have decided that this is the way to go. We have consulted with the Parliamentarian who advises us that such a provision is in order on the bill, notwithstanding that this is an appropriations bill. We hope very much that they may consider it acceptable. I yield to Senator MOYNIHAN.

Mr. MOYNIHAN. I thank my distinguished colleague. Mr. President, I only wish to say that as our redoubtable managers go forth to battle, returning either with their shields or on them, this might arm them a little bit more—to have as part of the RECORD that Mr. Douglas Costle, the Administrator of the Environmental Protection Agency, has spoken with us today and made clear his resolve that funds to be made available under this appropriation should be used for this purpose. It is, in some respects, a first-time effort on the part of the EPA to deal with such a technological hazard.

Also, we have spoken today with Mr. McIntrye of the Office of Management and Budget, who has consulted with the President on this matter. He has indicated an equal commitment, and has asked that the State of New York provide, as Senator JAVITS has stated at least an equal share of the funding. The State of New York shares that commitment.

I believe it is for me to express on behalf of myself and my senior colleague, our appreciation to the President, to the Director of the Office of Management and Budget, and to the Director of the Environmental Protection Agency, as well as to those who will henceforth be our singular and redoubtable champions, the Senator from Wisconsin and the Senator from Maryland.

Mr. JAVITS. I thank my colleague and certainly associate myself with his remarks.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I did have a chance to consult with Senator JAVITS and Senator MOYNIHAN on this suggestion. I think it is a logical, sensible, completely acceptable suggestion. What it does, as I understand it, is to make it clear that the Senate does recognize the seriousness of this matter. It is imperative that we provide relief. We should provide relief, provide relief in this legislation. It does not, however, add additional funds. It is not an add-on, an addition to the appropriations bill. I think we can accommodate New York's need and at the same time accommodate our responsibility.

I do want to thank Senator JAVITS and Senator MOYNIHAN for their work on this amendment. It has been very difficult for them, but, as usual, they are tigers, and, as usual, they win their way, but they do it in a fair and sensible manner.

Mr. SCHMITT. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. SCHMITT. I compliment both of the Senators from New York for their effort in this case. As any Senator realizes, the issue of hazardous waste is one which is now finally, and I would have to say belatedly, being joined by the country. In our case, we are dealing primarily with the potential hazard of nuclear waste. I think we are on top of the curve, or at least we have time in which we can come to grips with this and prevent the kind of problem happening which has occurred in New York recently.

In the case of New York, we made a mistake, we meaning all who were involved and all who subsequently did not realize what was happening.

I think it is incumbent on the country and the national Government, as well as the State governments and the private sector, to clean up those mistakes, to clean the slate, so that as we move into the technological 20th century with the benefits which come from that technology we are dealing with the potential hazards ahead of time instead of behind the times as was unfortunately, and is unfortunately, the case here.

I think the Senators from New York have done exactly the right thing. I am sure the committee will do everything they can in conference to see that this comes about.

Mr. JAVITS. I thank my colleague very much.

Mr. MATHIAS. Will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. MATHIAS. I want to say that the high praise which has been expressed by the two Senators from New York to the managers of the bill will send us to that conference charged up with a sense of responsibility. I suppose that seldom in

the course of parliamentary procedure has so much confidence been expressed in so few.

Mr. JAVITS. I thank my colleague very much. I really feel that here are two Senators eminently deserving of that confidence.

Mr. MATHIAS. Mr. President, on behalf of the distinguished Senator from Illinois (Mr. PERCY), I ask unanimous consent that Barbara Block of his staff be granted the privileges of the floor during these proceedings.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum and ask that the time be taken from neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1978

The Senate resumed the consideration of the bill (H.R. 13467) making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes.

The PRESIDING OFFICER. Under the previous order, if any Senator wishes to debate the supplemental appropriations bill at this point. there are 10 minutes to be equally divided.

If there is no Senator seeking recognition, who yields time?

Mr. STEVENS. Mr. President, I assume that means we go back to the HUD appropriations bill until 3:30?

The PRESIDING OFFICER. The Senator is correct and we continue on this.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator ask that that be charged to neither side?

Mr. STEVENS. Charge it to the 10 minutes that is not being used.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Texas (Mr. TOWER), together with an attachment referred therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. TOWER

Mr. President, I appreciate this opportunity to rise in support of the reappropriation of $40 million in hospital renovation funds from formula grants to project grants under section 1625, part D, title XVI, of the Public Health Service Act. I have taken an early and active interest in support of this reappropriation and I have especially appreciated the cooperation and assistance that I received from H.E.W. Secretary Joseph Califano.

Support for this reappropriation has steadily grown over the past few months, primarily because it is clearly recognized as a more rational allocation of hospital renovation funds already committed for this purpose.

The need for this reappropriation becomes apparent when we view how it will affect four potential recipients in the State of Texas. Secretary Califano has written to me stating that Eagle Mountain Suburban Hospital in Azle, El Paso R. E. Thomason General Hospital, Houston Jefferson Davis Hospital, and Wichita Falls General Hospital have each been approved for section 1625 funds, and will be among the first to be considered for funding once this reappropriation is incorporated under public law. Each of these hospitals serve indigent residents and provide essential medical services to their respective communities. Without these funds. the quality of medical care in these four Texas cities could be substantially curtailed, creating an unfortunate situation for thousands of people. Mr. Edmundo Moreno, former president of the El Paso League of Latin American Citizens (L.U.L.A.C.), council 132, wrote to me expressing his concern for section 1625 funds, primarily because of this problem in El Paso. He stated that R. E. Thomason Hospital "is the only facility which provides medical care for approximately 64,000 indigent residents of El Paso County."

Most of the other hospitals across the Nation that have been approved for section 1625 hospital renovation assistance face similar situations, demonstrating the need for action in this area. By reappropriating the funds we have already committed to hospital renovations, we can meet this problem without adding to the already burdensome growth of Federal deficit spending. The need to find methods to more efficiently allocate our Federal health dollars is essential if we are to effectively tackle and solve the rapidly growing costs of health care in this country. This reappropriation is a small but important step in that direction.

Mr. President, I ask that a copy of my correspondence with Secretary Califano in this matter be printed as follows:

U.S. SENATE,
Washington, D.C., March 22, 1978.

Hon. JOSEPH CALIFANO,
Secretary, Department of Health, Education, and Welfare, Washington, D.C. 20201

DEAR MR. SECRETARY: It has come to my attention that your office is currently considering a request for the reappropriation of $40 million of unused authorized funds into Section 1625, Part D, Title XVI of the Public Health Service Act. As you know, this program provides funds for hospital renovations so that State and local fire, life safety and licensing standards can be met.

The transfer of these funds will serve a vital role in upgrading our Nation's hospitals, and will require no additional burden on Federal spending priorities. I understand that four Texas hospitals in Azle, El Paso, Houston and Wichita Falls would be qualified to receive funding from this program if the reappropriation is approved.

I strongly support this unique opportunity to help upgrade these and deserving hospitals in other States during the current fiscal year, and hope that you will expedite the decision-making process through its normal channels.

Sincerely yours,

JOHN TOWER.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., May 2, 1978.

Hon. JOHN TOWER,
U.S. Senate,
Washington, D.C.

DEAR JOHN: I appreciate the issue you raised in your March 22 letter on behalf of the applications submitted by the four Texas hospitals in Azle, El Paso, Houston, and Wichita Falls. These applications were considered and approved under the Project Grant Program for medical facility modernization (Section 1625 of P.L. 93-641). As you know, however, sufficient funds were not available at the time these projects were approved to actually fund them.

I am aware of the financial problems faced by public medical facilities. To help alleviate this problem, we have recently proposed to the Office of Management and Budget that funds from the general construction allocation be shifted to provide support for the remaining 1625 projects. If this proposal meets with OMB and Congressional approval, the four Texas hospital applications will be among the first to be considered for funding.

Sincerely,

JOSEPH A. CALIFANO, JR.

The PRESIDING OFFICER. Under the previous order, the time having expired, the question occurs on final passage of H.R. 13467, making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mrs. ALLEN (when her name was called). Present.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that, if present and voting, the Senators from Minnesota (Mr. ANDERSON and Mrs. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Michigan (Mr. RIEGLE) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Idaho (Mr. MCCLURE), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The result was announced—yeas 69, nays 17, as follows:

[Rollcall Vote No. 288 Leg.]

YEAS—69

Baker	Hatfield, Paul G.	Pell
Bartlett	Hathaway	Percy
Bayh	Hayakawa	Proxmire
Bellmon	Hodges	Randolph
Bentsen	Hollings	Ribicoff
Bumpers	Huddleston	Sarbanes
Burdick	Inouye	Sasser
Byrd, Robert C.	Jackson	Schweiker
Cannon	Javits	Sparkman
Case	Johnston	Stafford
Chiles	Kennedy	Stennis
Church	Leahy	Stevens
Clark	Long	Stevenson
Cranston	Magnuson	Stone
Culver	Mathias	Talmadge
DeConcini	Matsunaga	Thurmond
Eagleton	McGovern	Wallop
Eastland	Melcher	Weicker
Ford	Metzenbaum	Williams
Glenn	Morgan	Young
Gravel	Moynihan	Zorinsky
Hansen	Muskie	
Hart	Packwood	
Hatfield, Mark O.	Pearson	

NAYS—17

Biden	Durkin	Lugar
Byrd, Harry F., Jr.	Garn	Nelson
	Goldwater	Nunn
Chafee	Hatch	Roth
Danforth	Helms	Schmitt
Dole	Laxalt	Scott

ANSWERED "PRESENT"—1

Allen

NOT VOTING—13

Abourezk	Griffin	McIntyre
Anderson	Haskell	Riegle
Brooke	Heinz	Tower
Curtis	Humphrey	
Domenici	McClure	

So the bill (H.R. 13467), as amended, was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of H.R. 13467.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later the following occurred:)

Mr. PROXMIRE. Mr. President, I ask unanimous consent that in the engrossment of the Senate amendment to H.R. 13467, the item on page 16, lines 8 and 9, show the House language as it should have—namely, $7.7 million, and the Senate amendment in lieu thereof, $6.9 million.

This has been cleared on both sides. It is strictly a technical amendment that needs correction.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. HODGES) appointed Mr. MAGNUSON, Mr. STENNIS, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. INOUYE, Mr. HOLLINGS, Mr. BAYH, Mr. EAGLETON, Mr. CHILES, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. BURDICK, Mr. SASSER, Mr. LEAHY, Mr. BUMPERS, Mr. YOUNG, Mr. CASE, Mr. BROOKE, Mr. MARK O. HATFIELD, Mr. STEVENS, Mr. MATHIAS, Mr. SCHWEIKER, Mr. BELLMON, and Mr. WEICKER conferees on the part of the Senate.

PRIVILEGE OF THE FLOOR

Mr. HATCH. Mr. President, I ask unanimous consent that Janet Renquist, of my staff, have the privilege of the floor during the remainder of today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that Mr. Twilly, of my staff, and Mr. Lockemy, of the Judiciary Committee staff, have the privilege of the floor during the consideration of all legislation today and tomorrow and votes on the bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE BRANCH APPROPRIATIONS, 1979

The PRESIDING OFFICER. Under the previous order, the question recurs on H.R. 12935, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 12935) making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes.

The Senate resumed consideration of H.R. 12935.

Mr. FORD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Those Senators who wish to talk will take their conversations to the cloakroom.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, should any Senator wish to debate H.R. 12935, the legislative branch appropriations bill, there will now be 10 minutes of debate thereon.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I think the Senator from Tennessee is willing to yield the Senator from Virginia 3 minutes.

Mr. SASSER. Mr. President, I yield to the Senator from Virginia 3 minutes.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I think the cost of the legislative branch of Government has gotten out of hand.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senator will withhold. The Senate is not in order. The Senator from Virginia is entitled to the attention of Senators. If Senators insist on talking, please take their conversations to the cloakroom or outside.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, 18 years is not very long, but it is long enough for this to have happened.

In 1960 the total cost of the legislative branch of Government was $116 million. In the legislation before the Senate today the cost of the legislative branch of Government is $1.118 billion. There is in the legislation before the Senate today a very substantial increase for the previous year.

Now, when we get to personnel, if we go back to 1960, in the Department of Defense the civilian personnel in the Department of Defense totaled 1.039 million. In 1978, the total civilians in the Department of Defense were 981.000. In the Department of HEW in 1960 there were 68.849. In April of this year there were 158.537. It will be seen that that Department doubled the number of employees.

In the Office of the White House in 1960 there were 338 individuals, and in April of this year there were 376.

The Supreme Court in 1960 had 163 persons employed and in April of this year 323. That figure doubled.

Now we come to the legislative branch. In 1960 the legislative branch employed 14.954 individuals. As of April 1978 the legislative branch had on its payroll 39,558. That is a threefold increase in that short period of time.

I say again, Mr. President, the cost of the legislative branch of Government has grown too greatly. The total figure in the bill before the Senate today in my judgment is too high. It is not justified. It is $1.118 billion and that figure compares with $116 million as a total cost to the legislative branch of Government in 1960.

I shall vote against this legislation because I think that it is not justified, and these tremendous increases that have occurred through the years have not been justified.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, the distinguished Senator from Virginia has alluded to the fact that this legislative appropriations bill contains in it $1.118 billion and makes the statement, I say respectfully to the Senator from Virginia, that this constitutes funds going directly and solely for the support of the legislative branch of Government, which implies the operation of Congress.

I submit, Mr. President, that this simply is not accurate. As a matter of fact, as to the funds contained in this legislative appropriations bill, a substantial amount of these funds go for the operation of the Library of Congress and includes such services to the taxpayer, for example, as talking books for the blind. A substantial amount of these funds, Mr. President, go for the operation of the Government Printing Office. A substantial amount of these funds. Mr. President, also go for the operation of the Botanical Garden.

I submit that there is at least 30 per-

cent of this budget which goes to fund operations other than the operations of the Congress—which goes to support various other agencies or services to the public which have no direct correlation to the operation of Congress.

The PRESIDING OFFICER. The 5 minutes of the Senator from Tennessee have expired.

Mr. SCHWEIKER. Mr. President, I yield to the Senator from Tennessee 2 additional minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania has 5 minutes and he yields 2 minutes to the Senator from Tennessee. The Chair recognizes the Senator from Tennessee.

Mr. SASSER. I also remind my distinguished friend from Virginia that in the year 1960, that he referred to, the Federal budget stood at less than $100 billion. The Federal budget for this year is slightly in excess of $500 billion. Staffs have increased since 1960 in the legislative branch, in the House of Representatives and the Senate, by 150 percent because we in the Congress are expected to monitor and provide oversight of a Federal budget that has grown by over 500 percent during those 18 years.

I should also like to point out that over 15 percent of the legislative branch budget goes to fund the Office of the Comptroller General. According to testimony received by the subcommittee, actions and reports of this office, in collaboration with Executive and congressional action, saved the taxpayers $5 billion last year. Some of these funds are also used to support the new Congressional Budget Office and the new congressional budget process which we have imposed on ourselves in order to hold down Federal expenditures.

I wonder if there is any Member of this body who seriously thinks he or she could give the residents of his State, and give his constituents the services not only that they need but the services that they demand on one-third of the staff we would have if we go back to the 1960 figure?

Mr. President, I also agree with my distinguished and able friend from Virginia that it is regrettable that so much of the taxpayers' money must be expended in support of the legislative branch of Government.

But I say that many of these expenditures are made necessary because of the wishes of the taxpayers themselves in the services they ask of their elected officials.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SCHWEIKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania has 3 minutes remaining.

Mr. SCHWEIKER. I give myself 2 minutes.

I certainly respect and admire the work of the Senator from Virginia, and I think his general thrust and tone are correct.

I think in this particular case though there are some facts we should put in the record. Those are, if you take this particular year's appropriation and if you, as a fair method of comparison, take the supplemental for 1978, which included mandated pay raises, this only represents a 7.5-percent increase over last year.

Then, if you take out the 5-percent cut we all voted for just Friday, that makes a 2.5-percent increase over the preceding year.

I have to say that a 2.5-percent increase over the preceding year is a very modest increase and not found in many parts of the Government. The Federal budget from fiscal 1978 to 1979 goes up 8 percent, inflation goes up 7 or 8 percent. So actually with a 5-percent cut we voted for, it really only represents, throwing in the supplemental appropriations for 1978, which are primarily for the mandated pay raises, a 2.5-percent increase over the preceding year.

I think this committee is conscious of what Senator HARRY F. BYRD, JR., has said. I think he has made his point well. We tried to reflect in this year's appropriation some of those things.

The PRESIDING OFFICER. Who yields time? Does the Senator from Pennsylvania yield back 1 minute remaining?

Mr. HARRY F. BYRD, JR. Is there any time remaining?

The PRESIDING OFFICER. Just 1 minute remaining.

Mr. SCHWEIKER. I yield 1 minute remaining to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. The record shows that there was an 11.5-percent increase in this bill as compared to last year. Then, if you eliminate the 5-percent reduction which the Senate approved by an amendment to the bill, it still brings it down to 6.5 percent, and I say that is too great an amount.

Reference was made to the Botanical Gardens as being included in the legislation, as if that was such a great sum. Well, the Botanical Gardens in this budget is roughly $1 million out of $1,118 million, so that does not impress the Senator from Virginia very much as being an item to take into consideration.

Mr. SCHWEIKER. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. SCHWEIKER. I think where you and I differ is you are comparing the absolute fiscal year 1978 appropriations. You are not including the supplemental in which we put in the $36 million for pay raises. If you put what we mandated into the year to make it a complete year, it is not an 11-percent increase, it is only a 7.5-percent increase, and you actually have to pay people's salaries. We mandated those salaries be paid. So if you put those in, you only have a 7.5 percent, minus 5.

The PRESIDING OFFICER. All time remaining having expired, the question is, Shall the bill, as amended, pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

(Mr. HOLLINGS assumed the chair.)

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), the the Senator from Michigan (Mr. RIEGLE), the Senator from Idaho (Mr. CHURCH), and the Senator from South Dakota (Mr. ABOUREZK) are necessarily absent.

I further announce that if present and voting, the Senators from Minnesota (Mr. ANDERSON and Mrs. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from Michigan (Mr. RIEGLE) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. MCCLURE), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The result was announced—yeas 67, nays 20, as follows:

[Rollcall Vote No. 289 Leg.]

YEAS—67

Allen	Hart	Morgan
Baker	Hatfield,	Moynihan
Bayh	Mark O.	Muskie
Bellmon	Hatfield,	Nelson
Bentsen	Paul G.	Packwood
Bumpers	Hathaway	Pearson
Burdick	Hayakawa	Pell
Byrd, Robert C.	Heinz	Percy
Cannon	Hodges	Randolph
Case	Hollings	Ribicoff
Chafee	Huddleston	Sarbanes
Chiles	Inouye	Sasser
Clark	Jackson	Schweiker
Cranston	Javits	Sparkman
Culver	Johnston	Stafford
Dole	Kennedy	Stennis
Durkin	Long	Stevens
Eagleton	Magnuson	Stevenson
Eastland	Mathias	Stone
Ford	Matsunaga	Taimadge
Glenn	McGovern	Weicker
Goldwater	Melcher	Williams
Gravel	Metzenbaum	Young

NAYS—20

Bartlett	Hansen	Proxmire
Biden	Hatch	Roth
Byrd,	Helms	Schmitt
Harry F., Jr.	Laxalt	Scott
Danforth	Leahy	Thurmond
DeConcini	Lugar	Wallop
Garn	Nunn	Zorinsky

NOT VOTING—13

Abourezk	Domenici	McIntyre
Anderson	Griffin	Riegle
Brooke	Haskell	Tower
Church	Humphrey	
Curtis	McClure	

So the bill (H.R. 12935) as amended, was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CRANSTON. Mr. President, I move to lay that motion of the table.

The motion to lay on the table was agreed to.

Mr. SASSER. Mr. President, I ask unanimous consent that the Secretary of the Senate, in the engrossment of Senate amendments, be authorized to make any technical and clerical corrections.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SASSER, Mr. HUDDLESTON, Mr. BUMPERS, Mr. MAGNUSON, Mr. SCHWEIKER, Mr. WEICKER, and

Mr. YOUNG conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, today the Senate completed its consideration of H.R. 12935, the legislative branch appropriations bill for fiscal year 1979. I wish to thank the distinguished Senator from Tennessee (Mr. SASSER), who chairs the Legislative Branch Subcommittee of the Appropriations Committee, and its ranking minority member, Mr. SCHWEIKER, for having reported to the Senate a number of excellent recommendations as regards our legislative budget.

This is the first year of Senator SASSER's chairmanship. During this brief period, he has provided thorough and fair leadership. He is to be congratulated. I know that he has had the full cooperation and assistance not only of Mr. SCHWEIKER, but also of the other members of his subcommittee.

The totals in this bill were below the allocations for the legislative function in the first concurrent resolution on the budget, and below the budget request. This bill provided for necessary Senate activities. I think it is appropriate for me to reiterate some of the comments made earlier with respect to the bill: A very large proportion of the total funding provided is not for Senate or House activities—but for related agencies, such as the Library of Congress, the Government Printing Office, the General Accounting Office, and so forth. In fact, the total amount in the bill is subject to a 5-percent reduction, as agreed to by the Senate last Friday.

I supported the recommendations made by the Appropriations Committee with respect to legislative branch funding. I think that they demonstrated the willingness and determination of the Senate membership to put its own house in order when it comes to Government efficiency. The question before Mr. SASSER's subcommittee, before the full Appropriations Committee and the Senate, was not simply one of dollars and cents. It was that tax dollars should be efficiently allocated in order to obtain the best results. Thus, the subcommittee carefully studied the activities and needs of agencies and offices funded in the bill. The recommendations of the subcommittee and the full committee made it very clear that "more is not always best"; that our goal is to get full use from every dollar spent and to exercise fiscal restraint.

I congratulate Senator SASSER and Senator SCHWEIKER for their work on this bill.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATIONS, 1979

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 12936, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 12936) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1979, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

Mr. FORD. Mr. President, I ask unanimous consent that Dan Jaffe, of the Commerce Committee staff, and Amy Bonifant and Martha Maloney, of my staff, be granted the privileges of the floor during the debate and vote on H.R. 12936.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORGAN. Mr. President, I yield 2 minutes to the distinguished Senator from New York.

AMENDMENT NO. 3429

Mr. JAVITS. Mr. President, I am a cosponsor of Senator MORGAN's amendment. I wish to express my support of it orally to the Senate.

Mr. President, we are very short in manpower in terms of reserves, and in any real state of readiness there should always be a pool of registered potential draftees. I think this is the real way to show the world that we mean what we say in terms of our national security.

In addition, Mr. President, I had doubts about the Volunteer Army from the very beginning. It is very expensive. It is untested in battle and, most importantly, it goes against the grain of our traditional citizens army concept. In my judgment, the All-Volunteer Army was a device initiated out of the unpopular draft during the last stages of the Vietnam war. I believe that we must correct this misapprehension of the real situation of the United States.

I believe that Senator MORGAN's amendment and the initiation of registration of 18-year-olds in the Selective Service System is a step in the right direction, the step which I think is essential to the posture of the United States in the world, and I urge my colleagues to support the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Will the Senator yield to me?

Mr. MORGAN. I am happy to yield to Senator Goldwater.

Mr. GOLDWATER. Mr. President, I believe I was the first Member of the Senate to advocate the abandonment of the old draft which we have had for five periods of war in our history. I did it at that time because I thought it was morally wrong and constitutionally wrong. I advocated a voluntary military service.

I very reluctantly this year, Mr. President, had to give up that concept because what we are finding is the Army is in bad shape for volunteers. The Reserve and National Guard are in terrible shape, the Marines are not so bad, the Navy a little less bad, and the Air Force in fairly good shape. But it has become obvious, I think, to the entire Armed Services Committee—and I do not try for one moment to speak for the whole committee on this particular amendment, I am only speaking for myself—that we have to resort to something else.

During the course of our hearings this year on personnel we discussed the return to the draft, and we also discussed a turn to universal training, not universal military training but universal training, for every mentally and physically able high school graduate over 18 years of age in this country. However, it stopped about there. We had planned to give instructions to the Joint Chiefs to come forth with something in this field. I think they are working on it, although nothing official has come out.

In the absence of anything concrete appearing out of the committee, either in this House or the other House, and because the Reserves and the Guard particularly need help, and the Army—in fact, the whole military needs personnel—I have joined Senator Morgan in sponsoring this amendment.

It may not be the end of the question, because I am sure that Senator NUNN, of Georgia, who so ably heads the Personnel Subcommittee of the full committee, will come up next year with suggestions in this field. But I do not think we can wait. I think the military is in such trouble that we should adopt this amendment and then, if necessary, go on to whatever perfection or improvement steps are needed. I urge adoption of this amendment proposed by the Senator from North Carolina.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. PROXMIRE. I yield 2 minutes to the distinguished Senator from Mississippi, Mr. President, against the amendment.

Mr. STENNIS. Mr. President, this matter insofar as it might make a real start and go into the Selective Service Act any time soon will certainly be opposed by me, and I think most everyone of our committee. The Armed Services Committee has jurisdiction over this matter. Many of us think something more must be done, but it is a very involved, delicate and sensitive matter. It must be thoroughly developed and gone into and be understood by the people.

There is the small segment we have left in the law. The President asked for $10 million, I believe, and the Appropriations Committee proposed to cut it back to $7.5 million. So far as going into this matter or have some other committee handle it, I want to say that the Armed Services Committee has requested an in-depth study by the Department of Defense.

I would like to yield 1 minute to Senator JACKSON who has dealt with this problem for a long time.

Mr. JACKSON. Mr. President, I have the greatest respect for my colleague from North Carolina (Mr. MORGAN). I must say that a matter as far reaching as this one certainly should have its genesis in the Armed Services Committee with an opportunity for an adequate hearing and an opportunity to go into this whole question of whether or not we are going back to the draft. No matter how we look at it, we have to deal with that fundamental problem.

We do have on that committee the dis-

tinguished Senator from Georgia (Mr. NUNN), who heads personnel and who has taken a deep and a long-time interest in the whole question of the standing of our Armed Forces. I hope that procedure will be followed and the amendment will be rejected.

Mr. PROXMIRE. Mr. President, I yield 1 minute to the distinguished Senator from Georgia (Mr. NUNN).

Mr. NUNN. Mr. President, basically, I would have to say that I agree with the intent of the Morgan amendment, but I believe it may be premature. I think we have some very serious problems with the All-Volunteer Force. I believe the Selective Service System needs beefing up. I will certainly support an effort to increase the amount of money in this bill for the Selective Service. But when we take the step of registration, which is what the Morgan amendment would do, and it would at least leave that prerogative to the President, I think we ought to do so with a great deal of care.

This year we have mandated the Department of Defense to undertake a study on the Volunteer Force and the alternatives to it. One alternative would be a revised registration system which would, of course, be accomplished by the Morgan amendment.

I will simply say that I think this amendment is premature. I would certainly leave open the option that I would join with my colleague from North Carolina next year in sponsoring this or a similar effort after we have had a more thorough analysis of this situation by the Department of Defense.

I will not be voting in favor of the Morgan amendment, but I would have to say that the Selective Service System today is in very bad shape. It needs beefing up. We need to consider registration. It certainly needs to be studied very carefully and we need to take a look at all the alternatives available to us in trying to do a better job in the manpower area.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Wisconsin has 2 minutes remaining.

Mr. PROXMIRE. I am happy to yield 1 minute to the Senator from Ohio.

Mr. GLENN. Mr. President, I want to associate myself with the remarks of the Senator from Georgia. I, too, have been very, very concerned, along with many other Senators, about the situation of our military manpower. What I see is the failure of the present volunteer system to work and the large expenditures that have been involved with this. I, too, support looking into this with hearings and I think now is a premature time to go into it. Voting for this amendment, as I see it, would commit us fully down the road and hearings would be unnecessary beyond that. So I support the remarks of the Senator from Georgia.

I thank the Chair.

Mr. PROXMIRE. Mr. President, the most compelling argument against the Morgan amendment is that we have no business mandating the reinstitution of registration through action on an appropriation bill, particularly when we have an Armed Services Committee that is studying this matter, studying it very carefully, and wants to take at least enough time to know whether or not such a recommendation would be sensible, how to make it, when to make it, and in what form to make it. That study will not be available until December 31 of 1978. I hope the amendment will not be accepted.

I yield the remainder of my time to the chairman of the committee.

Mr. STENNIS. Mr. President, I just want to say that I understand the House figure is the same as the Senate committee figure here. We have heard expressions here from the membership, who are concerned about this matter and are pro-Selective Service to a degree. We are almost unanimous that this thing should not be voted now on an appropriations bill at the last minute. When it is presented and developed, it will have to be on a broad scale. I hope it will be defeated.

I yield whatever time I have left.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment.

Mr. BARTLETT. Mr. President, I ask unanimous consent for 1 minute to speak on this amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, it is my opinion that there has been deep consideration given to this problem. It is very apparent that the Selective Service System does not know where the young people are today so, if there is to be a mobilization, there is no way that we can mobilize in less than 6 or so months. This can be cut very drastically if we have registration. I think this is just the first step. This is a very important step.

I believe, as the committee under the distinguished Senator from Georgia looks into this more thoroughly, they will evaluate whether or not mandatory public service will be required rather than a draft, because I think a draft is certainly not in the best interests of this Nation. But I do think that, in the meantime, standby draft registration is very vital to this Nation in case there needs to be a complete mobilization.

Mr. THURMOND. Mr. President, I ask unanimous consent that I may speak for 2 minutes on this amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I think there is great merit in the amendment of the distinguished Senator from North Carolina. However, for two reasons, I shall not support it.

The first reason is that this is a very complex, complicated question. It is one of tremendous interest to the young people and all the people in our Nation, and I think the Armed Services Committee ought to study this matter and go into it in depth. I understand that the distinguished Senator from Georgia (Mr. NUNN) is planning to hold a hearing and do that.

Furthermore, there is a study now being made by the Department of Defense on this subject. Since that is the case, I should like to get the results of that study.

For those reasons, I shall vote against this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that I may have 1 minute to correct what I think may be a misunderstanding.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GOLDWATER. This amendment does not call for a draft. It merely calls for an appraisal of how many people there are for it, their names, ranks, and serial numbers, so that if we go into a draft, we do not have to waste 7 or 8 months finding where the bodies are. This is merely a preliminary study so that, next year, when the full study on personnel has been completed, we will know where to go.

I might say that we have had great hearings, long hearings, on this subject. It is not new to the Armed Services Committee at all. I just want to correct an erroneous impression.

We are doing this actually to save money, not to spend money. I think if we are going back into any kind of nonvoluntary situation where there would be training of any type, or military training, now is the time to find out, at practically no cost—and the money is there—where the bodies are, so to put it. I think we are going to wind up with a draft whether we like it or not and it is time now to start working on it.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. PAUL G. HATFIELD (after having voted in the affirmative). On this vote, I have a pair with the distinguished Senator from Michigan (Mr. RIEGLE). If he were present and voting, he would vote "nay." I have voted "aye." I, therefore, withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Michigan (Mr. RIEGLE), and the Senator from South Dakota (Mr. ABOUREZK) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. MCCLURE), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The result was announced—yeas 16, nays 71, as follows:

[Rollcall Vote No. 290 Leg.]

YEAS—16

Bartlett	Hollings	Pearson
Byrd, Robert C.	Inouye	Randolph
Chiles	Javits	Scott
Goldwater	Johnston	Wallop
Hansen	Long	
Hayakawa	Morgan	

NAYS—71

Allen	Glenn	Nunn
Baker	Gravel	Packwood
Bayh	Hart	Pell
Bellmon	Hatch	Percy
Bentsen	Hatfield,	Proxmire
Biden	Mark O.	Ribicoff
Bumpers	Hathaway	Roth
Burdick	Heinz	Sarbanes
Byrd,	Helms	Sasser
Harry F., Jr.	Hodges	Schmitt
Cannon	Huddleston	Schweiker
Case	Jackson	Sparkman
Chafee	Kennedy	Stafford
Church	Laxalt	Stennis
Clark	Leahy	Stevens
Cranston	Lugar	Stevenson
Culver	Magnuson	Stone
Danforth	Mathias	Talmadge
DeConcini	Matsunaga	Thurmond
Dole	McGovern	Weicker
Durkin	Melcher	Williams
Eagleton	Metzenbaum	Young
Eastland	Moynihan	Zorinsky
Ford	Muskie	
Garn	Nelson	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Paul G. Hatfield, for.

NOT VOTING—12

Abourezk	Domenici	McClure
Anderson	Griffin	McIntyre
Brooke	Haskell	Riegle
Curtis	Humphrey	Tower

So Mr. MORGAN'S amendment (No. 3429) was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I believe that my unprinted amendment in connection with consumer product safety is up for the next vote. I ask unanimous consent that the vote on my amendment occur following the votes on the Roth and Proxmire amendments; that if the Proxmire amendment is agreed to, my amendment be withdrawn; that if the Proxmire amendment is rejected and the Roth amendment also is rejected, my amendment be withdrawn.

Mr. MATHIAS. Mr. President, I concur in the request made by the Senator.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on my amendment, the cutting amendment, which would be an amendment to the Roth amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient

The yeas and nays were ordered.

UP AMENDMENT NO. 1610

(Purpose: To increase the appropriation for the Selective Service System)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk.

The PRESIDING OFFICER. The Senator from Kansas should take note that two amendments are pending.

Mr. DOLE. I ask unanimous consent that the two amendments be set aside temporarily.

The PRESIDING OFFICER. Is there objection?

Mr. NUNN. Is this the amendment that would go back to the level requested by the President on the Selective Service budget?

Mr. DOLE. Yes; it would be about $9.5 million, as suggested by the distinguished floor manager.

Mr. NUNN. Would the Senator from Kansas permit my name to be added as a cosponsor?

Mr. DOLE. Mr. President, I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself, Mr. RANDOLPH, and Mr. NUNN, proposes an unprinted amendment numbered 1610:

On page 23, line 10, strike out "$7,045,000" and insert "$9,500,000".

Mr. DOLE. Mr. President, this amendment will increase funding for the Selective Service System from $7.045 million to the level recommended by the administration of $9.5 million. This amendment simply allows the Selective Service System to supply adequate manpower to our Armed Forces to insure the security of the United States during the time of a national emergency.

NATIONAL DEFENSE

In order to maintain a strong national defense, the Selective Service System has traditionally been in standby readiness as an integral part of the national defense system. Yet, since the past administration, the Selective Service System has been in a "deep standby" status with only limited capability to provide manpower during a national emergency. Reserve and National Guard forces were to be relied upon for mobilization purposes until conscription could be reactivated. However, Mr. President, today we are faced with a situation where our Reserve and National Guard strength combined are 180,000 short of wartime needs. The individual ready reserve, the primary source of trained individuals for replacement and augmentation in an emergency, is almost 300,000 below mobilization levels for the Army alone.

NEW MOBILIZATION REQUIREMENTS

In a reevaluation of manpower requirements in a wartime scenario, the Department of Defense mandated more stringent troop requirements for selective service in October of 1977. The Director of the Selective Service System, in his semiannual report, has stated:

It was immediately apparent the system's capability in "deep standby" was no longer viable and improvements were urgently needed.

The new DOD requirements actually call for first deliveries in 30 days after mobilization, with 100,000 deliveries after 60 days and 650,000 in 6 months. The old requirements call for first recruits to be delivered after 110 days with 100,000 deliveries after 5 months—150 days. Consequently, the Selective Service System today is faced with last year's budget of $7.045 million ($6.6 million plus inflation figure) and a mandate to provide a greater number of recruits at a faster pace.

Clearly, Mr. President, the increase in funding as proposed by my amendment from $7.045 to $9.5 million is a base figure—the minimum necessary for the Selective Service System to do its job. The Office of Management and Budget has carefully scrutinized the budget and recommended this funding level. In addition, the Director of the Selective Service System has testified before committee that the Selective Service System will be able to meet requirements with the $9.5 million appropriation.

QUICK RESPONSE

With the $9.5 million appropriation, the Selective Service will meet quicker delivery requirements by the recruitment, appointment, and training of unpaid local and appeal board members. The preplanning process will enable the Selective Service System to quicken delivery time in a mobilization situation. Pretrained individuals will operate at preselected locations. With the additional funds, a new refined computer system (EMMPS) will result in enabling an increased state of readiness and therefore provide a greater number of inductions at a faster pace.

SELECTIVE SERVICE SYSTEM

The Acting Director of the Selective Service System has testified as to the purpose and capability of the System, given the $9.5 million budget:

The additional funds will permit us to move the system out of "deep standby" into a higher state of readiness, mandated by the current Department of Defense requirements. This does not represent a change in purpose, but rather an increase in the system's mobilization readiness and delivery capability: from a deep standby posture, to a quick response readiness posture more prepared to expeditiously execute operational functions relating to the nation's defense. The additional funds and personnel reflected in the budget request will certainly assist us in developing and attaining a more capable and responsive agency with increased readiness to meet any national emergency. The improved response capability which we will develop and evaluate will be geared to enable the system to demonstrate its readiness to meet the Department of Defense wartime manpower requirements within the time frames essential to our national defense posture.

PRESIDENT'S REORGANIZATION TASK FORCE

The President's reorganization task force is currently undertaking a study of the Selective Service System. However, it is my understanding that a preliminary report by the President's reorganization project mostly concerns the bureaucratic location of the System and not its posture.

DOLE AMENDMENT

Mr. President, my amendment addresses a serious national security concern regardless of where the Selective Service System is eventually housed. My amendment addresses a serious concern, shared by many, as to our current inability to provide adequate manpower in the time of a national emergency.

While I hope we will never have to require involuntary military service of our youth, we must insure that the capability to resume registrations and inductions, if required, is maintained at a readiness level.

Mr. President, I urge the adoption of this amendment.

I have discussed this amendment with

the Senator from Georgia, who is an expert in this field, and I yield to him.

Mr. NUNN. Mr. President, I agree with the amendment. I believe we should go along with the administration's request in increasing the Selective Service System capability.

As I stated earlier, I believe the amendment sponsored by the junior Senator from North Carolina (Mr. MORGAN) is really indicative of the direction we will have to go in the future. I believe it is premature, because we have asked the Department of Defense to come up with a complete analysis and study of the Selective Service System and of the other alternatives to the Volunteer Force. We expect that in December.

In the meantime, the administration has made a very strong case, in my opinion, for this increased capability, which will give us greater mobilization capabilities. Our mobilization capabilities now, should we have a national emergency, are very, very low.

So I support the amendment of the Senator from Kansas. It is a large amount of money, but it will do a large number of things in connection with the Selective Service System, which is in poor shape today.

Mr. STENNIS. I thank the Senator.

Mr. President, so far as the bill and its background are concerned, about 7 years ago we had before the Senate the question of eliminating the power of the President of the United States to induct for military service. The bill was debated about 3 weeks. I think we had 30 roll-call votes. As floor leader, I was against cutting off the power of induction.

I believe we will have to go back to it in some form, but I do not believe that amendments brought to the floor of the Senate on an appropriation bill are the right way to do it. I do not believe that method will be successful in reenacting or putting on the statute books any kind of law for the President to have the power to induct for military service. I do not think anything along that line can be passed until the facts are developed and fully explained—not only to Congress but also to the people of the United States—in such a way as to make clear and forceful the need for it and that there is no alternative.

Our committee is trying to move in that direction.

Here it is also reflected in the report from the House of Representatives in this appropriations bill—what is this little agency doing over there now? They have no power to induct anyone. They have no power to register anyone. They just have a few employees and a computer. I say this with all respect. They are not given anything much to do.

Anything that is akin to the reenactment of the Selective Service System I think should be moved here on this floor with vigor and with a background and facts to support it and then pass it.

So, just let the committee go on and settle this as the House of Representatives has already done. They will get as much as they had last year plus inflation. That is the figure we are talking about.

Mr. PROXMIRE and Mr. RANDOLPH addressed the Chair.

The PRESIDING OFFICER (Mr. GLENN). The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Mississippi for his very fine statement in support of the level of spending that we have in the bill.

I think the Senator from Kansas has a meritorious amendment. It is the kind of amendment we may act on and should act on later on when we have the facts.

But what we have done, as the Senator from Mississippi has pointed out, is taken last year's level and we have allowed for the full amount for inflation. The House of Representatives did the same thing.

We think that is the prudent way to act now under present circumstances.

Mr. President, I should point out that what we have done here is to recognize that we are about to have the results of a study from the Defense Department, where we are about to have the recommendation of the Armed Services Committee after hearings, and we should have that.

Meanwhile, Mr. President, I should point out that the provision in the bill provides an exemption from the Anti-Deficiency Act for this particular measure. What that means is that the system can spend money at a more rapid rate, if they find that they should spend money at a more rapid rate, and we can come in with a supplemental in the event that we find a few months from now on December 31 that the recommendations of the Defense Department and the recommendations of the Armed Services Committee are that we should move ahead.

It seems to me that is the prudent way to act and in that way we are sure that, as the distinguished Senator from Mississippi pointed out, the agency that has not had very much to do, does not register anyone, does not give any physical exams, does very, very little, will not be given more money than they could properly handle.

So I hope under these circumstances the distinguished Senator from Kansas will not press his amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield to the Senator from West Virginia such time as he may need.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, at the time that the volunteer enlistment program for our armed services was being debated and came into being, I was strongly opposed to it. I believed then, as I do today, in the Selective Service System. I continue my conviction.

Mr. President, I am a cosponsor of this amendment, offered for himself (Mr. DOLE) and myself and the Senator from Georgia (Mr. NUNN).

Mr. President, of every 100 persons who voluntarily enlist, 40 of them do not complete the enlistment period. And of every person enlisting only 20 reenlisted.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. The Senator from Kansas has time on the amendment.

Mr. DOLE. I have time.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I think the issue is very clear. It has been stated clearly by the distinguished Senator from Georgia. I also understand the statement of the floor manager and also the chairman, but we are faced with a situation today, according to the figures that we obtained, where Reserve and National Guard strength combined is about 180,000 short of wartime needs.

With respect to the Selective Service System not having anything to do, I would say the System definitely has an assignment. Each of our Reserve Forces officers has a mobilization assignment to a specific location and some are assigned to State headquarters and some to establish local area offices and some to handle selective service responsibilities.

So there are assignments, and we have a breakdown of how the $9.5 million would be spent.

I ask unanimous consent that the breakdown be printed in the RECORD.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

A $9.5 million would provide for the following organizational structure:

Personnel—150 man-years.

904 Reserve and National Guard Officers.

12 to 15,000 Local and Appeal Board Members.

Estimated cost (in millions)

Personnel compensation	$3.7
904 reserve officers	3.8
Personnel benefits	.3
Travel and transportation of persons	.3
Rent, communications and utilities	.5
Other contractual services	.9
Total	9.5

Mr. DOLE. Mr. President, my amendment is very clear. It is one to make certain we try to meet this new DOD mandate as far as deliveries are concerned, and it seems to me that the very small request is justified.

I am willing to accept a voice vote on the amendment.

Mr. NUNN. Mr. President, I ask for the yeas and nays on this amendment.

I feel strongly this amendment should pass. I think it has been distorted a bit to talk about a report from the Department of Defense. This amendment represents the request of the Department of Defense. This amendment represents the request of the President. This amendment represents exactly the direction that our Armed Services Committee has been pushing the Department of Defense for the past 5 years.

We asked them not to continue to let the selective service deteriorate. It is not going to solve all our problems. It is not going to provide for registration. But this amendment simply goes back to the level

the President requested to be able to properly implement the Selective Service System. I do not think it goes far enough at this stage. But I do not believe we are prepared with studies and with analyses and with any kind of DOD request to back up going further now.

If you look at what we are requiring, if you look at what the Department of Defense states, they need to have their first draftees report for duty within 30 days after mobilization, yet their present capability is 110 days. This means it will take 80 more days than the mobilization requirement for the first draftee to report for the first day of training.

So I feel strongly this amendment should pass. It is not above the President's budget, but represents the President's budget. Unless we are going to have an affirmative voice vote that would be accepted by the committee, then I would ask for a rollcall on it.

Mr. DOLE. Let us try the affirmative voice vote.

Mr. NUNN. If the manager of the bill could accept the amendment, we could avoid the rollcall vote.

Mr. PROXMIRE. Regretfully I could not accept the amendment.

Mr. NUNN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DOLE. I yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, I back what the Senator from Georgia is talking about. This is not a matter of new interest. This has been before our Armed Services Committee for the last 4 or 5 years, and it is no secret that our Reserves and National Guard are pretty well depleted. It is no secret that the Army is in trouble. The other services are in trouble to a lesser degree.

Mr. President, I harken back to the days of the 1930's when it was obvious that this country needed manpower and Senators stood on the floor of this Senate and debated and debated and debated, and we went into World War II without adequate preparation.

I am not suggesting that we are on the verge of war. But, Mr. President, I am suggesting that we are falling behind our adversaries in the Soviet Union, and I think it is proper that we take minor steps as this advocated by the Department of Defense, advocated by the President, and in my opinion had it been taken up by the entire Armed Services Committee it would have had the approval of the entire Armed Services Committees of both the Senate and the House of Representatives.

I think the least we can do is take this step, having turned down the other step suggested by the Senator from North Carolina. So I hope that this amendment will be agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum very briefly and I ask unanimous consent that the time not be taken from either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, will the Senator yield me 1 minute?

Mr. PROXMIRE. I yield 1 minute.

Mr. STENNIS. Let us make this thing straight and clear now. I think we are arguing over something here that is less than an earth shaker. This little agency—and I speak with all deference—has no power; they have no responsibility except what I have outlined. There is no power given them in this amendment. The committee has already set this figure, the two Houses, at what they have now, plus inflation. Someone made a miscalculation and put it in the budget at a little higher figure.

This subcommittee, with due respect to their work, too, set this figure in the sum they have in the bill.

So I think this: I favor the Selective Service Act. I think it sets the cause back, in my opinion, however the vote goes, to bring it in here and have a rollcall vote on a small side issue.

This thing has got to move with force and power for it ever to be enacted into law, in my judgment.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. STENNIS. For those reasons I just think it is better to defeat the amendment at this point.

Mr. PROXMIRE. Mr. President, does the Senator from Kansas yield back his time?

Mr. DOLE. I yield back the time.

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to amendment No. 1610. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. MCCLURE), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The result was announced—yeas 46, nays 42, as follows:

[Rollcall Vote No. 291 Leg.]

YEAS—46

Allen	Hayakawa	Pearson
Baker	Heinz	Percy
Bartlett	Helms	Randolph
Bentsen	Hodges	Ribicoff
Bumpers	Hollings	Roth
Case	Inouye	Sasser
Chiles	Jackson	Schmitt
Culver	Javits	Scott
DeConcini	Johnston	Stafford
Dole	Kennedy	Stevens
Glenn	Laxalt	Stone
Goldwater	Leahy	Talmadge
Hansen	Morgan	Thurmond
Hatch	Moynihan	Young
Hatfield, Paul G.	Nunn	Zorinsky
	Packwood	

NAYS—42

Bayh	Eastland	Melcher
Bellmon	Ford	Metzenbaum
Biden	Garn	Muskie
Burdick	Gravel	Nelson
Byrd, Harry F., Jr.	Hart	Pell
Byrd, Robert C.	Hatfield, Mark O.	Proxmire
Cannon	Hathaway	Sarbanes
Chafee	Huddleston	Schweiker
Church	Long	Sparkman
Clark	Lugar	Stennis
Cranston	Magnuson	Stevenson
Danforth	Mathias	Wallop
Durkin	Matsunaga	Weicker
Eagleton	McGovern	Williams

NOT VOTING—12

Abourezk	Domenici	McClure
Anderson	Griffin	McIntyre
Brooke	Haskell	Riegle
Curtis	Humphrey	Tower

So UP amendment No. 1610 was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1604

Mr. PROXMIRE. Mr. President, we now have pending, as I understand it, the proposal that I made as a substitute for the Roth amendment. Is that correct?

The PRESIDING OFFICER. That is correct, and there are 10 minutes equally divided, 5 minutes to each side.

Mr. PROXMIRE. Mr. President, I yield myself 2 minutes. What this amendment would do would be to make selective cuts. I want to stress this is not an across-the-board, meat-ax, 2-percent cut. It is a selective cut, a cut of $810 million. It makes the cut in only 6, not 60 or 30 but only 6, agencies.

It makes a $510 million cut in section 8. This is about 2 percent. That is the biggest part of the cut. That would allow HUD to have about 360,000 housing starts which would be higher, much higher, than they have had on the average in any of the last 4 or 5 years. It would also do so at a time when the conventional housing market is strong, when housing starts are above 2 million. It would do so when inflation in housing is a very serious problem, around 11 percent, and this would recognize that as a fact of life and, therefore, not sharply cut but pare the amount that would be permitted.

Mr. President, the other major cut is in the EPA construction grants. I want to point out that the latest Congressional Budget Office report on outlays under

the waste treatment construction grant program indicates that EPA will not be able to obligate much of its 1979 appropriation provided in this bill. Consequently, the proposed cut of $250 million can be expected to have virtually no impact on obligations under the waste treatment construction grant program in fiscal year 1979.

Mr. President, I would also like to say that the distinguished chairman of the Appropriations Committee (Mr. MAGNUSON) supports this cut, as does the ranking Republican member (Mr. YOUNG), and the ranking Republican member of the subcommittee (Mr. MATHIAS).

Mr. President, I would also point out that while I have great admiration for the distinguished Senator from Delaware (Mr. ROTH), if this cut fails it would mean that we leave up to the Office of Management and Budget to make the 2-percent cut wherever they wished and they could wipe out the action of the subcommittee. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Will the Senator yield to me?

Mr. MATHIAS. I yield 1 minute to the Senator.

Mr. ROTH. Mr. President, I hope the Senate will adopt the substitute amendment. My basic purpose is to try to bring down the cost of Government, to reduce the deficit. Although I think there is great merit in an across-the-board cut to impose efficiency standards on the Government, I am fully in favor of the selective cut proposed by Senator PROXMIRE and Senator MATHIAS.

Mr. PROXMIRE. I thank the Senator from Delaware very much. He is very gracious.

Mr. WEICKER. Will the Senator yield 1 minute?

Mr. MATHIAS. I yield.

Mr. WEICKER. I rise in opposition to the amendment for the same reasons I enunciated Friday on this floor. More particularly, because what we are talking about is housing. The amendment takes money out of housing. Believe me, that is going to affect a great number of persons who are desperately in need of a decent roof over their heads for the sake of a politically popular maneuver.

It seems to me our job, and I repeat again what I said several days ago, is to weed out that which Government does which is wasteful. A commitment made by a Democratic President, I believe, President Johnson, to have a decent roof over every American's head is not wasteful. I think there are a lot of chicken politics being played on the floor of the Senate, and I will have no part of it.

Mr. STEVENS. Will the manager of the bill yield me 1 minute?

Mr. PROXMIRE. I yield 1 minute.

Mr. STEVENS. Mr. President, I do not usually comment on bills such as this, but I note with some alarm that there is an increase in unemployment throughout the country. If there is a basic industry in the country, it is the housing industry. Taking this much money out of housing is going to accentuate that upward curve of unemployment at the same time as the fires of inflation are being fueled by other causes in this country. I do not think we ought to see a situation where we reduce the amount of money available for Federal assistance to housing to the level proposed by this amendment. I, too, oppose it.

I think it is high time that we looked at the boomerang of proposition 13. The boomerang of proopsition 13 is going to be the depression of 1979 if we are not careful.

Mr. MATHIAS. Mr. President, I yield 30 seconds to the Senator from California.

Mr. CRANSTON. Mr. Preisdent, for many of the reasons expressed by Senator STEVENS and Senator WEICKER, not all of them but many of them, I also urge that this amendment be defeated. Housing is desperately needed in our country. We have unemployment rising again. It went up a half percent in the past month. We need housing help for those who need help in that area. I, therefore, urge that the amendment be rejected.

Mr. HANSEN. Will the Senator from Wisconsin yield me 1 minute?

Mr. PROXMIRE. Mr. President, I yield 1 minute to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I agree there is an urgent need for more housing in this country. There are a lot of young people and older people as well who do not have the kind of place in which to live that they would like very much to have. But I think we have to understand what the problem is. The problem is not, in my opinion, a lack of sufficient Federal funds. As a matter of fact, because of our propensity to spend money we do not have, we have put the biggest albatross, inflation, around the potential homeowners in this country we could ever imagine.

I support the amendment because it seems to me to move in the direction of bringing about a dampening of the fires of inflation. That is the real problem, not the lack of Federal money. I thank my friend for yielding.

Mr. WILLIAMS. Will the Senator yield?

Mr. MATHIAS. I yield 1 minute to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I join those who have spoken in opposition to this amendment, and for the same reasons. We know that with this amendment we are cutting into the housing programs that were developed to make decent housing available for low-income people. Certainly, it also helps a part of our economy that still has such a high level of unemployment.

This unfortunate amendment will cause us to turn our backs on thousands of needy people who have no place to go for help but their Government. Furthermore, this amendment will seriously undermine our budget and appropriations process by rendering meaningless the careful and deliberate consideration of national priorities that forms the foundation of that process.

I do not dispute the underlying purpose of the amendment's sponsors. After all, no responsible elected official can condone wasteful and inefficient expenditures of the taxpayers' money. The prudent spending of public funds must be a priority for us all, especially now that our citizens are finding taxes and inflation gobbling up an increasing share of their incomes. We must take long and careful looks at the programs we devise, and the dollars we spend on them, in order to separate the necessary from the unnecessary and the useful from the wasteful.

The amendment's sponsors argue that we must develop lean and tough budgets. They extol the virtues of making hard budget choices, and they demand that we learn to trim the fat from the muscle. Ironically, there is a wide gap between the sponsors' purpose and the amendment's practical results. Programs that have proven themselves cost-effective and worthwhile after years of successful experience, as well as new ones carefully developed over many months, would fall victim to the amendment's attack. Mr. President, this amendment would force us to make no hard choices; it would choose for us. It cannot trim fat from muscle, it cannot tell the difference. This amendment is a fraud because it does not represent fiscal responsibility. To the contrary, it represents fiscal sleight of hand.

The consequences of this amendment cannot be measured in simple dollars and cents saved over the short run. Rather we must examine its effects in terms of the economic and human distress that it will surely wreak. I am certain that we will hear much today about proposition 13 and the message it purports to send to public officials. The vote in California expressed the deep-felt concerns of our taxpayers about unnecessary Government spending and heavy tax burdens, and these concerns came through loud and clear to us all. However, the message I did not hear in the wake of proposition 13 was one that tells us to run out on our obligation to those in our society who must depend on Government for life's basic necessities. Yet the inescapable reality of this amendment is the abandonment of thousands of poor and elderly citizens who need some measure of assistance to live in even the most minimally acceptable conditions.

Some may argue that the proposed cuts are more symbolic than substantive. After all, they only amount to a few percentage points. Well, let us take a look at what these cuts would mean to those who must suffer them. The reduction in the section 8 and public housing programs will deny to over 7,500 poor households a chance to obtain decent, affordable shelter. Under the bill as reported, the number of assisted units slated for fiscal year 1979 is already below the levels that have been established for this year and for last year. If we figure in the cuts proposed by this amendment, we find that the section 8 and public housing programs will next year receive 30,000 fewer units than were received in fiscal year 1978, and 40,000 fewer than in fiscal year 1977.

There are also far-reaching, and I believe, unacceptable economic conse-

quences that cuts in our assisted housing programs must entail. Housing is one of the keys to a strong economy. It offers people not just a decent place to live, but also meaningful employment. People with jobs are people contributing to the economic progress of their communities. Unemployment still rages among youth and minorities, and this tragedy imposes enormous costs on our society as a whole. It makes little sense to me to limit needlessly, through amendments such as this, the job creating capacity of our housing industry.

The urban development action grant program (UDAG) has also been led to the chopping block. Through UDAG the most distressed cities in the United States, both large and small, are eligible for grants to help them attract the private investment essential for them to undertake important urban revitalization activities. A 5-percent reduction in the program will mean that next year 10 to 20 cities who would otherwise receive grants will be turned away empty-handed when they go seeking help from UDAG. As one who represents the most urbanized State in the country—a State with more than its share of distressed cities—I know full well how important these grants are to the cities that receive them. These grants can spark economic vitality and rejuvenate neighborhoods in areas that are now marked by vacant, unusable land, and abandoned deteriorated structures. They can mean new hope to communities which have known little hope.

The highly popular and successful section 312 rehabilitation loan program would also be reduced. This program has been particularly cost effective. Expenditures to preserve existing housing units prevents the necessity of more costly rehabilitation later on, while the reclamation of abandoned, deteriorated units, accomplishes the triple purpose of assuring decent homes for our people, creating jobs for the unemployed, and adding formerly unproductive property to local tax rolls.

As a member of the Senate Banking Committee, I have focused my remarks on the effects which the proposed cuts would have upon our Nation's housing and urban development programs. I should point out, however, that this amendment cuts more deeply. It would also slash funds allotted for a diverse group of independent Federal agencies, including the Environmental Protection Agency, the National Aeronautics and Space Administration, and the National Science Foundation. Its reach would literally extend from beneath the seas up to the skies and beyond.

Mr. President, it should be emphasized that we are not trying to hold on to an appropriation that is excessive. It is already a lean one. The bill reported by the Senate Appropriations Committee is already $1 billion below the administration's budget. A wide variety of public groups oppose this amendment. Even OMB is opposed.

Through years of evolution, the Congress has developed a coordinated budget development procedure that assures the rational and deliberate consideration of just how the taxpayers' money will be spent. Funding for each and every program must move through the numerous stages of this process. Each program is subject to challenge and must justify itself at every step along the way. This is a careful process. It is a reasonable one. It is the right way for us to make the truly difficult spending choices that we are called upon to make.

The amendment proposed by my distinguished colleague from Wisconsin is anything but deliberative. It makes no challenges on merit. It attacks programs not because there is legitimate objection to them, but simply and only because they are there. As I have indicated, I have no quarrel with the goal of bringing Federal spending under tight control. This is an objective I fully endorse. However, the most striking deficiency of the proposed amendment is a lack of control. Indeed, arbitrary and capricious slashes such as the one before us can only jeopardize our efforts to improve congressional review of Federal spending because of the way it erodes the budget and appropriations process that we have carefully developed over the years.

I am particularly distressed that the chairman of the Banking, Housing, and Urban Affairs Committee has come to us through the Appropriations Committee with this cut because we started this Congress on an upbeat note of response to the housing needs of poorer people in this country. We had an opportunity with the nomination of Mrs. Patricia Harris to be Secretary of HUD to examine her thoughts about housing. Our chairman was particularly eloquent in stating our fundamental philosophy that we should promote housing because it can "provide jobs, and provide jobs without inflation," as the chairman stated at that time.

We will also recall that at the time of her nomination there was some feeling that perhaps Mrs. Harris was not fully sensitive to the needs of poor people. She bristled a bit at that. The chairman had a good exchange, as our good friend from Wisconsin will agree.

But she came through. She came through with programs for housing and now the shoe, unfortunately, is on the other foot. She is going to see her programs cut with this amendment.

Mr. President, I urge the defeat of this amendment.

The PRESIDING OFFICER (Mr. GRAVEL). All time has expired.

Mr. PROXMIRE. The time has not expired on my side, has it, Mr. President?

The PRESIDING OFFICER. Yes; all time has expired.

The question is on agreeing to the substitute offered by the Senator from Wisconsin. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Michigan (Mr. RIEGLE), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Minnesota (Mr. ANDERSON) and the Senator from Michigan (Mr. RIEGLE) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. MCCLURE) and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. BROOKE) would vote "nay."

The result was announced—yeas 43, nays 44, as follows:

[Rollcall Vote No. 292 Leg.]

YEAS—43

Baker	Ford	Melcher
Bartlett	Garn	Nunn
Bellmon	Goldwater	Pearson
Bentsen	Hansen	Proxmire
Biden	Hatch	Roth
Bumpers	Hatfield, Paul G.	Sasser
Byrd, Harry F., Jr.	Helms	Schmitt
Byrd, Robert C.	Hodges	Schweiker
Chafee	Hollings	Scott
Chiles	Huddleston	Stafford
Church	Johnston	Stennis
Danforth	Lugar	Stone
Dole	Magnuson	Talmadge
Eastland	Mathias	Thurmond
		Young

NAYS—44

Allen	Hathaway	Packwood
Bayh	Hayakawa	Pell
Burdick	Heinz	Percy
Cannon	Jackson	Randolph
Case	Javits	Ribicoff
Clark	Kennedy	Sarbanes
Cranston	Laxalt	Sparkman
Culver	Leahy	Stevens
DeConcini	Long	Stevenson
Durkin	Matsunaga	Wallop
Eagleton	McGovern	Weicker
Glenn	Metzenbaum	Williams
Gravel	Morgan	Zorinsky
Hart	Moynihan	
Hatfield, Mark O.	Muskie	
	Nelson	

NOT VOTING—13

Abourezk	Griffin	McIntyre
Anderson	Haskell	Riegle
Brooke	Humphrey	Tower
Curtis	Inouye	
Domenici	McClure	

So Mr. PROXMIRE's amendment was rejected.

The PRESIDING OFFICER. The vote now occurs on the Roth amendment.

Mr. ROTH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to UP amendment No. 1603 of the Senator from Delaware. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Montana (Mr. HATFIELD), the Senator from Minnesota (Mrs. HUMPHREY), the Sena-

tor from Hawaii (Mr. INOUYE), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Montana (Mr. MELCHER), the Senator from Michigan (Mr. RIEGLE) and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Minnesota Mr. ANDERSON), and the Senator from Michigan (Mr. RIEGLE) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. McCLURE), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The result was announced—yeas 30, nays 55, as follows:

[Rollcall Vote No. 293 Leg.]

YEAS—30

Bartlett	Hansen	Roth
Bentsen	Haskell	Sasser
Biden	Hatch	Schweiker
Byrd, Harry F., Jr.	Helms	Scott
	Hollings	Stafford
Chafee	Johnston	Stone
Danforth	Laxalt	Talmadge
DeConcini	Long	Thurmond
Eastland	Lugar	Wallop
Garn	Nunn	
Goldwater	Proxmire	

NAYS—55

Allen	Gravel	Moynihan
Baker	Hart	Muskie
Bayh	Hatfield, Mark O.	Nelson
Bellmon		Packwood
Bumpers	Hathaway	Pearson
Burdick	Hayakawa	Pell
Byrd, Robert C.	Heinz	Percy
Cannon	Hodges	Randolph
Case	Huddleston	Ribicoff
Chiles	Jackson	Sarbanes
Church	Javits	Schmitt
Clark	Kennedy	Sparkman
Cranston	Leahy	Stevens
Culver	Magnuson	Stevenson
Dole	Mathias	Weicker
Durkin	Matsunaga	Williams
Eagleton	McGovern	Young
Ford	Metzenbaum	Zorinsky
Glenn	Morgan	

NOT VOTING—15

Abourezk	Hatfield, Paul G.	Melcher
Anderson		Riegle
Brooke	Humphrey	Stennis
Curtis	Inouye	Tower
Domenici	McClure	
Griffin	McIntyre	

So UP Amendment No. 1603 was rejected.

Mr. LONG. Mr. President, I move to reconsider the vote by which the Proxmire amendment was defeated.

Mr. PROXMIRE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana to reconsider the vote by which the amendment of the Senator from Wisconsin (Mr. PROXMIRE) was rejected. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from New Hampshire (Mr. McINTYRE) and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON), the Senator from Minnesota (Mrs. HUMPHREY), and the Senator from Michigan (Mr. RIEGLE) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. McCLURE), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The result was announced—yeas 47, nays 41, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—47

Baker	Ford	Nunn
Bartlett	Garn	Packwood
Bellmon	Goldwater	Pearson
Bentsen	Hansen	Proxmire
Biden	Haskell	Roth
Bumpers	Hatch	Sasser
Byrd, Harry F., Jr.	Helms	Schmitt
	Hodges	Schweiker
Byrd, Robert C.	Hollings	Scott
Chafee	Huddleston	Stafford
Chiles	Johnston	Stennis
Church	Long	Stone
Danforth	Lugar	Talmadge
DeConcini	Magnuson	Thurmond
Dole	Mathias	Wallop
Eastland	Melcher	Young

NAYS—41

Allen	Hatfield, Paul G.	Muskie
Bayh		Nelson
Burdick	Hathaway	Pell
Cannon	Hayakawa	Percy
Case	Heinz	Randolph
Clark	Jackson	Ribicoff
Cranston	Javits	Sarbanes
Culver	Kennedy	Sparkman
Durkin	Laxalt	Stevens
Eagleton	Leahy	Stevenson
Glenn	Matsunaga	Weicker
Gravel	McGovern	Williams
Hart	Metzenbaum	Zorinsky
Hatfield, Mark O.	Morgan	
	Moynihan	

NOT VOTING—12

Abourezk	Domenici	McClure
Anderson	Griffin	McIntyre
Brooke	Humphrey	Riegle
Curtis	Inouye	Tower

So the motion to reconsider the vote by which UP Amendment No. 1604 was rejected was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Wisconsin.

Mr. STEVENS. Is this subject to debate?

The PRESIDING OFFICER. It is not subject to debate.

Mr. STEVENS. Why?

The PRESIDING OFFICER. The yeas and nays are automatic, the first vote on the question having been a rollcall and the clerk will call the roll.

Mr. LEAHY. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. Why is it not subject to debate?

The PRESIDING OFFICER. Because the time on the amendment had expired, and the reason for the rollcall vote is because the original vote was a rollcall vote. That is the reason.

Mr. LEAHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. Could the order for the yeas and nays be withdrawn by unanimous consent?

The PRESIDING OFFICER. Yes, it could be.

Mr. LEAHY. I ask unanimous consent that the order for the yeas and nays be vacated.

Mr. METZENBAUM. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Is there time remaining?

The PRESIDING OFFICER. No, there is not.

Mr. STEVENS. On the bill?

The PRESIDING OFFICER. Yes, there is.

Mr. STEVENS. Who controls that time?

The PRESIDING OFFICER. The managers of the bill control that time.

Mr. STEVENS. How much time is left on the bill?

The PRESIDING OFFICER. Ten minutes to the Senator from Wisconsin, and 18 minutes to the Senator from Maryland.

The question is on agreeing, on reconsideration, to the amendment of the Senator from Wisconsin. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HANSEN (after having voted in the affirmative). Mr. President, on this vote, I have a pair with the Senator from Minnesota (Mr. ANDERSON). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote, "yea." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New Hampshire (Mr. McINTYRE), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY) and the Senator from Michigan (Mr. RIEGLE) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. McCLURE), the Senator from Illinois (Mr. PERCY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. ROTH. Regular order, Mr. President.

The result was announced—yeas 45, nays 42, as follows:

[Rollcall Vote No. 295 Leg.]

YEAS—45

Baker	Garn	Pearson
Bartlett	Goldwater	Proxmire
Bellmon	Haskell	Roth
Bentsen	Hatch	Sasser
Biden	Helms	Schmitt
Bumpers	Hodges	Schweiker
Byrd, Harry F., Jr.	Hollings	Scott
	Huddleston	Stafford
Byrd, Robert C.	Johnston	Stennis
Chiles	Long	Stone
Church	Lugar	Talmadge
Danforth	Magnuson	Thurmond
DeConcini	Mathias	Wallop
Dole	Melcher	Young
Eastland	Metzenbaum	
Ford	Nunn	

NAYS—42

Allen	Hatfield, Paul G.	Nelson
Bayh		Packwood
Burdick	Hathaway	Pell
Cannon	Hayakawa	Randolph
Case	Heinz	Ribicoff
Chafee	Inouye	Sarbanes
Clark	Jackson	Sparkman
Cranston	Javits	Stevens
Culver	Kennedy	Stevenson
Durkin	Laxalt	Weicker
Eagleton	Leahy	Williams
Glenn	Matsunaga	Zorinsky
Gravel	McGovern	
Hart	Morgan	
Hatfield, Mark O.	Moynihan	
	Muskie	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Hansen, for.

NOT VOTING—12

Abourezk	Domenici	McIntyre
Anderson	Griffin	Percy
Brooke	Humphrey	Riegle
Curtis	McClure	Tower

So, upon reconsideration, Mr. PROXMIRE's amendment UP No. 1604 was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment on reconsideration was agreed to.

Mr. BENTSEN. Mr. President, I move to lay that motion on the table.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The clerk will call the roll.

Mr. LONG. Point of order, Mr. President.

The PRESIDING OFFICER. The Senator from Louisiana has a point of order.

Mr. LONG. Mr. President, can someone move to reconsider a vote that has already been reconsidered?

The PRESIDING OFFICER. The result upon reconsideration was changed. Therefore, another motion to reconsider is in order. The vote will occur on the motion to lay on the table that motion to reconsider. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. Will the Senate be in order?

Mr. MAGNUSON. Mr. President, will the Senators take their seats?

The PRESIDING OFFICER. Will Senators take their seats and please be in order?

The clerk may proceed.

The second assistant legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Michigan (Mr. RIEGLE), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON), the Senator from Minnesota (Mrs. HUMPHREY), and the Senator from Michigan (Mr. RIEGLE), would each vote "nay."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. MCCLURE), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The result was announced—yeas 49, nays 39, as follows:

[Rollcall Vote No. 296 Leg.]

YEAS—49

Baker	Garn	Morgan
Bartlett	Goldwater	Nunn
Bellmon	Gravel	Pearson
Bentsen	Hansen	Proxmire
Biden	Haskell	Roth
Bumpers	Hatch	Sasser
Byrd, Harry F., Jr.	Hayakawa	Schmitt
	Helms	Schweiker
Byrd, Robert C.	Hodges	Scott
Chafee	Hollings	Stafford
Chiles	Huddleston	Stennis
Church	Johnston	Stevenson
Danforth	Long	Stone
DeConcini	Lugar	Thurmond
Dole	Magnuson	Wallop
Eastland	Mathias	Young
Ford	Melcher	

NAYS—39

Allen	Hatfield, Paul G.	Muskie
Bayh		Nelson
Burdick	Hathaway	Packwood
Cannon	Heinz	Pell
Case	Inouye	Percy
Clark	Jackson	Randolph
Cranston	Javits	Ribicoff
Culver	Kennedy	Sarbanes
Durkin	Laxalt	Sparkman
Eagleton	Leahy	Stevens
Glenn	Matsunaga	Weicker
Hart	McGovern	Williams
Hatfield, Mark O.	Metzenbaum	Zorinsky
	Moynihan	

NOT VOTING—12

Abourezk	Domenici	McIntyre
Anderson	Griffin	Riegle
Brooke	Humphrey	Talmadge
Curtis	McClure	Tower

So the motion to lay on the table was agreed to.

● Mr. MUSKIE. Mr. President, the Senate is now considering H.R. 12936, the Department of Housing and Urban Development and Independent Agencies appropriation bill for fiscal year 1979.

I would like to comment on the relationship between the spending authority in this bill and the first concurrent resolution on the budget for fiscal year 1979. But before I begin let me say that I support this bill. It represents a balanced policy of growth in vital programs without ignoring the fiscal constraints imposed by the current economic situation and the national mood.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays which it has been allocated under the budget resolution. The HUD-Independent Agencies Subcommittee allocation under section 302(b), is $73 billion in budget authority and $48.8 billion in outlays.

H.R. 12936 as reported provides budget authority of $68.5 billion. Outlays associated with this bill total $44.8 billion including $15.6 billion from prior-year authority. The bill is consistent with the first budget resolution targets. If enacted as reported, H.R. 12936 would leave $4.5 billion in budget authority and $4 billion in outlays available within the subcommittee's allocation.

There are a number of potential claims upon this remaining allocation, such as the cost of the recently passed veterans' pension reform bill and the veterans compensation improvements bill. These two bills alone will require a total of $1.4 billion in new budget authority and $1.2 billion in outlays. Other potential claims upon the balance of the subcommittee's allocation include $0.1 billion in new budget authority and $40 million in outlays for the Environmental Protection Agency's pollution abatement and control programs; $0.2 billion in new budget authority and $0.4 billion in outlays for disaster relief programs, and $0.3 billion in budget authority and outlays for special financial assistance to local governments. The first concurrent resolution on the budget anticipated these additional requirements.

If these possible later requirements materialize, the subcommittee would still have $2.5 billion in budget authority and $2.1 billion in outlays remaining within its 302(b) allocation.

Mr. President, I have not yet mentioned a program included in this bill which could cause the HUD-Independent Agencies Subcommittee to exceed its section 302(b) outlay allocation by as much as $1.9 billion.

The HUD appropriation we are considering would authorize the President to purchase as much as $4 billion of mortgages during the next fiscal year through the Government National Mortgage Association, commonly known as "Ginny Mae." Use of this authority could increase the Federal deficit by as much as $4 billion in the coming fiscal year.

The appropriation would implement a provision of the emergency mortgage purchase program, which allows the President to purchase these mortgages if a severe credit crunch occurs in the housing credit market.

Mr. President, this provision of the HUD appropriation is unnecessary. No such credit crunch is anticipated in the coming fiscal year. Although interest rates are high throughout the economy, the Chairman of the Federal Reserve Board has said recently that he expects those interest rates to peak soon and to decline in the foreseeable future. Moreover, the Federal Home Loan Bank Board has recently taken action to assure that adequate funds will continue to flow into the savings and loan associations, even now as we approach the peak of high interest rates, to meet foreseeable demands for housing credit.

Mr. President, I would like to insert

at this point in the RECORD portions of a report from the Federal Home Loan Bank Board indicating that new forms of savings certificates are attracting new funds into the savings and loan industry.

The material follows:

RECENT BANK BOARD ACTIONS TO STABILIZE AVAILABILITY OF HOUSING CREDIT

The primary reason for the establishment of the Federal Home Loan Bank System was to promote stability in housing credit. At the present time, the Bank Board has a number of very important tools by which it can influence housing.

Interest rates have been on the rise almost continually since early 1977. A number of special factors sustained the level of savings flows during the third quarter of 1977, but by the fourth quarter, savings flows begin to decline on a seasonally adjusted basis. During the first half of this year, net savings flows of S&Ls, including interest credited, has been $22.3 billion, compared to $27.8 billion during the first half of 1977, a decline of nearly 20 percent.

The drop in savings flows that has occurred has been significant but has been less than might be expected during the period when the three-month Treasury bill rate has gone from under 5 percent to over 7 percent. Clearly, the lengthening of the liability structure of S&Ls is producing a greater degree of stability in savings flows.

Only 37 percent of savings accounts of S&Ls are in passbook accounts, compared to nearly 90% in 1966. With the creation of savings certificates in recent years, the bulk of the flow into S&L accounts has been into long-term certificates. This in turn has effectively locked large deposit balances into S&Ls because of penalty rates involved in premature withdrawals.

Another important factor has been a significant increase in the use of large negotiable CDs that carry no interest rate ceilings as a means of accessing credit markets. These so-called "Jumbo" certificates have accounted for more than 10 percent of total deposit growth during the first half of this year. At the present time, "Jumbo" CDs represent almost three percent of total savings and are at record levels

The primary reason mortgage lending has been maintained at its current level is that through the advances mechanism, the Bank System has increased its loans to S&Ls by $5 billion in the first half of 1978. This was after an increase of $4½ billion in the second half of 1977 Plans at this time call for an additional $6 billion of advances by year-end if interest rates continue to rise as under our scenario. Already in July, the Bank Systems has loaned another $1.3 billion. This means that by year-end, our advances outstanding will have doubled since mid-1977.

The second major action taken to combat the tightening monetary condition was the reduction of the liquidity requirement from 7% to 6½% on May 1. This action reduced the amount of securities which S&Ls are required to hold as a liquidity reserve backing their deposits. As a result of this Bank Board action, more than $2 billion of funds were made available for mortgage lending.

A third major action we have taken is through purchases of mortgages by the Mortgage Corporation. Total commitments to purchase mortgage loans by the Mortgage Corporation through June of this year amounted to $3.47 billion; total purchases accounted for $2.44 billion. Commitment sales as of June were $3 00 billion. Currently 88 percent of commitments to purchase have been to savings and loan associations, and 67 percent of sales have been outside of the S&L industry, which incidentally is up from 58 percent in 1977. Thus, on net, the Corporation has pumped $2.07 billion into associations during the first half of this year.

MONEY MARKET CERTIFICATES

In addition to these three actions, the Bank Board, in conjunction with other financial regulatory agencies, developed and introduced on June 1 a new savings certificate that is specifically designed to make S&Ls less susceptible to the ill effects of tight monetary policy.

The so-called money market certificate is a short-term certificate whose interest rate ceiling is set weekly for S&Ls at ¼% over the discount rate on newly-issued, six-month Treasury bills. It is designed to enable S&Ls to compete with open market investments during periods when the yields on those instruments exceed the yields on traditional thrift institution certificates whose rate ceiling change infrequently. To date, the money market certificate appears to be quite successful in abating savings funds outflows.

During June and July, net new savings receipts at insured associations were about 80% larger than would have been the case if savings flow had continued at the April-May seasonally adjusted pace. This understates the impact of the new savings certificates since in all probability, savings flows would have declined from the April-May rate over the past two months without the introduction of the new accounts because of the further rise in market interest rates.

On the other hand, some of the recent flow into the new money market certificates clearly represents initial funds shifts caused by the introduction of a new and different savings instruments which will not be repeated in the future.

Data we have obtained from a sample of large associations indicates that institutions holding about 41 percent of insured associations' savings issued $4.9 billion of the money market certificates from June 1 through July 20. More complete figures in terms of coverage show an estimated $6.5 billion of these certificates issued at all thrift institutions in June. Somewhat more than 40 percent of the funds in such accounts at S&Ls is estimated to be new money (i.e., not transfers from existing accounts at the institutions).

● Mr. MUSKIE. Mr. President, no public good can be served by authorizing the President to exercise this $4 billion in emergency GNMA purchase authority. In fact, the President himself has said he will not use this authority, even if we give it to him.

On the other hand, once we give him the authority, he can commit it whether or not it is actually needed without further action by Congress. And if he uses it, he could cause Federal outlays to rise during the next year up to $4 billion under the authority we are now asked to provide. Although most of the expenditures would subsequently be recovered, when the mortgages purchases were sold, we would face in 1979 additional deficits of up to the full $4 billion, for which we have not budgeted a dime.

If the President exercises the authority conferred by this provision of the HUD appropriation, a third budget resolution may be required to make room in the budget for currently foreseeable supplemental appropriations.

And it is not just a phantom threat that the President might use the authority. Just 2 years ago President Ford made the same pledge to Congress that President Carter is making now—that he would not use similar "Ginny Mae" authority even if we gave it to him. Then, just a few weeks before the November election he felt compelled to change his mind and released $2 billion of this authority. Fortunately, he did so just before we completed action on the budget resolution, so we were able to take account of his action in the congressional budget.

This time we have no such luxury. No one is proposing to include any allowance for this provision in the second, and binding, congressional budget resolution. Thus, the effect of granting this authority to the President now is to load a gun for the executive branch that could, if triggered, blow the congressional budget, increase the deficit, and require either a cut in needed appropriations or enactment of a third budget resolution.

And all of this for no good reason.

Congress simply should not surrender to the President its judgment about when this emergency assistance should be made available. Congress could appropriate this emergency assistance any time it wishes.

Should conditions change at any time, Congress could reconsider the need for mortgage assistance. A simple joint resolution could be used to authorize the President to use the GNMA authority.

And I will be first to join in support should there be a mortgage emergency. But there is none. None is foreseeable, according to the experts who are responsible for the mortgage money markets.

Mr. President, I considered offering an amendment to delete this provision from the bill in order to preserve congressional control over the timing and amount of spending under this program. However, I have discussed this matter with the distinguished floor manager of the bill, Senator PROXMIRE. He agrees with me that we can accomplish our purpose by clarifying the congressional intent that these funds should not be released by the administration without advance consultation with, and the approval of, the Appropriations and Budget Committees of both Houses of Congress.

I wish to emphasize that the intent of Congress as I understand it, is that expenditures would not occur under this emergency authority without the prior approval of all four committees.●

● Mr. PROXMIRE. The Senator from Maine has made many of the points that led me to oppose this provision in committee. I agree that it does not now appear at all likely that this program will be or should be activated in the coming fiscal year.

I also agree that congressional control over spending should be preserved and the Congress should not turn over to the executive branch the authority unexpectedly to unleash Federal outlays. As the Senator knows, prior to 1978, new budget authority was appropriated before mortgages could be purchased under this program. As a result of the resale of mortgages purchased under that authority, GNMA recaptured about $10 billion in authority to purchase additional mortgages. The Appropriations Committee placed a ceiling on GNMA's ability to use that recaptured authority in the HUD-independent agencies appropriation bill before the Senate today.

I believe the ceiling that would be set by this bill is much too high. And I would have preferred that this provision not be in the bill.

I certainly agree that, if conditions in the economy change so much that the administration contemplates reactivating this program, the administration should immediately consult with the Budget Committees and Appropriation Committees in both Houses of Congress.

I think further action is not required today only because the use of this authority now seems so unlikely.●

Mr. BELLMON. Mr. President, I would like to commend my distinguished colleague, Senator MUSKIE, on his efforts to clarify, through the colloquy he engaged in with Senator PROXMIRE, the intent of Congress in releasing some $4 billion in recaptured budget authority for the emergency mortgage purchase program of GNMA.

As Senator MUSKIE indicated, unconditional release of these funds at this time is not only unnecessary, since no one currently anticipates their use in fiscal year 1979, but would also have several effects that are cause for concern. Most importantly, we should be reluctant to release our right to determine when the use of this money would be most appropriate. By stipulating that these funds should not be released by the administration without advance consultation with the Appropriations and Budget Committees, hopefully we have avoided such a result.

Mr. President, I urge all parties to carefully consider the importance of the understanding that has been reached, and I look to the House-Senate conferees on this bill to preserve the substance of that understanding. If it is not, and the funds are released without specific clearance by Congress, we will have suffered a setback in our efforts to effectively restrain Federal spending and establish ordered fiscal priorities.

Mr. President, Senator PROXMIRE, the distinguished chairman of the Appropriations Subcommittee which handles this bill, has worked valiantly to hold down its size. He was outvoted in the subcommittee in a series of votes which added substantially to its cost.

Because I believe that we have a responsibility to do our budget review work with the greatest care and precision possible, I do not like across-the-board percentage cuts as a way of holding down Federal spending. I am pleased, therefore, that Senator PROXMIRE and Senator MATHIAS were able to work out the amendment approved earlier today which reduced the budget authority created by this bill by $810 million. Although I might differ on some of the details of the reductions, I commend my colleagues for the responsible way in which they worked together in identifying and recommending these reductions to the Senate.

In particular, I would like to congratulate Senators PROXMIRE and MATHIAS for what I consider to be reasonable reductions in funding for EPA construction grants.

The 1972 Federal Water Pollution Control Act Amendments requires municipalities to meet a goal of at least secondary treatment for effluent discharges; 273 of those municipalities have failed to meet that legislative goal. It does not seem reasonable to me to continue putting more money into a program which carries with it such a poor track record until we can find out why these localities are not meeting their goals.

Therefore, I favor the recommendation for a reduction in spending authority for this particular program. Even though this reduction still leaves the authorization $50 million higher than the level in the House bill, it is a step in the right direction.

Mr. President, I am convinced that these reductions in the amounts proposed by the Appropriations Committee will not hurt the programs involved. On the contrary, they will be a very important signal to the country that Congress intends to help cool off inflation by moving more rapidly toward a balanced Federal budget.

● Mr. HAYAKAWA. Mr. President, although I have consistently supported budget cuts and other attempts to lower government spending I believe the effects of a 2-percent across-the-board cut of the funding level recommended by the Appropriations Committee to H.R. 12936, the Department of Housing and Urban Development—independent agencies appropriation bill, 1979, would have a devastating effect upon the National Aeronautics and Space Administration. The committee recommended reductions, together with an across-the-board 2-percent cutback, would result in a loss to NASA of $80 to $100 million, and the loss or serious reduction of many programs.

Our willingness to reduce Federal spending by slashing the budget of an agency that has contributed so much to our technological advancements in the fields of medicine, weather, communications, not to mention defense concerns me. This cut may result in the loss of several new starts scheduled for 1979, among them an Earth radiation budget satellite system. The satellite system would provide global and regional observations to increase our understanding of weather and climate patterns; a concern in planning for agriculture, water resources, and land usage. A cutback can be expected in ongoing projects previously authorized by Congress, perhaps the Space Shuttle, Space Telescope, Jupiter Orbiter Probe, or Landsat-D. We cannot afford the elimination or reduction in these programs.

Therefore Mr. President, I urge reductions in specific areas, not an overall cut to H.R. 12936, which will seriously curtail the programs in NASA.●

Mr. HART. Would the distinguished Senator from Wisconsin be willing to answer a question regarding funding for the National Commission on Air Quality?

Mr. PROXMIRE. Of course.

Mr. HART. Senator STAFFORD and I, as the Senate's members on the Commission, wrote the distinguished managers of the bill on July 21 to ask that $4 million be appropriated for activities of the Commission in fiscal year 1979. We did this at the conclusion of the Commission's first meeting. I attach a copy of that letter, explaining the basis for our request for the RECORD.

I believe the subcommittee and full committee decided to retain the $2 million level in the House-passed bill because of the lack of specific information on how additional funds would be used.

My question is this: Can the managers of the bill give me any assurance that if the Commission moves ahead as expeditiously as I expect it to, additional funds for fiscal 1979 will be favorably considered by the Appropriations Committee in an appropriate supplemental bill?

Mr. PROXMIRE. I can assure the Senator from Colorado that if the Commission is able to organize itself and move ahead responsibly with its study tasks in fiscal year 1979, this Senator will support a request for supplemental funds needed to insure maximum progress toward its 1980 reporting date.

Mr. MATHIAS. I join the Senator from Wisconsin in his pledge of support for adequate funding to permit the Commission to carry out its congressional mandate.

The letter follows:

COMMITTEE ON ENVIRONMENT
AND PUBLIC WORKS,
Washington, D.C., July 21, 1978.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR BILL: The National Commission on Air Quality on which we serve as the Senate's representatives, met for the first time today and completed a full agenda of organizational business. We think it important to report to you the seriousness with which all thirteen members regard the need to move quickly on the charges given the Commission by Congress. We will meet again the first week in September, at which time we expect to select a staff director, decide on acquisition of office space for Commission staff, and make decisions on staffing and study design. Thus, although the Commission was slow in being formed, it is apparent that its members are willing to devote time and energy to see that statutory deadlines for reporting are met.

The potential importance of the Commission's work to the goal of cleaning up the nation's air should not be underestimated. Writing air pollution legislation has been one of the most difficult, complex tasks undertaken by the Committee on Environment and Public Works. Lack of adequate information on scientific, technological and economic issues has severely hampered our ability to judge between strongly opposing points of view. The work of the Commission could greatly improve the next round of legislation, but in order to have such an effect it is imperative that the Commission be given adequate resources to get quickly underway with its task. Delay in funding will mean either a delay in study results beyond the time they are needed to inform legislation or a hurried and unreliable final report.

The Congressional Research Service was asked to prepare a tentative timetable for Commission activities and budget needs. Based on the experience of the National Commission on Water Quality and other commissions, CRS suggested that $6.6 million of the $11 million authorized was needed for fiscal year 1979, due to the substantial amount of contract work to be done early in the process. Expenditures will decrease considerably in the subsequent two years.

The President's budget requested $4 million for Commission activities in FY 1979, but the House of Representatives reduced that amount to $2 million. On behalf of all

thirteen members of the National Commission on Air Quality, we urge you to include $4 million in the bill your subcommittee will mark up on July 24. The decisiveness and expedition with which the Commission acted today convinces us that at least this amount can be wisely expended in the coming fiscal year.

Sincerely,

ROBERT T. STAFFORD,
GARY HART,
U.S. Senators.●

LUNAR SAMPLE ANALYSIS

● Mr. STEVENSON. Mr. President, one cut recommended by the committee is especially unfortunate. It is the denial of $5.7 million in the NASA R. & D., appropriation for continuing lunar sample analysis. That cut is unfortunate because it denies all funds for this—it kills the program—a program that has brought much distinction to U.S. science. Consequently, this cut has caused great concern throughout the scientific community. Recognizing this, the committee report says the committee does not wish to cause total disruption of this activity and therefore, expects that meritorious lunar sample analysis activity will continue until new funding mechanisms in cooperation with the National Science Foundation are established.

During the fiscal year 1979, I expect that the National Aeronautics and Space Administration, in cooperation with the National Science Foundation, will examine carefully which agency should fund this activity and report back to the Congress at the time of the fiscal year 1980 budget request. Indeed, as chairman of the Subcommittee on Science, Technology, and Space of the Senate Committee on Commerce, Science, and Transportation which has legislative jurisdiction over the civil space matters. I shall request the administrator of NASA and the director of NSF to conduct this examination.

Mr. President, it is my hope that a portion of the $5.7 million will be restored in conference so that the lunar sample analysis program can continue during fiscal year 1979. The United States spent over $20 billion obtaining these samples; and it makes little sense to cut all of the modest funding needed to reap the scientific rewards from this expenditure.

The scientific community is of one mind that the quality of the scientific work has been outstanding, and that NASA has done an outstanding job in administering this activity. The scientific experiments are funded after a rigorous peer review process so that only the highest quality work is receiving support from NASA. It is a closely monitored and extremely productive program. Even the Russians have recognized this fact by reprinting studies on lunar samples by U.S. scientists in books on Soviet lunar missions. More important, the main benefits of this work are yet to come. Knowing the basic facts about the Moon, scientists are better able to under stand the Earth. It is a field that has lost its glamour, but it has gained a scientific maturity from which we can expect to develop a better understanding of Earth and its environment.●

LUNAR AND EXTRATERRESTRIAL MATERIALS RESEARCH

● Mr. MARK O. HATFIELD. Mr. President, I rise today to offer my support for the comments made last Friday by my colleague from New Mexico, Senator SCHMITT, on the Appropriations Committee recommendation that the $5.7 million programed for lunar and extraterrestial materials research be removed from the NASA budget, and the research function transferred to the National Science Foundation.

Not only is this unique research more suitable to be carried out under NASA, but one must seriously question whether the NSF can adequately support such research given that no additional funding is being provided to the Foundation and given that the competion for research funding is already extremely rigorous within NSF. If this action is allowed to stand, Mr. President, there is no doubt that this very important research will come to an abrupt halt.

The House of Representatives has already determined that the research under NASA must continue and I trust that my Senate colleagues will come to a similar determination.

Realizing that in times of tight money, all efforts are being made to cut Federal spending wherever possible, and rightfully so. I would contend that the benefits from a continuation of the lunar research program far outweigh the costs, particularly as the United States is looking skyward for solutions to future energy and other material shortage problems. In an effort to inform my colleagues of the true nature of the work underway in the lunar research program, I ask that two letters from lunar researchers at Oregon State University sent to me recently, and a summary from NASA officials of the spinoffs of the lunar research program be entered into the RECORD following the balance of my remarks.

Mr. President, I trust that my colleagues will take the time to look deeply into the work which has been done in extraterrestial research and see the vast application it has had for all Americans. The picture of a few men playing with some small rocks in a laboratory does not reflect the true nature of the program which has been going on for the past 6 years. I hope that the information provided in the documents I am placing in the RECORD will help to convince my colleagues of the great potential continued research in lunar and extraterrestial materials has for the future.

The material follows:

OREGON STATE UNIVERSITY,
Corvallis, Oreg., August 2, 1978.

Re: Deletion of 5.7M$ Lunar Sample Analysis item from the NASA budget by the Senate Appropriations Committee

Senator MARK O. HATFIELD,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR HATFIELD: It has come to my attention that the Senate Appropriations Committee has approved the NASA budget with deletion of the 5.7M$ Lunar Sample Analysis item and that the Committee has suggested transfer of the Lunar Sample Analysis Program to the NSF with no funds provided for its support.

I wish firstly to thank you for the opportunity of discussing this matter with your advisor on NASA budgetary matters and secondly to express my deep concern for the unwise nature of the deletion and transfer of this program.

As a lunar scientist and principal investigator in the Lunar Sample Analysis Program since its inception about nine years ago, I am familiar with the achievements and goals of the program and some of the machinations of government support for research.

Deletion of such NASA support would seriously curtail basic lunar and planetary science studies that provide the fundamental information for the development and testing of hypotheses that deal with lunar and planetary early history and the ongoing evolutionary nature of our solar system and which also provide the baseline data for the study of the earth sciences. The important basic study of lunar samples is a specialized study that requires the attention and active support of a single agency, viz. NASA, and not that of an umbrella agency such as the NSF. It may be likened to the basic energy research programs supported by the DOE, the basic agricultural research programs supported by the Department of Agriculture etc. Without any transfer of funds to the NSF for support of the lunar sample research program, such a program must compete with the current research grants within the present 24M$ NSF budget for geosciences and consequently, without an increase of 5.7M$ to the NSF, it seems quite apparent that the program would falter fatally. Also to obtain support and samples from the same agency avoids the establishment of additional layers of bureaucracy if two agencies are involved.

From the overall NASA perspective, deletion of such a small fraction (0.17%) of the NASA budget, would deprive NASA of the required basic science support that is essential for a more incisive interpretation of the data collected by the multimillion & planetary flyby and other missions.

The involvement of a few Nobel Laureates, ten National Academy of Sciences and other highly qualified individuals in this NASA lunar program attests to the excitement and the scientific character of the discipline. From the lunar sample analysis programs many new scientific techniques and methods of approach have evolved. For example, the study of unique lunar specimens by a consortium of many scientists with different techniques and approaches has greatly benefitted lunar science and this method of approach is also being used in our traditional earth sciences. In fact, the rather limited quantities of certain key lunar samples has necessitated such an approach; and where key terrestrial samples are also limited in quantity, such as in those returned in deep oceanic dives, the lunar approach is essential in order to maximize the scientific return. From my perspective, I am also aware of the advanced development of INAA (instrumental neutron activation analysis) of selected lunar samples down to less than 1 milligram in mass for their overall major, minor and trace element content. This is the technique that my group uses to analyze lunar, meteortic, terrestrial, forensic and other samples at the OSU Radiation Center by using the 1 megawatt TRIGA nuclear reactor and modern Ge(Li) semiconductor techniques for the measurement of the gamma ray radiation emitted from the induced radioactivity of the chemical elements in the sample.

This technique, learned by a postdoctoral student under my direction, is now being applied directly by him to the environmental analysis of fossil fuel ash products ("flyash") that result from the combusion of coal in power generating plants. Similar applications of advanced INAA technology have been applied to a study of

the trace element composition of oil shale, which in turn is related to the expected trace element content of the airborne combustion ashes. Obviously both of these applications are directly related to the health of the general population.

Other applications of the fine art of INAA involve the analysis of other environmental samples, e.g. the measurement of trace elements in airborne products of slash burning, airborne particulates inside of homes, industrial, and other living areas which result from fossil fuel and other contaminants etc. All these are health oriented and have been studied by faculty and students at OSU and at other institutions. We at OSU and at other institutions have applied advanced INAA, developed under NASA sponsored lunar research, to the forensic field. For example, my group has assisted many Oregon law enforcement agencies as well as private law firms, in the identification of evidence required for both the prosecution and the defense. Reiterating, we note the fact that since many key lunar samples were small in mass, we were forced to analyze tiny specimens and this technique and interpretation of the data have subsequently have applied to many forensic samples that are tiny in nature.

Another new technique, discovered in the past few years by the support of NASA lunar research, involves a new rock age dating technique, Sm-Nd age dating. This sensitive technique now has been applied by earth scientists to the study of earth rocks that are studied in testing and modifying the revolutionary plate tectonics theory. The benefits to the public domain are related to a better understanding of "mother" earth's evolutionary history, which in turn has broader implications for better searches for ores, etc.

Currently, I am spending two weeks on a mini sabbatical leave at the Argonne Laboratory (Illinois) with Dr. G. W. Reed, Jr., another Lunar Sample P.I. Dr. Reed informed me of the spinoff of techniques and information acquired from meteorite sponsored research. With NASA support, an ANL scientist discovered a new rock mineral in a meteorite. Surprisingly enough, such a mineral, djerfisherite, was discovered as a damaging contaminant in electrical batteries. With the appropriate identification and thermodynamic calculations by ANL scientists, the chemical conditions were modified to eliminate the contaminating problem. Another more esoteric study by another brilliant ANL scientist consisted of a computer modelling study of the very complex condensation of primoridal solar system gas into the first liquids and/or solids that formed in our solar system some 4.6 billion years ago. Now it turns out that these complicated computer programs have been applied to important terrestrial problems like the areas of magnetohydrodynamics and fluidized coal beds. Obviously, both of these technologies are very important to the complex technology in the public domain.

Since from my limited perspective and contacts, I have listed at least six direct and important applications and spinoffs of NASA sponsored research to the public domain, I am certain that the circa 150 lunar sample P.I.'s could greatly broaden the list of important contribtuions to the public domain.

Although I feel quite confident that our research program would survive the NSF review system—as a past three year member of the NASA LSRP (Lunar Sample Review Panel) I am familiar with the extreme rigor of the NASA proposal review system—I am convinced that the specialized and basic lunar research efforts will be optimized if the program continues to be supported under the present NASA system rather than under the NSF umbrella. In addition to my experience on the NASA LSRP, I was also a one year member of the Lunar Sample Analysis Planning Team and was able to observe closely the operation of the Lunar Sample Analysis program from another perspective. From such experience, I was and I am convinced that NASA has operated the Lunar Sample Program very efficiently for maximizing the scientific output. Furthermore, I am convinced that for such an excellent task, NASA should not be penalized by removal of a basic science program from its jurisdiction.

I trust you will consider your Senate vote in favor of restoring the deleted 5.7M$ Lunar Sample Analysis Program within the NASA budget.

Respectfully yours,

ROMAN A. SCHMITT,
Professor of Chemistry.

IN DEFENSE OF NASA'S EXTRATERRESTIAL MATERIALS ("LUNAR SAMPLE") PROGRAM

(By D. F. Weill, Professor of Geology and Associate Dean, College of Arts and Sciences, University of Oregon)

To begin with I must state that I have been actively engaged in NASA's lunar research since the return of the Apollo II samples in 1969. This tells you two things about me which you should know if I am going to impose on a few minutes of your time by asking you to read what I have written in defense of the program. Firstly, I am thoroughly familiar with the program at its scientific "grass-roots" level. Secondly, because I firmly believe that I am engaged in useful research which I pursue with interest and enjoyment, I have a personal interest in the continuance of the program. The relevant point is that I am knowlegdeable on the scientific merits of this program, but that I also have a vested interest in it. Nevertheless, I do not believe that this potential conflict of interest prevents me from commenting objectively. At worst, it puts me on a par with those who are not knowledgeable about the scientific aims and accomplishments of the program but who would nevertheless, be indifferent to its termination. Here are a few reasons for continuing this important research program.

(1) The "lunar sample" program is really the "extraterrestrial materials" program. As such, it supports a variety of projects including analytical and interpretive work on meteorites, and interplanetary dust particles as well as the returned lunar samples. When material is returned from sampling missions to Mars and other solar system objects, this program is the logical one for the necessary analytical work, i.e., if it dies it will have to be reincarnated. In the meantime there is such a great backlog of work crying to be done on the large amount of unexamined lunar material, new meteorite finds and interplanetary dust particles that the logic of terminating this program is very questionable.

(2) With recent and future achievements in space exploration, we are ushering in a scientific era of comparative planetology that is destined to change our parochial earthly perspective in fundamental ways. Most importantly, we are no longer forced to play guessing games about our extraterrestrial environment, and with the new knowledge we are developing a potential for future utilization of the conquered space and its material resources. The samples of material being analyzed are the key to the whole development, representing a "ground truth" against which to compare theories and interpretations. Analyses of actual extrerestrial materials are indispensable for a scientific interpretation of the geologic evolution of the moon and other planetary bodies. In turn, it is these interpretations that will guide us in a search for particular types of materials or environments when we begin to use our immediate space environment. It seems strange that we have to be reminded of the truism that if we want to get the most out of it, we have to understand it.

(3) It may be tempting to expect that the work of interpreting extraterrestrial material should be finished on a rapid time-scale and to become impatient with such a program if it enters into a second decade. The facts are that there is still much unexamined lunar material, and that, considering the monumental ambition of the scientific goal (nothing less than to learn the history of a planet from a few spot samples!), we had better take advantage of all the clues we can get.

(4) The extraterrestrial materials program involves a large international group of scientists. In the case of foreign scientists, funding does not come through NASA but is provided by their governments. The competition among foreign scientists for permission to work on extraterrestrial material is very keen, and the list of foreign investigators is a very distinguished one. It would indeed be ironic if the nation which leads the world in expensive space technology were forced to discontinue a very successful international scientific collaboration connected with the space program due to an ill-considered economy move. Would it not be interpreted as yet another embarrassing step in the decline of U.S. leadership?

(5) Competition among domestic scientists for the privilege of working on this material is even greater, and, after several years of competition, only the best in the field are being supported. Many of the methods developed for analyzing small quantities of precious materials have now become standard. Space exploration is a badly needed investment in the future of our planet. This particular facet of space science is being carried out by an elite group of scientists and their laboratories. Is this program an intelligent candidate for amputation?

"SPINOFFS" FROM LUNAR SAMPLE RESEARCH

Our studies of returned lunar samples are still producing major new discoveries about the solar system and our space environment, but these studies are also making important contributions to problems far removed from the Moon—human health, pollution analysis, the discovery of mineral deposits, the preservation of newly-discovered meteorites, and the history of our own Sun.

Human health: Sensitive instruments designed to search for life forms and organic chemicals in lunar rocks are now being used for the rapid identification of chemicals in human blood, thus leading to more accurate diagnosis and treatment of poisoning and drug abuse problems. Techniques used to reveal the tracks of ancient cosmic rays in lunar materials have given us new methods of monitoring astronauts and other individuals exposed to radioactiviy. These same techniques have also been used to produce ultrafine sieves commonly used in research on viruses and other micro-organisms.

Pollutant analysis: With the instruments refined to analyze moon rocks, we have greatly expanded our ability to make precise chemical analyses of tiny amounts of material (less than 1/100 of a gram). To study lunar samples, major improvements were made in such instruments as the electron microprobe, the instrumental neutron activation analyzer, and the mass spectrometer. As a result, we can now analyze and identify individual pollutant particles and estimate accurately the hazard they create for our environment. We can determine the composition of coal ash and other combustion products. We can rapidly determine the amounts of toxic trace elements present in coal and oil shale in order to understand the problems involved in the use of these materials as new sources of energy. These instruments are also finding a place in the fight against crime by making the identification and matching of clues easier and more precise.

Sun, weather and climate: There is much concern nowadays with our Sun as a source

of solar energy and as the driver for our weather and climate. What most of us don't realize is that by going to the Moon, we have collected pieces of the Sun as well. The rocks exposed on the airless Moon have trapped the atoms and radiation emitted from the Sun. Preserved in lunar samples are a record of the Sun's activity that may stretch back for billions of years in time—our first direct record of the life history of a star. These samples, which are just now beginning to be actively studied, are a unique and unreplaceable resource for understanding how our Sun has behaved in the past, how it may behave in the future, and how it may affect our weather and our climate.

Planet Earth and mineral deposits: The moon rocks are telling us much about our own planet Earth. The record of the Earth's earliest years cannot be obtained by studying our own world, because these ancient rocks have been destroyed by the continuing volcanic eruptions, mountain-building, and erosion that have shaped our own planet. Only on the Moon is this record of the birth and early development of a world preserved.

In the moon rocks we see the records of the forces that shaped the Earth when it was young—primiordial melting, huge volcanic eruption, and the bombardment by large meteorites from outer space. We have recognized that meteorite impact has been an important process affecting the Earth, and studies of moon rocks have helped us identify the nearly 100 ancient meteorite craters that remain preserved on Earth. Some of these structures, up to tens of miles in diameter, are of more than scientific interest; they are the source of a variety of important minerals—building stones, copper, nickel, gypsum, uranium, and oil.

Antarctic meteorites: In an exciting new development, the methods preserving and studying moon rocks are being applied to an unexpected new bonanza of material from outer space—the more than 300 metorites collected last winter from the Antarctic ice cap by a project sponsored by the National Science Foundation (NSF) At the request of the NSF, NASA joined in a cooperative program to use part of the Lunar Sample Curatorial Facility to preserve and study these meteorites. In order to insure that their precious scientific information is not lost, they are being maintained under the same conditions of cleanliness, cold, and sterility that they had experienced in the Antarctic. Two rare meteorites have already been discovered in this collection; one is an unusual carbon-bearing specimen that may shed new light on the origin of life in the universe. There is widespread interest in this new Collection. A "Meteorite Newsletter" describing these specimens has already received more than 300 responses from scientists interested in working on them.●

LUNAR SAMPLE RESEARCH

Mr. CANNON. Mr. President, the proposed deletion of the entire $5.7 million requested for fiscal year 1979 lunar sample analysis activities would terminate a unique and invaluable part of NASA's systematic study of the nature, origin, and history of the solar system.

The importance of lunar samples now extends far beyond the Moon. Trapped in lunar materials are radiations and particles emitted by the Sun in the past. Our scientists are just beginning to study lunar samples that contain a record of the Sun's activity over billions of years. Already they have found traces of past solar flares and ancient solar wind material. Lunar samples are unique sources of otherwise unobtainable data about the Sun's history and its effects on our own planet's weather and climate patterns.

The lunar samples contain the history of our planet's earliest years—a chaotic time of primordial melting, widespread vulcanism, and catastrophic impacts by giant meteorites. From the many remaining unstudied lunar samples, scientists can decipher how the planet Earth was formed and grown. This record can be found nowhere else: The ancient rocks of Earth have been destroyed by the continuing volcanoes, earthquakes and mountain-building that have shaped our own planet. Moreover, the sensitive instruments developed for the precise analysis of lunar samples are used for analysis of earth environmental pollutants—herbicides, carcinogens, and poisons in the bloodstream, for air pollution and auto exhaust monitoring and for electrostatic separation of low-grade ores.

NASA is the only source of support for studies of lunar samples, and only the highest quality work is now being carried out in the program. Deletion of all funds for this research kills an active program involving several hundred outstanding scientists at more than 40 U.S. universities and other organizations. This cut seriously compromises the future ability of U.S. scientists to analyze other extraterrestrial materials—meteorites, cosmic dust particles, and lunar samples obtained by the U.S.S.R. or other countries.

Mr. President, I join other Senators in urging that the conference committee restore the $5.7 million so that the lunar sample analysis program can continue during fiscal year 1979. This would enable the United States to continue to reap the benefits of the Appollo program which cost the taxpayers in excess of $20 billion. This would give the administration time to consider a new funding mechanism for this meritorious program as suggested in the committee's report.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. ROBERT C. BYRD. Mr. President. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MATHIAS. I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments to H.R. 12936.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Michigan (Mr. RIEGLE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that if present and voting, the Senator from Minnesota (Mr. ANDERSON), the Senator from Minnesota (Mrs. HUMPHREY) and the Senator from Michigan (Mr. RIEGLE) would each vote "yea".

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Nebraska (Mr. CURTIS), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Idaho (Mr. MCCLURE) and the Senator from Texas (Mr. TOWER) are necessarily absent.

The result was announced—yeas 80, nays 6, as follows:

[Rollcall Vote No. 297 Leg.]

YEAS—80

Allen	Gravel	Moynihan
Baker	Hansen	Muskie
Bartlett	Hart	Nelson
Bayh	Haskell	Nunn
Bellmon	Hatfield, Mark O.	Packwood
Bentsen	Hatfield, Paul G.	Pearson
Biden	Hathaway	Pell
Bumpers	Hayakawa	Percy
Burdick	Heinz	Proxmire
Byrd, Harry F., Jr.	Hodges	Randolph
Byrd, Robert C.	Hollings	Ribicoff
Cannon	Huddleston	Roth
Case	Jackson	Sarbanes
Chafee	Javits	Sasser
Chiles	Johnston	Schmitt
Church	Kennedy	Schweiker
Clark	Leahy	Sparkman
Cranston	Long	Stafford
Culver	Lugar	Stevens
Danforth	Magnuson	Stevenson
DeConcini	Mathias	Stone
Dole	Matsunaga	Talmadge
Durkin	McGovern	Thurmond
Eagleton	Melcher	Wallop
Eastland	Metzenbaum	Weicker
Ford	Morgan	Williams
Glenn		Young

NAYS—6

Garn	Helms	Scott
Hatch	Laxalt	Zorinsky

NOT VOTING—14

Abourezk	Goldwater	McIntyre
Anderson	Griffin	Riegle
Brooke	Humphrey	Stennis
Curtis	Inouye	Tower
Domenici	McClure	

So the bill (H.R. 12936) was passed.

Mr. PROXMIRE. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon

and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. MELCHER) appointed Mr. PROXMIRE, Mr. STENNIS, Mr. BAYH, Mr. HUDDLESTON, Mr. LEAHY, Mr. SASSER, Mr. MAGNUSON, Mr. MATHIAS, Mr. CASE, Mr. BROOKE, Mr. BELLMON, and Mr. YOUNG conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, today the Senate completed action on H.R. 12936, the fiscal 1978 appropriations bill for the Department of Housing and Urban Development and independent agencies. I hardly need to remind my colleagues that the chairman of the Appropriations Subcommittee with jurisdiction over this area, Mr. PROXMIRE, also serves as chairman of the Banking, Housing, and Urban Affairs Committee.

Senator PROXMIRE brings a unique fund of knowledge and expertise to the area of housing policy. His leadership helped to fashion a major revision of the authorizing legislation for housing and community development programs—a bill which passed the Senate 2 weeks ago. The bill made a wise and significant change in our national housing policy by placing increased emphasis on rehabilitation and conservation of the existing housing stock. While maintaining the goal stated by Congress in the Housing Act of "a decent home and a suitable living environment for all American families," this measure was lean and fiscally sound.

The distinguished chairman of the Housing Committee, Mr. PROXMIRE, and its distinguished ranking minority member, Mr. BROOKE, often find themselves in friendly disagreement as to how the Federal Government can best achieve the goal of "a decent home" for every American. The Senate has benefited tremendously, I believe, from the intellectual competition between these two experts. Because of it, the authorizing legislation reported to the Senate in the housing area is finely honed, carefully analyzed. Furthermore, their differences have served to inform the Senate. For example, during the course of the debate on the Housing and Community Development Amendments of 1978—the authorizing legislation which this appropriations bill implements, Senators BROOKE and PROXMIRE found themselves on opposing sides of a major amendment. The quality of discussion which ensued could not have been higher; it brought to the attention of Senators, such as myself, who do not serve on the Housing Committee, many points of information which were educational and which provided guidance when the time came to vote.

The HUD appropriations bill provides funding for a wide-range of programs in addition to those in housing and community development. Senator PROXMIRE and Senator MATHIAS, the ranking minority member of the Department of HUD and Independent Agencies Appropriations Subcommittee, have worked together to provide efficient leadership and to provide an excellent bill. The points of view represented by these two Senators is often different. Once again, the Senate and the country benefit from a process which encourages first the expression and then the resolution of competing ideas. The knowledge, concern and expertise which Senators PROXMIRE and MATHIAS bring to this area—and their differences—have helped to shape funding legislation for programs which touch the lives of many Americans.

Senator MATHIAS has shown a particular concern for the activities of the Environmental Protection Agency and the National Aeronautics and Space Administration. As he noted on the Senate floor last Friday, a healthy process of "give and take" resulted in selective budget increases in certain programs of these agencies.

H.R. 12936 provides sufficient funding during the coming fiscal year to maintain the Federal commitment to update rural and urban housing conditions, with particular attention to the economically disadvantaged, the elderly and the handicapped. It continues the effort to reverse the pollution of our air and water. It takes a hard look at the funding of veterans programs, and the research efforts of the National Science Foundation and the National Aeronautics and Space Administration.

I want to thank the members of the HUD and Independent Agencies Subcommittee, and of the full Appropriations Committee, for the time and effort they have devoted to passing a fiscally responsible bill.

ROUTINE MORNING BUSINESS

(Routine morning business transacted and additional statements submitted today are as follows:)

MESSAGES FROM THE HOUSE

At 2:18 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 2424. An Act to amend the Act incorporating the American Legion so as to redefine eligibility for membership therein.

The message also announced that the House disagrees to the amendment of the Senate to H.R. 7577, an act to amend the Economic Opportunity Act of 1964, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PERKINS, Mr. ANDREWS of North Carolina, Mr. HAWKINS, Mr. FORD of Michigan, Mr. CORRADA, Mr. GOODLING, and Mr. QUIE were appointed managers of the conference on the part of the House.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

H.R. 8336. An Act to authorize the establishment of the Chattahoochee River National Recreation Area in the State of Georgia, and for other purposes; and

H.R. 10929. An Act to authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for other research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. EASTLAND).

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–4105. A communication from the Comptroller General of the United States, reporting, pursuant to law, on the President's 10th special message for fiscal year 1978 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on the Budget and the Committee on Appropriations, jointly, pursuant to order of January 30, 1975.

EC–4106. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

EC–4107. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during 1978 to Communist countries (as defined in Section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC–4108. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the activities of the Department of Commerce during fiscal year 1977 in implementing the procedures of the National Voluntary Laboratory Accreditation Program established under Part 7, Title 15, of the Code of Federal Regulations; to the Committee on Commerce, Science, and Transportation.

EC–4109. A communication from the Acting Assistant Secretary for Land and Water Resources, Department of the Interior, reporting, pursuant to law, receipts of project proposals under the provisions of the Small Reclamation Projects Act of 1956; to the Committee on Energy and Natural Resources.

EC–4110. A communication from the Special Representative for Trade Negotiations, reporting, pursuant to law, on reviews and hearings conducted during the period ending June 30, 1978; to the Committee of Finance.

EC–4111. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report entitled "Antirecession Payment Summary 9," which contains information on the amounts which have been paid to each State and local unit of government; to the Committee on Finance.

EC–4112. A communication from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–4113. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the important issues of the Major Caliber Lightweight Gun System; to the Committee on Governmental Affairs.

EC–4114. A secret communication from the Comptroller General of the United

States, transmitting, pursuant to law, a report on the Department of Defense capabilities in performing its reconnaissance and intelligence activities; to the Committee on Governmental Affairs.

EC–4115. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the GAO for the month of June 1978; to the Committee on Governmental Affairs.

EC–4116. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Complications in Implementing Home Weatherization Programs for the Poor," August 2, 1978; to the Committee on Governmental Affairs.

EC–4117. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "A Second Launch Site for the Shuttle? An Analysis of News for the Nation's Space Program," August 4, 1978; to the Committee on Governmental Affairs.

EC–4118. A communication from the Principal Deputy, Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of DOD procurement from Small and Other Business Firms for October–November 1977; to the Select Committee on Small Business.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–769. A joint memorial adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources:

"HOUSE JOINT MEMORIAL 2001

"To the Congress of the United States of America:

"Your memorialist respectfully represents:

"Whereas, the Desert Bighorn Sheep of the Southwest occupies extremely hot, arid and rocky mountain ranges of Southern California, Nevada and Arizona having adapted to the scarcity of water, desert vegetation and cacti and to the high temperatures of many generations; and

"Whereas, the Sonoran Pronghorn Antelope also occupies a portion of this range and is classified as an endangered species; and

"Whereas, the passage of the Wild Free-Roaming Horses and Burros Act by Congress, declaring all wild burros and wild free-roaming horses to be the property of the United States and making it a crime subject to imprisonment and a two thousand dollar fine to kill, disturb or capture burros and wild free-roaming horses, has allowed the once small bands of abandoned burros and wild free-roaming horses to multiply to the point where they endanger the existence of all other native wildlife, including the Desert Bighorn Sheep, the Sonoran Pronghorn Antelope, the Desert Mule Deer, the Javelina and many other species; and

"Whereas, the burros and wild free-roaming horses monopolize the limited water springs that exist in this area, threaten to dry up by overutilization the natural potholes and tanks that sustain wildlife and graze and desecrate the sparse desert vegetation; and

"Whereas, the uncontrolled growth of wild burro herds and wild free-roaming hores and their invasion of critical wildlife areas calls for immediate remedial action.

"Wherefore your memorialist, the Legislature of the State of Arizona, prays:

"1. That the Congress of the United States amend the Wild Free-Roaming Horses and Burros Act to provide for removal of wild burros and wild free-roaming horses from the public lands, both state and federal, occupied by Desert Bighorn Sheep and Sonoran Pronghorn Antelope.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM–770. A concurrent memorial adopted by the Legislature of the State of Arizona; to the Committee on Environment and Public Works:

HOUSE CONCURRENT MEMORIAL 2004

"To the Congress of the United States of America:

"Your memorialist respectfully represents:

"Whereas, there has ben planned for many years the construction of a flood control dam at the confluence of the Salt and Verde Rivers in the state of Arizona, which are designated as navigable rivers, the waters of which are normally impounded by dams of the Salt River Project, a federal reclamation project; and

"Whereas, such flood control dam, designated the Orme Dam, was to be built as a segment of the Central Arizona Project, a federal reclamation project; and

"Whereas, the Orme Dam was designed to have a storage capacity of one million three hundred thousand acre feet, nine hundred fifty thousand of which would be reserved for flood control; and

"Whereas, in 1977, funding for Orme Dam was deleted by President Carter from 1977–1978 budget recommendations for the Central Arizona Project; and

"Whereas, despite the President's action, the need for the Orme Dam still exists; and

"Whereas, the need for the Orme Dam was never more evident than during the unprecedented flooding along the Salt River in the Phoenix metropolitan area beginning March 1, 1978; and

"Whereas, the flood was measured at up to one hundred thousand cubic feet per second, a greater flow than the discharge of the Missouri River; and

"Whereas, many lives were lost in the flood and countless other lives were shattered due to personal loss; and

"Whereas, the flood caused millions of dollars of damage to both private and public property; and

"Whereas, five hundred thousand acre feet of water, which could otherwise have been used for agricultural, industrial, municipal and domestic purposes and reused as reclaimed effluent, were lost down the river; and

"Whereas, such quantity of water could have supplied the domestic needs of one million residents of the Phoenix metropolitan area for two and one-quarter years; and

"Whereas, to have used the water lost for irrigation purposes would have saved three hundred sixty thousand barrels of oil which will be required to pump groundwater; and

"Whereas, the flood blocked eighty-seven percent of the highway crossings of the Salt River in the Phoenix metropolitan area resulting in massive traffic disruption, social confusion, innumerable hours of lost employment and production time and the waste of thousands of gallons of gasoline; and

"Whereas, numerous bridges over the Salt River were washed out because they were designed and constructed in contemplation of Orme Dam being built to protect them from heavy water flow; and

"Whereas, two thousand feet of the main runway of Sky Harbor International Airport was under water, causing two million dollars of damage; and

"Whereas, because of the flood, millions of federal relief dollars have been dedicated to rebuild the Salt River Valley which otherwise could have been used elsewhere; and

"Whereas, the Orme Dam could have controlled this and all prospective runoff of the Salt and Verde River watershed to minimize human danger, property damage, disruption of lives, waste of precious water and federal relief requirements.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the Congress of the United States take action to restore authorization and funding of the Orme Dam so that life in the Salt River Valley may be more predictable, safe and productive.

"2. That the federal government provide equitable compensation to the Yavapai Indians, including a fair exchange of land of equal value.

"3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives, each member of the Appropriations Committees of the United States Senate and House of Representatives, each member of the Interior and Insular Affairs Committees of the United States Senate and House of Representatives and to each member of the Arizona Congressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on the Budget, without amendment, adversely:

S. Res. 524. A resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 3946, a bill providing for a refundable Federal income tax credit for educational purposes (Rept. No. 95–1067).

By Mr. JOHNSTON, from the Committee on Appropriations, without amendment:

S. Res. 525. A resolution disapproving the proposed deferral of budget authority for the Garrison diversion unit, Bureau of Reclamation, Department of the Interior (Rept. No. 95–1068)

By Mr. JOHNSTON, from the Committee on Appropriations, with amendments and an amendment to the title:

H.R. 12928. An act making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1979, and for other purposes (Rept. No. 95–1069).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mrs. ALLEN (by request):

S. 3380. A bill to amend section 1445(b) of the Food and Agriculture Act of 1977 to modify the formula for distribution of funds authorized thereunder for agricultural research; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAKER (for himself and Mr. SASSER):

S. 3381. A bill to amend the Internal Revenue Code of 1954 relating to estate taxes to provide that the election to use the alternate valuation date may be made on a return that is filed late; to the Committee on Finance.

By Mr. HEINZ:

S. 3382. A bill to waive the statute of limitations with regard to the tort claim of Eazor Express, Inc., of Pittsburgh, Pennsyl-

vania, against the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. ALLEN (by request):

S. 3380. A bill to amend section 1445(b) of the Food and Agriculture Act of 1977 to modify the formula for distribution of funds authorized thereunder for agricultural research; to the Committee on Agriculture, Nutrition, and Forestry.

1890 LAND-GRANT COLLEGES

● Mrs. ALLEN. Mr. President, I am introducing this bill at the request of the administration. The bill would amend section 1445(b) of the Food and Agriculture Act of 1977, which sets out the formula for the distribution of Federal funds to support agricultural research at the 1890 land-grant colleges.

The distribution formula would be changed to assure that the eligible 1890 schools receive funds in fiscal year 1979 and following years at the present funding level. This change will enable each school to maintain the same level of agricultural research next year. No additional appropriations would be required by enactment of this bill.

Mr. President, I ask unanimous consent that the bill and Secretary of Agriculture Bergland's transmittal letter be printed in the RECORD.

There being no objection, the bill and letter was ordered to be printed in the RECORD, as follows:

S. 3380

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1445(b) of the Food and Agriculture Act of 1977 is amended to read as follows:

"(b) Beginning with the fiscal year ending September 30, 1979, the funds appropriated in each fiscal year under this section shall be distributed as follows:

"(1) Three per centum shall be available to the Secretary for administration of this section.

"(2) The remainder shall be allotted among the eligible institutions as follows:

"(A) Funds up to the total amount available to all eligible institutions in the fiscal year ending September 30, 1978, under section 2 of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i), shall be allocated among the eligible institutions in the same proportion as funds made available under section 2 of the Act of August 4, 1965, for the fiscal year ending September 30, 1978, are allocated among the eligible institutions.

"(B) Of funds in excess of the amount allocated under subparagraph (A) of this paragraph, 20 per centum shall be allotted among eligible institutions in equal proportions; 40 per centum shall be allotted among the eligible institutions in the proportion that the rural population of the State in which each eligible institution is located bears to the total rural population of all the States in which eligible institutions are located, as determined by the last preceding decennial census; and the balance shall be allotted among the eligible institutions in the proportion that the farm population of the State in which each eligible institution is located bears to the total farm population of all the States in which the eligible institutions are located, as determined by the last preceding decennial census. In computing the distribution of funds allocated under that subparagraph, the allotments to Tuskegee Institute and Alabama Agricultural and Mechanical University shall be determined as if each institution were in a separate State.".

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 29, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith for the consideration of the Congress is a draft bill "To amend Section 1445(b) of the Food and Agriculture Act of 1977 to modify the formula for the distribution of funds authorized thereunder."

The Department of Agriculture recommends that the draft bill be enacted.

Section 1445 of the Food and Agriculture Act of 1977, Public Law 95–113, authorizes annual appropriations for the support of continuing agricultural research at 1890 Land-Grant Colleges, including Tuskegee Institute. Section 1445(b) provides a formula for the distribution of the funds to the eligible institutions.

Prior to enactment of Section 1445, funds were made available to these same institutions for agricultural research under the authority of Section 2 of Public Law 89–106 (7 U.S.C. 450i). The administrative formula used to distribute the funds, however, differed from that now provided in Section 1445(b).

Application of the new formula will result in a decrease in funding to some of the eligible institutions, requiring them to reduce their research programs from the levels currently supported by the Department. Enclosed is a table comparing the funding actually received by the institutions in FY 1978 with the amounts that would be received in FY 1979 under the new formula assuming that the amount budgeted for this Section is appropriated.

The proposed amendment to Section 1445(b) would enable the eligible institutions to continue their agricultural research programs at the present funding levels by providing for the allocation of funds up to the total amount made available in FY 1978 in the same proportion as applied in FY 1978. Further, this amendment would provide for additional amounts to be allocated under a formula which is the same as that established under section 144(b)(2)(B) of the Act for the allocation of funds to these institutions for extension work.

No additional appropriations would be required by reason of the enactment of this draft bill.

Section 102(2)(C) of P. L. 91–190 does not apply to this legislation; therefore, an environmental statement is not enclosed.

An identical letter has been sent to the Speaker of the House of Representatives.

The Office of Management and Budget advises there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

BOB BERGLAND,
Secretary.

Institution	Current fiscal year 1978	Per statutory formula Public Law 95–113	Per proposed amendment
	I	II	III
Alabama A. & M	896, 992	*762, 446	898, 672
Tuskegee	877, 316	*762, 446	378, 996
Arkansas, Pine Bluff	762, 624	*665, 887	764, 113
Delaware	329, 135	*160, 293	329, 619
Florida A. & M	569, 478	574, 743	570, 786
Fort Valley	938, 710	*885, 245	940, 635
Kentucky State	961, 872	1, 102, 818	964, 408
Southern University	693, 386	*627, 807	694, 799
Maryland, Eastern Shore	501, 609	*451, 837	502, 673
Alcorn	930, 740	*802, 120	932, 499
Lincoln University	882, 049	1, 116, 832	884, 434
North Carolina A & T	1, 279, 299	1, 508, 087	1, 282, 461
Langston	665, 366	*631, 679	666, 787
South Carolina State	778, 066	*655, 760	779, 535
Tennessee State	978, 550	1, 096, 608	980, 904
Prairie View	1, 238, 204	1, 393, 550	1, 241, 138
Virginia State	869, 595	895, 841	871, 541
Base		14, 184, 000	14, 184, 000
3 percent adm		441, 000	441, 000
Penalty mail		75, 000	75, 000
Total	14, 153, 000	14, 700, 000	14, 700, 000

*Denotes institutions that would receive less funds than in fiscal year 1978. ●

By Mr. BAKER (for himself and Mr. SASSER):

S. 3381. A bill to amend the Internal Revenue Code of 1954 relating to estate taxes to provide that the election to use the alternate valuation date may be made on a return that is filed late; to the Committee on Finance.

● Mr. BAKER. Mr. President, I am today introducing on behalf of Senator SASSER and myself a bill which would alleviate an inequity in the Internal Revenue Code relating to the valuation of property for estate tax purposes.

I am referring to the rule which permits the estate of a decedent to use the "alternate valuation date" for purposes of computing the value of the estate for estate tax purposes. This rule, which has its origin in the economic decline of the 1930's, is intended to prevent the inequity of imposing the estate tax on the date of death value of property, if that value declines shortly after the date of death.

The current rule is that the estate may elect to value the property of the decedent as of the date 6 months after the decedent's death instead of at the date of death. Thus, if the decedent's property declines in value during that 6 month period, the estate tax may be computed on the lower actual value of the property. This is an eminently fair rule which avoids the harsh result of paying an estate tax which is based on a valuation of the property which is greater than the actual value at the time the tax falls due.

One problem with the existing rule is that the alternate valuation date may be used only if it is elected on an estate tax return that is filed within the prescribed time. Thus, even where there is reasonable cause for the failure to file the return within the prescribed time, the alternate valuation date may not be used. Moreover, if the estate tax return is just one day late, and even if the delay is due to reasonable cause, the estate may not use the alternate valuation date.

It is also incongruous that the penalties specifically provided for the late filing of a return do not apply if there is reasonable cause for the late filing, while in such a case the alternate valuation date election is absolutely precluded. Yet, the penalty of the loss of the alternate valuation date may be more severe than the penalty specifically provided for late filing.

The effects of this provision of the Federal estate tax law are illustrated by the case of the estate of one of my Tennessee constituents. In this case, Mr. President, the value of the estate declined severely during the 6 months following death, yet the alternate valuation date election was denied because the estate's coexecutor was recovering from open heart surgery at the time the return was due, and the return was filed late. As a result, the death tax due actually exceeds the value of the estate.

I do not believe that this harsh result serves any legitimate policy of the tax law. This bill would not change any of the specified penalties for the late filing of a return. It would merely permit the estate to elect the alternate valuation date on a late return. I believe this alternate valuation date is intended to and should apply if the decedent's property has severely decreased in value, even if, for some reason, the return is filed late.

Mr. President, my staff has discussed this measure with staff at the Treasury Department, and it is my understanding that, although the Department does object to making the proposed change applicable to open cases, it has no objection to making the prospective change in the law contained in the bill. I believe that this measure will redress a glaring inequity in existing law, and I urge my colleagues to consider it favorably.

Mr. President, I ask unanimous consent that a technical explanation of the bill's provisions appear in the RECORD at this point.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

TECHNICAL EXPLANATION OF BILL

This bill would amend section 2032(c) of the Internal Revenue Code in order to permit an election to use the alternate valuation date for estate tax purposes on an estate tax return which is filed late.

The general rule for estate tax purposes is that the value of the decedent's property is determined as of the date of death. The alternate valuation date election under section 2032 of the Code permits an estate to compute its estate tax liability using the value of the decedent's property as of the date 6 months after the date of death. The purpose of this provision is to prevent the inequity which would result from paying taxes on the date-of-death value when there is a severe decline in the value of the property shortly after the date of death. Otherwise, the estate tax could conceivably be greater than the value of the decedent's property at the time the tax is due.

Section 2032(c) currently provides that the alternate valuation date election can only be made on a timely filed estate tax return. If the return is late for any reason, including reasonable cause, the election cannot be made.

There is no reason for this harsh penalty for late filing. No tax avoidance can be achieved if the election can be made on a late return, and no administrative problems are foreseen if the rule is changed to permit an election on a late return. Moreover, it is incongruous that the specific severe penalties for filing a late return and for late payment of the tax may under existing law be excused if there is reasonable cause for the late filing or payment, while the alternate valuation date election, which is intended to be helpful to estates in distress, is absolutely precluded if the return is late, even if there is good reason for the late filing.

The bill would amend section 2032(c) to permit an alternate valuation date election on a late return. This rule cannot result in any planned tax avoidance because the due date of the return (9 months after date of death) is in all cases after the alternate valuation date (6 months after date of death). The values on the alternate valuation date are thus fixed on the due date of the return, and delay in the filing of the return therefore cannot change the tax consequences which would have resulted if the return had been timely filed.

In summary, the only effect of precluding the alternate valuation date election on a late return is to impose the loss of this election as an additional penalty for filing the late return—a penalty which is unrelated to the policy of the alternate valuation date election, and which cannot be excused even for reasonable cause. There is no administrative or tax policy reason for such a result, and this bill would remedy that situation.

Because of the remedial nature of this bill, it should apply to all cases which are not barred by the statute of limitations on the date of enactment.●

ADDITIONAL COSPONSORS

S. 2388

At the request of Mr. JAVITS, the Senator from Oklahoma (Mr. BARTLETT), the Senator from Maryland (Mr. MATHIAS), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 2388, a bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain employer educational assistance programs.

S. 3007

At the request of Mr. DOLE, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 3007, a bill pertaining to the treatment of individuals as employers.

S. 3037

At the request of Mr. DECONCINI, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 3037, a bill to provide for the administration of the Internal Revenue Code of 1954 without regard to certain Revenue rulings relating to the definition of the term "employee."

S. 3293

At the request of Mr. MELCHER, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 3293, a bill to provide that the Amtrak route system in effect on January 1, 1978, shall not be modified or restructured prior to October 1, 1979, and for other purposes.

S. 3330

At the request of Mr. CULVER, the Senator from Alaska (Mr. STEVENS) and the Senator from Mississippi (Mr. EASTLAND) were added as cosponsors of S. 3330, a bill to require agencies to consider alternative regulatory proposals in the promulgation of agency rules, regulations, and reporting requirements.

S. 3377

At the request of Mr. THURMOND, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 3377, a bill to create an Assistant Secretary of Labor for Veterans' Employment.

SENATE RESOLUTION 526

At the request of Mr. DOLE, the Senator from Indiana (Mr. BAYH), the Senator from North Carolina (Mr. HELMS), the Senator from Nebraska (Mr. CURTIS), the Senator from South Carolina (Mr. THURMOND), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of Senate Resolution 526, regarding the anniversary of the Soviet invasion of Czechoslovakia.

UP AMENDMENT NO. 1601

At the request of Mr. ROTH, the Senator from Florida (Mr. STONE) was added as a cosponsor of UP amendment No. 1601 proposed to H.R. 12935, an act making appropriations for the legislative branch for fiscal year 1979.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL ACQUISITION ACT OF 1977—S. 1264

AMENDMENT NO. 3435

(Ordered to be printed and to lie on the table.)

Mr. CHURCH submitted an amendment intended to be proposed by him to S. 1264, a bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies.

PROCUREMENT OF SERVICES INCIDENTAL TO ARCHITECTURAL ENGINEERING PROJECTS

● Mr. CHURCH. Mr. President, today I have submitted an amendment to S. 1264, the Federal Acquisition Act of 1977, in order to clarify present law governing Federal procurement of services which are directly related to Federal architectural engineering (A–E) projects.

S. 1264 would rewrite Federal procurement laws, based upon the recommendations of the Commission on Government Procurement. It is a major and much-needed undertaking that has spanned several years, and Senator CHILES, chairman of the Governmental Affairs Subcommittee on Federal Spending, is to be commended for his efforts in reporting this legislation to the Senate for action.

One procurement law which S. 1264 would not amend is Public Law 92–582, commonly called the Brooks bill after the chairman of the House Committee on Governmental Operations. This law was enacted in 1972 in order to codify a unique procurement procedure which had been used for A–E projects.

The Brooks bill procedure requires that A–E contracts be negotiated rather than let by competitive bidding. In addition, however, a relatively unique characteristic of the Brooks bill as compared to other present procurement laws—whether they prescribe negotiations or competitive bidding—is its requirement that these projects be publicly announced. Therefore, even though these contracts are negotiated rather than bid competitively, they are negotiated in the sunshine.

The Brooks bill procedure itself is also unique. It requires that Federal agencies maintain a list of eligible firms. When the agency contemplates an A–E project, three firms are selected from the list, and negotiations are undertaken with each in order of preference. I ask unanimous consent that the Brooks bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

SUBCHAPTER VI.—SELECTION OF ARCHITECTS AND ENGINEERS (NEW)

§ 541. Definitions.

As used in this subchapter—

(1) The term "firm" means any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice the professions of architecture or engineering.

(2) The term "agency head" means the Secretary, Administrator, or head of a department, agency, or bureau of the Federal Government.

(3) The term "architectural and engineering services" includes those professional services of an architectural or engineering nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform. (June 30, 1949, ch. 288, title IX, § 901, as added Oct. 27, 1972, Pub. L. 92–582, 86 Stat. 1278.)

§ 542. Congressional declaration of policy.

The Congress hereby declares it to be the policy of the Federal Government to publicly announce all requirements for architectural and engineering services, and to negotiate contracts for architectural and engineering services on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices. (June 30, 1949, ch. 288, title IX, § 902, as added Oct. 27, 1972, Pub. L. 92–582, 86 Stat. 1279.)

§ 543. Requests for data on architectural and engineering services.

In the procurement of architectural and engineering services, the agency head shall encourage firms engaged in the lawful practice of their profession to submit annually a statement of qualifications and performance data. The agency head, for each proposed project, shall evaluate current statements of qualifications and performance data on file with the agency, together with those that may be submitted by other firms regarding the proposed project, and shall conduct discussions with no less than three firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select therefrom, in order of preference, based upon criteria established and published by him, no less than three of the firms deemed to be the most highly qualified to provide the services required. (June 30, 1949, ch. 288, title IX, § 903, as added Oct. 27, 1972, Pub. L. 92–582, 86 Stat. 1279.)

§ 544. Negotiation of contracts for architectural and engineering services.

(a) The agency head shall negotiate a contract with the highest qualified firm for architectural and engineering services at compensation which the agency head determines is fair and reasonable to the Government. In making such determination, the agency head shall take into account the estimated value of the services to be rendered, the scope, complexity, and professional nature thereof.

(b) Should the agency head be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price he determines to be fair and reasonable to the Government, negotiations with that firm should be formally terminated. The agency head should then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the agency head should terminate negotiations. The agency head should then undertake negotiations with the third most qualified firm.

(c) Should the agency head the unable to negotiate a satisfactory contract with any of the selected firms, he shall select additional firms in order of their competence and qualification and continue negotiations in accordance with this section until an agreement is reached. (June 30, 1949, ch. 288, title IX, § 904, as added Oct. 27, 1972, Pub. L. 92–582, 86 Stat. 1279.)

Mr. CHURCH. My amendment, Mr. President, will clarify the basic scope of the law as it applies to "incidental services." The general services to be contracted under the Brooks bill procedure are defined to include "those professional services of an architectural or engineering nature, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform." My amendment will reiterate the intent of the Brooks bill's inclusion of incidental services when contracts involve these services alone in the context of A–E projects.

The incidental services to which my amendment is targeted are themselves performed by professionals. The best example is surveying. My State of Idaho and a number of others license surveying as a profession. Licensing for professions has traditionally been the responsibility of the States, and I believe that it should remain so. Although States may choose not to license certain professions, such as chiropractic, naturopathy or many others, or, as in the case of surveying, to incorporate it into other professions like architecture or engineering, the Federal Government must not override or "delicense" professions which States do choose to license.

The Brooks bill does not "delicense" surveying because of its specific inclusion of incidental services. A decision by the Comptroller General, "Ninneman Engineering," addressed this matter and held:

Where performance of cadastral (land) survey is incidental to professional A–E services, survey must be procured in course of procurement of such professional A–E services, which must follow method prescribed in Brooks Bill. . . . If survey is independent of A–E project, established competitive procedures may be used.

In this decision and another involving the profession of mapping, the Comptroller General ruled that the services in these specific cases were not incidental to A–E projects, and therefore were not covered by the Brooks bill. In a letter to the Comptroller General requesting a review of these adverse linkage determinations Chairman Brooks wrote:

As you know, the Brooks Act encompasses the procurement of professional services of an architectural and engineering nature, including those involving ancillary services that members of these professions or those in their employ may logically and justifiably perform. Such ancillary services clearly include those involving surveying and mapping. I recognize that instances may occur where an agency may seek to obtain such services which have no connection with any aspect of an architectural or engineering project and would not fall within the Act. However, if such a service is utilized by an agency, directly or indirectly, in an A–E project, or in gathering data and professional opinions upon which to base a decision to enlist A–E services, then such services would fall within the Act.

Furthermore, Mr. President, the Comptroller General has affirmed the inclusion of contracts for services which are incidental to A–E projects in his letter to me on this matter of April 5, 1978. He also states that surveyors are engaged in a licensed profession under the Brooks bill. I ask unanimous consent that this letter be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Despite all of these assurances, Mr. President, Idaho surveyors and others have told me emphatically that they have been excluded from consideration for contracts let under the Brooks bill procedure. My amendment is designed to clarify the fact that they must be included.

I have discussed this situation and my amendment with Senator CHILES. I am most grateful for his sympathetic and supportive response, although I recognize he may have reservations over its wording. So that all concerned can have an opportunity to review its text, I ask unanimous consent that my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3435

On page 92, immediately after line 4, insert the following new title:

TITLE X—SELECTION OF FIRMS TO PERFORM INCIDENTAL SERVICES AMENDMENTS TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 1001. (a) Section 901(1) of the Federal Property and Administrative Services Act of 1949 is amended by inserting immediately before the period a comma and the following: "except in the case of incidental services as described in paragraph (3), the term 'firm' includes any individual, firm, partnership, corporation, association, or other legal entity permitted by law or otherwise professionally qualified to perform such incidental services".

(b) Section 901(3) of such Act is amended by striking out "that members of these professions and those in their employ may logically or justifiably perform" and inserting "to professional architectural and engineering services".

On page 43, in the table of contents, immediately after item "Sec. 902." insert the following:

TITLE X—SELECTION OF FIRMS TO PERFORM INCIDENTAL SERVICES

SEC. 1001. Amendments to the Federal Property and Administrative Services Act of 1949.

EXHIBIT 1

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., April 5, 1978.

Hon. FRANK CHURCH,
U.S. Senate.

DEAR SENATOR CHURCH: We refer to your letter of January 10, 1978, enclosing correspondence you received concerning Federal procurement and the profession of survey-

ing. You suggest that two of our recent decisions reflect a usurpation of the states' surveyor licensure requirements by Federal procurement regulation, which you believe was not intended by Congress.

The decisions you reference are Ninneman Engineering-reconsideration, B–184770, March 9, 1977, 77–1 CPD 171, and United States Geological Survey, B–118678, May 6, 1977, 77–1 CPD 314. Copies are enclosed, as well as in a copy of our initial decision in Ninneman Engineering, B–184770, May 11, 1976, 76–1 CPD 307. In the March 9, 1977, decision we considered whether cadastral surveys must be procured in accordance with the Brooks Bill, 40 U.S.C. § 541 et seq. (Supp. V, 1975), which states the Federal Government's policy in the procurement of architect-engineer (A–E) services. Our findings in that decision served as the basis for the May 6, 1977, decision, which involved certain mapping services.

The Brooks Bill declares it to be Federal policy to publicly announce all requirements for architectural and engineering services and to negotiate contracts for such services on the basis of demonstrated competence and qualification and at fair and reasonable prices. In Ninneman Engineering-reconsideration, we outlined the procedures prescribed in the Bill as follows:

"Generally, the selection procedures prescribed require the contracting agencies to publicly announce requirements for A–E services. (This represents a change in the traditional method of obtaining A–E services.) The contracting agency then evaluates A–E statements of qualifications and performance data already on file with the agency and statements submitted by other firms in response to the public announcement. Thereafter, discussions must be held with 'no less than three firms regarding anticipated concepts and the relative utility of alternative methods of approach' for providing the services requested. (The discussion requirement is also a change in the traditional selection method.)

"Based on established and published criteria, the contracting agency then ranks in order of preference no less than three firms deemed most highly qualified. The legislative history makes it clear that the criteria to be used in ranking the firms for selection and final negotiation should not include or relate, either directly or indirectly, to the fees to be paid the firm. S. Rep. No. 1219, 92d Congress, 2d Sess. 8 (1972); H.R. Rep. No. 1188, 92d Congress, 2d Sess 10 (1972).

"Negotiations are held with the A–E firm ranked first. Only if the agency is unable to agree with the firm as to a fair and reasonable price are negotiations terminated and the second ranked firm invited to submit its proposed fee."

The Bill defines A–E services at 40 U.S.C. § 541(3) to include "those professional services of an architectural or engineering nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform." The issues before us arose because we were advised that performance of the surveys and the mapping services are not unique to professional A–E firms but are often performed by them. In this connection, it is not our position, as represented in the correspondence enclosed with your letter, that surveying is not a "professional" service. On the contrary, we recognize that states may require that land surveyors be licensed by the State. We also recognize, however, that states may have separate registration requirements for architects and engineers.

In considering whether Brooks Bill procedures applied to cadastral surveys, or whether agencies could instead use standard competitive procurement procedures, we reviewed the legislative history of the Bill. The history shows that the first part of the above definition, "professional services of an architectural or engineering nature," refers to services which are either unique to the A–E profession, or to a substantial or dominant extent logically fall within the particular expertise of its members. See S. Rep. No. 1219, 92d Cong., 2d Sess. 7 (1972); H.R. Rep. No. 1188, 92d Cong., 2d Sess. 7 (1972). Those services would essentially consist of design and consultant services traditionally obtained in connection with Federal construction and related programs, including alteration and renovation projects. S. Rep., supra, 1; H.R. Rep., supra, 1. Since we were advised that cadastral surveys could be adequately and properly performed by other than an architect or an engineer, the cited phrase in the definition at 40 U.S.C. § 541(3) could not be a basis to require their procurement by Brooks Bill procedures.

However, we were also advised that cadastral surveys may "logically or justifiably" be performed by professional A–E firms. Thus, their procurement would in fact be subject to the Brooks Bill if, as stated in the second part of the definition, they are "incidental" to otherwise professional A–E services, as described above.

We therefore concluded that where such services are to be performed in conjunction with "professional services of an architectural or engineering nature," which clearly must be procured by the Brooks Bill procedures, they should be contracted for in the course of the procurement of the professional A–E services under the Brooks Bill met od. A number of the types of services which may be considered "incidental" are listed at Federal Procurement Regulations § 1–4.1002(c) (1964 ed. amend. 150).

We trust that the above discussion and the enclosed material serve the purpose of your inquiry.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.●

ELEMENTARY AND SECONDARY EDUCATION ACT—S. 1753

AMENDMENT NO. 3436

(Ordered to be printed and to lie on the table.)

Mr. HAYAKAWA (for himself, Mr. CRANSTON, Mr. HODGES, Mr. TOWER, Mr. MOYNIHAN, and Mr. BARTLETT) submitted an amendment intended to be proposed by them, jointly, to S. 1753, a bill to extend the Elementary and Secondary Education Act of 1965, and for other purposes.

● Mr. HAYAKAWA. Mr. President, today I am submitting an amendment to S. 1753 in order to extend Public Law 94–405, the Indochina Refugee Children Assistance Act of 1976. If not extended it would terminate on September 30, 1978. Title II of the act is the only Federal education program that provides specifically for elementary and secondary educational services to approximately 180,000 Vietnamese, Cambodian, and Laotian children currently residing in the United States.

Public Law 94–405 was passed originally with the notion that continued funding would not be necessary since no more Indochinese refugees were expected in this country. Public Law 94–405 became law on September 10, 1976. A number of developments since that date have demonstrated that the original assumptions were erroneous. In August 1977, a program was enacted authorizing the admission of additional 15,000 refugees. In January 1978, the entry of more refugees—7,000 in this case—was authorized and in June of this year a further increment of 25,000 was approved. In other words, as of this date there has been an unexpected increase of 47,000 arrivals. But this is not all. Vice President MONDALE recently expressed the U.S. Government intention to admit 15,000 to 20,000 yearly for several years from camps in Thailand. The number would come within the total of about 25,000 refugees that the administration recently said it expects to admit each year from Asia.

The Indochinese refugees come to this country under the authority of the Federal Government. It would not be fair to ask the impacted States to assume the resulting financial burden. I also believe that the additional educational services for which Public Law 94–405 provides the funds should be continued and therefore, urge my colleagues to support this amendment.●

NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS—S. 2584

AMENDMENT NO. 3437

(Ordered to be printed and to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to S. 2584, a bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

Mr. LEAHY. Mr. President, the basic safety of nuclear power generating facilities and the problem of nuclear waste storage have been and will continue to be debated well into the next century. All over the United States and throughout the world, people are concerned over their well-being in light of the potential threat of a nuclear accident. But against the backdrop of the world's rising energy needs, our dependence on power from nuclear generating facilities presents difficult questions for pragmatic planners of world development.

Here in the United States, the Nuclear Regulatory Commission is the prime arbiter of nuclear safety, research, licensing, processing, transport, and disposal of spent fuel. There have been glaring problems inherent in the Federal Government's handling of nuclear plant licensing problems, the most celebrated of which is the Seabrook nuclear powerplant in New Hampshire.

The on-again, off-again stance by various Federal agencies dealing with Seabrook plant points up the need for a more coordinated approach. What I am proposing today as an amendment to the Atomic Energy Act of 1954 might actually complicate proceedings before the NRC, but I feel it is a necessary complication: I want to add the element of public comment.

The NRC panel holds court on issues vital to people who live near reactors, workers who labor in the plants and ratepayers who pay the bills for electricity generated by nuclear facilities.

The average citizen cannot have an impact at those NRC hearings. They have no access.

The groups that are heard before the NRC are large, powerful corporations with legions of lawyers and hundreds of technical experts. Every vested interest can wage a well-financed campaign in front of the NRC and the media, but these groups rarely represent the best interest of the public at large.

Multibillion-dollar industries can take care of themselves. What is needed is a vehicle to protect the welfare of the average citizen who pays the bills in the end.

The amendment I am offering here today will create an Office of Nuclear Energy Public Counsel, an independent office affiliated with the NRC. This public counsel will cut through the access problem and afford valid, interested parties who will be directly affected by an NRC decision with representation before the Commission.

The public counsel will have party status and valid legal standing for every proceeding, formal or informal, pending before the Commission. These lawyers for the public can also initiate proceedings before the Commission in a matter which involves civilian applications regarding nuclear energy.

In short, the public counsel will allow representation for people now disenfranchised. My hope is that the proposed counsel will constructively represent the public interest in safe, efficient, reliable, and economical use of nuclear energy.

There is an isolation and an alienation built into the institutions, especially those here in Washington, which decide nuclear power questions. The interplay between the various Federal agencies, the NRC, the industry, and the environmental advocacy groups is shielded from public comment. The public counsel will add a new line of direct public involvement.

This new body can work in a way similar to the Office of Rail Public Counsel created last year. After just 6 months in operation, the Rail Public Counsel has represented citizens in the realm of rate cases, railroad deregulation, track safety standards, and railroad mergers.

In the arena of nuclear power issues, there certainly is no lack of opportunity for a public counsel.

I know that in my own State of Vermont, the Vermont Yankee nuclear powerplant at Vernon has been the center of controversy since it first fired up its reactor. Vermonters have led the country in demanding safety from the nuclear power industry, and there have been numerous occasions when a better represented public would have aided resolution of a problem.

Right now the Yankee plant is shut down because of a crack in its safety shield, the torus. A number of groups in the State have attempted to postpone the reactor's startup because of safety concerns, but they lack the legal expertise and financial resources to take action. A public counsel might give them the opportunity.

When Yankee's spent fuel storage pool was exhausted a few years ago, the NRC allowed Yankee to increase its storage facility against the wishes of the State and a number of local groups. Again a public counsel could have intervened.

But by the same token, construction workers forced out of work because of a plant closing could request representation before the NRC through the public counsel. Their purpose might be to keep a plant open, at least they will have a valid, public hearing.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 3437

On page 15, after line 23, insert the following:

SEC. 12. (a) The Atomic Energy Act of 1954 is amended by adding at the end thereof the following new chapter:

"Chapter 20. OFFICE OF NUCLEAR ENERGY PUBLIC COUNSEL

"SEC. 301. Establishment.—(a) There is established a new independent office affiliated with the Commission to be known as the Office of Nuclear Energy Public Counsel (hereinafter in this chapter referred to as the 'Office').

"(b) (1) Director; Term of Office.—The Office shall be administered by a Director. The Director shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) The Director shall serve for a term of 4 years and shall be responsible for the discharge of the functions and duties of the Office.

"(3) The Director shall be appointed and compensated without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, classification, and General Schedule pay rates, at a rate not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title.

"(c) (1) Powers and Duties.—The Director is authorized to appoint, fix the compensation, and assign the duties of employees of the Office and to procure temporary and intermittent services to the same extent as is authorized under section 3109 of title 5, United States Code. Each bureau, office, or other entity of the Commission and each department, agency, and instrumentality of the executive branch of the Federal Government and each independent regulatory agency of the United States is authorized to provide the Office with such information and data as it requests. The Director is authorized to enter into, without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5), such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the functions and duties of the Office. The Director shall submit a monthly report on the activities of the Office to the Chairman of the Commission, and the Commission, in its annual report to the Congress, shall evaluate and make recommendations with respect to the Office and its activities, accomplishments, and shortcomings.

"(2) In addition to any other duties and responsibilities prescribed by law, the Office—

"(A) shall have standing to become a party to any proceeding, formal or informal, which is pending or initiated before the Commission and which involves civilian applications of nuclear energy;

"(B) may petition the commission for the initiation of proceedings on any matter within the jurisdiction of the Commission which involves civilian applications of nuclear energy;

"(C) may seek judicial review of any Commission action on any matter involving civilian applications of nuclear energy to the extent such review is authorized by law for any person and on the same basis;

"(D) shall solicit, study, evaluate, and present before the Commission, in any proceeding, formal or informal, the views of those communities and users affected by proceedings initiated by or pending before the Commission, whenever the Director determines, for whatever reason (such as size or location), that such community or user might not otherwise be adequately represented before the Commission in the course of such proceedings; and

"(E) shall evaluate and represent, before the Commission and before other Federal agencies when their policies and activities significantly affect matters subject to the jurisdiction of the Commission, and shall by other means assist the constructive representation of, the public interest in safe, efficient, reliable, and economical use of nuclear energy.

In the performance of its duties under this paragraph, the Office shall assist the Commission in the development of a public interest record in proceedings before the Commission.

"(3) Nothing in this chapter shall be construed to grant to the Office any power, duty, or jurisdiction over or related to matters dealing with national security or military applications of nuclear materials.

"SEC. 302. Concurrent Submission of Budget Requests and Estimates to President and Congress.—The budget requests and budget estimates of the Office shall be submitted concurrently to the Congress and to the President.

"SEC. 303. Authorization of Appropriations.—There are authorized to be appropriated to the Office for the purpose of carrying out the provisions of this section not to exceed $500,000 for the fiscal year ending September 30, 1979, and not to exceed $3,000,000 for the fiscal year ending September 30, 1980.".

(b) The amendment made by subsection (a) shall take effect 90 days after the date of enactment of this Act.

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1979—H.R. 13125

AMENDMENT NO. 3438

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted an amendment intended to be proposed by him to H.R. 13125, an act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1979, and for other purposes.

AMENDMENT NO. 3439

(Ordered to be printed and to lie on the table.)

Mr. MORGAN submitted an amendment intended to be proposed by him to H.R. 13125, supra.

AMENDMENT NO. 3440

(Ordered to be printed and to lie on the table.)

Mr. LUGAR (for himself, Mr. CHAFEE and Mr. DANFORTH) submitted an amendment intended to be proposed by them, jointly, to H.R. 13125, supra.

● Mr. LUGAR. Mr. President, today I submit for printing an amendment to H.R. 13125, the agriculture appropriations bill. This amendment cuts 2 percent from all nonmandatory programs. The $4.5 billion of the $23.4 billion appropriated is for nonmandatory programs, thus the 2-percent cut amounts to $90 million.

I ask unanimous consent that the text of the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 3440

TITLE I: AGRICULTURAL PROGRAMS PRODUCTION, PROCESSING AND MARKETING: OFFICE OF THE SECRETARY

On page 2, line 6, strike out "$4,310,000" and insert in lieu thereof "$4,223,800".

DEPARTMENTAL ADMINISTRATION

On page 2, line 15, strike out "$2,923,000" and insert in lieu thereof "$2,864,540".

On page 2, line 16, strike out "$2,947,650" and insert in lieu thereof "$2,888,701".

On page 2, line 17, strike out "$220,000" and insert in lieu thereof "$215,600".

On page 2, line 17, strike out "$2,790,530" and insert in lieu thereof "$2,734,719".

On page 2, line 18, strike out "$1,844,650" and insert in lieu thereof "$1,807,757".

On page 2, line 22, strike out "$7,921,170" and insert in lieu thereof "$7,762,746".

On page 2, line 23, strike out "$18,647,000" and insert in lieu thereof "$18,274,063".

OFFICE OF THE INSPECTOR GENERAL

On page 3, line 22, strike out "$31,564,000" and insert in lieu thereof "$30,932,720".

OFFICE OF THE GENERAL COUNSEL

On page 4, line 4, strike out "$10,251,000" and insert in lieu thereof "$10,045,980".

FEDERAL GRAIN INSPECTION SERVICE

On page 4, line 12, strike out "$22,680,000" and insert in lieu thereof "$22,226,400".

AGRICULTURAL RESEARCH SERVICE

On page 5, line 11, strike out "$337,791,000" and insert in lieu thereof "$331,035,180".

On page 7, line 7, strike out "$15,000,000" and insert in lieu thereof "$14,700,000".

On page 7, line 16, strike out "$5,750,000" and insert in lieu thereof "$5,635,000".

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

On page 8, line 10, strike out "$228,150,000" and insert in lieu thereof "$223,587,000".

FOOD SAFETY AND QUALITY SERVICE

On page 10, line 16, strike out "$271,104,000" and insert in lieu thereof "$265,681,920".

COOPERATIVE STATE RESEARCH SERVICE

On page 11, line 22, strike out "$113,866,000" and insert in lieu thereof "$111,588,680".

On page 12, line 6, strike out "$9,500,000" and insert in lieu thereof "$9,310,000".

On page 12, line 9, strike out "$17,060,000" and insert in lieu thereof "$16,718,800".

On page 12, line 23, strike out "$37,398,000" and insert in lieu thereof "$36,650,040".

On page 12, line 25, strike out "$5,398,000" and insert in lieu thereof "$5,290,040".

On page 13, line 1, strike out "$30,000,000" and insert in lieu thereof "$29,400,000".

On page 13, line 2, strike out "$2,000,000" and insert in lieu thereof "$1,960,000".

On page 13, line 4, strike out "$1,696,000" and insert in lieu thereof "$1,662,080".

On page 13, line 10, strike out "$179,520,000" and insert in lieu thereof "$175,929,600".

EXTENSION SERVICE

On page 13, line 22, strike out "$186,831,000" and insert in lieu thereof "$183,094,380".

On page 13, line 25, strike out "$50,560,000" and insert in lieu thereof "$49,548,800".

On page 14, line 4, strike out "$5,435,000" and insert in lieu thereof "$5,326,300".

On page 14, line 7, strike out "$1,735,000" and insert in lieu thereof "$1,700,300".

On page 14, line 9, strike out "$910,000" and insert in lieu thereof "$891,800".

On page 14, line 18, strike out "$10,412,000" and insert in lieu thereof "$10,203,760".

One page 14, line 20, strike out "$11,500,000" and insert in lieu thereof "$11,270,000".

On page 14, line 20, strike out "$267,383,000" and insert in lieu thereof "$262,035,340".

On page 15, line 11, strike out "$6,543,000" and insert in lieu thereof "$6,412,140".

NATIONAL AGRICULTURAL LIBRARY

On page 15, line 15, strike out "$7,527,000" and insert in lieu thereof "$7,376,400".

ECONOMICS, STATISTICS, AND COOPERATIVE SERVICE

On page 16, line 19, strike out "$80,137,000" and insert in lieu thereof "$78,534,260".

AGRICULTURAL MARKETING SERVICES

On page 18, line 1, strike out "$49,070,000" and insert in lieu thereof "$48,088,600".

WORLD FOOD AND AGRICULTURAL OUTLOOK AND SITUATION BOARD

On page 18, line 20, strike out "$1,009,000" and insert in lieu thereof "$988,820".

FARM INCOME STABILIZATION, ACSC: SALARIES AND EXPENSES

On page 19, line 18, strike out "$217,527,000" and insert in lieu thereof "$213,176,460".

DAIRY AND BEEKEEPER INDUSTRY

On page 21, line 15, strike out "$3,240,000" and insert in lieu thereof "$3,175,200".

TITLE II—RURAL DEVELOPMENT PROGRAMS

RURAL DEVELOPMENT ASSISTANCE, FARMERS HOME ADMINISTRATION, RURAL HOUSING INSURANCE FUND

On page 25, line 5, strike out "30,000" and insert in lieu thereof "29,400".

On page 25, line 10, strike out "$555,000,000" and insert in lieu thereof "543,900,000".

WATER/WASTE DISPOSAL GRANTS

On page 27, line 14, strike out "$300,000,000" and insert in lieu thereof "$294,000,000".

HOUSING REPAIR GRANTS

On page 27, line 19, strike out "$24,000,000" and insert in lieu thereof "$23,520,000".

DOMESTIC FARM LABOR

On page 27, line 24, strike out "$38,000,000" and insert in lieu thereof "$37,240,000".

MUTUAL/SELF-HELP HOUSING

On page 28, line 3, strike out "$16,500,000" and insert in lieu thereof "$16,170,000".

SELF-HELP LAND DEVELOPMENT

On page 28, line 7, strike out $1,000,000" and insert in lieu thereof "$980,000".

RURAL COMMUNITY FIRE PROTECTION

On page 28, line 11, strike out "$3,500,000" and insert in lieu thereof "$3,430,000".

RURAL DEVELOPMENT PLANNING GRANTS

On page 28, line 18, strike out "$5,000,000" and insert in lieu thereof "$4,900,000".

HOUSING SUPERVISORY ASSISTANCE GRANTS

On page 28, line 21, strike out "$2,500,000" and insert in lieu thereof "$2,450,000".

RURAL DEVELOPMENT GRANTS

On page 28, line 25, strike out "$10,000,000" and insert in lieu thereof "$9,800,000".

SALARIES AND EXPENSES

On page 29, line 14, strike out "$230,582,000" and insert in lieu thereof "$225,970,360".

RURAL ELECTRIFICATION; SALARIES AND EXPENSES

On page 31, line 17, strike out "$24,658,000" and insert in lieu thereof "$24,164,840".

SOIL CONSERVATION SERVICE; CONSERVATION OPERATIONS

On page 32, line 9, strike out "$255,296,000" and insert in lieu thereof "$250,190,080".

RIVER BASIN SURVEYS

On page 33, line 18, strike out "$16,487,000" and insert in lieu thereof "$16,157,260".

WATERSHED PLANNING

On page 34, line 6, strike out "$5,759,000" and insert in lieu thereof "$5,643,820".

WATERSHED AND FLOOD PREVENTION OPERATIONS

On page 34, line 23, strike out "$227,522,000" and insert in lieu thereof "$222,971,560".

On page 34, line 25, strike out "$20,876,000" and insert in lieu thereof "$20,458,480".

On page 35, line 7, strike out "$10,000,000" and insert in lieu thereof "$9,800,000".

RESOURCE CONSERVATION AND DEVELOPMENT

On page 36, line 4, strike out "$16,797,000" and insert in lieu thereof "$16,461,060".

GREAT PLAINS CONSERVATION

On page 36, line 20, strike out "$23,288,000" and insert in lieu thereof "$22,822,240".

NON POINT SOURCE POLLUTION

On page 37, line 9, strike out "$75,000,000" and insert in lieu thereof "$73,500,000".

ASCS; AGRICULTURAL CONSERVATION PROGRAM

On page 38, line 22, strike out "$85,000,000" and insert in lieu thereof "$83,300,000".

COST-SHARING

On page 42, line 11, strike out "$25,000,000" and insert in lieu thereof "$24,500,000".

FORESTRY INCENTIVE

On page 42, line 25, strike out "$17,500,000" and insert in lieu thereof "$17,150,000".

WATER BANK

On page 43, line 4, strike out "$10,000,000" and insert in lieu thereof "$9,800,000".

EMERGENCY CONSERVATION MEASURES

On page 43, line 9, strike out "$10,000,000" and insert in lieu thereof "$9,800,000".

TITLE III—DOMESTIC FOOD PROGRAMS

FOOD AND NUTRITION SERVICE, CHILD NUTRITION PROGRAMS

On page 43, line 20, strike out "$2,778,300,000" and insert in lieu thereof "$2,777,900,000".

On page 44, line 3, strike out "$20,000,000" and insert in lieu thereof "$19,600,000".

FOOD PROGRAM ADMINISTRATION

On page 46, line 6, strike out "$74,275,000" and insert in lieu thereof "$72,789,500".

TITLE IV—INTERNATIONAL PROGRAMS

FOREIGN AGRICULTURAL SERVICE

On page 46, line 21, strike out "$56,403,000" and insert in lieu thereof "$55,274,940".

INTERNATIONAL DEVELOPMENT STAFF

On page 47, line 8, strike out "$199,000" and insert in lieu thereof "$195,020".

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On page 47, line 25, strike out "$840,274,000" and insert in lieu thereof "823,468,520".

On page 47, line 25, strike out "$339,400,000" and insert in lieu thereof "$332,612,000".

On page 48, line 7, strike out "$573,006,000" and insert in lieu thereof "$561,545,880".

On page 48, line 8, strike out "$466,500,000" and insert in lieu thereof "$457,170,000".

TITLE V—RELATED AGENCIES

FOOD/DRUG ADMINISTRATION SALARIES AND EXPENSES

On page 49, line 3, strike out "$295,454,000" and insert in lieu thereof "$289,544,920".

FDA BUILINGS AND FACILITIES

On page 49, line 8, strike out "$10,459,000" and insert in lieu thereof "$10,249,820".

COMMODITY FUTURES TRADING COMMISSION

On page 49, line 15, strike out "$14,974,000" and insert in lieu thereof "$14,674,520".

NATIONAL ALCOHOL FUELS COMMISSION

On page 50, line 3, strike out "$1,500,000" and insert in lieu thereof "$1,470,000".●

NOTICES OF HEARINGS

SUBCOMMITTEE ON IMMIGRATION

● Mr. DECONCINI. Mr. President, the Immigration Subcommittee will hold a hearing on S. 3093, a bill to provide for

the seizure of vehicles used to illegally transport persons into the United States, on August 14, 1978, beginning at 9:30 a.m., in room 2228, Dirksen Senate Office Building.

Witnesses will include the Commissioner of the Immigration and Naturalization Service and other parties. Interested persons should contact Tim McPike, 4104 Dirksen Senate Office Building, Washington, D.C. 20510, (202) 224-2212.●

ADDITIONAL STATEMENTS

TESTIMONY OF SENATOR JAKE GARN ON ERA EXTENSION

● Mrs. ALLEN. Mr. President, the Subcommittee on the Constitution of the Committee on the Judiciary held hearings last week on Senate Joint Resolution 134, the equal rights amendment extension legislation. As a member of the subcommittee, I listened with interest to the various witnesses, and I found particularly valuable the testimony of our distinguished colleague, Senator JAKE GARN, of Utah. Since the proposed extension of the time period for ratification of the equal rights amendment is a matter of undoubted interest to all Members, I ask that his testimony be printed in the RECORD.

The testimony follows:

TESTIMONY OF SENATOR JAKE GARN

Mr. Chairman:

I appreciate this opportunity to appear before you and the distinguished members of this committee. S. J. Res. 134 raises issues of overriding Constitutional importance and I am glad to participate in these hearings and trust that the witnesses who appear during the next three days will provide the best information available on all sides of the issues.

This testimony will not be a treatise on Constitutional law; there are experts enough on the Constitution who will testify before this committee or who have appeared before the House Judiciary Committee. What this testimony will be is a plea for detached, objective fairness. My testimony will be relevant to both the Constitutional questions and the policy questions, however, because in areas in which Constitutional language and history do not evidence a clear intent then matters of morality, philosophy, and wise policy are helpful in establishing what will become precedent and, perhaps, law.

It is very unfortunate that the issue of extension is being intertwined with the merits of the Equal Rights Amendment (ERA) itself. For example, a recent flyer printed by the National Organization for Women (N.O.W.) says, "Opponents have been using the deadline as a weapon, shifting the dialogue from the merits of the ERA to the time limit itself." [1] I have friends who support ratification of ERA—I do not—but I hope that those who favor ratification will be able to detach their views on the amendment's merits from their views regarding fair and certain procedures. This distinction is critical, and it is a distinction that underlies much of American law, i.e. we have public rules regarding substance and public rules regarding procedure. We do not change our procedures to correspond with our views of substantive rightness or wrongness, wisdom or folly. We do not prejudge the merits of an issue before submitting it to the judicial or legislative process and then, if we adjudge the issue as "good" or "bad", change the rules accordingly. Our judicial system takes good cases and bad under the same rules; our legislative process requires the Administration's bills, and the opposition's bills, and conservative and liberal bills to succeed or fail according to their merits without changing the formal process. Of course, the Administration and the opposition and others are free to lobby, cajole, campaign, and twist arms if necessary, but the formal process remains unbiased, unchanged, and—ideally—even untainted.

I think the merits of ERA must be separated from the issue of procedure. Certainly, because I oppose ERA, by position will be suspect, but I want to assure this committee and all others who read this statement that I will apply the same standard to all other Constitutional amendments. For example, I am a cosponsor with Senator Bayh and others of S.J. Res. 1, a proposed Constitutional amendment to provide for the direct election of the President, and if S.J. Res. 1 is ever placed in a position similar to that now faced by ERA my position would be the same. My position will be exactly the same with respect to S.J. Res. 14 and 15, the two proposed Constitutional amendments which I have introduced dealing with abortion. I feel very, very strongly about the need for these amendments because I believe abortion is a cancer growing in the body politic the like of which has not flared in this country since Dred Scott, but I would not change the process of amendment to favor these amendments. I think the abortion amendments are critical and urgent; I think for every day of delay in referring and ratifying these amendments we consent to our own Slaughter of the Innocents, but I am not willing to substitute my judgment for the judgment of the Congress and the various state legislatures, nor am I willing to skew the process to favor my own substantive views. This being my view, I can no more justify an extension of the deadline for ERA ratification because there can be "No time limit on equality" than I could justify a change of rules for the abortion amendments because "It is time for the killing to stop." This sloganeering is not the way in which to settle important Constitutional and policy questions.

Mr. Chairman, as I said at the beginning of my remarks, my plea is for detached, objective fairness. In this regard I believe it is important to remind the Senate of an earlier, analogous situation because I believe we can learn valuable lessons from the experience of the 92nd Congress. In late 1971 the Senate took up and passed S. 215, the Federal Constitutional Convention Procedures Act. The bill was designed to provide guidelines for what we might call the second track of Article V of the Constitution.

The first track is the traditional method of amending the Constitution, i.e. the Congress, by two-thirds vote of each house, refers amendments to the states which are valid as part of the Constitution when ratified by the legislatures of three-fourths of the states (or by state conventions). The second track system, and the amending method to which the 1971 bill addressed itself, is the convention method, i.e. the method by which two-thirds of the state legislatures may petition the Congress for the convening of a Constitutional convention, and the proposals of the convention are then referred to the state legislatures for ratification. Second track amendments also require three-fourths of the state legislatures to ratify before they become part of the Constitution.

Both tracks are fully authorized under Article V, although the second track has never been used for the adoption of an amendment. Nevertheless, as of 1971 the states had made over 250 applications to Congress for the covening of a Constitutional convention.[2] The most serious applications for a convention (judging from the number of states which made petitions) included such diverse causes as direct election of U.S. senators, prohibition of polygamy, limitation of federal taxing power, reapportionment, and revenue sharing.

The express purpose of the 1971 Senate bill was "to provide the procedural machinery necessary to effectuate that part of article V of the Constitution of the United States which authorizes a convention called by the States to propose specific amendments to the Constitution." [3] I want to emphasize that the bill was intended to establish the machinery for the utilization of a fully legitimate and parallel (i.e. parallel to the traditional method) method of amendment, and that the reason and logic of the Federal Constitutional Convention Procedures Act are applicable, by analogy, to first track questions, such as that presented in the ERA extension case.

Perhaps the first thing to note about the 1971 act is that it was debated, and passed unanimously, without the heat and pressure that occurs when such debate takes place at a time when a particular amendment is pending. Naturally, the constituency of any pending amendment (and their opponents) made calm reflection difficult. This fact, which is all too self-evident now, was foreseen by the Judiciary Committe in 1971:

The commitee urges passage of this bill now in order to avoid what might well be an unseemly and chaotic imbroglio if the question of procedure were to arise simultaneously with the presentation of a substantive issue by two-thirds of the State legislatures. Should article V be invoked in the absence of this legislation, it is not improbable that the country will be faced with a constitutional crisis the dimensions of which have rarely been matched in our history.[4]

Similar sentiment was spoken on the Senate floor when the bill was being debated. For example, the Chairman of this subcommittee, Mr. Bayh, made the following statement:

"I think it is vitally needed legislation. I say let us act now. Let us not wait until a constitutional crisis presents itself, when we may not be able to deal dispassionately and with wisdom with such an important matter as amending the Constitution of the United States." [5]

And a few minutes later, the then-junior Senator from Indiana repeated his hope for decisions made in a calm atmosphere:

"I agree with Senator Ervin that the ground rules for a constitutional convention ought—if at all possible—to be established before a convention is called to deal with a specific topic, lest views on the substantive issues color what should be neutral decisions about fair procedures. Let us set the ground rules in advance, at a time when we can agree objectively on what they should be. I also agree that we ought to take the middle ground in framing such a bill—avoiding both those procedures which make constitutional change too easy and those which stifle needed reform altogether." [6]

We can see, then, the stress that was placed on the issue of calm and objective reflection in 1971. However, the difference between the 92nd Congress and the 95th Congress is not that they desired objectivity more, but that they operated in a climate in which it was possible. Surely every member of this committee and every witness want to take an objective look at this issue (and some may even claim to do so), but I am afraid we are too close to the emotionalism and pressures that surround the substance of ERA. If I am right, then we can learn a great deal about what a truly objective analysis would produce by studying the arguments and conclusions of the 92nd Congress.

The 92nd Congress, in the Federal Constitutional Convention Procedures Act, dealt with three issues that are relevant to the bill

Footnotes at end of article.

at hand. Those three issues are rescission, the value of simple majority rule contrasted with supermajority rule, and timeliness of Constitutional petitions. Let me deal with these issues in order.

The Federal Constitutional Convention Procedures Act (the Act) specifically authorized rescission. Section 13 of the Act was as follows:

Sec. 13. (a) Any State may rescind its ratification of a proposed amendment by the same processes by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

(c) (precludes judicial review and allows Congress to be the sole judge concerning ratification and rescission.) [7]

The report of the Judiciary Committee gave the reasoning for this provision, and I quote the entire section of the committee report entitled "Rescission of Applications and Ratifications":

The question of whether a State may rescind an application once made has not been decided by any precedent, nor is there any authority on the question. It is one for Congress to answer. (Note that this statement deals with an application of a state for a Constitutional *convention.*) Congress previously has taken the position that having once ratified an amendment, a State may not rescind.

The committee is of the view that the former ratification rule should not control this question and, further, should be changed with respect to ratifications. Since a two-thirds consensus among the States in a given period of time is necessary to call a convention, obviously the fact that a State has changed its mind is pertinent. An application is not a final action. It merely registers the State's views. A State is always free, of course, to reject a proposed amendment. On these grounds, it is best to provide for rescission. Of course, once the constitutional requirement of petitions from two-thirds of the States has been met and the amendment machinery is set in motion, these considerations no longer hold, and rescission is no longer possible. *On the basis of the same reasoning, a State should be permitted to retract its ratification, or to ratify a proposed amendment it previously rejected.* Of course, once the amendment is part of the Constitution this power does not exist. [8] (Emphasis added.)

It seems to me that the Judiciary Committee, in a time of calm analysis, adopted the fairest possible procedure. States that had once rejected an amendment would be free to change their mind and later ratify; those that had once ratified would be free to reconsider and, if desired, rescind the earlier action. No state would be irrevocably bound by its earlier decision until the Constitutional (or, in the case of applications for a convention, statutory) standard of three-fourths (two-thirds for applications) had been reached.

The standard contained in the Act was an attempt to codify fair play. It was an attempt to ensure that the debate continued full and healthy within each state for the entire time authorized. We are hearing a great deal about the need to "continue debate on a viable issue," but the fact remains that under the Constitutional scheme set forth by opponents of rescission the debate may continue only in those states which have not yet ratified the pending amendment. Persons living in states that have ratified the amendment must content themselves with writing letters to the editor. Why don't we adopt a method of amendment in which proponents and opponents of a proposed amendment may continue to participate in the active, meaningful debate until the amendment is ratified by the Constitutional three-fourths of the states? As N.O.W. says, "The issue (in this case, of ratifying the ERA) continues to be one of pressing concern, and the debate is, if anything, livelier than it was when the ERA was introduced in 1972." [9] This statement may be true, but if the issue continues to "press" us into debate even "livelier" than before, why not permit opponents in the ratified states to participate? It is not the advocates of rescission who wish to cutoff debate, it is the opponents because for them the debate may only continue in those states they have not yet won. In short, they say, ERA is an issue in only 15 states. Those of us who believe rescission is eminently just, want the debate to continue not only in the 15 states that have not ratified, but also in the four states that have rescinded and the 31 states that have ratified but have not rescinded. Are we now to prohibit continued debate? If so, we abandon a lofty principle adopted by the Senate in 1971 during a period of studied consideration of Constitutional principles for a position that is tainted with prejudice and which is adopted under intense political pressure.

The second issue raised in the Federal Constitutional Convention Procedures Act is that of simple majority versus supermajority. The issue in the Act is not identical to the issue being considered today by this committee, but it is analogous and it should control unless substantial objections are raised against it. I hold that it should control.

Section 10 of the Act, as reported from committee, provided that once a Constitutional convention had been convened (on the application of two-thirds of the states) then amendments could be proposed by a simple majority of the delegates. This position was defended by Senator Ervin who claimed that the supermajorities necessary to call the convention (two-thirds of the states) and ratify proposed amendments (three-fourths of the states) provided sufficient guarantee against unwise amendments and therefore the Act should follow the precedent of the Philadelphia Convention at which a simple majority vote carried a motion. This view was opposed however by those who claimed that since the convention was, in a sense, operating as Congress does when it debates and refers an amendment that the convention should operate under a two-thirds requirement as the Congress does on Constitutional amendments. The opposition was led by the junior Senator from Indiana, Senator Bayh, who proposed and managed the amendment which changed the bare majority requirement to a two-thirds requirement. The Bayh Amendment (Number 450) was adopted 45 to 39.[10]

Senator Bayh's arguments can be summed up best by citing the "Separate Views of Messrs. Bayh, Burdick, Hart, Kennedy, and Tunney" in the Senate report. Those interested in the Senator's floor statements, and his references to several excellent authorities, may refer to the Record.[11] The relevant part of the "Separate Views" follows:

Section 10, which permits the convention to propose amendments by a bare majority vote should be amended to require a two-thirds majority. As presently written, it undermines the traditional safeguard which has protected the integrity of the Constitution since 1789. That safeguard, of course, is Article V's requirement that amendments be proposed by two-thirds of the Congress. All Senators know very well the difference between persuading half and persuading two-thirds of our colleagues of the wisdom of a course of action. Article V's requirement guarantees that a decisive majority of the members of not one but two deliberative bodies agree that the amendment is the wisest means of dealing with a fundamental national problem, and that they come to that agreement before the amendment is submitted to the States. We should require that the convention act through the same decisive majority of its delegates. Only if such a broad consensus is reached at the time the amendment is drafted—a time when viable alternative amendments are still under consideration—can we be confident that there is widespread agreement that the specific language of the amendment proposed best fulfills its purpose. By allowing a bare majority of the convention to propose an amendment, the bill opens the door to the submission of a proliferation of amendments to the States.

It is true that three-quarters of the States must ratify any proposed amendment. But during ratification the States cannot make any changes in the proposal. It is presented to them in final form on a take it or leave it basis. In each State, only a majority of the legislature need be convinced that the particular amendment proposed is better than no amendment at all. Ratification, therefore, is simply not a substitute for the reasoned deliberation and the building of a substantial consensus which ought to precede the proposal of change in the basic framework of our political system. It is for this reason, we feel, that the founding fathers wisely required in Article V a two-thirds vote by each House before the Congress could propose an amendment, even though such an amendment, too, must subsequently be ratified by three-quarters of the States. Our own constitutional history demonstrates this principle. Since 1927, 28 constitutional amendments have been voted on by one or both Houses of Congress. Of those debated, only 7 finally won support from enough members of Congress to be proposed to the States. But of those 7, not one was rejected by the States. In fact, since 1789 only 5 proposed amendments—two of them part of the original Bill of Rights—have been rejected by the States.

For these reasons, proposals should be sent to the States for ratification only if approved by two-thirds of the delegates to the convention.[12]

There are, as I said, differences between the situation addressed by Senators Bayh, Burdick, Hart, Kennedy, and Tunney and the present situation. But it seems to me that anyone reading the views of these distinguished Senators with an open mind will be impressed with the emphasis that was placed on a supermajority. The majority of the Senate was certainly impressed because it passed the Bayh supermajority amendment on a 45 to 39 roll call votes. The votes of Senators who are members of the 95th Congress on the Bayh Amendment are shown in Appendix A.

I concede that the issues are not identical, but issues seldom are. I must say that the Bayh Amendment provides greatly needed help in assessing the current situation and that it should give pause to anyone who quickly concludes that an extension of a ratification deadline can be agreed to by a simple majority of the Senate and House. The Views and floor statements are replete with references to the necessity of a supermajority. And note that the supermajority requirement was placed in the Act at this point: after two-thirds of the States had petitioned for a convention and before it is known whether the states will assent to the specific amendment referred from the convention to the states. In the present case, it is being proposed by some than an extension can be granted after two-thirds of each house have referred an amendment to the states, and after the states have had seven years in which to act. It is my opinion that those who supported the Bayh Amendment in 1971 have established a standard for extension that, at a minimum, requires a two-thirds vote of each house.

Finally, the Federal Constitutional Con-

Footnotes at end of article.

vention Procedures Act provides some guidance on the issue of timeliness. The Act as reported from committee provided that both applications for convention and referred amendments would remain timely for seven years. The report stated:

Article V is silent on the question of how long a proposed amendment should remain available for ratification or rejection by the States. It is likewise silent on the question of how long applications for a convention should remain valid. There is general agreement that, to be meaningful, applications for a constitutional convention to propose an amendment on a single subject should be a contemporaneous recognition by the States of the need for solution of a constitutional problem. There is some difference of opinion about the time period that is an appropriate measure of this contemporaneity. In the recent past, in making provision for the ratification of amendments proposed by Congress, 7 years has been specified as the appropriate time period within which ratification should take place. The bill provides that the same period—7 years—shall be the valid period. A shorter time, for instance 1 or 2 years, would not afford the States adequate time for debate and deliberation on so fundamental a question as a proposed constitutional amendment. On the other hand, a much longer time, say 15 years, would not satisfy the reasoned desire for consensus.[13]

This language has been helpful to me, and I trust that it will be as helpful to those who say "No time limit on equality" or who press for a 14 year (unless their amendment remains unratified at the end of that time period) ratification deadline or who believe that the number of years that the amendment remained pending before Congress before being referred is somehow relevant to the question of contemporaneity and a reasonable ratification period.

The same Senators who opposed the simple majority vote in convention also opposed the 7 year deadline during which a state's convention call would remain valid. In the same Separate Views cited above, Senators Bayh, Burdick, Hart, Kennedy and Tunney had this to say about the 7 year deadline: I emphasize that they were addressing themselves to the period during which a convention call would remain contemporaneous and valid, not the period during which an amendment which had been referred to the states could remain pending.

We believe that a State's call for a convention should not remain effective for seven years, as section 5 of the bill now provides. The call for a convention, as Professor Paul A. Freund has said, should reflect "a contemporaneously felt need." Of course, enough time must be provided to give the State Legislatures an opportunity to consider joining the request. However, in our view, four years would be a sufficient length of time. The vast majority of the legislatures—33 at latest count—now meet annually. Even the 17 legislatures which meet only in alternate years would have two sessions in which to act.[14]

Senator Bayh introduced an amendment to change the convention-call rule from 7 years to 4 (Amendment No. 451[15]), but he never called it up.[16] "I would have preferred a shorter period of time than 7 years," said Senator Bayh, "so that if something is greatly concerning the country, it can be dealt with quickly." However, because the Senate had accepted Senator Bayh's earlier amendment and because the House had not yet considered the measure he did not call up his second amendment.

Mr. Chairman, the language of the Federal Constitutional Convention Procedures Act itself, its report, and its debate can serve as excellent guides for the current debate. I think the Act was a reasonable and reasoned piece of legislation that was debated, amended, and passed during a time of Constitutional calm. Our present circumstances are not so peaceful—we are under extreme pressure to do that which is politically expedient. My fear is that our present tendency is to respond to the pressure and heat and I am afraid that by doing so we will warp neutral principles that were shaped during a time of calm analysis and which should remain strong, straight, and sure.[17]

AMENDING THE CONSTITUTION ACCORDING TO GALLUP AND HARRIS

Mr. Chairman, before I conclude my remarks and make my recommendation for resolution of the problem, let me address one other aspect of the issue. This aspect concerns the use of polling percentages as an argument for this or that option. An example of this is N.O.W.'s statement that "All reputable polls indicate that the vast majority of Americans, including those in the unratified states, want the ERA." [18]

It is true that the polls show wide support for ERA ratification. On July 17, 1978, Louis Harris wrote, "After a two-year period of serious erosion, support for passage of the Equal Rights Amendment to the Constitution has now risen to 55–38 percent, up from 51–34 percent back in January." [19] George Gallup's July, 1978, poll showed an even wider margin.[20] Gallup shows support for extension equally divided; Harris shows a majority favoring extension. This, of course, is interesting information and any politician worth his salt will pay attention to the numbers, but if these numbers have any relevance to the formal process of amending the United States Constitution it is not clear. Article V is explicit about the manner of ratification: after two-thirds of each house of Congress have passed a proposed amendment it is referred to the states, and the proposal becomes a part of the Constitution only when ratified by three-fourths of the state legislatures. The polls are relevant to this extent: if that many people want ERA ratified they should see that their state legislators vote for it and, if they do not, they have the option of replacing them with men and women who will do a better job of representing the people's views.

There are, then, the self-evident problems of conducting public policy according to the polls, but there are also polls which complicate what we are led to believe is a two-to-one mandate for ERA. For example, the Committee on the Status of Women commissioned a poll by Decision Making Information of California which showed that by a margin of 61–35 percent the American people opposed sending draft-age women into combat; by a margin of 65–23 percent they objected to transferring final power over marriage, divorce and child custody from the states to the federal government; by a margin of 51–44 percent they opposed making all school and college activities coeducational; and by a margin of 66–28 they opposed giving homosexuals the right to marry and teach in schools. Additional information on the survey, including the exact questions asked, appears in Appendix B.

I am well aware that the questions asked by Decision Making Information are very controversial in and of themselves. There is considerable debate about the effect of ERA on laws relating to homosexuals. Some believe that ERA will have no effect on such laws, others believe that laws making distinctions on what has become known as "sexual preference" will violate the express provisions of the Amendment, and others believe that the whole issue of homosexual rights and ERA is a bugaboo and irrelevant. For these reasons, we have state legislators making decisions based on the best information available to them. They can determine for themselves whether ERA will affect homosexual rights; they can decide about women, the draft, and their constituents' views; and they can make the other judgments that are implicit in any legislative decision but which are of extraordinary importance in any decision regarding an amendment to the federal Constitution.

Of course, Congress needs to be careful about playing this polling game. If we are going to make Constitutional decisions on the basis of the polls, we had better prepare to move in several areas, and do it quickly. A recent listing of Senate Joint Resolutions to amend the Constitution[21] shows the following:

Six joint resolutions to balance the budget; [22]

Four joint resolutions to restrict the terms of office of the President, Senators, and Members of Congress; [23]

Two joint resolutions calling for a change in the electoral college;[24] and one joint resolution which would establish a national referendum.[25]

We could ignore these resolutions (as we probably will, except for the change in the electoral college) with impunity if it were not for the polls, which show support for all of these measures.[26] My point, of course, is that you will not see the United States Senate running off to enshrine polled percentages in the Constitution. We are a long way from a balanced budget amendment, a restricted term amendment, and an initiative amendment. Why? Because we do not amend the Constitution according to Gallup and Harris Naturally we all know this about balanced budgets and restricted terms and national initiatives; my hope is that our knowledge is as sure in regard to ERA.

RECOMMENDATION

Mr. Chairman, I believe the best way for this committee to act is to report a joint resolution to the floor that is identical to House Joint Resolution 208, the original resolution containing the Equal Rights Amendment which was referred to the states on March 22, 1972, with one addition. The addition would permit states to rescind during the ratification period under the same conditions which were expressed in the 1971 Act.

If this is done, I will not propose or support any amendments to the resolution itself, i.e. I will neither propose nor support any amendments dealing with busing, school prayer, abortion, balanced budget, and so on. Also I will use what influence I have to see that my colleagues do not propose or support such amendments.

If a resolution reaches the floor and it does not have the above elements, I will have serious reservations about it and will support amendments designed to protect what I understand to be the integrity of the amending process. If these kinds of amendments are not successful then I believe it is my duty to support those efforts, under the rules of the Senate, which will provide for a thorough debate of the many issues surrounding extension.

FOOTNOTES

[1] Flyer printed by National Organization for Women, dated July 10, 1978 and entitled "National Lobby Day." (Hereinafter, N.O.W. flyer.)

[2] *See*, table of "State Applications Calling for Convention to Propose Constitutional Amendments from 1787 to September 1971 by Subject Matter" in 117 *Cong. Rec.* 36754 (1971) (remarks of Senator Ervin).

[3] S. Rep. No. 92–336, 92d Cong., 1st Sess. 1 (1971).

[4] *Id.* at 2.

[5] 117 *Cong. Rec.* 36761 (1971) (remarks of Senator Bayh).

[6] *Id.*

[7] The Act is printed at 117 *Cong. Rec.* 36806 (1971).

[8] S. Rep. at 14, *supra* note 3.

[9] N.O.W. flyer.

[10] The vote is found at 117 *Cong. Rec.* 36770 (1971).

[11] Senator Bayh's remarks appear at 117 *Cong. Rec.* 36760–36770 (1971).
[12] S. Rep. at 18, *supra* note 3.
[13] *Id.* at 11.
[14] *Id.* at 19.
[15] 117 *Cong. Rec.* 36760 (1971).
[16] *Id.* at 36803.
[17] An identical Act was passed by voice vote in the 93rd Congress on July 9, 1973. 118 *Cong. Rec.* 22731 (1973).
[18] N.O.W. Flyer.
[19] The Harris Survey, July 17, 1978.
[20] The Gallup Poll, July 16, 1978.
[21] *Digest of Public General Bills and Resolutions,* 95th Cong., 1st Sess. (Final Issue, Part 2). Prepared by the Congressional Research Service, Library of Congress.
[22] S.J. Res. 2, 26, 50, 51, 53, 65.
[23] S.J. Res. 20, 25, 27, 28.
[24] S.J. Res. 1 and 8.
[25] S.J. Res. 67.
[26] The headlines of some of the polls are descriptive: "Huge Majority Backs Carter Goal of a Balanced Budget," The Gallup Poll, August 28, 1977. "Public to Congress—Retire the Electoral College," The Gallup Poll, February 10, 1977. "Majority of Voters now Favor Limit on Terms of Senators, Representatives," The Gallup Poll, December 4, 1977. "National Initiative Process Favored by 57% of Voters," The Gallup Poll, May 14. 1978.

APPENDIX A

Members of the 95th Congress who voted on S. 215, the Federal Constitutional Convention Procedures Act, and the Bayh amendment (No. 450) in the 92nd Congress:

Senator, Bayh amendment, and final passage (S. 215):
Baker, no, yes.
Bayh, yes, yes.
Bellmon, n.v., yes.
Bentsen, yes, yes.
Brooke, yes, yes.
Burdick, yes, yes.
Byrd, Va., n.v., n.v.
Byrd, W. Va., no, yes.
Cannon, yes, yes.
Case, yes, yes.
Chiles, no, yes.
Church, yes, yes.
Cranston, yes, yes.
Curtis, n.v., announced against, n.v., announced for.
Dole, no, yes.
Eagleton, yes, yes.
Goldwater, no, yes.
Gravel, n.v., n.v., announced for.
Griffin, yes, yes.
Hansen, no, yes.
Hatfield Mark, no, yes.
Hollings, no, yes.
Inouye, yes, yes.
Jackson, yes, yes.
Javits, yes, yes.
Kennedy, yes, n.v.*
Long, no, n.v.
Magnuson, yes, yes.
Mathias, n.v., n.v.
McGovern, yes, yes.
McIntyre, yes, yes.
Muskie, yes, yes.
Nelson, yes, yes.
Packwood, n.v., n.v.
Pearson, yes, yes.
Pell, n.v., n.v.
Percy, yes, yes.
Proxmire, yes, yes.
Randolph, yes, yes.
Ribicoff, n.v., n.v., announced for.
Roth, no, yes.
Schweiker, yes, yes.
Sparkman, no, yes.
Stafford, yes, yes.
Stennis, no, yes.
Stevens, yes, yes.
Stevenson, yes, yes.
Talmadge, no, yes.
Thurmond, no, yes.
Tower, n.v., announced against, n.v., announced for.
Weicker, no, yes.
Williams, yes, yes.
Young, no, yes.
Total, 53.

Congressional Quarterly shows Senator Kennedy "Announced for or *CQ* poll for." See, *Congressional Quarterly Almanac,* 92nd Congress, 1st Session (1971) p. 41–S.

APPENDIX B

RESULTS OF NATIONAL SURVEY: EQUAL RIGHTS AMENDMENT—RELATED QUESTIONS

I'd like to now talk for a minute or two about a proposed amendment to the United States Constitution called the Equal Rights Amendment or ERA. It reads as follows: "Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex." Some favor it while others oppose it, but for different reasons.

1. *If* the ERA means that if a war were to occur, draft age women will be sent into military combat just like men, would you favor or oppose the Equal Rights Amendment?

	Percent
Favor	35
Oppose	61
Not sure	4

2. *If* the ERA means that final power over marriage, divorce and child custody will be transferred from the States to the federal government, would you favor or oppose the Equal Rights Amendment?

	Percent
Favor	23
Oppose	65
Not sure	12

3. *If* the ERA means that every school and college, including all their activities, must be coed, would you favor or oppose the Equal Rights Amendment?

	Percent
Favor	44
Oppose	51
Not sure	5

4. *If* the ERA means that homosexuals will be able to get marriage licenses and teach in schools, would you favor or oppose the Equal Rights Amendment?

	Percent
Favor	28
Oppose	66
Not sure	6

This national probability survey was conducted between March 26 and April 3, 1977, by Decision Making Information of Santa Ana, California. The study contains the results of 1,201 telephone interviews with adults (18 years and over) within the continental United States. The sample was drawn from the universe of households with telephones. All forty-eight states were included in the randomly selected sample. In general, random samples such as this yield results projectable to the entire universe of the adult population in the United States within ±2.9 percentage points in 95 out of 100 cases.

Any release to the public of these results should include all of the above reporting minima along with the exact wording of the questions asked.

THE COMPLICATED ISSUE OF QUOTA SYSTEMS

● Mr. HAYAKAWA. Mr. President, I would like to submit two articles for the record that speak, with refreshing insight, to the complicated issue of quota systems. The writer of both these articles is a good friend of mine, and works as a professor of economics at the University of California at Los Angeles. He is the author of several books, among them "Race and Economics" and "Black Education: Myths and Tragedies." As a black man, he is especially well informed as to the problems encountered by the black race, both in terms of past discrimination and the discrimination that now suffer under the guise of "special" quota systems. As Mr. Sowell notes in the opening sentence of one of his articles, "Race has never been an area noted for rationality of thought or action." I commend this article "Are Quotas Good For Blacks?" published in Commentary, and the second, "Racism, Quotas and the Front Door," to my colleagues.

The articles follow:

ARE QUOTAS GOOD FOR BLACKS?

(By Thomas Sowell)

Race has never been an area noted for rationality of thought or action. Almost every conceivable form of nonsense has been believed about racial or ethnic groups at one time or another. Theologians used to debate whether black people had souls (today's terminology might suggest that only black people have souls). As late as the 1920's, a leading authority on mental tests claimed that test results disproved the popular belief that Jews are intelligent. Since then, Jewish IQ's have risen above the national average and more than one-fourth of all American Novel Prize-winners have been Jewish.

Today's grand fallacy about race and ethnicity is that the statistical "representation" of a group—in jobs, schools, etc.—shows and measures discrimination. This notion is at the center of such controversial policies as affirmative-action hiring, preferential admissions to college, and public-school busing. But despite the fact that far-reaching judicial rulings, political crusades, and bureaucratic empires owe their existence to that belief, it remains an unexamined assumption. Tons of statistics have been collected, but only to be interpreted in the light of that assumption, never to test the assumption itself. Glaring facts to the contrary are routinely ignored. Questioning the "representation" theory is stigmatized as not only inexpedient but immoral. It is the noble lie of our time.

Affirmative-Action Hiring. "Representation" or "underrepresentation" is based on comparisons of a given group's percentage in the population with its percentage in some occupation, institution, or activity. This might make sense if the various ethnic groups were even approximately similar in age distribution, education, and other crucial variables. But they are not.

Some ethnic groups are a whole decade younger than others. Some are two decades younger. The average age of Mexican Americans and Puerto Ricans is under twenty, while the average age of Irish Americans or Italian Americans is over thirty—and the average age of Jewish Americans is over forty. This is because of large differences in the number of children per family from one group to another. Some ethnic groups have more than twice as many children per family as others. Over half of the Mexican American and Puerto Rican population consists of teenagers, children, and infants. These two groups are likely to be underrepresented in any adult activity, whether work or recreation, whether controlled by others or entirely by themselves, and whether there is discrimination or not.

Educational contracts are also great. More than half of all Americans over thirty-five of German, Irish, Jewish, or Oriental ancestry have completed at least four years of high school. Less than 20 per cent of all Mexican Americans in the same age bracket have done so. The disparities become even greater when you consider quality of school,

field of specialization, postgraduate study, and other factors that are important in the kind of high-level jobs on which special attention is focused by those emphasizing representation. Those groups with the most education—Jews and Orientals—also have the highest quality education, as measured by the rankings of the institutions from which they receive their college degrees, and specialize in the more difficult and remunerative fields, such as science and medicine. Orientals in the United States are so heavily concentrated in the scientific area that there are more Oriental scientists than there are black scientists in absolute numbers, even though the black population of the United States is more than twenty times the size of the Oriental population.

Attention has been focused most on high-level positions—the kind of jobs people reach after years of experience or education, or both. There is no way to get the experience or education without also growing older in the process, so when we are talking about top-level jobs, we are talking about the kind of positions people reach in their forties and fifties rather than in their teens and twenties. Representation in such jobs cannot be compared to representation in a population that includes many five-year-olds—yet it is.

The general ethnic differences in age become extreme in some of the older age brackets. Half of the Jewish population of the United States is forty-five years old or older, but only 12 per cent of the Puerto Rican population is that old. Even if Jews and Puerto Ricans were identical in every other respect, and even if no employer ever had a speck of prejudice, there would still be huge disparities between the two groups in top-level positions, just from age differences alone.

Virtually every underrepresented racial or ethnic group in the United States has a lower than average age and consist disproportionately of children and inexperienced young adults. Almost invariably these groups also have less education, both quantitatively and qualitatively. The point here is not that we should "blame the victim" or "blame society." The point is that we should, first of all, talk sense! "Representation" talk in cheap, easy, and misleading; discrimination and opportunity are too serious to be discussed in gobbledygook.

The idea that preferential treatment is going to "compensate" people for past wrongs flies in the face of two hard facts:

1. Public-opinion polls have repeatedly shown most blacks opposed to preferential treatment either in jobs or college admissions. A Gallup Poll in March 1977, for example, found only 27 per cent of non-whites favoring "preferential treatment" over "ability as determined by test scores," while 64 per cent preferred the latter and 9 per cent were undecided. (The Gallup breakdown of the U.S. population by race, sex, income, education, etc. found that "not a single population group supports affirmative action."[1])

How can you compensate people by giving them something they have explicitly rejected?

2. The income of blacks relative to whites reached its peak *before* affirmative-action hiring and has *declined* since. The median income of blacks reached a peak of 60.9 per cent of the median income of whites in 1970—the year before "goals" and "timetables" became part of the affirmative-action concept. "In only one year of the last six years," writes Andrew Brimmer, has the proportion been as high as 60 per cent."[2]

Before something can be a "compensation," it must first be a benefit.

The repudiation of the numerical or preferential approach by the very people it is supposed to benefit points out the large gap between illusion and reality that is characteristic of affirmative action. So does the cold fact that there are few, if any, benefits to offset all the bitterness generated by this heavy-handed program. The bitterness is largely a result of a deeply resented principle, galling bureaucratic processes, and individual horror stories. Overall, the program has changed little for minorities or women. Supporters of the program try to cover up its ineffectiveness by comparing the position of minorities today with their position many years ago. This ignores all the progress that took place under straight equal-treatment laws in the 1960's—progress that has not continued at anywhere near the same pace under affirmative action.

Among the reasons for such disappointing results is that hiring someone to fill a quota gets the government off the employer's back for the moment, but buys more trouble down the road whenever a disgruntled employee chooses to go to an administrative agency or a court with a complaint based on nothing but numbers. Regardless of the merits, or the end result, a very costly process for the employer must be endured, and the threat of this is an incentive *not* to hire from the groups designated as special by the government. The affirmative-action program has meant mutually canceling incentives to hire and not to hire—and great bitterness and cost from the process, either way.

If blacks are opposed to preferential treatment and whites are opposed to it, who then is in favor of it, and how does it go on? The implications of these questions are even more far-reaching and more disturbing than the policy itself. The show how vulnerable our democratic and constitutional safeguards are to a relative handful of determined people. Some of those people promoting preferential treatment and numerical goals are so convinced of the rightness of what they are doing that they are prepared to sacrifice whatever needs to be sacrificed—whether it be other people, the law, or simple honesty in discussing what they are doing (note "goals," "desegregation," and similar euphemisms). Other supporters of numerical policies have the powerful drive of self-interest as well as self-righteousness. Bureaucratic empires have grown up to administer these programs, reaching into virtually every business, school, hospital, or other organization. The rulers and agents of this empire can order employers around, make college presidents bow and scrape, assign schoolteachers by race, or otherwise gain power, publicity, and career advancement—regardless of whether minorities are benefited or not.

While self-righteousnes and self-interest are powerful drives for those who have them, they can succeed only insofar as other people can be persuaded, swept along by feelings, or neutralized. Rhetoric has accomplished this with images of historic wrongs, visions of social atonement, and a horror of being classed with bigots. These tactics have worked best with those most affected by words and least required to pay a price personally: non-elected judges, the media, and the intellectual establishment.

The "color-blind" words of the Civil Rights Act of 1964, or even the protections of the Constituion, mean little when judges can creatively reinterpret them out of existence. It is hard to achieve the goal of an informed public when the mass media show only selective indignation about power grabs and a sense of pious virtue in covering up the failures of school integration. Even civil libertarians—who insist that the Fifth Amendment protection against self-incrimination is a sacred right that cannot be denied Nazis, Communists, or criminals—show no concern when the government routinely forces employers to confess "deficiencies" in their hiring processes, without a speck of evidence other than a numerical pattern different from the government's preconception.

Preferential Admissions. Preferential admissions to colleges and universities are "justified" by similar rhetoric and he similar assumption that statistical underrepresentation means institutional exclusion. Sometimes this assumption is buttressed by notions of "compensation" and a theory that (1) black communities need more black practitioners in various fields; and that (2) black students will ultimately supply that need. The idea that the black community's doctors, lawyers, etc. should be black is an idea held by white liberals, but no such demand has come from the black community, which has rejected preferential admissions in poll after poll. Moreover, the idea that an admissions committee can predict what a youth is going to do with his life years later is even more incredible—even if the youth is one's own son or daughter, much less someone from a wholly different background.

These moral or ideological reasons for special minority programs are by no means the whole story. The public image of a college or university is often its chief financial asset. Bending a few rules here and there to get the right body count of minority students seems a small price to pay for maintaining an image hat will keep money coming in from the government and the foundations. When a few thousand dollars in financial aid to students can keep millions of tax dollars rolling in, it is clearly a profitable investment for the institution. For the young peope brought in under false pretense, it can turn out to be a disastrous and permanently scarring experience.

The most urgent concern over image and over government subsidies, foundation grants, and other donations is at those institutions which have the most of all these things to maintain—that is, at presigious colleges and universities at the top of the academic pecking order. The Ivy League schools and the leading state and private institutions have the scholarship money and the brand-name visibility to draw in enough minority youngsters to look good statistically. The extremely high admissions standards of these institutions usually cannot be met by the minority students—just as most students in general cannot meet them. But in order to have a certain minority body count, the schools bend (or disregard) their usual standards. The net result is that thousands of minority students who would normally qualify for good, non-prestigious colleges where they could succeed, are instead enrolled in famous institutions where they fail. For example, at Cornell during the guns-on-campus crisis, fully half of the black students were on academic probation, despite easier grading standards for them in many courses. Yet these students were by no means unqualified. Their average test scores put them in the top quarter of all American college students—but the other Cornell students ranked in the top 1 per cent. In other words, minority students with every prospect of success in a normal college environment were artifically turned into

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[1] Gallup Opinion Index, June 1977, Report 143, p. 23.

[2] *Black Enterprise*, April 1978, p. 62. A newly released RAND study similarly concludes that very little credit should be given to government affirmative-action programs for any narrowing of the income gap between white and black workers. The RAND researchers write, "our results suggest that the effect of government on the aggregate black-white wage ratio is quite small and that the popular notion that . . . recent changes are being driven by government pressure has little empirical support" (New York *Times*, May 8, 1978).

failures by being mismatched with an institution with standards too severe for them.

When the top institutions reach further down to get minority students, then academic institutions at the next level are forced to reach still further down, so that they too will end up with a minority body count high enough to escape criticism and avoid trouble with the government and other donors. Each academic level, therefore, ends up with minority students underqualified for that level, though usually perfectly qualified for some other level. The end result is a systematic mismatching of minority students and the institutions they attend, even though the wide range of American colleges and universities is easily capable of accommodating those same students under their normal standards.

Proponents of "special" (lower) admissions standards argue that without such standards no increase in minority enrollment would have been possible. But this blithely disregards the fact that when more *money* is available to finance college, more low-income people go to college. The GI Bill after World War II caused an even more dramatic increase in the number of people going to college who could never have gone otherwise—and without lowering admissions standards. The growth of special minority programs in recent times has meant both a greater availability of money and lower admissions standards for black and other designated students. It is as ridiculous to ignore the role of money in increasing the numbers of minority students in the system as a whole as it is to ignore the effect of double standards on their maldistribution among institutions. It is the double standards that are the problem, and they can be ended without driving minority students out of the system. Of course, many academic hustlers who administer special programs might lose their jobs, but that would hardly be a loss to anyone else.

As long as admission to colleges and universities is not unlimited, someone's opportunity to attend has to be sacrificed as the price of preferential admission for others. No amount of verbal sleight-of-hand can get around this fact. None of those sacrificed is old enough to have had anything to do with historic injustices that are supposedly being compensated. Moreover, it is not the offspring of the privileged who are likely to pay the price. It is not a Rockefeller or a Kennedy who will be dropped to make room for quotas; it is a De Funis or a Bakke. Even aside from personal influence on admissions decisions, the rich can give their children the kind of private schooling that will virtually assure them test scores far above the cutoff level at which sacrifices are made.

Just as the students who are sacrificed are likely to come from the bottom of the white distribution, so the minority students chosen are likely to be from the top of the minority distribution. In short, it is a forced transfer of benefits from those least able to afford it to those least in need of it. In some cases, the loose term "minority" is used to include individuals who are personally from more fortunate backgrounds than the average American. Sometimes it includes whole groups, such Chinese or Japanese Americans, who have higher incomes than whites. One-fourth of all employed Chinese in this country are in professional occupations—nearly double the national average. No amount of favoritism to the son or daughter of a Chinese doctor or mathematician today is going to compensate some Chinese of the past who was excluded from virtually every kind of work except washing clothes or washing dishes.

The past is a great unchangeable fact. *Nothing* is going to undo its sufferings and injustices, whatever their magnitude. Statistical categories and historic labels may seem real to those inspired by words, but only living flesh-and-blood people can feel joy or pain. Neither the sins nor the sufferings of those now dead are within our power to change. Being honest and honorable with the people living in our own time is more than enough moral challenge, without indulging in illusions about rewriting moral history with numbers and categories.

School busing. It is chilling to hear parents say that the worst racists they know are their own children. Yet such statements have been made by black and white parents, liberals and conservatives, and without regard to geographical location. It is commonplace to hear of integrated schools where no child of either race would dare to enter a toilet alone. The fears and hatreds of these schoolchildren are going to be part of the American psyche long after the passing of an older generation of crusading social experimenters. It is quite a legacy to leave.

The ringing principles of equal rights announced in the 1954 Supreme Court decision in *Brown* v. *Board of Education* have been transformed by twenty years of political and judicial jockeying into a nightmare pursuit of elusive statistical "balance." The original idea that the government should not classify children by race was turned around completely to mean that the government must classify children by race. The fact that the racial integration of youngsters from similar backgrounds has worked under voluntary conditions was seized upon a reason for forcing statistical integration of schoolchildren, without regard to vast contrasts of income, way of life, or cultural values. Considerations of cost, time, feelings, or education all give way before the almighty numbers. As more and more evidence of negative consequences to the children has piled up, the original notion that this was going to benefit somebody has given way to the idea that "the law of the land" has to be carried out, even if the skies fall. Less grandly, it means that judges cannot back off from the can of worms they have opened, without admitting that they have made asses of themselves.

The civil-rights establishment has a similar investment of ego and self-interest to protect. The NAACP Legal Defense Fund now insists that the issue is not "educational" but "constitutional." This might be an understandable position for an academic association of legal theorists, but not for an organization claiming to speak in the name of flesh-and-blood black people—people who reject busing in nationwide polls and who reject it by large majorities in cities where it has been tried. The head of the NAACP Legal Defense Fund brushes this aside by saying that they cannot ask "each and every black person" his opinion before proceeding, but the real question is whether they can consistently go counter to the majority opinions of the very people in whose name they presume to speak.

The tragic Boston busing case shows all these institutional ego forces at work. Local black organizations urged Judge Garrity *not* to bus their children to South Boston, where educational standards were notoriously low and racial hostility notoriously high. Both the NAACP and the judge proceeded full-speed-ahead anyway. Black children were forced to run a gauntlet of violence and insults for the greater glory of institutional grand designs. In Detroit, Atlanta, and San Francisco the NAACP also opposed local blacks on busing—including local chapters of its own organization in the last two cities. The supreme irony is that Linda Brown, of *Brown* v. *Board of Education*, has now gone into court to try to keep her children from being bused.

That "a small band of willful men" could inflict this on two races opposed to it is a sobering commentary on the fragility of democracy. Moreover, what is involved is not merely mistaken zealotry. What is involved is an organization fueled by money from affluent liberals whose own children are safely tucked away in private schools, and a crusade begun by men like Thurgood Marshall and Kenneth B. Clark whose own children were also in private schools away from the storms they created for others. The very real educational problems of black children, and the early hopes that desegregation would solve them, provided the impetus and the support for a crusade that has now degenerated into a numerical fetish and a judicial unwillingness to lose face. What actually happens to black children, or white children, has been openly relegated to a secondary consideration in principle, and less than that in practice.

The 1954 *Brown* decision did not limit itself to ruling that it is unconstitutional for a state to segregate by race. It brought in sociological speculation that separate schools are inherently inferior. Yet within walking distance of the Supreme Court was an all-black high school whose eighty-year history would have refuted that assumption—if anyone had been interested in facts. As far back as 1939, the average IQ at Dunbar High School was 11 per cent above the national average—fifteen years before the Court declared this impossible. The counsel for the NAACP in that very case came from a similar quality all-black school in Baltimore. There are, and have been, other schools around the country where black children learned quite well without white children (or teachers) around, as well as other schools where each race failed to learn, with or without the presence of the other. The most cursory look at the history of all-Jewish or all-Oriental schools would have reduced the separate-is-inferior doctrine to a laughingstock instead of the revered "law of the land."

The Court's excursion into sociology came back to haunt it. When the end of state-enforced segregation did not produce any dramatic change in the racial makeup of neighborhood schools, or any of the educational benefits anticipated, the civil-rights establishment pushed on for more desegregation—now stretched to mean statistical balance, opposition to ability grouping, and even the hiring and assignment of teachers by race. If the magic policy of integration had not worked, it could only be because there had not yet been enough of it! Meanwhile, the real problems of educating real children were lost in the shuffle.

However futile the various numerical approaches have been in their avowed goal of advancing minorities, their impact has been strongly felt in other ways. The message that comes through loud and clear is that minorities are losers who will never have anything unless someone gives it to them. The destructiveness of this message—on society in general and minority youth in particular—outweighs any trivial gains that may occur here and there. The falseness of the message is shown by the great economic achievements of minorities during the period of equal-rights legislation before numerical goals and timetables muddied the waters. By and large, the numerical approach has achieved nothing, and has achieved it at great cost.

Underlying the attempt to move people around and treat them like chess pieces on a board is a profound contempt for other human beings. To ignore or resent people's resistance—on behalf of their children or their livelihoods—is to deny our common humanity. To persist dogmatically in pursuit of some abstract goal, without regard to how it is reached, is to despire freedom and reduce three-dimensional life to cardboard pictures of numerical results. The false practicality of results-oriented people ignores the fact that the ultimate results are in the minds and hearts of human beings. Once personal choice becomes a mere inconvenience to be brushed aside by bureaucrats or judges, something precious will have been lost by all people from all backgrounds.

A multi-ethnic society like the United States can ill-afford continually to build up stores of intergroup resentments about such powerful concerns as one's livelihood and one's children. It is a special madness when tensions are escalated between groups who are basically in accord in their opposition to numbers games, but whose legal establishments and "spokesmen" keep the fires fueled. We must never think that the disintegration and disaster that has hit other multi-ethnic societies "can't happen here." The mass internment of Japanese Americans just a generation ago is a sobering reminder of the tragic idiocy that stress can bring on. We are not made of different clay from the Germans, who were historically more enlightened and humane toward Jews than many other Europeans—until the generation of Hitler and the Holocaust.

The situation in America today is, of course, not like that of the Pearl Harbor period, nor of the Weimar republic. History does not literally repeat, but it can warn us of what people are capable of, when the stage has been set for tragedy. We certainly do not need to let emotionally combustible materials accumulate from ill-conceived social experiments.

[From the Wall Street Journal, July 28, 1978]

RACISM, QUOTAS AND THE FRONT DOOR

(By Thomas Sowell)

The Bakke case shows that it is possible for a Supreme Court decision to be highly controversial without really deciding anything. The 5-to-4 vote, the partial concurrences, and the different individuals forming majorities on different sections of the decision all add to the uncertainty as to what it will mean as the court's thinking on "affirmative action" unfolds in subsequent cases.

From a broader social perspective, what will the Bakke decision mean for the general health of a multi-ethnic society? More specifically, what will it mean for the ability of poorer racial or ethnic groups to advance through normal channels? If it is no longer as easy to come in the back door, how many will come in the front door?

Four Supreme Court Justices found race wholly unacceptable as a basis for excluding anyone from federally assisted programs. They based themselves on the Civil Rights Act of 1964, making it unnecessary to discuss constitutional reasons for ruling in favor of Bakke. Four other Justices claimed that race could and should be taken into account when it is done to "remedy" past injustices or disadvantages. Justice Powell's official majority opinion for the court was in fact the opinion of only one man.

What Justice Powell found unacceptable about the admissions procedures that excluded Bakke was that individuals from different racial backgrounds were insulated from competition with each other. As far as any consideraiton of race, he left the door ajar.

Not very much ajar, to be sure, but still ajar. By avoiding the 14th Amendment's equal protection clause and by ignoring the clear legislative history of the 1964 Civil Rights Act, whose proponents and opponents agreed that there should be no quotas or preferences, the four concurring Justices in effect neatly preserved the Court's ability to pick and choose among programs it likes and doesnt' like.

A MOST TELLING ARGUMENT

Instead of a principled ruling that would tell us "the law of the land," there is instead business-as-usual judicial policymaking. The most telling argument of the dissenting Justices was the precedential argument that the Supreme Court had repeatedly gone down the path it was now refusing to continue on.

However, what is crucial—especially for future applications of the Bakke decision—is that the court went down the path of prescribing racial proportions only after claiming to find specific past discrimination by an individual employer, school board, or other entity.

The "evidence" in such cases was often nothing more than numbers or percentages that some administrative agency or court did not like. This created a "rebuttable presumption" of discrimination. In effect, numbers alone were enough to shift the burden of proof to the accused. The legal ground rules under which the accused was to prove his innocence often made it either impossible or too costly to try, even if in fact he had never discriminated against anybody. If this kind of game is going to continue, then the Bakke opinion will be merely another lofty but empty set of words—a passing curiosity rather than a landmark.

Large and demonstrable group differences make random or proportional "representation" an unlikely eventuality, much less a baseline from which discrimination can be measured. Age differences alone are staggering in their magnitude and implications. The median ages of blacks, Puerto Ricans, Mexican Americans and American Indians are at least a *decade* younger than the median ages of Irish, Polish or Japanese Americans and at least two decades younger than that of Jews. Imagine what this kind of demographic disproportionality does to all the economic averages and proportions that are so confidently thrown around.

Of course, group differences do not end with age distributions. Historic and cultural differences that go back for centuries before some groups ever set foot on American soil help explain the disproportionate representation of Jews in the clothing industry; Germans in the beer industry, the Irish in politics and the priesthood. This is not even counting such unexplained disproportionalities as the dominance of basketball by blacks or the quantitative and qualitative "overrepresentation" of Orientals in the sciences—neither of which can be due to these groups having discriminated against whites.

Indeed, almost nowhere in human life do we find random or proportional distributions of people—not even in activities wholly within the control of each individual, such as his choice of television programs or card games or voting patterns. Why would we expect to find it in employment or colleges, much less make its absence a violation of the law of the land?

It is obvious that one effect of discrimination is to change the distribution of groups in various occupations and institutions. But to reason conversely from nonrandom distribution to discrimination is to attempt a very long leap in logic over a very deep chasm in fact.

Intergroup differences are crucial to evaluating "affirmative action" efforts to get minorities and women in through the back door (by quotas) and to the prospects of getting them in through the front door (by qualifications). With all the sound and fury surrounding affirmative action, the statistical results seem to indicate that it signifies nothing. All of the increase in black income relative to white income occurred during the "equal opportunity" phase of civil rights policies beginning in the 1960s—before "goals and timetables" (quotas) were mandated in 1971.

In short, the economic progress of blacks has come largely through the front door. Frantic efforts to keep the back door open have much more to do with the vested interests of affirmative action officials and civil rights activists than with any demonstrated benefits to minorities.

In particular instances, quotas have benefited particular individuals and outraged others, but their overall effect is a different story. A recent Rand Corp. study concludes that the "popular notion" that affirmative action is responsible for minority progress "has little empirical support." The Gallup Poll also shows that nonwhites are opposed to preferential hiring or college admission by more than two-to-one. Women are opposed by four-to-one.

"Affirmative action" lacks both political and factual support. Its persistence is disquieting evidence of the vulnerability of the democratic process to small bands of determined people.

Whether or not the Supreme Court has in fact shut the back door in the Bakke case, the progress of minorities will largely depend, in the future as in the past, on how many come in the front door. If the back door is known to be closed, it may be easier to reorient many individuals and organizations toward the kinds of skills and disciplines needed to come in the front way. At one time, only a generation ago, it mattered little, in many places, what skills or attributes blacks possessed or did not possess. Changes in laws and public attitude made it matter.

Now it matters enormously. A recent study by Prof. Richard Freeman of Harvard found that young black and white adults with similar cultural exposure in their childhood and similar formal education as adults have the same incomes. From where we were just a generation ago, this is a social revolution though one passed over in the silence by those with a vested interest in victimhood and its rewards. This progress is no reason for complacency by either blacks or whites. On the contrary, it is an incentive to get more people the kinds of backgrounds that now pay off.

The ideology of quotas has been a step backward, toward making personal attributes not matter. The danger is not that these attributes would not matter. The real danger has been that some of the younger generation among minority groups might be misled by the rhetoric into neglecting their own development and missing out on the opportunities that existed.

For example, one of the most "relevant" subjects for blacks and women is mathematics—a key subject in which both groups are particularly underprepared. Anyone who comes to college without enough math background to take the introductory course in calculus has foreclosed his options in many fields—from enginering to economics—before ever setting foot on campus. He has slammed the door in his own face. Efforts have to be made years earlier to keep that door open at all cost—even at the cost of taking time out from posturing and rhetoric.

KEEPING DOORS OPEN

Other doors have to be kept open, or opened up for the first time. A wide range of special interest groups have built fences around their little preserves in the economy. Restrictive licensing laws make it difficult to enter many occupations for which millions of blacks are fully qualified to enter—at this very instant, and through the front door. The $50,000 license required to drive a taxicab in New York is only one of the more grotesque examples. In Washington, where taxi licenses are not restricted, the cost is less than one percent of that and most of the cab drivers are black.

Another example of special interest restrictions are the minimum wage laws. A growing number of studies by independent academic economists all over the country have shown repeatedly that minimum wage laws increase black teenage unemployment. By lobbying for such laws, labor unions price these youngsters out of the job market and thereby preserve their own wage scales, all in the name

of "humanitarian" objectives. Somebody among the black leadership has to say, out loud, that their young people are idling away on the street corners for the greater glory of the AFL–CIO—regardless of how much that offends liberal allies, and regardless of how much the NAACP or the Black Caucus in Congress are in hock to George Meany and Company.

It is of course much easier to blame black teenage unemployment on "racism" but then it would be hard to explain why their unemployment rate was only a fraction of its present level (and no different from white teenage unemployment rates) back in 1950, before the minimum wage law spread its coverage and began a series of escalations. Was there less racism then? We all know better.

Closing the back door may force some rethinking all around. It is long overdue.●

SALT AND HUMAN RIGHTS

● Mr. McGOVERN. Mr. President, the July 31, 1978, issue of the New Yorker contains an interesting discussion of the relationship of human rights concerns to the Strategic Arms Limitation Talks.

I ask that this editorial be printed in the RECORD.

The editorial follows:

[From the New Yorker, July 31, 1978]

NOTES AND COMMENT

When the Soviet Union decided to put Anatoly Scharansky and Alexander Ginzburg on trial for "subversive" activities just a few days before its Foreign Minister, Andrei Gromyko, was to meet with Secretary of State Cyrus Vance in Geneva for a round of the Strategic Arms Limitation Talks, two principles that are close to the hearts of Americans were brought into collision: human liberty and human survival. Liberty was at stake because the significance of the trials went far beyond the fate of the men in the dock. By accusing Scharansky—who, like Ginzburg, had been active in the Soviet human-rights movement—of treason for allegedly having passed secret information to an American newsman who was allegedly an agent for the Pentagon, the Soviet government sought to establish a Russian version of the linkage doctrine: to prove that the Soviet human-rights movement was a creature of the foreign press, that the foreign press was the creature of foreign governments, and that any dealings with the foreign press were therefore traitorous.

In a word, the Soviet government seemed to be trying to cut domestic human-rights activity off from the outside world—in clear contravention of the 1975 Helsinki agreement, in which the signatories pledged to increase the free flow of information across their borders. Survival was at stake because the weapons under discussion at SALT may be able to do irreversible damage to the ecosphere and so destroy life on earth. Last fall, a Presidential study estimated that in a nuclear war a hundred and forty million people would die in the United States alone. Somehow, these possible deaths, together with the deaths of more than a hundred million people which, according to a recent study by the C.I.A., would occur in the Soviet Union, have to be weighed against the Soviet government's repression of its own people and others.

The conflict between nuclear disarmament and human rights arose for the first time during the Nixon Administration, which initiated the Strategic Arms Limitation Talks and also expanded trade relations with the Soviet Union. Back then, both governments appeared to be ready to resolve the conflict at the expense of human rights. Soviet leaders began to portray the Russian human-rights activists as wreckers of world peace. The leaders' real fear was probably that the flow into their country of Western grain and computers would be accompanied by a flow of Western political ideas. As they saw it, détente with the United States should consist of a sort of wordless commerce between vast, obedient bureaucracies. Meanwhile, in the United States, where we actually possessed the freedoms that the Soviet dissenters could only dream about, President Nixon, whose high-level lawbreakers started coming to light shortly after the first SALT agreement, began to make the argument that Americans should accept his infringements of their liberties at home in order to secure what he called his global "structure of peace"—meaning, in part, his agreements with the Soviet Union. The lower his political fortunes sank, the more rapturous his descriptions of this supposed edifice became. (In fact, the much-remarked-on "overselling" of détente can be traced back to that time. President Nixon was in need of achievements on the scale of his misdeeds, and détente was ready to hand.) But each of the two governments did more than use SALT as a weapon against its own domestic opposition: each government also cooperated with the internal campaigns of the other, at least to the extent of withholding criticism. The beginnings of a political alliance between the leaders of the two nations took dim shape. The United States government maintained an uncharacteristic silence concerning Soviet acts of repression. For example, when Alexander Solzhenitsyn (who incarnates liberty, whatever his views on the matter may be) was sent into exile, the White House had "no comment." The Soviet government went much further: in a move that was laden with dark meaning for democrats everywhere, it actively joined President Nixon's campaign to keep himself in office and discredit his adversaries, including, especially, the American press. On August 10, 1974, the day after President Nixon resigned, Leonid Zamyatin, who was then the director general of the Tass news agency and is now a kind of press secretary to President Leonid Brezhnev, told a Moscow television audience that "a very definite brainwashing of public opinion" which "certainly was not in favor of President Nixon" was being conducted by "the mass media." (The Soviets, of course, had reasons of their own for disliking the American media, as the recent trials have made plain.) For a chilling interval, the world's two greatest powers seemed to be speaking with a single voice against liberty wherever it might spring up.

Today, in the United States, at least, events have swung to the opposite pole. The American advocates of human rights in the Soviet Union are in the ascendant, and, as a consequence, the Strategic Arms Limitation Talks are in jeopardy. Senator Henry Jackson has called for a temporary postponement of SALT. Senator Daniel Moynihan has accused the Carter Administration of "acquiescence that verges on complicity" in the Soviet trials. It is now widely believed that even if President Carter is able to negotiate a new SALT agreement the Senate may reject it. Gone are the budding trade agreements, gone the mutual tactful silence concerning the other country's "internal affairs," and gone the jollified summit conferences, with their brandy toasts in Moscow, their poolside parties in California, and their bi-national live telecasts. The order of priorities has been reversed: the cause of liberty, which was once driven from the field by the cause of survival, now drives survival from the field. But, as in all such reversals, there is something that remains the same. In this case, it is the apparent conviction that either liberty or survival can be advanced only at the expense of the other. In part, no doubt, the conviction grows out of the very common reluctance of partisans of moral causes (both of these causes are highly moral) to give any leeway to the demands of another cause. In the presence of two objectives, the crusading spirit grows confused. At the moment, it is the partisans of liberty who are on the offensive, but their course of conduct seems risky, and not only to arms control. In the long run, liberty, too, may suffer. For what has been reversed can be reversed again. Our experience with the Soviet government and, to a limited extent, with our own government has shown us how the arguments against liberty would run: human beings cannot be free if there *are* no human beings; only governments can insure human survival, because only governments possess nuclear arms; rival political groups and private individuals can do nothing for survival and so can only get in the way of the government; since the emergency is unlimited, unlimited powers are justified in dealing with the disruptive elements. To avoid such a reversal, it would seem prudent for today's friends of liberty to seek to uncouple the cause of liberty and the cause of survival as much as possible—to accept each of the causes as a separate, independently desirable aim in itself. For by holding survival hostage to liberty now they could put liberty in danger at a later time.●

NATIONAL URBAN LEAGUE MARKS ITS 68TH YEAR

● Mr. DOLE. Mr. President, on Sunday, August 6, the National Urban League will be celebrating its 68th anniversary. The annual convention, being held this year in Los Angeles, will concentrate on issues of the cities—revitalizing our Nation's cities and improving the life of city dwellers. A look into the past reminds us that the National Urban League's concern for the oppressed and the disadvantaged has a long history.

PIONEERS IN CIVIL RIGHTS

Starting from a two-man operation in 1911, the league bears the well-earned scars of many battles. A courageous voice for the black as well as the poor and other minorities, this body was a pioneer in the civil rights movements during the 1950's and the 1960's. The thrust of the National Urban League was to achieve equality under the law; equality which was denied for too long. The denial of that basic and simple right was an affront to human rights. human dignity, and the very nature of our democratic system.

Through the perseverance of this organization, the cloud of shame which once covered our country was dissipated. The Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Housing Act of 1968, are three examples of the results of this distinguished body's efforts in their struggle. With the determination and stewardship of groups like NUL, the U.S. Congress passed these and other landmark reforms.

FRONTRUNNERS TO IMPROVE THE QUALITY OF LIFE

Today, as yesterday, the league is at the forefront in the pursuit to widen the concept of equal opportunity for all. The present day association is a far cry from the two-man operation of 1911.

About 2,500 full-time employees and 25,000 volunteers carry out their programs at the present time. Whereas during the fifties and the sixties the stress was to achieve freedom and equality, today the organization concentrates upon

directly improving the quality of life. Under the strong leadership of Vernon Jordan, an eloquent man of exceptional talents, the organization concentrates on issues like improved health care, adequate housing, and quality education including vocational education.

Concern for the disproportionately high unemployment rate among blacks has fomented an active program to find jobs for the young and the poor. With assistance from the Department of Labor, the league has placed some 25,000 unemployed people a year by training the recruits and steering them toward skilled jobs; with the aid of computerization, NUL hopes to increase this number to 75,000 a year.

Through moral pressure, this distinguished group works to obtain more public training programs, and specifically more incentives in the private sector. The National Urban League hopes that with such private sector involvement, businesses will take more responsibility to train the unskilled. Such action could increase the number of contributors to the economic mainstream of our Nation.

In the field of education, this association maintains a program which recruits high school dropouts, and helps them complete their secondary education. Upon completion many of the former dropouts attend college. Housing, like education, is a major concern of the league. I understand they direct another project which offers counselling and technical assistance to community groups in depressed areas.

INTEREST IN HEALTH CARE

Active in the field of health, the National Urban League provides technical aid to meet community health needs. They also work with other agencies to seek alternatives to good health care services. My colleagues and I are aware of their congressional activity on health care and other issues. Many times the league has presented public policy testimony in Congress in an effort to make our health care system more responsive to the needs of all Americans.

I share the National Urban League's concern over our Nation's health care services—services to poor Americans and other minorities in particular. Service to minorities is most critical because they are inimitably hurt by the spiralling cost of hospitals and health insurance. As the ranking Republican on the Senate Nutrition Committee and as a member of the Finance Committee, I have emphasized Congress' responsibility to provide food assistance, better nutrition, and health services to all Americans. I look forward to a continued relationship with the league in its efforts to help the poor and other minority Americans play a policy role in meeting the Nation's health care needs.

Mr. President, at this time in the league's history, I applaud the organization for its past accomplishments in civil liberties and for its service to the American community. I am sure my colleagues will join with me in extending our best wishes for the present and future endeavors of this body in its struggle to improve the quality of life for blacks, the poor, and all Americans.●

THE UNITED STATES AND RHODESIA

● Mr. McGOVERN. Mr. President, Mr. Colin Legum has written an interesting summary of the current issues involving the United States and Rhodesia, which appeared in the New York Times of Sunday, August 6.

I ask that this piece be printed in the RECORD.

The article follows:

THE UNITED STATES AND RHODESIA

(By Colin Legum)

LONDON.—America's friends in Europe and Africa view with considerable apprehension the possibility of Congress' voting to end economic sanctions against Rhodesia.

If this were to happen, the overwhelming probability is that it would present the Russians and Cubans with an opportunity to achieve another significant breakthrough in Africa.

Since this can hardly be the result intended by those who favor the ending of sanctions, this is a moment to pause and consider what may flow from the wrong votes being cast in Congress.

The Rhodesian leader, Ian D. Smith, never lacked for support from conservatives in the Western community from the day he decided to defy Britain in an effort to maintain white rule in his country.

He enlarged this area of support after his recent decision to abandon that hopeless cause and succeeded in persuading such respectable figures as Bishop Abel Muzorewa—to back his "internal settlement" proposals to introduce majority rule.

It is easy to see why many British and American legislators should want to help him succeed in this new policy by, for example, easing Rhodesia's burden by lifting economic sanctions.

But there are two fatal flaws in this approach.

The first flaw is that the "internal settlement" cannot possibly succeed (even if sanctions were to be lifted), unless the guerrilla war can be stopped.

But there is no hope of this happening for as long as the Patriotic Front does not accept Mr. Smith's terms.

The second flaw is that any move by the Western powers to back the "internal settlement" will also result in alienating virtually the entire African continent, which fairly solidly backs the guerrillas.

Therefore, if the West were to take Mr. Smith's side, the virtually certain result would be that the Patriotic Front would break off its present negotiations with Britain and the United States, and would invite the full support of the Cubans (and so of the Russians) in exactly the same way as has happened in Angola and now in Ethiopia.

Such a decision by the Patriotic Front would carry the endorsement of the majority of African leaders, including front-line African presidents who have hitherto cooperated closely with the Western initiative to try and arrange for all-party talks including all Rhodesian leaders, and who were largely instrumental in helping the Western powers to achieve their significant diplomatic breakthrough in Namibia.

Short of South Africa's Army becoming militarily involved in helping the Rhodesians to stave off this African-Cuban-Russian military alliance, there is no way in which the defending Rhodesians could hope to succeed. The regime of the new Zimbabwe state would then be as beholden to its Communist allies as is President Agostinbo Neto Angola.

Such a denouement in Rhodesia would destroy any future there might still be for the white Rhodesian community; it would end any hope of establishing a democratically elected government in the new state it would remove Western influence as effectively as in Angola and Mozambique; and it would make the problem of achieving peaceful change in South Africa much more difficult.

Thus the result of a vote in Congress ending sanctions would not have the result intended by those voting for repeal.

There would also be other dire results.

The United States would have to defend itself in the Security Council against charges of being in breach of a mandatory decision by the world body.

For a country committed to upholding the rule of international law, this would place the United States in an extremely invidious position.

No less serious would be the fact that the United States would not expect to have the support for its defiance of the Security Council from its Western allies, since all nine members of the European community remain committed to maintaining sanctions until an internationally acceptable settlement can be worked out for Rhodesia, as has been achieved in Namibia.

American leigslators should surely think very seriously before deciding to drive a wedge into the Western alliance at a time when they are seeking to find an effective counter to Russian-Cuban intervention in Africa.

They might also consider the fact that every gain made by the Russians and Cubans in Africa can be shown to have been the direct result of mistakes made by Western Policy-makers, and not because of any special cleverness of Havana or Moscow, or because Africans prefer the friendship of Communists to that of the Western Community

Voting for sanctions to be repealed could well be just another such critical mistake.●

POPE PAUL VI

● Mr. ROTH. Mr. President, the world has lost a leader and the cause of world peace and justice pauses for a moment. Pope Paul VI, the "Pilgrim Pope" and the champion of working men and women has always held a special fascination for me. His gift of courage, his keen insight into international affairs, and priestly understanding of contemporary problems made him truly a Pontiff with a world view.

As he now walks with God through eternity, may his light and wisdom continue to inspire the world—lawmakers, leaders, and working people alike—to greater justice and lasting peace.

His broad vision as an ecumenical leader will be missed by Christians and non-Christians alike.

A champion of the oppressed and a rock in the turbulent river of our times has gone to a richly deserved reward. We will truly miss him.●

WORLD FOOD: THE PROBLEM THAT DOES NOT GO AWAY

● Mr. McGOVERN. Mr. President, though surpluses in agricultural produce sometimes continue to be viewed as a problem in our country, the world's largest granary, it is still an inescapable conclusion that to millions of the world's people, daily bread is a daily crisis.

For the last several years, world crop conditions have been remarkably good in areas of the world like the Soviet Union and India, lands where annual production is at best chancy. Here in the

United States, the annual wheat carryover has climbed to over a billion bushels and some with short vision view this as alarming. Indeed, it has been a price depressant for American farmers. But we must remember that global supplies are still calculated at best as only a 2-month world food demand.

I am afraid that because of good growing conditions at home and elsewhere we fail to recognize the ever present conditions in Third World countries where a good meal is still a luxury. I also feel a substantial retreat from the commitment of the 1974 World Food Conference in Rome to eradicate world hunger by 1985.

These concerns are well enunciated in a newspaper article appearing in the July 31, 1978 edition of the Minneapolis Tribune by Jonathan Power entitled, "Food Belongs in a Political Spotlight." For the information of Senators as well as in the nature of a plea to focus attention on our taking the lead in establishing International Emergency Grain Reserves, I ask that the text of this article be printed in the RECORD.

The article follows:

FOOD BELONGS IN A POLITICAL SPOTLIGHT

(By Jonathan Power)

ROME.—The world is running out of food—or food it can afford to buy. This information is probably a surprise to the farmer of the U.S. corn belt, the world's most productive granary, as he worries about low prices and piling surpluses.

It is probably a surprise to the farmer of the Soviet Union who, although he never seems able to meet the targets of the central planners, has managed to keep his country's deficit within reasonable proportion in the last two years.

Ironically, it will come as the biggest surprise to those who use India as litmus for the Third World. The Indians, thanks to miraculously good weather the last three years, but also to hard work and studious inventiveness, appear to be on top of the food problem.

All this, however, is deceptive. Over the last seven years, in 62 countries representing 43 percent of the developing countries (excluding China), food production has not kept pace with population.

The food crisis, of course, is no new thing. It has been with us since the days when the serpent tempted Eve to eat the apple. In modern history the Irish famine of 1847 and the Bengali famine of 1943 have carved memories so deep that books are still written about them and plays and films paraphrase the suffering.

More recently, it was the world's food crisis of 1974 and 1975 that put hunger on the political agenda. At the World Food Conference in Rome in November 1974, all the nations of the world voted unanimously to support Henry Kissinger's resolution: "By 1985 no child should go to bed hungry."

A word more about what happened then, for it sets the scene for the situation today.

A combination of consecutive bad harvests around the world, massive Russian buying of American food stocks, the disappearance of the Peruvian anchovy and short-sighted policies that kept farm land idle in the United States, created a situation that led to the quadrupling of grain prices.

Millions of poor people in the Third World found that the prime necessity of life was priced out of reach. Maybe half a million died. The World Food Conference, held fortuitously at the midpoint in the crisis, agreed to a number of remedies: the creation of a new $1-billion fund for agricultural development, a pledge to establish better procedures for emergency food aid and an internationally coordinated system of food stocks.

The conference also shook up the world's largest grain exporter, the United States, and the world's largest grain importer, the Soviet Union, criticizing their shortsighted commercial policies. A year later they responded by signing an agreement setting limits on Soviet freedom to purchase in the U.S. grain market.

All this, together with the return of good growing weather and the seeming Indian breakthrough, took the edge off the international debate. Yet an agreement to establish an internationally coordinated system of nationally held food stocks is still being haggled over.

The 10-million-ton target for international food aid is still unconsummated. But worse than this, it has removed the political spotlight from the underlying trends in much of the Third World. This year's cereal imports by the Third World are expected to achieve record levels. The very poor countries, if they are to make ends meet, will have to increase their imports by 16 percent over last year.

Today the gross food deficit is 36 million tons of grain. By 1990, based on present trends, it will be 120 million to 145 million tons a year. These are the consensus figures of the U.N. Food and Agricultural Organization, the World Food Council and the World Bank. The bank in a recent report concludes: "Continual imports of this magnitude cannot be financed." It could be added, neither can charitable exports.

There are, in short, only two solutions: Either demand is choked off by higher prices—this, of course, means a sharp increase in malnutrition and mortality—or the world sets about a significant program of investment in Third World agriculture to repeat on a broader scale what has been successfully done in China, Taiwan, Korea and maybe in India, too. This means vigorous land reform and priority for the small farmer, the world's most tested productive unit.

If this is done, and if it is backed by a reasonable amount of emergency food aid and an evening out of prices through a world stocking system, mass hunger and starvation can become the ghosts of history. The commitment made for mankind by Kissinger can still be redeemed, but the time left to do it, short enough in 1974, is nearly gone.●

JOBS—THE KEY TO BRINGING ALL AMERICANS INTO THE MAINSTREAM OF OUR ECONOMIC LIFE

● Mr. BENTSEN. Mr. President, during the past year, our dynamic economy has created more than 4 million jobs. Unemployment has fallen almost 1 full percentage point. The percent of adult Americans who have a job has been setting new records each month.

But that is only part of the picture. Unemployment among minorities is at depression levels—last month, over 1½ million Hispanics, blacks, and other minorities were unemployed. That is the statistics. But, Mr. President, you and I know what lies behind the statistic. Bills unpaid. Mortgage payments which cannot be met. The little savings accumulated through many sacrifices over the years—now gone. A man losing respect for himself. Children wondering what is wrong with dad that he cannot find work. Acrimony in the family.

These are the real life hardships created by unemployment.

And what about the young people—the teenagers. Unemployment among minority teenagers was 37 percent in July. That means hundreds of thousands of America's teenagers were forced into idleness—an idleness which leads many into lives of crime, which causes many others to give up on the American system and which leads still others into lives of dependency on welfare and handouts.

Mr. President, America's minorities do not want handouts, they want jobs. And we have an economic, moral, and humanitarian obligation to provide incentives for the private enterprise system to create a job for every American who wants one.

Government sponsored jobs may be necessary as a last resort in emergency situations. But these kinds of jobs are dead end jobs without a future.

What Hispanic, black and other minority Americans want and deserve are good jobs, productive jobs, jobs with a future which will allow them to bootstrap their way up to a decent standard of living. Those are the kind of jobs which the private sector creates and that is where our emphasis must be.

In April of 1977, the U.S. Senate approved an amendment which I sponsored to provide a totally new concept in the fight against unemployment. My amendment gave a tax credit to employers who hired a new worker and it gave the largest percentage benefit for the hiring of low income, unskilled new workers.

The idea was to encourage private employers to hire those who have been left out of the economic life of this Nation.

We cannot know for sure how successful this new and experimental tool in job creation has been. But there is a growing body of evidence which indicates that this approach may be a promising weapon for us to have in our arsenal of devices needed to put jobless Americans on productive payrolls.

In recent testimony, Prof. John Bishop of the University of Wisconsin, told a Senate committee about his computer study of the affects of the employment tax credit enacted in April 1977:

> Statistically significant increases in employment are found to have occurred in construction and retailing in response to the credit. The two stage least squares estimates imply the credit by March 1978 had induced an 8 percent increase in employment in construction and a two to three percent increase in retailing. For the industries studied the total increase seems to be 400,000. . . . The most startling finding is that there has been a decline in the margin between the retail and manufacturer's wholesale price of commodities the timing of which coincides with the operation of the Jobs Tax Credit. The point estimates derived from the price equations imply that in April 1978, the consumer price index for commodities was slightly less than one percentage point lower than it would otherwise have been.

What all this abstract economic jarjon means is simple, the employment tax credit helped private employers to create hundreds of thousands of new jobs and it helped to keep prices from rising even faster. And as Professor Bishop indicated, the existing jobs credit "Works to the advantage of low

wage workers because the proportionate subsidy of their wages is greater."

Recently, I introduced a bill which would lower taxes to put more money into the pockets of consumers so that they will buy more goods, and business will hire more workers to produce those goods.

But the problem of minority unemployment is much too severe to be eliminated by general tax reductions. That is why my bill included a provision to continue providing tax credits to employers who hire additional workers. And I have added a provision to the bill which would further encourage the hiring of "targeted" jobless workers—those at the bottom of the economic ladder without skills and often without hope.

Mr. President, we must not turn our backs on disadvantaged young and older Hispanic, black and other Americans who have been left out of our economic system. They want only the opportunity to provide for the safety and security of themselves and their families. We need to find new innovative and creative ideas to mold a partnership between government and the private enterprise system to create jobs for all Americans. The employment tax credit is one of these ideas, we need to find others.

Mr. President, I am convinced that the overwhelming majority of Americans agree with me when I say that we cannot, we must not, we will not give up the search for new ideas until all Americans enjoy the opportunity to participate in our economic system.●

THEODORE WHITE IN SEARCH OF HISTORY

● Mr. McGOVERN. Mr. President, the distinguished historian and journalist, Mr. Theodore White, has written an important autobiographical volume, entitled "In Search of History." This volume, published by Harper & Row, is described by New York Times book reviewer Richard Rovere as "by far his finest, most affecting work."

Mr. President, as one who was inspired more than 30 years ago in reading Mr. White's "Thunder Out of China" and who was again inspired in the early 1960's by his first volume in "The Making of the President" series, I am looking forward to some leisurely hours when I can read Mr. White's new volume.

Meanwhile, I ask that the unusually laudatory review of this book by Mr. Rovere be printed in the RECORD.

The article follows:

[From the New York Times, August 6, 1978]

MAKING OF THE HISTORIAN

(By Richard Rovere)

Theodore H. White's autobiography seems to me by far his finest, most affecting work. His "Thunder Out of China," written with Annalee Jacoby and published in 1946, was moving and immensely instructive to those of my generation (White is my junior by exactly one day) whose knowledge of Asia was on a par with our knowledge of the dark side of the moon, and his 1953 report on postwar Europe, "Fire in the Ashes," was superior to anything else to come out of those years of agony and promise. I was in Europe at the time, planning to write something similar, and I put it aside partly because White had done it so thoroughly and so well. His "Making of the President" series, though a monument of journalistic enterprise, struck me as somewhat less successful. The colors needed for more shading, more filtering, and one indispensable hue for political writing—gray—seemed missing from his palette. White's respect—love—for the people and institutions he was writing about led him to celebrate some rather shabby characters and to be overly tolerant of some quite shoddy practices. Nevertheless, we are the richer for those books. They tell us a great deal about ourselves as well as about our kings and our kingmakers. And White has journalistic children and will soon have grandchildren. I am sure there will be a report on the elections of 2000 modeled on his early efforts.

But nothing he has done comes up to "In Search of History." It has all the pace and energy of the earlier work and more of many other things: more insight, more reflection, more candor, more intimacy, more humor, more humility, surer and sharper judgments of those he writes about, including himself. The book begins and ends in Dorchester, Mass., the Boston ghetto in which White lived until, just out of Harvard and thinking he might someday become a professor of history, he went to China in 1938.

The closing scene is in Dorchester, now a black instead of a Jewish ghetto, almost four decades later. White, putting together another President book, is there with Morris Udall, campaigning in the 1975 Massachusetts primary, and is suddenly overcome with a feeling that in his search for history he has been following some misleading directions, using the wrong navigational instruments. My hunch is that what he saw and felt two years ago in Dorchester had less to do with this sensation than what he saw and felt about Richard M. Nixon several years earlier, but he doesn't go into that, and it really doesn't matter. He does for Dorchester much of what Alfred Kazin, born a month after White in 1915, has done for Brownsville in "A Walker in the City" and "New York Jew," but his slum is a sunnier, more promising, less fear-ridden place than Kazin's. This may be because White is a sunnier, more hopeful man than Kazin, or it may be, as White suggests, because Boston is not Brooklyn. Or both these things.

Between Dorchester past and Dorchester present, White is all over Asia, all over Europe, all over the United States, all over his own extraordinary life. Part of him is pure, almost embarrassingly pure, Horatio Alger, rags to riches, riches of experience as well as the other kind. He does not deny his long courtship of the bitch goddess. He wanted big money, this boy who hoarded pennies from his sale of newspapers on Boston streets and streetcars. He wanted high living, he wanted celebrity, he wanted the approval of important and powerful people, from the academic stars at Harvard to Chiang Kai-shek and, later, Chou En-lai; from Henry Luce and Dwight Eisenhower; from most of the leaders of Western Europe a quarter century ago; from John and Jacqueline Kennedy; from all the movers and shakers he met. And he met most of them, in the course of picking up, as a Time correspondent, "the personality cutouts with which I filled my journalistic album of famous names made live." In this book he is beyond that: "Now, older and wiser, and having been tugged too often by friendship and affection for men I have reported, I am as wary of friendship for the great as a reformed drunkard of the taste of alcohol." He lists three "great men"—Kennedy, Chou and General Joseph Stilwell—"in whose presence I had near total suspension of disbelief or questioning judgment." And he adds: "In all three cases, I would now behave otherwise."

But age and wariness and much disillusionment have not soured White's recollections of the past or of the affections that in retrospect make him uneasy. He came, many years ago, to regard Chou En-lai as something of a monster, a man as "ruthless as any of the Communist movement has thrown up in this century," which, considering the movement and the century, is about as severe a judgment as anyone could make. But he keeps very much alive the other Chou, the one he knew long ago in Chungking and Yenan, the man of high intellectual sophistication and playfulness, "capable of warm kindness, irrepressible humanity, and silken courtesy."

There is a marvelous story of how Chou led the boy from Dorchester to the terrible profanation of ingesting, at a dinner in his honor, a main course that was "unmistakably pig, golden-brown, crackle-skinned roast suckling pig." When he saw pig, White put down his chopsticks and "explained as best I could in Chinese that I was Jewish and that Jews were not allowed to eat any kind of pig meat." This cast a pall over the Communist banquet. "The group, all friends of mine by then, sat downcast and silent, for I was their guest and they had done wrong." White goes on:

"Then Chou himself took over. He lifted his chopsticks once more, repeated *'ch'ing, ch'ing'* [please, please], pointed the chopsticks at the suckling pig, and grinning, explained: 'Teddy,' he said (as I recall it now, for I made no notes that evening), 'This is China. Look again. See. Look. It looks to you like pig. But in China, this is not a pig—this is a duck.' I burst out laughing for I could not help it. He laughed, the table laughed. I plunged the chopsticks in, broke the crackle, ate my first mouthful of certified pig, and have eaten of pig ever since, for which I hope my ancestors will forgive me. . . . [Chou] was that kind of man—he could make one believe that pig was duck, because one wanted to believe him and because he understood the customs of other men and societies and respected them."

I doubt that Chou could have done the same thing for any guest but the young Teddy White, and I doubt if anyone but the White of today could keep the two Chous, the friend of his youth and the large historical figure, so sharply in focus. He does much the same thing with his patron-adversary, Henry Luce. Nothing that I have heretofore read or heard about Luce has given me to understand the attraction of that man, the respect and fondness in which he is still held by writers and editors who have despised him for his views and for being the martinet he was. But White brings the two Luces very much alive, and this in a way is a greater feat than his handling of the two Chous, for he saw and dealt with both Luces at the same time, early in his career as Luce's man in China.

The reporter's quarrels with his editor-publisher were hardly of the usual sort. Their views on the future of China, which to both mean the future of Asia and of the United States, were not just different, they were diametrically opposed, irreconcilable. White, in China, and moving from one battlefield to another, felt about our support of Chiang Kai-shek as Germany's General Ludendorff felt about the Austrian Army in World War I: "We are allied to a corpse." White loved China, and so did his employer. But Luce, in New York, felt that Chiang was the hope of Christian civilization. White wrote what he could not help writing. Luce turned it over to Whittaker Chambers, who put it through his prose grinder and made it reflect his and Luce's views and hopes. (White gives some samples of Chambers's rewrites; they are in the worst of Time Inc. style, at once trivial and portentous, and do not support the view of Chambers as the master of prose that so many people say he was.) But then there is the other Luce, the man who hungered to know everything about

everything, the editor who found and encouraged so many splendid talents, the press lord who could abuse his serfs, but who defended them against outsiders.

In China, White filed a dispatch that somehow eluded Chiang's censorship and contained much that was embarrassing to both Chiang and Luce. Mme. Chiang, in this country at the time, asked Luce to fire White. Luce refused, for him a bold act of *lèse-majesté*.

To me, the best chapters are those on China. This may be because they satisfy so much curiosity and help fill what remains an immense and troublesome gap in my knowledge, such as it is, of the time in which White and I have lived. It is also, I think, because White does so well in capturing his own impressionable youth. A strange thing happens as he ages. About midway in the narrative, he moves from the first to the third person. The "I" becomes "he," "the reporter," "the storyteller" and in the manner of Henry Adams, "White." The voice changes but is still engaging.

It changes, I suppose, because White increasingly wants to get some distance from himself and because his search for history becomes more and more his major preoccupation. The search turns up a lot that is fascinating in a great many places. (Among other things, the reporter is a first-class travel writer.)

But the quest is unavailing. If this book came under the scrutiny of Sir Isaiah Berlin, I think he might say that White is a fox trying to be a hedgehog, a man, the fox, who wants to find a unifying vision—the hedgehog's determinist certitudes—for the many things he knows. This was the way Sir Isaiah described Tolstoy, who knew what took place in wars but not why wars took place, and this seems to be the case with White. He wants, as Graham Greene once put it, to find some kind of order in the chaos of experience. He would like a system, some kind of conceptual framework, for the events he has witnessed and described. I hope he never finds one. Life gets flattened and drained of color and excitement in systems and conceptual frameworks. There is nothing flat about life in these pages.●

THE ROTH-KEMP BILL

● Mr. JOHNSTON. Mr. President, I have become a cosponsor of S. 1860 the so-called Roth-Kemp bill. I have supported more modest tax cuts in 1975, 1976, and 1977. I believe more substantial reductions in individual income tax rates over a period of 3 years are appropriate at this time.

This measure would reduce individual income taxes over a period of 3 years as follows:

Impact of the Tax Reduction Act on family of 4

Income	Present tax	Proposed tax	Tax cut	Percent cut
$8,000	$120	$12	$108	90
$10,000	446	218	228	51
$12,500	917	539	378	41
$15,000	1,330	811	519	39
$17,500	1,745	1,092	653	37
$20,000	2,180	1,388	792	36
$25,000	3,150	2,047	1,103	35
$30,000	4,232	2,781	1,451	34
$35,000	5,464	3,589	1,875	33
$40,000	6,848	4,512	2,336	33

The bill would also increase the small business corporate exemption from $50,000 to $100,000 and reduce corporate rates from 48 percent to 45 percent.

Three principal reasons motivate my cosponsorship of this measure.

First, inflation actually increases tax rates from year to year, on the same amount of purchasing power. Today's $20,000 may equal yesteryear's $10,000 in purchasing power but the Government extracts a much larger percentage of today's $20,000. The only way to achieve some stability in taxes in real terms is to reduce the rate.

Second, I believe this tax cut will give substantial incentives to work, save, and invest. Taxes today are so high as to begin to stifle incentive and slow real growth.

Finally, I believe that if we are to reduce inflation, we must cut spending. In the final analysis a tax cut may be the only effective way to cut spending.

One of the attractive features of this bill is its three-step, 3-year phase-in in the tax cuts. This should allow time to cut spending during the interim to avoid larger deficits. We should remain flexible as to the exact details of the plan, however, in order to meet changing economic circumstances.●

THE PALESTINIAN ISSUE

● Mr. McGOVERN. Mr. President, one of the most complicated aspects of the Middle East crisis is the role of the Palestinians.

Mr. Ihsan Hijazi has dissected the various strains of the Palestinian groups.

I ask that his article in yesterday's New York Times be printed in the RECORD.

The article follows:

P.L.O. SEEKS NEW STRATEGY BUT NOT YET A NEW LEADER

(By Ihsan Hijazi)

BEIRUT, LEBANON.—The Palestine Liberation Organization is in the throes of significant changes to deal with increasing pressure from Israel, disunity in its own ranks and its exclusion from negotiations on a Middle East settlement.

The shifts and strains were violently apparent last week as Palestinian guerrillas struck again in Israel and engaged in a terror war with Iraqi agents in London, Paris, Karachi, Islamabad and Beirut. Bassam Abu Sharif, spokesman for the Popular Front for the Liberation of Palestine, one of the more hardline Palestinian groups, warned that the fighting, if not checked, could lead to a "Palestinian civil war."

Yasir Arafat, the chairman of the Palestine Liberation Organization, is equally preoccupied with the unsettled situation in Lebanon, the guerrillas' base since their expulsion from Jordan eight years ago. Maronite Christians, whom Mr. Arafat calls Israel's "friends," would like to eliminate the Palestinian presence in Lebanon: This was one of their principal aims in the Lebanon civil war.

Mr. Arafat, who launched the guerrilla struggle 13 years ago when he founded the mainstream group, Al Fatah, now speaks of a joint conspiracy by Israel and the United States to root out the Palestinian nationalist movement. He has set out to strengthen his organization's ties with other powers, notably the Soviet Union and Cuba.

During a visit to Havana last month to attend the Socialist-sponsored 11th World Youth Festival, he told a news conference that Zbigniew Brzezinski, President Carter's National Security Adviser, tried to intimidate the Palestinians late last year with the remark "Bye bye, P.L.O." That threat materialized, the guerrilla leader charged, in March when Israel, in retaliation for a Fatah raid near Tel Aviv, invaded southern Lebanon.

Israeli generals said the attack, which drove the guerrillas from the border area, destroyed the Palestinians' infrastructure. But Western diplomatic sources said that in military terms, the attack only put a dent in the movement. Between 5,000 and 6,000 guerrillas are now stationed in a 20-mile-deep enclave north of the Litani River. The arms they lost during the invasion have been more than replaced.

Nevertheless, the presence south of the Litani of 6,000 United Nations soldiers—and of Israeli-supported Christians along the border—figured in the Arafat organization's decision to discontinue raids from south Lebanon. The guerrillas prefer United Nations troops in the vicinity to the Israeli Army, and they would not like to provide a justification for another Israel invasion.

Partly for the same reason, the Palestine Liberation Organization has stayed out of the current fighting between Syrian troops and Maronite Christians in Beirut even though the Christians last week began shelling the main Palestinian camp of Sabra and neighboring Moslem quarters.

A total of 400,000 Palestinians live in Lebanon, a country the size of Connecticut. One third of them are in 14 camps, which are controlled by the Palestine Liberation Organization and are sanctuaries for the guerrillas.

Yet, according to Palestinian sources, the organization has decided to switch the brunt of guerrilla action from Lebanon to the West Bank of the Jordan River, the Gaza Strip and Israel proper by stimulating resistance to Israeli occupation in the West Bank and Gaza, and operating from the East Bank of the Jordan.

The Liberation Organization has defied King Hussein's prohibition on guerrilla use of his territory. It has sent raiders to attack Israeli targets in the Jordan Valley. The last such assault, against the kibbutz of Mehola, took place on June 12.

The monarch's opposition to a guerrilla return is only one difficulty facing the organization and Mr. Arafat. Although he has submitted a blueprint for military unity of all guerrilla groups, five factions have insisted that political differences must be resolved first.

Four of these groups form the so-called rejection front. They oppose Mr. Arafat's call for the creation of a mini-Palestinian state in the West Bank and Gaza and insist on the "liberation" of all Palestine and the elimination of the state of Israel. They are the Popular Front for the Liberation of Palestine, the Arab Liberation Front, the Palestine Liberation Front and the Popular Struggle Front. The fifth faction, the Democratic Front for the Liberation of Palestine, though not a member of the rejectionist bloc, has made common cause with it.

The open warfare between Fatah and Iraq has had serious repercussions inside guerrilla ranks. The friction has been worst between Fatah and the newly established Palestine Liberation Front, which is said to be a staunch supporter of the Baghdad regime. As many as 20 people were killed in recent clashes between the two factions at the Palestinian camp of Baddawi near the northern Lebanese town of Tripoli.

The movement, of course, has survived many splits and inter-Arab rifts in the past and Palestinians insist that it will survive this one. Similarly, Mr. Arafat, despite the criticism leveled at him by some Palestinans, remains their most widely accepted leader. His popularity is most apparent when he

visits the camps. Crowds quickly gather to greet and touch him.

Other guerrilla leaders have considerable popularity, too. Mr. Arafat's second-in-command, Salah Khalaf, better known by his nom de guerre, Abu Iyad, has a large following within Fatah and is Mr. Arafat's heir-apparent. Another rising star within Fatah is Abu Saleh, who is often described as the ideologue of the organization.

George Habash, the secretary-general of the Popular Front for the Liberation of Palestine, also heads the rejection front. He is respected in most guerrilla ranks and commands a pan-Arab following as the founder of the Arab Nationalist Movement, which he created when he was studying pediatrics at the American University of Bierut.

A man who believes in wider relations between the guerrilla movement and world leftist organizations is Nayef Hawatweh, the leader of the Democratic Front for the Liberation of Palestine. He and his group enjoy the closest relationship with the Russian Communist Party.

Ahmed Jebril, chief of the P.F.L.P. General Command, is a military strategist and a reputed expert in guerrilla warfare. Like Dr. Habash and Mr. Hawatweh, he believes that armed struggle is the only means for regaining Palestinian rights.

Another prominent guerrilla leader is Zuheir Mohsin, the leader of a pro-Syrian faction, As-Saiqa and head of the military department of the Palestine Liberation Organization.●

APPOINTMENT OF STANFORD G. ROSS AS COMMISSIONER OF SOCIAL SECURITY

● Mr. CHURCH. Mr. President, I strongly support the administration's choice of Stanford G. Ross as commissioner of social security.

It is essential that social security—a system that touches the lives of almost every American family—have effective and intelligent leadership.

Stan Ross is exceptionally well qualified to assume the chief post in the Social Security Administration.

He brings to his new position a distinguished and respected record in public and private life, including:

Chairman of the present Advisory Council on Social Security;

A skillful Government administrator;

An experienced adviser; and

A renowned authority in tax and administrative law.

Ross, I am convinced, will be a credit to the Social Security Administration. I wish him success in his new and challenging assignment.

Mr. President, I commend this appointment highly, and ask that a biography of Stan Ross be printed in the RECORD.

The biography follows:

BIOGRAPHY OF STANFORD G. ROSS

Stanford G. Ross is a member of the law firm of Caplin & Drysdale, Washington, D. C. He has engaged in the practice of law since 1969, specializing in Federal tax law and administrative law. He is currently serving as Chairman of the Advisory Council on Social Security.

During 1968–1969, Mr. Ross was General Counsel of the Department of Transportation. As chief legal officer, he was responsible for legal matters involving highways, railroads, aviation, urban problems and overall transportation policies and programs of the Department. He served on the advisory committee of the Secretary of Housing and Urban Development for the urban property insurance program.

During 1967–1968, Mr. Ross was a White House staff assistant working on domestic programs principally in the economic, business, and labor areas. He served as consultant to the Director of the Bureau of the Budget and the Council of Economic Advisers, and as Executive Director of the National Advisory Panel on Insurance in Riot-Affected Areas (The National Advisory Commission on Civil Disorders).

Prior to coming to Washington in 1967, Mr. Ross was a Professor of Law at New York University, and practiced law in New York City. He served as a consultant to the United States Treasury Department and on the Advisory Committee on Tax Administration for the City of New York. Formerly, Mr. Ross was Assistant Tax Legislative Counsel, United States Treasury Department, 1961–1963, where he worked on the Revenue Acts of 1962 and 1964.

Born in St. Louis, Missouri, in 1931, Mr. Ross attended Washington University in St. Louis where he received his A.B. degree with honors in 1953. He graduated magna cum laude in 1956 from Harvard Law School where he was an Editor of the Law Review. He is admitted to the District of Columbia, California and New York Bars.

Mr. Ross is a member of the Federal and American Bar Associations and the International Fiscal Association. He has taught tax law courses at the New York University and Harvard Law Schools and has written and lectured frequently on taxation subjects. He has also served as a consultant on international tax matters to the United Nations.●

THE NEW YORK TIMES FIGHTS FOR FREEDOM

● Mr. McGOVERN. Mr. President, yesterday's New York Times carries an interesting editorial account on the jailing of Times journalist M. A. Farber.

I think it is important for all of us to understand that Mr. Farber and his associates at the New York Times are waging a fight that is in the interest of all of us who believe in an unfettered press and in freedom of communication.

I ask that the Times editorial be printed in the RECORD.

The article follows:

OUR MAN IN JAIL

Our colleague, M. A. Farber, sits in jail because the courts feel their prerogatives and procedures take precedence over a full airing of his urgent constitutional case. He must remain behind bars indefinitely—while he and The Times are also fined heavily—because he wrote about some mysterious deaths in a New Jersey hospital a decade after they occurred and refuses to disclose to the murder trial that ensued who told him what and when. The New Jersey courts deny a stay of sentence unless his confidential files are revealed to them in private—which would betray his case even if his argument later prevailed. Two Supreme Court justices refuse to second-guess their New Jersey brethren and are divided on the merits.

The loss of this case on the merits would be a serious blow to all news gathering. The present trial by nights in jail is itself a dangerous infringement on the freedom to publish. Mr. Farber is the victim of extraordinary insensitivity.

He and The Times seek desperately to plead that we cannot do the work that the community should prize the most if we are forced to reveal our informants and confidential notes. We contend that the First Amendment's protection of the press extends to the gathering as well as the printing of news. Frightened, threatened or embarrassed sources daily offer our reporters fact, confession, rumor or accusation on condition that their identity remain secret. To betray one such source would jeopardize all. To have to protect such a source at such great cost already jeopardizes others. How many reporters will be trusted to choose jail? How many newspapers can afford such fines and fees?

Ironically these questions are explicitly recognized in a New Jersey law that gives a reporter the "privilege to refuse to disclose" to any legal forum both his sources and "any news or information obtained in the course of pursuing his professional duties." Yet the devilish circumstances of this case has left no time for fair hearing. It is not, as often before, a prosecutor but a defendant who seeks the files, claiming that he cannot prove a frame-up without them. The trial judge thinks it arrogant that The Times will not let him see the file and wants to break Mr. Farber's will. Mr. Farber thinks betrayal to a judge is still betrayal. Most judges seem to feel that the longer the reporter walks free the greater the affront to a court. We feel with Mr. Farber that the longer he sits in jail the greater the damage to the First Amendment. But the New Jersey Appellate Division won't hear the case until next month and the Supreme Court is in recess until fall.

Some think a newspaper is once again setting itself "above the law," invoking rights unavailable to others. Even Justice White, who now denies a stay, acknowledged in the past, however, that betraying confidences imposes a "consequential" burden on news gathering. But he demands to know how many informants would fall silent if a few are occasionally betrayed and we despair of satisfying him. Justice Powell, whose swing vote produced a 5-to-4 decision against reporters in a similar case six years ago, acknowledged that they had a constitutional right to refuse information in other circumstances and promised that the "courts will be available" if too broad or tenuous a request is made. He did not say what to do in recess.

From the minority in that case comes the essence of our response. "It is obvious that informants are necessary to the news-gathering process as we know it today," wrote Justice Stewart. "If it is to perform its constitutional mission, the press must do far more than merely print public statements or publish prepared handouts . . . The First Amendment concern must not be with the motives of any particular news source, but rather with the conditions in which informants of all shades of the spectrum may make information available through the press to the public."

And the much-missed Justice Douglas wrote: "The press has a preferred position in our constitutional scheme not to enable it to make money, not to set newsmen apart to the public's right to know." If Mr. Farber as a favored class, but to bring fulfillment will hang on, it is worth the fight.●

REMARKS OF SUSAN B. ANTHONY

● Mr. BAYH. Mr. President, this week the Subcommittee on the Constitution, which I chair, has been holding hearings on Senate Joint Resolution 134, a resolution to extend the ratification deadline for the equal rights amendment. One person who has been following this fight for equality with great interest is Dr. Susan B. Anthony, the grand-niece of the famous feminist leader after whom she was named. Dr. Anthony is a professor at the University of Notre Dame, in my home State of Indiana, and I am very

proud to count her among my constituents.

I would like to submit for the RECORD, Mr. President, a statement made recently by Dr. Anthony, in which she puts forward most eloquently the continued timeliness of the equal rights amendment. I ask that this statement be printed in the RECORD.

The statement follows:

COMMENTS BY DR. SUSAN B. ANTHONY

Galatians 3:28 "There is neither Jew nor Greek, there is neither slave nor free, there is neither male nor female; for you are all one in Christ Jesus."

The spirit of equality coming from the Spirit of God is right here on Capitol Hill where our ancestors began the legislative fight for woman suffrage 109 years ago following their first demand for equality 130 years ago at Seneca Falls.

It took Aunt Susan and the other feminists 72 years to win suffrage, from 1848 to 1920. It has taken another 55 years to get the Equal Rights Amendment through the House and Senate and ratified by 35 out of the needed 38 states.

What then are a few more years in this venerable and honorable battle—that we petition for today? The extension is little contrasted to the 130 years, or the 202 years if we go back to Abigail Adams original plea for remembering us.

And going back even further in our Judeo-Christian roots we know that there is neither male or female.

Let us leave no prayer unprayed, no forum uncovered, no legislator unvisited until we gain the equality promised us of old.

Let us say again and again as Aunt Susan said, though dying without realizing her lifetime goal . . .

Failure is impossible! ●

THE MIDDLE EAST

● Mr. McGOVERN. Mr. President, the distinguished European diplomatic correspondent for the New York Times, Flora Lewis, has written an excellent summary of current issues in the Middle East.

I ask that Ms. Lewis' piece in yesterday's New York Times be printed in the RECORD.

The article follows:

TERRITORY AND TEMPERAMENT THWART A MIDDLE EAST PEACE

(By Flora Lewis)

JERUSALEM.—Hopes for peace in the Middle East soared dramatically high last November when Egyptian President Anwar el-Sadat suddenly flew to Jerusalem. But since that dazzling ascent, there has been a stage-by-stage decline, from the early face-to-face conferences of Mr. Sadat and Prime Minister Menachem Begin, through bilateral negotiating committees to triangular meetings under United States sponsorship. Now it's back to where it started, with a harassed American Secretary of State shuttling between capitals.

The reasons for the failure of the unprecedented peace initiative, and indeed the question of whether or not there has been a failure, are a part of the controversy now, not just between two sides but among the variety of groups and interests drawn into the Middle East conflict. For Baghdad, for example, cancellation of this week's scheduled Israeli-Egyptian ministerial session is taken as proof that Mr. Sadat's effort has collapsed and that a return to a united and militant Arab front against Israel is the only alternative.

But history's clock doesn't run backward. Two things have emerged from the smoky turbulence of rhetoric. One is a new awareness of precisely what Israel and Egypt mean by "concessions," which each claims to have offered and to have been refused so much as a glimpse of by the other. The second is that, despite mutual recriminations, a certain common interest in moving toward peace has been identified and a stake established in what has come to be called "keeping up the momentum."

For now, the two sides have reverted to trying to persuade the United States to put pressure on the other. While it is certainly a setback to have them addressing Washington once more instead of each other, it isn't an abrupt end to the idea of negotiation. Coming maneuvers, whatever the appearances are bound to take place against the backdrop of those tactics. But in the meanwhile, the appearances seem to have diverted attention from the stubborn issues which are sometimes expressed with churlish bluntness, sometimes with deceptive suavity, to the two extravagant personalities at the center of the exchange.

Neither President Sadat nor Prime Minister Begin ever was in a position simply to choose peace. They have, however, brought forward some new definitions. Mr. Sadat has said quite clearly that for him, Egypt's concessions are the offer of full-fledged peace and military arrangements to bolster Israel's security, and in return the Israeli concessions must be territory. When Mr. Begin replied "not one grain of sand without concessions," he, too, was speaking of territory. It is a striking irony of history that at the time when Israel's most important Arab opponent at last offers peace, the leader of Israel should be a man dedicated to the Biblical concept of the holiness of land.

But whatever the motives, the exchanges have shown once again that the key to the Arab-Israeli dispute remains rival claims to live on more or less the same land. The personalities have, certainly, made a difference. It would be hard to imagine anyone else undertaking Mr. Sadat's lone gesture. Perhaps he overestimated his ability to bring moderate Arab leaders along to back his views, but subsequent events have shown he did not underestimate his need to maintain somehow a position as spokesman for Arab as well as exclusively Egyptian interests. Perhaps he overestimated United States willingness and ability to extract territory from Israel once Washington became convinced of Egypt's sincerity. Subsequent events have shown he did underestimate the Israeli public's deep-rooted caution.

It is another irony that when the leader of Egypt felt he was making a giant leap toward practical bargaining, the leader of the traditionally outspoken, action-tuned Israelis should be a man of the word who delights in scoring debating points. It is not surprising that Mr. Sadat felt more at ease with Defense Minister Ezer Weizman, a tough military man, or with opposition leader Shimon Peres, a veteran organization politician. Both of them are perfectly capable of the rough give-and-take of public life. But neither would have thought to taunt Mr. Sadat, as Mr. Begin did when the Egyptian President failed to respond with a quick welcome to Mr. Begin's recent offer to visit Cairo.

The two leaders have managed to get under each other's skin. Nothing Mr. Sadat might say could have irritated Mr. Begin more than the suggestion that a foreign leader should go behind his back and break up the intricate coalition Government built with such detailed care. Nothing Mr. Begin might say could have irritated Mr. Sadat more than the suggestion that an Arab leader was asking for "baksheesh," a quick sweetener in the form of Egyptian enclaves in Sinai to bend his will on more important issues.

Despite all this, each leader remains a valid expression of his country's dominant hopes and fears. Both have weaknesses on the home front; the vulnerable spots are beyond the reach of the other. Their broken minuet is another example of the inextricable way personalities and basic currents interact in history. Decisive steps require a conjunction of people and circumstance. It has not come about.

Now what? Mr. Begin, unwilling to face the central question of the future of the West Bank, which Mr. Sadat cannot himself negotiate, is suggesting a retreat from the idea of a comprehensive settlement to another partial agreement with Egypt. It amounts to less than a full peace treaty in return for less than all of the Sinai. That is not likely to tempt Mr. Sadat, since it would open him again to charges from other Arabs that he had given up their greatest leverage —the threat of war. But neither side is likely to fall back on the idea of a return to Geneva, now seen as a thin disguise for renouncing real negotiations.

For the moment, both will be looking to Washington. Washington will be looking for something to entice Israel and Egypt back to confront what has always been the hard core of the problem—who holds the land and determines the fate of its people. On the face of it, there is no visible solution. But in the Middle East, there is always something unexpected which changes the form of the question and busies the diplomats. ●

SOUTH AFRICA

● Mr. HATCH. Mr. President, earlier this year I spoke about the growing concern over the decline of the U.S. Navy and the possible ramifications of such a decline. One area where the decline will have an obvious impact was brought out, that being control of the sealanes that is so vital to the security of the United States and our allies in Europe. This decline in naval power can be linked to the problems that the United States now faces in southern Africa. While we here in the Congress debate the prospects of which group will rule the nations of Rhodesia and South Africa when they switch to majority rule, the Soviets and their Cuban puppets have made deep inroads into the southern area of Africa.

I am concerned about the Soviet-Cuban activity in Africa. We sat complacently by while they assumed control of the Horn of Africa and it now appears that we will sit by while they move on southern Africa. Ambassador Young has told us in his now famous statement that the Cubans were a stabilizing influence in Africa. Will we consider this same presence stabilizing in other critical areas of the world?

Mr. President, in the near future we will be debating the merits of a *Nimitz* class nuclear carrier once more. While this issue seems to pass with ease during the consideration of the arms procurement authorization bill, the rumors were that the administration, which opposes the construction of a *Nimitz* class carrier, would fight the concept in the appropriation stage of the authorization. I expect this fight will be critical to the security of the United States in the future. A member of my staff had the chance to visit with Adm. Isaac Kidd, Commander in Chief of Atlantic Fleet and also the Supreme Allied Commander of NATO Atlantic Fleet, and the message

that he left with was that we desperately needed another carrier in the *Nimitz* class. To protect the sealanes for the shipment of oil and other natural resources from Africa to the United States and then to Europe, it is essential to have the adequate naval power projection to accomplish this goal.

In an editorial in the Denver Post on July 23, 1978, L. Francis Bouchey examines the Cuban threat and the problems that it will pose if the United States takes no action to correct the situation. He alludes to the naval problem by stating the following:

The United States imports most of its vitally needed raw materials from nations astride the South Atlantic sea lanes. The Dominican Republic, Jamaica and Surinam provide almost 90 percent of America's bauxite imports; bauxite is the source of aluminum. Vast amounts of manganese, required for steel production, come from Brazil. Tin, copper, lead and tungsten are imported from Bolivia, Chile, Peru and Venezuela.

Most immediately endangered are metals critical to our defense industry which come almost exclusively from Zaire, Rhodesia, Zambia and South Africa.

It becomes evident that the United States is dependent upon control of the sealanes if we are going to be able to maintain a viable deterrent to the Soviet threat. Cuba is now so intertwined with the Soviet machine that they also constitute a threat from within the Western Hemisphere.

What action has the current administration taken concerning this threat? Recent testimony before the Subcommittee on Inter-American Affairs of the House International Relations Committee by Lt. Gen. Gordon Sumner, Jr. (USA-Ret.) outlines the course of the Carter administration. At that time General Sumner testified:

Under the guise of human rights, a small group of radical policymakers led by Mr. Robert Pastor of the National Security Council, Dr. Brady Tyson of Ambassador Young's staff, Asst. Sec. of State Pat Derian and Deputy Asst. Sec. Mark Schneider have, in effect, gravely damaged our security in the Western Hemisphere.

General Sumner concluded by testifying about a document that Mr. Pastor and Mark Schneider both had a hand in preparing, "The Southern Connection: Recommendations for a New Approach to Inter-American Relations," which was prepared under the direction of the Institute for Policy Studies. General Sumner called this document to the attention of the subcommittee because of the striking similarity it has to the current administration's policy. The document was summarized by General Sumner by the following:

1. Its central theme is that "Apart from dropping paternalistic attitudes and practices, the new thrust of U.S. policy in Latin America should be to support the ideologically diverse and experimental approaches to development that are gaining support around the world. Underlying this recognition and response must be the acceptance of ideological pluralism in both economic and political affairs." Not once is it suggested or even implied that Communism or Communist expansion might represent a threat to freedom, human rights or the peace and security of North and South America.

2. Specific recommendations included a) abandonment of the U.S. Canal in Panama, b) normalization of relations with Cuba, c) abandonment of the long standing special relationships between the U.S. and Latin America, and d) making the Caribbean what is called "a testing ground for idelogical pluralism" where the U.S. supports "alternative models of development."

Mr. President, this document was prepared in February 1977, and has apparently become a blueprint for our policy towards Latin America and in particular, Cuba. This type of policy is not in the best interest of the United States and must be reversed. Men like General Sumner have tried to speak out, only to be silenced by the Carter administration. It was for this reason that General Sumner waited until he had retired to sound the alarm, not wanting to suffer the same fate as General Singlaub. Cuban intervention in Africa can only lead to Cuban participation in bringing Soviet influence into Latin America. I can see no scenario that would make this type of activity acceptable to the United States.

Mr. President, I think that Mr. Bouchey has written an extremely incisive editorial on this issue. Its ramifications are many, and extend into many arenas of debate. For this reason I ask that the editorial be printed in the RECORD.

The editorial follows:

DANGER ON THE SOUTHERN FLANK

A close look at Africa reveals a clear geopolitical pattern and three important objectives for the Cuban-Soviet Axis: (1) control of oil routes, (2) domination of the mineral wealth of the African subcontinent, (3) military and political penetration of South America.

If successful, Soviet-Cuban initiatives will change the face of international politics for the rest of this century. The Soviet Union realizes that the greatest potential weakness of the industrial West is an almost insatiable demand for raw materials, particularly oil and rare metals not found in the northern hemisphere.

Moreover, the very life lines of the Western economy are the sea lanes around Africa and the South Atlantic trade routes. The United States is more dependent upon use of the sea than ever before. That is why the growth of Soviet naval power is so ominous. The U.S. Navy, which had 800 ships on the seas before Vietnam, is now down to some 460 ships.

By controlling the Horn of Africa or the port and fueling facilities along the African coast, in Mozambique, Angola and Southwest Africa, the Soviet-Cuban alliance could pressure Western oil supply routes. The Axis would seek to control the course of sea traffic from the Caribbean to the South Atlantic, in areas that are of inestimable importance to U.S. and Western European military and economic welfare. Meanwhile, Soviet strategic power in the Caribbean, in the form of a submarine or missile force, could effectively neutralize the United States to the north, creating a protective nuclear shield or buffer for Cuban guerrilla activities to the south, along the West African and South American coasts, and in Central America.

Cuba's armed forces are now larger and more formidable than those of her much larger Latin American neighbors—even larger than the military forces of Mexico, Venezuela and possibly Brazil.

The United States cannot tolerate such Soviet power on its southern flank. Reasons for counter-action go beyond the military problem of proximity.

The United States imports most of its vitally needed raw materials from nations astride the South Atlantic sea lanes. The Dominican Republic, Jamaica and Surinam provide almost 90 percent of America's bauxite imports; bauxite is the source for aluminum. Vast amounts of manganese, required for steel production, come from Brazil. Tin, copper, lead and tungsten are imported from Bolivia, Chile, Peru and Venezuela.

Most immediately endangered are metals critical to our defense industry which come almost exclusively from Zaire, Rhodesia, Zambia and South Africa.

The Council for Inter-American Security has learned from highly placed defense industry sources that by the end of 1978, the United States will have "only a trickle" of cobalt and chromium to put into U.S. defense-industry pipelines for the manufacture of military jet engines. And that includes the F-16, which is a cornerstone of the U.S. claim to military equality with Russia.

Cuban troops in league with and directed by Soviet and East German strategists in Africa are operating in a wide movement that aims ultimately at taking all of sub-equatorial Africa into an anti-U.S. sphere. A first step was support of anti-Western forces in Angola. In the most recent attack on Zaire, Katanga exiles trained or led by Cubans and East Germans did the actual fighting. East Germany's Africa Corps now numbers 4,500 soldiers and an equal number of security officers (secret police) and technical specialists.

Soviet horizons expanded in the wake of Watergate and American defeat in Vietnam. Southern Africa presented the opportunity when Portuguese colonialism collapsed. Unable to rally the support of non-Communist elements in the newly independent Angola, the United States stood idly by while the Soviets ferried Cuban surrogates to Angola to defend and maintain a pro-Soviet government opposed by the Angolan majority.

The Communist threat in the southern hemisphere became a reality because of tremendous Soviet investment in naval and merchant forces: The Soviet-Cuban push in Ethiopia, South Yemen and Angola was possible only because ships could bring in tanks, missiles and other supplies used by their troops and clients in those areas. And it all came to pass in the days of detente.

[This analysis is by the executive vice president of the Council for inter-American Security.] ●

LAW OF THE SEA CONFERENCE STALEMATED

● Mr. JACKSON. Mr. President, many Senators have been following the progress of the negotiations in the Third United Nations Law of the Sea Conference. I have been particularly concerned about those aspects of the conference dealing with deep seabed mining.

It is becoming increasingly apparent that the U.S. delegation is prepared to surrender significant national interest in the recovery of minerals from the deep ocean floor. Last week, Senator HANSEN and I wrote to Ambassador Richardson expressing our concerns. I ask that a copy of the letter be printed in the RECORD at the close of my remarks.

The letter follows:

COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, D.C., August 2, 1978.

Hon. ELLIOT RICHARDSON,
Ambassador at Large, Department of State, Washington, D.C.

DEAR MR. AMBASSADOR: S. 2053, the Deep Seabed Mineral Resources Act, has been ordered reported by the Senate Energy and

Natural Resources Committee and is now pending before the Senate Commerce, Science and Transportation Committee. The House of Representatives recently passed a similar bill. Since it is likely the Senate will consider this legislation sometime this summer, we have been keenly interested in the progress of negotiations in the Third United Nations Law of the Sea Conference, particularly those in Committee One bearing on formulation of a new legal regime for the deep seabed.

We fully appreciate the complexity of your assignment. Defining the national interest relating to UNCLOS negotiations is in itself an extraordinarily difficult exercise, quite apart from the problems inherent in carrying forward discussions with other 150 delegations each with its own constellation of national interests in maritime law. We can understand the need to balance and weigh these many considerations in arriving at the United States position on any given issue. The U.S. delegation under your leadership has achieved impressive gains in some areas. For these achievements you are to be congratulated.

However, the trend in Committee One negotiations appears less than promising. Last September you testified before Congress that there were a number of key features of the Informal Comprehensive Negotiating Text (ICNT) produced at the Sixth UNCLOS Session which were "fundamentally unacceptable" to the United States and you itemized those unacceptable provisions. Unfortunately, the Seventh UNCLOS Session held at Geneva appears to have yielded little progress in satisfactorily modifying these unacceptable provisions of the ICNT. Spokesmen for the U.S. ocean mining industry have voiced serious doubts about the ability to proceed to commercial recovery of manganese nodules under terms and conditions of the ICNT. After the Geneva Session, a joint statement representing the views of Belgian, British, Canadian, Dutch, French, German, Japanese and United States ocean mining companies said that "the draft treaty texts resulting from the Seventh Session did not significantly improve the previous draft treaty proposal (ICNT) which was considered to be 'fundamentally unacceptable'—in some cases the new texts were worse."

As we understand it, the ICNT would (among other things) impose what amounts to the mandatory transfer of technology from private firms who have invested many millions of dollars in development, to a competing international seabed authority; would unduly limit the production of minerals with no comparable restraint upon production by the authority; would severely restrict the number of available mine sites for U.S. ocean mining firms; would allow no meaningful review of authority decisions denying contracts to U.S. ocean mining firms; and would establish a 20-year termination process which would inhibit entry by new U.S. firms into ocean mining activity.

We are deeply concerned that our legitimate seabed mining rights are being traded away in the treaty negotiations. We understand you have stated in more than one forum that (in effect) the United Nations Moratorium Resolution of 1969 (G.A. Res. 2574D XXIX) declaring the resources of the deep seabed to be the Common Heritage of Mankind and off-limits to exploitation has all but nullified the traditional high seas freedoms under which U.S. ocean mining firms have always assumed their right in international law to engage in the commercial recovery of manganese nodules. To illustrate this point, you are said to have compared the current United States position in Committee One with a hypothetical multinational corporation dickering with the Government of Indonesia for off-shore drilling rights. It seems to us in so doing you are implicitly acknowledging ownership and control of the deep seabed by an international community dominated by a Third World majority which is unfriendly to U.S. ocean mining rights and interests.

The implications of this position are most disquieting. There are several reasons for our uneasiness. First, the United States has never, either formally or informally, recognized the U.N. Moratorium Resolution as carrying the force and effect of international law. In fact, in May, 1970, the President said "I do not believe it either necessary or desirable to try to halt exploration and exploitation of the seabed beyond a depth of 200 meters during the (treaty) negotiating process". U.S. negotiators have consistently adopted this attitude ever since that time. Second, deep seabed mining legislation now moving through Congress (as well as similar bills introduced in prior Congresses) strongly asserts the right of ocean mining firms to proceed to commercial development under existing high seas freedoms, pending completion of UN CLOS negotiations and ratification of a law of the sea treaty by the Senate. Third, until such time as the term Common Heritage of Mankind has been given legal definition by a treaty ratified by the United States Senate, its legal application to U.S. citizens is inevitably subject to conflicting and ambiguous interpretation.

Fourth, in our view the moratorium on seabed mining contained in the U.N. Resolution of 1969 cannot prevent seabed development unless control of the seabed has been acquired by an international seabed authority under terms of a duly ratified law of the sea treaty. Fifth, we detect an inconsistency between the United States delegation's forthright—and so far successful—defense of high seas freedoms of navigation for vessels in the Exclusive Economic Zone and your apparent relinquishment of high seas freedoms for ocean mining activities. Sixth, we can see no evidence of a United States negotiating "bottom line" in Committee One: what you cited as being fundamentally unacceptable to the United States in the ICNT before the Geneva Session would now appear to be acceptable through changes in the text which lack substance. Nor are we aware of any straight-forward response to the point-by-point criticisms of the U.S. negotiating position which have been submitted by the ocean mining industry and other more neutral observers.

Last October, when you appeared before the combined hearing of the Senate Energy and Commerce Committees to report on the unacceptable terms of the ICNT, you accurately set forth what is essentially our own view of the position the United States should adopt in Committee One negotiations. We believe the statement you made then is worth repeating:

"What is involved here is the establishing of a regime for half the Earth's surface. While today's technology points only to manganese nodules, there is no telling what lies ahead in the future. We simply cannot agree to a regime which would unnecessarily inhibit, and perhaps even prevent, deep seabed development. To do so would make a mockery of the Common Heritage of Mankind and reduce to a pitiful trickle the benefits that could otherwise accrue—not only to the entrepreneurs who will risk their capital, but also to mankind as a whole, in particular the developing countries."

In light of this statement, and in light of our considered opinion that high seas freedoms for U.S. ocean industries are not impaired by United Nations actions short of a duly ratified law of the sea treaty, we would respectfully suggest a reassessment of the direction and tenor of the United States negotiating posture. Moreover, we would suggest a careful examination of whether or not the United States Senate is prepared to ratify a law of the sea treaty containing terms and conditions such as those in the ICNT which would inhibit and prevent deep seabed development by U.S. firms. We are inclined to believe the Senate would not ratify such a treaty.

Would it be possible to provide the Senate, prior to the reconvening of the Law of the Sea Conference in New York, with a report on the "bottom line" United States negotiating position in Committee One? This could be done either in the form of a letter or, if you prefer, through your appearance before a hearing of the Senate Committee on Energy and Natural Resources.

We look forward to your response.

Very truly yours,

HENRY M. JACKSON,
Chairman.
CLIFFORD P. HANSEN,
Ranking Minority Member.●

MANUFACTURED HOUSING INDUSTRY

● Mr. HATCH. Mr. President, I stand before you today to praise an industry that has been until recently ignored as as affordable alternative to the high cost of housing. I am referring to the manufactured housing industry. Thanks to the efforts of the Manufactured Housing Institute (MHI), on Tuesday, June 20, the NBC "Today Show" with an audience of millions informed American citizens that "the cost of a mobile home is roughly half the price of what is called a site-built home." MHI represents the modular and mobile home industry in the Washington, D.C., area.

About 8 months ago, Walter L. Benning, president of MHI, met with the chief executives at NBC. Benning presented new photographs of mobile homes along with a myriad of documented facts on manufactured housing's future as an attractive, affordable alternative to high-cost "site-built" housing. Basically, Benning wanted NBC "Today" to tell the American people what the manufactured housing business already knew—that their industry is part of the present and future answer to the skyrocketing cost of housing.

The "Today Show" mobile home story went on to point out that a lot of savings and loans and other lending institutions are now taking a new look at mobile homes and will sometimes give in fact a longer-term home mortgage. The reason for this new trend on the part of S. & L.'s and others is because the majority of mobile homes are not ever moved. The program stated that the term "mobile" is actually a misnomer. Mobile homes are "transportable" but not "mobile." The nationally popular television program went on to say that mobile homes do not automatically depreciate and even have contemporary designs that are normally found in site-built homes worth $60,000. The "Today Show" mobile home segment also gave consumers some items that they should first check when purchasing a mobile home; first, go out and take a look at the various sites. There are approximately 12,000 mobile home parks and developments around the country; second, find out what the rules and regulations are at these sites; and third, know specifically if you can resell the mobile home on site if it is in a park. The TV program recommended that all

interested consumers should write MHI for its "Quick Facts" pamphlet on the mobile home industry: Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.●

FELIX ROHATYN

● Mr. MOYNIHAN. Mr. President, during the years of financial crisis through which New York has been passing, no citizen has been more valuable to the city and State than Mr. Felix Rohatyn. As chairman of the Municipal Assistance Corp., Mr. Rohatyn has been a tireless and extraordinarily effective worker, an indispensable adviser and negotiator whose talents have left all of us in his debt. A recent editorial in the New York Daily News speaks for all New Yorkers in noting Mr. Rohatyn's contribution and I submit the editorial for the RECORD.

I should like as well to include in the RECORD two recent statements by Mr. Rohatyn, an article from Business Week entitled "New York City Mirrors the United States," and a column he wrote for the New York Times entitled "Indeed, the Moral Equivalent of War." In these Mr. Rohatyn gives his views on some of the economic problems now facing the Nation. I would ask my colleagues to attend to the views of this extraordinary man.

It is an honor to have him as a constituent, and a delight to have him as a friend. It is to be hoped that his departure from the chairmanship of the Municipal Assistance Corp. marks but a well-deserved respite, rather than any mere permanent reduction, in his public activities.

The editorial follows:

A MAN FOR ALL SEASONS

Nearly all of the pieces of the city's long-term financial plan are in place now. And a lot of people can stand up and take a bow. But one man deserves more applause than the rest as both the architect of the plan and the guiding genius behind its realization:

That man is the redoutable Felix Rohatyn.

It was Rohatyn who recognized last autumn—when others could see that problem but not the solution—that the only way New York could ever get out of the hole was to win long-term federal guarantees for its notes and bonds.

It was a master stroke—but no one thought so then. The notion of hinterland congressmen voting such unprecedented aid for the Big Apple was dismissed as Felix's folly.

But the nay-sayers didn't figure on Rohatyn's tireless persistence and his extraordinary skill at political maneuver and persuasion.

Marshaling his arguments with compelling logic, he won over one key camp after another. Early on he convinced the powers-that-be in Treasury and through them, the White House, politicians, bankers, and union leaders eventually joined the bandwagon.

Rohatyn didn't hesitate to go public when he felt he had to, commanding media attention with that superb gift for phrase-making that has made him the joy of newsmen and the envy of political pros.

In the end, even the most implacable foes were overwhelmed. William Proxmire practically sang "I Love New York" on the Senate floor during the final vote.

It was not the first time Felix had galloped—of course.

TO THE CITY'S RESCUE

Ever since the crisis-ridden summer of 1975, he has employed his financial genius time and again to keep the city from bankruptcy.

He could literally jot billion-dollar fiscal plans on the backs of envelopes—and then make them work.

Rohatyn is stepping out now as the city's chief financial surgeon. He will resign next month as chairman of Big Mac. But the idea that he will be out of action for long is unthinkable.

There are too many big jobs still to be done—economic development, to mention one. And Felix is too valuable a man to be allowed to return quietly to private life.

He should be kept in public harness—for the good of us all.

NEW YORK CITY MIRRORS THE UNITED STATES

To many people, the financial morass from which New York City is struggling to free itself can be explained as a unique case of bad management. The extensive evidence for that conclusion developed over a long period of time; the signs had been identified and measured for many years.

Increasing deficits year after year, papered over with accounting gimmicks to allow sidestepping politically difficult decisions.

Increasing reliance on borrowed money to finance those deficits, while skimping on capital projects, thus causing the dramatic deterioration of the city's physical plant.

Creating greater hidden liabilities in the form of unsustainable pensions and debt service.

The flight of jobs in the private sector to other regions and abroad, driven out by high taxes and low productivity.

In reviewing this evidence, I find it very unsettling these days to see that many of the same elements that led New York City close to financial catastrophe exist on the national level, and on a larger scale.

High taxes, high wage rates, and reduced productivity have driven manufacturing jobs out of New York City; in the same way, these forces are now driving jobs out of the U.S. In steel, radio and television manufacturing, and apparel, we are losing jobs to foreign producers. Some of this problem can be blamed on direct or indirect subsidies paid by foreign governments in violation of international agreements. But a big part of the problem is simply that we don't work as hard as we used to. Our trade deficit with Japan, a country whose energy problem is far more severe and serious than our own, can really be called a balance-of-work-ethic deficit.

LEGISLATION WITHOUT FORETHOUGHT

The similarity of the situation in the U.S. to that of New York City is alarming. Like New York City, the country has not kept up its physical plant. A tax system that ignored replacement cost has produced a manufacturing establishment with old, high-cost facilities. Just as municipal pension costs pushed the city of New York to the edge of fiscal disaster, Social Security costs and unfunded private pension costs are becoming an increasingly heavy drag on the national economy.

The world noted with disapproval how New York City financed its deficits with short-term notes and brought itself to the brink of bankruptcy. But the U.S. is financing its deficits with the shortest-term financing that exists—bank deposits of oil-producing countries, callable any time, enabling the oil producers to hold our banking system hostage.

Just as New York City took actions without any consideration of the rippling effect they would have or any side effects they might create, the U.S. is also legislating without concern for the consequences. Rent controls in New York City, aimed at helping one segment of society, have destroyed a large portion of the municipality's housing stock and tax base, and ultimately have imposed a problem on everyone in the city. On the federal level, the increases in the minimum wage mandated by law will make it even more difficult to find private employment for minority youths from the ghettos, whom the government is striving to help. And extension of the investment tax credit to cover structures as well as machinery, as proposed by President Carter, will drive more manufacturing out of the older cities at a time when they desperately need help to hold on to their manufacturing plants and the jobs they supply.

As a reflection of these circumstances, the U.S. economy is now in deep trouble, and few people are willing to recognize how serious the situation is. The stock market is saying it, and the response is, "Stocks are cheap." The international currency market is saying it, and the response is, "The dollar is undervalued."

It might be worthwhile to admit that maybe the markets are right. The U.S. can't continue to spend $45 billion a year for energy imports without risking collapse. Similarly, the federal budget cannot be balanced just by cutting back expenditures. The economy needs a sharp stimulus of the private sector to increase revenues. We cannot maintain totally free trade until we get our house in order. And the U.S. cannot continue to absorb 1 million illegal immigrants a year from Mexico and the Caribbean while unemployment remains high.

STRONG MEDICINE

In the face of such threats to the U.S., the same prescription that has been proposed for New York City is the right one for the country. The city has been asked to come up with a multiyear plan that brings its budget into balance, refinances its debt, freezes its labor costs, and stimulates it economy.

The same kind of plan for the U.S. would have to include such drastic measures as these:

(1) Stimulating the economy through a vastly accelerated domestic energy production program, coupled with deeper tax cuts.

(2) Assisting the financing of the energy program by the creation of a government-backed energy development bank. The energy bank would raise money through the sale of long-term, federally guaranteed bonds to members of the Organization of Petroleum Exporting Countries, thereby recycling their dollars and stabilizing the monetary situation.

(3) Using the energy bank to direct economic activity that resulted from its investments to the more severely impacted areas of the country, both urban and rural.

(4) Limiting oil imports to the present level of $45 billion a year, no matter what the price per barrel; reducing them gradually to $35 billion annually by the end of the plan.

(5) Limiting wage and price increases during the period of the plan to 4% per year.

(6) Restricting imports of foreign goods and outflows of capital to eliminate the balance-of-payments gap.

(7) Exploring the possibilities of setting up a common market with Mexico and Canada along the lines of the European Community.

(8) Achieving budget balance at the end of the plan through the combination of increased revenues that would come from economic activity and reduced government expenditures that would derive from the decrease in unemployment rolls.

Such a program means limitations on free trade and a certain amount of protectionism for some period of time. It means an energy program geared to vast increases in production, with government funding to speed it along. It means wage and price restraints for the duration of the plan.

Further, limiting oil imports to a net dollar figure to protect the currency could result in shortages. The program means limiting our worldwide economic role and paying more attention to our hemisphere. The payoff could be a stronger currency increased domestic employment. stimulation for our economy, and reduction in inflation.

I realize that such a proposal is politically impossible at this time. But just as New York City's leaders finally faced reality and did the politically impossible when they were faced with serious crisis, the U.S. will also do the politically impossible when the situation that it is confronted with gets bad enough.

New York City needed a breathing spell to get itself turned around. Now the U.S. desperately needs a breathing spell to put its house in order and negotiate new, lasting international trade and monetary structures. This cannot be done in an atmosphere of continued instability. We have to recognize that we are at war—with unemployment, with inflation, with racial discrimination, with lack of education. We are, moreover, losing that war. To win we may have to adopt a wartime program consisting of measures such as those described above.

INDEED, "THE MORAL EQUIVALENT OF WAR"

Two crises of significant dimensions are currently facing this country.

One, the energy crisis, threatens our economic structure and the stability of our currency. The second, the urban crisis, threatens our social and political structure by creating a permanent, volatile underclass.

President Carter has, quite accurately, stated that the response to the energy crisis is the "moral equivalent of war." The disorders during the New York blackout indicate that a solution of the urban crisis should carry the same urgency. Just as World War II became the motor force to pull the United States out of the Depression, so our war on the energy front should be used to help resolve the urban crisis.

Eliminating the social cancer in the ghettos of older cities requires both short-range relief and long-term therapy. The ultimate objective must be to restore tax bases and to provide education, protection and a civilized environment to the middle class as well as a real opportunity for the black and Hispanic minorities to come into the economic mainstream of society. At present, blacks and Hispanics are culturally, educationally and economically condemned to second-class citizenship.

The short-run relief could come from four main areas:

(1) Fiscal relief via Federal assumption of local welfare costs as well as national health insurance to replace a hopeless Medicare/Medicaid system.

Any such Federal assumption of welfare would obviously be conditioned on states like New York getting their benefit levels in line with a national standard over a period of time.

(2) Public employment through countercyclical funds or the Comprehensive Employment and Training Act (C.E.T.A.), permitting cities under budgetary pressures to maintain adequate levels of local services at Federal expense.

(3) Financing assistance for municipalities whose access to markets is shut off or for which the cost of money is needlessly high.

A Federal Urban Development Bank with the authority to make loans directly or to guarantee certain types of municipal obligations is needed. Naturally such loans should only be made in conjunction with the recipient municipalities taking appropriate steps to reform themselves by budgetary disciplines and by such legislative actions as may be required.

(4) The creation of a Federally financed Urban Youth Corps to get unemployed teenagers off the streets and put them to work areas.

These steps would enable municipalities like New York to invest part of the fiscal relief so obtained in tax reduction aimed at economic development and at improvement of services. Such steps would not, however, be sufficient to reverse the physical decay of the ghetto, nor would they begin to reduce meaningfully the levels of unemployment and economic hardship to which the urban ghetto population is subject.

We will never know whether the looting in New York City was due to inbred criminal instincts of so-called "born animals"—as some people say—until real opportunity is created in the ghetto, especially among the young. Once that opportunity exists, harsh crackdowns on those who do not avail themselves of it but turn to crime will not leave us with the question of what might have been otherwise.

We have seen, over the years, that Federal programs aimed at eliminating poverty do not work. We have also seen that standard economic stimuli do not seem to get at these apparently intractable problems on a long-term basis. Education, vocational training and private employment have to be combined with physical reconstruction of the core cities. This could be done as part of an accelerated, Federally-guided energy program, marrying Federal financing to private employment.

The requirement to dramatically increase the production of domestic energy to reduce our balance-of-payments problem, as well as the need to be many times more energy efficient, should be combined with an overall urban strategy.

Cities, after all, are exceedingly energy-efficient. Mass transportation systems vs. automobiles; high-rise buildings vs. single-family housing; a large, unused supply of trainable labor—all of these point to urban life as not only an important cultural asset but also as an important economic asset in an energy-short world.

In the Northeast, we have been arguing for a Regional Energy Development Corporation, with Federally guaranteed bonds, to accelerate conversion from imported oil to domestic coal. The activities of such a corporation, either regionally or nationally, could dovetail with an urban program. The immense capital investment and mobilization of labor it would require could be targeted to help impacted urban areas.

Manufacturing facilities financed by the Development Corporation but operated by private corporations should be set up in industrial parks created for the purpose in cleared, now vacant ghetto areas. The private companies operating those facilities would get economic incentives (tax credits, priorities in Government contracts, etc.) to train and employ people from the surrounding communities. The labor unions would have to agree to less restrictive hiring practices and, possibly, at the training stage, to less-than-minimum wage scales. The Development Corporation would have the power to negotiate case-by-case package deals to get the maximum social impact with differing conditions.

In the long run, only private employment generated by such planned economic methods, combined with Federally assisted housing reconstruction, can bring the core-city population into society's mainstream.

For some considerable time, I have believed in the need to create a 1970's version of the Reconstruction Finance Corporation of the 1930's to stimulate and target not only the domestic energy program but urban revitalization as well. Such an organization could combine the functions of the Urban Development Bank with those of the Regional Energy Development Corporation on a national scale. It would, in effect, be a National Development Bank (or a series of Regional Development Banks), coordinating both an urban revitalization policy and a greatly accelerated domestic energy program.

The oil-producing countries should be the main source of financing for such a Development Bank by purchasing its long-term, Federally guaranteed bonds, thus recycling part of their large petrodollar surplus that is currently unsettling the monetary system.

It is usually a mistake to attempt to solve several major problems simultaneously. The classical approach is to isolate each discrete area and attempt its solution separately. However, the opportunity here for a plan that will address itself to both the urban and the energy areas seems at least worth considering. There is, in my judgment, no way to restore urban civilization to this country without an enormous increase of private employment opportunity and reconstruction in present ghetto areas. There is no way to protect our currency—hence, our economic system—without a dramatically increased domestic energy program and a recycling of petrodollars on a long-term basis. Hence the opportunity of targeting at least part of the private employment and economic stimulus coming out of such an energy program to those urban centers needing it most and financing the program with moneys from the Organization of Petroleum Exporting Countries through a National Development Bank.

The Government alone cannot solve these problems since its management of programs is mostly inept. The private sector alone cannot do it since the financing requirements and the risks are beyond its means. A partnership between Government finance and private-sector management might work. We have little to lose by trying.

"Do not go gentle into that good night," wrote Dylan Thomas to his dying father. "Rage, rage against the dying of the light." There is no choice to curing the cancer of our cities; they will not "go gentle into that good night." The survival of our system depends on that cure at least as much as it depends on self-sufficiency in energy. Our foreign policy can only have impact if we are perceived as succeeding at home. Let us try to create an economic and social chain reaction in which the solution of one problem will create the elements to solve the next.●

HUMAN RIGHTS VIOLATIONS IN CAMBODIA

● Mr. HATCH. Mr. President, in the past several other of my colleagues and I have spoken out against "human rights" violations in Cambodia. The Khmer Rouge have systematically taken over every aspect of human life, regulating every minute of the day. It is sad to hear of the reports coming out of Cambodia that detail the extremes which the communists use to deal with those who do not agree with them. In Sunday's Washington Star, a United Press International release reported what in my mind is the final blow to the dignity of humanity, that being the regulation of the love between a man and woman. The news release begins with the statement:

Regulating every aspect of daily life, Cambodia's leaders have decreed "mating periods" several days each year during which young men and women may meet romantically without fear of reprisal.

But if they flirt, engage in sex or talk about anything but economic development between

the "mating periods," they are liable to be summarily executed.

I am distressed that we in this Nation have been forced to stand by and do nothing to prevent this inhumanity. The population of Cambodia has been forced to suffer while the world only shakes its head. We in this body, the U.S. Senate, who supposedly stand for all that is embodied in the principles of freedom, should do everything in our power to halt these atrocities. If that means cutting any funding that might support this government in an indirect way, then this will be the way it must be. Maybe then the other governments of this world, some of whom might suffer from this cut in funding, will understand that this cannot continue and will work to bring a halt to this needless slaughter of people.

Mr. President, I ask that the news article from the Washington Star, Sunday, August 6, 1978, be printed in the RECORD.

The article follows:

"MATING PERIODS" DECREED IN CAMBODIA

Regulating every aspect of daily life, Cambodia's leaders have decreed "mating periods" several days each year during which young men and women may meet romantically without fear of reprisal.

But if they flirt, engage in sex or talk about anything but economic development between the "mating periods," they are liable to be summarily executed.

That, at least, is the word being passed from behind the Bamboo Curtain by Cambodians who have escaped to Thailand since the Communists seized power in 1975.

Rep. John Anderson, Rep-Ill., obtained interviews with recent Cambodian refugees conducted by U.S. Embassy officers in Bangkok. He released these along with some embassy analyses of the Cambodian situation.

Sen Chul, 27, for example, told one interviewer in June of this year:

"I was with the Mobile Youth until 1976 when I got married. After that I moved to the village and worked as a farmer.

"Once or twice a year we had a 'mating period.' For two days, while also working, young men and young women were allowed to talk with each other.

"Except during the mating period, young men and women were not allowed to talk with each other, day or night, except for talk about developing the country. I knew of about 20 young men and women caught flirting, who were executed. No romantic chitchat is allowed."

A March 1977 report from a U.S. Cambodia watcher to the State Department states:

"One of the sadder features in Cambodia today is having a 'love affair' is considered a crime. One of the refugees from Siem Reap recalled a friend who was discovered having intercourse. The Communists beat him to death while forcing his girlfriend to watch.

"The same source said that a woman in his village were discovered in late December to be having an affair.

"As this is strictly forbidden, the man was imprisoned and given no food while the woman was allowed to go free. Generally speaking, the man dies in jail, but if he does not, he is released after a time and returned to work."

The violation of personal liberties in Cambodia has agonized Carter administration officials who have concluded they are powerless to do anything. Since the fall of Phnom Penh, the United States has had no meaningful contacts with Cambodia.

Private scholars estimate as many as 1.2 million of Cambodian's 8 million population may have perished in the bloodbath.

Refugees unanimously state the Cambodian authorities have no regard for human rights. While the right to work is guaranteed, the right to life is not, they say.

"The Khmer Rouge have moved against categories of people in increasingly wide circles," a 38-year-old hospital worker said, "Former military, government officials, teachers were assassinated from the beginning.

"The Khmer Rouge charge that everyone associated with the Lon Nol regime works now for the CIA. Third-graders are regarded as dangerous intellectuals." ●

A FADING MIDEAST OPPORTUNITY

● Mr. BAKER. Mr. President, the Saturday edition of the Washington Post carried an article entitled "A Fading Mideast Opportunity" by our distinguished colleague, the Senator from Connecticut (Mr. RIBICOFF). Although brief, it is a concise and thorough description of the consequences of failure in the search for peace in the Middle East.

Few in this Chamber, Mr. President, share the Senator's sensitive understanding of the causes, the problems, the promises and the possible solutions of the Middle Eastern conflict. As one who believes that the Senator's presence in this Chamber has greatly enhanced the Senate's understanding of and contribution to the proper role of the United States in the search for peace in the Middle East, I invite the attention of my colleagues to his thoughts on that issue and ask that the article be printed in its entirety in the RECORD.

The article follows:

A FADING MIDEAST OPPORTUNITY

(By ABRAHAM A. RIBICOFF)

The United States shares with the rest of the world a stake in peace in the Middle East. The negotiations between Egypt and Israel with our assistance have reached a crucial stage. While we in Congress have been reviewing security assistance and foreign economic issues, the peace negotiations have taken a turn for the worse. It is appropriate to stop for a moment to consider the importance of this stage of the negotiations.

Last November the whole world was thrilled by the sight of President Anwar Sadat and Prime Minister Menachem Begin standing together in the Knesset. After 30 years of enmity and four major wars, we allowed ourselves the hope for peace. We believed what Golda Meir said so often: When the Arabs will meet with the Jews there will be peace. We allowed ourselves to hope that those two leaders had both the courage and the wisdom to realize that chances such as this are rare and must be seized, lest history and our children ask why we failed.

There was a basis for that hope. Security Council Resolution 242 has been the only language for a settlement accepted by both Arab states and Israel, and that was the starting point. Moreover, the will of two leaders to use that foundation for something beyond national political gain—a chance for a settlement—gave practical meaning to the drama of the moment.

Now we are in a period of disintegration, and we head the voices of despair from both sides. Both Sadat and Begin have backed away from Resolution 242: the principle that territory would be returned, borders be secure and a real peace be established.

There was never any question but that 242 applied to all the fronts, including the West Bank. When Begin backed away from the traditional Israeli commitment to negotiate on all fronts including the West Bank, I criticized him. Now recently Sadat has backed away from the same resolution by saying that, until all the land is returned, he will not negotiate. He knows that the language of 242 is "withdrawal of Israel armed forces from territories of recent conflict"—not *all* the territories—and that secure boundaries will require territorial adjustments. With equal measure, Sadat deserves the same criticism.

Peace is possible, the Jerusalem initiative is still alive, and the consequences of failure are ugly. At Leeds Castle in July, a lot of possibilities were put on the table. A review of the differences remaining and the possibilities to bridge them would make a strong man weep. The failure we face is not one of clever diplomacy but of will. The thrill of expectation has given way to dark apprehension as these talks have moved from the great gesture to smaller posturing. The trouble with holding on to reserve positions and quibbling over tertiary points is that this opportunity is fading.

What are the consequences? Ask an Israeli about the economy in his country and the cost of defense. Or the difficulties of restraining emigration and trying to attract immigrants. Ask an Egyptian about the crushing poverty and the precarious state of Egypt's economy. Who wants the works of bitterness between Sadat and Begin to escalate? Who would prefer Geneva to Leeds or a Sinai conference? Who wants the Soviets to return to the Middle East? Who wants Sadat's trip to Jerusalem to become a page in history books with the title "The Gesture That Was for Naught"? There would be no greater tragedy than to lose this moment and to discuss what might have been when the fifth war sweeps through the Middle East.

Secretary of State Cyrus Vance is now in the Middle East. We owe him our full support. I hope that he will convey our desire for both those leaders to be historic figures.

Let's return to the basics on both sides: Let's start with Resolution 242, not only because peace is possible but because it is necessary. At the same time that there is an opportunity for greatness in both Israel and Egypt, there are dark clouds of despair that inflexibility, pride and impatience will make this opening a prisoner of history rather than a liberator.

The late Edward R. Morrow had words appropriate for Vance's mission. He once said that "difficulty is one excuse that history never accepts." I hope that the secretary has taken that message with him. ●

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations on the Executive Calendar: The nominations under Department of Energy, the first nomination under Department of Defense, and all three of these nominations are shown on page 1 of the Executive Calendar, and following those nominations I ask unanimous consent that the Senate then proceed to the consideration of the nominations under new reports on page 11 through page 13.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I rise to advise the majority leader that the nominations he identifies on the Executive Calendar are cleared on this side on our calendar. We have no objection to proceeding to their consideration and to their confirmation.

Mr. ROBERT C. BYRD. Mr. President,

I thank the distinguished minority leader.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF ENERGY

The assistant legislative clerk read the nomination of Duane C. Sewell, of California, to be an Assistant Secretary of Energy (Defense programs).

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF DEFENSE

The assistant legislative clerk read the nomination of James Paul Wade, Jr., of Virginia, to be Chairman of the Military Liaison Committee to the Department of Energy.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Stanley R. Resor, of Connecticut, to be Under Secretary of Defense for Policy.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The assistant legislative clerk read the nomination of Carl H. Pforzheimer, Jr., of New York; Wilson C. Riles, of California; Alonzo A. Crim, of Georgia; Betsy Levin, of North Carolina; and Catharine C. Stimpson, of Washington; to be members of the National Council on Educational Research.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The assistant legislative clerk read the nominations of Robert W. Burns, Jr., of Colorado; Horace E. Tate, of Georgia; Joan Helene Gross, of New York; Clara Stanton Jones, of Michigan; and Frances Healy Naftalin, of Minnesota, to be members of the National Commission on Libraries and Information Science.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

The assistant legislative clerk read the nominations of Eliza Macaulay Carney, of Arizona; Gladys Gunn, of Ohio. Kathleen Elaine Humphrey, of Idaho; Paul Parks, of Massachusetts; Bernice Sandler, of Maryland; Ellen Sherry Hoffman, of the District of Columbia; and J. Richard Rossie, of Tennessee, to be members of the National Advisory Council on women's educational programs.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move en bloc to reconsider the votes by which the various nominees were confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I so move.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 11579 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 11579 be held at the desk pending further disposition at such time as it comes over from the other body.

Mr. BAKER. Mr. President, reserving the right to object, may I have just a second?

Mr. President, I have no objection.

I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DISCHARGING COMMITTEE FROM CONSIDERATION OF S. 3253 AND REFERRING BILL TO COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 3253 be discharged from the Committee on Environment and Public Works and referred to the Committee on Energy and Natural Resources. This request is in accordance with an agreement between the chairmen and other interested members of the two committees that all uranium mill tailings remedial action legislation will be considered by the Committee on Energy and Natural Resources and that prior to action by the Senate on any such bill reported by the Energy Committee, that bill will be reviewed by the Environment and Public Works Committee with respect to matters within its jurisdiction.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE ON TUESDAY

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. MELCHER). The Senator will state it.

Mr. MAGNUSON. I wonder if the majority leader will tell us what we will bring up tomorrow.

Mr. ROBERT C. BYRD. Yes.

INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow morning, after the two leaders have been recognized under the standing order and/or after any orders for the recognition of Senators previously entered have been consummated, the Senate proceed to the consideration of Calendar Order No. 986, H.R. 12932, the Interior appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. The Senate will come in at 9:30 in the morning, by unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And the Senate will start on the Interior appropriations bill at about 10 o'clock. There will be rollcall votes all day and we hope to finish the bill tomorrow.

Mr. MAGNUSON. Is there any appropriation bill scheduled after that?

Mr. ROBERT C. BYRD. Not as of now.

Mr. MAGNUSON. Some Senators were asking.

Some Senators were asking whether or not the District of Columbia appropriation may come after the Interior.

Mr. ROBERT C. BYRD. It has not been reported out yet and there would have to be a waiver of the 3-day rule. So I am in no position to say.

Mr. MAGNUSON. I thank the Senator.

SPECIAL ORDER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders have been recognized under the standing order Mr. STEVENS be recognized for not to exceed 15 minutes and that the Senate then proceed under the order already entered to consider the Interior appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 9:30 tomorrow morning. After the two leaders have been recognized under the standing order, Mr. STEVENS will be recognized for not to exceed 15 minutes, after which the Senate will then proceed to the consideration of the bill making appropriations for the Department of the Interior.

Rollcall votes will occur on amendments and motions in relation thereto throughout the day, and it is the intention of the leadership to complete action on that bill tomorrow.

I do not know how many amendments may be offered, but it is conceivable that tomorrow could be a lengthy session and if completion of that bill comes at a reasonably early hour, I would hope there would be other matters that would then be cleared by that time for action.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:30 a.m. tomorrow morning.

The motion was agreed to; and at 7:29 p.m., the Senate recessed until Tuesday, August 8, 1978, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 7, 1978:

DEPARTMENT OF ENERGY

Duane C. Sewell, of California, to be an Assistant Secretary of Energy (Defense Programs).

DEPARTMENT OF DEFENSE

Stanley R. Resor, of Connecticut, to be Under Secretary of Defense for Policy.

James Paul Wade, Jr., of Virginia, to be chairman of the Military Liaison Committee to the Department of Energy.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The following-named persons to be members of the National Council on Educational Research for the terms indicated:

For a term expiring September 30, 1979:
Carl H. Pforzheimer, Jr., of New York.
Wilson C. Riles, of California.

For a term expiring September 30, 1980:
Alonzo A. Crim, of Georgia.
Betsy Levin, of North Carolina.
Catherine C. Stimpson, of Washington.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The following-named persons to be members of the National Commission on Libraries and Information Science for the terms indicated:

For a term expiring July 19, 1981:
Robert W. Burns, Jr., of Colorado.
Horace E. Tate, of Georgia.
For a term expiring July 19, 1982:
Joan Helene Gross, of New York.
Clara Stanton Jones, of Michigan.
Frances Healy Naftalin, of Minnesota.

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

The following-named persons to be members of the National Advisory Council on terms indicated:

For a term expiring May 8, 1980:
Eliza Macaulay Carney, of Arizona.
Gladys Gunn, of Ohio.
Kathleen Elaine Humphrey, of Idaho.
Paul Parks, of Massachusetts.
Bernice Sandler, of Maryland.
For a term expiring May 8, 1981:
Ellen Sherry Hoffman, of the District of Columbia.
J. Richard Rossie, of Tennessee.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

NOMINATIONS PLACED ON THE SECRETARIES DESK IN THE AIRFORCE, ARMY, AND NAVY

Air Force nominations beginning John T. Reppart, to be major, and ending Donald M. Ford, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 26, 1978.

Air Force nominations beginning Richard C. Besteder, to be captain, and ending James N. Zweigler, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 26, 1978.

The nomination of Col. William A. Orth, U.S. Air Force, to be Dean of the Faculty of the U.S. Air Force Academy, which nomination was received by the Senate and appeared in the CONGRESSIONAL RECORD on June 27, 1978.

Army nominations beginning John O. Blom, to be colonel, and ending Ann M. Millar, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 12, 1978.

Navy nominations beginning Virgil V. Moore IV, to be ensign, and ending Richmond B. Stoakes, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 12, 1978.

Navy nominations beginning Philip M. Abbott, to be lieutenant (j.g.), and ending Ronald J. Zuber, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 12, 1978.

HOUSE OF REPRESENTATIVES—*Monday, August 7, 1978*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Teach me Thy way, O Lord, and lead me in a plain path.—Psalms 27: 11.

O God of life and love, the leader of our pilgrim days, reveal to us the way we should take to lead our Nation toward a greater strength, a greater peace, and a greater unity of spirit that we in turn may be able to lead other nations toward the goals of strength, peace, and good will for all and among all. When the work is difficult, the way rough, and the wrong almost too much for us, hold us up and guide us in the ways of truth and goodness. So we pray that Thou will give us wisdom to see the way we should take, courage to walk in that way, and faith to leave the results to Thee.

We thank Thee for the life and ministry of Pope Paul VI. Grant unto him peace of soul and to all of us strength of spirit as we live through these sad days.

In the spirit of the Lord of life we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10929) entitled "An act to authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 12841. An act to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes; and

H.R. 12927. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12927) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUDDLESTON, Mr. MAGNUSON, Mr. JOHNSTON, Mr. INOUYE, Mr. SASSER, Mr. STEPHENS, Mr. YOUNG, and Mr. BELLMON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3025) entitled "An act to authorize appropriations for the Federal Election Commission for fiscal year 1979," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PELL, Mr. CLARK, and Mr. GRIFFIN to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3075) entitled "An act to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. CHURCH, Mr. CLARK, Mr. BIDEN, Mr. MCGOVERN, Mr. CASE, Mr. JAVITS, Mr. PERCY, and Mr. BAKER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate with an amendment to a bill of the House of the following title:

H.R. 10732. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1979, 1980, and 1981.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2796. An act to amend the Consumer Product Safety Act to extend the authorization of appropriations, and for other purposes;

S. 3119. An act to transfer certain real property of the United States to the District of Columbia Redevelopment Land Agency;

S. 3120. An act to enhance the flexibility of contractual authority of the Temporary Commission on Financial Oversight of the District of Columbia;

S. 3271. An act to amend the pilot project workfare provisions of the Food Stamp Act of 1977; and

S. 3272. An act to amend the Packers and Stockyards Act, 1921, and for other purposes.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

AUTHORIZING CHANGE OF NAME OF A PUBLICATION OF THE U.S. NAVAL OBSERVATORY

The Clerk called the bill (H.R. 3532) to amend chapter 639 of title 10, United States Code, to enable the Secretary of the Navy to change the name of a publication of the Naval Observatory providing data for navigators and astronomers.

There being no objection, the Clerk read the bill as follows:

H.R. 3532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7396(a) of title 10, United States Code, is amended by striking the words "in the American Ephemeris and Nautical Almanac".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE GOVERNOR OF THE STATE OF WYOMING TO EXHIBIT THE NAMEPLATE, SHIP'S BELL, AND SILVER SERVICE OF THE U.S.S. "WYOMING" WITHOUT RESTRICTION

The Clerk called the bill (H.R. 8471) to provide for the transfer and conveyance of the silver service of the U.S.S. *Wyoming* to the Wyoming State Museum, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 8471

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of Public Law 397, Seventy-Ninth Congress (60 Stat. 234), is amended to read: "The Secretary of the Navy is hereby authorized and directed to transfer and convey to the Governor of Wyoming for exhibition, educational purposes, and use by the University of Wyoming, the nameplate and the ship's bell of the United States ship Wyoming, and for display by the Wyoming State Museum the silver service of the United States ship Wyoming.".

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:
That section 2 of the Act entitled "An Act to provide for the delivery of custody of certain articles of historic interest from the United States Ship Nevada and the United States Ship Wyoming to the State of Nevada and the State of Wyoming, respectively", approved June 8, 1946 (60 Stat. 234), is amended—

(1) by striking out the comma after "exhibition" and inserting in lieu thereof "and"; and

(2) by striking out ", and use by the University of Wyoming".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Governor of the State of Wyoming to exhibit the nameplate, ship's bell, and silver service of the United States Ship Wyoming without restriction as to the place of such exhibition."

A motion to reconsider was laid on the table.

AUTHORIZING SALE OF CERTAIN NAVAL VESSELS TO REPUBLIC OF CHINA

The Clerk called the bill (H.R 13255) to approve the sale of certain naval vessels, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 13255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President may sell, subject to such terms and conditions as he may determine and at a price not less than the value thereof in United States dollars, one oiler, one auxiliary repair dry dock, and one surveying ship to the Republic of China. All expenses involved in these transfers shall be charged to funds provided by the recipient government. The authority of the President to sell these vessels under this Act shall terminate two years after enactment of this Act.

With the following committee amendment:

Page 1, after line 11 add the following new section:

SEC. 2. Section 7307 of title 10, United States Code, relating to restrictions on disposal of naval vessels, is amended by adding at the end thereof the following new subsection—

"(c) In this section, 'naval vessel' means any vessel of a class carried on the Naval Vessel Register as a naval vessel.".

● Mr. BENNETT. Mr. Speaker, on Tuesday, July 18, the Armed Services Committee, a quorum being present, by voice vote and without objection, approved H.R. 13255, with an amendment, to be referred to the House with the recommendation for its approval.

H.R. 13255, an administration bill, would permit the sale of three overage naval vessels to the Republic of China. Two of the three ships are presently on lease to China—the 33-year-old survey ship and the 34-year-old floating drydock. The 36-year-old fleet oiler is presently in the U.S. inactive fleet.

The Auxiliary Repair Dry Dock is the *Windsor* (ARD–22), a 5,200-ton ship, that was put into service in April of 1944 at an acquisition cost of $3 million. It will be sold for $400,000.

The Surveying Ship is the *Keathley* (AGS–35), a 4,100-ton ship, that was put into service in March of 1945 at an acquisition cost of $2 million. It will be sold for $250,000.

The fleet oiler is the *Tappahanock* (AO–43), a 5,850-ton vessel, that was put into service in June of 1942 at an acquisition cost of $3,700,000. It will be sold for $600,000.

The sale of these ships to the Republic of China is in line with our national policy of supporting our allies by providing them with necessary equipment.

The amendment to the bill provides a definition of "naval vessel" for the Byrd amendment to section 7307 of title 10, United States Code. This is the section which now requires that naval vessels under 20 years old or over 3,000 tons be transferred only pursuant to legislation, and that naval vessels over 20 years old and under 3,000 tons be transferred only after written notice of the proposed transfer lies before the Armed Services Committees of the House and Senate for 30 days of continuous congressional session. The definition would limit "naval vessels" to those vessels of a class carried on the Naval Vessel Register as naval vessels. This definition removes any question that craft such as captain's gigs and sewage barges which are also purchased with shipbuilding and conversion, Navy (SCN) funds are not intended to be covered by the requirements of section 7307 of title 10, United States Code.

I ask unanimous consent that the House approve H.R. 13255, as amended.●

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BROADENING ELIGIBILITY FOR THE JUNIOR RESERVE OFFICERS' TRAINING CORPS PROGRAM

The Clerk called the bill (H.R. 7161) to amend title 10, United States Code, to allow nationals, as well as citizens, of the United States to participate in the Junior Reserve Officers' Training Corps program.

There being no objection, the Clerk read the bill as follows:

H.R. 7161

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2031(b)(1) of title 10, United States Code, is amended by inserting "or nationals" immediately after "citizens".

● Mr. TREEN. Mr. Speaker, the purpose of H.R. 7161 is to allow nationals, as well as citizens, of the United States to participate in Junior Reserve Officers' Training Corps programs.

Under present law, Junior ROTC training programs are limited to U.S. citizens. The effect of this bill will be to permit residents of American Samoa to be eligible for the Junior ROTC program. Persons born in American Samoa are not citizens but are nationals of the United States. The Immigration and Nationality Act of 1952 (Public Law 414, June 27, 1952) defines a national of the United States as a person who, though not a citizen of the United States, owes permanent allegiance to the United States.

Nationals from American Samoa have served in World War I and II, in Korea, and in Vietnam where 19 men were killed and 51 others wounded. These were all volunteers. Over 200 persons volunteer each year for enlistment in the Armed Forces of the United States.

The Department of Defense heartily endorses this bill.

Mr. Speaker, I recommend the passage of this bill.●

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLIN E. TEAGUE VETERANS' CENTER

The Clerk called the bill (H.R. 11579) to designate the Veterans' Administration hospital located at 1901 South First Street, Temple, Tex., as the "Olin E. Teague Veterans' Hospital."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, and I shall not object, I rise in support of H.R. 11579.

This measure proposes to honor a man who has contributed more to the perfection of a sound structure of veterans' benefits than any other person in the Congress. The bill will accomplish this worthy purpose by naming the Veterans' Administration hospital in Temple, Tex., as the "Olin E. Teague Veterans' Center."

Ordinarily, Mr. Speaker, a person has passed on before the recognition that he or she has earned is bestowed. This measure affords the Congress an opportunity to recognize, on behalf of a grateful veteran population, the outstanding contributions of "TIGER" TEAGUE while he is very much alive and able to witness the high regard in which he is held.

"TIGER" TEAGUE, Mr. Speaker, has been a member of the Committee on Veterans' Affairs since 1946 when he came to the Congress. During this period, he authored more veterans' legislation than any other man in history.

Chairman of the committee for 18 years, "TIGER," in 1973, relinquished the chairmanship. He refused, however, to relinquish his intense interest in veterans' legislation and still serves as chairman of the Education Subcommittee.

Distinguished in war, TIGER TEAGUE is one of the most decorated Members in the U.S. Congress. His personal dedication to the successful public service career that followed are reflected in the many plaques and citations from veterans organizations and civic groups that adorn the walls of his office.

Many individuals have been called "Mr. Veteran" but no one is more deserving of this accolade than this giant among men, and no one is more deserving of having a veterans' hospital carry his name than is our own TIGER TEAGUE.

Mr. Speaker, having said this, I cannot resist pointing with pride to the fact that TIGER was raised in the beautiful community of Mena, Ark., in my congressional district. He undoubtedly acquired the traits that have served him and our Nation so well as a youth in Mena.

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Texas.

Mr. ROBERTS. Mr. Speaker, This bill would name the Veterans' Administration Center at Temple, Tex., as the "Olin E. Teague Veterans' Center," effective January 4, 1979. The bill is cosponsored by every member of the Texas delegation with the exception of Mr. TEAGUE, and as the gentleman knows, every member of the Committee on Veterans' Affairs has cosponsored an identical bill.

The measure is supported by the veterans' organizations in the State of Texas, as well as the National Office of each organization.

The center in Temple has significant meaning in that, following his wounds in combat in World War II, Mr. TEAGUE spent 2 years in this facility recovering from his wounds; therefore, it is appropriate that the Temple VA Center bear his name. I personally feel we would be justified in naming any VA facility after the gentleman from Texas. No other Member of the Congress can compare with the record accomplished by the gentleman from Texas in providing benefits and services for all of our veterans and their dependents. Thanks to him we have programs for those serving in defense of our country far superior than any other country in the world.

So that my colleagues will be aware of the distinguished service record and some of the accomplishments of the gentleman from Texas, there follows excerpts from the committee report accompanying the bill:

Mr. Teague was a patient in the then McCloskey Army Hospital at Temple, Tex., for 2 years recovering from severe combat wounds suffered during World War II, wounds which have continued to this day to cause suffering, pain, and inconvenience, the latest being the partial amputation of one limb.

Mr. Teague, after serving in the National Guard for 3 years as an enlisted man, was commissioned a second lieutenant early in World War II and commanded the First Battalion, 314th Infantry Regiment of the 79th Division. He was wounded a number of times, decorated 11 times, and is one of the most decorated combat veterans of World War II ever to serve in the House of Representatives. He was discharged as a colonel of the infantry in September of 1946. At the time of his discharge, he had been awarded the following decorations:

Silver Star with two clusters;
Bronze Star with two clusters;
Purple Heart with two clusters;
Combat Infantryman's Badge;
Army Commendation Ribbon;
French Croix de Guerre;
French Fourragere; and
Presidential Unit Citation.

He was chairman of a select committee which investigated the abuses of the World War II GI bill and led to corrective legislation largely embodied in the Korean GI bill which has remained the concept and program for paying education assistance to veterans down to the present time.

In addition to being deeply involved in the entire medical program of the Veterans' Administration, and displaying leadership in obtaining increased appropriations for this program primarily in the field of veterans' care and research, he has interested himself in the pay and perquisites of doctors, nurses, and paramedical personnel serving in the Department of Medicine and Surgery.

The legislation conceived, supported and authorized by Mr. Teague reads like a blue book of benefits for the past 20 years. In addition to the Korean GI Bill of Rights and the Vietnam era education program, he sponsored—

The War Orphans Educational Assistance Act;

Numerous bills increasing rates of compensation for service-connected disabled veterans and their families;

Pensions;

Vocational rehabilitation programs;

Research in spinal cord injury;

Medical education;

Nursing homes for veterans, both in the VA and in the community;

Pensions to Medal of Honor holders;

Liberalization of dental care;

Codification of all VA laws into Title 38, United States Code;

Requiring the Veterans' Administration to use independent medical experts in finally determining service-connection of a particular disease;

Formulation of a Statement of the Case to make the VA's decision more understandable to the veteran; and

Other laws too numerous to mention.

Anyone who has ever seen the gentleman from Texas with a group of individuals who served under him as enlisted men would never have any doubts as to the leadership, affection, and trust that resided in Mr. Teague during the time of his service as a combat infantry officer in World War II. The gentleman personally contacted the families of more than 100 men from his outfit who lost their lives in combat.

The committee feels that no medical facility was ever more appropriately named than the one proposed to be designated by this bill.

Mr. TEAGUE will be retiring from the Congress at the close of this session and he is going to be sorely missed. Tributes continue to pour in from individuals and organizations throughout the country in praise of the gentleman's accomplishments during his 32 years in the Congress. The Veterans of Foreign Wars at its 78th National Convention in Minneapolis, Minn., August 19 through 26, 1977, adopted a resolution to name the Veterans' Administration Hospital in Washington, D.C., the "Olin E. Teague Veterans' Hospital." There follows a copy of an article from the June–July 1978 issue of the V.F.W. magazine, expressing the feelings this organization has for this great man:

TEAGUE RETIRING FROM HOUSE

When the 96th Congress convenes, one House member who will be missing for the first time since the end of World War II is Texas' Olin E. (Tiger) Teague who has carved a record for himself as one of the veterans' best legislative friends.

Teague is resigning from the House at the end of his present term because of ill health brought on by the wounds he suffered during World War II as a battalion commander in the 314th Infantry of the 79th Division.

He spent two years in an Army hospital recovering from his injuries.

Commissioned on his graduation from Texas A & M, Teague volunteered for the Army in 1940 after serving three years as an enlisted man in the National Guard. During World War II he was awarded the Silver Star, Bronze Star and Purple Heart three times each. He also was decorated with the French Croix de Guerre and fourragere.

He was discharged as an infantry colonel in 1946 to take his seat in the 79th Congress.

From the 84th Congress through the 92nd, he chaired the Veterans' Affairs Committee, working closely with the V.F.W. to provide the veterans of all wars with benefits tailored to their special needs.

He resigned his chairmanship of that committee to head the Space and Astronautics Committee during the 93rd Congress and continued in that leadership role through the 95th. It has since been named the Science and Technology Committee. Meanwhile, he did not let his interest in veterans' concerns lapse, for he retained his membership on the Veterans' Affairs Committee as senior majority member. He chairs the Education and Training Subcommittee.

Teague also has served on a variety of Congressional boards and commissions, including the Board of Visitors to the U.S. Military Academy at West Point from 1955 to 1971.

One of the highlights of his Congressional career came when he was honored by the V.F.W. at the 1969 Washington Conference with the annual Congressional Award. At that time he was its sixth honoree.

In his acceptance speech, he noted that "there are a lot of problems in America but there are a lot more things that are right with America than there are that are wrong."

"Our system demands that we seek out and identify our problems," he continued. "It is true that there are some who still suffer the indignities of inequality and the shame of injustice. We must forever and with all our energy continue to seek to correct these injustices and inequalities. We must always strive to improve the quality of life for all our people, but sometimes it seems to me that we become so engrossed in these problems, so centered on what is wrong, that we seldom acknowledge what is right."

Since the presentation of his award occurred at the height of anti-Vietnam War rioting and student protests, his words came as a welcome antidote.

Teague, a supporter of American efforts in Vietnam, announced at the 1968 V.F.W. National Convention in Detroit that he would not support a Democratic presidential nominee who would back away from the U.S. commitment in Southeast Asia.

Teague was one of the first in Congress to recognize the plight of American prisoners of the North Vietnamese and Viet Cong, as well as those missing in action.

To underscore the tragedy of those men, he brought the wives of four of them to the 1969 V.F.W. National Convention in Philadelphia and in 1970 to Miami Beach to tell their heartbreaking story and to arouse public opinion on that issue.

Throughout his Congressional career, Teague participated in many other V.F.W. National Conventions to bring delegates up to date on the status of veterans' legislation, to criticize VA shortcomings in fulfilling its missions of assistance to veterans and to advocate further veterans' benefits.

To enable V.F.W. members to demonstrate their gratitude for what Rep. Teague has been able to accomplish for veterans during his 32 years in the House of Representatives, a scholarship has been established in his honor at Texas A. & M. University to which they may contribute.

The first $1,000 for the Olin E. Teague Scholarship Fund was given by the V.F.W. during the Washington Conference through Commander-in-Chief John Wasylik.

Contributions may be sent to the Olin E. Teague Scholarship Fund in care of the Quartermaster General, V.F.W. National Headquarters, Kansas City, Mo. 64111.

In a recent tribute to Mr. TEAGUE, the national commander of the Disabled American Veterans, Oliver E. Meadows, said:

No one can doubt that Tiger Teague is one of the greatest leaders of modern times. A life member of the DAV, he has done more for disabled veterans than any single person in our Nation. As we wish him an enjoyable and well-deserved retirement, we acknowledge a debt to him so great it can never be repaid.

The American Legion has long recognized Mr. TEAGUE's greatness. There follows a statement released by that organization on April 6, 1978:

On the occasion of his impending retirement, The American Legion honored Congressman Olin E. Teague with a reception held April 4th at the Legion's Headquarters in Washington, D.C. In attendance were a variety of Congressional figures, including a large representation of legislators and government administrators who have worked with Mr. Teague during his lengthy career in Congress in support of the American veteran and G.I. rights.

"Tiger" Teague has represented the Sixth District of Texas for more than 30 years and was head of the House Committee on Veterans' Affairs for almost two decades before assuming his present position as chairman of the Science and Technology Comamittee. He will retire from Congress at the end of the current term.

Mr. Teague is the highest decorated member of Congress, and among his eleven citations are the Silver Star with two clusters, Bronze Star with two clusters, Purple Heart with two clusters, Combat Infantryman's Badge, Army Commendation Ribbon, and French Croix de Guerre with palm.

The American Legion previously honored Mr. Teague in 1970 with its highest award—the Distinguished Service Award. At this week's reception, the Congressman received a plaque from the National Commander of The American Legion, Robert Charles Smith. Inscribed on the tribute is a fitting summary of Mr. Teague's life: "Presented . . . in recognition of outstanding service to his fellow man as Soldier, Congressman and Humanitarian."

AMVETS, the Paralyzed Veterans of America, the Veterans of World War I, Inc., and others have paid similar tributes.

Mr. Speaker, the man we honor today is a giant. He deserves to be so recognized for his many contributions to the citizen soldier both in war and peace. I'm sure the House will unanimously approve the reported bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

● Mr. ADDABBO. Mr. Speaker, I can think of no better way to demonstrate to the veterans of this Nation our deep appreciation to them, and at the same time pay tribute to one of the outstanding Members of the House who retires this year, than by naming the Temple, Tex., VA hospital after our colleague, OLIN (TIGER) TEAGUE.

Both in deed as an Army officer who was wounded numerous times and decorated for bravery 11 times, and as a senior Member of Congress and one whose primary concern was the treatment of the Nation's veterans. TIGER has carved a unique place for himself in the minds of those who have served this Nation in uniform in times of war and in peace.

There has never served in the Congress a more diligent advocate of the rights of veterans than TIGER TEAGUE. Without him, the Korean veterans would have had no benefits whatsoever. For 14 years, he served as chairman of the House Veterans' Affairs Committee and I think it can be said that no one else understood so well either the problems or the aspirations of the veteran.

Obviously, there is much more to this strong-willed and hard-working Texas Congressman than just his interests in the problems of the veteran. We know the contributions he has made to science through the chairmanship of the Science and Technology Committee. We know him for stalwart honesty in his service on the Committee on Standards of Official Conduct. We know him to be a good friend, a proud Texan, a great American, a strong and principled advocate of the Democratic Party, active in the party's councils.

But, because of his own background, because of the personal knowledge of the horrors of war and the pain and suffering that come to so many as a result of the battlefield, that TIGER developed his special understanding of the plight of the veteran and the need for special counseling and assistance. To many, the need of the veteran was an academic exercise to be considered impartially. To TIGER, the need of the veteran was a cause, near to holy, and he pursued that cause with devotion from the day in 1946 when he entered this House until the present.

We are going to miss this good colleague of ours next year. But it is of some comfort to know this hospital will carry forward forever his good name. I thank you.●

● Mr. MOTTL. Mr. Speaker, I rise in support of H.R. 11579, a bill to designate the veterans' administration hospital in Temple, Tex., as the "Olin E. Teague Veterans Center."

It was my great fortune to be elected to serve in the House Veterans' Affairs Committee when I first came to Congress. Among my subcommittees is the Education and Training Subcommittee of which TIGER TEAGUE is the chairman. I have learned a great deal from Mr. TEAGUE, and I know firsthand the valuable contributions he has made and is making to veterans and their dependents.

Most impressive to me is the fact that TIGER TEAGUE, a highly decorated veteran of World War II, came home from that war on a stretcher. In fact, he campaigned for Congress in 1946 while still confined in a bed in the hospital which this bill seeks to have renamed in his honor.

Many Members may not realize that TIGER TEAGUE's wounds never completely healed. His right leg was badly shattered in 1945 by gunshot wounds inflicted by the enemy in Europe. This was the third time that TIGER TEAGUE was wounded,

and it was so serious that he was declared no longer fit for military duty and was subsequently separated from the service.

Over the years TIGER TEAGUE learned to live with his shortened leg, but the malady never went away. When I came to Congress in 1974, I learned his leg was causing increasingly acute pain and that drastic surgery would be necessary. TIGER finally consented to have his leg amputated earlier this year at Bethesda Naval Hospital. I mention this because I believe that Mr. TEAGUE's impressive war record and shattering wounds have provided a basis for understanding what war is all about and relating to the problems of veterans in their return to civilian life.

Mr. Speaker, I think it is most fitting and proper, therefore, that this hospital from which TIGER TEAGUE launched his most distinguished career should be named the "Olin E. Teague Veterans Center."●

● Mr. MONTGOMERY. Mr. Speaker, I rise in strong support of the bill and urge its passage by my colleagues. It is extremely fitting that we should be considering legislation to name the veterans' hospital in Temple, Tex., in honor of our esteemed colleague, OLIN "TIGER" TEAGUE. TIGER TEAGUE more than any other Member of this body, past or presetn, symbolizes the good which has been accomplished on behalf of our Nation's former servicemen and women.

During the 14 years he served as chairman of the House Veterans' Affairs Committee he was the inspiration and guiding light in pushing through much needed legislation to improve benefits for our veterans. We in this Congress and all of America's veterans owe so much to TIGER TEAGUE for his dedication and leadership. Naming the hospital in Temple after Chairman TEAGUE is just one of many ways we can show the great appreciation and deep friendship we have for this outstanding colleague.

We shall all miss the contributions of TIGER when he retires at the end of the 95th Congress, but at the same time we realize how much we have benefited from knowing him as a friend and colleague. He has been an inspiration to us and left a record of achievement which shall be long remembered.●

● Mrs. HECKLER. Mr. Speaker, I rise in support of H.R. 11579, a bill to name the Veterans' Administration hospital in Temple, Tex., after the distinguished gentleman from Texas, the Honorable OLIN E. TEAGUE.

It has been said that persons of exceptional accomplishments should be duly rewarded by being honored in their lifetime. I wholeheartedly share this view and am most pleased to be acting on the legislation now before this body.

I have had the great privilege and honor to have served with Congressman TEAGUE on the Committee of Veterans' Affairs while he was its widely respected chairman.

After he assumed the chairmanship of the Committee on Science and Technology, I continued to serve with Congressman TEAGUE as ranking minority member of the Subcommittee on Education and Training while he remained chairman of that important subcommittee.

During his distinguished tenure as chairman of the Committee on Science and Technology, Congressman TEAGUE was instrumental in leading America into the space age. His leadership of that important committee was a strong force in developing the advanced technology that has been central to our Nation's growth and economic and military strength.

As a young veteran and Congressman, "TIGER" TEAGUE imaginatively and boldly authored the GI bill of educational rights; the war orphans scholarship program; and the Vietnam war education program. He created the VA nursing care program; the servicemen's group life insurance program and, through his energy and skill, developed the medical scholarship program.

"TIGER" was the driving force behind the refashioning of the dependency and indemnity compensation program and he devised the outpatient drug program.

"TIGER" TEAGUE particularly endeared himself to the millions of World War II veterans. The following quote clearly testifies to his unparallel standing. The remark, made just last month by Oliver E. Meadows, former staff director of the Veterans' Committee for many years and now national commander of the Disabled American Veterans, notes that: "A life member of the Disabled American Veterans, 'TIGER' TEAGUE has done more for disabled veterans than any single person in our Nation."

Mr. Speaker, as one who has served with "TIGER" as a ranking member of the Committee on Veterans' Affairs, and as one who known personally his sense of dedication, commitment, and fairness, I wish him a richly rewarding retirement. The most deserving honor we in the Congress can offer our colleague is to carry on his dedication on the Veterans' Committee and on this floor on the behalf of our deserving veterans, their widows and their orphans.

Thank you, Mr. Speaker.●

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 11579.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

H.R. 11579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Veterans' Administration hospital located at 1901 South First Street, Temple, Texas, shall hereafter be known and designated as the "Olin E. Teague Veterans' Hospital". Any reference to such hospital in any law, regulation, document, or other paper of the United States shall be deemed a reference to it as the "Olin E. Teague Veterans' Hospital".

With the following committee amendments:

Page 1, line 3, strike out "hospital" and insert in lieu thereof "center".

Page 1, line 6, strike out "Hospital" and insert in lieu thereof "Center".

Page 1, line 6, strike out "hospital" and insert in lieu thereof "center".

Page 1, line 8, strike out "a reference to it" and insert in lieu thereof "to be a reference to such center".

Page 2, line 1, strike out "Hospital" and insert in lieu thereof "Center".

Page 2, after line 2, add the following new section:

SEC. 2. This Act shall take effect on January 4, 1979.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to designate the Veterans' Administration center located at 1901 South First Street, Temple, Tex., as the "Olin E. Teague Veterans' Center".

A motion to reconsider was laid on the table.

AMENDING THE ACT INCORPORATING THE AMERICAN LEGION SO AS TO REDEFINE ELIGIBILITY FOR MEMBERSHIP THEREIN

The Clerk called the Senate bill (S. 2424) to amend the act incorporating the American Legion so as to redefine eligibility for membership therein.

There being no objection, the Clerk read the Senate bill as follows:

S. 2424

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act entitled "An Act to incorporate the American Legion", approved September 16, 1919 (41 Stat. 285; 36 U.S.C. 45), is hereby amended to read as follows:

"SEC. 5. No person shall be a member of this corporation unless he has served in the naval or military services of the United States at some time during any of the following periods: April 6, 1917, to November 11, 1918; December 7, 1941 to December 31, 1946; June 25, 1950, to January 31, 1955; August 5, 1964, to May 7, 1975; all dates inclusive, or who, being a citizen of the United States at the time of entry therein, served in the military or naval service of any of the governments associated with the United States during said wars or hostilities: *Provided, however,* That such person shall have an honorable discharge or separation from such service or continues to serve honorably after any of the aforesaid terminal dates.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE FEDERAL CHARTER OF THE BOY SCOUTS OF AMERICA

The Clerk called the bill (H.R. 11956) to amend the Federal charter of the Boy Scouts of America.

There being no objection, the Clerk read the bill as follows:

H.R. 11956

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to incorporate the Boy Scouts of America," approved June 15, 1916 (39 Stat. 227; 36 U.S.C. 21), is amended by adding the following new section:

"SEC. 10. That the annual report of the

Boy Scouts of the United States of America shall be printed each year, with accompanying illustrations, as a separate House document of the session of the Congress to which such report may be submitted.".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL ARCHIVES TRUST FUND BOARD

The Clerk called the bill (H.R. 12915) to amend section 2301 of title 44, relating to the National Archives Trust Fund Board.

There being no objection, the Clerk read the bill as follows:

H.R. 12915

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 2301 of title 44, United States Code, is amended to read as follows: "The National Archives Trust Fund Board shall consist of the Archivist of the United States, as Chairman, and the Secretary of the Treasury and the Chairman of the National Endownment for the Humanities.".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABOLITION OF FEDERAL RECORDS COUNCIL

The Clerk called the bill (H.R. 8112) to repeal chapter 27 of title 44, United States Code.

There being no objection, the Clerk read the bill as follows:

H.R. 8112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Records Council is hereby abolished and that chapter 27 of title 44, United States Code, is repealed.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That the Federal Records Council is hereby abolished.

SEC. 2. (a) Chapter 27 of title 44, United States Code, is repealed.

(b) The table of chapters of title 44, United States Code, is amended by striking out the item pertaining to chapter 27.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the eligible bills on the Consent Calendar.

TRIBUTE TO THE LATE POPE PAUL VI

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I take this time to express what I am sure must be the great sense of sadness on the part of all Americans, Roman Catholic and non-Catholic alike, on the death yesterday of His Holiness Pope Paul VI.

During his 15 years of service in the papacy, Pope Paul worked devotedly in the cause of world peace and the cause of justice for the oppressed. Pope Paul was an outstanding leader of the church during a time of turbulent change.

● Mr. HANLEY. Mr. Speaker, it is with profound sadness that I stand today to pay tribute to Pope Paul VI.

On September 29, 1973, I had the high honor and privilege of an audience with Pope Paul at the Vatican. I found him to be passionately longing for peace on Earth and genuinely concerned with the well-being of all peoples of the world. For me, Pope Paul has been a source of great moral and spiritual inspiration.

As the most traveled Pope in history, Paul exemplified his role of pilgrim, carrying his message of love and peace to the far corners of the Earth. His 15 years as spiritual leader of the world's 600 million Roman Catholics spanned an era of innovation and conflict.

Pope Paul picked up the reins of the Roman Catholic Church at a time of dissent and demand for dialog. He quickly found himself forced into the role of a mediator between those in the church who wanted change and those who opposed it. His skill was that he was able to keep extremists on the right and the left from splitting away from Catholicism, while, at the same time, he greatly encouraged missionaries and clergy in Third World countries who were fighting for justice and human rights against their totalitarian governments.

Through it all, Pope Paul guided with a firm, steady hand, not only bridging the schisms between Catholics, but improving the relations of the Catholic Church with the other religions of the world.

This morning's Syracuse Post-Standard wrote:

Pope Paul was a compassionate man. He suffered from the dissent within the Church, lamented the division and deplored the disunity. He feared that some of the dissent and disobedience posed a threat to destroy the Church. But he met every challenge head-on. By and large, Pope Paul did a difficult job well for 15 years. He assumed the immense responsibility for radical change within the Church that was decreed by those who preceded him. Pope Paul VI led the Church through one of its most difficult periods in history. He did it so well the task of his successor will be immeasurably easier. Pope Paul was truly a good and faithful servant.

In the words of Msgr. Robert Lavin of Syracuse:

Pope Paul walked with one foot in tradition and one foot in progress. He always tried to assume a moderate role. Pope John XXIII was the innovator, but it was up to Pope Paul to bring about, slowly, patiently, prudently, the changes in Church liturgy originated by John. Time will bear him out as a great leader.●

● Mr. GILMAN. Mr. Speaker, Sunday, August 6, 1978, was a day of sorrow for millions of people throughout the world, both Catholic and non-Catholic, for Sunday saw the passing of a true "Prince of Peace," Pope Paul VI.

Pope Paul was a man who at an early age committed his life to love and service of humanity. His skills as a diplomat, his effectiveness as an administrator, and his deep-rooted humanitarian concerns early brought him attention from his superiors within the church hierarchy. As Archbishop of Milan, he gained a reputation as the champion of the working classes and the downtrodden.

In 1958, upon his accession to the Papal Throne, Pope John XXIII elevated then-Archbishop Montini to the College of Cardinals in recognition of his talents—the first Cardinal created by Pope John. When the sainted Pope John passed on in the summer of 1963, Cardinal Montini was viewed by many as the logical choice to carry forward the revolution that John had begun. Thus, it was no surprise when Cardinal Montini was elevated to the pontificate on a very early ballot. Emulating his predecessor, he took the name Paul—like John, a name not used by a Pope for centuries.

Never in the 2,000 year history of the seat of Rome had a Pope taken office in such trying times. Pope Paul met the contingencies of living in a jet-age world without abandoning the centuries-old foundations of his faith. In his quest for peace, Paul became not only the first Pope to leave Italy during his reign, but the first to visit every inhabited continent in the world.

One of the most stirring moments of the 20th-century came in 1965, when this holy man stood at the podium of the United Nations and voiced his plea: "Never again war."

But despite the temptations of living in a commercial age, Pope Paul truly remained the "rock" of his church, never deviating from what he believed to be the basic teachings of morality in Judeao-Christian tradition. Perhaps the most significant aspect of this holy man was the fact that, despite his receiving probably more criticism than any Pope in modern times from the members of his own church—both the liberals, who felt he was too old-fashioned, and the conservatives, who felt he was moving too fast—he never reacted to criticism by rebuking his detractors. In 1968, he was quoted as saying:

One must not seek to conquer his questioner, but to convince him. In a sane and holy discussion there is no "master" and no "slave" * * * but two servants of the truth.

Along with my family, I personally had the honor of an audience with the Pope in 1973, and was impressed with the humility, the insight, and the compassion on this servant of God.

Mr. Speaker, it is indeed benefiting that the Congress note its condolences in memorializing the death of the "Prince of Peace", Pope Paul VI.●

● Mr. OBERSTAR. Mr. Speaker, throughout the world, men and women of all faiths mourn the loss of a servant of God and mankind who led the Roman Catholic Church through the tumult of the last 15 years.

Following the death of Pope Paul VI yesterday, millions of people across the world are focusing on the enormous accomplishments of his 15-year papacy.

He ascended to the papacy at a time when the reforms and the ecumenical spirit of Pope John XXIII had opened a new era in the history of the church.

In June 1963, the mission of John XXIII fell to Pope Paul VI. It was he who was to lead the church through the years of upheaval and change which confronted all institutions and which threatened the very foundations of the church.

Pope Paul infused the church with his vision that the church must be at once part of the modern world and yet steadfast in its adherence to the traditional teachings of its two millenia history. The church must be both contemporary and timeless.

It is upon this timelessness of its teachings that the universality of the church is founded uniting people of all nationalities, races, and political creeds and linking those of one generation with their forefathers and their descendants.

The task facing Pope Paul as he began his papacy in 1963 was enormous. Pope John had lived to convene only one session of Vatican II. That universal conclave presented a tremendous challenge to a worldwide church held together not by nationalism and self-interest but by a common faith and tradition.

The universal church was threatened by the same forces of disunity—nationalism, economic competition, and ideological confrontation—which threatened the secular world.

Pope Paul VI became a figure of conciliation. His papacy became a tireless crusade for world peace.

He was the first Pope in modern times to travel outside of Italy. His journeys throughout the world represented his commitment to peace and his recognition of the emergence of the Third World.

The full significance of the papacy of Pope Paul will not likely be known during our lifetime. This complex man reigned at a time when no leader—spiritual or temporal—could escape criticism. He reigned during the most difficult of times. Until the end of his life, he carried an enormous burden abjuring abdication with the admonition, "Kings may abdicate; popes may not." ●

● Mr. FRENZEL. Mr. Speaker, I join with hundreds of million of people throughout the world in mourning the passing of Pope Paul VI. Even people who barely knew of him, know that his passing means that a strong voice for peace and for human rights has been stilled.

Pope Paul was, of course, best known for guiding the Second Vatican Council to its historic and successful conclusion but he was also known as a friend of suffering people everywhere. A scholarly, unassuming man, he nonetheleless commanded the respect of the leaders of the greatest nations of the world.

Pope Paul will be remembered, and missed, both as a great spiritual leader and as a champion for the temporal needs of people to be free, to be fed, and to be at peace.●

● Mr. FARY. Mr. Speaker, it is with a great deal of sorrow and loss that yesterday I learned of the untimely passing of one of modern history's greatest religious leaders—Pope Paul VI, who, for past 15 years, has been the spiritual head of the Roman Catholic Church. His unswerving commitment to the ideals of peace and compassion, which underscored his pontificate, served as an inspiration to us all in these tumuluous times of political and moral upheaval.

Pope Paul VI, as 263d occupant of the Throne of St. Peter, had served as Pope since June 21, 1963 and whose reign came at a critical time when persuasive influence and strong leadership was needed to guide the Catholic Church through an unprecedented period of reforms. These reforms were brought forth as a result of the Second Vatican Council, convened by the late pontiff's predecessor, John XXIII and brought to a conclusion by Pope Paul. Under his guidance, the Second Vatican Council instituted major changes in the liturgy and organization of the Roman Catholic Church and also sought to improve relations with Protestant and Eastern Orthodox Christians.

As a result of the council's reforms, Pope Paul formulated new positions on ecumanism and institued the greatest liturgical changes in centuries, including dropping the use of Latin mass in favor of the use of local languages. However, loyal to his theological convictions, Pope Paul vigorously resisted pressures to change traditional teachings on birth control, priestly celibacy, and the exclusion of women from the priesthood.

It is on the issue of birth control that Pope Paul may best be remembered, for in 1967, he issued an encyclical that emphasized the church's opposition to artificial means of birth control. Rather than yield to contemporary social or theological arguments in favor of lifting the ban, the Pope maintained the view of traditional Catholic thought that artificial birth control was inconsistent with the teachings of Christ.

This same vein of thought prevailed in 1977 when Pope Paul approved a statement by the congregation for the doctrine of the faith, which upheld the church's policy of refusing to ordain women to the priesthood, citing as justification that Christ was a man, and as such, female priests were unthinkable.

While the Pope's decisions on birth control and the ordination of women left many church progressives disgruntled his human rights stand and pleas on behalf of the world's poor and oppressed won him the respect and support from all elements of the church. He defined his ideas on social justice in 1955, before his elevation to the papacy, when he declared,

> No man must lack bread, a roof over his head, clothing or work. All who guide politics and economics must, in honor, make every effort to see that this aim is reached.

He further elaborated on this in his encyclical, "On the Development of Peoples," issued in March 1967, in which he said:

> The poor nations remain poor while the rich ones become still richer. The very life of poor nations, civil peace in developing countries, and world peace are at stake. We must make haste. Too many are suffering.

Characteristically, Pope Paul used his journeys to foreign lands to dramatize the need for social justice. During his 1964 trip to India he entered a poor district of Bombay and wept at the abject poverty. Four years later, he stood before a group of peasants in a Colombian cow pasture and, while urging them to shun violence, pledged to "continue to denounce unjust economic inequalities between rich and poor and abuses against you and the community."

Mr. Speaker, I could go on and on about the late Pope's deeds and accomplishments, but I think the point of this eulogy is clear. That not only was this magnificent man deeply concerned about the moral and physical well-being of his 550 million fellow Roman Catholics, but the vast multitudes of non-Catholics as well. For his was a vision that one day we could all walk together as equals, without hate, without poverty, without prejudices that cloud our minds. I share his dreams and solemnly pray that one day those dreams will be realized.●

● Mr. SOLARZ. Mr. Speaker, I was deeply saddened to learn the news of the unfortunate death of Pope Paul VI, a man whose entire life was an inspiration to men and women of good will throughout the world. As an apostle of peace and a champion of the oppressed, the Pope was a living symbol of courage and compassion.

A man of unassuming presence, his humility and humanity was epitomized when he offered himself in exchange for the hostages held captive by Palestinian terrorists in Mogadishu, Somalia. And again last May, in an attempt to save the life of Aldo Moro, he implored the Red Brigade to free the former Italian prime minister "not so much because of my humble and loving intercession, but by virtue of his dignity as a common brother of humanity."

During his decade and a half pontificate, Paul VI extolled the need for peace, justice, civil and human rights. Internationally minded, he took his message to the people of the United States, India, Africa, the Middle East and many other parts of the world. He served as a clear, untiring voice of principle in the midst of a world in tumultuous change.

Two years ago, I had the rare privilege of having an audience with Pope Paul and I came away convicted of his good and gentle nature. The Pope spoke movingly about America's responsibility in the world and the extent to which we could be a powerful force for the establishment of a more moral international order. He implored us not to turn our backs on the poor and downtrodden and to remember that the forces of righteousness were heavily dependent on our willingness to continue playing a constructive role in international affairs.

It was perhaps the most moving and memorable moment of my life and I only hope that we can live up to the high ideals he so eloquently expressed and which his entire life so effectively embodied.●

● Mr. RODINO. Mr. Speaker, today the world mourns the passing of one of our

greatest leaders. I am deeply saddened by the loss of Pope Paul VI, who spent his life in fervent appeal for peace and human progress.

Paul provided the Catholic Church with strong leadership during a difficult period of transition. When he was elected Pope in 1963, he was determined to carry out the Second Vatican Council, which was begun by Pope John XXIII. Paul took the church on the road to change, while upholding its traditions.

Mr. Speaker, people of every religion came to know and appreciate this great man, because he took a special interest in bringing people from all nations together. Truly a "Pilgrim of Peace," Paul traveled to every continent in the world to meet with leaders of many different faiths. No other modern Pope had attempted such an ambitious venture of good will. His universal message of peace and understanding was a powerful antidote to the disagreements and tensions between the various peoples of the world.

My wife and I were privileged to have met Pope Paul during a visit to Rome. We felt his kindness and compassion, which many other Americans sensed when he visited our country in 1965 and said mass at Yankee Stadium in New York. His devotion to a mission of worldwide peace was epitomized in his speech to the United Nations, where he told the delegates from the nations of the world: "No more war—war never again." Paul once said that he considered peace among nations to be the essence of religion. He never lost sight of his mission.

His travels gave him a special empathy for the poor and disadvantaged peoples of the world. As an activist Pope, Paul spoke out for cooperation among nations to rid the world of poverty and disease. During his years as Archbishop of Milan, he was known as "the workers' archbishop," and as Pope he made his concern felt in every corner of the Earth. Paul once said that it was his duty to preach "the gospel of reason and justice." Mr. Speaker, in preaching that gospel Pope Paul provided all the peoples of the world with a powerful voice for peace and hope for the human spirit. We all deeply mourn the loss of this great and holy man.●

● Mr. WOLFF. Mr. Speaker, I am deepful mournful over the death of Pope Paul VI. I visited the Vatican in November 1976 and found the Pope a man to be venerated and admired for his leadership and inspiration.

Pope Paul VI's accomplishments were widespread and varied. The Pope consistently sought to mediate between the progressive and conservative forces within the church. Although it was Pope John XXIII who initiated the Vatican Council, it fell to Pope Paul VI to carry-out the proposed reforms. In addition, he brought into being new guidelines for a radical new relationship between Catholics and Jews that has provided a healthier atmosphere between them.

Furthermore, I led a delegation of the House that was granted an audience with Pope Paul where we discussed the problem of the alarming spread of narcotics abuse throughout the world. Consequently, His Holiness responded with the strongest position on drug abuse he has ever taken publicly. For those of us who understand the ravages of drug abuse, the Pope's position was welcomed by all men of good will.

Clearly, the Pope was a progressive exponent of human rights and social justice. He traveled widely throughout the world spreading the teachings of the church. He ardently worked for world peace and championed the cause of the hungry, the poor, and the oppressed as well as beginning a sensitive and sustained effort to improve relations with the Soviet Union and the Communist countries of Eastern Europe.

Truly, the Pope will be revered and missed as he guided the church through a difficult time of social and religious unrest. It is impossible to assess Pope Paul VI's contribution to mankind, but the world is better for his leadership.●

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to express their tributes to Pope Paul.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

APPEAL TO THE PRESIDENT TO ASSIST IN RELEASE OF JAY CRAWFORD FROM THE SOVIET UNION

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROSTENKOWSKI. Mr. Speaker, in the week just past, Francis Jay Crawford, an American citizen, a resident of Mobile, Ala., was on three separate occasions summoned to KGB Headquaters in Moscow and subjected to police interrogation. On each occasion, the American consular officer who was accompanying him was refused access to the room where Crawford was being questioned.

As I am sure you know, Mr. Speaker, Crawford is the International Harvester representative who, on June 12, was dragged from his car, arrested, and unjustly charged with currency violations under the Soviet Criminal Code. He spent a total of 15 days in a Soviet prison before his release to the protective custody of U.S. Ambassador Malcolm Toon. Crawford cannot now leave the Soviet Union. He can be called back to the KGB prison for questioning at any time.

The charge lodged against Mr. Crawford has not been substantiated with any evidence, and I personally do not believe that it is grounded in fact. The arrest is a reprisal for the capture of two Soviet spies engaged in espionage against the United States. The charge is a fabrication of the Soviets, who hoped to gain the release of their agents who will shortly be tried for their activities.

There is no indication that the Crawford case will come to a conclusion in the near future. Although Mr. Crawford has been formally charged, his case is still in the pretrial phase. No date has been set for the trial itself and much will depend on the outcome of the September trial of the Soviet agents.

I am sure that my colleagues have seen the press reports indicating that the administration is presently engaged in efforts to arrange a swap for the imprisoned Soviet dissident Anatoly Scharansky. Mr. Speaker, like millions of other Americans, I am concerned about Mr. Scharansky and the violation of his human rights. However, I am more concerned that our Government protects the rights of an American citizen.

Mr. Speaker, I have written to the President of the United States of America to continue his aggressive campaign to secure the release of Jay Crawford. I am enclosing a copy of that letter for the RECORD.

The letter follows:

AUGUST 3, 1978.

Hon. JIMMY CARTER,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you know, I have been interested in the case of Jay Crawford, the American businessman employed in the Soviet Union by the International Harvester Corporation, and currently released to the surety of Ambassador Toon.

Recently there has been speculation in the press and elsewhere concerning the possibility of a so-called "swap" of accused Soviet spies for Soviet dissident Anatoly Shcharansky. My concern in this matter is that the Administration remain alert to such possibilities with regard to Mr. Crawford who is, after all, a United States citizen.

It is my understanding that the State Department has been most cooperative in every regard in its dealings with International Harvester on this matter. Hopefully, this close cooperation will continue and terminate in the eventual early release of Mr. Crawford.

Sincerely,

DAN ROSTENKOWSKI,
Member of Congress.

RUGGED INDIVIDUALISTS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. DANIELSON. Mr. Speaker, I was born in a little country town in Nebraska. The name was Wausa, named after an old Swedish King Vasa who lived a long time ago.

It is a small town of some 750 people. They are good, hardworking people of conservative bent.

Occasionally I get a copy of the Wausa Gazette, the local newspaper. In a recent issue I saw an interesting article on "Rugged Individualists." I would like to share it with my colleagues.

The article is as follows:

[From the Wausa Gazette, June 15, 1978]

RUGGED INDIVIDUALISTS

A young man attended public school, rode the free school bus, participated in the subsidized lunch program. He entered the Army, and then upon discharge retained his National Service Insurance. He then attended the State University, on the GI Bill.

Upon graduation, he married a Public Health nurse and bought a farm with an FHA loan and then obtained an RFC loan to go into business. A baby was born in the county hospital.

Later he put part of his land in the soil bank and the payments helped pay for his farm and ranch. His father and mother lived on the ranch on their Social Security; REA lines supplied electricity. The government helped clear his land. The County Agent showed him how to terrace it, then the government built him a fish pond and stocked it with fish.

Books from the Public Library were delivered to his door. He banked his money and a government agency insured it. His children attended public schools, rode free school buses, played in the public parks and swam in the public pools.

He was a leader in obtaining the new Federal Building and went to Washington with a group to ask the government to build a great dam. He petitioned the government to give the local air base to the County.

Then one day, after hearing that Carter's $500 billion budget for 1978 added up to $2,000 for every man, woman and child, he wrote his Congressman.

"I wish to protest these excessive governmental expenditures and attendant high taxes. I believe in rugged individualism. I think people should stand on their own two feet without expecting handouts. I am opposed to all socialistic trend and I demand a return to the Principles of our Constitution and of State rights."—Author Unknown.

APPOINTMENT OF CONFEREES ON H.R. 7577, ECONOMIC OPPORTUNITY AMENDMENTS OF 1978

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7577) to amend the Economic Opportunity Act of 1964, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. PERKINS, ANDREWS of North Carolina, HAWKINS, FORD of Michigan, CORRADA, GOODLING, and QUIE.

PROPOSED CREDIT AGAINST INCOME TAX FOR SOCIAL SECURITY TAXES PAID

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, one scarcely knows what to believe about the tax bill that is pending at this point. I have heard of a provision which the majority leadership wants to make in order, the so-called Gephardt amendment that the gentleman from Missouri presented in the last day of consideration of the bill in the Committee on Ways and Means. This would provide a credit against the income taxes for social security taxes paid. Since no hearings have been held on this, and since it is not a generally understood provision, I have reserved 15 minutes today for a special order to discuss this matter. I urge my colleagues to attend and participate.

BALANCE-OF-PAYMENTS POLICY OUT OF GEAR

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, every month or so spokesmen for the Carter administration appear before bright lights and cameras to announce the bad news concerning the Nation's balance-of-payments position. It is not uncommon for them to note that the monthly or quarterly increase in our trade deficit is the largest since records have been kept. The quarterly average trade deficit, using Census Bureau figures, is now running around $2 billion a month. This kind of figure is routinely decried by administration officials who sternly warn that the balance-of-payments picture must be improved. Imports will have to be cut and exports will have to be increased.

One wonders how seriously the administration takes its own warnings. Or how much responsibility it feels the Federal Government ought to bear through its procurement and contracting operations for improving the balance-of-payments situation.

For instance, it has come to my attention that the Department of Transportation is building a series of new Coast Guard cutters and selected an American firm for the work. All well and good. However, when the shipbuilding company solicited bids for gears for four of the cutters with the potential of placing additional orders with the subcontractor, a British firm was chosen for the work. Because a difference of only $38,000 separated an American bidder—Philadelphia Gear—from the low-bidding British firm, as much as $5 million may flow out of the country to import the British-made gear parts.

There is no excuse for a department of the Federal Government to be an accomplice to this type of arrangement. If the Government's own policies at every level do not reflect a commitment, and not just rhetoric, when it comes to lowering unemployment, reducing the trade deficit, and restoring the dollar to its previously strong international position, then there is perhaps little reason to expect that any progress is going to be made on these difficult economic problems.

LOSS OF AMERICAN JOBS AND TAX MONEY WHEN CONTRACTS ARE GIVEN TO FOREIGN MANUFACTURERS

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I rise to talk about Government policy that has tremendous cost implications for the American people.

My remarks today involve the loss of jobs and tax money when contracts are given to foreign manufacturers. I have spoken on this problem and the need for reform of the Buy American Act previously, both on the House floor and in committee.

In this instance, a Pennsylvania manufacturer of propulsion gears was the second low bid on gears for four 270-foot Coast Guard cutters. The low bidder and subsequent recipient of the contract was a British company. It has since been discovered, however, that the British gear system is too heavy for use in these ships. Rather than allowing the British firm to adjust the weight, the bidding on this contract should be reopened.

Cases such as this, I am sure, are not uncommon. They are, however, inexcusable for several reasons. First, an economic analysis shows that domestic purchases would return to our Government in the form of taxes, half of the dollars spent; whereas the procurement of foreign products would not. Second, a decrease in production is detrimental to the U.S. economy and would cause layoffs. Layoffs would also cost the Government more money since unemployed workers would have to apply for special unemployment and training benefits. The production of gears for the initial 4 ships cited above—of a total of 37 ships planned—would keep 100 men working for 6 months. This is especially important when the unemployment rate in Pennsylvania has just risen to 7.4 percent.

The main point is that the cost of foreign products at face value is less, but the total cost to U.S. companies and American workers is devastating.

AWARD OF COAST GUARD CONTRACT FOR MAIN PROPULSION GEARS FOR 270-FOOT CUTTERS

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. SCHULZE. Mr. Speaker, the administration has astounded every one of us over the last year and a half with a series of actions which affect the defense of our Nation. The latest to come to my attention could have a direct bearing on the capability of the U.S. Coast Guard to perform its mission.

The prime contractor, Tacoma Boatbuilding Co., scheduled to start construction on the first four ships in a series of new 270-foot Coast Guard cutters has selected a British company, GEC, to manufacture the main propulsion gears.

The issue of concern here is much more than jobs and much more than contracts: The issue is our national defense. If our Coast Guard is dependent upon a foreign corporation for its viability, what happens if the sea lanes between our nations are cut off? Is our Coast Guard then cut off? If Britain goes to war, will they continue to provide these essential parts for our ships? The bottom line is a simple one: We cannot afford to have the heart of our Coast Guard ships produced anywhere but at home.

Mr. Speaker, I would like to draw the attention of the Members to the July 1978, issue of Defense Electronics Perspective, a very lengthy statement entitled "Fast Patrol Boats: Key to Soviet World Domination?"

Mr. Speaker, the Soviet Union has embarked on an aggressive global strategy of transferring hundreds of fast patrol boats to other nations with the intent of securing forward bases, disrupting the regional status quo and

gaining geostrategic advantage over the United States.

This clear and present threat should emphasize the wisdom in keeping our coastal defense system second to none, and a step in that direction would be the awarding of contracts to American firms for production of all parts of this system.

What we basically have in this instance is American industry being preempted in participating in our overall national defense effort. Our experience with past wars showed that America's industrial community can tool up for an all-out effort to produce military equipment. This capability has been proven, but what do we do with it? We subcontract to a British firm for gears to go on our Coast Guard cutters.

A strong defense is not just enough ships and planes to meet any adversary. It also means an American industrial community willing and able to meet all our defense needs. What we need is a commitment by this administration to let them get on with the job.●

REQUEST FOR PERMISSION FOR COMMITTEE ON THE JUDICIARY TO MEET TOMORROW DURING 5-MINUTE RULE

Mr. DANIELSON. Mr. Speaker, on behalf of the Committee on the Judiciary, I ask unanimous consent that the Committee on the Judiciary may meet tomorrow, Tuesday, August 8, 1978, during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ASHBROOK. Reserving the right to object, Mr. Speaker, may I ask the gentleman whether this meeting will be for purposes of markup?

Mr. DANIELSON. If the gentleman will yield, Mr. Speaker, it is for markup. It is for committee action on four bills. We are behind in our schedule, and the House meets at 10 a.m. We have not had the opportunity to have the Committee on the Judiciary meetings for some time. It is urgent that we be able to consider these bills.

Mr. ASHBROOK. Further reserving the right to object, Mr. Speaker, we are getting into that time of the year when campaigning starts. I am one Member who is on the floor quite a bit, and I am getting a little tired of staff members sending back information to our districts with respect to how many committee meetings we miss.

I think I will object to that because I do not want to miss that meeting.

Mr. DANIELSON. I will be glad to assure the gentleman's constituents that he misses very few meetings, if that would be of any help.

Mr. ASHBROOK. The record shows otherwise, so I object.

The SPEAKER. Objection is heard.

Mr. DANIELSON. Mr. Speaker, I withdraw my request.

DEFENSE APPROPRIATIONS, 1979

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 13635) making appropriations for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 320, nays 6, not voting 106, as follows:

[Roll No. 650]

YEAS—320

Abdnor	Derwinski	Hughes
Addabbo	Devine	Hyde
Akaka	Dickinson	Ichord
Anderson, Calif.	Dicks	Ireland
Anderson, Ill.	Dingell	Jenrette
Andrews, N.C.	Dornan	Johnson, Calif.
Andrews, N. Dak.	Downey	Jones, N.C.
Annunzio	Drinan	Jones, Okla.
Archer	Duncan, Oreg.	Jordan
Ashbrook	Duncan, Tenn.	Kastenmeier
Ashley	Early	Kazen
Aspin	Edgar	Kelly
AuCoin	Edwards, Ala.	Kemp
Badham	Edwards, Calif.	Keys
Bafalis	Edwards, Okla.	Kildee
Bauman	Eilberg	Kindness
Beard, Tenn.	Emery	Kostmayer
Bedell	Erlenborn	Krebs
Benjamin	Ertel	Krueger
Bennett	Evans, Colo.	Lagomarsino
Bevill	Evans, Del.	Latta
Biaggi	Evans, Ind.	Leach
Bingham	Fary	Lederer
Blanchard	Fascell	Leggett
Blouin	Fenwick	Lehman
Boggs	Findley	Lent
Bonior	Fish	Levitas
Bonker	Fisher	Livingston
Brademas	Fithian	Lloyd, Tenn.
Breaux	Flippo	Long, La.
Breckinridge	Flood	Long, Md.
Brinkley	Florio	Lujan
Brodhead	Flynt	Luken
Brooks	Foley	Lundine
Broomfield	Forsythe	McClory
Brown, Mich.	Frenzel	McCloskey
Broyhill	Fuqua	McCormack
Buchanan	Gaydos	McDade
Burgener	Gephardt	McEwen
Burke, Fla.	Giaimo	McFall
Burleson, Tex.	Gibbons	McHugh
Burlison, Mo.	Gilman	McKay
Burton, John	Ginn	Madigan
Burton, Phillip	Glickman	Maguire
Byron	Goodling	Mahon
Carney	Gore	Markey
Carter	Gradison	Marks
Cavanaugh	Grassley	Marlenee
Chappell	Green	Marriott
Clausen, Don H.	Gudger	Martin
Clawson, Del	Guyer	Mattox
Cleveland	Hagedorn	Mazzoli
Cohen	Hall	Meeds
Coleman	Hamilton	Metcalfe
Collins, Ill.	Hammer-schmidt	Meyner
Conable	Hannaford	Michel
Corcoran	Harkin	Mikva
Corman	Harris	Miller, Calif.
Cornwell	Harsha	Miller, Ohio
Coughlin	Hawkins	Mineta
Crane	Heckler	Minish
D'Amours	Hefner	Mitchell, N.Y.
Daniel, Dan	Heftel	Moffett
Daniel, R. W.	Holland	Montgomery
Danielson	Hollenbeck	Moore
Delaney	Holt	Moorhead, Calif.
Dellums	Holtzman	Mottl
Dent	Horton	Murphy, Ill.
Derrick	Howard	Murphy, N.Y.
	Hubbard	Murphy, Pa.
	Huckaby	Murtha
Myers, Gary	Rooney	Taylor
Myers, John	Rose	Thompson
Myers, Michael	Rostenkowski	Thornton
Natcher	Roybal	Treen
Nedzi	Rudd	Trible
Nichols	Runnels	Tsongas
Nix	Russo	Ullman
Nolan	Ryan	Van Deerlin
Nowak	Satterfield	Vander Jagt
O'Brien	Scheuer	Vanik
Oberstar	Schroeder	Vento
Ottinger	Schulze	Volkmer
Panetta	Sebelius	Waggonner
Patterson	Seiberling	Walgren
Pattison	Sharp	Walker
Pease	Shuster	Walsh
Perkins	Sikes	Watkins
Pettis	Simon	Waxman
Pickle	Skubitz	Weaver
Pike	Slack	Weiss
Poage	Smith, Iowa	Whalen
Preyer	Smith, Nebr.	White
Price	Snyder	Whitehurst
Pritchard	Solarz	Whitley
Pursell	Spence	Whitten
Quillen	St Germain	Winn
Rahall	Staggers	Wolff
Railsback	Stangeland	Wydler
Rangel	Stanton	Wylie
Regula	Stark	Yates
Reuss	Steers	Yatron
Rinaldo	Steiger	Young, Fla.
Risenhoover	Stockman	Young, Mo.
Roberts	Stratton	Young, Tex.
Robinson	Studds	Zablocki
Roe	Stump	
Rogers	Symms	

NAYS—6

Collins, Tex.	Mitchell, Md.	Quayle
Lloyd, Calif.	Moffohan	Wilson, Bob

NOT VOTING—106

Alexander	Flowers	Obey
Ambro	Ford, Mich.	Patten
Ammerman	Ford, Tenn.	Pepper
Applegate	Fountain	Pressler
Armstrong	Fowler	Quie
Baldus	Fraser	Rhodes
Barnard	Frey	Richmond
Baucus	Gammage	Rodino
Beard, R.I.	Garcia	Roncalio
Bellenson	Goldwater	Rosenthal
Boland	Gonzalez	Rousselot
Bolling	Hanley	Ruppe
Bowen	Hansen	Santini
Brown, Calif.	Harrington	Sarasin
Brown, Ohio	Hightower	Sawyer
Burke, Calif.	Hillis	Shipley
Burke, Mass.	Jacobs	Sisk
Butler	Jeffords	Skelton
Caputo	Jenkins	Spellman
Carr	Johnson, Colo.	Steed
Cederberg	Jones, Tenn.	Stokes
Chisholm	Kasten	Teague
Clay	LaFalce	Thone
Cochran	Le Fante	Traxler
Conte	Lott	Tucker
Conyers	McDonald	Udall
Cornell	McKinney	Wampler
Cotter	Mann	Wiggins
Cunningham	Mathis	Wilson, C. H.
Davis	Mikulski	Wilson, Tex.
de la Garza	Milford	Wirth
Diggs	Moakley	Wright
Dodd	Moorhead, Pa.	Young, Alaska
Eckhardt	Moss	Zeferetti
English	Neal	
Evans, Ga.	Oakar	

Mr. MOORE changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 13635, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Friday, August 4, 1978, the Clerk had read through line 11, page 2.

Are there any amendments?

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer amendments, and I ask unanimous consent, since this is a series of amendments dealing with one subject, that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. VOLKMER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard

Mr. DICKINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: On page 2, line 11, strike "$9,123,000" and insert in lieu thereof "$9,125,299,000".

Mr. DICKINSON. Mr. Chairman, the purpose of my amendment, and the reason I had asked unanimous consent that the series of amendments, all dealing with the consolidation of helicopter training, be considered en bloc is because they all have just one subject matter in common.

The purpose of these amendments is to add $20 million to the Army budget and reduce the Navy budget by $22 million in order to allow the Department of Defense to consolidate Navy and Marine Corps undergraduate helicopter pilot training under the Army. The Department of Defense was criticized in 1972 by the General Accounting Office for not making this move. For at least 3 or 4 years, the Defense Department has been trying, but Congress has made a political decision and has blocked the effort.

I admit at the outset that I have a parochial interest in the consolidation, since all Army helicopter training is at Fort Rucker in my district. However, I would not be standing up here if this effort were merely an interservice rivalry, or the only thing involved here was who was going to do the training. My amendment will allow the Department of Defense to employ its resources more efficiently, and save approximately $100 million over the next 5 years.

At the present time, there are two separate undergraduate helicopter pilot training programs operated by the Department of Defense. Army and Air Force pilots are trained at Fort Rucker. Navy and Marine Corps and Coast Guard pilots are trained at Pensacola, Fla. As a result, we have had to pay for duplicate training simulators and duplicate personnel to conduct the training.

All we are talking about, Mr. Chairman, is basic helicopter flight instruction training at the enery level. In other words, it is to take an untrained individual and to put him ultimately in flight, to get the helicopter into the air and flying and get the necessary flying hours in so that the individual gets his wings. Some individual Members who will follow me on this subject will try to convince other Members that the Navy and Marine Corps and Coast Guard pilots need some different basic training. I submit this is not so. Before we can teach a person to fly over water or to land on a carrier or destroyer, or to land assault troops on the beach, we have to teach him basic helicopter training.

Seventy-five percent of all helicopters owned by the Department of Defense are flown by the Army. Over 75 percent of all missions flown during the Vietnamese war were flown by Army pilots. If there is a service-oriented peculiarity such as the Navy or Marine Corps or Coast Guard might have, then, of course, they can go on to specialized training.

Some of the Navy contend it is best to learn to fly fixed wing before rotary aircraft. The Army believes otherwise and has the track record to prove it.

The Air Force apparently shares the Army's belief, since the Army trains the Air Force helicopter pilots. There is no question the Army is expert in training helicopter pilots.

As a matter of fact, I wish every Member of the House would have the opportunity to see the sophistication of the training at Fort Rucker, which is limited not only to Americans but also covers training of pilots from NATO nations and several Middle East countries. Some of those who later will contend the consolidation endangers lives—as they did 2 years ago on the House floor and last year on the Senate floor—have no basis for this argument.

We are talking about a savings of at least $97.7 million over the next 5 years because we can eliminate over 2,000 slots and avoid purchasing duplicate equipment. Actually, the General Accounting Office contends that the savings are conservative because certain cost areas such as unfunded retirement and future veterans' benefits were not considered.

Therefore, I urge adoption of these amendments.

Mr. Chairman, the Secretary of the Defense is a strong supporter of the consolidation of the helicopter training. The Secretary of the Navy supports the consolidation of the training. I have here a report from the Comptroller General.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., May 18, 1978.

Hon. GEORGE H. MAHON,
Chairman, Committee on Appropriations, House of Representatives.

DEAR MR. CHAIRMAN: For the third year in a row, the Department of Defense has proposed that the Congress approve the planned consolidation of helicopter pilot training. As you know, this is an issue in which I have been interested for some time. The General Accounting Office has twice issued reports supporting the need to consolidate this training and pointing out that significant savings could be achieved.

In May 1974 we reported that consolidation of helicopter pilot training was feasible and recommended that the Secretary of Defense consider merging Army and Navy programs at one site. After studying the matter, Defense proposed consolidation in the fiscal year 1977 President's budget. The Congress did not approve the consolidation, but directed Defense to make another study to more clearly document the expected savings.

Defense's April 1977 report on its subsequent study estimated that net savings of $103.8 million would result during the period 1978 through 1982 from consolidation. We reported in May 1977 that these estimated savings were conservative because they did not consider reductions in certain cost areas such as unfunded retirement and future veterans benefits. We estimated that additional savings of $46 million could be achieved if consolidation is accomplished.

More recently, the Defense Audit Service, in its March 23, 1978, report, concluded that savings of $97.7 million over the next five years could result from consolidation.

I believe that the feasibility of consolidating helicopter training and the significant resultant savings have been adequately demonstrated. With your support, Defense can expect a more favorable outcome as the Congress again considers this important issue.

This letter is also being sent to the Chairmen, Senate and House Armed Services Committees and Senate Appropriations Committee.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(By unanimous consent, Mr. DICKINSON was allowed to proceed for 5 additional minutes.)

Mr. DICKINSON. Mr. Chairman, if I might quote from a letter from the Secretary of Defense to Senator STENNIS, he says:

I am very concerned by the reprioritization proposed in the operations area. While the House has been helpful in a number of instances in identifying potential improvements arising out of its staff analysis and audit reports, I take strong exception to the reversal of some of the efficiencies that we had included in the budget request. We are frequently exhorted to improve the efficiency of our operations and these improvements obviously require dislocations which may be disruptive to individuals and communities affected. These actions are sometimes necessary to ensure the best defense posture obtainable from the limited resources available. Although the Congress has rejected a number of these in the past, I continue to believe that we should consolidate helicopter training.

This letter was signed by Secretary of Defense Harold Brown.

The letter signed by Mr. Staats, Comptroller General of the United States, explains the problem and identifies the areas of savings and has urged that the consolidation go forward.

Mr. Chairman, there are two principal arguments that the opponents of this will have. One is that, well, the Navy has to train their pilots differently. Let me make two points here.

First, in a Defense Department study on this very subject it reads that the Navy and Marine Corps students should be trained in a maritime environment, but the report's conclusions are that a relatively minor part of the Navy program is specified over water or in a shipboard environment.

Mr. Chairman, 0.8 percent flying hours and 0.7 percent flying hours, respectively, are designated for field carrier landing practice and carrier qualification. Mr. Chairman, 0.7 percent hours is allotted for this purpose, in the event a carrier is not available, then requirement is waived.

The point is that they train them with less than an hour of flying time over water, so I cannot believe that that is really that important.

We are talking about basic helicopter training, and from this point they can go forward and have any specialized training that the service might require. But I think in the interest of economy, to cut down spending without hurting our defense one bit, and perhaps even im-

proving it, I think that it behooves the House, as we have in the past 2 years that the House has had this provision to consolidate helicopter training at one place, to do this. Then these students can go back to their individual services, just as they do in the Air Force now. It does not hurt their training, it enhances their training.

I think it is just common sense to do so.

As I said before, the Secretary of Defense supports it; the Comptroller General supports it; and the GAO, as I said, has criticized the Defense Department for not already having done this.

The Comptroller General has identified the cost savings, and these will go on for every year we have the consolidated helicopter training, and not just $100 million in 5 years.

So I would strongly urge the Members of the House to adopt the amendment and let us get on to strengthening our defense.

Mr. SIKES Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Alabama (Mr. DICKINSON).

(By unanimous consent, Mr. SIKES was allowed to proceed for 5 additional minutes.)

Mr. Chairman, I have the highest regard for my good friend, BILL DICKINSON. He is able, articulate, and an outstanding Member of this body. We live in adjoining congressional districts, we share a long common boundary, and the story persists that some of his constituents come across the line on election day to vote for me and that some of mine go across the line to vote for him.

We do have a difference of opinon on the propriety of this amendment. He cannot afford to tell you things that I can.

This proposal is not a new one. Specifically, this is the third successive year that this proposal has been brought before the Congress by the Defense Department. In each previous instance the proposal has been rejected.

The Navy does not want consolidation. The Army did not propose consolidation. The proposal comes from the Office of the Secretary of Defense through the efforts of individuals who are not nor have ever been Navy or Army aviators. They are think tank planners who make a career of their profession. They base their proposal for consolidation on factors which ignore Navy requirements for specialized training and on a rehash of claims for savings, which cannot be substantiated.

Vigorous objections to consolidation have been made by many of the Navy's outstanding leaders including Adm. Thomas Moorer, former Chief of Naval Operations, widely recognized for his great contributions in uniform. Those in the Navy who support consolidation in the main do so under orders from OSD. Admiral Holloway, former CNO, has stated that if there are further hearings, he will testify against consolidation.

Two years ago, consolidation was voted by the House simply on the claim that it meant $100 million in savings. A very large percentage of the Members had not heard the debate. They were simply told, as they came in the doors, to vote for the amendment and save $100 million. The Senate looked more carefully at the facts and voted just as decisively against it. The proposal was dropped in conference.

Last year there was not a vote in the House, but the Senate, looking at the facts, voted 75 to 21 against consolidation.

Nothing daunted the think tank planners. They are back again. The facts have not changed. It was brought out in 3 days of hearings in the House committee last year that instead of a savings of $100 million the costs would be very similar, the saving would be minimal, and it could even cost more for the Army to provide training to meet the more exacting Navy requirements than the present Navy costs.

Let us examine those claims of cost savings. An audit trail developed during those hearings is spelled out in my special order beginning on page H7851 of the RECORD of Thursday, August 3. It spells out the details of the faulty reasoning of the Pentagon planners.

As we might have anticipated, the Defense Audit Service apparently was instructed to come to the rescue of the professional planners in the Pentagon. The Defense Audit Service is another arm of SECDEF. Their product dated March 23, 1978, is in essence a rehash of the claims of OSD for major savings. It does not refute or even diagnose the findings of the audit trail. It simply refurbishes the Department's own claims but in order to add a little credibility, it reduces the savings to $97.7 million in 5 years. Please remember that just 2 years ago, OSD claimed it would save $175 million. Stated very simply, the OSD estimate of savings is achieved by pumping up Navy costs and understating Army costs.

The Defense Audit Service does not deal with Navy training requirements there was a cost analysis only—Army training does not meet Navy requirements.

Now let us approach the claim for savings in the light of the most recent cost analysis. Briefly stated, OSD set forth in decision package No. 490 an estimate that it would cost the Navy $305.9 million over 5 years to conduct its own helicopter pilot training. However, the Navy on December 8, 1977, reclamated this statement and showed that the actual cost to the Navy for training for the 5-year period would be $193.1 million. Surely the Navy knows what it would cost to duplicate its own training. The Navy says it would cost $193.1 million. Here is a glaring discrepancy of $112.8 million on which OSD claims to build a case.

Furthermore, the Navy reclama signed by the Assistant Secretary for Financial Management identifies additional Army costs attendant for consolidation at Fort Rucker in excess of $50 million.

Now let us recapitulate. If the Navy cost figures are $193.1 million and no one has successfully disputed the Navy's cost figures. And if the Army cost of helicopter pilot tra'ning is $136.8 million and this figure does not include all of the Army's cost of training for Navy's requirements, a difference in cost estimates of $56.3 million for the 5-year period. But from this, we must deduct the additional costs not heretofore considered by the OSD but identified by the Navy of $50 million more for training at Fort Rucker. This leaves $6.3 million for actual savings for the 5-year period after consolidation but there is more. To support naval requirements for fixed-wing pilots which would be additional after helicopter training is merged, Navy would need an additional $6 million in fiscal year 1979 alone, and a total of about $60 million over the fiscal years 1979 through 1983. Thus the best OSD cost avoidance estimate for this consolidation would be wiped out in 1 year. None of this take into consideration the disruption of families, loss of property values comprising a base, loss to the Government for disposal of surplus facilities, and future cost of additional facilities which would have to be duplicated in time at Fort Rucker.

The only criticism that has been leveled at Navy training is that there would be a saving from the use of more advanced simulators for flight training. Now let me give you the facts on this. In order to bolster the case for consolidation, OSD has denied Navy students the benefit of advanced simulators which were bought and paid for 2 years ago. They have cancelled bids for improved messing facilities for enlisted men authorized and approved 2 years ago. I say it is an inexcusable act for more adequate facilities and more advanced training facilities to be denied to students just for the sake of winning an argument with Congress.

It is significant to me that at no time has the Navy been allowed full partnership in the discussion on cost or training requirements. Hearings held by the Defense Subcommittee show the OSD analysts did not ask the Navy for assistance in analyzing the Navy cost figures. As a matter of fact, the OSD representatives admitted in the hearing that the Navy was never formally advised of visits to the Navy training installations by the OSD representatives in questicn.

When cost analysis was completed by the in-house OSD group, after a period of several months in preparation, the Navy was given 5 days—2 of them weekend days—in which to analyze and comment on the OSD analysis. Even then their views were reported in a separate section of the document, as though through an afterthought.

You have been told that GAO supports consolidation. What you have not been told is that the hearings indicate that OSD and GAO worked out an agreement prior to GAO's review of the OSD analysis to insure that GAO would support the OSD position.

As recently as May 18 of this year, GAO provided an unsolicited letter to the chairmen of the Appropriations and Armed Services Committees requesting their support of this consolidation. The initiator of that letter, Mr. M. W. Kandle, is a former OSD employee and colleague of the OSD officials who are now pressing for UHPT consolidation.

Finally, let me quote from the chief of naval education and training, who is directly responsible for naval helicopter training. He says this about the OSD's cost analysis:

My summary view is that the analysis does not withstand even a moment's scrutiny by knowledgeable analysts and professional aviators. It falls short of being a quality effort to such a degree that a serious question is raised about the objectivity of the author . . . as a matter of principle, OSD should not permit unqualified analysts to develop proposals which effect, in such a fundamental way, flight safety considerations. It is bad enough that the analysis is poor—that it should have given so little thought to safety is unconscionable.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. WHITE, and by unanimous consent, Mr. SIKES was allowed to proceed for 3 additional minutes.)

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my distinguished friend, the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

Is it not true that the basic mission of the Marine Corps and the Navy is from ship to shore and from ship to ship, and this requires special training that is intrinsic in the training program throughout, not just the training as to physical landing, but is involved in the navigation program and is involved in every aspect of the training itself?

Mr. SIKES. That is correct.

Mr. WHITE. Is it true that if this program is consolidated, then all helicopter pilots would be learning a land program, some of which would have to be unlearned when it comes time for them to learn their basic mission? They would have to be given further training in order to understand the basic mission in the mode of the sea?

Mr. SIKES. My friend, the gentleman from Texas, again is correct in his statement.

Mr. WHITE. Is this not the principal reason that consolidation has not been accomplished in the past, has been turned down by the Senate, and has been turned down by numbers of Members of this House who object to the consolidation because it will lead to greater inefficiency?

Mr. SIKES. The gentleman is right.

Mr. WHITE. I thank the gentleman from Florida.

Mr. SIKES. I thank the gentleman for his contribution.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I do not think I am going to take the whole 5 minutes, but let us review the bidding on this for a moment. The Department of Defense has proposed for 3 years now that the basic helicopter training be consolidated. In the last 2 years the House has sent the bill to the Senate with a provision calling for consolidation. The Senate on both occasions has rejected that, and when we went to conference, our conferees agreed with the Senate conferees, and so we do not have consolidation.

Well, I do not know any subject that has been studied any more than this subject has in the years that I have been here. The Defense Department has had to look at it time and again in order to prove their case. Every time they look at it, they come back with figures somewhere in the neighborhood of $100 million that can be saved by this consolidation.

The Navy does not want it. I can understand that. The Navy has a certain pride. They like to be able to train at their own base, and this sort of thing.

The Secretary of the Navy does want it. The Secretary of the Defense does want it. This House, on two different occasions, has wanted it. In order to make sure that the figures that the Navy and the Defense Departments have come up with from time to time were accurate, the Secretary of Defense asked the Defense Audit Service, an independent auditing branch of the Defense Department, to look at this for the first time this year. They say you can save $97 million in the next 5 years by consolidating. The General Accounting Office has taken the same position time after time after time.

Let us reiterate that all we are talking about is basic training. You have to learn to fly a helicopter before you get into specialized training. That is where you learn to fly on carrier decks and from carrier decks to some invasion, or whatever. You do not learn to do it in basic training. You learn how to fly a helicopter.

There is no reason that I can think of why we ought not to save $100 million, if we can, to be able to train those young helicopter pilots in a proper fashion.

The Navy and the Army have met time and time again to work out a training syllabus. There is no question in the minds of those who have worked on it that the proper training syllabus can be put into effect with consolidation. I think we should go along with it.

I plead with you for the third time in the last 3 years to once again vote to consolidate basic helicopter training, and we will be saving an awful lot of money without any cutback in the caliber of the helicopter pilots we train.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I would like to clear up one point that I do not want to be misunderstood. There is no requirement for additional facilities to be built. There will not be any duplicating of facilities.

At the height of the Vietnam war, in Fort Rucker we were turning out 2,200 pilots a year. This year we are turning out 665. There is plenty of room there. The expertise is there, the facilities are there, the knowhow, the cost savings are there.

Mr. Chairman, I wanted to emphasize that point and I thank the gentleman.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is a hotly contested issue. This is the third time that it has been before the House. The other body has not gone along with the House position on two previous occasions.

I think it is time to stop this controversy. There are two sides to the argument. I can understand why the gentleman from Alabama wishes to take care of the interests of his own district, which he feels is also in the interest of national defense generally. I can understand the interest of the gentleman from Florida (Mr. SIKES).

I can understand the interest of the gentleman from Alabama (Mr. EDWARDS). The gentleman has pursued it here on a very high-level basis through the years; but the time has come, I think, to put this issue behind us, to defeat the amendment and let the Services proceed with helicopter training for the following year as they are now proceeding.

The Navy feels strongly about the issue. The Navy does have some good points, and the Army has some good points. But let us vote this amendment down and get on with our business, because this amendment is not going anywhere anyway, as I see it.

Mr. Chairman, I ask that the amendment be voted down.

AMENDMENT OFFERED BY MR. VOLKMER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. DICKINSON

Mr. VOLKMER. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER as a substitute for the amendment offered by Mr. DICKINSON: page 2, line 11, strike "$9,123,499,000" and insert in lieu thereof "$8,941,030,000".

Mr. VOLKMER. Mr. Chairman, this amendment provides a 2-percent cut in the personnel appropriation level for the Army. I feel it is necessary at this time to offer the amendment, since the amendment offered by the gentleman from Alabama (Mr. DICKINSON) if successful would preclude me from offering it, having once amended the same figure.

I believe that this House should debate whether or not we should have a 2-percent cut in this bill or in these programs.

I have reviewed the report, and I wish to commend the committee for the action it has taken on numerous parts of this bill. Specifically, under title I, I believe the committee has been responsible. I still feel, however, that that same responsibility has been shown by other subcommittees of the Committee on Appropriations. I believe that responsibility was shown by the Subcommittee on HEW, by the Subcommittee on Public Works, by the Subcommittee on Transportation, and all the others on which 2-percent cuts have been supported. I believe that responsibility was shown on the legislative appropriations.

Now the question comes up on this bill, which is the final appropriation bill other than the foreign assistance bill, which is still being acted upon by this House, and the question is whether or not there should be a 2-percent cut on this bill.

I have offered this amendment to provide for a 2-percent cut on the Army

personnel, and I have introduced or had printed in the RECORD approximately 42 other amendments that will be necessary to bring to the floor if we consider each individual item in this bill rather than determine them by title or on the bill as a whole.

As I stated Friday, if we take the amendment offered by the gentleman from Ohio (Mr. MILLER) as it was originally proposed to the first several bills as a general 2-percent cut overall, then there are many Members on this floor who will state that that is not the way to approach the problem. Perhaps that is not a responsible way to approach the problem, because if we do it that way, then we may cut some good programs and not just the bad programs.

However, if we approach it by the method that I have proposed initially on this bill, which is to take each item, debate it, and then vote on that item, then I think it becomes obvious to everyone that to do that would mean taking many hours of the time of the House. It could possibly take a whole week, as one Member said last Friday. I agree with that.

But we have to resolve the problem, and in my opinion we should resolve the problem as to what is the appropriate method to use. As one who believes sincerely that the taxpayers of this country feel basically that this Federal Government has been spending heavily and has been wasteful in its spending—and in some areas I agree entirely—I think we should be able to find at least 2-percent fat in about any budget and in about any program. I am sure, whether it is an administrative program, whether it is the Department of Defense or the Pentagon, whether it is HEW, or whether it is foreign assistance, we can surely find 2-percent fat.

If we cut it down to a 2-percent general overall, as I have proposed previously when we had the budget resolution in May, we would save several billion dollars for our taxpayers, and I think that is a worthwhile effort. I think that the taxpayers today are being overtaxed, if we take into consideration the total local, State, and national taxation and also add to it the problem of inflation. I think that they need some assistance from this body, and it is for this reason that I have tried to work out within myself a solution. I believe the best solution is, perhaps, a compromise solution, and, as has been discussed earlier privately, that we should go by title instead of by bill, and that we look at each individual title and see how we would approach the problem. I would be more than willing to go along with that solution.

The CHAIRMAN pro tempore. The time of the gentleman from Missouri (Mr. VOLKMER) has expired.

(On request of Mr. FLYNT and by unanimous consent, Mr. VOLKMER was allowed to proceed for 2 additional minutes.)

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Georgia.

Mr. FLYNT. I thank the gentleman for yielding.

Mr. Chairman, I would hope that my distinguished friend, the gentleman from Missouri (Mr. VOLKMER) would see fit to withdraw this amendment at this particular time, and I will explain why I feel very strongly about that.

This particular amendment is to the very paragraph of the bill which provides for military personnel, Army.

Mr. VOLKMER. Yes.

Mr. FLYNT. I would like to point out that, when this section of the bill came up, there was a budget recommendation from the Office of Management and Budget that the authorized strength of the Army be reduced by some 4,900 spaces. The committee, in its wisdom, approved an amendment to restore this 4,900 authorized strength for the Army. There are many of us who feel that the Army is understrength, at best. This bill provides for 16 divisions and other supporting troops and other combat troops. Many of us feel—and I am sure the gentleman from Missouri feels—that that might not be quite enough. In view of the fact that this would have the result of hitting at the most vulnerable spot, the one that ought not to be hit, military personnel, Army, that this would mean the reduction of the authorized strength of the Army of 15,000 strong, the equivalent of one full division. With that explanation of what it would do to the authorized strength of the Army, I respectfully ask my colleague to withdraw the amendment at this point, and maybe he will pick up support in some other places in the bill.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. VOLKMER) has again expired.

(By unanimous consent, Mr. VOLKMER was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, I would like to respond. I would like to say to the gentleman from Georgia (Mr. FLYNT) that I do plan to withdraw the amendment for two reasons, but not for the one that the gentleman has alluded to. And the two reasons I plan to withdraw the amendment are, as I said, I believe probably we can go to this on a title-by-title 2-percent cut and not by just each individual item. And, therefore, I am willing to withdraw the amendment at this time. But before I withdraw the amendment, I would also like to say that the other reason, basically, is that it would permit the committee to directly focus on the problem that has been raised by ahe amendment offered by the gentleman from Alabama as to the consolidation question, and the committee can vote on that question without interference or interjection of this 2-percent cut at this time. Then we could have perhaps a better showing on that. If I interject this—and this would have to be accidentally, probably, I might say, voted on, and voted on favorably—then that question would still not be resolved.

So at this time, for those reasons, and not for the reason that I am against the 2-percent cut, I withdraw the amendment.

Mr. Chairman, I will ask unanimous consent to withdraw the substitute amendment, but before I withdraw the amendment I would like to say one further thing.

Mr. FLYNT. Mr. Chairman, will the gentleman yield further?

Mr. VOLKMER. I yield to the gentleman from Georgia.

Mr. FLYNT. Mr. Chairman, for whatever reasons, I thank the gentleman for withdrawing his amendment.

Mr. VOLKMER. Mr. Chairman, I ask unanimous consent to withdraw the substitute amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. EDWARDS of Alabama. Mr. Chairman, reserving the right to object, is the gentleman going to nevertheless offer this type of amendment to each section?

Mr. VOLKMER. If the gentleman will yield, no, I do not plan that. Each title. Title by title. Instead of offering 42, we may have five or six. And I would be more than willing to yield on that point, as to the actual offering of them, to the gentleman from Ohio, who has been the past leader in this 2-percent cut in the House, so far as the other bills are concerned.

Mr. EDWARDS of Alabama. Mr. Chairman, I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. DICKINSON. Mr. Chairman, reserving the right to object, I might just inquire of the gentleman in the well, if he withdraws his amendment and if he changes his plans, would the gentleman reconsider perhaps my amendments being offered en bloc, since they all deal with one subject?

Mr. VOLKMER. If the gentleman will yield, they are in different titles, are they not?

Mr. DICKINSON. Well, yes.

Mr. VOLKMER. That is where the concern is. I would have no objection to offering the amendments in each individual title and offering those en bloc.

Mr. DICKINSON. I misunderstood the gentleman.

Mr. VOLKMER. Does the gentleman not also have the question of the amendments in procurement? Do they also go in there, or just in title I for personnel, Navy and Army?

Mr. DICKINSON. That is correct.

Mr. VOLKMER. Is that all?

Mr. DICKINSON. Page 2, page 3, page 6, page 14, but that all have to do with money for this consolidation of training, not for procurement.

Mr. VOLKMER. Well, if the gentleman wants to re-offer them with that understanding, I would like to make a parliamentary inquiry, if I can, on the gentleman's reservation of objection.

Mr. DICKINSON. I would be glad to yield.

PARLIAMENTARY INQUIRY

Mr. VOLKMER. Mr. Chairman, I would like to make a parliamentary inquiry. In the event the amendments offered by the gentleman from Alabama, which probably go to titles I, III, and IV—perhaps not IV, but III at least—anyway, to more than one title, if they were adopted, would that preclude

thereafter a general 2-percent across-the-board amendment to the same title?

The CHAIRMAN pro tempore. The amendments of the gentleman from Alabama go to at least four titles of the bill, and to the extent that they change figures by amendment, they are not subject to further amendment if adopted.

Mr. VOLKMER. Would a general 2-percent across-the-board cut, which does not actually change the figure, be in order?

The CHAIRMAN pro tempore. That would still be in order.

Mr. VOLKMER. As far as my amendments to the bill, if the gentleman from Alabama wishes to reoffer his amendments en bloc for the rest of them, I would not object.

Mr. DICKINSON. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Missouri (Mr. VOLKMER) to withdraw his substitute?

There was no objection.

Mr. DICKINSON. Mr. Chairman, I would ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the remaining amendments.

The Clerk read as follows:

Amendments offered by Mr. DICKINSON: And on page 2, line 19, strike "$6,456,450,000" and insert in lieu thereof "$6,448,150,000";

On page 3, line 3, strike "$2,015,900,000" and insert in lieu thereof "$2,015,200,000";

On page 6, line 4, strike "$9,097,422,000" and insert in lieu thereof "$9,115,422,000";

On page 6, line 15, strike "$11,705,155,000" and insert in lieu thereof "$11,691,755,000";

On page 14, line 24, strike "$916,708,000" and insert in lieu thereof "$917,400,000"; and

On page 56, beginning on line 1 and ending on line 4, strike section 856 in its entirety and renumber all subsequent sections accordingly,

The CHAIRMAN pro tempore (Mr. GEPHARDT). Is there objection to the request of the gentleman from Alabama (Mr. DICKINSON) to consider the amendments en bloc?

There was no objection.

Mr. MAHON. Mr. Chairman, I ask for a vote on the amendments.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Alabama (Mr. DICKINSON).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. DICKINSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

Mr. DICKINSON. Mr. Chairman, I demand a division.

On a division (demand by Mr. DICKINSON) there were—ayes 16, noes 22.

So the amendments were rejected.

AMENDMENT OFFERED BY MR. NICHOLS

Mr. NICHOLS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS: On page 2, line 11, delete "$9,123,499,000" and insert in lieu thereof "$9,139,299,000".

On page 2, beginning on line 19, delete "$6,456,450,000" and insert in lieu thereof "$6,463,150,000".

On page 3, line 12, delete "$7,507,195,000" and insert in lieu thereof "$7,519,295,000".

Mr. NICHOLS. Mr. Chairman, my amendment would replace in the military personnel accounts $34.6 million deleted by the House Committee on Appropriations. This reduction specified by the Committee on Appropriations was to be accomplished by placing a moratorium on involuntary separation of officers who fail selection for promotion if the separation is required under regulation rather than under statute.

I am seriously concerned about some of the policy guidance contained in the report on the bill under consideration. In particular, I am distressed by the section discussing the reduction of $34.6 million in the military personnel accounts accomplished by directing that a moratorium be placed on separation of officers who are twice nonselected for promotion.

I am concerned that any such substantive change to policy would be implemented by the Department of Defense without thorough and careful consideration by the authorizing committee with primary oversight responsibility. I am more immediately concerned, however, with the disruption that such a directive will have on the proper functioning of the officer personnel management system and on the personal lives of the officers involved. Finally, I am concerned that this policy is in direct conflict with the expressed desires of the House on its recent action on the Defense Officer Personnel Management Act (DOPMA).

The relevant section in the Appropriations Committee's report is entitled "Moratorium on Voluntary Separations of Officers." There is nothing voluntary about the separations referred to.

Existing law requires the mandatory separation or retirement of regular officers after specified periods of commissioned service if they are not selected for promotion to the next higher grade. Reserve officers, on the other hand, serve at the pleasure of the Service Secretary. As a matter of equity and rational personnel management, the regulations that apply to reserves insure consistent treatment with regard to separation as a result of failure of selection for promotion. The only difference between the officers separated under law and those separated under rgulations is that the first are called regulars, and the second called reserves. By placing a moratorium on separations under regulations, the House Committee on Appropriations is taking this—for all practical purposes—arbitrary distinction and applying different rules to each category.

The effect of the moratorium is to defer the involuntary separations of officers due to promotion failure, except for those mandated by law. The Committee on Appropriations indicates that this will save $34.6 million. However, the $34.6 million reduction in the military personnel accounts includes $12.9 million for involuntary separations which are mandated by law. I do not believe this was the intent of the Committee on Appropriations as reflected in their report.

The proposed moratorium is a major departure from current and proposed DOD officer management philosophy and practice. It is also inconsistent with past congressional sanctions that have recognized the up-or-out mechanism as a basic element of officer force management. Further, the House has, in its recent action on the Defense Officer Personnel Management Act (DOPMA), reaffirmed its strong support of the up-or-out system.

Mr. Chairman, the House of Representatives expressed its support for DOPMA, not once but twice. DOPMA has been passed by this body in this and in the last Congress. The most recent vote was 351 to 7.

Now we are being asked, surreptitiously, to reverse ourselves on one of the fundamental components of DOPMA.

DOPMA says:

Let's treat all career officers the same; let's not continue this system in which reservists are treated distinctly different than regulars.

The moratorium says:

Let's continue this nearly arbitrary distinction between regulars and reserves, and treat one category considerably different from the other.

The advisability of continuing passed-over officers in certain skills may be worthy of study. In fact, the report on DOPMA requested that Defense provide the Committee on Armed Services with cost comparisons of alternative career profiles to assist in that evaluation. Any final action, however, should be taken only after careful and complete deliberation. It would be most unlikely that the results of the deliberations would support a moratorium applicable only to Reserve officers.

In addition to the incorrect dollar reduction proposed and these fundamental philosophical inconsistencies, the moratorium would force the services to treat Reserve and Regular officers differently and, therefore, inequitably. Consistent and equitable treatment of career officers is a keystone in DOPMA. The moratorium would require the continuation of Reserve officers, who would normally be involuntarily separated under current policy, while Regular officers would continue to be involuntarily separated under current law.

There are admittedly inequities, resulting from inconsistencies, in the treatment of reserve and regular officers today. That is precisely the reason the House went forward with DOPMA. The moratorium would create new inequities, exactly opposite to the objective of DOPMA.

Furthermore, while the action may appear to reduce costs, this is only the short-term effect of deferring the separation costs to the next year. In fact, if this moratorium lasts only 1 year, this action will result in a net additional system cost of $25.1 million. In addition, if the moratorium were extended, many of these officers would reach the 18-year retirement sanctuary, and eventual retirement eligibility, thereby significantly increasing the costs.

Out of the high regard I hold for the distinguished chairman of the Commit-

tee on Appropriations, I will now withdraw my amendment. I understand where reasonable men can have differences of opinion and reach different conclusions based on the facts presented to them. I am sure that because of many other issues, of greater importance to the defense of our Nation, detailed consideration could not be given to many of the more specific areas, such as this one.

I would urge, however, that upon further consideration, perhaps during conference, the House conferees would be flexible with regard to this provision and replace the $34.6 million in the military personnel accounts.

I have received a letter from Dr. John P. White, Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics. Mr. Chairman, under unanimous consent I will obtain in the House, I insert this letter in the RECORD at this point.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., August 4, 1978.

Hon. BILL NICHOLS,
Chairman, Subcommittee on Military Compensation, Committee on Armed Services, House of Representatives, Washington D.C.

DEAR MR. CHAIRMAN: The House Appropriations Committee is recommending a reduction of $34 million to the military personnel accounts of the Services in the fiscal year 1979 Defense Appropriation Bill in order to effect a moratorium on involuntary separations resulting from promotion failure except where such separations are mandated by law.

The Department strongly opposes this action and solicits your support in eliminating this provision from the bill. Specifically, the proposed moratorium runs counter to current and proposed (DOPMA) management practice and philosophy. It would create the inequity of continuing Reserve officers who would normally be involuntarily separated under current policy while Regular officers would continue to be separated under current law. While the action may appear to reduce costs, this is only the short term effect of deferring separation costs to a subsequent year. In the long term, the action would increase overall costs due to increases in average grade (i.e. 0–3's for 0–1's). Finally, it would be extremely disruptive to single out and halt a particular management program pending formulation of possible future revisions to it. Any proposed changes would require legislation and to speculate on the outcome of the process by placing a moratorium on one segment of the officer population is not only unfair to those who would still be subject to involuntary separation by law, but can be a hardship on that segment of the population the moratorium presumes to protect.

For these reasons, the Department asks you to intercede on its behalf.

Sincerely,

JOHN P. WHITE,
Assistant Secretary of Defense,
(Manpower Reserve Affairs & Logistics).

Mr. Chairman, I would also like to take this opportunity to commend the distinguished chairman of the Committee on Appropriations and the members of the committee for including the funds to provide for the travel of dependents of junior enlisted personnel stationed overseas and the transportation of their household goods. I also applaud the committee's action in providing sufficient appropriations to maintain the station allowances (the cost of living allowance and the housing allowance) at the with dependent rates.

The Military Compensation Subcommittee is currently engaged in a series of hearings on the subject of junior enlisted personnel assigned overseas. We have heard testimony from a variety of Defense witnesses. We also received testimony from a number of junior enlisted personnel who are stationed in the Washington, D.C., area and who recently returned from overseas. The senior enlisted Advisers—the top NCO's in the Army, Navy, and Air Force—men who spend the majority of their time taking the pulse of enlisted personnel also testified before the Military Compensation Subcommittee.

The story was the same from all of these witnesses: The primary cause of problems among our most junior married enlisted personnel overseas is the lack of travel and transportation benefits for dependents.

But, Mr. Chairman, although the testimony to that point was convincing and unanimous, the point was driven home beyond a shadow of a doubt during a visit to Germany during the July 4 district work period. The distinguished gentleman from South Carolina (Mr. DAVIS) and I visited facilities and service members at Rhen-Main Air Force Base outside Frankfurt, Ramstein Air Force Base, Kaiserslautern Army Depot, combat units in the Fulda area, Stuttgart, and Wiesbaden.

We talked face to face and individually with over 500 enlisted personnel and dependents, the vast majority in junior grades. We listened in mess halls, dormitories, housing referral offices, exchanges and commissaries, service clubs, NCO clubs, at a border outpost, motor pool, picnic, MAC terminal, and a USO facility. I did not see one general officer while I was there and only a handful of colonels and lieutenant colonels. We wanted to talk to the young men and women affected; and we did.

These discussions confirmed that the major source of problems faced by most married junior enlisted personnel resulted from the lack of travel and transportation benefits for dependents. The overwhelming majority of junior enlisted members elect to bring their family overseas at their own expense. As a result, they incur considerable debt. In effect, they start off from behind the eight ball. The long uphill fight lowers their morale, causes family problems, lowers job performance, and in the end, has a detrimental impact on reenlistment.

Appropriating these funds is not the entire answer to problems these young servicemen and servicewomen experience when assigned overseas. But it goes most of the way. If something is to be done to help these young people—and I believe that it must—this is the single most effective action we can take.

Mr. Chairman, I applaud the actions of the Committee on Appropriations in this area and strongly support the inclusion of funds for junior enlisted travel but express considerable concern regarding the moratorium on involuntary separations of one category of officers.

Mr. Chairman, out of the high regard and respect that I hold for the distinguished chairman of the Committee on Appropriations, I now ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. NICHOLS) has expired.

(On request of Mr. MAHON, and by unanimous consent, Mr. NICHOLS was allowed to proceed for 2 additional minutes.)

Mr. MAHON. Mr. Chairman, it is my understanding that the gentleman from Alabama (Mr. NICHOLS) has asked unanimous consent to withdraw his amendment?

The CHAIRMAN. That is correct.

Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MAHON. Mr. Chairman, I want to thank the gentleman from Alabama (Mr. NICHOLS) for withdrawing his amendment. I also wish to commend the gentleman for his kind cooperation and the fine job the gentleman has done in working with the committee. I know full well the time the gentleman has spent on this matter and will assure the gentleman that we will give this whole matter our best attention in conference.

Mr. NICHOLS. I thank the chairman.

MORATORIUM ON INVOLUNTARY SEPARATION OF OFFICERS

Mr. MAHON. Mr. Chairman, the committee has recommended a 1-year prohibition on involuntary separation, due solely to DOD regulation, of officers twice passed over for promotion; this does not prohibit separation due to provisions of law or inadequate performance. Based upon estimates provided by the Department of Defense, this 1-year moratorium will save $34.6 million.

The Defense Manpower Commission and the GAO have criticized forcing out officers who are capable of continued contributions at current rank. The committee believes that it is inequitable to force out officers right now due to impending sweeping changes in separation pay in the House-passed Defense Officer Personnel Management Act (DOPMA) as well as recent recommendations of President's Commission on Military Compensations; $34.6 million will be saved due to reduced termination costs, and reduced costs of recruiting and training replacements. The committee's action makes no change to existing law, but rather prevents DOD from forcing out individuals who are capable of sound performance at their existing rank, and who would be forced out, not through a provision of law, but by DOD administrative procedure.

The Appropriations Committee fully supports DOPMA as passed by the House, and has carefully drafted the report accompanying this bill in order that there will be no conflict between Appropriations language and DOPMA provisions should it be enacted into law.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265, 3019, and 3033 of title 10, United States Code, or while undergoing reserve training or while performing drills or equivalent duty or other duty, and for mem-

bers of the Reserve Officers' Training Corps, as authorized by law; $541,150,000.

AMENDMENTS OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. MONTGOMERY: Page 3, line 20, strike out "$541,150,000", and insert in lieu thereof "$546,650,000".

Page 4, line 3, strike out "$225,825,000", and insert in lieu thereof "$226,825,000".

Page 4, line 11, strike out "$82,725,000", and insert in lieu thereof "$83,725,000".

Page 4, line 19, strike out "$185,325,000", and insert in lieu thereof "$186,325,000".

Page 5, line 2, strike out "782,900,000", and insert in lieu thereof "$788,900,000".

Page 5, line 9, strike out "$255,477,000", and insert in lieu thereof "$256,477,000".

Mr. MONTGOMERY. Mr. Chairman, I ask uaninmous consent that these amendments may be considered en bloc. They only go to title I and do not go into any other title.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Chairman, I will be brief. I explained this amendment during the general debate, and both sides of the aisle generally understand the amendment.

What I am doing is adding $15.5 million to the incentive program for the different branches of the Reserve, the National Guard and the Reserve Forces. I am amending these different accounts that are provided for the Reserve and National Guard.

I might say, Mr. Chairman, that the House Committee on Appropriations has been helpful in this area. In the bill they have provided $9.5 million, whereas the administration only recommended $500,000. My amendment would raise the total for incentives for National Guard and reservists up to $25 million.

Why would I request this raise, Mr. Chairman? Because it has become absolutely necessary that we provide incentives for the Reserves if they are going to survive.

I would like to make a matter of record that I would hope my amendments not only would include the enlistment and reenlistment bonus provision, but also would include educational incentives.

Mr. Chairman, these amendments are totally supported by the Assistant Secretary of Defense for Manpower, Dr. John P. White. We have talked to him on the phone. He hopes these amendments will be adopted. They are also supported by Dr. Chase, who represents the Department of Defense in Reserve Affairs.

The strength levels of the National Guard and Reserves have been going down, down, down. They are now 15 percent short of the authorized strength. We are short 58,000 guardsmen and reservists.

Mr. Chairman, I might say that of the selected reserve in the Army Guard and in the Air Guard, 50 percent of the combat missions are now assigned by the regular to the Army Guard and to the Air Guard. The Ready Reserve has almost disappeared on us. These incentives will help the Ready Reserve.

Actually, this will not be an overall add-on to the amounts of money that have been appropriated by this committee. We are not going to make the strength levels, and we are going to have about $200 million left over and so we are not adding money to the program.

Mr. Chairman, this is a modest amount of $15.5 million which we are asking for, and I certainly hope these amendments will be adopted.

Mr. Chairman and members of the committee, not only does the National Guard and the Reserves come to the fore in times of military action, but also in the case of natural disasters. Today a number of Guard units are out across the country doing their job.

Mr. Chairman, I hope that the amendment will be adopted.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I am pleased to yield to the gentleman from Texas, the chairman of the Subcommittee on Military Personnel of the Committee on Armed Services, whose authorization bill called for $25 million.

Mr. WHITE. The same amount; yes.

Mr. Chairman, I thank the gentleman for yielding.

The gentleman made reference to Assistant Secretary of Defense John P. White.

I would like to recite from a letter the Assistant Secretary addressed to me regarding the incentives. He said the following:

In sum, it is desired that the educational assistance program be authorized for FY 1979. The Department would use the authority to measure the efficacy of such a program in attracting and retaining the higher mental category people in the enlisted ranks of the Reserve program. I believe we need to enhance the attractiveness of the Guard and Reserve and that educational assistance will contribute to that end.

The fact is that the Active Reserve are something like 62,000 understrength at this time; is that not correct?

Mr. MONTGOMERY. That is correct, of the selected Reserves. These are the men and women who have the assignments in combat. We are 15 percent short of these high priority reservists.

If we do not adopt these amendments today, we will be confronted with two choices. We will have to find something else besides the Reserve or the National Guard, or we will have to go back to the draft, to the Selective Service System. We have no other choice.

Mr. WHITE. If the gentleman will yield further, is it not true that in the course of our hearings on various topics, the experts told us that educational benefits, they felt, were the best incentives in order to build the Reserve Forces? Yet, the Appropriations Committee did not include any educational benefits in the Reserve programs they funded; is that not correct?

Mr. MONTGOMERY. That is correct, but I do not think really that was the fault of the House Committee on Appropriations. The Department of Defense was not strong in this area. They are now taking a strong stand, and also we had not passed out the authorization bill at that time.

Mr. WHITE. But the point is we need educational incentives in order to fulfill our obligations.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. DOWNEY, and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I will be glad to yield to the gentleman from New York.

Mr. DOWNEY. I thank the gentleman for yielding.

We have talked about this before in the Personnel Subcommittee. Could the gentleman tell me how much money was authorized and appropriated last year for the incentive program? Does the gentleman know offhand?

Mr. MONTGOMERY. Yes. It was $5 million, and the Department of Defense only spent half of that. But in the authorization bill on which the gentleman and I serve, on the same Personnel Subcommittee, we said in the legislation last year if you have any shortfalls in your strength level in the National Guard Reserve, you should transfer those funds in the pay account and put more money in incentives. The Department of Defense did not do this, and I do not know why. The strength levels are low, and they should have transferred these funds over. They did not follow the instructions of the Congress, the same thing the gentleman from Florida (Mr. SIKES) brought up in the previous amendment.

Mr. DOWNEY. Could the gentleman tell me what the gentleman from Texas (Mr. WHITE) was talking about when he talked about educational incentive? Was he talking about a dollar figure, or was he providing for an experimental programs?

Mr. MONTGOMERY. Yes. These incentives are left up to the Department of Defense. They are optional. If they want to use reenlistment in the State of New York and enlistment in the State of Florida, or incentives specifically in Maine, they could do it differently in different States. It is $2,000 for an individual signing up for 6 years to serve in the Reserve.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I will be glad to yield to the gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

There is no specific amount allocated, as the gentleman in the well has said, but a fair breakdown that was calculated by one expert working out these incentives was something like $6 million for educational assistance, enlistment bonuses plus, $2 million, and reenlistment bonuses $7.5 million.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. ADDABBO, and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman

for yielding. I wish to compliment the gentleman in the well as a great authority in this field, and I respect his opinions very strongly.

The Committee on Appropriations had large House-Senate varying figures before it when it decided on the $9.5 million, which is actually $9 million over the original request by the administration. The thing that concerns me with the large increase requested is, does the gentleman feel that with these large dollar incentives being given to the Reserves that they will be in immediate competition, in large taxpayer-dollar competition, with the incentive programs trying to get men and women to enlist in the regular forces?

Mr. MONTGOMERY. I think not only will it be in competition with the regulars, which I do not have any problem with, I will say to the gentleman, we are also in competition with the colleges and universities to attract these young men and women into the Reserve. I wish the incentive of patriotism would bring these young people into the Guard and Reserve, and also into the regulars, but I really do not think that is a big problem, in answer to the gentleman's question. But for years my experience is that we have been in competition with the regulars, trying to get young men, young people, into the Guard and Reserve. Yes, there is some competition.

Mr. ADDABBO. The gentleman does not feel there would be a greater incentive for a young man to go into the Reserves rather than into the Regular Army and Navy?

Mr. MONTGOMERY. I think there are different types—we are changing now—where we hope that the Guard and Reserves can get college students and let them take their basic training in the summer, break it up into two summers. We think that is opening for us, and there are different types, those who belong in the regulars and those who belong in the Reserves, which we are not getting at this time and we need them.

Mr. ADDABBO. I thank the gentleman.

Mr. MAHON. Mr. Charman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it grieves me, I say to my colleagues, to oppose this amendment offered by the distinguished gentleman from Mississippi, who is a man of great distinction. The gentleman has done a good job in the Congress and the gentleman is my friend.

Mr. Chairman, what we have tried to do in this bill, and we worked on it for many months, was to bring out the best bill we could. We put more than $5 billion in this bill for operation of the Guard and the Reserve program, some portions of which were over the budget request.

Now, some reference has been made to the Assistant Secretary of Defense for Manpower, Dr. White. Dr. White of the Pentagon supported the authorization, but there is no evidence that Dr. White, or the Defense Department, or the Office of Management and Budget, or the President is in support of the amendment which has been offered to the appropriations bill. As Members know, these bonuses would go for enlistment, for reenlistment, and for educational benefits. Young people who want to go into the Reserves would be offered, under this program, part of their educational expenses.

The report we received from the Defense Department is that the Reserve compensation system study, which was completed on June 30, 1978, questioned the effectiveness of the program.

The report further states that six States, Arizona, Idaho, Louisiana, Mississippi, Nebraska, and Nevada, currently operate similar programs for the National Guard, without noticeably favorable results. The Committee on Appropriations does, however, believe in the incentive program. We have done the best we could with this problem. We put in the bill $9 million above the budget request. There was a budget estimate of only $500,000 for any of these funds for this purpose. The proposed amendment would increase the funds to $25 million above the budget. It seems to me that we should not expend those funds at this time. The $9 million included by the committee for the Reserves, for the incentive program, will be helpful.

There may have been some overfunding for some of the Reserve programs if they fail to meet authorized manning levels. Later in the year, if necessary, some action could be taken to provide benefits in the form of educational bonuses by reprograming within these available funds.

So, Mr. Chairman, I would hope at this stage of the game we would vote down the amendment and see what develops later on. I ask that the amendment not be approved.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I compliment my distinguished friend from Mississippi for this and many other meritorious services and, in particular, for offering this amendment, which I support.

Mr. Chairman, for years we have heard of the essentiality of the Reserve components to America's Armed Forces. We have recognized the fact that in peacetime we cannot allocate sufficient funds to defense to permit a full scale regular force to be maintained. For the cost of one regular in today's All Volunteer Force, we can have six reservists. It is, of course, essential that the Reserves be trained and equipped for immediate availability. Seldom has this been possible. Primarily, the problem has been that of equipment. Time and again Congress has appropriated money for equipment for the Reserves only to find it sent elsewhere in periods of emergency—to Southeast Asia, the Middle East, or wherever an emergency occurred affecting us or our friends. At the moment, that needed equipment is going to the Reserves. The process is slow because we buy in such limited quantities. It will take a number of years to update their requirements for modernization.

However, an even more pressing problem is in retaining reservists in adequate numbers. There is no longer the compulsion of the draft, which sent a great many men into the Reserve components. In today's America there is not as much appeal for patriotic service, unfortunately, as in prior years. Service in the Reserves requires time and effort that many people are now reluctant to give.

We have bolstered the all-volunteer concept by many benefits to encourage enlistments and longevity. We have not done this for the Reserve components.

We shall have to strengthen the Reserve components if they are to fulfill their mission and to have personnel available in adequate numbers in time of emergency. This amendment will help. Congress must accept the responsibility to prod the Department of Defense into a more adequate recognition of the need for incentives to overcome serious problems of enlistment and reenlistments. Unfortunately, some in the regular military establishments do not concern themselves sufficiently with the problems of the Reserves until the shooting starts and cannon fodder is needed.

The Congress is more alive to this problem. Congress can and should act. The Armed Services Committee have authorized funds for enlistment bonuses, reenlistment bonuses, and educational assistance. The National Guard and Reserves need your support for the amendment. I do not believe it will be possible to obtain the number of personnel needed for a fully functional reserve organization without the additional incentives provided by the amendment.

I congratulate my distinguished friend from Mississippi (Mr. MONTGOMERY) for offering the amendment and I strongly urge its adoption.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for yielding and for his support.

I would like to emphasize several matters that the gentleman has touched on and that I mentioned earlier.

How the Defense Department spends these funds, whether it is for an enlistment, reenlistment, or educational incentive, is optional with the Defense Department. We are not telling them exactly how to spend the money, but we are telling them to use the incentives.

I might say that the authorization bill which was passed by this House without a dissenting vote only last Friday contained $25 million for incentives, and this amendment corresponds and tracks with that bill. Last year in the authorization bill we directed that if strength levels continued to fall off in the Reserves that the Defense Department take action such as incentives. But the Defense Department in effect did nothing much to implement incentives.

We said to them, "If you need funds, reprogram and transfer funds into the incentive program." They took no action at all.

We have word from Dr. White on this. I do not have it in writing, but we talked with his office last Thursday, and he said we could quote him and use his name saying that he would support this amendment. He runs this manpower program.

Mr. Chairman, I thank the gentleman from Florida (Mr. SIKES) for his support.

Mr. SIKES. Mr. Chairman, I am glad to have the contribution of the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. BEARD of Tennessee. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think the situation is really somewhat worse, as far as the shortage with which we are dealing is concerned, than what is reported.

I am not going to spend too much time on this amendment, because it has been ably represented as to the need to improve our National Guard and our Reserve forces. The major concept of the all-volunteer service is "a small active duty force, supplemented by larger and better trained Reserves." It is the present failure of this concept that concern me.

We have the Department of Defense speaking out about how great the all-volunteer service is working today, but I want to take this opportunity to speak to the Committee on Appropriations and also to speak to the members of the Authorizing Committee and say that things are not that great. We talk about incentives. I wish the Members would read the advertisement in the Readers Digest on the All-Volunteer Army. Here are some of the headlines:

"See Europe through the Army's eyes."

"Sailors have more fun."

We have advertisements displayed with young military men riding camels around the Pyramids.

"Get a free college education."

"A 30-day paid vacation."

"Free medical benefits."

"Learn a trade."

They go right on down the line, and there is not a single word in any of these advertisements about what may happen or, by the way, you may find yourself in a foxhole some day or that you could be out training in 20-degree weather in the middle of a field. All these wonderful incentives and the emphasizing by our recruiters that these incentives are what the Army is all about—it is the emphasis of these incentives that is causing up to 40 percent of the young people joining our military to quit before their first tour of duty is complete.

But we need to see what we are getting. Are we getting a dollar's return of quality for what we are paying?

Dr. White says we are getting a better quality in the All-Volunteer Army.

Do the Members of the House know that the Army is now spending millions of dollars rewriting all its training manuals and downgrading the reading level from the 11th grade to the 8th grade? Do we know they are putting their manuals out in the form of comic books?

How many people know the Army is now appropriating and setting aside millions of dollars to establish reading schools just to teach the young recruits how to read, because up to 30 percent of the kids coming today cannot read at all or can only read up to the seventh grade reading level.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I thank the gentleman for yielding, and I want to compliment the gentleman on the position he has taken. The gentleman was going to emphasize, I thought, that we need the Reserves or we do not have the Regulars in either branch of the Service. That was the point, I am sure, that the gentleman was going to emphasize.

I rise in support of this amendment appropriating additional funds for the Reserve recruiting incentive program. This amendment would add $15.5 million to the $9.5 million already included in the defense appropriations bill—a total of $25 million—a sum which is still considerably less than that which was originally authorized. These funds would provide an education tuition assistance payment to attract non-prior-service recruits and a bonus payment for prior service personnel.

We are all familiar with problems existing in today's military and with efforts to improve the condition of our backup forces. The drill strength levels of the National Guard and Reserves are at their lowest levels in recent years. Additionally the pool of filler personnel in the individual Ready Reserve is the lowest in over 20 years. The situation must improve if our country expects to have a responsible and responsive deterrent force.

At the time the draft was discontinued, Congress recognized the need for incentives to support the All-Volunteer Force and to spur recruiting and retention efforts and promised these incentives for both the Active and Reserve Forces. A number of incentives have been provided for the Active Forces, but funds for a permanent Reserve incentive program have not been forthcoming. At this time, there is no plan to reinstitute the draft. However, unless we are willing and able to attract new recruits and retain competent men and women, we are going to have to consider some other way to meet our service personnel requirements.

I personally feel that we cannot afford not to take some immediate action to insure that there is a sufficient input of non-prior-service personnel that provides such a large percentage of our deployable forces. We must take the responsibility for correcting the current shortage of personnel by providing adequate incentives for their recruitment and retention and for this reason, I strongly support the pending amendment.

Mr. BEARD of Tennessee. Mr. Chairman, without any question, they say that the all-volunteer service is working, but yet they will be quick to point out that it is the active duty. We cannot separate the two. The Reserves and the active duty go hand in hand.

How many people have pointed out, from Dr. White's office of the Department of Defense, that our individual Ready Reserve has gone from 900,000 men to approximately 100,000 men in the period of 4 years? How many people have pointed out the fact that, by the way, if we have an outbreak of hostilities in NATO, the Army will be over 500,000 men short within a 60-day period?

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding, and I want to commend the gentleman from Tennessee for focusing attention on this important amendment.

Mr. Chairman, I also want to commend the gentleman from Mississippi (Mr. MONTGOMERY) for having introduced this amendment and I rise in support of his amendment to H.R. 13635, the defense appropriations for fiscal year 1979, increasing funds for reserve recruiting increases.

Our Reserves are an essential part of a strong defense posture. Unless we provide the proper incentives, we are going to further erode our defense posture.

Spokesmen for National Guard and reservist units in my district have on many occasions expressed their concern to me that personnel levels in their units are not at levels equal to the task this Nation demands of its reservists. They strongly support rsponsible measures to reverse the current erosion in the strength of Reserve units. I believe this amendment to be such a measure.

The critical personnel shortage in the Reserve and National Guard is such that recent estimates indicate that both these units fall 58,000 short of their congressionally authorized strengths. Ready Reserve units of all Reserve units are short over 151,500 or 16 percent of peacetime manning goals of 946,300. Given these personnel levels, there is little doubt concerning the need to provide our reservists the opportunity for enlistment and reenlistment bonuses, and for educational assistance incentives.

Mr. Chairman, enlistment and reenlistment bonuses as well as educational assistance programs should prove the necessary means to reverse the trend of manpower shortages. To those who claim that an educational assistance program will place the Reserves and Active Forces in competition for enlistees. I submit that both these forces will inevitably compete for enlistees. Moreover, I believe that educational assistance program warrants an equitable trial run, and point to recent statements by the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, which indicate strong support for testing this program.

Accordingly, I urge my colleagues to support this amendment in order to help bring our Reserve Forces to those levels adequate for our Nation's defense.

Mr. BEARD of Tennessee. Mr. Chairman, we keep pointing out these incentives. We are just now in the process of passing on the question of allowing for the shipment of household goods and for travel of dependents of lower enlisted ranks over to Europe. No one has looked at the situation as to what we are going to do with these dependents when they get there.

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. BEARD) has expired.

(By unanimous consent, Mr. BEARD of Tennessee was allowed to proceed for 3 additional minutes.)

Mr. BEARD of Tennessee. Mr. Chairman, I would like to take this forum to point out to the Members of the House that no one has asked what we are going to do with these dependents when we get them over to Europe. No one has pointed out the problems we are facing today. Today I am asking the Department of the Army and the Department of the Air Force to declassify documents dealing with the lack of medical care, that they are not able to provide medical care for our military in the Air Force and the Army today in the NATO scenario. The situation is so horrendous that they have had to classify as secret the particular specifics dealing with our medical care. But, no, our answer is more incentives. With more incentives we will make the volunteer service work.

How many people have talked to a company commander in NATO who has been involved in an alert over in NATO, where the responsibility is upon the battalion commander for these unmarried mothers, children, and dependents who are in the service? When an alert comes about they have to take their children to battalion headquarters.

I think it is time we start looking around to spend some of our money to make the military a combat-ready unit. I do not think the military can become a social welfare or an educational unit. Where are the incentives going to end? I use this as a forum to call on the Appropriations Committee, the authorizing committee, that we need to start looking as to how we can get high-quality men in the service.

The Army today in category 3–B has gone from 32 percent to 49 percent in less than 4 years. In category 4, which represents approximately 10 percent of the Army, I think it is a sad statement when we have to point out that about 60 percent of today's Army is below the 50 percentile. That is a sad commentary.

So I hope that one of these days we will start showing some political guts and start asking some harsh questions of our Defense Department and quit putting up with the bunk that is being put out by Dr. John White and the Department of Defense.

What is the solution to the problem? The first solution is to acknowledge that there is a critical problem in the All-Volunteer Army and that one of the possible alternatives to be considered is some form of the draft.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I am happy to yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I certainly support the gentleman's remarks. I would just like to reemphasize that patriotism and love of country should be mentioned again, and if the volunteer system is going to work somebody has got to volunteer.

Mr. BEARD of Tennessee. I agree with the gentleman totally, and I support his amendment.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hope the gentleman from Tennessee will not go away. What the gentleman from Tennessee has been saying is entirely right, but let me say this. If this subcommittee had come to this floor with provisions such as the gentleman from Tennessee was talking about, we would have been rolled so bad that it would have been embarrassing.

There is no question about the fact that we are spending millions, and perhaps billions of dollars, trying to attract young men and women into the volunteer service. I do not know where it is going to end. It may end by going back to the draft. But in the meantime, as long as there is no force that takes people into the service, surely the Reserves and the Guard are suffering because we know that the Reserve and the Guard, in great part, have their strength from those who do not want to get drafted and go off to the service.

So, when we have a volunteer service, then our strength drops off in the Guard and Reserve. The question is this: How do we get young men and women to join the Reserve and the National Guard? That is something that not only concerns the gentleman from Mississippi, it concerns our committee, it concerns the Defense Department, and it concerns all the Guard and Reserve units.

So, we had some hearings on this subject. We had the Reserve generals and admirals in, and by and large Admiral Charbonnet, for example, who is head of the Navy Reserve, felt very strongly that the decision on what bonuses and incentives should be offered should wait on the Reserve compensation system study that the chairman spoke about. General Guice, who is head of the Air National Guard, spoke on the subject. He said that he would place reenlistment bonuses before educational assistance and enlistment bonuses, so everybody is talking about it.

The Reserve compensation study was done, and it found that it was not really cost effective; that may not be the best way. The committee has to put all this material together and try to find the right answer. The committee, I think, felt that we just cannot throw money at a problem and resolve it. So, what we did was to put in $9 million to provide for limited testing of these enlistment and reenlistment bonus systems to see if that will encourage young people to come into the Reserve and Guard. If that works, great. If it does not work, some variation might work, or we can take other action.

But, just to add another $15.5 million when everything we have seen suggests that it is not necessarily a tried and true approach to recruitment is wrong, I think. We will have another year to look at it. We will have another year to decide from the test that is being conducted by the Army whether this is the right way to go or whether we need other things. But in the meantime, we have to be just a little careful that we do not attract so many people into the Reserve and Guard that would otherwise go into the Active Forces and end up with a real problem with the Active Forces.

So, let us work on this test; let us find the best way to do it, and I am sure we will be back here next year with a system, or a plan that can be justified.

Mr. ROBINSON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Virginia.

Mr. ROBINSON. Mr. Chairman, I want to support what the gentleman has had to say, and say something with regard to the attention that the chairman of the committee has given this matter. Certainly, it is not accurate to state that it has not had a thorough review. We know that of the money that was appropriated for the purpose that the gentleman from Mississippi would further support this year, last year, of the $5 million, the Defense Department only used half of it. So it is obvious that they had difficulty finding a way to spend even half the amount that the committee has placed in this bill.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

(On request of Mr. ROBINSON, and by unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 2 additional minutes.)

Mr. ROBINSON. Mr. Chairman, if the gentleman will yield further, the chairman made the point, which is well taken, that there is in this bill $4.9 billion for the Reserves. They are not without notice in the bill, and the committee has seen fit in addition to adding this $9 million, to add $80 million to the account for the Reserves for the operating accounts.

The reason that there is not more in this specific area is because we feel that the status of the Reserves and the National Guard in particular needs to be upgraded as far as its image in the public eye is concerned. Thus we have in the bill an increase of $31.4 million for the Army National Guard alone, which would be to cover enlisted pay rates, training assemblies, school training, and special training courses, things that are in there to enhance the image of the Guard and of the Reserves and make them better and more attractive.

We cannot correct this problem simply by spreading money on it. That is exactly what I think would be the case. Let us get the results of the studies, as the gentleman suggests, and go forward from there.

The Reserves are not badly considered or badly funded in this bill.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, that has been the whole problem. The Army and the Defense Department want to continue to study, and the strength levels have been going down, down, down. They have not implemented these programs. We are not asking for a lot of money—this is less than the cost of one F–14—to try to get the National Guard and Reserve strength levels at a decent level.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

(By unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Alabama. Mr. Chairman, the problem, if I may say to the gentleman, is that we do not know if the enlistment bonus will solve the problem, and that is one of the reasons for the testing that is going on.

No. 2, the gentleman wants only $15.5 million next year, but where does this lead down the road in an untried and an unproven program? The gentleman knows that once this program starts, whether it is working or not, it is in the books from now on. That is the point. We need to know where we are going before we start on it.

Mr. MONTGOMERY. Mr. Chairman, we have been studying this issue for years. I have been talking to the gentleman from Alabama ever since we have been in the volunteer era, saying that we had to have incentives for the National Guard and Reserves. For 3 or 4 years the Reserves were able to keep up their strength levels. They are not able to do it now.

The Defense Department will admit that the reenlistment program is working. They have done this program in five States and it is working.

If they will just move out, we will solve our problems and the strength levels will come up.

The gentleman is right. It will cost money, but we have to go either to the draft or we have to give the Reserve some incentives.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

(On request of Mr. BURLISON of Missouri, and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 1 additional minute.)

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I commend the gentleman on his remarks. I think he is eminently correct in emphasizing that the committee has taken a prudent and reasonable course in going $9 million above the budget. We have been told in testimony before our subcommittee that the Department of Defense has some surveys, studies, and evaluations underway related to this problem at this time. It is perfectly reasonable and proper that we await the outcome of these.

I hope the committee will stay with the full Committee on Appropriations on this issue.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the gentleman from Mississippi points out one of the major problems with the All-Volunteer Forces. I think it has been adequately addressed by my friend from Tennessee and the other speakers before me. What we find with the problem of the Reserves is the same thing we find in maintaining the All-Volunteer Forces, in order to attract more people to it, it becomes increasingly evident that we will have to provide more and more money.

As the gentleman from Tennessee pointed out, we now have to provide additional money to send dependents over to Europe, and we need to provide additional money for housing. One has to wonder whether or not in the event of a crisis that the individual soldier would not be more interested in moving his family away than in fighting a Warsaw Pact onslaught.

It is a terrible problem.

The question of the Reserves is part of that problem. We are not attracting people to the Reserves. We have never done a really good job of attracting people to the Reserves because there is no incentive to go there. The greatest incentive we have had for the Reserves was Vietnam and then the draft. The people wanted to go into the Reserves in great numbers in order to avoid the draft. Now that the draft is over there is no incentive to go into the Reserves, and we find them facing increasing shortfalls in wide areas of the National Guard and the Army Reserves in particular.

The question then becomes: How do you solve this problem? Do you solve it by providing modest educational benefits or reenlistment bonuses? I do not think so, although I would certainly be supportive of the committee providing $9 million for a program of testing to determine whether or not it will work.

If you want to attract people into the Reserves I think you will only be able to do it only if you provide adequate training and interesting assignments.

A recent study that was done by the General Accounting Office 3 years ago indicated that the highest priority for a reservist to reinlist and join the Reserves was when he had something to do when he was in the Reserves.

Go out to some of your units and find out whether or not the searchlight artillery battery unit, or the band unit, or one of the other Reserve units are actually doing anything. Find out what their mobilization date is. Half of them, according to the GAO study, did not have a mobilization date. They did not know when they would be called up.

In the Army Reserve there are civilian affairs units that are mobilized a full year after the war starts, to go in and take care of occupied territories.

Are these the sort of things you should provide to induce an incentive for joining the Reserves? Of course this does not. If you want to provide incentives for individuals to join the Reserves, then you have got to provide them with meaningful things to do. That is one of the things you have to do, in order to make life in the Reserves comfortable for the commanders and the superstructure, to release some of the burden and paperwork of recruiting from them, and that requires active integration of the Reserve units with the active forces, so that they can be organized at the battalion unit or unit level with the active duty forces, so that they feel they are part of the total force structure.

That is being done, slowly, but it is being done just like that is the whole answer to the reserve question. They are getting a number to have particularly meaningful assignments, but if you want to just have a particular clarinetist available for a battalion in New York City for his band unit, so as to provide him with an opportunity to get $2,000 for his education, and a reenlistment bonus, then you are wasting the taxpayers' money.

I would say to you that the areas where the units are short are in the North and in the East, not so much in the South and in the Southwest where people are interested in units where they are more actively affiliated with active units. The money will go to northern and eastern units.

There really are no shortfalls, but in the clarinet units or in the civil affairs units, these are where we find a shortfall. This is where some of the money will go, not a lot of it, I will admit to the gentleman; but certainly enough of it. Therefore, I think this money will not be well spent.

It was mentioned before that Mr. White, who is in charge of personnel and manpower, was in favor of this program.

Let me quote to the Members what Mr. White's boss, Harold Brown, had to say about this program. It reads as follows:

"I don't want to go ahead with a big program of additional incentives". In addition, the President's Reserve Compensation System study recently questioned the cost-effectiveness of an educational assistance bonus based upon data available from programs operated in six different states for National Guard units.

The CHAIRMAN. The time of the gentleman from New York (Mr. DOWNEY) has expired.

(On request of Mr. MONTGOMERY and by unanimous consent, Mr. DOWNEY was allowed to proceed for 2 additional minutes.)

Mr. DOWNEY. Mr. Chairman, to continue, there is money for this program. The additional money is not going to draw any new people to it.

I think an experimental program of $9 million is more than adequate to find out whether or not we have already provided an adequate incentive.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for yielding.

On the designation of these Reserve units; the Reserve and National Guard have nothing to do with that. These designations are made by the Defense Department. I agree with the gentleman from New York that some of these designations should be changed, but the gentleman cannot blame that on the National Guard and Reserve. That is not their fault.

I totally disagree with the gentleman's other statements about clarinet players and so forth. I think we need bands in the National Guard and Reserve. Besides being in the band, these reservists are trained as medics and security forces for certain military headquarters.

The readiness time the gentleman mentioned is also set by the Department

of Defense. If they say 90 days or 120 days to move out to fight in Europe that is set by Department of Defense.

Mr. DOWNEY. Mr. Chairman, will the gentleman agree with me that there is nothing to prevent this program, if it is fully implemented, from providing incentives to civil affairs units in the Army Reserve, to band units, to searchlight artillery battery units? Can the gentleman explain to me searchlight artillery batteries? When is the last time those units were needed?

Mr. MONTGOMERY. I say again, the designations are set by the Department of Defense; maybe some units should be changed, but this is left up to the Department of Defense. The incentives are not going to every unit in the Reserve but to those high priority units namely combat units such as infantry and artillery.

Mr. DOWNEY. Would the gentleman be willing to put an M-plus-30 addition to his amendment to say that these incentives could only go for combat specialties?

Mr. MONTGOMERY. I think that should be under the authorization bill and not in order here today.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for 45 seconds each.

The Chair recognizes the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER. Mr. Chairman, in 45 seconds it is difficult, at best, to respond what I think is best classified as the summer doldrums. Whether it is the Washington Post yesterday or the debate that has been carried on on this floor, I must say that I am appalled. The attack that is made, whether it is on the on-volunteer force or the competence of the Subcommittee on Appropriations or the efforts of the National Guard and Reserves, seems to me misses the point.

The gentleman from Mississippi (Mr. MONTGOMERY) has a well-considered, thoughtful amendment. It ought to be supported. It ought to be supported if, for no other reason, than the fact that we are trying to get the Committee on Appropriations off its dead bottom so that it can start paying more attention to what is going on in the volunteer force and stop resisting efforts to make the AVF work.

(By unanimous consent, Mr. MONTGOMERY yielded his time to Mr. WHITE.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, to be very brief, this Congress removed the draft. Consequently, the Reserves have dropped off something like 62,000 in the Active Reserve and some 300,000 in the Inactive Reserve.

Mr. Chairman, if we are attacked in Europe with about 4 days of warning, it seems logical that our Reserves are what are going to make the difference between victory or defeat.

At the present time we are falling off on enlistments of mental category 1 and 2. Educational incentives for Reserves is one way to supplement these categories with students who do not desire to be taken away from their school activities.

These incentives, the educational incentives not provided by the Committee on Appropriations, but will induce people to join the National Guard and Reserves, so I urge you to bring the appropriation amount up to $25 million, which the authorizing committee provided in the conference report in order to fulfill our responsibilities toward the very dangerous Reserve deficit we now have.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, the last time the units of the Reserves and the National Guard were used actively in combat was in the Korean war. I think if we take a look at some of the appalling casualty figures for some of the units we sent over there, with inadequate training and inadequate staff, we will understand some of the principal problems. We did not use but two units in Vietnam.

If we are to use the Reserve units today, then we have got to tighten up the combat units, provide them with adequate equipment, provide them with adequate training, and provide them with adequate incentives. But if this happens, if it is 25 percent of the Reserve force, it is a lot. Most of the Reserve forces do not have targeted mobilization dates. They are not actively affiliated with active units, and we will be providing them with more than enough money with the existing money the Committee on Appropriations has provided for education incentives.

The CHAIRMAN. The time of the gentleman from New York (Mr. DOWNEY) has expired.

The Chair recognizes the gentleman from California (Mr. LLOYD).

Mr. LLOYD of California. Mr. Chairman, I think the amendment is a good amendment. I think it merits consideration. I do not disagree with my good friend and colleague, the gentleman from New York. There are inadequacies in the system; there is no argument about that. And we have to address ourselves to that point. There is no argument about that. But there is also no argument about the situation as it exists in the world today, and clearly I think this begins to address itself to that. I think it is time that this House took a good look at its defense posture and just who is going to respond when the time comes for that response.

The CHAIRMAN. The time of the gentleman from California (Mr. LLOYD) has expired.

The Chair recognizes the gentleman from Taxas (Mr. MAHON) to close debate.

Mr. MAHON. Mr. Chairman, the problem before this Congress and this country is what to do about the All-Volunteer Army. Of course, recruits for the Reserve are hard to come by under present circumstances. Nobody has an adequate answer as to what to do about the situation. I do not have; the committee does not have; I do not know anybody who has the answer. But the present system is leading us more or less toward a very intolerable situation in the coming years, so there is no use to try to patch this situation up with the amendment at this time (and I urge the House to vote the amendment down.

The CHAIRMAN. All time has expired.

The question is on the amendments offered by the gentleman from Mississippi (Mr. MONTGOMERY).

The question was taken; and on a division (demanded by Mr. MONTGOMERY) there were—ayes 35, noes 26.

Mr. VOLKMER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred Members are present, a quorum.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Missouri (Mr. VOLKMER) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 257, noes 121, not voting 54, as follows:

[Roll No. 651]

AYES—257

Abdnor	Dicks	Ireland
Akaka	Dingell	Jeffords
Alexander	Dornan	Jenrette
Ammerman	Duncan, Oreg.	Johnson, Calif.
Andrews, N.C.	Duncan, Tenn.	Jones, N.C.
Andrews, N. Dak.	Edwards, Okla.	Jones, Okla.
Annunzio	Eilberg	Jones, Tenn.
Applegate	Emery	Kastenmeier
Archer	English	Kazen
Ashbrook	Ertel	Kelly
Badham	Evans, Del.	Kildee
Bafalis	Evans, Ga.	Kindness
Bauman	Evans, Ind.	Krueger
Beard, R.I.	Fascell	Lagomarsino
Beard, Tenn.	Fish	Latta
Bennett	Fithian	Leach
Bevill	Flippo	Lederer
Biaggi	Flood	Leggett
Blanchard	Florio	Lent
Boggs	Flynt	Levitas
Bowen	Foley	Livingston
Breaux	Ford, Mich.	Lloyd, Calif.
Breckinridge	Forsythe	Lloyd, Tenn.
Brinkley	Fountain	Long, La.
Brooks	Frenzel	Long, Md.
Broomfield	Fuqua	Lott
Brown, Mich.	Garcia	Lujan
Broyhill	Gaydos	Luken
Buchanan	Gibbons	McClory
Burgener	Gilman	McCormack
Burleson, Tex.	Ginn	McDade
Byron	Glickman	McDonald
Carney	Goldwater	McKinney
Carter	Gonzalez	Madigan
Cavanaugh	Goodling	Marks
Cederberg	Grassley	Marlenee
Chappell	Gudger	Marriott
Clausen, Don H.	Guyer	Martin
Clawson, Del	Hagedorn	Mazzoli
Cleveland	Hall	Meeds
Cohen	Hamilton	Mikulski
Coleman	Hammer-schmidt	Mikva
Collins, Ill.	Hanley	Milford
Conable	Hannaford	Mitchell, N.Y.
Cornell	Harris	Moakley
Cornwell	Harsha	Mollohan
Coughlin	Heckler	Montgomery
Crane	Hefner	Moore
Cunningham	Heftel	Moorhead, Calif.
D'Amours	Hightower	Mottl
Daniel, Dan	Hillis	Murphy, N.Y.
Daniel, R. W.	Holland	Murphy, Pa.
Davis	Holt	Murtha
de la Garza	Horton	Myers, John
Dent	Howard	Myers, Michael
Derrick	Hubbard	Natcher
Devine	Huckaby	Neal
Dickinson	Hughes	Nedzi
	Ichord	Nichols

Nolan	Rudd	Tucker
Nowak	Runnels	Ullman
O'Brien	Satterfield	Vander Jagt
Oakar	Schulze	Waggonner
Oberstar	Sebelius	Walgren
Panetta	Seiberling	Walker
Patten	Sharp	Walsh
Patterson	Shuster	Wampler
Perkins	Sikes	Watkins
Pettis	Simon	White
Pickle	Slack	Whitehurst
Poage	Smith, Iowa	Whitley
Preyer	Smith, Nebr.	Whitten
Price	Snyder	Wiggins
Pursell	Spence	Wilson, Bob
Quillen	Staggers	Winn
Rahall	Stangeland	Wolff
Rangel	Stanton	Wright
Regula	Steiger	Wydler
Rinaldo	Stratton	Wylie
Risenhoover	Stump	Yatron
Roberts	Symms	Young, Alaska
Roe	Taylor	Young, Fla.
Rogers	Thornton	Young, Mo.
Rooney	Traxler	Young, Tex.
Rose	Treen	Zablocki
Rousselot	Trible	Zeferetti

NOES—121

Addabbo	Evans, Colo.	Moorhead, Pa.
Ambro	Fary	Moss
Anderson, Calif.	Fenwick	Murphy, Ill.
	Findley	Myers, Gary
Anderson, Ill.	Fisher	Nix
Ashley	Ford, Tenn.	Obey
Aspin	Gephardt	Ottinger
AuCoin	Giaimo	Pattison
Bedell	Gore	Pease
Benjamin	Gradison	Pike
Bingham	Green	Pritchard
Blouin	Harkin	Quayle
Boland	Hawkins	Railsback
Bonior	Hollenbeck	Reuss
Bonker	Holtzman	Richmond
Brademas	Hyde	Robinson
Brodhead	Jacobs	Rosenthal
Burke, Fla.	Jordan	Rostenkowski
Burlison, Mo.	Kemp	Roybal
Burton, John	Keys	Ryan
Burton, Phillip	Kostmayer	Scheuer
Carr	Krebs	Schroeder
Chisholm	Lehman	Solarz
Collins, Tex.	Lundine	St Germain
Conte	McCloskey	Stark
Corcoran	McEwen	Steers
Corman	McFall	Stockman
Cotter	McHugh	Stokes
Danielson	McKay	Studds
Delaney	Mahon	Thompson
Dellums	Markey	Tsongas
Derwinski	Mattox	Van Deerlin
Dodd	Metcalfe	Vanik
Downey	Meyner	Vento
Drinan	Michel	Volkmer
Early	Miller, Calif.	Waxman
Eckhardt	Miller, Ohio	Weaver
Edgar	Mineta	Weiss
Edwards, Ala.	Minish	Whalen
Edwards, Calif.	Mitchell, Md.	Yates
Erlenborn	Moffett	

NOT VOTING—54

Armstrong	Fraser	Roncalio
Baldus	Frey	Ruppe
Barnard	Gammage	Russo
Baucus	Hansen	Santini
Beilenson	Harrington	Sarasin
Bolling	Jenkins	Sawyer
Brown, Calif.	Johnson, Colo.	Shipley
Brown, Ohio	Kasten	Sisk
Burke, Calif.	LaFalce	Skelton
Burke, Mass.	Le Fante	Skubitz
Butler	Maguire	Spellman
Caputo	Mann	Steed
Clay	Mathis	Teague
Cochran	Pepper	Thone
Conyers	Pressler	Udall
Diggs	Quie	Wilson, C. H.
Flowers	Rhodes	Wilson, Tex.
Fowler	Rodino	Wirth

The Clerk announced the following pairs:

On this vote:

Mr. Gammage for, with Mr. Burke of Massachusetts against.

Mrs. Spellman for, with Mr. Conyers against.

Mr. Santini for, with Mrs. Burke of California against.

Mr. Teague for, with Mr. Baldus against.

Mr. Wirth for, With Mr. Le Fante against.

Mr. Kasten for, with Mr. Shipley against.

Messrs. DICKS, LEVITAS, MURPHY of Pennsylvania, and AKAKA changed their vote from "no" to "aye."

Mr. HYDE changed his vote from "aye" to "no."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under sections 265, 8033, or 8496 of title 10 or section 708 of title 32, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, as authorized by law; $255,477,000.

PERSONAL STATEMENT

Mr. PEPPER. Mr. Chairman, I was detained on official business in my district this morning, and I arrived just after the last vote. If I had been here, I would have voted "aye."

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: On page 5, after line 9, insert a new paragraph to read as follows:

TWO PERCENTUM REDUCTION

Of the total budget authority in this Title, for payments not required by law, two percentum shall be withheld from obligation and expenditure: Provided, that of the amount provided in this Title for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five percentum.

Mr. VOLKMER. Mr. Chairman, this is a 2-percent cut on title I.

The reason I am offering it at this time is because it is a compromise basically as to where one offers a 2-percent cut, as to whether or not a 2-percent cut should be offered only at the end of the bill or, as some of those during earlier discussion on appropriation bills have said, that each item should be discussed so that a person knows whether or not he is voting up or down on a program.

Initially, I had prepared and had printed in the CONGRESSIONAL RECORD 42 amendments on each individual item in this bill, but again realizing the time that would be involved in going through each individual item and discussing those, I have agreed to this compromise area of attacking each one of these problem areas in the bill.

As to whether or not there should be any cut whatsoever, I believe a 2-percent cut is a small cut on each individual title rather than on each individual item, and rather than just waiting until the end of the bill. This title of course, as everyone knows, is just pertaining to personnel of the Army and Navy and Marine Corps and Air Force and National Guard and Reserves systems. It is a question whether or not there can be a 2-percent reduction from the amount that is in the bill and still provide a viable force for the United States. I have reviewed all of the report and the bill, and it is my opinion that even though this would mean some reduction, I still believe the United States would be viable.

I also believe in and I have voted in the past for a 2-percent cut on other areas on other problems. It goes back to the philosophy that I have, that in the area of Government spending and in the area of inflation, the Government must lead the way if we are to cut down. Of course on Government spending we can only control that as far as the Federal Governmet is concerned. In the area of inflation the Government deficit does have something to do with inflation. We must reduce spending or at least show bcth the business community and labor and others as well as the private citizens that this Government is planning on and is interested in doing something rather than just talking about it. For this reason I have introduced this 2-percent amendment on this title, just as I plan to introduce a 2-percent amendment on each title of this bill hereafter.

There are those, I am sure, that will get up and say that this will probably be the end of this country, that if we cut back 2 percent on personnel, we will no longer be able to defend against the Warsaw Pact nations, or the Russian invaders, or what have you. Perhaps they are the same ones who said that if we did not continue on with the B–1 bomber that we would be in great difficulty.

I disagree with that. I believe that the military just as well as HEW, or the Treasury Department or anybody else can find 2 percent to reduce, they can do it if they work hard and they can still provide a good defense for this country.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I think that most Members of the Congress would agree that there are areas in which you can reduce speeding in all aspects of our appropriations in the Federal budget, but would the gentleman from Missouri (Mr. VOLKMER) please explain to me why he feels it is better to do it on a title-by-title basis rather than on an across-the-board basis on the bill itself? I would be inclined more favorably to a real across-the-board cut rather than this piecemeal approach.

Mr. VOLKMER. Basically because you can then address yourself more particularly to the cuts that are being made and where they are being made.

I personally would feel, if the House would wish to spend the time, that it would be more advantageous to the Members of the House to actually do it on an item-by-item basis as to each individual item, because that is actually what you are going to be doing. If you take this on an overall basis at the end, then there are a great many Members, I am sure, that actually would not realize where the cuts are going. I am trying, by considering it on a title-by-title basis to do it so that the Members of the House will know where the cuts are being made.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

Mr. Chairman, this is a very significant amendment and I know that if the Members understand it, they will not vote for it.

I am getting a little discouraged about some of the amendments in the House. We have a committee system. The gentleman from Missouri is on the Committee on Agriculture and on the Committee on the Judiciary, and I assume that he has to contend with about as many issues in those two committees as we have on the Committee on Appropriations.

This budget was put together after months of effort. It is not perfect. The President sent the budget to us and asked us to support it. The Secretary of Defense and the Secretaries of the various services asked us to support it. They all said they would support the budget. The OMB asked us to support it.

The President is the Commander in Chief of the Armed Forces.

The Committee on Appropriations has held hearings week after week after week for 5 months.

How does it happen that the gentleman from Missouri is so wise, that everybody is wrong but he, and that he feels competent to redraft this $119 billion bill on the House floor in an afternoon?

I find it difficult to understand why the gentleman would feel that he should rewrite this appropriation bill upon which we have worked for so many weeks and tried to do a good and responsible job. I cannot quite understand why he wants to rewrite it singlehandledly, one man against the 55-member Committee on Appropriations, one man against the authorizing committee, one man against the Chiefs of Staff of the Army and Air Force and the Chief of Naval Operations.

Mr. Chairman, it disturbs me that we are not giving the consideration we ought to to the amendments which are being presented.

The gentleman from Missouri (Mr. VOLKMER) says, "Surely, we can find places to cut."

Yes, we can find places to cut. He wants to cut the pay of the military personnel of the Army by $180 million. That is what he proposed in his amendment.

Yes, we can cut. We can reduce the 9,000-member military personnel force at Fort Leonard Wood in his State of Missouri or we can reduce the number of Army divisions from 16 to 15. We can find ways in which to make the cuts if we want to make the cuts, but I do not think the House is in any mood to make such cuts.

Mr. Chairman, I do not know whether the gentleman from Missouri has read those many volumes of hearings. I know he did not attend the hearings. I am sure he has read the 400-page report, but I just think it is unwise, after a few moments of debate, to make a reduction of one-half billion dollars in this bill.

Mr. Chairman, I do not want to appear to be in the attitude of rebuking my friend, because he is my friend; but we should not adopt an amendment that would make a $500 million cut in this bill, when we claim to be in favor of defense and know that the Russians are building up their military forces? Yet, the gentleman from Missouri (Mr. VOLKMER) wants to reduce the reserve components. He wants to reduce the regular forces. He wants to reduce the various defense programs.

For example, let us take the Army. The pay and allowances of the Army is $8 billion. He wants to cut the funds. We can reduce the number of people in the Army if we want to. He wants to cut the money for the subsistence of the Army. The cost of subsistence is going up, but he does not want to feed the troops in accordance with what the Department of Defense wants.

Also, Mr. Chairman, his amendment would tend to deprive people of a change of duty, in going from Germany back home after having served there a certain length of time. Let us take the servicemen in Korea. If we do not have the money to bring them home at the scheduled time, they will not be brought home.

Mr. Chairman, this amendment is a pretty cruel one. I do not want necessarily to denounce it, but I urge the Members of the House to vote against it with a resounding "No." It does not make good sense. It has not been properly considered, and it is something which I think the Members will not approve.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I would just like to say that the 2-percent amendment here is not specifically aimed at any specific institution in the armed services. The 2-percent cut is a cut against manpower, and it would reduce in this appropriation bill, as we all know, the total amount that is available, as passed by the House. I am sure that after the Senate acts on this bill and after the conference acts upon it, it will probably be even larger, with or without this amendment.

I need to emphasize, however, that I believe if we are going to provide 2-percent cuts across the board and try to reduce Federal spending, we must face up to the matter; and if we are willing to do so, we must do so in all areas and not just in particular ones other than national defense.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, on Friday when we had general debate on this bill, the gentleman from Missouri (Mr. VOLKMER) and I had a colloquy in which I pleaded with him not to do what he is now attempting.

There is no sense, in my view, in offering a 2-percent amendment to each title or, as he originally talked about, to each section. I doubt that there is any reason to offer a 2-percent amendment to this particular bill at its conclusion. In any case, however, we have some 60 amendments floating around here already on this bill; and if there is any validity at all to a 2-percent amendment, it would be in order at the end of consideration of the bill, when we have had a chance, as the entire House, to see what, in fact, we have done to the defense bill.

I mentioned Friday, and it is no secret around here, that there is going to be quite a controversy over the question of the nuclear carrier. There is some $1.9 billion in this bill for a nuclear carrier. Would it not be rather ridiculous to knock out 2 percent in each title in this bill and then find out the nuclear carrier is also knocked out and see what we have done to the total defense of this country?

First, if we start knocking out 2 percent, it is going to prejudice what finally happens on the carrier and, second, if it does not prejudice it, it would be a terrible situation to have all of that knocked out of this bill. As I said Friday, we did not come to the floor with any pleading in this bill. We came here having cut everywhere we thought we could cut. We cut $34 million out of this section of the bill, and it is going to serve no useful purpose to put our Army and our Navy and our Marine Corps and our Air Force, Regular and Reserve, in such a bind with a half billion dollar cut where they cannot operate. That is the net effect of this amendment.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. Certainly, I yield to the gentleman from Florida.

Mr. SIKES. I thank the gentleman for yielding.

Is it not true, may I ask my distinguished friend, that the budget requirements of the military services are the most closely screened of any of the agencies of government? The military departments are severely limited by the administration's restraint on the total amount of defense spending. The Office of Management and Budget further screens the budget processes within the Department of the Defense. Finally, in Congress no agency of Government is more closely screened than the military for possible areas where reduction can be made. The proposed amendment is a crippling amendment. Under no circumstances should it be approved.

Mr. EDWARDS of Alabama. The gentleman is right. We spent months and months on this bill. I am not saying that there is no waste in the Department of Defense. I would be a fool to stand up here and say that. We try to cut as best we can, but cutting 2 percent in each title is certainly not the way to get at waste. So I would hope that this House would overwhelmingly turn down this amendment. Perhaps what we ought to do is have a recorded vote and show the folly of this type of approach, and then maybe the gentleman from Missouri (Mr. VOLKMER) will be inclined not to offer any further amendments.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous consent re-

quest was agreed to will be recognized for 50 seconds each.

(By unanimous consent, Messers. DOWNEY, MOFFETT, NOLAN and VOLKMER yielded their time to Mr. HARKIN.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I rise in support of the amendment. I served for 5 years in active duty as a Navy pilot. When I left the Navy, I came to Washington to work here and entered the Reserves. I flew out of Andrews Air Force Base for approximately 3½ years after that. During that period of time, I was flying two or three times during the week, night flying and flying weekends. I was putting in anywhere from 2 to 4 weeks per year active duty. We were carrier qualified. We were combat ready in every regard. I was well paid, but I thought the taxpayers were getting a good return on their investment, because we were combat ready at all times. We were doing something meaningful, and doing it cheaper than the Regular Navy. But after leaving Washington, I went back to Iowa. I had to give up my flight status because we did not have any Navy squadrons near. I joined a Reserve unit comprised of lawyers, because I had just graduated from law school. We met every couple of weeks downtown for lunch at a fancy restaurant. That was to cover our Reserve commitment. Once a year we could do our 2-week Reserve duty and we would go to San Diego or San Francisco or Washington, D.C. They would come here, sit around a desk for a couple of weeks, go out every night and have fun. The only reason for doing that was so that they could get in their 20 years and retire at age 62 or 65 and get their free medical and retirement pay.

I think the military and taxpayers were short-changed by that procedure and I got out of the Reserves because of that. I felt the taxpayers were being cheated by the men taking advantage of that; so do not tell me there is not at least 2-percent waste or inefficiency in that program, because I have seen it.

I am supportive of the Reserves and I joined the Active Reserve; but there is a lot on the other side of the Reserves that is wasteful and inefficient. The same is true of regular forces.

Do not take the good Reserve units, like the one I flew with at Andrews Base that are ready, and cut the things we need in the Ready Reserve component; but let us go after these other things in the military that are sapping the taxpayers in retirement benefits. Retirement benefits are going up by $1 billion every year. We have got to get a handle on that. This is the only meaningful way we can get a handle on it.

Vote for the Volkmer amendment and let us put some meaningful conditions to keep the Reserves good where they are good, and cut both the Reserves and Regular forces where we can make them more efficient.

The fact is, we have about 2.1 million people in uniform now, compared with about 11 million during World War II. Yet, we have more generals and admirals now than we had during World War II. And when these high ranking officers retire, they get large retirement benefits.

Finally, Mr. Chairman, we have voted for 2-percent cuts on many bills this year. I have supported all of them, and authored some of them. I believe our taxpayers want us to tighten our belts in every agency, including the military. This bill has appropriations of nearly $120 billion for the military, and no one convinces me that there is not at least 2-percent waste and inefficiency in the military, just as there is throughout the rest of government. In fact, there is probably more in the military because since the military is so vital to our national security, the tendency is to overlook many inefficiencies and wasteful practices in the name of national security.

I believe we can cut 2 percent here without jeopardizing our strength one bit.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. FLYNT).

Mr. FLYNT. Mr. Chairman, I hope this amendment will be overwhelmingly defeated. Even if it should pass, it would be an exercise in utter futility. If we should be fortunate enough to meet the objectives and goals of enlistment in every branch of the Active Forces and the Reserve units, we would have to provide the money to pay, to feed and house the personnel involved. We would have to provide the money to pay for changes of stations. We would have to provide the money to pay for subsistance and quarters allowance.

We cannot and should not condone any attempt to reduce the pay, and the subsistence and quarters allowances of the men and women in the armed services.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Chairman, I am utterly opposed to this amendment. The gentleman from Iowa (Mr. HARKIN) made reference to the disagreement he has with the Reserves. This amendment does not pertain just to the Reserves. It pertains to the whole military personnel account, including our 1 million men and ladies in uniform. It is for pay allowances, individual subsistance, things that pertain to their daily lives. If we would cut this account 2 percent, we would cut $543.9 million from this bill.

I ask you, can that be reasonable? It is not and the amendment should be soundly defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. CHAPPELL).

Mr. CHAPPELL. Mr. Chairman, I rise on opposition to the amendment.

Mr. Chairman, I call the attention of the Members to the fact that we took up 82 separate cuts in this one title alone as we went through it in the proceedings of the subcommittee. I would also point out to the Members that this amendment would reduce by 15,000 our personnel in the Army, and that is an example of just one item. This means we would cut out the equivalent of a full division—that would reduce the number of divisions from 16 to 15.

This cut of funds is the equivalent of cutting out one-third of the meals for our military personnel. Certainly we don't want to cut out one of the three meals for our men. That is the equivalent of this proposal.

Mr. Chairman, I urge the defeat of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Chairman, much of what the gentleman from Iowa (Mr. HARKIN) says is true. The problem is that we came here last year with a bill that would have taken "luncheon" reservists out of categories A and B and put them down in category D, but we got our ears pinned back in the House.

We are here trying to fund a bill based on what the will of the House is, and there is no sense in trying to cut 2 percent out of this particular part of the bill. If the authorizing committee would face up to some of the things we are talking about and some of the things we brought to the floor last year, perhaps we could cut some money, but that is not in the cards in this bill.

Mr. Chairman, it would be foolhardy to cut this title by 2 percent.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. MAHON) to close debate.

Mr. MAHON. Mr. Chairman, the gentleman from Missouri (Mr. VOLKMER) proposes that we cut more than a half-billion dollars out of the title of this bill that has to do with the very sensitive areas of military pay, subsistence, permanent change of duty, travel, and many of the other items that necessarily must be included in an appropriation bill for defense.

The Department of Defense, the Secretary of Defense, the President, the Secretaries of the Army, Navy, and Air Force, and the 55-member Committee on Appropriations, after having studied these programs thoroughly over a period of months, and after have made $3 billion in cuts in other places and made increases of approximately that amount otherwise, believe this funding is proper.

Mr. Chairman, I say we should vote with those whose positions I have mentioned and against the proposal of the gentleman from Missouri (Mr. VOLKMER).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. VOLKMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 53, noes 327, not voting 52, as follows:

[Roll No. 652]

AYES—53

Ammerman	Hollenbeck	Pursell
AuCoin	Holtzman	Rahall
Bingham	Jacobs	Richmond
Blouin	Johnson, Colo.	Rosenthal
Bonior	Kastenmeier	Russo
Burton, John	Keys	Scheuer
Burton, Phillip	Kostmayer	Seiberling
Carr	Lujan	Sharp
Collins, Ill.	Maguire	Stark
Dellums	Markey	Steers
Downey	Mikva	Stokes
Drinan	Miller, Ohio	Volkmer
Edwards, Calif.	Moffett	Walgren
Fenwick	Myers, Gary	Walker
Forsythe	Nolan	Waxman
Garcia	Ottinger	Weaver
Gephardt	Pike	Weiss
Harkin	Pritchard	

NOES—327

Abdnor	Derwinski	Jenrette
Addabbo	Devine	Johnson, Calif.
Akaka	Dickinson	Jones, N.C.
Alexander	Dicks	Jones, Okla.
Ambro	Dingell	Jones, Tenn.
Anderson, Calif.	Dodd	Jordan
	Dornan	Kazen
Anderson, Ill.	Duncan, Oreg.	Kelly
Andrews, N.C.	Duncan, Tenn.	Kemp
Andrews, N. Dak.	Early	Kildee
	Eckhardt	Kindness
Annunzio	Edgar	Krebs
Applegate	Edwards, Ala.	Krueger
Archer	Edwards, Okla.	Lagomarsino
Armstrong	Eilberg	Latta
Ashbrook	Emery	Leach
Ashley	English	Lederer
Aspin	Erlenborn	Leggett
Badham	Ertel	Lehman
Bafalis	Evans, Colo.	Lent
Bauman	Evans, Del.	Levitas
Beard, R.I.	Evans, Ga.	Livingston
Beard, Tenn.	Evans, Ind.	Lloyd, Calif.
Bedell	Fary	Lloyd, Tenn.
Benjamin	Fascell	Long, La.
Bennett	Findley	Long, Md.
Bevill	Fish	Lott
Biaggi	Fisher	Luken
Blanchard	Fithian	Lundine
Boggs	Flippo	McClory
Boland	Flood	McCloskey
Bonker	Florio	McCormack
Bowen	Flynt	McDade
Brademas	Foley	McDonald
Breaux	Ford, Mich.	McEwen
Breckinridge	Ford, Tenn.	McFall
Brinkley	Fountain	McHugh
Brodhead	Frenzel	McKay
Brooks	Fuqua	McKinney
Broomfield	Gaydos	Madigan
Brown, Mich.	Glaimo	Mahon
Broyhill	Gibbons	Marks
Buchanan	Gilman	Marlenee
Burgener	Ginn	Marriott
Burke, Fla.	Glickman	Martin
Burleson, Tex.	Goldwater	Mattox
Burlison, Mo.	Gonzalez	Mazzoli
Byron	Goodling	Meeds
Carney	Gore	Metcalfe
Carter	Gradison	Meyner
Cavanaugh	Grassley	Michel
Cederberg	Green	Mikulski
Chappell	Gudger	Miller, Calif.
Chisholm	Guyer	Mineta
Clausen, Don H.	Hagedorn	Minish
	Hall	Mitchell, N.Y.
Clawson, Del	Hamilton	Moakley
Cleveland	Hammer-schmidt	Mollohan
Cohen		Montgomery
Coleman	Hanley	Moore
Collins, Tex.	Hannaford	Moorhead, Calif.
Conable	Harris	
Conte	Harsha	Moorhead, Pa.
Corcoran	Hawkins	Moss
Corman	Heckler	Mottl
Cornell	Hefner	Murphy, Ill.
Cornwell	Heftel	Murphy, Pa.
Cotter	Hightower	Murtha
Coughlin	Hillis	Myers, John
Crane	Holland	Myers, Michael
Cunningham	Holt	Natcher
D'Amours	Horton	Neal
Daniel, Dan	Howard	Nedzi
Daniel, R. W.	Hubbard	Nichols
Danielson	Huckaby	Nix
Davis	Hughes	Nowak
de la Garza	Hyde	O'Brien
Delaney	Ichord	Oakar
Dent	Ireland	Oberstar
Derrick	Jeffords	Obey
Panetta	Satterfield	Tucker
Patten	Schroeder	Udall
Patterson	Schulze	Ullman
Pattison	Sebelius	Van Deerlin
Pease	Shuster	Vander Jagt
Pepper	Sikes	Vanik
Perkins	Simon	Vento
Pettis	Skubitz	Waggonner
Pickle	Slack	Walsh
Poage	Smith, Iowa	Wampler
Preyer	Smith, Nebr.	Watkins
Price	Snyder	Whalen
Quayle	Solarz	White
Quillen	Spellman	Whitehurst
Rangel	Spence	Whitley
Regula	St Germain	Whitten
Reuss	Staggers	Wiggins
Rinaldo	Stangeland	Wilson, Bob
Risenhoover	Stanton	Winn
Roberts	Steiger	Wolff
Robinson	Stockman	Wright
Roe	Stratton	Wydler
Rogers	Studds	Wylie
Rooney	Stump	Yates
Rose	Symms	Yatron
Rostenkowski	Taylor	Young, Alaska
Rousselot	Thompson	Young, Fla.
Roybal	Thone	Young, Mo.
Rudd	Traxler	Zablocki
Runnels	Treen	Zeferetti
Ryan	Trible	

NOT VOTING—52

Baldus	Frey	Roncalio
Barnard	Gammage	Ruppe
Baucus	Hansen	Santini
Bellenson	Harrington	Sarasin
Bolling	Jenkins	Sawyer
Brown, Calif.	Kasten	Shipley
Brown, Ohio	LaFalce	Sisk
Burke, Calif.	Le Fante	Skelton
Burke, Mass.	Mann	Steed
Butler	Mathis	Teague
Caputo	Milford	Thornton
Clay	Mitchell, Md.	Tsongas
Cochran	Murphy, N.Y.	Wilson, C. H.
Conyers	Pressler	Wilson, Tex.
Diggs	Quie	Wirth
Flowers	Railsback	Young, Tex.
Fowler	Rhodes	
Fraser	Rodino	

The Clerk announced the following pairs:

On this vote:

Mr. Mitchell of Maryland for, with Mr. Burke of Massachusetts against.

Mr. Santini for, with Mr. Gammage against.

Mr. Conyers for, with Mr. Baldus against.

Mr. POAGE changed his vote from "aye" to "no."

Mrs. COLLINS of Illinois and Mr. WAXMAN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II

RETIRED MILITARY PERSONNEL

RETIRED PAY, DEFENSE

For retired pay and retirement pay, as authorized by law, of military personnel on the retired lists of the Army, Navy, Marine Corps, and Air Force, including the reserve components thereof, retainer pay for personnel of the Inactive Fleet Reserve, and payments under section 4 of Public Law 92-425 and chapter 73 of title 10, United States Code; $10,139,838,000.

Mr. VOLKMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had prepared an amendment to this title also and on each title as we go along. As I understand, and perhaps the chairman of the committee, the gentleman from Texas (Mr. MAHON) can correct me if I am wrong, that these are entitlements provided by law and must be paid, and will only be paid as they become due for retirement benefits, is that correct?

Mr. MAHON. The gentleman from Missouri (Mr. VOLKMER) is right. These are entitlements.

Mr. VOLKMER. No matter what we put in here they will have to be paid?

Mr. MAHON. They will have to be paid.

Mr. VOLKMER. This figure is based upon your most accurate estimate you can make for fiscal 1979 on how much will be required?

Mr. MAHON. This is the most accurate estimate that could be made. Sometimes we go slightly over and sometimes we go under.

Mr. VOLKMER. But it is still only for those military retirees who are entitled to payments that would receive the benefits, or will receive that amount they are entitled to from the authorization on this?

Mr. MAHON. The gentleman is correct.

Mr. VOLKMER. Mr. Chairman, for that reason I do not intend to offer the amendment to this title.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $3,332,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $9,097,422,000, of which not less than $580,200,000 shall be available only for the maintenance of real property facilities.

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: On page 6, line 4, strike "$9,097,422,000" and insert in lieu thereof "$9,115,421,000".

POINT OF ORDER

Mr. MAHON. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Alabama (Mr. DICKINSON).

First, Mr. Chairman, I would ask whether this is the same amendment that has been offered before or if this is a part of that amendment?

Mr. DICKINSON. Mr. Chairman, if the gentleman will yield, I would respond by saying that this is similar to the one that was offered before but it is in fact different. I am offering it for the purpose of obtaining a recorded vote. I am going to attempt to obtain a recorded vote until I get one. But this amendment is different to that offered before.

Mr. MAHON. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Texas wish to be heard further on his point of order?

Mr. MAHON. Mr. Chairman, we ask for a ruling by the Chair.

Mr. SIKES. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. SIKES) on the point of order.

Mr. SIKES. Mr. Chairman, as I understand it, there is a $1,000 change in the amount in the amendment which is offered now.

This is dilatory. It is consuming the time of the House while we have many important things still to be considered.

Mr. Chairman, I would trust that the amendment would be considered out of order.

The CHAIRMAN. The Chair will make the observation that this particular amendment has not been offered before. The figure is a substantial change from a previously considered amendment, and the Chair does not consider the amendment to be dilatory.

The Chair recognizes the gentleman from Alabama (Mr. DICKINSON) for 5 minutes in support of his amendment.

PARLIAMENTARY INQUIRIES

Mr. SIKES. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SIKES. Mr. Chairman, what is the parliamentary situation, or just what is it we are now being asked to do here? What amendment is being offered?

The CHAIRMAN. The Clerk will rereport that amendment.

The Clerk reread the amendment.

Mr. SIKES. Mr. Chairman, if I may make a further parliamentary inquiry, do I not understand that this amendment is essentially the same as the ones offered en bloc and previously disposed of on the floor?

The CHAIRMAN. The Chair will state that this amendment is offered separately and contains a different figure.

Mr. SIKES. A $1,000 difference, Mr. Chairman.

The CHAIRMAN. It is a different figure. The Chair has already made that observation.

Mr. SIKES. Mr. Chairman, it is a dilatory amendment which, I think, is taking the time of the House unnecessarily.

The CHAIRMAN. The Chair has already ruled.

The Chair recognizes the gentleman from Alabama (Mr. DICKINSON) for 5 minutes in support of his amendment.

Mr. DICKINSON. I thank the Chairman.

As I said earlier, Mr. Chairman, this is an effort to change the bill to consolidate our military helicopter training, basic military helicopter training.

There are four different figures in here that will have to be changed in the bill, but the point is, as was said before—and I am not going to further debate the matter in detail again—this bill would save $100 milion in the next 5 years. It would eliminate duplication. It would not hurt training, but would help training.

Mr. Chairman, the Army now trains Air Force pilots. This amendment would say that they would also give basic helicopter training to the Navy and the Marine Corps, who now do that training some 100 miles away.

The Secretary of the Navy wants it. The Secretary of Defense wants it. The GAO has criticized the military for not already doing this.

Mr. Chairman, this amendment is a commonsense amendment, and I would hope that the members of the committee will vote in favor of it.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

We have already discussed cost considerations. The savings claimed for consolidation have not been proven. Earlier today, the Members who were present and heard the debate voted against consolidation. On the last previous occasion that the House voted on this question, the issue of consolidation lost because Members having come to the floor without hearing the debate were swayed by the claims that it would save $100 million in 5 years. In the 2-year lapse of time, these claims have been repeated but they have not been justified. They do not exist. It is the quality of training that would suffer.

The OSD estimate of consolidation savings is achieved by pumping up Navy costs of training and by understating Army costs. I predict that if consolidation were effected, at least $60 million would have to be put back in the Navy's budget over the next 5 years or it would be necessary for the Navy to make drastic reductions in their fixed-wing carrier pilot training program; a program that is essential to the Navy. These are costs that are now absorbed as part of the undergraduate pilot training program.

Before he left office, the Chief of Naval Operations, Admiral Holloway stated that if there were further hearings on consolidation by the Defense Subcommittee, he would have to testify against it. His reasons were that the quality of training for Navy helicopter pilots, with the forecasted growth of the LAMPS system would not meet Navy requirements if training were done under Army auspices. He stated also that he was not convinced that claimed savings by consolidation were possible.

All flight training experts agree that the cost of training a pilot is a function of aircraft, costs, aircraft operation costs, instructor costs and hours spent in simulators or aircraft in the air. No one service has any magic way of reducing these costs unless they degrade the quality of training.

The Navy forecasts that a considerable number of its helicopter pilots will have to be transitioned to fixed wing to complete a full career in naval aviation. Thus the Navy's initial fixed wing syllabus is the most cost-effective way of training a naval aviator.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. DICKINSON).

The question was taken; and on a division (demanded by Mr. DICKINSON) there were—ayes 26, noes 33.

Mr. DICKINSON. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Ninety-six Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Alabama (Mr. DICKINSON) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 252, noes 128, not voting 52, as follows:

[Roll No. 653]

AYES—252

Abdnor	Duncan, Tenn.	Lundine
Akaka	Early	McClory
Ambro	Eckhardt	McCloskey
Ammerman	Edgar	McCormack
Anderson, Calif.	Edwards, Ala.	McDade
Anderson, Ill.	Edwards, Calif.	McEwen
Andrews, N.C.	Edwards, Okla.	McHugh
Andrews, N. Dak.	Eilberg	McKinney
Annunzio	Emery	Maguire
Archer	Erlenborn	Markey
Armstrong	Evans, Colo.	Marks
Ashbrook	Evans, Del.	Marlenee
Ashley	Evans, Ga.	Marriott
Aspin	Evans, Ind.	Martin
AuCoin	Fenwick	Mattox
Badham	Findley	Mazzoli
Bauman	Fish	Metcalfe
Bedell	Fisher	Meyner
Benjamin	Fithian	Michel
Bevill	Flippo	Mikulski
Blanchard	Foley	Mikva
Blouin	Ford, Tenn.	Milford
Boland	Forsythe	Miller, Calif.
Bonior	Fountain	Mineta
Bonker	Frenzel	Minish
Brodhead	Garcia	Moakley
Brown, Mich.	Gephardt	Moffett
Broyhill	Gilman	Moore
Buchanan	Goldwater	Moorhead, Calif.
Burgener	Goodling	Moorhead, Pa.
Burke, Fla.	Gore	Murphy, Ill.
Burton, John	Gradison	Myers, Gary
Burton, Phillip	Grassley	Myers, John
Carr	Green	Neal
Carter	Gudger	Nedzi
Cavanaugh	Guyer	Nichols
Cederberg	Hagedorn	Nolan
Clausen, Don H.	Hall	Nowak
Clawson, Del	Hamilton	O'Brien
Cleveland	Hammer-schmidt	Oakar
Cohen	Hanley	Obey
Coleman	Hannaford	Patterson
Collins, Ill.	Harris	Pattison
Collins, Tex.	Hawkins	Pease
Conable	Heckler	Perkins
Conte	Hefner	Pettis
Corcoran	Heftel	Pike
Corman	Hillis	Preyer
Cornell	Hollenbeck	Pritchard
Coughlin	Holt	Pursell
Crane	Holtzman	Quayle
Cunningham	Ichord	Quillen
D'Amours	Jacobs	Rahall
Daniel, R. W.	Jeffords	Railsback
Davis	Johnson, Colo.	Regula
Dellums	Jordan	Reuss
Derrick	Kastenmeier	Richmond
Derwinski	Keys	Rinaldo
Devine	Kildee	Risenhoover
Dickinson	Kostmayer	Robinson
Dicks	Lagomarsino	Rodino
Dodd	Leach	Rooney
Dornan	Leggett	Rousselot
Drinan	Lent	Roybal
Duncan, Oreg.	Levitas	Runnels
	Lloyd, Calif.	Russo
	Lujan	Ryan
	Luken	Schroeder

Schulze	Steers	Walsh
Sebelius	Steiger	Wampler
Seiberling	Stockman	Waxman
Sharp	Stokes	Weaver
Shuster	Studds	Weiss
Simon	Thone	Whalen
Slack	Traxler	Whitehurst
Smith, Iowa	Treen	Wiggins
Smith, Nebr.	Trible	Wilson, Bob
Snyder	Tsongas	Winn
Solarz	Udall	Wydler
Spellman	Van Deerlin	Wylie
Spence	Vander Jagt	Yates
St Germain	Vanik	Yatron
Stangeland	Vento	Young, Alaska
Stanton	Volkmer	Young, Mo.
Stark	Walker	

NOES—128

Addabbo	Gonzalez	Myers, Michael
Alexander	Harkin	Natcher
Applegate	Harsha	Nix
Bafalis	Hightower	Oberstar
Beard, R.I.	Holland	Panetta
Beard, Tenn.	Howard	Patten
Bennett	Hubbard	Pepper
Biaggi	Huckaby	Pickle
Boggs	Hughes	Poage
Bowen	Hyde	Price
Brademas	Ireland	Rangel
Breaux	Jenrette	Roberts
Breckinridge	Johnson, Calif.	Roe
Brinkley	Jones, N.C.	Rogers
Brooks	Jones, Okla.	Rose
Broomfield	Jones, Tenn.	Rosenthal
Burleson, Tex.	Kazen	Rostenkowski
Burlison, Mo.	Kelly	Rudd
Byron	Kemp	Satterfield
Carney	Krebs	Scheuer
Chappell	Krueger	Sikes
Chisholm	Latta	Skubitz
Cotter	Lederer	Staggers
Daniel, Dan	Livingston	Stratton
Danielson	Lloyd, Tenn.	Stump
de la Garza	Long, La.	Symms
Delaney	Long, Md.	Taylor
Dingell	Lott	Thompson
Downey	McDonald	Tucker
English	McFall	Ullman
Ertel	McKay	Waggonner
Fary	Madigan	Walgren
Fascell	Mahon	Watkins
Flood	Meeds	White
Florio	Miller, Ohio	Whitley
Flynt	Mitchell, N.Y.	Whitten
Ford, Mich.	Mollohan	Wolff
Fuqua	Montgomery	Wright
Gaydos	Moss	Young, Fla.
Giaimo	Mottl	Young, Tex.
Gibbons	Murphy, N.Y.	Zablocki
Ginn	Murphy, Pa.	Zeferetti
Glickman	Murtha	

NOT VOTING—52

Baldus	Fowler	Quie
Barnard	Fraser	Rhodes
Baucus	Frey	Roncalio
Beilenson	Gammage	Ruppe
Bolling	Hansen	Santini
Brown, Calif.	Harrington	Sarasin
Brown, Ohio	Horton	Sawyer
Burke, Calif.	Jenkins	Shipley
Burke, Mass.	Kasten	Sisk
Butler	Kindness	Skelton
Caputo	LaFalce	Steed
Clay	Le Fante	Teague
Cochran	Lehman	Thornton
Conyers	Mann	Wilson, C. H.
Cornwell	Mathis	Wilson, Tex.
Dent	Mitchell, Md.	Wirth
Diggs	Ottinger	
Flowers	Pressler	

The Clerk announced the following pairs:

On this vote:

Mr. Gammage for, with Mr. Burke of Massachusetts against.

Mr. Conyers for, with Mr. Shipley against.

Mr. Santini for, with Mrs. Burke of California against.

Mr. Mitchell of Maryland for, with Mr. Ottinger against.

Mr. Baldus for, with Mr. Teague against.

Mr. Wirth for, with Mr. Dent against.

Messrs. SOLARZ, RICHMOND, and BLANCHARD changed their vote from "no" to "aye."

Messrs. ZEFERETTI, SYMMS, and LIVINGSTON changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. PANETTA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise for purposes of clarification with respect to foreign language training under the bill.

First of all, I would like to commend the chairman and the committee for their support of foreign language training and for recognizing its importance as far as national security is concerned. In particular I would like to commend the committee for understanding the special mission of the Defense Language Institute in the role of foreign language training.

The committee did express some concern with respect to the use of funds, however, for basic course development, and in view of this I would like to ask the chairman of the committee if the committee would object to the Defense Language Institute spending all or part of the $800,000 on basic course development provided that the Defense Language Institute and the Department of Defense could demonstrate the overriding importance of doing so and provided the committee were notified in advance?

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the chairman of the committee.

Mr. MAHON. Mr. Chairman, with respect to the $800,000 desired for basic foreign language course development by the Defense Language Institute in Monterey, Calif., I should state that the committee, in appropriating the $800,000, does not intend to impose excessive restrictions on the expenditure of the funds at the Defense Language Institute. If the Institute finds it absolutely necessary to spend a portion of these funds on the development of basic foreign language courses not available on the commercial market, the committee would not interpose any objection provided, of course, we were advised about the necessity in advance.

Mr. PANETTA. I thank the chairman for that assurance and for his clarification in this area.

There has obviously been some confusion over what DLI does and its relationship to basic course development. DLI has perhaps chosen a misleading term, "basic," to describe its program for minimum professional skill-level—level 3. These so-called basic courses extend significantly beyond any texts, language-laboratory tapes, and other audio-visual materials available from commercial publishers. Basic courses range in duration from 24 to 47 weeks of continuous, intensive training, 6 hours per day, 5 days per week; that is, as much as 1,400 hours of intensive training plus homework assignments, providing a level of proficiency comparable to—or even higher than—foreign-language majors with 4 years of study. Commercial texts and tapes are almost invariably designed for 3—and perhaps 5—hours of instruction per week, totaling fewer than 200 to 300 hours of instruction over 2 years.

These commercial materials would therefore provide only about the first 6 weeks of instruction at the DLI, even if all their content were appropriate for military training. However, military officers and enlisted personnel destined for duty as interrogators, attachés, radio intercept operators, NATO or special forces personnel, and so forth, have little need for—and little motivation to learn—lessons devoted to shopping for Christmas toys, a family outing, tourist activities, classic and contemporary literative, and other topics on which commercial texts—and tapes, if any—often dwell at length. Detailed examination of such texts typically reveals that more than half of the material is totally irrelevant to the needs of military personnel, and would therefore waste training time and severely affect student motivation. DLI prepared materials do not neglect social and survival needs, but keep them in proper proportion, perspective, and context.

In fact, one of the reasons that some present DLI-prepared texts and tapes are scheduled for revision is that, because of their age, they are not adequately targeted on job-related requirements recently provided to us by the various services and agencies that it is our mission to support—for example, from the National Security Agency, on behalf of the entire National Cryptologic Training System, which accounts for approximately half the "basic course" enrollees at DLI. Few commercial texts even recognize the existence of military forces in the world, let alone teach any of their specialized vocabulary. While it is theoretically possible to prepare supplementary materials which would replace the irrelevant vocabulary, and so forth, of the commercial material with military terms and usage, experience has shown that such matters are learned more effectively and efficiently when they are seeded throughout the course and systematically integrated with the instruction in grammar, and so forth.

Another reason for the planned revisions is that DLI has long-range plans to update the obsolescent methodology in its courses, making them consonant with modern principles of individualized learning and instructional systems. These newer approaches, when applied to foreign-language learning, will be both more effective and more efficient than the existing courses, especially since the development plan for each new course carefully coordinates the texts, tapes, other audiovisual support and, perhaps most importantly, the criterion referenced tests that are an integral part of an efficient instructional system.

The committee's comments regarding Headstart and Gateway types of courses are also perhaps a result of a failure to explain the circumstances adequately. These are much more elementary in nature and do correspond more closely to the instructional hours contemplated for some commercial texts and tapes. However, the content of virtually all such

commercial texts and tapes is similarly inappropriate for military trainees, they are usually available only in the five most commonly taught languages, and virtually none are designed for, or easily adaptable to, the individualized, intensive instruction to which DLI is committed.

The DLI development plan for fiscal year 1979 includes in-house development of this type of course in Arabic, Korean, and Japanese, and contract development projects in Spanish, French, Italian, and Turkish. DLI has had extensive experience with contracting for course development, most of it frustrating. It is now convinced, however, that it can obtain appropriate materials under contract by providing the successful bidder with very carefully drawn specifications and a validated prototype for use as a model. It has now very nearly completed validation of Gateway and TEC models, but there is as yet no such prototype for a "basic course."

The number of students trained annually has also discouraged DLI use of commercial materials. DLI graduates like to—and are encouraged to—take their texts with them. The purchase of several thousand volumes each year would be more costly than the reproduction that DLI customarily accomplishes with in-house and contract printing. Furthermore, commitment to a selected publisher for several years without the opportunity to make the minor modifications constantly required as the language and/or job-related requirements change, would constantly necessitate the costly and cumbersome preparation of "supplementary materials." Purchase of rights to reprint copyrighted texts has seldom proved a practical solution in the past.

It is for these reasons that flexibility is required and the chairman's assurances clearly allow for that type of flexibility to the Defense Language Institute in fulfilling its mission.

Mr. DICKINSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this opportunity to explain to the membership the parliamentary situation on the amendment which was just offered and accepted, and the amendment I offered previously, because some of the Members were not present at that time and may not understand what will happen.

There are three money figures in the bill that I intend to offer amendments to, plus some language changes. All of the amendments together have to do with whether or not the helicopter training should be integrated in one place, and I am referring to basic helicopter training.

If I offer them en bloc they could be voted on at one time. Originally I did offer them en bloc and the gentleman that I have to offer them sequentially as they come up in the bill.

So there will be two other money figures to which I will offer amendments, one having to do with physical improvements, that one is later on in the section on line 14, and the last would be the language change that would bring about the integration of the basic helicopter training.

My good friend and colleague with whom we are doing battle right now was very concerned about the dilatory nature of my amendment which carried by a vote of 252 to 128, I think. So I would suggest that if we do not want to be dilatory and get the job done and go on to other parts of the bill, then I would hope that when the next amendments are offered en bloc that they will be accepted en bloc and then we will just have one more vote instead of three more votes because, otherwise they will have to be done sequentially.

Mr. YOUNG of Texas. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I would be very pleased to yield to the gentleman from Texas (Mr. YOUNG).

Mr. YOUNG of Texas. Mr. Chairman, as I understand the amendments of the gentleman from Alabama (Mr. DICKINSON) the gentleman is interested in effecting the consolidation of undergraduate helicopter training at Fort Rucker, Ala.

I further understand, from my conversation with the gentleman, that he is not interested in affecting the fixed-wing naval training, either advanced or undergraduate training?

Mr. DICKINSON. I would say that the gentleman is exactly correct. As I explained before, the language in the bill that is being changed would be to add money to the Army's budget and take it from the Navy's budget. There is money in here to make runways, et cetera, but it has nothing to do with the fixed-wing training at Corpus Christi or Mississippi or any other places, so far as what I am going is concerned.

If the Navy wants to continue teaching fixed-wing training, then that is what they are in business for and they are capable of doing, and it can be done at Corpus Christi or wherever they choose. This only has to do with rotary helicopter training, it is the basic training, learning how to fly and then from that point they go back to whatever service they have come from and continue to take whatever other training might be required of them there.

Mr. YOUNG of Texas. Then I would ask the gentleman from Alabama (Mr. DICKINSON) in his last amendment, he says he will have an amendment to the language in the bill to section 856, on page 56.

Mr. DICKINSON. On what page?

Mr. YOUNG of Texas. On page 56.

I believe that is the last amendment that you want to offer en bloc.

Mr. DICKINSON. That is correct.

Mr. YOUNG of Texas. That amendment strikes out all of section 856. It goes much further than just helicopter training, it goes to undergraduate and advanced fixed-wing training likewise.

I would, therefore, ask the gentleman whether he would be willing to accept an amendment that would simply eliminate the fixed wing from what he is trying to do?

Mr. DICKINSON. Let me say that this is not my language, this is from someone in the Committee on Appropriations that insisted he put it in here. I would certainly agree to any language that exempts fixed wing, so long as it leaves the rotary or helicopter training of undergraduates.

Mr. YOUNG of Texas. If the gentleman will yield still further, one more question, the amendment I would seek to offer as a substitute for the gentleman's amendment on page 56, line 3, referring to undergraduate pilot training, and the words following in line 4, that all words after "Navy" be stricken out, that would then track the same language except it leaves out fixed wing.

Mr. DICKINSON. We are both agreeing on the thrust of our problem. Let me suggest that we get together with staff and see if we can work up the correct language.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. SIKES, and by unanimous consent, Mr. DICKINSON was allowed to proceed for 2 additional minutes.)

The CHAIRMAN. The time of the gentleman from Alabama (Mr. DICKINSON) has expired.

(On request of Mr. SIKES and by unanimous consent, Mr. DICKINSON was allowed to proceed for 3 additional minutes.)

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, as I understand it, the two gentlemen in the well have made a deal to protect Texas at the cost of other institutions and other training installations. Is that what I have been hearing?

Mr. DICKINSON. Obviously, the gentleman was not paying attention. That is not what was said.

What the gentleman from Texas (Mr. YOUNG) wanted to do was to make sure that the amendment which I have offered does not adversely impact on fixed-wing training, wherever it may be, in Pensacola, Mississippi, Texas, Albuquerque, wherever it may be.

Mr. SIKES. It happens to be at Corpus Christi, Tex., as the gentleman knows.

Mr. DICKINSON. I was under the impression that there was some fixed-wing training being done at Pensacola, too. However, wherever it is, all I am interested in is the rotary-wing training.

I am sure that the gentleman, when the time comes, will not be dilatory and that we will get all of this done in one vote.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. Yes, I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, the House has made a decision adverse to the recommendation of the Committee on Appropriations on this issue. I refer to page 56, section 856, which reads as follows:

None of the funds appropriated by this Act may be used for the consolidation or realignment of advanced or undergraduate pilot training squadrons of the Navy as currently proposed by the Department of Defense.

The gentleman proposes to knock out that language, does he not?

Mr. DICKINSON. Yes.

Mr. MAHON. In order to finalize the decision which has been made as a result of the amendment which the gentleman offered and which has been approved, may I ask the gentleman how many more amendments he has?

Mr. DICKINSON. I have two more money amendments, and one language amendment. The language amendment is what the chairman is discussing now.

Mr. MAHON. May I suggest that the gentleman offer the amendments en bloc and let us dispose of them all at one time.

Mr. DICKINSON. That is what I attempted to do sooner. In any event, I will be very pleased to take the suggestion of the chairman. As soon as I can physically get the language together, the amendments will be offered.

Mr. YOUNG of Texas. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Texas.

Mr. YOUNG of Texas. Mr. Chairman, we can get together on the amendments, but I would rather have separate treatment of that language of the amendment because the gentleman from Alabama (Mr. DICKINSON) is only interested in rotary wings, and the language just read by the chairman would apply to fixed wings and other types.

Mr. DICKINSON. With the indulgence of the Chair and of the chairman, I think I can get the staff to work right now on the language which the chairman of the full committee would desire and that I would be able to satisfy the gentleman from Texas (Mr. YOUNG) also.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I am pleased to yield to the gentleman from Florida.

Mr. SIKES. I am not at all certain just what agreement has been reached by the two gentlemen. It is a little confusing.

I would be perfectly agreeable, in order to save the time of the House, to vote just on the two money proposals and let the matter go to conference, assuming there will be a conference.

Mr. DICKINSON. I think the gentleman can be sure that there will be a conference.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. DICKINSON) has expired.

(On request of Mr. SIKES and by unanimous consent, Mr. DICKINSON was allowed to proceed for 1 additional minute.)

Mr. SIKES. Mr. Chairman, will the gentleman yield further?

Mr. DICKINSON. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I would object to including the language in section 856, any change in the language in section 856, without a much more complete discussion of what the implications are.

Mr. DICKINSON. Mr. Chairman, if I might be recognized for that purpose, then, let me offer the next two amendments, just the money amendments.

Mr. SIKES. I have no objection to that.

Mr. DICKINSON. Let us vote on those, and then we will take the language amendment when we reach it.

AMENDMENTS OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer amendments and ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. DICKINSON: on page 6, line 15, strike "$11,705,155,000;" and insert in lieu thereof "$11,691,754,000;".

On page 14, line 24, strike "$916,708,000" and insert in lieu thereof "$917,401,000".

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

PARLIAMENTARY INQUIRY

Mr. COHEN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. COHEN. Mr. Chairman, I have an amendment at the desk to page 6, line 15, which includes the same amount of money that is on line 15.

If the gentleman from Alabama (Mr. DICKINSON) proceeds with consolidated amendments, will I still have the opportunity to offer a substitute to the amendment of the gentleman from Alabama?

The CHAIRMAN. The Chair will state that if the amendments offered en bloc are agreed to, the gentleman would be precluded from offering his amendment.

Mr. COHEN. Then, Mr. Chairman, if I would not be allowed to offer my amendment as a substitute for that of the gentleman from Alabama, I would have to object to the unanimous-consent request.

The CHAIRMAN. Objection is heard.

Are there other amendments to the paragraph ending on line 6 on page 6? If not, the Clerk will read the next paragraph.

The Clerk read as follows:

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $1,526,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $11,705,155,000, of which not less than $380,300,000 shall be available only for the maintenance of real property facilities: *Provided*, That of the total amount of this appropriation made available for the alteration, overhaul, and repair of naval vessels, not more than $2,100,000,000 shall be available for the performance of such work in Navy shipyards of which not less than $22,000,000 shall be available for such work only at the Ship Repair Facilities, Guam: *Provided further*, That such amounts of the funds available for work only at the Ship Repair Facilities, Guam, may be used for work in other Navy shipyards in amounts equal to the amount of work placed at the Ship Repair Facilities, Guam, funded from other sources.

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer an amendment to line 15.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: On page 6, line 15, strike "$11,705,155,000" and insert in lieu thereof "$11,691,754,000".

Mr. DICKINSON. I think that we all understand the amendment, Mr. Chairman. We have had ample discussion on it. I yield back the remainder of my time.

AMENDMENT OFFERED BY MR. COHEN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. DICKINSON

Mr. COHEN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. COHEN as a substitute for the amendment offered by Mr. DICKINSON: On page 6, line 15, strike "$11,705,155,000" and insert in lieu thereof "$11,695,051,000".

Mr. COHEN. Mr. Chairman, so that we might clarify the parliamentary procedure, I offer this amendment as a substitute to actually increase the figure that the gentleman from Alabama has inserted that would apply as a result of the passing of his last amendment.

Mr. Chairman, I rise to offer an amendment with my colleague from the State of Maine and member of the Armed Services Committee, Mr. EMERY, to restore funding for 183 of the 283 man-years the committee cut from the Office of the Supervisor of Shipbuilding, at an additional cost of $3.39 million.

I understand that the Appropriations Committee's decision to reduce the funding requested for the maintenance of Supervisor of Shipbuilding (Supships) Offices by $5.1 million, and the resulting loss of projected man-years, is aimed at reducing the bureaucracy within Supships for failing to prevent problems "from escalating into claims" on new construction programs. I share the committee's concern over the need for greater efficiency in the management of naval shipbuilding programs. However, I have also been advised that less than half of the Supships personnel are engaged in work dealing with new construction. In addition to new construction, Supships also oversees all restoration and alternation of existing naval vessels which is done at private shipyards.

Due to the complexity of newer ships in the Navy's fleet, the workload in the area of ship repair has created an increasing dependence on the private shipyards to undertake ship overhauls previously performed only in public shipyards. As an example, no complex naval ship overhauls were assigned to private yards prior to 1974. Last year, more than a dozen such overhauls were assigned to privately owned yards. This is double the number processed during the previous year, and there is no indication that the amount of work will slack off. The Appropriations Committee's report even admits that there will likely be a backlog of 23 overhauls by the end of fiscal year 1979. This work could be taken on by private shipyards now. However, since two-thirds of all modernization and industrial repairs have been historically accomplished in public rather than private yards, the committee is reluctant to alter that balance without the benefit of further analysis.

With this increase in private yard overhaul and repair contracts comes a

requirement for increased responsibility and effort on the part of SUPSHIPS to procure and administer these contracts. Therefore, I believe that the committee's decision to make a reduction in force will be done at the expense of ship overhaul programs where the majority of the SUPSHIPS personnel are assigned.

Clearly, private shipyards view this proposal with concern. The industry is facing an inescapable decline in contracts for commercial and naval ship construction. It is estimated that between 45,000 and 50,000 shipyard workers will be laid off in the next 4 years. This situation significantly decreases the ability of private shipyards to maintain a skilled labor force which could be drawn upon for the overhaul and conversion work necessary in times of national emergency. At the present time, naval ship repair work accounts for approximately 20 percent of shipyard employment requirements.

The Navy has advised me that the proposed reduction in the SUPSHIP funding would reduce their ability to prepare for and administer all of the 58 overhaul contracts currently planned for the private sector in 1979. It is possible that as many as 10 contracts may have to be postponed. This loss of work equates to approximately 3,800 jobs for shipyard workers. In my own State of Maine, 800 workers at Bath Iron Works can expect to lose their employment, if the committee's action results in no new contracts. Many of my colleagues can point to similar situations in their own States.

Likewise, we must not forget the loss of employment in Supship offices. At present, 16 offices in 13 States have been established for the purpose of field contract administration. These offices are staffed to within 56 persons of Supship's authorized manpower ceiling. The committee's man-year reduction would not only result in the layoff of over 200 persons, but I am advised that reduction-in-force regulations of the Civil Service Commission which prohibit the immediate dismissal of personnel would result in a salary shortfall for 534 positions by the end of the coming fiscal year.

In preparing for this amendment, I have also learned of the committee's concern that this bill already exceeds the authorized civilian manpower ceiling by 7,000 positions. I merely want to take this opportunity to bring to the attention of my colleagues the flexibility the Secretary of Defense has to adjust civilian manpower by 1¼ percent of the total number of civilian personnel authorized. By my calculations, I estimate that the Secretary still has flexibility for over an additional 5,500 positions above those already funded by the committee. I maintain that the 183 positions for Supship will not jeopardize our manpower ceilings.

The Department of the Navy and the Shipbuilders Council of America have actively opposed the committee's actions on this matter. Its impact is not only an economic one. This proposed congressional action will further weaken the strength of our Navy by significantly reducing the ability of our Nation's shipyards to maintain ships already in the fleet. I earnestly seek the support of my colleagues interested in preserving the capability of our existing naval vessels to join me in voting for this amendment.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

The Supervisor of Shipbuilding has faltered in performing the objectives which have been assigned to his organization. We did not take very drastic action with respect to this matter. The committee deleted 283 man-years, but we left 3,000 man-years which were requested; so this leaves the gentleman with 3,000 man-years, a larger number than was required in 1977.

The committee recommends that the Supervisor of Shipbuilding strength levels which are in the process of being increased during the fiscal year be held at the fiscal year 1977 level; so we oppose the amendment and trust it will be disapproved by the House. The increase in fiscal year 1978 is taking place despite previous objections by the committee.

With respect to specific reasons for deleting the Supervisor of Shipbuilding positions, the following points need to be made:

First. In the committee's opinion this organization has proven to be essentially useless in either controlling shipbuilding costs or informing management of cost increases and building delays. Time after time, this organization which is supposed to know what is going on with respect to new ship constructior and overhauls has failed to inform Navy management of probable cost overruns and shipbuilding delays in a timely manner. This results in assignment of many thousands of military personnel to ships that are not ready. The Supervisor of Shipbuilding organization never seems to know any more about the status of a ship, be it new construction or overhaul, than the contractor doing the work tells them. In short, they do a poor job. Why promote inefficiency and waste by increasing this organization's strength.

Second. Last year, fiscal year 1978, the committee strongly suggested that the Navy not increase employment in the Supervisor of Shipbuilding organization. The Navy went ahead and began to make the increase anyhow. The Supervisor of Shipbuilding organization currently has 3,184 personnel onboard, 101 fewer than the 3,283 requested. This should help in getting down to the committee recommended number of 3,000.

Mr. Chairman, I yield to the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Chairman, I thank the gentleman for yielding.

Mr. MAHON. Mr. Chairman, this is with respect to the matter of the Supervisor of Shipbuilding.

Mr. EDWARDS of Alabama. I oppose the amendment, Mr. Chairman. The budget proposes that the Superintendent of Ships employment should go up, while the number of ships being overhauled is going down. We are falling from 90 ships in 1977 to 74 ships this fiscal year, 1979. In fact, because of the backlog, it probably will not get to 71 ships this year.

It just does not make sense to me to be increasing the number of employees in that department, while the number of ships is going down.

Mr. MAHON. Mr. Chairman, I would hope we would vote this amendment down and proceed with the amendment of the gentleman from Alabama (Mr. DICKINSON).

Mr. Chairman, I yield back the balance of my time and I ask for a vote.

Mr. EMERY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I thank the chairman of the Committee on Appropriations for the gentleman's indulgence.

Mr. Chairman, I rise in support of the amendment.

The Appropriation Committee's decision to reduce the funding requested from the Maintenance of Supervisor of Shipbuilding (Supship) Offices by $5.1 million was motivated by an attempt to reduce what the committee saw as excessive "bureaucracy" within Supships. This attitude was brought on by the apparent inability of Supships to prevent problems from escalating into claims on new construction. I share the committee's concern over the need for greater efficiency in the management of naval shipbuilding programs.

However, I have been advised that with Supships, over half the work force may be assigned to oversee restoration and alteration programs for existing naval vessels which are done at private yards.

The committee's actions may have an adverse effect on the ability of Supships to process the amount of contracts and programs needed to overhaul our existing naval vessels.

This is an important decision, not only for the many shipyard workers who could lose their jobs, but also for the Navy which needs those overhaul projects.

By the end of 1979, there may be as many as 23 ship overhauls backlogged because of the capacity of the public yards which now do a good deal of the overhaul and maintenance work. As an indication of this backlog, the Navy has 23 DDG–2 class destroyers which should undergo this type of upgrading. This work could be shared by the public and private yards for the betterment of our defense readiness.

The reduction of Supship funding could severely impact the ability of that office to administer all of the overhaul projects now on the books. In an era of depressed new-ship construction, the worst that could happen is to cause any new problems for the Navy by impacting adversely on overhaul and maintenance programs for older vessels.

Mr. Chairman, I urge my colleagues to support the amendment.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, the gentleman from Maine (Mr. EMERY) serves on the Committee on Armed Services, and is it my understanding that committee has never held a hearing on this par-

ticular program? If that is true, it seems to me that there is very little preparation, other than some staff report from the Committee on Appropriations that has superseded the jurisdictional province and expertise of the Committee on Armed Services.

Mr. EMERY. Mr. Chairman, the gentleman is correct. We have been very concerned in the Subcommittee on Seapower and Strategic and Critical Materials with the fate of our shipbuilding program, and on occasion we have discussed the fact that a number of classes of existing ships are in critical need of overhaul, repair, or conversion.

We have a double-edged sword here. One is the construction of new vessels, whether they are heavy carriers or whether they are patrol frigates, to keep our Navy at the necessary strength. The other side of the question is making sure that existing vessels, especially the older ones, are modernized with new weapons and have the necessary capabilities for our defense purposes.

If we force any reductions in the administrative end of overhaul and repair (Supships), it just means that not only are we not going to be building ships fast enough, but that those we have are not going to be repaired. It is going to mean a reduction in our ability for naval readiness as well as a loss of jobs in many shipyards that are suffering from advance economic conditions now.

Mr. COHEN. Mr. Chairman, I thank the gentleman for his support.

Mr. MAHON. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. COHEN) as a substitute for the amendment offered by the gentleman from Alabama (Mr. DICKINSON).

The question was taken, and on a division (demanded by Mr. COHEN) there were—ayes 12, noes 26.

So the amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. DICKINSON).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments and the Defense Civil Preparedness Agency), as authorized by law; $3,034,350,000: *Provided*, That not to exceed $3,716,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: *Provided further*, That not less than $52,500,000 of the total amount of this appropriation shall be available only for the maintenance of real property facilities: *Provided further*, That $968,600,000 shall be available only for the Defense Logistics Agency and $453,500,000 shall be available only for the Civilian Health and Medical Program of the Uniformed Services.

AMENDMENT OFFERED BY MR. JOHN T. MYERS

Mr. JOHN T. MYERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHN T. MYERS: On page 8, after line 10, add the following new section:

None of the funds appropriated or otherwise made available in this Act shall be obligated or expended for salaries or expenses during the current fiscal year in connection with the demilitarization of any arms as advertised by the Department of Defense, Defense Logistics Agency sale number 31-8118 issued January 24, 1978, and listed as "no longer needed by the Federal Government" and that such arms shall not be withheld from distribution to purchasers who qualify for purchase of said arms pursuant to title 10, United States Code, section 4308.

Mr. JOHN T. MYERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. MIKVA. Mr. Chairman, reserving the right to object, I would like to hear the amendment read, if I may.

So, Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will report the amendment.

(The Clerk concluded the reading of the amendment.)

POINT OF ORDER

Mr. MIKVA. Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MIKVA. Mr. Chairman, I make a point of order on the amendment on the ground that I believe that it is legislation within a general appropriation bill and, therefore, violates the rules of the House.

The CHAIRMAN. Does the gentleman from Indiana (Mr. JOHN T. MYERS) wish to be heard on the point of order?

Mr. JOHN T. MYERS. Yes, I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana.

Mr. JOHN T. MYERS. Mr. Chairman, this is a simple limitation amendment. It merely limits the Secretary of the Treasury to continue to carry out existing law. It does not provide any new law. It simply says that the Secretary of the Treasury shall carry out the prevailing, existing law.

The CHAIRMAN. Does the gentleman from Ohio (Mr. ASHBROOK) wish to be heard on the point of order?

Mr. ASHBROOK. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, rule 21, clause 2, of the Rules of the House (House Rules and Manual pages 426-427) specifies that an amendment to an appropriation bill is in order if it meets certain tests, such as:

First. It must be germane;

Second. It must be negative in nature;

Third. It must show retrenchment on its face;

Fourth. It must impose no additional or affirmative duties or amend existing law.

WHY THE AMENDMENT COMPLIES WITH RULE 21

First. It is germane. As the amendment applies to the distribution of arms by the Defense Logistics Agency, it is not exclusively an Army of civilian marksmanship amendment, so should not be placed elsewhere in the bill. The overall Defense Department allocates sale and distribution to various military components (foreign sales, Navy, ROTC, Air Force, Division of Civilian Marksmanship, et cetera). It is therefore proper to place the amendment in the general Defense Department section of the bill: "Operation and maintenance, Defense Agencies."

Second. It is negative in nature. It limits expenditure of funds by the Defense Department by prohibiting the destruction and scrapping of arms which qualify for sale through the civilian marksmanship program, which is a division of the executive created by statute.

Third. It shows retrenchment on its face. Retrenchment is demonstrated in that the Department of Defense if prohibited from expending funds to destroy surplus military arms, and that the arms previously earmarked for destruction will be made available in accordance with existing statute. Actual cost savings is not a necessary element in satisfying the retrenchment test under rule 21. However, the Defense Department has attempted destruction of 290,000 M-1 rifles, leading to the waste by scrapping of a valuable stock of arms. The House, in adding this amendment, will secure additional funds for the Treasury which the General Accounting Office has determined is adequate to pay costs of handling the arms. For example, the M-1 rifles are to be sold at a cost of $110 each. These are the arms most utilized by the civilian marksmanship program. The Defense Department will not be required to spend additional funds to process the sale of additional arms.

Fourth. Does not impose additional or affirmative duties or amend existing law. Title 10, United States Code, section 4308 provides in part:

(a) The secretary of the Army, under regulations approved by him upon the recommendation of the National Board for the Promotion of Rifle Practice, shall provide for . . .

(5) the sale to members of the National Rifle Association, at cost, and the issue to clubs organized for practice with rifled arms, ammunition, targets, and other supplies and appliances necessary for target practice . . .

In fact, the Army regulations relating to issuance of these arms contain no caveat that distribution shall be limited to any quantity. (AR 725-1 and AR 920-20.) By passing this amendment, we will see that additional funds are placed in the Treasury—certainly more than by scrapping the arms. Thus, by statute and regulation, such arms must be sold to qualified civilians. This amendment specifies that 290,800 of an available pool of 760,000 arms shall not be destroyed, and shall be available for use by this program If my amendment prevails, the test as to whether these arms will be distributed will be:

First. Does the applicant qualify under the law?

Second. Are sufficient arms in this pool of 290,800 available for distribution?

Regulations issued (see tab M) AR 725–1 and AR 920–20 provide for the issuance of arms by application and qualification through the Director of Civilian Marksmanship. The DCM shall then submit sale orders for the Armament Readiness Military Command (ARMCOM) to fill the requests of these qualified civilians. Thus, the amendment simply requires the performance of duties already imposed by the Army's own regulation.

Minor administrative ministerial duties required by this amendment will not mandate such affirmative action, so as to exceed the responsibilities already imposed by statute. Assessing needs and communicating the needs by the Board would not cross the threshold so as to raise to the level of a newly created positive duty.

PRECEDENTS SUPPORTING THE OVERRULING OF POINT OF ORDER TO MY MOTION

There is ample precedent for language of this nature. A similar motion was offered by Mr. MYERS of Indiana in connection with the curtailment of funds for implementation of an executive order pardoning draft evaders. Mr. MYERS' amendment provided that the executive could not expend funds to pardon the evaders. This was an after-the-fact amendment following President Carter's Executive order. My amendment does nothing more than to track the same form of executive limitation as did the Myers amendment of March 16, 1977, when the parliamentarian ruled that amendment in order. This precedent will be found in the CONGRESSIONAL RECORD, pages 7706–7754, on H.R. 4877, a supplemental appropriations bill.

The CHAIRMAN. Does the gentleman from Illinois (Mr. MIKVA) wish to be heard further on the point of order?

Mr. MIKVA. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, I particularly call attention of the Chair to the second half of the amendment, which imposes an affirmative duty on the Secretary, saying that such arms shall not be withheld from distribution to purchasers who qualify for purchase of said arms pursuant to title 10, United States Code, section 4308.

Under the general existing law, there are all kinds of discretions that are allowed to the Secretary to decide whether or not such arms shall be distributed. Under this amendment, the existing law is to be changed and those arms may not be withheld. The practical purpose is to turn lose 400,000 to 500,000 rifles into the body politic.

But the parliamentary effect is clearly to change the existing law under which the Secretary can exercise all kinds of discretion in deciding whether or not those arms will be distributed. Under this amendment it not only limits the fact that the funds may be obligated but it specifically goes on to affirmatively direct the Secretary to distribute such arms under title X, which is an affirmative obligation, which is exactly the kind of obligation the rules prohibit, and I renew my point of order.

Mr. JOHN T. MYERS. Mr. Chairman, section 4307 provides for the sale of these surplus weapons. This amendment does nothing more than provide that, in this title of section X.

The CHAIRMAN (Mr. ROSTENKOWSKI). The Chair is ready to rule.

The Chair has read the section to which the gentleman refers, title 10, United States Code, section 4308, and is of the opinion that it does not require that all firearms be distributed to qualified purchasers. The Chair further feels that while the first part of the amendment is a limitation, the last part of the amendment is a curtailment of Executive discretion, and the Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

FOREIGN CURRENCY FLUCTUATIONS, DEFENSE

For transfer by the Secretary of Defense to or from appropriations available for military functions of the Department of Defense for fiscal year 1979, or thereafter, for the expenses of military personnel or operation and maintenance, including the operation and maintenance portion of the Family Housing Management Account, established pursuant to section 501(a) of Public Law 87–554, in order to maintain the budgeted level of operations for such appropriations and thereby eliminate substantial gains and losses to such appropriations caused by fluctuations in foreign currency exchange rates that vary substantially from those used in preparing budget submissions; $500,000,000, to remain available until expended: *Provided*, That funds transferred from this appropriation shall be merged with and be available for the same purpose, and for the same time period, as the appropriation to which transferred, and funds transferred to this appropriation shall be merged with, and be available for the purpose of this appropriation until expended: *Provided further*, That transfers may be made from time to time from this appropriation to the extent the Secretary of Defense determines it may be necessary to do so to reflect downward fluctuations in the currency exchange rates from those used in preparing the budget submissions for such appropriations, but transfers shall be made from such appropriations to this appropriation to reflect upward fluctuations in currency exchange rates to prevent substantial net gains in such appropriations: *Provided further*, That the Secretary of Defense shall provide an annual report to the Congress on all transfers made to or from this appropriation.

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: On page 14, after line 7, insert a new paragraph to read as follows:

TWO PERCENTUM REDUCTION

Of the total budget authority in this title, for payments not required by law, two percentum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Title for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five percentum.

Mr. McEWEN. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. VOLKMER. No; I do not yield for that purpose.

Mr. Chairman, this is another 2 percent amendment on title III. It provides for a 2-percent cut across the board for all the operation and maintenance part of the bill.

I believe there is no question as to the purpose of it. It is to reduce the expenditures by 2 percent on each and every item within the title that can be reduced for payments not required by law.

In reviewing it I feel personally that there is no question that 2 percent can be reduced and yet provide for sufficient operation of our military and our defense of this country.

I again reiterate, as I said in the previous amendment, that I believe that there is 2 percent than can be reduced as a savings to the people of this country and that it will not provide any basis on which the military defense of this country would collapse.

I believe that we would still be able to have a first rate military defense in operation in this country.

Mr. Chairman, I yield back the balance of my time.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

Mr. Chairman, there is really nothing more important in this appropriation bill than funds for operation and maintenance. You can have all the money you want for research and development and you can have all the money you want to pay to personnel and otherwise, but if you do not have money for the operation and maintenance of the defense establishment, you do not really have a Defense Department.

So it is not surprising that the operation and maintenance budget is a huge budget.

One of the reasons why it is so huge is because of inflation. Everything has being going up, up, and up. The Air Force, the Navy, and the Army purchase about $4 billion worth of fuel, for example, and fuel is going up. Inflation besets us on all sides. It seems to me very unwise to reduce by several hundred million dollars, in fact $747 million, the operation and maintenance requirements as set forth in this bill. I do not mean that we in the committee have rubberstamped the operation and maintenance budget. We cut the operation and maintenance funds as requested in the budget by $1.2 billion. We cut them but we also added slightly over $1.1 billion. If we are going to maintain our forces and if we are going to maintain our base establishment, we have to have the money with which to do it.

We added $1.1 billion. We added $500 million for currency devaluation because of the increase in pay that civilians in Germany and elsewhere who work for the Defense Department get, the foreign nationals, because we have agreed to pay them at a certain rate. The dollar has gone down, down, and down, so it costs

more dollars to provide the same pay. That cost a half a billion dollars that we have added above the budget. The gentleman from Tennessee made reference earlier in the debate today to the deplorable condition of some of the installations and medical facilities in particular and the deterioration that is taking place. We added above the budget $82.5 million for real property maintenance and the committee specified it could not be used for anything other than property maintenance. We are trying to protect the taxpayers and the Department of Defense from even greater expense in the future if this work is not done now.

So I think it would be very ill advised to adopt the gentleman's amendment, since we want the maximum degree of readiness in our Armed Forces. Cutting back on O. & M. funds would make the Armed Forces unable to do their job at home and abroad.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Georgia.

Mr. FLYNT. Mr. Chairman, I want to associate myself with and concur in the remarks made by the gentleman from Texas (Mr. MAHON), the chairman of the Committee on Appropriations.

To accept this amendment would be to cut back the flying hours of our aircraft, the steaming hours of our naval fleet and the readiness ability of our Armed Forces. This amendment would reduce training requirements to an unacceptable minimum.

Certainly we do not say that the figure in this bill is magic or that it is perfect. It is the best figure with which the subcommittee could come up after months of hearings and a markup which lasted for most of 5 calendar weeks during this year.

I think it would be foolhardy and unacceptable to reduce the training elements of the defense budget, which provides for the training and proficiency of the men and women in all the uniformed forces of this country.

Mr. Chairman, I, too, hope the amendment will be defeated.

Mr. MAHON. I thank the gentleman for his excellent remarks.

May I add, with respect to safety, that we have added additional funds for the maintenance of aircraft. These aircraft cost money, and the maintenance of these aircraft relates to the safety of our military personnel. Therefore, it seems to me that it would be most unwise for us to reduce the margin of safety in the Armed Forces, which this amendment would tend to do.

Mr. Chairman, if we want to close a lot of bases, and that would not have much of an impact in the short run, but in the long run, it would have a major impact, it seems to me we should vote to do that knowing what we are doing. This amendment would not specify where the reductions would be made.

Mr. Chairman, this amendment ought to go down with a resounding "no."

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, First of all, operation and maintenance is an extremely important part of the operation of the military. Still, this subcommittee has cut tremendous amounts of money out of this area already. We had some of our greatest arguments in committee about the amount of money we would cut.

Just as examples, Mr. Chairman, on the Army O. & M., we cut $136 million; on the Navy O. & M., $137.8 million; on the Air Force O. & M., $171.3 million; and so on.

The only place in which we went over the budget was in the O. & M. for the Naval Reserve and just a small amount for one other item, $13,000.

If the Members want to look in the committee report, it is on page 443. They can see what we have done.

Therefore, Mr. Chairman, the real culprit in here is the fact that we had to add a half billion dollars in foreign currency fluctuations, something we had absolutely no control over. The dollar has been bounding all over the place in foreign countries, and we had to put this money in. If we had not had to put that money in, we would have cut over a half billion dollars in this particular title.

Mr. Chairman, I think the committee has done a good job on this title, perhaps too good a job; but certainly it does not warrant a further cut of 2 percent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. MCEWEN

Mr. McEWEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McEWEN: On page 14, line 7, add the following section:

XIII OLYMPIC WINTER GAMES

For logistical support and personnel services to the XIII Olympic Winter Games; $2,000,000. During the current fiscal year, the Secretary of Defense may transfer the funds made available for this purpose to any appropriation contained in title I or title III of this Act or any subdivision thereof: *Provided*, That funds transferred pursuant to this authority shall be merged with and made available for the same purpose as the appropriation to which transferred: *Provided further*, That transfer authority provided herein shall be in addition to that provided in section 833 of this Act.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, we will accept the amendment on this side.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. McEWEN. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, the $2 million has been authorized by both the House and Senate and agreed to in conference. We accept the amendment. I believe it is a good amendment.

Mr. McEWEN. I thank the chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. McEWEN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, space parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $916,708,000, to remain available for obligation until September 30, 1981.

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: On page 14, line 24, strike "$916,708,000;" and insert in lieu thereof "$917,401,000.".

Mr. DICKINSON. Mr. Chairman, this was the other figure that we discussed earlier that we offered en bloc. I do not believe that there is any objection to them since they were to be coupled together.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I will be pleased to yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

The House made a decision in regard to this matter, and there is no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. DICKINSON).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefore, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $757,900,000, to remain available for obligation until September 30, 1981.

AMENDMENT OFFERED BY MR. MAHON

Mr. MAHON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON:

On page 15, in lines 17 and 18, strike out "$757,900,000" and insert in lieu thereof "$738,100,000".

Mr. MAHON. Mr. Chairman, this amendment is offered in order to make the appropriation bill comport with the authorization bill. We are above the total figure as authorized, and the purpose of this amendment is to bring the figure down to the authorization bill. I ask for a favorable vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. MAHON).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,555,200,000, to remain available for obligation until September 30, 1981.

AMENDMENT OFFERED BY MR. MAHON

Mr. MAHON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON: On page 16, in lines 11 and 12, strike out "$1,555,200,000" and insert in lieu thereof "$1,528,400,000".

Mr. MAHON. Mr. Chairman, the figure in the bill before the House is above the conference agreement on the authorization. This amendment is offered in order to bring the total appropriation figure to the figure that was included in the authorization bill. There is no controversy so far as I know to the amendment, and I ask for a favorable vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. MAHON).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $4,504,000,000, to remain available for obligation until September 30, 1981.

Mr. MAHON. Mr. Chairman, the Committee on Appropriations recommends in the bill a much higher figure for aircraft procurement, Navy, than was provided in the conference agreement on the authorization legislation. Therefore, in order to bring the total appropriation figure down to the authorization figure, I offer the amendment and ask for favorable consideration.

The Clerk read as follows:

Amendment offered by Mr. MAHON: On page 18, line 20 strike out "$4,504,000,000" and insert in lieu thereof "$4,381,100,000".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. MAHON).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SHIPBUILDING AND CONVERSION, NAVY

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended, as follows: for the Trident submarine program, $274,800,000; for the SSN-688 nuclear attack submarine program, $351,900,000; for the aircraft carrier service life extension program, $32,200,000; for the DDG-2 guided missile destroyer modernization program, $128,000,000; for the CVN-71 nuclear aircraft carrier program, $2,129,600,000; for the FFG-7 guided missile frigate program, $1,493,100,000; for the AD destroyer tender program, $318,000,000; for the T-ARC cable laying ship program, $191,000,000; for craft, outfitting, post delivery, and cost growth on prior year programs, $769,400,000; in all: $5,688,000,000, to remain available for obligation until September 30, 1983: *Provided*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel: *Provided further*, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 20, line 2, after "$128,000,000"; strike the words and amount on lines 2 and 3: "for the CVN-71 nuclear aircraft carrier program, $2,129,600,000;"

On page 20, line 8, after "in all:" strike "$5,688,000,000," and insert in lieu thereof "$3,558,400,000,".

Mr. YATES. Mr. Chairman, this amendment would strike from the bill the funds that have been inserted for a new nuclear-powered aircraft carrier. We now have 13 carriers in the fleet. There are three nuclear carriers. There is one that is building in Newport News and it is scheduled to be completed in 1982.

The new nuclear carrier has been inserted over the opposition of the President of the United States. The President of the United States has asked that the funds be not inserted in the bill. He is opposed to the carrier at this time. The Secretary of the Navy has voiced his opposition to the carrier at this time and the ranking members of the Defense Subcommittee of the Committee on Appropriations, Chairman MAHON, and the ranking member, the gentleman from Alabama (Mr. EDWARDS) are both opposed to the insertion of funds for this nuclear carrier at this time.

The vote in the Committee on Appropriations on my amendment to remove these funds was 26 to 26. I lost by a tie vote.

Now, will the removal of these funds hurt national defense? I do not think so. I think, as a matter of fact, it may help the national defense, because it gives us another year to try to bring some semblance of order into an enormously complicated debate and into an area of uncertainty.

There is a very great question as to whether or not the Newport News Shipbuilding Co., which is the only yard in the country in which a nuclear carrier can be constructed, can accommodate the ship at this time.

A letter was received last week from the company saying that it could do so; but I suggest to the House that permitting the carrier to be built at this time by the Newport News Co. is inviting a controversy which exceeds even the one that is currently going on.

The CVN–71, the nuclear carrier that is scheduled for delivery in 1982, has been under construction without a contract. We still do not know what the terms of the agreement between the company and the Navy are going to be. We know what the cost is supposed to be; but there is no agreement on that. The Newport News Shipbuilding Co. has outstanding claims against the Navy at this time in excess of $700 million. We know that the amount they have agreed on originally for this carrier is not going to be the amount for which the carrier will be constructed.

We know, too, that the amount that is supposed to be the cost of the carrier for which the funds are inserted in this bill cannot possibly be the amount for which it will be constructed, because it will not be ready for another 10 years. I will have more to say about that later Mr. Chairman, there will be no hurt to the national defense in the event that my amendment is sustained. There is a difference of 1 year in the construction.

The question is whether or not we have the carrier delivered, assuming funds are approved, in the year 1987 or in the year 1988, and only a seer or only a magician would know what the state of the art of war would be at that time.

My good friend, the gentleman from Missouri (Mr. BURLISON), presents a very cogent argument for constructing a nonnuclear carrier, and Mr. Claytor, who is one of the Secretaries in the Department of Defense, holding a high position of responsibility, has said that he favors the construction of the nonnuclear carrier. As a matter of fact, he says it is cheaper and as effective in many ways as a nuclear carrier, and we could buy three of those for the cost of two nuclear carriers.

But the point is this, Mr. Chairman: Why must we make the decision at this time? The President and the Secretary of Defense have said we need another year to bring some order out of the chaos in the Navy's shipbuilding program.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. YATES) has expired.

(By unanimous consent, Mr. YATES was allowed to proceed for 3 additional minutes.)

Mr. YATES. Mr. Chairman, we will hear the argument that this is an enormously powerful weapon that we must have in our arsenal. There will be those Members who will arise to say that the carrier is practically invulnerable, that it is a ship that just cannot be sunk. I have also heard the argument in the Committee on Appropriations that no carrier was ever sunk.

But, Mr. Chairman, 5 of our carriers were sunk in World War II, 17 Japanese carriers were sunk in World War II, and 6 British carriers were sunk in World War II. So I say to those who argue that the carrier cannot be sunk that history does not agree with their arguments.

Will our national defense require a fifth nuclear carrier in 10 years from today? If you think we will, you should vote for the $2,100,000,000 above the budget for the nuclear carrier. If you do not, which is my belief, we can delete the money and postpone the decision for a year.

We have 12 aircraft carriers now. We have three nuclear now—four in 1982 if CVN–70 is completed on time. We have an additional carrier at Pensacola, Fla., which is used for training purposes. That is a pretty big sized aircraft carrier fleet without the additional nuclear carrier. A year's delay will not hurt us at all. It will probably help us.

The problem was well stated last week by my friend from Alabama (Mr. EDWARDS) who is ranking member of the Appropriations Subcommittee on Defense, requesting what we have to decide is what are the right ships at the right time. He voted and spoke strongly against the carrier in our committee. The gentleman from Texas (Mr. MAHON) who is chairman of that subcommittee and has been for so many years, voted against and spoke against the carrier in committee. There are no two more knowledgeable men in the House on the subject of national defense.

What are the right ships at the right time? The Navy has told the Congress that it needs 600 ships. Today we have approximately 460 ships. So we need an additional 140 ships. We can buy a lot of those ships for the billions that are represented by the cost of the nuclear carrier and its appendages.

I use the phrase "when the CVN–70 is delivered in 1982." Let us hope it will be delivered at that time. I raise that point seriously for even though the *Vinson* is being constructed now at the Newport News Shipbuilding Co.'s installation in Virginia, the Navy and the company have still not agreed upon the terms of the contract.

It is generally accepted that any new nuclear carrier can only be built by one shipbuilding company, the Newport News Shipbuilding & Dry Dock Co. Apart from the question of cost and other contracted terms, it is problematic whether the company can build two carriers at this time. It says it can. It wrote a letter last week that a new one could be started while the old one was being finished. But even assuming they can do so there are many who doubt the wisdom of this tremendous undertaking—particularly when there is no agreement on basic costs.

Four years have gone by since the company began to build the *Vinson*. The Navy and the company have still been unable to come to any agreement on a contract.

In January of this year, Newport News submitted a new proposal for the CVN–70 contract. That proposal requests a number of protective contract clauses the Navy is not willing to accept, probably for good and valid reasons. Negotiations were resumed in April 1978 but were terminated in June when Newport News withdrew its CVN–70 contract proposal. It can be assumed reasonably that Newport News will demand the same protective clauses in the CVN–71 contract that it desires in the CVN–70 contract. Furthermore, Newport News and the Navy have been unable to settle over $740 million worth of claims, of which nearly $250 million involve nuclear-powered aircraft carriers CVN–68 and 69 already delivered to the Navy by that shipyard. And on top of all that trouble, the shipbuilder has taken the Navy to Federal court on a nuclear-powered cruiser under construction at Newport News.

Let me quote what Admiral Rickover testified this year before our committee with regard to this very matter.

I, of course, cannot assure you that Newport News management will not, given their sole source position on the carrier . . . insist on unreasonable contract terms and conditions that would be unacceptable to the Navy. Negotiations for definitization of the CVN–70 contract are expected to begin before the end of April. Newport News' attitude in these negotiations will be very important in answering the question you are raising.

Those negotiations were terminated in June 1978 when Newport News withdrew its proposal. Is there anyone here that seriously advocates that we throw a $2.4 billion aircraft carrier into the midst of that adversary environment—a $2.4 billion shipbuilding program on which the Navy would be unable to negotiate and sign a specific construction contract? I do not think so.

Since the early 1970's, the Navy has been attempting to increase the number of ships in the fleet after older, less capable ships had to be retired for economy reasons. Numbers of capable ships are important. The fewer ships we have, the less number of areas of the world we are able to patrol and protect. The recent history of our shipbuilding program clearly shows that building more expensive and sophisticated ships ultimately leads to longer construction periods, increased costs, and fewer ships for our Navy. By funding another nuclear-powered carrier, we perpetuate this undesirable trend toward a smaller U.S. Navy. The $2.1 billion we are discussing is not the end. The Navy will have to use some $300 million worth of nuclear propulsion spares, which Congress funded to support our three newest nuclear-powered carriers, in the construction of the CVN–72. These spares will have to be replaced subsequently at a cost of probably $400 million. Furthermore, CVN–71 would represent a fifth nuclear-powered carrier. And a fifth nuclear-powered carrier will require two to three additional nuclear-powered cruiser escorts at a cost of $1.5 billion to $2 billion each when they are finally built. And all this means fewer ships for our Navy.

The conference on the Defense Authorization bill just concluded Monday of last week made two landmark decisions: Title VIII of the Defense Authorization Act of 1975 was repealed. That title established as a matter of law that the policy of the United States is to provide nuclear propulsion for major combatants—including aircraft carriers—built for naval strike forces, unless the President deemed otherwise. That law will no longer be on the books. Furthermore, the authorizing conferees agree to a new section 810, which states:

NAVY SHIPBUILDING POLICY

"SEC. 810 (a) It is the policy of the United States to modernize the combatant forces of the United States Navy through the construction of advanced, versatile, survivable, and cost-effective combatant ships in sufficient numbers and having sufficient combat effectiveness to defend the United States against enemy attack and to carry out such other missions as may be assigned to the Navy by law. In order to achieve such policy and Navy should develop plans and programs for the construction and deployment of weapon systems, including Navy aviation platforms, that are more survivable, less costly, and more effective than those presently in the Navy.

"(b) In order that the Congress may be kept currently informed regarding compliance with the policy expressed in subsection (a), the President shall include in all requests made to the Congress for the authorization of any ship for the combatant forces, including any aircraft carrier, (1) his conclusions with respect to the survivability, cost effectiveness, and combat effectiveness of such ship, (2) a recommendation whether such ship should be nuclear or conventionally powered, and (3) the reasons for such conclusions and recommendations.

"(c) Title VIII of the Department of Defense Appropriation Authorization Act, 1975 (88 Stat. 408) is repealed."

I would submit to you that the foregoing legislation setting forth Navy shipbuilding policy is another good reason why Congress should not insist upon funding another nuclear-powered carrier at this time. I, for one, would prefer to see in writing the position of the Navy and the President with respect to the survivability, cost-effectiveness, and capabilities of less costly alternatives to a nuclear-powered aircraft carrier instead of Congress forcing a CVN–71 on the President. Let us see the results of this new expression of policy from Congress.

The foregoing new expression of Navy shipbuilding policy brings me to the survivability question with respect to air-

craft carriers, particularly when we can afford so few. Some people point to the relative invulnerability of aircraft carriers. As a matter of fact, in our full committee, it was stated that there has never been a large aircraft carrier sunk by an enemy. We all know, of course, that you do not have to sink an aircraft carrier to render it useless. Damage to the flight deck, making it impossible to launch and recover aircraft, is all that is necessary to send an aircraft carrier back to port for repairs of some 6 months' to a year's duration. But let us look at the record of aircraft carriers during World War II, when we had 17 large CV's and over 100 smaller CVE carrier escorts. We lost five large CV's between 1942 and 1944. That number represented 29 percent of our large carrier force. The British lost five aircraft carriers during World War II, and we sunk a total of 17 Japanese aircraft carriers during the war. The carrier *Enterprise*, which joined the fleet in 1938, was damaged in six different actions during World War II over a period of 3 years, and she was forced out of action on two of those occasions and sent to port for repairs. There are many other instances of carriers forced out of action during World War II by enemy action. And this was all at a time when there was no such thing as cruise missiles that can be used by the enemy to saturate carrier defenses and damage or destroy these large targets, putting them and their aircraft out of action. If we lost five aircraft carriers in the next war, we have lost 42 percent of our deplorable carrier force. And we will not have backup ships we might have built in place of one or more of the carriers.

Let me point out what a DOD official said in our hearings this year about the future role of the aircraft carrier and its vulnerability. Mr. Robert A. Moore, Deputy Under Secretary of Defense for research and engineering—tactical warfare programs—testified as follows:

What should be the future role of aircraft carriers? Mobility, flexibility, and freedom from geopolitical constraints make carriers valuable for peacetime presence, crisis control, and unilateral military action. The carrier role in supporting NATO forces in event of war with the Soviet Union would be restricted by geography and the large recources needed for carrier defense against high-intensity threats.

What I am saying is, if you put a carrier task force in the North Atlantic by the Norwegian Sea, it is going to be very difficult to defend. Carriers would be useful both for some sea control roles and in peripheral and remote areas in such a conflict.

How many carriers do we need? For the present we need to keep four carriers forward-deployed, that is what we have today, to meet our commitments and to give ourselves adequate flexibility for a response to time of crisis. . . .

In order to meet needs for maintenance and crew rest, 12 carriers are needed to keep four forward-deployed. We have not found a practical way to reduce this number without additional foreign basing of aircraft carriers and, of course, personnel and their families.

And finally I would like to mention the cost history of our nuclear-powered aircraft shipbuilding program. History tells me that the current estimated cost of $2.4 billion for CVN–71 could be very "soft" if our experience on her sister ships is a yardstick. Construction of the *Nimitz*, *Eisenhower*, and *Vinson* are currently estimated to cost on the average of 42.2 percent more than the estimated cost of those ships at the time they were first budgeted. After building the *Nimitz* and the *Eisenhower* the Navy currently estimates that a third carrier of that class, the CVN—Vinson—will now cost $1.3 billion. or 37 percent more than the $951 million original end cost estimate provided by the Navy when it was first funded by Congress. So, I am not impressed with the fact that CVN–71 will be a carbon copy of earlier carriers and that it will cost $2.4 billion. At best, these are big, expensive, high value targets for any enemy.

In summary, Mr. Chairman, I cannot understand why we insist on wasting $2.1 billion on a nuclear-powered aircraft carrier the President did not ask for, he does not want, and cannot be placed under a definitized construction contract this year. This unbudgeted carrier will tend to perpetuate the trend toward a smaller Navy, and is contrary to the new expression of Congress embodied in the authorization bill with respect to Navy shipbuilding policy. We have enough of these costly nuclear-powered carriers to meet the contingencies now and in the 21st century that require nuclear propulsion, and it is totally wrong to fund another one above the budget this year when the future trend is toward smaller carrier decks when V/STOL aircraft become available in the mid to late 1990's. I urge adoption of my amendment.

AMENDMENT OFFERED BY MR. BURLISON OF MISSOURI AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. YATES

Mr. BURLISON of Missouri. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. BURLISON of Missouri as a substitute for the amendment offered by Mr. YATES: Page 20, line 2, strike out "for the CVN–71 nuclear aircraft carrier program, $2,129,600,000;" and insert in lieu thereof "for the conventional-powered aircraft carrier program, $1,535,000,000."

POINT OF ORDER

Mr. BENNETT. Mr. Chairman, I raise a point of order on the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BENNETT. Mr. Chairman, it would seem to me that this amendment would be subject to a point of order. I have not deeply researched the matter, but we do have a bill before us which passed both the House and the Senate, and that language provided for a nuclear carrier. This bill that is before us specifically provides for a nuclear carrier, and it does not provide for any other type of carrier.

Therefore, it seems to me this amendment would be adding new provisions to the bill in a way which is inconsistent with germaneness. The amendment adds another kind of carrier, but the carrier which is specifically mentioned in the bill is the CVN–71, and it is specifically described as a nuclear carrier.

Therefore, I think the amendment is subject to a point of order.

The CHAIRMAN. Does the gentleman from Missouri (Mr. BURLISON) desire to be heard on the ploint of order?

Mr. BURLISON of Missouri, Yes, I do, Mr. Chairman.

Mr. Chairman, in view of the fact that we do not have authorization legislation, we are considering this bill now under a waiver of points of order in the first place.

In the second place, Mr. Chairman, the authorization bill merely states a sum of money for shipbuilding and places in the report a discussion about what ships might be constructed. We all know, of course, that language in a committee report is not legislation.

Therefore, the point of order raised by my friend, the gentleman from Florida (Mr. BENNETT) should obviously not lie.

Mr. BENNETT. Mr. Chairman, may I be heard further on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BENNETT. Mr. Chairman, the point of order is to the amendment, and although the bill is not subject to a point of order, amendments thereto, it would seem to me, would be subject to a point of order to be appropriate.

The CHAIRMAN. Does the gentleman from Missouri (Mr. BURLISON) desire to be heard further?

Mr. BURLISON. No, I do not, Mr. Chairman.

The CHAIRMAN (Mr. ROSTENKOWSKI). The Chair will observe that the Committee on rules did waive points of order to the pending paragraph, but it did not waive points of order against amendments.

The Chair will point out that unauthorized items in a general appropriation bill being considered under a special rule waiving all points of order may be perfected by germane amendments merely changing a figure, but such procedure does not permit the offering of amendments adding further unauthorized items on appropriation. As far as the Chair is aware, the conventional powered aircraft carrier is not authorized, and the Chair would have to sustain the point of order made by the gentleman from Florida.

Mr. BURLISON of Missouri. Mr. Chairman, I believe the chairman has not addressed the point that I raised about the authorization bill itself failing to designate what ships are to be built. In other words, there is a single figure in the authorization bill for shipbuilding, and that is what my amendment is to.

The CHAIRMAN. The Chair would also have to observe that the authorization bill is not signed and, therefore, it is not yet law.

The Chair sustains the point of order.

Is there further debate on the Yates amendment?

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. BENNETT. Mr. Chairman, this debate is sufficiently important that we do not want to have any inaccuracies made, I believe I heard it said that the Secretary of the Navy has said the nuclear carrier was on the same par as the nonnuclear carrier as a matter of effectiveness, and I am sure there is no such statement by the Secretary. If he had said that he would be in error, clearly.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding, and I would like to say that if that is what I said—and I do not think that it is—I was in error. What I did say was that there is a dispute as to whether or not the nonnuclear would be as effective, cost effective, as a nuclear carrier, in that you can buy three of them for the same price that you can buy two nuclear carriers. I think he made the point.

Mr. BENNETT. Mr. Chairman, I wanted to clarify the record. The Secretary did not negate the superior effectiveness of the nuclear carrier. He said if we authorized it, he would build it with enthusiasm.

What is the dissent? There is no dissent on the part of people who have to fight. There is no dissent among the admirals, the captains, the officers and enlisted men. They all approve the nuclear carrier as being more cost effective, more combat effective, than the conventional type carrier. It is purely a budgetary thing that comes from the President. It is clear in all of the hearings that this is what it is. There were extensive hearings held on this.

Let me say that this idea of postponing until next year this decision really is an echo of the past, because that was exactly what was said a year ago and, therefore, a year ago in the Conference Committee between the House and the Senate in the authorization, I cut the Gordian knot myself. A lot of people said we should not do that. They said, "You are responsible in the field of ships, you know the nuclear ship is the better ship. You are just postponing it for a year." I said, "No, there is some doubt among Members of Congress as to whether we could have a nuclear or a conventional type carrier." So I agreed to a final study against the opinions of some of the members of the Committee on Armed Services. I said, "Bring back a new study," and the sea-based air platform study was then produced. That study showed without doubt whatsoever that we should go for a nuclear carrier with no dissent.

Since that time the Navy has decided that it does not plan to ask for any but one carrier between now and the year 2000 anyway. The sea-based air platform study is about 300 pages thick. There are also about 30 pages of hearings on this study in the Seapower Subcommittee. The authorities said without dissent, that the nuclear carrier is the way to go. So there is no dissent whatsoever on the part of the people who have to do the fighting or using the ships.

The ability of the Newport News has been addressed here. Newport News has said it is ready, willing and able to build the ship. As a matter of fact, they are now building the CVN-70. They are building it under a contract which allows for an option under which this ship the CVN-71 can be built. We could go ahead and build the ship. Newport News has said they can build it. They are ready to build it. And, as a matter of fact, they say if they do not have this follow-on they are going to have to let off thousands of people. And when they let off thousands of people and have to hire new people to build another ship later and those people are not trained, there is only one way it can affect the Treasury of the United States, and that is by eating up the dollars by those people who are not trained to do the work. So it would cost the Treasury more money to proceed in that dilatory manner, of postponing to a later year.

The ability of the carrier to survive has been addressed here. It is true that a carrier can be shot down. It is not true that any modern carrier has been shot down in battle. That record is worse among the antique carriers, which were the first to be shot down in World War II. But no modern carrier has ever been shot down. Now it is true that undoubtedly some carriers can be shot down.

The CHAIRMAN. The time of the gentleman from Florida (Mr. BENNETT) has expired.

(By unanimous consent, Mr. BENNETT was allowed to proceed for 5 additional minutes.)

Mr. BENNETT. Mr. Chairman, no modern carrier has experienced that. I am sure some modern carrier probably will, but it is still the most invulnerable piece of geography on Earth. It is the most invulnerable piece of geography on this Earth—because anything comparable that is a base on dry land, would not have the ability to move and so obviously could be more easily destroyed and eliminated.

The ability of the carrier to move from one spot to another with an ultimate diversion of thousands of miles, as it wishes to do so, makes it the most invulnerable piece of geography there is. There are many things built into the nuclear carrier which make it invulnerable also.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the gentleman from Florida indicated it was under an option contract and there were one or two points in the contract that have not been agreed upon. That is true. The points that have not been agreed upon relate to the price of the carrier and then the clause that the shipbuilding company wanted to insert in the contract and which the Navy refused to accept. The completion date is still not set and there are any number of important items that still have not been agreed upon.

Does the gentleman think it makes sense to go into the construction of another nuclear carrier with the tremendous cost it has without knowing what the basic contract provisions are likely to be?

Mr. BENNETT. Yes; I will be glad to answer.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I will yield to the gentleman from Florida first.

Mr. CHAPPELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, is it not true this so-called definitization of the contract itself has nothing to do with the construction?

Mr. BENNETT. Not a thing in the world.

Mr. CHAPPELL. It has nothing to do with the construction or the ability of this concern to build the ship. It has solely to do with the legal questions. Is that not correct?

Mr. BENNETT. That is correct.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Georgia.

Mr. FLYNT. Mr. Chairman, I would like to state further that the authorization which authorizes the CVN-71 in effect provides for construction of the CVN-70, so certainly the cost of the CVN-71 would be the same as the CVN-70 plus inflationary factors. I thank the gentleman for yielding.

Mr. CHAPPELL. Mr. Chairman, if the gentleman will yield further, is it not also true that the Navy and the contractor have ironed out all of their problems except one or two minor details and they expect to have everything completely definitized in the next 2 or 3 weeks?

Mr. BENNETT. I do not know about the precise time element as to when they expect to have it definitized, but what I do want to say to the gentleman is that the details of the shipbuilding have been pretty well finalized now.

Difficulties in the shipbuilding have been pretty well finalized now. There is a report, about 150 pages of material, which goes into things that the Navy has been doing with regard to contracts, improving the way in which they handle business.

There is nothing unusual about what they are doing. On the CVN-70, they are doing it on a cost plus basis. That is a valid way to do things. Many of our ships are built in that way. The Navy is trying to save every penny it can.

If only the same degree of care were taken in the Department of HEW, which admits by its own internal arrangements that they spend up to $6 or $7 billion per year in corruption and waste. The ship claims-problem is an accumulation of 15 years. There is a question of claims which run $2½ billion over that period of time, not involving billions and billions in a period of 1 year. It is only a $2½ billion overrun. I think it is a fantastically good job that they have done in comparison to other branches of the Government.

Mr. ROBINSON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Virginia.

Mr. ROBINSON. Mr. Chairman, I would ask the gentleman from Florida (Mr. BENNETT) if it is not correct that the shipbuilding involving the CVN-70, even though there is no contract for the moment, is going ahead on schedule, there is no work stoppage of any kind. It is proceeding on schedule?

Mr. BENNETT. That is correct.

Mr. Chairman, there is one thing I would like to address and it has not come up so far and perhaps I should not bring it up for that reason, but some people are concerned that when you build a nuclear carrier some say you have to have all these other nuclear cruisers that are used in connected with the nuclear carrier. We already have some nine nuclear cruisers now, and if you had to add one new nuclear cruiser it would be just something that we would have to build anyway. It would probably be one which would have the aegis on it; and the difference in price is $285 million between a nuclear and nonnuclear aegis cruiser. So we are not dealing in billions of dollars in extra costs.

Mr. TRIBLE Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Virginia.

Mr. TRIBLE. Mr. Chairman, the question raised by the speaker in the well covering the issue of the claims controversy and its impact on the construction of the ship, I would remind the Members that just a few days ago the Secretary of the Navy testified before the Committee on Armed Services that the negotiations on the contract are moving ahead, that meetings are being held this very week and he is optimistic that it will conclude the difficulties in the contract, and that this has in no way affected the construction of the ship. It moves ahead quickly and promptly on a construction basis.

Mr. BENNETT. I thank the gentleman from Virginia.

Mr. Chairman, it is an important ship and one that we need, and if we postpone any action on this it will cost us more money. I hope all of the Members will back this particular proposal later in the bill.

Mr. LLOYD of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think by now most all of the Members of the House are acquainted with the fact that I was a career Naval flyer and spent a good part of my life operating off of carriers with a total of 14 carriers.

It is because of this experience that I so highly respect and I am so supportive of the carrier.

There are all kinds of arguments as to why we ought not to be involved in the building of another nuclear carrier. I can personally give you plenty of arguments against it. It is regrettable that our Nation has to spend its time and efforts on such a project when we have so many other pressing issues, that we have to spend so much on national defense, but, unfortunately, these are the facts of life.

Our first line of defense, or, better yet, if we have to attack, either way, defense or attack, it is the carrier, it is the Navy, the Navy carrier that gets the job done.

I would also point out to the Members that everything is expendable. People have asked me occasionally, "Well, would a nuclear carrier survive a nuclear attack?"

Well, if you hit it right on the flight deck the answer is probably not. But I would remind you gentlemen right now that there are missiles programed in the U.S.S.R. for the building you are sitting in and I want you to know something, the carrier is a whale of a lot more survivable than where you are sitting.

I would remind the members that every airfield, military airfield, is also not survivable because it has already been preprogramed.

As my good friend, the gentleman from Florida, has pointed out, the carrier can move; and therefore, there is no ballistic missile which has that program set, unless, of course, the carrier is not going to depart from port at Norfolk or wherever it may be. I doubt seriously that that is the intent of what the Navy is going to do.

Let us talk about the efficiency of the operation. Let us talk about what has happened in the past.

In the past, for instance, when we pulled out of Vietnam, we lost millions and millions of dollars worth of equipment. We lost airfields when we pulled out of there. However, I want to point out one thing: There was not one item which was lost as a result of the withdrawal of the carriers, not one. Everything we had came back out of Vietnam, and it is available for use right today. Therefore, let us not forget what that mobile airfield really provides.

Beyond that, I hear people say, "The tactics are archaic. Really all the aircraft can do is to sort of defend themselves."

That is simply not true. As a matter of fact, Mr. Chairman, if we do not approve this carrier, we will be doing the greatest of favors to a potential enemy, no matter who that enemy is or where that enemy may be, for the simple reason that they fear the carrier first. They first have to destroy the carrier. They have to expend all their efforts to defeating that weapons system. The reason for that is that that carrier can be anywhere on this globe at any time, and it does, the best of ships, dominate the sealanes.

People say, "Why not have cruise-missile cruisers or cruise-missile ships?"

Cruise missiles are only good for designated targets that have been preprogramed.

Someone could say, "The Russians, for instance, could have a cruise missile attack the carrier." Indeed, they can, but what they must do is that they must position that submarine with knowledge of where the carrier is. Once they position it, when they rise, the carrier's aircraft, already available and providing antisubmarine patrol, will be able to spot that submarine. Indeed, they will know exactly what they are doing because there is no way anyone can approach the carrier in that kind of environment without telling them exactly what it is that he is doing.

We must remember that this is the most sophisticated weapons system that we have. We have avionics. We have the weapons systems all together in this ship, and it gives us a total striking power in one area. Every battle commander will tell us that the most important thing that we must do in either defense or offense is to be able to concentrate force. I will be dog-goned if we do not have exactly that right now in the carrier.

The CHAIRMAN. The time of the gentleman from California (Mr. LLOYD) has expired.

(By unanimous consent, Mr. LLOYD of California was allowed to proceed for 2 additional minutes.)

Mr. LLOYD of California. Mr. Chairman, as a person who has experienced carrier aviation and as a person who thoroughly believes that this is, indeed, our first line of defense, I think this is the cheapest insurance we can have.

I would think that at this time our national military leaders would have some interest in trying to have a balance of power centralized in our total defensive and striking forces.

Interestingly enough, the epitome of that is the strike carrier.

Mr. Chairman, I very strongly urge that we go forward and support the nuclear carrier.

Mr. WHITE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the question before us is whether or not we should build a nuclear carrier.

The Committees on Armed Services of both Houses said that we should build a nuclear carrier. I need not remind the Members of the House that this is a critical time and will be a critical time up until the mid-1980's.

We know that Soviet strength is growing at a rapid pace and that perhaps they could intimidate us on some future occasion even without a war. It is necessary, if we are going to remain safe, to be able to project our strength, and we need to protect our sealanes because we are a maritime Nation, and we must give confidence to our allies.

We do not want to fight any battle on our own shores. The problem of recent years has been that we have shrunken our perimeters. We have lost one base or another throughout the world. We need platforms on which to project our power, and we have very few of these left at the present time. An example was during the Yom Kippur War. As the Members remember, only Portugal allowed American planes to land at their airfields in trying to carry supplies over to Israel.

Now we have the design at the present time of this carrier, the *Nimitz* class. If we are talking about waiting so we can get the conventional class carrier, we must remember we do not have a design for the conventional-class carrier. A nu-

clear carrier is the only sensible solution. Delay will certainly escalate the costs and, as I said, we have the design now. We could proceed with the nuclear carrier. As the cost of oil goes up, one can be sure that the cost of operating a conventional carrier is going to go up to the point where the conventional carrier that is being talked about will cost even more than the *Nimitz*-class nuclear carrier that we have.

A nuclear carrier can move about freely for approximately 10 years on its fuel core. A conventional carrier must proceed more slowly with its transport in order to refuel. It stops dead in the water to refuel and is, therefore, very vulnerable. It moves at a very slow pace with a larger supply group, at a great cost to the people. I think today the only sensible, viable solution is to maintain the nuclear carrier in order that we can continue to project our power in a conventional mode at the present time. We do not know that we are going to have a nuclear war; we only know that the Soviets have been trying to intimidate us. Only by showing the flag and keeping power projected forward are we going to be credible in our defenses to the rest of the world so that they know, indeed, that we stand behind our commitments.

Mr. ROBINSON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Does the gentleman from Virginia realize that is not in order?

The Chair will put the question on the amendment.

Mr. ROBINSON. I have a point of order, Mr. Chairman. The Chair suggested putting the amendment to a vote.

The CHAIRMAN. The Chair has already ordered a quorum call in the Committee of the Whole today on this bill.

Mr. ROBINSON. I withdraw my request, Mr. Chairman. My memory is faulty.

Mr. BURLISON of Missouri. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, earlier I sought to offer an amendment to build a CVV medium-deck carrier in this fiscal year of 1979. As the Members know, that amendment was ruled subject to a point of order.

Mr. Chairman, the 5-year plan of the President, the shipbuilding plan which was sent to the Congress back in March, proposed the building of one more carrier to replace the *Midway* in the mid 1980's to maintain the same forces deployment that we have now with our carrirer to replace the *Midway* in the mid-port the Yates amendment and be in a position to carry out that administration recommendation.

I maintain that a conventionally powered ship slightly larger than the *Midway* which it replaces would be sufficient to perform this mission. As many have heard me say before, we are committed to having a mixed conventional nuclear carrier force at least into the 21st century.

How much difference does it make whether this mix is eight conventional and four nuclear, or seven conventional and five nuclear? I cannot really answer the question on my own, but I can look at reliable expert evidence, and I would consider the Department of Defense and the Secretary of Defense as proper authorities in this regard.

I would like to quote the testimony of the Secretary of Defense appearing before our Subcommittee on Defense Appropriations. He stated as follows:

> We already have enough carrier decks to project tactical air power . . . and provide fighter-attack support for our marine assault forces. However, we will need a replacement for the *Midway* in about 7 years. To minimize the cost of delivering the necessary sorties—and thereby to make the use of carrier-based aircraft more efficient against Soviet defenses, we should proceed with a medium-deck CVV rather than a large-deck, nuclear-powered CVN. As the committee knows, numbers of ships are important in determining combat power. On the one hand, there is the valid concern of the shrinking size of the U.S. fleet. On the other hand, we have a proposal to build the most expensive vessel in history. The Secretary of the Navy joins me in urging that this trend toward ever more expensive ships be stopped and that our next aircraft carrier be the conventionally powered CVV at a saving of roughly a billion dollars. If a CVN is built instead, there will be, in the long run, one way or another, a billion dollars less available for such needs as a larger number of Navy ships.

Now, Secretary Brown in talking about $1 billion less to construct this ship failed to mention that we also need with each of our carriers, escorts, carrier task forces. If we have a nuclear carrier, in order to get the full capability of that carrier we have got to have nuclear cruisers to escort it. The estimated cost per nuclear escort is about $1.5 billion per copy, while the cost of each DDG–47 conventionally-powered Aegis destroyer, which is the escort for the nonnuclear carrier, is about $760 million. Thus, the difference in buying conventional escorts versus nuclear escorts for this proposed ship is about $2 billion.

We had testimony before the Congress that an all-nuclear-powered carrier task force should have three nuclear-powered guided-missile cruiser escorts.

Incidentally, this came from the Chief of Naval Operations before our committee.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. BURLISON) has expired.

(By unanimous consent, Mr. BURLISON of Missouri asked and was given permission to proceed for 3 additional minutes.)

Mr. BURLISON of Missouri. Mr. Chairman, on the basis that the Navy needs 12 CGN's to meet just the current requirements, we have only funded nine of them.

Interestingly enough. Mr. Chairman, Congress has not funded a nuclear escort since 1974. If we fund the CVN–71, this escort requirement immediately escalates to 15 CGN's. So, you see, our shortfall is now six CGN's if we fund this CVN–71. The estimated cost of six nuclear-powered escorts to fill this shortfall is in excess of $6 billion.

In light of past and current congressional reluctance to fund these surface escorts, it does not make much sense for us to go ahead and approve funding for an additional nuclear carrier when we already have a shortfall of three escort cruisers for the four nuclear carriers that have already been programmed.

So in summary, Mr. Chairman, I am saying that this House ought to follow the President's recommendation and come back next year and fund the CVV that we need to keep our carrier forces up to the present levels. By doing so, we would not only save $1 billion in construction but we would save in the vicinity of $2 billion additionally on escorts for one carrier by going the route recommended by the President.

Mr. Chairman, I hope that my colleagues will support the Yates amendment and carry out the President's recommendation.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. BURLISON) has expired.

(On request of Mr. HUGHES, and by unanimous consent, Mr. BURLISON of Missouri was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. BURLISON of Missouri. I will be glad to yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I want to compliment my colleague, the gentleman from Missouri (Mr. BURLISON), on a very fine statement. I have a couple of questions in my mind.

As I understand it, the Chief of Naval Operations testified before the Committee on Appropriations and, I trust, before the Committee on Armed Services that a nuclear-powered carrier should have three escorts?

Mr. BURLISON of Missouri. The gentleman is correct.

Mr. HUGHES. The gentleman has stated here today that we now have a shortfall of escorts?

Mr. BURLISON of Missouri. We have a shortfall of three escorts at this time.

Mr. HUGHES. And we have nine nuclear cruisers at the present time?

Mr. BURLISON of Missouri. That is correct.

Mr. HUGHES. And I believe the gentleman said we have not built cruisers since 1974?

Mr. BURLISON of Missouri. We have not appropriated money for cruisers since 1974.

Mr. HUGHES. Mr. Chairman, can the gentleman tell me why the Navy has not made a request for additional cruisers to overcome this shortfall?

Mr. BURLISON of Missouri. The obvious reason is because of cost constraints. That is the reason. So it makes eminent sense that we should not now go down the road toward creating another shortfall of three nuclear-powered cruiser escorts.

It is obvious that the resources have not been available since 1974 to fund these nuclear carriers and escorts. It just

does not make sense now to fund an additional carrier when it is obvious that we are not going to fund the escorts, thereby making the nuclear carrier capability useless. Its added speed and other capabilities would be foreclosed by conventional escort limitations.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. BURLISON) has again expired.

(On request of Mr. HUGHES, and by unanimous consent, Mr. BURLISON of Missouri was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Mr. Chairman, will the gentleman yield for one more question?

Mr. BURLISON of Missouri. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, as I understand it, under this appropriation bill we are appropriating some $2,129 million roughly for a CVN-71. As I understand it, this appropriation would be specifically for that particular nuclear carrier or that type of carrier; and that there would be no discretion to build, for instance, conventional type carriers under this appropriation?

Mr. BURLISON of Missouri. That may be somewhat unclear, but this seems to be the essence of the decision of the Chair in ruling on the point of order raised against my amendment.

Mr. HUGHES. Mr. Chairman, I thank the gentleman.

Mr. ROBINSON. Mr. Chairman, will the gentleman yield?

Mr. BURLISON of Missouri. I yield to the gentleman from Virginia.

Mr. ROBINSON. Mr. Chairman, I thank the gentleman for yielding.

The gentleman from Missouri (Mr. BURLISON) recalls, of course, that the individual cited with regard to the Chief of Naval Operations was Admiral Holloway. I believe he is the one to whom the gentleman was referring. The gentleman is familiar with the fact that Admiral Holloway is now retired.

Did the gentleman attend the conference last week that was attended by all our colleagues who cared to be present? I refer to the conference that Admiral Holloway and Admiral Moorer, former Chief of Naval Operations and former Chairman of Joint Chiefs of Staff, held last week.

Mr. BURLISON of Missouri. I did not.

Mr. ROBINSON. The gentleman would have been interested in seeing the difference of opinion that was expressed there by Admiral Holloway, who spoke in favor of the nuclear carrier. He was strongly in favor of its being built now, and he was not emphasizing the necessity of escort vessels because of the huge fuel capacity the CVN has so it can fuel its own escorts, and they do not have to be nuclear-fueled.

Mr. BURLISON of Missouri. Mr. Chairman, since the gentleman has mentioned the position of retired Chiefs of Naval Operations, I think it would be pertinent to bring to the attention of the House the recent position stated by another retiree from that office. Admiral Zumwalt. He very articulately stated the folly, in view of all of these shortfalls that we have been talking about, of now going into the construction of another nuclear carrier at the cost of an additional $1 billion.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. BURLISON) has expired.

(On request of Mr. LLOYD of California and by unanimous consent, Mr. BURLISON of Missouri was allowed to proceed for 2 additional minutes.)

Mr. LLOYD of California. Mr. Chairman, will the gentleman yield?

Mr. BURLISON of Missouri. I yield to the gentleman from California.

Mr. LLOYD of California. I thank the gentleman for yielding.

Mr. Chairman, apparently the gentleman is under the impression that somehow carriers require escort vessels, nuclear or otherwise, to conduct their operations.

Is that true?

Mr. BURLISON of Missouri. That has been the testimony that we have heard before our Subcommittee on Defense Appropriations from the Chief of Naval Operations, the Secretary of Defense, and other eminent military and defense witnesses.

Mr. LLOYD of California. I had personally operated where carriers have operated strictly by themselves and, as a matter of fact, I can remember on several occasions where the escorts were sent 100 miles away because carriers have the capacity for providing their own escort facilities. They have helicopters to provide plane guard, they have antisubmarine aircraft, they have combat air patrol aircraft. That is the beauty of the carrier, that it is a total attack or defense entity. It is nice to work with service vessels, and if you have them, well and good. And it is even nicer if we can have a nuclear carrier working with nuclear escort ships. But in any case, the carrier is sufficient unto itself, and I can show the gentleman many eminent authorities who agree with me on that subject.

Mr. BURLISON of Missouri. Mr. Chairman, if I may reclaim my time, I would say that I doubt that very many naval authorities would suggest that we send an aircraft carrier out without escort in time of hostilities. These are new tactics that have not previously been brought to my attention.

Mr. LLOYD of California. If the gentleman will yield further, we sent ships all over the world in combat situations, particularly in the recent years. And with nuclear power, one of the best defenses that it has is high speed operation. With nuclear power a carrier can run at 33 knots steadily.

Mr. BOB WILSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this afternoon I want to pay tribute briefly again to the three giants on the Committee on Appropriations who are participating in the last major authorization bill this year. We are going to miss the gentleman from Georgia (Mr. FLYNT), the gentleman from Florida (Mr. SIKES), and certainly, the gentleman from Texas (Mr. MAHON), my neighbor and distinguished chairman of the Committee on Appropriations, who unfortunately supports, as I understand, the motion to strike the large nuclear carrier from this bill.

Mr. Chairman, I am saddened by the fact that Chairman MAHON has decided not to seek reelection. No Member of the House has served with more distinction or more devotion than he has. No Member has ever given more or had more to give than our distinguished chairman. All of us have been honored to serve with him in this House.

The chairman has been in this body for 44 years. He has been intimately associated with appropriations from the Department of Defense for 38 of those years. For years he has stood squarely for a strong, viable national defense. He understands and has greater knowledge of expenditures by the Department of Defense than any man or woman in this body. Thus, I find it difficult to oppose his position on this amendment.

Mr. Chairman, I cannot help but recall that about 2 years ago he stood in the well of the House and argued for rescision of the CVN-71. At that time, he argued for the construction of smaller carriers, and yet today, 2 years later, we have no small carriers under way or planned. It would take years, if we turned down this nuclear carrier, before we could get through the engineering and the planning and the funding to even get started on a nuclear carrier.

We do need one more carrier, the Navy tells us. If we need just one—and only one more—why not get started with the *Nimitz*-class carrier? As someone said, "Why not the best?"

The chairman has stood in the well and argued on numerous occasions that the major portion of the expenditures of the Defense Department are in peacekeeping areas. I agree with him. There is another side to fighting a war, and that is the keeping of peace.

The gentleman from Texas (Mr. MAHON) has argued eloquently that the Russians understand only power—power—and that is what we are talking about when we are talking about this big carrier: power. There is not a more powerful weapons system in the world today than the nuclear-powered aircraft carrier of the *Nimitz* class.

The Russians are superior to us in the number and even the types of nuclear-powered submarines they have. They are certainly superior to us in the missiles. The one point in the whole defense picture where we are ahead of the Russians substantially in the eyes of the world is in the nuclear-powered aircraft carriers.

So we are not talking about just keeping the sea lanes open in times of war. We are talking about the power of keeping the peace.

I submit to my colleagues there is no single object which so dramatizes to the people of the world the power and the might and the technological superiority and the capabilities of this country than does a large nuclear-powered aircraft carrier. When a large nuclear carrier makes port in any foreign country, it is an overwhelmingly dramatic demonstration of the power and the strength and the resolve of this

country. It demonstrates as no other thing can do our determination to keep peace throughout the world.

We are talking about a large nuclear carrier that would cost roughly $2 billion including 13 years of fuel at today's prices. The alternative, if there were to be one downstream, would be at a much greater cost than this figure for a smaller fossil-fueled carrier at an estimated present day cost of $1.5 billion, plus 13 years of oil fuel, and all the extra costs that may be quadruple what we know today.

We are also talking about in many respects the mission of the Navy. Should our Navy have among its missions the capability to project power ashore?

Of course it should. We do need this carrier if there is any doubt about our capacity to project power ashore and to deliver strikes against land installations.

The CHAIRMAN. The time of the gentleman from California (Mr. BOB WILSON) has expired.

(By unanimous consent, Mr. BOB WILSON was allowed to proceed for 2 additional minutes.)

Mr. BOB WILSON. We are talking about a carrier that will have a complement of over 90 aircraft, compared to an inferior aircraft carrier not even on the drawing board but still guesstimated to cost nearly as much, but carrying only two-thirds the number of aircraft.

What about the differences between nuclear power and oil power? When we talk about oil, we are talking about ships with an umbilical cord and all the implications that go with that.

The umbilical cord means more tankers, it means more supply ships, it means more manpower, it means more maintenance, and it means more of everything except speed. It means a much slower transit time for any long mission. We are talking about it in an era 10 to 30 years from now when the realities of the fossil fuel availability, international relations, and supply sources are at best unknown.

Why should we jeopardize the peacekeeping and warmaking ability of the Navy for an insignificant number of dollars—the difference between the known costs of a nuclear carrier and the dubious cost estimates of a substitute?

Mr. Chairman, we must have another carrier, and this is our chance to let the world know and to let our constituents know that we do not want our Navy to be second best.

I urge the Members to defeat this amendment.

Mr DICKS. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to congratulate the gentleman from California (Mr. BOB WILSON) upon the statement he has made. I also wish to associate myself with his remarks. I believe he has made a very thorough and comprehensive statement. I support the nuclear carrier. I hope that the House will follow the gentleman's leadership.

Mr. BOB WILSON. I thank the gentleman.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate my friend the gentleman from California (Mr. BOB WILSON) for yielding to me. I wish to join with others in this body in complimenting the gentleman on his statement and his leadership.

Mr. Chairman, the gentleman from California made an important reference to the giants on the Defense Committee of Appropriations, such as the gentleman from Texas (Mr. MAHON), our chairman; and the gentleman from Georgia (Mr. FLYNT), and the gentleman from Florida, (Mr. SIKES), and I want to concur in that statement with regard to their being giants, but I also want to add that the gentleman in the well is one of those giants as well, because he has made a great contribution not only to this debate today, but to the defense of this country and has been doing so for many, many years.

Again I want to congratulate him.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. WHITEHURST, and by unanimous consent, Mr. BOB WILSON was allowed to proceed for 2 additional minutes.)

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I would be happy to yield to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, I also want to compliment the gentleman from California (Mr. BOB WILSON) on his excellent statement.

Mr. BOB WILSON. Mr. Chairman, I might say that I am not retiring.

Mr. WHITEHURST. I know that the gentleman is not retiring and we are grateful for that. We need some giants in this House, and we are glad that the gentleman is not retiring and we hope that the gentleman's constituents in his district recognize that fact also.

Mr. BOB WILSON. I hope so, too.

Mr. WHITEHURST. But, Mr. Chairman, I would ask the gentleman whether he has had the opportunity of hearing from Admiral Kidd who is the Commander of the Atlantic fleet? Has the gentleman had the opportunity to hear the admiral's views on this subject?

Mr. BOB WILSON. Yes, I have, and he says he is much in favor of the nuclear carrier.

In fact, every seagoing-air type person that I have talked to, that has had the opportunity to really express his own views, has said that there is no question about the cost effectiveness of the nuclear carrier.

Mr. WHITEHURST. Mr. Chairman, I might add further that Admiral Kidd testified before the special NATO Subcommittee on which the distinguished gentleman from Virginia (Mr. DAN DANIEL) is the chairman, a couple of months ago, and he talked about our carrier needs, and he said that the need exists for them right now in the event we have a confrontation with the Soviet Union.

I cannot imagine anyone in this House, if they had had the opportunity to listen to Admiral Kidd's testimony at that time, postponing the decision to build this ship right now, in view of the kind of naval threat this country faces if we have war.

Again I commend the gentleman in the well for what he has said. I strongly urge my colleagues in the House to get behind the building of this ship and not postpone it. That is absurd. To postpone it is absolutely absurd. I think we are treading on dangerous ground if we put this decision off. I hope every Member in this House will support this project.

The CHAIRMAN. The time of the gentleman from California (Mr. BOB WILSON) has again expired.

(On the request of Mr. MAHON, and by unanimous consent, Mr. BOB WILSON was allowed to proceed for 1 additional minute.)

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I am happy to yield to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I cannot let this moment pass without saying that I appreciate deeply the kind words my colleague and my neighbor in the Rayburn House Office Building has spoken about GEORGE MAHON. It has been a pleasure to work with the gentleman from California (Mr. BOB WILSON) through the years. He is dedicated to the defense and the security of this country. I just want him to know publicly what he already knows privately, that I have great esteem for him. I think he has done a great job for the committee and for the Congress.

Mr. VANIK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support the Yates amendment. It is going to save this country over $2 billion in expenditures.

Mr. Chairman, I want to direct the attention of the House to the other business going on in this Congress. There is hysteria in this Chamber for meat-ax tax cuts. We are confronted with many horrible options. One of those options is what risks we are going to have to take with our national security as well as our own economy because of the wave of tax cut pressure.

Let me point this out: This week the Committee on Ways and Means is going to bring up a bill which is going to cost the Treasury $16 billion; and by the time it leaves the other Chamber, it will probably cost $28 billion. We are going to have to borrow every single dollar of this money, and we do not have it. It is going to be tacked onto the deficit; it is going to be tacked onto the debt.

There is also a possibility later this week that the so-called Kemp-Roth proposal will come before the House. I am glad my distinguished colleague from New York, Mr. KEMP, is here. That proposal is to reduce Government receipts without reducing expenditures. It will reduce Government receipts by 30 percent over the next 3 years.

Of our total budget, when we subtract the nondiscretionary expenditures, we have left, with spending discretion of about 30 or 40 percent of the total $500

billion in our budget. That means that all of the cuts in spending that are going to result have to come from the discretionary sector: Health, education, welfare, and defense.

Mr. Chairman, I would like to see these important defense considerations put over until next week, so that we see what kind of condition this country is going to be in. We have to determine what we can afford.

I think we are in a serious situation; and if we have to limit our defense by what we are driven to do by tax programs, we may, indeed, be jeopardizing the security of this country.

Mr. Chairman, I think that the Roth-Kemp tax proposals are dangerous. I think they should be put aside for more careful study. I do not think we should proceed with reckless tax cuts which may drive us to reckless curtailments of the national security.

Mr. Chairman, that is exactly the plight which may result. The gentleman from New York (Mr. KEMP) will help bring us there if his proposal is successful in this Chamber.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I am happy to yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, the gentleman mentioned my name.

Mr. VANIK. Yes, I did.

Mr. KEMP. He also mentioned a bill of which I am an author, to lower the tax rates.

The gentleman characterized the bill as an attempt to cut taxes by one-third, and I do not think we ought to be in this debate right now on this issue, but as long as the gentleman brought the matter up, the gentleman should know that I want to reduce tax rates to achieve greater economic growth, not to lose tax revenues.

Does not the gentleman see the difference between the marginal tax rates and tax revenues?

Mr. VANIK. I see 10-percent revenue loss each year adding up to 30 percent in 3 years, which is a little bit less than one-third.

Mr. KEMP. The point I am asking the gentleman to answer is this: Does he think that a marginal reduction in the tax rate——

POINT OF ORDER

Mr. BURLISON of Missouri. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BURLISON of Missouri. I make the point of order, Mr. Chairman, that the debate is not germane to the issue before the House nor to the amendment before the House.

Mr. KEMP. Mr. Chairman, the gentleman should have raised that point earlier.

The CHAIRMAN. The Chair will state that the gentlemen are addressing matters concerning the defense of this country during the consideration of a defense appropriation bill.

Mr. VANIK. Taxes are necessary to pay for the defense of the country.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman's point of order, but it should have been raised earlier.

The gentleman from Ohio (Mr. VANIK) is making an error insofar as my bill is concerned, in characterizing the Roth-Kemp bill as a meat-ax reduction of taxes. We are not trying to reduce taxes by one-third, we are trying to lower the tax rates over 3 years not to lose revenues, but to expand the economy and restore incentive to the workers, savers, and investors of America.

By suggesting that we should not have any tax rate act at all, the gentleman, by definition, then, is in favor of raising taxes.

Mr. Chairman, I would ask the gentleman a question: Does he think that it would be beneficial to the welfare of the U.S. economy and our people to raise taxes?

The CHAIRMAN. The time of the gentleman from Ohio (Mr. VANIK) has expired.

Mr. VANIK. Mr. Chairman, I ask unanimous consent to be permitted to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. WYDLER. I reserve the right to object, Mr. Chairman.

Mr. VANIK. Mr. Chairman, I withdraw my request.

Mr. SIKES. Mr. Chairman. I move to strike the requisite number of words.

Mr. Chairman, there are a number of points which we should consider very carefully at this crucial point in the discussions on the bill. It is anticipated that there will be only one new carrier in the foreseeable future. It should be the best one available.

A year ago, the Congress was asked to drop a nuclear carrier which was moving forward toward construction at that time. We were told that, if that were done, the administration expected to budget two of the smaller, nonnuclear carriers this year. However, this year's budget does not contain two small carriers—not even one. We also were told a year ago that we would have 30 Navy combat ships in this year's program. We have 15.

Now we are told that there will be one smaller, nonnuclear carrier next year. I do not think anyone can say with certainty what the next budget will contain. A few days ago I read that the administration wants to make additional reductions in next year's defense spending program.

If we proceed with the large nuclear carrier at this time, it will be a copy of the *Nimitz* with an estimated cost of $1.9 billion. This is a proven design and there will be reasonable certainty of the total cost.

By contrast, there is no design for the smaller, nonnuclear carrier. We have an estimate of about $1.5 billion. It may cost considerably more. No one knows because we have not built a ship of this type. It could even cost more than the large carrier. It would have smaller deck surface than the *Midway*, the smallest carrier now in the combat fleet, and the *Midway* is the oldest of the carriers in active service.

Suffice it to say that for one-third more, we would get much more than twice as much carrier. The small carrier would have two screws, two elevators, two catapults. The big carrier has four of each. It would be much harder to cripple or disable the big carrier.

The big carrier has 13 years of fuel. She could carry enormous stores of aircraft fuel and other supplies. This would materially lessen the number of support and supply ships required for her operations. It would also be an important consideration in the event of another oil embargo.

All this considered—construction, operations, and so forth—the big carrier would, in time, be the cheaper of the two and much, much more effective.

Much has been said about the vulnerability of the carrier. It should be very obvious that land bases are infinitely more vulnerable than a moving base. Land bases can be permanently targeted. A floating target can be moved constantly. We learned in World War II that carriers are very difficult to cripple. Even the Japanese kamikaze pilots on suicide missions were unable to knock out our carriers. There is no more effective guided missile than a piloted aircraft on a suicide run. The carrier is not a sitting duck.

If we are going to build a carrier we should build the best. Obviously we should build another carrier. We have reduced the number of operating carriers to the minimum. Too many of those now in service are aging fast. The new carrier will be an important adjunct to the defense of America. It is a survivable, practical weapon.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Virginia.

Mr. WHITEHURST. I thank the gentleman for yielding.

The gentleman is aware of the Senate position last year; is he not? The gentleman knows that last year the Senate did not want a nuclear carrier pending a study. A study has been made, and what is the position of the Senate this year on the nuclear carrier? It is absolute approval of it. They have seen the light.

I commend the gentleman for his comments.

Mr. SIKES. I thank the gentleman for his comments.

Mr. PRICE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this aircraft carrier issue is one of the toughest I have had to deal with since I have been in Congress.

I recognize how difficult it is for the Members to choose what they consider to be the proper course.

During the authorization bill debate, the case for the carrier was very carefully documented. The evidence was overwhelmingly in support of another aircraft carrier. There was no question about the need for another large carrier as a replacement for one approaching retirement.

The decision left to the House was simply which carrier to choose. The cost analysis put before you clearly demonstrated that the nuclear carrier was the most cost effective, if one more large deck carrier is to be built. The Congressional Budget Office reached the same conclusion.

The vote in the House against an amendment to strike the carrier altogether was overwhelmingly against such action; 293 to 106.

The vote to substitute a CVV for a CVN was again overwhelmingly against such action; 264 to 139.

To my knowledge, no substantial event or circumstance has occurred in the short space of about a month, that should cause the Congress to reverse itself.

Mr. FLYNT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the pending amendment to strike from this bill the funds for the construction of the nuclear carrier, CVN–71. This is the second debate on this issue this year and as we recall, after hours of debate the amendment not to authorize the carrier failed by a recorded vote of 106 to 293. The conference report on defense authorization which authorized the CVN–71 was accepted by the House of Representatives last Friday.

Now today, we again debate the question: "Why fund a nuclear carrier (CVN–71) in fiscal year 1979?" Before I address this matter, let me say that the only carrier the Navy can contract for in fiscal year 1979 is the CVN–71. If we are going to have a new carrier come into service in 1988, we must fund it today. This has already been discussed here today, and I will not elaborate further on this fact.

Our Nation has 12 carriers in commission today. They give our President the option to deploy these ships to meet any contingency or emergency facing our Nation. To guarantee we have these 12 carriers, 13 are necessary to be in the inventory, as one is undergoing a 2- to 3-year modernization at all times.

Authorization of a new, big-deck carrier at this time is mandatory for when it comes into the inventory in 1988, the ship it replaces, the *Midway*, will have been in commission for over 40 years.

In our naval history, 25 years was the design and assumed life of a major carrier. The exigencies of the cold war and the security requirements of the United States coupled with an austere naval shipbuilding budget, demanded an extension of the service life of some carriers to 30 years. Now we are seeing for the first time in naval history, the urgency of a ship continuing in service 15 or more additional years to meet our national security commitments.

The age gap that exists in our carrier force is the result of the necessity to spend our money for the Vietnam war, rather than modernizing the U.S. Navy during that period. We must now pay for the neglect to our Navy. The Joint Chiefs of Staff in January of last year recommended we have 25 large carriers as a "minimum carrier force" and 16 carriers as a "prudent force level." We do not meet this requirement as we have only 12 large-deck carriers in service.

The Navy as well as the past and present administrations, being forced with the alternative of either further reducing our carrier force level or keeping our ships steaming beyond 30 years, accepted a compromise which would allow those ships with sound hulls to undergo renovation and modernization from the "service life extension program" (SLEP). The SLEP program will take a carrier at the end of its normal useful life of 25 years, put it out of commission for up to 3 years, while completely modernizing the ship and its systems to accomodate our modern or future existing technology. This program should extend her life for up to an additional 15 years.

Unfortunately, the Navy's oldest carrier, the *Midway*, had her keel laid in 1942 during World War II. Because of the demands on the steel industry at that time, the highest quality steel was not available for construction. The *Midway* is built of poor quality steel and may not withstand major renovation and modernization. The *Midway* was modernized over 10 years ago and the story of that modernization reflects the pressure exerted on the Department of Defense that results in throwing good dollars after bad.

In the hearings before the Defense Subcommittee of the Committee on Appropriations, U.S. House of Representatives in 1977, in answer to a question regarding proposed savings by the Department of Defense and the administration, Adm. Thomas H. Moorer gave a clear example of how these proposed savings result in increased cost and waste:

> When I was Commander-in-Chief of the Pacific Fleet, I wrote a letter to the CNO, strongly objecting to the modernization of the *Midway*. I served on that ship and knew it. It was 30 years old and had very old machinery and modernization didn't make any sense. I told Admiral McDonald he should put the estimated $85 million into a new ship rather than spend his money on the *Midway*. His answer was, "I don't have that option. I get either overhaul of the *Midway* or nothing."
>
> My option is not between modernizing the *Midway* and a new ship. We ended up putting over $200 million into *Midway* with an additional 1 year's delay in returning to sea.

Mr. Chairman, the amendment to eliminate the construction of a new carrier would force the Navy to continue using a carrier over 40 years old, when this new carrier (CVN–71) would otherwise be delivered to the fleet.

The men and women of the U.S. Navy deserve the best carrier the Congress can provide. We should not let them down. It is the duty of Congress as mandated by our Constitution "to provide and maintain a Navy." We should not be a party in failing to meet this reponsibility.

Mr. LLOYD of California. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from California.

● Mr. LLOYD of California. Mr. Chairman, not far from here in Carderock, Md., is the Naval Ship Research and Development Center. It is probably best known as the David Taylor Model Basin. Among other things, the quality of ships is tested there. As part of the most recent naval sea-based air platform assessment study, the analysts at Carderock concluded that the improved Nimitz class carrier was the most survivable carrier of any in the Navy's inventory, or on the drawing boards.

The 140-page classified "Vulnerability Analysis" examined 17 platforms: the DHH, a destroyer platform; the VSS (plus one projected option); the CVV, CVN–68 (plus five projected options) and V/STOL variants of all CVV and CVN–68 options.

It should be brought out that improvements in carrier design since World War II have utilized empirical results and computer modeling methods to evaluate the carrier's ability to withstand the destructive force of modern weapons. The Nimitz class ships are the best protected and least vulnerable carriers ever designed. The added protection is provided by extensive use of armor against bombs and guided missiles, as well as by improved antitorpedo protection designs. The unlimited endurance capability at high speed provided by nuclear propulsion, and the freedom from having to slow down to refuel further reduces this carrier's vulnerability.

I recently read an article from a British periodical concerning carrier vulnerability, entitled, "Defense of the Attack Carrier."

The author makes reference to the loss of 25 fleet aircraft carriers during the Second World War. He states, "It is worth noting that the 25 vessels sunk were all of prewar construction or design." I would like to emphasize, "prewar construction or design." None of the aircraft carriers designed in the light of wartime experience was sunk despite suffering very severe blows.

Even more interesting in this obervation. He goes on:

> From a certain point of view, it is really amazing that criticism of the large attack carrier comes mainly from the United States; the very country which conducted and won the war in the Pacific with this very instrument, which has since developed it to an extremely high level of efficiency, and which has always found in it the ideal means of protecting its strategic interests on a global scale.
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> All of these criticisms, in fact, appear to completely overlook a fundamental axiom of which the European navies are only too painfully aware. The exercise of naval power is, today as in the past, very closely tied to the availability of carrier-borne air power of the very highest quality. Through-deck cruisers, missile ships and modern frigates, are all beautiful ships capable of brilliantly carrying out their allotted missions; but if there is a large carrier around, with hostile intentions, then the best thing they can do is up sticks and get out of the area at full speed. In fact, the operational doctrine for all of these ships in the Western navies—not only the U.S. Navy—is based on the overriding premise of almost unopposed sea control; which control would be assured by the large attack carriers.
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> This certainly does not mean that the Western navies never expect to come up against really serious opposition: the point is that as long as CVA are available there is the almost mathematical certainty that when necessary, supremacy in a certain area can be won, and retained, no matter what the enemy reaction may be.

I am certain that what I have just read would cause stomach ulcers in the system's analysts in the Pentagon. Nevertheless, there is more truth and validity in that article than all the rhetoric about small ships flying V/STOL airplanes dispersed all over the oceans.

I advocate a balanced naval force; I do not believe the Navy ought to build only large aircraft carriers and nothing else. But I will say this: You can have all manner of frigates and small boats running around the oceans, but they are not going to help very much against an attack from the air. In my opinion, the only credible way you can survive a hostile air environment is to mass your airpower against whatever the enemy throws at you. Otherwise, he is going to pick you off, one by one, in a rollback manner.

The modern carrier gives the Navy that capability. Do not be lulled into selling it short just because it is relatively expensive to build. I hope you understand what I am saying, that for the foreseeable future, without the large carriers, the loss in U.S. capability at sea may be even more expensive to this country than any of us would care to contemplate. The Navy needs the *Nimitz*. It will fill the gap in aircraft capability at sea, which will occur in the mid-1980's. I honestly believe the future generations will indeed judge this Congress—to quote another British maxim—to have been penny-wise and pound-foolish—if we fail to build CVN–71.●

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I also rise in opposition to the Yates amendment.

We have had an extensive amount of debate. I am not sure that I can add anything to the very sound and substantial arguments that have already been given against the Yates amendment, but I would like to try to emphasize just two points.

First of all, it has already been said, but I think it deserves reemphasis, that the question before us today is not whether we are for the small carrier or for the big carrier. That is something that we have argued before. But the only carrier that is available to us this year from the authorization process is the large carrier; so it is either a question of whether we have that large carrier that has been authorized or whether we have no carrier at all.

If the Yates amendment is agreed to, it means that we will not have any carrier in the fiscal year 1979, and it may well be that we will not have one in the years to follow either, because we have only one carrier, as has been frequently pointed out, that is going to be built between now and the year 2000, and we are making a decision here on whether that is going to be the best possible carrier or not.

The fact of that matter is that if we turn down this carrier, then we are going to be turning down the one weapons system that establishes a clear priority for the U.S. Navy over the Soviet Navy. Nothing else in our fleet's picture has the bright side that American aircraft carriers have. This is the one thing that still gives us an edge, in spite of the building extremes of the Soviet Navy.

During the Yom Kippur war, for example, the Soviets were able to put into the Eastern Mediterranean almost twice as many ships as we were able to get in there, but the reason we still maintained our edge was that we had the carriers of the 6th Fleet. Those who are concerned about whether our power is available in various parts of the world ought to want to provide a carrier that can not only operate in the Mediterranean but can get into the Med rapidly if it has to.

If we vote for the Yates amendment, I am also concerned because that would reverse a trend that has been developing in both Houses of the Congress this year, that perhaps it is time we ought to stop cutting back on our military forces and begin to respond a little bit more effectively to the fantastic defense increases that the Soviets have been undertaking.

I hope we do not take that backward step, because that will create an image problem, not only for the White House—and they have been concerned lately about their image—but for the House as well. I think we want to keep our image here in the Congress positive and make it clear we do not intend to take second place to the Soviet Union.

The other thing I think is important for us to remember in this debate is that if we are going to go for the small carriers—and if we accept the Yates amendment the only place we can go is for a small carrier—then we probably are not going to get a small carrier even before the year 2000.

The other day we had an informal meeting over in the Rayburn Building with a couple of retired Chiefs of Naval Operations. It is really amazing, by the way, how retirement enables a man to be able to focus his concentration on particular points.

Admiral Holloway made very clear at that meeting that all of this talk about a V/STOL carrier is so much hogwash because they are not going to have a V/STOL aircraft that could do any good for the U.S. Navy before the year 1999.

I do not recall, and I do not know whether my friend, the gentleman from Florida (Mr. BENNETT), recalls Admiral Holloway ever making that point quite so clearly in his testimony before our committee, because then he was under wraps.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(By unanimous consent, Mr. STRATTON was allowed proceed for 2 additional minutes.)

Mr. STRATTON. Mr. Chairman, the other point that Admiral Holloway made—and again I think this is important in the consideration of this debate—he said, "You know, you do not build the carriers first and then decide what planes you are going to put on them," which is what those who want a V/STOL carrier are doing. He said, "You build the carriers to take care of the planes that you already have." And the planes that we already have are the F–14's. We fought hard for them in the authorization bill, and we got them included, the Navy's first-line plane. We got the F–14 and also the F–18's. And the only carrier that can utilize those planes to their full potential, including all the hangar space, and all the fuel space, is the *Nimitz*-type carrier. If we want to use the planes that we have already spent billions of dollars to buy, then we must build another nuclear carrier. It is the only one that can do the job.

Mr. TRIBLE. Mr. Chairman, will the gentleman yield on that point?

Mr. STRATTON. I yield to the gentleman from Virginia.

Mr. TRIBLE. I thank the gentleman for yielding and I join the gentleman in his opposition to this amendment.

Mr. Chairman, I would like to add that it had been argued there would be no hurt to national defense if this carrier was delayed. That is not the case. It is important that the additional nuclear carrier be procured.

It is important to consider that Newport News can begin to build this nuclear carrier without interruption. Newport News has the training, the manpower, and the experience.

Mr. STRATTON. We certainly are interested in getting it built, I will say to the gentleman.

Mr. ADDABBO. Mr. Chairman, I move to strike the requisite number of words.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

Mr. Chairman, time is slipping by. We had hoped to conclude this bill by 8 o'clock. I am hoping that Members will not ask for additional time. I shall not object, but several members of the subcommittee and others have not had an opportunity to address this issue. So I trust that we can move along and dispose of this amendment and more of the bill tonight, and, if possible, conclusion.

Mr. ADDABBO. Mr. Chairman, the long and heavy shadow of this nuclear-powered aircraft carrier is distorting this bill beyond all recognition. It was not included in the President's budget. The administration does not want it. We do not need it. We already have enough carriers. Furthermore, as history proves, we do not know how much this ship could eventually cost us or when it would be delivered.

Over the years the Chiefs of Naval Operations have testified before Congress that the U.S. Navy is superior to the U.S.S.R. Navy.

A table submitted for the record during our hearings this year shows that patrol combatants, and amphibious warships over 3,000 tons (including aircraft carriers, cruisers, destroyers, frigates, attack and ballistic missile submarines, patrol combatants, and amphibious warfare ships) the U.S.S.R. has a total of 317 such ships while the United States has a total of 368 such ships.

At a press conference on the afternoon of August 2, 1978, Admiral Holloway, former Chief of Naval Operations, pointed out that the U.S. Navy was the only service than can state it is superior to the Soviets. The Army and Air Force cannot make that claim.

Our current fleet of 13 aircraft carriers includes 4 that are nuclear-powered. One of these, the CVN–70, is still under construction at the Newport News Shipbuilding & Dry Dock Co., the only facility capable of building such a ship. Let us take a look at the history of these carriers.

The *Nimitz*, CVN–68, was originally estimated to cost $427.5 million. The current estimate is $667.1 million, an increase of 56 percent. The *Eisenhower*, CVN–69, had an original cost estimate of $510 million. The current estimate is $726.5 million, an increase of 42 percent.

These two ships are involved in nearly $250 million worth of unsettled claims against the Navy. The *Vinson*, CVN–70, which is currently under construction, was originally estimated to cost $951 million. Now the estimate is $1,298.2 million, an increase of 37 percent. But that figure should not be taken as final. The Navy and the shipyard have not yet succeeded in definitizing the contract for CVN–70 and, until they do, we will now know for sure what it will cost.

If, based on this record, we conservatively project a 25-percent increase for the proposed $2.4 billion CVN–71, we are looking at a possible cost of $3 billion. This would not include the associated expenditures—escorts and so forth—that would be needed to deploy yet another nuclear-powered carrier battle group.

Let us now look at the delivery history of these three carriers.

The *Nimitz* was delivered 34 months late, nearly 3 years after the contract delivery date. The contract delivery date for the *Eisenhower* was contingent upon delivery of the *Nimitz*. Depending on how you call the figures, the *Eisenhower* was delivered 42 months late, based on the *Nimitz* contract delivery date, or 8 months late if one ignores the slippage of the *Nimitz*.

The *Vinson* has not yet been delivered and, as I mentioned before, the contract has not yet been definitized. Until it is, we would not know exactly when to expect delivery. In the meantime, the available projection is that *Vinson* will slip 18 months beyond the original estimate.

With a history of slippages such as this, who knows when another nuclear carrier, if funded, would see the light of day.

As I have discussed in my separate views, the Navy is having problems with Newport News. I repeat, this is the only shipyard capable of building these nuclear-powered carriers. The company has over $700 million worth of claims against the Navy, including the nearly $250 million involving CVN–68 and CVN–69. The contract for the CVN–70 has not been finalized. The company wants a number of protective contract clauses that the Navy is not willing to accept. The company undoubtedly would barter for these same clauses in any contract for a CVN–71. It defies reason to consider throwing CVN–71 into such an arena at this time.

There are only two really positive predictions that can be made if we insist on building this extra carrier.

If we do spend the billions needed to deploy a fifth nuclear-powered aircraft carrier battle group we will, eventually end up with a smaller Navy and a less flexible Navy. Numbers of ships are important in combat. If we continue to construct ever more expensive ships, we will have to make do with fewer of them. Our resources are not infinite.

Second, by the time this ship could be deployed it would be a sitting duck in the ocean, a prime target for the increasingly accurate and deadly Soviet missiles. Even in World War II, before such antiship weaponry was available, our carrier casualties were heavy. We lost five of our large carriers in that war and six of the smaller CVE's. Other countries, friend and foe, lost more. Additional numbers of carriers were put out of action for extended periods of time.

As I have said before, it is my belief that the age of large-deck carriers is over. To build another one could only impact adversely on the future size and survivability of our entire naval fleet.

Last, let me emphasize once again that this decision does not have to be made now. No funds need be appropriated now. Construction of a CVN–71, even if we wanted it, could not get started for perhaps another year. If we do appropriate this money, it will not be expended this year. It would probably be added to the infamous unexpended balances of the Department of Defense—just another $2 billion thrown to the wind.

Mr. CHAPPELL. Mr. Chairman, I rise in opposition to the amendment and I move to strike the requisite number of words.

Mr. Chairman, I have listened very carefully to my distinguished friend, the gentleman from New York (Mr. ADDABBO), in his presentation, and what I must glean from his comments is that if we want to do away with that one area where this country has superiority over the Russians, then vote for the amendment offered by the gentleman from Illinois, Mr. SID YATES.

I submit to the Members that if we do not want to give up that superiority, then we will vote against this amendment.

The gentleman was quoting Admiral Holloway, and Admiral Holloway has very clearly made the point that this is the only area where we clearly have superiority over the Russian forces.

Mr. Chairman, I have a chart here which I am going to spend only a moment on, because the sole issue before the House at this time is whether or not we appropriate now for the one carrier which is authorized, and that is the nuclear carrier. But I refer to this chart only to say to those Members of the House who may be concerned, who may want to wait to vote some other time on a smaller carrier, if it should ever occur, but I see nothing in the making that would bring about that occurrence.

Members will notice from this chart that the area on the far left shows those forces which would be absolutely eliminated if we chose the small carrier over the big one. That is the area over on my right and to the left of the Members, which shows that out of the 95 aircraft the big carrier carries, we knock out 31 of those if we give up the larger and take the smaller carrier. That is the difference between this being a defensive device and an offensive one. It takes the same number of ships and the same number of aircraft to protect the smaller carrier as it does the big one, or vice versa, and, therefore, we give up this offensive capability between the smaller and the larger carrier.

That is all I wanted to say about that, because we made that decision. I think it was a good decision. The only carrier authorized is the nuclear carrier and the sole issue before us is whether or not we are going to fund the nuclear carrier at this time.

I would like to talk just for a moment about force levels, because I think it is extremely important. Our Joint Chiefs of Staff have repeatedly told us we ought not to go below 13 carriers. The Joint Chiefs of Staff have stated the recommended base for a minimum risk force is 25 carriers, that the prudent risk force is 16 carriers, and that the 13-carrier level meets the needs for a fiscally constrained program below which we dare not go.

Let us talk about the 13-carrier force level for a moment. All of the experts agree that in order to keep 12 deployable carriers, it takes 13 to do it. The reason is that we always have 1 going through the surface ship life extension program which is mandated by law, and then we have, therefore, only 12 deployable vessels left. Out of those 12 deployables, unquestionably from time to time we are going to have 1 or 2 of them going through certain updating and certain changes and maintenance and overhaul. So we are talking about a deployable force of 12, which diminishes depending upon what problems of upgrading we have. We are seldom ever going to have an active force level of even up to 12.

But be reminded again, that is the minimum level beyond which all our experts tell us we ought not to go. The administration and all our experts agree, the National Security Council agrees that 13 is the magic number—if there is any such thing as a magic number, and we ought not go below that.

I would like to talk for a moment about vulnerability, if I might, Mr. Chairman, because some undoubtedly will mention the vulnerability of the carrier. I remind the Members that we have never lost a modern-day carrier to combat action. Not one.

The CHAIRMAN. The time of the gentleman from Florida (Mr. CHAPPELL) has expired.

(By unanimous consent, Mr. CHAPPELL was allowed to proceed for 3 additional minutes.)

Mr. CHAPPELL. Mr. Chairman, as a matter of fact when the U.S.S. *Enterprise* had a bomb accident, wherein 6 tons of HE bombs exploded on its flight deck, which is roughly equivalent to a direct hit by three Soviet SSN–3 missiles, it could have been back in operation in a matter of several hours had that need occurred.

We are talking about a carrier that has some 3 inches of steel on the deck to protect it.

We are talking about a carrier that carries some 24 F–14 aircraft that each have the capacity to engage and shoot down 6 incoming aircraft at distances up to 300 miles.

We are talking about an attack aircraft and the reconnaissance aircraft, the overhead aircraft that can pinpoint for the commander of such a force all of its threat for 1,000 miles around.

So we are not talking about a sitting duck.

The truth of the matter is, if you read the article in the Wall Street Journal of May 3, 1978, you found there an article which said this:

An interesting finding of the Sea Plan 2000 study is that U.S. surface combatants in general and carrier battle groups in particular will become less vulnerable over the next decade and beyond. That is because the expected progress of the Soviet cruise missile, attack bomber and submarine threat will be more than matched by three U.S. developments. The first is the now-deployed F-14/Phoenix fleet air defense system, to be supplemented in the '80s by the A-18. The second is the introduction to the fleet of the Aegis air defense system for close-in defense against missiles that penetrate the fighter barrier. Third, there have been a number of important advances in antisubmarine warfare.

Now, a lot will be said about the vulnerability or the lack of vulnerability of the aircraft carrier, but if you think about one thing, it has been the aircraft carrier itself that has taken away the responsibility and the necessity for the battleship.

Every day it is lessening the requirements of cruisers and destroyer escorts.

Every day with our improved submarines we are lessening the need for escort ships, which brings me to the deployment question which has been asked here: What about if we fund this ship, will that not take away from the other ships needed in the defense program? The answer, to my mind, is indeed not.

We have some 26 cruisers, 9 of which are nuclear cruisers. We have four carriers at the present time.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. YATES, and by unanimous consent, Mr. CHAPPELL was allowed to proceed for 3 additional minutes.)

Mr. YATES. If the gentleman would yield, I would like to ask the gentleman a question.

Mr. CHAPPELL. I will yield to the gentleman but first let me finish this point, if I may.

The task force or the battle group, the carrier group, is made up basically of one carrier, two cruisers, we are talking about the nukes, and the two to five submarines, attack submarines.

That means you could assign all four, when the fourth one comes out, already an average of a little bit better than two nuclear cruisers to each of the nuclear submarines. You have enough submarines, roughly, to take care of the problem. We might build more down the road when you put the fifth on line, and, two for each carrier, that means you will only be short one.

The more we can get into this program, the better we will be and the less need we will have for the cruisers.

So it is not going to hurt that program at all.

One last point—the question of whether we can build now? I have in my file here a letter from the Newport News Shipbuilding Co., and this is backed up by the Navy, which, as a matter of fact, shows that not only do they have the capacity now to build the ship, they are soliciting the business of building this ship and if they do not get it they will lose some 5,000 employees. The spaces are already set aside for that purpose.

The spaces are already set aside for that purpose. There is no question about it. If any Member has a question, I have pictures to show those areas which are specifically set aside for this purpose.

Mr. Chairman, on balance, it appears to me that we ought not to give up this superiority, that we ought to maintain it. With anything less than this force level we will lose our superiority. The carrier is not vulnerable. We can build it providing we have the money appropriated for it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, may I suggest to the gentleman with respect to his point on the vulnerability of the carrier that during World War II, the United States lost five attack carriers and six escorted aircraft carriers. Since that date carriers have not been attacked by any nation because they have been used in situations where no credible submarine or air threat could be mounted in opposition. Moreover, Navy studies do show that in a possible war with the Soviet Union, the Navy believes that carriers may be lost.

May I ask the gentleman to comment on the testimony of Mr. Robert A. Moore, Deputy Under Secretary of Defense for Research and Engineering (tactical warfare programs), in which he testified as follows:

The carrier role in supporting NATO forces in event of war with the Soviet Union would be restricted by geography and the large resources needed for carrier defense against high-intensity threats.

What I am saying is, if you put a carrier task force in the North Atlantic by the Norwegian Sea, it is going to be very difficult to defend. Carriers would be useful both for some sea control roles and in peripheral and remote areas in such a conflict.

The CHAIRMAN. The time of the gentleman from Florida (Mr. CHAPPELL) has expired.

(On request of Mr. YATES and by unanimous consent, Mr. CHAPPELL was allowed to proceed for 2 additional minutes.)

Mr. CHAPPELL. Mr. Chairman, the point is that if this building were put directly under a nuclear bomb and the nuclear bomb were dropped on it, it would explode; this building would blow up.

That is exactly what is going to happen to the carrier, to an airfield, or to anything else that is placed in a position where it has no defense. We are not going to run that carrier into areas beyond which there is no control over its environment.

I am glad the gentleman brought the question up because of all people who ought to be supporting an aircraft carrier, people interested in the Middle East situation ought to know the value of carriers in that area, if I may point that out to the gentleman.

Mr. YATES. But the gentleman has not answered my question with respect to the vulnerability of the carrier and with respect to the testimony of Mr. Moore.

Mr. CHAPPELL. The point is that if we put a single carrier in the Norwegian Sea, the chances are that it is going to be extremely vulnerable. If we put a three-carrier task force there, then the vulnerability would be severely decreased.

Anybody knows that if an overwhelming force is put against an inferior force, the consequences balance in favor of the superior force.

However, the point is that we are not going to put these carriers into that kind of situation which we cannot control. You fight your way in with a carrier. You take what is there and you project the power ashore. That is the beauty of this thing.

We had 130 airports to which we had access in this country a short time ago. Those have now diminished to less than 30. In the Korean conflict we lost every airport we had within the first 5 days. We never recovered them. We lost every one in Vietnam and have not recovered them. We lost more than 400 aircraft there on the ground.

The point is that with the carrier we have the ability to move in and out, to move in toward that which is to be accomplished or to move away from the threat.

Mr. YATES. If the gentleman will yield further, is there any doubt in the gentleman's mind that the carriers, in the event of a confrontation with the Soviet Union, would be targeted by satellites and by other devices?

Mr. CHAPPELL. I am sure that everything we have will be targeted, but the carrier can defend itself.

Mr. ROBINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, of course, rise in opposition to the Yates amendment.

In response to the gentleman from Illinois (Mr. YATES), because he was just on his feet, I would say that there is substantial disagreement with the testimony that Mr. Moore has given.

Just last week we had here in Washington the most recently retired fleet commander of the Atlantic Fleet, Admiral Shannahan. He did disagree completely with the testimony the gentleman just cited with regard to the carrier's vulnerability and its inability to protect itself in keeping open the sealanes of the North Atlantic, where we would be in the most critical position

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

Would the Admiral disagree with the statement by Mr. Moore respecting the dispatch of carriers into the restricted areas of the Norwegian Sea?

Mr. ROBINSON. Indeed, he would.

Mr. YATES. Oh, my.

Mr. ROBINSON. And he would disagree because of the ability of the carrier to protect itself with its undersea arm, the attack submarines, as much as anything else.

Mr. Chairman, I ask the Members this, whenever a crisis develops anyplace in the world which holds the possibility of

military action involving our forces, what is the first question we are asked: Where are our nearest aircraft carriers? And why, after claiming for many years that our carrier force had no major relevance to its own defense planning, has the Soviet Union embarked on a carrier program, one on call right now, a second in shakedown status, and a third that is now under construction? Our defense planners at the highest tier are on record to the effect that we need another carrier. We need another carrier according to any and all the authorities. The question is, when are we going to buy it? Who can debate the fact that the longer we wait to buy the carrier the more expensive it is going to be? And who can disregard the presentations that we have heard here today, that if we are going to build a carrier we ought to build the best. There is only one best, and that is a nuclear carrier.

The statement has been made with regard to our land bases being sharply reduced in numbers and the fact that we are down to about 30 as compared to over 100 just a few years ago. How do we project the image of the United States to give aid and assistance and support to our friends but through carriers?

The statement is made that it is impossible to start the CVN-71 this fall, that the yard is filled with the CVN-70. The letter from the Newport News Shipbuilding Drydock Co. is very emphatic on that point. It takes 30 months of fabrication putting together various units of a carrier before it even goes to keel laying. By then the ways will be clear.

Speaking of keel laying, the gentleman from Illinois again mentions the fact that we lost five carriers during World War II, and, indeed, we did. They were makeshift carriers, thrown together on hulls that were never intended to support aircraft. We have never, may I say to the gentleman, lost an aircraft carrier that was built from the keel up as a carrier—never, not one.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

The information that has been given me by staff indicates that the *Wasp*, the *Yorktown*, and the *Hornet* were built as large CV carriers and not converted, as were the *Lexington* and the *Princeton* from other hulls.

Mr. ROBINSON. Admiral Moorer—is my authority. He says not one carrier that has ever been built from the keel up as a big deck carrier has been lost to combat action.

Mr. LLOYD of California. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from California.

Mr. LLOYD of California. I thank the gentleman for yielding.

I would remind my good friend and colleague, the gentleman from Illinois (Mr. YATES) that even those carriers that he was talking about, even the ones built from the keel up, were pre-World War II. In shipbuilding technology that was not remotely the same as it was on the *Essex*-class carrier wherein we lost none of those in World War II, and those sustained the brunt of the battle.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ROBINSON was allowed to proceed for 2 additional minutes.)

Mr. ROBINSON. I would like to conclude with two final comments. Will removal of the carrier hurt our national defense? Why can we not just defer it? I will tell the Members why we cannot just defer it. If we knock out this $2 billion in this budget, we are cutting the defense budget $2 billion. What is going to replace the carrier if we take it out of there? We do not have anything else. The committee was very responsible in cutting $2 billion making room for this carrier in order to stay within reasonable bounds. Let us not be irresponsible.

I say in conclusion we have heard today again reference to the carrier as a sitting duck. I ask you, does the big nuclear carrier anyplace in this world of ours have the image of a sitting duck? The carrier is the finest image of this country—around the world.

If there is an international image of the eagle of freedom, it is our big carriers of today. We need another one, and we need it now. To call it a sitting duck is improper and unfair to a vessel which has proven itself time and time again as the best deterrent to war that we can possibly fund.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, much has been said about the five carriers this country lost. Would the gentleman verify that those were the *Lexington*, the *Wasp*, the *Yorktown*, the *Hornet*, and the *Princeton;* one built in 1925, one built in 1939, one built in 1936, one built in 1940 and one built in 1942, and that those were the ones that were put on cruiser hulls, some of them with wooden decks; those were the ones not built primarily as aircraft carriers, and not one have we ever lost of the modern-day carriers, these ships which were built to be carriers in the first place.

Mr. ROBINSON. That is certainly correct.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words. I rise in favor of the amendment. I rise in opposition to the carriers.

Mr. Chairman, I want to commend the committee and the subcommittee on what I think was an excellent job in bringing out a Defense bill where they made very substantial cuts in many, many items. I say that seriously. While a Member of the Defense Subcommittee, my duties as chairman of the Committee on the Budget kept me from most of the hearings and many of the markup sessions on the Defense bill; but I do want to commend all the members of the Defense Subcommittee, both on the majority side and on the minority side, for what was an excellent effort to hold the line on unnecessary expenditures and unjustifiable expenditures in the defense bill.

On this question of whether or not we should have another carrier, I must agree with the gentleman from Illinois and the gentleman from New York and others who moved to strike this money. I do this for several reasons.

First of all, I want to see America with the strongest possible defense posture that it can have. I think there is a very real threat to the security of the United States. I think that threat could come from the other super power. I think it is essential that we do everything possible to make this country strong. Having said that, I submit we do not make this country strong when we put our money in the wrong places and when we put it in weapons of war which may be somewhat more obsolete than they were 30 years ago.

Those of us who are old enough to remember history or to read history, and recall the Billy Mitchell controversy and trial. I was too young to remember it, but those of us who read that history will recall the great controversy after World War I over the value of battleships and super dreadnoughts. It was not until the end of World War II that we finally conceded, that the day of the battleship was over.

I submit that the same may hold true for the carrier, and certainly for the super carrier in a controversy with the Soviet Union. I think there is a very real need for carriers in the arsenal of the United States in order for us to project power as we must throughout the world in the Atlantic and in the Pacific and in the Indian Ocean and in some other areas of the world. For that reason, I support a carrier force of 13 carriers, or 12 carriers. I think that they enable us to do what we must in conventional situations throughout the world; but to use the argument that the carrier is going to be a deterrent to the type of war that we would have with the Soviet Union, or that the carrier would be a great assistance to us in a war with the Soviet Union, makes me have some doubts.

I am concerned that the proponents of the carrier seem to have no doubts at all. "Give us more and more carriers," they say, "and we can rest more securely in the United States." I do not think we can.

Mr. Chairman, let us get to the question of ships in the Navy. We keep hearing that the Soviets are building ships, and that they have more ships than the United States. I think my colleague, the gentleman from New York, explained that numbers game very well.

I think, however, that it is important that we build more ships. I think it is important that we build more rather than fewer ships. I would rather see more ships of newer and different and diverse types—for example, smaller carriers, helicopter carriers, STOL carries—rather than see us put all our eggs in one basket and build a ship that makes such an inviting target for missiles and other offensive weapons of war.

I think we would be better served if we had dispersion of our forces, and for that we need more ships.

But there is one other factor that I would like to bring up here today, and that is the question of dollars. We are shortly going to come before the Members with the second budget resolution.

that will include a recommendation for defense of $127 billion, of which this carrier will be $2 billion.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. Mr. Chairman, that budget will be for $127 billion. And I am terribly concerned. I am terribly concerned about some of the things that have happened in our defense posture vis-a-vis the Russians. I think we may well be back here soon considering the necessity of adding many more dollars to defense in other areas. For heaven's sake, let us hold on to these scarce dollars and make sure we spend them wisely.

I am concerned and I am sure many members of this Subcommittee on Defense are concerned about the status of our land-based ballistic missile survivability in an attack by the Soviets. I am very concerned about that, I know the Pentagon is concerned, and I know that the President is concerned. We may shortly find ourselves in a budget battle here in the Committee on Appropriations as to whether or not we must do something, and do it rather quickly, in the area of missile defense, whether it means going to a new missile or to mobile missiles or otherwise.

What that will entail I do not know, but I do know this: What we do with land-based missiles is going to cost us many billions of dollars, and we may have to do it.

There is even a question, as the Members know, of the obsolescence of our bomber fleet and whether, because of the weakness or the inability to survive of our land-based missiles, we should put heavier reliance on bombers. This issue may well be before us, and it is going to cost billions of dollars.

We are going to have to face these questions, and as always we are going to have to face them within the constraints of a tight budget.

Mr. Chairman, I submit that we ought to be very careful before we take $2 billion and plunk it down on another carrier when, at the very least, we have time to decide whether we need this additional *Nimitz*-class nuclear carrier. We have one in the works that is being built. There has been such delay and slippage in shipbuilding as it is that we could afford to wait at least another year before we commit ourselves to this huge expenditure of moneys which we may need elsewhere.

Mr. KEMP. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just briefly, I want to say what an honor it is to serve on this committee, and I want to express my pleasure to the chairman of our committee, the gentleman from Texas (Mr. MAHON), for his great leadership over the years on behalf of not only the full Committee on Appropriations but, most particularly, on behalf of the defense of this Nation. I greatly appreciate not only that but also the gentleman's friendship and leadership.

Mr. Chairman, I rise in strong opposition to the Yates amendment.

The Congress faces an extremely important choice today. In the first instance the choice is between whether or not to build an additional aircraft carrier of any type. The second choice to be made is, if another carrier is to be built, should it be a large nuclear-powered carrier, or a smaller non-nuclear-powered carrier.

With respect to the first question, whether or not we should build a carrier, a few fundamental points should be reviewed. First, is the role that naval aviation plays in the overall theory and strategy of American defense.

The United States is, in traditional "geopolitical" terms, an island nation surrounded by major bodies of water, in comparison to the major nations of the Eurasian landmass which are land powers. Stated in its most elementary form, the United States can only project its power abroad through the use of systems which can support an expeditionary or intercontinental capability.

The United States does not have the option of defending itself by any other means than an expeditionary force because there are no "buffer" states to provide protection against invading forces. Thus, the United States needs conventional forces which can project offensive power against land-based targets of a foreign adversary.

For more than 50 years, the United States has been the world leader in the development and deployment of advanced aircraft carriers and specialized aircraft to operate from aircraft carriers. Aircraft carriers are the essence of American offensive power abroad. We do not have a choice between either an aircraft carrier or several other types of vessels because no other vessel actually provides offensive power for our naval forces. If the United States were to purchase say, three DD–963 destroyers which could be purchased for the price of a new aircraft carrier, the United States would be reduced to what former JCS Chairman Adm. Thomas Moorer has called, a "high mix Coast Guard" because it could not project American military power outside of American territorial waters if contested by enemy naval forces.

Aircraft carriers provide the only means of reliably projecting tactical airpower against land-based targets on a worldwide basis. Eighty-five percent of the world's landmass is accessible from carrier-based tactical aircraft. Moreover, because the carrier "base" is mobile, it cannot be pretargeted, unlike a land base. The carrier does not require the vast investment in fixed infrastructure which represent the kind of permanent improvements which are so easily lost when a host nation decides to exclude the United States from its bases.

It is wise to remember that during the early days of the Korean war, the United States lost all of its land-based facilities within the first 5 days of the conflict. Only carrier based aviation was available to prevent the overrunning of American forces locked in combat near Pusan. Similarly, the United States spent more than $5 billion in facilities in Vietnam and Libya—all of which are now firmly in Communist hands.

When the full costs of land-based air bases is taken into account, carrier based aircraft are a far cheaper means of deploying tactical aircraft to a theater of operations. A carrier task force includes its own means of self-defense, and does not require augmentation from Army air defense units as does the protection of land-based facilities.

Given that there is a recognition that the aircraft carrier is necessary as a means of projecting American power, what aircraft carrier should be selected, given that only one more carrier will be built for the balance of this century. The proposed ceiling of 13 carriers is based upon the notion that we should have a force of 12 deployable carriers plus one for training. This is the minimum number allowing the United States to maintain its commitments to keep a presence in the Mediterranean, the Western Pacific, and the Atlantic.

The CVN is more survivable than a smaller non-nuclear carrier because—

It carries more tactical aircraft for self-defense than a smaller carrier;

It has more space for the storage of aviation fuel and bombs permitting it to operate for longer periods without refueling;

It has better damage control features because its larger size permits greater armor and the carriage of less inflammable fuel than does the smaller CVV; and

The CVV would carry few aircraft for antisubmarine warfare thereby requiring either more ASW escorts, or run a greater risk of being attacked by hostile submarines (NOTE.—The CVN carries about 100 aircraft compared to approximately 60 for the CVV).

With respect to cost, there is essentially no difference in the cost of a CVV and a CVN, given that only one of each is to be built. Included in the capital cost of a CVN is the first 13 years of fuel. For the non-nuclear CV, however, 13 years of fuel at current prices will cost $350 million. In addition, an extra $300 million will have to be spent in storing and delivery of this 13-year supply of fuel oil to the CVV. Thus, the total comparable cost is approximately equal, $1.9 billion for the CVN–71 versus $2.1 billion for the non-nuclear CVV.

The cost estimate on the CVV is a "Class D" estimate because the Navy has no confident idea of when the ship could be built or exactly how much it would cost because a ship of this size has not been built.

The CVV is the least-capable aircraft carrier the United States will have built since World War II because it will only have two screws and two elevators where all other post World War II carriers have had four screws and four elevators. This greatly increases the risk of the ship being knocked out of action.

Since the CVV is the first ship of its class, the costs may become much larger than is currently estimated. On the other hand, we have already built three CVN's so the costs are well known. The CVN–71 is to be an exact copy of the CVN–70 now under construction so the unanticipated cost risk is small compared with the CVV.

In conclusion, it is fair to say that the construction of an additional aircraft carrier is the minimum effort we can

make to assure that any future American President will have sufficient offensive combat power in the parts of the world where we have vital interests to protect. A CVN will be the most cost-effective means of providing this capability.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I do not come here as an expert, by any means. We have heard a lot of experts today. We have heard a lot of people who understand the Navy better than I do. But I am greatly concerned that, when we are told how badly the Navy needs ships to cover the oceans of the world, to keep the sea lanes of the world open, we are talking about putting $2.5 billion, $3 billion, whatever it finally turns out to be, into one ship.

Mr. Chairman, I spoke about this in general debate. I am concerned that the Trident is running $1,200,000,000. The attack submarine is almost one-half billion dollars. It seems that we set out to build our powerplant and then we build the biggest thing we can to hold the powerplant.

One thing I guess that the conferees did the other day that was good was to finally repeal the section of the law which says that service combatants have to be nuclear. I am not opposed to nuclear ships. We have some 11 now, with 2 being constructed and another one where the long leadtime items have been ordered.

The Russians, our intelligence people tell us, perhaps have one. We will have soon four nuclear carriers. I do not know that the world is going to rise or fall and come to an end if we do not have one more nuclear carrier.

The thing that troubles me about all of this is that we are talking about a CVV that none of us know anything about. It does seem to me that we could wait a year to see what the CVN is all about and make a decision then. I am told by the Secretary of Defense that that would mean perhaps 2 to 4 months delay in the CVN–71.

Think what you can buy for $2.5 billion. Think what number of ships you can put in the ocean for $2.5 billion. Think, if you want to, about the tanks or the planes or the other things you can buy with $2.5 billion. There are all kinds of combinations of ships that can be bought for that amount of money. When we rise, I will put a list of combinations in the RECORD so that the Members may see.

The list follows:

Combinations of ships which could be bought for $2.5 billion:

1. 1 CGN–42 cruiser (Aegis); 1 SSN–688 submarine; and 4 FFG–7s frigates.

2. 1 FFG–7 frigate; 1DDG–2 destroyer conversion; 1 DDG–47 destroyer (Aegis); 1 aircraft carrier slep (service life extension program); 1 DD–963 destroyer; and 1 SSN–688 submarine.

3. 1 DDG–47 destroyer (Aegis); 1 DD–963 destroyer; and 7 FFG–7 frigates.

4. 4 FFG–7 frigates; 1 DDG–47 destroyer (Aegis); 1 DD–963 destroyer; and 1 SSN–688 submarine.

5. 13 FFG–7 frigates.

6. 3 DDG–47 destroyers (Aegis).

7. 8 DD–963 destroyers.

We have come to the floor today with the largest appropriations bill in the history of this country—a peacetime bill, trying to be prepared in the event of war. But I must remind you that the "money well" is not bottomless. And if we are going to give priorities to the dollars we spend, if we are going to try to spend wisely, if we are going to try to cut out waste and unnecessary items and try to have a lean and mean defense, then I think we have to spend those dollars in the best way we know how.

There is no need—no compelling need to spend $2½ billion now on a fifth nuclear carrier. I am not here carrying the administration's water on my shoulders, and I think the Members know that. I think the administration's shipbuilding policy is horrendous. We ought to be building more ships, and we are going to be trying to get the administration to budget more ships.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(By unanimous consent Mr. EDWARDS of Alabama was allowed to proceed for 5 additional minutes.)

Mr. EDWARDS of Alabama. Mr. Chairman, I said Friday that I hoped that the authorizing committee, if the budget does not include enough ships, will give us something that we can support. We have only got 15 ships in this budget. There should have been 30. Whether there will be more, next year and the year after that and the year after that, depends on how many of these big, costly ships we, on our own, go off and build.

I understand the Members' frustration; I share it. We ought not to have to be making policies like this on this floor and in this Congress. We ought not to be having to decide which ship will be built and when it will be built and how many ships will be built. We ought to be presented with a budget that has a clear policy that leads us in the direction of a sound Navy that can cover the oceans of this world—and we have not been.

But let us not, because of that, go off in a direction that is so costly when that money could be used for other purposes. So, I hope when the vote comes that the Members will give serious consideration to the amendment. Remember, there is only so much money. If we build it, it is going to be done at the expense of something else, or it is going to be done at the expense of a worldwide mission which can only be carried out with a sufficient number of ships.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the chairman of a committee reluctantly opposes the action of a committee which he heads—normally. On this matter the vote in the subcommittee was determined by one vote; and the vote in the full Committee on Appropriations was 26 to 26, so I feel comfortable in expressing my views in regard to this amendment.

I am not an opponent of carriers. I have carried the ball in this House for carriers on many occasions. The Committee on Appropriations is pro-Navy, it is pro-carrier. So, this is not to be interpreted as a fight against carriers, and this is not to be interpreted as making a decision between the CVV, the smaller carrier, and the big nuclear carrier.

But, I say in this environment, with all the indecision, with all the problems and the controversy between the administration and the Congress, that perhaps this is time to comply with the action of the Armed Services Committees in setting forth new legislation in section 810 of the authorization bill on Navy shipbuilding policy describing just what action should be taken by the administration before ships are submitted to Congress for funding consideration.

This carrier is not in the President's budget. It is above the budget. The ship can be built in only one yard and that is the Newport News—only one yard. This is 1978. The CVN–70 carrier now under construction there will not be ready until 1982—4 years from now. It takes about 8 years to build a nuclear carrier.

So the fate of the Nation is not dependent upon what may happen with respect to this matter today. The *Carl Vinson* is not scheduled to be delivered until about 1982.

And the Newport News Shipbuilding Co., is in great disarray insofar as Navy business is concerned. There are shipbuilding claims being fought over totaling $766 million between Newport News and the Navy and about $250 million of that total involves nuclear carriers already delivered by that shipyard to the Navy.

So this is where we find ourselves. This is not a critical time when we should leap forward to add $2 billion to this bill to build an additional nuclear carrier. And I would warn the Members that the statistics shows that the estimated cost of carriers usually increases on the average of about 42 percent. The CVN–71 carrier is not going to cost $2.4 billion. It will be nearer $3 billion when it is constructed.

What does it mean? It means that other ships of lesser cost will have to be neglected. The result is a smaller Navy.

Besides that, the carrier that has been authorized is not the most modern carrier that can be built. It is the unimproved, repeat version of the *Nimitz*-class carrier. The House Armed Services Committee put in the bill authorization for the improved and more survivable carrier, but it was taken out in conference. We are now asked to vote to support an unimproved carrier. This carrier would not contain any improvements to greatly increase, according to the Navy, its survivability.

The carrier is a very important instrument for the United States. It shows our power throughout the world and we are fortunate to have 12 deployable carriers. They are valuable to us. They do show our strength and determination in the various oceans and seas of the world. I do not see why 12 carriers would not fulfill that objective here for at least a few years. Certainly it will be 8 years before this ship could ever be completed.

In a war not involving the Soviet Union, no one could convince me that 12 carriers are not reasonably sufficient.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MAHON) has expired.

(By unanimous consent, Mr. MAHON was allowed to proceed for 5 additional minutes.)

Mr. MAHON. Mr. Chairman, what country can anyone pick out that we could have a war with in which 12 carriers would not be reasonably adequate? It is not anticipated that we would have the island-to-island jumping that we had in World War II. But in the event of world war III involving a war between the United States and the Soviet Union—that is what we fear and that is what we must deter—does anybody think that the building of a new $2 billion carrier will deter the Soviet Union or deter war with the Soviet Union? I do not think so at all.

If war comes between the United States and the Soviet Union, it will be a war fought with nuclear weapons, with land-based intercontinental ballistics missiles and with submarine-launched intercontinental ballistic missiles. The carrier will not be a decisive element in a war with the Soviet Union. A war with the Soviet Union would be bang, bang, bang—and what is left would be very little.

So it seems to me that from the standpoint of deterring war, the 12 carriers we have at present—and it is all right at a later time to have an additional carrier, and if we want to make it a nuclear carrier, that is all right. I am not going to argue that point. I am just arguing that at this point in time there is no reason why we should provide this $2 billion additional for a carrier that would be placed in a shipyard that will not finish the present carrier for 4 more years. It just does not make sense to me.

When we take into consideration the fact that there are constraints on the fiscal budget—and I thought the gentleman from Connecticut (Mr. GIAIMO), chairman of the Budget Committee, did an excellent job in presenting the problems before us and so did Mr. EDWARDS—I would earnestly hope we may take a little more time and resolve this issue equitably between the Congress and the executive branch and that we can proceed with the Defense bill without the carrier.

There is a great deal of concern and apprehension about the proposed construction of this, I would say, $3 billion carrier. I think we have got reasonably adequate carrier support as it is. I think in a conventional war we at this time have got plenty of support. In a war between the United States and the Soviet Union I do not think the carrier would be a very significant force, and I do not think you would think so because everybody knows that a war with the Soviet Union would bring into play nuclear weapons and you do not have a major role for the aircraft carriers to play in a war of that kind.

I am not an expert on war at all. I am like the gentleman from Alabama (Mr. EDWARDS). I cannot speak to you as an expert about war, but I can speak to you as one who has helped keep this country secure for these 38 years that I have been a member of the Committee on Appropriations, and most of that time on the Subcommittee on Defense.

We have presented to the Congress during those years, on the bills which I have had a part in offering, one trillion, seven hundred billion dollars in defense bills. So do not feel that the Defense Subcommittee or the Committee on Appropriations is undertaking to sell our country short. We are not. We are for a secure defense, we are for the carriers, and we are for a resolute policy. And we have not lost any war yet as a result of our lack of equipment and manpower. Some have mentioned Vietnam, yes, but our lack of success there was not because of a lack of equipment and manpower. Some have said that in Korea it was indecisive, yes, but it was not because of lack of equipment or lack of manpower.

So, Mr. Chairman, let me urge the Members to vote for the amendment that has been offered by the gentleman from Illinois (Mr. YATES). This is the proper thing for us to do at this moment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas (Mr. MAHON)?

There was no objection.

The CHAIRMAN. Members will be recognized for 30 seconds each.

(By unanimous consent, Mr. FLYNT yielded his time to Mr. SIKES.)

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, the aircraft carrier today is the maximum antiship defense system. It is the maximum ship afloat in antiaircraft defense. It can project our country's offensive capability to all parts of the world. This becomes particularly significant if there not be a nuclear war because conventional wars move fast and we have to be able to move fast to cope with them. The carrier is an essential means whereby we can project ourselves to any ocean in any part of the world in the least possible time.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, I rise in support of the amendment, and I would like to associate myself with the remarks of the chairman of the committee, the gentleman from Texas (Mr. MAHON).

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the amendment of the gentleman from Illinois.

The debate on the future of the aircraft carrier that has taken place in this House over the last several years involves two interrelated questions. The first is how many carriers should we have? The second concerns what type of carriers we should build if additional construction is necessary. The first question is the more basic of the two and is addressed by this amendment which seeks to strike funds for a nuclear carrier in this year's appropriations bill. In more concrete terms the question is, Must we have 13 carriers into the indefinite future?

My impression is that many of my colleagues consider this a closed question. It should not be. I remain uneasy over the lack of attention that has been paid to alternatives to the carrier including the utilization of land-based air, and current V/STOL, cruise missile and remotely piloted vehicle technology. The 13-carrier requirement has not been fully justified in my mind. The enormous cost of another nuclear carrier demands that it be so.

Concern over the cost of an additional carrier led me to go back and review some of the Navy's recent studies on carrier force level requirements. Three of these recent studies are of note—the CVNX study initiated by then Secretary of Defense Schlesinger in late 1975, the National Security Council study submitted by the Ford administration in January, 1977, and the recently completed naval force planning study directed by the Carter administration. The sad truth is that such studies have generated aircraft carrier requirements after assuming alternatives out of existence. Critiques of these studies performed by the GAO, CBO, and CRS have consistently pointed to this major fault.

Just as the Air Force built-in assumptions and scenarios to favor the B–1 in its studies, so these Navy dominated studies have been constructed so as to confirm Navy budgets and force level requirements. This is a problem we should expect from the individual services which are wedded to traditional ways of doing things and protective of their roles and missions.

There is increasing evidence that in some missions traditionally associated with the carrier alternatives are a better bet for the taxpayer. The Congressional Budget Office last year in a study titled "The U.S. Sea Control Mission: Forces, Capabilities, and Requirements" demonstrated significant savings for land-based air defense in the Atlantic in support of the sea control mission. The savings accruing to land-based air ranged from $2.3 to $6.6 billion depending upon various options chosen.

The cost-effectiveness of this approach to defending against the Backfire threat has just recently been reconfirmed by a study completed by the Institute for Defense Analyses for the Pentagon. The study again shows land-based air, with or without the use of Iceland, to be overwhelmingly cost-effective compared to carrier-based air.

If these cost-effective substitutes are available for the carrier in this and other missions it means the 13-carrier requirement can probably only be justified by the "presence" mission. One of the most frequently heard arguments from proponents of additional carrier construction is that failure to maintain 13 carriers would lead to a reduction of our current forward deployments. The Navy currently argues that three carriers are needed for each of the four carriers that are currently forward deployed—two

each in the Pacific and Mediterranean. Again options are available. The homeporting of a second carrier in the Western Pacific, either in Japan or Subic Bay, would allow us to maintain current forward deployments with a reduced number of decks. Not only does homeporting allow higher deployed force levels with fewer total assets, but also greater on-station time. Substantial savings could result from removing the need for additional carrier construction as well as by shortening the logistics tail support for carriers that are forward deployed.

Even assuming current deployment, overhaul and training schedules, a drop to 11 deployable decks would mean only a 3-month period out of the year when 4 carriers could not be forward deployed. That gap could be filled by the deployment of additional land-based air or ships including the new general purpose helicopter assault ship (LHA). With a displacement of 39,000 tons and the capability of embarking 1,800 marines the LHA was considered by both Secretary Schlesinger and Secretary Rumsfeld as capable of performing a wide range of functions. These ships are equivalent in size to the old World War II *Essex*-class carriers and match the size of the Soviet's new carrier the *Kiev*. The House in accepting the recent conference report on the fiscal year 1979 Defense authorization bill has taken a step in the direction of support for this concept. The conference report accepted a Senate amendment to authorize $45 million for the conversion of one LPH amphibious assault ship to a light carrier. The report notes—

A light carrier will add to the Navy's at-sea air capability and complement existing carriers by being capable of being converted to undertake a variety of missions such as anti-submarine warfare, mine countermeasures operations, presence and amphibious assault.

The Navy's Sea-Based Platform Study has estimated the 30-year life cycle cost of a nuclear carrier at between $18 and $25 billion depending upon the type of aircraft to be procured. Such cost figures do not even take into account the additional costs that will be associated with the procurement of nuclear-powered escorts to protect the carrier. The life-cycle cost of the carrier alone is greater than the difference in cost between the Carter and Ford 5-year shipbuilding plans. The Carter plan submitted this year called for 86 fewer new ships and 7 fewer modernizations. While our requirements are still debatable, nothing better states to me the opportunity costs of building large, high-value ships.

Just for the procurement price of another *Nimitz* carrier and its airwings we could purchase 46 frigates for the escort role in time of war, or alternatively procure the 7 DDG–47's in the Carter 5-year plan to upgrade air defense for our conventionally powered task forces with about $3 billion to spare. That extra $3 billion is approximately equal to the procurement cost of 3 new follow-on Aegis-equipped nuclear cruisers of the *Virginia* class with spare change left over to backfit Aegis into a fourth cruiser.

At an even more basic level the material readiness of the Navy's ships and aircraft remain well below par largely due to fiscal constraints. At the end of the last fiscal year the Navy still had 42 ships backlogged for overhaul to bring their material readiness up to par. And it is anticipated that fiscal year 1979 aircraft material readiness will decrease once again after having reached an all-time low in fiscal year 1976.

It is unfortunte that the debate over the carrier this year has focused largely on a straight-up-and-down comparison of the relative capabilities of the CVN versus the CVV. The real question is what we incrementally gain from spending a sum of money on an additional carrier versus what we gain from spending it in other ways. We have needs that are far more pressing than the construction of a 13th carrier.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Chairman, I am in the midst of so many experts on carriers that I am almost embarrassed to talk.

I have only served on three carriers and have only been in 40-some-odd convoys to France in World War II.

Mr. Chairman, we cannot move one ship to aid our allies without air cover, and the only way we can get air cover is by the nuclear carrier.

I hope we have sense enough to put the $2 billion into the bill and let us build the carrier if it is needed. It will take 8 years to get it after we start, and I hope we have sense enough to do what we have to do.

(By unanimous consent, Mr. VOLKMER yielded his time to Mr. YATES).

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Chairman, if there is anything that is a national necessity, it is that the carrier, the nucleus of our forces, is vital in keeping the sea-lanes clear.

Everyone admits that we have to have 12 of them which are usable. That means we need one more, and now is the time to get it.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. CHAPPELL).

Mr. CHAPPELL. Mr. Chairman, we can build this carrier now.

I have in my hand right here—and this has been agreed to by the Navy—a letter from the Newport News Shipbuilding Co. which says that we can build it now. We want to build it now. We have the force to build it now, and if we do not get this carrier to build, we are going to have to lay off some 5,000 people who are experts in this field.

Mr. Chairman, I urge defeat of the Yates amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. Mr. Chairman, I oppose the Yates amendment and point out to my colleagues that an American force level of 12 deployable carriers is essential if the United States is to remain a first-class naval power and retain our slim superiority over the Soviet Union. The Soviet Union has three times as many ships as the United States does. The carrier is our margin of difference. It is today the most capable, survivable ship afloat, and we should build the nuclear aircraft carrier.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

I understand that the President has written a letter to the chairman of the House Appropriations Committee in which he says that:

We simply cannot afford to spend more than $2 billion for the marginal advantages of a fifth nuclear carrier.

That statement is terribly inaccurate.

The advantages of the nuclear carrier are not "marginal" by any means. They are overwhelmingly superior to oil-fired ships. The President ought to know better than that. Certainly the Congress knows better than that.

In the letter, the President makes no mention of funding a carrier at all in fiscal year 1979. Presumably he wants a carrier some other time, since he is publically announced that one more large-deck carrier is needed to maintain 12 deployable carriers into the 21st century.

This poses an interesting question.

Since the cost of a repeat *Nimitz* is about the same as a new construction, oil-fired, CVV in fiscal year 1979 dollars—as has been shown on numerous occasions to each Member of the House—how much more expensive is the CVV going to be next year?

How much more will the CVV cost next year? Every year we wait, the carrier will cost more! Buy now, and save later.

The President's letter contains the observation that for the price of a nuclear carrier we could purchase "up to a dozen new surface combatants—destroyers or frigates."

Since the unit cost of a destroyer is around $700 million, I have tried in vain to figure the arithmetic on that one. I figure his estimate is off by about $6 billion. But I guess that is close enough for Government work.

Regardless of the arithmetic, the President misses the point.

Lots of ships can be bought for the price of any carrier. The problem is simply this—we need a carrier. We have to pay for a carrier. It costs a lot, but we need it.

Smaller ships, less complex ships, can be built faster and in greater numbers. They can be built almost anytime.

Carriers take time—a great deal of time to build.

That is why it is important to get on with building the carrier now so it will be ready when we need it.

The other ships can be funded next year and in greater numbers. We should welcome and encourage that approach to building up our Navy.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I rise in opposition to the amendment. I do not want to press the matter further; I have spoken so much today.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, I urge support for the amendment, based upon the arguments that have been made so eloquently by the distinguished chairman of the Committee on Appropriations, who, over the years, has fought more than any single Member of the House for the support of the Armed Forces, and who has made certain that our Armed Forces were provided with the necessary funds.

He has pointed out that the President of the United States, the Commander in Chief of the Armed Forces, has requested that another year be taken in deciding what kind of carrier we want, if, indeed, we do want a carrier. Nothing will be hurt if that time is allotted.

More than that, Mr. Chairman, as he pointed out, the carrier that has been approved by the authorizing committee is not the unique kind of carrier that has been discussed by the gentlemen who have opposed my amendment. A carrier that is already in existence is proposed to be constructed again. I urge support for my amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. MAHON) to close debate.

Mr. MAHON. Mr. Chairman, there has been no disposition to shorten the debate on this amendment. We have spent about 2 hours and 25 minutes on this matter, and I think it is very proper that we have utilized this time. We have had a high level debate. I reassert my position in support of the amendment and ask for a favorable vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. YATES).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. YATES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 156, noes 218, not voting 58, as follows:

[Roll No. 654]

AYES—156

Addabbo	Cavanaugh	Erlenborn
Ammerman	Chisholm	Ertel
Anderson, Ill.	Cohen	Evans, Colo.
Andrews, N.C.	Collins, Ill.	Fary
Ashley	Conable	Fenwick
Aspin	Conte	Findley
AuCoin	Cornell	Fisher
Bedell	Cornwell	Florio
Benjamin	Cotter	Ford, Mich.
Biaggi	Coughlin	Ford, Tenn.
Bingham	D'Amours	Forsythe
Blanchard	Delaney	Frenzel
Blouin	Dellums	Garcia
Boland	Dingell	Gephardt
Bonior	Dodd	Giaimo
Bonker	Drinan	Gibbons
Brademas	Duncan, Oreg.	Glickman
Brodhead	Early	Hamilton
Burlison, Mo.	Eckhardt	Hanley
Burton, John	Edwards, Ala.	Harkin
Carr	Edwards, Calif.	Heckler
Hefner	Mikva	Roybal
Heftel	Milford	Russo
Holtzman	Miller, Calif.	Ryan
Howard	Miller, Ohio	Scheuer
Hughes	Mineta	Schroeder
Jacobs	Moakley	Seiberling
Jordan	Moffett	Sharp
Kastenmeier	Moorhead, Pa.	Simon
Keys	Murphy, Ill.	Smith, Iowa
Kildee	Natcher	Solarz
Kostmayer	Nedzi	Spellman
Krebs	Nolan	St Germain
Leggett	Nowak	Stark
Lehman	Oberstar	Steers
Levitas	Obey	Steiger
Lundine	Panetta	Stockman
McCloskey	Pattison	Stokes
McDade	Pease	Studds
McEwen	Pickle	Thompson
McHugh	Pike	Traxler
McKay	Preyer	Udall
McKinney	Pritchard	Vanik
Madigan	Rahall	Vento
Maguire	Rangel	Volkmer
Mahon	Reuss	Walgren
Markey	Richmond	Waxman
Mattox	Rodino	Weaver
Meeds	Rogers	Weiss
Metcalfe	Rooney	Whalen
Meyner	Rosenthal	Yates
Mikulski	Rostenkowski	Young, Mo.

NOES—218

Abdnor	Flood	Moorhead, Calif.
Akaka	Flynt	Motti
Alexander	Foley	Murphy, N.Y.
Ambro	Fountain	Murphy, Pa.
Anderson, Calif.	Fuqua	Murtha
Andrews, N. Dak.	Gaydos	Myers, Gary
Annunzio	Gilman	Myers, John
Applegate	Ginn	Myers, Michael
Archer	Goldwater	Neal
Armstrong	Gonzalez	Nichols
Ashbrook	Goodling	Nix
Badham	Gore	O'Brien
Bafalis	Gradison	Oakar
Bauman	Grassley	Patten
Beard, R.I.	Guyer	Patterson
Beard, Tenn.	Hagedorn	Pepper
Bennett	Hall	Perkins
Bevill	Hammer-schmidt	Pettis
Boggs	Hannaford	Poage
Bowen	Harris	Price
Breaux	Harsha	Quayle
Breckinridge	Hightower	Quillen
Brinkley	Hillis	Railsback
Brooks	Holt	Regula
Broomfield	Horton	Rinaldo
Brown, Mich.	Hubbard	Risenhoover
Broyhill	Huckaby	Roberts
Buchanan	Hyde	Robinson
Burgener	Ichord	Roe
Burke, Fla.	Ireland	Rose
Burleson, Tex.	Jeffords	Rousselot
Byron	Jenrette	Rudd
Carney	Johnson, Calif.	Runnels
Carter	Johnson, Colo.	Satterfield
Cederberg	Jones, N.C.	Schulze
Chappell	Jones, Okla.	Sebelius
Clausen, Don H.	Jones, Tenn.	Shuster
Clawson, Del	Kazen	Sikes
Cleveland	Kelly	Slack
Coleman	Kemp	Smith, Nebr.
Collins, Tex.	Kindness	Snyder
Corcoran	Krueger	Spence
Corman	Lagomarsino	Staggers
Cunningham	Latta	Stangeland
Daniel, Dan	Leach	Stanton
Daniel, R. W.	Lederer	Steed
Danielson	Lent	Stratton
Davis	Livingston	Stump
de la Garza	Lloyd, Calif.	Symms
Dent	Lloyd, Tenn.	Taylor
Derrick	Long, La.	Thone
Derwinski	Long, Md.	Thornton
Devine	Lott	Treen
Dicks	Lujan	Trible
Dornan	Luken	Tucker
Downey	McClory	Ullman
Duncan, Tenn.	McCormack	Van Deerlin
Edgar	McDonald	Vander Jagt
Edwards, Okla.	McFall	Waggonner
Ellberg	Marks	Walker
Emery	Marlenee	Walsh
English	Marriott	Wampler
Evans, Del.	Martin	Watkins
Evans, Ind.	Mazzoli	White
Fascell	Michel	Whitehurst
Fish	Minish	Whitley
Fithian	Mitchell, N.Y.	Whitten
Flippo	Mollohan	Wiggins
	Montgomery	Wilson, Bob
	Moore	Winn
Wolff	Yatron	Zablocki
Wright	Young, Alaska	Zeferetti
Wydler	Young, Fla.	
Wylie	Young, Tex.	

NOT VOTING—58

Baldus	Fowler	Pressler
Barnard	Fraser	Pursell
Baucus	Frey	Quie
Beilenson	Gammage	Rhodes
Bolling	Green	Roncalio
Brown, Calif.	Gudger	Ruppe
Brown, Ohio	Hansen	Santini
Burke, Calif.	Harrington	Sarasin
Burke, Mass.	Hawkins	Sawyer
Burton, Phillip	Holland	Shipley
Butler	Hollenbeck	Sisk
Caputo	Jenkins	Skelton
Clay	Kasten	Skubitz
Cochran	LaFalce	Teague
Conyers	Le Fante	Tsongas
Crane	Mann	Wilson, C. H.
Dickinson	Mathis	Wilson, Tex.
Diggs	Mitchell, Md.	Wirth
Evans, Ga.	Moss	
Flowers	Ottinger	

The Clerk announced the following pairs:

On this vote:

Mr. Mitchell of Maryland for, with Mr Burke of Massachusetts against.

Mr. Conyers for, with Mr. Gammage against.

Mr. Ottinger for, with Mr. Santini against.

Mr. Beilenson for, with Mr. Teague against.

Mr. Baldus for, with Mr Shipley against.

Mr. Wirth for, with Mr. Roncalio against.

Mrs. Burke of California for, with Mr. Sisk against.

Mr. Clay for, with Mr. Skelton against.

Mr. RAHALL and Mr. LEVITAS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 13635) making appropriations for the Department of Defense for the fiscal year ending September 30,, 1979, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks, and to include extraneous matter, in connection with the consideration of the Department of Defense appropriation bill today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 12602, MILITARY CONSTRUCTION AUTHORIZATION ACT, 1979

Mr. NEDZI submitted the following conference report and statement on the bill (H.R. 12602) to authorize certain construction at military installations for fiscal year 1979, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 95-1448)

The committee of conference on the disagreeing votes of the two Houses on the

amendment of the Senate to the bill (H.R. 12602) to authorize certain construction at military installations for fiscal year 1979, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Military Construction Authorization Act, 1979".

TITLE I—ARMY

AUTHORIZED ARMY CONSTRUCTION PROJECTS

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $8,836,000.
Fort Carson, Colorado, $25,636,000.
Fort Devens, Massachusetts, $799,000.
Fort Greeley, Alaska, $2,651,000.
Helemano Military Reservation, Hawaii, $1,916,000.
Fort Hood, Texas, $62,086,000.
Fort Sam Houston, Texas, $1,633,000.
Fort Lewis, Washington, $8,933,000.
Fort McCoy, Wisconsin, $991,000.
Fort Meade, Maryland, $10,669,000.
Fort Ord, California, $1,628,000.
Fort Polk, Louisiana, $25,845,000.
Fort Richardson, Alaska, $1,974,000.
Fort Riley, Kansas, $5,915,000.
Schofield Barracks, Hawaii, $12,223,000.
Fort Stewart Hunter Army Air Field, Georgia. $57,129,000.
Fort Wainwright, Alaska, $3,323,000.
Yakima Firing Center, Washington, $1,270,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort Benning, Georgia, $5,173,000.
Fort Bliss, Texas, $4,758,000.
Carlisle Barracks, Pennsylvania, $1,601,000.
Fort Eustis, Virginia, $5,353,000.
Fort Gordon, Georgia, $3,247,000.
Fort Benjamin Harrison, Indiana, $2,359,000.
Fort Jackson, South Carolina, $3,300,000.
Fort Knox, Kentucky, $15,058,000.
Fort Leavenworth, Kansas, $2,251,000.
Fort Lee, Virginia, $3,074,000.
Fort Rucker, Alabama, $2,280,000.
Fort Monroe, Virginia, $550,000.
Fort Sill, Oklahoma, $24,756,000.
Fort Leonard Wood, Missouri, $13,947,000.

UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $9,412,000.
Anniston Army Depot, Alabama, $10,736,000.
Hawthorne Ammunition Depot, Nevada, $1,547,000.
Holston Army Ammunition Plant, Tennessee, $30,650,000.
Iowa Army Ammunition Plant, Iowa, $1,028,000.
Kansas Army Ammunition Plant, Kansas, $1,124,000.
Longhorn Army Ammunition Plant, Texas, $507,000.
Michigan Army Missile Plant, Michigan, $1,284,000.
Milan Army Ammunition Plant, Tennessee, $1,239,000.
Natick Laboratories, Massachusetts, $3,221,000.
Picatinny Arsenal, New Jersey, $16,381,000.
Pine Bluff Arsenal, Arkansas, $523,000.
Red River Army Depot, Texas, $813,000.
Redstone Arsenal, Alabama, $3,825,000.
Rock Island Arsenal, Illinois, $1,957,000.
Seneca Army Depot, New York, $1,087,000.
Sierra Army Depot, California, $843,000.
Sunflower Army Ammunition Plant, Kansas, $1,281,000.
Tobyhanna Army Depot, Pennsylvania, $1,227,000.
Watervliet Arsenal, New York, $27,021,000.

AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $398,000.
Indiana Army Ammunition Plant, Indiana, $771,000.
Iowa Army Ammunition Plant, Iowa, $5,011,000.
Kansas Army Ammunition Plant, Kansas, $394,000.
Lone Star Army Ammunition Plant, Texas, $172,000.
Longhorn Army Ammunition Plant, Texas, $137,000.
Louisiana Army Ammunition Plant, Louisiana, $276,000.
Milan Army Ammunition Plant, Tennessee, $9,370,000.
Radford Army Ammunition Plant, Virginia, $2,960,000.
Scranton Army Ammunition Plant, Pennsylvania, $1,928,000.
Sunflower Army Ammunition Plant, Kansas, $2,251,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $3,811,000.
Fort Ritchie, Maryland $5,115,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $12,265,000.

UNITED STATES ARMY HEALTH SERVICE COMMAND

Fitzsimons Army Medical Center, Colorado, $1,372,000.
Walter Reed Army Medical Center, District of Columbia, $3,524,000.

MILITARY TRAFFIC MANAGEMENT COMMAND

Sunny Point Military Ocean Terminal, North Carolina, $1,228,000.

OUTSIDE THE UNITED STATES

UNITED STATES ARMY, KOREA

Various Locations, $7,580,000.

KWAJALEIN MISSILE RANGE

National Missile Range, $6,571,000.

UNITED STATES ARMY, EUROPE

Germany, Various Locations, $213,875,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1980, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $35,365,000.

TITLE II—NAVY

AUTHORIZED NAVY CONSTRUCTION PROJECTS

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

MARINE CORPS

Headquarters Marine Corps, Arlington, Virginia, $12,000,000.
Marine Corps Base, Camp Lejeune, North Carolina, $16,130,000.
Marine Corps Base, Camp Pendleton, California, $19,700,000.
Marine Corps Air Station, Cherry Point, North Carolina, $2,000,000.
Marine Corps Air Station, El Toro, California. $7,150,000.
Marine Corps Air Station, Kaneohe Bay, Hawaii, $8,500,000.
Marine Corps Air Station, New River, North Carolina, $5,300,000.
Marine Corps Development and Education Command, Quantico, Virginia, $3,300,000.
Marine Corps Air Station, Santa Ana, California, $920,000.
Marine Corps Base, Twentynine Palms, California, $12,000,000.
Marine Corps Air Station, Yuma, Arizona, $930,000.

OFFICE OF NAVAL RESEARCH

Naval Research Laboratory, Washington, District of Columbia, $5,400,000.

CHIEF OF NAVAL OPERATIONS

Naval Academy, Annapolis, Maryland, $14,240,000.
Naval Station, Annapolis, Maryland, $1,000,000.
Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $39,100,000.
Naval Support Activity, Philadelphia, Pennsylvania, $5,700,000.
Commandant Naval District Washington, District of Columbia, $4,135,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $16,290,000.
Naval Air Station, Cecil Field, Florida, $2,030,000.
Naval Station, Charleston, South Carolina, $10,240,000.
Naval Air Station, Jacksonville, Florida, $1,285,000.
Naval Amphibious Base, Little Creek, Virginia, $4,100,000.
Naval Station, Mayport, Florida, $16,800,000.
Naval Submarine Base, New London, Connecticut, $13,650,000.
Naval Station, Norfolk, Virginia, $12,760,000.
Naval Air Station, Oceana, Virginia, $6,405,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Station, Adak, Alaska, $8,075,000.
Naval Air Station Alameda, California, $1,380,000.
Naval Air Station, Lenmoore, California, $1,450,000.
Naval Air Station, Miramar, California, $9,500,000.
Naval Air Station, Moffett Field, California, $1,000,000.
Naval Air Station, North Island, California, $7,110,000.
Naval Station, Pearl Harbor, Hawaii, $16-790,000.
Naval Station, San Diego, California, $41,-000,000.
Naval Air Station, Whidbey Island, Washington, $9,500,000.

CHIEF OF NAVAL EDUCATION AND TRAINING

Fleet Combat Training Center Atlantic, Dam Neck, Virginia, $6,000,000.
Fleet Ballistic Missile Submarine Training Center, Charleston, South Carolina, $800,000.
Fleet Training Center, Mayport, Florida, $630,000.
Naval Air Station, Memphis, Tennessee, $570,000.
Naval Submarine School, New London, Connecticut, $6,050,000.
Naval Education and Training Center, Newport, Rhode Island, $4,600,000.
Surface Warfare Officers School Command, Newport, Rhode Island $1,750,000.
Naval Training Center, Orlando, Florida, $5,620,000.
Naval Submarine Training Center, Pearl Harbor, Hawaii, $1,500,000.
Fleet Anti-Submarine Warfare Training Center, San Diego, California, $4,250,000.
Fleet Combat Training Center, Pacific, San Diego, California, $760,000.
Fleet Training Center, San Diego, California, $8,200,000.
Naval Training Center, San Diego, California, $850,000.
Naval Technical Training Center, San Francisco, California, $1,550,000.

BUREAU OF MEDICINE AND SURGERY

National Naval Medical Center, Bethesda, Maryland, $8,430,000.
Naval Regional Medical Center, Camp Lejeune, North Carolina, $51,500,000.
Naval Hospital, Cherry Point, North Carolina, $700,000.
Naval Regional Dental Center, Norfolk, Virginia, $7,400,000.
Naval Hospital, Quantico, Virginia, $1,-800,000.

CHIEF OF NAVAL MATERIAL

Naval Ship Research and Development Center, Bethesda, Maryland $1,290,000.
Puget Sound Naval Shipyard, Bremerton, Washington, $16,650,000.
Puget Sound Naval Supply Center, Bremerton, Washington, $2,700,000.
Charleston Naval Shipyard, Charleston, South Carolina, $20,200,000.
Naval Supply Center, Charleston, South Carolina, $1,100,000.
Naval Weapons Station, Charleston, South Carolina, $3,455,000.
Polaris Missile Facility—Atlantic, Charleston, South Carolina, $6,500,000.
Naval Weapons Center, China Lake, California, $5,360,000.
Naval Weapons Station, Concord, California, $2,600,000.
Naval Surface Weapons Center, Dahlgren, Virginia, $10,700,000.
Naval Weapons Station, Earle, New Jersey, $10,050,000.
Navy Public Works Center, Great Lakes, Illinois, $3,300,000.
Naval Avionics Facility, Indianapolis, Indiana, $2,900,000.
Portsmouth Naval Shipyard, Kittery, Maine, $16,150,000.
Naval Air Engineering Center, Lakehurst, New Jersey, $140,000.
Long Beach Naval Shipyard, Long Beach, California, $15,810,000.
Navy Ships Parts Control Center, Mechanicsburg, Pennsylvania, $700,000.
Naval Air Rework Facility, Norfolk, Virginia, $4,000,000.
Naval Supply Center, Norfolk, Virginia, $4,270,000.
Navy Public Works Center, Norfolk, Virginia, $4,200,000.
Naval Supply Center, Oakland, Califronia, $6,360,000.
Naval Coastal Systems Laboratory, Panama City, Florida, $3,150,000.
Naval Air Test Center, Patuxent River, Maryland, $8,900,000.
Naval Supply Center, Pearl Harbor, Hawaii, $3,750,000.
Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $5,390,000.
Navy Public Works Center, Pearl Harbor, Hawaii, $750,000.
Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $9,050,000.
Pacific Missile Test Center, Point Mugu, California, $3,810,000.
Naval Construction Battalion Center, Port Hueneme, California, $940,000.
Norfolk Naval Shipyard, Portsmouth, Virginia, $13,350,000.
Naval Supply Center, San Diego, California, $15,250,000.
Navy Public Works Center, San Francisco, California, $3,300,000.
Naval Air Development Center, Warminster, Pennsylvania, $3,290,000.
Mare Island Naval Shipyard, Vallejo, California, $19,000,000.
Naval Weapons Station, Yorktown, Virginia, $9,680,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Station, Adak, $790,000.
Naval Radio Transmitter Facility, Annapolis, Maryland, $850,000.
Naval Communication Area Master Station Atlantic, Norfolk, Virginia, $830,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Winter Harbor, Maine, $540,000.

OUTSIDE THE UNITED STATES

MARINE CORPS

Marine Corps Air Station, Iwakuni, Japan, $4,500,000.

COMMANDER IN CHIEF, ATLANTICC FLEET

Naval Air Station, Bermuda, $4,300,000.
Naval Station, Keflavik, Iceland, $6,230,000.
Naval Station, Roosevelt Roads, Puerto Rico, $4,680,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Magazine, Guam, Mariana Islands, $22,340,000.
Naval Supply Depot, Yokosuka, Japan, $3,-700,000.

COMMANDER IN CHIEF, NAVAL FORCES EUROPE

Naval Station, Rota, Spain, $3,350,000.
Naval Air Facility, Sigonella, Italy, $7,-150,000.

BUREAU OF MEDICINE AND SURGERY

Naval Medical Research Unit Number 3, Cairo, Arab Republic of Egypt, $960,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Unit, Thurso, Scotland, $890,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Classified Location, $1,663,000.

EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop Navy installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by (1) unforeseen security consideration, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interest of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Navy, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1980, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $39,662,000.

AMENDMENT TO SAN DIEGO NAVAL ATHLETIC FIELD TRANSFER

SEC. 204. (a) Section 203 of the Military Construction Authorization Act, 1978 (Public Law 95–82, 91 Stat. 365) is amended—

(1) by striking out "the total cost" in subsection (a) and inserting in lieu thereof "a total of $4,500,000 for the cost"; and

(2) by striking out paragraph (1) of subsection (b) and inserting in lieu thereof the following:

"(1) the Secretary, or his designee, determines that the recreational facilities to be constructed under such subsection will be satisfactory replacements for the facilities on the existing Navy Athletic Field; and".

BIOMEDICAL RESEARCH LABORATORY, CAIRO, EGYPT

SEC. 205. The Secretary of the Navy is authorized to expend excess foreign exchange funds in the amount of $6,000,000 for the construction of a biomedical research laboratory at the Naval Medical Research Unit Number 3, Cairo, Arab Republic of Egypt.

TITLE III—AIR FORCE

AUTHORIZED AIR FORCE CONSTRUCTION PROJECTS

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Tyndall Air Force Base, Florida, $8,687,000.

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $8,163,000.
Kelly Air Force Base, Texas, $17,219,000.
McClellan Air Force Base, California, $3,700,000.
Newark Air Force Station, Ohio, $1,400,000.
Robins Air Force Base, Georgia, $9,424,000.
Tinker Air Force Base, Oklahoma, $2,354,-000.
Wright-Patterson Air Force Base, Ohio, $13,600,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $2,710,000.
Buckley Air National Guard Base, Colorado, $2,628,000.
Cape Canaveral Air Force Station, Florida, $9,624,000.
Edwards Air Force Base, California, $4,423,000.
Elgin Air Force Base, Florida, $3,579,000.
Hanscom Air Force Base, Massachusetts, $3,237,000.
Patrick Air Force Base, Florida, $3,504,000.
Various Locations, $688,000.

AIR TRAINING COMMAND

Columbus Air Force Base, Mississippi, $1,586,000.
Keesler Air Force Base, Mississippi, $7,835,000.
Lackland Air Force Base, Texas, $6,945,000.
Laughlin Air Force Base, Texas, $329,000.
Mather Air Force Base, California, $4,522,000.
Randolph Air Force Base, Texas, $850,000.
Reese Air Force Base, Texas, $742,000.
Vance Air Force Base, Oklahoma, $913,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Alaska, $1,602,000.
Galena Airport, Alaska, $540,000.
Shemya Air Force Base, Alaska, $546,000.
Various Locations, $3,400,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $1,111,000.
Dover Air Force Base, Delaware, $8,021,000.
Kirkland Air Force Base, New Mexico, $1,450,000.
Little Rock Air Force Base, Arkansas, $504,000.
McChord Air Force Base, Washington, $594,000.
Norton Air Force Base, California, $506,000.
Scott Air Force Base, Illinois, $4,014,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $510,000.
Beale Air Force Base, California, $2,256,000.
Carswell Air Force Base, Texas, $2,910,000.
Castle Air Force Base, California, $13,351,000.
Dyess Air Force Base, Texas, $2,670,000.
Ellsworth Air Force Base, South Dakota, $3,454,000.
Francis E. Warren Air Force Base, Wyoming, $23,143,000.
Fairchild Air Force Base, Washington, $650,000.
Grand Forks Air Force Base, North Dakota, $1,344,000.
Griffiss Air Force Base, New York, $7,499,000.
Grissom Air Force Base, Indiana, $314,000.
Malmstrom Air Force Base, Montana, $5,400,000.
March Air Force Base, California, $357,000.
McConnell Air Force Base, Kansas, $2,200,000.
Minot Air Force Base, North Dakota, $1,182,000.
Plattsburgh Air Force Base, New York, $11,691,000.
Rickenbacker Air Force Base, Ohio, $946,000.
Vandenburg Air Force Base, California, $141,782,000.
Wurtsmith Air Force Base, Michigan, $113,000.

TACTICAL AIR COMMAND

Cannon Air Force Base, New Mexico, $4,129,000.
Davis-Monthan Air Force Base, Arizona, $1,610,000.
England Air Force Base, Louisiana, $1,875,000.
George Air Force Base, California, $2,392,000.
Holloman Air Force Base, New Mexico, $4,135,000.
Langley Air Force Base, Virginia, $3,539,000.
Luke Air Force Base, Arizona, $3,843,000.
Moody Air Force Base, Georgia, $2,343,000.
Mountain Home Air Force Base, Idaho, $2,644,000.
Myrtle Beach Air Force Base, South Carolina, $2,694,000.
Nellis Air Force Base, Nevada, $16,950,000.
Seymour-Johnson Air Force Base, North Carolina, $2,950,000.
Shaw Air Force Base, South Carolina, $3,790,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado, $4,635,000.

AIR NATIONAL GUARD

McEntire Air National Guard Base, South Carolina, $230,000.
Selfridge Air National Guard Base, Michigan, $2,578,000.

OUTSIDE THE UNITED STATES

MILITARY AIRLIFT COMMAND

Rhine-Main Air Base, Germany, $9,350,000.

PACIFIC AIR FORCES

Kadena Air Base, Japan, $4,799,000.
Kunsan Air Base, Korea, $6,648,000.
Osan Air Base, Korea, $7,515,000.
Various Locations, $2,800,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, $1,120,000.

TACTICAL AIR COMMAND

Howard Air Force Base, Canal Zone, $718,000.

UNITED STATES AIR FORCES IN EUROPE

Germany, Various Locations, $7,847,000.
United Kingdom, Various Locations, $1,518,000.
Various Locations, $26,648,000.

EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1980, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $30,721,000.

TITLE IV—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition or construction:

Defense Property Disposal Office, Indianapolis, Indiana, $1,353,000.
Defense Property Disposal Office, Jacksonville, Florida, $811,000.
Defense Property Disposal Office, Keesler Air Force Base, Mississippi, $611,000.
Defense Property Disposal Office, McClellan Air Force Base, California, $1,533,000.
Defense Property Disposal Office, Pensacola, Florida, $558,000.
Defense Property Disposal Office, Selfridge Air National Guard Base, Michigan, $1,497,000.

DEFENSE MAPPING AGENCY

Defense Mapping Agency Aerospace Center, St. Louis Air Force Station, Missouri, $1,130,000.

DEFENSE NUCLEAR AGENCY

Armed Forces Radiobiology Research Institute, Bethesda, Maryland, $6,300,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $2,850,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Fort Belvoir, Virginia, $9,200,000.

OUTSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Property Disposal Office, Nuremberg, Germany, $870,000.

INSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Construction Supply Center, Columbus, Ohio, $529,000.
Defense Depot, Mechanisburg, Pennsylvania, $1,096,000.
Defense Depot, Memphis, Tennessee, $3,555,000.
Defense Depot, Ogden, Utah, $1,573,000.
Defense Depot, Tracy, California, $1,927,000.
Defense Fuel Support Point, Charleston, South Carolina, $532,000.
Defense Fuel Support Point, Norwalk, California, $1,488,000.
Defense Property Disposal Office, Fort Belvoir, Virginia, $755,000.
Defense Property Disposal Office, Fort Hood, Texas, $555,000.
Defense Property Disposal Office, Fort Lewis, Washington, $1,033,000.
Defense Property Disposal Office, Fort Meade, Maryland, $546,000.
Defense Property Disposal Office, Subic Bay, Philippines, $584,000.

OFFICE OF THE SECRETARY OF DEFENSE

DEPARTMENT OF DEFENSE OFFICE OF DEPENDENTS SCHOOLS

Nuremberg, Germany, $4,545,000.
Pattonville Housing Area, Ludwigsburg, Germany, $6,415,00.
Pioneer Kaserne, Hanau, Germany, $6,297,000.
Ramstein Air Base, Germany, $9,160,000.
Zweibruecken Air Base, Germany, $7,263,000.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

Various Locations: For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area, $120,000,000. Within thirty days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of

Representatives a description of the obligations incurred by the United States for the United States share of the cost of such multilateral programs.

EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000. The Secretary of Defense, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public works undertaken under this section, including real estate actions pertaining thereto.

MINOR CONSTRUCTION

SEC. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $13,044,000.

TITLE V—MILITARY FAMILY HOUSING

AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING

SEC. 501. (a) The Secretary of Defense, or his designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if he or his designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units and mobile home facilities:

National Guard Advisory Detachments, Alaska, three units, $137,000.

Naval Facility, Centerville Beach, California, twenty-eight units, $1,509,000.

Marine Corps Air Station, El Toro, California, two hundred sixteen units, $9,396,000.

Fort Ord, California, five hundred sixty units, $24,432,000, and fifty mobile home spaces, $690,000.

Marine Corps Base, Twentynine Palms, California, one hundred units, $4,307,000.

Fort Stewart, Georgia, one hundred and thirty-two units, $4,600,000.

Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, two hundred and fifty units, $11,505,000.

Mountain Home Air Force Base, Idaho, fifty mobile home spaces, $445,000.

Fort Polk, Louisiana, one hundred and sixty units, $7,300,000.

Naval Communications Unit, Cutler, Maine, twenty units, $1,355,000.

Naval Air Station, Fallon, Nevada, seventy units, $2,820,000.

Nuclear Power Training Unit, Ballston Spa, New York, one hundred units, $5,541,000.

Defense Attaché Office, Brasilia, Brazil, two units, $322,000.

Defense Installations, Cario, Egypt, twenty-one units, $2,950,000, to be funded by use of excess foreign currency when so provided in Department of Defense Appropriation Acts.

Defense Attaché Office, Helsinki, Finland, six units, $670,000.

Defense Attaché Office, Kuala Lumpur, Malaysia, two units, $170,000.

Defense Attaché Office, Oslo, Norway, five units, $476,000.

Defense Attaché Office, Manila, Philippines, six units, $502,000.

Defense Attaché Office, Stockholm, Sweden, four units, $398,000.

Defense Attaché Office, Kinshasa, Zaire, four units, $350,000.

(d) Any of the amounts specified in this section may, at the discretion of the Secretary of Defense, or his designee, be increased by 10 per centum, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, design, supervision, inspection, overhead, land acquisition, site preparation, and installation of utilities.

IMPROVEMENT OF EXISTING QUARTERS

SEC. 502. (a) The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to exceed—

(1) for the Department of the Army, $13,786,000, of which $1,000,000 shall be available only for energy conservation projects;

(2) for the Department of the Navy, $10,768,000, of which $1,725,000 shall be available only for energy conservation projects;

(3) for the Department of the Air Force, $31,740,000, of which $5,807,000 shall be available only for energy conservation projects; and

(4) for the Defense Mapping Agency, $86,000.

(b) Section 610(a) of the Military Construction Authorization Act, 1968 (Public Law 90–110, 81 Stat. 305), is amended by striking out "$15,000" in the first sentence and inserting in lieu thereof "$20,000".

(c) The Secretary of Defense, or his designee, within the amounts specified in subsection (a) of this section, is authorized to accomplish repairs and improvements to existing public quarters in amounts in excess of the $20,000 limitation prescribed in section 610(a) of the Military Construction Authorization Act, 1968 (Public Law 90–110, 81 Stat. 305), as follows:

Elmendorf Air Force Base, Alaska, two hundred and sixty-four units, $2,904,000.

Marine Barracks, Washington, District of Columbia, one unit, $80,000.

Marine Corps Development and Education Command, Quantico, Virginia, forty-eight units, $1,117,400.

Ramstein Air Base (Vogelweh-Landstuhl), Federal Republic of Germany, ninety-six units, $1,680,200.

Ramstein Air Base, Federal Republic of Germany, three hundred and sixty units, $8,151,600.

Rhein-Main Air Base, Federal Republic of Germany, four hundred and twenty-four units, $9,215,000.

Vilseck, Federal Republic of Germany, eight substandard units, $244,500.

LEASING OF FAMILY HOUSING

SEC. 503. (a) Section 2686(c) of title 10, United States Code, relating to leases for military family housing, is amended—

(1) by striking out "$280" and "$450" in paragraph (1) and inserting in lieu thereof "$300" and "$475", respectively; and

(2) by striking out "$350" and "$450" in paragraph (2) and inserting in lieu thereof "$370" and "$475", respectively.

(b) Section 2675(d) of title 10, United States Code, relating to leases in foreign countries, is amended—

(1) by striking out "$435" and "$760" in the first sentence of paragraph (1) and inserting in lieu thereof "$485" and "$850", respectively; and

(2) by striking out "$15,000" in paragraph (2) and inserting in lieu thereof "$18,000".

SETTLEMENT OF CLAIMS

SEC. 504. (a) Notwithstanding the provisions of any other law, the Secretary of the Air Force is authorized to settle claims regarding construction of public quarters at Wright-Patterson Air Force Base, Ohio, in the amount of $500,000 plus interest from December 6, 1977, at the rate established by the Secretary of the Treasury pursuant to Public Law 92–41 (85 Stat. 97).

(b) Notwithstanding the provisions of any other public law, the Secretary of the Navy is authorized to settle claims regarding construction of public quarters at the Naval Complex, South Philadelphia, Pennsylvania, in the amount of $1,750,000.

AUTHORIZATION OF APPROPRIATIONS

SEC. 505. There is authorized to be appropriated for fiscal year 1979 in a Military Construction Appropriation Act for use by the Secretary of Defense, or his designee, for military family housing as authorized by law for the following purposes:

(1) For construction of, or acquisition of sole interest in, family housing, including demolition, authorized improvements to public quarters, minor construction, relocation of family housing, rental guarantee payments, and planning, an amount not to exceed $139,105,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m), an amount not to exceed $1,562,500,000.

HOUSING FOR NAVAL STATION, ADAK, ALASKA

SEC. 506. Section 501(c) of the Military Construction Authorization Act, 1978, is amended by striking out "$8,500,000" in the item relating to the Naval Station, Adak, Alaska, and inserting in lieu thereof "$10,500,000".

TITLE VI—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C.

529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

AUTHORIZATION OF APPROPRIATIONS

SEC. 602. There are authorized to be appropriated for fiscal year 1979 such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: inside the United States $487,853,000; outside the United States $228,026,000; minor construction $35,365,000; for a total of $751,244,000.

(2) for title II: inside the United States $690,885,000; outside the United States $59,763,000; minor construction $39,662,000; for a total of $790,310,000.

(3) for title III: inside the United States, $423,059,000; outside the United States, $68,963,000; minor construction $30,721,000; for a total of $522,743,000.

(4) for title IV: a total of $217,610,000, including $13,044,000 for minor construction.

(5) for title V: military family housing, $1,701,605,000.

COST VARIATIONS

SEC. 603. (a) OVERALL TITLE TOTAL LIMITATION.—Notwithstanding the provisions of subsections (a), (b), (c), and (g), the total cost of all construction and acquisition in each of titles I, II, III, and IV may not exceed the total amount authorized to be appropriated in that title.

(b) VARIATIONS IN INSTALLATION TOTALS—UNUSUAL VARIATIONS IN COST.—Except as provided in subsections (c) and (d), any of the amounts specified in titles I, II, III, and IV of this Act (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 percentum when inside the United States (other than Alaska or Hawaii), and by 10 per centum when outside the United States or in Alaska or Hawaii, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) VARIATIONS IN INSTALLATION TOTALS—ONLY ONE PROJECT AT AN INSTALLATION.—When the amount named for any construction or acquisition in title I, II, III, or IV of this Act involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (b), he may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(d) VARIATIONS IN INSTALLATION TOTALS—REPORTS BY THE SECRETARY OF DEFENSE.—When the Secretary of Defense determines that any amount named in title I, II, III, or IV of this Act must be exceeded by more than the percentages permitted in subsections (b) and (c) to accomplish authorized construction or acquisition, the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days have elapsed from the date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Authorization Acts, the provisions of this subsection shall apply to such prior Acts.

(e) COST AND SCOPE VARIATIONS OF INDIVIDUAL PROJECTS; REPORTS TO CONGRESS.—No individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installation for which the current working estimate is $400,000 or more may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either thirty days have elapsed from the date of submission of such report, or both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(f) ANNUAL REPORT TO CONGRESS.—The Secretary of Defense shall submit an annual report to the Congress identfying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall a'so include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

(g) COST AND FLOOR AREA VARIATIONS—SOLAR ENERGY.—The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In order to equip any project authorized by this Act with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, the Secretary of Defense may authorize increases in the cost limitations or floor area limitations for such project by such amounts as may be necessary for such purpose. Any increase under this section in the cost or floor area of a project authorized by this Act shall be in addition to any other increase in such cost or variation in floor area limitations authorized by this or any other Act.

(h) COST VARIATIONS—MINOR CONSTRUCTION.—(1) The first sentence of section 2674 (b) of title 10, United States Code, relating to minor construction projects, is amended to read as follows: "This section does not authorize a project costing more than $500,000, except that the cost authorized for a project may be increased above $500,000 by not more than 10 percent of the original approved cost of such project if the Secretary of Defense determines—

"(1) that such an increase is required for the sole purpose of meeting unusual variations in cost and

"(2) that such variations in cost could not have been reasonably anticipated at the time the project was originally approved.".

(2) The amendment made by this subsection shall take effect on October 1, 1978.

CONSTRUCTION SUPERVISION

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army; the Naval Facilities Engineering Command, Department of the Navy; or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business; the names of such firms; the total number of separate contracts awarded each firm; and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

REPEAL OF PRIOR AUTHORIZATIONS; EXCEPTIONS

SEC. 605. (a) As of October 1, 1979, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 358), and all such authorizations contained in Acts approved before August 1, 1977, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1979, and authorizations for appropriations therefor.

(b) Notwithstanding the repeal provisions

of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 358), authorizations for the following items shall remain in effect until October 1, 1980:

(1) Medical Facility construction in the amount of $2,014,000 at Fort Drum, New York, authorized in section 101 of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1349).

(2) Barracks Building construction in the amount of $5,100,000 at Fort Drum, New York, authorized in section 101 of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1349).

(3) Effluent Land Irrigation System construction in the amount of $6,933,000 at Fort Ord, California, authorized in section 101 of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1349).

(4) Sulphuric Acid Regenerator construction in the amount of $15,238,000 at the Sunflower Army Ammunition Plant, Kansas, authorized in section 101 of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1350).

(5) Cold Storage Warehouse construction in the amount of $1,215,000 at Fort Dix, New Jersey, authorized in section 101 of the Military Construction Authorization Act, 1973 (Public Law 92-545; 86 Stat. 1135) and extended in section 605(3)(B) of the Military Construction Authorization Act, 1975 (Public Law 93-552; 88 Stat. 1762), and in section 605(b)(2) of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1363).

(6) Solid Waste System construction in the amount of $300,000 at the Naval Submarine Base, New London, Connecticut, authorized in section 201 of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1352).

(7) Naval Historical Center construction in the amount of $1,300,000 at Headquarters, Naval District of Washington, District of Columbia, authorized in section 201 of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1352).

UNIT COST LIMITATIONS

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $45 per square foot for permanent barracks; or

(2) $48 per square foot for bachelor officer quarters;

unless the Secretary of Defense, or his designee, determines that, because of special circumstances, application to such project of the limitations on unit cost contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

TITLE VII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $47,300,000; and

(B) for the Army Reserve, $27,400,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, $19,350,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $39,350,000; and

(B) for the Air Force Reserve, $11,400,000.

WAIVER OF CERTAIN RESTRICTIONS

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

TITLE VIII—GENERAL PROVISIONS

ADVANCE REPORTS TO CONGRESS OF CERTAIN ADVANCE PLANNING AND CONSTRUCTION DESIGN COSTS

SEC. 801. Section 612 of the Military Construction Authorization Act, 1967 (31 U.S.C. 723a), relating to advance planning and design projects, is amended by striking out "$225,000" and inserting in lieu thereof "$250,000".

TRANSMISSION OF ANNUAL MILITARY CONSTRUCTION AUTHORIZATION REQUEST TO CONGRESS

SEC. 802. (a)(1) Chapter 131 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2212. Transmission of annual military construction authorization request

"The Secretary of Defense shall transmit to the Congress the annual request for military construction authorization for a fiscal year during the first ten days after the President transmits to the Congress the Budget for such fiscal year pursuant to section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11).".

(2) The table of sections at the beginning of chapter 131 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"2212. Transmission of annual military construction authorization request.".

(b) The amendments made by subsection (a) shall apply with respect to fiscal year 1980 and each fiscal year thereafter.

DEVELOPMENT OF SOURCES OF ENERGY ON MILITARY LANDS

SEC. 803. (a) The Secretary of each military department may develop for the use or benefit of the Department of Defense any geothermal energy resource within lands under his jurisdiction other than public lands administered by the Secretary of the Interior.

(b)(1) If the Secretary of a military department determines that it is in the interest of the Government to do so, he may contract, for a period not to exceed thirty years, for the provision and operation of energy production facilities on real property under his jurisdiction and for the purchase of energy produced from such facilities, except that no such contract may be made for the development of energy resources derived from nuclear or fossil fuel sources.

(2) Any contract under paragraph (1) may be made only—

(A) after the approval of the Secretary of Defense of the proposed contract; and

(B) after the Committees on Armed Services of the Senate and House of Representatives have been notified of the terms of the proposed contract, including the dollar value of such contract and the amount of energy to be delivered to the Government under such contract.

(c) This section shall take effect on October 1, 1978.

REQUIREMENT FOR USE OF SOLAR ENERGY SYSTEMS

SEC. 804. (a) Effective ninety days after the date of the enactment of this Act, the Secretary of Defense shall require that 25 per centum, based on the estimated dollar value of the construction cost, of all new facilities except family housing that are placed under design shall include solar energy systems to the extent that engineering analyses demonstrate is cost effective.

(b) Effective on the date of the enactment of this Act, the Secretary of Defense shall require that all family housing authorized for construction shall include solar energy systems to the extent that engineering analyses demonstrate is cost effective.

(c) For the purposes of this section, a solar energy system shall be considered to be cost effective if the original investment cost differential can be recovered over the expected life of the facility.

BASE CLOSURE AND REALINEMENT AMENDMENT

SEC. 805. Clause (B) of paragraph (1) of section 2687(d) of title 10, United States Code, is amended by striking out "five hundred" and inserting in lieu thereof "three hundred".

REAL ESTATE, PEASE AIR FORCE BASE

SEC. 806. No official acting on behalf of the Department of Defense or any of the military departments shall purchase, or directly or indirectly negotiate for the purchase of, any of the land contiguous to the existing boundaries of Pease Air Force Base, New Hampshire, without the express authorization of the Congress.

LAND CONVEYANCE, MEMPHIS, TENNESSEE

SEC. 807. (a) The Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to convey to Plough, Inc., a Delaware corporation with principal offices in the city of Memphis, Tennessee, all right, title, and interest of the United States in and to the land and improvements which comprise the Marine Corps Reserve Center, Memphis, Tennessee. Such conveyance shall be made subject to such terms and conditions as the Secretary considers appropriate, but may not be made until a replacement facility for such Reserve Center is available in accordance with subsection (b).

(b)(1) In consideration for such conveyance by the Secretary under subsection (a), Plough Inc.—

(A) shall make available to the Secretary funds for the purchase of land and the purchase or making of improvements on such land which are acceptable to the Secretary as a replacement facility for such Marine Corps Reserve Center; or

(B) shall convey to the United States unencumbered fee simple title to land in the area of Memphis, Tennessee, which contains improvements acceptable to the Secretary as a replacement facility for such Marine Corps Reserve Center.

(2) In addition, Plough Inc., as a further condition of the conveyance under subsection (a), shall pay to the Secretary the cost of the relocation of the such Marine Corps Reserve Center from the facility on the land conveyed by the Secretary under subsection (a) to the facility on the land acquired by the Secretary under this subsection.

(c) The replacement facility to be provided under subsection (b) shall be designed to meet the current and foreseeable future re-

quirements of the Marine Corps Reserve in and around Memphis, Tennessee, as determined by the Secretary.

(d) Funds made available under subsection (b) (1) and (2), and land conveyed under subsection (b)(1) shall be subject to terms and conditions which shall be agreed upon by the Secretary and Plough Inc. and which the Secretary considers to be in the public interest. If the cost of the replacement facility is less than the replacement cost or fair market value, whichever is greater of the existing facility of such Marine Corps Reserve Center, Plough Inc. shall pay the amount of the difference between such costs to the United States, and such amount shall be deposited in the Treasury as miscellaneous receipts.

(e) The exact acreage and legal description of any land conveyed under this section shall be determined by surveys which are satisfactory to the Secretary.

(f) The Secretary is authorized to accept any land conveyed, or any funds made available, to the United States under subsection (b), and any such land shall be administered by the Secretary and any such funds may be obligated and disbursed by the Secretary. The authority under this section to place improvements on land (including site preparation) may be exercised before title to the land is approved under section 355 of the Revised Statutes (40 U.S.C. 255).

LAND CONVEYANCE, NICEVILLE, FLORIDA

SEC. 808. (a) Subject to subsection (b), the Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to convey to the city of Niceville, Florida (hereinafter in this section referred to as the "City") all right, title, and interest of the United States in and to the land described in subsection (c).

(b)(1) The conveyance authorized in subsection (a) shall be made only if not later than one year after the date of the enactment of this Act, the City—

(A) conveys land to the United States which has a fair market value which is not less than the fair market value of the land authorized to be conveyed in subsection (a);

(B) pays the United States an amount of money equal to such fair market value; or

(C) conveys land and pays an amount of money to the United States which in total equals an amount which is not less than such fair market value.

(2) If such land is used for any purpose other than a cemetery which is operated on a nonprofit basis, title to such land shall revert to the United States.

(3) The Secretary shall include in any instrument making such conveyance terms which will carry out the provisions of paragraph (2).

(c) The land referred to in subsection (a) is a portion of Eglin Air Force Base, Florida, containing 48.59 acres, more or less.

(d) The exact acreage and legal description of any land conveyed under this section shall be determined by surveys which are satisfactory to the Secretary.

LAND CONVEYANCE, OKALOOSA COUNTY, FLORIDA

SEC. 809. (a) Subject to subsection (b), the Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Air Force Enlisted Men's Widows and Dependents Home Foundation, Incorporated (hereinafter in this section referred to as the "Foundation"), of Washington, District of Columbia, all right, title, and interest of the United States in and to the land described in subsection (c). Such conveyance shall be made subject to such terms and conditions as the Secretary considers appropriate to carry out the provisions of this section.

(b)(1) In consideration for such conveyance made by the Secretary under subsection (a), the Foundation shall—

(A) convey land to the United States which has a fair market value which is not less than the fair market value of the land authorized to be conveyed in subsection (a);

(B) pay the United States an amount of money equal to such fair market value; or

(C) convey land and pay an amount of money to the United States which in total equals an amount which is not less than such fair market value.

(2) If the land conveyed under subsection (a) is not used as a permanent location for facilities of the Foundation before the end of the ten-year period beginning on the date on which such land is conveyed, title to such land shall revert to the United States.

(3) If such reversion occurs, the Secretary shall pay to the Foundation an amount of money equal to 50 per centum of the fair market value of the land reverting to the United States. Such fair market value shall be determined as of the date on which such land was conveyed to the Foundation by the Secretary.

(4) No construction shall be started on such land until plans for such construction are approved by the Secretary.

(5) Notwithstanding sections 2733 of title 10, United States Code, sections 1346 and 2672 of title 28, United States Code, and section 715 of title 32, United States Code, the United States shall not be liable to the Foundation for any damage to, or diminution in value of, the land conveyed pursuant to this section or improvements thereon, if such damage or diminution of value is caused by any activity of the United States at Eglin Air Force Base.

(c) The land referred to in subsection (a) is a portion of Eglin Air Force Base, Florida, composed of two parcels containinog a total of seventy-nine acres.

(d) The exact acreage and legal description of any land conveyed under this section shall be determined by surveys which are satisfactory to the Secretary.

LAND CONVEYANCE, KANSAS CITY, MISSOURI

SEC. 810. (a) Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Central-Wyandotte Development Corp. (hereinafter in this section referred to as the "Corporation") of Kansas City, Missouri, subject to such terms and conditions as the Secretary considers appropriate, all right, title, and interest of the United States in and to the following lots, including all improvements on such lots, located in block 4, J. H. McGee's Addition, Kansas City, Jackson County, Missouri:

(1) The south 37½ feet of lot 47.

(2) Lot 48.

(3) The north 17.34 feet of lot 49.

(b)(1) In consideration for such conveyance by the Secretary under subsection (a), the Corporation shall convey to the United States unencumbered fee simple title to the following lots located in block 4, J. H. McGee's Addition, Kansas City, Jackson County, Missouri:

(A) The south 4.84 feet of lot 50.

(B) Lots 51 and 52.

(2) The Corporation shall make improvements on such lots in accordance with requirements of, and subject to the approval of, the Secretary.

(c) If the combined fair market value of the lots to be conveyed to the United States by the Corporation and the improvements made on such lots by the Corporation (and approved by the Secretary) is less than the fair market value of the lots conveyed by the Secretary to the Corporation, the Corporation shall pay the amount of the difference in such fair market values to the Secretary, and such amount shall be deposited in the Treasury as miscellaneous receipts.

(d) The cost of any survey necessary to complete any conveyance under this section shall be paid by the Corporation.

(e) The Secretary is authorized to accept any land conveyed to the United States under subsection (b), and any such land shall be administered by the Secretary.

LAND CONVEYANCE, LOGAN, UTAH

SEC. 811. (a) Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey to Utah State University (hereinafter in this section referred to as the "University"), an agency of the State of Utah, all right, title, and interest of the United States in and to improvements located on land which is leased from the University by the United States and which is located on the campus of the University in Logan, Cache County, Utah.

(b)(1) In consideration for such conveyance by the Secretary under subsection (a), the University shall—

(A) make improvements, for use as a United States Army Reserve Center, on land owned by the University at Eighteenth North Street and Second East Street, North Logan, Cache County, Utah; and

(B) lease to the Secretary, for a period of ninety-nine years and at a nominal amount of rent, the land upon which such improvements are made.

(2) Such improvements shall be made in accordance with requirements of, and subject to the approval of, the Secretary, except that the value of such improvements shall not be less than the fair market value of the existing United States Army Reserve Center on the land described in subsection (a).

(3) Funds for such improvements shall be provided as follows:

(A) The University shall contribute not less than $210,000.

(B) The United States shall contribute all additional funds needed to complete such improvements, not to exceed $501,756, from funds available without fiscal year limitation from the military construction appropriation for the Army Reserve for fiscal year 1978.

LAND CONVEYANCE, HAWAII

SEC. 812. (a) Notwithstanding any other provision of law, the Secretary of the Navy is authorized to convey to the State of Hawaii, subject to the terms and conditions stated in this section and to such other terms and conditions as the Secretary of the Navy considers to be in the public interest, all right, title, and interest of the United States in and to certain land, with improvements thereon, referred to as the Navy Drum Storage Area and as described in subsection (c).

(b) In consideration for the conveyance by the United States of the property described in subsection (c), the State of Hawaii shall pay to the United States an amount which is the greater of (1) the total cost of a replacement facility for the improvements on such property, or (2) the fair market value of the property to be conveyed, as determined by the Secretary of the Navy. The money so paid shall be available for site preparation and construction by the Navy of new storage facilities to replace the Navy Drum Storage Facilities (Ewa Junction), and the Secretary is authorized to accept, hold, obligate, and disburse such money to accomplish such replacement.

(c) The land authorized to be conveyed to the State of Hawaii by subsection (a) is an area of land referred to as the Navy Drum Storage Area and comprising approximately 43.813 acres, including an area designated as the "public works center" and the "naval supply center", together with improvements thereon, as generally depicted on the Real Estate Summary Map, Ewa Junction, Oahu, Hawaii, Department of the Navy (revised December 4, 1975). The exact description and acreage of the land to be conveyed shall be determined by a survey as mutually

agreed upon between the State of Hawaii and the Secretary of the Navy.

EFFECTIVE DATE FOR CONVEYANCES

SEC. 813. Sections 807 through 812 shall take effect on October 1, 1978.

And the Senate agree to the same.

LUCIEN N. NEDZI,
MELVIN PRICE,
CHARLES H. WILSON,
JACK BRINKLEY,
MENDEL J. DAVIS,
ABRAHAM KAZEN, Jr.,
ANTONIO BORJA WON PAT,
G. WILLIAM WHITEHURST,
BOB WILSON,
ROBIN L. BEARD,
Managers on the Part of the House.

JOHN C. STENNIS,
GARY HART,
HENRY M. JACKSON,
HOWARD W. CANNON,
HARRY F. BYRD, Jr.,
SAM NUNN,
PAUL G. HATFIELD,
STROM THURMOND,
JOHN TOWER,
WILLIAM L. SCOTT,
DEWEY F. BARTLETT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12602) to authorize certain construction at military installations for fiscal year 1979, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

COMPARISON OF HOUSE AND SENATE BILLS

As passed by the House, H.R. 12602, provided $4,169,444,000 in new authorization.

The bill as amended by the Senate provided $3,998,432,000 in new authorization.

SUMMARY OF RESOLUTION OF DIFFERENCE

As a result of the conference between the House and Senate on the differences in H.R. 12602, the conferees agreed to a new adjusted authorization for military construction for fiscal year 1979 in the amount of $4,128,312,000.

The Departtment of Defense and the respective military departments had requested a total of $4,247,809,000 for new construction authorization for fiscal year 1979. The action of the conferees therefore decreases the Department's request by $119,497,000 in new authorization.

Total authorization granted, fiscal year 1979

Title I (Army):	
Inside the United States	$487,853,000
Outside the United States	228,026,000
Minor Construction	35,365,000
Subtotal	751,244,000
Title II (Navy):	
Inside the United States	690,885,000
Outside the United States	59,763,000
Minor Construction	39,662,000
Subtotal	790,310,000
Title III (Air Force):	
Inside the United States	423,059,000
Outside the United States	68,963,000
Minor Construction	30,721,000
Subtotal	522,743,000
Title IV (Defense Agencies)	204,566,000
Minor Construction	13,044,000
Subtotal	217,610,000
Title V (Military Family Housing)	1,701,605,000
Title VII (Reserve Forces Facilities):	
Army National Guard	47,300,000
Army Reserve	27,400,000
Naval and Marine Corps Reserve	19,350,000
Air National Guard	39,350,000
Air Force Reserve	11,400,000
Subtotal	144,800,000
Total granted by Titles I, II, III, IV, and VII	4,128,312,000

GENERAL TOPICS

North Atlantic Treaty Organization Construction

The major difference between the House bill and the Senate amendment was the issue of construction in support of the U.S. forces committed to NATO. While the House had supported most of the Defense Department's request for construction in Europe, the report on the House bill contained strong, directive language to pursue funding sources other than unilateral U.S. appropriations. The Senate, on the other hand, substantially reduced the request for construction in Europe by applying the principle that "NATO construction requirements should be provided through NATO resources within NATO-established priorities in accordance with NATO-established criteria."

The conferees agree that to the extent possible construction requirements in support of the NATO operational mission and readiness objectives should be common-funded by the alliance. Therefore, except in rare, unusual situations where full and convincing justification can be supplied, future construction requirements in NATO "for the training of international forces in peacetime and for their operational use in wartime" (quotation from NATO Facts and Figures, NATO Information Service, January 1976, page 150) shall be funded through the NATO Infrastructure program.

However, the conferees also agree that the strict application of this criteria to this fiscal year 1979 bill may result in unacceptable delay to selected, readiness-related projects and accordingly, to provide an orderly transition, a few such projects have been included in the conference report. In the future such projects will be considered only for U.S. unilateral funding (prefinancing) on an exception basis and only with the understanding that prior to the start of construction there must be alliance agreement on recoupment within a reasonable period of time.

Base realignment

The Senate authorized on a contingent basis projects totaling approximately $40 million at eleven installations that have been identified as base closure or realignment candidates. The House bill did not contain such authorization. After careful examination, the conferees agreed to provide contingent authorization for the projects except for a bachelor enlisted quarters at Parris Island Marine Corps Recruit Depot, South Carolina. Therefore, after the final realignment decisions are announced, the projects must be revalidated and the appropriate Committees of Congress advised of the revalidation before any funds are obligated.

In addition, the conferees adopted a provision contained in the Senate amendment that extends base realignment procedures contained in 10 USC 2687 to cover military installations with 300 authorized civilian personnel as compared to the present threshold of 500 authorized civilian personnel.

Energy

The conferees adopted a provision contained in the Senate amendment that requires the incorporation of optimum solar systems in all new military family housing and in 25 percent of all new facilities placed under design. Such systems will be incorporated if they are cost effective; that is, if their cost differential when compared to conventional systems can be amortized over the expected life of the facility. In agreeing to this provision the conferees expect the Department of Defense to proceed with the in-depth study called for by the House Armed Services Committee on the progress and prospects for the cooperative solar energy demonstration programs embarked upon three years ago by the Defense Department and the Energy Research and Development Agency which has now become a part of the Department of Energy.

To encourage geothermal energy resource utilization, the conferees agreed to modified language of a Senate provision authorizing the development of such energy production facilities on lands under military jurisdiction. This authorization does not apply to public lands administered by the Secretary of the Interior. Specifically, the authorization provides for long term contracts up to 30 years, subject to contract approval by the Secretary of Defense and advance notification to the Armed Services Committees of both Houses of the terms of the proposed contract, including dollar value and the amount of energy to be delivered to the government under such contract.

Miscellaneous report requirements

In their respective reports on the bill, both the Senate and the House Armed Services Committees included items of "special emphasis." The conferees hereby endorse the language on items of "special emphasis" found in both reports and, unless some modification to that language is contained in this joint statement of managers, the positions and requirements contained under items of "special emphasis" in both Senate and House reports on the Fiscal Year 1979 Military Construction Authorization bills are concurred in by the conferees.

Minor construction

The House bill contained separate authorizations for minor construction projects in Title VI. The Senate version included such authorizations in the respective titles for the military departments and Department of Defense. In order to provide a comprehensive picture of total military construction authorization for the services and defense agencies the conferees agreed to include minor construction authorizations in the individual titles.

Title I—Army

The House approved new construction authorization in the amount of $762,881,000, including $31,390,000 in minor construction for the Department of the Army. The Senate approved new construction authorization for

the Army in the amount of $632,781,000, including $35,079,000 in minor construction. The conferees agreed to a new total for Title I in the amount of $751,244,000, which is $11,637,000 below the House figure and $118,463,000 above the Senate figure. Among the major items considered in conference and acted upon by the conferees were the following:

European construction

At issue was the $152,856,000 authorization for European construction projects included in the House bill but not contained in the Senate amendment. In concert with the overall policy framework established by the conferees covering construction related to the United States role in the North Atlantic Treaty Organization (NATO), a compromise was reached after thorough discussion to authorize $109,442,000 for the most critical and time-sensitive projects. These projects include POMCUS (Pre-positioned Overseas Material Configured to Unit Sets) mobilization storage facilities, $56,922,000; ammunition storage facilities, $50,781,000; and a CH–47 helicopter flight simulator facility $1,739,000.

Watervliet Arsenal, New York

The House bill authorized $27,021,000 for facilities modernization at Watervliet Arsenal. The Senate version contained $2,000,000 in authorization. Of concern to the Senate conferees was the possible underestimation of cost of the project. The conferees agreed to the House figure. In doing so, notice is served that the Department of the Army is expected to keep costs within the amount authorized.

Energy conversion

The House bill included $6,810,000 for natural gas to fuel oil boiler conversion projects at three installations, Fort Campbell, Kentucky; Fort Riley, Kansas; and Fort Sill, Oklahoma. After it was determined that major studies were underway for the possible development of new total energy systems at these locations, the conferees agreed to defer the projects. In doing so, however, the conferees expect the Department of the Army to expedite the studies so that unnecessary delay is avoided with energy conservation efforts.

Title II—Navy

The House approved $811,495,000, including $39,622,000 in minor construction, in new construction authorization for the Department of the Navy. The Senate approved $753,324,000, including $39,367,000 in minor construction. The conferees agreed to a new total in the amount of $790,310,000. This amount is $21,185,000 below the House figure and $36,986,000 above the Senate figure.

Among the major items considered in the conference were the following:

Orote Point Ammunition Wharf, Guam

The House bill authorized $43,000,000 for a new ammunition wharf complex at Guam. In addition to the fact that the present facility is inadequate, since it has been operating under a safety waiver since 1966, the House conferees expressed concern over the United States' long range facility requirements in the Pacific area. The Senate amendment did not include authorization of the project. The Senate conferees acknowledged the need for a replacement facility but expressed concern about how much of the project could be put under contract in fiscal year 1979. After thorough discussion the conferees agreed to authorize $21,400,000 as the first increment for the facility. This authorization will support dredging, site and road work and breakwater material preparation.

Pearl Harbor Naval Shipyard Cafeteria, Hawaii

The House bill included $590,000 authorization for a cafeteria at the Pearl Harbor Naval Shipyard. The Senate denied authorization suggesting the use of nonappropriated funds. House conferees argued that nonappropriated funds were inappropriate since the cafeteria is primarily for civilian shipyard workers. In accepting the House position the conferees agreed the Department of the Navy should explore lease arrangements that could recoup the appropriated funds used to build the facility.

Keflavik Naval Station, Iceland

In its bill, the House provided $4,230,000 in authorization for airfield lighting improvement work. The Senate reduced the authorization to $2,670,000, recommending that the Icelandic government finance the remaining 40 percent since it also uses the airfield. After full consideration, and in view of the importance of Iceland to the NATO theater, it was determined that it was in the long term national security interests of the United States to provide full authorization.

Title III—Air Force

The House approved $602,558,000, including $30,721,000 in minor construction, in new construction authorization for the Department of the Air Force. The Senate approved $477,027,000, including $30,703,000 for minor construction authorization.

The conferees agreed to a new total in the amount of $522,743,000 which is $79,815,000 below the House figure and $45,716,000 above the Senate figure.

Among the major items resolved in conference were:

European construction

The House bill contained $132,354,000 in authorization for Air Force projects in the NATO area that was not included in the Senate amendment. Following extended discussion, the conferees agreed to authorize $33,163,000 for selected high priority operational projects. These items include aircraft shelters to be located in Germany, $19,131,000; communications upgrade facilities, $8,555,000; tactical control improvements, $3,975,000; air combat training support facilities, $985,000; and aircraft instrument landing modernization, $516,000.

With respect to chemical warfare protective facilities, it was agreed that the Defense Department undertake a study of the requirements for and feasibility of constructing such facilities for all United States military personnel stationed in NATO.

The study should be submitted to the Committees on Armed Services of both Houses by December 1, 1978. The study should include the overall requirements of such construction, the feasibility of the program, the total cost involved, the timetable for completing the program, the prospects for funding the program through the NATO infrastructure program or other common-funding approaches, and the expected protection afforded by such a program.

Air Force Museum Addition, Wright-Patterson Air Force Base, Ohio

In its bill the House authorized $4,660,000 for an addition to the Air Force Museum. The House Armed Services Committee in its report stipulated that this is one-time support effort and it would not consider any future request for military construction funds to expand or improve the museum beyond this addition. The Senate did not provide authorization for the project.

The conferees agreed to defer project authorization for this year with the understanding that the Air Force Museum Foundation should use this time to make every effort to raise private funds for the addition and explore the feasibility of charging admission fees in order to put the museum on a self-sustaining basis.

NCO Open Mess, Rhein-Main Air Force Base, Germany

The House bill contained $3,570,000 in authorization for a new non-commissioned officer open mess at Rhein-Main Air Force Base. The Senate version did not provide authorization.

The conferees agreed to authorize $2,800,000 for the project. In view of the destruction by fire of the officer's club at the same location, the conferees believe this extraordinary situation lends itself to authorizing the use of appropriated funds for the NCO open mess to achieve savings through the sharing of common kitchen-administrative space with the officer's club replacement.

The conferees emphasized that this is a one-time exception to the policy that clubs should be funded from profits generated by the club system.

Title IV—Defense Agencies

The House approved $167,610,000 in new construction authorization for the Defense Agencies, including $13,044,000 for minor construction. The Senate approved $266,900,000, including $13,384,000 for minor construction.

The conferees agreed to a new total of $217,610,000, which is $50,000,000 above the House figure and $49,290,000 below the Senate figure.

The major item resolved by the conference in this title was the authorization level for the NATO infrastructure program. The House bill authorized $70,000,000. The Senate version provided $150,000,000 in authorization.

Consistent with the position that to the extent possible construction in support of NATO operational mission and readiness objectives should be common-funded by the alliance the conferees agreed to an authorization figure of $120,000,000. It is the conferees' view that this authorization represents on the part of the United States a commitment to the alliance to increase the U.S. contribution for the next five-year program to undertake, on a cost-shared basis, the large backlog in Infrastructure requirements.

Title V—Military family housing

The House approved $1,690,100,000 for construction, operation, maintenance and debt payment for military family housing. The Senate approved $1,713,600,000.

The conference agreed to a new total in the amount of $1,701,605,000, which is $11,505,000 above the House figure and $11,995,000 below the Senate figure.

The major issue resolved was housing for Kings Bay, Kingsland, Georgia, the selected site of the fleet ballistic missile submarine tender to be relocated from Naval Station, Rota, Spain. The House authorized 250 units of housing to be funded from fiscal year 1978 Naval complex, Bremerton, Washington, housing project.

The Senate provided authorization of 400 units at $18,500,000.

Following a review of the project's history, the conferees agreed to authorize 250 units at $11,505,000 in new authorization.

Improvements to existing quarters, Marine Barracks, Washington, D.C.

The House authorization included $92,000 to upgrade the electrical system and related work for the Marine Corps Commandant's quarters. The Senate denied authorization because it considered the cost excessive. The conferees, after a review of cost estimates, agreed to new authorization for the work of $80,000.

Title VI—Authorization of appropriations and administrative provisions

This title was modified to include only those provisions that are contained on a recurring basis in the annual military construction bill. Included are the authorizations for appropriations, the cost variation provisions that have been consolidated, the extension of certain project authorizations and reporting requirements to the Congress on all design contracts in excess of $250,000.

Title VII—Guard and Reserve Forces facilities

In its bill the House provided lump sum authorization of $134,800,000 for the Reserve and Guard construction program. The Senate, concerned with the backlog of construction requirements, authorized $154,800,000.

In light of the House Armed Services Committee's requested study of the problem, the conferees agreed to an adjusted figure of $144,800,000.

Title VIII—General provisions

The bill was reorganized to include a new Title VIII which contains non-recurring general provisions. In this instance, six land conveyances have been authorized.

In addition, the conferees agreed to the House provision requiring the Secretary of Defense to transmit the military construction legislative request to the Congress within 10 days after the President transmits the annual budget request.

LUCIEN N. NEDZI,
MELVIN PRICE,
CHARLES H. WILSON,
JACK BRINKLEY,
MENDEL J. DAVIS,
ABRAHAM KAZEN, Jr.,
ANTONIO BORJA WON PAT,
G. WILLIAM WHITEHURST,
BOB WILSON,
ROBIN L. BEARD,
Managers on the Part of the House.

JOHN C. STENNIS,
GARY HART,
HENRY M. JACKSON,
HOWARD W. CANNON,
HARRY F. BYRD, Jr.,
SAM NUNN,
PAUL G. HATFIELD,
STROM THURMOND,
JOHN TOWER,
WILLIAM L. SCOTT,
DEWEY F. BARTLETT,
Managers on the Part of the Senate.

APPOINTMENT OF CONFEREES ON H.R. 11445, AMENDING SMALL BUSINESS ACT AND SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11445 to amend the Small Business Act and the Small Business Investment Act of 1958, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

The Chair hears none, and appoints the following conferees: Messrs. SMITH of Iowa, STEED, DINGELL, CORMAN, ADDABBO, ST GERMAIN, BRECKINRIDGE, LAFALCE, BALDUS, CONTE, STANTON, MCDADE, and BROOMFIELD.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO SIT DURING 5-MINUTE RULE ON TUESDAY, AUGUST 8, 1978

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may sit tomorrow, Tuesday, August 8, 1978, during the session of the House under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

EXPRESSING CONDOLENCES OF THE HOUSE ON THE DEATH OF POPE PAUL VI

Mr. WRIGHT. Mr. Speaker, I send to the desk a unanimous consent resolution (H. Res. 1299) and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 1299

In the U.S. House of Representatives, That the House of Representatives has heard with profound sorrow of the death of His Holiness Pope Paul VI, a preeminent spiritual leader who devoted his life to championing the cause of human rights, who traveled widely promoting unity among religions, who exerted constant efforts for world peace, and who symbolized moral stability in an era of tumultuous change.

Resolved, That the Secretary of State be requested to transmit a copy of this resolution to the Papal Secretary of State at the Vatican.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas;

There was no objection.

LET THE PEOPLE HAVE A VOICE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, I believe the public fully understands that no individual, company, or nation, can continually operate with an unbalanced budget, year after year spending more than it takes in. Bankruptcy is the inevitable result of such unsound operations.

I also believe the public is determined to have Government expenses reduced enough to balance the budget and to create a surplus which should be used to reduce taxes. The overwhelming vote in favor of California's proposition 13 is important because it demonstrates the public's desire for reduction of Government expenses and taxes. It is even more important because that change was achieved not by the act of the legislature but by the vote of the people themselves.

The public should have a voice, not only in choosing between two opposing candidates, but also in deciding questions which can have a substantial effect on inflation, unemployment, taxation, and the economic well-being of the Nation. They should be given the opportunity by a national referendum on election day this November to advise the President, the two Senators from their State, and their Representative whether they wish steps to be taken at once to reduce Government expenditures and balance the budget.

I have introduced a bill in the House of Representatives that would help bring about this goal. The bill would place on the ballot in every State a referendum on Federal spending. Voters would be given the opportunity to select one of the following alternatives:

1. That a start be made at once to reduce Federal spending, and that a balanced budget be reached within a period of the next 2 fiscal years; or

2. The Federal Government should continue its present practice of deficit financing.

Each State holding the referendum would be paid the sum of 1 cent multiplied by the number of voters who cast ballots in the 1976 general election. The vote would then be compiled by State and by congressional district and the results forwarded to the President and both Houses of Congress.

The opinion expressed on the referendum would be advisory only. Nevertheless, it could not help but carry great weight with the Nation's elected Representatives. I am convinced that the balloting would have a major impact on the country and that the people would choose the best road for us to follow.

Those who doubt the public is wise enough to select which of two alternatives is better for them may be reassured by Thomas Jefferson. He has written:

I have great confidence in the common sense of mankind in general.

To inform the minds of the people, and to follow their will, is the chief duty of those placed at their head.

Where the people are well-informed, they can be trusted with their own government; whenever things get so far wrong as to attract their notice, they may be relied on to set them to rights.

Every government degenerates when trusted to the rulers . . . alone. The people themselves are its only safe depositories.

I think we have more machinery of government than is necessary; too many parasites living on the labor of the industrious.

When all government, domestic and foreign, in little as in great things, shall be drawn to Washington as the center of all power, it . . . will become as venal and oppressive as the government from which we separated.

POPE PAUL, CHAMPION OF THE CHURCH—AND THE PEOPLE

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter:)

Mr. KOSTMAYER. Mr. Speaker, with the passing of Pope Paul VI, the world has lost a strong voice in the cause of peace, justice, and human freedom.

My constituents in Pennsylvania, both Catholic and non-Catholic alike, join me today in mourning the death of Pope Paul VI.

Mr. Speaker, I insert in the RECORD today a column appearing in the June 26, 1978 Washington Post by Colman McCarthy candidly describing Paul VI as "one of the four or five greatest of the 263 Popes."

The article referred to follows:

POPE PAUL, CHAMPION OF THE CHURCH—AND THE PEOPLE

(By Colman McCarthy)

The Vatican, adept at pagentry, might have marked this month's 15th anniversary of Pope Paul's election by the kind of jubilant celebration that Italians relish and saints bless. But neither the citizens of Rome—still grieving the Moro tragedy—nor Peter's successor are in a mood for gaiety. Paul VI, who said last autumn "I see the end of my life approaching," is 80, frail and said to be failing. For the man who pledged 15 years ago to become "a pilgrim pope," the final pilgrimmage quietly dominates the thoughts of Paul and those close to him. Only in his usual weekly audience did the pope note his anniversary.

After his death, Pope Paul will earn the respectful tributes always given newly departed leaders. But even while he lives, it can ge argued that Paul is likely to be regarded in history as one of the four or five greatest of Rome's 263 popes.

I have had that view for much of Paul's reign, but most of those with whom I share it say that I am being no more than loyal Catholic. That may be, but I am loyal to a number of traditions, people and ideas that do nothing but disappoint me. With Paul, the disappointments have been few. For 15 years, he has been giving a stirring example of what all leaders dream but few achieve; growth in office.

He came to power as a retiring intellectual, but instead of settling in behind the Vatican's walls and mysteries, as most popes have done, he became a world traveler to 16 countries on six continents. He had close friendship with Pius XII, a rigid anti-communist, but, as pope, Paul has created a running dialogue with Marxists from Rome to the Kremlin. As archbishop of Milan, he supported strong papal authority. But as pope, he has reformed the Curia—the church's bureaucracy—and summoned five synods to get the advice of his brother bishops. A prayerful and spiritual man, he also has taken the church into economics, social justice and disarmament through such encyclicals as "Populorum Progressio" and "Mense Maio."

Imperceptibly, these shiftings created a style of evenness that is more the mark of the successful politician of the world than a spiritual leader. In fact, or at least it seems evident now, Paul was seizing an initiative that few of his predecessors ever saw as their proper role: seeking to help not merely the church but also omnes gentes, all people.

His thinking was expressed in an interview he gave after his dramatic address to the United States in 1964 in which he cried out, "No more war!": "I quoted St. Paul in my talk, but I did not have to evangelize. The talk I gave was situated on another plane—if I dare so, the plane of Socrates. I was looking for what was reasonable and just, equitable and salutary, what every responsible man ought to think. If I evangelized, it was to preach that Gospel virtually contained within the Gospel, which is the Gospel of reason and justice."

That philosophy might have been better received if Paul had not stumbled into one needless blunder—"Humanae Vitae," his 1968 encyclical banning artificial contraception. Outside the church, it raised the same kind of scorn that greeted Rome's 1870 pronouncement of papal infallibility. Among Catholicism's 600 million members, it rived the church as though a new schism had come. Actually, the schismatics this time were loyal—though questioning—bishops, theologians and laymen. They won popular support by shifting the argument away from birth control to the question of individual conscience versus obedience to Paul. Conscience won.

The fight need never have happened. Birth control is not an issue of changeless doctrine; the Vatican first spoke of it only in 1931. The next pope may well offer a view that "evolves" from Paul's. But the bitterness of the battle changed Paul into a brooding man who became even more of a contrast to his predecessor, bubbly Pope John. It also changed the public's view of Paul—from the open-minded scholar whose views of peace and social justice were buoyantly liberal and humane to a cleric hunkered down to defend a silly cause while society, and much of his own church, passed him by.

The tactical error of one encyclical should not keep history from a kindly judgment on Paul. Two issues dominate the 20th century: the arms race and the distribution of wealth. On both of these, he has been singularly strong. He has been the conscience of the global anti-war movement and the moral voice for defending the poor against the rich, two roles that no other world leader has had the daring—or freedom of action—to embrace in the same intense and selfless way.

PROPOSED INCOME TAX CREDIT FOR SOCIAL SECURITY TAXES

The SPEAKER pro tempore (Mr. SEIBERLING). Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 15 minutes.

Mr. CONABLE. Mr. Speaker, the Committee on Rules reportedly will be asked to make in order, for a floor vote, an amendment to the Revenue Act of 1978 which would provide an income tax credit for social security taxes. The credit, as I understand it, would equal 5 percent of FICA taxes paid during 1979 and 1980 by each employee and employer.

The author of this amendment, the gentleman from Missouri, obviously wants to offset the huge social security tax increases scheduled to start next year. It is a laudable objective, but his proposal is a questionable way to achieve it.

It is questionable for many reasons. First, no hearings have been held on the proposal. It is bad practice for us to consider amendments which have not had the benefit of public comment. In this case, it is particularly unfortunate, because the views of interested and expert observers at the least would have spotlighted its problems and, at the most, might have caused its backers to withdraw it from consideration.

Second, the proposal would complicate income tax returns which figuratively cry out for simplification. At least some new lines would have to be added to each return if the taxpayer is to claim a credit. And in the case of employers, the amount of the credit would have to be subtracted from business deductions which already incorporate payroll taxes.

Third, it would create numerous inequities and anomalies. Millions of Americans, including retired people and employees of nonprofit organizations, work and pay social security taxes but do not pay income taxes because of exemptions and other factors. How will the credit apply to them? Most taxpayers have their Federal income taxes withheld from their pay. How long will they have to wait to make use of the credited amount? Will there be adjustments in withholding to compensate for the credit, or will the Government have use of that money for an entire year before taxpayers can obtain it through refunds?

Fourth, it would open the door to eventual taxation of social security benefits. Some interested parties have argued for years that social security benefits should be taxed. One counterargument has been that because the income tax is applied at one end of the social security system, it should not be applied at the other. The money on which covered workers pay income taxes includes the social security taxes which have been withheld from their wages and salaries. Thus, it can be argued that workers' social security contributions already are being taxed. If, however, all or part of those social security taxes were returned via an income tax credit, it could be argued more forcefully that an income tax should be paid at the other end of the system—the benefit end.

Fifth, the proposal would provide a Federal tax credit against a Federal tax paid. This would be unique, to say the best of it. To be less charitable but more realistic, it would set a mind-boggling precedent for the use of tax credits and it would, above all, be ridiculous. We would be taking away and then attempting to give back, in an administrative motion that would waste both money and effort.

If the objective is to relieve American taxpayers of the onerous new burden imposed by the 1977 Social Security Amendments—and this is a sound and popular objective—there is a better way to do it.

We do not have to adopt circuitous and wasteful motions. We can achieve the same worthwhile goal in a direct way. We can prevent those payroll tax increases from going into effect. Instead of taking away and then giving back, we can simply not take away.

This can be accomplished by shifting some of the medicare taxes to the two social security trust funds and replenishing medicare from general Treasury revenues.

If this proposal were substituted for that of the credit, the net effect would be that payroll taxes would not increase as scheduled next year or the year after. Neither the tax rate nor the taxable wage base would rise above "old law" levels. As far as taxpayers are concerned, it would be as if the massive increases imposed by the 1977 amendments never had been enacted.

Such a concept has found favor with Members in both Houses of Congress, and with leading authorities on social insurance. It was recommended in the 1975 report of the Quadrennial Advisory Council on Social Security.

A similar proposal, offered by my distinguished colleague, the gentleman from Florida, was adopted, albeit narrowly, by the Committee on Ways and Means just 3 months ago.

The mechanics of this approach are not complicated. Payroll taxes slated for part A of medicare would be lowered, and taxes paid into social security—the old age, survivors and disability insurance (OASDI) trust funds—would be increased commensurately. Total payroll taxes would remain the same.

The concept does not break new ground as far as medicare is concerned, because part B of this program, which pays physicians' fees, already is financed more than two-thirds from general revenues. By financing some of part A, which pays hospital expenses, we would merely be increasing the extent to which general Treasury funds are used to pay for medicare programs.

This approach would retain the insurance character of the social security programs, which clearly are different and separable from medicare. The OASDI funds pay benefits based on one's covered earnings, hence on one's contributions. The medicare programs pay benefits related only to one's medical needs.

The 1975 Advisory Council, pointing out this difference, noted that OASDI benefits "are always related to the wages of a worker-taxpayer," then added:

> The same principle does not apply to benefits under the Medicare program. There the benefits are determined by the medical costs of a particular person, and they bear no relationship whatsoever to his wages or those or anyone else.
>
> Under such circumstances, there does not seem to be any real reason for funding such costs by a tax on wages. . . .

That is good counsel, Mr. Speaker. It points toward a commonsense approach to payroll tax relief.

I intend to ask the Committee on Rules to pursue such a course by accepting, as a substitute for the amendment to provide an income tax credit for social security taxes paid, the following amendment, to be considered under the rule on H.R. 13511.

In so doing, Mr. Speaker, I would emphasize that my amendment would cost the Treasury's general funds much less than that involving the 5-percent income tax credit. Estimates indicate that the general revenue loss in fiscal 1979 under the tax credit amendment would be about $6 billion, while under my proposal the general funds' reduction would be about $3 billion.

I enclose the following:

At the end of the bill, add the following new title:

TITLE V—PAYROLL TAX REDUCTIONS

ADJUSTMENT IN TAX RATES

SEC. 501. (a)(1) Section 3101(a) of the Internal Revenue Code of 1954 (relating to rate of tax on employees for purposes of old-age, survivors, and disability insurance) is amended by changing paragraph (3) to read as follows:

"(3) with respect to wages received during the calendar year 1979, the rate shall be 5.225 percent, and with respect to wages received during the calendar year 1980, the rate shall be 5.500 percent;".

(2) Section 3111(a) of such Code (relating to rate of tax on employers for purposes of old-age, survivors, and disability insurance) is amended by changing paragraph (3) to read as follows:

"(3) with respect to wages paid during the calendar year 1979, the rate shall be 5.225 percent, and with respect to wages paid during the calendar year 1980, the rate shall be 5.500 percent;".

(3) Section 1401(a) of such Code (relating to rate of tax on self-employment income for purposes of old-age, survivors, and disability insurance) is amended by changing paragraph (3) to read as follows:

"(3) in the case of any taxable year beginning after December 31, 1978, and before January 1, 1980, the tax shall be equal to 7.275 percent of the amount of self-employment income for such taxable year, and in the case of any taxable year beginning after December 31, 1979, and before January 1, 1981, the tax shall be equal to 7.550 percent of the amount of the self-employment income for such taxable year;".

(b)(1) Section 3101(b) of such Code (relating to rate of tax on employees for purposes of hospital insurance) is amended by changing paragraph (3) to read as follows:

"(3) with respect to wages received during the calendar year 1979, the rate shall be 0.825 percent, and with respect to wages received during the calendar year 1980, the rate shall be 0.550 percent;".

(2) Section 3111(b) of such Code (relating to rate of tax on employers for purposes of hospital insurance) is amended by changing paragraph (3) to read as follows:

"(3) with respect to wages paid during the calendar year 1979, the rate shall be 0.825 percent, and with respect to wages paid during the calendar year 1980, the rate shall be 0.550 percent;".

(3) Section 1401(b) of such Code (relating to tax on self-employment income for purposes of hospital insurance) is amended by changing paragraph (3) to read as follows:

"(3) in the case of any taxable year beginning after December 31, 1978, and before January 1, 1980, the tax shall be equal to 0.825 percent of the amount of the self-employment income for such taxable year, and in the case of any taxable year beginning after December 31, 1979, and before January 1, 1981, the tax shall be equal to 0.550 percent of the amount of self-employment income for such taxable year;".

ALLOCATIONS TO DISABILITY INSURANCE TRUST FUND

SEC. 502. (a)(1) Section 201(b)(1) of the Social Security Act is amended by redesignating clauses (I), (J), and (K) as clauses (J), (K), and (L), respectively, and by striking out clause (H) and inserting in lieu thereof the following: "(H) 1.54 per centum of the wages (as so defined) paid after December 31, 1978, and before January 1, 1980, and so reported, (I) 1.62 per centum of the wages (as so defined) paid after December 31, 1979, and before January 1, 1981, and so reported,".

(2) Section 201(b)(2) of such Act is amended by redesignating clauses (I), (J), and (K) as clauses (J), (K), and (L), respectively, and by striking out clause (H) and inserting in lieu thereof the following: "(H) 1.073 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1978, and before January 1, 1980, (I) 1.114 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1979, and before January 1, 1981,".

CHANGES IN EARNINGS BASE

SEC. 503. (a) The first sentence of section 230(c) of the Social Security Act is amended by striking out all that follows "(and taxable years beginning)" in clause (2) and inserting in lieu thereof "in 1981 shall be $29,700.".

(b) The second sentence of section 230(c) of such Act is amended by striking out "amounts" and inserting in lieu thereof "amount".

APPROPRIATIONS TO HOSPITAL INSURANCE TRUST FUND FROM GENERAL REVENUES

SEC. 504. Section 1817(a) of the Social Security Act is amended by striking out "100 per centum of" in the matter preceding paragraph (1) and inserting in lieu thereof the following: "(A) 100 per centum, in the case of taxes imposed with respect to self-employment income for taxable years beginning before January 1, 1979, and for taxable years beginning after December 31, 1980, and with respect to wages paid or received during calendar years before 1979 and during calendar years after 1980, (B) 133⅓ per centum, in the case of taxes imposed with respect to self-employment income for taxable years beginning after December 31, 1978, but before January 1, 1980, and with respect to wages paid or received during calendar year 1979, and (C) 200 per centum, in the case of taxes imposed with respect to self-employment income for taxable years beginning after December 31, 1979, but before January 1, 1981, and with respect to wages paid or received during calendar year 1980, of".

ESTIMATED REVENUE DIFFERENCES BETWEEN PRESENT LAW AND CONABLE PROPOSAL (TITLE V OF H.R. 13511)

Amount required from general revenues

[In billions]

OASHI	Calendar	Fiscal year
1979	$5.4	$10.4
1980	11.6	10.4

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding, and for taking a special order so that we might have a discussion on this most important subject.

If the Congress decided to apply this tax credit it seems to me that we would simply be closing off an opportunity to really make the important changes which the gentleman suggests.

As I understand it, the chairman of the Committee on Ways and Means has indicated that social security will be a top priority for next year.

Mr. Speaker, I would ask the gentleman from New York (Mr. CONABLE) if he would not agree that passing a tax credit would simply foreclose the necessary reforms in the system?

Mr. CONABLE. I think it would have absolutely that effect. This proposal has not been seriously considered within the committee. It was offered the last day of our deliberations. It did not receive any substantial debate. It needs the scrutiny of skilled people.

I think I have raised enough questions about it to indicate that there are serious doubts about the impact of it on the administration of tax law and the complexity that it would add to the tax law.

It seems to me quite clear, on the basis of such a casual acquaintenance, a major proposal should not be enacted having the effect of foreclosing serious further structural consideration of the social security system, as the chairman promised we would have next year.

Mr. FRENZEL. If the gentleman will yield further, I think he has given us good advice; and I hope that the Committee on Rules will not make such a rule in order. If it does, I hope that the House will reject it in favor of putting our re-

liance really on a complete overhaul of that social security system, which is an extremely serious need.

I thank the gentleman for yielding.

Mr. CONABLE. I appreciate the gentleman's contribution and also his participation in this special order.

Mr. Speaker, I think it is important that this matter be laid before the House for careful consideration before we find ourselves rushing into an impulsive act with respect to a terribly important part of the private security plan of American citizens.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Speaker, I apologize to the gentleman for not being here to hear his full statement.

Mr. CONABLE. The gentleman will be thrilled when he reads it.

Mr. GEPHARDT. I am sure I will be.

I just wanted to say that, contrary to the remarks the gentleman made earlier today, it is my view that we have, indeed, looked at this proposal, perhaps not in the depth that we did other proposals, to roll back the social security tax; but, indeed, it was presented in the context of the tax bill in the Committee on Ways and Means.

Mr. CONABLE. We did deliberate for a full 20 minutes about it.

Mr. GEPHARDT. That, certainly, was not the gentleman's fault or my fault, in my opinion; but indeed, it was before the committee. Each member of the committee had an opportunity to address the proposal, to understand it, and to deliberate on it.

I do think that within the context of a long period of time we studied social security rollbacks in the Committee on Ways and Means. While this specific proposal was never before the committee, I think a number of Members looked at various alternatives to rolling the social security tax back. Indeed, that was considered. While it was not considered in public, in full view before the committee, it was looked at and studied.

As a matter of fact, that is where I got the proposal from, from those deliberations. At that time, as the gentleman well remembers, we spent a good deal of time in trying to figure out how to address the problem. I really believe it is an understandable proposal and one which people can easily discuss and debate and deliberate about, and I think it is altogether appropriate that it be before the House at this time.

Mr. CONABLE. Mr. Speaker, I hope my friend, the gentleman from Missouri (Mr. GEPHARDT), will put his proposal before the House with the arguments in support of it this evening or that he will before the House considers the measure.

I do think it is a tremendously important, and a rather complex proposal in the various questions that are raised about it; and I hope the House will not simply adopt it as a way of extricating ourselves from the dilemma of sharply increasing payroll taxes without careful deliberation.

I know the gentleman is a careful legislator, and I trust we will have all the information available to us. I regret that it is not being considered in some depth by the Committee on Ways and Means or that it has not been so considered. I think we need every chance we can to study the pros and cons of it rather than imposing on the American people a new system of dealing with payroll taxes, a new credit against income taxes, the implications of which are by no means clear to me at this point.

Mr. GEPHARDT. Mr. Speaker, if the gentleman will yield one more time, I will state that in the RECORD tonight I have filed the exact legislative language of the amendment, and I hope in tomorrow's or the next day's RECORD to put a full airing of what I believe are good arguments for the amendment. I would hope that we could have the kind of discussion I think the gentleman honestly wants. I would say that there have been many proposals in the other body and in this body along this line. I do not think it is a new idea. I do think it is a significant proposal. It does cost a lot of money. It does take us down a different road than we have ever gone before, but I think the House is capable of looking at this proposal and making a decision on it. That is all I am asking it to do.

Mr. CONABLE. I thank my friend, the gentleman from Missouri.

Mr. Speaker, I yield back the remainder of my time.

KEMP INDIVIDUAL INCOME TAX RATE REDUCTION AMENDMENT TO H.R. 13511, THE PROPOSED REVENUE ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, in conformity with the Rules of the House, the procedures of the Committee on Rules, and the text of the chairman of the Committee on Ways Means' letter of July 28 to the chairman of the Committee on Rules, I will put into today's RECORD the full text of the individual income tax rate reduction amendment I intend to offer as an amendment to section 101 of H.R. 13511, the proposed Revenue Act 1978, during the consideration of that bill. The amendment will appear following today's House proceedings in that section of the RECORD reserved for amendments intended to be offered.

The case for enactment of this amendment has been, I believe, well and extensively made by many of my colleagues, by noted economists, by econometric studies, by editorialists, and most importantly by the people. There is no need for me to detail that case. But I do wish to summarize the major points, the principal reasons why this amendment ought to become law.

NEEDED TO OFFSET SOCIAL SECURITY, INFLATION-PUSHED AND NEW ENERGY TAXES

Taxes are going up every day. Not only total taxes—Federal, State, and local—but also just Federal taxes. The American people will pay $172-plus billion more in Federal individual income taxes between now and mid-1983, as a result of inflation pushing them into tax brackets where the percentages they pay in taxes on additional dollars of income are increasingly higher. They will also pay $114-plus billion more in higher social security taxes. That is $286-plus billion in additional taxes. If the energy bill, as passed by the House, becomes law, they can expect to pay another $42-plus billion in additional energy taxes, raising the total to $329 billion. The following table details these tax increases:

PENDING AND PROPOSED TAX INCREASES [1] AND PROPOSED INDIVIDUAL INCOME TAX REDUCTIONS

[In billions of dollars]

	1979 [2]	1980	1981	1982	1983	Total
Tax increases:						
Inflation [3]	13.4	22.4	32.8	44.9	58.7	172.2
Social Security	9.5	12.7	24.2	32.6	35.3	114.3
Pending energy taxes [4]	2.9	12.3	15.4	7.7	4.2	42.5
Total	25.8	47.4	72.4	85.2	98.2	329.0

[1] Prepared by the staff of the Joint Committee on Taxation.
[2] Includes fiscal 1978 increase of $7.2 billion and fiscal 1979 impact of $18.6 billion.
[3] Estimate based on 5- to 6-percent inflation rate. Current projected rate of 10.4 percent would push dollar levels higher.
[4] Based on energy bill as passed by the House.

The reason why this information is so important is that it shows that, unless we pass the individual income tax rate reduction amendment which I intend to offer, these dramatically higher taxes will not be sufficiently offset. And that is what my amendment is intended to do: To keep taxes from going up on the American people, to help more than any other measure being offered to offset those higher taxes.

KEMP AMENDMENT GOES THE FURTHEREST IN REDUCING TAXES PAID BY FAMILIES MAKING LESS THAN $30,000, THE MIDDLE-CLASS

The Kemp amendment will go further than any other approach to be offered to reduce the tax burden of the lower- and middle-income taxpayers.

It will go further than the Vanik-Pickle amendment to keep the temporary tax reductions now on the books temporarily on those books longer, in other words further than present law.

It will go further than the committee-reported bill.

It will go further than even the Corman-Fisher amendment, offered with great fanfare as the administration-supported bill to help the lower- and middle-income groups the most.

Under present law, those taxpayers in the $20,000 or less category are shouldering a cumulative percent distribution of total Federal individual income tax liability of 26.71 percent. The committee-reported bill would reduce it to only 26.80 percent, with the Corman-Fisher amendment reducing it to 25.90 percent. By contrast, the Kemp amendment reduces it to 25.10 percent.

Under present law, those taxpayers in the $30,000 or less category are shouldering 50.98 percent of that liability. Under the committee-reported bill, it would be reduced to only 50.90 percent. The Corman-Fisher amendment would reduce it to 50.10 percent. But the Kemp amendment would reduce it to 49.30 percent.

The following table illustrates this point:

PERCENTAGE DISTRIBUTIONS OF INDIVIDUAL INCOME TAX LIABILITY

Expanded income class	Present law [1] and Vanik-Pickle amendment		H.R. 13511 [3] (Committee bill)		Corman-Fisher amendment [3]		Kemp amendment [1]	
	Percentage distribution	Cumulative [2] distribution	Percentage distribution	Cumulative distribution	Percentage distribution	Cumulative distribution	Percentage distribution	Cumulative [2] distribution
Less than $5,000	−0.07	−0.07	4.40	4.40	3.90	3.90	−0.30	−0.30
$5,000 to $10,000	4.47	4.40					3.80	3.50
$10,000 to $15,000	9.26	13.66	9.30	13.70	9.00	12.90	8.80	12.30
$15,000 to $20,000	13.05	26.71	13.10	26.80	13.00	25.90	12.80	25.10
$20,000 to $30,000	24.27	50.98	24.10	50.90	24.20	50.10	24.20	49.30
$30,000 to $50,000	21.29	72.27	21.20	72.10	21.20	71.30	21.30	70.60
$50,000 to $100,000	13.02	85.29	13.10	85.20	13.40	84.70	13.20	83.80
$100,000 to $200,000	7.12	92.41	7.30	92.50	7.50	92.20	7.60	91.40
$200,000 and over	7.45	99.86	7.50	100.00	7.80	100.00	8.50	99.90

[1] Source: Office of Tax Analysis, Office of the Secretary of the Treasury, June 16, 1978; printed in the Congressional Record, Aug. 2, 1978, at p. H 7778.
[2] Percentages may not cumulate to 100 percent, due to rounding.
[3] Source: Office of Tax Analysis, Office of the Secretary of the Treasury, Aug. 3, 1978; printed in the Congressional Record, Aug. 4, 1978, at p. H 7913.

How is this accomplished? By assuring, as the Kemp amendment would, that nearly 65 percent of the dollar reductions which would occur from the tax rate reductions embodied in the amendment would go to the $30,000-and-under income classes. That means that nearly two-thirds of every total dollar will go to those in those $30,000-and-under taxpayers.

The following chart illustrates this point:

Kemp individual income tax rate reduction amendment

Income class	Percentage of reduction	Cumulative reduction
Under $5,000	0.7	0.7
$5,000 to $10,000	7.6	8.3
$10,000 to $15,000	14.7	23.0
$15,000 to $20,000	17.5	40.5
$20,000 to $30,000	24.3	64.8
$30,000 to $50,000	16.0	80.8
$50,000 to $100,000	11 4	92.2
$100,000 and over	7.7	100.0

The largest percent reductions in marginal tax rates will occur in the lower end of the spectrum. Those now in the 14-percent rate bracket, the lowest rate, will see that rate reduced over 3 years to 8-percent; that is a 43-percent reduction in the rate. By contrast, those now in the 70-percent rate bracket, the highest rate, will see that rate reduced over that 3-year period to 50-percent, only a 28-percent reduction in the rate.

The following table illustrates this point:

Reduction in marginal tax rates under Kemp amendment

Present marginal tax rates	Under Kemp amendment	Percent reduction in rates
14	8	43
15	9	40
16	10	37
17	11	35
19	13	31
21	15	28
24	17	25
25	19	24
27	21	22
29	24	17
31	27	16
34	29	15
36	31	14
38	33	13
40	35	12
45	36	20
50	37	26
55	40	27
60	42	29
62	44	29
64	46	29
66	47	29
68	48	29
69	49	29
70	50	28

The critical importance of these marginal tax rate reductions can be seen when you look at the effect which inflation has had both in terms of disposable income and of the higher marginal tax brackets into which these lower- and middle-income wage earners have been pushed by that inflation in recent years.

Let me give an example. Let us take a family of four earning the median income in the United States in 1967 and in 1977. That median income was $8,400 in 1967; $17,000 in 1977. One would certainly think that this family would be much better off today than 11 years ago, but the facts show that is far from the case.

Despite an increase in personal exemptions from $2,400 to $3,000 and despite an increase in the standard deduction from $1,240 to $3,200, disposable income in real, 1967 dollars, has dropped. Why? Because the family went from a 19-percent marginal tax rate to a 22-percent marginal tax rate. Because the Federal income tax liability resulting from the higher nominal income and the higher marginal tax rate soared from $764 to $1,822, with social security taxes skyrocketing from $174 in 1967 to $965 in 1977. The Federal tax burden, including social security, went from $938 to $2,787. Now, couple that with inflation's erosion of purchasing power, and you get two things: A drop in real disposable income, expressed in 1967 dollars, from $7,462 to $6,579; and, an increase in the effective tax rate from 11.2 percent in 1967 to 16.4 percent in 1977.

The following table illustrates this point:

Changes in taxes and disposable income for a family of 4 [1] earning the median income, 1967–1977

	1967	1977
Income:		
Nominal (current)	$8,400	[2] $17,000
Real (1967 dollars)	$8,400	$9,366
Personal exemption	$2,400	$3,000
Standard deduction	$1,240	$3,200
Taxable income	$4,760	$10,800
Federal income tax	$764	$1,822
Social Security tax	$174	$965
Total Federal tax	$938	$2,787
Disposable income:		
Nominal (current)	$7,462	$14,213
Real (1967 dollars)	$7,462	$6,579
Tax rate (in percent):		
Effective	11.2	16.4
Marginal	19.0	22.0

[1] Married couple with two dependents.
[2] The zero bracket is not shown in this table. To include the zero bracket, increase all taxable incomes shown by $3,200.

Mr. Speaker, this information, as well as the extensive information which I and others have put into the RECORD in recent months, makes the case for enactment of the individual income tax rate reductions which I intend to offer as an amendment to H.R. 13511. It is a case sufficiently made.

KEMP INDIVIDUAL INCOME TAX RATE REDUCTION AMENDMENT TO H.R. 13511

The amendment I intend to offer to H.R. 13511 will be to section 101 of that bill. This is the only portion of the original three-part Kemp-Roth Tax Rate Reduction Act which should be offered on the floor.

Several thoughts:

First, the original Kemp-Roth legislation dealt with three matters: Individual income tax rate reductions, a reduction in the combined corporate normal tax and corporate surtax rates, and an increase in the corporate surtax exemption for smaller incorporated businesses.

All but the first matter has been dealt with, and satisfactory I might say, by the Committee on Ways and Means through the bill its members have reported to the floor. The corporate income tax rates, which Kemp-Roth would have reduced from 48 percent to 45 percent over a 3-year period, will be reduced to 46 percent in the first year by the committee bill. And through the reduced burdens on incorporated small businesses, the committee has taken care of the third part of the Kemp-Roth measure. To require those portions to be offered again would be repetitive and terribly confusing.

Second, virtually the entire focus of the debate over Kemp-Roth has been on the individual income tax rate reductions. If a Member looks at the studies which have been placed in the RECORD,

otherwise released, or made the part of press campaigns for or against the bill, this becomes very clear. If you look at the hearings before the House and Senate committees, this is even more apparent. And it is certainly true of news and editorial comment. The individual income tax rate reductions have also been the principal focus of the econometric studies done and the conclusions articulated from those studies.

Third, we have had the passage of over an entire year's time since the Kemp-Roth bill was introduced as H.R. 8333. That was on July 14, 1977. It would be impossible for that bill's text to be offered as an amendment to H.R. 13511, because the effective date of the bill was January 1, 1977. The tax year 1977 has passed us by; people have paid taxes in that year and the books on it have been closed as of April 15, 1978. And you cannot say, "just move those dates up by 1 year," because January 1, 1978, would not be an appropriate effective date either, in that the tax reductions I seek are to change prospective behavior.

Fourth, since that bill was introduced, much has happened that affects tax policy and tax legislation. The Committee on Ways and Means heard extensive testimony on this and other bills. The Senate Subcommittee on Taxation and Debt Management, a subcommittee of the Senate Finance Committee, heard an entire day's testimony from witnesses in support and in opposition to the bill. I listened to what was said; so did other cosponsors.

We have also had an entire year's additional statistical information on taxes—who pays them, how much they pay, what portions of the Internal Revenue Code bring in what levels of tax revenue, what percentages of total tax revenue—and that had to be included in revisions to the original bill.

It would be ludicrous to go back to the original text, in light of all of this.

Fifth, we have the necessity of good tax policy and good tax legislation. Good tax policy requires us to reflect the most recent information and thinking. Good tax legislation requires us to introduce and support unflawed legislative drafting. Both of these objectives can be done only through the text of the amendment I am putting into today's RECORD.

Sixth, we have the principle of fairness. The Committee on Ways and Means certainly did not report out the legislation it was considering last July. It reported out a bill which it introduced, through its chairman, ranking minority member, and principal author, on July 18, 1978, only days before it reported out the final measure. That measure was the product of careful deliberation during that 13-month period, just like the Kemp amendment was and is.

Seventh and probably by far the most important, the offering of only the individual income tax rates reduction portion of Kemp-Roth is what the Committee on Ways and Means directed its chairman to recommend to the Committee on Rules be considered, as an amendment, during floor consideration of H.R. 13511.

As the principal cosponsor of the Kemp-Roth bill in the House and as a spokesman for the 180-plus additional cosponsors in Congress, I was assured of the agreement between the chairman and the ranking minority member of the Committee on Way and Means that the individual income tax rate reduction portions of the Kemp-Roth bill could be offered on the House floor as an amendment to the committee's bill.

The committee voted through its recommendation to the Rules Committee that such an amendment be allowed. Pursuant to that vote, the chairman, Mr. ULLMAN, sent a letter dated July 28 to the chairman of the Committee on Rules, Mr. DELANEY, received by his committee office on July 31, and I quote from it:

> I am authorized and directed by the Committee to request a modified open rule which would provide for:
>
> (1) The following 5 amendments, which would not be subject to amendment, if printed in the Congressional Record and if offered on the floor;
>
> (a) an amendment by Mr. Kemp to the individual tax rate reductions contained in Title I of the bill.

I see no great protest against final revisions over the fact that the administration-supported amendment, the Corman-Fisher amendment, was not even worked out until last Thursday night.

Thus, I think the Committee on Rules should allow the Kemp amendment, as the text I put into the RECORD today, to be offered as an amendment on the floor. Not as a substitute, not as part of a substitute, not as a motion to recommit with instructions: but as an amendment to section 101 of H.R. 13511.●

THE NEED FOR COMPROMISE IN THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, no one will deny that the obstacles to peace in the Middle East are both very complex and substantial. President Sadat's symbolic visit to Jerusalem created a sense of euphoria that unfortunately clouded the underlying fundamental and substantive issues that remain to be resolved. After a frustrating letdown, the dust has settled somewhat and we can now more objectively reevaluate the events that transpired after the Sadat visit.

While Sadat's trip may have helped to remove the "psychological obstacles" to peace, it appears that few, if any, substantive issues have been resolved. The tremendous publicity of the visit has boosted our view of the intentions and willingness of the Egyptians to compromise and as a result led us to possibly oversimplify and misunderstand the extremely delicate position that Sadat is in. His domestic economic situation is perilous. Not even complete peace will alleviate that situation because while enormous military expenditures can be redirected, the number of military men seeking civilian jobs will flood the already small job market. Sadat needs massive amounts of foreign capital to save his economy. The United States as well as the Arab oil states are looked to for this aid. However, if Sadat is to at least maintain the dwindling amount of aid from oil-rich states, he cannot alienate these states in making concessions to Israel. This catch-22 dilemma is further complicated by Israel insecurity in accepting written and verbal commitments in return for actual territory. Resolving a conflict that has its roots in thousands of years of history cannot be accomplished in a matter of months. The United States can and should serve a vital function in facilitating a settlement. The United States cannot force a settlement on either side, but can serve as an effective catalyst.

Since Sadat's Jerusalem visit, both the executive branch and the press have only hurt the chances for peace. Publicly, President Sadat must appear to be tough and relatively uncompromising in order to avoid alienating his Arab supporters. Israel, however, has too much at stake to take Sadat's statements at anything less than face value. Thus, it falls to the United States to interpret the full meaning behind Sadat's words. So far, we have failed to understand the cause for Sadat's apparent vacillating positions. Just as Sadat must understand that the United States cannot impose a settlement or bring undue pressure to bear on Israel, we must recognize and accept our role as intermediary.

The signals for help have been sent to the United States. It appears, however, that so far the Carter administration has failed to decode those messages. This subject is far too vital globally to serve as an on-the-job training exercise. The Middle East needs firm American leadership immediately if there is to be a satisfactory resolution to this lengthy conflict.●

LEGISLATION TO AMEND SAFE DRINKING WATER ACT AND RURAL DEVELOPMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. ABDNOR) is recognized for 15 minutes.

Mr. ABDNOR. Mr. Speaker, today I have introduced legislation, H.R. 13752, to amend the Safe Drinking Water Act and the Rural Development Act to provide additional assistance to small communities and rural water systems in meeting drinking water standards.

The need for this legislation is basic. According to a 1977 national demonstration water project study, as many as 30 million residents in rural communities experience some form of problem related to the quality or quantity of drinking water supplies or to the adequacy of waste water disposal systems. In fact 92 percent of all residences without running water and 63 percent without complete plumbing are found in rural areas.

Yet, the Safe Drinking Water Act currently covers only existing systems having 15 or more hookups and regularly serving 25 or more individuals. In my view, it is unsound policy to promulgate standards for those who are fortunate

enough to be served by an existing "public water system," while ignoring those who are not. EPA admits millions of Americans are no covered by the act and are, thereby, denied safe drinking water protections.

Still more disturbing is EPA's recent proposal to require removal of allegedly dangerous levels of cancer-causing substances from systems supplying 75,000 or more customers. Assuming the threat is real and these regulations are justified, over one-half of the American public is left unprotected. Clearly, arbitrary system size standards are a capricious and unjustifiable means of determining who is entitled to safe drinking water.

On the other hand, there are very real questions as to whether these regulations are justified at all, much less in terms of their cost to the users of the regulated systems. Furthermore, at the present time there are no positive built-in incentives for EPA to be fiscally responsible in promulgating safe drinking water regulations or for water systems to actively seek ways of complying with these standards.

EPA writes the rules and the water users pay the expenses. The act authorizes EPA to mandate use of the best available technology, and the users have no say in determining whether the benefits justify the costs. Implicit in arbitrary size standards for the systems covered is the assumption that smaller systems cannot bear the expense.

If safe water standards are justified for some, they are justified for all Americans regardless of the size of the system from which they draw their drinking water. If the Federal Government is going to mandate such standards upon a particular system, it is also incumbent upon the Federal Government to provide financing on a basis the users can afford to pay. Finally, the Federal Government should be responsible for making a judgment about the budgetary impact of such requirements, rather than simply imposing the costs upon local water systems.

EPA Deputy Administrator Barbara Blum has been quoted as saying EPA's estimates on the proposed cancer-causing regulations represent "probably the worst underfiguring of costs" EPA has ever done. Little wonder—there is simply no fiscal integrity in the existing regulatory system. That is, in my view, the prime reason the South Dakota Legislature has four times rejected acceptance of State primacy for enforcement. Why should the State administer regulations for which there is no solid scientific basis, in which the State has no authority to weigh the benefits and costs, and for which there may be no feasible way for small communities to achieve compliance at a reasonable expense?

In the meantime we have seen reports of from 16 to 68 of those South Dakota water systems which are covered violating EPA standards at various times, and the following is an excerpt from a letter EPA has prepared to send to such communities:

Quite frankly, we cannot understand your refusal to comply in the face of notification of your legal responsibilities under federal law. We can only assume that you are not fully aware of the penalties which the United States Congress has prescribed for violations of the Safe Drinking Water Act. First, the Act provides in Section 1414(b) that the EPA may bring a civil action in the appropriate United States district court to require compliance with a national primary drinking water regulation. The court may enter such judgment as it deems necessary and, if the court determines that the violation is willful, may impose a civil penalty of up to $5,000.00 for each day the violation occurs. (emphasis added) Second, under section 1414(c) willful violation of public notification requirements is punishable by a fine of up to $5,000.00. Third, under Section 1445(c) any failure to maintain such records, make such reports, conduct such monitoring, and provide such information as the EPA may require by regulation, or the failure to allow inspection of the property of a supplier of water, is punishable by a fine of up to $5,000.00. In our opinion, your failure to comply with the requirements of the Act, after repeated notification, constitutes willful violation of the law.

Unless the Enforcement Division receives within fifteen (15) days of receipt of this letter, evidence of your compliance with the requirements of the Act, we will take appropriate action. We suggest that if you have any questions or if you believe that you are not subject to the requirements of the Safe Drinking Water Act, you make such questions or information known immediately to the EPA before any penalties are imposed and you incur any financial or other legal liability.

I think my colleagues will agree threats of this sort are a heck of a way to run a government. There has to be a better way, and it is partially reflected in a recent agreement signed by EPA and the Farmers Home Administration. The following news release from USDA sketches the agreement:

FEDERAL MONEY TO HELP RURAL TOWNS IMPROVE DRINKING WATER

WASHINGTON, July 31.—Some rural communities will get priority assistance to improve their drinking water systems under an agreement announced here today. The agreement, intended to insure that rural drinking water meets minimum health standards, was signed by the Environmental Protection Agency (EPA) and the Farmers Home Administration (FmHA), an agency of the U.S. Department of Agriculture.

Under the agreement EPA will designate communities whose drinking water fails to meet EPA standards. Communities receiving this designation will be given higher priority to receive FmHA water system improvement grants or loans than those whose water meets EPA standards.

Grants and loans come from $1 billion available this year under FmHA programs to help build, enlarge and improve water treatment systems in communities with populations under 10,000.

Grants are made for up to 50 percent of the cost of building drinking water facilities or acquiring land and water rights associated with the operation of a system. Loans, available for up to 100 percent of these costs, are made at 5 percent interest with a maximum 40-year repayment schedule.

FmHA grant and loan programs are aimed at rural communities, public agencies, private nonprofit corporations and Indian tribes unable to obtain credit at reasonable terms from other lenders.

The Safe Drinking Water Act of 1974 authorizes EPA to set and enforce national drinking water standards but does not provide for funds to help water suppliers meet the standards. EPA estimates that 12,000 communities—most of which are classified as small or rural—will need additional water treatment of some sort to meet EPA drinking water regulations.

Copies of the agreement are available from the EPA Press Office, room 329, West Tower (A-107) 401 M Street, SW, Washington, D.C. Telephone: (202) 755-0344.

The bill I have introduced today builds upon the concept contained in the FmHA/EPA agreement. It will allow and encourage EPA to remain an active advocate for safe drinking water standards, while employing the existing FmHA delivery system in providing assistance for complying with such standards. At the same time it will provide positive encouragement, rather than threats, to communities to seek solutions to drinking water safety problems.

Opposition to this legislation will doubtlessly be raised on the basis of its budgetary ramifications. On the contrary, however, this measure will inject fiscal integrity into the regulatory process. No increase in spending is mandated; rather, congressional and administrative budgetary oversight will be exercised over expenditures which are currently foisted upon local water users without effective consideration of such costs.

The basic benefit of this legislation will be to rationalize the regulatory process and to encourage all levels of government to work together for the common goal; that is, safe drinking water. Perhaps even the maximum 90 percent grant—President Carter's water policy recommends 10 percent cost sharing by local beneficiaries—will not make needed improvements feasible in some cases. This legislation will promote good faith efforts, however, upon the part of, first, the local water system officials in actively seeking water quality solutions and second, EPA in promulgating standards which reflect not only admirable drinking water safety goals but reasonable financing potentials as well. I hope enactment of this legislation will also enable the South Dakota Legislature to see fit to accept State primacy for enforcement of the Safe Drinking Water Act.

After reviewing the following analysis and text of the bill, I trust my colleagues will agree this is a legislative measure whose time has come:

ANALYSIS OF H.R. 13752 TO AMEND THE SAFE DRINKING WATER ACT AND THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

Title I amends the Rural Development Act (RDA) to authorize the Secretary of Agriculture to make grants to water systems otherwise eligible for assistance under RDA to enable them to comply with standards promulgated under the Safe Drinking Water Act (SDWA).

Grants are also specifically authorized for proposed water systems which will replace supplies which do not meet SDWA standards.

Grants would be limited to 90 percent of

the cost. Users would pay the amount they can reasonably be expected to pay, as determiner by the Secretary, and the grant would cover the difference.

Water systems which have experienced higher than anticipated expenses would also be eligible for assistance. Such grants would be limited to 75 percent of the costs not covered by a previous grant, as required to provide a reasonable user fee.

Priorities for grant funds would be in the following respective order:

First. To relieve unanticipated diminution or deterioration of water supplies requiring immediate action,

Second. To enable compliance with primary drinking water standards under SDWA.

Third. To relieve chronic water shortages, and

Fourth. To enable compliance with secondary drinking water standards under SDWA.

The Secretary is directed to weigh the costs and benefits of making a grant to enable compliance with SDWA. He shall not make a grant if it is not for the most cost effective solution, if the users can reasonably afford the cost without such assistance, or if the benefits do not justify the expense.

Title II amends Title XIV (Safe Drinking Water Act) of the Public Health Service Act to prohibit the Administrator of EPA from acting against a public water system which is not in compliance with SDWA if it has a pending application with the Farmers Home Administration (FmHA) to finance the necessary improvements. The system would be required to certify its users cannot reasonably afford the expense without such assistance.

Associations proposing to construct water systems would be allowed to ask the Administrator to test the existing supplies of its proposed users for compliance with SDWA standards. If the present supplies of the proposed users of the proposed system do not meet SDWA standards, the proposed system would qualify for grant assistance from FmHA on the same basis as existing systems.

Finally, the Administrator could not require a water system to notify its users of non-compliance with SDWA standards if it has applied for assistance in order to comply. The Administrator may still provide such notice himself, however, if he feels such notice is warranted.

H.R. 13752

A bill to provide assistance to rural water systems in achieving compliance with title XIV of the Public Health Service Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

SEC. 101. Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended—

(1) by inserting "(A)" immediately after "(2)";

(2) by inserting "under this subparagraph" immediately after "is authorized";

(3) by striking out "of this paragraph" and inserting in lieu thereof "of this subparagraph"; and

(4) by adding at the end thereof the following new subparagraphs:

"(B)(i) The Secretary is authorized to make grants in any fiscal year—

"(I) to any water system—

"(aa) which has been notified by the Administrator of the Environmental Protection Agency under section 1414 of the Public Health Service Act that such water system does not comply with any national primary drinking water regulation in effect under section 1412 of such Act, or with any schedule or other requirement imposed pursuant to sections 1415(a)(2) or 1416(f) of such Act, or

"(bb) which has been notified by the Administrator of the Environmental Protection Agency of a determination under section 1414(h)(2) of such Act that such water system, if it were a 'public water system' within the meaning of section 1410 of such Act, would not comply with any national primary drinking water regulation in effect under section 1412 of such Act.

for the purposes of enabling such water system to comply with such regulation, schedule, or other requirement, and of assisting such water system to serve its users at a reasonable user rate, and

(II) to any association—

(aa) which has or will have the legal authority to construct, operate, and maintain a water system, and

(bb) which has been notified by the Administrator of the Environmental Protection Agency under section 1414(h)(2) of the Public Health Service Act that the current drinking water supply of any potential user of such proposed water system, if such water supply were a public water system within the meaning of section 1410 of such Act, would not comply with any national primary drinking water regulation in effect under section 1412 of such Act,

for the purposes of enabling such proposed water system, when constructed, to comply with all national primary drinking water regulations and of assisting such proposed water system, when constructed, to serve its users at a reasonable user rate.

(ii) The amount of any grant made to a water system or an association under this subparagraph shall be that portion (not to exceed 90 percent) of the cost, to such water system or association, of constructing, installing, operating, or maintaining treatfent facilities and equipment necessary to achieve compliance with such regulation, schedule or other requirement, which cannot be paid through reasonable user rates over a reasonable period of time, except that no grant shall be made under this subparagraph if the Secretary determines that the benefits to be derived from compliance with such regulation, schedule, or other requirement do not justify the making of such grant, or that the amount of such grant is excessive. In awarding any grant to a water system under subparagraph (B)(i), the Secretary shall increase such grant by any amount which such water system has paid in civil fines imposed under section 1414(b) of the Public Health Service Act before the date of the enactment of this subparagraph, other than fines imposed for a willful violation (as described in such section) to which such water system did not assert as a defense that it was unable to comply because the expense of constructing, installing, operating, or maintaining treatment facilities and equipment necessary to achieve compliance would require the imposition of an unreasonable user rate.

"(C) The Secretary is authorized to make grants to any water system—

"(i) which has achieved compliance with all national primary drinking water regulations in effect under section 1412 of the Public Health Service Act and with all schedules and other requirements imposed pursuant to sections 1415(a)(2) and 1416(f) of such Act, or

"(ii) which has been notified by the Administrator of the Environmental Protection Agency under section 1414(h)(2) of such Act that such water system, if it were a 'public water system' within the meaning of section 1410 of such Act, would be in compliance with all national primary drinking water regulations in effect under section 1412 of such Act for the purpose of assisting such water system to serve its users at a reasonable user rate. The amount of any grant made under this subparagraph shall not exceed the difference between 75 percent of the development cost of such water system and the amount of any grant previously made under subsection (a)(2)(A) to finance such development cost.".

Sec. 102. Section 306(a)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(12)) is amended to read as follows:

"(12)(A) In the making of loans and grants for community waste disposal facilities under paragraphs (1) and (2) of this subsection, the Secretary shall accord highest priority to the application of any municipality or other public agency (including an Indian tribe on a Federal or State reservation or other federally recognized Indian tribal group) in a rural community which has a population not in excess of five thousand five hundred, and which has a community waste disposal system, where the Secretary determines that due to unanticipated occurrences the system is not adequate to the needs of the community.

"(B) The Secretary shall make loans and grants for water facilities under paragraphs (1) and (2) of this subsection in accordance with the following priorities:

"(i) first, to municipalities or other public agencies (including Indian tribes on Federal or State reservations or other federally recognized Indian tribal groups), in rural communities which have populations not in excess of five thousand five hundred, and which have community water supply systems, where the Secretary determines that, due to unanticipated diminution or deterioration of their water supplies, immediate action is needed;

"(ii) second, to municipalities or other public agencies (including Indian tribes on Federal or State reservations or other federally recognized Indian tribal groups), in rural communities which have populations not in excess of five thousand five hundred, and which have community water supply systems or which propose to construct such systems, for the purpose of enabling such systems to achieve compliance with national primary drinking water regulations in effect under section 1412 of the Public Health Service Act or with any schedule or other requirement imposed pursuant to sections 1415(a)(2) or 1416(f) of such Act;

"(iii) third, to municipalities or other public agencies (including Indian tribes on Federal or State reservations or other federally recognized Indian tribal groups) in rural communities which have populations not in excess of five thousand five hundred, and which have community water supply systems or which propose to construct such systems, for the purpose of enabling such systems to relieve chronic water shortages;

"(iv) fourth, to municipalities or other public agencies (including Indian tribes on Federal or State reservations or other federally recognized Indian tribal groups) in rural communities which have populations not in excess of five thousand five hundred, and which have community water supply systems or which propose to construct such systems, for the purpose of enabling such systems to achieve compliance with national secondary

drinking water regulations in effect under section 1412 of such Act.

For the purpose of this subsection, the term 'municipalities or other public agencies' includes any association and any public water system subject to the provisions of title XIV of the Public Health Service Act.

"(C) The Secretary shall utilize the Soil Conservation Service in rendering technical assistance to applicants under this paragraph to the extent he deems appropriate.".

TITLE II—AMENDMENTS TO TITLE XIV OF THE PUBLIC HEALTH SERVICE ACT

SEC. 201. Section 1414 of the Public Health Service Act (42 U.S.C. 300g–3) is amended by adding at the end thereof the following new subsections:

"(g) Any public water system—

"(1) which is located in a rural area,

"(2) which has been notified by the Administrator before, on, or after the date of the enactment of this subsection that such system does not comply with any national primary drinking water regulation in effect under section 1412, or with any schedule or other requirement imposed pursuant to section 1415(a)(2) or 1416(f), and

"(3) which has certified to the Administrator in writing—

"(A) that such system is unable to comply with such regulation, schedule, or other requirement because the expense of constructing, installing, operating, or maintaining treatment facilities and equipment necessary to achieve compliance would require the imposition of an unreasonable user rate, and

"(B) that such system has applied for a grant under section 306(a)(2)(B) of the Consolidated Farm and Rural Development Act, which grant, if received, would, with any funds from other sources, enable such system to achieve compliance with such regulation, schedule, or other requirement and assist such system to serve its users at a reasonable rate;

shall be deemed to be in compliance with such regulation schedule, or other requirement during the period beginning on the date such system applies for such grant and ending on the date such system withdraws its application or on the date by which such system has constructed and installed, and is able to operate and maintain, treatment facilities and equipment necessary to achieve such compliance, except that such system shall not be deemed to be in compliance with such regulation, schedule, or other requirement during such period if such application is denied on the basis of a determination by the Secretary of Agriculture that such system is able to comply with such regulation, schedule, or other requirement and to serve such system's users at a reasonable user rate, or that such system would be able to comply with such regulation, schedule or other requirement and to serve such system's users at a reasonable user rate if such system received a grant in an amount smaller than the amount of the grant for which such system applied.

"(h) At the request of any association which has or will have the legal authority to construct, operate, and maintain a water system—

"(1) that, as proposed, would meet the definition of 'public water system' in section 1410, or

"(2) that, as proposed, would meet the definition of 'public water system' in section 1410, except that such water system, as proposed, would have less than 15 service connections or would regularly serve less than 25 individuals,

the Administrator shall determine whether the drinking water supply of any potential user of such proposed water system, if such water supply were a public water system, would be in compliance with all national primary drinking water regulations in effect under section 1412, and shall notify such association of the results of such determination and the reasons for such results.

"(i) For purposes of this section, the term 'association' has the same meaning such term has in section 306 of the Consolidated Farm and Rural Development Act."

SEC. 202. Section 1414(c) of the Public Health Service Act (42 U.S.C. 300–3(c) is amended—

(1) by inserting "(1)" immediately after "(c)";

(2) by striking out "(1)" immediately before "of any failures on the part" and inserting in lieu thereof "(A)";

(3) by striking out "(A)" immediately before "comply with an applicable" and inserting in lieu thereof "(i)";

(4) by striking out "(B)" immediately before "perform monitoring" and inserting in lieu thereof "(ii)";

(5) by striking out "(2)" immediately before "if the public water system" and inserting in lieu thereof "(B)";

(6) by striking out "(A)" immediately before "the existence of such" and inserting in lieu thereof "(i)";

(7) by striking out "(B)" immediately before "any failure to comply" and inserting in lieu thereof "(ii)"; and

(8) by adding at the end thereof the following new paragraph:

"(2) During the period that any owner or operator of a public water system is deemed to be in compliance under subsection (g), such owner or operator shall not be required—

"(A) to give notice to the persons served by such system of any failure on the part of the public water system to comply with an applicable maximum containment level or treatment technique requirement of a national primary drinking water regulation, or

"(B) to comply with the notice provisions set forth in paragraph (1)(B).

Such notice may be given instead by the Administrator, who, if he gives such notice, shall include therein a statement that such system has applied for a grant under section 306(a)(2)(B) of the Consolidated Farm and Rural Development Act, which grant, if received, would, with any funds from other sources, enable such system to achieve compliance with those regulations, schedules, and other requirements with which such system is deemed to be in compliance under subsection (g).

SEC. 203. Section 1442(c) of the Public Health Service Act (42 U.S.C. 300j–1) is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated to carry out the provisions of subsection (b) $——— for the fiscal year ending September 30, 1979.".

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, I was necessarily absent from the proceedings of the House on Friday, August 4, 1978, and rise for the purpose of placing in the RECORD a statement indicating how I would have been recorded if I had been present and voting on the rollcall votes taken during the session:

Rollcall No. 647. Procedural motion by Mr. LONG of Maryland that the House resolve into the Committee of the Whole for consideration of the bill (H.R. 12931) foreign aid appropriation (agreed to 272–7–1); "yea";

Rollcall No. 648. Amendment offered by Mr. HARKIN (as amended by an amendment offered by Mr. OBEY) to impose a 2-percent reduction in foreign military credit sales which does not reduce funds provided for Israel, Lebanon, and Jordan (agreed to 300–29); "aye"; and

Rollcall No. 649. Adoption of the rule (H. Res. 1291) waiving designated points-of-order during consideration of the bill (H.R. 13635) Defense appropriation (agreed to 330–7).●

THE 20TH CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, the main impact of the 20th Captive Nations Week is seen in the emphasis it placed on the captive nations ideology. The ideology is coherently based on philosophical, historical, and strategic grounds. There are people who content that we don't need an ideology to counter Soviet Russian imperio-colonization and Communist ideology. They believe simple military strength is enough. This belief represents a complete misreading of the evolution of the captive nations and the expansion of Red totalitarian power. As a case in point, one need just cite our debacle in Vietnam where forces more than the military were at work. The captive nations ideology takes these other forces into account. Moscow, Peking, and Havana know this; we are gradually understanding this, and one of the chief conduits for this understanding is the captive nations ideology.

Aspects of the ideology were well expressed in the 20th Captive Nations Week, as the following, additional examples supplied by the National Captive Nations Committee show: First: proclamations by Gov. William G. Milliken of Michigan and Mayor Tom Bradley of Los Angeles, second, a report in the July 22 Human Events, third, the program of the New York City observance, fourth, the report in the New York News, "March on Fifth Avenue for Captive Nations" and fifth, adresses in the China Post of July 22:

CAPTIVE NATIONS WEEK

The desire for freedom and liberty burns in the hearts of people throughout the world, including those living in nations dominated by the policies of Communist Russia.

Freedom-loving people of Albania, Armenia, Bulgaria, Byelorussia, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Serbia, Slovakia. The Ukraine and other captive nations look to the United States as the vanguard of human freedom.

Therefore I, William G. Milliken, Governor of the State of Michigan, do hereby declare July 16-22, 1978, as Captive Nations Week, and I urge all citizens to dedicate some of their time and effort to the goal of freedom and liberty for all people throughout the world.

WILLIAM G. MILLIKEN,
Governor.

PROCLAMATION CAPTIVE NATIONS WEEK

Whereas, the imperialistic politics of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Byelorussia, Romania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, Cambodia, South Vietnam, Laos and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom loving peoples of the captive nations look to the United States as the citadel of human freedom and human rights and to the people of the United States as the leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayer, ceremonies and activities; expressing their sympathy with and support for the just aspirations of the captive nations:

Now therefore, I, Tom Bradley, Mayor of the City of Los Angeles, on behalf of its citizens do hereby proclaim the week of July 16-22, 1978, as "Captive Nations Week" in Los Angeles, and call upon our citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

July, 1978

TOM BRADLEY,
Mayor.

President Carter's proclamation marking July 16-22 as Captive Nations Week has drawn criticism from the National Captive Nations Committee, whose members feel its language was exceedingly bland. As Lee Edwards, the NCNC's executive director, pointed out: "The occasion called for eloquence and commitment. What Mr. Carter gave us was bureaucratese and vapidness."

Edwards noted that the Carter document contained "no mention of dissidents, the Soviet Union, Helsinki, communism or even totalitarianism of the right as well as the left. Mr. Carter's proclamation was dull, lifeless, perfunctory. It screamed indifference." The disappointment should have come as no surprise. Last year, Carter almost became the first President since Congress initiated the observance back in 1959 not to mark the event with a proclamation. Only after an uproar of public protest occurred did Carter finally relent and issue a proclamation three days into Captive Nations Week, 1977.

PROGRAM OF 20TH CAPTIVE NATIONS WEEK, JULY 16 THROUGH 22, 1978

Horst Uhlich, chairman.

Dr. Ivan Docheff, Honorary Chairman.

Hon. Judge Matthew Troy, Honorary Chairman.

CAPTIVE NATIONS COMMITTEE OF NEW YORK

Honorary Chairman, Hon. Matthew J. Troy, Sr.—U.S.A.

Honorary Chairman, Dr. Ivan Docheff—Bulgaria.

Honorary Grand Marshal, Mr. John O. Flis, Esq.—Ukraine.

Chairman, Mr. Horst Uhlich—Germany.

Vice Chairmen:

Dr. Valentina Kalynyk—Ukraine.
Miss Frederike Tanner—Estonia.
Mr. Peter C. Wytenus—Lithuania.
Col. Nikolas Nazarenko—Cossackia.
Mr. Volodimir Hladky—Ukraine.
Mr. Riza Gulum—Crimean Tatar.
Ing. John Kosiak—Byelorussia.
Mr. John Y. Wang—China.
Mr. Harry de Cobot—Cuba.
Mr. Iskender Necef—Azerbaijan.
Mr. Peter Azuolas—Lithuania.
Mr. Selahattin Anginer—Balkan Turkey.
Secretary, Mr. Elmer Lipping—Estonia.
Treasurer, Mr. Valentin Cantor—Rumania.

Committees

Parade Chairman, Col. Nikolas Nazarenko—Cossackia.

Resolutions Chairman, Mr. Peter C. Wytenus—Lithuania.

Folklore Chairman, Miss Frederike Tanner—Estonia.

Signs Chairman, Mr. Volodimir Hladky—Ukraine.

Park Chairman, Mr. Iskender Necef—Azerbaijan.

Finance Chairman, Mr. Elmer Lipping—Estonia.

Press Chairman, Dr. Alexander Sokolyszyn—Ukraine.

Public Relations Chairman, Mr. Vern Michels—U.S.A.

These nations WILL be free . . . how soon, depends on you and me!

Albania, Armenia, Azerbaijan, Bulgaria, Byelorussia, Cambodia, China, Crimean Tartars, Cossackia, Croatia, Cuba, Czechia.

Germany, Estonia, Georgia, Hungary, Idel-Ural, Karatchays, Laos, Latvia, Lithuania, Mongolia, North Caucasus.

North Korea, North Vietnam, Poland, Romania, Serbia, Slovakia, Slovenia, South Vietnam, Tibet, Turkestan, Ukraine.

SUNDAY, JULY 16TH

9:30 A.M.: Procession on Fifth Avenue—59th Street to St. Patrick's Cathedral.

10:00: High Holy Mass—St. Patrick's Cathedral. Celebrant and Homilist: Prof. Dr. Walter Jaskewicz, S.J.

11:15: Procession up Fifth Avenue—St. Patrick's Cathedral to 72nd St., then to the Central Park Mall (Bandstand).

12 Noon: Rally at Central Park Mall.

Mistress of Ceremonies, Mrs. Mary Dushnyck.

National Anthem, Mrs. Helmi Mandsalu.

Pledge of Allegiance, Mr. Cosmo Gallo, Catholic War Veterans, Queens, New York.

Invocation.

Opening Remarks, Mr. Horst Uhlich, Chairman.

Brief Remarks, Honorary Chairman Dr. I. Docheff.

Captive Nations Week Proclamations.

Addresses, Honored Guests of the Committee.

Resolution, Mr. Peter C. Wytenus, Resolutions Committee.

Folklore Entertainment, Folkmusic, Folksongs, and Dances.

MONDAY, JULY 17TH

2:30 P.M.: Mayor Koch's Captive Nations Week Proclamation: Honorable Edward Koch, City Hall Blue Room, Manhattan.

Sponsoring organizations

American Association of Crimean Tartars.
Association of East Germans.
Americans to Free Captive Nations, Inc.
Azerbaijan Society of America.
American Friends of Anti Bolshevik bloc of Nations.
Bulgarian National Front of America.
Byelorussian American Association, Inc.
Byelorussian Congress Committee of America.
Committee for a Free China.
Committee of American Latvian Organizations in New York.
Croatian Central Committee Club.
Cuban National Committee of Captive Nations, Inc.
Catholic War Veterans of Queens County, New York.
Conservative Party of New York State.
Estonian American National Council.
AFABN Ukrainian Association.
Georgian National Front.
German American National Congress (DANK).
Hungarian Cross and Sword and Defense Committee.
Knights of Lithuania.
Lithuanian American Council of New York.
National Federation of Chinese Culture and Heritage.
New York County Conservative Party.
Romanian American Congress.
Slovak Catholic Sokol.
Serbian National Defense Council.
Turkestan American Association in the U.S.A.
Trinity Marching Band.
Karachay Turks Organization.
Ukrainian American Organizations of Metropolitan New York UCCA.
United Ukrainian Committee.
Westchester County Liberal Party.
War Veterans of Estonia.
World Federation of the Cossack National Liberation Movement.
Young Americans for Freedom.

MARCH ON FIFTH AVENUE FOR CAPTIVE NATIONS

Marchers mass up outside St. Patrick's Cathedral yesterday for parade up Fifth Ave. to 72d St. marking the beginning of Captive Nations Week. Groups representing Poland, the Ukraine, China, East Germany, Cuba and other Communist countries took part. Each year under an act of Congress the President proclaims a week for observation of the nation's commitment to the achievement of freedom throughout the world.

ADDRESS BY PREMIER SUN YUN-SUAN

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen:

"To safeguard human freedom and resist Communist slavery" is both the shining banner and the righteous call of the movement supporting Captive Nations Week. The Republic of China was the first to respond to this great movement after it was initiated by the U.S. Congress in 1959. Many chapters of the World Anti-Communist League also have provided enthusiastic support. The movement has contributed to the solidarity of worldwide anti-Communist forces and the courage and confidence of peoples enslaved by the Communists as they seek freedom and survival.

In the world of today, freedom and democracy are confronted by Communist totalitarianism. Mankind faces unprecedented challenges: slavery against freedom and vio-

lence against justice. Whether the free democracies have the foresight and determination to face up to these challenges will be decisive for their own destiny and also for the security of the world and the well-being of humankind. Freedom and justice will finally prevail. However, we must halt the expansion of the evil forces as quickly as possible and end the status quo of "half freedom and half slavery" so as to relieve the enslaved peoples of their agony and shorten the distance to the goal of genuine freedom and peace.

We want to point out that the Communists on the Chinese mainland are the source of world turmoil. Many Asian countries have been overrun in the last two decades and more. This is evidenced in the fall of Cambodia, Vietnam and Laos, where millions of innocent people have been subjected to Communist massacre and persecution. Such a massive tragedy dispels all illusions about detente and appeasement, which can only lead the world into raging Communist flames and worsen human imperilment.

The Chinese Communists have a fragile power structure and their internal struggles are violent. Even so, the Peiping regime has clamored for implementation of the "four modernizations" and attempted to put up a false front of "unity" and "strength" so as to trick the free world and accelerate "third world" intrigues to alienate the democracies. In supporting the Captive Nations Week movement today, we must unite all anti-Communist forces, heighten our anti-Communist vigilance and enlarge the movement's influence in order to counter the Chinese Communist conspiracy.

The theme of this year's political call to "promote human rights and liberate enslaved peoples" is highly significant. As we know, the Chinese Communists are engaged in class struggle and imposing a rule of tyranny. They have reversed all human norms and standards. The people living on the mainland have lost all freedoms and their basic human rights, transforming that society into one that is dark, closed and devoid of liberty. Millions of people have been imprisoned, tortured and executed without trial. These bloodstained facts are verified by letters from the mainland and the accusations of freedom seekers. The recent public letter from defector Fan Yuan-yet to Hua Kuo-feng provides especially cogent testimony.

In upholding human rights, President Carter of the United States has proclaimed "Human Rights Day" and the "Bill of Human Rights." He has acted in the same spirit as the U.S. Congress in initiating Captive Nations Week; his aspirations of righteousness and motives of altruism are admirable. Human rights cannot, however, be upheld through the application of a double standard. People will be greatly confused if the principles of upholding human rights is applied in one place and ignored or overlooked in another place where human rights are under devastating attack. We seek to unite with all the democracies to raise high the anti-Communist banners of freedom and human rights. We want to convey the anti-Communist movement for freedom and human rights behind the Iron Curtain and to the Chinese mainland.

The Republic of China adheres to its anti-Communist national policy and remains in the democratic camp. Despite the buffeting of international countercurrents and the tumult and unrest in Asia, the Republic of China has never cowered in the face of adversity, changed its position to accord with the international situation or been swayed by event. To the contrary, this country has become ever more self-reliant with dignity, has always stood steadfastly in the free and democratic camp, and has joined with other countries and spared no effort in its staunch struggle to defend freedom and oppose slavery.

The purpose of supporting Captive Nations Week is not only to liberate the captive peoples and assure them of freedom and their right to survive. We must also exert every effort to halt Communist expansion and thus assure that those who are still free will not be subjected to Communist enslavement and persecution. Consequently, the free world should be alerted to a recognition of these points:

First, Communist expansion and aggression is the root of all the turmoil in the world. Before undertaking armed aggression, the Communists customarily employ their evil united front tactics of alienation, infiltration and subversion. Only by engaging in steadfast anti-Communist struggle can freedom-loving and peace-loving peoples avert Communist enslavement.

Second, no matter how the Chinese Communists may smile or how Peiping confronts Moscow, their final objective is the communization of the world and the enslavement of mankind. If the free world pins its hopes on these Chinese Communists as one side of "checks and balances" or of a "strategic balance of power," more international tension will ensue until the eruption of a war crisis.

Third, although the path of anti-Communist struggle is tortuous and paved with thorns, humanity will finally triumph over bestiality, justice over evil and the day over the night. This is an ironclad rule of history and a natural consequence. No matter how frantic and cruel the Communist forces may be, the people of the free world have nothing to fear: no matter how frustrating the anti-Communist situation may appear, the people have no reason to be downhearted. Actually, the anti-Communist people have already heightened their vigilance, and those who originally harbored illusions about the Communists have come to their senses and rejected them, realizing that the Communist system and way of life can never be accepted by free people.

Ladies and gentlemen: We are convinced that there can never be coexistence between human rights and totalitarianism or between freedom and slavery. Let all who respect human rights and freedom unite together in common struggle, raise up their moral courage, promote the strength of justice and much courage only forward to assure freedom and peace for humankind.

Speech by Hon. Bertrand Motte
French Representative

We are quite a number to come here to attend this "Captive Nations' Week" organized by the Republic of China. Our long trip above seas and mountains, while passing through so many countries on the way, has strengthened our thinking of the necessity of the defence of freedom.

Recalling local wars and interior killings as happened in so many countries, it is well-noted that the specter of Communism was behind those wars either in Middle East, Asia or Africa. Communism does it either by war or by subversion always by violence. All over the world there is not a single country where Communists come to power through legal and democratic channel.

We also note that the Marxist Imperialism attacks by priority the weak nations. They are not only militarily weak nations but also especially weak nations for the fact they are divided into rival fractions, their economy is powerless to combat poverty, their social system is unjust and does not equitably distribute the goods to all those in need of it.

China and Europe are heirs of historic and ancient civilizations. Those civilizations have not only established on their land the monuments witnessing their grandeur, and filled their museums with treasures, but have installed, above others, in the spirit and the heart of the populations the spiritual and social values which are the very conditions of national power.

We have observed that in 1949 when Generalissimo Chiang Kai-shek decided to reconstitute in Taiwan a young and new nation, his first directive to the Chinese people is to preserve the spiritual, cultural, and family values, which constitute the Chinese civilization one of the oldest and most marvelous in the world.

This example is good for us Europeans, it is the same combat and we have to lead against the Marxist subversion on our territory, it is indispensible for us and for you to oppose materialism with barriers of spiritual and cultural values which have made in the past the grandeur and power of the European people.

The second explanation of your success, I found it in the internal union of the people of the Republic of China. Communism has recourse to the class struggle to divide the people; they know that the people divided among themselves by internal struggles, and the citizens who defend the particular interest before the national interest, are the weak peoples and are ready to succumb into the Communist domination.

The Republic of China, we notice has assured the unity of her people not only through the latter's satisfaction of the spiritual and historical values but also by giving to the magnificient economical effort that you conduct in the countryside as well as in your factories, the indispensable prolongation of a policy of social justice. All the observers acknowledge the success of your land reform which has distributed the land to the farmers and the progressive and social character of your industry.

Your industry shows a high technology to the competitiors and the businessmen who begin to know it in the whole world. It also shows an exemplary social value in the face of all those who desire the final goal of the industrial civilization to carry the improvement to all the workers.

But the "Eurocommunism" maintains in several countries a climate of political struggles which slow down the social progress. May I wish that the French and the European peoples, with the same means that you have, could establish in their country the social concord as is indispensable to the progress of everything and everybody.

Finally, you have understood—and this is the third homage I give to you—better than many other Western countries, the political prolongations that are included in an intelligent and human capitalistic system based on the confidence in man and on economy of market and competition.

The political freedoms and the economical freedoms are indivisible, either have them or lose them simultaneously.

From this point of view, the Republic of China serves a good example.

The inadmissible cowardice of the international diplomacy has tried in vain to reject the ROC out of the big nations. Nothing can prevent that your Republic, thanks to the people's fidelity to her culture and her history, thanks to the solidity of her armed forces, to the quality of her industry and agriculture, enters everyday with larger force in the first ranks of the countries defending the camp of freedom.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. White) is recognized for 5 minutes.

● Mr. WHITE. Mr. Speaker, in my absence from Washington for official business in the 16th district last Thursday and Friday, I missed several recorded votes. I would like to go on record as follows:

On roll call No. 646. August 3, 1978, amendment to H.R. 12931 that reduces total appropriations not required by law for Foreign Assistance Act activities by 2 percent, except for economic support funds for Israel, Egypt, and Jordan: "yes";

On roll call No. 648. August 4, 1978, amendment to H.R. 12931, as amended by a substitute, that reduces foreign military credit sales appropriations by $12.6 million, and that provides that not more than $2.5 million of the appropriations shall be available for Lebanon and not more than $8.5 million shall be available for Jordan: "yes"; and

On roll call No. 649. August 4, 1978, adoption of rule waiving certain points of order against H.R. 13635, making appropriations for the Department of Defense for the fiscal year ending September 30, 1979: "yes."●

6-MONTH COMPARISON OF EMPLOYMENT STATISTICS SINCE LAST INCREASE IN MINIMUM WAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 5 minutes.

● Mr. DENT. Mr. Speaker, I want to take this opportunity to include in the RECORD a letter I have just received from the AFL–CIO. The letter offers a 6-month comparison of employment statistics since the last increase in the minimum wage. I think it entirely appropriate to include such information at a time when a common topic of conversation has been the possibility of delaying the next minimum wage increase as a way to fight inflation.

I would commend this letter to my colleagues:

AFL–CIO,
Washington, D.C., July 13, 1978.

Hon. JOHN H. DENT,
U.S. House of Representatives,
Washington, D.C.

DEAR JOHN: After extensive hearings and long after a need was established, the Congress passed the 1977 Amendments to the Fair Labor Standards Act. The law, as amended, required that the minimum wage be increased from $2.30 to $2.65 an hour on January 1, 1978 and provided for three additional annual increases.

The voices of gloom and doom were raised even more loudly this year than has been usual in the 40-year history of minimum wage legislation. Forecasts of job cutbacks and massive teenage unemployment were voiced by the traditional opponents of minimum wage legislation. Little or no concern has been expressed about how the lowest paid workers are surviving in a period of accelerating inflation. Instead, proposals to rescind legislated future minimum wage increases have been coming from the most affluent segments of the economy.

It seems useful, therefore, to describe the employment situation now that the $2.65 minimum wage rate has been in effect for six months.

On July 7, 1978 the Bureau of Labor Statistics published its release on the employment situation, as of June 1978. The BLS highlighted the release with such statements as, "Employment rose sharply in June and unemployment declined." "June marked the first time that the jobless rate had been below six percent since October 1974." "Teenagers accounted for about half of the 400,000 June decline in unemployment, as their rate dropped from 16.5 to 14.2 percent."

These BLS statements refer to changes between May and June 1978. For minimum wage purposes, a six-month comparison is more meaningful. Between December 1977 and June 1978:

Total employment increased by 2,210,000;
Total unemployment declined by 556,000;
Overall unemployment rate declined from 6.4 to 5.7 percent;
Teenage employment increased by 337,000;
Teenage unemployment rate declined from 15.6 to 14.2 percent;
White teenage unemployment rate declined from 12.7 to 11.6 percent; and
Black teenage unemployment rate went from 38.0 to 37.1 percent.

It would be helpful if the anti-minimum wage forces would take time out to examine the record—both past and present. We hope that proponents of a stay in the next legislated increase in the minimum wage will read this year's record. Even more, we hope that they will not ask the lowest paid workers to bear the full brunt of inflation while they debate how to win the battle against inflation.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation.●

THE 1980 SUMMER GAMES SHOULD BE TRANSFERRED FROM MOSCOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. GIAIMO) is recognized for 5 minutes.

● Mr. GIAIMO. Mr. Speaker, while I applaud the recent action that the administration took in response to the convictions of Anatoly Scharansky and other dissidents in the Soviet Union, additional action is imperative.

What I believe to be a more effective response was advanced by the gentleman from Massachusetts (Mr. DRINAN). On July 18, he introduced a resolution urging the U.S. Olympic Committee to take all necessary action to secure the transfer of the 1980 summer games from Moscow. I support this resolution and am pleased to be a cosponsor of it.

The 1980 summer Olympics will be the first Olympiad to be held in a Communist country. They will bring the Soviet Union two things they desperately need: publicity and Western currency. The Soviet Union sees the Olympics as an opportunity to show the world the athletic and material successes achieved by their socialist system. They will use the Olympics as a propaganda extravaganza to rival the Berlin games of 1936.

A transfer of the 1980 summer Olympics, however, will show that the world will not permit the brutal disregard for basic personal freedom to be obscured by the Olympic banner.

Some people will say that the Olympics should not be used for political purposes. These are dreamers who disregard reality. The Olympics were politicized as early as 1936. In that year, the United States acquiesced to a Nazi request and removed two Jewish sprinters from our team, an acting unknown to most of us until now. Who is to say that the Soviet Union will not make similar "requests" of us in 1980?

Some people already are arguing that any attempt to transfer the summer games would not work. How will we know if we don't try? I cannot believe that our national will and sensitivity to injustice has so deteriorated that we will not object strenuously to these flagrant disregards for basic human rights.

Other people have argued that a transfer of the Olympics would not be "appropriate." Nothing could be further from the truth. A transfer of the games would hit the Soviet Union where it really hurts—in its image before the world. As masters of propaganda, the Soviet Union and its friends have spent time and money shining up the image of the U.S.S.R. before the peoples of the world. No amount of polish, however, can change the realities of the Soviet system and its brutal disregard for the individual.

The recent trials—which bring to mind the infamous "show trials" of the late 1930's—were designed to pressure the West into moderating its support for those Soviet citizens seeking freedom of expression or the right to emigrate. Counterpressure of a similar nature is required, and the Olympics provide the perfect opportunity to exert this type of pressure.

Mr. Speaker, 42 years ago we closed our eyes to totalitarianism at the Olympics. Perhaps we were a bit naive then, too preoccupied with our own problems to face reality. We paid dearly for that mistake.

Why repeat this mistake in Moscow? Why close our eyes to the truth? If the American people still believe in the Declaration of Independence and the Bill of Rights, they will urge the USOC to get the 1980 summer Olympics moved from Moscow. This resolution should offer the encouragement that is needed at this time.●

PUBLIC POWER FOR WESTCHESTER COUNTY, N.Y.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 15 minutes.

● Mr. OTTINGER. Mr. Speaker, for almost 10 years I have been working to replace the Consolidated Edison Co. of New York, Inc., with a public utility in Westchester County, a move that would enable Westchester consumers to save millions of dollars. Right now the people in my district pay the highest electrical rates in the world; yet Con Ed is again asking for a rate increase while continuing to just pass the buck on to its customers when confronted about these exorbitant rates.

In the following article that appeared in Westchester Rockland newspapers the author, Milton Hoffman, speaks di-

rectly to the need for the voters of Westchester County to have a say in this matter. I commend this excellent article to my colleagues' attention:

CON ED WOULD BE RESPONSIBLE FOR ITS OWN DEPARTURE

(By Milton Hoffman)

It's true that Westchester County Executive Alfred DelBello, Rep. Richard Ottinger and County Legislator Ron Tocci were first to propose a government takeover of Consolidate Edison electric operations in Westchester.

But the real credit for this week's Beck report, which supports a takeover, belongs to Con Edison itself.

Because Con Edison for years has dared somebody—anybody—to knock the chip off its broad, monopolistic shoulder.

The arrogance of the firm was displayed in public just this week. Here was Charles Luce, the chairman of the firm, telling the Westchester County Board of Legislators that the figures in the Beck report were all wrong. This is the same Charles Luce whose firm refused to turn data over to Beck and refused to permit Beck to enter the Con Edison plants to make an inventory. How's that for nerve?

It's been almost two years since DelBello and friends first advocated the takeover route as a way to cut the high cost of electricity that has bled homeowners and forced many businesses to leave this area. During that period, Con Edison had ample time to propose some real cost-cutting.

What was needed was innovation—ways to produce and distribute electricity at a lower cost. Instead, what did Con Edison do? It repeated the old bromide that the best way to cut costs is to reduce the taxes that Con Edison now pays to municipalities. We'd like to have a kilowatt for every time that phrase was used. Even without taxes, Con Edison's rates are higher than those of any other electric utility. Con Edison's favorite proposal is that the cost be shifted from one pocket of the ratepaying taxpayer to the other. Hardly a solution.

Then Con Edison put the blame on the high cost of oil, a cost automatically passed on to the consumer. But did Con Edison propose any alternatives except those that would pollute the air in New York City? No. There were no proposals for windmills, solar energy, tidewater or hydroelectric generators forthcoming from this technological giant.

Nothing.

Having established the reason for the Beck study, let's try to figure out who is closer to the facts, Beck or Con Edison. There is a disparity of $1.5 billion. Con Edison says it would cost $2 billion for the county to acquire and operate the electric lines, four times more than Beck estimates. But it should be pointed out that the Con Edison figure has been jacked up by $1 billion in recent weeks from the utility's original claim. That's a doubling of the cost by Con Edison and its own consultants after it appeared that the county was serious.

Any objective person would have to figure that, with that background, Beck should be closer to the truth than Con Edison. Beck, an established engineering firm, has nothing to gain or lose in this venture. Under a resolusion passed by the county board, Beck and other present consultants are barred from receiving a contract for further work on the project. Con Edison has everything to lose and would like to gain.

The key question is whether the courts would increase the costs of the acquisition by giving Con Edison huge "severance" damages or damages for "intangibles." If Con Edison is so sure of itself, why doesn't it agree to join with the county and go to the courts together to try to get an advance ruling that would establish the probable costs. If the costs are so high that they would force the county to back down, then Con Edison is a big winner and it can continue to do what the state law and the Public Service Commission now permit it to do: receive a guaranteed return on its investment, which means guaranteed profits, no matter how well or how poorly it is run.

But knowing Con Edison, we doubt they would do the public this service. Instead, the onus of finding ways to cut electric rates will be left with the people of Westchester and ultimately with the county executive and the legislators.

This brings up a question that many persons believe is paramount. Does the county government—executive and legislative—have the courage and stamina to go all the way with the takeover, even if the voters give them the authority overwhelmingly this November?

Past performance would indicate that when the final decision is to be made, the officials and legislators will scatter in all directions and avoid making the big decision.

The indicators of the past include the handling of the garbage crisis so far in the county. Two years ago, the legislators approved two sites for energy-producing, power-generating plants. But when the proposal was put to them earlier this year, they scattered all over the place.

When the county administration came up with a proposed site in Peekskill for a sewage sludge composting plant, the legislators at least had the decency to reject it right off the bat—but didn't come up with any logical alternate sites.

DelBello, the leader of the executive branch, is not faultless in these and other indecisions and vacillations of the board. A good executive finds ways to persuade legislative bodies to make the hard decisions. It happens in Albany every year—a governor, working with at least one legislative house controlled by another party, gets around the political roadblocks in give-and-take, head-to-head negotiating. There is a little give here and there, and government is able to carry on.

If the county legislators approves a referendum on the take over issue next week, they will not necessarily be committing themselves for the future. Rather, many will just be offering the voters a chance to express themselves. If the voters give the green light to the government to acquire the Con Edison property and sell up to $754 million in bonds, the final decisions will have to be made next year by the county executive and the legislators. With such a past record, can they?

Perhaps in all this, Con Edison finally will get the hint and come up with some solid alternatives to public ownership and find less-costly ways to serve the public, which would be fitting for a company that made a $149 million profit for the first half of this year and which still is asking for a $215 million rate increase.

Milton Hoffman is politics writer for Westchester Rockland Newspapers.●

ADMINISTRATION SUPPORT OF CONFERENCE REPORT ON THE CONSUMER COOPERATIVE BANK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, very soon the House will be taking up the conference report on H.R. 2777—the National Consumer Cooperative Bank Act—and I am hopeful that we will have an overwhelming vote for the American consumer.

The legislation, which will give the consumer a new voice and a new means of combating inflation, is fully supported by the Carter administration.

I have today received a letter from Mrs. Esther Peterson, the Special Assistant to the President for Consumer Affairs, reaffirming the administration's support for the legislation. Mrs. Peterson states:

I am pleased to report to you that the administration supports the conference report on the consumer cooperative bank bill, and I congratulate you and your colleagues on your fine work. The legislation which has emerged is a thoughtful and well-balanced initiative and within the budgetary parameters established by the administration for this legislation.

Mr. Speaker, I place in the RECORD a copy of Mrs. Peterson's letter:

THE WHITE HOUSE,
Washington, August 3, 1978.

Hon. FERNAND J. ST GERMAIN,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ST GERMAIN: I am pleased to report to you that the administration supports the conference report on the Consumers Cooperative Bank bill, and I congratulate you and your colleagues on your fine work. The legislation which has emerged is a thoughtful and well-balanced initiative and within the budgetary parameters established by the administration for this legislation.

My initial contact with consumer cooperatives came during the late forties and the fifties when I lived in Sweden with my husband and family. While co-ops comprised only a small percentage of the businesses in Sweden, they often provided goods or services where those goods or services would not otherwise have been available. More importantly, it gave co-op members a direct stake in their communities and restored a sense of consumer sovereignty in the marketplace.

There is no reason to believe that the same would not be true here in the United States if consumer co-ops were given the chance. We have already seen over the past decades the successes that have been achieved through co-ops in the farm credit system. Your bill would do the same for consumers—not through a Government handout—but by making loans available, at a market rate of interest. In addition, technical assistance would be available where needed to increase the likelihood that a co-op would succeed.

I know that the President looks forward to signing this measure into law.

Sincerely,

ESTHER PETERSON,
Special Assistant to the President
for Consumer Affairs.●

CETA AND OLDER WORKERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 10 minutes.

● Mr. WAXMAN. Mr. Speaker, during House consideration of H.R. 12452, the Comprehensive Employment and Training Act Amendments of 1978, I will offer an amendment to encourage the participation of middle and older age workers in CETA-sponsored programs.

The amendment is a recognition of the unique role older workers play in the U.S. labor force and proposes development of employment training programs which will encourage their continued

productivity. Specifically, the amendment provides incentives for the Secretary of Labor, through the title III discretionary fund, to develop employment training programs for middle and older age workers. The amendment provides that workers over 40 who are unemployed, underemployed, or economically disadvantaged be accorded special attention in keeping with the purposes of CETA title III.

Title III is a special discretionary authorization designed to enable sponsorship of employment programs for groups underserved by CETA title II. The statute specifies that youth, offenders, handicapped individuals, single parents, persons of limited English-speaking ability, older workers, and other disadvantaged groups may receive assistance under title III programs. Subsequent sections of the title encourage the Secretary of Labor to pay particular attention to the employment needs of native Americans, migratory workers, handicapped individuals, veterans, and displaced homemakers. My amendment would create a new section 309 for older workers modeled after these existing title III programs.

WHY PAY ATTENTION TO OLDER WORKERS

No group can more forcefully demonstrate employment discrimination in CETA programs than workers over 45. In fact, a report of the U.S. Commission on Civil Rights issued last December specifically cited CETA job programs for discrimination against participants based on age.

The age of participants in CETA title II, VI, and VII programs reflect a trend that the older a person becomes the less likely he or she is to become involved in an employment training program sponsored by the Federal Government. The Commission on Civil Rights' report confirmed what older workers have known all along—CETA prime sponsors place the highest priority on finding jobs for people between the ages of 22 and 44.

While older workers are more difficult to place than their younger counterparts, CETA was intended to provide job training and employment opportunities to economically disadvantaged, unemployed or underemployed persons irrespective of age. In practice, however, prime sponsors have focused their efforts on those age groups most easily placed in unsubsidized employment.

Although much attention is correctly focused on the employment needs of younger workers, older workers represent a substantial portion of the unemployed population. Approximately 1.4 million older Americans are currently unemployed and actively seeking work. Older workers represent over 20 percent of all unemployed Americans.

When these figures are combined with the category of "discouraged workers" the plight of the older worker becomes even more apparent. Discouraged workers represent a category of unemployed Americans who are no longer actively seeking work but who would accept a job immediately if one were available. In 1977 there were over a million such workers. 500,000 were over 40 and 330,000 were over 55. As this pattern has held constant over the past decade, it suggests a structural discrimination based on age against older workers seeking employment.

Admittedly, the rate of unemployment among older workers is lower than among younger age groups. But this statistic should not be misinterpreted to suggest that older workers have less need for employment training assistance.

Despite the overall low unemployment rate among older workers, their duration of unemployment is 30 to 70 percent longer than among younger age groups. In fact, men and women over 45 suffer durations of unemployment equal to that experienced by black teenagers.

These figures indicate that as long as the older worker remains employed he is in good shape. However, should he later lose his job due to downturns in the economy or the pressure of technological change, he will have a difficult time rejoining the labor force. CETA's bias toward younger workers reinforces this trend.

NEED TO KEEP OLDER WORKERS IN THE LABOR FORCE

Enactment of the Age Discrimination in Employment Act Amendments (ADEA) of 1978 was clear expression of congressional intent that older workers remain in the labor force. The new law abolishes mandatory retirement in the Federal service and reduces the mandatory retirement age in the private sector from 65 to 70. Workers between 40 and 70, those who are protected from age discrimination under the new law, make up over 40 percent of the U.S. labor force and 36 percent of the population.

As my colleagues are aware, the fundamental purpose of the new law is to promote employment of older persons based on their ability rather than age. We would be remiss in our commitment to the individual worth of older Americans if if we did not make a conscientious effort to encourage older Americans to stay in the labor force. Our expressed commitment to individual dignity, as embodied in the recently enacted ADEA amendments, demands that we regard the opportunity for a job as a basic human right.

Indeed, President Carter echoed this belief in his January 1978 State of the Union Message. The President noted:

> Job opportunity—the chance to earn a decent living—is also a basic human right which we cannot and will not ignore.

Mr. Speaker, it is an inconsistent public policy which eliminates mandatory retirement on the one hand but which fails to adopt policies to encourage older workers to stay in the labor force. The health of our economy demands we not frivolously waste the talents of our older workers. Middle and older age workers represent a vast resource of experience, talents, and intuitions we dare not neglect.

The U.S. Commission on Civil Rights characterized age discrimination in Federal programs as "widespread." In criticizing CETA and other Federal programs the Commission said:

> We are shocked at the cavalier manner in which our society neglects older persons who often desperately need federally supported services and benefits.

Mr. Speaker, middle and older age workers are confronted with major obstacles in attempting to entering the labor force. Federal job assistance programs are unresponsive to their needs. As presently structured, CETA does not work for older Americans.

Adoption of the older workers amendment to CETA title III is a first step toward addressing the serious problems noted in the report of the U.S. Commission on Civil Rights. The amendment is not, however, a cure-all. It is not a substitute for ending age discrimination in CETA title II, VI and VII programs. Further, the amendment should not be interpreted as an alternative to existing employment services available to the elderly poor under title IX of the Older Americans Act. My amendment is merely a supplement to existing programs and a much needed first step toward reducing the neglect of Federal manpower programs toward older Americans.

Age discrimination is a pernicious practice that cannot be permitted to dominate administration of Federal employment programs. It is not only a shameful waste of a precious natural resource but a violation of the most basic human rights Congress recognized in enacting the Age Discrimination in Employment Act Amendments of 1978 into law.

I urge my colleague's support of this important amendment during consideration of H.R. 12452 on Wednesday.

A copy of the amendment follows.

AMENDMENT TO H.R. 12452

Page 116, after line 15, insert the following new section:

"PROJECTS FOR MIDDLE-AGED AND OLDER WORKERS

"SEC. 309. (a) The Secretary shall—

"(1) develop and establish employment and training policies and programs for middle-aged and older workers which will reflect appropriate consideration of these workers' importance in the labor force and lead to a more equitable share of employment and training resources for middle-aged and older workers;

"(2) develop and establish programs to assist workers over forty years of age in pursuing second careers, including, but not necessarily limited to, work experience, vocational education, public service employment, on-the-job training, occupational upgrading, and job search and placement; and

"(3) conduct research on the relationships between age and employment and insure that the findings of such research are widely disseminated in order to assist employers in both the public and the private sectors better understand and utilize the capabilities of middle-aged and older workers.

"(b) In carrying out the provisions of subsection (a), the Secretary shall provide for appropriate arrangements to be made with prime sponsors, members of the business community (including small business), labor organizations, local educational agencies, and community-based organizations as defined in section 125(4) of this Act. Such arrangements may include, but need not be limited to—

"(1) an analysis of the local labor force on the basis of such factors as age, educational background, income, race, and sex, focusing particularly on comparative rates of labor force participation and of unemployment and underemployment among the various demographic groups studies;

"(2) an assessment of each participant's skills and work experience for purposes of formulating realistic second career objectives, including formal vocational testing instru-

ments supplemented by such functional assessment methods and techniques to detect those skills and abilities of a participant as may be related to desired second career and occupational upgrading objectives;

"(3) second career and occupational upgrading counseling by individuals knowledgeable about the employment and training needs of middle-aged and older workers;

"(4) the establishment of second career objectives which will—

"(A) provide reasonable assurances to the participant that public and private sector demand exists for the skills developed in the second careers program; and

"(B) enable the participant to compete successfully in the job market; and

"(5) establishment of formal second careers training agreements, between participants and program sponsors, which—

"(A) set forth the career objectives of the participants and the steps required of each participant and prime sponsor to achieve these objectives;

"(B) will remain in force until its terms are fulfilled, or renegotiated or terminated according to such procedures as shall be prescribed by the Secretary; and

"(C) may be renegotiated or terminated, at any time, by the participant, or by the program sponsor for good cause.

"(c) The Secretary is hereby authorized to pay program sponsors reasonable training costs to participants in second careers programs to the extent necessary to achieve the objectives of such programs, in accordance with regulations prescribed by the Secretary, but in no case shall such payment exceed the permissible maximum under section 121 (c)(1)(B). Such costs may include reasonable tuition for participants engaged in technical or other institutional training and payments to program sponsors providing on-the-job training, provided that such payments are based on the actual number of hours of such training given to the second careers program participant. The Secretary is authorized to pay for equipment, materials, and such other costs necessary for a participant to achieve the objectives of his second careers program.

"(d) Programs assisted under this section may provide for participation in employment and training programs on a part-time or flexible-time basis.

"(e) Participants in programs authorized under this section shall be individuals over the age of forty who are unemployed, underemployed, or economically disadvantaged, who have a per capita income which is not in excess of 125 percent of the Bureau of Labor Statistics lower living income level.

"(f) For the purposes of carrying out this section, the Secretary shall reserve from funds available for this title not more than 10 percent of the amount allocated pursuant to section 202(a).

"(g) No provision of this section shall be construed as intending any diminution of the employment and training opportunities available to workers over 40 years of age under titles II, VI, and VII of this Act.

Conform the table of contents accordingly.●

AUTHORIZING GSA TO CHARGE FOR MOTOR POOL VEHICLES ON THE BASIS OF ESTIMATED REPLACEMENT COST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. JOHN L. BURTON) is recognized for 5 minutes.

● Mr. JOHN L. BURTON. Mr. Speaker, the interagency motor pool system, operated by the General Services Administration, has a fleet of about 85,000 sedans, trucks, and other vehicles to be assigned or dispatched to Federal agencies for their official use.

GSA bills agencies for the use of these vehicles by assessing a monthly rate to cover fixed operating costs such as depreciation and by charging a mileage rate to cover variable operating costs such as gasoline. This is much the same way Hertz or Avis charges its customers.

Operation of this GSA fleet saves the Government money, since the vehicles are subject to high utilization and tight control.

Inflation, technological change, and Government-mandated environmental and safety modifications have substantially increased the cost of motor vehicles during the 1970's. For example, GSA paid an average of $2,835 for a Government vehicle in 1972. By 1977, this average price increased to $4,144. It will be higher still in 1978.

The Administrator of General Services recently recommended a technical change in the Federal Property and Administrative Services Act of 1949 to permit GSA's recovery of the replacement of cost of motor vehicles and related equipment, rather than merely the original purchase price.

Such a recommendation is in line with the March 19, 1976, report of the General Accounting Office entitled "Operations of the General Services Administration's General Supply Fund."

Today, I am introducing a bill to accomplish that purpose.

To describe the matter more fully, GSA's problem is in trying to finance the replacement of aging and high-mileage vehicles that must be retired from its fleet. According to the General Accounting Office, the language of section 211(d) of the Federal Property and Administrative Services Act of 1949 does not permit the recovery of vehicle replacement cost through charges to customer agencies.

In any given year, GSA should replace about one-sixth of its fleet. Since depreciation charges to using agencies must be based solely on original acquisition cost, GSA has not been able to obtain sufficient funds to replace vehicles in a normal cycle. This inability to keep pace with inflation and other increased costs has forced GSA to retain high maintenance, less fuel-efficient, older vehicles in the fleet. GSA recognizes this is contrary to good business practices but has no alternative now.

The new bill would remedy the technical insufficiency of section 211(d). It would authorize the Administrator of General Services to recover, so far as practicable, all elements of costs, including increments for the estimated replacement cost of vehicles to Federal agencies. Another technical change would permit retention as part of the capital of the General Supply Fund increments for the estimated replacement cost of vehicles, equipment, and supplies.

Mr. Speaker, I hope that it will be possible to move expeditiously with this much-needed legislation.●

MISLEADING REPORTS OF CONTRASTS IN AMERICAN AND SOVIET PRIORITIES

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, a report published by the U.S. Arms Control and Disarmament Agency (ACDA) has published comparative figures for 1976. These figures would indicate that the Soviet Union spends more on the military and less on public spending that does the United States. If one compares the actual data, it can be seen that the contrary is true.

These seeming contrasts in American and Soviet priorities are grossly misleading, since the figures are derived by means of a double standard of calculation. Soviet military spending is calculated directly in dollars at the prices that the United States, using American costs, would have to pay for the estimated Soviet military effort. In addition, the Soviet military effort is somewhat magnified by adding to military manpower the number of personnel in internal security and border guards, which do not have the equivalent missions of U.S. servicemen.

Public health expenditure in the Soviet Union, on the other hand, is taken from Soviet-reported ruble figures on budgetary and nonbudgetary public health outlays, which are converted into dollars at the official ruble-dollar exchange rate. No attempt has been made, as in military outlays, to price Soviet health spending at American costs. If this were done the dollar value of Soviet health spending would be astronomical and quite embarrassing because of the very high salary level of American physicians and steep hospital costs.

Let us look at the data base for Soviet public health spending (which includes nearly all health spending, as there is virtually no private health spending). In 1976 the number of physicians and dentists in the Soviet Union was nearly double that in the United States (864,600 to 479,033). This comparison excludes approximately 600,000 Soviet medics with partial medical training. The number of nurses in the Soviet Union was about 1,300,000 as compared to 1,000,000 in the U.S. hospital capacity (as measured by number of hospital beds) was also greater in the Soviet Union (3,076,000 beds to 1,466,000). It is clear that if health outlays were priced under the same principle as military spending Soviet health spending would zoom into the stratophere. Imagine the effect alone of attributing American doctors' salaries to Soviet doctors.

Consequently, the ACDA figures, as they are presented, constitute a public deception misrepresenting the order of priorities in the Soviet Union and contributing to a perception of exaggerated Soviet military extravagance. The double standard of cost calculation also contributes to greater ease in securing defense appropriations in this country. Therefore, the public, or at least the Con-

gress, should be aware of the official dichotomy in calculating comparative defense and public health spending.●

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, I was unable to take part in two rollcall votes on Wednesday, July 19 and Monday, July 24, 1978. Had I been present, I would have voted as follows:

Rollcall No. 568, H.R. 11983, "yea";
Rollcall No. 588, H.J. Res. 946, yea." ●

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, I was unable to take part in two rollcall votes on Thursday, July 27 and Friday July 28, 1978. Had I been present, I would have voted as follows:

Rollcall No. 606, S. Con. Res. 98, "yea";

"Rollcall No. 617, Butler amendment to H.R. 12432, "no." ●

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, I was unable to take part in four rollcall votes on Thursday, August 3 and Friday, August 4, 1978. Had I been present, I would have voted as follows:

Rollcall No. 646, Harkin amendment, "yea";

Rollcall No. 647, COWH, H.R. 12931, "yea";

Rollcall No. 648, Harkin amendment, "yea";

Rollcall No. 649, H. Res. 1291, "yea." ●

THE DOUBLE-EDGED SWORD OF HUMAN RIGHTS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, if last week's debate on the foreign aid appropriations bill proves anything, it is that the problem of dealing with human rights violations in other countries is an extremely difficult one, with repercussions that go way beyond the specific issues themselves. However, I believe that certain perspectives are beginning to emerge.

First, it seems to me that while it is desirable for the Congress and the President to have as our aim the advancement of basic human rights wherever possible and to define what we believe those rights to be, we cannot adopt a rigid line applicable to all countries and all situations. Each country and each situation must be approached in its own context as well as in the overall context.

Second, our actions must take into account our ability to effect improvements and, particularly, whether the action will likely be productive or counterproductive in advancing the rights of the people we seek to help.

Third, we must decide which of the various options and forums available to us are most suitable for achieving the particular human rights goals that the situation calls for.

Fourth, and probably most important from the standpoint of our national interest, we must consider the effect of any such action on our global interest in the defense of freedom and the evolution of a more peaceful and humane world. It would be tragic, for example, if unilateral actions to advance human rights or to protest violations went so far as to destroy or cripple the institutions of international cooperation that we have helped create to protect freedom and peace and improve the tragic living conditions of so many of the world's people.

Obviously, there will continue to be differences within the Congress and the administration as to how to apply such considerations in particular cases. In the hope, however, of promoting a more realistic and workable consensus, I would like to call attention to an article in the Washington Post for Wednesday, August 3, by Mr. Townsend Hoopes, who served as Under Secretary of the Air Force in 1967 and 1968. His comments, while frankly critical, are also constructive.

Mr. Hoopes commences by observing that the arrest and conviction of certain Soviet dissidents and the resulting aggravation of tension in United States-Soviet relations appears to be "attributable mainly to the naive, unwise overreaching of the Carter administration's human rights policy toward the Soviet Union." He observes that, in the context of détente, the Soviet leadership had already accepted a certain level of unsettling Western influences, even where these led to some gradual opening up of their system. He states that—

> Such a process is indeed the hope and subtle tactic of Soviet moderates, who want to see a developing liberalization of their society, but who are profoundly aware that change must come slowly—and, above all, by indirection—if it is not to provoke crippling resistance . . . A direct attack on the system, coupling criticism with demands for swift and far-reaching change, is a formula guaranteed to produce a severe backlash of repression.

He adds that recognition of the fact that a human rights crusade against the Soviets is a dangerous double-edged sword does not mean giving up on human rights but rather requires "the making of selective efforts, preferably in multilateral forums, to place the Soviets on the moral defensive."

Finally, Hoopes urges a greater degree of self-discipline and a surer sense of the inherent limits to action in this area. In particular, he points out that we cannot approach the human rights problem in the Soviet Union as essentially an extension of the domestic civil rights problem in the United States and susceptible to solution by the same general tactics. I would add that it is, perhaps, the failure to recognize this type of distinction that led our distinguished former colleague, Ambassador Andrew Young, into the verbal trap of seeming to equate human rights problems in this country with those in the Soviet Union.

The same sort of failure to make appropriate distinctions has also led some of us into the similar trap of attempting to gloss over or excuse human rights violations by governments of countries with whom we have alliances or other close relations by arguing that, after all, human rights violations take place in the United States too. Recognizing the limitations on our ability to influence the internal policies of a nation to whom we are opposed does not require us to recognize the same limitations on our ability to influence human rights conduct in countries with whom we are allied or who are, in one way or another, supported by us either through direct economic or military support or extensive private investment. It is not only right, indeed it is essential to the preservation of our reputation, as a country that stands for freedom and human decency, that we insist that our friends and allies refrain from gross violations of human rights.

But that is not the only reason. We are also interested in the continued viability of the national governments with which we have alliances or other close ties. When we see governments, such as the government of the Shah of Iran or of Philippine President Marcos, slipping into the same sort of pattern of repression that undermined other former friendly governments—governments that collapsed in whole or in part because their people lost faith in them—then it is in our interest to warn them and to influence them to change direction. The fall of the Batista regime in Cuba and the Thieu regime in South Vietnam came about partly because many of the people of those countries were no longer able to see any significant difference between the conduct of those governments and their Communist foes.

Mr. Speaker, I offer the Townsend Hoopes' article for printing in the RECORD immediately following these remarks:

[From the Washington Post, Aug. 3, 1978]

THE DOUBLE-EDGED SWORD OF HUMAN RIGHTS

(By Townsend Hoopes)

It is difficult to escape the conclusion that the new aggravation of tension in U.S.-Soviet relations, brought about by the arrest and conviction of certain Soviet dissidents and "refuseniks," is attributable mainly to the naive, unwise overreaching of the Carter administration's human-rights policy toward the Soviet Union. Call the Kremlin leaders brutal, hypocritical and afraid of change they cannot control, and no objective observer will dispute the point; those are central facts in the equation.

But other central facts must also engage the attention of American statesmen concerned with the peace of the world and the maintenance of a stable manner of getting along with the other superpower. Among

them are the fact that the Soviet system is a working totalitarianism led by a convinced elite and tacitly supported by the majority of a population larger than our own; and that two products of Russian history—xenophobia and anti-Semitism—lie just beneath the surface, ready to be tapped and exploited for reasons of state.

In the context of détente, the Soviet leadership has accepted the infusion of a certain level of new and unsettling Western influences, even where these have led to gradual de facto openings in the system. Such a process is indeed the hope and subtle tactic of Soviet moderates, who want to see a developing liberalization of their society, but who are profoundly aware that change must come slowly—and, above all, by indirection—if it is not to provoke crippling resistance from the forces of patriotism and reaction. A direct attack on the system, coupling criticism with demands for swift and far-reaching change, is a formula guaranteed to produce a severe backlash of repression.

It now seems clear that both the scale and specificity of the Carter administration's assault on human rights failures in the Soviet Union brought Kremlin leaders to the conclusion, perhaps as early as a year ago, that Carter had not merely embarked upon an exercise in rhetoric—a broad, politically understandable restatement of fundamental American principles—but was in fact involved in actions aimed at shaking the Kremlin's grip on the country, at producing major changes in the Soviet power structure. Carter and the human-rights activists around him have steadfastly denied such an aim, and there is no reason to doubt their sincerity. But sincerity is no defense for a statesman who fails to grasp the realities and whose policies reap the whirlwind. The Carter initiatives in relation to the Soviet Union have been both dramatic and specific, and they have repeatedly engaged the personal prestige of the president of the United States in what The Washington Post has accurately called "Jimmy Carter's campaign to interfere in Soviet internal affairs in the name of human rights."

This has had at least three significant results, all unfortunate: First, it has given high visibility and false hope to a handful of remarkably brave but largely unrepresentative dissidents in the Soviet Union.

Second, it has brought the Kremlin leadership to the conclusion (whether or not justified) that it faces a serious internal threat and thence to a blunt determination to silence the dissidents and cut their links with the American press.

Third, the Soviet reaction has played directly into the hands of the hyperthyroid anti-communist fulminators on the American right who yearn to scuttle a new SALT agreement, a further nuclear test ban, wider trade relations or, indeed, any steps toward a broader and stabler accommodation with the Soviet Union.

This kind of analysis implies no sympathy for the Soviet leaders. Their response to dissent has been morally ugly, but they have acted predictably, on their own cold assessment of the power factors. One can better appreciate their viewpoint if one imagines the American reaction (official and popular) if Chairman Leonid Brezhnev were writing public letters of encouragement to the Weathermen or the Symbionese Liberation Army.

As others have pointed out, such analogies are imprecise; the Russian dissidents have not engaged in violent acts against the Soviet government. But the central point is relevant: The estranged groups in both countries are regarded by the dominant order as advancing unacceptable revolutionary aims by unacceptable means, and the dominant order has moved to defend itself. Seeing an immediate threat, the Soviet leaders have given first priority to its removal, accepting what ever may be the attendant risks for U.S.-Soviet relations.

Even as they acted harshly, however, they have given evidence of a conscious effort to limit the diplomatic damage. David Shipler, The New York Times's correspondent in Moscow, though the Scharansky case "a sharply focused attack" on Jewish activists, a warning against further attempts to use the American press as a lever to alter Soviet policy, yet also a signal that the Kremlin wants to avoid the extremes of either anti-Americanism or anti-Semitism.

On balance, nothing irrevocable has yet happened. The present sour state of U.S.-Soviet relations can be at least partially restored if Carter is able to instill more realism into his own thinking about the problem, to recognize at last that a human-rights crusade against the Soviet Union is a dangerous double-edged sword. That does not mean giving up the raising of human-rights questions in the context of détente—the making of selective efforts, preferably in multilateral forums, to place the Soviets on the moral defensive. It does mean that the president must exercise greater self-discipline and must achieve a surer sense of the inherent limits.

He must also take stronger action to restrain those in the administration who seem to see the human-rights problem in the Soviet Union as essentially an extension of the domestic civil-rights problem in the United States and susceptible to solution by the same general tactics. To understate the case, that is a misleading and perilous analogy.

HIS HOLINESS, POPE PAUL VI

(Mr. O'NEILL (at the request of Mr. GARCIA) asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. O'NEILL. Mr. Speaker, the world has lost a great leader and inspirational force with the passing of Pope Paul VI. Pope Paul inherited a Catholic Church in a transitional period and met that challenge with a sense of stability that marked him as a great man.

He impressed us all as a patient man who was willing to speak out when the times called for it. He had the courage that all of us in public life envy. He was truly a man we could look up to and be happy that he was in a position of great influence.

Above all, he was a man of peace, deeply committed to a world where every man and woman could enjoy human rights without fear of repression.

We all mourn his death. We all know that the world is a better place for his having passed our way.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PEPPER (at the request of Mr. WRIGHT), for until 3 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONABLE, for 15 minutes, today.

(The following Members (at the request of Mr. CORCORAN of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 10 minutes, today.
Mr. GOLDWATER, for 5 minutes, today.
Mr. ABDNOR, for 15 minutes, today.

(The following Members (at the request of Mr. GARCIA) to revise and extend their remarks and include extraneous material:)

Mr. GEPHARDT, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. MOAKLEY, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. WHITE, for 5 minutes, today.
Mr. DENT, for 5 minutes, today.
Mr. GIAIMO, for 5 minutes, today.
Mr. OTTINGER, for 15 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. WAXMAN, for 10 minutes, today.
Mr. JOHN L. BURTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. TREEN, and to include extraneous matter during consideration of H.R. 7161 on the Consent Calendar today.

Mr. EDWARDS of Alabama, and to include extraneous matter in connection with remarks during general debate today.

(The following Members (at the request of Mr. CORCORAN), and to include extraneous matter:)

Mr. GRASSLEY.
Mr. DERWINSKI in two instances.
Mr. ANDERSON of Illinois in two instances.
Mr. BOB WILSON in three instances.
Mr. ARCHER.
Mr. WHITEHURST.
Mr. WHALEN.
Mr. STEIGER in two instances.
Mr. KEMP in four instances.
Mr. DORNAN in two instances.
Mr. GILMAN.
Mr. RUDD.
Mr. FRENZEL in three instances.

The following Members (at the request of Mr. GARCIA), and to include extraneous matter:

Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. WOLFF in two instances.
Mr. PATTISON of New York.
Mr. PEASE.
Mr. EDWARDS of California.
Mr. PICKLE in 10 instances.
Mr. MAZZOLI.
Mr. SOLARZ in two instances.
Mr. BONIOR.
Mr. MITCHELL of Maryland.
Mr. MOTTL.
Mr. WAXMAN in six instances.
Mr. DOWNEY.
Mr. CONYERS.
Mr. RODINO.
Mr. MCDONALD in four instances.
Mr. HANLEY.
Mr. FORD of Michigan.
Mr. RANGEL.
Mr. WHITE.

Mr. FARY.
Mr. EILBERG.
Mr. JOHN L. BURTON.
Mr. BRECKINRIDGE.
Mr. OBERSTAR.
Mr. WEISS.
Mrs. LLOYD of Tennessee.
Mr. LEVITAS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3120. An act to enhance the flexibility of contractual authority of the Temporary Commission on Financial Oversight of the District of Columbia; to the committee on the District of Columbia.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 8336. An act to authorize the establishment of the Chattahoochee River National Recreation Area in the State of Georgia, and for other purposes; and

H.R. 10929. An act to authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on August 4, 1978, present to the President, for his approval, a bill of the House of the following title:

H.R. 7581. To amend the Internal Revenue Code of 1954 with respect to the treatment of mutual or cooperative telephone company income from nonmember telephone companies, and for other purposes.

ADJOURNMENT

Mr. GARCIA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 8 minutes p.m.), the House adjourned until tomorrow, Tuesday, August 8, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4715. A letter from the Comptroller General of the United States, transmitting his review of the rescission of budget authority contained in the message from the President dated July 20, 1978 (H. Doc. No. 95-370), pursuant to section 1014(b) of Public Law 93-344 (H. Doc. No. 95-373); to the Committee on Appropriations and ordered to be printed.

4716. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the Navy's intention to donate certain surplus property to the Admiral Nimitz Center, Fredericksburg, Tex., pursuant to 10 U.S.C. 7545, to the Committee on Armed Services.

4717. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-241, "To provide for the licensing by the District of Columbia of the business of selling, issuing or delivering checks, drafts and money orders as a service or for a fee or other consideration in the District of Columbia, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4718. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-242, "To eliminate harassment and unfair practices in consumer layaway plans, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4719. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-243, "To provide that federally assisted housing make payments in lieu of real property taxes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

4720. A letter from the Secretary of the Treasury, transmitting the ninth quarterly report on antirecession fiscal assistance to State and local governments, pursuant to section 213 of the Public Works Employment Act of 1976, as amended; to the Committee on Government Operations.

4721. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of proposed modifications in three existing records systems, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations.

4722. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

4723. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

4724. A letter from the Comptroller General of the United States, transmitting a report on implementation of home weatherization programs for the poor (HRD-78-149, August 2, 1978); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

4725. A letter from the Comptroller General of the United States, transmitting a report on the need for a second launch site for the space shuttle (PSAD-78-57, August 4, 1978); jointly, to the Committees on Government Operations, and Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DANIELSON: Committee on the Judiciary. H.R. 12393. A bill to provide for nationwide service of subpenas in all suits involving the False Claims Act, and for other purposes (Rept. No. 95-1447). Referred to the Committee of the Whole House on the State of the Union.

Mr. NEDZI: Committee of conference. Conference report on H.R. 12602 (Rept. No. 95-1448). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FISH: Committee on the Judiciary. H.R. 2939. A bill for the relief of Derrick Tan; with amendment (Rept. No. 95-1446). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 13752. A bill to provide assistance to rural water systems in achieving compliance with title XIV of the Public Health Service Act, and for other purposes; jointly, to the Committee on Agriculture, and Interstate and Foreign Commerce.

By Mr. ASHBROOK:

H.R. 13753. A bill to provide for an advisory referendum with respect to a balanced Federal budget; to the Committee on Government Operations.

By Mr. PHILLIP BURTON (for himself, Mr. MEEDS, Mr. TSONGAS, Mr. SYMMS, Mr. OTTINGER, Mr. ASHLEY, Mr. DANIELSON, Mr. NIX, Mr. FASCELL, Mr. WINN, Mr. GILMAN, Mr. LLOYD of California, Mr. FORD of Michigan, Mr. STARK, Mr. PEASE, Mr. PRITCHARD, Mr. QUILLEN, Mr. BONKER, Mr. HOLLAND, Mr. LEDERER, Mr. MCFALL, Mr. VAN DEERLIN, Mr. BEARD of Rhode Island, Mr. MCHUGH, and Mr. MOSS):

H.R. 13754. A bill to provide that the Territory of American Samoa be represented by a nonvoting Delegate to the U.S. House of Representatives, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CARNEY (for himself, Mr. MCCORMACK, Mr. GUYER, Mr. YOUNG of Missouri, Mr. RYAN, Mr. CORNWELL, Mr. CHARLES WILSON of Texas, Mr. FORD of Michigan, Mr. O'BRIEN, Mr. PATTERSON of California, Mr. SANTINI, Mr. BOB WILSON, and Mr. HILLIS):

H.R. 13755. A bill to promote steel trade negotiations under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. DERWINSKI (for himself, Mr. UDALL, and Mr. MCDONALD):

H.R. 13756. A bill to authorize the construction and maintenance of the Gen. Draza Mihailovich Monument in Washington, D.C., in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on House Administration.

By Mr. DRINAN (for himself, Mr. BRECKINRIDGE, Mr. FLOOD, Mr. HEFTEL, Mr. ROE, Mr. STARK, and Mr. YATRON):

H.R. 13757. A bill to provide additional assistance to small business concerns in acquiring procurement information and contracts from the United States; to the Committee on Small Business.

By Mr. LEDERER:

H.R. 13758. A bill to amend the Internal Revenue Code of 1954 to provide the same

treatment, with respect to determination of sources of income, for interest paid by foreign branches of domestic banks and interest paid by foreign branches of domestic savings and loan institutions; to the Committee on Ways and Means.

By Mr. MAGUIRE (for himself, Mr. MITCHELL of Maryland, Mr. RODINO, Mr. ANDERSON of California, Mr. DOWNEY, Mr. BONIOR, Mr. PATTISON of New York, Mr. OTTINGER, Mr. MURPHY of Pennsylvania, Mr. PATTEN, Mr. RICHMOND, Mr. PRICE, Mr. STEERS, Ms. HOLTZMAN, Mr. TSONGAS, Mr. ROYBAL, Mr. PATTERSON of California, Mr. SCHEUER, and Ms. SCHROEDER):

H.R. 13759. A bill to provide Federal assistance for State programs which provide payments on behalf of senior citizen homeowners for the purpose of paying real property tax; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MICHEL (for himself, Mr. BEDELL, Mr. BOWEN, Mr. CONTE, Mr. EVANS of Delaware, Mr. GIAIMO, Mr. GINN, Mr. GOLDWATER, Mr. KASTEN, Mr. LAFALCE, Mr. LOTT, Mr. MCHUGH, Mr. MURPHY of Illinois, Mr. NOLAN, Mr. NOWAK, Mr. THOMPSON, and Mr. RAILSBACK):

H.R. 13760. A bill to promote and coordinate amateur athletic activity in the United States, to recognize certain rights for U.S. amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes; to the Committee on the Judiciary.

By Mr. MOTTL (for himself, Mr. DORNAN, Mr. EDGAR, Mr. GUYER, Mr. MADIGAN, and Mr. PATTERSON of California):

H.R. 13761. A bill to reduce the amount of paperwork required by Federal agencies and to increase congressional awareness of the increase in paperwork required by bills and joint resolutions under consideration by Congress; jointly, to the Committees on Government Operations, and Rules.

By Mr. ROBERTS (for himself, Mr. SATTERFIELD, Mr. EDWARDS of California, Mr. MONTGOMERY, Mr. CARNEY, Mr. DANIELSON, Mr. WOLFF, Mr. BRINKLEY, Mr. MOTTL, Mr. CORNELL, Mr. HEFNER, Mr. HANNAFORD, Mr. BEARD of Rhode Island, Mr. EDGAR, Mr. APPLEGATE, Mr. BARNARD, Mr. HAMMERSCHMIDT, Mrs. HECKLER, Mr. WYLIE, Mr. HILLIS, Mr. ABDNOR, Mr. WALSH, Mr. GUYER, Mr. HANSEN, and Mr. SAWYER):

H.R. 13762. A bill to designate the Veterans' Administration Center located at 1901 South First Street, Temple, Tex., as the "Olin E. Teague Veterans' Center"; to the Committee on Veterans' Affairs.

By Mr. SMITH of Iowa (for himself, Mr. PICKLE, Mr. CORMAN, Mr. CONTE, Mr. DON H. CLAUSEN, Mr. CORNWELL, Mr. HEFNER, Mr. HUBBARD, Mr. HUGHES, Mr. LENT, Mr. RAILSBACK, Mr. ROE, Mr. SPENCE, Mr. STUMP, and Mr. VOLKMER):

H.R. 13763. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to small businesses by establishing a graduated income tax rate for corporations; to the Committee on Ways and Means.

By Mr. WHALEN (for himself and Mr. GREEN):

H.R. 13764. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

By Mr. BROYHILL (for himself and Mr. OTTINGER):

H.R. 13765. A bill to amend the Securities Act of 1933 and the Investment Company Act of 1940 to encourage investment in small business concerns; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHN L. BURTON (for himself, Mr. WHITEHURST, Mr. RANGEL, Mr. EDWARDS of California, Mr. RUPPE, Mr. KINDNESS, Mr. BOB WILSON, Mr. LEHMAN, Mr. RODINO, Mr. GUYER, Mr. OBERSTAR, Mr. DELLUMS, Mr. FISH, and Ms. HOLTZMAN):

H.R. 13766. A bill to amend chapter 55 of title 10 of the United States Code to qualify certain former spouses of members of the uniformed services for medical and dental benefits, and for other purposes; to the Committee on Armed Services.

By Mr. JOHN L. BURTON (for himself, Mr. BROOKS, Mr. HORTON, Mr. WALKER, and Mr. STANGELAND):

H.R. 13767. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the recovery of replacement cost of motor vehicles and other related equipment and supplies; to the Committee on Government Operations.

By Mr. KEMP (for himself, Mr. HUBBARD, and Mr. MCDONALD):

H.R. 13768. A bill to amend the Internal Revenue Code of 1954 to provide for permanent tax reductions for individuals and businesses; to the Committee on Ways and Means.

By Mr. KEMP:

H.R. 13769. A bill to amend the Internal Revenue Code of 1954 to provide for permanent tax rate reductions for individuals; to the Committee on Ways and Means.

By Mr. LAGOMARSINO:

H.R. 13770. A bill to provide survivors' annuities under chapter 83 of title 5, United States Code to the surviving spouses of annuitants who were unmarried at the time of retiring but who later remarried and died before January 8, 1971; to the Committee on Post Office and Civil Service.

By Mr. PICKLE (for himself, Mr. BURLESON of Texas, and Mr. ARCHER):

H.R. 13771. A bill to provide for the deferral of proposed Arbitrage Bond Regulations; to the Committee on Ways and Means.

By Mr. ROE:

H.R. 13772. A bill to strengthen the Labor Department's ability to combat fraud and abuse in the Comprehensive Employment and Training Act (CETA) program; to the Committee on Education and Labor.

By Mr. ROSE:

H.R. 13773. A bill to establish an administrative procedure and guidelines to be followed by the Department of the Interior in its decision to acknowledge the existence of certain Indian tribes; to the Committee on Interior and Insular Affairs.

By Mr. FINDLEY (for himself, Mr. BUCHANAN, Mr. COLEMAN, Mr. DAVIS, Mr. DE LUGO, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. HANSEN, Mr. HOWARD, Mr. LAGOMARSINO, Mr. PATTERSON of California, Mr. RAHALL, Mr. SARASIN, and Mr. WALKER):

H.J. Res. 1106. Joint resolution authorizing the President to proclaim the month of November 1978, as "National REACT Month"; to the Committee on Post Office and Civil Service.

By Mr. WRIGHT (for himself, Mr. RHODES, Mr. ROSENTHAL, and Mr. VANDER JAGT):

H.J. Res. 1107. Joint resolution designating April 27, 28, and 29, of 1979, as "Days of Remembrance of Victims of the Holocaust"; to the Committee on Post Office and Civil Service.

By Mr. DERWINSKI (for himself, Mr. BURKE of Florida, Mr. DINGELL, Mr. DODD, Mr. FISH, and Mr. HUGHES):

H. Con. Res. 680. Concurrent resolution relating to the occupation of Czechoslovakia by Soviet troops; to the Committee on International Relations.

By Mr. RINALDO:

H. Con. Res. 681. Concurrent resolution expressing the sense of the Congress that the President should take such actions as are necessary to obtain the repayment by the Soviet Union in gold bars of the remainder of its World War II debt to the United States; to the Committee on International Relations.

By Mr. THOMPSON:

H. Res. 1297. Resolution to provide for the orderly shipment of official records and papers of Members of the House of Representatives; to the Committee on House Administration.

By Mr. STUDDS:

H. Res. 1298. Resolution to commend the Azorean Communities Congress; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

463. By the SPEAKER: Memorial of the Legislature of the State of Arizona, relative to construction of the Orme Dam; to the Committee on Interior and Insular Affairs.

464. Also, memorial of the Legislature of the State of Arizona, relative to management of wild burros and free-roaming horses on public lands; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 13774. A bill for the relief of Nyoman Rahmawati; to the Committee on the Judiciary.

By Mr. BENJAMIN:

H.R. 13775. A bill for the relief of Otilio Rigoberto Murrillo Gutierrez; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 13776. A bill for the relief of Tai Soon Ree; to the Committee on the Judiciary.

H.R. 13777. A bill for the relief of Marie Georgette Claire Danielle Bouchard Bihr; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7308

By Mr. McCLORY:

—Page 30, strike out line 7 and all that follows down through page 64, line 25, and insert in lieu thereof the following:

TITLE I—ELECTRONIC SURVEILLANCE WITHIN THE UNITED STATES FOR FOREIGN INTELLIGENCE PURPOSES

DEFINITIONS

SEC. 101. As used in this title:

(a) "Foreign power" means—

(1) a foreign government or any component thereof, whether or not recognized by the United States;

(2) a faction of a foreign nation or nations, not substantially composed of United States persons;

(3) an entity that is openly acknowledged by a foreign government or governments to be directed and controlled by such foreign government or governments;

(4) a group engaged in international terrorism or activities in preparation therefor;

(5) a foreign-based political organization,

not substantially composed of United States persons; or

(6) an entity that is directed and controlled by a foreign government or governments.

Such term shall not apply to any United States person solely upon the basis of activities protected by the first amendment of the Constitution.

(b) "Agent of a foreign power" means—

(1) any person other than a United States person who—

(A) acts in the United States as an officer, member, or employee of a foreign power; or

(B) acts for or on behalf of a foreign power which engages in clandestine intelligence activities in the United States contrary to the foreign policy or security interests of the United States, when the circumstances of such person's presence in the United States indicate that such person may engage in such activities in the United States, or when such person knowingly aids or abets any person in the conduct of such activities or knowingly conspires with any person to engage in such activities; or

(2) any person who—

(A) knowingly engages in clandestine intelligence activities for or on behalf of a foreign power under circumstances which indicate that such activities are contrary to the foreign policy or security interests of the United States;

(B) knowingly engages in sabotage or international terrorism, or activities that are in preparation therefor, for or on behalf of a foreign power; or

(C) conspires with or knowingly aids or abets any person engaged in any activity described in subparagraph (A) or (B).

Such term shall not apply to any United States person solely upon the basis of activities protected by the first amendment of the Constitution.

(c) "International terrorism" means activities that—

(1) involve violent acts or acts dangerous to human life that are or may be a violation of the criminal laws of the United States or of any State, or that might involve a criminal violation if committed within the jurisdiction of the United States or any State;

(2) appear to be intended—

(A) to intimidate or coerce a civilian population;

(B) to influence the policy of a government by intimidation or coercion; or

(C) to affect the conduct of a government by assassination or kidnapping; and

(3) occur totally outside the United States, or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to coerce or intimidate, or the locale in which their perpetrators operate or seek asylum.

(d) "Sabotage" means activities that involve or may involve a violation of chapter 105 of title 18, United States Code, or that might involve such a violation if committed against the United States.

(e) "Foreign intelligence information" means—

(1) information that relates to and, if concerning a United States person, is necessary to the ability of the United States to protect against—

(A) actual or potential attack or other grave hostile acts of a foreign power or an agent of a foreign power;

(B) sabotage or international terrorism by a foreign power on an agent of a foreign power; or

(C) clandestine intelligence activities by an intelligence service or network of a foreign power or by an agent of a foreign power; or

(2) information with respect to a foreign power or foreign territory that relates to and, if concerning a United States person, is necessary to—

(A) the national defense or the security of the United States; or

(B) the conduct of the foreign affairs of the United States.

(f) "Electronic surveillance" means—

(1) the acquisition by an electronic, mechanical, or other surveillance device of the contents of any wire or radio communication sent by or intended to be received by a particular, known United States person who is in the United States, if the contents are acquired by intentionally targeting that United States person, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes;

(2) the acquisition by an electronic mechanical, or other surveillance device of the contents of any wire communication to or from a person in the United States, without the consent of any party thereto;

(3) the intentional acquisition, by an electronic, mechanical, or other surveillance device, of the contents of any radio communication, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, and if both the sender and all intended recipients are located within the United States; or

(4) the installation or use of an electronic, mechanical, or other surveillance device in the United States for monitoring to acquire information, other than from a wire or radio communication, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes.

(g) "Minimization procedures", with respect to a particular electronic surveillance, means specific procedures, reasonably designed in light of the purpose and technique of the surveillance, to minimize the acquisition, retention, and dissemination of nonpublicly available information concerning unconsenting United States citizens consistent with the need of the United States to obtain, produce, and disseminate foreign intelligence information. To achieve such minimization, the Attorney General shall adopt procedures which shall include, where appropriate—

(1) provisions for the destruction of unnecessary information acquired through the surveillance;

(2) provisions with respect to what information may be filed and on what basis, what information may be retrieved and on what basis, and what information may be disseminated, to whom, and on what basis;

(3) provisions for the deletion of the identity of any United States citizen acquired through the surveillance if such identity is not necessary to assess the importance of or to understand the information;

(4) provisions relating to the proper authority in particular cases to approve the retention or dissemination of the identity of any United States citizen acquired through the surveillance;

(5) provisions relating to internal review of the minimization process; and

(6) provisions relating to adequate accounting of information concerning United States citizens that is used or disseminated.

In addition, the procedures shall include provisions that require that nonpublicly available information that is not foreign intelligence information, as defined in subsection (e)(1), shall not be disseminated in a manner which identifies any individual United States citizen, without such person's consent, unless such person's identity is necessary to understand foreign intelligence information or to assess its importance; and shall allow for the retention and dissemination of information that is evidence of a crime that has been, is being, or is about to be committed and that is to be retained or disseminated for the purpose of preventing the crime or of enforcing the criminal law.

(h) "United States person" means a citizen of the United States, an alien lawfully admitted for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act), an unincorporated association a substantial number of members of which are citizens of the United States or aliens lawfully admitted for permanent residence, or a corporation which is incorporated in the United States, but does not include a corporation or an association which is a foreign power, as defined in subsection (a)(1), (2), or (3).

(i) "United States", when used in a geographic sense, means all areas under the territorial sovereignty of the United States and the Trust Territory of the Pacific Islands.

(j) "Aggrieved person" means a person who is the target of an electronic surveillance or any other person whose communications or activities were subject to electronic surveillance.

(k) "Wire communication" means any communication while it is being carried by a wire, cable, or other like connection furnished or operated by any person engaged as a common carrier in providing or operating such facilities for the transmission of interstate or foreign communications.

(l) "Person" means any individual, including any officer or employee of the Federal Government, or any group, entity, association, corporation, or foreign power.

(m) "Contents", when used with respect to a communication, includes any information concerning the identity of the parties to such communication or the existence, substance, purport, or meaning of that communication.

(n) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF ELECTRONIC SURVEILLANCE TO OBTAIN FOREIGN INTELLIGENCE INFORMATION

SEC. 102. (a) Electronic surveillance of a foreign power or an agent of a foreign power for the purpose of obtaining foreign intelligence information may be authorized by the issuance of a surveillance certificate in accordance with subsection (h). If the target of the electronic surveillance is a United States citizen, the issuance of a certificate under oath and signed by the President stating that such electronic surveillance would be in accordance with the criteria and requirements of this title shall also be required.

(b) Electronic surveillance authorized under subsection (a) may only be performed according to the terms of a surveillance certificate issued in accordance with subsection (h).

(c) Electronic surveillance may be authorized under this section for the period necessary to achieve its purpose, except that—

(1) if the target of the surveillance is not a foreign power, the period of the surveillance may not exceed ninety days; and

(2) if the target of the surveillance is a foreign power, the period of the surveillance may not exceed one year.

(d) An electronic surveillance authorized under this section may be reauthorized in the same manner as an original authorization, but all statements required to be made under subsection (h) for the initial issuance of a surveillance certificate shall be based on new findings.

(e)(1) Notwithstanding any other provision of this title, if the Attorney General or Deputy Attorney General determines that—

(A) an emergency situation exists with respect to the employement of electronic surveillance to obtain foreign intelligence

information before the requirements of subsection (a) can be followed; and

(B) the factual bases exist for the issuance of a surveillance certificate under subsection (h) to approve such surveillance, the Attorney General or Deputy Attorney General, as the case may be, may authorize the emergency employment of electronic surveillance if, as soon as is practicable, but not more than forty-eight hours after the Attorney General or Deputy Attorney General authorizes such surveillance, the requirements of subsection (a) are met as they would have been.

(2) If the target is a United States citizen, the Attorney General or Deputy Attorney General shall notify the President at the time of such authorization that the decision has been made to employ emergency electronic surveillance.

(3) If the Attorney General or Deputy Attorney General authorizes such emergency employment of electronic surveillance, he shall require that the minimization procedures required by this title be followed.

(4) If electronic surveillance is authorized under this subsection, it shall terminate when the information sought is obtained or after the expiration of forty-eight hours from the time of authorization, whichever is earliest. In the event that the requirements of subsection (a) are not met, all information obtained or evidence derived from electronic surveillance authorized under this subsection shall be destroyed within forty-eight hours of such determination, except that a record of the facts surrounding the Attorney General's or Deputy Attorney General's authorization and the failure to meet the requirements of subsection (a) shall be made and preserved with all other records which under this title are required to be retained.

(f) Notwithstanding any other provision of this title, officers, employees, or agents of the United States are authorized in the normal course of their official duties to conduct electronic surveillance not targeted against the communications of any particular person or persons, under procedures approved by the Attorney General, solely to—

(1) test the capability of electronic equipment, if—

(A) it is not reasonable to obtain the consent of persons incidentally subjected to the surveillance;

(B) the test is limited in extent and duration to that necessary to determine the capability of the equipment; and

(C) the contents of any communication acquired are retained and used only for the purpose of determining the capability of the equipment, are disclosed only to test personnel, and are destroyed before or immediately upon completion of the test;

(2) determine the existence and capability of electronic surveillance equipment being used by persons not authorized to conduct electronic surveillance, if—

(A) it is not reasonable to obtain the consent of persons incidentally subjected to the surveillance;

(B) such electronic surveillance is limited in extent and duration to that necessary to determine the existence and capability of such equipment; and

(C) any information acquired by such surveillance is used only to enforce chapter 119 of title 18, United States Code, or section 605 of the Communications Act of 1934, or to protect information from unauthorized surveillance; or

(3) train intelligence personnel in the use of electronic surveillance equipment, if—

(A) it is not reasonable to—

(i) obtain the consent of the persons incidentally subjected to the surveillance;

(ii) train persons in the course of surveillance otherwise authorized by this title; or

(iii) train persons in the use of such equipment without engaging in electronic surveillance;

(B) such electronic surveillance is limited in extent and duration to that necessary to train the personnel in the use of the equipment; and

(C) no contents of any communication acquired are retained or disseminated for any purpose, but are destroyed as soon as reasonably possible.

(g) (1) Upon the issuance of a surveillance certificate under this section, the Attorney General may direct a specified communication or other common carrier, or a landlord, custodian or other specified person, to—

(A) furnish any information, facility, or technical assistance necessary to accomplish the electronic surveillance in such a manner as will protect the secrecy of such surveillance and will produce a minimum of interference with the services that such common carrier or person provides its customers; and

(B) maintain any records concerning such surveillance or the assistance furnished by such common carrier or person that such common carrier or person wishes to retain under security procedures approved by the Attorney General and the Director of Central Intelligence.

(2) Any direction by the Attorney General under paragraph (1) shall be in writing.

(3) The Government shall compensate any common carrier, landlord, custodian, or other specified person at the prevailing rate for assistance furnished pursuant to a direction under paragraph (1).

(4) Any individual may, for reasons of conscience, refuse to comply with a direction from the Attorney General under paragraph (1).

(h) A surveillance certificate issued under subsection (a) shall be issued in writing and under oath by the Attorney General and an executive branch official or officials designated by the President from among those officials employed in the area of national security or national defense who were appointed by the President by and with the advice and consent of the Senate, and shall include—

(1) a statement—

(A) identifying or describing the target of the electronic surveillance, including a certification of whether or not the target is a United States citizen;

(B) certifying that the target of the surveillance is a foreign power or an agent of a foreign power; and

(C) certifying that each of the facilities or places at which the surveillance is directed is being or may be used by a foreign power or an agent of a foreign power;

(2) a statement of the basis for the certification under paragraph (1) that—

(A) the target of the surveillance is or is not a United States citizen;

(B) the target of the surveillance is a foreign power or an agent of a foreign power; and

(C) each of the facilities or places at which the surveillance is directed is being used or may be used by a foreign power or an agent of a foreign power;

(3) a statement of the proposed minimization procedures;

(4) a statement that the information sought is foreign intelligence information;

(5) a statement that the purpose of the surveillance is to obtain foreign intelligence information;

(6) if the target of the surveillance is a United States person, a statement that the information sought cannot reasonably be obtained by normal investigation techniques;

(7) if the target of the surveillance is not a foreign power, a statement of the basis for the certification under paragraph (4) that the information sought is foreign intelligence information;

(8) a statement of the period of time for which the surveillance is required to be maintained;

(9) a statement of the means by which the surveillance will be effected;

(10) if the nature of the intelligence gathering is such that the approval of an electronic surveillance under subsection (b) should not automatically terminate when the described type of information has first been obtained, a statement of the facts indicating that additional information of the same type will be obtained thereafter;

(11) a statement indicating whether or not an emergency authorization was made under subsection (e); and

(12) if more than one electronic, mechanical, or other surveillance device is to be involved with respect to such surveillance, a statement specifying the types of devices involved, their coverage, and the minimization procedures that will apply to information acquired by each type of device.

USE OF INFORMATION

SEC. 103. (a) Information acquired from an electronic surveillance conducted pursuant to this title concerning any United States person may be used and disclosed by Federal officers and employees without the consent of the United States person only in accordance with the minimization procedures required by this title. No otherwise privileged communication obtained in accordance with, or in violation of, the provisions of this title shall lose its privileged character. No information acquired from an electronic surveillance pursuant to this title may be used or disclosed by Federal officers or employees except for lawful purposes.

(b) No information acquired pursuant to this title shall be disclosed for law enforcement purposes unless such disclosure is accompanied by a statement that such information, or any information derived therefrom, may only be used for or disclosed in any proceeding with the advance authorization of the Attorney General.

(c) Whenever the Government intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, against an aggrieved person, any information obtained or derived from an electronic surveillance of that aggrieved person pursuant to the authority of this title, the Government shall, prior to the trial, hearing, or other proceeding or at a reasonable time prior to an effort to so disclose or so use that information or submit it in evidence, notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the Government intends to so disclose or so use such information.

(d) Before any State or political subdivision thereof may enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of a State or a political subdivision thereof, against an aggrieved person any information obtained or derived from an electronic surveillance of that aggrieved person pursuant to the authority of this title, the State or political subdivision thereof must receive from the Attorney General an authorization to so use such information. Upon receiving such authorization, the State or political subdivision thereof shall notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the State or political subdivision thereof intends to so disclose or so use such information.

(e) Any person against whom evidence obtained or derived from an electronic surveillance to which he is an aggrieved per-

son is to be, or has been, introduced or otherwsie used or disclosed in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, a State, or a political subdivision thereof, may move to suppress the evidence obtained or derived from such electronic surveillance on the grounds that—

(1) the information was unlawfully acquired; or

(2) the surveillance was not made in conformity with an order of authorization or approval.

Such a motion shall be made before the trial, hearing, or other proceeding unless there was no opportunity to make such a motion or the person was not aware of the grounds of the motion.

(f) Whenever a court or other authority is notified pursuant to subsection (c) or (d), or whenever a motion is made pursuant to subsection (e) and the Government concedes that information obtained or derived from an electronic surveillance pursuant to the authority of this title as to which the moving party is an aggrieved person is to be, or has been, introduced or otherwise used or disclosed in any trial, hearing, or other proceeding, the Government may make a motion before the court, or if the case is before a court of a State or a subdivision thereof, then before the United States district court of the judicial district in which the case is pending, to determine the lawfulness of the electronic surveillance. Such motion shall stay any action in any court or authority to determine the lawfulness of the surveillance. In determining the lawfulness of the surveillance, the court shall, notwithstanding any other law, if the Attorney General files an affidavit under oath with the court that disclosure would harm the national security of the United States or compromise foreign intelligence sources and methods, review in camera the surveillance certificate and such other materials relating to the surveillance as may be necessary to determine whether the surveillance of the aggrieved person was lawfully authorized and conducted. In making such determination, the court may disclose to the aggrieved person, under appropriate security procedures and protective orders, portions of the application, order, or other materials if there is a reasonable question as to the legality of the surveillance and if disclosure would likely promote a more accurate determination of such legality.

(g) Except as provided in subsection (f), whenever any motion or request is made pursuant to any statute or rule of the United States or any State before any court or other authority of the United States or any State to discover or obtain surveillance certificates or other materials relating to surveillance pursuant to the authority of this title, or to discover, obtain, or suppress any information obtained from electronic surveillance pursuant to the authority of this title, and the court or other authority determines that the moving party is an aggrieved person, if the Attorney General files with the court of appeals of the circuit in which the case is pending an affidavit under oath that an adversary hearing would harm the national security or compromise foreign intelligence sources and methods and that no information obtained or derived from an electronic surveillance pursuant to the authority of this title has been or is about to be used by the Government in the case before the court or other authority, the court of appeals shall, notwithstanding any other law, stay the proceeding before the other court or authority and review in camera and ex parte the surveillance certificate and such other materials as may be necessary to determine whether the surveillance of the aggrieved person was lawfully authorized and conducted. In making this determination, the court of appeals shall disclose, under appropriate security procedures and protective orders, to the aggrieved person or his attorney, portions of the surveillance certificate or other materials relating to the surveillance only if necessary to afford due process to the aggrieved person.

(h) If the court pursuant to subsection (f) or the court of appeals pursuant to subsection (g) determines the surveillance was not lawfully authorized and conducted, it shall, in accordance with the requirements of the law, suppress the evidence which was unlawfully obtained or derived from electronic surveillance of the aggrieved person or otherwise grant the motion of the aggrieved person. If the court pursuant to subsection (f) or the court of appeals pursuant to subsection (g) determines the surveillance was lawfully authorized and conducted, it shall deny the motion of the aggrieved person except to the extent that due process requires discovery or disclosure.

(i) Orders granting motions or requests under subsection (h), decisions under this section as to the lawfulness of electronic surveillance, and, absent a finding of unlawfulness, orders of the court or court of appeals granting disclosure of surveillance certificates or other materials relating to a surveillance shall be binding upon all courts of the United States and the several States except the courts of appeals and the Supreme Court, and shall be final orders for purposes of appeal.

(j) In circumstances involving the unintentional acquisition by an electronic, mechanical, or other surveillance device of the contents of any radio communication, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, and if both the sender and all intended recipients are located within the United States, such contents shall be destroyed upon recognition, unless the Attorney General determines that the contents may indicate a threat of death or serious bodily harm to any person.

CONGRESSIONAL OVERSIGHT

SEC. 104. On a semiannual basis the Attorney General shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all electronic surveillance under this title. Nothing in this chapter shall be deemed to limit the authority and responsibility of those committees to obtain such additional information as they may need to carry out their respective functions and duties.

PENALTIES

SEC. 105. (a) OFFENSE.—A person is guilty of an offense if he intentially—

(1) engages in electronic surveillance under color of law except as authorized by statute; or

(2) violates section 102(a), 102(b), 102(d), 102(e), 103(a), 103(b), 103 (j), or 107 or any order issued pursuant to this chapter, knowing his conduct violates such section or such order.

(b) DEFENSE.—(1) It is a defense to a prosecution under subsection (a)(1) that the defendant was a law enforcement or investigative officer engaged in the course of his official duties and the electronic surveillance was authorized by and conducted pursuant to a search warrant or court order of a court of competent jurisdiction;

(2) It is a defense to a prosecution under subsection (a)(2) that the defendant acted in a good faith belief that his actions were authorized by and taken pursuant to a surveillance certificate or otherwise did not violate any provision of this title, under circumstances where that belief was reasonable.

(c) PENALTY.—An offsense described in this section is punishable by a fine of not more than $10,000 or imprisonment for not more than five years, or both.

(d) JURISDICTION.—There is Federal jurisdiction over an offense in this section if the person was an officer or employee of the United States at the time the offense was committed.

CIVIL LIABILITY

SEC. 106. CIVIL ACTION.—An aggrieved person, other than a foreign power or an agent of a foreign power as defined in section 101 (a) or (b)(1)(A), respectively, who has been subjected to an electronic surveillance or whose communication has been disclosed or used in violation of section 105 of this chapter shall have a cause of action against any such person who committed such violation and shall be entitled to recover—

(1) actual damages, but not less than liquidated damages of $1,000 or of $100 per day for each day of violation, whichever is greater;

(2) punitive damages, where appropriate; and

(3) reasonable attorney's fees and other investigation and litigation costs reasonably incurred.

RETENTION OF RECORDS

SEC. 107. All surveillance certificates and all documents used to support the issuance of surveillance certificates shall be retained for a period of not less than twenty years and shall be stored at the direction of the Attorney General under security procedures approved by the Director of Central Intelligence.

—Page 64, after line 25, insert the following:

APPLICABILITY OF PROVISIONS

SEC. 111. The provisions of this title shall not apply to electronic surveillance of a foreign power which is not a United States person or agent of a foreign power who is not a United States person unless and until such time as the country of origin of such foreign power or such agent of a foreign power requires an order of a court or other similar tribunal of such country to authorize the use of electronic means to intercept in such country the communications of a United States person who is either sent from or intended to be received in such country.

—Page 65, strike out line 1 and all that follows down through page 68, line 3, and insert in lieu thereof the following:

TITLE II—CONFORMING AMENDMENTS

AMENDMENTS TO CHAPTER 119 OF TITLE 18, UNITED STATES CODE

SEC. 201. Chapter 119 of title 18, United States Code, is amended as follows:

(a) Section 2511(2)(a)(ii) is amended to read as follows:

"(ii) Notwithstanding any other law, communication common carriers, their officers, employees, and agents, landlords, custodians, or other persons, are authorized to provide information, facilities, or technical assistance to persons authorized by law to intercept wire or oral communications or to conduct electronic surveillance, as defined in section 101 of the Foreign Intelligence Electronic Surveillance Act of 1978, if the common carrier, its officers, employees, or agents landlord, custodian, or other specified person, has been provided with—

"(A) a court order directing such assistance signed by the authorizing judge, or

"(B) a certification under oath and signed by a person specified in section 2518(7) of this title or the Attorney General of the United States that no warrant or court order is required by law, that all statutory requirements have been met, and that the specified assistance is required,

setting forth the period of time during which the provision of the information, facilities, or technical assistance is authorized and specifying the information, facilities, or technical assistance required. No communication common carrier, officer, employee, or agent thereof, or landlord, custodian, or other specified person shall disclose the existence of any interception or surveillance or the device used to accomplish the interception or surveillance with respect to which the person has been furnished an order or certification under this paragraph, except as may otherwise be required by legal process and then only after prior notification to the Attorney General or to the principal prosecuting attorney of a State or any political subdivision of a State, as may be appropriate. No cause of action shall lie in any court against any communication common carrier, its officers, employees, or agents, landlord, custodian, or other specified person for providing information, facilities, or assistance in accordance with the terms of an order or certification under this subparagraph.".

(b) Section 2511(2) is amended by adding at the end thereof the following new provisions:

"(e) Notwithstanding any other provision of this title or section 605 or 606 of the Communications Act of 1934, it shall not be unlawful for an officer, employee, or agent of the United States in the normal course of his official duty to conduct electronic surveillance, as defined in section 101 of the Foreign Intelligence Electronic Surveillance Act of 1978, as authorized by that Act.

"(f) Nothing contained in this chapter, or section 605 of the Communications Act of 1934, shall be deemed to affect the acquisition by the United States Government of foreign intelligence information from international or foreign communications by a means other than electronic surveillance as defined in section 101 of the Foreign Intelligence Electronic Surveillance Act of 1978, and procedures in this chapter and the Foreign Intelligence Electronic Surveillance Act of 1978 shall be the exclusive means by which electronic surveillance, as defined in section 101 of such Act, and the interception of domestic wire and oral communications may be conducted.".

(c) Section 2511(3) is repealed.

(d) Section 2518(1) is amended by inserting "under this chapter" after "communication".

(e) Section 2518(4) is amended by inserting "under this chapter" after "wire or oral communication" both places it appears therein.

(f) Section 2518(9) is amended by striking out "intercepted" and by inserting "intercepted pursuant to this chapter" after "communication".

(g) Section 2518(10) is amended by striking out "intercepted" and by inserting "intercepted pursuant to this chapter" after "communication" the first place it appears therein.

(h) Section 2519(3) is amended by inserting "pursuant to this chapter" after "wire or oral communications" and after "granted or denied".

—Page 68, strike out line 4 and all that follows down through line 15, and insert in lieu thereof the following:

TITLE III—EFFECTIVE DATE

EFFECTIVE DATE

SEC. 301. The provisions of this Act and the amendments made hereby shall become effective upon the date of enactment of this Act, except that any electronic surveillance approved by the Attorney General to gather foreign intelligence information shall not be deemed unlawful for failure to follow the procedures of this Act, if that surveillance is terminated or a surveillance certificate authorizing that surveillance is obtained under title I of this Act within ninety days following such date of enactment.

—Page 68, beginning on line 14, strike out "the designation of the chief judges pursuant to section 103 of this Act" and insert in lieu thereof "such date of enactment".

H.R. 12161

By Mr. GILMAN:

—Page 2, immediately after line 6, insert the following new section:

SEC. 2. (a) The Consolidated Rail Corporation shall (1) carry out such reconstruction of the railroad bridge over the Hudson River at Poughkeepsie, New York, as is necessary for the purposes of this section and make appropriate repairs and improvements in rail yards and tracks which service the rail system using such bridge, (2) restore freight service on such system at least to the extent provided prior to the fire damage to such bridge in 1974, and (3) take appropriate steps to promote the use of such system.

(b) There is authorized to be appropriated to the Secretary of Transportation not to exceed $9,000,000 for making payments to the Consolidated Rail Corporation to cover costs incurred pursuant to subsection (a)(1).

H.R. 12452

By Mrs. COLLINS of Illinois:

—Page 50, after line 25, insert the following new subsection:

"(1) Each prime sponsor receiving funds under this Act shall establish an independent unit to monitor compliance with the requirements of this Act, the regulations issued thereunder, and the comprehensive employment and training plan. The Secretary shall annually assess the effectiveness of the units established pursuant to the preceding sentence, with particular regard to the adequacy of provisions made for funding, staffing, and insuring the independence and objectivity of monitoring practices and methods.

H.R. 12452

By Mr. GLICKMAN:

—Section 127(f) is amended by addding, after the period at the end of line 16, the following: "Provided, however, that the Secretary shall take appropriate steps to assure that information required in such reports shall not unnecessarily duplicate information available from other reports required under this Act."

—Title III is amended by adding new Subsections 305 (c), (d), and (e), at the end of page 112, as follows:

"(c) Relocation efforts shall focus on shifting unemployed individuals to employment surplus areas where their skills could be suitably employed, provided that such relocation does not result in residents of the area to which persons are relocated not securing jobs for which they would also qualify.

"(d) In instances where a proposed relocation would likely result in a sizable influx of persons into a particular area, the Secretary shall consult, in advance of authorizing assistance, with appropriate Federal, state and local officials with regard to the potential impact on provision of housing and other services to area residents, including the new population anticipated as a result of the proposed relocation.

"(e) The Secretary shall coordinate, to the maximum extent feasible, the relocation assistance programs authorized under this section and the job bank and matching program authorized under Section 312(f) of this Act.";

and by adding the following to Section 312 (f) after line 16 on page 123: "The information gathered under this subsection with regard to available persons and job vacancies shall be coordinated, to the maximum extent feasible, with the relocation assistance programs authorized under Section 305 to permit those relocation programs to be utilized, when necessary and appropriate, in facilitating the match of available persons and job vacancies sought under this subsection."

—Section 503(2) is amended by inserting, prior to the closing semicolon on line 6, the following: "*Provided, however,* That studies authorized under this section do not, to a significant degree, duplicate others authorized under this Act or any other authority, being or having been conducted by or for the Federal Government."

—Section 705 is amended by deleting the period at the end of line 10 on page 213, and inserting in its place the following: "; and,

"(14) encouraging unemployed individuals to relocate to areas of the country where employment opportunities appropriate to their skills generally exist which cannot reasonably be expected to be filled from within those areas' job markets."

H.R. 12452

By Mr. KREBS:

—Page 45, strike out lines 8 through 25 and insert in lieu thereof the following:

"(B) All persons employed in public service jobs shall be provided workers' compensation, health insurance, unemployment benefits, and other benefits and working conditions at the same level and to the same extent as other employees working a similar length of time, doing the same type of work, and similarly classified. Any such classifications under any applicable civil service or merit law or regulation must be reasonabe, and must include nonfederally financed employees, but within any single classification a distinction may be made between public service employees and other employees for purposes of determining eligibility for participation in retirement systems or plans which provide benefits bases on age or service or both. Nothing in this subparagraph or in paragraph (4) shall be deemed to require a contribution to a retirement system or plan for the purpose of providing retirement benefits based on age or service, or both, to a public service employee unless funds under this Act are available, pursuant to paragraph (4), to make such contribution.

'(4) Funds available for employment benefits under this Act may be used, for the duration of participation, for contributions on behalf of participants who are, prior to July 1, 1979, enrolled in retirement systems or plans. With respect to participants enrolled in retirement systems or plans on or after such date, no funds under this Act may be used for contributions to retirement systems or plans unless such contributions bear a reasonable relationship to the cost of providing benefits to participants.

H.R. 12452

By Mr. MEEDS:

—Page 213, line 18, insert close quotation marks and a period at the end of such line and strike out line 19 and all that follows through line 2 on page 225 and insert in lieu thereof the following:

SEC. 3. The Act of August 13, 1970 (16 U.S.C. 1701), is amended—

(1) by inserting immediately after the enacting clause the following:

"TITLE I—YOUTH CONSERVATION CORPS";

(2) by redesignations sections 1 through 6 as sections 101 through 106, respectively;

(3) by striking out "section 6" in section 104(d) (as redesignated by paragraph (2) of this section and inserting in lieu thereof "section 106";

(4) by striking out "Act" each place it appears in sections 101 through 106 (as redesignated by paragraph (2) of this section and inserting in lieu thereof "title"; and

(5) by adding at the end thereof the following new title:

"TITLE II—YOUNG ADULT CONSERVATION CORPS

"Statement of Purpose

"Sec. 201. It is the purpose of this title to establish a Young Adult Conservation Corps to provide employment and other benefits to youths who would not otherwise be currently productively employed, through a period of service during which they engage in useful conservation work and assist in completing other projects of a public nature on Federal and non-Federal public lands and waters.

"ESTABLISHMENT OF YOUNG ADULT CONSERVATION CORPS

"Sec. 202. To carry out the purposes of this title there is hereby established a Young Adult Conservation Corps to carry out projects on Federal or non-Federal public lands or waters. The Secretaries of the Interior and Agriculture [in consultation with the Secretary of Labor] shall administer this title through interagency agreements. Pursuant to such interagency agreements, the Secretaries of the Interior and Agriculture shall have responsibility for the management of each Corps center, including determination of Corps members' work assignments, selection, training, discipline, and termination, and shall be responsible for an effective program at each center.

"SELECTION OF ENROLLEES

"Sec. 203. (a) Enrollees of the Corps shall be selected by the Secretaries of the Interior and Agriculture [in consultation with the Secretary of Labor].

"(b)(1) Membership in the Corps shall be limited to individuals who, at the time of enrollment—

"(A) are unemployed;

"(B) are between the ages 16 to 23, inclusive;

"(C) are citizens or lawfully permanent residents of the United States or lawfully admitted refugees or parolees; and

"(D) are capable, as determined by the Secretary of Labor, of carrying out the work of the Corps for the estimated duration of each such individual's enrollment.

"(2) Individuals who, at the time of enrollment, have attained age 16 but not attained age 19 and who have left school shall not be admitted to membership in the Corps unless they give adequate assurance, under criteria established by the Secretaries of the Interior and Agriculture, that they did not leave school for the purpose of enrolling in the Corps and obtaining employment under this title.

"(c) The Secretaries of the Interior and Agriculture shall make arrangements for obtaining referral of candidates for the Corps from the public employment service, prime sponsors designated under section 101 of the Comprehensive Employment and Training Act, sponsors of Native American programs designated under section 302 of such Act, sponsors of migrant and seasonable farmworker programs under section 303 of such Act, and such other agencies and organizations as the Secretaries of the Interior and Agriculture may deem appropriate. The Secretaries of the Interior and Agriculture shall undertake to assure that an equitable proportion of candidates shall be referred from each State.

"(d) In referring candidates from each State in accordance with subsection (c) preference shall be given to youths residing in rural and urban areas within each such State having substantial unemployment, including areas of substantial unemployment determined by the Secretary of Labor under section 125 of the Comprehensive Employment and Training Act to have rates of unemployment equal to or in excess of 6.5 per centum.

"(e)(1) No individual may be enrolled in the Corps for a total period of more than twelve months, with such maximum period consisting of either one continuous twelve-month period, or three or less periods which total twelve months, except that an individual who attains the maximum permissible enrollment age may continue in the Corps up to the twelve-month limit provided in this subsection only as long as the individual's enrollment is continuous after having attained the maximum age.

"(2) No individual shall be enrolled in the Corps if solely for purposes of membership for the normal period between schools terms.

"ACTIVITIES OF THE CORPS

"Sec. 204. (a) Consistent with each interagency agreement, the Secretary of the Interior or Agriculture, as appropriate, (in consultation with the Secretary of Labor) shall determine the location of each residential and nonresidential Corps center. The Corps shall perform work projects in such fields as—

"(1) three nursery operations, planting, pruning, thinning, and other silviculture measures;

"(2) wildlife habitat improvements and preservation;

"(3) range management improvements;

"(4) recreation development, rehabilitation, and maintenance;

"(5) fish habitat and culture measures;

"(6) forest insect and disease prevention and control;

"(7) road and trail maintenance and improvements;

"(8) general sanitation, cleanup, and maintenance;

"(9) erosion control and flood damage;

"(10) drought damage measures;

"(11) other natural disaster damage measures; and

"(12 integrated pest management including activities to provide the producers of agricultural commodities with information about the appropriate amount of chemical pesticides which, when used in conjunction with nonchemical methods of pest control (A) will provide protection against a wide variety of pests, (B) will preserve to the greatest extent possible the quality of the environment, and (C) will be cost effective.

"(b)(1) The Secretaries of the Interior and Agriculture shall undertake to assure that projects on which work is performed under this title are consistent with the Forest and Rangeland Renewal Resources Planning Act of 1974, as amended by the National Foreign Management Act of 1976, and such other standards relating to such projects as each Secretary shall prescribe consistent with other provisions of Federal law.

"(2) The Secretaries of the Interior and Agriculture shall place individuals employed as Corps members into jobs which will diminish the backlog of relatively labor intensive projects which would otherwise be carried out if adequate funding were made available.

"(c) To the maximum extent practicable, projects shall—

(1) be labor intensive;

(2) be projects for which work plans could be readily developed;

(3) be able to be initiated promptly;

(4) be productive;

(5) be likely to have a lasting impact both as to the work performed and the benefit to the youths participating;

(6) provide work experience to participants in skill areas required for the projects;

(7) if a residential program, be located, to the maximum extent consistent with the objectives of this title in areas where existing residential facilities for the Corps members are available; and

(8) be similar to activities of persons employed in seasonal and part-time employment in agencies such as the National Park Service, United States Fish and Wildlife Service, Bureau of Reclamation, Bureau of Land Management, Bureau of Indian Affairs, Forest Service, Bureau of Outdoor Recreation, and Soil Conservation Service.

"(d)(1) The Secretaries of the Interior and Agriculture may provide for such transportation, lodging, subsistence, medical treatment, and other services, supplies, equipment, and facilities as they may deem appropriate to carry out the purposes of this title. To minimize transportation costs, Corps members shall be assigned to projects as near to their homes as practicable.

"(2) Whenever economically feasible, existing but unoccupied or underutilized Federal, State, and local government facilities and equipment of all types shall, where appropriate, be utilized for the purposes of the Corps centers with the approval of the Federal agency, State, or local government involved.

"(e) The Secretaries of the Interior and Agriculture, in carrying out the purpose of this title shall work with the Department of Health, Education, and Welfare to make suitable arrangements whereby academic credit may be awarded by educational institutions and agencies for competencies derived from work experience obtained through programs established under this title.

"CONDITIONS APPLICABLE TO CORPS ENROLLEES

"Sec. 205. (a) Except as otherwise specifically provided in this subsection, Corps members shall not be deemed Federal employees and shall not be subject to the provisions of law relating to Federal employment including those regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits:

"(1) For purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.), Corps members shall be deemed employees of the United States and any service performed by a person as a Corps member shall be deemed to be performed in the employ of the United States.

"(2) For purposes of subchapter 1 of chapter 81 of title 5 of the United States Code, relating to compensation to Federal em ployees for work injuries, Corps members shall be deemed civil employees of the United States within the meaning of the term 'employee' as defined in section 8101 of title 5, United States Code, and provisions of that subchapter shall apply, except that the term 'performance of duty' shall not include any act of the Corps member while absent from the member's assigned post of duty, except while participating in an activity (including an activity while on pass or during travel to or from such post of duty) authorized by or under the direction and supervision of the Secretary.

"(3) For purposes of chapter 171 of title 18 of the United States Code, relating to tort claims procedure, Corps members shall be deemed civil employees of the United States within the meaning of the term 'employee of the Government' as defined in section 2671 of title 28, United States Code, and provisions of that chapter shall apply.

"(4) For purposes of section 5911 of title 5 of the United States Code, relating to allowances for quarters, Corps members shall be deemed civil employees of the United States within the meaning of the term 'employee' as defined in that section, and provisions of that section shall apply.

"(b) The Secretaries of the Interior and Agriculture shall [, in consultation with the Secretary of labor,] establish standards for—

"(1) rates of pay which shall be at least at the wage required by section 6(a)(1) of the Fair Labor Standards Act of 1938:

"(2) reasonable hours and conditions of employment; and

"(3) safe and healthful working and living conditions.

"STATE AND LOCAL PROGRAMS

"SEC. 206. (a) The Secretaries of the Interior and Agriculture may make grants or enter into other agreements—

"(1) after consultation with the Governor, with any State agency or institution;

"(2) after consultation with appropriate State and local officials, with (A) any unit of general local government, or (B) (i) any public agency or organization, specifically including the Federal Extension Service and the cooperative extension service of any State with respect to projects described in section 204(a)(12), or (ii) any private nonprofit agency or organization which has been in existence for at least two years;

for the conduct under this title of any State or local component of the Corps or of any project on non-Federal lands or waters or any project involving work on both non-Federal and Federal lands and waters.

"(b) No grant or other agreement may be entered into under this section unless an application is submitted to the Secretary of the Interior or the Secretary of Agriculture, as the case may be, at such times as each such Secretary may perscribe. Each grant application shall contain assurances that individuals employed under the project for which the application is submitted—

"(1) meet the qualifications set forth in section 203(b);

"(2) shall be employed in accordance with section 205(b); and

"(3) shall be employed in activities that—

"(A) will result in an increase in employment opportunities over those opportunities which would otherwise be available,

"(B) will not result in the displacement of currently employed workers (including partial displacement such as reduction in the hours of nonovertime work or wages or employment benefits,

"(C) will not impair existing contracts for services or result in the substitution of Federal or other funds in connection with work that would otherwise be performed,

"(D) will not substitute jobs assisted under this title for existing federally assisted jobs, and

"(E) will not result in the hiring of any youth when any other person is on layoff from the same or any substantially equivalent job.

"(c) Thirty percent of the sums appropriated to carry out this title for any fiscal year shall be made available for grants under this section for such fiscal year and shall be made on the basis of total youth population within each State.

"SECRETARIAL REPORTS

"SEC. 207. The Secretaries of the Interior and Agriculture shall jointly prepare and submit to the President and to the Congress a report detailing the activities carried out under this title for each fiscal year. Such report shall be submitted not later than February 1 of each year following the dates of enactment of this title. The Secretaries shall include in such report such recommendations as they deem appropriate.

"ANTIDISCRIMINATION

"SEC. 208. The Corps shall be open to youth from all parts of the country of both sexes and youth of all social, economic, and racial classifications.

"TRANSFER OF FUNDS

"SEC. 209. Funds hereinafter appropriated which are necessary to carry out their responsibilities under this title shall be made available to the Secretaries of the Interior and Agriculture in accord with interagency agreements between the Secretaries of the Interior and Agriculture.".

Page 225, lines 4 and 8, redesignate sections 3 and 4 as sections 4 and 5, respectively.

H.R. 13511

By Mr. CORMAN:

—Section 101 of the bill (relating to widening of brackets; rate cuts in certain brackets; increase in zero bracket amounts) is deleted and a new section 101 is inserted in lieu thereof to read as follows:

SEC. 101. RATE CUTS IN CERTAIN BRACKETS

(a) General Rule.—Section 1 (relating to tax imposed) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) Married Individuals Filing Joint Returns and Surviving Spouses.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	14% of the excess over $3,200.
Over $4,200 but not over $5,200	$140, plus 15% of excess over $4,200.
Over $5,200 but not over $6,200	$290, plus 16% of excess over $5,200.
Over $6,200 but not over $7,200	$450, plus 17% of excess over $6,200.
Over $7,200 but not over $11,200	$620, plus 19% of excess over $7,200.
Over $11,200 but not over $15,200	$1,380, plus 22% of excess over $11,200.
Over $15,200 but not over $19,200	$2,260, plus 23% of excess over $15,200.
Over $19,200 but not over $23,200	$3,180, plus 25% of excess over $19,200.
Over $23,200 but not over $27,200	$4,180, plus 29% of excess over $23,200.
Over $27,200 but not over $31,200	$5,340, plus 33% of excess over $27,200.
Over $31,200 but not over $35,200	$6,660, plus 38% of excess over $31,200.
Over $35,200 but not over $39,200	$8,180, plus 42% of excess over $35,200.
Over $39,200 but not over $43,200	$9,860, plus 45% of excess over $39,200.
Over $43,200 but not over $47,200	$11,660, plus 48% of excess over $43,200.
Over $47,200 but not over $55,200	$13,580, plus 50% of excess over $47,200.
Over $55,200 but not over $67,200	$17,580, plus 53% of excess over $55,200.
Over $67,200 but not over $79,200	$23,940, plus 55% of excess over $67,200.
Over $79,200 but not over $91,200	$30,540, plus 58% of excess over $79,200.
Over $91,200 but not over $103,200	$37,500, plus 60% of excess over $91,200.
Over $103,200 but not over $123,200	$44,700, plus 62% of excess over $103,200.
Over $123,200 but not over $143,200	$57,100, plus 64% of excess over $123,200.
Over $143,200 but not over $163,200	$69,900, plus 66% of excess over $143,200.
Over $163,200 but not over $183,200	$83,100, plus 68% of excess over $163,200.
Over $183,200 but not over $203,200	$96,700, plus 69% of excess over $183,200.
Over $203,200	$110,500, plus 70% of excess over $203,200.

"(b) HEADS OF HOUSEHOLD.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $3,200	14 percent of the excess over $2,200.
Over $3,200 but not over $4,200	$140, plus 16 percent of excess over $3,200.
Over $4,200 but not over $6,200	$300, plus 18 percent of excess over $4,200.
Over $6,200 but not over $8,200	$660, plus 19 percent of excess over $6,200.
Over $8,200 but not over $10,200	$1,040, plus 22 percent of excess over $8,200.
Over $10,200 but not over $12,200	$1,480, plus 23 percent of excess over $10,200.
Over $12,200 but not over $14,200	$1,940, plus 24 percent of excess over $12,200.
Over $14,200 but not over $16,200	$2,420, plus 25 percent of excess over $14,200.
Over $16,200 but not over $18,200	$2,920, plus 26 percent of excess over $16,200.
Over $18,200 but not over $20,200	$3,440, plus 30 percent of excess over $18,200.
Over $20,200 but not over $22,200	$4,040, plus 31 percent of excess over $20,200.
Over $22,200 but not over $24,200	$4,660, plus 33 percent of excess over $22,200.
Over $24,200 but not over $26,200	$5,320, plus 35 percent of excess over $24,200.
Over $26,200 but not over $28,200	$6,020, plus 36 percent of excess over $26,200.

Over $28,200 but not over $30,200	$6,740, plus 39 percent of excess over $28,200.
Over $30,200 but not over $34,200	$7,520, plus 42 percent of excess over $30,200.
Over $34,200 but not over $38,200	$9,200, plus 45 percent of excess over $34,200.
Over $38,200 but not over $40,200	$11,000, plus 48 percent of excess over $38,200.
Over $40,200 but not over $42,200	$11,960, plus 51 percent of excess over $40,200.
Over $42,200 but not over $46,200	$12,980, plus 52 percent of excess over $42,200.
Over $46,200 but not over $52,200	$15,060, plus 55% of excess over $46,200.
Over $52,200 but not over $54,200	$18,360, plus 56% of excess over $52,200.
Over $54,200 but not over $66,200	$19,480, plus 58% of excess over $54,200.
Over $66,200 but not over $72,200	$26,440, plus 59% of excess over $66,200.
Over $72,200 but not over $78,200	$29,980, plus 61% of excess over $72,200.
Over $78,200 but not over $82,200	$33,640, plus 62% of excess over $78,200.
Over $82,200 but not over $90,200	$36,120, plus 63% of excess over $82,200.
Over $90,200 but not over $102,200	$41,160, plus 64% of excess over $90,200.
Over $102,200 but not over $122,200	$48,840, plus 66% of excess over $102,200.
Over $122,200 but not over $142,200	$62,040, plus 67% of excess over $122,200.
Over $142,200 but not over $162,200	$75,440, plus 68% of excess over $142,200.
Over $162,200 but not over $182,200	$89,040, plus 69% of excess over $162,200.
Over $182,200	$102,840, plus 70% of excess over $182,200.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed from the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of the household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	14 percent of the excess over $2,200.
Over $2,700 but not over $3,200	$70, plus 15 percent of excess over $2,700.
Over $3,200 but not over $3,700	$145, plus 16 percent of excess over $3,200.
Over $3,700 but not over $4,200	$225, plus 17 percent of excess over $3,700.
Over $4,200 but not over $6,200	$310, plus 19 percent of excess over $4,200.
Over $6,200 but not over $8,200	$690, plus 21 percent of excess over $6,200.
Over $8,200 but not over $10,200	$1,110, plus 23 percent of excess over $8,200.
Over $10,200 but not over $12,200	$1,570, plus 24 percent of excess over $10,200.
Over $12,200 but not over $14,200	$2,050, plus 25 percent of excess over $12,200.
Over $14,200 but not over $16,200	$2,550, plus 28 percent of excess over $14,200.
Over $16,200 but not over $18,200	$3,110, plus 31 percent of excess over $16,200.
Over $18,200 but not over $20,200	$3,730, plus 34 percent of excess over $18,200.
Over $20,200 but not over $22,200	$4,410, plus 36 percent of excess over $20,200.
Over $22,200 but not over $24,000	$5,130, plus 38% of excess over $22,200.
Over $24,200 but not over $28,200	$5,890, plus 40% of excess over $24,200.
Over $28,200 but not over $34,300	$7,490, plus 45% of excess over $28,200.
Over $34,200 but not over $40,200	$10,190, plus 50% of excess over $34,200.
Over $40,200 but not over $46,200	$13,190, plus 55% of excess over $40,200.
Over $46,200 but not over $52,200	$16,490, plus 60% of excess over $46,200.
Over $52,200 but not over $62,200	$20,090, plus 62% of excess over $52,200.
Over $62,200 but not over $72,200	$26,290, plus 64% of excess over $62,200.
Over $72,200 but not over $82,200	$32,690, plus 66% of excess over $72,200.
Over $82,200 but not over $92,200	$39,290, plus 68% of excess over $82,200.
Over $92,200 but not over $102,200	$46,290, plus 69% of excess over $92,200.
Over $102,200	$52,990, plus 70% of excess over $102,200.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return with his spouse under section 6013 tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,600	No tax.
Over $1,600 but not over $2,100	14% of the excess over $1,600.
Over $2,100 but not over $2,600	$70, plus 15% of excess over $2,100.
Over $2,600 but not over $3,100	$145, plus 16% of excess over $2,600.
Over $3,100 but not over $3,600	$225, plus 17% of excess over $3,100.
Over $3,600 but not over $5,600	$310, plus 19% of excess over $3,600.
Over $5,600 but not over $7,600	$690, plus 22% of excess over $5,600.
Over $7,600 but not over $9,600	$1,130, plus 23% of excess over $7,600.
Over $9,600 but not over $11,600	$1,590, plus 25% of excess over $9,600.
Over $11,600 but not over $13,600	$2,090, plus 29% of excess over $11,600.
Over $13,600 but not over $15,600	$2,670, plus 33% of excess over $13,600.
Over $15,600 but not over $17,600	$3,330, plus 38% of excess over $15,600.
Over $17,600 but not over $19,600	$4,090, plus 42% of excess over $17,600.
Over $19,600 but not over $21,600	$4,930, plus 45% of excess over $19,600.
Over $21,600 but not over $23,600	$5,830, plus 48% of excess over $21,600.
Over $23,600 but not over $27,600	$6,790, plus 50% of excess over $23,600.
Over $27,600 but not over $33,600	$8,790, plus 53% of excess over $27,600.
Over $33,600 but not over $39,600	$11,970, plus 55% of excess over $33,600.
Over $39,600 but not over $45,600	$15,270, plus 58% of excess over $39,600.
Over $45,600 but not over $51,600	$18,750, plus 60% of excess over $45,600.
Over $51,600 but not over $61,600	$22,350, plus 62% of excess over $51,600.
Over $61,600 but not over $71,600	$28,550, plus 64% of excess over $61,600.
Over $71,600 but not over $81,600	$34,950, plus 66% of excess over $71,600.
Over $81,600 but not over $91,600	$41,550, plus 68% of excess over $81,600.
Over $91,600 but not over $101,600	$48,350, plus 69% of excess over $91,600.
Over $101,600	$55,250, plus 70% of excess over $101,600.

"(e) ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every estate and trust taxable under this subsection a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $500	14 percent of the taxable income.
Over $500 but not over $1,000	$70, plus 15 percent of excess over $500.
Over $1,000 but not over $1,500	$145, plus 16 percent of excess over $1,000.
Over $1,500 but not over $2,000	$225, plus 17 percent of excess over $1,500.
Over $2,000 but not over $4,000	$310, plus 19 percent of excess over $2,000.
Over $4,000 but not over $6,000	$690, plus 22 percent of excess over $4,000.
Over $6,000 but not over $8,000	$1,130, plus 23 percent of excess over $6,000.
Over $8,000 but not over $10,000	$1,590, plus 25 percent of excess over $8,000.
Over $10,000 but not over $12,000	$2,090, plus 29 percent of excess over $10,000.
Over $12,000 but not over $14,000	$2,670, plus 33 percent of excess over $12,000.
Over $14,000 but not over $16,000	$3,330, plus 38 percent of excess over $14,000.
Over $16,000 but not over $18,000	$4,090, plus 42 percent of excess over $16,000.
Over $18,000 but not over $20,000	$4,930, plus 45 percent of excess over $18,000.
Over $20,000 but not over $22,000	$5,830, plus 48 percent of excess over $20,000.
Over $22,000 but not over $26,000	$6,790, plus 50% of excess over $22,000.
Over $26,000 but not over $32,000	$8,790, plus 53% of excess over $26,000.
Over $32,000 but not over $38,000	$11,970, plus 55% of excess over $32,000.
Over $38,000 but not over $44,000	$15,270, plus 58% of excess over $38,000.
Over $44,000 but not over $50,000	$18,750, plus 60% of excess over $44,000.
Over $50,000 but not over $60,000	$22,350, plus 62% of excess over $50,000.
Over $60,000 but not over $70,000	$28,550, plus 64% of excess over $60,000.
Over $70,000 but not over $80,000	$34,950, plus 66% of excess over $70,000.
Over $80,000 but not over $90,000	$41,550, plus 68% of excess over $80,000.
Over $90,000 but not over $100,000	$48,350, plus 69% of excess over $90,000.
Over $100,000	$55,250, plus 70% of excess over $100,000."

(b) WITHHOLDING AMENDMENT.—Subsection (a) of section 3402 (relating to requirement of withholding) is amended by striking out the second and third sentences and inserting in lieu thereof the following new sentence: "With respect to wages paid after December 31, 1978, the tables so prescribed shall be the same as the tables prescribed under this subsection which were in effect on January 1, 1975, except that such tables shall be modified to the extent necessary to reflect the amendments made by sections 101 and 102 of the Tax Reduction and Simplification Act of 1977 and the amendments made by sections 101 and 102 of the Revenue Act of 1978."

(c) EFFECTIVE DATES.—

(1) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1978.

(2) The amendment made by subsection (b) shall apply to wages paid after December 31, 1978.

Section 102 of the bill (relating to personal exemptions increased to $1,000) is deleted and a new section 102 is inserted in lieu thereof to read as follows:

SEC. 102. GENERAL TAX CREDIT.

(a) INCREASE IN AMOUNT OF CREDIT.—Paragraph (2) of section 42(a) (relating to general tax credit) is amended by striking out "$35" and inserting in lieu thereof "$100".

(b) CREDIT MADE PERMANENT.—

(1) Subsection (b) of section 3 of the Revenue Adjustment Act of 1975 (relating to effective date for general tax credit) is amended by striking out the last sentence.

(2) Subsection (e) of section 401 of the Tax Reform Act of 1976 (relating to effective date for extensions of individual income tax reductions) is amended by striking out the first sentence and inserting in lieu thereof the following: "The amendments made by subsection (a) shall apply to taxable years ending after December 31, 1975.".

(c) FILING REQUIREMENTS.—Paragraph (1) of section 6012(a) (relating to persons required to make returns of income) is amended—

(1) by striking out "$2,950" and inserting in lieu thereof "$3,650",

(2) by striking out "$3,950" and inserting in lieu thereof "$4,650",

(3) by striking out "$4,700" and inserting in lieu thereof "$6,100", and

(4) by striking out "$750" each place it appears in subparagraph (B) and inserting in lieu thereof "$1,350".

(d) EFFECTIVE DATES.—

(1) In general.—The amendments made by subsections (a) and (c) shall apply to taxable years beginning after December 31, 1978.

(2) Subsection (b).—The amendments made by subsection (b) shall take effect on the date of the enactment of this Act.

Amend section 21(f) of the Internal Revenue Code of 1954 (as proposed to be inserted by section 105 of the bill) to read as follows:

"(f) CHANGES MADE BY REVENUE ACT OF 1978.—In applying subsection (a) to a taxable year which is not a calendar year, the amendments made by sections 101(a), 102(a), and 301 of the Revenue Act of 1978 (and no other amendments made by such Act) shall be treated as a change in a rate of tax."

Section 403 of the bill (relating to separate minimum tax on capital gains) is deleted and a new section 403 is inserted in lieu thereof to read as follows:

SEC. 403. ADJUSTMENT OF CAPITAL GAIN DEDUCTION FOR INDIVIDUALS.

(a) IN GENERAL.—Section 1202 (relating to deduction for capital gains) is amended to read as follows:

"SEC. 1202. DEDUCTION FOR CAPITAL GAINS OF INDIVIDUALS.

"(a) GENERAL RULE.—Except as otherwise provided in this section, if for any taxable year a taxpayer other than a corporation has a net capital gain, 50 percent of the amount of the net capital gain shall be a deduction from gross income.

"(b) LIMITATION WHERE DEDUCTIONS EXCEED ORDINARY INCOME.—

"(1) APPLICATION OF LIMITATION.—This subsection shall apply for the taxable year only if—

"(A) the deductions allowable by this chapter (other than the deduction allowable under subsection (a) and the charitable contribution deduction allowable by section 170) exceed

"(B) the gross income reduced by the net capital gain.

"(2) CEILING WHERE LIMITATION APPLIES.—If this subsection applies for the taxable year, the amount allowable as a deduction under subsection (a) shall not exceed ½ of the greater of—

"(A) $10,000 ($5,000 in the case of a married individual filing a separate return), or

"(B) the net capital gain reduced by the excess referred to in paragraph (1).

"(3) SPECIAL RULES FOR COMPUTATIONS.—For purposes of this subsection if the taxpayer does not itemize deductions, the zero bracket amount shall be treated as a deduction.

"(c) OTHER COMPUTATIONS NOT AFFECTED BY SUBSECTION (b).—For purposes of this subtitle, if the amount of any deduction or exclusion is determined by reference to gross income, adjusted gross income, or taxable income, such determination shall be made without regard to subsection (b). The preceding sentence shall not apply to the determination of the charitable contribution deduction under section 170.

"(d) SPECIAL RULES FOR ESTATES AND TRUSTS.—

"(1) IN GENERAL.—In the case of an estate or trust, the deduction under this section shall be computed by excluding the portion (if any) of the gains for the taxable year from sales or exchanges of capital assets which, under sections 652 and 662 (relating to inclusion of amounts in gross income of beneficiaries of trusts), is includible by the income beneficiaries as gain derived from the sale or exchange of capital assets.

"(2) SUBSECTION (b)(2)(A) DOES NOT APPLY TO TRUSTS.—In the case of a trust, subparagraph (A) of subsection (b)(2) shall not apply."

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter P of chapter 1 is amended by striking out the item relating to section 1202 and inserting in lieu thereof the following:

"SEC. 1202. DEDUCTION FOR CAPITAL GAINS OF INDIVIDUALS."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1978.

H.R. 13511

By Mr. GEPHARDT:

—Page , after line , insert the following:

Subtitle D—Credit for FICA Taxes

SEC. 131. CREDIT FOR FICA TAXES PAID IN 1979 AND 1980.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by inserting after section 44B the following new section:

"SEC. 44C. CREDIT FOR FICA TAXES.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this subtitle for a taxable year beginning in 1979 or 1980 an amount equal to 5 percent of the taxpayer's FICA taxes for 1979 or 1980, as the case may be.

"(b) FICA TAXES FOR 1979 OR 1980.—The taxpayer's FICA taxes for 1979 or 1980 are—

"(1) in the case of the taxes imposed by section 3101 (relating to Social Security taxes on employees), the taxes paid by the taxpayer with respect to wages received by the taxpayer during the calendar year 1979 or 1980, as the case may be;

"(2) in the case of the taxes imposed by section 3111 (relating to Social Security taxes on employers), the taxes paid by the taxpayer on wages paid by the taxpayer during the calendar year 1979 or 1980, as the case may be; and

"(3) in the case of the tax imposed by section 1401 (relating to tax on self-employment income), the tax imposed on the self-employment income of the taxpayer for the taxable year beginning in 1979 or 1980, as the case may be.

"(c) ONLY NET AMOUNT OF FICA TAXES TAKEN INTO ACCOUNT.—The amount of the FICA taxes of any taxpayer taken into account for any taxable year shall be reduced by an amount equal to that portion of the credit under subsection (b) or (c) of section 6413 which is attributable to such FICA taxes.

"(d) DENIAL OF TRADE OR BUSINESS DEDUCTION.—No deduction shall be allowed to the taxpayer under this chapter for that portion of the taxes imposed by section 3111 which is equal to the amount of the credit allowable under this section.

"(e) WAGES DEFINED.—For purposes of this section, the term 'wages' has the meaning given to such term by section 3121(a), except that such term also includes remuneration covered by an agreement made pursuant to section 218 of the Social Security Act.

"(f) SPECIAL RULES IN CASE OF SECTION 218 AGREEMENTS COVERING STATE AND LOCAL EMPLOYEES.—Under regulations prescribed by the Secretary, in the case of an agreement made pursuant to section 218 of the Social Security Act—

"(1) amounts deducted from the employee's remuneration as a result of such agreement (whether or not such amount has been paid to the Secretary) shall be treated as taxes paid under section 3101, and

"(2) amounts paid by the employer as a result of the agreement which are equivalent to taxes imposed by section 3111 shall be treated as taxes imposed by such section.

"(g) PAYMENTS TO NONTAXABLE ENTITIES.—In the case of—

"(1) a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(2) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable years),

no credit shall be allowable under this section, but (in lieu of such credit) the Secretary shall pay the amount determined under this section without interest."

(b) CREDIT TO BE REFUNDABLE.—Subsection (b) of section 6401 (relating to excessive credits) is amended—

(1) by striking out "lubricating oil) and 43" and inserting in lieu thereof "lubricating oil), 43";

(2) by striking out "earned income credit)" and inserting in lieu thereof "earned income credit), and 44C (relating to credit for FICA taxes)"; and

(3) by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44C".

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44B the following new item:

"Sec. 44C. Credit for FICA taxes."

H.R. 13511

By Mr. KEMP:

—Strike out section 101 of the bill and insert in lieu thereof the following:

SEC. 101. REDUCTION IN 1979 INDIVIDUAL INCOME TAX RATES.

(a) GENERAL RULE.—Section 1 (relating to tax imposed) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	12% of excess over $3,200.
Over $4,200 but not over $5,200	$120, plus 13% of excess over $4,200.
Over $5,200 but not over $6,200	$250, plus 14% of excess over $5,200.
Over $6,200 but not over $7,200	$390, plus 15% of excess over $6,200.
Over $7,200 but not over $11,200	$540, plus 17% of excess over $7,200.
Over $11,200 but not over $15,200	$1,200, plus 19% of excess over $11,200.
Over $15,200 but not over $19,200	$1,980, plus 22% of excess over $15,200.
Over $19,200 but not over $23,200	$2,860, plus 25% of excess over $19,200.
Over $23,200 but not over $27,200	$3,860, plus 28% of excess over $23,200.
Over $27,200 but not over $31,200	$4,980, plus 32% of excess over $27,200.
Over $31,200 but not over $35,200	$6,260, plus 35% of excess over $31,200.
Over $35,200 but not over $39,200	$7,660, plus 37% of excess over $35,200.
Over $39,200 but not over $43,200	$9,140, plus 40% of excess over $39,200.
Over $43,200 but not over $47,200	$10,740, plus 43% of excess over $43,200.
Over $47,200 but not over $55,200	$12,460, plus 45% of excess over $47,200.
Over $55,200 but not over $67,200	$16,060, plus 47% of excess over $55,200.
Over $67,200 but not over $79,200	$21,700, plus 49% of excess over $67,200.
Over $79,200 but not over $91,200	$27,580, plus 52% of excess over $79,200.
Over $91,200 but not over $103,200	$33,820, plus 54% of excess over $91,200.
Over $103,200 but not over $123,200	$40,300, plus 56% of excess over $103,200.
Over $123,200 but not over $143,200	$51,500, plus 58% of excess over $123,200.
Over $143,200 but not over $163,200	$63,100, plus 59% of escess over $143,200.
Over $163,200 but not over $183,200	$74,900, plus 61% of excess over $163,200.
Over $183,200 but not over $203,200	$87,100, plus 62% of excess over $183,200.
Over $203,200	$99,500, plus 63% of excess over $203,200.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	12.0% of excess over $2,200.
Over $2,700 but not over $3,200	$60, plus 12.5% of excess over $2,700.
Over $3,200 but not over $3,700	$122.50, plus 13.5% of excess over $3,200.
Over $3,700 but not over $4,200	$190, plus 14.0% of excess over $3,700.
Over $4,200 but not over $5,200	$260, plus 15.5% of excess over $4,200.
Over $5,200 but not over $6,200	$415, plus 16.0% of excess over $5,200.
Over $6,200 but not over $8,200	$575, plus 17.5% of excess over $6,200.
Over $8,200 but not over $10,200	$925, plus 19.0% of excess over $10,200.
Over $10,200 but not over $12,200	$1,305, plus 20.5% of excess over $8,200.
Over $12,200 but not over $14,200	$1,715, plus 21.0% of excess over $12,200.
Over $14,200 but not over $16,200	$2,135, plus 24.0% of excess over $14,200.
Over $16,200 but not over $18,200	$2,615, plus 24.5% of excess over $15,200.
Over $18,200 but not over $20,200	$3,105, plus 28% of excess over $18,200.
Over $20,200 but not over $22,200	$3,665, plus 28.5% of excess over $20,200.
Over $22,200 but not over $24,200	$4,235, plus 30.5% of excess over $22,200.
Over $24,200 but not over $26,200	$4,845, plus 31.5% of excess over $24,200.
Over $26,200 but not over $28,200	$5,475, plus 33.5% of excess over $26,200.

Over $28,200 but not over $30,200	$6,145, plus 36.0% of excess over $28,200.
Over $30,200 but not over $34,200	$6,865, plus 37.5% of excess over $30,200.
Over $34,200 but not over $38,200	$8,365, plus 41.0% of excess over $34,200.
Over $38,200 but not over $40,200	$10,005, plus 42.5% of excess over $40,200.
Over $40,200 but not over $42,200	$10,855, plus 45.0% of excess over $38,200.
Over $42,200 but not over $46,200	$11,755, plus 46.5% of excess over $42,200.
Over $46,200 but not over $52,200	$13,615, plus 49.5% of excess over $46,200.
Over $52,200 but not over $54,200	$16,585, plus 50.5% of excess over $52,200.
Over $54,200 but not over $62,200	$17,595, plus 51.5% of excess over $54,200.
Over $62,200 but not over $66,200	$21,715, plus 52.5% of excess over $62,200.
Over $66,200 but not over $72,200	$23,815, plus 53.5% of excess over $66,200.
Over $72,200 but not over $78,200	$27,025, plus 54.0% of excess over $72,200.
Over $78,200 but not over $82,200	$30,265, plus 55.5% of excess over $78,200.
Over $82,200 but not over $90,200	$32,485, plus 56.5% of excess over $82,200.
Over $90,200 but not over $92,200	$37,005, plus 57.5% of excess over $90,200.
Over $92,200 but not over $102,200	$38,155, plus 58.0% of excess over $92,200.
Over $102,200 but not over $122,200	$43,955, plus 59.5% of excess over $102,200.
Over $122,200, but not over $142,200	$55,855, plus 60.5% of excess over $122,200.
Over $142,200 but not over $152,200	$67,955, plus 61.0% of excess over $142,200.
Over $152,200 but not over $162,200	$74,055, plus 61.0% of excess over $152,200.
Over $162,200 but not over $182,200	$80,155, plus 62.0% of excess over $162,200.
Over $182,200 but not over $202,200	$92,555, plus 62.5% of excess over $182,200.
Over $202,200	$105,055, plus 63.0% of excess over $202,200.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	12 percent of excess over $2,200.
Over $2,700 but not over $3,200	$60, plus 13 percent of excess over $2,700.
Over $3,200 but not over $3,700	$125, plus 14 percent of excess over $3,200.
Over $3,700 but not over $4,200	$195, plus 15 percent of excess over $3,700.
Over $4,200 but not over $6,200	$270, plus 17 percent of excess over $4,200.
Over $6,200 but not over $8,200	$610, plus 18 percent of excess over $6,200.
Over $8,200 but not over $10,200	$970, plus 21 percent of excess over $8,200.
Over $10,200 but not over $12,200	$1,390, plus 22 percent of excess over $10,200.
Over $12,200 but not over $14,200	$1,830, plus 23 percent of excess over $12,200.
Over $14,200 but not over $16,200	$2,290, plus 26 percent of excess over $14,200.
Over $16,200 but not over $18,200	$2,810, plus 27 percent of excess over $16,200.
Over $18,200 but not over $20,200	$3,350, plus 31 percent of excess over $18,200.
Over $20,200 but not over $22,200	$3,970, plus 32 percent of excess over $20,200.
Over $22,200 but not over $24,200	$4,610, plus 33 percent of excess over $22,200.
Over $24,200 but not over $28,200	$5,270, plus 35 percent of excess over $24,200.
Over $28,200 but not over $34,200	$6,670, plus 40 percent of excess over $28,200.
Over $34,200 but not over $40,200	$9,070, plus 45 percent of excess over $34,200.
Over $40,200 but not over $46,200	$11,770, plus 50 percent of excess over $40,200.
Over $46,200 but not over $52,200	$14,770, plus 54 percent of excess over $46,200.
Over $52,200 but not over $62,200	$18,010, plus 56 percent of excess over $52,200.
Over $62,200 but not over $72,200	$23,610, plus 58 percent of excess over $62,200.
Over $72,200 but not over $82,200	$29,410, plus 59 percent of excess over $72,200.
Over $82,200 but not over $92,200	$35,310, plus 61 percent of excess over $82,200.
Over $92,200 but not over $102,200	$41,410, plus 62 percent of excess over $92,200.
Over $102,200	$47,610, plus 63 percent of excess over $102,200.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,600	No tax.
Over $1,600 but not over $2,100	12% of excess over $1,600.
Over $2,100 but not over $2,600	$60, plus 13% of excess over $2,100.
Over $2,600 but not over $3,100	$125, plus 14% of excess over $2,600.
Over $3,100 but not over $3,600	$195, plus 15% of excess over $3,100.
Over $3,600 but not over $5,600	$270, plus 17% of excess over $3,600.
Over $5,600 but not over $7,600	$610, plus 19% of excess over $5,600.
Over $7,600 but not over $9,600	$990, plus 22% of excess over $7,600.
Over $9,600 but not over $11,600	$1,430, plus 25% of excess over $9,600.
Over $11,600 but not over $13,600	$1,930, plus 28% of excess over $11,600.
Over $13,600 but not over $15,600	$2,490, plus 32% of excess over $13,600.
Over $15,600 but not over $17,600	$3,130, plus 35% of excess over $15,600.
Over $17,600 but not over $19,600	$3,830, plus 37% of excess over $17,600.
Over $19,600 but not over $21,600	$4,570, plus 40% of excess over $19,600.
Over $21,600 but not over $23,600	$5,370, plus 43% of excess over $21,600.
Over $23,600 but not over $27,600	$6,230, plus 45% of excess over $23,600.
Over $27,600 but not over $33,600	$8,030, plus 47% of excess over $27,600.
Over $33,600 but not over $39,600	$10,850, plus 49% of excess over $33,600.
Over $39,600 but not over $45,600	$13,790, plus 52% of excess over $39,600.
Over $45,600 but not over $51,600	$16,910, plus 54% of excess over $45,000.
Over $51,600 but not over $61,600	$20,150, plus 56% of excess over $51,600.
Over $61,600 but not over $71,600	$25,750, plus 58% of excess over $61,600.
Over $71,600 but not over $81,600	$31,550, plus 59% of excess over $71,600.
Over $81,600 but not over $91,600	$37,450, plus 61% of excess over $81,600.
Over $91,600 but not over $101,600	$43,550, plus 62% of excess over $91,600.
Over $101,600	$49,750, plus 63% of excess over $101,600.

"(e) ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every estate and trust taxable under this subsection a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $500	12% of taxable income.
Over $500 but not over $1,000	$60, plus 13% of excess over $500.
Over $1,000 but not over $1,500	$125, plus 14% of excess over $1,000.
Over $1,500 but not over $2,000	$195, plus 15% of excess over $1,500.
Over $2,000 but not over $4,000	$270, plus 17% of excess over $2,000.
Over $4,000 but not over $6,000	$610, plus 19% of excess over $4,000.
Over $6,000 but not over $8,000	$990, plus 22% of excess over $6,000.
Over $8,000 but not over $10,000	$1,430, plus 25% of excess over $8,000.
Over $10,000 but not over $12,000	$1,930, plus 28% of excess over $10,000.
Over $12,000 but not over $14,000	$2,490, plus 32% of excess over $12,000.
Over $14,000 but not over $16,000	$3,130, plus 35% of excess over $14,000.
Over $16,000 but not over $18,000	$3,830, plus 37% of excess over $16,000.
Over $18,000 but not over $20,000	$4,570, plus 40% of excess over $18,000.
Over $20,000 but not over $22,000	$5,370, plus 43% of excess over $20,000.
Over $22,000 but not over $26,000	$6,230, plus 45% of excess over $22,000.
Over $26,000 but not over $32,000	$8,030, plus 47% of excess over $26,000.
Over $32,000 but not over $38,000	$10,850, plus 49% of excess over $32,000.
Over $38,000 but not over $44,000	$13,790, plus 52% of excess over $38,000.
Over $44,000 but not over $50,000	$16,910, plus 54% of excess over $44,000.
Over $50,000 but not over $60,000	$20,150, plus 56% of excess over $50,000.
Over $60,000 but not over $70,000	$25,750, plus 58% of excess over $60,000.
Over $70,000 but not over $80,000	$31,550, plus 59% of excess over $70,000.
Over $80,000 but not over $90,000	$37,450, plus 61% of excess over $80,000.
Over $90,000 but not over $100,000	$43,550, plus 62% of excess over $90,000.
Over $100,000	$49,750, plus 63% of excess over $100,000."

(b) WITHHOLDING AMENDMENT.—Subsection (a) of section 3402 (relating to requirement of withholding) is amended by striking out the second and third sentences and inserting in lieu thereof the following new sentence: "With respect to wages paid after December 31, 1978, the tables so prescribed shall be the same as the tables prescribed under this subsection which were in effect on January 1, 1975, except that—

"(1) tables shall be modified to the extent necessary to reflect the amendments made by sections 101 and 102 of the Tax Reduction and Simplification Act of 1977, and

"(2) such tables shall be further modified—

"(A) with respect to wages paid in 1979, to the extent necessary to reflect the amendment made by section 101(a) of the Revenue Act of 1978,

"(B) with respect to wages paid in 1980, to the extent necessary to reflect the amendment made by section 102(a) of the Revenue Act of 1978, and

"(C) with respect to wages paid after 1980, to the extent necessary to reflect the amendment made by section 103(a) of the Revenue Act of 1978."

(c) EFFECTIVE DATE.—

(1) SUBSECTION (a).—The amendment made by this subsection (a) shall apply to taxable years beginning in calendar year 1979.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to wages paid after December 31, 1978.

SEC. 102. REDUCTION IN 1980 INDIVIDUAL INCOME TAX RATES

(a) PERMANENT REDUCTION.—Section 1 (relating to tax imposed) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	10% of excess over $3,200.
Over $4,200 but not over $5,200	$100, plus 11% of excess over $4,200.
Over $5,200 but not over $6,200	$210, plus 12% of excess over $5,200.
Over $6,200 but not over $7,200	$330, plus 13% of excess over $6,200.
Over $7,200 but not over $11,200	$460, plus 15% of excess over $7,200.
Over $28,200 but not over $30,200	$1,060, plus 17% of excess over $11,200.
Over $30,200 but not over $34,200	$1,740, plus 19% of excess over $15,200.
Over $19,200 but not over $23,200	$2,500, plus 22% of excess over $19,200.
Over $23,200 but not over $27,200	$3,380, plus 25% of excess over $23,200.
Over $27,200 but not over $31,200	$4,380, plus 28% of excess over $27,200.
Over $31,200 but not over $35,200	$5,500, plus 31% of excess over $31,200.
Over $35,200 but not over $39,200	$6,740, plus 33% of excess over $35,200.
Over $39,200 but not over $43,200	$8,060, plus 35% of excess over $39,200.
Over $43,200 but not over $47,200	$9,460, plus 38% of excess over $43,200.
Over $47,200 but not over $55,200	$10,980, plus 40% of excess over $47,200.
Over $55,200 but not over $67,200	$14,180, plus 41% of excess over $55,200.
Over $67,200 but not over $79,200	$19,100, plus 43% of excess over $67,200.
Over $79,200 but not over $91,200	$24,260, plu 46% of excess over $79,200.
Over $91,200 but not over $103,200	$29,780, plus 48% of excess over $91,200.
Over $103,200 but not over $123,200	$35,540, plus 50% of excess over $103,200.
Over $123,200 but not over $143,200	$45,540, plus 52% of excess over $123,200.
Over $143,200 but not over $163,200	$55,940, plus 53% of excess over $143,200.
Over $163,200 but not over $183,200	$66,540, plus 54% of excess over $163,200.
Over $183,200 but not over $203,200	$77,340, plus 55% of excess over $183,200.
Over $203,200	$88,340, plus 56% of excess over $203,200.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	10 percent of excess over $2,200.
Over $2,700 but not over $3,200	$50, plus 10.5 percent of excess over $2,700.
Over $3,200 but not over $3,700	$102.50, plus 11.5 percent of excess over $3,200.

Over $3,700 but not over $4,200	$160, plus 12 percent of excess over $3,700.
Over $4,200 but not over $5,200	$220, plus 13 percent of excess over $4,200.
Over $5,200 but not over $6,200	$350, plus 13.5 percent of excess over $5,200.
Over $6,200 but not over $8,200	$485, plus 15.5 percent of excess over $6,200.
Over $8,200 but not over $10,200	$795, plus 16.5 percent of excess over $8,200.
Over $10,200 but not over $12,200	$1,125, plus 18 percent of excess over $10,200.
Over $12,200 but not over $14,200	$1,485, plus 19 percent of excess over $12,200.
Over $14,200 but not over $16,200	$1,865, plus 20.5 percent of excess over $14,200.
Over $16,200 but not over $18,200	$2,275, plus 21.5 percent of excess over $16,200.
Over $18,200 but not over $20,200	$2,705, plus 24.5 percent of excess over $18,200.
Over $20,200 but not over $22,200	$3,195, plus 25.5 percent of excess over $20,200.
Over $22,200 but not over $24,200	$3,705, plus 27.5 percent of excess over $22,200.
Over $24,200 but not over $26,200	$4,255, plus 28 percent of excess over $24,200.
Over $26,200 but not over $28,200	$4,815, plus 29.5 percent of excess over $26,200.
Over $28,200 but not over $30,200	$5,405, plus 32 percent of excess over $28,200.
Over $30,200 but not over $34,200	$6,045, plus 33.5 percent of excess over $30,200.
Over $34,200 but not over $38,200	$7,385, plus 37 percent of excess over $34,200.
Over $38,200 but not over $40,200	$8,865, plus 38 percent of excess over $38,200.
Over $40,200 but not over $42,200	$9,625, plus 39 percent of excess over $40,200.
Over $42,200 but not over $46,200	$10,405, plus 40.5 percent of excess over $42,200.
Over $46,200 but not over $52,200	$12,025, plus 44 percent of excess over $46,200.
Over $52,200 but not over $54,200	$14,665, plus 44.5 percent of excess over $52,200.
Over $54,200 but not over $62,200	$15,555, plus 45 percent of excess over $54,200.
Over $62,200 but not over $66,200	$19,155, plus 46 percent of excess over $62,200.
Over $66,200 but not over $72,200	$20,995, plus 47 percent of excess over $66,200.
Over $72,200 but not over $78,200	$23,815, plus 47.5 percent of excess over $72,200.
Over $78,200 but not over $82,200	$26,665, plus 49 percent of excess over $78,200.
Over $82,200 but not over $90,200	$28,625, plus 50 percent of excess over $82,200.
Over $90,200 but not over $92,200	$32,625, plus 51 percent of excess over $90,200.
Over $92,200 but not over $102,200	$33,645, plus 51.5 percent of excess over $92,200.
Over $102,200 but not over $122,200	$38,795, plus 53 percent of excess over $102,200.
Over $122,200 but not over $142,200	$49,395, plus 54 percent of excess over $122,200.
Over $142,200 but not over $152,200	$60,195, plus 54.5 percent of excess over $142,200.
Over $152,200 but not over $162,200	$65,645, plus 54.5 percent of excess over $152,200.
Over $162,200 but not over $182,200	$71,095, plus 55 percent of excess over $162,200.
Over $182,200 but not over $202,200	$82,095, plus 55.5 percent of excess over $182,200.
Over $202,200	$93,195, plus 56 percent of excess over $202,200.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVINGS SPOUSES AND HEADS OF HOUSEHOLD.)—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	10% of excess over $2,200.
Over $2,700 but not over $3,200	$50, plus 11% of excess over $2,700.
Over $3,200 but not over $3,700	$105, plus 12% of excess over $3,200.
Over $3,700 but not over $4,200	$165, plus 13% of excess over $3,700.
Over $4,200 but not over $6,200	$230, plus 14% of excess over $4,200.
Over $6,200 but not over $8,200	$510, plus 16% of excess over $6,200.
Over $8,200 but not over $10,200	$830, plus 18% of excess over $8,200.
Over $10,200 but not over $12,200	$1,190, plus 19% of excess over $10,200.
Over $12,200 but not over $14,200	$1,570, plus 21% of excess over $12,200.
Over $14,200 but not over $16,200	$1,990, plus 22% of excess over $14,200.
Over $16,200 but not over $18,200	$2,430, plus 24% of excess over $16,200.
Over $18,200 but not over $20,200	$2,910, plus 27% of excess over $18,200.
Over $20,200 but not over $22,200	$3,450, plus 29% of excess over $20,200.
Over $22,200 but not over $24,200	$4,030, plus 30% of excess over $22,200.
Over $24,200 but not over $28,200	$4,630, plus 31% of excess over $24,200.
Over $28,200 but not over $34,200	$5,870, plus 36% of excess over $28,200.
Over $34,200 but not over $40,200	$8,030, plus 41% of excess over $34,200.
Over $40,200 but not over $46,200	$10,490, plus 43% of excess over $40,200.
Over $46,200 but not over $52,200	$13,070, plus 48% of excess over $46,200.
Over $52,200 but not over $62,200	$15,950, plus 49% of excess over $52,200.
Over $62,200 but not over $72,200	$20,850, plus 51% of excess over $62,200.
Over $72,200 but not over $82,200	$25,950, plus 52% of excess over $72,200.
Over $82,200 but not over $92,200	$31,150, plus 54% of excess over $82,200.
Over $92,200 but not over $102,200	$36,550, plus 55% of excess over $92,200.
Over $102,200	$42,050, plus 56% of excess over $102,200.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,600	No tax.
Over $1,600 but not over $2,100	10% of excess over $1,600.
Over $2,100 but not over $2,600	$50, plus 11% of excess over $2,100.
Over $2,600 but not over $3,100	$105, plus 12% of excess over $2,600.
Over $3,100 but not over $3,600	$165, plus 13% of excess over $3,100.
Over $3,600 but not over $5,600	$230, plus 15% of excess over $3,600.
Over $5,600 but not over $7,600	$530, plus 17% of excess over $5,600.
Over $7,600 but not over $9,600	$870, plus 19% of excess over $7,600.
Over $9,600 but not over $11,600	$1,250, plus 22% of excess over $9,600.
Over $11,600 but not over $13,600	$1,690, plus 25% of excess over $11,600.

Over $13,600 but not over $15,600	$2,190, plus 28% of excess over $13,600.
Over $15,600 but not over $17,600	$2,750, plus 31% of excess over $15,600.
Over $17,600 but not over $19,600	$3,370, plus 33% of excess over $17,600.
Over $19,600 but not over $21,600	$4,030, plus 35% of excess over $19,600.
Over $21,600 but not over $23,600	$4,730, plus 38% of excess over $21,600.
Over $23,600 but not over $27,600	$5,490, plus 40% of excess over $23,600.
Over $27,600 but not over $33,600	$7,090, plus 41% of excess over $27,600.
Over $33,600 but not over $39,600	$9,550, plus 43% of excess over $33,600.
Over $39,600 but not over $45,600	$12,130, plus 46% of excess over $39,600.
Over $45,600 but not over $51,600	$14,890, plus 48% of excess over $45,600.
Over $51,600 but not over $61,600	$17,770, plus 50% of excess over $51,600.
Over $61,600 but not over $71,600	$22,770, plus 52% of excess over $61,600.
Over $71,600 but not over $81,600	$27,970, plus 53% of excess over $71,600.
Over $81,600 but not over $91,600	$33,270, plus 54% of excess over $81,600.
Over $91,600 but not over $101,600	$38,670, plus 55% of excess over $91,600.
Over $101,600	$44,170, plus 56% of excess over $101,600.

"(e) ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every estate and trust taxable under this subsection a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $500	10% of taxable income.
Over $500 but not over $1,000	$50, plus 11% of excess over $500.
Over $1,000 but not over $1,500	$105, plus 12% of excess over $1,000.
Over $1,500 but not over $2,000	$165, plus 13% of excess over $1,500.
Over $2,000 but not over $4,000	$230, plus 15% of excess over $2,000.
Over $4,000 but not over $6,000	$530, plus 17% of excess over $4,000.
Over $6,000 but not over $8,000	$870, plus 19% of excess over $6,000.
Over $8,000 but not over $10,000	$1,250, plus 22% of excess over $8,000.
Over $10,000 but not over $12,000	$1,690, plus 25% of excess over $10,000.
Over $12,000 but not over $14,000	$2,190, plus 28% of excess over $12,000.
Over $14,000 but not over $16,000	$2,750, plus 31% of excess over $14,000.
Over $16,000 but not over $18,000	$3,370, plus 33% of excess over $16,000.
Over $18,000 but not over $20,000	$4,030, plus 35% of excess over $18,000.
Over $20,000 but not over $22,000	$4,730, plus 38% of excess over $20,000.
Over $22,000 but not over $26,000	$5,490, plus 40% of excess over $22,000.
Over $26,000 but not over $32,000	$7,090, plus 41% of excess over $26,000.
Over $32,000 but not over $38,000	$9,550, plus 43% of excess over $32,000.
Over $38,000 but not over $44,000	$12,130, plus 46% of excess over $38,000.
Over $44,000 but not over $50,000	$14,890, plus 48% of excess over $44,000.
Over $50,000 but not over $60,000	$17,770, plus 50% of excess over $50,000.
Over $60,000 but not over $70,000	$22,770, plus 52% of excess over $60,000.
Over $70,000 but not over $80,000	$27,970, plus 53% of excess over $70,000.
Over $80,000 but not over $90,000	$33,270, plus 54% of excess over $80,000.
Over $90,000 but not over $100,000	$38,670, plus 55% of excess over $90,000.
Over $100,000	$44,170, plus 56% of excess over $100,000."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning in calendar year 1980.

SEC. 103. PERMANENT REDUCTION IN INDIVIDUAL INCOME TAX RATES.

(a) PERMANENT REDUCTION.—Section 1 (relating to tax imposed) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	8% of excess over $3,200.
Over $4,200 but not over $5,200	$80, plus 9% of excess over $4,200.
Over $5,200 but not over $6,200	$170, plus 10% of excess over $5,200.
Over $6,200 but not over $7,200	$270, plus 11% of excess over $6,200.
Over $7,200 but not over $11,200	$380, plus 13% of excess over $7,200.
Over $11,200 but not over $15,200	$900, plus 15% of excess over $11,200.
Over $15,200 but not over $19,200	$1,500, plus 17% of excess over $15,200.
Over $19,200 but not over $23,200	$2,180, plus 19% of excess over $19,200.
Over $23,200 but not over $27,200	$2,940, plus 21% of excess over $23,200.
Over $27,200 but not over $31,200	$3,780, plus 24% of excess over $27,200.
Over $31,200 but not over $35,200	$4,740, plus 27% of excess over $31,200.
Over $35,200 but not over $39,200	$5,820, plus 29% of excess over $35,200.
Over $39,200 but not over $43,200	$6,980, plus 31% of excess over $39,200.
Over $43,200 but not over $47,200	$8,220, plus 33% of excess over $43,200.
Over $47,200 but not over $55,200	$9,540, plus 35% of excess over $47,200.
Over $55,200 but not over $67,200	$12,340, plus 36% of excess over $55,200.
Over $67,200 but not over $79,200	$16,660, plus 37% of excess over $67,200.
Over $79,200 but not over $91,200	$21,100, plus 40% of excess over $79,200.
Over $91,200 but not over $103,200	$25,900, plus 42% of excess over $91,200.
Over $103,200 but not over $123,200	$30,940, plus 44% of excess over $103,200.
Over $123,200 but not over $143,200	$39,740, plus 46% of excess over $123,200.
Over $143,200 but not over $163,200	$48,940, plus 47% of excess over $143,200.
Over $163,200 but not over $183,200	$58,340, plus 48% of excess over $163,200.
Over $183,200 but not over $203,200	$67,940, plus 49% of excess over $183,200.
Over $203,200	$77,740, plus 50% of excess over $203,200.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	7.5% of excess over $2,200.
Over $2,700 but not over $3,200	$37.50, plus 8.5% of excess over $2,700.
Over $3,200 but not over $3,700	$80, plus 9.5% of excess over $3,200.
Over $3,700 but not over $4,200	$127.50, plus 10% of excess over $3,700.
Over $4,200 but not over $5,200	$177, plus 11% of excess over $4,200.
Over $5,200 but not over $6,200	$287, plus 11.5% of excess over $5,200.
Over $6,200 but not over $8,200	$402, plus 13% of excess over $6,200.
Over $8,200 but not over $10,200	$622, plus 14.5% of excess over $8,200.
Over $10,200 but not over $12,200	$952, plus 16% of excess over $10,200.
Over $12,200 but not over $14,200	$1,272, plus 16.5% of excess over $12,200.
Over $14,200 but not over $16,200	$1,602, plus 18.5% of excess over $14,200.
Over $16,200 but not over $18,200	$1,972, plus 19% of excess over $16,200.
Over $18,200 but not over $20,200	$2,352, plus 21% of excess over $18,200.
Over $20,200 but not over $22,000	$2,772, plus 21.5% of excess over $20,200.
Over $22,200 but not over $24,200	$3,202, plus 23.5% of excess over $22,200.
Over $24,200 but not over $26,200	$3,672, plus 24% of excess over $24,200.
Over $26,200 but not over $28,200	$4,152, plus 25.5% of excess over $26,200.
Over $28,200 but not over $30,200	$4,662, plus 27.5% of excess over $28,200.
Over $30,200 but not over $34,200	$5,212, plus 29% of excess over $30,200.
Over $34,200 but not over $38,200	$6,372, plus 32.5% of excess over $34,200.
Over $38,200 but not over $40,200	$7,672, plus 33.5% of excess over $38,200.
Over $40,200 but not over $42,200	$8,342, plus 34.5% of excess over $40,200.
Over $42,200 but not over $46,200	$9,032, plus 35.5% of excess over $42,200.
Over $46,200 but not over $52,200	$10,452, plus 38.5% of excess over $46,200.
Over $52,200 but not over $54,200	$12,762, plus 39% of excess over $52,200.
Over $54,200 but not over $62,200	$13,542, plus 39.5% of excess over $54,200.
Over $62,200 but not over $66,200	$16,702, plus 40% of excess over $62,200.
Over $66,200 but not over $72,200	$18,302, plus 40.5% of excess over $66,200.
Over $72,200 but not over $78,200	$20,732, plus 41% of excess over $72,200.
Over $78,200 but not over $82,200	$23,192, plus 42.5% of excess over $78,200.
Over $82,200 but not over $90,200	$24,892, plus 44% of excess over $82,200.
Over $90,200 but not over $92,200	$28,412, plus 45% of excess over $90,200.
Over $92,200 but not over $102,200	$29,312, plus 45.5% of excess over $92,200.
Over $102,200 but not over $122,200	$33,862, plus 47% of excess over $102,200.
Over $122,200 but not over $142,200	$43,262, plus 48% of excess over $122,200.
Over $142,200 but not over $152,200	$57,712, plus 48.5% of excess over $152,200.
Over $152,200 but not over $162,200	$57,712, plus 48.5% of excess over $162,200.
Over $162,200 but not over $182,200	$62,562, plus 49% of excess over $162,200.
Over $182,200 but not over $202,200	$72,362, plus 49.5% of excess over $182,200.
Over $202,200	$82,262, plus 50% of excess over $202,200.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)), who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	7 percent of excess over $2,200.
Over $2,700 but not over $3,200	$35, plus 9 percent of excess over $2,700.
Over $3,200 but not over $3,700	$80, plus 10 percent of excess over $3,200.
Over $3,700 but not over $4,200	$130, plus 11 percent of excess over $3,700.
Over $4,200 but not over $6,200	$185, plus 12 percent of excess over $4,200.
Over $6,200 but not over $8,200	$425, plus 13 percent of excess over $6,200.
Over $8,200 but not over $10,200	$685, plus 16 percent of excess over $8,200.
Over $10,200 but not over $12,200	$1,005, plus 17 percent of excess over $10,200.
Over $12,200 but not over $14,200	$1,345, plus 18 percent of excess over $12,200.
Over $14,200 but not over $16,200	$1,705, plus 20 percent of excess over $14,200.
Over $16,200 but not over $18,200	$2,105, plus 21 percent of excess over $16,200.
Over $18,200 but not over $20,200	$2,525, plus 23 percent of excess over $18,200.
Over $20,200 but not over $22,200	$2,985, plus 24 percent of excess over $20,200.
Over $22,200 but not over $24,200	$3,465, plus 26 percent of excess over $22,200.
Over $24,200 but not over $28,200	$3,985, plus 27 percent of excess over $24,200.
Over $28,200 but not over $34,200	$5,065, plus 31 percent of excess over $28,200.
Over $34,200 but not over $40,200	$6,925, plus 36 percent of excess over $34,200.
Over $40,200 but not over $46,200	$9,085, plus 38 percent of excess over $40,200.
Over $46,200 but not over $52,200	$11,365, plus 42 percent of excess over $46,200.
Over $52,200 but not over $62,200	$13,885, plus 43% of excess over $52,200.
Over $62,200 but not over $72,200	$18,185, plus 44% of excess over $62,200.
Over $72,200 but not over $82,200	$22,585, plus 45% of excess over $72,200.
Over $82,200 but not over $92,200	$27,085, plus 48% of excess over $82,200.
Over $92,200 but not over $102,200	$31,885, plus 49% of excess over $92,200.
Over $102,200	$36,785, plus 50% of excess over $102,200.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with he following table:

"If the taxable income is:	The tax is:
Not over $1,600	No tax.
Over $1,600 but not over $2,100	8% of excess over $1,600.
Over $2,100 but not over $2,600	$40, plus 9% of excess over $2,100.
Over $2,600 but not over $3,100	$85, plus 10% of excess over $2,600.
Over $3,100 but not over $3,600	$135, plus 11% of excess over $3,100.
Over $3,600 but not over $5,600	$190, plus 13% of excess over $3,600.
Over $5,600 but not over $7,600	$450, plus 15% of excess over $5,600.
Over $7,600 but not over $9,600	$750, plus 17% of excess over $7,600.
Over $9,600 but not over $11,600	$1,090, plus 19% of excess over $9,600.
Over $11,600 but not over $13,600	$1,470, plus 21% of excess over $11,600.
Over $13,600 but not over $15,600	$1,890, plus 24% of excess over $13,600.
Over $15,600 but not over $17,600	$2,370, plus 27% of excess over $15,600.
Over $17,600 but not over $19,600	$2,910, plus 29% of excess over $17,600.
Over $19,600 but not over $21,600	$3,490, plus 31% of excess over $19,600.
Over $21,600 but not over $23,600	$4,110, plus 33% of excess over $21,600.
Over $23,600 but not over $27,600	$4,770, plus 35% of excess over $23,600.
Over $27,600 but not over $33,600	$6,170, plus 36% of excess over $27,600.
Over $33,600 but not over $39,600	$8,330, plus 37% of excess over $33,600.
Over $39,600 but not over $45,600	$10,550, plus 40% of excess over $39,600.
Over $45,600 but not over $51,600	$12,950, plus 42% of excess over $45,600.
Over $51,600 but not over $61,600	$15,470, plus 44% of excess over $51,600.
Over $61,600 but not over $71,600	$19,870, plus 46% of excess over $61,600.
Over $71,600 but not over $81,600	$24,470, plus 47% of excess over $71,600.
Over $81,600 but not over $91,600	$29,170, plus 48% of excess over $81,600.
Over $91,600 but not over $101,600	$33,970, plus 49% of excess over $91,600.
Over $101,600	$38,870, plus 50% of excess over $101,600."

"(e) ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every estate and trust taxable under this subsection a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $500	8% of taxable income.
Over $500 but not over $1,000	$40, plus 9% of excess over $500.
Over $1,000 but not over $1,500	$85, plus 10% of excess over $1,000.
Over $1,500 but not over $2,000	$135, plus 11% of excess over $1,500.
Over $2,000 but not over $4,000	$190, plus 13% of excess over $2,000
Over $4,000 but not over $6,000	$450, plus 15% of excess over $4,000.
Over $6,000 but not over $8,000	$750, plus 17% of excess over $6,000.
Over $8,000 but not over $10,000	$1,090 plus 19% of excess over $8,000.
Over $10,000 but not over $12,000	$1,470, plus 21% of excess over $10,000.
Over $12,000 but not over $14,000	$1,890, plus 24% of ercess over $12,000.
Over $14,000 but not over $16,000	$2,370, plus 27% of excess over $14,000.
Over $16,000 but not over $18,000	$2,910, plus 29% of excess over $16,000.
Over $18,000 but not over $20,000	$3,490, plus 31% of excess over $18,000.
Over $20,000 but not over $22,000	$4,110, plus 33% of excess over $20,000.
Over $22,000 but not over $26,000	$4,770, plus 35% of excess over $22,000.
Over $26,000 but not over $32,000	$6,170, plus 36% of excess over $26,000.
Over $32,000 but not over $38,000	$8,330, plus 37% of excess over $32,000.
Over $38,000 but not over $44,000	$10,550, plus 40% of excess over $38,000.
Over $44,000 but not over $50,000	$12,950, plus 42% of excess over $44,000.
Over $50,000 but not over $60,000	$15,470, plus 44% of excess over $50,000.
Over $60,000 but not over $70,000	$19,870, plus 46% of excess over $60,000.
Over $70,000 but not over $80,000	$24,470, plus 47% of excess over $70,000.
Over $80,000 but not over $90,000	$29,170, plus 48% of excess over $80,000.
Over $90,000 but not over $100,000	$33,970, plus 49% of excess over $90,000.
Over $100,000	$38,870, plus 50% of excess over $100,000."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1980.

Redesignate sections 102, 103, 104, and 105 of the bill as sections 104, 105, 106, and 107, respectively.

In paragraph (1) of section 21(f) of the Internal Revenue Code of 1954 (as proposed to be inserted by section 107 of the bill, as so redesignated), strike out "sections 101, 102" and insert in lieu thereof "sections 101, 102, 103, 104,".

H.R. 13511

By Mr. MOORE:

—On page —, line —, add the following new section:

SEC. 106. INTEREST INCOME EXCLUSION.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as section 125 and by inserting after section 123 the following new section:

"SEC. 124. PARTIAL EXCLUSION OF INTEREST RECEIVED BY INDIVIDUALS.

"(a) EXCLUSION.—In the case of an individual, gross income does not include amounts received as interest which would, but for this section, be includible in the gross income of such individual for the taxable year.

"(b) LIMITATION.—The exclusion allowed under subsection (a) shall not exceed $100 for any individual for any taxable year."

(b) CLERICAL AMENDMENT.—The table of sections for such part III is amended by striking out the item relating to section 124 and inserting in lieu thereof the following:

"Sec. 124. Partial exclusion of interest received by individuals.
"Sec. 125. Cross references to other Acts."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to taxable years ending after December 31, 1978.

H.R. 13511

By Mr. OTTINGER:

—At the end thereof, add the following:

TITLE V—TAX INCENTIVES FOR THE PRODUCTION AND CONSERVATION OF ENERGY AND FOR CONVERSION TO ALTERNATIVE ENERGY SOURCES

SEC. 501. RESIDENTIAL ENERGY CREDIT.

(a) GENERAL RULE.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44B the following new section:

"SEC. 44C. RESIDENTIAL ENERGY CREDIT.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the qualified energy conservation expenditures, plus

"(2) the qualified renewable energy source expenditures, plus

"(3) the qualified hydrogen energy expenditures.

"(b) QUALIFIED EXPENDITURES.—For purposes of subsection (a)—

"(1) ENERGY CONSERVATION.—In the case of any dwelling unit, the qualified energy conservation expenditures are 20 percent of so much of the energy conservation expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $2,000.

"(2) RENEWABLE ENERGY SOURCES.—In the case of any dwelling unit, the qualified renewable energy source expenditures are the following percentages of the renewable energy source expenditures made by the taxpayer during the taxable year with respect to such unit.

"(A) 30 percent of so much of such expenditures as does not exceed $2,000, plus

"(B) 20 percent of so much of such expenditures as exceeds $2,000 but does not exceed $10,000.

"(3) HYDROGEN ENERGY.—In the case of any dwelling unit, the qualified hydrogen energy expenditures are 20 percent of so much of the hydrogen energy expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $2,000.

"(4) PRIOR EXPENDITURES BY TAXPAYER ON SAME RESIDENCE TAKEN INTO ACCOUNT.—If for any prior taxable year a credit was allowed to the taxpayer under this section with respect to any dwelling unit by reason of energy conservation expenditures or renewable energy source expenditures, paragraph (1), (2), or (3) (whichever is appropriate) shall be applied for the taxable year with respect to such dwelling unit by reducing each dollar amount contained in such paragraph by the prior year expenditures taken into account under such paragraph.

"(5) MINIMUM DOLLAR AMOUNT.—No credit shall be allowed under this section with respect to any return for any taxable year if the amount which would (but for this paragraph) be allowable with respect to such return is less than $10.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) ENERGY CONSERVATION EXPENDITURE.—The term 'energy conservation expenditure' means an expenditure made on or after April 20, 1977, by the taxpayer for insulation or any other energy-conserving component (or for the original installation of such insulation or other component) installed in or on a dwelling unit—

"(A) which is located in the United States, the Virgin Islands, or Guam,

"(B) which is used by the taxpayer as his principal residence, and

"(C) the construction of which was substantially completed before April 20, 1977.

"(2) RENEWABLE ENERGY SOURCE EXPENDITURE.—

"(A) IN GENERAL.—The term 'renewable energy source expenditure' means an expenditure made on or after April 20, 1977, by the taxpayer for renewable energy source property installed in connection with a dwelling unit—

"(i) which is located in the United States, the Virgin Islands, or Guam, and

"(ii) which is used by the taxpayer as his principal residence.

"(B) ITEMS INCLUDED.—The term 'renewable energy source expenditure' includes only expenditures for—

"(i) renewable energy source property,

"(ii) labor costs properly allocable to the onsite preparation, assembly, or installation of renewable energy source property, or

"(C) SWIMMING POOL, ETC., USED AS STORAGE MEDIUM.—The term 'renewable energy source expenditure' does not include any expenditure properly allocable to a swimming pool used as an energy storage medium or to any other energy storage medium which has a function other than the function of such storage.

"(3) HYDROGEN ENERGY EXPENDITURES.—

"(A) IN GENERAL.—The term 'hydrogen energy expenditures' means an expenditure made on or after April 20, 1977, by the taxpayer for hydrogen energy property and installation installed in connection with a dwelling unit—

"(i) which is located in the United States, the Virgin Islands, or Guam, and

"(ii) which is used by the taxpayer as his principal residence.

"(B) ITEMS INCLUDED.—The term 'hydrogen energy expenditures' includes only expenditures for—

"(i) hydrogen energy property, and

"(ii) labor costs properly allocable to the onsite preparation, assembly, or installation of hydrogen energy property, or to the modification of conventional property for the use of hydrogen as a fuel.

"(4) INSULATION.—The term 'insulation' means any item—

"(A) which is specifically and primarily designed to reduce when installed in or on a dwelling (or water heater) the heat loss or gain of such dwelling (or water heater),

"(B) the original use of which begins with the taxpayer,

"(C) which can reasonably be expected to remain in operation for at least 3 years, and

"(D) which meets the performance and quality standards, if any, which—

"(i) have been prescribed by the Secretary by regulations, and

"(ii) are in effect at the time of the acquisition of the item.

"(5) OTHER ENERGY-CONSERVING COMPONENT.—The term 'other energy-conserving component' means any item (other than insulation)—

"(A) which is—

"(i) a furnace replacement burner designed to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency,

"(ii) a device for modifying flue openings designed to increase the efficiency of operation of the heating system,

"(iii) an electrical or mechanical furnace ignition system which replaces a gas pilot light,

"(iv) a storm or thermal window or door for the exterior of the dwelling,

"(v) an automatic energy-saving setback thermostat,

"(vi) caulking or weather stripping of an exterior door or window,

"(vii) a heat pump which replaces an electric resistance heating system,

"(viii) meters which display the cost of energy usage,

"(ix) a replacement fluorescent lighting system,

"(x) an evaporative cooling device,

"(xi) is an item (other than a fireplace) which is designed to use wood and peat as a fuel for space heating, the heating of water or cooking of food, or any combination thereof, including any controls, ducts, stovepipes, footing or other item (other than a chimney) necessary for the safe and efficient operation of any such item, or

"(xii) an item of the kind which the Secretary specifies by regulations as increasing (by conversion or otherwise) the energy efficiency of the dwelling,

"(B) the original use of which begins with the taxpayer,

"(C) which can reasonably be expected to remain in operation for at least 3 years, and

"(D) which meets the performance and quality standards, if any, which—

"(i) have been prescribed by the Secretary by regulations, and

"(ii) are in effect at the time of the acquisition of the item.

In establishing regulations under this paragraph, the Secretary shall prescribe (i) guidelines setting forth the criteria which are used in the determination of whether an item is an energy-conserving component, and (ii) a procedure under which a manufacturer of an item may request the Secretary to specify or certify that item as an energy-conserving component.

"(6) RENEWABLE ENERGY SOURCE PROPERTY.—The term 'renewable energy source property' means property—

"(A) which, when installed in connection with a dwelling—

"(i) uses solar energy in either an active or passive method the primary purpose of which is heating or cooling such dwelling or providing hot water for use within such dwelling, or in the production of electricity,

"(ii) uses wind energy for nonbusiness residential purposes,

"(iii) is necessary to distribute or use geothermal deposits (as defined in section 613 (e)) which provide geothermal energy to heat or cool such building or provide hot water for use within such building, or

"(iv) uses any other form of renewable energy which the Secretary specifies by regulations,

"(B) the original use of which begins with the taxpayer,

"(C) which can reasonably be expected to remain in operation for at least 5 years, and

"(D) which meets the performance and quality standards, if any, which—

"(i) have been prescribed by the Secretary by regulations, and

"(ii) are in effect at the time of the acquisition of the property.

"(7) HYDROGEN ENERGY PROPERTY.—The term 'hydrogen energy property' means property—

"(A) which, when installed in connection with a dwelling—

"(i) uses hydrogen as a fuel for the purpose of heating or cooling such dwelling or providing hot water for use within such dwelling, or

"(ii) is used in the electrolysis of water for the production of hydrogen,

"(B) the original use of which begins with the taxpayer

"(C) which can reasonably be expected to remain in operation for at least 5 years, and

"(D) which meets the performance and quality standards, if any, which—

"(i) have been prescribed by the Secretary by regulations, and

"(ii) are in effect at the time of the acquisition of the property.

"(8) CONSULTATION IN PRESCRIBING STANDARDS.—Performance and quality standards shall be prescribed by the Secretary under paragraphs (4), (5), (6), and (7) only after consultation with the Secretary of Energy, the Secretary of Housing and Urban Development, and other appropriate Federal agencies.

"(9) WHEN EXPENDITURES MADE; AMOUNT OF EXPENDITURES.—

"(A) Except as provided in subparagraph (B) an expenditure with respect to an item shall be treated as made when original installation of the item is completed.

"(B) In the case of renewable energy source expenditures in connection with the construction or reconstruction of a dwelling, such expenditures shall be treated as made when the original use of the constructed or reconstructed dwelling by the taxpayer begins.

"(C) The amount of any expenditure shall be the cost thereof.

"(D) If less than 80 percent of the use of an item is for nonbusiness residential purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness residential purposes shall be taken into account. For purposes of the preceding sentence, use for a swimming pool shall be treated as use which is not for residential purposes.

"(10) PRINCIPAL RESIDENCE.—The determination of whether or not a dwelling unit is a taxpayer's principal residence shall be made under principles similar to those applicable to section 1034, except that—

"(A) no ownership requirement shall be imposed, and

"(B) the period for which a dwelling is treated as the principal residence of the taxpayer shall include the 30-day period ending on the first day on which it would (but for this subparagraph) be treated as his principal residence.

"(1) ENVIRONMENTAL RESTRICTIONS ON CERTAIN WOOD AND PEAT BURNING ITEMS.—No credit shall be allowed under subsection (a) for expenditures with respect to any item described in paragraph (5)(A)(xii) which are to be installed in any metropolitan or other area after the date on which—

"(A) the Administrator of the Environmental Protection Agency certifies to the Secretary that the emissions from such items would cause air quality in such area to be in violation of any Federal law, or

"(B) the Secretary of Agriculture certifies to the Secretary that additional consumption of wood in connection with such items would endanger forests in that area.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a principal residence by 2 or more individuals—

"(A) the amount of the credit allowable under subsection (a) by reason of energy conservation expenditures or by reason of renewable energy source expenditures (as the case may be) made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year; and

"(B) each of such individuals shall be allowed a credit under subsection (a) for the taxable year in which such calendar year ends (subject to the limitation of paragraph (5) of subsection (b)) in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who holds stock as a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which he owns, such individual shall be treated as having made his proportionate share of any expenditures of such association.

"(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(e) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(f) TERMINATION.—This section shall not apply to expenditures made after December 31, 1985.".

(b) CARRYOVER OF UNUSED CREDIT.—If the amount of the credit determined under this section for the taxable year exceeds the liability for the taxpayer for the tax under this chapter for the taxable year, the excess shall be carried over to each of the two taxable years succeeding that taxable year. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the two taxable years to which it may be carried, and then to the succeeding taxable year to the extent that it may not be added for a prior taxable year to which it might be carried.

(c) INSPECTION.—To the extent not presently authorized and utilized by any agency of the United States in the assessment and collection of income taxes, no procedure or practice which utilizes onsite inspection of the residence of an individual shall be employed to determine if that individual is entitled to a credit under section 44C of the Internal Revenue Code of 1954, as added by subsection (a), unless such procedure or practice provides that such inspection shall take place only with the written consent of such individual.

(d) TECHNICAL AND CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44B the following new item:
"Sec. 44C. Residential energy credit.".

(2) Subsection (c) of section 56 (defining regular tax deduction) is amended by striking out "credits allowable under—" and all that follows and inserting in lieu thereof "credits allowable under subpart A of part IV other than under sections 31, 39, 43, 44C, 44E, 44F, 44G, 44H, 44I, and 44J.".

(3) Subsection (a) of section 1016 (relating to adjustments to basis) is amended by inserting after paragraph (20) the following new paragraph:

"(21) to the extent provided in section 44C(e), in the case of property with respect to which a credit has been allowed under section 44C;".

(4) Subsection (b) of section 6096 (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44B" and inserting in lieu thereof "44B, and 44C".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after April 20, 1977.

H.R. 13635

By Mr. HOWARD:

—Page 42, beginning on line 3, strike out "That no funds" and all that follows through "dislocations" on line 6, and insert in lieu thereof the following:

That no more than 10 percent of the funds appropriated in this Act and to be used for payments under contracts shall be used for payments under contracts hereafter made for the purpose of relieving economic dislocations.

EXTENSIONS OF REMARKS

PLACING A COST ON THE USE OF THE SPECTRUM

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. WAXMAN. Mr. Speaker, one of the most critical features of H.R. 13015 is the proposed spectrum use fee. After the bill was introduced, the staff developed a proposed fee schedule which attempted to quantify in some tangible measure the scarcity value of the spectrum. The results of the formula which was developed, however, also underscore the difficulty in translating this novel concept into an equitable schedule. This will be the subject of extensive debate in the Communications Subcommittee, and eventually by the full House. In order to better inform my colleagues of these issues, I am pleased to insert in the RECORD the memorandum prepared by the subcommittee staff on this proposal.

The memorandum follows:

BROADCAST LICENSE FEES

This memo reviews the spectrum management mechanism set forth in H.R. 13015, it discusses the meaning of "scarcity" and looks at indicators of scarcity in the various broadcast services. Finally it sets forth and discusses fee schedules for the four major broadcast services—AM radio, FM radio, VHF television, and UHF television.

SPECTRUM MANAGEMENT IN H.R. 13015

H.R. 13015 splits the spectrum management task for the civil (non-federal government) portion of the spectrum into two parts. Spectrum allocation is to be done by the National Telecommunications Agency (NTA) while licensing and associated frequency assignment tasks are to be done by the Communications Regulatory Commission (CRC). The CRC is also directed to set license fees in the various radio services taking into account the scarcity value of the license as well as the administrative costs of licensing. It is intended that the economic information developed by the CRC in setting license fees will be used by the NTA when reallocating spectrum. One important aspect of the allocation task is to see that spectrum resources are used efficiently. Careful measurement of scarcity and the economic assessment of the effects of scarcity should aid in the efficient allocation of the spectrum resource.

In addition to aiding the NTA in spectrum allocation the resource scarcity-based license fees system should also lead in improved efficiency in the use of the spectrum in any one service. The license fee will encourage spectrum conservation and the use of more efficient technologies.

SCARCITY VALUE

H.R. 13015 uses the phrase "scarcity value of the spectrum being assigned" to describe one element which should go into the calculation of the license fee. The scarcity

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value or marginal value of a resource is the value of the last (or marginal or least scarce) unit of the resource. The concept of marginal or scarcity value is a common one—much discussed in economic texts—and does not need further explanation here. The language of H.R. 13015 permits the CRC to set license fees for all radio services taking into account the scarcity value of those licenses.

INDICATORS OF SCARCITY VALUE

Since there is no way today to assess directly the marginal value of units of the spectrum resource, indirect methods must be used to estimate this value. In a recent paper, Robert W. Crandall of the Brookings Institution estimated that in 1973 "television broadcasting earned a healthy 29 percent return on capital above and beyond the cost of attracting it."[1] (Crandall's calculation assumes an industry cost of capital of 25 percent.)

Following Crandall's method, we can calculate the approximate return on investment in various broadcasting services. All financial information is taken from two FCC documents, "TV Broadcast Financial Data—1976" dated August 29, 1977 and "AM and FM Broadcast Financial Data, 1976" dated December 12, 1977. These documents are referred to below as TV-Data and Radio-Data.

From TV-Data, Tables 2 and 13, and Radio-Data, Tables 3, 8, 13 and 14 we can derive the following table.

[All figures in millions]

Class of Broadcasters	Income Before Taxes	Tangible Property Less Depreciation
Network Owned and Operated VHF–TV	$159.0	$41.9
Other VHF–TV	730.7	642.7
UHF–TV	64.8	133.4
Network Owned and Operated AM Radio	15.3	8.8
Other AM or AM/FM Radio	147.2	540.7
Other FM Radio	21.2	113.0

Using Crandall's technique for estimating total capital,[2] we obtain the following table:

Class of broadcaster—Estmated industrywide 1976 pretax return on investment

[In percent]

Network owned and operated VHF–TV	304
Other VHF–TV	91
UHF–TV	39
Network owned and operated AM radio	139
Other AM and AM/FM radio	22
Other FM radio	15

Clearly, scarcity value is greatest in VHF television and the powerful major market AM stations. The pre-tax earnings in AM radio are quite low. And earnings in FM are so low that it's hard to understand how the industry survives.

Again, taking Crandall's assumption of a 25 percent cost of capital in broadcasting we can calculate the amount by which industry earnings exceed the cost of capital. The resulting figures bear out our common sense expectations. The economic signs of scarcity are most pronounced in VHF television and non-existent[3] in all classes of radio except for the major class of stations owned and operated by the networks.

Class of broadcaster—Total estimated industrywide 1976 return above 25 percent

[In millions]

Network owned and operated VHF–TV	$146.1
Other VHF–TV	530.2
UHF–TV	23.3
Network owned and operated radio	12.5
Other AM and AM/FM radio	------
Other FM radio	------

DISCUSSION FEE SCHEDULES

The staff has developed the following fee schedules for VHF television, UHF television, AM radio and FM radio. It should be recognized that these fee schedules are tentative. They were developed using only public information available in FCC reports or industry publications. Nevertheless, they do represent a first step towards refining a fee schedule. They may give results which do not fit the 1978 economy since they were developed using 1976 data, the most recent data available. Given the changes in the economy, the 1976 data probably lead to underestimation of the scarcity value. They may not treat some special markets correctly. But, on an industrywide basis, and for the vast majority of stations they should yield fees which would meet the standards in H.R. 13015.

VHF TELEVISION

Fee = $25.3 × (NHH/NSIG) − ($1.5 million + $1.33 × NHH) or zero, whichever is larger. NHH is the number of prime time households in the market and NSIG is the number of commercial VHF signals in the market plus one-half the number of commercial UHF signals in the market.

UHF TELEVISION

The UHF fee for a market is one-half the VHF fee for the same market minus 1.8 million dollars or zero, whichever is greater.

AM RADIO

The AM radio license fees developed here incorporate geographic measure of scarcity only indirectly since the more powerful classes of AM stations tend to be located in major markets. The AM fees set forth below are a function of the class of station.

AM fee schedule

Class stations	*Annual fee*
I–A	$40,800
I–B	10,700
II	10,700
II–Day	700
III–Full	350
III–Day	250
IV	211

FM RADIO

This formula is similar to that in AM since it too only uses the class of station in determining the fee.

Class station	*Annual fee*
A	$400
B or C	2,500

DISCUSSION OF THE FEE SCHEDULES

With the information publicly available today it is hard to calculate scarcity values perfectly in each market. Nevertheless, there is enough information available to do a good job. Public discussion, the upcoming hearings, and changes in FCC reporting standards should improve the calculation of the exact scarcity value of television licensees.

Using only well defined, publicly available information one can develop a formula which will reflect the scarcity value of a license. For the purpose of exposition we will use two well defined measures—the number of households in a market and the number of commercial television signals in a market.

The more stations in a market the less severe the scarcity. Thus a fee proportional to (1/NSIG), where NSIG is a measure of the number of signals in the market, would behave properly. It would get smaller as more and more stations become available in the market.

But, of course, market size should also be considered. As a market gets larger it has the capacity to support stations. So the original form should be changed perhaps by multiplying it by NHH, the number of households in a market, to yield a fee proportional to:

NHH/NSIG

Notice that this fee, however, takes on some value in every market even in the smallest markets. This does not seem quite right since there are fixed costs associated with being in business in any television market. The formula should be adjusted to take into account the fact that in smaller markets there really is no scarcity. Subtracting a constant term from the previous term allows for such small markets and yields the formula Fee = Maximum of (NHH/NSIG—Constant) or zero. Even this might be improved in many ways.

The formula given before for a VHF license fee incorporates these ideas and might be a good basis for future discussion. Recall it is: Fee = $25.3 × (NHH/NSIG) minus ($1.5 million + $1.33 × NHH) or zero—whichever is larger.

Look at what that formula implies. New York City has about 4.5 million households, 6 commercial VHF stations and 3 commercial UHF stations. The formula above would yield a scarcity value around $7.5 million for a New York City VHF station. (The 1978 TV Factbook states that New York has 4,525,000 Arbitron prime TV households.) But the VFH fee would be zero in a city with three commercial VHF stations and 185,000 or fewer television households.[4]

The table below shows this formula evaluated in one hundred of the largest television markets. These figures show the general form of scarcity value in television. The scarcity component of the UHF fee would be greater than zero in only four markets as shown below.

The AM fees would total approximately $5.4 million. Similarly the FM fees would total about $4.8 million. See the table below.

Aggregate fees by type of broadcaster

[In millions]

Type	*Industry total annual fees*
VHF–TV	$246.9
UHF–TV	9.8
AM-Radio	5.4
FM-Radio	4.8
Total	266.9

Another approach to setting license fees would be to look at units of the spectrum resource underlying the license, set a scarcity value on those units, and then transfer that scarcity value to the license fee. While such an approach is flawed as a method of economic analysis, nevertheless it is suggestive. The table below shows the relationship between the underlying units of the spectrum (Hertz) and the fees.

Service	*Band width Used (MHz)*	*Fee ($/Hz)*
AM Radio	1.07	5.05
VHF Television	84.00	2.94
FM Radio	20.00	.24
UHF Television*	330.00	.03
All Radio	21.07	.48
All Television	414.07	.62

*Channel 14–36. 38–69.

Notice the pattern of these ratios. The ratio is higher for the older services. It is highest in AM radio. It is roughly comparable in television and radio.●

[1] Robert W. Crandall, "Regulation of Television Broadcasting: How Costly Is the Public Interest?", Regulation, Jan./Feb. 1978, pp. 31–39.

[2] Total Capital = Tangible Capital + Other Capital and Other Capital is estimated to equal one-fifth Total Capital.

[3] This is not to say that these stations have no value but rather that the marginal value of the spectrum used in that service approaches zero.

[4] Clearly, this approach, although based upon industrywide figures on return on investment, is in no way equivalent to rate of return regulation.

NEXT TIME STAMP IT "YES"

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. DERWINSKI. Mr. Speaker, the Postal employees are now in the process of voting to ratify a contract that was negotiated by union leaders with the management of the Postal Service. It will be in everyone's interest and especially that of the Postal employees if they ratify the contract.

The Chicago Sun-Times hit the nail on the head with regard to this subject in a brief editorial appearing in the August 3 edition. The editorial follows:

NEXT TIME STAMP IT "YES"

It doesn't take an expert to know some things about group psychology. For example: Get 8,000 workers together. Stir in emotion. Ask if they want a contract that offers less money than they would like.

The group says "No!" What else?

That happened at the National Assn. of Letter Carriers' convention here Monday. The NALC president was booed. No surprise.

Such predictable responses aren't needed in the U.S. Postal Service contract fight. Needed is an OK to a fair raise—19.5 per cent over three years—by a key union to help restrain runaway inflation. All workers hurt by rising prices can hope thoughtful postal workers will say "yes" to that.●

PAYING FOR THE USE OF THE SPECTRUM

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

* Mr. WAXMAN. Mr. Speaker, Broadcasting magazine has carefully reported and analyzed a proposed fee schedule for the use of the spectrum by the Nation's television and radio licensees. In order to provide further background on this very controversial issue for my colleagues, I am pleased to insert these articles in the RECORD:

"BACK TO THE DRAWING BOARD" ON LICENSE FEES

Representative Lionel Van Deerlin (D-Calif.) last week disowned some of the numbers in the draft license fee schedule his House Communications Subcommittee staff had released only the week before (BROADCASTING, July 24). But he said the model formula would be left standing for discussion purposes.

The fee schedule, offered up two weeks ago as a way to implement the Communications Act rewrite's provision requiring broadcasters to pay annual fees for their occupancy of electromagnetic spectrum space, specified dollar amounts for every VHF and UHF station that would be affected by the proposal. But many broadcasters choked on the first entry, for New York, in which every VHF station in the market—whether network-owned or independent—would pay an annual fee of $7.7 million, and every UHF would pay $2 million.

With six VHF's and three UHF's in the market, the total fee for New York's TV stations would come to $52,695,626 under the staff's formula. According to BROADCASTING's calculations, that represents 82.4 percent of the combined pretax profits reported by those stations in 1976.

Of all the markets in the country, New York would have the biggest bite taken from its earnings by the proposed fee. But the figures in other markets are startling nonetheless. The fee would take 64 percent of the 1976 earnings of the TV stations in Washington. In Flint-Saginaw-Bay City, Mich., it would take 62.8 percent; in Providence, R.I., 55.8 percent; in Cleveland and Pittsburgh, 54.7 percent; in Albany-Schenectady, N.Y., 51.1 percent, and in Philadephia, 50.1 percent. The schedule of fees is eye-catching for its disparities, too; San Francisco would pay only 12.9 percent, by contrast, and Rochester, N.Y., only 1.5 percent.

HOW BIG THE TV BITE IN EACH MARKET

	1976 pretax profits	Fee	Percent of profits
1. New York	$63, 981, 000	$52, 695, 626	82. 4
3. Chicago	49, 770, 000	17, 141, 000	34. 4
4. Philadelphia	36, 962, 000	18, 522, 220	50. 1
2. Los Angeles	63, 489, 000	11, 953, 045	18. 8
9. Cleveland	21, 957, 000	12, 005, 335	54. 7
6. Boston	28, 134, 000	10, 424, 057	37. 1
8. Washington	14, 665, 000	9, 383, 325	64. 0
11. Pittsburgh	16, 801, 000	9, 196, 484	54. 7
7. Detroit	27, 755, 000	8, 505, 720	30. 6
10. Dallas-Fort Worth	27, 376, 000	6, 876, 666	25. 1
13. Minneapolis-St. Paul	14, 066, 000	5, 708, 280	40. 6
15. St. Louis	13, 664, 000	4, 833, 568	35. 4
20. Baltimore	14, 245, 000	4, 648, 684	32. 6
5. San Francisco-Oakland	34, 670, 000	4, 474, 714	12. 9
17. Tampa-St. Petersburg, Fla	13, 304, 000	4, 312, 466	32. 4
12. Houston-Galveston	28, 359, 000	4, 101, 390	14. 5
18. Seattle-Tacoma	17, 208, 000	4, 049, 940	23. 5
26. Kansas City, Mo	13, 159, 000	3, 356, 898	25. 5
34. Columbus, Ohio	9, 343, 000	3, 342, 080	35. 8
21. Milwaukee	8, 889, 000	3, 321, 506	37. 4
27. Cincinnati	9, 046, 000	3, 197, 636	35. 3
30. Providence, R.I.-New Bedford, Mass	15, 608, 000	3, 128, 980	55. 8
14. Miami	17, 999, 000	2, 996, 760	16. 6
35. Memphis	17, 502, 000	1, 445, 760	8. 3
16. Atlanta	19, 284, 000	2, 607, 920	13. 5
22. Hartford-New Haven, Conn	12, 130, 000	2, 485, 672	20. 5
28. Buffalo, N.Y	11, 318, 000	2, 472, 112	21. 8
19. Indianapolis-Bloomington	15, 940, 000	2, 378, 418	14. 9
31. Nashville	4, 450, 000	2, 153, 588	48. 4
23. Denver	18, 999, 000	2, 091, 900	11. 0
42. Albany-Schenectady-Troy, N.Y	13, 788, 900	1, 935, 620	51. 0
25. Portland, Oreg	10, 059, 000	1, 852, 140	18. 4
46. Dayton, Ohio	15, 417, 000	1, 852, 080	34. 2
50. Birmingham, Ala	18, 805, 000	1, 746, 600	19. 8
57. Toledo, Ohio	5, 034, 000	1, 729, 002	34. 4
44. Charleston-Huntington, W. Va	14, 282, 000	1, 701, 210	39. 7
52. Flint-Saginaw-Bay City, Mich	2, 584, 000	1, 623, 540	62. 8
38. New Orleans	6, 729, 000	1, 622, 718	24. 1
37. Oklahoma City-Enid	6, 238, 000	1, 615, 970	25. 9
24. Sacramento-Stockton, Calif	9, 903, 000	1, 494, 000	15. 1
33. Charlotte, N.C	5, 730, 000	1, 460, 894	25. 5
51. Syracuse-Elmira, N.Y	4, 445, 000	1, 275, 010	28. 7
53. Salt Lake City-Ogden, Provo	5, 470, 000	1, 253, 700	22. 9
41. Grand Rapids-Kalamazoo-Battle Creek, Mich	6, 590, 000	1, 233, 586	18. 7
39. Louisville, Ky	3, 635, 000	1, 162, 554	32. 0
64. Omaha	3, 912, 000	891, 430	22. 8
54. Greensboro-Winston Salem-High Point, N.C	4, 627, 000	784, 880	17. 0
70. Springfield-Decatur-Champaign, Ill	1, 157, 000	718, 720	22. 8
55. Little Rock, Ark	2, 941, 000	657, 020	22. 3
60. Knoxville, Tenn	3, 829, 000	656, 640	17. 1
51. Raleigh-Durham, N.C	4, 171, 000	621, 480	14. 9
40. Orlando-Daytona Beach, Fla	6, 348, 000	621, 480	7. 7
59. Shreveport, La.-Texarkana, Tex	2, 709, 000	486, 540	18. 0
47. San Antonio, Tex	7, 381, 000	437, 104	5. 9
56. Wichita-Hutchinson, Kans	3, 676, 000	422, 610	11. 5
62. Des Moines-Ames, Iowa	3, 758, 000	358, 680	9. 5
64. Jacksonville, Fla	5, 795, 000	269, 880	4. 7
50. Harrisburg-York-Lancaster-Lebanon, Pa	3, 402, 000	268, 730	7. 9
67. Green Bay, Wis	11, 658, 000	230, 820	13. 9
57. Tulsa, Okla	5, 085, 000	209, 510	4. 1
46. Norfolk-Portsmouth-Newport News-Hampton, Va	4, 792, 000	171, 668	3. 6
58. Richmond-Petersburg, Va	3, 421, 000	124, 270	3. 6
66. Rochester, N.Y	5, 594, 000	81, 650	1. 5

The fee would create a seemingly impossible situation for some independent VHF stations. In New York, where there are three such stations, the fee would charge them more than they earn, according to Leavitt Pope, president of WPIX(TV). Mr. Pope wrote last week that in their best year yet reported by the FCC, 1976, the three stations' earnings combined, $16.5 million, fell far short of their proposed license fee, $23.2 million.

Is that what Mr. Van Deerlin intended for the license fee? "Well, obviously not," the Communications Subcommittee chairman said last week. Charging a station more than it makes, or over 80% of income, as in the case of the combined stations in New York, "is hardly the American way," he said.

So "it's back to the drawing board," he said. He suggested that one way to clear up the problem would be "to have some kind of restrainer on it," a ceiling perhaps, beyond which fees could not rise even if the formula indicated they should. How that might be accomplished, he said, he has no idea.

One of Mr. Van Deerlin's reasons for ordering the drafting of a model fee schedule was to give flesh to a vague discussion that has given broadcasters the willies If they could see actual numbers, he reasoned, they would be persuaded of the reasonableness of the license fee concept. He didn't succeed.

One broadcaster's reaction last week was typical of many:

"Those guys have got to be out of their minds to release something like that," he said. Another called it "outrageous," and a third pronounced it "totally cockeyed."

Mr. Van Deerlin had backed away from the formula even before confronted with those reactions. But he defended it all the same as a good try. "We've never been off the drawing board," he said. "I never assumed that this is what was going to appear." He said he hopes other suggestions of a fee schedule will be submitted from outside the subcommittee in time for the hearings on broadcasting that are scheduled for the week of Sept. 11. And he indicated he is not in a hurry to put his staff back to work on it. "If people are just waiting to see the next one," he said, "maybe they're not going to be happy with it either."

Mr. Van Deerlin remained charitable toward his staff, which, he said did exactly as he had asked. It developed a formula to place a value on the use of the electromagnetic spectrum. The formula ([$25.30 times the number of households in a television market divided by the sum of VHF signals and half

the UHF signals] minus $1.5 million plus [$1.33 times households]) means nothing to the nonstatistician, but its design is to quantify the "scarcity value" of each portion of the spectrum occupied by television stations.

The subcommittee's staff engineer, Chuck Jackson, who developed the formula, explained last week how he derived it. He began with a study of broadcast earnings and determined that VHF has the highest return of investment in the business. Working with a formula that assumes that 25% return on investment is a reasonable reflection of the risk of doing business in broadcasting, he plotted broadcast earnings in 1976 that fell above that mark. The result:

Network owned and operated VHF's: $146.1 million.

Other VHF's: $530.2 million.

UHF's: $232 million.

Network owned and operated radio: 12.5 million.

Other AM and AM-FM radio: less than 25 percent.

Other FM less than 25 percent.

Those figures, although imprecise, identified the scarcity in economic terms.

Next he decided that in a formula to evaluate scarcity, two reliable measures would be the number of households in a market and the number of signals. The more households a station reaches the more valuable is its license, he said. It becomes less valuable with an increase in the number of competing signals. So Mr. Jackson divided the number of households by the number of signals (VHF plus one-half of UHF) to reach his scarcity measure. The number subtracted in the formula is designed to represent the fixed costs of doing business. Mr. Jackson said the dollar figures in the formula, $25.30 and $1.33, are mathematical coefficients that were worked in to achieve a result that approaches the distribution and levels of money in the table above. The resulting fee totals:

[In millions]

VHF	$246.9
UHF	9.8
AM	5.4
FM	4.8
VHF	246.9

(The radio figures are derived from a different formula from the TV's)

"It has the right kind of shape," Mr. Jackson said, but he acknowledged that if the formula results in a fee exceeding a station's earning, then it is too high.

He said in going back to the drawing board, next time he may try to take into account some added variables, but he indicated, however, that he does not think a formula should be adjusted to reflect differences in earnings between network-owned or affiliated stations and independents. A resource fee has to treat every commercial VHF station in the market the same, regardless of how successful they are. If income were considered, the fee would turn into a gross receipts tax, he said, "and that's just wrong."

THE PRICE TO PAY FOR H.R. 13015

Under a formula worked out by the staff of the House Communications Subcommittee, VHF television would yield more than 90% of the license fees broadcasters would pay under the Communications Act rewrite. The staff's computer break-out of fees that would apply in 100 of the largest TV markets shows VHF stations would pay $246.9 million collectively in fees for their occupancy of electromagnetic spectrum space. UHF would pay $9.8 million, AM radio $5.4 million and FM $4.8 million—adding up to $266.9 million.

A glance at the table of 100 sample markets worked out by the staff shows where the big money is intended to come from. A VHF station in New York would pay $7.7 million annually. In Philadelphia it would pay $5.3 million, in Chicago $4.1 million, in Cleveland $3.9 million and in Boston $3.5 million. Every VHF station in a market would pay the same fee, regardless of whether it is network-affiliated or independent.

UHF fees aren't comparable to those. A UHF in New York would pay $2.1 million. In Philadelphia the size of the UHF fee drops to $858,000. UHF's in Chicago and Cleveland would pay much smaller fees, and UHF's in all other markets would pay nothing at all.

The schedule for radio bears out rewrite co-sponsor Lionel Van Deerlin's (D-Calif.) claim that radio's contribution to the fee pool would be relatively small. The schedule prepared by the staff is broken down by classes of stations, ranging from the Class I clear channel stations which would pay the most to the low-powered class IV stations, which would pay the least. The schedule looks like this:

Class:	
I-A	$40,800
I-B	10,700
II	10,700
II (daytimer)	700
III	350
III (daytimer)	250
IV	211

Mr. FM, the low-powered Class A stations would pay $400; the higher-powered Class B and C stations would pay $2,500.

The proposed schedule is tentative—thrown out for discussion purposes, Mr. Van Deerlin says. He expects more proposals would be offered from outside sources before September, when the proposal will doubtless figure heavily in the broadcast portion of the rewrite hearing.

More funds would come from other users of the spectrum besides broadcasters, but the subcommittee chairman said last week that he expects most would come from broadcasting.

He underscored his previous statement that the size of the fees is not based on how much he wants to spend or on how much stations make. Rather it is based on a formula designed to estimate how much the spectrum space is worth.

That formula, worked out by the subcommittee's engineer, Chuck Jackson, places primary emphasis on a station's "scarcity" value. The more stations there are in a market, the less the scarcity—which leads to a few rather odd bulges in the fee schedule. While New York VHF stations, as common sense would indicate, would pay the highest fees in the land, those in Los Angeles, the nation's second broadcast market, barely make the top 10. A Los Angeles VHF would pay $1.7 million annually, and a UHF there would pay nothing. The reason is that Los Angeles has more stations—seven VHF's and five UHF's, compared to the six VHF's and the three UHF's in New York.

WHERE THEY CAME OUT ON FEES, AND HOW

These are the 100 markets in which television fees would be paid under the schedule released by the House Communications Subcommittee. Not all stations in these markets would pay fees; no TV stations in markets below these top 100 (computed on the basis of Arbitron rankings for prime-time households in 1976) would pay fees.

A VHF station's license fee reflects the numbers of households and signals in its markets—the two primary components in the TV fee formula, a mathematical construction that may be best understood by statisticians. The formula divides the number of households in a market by a factor reflecting the number of signals (NSIG, which equals the total number of VHF's plus half the number of UHF's), multiplies that by $25.3 and then subtracts another number that is designed to adjust for a station's fixed operating costs. The formula looks like this: Fee equals $25.3 times (households divided by NGIS) minus ($1.5 million plus $1.33 times households). For a UHF, the fee is one-half that of a VHF in that market, minus $1.8 million.

Following is the entire breakdown of VHF and UHF fees for the 100 TV markets. Broadcasting has added an ADI rank column reflecting the latest Arbitron Television market rankings. The subcommittee list is in order of total TV fees that would be paid in a given market; readers may determine those market totals by multiplying out and then adding together the VHF and UHF fees. An asterisk (*) in certain all-UHF markets indicates the VHF fee that would apply if such facilities were in those markets.

TOTAL TAB FOR TELEVISION

Present ADI rank and city	1976 prime time ADI households	VHF	UHF	NSIG factor	Per station VHF fee	Per station UHF fee
1. New York	4,525,000	6	3	7.5	$7,746,083	$2,073,042
3. Chicago	1,925,000	4	4	6.0	4,056,833	228,417
4. Philadelphia	1,588,000	3	3	4.5	5,316,049	858,024
2. Los Angeles	2,406,000	7	5	9.5	1,707,578	0
9. Cleveland	923,000	3	1	3.5	3,944,381	172,191
6. Boston	1,159,000	3	3	4.5	3,474,686	0
8. Washington	896,000	4	1	4.5	2,345,831	0
11. Pittsburgh	774,000	3	1	3.5	3,065,494	0
7. Detroit	1,109,000	4	3	5.5	2,126,430	0
10. Dallas-Fort Worth	750,000	4	1	4.5	1,719,167	0
13. Minneapolis-St. Paul	586,000	4	0	4.0	1,427,070	0
15. St. Louis	631,000	4	1	4.5	1,208,392	0
20. Baltimore	517,000	3	1	3.5	1,549,561	0
5. San Francisco-Oakland	1,022,000	4	5	6.5	1,118,678	0
17. Tampa-St. Petersburg, Fla	498,000	3	1	3.5	1,437,489	0
12. Houston-Galveston	574,000	3	2	4.0	1,367,130	0
18. Seattle-Tacoma	503,000	4	0	4.0	1,012,485	0
26. Kansas City, Mo	444,000	3	1	3.5	1,118,966	0
34. Columbus, Ohio	368,000	3	0	3.0	1,114,027	0
21. Milwaukee	442,000	3	1	3.5	1,107,169	0
27. Cincinnati	435,000	3	1	3.5	1,065,879	0
30. Providence, R.I.-New Bedford, Mass	358,000	3	0	3.0	1,042,993	0
14. Miami	603,000	4	2	5.0	749,190	0
35. Memphis	336,000	2	1	2.5	1,453,440	0
16. Atlanta	552,000	3	3	4.5	869,307	0
22. Hartford-New Haven, Conn	465,000	2	3	3.5	1,242,836	0
28. Buffalo, N.Y	394,000	3	1	3.5	824,037	0
19. Indianapolis-Bloomington	488,000	4	1	4.5	594,604	0
31. Nashville	376,000	3	1	3.5	717,863	0
23. Denver	405,000	4	0	4.0	522,975	0
42. Albany-Schenectady-Troy, N.Y	302,000	3	0	3.0	645,207	0
25. Portland, Oreg	393,000	4	0	4.0	463,035	0
46. Dayton, Ohio	276,000	2	1	2.5	926,040	0
50. Birmingham, Ala	270,000	2	1	2.5	873,300	0
57. Toledo, Ohio	269,000	2	1	2.5	864,510	0

TOTAL TAB FOR TELEVISION—Continued

Present ADI rank and city	1976 prime time ADI households	VHF	UHF	NSIG factor	Per station VHF fee	Per station UHF fee
44. Charleston-Huntington, W. Va	291,000	3	0	3.0	567,070	0
52. Flint-Saginaw-Bay City, Mich	263,000	2	1	2.5	811,770	0
38. New Orleans	346,000	3	1	3.5	540,906	0
37. Oklahoma City-Enid	287,000	3	0	3.0	538,657	0
24. Sacramento-Stockton, Calif	400,000	3	2	4.0	498,000	0
33. Charlotte, N.C	314,000	2	2	3.0	730,477	0
51. Syracuse-Elmira, N.Y	271,000	3	0	3.0	425,003	0
53. Salt Lake City	270,000	3	0	3.0	417,900	0
41. Grand Rapids-Kalamazoo-Battle Creek, Mich	298,000	2	2	3.0	616,793	0
39. Louisville, Ky	293,000	2	2	3.0	581,277	0
64. Omaha	253,000	3	0	3.0	297,143	0
54. Greensboro-Winston-Salem-High Point, N.C	248,000	3	0	3.0	261,627	0
70. Springfield-Decatur-Champaign, Ill	196,000	1	2	2.0	718,720	0
55. Little Rock, Ark	242,000	3	0	3.0	219,007	0
60. Knoxville, Tenn	208,000	2	1	2.5	328,320	0
51. Raleigh-Durham, N.C	206,000	2	1	2.5	310,740	0
40. Orlando-Daytona Beach, Fla	282,000	3	1	3.5	163,397	0
59. Shreveport, La.-Texarkana, Tex	234,000	3	0	3.0	162,180	0
47. San Antonio, Tex	279,000	3	1	3.5	145,701	0
56. Wichita-Hutchinson, Kans	231,000	3	0	3.0	140,870	0
62. Des Moines-Ames, Iowa	228,000	3	0	3.0	119,560	0
64. Jacksonville, Fla	186,000	2	1	2.5	134,940	0
50. Harrisburg-York-Lancaster-Lebanon, Pa	249,000	1	4	3.0	268,730	0
67. Green Bay, Wis	222,000	3	0	3.0	76,940	0
57. Tulsa, Okla	221,000	3	0	3.0	69,837	0
46. Norfolk-Portsmouth-Newport News-Hampton, Va	264,000	3	1	3.5	57,223	0
58. Richmond-Petersburg, Va	217,000	3	0	3.0	41,423	0
66. Rochester, N.Y	215,000	3	0	3.0	27,217	0
79. Albuquerque, N. Mex	167,000	3	1	3.5	0	0
107. Augusta, Ga	104,000	2	1	2.5	0	0
98. Austin, Tex	105,000	1	2	2.0	0	0
99. Baton Rouge	136,000	2	1	2.5	0	0
73. Cedar Rapids-Waterloo, Iowa	186,000	3	0	3.0	0	0
82. Chattanooga, Tenn	165,000	3	0	3.0	0	0
97. Columbia, S.C	110,000	1	2	2.0	0	0
69. Davenport, Iowa-Rock Island-Moline, Ill	192,000	3	0	3.0	0	0
102. El Paso	80,000	6	0	6.0	0	0
91. Evansville, Ind	131,000	1	2	2.0	0	0
89. Fort Wayne, Ind	141,000	0	4	2.0	* 96,120	0
70. Fresno-Hanford-Tulare, Calif	158,000	0	5	2.5	0	0
87. Greenville-New Bern-Washington, N.C	124,000	3	0	3.0	0	0
37. Greenville-Spartanburg, S.C.-Asheville, N.C	296,000	3	2	4.0	0	0
— Honolulu	0	4	0	4.0	0	0
81. Jackson, Miss	131,000	2	1	2.5	0	0
75. Johnstown-Altoona, Pa	176,000	2	2	3.0	0	0
136. Las Vegas-Henderson	76,000	4	0	4.0	0	0
88. Lexington, Ky	123,000	0	3	1.5	411,010	0
85. Lincoln-Hastings-Kearney, Neb	125,000	4	0	4.0	0	0
130. Lubbock, Tex	87,000	2	1	2.5	0	0
105. Madison, Wis	124,000	1	2	2.0	0	0
63. Mobile, Ala.-Pensacola, Fla	203,000	3	0	3.0	0	0
77. Paducah, Ky.-Cape Girardeau, Mo.-Harrisburg, Ill	189,000	3	0	3.0	0	0
90. Peoria, Ill	139,000	0	3	1.5	659,597	0
34. Phoenix-Mesa	310,000	4	1	4.5	0	0
74. Portland-Poland Spring, Maine	174,000	3	0	3.0	0	0
68. Roanoke-Lynchburg, Va	186,000	3	0	3.0	0	0
104. Rockford-Freeport, Ill	115,000	1	2	2.0	0	0
106. Salinas-Monterey-San Jose, Calif	132,000	2	2	3.0	0	0
30. San Diego	287,000	4	1	4.5	0	0
76. South Bend-Elkhart, Ind	166,000	0	4	2.0	* 379,12	0
72. Spokane, Wash	162,000	3	0	3.0	0	0
86. Springfield, Mass	131,000	0	2	1.0	* 1,640,070	0
93. Tucson, Ariz	117,000	4	0	4.0	(	0
42. Wilkes Barre-Scranton, Pa	290,000	0	3	1.5	* 3,005,633	0
78. Youngstown, Ohio	160,000	0	3	1.5	* 985,867	0
Totals	[1] 246,834,280		[2] 9,879,056		[3] 256,713,334	

[1] VHF. [2] UHF. [3] All TV.

JUDGE MARSHALL S. HALL

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. EDWARDS of California. Mr. Speaker, at this time, my colleague NORMAN MINETA, and I would like to take the opportunity to laud and bring attention to the achievements of Superior Court Judge Marshall S. Hall. Judge Hall has contributed 45 years of professional and public service to the citizens of Santa Clara Valley, Calif.

A graduate of Stanford University's Class of 1933 with a bachelor of laws degree, he joined the law firm of Louis Oneal, where he practiced law for 25 years.

In 1957, Gov. Goodwin Knight appointed Judge Hall to the Superior Court of Santa Clara County, a position to which he was elected a year later and subsequently reelected for 6-year terms in 1964, 1970, and 1976. He was presiding judge of the superior court in 1958, 1964, and 1972.

Judge Hall introduced the settlement conference concept for the civil and personal injury cases in local courts as a means of expediting judicial services. This legal procedure is now utilized throughout the State of California.

Professionally, Judge Hall is a past president of the Santa Clara County Bar Association and served on the executive board of the Conference of California Judges for 3 years. He was a member of the Santa Clara County Juvenile Probation Commission for 5 years and a U.S. Commissioner for the Northern District of California for 14 years.

Judge Hall has devoted more than half a century of service to the area's Boy Scouts of America program. In addition to his local participation in Boy Scout activities since 1920, he has served on the organization's regional executive committee and the Boy Scout National Council. Still active in scouting, he is a recipient of its highest local and regional honors, the Silver Beaver and the Silver Antelope awards.

Throughout the years, Judge Hall has participated in numerous civic programs such as civil defense, the Community Chest, the American Red Cross, and the Community Welfare Council. He is a member of the California Pioneers Society of Santa Clara County, the California Historical Society, and he is a trustee of Lincoln University, a local night law school.

A former lieutenant commander in the U.S. Coast Guard's temporary reserve, he organized the local USCG flotilla auxiliary, and was the first president of the local chapter of the Navy League of the United States. He is the former director of the San Jose Chamber of Commerce and was chairman of its port and air pollution committee. He is an honorary member of the San Jose Fire Department, and is a charter member of the Fire Associates of the Santa Clara Valley.

This outstanding member of the community will be honored on October 4 at an appreciation dinner, and it is fitting to note that the proceeds will be used to supply much-needed medical equipment for the San Jose Hospital. We wish Judge Hall the best of luck in all his future endeavors, and fervently hope that he will continue in his role as an inspiring and outstanding community leader.●

IS YOUNG HIS MASTER'S VOICE?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. McDONALD. Mr. Speaker, the outrage over Andrew Young's remarks

about political prisoners in the United States was not confined to the United States. An editorial voice was being raised in the United Kingdom over his continued retention by President Carter. I commend the following editorial from the Daily Telegraph of London for July 14, 1978, to the attention of my colleagues:

IS YOUNG HIS MASTER'S VOICE?

It is no longer possible to dismiss the outrageous statements by Mr. Young as immature gaffes, the price that has to be paid for his electoral usefulness to Mr. Carter and his supposed appeal to the Third World. The more his behavior is tolerated without the disciplinary action that would promptly follow for anyone else in such a senior post, the more does he exploit his increasingly privileged position to project his "anti-colonialist" prejudices and racial grievances. His latest allegation that there are thousands of "political prisoners" in America makes a monkey out of Mr. Carter at the height of his "human rights" dispute with Russia. It was, of course, a godsend to the Soviet propaganda machine, and will do great harm. Given the political as well as the moral importance of the human rights issue, it is a kind of sabotage and subversion.

Why is he allowed to get away with it? Partly because Mr. Carter considers he still needs him for the reasons stated above, and partly because, having picked him, got saddled with him, and built him up, he is apprehensive of the consequences among the American Negro population and in the Third World of removing him. Andrew Young also has solid support from the liberal Carter "establishment." In addition to all this, Young owes his charmed life largely to the deep affinity between him and that part of Mr. Carter's complex personality that sees the outside world as the counterpart of the "deep south" of a few decades ago. It was, of course, an error of judgment to appoint an unbalanced man like Young to the post of Ambassador to the United Nations. America's dealings with the real world and her leadership of a democratic alliance under dire threat from Soviet imperialism afford no scope for Young's self-indulgent exhibitionism.●

ELECTRONIC SURVEILLANCE OF FOREIGN EMBASSIES

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. MAZZOLI. Mr. Speaker, H.R. 7308, the Foreign Intelligence Surveillance Act of 1978, will reach the floor soon.

Passage of this important legislation is supported by the intelligence community as well as civil liberty groups. Yet, some of the bill's opponents allege that the provision of H.R. 7308 requiring that a judicial warrant be issued before a foreign intelligence electronic surveillance can take place is a threat to national security because:

First. It would increase the possibility of leaks of sensitive intelligence sources and methods;

Second. It would impede and complicate intelligence collection activities; and

Third. It would involve the judicial branch of government for the first time, in the making of foreign policy and national intelligence policy.

These critics are especially concerned in connection with these risks, about warrants allowing electronic surveillance of a foreign embassy located in the United States.

Furthermore, beyond the risks the opponents see in a warrant procedure, opponents question the need and purpose of such a procedure.

The purpose of the proposed warrant procedure in H.R. 7308 is not to complicate or impede the surveillance of foreign diplomats or intelligence agents.

The purpose is, rather, to protect Americans who communicate with embassies—or who are mentioned in embassy communications.

In the past, embassy surveillances have been used as a pretext to observe American citizens to acquire political or personal information about them for purposes extraneous to the gathering of foreign intelligence information.

The judicial warrant procedure established under H.R. 7308 would prevent the recurrence of such abuses by requiring a high-ranking Government official to certify in writing to the judge that the purpose of the proposed surveillance is to obtain foreign intelligence information.

H.R. 7308 further requires the judge to approve, and later review, procedures designed to minimize the acquisition, retention and dissemination of information about U.S. citizens and permanent resident aliens obtained from surveillance of a foreign embassy.

In answer to the argument that the bill unwisely involves the judicial branch of Government in the making of foreign and intelligence policy, H.R. 7308 restricts the information required to be provided to the judge to that information necessary to enable the judge to evaluate a given set of facts against a statutory framework and render a decision.

Thus, when the surveillance target is a foreign embassy, much less information needs to be provided to the judge than when the target is an individual person or foreign corporation operating in the United States.

The judge's finding under H.R. 7308, is limited to a determination that the target is, in fact, a foreign embassy and that the proposed minimization procedures meet the statutory standards. The judge has no authority whatsoever to decide the wisdom of a particular embassy surveillance or to otherwise involve himself in day-to-day intelligence activities.

In answer to the charge that H.R. 7308 would jeopardize the Nation's intelligence community and that it would impede necessary intelligence activities, the gentleman from Illinois, Mr. MORGAN MURPHY, inserted in the RECORD of July 20, copies of letters of support for H.R. 7308 written by Adm. Bobby Inman, the Director of the National Security Agency and Judge William Webster, the Director of the Federal Bureau of Investigation.

At this time, I wish to insert in the RECORD another letter of support for H.R. 7308. This is from Adm. Stansfield Turner, Director of Central Intelligence and head of the Central Intelligence Agency.

The letter follows:

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., June 22, 1978.

HON. ROBERT W. KASTENMEIER,
Subcommittee on Courts, Civil Liberties, and the Administration of Justice, Committee on the Judiciary, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that your Subcommittee will be holding a hearing on 22 June on H.R. 7308, the "Foreign Intelligence Surveillance Act of 1978," as amended by the Permanent Select Committee on Intelligence. The purpose of this letter is to advise you that this legislation has my full support.

I support the bill because I believe it strikes a fair balance between intelligence needs and privacy interests, both of which are vitally important. In my view the legislation will place the activities with which it deals on a solid and reliable legal footing and help to rebuild public confidence in the national intelligence collection effort and in the agencies of government principally engaged in that effort.

The procedures envisaged by H.R. 7308 will unquestionably involve some risks that sensitive intelligence information may be disclosed. But on balance, these risks are acceptable, and while compliance may involve some burdens, I cannot say that any proper or necessary governmental purposes will be frustrated by the bill or that vital intelligence information, having such value as to justify electronic surveillance as a method of collection, will be lost. For these reasons I strongly urge that this legislation be enacted as soon as possible.

Yours sincerely,

STANSFIELD TURNER.●

THE CASE FOR TARGETED PROCUREMENT

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. HOWARD. Mr. Speaker, targeting Federal procurement funds to areas of economic need is not a new concept. In the summer of 1951, the Federal Government embarked upon a policy to encourage total commitment to defense production, in support of the U.S. engagement in Korea. Numerous firms, however, contacted the Office of Labor in the National Production Authority, wanting to know why they were not being awarded defense contracts while they had unused facilities and idle manpower.

After a meeting on unemployment with congressional leaders in September of 1951, President Truman directed the Office of Defense Mobilization (ODM) to undertake a review. The ODM review determined that one of the solutions to the unemployment problem was the placement of Government contracts in the area.

As a result of the study, the Office of Defense Mobilization, on February 7, 1952, issued Defense Manpower Policy No. Four (DMP–4). The purpose of DMP–4 was "to provide for procurements by negotiated contracts and pur-

chases with responsible concerns which are in an area of current or imminent labor surplus * * * "

To accomplish the objectives of DMP–4, regulations provided that preference in certain Federal contracts be given to employers who would perform substantial portions of awarded contracts in areas which the Department of Labor classified as "persistent" or "substantial" unemployment areas.

DMP–4 was designed for contracts to be negotiated by the Government, at reasonable prices, in such areas although lower prices might otherwise be obtained elsewhere, in order to achieve the purposes of this policy. There are a sufficient number of labor surplus areas to insure that competitive bids will be submitted. In addition, the Defense Department is under no obligation to pay an unreasonable price for goods and services.

The current interpretation of this phrase is that reasonable prices will be obtained if a sufficient number of eligible concerns have placed bids. The General Accounting Office considers two or more sources in active competition to constitute a significant number of eligible concerns. "Reasonable prices," is also the phrase used in the revised Small Business Act (Public Law 95–89).

Recent Government research, simulating the cost of implementing DMP–4, found that less than 1 percent of a price differential would result if contracts were awarded to the lowest of two or more bidders from labor surplus areas.

As a result of current executive interest and legislative concern with procurement policies, a revised DMP–4 was issued to bring this policy into conformance with the Small Business Act amendments. This revision clarifies the precedence of small business firms, whether located in labor surplus areas or not. over other firms in such areas.

The complementarity of the Small Business program and the Labor Surplus Area program is further supported by the fact that in fiscal year 1975, small businesses received approximately 77 percent of the DOD labor surplus preference awards. In the preceding year the figure was 76 percent.

Unfortunately DMP4 has never been effectively implemented by DOD, which spends unfortunately 73 percent of the Federal procurement budget. In fact, for the period of 1972 to 1975, DOD contract awards to LSA areas dropped from the previous low level of .6 percent to less than one-fifth of 1 percent.

There are basically three reasons for this failure: First, a lack of aggressive leadership and commitment by the Presidents of past administrations; second, an out-dated definition of labor surplus areas, and most importantly; third, a restriction placed on DOD appropriations bill for the last 25 years, prohibiting the payment of any price differential to LSA firms.

Against a backdrop of pockets of unemployment across this Nation, President Carter has stated his commitment to the relief of high and, at times, chronic unempolyment. The central theme of his proposals in the urban policy statement issued in March of this year is the use of Federal funds to induce private sector investment in our distressed areas, the so-called leveraging concept. The President has stated his commitment to "target" Federal procurement contracts and Federal facilities to areas of high unemployment.

The traditional criterion for designation of a labor surplus area was a 6 percent unemployment rate. Given today's high rate of unemployment, the designation of a labor surplus area was so broad that precise targeting was virtually impossible. Asked to design new criteria to make targeting more responsive to current high unemployment areas, the Department of Labor has redefined labor surplus areas to include only areas which have an unemployment rate at least 1.20 times the national average. Currently this means areas with 8.0 percent unemployment or higher. A labor market area can also be classified as eligible for targeting if it includes a smaller area of concentrated high unemployment, for example, those including urban areas. These revised procedures for determining eligible labor surplus areas also permits the Department of Labor, to designate areas where a sudden and precipitous rise in unemployment has occurred, because of natural disasters, plant closings, contract cancellations, and so forth, that have a substantial impact and are not the result of temporary or seasonal factors. These LSA areas are updated every 3 months for accuracy. For the period ending September 30, 675 labor surplus areas have been designated across the Nation.

The most significant barrier by far to the implementation of DMP–4 is the proviso prohibiting payment of any price differential to LSA firms. The Comptroller General ruled in 1961 that in order to comply with this proviso, referred to as the Maybank amendment, contracts must be split in half, with one-half going out for nationwide competition to determine the base price. The base price is then applied to the reserved half of the contract as the price the Government would pay. This process is too cumbersome to be effective and limits DMP–4 policy to goods that can be split into two production runs—a fraction of DOD procurements. As a consequence few procurement dollars ever get awarded LSA firms.

An administrative decision by the Office of Emergency Preparedness, the predecessor to the Federal Preparedness Agency—applied the same restriction to Federal civilian agency procurements to insure Government uniformity. On November 3, 1977, and revised DMP–4 removed the provisions of the Maybank amendment from purchases made by our civilian agencies, in order to bring procurement policy in line with executive and legislative intent. The proviso remains on Defense appropriations bills.

Granting procurement contracts to responsible, competitive firms in these LSA areas is a way to create real jobs in the private sector, with little or no additional cost to the Government. The impact of additional Defense procurement dollars on firms is illustrated by a recent study done in Massachusetts. The Massachusetts Economic Policy Model Study found that even a 10-percent increase ($145 million in this case) in the dollar amount of DOD contracts obtained by the four major defense facilities already existing in Massachusetts: Aircraft, missiles, ships, and electronics, 10,902 jobs would be created within 2 years and $28.7 million in State revenues would be generated. Personal income in those same 2 years would rise by $171 million.

DMP–4 represents a policy that was designed to target procurement dollars to areas of high unemployment. It was designed specifically to apply to the Department of Defense, in recognition of the strategic importance of promoting the full utilization of this country's manpower potential and in recognition that this agency has the largest percentage of procurement budget, currently nearly three-fourths. We now have the executive commitment and the revised procedures necessary for implementation of this crucial policy in civilian agencies. Unfortunately, the agency for which this policy was designed and the agency with the largest procurement budget has yet to effectively implement DMP–4.●

FROM BASEMENT TO ATTIC

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. WAXMAN. Mr. Speaker, in its June 12 issue, Broadcasting magazine provided comprehensive coverage of the introduction of H.R. 13015, the Communications Act of 1978. I am pleased to insert in the RECORD, for the benefit of my colleagues, its excellent articles on the scope and meaning of this bill:

AND IT IS FROM THE BASEMENT TO THE ATTIC

Van Deerlin's rewrite legislation is introduced; it calls for almost total deregulation of radio, gives cable regulation over to states, lifts some restrictions on TV; but there are those 'trade-offs,' including spectrum license fees.

The tightly sealed lid is off H.R. 13015—the Communications Act of 1978—and Lionel Van Deerlin has made good on his promise to make this draft rewrite of basic communications law a deregulator's dream.

The bill was unveiled last Wednesday in the House's Rayburn office bulding at a full-blown press conference by Mr. Van Deerlin (D-Calif.), chairman of the House Communications Subcommittee, and the unit's ranking Republican, Lou Frey of Florida.

The finished product—20 months in the making and 217 pages long—showed there was no dissuading the subcommittee chairman and his staff from dropping into the bill their controversial "trade-offs" for reduced regulation of broadcasting. The license fee—formerly known as the spectrum use fee—for all users of the spectrum is a cornerstone.

Money derived from the fee collection would be divided four ways: It would pay all the bills of the Communications Regulatory Commission, the new name for an FCC with duties and budget cut back by as much as 25%. It would replace congressional appropriations and become the sole source of government support for a new public

broadcasting programing entity, the Public Telecommunications Programing Endowment. And it would go into proposed new funds for the encouragement of minority ownership in broadcasting and for expanded telecommunications services to rural areas. The total price tag can only be guessed at this point, but one estimate placed it at from $350 million to $400 million.

There is another broadcasting trade-off: a reduction in the total number of stations a single entity can own from the present 21 (seven TV's, seven AM's and seven FM's) to 10 (five TV's, no more than three of them in the top-50 markets, and a total of five radio stations). Ownership would also be restricted to one station (of any kind) per market. Present owners would be grandfathered under the present limits, but their holdings would dwindle if they lost or traded off any of their stations.

The bill provides that new station licenses, and existing ones that become available, would be allocated under a system of random selection among qualified applicants. There would be no more comparative hearings.

The good news for broadcasting is the bill's virtual deregulation of radio, and significant, but lesser, reduction of restrictions on TV. Radio would be given licenses for indefinite terms, subject to revocation only for technical violations. And it would be released from ascertainment, equal time and fairness doctrine requirements.

Mr. Van Deerlin said at the press conference that deregulation of radio is justified "on the well established ground that the number of radio stations in the United States is now equal to the number of weekly newspapers and that the scarcity element that existed at the time the 1934 act was written no longer applies."

Television, however, presented a different picture to him. "For television," he said, "we recognize that a scarcity factor does still exist."

For that reason, the bill retains a limit on the length of TV licenses, but extends it from the present three years to five. After 10 years, however, the bill provides that TV licenses would also shift to indefinite terms.

Television would also be released from ascertainment, but unlike radio, would be required to carry news, public affairs and locally produced programing throughout the broadcast day. TV would also be subject to something called an "equity principle"—a fairness doctrine without the required affirmative effort to cover controversial issues of public importance. But when it did cover controversial topics, a TV station would have to do so in an "equitable manner."

TV would also have to continue adherence to the equal time law, with exemptions however, for candidates for President, Vice President, governor, U.S. senator or any other office requiring statewide ballot.

Overseeing this new regulatory framework would be the new Communications Regulatory Commission (CRC) with only five presidentially appointed commissioners, in contrast to the current FCC's seven. With the proposed changes in broadcasting and other communications areas, "there will be less for the commission to do." Mr. Van Deerlin said, "and this may justify the reduction in numbers."

Besides reducing the present FCC by two commissioners, the bill presumably would also reduce it by one bureau—the Cable Bureau. The proposed legislation contemplates doing away entirely with federal regulation of cable television.

Under Title I of the bill's eight titles, the CRC would specifically be prohibited from regulating "any intrastate telecommunications facility" that does not use spectrum in the direct distribution of its service to consumers.

"We think that cable has demonstrated the case for deregulation," Mr. Van Deerlin said at the press conference, "through the virtual bondage in which it was held for years by rulemaking, which the courts have since found was arbitrary and capricious."

Among the other major provisions is the creation of new National Telecommunications Agency, with principal responsibility over spectrum allocation, development of national telecommunications policy and representation of the United States in international telecommunications forums. Designed as an independent policy-making arm of the executive branch, it would replace the National Telecommunications and Information Administration now in the Commerce Department.

The bill would also abolish the Corporation for Public Broadcasting and establish in its place a private nonprofit corporation to be called the Public Telecommunications Programing Endowment, whose single purpose would be to provide grants for public broadcasting program production and acquisition.

The new legislation was hailed by its two sponsors as a major blow for progress in communications. Its thrust, Mr. Van Deerlin said, "is to put the burden on established technologies to show not that their interests will be damaged by the introduction of new technologies, but that the public interest will somehow be impaired."

"This act doesn't look backward," added Mr. Frey, "It looks forward. It has the flexibility we need to go into the 21st century".

They said it is also a stab at reducing bureaucratic red tape. The proposed legislative deletion of ascertainment requirements for broadcasters is a case in point, Mr. Frey said. "Look, if a station is good, it's going to do ascertainment [any way]. If a station is going to . . . know the community it's in, it's going to have to know its problems. It's going to have to know the people.

"And that's the bottom line of what we're doing. The good stations are going to make it. . . . We're just making it easier on them. And we're taking away the government regulations that in so many cases hold them back."

Mr. Van Deerlin spoke in a similar vein:

"I recognize," he said, "that a great deal of the present cost of regulation to licensees is the cost of maintaining attorneys. Maybe this will be appealing to licensees who will have a more fruitful expenditure of their money than just spending it on lawyers."

Some in Mr. Van Deerlin's standing-room-only audience Wednesday, which included the executive commmittee of and new board members of the National Association of Broadcasters, presumably would not agree with his hopeful assessment. NAB has fought tooth and nail all suggestions of a license fee such as the one that emerged.

Details of the fee would be left to the commission, but Mr. Van Deerlin plans to offer a model schedule for broadcasting within the next few weeks. Under the bill it would, in reality, be four schedules—one each for VHF, UHF, AM and FM—based on the cost of processing the license and the scarcity value of the spectrum. In television, the fees would vary according to the number of frequencies in the market, the number of prime-time television households, and technical disparities between VHF and UHF.

For radio, they would vary according to the power of the station and hours of operation, market size, number of frequencies in the market and co-channel separation, where applicable. The fees for both radio and TV would be phased in by 10% a year over a 10-year period.

What that all means in simpler terms, Mr. Van Deerlin said, is that "quite clearly a VHF station in a major market has a greater value than a UHF station or even a VHF in a different kind of market." And TV, it seems would bear the lion's share of the costs. "It would be my expectation," Mr. Van Deerlin added, "that almost all radio stations would have hardly any scarcity value in most markets today, and that values of licenses assessed against them should probably be no more than to cover the costs of regulation."

In a later conversation, Mr. Van Deerlin agreed that $350–$400 million is about what would be needed to support the commission and other recipients of the fee, but said he did not find the figure excessive. "They're dealing in a lot of money [in broadcasting]," he said. "What is that, 4% of their revenues?"

While substituting the random selection process for the current comparative hearing process that contestants for a station license go through, the Van Deerlin-Frey measure would retain the petition to deny process for those with complaints against television stations. The bill authorizes the commission to determine who has the burden of proof in the proceeding and to grant the right of discovery to the petitioner, and mandates that the commission rule on the petition within 90 days of the last pleading filed.

In other provisions for broadcasting, the bill:

Prohibits the commission from censoring or in any way regulating programing content. For radio, this means the commission cannot involve itself in proposed format changes.

Orders the commission to assign spectrum "so as to ensure that each community in the United States, regardless of size, is provided with maximum fulltime local television and radio broadcasting services . . ." According to subcommittee chief counsel Harry M. (Chip) Shooshan, there is implicit in this provision a direction that the commission reconsider its clear channel radio rule "to expand opportunities for daytime broadcasters."

Allows the commission to consider parties other than the proposed buyer in a station transfer.

Restricts the commission's EEO enforcement authority to acting on the findings of other agencies with equal employment opportunity enforcement authority. If a station owner or applicant is found in violation of civil rights or EEO laws, it must notify the CRC, which then must act to grant, deny or revoke a license. The commission is not authorized to promulgate EEO enforcement rules of its own.

In the same section of the bill, Title IV, procedures are laid out for the licensing and regulation of nonbroadcast radio services, which are provided 10 year licenses.

Under Title II, the bill lays out the design of the CRC with five commissioners serving single 10-year terms, picked on the basis of their education, experience or training and "in a manner which assures that the composition of the commission reflects a balance among professional backgrounds which are pertinent to the field of telecommunications."

The commisson chairman would be designated by the President with either house of Congress able to disapprove the choice within 60 days of the submission of the nomination.

A special Office of Consumer Assistance would be established by the bill to promote the consumer interest in all commission proceedings.

Title II also establishes conflict-of-interest rules restraining commissioners and high-level employes from owning interests in regulated communications companies. It also prohibits commisisoners and top employes from representing interests before the commission for one year after leaving the commission, if they depart before completing 10 years of service.

It also establishes procedures whereby commissioners and supervisory staffers must

publicly disclose any ex parte contacts made during adjudicatory and rulemaking proceedings.

The public broadcasting section of the bill, Title VI, attempts to resolve the long running dispute between the existing CPB and Public Broadcasting Service by making it clear exactly who will be in charge of developing programing for public broadcasting. The proposed replacement for CPB, the Public Telecommunications Programing Endowment, with a nine-member presidentially appointed board of directors, would make grants to public telecommunications entities, program producers and educational institutions for production and acquisition of programing, but would not be permitted to operate any telecommunications facility or network or to actually produce or distribute programs.

Any organization operating an interconnection system, as PBS does now, would also be prohibited from producing or acquiring programs or scheduling programs for distribution to public broadcasting stations.

The bill provides that half the endowment's available funds would be passed directly to public broadcasting stations as unrestricted grants for programing. The endowment is not permitted to accept gifts for the support of particular programs. "We would hope through this means eventually to reduce what bothers all of us in the gradual intrusion of commercial advertising interests on the channels which were intended to be noncommercial broadcasting," Mr. Van Deerlin commented.

Under the bill, the new National Telecommunications Agency would be responsible for distributing funds for the construction and improvement of public broadcasting facilities. Radio is guaranteed 25% of those funds. That agency would also fund public broadcasting interconnection facilities.

The bill provides future funding for the public broadcasting activities: $200 million authorizations for 1980 through 1983 for the endowment; and authorizations of $75 million for facilities and $25 million for interconnection facilities for 1980 through 1983. All would be under a two-year advance funding scheme.

The other provisions of the public broadcasting section parallel those of the public broadcasting authorization bill already passed this year by the House Commerce Committee, including: enforcement of equal employment opportunity in public broadcasting, limitation on the salaries of officers and employes of the endowment, mandatory open meetings and the establishment of community advisory boards at stations that receive federal funds.

The NTA, laid out in Title VII of the bill, has among its responsibilities the administration of the funds in the minority ownership and rural telecommunications programs. Both programs are set up to provide loans for up to 30 years (limited to 50% of the cost of purchase or construction of a broadcast station, in the case of the minority ownership fund) and both are authorized to receive appropriations from Congress in 1980: $10 million for the rural telecommunications program and $2 million for the minority broadcasting program.

NTA is authorized $17.5 million annually from 1980 through 1983, with an additional $2.5 million each of those years for studies on spectrum allocation.

Mr. Van Deerlin characterized the common carrier section of the bill, Title III, as establishing another "forward thrust" for competition. The section calls for a maximum feasible reliance on marketplace forces in telephone service and establishes a Universal Service Compensation Fund, money from which is to be used to maintain telephone rates at affordable levels for consumers. The money would come from access charges levied on any entity that operates an intercity telecommunications service or a facility that is connected with local exchange switching facilities.

The common carrier section also would lift a ban on AT&T being involved in other nonregulated telecommunications services, which presumably include broadband video services now carried by cable television. But it would force AT&T to divest itself of its equipment manufacturing subsidiary, Western Electric, within three years, if the company is still involved in monopoly services.

Among the bill's other common carrier provisions:

Descriptions of the commission's and the Communications Satellite Corp.'s role in international common carrier field.

The establishment of fines of up to $10,000 for violations of the act.

A direction that trials for offenses under the act shall take place in the district in which they are committed.

In his remarks at the press conference, Mr. Van Deerlin made clear that he doesn't expect the bill to sail through Congress without amendments. It "is only a starting point," he said. "There'll be long hearings and there'll be full opportunity for expression of all viewpoints before anything becomes law."

Under the timeable he laid out, the subcommittee will try to complete six weeks of hearings before the adjournament of Congress this year, four weeks, if all goes well, before the August recess. Then the stage will be set for subcommittee mark-up early in the next Congress, and perhaps clearance by the full House "before the heat of summer," he said.

THE WHY AND WHEREFORES OF H.R. 13015

Some may call it madness, but there was method behind the Communications Act of 1978; Van Deerlin and Shooshan, two of the principal architects, think it sufficient to the day.

When House Communications Subcommittee Chairman Lionel Van Deerlin announced in 1976 that his subcommittee planned to revamp the Communications Act, he said his guiding light would be protecting the public's stake in the nation's communications system. But during the 20-month period his rewrite was incubating he saw mostly the sparks from interests with their own axes to grind including the broadcasters, whose opposition, he said, could kill his bill.

In reflections last Thursday, the subcommittee chairman and his chief counsel, Harry M. (Chip) Shooshan, expressed pleasure in a final product Mr. Van Deerlin thinks serves two ends—protecting the interests of consumers while not endangering the vested interests of broadcasters.

The compromises are evident. The reduction in the limits on station ownership, for instance, is an attempt to deal with a growing concern about concentration of ownership in the media—while at the same time making more stations available to new owners, including minorities. Mr. Shooshan said.

But the provision carries no sting for current broadcast owners, because they would not be forced to give up what they have. The goal is more diversity in the long run, "but we're not going to take anybody's property away in order to achieve it," Mr. Van Deerlin said.

Radio presented an easy problem to the drafters. They decided that there is no scarcity there, hence little ground for regulating it. Television, on the other hand, is different, Mr. Van Deerlin believes. He said there is far more demand for access to TV than there are TV stations, and probably always will be. But he sees that as no reason to strap TV with such needless rules as ascertainment.

The subcommittee chairman can see why broadcasters, for selfish reasons, would be delighted to be freed from the formal ascertainment requirement, but believes there is a public good to be gained as well. If broadcasters have to spend less on paperwork, then perhaps they'll spend more on local programing. "You may do the best job in the country on ascertainment, but what does it have to do with the things on the air?" he said.

Television still faces restraints in the new bill but by any reading comes away with less of the commission's weight on its shoulders. And that plus total radio deregulation would be an impossible package to try to sell a Congress like the present one, the subcommittee chairman said. "Obviously commercial broadcasting is not going to get the kind of license relief they were looking for five or six years ago," Mr. Van Deerlin said, "without some arrangement to provide for a full range of tastes."

The arrangement he came up with to offset the benefits to broadcasting was the license fee, seen by Mr. Van Deerlin and Mr. Shooshan as a simple economic solution to a number of complicated problems. They see the fee as a source of funds for building telecommunications systems that will pipe a full complement of network, independent and public broadcasting TV programing to rural communities where television is deficient and where cable systems have been reluctant to build because of high costs. They see it as a source of funds to stimulate minority ownership in broadcasting, in answer to minorities' complaints of white dominance of the airwaves. (Mr. Van Deerlin estimates that those two funds together would cost about $100 million a year.)

They see it, too, as a way to truly insulate federally funded public broadcasting programing from government control. Under the bill the fee would pay the entire government share for public broadcasting programing; there would be no more appropriations from Congress.

The notion should be pleasing to those who are dissatisfied with what the networks are programing, Mr. Van Deerlin added. "People who find TV service inadequate are going to be drawing on the profits of commercial broadcasting to support the alternative."

And the fee would pay for the cost of regulation. All that, in the view of Messrs. Van Deerlin and Shooshan, will be accomplished at no expense to the taxpayer.

After his heated exchanges with the National Association of Broadcasters over the notion of trade-offs, Mr. Van Deerlin doesn't shy away from the term now. Broadcasting deregulation and the license fee don't stand by themselves in the bill, he said. "They're trade-offs," and if one gets deleted from the bill, he indicated, the other probably will, too.

There are other such trade-offs in the bill—one involving cable television, for instance. Cable would be totally freed from federal regulation (its name does not even appear in the bill), meaning that it would also be totally freed from signal restrictions that grew up to protect broadcast signals. But the legislation would also repeal the pole-attachment bill that was signed into law this year, a bill for which cable fought hard to get the federal government to regulate what they considered exorbitant pole-attachment fees.

As a plus for the public interest, Mr. Van Deerlin sees the freeing of cable from federal regulation as a way of increasing the number of cable channels and thereby increasing community access.

Messrs. Van Deerlin and Shooshan offered these further rationales:

The name of the FCC was changed as a symbolic gesture to indicate a clean break

with the past (the name, Communications Regulatory Commission, took only 10 minutes to think up and is attributed to counsel Ron Coleman.)

Not so symbolic was the deliberate omission from the bill of any reference to regulation based on the "public interest, convenience and necessity," which is the pillar holding up broadcasting regulation in the present Communications Act. Mr. Shooshan said the bill, in its effort to fulfill the public interest, speaks for itself. He said Mr. Van Deerlin, feeling that much of what's bad in communications regulation can be traced to the FCC's trying to interpret that phrase, decided not to invite any further misinterpretation of Congress's intentions.

There is no significance to the 10-station limit to broadcast station ownership in the bill. It is an arbitrary number, Mr. Van Deerlin said, adding that "10 stations are enough for broadcasters to prosper."

The reasons television stations will have to wait 10 years before earning the same indefinite license terms as radio is that it will take that long before they will be paying the full license fee.

Mr. Van Deerlin and Mr. Shooshan said they can both be counted on to be fixtures throughout the time it takes to get the new bill through both houses of Congress, Mr. Van Deerlin expressing confidence that the process can be completed in just two years. At his press conference Wednesday the congressman joked that he had a commitment to his wife to retire at the age of 66 after one more term. But he indicated Thursday that if it takes another term beyond that, he will stay.●

CHANGING THE FACE OF AN INDUSTRY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. WAXMAN. Mr. Speaker, the introduction of H.R. 13015 received extensive attention in the written press. This legislation has profound implications for the television industry, producers in Hollywood, and all aspects of common carrier regulation. To better acquaint my colleagues with some of these implications, I am pleased to insert in the RECORD three excellent articles from the Hollywood Reporter and Wall Street Journal, from June 8, 1978, and an interpretive article by Les Brown of the New York Times from June 12, 1978:

[From the Hollywood Reporter, June 8, 1978]

PROPOSED COMMUNICATIONS BILL WOULD CHANGE FACE OF INDUSTRY

WASHINGTON.—Revolutionary legislation, which if adopted will change the entire complexion of federal regulation of the communications industry in the U.S., was introduced by House communications subcommittee chairman Lionel Van Deerlin (D-Calif.) and ranking Republican Lou Frey of Florida.

The bill proposes the abolishment of the Federal Communications Commission, the Corp. for Public Broadcasting and the recently established National Telecommunications and Information Administration of the Dept. of Commerce. New entities with substantially altered responsibilities would be created.

Other highlights of the 217-page bill include basic deregulation of radio, a spectrum use fee levied against all broadcast licensees, an extension of TV licenses from three to five years and eventually to perpetuity, scrapping of the fairness doctrine (to be replaced by a less restrictive "equity principle") and a limitation of multiple ownership of broadcast facilities by any one entity to five radio and five TV stations.

The bill's sponsors pointed out, however, that no divestiture of presently owned broadcast properties would be required.

Additionally, the bill would end federal regulation of the cable TV industry, and it would allow monopoly carriers such as AT&T to enter virtually any telecommunications market (including cable), provided it did so through a separate entity, such as a wholly owned subsidiary.

The Bell System is also required to divest itself of equipment manufacturing, as would be any monopoly carrier, within three years of enactment. Thus, if approved, AT&T will have to sell its subsidiary, Western Electric.

Specifically, the new bill, titled the Communications Act of 1978, does the following:

Abolishes the FCC, replacing it with a Communications Regulatory Commission, and makes a finding that regulation should be necessary only "to the extent marketplace forces are deficient";

Sets up the National Telecommunications Agency as an independent policy-making arm of the Executive Branch, replacing the National Telecommunications and Information Administration (Van Deerlin believes that NTIA's movement to the White House, like OTP, would put in a better position to supervise the government's use of the spectrum);

Deregulates radio; licenses would be for indefinite terms, subject to revocation only for violations of technical rules;

Extends TV license terms from three to five years, but they also would become indefinite 10 years after enactment of bill;

Establishes a license fee that would reflect both the cost of processing the license application and the value of the spectrum occupied by the user (applies to broadcasting and non-broadcasting services);

Creates the "Telecommunications Fund" with the license fees collected; the fund would support the Communications Regulatory Commission and new programs for aiding public broadcast programming, minority ownership of stations and the development of telecommunications services in rural areas;

Prohibits federal regulation of cable TV;

Requires any monopoly common carrier (e.g., AT&T) to divest itself of equipment manufacturing (e.g., Western Electric) within three years after enactment;

Replaces the Corp. for Public Broadcasting with a private nonprofit corporation to be known as the "Public Telecommunications Programming Endowment," the sole purpose of which would be to provide grants for production and acquisition of programming;

Replaces the fairness doctrine with the "equity principle," applicable only to TV * * *.

Exempts candadites for President, Vice President, U.S. Senate and other statewide offices from equal time requirements (which also would apply only to television);

Limits multiple ownership to five radio and five TV stations and provides that no individual may own more than three TV stations in the top-50 markets—no divestiture would be required, but these provisions would take effect at time of transfer or sale; owners may now hold up to 21 stations—seven TV (no more than five of which can be VHF), seven AM radio and seven FM radio;

Restricts ownership of broadcast stations to one per market;

Removes restrictions on editorializing and endorsement of political candidates by public broadcasters.

"This act has the flexibility we need to go with the 21st century. There will be less government regulation, less government control, less costs, and a chance to get a great number of services to the people, hopefully at a competitive price," Congressman Frey stated.

Chairman Van Deerlin also expressed enthusiasm for the bill's license fee plan, where over a 10-year period, 10 percent of the license fees each year would go not only to cover the costs of regulation but also for: support for public broadcasting; support for a program to provide low-interest 30-year loans to stimulate minority ownership, and support for a rural TV fund, which would help provide a full TV service (all three networks, and public broadcasting) to rural towns which do not presently receive such a wide service.

The bill's sponsors explained their treatment of cable TV thusly, Frey stating: "We've taken cable out of the act, and have said it is an intrastate business. At present, cable has the best opportunity to grow without the need for federal regulation." Chairman Van Deerlin believes cable has "earned" its deregulation, "after having been held in bondage for a number of years."

Both Van Deerlin and Frey harshly criticized the present regulatory structure, particularly the time and expense involved to obtain FCC approval for any number of actions. "Never again," said Van Deerlin, "will it take 19 years to complete a license application." Frey noted that the federal regulatory structure has "bumbled along" for years, and that legislative inaction has led to a "hodge-podge in communications."

The bill is written with the overall objective of allowing the marketplace, rather than the federal government, to determine the future of telecommunications. The bill also mandates a procompetition, rather than protectionist, approach to telecommunications entities such as telephone and broadcasting, allowing other technologies to compete for a share of the market without many of the regulatory restrictions which the bill's sponsors feel have stifled innovation in the past.

Public reaction to the new bill was slow in coming, primarily due to the secrecy which surrounded the proposal before its official unveiling today, for in spite of several pronouncements by Van Deerlin and Frey that the measure was "thoroughly bipartisan," other members of the subcommittee did not know what the bill contained until yesterday's announcement.

Not only were other subcommittee members kept in the dark, but virtually none of the trade groups and other key industry spokesmen had any idea what would be in the bill, the first major effort to modernize communications law since enactment of the original Communications Act in 1934. Even the FCC, which would be replaced if the bill passes, was unaware of its contents.

Initial comment—what there was of it—was low key and conservative and included a statement by National Assn. of Broadcasters president Vincent Wasilewski. "The NAB applauds much of what the subcommittee has attempted to accomplish—less regulation, achivement of greater First Amendment rights, a fair climate for individual growth and increased service to the public. Any changes in present law must be carefully weighed before adoption."

However, previous statements by the NAB opposing the spectrum fee concept, as well as deregulation of the cable industry, prompts several observers to predict that the broadcasting industry will express concern over many provisions of the bill.

Similarly, the Motion Picture Assn. of America, which issued no statement, is ex-

pected to have grave concerns regarding the deregulation of cable, particularly in regard to the lifting of restrictions on exclusivity and importation of distant signals.

As for the cable industry, spokesmen felt that while many problems regarding regulation by the FCC would be resolved with adoption of the bill, many more questions and concerns would arise. They worried about the freedom the bill would give states to regulate cable, as well as the implications of allowing telephone interests to enter the cable market. "The implications of this bill are massive," said one cable trade association executive.

[From the Wall Street Journal, June 8, 1977]

COMMUNICATIONS LAW OVERHAUL IS BEING PROPOSED

WASHINGTON.—Ranking members of the House Communications Subcommittee proposed an overhaul of federal communications law that would have a profound impact on the telephone and broadcasting industries.

American Telephone & Telegraph Co., as the largest company affected by the legislation, would experience the largest consequences. Under one provision of the proposal, AT&T would be required to divest itself of its Western Electric Co. manufacturing subsidiary. Under another, though, the big carrier would be able to offer potentially lucrative computer services to its customers; this activity currently is barred under a 1956 antitrust settlement with the Justice Department.

The legislation, offered by Rep. Lionel Van Deerlin (D., Calif.), subcommittee chairman, and Rep. Louis Frey (R., Fla.), its ranking minority member, represents the first attempt by Congress at a floor-to-ceiling renovation of the Communications Act since its original passage 44 years ago.

The bill would sweep away many landmarks long familiar to broadcasters, cable-television operators and common carriers. The seven-member Federal Communications Commission, for example, would be replaced by a streamlined and more limited five-member Communications Regulatory Commission. The bill also would end all federal regulation of cable-TV and all regulation of radio broadcasters except for frequency assignments and technical standards.

Although TV broadcasters would still be regulated, it would be significantly curtailed. For instance, the Fairness Doctrine established by the FCC, which requires the airing of conflicting viewpoints on important public issues, would be replaced by a less stringent "equity principle." The opportunity to challenge the issuance or renewal of TV license holders also would be greatly diminished.

At a news conference, Mr. Van Deerlin said the aim of the proposed legislation is to regulate the communications industry only "to the extent that marketplace forces are deficient." Where his bill removes regulations, as it would for radio broadcasters and cable-TV, marketplace competition ultimately would eliminate operators who fail to serve the public's need, the California Democrat asserted.

INCREASED INSULATION

However, it may be difficult to persuade the public and other lawmakers with that argument. Interest-group spokesmen were quick to criticize the increased insulation the bill would provide radio and TV station owners from challengers to their licenses.

The Rev. Everett Parker, director of the United Church of Christ's Office of Communications, called the broadcast proposals "a bigger giveaway of public rights and property than Teapot Dome" and said they violate the principle that "the airways belong to the people." Nicholas Johnson, a former FCC commissioner and chairman of the National Citizens Communications Lobby, added that the bill would strengthen the monopoly position enjoyed by commercial TV station owners in major population centers.

Chairman Van Deerlin, for his part, predicted ultimate passage of the bill, but said that final action by Congress mightn't come until 1980.

In economic terms, the bill would appear to have its greatest impact on common carriers, especially AT&T. Under the proposal, monopoly carriers would be barred from the manufacture of telecommunications equipment. In addition to forcing AT&T's divestiture of Western Electric, this provision would force a similar split-up of General Telephone & Electronics Corp.'s telephone and equipment-manufacturing operations. The deadline for divestiture would be three years from the date the bill became law.

The divestiture of Western Electric also is one of the Justice Department's chief objectives in its pending antitrust suit against AT&T. But at the current pace of the legal proceedings, Congress may well reach its decision on the issue before the federal courts render their verdict.

DECIDE THE EXTENT

The bill also directs the proposed Communications Regulatory Commission to decide the extent to which one telephone service should subsidize another. Such decisions, which AT&T says have held down private phone customers' bills, traditionally have been left to AT&T Bell System companies and state utility commissioners.

The bill further would foster competition with AT&T by smaller common carriers that offer private line and oher specialized services. It provides that "all carriers," including AT&T, must furnish service and connections to other carriers unless the new commission finds there would be "substantial harm" to the carrier providing the communications links and that this harm would exceed potential public benefits.

On the other hand, the bill would open a profitable new market to AT&T and other telephone companies by permitting them to offer their customers a full array of computer services. Such services would have to be provided through subsidiaries separate from the carriers' regulated telephone services. The same provision also would permit telephone companies to bring TV programs to their subscribers in competition with cable-TV companies and broadcasters.

In addition, carriers could undertake new construction or acquisitions without first obtaining government clearance. Carriers would have the burden of proving their rates are "equitable," but the burden of proving rates "inequitable" would be transferred to the new commission if it failed to reach a decision within nine months of ordering a rate hearing.

STIFF NEW FEE SCHEDULE

Broadcasters and common carriers alike would face a stiff new schedule of licensing fees. Although they would be phased in over a 10-year period, the fees ultimately could amount to $300 million or more annually and would be designed to replace federal tax money as a source of subsidies to public broadcasting, to create a loan fund for minority broadcasters and to pay the full cost of regulating the communications industry.

The bill also would limit the TV networks and other owners of broadcast stations to a maximum of five radio and five stations, compared with the current limit of seven AM, seven FM and seven TV stations. However, those ceilings would apply only when present owners sold or transferred properties.

In addition to scrapping the FCC's Fairness Doctrine—long attacked by broadcasters as a barrier to TV programs on controversial subjects because of its requirement that all sides must be aired—the proposed bill would limit the equal-time privilege of political candidates. As written by Reps. Van Deerlin and Frey, the new equal-time provision would exempt candidates for President, Vice President, U.S. Senate and statewide offices. Thus, only candidates for other offices could demand equal time with opponents whose views are carried by a local station.

At the very moment details of the bill were announced, though, FCC Chairman Charles Ferris was offering some opposite views of the Fairness Doctrine and the equal-time provision to the Senate Subcommittee on Communications, which is considering a separate Senate bill that would do away with both. Considering that there are "substantially more individuals who want to broadcast than there are frequencies to allocate,"—as the Supreme Court observed in a landmark fairness decision—both concepts should be retained, Mr. Ferris testified.

AT&T WILL OPPOSE PLAN

In New York, William M. Ellinghaus, AT&T vice chairman, indicated the company will vigorously oppose the proposed divestiture of Western Electric. "Vertical integration . . . has served the public well, over nearly a hundred years," he said, reiterating the phone company's position that abolition of that structure "would slow technological innovation, increase the cost of facilities and lead eventually to higher rates for services.

Mr. Ellinghaus added that AT&T "welcomes provisions of the bill that preclude constraints on the kinds of technology" common carriers can offer their customers and "the bill's declared intent to assure . . . full and fair competition." He said AT&T is beginning a detailed study and analysis of the bill.

Privately, industry sources were wondering whether divestiture of Western Electric would help or hurt independent manufacturers of telephone equipment. Western Electric, with more than $8 billion in sales last year, is many times the size of other manufacturers and would be a formidable competitor if turned loose on the market. Economies of scale could enable it to sell equipment at lower prices than other manufacturers. Separating Western Electric from AT&T would open the vast market of Bell operating companies to competitive manufacturers, but many observers believe Western would continue to be their major supplier.

General Telephone & Electronics said it, too, opposes a prohibition on the manufacture of telephone equipment by phone companies. In Stamford, Conn., a GTE spokesman said the affiliation of telephone companies with manufacturers "has been instrumental in providing the U.S. with the best communications system in the world."

AT LEAST ONE PHONE

Most telephone industry executives said they wanted to study the proposed legislation before commenting on specific provisions. But J. Philip Bigley, president of Viroqua Telephone Co. in Viroqua, Wis., said he is "concerned" that the proposal doesn't incorporate the so-called "primary instrument concept," which would require telephone companies to supply at least one phone to all single-line customers.

CBS Inc., American Broadcasting Co. and RCA Corp.'s National Broadcasting Co. unit

all declined immediate comment on provisions of the bill, noting that it required careful study. Several industry sources said that some of the bill's provisions were fuzzy and would require much clarification during the coming hearing process.

In a statement, the Washington-based National Cable Television Association, a trade group, applauded the proposed deregulation of the cable-TV industry. "However," the statement added, "to assure that what would be dismantled on the federal level wouldn't be reassembled on the state level, some congressional guidance may be necessary." The association said the bill's common carrier provisions appear to open the door for the world's largest and most profitable monopoly, the telephone company, to expand into virtually all areas of communications including cable TV." This section of the bill, the association said, "must be carefully scrutinized."

One television industry source said that in contrast with dire predictions among broadcasters when the rewrite was initially proposed, "there's nothing in the bill that turns broadcasting upside down, or threatens to put people out of business."

But Howard Turetsky, senior analyst at Arnhold & S. Bleichroeder Inc., said some of the bill's proposals seem a little radical." He added: "In the real world, it's going to be a long time in coming. There are a lot of vested interests pulling in different directions that will prevent the passage of this rewrite at least for several years. Everyone admits some changes should be made, but broadcasters want to protect their position and are afraid of any change. Once Pandora's box opens up, they figure, anything can happen."

BROADCAST REGULATION: PLAN MAKES WAVES

(By Les Brown)

The phrase "public interest, convenience and necessity" was conspicuously absent from the plan put forth last week by the House Communications Subcommittee to revise the 1934 Communications Act. Almost from the beginning of electronic communications, that phrase from the original act has served as the keystone of broadcast regulation, the criterion for station performance and the basis for accountability.

Every broadcast station received its license as a public trustee with the understanding that, because the airwaves belonged to the people, it had the obligation to serve the public interest, convenience and necessity.

Under the new legislative plan—which itself is subject to revision after a series of hearings later this year—there would be no acocuntability for broadcast licensees and no tacit obligation to provide news, public affairs, cultural, religious, informational or children's programs.

Moreover, with the proposed abandonment also of the so-called fairness doctrine, there would be no requirement either for broadcasters to examine controversial issues or to present the various contrasting views when they did deal in such issues.

These omissions were chiefly what provoked the Rev. Dr. Everett C. Parker, director of the Office of Communication of the United Church of Christ, to characterize the proposal as "a bigger giveaway of the public rights and property than Teapot Dome." Mr. Parker is one of the leading activists for citizens' rights in radio and television.

Representative Lionel Van Deerlin, the California Democrat who is chairman of the subcommittee and the principal author of the bill, explained in a telephone interview the deliberate omission of the public interest provision.

"We thought the phrase never really meant anything to the users of the airwaves and to those who regulate the industry," Mr. Van Deerlin said. "A lot of games have been played with it, and there have been a lot of empty promises made to serve the public interest. But stations automatically received license renewals no matter what they promised and no matter what the quality of their product."

A NEW PHRASE

The phrase Mr. Van Deerlin would substitute for "public interest" is "market forces."

"The theory behind the plan," he said, is best summarized in Lincoln's statement, "That government governs best which governs least." "We believe the marketplace is a wiser determinant of program tastes than seven commissioners in Washington."

Under the subcommittee's proposals the Federal Communications Commission would be stripped of much of its regulatory power, reduced to a body of five and renamed the Communications Regulatory Commission.

The registration is designed, Mr. Van Deerlin indicated, to create open competition between the existing system and the emerging technologies of cable television, pay television, satellite broadcasting and fiber optics. He suggested that present F.C.C. regulations were retarding their growth.

The public interest would be served, under the new plan, he said, "because the new commission will not be holding back the dawn."

He continued: "We're going to make sure the marketplace is larger and that broadcasters will have to meet greater tests than before. Those who are doing a good job should have nothing to worry about. But even if a lot of nonquality stations succeed against the competition, they will be paying money under our plan for their use of the airwaves. And that money will provide the funding for a quality system—public broadcasting."

The aspect of the plan that promises to be most controversial with the commercial broadcasting industry is the imposition of a "spectrum use" fee, determined by the power of the station and the size of its market.

Leading New York stations such as WABC–TV, WCBS–TV and WNBC–TV might be required to pay as much as $5 million a year, Mr. Van Deerlin said.

The funds raised from those who use the airwaves would go toward the support of public television, the new regulatory commission, minority ownership of stations and development of rural telecommunications.

$200 MILLION A YEAR

Mr. Van Deerlin said that initially the fund might provide more than $200 million a year for public broadcasting—an amount equal to the proposed Federal appropriation for 1981—but that eventually it should cover the full expense for the system.

The bill, meanwhile, would ban the support of specific programs on public television by private corporations. "Ideally," Mr. Van Deerlin said, "there should be no corporate participation in public broadcasting."

Commercial stations that now object to paying a spectrum-use fee are likely to find, the Representative suggested, that it will come to no more than what they currently pay lawyers to represent them before the F.C.C.

"The elimination of Federal regulation is going to be tough on the communications bar," Mr. Van Deerlin remarked.

To Dr. Parker's charge that the bill is a "giveaway" of public rights, Mr. Van Deerlin replied: "You can't call it a giveaway when we're imposing a fee for the license."●

BASIC QUESTIONS FOR JUDGING THE OVERRIDING NEED FOR CREATION OF A DEPARTMENT OF EDUCATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. CONYERS. Mr. Speaker, on August 2, 1978, I submitted testimony to my colleagues on the Subcommittee on Legislation and National Security of the Government Operations Committee pertaining to H.R. 13343, a bill to establish a Department of Education. This bill is scheduled for its second day of markup on August 8. Unfortunately, the primary election in Michigan occurs on that day and, therefore, I will be unable to attend the markup session. Consequently, I want to share with my colleagues in the subcommittee and the House a supplementary statement of my views on H.R. 13343 which incorporates a series of questions which need to be addressed during consideration of the bill.

Most of the discussion and debate in the preceding markup session and, I anticipate, in the August 8 markup session, will have focused on component pieces of H.R. 13343, including: Strengthening of the Office of Civil Rights; inclusion of child nutrition programs; transferring Native American education programs from the BIA to the new Department; and the like. Very little of the discussion thus far has dealt with the basic question—Why create a Department of Education? This larger question breaks down into at least 11 subquestions. I would hope that proponents of creating a new Department will take the time to attempt to answer these questions for myself and other members of the subcommittee and committee.

STATEMENT OF THE HONORABLE JOHN CONYERS ON H.R. 13343

I want to direct your attention to title I—findings and purposes—of H.R. 13343. Section 101, the statement of findings, is a collection of mainly truisms about the importance and status of education in the Nation today. Perhaps it is asking too much of the bill's preamble, but the statement of findings in no way leads to the conclusion, in section 102, that the establishment of a Department of Education is necessary and "in the public interest."

Perhaps the most important factual statement in the findings section of the bill is:

(3) the responsibility for education has been and must remain primarily with State, local, and tribal governments; public and nonpublic institutions, communities and families;

Although I cannot say with any conviction that the creation of a Department of Education will be harmful in any important ways to education at State and local levels, I cannot say with any assurance that it will have any tangible benefits in the short or long run.

Both the statement of findings and purpose of H.R. 13343 assert that educational issues are not receiving proper attention at the Federal level because of the current structure of the executive branch, that is, the lack of a Cabinet-level Department of Education. Even though this premise is fundamental to the proposal to create a Department of Education, we have not heard any credible testimony from proponents of the Department as to the ways in which education issues have been given inadequate attention by either or both the executive and legislative branches of the Federal Government. The strongest case has been made although not strongly enough, for the need to strengthen the Federal commitment to insuring equal educational opportunities for every individual. Specifically, this means strengthening the authority, operational integrity, and independence from political and bureaucratic interference of the Office of Civil Rights.

The second purpose of creating the Department stated in the bill is to "enable the Federal Government to coordinate its education activities more effectively." Here again, none of the testimony and documents supplied to the subcommittee has demonstrated the overriding necessity for establishing the Department to improve coordination of Federal education activities. Every major activity in federally financed domestic programs, especially in the human services areas, needs much more coordination at the Federal level and between the Federal, State and local levels. The difficulty of planning and executing an urban policy is a good case in point. With an estimated 130 education programs spread over some 37 departments, coordination problems in the education arena are at least equally problematic. The creation of a new Cabinet-level department realistically offers little hope for relief of the coordination problems endemic to pluralistic government.

None of the other purposes of H.R. 13343 necessarily require the establishment of a Cabinet-level Department of Education. Stated another way, the case has not been made that these purposes cannot be accomplished within the existing structure of the executive branch under current legislation, or with additional legislation and appropriations. Just a simple listing of the purposes of a new department makes this clear:

Promoting the quality of education;

Strengthening relationships among schools, parents, communities, the workplace, and other institutions

Promoting effective partnerships among Federal, State, local and tribal governments, the private sector, public and nonpublic institutions, community organizations, and families to improve the utility and quality of education

Providing leadership in support of research relating to human development and learning systems; collecting, analyzing and disseminating information on the progress and condition of American education

And the list goes on in section 102. The list includes improvements in the design, management, evaluation, and technical assistance aspects of education programs and activities. This list of improvements needed in the design, development, and implementation of education policies and programs at all levels of government suggests that the House's Education and Labor Committee should initiate an in-depth review of the needs to improve the quality of education and its delivery mechanisms at Federal, State, and local levels, including existing Federal legislation, before Congress moves any further to examine legislative proposals to create a Department of Education. Clearly more attention is needed for education issues at the Federal level but the primary vehicle for focusing that kind of attention should be the congressional oversight and legislative process, and not the creation of a new Department.

In its consideration of H.R. 13343, the members of the subcommittee have to ask a series of questions the answers to which constitute a reasonably clear—and overriding—argument for, or against, creation of a Department of Education. I have attempted to frame such a series of questions which cover the logic and substantive arguments for or against the creation of a Department. Unfortunately, the answers to such a series of questions have to be extracted from the aggregation of testimony from various special interest groups, much of which has little to do with the broader issues and purposes involved in the proposal to create a Department. After stating each question, I have indicated my view of the most appropriate and fair answer based on the information available to the subcommittee at this time. I would respectfully ask each member of the subcommittee to ask themselves the same set of questions and then to assess the overall conclusion with respect to their vote on H.R. 13343.

The questions and answers follow:

QUESTIONS AND ANSWERS ON THE CREATION OF A CABINET-LEVEL DEPARTMENT OF EDUCATION

(1) Does the Federal government have educational goals and policies that require creation of a Department of Education for their implementation?

Case has not been made.

(2) Should the Federal government have uniform and cohesive educational goals and policies?

Perhaps. Requires congressional debate.

(3) Should a Department of Education be created to provide the vehicle and impetus for development of Federal educational goals and policies?

No.

(4) What are the real gains in Federal policy and planning in education that would flow from creation of a new Department?

Unknown. Case has not been made.

(5) Will a Department of Education increase coordination between educational programs in various Federal departments?

Possibly. Unknown. Case has not been made.

(6) Will a separate Department of Education assure larger appropriations for education?

No.

(7) Can a President and Congress committed to increased appropriations for education do so without a separate Department?

Yes.

(8) Can there be a unified direction of federally financed education programs if these programs are not under a single committee's jurisdiction in the House and the Senate?

No or unlikely.

(9) Will a separate Department of Education mean more Federal regulation, more Federal control and an expanded Federal role in education?

Possibly. Unknown.

(10) Will a separate Department of Education mean less paperwork and bureaucratic red tape at Federal, state and local levels?

Possibly. Unknown, but unlikely.

(11) Will the cost of creating a new Department be high in the short- or long-run?

Unknown.●

NO AID CUTS TO UNDERMINE ISRAEL DEFENSE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. OTTINGER. Mr. Speaker, I urge my colleagues to join me today in opposing any amendment to the Foreign Assistance Appropriations Act which would stipulate an across-the-board funding cut which would adversely affect the aid intended for Israel more than any other nation. Beyond the fact that such cuts would severely undermine the United States role in international financial institutions and our ability to deal effectively with our adversaries around the world, these cuts could drastically undermine the security of one of our closest friends and allies, Israel.

In light of the Senate's recent decision to approve the arms package to the Middle East, which has already done much to disrupt the military balance in the Mideast and to threaten Israel's security, Congress should not even consider any additional cut in aid to Israel, no matter what form consideration of such a cut takes. Efforts to reconvene the Mideast peace talks which have most recently been jeopardized by Egypt's intransigence, would also be disrupted by changing aid levels at this time. Given these developments, it is imperative that Congress be responsive to Israel's urgent economic and defense needs by opposing any reduction in aid.

Yesterday, an amendment to the International Security Assistance Act of 1978 was adopted without opposition that expresses the sense of the Congress that the United States should be responsive to Israeli defense requirements and should sell Israel additional advanced aircraft in order to maintain Israel's defense capability which is essential to peace. The intent of this amendment is clear—the security of Israel is of the utmost concern and importance to the United States. Adoption of any amendment today which would reduce U.S. aid to Israel would not only be in direct contradiction to what is necessary for peace in the Mideast, but it would also be contrary to the explicit

intent of this amendment adopted unanimously just yesterday.

I urge my colleagues to oppose any amendments to the Foreign Assistance Act which would adversely affect the balance in the Mideast, which would be detrimental to continued U.S. efforts to bring about a lasting peace in the Mideast, and which would undermine the security of Israel.●

WHAT WILL HAPPEN TO SOCIAL SECURITY?

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. STEIGER. Mr. Speaker, late last year I joined several of my colleagues on the Ways and Means Committee in proposing amendments to the Social Security Act which would have maintained the solvency of the program for the next 75 years. Our proposal did not involve a substantial tax increase for workers or employers; it did not violate the integrity of the social security trust fund by using nonexistent general revenues to bail out the program.

Our proposal was rejected. Instead, Congress adopted a financing scheme which is now declared to be unsatisfactory by the original proponents. If the problem were not so serious, I would be amused by my colleagues who voted for an unworkable program and are now seeking to place as much distance as possible between themselves and their creation.

An effort will again be made this week to tinker with social security. I hope this effort is rejected, because the latest "solution" is no better than the monster enacted last December. The situation can still be salvaged by adopting our proposal. It will not be offered this week, but it is still available for consideration. I would even be willing to retitle it the "Democrat's Relief Act" to make it more palatable to my colleagues on the majority side who treated our proposal as a partisan issue.

I insert in the RECORD two articles which discuss the social security problem.

[From the Mercer Bulletin, June 1978.]

SOCIAL SECURITY AMENDMENTS

The Social Security Amendments of 1977 made important revisions in the Social Security program. These amendments are generally considered to be the most significant social security legislation possibly since 1950.

Under the old law, future generations of workers would have received progressively higher levels of retirement benefits, relative to their preretirement earnings, than today's generation receive. The amendments revised the method of determining benefits so this would no longer be true. These changes reduced the future cost of the program.

The amendments provided for extraordinary increases in the maximum amount of earnings used for computing benefits and assessing taxes during the period 1979–81. This change increased the income of the Social Security funds more than it increased the benefit payments. The amendments increased the tax rates themselves as well as the earnings which are taxable.

SOCIAL SECURITY IS STILL UNDERFINANCED

But, even after all these changes, the Social Security program is still significantly underfinanced. To pay for the benefits which have been promised, taxes paid by the employee and the employer must continue increasing beyond the ultimate level of 7.65 percent in 1990. The tax rate must increase to approximately 8 percent by the year 2000 and 12 percent by the year 2025.

These future tax rates are based on the "intermediate" assumptions utilized by the Trustees of the Social Security program. Actual future tax rates will be different from these estimates but, from this perspective (1978), it seems more likely that they will be higher than the estimates.

The Social Security program, however, is only one component of the myriad of employee benefit systems which have grown up over the years in an attempt to satisfy the needs generated by illness, disability, old age, or death. There are numerous other employee benefit and income maintenance programs: worker's compensation, unemployment insurance, private retirement plans, group life and medical insurance plans, sickness benefit plans, etc. All of these employee benefit systems should be scrutinized and redesigned to the extent necessary to eliminate any gaps and duplications in satisfying these human needs, and to ensure that each public and private benefit dollar is being allocated wisely.

PROBLEM MUST BE CHANGED

After all these changes have been effected, however, it appears that the problem will still be unresolved because it may well be impossible to satisfy all these human "needs" as they are now defined. The growing cost of these systems, public and private, may ultimately develop into an unsustainable burden. If this is true, the only conclusion is that some way must be found to reverse the present trend.

In seeking ways to change the dimensions of the problem the nation's concept of work, education, leisure, and retirement should be reviewed carefully. It appears likely that this concept could be revised and that it might be presumed that an individual will engage in gainful employment, suitable to physical and mental condition, until an age well beyond age 60 or 65, perhaps even for the rest of his life. For this trend to occur, however, significant changes will be required in existing social and economic arrangements.

The nation must take appropriate action to provide an environment in which the capabilities of each individual can be utilized effectively, an environment which fosters meaningful activity, not empty idleness. Both the incentive and the opportunity should exist to enable every individual to work and produce throughout his lifetime in a series of endeavors compatible with his changing physical and mental abilities. Governmental policies should be directed toward these goals and not toward the removal from the active work force of able-bodied persons who must then be supported by the remaining active workers.

Jobs must be structured so they are more meaningful and satisfying to the individual. Significant advances will be required in our ability to match persons with jobs. Attitudes must change to make this new concept possible.

These changes must begin to take place during the next 10 years, and they must be well underway by the turn of the century when the children of the post-World War II baby boom begin to reach their forties and fifties. Bringing about these changes will be a slow process which will require the cooperation of many institutions, not just Social Security.

FIRST STEPS IN THE PROCESS OF CHANGE

The first step in this process of change was the recent action by Congress prohibiting an employer from imposing mandatory retirement at an age lower than age 70 (with certain exceptions). This action was another step in the direction of eliminating job discrimination. Coincidental as it was, it nevertheless fits in well with the eventual need for a more complete utilization of the nation's human resources.

The Social Security program effectively states the retirement policy of the nation and since the program itself fosters a policy of relatively early retirement, Social Security should be revised. The mere existence of the Social Security program in its present form sets a standard, and thus creates an expectation which then fosters a presumption of entitlement, for retirement in a person's early to mid-sixties, regardless of health and ability to continue as a productive and useful member of society. The Social Security program thus creates some of the needs it purportedly exists to serve.

CHANGE IS POSSIBLE

To some observers, major changes in the Social Security program are out of the question because of the size and scope of the program and because it is so firmly established. On the other hand, 53 percent of the present population consists of those born after World War II, persons who are now under age 33. These young persons will begin reaching their sixties just 28 years from now in the year 2006. A general framework should be constructed regarding the retirement of this generation—the type and level of benefits to be provided, the source of benefits, the approximate age at which benefits will commence, etc. In making these choices the nation must not be influenced unduly by decisions made in the past by and for different generations of people living under different circumstances.

With particular regard to the Social Security program, the rationale as well as the cost—now and in the future—must be acknowledged and explained clearly to the public so that the program can be revised or even reaffirmed.

It will not be easy for the nation to move in the direction of full utilization of its human resources and thus bring under control the rising cost of supporting the inactive population. The alternative, however, will be even more difficult: unemployment and underemployment, an increasing pool of idle "disabled persons" and "aged persons", and a total cost to society which will become increasingly difficult to meet; one that could become unbearable.

The time to design the solutions and to begin implementing them is not the future, it is now.

SOCIAL SECURITY—THE CHOICE

(By James Bryant Quinn)

With tax revolt on every tongue, the next target may be social security. Proposals to roll back social-security taxes have been stalled temporarily, but will surely revive next January when the top employees levy goes up by an additional $333 a year.

In truth, the drive for lower taxes is a will-o'-the-wisp. The escalating demands being made on social security, combined with an aging population, imply that payroll taxes will actually have to rise even further. Congress may call on income taxes for some of the funding, but that's like taking money from your right-hand pocket rather than your left. Unless you're prepared to shrink the social-security program, higher costs—and higher contributions—are in the cards.

It's not generally realized how much social security benefits have jumped in recent years. The annual payment to new retirees with low wages is up 75 per cent since 1972, as against a 56 per cent increase in the cost of living. For new retirees at the top of the social security scale, the increase is 107 per cent (when the amount of income on which you pay social-security taxes goes up, the benefit rises disproportionately). In addition, there are now cost-of-living increases for everyone on the rolls. It is hypocritical to welcome these benefits and then join a tax revolt.

MORE BENEFITS WANTED

That's only the start of the agenda. Among the many petitioners waiting in the wings are housewives, who want social-security benefits in their own right even if they haven't paid into the system, and people 65 and over who haven't retired (their demands for payment almost made it through Congress last year). A growing number of people think that social security, planned only as a supplemental source of income, ought to provide every American with a decent living in his old age. Excellent social and moral arguments can be made for all these goals. But they're not compatible with lower taxes.

In a sense, social security is being cooked by a longstanding myth—namely, that our own, personal payroll taxes are somehow set apart to finance our own social-security benefits. That bit of nonsense has been perpetrated by politicians in order to make us tolerant of rising taxes. (It also serves a fundamental principle of public finance—that taxes should neither be seen nor felt, only paid.) But now that social-security contributions are starting to hurt, that myth has become a burden.

Many taxpayers mistakenly think that, at today's high tax levels, they must be putting more into social security than they'll ever get out. Hence, they press for higher and higher benefits.

LOAVES AND FISHES

The fact is that if people could take out social security only what they put in, they would generally be poor indeed. If you, for example, had paid the maximum into social security since its inception in 1935, if that payment had been matched by an employer and if interest had been paid on the accumulation, the most that could possibly be in your social-security account is $31,500, according to the Social Security Administration. That money would last no more than 4 years for a couple retiring this June at 65. After that, it's the miracle of the loaves and fishes. "Your" money is gone, but retirement checks come in anyway—paid through the taxes of other citizens. By this accounting, others would also have to pay your supplementary benefits—medicare, disability and survivors insurance. Social security, in other words, provides far more than a return of your own contributions.

Not even the soaring level of payroll taxes now in prospect changes this situation. Today's workers will simply be entitled to much higher future benefits, still largely financed through the taxes of others. (Those few people who never retire, make small demands on medicare and die in their early 70s without a surviving dependent spouse may not get out of social security what they put in, but that's life. The system stood ready to make payments, had the occasion arisen.)

The general drift in all the industrialized countries has been toward more and better social insurance. The more we have, the more guarantees we want that our standard of living won't drop. The choice, for American voters, is pretty clear-cut: we either cut back on current and proposed social-security benefits or quit squawking about rising taxes.●

GRASSROOTS DIPLOMACY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. McDONALD. Mr. Speaker, Gov. Meldrim Thomson of New Hampshire addressed the Kiwanis Club in Taipeh, Taiwan, on December 7, 1977. His speech was entitled: "Grassroots Diplomacy" and it was very timely. In his speech he discussed America's retreat from greatness around the world since World War II. He describes how American diplomacy has been mismanaged and misdirected since the postwar decades with appeasement as its hallmark. Since another traumatic retreat has just been concluded in the case of the Panama Canal treaties, and as it appears that another retreat in the form of abandonment of our loyal ally, the Republic of China is just on the horizon, I commend this speech to the attention on my colleagues. The speech follows:

GRASSROOTS DIPLOMACY

(By Governor Meldrim Thomson, Jr.)

Mr. Chairman, ladies and gentlemen, what a great pleasure it is for me to return for the third time to the Republic of China on the province of Taiwan. I feel that I have come again to my second home.

Today I wish to bring to you, and through you to the people of your great Republic a message of hope and cheer from the grassroots of America.

In giving you this message please bear in mind that under our American Federal Constitution foreign policy can only be made by our President and confirmed, as to treaties, by our United States Senate, and as to appropriations and other related legislation, by the Congress.

Therefore, although I have the honor to serve as Governor of the sovereign State of New Hampshire, one of fifty such States sharing in the bifurcated sovereignty of our federal system, I can not and do not speak for our Federal Government.

But I can and do speak as a citizen courier bringing you a grassroots message from the heartland of America.

That message as supported by a multiplicity of polls is briefly this:

The great majority of American citizens respect, admire and support the Republic of China in its eternal struggle for freedom over communism!

Be not misled by those cowardly politicians who for far too many years have misguided the United States into the ways of compromise and appeasement that ultimately and always lead to defeat for those who practice such evil arts.

In America, fortunately, the practitioners of appeasement can be removed from their seats of political power. I am one of thousands of citizens striving for just that goal.

We can and shall remove from the high places of authority the Neville Chamberlains of America.

It is just such false prophets and pusillanimous statesmen who have misdirected American diplomacy and foreign policy of the past quarter century.

It was they who hammered out the conferees and treaties following World War II that made it possible for Communist Russia to march to hegimony over the tortured, bleeding bodies of countless former freedom loving nations of Europe.

It was they who needlessly sacrificed the lives of almost 60 thousand American soldiers in Korea by denying our armed forces the all-out right to win.

It was they who capitulated and for the first time in American history accepted a troubled accommodation with the enemy—in this case with Communist China.

I can hear today on the winds of the ghastly past, the heroic sentiments of those courageous leaders of America who forged the lingering greatness that is still ours.

Patrick Henry in the Virginia House of Burgess crying to his fellow revolutionaries, "I know not what course others may take, but as for me, give me liberty or death".

And from our own New Hampshire Revolutionary General John Stark, I catch the immortal message, "Death is not the worst of lots; live free or die".

The winds rustle the sails of time and I hear the defiant taunt of John Paul Jones, "I have just begun to fight".

From George Washington, so like your own great Sun Yat-sen, comes out of the past his fiscal admonition, "cherish public credit . . . . Do not place upon posterity the burdens which we ourselves ought to bear".

It was they who repeated the mistakes of Korea at Vietnam and thus callously wasted on the grissly machine of war the lives of another 55 thousand Americans.

It was they who under the hypocritical and false leadership of Henry Kissinger fashioned the Paris peace which confirmed our surrender to North Vietnam, the puppet of Communist China.

I tell you, friends, the past quarter of a century has seen America write the blackest chapter in her history as we surrendered, conference after conference, that which our soldiers won in battle.

And the indisputable results of that chapter have witnessed America's shift from a once proud champion of freedom nations to the gradual decline from the position of the world's greatest power to one cravenly seeking accommodation with Communism on mainland China, over the Panama Canal, and with Red Cuba—to mention only a few of our diplomatic derelictions.

And from that other American hero, so similar in many ways to your own great Generalissimo Chiang Kai-Shek, I recall the prophetic warning, so applicable to these times, if destruction be our lot, we ourselves must be its author and finisher. As freemen we must live through all time, or die by suicide".

These American heroes of yesterday were never privy to appeasement. In their successful quest for human freedom they accepted the risks, the arduous labors and sacrifices of all who test with destiny to achieve the sacred fulfillment of freedom.

For decades we have with you climbed together the hills of achievement. We have sustained, comforted and supported one another in the joint search for peace in a world of freemen.

We were two of the five great powers that in 1945 built the United Nations as an instrument for effectuating peace.

American taxpayers gladly gave you millions in foreign aid to help in your recovery after the long years of war and you wisely used that money to lay the foundations of your present day prosperity. Later you were to be the only nation to voluntarily relinquish American foreign aid.

In 1955 we signed a mutual defense treaty pledging ourselves "to resist armed attack and communist subversive activities directed from without against" our respective territorial integrity and political stability.

In that vital treaty our two nations also recognized "that an armed attack in the west Pacific area directed against the territories of either of the parties would be

dangerous to its own peace and safety" and we pledged to meet the common danger in accordance with each of our own constitutional processes.

Now, where once there was wholehearted cooperation, there has arisen on your part concern about the future of our happy and successful mutual endeavors.

I can assure you that millions of grassroot Americans share in that concern. We are convinced that the deceitful ways of Communism, as practiced in Red China, can be no substitute for the true and honorable friendship we have enjoyed for so many years with the Republic of China.

In the beginning of our present political extravaganza with Red China, grassroots America was puzzled and confused about the course Nixon and Kissinger were taking on the mainland.

We had watched with admiration the dignity and forbearance shown by you in severing your ties with the United States.

That should have been our warning had we been led at that time by statesmen of the caliber of our founding fathers.

Instead, we have shamefully participated in that organization born of high hope in man's eternal search for peace only to sink to the level of, at best a house of screaming idiocy and at worst an incubator spawning worldwide Communism.

Grassroots America has on the other hand watched with pride your great progress in industry, agriculture and social reform.

We held our breath as you launched your great ten projects and now applaud your success as you near completion of this visionary undertaking.

We must confess a bit of envy of the great economic strides you have made since the recession of the energy embargo. Our very low unemployment in New Hampshire of 3 percent, one of the lowest in the Nation, is twice that of yours.

And I am sure that it would be difficult to find in all the world another nation that could match your economic growth of 11 percent in 1976.

But what we of grassroots America admire most about you in the Republic of China is your great abhorrence of Communism and love of freedom.

Here, unfortunately, you have the advantage of us.

You know from first hand bitter experience that there can never be normalization with Communism anymore than you can homogenize oil and water.

You know that where Communism is concerned accommodation is but the moment of preparation for the ultimate stab in the back.

If we in America had learned that lesson through bitter personal experience as you did we would not now allow the bureaucrats of Foggy Bottom in Washington to lead us down the perilous path marked by the proposed Panama Canal treaties with Communist-leaning Panama, recognition of Red Cuba, and possible recognition of Red China.

The silly talk of our compromise-with-Communism politicians is but the twittering of the uninformed.

There is no way that America can recognize Red China and preserve our mutual defense treaty with you!

There is no way, in fact, by which America can be for freedom, or even remain free, and yet recognize, support and trade in blood money with a Communist nation.

You are at war with international Communism and so too should we be.

The answer for today's Sino-American problem of a divided China must be for America to admit the folly of the Shanghai resolution and to withdraw at once all accommodation with Red China.

Let us admit we made a mistake. We should get off the mainland at once and never return until the Republic of China has restored prosperity and human freedom to that vast area.

Let us in America take a valuable page from your experience and pledge ourselves to openly and aggressively join in the eternal fight against the tyranny and slavery of Communism wherever it exists.

My friends, with the new vision that a new breed of leaders can give to America, let us work in good faith for that day when the Rising Sun of the Republic of China and the morning stars of America will shine in perfect harmony on a world at peace because of its firm foundations in freedom.

Friends, as New Hampshire's General Stark so truly said, "Live free or die".●

A LETTER ON MILITARY SPENDING

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. MITCHELL of Maryland. Mr. Speaker, Neil Dick, a resident of Bronx, N.Y., recently wrote me. The following is an excerpt from his letter:

Here is a speech which was never made in Congress: it is an imaginary speech which I would have given had I been a colleague of yours; I am sure you could have given it, too.

I rise in strong opposition to this defense budget. It is as bloated and wasteful as ever, although I am relieved there is no more B–1 bomber. But I cannot call this extravagant monstrosity the best way to defend the country. Some of my liberal friends will cast their vote in favor of it, saying that it would look ridiculous, for example, to be for defending Israel but not the United States. But, Mr. Speaker, I intend to vote against defense budgets again, and again, and again, until our priorities are totally turned around. A few of my colleagues have made an extremely courageous record of never having voted for one penny for defense. I intend to vote exactly like that if necessary.

Now I am not saying the country should not be defended. But that is indeed what is happening in reality. We seem defenseless to do anything to give work to millions of people who have suffered chronic employment. As my distinguished colleague from Maryland says, we have put only white America back to work. I will not stand still while we have 40, 50% or more unemployment among teenagers in our poverty areas, of minority groups, especially Black and Hispanic. We will never have a really secure country, if we do not take real steps to do something about it. What good does this do if we have "only" 6% unemployment on a "macroeconomic" basis? We also have terrible, spreading decay in many of our cities.

There are so many who say we cannot afford to rebuild our cities, since there is no place in the budget for such an effort. But there is a place for more bombs, more missiles, more nuclear power to blow up the world many times over. I say, for shame. Spending more on better and better ways to kill is "fiscally responsible." Spending more on housing or health or education is supposedly "wasteful." I call this an utter hyprocrisy. I call it a travesty and a fraud on the American people. I say that we can have a secure country from without as well as from within, without busting the budget.

I am tired of hearing what a great country we are, but we should let our cities rot because we are tired of big government. I am fed up with big military government. If we don't come up with a prudent change of priorities which will enable us to improve the quality of life in our cities particularly, it will be like a loss of the very basis of the essense of what this county is supposed to stand for. Mr. Speaker, I yield back the remainder of my time.

REDTAPE AFFECTS SALES OF U.S. AIRCRAFT IN COMPETITION WITH FOREIGN MANUFACTURERS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. ANDERSON of California. Mr. Speaker, an article by Alton K. Marsh carried in the July 31, 1978, issue of Aviation Week and Space Technology describes some of the redtape delays we are creatng for U.S. aircraft manufacturers attempting to sell aircraft competitively with foreign manufacturers. The article is worthy of a wider audience here in Washington, and I wish to call it to the attention of our colleagues in both the House and Senate.

The article follows:

RIGHTS POLICY CONFUSION HALTS AIR AMBULANCE SALE

(By Alton K. Marsh)

WASHINGTON.—Confusion over President Jimmy Carter's human rights policy is revealed in the sale of a Swearingen Merlin 4A air ambulance to the Argentine army (AW&ST July 24, p. 9).

Efforts to get clarification from the Dept. of State Bureau of Human Rights and Humanitarian Affairs revealed that there is no set policy. An official suggested manufacturers with questions about such sales should call the bureau.

The $1.6-million sale of the Merlin 4A air ambulance to the Argentine army is being delayed, despite a recent sale of a similarly equipped aircraft to the Argentine Ministry of Public Health. There is no equipment on the aircraft that is listed on the State Dept. munitions list of equipment prohibited from export to unfriendly nations.

The State Dept. had intended to send a letter signed by Assistant Secretary of State for Congressional Relations Douglas J. Bennet, Jr., to Sen. Lloyd Bentsen (D.-Tex.) July 21 announcing denial of the sale. The letter was stopped when it was learned the office of Julius L. Katz, assistant secretary for economic and business affairs, had not reviewed the matter. Bentsen wrote a letter to the State Dept. about the Swearingen sale.

When asked for a list of aircraft delayed for human rights reviews, an official of the bureau of human rights said such a list is "proprietary information." When asked for a list of countries where the human rights issue is considered a problem, the official said no list exists, adding that existence of such a list would constitute a policy.

The official said attempts are under way to develop an "early warning sytem" for manufacturers, but none now exists.

"If industry has a deal going with a country, let us know and we'll discuss it," the official said.

He did reveal that more than 200 export license applications for aircraft, construction equipment and trucks are pending for Argentina, where human rights violations are considered to be severe.

While export licenses are granted by the Dept. of Commerce, it is the staff of Patricia M. Derian, assistant secretary of State for human rights and humanitarian affairs, that must conduct human rights reviews.

"Commerce sends an application over when they are nervous about it," a State Dept. official said. He is one of several officials in the State Dept. who disagree with the early decision to deny an export license for the Merlin 4A air ambulance.

"Mostly Commerce is right. We like to know what is going on. But the Commerce licensing procedure is burdensome. Their internal referral requires 30 days to decide whether to send it to State," the State Dept. official said, adding that it is "illusory" for the Carter Administration to think the denial of an air ambulance contract can influence human rights policies in Argentina.

If the export license is denied, the Argentine army is expected to consider the Mitsubishi MU-2 turboprop or the Dassault-Breguet Falcon business jet.

Delays in handling paperwork in the State Dept. were admitted by the bureau of human rights official. There is a State Dept. rule to respond in 90 days.

William R. Edgar, vice president of the General Aviation Manufacturers Assn., said delays in the Dept. of Commerce stem from a "mammoth" self-protection operation.

"If they would define what countries have human rights problems, and what it will require to sell aircraft to those countries, we would establish the mechanism and attempt to comply. Our frustration revolves around the fact that we don't know the ground rules," Edgar said.

Edgar added that three-to-five month delays result from the review process. "This places the whole contractual sales procedure in jeopardy. We cannot guarantee any potential buyer we will be able to deliver on such and such a date."

His concern was echoed by an official in the Dept. of State, who said:

"At the advent of the human rights policy, no one understood the ground rules. Consequently, difficult decisions are passed to higher levels. It takes a long time to get people to agree to what goes down on a piece of paper the secretary of State will see."

The State Dept. has told the Dept. of Commerce that it wants all general aviation aircraft deliveries to military or law enforcement agencies in countries other than Japan, the U.S., Australia and members of the North Atlantic Treaty Organization to come under State Dept. review.

Last week the State Dept. Bureau of Public Affairs released a short statement on "U.S. Arms Transfer Policy in Latin America," which is intended for government use and is "not intended as a comprehensive U.S. policy statement."

Under the heading, "U.S. Policy," the document repeats these statements from President Carter's May, 1977, arms transfer policy:

Arms transfers are used to promote the security of the U.S. and its allies, but the burden of persuasion is on those favoring the sale.

The U.S. will not be the first supplier to introduce advanced weapons systems into a region that creates a new or significantly higher combat capability.

The State Dept. monitors travels of U.S. arms sales promoters.

The U.S. will assess the economic impact of arms transfers, particularly on recipients of American economic aid.

U.S. will consider the human rights situation.

U.S. will consider regional agreements among purchasers to limit arms acquisitions.

It is emphasized that sales agreements prohibit third party transfers without U.S. approval.●

LIVING WITH HIGH BLOOD PRESSURE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. DOWNEY. Mr. Speaker, August 3, I introduced H.R. 13733. My bill would require the Secretary of Health, Education, and Welfare to set standards for and regulate automated blood pressure machines. I include a detailed explanation of my bill in the RECORD.

Issue—"23 million people in the United States suffer from a serious disease, a disease only half of them know they have and only 8 percent have treated".—U.S. News and World Report, "Living with High Blood Pressure" Dr. Frank Finnerty. Oct, 1974 (pp. 55–57).

Since Dr. Finnerty spoke those words about hypertension in 1974 there has been a serious effort to alleviate the problems caused by, and the detection of, hypertension. Local hospitals have had free clinics where people can have their blood pressure taken. Scientific studies and educational articles have been published warning people of the dangers of high blood pressure and the need to have a checkup. These efforts have been helpful and brought the problem out into the open but unfortunately the clinics often have reached only a limited cross section of the population—older people, unemployed and in general people with much leisure time.

Oftentimes the persons who are most likely to have hypertension—executives, blacks, and poor people, either do not have the time or are too far from a clinic or hospital to take advantage of these clinics. Most people do not worry about hypertension either, for it is a disease with no visible symptoms. Why worry about a disease you cannot see or feel?

Why? Because it can kill you!

A recent way of combating this problem has been a turn to automation. Automated blood pressure machines can now be found in shopping centers and grocery and drug stores across the country. Many people who would not otherwise have had their blood pressure checked are now being given a quick, cheap automated blood pressure reading.

But are these machines as accurate and reliable as their manufacturers claim. or are they simply another way of "ripping off" the unassuming citizen?

What are the advantages and what are the dangers to the use of these machines?

ADVANTAGES

The proliferation of these machines into the immediate living and working quarters of more Americans clearly makes detection and checkups easier for the average working person. Automated blood pressure machines can alleviate the time, expense and "hassle" of continually running to the doctors office or hospital clinics for a simple reading. Automated machines are capable of giving anywhere from 300 to 400 readings per day. This can be done, according to Dr. Baker of the New York Department of Health's Bureau of Disease Control, "quicker and more accurately than many clinics or doctors could possibly do."

Dr. Baker emphasizes that only under certain circumstances and certain conditions will any automated machine be desired over a doctors visit for there are dangers inherent in the use of these machines.

First. Each brand of machine and every individual machine should be tested under "field conditions" before future production and distribution is permitted.

Second. Once in the field each machine must be properly maintained and periodically checked for faulty readings. The current policy of fixing the machines when they break down is inadequate for there can be a substantial gap in between when a machine is reported broken and when it is really broken.

Third. It should be clear to the user that the chart of average blood pressure given at the time of the reading is just that—an average. It does not take into account the users age, weight, current mood or a variety of conditions that could temporarily affect blood pressure.

Fourth. The user should also be referred to his/her own physician for a diagnosis of the reading, especially if it has been some time since the patient visited a physician—if this is their first time such a visit is imperative.

PRESENT STATUS

Dr. Frank Finnerty of the Washington Hypertension Clinic has ran extensive tests on one brand of automated blood pressure machines, the "filac blood pressure system." He says the machine is "remarkably accurate, and that if all the other automated blood pressure machines were as accurate and sturdy as this one, I would see no problem with their use."

Dr. Finnerty goes on to say that to generalize from the tests he did on this particular unit would be wrong. "These machines can be as different as night and day, they should all be tested by independent agencies."

It is clear that as the use of these machines continues to increase, the need for some sort of regulation, whether voluntary or statutory, will become even more necessary.

As of July 24, 1978, there are no State or Federal laws to regulate this booming business. Vita State Medical Services, in Tierra Verde, Fla., the biggest maker of coin operated machines predict that they will sell over $11 million of these machines this year and the future looks even brighter for these companies.

Dr. Donald Ware of the National High Blood Pressure Center in Bethesda, Md., is heading up a group of representatives from the American Medical Association, the FDA and the National Health Institute who are in the process of drawing up voluntary regulations for the use of automated blood pressure machines.

Dr. Ware hopes that these regulations will be voluntarily adopted by all manufacturers and eventually when manpower becomes available to be adopted and enforced by the FDA. Voluntary standards, while a good concept, are very often hard to implement. Many manufacturers, unfortunately, are not known for their altruistic operating standards and obtaining their compliance with voluntary regulations and restrictions has proven difficult in the past.

High blood pressure is a serious problem, one that needs constant treatment and early detection. If automation will help us conquer it then we welcome it. But we must make certain that we are not looking to automation for "automations sake" without looking beyond the tinsel and seeing the drawbacks and dangers that auomation also present. Without regulations, our automation, a hope for the future, will become automation, a problem for the future.

More and more automation has become a part of our life. Automation to cure sickness and pain is quickly becoming as much to 20th century society as is McDonalds. But just as McDonalds is not the answer to "world food hunger," automated blood pressure machines alone are not the only answer to high blood pressure. Without regulation of these machines and education of its users all the benefits of our technological advances will be lost. This is something we cannot let happen.

APPENDIX A

AMERICAN HEART ASSOCIATION POSITION ON COIN-OPERATED BP MACHINES

There are two major problems in the use of coin-operated blood pressure machines:

1. No evaluations of these devices under field conditions have been completed. The reliability and durability of coin-operated machines are in doubt.

2. Providing a blood pressure reading to a person without counseling about its meaning and a pre-arranged referral system is of little value and may, in some instances, be undesirable.

People need information about their health in order to maintain their well being. Such information ought to be available in a way that is both convenient and not unduly expensive. Although information of this kind may be provided through some future mechanism, the currently available coin-operated BP machines do not constitute such a mechanism.

APPENDIX B

CONSUMER-ADMINISTFRED BLOOD PRESSURE MEASUREMENT

Position Statement of the National High Blood Pressure Coordinating Committee

BACKGROUND

An increasing number and variety of blood pressure measurement devices have become available to consumers in recent years. Both manual and automated devices for home use are sold in pharmacies, medical supply stores and retail department stores, and have been reported to be selling quickly. In addition, at least two manufacturers of automated, coin operated equipment are actively marketing these devices for use in banks, shopping centers and other public places.

It is necessary to distinguish between home blood pressure measurement by a patient under medical supervision and consumer determination of blood pressure using unsupervised coin-operated or manual devices. When suitable training and review are provided to the patient, home blood pressure measurement can be most helpful in ongoing management of hypertension. However, not all patients are suited to home blood pressure measurement. The decision about which patients will benefit should be made by a health professional, preferably the physician. In any case, it is important that the patient or consumer understand the reading and the proper action to be taken, as well as be assured of accuracy and reliability of the equipment.

POTENTIAL BENEFITS

The availability of devices permitting self-measurement of blood pressure by patients and consumers, outside the usual health care setting, can contribute in a number of ways to improved control of this major public health problem:

1. Promotion and accessibility of such devices can reinforce the importance of blood pressure to health and its measurement as a part of regular health care.

2. For some patients on antihypertensive therapy, readily available blood pressure measurement can help motivate or reinforce maintenance of the regimen.

3. Home blood pressure measurement can encourage the involvement of the patient and his or her family in therapy.

4. Multiple measurements outside the doctor's office can assist in treatment decisions for borderline or labile hypertensive patients and can aid the physician in evaluating efficacy of prescribed drugs or other therapy for definite hypertension.

AREAS OF CONCERN

The potential benefits of patient and consumer-administered blood pressure measurements must be balanced against a number of concerns relating to inadequate training in measurement technique, inaccurate equipment, and inadequate information about the meaning of blood pressure readings.

1. Proper training in measurement technique and equipment maintenance is essential for anyone measuring blood pressure.

2. Both manual and automatic equipment must be properly maintained and accuracy and reliability assured periodically.

3. The availability and presence of blood pressure devices in supermarkets, drugstores, airports and other public places may encourage patients and consumers to become overly conscious of their blood pressure, misinterpreting or over-reacting to single readings.

4. Blood pressure readings must be interpreted by a qualified medical professional. Self-diagnosis is hazardous. The detection of an elevated blood pressure on a single, or even on several occasions, does not establish a diagnosis of hypertension. Self adjustment of medication on the basis of such readings, without medical supervision, may also be a real danger.

5. A blood pressure reading, without access to an explanation of the significance, accuracy and limitations of the reading, is a questionable service. No self-administered device is a substitute for evaluation by a physician.

RECOMMENDATIONS

With proper safeguards, it is possible for the benefits of widespread availability of blood pressure measurements to be achieved while the hazards of misinterpretation and misuse are minimized. The High Blood Pressure Coordinating Committee recommends that:

1. Proper training in measurement technique and in equipment maintenance should be provided for those measuring blood pressure at home by the health care provider recommending home measurement. Evaluation of accuracy of measurement and equipment should be repeated regularly and frequently. For those measuring blood pressure without medical supervision, training must be provided through the manufacturer or retailer using literature or, preferably, referral to a qualified source.

2. Standards for performance, use, labelling and maintenance of blood pressure measurement devices should be developed by the Food and Drug Administration under the authority of PL 94-295, the Medical Devices Amendments of 1976.

3. Adequate information about the meaning of blood pressure readings should be provided to persons using any self-administered device. An adequate supply of informational material should be kept on hand where automated coin-operated devices are in use and incorporated into packaging of consumer-purchased devices. Such information should clearly indicate the appropriate course of action and qualified sources of requisite care.●

DR. PETER BOURNE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. WOLFF. Mr. Speaker, as chairman of the House Select Committee on Narcotics Abuse and Control, I have had many occasions over the past 2 years to work with Dr. Peter Bourne. We have been together for hours and sometimes days at a time, particularly in factfinding missions and hearings here and abroad. While we have not always agreed on all policies affecting drug abuse, I can state without qualification that Dr. Bourne is a man with a high level of leadership ability and professional skills and one whose devotion to a national drug policy has been unsurpassed. I am indeed sorry that events have deprived all of us of his devotion to excellence and his superlative leadership on the White House drug abuse policy-making staff

Dr. Bourne has testified before our committee on numerous occasions in the past 18 months. At no time did I detect any softness on his part toward drug law enforcement or on the question of appropriate measures to prevent and treat substance abuse. Even in areas where we did not see eye to eye on policy, his positions were well considered, thoughtfully presented, and carefully organized. The Nation will certainly miss the contributions of this exceptional individual, and I wish to take this means

of extending to him my best wishes for the success of his future activities, whatever they might be, and to state that whatever his personal difficulties that led to his resignation, his substantial contributions in the White House will be favorably remembered.●

CONGRESSMAN JAMES SCHEUER ARGUES THAT AIRPORT AND AIRCRAFT NOISE REDUCTION IS A CRITICAL PRIORITY AND THAT FINANCIAL INCENTIVES ARE A VITAL COMPONENT OF NOISE REDUCTION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. ANDERSON of California. Mr. Speaker, we have been furnished a copy of a letter which our colleague, the Honorable JAMES SCHEUER, sent to the Rules Committee concerning H.R. 8729, the Airport and Aircraft Noise Reduction Act, and H.R. 11986, the Ways and Means bill which is proposed as title III of H.R. 8729.

Mr. SCHEUER has done such a masterful job in discussing the points raised about some portions of this proposed legislation that we thought it should be brought to the attention of all Members.

The material follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 26, 1978.

Hon. JAMES J. DELANEY,
Rayburn House Office Building,
Washington, D.C.

DEAR JIM: It is my understanding that the Rules Committee may vote tomorrow on the rule for the companion bills H.R. 8729, the Airport and Aircraft Noise Reduction Act, and H.R. 11986, the Noisy Aircraft Revenue and Credit Act. In any case, a vote will take place in the Rules Committee on this issue within the next week or so. I strongly urge your support of the passage of an open rule for H.R. 8729 and a modified closed rule with only the Pepper amendment for H.R. 11986.

In the past few weeks a great deal of opposition has surfaced against this bill. Arguments have been made that this bill is a ripoff of the taxpayer, a windfall for the airlines which are all showing record profits, and a thoroughly bad precedent to set. This crescendo of opposition climaxed at the Rules Committee hearing last week.

The substance of the arguments of the opponents of this bill was completely misleading. Rather than rehearsing all of the arguments again in this letter, I have prepared a detailed "flow chart" of all of the arguments raised during the Rules Committee hearing and in various dear colleague letters which have circulated over the past month. This document summarizes all of the negative arguments against this bill in the left hand column and then provides answers for every argument in the right hand column.

There is no new information here. I have simply taken the liberty of organizing all of the arguments pro and con in this simple format. It is readily obvious that, on substance alone, the proponents of this bill carry the day easily.

It is important to indicate the particular "constituency" reason why I write this letter. My district includes John F. Kennedy International Airport which everyone agrees has one of the three worst noise problems in the entire United States, along with L.A. International Airport and O'Hare International Airport in Chicago. I pushed very strongly for the new federal noise regulations and I also pushed very strongly for some sort of financing mechanism to help the airlines by providing a small portion of the cost of complying with these retroactive noise regulations placed on hundreds of millions of dollars of existing equipment.

I might point out that there are not, to my knowledge, any Congressmen representing airport communities opposing this bill. Noise reduction is a critical priority for our districts and financing assistance has always been a vital component of noise reduction. In fact, in the very announcement of the so-called retrofit rule in 1976 by then Secretary of Transportation William Coleman, the federal responsibility to formulate, adopt, and implement some financing assistance mechanism was explicity recognized.

I'd appreciate the opportunity to discuss this bill with you in greater detail, or I'd be happy to have my Administrative Assistant, David L. Cohen, sit down with an appropriate member of your staff. I'll be calling you later to chat about this bill.

With every warm best wish,
Yours,

JAMES H. SCHEUER,
Member of Congress.

ASSERTION

Simply reduce the current 8 percent airline ticket taxes by 2 percent. Let the airlines claim whatever they want by fare increases.

ANSWER

After careful study, the Public Works & Transportation and Ways and Means Committees came to the conclusion that in view of the rate regulation imposed by the CAB on domestic carriers and by the CAB and all foreign countries on international carriers, there can be no assurance that airlines would receive the funds necessary to carry out the noise reduction objectives of the bill, and the Committees wanted assurance that this noise reduction program would be completed and completed on time.

ASSERTION

The noise bill is a Treasury raid.

ANSWER

This is not a Treasury raid! The financing proposal permits the airlines to pass through to their customers a portion of the cost of replacing the condemned capacity in the same way that all industries do when required to make expenditures for environmental expenditures.

It is indeed the Treasury which benefits. All funds collected by the carriers which exceed their entitlements remain forever in the Treasury.

ASSERTION

The Noise Bill is a rip-off . . . Why treat the airline industry different from other industries?

ANSWER

Public utilities required to spend money for environmental requirements are monopolies and the public utility commission very promptly adjusts their charges upward in order to cover the expense. The commissions in many cases actually assessed against customers an "environmental surcharge." The airlines are not monopolies and yet their rates are regulated—domestic carriers by the CAB and international carriers by the CAB and the countries into which they fly. There could be no assurance that the airlines could adjust their prices to pay the expenses of noise reduction. The Committee wanted to be sure that the objectives of this legislation were achieved on time. Therefore, a solution was developed to allow a pass-through of the cost to the airline user.

ASSERTION

The bill sets a bad precedent.

ANSWER

If the Government again takes action similar to the noise rule against an industry situated similarly to the airlines, a course of action like the noise financing legislation should be followed.

1. The government condemned almost two-thirds of the entire air transport fleet.

2. The government had specifically approved the airplanes before the airlines bought them.

3. Because of all-pervasive rate regulation, particularly in international service, the airlines would find it difficult to recover their additional costs from their customers as other industries affected by environmental rules can do.

4. No other transport mode has been required to rid itself of existing equipment. In the case of automobiles, buses, trucks and locomotives, the new rules apply only to equipment bought after the effective date of the rules. General Motors would never succeed in using this precedent. No rule has ever been retroactive for automobiles.

5. The capital requirements resulting from the large scale condemnation of existing airplanes are so vast that, without the equity funds provided by the legislation, the condemned capacity could not be replaced in the time allowed.

ASSERTION

It is impractical since it allocates funds without regard to the number of noisy aircraft that must be replaced or modified.

ANSWER

The bill is not impractical. The tax receipts are collected by the airlines and are turned over to the government. In order to secure a return of them, the airline must convince the government that it has made payments for retrofitting, re-engining or replacing his noncomplying aircraft. If, during the life of the program, the carrier collects more than its needs, the excess goes to the trust fund. If the carrier collects too little, it must make up the difference itself. While each airline does not necessarily get the same percentage of their costs, each will benefit substantially. No airline now objects to this disparity of treatment.

ASSERTION

The bill would cover purchases prior to enactment.

ANSWER

Due to the federal mandate which retroactively condemned existing aircraft, the bill was written to cover retrofit, re-engining and replacement undertaken after January 24, 1977, the effective date of the noise regulation. Thus, replacements ordered prior to the enactment of the bill but after the effective date of the noise regulation will be eligible for payments. It was necessary to establish this date in order to encourage carriers to get started replacing the noisy airplanes at the earliest possible time. The many replacements made by the airlines in anticipation of the regulation prior to January 1977 will *not* be covered by the noise bill. The retroactive element affecting this whole problem is the fact that the Government saw fit to impose the noise regulation retroactively so that two-thirds of the air transport fleet previously approved by the Government was condemned.

ASSERTION

It provides an investment credit for money that is given by the government.

ANSWER

As was pointed out by Mr. Gephardt before the Rules Committee, this is not so. The airlines receive the tax credit which is regarded as income to the airline and is taxed as such. The remainder which is invested in a quiet airplane receives the investment tax credit as does the amount furnished directly by the airlines. When the airlines draw down from the noise fund monies from which they have collected from their customers, they must report these monies as fully taxable income. The money at that point would be treated as any other income they would receive for investments from the sale of tickets.

ASSERTION

Airlines would be replacing these pieces of equipment regardless of EPA requirements.

ANSWER

The statement that these transports have just about served out their economic life is questionable. The Government in all of its studies concluded that regulatory action on the part of the Government was necessary in order to make certain that, after a given date, these noisy airplanes would not be used. If they were shortly to become obsolete and retired, there would have been no justification for a retroactive noise rule as was promulgated by the FAA on January 24, 1977.

ASSERTION

Engines are only good six years and would be obsolete by the 1985 compliance deadline.

ANSWER

The statement that engines are good for only six years is simply not true. The life of an air transport engine which is overhauled periodically in accordance with federal regulations is virtually endless. It becomes obsolete only when the aircraft it powers becomes obsolete.

ASSERTION

The financing program should not be made available to assist in the purchase of foreign-made airplanes or engines.

ANSWER

Such a rule would be very destructive of the interest of the U.S. It would invite retaliation by foreign countries since the U.S. has, in the past, built about 90 percent of the world's fleet equipment and hopes to continue to do so. It would be unwise to introduce a Buy American principle in this legislation.

ASSERTION

Why is foreign airline equipment included?

ANSWER

Foreign aircraft are made eligible because the U.S. proposes unilaterally to subject them to the same noise rules that are applicable to U.S. aircraft. Also, if American carriers were required to impose an excise tax on their customers and the foreign carriers were not, passengers and shippers would use foreign-flag carriers. There was no solution to this problem other than to treat foreign aircraft and foreign air carriers the same as Americans.

ASSERTION

The Treasury is unclear in its position.

ANSWER

As Chairman Anderson stated before the Rules Committee "The Treasury Department fully supports Ways & Means H.R. 11986, Title III."

ASSERTION

It is a subsidy to aircraft manufacturers.

ANSWER

The bill is not a subsidy for anyone. The bill sets up an effective machinery by which airlines can pass environmental costs on to their customers. All business and industry required by the government to make expenditures for environmental objectives must make up these costs and the government knows it when the requirements are imposed. It has determined that the environmental improvement is worth the cost.

When the noise rule, which condemned a substantial part of the entire air transport fleet, was passed, it was recognized that airlines would have trouble recovering the cost since airline prices are regulated. In domestic operations, they are regulated by the U.S. Government and in international operations, they are subject to regulation by every government into which the airline flies. There was no way that the airlines could be sure of securing compensation for the costs the government has imposed upon them from their customers or anyone else.

ASSERTION

The airlines pay no interest on government monies taken from the Fund.

ANSWER

No government monies are involved. In the interest of noise reduction, we are trying to provide a measure of assistance to the airlines in replacing condemned planes. If these funds carried a 10 percent interest charge, the airlines would not effectively be helped.

It is also contrary to the concepts on which the bill is based. The committees decided that the financing program would be based on excise taxes on airline customers similar to price increases which support environmental costs in other industries.

ASSERTION

There is no justification for giving the owners or operators of aircraft financial assistance or tax credit for replacing their equipment which will be totally depreciated and probably out of use by January 1, 1985.

ANSWER

Government studies made prior to the issuance of the regulation demonstrated that many of the 707s and DC 8s and most of the two and three engine airplanes would remain in service after January 1, 1985. It is for this reason that they decided to adopt a regulation which would condemn them on that date. If these studies had not demonstrated this fact, there would have been no justification for passing the noise regulation at all. Thus, a collection of tax from the passenger to meet this mandate was proposed. Hardly a subsidy.

ASSERTION

There have been only three domestic aircraft types that have been certified since 1969. That is the 747, the L1011 and DC 10 and everyone of them meet FAR 36. They will not require any modification; types that have been manufactured since January 1974 have been made to meet FAR 36, etc.

ANSWER

While these are the only new airframe types, the original 747 engines were not in compliance with Federal noise regulations.

ASSERTION

Two airlines have no needs whatsoever . . . Northwest and Delta.

ANSWER

Northwest and Delta do have needs. A portion of their capacity was condemned as in the case of other airlines and the records will show that Northwest was the first to propose a noise surcharge.

If any airline's needs are small, it will receive correspondingly smaller tax credits with the balance of their tax collections being retained by the Trust Fund.

ASSERTION

Airlines are placing large aircraft orders without a noise bill.

ANSWER

Airlines have indeed been making orders for new airplanes. They must do so if they expect to be able to replace the capacity which must be phased out of their systems by January 1, 1985. Fleets of aircraft cannot be bought off the shelf. Much time is taken in their design, construction, testing, delivery, training, maintenance and the like. In addition, the replacement of the condemned airplanes only brings them up to the point where they are now in terms of capacity. They must acquire additional capacity for the growth they anticipate between now and 1985. The objective here is noise reduction. If any airline were to reach January 1, 1985 without having completed replacement, pressure on its system to continue the noisy airplanes would be great and our efforts at noise reduction would be frustrated.

ASSERTION

Regulatory Reform should be considered before noise legislation.

ANSWER

Action on these bills should not be deferred. Under heavy pressure from airport neighbors all over the country, the government has been trying for many years to work out a well-defined and effective noise reduction program. The Public Works and Transportation and the Ways and Means Committees have developed such a program and it must move forward as rapidly as possible. Deregulation of airlines is important and must go forward a'so, but there is no doubt that airport neighbors would say that the noise bills take priority over deregulation.

ASSERTION

The banks will be the major benefactor of the legislation.

ANSWER

The reference here is to transport airplanes on lease from banks and other lending institutions. Only the air carrier can get a tax credit—the operator of the airplane. If a carrier can do so, it will return the leased airplane to the bank, but if it needs the airplane, it must retrofit the aircraft itself. The banks get nothing from this.

ASSERTION

Dr. Kahn testified before the Senate that he saw no reason why the air carriers could not handle this in the normal course of their business.

ANSWER

Dr. Kahn did testify to that effect before the Senate Committee but also recognized that he might well be wrong. He said that the Congress should determine whether the airlines needed help here or not and expressed his preference for the bills before the Rules Committee over any other proposals.

ASSERTION

The lessor airline would not return the leased airplane to the banks without retrofitting it because the lease required it to be "air worthy" when returned.

ANSWER

This is not so—"air worthy" is a term of art and means that the airplane is safe to fly. It would be safe to fly even though too noisy.

ASSERTION

There is no monitoring device for the Noise Fund.

ANSWER

The release of these funds would be severely monitored before an airline can receive a tax credit. It must demonstrate to the Transportation Department that it is entitled to it under the terms of the bill and

the Transportation Department must certify this to the Treasury. An effort was made in the Ways and Means Committee to impose a GAO audit on top of this. The proposal was soundly defeated since it is the GAO's normal responsibility to audit the expenditures of all Government agencies.

ASSERTION

It is inflationary.

ANSWER

The bill is not inflationary! . . . the 2 percent noise charge is accompanied by a reduction in the existing 8 percent ticket tax to 6 percent so that the fare to the public for domestic air transportation is not affected. This was possible because the Trust Fund was developing a huge surplus.

ASSERTION

Since the airlines are now prospering, no special financing method is needed.

ANSWER

The airlines are doing well this year and did well in 1976 and 1977, but their record of earnings is made to look particularly good because of their poor earnings in previous years. For the past five years, airline profits have been 4.3 percent on invested capital. U.S. industry as a whole made 9.7 percent, more than double the airline return. For the same period, U.S. industry has had a profit margin of 4.5 percent while the airlines have had 2. The airlines must compete with U.S. industry as a whole for capital funds which, according to current reports, are becoming scarcer and scarcer. It is possible that if Title III were not passed the airlines would, over some period of time, finance the replacement of the condemned capacity but the Public Works and Transportation Committee was not prepared to gamble on this. They wanted to get the noisy airplanes out of the fleet in the time allowed.●

CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

Mr. DERWINSKI. Mr. Speaker, the Captive Nations Week rally, held in Taipei, Taiwan, Republic of China, was highlighted by a series of proclamations and messages, one of which was addressed to U.S. Senators and Congressmen. This message reflects the spiritual support of freedom extended by the Captive Nations Week in the Republic of China. I am pleased to insert it into the RECORD at this time:

MESSAGE TO U.S. SENATORS AND CONGRESSMEN FROM THE 1978 CAPTIVE NATIONS WEEK EVENING RALLY OF THE REPUBLIC OF CHINA

Taipei, Saturday, July 22, 1978.

Honorable SENATORS AND REPRESENTATIVES:

Advancing "Promote Human Rights! Liberate Enslaved Peoples!" as our theme, we the more than 50,000 representatives of the Republic of China's various circles and our freedom-fighter guests from the world's five regions have assembled in Taipei on this 22nd day of July for a "Strive in Unity" Rally to mark the 1978 Captive Nations Week and resolved to respectfully call your attention to the following points:

1. The United States must squarely face the cruel fact that more than one billion people are kept enslaved by the Communists behind the Iron Curtain, and that unless these people are restored to freedom, the freedom and human rights of those who are now free cannot be definitely assured. The U.S. therefore must discard any double standard as she advances the human rights campaign and strives with strength to support the captive peoples' fight for freedom and human rights.

2. Our request to the U.S. Government is earnest that it review its Asian policy, understand that attempts to pit Peiping—a potential enemy of the U.S.—against Moscow will play America into that regime's hand and spur Russian steps that may heighten tension to a point of no return where open U.S.-USSR hostilities are unavoidable.

3. We also would like the U.S. to see that she and the Chinese Communist regime has absolutely nothing that can be termed as "common interest," that America must guard against Peiping's trade offers in exchange of advanced know-how and military facilities, and that nothing whatsoever should be done to harm America's national security or her interest in Asia.

4. We furthermore request all Americans to see that if the U.S. and the Republic of China stick together, both will benefit; if they are separated, both will suffer. We therefore sincerely hope that the U.S. will abide by her treaty obligations and defense commitments for the ROC so as to safeguard the common security of the entire Asian-Pacific region.

5. The Chinese Communist regime appears to be bending its knees for favors from the U.S. but this is part of that regime's united front scheme to tear America apart from the ROC. We therefore earnestly hope that the U.S. Government will, instead of moving towards "normalization of relations" with the Chinese Communists, strive harder with the ROC for the checking of the Moscow-Peiping expansionist race in the Asian-Pacific region so as to protect America's long-range interest in this region as well as the peace and security of free Asian-Pacific countries.

We the rally participants ardently request that all of you distinguished Senators and Representatives together urge your Government to give full play to righteous spirit and moral courage so that the objective of the "Captive Nations Week" Movement can be fully attained. We pray that America will, with renewed dedication, contribute importantly through efforts to create a human society of freedom—free from enslavement and encroachment.

Respectfully yours,

1978 CAPTIVE NATIONS WEEK "STRIVE IN UNITY" EVENING RALLY OF THE REPUBLIC OF CHINA.●

PERSONAL EXPLANATION

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mrs. LLOYD of Tennessee. Mr. Speaker, I was not present for certain votes on August 3 and 4 and as a result did not vote on rollcall votes No. 645 through No. 649. If I had been present I would have voted in the following manner:

Rollcall vote No. 645—"Aye."

Rollcall vote No. 646—"Aye."

Rollcall vote No. 647—"Aye."

Rollcall vote No. 648—"Aye."

Rollcall vote No. 649—"Yes."●

WHEN THE GRASS SMOKING IS IN THE WHITE HOUSE, A DIFFERENT AROMA ARISES

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the New York Times, July 27, 1978]

ADMINISTRATION BUNGLED BOURNE CASE BY TOO MUCH DILLYDALLYING

(By Mary McGrory)

WASHINGTON.—From overdraft to overdose, the Carter Administration personnel problem remains the same: delayed reaction.

Jimmy Carter kept Bert Lance around for three months, at least six weeks beyond any rational hope of survival. With Dr. Peter G. Bourne, his drug adviser, the time between revelation and resignation was only 40 hours, but it was also too long.

From the moment a front-page story appeared in a midnight edition of the Washington Post on Tuesday, July 18, recounting how Bourne had penned a prescription for a fictitious Sarah Brown for a sedative so powerful it sets off alarm bells in drugstores, the jig was up.

Everyone, except those whose job is to decide how things look to the country, knew it. Jody Powell had heard the story in Bonn, six days before, and did nothing. Bourne, understandably, 36 hours later, thought he could beat the rap.

On Wednesday morning at 10 o'clock he was ready with a statement and a game plan, based on a strategy of his own devising. He would go on leave with pay. Why he, the central figure in what appeared to be the first drug bust in White House history, should be deciding his own course is not clear.

The President took only a passive part in the crisis. He never saw his dear friend, Bourne. Through a third party, Bourne submitted his strategy to Carter; through a third party, the President okayed it.

Powell was too busy with "urgent business" until 6 p.m. Wednesday to review Bourne's portfolio. A turbulent briefing on the situation took place two hours later.

The next day's papers had further explanations from Bourne. He appeared on the morning news shows, avowing his innocense and his intention to stay on. At noon he gave an interview, declaring that he had saved the President from Lance-like embarrassment and anticipating that Carter would say at his prime-time television conference later that evening: "I support him."

Instead, four hours later, he resigned. It was apparent that if Carter could not bring himself to fire Peter Bourne, Jack Anderson could. The veteran columnist had, he alleged, affidavits attesting to Bourne's own drug use.

Bourne went out unexpectedly like Spiro Agnew, lashing out at press and prosecutors. He was, he indicated, laying down his official life for a friend—a friend to whom he delivered a parting blow from which Jimmy Carter may never recover.

In the first moments after his letter had been delivered to the White House, Bourne told James Wooten of the New York Times

that he was leaving behind marijuana and cocaine users in the White House. Was he still in shock from what the Carter staff likes to think of as "quick, clean surgery"? Or maybe he was being his usual artless and confiding self with the press. He is not vindictive. Maybe he felt betrayed because he had been encouraged in his fantasy of staying on and was musing aloud about the unfairness of it all from his point of view.

The next night, through one of those mischances which are the hallmark of this episode, President Carter, seeking down-home relaxation at a country-and-western concert, was set upon by a correspondent who is also a crusader for marijuana legalization. Without identifying himself, the bearded stranger engaged the President in a dialogue about the unfortunate events so recently transpired.

The President said he was sure that many people—whether he meant in the White House or in the country is a point in dispute—smoked, but that he was "not going to ask them about it."

It reflects further on the rampant incompetence of the White House that neither congressional liaison chief Frank Moore nor the attendant Secret Service men moved to break up this fateful rap.

But when Jody Powell heard that it was about to be printed, he reacted in a way that revealed another weakness in the presidential circle—its ignorance of history.

The press was engaged in a witch hunt. They were hypocrites. They had smoked and snorted with the staff members they proposed to investigate.

It was a variation of the John Ehrlichman defense. Ehrlichman accused the press of hypocrisy for failing to report the staggerings of drunken congressmen who were presuming to pass judgment on Richard M. Nixon.

The missed point is the same in both cases. There is only one President, and only one White House staff. Middle America is not ready for a "turned-on" White House any more than it was ready for a "Sarah Brown" prescription.

It may well be true, as Powell indicated, that the press corps has its dopers. But they are not running the country. That is the difference.

Jimmy Carter understands it. At least, he issued a "keep-off-the-grass" directive to his staff members Monday. It was delivered by Hamilton Jordan, who has resolutely refused to change his life-style for the Executive Mansion, declining even to put on a tie for Carter.

They were being told something that they should have heard a long time ago, that the gypsy life of the campaign, which is the only thing many of them ever knew, is over. Jimmy Carter, in full view of the country, had to tell them they are in the White House now. That's what happens to a President who does not have the knack for hiring—or for firing, either.

[From the New York Times, July 27, 1978]

COKE IS NOT A HARD DRUG? SINCE WHEN? IT POSES SPECIAL CHALLENGE FOR NEWSMEN

(By Patrick Oster)

WASHINGTON.—Since the news broke that Dr. Peter G. Bourne was supplying drug prescriptions to members of the White House staff, the primary topic among the press corps has been about who on the President's staff smokes or snorts what.

Some talk is more informed than the rest because of a fact that some members of the public might find peculiar: Many reporters who cover the White House have tried or used drugs themselves, sometimes socially with members of the White House staff.

This makes them uneasy about disclosing staff drug use, as Chicago Sun-Times interviews with reporters showed. Some said they'd feel more than mildly hypocritical about putting public heat on White House staffers for activities they themselves condone or engage in.

Others said they regard drug use, which in this case involves marijuana and cocaine rather than hard drugs, as a private matter, not a newsworthy event. That holds true, some maintain, even though such use is a violation of the law, a law some regard as unwise.

Still others, perhaps fearing reprisals from named staffers, wondered aloud whether their own jobs might be jeopardized if their drug use was made known.

In effect, the reporters who could write the most authoritative account of White House drug habits are engaging in a cover-up of a story that undoubtedly would disturb many Americans, not to mention Jimmy Carter himself.

This hesitancy to divulge names extends to this reporter, who, though not a marijuana or cocaine user, learned with certainty and not too much difficulty the names of White House staffers, including at least two on the senior staff, who have been marijuana users.

Other reporters, notably James Wooten of the New York Times, also have done some digging, but some turned up merely numbers of users, not names.

(Bourne, the President's resigned chief health adviser, engaged in a little hedging himself, telling Wooten that there was a "high incidence" of marijuana use among White House staff and "occasional" use of cocaine by "a few" presidential employes.)

Though not mandated by White House policy, disclosure of staffers' names would almost surely mean their dismissal. And under the circumstances, many reporters find themselves (this one included) wondering whether such a story is justified.

Perhaps the situation would be different if one staff member, on the record, named another as a user. But as it stands, the concerns of privacy, the potential for ruining a person's career and, to a lesser extent, the questionable wisdom of federal and state drug laws, all pressure for discretion—censorship, if you will—weigh against such disclosures, despite what many reporters regard as the unwavering credo of journalism: The people have a right to know.

Ignoring this story, however, may not be up to this reporter or reporters who have shared a joint with this staffer or snorted coke with that official.

Other reporters, including some from High Times magazine, an unorthodox organ of the drug-users' community, are pursuing the story, some perhaps intent on showing that use of recreational drugs is as American as apple pie.

If stories emerge on White House drug use, Carter will face a political crisis perhaps equal to the debacle that came after disclosures about Bert Lance's banking practices.

Figures on recreational drug use among Americans show about 25 million have tried marijuana at least once, and about 10 million are regular users. And support for decriminalization of "grass" and other soft drugs is growing. (Carter himself favors marijuana decriminalization, an idea that has caught on in about 10 states.)

But sentiment among voters remains strong against recreational drugs, particularly cocaine, largely because it violates the law. The strait-laced Carter, a born-again Christian, shares this hard view, having told senior staffers Monday that future drug use would be grounds for dismissal (while sidestepping what he'd do about past use).

Carter and his top aides clearly have been unnerved by the Bourne episode and its aftermath and are hoping that the land mine of further disclosures will not blow up in their faces.

That hope seems a thin one, however, given the press and congressional interest in the topic.

When staffers' names are disclosed, Carter's moral outrage and tough talk about firing may prove of no avail. And the beleaguered President, increasingly accused of incompetence may find himself trying to persuade the American public that he is not a bumbling John Calvin among the hippies.●

CAPITAL GAINS CHANGES TO BENEFIT HOMEOWNERS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. ARCHER. Mr. Speaker, I would like to call to the attention of my colleagues in the House of Representatives an article by Associated Press Writer Louise Cook which appeared in the July 29 edition of the Houston Post. It very clearly illustrates the importance of two changes in the treatment of capital gains in the Revenue Act of 1978 which would be of great benefit to homeowners, changes which deserve the support of all of us when this bill comes to the floor in the near future.

PROPOSAL OVER CAPITAL GAINS TAXES PROVIDES KEY TO LOCKED-IN HOUSING

(By Louise Cook)

Mary and Edward Burke are in their late 50s. They would like to leave the three-bedroom home they own for an apartment, but they can't afford to sell.

Burke is a made-up name; the problem is all too real.

It is a problem that causes people to accumulate huge, but artificial, profits during years of home ownership. Profits that are created by inflation that are still subject to capital gains taxes that can wipe out a large portion of a family's retirement nest egg.

Just as young couples find it tough to buy their first house, older people find it tough to sell their last one. "It's hard to get on the train and it's hard to get off," said Kenneth J. Thygerson, an economist with the U.S. League of Savings Associations.

The elderly in particular, he said, "feel locked in. They consume more housing than they want to."

Congress is trying to find a key to the lock. One potential solution is included in the $16.2 billion tax cut bill approved by the House Ways and Means Committee and expected to reach the floor of the House during the week of Aug. 7.

The bill includes two provisions that would have the effect of eliminating capital gains taxes on the sale of a home in many cases. One provision would allow individuals—on a one-time only basis—to exempt from capital gains tax up to $100,000 of the profit from the sale of their principal residence as long as they had lived in it for two years. Another section of the bill exempts from taxation any inflation-caused increase in the value of a home or other asset starting in 1980.

No one knows how many people move into a house, pay off the mortgage and remain, without ever selling their home and facing

the capital gains problem. Census Bureau figures show that on the average, houses change hands every 10 to 12 years. One mortgage is exchanged for another. Mobility is greater in California and lower in New England.

Housing, said Thygerson, is "the only asset most people have that has risen faster than inflation." If you bought a house for $25,000 five years ago and sell it for $50,000 today, you have a theoretical profit of $25,000. You'll probably have to use up that profit—and more—to buy a replacement home, but, "If you hadn't had that house in the first place, you'd have been even worse off," Thygerson said.

"Once you're in a house you benefit by inflation," said Thygerson. The disadvantages become more apparent when you want to sell your home and buy a cheaper one or move into rental housing. That's where capital gains come in.

Under present law, payment of capital gains tax on profits from the sale of a home is deferred as long as you buy a replacement residence within 18 months that costs as much or more than the house you sell. The tax is only postponed; it is not forgiven. Any gain not taxed in the year you sell your old home is subtracted from the cost of your new house to determine what's known as the basis price used in later transactions.

Here's how it works:

You buy a house for $20,000 and, 10 years later, sell it for $40,000. Capital gain: $20,000.

With the proceeds from the sale of the first house you buy a second one, this time paying $50,000. The basis price of your new home for the purpose of capital gains will be $30,000—the actual purchase price minus the earlier capital gain. Fifteen years later, you sell the second house for $100,000. Capital gain: $70,000.

You rent an apartment and now it's time to pay the taxes. You must report $35,000 or half the capital gain on your return and pay tax according to your regular bracket. If you were in a 40 percent bracket, the capital gains tax on the $35,000 would be $14,000. The other half of the capital gain, minus a $10,000 exemption, is subject to a minimum tax of 15 percent. In this example, the minimum tax would be $3,750. Total tax: $17,750.

(If you are over 65, you are not subject to tax on the first $35,000 of your capital gain. Half of the other $35,000—$17,500—would be reported as regular income and half, minus the $10,000 exemption, would be subject to the minimum tax. In the above example, that would mean your tax bill would be $8,125.)

If the proposal passed by the House panel becomes law, you would face no tax on your profit since it comes within the $100,000 limit.

Suppose, however, you sell your second house for $150,000. Your total capital gain would be $120,000—$20,000 from the first house and $100,000 from the second house. If the sale took place today, you would face taxes on a capital gain of $20,000. If it took place after 1980, the inflation-adjustment provision would come into play. That provision allows you to adjust the basis price used for capital gains to reflect increases in the Consumer Price Index.●

CZECHOSLOVAKIA ANNIVERSARY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. MOTTL. Mr. Speaker, on August 21, 1968, troops from the Soviet Union and from four other Warsaw Pact countries invaded Czechoslovakia. The peaceful and freedom-loving Czech's hope for a society free from heavy restriction and repression came to an abrupt halt.

Under the leadership of Alexander Dubcek change was occurring in Czechoslovakia. Dubcek undertook a program that expanded the rights of the Czechoslovakian people; controls over the press were relaxed and public rallies were held at which young people spoke their minds freely. All of this progress was ended by the Soviet invasion.

The indignation of Czechoslovak citizens aroused by the Soviet occupation as well as by sadistic methods of oppression, including incarceration and other violations of human rights, gave birth to a daring document—the Charter (Charta) 77. This document demands that Czechoslovakia meet its obligations as a signatory of the Helsinki accord.

The continued Soviet occupation denies its national sovereignity and the right of her people to self-determination. On this, the 10th anniversary of the invasion, a day being commemorated in Czechoslovakia as a Day of Soviet Shame, I urge all friends of Czechoslovakia to support them in their efforts to achieve the withdrawal of Soviet troops from Czechoslovakia.●

JUNIOR RESERVE OFFICERS' TRAINING CORPS

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. WHITE. Mr. Speaker, H.R. 7161 will alter the eligibility requirements for the Junior Reserve Officers' Training Corps program to permit nationals, as well as citizens, to participate.

In effect, H.R. 7161 will permit residents of American Samoa to be eligible for the Junior ROTC program. Section 2031 of title 10 U.S.C., now refers only to citizens as eligible for enrollment in the Junior ROTC program. Persons born in American Samoa are considered "nationals" not "citizens" of the United States. Only residents of American Samoa and nearby Swains Island fall into the category of "nationals."

American Samoa is an outlying possession of the United States whose residents have made valuable contributions to the defense of the United States in every conflict since 1900. Although the population of American Samoa is only 29,000, last year Samoans enlisted in the Armed Forces at a rate three times that of American citizens.

To illustrate the feeling that Samoans have toward this country, let me quote briefly from the statement of Mr. A. P. Lutali, the Delegate-at-Large from American Samoa who appeared before the Committee on Armed Services:

If we could get a Junior R.O.T.C. program underway in American Samoa . . . this would be one small way in which we as a people could demonstrate our gratitude and our commitment to the government that has done so much for us.

The Departments of Defense and Interior strongly endorse this bill and it was approved unanimously by the committee, a quorum being present.

I urge passage of H.R. 7161.●

A PERSPECTIVE ON AMERICAN FARM DEVELOPMENT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. BROWN of California. Mr. Speaker, a recent article in the Los Angeles Times by Patricia Flynn entitled "Look What's Coming for Dinner, America," discussing the ill effects of agribusiness in the Third World, has prompted me once again to remind my colleagues in Congress of the necessity of preserving and reinforcing small family farms. One of our greatest Founding Fathers, Thomas Jefferson, envisioned an America of small farmers fiercely protective of their freedom and democracy. The rural community of small family farms was seen as the ideal society toward which our Nation should strive. We of today's America have unfortunately moved far away from this vision, and yet it is still not too late for us to reverse our tragic historical trend. The Family Farm Development Act of 1978, of which I am a sponsor, is an important first step in this direction. I believe that if we act quickly and surely today we may yet reach the vision for which our great Republic was founded. I want to first give a short discussion of the changes in agriculture since Jefferson's day and their consequences.

America once was a land of farmers. For 95 percent of the 1790 population was engaged in agricultural production. This situation drastically changed, though, with the coming of the industrial revolution. The cotton gin, grain harvester, tractor, and other devices greatly increased the productivity of agriculture. Whereas a farmer in 1820 could, on the average, supply 4.1 other persons with food, a similar farmer in 1945 could supply 14.6 people, and 45.3 people in 1969. This increase in productivity, though, had several negative side effects. The large farm and plantation owners found they could do without many of their tenant farmers, sharecroppers, and agricultural workers. Marginal independent farmers could not afford the new capital equipment, were not offered loans, and were not taught new farming techniques. The Farm Bureau began with a program of only sharing their information and research with the already wealthy farmers.

The marginal farm could not, then, remain cost competitive with the large, more industrialized, farm. The steadily increasing cost of living and the higher

taxes necessitated greater and greater returns to farmers on the sale of their products just for them to stay even. A farmer increasingly was forced to turn to cash crops to survive. Most farmers still could manage, when times were best. Bad seasons came, though, and more and more farmers were thrown into bankruptcy and off their land. The displaced rural people had few, if any, employable skills outside of agriculture. They filled the ghettos of our cities as unskilled laborers and welfare recipients. The increased competition for low paid jobs further depressed wages and divided workers into competing factions often based on race and ethnicity.

I admit that many of the farmers who were forced off their lands were not well to do in the first place and did not lose a great deal materially by their move to the cities. Indeed, some may argue they have become relatively better off since hunger, disease, and exposure no longer play such a prominent role in their lives. I can see other areas, though, where the displaced farmers were formerly rich and are now exceedingly poor. The sense of family and community that once so dominated rural life has all but disappeared.

The independence of the small farmers has been replaced by submission, exploitation, and control. Small farmers have hard lives often, but immensly rewarding ones. They have close contact with nature and creative work. Their talents, indeed, create an essential product of life. Unskilled laborers cannot usually see the importance of their work. They may simply be part of a machine, an interchangable cog in a wheel. A strong sense of alienation sets in, and its symptoms are increased crime, drug use, apathy, and so forth. Don Dillman and Kenneth Tremblay, Jr., found in their study "The Quality of Life in Rural America" that people in rural settings were much more happy and satisfied with their life than those who lived in the cities.

This was true even though the rural areas fell behind in income, education, health, and cultural activities. The necessary conclusion is that a rural life provides an overwhelming amount of intangible advantages, such as clean air, warm communities, outdoor recreation, and the like. More and more people are leaving the cities in recent years and returning back to the country. It remains to be seen, though, if this trend can continue in the face of modern agricultural techniques.

Paul Alexander presented a fine case study in his work "Innovation in a Cultural Vacuum: The Mechanization of Sri Lanka Fisheries." Prior to mechanization, the public generally consisted of middle-class fishers. The boats and other equipment were divided into shares and the catches were sorted out according to the number of shares a fisher owned. Then in 1958 the government introduced modern mechanized fishing boats. Most Sri Lanka fishers, though, could not afford their high cost. A government loan scheme was flawed and proved inadequate. The new boats had relatively short operating lives and needed constant costly repairs. Thus a fisher needed a high capital inflow, to maintain the new boats. Most small fishers did not have large enough catches to bring in this much money. While the mechanized boats accomplished the initial goal of increasing fish production, they did so only at the cost of the small fishers.

The total income of the fishing communities greatly increased, but the income distribution drastically changed. Unemployment soared as the middle class was squeezed out of the fishing market. The industry became dominated by a handful of wealthy families. The workers no longer held shares in their equipment and received minimum wages rather than parts of the catch. The result of the mechanization of Sri Lanka fisheries, thus, was the destruction of the old way of life and the polarization of that society into extreme income groups. The parallels with American agriculture are startling.

Walter R. Goldschmidt examined two central California farming communities back in 1946 and presented his famous study. "Small Business and the Community." He studied the agribusiness town of Arvin and the small farm community of Dinuba. I would like to include a summary of his finding, as described in the 1968 Corporate Farm Hearings before the Select Small Business Subcommittee on Monopoly.

The summary follows:

SUMMARY OF FINDINGS

Certain conclusions are particularly significant to the small businessman, and to an understanding of the importance of his place in a community. Not only does the small farm itself constitute small business, but it supports flourishing small commercial business.

Analysis of the business conditions in the communities of Arvin and Dinuba shows that—

(1) The small farm community supported 62 separate business establishments, to but 35 in the large-farm community; a ratio in favor of the small-farm community of nearly 2:1.

(2) The volume of retail trade in the small-farm community during the 12-month period analyzed was $4,383,000 as against only $2,535,000 in the large-farm community. Retail trade in the small-farm community was greater by 61 percent.

(3) The expenditure for household supplies and building equipment was over three times as great in the small-farm community as it was in the large farm community.

The investigation disclosed other vast differences in the economic and social life of the two communities, and affords strong support for the belief that small farms provide the basis for a richer community life and a greater sum of those values for which America stands, than do industrialized farms of the usual type.

It was found that—

(4) The small farm supports in the local community a large number of people per dollar volume of agricultural production than an area devoted to larger-scale enterprises, a difference in its favor of about 20 percent.

(5) Notwithstanding their greater numbers, people in the small-farm community have a better average standard of living than those living in the community of large-scale farms.

(6) Over one-half of the breadwinners in the small-farm community are independently employed businessmen, persons in white-collar employment, or farmers; in the large-farm community the proportion is less than one-fifth.

(7) Less than one-third of the breadwinners in the small-farm community are agricultural wage laborers (characteristically landless, and with low and insecure income) while the proportion of persons in this position reaches the astonishing figure of nearly two-thirds of all persons gainfully employed in the large-farm community.

(8) Physical facilities for community living—paved streets, sidewalks, garbage disposal, sewage disposal, and oher public services—are far greater in the small-farm community; indeed, in the industrial-farm community some of these facilities are entirely wanting.

(9) Schools are more plentiful and offer broader services in the small-farm community, which is provided with four elementary schools and one high school; the large-farm community has but a single elementary school.

(10) The small-farm community is provided with three parks for recreation; the large-farm community has a single playground, loaned by a corporation.

(11) The small-farm town has more than twice the number of organizaions for civic improvement and social recreation than its large-farm counterpart.

(12) Provision for public recreation centers, Boy Scout troops, and similar facilities for enriching the lives of the inhabitants is proportioned in the two communities in the same general way, favoring the small farm community.

(13) The small-farm community supports two newspapers, each with many times the news space carried in the single paper of the industrialized-farm community.

(14) Churches bear the ratio of 2:1 between the communities, with the greater number of churches and churchgoers in the small-farm community.

(15) Facilities for making decisions on community welfare through local popular elections are available to people in the small-farm community; in the large-farm community such decisions are in the hands of officials of the county.

These differences are sufficiently great in number and degree to affirm the thesis that small farms bear a very important relation to the character of American rural society. It must be realized that the two communities of Arvin and Dinuba were carefully selected to reflect the difference in size of enterprise, and not extraneous factors. The agricultural production in the two communities was virtually the same in volume—2½ million dollars per annum in each—so that the resource base was strictly comparable. Both communities produce specialized crops of high value and high cost of production, utilizing irrigation and large bodies of special harvest labor. The two communities are in the same climate zone, about equidistant from small cities and major urban centers, similarly served by highways and railroads, and without any significant advantages from nonagricultural resources or from manufacturing or processing. The reported differences in the communities may properly be assigned confidently and overwhelmingly to the scale-of-farming factor.

The reasons seem clear. The small-farm community is a population of middle-class persons with a high degree of stability in income and tenure, and a strong economic and social interest in their community. Differences in wealth among them are not great, and the people generally associate together in those organizations which serve the community. Where farms are large, on the other hand, the population consists of relatively few persons with economic stability, and of large numbers whose only tie to the community is their uncertain and relatively low-income job. Differences in wealth are great

among members of this community, and social contacts between them are rare.

Indeed, even the operators of large-scale farms frequently are absentees; and if they do live in Arvin, they as often seek their recreation in the nearby city. Their interest in the social life of the community is hardly greater than that of the laborer whose tenure is transitory. Even the businessmen of the large-farm community frequently express their own feelings of impermanence; and their financial investment in the community, kept usually at a minimum reflects the same view. Attitudes such as these are not conducive to stability and the rich kind of rural community life which is properly associated with the traditional family farm.

Mr. Speaker, agricultural experts today have stated that this comparison still holds true, though family farming communities are on the decline.

Victor Stoltzfus studied the effects of modern agricultural techniques on the Amish communities of America. He found here that unlike most areas technical innovations were introduced only after careful consideration of all effects. The people were not backward or archaic in their beliefs, but only conservative and watchful for the full social costs of "progress." A "harmonious balance among God, nature, family and community was the goal" of their society. In this day of environmental concerns and calls for appropriate technology, the Amish culture stands as an example to be emulated. In brief, the Amish did not regard technological innovation as an end in itself. Their core culture of religiously reinforced family and community values was safeguarded against the social costs of changes which in their estimation did more harm than good to the community as a whole.

High land values and increased taxes have forced many Amish to introduce specialized cash crops. The high prices of land and modern capital equipment have forced many farmers to seek financial support outside their communities in commercial credit institutions. The start-up costs of an Amish farm have increased about 10 years ago to $8,000 to $10,000 now. While commercial credit has exposed the communities to outside influence, which was previously thought undesirable, it does provide young Amish the opportunity to continue farming when they might not otherwise be able. Stoltzfus did not find a single case of an Amish farmer not paying a loan. Family and friends always come to the aid of a distressed farmer. The Amish are under some financial strain these days, but they are still holding their own. Stoltzfus found 88 savings accounts of some $2.4 million in 1964 to have increased to $4 million in 1971. The Amish example is in stark contrast to that in Sri Lanka. The Amish ability to maintain a small family agricultural community in the face of all modern pressures is an example for all remaining American family farm communities.

The number of Americans involved in farming dropped from 14 percent in 1945 to only 4.4 percent today. Increased mechanization without the consideration of social costs continues to force small farmers out of business. Technical progress can be made in agriculture, but it should be designed to aid small farmers rather than hurt them. Further industrialization of farming will end the traditional family farm life. Agriculture will be controlled by a few wealthy groups who are involved in the practice only for the money. The agricultural workers will completely become wage earners divided and segmentized as are other workers in our society. Income distribution will polarize and unemployed small farmers will further fill our cities' ghettos.

Many agricultural experts feel that large-scale farming will eventually destroy itself. Artificial pesticide and fertilizer are steadily depleting the fertility of our soils and are injurious to the public health. The environment will continue to be sacrificed to profit and crops will suffer from the pollution. The separation of decisionmakers from the land will lead to increased price instability. The large numbers of managers necessary will bring great inefficiency into the field. Agriculture in the Soviet Union is an example of what large-scale farming will bring. Their system has developed tremendous problems over the years and generally proved disastrous. They have often reached crises requiring the importation of huge quantities of food just to maintain their own population. America is following a path to a similar style of agriculture, but if our food system flounders there may be no one left to keep us from starving.

Patricia Flynn's description of what agribusiness is doing to the Third World serves as a forewarning of what the future of American agriculture will be like if we do not stop the decline of small family farms. Ms. Flynn has shown us what large-scale farming without appropriate technology can do. It is up to us to stop and reverse this trend. Passing the Family Farm Development Act will help. I would now like to insert a copy of Ms. Flynn's article from the July 16, 1978, Los Angeles Times into this RECORD.

U.S. AGRIBUSINESS IS DEVOURING THE THIRD WORLD

(By Patricia Flynn)

They cost 69 cents a pound here now, and no decent tossed salad would be seen without one—particularly at this time of year. But unfortunately, those ripe, red tomatoes have come to represent something more than a shot of vitamin C and a splash of color in a bowl of leafy greens.

During the summer months, of course, most of the tomatoes piled in colorful pyramids in California supermarkets are grown in the United States. But over the past few years, growing affluence and aggressive agricultural marketing in America—and, increasingly, in Western Europe—have created a year-round demand for fruits and vegetables that were formerly seasonal produce.

To satisfy the developed nations' profitable demand, American agribusiness has undertaken an unprecedented expansion of its activities in the Third World. There, the U.S. corporations and local investors have found not only cheap labor and a physical climate hospitable to their mechanized agriculture, but also governments eager for modernized farming and the vital foreign exchange it can bring.

As a result, a growing number of Third World countries have become significant raisers of food for export, while their own people suffer severe food shortages. Ironically, this development is being encouraged by the very international organizations that have been charged with waging the war against global hunger. Last month, for example, the U.N. World Food Council met in Mexico City to discuss the food situation. Its information was grim.

43 countries now suffer acute food shortages.

455 million of the world's people are malnourished (an increase of 55 million during the past eight years);

One-third of the world's children die of malnutrition and related diseases before the age of five.

How did the delegates respond to these statistics? Unfortunately, while they considered other suggestions, they joined the World Bank and the U.S. Agency for International Development in calling on the developed nations to make a larger public and private investment in the mechanization and modernization of Third World agriculture.

Apparently, these international agencies still believe that such investment can strike a significant blow at world hunger. But as Latin America's recent experience so clearly demonstrates, nothing could be further from the truth.

In one country after another—Mexico, Brazil, Guatemala, Columbia—agriculture is being modernized at unprecedented rates. Nevertheless, the statistics on hunger and malnutrition in Latin America look worse every year. Today, one in five Latin Americans suffers from severe malnutrition; in Brazil alone, 44 million are malnourished.

If, in fact, modernization combats hunger, why these figures in the face of significant food production increases and stepped up investments in agriculture? The problem is that the bulk of new investment seeks the high returns realized through the production of export crops like soybeans, sugar and cotton. But these crops, big money-makers on the world market, do not feed the local population.

In fact, the use of land for production of export crops rather than staple foods, has contributed significantly to food scarcities throughout Latin America. While Latin America's export agriculture expands, staple food production lags far behind the population growth rate of 2.8 percent a year. Between 1964 and 1974, for example, per capita production of export crops increased by 27 percent, while per capita production of staple foods decreased by 10 percent.

The growing penetration of American agribusiness, coupled with local capitalists' investments, and the consequent imbalance in food production affects both this country and Third World nations in a number of ways. Mexico is a case in point: The last 10 years have transformed the fertile valleys of northwest Mexico's Sonora and Sinaloa states into modern agricultural regions resembling California's San Joaquin Valley. Wealthy Mexican growers, working in partnerships with U.S. agribusiness interests and banks, have planted almost every acre in fruits and vegetables for export to the United States. The growers now supply U.S. markets with about 60 percent of their winter vegetables.

While massive investments in irrigation, fertilizer and modern equipment made the farmlands of Mexico's northwest flourish, Mexican agriculture faces a new crisis. For several years staple food produced for the local market has declined. Population grows annually at a rate of 3.5 percent, but since 1970, staple food production has lagged behind and has actually declined for several years.

As a result, Mexico has been importing more agricultural products than it exports since 1974. Last year, 1.5 million tons of corn and 1.4 million tons of wheat were imported.

Food shortages affect both urban and rural dwellers, but for the rural population, the

costs of such export agriculture are particularly high. Many small farmers have lost their lands to their larger, expansion-minded neighbors. Throughout Latin America, tens of thousands of landless peasants migrate to the cities every year, where they are likely to join the ranks of the urban unemployed. Others become day laborers on the land they once farmed. A growing number migrate north to the United States, many of them hoping to earn enough here to buy food raised in their own countries, but unavailable to them there.

In Mexico alone, the number of landless peasants has increased from 1.5 million in 1950 to over 5 million today. For those dispossessed peasants who do find work as farm laborers, starvation wages and inhumane living conditions are the norm. In Mexico, the men, women and children who pick the tomatoes sold in U.S. supermarkets earn an average wage of $2.50–$3 a day—a deceivingly high figure considering that an estimated 5 million farm workers are employed less than 90 days a year. Many of them live during this part of the year in makeshift labor camps where outhouses are built on stilts over the same irrigation canals that supply their drinking and bathing water.

Because cheap labor is a major factor in making export agriculture profitable, agribusiness interests fiercely resist farm workers' efforts to organize. In Mexico's vegetable-producing region, more than 100 peasants have been killed during the past three years in conflicts with large growers over wage and living conditions. In June, after 5,000 Sinaloa farm workers went on strike for improved conditions, the state government sent in troops to arrest strike leaders.

Agribusiness has had the same affect on other countries as it has in Mexico. For instance, Brazil, now one of the world's great food exporters, has serious hunger problems and in its southern states hundreds of thousands are landless and dispossessed.

The overweight growth of Brazil's soybean industry is the most dramatic example of the new wave of export agriculture in Latin America. Since 1970, when its production was insignificant, Brazil has become the world's No. 2 exporter of soybeans (after the United States). Encouraged by Brazil's military government and assisted with loans from the U.S. Overseas Private Investing Corporation, multinational grain companies like the U.S. based Cargill Corporation have invested more than $100 million in some of the world's largest and most modern soybean-crushing plants, which transform most of the protein-rich crop into cattle feed and vegetable oil.

But at the same time, shortages of staple foods on the local market have sent food prices skyrocketing, penalizing Brazil's poor and exacerbating the ongoing crisis of malnutrition and hunger in that country. Last year, shortages of black beans, the staple food in the diet of millions of poor Brazilians, nearly provoked a political crisis.

Although black beans can be grown on the same land as soybeans, nearly all available agricultural credit in Brazil is channeled into export production. Of the $18 billion in subsidized loans that were poured into agriculture last year, the bulk went to finance the large-scale farmers who produced for the export market. Seven out of eight producers—the small farmers who produced most of the beans, corn and cassava that are Brazil's staples—received no loans at all.

Government credit policies are actually widening the gap between the large commercial farm owners and the poverty-stricken farm workers in many Third World countries. The smaller farmers who produce subsistence crops still use the most backward techniques—not because they resist change, but because they do not have the financial resources to modernize and expand. By contrast, the modernized export sector is the main beneficiary of government programs financing fertilizers, machinery, irrigation and agricultural research.

Why are government policies skewed to benefit export crops? One reason is that the richest and largest—and, therefore, most influential—land owners are found in the export sector. But, Latin American regimes have another pressing reason for stepping up efforts to promote export production. With their foreign debts reaching astronomical proportions—both Mexico and Brazil each have debts of over $30 billion—these regimes are more worried about paying off their creditors (U.S. banks, Western governments and multilateral lending agencies) than about feeding their own people. Expanding agricultural exports seems to them the most logical way to increase the foreign exchange earnings they need to remain financially solvent.

Throughout Latin America, wherever agribusiness flourishes, land use and starvation wages intensify local hunger. In some areas, U.S. corporations are directly involved in using some of the most fertile lands for export production rather than staple food crops. Most of Central America's banana plantations are controlled by three agribusiness giants—Castle & Cooke, Del Monte and United Brands. In addition to growing bananas for the U.S. and European markets, some of the companies also let thousands of acres lie uncultivated, held for future expansion.

Under such conditions, human exploitation abounds. In Brazil, as in other countries, the minimum wage in agriculture is rarely enforced, and day laborers in the southern soybean, sugar and coffee region earn as little as 50 cents for a 12-hour workday. A 1976 study showed that in Guatemala, a shocking 66% of the families who work on sugar plantations have an income that is not adequate to meet minimum nutritional needs. And those who work on coffee plantations are even more destitute, with 88% of the families unable to afford a minimum diet.

It is clear that the powerful landowners and agribusiness companies are not concerned with giving farm workers a fair share of the wealth they produce, nor with protecting the right of small farmers to their land, nor with meeting the food needs of the local population.

Any international strategy that addresses the needs of the world's hungry—their food needs, as well as their need for a decent wage—must first seek some fundamental changes in such social and economic structures. Without this, agricultural modernization in the Third World will do more to exacerbate than to alleviate world hunger.●

ANSWERING THE LAST ALARM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. SOLARZ. Mr. Speaker, I would like to take this opportunity to pay tribute to six very special men who gave their lives on Wednesday in service to the people of New York City.

Charles Bouton, age 38. James Cutillo, age 39. Harold Hastings, age 40. James McManus, age 48. William O'Connor, age 29 George Rice, age 38.

These six men were New York City firefighters. They were killed in one terrifying instant when the roof of a blazing Brooklyn supermarket collapsed without warning.

In that horrible moment, New York City lost six men who time after time risked their lives for ours. Six men with wives and children. Six men with dreams for the future. Six brave and courageous men who were simply doing their jobs to the best of their ability.

The firefighters of our city are a special breed. It is truly unfortunate that it takes a tragedy of this magnitude to remind us of their extraordinary valor and dedication.

For the people of New York City, the six firefighters who died last week will be remembered as heroes. But our hearts go out to their wives and children, who will remember these special men not just for their courageous service to their city, but as loving husbands and devoted fathers.●

ASSOCIATION OF LOCAL TRANSPORT AIRLINES SUPPORTS NOISE REDUCTION BILL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. ANDERSON of California. Mr. Speaker, I have received a letter from Robert E. Ginther, president of the Association of Local Transport Airlines expressing strong support for the airport and aircraft noise reduction bill. ALTA represents the 15 regional and local service airlines which provide service to more than 400 of the Nation's small and medium-sized communities. His letter discusses the many reasons for their support and the support of the cities, counties, and airports which they serve. I feel it important that it be entered.

ASSOCIATION OF LOCAL
TRANSPORT AIRLINES,
Washington, D.C., August 3, 1978.

Hon. GLENN M. ANDERSON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ANDERSON: In a few days you will have an opportunity to vote on H.R. 8729 and H.R. 11986, the aircraft noise reduction legislation recently approved by the House Committee on Ways and Means and the House Committee on Public Works and Transportation.

The 15 regional and local service airlines who provide airline service to more than 400 of the nation's small and medium-sized communities strongly urge you to support this legislation aimed at significantly reducing aircraft noise around the nation's airports. If a comprehensive effort to reduce noise pollution is to succeed, passage of this legislation is imperative.

Essentially, the bills provide new funds—from aviation users, not from the general public—to airport authorities and to the airlines so that they may begin attacking the problem on several fronts.

The airports will be provided additional airport development grant funds to reduce noncompatible land uses around airports through the acquisition of land or noise suppressive equipment. The airlines will receive assistance through the creation of a two percent excise tax on passengers and shippers to provide funds to aid in either retiring or retrofitting about 1600 jet aircraft which do not meet current Federal noise standards. This excise tax over five years, will pay about one-third the cost of quieting older aircraft and acquiring new jets without placing any tax burden whatsoever on

general taxpayer funds. In addition, airline users will not pay more taxes than at present as the excise tax created is coupled with a reduction in the current excise tax from eight to six percent.

This program has been labeled by some as a subsidy or a giveaway to the airline industry. Nothing could be further from the truth. Never before in U.S. history has any industry been burdened with a $6 to $8 billion environmental program applying not to new plants or equipment but to existing equipment. The jets now operated by the U.S. airlines were certified by the U.S. government, when they were designed and built, to meet all Federal requirements. Now, years later, these same aircraft must be extensively overhauled or retired because of new noise regulations. The legislation before the House would put about one-third of this tremendous burden on the users of airline services while the airline industry would be required to absorb two-thirds of the cost.

While the industry has recently shown improved financial results, during the 10 years preceding 1978 the industry had a poor record of earnings; and there is great doubt whether 1978's relatively strong earnings picture will continue into the future, particularly if a recession threatens the economy next year. Simply put, the airline industry is not capable of meeting the costs of this expensive program without assistance from a users tax.

In closing, I hope you will note that this legislation has the support of the nation's cities, counties, State governments, and airport authorities. It is also supported in principle by the Administration whose only objection to the program is the funding levels for airport development grants. This legislation has been developed after two years of exhaustive hearings and studies by many committees of the Congress and merits your support.

If our organization may be of further assistance to you in consideration of the noise control legislation or in any other way, I hope you will call upon us.

Sincerely yours,

ROBERT E. GINTHER,
President.●

POPE PAUL VI

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. YATRON. Mr. Speaker, I wish to join all the peoples of the World in paying homage to a great spiritual leader and a warm, compassionate man, Pope Paul VI, who died yesterday at the age of eighty.

Elected on June 21, 1963, and installed 9 days later, Pope Paul will long be remembered as the first Pope in history to bring the message of peace and love to all the corners of the world, including the United States in 1965.

I had the privilege and honor of meeting Pope Paul with the congressional delegation that went to the European Parliament in Rome in 1974. I remember coming away from my meeting with him deeply impressed by his warmth and unbounding concern and anguish over the many tragedies and sorrows present in our world.

Cast amid the tempest of change of the last 15 years, humanity has reached out for guidance, compassion, and inspiration. In Pope Paul VI, millions found wisdom, kindness and humility in the face of adversity, and a philosophy of love and peace with offered hope for a calmer time.

Pope Paul will be sorely missed by all of us, regardless of religious conviction, who wish to see the day when brotherhood and peace will flourish throughout the world.●

ADDITIONAL EDITORIAL SUPPORT FOR ENACTMENT OF THE KEMP-ROTH TAX RATE REDUCTION ACT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. KEMP. Mr. Speaker, on Friday of last week I brought to our colleagues' attention a number of editorials from around the country in support of the Kemp-Roth legislation, the Tax Rate Reduction Act. This is the legislation to reduce individual income tax rates for all the people by about 33-percent over the next 3 years. It is the legislation which forms the basis for the amendment I intend to offer to the tax bill reported by the Committee on Ways and Means, H.R. 13511, an amendment which would incorporate the phased individual income tax rate reductions of the Tax Rate Reduction Act, effective January 1, 1979, 1980, and 1981, into the bill reported.

But, because there was so much of that editorial support that it would have exceeded the two-page limit, I could not put all of it in the RECORD Friday. It will take a number of days to do that, but I do wish to add some additional ones today to our deliberations.

KEMP-ROTH GOOD FOR SMALL BUSINESS

The Syracuse (New York) Herald-American recently editorialized in support of Kemp-Roth. It stressed, however, the importance of Kemp-Roth to small business, incorporated small businesses and unincorporated ones. It is important to note that those which are unincorporated pay taxes at the rate of the individuals who own them through those individuals' tax returns.

The editorial says, in part:

Kemp for several years has been waging a campaign in the House to turn one-shot rebates and continuous make-work programs into permanent, job-creating efforts.

That means tax cuts.

He points out:

Business firms pay corporate income taxes directly. When they pay dividends, stockholders pay additional taxes which, at times, means 50 to 70 per cent of a firm's profit goes to Washington.

He also wants to reduce the federal tax rate on small businesses because many pay at least 48 per cent of all their earnings above $50,000 to the government.

Why take the grief for such a small return;

As Kemp points out, the sad evidence is at hand.

In 1969, 548 small companies (under $5 million net worth) sold stock to raise $1.5 billion in capital to expand their operations. Those expansions meant jobs. But in 1975, only four new companies issued stock to expand and hire more people, and they raised only $16 million.

Not many recall that 15 years ago. President John Kennedy promoted and obtained a tax cut. His advisers thought the Treasury would lose $2.4 billion in the first year. Instead, the Treasury gained $7 billion, due to a resurgence of confidence, expanded investment, new jobs.

People knew that they would have more keep-at-home pay. Investors knew they could put their savings into an enterprise and not go broke.

That's what we need: a permanent federal income tax cut for individuals and corporations.

BIPARTISAN SUPPORT FOR KEMP-ROTH

As I indicated on Friday, Kemp-Roth is bipartisan in many ways. It rests upon economic premises used both by Republicans and Democratic Presidents and administrations. It is cosponsored, in the House and Senate, by Democrats and Republicans. It was supported in a floor vote in March by Democrats and Republicans, a point alluded to in the editorial which follows. And the individual income tax rate reduction which Kemp-Roth would make law are for the benefit of everyone.

This point was made by the Buffalo News in a recent editorial:

And this is the kind of appeal, we suspect, that produced not only solid Republican but considerable Democratic support for the Kemp approach. Since it attracted 194 favorable votes even in losing, and since there are only 147 Republicans in the House, the Kemp-GOP alternative can be fairly labeled bipartisan.

And why not? It's underlying concepts are closely modeled on the job-creating tax reduction advanced by JFK and then put through by Democratic President Johnson in 1964.

Perhaps because his alternative was barely rejected this time by the House, Rep. Kemp plans to try again later this year when the Carter tax package comes to a vote. Maybe the closeness of this margin will move the administration to try to steal his thunder with its own across-the-board paring of income tax brackets. If not, then we hope the Kemp alternative will pick up enough additional bipartisan support to become a thoughtful, decisive majority.

This point was made recently in the Dallas Morning News too, in an editorial, "Why Not a Tax Cut?" I quote:

What should we do? Why, says Kemp, the answer is plain as day. We should cut taxes across the board—taxes for private people, taxes for business. The government should put more money into people's hands, instead of grabbing greedily for the money they already have.

Kemp and a savvy band of congressmen tried earlier this year to get the Congress to institute just such a tax cut—one modeled on the Kennedy tax cut of 1962. The Kennedy cut cost the government money, but the money was quickly made up by a surge of spending and investment. A boom got under way that continued throughout the '60s.

Kemp didn't precisely put it this way, but what was good for President Kennedy—and the American economy—should be good for President Carter and an even more perplexed economy than we knew in '62.

Our hats are off to the Buffalo congressman for his persistence and hard work in pushing a much-needed measure. The only thing wrong, indeed, with the Kemp proposal is that it makes sense. This can be a fatal defect in Washington, but we encourage the congressman all the same to keep slinging the ball.

RECREATING INCENTIVES AND REWARDS FOR WORK, SAVINGS, INVESTMENT AND RISK TAKING

An editorial in the St. Louis Globe-Democrat addressed one of the most im-

portant points about the structure of the tax rate reduction plan which Kemp-Roth would make law. That point is the restoration of incentive to work, save, invest and take risk by removing the unnecessarily high tax burden upon the reward from such incentive:

If the U.S. is ever going to restore healthy economic growth, it should:

Reduce income taxes by a much larger amount than proposed by President Carter (a good proposal is one sponsored by Rep. Jack F. Kemp, R-N.Y., and Sen. William V. Roth Jr., R-Del., which would cut all individual income taxes by 30 percent over three years, increase the business surtax exemption from $50,000 to $100,000, and reduce the corporate tax rate from 48 percent to 45 percent).

In short, create a tax system that rewards investment and production instead of one that subsidizes excessive spending.

The Buffalo Evening News made this point, too. It talked about the way in which a permanent tax rate reduction can be depended upon to expand both private spending and investment. It also talks in terms of the importance of that to restoring the economy of the Northeast. I quote:

Certainly, a permanent tax cut for individuals and corporations can be depended upon to expand, in some degree, both private spending and investment. The assurance of more after-tax income left to individuals and businesses to use as they see fit cannot help but sweeten existing incentives for work and investment. In our book, those are clear pluses. And for an economy that urgently needs more real private-sector economic growth, the timing of such a tax cut is sound enough.

Since the Northeast has more than its share of aging plants and relatively high income levels, moreover, across-the-board federal tax reductions should be especially advantageous here.

We do not, realistically, expect to see the GOP's Kemp-Roth bill breeze through a Democratic Congress and a Carter White House. But there is a strong bipartisan case to be made for it in general economic terms. Thus, we think both Congress and the public, in looking over whatever President Carter proposes in his own tax-stimulus and tax-revision plan, should give a fair and thorough hearing to the constructive concepts imbedded in the Kemp-Roth tax-reduction alternative.

THE IMPORTANCE OF TAX RATE REDUCTIONS TO THE PEOPLE

The Florida Times-Union in Jacksonville has made a particularly good case for Kemp-Roth. The paper has talked in terms of what the tax rate reductions will mean for the people and for the economy. They have made a particularly good case:

The Americans who responded to Gallup interviewers, and millions of others like them, could well be asking a question of their own. That is: Why isn't Congress paying more attention to the tax-reduction bill introduced simultaneously, in their respective houses, by Sen. Bill Roth (Del.) and Rep. Jack Kemp (N.Y.)?

Basically, this bill would offer substantial tax relief, across the board, to all taxpayers, especially those in the lower-middle income brackets (currently the hardest hit by inflation).

This money left in individual hands, as much as it would mean to individual families, would collectively mean even more to the national economy. As Sen. Roth explains it: "(This Act) will assure the type of long-term economic growth needed to create meaningful new jobs in the private economy.

"The heavy tax burden (at present) reduces consumer purchasing power and retards savings and investments in new factories, homes and equipment, resulting in slow economic growth and high levels of unemployment. . . "

Since tax rate reductions historically expand the economy be creating tax-paying jobs, thereby increasing federal tax revenues and reducing federal spending on benefits, no actual loss to the Treasury is anticipated.

In point of fact, every tax rate reduction since 1946 has resulted in increased revenues, not decreased income.

In point of fact, economic truths don't recognize party labels. When President John Kennedy successfully asked Congress to reduce taxes (Dr. Ture helped develop the plan) to "get the country moving again" the Treasury's income didn't drop, but rose.

Rep. Kemp sums up the issue well:

"We can 'create' jobs that are, in fact, an ill-disguised divvying of a shrinking economic pie into smaller and smaller portions. Or we can set about baking a bigger and better pie . . ."

The Fort Worth, Tex. Star-Telegram has also addressed this question: Who should have more of the people's hard-earned money—the people who earned it or the Government in Washington? The question is relevant because taxes are going up every day that Congress does not pass legislation to reduce them. The social security tax hike will take another $9.5 billion in fiscal year 1979 from the people. Those people will pay another $13.4 billion in fiscal year 1979 as a result of inflation pushing them into tax brackets where the percentage they pay in taxes on additional dollars earned are increasingly higher. They will pay another $2.9 billion in new energy taxes in fiscal year 1979 if the President's energy bill, as passed by the House, becomes law.

Excerpts from this editorial follow:

Most Americans would gladly forego a tax cut if they could be assured the funds would be used to effectively fight inflation through a sensible budget.

But if there is to be little financial discipline in Washington (they talk of spending $55.6 billion more in 1979 than the government takes in), by all means cut taxes as soon as possible.

Most taxpayers can make better use of their money.

The private sector could create real jobs, not the superficial federal positions created to make work for work's sake.

Inflation is not fueled so much by allowing people to spend their own money as by requiring them to send their money to Washington to be laundered and squandered.

The Senate's purported concern about inflation is laudable, so let the Congress attack the menace by responsible budgeting and by recognizing the high cost of overregulation of business to every American.

Roth sees this. He knows, too, that a person will manage his or her own money more frugally than an easy-come-easy-go committee in Washington.

It is a principle that all members of Congress should know.

THE SHAPE OF A TAX CUT IS THE MOST IMPORTANT FACTOR

Not all tax cuts are created equal. The size of the tax cut is important, but the shape of the tax cut is even more important. It is the shape of tax reform, tax cuts, tax rate reductions, et cetera, which govern what the economic effects will be.

This was the point addressed in an editorial in the Lexington Herald in Kentucky, the closing paragraphs of which are:

There is doubt that the economy will be stimulated by just any kind of tax cut. Carter's tax proposal would increase the tax scale. It also would discourage work incentives and capital investment.

There is more reason for Congress to opt for a plan by Rep. Jack Kemp and Sen. William Roth, which would freeze the tax rate, or reduce it, and increase incentives and production. That would certainly do more for the economy.

The point was also the subject of an editorial in the San Diego Union in California:

But not just any kind of tax cut will stimulate the economy. A tax cut that also increases the tax scale, as Mr. Carter's is inclined to do, would discourage work incentives and capital investments for the economy's most productive people. But a tax cut that freezes the tax-rate scale as is, or else reduces it, would act to increase those incentives and production and prosperty and, in the end, these all bring in more taxes. The plan sponsored by Rep. Jack Kemp and Sen. William Roth is this kind of tax cut.

As the nation's shorn taxpayers limp away from their annual tax-crisis, they can hope that the taxers in Washington will try to repeat JFK's tax producing tax cut.

Mr. Speaker, I will read additional editorials into the RECORD tomorrow.●

SOME THOUGHTS ON AIR PIRACY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. ANDERSON of California. Mr. Speaker, action is pending in both the House and the Senate to update our ability as a Nation to deal with terrorism, especially in terms of air piracy both here and abroad.

An editorial point of view by Robert Hotz in the July 31, 1978, issue of Aviation Week and Space Technology about the recent Bonn Summit meeting announcement is timely.

Legislative action is still essential as supported by all of the Federal departments involved. I urge my colleagues to consider cosponsorship of the House bill before our Aviation Subcommittee, H.R. 13261.

The editorial follows:

HIJACKING SANCTIONS SPREAD

The unexpected but vigorous action of the leaders of seven major industrial and civil aviation nations two weeks ago at the Bonn summit meeting to exert punitive sanctions against nations that provide sanctuary for aircraft hijackers is a major step forward in the growing campaign to eradicate air piracy. This blunt warning from Bonn is being followed by a working level meeting of government representatives this week to draw up specific operational plans to implement the series of sanctions to be exerted against nations encouraging air piracy.

The current wave of political terrorism now exploding around the world had its inception in the successful hijacking of commercial airliners and holding their passengers hostage. Aside from the initial sanctions threat-

ened by the International Federation of Air Line Pilots Associations against Algeria (AW&ST June 12, 1972, p. 27), the Western nations remained curiously apathetic as the hijackings increased and the slaughter of innocents expanded. Only Israel took aggressive action to carry the war to the aerial pirates. It was the daring Israeli airborne commando raid on Entebbe two years ago that finally turned the tide in Western nations from passive political platitudes to armed aggressive offensives against the aerial pirates. The Germans followed with a successful commando attack that released Lufthansa hostages at Mogadisho in Somalia and Egyptian commandos pursed Arab assassins to Cyprus, where they were murderously betrayed by the local militia. In the recent shot-out at Orly airport in Paris it was aggressive action by Israeli and French security forces that nipped the Palestinian plot on the ground and reduced the potential death toll.

In the meantime other nations, including the United States, have trained and equipped special units that are able to follow and attack the aerial pirates wherever they may seek sanctuary. The message should now be clear that the forces fighting aerial piracy have shifted from the passive security policies to active, lethal expeditions in pursuit of the pirates wherever they may land. This shift from the defense to the offensive has been a significant factor in chilling the enthusiasm for aerial hijacking.

But until the major civil air powers and industrial nations of the West and Japan took firm and united actions against the air pirates' sanctuaries the battle against air terror lacked complete credibility.

Although this subject was not on the official agenda for the Bonn economic summit conference, it was raised by Japanese Premier Fukuda, seconded strongly by Canada's Pierre Trudeau and quickly found strong support from the European nations that have recently been racked by political assassinations and terrorism. The statement is stronger than anything any individual country has yet been willing to make on sanctions against hijacker sanctuaries. It states:

"The heads of state and government concerned over terrorism and hostage taking declare their governments will intensify their common undertakings to fight international terrorism.

"In cases where a country refuses extradition or prosecution of those who have hijacked an aircraft and/or do not return such aircraft, the heads of state and government are jointly resolved that their governments should take immediate action to cease all flights to that country.

"At the same time their governments will initiate action to halt all incoming flights from that country or from any country by the airline of the country concerned."

This is exactly the type of action that the U.S. Air Line Pilots Association and the International Federation of Air Line Pilots Associations have been advocating for years. It must be gratifying to the leaders of this long and often discouraging battle to at last see their ideas adopted by the governments of the United States, United Kingdom, France, Germany, Japan, Canada, and Italy.

The leaders of the seven nations gathered at Bonn have also called on other nations in the world to join them in extending the web of sanctions and we hope there is a swift and decisive response to this appeal. The United Nations organization has debated the aerial piracy issues endlessly without any significant action.

It is time that some nations in the world stepped outside that pusillanimous forum and exercised effective leadership against aerial pirates and other forms of political terrorism. In recent years the number of sanctuaries for aerial pirates has shrunk but as long as there is a single country in which they can safely hide this crime will continue.

The combination of specially trained airborne commando teams located at strategic points along the world's airlines plus the boycott of air services for sanctuary nations are truly strong if belated, steps in a successful campaign to eliminate aerial piracy and its associated terrorism.

In addition to the lives and aircraft destroyed by aerial pirates in the last two decades, the pace of the world's air transport system has been slowed by the airport security screening procedures and made more costly by the added protection required. It will be a major step back toward a semi-civilized world when its air transport system can once again operate in peace, free from the terror of aerial pirates.●

VICTIMS OF THE VIETNAM WAR

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. BONIOR. Mr. Speaker, I submit an article for my colleagues which appeared in the Washington Post a few days ago. Its author, Stuart Feldman, is counsel to the Council of Vietnam Veterans, a group which I personally feel is one of the most effective advocates of the Vietnam veteran.

The article appears at a time when the Vietnam veterans in Congress are attempting to obtain more equitable and substantial benefits for the Vietnam veteran. The message, which I concur in, is that unless we, as a country, come to terms with the reality of Vietnam and its lessons for us, we will never be able to fully accord the Vietnam veterans the respect they deserve in being asked to fight a war of attrition until we decided what it was we truly wanted in Vietnam, until we decided whether or not their deaths would mean anything to the country. Unless we come to terms with Vietnam, its veterans may very well be the ultimate victims of that war.

That is a view I share.

[From the Washington Post, August 2, 1978]

Payment of the nation's just debts to Vietnam veterans might start to strip away the barriers to a consensus on America's future role in the world—barriers that now seem to hamper our ability to act. The disillusionment from Vietnam seems to convince many that we should never commit our troops or resources overseas again, except perhaps in Europe.

A president's Week for Vietnam Veterans, climaxed by a nationwide presidential fireside address on the honorable service of those citizens and the responsibilities of citizenship, could be a major first step in a needed nonpartisan discussion of Vietnam.

Some special presidential recognition of Vietnam veterans would, I believe, help many of them feel more at ease with their government. It might also provide them with some sense of absolution for the part in a war that so many of their fellow citizens have denounced as "immoral" or "needless" or just plain wrong. A large number of Vietnam veterans and their families are now bitterly opposed to military service. They convey that attitude to their younger brothers, relatives and friends. It may be one reason the volunteer army is having such a hard time obtaining high-caliber recruits.

A poll made in conjunction with one of the Hollywood movies made about the war showed that 61 percent of those surveyed thought that the nation needed to discuss the events of the war. Other recent signs, including the release of at least eight war-related movies, hour-long television specials on Vietnam veterans by ABS and CBS and a cover story by the Atlantic, suggest that there is, indeed, some public readiness to face up to the meaning—and the lessons—of Vietnam.

In a Memorial Day address at Loyola College in Baltimore, Clark Clifford, a secretary of defense under President Johnson, said his generation, by wrongly comparing Hilter's Germany and post-World War II Soviet expansionism to Vietnam, conducted a war that was "a disaster." The National Review of June 23 carried an analysis of the war by Norman Hannah, a retired Foreign Service officer, who also called for a dispassionate nonpartisan review. In the July Harper's, psychologist Jeffrey Jay, a fellow at George Washington University's Center for Family Research, called the Vietnam veteran a scapegoat and a victim of silence surrounding the war. He, too, urged a national debate on Vietnam for the sake of the veterans' mental health. In reviewing a book in The Washington Post, one of West Point's brightest young products, Josiah Bunting, who left the Army over the war, made a negative analysis of the officer corps' performance. All of these are recent harbingers of a willingness to examine the past for whatever it might tell us of how to proceed in the future.

Although presidential recognition of Vietnam veterans is crucial, any response requires a substantive effort to reshape and improve a number of government programs related directly to the problems of Vietnam veterans and involving education, medical care, various forms of "amnesty" for "bad paper" (less than honorable discharges comparable to the blanket forgiveness bestowed upon draft evaders. This may require the expenditure of significant amounts of money as well as symbolic gestures by the president. But the sums involved are trifling when you consider the national obligation to those who served in Vietnam and to the importance of straight-thinking about the war and its relevance to the future conduct of American foreign policy, in honoring that obligation.●

TRUE BRITT: RIDING HOME TO HOBOLAND

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. GRASSLEY. Mr. Speaker, the Washington Post published an article today which I would like to call to the attention of my colleagues.

The article was in regards to the 78th annual "Hobo Convention" and the community of Britt, a rural Iowa town in my district.

About 40,000 people and a group of "long time hobos" were on hand for the celebration. One hobo explained that trains do not stop as often and are not as accessible now, so hoboing is a dying sport.

The article follows:

TRUE BRITT: RIDING HOME TO HOBOLAND

(By Tom Zito)

BRITT, IOWA.—The land is flat here, as far as the eye can see, a fertile brown and green expanse broken only by 7-foot-high fields of Midwest corn, and grain elevators, bleached white by the sun, that jut into the blue sky.

"I helped build that elevator," says Fred Maiszner of North Dakota, a 68-year-old hobo who started "riding the freight trains in Hoover's day. I haven't been here in some time, but you know, old dogs always stray back to their old stomping grounds."

Maiszner is sitting in front of Don's Hob-Nob Short Order Grill on Main Street, downing a can of Old Milwaukee. It's Saturday, and the streets of Britt—"founded by rail, sustained by the plow"—are packed with perhaps 40,000 people, 20 times the normal population. Today is Britt's centennial, not to mention the day of the town's 78th annual hobos' convention, when riders of the rails from east and west gather in heartland America.

But there are not many hobos here, two dozen at best, camped at what they call "the jungle," a little sheltered area just beside the white wooden building that serves as the freight depot for the Milwaukee Line.

"There's just not much hoboing left to do," says the Cheyenne Kid, 68, who's been hitching freights since the '30s. "Diesel engines killed it. Used to be a train would have to stop every so often to pick up water and coal. Now they just thunder on for a thousand miles, and the cars are so streamlined and locked shut you can't get in."

The Kid says that in the '30s, "there must have been fifteen, eighteen thousand of us roaming around. The Depression had a lot to do with it. Now I'd be surprised if there are more than a hundred of us."

"You can't just go around and do odd jobs any more," says Lord Open Road. "Used to be you could go up to the house of a widow and offer to paint the place in return for room and board. No questions asked. Now you need to have what they call credentials, and if you don't have your own paint truck, they're suspicious. And just forget about staying in somebody's house who don't know you."

"The world's just turned into a bunch of working stiffs," says Streamtrain Maury, just elected king of the hobos by the people of Britt. "It's harder and harder to understand us folks who don't seem to do anything."

Indeed, there's an ironic contrast forced by the mixing of the hobo convention and the town's centennial. Like cowboys and bank robbers, the hobos—with names like Iowa Blackie, Frypan Jack, and Boxcar Frank—conjure up the great romantic spirit of itinerant America, the forerunners of Kerouac's beat generation and the flowery days of the '60s counterculture.

"Being important is not that damn important," says Mr. Nobody. "But we all have our vanity."

Then there's Britt, the very model of America's Protestant ethic. The first edition of the town's Britt Tribune, on December 19, 1879, noted that "Britt is fast becoming *the* commercial center of the county and is drawing trade from every direction," largely because of the three railroad lines that cross here. "The business men are well endowed with enterprise and 'go-aheaditiveness.' "

Ninety-nine years later, the two-hour-long centennial parade is filled with almost 200 floats, most of them touting God, gravy or government. There's a covered wagon being pulled by four small John Deere tractors, all harnessed together. A horse dressed in overalls. A family of five in their old Model T with a sign proclaiming: "High spending is inflationary. Living high on the hog will destroy America." A VFW display that's a model of the Lincoln Memorial, with a Lincoln look-alike who's been greasepainted completely white. An old steam tractor driven by "Grandpa Harry Thompson, 89 years young." The Methodist Church declaring "There is new life in Christ."

And, most graphic in the show, the float from the Hancock County Right to Life Association. A crib filled with real babies is being pulled by a tractor and a large sign reads: "Your Children—Britt's Future. The Supreme Court would have allowed these children to be destroyed at the beginning of their lives. God have mercy on us."

A man from the VFW is circulating through the parade route, selling tiny American flags.

"Folks, let's make it look like America today," he says. Oivind Andreassen, here from Fredrikstad, Norway, to visit relatives, hands over a quarter and sticks the flag on his camera case.

At noon, after the parade, in an empty lot, hobos and townsfolk, sightseers and relatives gather for the free Mulligan stew lunch that's prepared by the Chamber of Commerce. Eight hundred gallons of stew are cooked in 55-gallon drums. It's a traditional part of the hobo convention which, even when started at the turn of the century, was a clever business move by the merchants of Britt.

Through 1899, the hobos (who call their organization Tourists Union 63) had been meeting in Illinois. Three Britt merchants, Thomas Way, T. A. Potter and W. E. Bradford, realizing the importance of the railroads and publicity for the town's economy, invited the "officers" of the union to Britt, and proposed that an annual convention be held here in August. The town, in conjunction with the Britt Tribune, invited journalists from across the land, and on August 23, 1900—the day after the first convention—the town of Britt was on the front pages of newspapers across the country.

"It was advertising that Britt was after and she got it," editor W. A. Simkins wrote in the local paper, in an article hinting that the town, in conjunction with the journalists, had pulled a fast one on the world.

"Let the good Lord have mercy upon the reporters of the big daily papers when they go up to the Pearly Gates and try to get in. When it comes to writing a hobo convention story, these reporters of the daily press are far ahead of either Ananias or Eli Perkins."

"A convention's just a convention," says the Cheyenne Kid. "People say they used us, we used them. It's just that this town still has three train lines running through, and it's a handy place to meet."

The Kid is full of stories.

"Once I was riding the Silk Express from San Francisco to the East Coast. I'm going back now 45 years. That train was bringing raw silk to someplace in New England. I mean that train was carrying a million dollars. Something didn't feel right and I jumped off. I didn't realize at the time that she was so hot. They catch you on a train like that they put you right in jail, thinking you're gonna hijack it.

"Another time near Duluth I was sleeping in a boxcar behind a load of logs. I noticed these red diamond-shaped stickers on the outside of one of the cars. Forty tons of dynamite. That was '30 or '31. Got off that one fast."

Or the time Lord Open Road almost got killed.

"I got into this the hard way, 1927, when I was knee-high to a grasshopper. I'd go down to the tracks when my Dad wasn't looking and sneak a ride for a mile. The neighbors would tell my Dad and he'd beat the hell out of me. Finally I decided I'd had enough beatings and I didn't jump off after a mile.

"Now my constitution is as strong as a domesticated bovine. But you're going across the desert and you've gotta have water. I jumped off by this oasis and was pushing back all that green scum for the coolest drink in the whole world. Then this rancher comes up on me with a gun, says he wants a dollar-fifty for a drink. I said to him, 'I thought water was free.' We started talking and after a while he said to me, 'Are you in a hurry? I'd like to have dinner with you.' And I started laughing and I said to him, 'Me in a hurry? Took me nine months to get here.' "

The stories could go on all night. But it's getting dark now, and the stewpot is bubbling in the jungle, and the Cheyenne Kid is getting mobbed by autograph hounds in the Red Rooster Lounge.

"Jeepers, creepers," he says. "This is the rat race we're all trying to avoid."

And the Kid heads out of the Red Rooster back to the jungle, and in the process he meets Pennsylvania Pete, who glances around at the crowd and says:

"Lotta people call themselves a tramp, but they couldn't be one with an instruction box."●

CAMBODIAN REFUGEE ACCOUNTS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, I place in the RECORD interviews with two Cambodian refugees who successfully escaped to Thailand:

INTERVIEW WITH CAMBODIAN REFUGEE IN BURIRAM, THAILAND, CONDUCTED BY AMERICAN EMBASSY OFFICER IN JUNE 1978

ACCOUNT OF SOURCE B*

Source B, 29, was a farmer in Battambang Province. After the Khmer Rouge takeover, he continued to work as a farmer in the same place. He arrived in Thailand May 19, 1978. His account follows:

CONDITIONS IN DEMOCRATIC KAMPUCHEA

In 1975, I ate with my family. From the start of 1976, I ate with my group in the collective for four or five months. After that, the entire collective of 330 persons ate together.

There was little change in the amount of food we got since 1975. We ate porridge, two times a day. We had 8 tins (2 kilos) of rice, made into porridge, for ten persons. The porridge usually had banana leaves mixed in. There were two or three persons who caught fish for the whole collective.

Crop yields decreased each year since 1975. I don't know why. We worked, worked, worked, but the results were not better but worse. Perhaps it was because there are fewer and fewer people, who have less and less strength.

There were no medicines, except the concoctions made by the Khmer Rouge of roots and herbs. Of ten patients who became seriously ill, five died.

Of the 330 people in the collective at first, there were only about 100 left in May 1978. Almost all of the remaining persons are women. The rest were killed or escaped to Thailand.

SYSTEM OF ADMINISTRATION AND DISCIPLINE

The village was headed by an administrator, from Angka. My village was divided into four groups. I never saw any Khmer Rouge soldiers, but there were spies (chhlop) in the village.

For minor mistakes, such as going to work late, you were scolded and hit the first time. The third time, you were executed. For a serious mistake you were killed the first time. Serious mistakes were talk against the Khmer Rouge regime, such remarks as, 'I don't like the Khmer Rouge regime', 'I don't like to work so hard', 'I want to eat more.' Also when the Khmer Rouge discovered that you were a soldier or government worker

*The name of the individual refugee who provided this account has been excised to protect the identity of family members or friends still in Cambodia.

of the former regime, you were arrested and killed immediately.

You could not make any suggestions about working or living conditions. No one dared to speak at all. No one dared to rise up against the system. You never knew where the Khmer Rouge were. Every week or so I saw a handful of Khmer Rouge pass through the village. We were told that if any villagers dared to attack the Khmer Rouge, all the people in the village would be killed. I heard that this happened in one or two other villages. One of them was Phum Thmei, Thmar Pouk District, Battambang.

EXECUTIONS

I saw one former GKR soldier killed. I also saw two or three others arrested and taken away. They "disappeared."

I heard from other villagers, during joint work projects, that far away from their village in Chamka Ko Military Base, Battambang, many former soldiers were killed right after the Khmer Rouge take over. I saw many human bones in a lake. I guess that maybe over 1,000 people were killed. At first, the Khmer Rouge used guns to kill the former soldiers, government workers, and students, but later, after 1975, they used poles to beat people to death.

HUMAN, CIVIL AND POLITICAL RIGHTS

There is no such thing as human, civil or political rights in Democratic Kampuchea. You cannot read, write, talk, or suggest. People want to have freedom most in my village. I escaped because I could not live under the Khmer Rouge. I didn't get enough to eat and there was no medicine.

One Cambodian who came with me had decided to escape because the Khmer Rouge killed his younger brother-in-law. Now, if you have one relative who was a GKR soldier, they kill the whole family.

INTERVIEW WITH CAMBODIAN REFUGEE IN SURIN, THAILAND, CONDUCTED BY AMERICAN EMBASSY OFFICER IN JUNE 1978

Account of Lon Heou*

Lon Heou, 21, came from Koukmon, Oddar Meanchey Province, with her husband Si Suot. They arrived in Thailand in February 1978. Her account follows:

CONDITIONS OF LIVING IN DEMOCRATIC KAMPUCHEA

We had hard rice, not gruel, to eat in Koukmon, but not enough. We had no fish or meat but strips of banana tree trunks were mixed with the rice. In 1975, it was much better than 1976–78.

As a child, I lived in the same village as my future husband Si Sout. In Koukmon, we worked in different units. I worked in Beng. I was very lucky to marry someone I knew and liked. Many others were not so lucky and frequently did not know each other before getting married.

The women worked just like the men in our village. We dug canals, built dams and planted rice. Just before fleeing to Thailand, I worked clearing land. Earlier, after I was pregnant, I carried logs to build rail fences. I had to do this work until my ninth month of pregnancy. It was physically difficult to pick up the logs, and sometimes I had to ask for help from someone just to lift the logs. I was too terrified of what might be done to me to ask to rest or for lighter work, even when I was sick. I had a miscarriage near the end of my pregnancy. After the miscarriage, I got very sick. I got ten days off in the hospital. The doctor gave me injections of syrup and they 'smoked' me for ten days, the way you smoke a pig. In the hospital I slept on the ground. My husband was allowed to visit me one time. After ten days in the hospital, I was put to work in the communal kitchen. That work was harder than carrying logs, since I had to lift heavy sacks of rice, but everyone is sick, either skinny or swollen. No one is well fed or healthy.

Far fewer women than men escape to Thailand, because the women are afraid that they will not make it. They also have children and cannot expect to flee successfully. The Khmer Rouge spread rumors that all who try to escape are killed. I have also heard that the borders have mine fields.

Old women are employed to look after one to ten small children in the communal kitchens. Old women are very unhappy and are treated very badly. They are afraid to look after so many children. There is no time to chew betel. And, if the children cry, they cannot call their mothers.

Other old women had to help clear land or raise silk worms. They make silk cloth, white only, but it is taken away by the Khmer Rouge.

EXECUTIONS

My husband Si Suot, thought of fleeing for several months, but then we would think that we could stay and maybe things would get better. Then they started killing our relatives. My father fled in mid-1977 and afterward I was treated like the 'daughter of an enemy.' My sister, Lon Kim Heat, studied seven years before 1975, more than most girls. In late 1977, she was taken away from the mobile youth group and executed. Friends in the youth group told me later.

Over one hundred people from my village have been executed. Last year sixty were killed either in the village or were taken to the forest and killed. Some were former soldiers; others had done nothing.

If you talk too much or don't talk at all, you are in danger of being 'taken away.' No one dares make jokes or even laugh. One guy in my village was executed because he was 'too jovial.' Complacency is a crime, since a complacent person is liable not to work too hard and be a bad example. You might forget to work!

In general the rate of killing men is much greater than for women. I think Cambodia is going to be a country only of women."

HUMAN CIVIL AND POLITICAL RIGHTS

There are no rights in Cambodia, not even the right to smile. I would have preferred to have remained in Cambodia, but I could not endure such a life. I wanted just a little bit of freedom, to be happy again, and to have enough to eat.

I have never heard of a women's liberation movement, but in Cambodia, it is said that men and women are equal. It is true that we have equal work, are equal in being unhappy, equal in not having enough to eat, but these are equalities I do not want.●

*Refugee agreed to use of her name in a public document.

AN AFRICAN BLOODBATH

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. DORNAN. Mr. Speaker, during the past few days, this Chamber has rung with the eloquent denunciations of human rights violations throughout the world. We have spared no one: no dictatorship, right or left, has failed to evoke our righteous anger. We have done our best to stand forth as representatives of the tradition of Washington, Jefferson, and Lincoln. This has been both necessary and proper. We cannot divorce our foreign policy from humane or moral considerations.

But I fear that Members of this House are fatigued, numbed, perhaps beyond revulsion, at the enormity of the crimes revealed in the general media and on the floor of this body. That is understandable. The trials in Soviet Russia, the genocide in Cambodia, the senseless murders in Uganda are enough to make our emotional wells run dry. The litany of horrors recited by various members of this House are enough to brutalize the sensitivity of any one of us. But we must not succumb to that frame of mind.

I ask your indulgence, for a moment, on yet another serious violation of human rights: The mass murder of black Roman Catholics in Equatorial Guinea. In proportion to the population, this latest crime against humanity rivals, and probably surpasses, the genocidal extermination in Cambodia.

How could this matter have escaped our attention? I wonder. Equatorial Guinea is a tiny country on the west coast of Africa, occupying less than 11,000-square miles. A former colony of Spain, the country is one of the newborn emerging nations of Africa. It is only 10 years old. Its population in 1968 numbered no more than 350,000 souls, divided into 5 different tribes. Like every other nation in Africa, it is a multiethnic political community.

Mr. Speaker, these poor people have been the targets of one of the most terrifying exterminations campaigns in modern history. Out of a total of 350,000 people, 50,000 people have been killed, according to the latest reports from the Vatican. A total of 90,000 people have fled for their lives, and are currently living as refugees in the neighboring African countries of Gabon and Cameroon. The campaign of terror and violence is being orchestrated by a Marxist dictator, Macias Nguema, who seized abolute control of the country in 1971 and has declared himself "President for Life."

This crazed killer adds blasphemy to his murderous campaign to snuff out every vestige of opposition, lately requiring the invocation of his name along with prayers to God. Reports of the atrocities coming from that country include the crucifixion of Christian opponents. In a nation that is 95-percent Roman Catholic, he has outlawed the church and has carried out a murderous persecution of priests and nuns, as well as lay civilians. There are currently 12 priests left in the country, all living under house arrest. Nguema is either a slave of his own lust for power or a madman. But, in either case, there does not appear to be any length to which he will not go.

Mr. Speaker, this morning I had the honor and the privilege of meeting with the spiritual leader of the nation, His Excellency Bishop Rafael Nze Abuy, Bishop of Bata. He struck me as an eminently kind and gentle man, and he asked me if I could please bring the terrible sufferings of his people to the attention of this House. Once again, I realize that these blood-curdling tales are re-

volting; that we are fatigued and disgusted by the seemingly endless repetitions of instances of violence against dissidents, including religious and political repression. But we cannot turn away. What happened in Germany to the Jews is happening to Roman Catholics in this tiny African country. There is one difference: The persecutions of Nguema constitute a terroristic attack on the entire population of the nation.

There is one other aspect of this matter which commends itself to your attention. The consolidation of Soviet power on the African continent is a consolidation of power along the vital South Sea lanes, the paths of commerce, and the lifelines of the economies of the industrialized nations of the world. State Department sources confirm the fact that the nation's territorial island, Fernando Po, is currently servicing Soviet ships and there are further reports, from independent sources, of the presence of Soviet submarines in that area. Cubans have also occupied the island, and it has served as a staging area for military operations.

I would ask you to give your attention to a press release on the subject issued from an organization called Catholics for Christian Political Action:

LAYMEN'S GROUP CALLS ON U.S. CATHOLIC CONFERENCE AND OTHERS TO INTERVENE IN AFRICAN BLOODBATH

WASHINGTON, D.C.—Catholics for Christian Political Action (CCPA) today called on Catholics and other Americans of all faiths and races to rally in defense of the thousands of black Catholics in Equatorial Guinea whose lives are being threatened because of their religion. The national laymen's political action group especially appealed to the U.S. Catholic Conference to do everything possible to organize members of the Catholic community to protest against the mass killings taking place in the West African nation.

"According to a State Department spokesman with whom I talked this week, tens of thousands have already died and an unknown number are threatened," said CCPA president Gary Potter in a statement for the press.

"I think it is right and necessary for the world to be concerned over the fate of Scharansky, Ginzburg, and other dissidents in the Soviet Union," he continued, "but I wonder why the tragic plight of the Equatorial Guineans is being ignored. Is it because they are Catholic and black?"

Equatorial Guinea is the only Spanish-speaking nation in black Africa. Its population, estimated at 350,000 when the country became independent in 1968, is 95 percent Catholic. According to Potter the population may have been halved since then. "We know there are at least 90,000 refugees in neighboring African countries and Spain. The other thousands are dead or simply unaccounted for. Half the National Assembly 'disappeared' five months after independence."

Reports reached the West some time ago that Equatorial Guinea's President Francisco Macias Nguema issued an edict that his portrait be placed on the altars of the nation's churches. Then he ordered that his name be included when Catholics made the Sign of the Cross. When Church authorities refused to comply with these demands the wave of religious persecution began. Now the Catholic Church has been outlawed, foreign priests have been expelled and over 30 native-born priests and at least 100 nuns are known to be in prison.

Potter pointed out that exact information regarding the situation is sketchy because France is the only Western nation that still has diplomatic relations with Macias, but without an embassy. The only embassies in the country are those of the Soviet Union, East Germany, Cuba, China and North Korea.

"The situation is appalling, we know that much," Potter said. "It is equally appalling that it is being virtually ignored. Public opinion needs to be aroused as a first step towards action and the U.S. Catholic Conference with all its resources can and should start to work to arouse it. I personally pledge our growing organization to do all it can to make Catholics and others aware of the genocide against black Catholics being committed in Equatorial Guinea by a mad Marx-spouting tyrant who would fall in a minute if the Socialist-bloc countries did not support him with money and arms."

CCPA, a national political education and action organization, was formed last year to promote Christian positions on public issues. Further information on the situation in Equatorial Guinea can be obtained by contacting CCPA at 1139 National Press Building, Washington, D.C. 20045.

FACTS ON EQUATORIAL GUINEA

The Country—A former Spanish colony in West Africa independent since 1968. The country (10,832 sq. mi.) consists of a mainland section, Rio Muni, and two islands, the largest of which was formerly known as Fernando Po. It is now named after the President, Macias Nguema. The capital, Malabo, is located on Macias Nguema.

Population—The population was 350,000 at independence. Its number is not known now, but "tens of thousands" have been killed and at least 90,000 refugees are abroad. There are five main tribes.

Religion—95 per cent Roman Catholic. The Catholic Church is now outlawed.

Economy—Chief exports were formerly coffee and cocoa. No measurable quantities of either product are now being exported. It is believed that subsidies from Socialist-bloc countries are the Macias government's only source of income.

Government—Marxist in orientation. At independence, Macias Nguema was elected first President. He assumed total control of government in 1971, was named President-for-Life the following year, is seeking to destroy the one force in the country whose influence can oppose him: Catholicism. U.S. suspended relations in 1976.●

LOS ANGELES COUNTY FEDERATION OF LABOR, AFL–CIO, URGES SUPPORT FOR AIRPORT AND AIRCRAFT NOISE REDUCTION ACT, H.R. 8729

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. ANDERSON of California. Mr. Speaker, a telegram supporting the Airport and Aircraft Noise Reduction Act (H.R. 8729) from the Los Angeles County Federation of Labor, AFL–CIO, will be of interest to my colleagues from southern California and others. I request that it be entered into the RECORD.

The telegram follows:

TELEGRAM

AUGUST 4, 1978.

Hon. GLENN M. ANDERSON,
House Office Building,
Washington, D.C.

We support H.R. 8729, the Airport and Aircraft Noise Reduction Act. Our support is based on two points—it would allow for quieter aircraft and institute airport noise planning, and it would provide incentive to airlines to retrofit or exchange engines on their aircraft. Nationally, the bill would create between 70,000 and 80,000 jobs and would have significant impact on Southern California's economy. We urge that you get this bill to the floor and hope you support it.

WILLIAM R. ROBERTSON,
Executive Secretary, L. A. County Federation of Labor, AFL–CIO.●

BALANCE(S) OF POWER, BOOK III B (ii)—NATO: SOUTHERN FLANK

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, Friday I inserted the first part of an article by Adm. Horacio Rivero, U.S. Navy (retired), entitled, "Why a U.S. Fleet in the Mediterranean," that appeared in the U.S. Naval Institute Proceedings, May 1, 1977. The conclusion of Admiral Rivero's article appears below:

CONCLUSION

The two (Soviet) helicopter cruisers were the first Soviet ships built to carry both rotary-wing aircraft and facilities for command and control of coordinated ASW operations. They deploy regularly to the Mediterranean from the Black Fleet and apparently were designed primarily to counter the U.S. ballistic missile submarines. The newest major Soviet warship, the *Kiev*, is a true aircraft carrier as defined by the Montreaux Convention but was permitted to transit the Turkish Straits in contravention of that international agreement. A second ship of the class is under construction and additional units will probably follow in the future. Although built with an offset island structure and angled flight deck like U.S. aircraft carriers, they have neither catapults nor arresting gear and thus are limited to operation of helicopters and VSTOL aircraft. These ships are designed to provide a modest degree of air support to ships deployed at a distance from Soviet air bases. They can pose a threat to warships and convoys operating outside the cover of Allied land-based or sea-based air, but they cannot match the offensive and defensive capabilities of the U.S. aircraft carriers.

It is noteworthy that the relatively long-range (200 miles) anti-ship missiles which appeared in the earlier missile ships are giving way in the newer classes of warships to the SS–N–10 missile, having a range of about 35 miles. This clearly reflects Soviet recognition of the limited operational effectiveness of the longer range types, which required the assistance of a second platform (aircraft, surface ship, or submarine) for mid-course guidance and of their vulnerability to modern aircraft, antiaircraft missiles, and rapid-firing guns.

The Soviet squadron is opposed by the ships and aircraft of the U.S. Sixth Fleet, the ships of the other NATO navies, and the aircraft of the NATO air forces. Foremost in importance are the two (at times three) aircraft carriers and the nuclear submarines of the Sixth Fleet, the two French aircraft carriers. Generally the NATO ships are inferior to Soviet ships in offensive armament, only some of the French destroyers being equipped to launch anti-ship missiles. The introduction of the Harpoon missile in the U.S. Navy (delayed by Department of Defense prohibition of anti-ship missile development in the 1960s) will serve to remedy to some extent this deficiency in NATO armament. Most of the deployed U.S. warships, all three cruisers (and four destroyers) in the Italian Navy,

and some of the French destroyers are armed with antiaircraft missile launchers. The French Navy has seven destroyers so equipped. Other NATO warships lack offensive or defensive missile armament.

Frequently the question arises as to the probability of survival of NATO naval forces, especially the U.S. aircraft carriers, when operating in a limited sea area such as the Mediterranean. At the center of the argument is the word "vulnerability." It can be shown without great difficulty that there is no weapon system or platform that is not vulnerable in some degree to some other weapon: tanks to other tanks, aircraft, and anti-tank weapons; aircraft to other aircraft or to antiaircraft missiles and artillery; and ships to naval guns, coast artillery, missiles, aircraft, torpedoes, and mines. But the employment of any force in war is always attended by risks that must be weighed against the gains it is hoped to obtain in a given set of circumstances. The vulnerability of one's own units is a factor in the equation, as are (say) personnel and material deficiencies, inferior strength, inadequate training, or ineffective leadership. They are negative factors that need to be balanced against the positive factors in deciding whether the employment of a force on a mission is wise or will most likely lead to disaster. The determinant is whether one believes the probability of success to be sufficient to overcome the possibility of failure, while accepting some risk of loss of or damage to the units involved.

Naval ships in general and aircraft carriers in particular have been attacked by many uninformed critics, and by some who should know better, as not being able to survive in the presence of land-based air power. This was thoroughly disproved by the record of the U.S. Navy in World War II, during which no full-size attack aircraft carrier was lost to enemy land-based air, although a number suffered appreciable and on occasion temporarily disabling damage. The advent of the nuclear submarine and of the long range Soviet anti-ship missile have been occasions for renewing these attacks.

There is no question that bombs, torpedoes, mines, and missiles are dangerous to ships and that if they hit in sufficient numbers they can heavily damage, disable, or sink the most powerful ship afloat. That is a risk that must be accepted in war operations. But aircraft carriers are not without defenses against these weapons. When properly attended by supporting ships and aircraft and operated in such a manner as to take advantage of their mobility, their warning and defensive capabilities, and their offensive power, they should have a high probability of survival even in a dangerous environment and of carrying out their assigned missions, provided of course that they are not exposed to a situation where the threat is clearly overwhelming. It would be foolhardy to operate any ship without air cover in the presence of enemy air, or without antisubmarine protection in submarine waters, or to parade like the *Eilat* within range of known-enemy missiles. But our arsenal of defensive and offensive means and the toughness built into the larger ships such as aircraft carriers should give confidence of a high degree of survivability in the Mediterranean when ships are judiciously employed.

The Soviet nuclear submarines constitute the principal threat to the carrier forces as well as to other ships. With adequate sea room and a defense in depth which would include the use of our own submarines for clearing operating areas, the vulnerability of our ships to enemy submarines can be reduced greatly. To operate in the Aegean Sea where sea room is limited severely by the presence of numerous islands would be hazardous, at least until the area was sanitized and closed to intruders by the antisubmarine barriers on both sides of Crete. The eastern Mediterranean basin, including the Ionian Sea, on the other hand provides sufficient sea area for well-escorted carriers to operate with reasonable risk. This is true also of the western basin, except for the narrows of the Strait of Sicily where special protective measures would need to be taken before and during transit.

To protect the carrier striking force, a concentrated and intense antisubmarine effort would be required at the initiation of hostilities, aimed at neutralizing enemy submarines then present in the Mediterranean and at preventing their reenforcement through the Strait of Gibraltar or the Suez Canal, U.S. nuclear submarines as well as all NATO ASW-capable ships and aircraft would need to be devoted initially to this task, at the expense of delaying the execution of other missions such as protection of the sea lines of communication.

The missile threat from surface ships would be of greatest concern at the commencement of hostilities, requiring special precautions to guard against surprise attack. This necessitates that during period of tension every missile-firing ship be kept under close surveillance and that suitably armed aircraft patrols be kept on station in their vicinity (but outside their antiaircraft missile range) ready to neutralize the missile batteries and to destroy the first missiles fired, at the first sign of hostile action. Once hostilities commenced, the destruction of the missile ships would demand first call on the carriers' resources, but for a relatively short period of time.

The manned bomber threat in the Mediterranean appears manageable under present circumstances. Long-range bombers operating from Soviet Black Sea bases, although possessing sufficient combat range to reach most of the Mediterranean, must traverse distances that are too long for effective fighter escort, and would need to penetrate and overfly the NATO air defenses in Turkey, Greece, or Italy, which should provide both early warning to our forces and heavy attrition of the unescorted bomber formations. Soviet aircraft flying from Syrian air bases could pose a threat in the Eastern Mediterranean; should Syria be actively aligned with the Warsaw Pact those bases would need to be neutralized at the commencement of hostilities.

Allied shipping would need either to take refuge in port or to remain outside the Mediterranean until sufficient attrition of the submarine threat and elimination of the enemy surface forces made commencement of a convoy system feasible, perhaps not earlier than two weeks after hostilities commenced. Aircraft carrier and logistic support ship screens would require augmentation by all available NATO cruisers, destroyers, and frigates in order to ensure survival of the striking forces during the critical initial phase. During this period, which could last two or three days, the carriers would be heavily engaged in eliminating the Soviet missile-firing surface ships and neutralizing land-based air in the Mediterranean that might pose a threat to them. Once this was accomplished the carriers would be able to devote their entire effort to the land-air battle for defense of NATO territory, and the ships of the other NATO navies to the protection of the sea lines of communication from the remaining threats of all sorts, for one should not anticipate during the early days to do more than to reduce the enemy threat, not to eliminate it.

THE DEFENSE OF THE NATO SOUTHERN REGION

The Southern Region, one of three components of the NATO Allied Command Europe, embraces Italy, Greece, Turkey, and the Mediterranean and Black seas. It is an isolated theater of war, separated from the Central Region by the territory of neutral Switzerland and Austria. This has important military consequences for the defense of the region, requiring reliance on the Mediterranean Sea as the primary or, in the event that France does not choose to participate in Allied military operations, the only avenue for reenforcement and supply of the military forces and for support of the economies of the NATO countries. It is not likely that France could remain aloof in the event of an attack on Germany or possibly one on Italy, but there is serious question whether an attack on Greece or Turkey would result automatically in French military participation. For the defense of these two countries and possibly for that of Italy, therefore, military plans must discount the use of French forces, air space, or territory.

In addition to being isolated, the Southern Region is geographically fragmented. Italy, Greece, and Turkey each occupies a peninsula jutting into the Mediterranean, so that mutual support of those countries' land forces, except in the narrow area of Thrace, depends on movement by sea. This puts a premium on control of the sea, and makes tactical land operations heavily dependent on the success of naval operations just as they are, by the very nature of modern warfare, on that of air operations.

The land defense is also heavily influenced by the topographical features of the theatre. In northern Italy the frontier with Austria, which would be open to attack through violation of that country's neutrality, is characterized by mountainous terrain with deep defiles providing avenues of approach outflanking the major defenses on the frontier with Yugoslavia. In the latter the commanding positions in the Julian Alps lie beyond the border, as do those overlooking Trieste, which is connected to the rest of Italy by a narrow strip of land. Naval support from the Adriatic Sea adds strength to the defense of the entire area, and only through control of the Adriatic is it possible to plan on a successful defense of Trieste. That, in turn, depends on a favorable air situation.

In northern Greece the left flank of the defenses rests on the Ionian Sea, the right flank on the lower course of the Maritza River and its outlet on the Aegean Sea. The narrowness of Greek Thrace, at one point only 12 miles wide between the Bulgarian frontier and the sea, makes naval control of the Aegean indispensable for supply and reenforcement of the forces defending the eastern sector of the Greek lines.

The entire northern coast of Turkey from the Bulgarian frontier in Turkish Thrace to the Russian border in the east is vulnerable to amphibious attack. Given the overwhelming Soviet naval and air superiority in the Black Sea, the defense depends heavily on submarines and fast patrol boats to thwart the landings and on sea mines and shore-emplaced naval artillery to prevent forcing of the Turkish Straits.

Surface and submarine naval operations thus have a direct impact on operations on land, in both the strategic and the tactical senses. Additionally, naval air operations play a crucial role in territorial defense. The air forces of the three NATO countries in the Southern Region are supported by units of the U.S. Air Force in northeastern Italy and south central Turkey. Even so, they are inferior to those of the Warsaw Pact confronting them in both quantity and modernity. Faced with a corresponding numercial inferiority on the ground, the defending forces depend heavily on outside air support to slow the advance of invading armies and to make tenable their prepared defensive lines. Air reenforcements at an early stage of the battle are essential to prevent the enemy overruning their defenses, particularly in Greek Thrace where lack of depth does not permit trading space for time.

In this critical situation the modern tactical aircraft of the U.S. Sixth Fleet, which can carry substantial loads for considerable distances, offer the only hope of early reenforcement and of survival of the local forces in the first stages of the defensive battle. For

this reason, whether operating in the Aegean, the Ionian, or even south of Crete, the Sixth Fleet must be counted as an essential component of NATO defense of the land. Reduction of its aircraft carrier strength in peacetime, as has been proposed a number of times in recent years in order to reduce deployments or increase flexibility, could only have disastrous consequences for the war-time NATO scheme of defense in the south-eastern sector. Rather it is necessary that in periods of crisis the carrier number be augmented in order to permit creation of a more favorable air situation for the defending forces at the commencement of hostilities. With additional carrier strength the Sixth Fleet can devote a portion of its air effort to support of the land-air battle from the start, while simultaneously pursuing the immediate destruction of those enemy surface forces which pose a direct threat to it. Without this carrier reenforcement a short but critical period will ensue during which defending land and air forces will find themselves hard pressed by superior invading forces enjoying a favorable air situation. Land-based air reenforcements from the United States should be able to arrive in the theatre and, with excellent logistic support either flown in or already on hand, be ready to participate in the air battle within a period of about ten days. But only sea-based air can fill the breach until those reenforcements can redress the air balance.

The above discussion is premised on a concerted Warsaw Pact offensive against the entire Southern Region as a part of a major military confrontation with NATO, and one in which recourse to strategic nuclear weapons is withheld. The cataclysmic consequences of a war that would involve use of those weapons impose a high degree of restraint on the Soviet Union as to the level of the military spectrum which it can rationally choose to seek a decision by the force of arms. Resort to tactical nuclear weapons is also fraught with great danger. The ambiguity as to intent of escalation which accompanies their use would create a dangerously unstable and probably uncontrollable situation. For these reasons conventional war is the least risky and therefore the most likely mode of warfare for the Soviet Union to adopt in initiating a confrontation on the battlefield with the West.

The overall balance of conventional forces between NATO and the Warsaw Pact, even allowing for the substantial forces that the Soviet Union must devote to keeping China in check, is heavily weighted against the West, yet not sufficiently to present the Soviets with the assurance of gains at small risk in a general attack on NATO Europe, or even in a limited attack on the Central front. The presence of U.S. land and air forces in Germany which would immediately be involved, and the shadow cast by U.S. strategic nuclear power, act as effective checks on that type of Soviet adventurism.

In the South, however, a situation exists which is unstable both politically and militarily and is therefore dangerous. Dissension between Greece and Turkey, and recent disaffection of both toward their NATO allies, provide a favorable setting for Soviet efforts politically to weaken the Alliance by encouraging an independent line in Turkey. The political instability which will reign in Yugoslavia following the death of Tito, and which probably will result in some degree of Soviet influence or control over part or all of that communist country, will increase the danger to both Greece and Italy. In Italy itself penetration of the powerful communist movement into the government and its armed forces can only weaken both its means of defense and its willingness to fulfill its NATO obligations.

Greece, having in a moment of pique withdrawn its armed forces from the military structure of the Alliance, has weakened its own security, which depends so heavily on the cooperation of its Turkish neighbor as well as on the military assistance of its other NATO allies. Greece finds itself in a dangerously exposed position, facing a well-armed Stalinist Bulgaria with irredentist claims on Thrace and accompanying visions of regaining its previous access to the Aegean Sea, ambitions which would fit well into Soviet Russia's plans. A situation exists in this area favorable to Soviet adventurism, one which offers the prospect of great gains at relatively low risk of direct confrontation with the major powers of the West. A quick Soviet-inspired thrust by Bulgarian forces across the narrow neck of Thrace would be most difficult for the weak Greek local forces to withstand; only the possibility of Turkish counteraction against Bulgarian territory and the prospect of U.S. Sixth Fleet involvement in support of the Greek forces serve as deterrents to such hostile action in which Soviet forces would not be directly involved. The current state of political hostility between Greece and Turkey might tempt the Soviet Union and its Bulgarian surrogate to conceive of circumstances in which Turkish response to an attack on Greece could be discounted. Under such circumstances the burden of deterrence of Bulgarian aggression would rest entirely on the Sixth Fleet.

In a NATO context, therefore, the Sixth Fleet is much more than the earnest of a frequently reaffirmed commitment by the United States to come to the defense of Southern Europe. It is that, of course, but it also constitutes a sizable and essential fraction of the modern air power that makes the territorial defense of the area credible and viable; it provides the critical nuclear submarine and naval air components without which successful defense of the sea lines of communication against the Soviet naval threat would not be feasible; and it serves as a deterrent to Soviet adventurism.

Reduction in the strength of the Fleet would materially reduce the military strength of NATO. Its withdrawal from the area could only result in further loosening of the cohesion of the Alliance in the south as individual nations, facing the new realities of the local power balance, would be forced to seek some accommodation to the policies and the desires of the Soviet Union. Turkey, sharing a frontier with Russia and feeling the latter's military pressure in the East, across the Black Sea, and in the Eastern Mediterranean, would be the most exposed and could expect the revival of Stalin's demands for the cession of the provinces of Kars and Ardahan and for sharing the control of the Turkish Straits. Worst of all, the credibility of the United States commitment to NATO would be eroded. It is this public commitment and not the words of the Atlantic Treaty which binds NATO together. The NATO countries in the Mediterranean are well aware that in spite of the wording of Article 5 of the Treaty that "an armed attack against one—shall be considered an attack against them all," each ally reserves to itself the decisions as to what action "it deems necessary" to take in the event of an attack remote from its frontiers. They also recognize that only the United States possesses the military, political, and economic strength to be able to render effective assistance.

THE SIXTH FLEET AND U.S. NATIONAL INTERESTS

The Sixth Fleet obviously has usefulness as an arm of United States policy independent of its great value to NATO. U.S. interests in the Mediterranean and the Middle East, although generally congruent with those of our NATO allies at times diverge from theirs and, even when interests coincide, differences exist in the national policies in support of them. It is primarily for this reason that naval as well as other military forces (except air defense forces which must be available instantly in order to be useful) are retained under national command in time of peace and are committed, not assigned, to the NATO commands. Furthermore, each nation retains freedom of action by reserving to itself the decision as to when assignment to NATO command will take place.

U.S. national interests in the Mediterranean-Middle East are both political and economic in nature, as well as military. In the economic area we have seen how extensive is the U.S. commercial involvement in almost every Mediterranean country. Protection of commerce in peacetime, however, is no longer, as it was in the earlier centuries, a sufficient reason for maintaining a naval presence in an area. Germany's commercial predominance has not called for a German naval presence in the Mediterranean; Great Britain has withdrawn its Fleet although its commercial interests have not decreased materially. It is the combination of political and military factors which primarily determine the requirement for a naval presence. The missions which the naval force is to accomplish, tempered by fiscal considerations, availability of resources, and the pull of other commitments, determine its size and composition.

Except for temporary increases, usually at a time of crisis or for special training exercises, the size and composition of the Sixth Fleet have remained essentially constant since 1951, when our active aircraft carrier inventory first permitted continuous deployment of two to the Mediterranean. At least one carrier group had been present in those waters since 1947, and some form of naval presence since shortly after World War II ended. A two-carrier force, supported by cruisers, destroyers, and frigates, a small amphibious unit, logistic support ships, and a variable number of submarines, has been the normal composition. It is a powerful force, yet marginal in strength for the missions it is expected to perform in the earliest stages of a war. A more suitable force would be one which included at least three aircraft carriers, giving it a capability to conduct continuous, round-the-clock air operations for extended periods. In addition to the aircraft carriers there should be about sixteen cruisers and destroyers armed with both anti-ship and antiaircraft missiles as well as ASW weapons, ten to twelve nuclear-powered submarines, an amphibious group with a landing force of regimental combat team size, sufficient logistic support ships for sustained support of operations with minimum dependence on short bases, two squadorns of long-range ASW aircraft, and a number of minor supporting vessels for patrol and mine warfare. It is clear, however, that our current and prospective resources and the world-wide commitments of our Navy do not permit us to maintain a Mediterranean deployment of that magnitude under routine circumstances and that the current size of the Fleet is probably close to what we can afford without overstraining our material and personnel.

Contrary to much lay opinion the size of an "adequate" Fleet is not determined primarily by the size of the Soviet Mediterranean Squadron, but by the missions that the Fleet will be required to perform. Neutralization of the Soviet squadron is naturally one of these missions, but it is incidental (albeit necessary) to the performance of the wartime offensive missions of control of sea areas, support of the land-air battle, and projection of power from the sea against the enemy's homeland. These, and the peacetime mission of supporting U.S. diplomacy, are what justify the Fleet's presence in the Mediterranean, whether or not there is also a Soviet presence there. For this reason numerical comparisons between the Sixth Fleet and the Soviet squadron have a high degree of irrelevance. The presence of the Soviets, however, does have strong influence on the composition of the Fleet, and, for example, calls for stronger submarine and

antisubmarine components than otherwise would be necessary.

The events in Europe and the Middle East since the end of World War II have been witness to the role played by the U.S. Navy and its deployed Fleet in furtherance of national policy. The earlier years were dominated by concern over Soviet designs affecting the security of Greece and Turkey, and the formation of a viable NATO defensive structure in the Mediterranean. Since the establishment of the state of Israel the Middle East has moved to the center of national attention, without diminution of the earlier concerns. The equivocal position of Yugoslavia, Albania, and some of the North African states has added to national preoccupation over the area. Developments in Yugoslavia in 1948, Jordan in 1957 and 1970, Lebanon in 1958 and 1975, and Cyprus in 1963, 1967, and 1974; the Suez crisis of 1956; the overthrow of the Libyan monarchy in 1971; and the repeated wars between Israel and the neighboring Arab states in 1948, 1956, 1967, and 1973 have all been occasions where the presence of a naval force has supported U.S. diplomatic activity, in almost every case independently of the policies or actions of our NATO allies. The extent to which that presence influenced the actions of political leaders in each instance is a matter of speculation, but there is little doubt that they were affected to some degree and in some instances, as in the case of Lebanon in 1958, it was decisive. One thing is certain: the stand taken by the United States to the effect that the Soviet Union will not be permitted unilaterally to determine the outcome of events in the Middle East has been given a high degree of credibility by the presence in the area of a strong naval force acting as the visible spearhead of U.S. military power and capable of intervention on short notice if required.

The loss of many U.S. bases overseas and political problems attendant on the use of those remaining have limited to some extent the usefulness of other than sea-based forces in crisis situations. This is particularly true in the Mediterranean, where the Sixth Fleet remains the only usable U.S. military power in situations calling for display of force, evacuation of imperiled U.S. nationals, or direct military assistance to a friendly state. Under the shadow of this tangible evidence of U.S. military power it is easier for a Tito to defy the Soviet Union with impunity, for Egypt to break its ties to its former communist sponsor, and for Israel to have confidence that it will not be abandoned in its struggle for survival, than if there were no such power.

In international affairs psychological factors play a part which should not be underestimated. Confidence or fear, uncertainty as to the reliability of allies, assessments of the relative strength of usable military power in the hands of friend and foe, all influence national morale and the actions of political leaders. A strong, friendly military presence serves to bolster courage and determination in a time of crisis affecting the national survival. This is a function which navies have performed from time immemorial and which in the current period is one of the most important contributions of the Sixth Fleet to the peace and security of the Mediterranean. This is a reason, outside of NATO, why it is necessary for the United States, the leader of the Western world, to continue to maintain a strong and well-balanced naval force in the Mediterranean, the pressures for reduction or removal notwithstanding.

What this signifies to our allies and other friends is well exemplified by a remark made to the author some years ago by the Greek foreign minister Mr. Pipinelis who, pointing to a U.S. aircraft carrier and several destroyers anchored in Phaleron Bay said: "Admiral, I sleep better at night because those ships are there."●

COMMONSENSE COMMENTS ON CAPITAL, JOBS, AND PROSPERITY

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. RUDD. Mr. Speaker, one of the Nation's keenest business minds is Fred Hervey—a man who has provided thousands of Americans with jobs, and millions of Americans with products and services, because he is a visionary who has understood and practiced the great principles of our American productive enterprise system.

Mr. Hervey realizes that private business and industry can only get started and grow—thus creating jobs, products, and services for the people that in turn create additional jobs and income for our citizens—if investors provide the necessary capital to allow this economic activity to take place and keep rolling.

However, big Government growth and overburdensome taxation over the years have greatly reduced and stifled this needed investment. Economic growth has slowed down, and stopped creating new jobs in many sectors of our economy. Taxation must be reduced in order to allow the people to retain more of their income, so that capital investment will again be encouraged to stimulate jobs creation.

Mr. Hervey writes a weekly column for a number of newspapers, in Arizona and elsewhere around the country, where he talks "common sense" about the wonders of the American productive enterprise system, of which he is an important factor.

One such column recently spoke about the importance of capital, jobs, and prosperity. We would do well to heed its timely and cogent analysis. I would like to include the column at this point in the RECORD:

[From Today/Sun, July 26, 1978]

CAPITAL, JOBS, AND PROSPERITY

(By Fred Hervey)

Most Americans understand it takes investment to produce jobs. Most Americans also know, in addition to the fighting ability and bravery of our Armed Forces, that the production machinery and our industry produced the materials that won World War II.

During World War II we built up a tremendous stockpile of gold and after the war, each year we had a 4 or 5 billion dollar trade surplus, which we used in the Marshall Plan to save the economy of the world.

Two principal benefactors of this aid were 2 adversaries in the war, Germany and Japan. We taught them, and they learned well the rules of building industry and a modern business environment. Their Governments and people learned to respect and help to build their business world.

Let us look at three tables:

TABLE I

[In percent]

Business Investment as a percent of GNP	Average Annual percent Increase in Productivity	Average Annual percent Increase in Real GNP	Maximum Capital gains tax
Japan ---- 32.0	8.4	8.3	0
Germany -- 24.8	5.5	4.0	0
U.S. ------ 17.5	2.7	3.5	49.1

TABLE II

U.S. Figures Annual percent of change

Average of Five Years Ending in:	Real Business Investment	Real Gross National Product	Unemployment Rate
1968 --------	8.0	4.8	4.2
1973 --------	3.9	3.3	5.0
1977 --------	1.7	2.7	6.7

TABLE III

	Maximum Capital Gains Tax Rate	Average of 5 Years Ending on Year Shown Inflation	Federal Deficit Average of 5 Years Ending on Year Shown (Billions)
1968 --------	25.0	2.6	$(4.7)
1973 --------	45.0	5.0	$(9.9)
1977 --------	49.1	7.7	$(38.2)
1979 --------	52.5*	?	?

* Per the administration tax reform proposal.

In a free enterprise capitalistic system, capital is a vital component for it to work. In my opinion to stimulate and get our economy and system back in shape, these moves would be most helpful:

1. Reduce the short-term capital gains tax to its former rate of 25 percent lower that rate to 0 for assets held over 10 years.
2. Stop government deficit spending.
3. Moratorium on government regulations that increase the cost of our goods for world trade.
4. Stop double taxation of dividends at the individual level of income.
5. Government promotion of the peoples' understanding that the well-being of our business community is the necessary ingredient for the individual's welfare under the free enterprise system.

If you believe these suggestions make sense, why not write your congressman.●

DR. MICHAEL K. EVANS OF CHASE ECONOMETRICS HAS PROVED THAT INCOME TAXES PAID BY THE WEALTHY ROSE DRAMATICALLY AFTER TAX RATES WERE LOWERED IN THE KENNEDY-JOHNSON YEARS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. KEMP. Mr. Speaker, one of the points of contention in the current debate over the Tax Rate Reduction Act, usually referred to as the Kemp-Roth bill, is whether lowering the income tax rates will generate more tax revenue by increasing the reward for work, savings, investment and risk-taking.

Opponents of Kemp-Roth argue that reducing income tax rates will reduce tax revenue, some arguing that it will reduce it in almost exactly the same proportion as the size of the rate reduction.

There are the arguments of Walter Heller in his Wall Street Journal guest editorial; the Congressional Budget Office study and rewrite of criticisms of Kemp-Roth released by our colleague from Connecticut (Mr. GIAIMO); the study by a specialist in taxation and fiscal policy, Donald W. Kiefer, at the Library of Congress, read into the rec-

ord by our colleague from Ohio (Mr. VANIK).

Proponents of Kemp-Roth, on the other hand argue that by restoring incentives to work, saving, investment and risk-taking, people will come out of tax shelters into taxable economic activity; that they will work, save, invest and risk human and dollar capital; that the total tax base from which tax revenues are drawn will be increased thereby; and that tax revenues will increase dramatically over the static estimates given by the opponents of the legislation, rising at some point close in time to offset the initial revenue loss and to expand tax revenues to a level greater than they had been theretofore.

These are the conclusions of some of the best econometric models in the country; of the economists who are rethinking the relationships between human and economic behavior and are therefore having the first really new thoughts in the profession in years; of Dr. Paul Craig Roberts in his convincing Wall Street Journal editorial refuting Walter Heller's; and of an article appearing in this morning's edition, authored by Dr. Michael K. Evans, president of Chase Econometric Associates, Inc., and a noted authority in the field of analyzing income taxes paid, levels of tax revenue, arising from changes in the tax code.

Dr. Evans has made a major contribution to the debate in this House on what we ought to do when the Kemp-Roth bill's individual income tax rate reductions are offered as an amendment to H.R. 13511, the revenue bill reported by the Committee on Ways and Means.

Dr. Evans, after analyzing the tax revenue consequences of the individual income tax rate reductions proposed by President Kennedy in 1963 and enacted after his death, has concluded:

After virtually no growth in taxes collected from personal incomes over $100,000 for three years, actual income taxes paid rose dramatically beginning in 1964, when personal income was taxed at significantly lower rates.

One of Dr. Evans' points here is that by lowering income tax rates, these people were in fact drawn into more economic activity, were drawn out of tax shelters, and the Treasury did receive more revenue than it otherwise would have received. The point is crucial, because Dr. Heller, Dr. Kiefer, Mr. GIAIMO, Mr. VANIK, and others have said that tax revenues following the Kennedy cuts were not higher than they would have otherwise been.

Dr. Evans' article should be read by every Member. It follows:

TAXES, INFLATION AND THE RICH

(By Michael K. Evans)

Increasing numbers and economists have recently suggested that massive tax cuts would cure the ailments of the U.S. economy by increasing productivity, raising incentives and hence expanding aggregate supply. The idea of supply-side incentives has been embodied in proposals like the Steiger amendment to cut capital gains taxes and the Kemp-Roth bill for an across-the-board tax cut.

These bills, and the new supply-side thinking, raise issues that sound startling in the context of contemporary economic thought: Is it possible to cut taxes without spurring inflation? And is it possible to cut taxes, or at least certain taxes, without even reducing total revenues received by the federal Treasury?

The historical record clearly indicates that the rate of inflation is inversely proportional to the gap between actual and maximum potential GNP. So measures that raise potential GNP would reduce inflation at the same time they increase economic growth. Measures that succeeded in expanding the gap by raising potential would clearly offer greater benefits to society than the traditional remedies of fiscal and monetary restraint, which expand the gap by reducing aggregate demand.

HOW A TAX CUT REDUCES INFLATION

In order for a tax cut to reduce inflation, it must increase maximum potential GNP faster than actual GNP. This is accomplished only by raising the investment ratio or by increasing incentives to work because a larger proportion of income will remain after taxes. Not all tax cuts accomplish this. A tax reduction of $50 per person, for example, would have no measurable effect on productivity or incentives, so it would not raise potential GNP. However, it would increase actual GNP, hence reducing the gap and raising the rate of inflation.

Thus the other extreme, a reduction in corporate income taxes or capital gains taxes would initially affect investment, thereby leading to the desired effect on productivity and total supply. While actual GNP would obviously rise because of higher capital spending, the gap would increase, thereby reducing the rate of inflation. A number of studies by Chase Econometrics and others have already shown the salutory impacts of business tax cuts.

The question of personal income tax cuts, which has become particularly relevant in view of the increased interest in the Kemp-Roth bill, is a much more difficult one to answer. While it may be theoretically appealing to argue that a reduction in personal income taxes encourages an individual to work harder and thus increase both his pre-tax and aftertax income, little evidence has been assembled either to support or disprove this hypothesis.

One of the major problems is measuring the amount and intensity of work offered by an individual taxpayer. However, a reasonable proxy variable is the amount of income taxes paid by this individual. Thus we can examine what happened to federal personal income taxes by income classification in the years following major tax cuts. These occurred in the mid-1920's, under Treasury Secretary Andrew W. Mellon, and in 1964–1965. It is interesting to examine both of these periods in some detail.

Before the U.S. entered World War I, the maximum tax rate on personal income was 15%, but this rate rose dramatically to a peak of 73% in 1918 and succeeding years. It was then cut to 55% in 1922 and 25% in 1926. It is instructive to learn what happened to taxes paid by millionaires—that group which has been singled out by President Carter and Treasury Secretary Blumenthal as unworthy of further tax relief. To adjust for the differentials caused by inflation, we consider those taxpayers with incomes over $300,000 in 1922 and in 1927, although even this adjustment is an understatement of the true effects of rising prices. In 1922, this group paid taxes of $77 million, while in 1927, the year after the second reduction in rates, its members paid a total of $230 million. Not only did the economy benefit significantly, but the millionaires themselves paid three times as much in taxes with lower rates.

It could be argued that the Mellon tax cut results, while instructive, are not relevant today since the institutional structure and income distribution of the U.S. economy are far different now than they were in the 1920s. However, we need not be restricted to a reading of "ancient history" in our determination of how a reduction in top bracket rates might affect overall revenues. Fortunately we can rely on the figures before and after the Kennedy-Johnson tax cuts of 1964.

As most readers will recall, the top rate was reduced from 91% in 1963 to 77% in 1964 and 70% in 1965 and later years. The figures for actual income tax paid for the period 1961–1966 for taxpayers with incomes of $100,000 or more are taken from "Statistics of Income" and are reproduced in the accompanying table.

After virtually no growth in taxes collected from personal incomes over $100,000 for three years, actual income taxes paid rose dramatically beginning in 1964, when personal income was taxed at significantly lower rates

	1961	1962	1963	1964	1965	1966
Maximum tax rate	91%	91%	91%	77%	70%	70%
	[In millions]					
Taxes[1] collected from income classes of						
Over 1,000,000	$342	$311	$326	$427	$603	$590
500,000–1,000,000	297	243	243	306	408	457
100,000–500,000	1970	1740	1890	2220	2752	3176

[1] Adjusted gross income.

The results are so clear-cut that it is surprising that these figures have not previously been introduced as evidence in favor of Kemp-Roth. After virtually no growth in income taxes for incomes over $100,000 for three years, actual taxes paid rose dramatically beginning in 1964 even though income was taxed at significantly lower rates. In the case of individuals earning over $1 million per year, taxes collected actually doubled in the two-year span during which the tax rates were being lowered. For income classes under $100,000, taxes either fell or rose less than the average growth in total personal income.

These results, which represent a remarkable rebuttal of those who argue that upper-income tax cuts are a "raid on the Treasury," indicate that a further reduction from 70% to 50% would not only spur economic growth and increase aggregate supply, but would actually assure the Treasury of greater tax revenues. The argument for upper-income tax cuts is almost as watertight as the argument for lower capital gains taxes.

The more extreme proponents of Kemp-

Roth have sometimes seemed to suggest that this phenomenon occurs at all income levels. It does not, as can be seen by a perusal of the complete "Statistics of Income" figures, and by the fact that aggregate personal income tax collections did decline from $51.5 billion in 1963 to $48.6 billion in 1964. This should come as no great surprise: The effects on individual incentives and supply of labor are undoubtedly much greater where taxes are highest—at the upper income levels rather than for the typical wage earner.

FLEXIBILITY FOR UPPER INCOME GROUP

Furthermore, just as has been shown in recent work on capital gains taxes, upper-income individuals have far greater flexibility in arranging the income for their assets in the form of tax-free or tax-sheltered income when tax rates are at punitively high levels. The risks of unreported income becomes relatively much smaller when tax rates are near 100%, and the lure of diverting earnings to foreign countries becomes much greater.

Thus if the Treasury wants to collect more revenues, it will lower the highest marginal tax brackets. Only if it wants less revenue and poorer economic growth so badly that it is willing to penalize all those "millionaires" will it push for higher upper-income tax rates.●

THE ROTH-KEMP TAX BILL

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. PATTISON of New York. Mr. Speaker, when the Revenue Act of 1978 comes to the House floor on Thursday, August 10, the Roth-Kemp bill, H.R. 8333, will be offered as a substitute. If the Rules Committee allows the Roth-Kemp bill to be offered—and I would urge that it do so in order for the issue to be fully debated—I would urge my colleagues to oppose it.

This year will probably go down in history as the year of the tax revolt. In many respects, this is a good thing. None of us in Congress can say that our taxing and spending policies do not need greater scrutiny. But this does not mean that we can enact tax cuts and tax reforms without carefully analyzing their probable effects. Regardless of the political pressures which each of us feel, we betray our public trust when our votes reflect election year posturing rather than a genuine concern for social fairness and our country's prosperity.

The Roth-Kemp bill will, over the next 3 years, cut individual income taxes by $98 billion and corporate taxes by $15.5 billion. Tax cuts of this magnitude are appealing, especially in an election year. I only wish the proponents of Roth-Kemp could prove to me that their proposal will not ruin the American economy. I could then vote for H.R. 8333, and life would be much easier.

Those who advocate Roth-Kemp have introduced us to the "Laffer Curve." This is economist Arthur B. Laffer's theoretical diagram which demonstrates that increased tax rates cause an increase in Government revenues up to a certain point, but after that point, taxes begin to take such large portions of individual income that people lose the incentive to work, save, and invest. As people work and produce less, there is less wealth to tax, and even with higher tax rates, less revenue is collected.

On the other hand, Roth-Kemp advocates claim, decreasing the tax rate gives people incentive to work harder and invest more, thereby increasing production. Thus, even at lower tax rates, more revenue is collected. The tax cuts enacted during the Kennedy administration, and the subsequent rise in tax revenue and national wealth, are given as examples of the theory's validity.

The Laffer Curve is often spoken of as a new breakthrough in economic thinking. However, it merely restates what every businessman knows: Up to a point, you can increase total revenue by raising your prices. After that point, sales drop off to such an extent that total revenues decrease.

People who run companies make it their business to know what price will yield the maximum revenue for each product line, and do not raise prices beyond that point. They have the advantage of the market quickly determine the point at which a price rise results in negative effects. Sadly, in Government, we do not have the advantage of the same feedback mechanism. It is one of the oldest problems of Government.

In my view, the theory behind Roth-Kemp has several flaws. First of all, though the Kennedy tax cut did appear to successfully stimulate the economy, there are serious questions as to what really caused the economic expansion of that period. In fact, Walter Heller, one of the principal architects of the Kennedy tax cuts, wrote in an article published in the Wall Street Journal on July 12:

> To attribute to the 1962–64 tax cuts all the expansion and revenue increases experienced in 1963–68 boggles the mind. Among other things, it totally ignores (1) the huge (over-) stimulus of Vietnam expenditures and (2) four payroll tax rates and base increases in those years as well as $6 billion of revenue from the 1966 Tax Act.

Thus, we are deluding ourselves and the American people if we claim that we can magically reenact the economic expansion of the 1960's, when inflation was very low, and the economy had a large amount of unused capacity with which to absorb the new demand without inflationary effects.

In order for tax revenues to increase, as supporters of Roth-Kemp project, the Gross National Product would have to rise by $550 billion, or 20 percent. We can cut taxes overnight. Roth-Kemp phases in tax reductions over a 3-year period. Unfortunately, increasing productive capacity is neither so easily nor so quickly accomplished. And if H.R. 8333 becomes law, and we do not increase our productive capacity by one-fifth over the next 3 years, we will experience a rapid increase in the inflation rate. This will be caused by an increase in spendable income which is not matched by an increase in the production of goods and services.

Furthermore, it is assumed by Roth-Kemp supporters that taxpayer will use their tax cut to increase their production. It seem just as likely to responsible economists that many taxpayers will use the extra income created by a tax cut to increase their leisure time, rather than to increase their working time. This has been the case in recent years.

I am also concerned that the massive tax cuts provided for in H.R. 8333 will reverse the progress we have been making in recent years to cut back on the Federal deficit. The 1976 deficit was $66.4 billion. In 1978, we kept the deficit down to an estimate $52.1 billion, and for 1979, the deficit is projected to be approximately $43 billion. This is in spite of the fact that inflation has been at between 6 and 8 percent during that time, which would have predicted an increase, not a decrease, in the deficit. These gains will be more than wiped out by Roth-Kemp unless we are willing to make equally massive cuts in Federal spending, and the resulting deficit will exacerbate an already intolerable inflation rate. In 1979, we could expect a deficit of $70 billion with Roth-Kemp, rising to $100 billion in 1980 and higher in 1981.

Unfortunately, such massive spending cuts will be almost impossible to achieve, because huge portions of the Federal budget are "offi limits" as far as many Members of Congress are concerned. There are simply too many Members of this body who blindly vote for every new weapon the Petagon or the Armed Services Committee requests; for every new public works project, no matter how wasteful, that will bring Federal money into a colleague's home district; and for every increase in a program advocated by some well-organized, well-financed pressure group. We simply cannot enact the Roth-Kemp bill until we are able to cut every aspect of the Federal budget with the same enthusiasm that we have for cutting social welfare programs.

But the supporters of Roth-Kemp avoid the problem of making the politically difficult choice of saying where the cuts will occur. Indeed, they say that no cuts will be necessary because so much new revenue will be generated. How convenient—all pleasure and no pain—a politician's heaven.

My final objection to the Roth-Kemp bill is that it is aimed to provide the most benefit to upper-income taxpayers. The Treasury Department estimates that 86 percent of the tax reductions would go to those earning more than $30,000; 53 percent of the benefits would go to those earning over $100,000.

If we have the opportunity to vote on Roth-Kemp, I hope my colleagues will have the wisdom to vote no.●

POUGHKEEPSIE RAIL BRIDGE AMENDMENT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. GILMAN. Mr. Speaker, I would like my colleagues to be aware that I have introduced an amendment to the Regional Rail Reorganization Act on be-

half of myself and the gentlemen from New York (Mr. FISH, Mr. LUNDINE, Mr. MCHUGH, Mr. OTTINGER, and Mr. PATTISON), the gentlemen from Connecticut (Mr. COTTER, Mr. DODD, Mr. GIAIMO, Mr. MCKINNEY, Mr. MOFFETT, and Mr. SARASIN), the gentlewoman from New Jersey (Mrs. MEYNER), and the gentleman from Pennsylvania (Mr. MCDADE).

The proposal amends the Regional Rail Reorganization Act amendments, H.R. 12161, as follows:

SEC. 4. (a) The Consolidated Rail Corporation shall (1) carry out such reconstruction of the railroad bridge over the Hudson River at Poughkeepsie, New York, as is necessary for the purposes of this section and make appropriate repairs and improvements in rail yards and tracks which service the rail system using such bridge, (2) restore freight service on such system at least to the extent provided prior to the fire damage to such bridge in 1974, and (3) take appropriate steps to promote the use of such system.

(b) There is authorized to be appropriated to the Secretary of Transportation not to exceed $9,000,000 for making payments to the Corporation to cover costs incurred pursuant to subsection (a)(1).

Mr. Speaker, this amendment is identical to the one introduced by the distinguished senior Senator of Connecticut (Mr. RIBICOFF) last week, and which was passed by the Senate prior to passage of the legislation. The amendment in the Senate was supported by the distinguished Senators from New York (Mr. JAVITS and Mr. MOYNIHAN) and the distinguished junior Senator from Connecticut (Mr. WEICKER).

I can understand the hesitancy of some of my colleagues about interfering in the management of ConRail. However, we realistically have to face the fact that ConRail—which is approaching Congress hat in hand to subsidize their ever-mounting deficits—has not only been dead wrong in this instance, but is even refusing to listen to the facts.

The salient facts regarding this bridge can briefly be summarized as follows:

(a) The roadbed of the Poughkeepsie rail bridge was rendered impassable by fire in May 1974. This should not be considered justification for shutting down the route, as ConRail is attempting to do;

(b) The State of New York, the State of Connecticut, and the insurance settlement for the fire could have paid most, if not all, the expense of repair several years ago, but ConRail turned up its nose at these offers of assistance;

(c) The bridge is the shortest route between Southern New England, Southeastern New York, Long Island, and Metropolitan New York, and the rest of the nation;

(d) The bridge avoids an unbelievable 150-mile detour to and through the overburdened Selkirk rail yards just outside of Albany;

(e) The Selkirk yards are now so overburdened that unconscionable delays and losses are experienced by rail shippers;

(f) The Poughkeepsie Bridge is the major gateway for coal from the coal-producing states of Pennsylvania, Kentucky, West Virginia, and Virginia. The energy crises facing the great industrial Northeast have brought home to all of us the importance of coal to our energy-producing utilities;

(g) The restoration of this bridge was recommended by the U.S. Railway Association's final system plan, and ConRail's disregard of this recommendation makes a mockery of our rail system;

(h) The Poughkeepsie Bridge, being the only rail crossing over the Hudson River south of Albany, is of importance to our National Security.

(i) The Selkirk Rail yard is frequently closed due to bad weather;

(j) Former and potential rail traffic in Southern New England and Southern New York has been lost to truckers, and industry itself has left the area in search of viable transportation routes; and,

(k) The failure of ConRail to maintain the rail bridge for the past four years has resulted in a safety hazard to residents and businesses located under the deteriorating bridge, to shipping traffic passing up the river under the bridge, and to young people playing on the bridge and using it as a "short cut", which has already resulted in one death.

Mr. Speaker, I urge my colleagues to join with us in supporting this amendment which directly affects the most populous portions of our Nation, and indirectly affects the entire Nation.●

COVERAGE OF PETKUS TRIAL WAS TOO SELECTIVE

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. EILBERG. Mr. Speaker, for the past several weeks our attention has been drawn to the outrageous Soviet trials and sentencing of human rights activists Anatoly Shcharansky, Alexander Ginsberg, and Yuri Orlov.

However, I fear that the trial of another courageous activist, Viktoras Petkus, has been somewhat overlooked amidst the well-deserved concern that the administration and the media have devoted to these other cases.

Viktoras Petkus was tried last month in Vilnius, which was Lithuania's capital until that country was overrun by the Soviets in the early days of World War II. He was sentenced to a total of 15 years in prison and exile for his brave action in being one of the members of the group monitoring the U.S.S.R.'s compliance with the Helsinki accords.

Mr. Speaker, I hope that the administration, Congress and the media will continue to focus attention on Shcharansky, Ginsburg, and Orlov, and that we will also remember that Viktoras Petkus now languishes in a Soviet prison camp for his attempt to exercise the very human rights and freedoms guaranteed to him by international accords which the Soviet Union has signed.

I offer for the RECORD the following eloquent expression of concern for Petkus, as published on the editorial page of the Philadelphia Catholic Standard and Times of July 27, 1978:

COVERAGE OF SENTENCING OF DISSIDENTS WAS TOO SELECTIVE

Lithuanian-American spokesmen are increasingly bitter about what they say is the meager press coverage given the trial by Soviet authorities of Lithuanian Catholic activist Viktoras Petkus.

The trial in Vilnius, Lithuania's capital until the country was taken over by the Soviet Union in 1940, began July 10, the same day on which similar trials began in Moscow for Anatoly Shcharansky and in Kaluga for Alexander Ginzburg.

While the Ginzburg and Shcharansky trials have drawn worldwide notice and protests from Western governments, the 49-year-old Petkus' situation has been virtually ignored, said Father Casimir Pugevicius of Brooklyn, N.Y., executive director of Lithuanian-American Catholic Services.

A Lithuanian-American source in Philadelphia echoed Father Pugevicius' complaints as she supplied details of Petkus' sentencing.

Petkus was sentenced July 13 to three years in a prison camp, seven years in a labor camp and five years internal exile, probably in Siberia or some remote republic within the Soviet Union, such as Kazakhstan, the source said.

Ginzburg was sentenced to eight years in prison the same day and Shcharansky drew a 13 year sentence for espionage July 14. Ginzburg's entire sentence is at hard labor, while Shcharansky will spend three years in prison and 10 years at a hard labor camp.

Upon hearing of the sentencing, President Jimmy Carter, citing the Ginzburg and Shcharansky cases along with that of another Soviet dissident, Yuri Orlov, said, "We deplore this action by the Soviet government," but said there was little that could be done except to bring public opinion to bear on the Soviets.

According to the Lithuanian Information Service in New York, Petkus, who has already served 12 years in Soviet prison camps, was reportedly dragged into court by four soldiers to face his trial on charges of anti-Soviet agitation.

Petkus has been one of the five members of the Helsinki Group, established in 1976 to monitor Soviet compliance with the human rights provisions of the Helsinki Accords of 1975.

In 1947 Petkus was sentenced to 10 years in a labor camp for his participation in Lithuanian Catholic youth activities, but was released after six years. In 1957 he was again arrested and again served six years, according to The Dawn, a Lithuanian underground journal.

The complaint by these Lithuanian spokesmen seems quite justified. The plight of Lithuanians has been largely ignored in the West—and many Lithuanians who bravely cling to their faith and to their national loyalty correctly believe that suffering ignored runs the risk of becoming suffering in vain.

There is a profound irony in the fact that the dissidents in the Soviet Union were sentenced during Captive Nations Week. During that week, Lithuania and the other oppressed nations of Eastern Europe recall their own subjection to Communist domination and Russian imperialism. During that week, these captive nations hope that the world remembers.

We also hope that the world remembers not only those dissidents accused of giving information to Western reporters but also those heroic patriots like Viktoras Petkus whose only crime has been loyalty to faith and freedom.●

NATIONAL COMMISSION ON SOCIAL SECURITY MUST BEGIN ITS WORK

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. LEVITAS. Mr. Speaker, as the author of a provision in the social security legislation passed last December which required the establishment of a National

Commission on Social Security to study the entire social security system, I have been concerned at the lack of urgency on the part of the administration in naming its appointees to the Commission. The problems with the social security system have not been solved by the legislation we passed last year, they have just been swept aside for the time being.

A major problem with the system is its tremendous unfunded future obligations, a problem pointed out in a letter to the editor in the Wall Street Journal, Monday, August 7, 1978. Richard H. Solomon, a Fellow of the Society of Actuaries, is in a position to know. His concern about the prospective social security deficit and his knowledgeable assessment of the problems are precisely the sort of information the National Commission on Social Security should be studying—if there were such a commission.

It has now been nearly 8 months since this legislation was signed by the President. We still do not have a National Commission on Social Security in operation.

Perhaps a reading of the following letter by Mr. Solomon would be beneficial not only to my colleagues, but also to the White House.

The letter follows:

FINANCING SOCIAL SECURITY

(By Richard H. Solomon)

This letter is written in response to your editorial entitled "It Ain't Actuarially So" (June 10).

Your comments with respect to the inadequacy of Social Security financing are accurate. Even with the substantial increases in Social Security taxes that were enacted last year, the system currently faces a deficit in excess of $2 trillion. Unfortunately, Congress appears not to recognize the seriousness of the current actuarial position of the Social Security System, and of course the President has yet to appoint the members of the National Commission on Social Security to propose a remedy to this situation.

It continues to amaze me, as a Consulting Actuary, that the country has not called for an accounting of the actuarial position of the Social Security program. In 1972, when the double indexing arrangement was introduced, we were assured that the benefits could be adequately financed in the future based upon the funding structure then in existence. It turned out, however, that three years later the Social Security Administration admitted that a $4.2 trillion deficit had been incurred. One would think that if this type of financial chicanery took place in private industry one or two heads might roll; however, it appears that those responsible for this problem continue to guide the Social Security Administration as we head into future bankruptcy.

Mr. Califano's optimistic comments remind me of similar comments made by other HEW Secretaries over the years. At those times, as well as currently, I had the feeling that we were riding a sinking ship with a happy pilot.●

SALT II PROPOSAL

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

SALT II: ITS FUTURE AND OURS

An issue which the United States Senate and each American must squarely face in the months ahead is the SALT II proposal.

By all expert estimates, we are losing nuclear parity with the Soviet Union. Moreover, the Soviet Union is surpassing us in overall military power. They have put more resources into their strategic nuclear arsenal than we have, and these investments continue to grow. While the United States has not been idle, we have not approached the massive production and deployment effort they have achieved. Negotiations for a second Strategic Arms Limitations Treaty have been very difficult as a result.

We cannot expect something for nothing. They will not stop building strategic weapons simply because our own strategic programs are inadequate. We are not negotiating from a position of strength and simultaneously we cancel the B–1 bomber, delay production of the MX missile and slow down the Trident.

At the Spring National Executive Committee meetings in May, the Foreign Relations, Legislative and National Security Commissions listened to Paul H. Nitze, former Deputy Secretary of Defense and former SALT I negotiator. His analysis of the trends and where the United States would be by 1985 was gloomy to say the least. Based on recommendations of these commissions, the NEC adopted Resolution No. 39 which states:

"The American Legion, aware of the imminent danger to the national security of the United States, urges the Administration to develop and maintain the Triad of nuclear strength sufficient to deter the Soviets from any nuclear strikes against our country and to combat successfully any nuclear warfare, if ever waged against us; and, further

"We emphatically urge the U.S. Senate to refuse to approve any SALT Treaty which would permit any inferiority in the nuclear power of the United States."

Public Law 92–448 outlines our SALT negotiating objectives:

A stable international strategic balance which does not threaten the survivability of U.S. strategic deterrent forces.

A future treaty that would not limit the United States to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union.

Maintenance of a vigorous research development and modernization program.

The current SALT negotiating team will not say that the proposed treaty will meet any of these objectives. All they will say is that we will still have a few more nuclear warheads than the Soviets while failing to mention that most of the Soviet warheads have explosive power some 20 times that of ours. The damage the Soviets could do to us in a nuclear exchange would be many times the damage we could do to them. The survivability of our strategic Triad—B–52 bombers, Minuteman and Titan missiles and missile carrying Polaris and Poseidon submarines—will not be enhanced by the proposed treaty. Nor will equality between U.S. and Soviet nuclear capabilities be achieved. Some facts:

(1) The Soviet Union has just under 4,000 strategic or nuclear offensive missiles and bombers. The United States has 2,125. Soviet nuclear warheads exceed the U.S. explosive power by 6 to 1.

(2) In strategic defensive forces, surface-to-air missiles and jet fighters, the Soviets have 14,664—the United States has 324 jet fighters. The Soviets have 2,600 interception jets—the United States 324; the Soviets have 12,000 SAM (surface-to-air-missiles)—the United States none; the Soviets 64 ABMs (anti-ballistic missiles)—the United States none.

(3) The Soviets refuse to count or include their Backfire bombers with comparable capabilities to the unbuilt B–1. The Backfires can refuel, hit the United States, land in Cuba, refuel and fly home. The Soviets are reportedly building two or four Backfires each month. Under SALT II, they may build as many as they please. Meanwhile, the United States has refused to build the B–1 as a counter to the Backfire.

(4) SALT II does not permit the United States to build "heavy throw weight" missiles such as the SS–18s. The United States has none. The Soviets have over 300 "heavy throwers" deployed.

SALT is indeed a difficult subject with its own lexicon and language—ALCMs, MIRVs, MaRVs, FOBs and so forth. Even with these complexities, one cannot view SALT without looking at its impact on U.S. strategic nuclear defense posture and the concomitant effect on U.S. foreign policy. The bottom line questions to me are: Is the United States strategically inferior? If so, do we—the American people—have the will to change that inferiority? If we are weaker and the answer to the second question is no, the United States is destined to be second rate—economically, politically, influence-wise—among the world of nations.

Frederick the Great once said: "Diplomacy without arms is music without instruments." We would do well as a nation to seriously heed this advice.●

HARLEM MINISTER RECEIVES FAMILY OF MAN AWARD

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. RANGEL. Mr. Speaker, I would like to bring to the attention of my colleagues a very distinguished resident of my district and of New York City, Rev. Mannie L. Wilson. In recognition of Reverend Wilson's service and contributions to the city of New York, the New York Council of Churches has awarded Reverend Wilson its 1978 Society for the Family of Man Award. Reverend Wilson will receive that award in November along with Menachem Begin, Anwar Sadat, and Thomas A. Murphy.

I feel very proud to be able to say that Reverend Wilson is the pastor of the Convent Avenue Baptist Church in Harlem and has done so much to help the residents of my community. The text of an article that appeared in the New York Daily News last Wednesday highlighting Reverend Wilson's accomplishments follows:

MANNIE, MEET MENACHEM AND ANWAR

(By George James)

Menachem Begin. Anwar Sadat. Mannie L. Wilson.

Most recognize the first two as the leaders of Israel and Egypt. The thing that Mannie L. Wilson shares with them (and General Motors chairman Thomas A. Murphy) is that he and they are the 1978 winners of the Society for the Family of Man awards, which have just been announced.

"Rev. Wilson is really one of the outstanding clergymen of New York City," said Dan M. Potter, executive director of the society and of the New York City's Council of Churches, which will present the gold medallions on Nov. 2.

"He's very humble, very self-effacing," said Potter. "I have no respect for anyone in this city as I do for him."

PASTOR SINCE 1961

For more than 30 years, Rev. Wilson, 72, had been involved in the life of the Con-

vent Ave. Baptist Church in Harlem, since 1961 as a pastor. As a member or director of about 30 community, city, national and international civic and religious organizations in that period, he has worked behind the scenes to better life in New York City.

Rev. Wilson, the first black Protestant minister to preach in St. Patrick's Cathedral and hold a prayer service in the Nixon White House, is being honored as Clergyman of the Year. The award was won last year by Notre Dame's president, Rev. Theodore Hesburgh.

A member of Mayor Koch's new task force to ease tension in New York, Rev. Wilson long has been known for injecting his resonant voice to soothe troubled urban situations.

Although he has resisted testimonials, he said in his study in the big, white, granite church yesterday that he and his wife, Bettie, are pleased with the honor.

"I suppose I'm at the stage when these kinds of things come because you have most of your life behind you," said Rev. Wilson, who was ordained in 1931. "So I'm appreciative and I hope I've done something that has helped somebody."

But he also spoke of the thanks he has received in a child's smile. "You know, all of us work all our lives and so often nobody says thank you," he said. "But you know that you've done your best, and having that satisfaction is your reward."●

LET'S NOT TORPEDO OUR NAVY

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

LET'S NOT TORPEDO OUR NAVY

(By J. William Middendorf II)

Since retiring as Secretary of the Navy last year, I have been haunted by the feeling that my obligation to the American people won't be fully discharged until I deliver a final word, my own view of our ability to continue to safeguard our freedom. As a private citizen, I have no ax to grind, save the ax all Americans ought to be grinding—that we maintain the military posture it takes to deter war, to ensure our vital interests, to protect freedom and to prevail if war comes.

That is the posture we began keeping in the early 1950s and which for several years now has been in serious decline. Indeed, so severe is the decline that I fear we are fast approaching a time of testing such as the United States has never had to endure. Unless we move fast on a Naval rebuilding program, I'm convinced that the next ten years will see the end of U.S. ability to deter and prevail, with all the grave consequences that implies for free people everywhere.

We've had warnings:

During the 1973 Middle East War, the Soviet navy was quickly able to double its Mediterranean fleet to 96 ships on station. And this wasn't even an all-out effort by the Soviets. Against it, we went all out to reinforce our Sixth Fleet to a peak strength of 66 units. The Soviets were armed with deadly anti-ship cruise missiles, a weapon not then in our own inventory. Knowledgeable professionals differ as to who would have prevailed in a Soviet-American shoot-out. Fortunately, we didn't have to find out, but Moscow's boldness during that crisis brought us to the brink of World War III.

Huge Soviet navy war games were held in 1970 and 1975. Called Okean (Ocean) 70 and Okean 75, they are full of ominous meaning for the future. In Okean 75, hundreds of Soviet air, surface and undersea combatants were deployed over the world's seas with intelligence collectors, oilers, repair ships and merchant convoys and put through intensive, coordinated maneuvers. It was the greatest show of naval strength in history.

Five major shipyards in the U.S.S.R. produce submarines—with six more building large surface ships. All these huge yards have been expanded and modernized in the last five years, to produce a steady stream of new ships.

STRATEGIC THREAT

In short, there has been an alarming shift in the balance of naval power and the abilities of the Soviet and American navies to perform their different missions. Though many of our ships are superior in quality and our sailors are more experienced, the Soviet navy is more than triple the size of our fleet and its overall effectiveness is increasing. (See pictograph, page 53.)

Our way of life depends on the unimpeded flow to us of essential raw materials and energy—we now import *all* our rubber, chromite, cobalt and manganese ore and *half* our oil. Ninety-nine percent of our overseas trade is carried by ship. Our survival depends upon a Navy competent to keep open the sea lanes, pose a believable deterrent and enable us to support our allies in the event of war.

By contrast, the U.S.S.R. is relatively self-sufficient in raw materials and energy. The Soviet Union can support itself and provide most of its allies with economic and military aid without crossing a major body of water. A truly peaceful Soviet government would be content with adequate coastal-defense forces—the kind of naval force the Kremlin kept until 15 years ago. Since then, it has sought to create a navy of such speed and devastating fire power (at the expense of cruising range) that it can overwhelm any U.S. Naval force. It has created a "first strike" navy.

This explains the enormous Soviet naval buildup of the past decade and a half. The Kremlin became aware in the late 1950s that without a blue-water navy it could not influence world events. The Soviets were embarrassed at their impotence in 1956 when a British and French naval expedition invaded Suez; and in 1958, when the U.S. Navy moved strong forces into the eastern Mediterranean to discourage communist interference in Lebanon's disorders. The last straw was the 1962 Cuban missile crisis, when a U.S. Naval blockade and the threat of overwhelming American nuclear retaliation forced the U.S.S.R. to remove nuclear missiles it had been installing in Cuba.

But now the U.S.S.R. boasts the world's largest strategic (long-range, nuclear-ballistic-missile-carrying) submarine fleet. The Soviets have launched 60 such boats in the past ten years. Their Delta Class submarine—27 operational and more abuilding—is the world's largest. Each is poised to fire 4200-mile-range missiles.

That distance exceeds by some 1700 miles the range of our most advanced submarine-based missile, the Poseidon. It also approximates the range of our new Trident I missile, which won't reach the water until close to 1980. The Delta Class missile now makes it possible for the Soviet strategic submarine force to attack virtually every city in the United States from the U.S.S.R.'s home waters.

The Soviet force also includes 33 Yankee Class boats, each fitted with 16, 1300-mile missiles, and 30-odd older nuclear- and diesel-powered boats, each carrying a number of 350- and 650-mile nuclear missiles. Against this, the United States has a ballistic-missile-firing submarine fleet of 41 relatively old Polaris and Poseidon boats.

SHRINKING MARGIN

The Soviet navy's commander in chief, Adm. Sergei Gorshkov, has vowed publicly to achieve a navy that is second to none. Is he achieving this goal?

Recently retired Chief of Naval Operations Adm. James L. Holloway III has delivered a sobering assessment to Congress: we retain "a slim margin of superiority." The Chief of Naval Operations four or five years from now may not be so optimistic, since that "slim margin" is represented by our 13 aircraft carriers. In 1976, the Soviets deployed their first, the 45,000-ton *Kiev*. A second *Kiev*-class carrier is nearing completion and a third is under construction. We probably can expect to see more and perhaps larger carriers joining Soviet fleets through the 1980s.

Although Gorshkov's carriers do not yet give him the long-range striking power ours provide, he has 1250 land-based naval aircraft, of which 30 are the new supersonic Backfires. These have at least 5000-mile range, and pose a terrible threat to our Mediterranean and Pacific fleets. They could also menace any Naval force that we might bring into the Indian Ocean to shore up a Red-threatened oil-rich state.

The Russians also have tried to offset our superiority in aircraft carriers by arming scores of surface ships and submarines with deadly anti-surface-ship cruise missiles. There is frightening evidence that they are developing a new guidance technology, which will enable a missile-firing ship or submarine to stand off at a distance, find a target ship with over-the-horizon radar, and fire a weapon that will streak at 2000 m.p.h. 50 to 60 feet above the sea, underneath our search radar.

Our scientists have been developing a weapons system to counter this threat. It's called Aegis, and we know it will find incoming Soviet missiles 30 to 40 miles out and blow them up. But at the earliest, it will be 1981 before the system can be deployed on the first ship.

SOVIET SQUEEZE

In addition to a strategic submarine force twice the size of ours, the Russians now have by far the world's largest attack submarine fleet, well over 200 boats, for anti-shipping and anti-submarine purposes. Imagine what the Soviet attack force could do in the event of war! Nazi Germany, which began World War II with 57 submarines, primitive by today's standards, very nearly succeeded in severing our Atlantic supply lines, sinking some 14 million tons of Allied shipping. Clearly, the lesson has not been lost on the Soviets.

Against the U.S.S.R.'s huge surface and undersea forces we can deploy a total of 82 attack submarines.

The Russians also have more of all kinds of surface combatants than we have: more cruisers, more destroyers and other escort types; they vastly outnumber us in small (less than 1000-ton) attack boats. Yet these are fast, maneuverable and hard to hit. Equipped with new nuclear-tipped missiles, they pack a lethal wallop. The Soviets now are also moving to gain an advantage with amphibious ships that carry marines and their arsenals, including tanks, into beaches. They have some 100 such ships. We have 63, and we would need 48 of these to embark a single Marine amphibious force.

The Soviet navy has the world's largest naval-mine-warfare force, the world's largest inventory of naval mines and a capable anti-mine-warfare force. It also has the world's largest fleet of intelligence collectors—so-called "spy ships." Approximately 50 are deployed all over the globe—many posing as merchant or fishing vessels.

With their modern, powerful navy, the Soviets are showing the flag in more and more places, doing their best to influence events. During the Angolan war, Soviet naval units were deployed offshore in a show of support for their Cuban proxies. They now cruise regularly in many of the world's major seas. (A Soviet task force has come within

25 miles of Hawaii, and another has entered the Gulf of Mexico.) They have obtained the use of port facilities in the Indian Ocean, the Mediterranean, on the west coast of Africa and in the Caribbean. It is obvious that the Kremlin employs its naval forces in support of an ambitious foreign policy targeted at controlling the world's raw-material sources.

I don't think most Americans, including many in Congress, really grasp what a tough fix we are in, or will be in soon. If present trends continue, for example, it wouldn't surprise me to awaken some morning to the news that the Soviets have annexed the warm-water ports of northern Norway, which they have long coveted. Or to be told by Moscow that "the situation must be stabilized" by the Soviets in some politically troubled oil-rich state which is important to our survival.

U.S. RESPONSE

We are in this fix for a lot of reasons, including old, discredited theories that the Russians are as interested as we are in arms control and disarmament. Powerful voices in this country continue to urge that we disarm unilaterally, insisting that the Russians will then disarm, too. In fact, we have long been unilaterally disarming. Among other things, we have halved the size of our Navy—we now now have 458 ships, against nearly 1000 ten years ago.

But the main reason we are in this fix is that during the 1960s, while the Soviets were working hard to develop the mightiest military posture in world history, we were pouring our resources into the Vietnam war. We neglected our defenses, none more than our Naval component. By the end of the 1960s we were confronted with block obsolescence, large numbers of ships built in the 1940s and 1950s that were not worth expensive restoration.

Currently, our Navy is smaller than at any time since two years before Pearl Harbor. Yet the Carter Administration has just cut in half the Navy's five-year shipbuilding plan! Congress will be gravely risking our survival if it allows this to happen.

We simply must rebuild the Navy. That doesn't mean refurbishing obsolete ships. We need a modern, self-sufficient Navy that can operate in distant areas without having to rely on overseas bases.

Admiral Holloway has estimated that the balanced Naval force we need comes to about 600 ships. In preparing this force, we must understand that, from the time initial plans are prepared for Congressional approval, it takes eight years to get a Trident submarine to sea, ten years to float an aircraft carrier. And weapons technologies improve so rapidly that when we build certain new systems, we have to hope that they won't be obsolescent in ten years.

But we have no choice. We must understand that our freedom is not preordained, and that without a strong defense we won't be able to keep it. So much time has been lost already that, even if we start now, we are in for some rough and scary sailing in the years directly ahead.

MARIN COUNTY WANTS IT ALL NOW, THE FACTS, THAT IS

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. JOHN L. BURTON. Mr. Speaker, on the evening of July 20, 1978, the residents of an entire California county, Marin County, were portrayed by NBC-TV's "I Want It All Now" as a self-indulgent conglomeration of eccentrics, hedonists, narcissists, and irresponsible adults. The "sting" of this unfair portrayal is still being felt in the county and has most certainly left an ugly scar on the Nation's image of Marin County.

The program, couched in the fashion of a television documentary and "reported" by Edwin Newman to lend an air of credibility to the fantastically woven narration, was one of the most irresponsible pieces of journalism I have ever seen. It has grossly deceived a national audience about the people and lifestyle in Marin County, and it has brought television journalism to a new low.

The hour-long NBC show consisted of a 60-minute onslaught of misconceptions. It was characterized by staged events, totally unreliable figures, and deceptively edited interviews.

It is a crime that so many responsible citizens have been painted in such a damaging way as was done by NBC. These are people I know well, whom I see and talk to at community meetings about local and national issues, and people who set a model for the country during one of the worst droughts in history.

As yet, the people of Marin County have not had an opportunity to refute the program publicly, despite such a request from County Supervisor Barbara Boxer.

A local newspaper, The Pacific Sun, has taken the time to thoroughly research the NBC film and disclose the facts of its investigation in a recently published article by Steve McNamara. It is time to set the record straight. I call the attention of my colleagues to this excellent report, "NBC vs. the Facts," and editorial comment by Steve McNamara:

[From the Pacific Sun, July 28, 1978]

NBC VS. THE FACTS

The principal victim of "I Want It All Now" is not the sensibilities of Marin County. It is the craft of journalism. A painstaking investigation by the *Pacific Sun* has developed a chain of evidence in what can best be described as a media mugging by NBC-TV. Not at issue is NBC's right to approach its July 20 "documentary" on Marin from a biased position. What is at issue are the cases of either inaccurate or misleading information used to buttress those biases, the tailoring of film-clips to fit a preconceived story line.

What follows is a case-by-case examination of "facts" used on the program. For each case we first print the transcript from the show and then follow it with the facts disclosed by our investigation. A copy of this article is being sent for response to the president of NBC. Marin County Supervisor Barbara Boxer is requesting formal investigations by the Federal Communications Commission and the National News Council.

The record:

NBC. Newman: "Every so often some public figure winds up and tells us that our children are the future. That's true of course. It is also true that by the influence we have on our children, we help to shape that future. Certainly parents here in Marin County are helping to shape it by the ideas and attitudes and values that they are now passing along. This is a birthday party for two Marin County youngsters—one 10, the other 11. The party was arranged by a Mill Valley firm that promises to make dreams come true, at a price, $225. The fantasy these youngsters wanted to live out on their birthday was that they were superrich. This is only a birthday party. These are only children. And this is only make-believe. Nevertheless, these youngsters seemed to have learned their lessons well about the power of money . . . For a few brief hours they lived like the millionaires they hope someday to be."

Fact: The party was staged for television as a promotion venture. The children are the sons of the two women who run the service, Dream Agents. There was no charge of $225. The "Richie Rich" theme stemmed from the fact that both boys are comic book collectors and among their favorite titles is "Richie Rich the World's Poorest Rich Boy." It is put out by the same firm that publishes "Casper the Friendly Ghost." Dream Agents mainly arranges events such as a chauffeur-driven limousine trip to a fancy restaurant for a couple celebrating a wedding anniversary. They have never done another children's birthday party remotely similar to the one they staged here. The most money they have ever charged for a kids' party is $75.

Last September Marsha Heckman and Pam Gressot, each of whom is married and has three children, started Dream Agents. The idea was to put on special functions, such as airport receptions for visiting relatives and kids' parties featuring clowns, a magic show or Star Wars characters. All six of their own children have helped with the business.

To publicize their service and to thank two of their boys who share a birthday for their past labors, the women set up the "Richie Rich" comic book theme party and invited the media. Channel 7 was expected to come, but didn't. The Sun passed on its invitation to NBC producer Joseph DeCola, who showed up with a camera crew at Tam Valley School, where the two boys were picked up in the rented limousine. According to Heckman, DeCola asked Gressot if she would let one of her children speak on camera about divorce. Says Heckman, "My partner said no. She said, 'You're not looking for an accurate picture of Marin. You came here with a copy of The Serial under your arm.' She was entirely right."

NBC. Teacher Fred Mitouer appears on camera immediately after it has been made to appear that $225 has been spent on two boys to give them a "millionaire" birthday party. Mitouer: "I would describe these children as typical Marin County children, yes." Newman: "At the school these youngsters attend, we spoke with their teacher, Fred Mitouer." Mitouer: "Seventy-five percent of our class is from single parent houses. . . ." Newman: "Are you able to see some effects of this?" Mitouer: "Oh, yes, definitely. There's anger. Ah, we deal with this in class all the time. . . . One of the things that we do is create an extended family environment where the children can express their feelings and deal with the feelings toward their home-life. . . ."

Fact: Mitouer contacted producer DeCola about filming his class, a special one covering students in grades 3 through 5 at Tam Valley School in Mill Valley. Students join Mitouer's unstructured class only by special request, many because of problems with conventional schooling. Does Mitouer really believe his students are typical, as he said on TV? "I meant they're white, they're middle class, they fit all the criteria," Mitouer said this week. "But they cut out the little smile I had before that, when they asked me the question. The kids I teach are not typical and I don't treat them typically. The single parent figure of 75 percent is right for my class, but it would be lower for all the other classes. I spend considerable time and energy getting the children to be real about their feelings. A lot more time is spent in my classroom dealing with emotions than in any other classroom at Tam Valley. A lot more."

Mitouer says that DeCola did not visit any other classroom in Marin County.

NBC. Newman: "Shirley [Luthman] believes that children can take care of themselves. . . . For Kathy [Burke], who has mixed feelings about her role as a mother, Shirley's advice about 'the parenting trip' laid the groundwork for some important changes. . . ." Burke: "So right the day before Thanksgiving I took off to go to Esalen, and not knowing if I was coming back; that's how strong it was. It was painful. When I left here, Brian was really upset; he wanted to send the cops after me, you know, to bring me back. . . ." Brian: "I told her that it's against the law for her to do that. . . ." Kathy: ". . . I felt like . . . I was deserting them."

Fact: This segment is edited to make it appear that Kathy Burke left her four children alone while she went to Esalen. In fact, she asked her mother to come up from Palm Springs to stay with the children, which her mother did. Says Kathy Burke: "Brian feels upset about the program. He feels it looks like I walked off and left them alone. I talked with Joe [DeCola], on film, about how wonderful it was that my mother came out to be with the children while I was gone. I needed her and she came."

NBC. Nancy McKinley, recent arrival from Ocean City, N.J.: "Yesterday, the first day I was here, I heard that Marin County has a 75% divorce rate, which does seem incredible."

Fact: Nancy McKinley cannot remember who gave her this figure. Neither the Marin County Planning Department, the County Clerk nor the demographer for the Association of Bay Area Governments say they supplied such a figure. There is no agreement, either, on how a percentage divorce rate might be computed. According to the San Francisco office of the Department of Health, Education, and Welfare, divorce is measured in terms of occurrences per 100,000 population. Using that standard system, Marin County in 1976 had a divorce rate of 6.6. This placed it in a tie for tenth among California counties with Sutter. Tied for first were Shasta and Del Norte with a rate of 8.3.

NBC. Sandra Robbins: "I did the est training, the e-s-t training, shortly after I moved here and I think that probably made one of the biggest major jumps in my life. Ah, it became okay to do anything as long as you were honest about it. . . . If you could tell the other person that you didn't like the hair growing on the end of their nose . . . you could tell them in any way as long as you could tell them the truth."

Fact: Sandra Robbins: "They cut out a sentence in there and it completely reversed the meaning of what I said. What I said was, I took the training and I got a lot out of it, but *the thing I object to* is that after people finished the training, all of a sudden it became okay to do anything as long as you were honest about it. I was trying to get across that I didn't like this lack of concern for other people, and they changed it completely."

NBC. Marin Superior Court Judge Richard Breiner: "Marin has a reputation for a loose swinging lifestyle, probably more so than any other county in the state."

Fact: Judge Breiner: "Prefaced to that statement was a disclaimer which they cut out, my comment that you can't generalize because Marin does not have that reputation generally, but some people think it does. They asked me a lot of questions about divorce, but none of that was on the air. I assumed that this was the purpose for which they had taped me, but apparently it wasn't that at all. They just asked me in passing about open marriages. They approached me to talk about divorce and I wound up as an expert on swinging lifestyles, which I know nothing about. Had I known what kind of show it was going to be I wouldn't have participated at all. It certainly wasn't a representative show of Marin County."

NBC. Beth Fruth, in hot tub: "For the first time in my life I completely took; I didn't give anything." Newman: "Whatever the reasons, narcissism thrives in Marin County. . . . This is called the Secret Garden . . . one hundred eighty dollars buys four hours of the pleasuring attentions of Ray Stubbs and Walter Wilding, who tell us that explicit sex is forbidden. . . . Massage parlors and the like have been available to men for centuries, but there have been few opportunities for women to buy sensual pleasure from strangers. In Marin County, it seems that there are enough women who can afford it, and enough women who want it, to make such a service a reality."

Fact: Stubbs and Wilding have been Secret Garden consultants, part-time, for two years. During that time, says Stubbs, they have had 60 clients. Of this 60, 22 have come from Marin and 38 from outside the county, from points as distant as Denver, Los Angeles, Chicago and New York. These clients were attracted by articles in *Viva, Forum* and *Playgirl*. One of the out-of-county clients was producer DeCola, who had a free get-acquainted session.

Of the Marin women who have availed themselves of the service, about half have received it in exchange for services such as bookkeeping and secretarial work. Stubbs says they see the service not as an indulgence of the idle rich, but as a nurturing experience for hard-driving professional women. Says Wilding, "We give it free to professional women we know, like doctors and counselors—waterfalls with no streams behind them, women who really put things out in the world." Beth Fruth's one-hour session was staged for NBC. She did not pay for it. Neither did she pay for the regular session she received six months earlier. That was a birthday present from her boyfriend, who had her transported afterward to a fancy restaurant where he was waiting for her with a bracelet and a bottle of champagne. In sum, during a two-year period about half a dozen Marin women have paid for a Secret Garden session. It is not a common event in the life of the county. It is women from outside Marin who have "made it a reality."

NBC. Newman: ". . . there are more joggers in Marin."

FACT: According to Ray Hosler of *Runners World* magazine, there are more joggers in Honolulu, Hawaii than in any other area in the United States.

NBC. Newman: ". . . and Marin has more foreign cars. To Detroit's dismay people here spend big money on Mercedes, Porsches and BMWs. More than half of Marin County's cars come from overseas." While Newman is saying this, the only foreign cars shown are these three German makes, giving the impression that Marin's most common mode of travel is expensive foreign cars.

Fact: According to *Motor Registration News*, 59 percent of Marin's 66,000 registered cars of ten years of age or newer in 1977 were foreign. However, of these 38,701 foreign cars, 73 percent, or 28,328, are inexpensive Class 6 vehicles such as VWs (9151), Toyotas (6382) and Datsuns (4269). Expensive Mercedes (1800), BMWs (1500) and Porsches (1043) make up less than 7 percent of Marin's registrations. The most popular makes in Marin are Ford (12,400) and Chevrolet (10,700).

NBC. Newman: "Marin County's suicide rate is well over twice the national average. More people die by suicide than in automobile accidents. Many leap from the Golden Gate Bridge. We wanted to know why so many people wanted to end the Marin County good life. So we asked the director of the Suicide Prevention Center here, Dr. Richard Reubin." Reubin: ". . . in many ways Marin County is looked upon as the end of the rainbow. Many people might feel that if they can't be happy here, ah, there's no place else that's going to provide more happiness for them."

Fact: According to Bob Mielke of the Center for Health Statistics in Sacramento, Marin's 1976 suicide rate was 23.5 per 100,000 population. The California rate was 17.6 and the national rate was 12.5. Within California, Marin's rate of 23.5 places it fourteenth among counties. Lake is first with 40.6; San Francisco is sixth with 29.5. During the past ten years Marin's rate has stayed approximately the same while the national rate has increased by 25 percent.

Adds Reubin: "When you make comparisons between areas you get very biased statistics. Different coroners and different social pressures can really influence suicide rates. Marin is more statistically honest and that is a partial reason for its higher statistics. The bridge? Suicides off the Golden Gate Bridge are less than 5 percent of all the suicides in the Bay Area. More people who live in the East Bay jump off the Golden Gate Bridge than do people who live in Marin.

"What they showed on TV was a very minute section of a 40-minute interview. I listed about six or seven factors of our suicide rate and they chose the one that fit in with their theme of the end of the rainbow. The end of the rainbow phenomenon also exists in Hawaii; they have a very high suicide rate. We have an elderly population that you do not see in that program and older people have substantially higher suicide rates. What they showed me saying was true. It's just that they edited the program to show what they had initially preconceived. Those were people from New York and I talked to them about my concerns that I didn't want to portray Marin as this death trap where people come to kill themselves, that there are a lot of fine things about Marin. I mentioned that people are very involved in their community here and our volunteer program with 170 volunteers is just one of many. They weren't willing to show any of that. That didn't make it onto the program because it was antithetical to the mood of the 'I Want It All Now' attitude of the show."

Marin's suicides (56 in 1977) outnumber traffic fatalities (23 in 1977) because Marin has an exceptionally low number of traffic fatalities. Marin's 23 traffic deaths are radically fewer than figures for neighboring counties: Sonoma 73, San Francisco 70, San Mateo 74, Contra Costa 116 and Alameda 171. Marin's suicide figure is lower than all these other county-wide traffic fatality figures. (According to public affairs officer Roland Mellor of the California Highway Patrol, the standard base for establishing accident rates is per hundred million miles traveled. Such figures are available by state, but not by county, so only total figures are available for comparison.)

NBC. Newman: "Gary Near is an attorney in private practice in San Francisco. He lives in Marin County."

Fact: Gary Near has a weekend place in Inverness. He lives on Russian Hill in San Francisco.

NBC. Newman: "The average price of a house in Marin County is $91,000. That is 60% more than the national average. And that's just an average. In some neighborhoods cottages sell for $175,000 [shot of Hill & Co. listing], with regular sized houses bringing up to a million and a quarter apiece [shot of houses along Belvedere's West Shore Road].

Fact: According to the Marin County Board of Realtors, the average price of Marin homes sold in 1977 was $92,615. A "cottage" is considered to be a two-bedroom, one-bath, woodsy home. No home of this description has ever sold for $175,000 in Marin County. The Hill & Co. listing used as the visual with Newman's "cottage" voice-over is described thusly by the agent: "Magnificent new home: charming and spacious.

Shingled masterpiece set in tranquil redwood grove. Superior craftsmanship. Formal dining room, skylights, decks, views. Four bedrooms, 3½ baths. Sauna. $269,000." The homes on Belvedere's West Shore Road currently sell for $250,000 to $300,000 and no home in Belvedere has ever sold for "a million and a quarter."

NBC. Newman: "On Tuesday mornings Shirley Luthman, a family counselor turned guru, conducts sessions here that are called 'Getting a Shot of Shirley.' "

Fact: The name of the session is "Shirley Luthman's Drop-In Group."

NBC. John M. Weir, Ph.D., Marin County alcoholism expert: "The county has clearly . . . the highest incidence of alcohol consumption per capita, and also by the general kinds of things that are taken to be examples of problems with alcohol such as drunk driving arrests, public drunkenness. . . ."

Fact: John M. Weir, Ph.D., clinical director of New Perspectives: "Our agency deals with kids and that's what we were talking about. At one point she [associate producer Jean Wilson] said, "How do you know that alcohol is a bigger problem in Marin than elsewhere?' Well, that's really not my bag. That's Andy Mecca and the county. So I was kind of stumbling around, trying to remember what was in the Calahan Study, which is the main one, and so she had me off guard. I was trying to recall what kinds of indices were used and in that sense I'm sure I misspoke. I haven't seen the figures but my guess would be that probably the number of drunk driving arrests and cases of public drunkenness is quite low."

Andrew Mecca, Ph.D., director of Marin County's alcohol program: "The thing that's unique about Marin is that there is very little public drunkenness."

Figures supplied by the California Highway Patrol show that with the exception of Napa County, Marin County has by far the lowest number of accidents associated with drunk driving in the nine counties of the Golden Gate Division of the CHP. During 1977 Marin had 202 such accidents, while Napa, with little freeway mileage, had 99 and the other seven counties averaged 469. In terms of drunk driving arrests, CHP figures for 1977 show Napa again the lowest with 466, Sonoma with 1073 and Marin with 1677. The remaining six counties averaged 3205, or roughly two times the number of Marin arrests.

According to CHP public affairs officer Roland Mellor, all this data was also given to NBC.

NBC. Newman: "In per capita income, Marin is one of the ten richest counties in America."

Fact: According to the Bureau of the Census in Suitland, Maryland, the most recent year for which per capita income figures are computed in 1974. During that year Steele County, North Dakota led the nation in per capita income with a figure of $12,124. Marin County was twenty-second with $7150. Another common measurement of wealth is median household income, which is computed each year by the Survey of Buying Power at *Sales Management Magazine*. The most recent year for which figures are available is 1976 when Marin County ranked twelfth in the nation.

NBC. Bob Gulko: "One of the local newspapers, the *Pacific Sun*, has a section where they list the births and deaths and . . . marriage licenses issued, divorces [applied for] and then final divorces. I mean that's a very common thing. And I would guess that there are probably more divorces than births, deaths and marriages all put together."

Fact: In a recent one-month span there were listings in the *Sun* of 64 births, 90 deaths, 159 marriage licenses issued (total 313) and 107 dissolutions applied for.

NBC. Sausalito pharmacist Fred Mayer: "Mental health in Marin County . . . is not very good . . . I see the number of tranquilizers being dispensed, I see the amount of sleeping pills being dispensed . . . We have over 100 psychiatrists who are practicing . . . If we have such a fantastic good life and if the folks are making all this money, why aren't they happy?"

Fact: Pharmacist Mayer: "Am I mad about that thing! Oh, did they give me a hosing! They came into the pharmacy and they interview me for 45 minutes. I told 'em I had a wife and four kids; I'd been married for 20 years and on the block where I live nobody has been divorced. I talked a lot about health care and how good things had gotten in this county. How I'd seen it go from the Sixties and the flower children and how it had gotten so much better. The kids off the hard stuff. We talked about a lot of health things, about the positive things like the ecology movement. About how I've been on the board of Temple Rodef Shalom for twelve years and we've just had 150 young families who've joined recently. In five years we've gone from 300 to 500 families. About how these young families are doing things with their kids much more than five years ago. I did say we had problems with mental health, suicide and alcoholism, but then I said that as far as I can see things are really 150% better. I think the pills, the tranquilizers are much less than they were five or ten years ago. I think DeCola did me a disservice personally. I talked about health things, about people out with their kids. The family structure getting back together—things like you didn't see five years ago. Those kind of things he cut out, he never mentioned. This was just a hatchet job."

PARCHED TOGETHER

The dominant theme of "I Want It All Now" is that there is in Marin County a preoccupation with self. Under ordinary circumstances it is difficult to make well-grounded assessments of this type about an entire community. However, Marin County is a special case. For two years the county faced a water shortage unparalleled in the nation. Hence it was possible to gauge community response in something as simple as gallons of water consumed per day.

Before the shortage, during the year 1975, average daily consumption within the Marin Municipal Water District was 48 million gallons per day, or 120 gallons per day per individual (not including commercial use). Faced with radically reduced supplies, the district eventually proposed a 57 percent reduction in consumption, to 12 million gallons per day, or 46 gallons per person. Instead, customers voluntarily reduced consumption by 65 percent, to 9 million gallons per day, or 38 gallons per person. Even now, with no restrictions, consumption has rise to only 27 million gallons per day, or 90 gallons per person, a 25 percent reduction from 1975.

Says Dietrich Stroeh, general manager of the water district: "In the water industry, Marin was considered a marvel, and we still are. We are now looked up to as the future of what happens clear across the country. I'm asked constantly to go back and speak to groups on how we do it. We had a number of discussions with President Carter's people when he developed his water policy. We've had a lot of input on state water policy. It's based on the fact that it can be done and this is where it was done."

No mention of this unique sociological experience was made on "I Want It All Now."

PATCHED TOGETHER

The blasé attitude of TV is neatly illustrated by an occurrence from "Saturday Live" on Channel 4 last Sunday. NBC producer Joe DeCola was a featured guest. Before he was questioned, show host Sam Van Zandt said: "First we want to take a look at a little bit from the clip from 'I Want It All Now' so you can get an idea of what the documentary is all about."

Then follows a 52-second film-clip, the first 12 seconds consisting of a disclaimer by Edwin Newman: "Not everyone who lives in Marin County is rich, and not everyone who lives here is divorced or is enthusiastic about powderous substances such as cocaine, or about hot tubs and therapy." As Newman voices these words, there are scenes of boats and waterfront restaurants.

This is not a film-clip from "I Want It All Now." This scene with these words never appeared in the show.

The words were heard, and the visuals were seen. But not together. On "I Want It All Now" when Newman spoke his 12-second disclaimer, the visual was of runners warming up for the Pacific Sun Marathon. When waterfront scenes were shown, the audio was of Newman describing the number of yachts and seaside restaurants in Marin. Apparently Newman's 12-second disclaimer and the boat scenes were patched together as the best effect for DeCola's appearance.

No big deal. Except that patching things together for the best effect, and announcing that it is real, is a method of news presentation which poses extraordinary problems for a television viewer trying to separate truth from fiction.—STEVE MCNAMARA.

CETA PROGRAM

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. WEISS. Mr. Speaker, the Washington Star recently published an article by Lance Gay which focuses on the problems and the positive activities of the CETA program. One abuse of the CETA program to which Mr. Gay refers concerns the use of CETA funds for political patronage.

During subcommittee consideration of H.R. 12452, the 1978 amendments to the Comprehensive Employment and Training Act, I offered an amendment to title II which establishes an objective system for local selection of CETA employees. The provision—which is now part of H.R. 12452—is based on the placement system designed by the Berkeley, Calif., prime sponsor; other areas of the Nation, including Broward County, Fla., employ similar systems.

Under this system, each prime sponsor will establish priority for CETA placement based on an objective point system. The Berkeley program bases points on criteria which include employment status, household status, employability status, age, educational status, sex, handicap, and so forth; under H.R. 12452, each locality will determine its own criteria based on local priorities and conditions.

The Education and Labor Committee incorporated this provision into the CETA legislation because of its concern about fraud and abuse in the program. The use of an objective system for placement insures that local officials will not be able to use CETA positions intended for the structurally unemployed for their own political purposes.

I would like to commend Mr. Gay's article to my colleagues. He presents an objective discussion of the CETA program.

IS JOB PROGRAM A BOONDOGGLE?

(By Lance Gay)

In a hypertrendy San Francisco suburb, 43 people are working in a $575,000 CETA program compiling a register of cases of child abuse and incest.

In North Carolina, 74 employees are engaged in a $318,601 CETA project to stamp out witchweed, a parasitic plant that kills corn, sugar cane and rice.

In New York Mills, Minnesota, five CETA employees are working in a $25,000 project to restore a 19th century Finnish-American homestead as a theater.

All across the country, thousands of people are at work under the Carter administration's massive Comprehensive Employment and Training Act programs—a $10.4 billion project some criticize as a boondoggle and others praise as the best jobs program since the days of Franklin D. Roosevelt's New Deal.

CETA is the wild card of federal programs, covering the country with programs and projects, some routine, some innovative.

There have been some questionable ones, as recent disclosures of problems of the D.C. City Council's CETA program and other scandals large and small have detracted from what the administration believes is one of its most successful programs.

CETA funds have been involved in some surprisingly diverse projects. For example, last April in New York a squad of undercover agents earning $8,000 to $9,000 a year under the CETA program, broke up a cigarette smuggling ring.

In Wisconsin, a group of CETA employees are recording the sounds of quail calls . . . In Cleveland, 1,062 persons, mostly teenagers, are working in CETA summer programs painting murals and giving summer concerts in the parks . . . Dozens of CETA-paid park employees in New York are hired to pick up animal droppings . . . In Boston CETA employees renovate houses of the elderly . . . In Tennessee, others are building ramps for the handicapped and elderly . . . Thirteen young people in New Britain, Conn., are putting out their own newspaper, "The Youth Perspective."

Labor Secretary Ray Marshall maintains that despite the problems CETA is working effectively and efficiently.

"Sure, we've had a few well publicized examples of abuses within CETA," he acknowledged. "But where problems exist, we have moved aggressively to take vigorous actions."

And, he insists, "All of the accusations of abuses within the CETA program add up to only a tiny fraction of 1 percent of the entire program."

"My gut reaction is that it's a good program and the part of it that's not doing good we're trying to correct," said R. C. "Rocky" DeMarco, head of the Labor Department's Office of Investigations.

DeMarco said his office—established in April by Marshall to look into major abuse and fraud of the CETA program and other department programs—currently is conducting about 50 investigations. But most of those, he said, are preliminary inquiries to check out allegations of fraud. He estimated that about 10 percent of these will turn into full investigations.

He said there are "six to eight" cases his office is working on in conjunction with investigations by the Justice Department. These involve serious criminal allegations such as embezzlement or kickbacks.

"From an investigative point of view, we need resources," DeMarco said. "We do not have sufficient people now to do other than respond to complaints that come in.

"No, I'm not satisfied because we don't know if we have a handle on the programs yet. We're just being reactive now. We don't have the resources at this time."

The pending Labor Department authorization bill contains funds that will boost DeMarco's investigative staff to about 200. About 125 of those will be auditors and some 25 investigators. In addition, some 90 special investigators will be added to DeMarco's staff to look into organized crime matters only under an agreement with Justice.

DeMarco said most of the problems in CETA programs crop up with the "subgrantees." Under a decentralized system of administration, local CETA programs—there are thousands of programs nationwide—are administered by some 450 prime sponsors, usually state or local governments.

Remembering the failures of prior poverty programs, the Carter administration decided not to establish a centralized CETA agency or a corps of poverty bureaucrats to oversee it. Part of the reason for this is that CETA is designed primarily as a transitory program to be curtailed if unemployment declines in the early '80s.

The administration's emphasis on reducing unemployment as quickly as possible resulted in a massive change in the CETA program, which doubled in size in the nine-month period ending last May. Now some 750,000 persons are employed in 18-month jobs—a level that the administration will maintain for the next year or so.

The dramatic increase in the program brought with it growing pains and problems—the most pervasive headache being politicians trying to use the office to perpetuate the political machines in their areas.

A year ago the main problem was "substitution"—a practice under which local governments would use CETA money instead of their own to hire employees they would have hired anyway. Some officials believe that at one time as much as 70 percent of the public service jobs filled with CETA funds would have been filled anyway by city and state governments, but Ernest Green, who heads the CETA program, said recent studies show substitution now may be as low as 18 percent.

But the major concerns today are with political patronage and abuse such as that involving the D.C. City Council whose CETA money was used to bolster its staff.

Perhaps the most startling instance involving use of CETA for political patronage came in Chicago, where the Labor Department has demanded the city repay almost $1 million in CETA money allegedly misspent.

CETA jobs were doled out by Chicago's Democratic political machine through requiring applicants to have referral letters from ward committeemen. Applications from hard core unemployed without such references, on the other hand, were set aside in stacks or under tables in unopened mail sacks.

Patronage also is involved in a spate of investigations by Labor's regional offices.

For example, Philadelphia's CETA office—which is responsible for the D.C. City Council probe—is looking into charges that a dozen persons with close personal or political ties to Baltimore County Executive Theodore G. Venetoulis have filtered into federal jobs programs. The investigation into the program there followed reports in The Baltimore Sun that some of the federally subsidized jobs are going to members of middle-class families with political connections to city officials and judges.

Similar charges have been raised in connection with CETA programs in Texas revolving around how Gov. Dolph Briscoe has been running the programs. And Boston authorities hired a professional administrator for their programs after charges of patronage and nepotism surfaced there last year.

In Philadelphia changes were ordered in CETA employment practices after it was disclosed that Mayor Frank Rizzo hired CETA employees to do political work.

In some instances of abuse, the Labor Department has moved in to find another sponsor for the program. This happened in East St. Louis after investigation showed that the cost per CETA employee there was $17,872—five times the national average of $3,761—and that almost two-thirds of the city's employees were receiving CETA funds. Witnesses at Labor Department hearings also charged that Mayor William E. Mason had been asking all CETA staffers how they had been voting.

Labor Department officials are somewhat reluctant to name other cities under investigation because of a controversy that developed earlier this year when the department volunteered that it was looking into programs in two states and nine cities.

One of those was Cass City, Mich., a small town in the northern part of the state. The disclosure brought considerable embarassment because after a lot of publicity, it turned out that the "scandal" involved only a complaint by a laid-off CETA employee that he had been denied his pension rights.

DeMarco said that about 75 percent of his office's investigations originate in complaints from participants in the programs.

He predicted that placing the auditing functions of the program in his office will "be a great deterrent to abuse or fraud in the system."

Theoretically, each of the programs is supposed to be audited every two years. Under the pending CETA reauthorization bill a major loophole in the current law will be closed and the Labor Department will be given clear authority to see the records of CETA subgrantees. The proposed changes also will make it a federal crime to destroy the records.

"We've had instances where records are not auditable because they've been soaked in water or lost," DeMarco said.

"Now we have a mechanism to look at them and to take preventive steps and systems checks to head off problems," he said.

DeMarco praised the work of the FBI in investigating CETA fraud and kickbacks.

The FBI is currently probing allegations of fraud in some subgrantee programs in Texas, Oklahoma, and Atlanta. The Oklahoma case involves alleged embezzlement of some $4,000 in funds from a youth shelter in Enid while in Texas the charges involve alleged siphoning of funds from a CETA program by two pipefitters.

The FBI has also been looking into a situation in Dade County, Fla., which resulted last week in the indictment of Dade County Council President Nathaniel Dean. The charges involve the alleged diversion of some $22,000 in CETA funds for the use of a gasoline station Dean owns and a charge that Dean spent $300,000 on a farm worker project on which no trainees ever served.

CETA programs in affluent Westchester County, N.Y., also are under fire. The district attorney there has launched a full investigation into what he describes as "pervasive corruption" in the $24 million CETA projects there.

In a program as large as CETA—and one put together and in place so hastily—problems were expected. Yet for its size, Labor Department officials contend that there have been fewer instances of fraud than in comparable federal programs.

But as DeMarco put it, "we don't want the situation of having a policeman on every CETA participant." ●

AMERICANS NOT ENERGY GLUTTONS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. WHITEHURST. Mr. Speaker, the following article appeared in the Virginia Observer on Friday, August 4, 1978. It was

written by Mr. Gordon Dillon, the editor and publisher of the Observer, and I believe that my colleagues will find it interesting.

The article follows:

UNITED STATES HAS 1,000 YEAR SUPPLY OF OIL

(By Gordon Dillon)

The United States has over a 1,000 years of oil supply in shale deposits that are unable to be developed because of objections by the U.S. Environmental Protection Agency.

According to Paul Petzrick, Acting Director of the Office of Shale Resources Applications at the Department of Energy, the U.S. has "2.2 trillion barrels of oil in the rich shale deposits in the Green River Valley in the midwest on U.S. owned land."

Petzrick said, "Development is commercially feasible now," but has been held up for over 5 years by the EPA and other environmental organizations.

The Energy spokesman called shale the nations most neglected natural resource. The richest deposits are in Utah, Colorado and Wyoming. Shale was formed by animal life in what used to be a prehistoric lake, but was not churned underground and naturally heated to form crude oil.

To extract the oil from the rock it must be heated.

The richest shale can produce 25 gallons or more a ton—with lower grades producing 10 to 15 gallons per ton. He said Virginia, West Virginia, Kentucky, Indiana and Pennsylvania had "38 trillion barrels" in its shale deposits.

He said, "But if you just take the 600 billion barrels in the richest deposits . . . that's more than all the reserves in the Mid-east." At the present rate of consumption, 6 billion barrels yearly, this, alone, represents a 100 year supply.

WAS $3.89 A BARREL

Petzrick continued, "Five years ago, Occidental Oil said they could produce (oil from shale) at $3.89 a barrel." He said they had been denied permission by the EPA because the air in the roadless, peopleless and industry-free wilderness "is polluted" by hydrocarbon emissions from sage brush.

Petzrick said during the delay "inflation in construction costs has been 400 to 500 percent . . . the figure is now almost $20".

He said that Congress was considering legislation to allow $3 a barrel tax credit as an incentive—plus "entitlements" to old oil which is priced at $5.25 a barrel. He said the two incentives would "bring the selling price down to about $12", less than the $13.25 charged by OPEC nations. As technology increases, he expects downward prices in the future.

BARREN WASTELAND

Petzrick described the mid-west shale area as a barren wasteland of rocks, "with an eighth of an inch of topsoil". He said the sparse vegetation posed a food problem for the native mule deer. According to Petzrick, the law demanded the firms to reclaim the land, and the end result would be a better habitat for the few animals

He expressed concern that the EPA had held up the project that could make America independent for 1,000 years. He said according to the law "in theory, the sagebrush is violation of the law, and a human who rode a jeep in that wilderness could be jailed because of emissions".

THE SOLUTION

The erudite government official continued, "I think we need something which I describe as National Interest Legislation, that says the best thing to do with this land for this country is to produce oil from it". He warned, "It takes about five years to build a plant", and if we don't hold them up with further impact statements, we could easily get 5 to 10 milion gallons a day by the year 2000.

He said that's more than the present daily imports of about 7 to 8 million barrels. In addition to shale, Petzrick said the nation had another 100 billion barrel potential in "Tar Sands". The method of extracting the oil has already been perfected in Canada.

THE TRADE DEFICIT

If the shale project is allowed to proceed, the trade deficit will be almost wiped out over night.

Superior Oil Company has developed a method to also extract soda ash and alumina from the shale. Petzrick said, "We already produce soda ash cheaper than any other nation . . . and this would give us a corner on the world market." Soda ash is used in the manufacture of glass.

Alumina can replace the bauxite ore used in making aluminum.

The U.S. aluminum industry now imports some 80 percent of raw bauxite. The domestic source would make the country independent of foreign imports, further reducing the trade deficit. According to a source—Superior's plan involves a trade of land with the Interior Department, which has been held up by Assistant Secretary—Joan Davenport, a rabid environmentalist.

It has also been held up by the EPA.

Petzrick said, "The EPA is causing problems. They are insisting on environmental impact statement on the land exchange". He said the EPA was also "insisting on a level of detail that one would really have to be able to build the plant to make the measurements in order to answer the questions".

Why isn't the shale potential included in the nation's energy arsenal? Petzrick says, "It is, it's just being overlooked".

(Editor's note: The interview with Mr. Petzrick was arranged by Patricia Bario, White House Associate Press Secretary.) The Virginia Observer questioned the office about the administration's failure to mention the shale oil potential. Our second question dealt with the ratio of energy and productivity.

Does the U.S., in fact, use any more energy than other industrialized nation? Department of Energy press spokesman—Carl Gustin answered that question. The answer was a simple, "No".

The United States produces 32 percent of the world's gross national product and consumes 31 percent of the world's energy. Japan, for example, represents less than 3 percent of the world's population, consumes about 17 percent of the world's energy and produces about 17 percent of the world GNP.

It takes energy to run an industry.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, August 8, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 9

9:00 a.m.

*Agriculture, Nutrition, and Forestry

Nutrition Subcommittee

To hold hearings on what information is currently available to the public on food labeling and nutrition content.

322 Russell Building

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.

235 Russell Building

Human Resources

To hold hearings on S. 3205 and S. 3309, proposed Indochina Migration and Refugee Assistance Amendments.

Until 11:30 a.m. 4232 Dirksen Building

9:30 a.m.

Select Small Business

To hold joint hearings with the House Small Business Subcommittee on Antitrust Restraint of Trade Activities Affecting Small Business, and Subcommittee on Impact of Energy Problems, Environment and Safety Requirements and Government on Small Business, to examine the underutilization of small businesses and possible national initiatives to encourage small business.

424 Russell Building

10:00 a.m.

Appropriations

To consider H.R. 13468, making appropriations for FY 1979 for the D.C. Government, and H.R. 12929, making appropriations for FY 1979 for the Departments of Labor and HEW.

S–128, Capitol

Budget

To mark up second concurrent resolution on the Congressional Budget for FY 1979.

6202 Dirksen Building

Energy and Natural Resources

Public Lands and Resources Subcommittee

To hold hearings on S. 2475 and H.R. 10587, to improve conditions of the public grazing lands.

3110 Dirksen Building

Environment and Public Works

Water Resources Subcommittee

To hold hearings on proposed initiatives designed to improve Federal water resource programs transmitted by the President in his message of June 7, 1978.

4200 Dirksen Building

Finance

To mark up miscellaneous tariff bills.

2221 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings on organized crime activities with testimony on allegations of corruption in the Atlanta penitentiaries.

1202 Dirksen Building

Judiciary

Antitrust and Monopoly Subcommittee

To resume hearings on pricing practices in the interstate trucking industry.

6226 Dirksen Building

10:30 a.m.
Judiciary
Business meeting on pending calendar business.
2300 Dirksen Building

*Rules and Administration
To consider further the nominations of John Warren McGarry, of Massachusetts, and Samuel D. Zagoria, of Maryland, to be members of the FEC.
301 Russell Building

3:00 p.m.
Conferees
On H.R. 9214, to amend the Bretton Woods Agreements Act so as to authorize U.S. participation in the Supplementary Financing Facility of the IMF.
S-116, Capitol

7:00 p.m.
Energy and Natural Resources
To continue mark up of proposed legislation designating certain Alaskan lands as national parkland.
3110 Dirksen Building

AUGUST 10

8:00 a.m.
Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on S. 2560, to expand the Indian Dunes National Lakeshore.
3110 Dirksen Building

9:00 a.m.
* Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To continue hearings on what information is currently available to the public on food labeling and nutrition content.
322 Russell Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
6226 Dirksen Building

9:30 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter and the role of informants.
2228 Dirksen Building

Select Small Business
To continue joint hearings with the House Small Business Subcommittee on Antitrust Restraint of Trade Activities Affecting Small Business, and Subcommittee on Impact of Energy Problems, Environment and Safety Requirements and Government on Small Business, to examine the underutilization of small businesses and possible national initiatives to encourage small business.
2359 Rayburn Building

10:00 a.m.
Budget
To continue markup of second concurrent resolution on the Congressional Budget for FY 1979. (Afternoon session expected.)
6202 Dirksen Building

Commerce, Science, and Transportation
To hold a business meeting on pending calendar business.
235 Russell Building

Energy and Natural Resources
To continue mark up of proposed legislation designating certain Alaska lands as national parkland.
3110 Dirksen Building

Environment and Public Works
To hold hearings on several public building prospectuses.
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on organized crime activities with testimony on allegations of corruption in the Atlanta penitentiaries.
1202 Dirksen Building

Rules and Administration
To continue to consider the nominations of John Warren McGarry, of Massachusetts, and Samuel D. Zagoria, of Maryland, to be members of the FEC, and other legislative and administrative business.
301 Russell Building

1:30 p.m.
Conferees
On H.R. 13467, making supplemental appropriations for FY 1978.
H-140, Capitol

2:00 p.m.
Select on Ethics
To hold a business meeting.
EF-100, Capitol

3:00 p.m.
Conferees
On S. 3084, authorizing funds for FY 1979 for housing programs.
S-207, Capitol

7:00 p.m.
Energy and Natural Resources
To continue mark up of proposed legislation designating certain Alaska lands as national parkland.
3110 Dirksen Building

AUGUST 11

9:00 a.m.
Energy and Natural Resources
To continue mark up of proposed legislation designating certain Alaska lands as national parkland.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
To hold hearings on the nomination of Karl S. Bowers, of South Carolina, to be Administrator, Federal Highway way Administration, DOT.
4200 Dirksen Building

Judiciary
To hold hearings to examine the FBI's program to prevent and investigate bank robberies.
2228 Dirksen Building

Conferees
On HR.. 12927, making appropriations for military construction for FY 79.
H-140, Capitol

10:00 a.m.
Budget
To continue markup of second concurrent resolution on the Congressional Budget for FY 1979. (Afternoon session expected.)
6202 Dirksen Building

Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings on S.J. Res. 111, authorizing participation by the United States in parliamentary conferences with Japan.
4221 Dirksen Building

Rules and Administration
To continue to consider the nominations of John Warren McGarry, of Massachusetts, and Samuel D. Zagoria, of Maryland, to be members of the FEC, and other legislative and administrative business.
301 Russell Building

AUGUST 14

8:30 a.m.
Finance
Health Subcommittee
To hold hearings on H.R. 9434, to increase Federal Medicaid funding for Puerto Rico, the Virgin Islands, and Guam, and on S. 1392, proposed Child Health Assessment Act.
2221 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 3304, proposed Federal Reserve Requirements Act.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 2860, proposed Solar Power Satellite Research. Development, and Demonstration Program Act.
3110 Dirksen Building

AUGUST 15

9:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold hearings on H.R. 2329, proposed Fish and Wildlife Improvement Act, and H.R. 8394, proposed Refuge Revenue Sharing Act.
4200 Dirksen Building

Human Resources
Labor Subcommittee
To hold joint hearings with Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits on bills relating to the Employee Retirement Income Security Act (S. 3017, 901, 2992, 3193, 1745, 1383, and 250).
4232 Dirksen Office Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 3304, proposed Federal Reserve Requirements Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on S. 1699, proposed Diesel Fuel and Gasoline Conservation Act.
235 Russell Building

Finance
International Trade Subcommittee
To hold hearings on S. 2920, to exclude certain imported textile products from future tariff reductions.
2221 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns domestic security.
2228 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business
3110 Dirksen Building

9:30 a.m.
Human Resources
Labor Subcommittee
To continue joint hearings with Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits on bills relating to the Employee Retirement Income Security Act (S. 3017, 901, 2992, 3193, 1745, 1383, and 250).
4232 Dirksen Office Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 3304, proposed Federal Reserve Requirements Act.
5302 Dirksen Building

Judiciary
Citizens and Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 3005, to broaden the rights of citizens to sue in Federal courts for unlawful governmental action.
3302 Dirksen Building

Judiciary
Criminal Laws and Procedures Subcommittee
To hold hearings on S. 3270, proposed Justice System Improvement Act and related bills.
2228 Dirksen Building

AUGUST 17

9:30 a.m.
Human Resources Labor Subcommittee
To continue joint hearings with Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits on bills relating to the Employee Retirement Income Security Act (S. 3017, 901, 2992, 3193, 1745, 1383, and 250).
4232 Dirksen Office Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 3304, proposed Federal Reserve Requirements Act.
5302 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold oversight hearings on the physical and financial condition of the Erie canal.
4200 Dirksen Building

Foreign Relations
Arms Control, Oceans, and International Environment Subcommittee
To hold hearings on S. 2053, the Deep Seabed Mineral Resources Act, now pending in the Commerce, Science, and Transportation Committee.
4221 Dirksen Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings with the Governmental Affairs Subcommittee on Federal Spending Practices and Open Government on S. 2515, dealing with occupational alcoholism programs.
3302 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 18

10:00 a.m.
Energy and Natural Resources
Parks and Recreation Subcommittee
To resume hearings on H.R. 12536, the Omnibus National Parks Amendments.
3110 Dirksen Building

AUGUST 21

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on alternative mortgage instruments.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nomination of Gloria Schaffer, of Connecticut, to be a member of the Civil Aeronautics Board.
235 Russell Building

AUGUST 22

9:00 a.m.
Human Resources
To hold hearings on S. 2645, proposed National Art Bank Act.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on alternative mortgage instruments.
5302 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 3363, proposed International Air Transportation Competition Act.
235 Russell Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 1149, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 23

9:00 a.m.
Human Resources
To continue hearings on S. 2645, proposed National Art Bank Act.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold joint hearings with the Committee on Governmental Affairs on S. 2750, proposed Consolidated Banking Regulation Act.
3302 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 3363, proposed International Air Transportation Competition Act.
235 Russell Building

Judiciary
Citizens and Shareholders Rights and Remedies Subcommittee
To resume hearings on S. 3005, to broaden the rights of citizens to sue in Federal courts for unlawful governmental action.
2228 Dirksen Building

AUGUST 24

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue joint hearings with the Committee on Governmental Affairs on S. 2750, proposed Consolidated Banking Regulation Act.
3302 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 3363, proposed International Air Transportation Competition Act.
235 Russell Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 25

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 2843, to provide for the striking of gold medallions.
5302 Dirksen Building

Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings on S. 3270, proposed Justice System Improvement Act, and related bills.
2228 Dirksen Building

AUGUST 28

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns undercover operations.
2228 Dirksen Building

AUGUST 29

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns undercover operations.
2228 Dirksen Building

SEPTEMBER 14

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter and its overall policy.
2228 Dirksen Building

SENATE—*Tuesday, August 8, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Eternal God, our dwelling place in all generations, Thine is the kingdom and the power and the glory forever.

We lift our prayer to Thee in thanksgiving for Thy servant Paul, pontiff of peace, herald of the gospel of redeeming love, prophet of Thy coming kingdom on Earth as it is in Heaven. We thank Thee for his steadfastness in the faith, for his strength of mind and tenderness of heart, for his kindness and his compassion, for his summons to worldwide justice and universal brotherhood, for his preservation of continuity amid change, and for the outreach of his love to encompass all mankind.

We pray for this world and for our generation. May Thy truth prevail, Thy word be obeyed, Thy kingdom advanced, and pure religion flourish.

As the world mourns, may Thy people be renewed spiritually by the memory

of a great life and by faith in the invincibility of goodness.

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 8, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. BURDICK thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. STEVENS. What is the first special order, is it mine, Mr. President?

The ACTING PRESIDENT pro tempore. When the time of both leaders is yielded back, the Chair will then recognize the Senator from Alaska (Mr. STEVENS) for not to exceed 15 minutes.

Mr. STEVENS. Both leaders have been called to a meeting, and I ask unanimous consent that the leaders' time be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Alaska is recognized for not to exceed 15 minutes.

Mr. STEVENS. I thank the Chair.

LAND GRAB BY THE PARKS

Mr. STEVENS. Mr. President, I would like to call the attention of the Senate to an article that appeared in the national affairs section of Newsweek. It is entitled "Land Grab By The Parks." This article brings to light the increasing tendency on the part of the park system to use condemnation in order to acquire land.

I do not think the park system is alone in exercising that tendency as far as the new approach to land management is concerned, however this particular article singles out the parks, so I would like to discuss that.

Mr. President, for years we had a policy of land going out of Federal ownership and out of public ownership. The Federal Government made land grants to the States; the States, in turn, made land grants to counties and local governments. The purpose of this process was to get land into private ownership in this country, to maintain a tax base, and to have a land ownership system consistent with our free enterprise system.

Recently I had a figure thrown at me which was appalling, so I checked it. Mr. President, it is true that the Federal Government now owns more than one-third of the land mass of the United States. At a matter of fact, if we add to that the land that is owned by States, counties, and local governments, which constitutes approximately one-sixth of the land mass of the United States, governments per se would own half of the land that is under the U.S. flag in the 50 individual States.

I think this is an alarming revelation because what we have now is a concept of Government control coming from Washington by virtue of Federal ownership of land.

When I was out west recently I had occasion to fly over Kelly, Wyo. Kelly, Wyo., mentioned in this Newsweek article, is just a small town in the Grand Teton National Park. I was shocked to learn that the park service was acquiring 100 percent of that small town. All of the land will be acquired and put into public ownership.

When I inquired as to why this was happening, they said, "Well, having those homes there is incompatible with the purpose for which the park was created."

This seemed rather strange since the Grand Tetons is a beautiful park where one can find grazing cattle, horses being bred and raised, and concessionaires operating scenic river boat trips. There are other normal concession features as well. But a little town of 100 people was considered so obnoxious to the park service that they proceeded to use, and are using if they cannot buy, their condemnation authority to take the private property away from these people.

The funny thing is that if you fly just 20 minutes farther from Kelly, Wyo., you will find the new Park Service residential area. It is an area of new homes, three- and four-bedroom, with nice circular drives, and paved access roads leading to them.

Flying over the homes I asked, "What is that down there?" As we passed over I was told, "Well, that is the new employees' residential area within Great Teton National Park."

So we now have the double standard that if you live within a national park and you are a private citizen living on property that you owned prior to the establishment of the park you are subject to condemnation. But if you work for the Government, for the Park Service, you can depend upon the use of taxpayers' funds to build a new subdivision within the park for your private use.

I think it is high time that the country woke up to the trend that is recognized by this Newsweek article. It is an insidious trend because with the constant acquisition of land, more land for more parks, more land for more roads, more land for more airports, more land for more Federal buildings, more land for more local libraries, for local municipal city halls, for more State buildings, for more legislatures, more land for almost anything any government can think of, the acquisition is taking place of lands that are in private ownership, and we have a constantly dwindling supply of land in private ownership.

If that trend continues, Mr. President, 1984 will be upon us sooner than we think. Because it is very obvious that the Park Service can, in fact, control the people who live in the Park Service residential area, yet it cannot control the people who lived on their own land in Kelly, Wyo., so they condemned that parcel the owners would not sell.

I think there are ways to insure protection of areas of national significance. We can do it through scenic easements, through contracts, or through special tax advantages to people to assure that they keep land in a state that is conducive to the development of wildlife habitat. But we need not continue the process by which governments, National, State, county, and local, are condemning privately owned property.

I think it is time that we started a property owners' revolt as far as the exercise of this condemnation authority is concerned. It is arbitrary; it is capricious. In my State, in connection with the Alaska lands bill, despite the fact that the Federal Government was seeking to establish more than 100 million acres in new national interest areas, the bill passed by the House of Representatives also contained the authority to condemn private property outside those areas for visitor interpretive centers and for administrative offices for these new sites.

Can you imagine that? In a State that has less than 1 percent private ownership, the House authorized the Department of the Interior to go outside land owned by the Federal Government to condemn land that was homesteaded land, acquired under public land laws—and all our privately owned land was acquired that way, through real sweat equity. They want to take that land, condemn it, and have the court determine the price used for payment to those who now own that land privately.

I think the Alaska lands bill is going to demonstrate to the country, or I hope it will, what is going on in terms of land control. Many of us talk about gun control, and some talk about thought control, but I think land control, in the end, will have more to do with controlling the behavior of the American public by having Washington set standards for the behavior of individuals in their own homes and in their normal way of life, than anything else I know of.

I commend Newsweek for writing this article. I think it is time for us to real-

ize that individuals ought to have rights against those rights which are portrayed as being national rights. As the article ends, it says:

People are important, too. And somehow the park service will have to balance the rights of the individual against the public good.

I hope that Congress will awaken to the fact that it has given the Park Service these condemnation powers. Congress has not monitored the exercise of this authority, and Newsweek has done a public service by calling the attention of the American people to the arbitrary exercise of the power of condemnation.

I ask unanimous consent that the article to which I have referred, entitled "Land Grab by the Parks," published in the August 14, 1978, edition of Newsweek magazine, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAND GRAB BY THE PARKS

Sixteen years ago, Herb Van Deven gave up his teaching job in St. Louis and retreated to the lush banks of the Buffalo River in Arkansas's Ozark Mountains country. He scraped together his savings, bought 250 acres and settled down to teaching American history at a small high school. "Life," says Van Deven, "was perfect, peaceful and promising." But in 1972 Van Deven and his neighbors found that the Buffalo River had become the Buffalo National River and that the National Park Service wanted their land. Then, three months ago, Van Deven got a condemnation notice. Most of his neighbors have sold out, but Van Deven, 58, is determined to stay: "It may take a miracle of God, but this has to stop. I'm going to haul the Federal government into court and they will have to prove that they have the constitutional right to take my property."

Van Deven is one of thousands of Americans whose land stands to be bought by the NPS, which is embarked on its most ambitious land-acquisition campaign since the first national parks were created a century ago. From the Cape Cod National Seashore in Massachusetts to Sequoia National Park in California, outraged landowners like Van Deven are fighting the government's efforts to absorb their land into the approximately 31 million-acre national park system.

"INDIANS"

In Wawona, Calif., a community of 240 people surrounded by Yosemite National Park, a citizens' group has filed suit, challenging the NPS's land-acquisition practices. In Kelly, Wyo., where 100 people live just within the southern border of Grand Teton National Park, landowners have petitioned to break away from the park. "We're the Indians of 1978," says Charles Cushman of Wawona, head of the recently formed National Park Inholders Association. "Except we're being kicked off the reservation, instead of being moved from one reservation to another."

The NPS argues that it is simply carrying out a policy established by the government in 1872, when Congress created the first national park, Yellowstone. But it was not until 1961 that Congress appropriated money to buy private land to expand the national park system—and land acquisition was a smallchange business until the mid-1960s when money from Federal offshore oil leases began to be pumped into a special park-expansion fund. Since that time, with land prices soaring, the NPS has spent more than $800 million to buy out thousands of property owners. The NPS may soon have an even fatter bankroll. Last month, the House of Representatives passed a new $1,250,000,000 park-expansion bill, which critics have dubbed a "park barrel." "We put 50 years into our business here," says Joanne Dornan, whose family operates a restaurant, a grocery store and other enterprises near Kelly." "Now we live with this cloud of condemnation over our heads."

STRONG-ARM TACTICS

In the process, the NPS has come under fire for clumsy and heavy-handed tactics, such as threatening to condemn land if a property holder tries to add a bathroom or bedroom to his home. Landowners also complain of being offered unrealistically low prices, of annoying telephone calls from park officials, of late-night visits from government land-acquisition officers, and even of strong-arm tactics. In Kings Canyon National Park, for example, residents of Wilsonia, Calif., complain that park-operated plows shoved snow on top of older porches and rooftops, causing them to cave in—and forcing some owners to sell to the government after they were denied rebuilding permits. And in Kelly, the park service stalled for a week before clearing town roads blanketed by a 40-inch snowfall that came two days after the residents petitioned to secede.

NPS director William Whalen concedes that from time to time his staff may have been a bit overzealous, but only because he felt he had Congressional support for "stronger policies." But a Congressional aide, who studied the Wawona controversy in Yosemite, still wonders if the NPS's efforts are not misdirected. "We're going through all this agony over 200 acres of land in a park that has 750,000 acres," he says. "It just doesn't calculate."

The park service defends its constitutional right of eminent domain to buy out private landowners in the public interest of creating more park land. Also, says NPS assistant director Philip Stewart, the government offers "fantastic benefits" to landowners, including deals whereby property owners can sell to the government and then stay on as renters for 25 years or until they die. In Stewart's view, those who don't sell are "thwarting the aspirations of 225 million Americans." "The parks are set aside for all Americans to enjoy," adds Whalen. "If the average citizen understood that there was a privileged class of people allowed to live in the parks and expand their homes, they'd be on our side."

This theory may be tested soon enough. As it creates new parks, the park service is encroaching on populated, nonwilderness areas. One example is the government's half-finished 31,000-acre park in the Cuyahoga valley between Cleveland and Akron. "We still protect the crown jewels out west, but we're also taking parks to where the people are," says William C. Birdsell, superintendent of the Cuyahoga Valley National Recreation Area.

"BUNNY RABBITS"

But in so doing, the NPS is upsetting many local property owners who have organized to fight. "I know bunny rabbits are cute," says an angry Clara Muldowney, who reluctantly sold and moved outside the new park's boundaries. "But people are important, too." And somehow the park service will have to balance the rights of the individual against the public good.

Mr. STEVENS. Mr. President, I yield the floor. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that Mary Goedde and Kathryne Bruner of Senator HAYAKAWA's staff, Beverly Charles and Michael Shorr of Senator JAVITS' staff, and Janet Rodzinski and Tracey Mulligan of my staff be permitted to have access to the floor during the consideration of the Interior appropriations bill today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Permanent Investigations Subcommittee of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, August 9, 1978, and Thursday, August 10, 1978, to hold hearings on organized crime-law enforcement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, August 9, 1978, to hold a markup session on various legislative matters, some of which include S. 3314, the tort claims bill; S. 3178, the contract disputes bill; and S. 2089, diversity of citizenship bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Health and Scientific Research Subcommittee of the Committee on Human Resources be authorized to meet during the session of the Senate today to hold a markup session on S. 2755, the Drug Regulation Reform Act of 1978.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet until 12 o'clock noon during the session of the Senate on Wednesday, August 9, to consider the nominations of John Warren McGarry of Massachusetts and Samuel D. Zagoria of Maryland for membership on the Federal Election Commission, and other committee business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF INTERIOR APPROPRIATIONS, 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 12932, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 12932) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1979, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Carolyn Fuller and Mr. Lynn Wanlund, of my staff, be granted the privileges of the floor during the debate and votes on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be regarded for purposes of amendment as original text, provided that no point of order shall be considered to have been waived by agreeing to this request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 10, strike "$295,315,000" and insert "$274,991,000";

On page 2, line 14, strike $19,758,000" and insert "$18,683,000";

On page 3, line 24, strike "$60,119,000" and insert "$57,419,000";

On page 5, line 7, strike "remain" and insert "be immediately";

On page 7, line 3, strike "$31,057,000" and insert "$26,842,000";

On page 7, line 3, strike "$11,370,000" and insert "$8,900,000";

On page 7, line 11, strike "$17,874,000" and insert "$14,874,000";

On page 7, line 18, strike "$7,733,000" and insert "$7,247,000";

On page 8, line 1, strike "$645,811,000" and insert "$645,194,000";

On page 8, line 2, strike "$369,790,000" and insert "$318,079,000";

On page 8, line 6, strike "$68,642,000" and insert "$39,192,000";

On page 8, line 7, beginning with "of which" strike through and including the word "basin" in line 14;

On page 8, line 14, strike "$52,240,000" and insert "$32,960,000";

On page 8, line 16, strike "$48,557,000" and insert "$142,457,000";

On page 8, line 18, strike "$97,879,000" and insert "$104,259,000";

One page 8, line 21, strike "$77,216,000" and insert "$83,596,000";

On page 8, line 24, after "Management" insert a colon and the following:

Provided, That not to exceed $12,000,000 of the amount provided for State assistance may be available as a contingency reserve to be administered by the Secretary to meet unforeseen needs of the States.

On page 9, line 7, strike "$60,000,000" and insert "$100,000,000";

On page 9, line 10, after the colon, strike through and including line 16 and insert the following:

Provided, That not to exceed $3,000,000 may be available as a discretionary reserve to be administered by the Secretary for special or innovative preservation programs

On page 10, line 9, strike "$196,695,000" and insert "$194,508,000";

On page 10, line 15, after "species" insert a colon and the following:

Provided further, That $15,000,000 shall be available only upon enactment of S. 2899 or similar legislation reauthorizing section 15 of the Endangered Species Act of 1973

On page 11, line 1, strike "$96,153,000" and insert "$96,479,000";

On page 13, line 11, after "Commission," strike through and including line 14, and insert in lieu thereof the following:

"$367,631: *Provided,* That $90,000 shall be available for the National Park Service to assist the Town of Harpers Ferry for police force use

On page 13, line 21, strike "$111,775,000" and insert "$130,391,000";

On page 13, line 22, after "expended" insert a comma and "of which $1,960,000 for Cowpens National Battlefield shall be available only upon enactment of authorizing legislation";

On page 15, line 22, strike "$419,689,000" and insert "$395,127,000";

On page 15, line 23, strike "$39,108,000" and insert "$35,396,000";

On page 16, line 8, strike "$216,048,000" and insert "$251,998,000";

On page 16, line 9, after "expended" insert a colon and the following:

Provided, That the environmental restoration activities included within this appropriation shall encompass both the Gubic and Grandstand drilling sites which are adjacent to the Reserve

On page 17, line 15, strike "$132,667,000" and insert "$118,058,000";

On page 17, line 16, strike "$108,942,000" and insert "$97,733,000";

On page 18, line 14, strike "$39,344,000" and insert "$48,944,000";

On page 18, line 19, strike "$77,851,000" and insert "$78,451,000";

On page 19, line 22, strike "$791,092,000" and insert "$755,087,000";

On page 19, line 23, strike "$61,528,000" and insert "$60,581,000";

On page 20, line 11, after "expended" insert a colon and the following:

Provided further, That none of these funds shall be expended as matching funds for programs funded under section 103(a)(1)(B)(iii) of the Vocational Education Act of 1963 as amended by the Act of June 3, 1977 (Public Law 95–40)

On page 20, line 21, strike "$116,265,000" and insert "$117,254,000";

On page 21, line 7, strike "$74,010,000" and insert "$76,753,000";

On page 23, line 22, strike "$53,523,000" and insert "$49,423,000";

On page 23, line 23, strike "$49,802,000" and insert "$45,702,000";

On page 25, line 21, strike "$115,578,000" and insert "$106,989,000";

On page 26, beginning with line 17, strike through and including line 24;

On page 27, line 5, strike "$14,585,000" and insert "$14,394,000";

On page 27, line 10, strike "$42,391,000" and insert "$41,545,000";

On page 30, beginning with line 22, insert the following:

SEC. 109. Notwithstanding the provisions of the Act of July 1, 1932 (47 Stat. 564; 25 U.S.C. 386a), any adjustment or elimination by the Secretary of the indebtedness (including interest thereon) of the Hydaburg Cooperative Association to the United States shall be immediately effective.

On page 31, line 17, strike "$626,720,000" and insert "$672,128,000";

On page 31, line 20, strike "$5,025,000" and insert "$2,055,000";

On page 32, line 1, strike "$6,375,000" and insert "$4,500,000";

On page 32, line 2, strike "$26,800,000" and insert "$20,633,000";

On page 32, line 6, strike "$110,718,000" and insert "$104,002,000";

On page 32, line 14, strike "$57,676,000" and insert "$48,260,000";

On page 32, line 23, strike "$43,550,000" and insert "$24,118,000";

On page 32, line 24, strike "$3,500,000" and insert "$1,989,000";

On page 33, line 16, strike "$224,275,000" and insert "$191,131,000";

On page 34, line 19, strike "$415,000" and insert "$160,000";

On page 36, beginning with line 1, strike through and including line 8;

On page 37, line 10, strike "not to exceed $100,000";

On page 38, line 8, strike "$614,704,000" and insert "$589,753,000";

On page 38, line 16, strike "$27,139,000" and insert "$163,919,000";

On page 38, line 20, strike "$182,881,000" and insert "$167,181,000";

On page 38, line 21, strike "$172,862,000" and insert "$156,862,000";

On page 38, line 22, after "expended" insert a colon and the following:

Provided, That $5,000,000 shall be available to establish a fund in the United States Treasury specified in section 19(n)(1) of the Federal Non-Nuclear Research and Development Act of 1974 as amended by Public Law 95–238, section 207, specifically for loan guarantees for demonstration of technologies to recover energy from urban waste as authorized by section 19(y) of that Act; and not to exceed $5,000,000 shall be available for financial assistance as provided by section 20 of the Federal Non-Nuclear Research and Development Act of 1974 for feasibility and design studies for municipally owned and/or operated waste reprocessing demonstration facilities.

On page 39, line 11, strike "$897,001,000" and insert "$754,031,000";

On page 39, line 21, after "$8,750,000" insert a colon and the following:

Provided further, That $100,100,000 for assistance to schools and hospitals and $7,300,000 for energy conservation in local government buildings shall be available only upon enactment of suitable authorizing legislation: *Provided further,* That $30,000,000 for energy impact assistance shall be available only upon enactment of H.R. 5146 or similar legislation

On page 40, line 6, after "$94,733,000" strike all through and including "Administration" on line 10;

On page 40, line 14, strike "$4,084,624,000" and insert "$3,006,854,000";

On page 42, line 5, strike "$490,048,000" and insert the following:

$481,127,000: *Provided,* That funds made available to tribes and tribal organizations through contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450) shall remain available until September 30, 1980

On page 42, line 20, strike "$70,555,000" and insert "$76,960,000";

On page 43, line 22, strike "($17,000,000)" and insert "($15,500,000)";
On page 43, line 23, strike "($6,430,000)" and insert "($5,930,000)";
On page 44, line 2, strike "$73,735,000" and insert "$71,735,000";
On page 44, line 6, strike "$7,752,000" and insert "$8,000,000";
On page 44, line 17, strike "$8,752,000" and insert "$8,692,000";
On page 44, line 20, strike "$990,000" and insert "$930,000";
On page 44, line 22, strike "$91,300" and insert "$33,000";
On page 45, line 14, strike "$96,841,000" and insert "$95,540,000";
On page 45, beginning with line 18, strike through and including the colon in line 20;
On page 45, line 21, after "Foundation" insert a colon and the following:
Provided further, That none of these funds may be used to make grant awards to employees of the Smithsonian Institution
On page 46, line 14, after "Foundation" insert a colon and the following:
Provided further, That not to exceed $500,000 may be used to make grant awards to employees of the Smithsonian Institution
On page 47, line 7, strike "$2,100,000" and insert "$1,950,000";
On page 48, line 11, strike "$19,305,000" and insert "$18,455,000";
On page 48, line 24, strike "$112,160,000" and insert "$111,710,000";
On page 49, line 7, strike "$10,000,000" and insert "$9,550,000";
On page 49, line 8, after "Act" insert a colon and the following:
Provided, That $1,400,000 shall be available until September 30, 1980, to carry out the 1979 White House Conference on the Arts Act
On page 50, line 5, strike "$109,100,000" and insert "$107,750,000";
On page 50, line 10, strike "$10,800,000" and insert "$9,450,000";
On page 50, line 11, after "Act" insert a colon and the following:
Provided, That $1,400,000 shall be available until September 30, 1980 to carry out the 1979 White House Conference on the Humanties Act
On page 52, line 2, strike "$1,936,000" and insert "$1,991,000";
On page 52, line 16, strike "$594,000" and insert "$356,000";
On page 54, beginning with line 25, insert the following:

SEC. 305. No funds appropriated by this Act shall be available for use in implementing or otherwise carrying out, in the State of Alaska, the provisions of section 603 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782).

SEC. 306. No funds appropriated by this Act shall be available for the implementation or enforcement of any rule or regulation of the United States Fish and Wildlife Service, Department of the Interior, requiring the use of steel shot in connection with the hunting of waterfowl in the United States.

On page 55, line 11, strike "305" and insert "307".

Mr. HUDDLESTON. Mr. President, today I am substituting for the distinguished majority leader and chairman of the Interior and related agencies subcommittee of the Appropriations Committee, who would normally be handling this legislation on the floor.

Other responsibilities have prohibited the Senator from West Virginia. (Mr. ROBERT C. BYRD) from being here this morning, and I am happy to substitute for him.

Mr. President, the committee takes considerable satisfaction in reporting to the floor a fiscal 1979 appropriation bill for the Department of Interior and related agencies that is $1.3 billion below the budget estimates and nearly $1.2 billion below the House allowance. These reductions reflect the committee's determination to hold down Federal spending increases in this inflationary period when the people of this Nation are demanding more fiscal responsibility in Government. I should make it clear, however, that much of the committee's decreases only defer spending until later in the fiscal year or until fiscal 1980. Most of the funds budgeted in advance to cover firefighting costs, for example, are being deleted and will be provided in a supplemental appropriation when more accurate estimates are available.

Sizable reductions that generate real savings have been achieved, however, wherever the committee felt programing increases were not justified or funds were being requested for marginal or redundant programs. These reductions have been partially offset by selected increases that reflect congressional spending priorities. All of the increases and decreases have been detailed in the committee report. A summary of major changes recommended in the bill begins on page 3 of the report. This includes an agency-by-agency tabulation of the committee's recommendation compared to budget estimates and House allowances.

As noted in the report, major recommended increases for the Interior Department agencies are directed at the resumption of Federal coal leasing, outer continental shelf environmental studies, exploration studies, exploration and development of the Alaska Petroleum Reserve, surface mining research, historic preservation, and Indian housing and school construction. They have been largely offset by reductions in unauthorized or marginal Federal land acquisition for recreation, deletion of the unsupported natural heritage program, and deferral of low priority programs and advance firefighting costs.

Although Federal land acquisition funding is reduced overall, the committee has been able to provide an unbudgeted $100 million to continue paying mandatory costs of the Redwood National Park expansion. Together with appropriations in the pending supplemental bill for fiscal year 1978, this will make a total of nearly $300 million available to landowners whose properties were taken by the expansion bill. It will also save the Government the costly interest that would otherwise accrue while the courts determine the value of the land that has been added to the park.

Under title II, funds for related agencies are reduced in several areas. The biggest single reduction, $1.2 billion, has been applied to the strategic petroleum reserve. Other programs under the Department of Energy that the committee judged to be overfunded or that were unauthorized new starts also have been deleted or sharply reduced.

The large reduction in the strategic petroleum reserve is based on the information at the committee's hearings. The committee learned, for example, that not only is the SPR program dropping more than 6 months behind schedule, several new difficulties have arisen in such areas as the leaching of underground storage areas. The $3 billion recommended in the bill should carry the program through the first quarter of fiscal 1980 and beyond without slowing the 500 million barrel fill schedule for the reserve. In the unlikely event that more appropriations might be needed, these needs can be handled in a supplemental appropriation or in the regular fiscal 1980 appropriation.

I should emphasize that the committee's reduction in the strategic petroleum reserve in no way reflects a softening in congressional support and determination. We shall continue to pursue a significant petroleum reserve goal, either the present 500-million-barrel goal or a larger goal that is under consideration by the Congress. The committee, I am sure, will also continue to support the highest practical funding level for the reserve.

The committee has not simply cut up the Department of Energy budget. It has recommended several substantial increases that will:

Expand research and development on enhanced oil and gas recovery, energy conversion and fuel conservation;

Accelerate the development and testing of magnetohydrodynamics;

Launch the first major demonstration of second generation coal liquids technology;

Establish loan guarantees for projects to convert urban waste to energy; and

Fund major energy impact assistance to States and localities.

Also in title II of the bill the committee recommends substantial increase for the national forests and for Indian health services and facilities.

Mr. President, I would like to call the Senate's attention to an error in the committee report that was not covered by the errata that has been printed for both bill and report. On page 24 of the report, under the National Park Service account for operation of the national park system, the recommended increase for Lowell National Historical Park should read $2,299,000 instead of $1,299,000. Lowell is a newly-authorized park, and the committee agreed to a total additional appropriation of $9,310,000, with $3,000,000 for Park Service land acquisition, $1,658,000 for the Lowell Historic Canal Commission, $2,353,000 for Park Service development, and $2,299,000 for park management. The total committee allowance in the bill and report is adequate for this additional funding, but the park management figure on page 24 is mistakenly $1,000,000 below the agreed amount.

Mr. President, as is the practice with appropriation bills, I ask unanimous consent to have printed in the RECORD at this point a table comparing appropriations recommended in the bill with those of the preceding fiscal year and with House allowances and budget estimates.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	New budget authorization (fiscal years)				Senate bill compared with—		
	Enacted, 1978	Estimates, 1979	House, 1979	Senate, 1979	Fiscal year 1978 enacted	Fiscal year 1979 estimate	House bill
TITLE I—DEPARTMENT OF THE INTERIOR							
LAND AND WATER RESOURCES							
Bureau of Land Management							
Management of lands and resources	246,938,000	275,368,000	295,315,000	274,991,000	+28,053,000	−377,000	20,324,000
Acquisition, construction, and maintenance	18,707,000	17,683,000	19,758,000	18,683,000	−24,000	+1,000,000	−1,075,000
Public lands development roads and trails (appropriation to liquidate contract authority)	(1,924,000)				(−1,924,000)		
Payments in lieu of taxes	100,000,000	105,000,000	105,000,000	105,000,000	+5,000,000		
Oregon and California grass lands (indefinite, appropriation of receipts)	56,500,000	58,250,000	58,250,000	58,250,000	+1,750,000		
Range improvements (indefinite, appropriation of receipts)	9,172,000	10,900,000	10,900,000	10,900,000	+1,728,000		
Recreation development and operation of recreation facilities (indefinite, special fund)	300,000	300,000	300,000	300,000			
Service charges, deposits and forfeitures (indefinite, special fund)	11,531,000	20,523,000	20,523,000	20,523,000	+8,992,000		
Working capital fund	2,000,000				−2,000,000		
Miscellaneous trust funds (indefinite)	100,000	100,000	100,000	100,000			
Total, Bureau of Land Management	445,248,000	488,124,000	510,146,000	488,747,000	+43,499,000	+623,000	−21,399,000
Office of Water Research and Technology							
Salaries and expenses	25,307,000	27,154,000	31,057,000	26,842,000	+1,535,000	−312,000	−4,215,000
Total, Land and Water Resources	470,555,000	515,278,000	541,203,000	515,589,000	+45,034,000	+311,000	−25,614,000
FISH AND WILDLIFE AND PARKS							
Heritage Conservation and Recreation Service							
Salaries and expenses	17,194,000	20,978,000	17,874,000	14,874,000	−2,320,000	−6,104,000	−3,000,000
Land and Water Conservation Fund (indefinite)	600,000,000	725,000,000	645,841,000	645,194,000	+45,194,000	−79,806,000	−647,000
Historic preservation fund	45,000,000	45,000,000	60,000,000	100,000,000	+55,000,000	+55,000,000	+40,000,000
Total, Heritage Conservation and Recreation Service	662,194,000	790,978,000	723,715,000	760,068,000	+97,874,000	−30,910,000	+36,353,000
United States Fish and Wildlife Service							
Resource management	169,279,000	191,937,000	196,695,000	194,508,000	+25,229,000	+2,571,000	−2,187,000
Construction and anadromous fish	68,660,000	89,943,000	96,153,000	96,479,000	+27,819,000	+6,536,000	+326,000
Migratory bird conservation account (definite, repayable advance)	10,000,000	10,000,000	10,000,000	10,000,000			
Development and operation of recreation facilities (indefinite, special fund)	150,000	150,000	150,000	150,000			
Total, United States Fish and Wildlife Service	248,089,000	292,030,000	302,998,000	301,137,000	+53,048,000	+9,107,000	−1,861,000
National Park Service							
Operation of the national park system	323,152,000	363,714,000	382,317,000	367,631,000	+44,479,000	+3,917,000	−14,686,000
Construction	161,442,000	121,328,000	111,775,000	130,391,000	−31,051,000	+9,063,000	+18,616,000
Road construction (appropriation to liquidate contract authority)	(30,198,271)				(−30,198,271)		
Planning, development, and operation of recreation facilities (indefinite, special fund)	14,000,000	15,478,000	15,478,000	15,478,000	+1,478,000		
John F. Kennedy Center for the Performing Arts	3,750,000	4,066,000	4,055,000	4,055,000	+305,000	−11,000	
Total, National Park Service	502,344,000	504,586,000	513,625,000	517,555,000	+15,211,000	+12,969,000	+3,930,000
Total, Fish and Wildlife and Parks	1,412,627,000	1,587,594,000	1,540,338,000	1,578,760,000	+166,133,000	−8,834,000	+38,422,000
ENERGY AND MINERALS							
Geological Survey							
Surveys, investigations, and research	363,547,000	398,363,000	419,689,000	395,127,000	+31,580,000	−3,236,000	−24,562,000
Exploration of national petroleum reserve in Alaska	209,541,000	185,548,000	216,048,000	251,998,000	+42,457,000	+66,450,000	+35,950,000
Total, Geological Survey	573,088,000	583,911,000	635,737,000	647,125,000	+74,037,000	+63,214,000	+11,388,000
Bureau of Mines							
Mines and minerals	135,270,000	121,329,000	132,667,000	118,058,000	−17,212,000	−3,271,000	−14,609,000
Helium fund (permanent authority)		(47,500,000)				(−47,500,000)	
Total, Bureau of Mines	135,270,000	121,329,000	132,667,000	118,058,000	−17,212,000	−3,271,000	−14,609,000
Office of Surface Mining Reclamation and Enforcement							
Regulation and technology	30,880,000	43,661,000	39,344,000	48,944,000	+18,064,000	+5,283,000	+9,600,000
Abandoned mine reclamation fund (definite, trust fund)	36,647,000	70,861,000	77,851,000	78,451,000	+41,804,000	+7,590,000	+600,000
Total, Office of Surface Mining Reclamation and Enforcement	67,527,000	114,522,000	117,195,000	127,395,000	+59,868,000	+12,873,000	+10,200,000
Total, Energy and Minerals	775,885,000	819,762,000	885,599,000	892,578,000	+116,693,000	+72,816,000	+6,979,000
INDIAN AFFAIRS							
Bureau of Indian Affairs							
Operation of Indian Programs	685,555,000	761,256,000	791,092,000	755,087,000	+69,532,000	−6,169,000	−36,005,000
Construction	66,319,000	86,815,000	116,265,000	117,254,000	+50,935,000	+30,439,000	+989,000
Road construction	75,335,000	71,410,000	74,010,000	76,753,000	+1,418,000	+5,343,000	+2,743,000
Road construction (appropriation to liquidate contract authority)	(22,912,000)				(−22,912,000)		
Alaska native fund	30,000,000	30,000,000	30,000,000	30,000,000			
Trust funds (definite)	3,000,000	3,000,000	3,000,000	3,000,000			
Trust funds (indefinite)	23,000,000	21,000,000	21,000,000	21,000,000	−2,000,000		
Total, Bureau of Indian Affairs	883,209,000	973,481,000	1,035,367,000	1,003,094,000	+119,885,000	+29,613,000	−32,273,000

	New budget authorization (fiscal years)				Senate bill compared with—		
	Enacted, 1978	Estimates, 1979	House, 1979	Senate, 1979	Fiscal year 1978 enacted	Fiscal year 1979 estimate	House bill
TERRITORIAL AFFAIRS							
Office of Territorial Affairs							
Administration of territories	37,470,000	49,436,000	53,523,000	49,423,000	+11,953,000	−13,000	−4,100,000
Permanent appropriation (special fund)	(336,000)				(−336,000)		
Transferred from other accounts (special fund)	(938,000)				(−938,000)		
Trust Territory of the Pacific Islands	96,483,000	106,920,000	115,578,000	106,898,000	+10,415,000	−22,000	−8,680,000
Micronesian Claims Fund			12,600,000				−12,600,000
Total, Office of Territorial Affairs	133,953,000	155,356,000	181,701,000	156,321,000	+22,368,000	−35,000	−25,380,000
SECRETARIAL OFFICES							
Office of the Solicitor							
Salaries and expenses	14,409,000	14,895,000	14,585,000	14,394,000	−15,000	−501,000	−191,000
Office of the Secretary							
Departmental Management	34,993,000	40,607,000	42,391,000	41,545,000	+6,552,000	+938,000	−846,000
Salaries and expenses	(21,454,000)	(24,597,000)	(26,381,000)	(26,195,000)	(+4,741,000)	(+1,598,000)	(−186,000)
Departmental operations	(13,539,000)	(16,010,000)	(16,010,000)	(15,350,000)	(+1,811,000)	(−660,000)	(−660,000)
Salaries and expenses (special foreign currency program)	1,000,000	1,000,000	1,000,000	1,000,000			
Total, Office of the Secretary	35,993,000	41,607,000	43,391,000	42,545,000	+6,552,000	+938,000	−846,000
Total, Secretarial Offices	50,402,000	56,502,000	57,976,000	56,939,000	+6,537,000	+437,000	−1,037,000
Total, title I, new budget (obligational) authority, Department of the Interior	3,726,631,000	4,108,973,000	4,242,184,000	4,203,231,000	+476,650,000	+94,308,000	−38,903,000
Consisting of:							
Appropriations	3,726,631,000	4,108,973,000	4,242,184,000	4,203,281,000	+476,650,000	+94,308,000	−38,903,000
Definite appropriations	3,011,878,000	3,257,272,000	3,469,642,000	3,431,386,000	+419,508,000	+174,114,000	−38,256,000
Indefinite appropriations	714,753,000	851,701,000	772,542,000	771,895,000	+57,142,000	−79,806,000	−647,000
Memoranda: Appropriations to liquidate contract authority	(55,034,271)				(−55,034,271)		
Title I, new budget (obligational) authority and appropriations to liquidate contract authority	3,781,665,271	4,108,973,000	4,242,184,000	4,203,281,000	+421,615,729	+94,308,000	−38,903,000
TITLE II—RELATED AGENCIES							
DEPARTMENT OF AGRICULTURE							
Forest Service							
Forest protection and utilization:							
Forest land management	535,754,000	689,624,000	626,720,000	672,128,000	+136,374,000	−17,396,000	+45,408,000
Forest research	101,488,000	102,152,000	110,718,000	104,002,000	+2,514,000	+1,850,000	−6,716,000
State and private forestry cooperation	53,059,000	41,755,000	57,676,000	48,260,000	−4,799,000	+6,505,000	−9,416,000
Total, Forest protection and utilization	690,301,000	833,531,000	795,114,000	824,390,000	+134,089,000	−9,141,000	+29,276,000
Construction and land acquisition	30,630,000	19,545,000	43,550,000	24,118,000	−16,512,000	+4,573,000	−19,432,000
Youth conservation corps	60,000,000	60,000,000	60,000,000	60,000,000			
Forest roads	212,115,000	243,466,000	243,466,000	243,466,000	+31,351,000		
Forest roads and trails	175,833,000	173,922,000	224,275,000	191,131,000	+15,298,000	+17,209,000	−33,144,000
Forest roads and trails (appropriation to liquidate contract authority)	(78,781,000)				(−78,781,000)		
Timber Salvage Sales			3,000,000	3,000,000	+3,000,000	+3,000,000	
Acquisition of lands for national forests:							
Special acts (special fund, indefinite)	165,000	160,000	415,000	160,000	−5,000		−255,000
Acquisition of lands to complete land exchanges (special fund indefinite)	38,000	242,000	239,000	239,000	+201,000	−3,000	
Rangeland improvements (special fund, indefinite)	5,200,000	6,374,000	5,400,000	5,400,000	+200,000	−974,000	
Assistance to States for tree improvement	1,387,000	1,409,000	1,508,000	1,508,000	+121,000	+99,000	
Construction and operation of recreation facilities (indefinite, special fund)	4,084,000	3,459,000	3,459,000	3,459,000	−625,000		
Rights of way (indefinite)		100,000	100,000			−100,000	−100,000
Total, Forest Service	1,189,753,000	1,342,208,000	1,380,526,000	1,356,871,000	+167,118,000	+14,663,000	−23,655,000
DEPARTMENT OF ENERGY							
Fossil energy research and development	619,950,000	637,451,000	614,704,000	589,753,000	−30,197,000	−47,698,000	−24,951,000
Fossil energy construction	72,800,000	50,329,000	27,139,000	163,919,000	+91,119,000	+113,590,000	+136,780,000
Energy production, demonstration, and distribution	186,847,000	254,692,000	182,881,000	167,181,000	−19,666,000	−87,511,000	−15,700,000
Energy conservation	594,024,000	927,731,000	897,001,000	754,031,000	+160,007,000	−173,700,000	−142,970,000
Economic Regulatory Administration	84,240,000	98,933,000	94,733,000	94,733,000	+10,493,000	−4,200,000	
Strategic petroleum reserve	3,179,889,000	4,250,464,000	4,084,624,000	3,006,854,000	−173,035,000	−1,243,610,000	−1,077,770,000
Energy Information Administration	48,062,000	63,405,000	59,286,000	59,286,000	+11,224,000	−4,119,000	
Total, Department of Energy	4,785,812,000	6,283,005,000	5,960,368,000	4,835,757,000	+49,945,000	−1,447,248,000	−1,124,611,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE							
Health Services Administration							
Indian health services	428,891,000	472,852,000	490,048,000	481,127,000	+52,236,000	+8,275,000	−8,921,000
Indian health facilities	71,257,000	69,955,000	70,555,000	76,960,000	+5,703,000	+7,005,000	+6,405,000
Total, Indian health	500,148,000	542,807,000	560,603,000	558,087,000	+57,939,000	+15,280,000	−2,516,000
Office of Education							
Indian education	59,660,000	75,735,000	73,735,000	71,735,000	+12,075,000	−4,000,000	−2,000,000
Office of the Assistant Secretary for Education							
Institute of Museum Services	4,000,000	7,752,000	7,752,000	8,000,000	+4,000,000	+248,000	+248,000
Total, Department of Health, Education, and Welfare	563,808,000	626,294,000	642,090,000	637,822,000	+74,014,000	+11,528,000	−4,268,000

	New budget authorization (fiscal years)				Senate bill compared with—		
	Enacted, 1978	Estimates, 1979	House, 1979	Senate, 1979	Fiscal year 1978 enacted	Fiscal year 1979 estimate	House bill
INDIAN CLAIMS COMMISSION							
Salaries and expenses	1,500,000				−1,500,000		
NAVAJO AND HOPI INDIAN RELOCATION COMMISSION							
Salaries and expenses	2,050,000	13,129,000	8,752,000	8,692,000	+6,642,000	−4,437,000	−60,000
SMITHSONIAN INSTITUTION							
Salaries and expenses	88,238,000	96,307,000	96,841,000	95,540,000	+7,302,000	−767,000	−1,301,000
Museum programs and related research (special foreign currency program)	4,000,000	3,700,000	3,700,000	3,700,000	−300,000		
Science information exchange	1,777,000	2,218,000	2,000,000	2,000,000	+223,000	−218,000	
Construction and improvements, National Zoological Park	2,500,000	3,900,000	3,900,000	3,900,000	+1,400,000		
Restoration and renovation of buildings	2,425,000	3,100,000	2,100,000	1,950,000	−475,000	−1,150,000	−150,000
Construction	325,000	575,000	575,000	575,000	+250,000		
Subtotal	99,265,000	109,800,000	109,116,000	107,665,000	+8,400,000	−2,135,000	−1,451,000
Salaries and expenses, National Gallery of Art	14,509,000	19,305,000	19,305,000	18,455,000	+3,946,000	−850,000	−850,000
Salaries and expenses, Woodrow Wilson International Center for Scholars	1,256,000	1,317,000	1,567,000	1,567,000	+311,000	+250,000	
Total, Smithsonian Institution	115,030,000	130,422,000	129,988,000	127,687,000	+12,657,000	−2,735,000	−2,301,000
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES							
National Endowment for the Arts							
Salaries and expenses	89,100,000	102,160,000	102,160,000	102,160,000	+13,060,000		
Administrative expenses	8,900,000	10,000,000	10,000,000	9,550,000	+650,000	−450,000	−450,000
Matching grants	25,500,000	37,500,000	37,500,000	37,500,000	+12,000,000		
Total, National Endowment for the Arts	123,500,000	149,660,000	149,660,000	149,210,000	+25,710,000	−450,000	−450,000
National Endowment for the Humanities							
Salaries and expenses	87,800,000	100,300,000	98,300,000	97,800,000	+10,000,000	−2,500,000	−500,000
Administrative expenses	8,200,000	10,800,000	10,800,000	9,950,000	+1,750,000	−850,000	−850,000
Matching grants	25,000,000	34,500,000	36,500,000	36,500,000	+11,500,000	+2,000,000	
Total, National Endowment for the Humanities	121,000,000	145,600,000	145,600,000	144,250,000	+23,250,000	−1,350,000	−1,350,000
Total, National Foundation on the Arts and the Humanities	244,500,000	295,260,000	295,260,000	293,460,000	+48,960,000	−1,800,000	−1,800,000
COMMISSION OF FINE ARTS							
Salaries and expenses	233,000	264,000	263,000	263,000	+30,000	−1,000	
ADVISORY COUNCIL ON HISTORIC PRESERVATION							
Salaries and expenses	1,080,000	1,553,000	1,178,000	1,178,000	+98,000	−375,000	
NATIONAL CAPITAL PLANNING COMMISSION							
Salaries and expenses	1,819,000	1,939,000	1,936,000	1,991,000	+172,000	+52,000	+55,000
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION							
Salaries and expenses	25,000	20,000	20,000	20,000	−5,000		
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA							
Salaries and expenses	712,000	594,000	594,000	356,000	−356,000	−238,000	−238,000
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION							
Salaries and expenses	1,294,000	1,530,000	1,630,000	1,630,000	+336,000	+100,000	
Land acquisition and development (borrowing authority)	7,500,000	13,400,000	13,400,000	13,400,000	+5,900,000		
Public development	12,354,000	12,355,000	12,355,000	12,355,000	+1,000		
Total, Pennsylvania Avenue Development Corporation	21,148,000	27,285,000	27,385,000	27,385,000	+6,237,000	+100,000	
FUNDS APPROPRIATED TO THE PRESIDENT							
Petroleum Reserves (indefinite, special fund) (by transfer)	(561,200,000)				(−561,200,000)		
Total, title II, new budget (obligational) authority, related agencies	6,927,470,000	8,721,973,000	8,448,360,000	7,291,482,000	+364,012,000	−1,430,491,000	−1,156,878,000
Consisting of:							
Appropriations	6,919,970,000	8,708,573,000	8,434,960,000	7,278,082,000	+358,112,000	−1,430,491,000	−1,156,878,000
Definite appropriations	6,910,483,000	8,698,238,000	8,425,347,000	7,268,824,000	+358,341,000	−1,429,414,000	−1,156,523,000
Indefinite appropriations	9,487,000	10,335,000	9,613,000	9,258,000	−229,000	−1,077,000	−355,000
Borrowing authority	7,500,000	13,400,000	13,400,000	13,400,000	+5,900,000		
Memoranda: Appropriations to liquidate contract authority	(78,781,000)				(−78,781,000)		
Title II, new budget (obligational) authority and appropriations to liquidate contract authority	7,006,251,000	8,721,973,000	8,448,360,000	7,291,482,000	+285,231,000	−1,430,491,000	−1,156,878,000

	New budget authorization (fiscal years)				Senate bill compared with—		
	Enacted, 1978	Estimates, 1979	House, 1979	Senate, 1979	Fiscal year 1978 enacted	Fiscal year 1979 estimate	House bill
RECAPITULATION							
Total, new budget (obligational) authority, all titles	10, 654, 101, 000	12, 830, 946, 000	12, 690, 544, 000	11, 494, 763, 000	+840, 662, 000	−1, 336, 183, 000	−1, 195, 781, 000
Consisting of:							
Appropriations	10, 646, 601, 000	12, 817, 546, 000	12, 677, 144, 000	11, 481, 363, 000	+834, 363, 000	−1, 336, 183, 000	−1, 195, 781, 000
Definite appropriations	9, 922, 361, 000	11, 955, 510, 000	11, 894, 989, 000	10, 700, 210, 000	+777, 849, 000	−1, 255, 300, 000	−1, 194, 779, 000
Indefinite appropriations	724, 240, 000	862, 036, 000	782, 155, 000	781, 153, 000	+56, 913, 000	−80, 883, 000	−1, 002, 000
Borrowing authority	7, 500, 000	13, 400, 000	13, 400, 000	13, 400, 000	+5, 900, 000		
Memoranda: Appropriations to liquidate contract authority	(133, 815, 271)				(−133, 815, 271)		
Grand total, new budget (obligational) authority and appropriations to liquidate contract authority	10, 787, 916, 271	12, 830, 946, 000	12, 690, 544, 000	11, 494, 763, 000	+706, 846, 729	−1, 336, 183, 000	−1, 195, 781, 00

Mr. HUDDLESTON. Mr. President, let me again stress that the committee worked long and hard to pare down the agency budget requests and to curb the growth of Federal spending whenever possible. At the same time, we have attempted to respond to congressional priorities within the overall goal of staying below the budget. I would hope that the Senate would approach this bill with equal restraint. I urge Senators to keep in mind that the primary goal is to combat the rampant inflation that is endangering the health and vitality of our Nation's economy.

Mr. President, in closing my summary of the bill, on behalf of the distinguished majority leader and chairman of the subcommittee (Mr. ROBERT C. BYRD), I want to express his sincere appreciation and that of all the committee for the work performed by the individual subcommittee members, and also the ranking minority member, the distinguished Senator from Alaska (Mr. STEVENS) who put in long hours on the bill despite his demanding responsibilities as assistant majority leader.

I am sure, Mr. President, that the distinguished Senator from Alaska has some observations on this bill at this time and I yield the floor.

Mr. STEVENS. Mr. President, knowing that my good friend, the Senator from Kentucky, will want to correct his last statement, even though I devoutly hope that that day might come, I do, as the assistant minority leader and ranking Republican on this committee, thank him for his kind comments. Hope springs eternal, Mr. President.

I want to support strongly the remarks of my good friend from Kentucky, who has put so much time in on this bill and has been of such great assistance to our subcommittee chairman and our majority leader, the distinguished Senator from West Virginia. It has been the majority leader's wisdom and leadership that has been the cornerstone in developing what I think is a very trim, nononsense, anti-inflationary bill for the upcoming fiscal year. The Senator from Kentucky has contributed greatly to the objectives of the subcommittee and has chaired, I think, the majority of the sessions of the hearings held on this bill.

Additionally, I think that this subcommittee is known for the manner in which every subcommittee member is treated and every request of any Senator is treated. They are all reviewed and, wherever possible, we have met the priorities that the Senators from the State involved have set for their own State.

It is worthwhile, I think mentioning that before we even went to full committee mark-up with this bill, we had accepted nearly 150 amendments. Numerous others have since been added and we have still managed to preserve a package which, as the chairman has indicated, is more than $1.3 billion below the budget estimates and some $1.2 billion below the House allowance. Although we had an actual overall increase in total spending, we have been able to hold our recommendations to a not to exceed 6 percent increase over the current fiscal year.

This has not been an easy task, and I would stress to you that we have done our best to come to the floor with a barebones bill. We can scarcely afford any more add-ons nor can we absorb any additional cuts, either across-the-board or otherwise without incurring severe shortfalls in important program areas. Selected increases have been carefully chosen following meticulous scrutiny of budget justifications and protracted, detailed hearings.

I also want to point out to the Senate that there are some decreases that have been made in order to get the attention of our colleagues in the House as we go to conference. It is not an unknown tactic and I think it works because it demonstrates to our colleagues in the House that we, too, have priorities for individual States and, in the process of accommodation and the spirit of friendship with which we have dealt with the conferees from the House, the Senate on this subcommittee has always been able to work out a conclusion which was satisfactory to both Houses in terms of the Interior appropriations process.

In closing, Mr. President, I want to again extend my gratitude and appreciation to the distinguished chairman of our subcommittee for his unflagging courtesy and constant good nature toward all members of the subcommittee. It is a great honor to work with a gentleman who understands and appreciates the legislative process as well as he does and is as fair-minded as he is.

He has permitted a great deal of latitude to those of us who do chair the hearings and do try to do the work of this subcommittee.

As I said, the Senator from Kentucky this year has done yeoman's work on the subcommittee in terms of hearings, but each member of the subcommittee has chaired some of the hearings. I think there has been very good attendance at the markup meetings of the subcommittee and the full committee and that the bill before the Senate is one that the Senate as a whole can defend and support.

I hope there will be no meat ax type cuts on this bill because they make no sense with a bill that has had this much attention to so many details in the process.

It has been an honor to work with both the Senator from Kentucky and the Senator from West Virginia. They both understand the legislative process well and have both been very evenhanded with me.

I ask the Senator from Kentucky whether there are any amendments we can take care of. I know the Senator from Georgia had an amendment which was in order.

I yield the floor.

UP AMENDMENT NO. 1611

(Purpose: Provides land acquisition funding for Chattahoochee River National Recreation Area, Georgia)

Mr. HUDDLESTON. Mr. President, I call up an unprinted amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON), for the Senator from Georgia (Mr. NUNN), proposes an unprinted amendment numbered 1611.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 1, strike "$645,194,000" and insert in lieu thereof "$690,194,000", and, on page 8, lines 16 and 17, strike "$142,457,000" and insert in lieu thereof "$187,457,000".

Mr. HUDDLESTON. Mr. President, I am introducing this amendment on behalf of the Senator from Georgia (Mr. NUNN), who is necessarily absent to vote in his State primary election in which he

has more than a passing interest. This amendment would increase the appropriation for the land and water conservation fund by $45 million, all of it for land acquisition at the proposed Chattahoochee River National Recreation Area. The committee deleted the budget request for this unit of the national park system because, at the time of our markup, the Congress had not completed action on the authorization bill. Since that time, however, the bill has cleared the Congress and is awaiting the President's signature.

The acquisition program for Chattahoochee is expensive, but timely funding will help avoid even higher costs and prevent disruptive development.

The Senator from Georgia had intended to sponsor this amendment and I ask unanimous consent that his prepared statement in support of it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR NUNN

The proposed Chattahoochee River National Recreation Area encompasses a 48 mile stretch of scenic woodlands and river vistas within a short bus ride from downtown Atlanta. The preservation of this unique national resource, in its natural state, has been the subject of a six year dedicated effort by hundreds of Georgians, private citizens and elected officials alike.

I first introduced legislation to authorize the Chattahoochee River NRA in the 93rd Congress, soon after my election to the Senate. Following five plus years of hearings, mark-ups, and floor consideration, the Congress completed authorization of this new component of the National Park System on Friday, August 4, 1978.

The Administration's FY '79 Interior Department budget included a request for $45 million for initial land acquisition for the Chattahoochee River NRA. The Appropriation's Committee, pursuant to a committee policy to not appropriate funds for unauthorized projects, failed to include money for the Chattahoochee in the Interior appropriations bill. In view of the fact that the Congress has now authorized this park, I believe that inclusion of the requested $45 million in the appropriations bill would be consistent with all relevant rules and standards.

Due to the proximity of the proposed NRA to metropolitan Atlanta, several of the critical areas scheduled for inclusion in the park are in danger of imminent loss to commercial development. It would be tragic to lose the heart of this area at the eleventh hour of our lengthy preservation effort.

Therefore, Mr. President, I hope that my colleagues will support adoption of this $45 million request. It's immediate availability for purchase of endangered tracts is vital and the appropriation now meets all applicable criteria.

Mr. HUDDLESTON. Mr. President, in view of the fact that Congress has now approved this addition to the national park system, and the amount is budgeted, I urge the adoption of the amendment. I believe it has been cleared on both sides of the aisle.

Mr. STEVENS. Mr. President, I discussed this amendment last evening with the Senator from Georgia. As we know, his primary is occurring today or he would be here speaking for his amendment. He has a good substitute in the Senator from Kentucky.

I do think the amendment is somewhat excessive. I am not certain they can commit that much money in one year, but, if memory serves me right, this is for Georgia and it is a matter that the President has mentioned to us and which I have discussed with the Members of the House.

I think, under the circumstances, that the request of the Senator from Georgia is reasonable. I do hope they will be cautious about the way they spend the money as they go into this new park. But, as I said, after having discussed it with the Senator from Georgia, I have no objection to the adoption of the amendment, and I yield to the judgment of the manager of the bill on it.

Mr. HUDDLESTON. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to UP Amendment No. 1611.

The amendment was agreed to.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER, Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that Bill Kingston of Senator DOMENICI's staff be granted privilege of the floor during consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that Jim Range, of Senator BAKER's staff, and Mimi Feller, of Senator CHAFEE's staff, have the privilege of the floor during the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Mr. Tom Dougherty, of Senator GLENN's staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

UP AMENDMENT NO. 1612

(Purpose: To permit certain projects to commence if a final environmental impact statement has been filed in connection therewith)

Mr. CANNON. Mr. President, I have an unprinted amendment at the desk that I call up at this time and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON), for himself, Mr. LAXALT, Mr. DECONCINI, Mr. MCCLURE, Mr. GOLDWATER, Mr. CURTIS, Mr. HAYAKAWA, Mr. SCHMITT, Mr. GARN, Mr. HATCH, Mr. HANSEN, Mr. WALLOP, Mr. JOHNSTON, Mr. BURDICK, Mr. BARTLETT, Mr. DOLE, Mr. STEVENS, Mr. STENNIS, and Mr. YOUNG, proposes an unprinted amendment numbered 1612:

On page 30, after line 26, add the following:

SEC. 110. (a) Notwithstanding any provisions of the National Environmental Policy Act of 1969, Public Law 91–190 (42 U.S.C. S4321 et. seq.), construction of any feature of the Upper Colorado River Storage Project as authorized by the Act of April 11, 1956, as amended, shall proceed if a final Environmental Impact Statement has been filed on such feature.

(b) Notwithstanding any provisions of the National Environmental Policy Act of 1969, Public Law 91–190 (42 U.S.C. S4321 et. seq.), construction of any feature of the Central Arizona Project as authorized by Public Law 90–537, September 30, 1968 (43 U.S.C. S1501 et. seq.), shall proceed if a final Environmental Impact Statement has been filed on such feature.

(c) Notwithstanding any provisions of the National Environmental Policy Act of 1969, Public Law 91–190 (42 U.S.C. S4321 et seq.), construction of any feature of the Southern Nevada Water Project as authorized by Public Law 89–292 (43 U.S.C. 616ggg), as amended, shall proceed if a final Environmental Impact Statement has been filed on any such feature.

Mr. CANNON. Mr. President, the amendment under consideration is designed to make clear congressional intent with regard to comprehensive, or basinwide, environmental impact statements. The amendment is cosponsored by Senators LAXALT, DECONCINI, MCCLURE, GOLDWATER, CURTIS, HAYAKAWA, SCHMITT, GARN, HATCH, HANSEN, WALLOP, JOHNSTON, BURDICK, BARTLETT, DOLE, STEVENS, STENNIS, and YOUNG.

Recently, the Environmental Defense Fund filed suit for an injunction against any further construction on water resources projects in the Colorado River Basin until a comprehensive EIS is completed. The implications of this suit are staggering and the immediately impacted States of Colorado, Utah, Arizona, and Nevada have joined as intervenors

in the suit. Eventually, every water project in every river basin in the Nation may be affected. If the injunction is granted, it will idle progress and create tremendous waste of resources in projects already under construction and, potentially, a quantum step back from development of water resources in the West, and eventually throughout the Nation. It proposes to turn congressional intent upside down and frustrate the reasonable and desirable goals of the National Environmental Policy Act.

Let us look for a moment at what this development portends. There are some 20 Colorado River Basin projects, either under construction, or in preconstruction planning phase. Among these are the Central Arizona project, the Central Utah project and the southern Nevada water project. Environmental impact statements have been completed on each of these projects individually, as required by law, at enormous cost of time and money. The EIS for the southern Nevada water project, with which I am most familiar, was begun in January 1975 and submitted to the Council on Environmental Quality in June 1977.

In addition to being 2½ years in the preparation, the cost of the study was over $125,000. It is my understanding that over $2 million and 4 to 5 years have ben required in the central Arizona project and the similar requirements for the central Utah project. Keep in mind, Mr. President, these statements include an analysis of basinwide implications, which means a comprehensive EIS required in the suit would be largely duplicative. More importantly, the cost in time and money would also be duplicated.

The requirement of the law, as it was understood, has been fully met. Now the EDF suit would have the law interpreted to mean that we have only scratched the surface and that each project must be halted while another 4 or 5 years and many hundreds of thousands and possibly millions of dollars are spent duplicating environmental analyses.

Such an undertaking may be impossible to complete. The Colorado River is over 1,400 miles long. The river and its tributaries drain a basin of 242,000 square miles. Certain completed studies can probably be used in a comprehensive study, but no one has defined how much of this 242,000 square miles must be analyzed as part of a comprehensive EIS. Presumably, the requirement will entail an analysis of each of the tributaries, no matter how small, and regardless of whether they are part of a water project. Should these substantial questions be resolved in a reasonable manner, I still question whether any useful new information would result from all this labor.

Mr. President, the southern Nevada water project is designed to take part of Nevada's allocation of Colorado River water to meet the needs of the rapidly expanding population of southern Nevada. As I already pointed out, the environmental impact has been studied for over 2½ years at tremendous cost. Southern Nevada is facing a critical, even desparate, demand for water. The project was designed to be on line no later than 1980 to meet this need. A 4- or 5-year delay simply is not tolerable if substantial hardship and deprivation are to be avoided.

Certainly, if the intent of the Congress is not made clear and this suit succeeds in perverting a reasonable interpretation of NEPA, the Colorado River Basin will not be the sole object of this requirement. The antidevelopmentalists will demand a basinwide EIS in the Columbia River basin, in TVA and anywhere water resources are being developed. It is time now, to clear this matter up and this amendment will have that effect. I urge its adoption.

Mr. STEVENS. Mr. President, let me ask the Senator from Nevada a question. I am quite sympathetic to this amendment myself. It is my understanding that the environmental impact statements were made for the individual projects that are under way?

Mr. CANNON. That is absolutely correct. Everyone of the projects that are affected in this amendment has had individual environmental impact statements filed in accordance with the law as required, and could not have proceeded unless that had been done.

The proposal, in accordance with the lawsuit, would demand a whole basinwide new statement covering the same ground as these individual ones. For example, one has been filed, as I said, on the southern Nevada water project; another one has been filed on the southern Utah project; one has been filed on the central Arizona project. To require additional environmental impact statements at this time would just simply be duplicating all of these individual EIS's that have been concluded.

Mr. STEVENS. There is a possibility that a court hearing this case might issue an injunction to stop the projects that are underway.

Mr. CANNON. There is that possibility. The project in my own State is already underway. This was done in two phases. Phase 1 is complete, and we are now into the construction of phase 2, and it is quite conceivable that a court might step in and say, "If they are to require a basinwide environmental impact statement of the entire Colorado River Basin we should halt further progress."

Mr. STEVENS. The impact of the Senator's amendment, which I am pleased to cosponsor, is that these projects that are underway can continue in accordance with the environmental impact statement that was made for each one?

Mr. CANNON. That is correct. It would not give them an exemption from the requirements under an environmental impact statement because that has been completed.

Mr. STEVENS. That was the major Federal decision that was covered by NEPA. It was not a basinwide study that was authorized by Congress; it was an individual project within the basin in each instance that was authorized by Congress; am I not correct?

Mr. CANNON. The Senator is absolutely correct.

Mr. STEVENS. The effect of a court injunction, should one be issued, would be that contracts underway, employment that was already underway, as a result of these projects that were started, would be terminated at a severe cost not only to the Government in terms of cancelling those projects, waiting for the injunction to be lifted, but also at a severe personal loss for those people who are employed in the construction of the project.

Mr. CANNON. The Senator is absolutely correct.

Mr. STEVENS. Mr. President, one of the great problems I have, and I would like to point out to some of my friends who forget it, is that I was one of the original two cosponsors of the National Environmental Protection Act, along with my good friend from Washington, Senator JACKSON.

What we sought was a review by the executive branch of the environmental implications of proposed executive decisions.

We never envisioned, at least I did not envision, these runaway court decisions which would lead to severe personal loss and excessive taxpayer costs in terms of a requirement for excessive review of the decisions involved.

In my opinion, the basic Federal decision that had to be reviewed was the decision to go ahead with these individual projects. That decision was covered by an environmental impact statement. It was approved by the authorizing officer.

We have appropriated funds to start these projects. I cannot conceive of how Congress can allow the situation to drift and allow the possibility that a court can come in and start a whole new generation of environmental delays to impose upon the water-short West in terms of these projects which means so much to the West, particularly in this Colorado River Basin.

I might say to my good friend from Nevada that when I first got out of law school I had the privilege of working on a Supreme Court brief concerning the Colorado River and the allocation of waters in the Colorado, and it has been a long, hard fight to determine what was national policy concerning the Colorado River Basin.

That was settled, and these individual projects were authorized. I think it would be the height of folly to leave a gap in congressional intent, to leave a gap in the law that might permit a court to determine that until there was a basinwide environmental impact statement, the individual projects could not continue under construction in spite of the fact that each had been covered by an adequate environmental impact statement.

I hope the Senate will adopt this. We were informed that this amendment was

going to be raised in subcommittee and in full committee, and in order to avoid the potential of not being able to get a time agreement on the bill, the sponsors cooperated with the committee and did not offer it in committee.

I congratulate the Senator from Nevada for raising the issue, and I hope that all who are concerned with the overzealousness of those who are trying to expand the congressional intent in the National Environmental Protection Act will respond to the amendment offered by the distinguished Senator from Nevada.

Mr. McCLURE. Mr. President, will the Senator yield briefly?

Mr. CANNON. I yield.

Mr. McCLURE. I thank the Senator for yielding.

I want to support the amendment for a couple of other reasons in addition to the ones that have been stated. I fully support the amendment as submitted and for the reasons stated both by the distinguished Senator from Nevada and my colleague from Alaska.

I am concerned, too, that we have not adequately looked at the manner in which existing statutes can be used by various groups for reasons other than the purposes for which the statute was passed. I am speaking of those who would like to halt all projects in the Colorado River Basin. It simply is not a matter of environmental impact. They just want to stop them. They do not think it is a good idea.

There is another group or there are two other groups who are also using or, perhaps, see the potential for using, the basinwide impact statement for purposes which to them are sufficient reasons, and I refer to the bureaucracy. I am talking about those within the Corps of Engineers and the Bureau of Reclamation who love to make studies of basinwide areas, and also have had to be brought under control in the past by Congress for their planning activities that went far beyond anything the Congress intended.

Years ago the Bureau of Reclamation was brought up short by congressional action that said, "You cannot plan anything you have not been authorized to plan."

The Corps of Engineers has undertaken to do the same sort of thing by going into planning activities that were never authorized by Congress. It just kind of creates the momentum for projects that otherwise might not have been built, by going out and planning for them, getting people all signed up in favor of projects before they ever come to Congress and ask for any support.

I can see both of these groups coming in under the guise of a basinwide or areawide impact statement, saying, "Now we must plan," and they could completely circumvent the restrictions enacted by Congress by submitting to a friendly lawsuit that ordered them to make the plans and do the planning which Congress has denied them the authority to do.

For that reason in addition, I support the amendment submitted by the Senator from Nevada. I congratulate him for offering it, and hope the Senate will agree to it and that the other body will accept it.

Mr. CANNON. I thank the Senator. I yield to my colleague from Nevada (Mr. LAXALT).

Mr. LAXALT. I thank my senior colleague for giving me sufficient time to speak to this amendment, which I support and support very strongly.

Mr. President, the Environmental Defense Fund, Inc., Trout Unlimited, and the Wilderness Society have filed a civil suit against the Bureau of Reclamation and the Department of the Interior for declaratory, injunctive, and mandatory relief: First, to require a comprehensive environmental impact statement (EIS) analyzing existing and future water resource projects and operations in the Colorado River Basin, and second, to enjoin construction of the new Federal water resource projects in the basin until the EIS analysis is completed.

As Senator CANNON and Senator McCLURE have both indicated, this represents a radical departure in policy. We know there is literally a fight to the death involving the waters of the West. We have been on the receiving end of various policy decisions, either in the making or as a concluded fact, leading us to believe that there are forces within this community and this town which eventually would preempt the rights of the States to regulate the distribution of their water. This, we believe, is a step in that direction, because water in the West is our lifeblood. It is the whole ball game.

I think some of our environmentalist friends recognize that to be the fact, because in a recent statement filed by the Environmental Policy Center of August 1977, they make these observations:

> The great majority of Americans don't realize the value and importance of the Colorado River, even though the water from this river provides industry with minerals and other raw materials for which there is a large demand, and provides agriculture with the water necessary to irrigate farms and bring food to American tables. The Colorado River Basin is at the heart of the arid west, where water, because of its scarcity, is especially precious. At the base of the Colorado River problem is the fact that the river carries enough water for only a handful of cities and industries and farms.

Going further, this statement is made—and I think this strikes at what is going on in connection with various groups here in town assisted by the agencies here in town:

> Control of the River means control of the West itself . . . its industry, agriculture, population distribution and the direction of the future.

That, my friends, represents what this amendment is all about, because, to be sure, control of the Colorado River and its various tributaries represents control of the West itself. That is like having a hand on the valve right here in Washington, in the years to come, to be able to control the development of that river basin.

Proceeding with my own statement pursuant to Senator Cannon's amendment:

First, Mr. President, I do not believe that it is the intent of the Congress to require such comprehensive environmental statements where site-specific environmental statements have been prepared.

Further, in conjunction with various meetings we have had, we believe that this amendment, in effect, will keep the agencies honest. We have been assured in meetings that the effect of this lawsuit will not be that we are going to have any injunctive relief in connection with existing projects. The passage of the Cannon amendment will insure that result. While the intent of the Congress may have been otherwise, the Secretary of the Interior, based upon Kleppe against Sierra Club, has interpreted the National Environmental Policy Act to mean that such a comprehensive environmental statement is required under the law. Consequently, the outcome of the litigation pending in the U.S. District Court for the District of Columbia may require such a statement.

Mr. President, it is my view that, in exercising its constitutional powers, the Congress should be given the responsibility for, and the opportunity to, specifically approve or reject appropriation of funds for each and every type of environmental statement in establishing policy with respect to Federal actions involving water and related land resources.

Of particular concern to me, one of the projects specifically identified in the environmental defense fund's civil action is the southern Nevada water project, second stage. I would like to point out that the southern Nevada water project, second stage, is the only achievable water supply plan that can be feasibly implemented, which will permit the State of Nevada to effectively develop its legal allocation of 300,000 acre-feet of water per year from the Colorado River. Additionally, the second stage, with a benefit-cost ratio of 1.3 to 1.0 is fully repayable with interest, by the State of Nevada.

Mr. President, I submit a four-page summary analysis of economic, environmental, and justification data relating to the southern Nevada water project, second stage, and I ask unanimous consent that it be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LAXALT. I urge that this information be given due consideration by my colleagues, for I believe it clearly demonstrates in brief form the need and soundness of the project as a cost-shared, joint-State venture.

I would like to point out to my colleagues that I believe that the preparation of a comprehensive environmental statement for the Colorado River Basin

will, in time, lead to prolonged and costly litigation due to allegations by opponents of proposed actions concerning the adequacy of first one part and then another of the comprehensive environmental statements as related to intrical, site-specific actions. Thus, an endless cycle of who comes first—the chicken-or-the-egg—situations with respect to comprehensive versus site-specific environmental statements would be created.

Mr. President, I am convinced that the preparation of comprehensive environmental statements would be so complex that it would lead to meaningless speculative generalities. In my view, it is in the best interest of the Colorado River Basin and its seven States that speculation must cease and action take place or progress in the national interest will come to a standstill.

In conclusion, Mr. President, it is my view that the United States cannot afford comprehensive environmental statements for all of its river basins. As an example, the cost of the comprehensive environmental statement for the Mississippi River Basin would be astronomical. I hope my colleagues appreciate the importance of this matter for, if the comprehensive EIS is required for the Colorado River Basin, similar statements can be expected to be demanded for all other river basins. In the long run, I believe we will find that the preparation for a comprehensive environmental statement, in addition to site-specific statements, will be a waste of taxpayers' money, not only in direct cost of the comprehensive statements, but also in cost of delays in performance of approved actions, inflation, and deprivation of benefits of the actions to society. I urge my colleagues to support the amendment offered by the distinguished senior Senator from Nevada.

EXHIBIT 1

SOUTHERN NEVADA WATER PROJECT, SECOND STAGE

SUMMARY ANALYSIS

I. Economic Analysis:

A. Benefit-Cost Ratios.—

1. Remaining (total) direct benefits and costs at 6⅜ percent is 1.1 to 1.0.

2. Current total direct benefits and costs at authorized rate (3¼ percent) is 1.3 to 1.0.

3. Total direct benefits and costs at authorization using authorized rate is 1.3 to 1.0.

B. Repayment.—

The project cost of $97,989,000 which includes interest during construction will be repaid in 50 years at an annual interest rate of 3¼ percent on unpaid investment pursuant to the authorizing legislation.

C. Beneficiaries and Employment.—

The number of people that would directly benefit from the Second Stage at full water development is estimated to be 385,000. The project would have a total of 3,185 man-years employment. Population growth is to a great extent determined by the number of jobs available in a given area. Job opportunities will result from economic growth in the area's basic industries. This growth produces jobs in the support services. An increase in industrial jobs, for instance, produces the need for more teachers, barbers, housing developers, and retail clerks. The resort industry is the largest industry in southern Nevada and is expected to continue its growth.

II. Environmental Impacts:

A. Adverse.—

The major secondary impacts of the Second Stage caused by the existing pattern of population growth will be a degradation of air quality in the valley; a degradation of water quality of return flows in Las Vegas Wash and ultimately the Colorado River; the increased cost of public services to accommodate the existing pattern of population growth; and the esthetic and cultural changes caused by the conversion of land from natural desert to urban use.

The Las Vegas Valley is in an air quality maintenance area. The National Ambient Air Quality Standards for carbon monoxide, particulates, and photochemical oxidents are violated regularly. The exact reasons for the declining air quality are not known, but it is generally believed to be the result of increased automobiles driven by transients and local residents. With continuing population growth, this situation is expected to worsen.

The water quality and quantity of return flows in Las Vegas Wash will be affected by increasing urban use caused by population growth. Return flows will carry more salt to Lake Mead and the Colorado River. Erosion in the Wash will cause increased sedimentation in Lake Mead, however, this erosion is small compared to that caused by flash flooding.

Rapid population growth will cause an increase in cost of public services such as schools, police and fire protection, hospitals, etc. The increased population will also generate revenues that will offset these additional costs.

Population growth will also result in large acreages of natural desert setting being converted to urban use.

B. Mitigated.—

Mitigation measures are either proposed or already underway to allay these impacts. The Clark County Health Department has proposed several measures to mitigate the worsening air quality situation. The State Environmental Protection Services is rewriting the State Implementation Plan emphasizing the reduction of levels of carbon monoxide and oxidants. The Bureau of Reclamation will cooperate to the extent possible with State and local agencies in mitigating the worsening air quality.

The degradation of water quality will be mitigated by several features. The Clark County Sanitation District is preparing the county-wide "208" study which will provide a plan for area wastewater management. The Bureau is assisting the "208" planning process. The County is planning an advanced wastewater treatment plant to treat secondary sewage effluent of the valley. The Las Vegas Wash Unit of Colorado River Quality Improvement Program (CRWQIP) has been authorized for construction. This unit will reduce the salt contribution to Lake Mead from ground-water flows and reduce erosion in the Wash. The Bureau of Reclamation has been authorized by Congress to proceed with its CRWQIP which proposes projects to maintain the 1972 salinity levels in the lower Colorado River while at the same time permitting development of the waters of the Colorado River. The CRWQIP will mitigate the adverse impacts of the Second Stage.

The Environmental Protection Agency has issued "National Pollutant Discharge Elimination System" permits to several entities in Clark County currently discharging wastewaters to Las Vegas Wash. The permits allow the discharge of pollutants for a period of time, but also set an effective date for the discharge to cease or the magnitude to significantly decrease.

The increase in cost for public services to provide for an expanding population is expected to be mitigated by an expanding economy. Though the economy is largely based on the tourist industry, it is sound and viable and produces a per capita income which exceeds the national average. The economy is expected to remain sound and viable and will absorb the increased costs of public services.

C. Beneficial.—

Project plans call for enhancement of the area's desert bighorn sheep population. This herd is one of the Nation's largest and healthiest, and it has more desert bighorn sheep per square mile than any herd in the State of Nevada. A benefit of the First Stage of the Southern Nevada Water Project was a permanent watering hole for these sheep. The bighorn sheep herd, estimated to be about 100 sheep at the time of completion of the First Stage, has grown in numbers and presently fluctuates somewhere between 200 and 300 sheep. The size of the herd is determined by the availability of water, the abundance of forage, and protection from molestation by man. Because bighorn sheep do not go too far from the water supply, a second water hole was recently constructed away from the noise and disturbance of construction activities.

The west side of the valley and the North Las Vegas area are primary users of potable ground water accounting for more than 65 percent of all withdrawals. Importing First Stage project water reduced the mining of ground water by about 15,000 acre-feet per year, and the Second Stage is expected to result in a further decrease in the overdraft ground water. This will assist in helping the State Engineer limit the ground-water withdrawals to an acceptable rate of 50,000 acre-feet per year. The reduction in overdraft will greatly lessen the rate of pressure declines in the valley's deep aquifers which are the source of potable ground water and will increase artesian pressures over most of the area. Decreased pumping will be reflected in a reduction in pumping lifts, some increase in individual well yields, and improved economics of pumping for those wells remaining in operation.

III. Safety:

There are no unresolved questions concerning safety.

IV. Conclusions:

The Second Stage will permit the State of Nevada to effectively develop its legal allocation of 300,000 acre-feet of water per year from the Colorado River.

The Southern Nevada Water Project, Second Stage, is the only achievable water supply plan that can be feasibly implemented in the time frame to meet the required demand. The Second Stage with a benefit-cost ratio of 1.3 to 1 is fully repayable with interest by the State of Nevada.

The State of Nevada is committed to substantially cost share the necessary Second Stage facilities and thereby realize full utilization of its investments in the First Stage.

Comments on the Environmental Statement were predominantly in support of the project. The primary impacts are considered to be negligible. Those concerns which were expressed centered on secondary impacts related to economic growth and population expansion.

The major secondary impacts of the growth associated with the Second Stage will be: (1) a degradation of air quality in

the valley; (2) a degradation of water quality of return flows in Las Vegas Wash and ultimately the Colorado River; (3) the increased cost of public services to accommodate population growth; and (4) the esthetic and cultural impact caused by the conversion of land from natural desert to urban use.

The Second Stage of the Southern Nevada Water Project with its increased supply of water will make it possible for the Las Vegas area to receive an adequate water supply for the expected increase in the number of residents and military as well as tourists. With 50,000 acre-feet per year from wells and 132,200 acre-feet per year from the First Stage, the Second Stage's additional water will accommodate an increase in the population from its present 350,000 to the projected 800,000.

In developing the plans for the Southern Nevada Water Project (SNWP), Reclamation has worked closely with those agencies with constituted authority to regulate land use, population growth, and pollution load increases. Then various agencies have developed plans to accommodate their problem areas and all of these plans include provisions for the Second Stage of the Southern Nevada Water Project.

Mr. HUDDLESTON. Mr. President, certainly I am personally very sympathetic to the problem that has been outlined here by the distinguished Senators from the affected areas, and the members of the subcommittee and the full Appropriations Committee also were sympathetic.

The problems, and the reason why this particular amendment was dropped from the original bill, was that it was considered to be legislation on an appropriation bill, which our distinguished chairman of the Appropriations Committee, the Senator from Washington (Mr. MAGNUSON) has been very careful to attempt to avoid.

In all frankness, I think we would have to say that we do not totally avoid that on most of the appropriation bills that come through here. Generally there is some legislative provision in all of them. But because of the situation that has been outlined, and the fact that it is, we feel, legislation, the committee rejected it in spite of the fact that most of the Members, like the distinguished Senator from Alaska, who has already indicated that he himself would be supportive of this particular provision, have shown that that is the position of the committee.

I think the time is coming when this will be determined by the Members of the Senate themselves, and the Senate will work its will; but I felt constrained to state why this very important provision was left out of the original bill.

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield to the Senator from Arizona.

Mr. DOMENICI. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. DECONCINI. I yield.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Lee Rawls of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Senator from Arizona.

Mr. DECONCINI. Mr. President, the language we are proposing would not amend the National Environmental Policy Act of 1969. Further, the language would not exempt any Federal project or activity from the requirements of the NEPA. There is nothing in that act that mandates an environmental statement on an entire river basin.

Nor does the proposed language alter in anyway the intent of the NEPA. On the contrary, Mr. President, I am in total agreement with the intent of the act of 1969. The possible impact of each water resource project should be fully and carefully assessed before authorization, and certainly before any moneys are appropriated. There must, however, be some prior and binding agreement to the scope of such a study to allow for decisive planning and a cost-effective investment of limited financial resources.

In my State the central Arizona project has been the object of close scrutiny for over three decades. Environmental impact statements have been completed on each element of the project before construction was allowed to begin.

I am not opposed to environmental impact statements. I am opposed to stopping a project without good reason. The proposed language, as law, would simply provide for the continuation of those projects already found to be acceptable under the provisions of the National Environmental Policy Act.

Mr. STEVENS. Mr. President, will the Senator yield.

Mr. DECONCINI. I yield.

Mr. STEVENS. Mr. President, I ask unanimous consent that Tom Anderson and Tony Bevinetto of Senator HANSEN's staff, and Steve Silver of my staff, be accorded access to the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CULVER. Mr. President, I ask unanimous consent that Mr. George Jacobson be accorded the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I ask unanimous consent that Kelton Abbott of my staff and Sam Ballenger of Senator LAXALT's staff be permitted access to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I would like at this point, on behalf of myself and my senior colleague (Mr. GOLDWATER), to pay tribute to the Senator from Nevada (Mr. CANNON), who has spent a great deal of time, for many years, in an effort to pursue a number of water projects along the Colorado River Basin. He has persistently done so with the attempt to satisfy NEPA and insure that the environment is well preserved. It would be a travesty, now, to have those projects altered, and would be a tremendous burden to the taxpayers.

That is the purpose of the amendment he is offering today.

I ask unanimous consent that Jim Magner and Romano Romani of my staff be accorded the privilege of the floor throughout the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. I thank the Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that during the consideration of this bill the following individuals be granted the privileges of the floor throughout the debate and voting; Laura Stevens, Rick Richards, Ben Cooper, Jim Bruce, and Richard Grundy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, the committee has made its statement relating to this amendment. I yield to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Bill Kingston, of my staff be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CULVER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HODGES). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, is there controlled time on this amendment?

The PRESIDING OFFICER. There is no controlled time.

Mr. GOLDWATER. Mr. President, I have a few comments to make.

Mr. STEVENS. Mr. President, may we have order?

Mr. CULVER. Was there a unanimous-consent request to call off the quorum, Mr. President.

The PRESIDING OFFICER. Yes; the Senator from Arizona called off the quorum.

Mr. CULVER. I make the point of order that a quorum is not present.

Mr. GOLDWATER. I have asked unanimous consent that the order for the quorum call be rescinded and I have the floor.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. CULVER. I make the point of order that a quorum is not present.

The PRESIDING OFFICER. The

Senator cannot make that point of order while the Senator from Arizona has the floor. The Senator from Arizona has the floor.

Mr. GOLDWATER. Mr. President, I rise to support the amendment of the Senator from Nevada (Mr. CANNON). Mr. President, when the Environmental Protection Agency was first established I do not think there were any Members of this body who opposed it. But, Mr. President, had we known then what we know now I doubt that there would ever have been an organization known as the Environmental Protection Agency.

Certainly no one in this body exceeds my fervor for clean water, clean air, and beautiful scenery. All of us want those things to happen. But, Mr. President, had the EPA existed at the time this country was founded there would be no United States. We have people in the Environmental Protection Agency whom I firmly believe have no knowledge of what they are doing.

I will give you one quick example, Mr. President. They are about to close the copper industry in Arizona, and we produce 67 percent of the copper of this country, all because we cannot eliminate 100 percent of the smoke that comes out of our smokestacks. We get about 99.7 out, but they want to remove that other 0.3 percent.

Let me go a step further. The other day I received a stack of books about 18 inches high from the Air Force answering the questions of the EPA relative to some project in which the Air Force was engaged. The very last paragraph of the introductory letter said to me, "If you have any questions about this, let me know," signed by some lieutenant colonel. So I asked the lieutenant colonel, "How much did this pile of books cost?" It cost the Air Force $7.5 million not counting the salaries of the commissioned officers, noncommissioned officers, and civilians who were to compile this for EPA on a project that will cost $5 million. This is the kind of stupidity that we are putting up with in this country. Either we will have a United States that will make progress under sensible, clean plans, or we will have a United States that will stop, because there are some nuts in this country who do not believe that people's lives are worth as much as a flowing stream or a tree.

Now, Mr. President, what brings me to this point of speaking for the amendment of the Senator from Nevada is that somebody in the Department of the Interior has introduced a suit to stop all projects on the Colorado River until there is an environmental report on them.

I wonder if anybody in this body has any idea what this means. The Colorado River drains one-twelfth of the whole United States. It has 28 tributaries. It involves most of the Rocky Mountain West and the Pacific Coast West.

If it were just the Colorado River maybe we would not get so excited. But, Mr. President, there is not a Senator in this body who does not have within the boundaries of his State a stream or a lake or a forest or a wilderness area, or a supposed wilderness area, on which the EPA cannot ask for reports.

To get back to the amendment of the Senator from Nevada, he is not saying to forgive the entire Colorado River and its basin; he is merely saying do not stop the projects which have already been started, and particularly the project that involves not just my State because it happens to be called the central Arizona project, but the other States such as California and Nevada which this project touches. And not just those three States but all the States of the lower basin and the upper basin.

This project has been underway, Mr. President, since 1924. It has been talked about and thought about for over 100 years. The project is now about halfway done. On this project will depend the lives and the future of the whole State of Arizona, most of the State of Nevada, and the southern part of the State of California—a large segment, I might say, of our population.

Mr. President, I have watched this project develop. I fly over it when I am home nearly every week. I have been to visit it personally. It has not disturbed the environment one bit. It has not changed the appearance of the desert one bit. It is going to bring water not to irrigate lands and grow more crops, as many people are afraid of.

Mr. MUSKIE. Will the Senator yield?

Mr. GOLDWATER. What does the Senator want me to yield for?

Mr. MUSKIE. Will the Senator yield for a unanimous-consent request so I can bring a staff member on the floor?

Mr. GOLDWATER. Provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator yields only for that purpose.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Karl Braithwaite, of the Public Works Committee staff, be granted the privileges of the floor during the consideration of the pending amendment of the Senator from Nevada.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, to get back to this project, it is a major project, a major development on the Colorado River, but it is not the only project on the river. Wyoming depends upon the headwaters of the river for water. Water is piped through the Rocky Mountains to the eastern slopes for use on the Western Plains States. Water is used in Colorado. Water is used for power and irrigation in most of the States of the Colorado Basin. All we are asking is a continued use of this river for the benefit of the people who live around it.

Many years ago we got Mexico into the act of the Colorado Basin, the upper and lower basin, where we pledged to Mexico 1,500,000 acre-feet of water every year. I have to admit this was a little bit of skulduggery because Texas had to give up 200,000 acre-feet that she was taking out of the Rio Grande, which is a border river owned partly by Mexico and partly by the United States. But Arizona, in an overexuberance of good feeling, gave 1,500,000 acre-feet to Mexico which she is finding a hard time using.

I might say this came about long before we heard of the Environmental Protection Agency. The environment of the water is such that it is not good for agricultural purposes below the border, but we are fixing that at our own expense, just to make good the terms of this treaty.

Mr. President, to get really to what we are disturbed about, we westerners really know what water amounts to. I recall talking to the President of the United States when he made his statement just after he took office that he was going to take, by right of eminent domain, all of the water rights and land rights of the West. I told him, "Mr. President, you southerners think you had a pretty good war going on down there at one time. Let me tell you, there are three things that westerners fight about: One is land, one is water, and one is women, in about that order."

I said, "If you think you had a war down there, you try to take our water rights or our land rights."

I think he has gotten the message, because he has stopped trying to do it. Now we have this other group taking up this cause.

An environmental report on the entire Colorado River Basin would, in my opinion, take at least 50 years and probably longer. I base that on the length of time it takes this organization to make ordinary, simple reports like what will be the environmental effect of adding a quarter acre of asphalt to a parking lot, or what will be the environmental results of building a football stadium, and things like that, that can drag on for years. When you try making an environmental impact report on one-twelfth of the United States and 28 tributary streams, and Lord knows how many lakes and even glaciers, I can see 50 years as a very minimum. In 50 years, Mr. President, the purposes for which we need this water in the States in which it is needed will probably no longer exist, because water is the very thing upon which our life is built.

Where I live, in central Arizona, we are the sixth civilization to have lived in that valley. The other have gone because the water ran out. We call them the Ho-Ho-Kam, or the people who have gone. We do not want to be No. 6. I think people can understand that.

We have built the fastest growing industrial State, we have built the fastest growing population State. We have a problem now of too many people wanting to come into my State of Arizona. We are talking as the State of Oregon once talked: How can we, if we can constitutionally, tell people, you cannot come here any more?

Well, it cannot be done. Unfortunately, at the same time that we are gaining millions and millions of people to the extent that this central valley I am talking about can very well be the fourth or fifth biggest section in the United States within 20 years, we are depleting our water supplies. While we have been fortunate in the last 20 year in having a cyclical water growth in those periods and we are not in danger right now, we are depleting the underground water to a point. I can remember when I built my first house in Arizona many years ago. I had to put a sump pump in the basement because water was there, 13 feet below the surface.

I remember, as a boy, seeing artesian wells bubbling up out of the ground. Today, Mr. President, we drill wells down to 2,000 feet under the surface of the land—that is below sea level—to pump water that can be used for irrigation, but mostly used for human needs. In fact, we are even developing the effluent from our sewage plants to be used to replace reclamation water, and it will not be long before we perfect that process to use for human needs.

We are working on changing the salt water of the Gulf of Lower California into potable water for human use. We are making progress on that.

Mr. President, as an aside, I think all of us in this Chamber today will live to see the day when American people are drinking ocean water. When that happens, of course, we have eliminated the need for the inland streams and the inland lakes and inland springs. We shall see then a change. We shall see water beginning to be replenished and the underground systems beginning to come into more water. We shall find that the runoffs will be more beneficial.

Talking about runoff, we get into another environment-type of thing. Years ago, Mr. President, the Forest Service thought that the only way you can stop forest fires is to stop people from going into the forest and, in essence, stop forests, but they planted trees and they did not clean up.

In my forests in Arizona—one of them is the largest ponderosa pine forest in the world—trees are growing so close together you cannot walk between them. Yet the trees 2 inches in diameter are 20 years old, because the Forest Service says you cannot have forest fires.

The old Indians say to us,"What happened before we had a Forest Service? We had forest fires and we had beautiful forests." The forest floors are now 18 inches deep with pine needles and dirt, so when we have heavy rains, the runoff is not there. When we have heavy snows, the snow is suspended and gradually evaporates.

People are changing this country far more than nature and they are changing it in a way that they feel will be beneficial for the country, but which is actually harmful to the country. Every time, Mr. President, I hear of some nature group wanting to create a wilderness area, I say, "Oh, my Lord, no, not another one." I have seen more decent areas in my West made into wilderness areas and, 5 years later, become junkyards than any other thing that has happened to my country.

I know what happens. People say, "Oh, there is a new wilderness area. I want to go see it. But I have to ride a horse or walk. But I don't like to do that, so we will make a road."

Well, it has to be a paved road, because a modern American will not drive over a dirt road. First thing you know, you have to have a hot dog stand and you have to have a hotel and then you have to have more, and you have to have picnic areas and campgrounds, and the wilderness area is completely destroyed. Anyone who doubts that I shall be glad to show you pictures of before and after.

Mr. President, this does not relate too tightly, I know, to the environmental protection group wanting to stop the development of the Colorado River, but I wish they would start thinking as to what they are doing to mankind and the future of this country. I happen to be one who has very actively prevented the construction of a powerplant on one of the mesas of the Colorado River near the border of Arizona and Utah because it would detract from the scenery; it would cause pollution of the air. So I am not totally on one side. But I want to repeat: I want to call those people who say they are environmental protectionists to look at what they are doing to the rest of the country. When we deny these things, we deny industry, which creates employment; we deny progress, on which this country has grown great.

So, Mr. President, I am hopeful that the amendment of the Senator from Nevada will prevail and I am hopeful that the arguments raised on this floor today, and which will be raised on the other floor, will be read by people, most of whom have never been to the West. I hope they will take another look before they propose these rather ridiculous and strange ideas that we stop the development of a basin that I am convinced the Lord put there for the benefit of man, and further tell themselves that when they come to visit our Western States, they act in a way toward the scenery and nature that will protect it and not try to protect it by throwing a lot of foolishly written laws and regulations into the hopper.

Mr. President, I hope that some understanding will come of this. At this time, I yield the floor and reserve the remainder of my time for some future arguments, if needed.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

UP AMENDMENT NO. 1612 AS MOUNTED

Mr. CANNON. Mr. President, it has just been called to my attention that in the retyping of that amendment there was one-half a sentence left out.

I modify my amendment in subparagraph (b), after the words, "et seq.," inserting:

The Colorado River Basin Salinity Control Projects, as authorized by P.L. 93-320, and.

The PRESIDING OFFICER. The Senator has that right and the amendment is so modified.

Would the Senator send the modification to the desk?

The amendment, as modified, is as follows:

On page 30, after line 26, add the following:

SEC. 110. (a) Notwithstanding any provisions of the National Environmental Policy Act of 1969, Public Law 91-190 (42 U.S.C. S4321 et seq.), construction of any feature of the Upper Colorado River Storage Project as authorized by the Act of April 11, 1956, as amended, shall proceed if a final Environmental Impact Statement has been filed on such feature.

(b) Notwithstanding any provisions of the National Environmental Policy Act of 1969, Public Law 91-190 (42 U.S.C. S4321 et seq.) the Colorado River Basin Salinity Control Projects, as authorized by P.L. 93-320, and construction of any feature of the Central Arizona Project as authorized by Public Law 90-537, September 30, 1968 (43 U.S.C. S1501 et seq.), shall proceed if a final Environmental Impact Statement has been filed on such feature.

(c) Notwithstanding any provisions of the National Environmental Policy Act of 1969, Public Law 91-190 (42 U.S.C. S4321 et seq.), construction of any feature of the Southern Nevada Water Project as authorized by Public Law 89-292 (43 U.S.C. 616ggg), as amended, shall proceed if a final Environmental Impact Statement has been filed on any such feature.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the following persons be granted privilege of the floor for today: Mike Harvey and Deborah Merrick of the Senate Energy Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Arizona.

UP AMENDMENT NO. 1613

Mr. DECONCINI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes unprinted amendment numbered 1613.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 22, strike $755,087,000" insert in lieu thereof "$755,337,000".

Mr. DECONCINI. Mr. President, the amendment I am offering would add $250,000 to the appropriations for the Bureau of Indian Affairs to provide sufficient funds for the maintenance and evaluation of the Papago Farms agricultural development project in Arizona for fiscal year 1979; $100,000 has been included in the bill for this purpose, however, I have been informed by the tribe, based on recent estimates, that the additional moneys are essential. The need for the additional funds has been verified by the BIA.

I would hope that the committee might accept this. We had lengthy hearings and discussions in the meetings. They are well aware of the need for these funds for the evaluation of this project.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, the amount requested in the amendment of the Senator from Arizona (Mr. DECONCINI) is reasonable and reflects the latest estimate of the Bureau of Indian Affairs for the Papago Farms project. At the time of the subcommittee mark-up we had only a preliminary estimate of $100,000, which we included in the bill. Since then the Bureau defined its figures to cover the continuing cost of farm operations on the land already developed, as well as a feasibility study of the entire project. We have already invested more than $3 million in the Papago Farms project, and it would not make sense to shortchange it at this juncture.

I have no objection to the amendment. I believe the distinguished Senator on the other side of the aisle is agreeable.

Mr. STEVENS. Mr. President, I share the opinion of the manager of the bill, the distinguished Senator from Kentucky. I, too, would urge that it be accepted.

Mr. HUDDLESTON. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment (UP No. 1613) was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1614

Mr. STEVENS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes unprinted amendment numbered 1614.

The amendment is as follows:

At the end of the bill insert the following:

No funds appropriated by this or any other act shall be used to withdraw public lands except pursuant to the procedures of section 204 of the Act of October 21, 1976 (90 Stat. 2751).

Mr. STEVENS. Mr. President, this amendment would limit the use of appropriated funds to establish national monuments in excess of 5,000 acres under the Historic Sites, Buildings, and Antiquities Act as amended. That is title 16, U.S. Code, section 431.

The Antiquities Act, as this legislation has been commonly called was passed into law in 1906 in the heyday of Teddy Roosevelt and was at that time intended as a vehicle for authorizing withdrawals of public lands by Secretaries of the Interior. Even at that time, however, the Antiquities Act contemplated what is now the well established principle that congressional review of all withdrawals shall occur. The significance of the Antiquities Act, nevertheless, came to an end when Congress, in 1976 passed BLM Organic Act, at which point the key role of Congress in any withdrawal process became apparent. The Organic Act at section 204(j) clearly provides that:

The Secretary shall not make, modify, or revoke any withdrawal created by act of Congress, make a withdrawal which can be made only by act of Congress, modify or revoke any withdrawal creating national monuments under the act of June 8, 1906 (16 U.S.C. 431-433), or modify or revoke any withdrawal adding lands to the National Wildlife Refuge System.

In case there is any doubt about the clarity of the language in the act itself there is other evidence of the intent of Congress to reserve to itself the right to establish national monuments in excess of 5,000 acres.

In addition there are two other conclusions which can be reached following a careful reading of the section to which I have just alluded. In the first place, since all withdrawals are now to be made under the BLM Organic Act, any significance which the Antiquities Act has becomes very minor in light of the Organic Act itself. Furthermore, if one reads the Organic Act at section 204, it appears to be an express revocation of the Secretary's authority to make any changes in existing national monuments.

The really important thing about the BLM Organic Act, however, is that by passing the law, Congress clearly intended to create a single uniform system for the management and disposal of all remaining public lands. Congress established a land management system to begin planning the use of public land, and it established the clear Federal policy that the land use planning procedures were to be applied before any public land was disposed of or withdrawn. Moreover—and this is very important—Congress clearly intended to establish a single method of withdrawing Federal land, which was intended to limit existing executive authority and which expressly limited the authority of the Secretary to modify or revoke withdrawals under the Antiquities Act and, it can even be concluded, by clear implication intended to repeal the Antiquities Act in this regard, so far as the intent of Congress is concerned.

Any doubts about congressional authority in this area evaporate in the wake of a careful reading of the report language associated with the BLM Organic Act where it states on page 9 of the report, while discussing section 204, that it would reserve to the Congress the authority to create, modify, and terminate withdrawals for national parks, national forests, the wilderness system, Indian reservations, certain defense withdrawals, and withdrawals for the National Wild and Scenic Rivers System, the National Trails System, and other national recreation units such as national recreation areas and national seashores. It would also specifically reserve to Congress the authority to modify and revoke withdrawals for national monuments created under the Antiquities Act and for modification and ratification of withdrawals adding lands to the National Wildlife System.

The ultimate conclusion to be reached by a study of all of this legislative history, Mr. President, is that the BLM Organic Act was never intended or considered to be used as a subterfuge which would permit the Secretary of the Interior to do that which Congress has failed to do under the national recreation system laws. Yet, we have heard just within the past few days that the Secretary of the Interior is considering the possibility of using his authority under the Antiquities Act to establish withdrawals of public lands. Therefore, the purpose of my amendment is to clarify the impact of the BLM Organic Act on the Antiquities Act and prevent a clash which could very well end up in court.

Frankly, Mr. President, I find it difficult to believe that the Secretary of the Interior would be so brazen as to establish national monuments under the Antiquities Act—that would be more than 100 million acres in total amount—but I feel that it is important, nevertheless, to underline the clearly established principle in the BLM Organic Act that that legislation, that act itself, is intended to be the vehicle for all future public land withdrawals, and that whatever withdrawals are made, Congress is to be involved in the establishment of whatever entities would result.

Clearly, this law and the accompanying legislative history makes it clear that Congress retains the right to establish national parks, forests, wilderness areas, and scenic rivers as well as all recreation areas. To permit the Secretary to do that by executive order would be contrary to the express policy of the formulators of the BLM Organic Act.

Mr. President, I call the attention of the Senate to the fact that this does not

prevent the Secretary from using the Antiquities Act. What it says is that if the Antiquities Act is used to create national monuments, it is subject to the procedures set forth in section 204 of the BLM Organic Act.

I ask unanimous consent that section 204, in total, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

§ 1714. Withdrawals of lands—Authorization and limitation; delegation of authority

(a) On and after the effective date of this Act the Secretary is authorized to make, modify, extend, or revoke withdrawals but only in accordance with the provisions and limitations of this section. The Secretary may delegate this withdrawal authority only to individuals in the Office of the Secretary who have been appointed by the President, by and with the advice and consent of the Senate.

Application and procedures applicable subsequent to submission of application

(b)(1) Within thirty days of receipt of an application for withdrawal, and whenever he proposes a withdrawal on his own motion, the Secretary shall publish a notice in the Federal Register stating that the application has been submitted for filing or the proposal has been made and the extent to which the land is to be segregated while the application is being considered by the Secretary. Upon publication of such notice the land shall be segregated from the operation of the public land laws to the extent specified in the notice. The segregative effect of the application shall terminate upon (a) rejection of the application by the Secretary, (b) withdrawal of lands by the Secretary, or (c) the expiration of two years from the date of the notice.

(2) The publication provisions of this subsection are not applicable to withdrawals under subsection (e) of this section.

Congressional approval procedures applicable to withdrawals aggregating five thousand acres or more

(c)(1) On and after October 21, 1976, a withdrawal aggregating five thousand acres or more may be made (or such a withdrawal or any other withdrawal involving in the aggregate five thousand acres or more which terminates after such date of approval may be extended) only for a period of not more than twenty years by the Secretary on his own motion or upon request by a department or agency head. The Secretary shall notify both Houses of Congress of such a withdrawal no later than its effective date and the withdrawal shall terminate and become ineffective at the end of ninety days (not counting days on which the Senate or the House of Representatives has adjourned for more than three consecutive days) beginning on the day notice of such withdrawal has been submitted to the Senate and the House of Representatives, if the Congress has adopted a concurrent resolution stating that such House does not approve the withdrawal. If the committee to which a resolution had been referred during the said ninety day period, has not reported it at the end of thirty calendar days after its referral, it shall be in order to either discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to the Presidential recommendation. A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported such a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential recommendation. When the committee has reprinted, or has been discharged from further consideration of a resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(2) With the notices required by subsection (c)(1) of this section and within three months after filing the notice under subsection (e) of this section, the Secretary shall furnish to the committees—

(1) a clear explanation of the proposed use of the land involved which led to the withdrawal;

(2) an inventory and evaluation of the current natural resource uses and values of the site and adjacent public and nonpublic land and how it appears they will be affected by the proposed use, including particularly aspects of use that might cause degradation of the environment, and also the economic impact of the change in use on individuals, local communities, and the Nation;

(3) an identification of present users of the land involved, and how they will be affected by the proposed use;

(4) an analysis of the manner in which existing and potential resource uses are incompatible with or in conflict with the proposed use, together with a statement of the provisions to be made for continuation or termination of existing uses, including an economic analysis of such continuation or termination;

(5) an analysis of the manner in which such lands will be used in relation to the specific requirements for the proposed use;

(6) a statement as to whether any suitable alternative sites are available (including cost estimates) for the proposed use or for uses such a withdrawal would displace;

(7) a statement of the consultation which has been or will be had with other Federal departments and agencies, with regional, State, and local government bodies, and with other appropriate individuals and groups;

(8) a statement indicating the effect of the proposed uses, if any, on State and local government interests and the regional economy;

(9) a statement of the expected length of time needed for the withdrawal;

(10) the time and place of hearings and of other public involvement concerning such withdrawal;

(11) the place where the records on the withdrawal can be examined by interested parties; and

(12) a report prepared by a qualified mining engineer, engineering geologist, or geologist which shall include but not be limited to information on: general geology, known mineral deposits, past and present mineral production, mining claims, mineral leases, evaluation of future mineral potential, present and potential market demands.

Withdrawals aggregating less than five thousand acres; procedure applicable

(d) A withdrawal aggregating less than five thousand acres may be made under this subsection by the Secretary on his own motion or upon request by a department or an agency head—

(1) for such period of time as he deems desirable for a resource use; or

(2) for a period of not more than twenty years for any other use, including but not limited to use for administrative sites, location of facilities, and other proprietary purposes; or

(3) for a period of not more than five years to preserve such tract for a specific use then under consideration by the Congress.

Emergency withdrawals; procedure applicable; duration

(e) When the Secretary determines, or when the Committee on Interior and Insular Affairs of either the House of Representatives or the Senate notifies the Secretary, that an emergency situation exists and that extraordinary measures must be taken to preserve values that would otherwise be lost, the Secretary notwithstanding the provisions of subsections (c)(1) and (d) of this section, shall immediately make a withdrawal and file notice of such emergency withdrawal with the Committees on Interior and Insular Affairs of the Senate and the House of Representatives. Such emergency withdrawal shall be effective when made but shall last only for a period not to exceed three years and may not be extended except under the provisions of subsection (c)(1) or (d) of this section, whichever is applicable, and (b)(1) of this section. The information required in subsection (c)(2) of this subsection shall be furnished the committees within three months after filing such notice.

Review of existing withdrawals and extensions; procedure applicable to extensions; duration

(f) All withdrawals and extensions thereof, whether made prior to or after October 21, 1976, having a specific period shall be reviewed by the Secretary toward the end of the withdrawal period and may be extended or further extended only upon compliance with the provisions of subsection (c)(1) or (d) of this section, whichever is applicable, and only if the Secretary determines that the purpose for which the withdrawal was first made requires the extension, and then only for a period no longer than the length of the original withdrawal period. The Secretary shall report on such review and extensions to the Committees on Interior and Insular Affairs of the House of Representatives and the Senate.

Processing and adjudication of existing applications

(g) All applications for withdrawal pending on October 21, 1976, shall be processed and adjudicated to conclusion within fifteen years of October 21, 1976, in accordance with the provisions of this section. The segregative effect of any application not so processed shall terminate on that date.

Public hearing required for new withdrawals

(h) All new withdrawals made by the Secretary under this section (except an emergency withdrawal made under subsection (e) of this section) shall be promulgated after an opportunity for a public hearing.

Consent for withdrawal of lands under administration of department or agency other than Department of the Interior

(i) In the case of lands under the administration of any department or agency other than the Department of the Interior, the Secretary shall make, modify, and revoke withdrawals only with the consent of the head of the department or agency concerned, except when the provisions of subsection (e) of this section apply.

Applicability of other Federal laws withdrawing lands as limiting authority

(j) The Secretary shall not make, modify, or revoke any withdrawal created by Act of Congress; make a withdrawal which can be made only by Act of Congress; modify or revoke any withdrawal creating national monuments under the Act of June 8, 1906; or modify, or revoke any withdrawal which added lands to the National Wildlife Refuge System prior to October 21, 1976, or

which thereafter adds lands to that System under the terms of this Act. Nothing in this Act is intended to modify or change any provision of the Act of February 27, 1976.

Authorization of appropriations for processing applications

(k) There is hereby authorized to be appropriated the sum of $10,000,000 for the purpose of processing withdrawal applications pending on the effective date of this Act, to be available until expended.

Review of existing withdrawals in certain States; procedure applicable for determination of future status of lands; authorization of appropriations

(l)(1) The Secretary shall, within fifteen years of October 21, 1976, review withdrawals existing on October 21, 1976, in the States of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming of (1) all Federal lands other than withdrawals of the public lands administered by the Bureau of Land Management and of lands which, on October 21, 1976, were part of Indian reservations and other Indian holdings, the National Forest System, the National Park System, the National Wildlife Refuge System, other lands administered by the Fish and Wildlife Service or the Secretary through the Fish and Wildlife Service, the National Wild and Scenic Rivers System, and the National System of Trails; and (2) all public lands administered by the Bureau of Land Management and of lands in the National Forest System (except those in wilderness areas, and those areas formally identified as primitive or natural areas or designated as national recreation areas) which closed the lands to appropriation under the Mining Law of 1872 or to leasing under the Mineral Leasing Act of 1920.

(2) In the review required by paragraph (1) of this subsection, the Secretary shall determine whether, and for how long, the continuation of the existing withdrawal of the lands would be, in his judgment, consistent with the statutory objectives of the programs for which the lands were dedicated and of the other relevant programs. The Secretary shall report his recommendations to the President, together with statements of concurrence or nonconcurrence submitted by the heads of the departments or agencies which administer the lands. The President shall transmit this report to the President of the Senate and the Speaker of the House of Representatives, together with his recommendations for action by the Secretary, or for legislation. The Secretary may act to terminate withdrawals other than those made by Act of the Congress in accordance with the recommendations of the President unless before the end of ninety days (not counting days on which the Senate and the House of Representatives has adjourned for more than three consecutive days) beginning on the day the report of the President has been submitted to the Senate and the House of Representaitves the Congress has adopted a concurrent resolution indicating otherwise. If the committee to which a resolution has been referred during the said ninety day period, has not reported it at the end of thirty calendar days after its referral, it shall be in order to either discharge the committee from further consideration of such resolution or to discharge the committee from consideration of any other resolution with respect to the Presidential recommendation. A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported such a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential recommendation. When the committee has reprinted, or has been discharged from further consideration of a resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(3) There are hereby authorized to be appropriated not more than $10,000,000 for the purpose of paragraph (1) of this subsection to be available until expended to the Secretary and to the heads of other departments and agencies which will be involved. Pub.L. 94–579, Title II, § 204, Oct. 21, 1976, 90 Stat. 2751.

References in Text. On and after the effective date of this Act, referred to in text, probably means on and after the date of approval of Pub.L. 94–579, Oct. 21, 1976.

The Act of June 8, 1906, referred to in subsec. (j), is Act June 8, 1906, c. 3060, 34 Stat. 225, which is classified to sections 431 to 433 of Title 16, Conservation.

This Act, referred to in subsec. (j), is the Federal Land Policy and Management Act of 1976, Pub.L. 94–579, Oct. 21, 1976, 90 Stat. 2743. For complete distribution of such Act in the Code, see Tables Volume.

The Act of February 27, 1976, referred to in subsec. (j), in Pub.L. 94–223, Feb. 27, 1976, 90 Stat. 199, which is classified to section 668dd of Title 16.

The Mining Law of 1872, referred to in subsec. (*l*), is classified to section 21 et seq. of Title 30, Mineral Lands and Mining.

The Mineral Leasing Act of 1920, referred to in subsec. (*l*), is Act Feb. 25, 1920, c. 85, 41 Stat. 437, which is classified to section 181 et seq. of Title 30.

Legislative History. For legislative history and purpose of Pub.L. 94–579, see 1976 U.S. Code Cong. and Adm. News, p. 6175.

Mr. STEVENS. Mr. President, in discussing section 204, House Report 94–1163 on H.R. 13777, the BLM Organic Act, contains this statement on page 9:

With certain exceptions, H.R. 13777 will repeal all existing law relating to executive authority to create, modify, and terminate withdrawals and reservations. It would reserve to the Congress the authority to create, modify, and terminate withdraws for national parks, national forests, the Wilderness System, Indian reservations certain defense withdrawals, and withdrawals for National Wild and Scenic Rivers, National Trails, and for other "national" recreation units, such as National Recreation Areas and National Seashores.

I underline this:

It would also specifically reserve to the Congress the authority to modify and revoke withdrawals for national monuments created under the Antiquities Act and for modification and revocation of withdrawals adding lands to the National Wildlife Refuge System. These provisions will insure that the integrity of the great national resource management systems will remain under the control of the Congress.

Mr. President, pending before us is the request for the so-called Alaska lands bill which has passed the House. It is apparent that the Senate Energy and Natural Resources Committee is under going the very difficult task of trying to accommodate some of the objections of the residents of my State, while at the same time attempting to meet the demands that a great portion of Alaska be set aside to meet the national interest. I have worked with that committee, and I have worked with it day in and day out, in trying to find a solution.

I was appalled to read that the Secretary of the Interior had announced that if the administration is not satisfied with the work product of Congress, the authority of the Antiquities Act may be used to establish all these areas as national monuments. I will explain to the Senate why that action is so disturbing to us Alaskans.

In the first place, there can be no hunting in any national monument. I repeat, no subsistence hunting of any kind can be allowed—no hunting of any kind can be allowed—in these national monuments. To create more than 100 million acres of national monuments in a State where the people rely so heavily upon the sustained yield harvest of the wildlife in our vast areas would be contrary to common sense and would be an absolutely capricious exercise of discretionary authority.

In addition, a national monument is closed to all mining. Even some of the areas suggested by the Secretary of the Interior in his bill would be open to mining.

This is a threat—it is a blackmail threat to the Senate and to Congress, intended to put pressure on the Energy Committee as it considers the bill now before it—that states that unless we do what Secretary Andrus has demanded, the Antiquities Act authority will be used. I am informed that some misguided successor of mine—I was a Solicitor of the Department of the Interior at one time—has told the Secertary that he has the authority to withdraw all these lands as national monuments and that section 204 does not apply.

Mr. DURKIN. Mr. President, will the Senator yield for a question?

Mr. STEVENS. I will yield in a moment but first I want to complete my thoughts on this matter. I know that my good friend has some comments and I will be happy to yield to him later.

Mr. President, I am trying to be fair. There are people in my State who say, "Stop this bill." They call me in the middle of the night and tell me I have lost my senses and that I should be doing everything I can to stop the bill and forget trying to work out a compromise.

Yet just as I am trying to work with the committee on this issue, I face a threat from the Secretary of the Interior stating that if we should work out something that is even partially acceptable to Alaska, he will exercise his authority under the Antiquities Act in such an arbitrary fashion as to punish the people of my State because the Senate listened to the advocates for Alaska who are duly elected to represent them in the Senate.

By trying to be fair, I mean this: If we fail to pass a bill this year, the Secretary

could use his authority under the Antiquities Act and serve the same purpose. Nothing in this amendment says he cannot exercise this authority. But if he does choose to do so, the provisions of section 204 will provide that Congress would have an opportunity to review that decision.

I think that is the fair way to handle the situation.

This amendment does not say that the Antiquities Act does not apply. Incidentally, it does not apply just to Alaska. It applies to Federal land in general. It says that if you create any withdrawal in excess of 5,000 acres under the Antiquities Act, the procedures for congressional review provided in section 204 of the BLM Organic Act apply to those withdrawals.

I can think of nothing more fair. I hope my good friend from New Hampshire (Mr. DURKIN) is listening because I have seen the flier put out by the Alaska coalition relative to my amendment and the coalition is, in error again, as usual. It is not addressing itself to the action that this Senator has taken.

I have not attempted to limit the actions of anyone under the Antiquities Act, nor have I tried to prevent the exercise of the authority with which it is empowered.

My amendment simply requires that action taken under the Antiquities Act be subject to review in accordance with section 204 of the BLM Organic Act. I am sure the Senator knows that that act provides for expedited review on behalf of Congress, either in terms of seeking a congressional approval or disapproval of the action taken, if, in fact, such action is taken.

I am now happy to yield to my friend from New Hampshire. I hope he will understand that what I have done is a very moderate step toward assuring congressional involvement in this decision. I think the worst thing that could happen would be for us to fail to get a bill enacted this year and find that while we are off engaged in a congressional Christmas recess the Christmas present for Alaska would be 100 million acres of national monuments.

I yield to my friend. I wish to not lose my rights to the floor, but I am happy to yield for a question.

Mr. DURKIN. I thank the Senator from Alaska and I, for one, want to commend him. He is a very able, articulate, resourceful opponent on some aspects of this particular issue. I commend him for his ingenuity in this amendment. I think the people of Alaska are extremely well served by the Senator's efforts.

I know he has spent hour after hour in the committee trying to work out a bill that is acceptable to the people of Alaska and acceptable to the people around the country. I know it has been a burden. I know it has been a chore. I know he will be getting calls all hours of the day and night. People at home are concerned and misconstrue what the Senator is really trying to do.

I prefer my remarks by saying the State of Alaska has a very able, articulate, intelligent, resourceful spokesman in my colleague, Senator STEVENS, but, I am also pleased in some respects that the Senator has offered this amendment because by this action I think he sets a clear legislative record that the Secretary has the authority to set aside national monuments. I thank him for this amendment because it could have been argued that the legislative intent was not clear and it strengthens the case of the Solicitor who has made the opinion that the Secretary has this authority.

Mr. STEVENS. Mr. President, I wonder if the Senator will answer this question for me. Section 204(c)(1) says:

> On and after October 21, 1976, a withdrawal aggregating five thousand acres or more may be made (or such a withdrawal or any other withdrawal involving in the aggregate five thousand acres or more which terminates after such date of approval may be extended) only for a period of not more than twenty years by the Secretary on his own motion or upon request by a department or agency head. The Secretary shall notify both Houses of Congress of such a withdrawal no later than its effective date and the withdrawal shall terminate and become ineffective at the end of ninety days (not counting days on which the Senate or the House of Representatives has adjourned for more than three consecutive days) beginning on the day notice of such withdrawal has been submitted to the Senate and the House of Representatives, if the Congress has adopted a concurrent resolution stating that such House does not approve the withdrawal. If the committee to which a resolution has been referred during the said ninety day period, has not reported it at the end of thirty calendar days after its referral, it shall be in order to either discharge the committee from further consideration of such resolution or to discharge the committee from consideration of any other resolution with respect to the Presidential recommendation. A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported such a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential recommendation. When the committee has reprinted, or has been discharged from further consideration of a resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or to disagreed to.

All I am asking is that we get 90 days to review action that might be taken while the Senate is out of session, and therefore the burden is on us to get a resolution of disapproval. I can think of nothing more fair than to say Congress should at least be heard if the executive branch is going to carry out its threat, as has been reported in the newspapers, that the Secretary of Interior is considering using the Antiquities Act to withdraw all of this land. The Secretary says the administration could keep Federal control over segments of Alaskan wilderness by using the 1906 Antiquities Act which authorizes him to declare up to 5,000 acres as national monument.

He does not seem to know what the act does. But the point is the same.

I do not want to labor day in and day out with the Senator and this committee over this issue. As I said, I have my political life on the line at home in so doing, and to find out that if we fail the result is worse than if I had not put in the time and effort on this issue would be very unfortunate. If we have the arbitrary exercise of executive authority it is not subject to review by this Congress unless this amendment is approved according to the Solicitor.

I can assure the Senator there will be a lawsuit that will last forever if it happens, but I do not think we should leave it to lawsuits, and I ask for fairness from the Senator from New Hampshire. It is pure and simple fairness. All it says is if they make the order it is subject to review for a 90-day period and nothing more. I could have worded the amendment in such a way that would have prohibited the administration from making the order in the first place.

I could have offered that amendment.

Mr. DURKIN. Mr. President, will the Senator yield?

Mr. STEVENS. Yes.

Mr. DURKIN. Mr President, I ask unanimous consent that Robert Lawrence and Kip Weeks of my staff be given floor privileges during the votes and debate on consideration of the pending bill

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. Mr. President, I understand the frustration and concern of the Senator from Alaska. We have all put in an awful lot of time and energy, and I am not worried about my colleague, Senator STEVENS. As I say, the Senator has worked very hard to try to fashion a bill. We disagree on a few things like 50 million acres, give or take a few. But the Senator has legitimately tried to work with the committee.

But there is another wild card in the deck. Alaska has two Senators, and this body does not know what the other one is going to do. Is he going to go into his routine again with his spacesuit and tie up the Senate for weeks and months? We do not know the answer to that.

Mr. STEVENS. Mr. President, will the Senator yield? Do I have the floor, Mr. President?

Mr. DURKIN. I have the floor.

Mr. STEVENS. Have I yielded the floor to the Senator?

Mr. DURKIN. Yes.

The PRESIDING OFFICER. The Senator yielded for a unanimous-consent request and then the Senator from New Hampshire sought recognition and the floor in his own right.

Mr. STEVENS. I see. I was not aware that I had slipped up in yielding to him.

Will the Senator yield to me now and return the courtesy?

Mr. DURKIN. I will yield for the pur-

pose of a question only, and then I will be forced to raise a point of order that this is legislation on an appropriations bill. So I only yield for the purpose of a question.

Mr. STEVENS. Well, I have anticipated that, so I will ask the Senator a question. Any land withdrawal that is made under any other act of Congress is subject to this procedure. It gives Congress the right of oversight relating to withdrawals in excess of 5,000 acres.

I did not attempt to block, as I think we could have, the exercise of authority under the Antiquities Act with regard to Alaska's land so what is wrong with merely asking that the procedures for congressional review contained in section 204 which, states and again I quote from the House report:

It would also specifically reserve to the Congress the authority to modify and revoke withdrawals for national monuments created under the Antiquities Act and for modification and revocation of withdrawals adding lands to the National Wildlife Refuge System.

What is wrong with insisting that the procedures to be followed in that congressional review be those established by Congress itself in section 204?

Mr. DURKIN. I am not sure that there is anything wrong with that in a theoretical sense. My concern is that, and it is fundamental to why I am involved in the Alaska issue, I think that Alaska should be preserved for Americans. We should preserve the beauty for Americans, for this generation and subsequent generations. We should preserve the minerals, the oil, for Americans.

Look at Prudhoe Bay, 51 percent owned by British Petroleum, and the British Government owns a big chunk of British Petroleum. There is one of our single biggest oil reservoirs in the United States, and it is owned by a foreign power. Granted the British are friendly, but Alaska's Prudhoe Bay oilfield is owned by the British.

Mr. STEVENS. Mr. President, will the Senator yield for one more question? I point out that my amendment and I slightly modify my amendment by deleting the words "or any other."

Mr. DURKIN. What was the request, reserving my right to object?

Mr. STEVENS. I have the right to modify my amendment. The yeas and nays have not been ordered. I cross out the words "or any other."

The PRESIDING OFFICER. Will the Senator withhold for a moment, please? The Senator has a right to modify his amendment only if the Senator from New Hampshire will yield to him for that purpose. The Senator from New Hampshire.

Mr. STEVENS. The Senator does not yield to me for the purpose of modifying my amendment?

Mr. DURKIN. Not at this particular moment.

Mr. President, as I said, what will happen if we do not get a bill, what I am concerned with, is that the beauty of Alaska is going to be exploited not for the lower 48. It is going to be exploited for Japan, Taiwan, South Korea, and it is going to come back in the form of steel, in the form of TV sets, and it is going to put my people out of work. It is going to aggravate the unemployment situation in New Hampshire and in New England. We will despoil Alaska and it will not benefit the lower 48. This is a very serious issue.

Mr. STEVENS. Mr. President, will the Senator yield again without losing his right to the floor?

Mr. DURKIN. In a moment. It is a national issue, it is a national concern, and we need all the arrows in the quiver that we have. Otherwise we are not going to get a bill this year.

I share the concern of the Senator from Alaska, but if the Secretary of the Department of Interior does not have the authority to set aside this land, and if we do not get a bill by December, we have lost a major leverage point in getting a bill this year or any other year. Congress has got an obligation to face up to this issue and resolve it this year.

Mr. President, I make a point of order that the amendment of the Senator from Alaska is legislation on an appropriation bill.

Mr. STEVENS. Mr. President, I raise the question of germaneness, and I modify my amendment by striking the words "or any other."

Mr. DURKIN. Mr. President, it is not debatable.

Mr. STEVENS. It is not debate. The yeas and nays have not been granted.

The PRESIDING OFFICER. Will the Senator withhold for a moment?

Mr. STEVENS. Yes.

The PRESIDING OFFICER. The question of germaneness having been raised, under the precedents that question is submitted to the Senate for its decision. If the Senate determines that germaneness question in the affirmative then the point of order will not be reached. If it decides in the negative, then the point of order will be decided.

Mr. ABOUREZK. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. ABOUREZK. My understanding of the point of order of the Senator from New Hampshire was that it was legislation on an appropriation bill and not on the question of germaneness.

The PRESIDING OFFICER. That is correct. The question of germaneness was raised by the Senator from Alaska, as it may be under the precedents.

Mr. STEVENS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Do I maintain my right to modify——

The PRESIDING OFFICER. Under the rules, debate on the question of germaneness is not in order.

Mr. ABOUREZK. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. ABOUREZK. Did I understand the Senator from New Hampshire raised a point of order based on legislating on an appropriation bill prior to the time the Senator from Alaska raised the question of germaneness?

The PRESIDING OFFICER. That is correct.

Mr. ABOUREZK. Then if there is no debate allowed on a point of order, why do we go to the Senator from Alaska's point instead of the Senator from New Hampshire?

The PRESIDING OFFICER. Under the precedents of the Senate, once the point of order is raised a Senator is then allowed to raise the question of germaneness.

Mr. ABOUREZK. Mr. President, I ask for the yeas and nays on the question of germaneness.

Mr. STEVENS. Mr. President, another parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ABOUREZK. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. STEVENS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. My parliamentary inquiry is——

Mr. ABOUREZK. Mr. President, before we get the yeas and nays or after?

The PRESIDING OFFICER. Before.

Mr. STEVENS. I do have the right to make a parliamentary inquiry. Following the vote on the question of germaneness, would it be in order for the Senator from Alaska to submit another amendment which deleted the item which he now wishes to delete?

The PRESIDING OFFICER. It would be.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

Mr. ABOUREZK. Mr. President, will the Chair state the question?

Mr. STEVENS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Does the Senator from Alaska now have the right to withdraw his amendment?

The PRESIDING OFFICER. The Senator would have the right to withdraw his amendment.

Mr. STEVENS. I do have that right?

The PRESIDING OFFICER. The yeas and nays have not been ordered on the amendment, they have been ordered on the question of germaneness, and the Senator would have a right to withdraw.

Mr. STEVENS. I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 1615

Mr. STEVENS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The second assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 1615:

At the end of bill insert:

No funds appropriated by this act shall be used to withdraw public lands except pursuant to the procedures of section 204 of the Act of October 21, 1976 (90 Stat. 2751).

Mr. STEVENS. Mr. President, the effect of the amendment is that at least——

Mr. ABOUREZK. Will the Senator use his microphone?

Mr. STEVENS. It has been called to my attention that this might be legislation on an appropriation bill. The amendment as now drafted is a limitation on the right of the Secretary to use the funds under this act for this year to carry out a withdrawal under the Antiquities Act without carrying out the requirements of section 204.

Therefore, I submit to the Senate that it is not legislation on an appropriation bill; it is a limitation on funds to be provided to the Interior Department, and is not subject to a point of order.

Mr. ABOUREZK. Mr. President, could I ask the Senator a couple of questions about this amendment?

Mr. STEVENS. I yield for a question.

Mr. ABOUREZK. Will the Senator from Alaska kindly explain to me and any others who might not know what this amendment does, precisely the purpose behind the amendment?

Mr. STEVENS. Mr. President, I am glad to have the second platoon come in, I would say to my good friend from South Dakota. Let me read again what it does.

Mr. ABOUREZK. I can read the amendment.

Mr. STEVENS. The application of section 204—Mr. President——

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, the impact of this amendment would call into effect the provisions of section 204(c)(1), which reads as follows:

> On and after October 21, 1976, a withdrawal aggregating five thousand acres or more may be made (or such a withdrawal or any other withdrawal involving in the aggregate five thousand acres or more which terminates after such date of approval may be extended) only for a period of not more than twenty years by the Secretary on his own motion or upon request by a department or agency head. The Secretary shall notify both Houses of Congress of such a withdrawal no later than its effective date and the withdrawal shall terminate and become ineffective at the end of ninety days (not counting days on which the Senate or the House of Representatives has adjourned for more than three consecutive days) beginning on the day notice of such withdrawal has been submitted to the Senate and the House of Representatives, if the Congress has adopted a concurrent resolution stating that such House does not approve the withdrawal.

The direct answer to the Senator's question is that if the Congress fails to enact a d–2 bill this year, and if the Secretary carries out his threat to use the Antiquities Act to withdraw all of the lands subject to the d–2 legislation, then when we come back next year, we will have 90 days within which to disapprove those withdrawals.

That is all it does. It does not curtail his authority to make withdrawals; it does not limit his authority to make withdrawals. All it does is say that those of us from Alaska, if the Secretary uses this authority and we do not like it, have a right to demand that Congress vote on the extent of those withdrawals as national monuments.

I consider that to be a very reasonable request, in view of the circumstances as I stated them before the Senator from South Dakota arrived.

I am delighted to see the chairman of the Energy Committee (Mr. JACKSON) here. I have been trying to work with the committee to get a bill. I am dedicated to getting a bill this year if I can possibly get one that Alaskans can live with. But when I see threats that we will not get a bill, if all the work we have done fails and we have to start again next year, and the Secretary says these areas are going to become national monuments under the Antiquities Act, with no chance for congressional involvement unless an amendment like this carries, then it disturbs me greatly. I think at the very least we are entitled to a vote by Congress on a resolution of disapproval if this action is taken, and I assure my friend from Washington that as I interpret this section 204, that is all it does.

It says that we are entitled to the period of time, the 90 days, to seek a resolution of disapproval which would void the withdrawal made under the Antiquities Act, should that occur.

Mr. ABOUREZK and Mr. JACKSON addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota sought recognition first.

Mr. ABOUREZK. Mr. President, I will yield in about 1 minute to the Senator from Washington.

I was not aware of what section 204 of the act of October 21, 1976, provided until the Senator read it. I appreciate learning what it does.

Let me ask one more question: Is this not an attempt by the Senator from Alaska, who offered the amendment, to try to defeat any d–2 lands legislation for this year or next year?

Your statement that you want a bill is not borne out by your debate before the committee. You are not a member of the Energy Committee, but you have sat in on most of the debate, trying to prevent any kind of meaningful bill being passed this year. So is this amendment not just another arrow in your quiver trying to shoot that bill down?

Mr. STEVENS. Mr. President, I hope the Senator will withdraw that question. I could have joined at any time with those who sought to deprive a meeting with the Energy Committee. I have sought to work with the committee toward a constructive solution. We may not agree on just what that constructive solution is, but I have been working hard to work out a bill with the committee that will be livable so far as my State is concerned.

I will say to the Senator from South Dakota that I chaired more of the hearings on this bill than any member of the Energy Committee; I do not see how I can be accused of not trying to get a bill, when I have been working for 18 months trying to get one. I take umbrage at that question, my friend, and I hope you will reconsider it because there still has to be some consent agreements given to Energy Committee meetings, not only this month but later, so that it can meet and report a bill this year.

I do not think I deserve that question. The direct answer to the Senator from South Dakota is that he is entirely misguided, and I would hope that my friends do not see fit to make this the first test of the Alaska lands bill. This is not an attempt to block the Alaska lands bill. This amendment says that if there is not an Alaska lands bill, and the Secretary takes the action he threatens while we are out of session for the year, then we will at least have an orderly process for reviewing his action when we return.

And I will say to the Senator from South Dakota, who will not be here next year, that if this action does take place while we are gone, if they take this action and withdraw 100 million acres of my State and make national monuments, the Senate will have to rewrite its rules, because I will have 6 years to do nothing but try to make up for that dastardly act.

I am trying to work for a bill. I do not want to be accused of acting in bad faith, and I warn Senators that their committees will not meet while we are in session if they act in bad faith.

I want a bill more than the Senator from South Dakota, because I see what is going through the pipe more than he does. I see what is going to happen to my friend's State and all the other 17 Western States if the precedents which are started here are carried out in Alaska. I want to work out the best bill we can live with and let them work with those 17 Western States for a while. These concepts are coming at you in RARE II. They are coming at you in section 603 of the BLM Organic Act. You are going to have your hands full next year.

Mr. ABOUREZK. I will not be here next year.

Mr. STEVENS. I want to get this one over with, but do not accuse me of acting in bad faith, my friend.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, let me make an observation first. I would point out that the distinguished Senator from Alaska (Mr. STEVENS) has been most cooperative with the committee. I do think he is trying under difficult circumstances to get a bill. I believe he is sincerely trying. We do not see eye to eye on a number of issues, but certainly the legislative process is at work.

I would point out, Mr. President, that the issue which is being raised here on the floor is an issue which is tied to the matter now being considered by our committee; namely, the Alaska d–2 lands bill. We are working around the clock to get a bill out.

I think it would be most unfortunate that during the course of the current appropriation bill that we attempt to resolve on a collateral basis some of the issues that relate to the Alaska lands bill.

I would further observe that the authority that the President has under existing law to set up a national monument, to provide for the setting aside of lands under the Antiquities Act, has

been on the statute books for a long time. I personally am opposed to any attempt to take that authority away from the President and the Secretary of the Interior.

The matter that we are discussing on the floor at the moment, whether it relates to points of order or limitations on an appropriation bill, all pertains to what we are trying to do in hammering out legislation to set aside certain important lands in Alaska for various purposes.

I believe we are going to report out a bill in the next few days. It may not meet the desires of all groups—I am sure that it will not do that—but I will say, Mr. President, it is going to be a fair bill.

I do think that the President should, in the meantime, retain his options to take whatever steps may be necessary if the bill is not passed.

I would point out, Mr. President, that the House passed by an overwhelming majority legislation which is quite far reaching. We are in the process of making some changes to that legislation. I think it would be most unfortunate if we do not pass legislation that can be signed into law at this session of the Congress.

Mr. STEVENS. Will my good friend yield at that point?

Mr. JACKSON. Yes, I yield.

Mr. STEVENS. When this matter was discussed in the Appropriations Committee, your colleague and my good friend, the chairman of the Appropriations Committee (Mr. MAGNUSON) indicated that he would be willing to send a letter to the Secretary telling him that in his opinion such action while Congress was in recess should not be taken. Would the Senator from Washington be willing, as chairman of the Energy Committee, to join in asking that if we do not get a bill, while we are out of session action under the Antiquities Act should not be taken to frustrate the attempt of Congress to find a solution to the d–2 issue? It took us, I will say to my good friend, 45 years to get statehood. It took us 17 years to get the native land claims bill. And now, because 18 months have passed and we have still not been able to resolve the d–2 issue, we are being told that unilateral executive action will be taken. I think we deserve at least a couple of Congresses to solve the most complex land issue ever facing this legislative body.

I say to my friend, if he will join me and our colleague in stating to the Secretary of the Interior that in our opinion during the recess of Congress, should we fail to get a bill, unilateral action of the type he has threatened should not be taken, I will be happy to withdraw the amendment.

Mr. JACKSON. I must say that any response to that inquiry would be premature at this time. I am anxious to get a bill. I thing we are all getting worked up here about taking this action or that action if certain things do not happen.

I would point out that we in the Congress, and my good friend from Alaska I think played a key part in setting the deadline of December 18, 1978, for action, are trying to carry out that provision of the law. I am anxious, as the Senator knows, to try to get a bill that can be approved by the Senate before we adjourn.

What I am objecting to, Mr. President, is the trying of this issue in connection with the appropriation bill. I just do not think that is the way to legislate. We are dealing, Mr. President, with substantive matters, not with appropriations. To single out Alaska for this special treatment I think is clearly a mistake. That is what I object to.

(Mr. NELSON assumed the chair.)

Mr. STEVENS. If the Senator will yield, this does not single out Alaska. This says withdrawals under the Antiquities Act would not be done except by complying with section 204.

Mr. JACKSON. Yes, I understand that. But let me read section 305, and this is just one which I just discovered when I came to the floor. It is on page 54 of the bill.

> Section 305. No funds appropriated by this act shall be available for use in implementing or otherwise carrying out, in the State of Alaska, the provisions of section 603 of the Federal Land Policy and Management Act of 1976.

That is the wilderness review provision, is it not?

Mr. STEVENS. Yes; and let me read——

Mr. JACKSON. Why are we singling out Alaska alone?

This bill, Mr. President, is being adjusted to combat what we are trying to do in a sensible way through the authorizing process in the Energy and Natural Resources Committee.

Mr. STEVENS. If the Senator will yield, that is an entirely separate subject. When the Secretary was before the Appropriations Committee I pointed out that review under the d–2 legislation had been costly and the review under section 603 for Alaska would be costly. I asked him if he thought that section 603 should apply to Alaska. He said, "That is what the law says." I am quoting from the Secretary's statement before the Appropriations Committee.

> I think Alaska—my personal opinion is Alaska should be exempt. We are supporting an amendment in the legislation before Congress to exempt Alaska from section 603. I think the d–2 selection and all of the studies up to there should be in lieu of section 603. That is my personal opinion. That is the position of the Department with reference to the legislation.

Now, that is a separate section, I say to the Senator. It just says do not spend money twice to study the same land. It has nothing to do with d–2 in the issue here.

Mr. JACKSON. Let me ask my good friend this question about the statement of the Secretary, Was it not made in the context of getting an agreement for the creation of 49 million acres of instant wilderness?

Mr. STEVENS. No. It was made in the appropriations process.

Mr. JACKSON. No. Am I right or wrong in that as to waiving it for Alaska?

Mr. STEVENS. No, no. It is in H.R. 39, that that is true. But we are talking about the appropriations process now. My point to him was, why spend the time and money to review Alaska twice—mind you, section 603 says that within 15 years after the approval of the act, the Secretary shall review these lands.

They have been reviewed in connection with the d–2 process. This is an attempt to prevent duplication of spending in reviewing Alaska's land for wilderness. He said:

> I might even be considered on thin ice by waiting to see what happens to legislation before we implement it. I think it would be totally unfair to the State of Alaska to impose section 603 provisions on them, but the law doesn't give me any latitude.

I say to my friend, this is trying to protect the Secretary from spending money twice to do the same thing. Our departed friend, Senator Metcalf, if he were here, would tell you of the conversation we had, where we agreed that section 603 did not apply to Alaska, because the d–2 lands legislation required the same review.

This is just a provision to assure that the Secretary does not have to spend money twice. It does not have to do with this antiquities matter.

Let me go back to the Antiquities Act amendment, if I may. You ask, why offer it here? This is the only vehicle I know of that will limit the funds for this purpose. Again, I am not seeking to prevent the Secretary from exercising that arbitrary power, although I think it would be arbitrary. All I am saying is that, if he carries out this threat he has made, why should Alaska not have the right to have a 90-day review period before Congress the same as we would have under any other law? All we seek under this amendment is to simply say that, if we come back here next January—and the Secretary of the Interior has taken this action and withdrawn these lands because we failed to get a bill, that we have a right to the 90-day review period.

That is all this does, give us a 90-day review period. It does not challenge the authority to make the withdrawals. but it does provide the Congress with the opportunity to disapprove these withdrawals.

Again, I know the high standing of my friend Senator JACKSON with those downtown. If he would join me in urging the Secretary not to exercise this authority while we are out of town, I shall withdraw the amendment. But I know of no way to protect my State, no way to give us a chance to have a vote by Congress on these monuments.

It is not something that we are dreaming about. Glacier Bay National Monument was established by Executive order. Katmai was established by Executive order. We are talking about two of the largest national monuments in the United States. They were established by Executive order and no attempt was made to review them.

I call attention to the history of Wyoming. In Wyoming, I think it was Grand Teton that was established as a national monument. For 5 years, Congress denied the money to fund that national monument because it had not been consulted in the creation of the monument. If they do take the unilateral action being

threatened downtown, those of us from Alaska will have no alternative but to do everything we can to bring that matter to an issue and have Congress vote on whether it intended to give the Secretary of the Interior the kind of authority he would have exercised in relation to these Alaska lands.

Again, before the Senator came in, I pointed out that there is no hunting in national monuments. If the Secretary carries out that authority, there is not even subsistence hunting allowed My good friend has done a yeoman's task in trying to work out the problems of hunting in these various areas of Alaska.

There will be no mining at all allowed in these areas. Again, there are some areas where even the Secretary says there ought to be mining. But perhaps in a fit of pique, he has now twice publicly threatened that if Congress does not pass this bill, he will exercise the authority of the Antiquities Act.

I ask only for fairness. Why should we not have a chance? The burden is on us. Congress must disapprove it. Congress does not have to approve it. The Secretary's authority would be exercised unless we get enough votes to disapprove the action taken in our absence.

But again, as the Senator knows, I have stated publicly many times, I have absolute faith in my two colleagues from Washington. If they will join me in asking them not to do this while we are out of town, I shall withdraw the amendment and not raise it again this year, because I think that would be sufficient.

Mr. JACKSON. I say to my friend, I shall reserve judgment on that. I do not want to make any commitment on what I might do under a given set of circumstances. I am just trying——

Mr. STEVENS. Will the Senator give me a time frame? I am willing to give him time to think about it. We shall put it on the BLM omnibus bill for national parks, which I think will be out of his committee soon.

I am serious. I shall be glad to withdraw this to give the Senator a chance to consider it if I can get some responsible people from the other side of the aisle urging administration officials, who are making this threat not only to Alaska but to Congress itself, that if we do not act, they will take this action unilaterally. If the Senator will join us or even wants some time to think about joining us, I shall put it off to another day.

Mr. JACKSON. Mr. President, let me just say that we are working around the clock. As a matter of fact, we are meeting at 7 p.m. tonight to continue the markup on the Alaska lands bill, which has been before use now for some time. I am anxious to get a bill.

I must say again that I do not like to see the issues involved in the d–2 lands bill tried in this forum in connection with the pending appropriation bill. We are spending all our time working, trying to get a bill that we hope can be approved and adopted by Congress and signed by the President. That is my objective.

The Senator from Alaska (Mr. STEVENS) has been most cooperative. I must say I have no complaints in that regard. We get into our little tiffs in the committee, but he has cooperated. I understand tiffs, anyway. I have just been through months of the natural gas bill.

If there is anything, Mr. President, that one needs around here, it is a little bit of patience. Maybe we are extending it a little too far, but I still have a bit of it left and I am going to exercise it.

Mr. STEVENS. If the Senator will yield one moment, we may be able to end this. I remember sitting up in the gallery and watching my good friend manage the Alaska statehood bill. I know that he managed the bill that led us to the Alaska pipeline. I know that he managed the Alaska Native lands claims settlement bill. Now he is managing this bill, which means so much to the future of my State. If he is asking me to withdraw this amendment to give him time to consider whether he will join with us in asking the administration not to carry out that threat, I shall do it. But if he is telling me that there are no circumstances under which he would consider making that request of the administration, then I must persist.

Mr. JACKSON. I should like the Senator from Alaska to withdraw the amendment. I do not want to make any commitments on this floor other than my record of the past of trying to be fair. I shall be fair. I hope that this amendment will not be pursued at this time.

Mr. STEVENS. Mr. President, I withdraw the amendment.

The amendment was withdrawn.

Mr. DURKIN. Will the Senator yield?

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Nevada as modified.

Mr. DURKIN. Mr. President, will the Senator from Alaska answer a question in relation to his intent?

Mr. HUDDLESTON. Will the Senator yield for a unanimous-consent request?

Mr. DURKIN. I am happy to yield.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Mr. Charles Wood of Senator DANFORTH's staff may have the privilege of the floor during the debate and vote on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Will the Senator yield for a unanimous consent?

Mr. HUDDLESTON. Yes.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Ark Monroe, of my staff, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HANSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that the following persons be granted privilege of the floor during the debate and any votes on this bill: Tony Bevinetto, Tom Imeson of the committee staff, Erich Evered of Senator BARTLETT's staff, and Sam Ballenger of Senator LAXALT's staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I wish to send an unprinted amendment to the desk.

The PRESIDING OFFICER. It will require unanimous consent. There is a pending amendment.

Mr. FORD. Mr. President, I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. I just ask unanimous consent that my amendment be considered. Will that be the best?

The PRESIDING OFFICER. That is appropriate.

Without objection, it is so ordered.

UP AMENDMENT NO. 1616

Mr. FORD. Mr. President, I send an amendment to the desk on behalf of myself and Senator RANDOLPH and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. FORD) proposes unprinted amendment numbered 1616:

On page 38, line 21 by striking "167,181,000" and inserting in lieu thereof "187,181,000";

On page 39, at the end of line 8:

: *Provided further*, That $20,000,000 shall be available for the loan guarantee program pursuant to section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5901, et seq).

Mr. FORD. Mr. President, on June 1, 1978, the Department of Energy—DOE—submitted a number of amendments to its 1979 authorization bill, S. 2692. Among these amendments was a proposal to authorize $20 million for operating and administrative expenses in fiscal year 1979 for a loan guarantee program as authorized under section 19, Public Law 95–238. The Energy and Natural Resources Committee approved this proposal. In its report, the committee stated that it intended the authorization to be used for operating and administrative expenses associated with loan guarantees in fiscal year 1979 for any of the technologies included in section 19, including, but not limited to high Btu gasification.

The committee, in authorizing funds for the alternate fuels loan guarantee program, wanted the Department to gain experience with the program, develop regulations, process applications, and be in a position to recommend future changes to the program as required under subsection 1 of section 19. The committee felt that loan guarantees can be a cost-effective form of Federal financial assistance for a broad range of energy production and conservation technologies.

It is important that $20 million be authorized and appropriated for the

alternate fuels demonstration loan guarantee program. The Department will be faced with decisions about how to finance new energy technologies as it develops the national energy supply strategy and the national energy plan for 1979. Approval of funds for the alternate fuels program will enable the Department to tailor financial incentives to the energy technology to be demonstrated.

Approval of the administration request for $20 million for the loan guarantee program will demonstrate the commitment of the administration and Congress to this type of financial assistance for new energy technologies. Without such a commitment, it will be difficult for the sponsors of these projects to justify the expenditure of time and money to submit a loan guarantee application. Approval will enable the Department to work with the Congress to develop a cost-effective program which will assure the Nation adequate energy supplies.

Mr. President, I encourage the committee to accept this amendment and reserve the remainder of my time.

Mr. HUDDLESTON. Mr. President, this amendment will, of course, authorize the loan guarantee to be increased by $20 million for the development of alternative energy sources, a very important endeavor by the Department of Energy. My distinguished colleague from Kentucky has outlined the need for this. This item is not in the House bill and will, therefore, be a subject of our conference with the House of Representatives.

But in order to move ahead as rapidly as possible with the development of significant new techniques for the conversion of coal and for the providing of alternate sources of energy for this country, the loan guarantee program can be very helpful.

This has been cleared on both sides of the aisle and if there is no further comment on this amendment I move that it be adopted.

Mr. STEVENS. Mr. President, I join the Senator from Kentucky, as the manager of the bill, in the action to accept this amendment. It has been discussed with both of us. I think it will be a difficult one to convince our colleagues in the House to accept, but we will do our best.

Mr. FORD. Mr. President, I ask unanimous consent that the senior Senator from West Virginia be added as a cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

Mr. FORD. Mr. President, I compliment the senior Senator from Kentucky for his acceptance of this amendment. He stated that this was not included on the House side and it will be a matter that will be considered during the conference. I feel it is important and I know that we cannot do all things or be all things in the energy field. But I think this is important and I thank him personally and for the record for his effort in seeing that the energy programs not only in Kentucky but across this country are pushed and that we do those things that are necessary to eliminate the energy problem we have in this country.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. DECONCINI). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1617

(Purpose: To provide additional funds for a survey regarding "wetlands")

Mr. CHAFEE. I send to the desk an unprinted amendment.

The PRESIDING OFFICER. There is an amendment pending. Consideration of the Senator's amendment at this time would require unanimous consent.

Mr. CHAFEE. All right. I so request.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE) proposes an unprinted amendment numbered 1617:

On page 10 lines 9 and 10 delete the figure $194,508,000 and insert the figure $198,008,000.

Mr. CHAFEE. Mr. President, this amendment deals with a situation that arose in connection with the passage of the Clean Water Act last December. That act was passed, of course, after the 1979 budget had been submitted, and the amendment that I have sent forward provides additional money to the Fish and Wildlife Service for the completion of a survey dealing with our wetlands.

One of the great problems of our country has been the disappearance of our wetlands at what has been a very alarming rate. I am sure most of my colleagues recollect that one of the major issues which arose during consideration of the Clean Water Amendments of 1977 was how this act could best protect our Nation's vanishing wetlands. In hearings conducted by the Committee on Environment and Public Works it quickly became apparent that if our remaining swamps and marshes were not given a greater measure of protection, these areas would continue to vanish at an ever increasing rate. The committee's research revealed the astonishing fact that we are losing wetlands at a rate of 300,000 acres per year. To give all of us a greater realization of what this loss rate means over a period of time, the Department of the Interior estimates—listen to this figure, if you do not think it is a shocker—that between 50 and 65 percent of our Nation's wetlands, coastal and interior, have been lost.

What are wetlands, and why do we care? Wetlands are really the start of the chain of life, whether you are speaking of the coast of the Atlantic, Rhode Island and Massachusetts or wherever it might be, or whether you are talking about the gulf coast, where 90 percent of the fish in the gulf at some time in their chain of life have been in the wetlands of Louisiana.

My colleagues all appreciate that these wetland areas are critical to the survival of most fish and wildlife species, as well as being an important factor in maintaining good water quality and in protecting our coastal areas from the destructive forces of storms.

Mr. President, because a controversy developed over what the program for protection of wetlands should consist of, a great deal of time and effort was spent by the Congress to construct a water quality and regulatory program that would be fair, efficient, and adequate to do the job.

The wetlands protection program ultimately approved in section 404 of the Clean Water Act of 1977 met these criteria and should, if adequately funded and properly implemented, be capable of responding to the urgent need to protect the Nation's important wetland resources.

Having been involved in this legislative effort I was struck by the paucity and poor quality of existing information concerning the location, type, and status of our wetlands. Had such information been available a long time ago, we could have reduced that astonishing loss rate I mentioned a few moments ago. And it goes without saying that we could have better identified the most serious areas of concern in our legislative effort and thus have constructed a better and more efficient program.

Those who worked on the wetlands protection section of the act knew that if the program was to proceed as planned, that this knowledge gap would have to be eliminated as soon as possible. State and local governments, you recall, will in many instances be charged with overseeing the wetlands programs under the Clean Water Act. We ought to give them a hand by making available the concise information on the status of wetlands that is essential if they are to do a competent job.

So this amendment, requesting what amounts to an additional $3.5 million, would go toward the completion of the national wetlands survey. Doing this national wetlands survey is a very big job. It is an essential part of the implementation of the Clean Water Act, which, as I say, we passed last December. The information that is gathered under this survey is then sent out to the States. It is very important that we get the information out to the States as rapidly as possible, because they are moving forward with their State protection plans for the wetlands, and this inventory material is needed. As many as 30 States have already requested such technical assistance in forming their water quality, wetlands and wetlands-related programs.

The Committee on Environment and Public Works recognized this need and as part of their budget report asked that $6,000,000 be made available until expended for completion of the National

Wetlands Survey. This additional request was deemed necessary because the passage of the act, which greatly increased the need for the survey information, occurred after the normal fiscal year 1979 budget process was well underway. Indeed, the 1977 act requires a deadline for completion of the Survey and mandates that information from the inventory be provided to the States as it becomes available to assist the States in the development of programs and operation of programs under the act. This means that the States would have more complete information on wetlands as they are gearing up their programs for point and nonpoint sources of pollution, as well as other water quality efforts.

The $6 million figure was accepted by the Senate Budget Committee as appropriate, but it does not seem to be included in this legislation. Mr. President, I realize that the mood of this Congress is to trim the budget wherever possible and accordingly I would ask that the committee and the Senate include in this legislation for fiscal year 1979 only $3.5 million. This is the amount estimated to be needed this year to accelerate the ongoing inventory program so it can meet the 1981 deadline mandated in the Clean Water Act. The money is also needed to do more detailed large scale wetlands maps and analyses of wetlands values, and then get this information out to the States who need it so desperately. It is certainly questionable that the States have the resources to do the job themselves.

If we fail to finance this program in a timely and adequate fashion, the net result will be increased costs, uncoordinated program planning, lack of information and assistance at the State level, and, saddest of all, ever increasing losses of fish and wildlife resources.

So I vigorously support the amendment, and commend to the distinguished floor leader for the bill that the amendment be accepted.

Mr. HUDDLESTON. Mr. President, the proposal of the Senator from Rhode Island certainly has merit to it, and the problem he has addressed is a real one and one that has already commanded the attention of Congress and various agencies to a great degree.

However, this request for additional funding for the purpose of the inventory of wetlands was not brought before the Appropriations Committee or the Subcommittee on the Department of Interior and related agencies, and therefore no consideration has been given to it. No hearings have been held, and no information presented to the subcommittee.

We are sympathetic with the objectives of the distinguished Senator from Rhode Island; and it is our judgment at this point that the best way to proceed would be to insist that the Fish and Wildlife Service proceed with this inventory within existing funds, that it expedite its activities in this regard; and then, if additional funding is needed, that they come back with a supplemental request. They might even consider reprograming to see that the survey is completed as quickly as possible, so that the States may receive the information that they are entitled to have.

I would ask the Senator from Rhode Island, given the fact that the subcommittee has had no opportunity at all to give any type of consideration to this request, and the fact that we are sympathetic to the objectives, that we call upon the Fish and Wildlife Service to intensify their efforts to expedite in every way possible within existing funds the completion of this inventory, and that if additional funding is required, we certainly will be receptive to a request for a supplemental appropriation for this purpose.

Mr. CHAFEE. I certainly appreciate the thoughtful consideration the distinguished manager of the bill is giving to this problem. I appreciate also the point he raised about this matter not having come forward for hearing. There is some money there for this purpose, an amount that is unfortunately not adequate, $1.6 million. That sum was there before the passage of the Clean Water Act, which imposed very great additional burdens, which I mentioned, and all of which came after the fiscal year 1979 budget cycle was completed.

Therefore, I will follow the recommendation of the Senator from Kentucky and I withdraw my amendment. I ask that the Appropriations Committee not only look with sympathy on including this in the supplemental but that they be very aware of the possible necessity for some reprograming. Should that come before the Senator's subcommittee in any fashion, I hope he would be prepared to give that a sympathetic ear and press it along. We would be most grateful. By "we," I am speaking for the Senator from Kentucky as well because I know of his concern for the wetlands throughout his State and the Nation as well.

Mr. HUDDLESTON. I can assure the Senator the subcommittee will give very careful and thorough consideration to the request. We will be developing the need for the continuation of this project as it relates to funding.

Mr. CHAFEE. I thank the Senator.

Mr. HUDDLESTON. I thank the distinguished Senator very much for withdrawing his amendment at this time

The PRESIDING OFFICER. The amendment is withdrawn.

The question recurs on unprinted amendment 1612, as modified.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OFFICE OF AIRCRAFT SERVICES

Mr. CHURCH. Mr. President, I see that the distinguished Senator from Alaska (Mr. STEVENS) is on the floor. I would call his attention to page 48 of the committee report on the pending bill, specifically to the third paragraph on that page. It reads:

> The $660,000 reduction in Departmental operations applies to the Office of Aircraft Services. This office was originally established to oversee all of the Department's air operations, but in practice this management goal has been applied only to the State of Alaska. Although OAS does not exercise any direct control over various agency aircraft operations in the lower 48 States, it is headquartered at Boise, Idaho. Since its major mission is in Alaska the Committee believes OAS and its essential administrative functions should be headquartered at Anchorage. The Committee has deleted anticipated savings from this consolidation in its $750,000 allowance for OAS.

I am generally familiar with the work performed by the Office of Aircraft Services at Boise, and I am informed that the aircraft operations directed from there have been very successful. Among other things, they include the general direction of aircraft in connection with fighting forest fires or range fires on BLM lands or forest lands, and the coordination of all of Interior's aircraft contract operations. Because of the success of these programs, I would be strongly opposed to shifting the OAS headquarters or any of its principal functions away from Boise.

I am puzzled at the meaning of the report language here, and I am most interested in learning of the extent to which this proposed transfer might affect the Boise operation. Because there may be misunderstanding concerning the committee's intent, I should like to ask for a clarification from the distinguished Senator from Alaska.

Mr. STEVENS. I appreciate the Senator from Idaho raising the question. As the report points out, originally, this office was intended to oversee all of the air operations of the Department at its headquarters in Boise. We inquired into it at that time, but it seemed logical because of its location, centrally in the whole West, that it be there. This reduction applies only to that portion of the effort in Boise that oversees Alaska air operations. That is the intent of it. It is not intended to affect the fire-fighting operations of the Southwest, or what we call the South 48.

We just feel that, since the Interior Department has canceled its plans to make the Office of Aircraft Services the national overseer of all air operations, in should not have, in Boise, the people whose only job is to oversee the Alaska air operations. Since I have been on the committee, I have raised the question annually with the Secretary's people of when they were going to make the decision about the rest of the country. It is now apparent from their answers that they have no intention to continue their Office of Air Services concept in the other Western States where they do operate their aircraft.

I might say that this not only consolidates the operation and the assignment of the aircraft that is under the Department, but also handles the contracting for services provided by private operators in Alaska. The contracting is done in Boise. We think that, since the Department has abandoned its plans to go to a

national Office of Aircraft Services—and this applies only to Alaska—that is where the headquarters for this operation, only pertaining to the Alaska operation, should be. We have no other intention. I am familiar with what is going on in Boise and it is a substantial operation.

I ask the staff, I do not think this could affect more than about 15 people as far as I am concerned. The Senator from Kentucky might know. I have raised the question annually. Does the staff disagree with me on that?

Mr. HUDDLESTON. We believe that is a correct figure, about 15.

Mr. STEVENS. The Senator from Kentucky thinks that is correct and I think it is being misinterpreted as an intention to move the Boise office to Anchorage. That would make less sense than having my Anchorage office at Boise. We have no intention of doing that.

Mr. CHURCH. In other words, the transfer involved here would in no way affect the operations of the Boise aircraft services office as it relates to contract aircraft or government aircraft in the lower 48?

Mr. STEVENS. Absolutely. It is the intent to move the management of aircraft services and the contracting for aircraft services for the Department of the Interior that take place in Alaska. The savings, we think, will come about by virtue of the people who do not have to travel back and forth from Anchorage—which is the regional office—to Boise to go to these meetings for planning, allocation, and the like.

Again, I say, if the Department wishes to go to a national OAS, as far as I am concerned, there may be some advantage to it. Since they are not doing it and they are only managing Alaska contracting and Alaska aircraft operations, it was my hope that the Senators from Idaho would understand. I am sure that they would feel the same way if the Department were managing Idaho activities from Anchorage. It makes no sense.

Mr. CHURCH. I think the Senator has helped to clarify the language and the limitations involved in the proposed transfer. He has stated his case well for the State of Alaska. I thank him for answering my questions.

Mr. STEVENS. I thank the Senator for his courtesy.

GOSPEL-HUMP FISH AND GAME RESEARCH PROGRAM

Mr. CHURCH. Mr. President, I wonder if the distinguished floor manager of the bill would respond to one other inquiry? It has to do with the section of the bill relating to forest research.

A few months ago, when Congress enacted Public Law 95–237, the Endangered American Wilderness Act, the Senate included a provision which established a special management plan for a portion of the Gospel-Hump region in my State of Idaho. The management plan, in turn, calls for a research study of fish and wildlife resources in portions of the Gospel-Hump region, in order to enable the Forest Service to establish a multipurpose resource development plan in those designated portions of the area without incurring undue damage to the fish and wildlife there.

It was contemplated when the bill was passed that the special research program authorized in section 4(c) would commence no later than October 1, 1978.

That means, according to the Forest Service that we need to earmark some money for it in this bill in order to carry out the clear intent of Congress.

I am wondering if the distinguished floor manager could tell me whether the $104,002,000 which the committee recommends for forest research might not provide money enough to commence this study on the timetable that the Congress had intended.

I am told by the Forest Service that $300,000 would be sufficient to get the studies started and that if such an amount were earmarked by the committee in this bill we would avoid a full year's delay in moving forward on the fish and game research program and the management plan.

Mr. HUDDLESTON. Let me say to the distinguished Senator from Idaho that this, too, is an item that was not brought to our attention previously. But it is the subcommittee's intent and the committee's intent that up to $300,000 be made available for the research he has expressed concern about from the existing funds that are in the bill.

Of course, here, again, we are prepared, if this is not sufficient, to carry this forward in a timely fashion and expedite and accelerate it. There will, of course, be opportunities to consider supplementals as the time goes on.

This research is essential. It is mandated. It is the intent of the committee that these funds be made available up to the required amount of $300,000 from the existing funds.

Mr. CHURCH. I thank the Senator very much for that assurance, and for his assistance in this matter.

I would hope, if it is possible in conference to provide expressly for the initiation of this fish and wildlife study in the Gospel-Hump region as the law now stipulates that this will be done.

I appreciate very much the willingness of the committee to specifically earmark up to $300,000 for the initiation of this most important research in the Gospel-Hump region.

Mr. HUDDLESTON. I thank the Senator from Idaho.

Mr. President, I yield to the Senator from Oregon.

Mr. MARK O. HATFIELD. Mr. President, I thank the Senator from Kentucky who is managing this bill for yielding for a question or two.

Mr. President, I rise to address a concern which I believe applies not only to those of us with a significant portion of national forest lands in our State, but to all of us concerned with prudent management of our public lands, as well. In our Senate appropriations report on the Interior bill, extensive mention of the RARE II study was made.

It was the feeling of the committee, as expressed in the report, that while this wilderness review may be appropriated, in the past it has neither been budgeted for nor submitted for advance congressional approval. No mention of the approximately $6.1 million expended for RARE II appeared in the budget justifications until this year, when $350,000 was requested to complete the effort.

I believe it is in line with the expressed intention of the committee, that the announced time-table of RARE II be adhered to, as well.

With respect to this roadless area review of our national forest lands, the House said this in its interior appropriations bill:

> The committee is concerned about the progress and potential outcome of the roadless area review and evaluation program (RARE II), currently being undertaken by the forest Service. RARE II was instituted to resolve the land allocation problems associated with the roadless and undeveloped areas within the national forest system. This committee endorses the announced goals of RARE II and feels that it is imperative that the process be completed within the announced time frame. However, the committee is convinced that the RARE II process will accomplish very little if significant acreage is identified for further study. The committee, therefore, urges the forest service to reach a final decision on each of the inventoried land areas so that those areas not recommended for designation as wilderness can be promptly returned to nonwilderness multiple use planning and final land allocations made.

By the absence of this sentiment in the Senate report, I would ask the distinguished floor manager if there was an inteniton to disagree with the House on this point.

Mr. HUDDLESTON. No. I can assure the distinguished Senator, there was no intention to disagree with the thrust of the RARE II language as contained in the House report, and read by the Senator.

In addition, the committee fully expects the Forest Service to complete the RARE II process within the allotted time frame to that recommendation for wilderness designation can be submitted to Congress prior to March 15, 1979. The committee recognizes that it is vitally important for a decision to be made on each of the inventories areas so that the wilderness nominations can be submitted and other lands returned to multiple use management to meet the needs of the American people for timber and other resources derived from the National Forest System.

Mr. MARK O. HATFIELD. I thank the Senator for his very excellent answer, and for the sufficiency as well as the content, and for the committee's expression of agreement in this matter. The committee report also commented on the need to begin planning specific timber sales which appear likely to be designated for commercial timber production once the RARE II environmental impact statements are prepared. According to the Senate report, such planning should not affect the areas involved to an extent that they can no longer be considered for wilderness designation "at some future date." I believe it was the intent of the committee that such planning restrictions would apply until the completion of the RARE II process, rather than some indefinite time period, am I not correct?

Mr. HUDDLESTON. The Senator from Oregon is correct.

Mr. MARK O. HATFIELD. I thank the Senator from Kentucky for clarifying that matter. I am sure he fully appreciates the significance of this study and its impact, not only upon my area, but upon the entire country, when we think of the increased housing needs of this country and the requirements thereto for building materials.

So this report has national significance as well as importance to the Northwest.

I thank the Senator from Kentucky.

Mr. HUDDLESTON. I yield to the Senator from Florida for a unanimous-consent request.

Mr. STONE. Mr. President, I ask unanimous consent that Russ Worden and Bruce Rowen of my staff be granted privilege of the floor during the debate and votes on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STONE. I thank the distinguished Senator.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. ALLEN). Without objection, it is so ordered.

Mr. RANDOLPH. Madam President, I hope I may have the opportunity for a colloquy with the able manager of this bill, as we discuss matters of concern in the field of energy.

The $6.47 million that has been included in the 1979 Department of Energy authorization measure to provide loan guarantees to develop small underground coal mines has not been included in the Interior appropriations bill that the Senate is considering at this time. I call the attention of my colleagues to the fact the bill provides for carrying forward unobligated balances of the fiscal year 1978 funds. The amount of funds for this purpose would range from $1.1 to $6 million.

Department of Energy officials, I recall, during the hearings before the Committee on Energy and Natural Resources of the Senate, stated that there was a need for more than $6.47 million in fiscal 1979 in order to implement this program adequately.

If I have been correctly told, it has come to my attention that today that DOE officials now say that they need no additional money, to carry forth this vital program in 1979. Frankly—not in a carping critic's role—I believe that is an incorrect assumption.

I support the funding for this program at the amount recommended by the authorizing committee—$6.47 million. I believe we need to encourage, I say to my colleagues, the production of environmentally acceptable coal supplies. The Energy Policy and Conservation Act of 1975 authorized loan guarantees to small producers for the expansion of underground low-sulfur coal production.

The able Senator from Kentucky is from the State which is perhaps the largest producer of coal in terms of both underground and surface mining. He knows that the small coal mines are really the foundation of the eastern coal production. These small producers—less than 200 tons per year—are in our Appalachian States of West Virginia, Kentucky, Tennessee, and Virginia.

In 1974, these States produced 150 million tons of coal, in answer to what was a tragic development the OPEC embargo and the increase in spot market coal prices.

In the 8 coal-producing States of the 13 of Appalachia, we produce approximately 64 percent of all the bituminous coal that is mined in the United States.

By the way, the Appalachian region, under the commission, is composed of 13 States, West Virginia being the only State included as an entire entity.

Eighty percent of the low-sulfur coal reserves east of the Mississippi, I remind my colleagues, comes from States where there is a preponderance of small producers.

The U.S. Bureau of Mines is the authority for the estimate that more than 5.2 billion tons of eastern low-sulfur coal reserves potentially would be eligible for Federal loan guarantees if the statute of 1975, which I have mentioned, is implemented.

In conclusion, under the loan guarantee program, I say to the Senator from Kentucky (Mr. HUDDLESTON), an estimated 20 to 60 million annual tons of coal could be produced in America in this type of production by 1982.

By comparison only 14 million tons of eastern low-sulfur coal were delivered to the electric utilities in 1975. It was in that year that the legislation I have referred to, brought this program into being.

It is difficult for me to understand why we now decrease funding, which I believe is so necessary, in the coal loan guarantee program as we consider this bill.

I will appreciate having comment from the manager of the bill.

Mr. HUDDLESTON. I am happy to do so for the distinguished Senator from West Virginia (Mr. RANDOLPH), and let me say he is correct. Kentucky is the largest coal-producing State in the United States. I am very much aware of the importance of this particular program. I am somewhat chagrined, as the distinguished Senator from West Virginia obviously is, that the program has moved along at such a snail's pace.

We conducted in our hearings considerable question about the potential need for this kind of a program, and it is significant. Not only is it a question of the economic impact on the particular areas involved—and we are talking about the Appalachian area where small coal mine operations are so important to the economy—but it has a significant impact upon the total production of coal for the United States in its effort to provide the energy that we need and the alternative to the oil that we are having to purchase from foreign sources.

So this is a program that I find very disappointing, in that it has not been implemented to a greater extent, just as the Senator from West Virginia does.

I might point out to the Senator that from the 1978 appropriations there is still some $6 million in research funds for the loan guarantee that have not been allocated up to this point. As a matter of fact, as I understand it, there is only one application that has been received, and I believe this is due primarily to the fact that the Department just simply has not embarked upon the implementation of this program with the kind of zeal, the kind of interest that we anticipated in this Chamber.

Now as to what we have done in the committee, we have tried to eliminate any obstacle or any barrier that they might have to informing small operators that this fund is available and in processing and making sure that they have enough opportunity to apply for these funds.

So we increased the funding by $300,000 to strengthen the administration of the program, to add more personnel, if necessary, to make sure that the program is well explained and is made available to those who need it.

Given the fact that this reserve is already there from previous allocations, it was not felt it would be appropriate at this particular time to increase that fund. Additional funding is provided for personnel to implement the program and to make sure that the operators are aware that the fund is available and can be used by them.

We want to try that, I say to the Senator, and see if that does not give the Department the necessary incentive to move ahead on this program, and I know that the Senator shares my expectation that they will do that and that we will see a better implementation than we have up to this point.

(Mr. CULVER assumed the chair.)

Mr. RANDOLPH. Mr. President, I appreciate the response from the knowledgeable Senator, Mr. HUDDLESTON. I do feel that downtown there is often a lack of zeal in implementing worthwhile programs. The Senator used that word appropriately. There is a lack of zeal that is necessary to cope with the energy requirements of this country and meet them with increased production of coal in the United States of America where we have the abundant fossil fuel. We are now importing between 40 percent to 50 percent of our oil, and I indicate for the RECORD that we often act after the fact instead of before the fact in connection with our energy needs.

I also want the RECORD to indicate that we, the taxpayers of the United States of America, the people who sit in the galleries today, the people who are living all over this country have their tax dollars dedicated to do what? To develop a $12 billion, 1 billion barrel oil reserve. To date only about 28 million barrels of that reserve are in place; $3.6 billion was appropriated in 1978 for strategic oil reserves, and $4.3 billion was proposed to be authorized for fiscal 1979. I and many of my colleagues feel this money would be better spent on proven second and third generation energy technologies, to open new mines, and en-

courage residential and industrial conservation practices.

I am conscious of the desire not to fund something when the applications are not flowing in, but I do believe that we are on the edge of that perimeter which will see a tremendous influx of these requests.

We must let people know about a program of this kind, and I do not think this has been done. I know in West Virginia they are just now getting the word of how to make the application and what can be done to open new underground mines.

Even though, Mr. President, all of these funds have not been obligated, that the program was first funded actually in March of this year.

The final environmental impact statement, for the program, I understand will be completed in late August, and the final regulations will, therefore, come into being in late September.

After this point, I say to my colleague from Kentucky, and I think we can watch this together, the $6.47 million and more is going to be needed for money to back up the Federal loan guarantees in this program.

Does my colleague agree that I am not overstating the case?

Mr. HUDDLESTON. I do not believe the Senator is overstating the case at all, and I know that he will join me and our full committee as we monitor very carefully the development of this program, given the additional administrative support that this bill we are considering today provides, to see whether or not they are in fact moving ahead with it at the rate that we feel they should.

Mr. RANDOLPH. So today we have to be satisfied, although we are not gratified by the fact that we cannot now have the money to back up the applications which will be made. I am understanding of that fact.

Mr. HUDDLESTON. It is the committee's judgment that we should see the implementation of it and see the applications coming in and the actual allocation of the funds that are now available before adding additional funds.

Mr. RANDOLPH. I thank my colleague. I appreciate, of course, his desire and cooperation in giving me the opportunity to join with him and others in this monitoring and reviewing this situation.

I am not against some other type of energy development. I have worked and will continue to work for those projects, be they solar, hydropower, and enhanced oil and gas recovery. I am cautious about nuclear, but everyone has certain strong feelings about types of energy development.

I do know that coal is here in abundance, not for 50 or 75 years, but for whatever the number of years ahead, ready to supply the energy needed in this country.

We will be derelict in our duty if we fail to take this black gold and use it to benefit our country.

I thank the Senator very much.

Mr. HUDDLESTON. I think it is well to point out again what the Senator and I know, and those who are familiar with the coal-producing areas of the country know, that while we all recognize that we do have an abundant supply of coal in this country, and while all energy experts and the President of the United States have indicated that at least in the short term we must turn increasingly to coal to meet our energy needs, and even calling for a doubling or a tripling of production, that this cannot be accomplished simply by Government decree.

Mr. RANDOLPH. That is correct.

Mr. HUDDLESTON. You cannot issue an edict and say that coal production is going to double or triple at any given time. There are a lot of factors involved. It is a question of getting it out of the ground in an environmentally acceptable way. It is a question of transporting it once it is out, and a question of how you can use it with the clean air standards that we have today, and what is necessary in order to provide for the use of it more extensively throughout the country.

Mr. RANDOLPH. I interrupt to say the housing of miners themselves—is and will continue to be a problem, especially in the narrow valleys and difficult terrain of our respective States.

Mr. HUDDLESTON. All of the impact that it has on a particular area where substantial increases in production might be brought about in a relatively short time. We are trying to address all of those problems here in Congress, and in this particular bill we attempt to address a great many of them. Beyond that there is a question of how we use coal in different ways, how we convert it to gas and oil, and how we process it prior to its burning to eliminate the polluted quality of it.

In this bill there is some $30 million added for energy impact assistance for the various areas. But in this whole equation the question of assistance to smaller miners, to get into the production and to provide what is needed to produce coal is a very important part. That is what we are discussing right now.

I just hope the agency will take increased interest after this colloquy, perhaps, and after we have added additional funding to implement their program and to make sure they have the necessary staff—we do not want to give them any excuses not to put into effect this program that could be so important not only to the communities and to the individual coal operators but to this country as well. So I thank the Senator.

Mr. RANDOLPH. I again thank the Senator because we are addressing a subject that is of genuine interest and concern to the people of America. The commitment must be made by Congress to assure both short and long supply of coal and from the mines the Senator and I have been discussing.

Mr. HUDDLESTON. I thank the Senator.

Mr. SPARKMAN. Mr. President, will the Senator yield to me briefly?

Mr. HUDDLESTON. Mr. President, will the Senator allow me to make a unanimous-consent request?

Mr. SPARKMAN. Yes.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Steve Saunders of the staff of Senator HART be allowed the privileges of the floor during the debate and voting on the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. I yield to the Senator from Alabama.

Mr. SPARKMAN. I just wanted to make this comment and then make an inquiry. As the Senator knows, my State is a great producer of coal.

Mr. HUDDLESTON. Yes.

Mr. SPARKMAN. I remember a good many years ago, it must have been 40 years ago, there was a scientist, a geologist, who lived in Birmingham, who used to talk a great deal about the gasification of coal. Did anything ever come out of that or was it found impractical or not necessary or what?

Mr. HUDDLESTON. A great deal of research is now going into the gasification of coal, and the process has, in fact, been proven. The question now is how do you do it in an economically feasible way, given the present economic conditions.

There is a considerable amount of attention being given to that very question in this bill, and we are providing for the establishment of pilot and demonstration plants on coal gasification.

Mr. SPARKMAN. I thank the Senator.

Mr. RANDOLPH. Mr. President, could I supplement what the Senator said? In our Synthetic Liquid Fuels Act of 1944 when, under the impact of World War II, when U-boats were prowling along the east coast waters stopping the supplies of petroleum necessary for us in that conflict, I in the House was joined by Senator Joseph O'Mahoney, a close friend——

Mr. SPARKMAN. So was he mine.

Mr. RANDOLPH. To pass that act which was signed by President Franklin Roosevelt on April 5, 1944.

Mr. SPARKMAN. I remember.

Mr. RANDOLPH. The program pilot projects that law authorized were the first Federal programs for gasification of coal, liquefaction of coal and lignite, and production of synthetic crude oil from oil shale. In conjunction with the Department of Agriculture, the Bureau of Mines initiated new technologies to produce alcohol and other liquid fuels from agricultural residues, and coal to make motor and aviation fuel. Coal was the principal ingredient that made that type of fuel possible. Much of this work, which Senator SPARKMAN will recall, was done at Bessemer in the State of Alabama. I am sorry that these programs we started in the 1940's have not been carried forward on a continued basis. If they had been we would not have the situation in which we find ourselves today.

Mr. SPARKMAN. When we were young and ambitious.

Mr. RANDOLPH. Do not point at me. I am still young.

Mr. HUDDLESTON. Still ambitious, I might add.

Mr. RANDOLPH. Still ambitious.

I do feel what the Senator is saying is true. There have been these times when if we had been more ambitious we could have moved constantly forward with continuous programs in areas such as synthetic fuels. We would have been a much stronger Nation if alternative sources were pursued forcefully at an earlier date.

Mr. SPARKMAN. May I add one other thing. I believe it was Senator RANDOLPH who mentioned shale.

Mr. RANDOLPH. Yes, oil shale development was also being explored during the 1940's.

Mr. SPARKMAN. I wanted to inquire what progress is being made in the development of oil shale.

Mr. HUDDLESTON. Oil shale is a little more difficult at the present time because of the economic situation. There is progress still being made and research and a lot of investment still going into the oil shale question.

Mr. RANDOLPH. We passed a bill just in recent days with respect to the development of oil shale.

Mr. SPARKMAN. I remember a conversation I had one time with Dixy Ray Lee when she was, I believe, the Assistant Secretary of State for Economic Matters, and I was talking to her.

I was talking to her about shale, oil shale, and she said the big difficulty was that in the processing you got more refuse than you could dispose of.

I remembered that Dr. Armand Hammer had developed a procedure whereby all of that would be eliminated in the method of bringing it out, and she said that that was the best way for us to develop the shale oil industry.

I just wondered if the Senator had any comment to make on that. I thought it was a matter of interest, anyway.

Mr. HUDDLESTON. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I would suggest to Senators who have amendments that they call them up. There is an amendment pending; I hope we get a vote on it soon.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, what is the parliamentary situation?

UP AMENDMENT NO. 1612 AS MODIFIED

The PRESIDING OFFICER. The pending question is on agreeing to the amendment, as modified, of the Senator from Nevada.

Mr. CANNON. Mr. President, I shall not take much time on this amendment at the present time. I have previously pointed out that the amendment would not exempt future projects in the Colorado River Basin from complying with the requirements for a comprehensive environmental impact statement, but that the amendment would help to prevent an injunction against projects already authorized by Congress and features of those projects which are already in compliance with the National Environmental Policy Act.

I would point out again that the Cannon amendment does not establish a precedent, in that it does not exempt certain areas of the country from the requirements of the National Environmental Policy Act; in fact, it makes no exemptions at all from the requirements of that act.

The projects that are considered here have previously been authorized by Congress, and they have had an environmental impact statement on file; thus they comply with the National Environmental Policy Act and any additional features to these projects would, of course, have to comply with the requirements of NEPA.

Mr. President, as I pointed out earlier, this matter comes about as a result of a lawsuit that is currently pending, and we want to make it absolutely clear that the projects that have been approved, have been started, have gotten under construction, and have had an environmental impact statement filed on them are eligible to go ahead and proceed, and we would not permit the courts to enter an injunction to prohibit those projects pending a future areawide environmental impact statement.

Mr. President, I ask unanimous consent that the name of the Senator from New Mexico (Mr. DOMENICI) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. DOLE. Mr. President, the National Environmental Protection Act passed the Congress in 1969. It was the belief of the Congress that machinery should be put in place to protect the environment and to stand guard against potential abuses of it. It was my belief at that time that the act would provide a sensible approach to solving environmental questions.

DISTRICT COURT SUIT

Today a suit is pending in the District of Columbia, U.S. District Court questioning the intention of the National Environmental Protection Act. Plaintiffs in that suit have asked for a comprehensive environmental impact statement on the Colorado River Basin, and an injunction against ongoing construction of water resource projects in the basin until this new EIS is completed. This is an unreasonable demand. Such an EIS could be impossible to prepare and would be of little benefit if it ever was. The water resource projects affected by this lawsuit are of prime importance to farmers in our Western States already suffering critical water shortages. Furthermore, an environmental impact statement has already been prepared for every single project covered by this lawsuit.

CANNON AMENDMENT

The amendment offered by my colleague from Nevada (Mr. CANNON) provides the proper solution to this conflict. If enacted, the amendment would provide that construction of these water resource projects could continue, regardless of the outcome of the current court case. I am pleased to add my name as a cosponsor to this amendment.

CONGRESSIONAL INTENT

Mr. President, it seems to the Senator from Kansas that there is no reason to believe that Congress intended comprehensive EIS's be prepared. Nowhere does the National Evironmental Protection Act (NEPA) spell this out—the legislative history makes no mention of it. Instead, the requirement of a comprehensive EIS has come to be accepted by the repeated insistence of groups opposing public works projects.

Water resource projects such as the ones affected by this amendment are of crucial importance to the farmers, and all the citizens, of our Western States. If they are to be delayed indefinitely, then the decision should be made by Congress—not by fiat. Congress has never made this decision.

COMPREHENSIVE EIS UNWORKABLE

Mr. President, the plaintiffs in this case ask that a comprehensive EIS be prepared for the Colorado River Basin, assessing the cumulative environmental impact of all water resource projects—past, present, and future—and their alternatives. This would require an EIS for an incredible number of possibilities. Not only would projects under construction and those in the planning stages be considered, but all reasonable alternatives to these projects would have to be included also. Finally, not only would public projects have to be considered, but every single private one too. This could easily result in an EIS covering thousands of possibilities.

QUESTIONABLE BENEFIT

Mr. President, even assuming one of these EIS's could be prepared, a more important question arises—what benefit could it possibly be? No one can expect any benefit whatsoever to come from a collection of speculations about the course water resource developments in the Colorado River Basin may or may not take.

Mr. President, it is important to remember that environmental impact statements have already been filed for every project this lawsuit seeks an injunction against. We already know the environmental impact of each water resource project. There is no reason to suspect that their impact when considered as parts of a whole will differ from their impact when considered individually.

NOT COST-EFFECTIVE

Finally, Mr. President, we should consider the cost of preparation of such a comprehensive EIS. By their own admission, plaintiffs in this case admit that a comprehensive EIS would take 2 years to prepare. After those 2 years however, we can expect that the environmental impact statement would be challenged on every conceivable ground. And rightly so. In order to find the EIS insufficient, one would only have to demonstrate that one reasonable alternative to a proposed project had not been properly considered. It seems to the Senator from Kansas that this is guaranteed to spawn an

incredible amount of litigation—litigation at the expense of the taxpayers, and at the expense of Western farmers.

Mr. President, the Senator from Kansas is not advocating environmental callousness. As has been repeatedly mentioned, an environmental impact statement has been prepared for each of the projects affected by this lawsuit. What this Senator is advocating is a sensible and rational approach to the environmental questions in the Colorado River Basin. My colleague from Nevada (Mr. CANNON) has offered just such an approach.●

Mr. HATCH. Mr. President, inasmuch as a very large portion of the Colorado River flows through the State of Utah, I am deeply concerned over the civil suit which has been filed against the Bureau of Reclamation and the Department of Interior. It is the objective of the plaintiffs in this case to require the Federal Government to carry out a comprehensive environmental impact statement for the entire Colorado River Basin, even where site specific environmental impact statements have already been prepared. The cost of such an effort to the American taxpayer would be astronomical.

Mr. President, there is no proof that the cumulative effect of these projects on the Colorado River constitute a beneficial or adverse impact which is greater than the sum of the effects themselves. More simply stated, the environmental impact on the Colorado River as a whole by a number of individual Bureau of Reclamation projects is the sum total of each project's impact.

How many times must a particular piece of land comply with an environmental impact statement? May I remind the Senate that this is a precedent setting case. We have already complied with individual environmental impact statement's for each project. Now, these environmentalists want a comprehensive EIS. Of course, we have not yet arrived at the point where, considering all water projects on a given river as variables, we will have to consider all possible combinations of the respective EIS's. At the rate we are going, we will soon be considering the alternative of including projects two and four but omitting one and three based on their environmental impact statements. There are 13 possible combinations for a river with 4 water projects.

I certainly hope I am not providing environmentalists with heretofore unthought of ideas. This must stop! The request for a comprehensive statement is nothing more than a dilatory maneuver by environmental extremists to enjoin the Government from carrying out needed public works projects. One such project in the State of Utah, the central Utah project, has been the subject of continual threats by environmental groups to the point where we never know from 1 minute to the next whether this project is moving ahead. The current civil suit to which I have referred is just another attempt to stall a much needed western water project.

Six reasons have been generated in support of allowing these water projects to proceed without a comprehensive EIS, which I wholeheartedly endorse. Briefly they are: First, it was not the intent of Congress to require such a statement. Second, there is not sufficient conclusive proof that synergistic effects of site-specific developments constitute a comprehensive cumulative effect that is greater than the sum of individual impacts. Third, there is not conclusive evidence that such a statement will accurately reflect future environmental, social, and economic interrelationships. Fourth, preparation of such a statement would lead to prolonged and costly litigation. Fifth, the preparation of such a statement would lead to meaningless speculative generalities. Sixth, the Nation cannot afford such a statement for all of its river basins, which would ultimately occur if this were allowed. It would be a terrible waste of taxpayer's money.

In conclusion, Mr. President, may I urge my colleagues to consider the monumental impact of such a comprehensive statement. If we continue to succumb to the pressure of a select few of environmental "do-gooders" we will be setting a precedent for river basins all over the country. Mankind's environment cannot tolerate such ridiculous notions.

Mr. CANNON. Mr. President, I do not have anything further to say—I think we have debated the matter quite thoroughly—unless someone desires me to yield.

Mr. MUSKIE. Mr. President, I regret that it is necessary to take the time of the Senate to deal with this problem. I have been addressing myself to the sponsors of the amendment and its coauthors the whole day, at the same time that I have been trying to resolve a New England problem involved in this bill. I have not succeeded in resolving either one, which says something about my persuasiveness, I guess.

It was my desire to try to accommodate the basic objectives of Senator CANNON and the other cosponsors of the amendment, and at the same time try and serve some other interests that I think are valid.

Basically, as I understand it—and at some point I am going to raise a point of order to the amendment—if I may make this parliamentary inquiry, I take it that may precede the making of a point of order by appropriate remarks without losing my right to make the point of order later?

The PRESIDING OFFICER. The Senator is correct. Once the Senator has made the point of order, however, the point of order itself is not debatable.

Mr. MUSKIE. As long as that is understood, I have no objection to whatever discussion the sponsors of this amendment may like to engage in, after I have made what I hope will be brief remarks. I make these remarks only for the purpose of making the RECORD clear as to my reasons for getting involved in this problem which affects the far western area of the country, and not my region.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MUSKIE. I am sympathetic to the basic objectives of the sponsors of this amendment, but I have some difficulties which will appear.

The difficulties arise, Mr. President, under the National Environmental Policy Act. That act originated in the Senate Committee on the Interior. There was considerable debate on that piece of legislation at the time, and one of the amendments offered on the floor came out of the Senate Committee on Public Works, as it was described at that time, which resulted in the requirement for an environmental impact statement to accompany any action or any decision of the Federal Government which might have an impact on the environment.

The motivation in the Public Works Committee was very simple. Time and again, we were asked by witnesses, as we considered environmental legislation, why it was that we imposed these requirements on private business and private citizens, while the Federal Government, through its activities, completely ignored the same laws and were not subject to their discipline. Witness after witness would bring to our attention military bases, Federal buildings, and other Federal activities which violated the environmental standards that we were seeking to impose upon the private sector and the rest of the country.

So the committee struggled over a number of years to find a handle on it. Appropriations Committees would not provide the money to install waste treatment facilities to prevent emissions into the atmosphere. In other words, the Federal Government was held up, time and again by witnesses in our hearings, as a bad environmental citizen.

So all we did, when the Environmental Policy Act was enacted, was to require that whenever major Federal actions or decisions might impact upon the environment, that that impact must be assessed and evaluated before the decision or the action goes forward. The environmental impact statement has no operative effect. An environmental impact statement can be 100 percent unfavorable to a project and the decisionmaker can still go forward with it, subjecting himself, of course, to possible judicial action initiated by interested citizens. But the environmental impact statement was not operated in a way to implement the thrust of the statement.

So the whole purpose was to make sure that the decisionmaker would have before him the possible environmental consequences of his decision before he made it. The act became law and it has had an impact on decisionmaking, on planning, by public agencies and by private citizens which have gone far beyond the expectations of those of us involved in the initial law.

It has turned out to be a time-consuming process, it has turned out to be a frustrating process, and it has led, of course, to a great deal of litigation.

I think it is in the interest of the country that we can find ways to streamline the process, to shortcut the time periods that are involved, and to make the decisionmaking that is based upon those statements more clear-cut and more relevant to realities.

In any case, that is the background of the Environmental Policy Act, against which I make my point.

Most environmental impact statements have been site specific. That is, they have related to specific projects. We have one in Maine, the Dickey-Lincoln School power project on the St. Johns River which has been undergoing analysis under the environmental impact statement for the last 3 years. The project was authorized in 1965 and we still have not approached the point where we can move ahead with construction even if the environmental impact process did not stand in the way. We have been going for 15 years, 3 of those years representing involvement in the environmental impact process. So I understand the frustration.

That was an example of a site specific environmental impact statement, and most of them have been site specific in nature.

The three projects which are the subject of Senator Cannon's amendment have been subjected to the environmental impact process, and the process has been completed with respect to those specific projects. It is not my desire to hold up those projects by the action I take today. All day I have discussed with the sponsors of this amendment ways in which we can assure that those projects could go forward, notwithstanding the next point that I want to make.

The next point that I want to make is this: that there are projects that have not only individual impacts upon environmental values or which have environmental consequences, but projects in a river basin, for example, which together, have a total and maybe different impact on environmental values and environmental consequences which should be taken into account.

With respect to that, I would like to read from a letter written by the Secretary of the Interior, Secretary Andrus, on November 3, 1977, to Senator JACKSON and to Senator HANSEN as the chairman and the ranking Republican members of the Senate Interior Committee. I will read several paragraphs because really it describes better than I could exactly what is behind the second point:

DEAR SENATORS: This will respond to your letters of October 19 inquiring about the reason for undertaking a comprehensive environmental impact statement on the Colorado River Basin, and its anticipated effect on currrent and future projects and activities along the basin.

Prior to this administration, the Department had been considering undertaking a comprehensive impact statement for the Colorado on its own initiative. Subsequently, the Environmental Defense Fund, the Colorado Council of Trout Unlimited, and The Wilderness Society wrote to request such a study, and a moratorium on water development projects until the study was completed.

After careful review of the current judicial interpretations of the National Environmental Policy Act, we concluded that such a study was required under law. We base this primarily on the principle that was reaffirmed in *Kleppe* v. *Sierra Club*. Briefly stated, it says that an agency must do a comprehensive study whenever there are several proposals pending concurrently before it which will have a cumulative or synergistic environmental impact upon a region.

Kleppe v. *Sierra Club* went on to say that the Department did not need to prepare a comprehensive statement in the case before the court because those conditions did not exist in that specific case. But the court strongly reaffirmed the principle. Consequently, failure to prepare a comprehensive study on the Colorado would invite litigation in our judgment.

Concerning the effect of the statement on pending and present projects, the Department has always maintained, and we continue to maintain that it is not practical or necessary to postpone construction while the statement is being prepared. As far as any future projects are concerned, we will prepare individual site specific statements as usual.

The comprehensive statement will not address leasing of fuel resources or granting of right of ways. So we do not expect any effects on these matters.

I have read all that is necessary out of that letter, I believe, to make my point, but I ask unanimous consent that the full text of the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., November 3, 1977.

Hon. HENRY M. JACKSON,
Hon. CLIFFORD P. HANSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATORS: This will respond to your letters of October 19 inquiring about the reason for undertaking a comprehensive environmental impact statement on the Colorado River Basin, and its anticipated effect on current and future projects and activities along the basin.

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The comprehensive statement will not address leasing of fuel resources or granting of right of ways. So we do not expect any effects on these matters.

Finally, the Regional Reclamation Director in Salt Lake City notified the Congressional delegations of Arizona, Colorado, Wyoming, Utah, and New Mexico of our intention to prepare a comprehensive statement by letter dated September 22, 1977. The letters were sent to the Washington offices of each Senator and Congressman and included a list of upcoming public informational meetings of the subject.

We appreciate the opportunity to respond to your inquiries. If we can provide any further information, we would be most pleased to do so.

Sincerely,

CECIL D. ANDRUS,
Secretary.

Mr. MUSKIE. Mr. President, what is involved? The question of whether such a comprehensive environmental impact statement is required by the present law under the circumstances described in that letter and in Kleppe against Sierra Club. I think that question is a legitimate public question. It is not my desire to prejudice the final judicial interpretation of the law with respect to that point by anything I do this afternoon. But neither should we do anything today, or in the legislative process, to make it impossible to have that question decided in the courts. Nor should we make it impossible for the Department of the Interior to continue the development of the comprehensive environmental impact statement which it had begun with respect to the Colorado.

It is on the basis of that analysis of the situation that I undertook to try to first put together a compromise that would make it possible to proceed with the three projects which are the subject of Senator CANNON'S amendment.

Second, to protect those projects against any lawsuit while the comprehensive environmental impact process was going forward.

Third, to make sure that the Department had funds to go forward with the comprehensive environmental process so that the area may benefit from the information to be obtained.

I was agreeable, in addition, to a clear statement that providing the money for such a comprehensive environmental impact statement should not be interpreted in any way by the courts as prejudging the interpretation of the National Environmental Policy Act with respect to the requirement of a comprehensive environmental impact statement. It seemed to me that that compromise covered all the points of interest to all the parties involved.

I went even one step farther. I said that so long as the question was pending before the courts, other Federal activities not yet taken in the region should not be blocked by the requirement of a comprehensive environmental impact statement until the courts had ruled on that question.

It seemed to me that we had conceded everything that, until a few months ago, I understood to be the imperatives of the situation from the point of view of the sponsors of this amendment. They could go forward with these three projects, they would be funded, construction could begin, no suits could be brought to block it.

That is all there was in the original amendment. Then, in the discussion about those three, these other questions were raised: Well, if the comprehensive

environmental impact statement is funded, does that not prejudice the issue in the courts. I said, well, let us put a statement in the legislative language making it clear that it is not our intention to prejudice the decision in the courts.

Someone else raised the question, what about other Federal activities in the basin? Will they be blocked and suspended while the court is considering the question? I said, let us put language in the act making clear that they will not be affected.

Well, I did not give away enough, nor offer anything else that they wanted of me, so there was nothing else that I could give—nothing else that was demanded of me. I can only conclude that it is the desire, unstated, to take an action today which would persuade the courts that the Congress has changed its mind and has interpreted the National Environmental Policy Act to mean that a comprehensive environmental impact statement is not required.

If that is really what the sponsors of this amendment are hanging on to get, I say the place to decide that legislatively is in legislation addressed specifically to that point, fully considered in committee, and fully debated on the floor. I am not prepared to surrender it as the price of harmony and regional comity on the floor of the Senate this afternoon. I think that I have offered to give the sponsors of this amendment more than they asked for in the first place, everything that they explicitly asked for today. They are still not satisfied. So I am forced to make my point of order in order to insure that the issue of whether or not the National Environmental Policy Act requires comprehensive environmental impact statements in appropriate cases is left to the courts to decide. That is the only way I can protect that, as I see it, so I will make my point of order——

Mr. GOLDWATER. Will the Senator yield?

Mr. MUSKIE. I have not made it yet, I say to the Senator, I shall withhold it. I am just describing it.

I will make the point of order that the amendment is legislation on an appropriation bill and out of order. I shall make it after other Senators have engaged in whatever discussion they would like to. I am not trying to enforce a time limitation or anything of the sort. The Senator has been generous in giving me time to explain my position.

I would really, from a personal point of view, rather not be involved in this whole matter, because I am sympathetic to the problems of the West in respect of the development of these river basins. But I shall make my point of order, when I do, for the reasons stated.

I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. Will the Senator from Nevada yield me some time?

Mr. CANNON. There is no controlled time.

Mr. GOLDWATER. Mr. President, I thank the distinguished Senator from Maine, who is, more or less, the godfather of environmental legislation in this country. I might say we are indebted to him for it. I think he has brought out some points about the Environmental Act that more and more Americans, both private citizens and Government people, are beginning to recognize as needing overhaul.

The Senator mentioned, in his remarks, that the private sector has been hounded by the environmental people. I agree on that. I think every Member of this body has been receiving complaints about it. Now, however, I think, for the first time, we have seen the impact brought to bear upon Federal projects. If I were a Senator from any State affected, I would be deeply concerned about that. I do not believe there is a Senator in this body that does not have some project going in his State that could require environmental inspection. I think of post offices, parks, roads; anv construction that entails Federal funds, in my opinion, could come under this type of surveillance. I am the last one that will suggest that that is proper.

I think of the vast projects in the southern part of our country, where water behind dam after dam has brought richness to that part of America. I think of the projects in the Northeast that we have very happily participated in providing. I think of the projects along the Mississippi. We had a long debate here just a short while ago about providing locks on the Mississippi. These can all come under the environmental study program.

The Senator from Maine mentioned specific projects. This specific project that I happen to be interested in, which I shall broaden from the central Arizona project to include the entire Colorado River Basin, is one of such magnitude that I do not believe many people in this body have any understanding of what we are talking about. We are not just talking about 15 million acre feet of water per year; we are talking about water that will provide the livelihood for the people of southern California, most of southern Arizona, most of southern Nevada, Utah, and the other basin States.

For example, we have already constructed, and these projects are in operation, to mention just a few: The Imperial Dam with the water for the Imperial Valley. The first project was started there in 1906. Yet we have gotten along pretty well without environmental studies there.

We have the Parker Dam above that that provides the drinking water for Los Angeles and its vast complex of cities and towns.

Above that, we have Davis Dam that impounds water to produce power for most of Arizona and parts of Nevada. I might say at Searchlight, Nev., there is under construction a giant generating plant that will use the waters of the Colorado to be developed by steam for power.

Above that, we have the giant Hoover Dam. Then above that, we have Glen Canyon Dam and, of course, going up, several other projects, including the Big Thompson project, that diverts water into the eastern part of the Western Plains States.

The thing that we fear is not what they might do to new projects under construction or new projects that are even in the planning stages, but what this environmental impact idea can do to already existing projects.

Can they rule, for example, that the water we divert from the Imperial Dam through the All American Canal into the lower valleys of California presents an environmental impact upon the area?

Can we rule that the giant Lake Meade, that has brought pleasure in boating and fishing and a change of weather to millions and millions of people, is to be called environmentally incorrect?

I can see it going both ways, and I can talk about every dam and every project we have on the river.

I would hope on this opportunity to legislate in favor of this particular basin, which drains one-twelfth of the whole United States, and it is the fourth biggest river in the whole world, that we would have an opportunity by legislation to express our opinion that environmentalism goes so far, and when it gets to the point of impeding the progress of people and affecting the lives of people and the livelihood of people, then I think we have to have a reunderstanding of just what the environmental laws were intended to do and what they are doing now.

I backed those laws. I thought they were good. I still think they are good. I think they are being misused, badly used by organization people who really do not understand what they are supposed to do, nor what we intended them to do.

So, Mr. President, I am hopeful the Senator from Maine will not throw this up to a judgment of germaneness.

I do not want to impede the progress of legislation on this floor, but I can say this, that my State is not ready to take this sitting down. I can say this to my colleagues, that there will probably me, if this is not decided, there will probably be court orders issued, or attempted to be issued, against every project in this country that has one dime of Federal money in it.

So stop and think what that could do to your State.

I hope we can support the Cannon amendment, as written, and I hope that if the point of germaneness is raised by the Senator from Maine that we can defeat it.

Mr. CANNON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, just two or three points.

I want to say to the distinguished Senator from Maine, he referred to these projects that are affecting the West. I want to point out, as the Senator from Arizona did, that this type of a policy affects projects all over the country.

The Mississippi Valley, the Tennessee Valley Authority operation which has been so good, and many other areas throughout the country, all would be affected by the indications that a comprehensive environmental impact statement is to be required on a complete region, basin, or on a complete basin.

The projects we have in this amendment have all had an individual site environmental impact statement filed. They have all been justified and they are all under construction.

I think it has been pointed out there is a pending lawsuit and the fear, of course, is what position the courts might take, absent any indication from the Congress.

The Senator from Maine is correct. We did work this afternoon to try to work out an agreement, a settlement that could be mutually accepted, and part of that involved an appropriation to the Secretary, so that the Secretary, if he so desired, could go ahead with a comprehensive basinwide environmental impact statement.

Now, to try to protect against any undue inferences from the court, we did discuss the possibility of legislation that would say it was not the intent of this action that it be interpreted to affect the outcome of litigation dealing with the preparation of a comprehensive environmental impact statement for the basin.

However, some of my colleagues were fearful that the fact the money was appropriated and authorized for that purpose would, therefore, influence the court in some way, and we did not want to do that. That is why we did not elect to go along with a compromise agreement that would have provided money so that the Secretary could have used it, if he saw fit, to carry out a comprehensive environmental impact statement of the entire Colorado River Basin.

Mr. MUSKIE. Will the Senator yield?

Mr. CANNON. Yes, I am glad to yield.

Mr. MUSKIE. May I say to the Senator, if I had a legislative compromise, which involves those on different sides of the issue giving away something, I could have argued just as persuasively, and I do, that by agreeing to these three specific projects, which had not been subjected to comprehensive environmental impact statements, our agreement might be interpreted by the courts as concluding that a comprehensive environmental impact statement is not necessary.

I doubt very much that a court is going to close its eyes to the kind of language that we are now discussing.

Incidentally, I ask unanimous consent, Mr. President, that the full text of the amendment which I was prepared to accept be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 30, after line 26, add the following:

SEC. 110. (a) Notwithstanding any provisions of the National Environmental Policy Act of 1969, Public Law 91-190 (42 U.S.C. § 4321 et seq.), construction of any feature of the Upper Colorado River Storage Project as authorized by the Act of April 11, 1956, as amended, shall proceed if a final Environmental Impact Statement has been filed on such feature.

(b) Notwithstanding any provisions of the National Environmental Policy Act of 1969, Public Law 91-190 (42 U.S.C. § 4321 et seq.), construction of any feature of the Central Arizona Project as authorized by Public Law 90-537, September 30, 1968 (43 U.S.C. § 1501 et seq.), shall proceed if a final Environmental Impact Statement has been filed on such feature.

(c) Notwithstanding any provisions of the National Environmental Policy Act of 1969, Public Law 91-190 (42 U.S.C. § 4321 et seq.), construction of any feature of the Southern Nevada Water Project as authorized by Public Law 89-292 (43 U.S.C. 616ggg), as amended, shall proceed if a final Environmental Impact Statement has been filed on any such feature.

(d) For expenses necessary for the Secretary to prepare a comprehensive environmental impact statement for the Colorado River Basin, $2,145,000, to remain available until expended, which shall not be reimbursable. It is not the intent that this action be interpreted as affecting the outcome of litigation dealing with the preparation of a comprehensive environmental impact statement for the Basin.

(e) The lack of such a comprehensive environmental impact statement shall not serve as a bar to proceeding with other federal actions in the Basin.

Mr. MUSKIE. Now, the Senator has read it correctly, or that part of it having to do with the $2,145,000 for the comprehensive environmental impact statement.

Now, let me make the record clear, that process had begun before the Cannon amendment was ever offered.

It had begun and then suit was brought to challenge it. So it was stopped in midpassage.

I thought it was reasonable to ask, from my side of this issue, that that process continue in the same way. I was agreeable to letting these three projects continue.

In other words, what I was offering was the status quo, with a neutral effect on the litigation.

I just do not believe a court is so naive with respect to the compromising nature of the legislative process as to ignore this language, and I repeat it, which Senator CANNON has already read:

It is not the intent that this action be interpreted as affecting the outcome of litigation dealing with the preparation of a comprehensive environmental impact statement for the basin.

I think that language is clear. I think we made it clear to Senator CANNON that if that specific language was not clear enough, we would be glad to have it clarified even further to make it absolutely clear that the provision of money necessary to go forward with the comprehensive environmental impact statement was not intended, and should not be interpreted, as prejudicing the judicial result.

I think it is possible for us to do that. I have seen similar things like that done over and over again in my 20 years in the Senate.

I think the compromise would have been workable and I regret we are not going forward with it.

Even at this moment, if any of the supporters of the Cannon amendment can devise language that would be even clearer on the point Senator CANNON is discussing, I would be glad to accept that language.

Mr. CANNON. I thank the Senator for his statement.

I just simply say that a number of the States are intervenors in the lawsuit we referred to earlier and they have their own position to advance.

Their position is that a comprehensive environmental impact statement for the entire basin is not required and should not be required. Frankly, I, for one who is a supporter of the initial Environmental Protection Act, certainly did not intend, and I do not believe the balance of my colleagues here intended, to require a comprehensive study of an entire area or an entire basin, such as the entire Colorado River Basin, which the Senator from Arizona pointed out earlier, I think, was about 1,400 miles long, if I remember his statement.

We intended that an environmental impact statement would be required on specific projects to make a determination whether they should go ahead. That is what we are trying to do here.

Mr. MUSKIE. Will the Senator yield?

Mr. CANNON. Yes.

Mr. MUSKIE. Is it the intent of the Senator then, if I understand what he just said this afternoon by means of his amendment, to amend the National Environmental Policy Act so that it would clearly not require a comprehensive environmental impact statement.

Mr. CANNON. No, it is not my intention.

I may say that I would like to do it, because I think it should be amended. But I agree with the Senator, as he said earlier, that we should consider that at some other place.

I do say here that we want to make it absolutely clear to the court that is considering this matter that these projects on which an environmental impact statement has been filed and approved, and on which construction has been started, should be permitted to go ahead. We are simply saying that specifically and precisely with respect to three projects—the Upper Colorado River project, the central Arizona project, and the southern Nevada water project.

Mr. MUSKIE. That simply is not in issue.

We have a letter, and the Senator knows perfectly that the amendments to which I agreed gave him the green light on these three projects. The Senator knows perfectly well that that amendment is consistent with a letter from Secretary Andrus, which I put in the RECORD this afternoon, which gives the green light to these projects.

So if that is the only point the Senator is pursuing, he can have it without a fight, without a point of order, without a debate, without a challenge—and that has been clear to him this entire day, I am sure.

Then the Senator says that these other States have a point of view on the comprehensive issue to be discussed. There are two places available to them: the court, where they already are—and we make clear in this language that we do not prejudice that at all and do not intend to—or, they can come back with legislation amending the National Environmental Policy Act, which the Senator from Nevada says he does not mean to try to do this afternoon.

So both those avenues are open to them, and the point of order of the Senator from Maine does not interfere with either of them. The Senator can have his amendment, and these projects will be funded, and construction will go forward, and they will be protected against lawsuits that will take them into court. The Senator can have all that, without an argument, without a point of order.

So I must say that I am completely mystified as to what it is that I must answer in the Senator's argument.

He said no, he does not mean to try to amend the National Environmental Policy Act—and I said, "Fine."

He said all he wants is these three projects to go forward, without interference. I said, "Fine."

He said he wanted to preserve the rights of all the States involved in order to insure the excision of the comprehensive environmental impact statement from the act, and that option is available in two places.

So what this fight or this argument is all about mystifies me completely, and I find myself punching a balloon because whenever I try to meet what I think is behind the amendment, I am told that is not behind the amendment.

We have tried to serve every purpose that the Senator from Nevada has described in his floor statement. We have not tried to prejudice the question of the comprehensive environmental impact statement in any way. I have offered to take any language anyone in the Senate can devise to make that even clearer.

The only purpose this debate is serving is my purpose in New England, because there is another issue somebody is going to try to attach to this bill which concerns me personally—much more than this one. This debate gives us the time—at least, I hope my staff and the staffs of other Senators are using the time—to try to work out that problem so that we will not take the time of other Senators to discuss that matter on the floor.

So I suppose there is some utility to it and that by asking these questions, and possibly frustrating the Senator from Nevada, I really am filibustering in an indirect way, in order to provide some time for the resolution of this other problem.

I know the Senator understands that on these three particular projects I am sympathetic to the Senator's objective.

Mr. CANNON. I appreciate that. The Senator has made it clear that he is not opposed to these three specific projects; in fact, that they should go ahead.

The only difficulty we have is that the court may not necessarily agree, and we want to make it absolutely clear that the court will look at the legislative language and say, "Yes, those projects are permitted to go ahead." That is what we want to insure.

Along with it, on the compromise language that was offered, as I said earlier, we want to insure that the Secretary does not proceed with a comprehensive basinwide environmental impact statement simply because we have given him money here at a time when the States, in good faith, are litigating before the courts whether or not that kind of general, broad environmental statement basinwide can be required.

If the Senator does not desire to make his point of order, I will call for a vote on the amendment. If he desires to make it, I think we could get on with the business of the Senate.

Mr. MUSKIE. I will make the point of order as soon as I ascertain whether or not the Senators who indicated a desire to speak on this matter wish to do so.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SASSER). Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I am going to make the point of order in just a second.

Mr. President, one point I wish to make is that as an individual Senator, as well as one who is so often asked to respond to policy issues as they arise in the Chamber, and as chairman of the Budget Committee, I am becoming increasingly concerned about the growing practice of attaching legislation to appropriations bills. One effect of this is to give Senators almost no notice of the policy issues which are arising.

This morning when I arrived, or it was last night, I suddenly discovered that on this Interior appropriations bill there were two policy issues, legislative issues, this one and another one affecting the oil entitlements program in my region of New England, both coming up on an appropriation bill, as to which we had inadequate time to prepare, inadequate time to consult.

I thought we had legislative committees around here to deal with policy. Anyone reading this amendment, who could conclude that it is not about as blatant an example of out and out legislation on an appropriation bill, simply cannot read, or is so caught up in his desires with respect to the substantive part of Senator CANNON's amendment that he votes his interest rather than senatorial procedures.

What I am saying to you, my colleagues, is if this trend continues, we need only two committees, and maybe only one, the Budget and Appropriations Committees or maybe only the Appropriations Committee, because it is no longer just abortion that comes to us via appropriation bills, it is every conceivable issue.

Now we are going to amend or propose to amend the National Environmental Policy Act. To some that is a dirty word. But what are the limits? I can pick targets too; and if the Senate is going to approve this kind of legislation on an appropriation bill, I am going to begin looking for targets that I can use this for as a precedent, since the precedent-setting impact of what we are doing has been part of the discussion and the negotiation.

I really do not think we want to go that way. But this is another blatant effect, and I simply raise that cautionary word about that trend which bothers me, because as the chairman of the Budget Committee I am supposed to be here on the floor on the whole range of issues affecting the Federal Government. When they come at me through appropriations bills, in addition to authorizing bills, it becomes a little dizzying to try to stay on top of it and offer sane and responsible judgment to the Senate.

Mr. President, I make the point of order that the amendment is legislation on an appropriation act.

Mr. CANNON. Mr. President, I raise the point of germaneness.

The PRESIDING OFFICER. Under rule XVI, paragraph 4 questions of relevancy of amendments to a general appropriation bill when raised must be submitted to the Senate and decided without debate. However, in submitting this question to the Senate, the Chair wants to advise the Senate that under the precedents the question of germaneness, when raised after a point of order has been made that the language is legislation on an appropriation bill, tolls the point of order if the Senate decides the question of germaneness in the affirmative, and those precedents have uniformly held in such a situation that "an amendment legislative in character is in order on a general appropriation bill if it is germane to the language as passed by the House. Thus, "if the House of Representatives opens the door by incorporating legislation in a general appropriation bill, the Senate has an inherent right to amend such proposed legislation, and to perfect that language, notwithstanding its rules."

Therefore, since there is no House language involved here, the Chair thinks that the question of germaneness is not properly raised, but submits it as he must under the rule.

Mr. CANNON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUSKIE. Is a "yea" vote a vote sustaining a point of order or opposing it?

The PRESIDING OFFICER. The point of order is not being acted upon. The question is, is the amendment relevant or germane to the subject matter of the House-passed bill?

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Montana (Mr. HATFIELD), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New York (Mr. MOYNIHAN), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that if present and voting, the Senator from Minnesota (Mrs. HUMPHREY) would vote "nay."

Mr. STEVENS. I announce that the Senator from Michigan (Mr. GRIFFIN) and the Senator from New York (Mr. JAVITS) are necessarily absent.

The yeas and nays resulted—yeas 53, nays 40, as follows:

[Rollcall Vote No. 298 Leg.]

YEAS—53

Allen	Ford	Melcher
Baker	Garn	Morgan
Bartlett	Goldwater	Pearson
Bellmon	Gravel	Sasser
Bentsen	Hansen	Schmitt
Burdick	Hart	Schweiker
Byrd, Harry F., Jr.	Haskell	Scott
Byrd, Robert C.	Hatch	Sparkman
Cannon	Hatfield, Mark O.	Stennis
Chafee	Hayakawa	Stevens
Chiles	Helms	Talmadge
Curtis	Hollings	Thurmond
Danforth	Inouye	Tower
DeConcini	Johnston	Wallop
Dole	Laxalt	Weicker
Domenici	Lugar	Young
Durkin	Mathias	Zorinsky
Eastland	McClure	

NAYS—40

Anderson	Hodges	Pell
Bayh	Huddleston	Percy
Biden	Jackson	Proxmire
Brooke	Kennedy	Randolph
Bumpers	Leahy	Ribicoff
Case	Long	Riegle
Church	Magnuson	Roth
Clark	Matsunaga	Sarbanes
Cranston	McGovern	Stafford
Culver	McIntyre	Stevenson
Eagleton	Metzenbaum	Stone
Glenn	Muskie	Williams
Hathaway	Nelson	
Heinz	Packwood	

NOT VOTING—7

Abourezk	Humphrey
Griffin	Javits
Hatfield, Paul G.	Moynihan
	Nunn

The PRESIDING OFFICER (Mr. SASSER). On this vote, there are 53 yeas and 40 nays. Therefore, the amendment as modified, is held germane.

The question now is on agreeing to the amendment.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was held germane.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, I have no objection to having a voice vote.

Mr. CHURCH. Mr. President, I voted to support the ruling of the Chair because I feel that it is improper to change basic law by way of an amendment to an appropriation bill. It is a clear case of legislating on an appropriation bill and it is a very bad precedent to set, particularly when it relates to legislation of this importance.

On the merits of the amendment itself I am favorable. I simply want the RECORD to show that while I support the amendment on its merits, I do object to the procedure which has been followed.

Mr. JACKSON. Will the Senator yield?

Mr. CHURCH. I yield.

Mr. JACKSON. Mr. President, I want to make the same point and associate myself with the remarks made by the distinguished senior Senator from Idaho (Mr. CHURCH).

Mr. RANDOLPH. Mr. President, we cannot hear.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CHURCH. I yield to the able senior Senator from Washington.

Mr. MAGNUSON. Mr. President, I want to say that I thoroughly agree with the viewpoint taken by the Senator from Idaho. I have made a long attempt, which has been futile in most cases, to keep legislation off appropriations bills. It seems that we just cannot seem to do it. The legislative committees are not doing their jobs. There are many things which are not authorized which are in the appropriations. This is a matter which should have been done by the legislative committee or should be done by the legislative committee. I thoroughly agree with the Senators on this matter.

Mr. McINTYRE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MAGNUSON. The situation out West in some of these river basins is just intolerable. I am going to vote with them on this. But here, again, the Appropriations Committee is writing all the legislation in the body, it sometimes seems to me, on everything. I just hope that we will not continue this practice. If we do, there will not be any committees left in the Congress except the Budget Committee, the Appropriations Committee and the Finance Committee. Those are about all that will be left.

Mr. ROBERT C. BYRD. Mr. President, let us vote on the amendment.

Mr. MUSKIE. Mr. President, if I may take a moment, I want to say that I have carried the load all day trying to make the points which I thought relevant in opposition to the Cannon amendment. I have had a very sparse audience. I am not going to try to repeat, but I would like to make at least three points.

Number one, if this amendment is not clearly legislation on an appropriation bill to any Senator who looks at it, independent of what he perceives as his State or regional interest, there will never be legislation on an appropriation bill.

I have watched with great concern the growing tendency to send legislative issues to the floor on appropriation bills. I woke up this morning and found myself faced with two on this bill, both clearly legislation, with no time to prepare and no time to enlighten other Senators as to the issues or my point of view. They were just offered as amendments to an appropriation bill.

We went through the farce of a point of order, and it is nothing but a farce to anyone who examines the RECORD today. Nobody cares any more. If you can pursue a legislative objective, get it by quickly and fast, without having to go through the deliberateness of the legislative process, "Then I am going to do it." That is the philosophy of the moment. This is as clear a demonstration of that as I have ever seen.

But the Senate has worked its will and I am not going to ask for any more rollcall votes on it.

The second point I would make is that, with respect to the issues raised in this amendment, in 5 hours of negotiation today, I offered the sponsors of this amendment everything they asked for except one thing: I would not concede the right to amend the National Environmental Policy Act with respect to this issue on an appropriation bill. I said that question must be left to the courts, where it is now, or it should be brought to the Senate via the legislative process. I gave them the three projects, I offered to protect them against lawsuits, I offered to write in language that would make it clear that the action in the courts would not be prejudiced by anything we did today. I gave them every single thing they asked for over 5 hours of negotiation, and they turned me down. The only conclusion I can draw is that they wanted to use Senators' interests in river basins as a way of amending the National Environmental Policy Act by implication with this vote.

Well, we shall see what happens. We shall see what happens.

Third, gentlemen, in the interest of orderly procedure, as chairman of the Committee on the Budget, I have to constantly watch the flow of legislation to the floor, across the whole range of problems and issues that affect the country. I am expected to advise the Senate as best I can. Well, I am telling you, there is no way of keeping track if legislation is going to come at us through the cracks in appropriations bills, through appropriations bills that the House originates, and legislation they put on. Under the precedents, if they put legislative language on an appropriation bill, we cannot challenge it at all on the Senate floor. If legislation changing basic national policy can come at us in all these various, diverse ways, and we are tempted to use them to serve our own parochial interests, the legislative process is going to become nothing but chaos.

I have river basins in my State. Do you not believe so? How do I protect them? By sneaking something through legislatively in an appropriation bill that provides the least possible warning to my colleagues in advance, with insufficient time to prepare and rationally debate the issues? Is that the way? The answer to that question this afternoon was yes.

Mr. GOLDWATER. Will the Senator yield on just one point?

Mr. MUSKIE. Yes, I yield.

Mr. GOLDWATER. Mr. President, I find myself in general agreement with what the Senator from Maine has been saying, but there are times when there are emergencies. When you threaten the livelihood of people who live in one-twelfth of the United States and have had that happen only about 4 or 5 weeks ago, when there is no chance—no chance—to go through the legislative processes this year, and by the time we would have the chance, it would be next year, and the courts would have acted—I think there are times when we have to go around the rules when parts of the country are threatened. I think in this particular case, we in the West, particularly in the Colorado River Basin, felt

threatened, just as I feel every Senator who represents every State who depends upon projects of water or anything else felt threatened by this. We who supported the Environmental Act never dreamed that it would go this far, that they could, in effect, contest the erection of a post office or a bridge or a parking lot or a football stadium, or one-twelfth of the United States. I think that, in this particular case, we were justified. We have to get the message some way.

I will admit that the Senator yielded greatly and I have a suspicion that had we taken his approach, we would probably have been all right. But we were concerned about our people, just as he is concerned about his people, and we took this step, and I am glad it came out the way it did.

Mr. MUSKIE. May I say to the Senator that if one can rationalize an emergency out of the agreement that I was willing to make, and even modify beyond—further discussion was pointless. If one can rationalize an emergency out of that, one can rationalize an emergency out of anything.

SEVERAL SENATORS. "Vote."

The PRESIDING OFFICER. The question is on agreeing to the amendment (putting the question).

Mr. CURTIS. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. The Chair is in doubt. Senators in favor of the amendment will rise and stand until counted.

Those opposed will rise and stand until counted.

On a division, the amendment (UP No. 1612), as modified, was agreed to.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

SEVERAL SENATORS. It is too late.

Mr. METZENBAUM. Mr. President, I asked for the floor before the Chair had ruled.

The PRESIDING OFFICER. The Senator from Ohio was not recognized until the Chair had ruled.

Mr. CANNON. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

Mr. METZENBAUM. Mr. President, I move to reconsider that vote and ask for the yeas and nays.

Mr. CURTIS. Mr. President, I move to lay that on the table.

Mr. BUMPERS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. STEVENS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Is that on the motion to reconsider or the motion to table?

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to reconsider.

Mr. STEVENS. I thank the Chair.

Mr. HEINZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HEINZ. How was the Senator from Ohio recorded on the last vote?

The PRESIDING OFFICER. It was a division vote. There was no record.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Montana (Mr. HATFIELD), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New York (Mr. MOYNIHAN), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY) would vote "nay."

Mr. STEVENS. I announce that the Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

The result was announced—yeas 59, nays 33, as follows:

[Rollcall Vote No. 299 Leg.]

YEAS—59

Allen	Garn	McClure
Baker	Goldwater	Melcher
Bartlett	Gravel	Morgan
Bellmon	Hansen	Pearson
Bentsen	Hart	Riegle
Burdick	Haskell	Sasser
Byrd, Harry F., Jr.	Hatch	Schmitt
	Hatfield, Mark O.	Schweiker
Byrd, Robert C.		Scott
Cannon	Hayakawa	Sparkman
Chafee	Helms	Stennis
Chiles	Hollings	Stevens
Church	Huddleston	Talmadge
Curtis	Inouye	Thurmond
Danforth	Jackson	Tower
DeConcini	Johnston	Wallop
Dole	Laxalt	Weicker
Domenici	Long	Young
Durkin	Lugar	Zorinsky
Eastland	Magnuson	
Ford	Mathias	

NAYS—33

Anderson	Hathaway	Packwood
Bayh	Heinz	Pell
Biden	Hodges	Proxmire
Brooke	Kennedy	Randolph
Bumpers	Leahy	Ribicoff
Case	Matsunaga	Roth
Clark	McGovern	Sarbanes
Cranston	McIntyre	Stafford
Culver	Metzenbaum	Stevenson
Eagleton	Muskie	Stone
Glenn	Nelson	Williams

NOT VOTING—8

Abourezk	Humphrey	Percy
Griffin	Javits	
Hatfield, Paul G.	Moynihan	
	Nunn	

So the motion to lay on the table the motion to reconsider was agreed to.

The PRESIDING OFFICER (Mr. PELL). The bill is open to further amendment.

Mr. STEVENS. Mr. President, I ask the distinguished manager of the bill what amendments we know are coming up, so that we can get some order in presenting them.

Mr. HUDDLESTON. Mr. President, I respond by saying that I know of an amendment by the Senator from Delaware (Mr. ROTH), and I know that the Senator from Montana (Mr. MELCHER) has either one or two amendments to offer, and the Senator from Louisiana (Mr. JOHNSTON) says he has an amendment.

Mr. WALLOP. I have one about which I would like to talk to the managers of the bill.

Mr. HUDDLESTON. At least one amendment to talk about, plus an amendment by the Senator from New Mexico and the Senator from Maryland.

Mr. STEVENS. Will my good friend from Delaware agree to a time limit on his amendment?

Mr. ROTH. I would be happy to.

Mr. STEVENS. How long?

Mr. ROTH. Thirty minutes to a side.

Mr. HUDDLESTON. How about 15 minutes to a side?

Mr. STEVENS. Why not 15 minutes to a side, unless the Senator from Delaware wants to be here until 8 o'clock?

Mr. DURKIN. How about 1 minute for each percent?

Mr. ROTH. All right, 15 minutes to a side.

Mr. STEVENS. Will the manager of the bill seek that unanimous-consent agreement on the Roth amendment?

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that on the Roth amendment there be 15 minutes per side, equally divided.

Mr. STEVENS. Thirty minutes, 15 minutes to each side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSTON. Mr. President, will the able manager of the bill yield, so that I can address a question to the floor, particularly to the distinguished Senator from Kansas?

Mr. HUDDLESTON. I yield.

EAST COAST ENTITLEMENTS

Mr. JOHNSTON. I have an amendment dealing with entitlements on the east coast, and we are trying to work out a way to settle that amendment so that it will not have to be brought up.

One of the possible pieces to put in place in order to avoid bringing up that amendment on this bill would be to bring it up on the public works appropriation bill, which would require a unanimous-consent agreement to waive the 3-day rule, to bring that bill up for the limited purpose of considering that amendment on Thursday.

I wonder if there is anyone in the Chamber who would object. I am not asking for unanimous consent at this time. I wonder if there is anyone who would object to the waiving of the 3-day rule to bring up the public works appropriation bill, for the limited purpose of considering that amendment on Thursday, putting over the remainder of the bill until a later date.

Mr. YOUNG. I wonder if the Senator would be agreeable to bringing up Senate Resolution 525 which would disapprove the deferral for the Garrison diversion at the same time.

Mr. JOHNSTON. I have no objection to that, so far as I am concerned. I am simply trying to work out a way to defer this east coast entitlements amendment on this bill, in order to consider it on the public works bill on Thursday, which would entail a waiver of the 3-day rule.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. BROOKE. It is my understanding that the distinguished Senator from Kansas (Mr. DOLE) has some serious concern about the waiver of the 3-day rule on the public works bill.

My question to the distinguished Senator from Louisiana is this: Does he intend to include in his unanimous-consent request, in addition to waiving the 3-day rule, a time limitation?

Mr. JOHNSTON. I do not ask for that at this point. That is something we would have to work out.

Mr. BROOKE. That might be a condition precedent to no objection to the Senator's unanimous-consent request or a waiver of the 3-day rule. If the Senator from Louisiana is not going to insist upon a time limitation on the amendment, I think we can agree to waive the 3-day rule and allow the Senator to have that bill brought up on Thursday.

Mr. STEVENS. With due respect to my friend, he could object to a unanimous-consent request at that time. Why not help us move this bill at this time? It still would require unanimous consent to get a time agreement on the public works bill, and the Senator has control over that.

Mr. BROOKE. I am not sure the Senator from Louisiana would agree with the Senator from Alaska. I think that is going to be a condition that he will put in his unanimous-consent request.

Mr. LEAHY. Mr. President, a parliamentary inquiry: If the recommendation made by the Senator from Louisiana is carried through and that is put on the public works bill, for the purpose of having debate and vote on the entitlement amendment, would it not be a fact that there would be no time limitation on that amendment; that it would go under the normal rules of the Senate, without any time limitation, absent one in the unanimous consent request itself?

The PRESIDING OFFICER. The Senator is correct.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. MAGNUSON. Here again we have legislation, have we not, on an appropriations bill?

Mr. JOHNSTON. On this bill, it would not be legislation on an appropriations bill. That has been cleared with the parliamentarian, and he would be prepared to rule, as I understand it, that this east coast entitlements amendment would not be legislation on the pending bill. On the public works bill it might be legislation, and for that reason we would ask for unanimous consent, and I do not ask for that unanimous consent at this time, but I would ask unanimous consent that it be in order to bring up that bill at that time without a point of order being raised relative to it being legislation on an appropriations bill.

Mr. MAGNUSON. I might have to object only on the basis—I take no sides in this matter now—I have to vote on it one way or the other, but here again we are getting into legislating important policy matters on appropriations bills, and I might have to object—I do not know whether I would win or not—but I might make a point of order that it is legislation without going into the merits of it. This is a matter that should be decided by a legislative committee. I just cannot understand.

Mr. ROBERT C. BYRD. Mr. President, the question here is as follows: The Senator from Louisiana can call up his amendment to the bill now pending, and it is an appropriations bill. He can call up his amendment to it and a point of order will not lie against the amendment if it is offered against the bill now before the Senate. The Senator from Louisiana is willing to forego calling up that amendment, not call it up against this bill, but call it up against the public works appropriations bill in which case a point of order might lie because the amendment might constitute legislation on that particular appropriations bill.

The effort here is being made to allow the Senator from Louisiana to call up his amendment to that bill, in the event he decides in the meantime to proceed thusly, it being possible that the matter could be resolved between today and the day after tomorrow, and he would not even have to call up his amendment at all, so the Senator merely wants the option to call it up at that point, and if there is unanimous consent that a point of order not lie against it, then thus not holding the Interior appropriations bill hostage today.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. MAGNUSON. Then I have no objection because I want to see these bills move along.

Mr. LEAHY. Mr. President, will the Senator yield for another parliamentary inquiry?

Mr. BROOKE. I agree with everything the distinguished majority leader has said. The only problem with that is that the Senator from Louisiana in addition to wanting to put his amendment on the public works bill wants a time limitation on that amendment and if there is a time limitation on that amendment that he is suggesting of 4 hours, that would foreclose any option to have a thorough discussion of that amendment.

Mr. ROBERT C. BYRD. Except, Mr. President, if the Senator will kindly yield, the Senator from Louisiana has not asked for 4 hours of time limitation. I know he would like to have it. But he might—I see a gleam in his eye—he might not pursue that if Senators would just give him consent that he may call up his amendment without a point of order lying against it.

Mr. JOHNSTON. Mr. President, will the majority leader yield?

Mr. LEAHY. Mr. President, if the Senator will yield for a parliamentary inquiry, noting that I, as a New Englander, can also gleam, to make sure we understand that completely, the Senator from Vermont wonders if as it presently stands there is no time limitation on this amendment; if it is in this bill, and if the Senator from Louisiana brings it up in the way he has propounded it, that is in the public works bill with no point of order on germaneness or any other reason, there would also be no time limitation in that bill; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. LEAHY. So that the request that the Senator from Louisiana has made to this point anyway is without any time limitation.

Mr. JOHNSTON. If the Senator will yield, I have made no request. I made an inquiry to the specific point as to whether or not the 3-day rule could be waived, if we did so make a request, because if the 3-day rule cannot be waived then there is no need to pursue the question of time limitation bar none, so that if that is an objection in itself then we do not have to worry about trying to work out the details of the time limitation.

Mr. LEAHY. Then I have no objection.

Mr. STEVENS. Mr. President, the Senator is talking about a waiver for the purpose of his amendment only on the public works bill. The 3-day rule would then continue to apply to the remainder of the public works bill.

Mr. JOHNSTON. That is right, and I make the inquiry because I heard there were some Senators who would object under any conditions to the waiver of the 3-day rule. That is my only inquiry.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Massachusetts yield for me to make a unanimous-consent request?

Mr. BROOKE. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 3-day rule be waived on the public works appropriation bill for the purpose only of allowing the Senator from Louisiana on Thursday, if the bill is called up on Thursday, to offer his amendment on that day, it being understood that the 3-day rule would not be waived as to any other amendment or as to the bill itself. This means that the bill once that amendment is disposed of on Thursday would go over to Friday and it automatically qualifies on Friday anyway. I would include in that request that the Senator from Louisiana be permitted to call up his amendment on entitlement without a point of order lying against it on that bill, it being understood that he would call it up against the currently pending appropriations bill without a point of order lying against it and this would free the Interior appropriations bill for passage today.

Mr. BROOKE. Mr. President, reserving the right to object, if I might ask a question of the distinguished Senator from Louisiana, having heard what the unanimous-consent request is made by the majority leader, would that be the sum and substance of the request of the Senator from Louisiana insofar as his amendment is concerned? Would he accept that unanimous-consent agreement without a time limitation?

Mr. JOHNSTON. I say to my good friend from Massachusetts that it would be my intent to ask for a time limitation. However, I would not object to that unanimous-consent agreement provided it is clear that I do not waive my rights to bring up the amendment to the pending bill and then in the meantime we could work out the question of time limitation. If we cannot, then it would be my intention to go ahead and bring it up

as part of the pending bill. But it would certainly do no harm to get this unanimous-consent agreement agreed to, and if in the meantime we can work it out, fine. If we cannot, then I can bring it up on the pending bill.

Mr. BROOKE. The Senator from Louisiana knows full well that there will be an objection to a unanimous-consent agreement for time limitation, and I am just wondering whether we are wasting time at the present time if the Senator is going to insist upon his unanimous consent for a time limitation.

In other words, if he does not get his time limitation, is he then going to pursue his option of continuing with his amendment on the present bill?

Mr. JOHNSTON. It would be my intention to do so, but we would hope that something could be worked out in the meantime. After all, DOE seems to be ready to agree to the tentative agreement which we have worked on the amendment itself.

Perhaps that can be worked out. But I would suggest to the Senator from Massachusetts that the propounded unanimous-consent request, so long as it is clear that I do not surrender my rights to bring this amendment to the pending bill, would do no harm. We may not utilize that unanimous-consent request, but it would do no harm to do so, and I would not intend to object to it, with the understanding that I do not surrender the right to bring it up to the pending bill.

Mr. BROOKE. Mr. President, will the Senator yield further?

Mr. JOHNSTON. Yes.

Mr. BROOKE. If we would agree to the unanimous-consent agreement as propounded by the distinguished majority leader, and that would include that there would be no point of order which would lie against the amendment to the public works bill, then those of us who oppose the Senator's amendment would have lost another option, it would appear to me. Therefore, I am inclined to object to this unanimous-consent agreement most reluctantly, but I feel that, in order to protect our rights, I must object to that.

Mr. LEAHY. Mr. President, will the Senator withhold for just one moment?

Mr. BROOKE. Yes, I withhold.

Mr. LEAHY. I wonder if the Senator from Massachusetts might consider not objecting to the unanimous-consent agreement with the understanding from the joint leadership that our rights, your rights, my rights, will be protected to be able to object to any unanimous-consent request to limit the time on this amendment in any way at whatever time the amendment comes up either on the Interior bill or on the public works bill?

Mr. BROOKE. Mr. President, I respond to my colleague from Vermont that if that can be worked out, it can be worked out even after I enter an objection because the distinguished Senator from Louisiana or the majority leader certainly can at any time make another unanimous-consent request.

I, therefore, Mr. President, object to the unanimous-consent.

The PRESIDING OFFICER. Objection is heard.

Mr. LEAHY. Mr. President, I would like to propound an inquiry to the Senator from Louisiana and the Senator from West Virginia. Objection has been entered to the unanimous-consent request made by the Senator from Louisiana and the Senator from West Virginia. Might they consider making a similar unanimous-consent request but amend it to say that the Senator from Massachusetts and the Senator from Vermont would have the opportunity to enter an objection to any unanimous-consent request made to limit the time on the entitlement amendment entered either on the Interior bill or the public works bill? Perhaps that is not artfully stated, but the intention, my intention, is to make sure that we have our option, an option we presently have, of not entering into a limitation—short of cloture, of course—on time on this amendment.

It is my understanding, if the amendment were brought up within the Interior bill, there is no time limitation.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. LEAHY. And the Senator from Massachusetts or I or anybody else who feels the need for extended debate would be able to enter into that.

Mr. ROBERT C. BYRD. The Senator would retain that option.

Mr. LEAHY. He would retain that option.

Whatever would work out best so far as scheduling, whether having it on the Interior bill or the public works bill is really immaterial to the Senator from Vermont. If we are going to face the issue, I would be happy to face it under either bill. My only problem is I do not want to see under either bill a time limitation entered into. A number of parties, myself included, are trying to work out some kind of an agreement on this, as the Senator from Louisiana and, I assume, the majority leader know, and I think all of us are working as expeditiously as possible to do so. The Senator from Louisiana has been enormously helpful in that regard, and all the Senators have, too. I just do not want to see a limitation.

Mr. ROBERT C. BYRD. The Senator would have the option of objecting at the time the request was made.

Mr. LEAHY. I certainly would have no objection to the request, if the leadership would protect our rights. The Senator from Massachusetts has said he may consider a similar request being made, provided an additional part of it was that the leadership would protect us or we would be protected within the request of our chances to object to any time limitation.

Mr. BROOKE. My position was stated clearly to the Senator from Vermont, and I think he knows it. It is that I would have no objection to a unanimous-consent agreement to oppose an amendment either on the Interior appropriations bill, where it does not belong in the first instance, and I am sure the distinguished chairman of the Appropriations Committee would agree it does not belong here, to put it on here, or to have it go on the public works bill where it also does not belong and should not be there, and I hope this stops some day, that some day we stop legislating on appropriations bills. But apparently we continue to move along that road.

But if the Senator from Louisiana would not request a time limitation on his amendment—that is our sole objection—that would give us 2 days in which to work with the Department of Energy and, hopefully, come up with some agreement between us we could live with. It will not be good for either side on this particular issue, but at least it is an agreement we can live with, and those 2 days would give us that time, and that is my sole reason for objecting to this unanimous-consent agreement.

Mr. JOHNSTON. Mr. President, frankly, I think we are quarreling about the mechanics of dealing with a problem that is going to go away. I think we have an agreement with respect to the substance of the East Coast entitlements amendment. The only missing piece is the agreement of DOE which, I think, will be forthcoming. So I think the best thing to do is for me to withdraw my inquiry with respect to the unanimous-consent and be prepared to bring the amendment up on the pending bill, and in hopes that it can be worked out in the meantime. If it cannot, then both sides can begin to explain their side on the East Coast entitlements bill which, in turn, will put some element of urgency on DOE to ratify the agreement, and I think that ratification will be forthcoming.

So at this time I withdraw my inquiry.

Mr. ROBERT C. BYRD. Mr. President, may I say that it is the intention of the leadership to finish this bill tonight. I happen to be the chairman of the subcommittee that handles this appropriation bill, and I do not want the bill to be before the Senate any longer than today. I hope that will help in our consideration of the question.

Is Mr. ROTH ready to call up his amendment?

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. I think I should take the occasion to thank the distinguished Senator from Kentucky (Mr. HUDDLESTON) for his handling of this bill for me. I have requested that he do that. But it is not my intention that he have to stand on the floor for 2 days to complete action on it. So if the Senators have any idea they are going to call up amendments, I suggest that they proceed. Otherwise the Chair may proceed to advance the bill to third reading.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. I have not yielded the floor yet.

Will the cloakrooms notify Senators who have amendments to call them up?

May I ask the Chair is there a time agreement on the amendment by Mr. ROTH?

The PRESIDING OFFICER. There is a time agreement of a half hour.

Mr. ROBERT C. BYRD. Someone locate Mr. ROTH so we can proceed with his amendment.

Mr. President, I would be glad to accommodate Mr. ROTH by calling up his amendment myself if he wishes me to, and then I will be glad to move to table it.

Are there any amendments at the desk, may I ask the Chair?

The PRESIDING OFFICER. There are no amendments at the desk.

Mr. ROBERT C. BYRD. Did the Senator from Virginia wish to ask for a quorum call?

Mr. HARRY F. BYRD, JR. I just wished to protect Mr. ROTH.

Mr. ROBERT C. BYRD. That is what I am doing; I am protecting him also.

Mr. President, I yield the floor.

Mr. HUDDLESTON. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

COOPERATIVE FISH AND WILDLIFE UNIT IN WYOMING

Mr. HANSEN. Mr. President, I sincerely appreciate the chairman's efforts along with the ranking minority member's consideration and help, along with the distinguished Senator from Oklahoma, to mutually agree to earmark $100,000 of the $1,000,000 in the Bellmon amendment to establish a cooperative fisheries wildlife unit in Wyoming.

This kind of congressional action to establish and fund a fish and wildlife cooperative unit has become absolutely essential in the face of many recent developments in Wyoming. The wildlife resources in Wyoming rank very high in the Nation. Large populations of deer, elk, moose, bighorn sheep, pronghorn antelope, fish including six trout species and the large carnivores, black bear, grizzly bear, and mountain lion are found in the State.

The Wyoming Game and Fish Department has done an excellent job of resource management.

I wish to quote from a letter from the former president, Dr. William Carlson, of the University of Wyoming.

This letter, incidentally, was written May 2, 1978. It reads as follows:

> However, this excellent resource and the Wyoming Game and Fish Commission have faced growing demands in recent years and the demands are expected to increase even more in the next 10 to 20 years. Already, the growing population in the Denver and Salt Lake City metropolitan areas are increasingly turning to Wyoming for high quality outdoor experiences, experiences that are becoming more difficult to find in their own states. On top of this, Wyoming's energy resources are being developed rapidly, with the double threat of reduced fish and wildlife habitat and increased demand from the State's rising population.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HANSEN. The letter continues:

> Production of coal in Wyoming has doubled several times in recent years and is expected to double and redouble again over the next 20 years. Other developments expected include coal-fired power plants, coal conversion plants, uranium mining and milling, and oil-shale development. Although the Wyoming State Government and the citizens of this state by-and-large accept their responsibility for becoming an energy provider for the rest of the Nation, the price that this state will pay in increased pressure on its fish and wildlife resources is expected to be large.

My distinguished colleague from Wyoming and I urge your acceptance of the proposal that the funds be earmarked as determined by the committee.

Mr. WALLOP. Mr. President, will my distinguished colleague yield to me?

Mr. HANSEN. I am happy to yield to my colleague from Wyoming.

Mr. WALLOP. Mr. President, I join with my colleague, Senator HANSEN, in expressing appreciation to the managers of the bill. It is my understanding that it is their intent to incorporate language directing this earmarking.

The university and the Wyoming Game and Fish Commission have been working to establish this kind of cooperative unit in Wyoming since 1956. That year the U.S. Fish and Wildlife Service stated that the Service was not disposed to establishing any new units due to the lack of sufficient funds for operating existing units. However, over the year's since Wyoming's first attempts, cooperative fisheries and wildlife units have been established in many other States, including Utah, Idaho, Montana, South Dakota, and Colorado. In 1969, the Service stated in a letter to Wyoming's congressional delegation:

> Our correspondence with the University of Wyoming and the State Game and Fish Commission on the cooperative unit programs extends over the past 3 years. Several letters have been prepared in the Department of Interior endorsing the plan, but budgetary restrictions have prevented our requesting funds for expansion of the cooperative unit programs . . . we recognize that there are situations in Wyoming that are unique and that cooperative units are fully justified in your state. Certainly the opportunities for research on the public lands and waters of Wyoming are unexcelled; and we do not question both the interest and the capabilities of the university to have either or both the fishery and wildlife units on its campus.

Last year new cooperative units were established in Mississippi, Florida, and Alaska. Without exception they were established by congressional directive, despite lack of support by the U.S. Fish and Wildlife Service. Currently there are 28 fishery and 20 wildlife cooperative units as compared to no fishery and 16 wildlife units in 1956 when my State began its attempts to obtain a Wyoming unit.

As my colleagues on the Interior Appropriations Committee know, the game and nongame fish and wildlife resource in Wyoming is without a doubt one of the finest in the Nation. The Wyoming Game and Fish Department has done an excellent job in managing these resources, with the rewards benefiting countless State and out-of-State citizens who hunt, fish, and enjoy Wyoming's outdoors.

However, this excellent resource and the Wyoming Game and Fish Commission have faced growing demands in recent years, and demands will increase drastically in the years ahead. The growing populations of Denver and Salt Lake City are increasingly turning to Wyoming for high-quality outdoor experiences. Wyoming's energy resources are being developed for the good of the Nation rapidly to include coal development, coal-fired powerplants, coal conversion plants, uranium development, and oil-shale development.

Cooperative units in adjoining States cannot adequately meet the wildlife and fishery needs of my State. The energy development Wyoming faces poses problems of greater magnitude than any of our neighboring States, but we have no cooperative unit to help do the work necessary to preserve our fish and wildlife resource. The university has, on its own, established an excellent though small fish and wildlife program in its zoology department, but it continues to face problems with too few trained people. A fish and wildlife cooperative unit would complement my State's existing efforts and would help make the State and Federal Government working partners in meeting this Nation's energy demands without losing one of our most valuable fish and wildlife resources.

Mr. President, I also point out that this proposal does not require an additional appropriation, but simply requires earmarking funds in this bill for Wyoming.

Mr. HUDDLESTON. Mr. President, I am very happy to give assurances to the Senators from Wyoming that it is the intent of the committee that up to $100,000 be earmarked for the purposes for which they have spoken. I think this will satisfy that requirement and be a satisfactory solution to the problem.

Mr. STEVENS. Mr. President, I join the manager of the bill in his statement. I am hopeful that the report of the managers of the conference will reflect this agreement. Wyoming is one of five States that does not now have this type of cooperative unit, and I am delighted that we can work it out so that such a unit can commence at the University of Wyoming.

Mr. WALLOP. Mr. President, I thank the managers of the bill in behalf of the people of Wyoming. This is long overdue, and greatly appreciated.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Dave Johnson of the committee staff have the privilege of the floor during the remainder of the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I would inquire if there are other Members present who have amendments at this time. If not, we understand that the Senator from Delaware is on his way to the Chamber and will present his amendment, on which there is a time limitation of 30 minutes, I believe. While we are waiting, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Does the Senator from Alaska have time on the bill?

The PRESIDING OFFICER. There is still time on the bill.

Mr. DOMENICI. Will the Senator yield 10 minutes to the Senator from New Mexico?

Mr. STEVENS. If there is time on the bill, I will be happy to engage in a colloquy with the Senator.

HELIUM CONSERVATION

Mr. DOMENICI. Mr. President, first I want to make a few comments about helium.

Mr. President, all sides are in agreement that a sound helium management and conservation program is of significant importance to our national security and well-being. However, portions of the report on Department of the Interior and related agencies appropriation bill (95–1063), tend to distort the helium conservation picture and create a risk that the immediacy of the need for conservation will be underestimated. The following points from two major studies of the helium situation merit reiteration.

In its 1978 report entitled "Helium: A Public Policy Problem," at 39–40, the National Academy of Sciences wrote:

The Committee is convinced that the potential benefits are large compared to the present costs of conserving helium.

There is a consensus that the current practice of venting crude helium is unwise and inappropriate and should be halted. Quite probably, the current Cliffside stockpile should be turned into a national strategic reserve, the level of which should be the subject of further definitive study. Incentives to encourage helium conservation by private industry seem appropriate, though it is doubtful that any combination of incentives will produce the level of conservation desired.

The Committee recognizes certain institutional and political barriers to the implementation of the alternatives presented. The hardening of the government position relative to the Helium Act of 1960 because of the existing litigation appears to make it impossible to use that Act as a legal vehicle for a desirable national helium conservation program. Consequently, new legislation will be needed. Any new legislative effort will face the problem of acceptance, by the consumers of natural gas from which helium is extracted, by all taxpayers of the costs of benefits that will accrue mainly to those of the future, and by private industry whose appropriate role will require definition.

New sources of low-cost helium are conceivable but not likely. Consequently, there is a strong case for building a substantial government owned strategic reserve of helium for use in the next century. There is also a good case for encouraging private industry to separate and store helium. How large the reserve should be and in what form, is a matter for policy makers to decide. A more detailed study is needed as a basis for these choices. In the meantime, continued atmospheric venting of helium from natural-gas separation plants is contrary to the national interest. The results of this preliminary analysis lead clearly and unambiguously to the conclusion that the venting of separated helium to the atmosphere, either directly or indirectly, should be stopped forthwith. Moreover, because of the massive uncertainties both in the long-term helium supply and in the national need, all appropriate measures should be taken in the near term to: seek ways to conserve the helium present in helium-rich natural gas accessible to the helium pipeline and the Cliffside storage field; hold government-owned helium stored in Cliffside as a strategic reserve; and induce or provide incentives for the private sector to store helium while it is readily available.

Although the interagency helium study in a report entitled "Future Helium Requirements and Options for Supplying Projected Demand" reflected the administration's position that the Government should not resume helium purchases for storage at this time, it went on to conclude that:

2. In spite of these uncertainties, helium uses, and therefore demand, appear likely to grow. Technologies with significant potential for increased use in the future include magnetohydrodynamics, nuclear fusion, and super conductivity. Although there is an unlimited supply of helium in the atmosphere, commercial extraction from that source is not feasible in any near term. Since the recoverable supply from the earth's crust is finite, policies are needed to promote wise and economic utilization and avoid uneconomic waste of this national resource.

6. As helium is used and the helium resource base depleted, it may be desirable to have improved technology for more economic recovery from stocks of lower helium concentration. In the distant future, recovery from the atmosphere may be required.

Mr. President, I continue to advocate the conservation of helium. I would also like to remind the Senate that in the 94th Congress the Senate passed my Senate resolution which expressed the sense of the Senate that the President of the United States should direct the Secretary of the Interior to conserve the helium which is now being extracted from natural gas and then wasted into the atmosphere.

The action to eliminate the appropriation for the 1979 helium fund provides the opportunity for the Senate to consider the matter again. I urge this administration to finish their study of helium conservation and submit their final report to Congress in the near future.

Mr. President, next I want to thank the committee for its special consideration of problems we have in our State with reference to our 18 Indian pueblos in terms of equity funding. On page 37 of the report for the first time since the inequity has existed, the committee has very generously included language in the report indicating that if we look at the general governmental funding for our 18 pueblos in New Mexico, these 18 Indian pueblos on a per capita basis have been receiving less money than other Indian people in this country. I am very appreciative of the language in the report, indicating that this committee, a committee of the Senate, is telling the Bureau of Indian Affairs that it is time that they began to rectify that situation I am very appreciative of that.

I am also most appreciative that once again this committee has seen fit to put $5 million in this bill for roads in the Four Corners area of New Mexico, which Four Corners road system has been part of a rather historic agreement between the State of New Mexico and the appropriate Indian people, both Navaho and Jickarilla Apache, where together they are going to build a substantial road system to the benefit of all people in that area, including the Indian people. I am most appreciative that once again we have met our Federal responsibility to that four-party agreement. I thank the committee for that.

There is one part of this bill that concerns me slightly, but I believe the committee has done the prudent thing.

When we look across this country there can be no doubt that the next major resource crisis in this Senator's opinion is going to be water. One way to approach water problems, in particular water problems of the West, is to proceed again with a new and dedicated program in the area of desalinization. To that extent the appropriate committees of the Congress have authorized four demonstration desalinization projects for this country.

While that law which authorizes those four projects of $10 million, and while the Office of Water Research and Technology is proceeding with the individual States and institutions to begin the process of developing appropriate projects that will fit the language in the authorizing language, the committee did not see fit to fund any of these but rather put in sufficient money for the Office of Water Research and Technology to proceed with dispatch to get applications from around the country, and to recommend strongly which projects in this country should be funded under this accelerated desalinization approach.

I would ask my good friend from Alaska if he would explain to the Senate the position of the committee with reference to future funding for one or more of these $10 million desalinization projects.

DESALINIZATION

Mr. STEVENS. Mr. President, I would like to take a few moments to address an issue of concern to me and many of my colleagues. I am speaking of the need for an aggressive Federal program in desalinization technology. The case for such a program is manifest. The lack of availability of water resources is our next national crisis. Indeed, it has already become a crisis in some areas in this country and desalinization is going to have to be a part of the solution.

Not counting the oceans and icecaps, 64 percent of the water available to man is saline or brackish ground water. In the arid Southwest, for example, there are literally billions of acre-feet of saline water that offer hope in a region that is going to face a grim future unless new supplies of water are found. Fresh water aquifers are drying up. Droughts are increasing in frequency, and unless aggressive research begins today to tap that area's vast saline reservoirs, the region may well suffer an economic and social holocaust during the next decade.

I want to stress, however, that desalinization is not just an issue limited to the Southwest. There is an increasing clamor for help from coastal states such as California and Florida where they are

beginning to realize that they must face the future with a declining supply of fresh water. In Alaska, we are certainly no strangers to desalinization. Many of you may not know it, but we have arid areas in our State that are, in every sense of the word, arctic deserts. In vast stretches of the Aleutians, as well, there are islands where the absence of any watershed or groundwater has already forced us, in some cases, to resort to desalinization as the only source of fresh, potable water.

We have known for years that it was only a matter of time before desalinization became a major tool in augmenting fresh water supplies. Time is even shorter now, and it can truly be said that for many, the oceans represent the only hope of a fresh water source in the future. In our immediate area, Virginia Beach, Va., because of a peculiar combination of political and hydrological circumstances, has been forced to resort to the oceans as the only source of future water supply. I am certain that we will be hearing from other Eastern cities as we move into the next decade.

The Appropriations Committee is well aware of the sharply increased need for a strong Federal desalinization program. We know that in many cases individual communities lack the expertise and the resources to make the necessary advances in technology that will bring the cost of desalinization to a competitive level with other sources. With this in mind, the committee's report on the Interior Department's budget notes that:

> Concurrent with its fiscal 1979 recommendation, the Committee has approved a fiscal 1978 reprogramming for the Office of Water Research and Technology that shifts the emphasis to more active research on saline water conversion.

Although we know a great deal about desalinization and although some of the more obvious water treatment methods are thousands of years old, we are now close to the point when we must vigorously pursue water management practices which will develop other more unique aspects of this technology. In my opinion, some of these newer technologies involving new ideas associated with solar processes, ion exchange, direct freezing, or electrodialysis, may hold great hope for the future.

Several of my colleagues have, however, asked for an even stronger effort. Specifically they have focused their attention on section 2(c) of public law 95–84 which authorizes $40 million for four desalinization demonstration facilities. The Committee on Environment and Public Works asked in it's submittal to the Budget Committee, that $10 million be provided to begin construction on an initial demonstration facility during fiscal year 1979.

The Appropriations Committee is sympathetic with the need for action but believes that an orderly, well-conceived demonstration program is preferable to one characterized by excessive haste. Within the fiscal year 1979 budget, there are funds for the Office of Water Research and Technology to complete its initial siting studies. But, following completion of these studies, I believe the Appropriations Committee should review those studies before committing itself to construction of any demonstration facilities.

It is well worth noting that the authorizing committee specifically provided in the authorizing legislation for a three-step process of study, congressional review and then construction. I believe the Appropriations Committee would be well advised to follow the same procedure. However, once these studies and the review are completed. I stand ready to support prompt funding for these facilities.

Mr. President, I am asking those of my colleagues, that are aware of the urgent need in this area, to bear with the committee. A solid, well-conceived program will be of much more value to the Nation than one without adequate congressional oversight. But, that does not mean that we should not serve notice now that we are approaching the time when we must dedicate ourselves to a vigorous pursuit of this very promising technology.

Mr. DOMENICI. I thank my good friend from Alaska.

INDIAN SCHOOLS

I would ask the Senator one question and then have one last comment. As I understand it, because of some existing confusion between the Bureau of Indian Affairs and the Congress with reference to Indian schools and new starts, it is my understanding that this bill reflects a continuation of the policy of no new starts until the various problems are ironed out between the Bureau of Indian Affairs, the Senate committee, and the committee in the House. Is that correct?

Mr. STEVENS. As the Senator knows, we found a considerable amount of money that was not obligated. We have requested that the Bureau of Indian Affairs get its house in order by utilizing funds that were on hand and by giving us a schedule not only for the expenditure of those funds but for the initiation of new projects. There are no new starts in this bill, primarily because we believe that the process that was being followed proved to be more costly in the end and more disappointing to the recipients of these schools because of the delays involved. In many cases when it was thought that a new school was coming it would be years before it was completed. We now have reason to believe that substantial progress is being achieved. We now have a new Assistant Secretary for the Bureau of Indian Affairs. He is a gentleman who has worked on the Hill and knows our processes. We believe, and we are hopeful, that early next year, perhaps in the supplemental, we will be able to address the whole area dealing with new starts.

I know of the Senator's great interest in this area. Again, I need not point out to him the mutual nature of our interest, being myself from a State that has such widely dispersed schools for native children.

Mr. DOMENICI. I thank the Senator.

One last comment: I refer to page 70 of the report and commend the committee for what I think can be one of the most exciting programs and projects in the whole United States. The Pueblo of Laguna, located in New Mexico, not too far from Albuquerque, is considering and has investigated in some detail the creation of a children's village health facility for the Indian people. This would be a center for handicapped children in New Mexico and other States. The idea espoused by the Laguna Indians is that they would build this facility if they are given the authority to negotiate with the Indian Health Service with reference to ultimate operation and maintenance of the facility and annualized rental payments.

I am most appreciative that the committee, on page 70, recognizes the potential for such a facility and grants to the Indian Health Service the authority to enter into that kind of arrangement, subject, however, obviously, to their having sufficient resources to meet the obligations that they would commit to what I believe is an excellent precedent.

We have an Indian community that has, a great deal, its future in mind. They want to be able to use their moneys to establish this kind of center and, previously to doing that, be in a position to negotiate with the Indian Health Service for its opening and its operation and maintenance over the years. I truly think it will end up being one of the most exciting projects—joint venture, if you would have it that way—a joint responsibility between the Indian people and the Federal Government.

I am most appreciative that the committee accepted my recommendation to grant the authority to the Indian Health Service to negotiate. I do hope that, ultimately, this will become a reality.

Mr. STEVENS. In the absence of the Senator from Kentucky, let me thank the Senator for his kind remarks. Those of us from areas with large native populations are interested in seeing what will happen with this center for handicapped children. I think it is a wholly new idea and as the Senator says, it is an exciting proposition. I commend the people of New Mexico for their foresight in assisting in the development of this facility.

Mr. DOMENICI. The Senator is correct. We have received assistance from the State in terms of planning and designing it, from experts in the field of handicapped and, obviously, a very generous commitment from the Laguna Indians with reference to its ultimate creation and establishment.

Mr. STEVENS. Let me say that it is action like this on the part of a State such as the Senator's State of New Mexico, that make it much easier for those of us on this committee to find the funds to carry on new activities such as this.

Mr. DOMENICI. I want to engage in a couple more minutes of dialog about an area in which, as the Senator knows, I have a genuine concern. That has to do with new hospital starts.

While I know that there has been a lingering dispute between the GAO and the Indian Health Service with reference to beds and bed needs for hospitals for the Indian people, I do understand that only one new hospital in our area of the country, the one at Chinle, which was desperately needed, was funded. Do I

understand correctly that we are still trying to work out the formula disputes between the GAO and the Indian Health Services so we can proceed with hospitals such as the ones at Ship Rock and Crown Point that serve the Navajo people in the State of New Mexico?

Mr. STEVENS. The Senator's question concerns Chinle?

Mr. DOMENICI. No; I understand Chinle is going to proceed. I merely asked the Senator if we were making any headway in trying to work out the differences between Indian Health Services and the GAO with reference to the model that the two were using in terms of bed needs for Indian hospitals which have caused lengthy delays in hospitals such as the one at Crown Point and the one a Ship Rock, N. Mex.

Mr. STEVENS. I might say that through the efforts of the distinguished Senator from Oklahoma (Mr. BELLMON), meetings have been held on this subject. We are very close now to an understanding. We think that, very soon—hopefully, at least in the next fiscal year bill, if not before—we can commence funding for many of those projects that are not now funded.

I apologize for misunderstanding. I am trying to get through some notes here to make sure I get all my subjects covered, if the Senator does not mind.

Mr. DOMENICI. Not at all.

Mr. STEVENS. The impact of the committee's decision was to fund Chinle, because it falls in a different category, according to our interpretation. Once the matter has been resolved among the Indian Health Service, the GAO, and the Office of Management and Budget, I think we will be able to go ahead. It looks like, through the persevering efforts of our staff, led by the good Senator from Oklahoma, we are very close to such a resolution.

Mr. DOMENICI. I thank the Senator from Alaska.

UP AMENDMENT NO. 1618

Mr. MATHIAS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. ANDERSON). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an unprinted amendment numbered 1618:

On page 13, line 17, strike the period at the end and insert a semi-colon and the following:

"*Provided*, that not less than $600,000 shall be available for planning, operation and development of certain lands in Prince Georges and Charles Counties, Maryland as indicated in Section 4 of the Joint Resolution of October 4, 1961 (75 Stat. 783)."

Mr. MATHIAS. Mr. President, this amendment does not require money. It is earmarking of funds. I cannot think of a better purpose for which some of the funds which shall be appropriated can be spent. This deals with that wonderful part of America which George Washington saw when he walked out on his veranda at Mount Vernon. This is the view from Mount Vernon. This is the Maryland shore of the Potomac River and it is an area in which we have been very fortunate. There has been a great deal of local interest. People in the immediate neighborhood have been enormously interested in protecting this beautiful part of Maryland.

We have had generous gifts by our former colleague, Frances Bolton of Ohio, who supported this project out of her own purse with great generosity. We have had previous activities of the Park Services.

This year, we should like to develop the Maryland shore, not only because it is the view from Mount Vernon, but because of its own virtue and value, the appreciation that the public can get from this particular part of our heritage. Part of it is the National Colonial Farm, in which we demonstrate how our ancestors actually raised the crops upon which this country prospered and thrived.

I hope, Mr. President, that we adopt this amendment, which will allow for this earmarking.

Mr. HUDDLESTON. Mr. President, I advise the distinguished Senator from Maryland that I might say there is hardly anyone who can so graphically describe the beneficial aspects of such a project as this as my friend from Maryland. I am always very pleased to hear him describe his amendment, whether I can support it or not. In this case, however, the committee has given consideration to this project.

It has not been authorized at this point. We did take testimony from the Park Service and they indicated to us that they could not use more than $300,000 during the next fiscal year in this project.

It is the intent of the committee that, within the appropriated funds, they proceed with the development and planning of this land and this project, up to the $300,000 level.

I believe I can assure the Senator from Maryland that this will mean the project will advance as rapidly as it is possible for it to advance, and then in subsequent appropriation bills we will be in a position to pursue it with the proper funding.

Mr. MATHIAS. I want to thank the distinguished chairman.

I recognize the handicap under which we are working. The National Park bill has not yet reached the Senate. The authorization is not yet complete.

But if I can take what the Senator is saying, I hear him saying there would be a commitment on the part of the Appropriations Committee, that, when the authorization for Piscataway Park is complete, we would expect at least $300,000 of these appropriated funds would be appropriated for that purpose.

Mr. HUDDLESTON. There has been a commitment, to the fullest extent we can make one, in this context. We plainly state it is the intent of the committee that the Park Service move forward when authorization is available to the extent of $300,000, which they say is all they can use in the fiscal year to proceed with this project.

Mr. MATHIAS. I think if we get the full faith and credit of this committee, and that of the Senator from Kentucky behind it, I, for one, will feel great assurance this project could go forward.

On that basis, Mr. President, I will withdraw the amendment, but, before doing that, I ask unanimous consent that a supporting budget for a 5-year program be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUPPORTING BUDGET FOR A 5-YEAR PROGRAM TO COMPLETE DEVELOPMENT AT THE NATIONAL COLONIAL FARM AND MARSHALL HALL IN PISCATAWAY PARK

	Year No. 1	Year No. 2	Year No. 3	Year No. 4	Year No. 5	Total
DEVELOPMENT AND CONSTRUCTION						
Rolling road	$2,600					$2,600
Colonializing road				$25,000	$30,000	55,000
Visitor contact facility	50,000	$60,000				110,000
Colonial fencing	6,500	7,300	$9,000	10,000	11,200	44,000
Tobacco barn	16,500					16,500
House crafts building	27,500					27,500
Greenhouse	16,000					16,000
Riverine building	16,500					16,500
Parking facilities				15,000	18,000	33,000
Exhibit building	30,000					30,000
Erosion control	50,000	34,700	61,000			145,700
Security system and internal communications				15,000	2,700	17,700
Development, history, and preservation plans	28,000			40,000	97,000	165,000
Marshall Hall development	100,000	55,000	100,000	80,000	40,000	375,000
Total	343,600	157,000	170,000	185,000	198,900	1,054,500

	Year No. 1	Year No. 2	Year No. 3	Year No. 4	Year No. 5	Total
RESEARCH						
Historical	$30,000	$31,000	$32,000	$33,000	$34,000	$160,000
Genetic	30,000	31,000	32,000	33,000	34,000	160,000
Interpretive	30,000	31,000	32,000	33,000	34,000	160,000
	90,000	93,000	96,000	99,000	102,000	480,000
VISITATION AND INTERPRETATION						
Full-time personnel (4)	24,000	56,900	59,900	63,100	66,600	270,500
Part-time personnel (4)	12,000	28,400	29,900	31,500	33,200	135,000
	36,000	85,300	89,800	94,600	99,800	405,500

SUPPORTING BUDGET FOR A 5-YEAR PROGRAM TO COMPLETE DEVELOPMENT AT THE NATIONAL COLONIAL FARM AND MARSHALL HALL IN PISCATAWAY PARK—Continued

	Year No. 1	Year No. 2	Year No. 3	Year No. 4	Year No. 5	Total
OUTREACH PROGRAM						
Supervisor and 4 part time	$32,500	$13,300	$14,200	$15,000	.....	$75,000
Brochures, mailing, etc	47,500	14,700	11,100	11,700	.....	85,000
Total	80,000	28,000	25,300	26,700	.....	160,000
MANAGEMENT AND FISCAL CONTROL						
Farm manager	$27,500	$29,100	$30,900	$32,700	$34,700	$154,900
Fiscal and clerical backup	26,500	28,000	29,700	31,500	33,400	149,100
Farm workers	4,000	38,000	41,000	44,200	47,800	175,000
Total	58,000	95,100	101,600	108,400	115,900	479,000
Grand total	607,600	458,400	482,700	513,700	516,600	2,579,000

Mr. MATHIAS. I withdraw the amendment.

The amendment was withdrawn.

Mr. HUDDLESTON. The Senator is very generous in his expression of confidence, which I appreciate very much.

I assure the Senator the committee will give its diligent attention to this matter.

Mr. President, I understand the Senator from California is desirous of having the floor.

Mr. HAYAKAWA. I thank the Senator.

Mr. President, I want to thank the members of the Senate Appropriations Committee for including $100 million in the Interior Appropriation bill, H.R. 12932, for the partial payment for lands acquired to expand the Redwood National Park.

The total price tag of the lands taken to expand this park will probably exceed the estimated $359 million. This is quite a large sum of money, and it is money that the previous landowners have tied up until they get reimbursed by the Federal Government.

At this time, this $100 million as proposed in the Interior Appropriation bill for partial payment for the recently acquired park lands would be deposited with the district court in California. The court would then supervise the distribution of this money to those private landowners whose land was acquired as a result of this Redwood National Park expansion. The timber companies involved have quite a bit of money tied up in this investment, for land that they can no longer log or use in any way for their own purposes. It is only fair that the Federal Government pay for this land at the earliest date possible. This will not only benefit the private landowners whose land has been taken over by the Federal Government. This payment will also benefit other people. As soon as the companies receive payments for their property, they can begin to reinvest their money, they will create then help to stimulate the economy.

By allowing the timber companies to reinvest their money, they will create new jobs. They will hire unemployed individuals who lost their jobs due to park expansion. In addition, this payment will in the long run reduce the interest payments that the government would have otherwise paid on the money owed to these private landowners. The taxpayers will benefit, as well as the citizens of northern California, an area currently suffering from an extremely high unemployment situation.

I thank the committee for including this $100 milion for partial payment for lands acquired to expand the Redwood National Park. I am confident that the members of this committee will make every effort to maintain the Senate position in Conference on this item. The Federal Government has a responsibility to meet this obligation. I again stress my support of this matter, and thank my colleagues on the Senate Appropriations Committee for their support.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Delaware.

Mr. ROTH. Mr. President, I ask unanimous consent that Mr. David Sharp be granted the privilege of the floor during the course of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, before I call up my amendment, I would like to ask one question of either the distinguished manager of the bill or the ranking minority member.

On page 68 of the report where we review the strategic petroleum reserve, in that statement it is pointed out that requested funding included $531 million for the proposed crude oil equalization tax.

It is my understanding that the legislation, the appropriation before us, includes no funds for the crude oil equalization tax.

I just ask whether or not I am correct in that understanding.

Mr. HUDDLESTON. The Senator is correct. There is no money for the crude oil equalization tax.

Mr. ROTH. As one who opposes it, I wanted to make certain no funds were included for that purpose.

UP AMENDMENT NO. 1619

(Purpose: To reduce certain appropriations provided in this bill by two (2) per centum)

Mr. ROTH. Mr. President, I call up my unprinted amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 1619.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following new section:

"SEC. 308. Notwithstanding the preceding provisions of this Act, each of the following appropriations contained herein is reduced by two (2) per centum:

Bureau of Land Management, Management of Lands and Resources;

Heritage Conservation and Recreation Service, Land and Water Conservation Fund, (Provided, that none of the total reduction of this appropriation be assessed against State assistance under this appropriation);

Heritage Conservation and Recreation Service, Historic Preservation Fund;

United States Fish and Wildlife Service, Resource Management;

United States Fish and Wildlife Service, Construction and Anadromous Fish;

National Park Service, Operation of the National Park System;

Geological Survey, Surveys, Investigations, and Research;

Office of Surface Mining Reclamation and Enforcement, Regulation and Technology;

Bureau of Indian Affairs, Operation of Indian Programs;

Bureau of Indian Affairs, Construction;

Office of Territorial Affairs, Administration of Territories;

Office of Territorial Affairs, Trust Territory of the Pacific Islands:

Office of the Secretary, Departmental Management;

Forest Service, Forest Protection and Utilization;

Forest Service, Forest Roads;

Forest Service, Forest Roads and Trails;

Department of Energy, Fossil Energy Construction;

Department of Energy, Energy Conservation;

Department of Energy, Economic Regulatory Administration;

Department of Energy, Energy Information Administration;

Health Services Administration, Indian Health Services;

Health Services Administration, Indian Health Facilities;

Office of Education, Indian Education;

Office of the Assistant Secretary for Education, Institute of Museum Services;

Navajo and Hopi Indian Relocation Commission, Salaries and Expenses;

Smithsonian Institution, Salaries and Expenses;

Salaries and Expenses, National Gallery of Art;

Salaries and Expenses, Woodrow Wilson International Center for Scholars;

National Endowment for the Arts, Salaries and Expenses;

National Endowment for the Arts, Matching Grants;

National Endowment for the Humanities, Salaries and Expenses;

National Endowment for the Humanities, Matching Grants;

Commission of Fine Arts, Salaries and Expenses;

Advisory Council on Historic Preservation, Salaries and Expenses;

National Capital Planning Commission, Salaries and Expenses;

Pennsylvania Avenue Development Corporation, Salaries and Expenses;

Pennsylvania Avenue Development Corporation; Land Acquisition and Development Fund;

Provided, that Congress intends that the

reductions in appropriations required by this section be assessed to the only maximum extent possible only against those portions of such appropriations allocated to administrative expenditures."

ADDITIONAL COSPONSORS

At their request, the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Missouri (Mr. DANFORTH), the Senator from Indiana (Mr. LUGAR), the Senator from Florida (Mr. STONE), and the Senator from California (Mr. HAYAKAWA) were added as cosponsors of UP amendment No. 1619.

Mr. ROTH. Mr. President, I have agreed to a 15-minute time frame for both sides on this amendment.

Mr. President, my amendment provides a 2 percent efficiency cut in certain appropriations in this legislation. In selectively applying our efficiency reductions to specific line-items in this $11.5 billion Interior and Related Agencies appropriations bill, we on the Save Our Bucks task force have reduced only those items whose increases for fiscal 1979 exceed the cost-of-living rate, and have left untouched those items either whose increases do not exceed the inflation rate or which directly raise revenue for the Federal Government.

Mr. President, this amendment will save the American taxpayers $129 million and will assert the strong prerogative of the Congress to restrain fiscal waste and mismanagement in the Federal bureaucracy.

This amendment has been cosponsored by Senators who have joined together with me to carefully review each of the appropriations bills before us. It is our intention to offer efficiency amendments wherever necessary.

Mr. President, without the $173 million committee reduction of the Strategic Petroleum Reserve, this bill provides a 13-percent increase in budget authority over fiscal 1978. And as all of us are aware, events across our land in the last few months have made it clear our national economy is in grave peril. American taxpayers are demanding strong measures by their national leaders to restrain the massive Government spending that robs their earnings, their way of life and their children's future.

For instance, the committee at page 10 of its report states as follows regarding the $275 million appropriation for BLM management of lands and resources—representing more than a 12-percent real program increase over fiscal 1978:

> The Committee has noted with some concern the steady growth of funds devoted to planning, inventory, study and data management activities, often at the expense of resource managament. Information developed at Committee budget hearings revealed that *nearly $49,000,000, about one-fifth of the Bureau's operating budget, is now devoted to studies and related activities.* The Committee is kneely aware of the increased demands brought on by environmental protection requirements, wilderness reviews, and similar mandates. Nevertheless, the Bureau should not permit these demands to outweigh the pressing need for wise management of public resources, which is the primary mission of the Bureau. (Emphasis added.)

Two weeks ago, OMB Director James McIntyre appeared before our Budget Committee urging Congress to cut $5 billion from the 1979 $500 billion budget, saying:

> I believe that by a combination of tighter estimates, eliminating the discretionary pending increases over the President's budget implicit in the first (tentative budget) resolution and perhaps even an across-the-board cut, we could achieve a substantial reduction in 1979 spending.

I ask my distinguished colleagues, is there anyone in this Chamber who can stand up and argue that there is not at least 2 percent administrative slack and fat in every appropriations bill to come over to us this year, whether it is for defense or District of Columbia or whatever?

My amendment does not affect programs or items that have increased less than the cost of living rate, nor does it affect self-sustaining or revenue-raising programs.

Nor are we aiming our efficiency reductions in any way whatsoever at the programmatic priorities. On the contrary, our amendments are efficiency cuts that tighten the lax management of Federal programs, and reduce the waste and inefficiency in administrative costs that rob the intended benefactors of Federal programs and policies of their full benefit. In no way, I repeat, in no way do our efficiency cuts affect that portion of budget authority in each appropriations bill allocated to Federal program outlays rather than administrative overhead.

Our cuts are moderate in impact for two reasons: first, many of the dollars provided for in this legislation will be distributed to help State and local governments under various categorical and block grant programs, such as the Land and Water Conservation Fund. As recent studies have shown and as the committee report to this bill explicitly details, many grant programs are heavily burdened with high administrative costs and bureaucratic waste.

The General Accounting Office has estimated that the percentage of available funds spent for the administration of grant programs range from 0.3 to 28.5 percent. The average administrative cost for all categorical programs was estimated to be over 6 percent of the available program funds. In many categorical grant programs, however, management costs averaged nearly 19 percent of the available program funds, and in the block grant programs surveyed by GAO, almost 11 percent of all the funds available in the programs were wasted in administrative overhead.

Our 2-percent efficiency cut will help force the agencies to improve program administration and to cut back on management overhead without harming program goals or services. Indeed, what we seek is better services at less cost.

Our cuts are moderate in effect for a second reason: Many Federal agencies have become so bloated and unmanageable, they uniformly report huge unobligated balances of available funds deeper and deeper into the current fiscal year. For example, the committee report at page 17 cites $41 million hoarded by the Fish and Wildlife Service, "a sizeable portion of the National Park Service—$17 million, and some $100 million by the Forest Service under the Land and Water Conservation Fund. This growth in the proportion of "slack" in each agency's budget has been of great concern to the Appropriations Committee, and the committee have begun systematically taking the slack into account during the appropriations process.

Mr. President, the Interior and related agencies appropriations bill provides numerous examples of executive branch agencies with high administrative overhead and plenty of budget slack that can be reduced without harming a single program.

First of all, without the committee's single $173 million reduction in the $3 billion Strategic Petroleum Reserve and $111 million deferral of inevitable fire-fighting costs for both the Bureau of Land Management and Forest Service, this bill as reported in the Senate shows a real program increase over fiscal 1978 of over 13 percent, well above the 6 to 7 percent annual adjusted rate of inflation reported this year. Our 2-percent cut would still leave the agencies in this bill with a hefty 11 percent budget increase over 1978. On page 8 of its report the committee states that BLM and Forest Service appropriations do not contain $111 million in real program increases due to deferred fire-fighting costs.

Second, our amendment applies only to agencies or items which seek budget increases for fiscal year 1979 higher than the cost-of-living increase and which are not revenue-raisers or self-sustaining. Simply stated, Mr. President, how can we in the Federal Government expect the working man and woman, the wage earner, the taxpayer of this country to enlist in the war against inflation if the worst offenders are ourselves?

Several agencies in this bill, such as the Bureau of Land Management and the Forest Service, administer self-sustaining or revenue-raising programs on our public lands. In fiscal 1979, for instance, the Department of Interior, the Forest Service and the Naval Petroleum Reserves, through mineral and petroleum leasing, timber sales, and range and grazing fees, are expected to generate income to the Government well in excess of $5 billion, thus partially offsetting the $11.5 billion price tag of this bill to Amercan taxpayers. Our amendments do not touch these 20—some income-generating programs. Thus, the inflation rate, Federal income generation, and fiscal commonsense have told us that we should not apply our efficiency reductions to over 40 of the 80 items in the bill. On the other hand, the committee report itself is replete with examples of which of the 80 items to cut.

Other support for efficiency cuts is provided in the section of the report on the Federal programs under the land and water conservation fund. The report reveals as of June 1978, the For-

est Service had obligated only $26.5 million, or 20 percent, of $129 million available to it in fiscal 1978 under the fund. Similarly, the committee reported "a sizable portion" of the Park Service's fiscal 1978 appropriation of $17 million remained unobligated under the fund. Although the committee responded by reducing the Forest Service request for 1978 by $17 million and the Park Service by $10 million, it is obvious that substantial "slack" in the form of unobligated carryovers within the Federal agencies—as opposed to States—asserted by the fund will absorb our 2 percent reduction in the land and water conservation fund.

Mr. President, I share the strong concern of many of my colleagues over this huge problem of unobligated balances in agency accounts being carried over into new fiscal years. In the past 5 years, unobligated balances of Federal and trust funds grew $78 billion. According to an April 1978 GAO study, "this trend has raised concern about both the validity and credibility of funding requests and about the ability of Federal agencies to carry out planned programs in a timely manner."

According to GAO, in fiscal 1977 alone, over $10.8 billion in funds appropriated for natural resources, environmental and energy functions went unobligated. In fact, GAO reported that between fiscal 1966 and 1978, for every dollar increase in funds provided the Department of the Interior by Congress, the unobligated balances of the Department increased 34 cents. During that period, the unobligated balances to increase in available funds ratio increased from 7 cents in 1966 to an incredible 51 cents in 1978.

My colleagues only need read pages 58–59 of the committee report to get a taste of the frustration the committee must have experienced fathering the Department of Energy through its first budget cycle. According to the committee:

> The goal of this consolidation (DOE) was to promote a better coordinated and more effective Federal effort to conserve, manage and develop the Nation's energy resources, hopefully at less cost. Unfortunately, there is little evidence to date that this goal is any closer than it was last year. There is real concern, in fact, that the new Department, as it is currently organized and functioning, has serious management and coordination problems that contribute to the lack of coherent decisive national energy policy. These problems have also contributed to a confused budget presentation and a continuing pile-up of unobligated budget authority . . .
>
> As a whole the Department's budget justifications were totally inadequate. This necessitated extensive questioning, both direct and in writing, to clarify the various budget proposals. Considering the size of these appropriations requests, this lack of specific supporting data casts further doubt on the effectiveness of the Department in the conduct of its vital energy mission.

Our amendment reduces DOE's $4.8 billion budget by less than half a percentage point—$21.4 million.

The balance of our amendment applies to several agencies which have requested clearly inflationary budget increases for fiscal 1979. For instance, the National Endowments for the Arts and the Humanities together come in for a whopping 20-percent increase under the bill. I believe it goes without saying that Federal support of the arts and humanities is in the best of political times a risky proposition for free expression in our Nation, and in the worst of economic times, such as in the midst of double-digit, declining growth stagflation, an irresponsible expenditure of tax dollars. Be that as it may, our 2-percent cut of these two Federal arts complexes leaves them "devastated" with "only" an 18-percent increase over fiscal 1978.

In conclusion, Mr. President, our amendment reduces the total appropriations in the bill—less income generated by the bill—by 2 percent—$129 million—or more nearly 1 percent of the total budget authority of the bill. Our amendment makes well reasoned cuts in only those specific items in the bill that show increases exceeding the cost-of-living increase that all Americans must bear. We do not cut specific programs, we do not cut self-sustaining or revenue-raising activities, and we applaud and commend without amendment those items the Appropriations Committee has brought in at or below the cost-of-living rate.

Mr. President, the only decisions we must make today are tough decisions. I urge my colleagues to vote "yea" on the Roth amendment to save our taxpayers $129 million.

I yield back the remainder of my time.

Mr. HAYAKAWA addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. For what purpose does the Senator seek time? I was going to respond to the Senator from Delaware, if I may.

Mr. HAYAKAWA. Will the Senator from Alaska yield me a half minute?

Mr. STEVENS. I yield.

Mr. HAYAKAWA. Mr. President, I congratulate the Senator from Delaware on his statement, and I shall be honored to cosponsor his amendment.

Mr. ROTH. Mr. President, I am happy to ask unanimous consent that the name of the Senator from California be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STONE. Mr. President, will the Senator yield me 2 minutes on behalf of the Roth-Stone amendment?

Mr. ROTH. Does the Senator from Alaska have the floor?

Mr. HUDDLESTON. Mr. President, who has control of the time?

The PRESIDING OFFICER. The Senator from Delaware and the Senator from Kentucky.

Mr. STEVENS. The Senator from Delaware yielded the floor, I thought. I sought the floor. Do I have the floor?

Mr. HUDDLESTON. I yield the Senator from Alaska such time as he requires.

Mr. STEVENS. Mr. President, I want to be blunt, as I have been blunt before.

The increases that the Senator from Delaware in this case seeks to eliminate were added in the subcommittee, in response to specific requests from Senators who are on this floor. He seeks to cut $128 million from the bill. I want to talk about some of those amendments we put on the bill.

In the first place, with due respect to my friend from California, we added $100 million to the land and water conservation fund to take care of the problem of the redwoods. The Senator from Delaware wants to cut $12 million out of that.

We have added a series of amendments, I might add, that my good friends from Florida are interested in. We put $10 million in the land and water conservation fund for the Ocala National Forest in Florida.

If Senators look through some of the record on the voting yesterday, they will find—and I will substantiate this if they would like—that many of the Senators who voted to cut the bill yesterday are the same Members of the Senate who asked us to add money to the bill.

I do not make idle statements. I already have made a suggestion to the chairman of the committee and the manager of the bill: After having gone through literally hundreds of letters from Senators pointing out specific priorities in their States, to face an amendment of this kind when we are $1.3 billion under the budget and $1.2 billion under the House figure, raises a suggestion in my mind if the Roth amendment is adopted.

I would suggest that if that amendment is adopted, we take the bill back to the committee, and take out the add-ons requested by any Member who votes for the Roth amendment, and we could then come back with a bill that will have cut out more than $128 million.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. ROBERT C. BYRD. Mr. President, I will support that motion to recommit, and I will support the motion to cut out any add-on projects for any Member who votes for the Roth amendment.

Mr. STEVENS. I thank the chairman of the committee. I hope the manager of the bill agrees, because in this instance we put in much time and asked each Member to give us his priorities. We asked you all. You gave us more demands than we could possibly fund. We asked you to give us your priorities, and we religiously went over that list and tried to do our best to let you decide what was the greatest priority in your State for the amount of money we could add to the bill, because we had found ways to save money.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. ROBERT C. BYRD. Mr. President, I have nothing but the highest respect for the Senator from Delaware (Mr. ROTH). However, when a subcommittee has poured over a bill week after week and month after month, conducted hearings on that bill, gone through laborious hours in a markup session, and then a Member of the Senate comes on the floor and offers an amendment either to make a percentage cut across the board or to make selective cuts, I think it is just going too far.

Why do we not just eliminate the subcommitee hearings, just forget about all

these witnesses who appeared, save the time of the Senator from Kentucky, who very generously has taken on the chore of managing this bill on the floor, just eliminate all that effort, take up the bill directly on the floor, and let every Senator offer his amendment to cut?

Mr. President, if this amendment is adopted, I not only will join the Senator from Alaska, but also, I will make the motion to recommit the bill; and when it is in committee, I am going to move to cut the budget for every Member who has an add-on and who supports this amendment.

We are just seeing a spate of these amendments that are brought to the floor to cut bills, by Members who are not on the committee, who do not appear at the hearings to make their case for the cuts then, but come to the floor with amendments to make big cuts.

The Senator from Delaware did not ask for anything as far as I know. There are no add-ons for him. I respect him for that. I pay him tribute for it.

But let every Senator be aware that if he wishes to support the amendment by the distinguished Senator from Delaware (Mr. ROTH) if that Senator has an add-on amendment that he has approached me about or that he has approached the Senator from Kentucky about, let him weigh the one against the other.

Mr. STEVENS. Mr. President, I join the majority leader and say to the Senator from Delaware that I respect what he is doing. I was jokingly asking whether I should refer to the Senator's organization as the SOB task force, but I think we should call it the Save-Our-Bucks task force. I am sure he understands that. He did not ask us for this money and we respect him for the manner in which he is approaching the budget, but in this instance I want to tell him that we did not add any money unless we took money out somewhere else. We have proved that because we are still $1.2 billion below the House allowance. We are $1.3 billion below the budget.

Let me tell him some of the things that are happening here in the operation of the park system. There is a deletion, under the Senator's amendment, of $7.3-plus million. It just so happens that that is about the amount of money that we put in for various Senators. We put in nearly $3 million for the Lowell National Historical Park in Massachusetts. We put in improvements in the Shrine of the Ages in Grand Canyon National Park in Arizona. We put in money for the Yellowstone National Park road repairs. We put in $500,000 for the Grand Canyon school district payment.

Those were top priorities of Senators from those areas. I could continue through the list, since I have them all. We have prepared for just such an amendment, in view of prior efforts on other appropriations bills.

But let me tell the Senator about the operation of the Indian programs. If he will look at that he takes out over $15 million. The first item we approved in that area was $7 million for handicapped education programs which was added because of the request of the Senator from Arizona (Mr. DECONCINI).

The Senator's amendment would reduce these amounts. I will tell the Senator that if there is a reduction like this it is applied to congressional add-ons first. It is congressional add-ons that fall when we have an across-the-board cut.

Again, I would not get so exercised about it if this were a bill in which we ignored the requests of the Members of the Senate. I will challenge any Member of the Senate to tell us any request we ignored. We may not have granted them all, but we have granted Senators what we could within their priorities and if we could not grant a request, we told them why.

Under those circumstances, I have too short a life to spend the amount of time I have spent on this bill only to see it whacked, and that is not an across-the-board cut. I thank the Senator for that. At least he proposes a specific cut. But by being specific cuts, we can compare them with the add-ons. If the Senator wants to take off the add-ons of everyone who voted for his amendment yesterday, I will save the Senator at least 5 percent; not 2 percent, 5 percent.

So I challenge the Members of the Senate here today. They asked us for this money. If they want it, then they will not vote for the Roth amendment, because if they do, this bill is going to go back to committee and we are going to take off the add-ons because I do not see any reason why we should spend time reviewing Senators' requests and then have them support an amendment to cut out the money that we put in at their request.

The PRESIDING OFFICER. Who yields time?

Mr. STONE. Mr. President, will the Senator yield?

Mr. ROTH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Delaware has 8 minutes remaining.

Mr. ROTH. I yield 3 minutes to the distinguished Senator from Florida.

Mr. STONE. Mr. President, I have joined in cosponsoring this proposal to reduce by 2 percent most of the fiscal year 1979 appropriations for the Department of Interior and related agencies. But first, I want to commend the Appropriations Committee for reporting out this lean bill. There are a number of items in this measure which are near or below their budgets for last year and this is the kind of tough fiscal management we need to stem the growth of needless spending. To exempt those items in the budget which have held the line, will demonstrate that agencies who have the will to make those difficult decisions, will not go unrecognized.

All of us know that failure to cut Government spending is going to have ominous consequences for our Nation in the near future. These kinds of modest cuts will reduce the Federal budget enough to justify a prudent tax cut this year. If we enact a tax cut this year without an accompanying reduction in Government spending, we are asking for trouble. It would mean a dangerous, new round of inflation—the most cruel tax of all.

While there is no special magic to a 2-percent reduction, I do believe it is important for the Congress to tighten its belt if we expect employers and employees around the country to do the same in the battle against inflation.

Mr. President, in my prepared statement I praised this subcommittee for reporting out a lean and good appropriations bill. I do that as a cosponsor of the Roth amendment.

Mr. President, if we are going to get into a competition for cutting, good and well. The people want us to cut. And the fact that all of us are not on the Appropriations Committee is regrettable. But the people want us to try to cut. This particular 2 percent cut does not attempt to cut all across-the-board but does attempt to cut only those items which are above the budget or above the cost-of-living adjustments for the coming year. It is a modest cut. I think that it is painful and it is painful to absolutely everyone, everyone who has a good item for his State, and that would include my State, but I think that if we are going to make cuts we have to cut, and that is not to deny the good work of our Appropriations Committee or of the subcommittees, all of which is good work. But it is to say to people who want us to reduce this deficit below the $55 billion the only way that can be done is to cut, and that is why I support the Roth amendment.

Mr. STEVENS. Mr. President, on my time, and I have great respect for the Senator from Florida, I again point out to him that we cut $1.3 billion from the budget. In addition to that we cut out the amount of money that was necessary to make the add-ons that I mentioned; 150 separate add-ons for Members of the Senate over and above the budget requests have been accommodated and yet we are still $1.3 billion below the budget.

Let me tell the Senator I thank him for the statement.

I urge the Senator to reconsider. Why should we do that kind of work if Senators are going to come along and say, "Thank you very much for giving it to us, but by the way cut out $128 million," because that is just part of what we added on after we cut out about $400 million. We added back on the things Senators want that they told us were of greater priority than those that were in the President's budget.

I think we deserve the support of the Senate for the process which is the most unique one that I know of in the appropriations process. That is an item-by-item, letter-by-letter review of Senators' requests. We have a book here and we will be glad to show it to Senators. Every single request is cataloged; what we did to it, how much money we could provide, and where we got the money.

Mr. STONE. The Roth amendment provides for a 2-percent cut. The Roth amendment does not——

The PRESIDING OFFICER. Who yields time?

Mr. STONE. No one is yielding me time, so I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, will the Senator yield?

Mr. ROTH. I yield 2 minutes to the Senator from Rhode Island.

Mr. HUDDLESTON. May I inquire how much time remains on this amendment?

The PRESIDING OFFICER. Two minutes to the proponents and 4 minutes to the opponents.

Mr. STEVENS. I will keep quiet.

Mr. ROTH. How many minutes do I have remaining?

The PRESIDING OFFICER. Six minutes for the proponents and 4 minutes for the opponents; 6 and 4.

Mr. ROTH. I yielded only 3 minutes to the Senator from Florida. I had 8 minutes so that left me 5 minutes. I did not yield any additional time.

Mr. CHAFEE. The Senator came out with 6 minutes.

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. ROTH. All right. I withdraw my comment.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Miss Nancy Barrow of my staff be accorded the privileges of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. As I follow this debate I find it a little confusing. The point that seems to be made here by the Senator from Alaska is they worked terribly hard on this bill, and they have, and no one argues about that, and then the majority leader comes on the floor and says if anybody votes for this Roth amendment he is going to get even with him by seeing that anything he is interested in in their States is going to get cut.

Mr. STEVENS. I said it first.

Mr. CHAFEE. The Senator said it first, and he came on strong. It made a duet, they were in harmony. That seems to me to be quite a vigorous threat around here. In the first place, there is nothing in it for Rhode Island.

Mr. FORD. Mr. President, will the Senator from Rhode Island give me 5 seconds?

Mr. CHAFEE. On the Senator's time.

Mr. FORD. I do not have any time.

I believe the majority leader, so I am going to vote against the amendment.

Mr. CHAFEE. The Senator believes him. Well, I do not question him. I just question that kind of approach. The approach seems to be that these people who have worked so terribly hard on a bill, that that is it, that the rest of us cannot come in and attempt to cut it. If we do attempt to cut it there is going to be the big knife going to be out for us. I am not sure that is a good way——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. CHAFEE. I will yield on the Senator's time.

Mr. ROBERT C. BYRD. I do not have any time, but I will take a minute away.

Mr. HUDDLESTON. I yield 1 minute.

Mr. ROBERT C. BYRD. The problem here is that we are being confronted on every appropriation bill that is being called up with one of these 2 percent or 3 percent or 5 percent across-the-board slashes, and I think it is about time to say that inasmuch as this bill that I happen to manage as chairman of the Appropriations Subcommittee on the Interior—I cannot speak for the other subcommittees—but inasmuch as this is the bill that I happen to manage, in this instance being handled in my behalf by the distinguished Senator from Kentucky—that this subcommittee has worked over this bill for months, and it has always been very attentive to the pleas of Members who have problems in their States.

As the distinguished Senator from Alaska has said, the add-ons have been compensated for by cuts in other areas. If we have a 2 percent reduction the people downtown are likely to make their cuts in areas that the Members of the Senate feel are most beneficial to their States.

Mr. CHAFEE. I appreciate that, Mr. President. I appreciate what is being done. I went to the Senator from Kentucky, I had an add-on myself—it was not particularly for my State—so I understand that. But, at the same time, if the point is being made here that those who espouse 2 percent cuts in an effort to make this budget, Federal budget, somewhat in balance are going to have the big knives out for them on anything they are interested in. we are working in a new ball game around here.

Mr. ROBERT C. BYRD. The Senator is working in a new ball game on this particular amendment, I will tell him.

Mr. CHAFEE. Those are the risks we take. But I think the most serious single problem facing this Nation is inflation, the fact that the Federal budget is in a $50 billion deficit. The modest attempts that are being made by across-the-board 2 percent cuts, I wish we could do it in a more genteel way, a more skillful way, but that is about the only way we have.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. CHAFEE. I have only 2 minutes. The majority leader took 35 seconds of it from the sky, but it came from me. How about the Senator from Kentucky yielding time?

The PRESIDING OFFICER. Who yields time?

Mr. HUDDLESTON. How much time do I have?

The PRESIDING OFFICER. Three minutes.

Mr. CHAFEE. How about yielding 1 minute?

Mr. HUDDLESTON. Mr. President, I yield myself a minute and a half.

Mr. CHAFEE. I am off the air. [Laughter.]

Mr. HUDDLESTON. Quite aside from any risk that any Member might take within his own State and on his own projects in voting for this amendment, there is ample reason to accept what has been said by the distinguished Senator from Alaska and the distinguished Senator from West Virginia about the effort that has been made and about the nature of the appropriations contained in this bill.

We are below the budget by $1.3 billion, and below the House allowance by nearly $1.2 billion.

I agree that the people would like for us to hold down Federal spending. But they have a concern about where we hold it down, and they expect, I believe, this body and its committees to exercise judgment in how appropriations ought to be made and for what purposes, and that is what we are trying to do here.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. ROBERT C. BYRD. Is that one of the purposes of the various subcommittees in the Appropriations Committee and the Appropriations Committee itself, to study these projects and programs and arrive at a reasonable judgment through the budgetary process as to what appropriations should be made?

Mr. HUDDLESTON. I have certainly been laboring under that comprehension.

Mr. ROBERT C. BYRD. This coming to the floor and taking a meat ax cut of 1, 2, 5 percent, what does that do to the budgetary process?

Mr. HUDDLESTON. It is a derogation of the individuals who have to vote.

If I have any time remaining, and what time I have remaining, I yield to the Senator from Maine.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. MUSKIE. I just want to say to my good friend from Rhode Island we do have the kind of process to which the Senator refers. The meat ax approach is the approach we took, the President has urged us to take, before we established the budget process. It never worked; it never worked once because it could not work that way.

Now, 2 percent, you say we ought to always be able to cut 2 percent. All right, so let us take that argument. We cut 2 percent. Then someone else offers another amendment which says, "Well. surely, we could cut 2 percent from that." So we knock that down by 2 percent, and by that salami tactic you can cut the whole budget. But the purpose of the budget process—and I am totally against these across-the-board, meat-ax cuts because I think they will be destructive of the budget process. I can imagine committees padding their budgets, and that is effectively what seems to be going on here, against this automatic 2 percent budget cut that is going to be brought up on the floor, and that is going to make the budget process a farce.

We are in the Budget Committee marking up, and we are going to begin tomorrow on the second resolution, and we go into detail, as much detail as the Budget Act gives the Senate Budget Committee. We then allocate funds to the subcommittees of the Appropriations Committee, leaving aside reserves in order to keep the pressure on them, and it is their job line item by line item to do this job.

Then Senators come on the floor and say, "No matter how carefully that was done we can still cut 2 percent." Why not 5 percent? Why not 10 percent? Why not 20 percent? If you assume that a careful job has not been done in the first place, then junk the whole process.

The PRESIDING OFFICER. All time has expired.

Mr. HUDDLESTON. Mr. President, all time is yielded back.

The PRESIDING OFFICER. The proponents have 2 minutes.

Mr. ROTH. Mr. President, I yield myself 2 minutes.

I am shocked at what I have just heard. I am shocked at the concept that the Senate has no voice in the appropriation process. It was always my understanding that the Appropriations and the other committees were the servants of the Senate as a whole.

Now, time and again—

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROTH. I will not yield.

Time and again I have been asked to waive the 3-day notice. How can you study these complex matters if you waive the 3-day notice you are given to study the basis of these appropriations?

But more importantly the idea that anybody who tries to be fiscally responsible is going to have his project cut is a threat that I think is a most serious threat to every Member of this Senate.

We are not asking for any programs to be cut out. We are asking for some efficiency in Government. People in the private sector, families, are finding they have to live, they have to make their budgets meet, even though there is 9 percent inflation. That is where the toughness comes in.

To say that anyone who comes in here is denying the good work of that subcommittee is pure hogwash. We have a right to make the across-the-board cuts. We have a right to ask people to be more efficient and effective, and that is what we are asking here, and that is what the American people are asking.

You know it is shocking to me to say to us who are on this subcommittee that we cannot use this approach, when the Director of OMB in a statement 1 week ago said that we could cut $5 billion from the budget. He said, and I quote:

I believe that by a combination of tighter estimates, eliminating the discretionary spending increases over the President's budget implicit in the First Resolution and, perhaps—

I emphasize this—

and, perhaps, even an across-the-board cut we could achieve a substantial reduction in 1979 spending.

This Director has the entire OMB working for him, and he talks about across-the-board cuts. Yet we are told, if we come in under these circumstances, that we are irresponsible.

Mr. President, I just ask that we recognize the importance of the whole process of the Senate, and that means that the Senate itself has a right to work its will on appropriations, just as in my Finance Committee. We work months on taxes, and yet Senators feel free to change it.

The PRESIDING OFFICER. All time has expired.

Mr. HUDDLESTON. Mr. President, I move that the amendment be laid on the table.

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New York (Mr. MOYNIHAN), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mrs. HUMPHREY) would vote "yea."

Mr. STEVENS. I announce that the Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

The result was announced—yeas 68, nays 25, as follows:

[Rollcall Vote No. 300 Leg.]

YEAS—68

Allen	Gravel	Metzenbaum
Anderson	Hansen	Muskie
Baker	Hart	Nelson
Bartlett	Haskell	Packwood
Bayh	Hatfield,	Pearson
Bellmon	Mark O.	Pell
Bentsen	Hatfield,	Randolph
Brooke	Paul G.	Ribicoff
Bumpers	Hathaway	Riegle
Burdick	Heinz	Sarbanes
Byrd, Robert C.	Hodges	Sasser
Cannon	Huddleston	Schmitt
Case	Inouye	Sparkman
Chiles	Jackson	Stafford
Church	Johnston	Stennis
Clark	Kennedy	Stevens
Cranston	Leahy	Stevenson
Culver	Magnuson	Tower
DeConcini	Mathias	Wallop
Domenici	Matsunaga	Weicker
Durkin	McClure	Williams
Eagleton	McGovern	Young
Ford	McIntyre	
Glenn	Melcher	

NAYS—25

Biden	Goldwater	Proxmire
Byrd,	Hatch	Roth
Harry F., Jr.	Hayakawa	Schweiker
Chafee	Helms	Scott
Curtis	Hollings	Stone
Danforth	Laxalt	Talmadge
Dole	Long	Thurmond
Eastland	Lugar	Zorinsky
Garn	Morgan	

NOT VOTING—7

Abourezk	Javits	Percy
Griffin	Moynihan	
Humphrey	Nunn	

So the motion to lay on the table UP Amendment No. 1619 was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HUDDLESTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, there is one program in this appropriations bill which is surfeited with funds. That is the money for the National Endowments—the Endowment for the Arts and the Endowment for the Humanities.

While the rest of the Government is getting an average increase of 10 percent over last year—and that includes the increase due to inflation—the National Endowments are getting an increase of almost 21 percent.

This is not the first time such increases have come to them. Last year they got a 22.7-percent increase. The year before that they got a 15-percent increase. In the period of fiscal years 1971 through 1975, their increases were 95 percent, 33 percent, 45 percent, and 34 percent, respectively.

I ask unanimous consent that a table showing both the appropriations in millions of dollars and the percentage change from the previous year for the Endowments be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*The cost of the National Endowments for the Arts and Humanities*

Year	Appropriation (millions)	Percent change from previous year
1979	$295.3	20.8
1978	244.5	22.7
1977	199.2	15.5
1976	172.4	8.3
1975	159.2	34.5
1974	118.3	45.2
1973	81.5	33.2
1972	61.2	94.9
1971	31.4	76.4
1970	17.8	25.4
1969	14.2	16.4
1968	12.2	9.9
1967	11.1	94.7
1966	5.7	

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Will the Senator suspend until there is order in the Chamber? Will Senators please retire to the cloakrooms to continue their conversations?

The Senate is still not in order. Please retire to the cloakrooms or the hallways so the Senator can be heard. He has the right to be heard.

Mr. PROXMIRE. As can be seen, there has been an explosion in these programs. In 1969 their appropriations were $14.2 million. In 1979 they are asking for $295 million.

There are a number of reasons why such increases are undesirable. First, no program can expand at this rate and use the funds efficiently. It just cannot be done and has not been done, as I will show shortly.

Second, the principal recipients of the funds from the Foundation are those who can afford to pay for the pleasure of viewing the arts. Those who attend the theater, the ballet, the symphony concerts, and who attend the galleries are routinely relatively well-to-do persons who should pay for the arts as they pay for their dinners after attending the theater, rather than receiving a subsidy from the general taxpayers.

Third, in looking over the variety of grants, I am struck by the degree to which money and funds go for the administration of the arts—to hire the managers and the public relations persons—and not to the artists themselves.

TAX DEDUCTIONS ARE IN ADDITION TO THESE FUNDS

Fourth, through our system of tax deductions for charitable contributions, this country makes huge contributions to the arts through the Tax Code.

Time after time, I hear it said that this country does not support the arts to the same degree as other countries. But that argument overlooks the extent to which the arts in this country are subsidized through the tax system.

I have made an inquiry into this subject. Out of an estimated $20 billion in charitable contributions reported annually, I estimate and that as much as $3 billion go to institutions like those supported by the National Endowments. The tax subsidy is thus about $1.5 billion, which puts the United States giving to the arts and support of the arts among the highest of all the countries throughout the world.

It just is not true that this country, through our private giving and tax subsidies, neglects the arts. That is overlooked when these arguments are made.

Fifth, the increases for particular programs are amazing. Under goal III of the National Endowment for the Arts, theater receives a 44-percent increase over last year, the humanities media grants program gets a 43-percent increase, and cultural institutions comes in for a 45-percent increase.

There is a 75-percent increase in pay for the Humanities Councils—at a time when we are urging new wage contracts to be limited to smaller amounts than in the past—and a 45-percent increase for printing. The humanities want a 54-percent increase in challenge grants. At a time when we are calling on others to tighten their belts, these increases are out of line and inappropriate.

INFLUENCES WORK

Finally, the substitution of public for private funds for the arts and humanities cannot help but influence the type of work produced. The examples are legion and I will cite a few.

Last year the Humanities Endowment spent $2 million for grants to well-heeled doctors, lawyers, and school administrators to attend tuition-free, vacationlike, month-long humanistic bull sessions at some of the choicest vacation spots in the country. This year, the Endowment wants to expand the program by 26 percent in order to add businessmen to those paid to contemplate the humanities in these settings.

The National Endowment for the Humanities, through a grant from the State Humanities Council of Virginia (the funds were Federal funds) spent $2,500 to study why people are rude, cheat, and lie on the tennis courts.

The arts endowment funded a $6,025 grant to film the throwing of crepe paper out of an airplane in order to capture an artistic experience.

The National Endowment for the Humanities spent Government funds for a surprise party for its director. Those who blew the whistle were so harassed that they resigned.

The National Endowment for the Humanities has given grants to the League of Women Voters, a highly reputable and amazingly constructive organization, to study the Federalist Papers and to enable four Western States to "promote public consideration and discussion of the * * * Columbia River Basin."

I have no objection if private institutions want to do these things. I would not censor them. But I do object to the use of taxpayers' funds for such uses.

PRIORITIES OUT OF LINE

For a number of years, the question of spending and priorities has been an important issue. We have rampaging inflation, great needs, and limited funds.

It is not possible for the Endowments to use their funds efficiently and for important public purposes when the amounts have exploded as they have over the lifetime of these institutions.

Mr. President, let me conclude by saying that I will not offer an amendment to this bill, because I have discussed this with my colleagues and I find that I would get very little support for it. This bill has been heavily lobbied by the people who receive these funds. But I serve notice that if the Endowments come forward with anything like these increases next year, they are in for a long and strenuous fight.

I hope the Office of Management and Budget will make that unnecessary by limiting the funds for fiscal year 1980 to this years levels by actually cutting them back.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. DURKIN. Will the Senator yield for a unanimous-consent request?

Mr. HASKELL. I yield.

Mr. DURKIN. Mr. President, I ask unanimous consent that Ed Tanzman and Chris Burke of my staff be accorded the privileges of the floor for the rest of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1620

(Purpose: To provide initial funding for oil shale commercialization tests)

Mr. HASKELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes an unprinted amendment numbered 1620.

Mr. HASKELL. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

"Provided further, That $1,400,000 shall be available for oil shale commercialization tests only upon enactment of S. 419 or similar legislation.".

On page 38, delete line 21, and insert in lieu thereof: "$188,581,000, of which $158,262,000".

(Later the following occurred:)

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that on the first amendment of the distinguished Senator from Colorado, (UP Amendment No. 1620) which was adopted just a short time ago, that it be in order for that amendment to be presented even though it amended a figure that already had been amended, and that this motion be placed prior to the adoption of that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Conclusion of earlier proceedings.)

Mr. HASKELL. Mr. President, I have talked with the majority manager of the bill, the minority manager of the bill, and the chairman of the subcommittee. I believe they find it satisfactory. What this amendment does is appropriate $1.4 million for an oil shale demonstration contingent upon S. 419, which we passed by a 3-to-1 margin the other day, being adopted by the House of Representatives. I believe it is satisfactory to the majority manager of the bill, the Senator from Kentucky, and also to the minority manager, the Senator from Alaska.

Mr. HUDDLESTON. Mr. President, the distinguished Senator from Colorado has two amendments that are worthy of consideration and that we have agreed to accept. The amounts are not large. They involve a very important energy research area. The authorization was approved by the Senate after the time that the subcommittee developed its recommendations.

The distinguished Senator from Alaska is not on the floor at the moment, but he has assured me that he has no objection, either.

We accept the amendments and move their adoption.

Mr. HASKELL. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment, as modified, was agreed to.

UP AMENDMENT NO. 1621

(Purpose: To increase funding for fossil energy research and development to provide for development of advanced oil shale recovery technology)

Mr. HASKELL. Mr. President, I send another unprinted amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes an unprinted amendment numbered 1621.

Mr. HASKELL. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 38, lines 8 and 9, strike out "$589,753,000" and insert in lieu thereof: "$594,753,000."

On page 38, line 9, insert after "expended" the following: ", of which $5,000,000 shall support development of up to four advanced oil shale recovery technologies."

Mr. HASKELL. Mr. President, the proposed appropriation bill provides sufficient funding only to continue existing development efforts, the major portion of the funding being allocated to four different in-site technologies under cost-sharing contracts amended in 1977. I support the continuation of these important demonstration efforts, but I am also concerned that no additional funding

is provided to support the development of several advanced oil shale recovery technologies which have made significant progress in the past year.

These advanced technologies have the potential to improve recovery efficiency, to reduce environmental impact, to increase the total recovery yield, and to reduce costs.

Known potential processes involve such techniques as microwave, radio frequency, vacuum induction, and hydroretorting. Perhaps the best known of these, and one which has received considerable recognition recently is the use of microwave technology.

I recently visited the University of Colorado where the application of microwave technology to the recovery of oil shale has made significant strides. Present in-situ technologies require massive combustion under ground and use huge quantities of water. The microwave approach eliminates the requirement for combustion, greatly reduces the requirement for water and has the potential to reach a greater portion of the oil shale. Similarly, it eliminates the very difficult waste disposal problems associated with above-ground retorting.

The Senate Committee on Appropriations report states that "the committee directs the $2,700,000 from other oil shale projects be used to investigate innovative above ground hydrogen-retorting processes capable of processing but the Eastern and Western shale deposits."

Hydrogen retorting is only one of the known advanced technologies. No provision is made for development of the other technologies, including microwave.

I propose to increase the oil shale R. & D. appropriation by $5,000,000 to provide for two to four process demonstration units (PDU's). Under the proposed funding DOE would issue a competitive solicitation, review a variety of potential processes, and select the best of these for further development.

These advanced technologies would eventually augment or replace present above ground, in situ, and modified in situ retort technologies.

This amendment, too, I believe, has been found acceptable to the distinguished minority manager, the Senator from Alaska.

Mr. HUDDLESTON. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 1622

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 1622:

On page 40, line 3, delete "legislation," and insert in lieu thereof, "legislation: Provided further, That $99,475,000 for weatherization shall be transferred to the Community Services Administration upon the enactment of the Economic Opportunity Act Amendments of 1978 or similar legislation.

Mr. KENNEDY. Mr. President, this appropriation bill provides that all weatherization would be administered through the Department of Energy. Last year, the program was divided between the Community Services Administration and DOE.

Mr. President, in most of the areas of the country where the weatherization program has been most successful—I speak of my own State, and I believe I speak for a number of those in the Northeast and elsewhere—that program has been carried out by the Community Action agencies under Community Service Administration regulations. As a matter of fact, some 350,000 homes have been weatherized through CSA while DOE has only weatherized about 5,000.

Mr. President, I propose an amendment which would not affect the total amount of money in the weatherization program, from the increased $198,950,000 recommended by the committee. But it would retain the division between the Department of Energy and the Community Services Administration.

The Community Services Administration knows where low-income weatherization is most needed, it is already involved in Federal labor efforts to carry out the program and it has a well established relationship with the Community Action agencies who should run the program at the local level.

A further advantage of funding through CSA is that the CSA authorizing statute is not as restricted as the DOE authorizing statute. The CSA authorization allows the purchase of certain equipment, greater flexibility in hiring skilled personnel, a higher limit on expenditures per dwelling and in eligibility for the weatherization program. It seems to be thoroughly justifiable and wise to administer this program in that way.

In a short formal statement, Mr. President, I point out some of the ways in which flexibility exists under CSA which does not exist under DOE for the implementation of this program. I would, in the course of the debate, be glad to go into those in further detail.

The final point I make, Mr. President, is that the Department of Energy's own Consumer Affairs Advisory Committee, on April 28 and August 4 of this year, unanimously voted that the entire low-income weatherization program be permanently placed in CSA. This is the language of the Department of Energy's Consumer Affairs Advisory Committee:

DOE is not as capable as CSA in effectively administering the weatherization program for low-income people consistent with congressional mandate and the broad public interest.

The floor manager was unfamiliar with a letter that 28 Members of the Senate wrote to the Appropriations Committee in April, pointing out support for the weatherization program and for the Community Services Administration to be the administrator of that program. By some way or means, it was not referred to his subcommittee; so that subcommittee did not give consideration to these points. It, in effect, slipped through the cracks.

As the signatories of that, 28 Members of the Senate have felt that this program should be under the Community Services Administration. We are grateful for the increases in the money over last year's appropriation. It shows the sensitivity of the Committee on Appropriations to provide an increase in the weatherization program. But we are concerned about retaining the administration of that program in the agency which is primarily targeted to the neediest and poorest people in our country.

I had called earlier today, the Secretary of Energy. I mentioned that we were offering this amendment.

I was unable to get a definitive Department position. But I would hope that we could at least accept this amendment and then permit us an opportunity in another year to make a final definitive judgement about which would be the most appropriate agency.

That, basically, is the case. I have a more formal statement and I should be glad to get into a greater explanation of these remarks should it be necessary.

The central mission of CSA is to serve the needs of low-income persons. No other Federal agency has this as its charge.

CSA is the only agency with a delivery mechanism already in place that can provide weatherization services to the poor. The continuing success of this program under CSA is in my view partially the product of the years of operational experience by the Federal Poverty Agency and its nearly 900 CAA's working daily to eradicate the roots of poverty. CSA is service oriented: It knows where low-income weatherization is most needed and can undertake the required outreach. It is already tied in to Federal labor efforts necessary to carry out the program. It has a well-established relationship with community action agencies which would operate the program at the local level.

In addition, CSA can undertake other social services helpful to occupants while weatherizing the dwelling. CSA, through its delegate community action agencies, has structured energy programs for the poor in a manner which integrates other CSA social programs such as employment, housing and economic development, food, and transportation. This makes possible effective mobilization of a wide variety of resources and deals with energy related problems of low-income persons in a manner which would not be possible within DOE.

The report from the Appropriations Committee states that "in approving the full budget request for weatherization assistance to low income homeowners, the committee expects the Department to utilize regulations which, to the fullest extent possible, will be consistent with those for the weatherization program under section 222(a)(12) of the Economic Opportunity Act of 1964, as amended." This is an excellent proviso and should be followed to the fullest. But, because of statutory restrictions, DOE cannot work as effectively on weatherization as CSA.

The language of the Energy Production and Conservation Act under which DOE operates requires that financial assist-

ance provided under the program be used, to the maximum extent practicable, for the purchase of weatherization materials, and not for labor.

The statutory authority for CSA's weatherization program is extremely broad. The act does not restrict the use of funds for labor and CSA's regulations provide that any grantee who is unable to secure labor from any other source, such as CETA, may use CSA funds for this purpose.

There are other significant differences in the statutory language between the Economic Opportunity Act and the Energy Production and Conservation Act which will render it impossible for DOE to duplicate CSA's flexibility regulations:

EPCA contains a $50 limit on purchasing mechanical equipment. A celluose blower costs far in excess of this amount. The CSA authorization has no limit on such purchases.

EPCA has an expenditure limit of $250 per dwelling.

CSA's statutory authority contains no such limit. CSA's current limit is $350 per dwelling and waivers above this amount are permitted at the local level. CSA's limit per dwelling is about to be changed administratively to $800 per dwelling.

EPCA eligibility is limited to 100 percent of poverty guidelines while CSA's eligibility is 125 percent of poverty guidelines. DOE's limited income eligibility has the effect of potentially cutting out hundreds of thousands of low income and near poor households from the program.

Finally CSA has a proven track record in the administration of low income energy programs. As the House Ad Hoc Committee on Energy stated in a recent report: "CSA has had the most experience in administering a weatherization program for the poor," and has proven its effectiveness in operating the program. In fact, CSA has been responsible for weatherizing over 350,000 low-income homes throughout the country, producing not only savings of hundreds of thousands of gallons of heating oil but also adding measurably to the comfort of the poor and elderly while lowering their utility bills.

In comparison, DOE has weatherized less than 5,000 homes since its statutory authorization in 1975. This has led DOE's own 36-person Consumer Affairs Advisory Committee on both April 28, 1978, and August 4, 1978, to unanimously vote that the entire low-income weatherization program be permanently placed at CSA as the Advisory Committee has stated:

DOE is not as capable as CSA in effectively administering the weatherization program for low-income people consistent with congressional mandate and the board public interest.

Mr. MAGNUSON. Will the Senator yield?

Mr. KENNEDY. I am glad to yield.

Mr. MAGNUSON. I have no objection to this amendment. The Senator from Massachusetts, and the people in the Northeast, have been very fortunate. Apparently, this program has worked very well in certain areas of the country. However, in some places I think it has not. But I hope that if we accept this amendment it will be a signal to those community action agencies that have not done quite as good as job as they should do.

Put it this way, let us put them on probation. If they do not do the job, then we will have to go ahead and shift the program to another agency.

Mr. KENNEDY. We want the job done in the most effective and efficient manner.

Mr. MAGNUSON. I do, too.

Mr. KENNEDY. We would work closely with the committee in making that judgment.

What we would be doing now, at least, is retain funding through the agency which has done 350,000 homes and, I think, built up the expertise.

Mr. MAGNUSON. And they should do it. They are closer to the individual people that need it and they know what to do about it.

Mr. KENNEDY. I yield briefly to the Senator from New Hampshire.

Mr. DURKIN. I thank the Senator from Massachusetts.

Mr. President, I rise in support of the initiative of the Senator from Massachusetts.

Mr. President, as the Senate today considers the Interior Appropriations bill, I would like to take the opportunity to indicate my continued support for the energy conservation activities of the Community Services Administration, and opposition to permitting the Department of Energy to run this program exclusively.

As we are all aware, since 1974 the Community Services Administration has had authority for activities and programs including home winterization, energy conservation and education, insulation, emergency loans, grants, and revolving funds to install energy conservation technologies and to deal with the increased housing expenses stemming from the energy crisis. Since 1974 the CSA has funded projects in States and localities which have winterized over 300,000 homes of the poor and the elderly.

Although the CSA program has been successful, the administration's 1979 budget proposes a transfer of weatherization program funds from the CSA to the Department of Energy. Such a transfer would be ill advised for a number of reasons. First, it would transfer the weatherization programs from an agency whose focus is to reduce the impact of high energy costs on the poor through a variety of measures, including conservation, to an agency whose focus is on conserving energy through higher prices.

Second, the CSA weatherization programs are integrated with other CSA social programs, such as nutrition, health, employment, and transportation. This makes possible effective mobilization of a variety of resources and allows the agency to deal with the energy-related problems of low-income persons in a way which would not be possible within the Department of Energy.

And, finally, the weatherization programs should be left with the CSA because that agency has developed an excellent working relationship with the Community Action Agencies which would handle the program on the local level. If transferred to the Department of Energy, the established procedures and relationships which have proved so effective would have to begin anew.

Mr. President, soon a decision must be made whether the Community Services Administration or the Department of Energy should have primary responsibility for dealing with the energy programs of lower income individuals. The bill before us today contains sufficient authorization levels to allow funds to be appropriated to the CSA.

The DOE authorization bill which will be acted upon by the Senate later this year also contains authorizations and authority for the weatherization program. For the past 2 years the Appropriations Committee has had to deal with the question of which agency can more effectively serve the Nation's low-income population in this important area. Last year equal appropriations were adopted for the Federal Energy Administration and the CSA. However, this type of partial decentralization is not the answer. It makes more sense to centralize all programs for the poor within one agency. Therefore, I urge that the Appropriations Committee decide in favor of consolidation in the Community Services Administration, for that agency has proven its ability to successfully administer these important programs.

I would also like to state that the present program operating under CSA with the community action groups functions extremely well. I think the Department of Energy has not even been able to come up with a seating plan for their own people, this is the wrong time to turn the weatherization program over to the Department of Energy, at least until they get their own housekeeping in order.

Mr. KENNEDY. I yield a minute to the Senator from Maine.

Mr. HATHAWAY. Mr. President, I want to join the Senator in cosponsoring this amendment. I hope it will be accepted.

We have had 4 or 5 years of experience with this in the State of Maine, from the time it was a pilot project there under OEO.

I can vouch for it because CSA has administered it very well. I hope we continue with this administration.

Mr. KENNEDY. I yield 2 minutes to the Senator from Rhode Island.

Mr. CHAFEE. I would like to join in support of the amendment presented by the Senator from Massachusetts. I think it has worked well.

I understand it will be accepted, is that correct?

Mr. HUDDLESTON. I am not making any commitments.

Mr. CHAFEE. The question is whether to quit while ahead.

I reserve another minute.

Mr. HUDDLESTON. Mr. President, I do not think anyone can quarrel with the contention that has been made that probably the Community Services Administration has been more effective and can be more effective in implementing the weatherization program, and per-

haps the method suggested by this legislation.

The subcommittee did not have this question before it, as a matter of fact. What is represented in the bill here is what the House has provided and what the authorization legislation has provided and what was proposed in the President's budget.

Here, again, I think there is no question we are legislating on an appropriations bill. I do not think we need, today, to beg that point any further, however. I, personally, have no hesitation in accepting this amendment and seeing whether we cannot bring about an improvement in the operation of the weatherization program.

I believe I have the word from the other side of the aisle that they, too, would not be in opposition to it.

So, if there is no further discussion, I move the amendment be adopted.

Mr. KENNEDY. I yield back my time.

SEVERAL SENATORS. Vote!

Mr. STEVENS. Mr. President, I join in what the Senator from Kentucky says, but remind everybody that we have fought this battle thoroughly before.

I do not argue with what they are trying to do. But I want it understood, as far as I am concerned, we are going to conference on a matter we have lost on before in conference and I think the Senate should be aware of that.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER (Mr. LEAHY). The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (UP No. 1622) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1623

(Purpose: Earmarking certain funds for the university coal research laboratory program)

Mr. SCHMITT. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. SCHMITT), for himself, Mr. RANDOLPH, and Mr. CULVER, proposes an unprinted amendment numbered 1623.

Mr. SCHMITT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 38, line 11, immediately before the period insert the following:

": *Provided further*, That $1,200,000 shall be available solely for the purpose of implementing, including the promulgation of regulations necessary thereto, the university coal research laboratory program as authorized by title VIII of the Surface Mining Control and Reclamation Act (Public Law 95–87)".

Mr. SCHMITT. Mr. President, this amendment, cosponsored by Senators RANDOLPH and CULVER, has as its purpose the beginning implementation of title VIII of the Surface Mining Control and Reclamation Act of 1977.

The purpose of that section was to establish a network of well-equipped regional research centers with adequate support for training, resource evaluaiton, and basic research relative to coal.

The Department of Energy has been dragging its feet on this issue, to say the least. The program has been passed from one office to another through the last year.

No regulations for its implementation have been drafted and the Department of Energy officials indicate they will not proceed with the drafting of regulations until an appropriation is received for them.

However, no such appropriation has been requested.

It seems to this Senator that action in fiscal year 1979 is extremely important in the area of providing the underlying base of research and training and resource evaluation that is going to be required to meet the national goals of increased coal production and coal use.

The training of mining engineers, scientists, engineers, should be geared up now and begin expanding rapidly if we are to meet the need expressed by other acts of Congress and by the administration's national energy plan.

The amendment that is offered by the Senator from New Mexico would require that $1.2 million would be allocated—not added to, but allocated—that would permit universities to begin the process of gearing up to compete for and establish the coal laboratories. It would allow them to hire laboratory directors, to begin the preparation of proposals, the understanding of regulations once promulgated, and so forth.

In this way, the Nation, in aggregate, can begin the planning for full implementation of research and training in the area of coal utilization, and basic research particularly, by fiscal year 1980.

Based upon equipment and construction needs identified for the 10 laboratories, up to $30 million could be appropriated next year to fully implement the program, and that $30 million is authorized by title VIII of the Surface Mining Control and Reclamation Act.

Mr. President, I understand that the committee has provided in its report that the activities required by title VIII be initiated and accelerated by the Department of Energy. However, I am concerned that the language does not do anything to require that this happen.

I will read into the record the language of the report:

In the absence of a budget estimate, no funding is recommended for university coal research laboratories as authorized by title VIII of the Surface Mining Control and Reclamation Act, Public Law 95–87. The committee notes the department's failure to finalize selection criteria and expects this to be corrected within 90 days, so that the public will have an opportunity for comments and the department will be in a position to consider appropriate budget requests.

Mr. President, although this language may be a step in the right direction, it does not specifically provide funds for the program, which seems to have been the main stumbling block within the Department of Energy.

The timing of the funds, if the language of the report is implemented, would be as follows: Presumably, on September 30 the department would begin to write regulations; on December 30, regulations would be published; and on April 30, 1979, the universities would be designated allowing a 30-day comment period.

The first opportunity for a fiscal year 1979 supplemental would come next spring. This Senator does not believe in appropriation by supplementals. Nevertheless, that opportunity would present itself to Congress. Such a supplemental would enable the universities to be funded, provided that money is included in the bill.

It would make better sense to this Senator for the universities to know what was available for planning, as they draw up their applications, to go to their legislatures this year for matching money, which is a 50–50 split under the act.

I also point out that the committee appears to be withholding, in this language, the appropriations decisions until they see how the regulations emerge. Unless the regulations are going to be completely off base from congressional intent, it appears to this Senator that this option is unnecessary. One Department of Energy official has said that Senators will hold the funds for ransom. Although I cannot agree that this would happen, nevertheless it would be a concern.

Finally, a small amount of startup funds, as envisioned by the amendment of the Senator from New Mexico, seems to make good planning sense for the universities and for the urgency of the situation we face with respect to coal. They will have time to identify their main construction equipment and hiring needs prior to fiscal year 1980, when the full authorized amount could be considered—that is, the $30 million for the program could be considered.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. There is no time limit.

Mr. STEVENS. Mr. President, I will respond to my good friend. I am sure that he knows of my great interest in this area. My university is one of those that is in line for this type of laboratory.

We pointed out on page 62 of our report, as the Senator has mentioned, that there is no budget estimate for these coal research laboratories at universities; and I think that the failure to request the funding is premised on the fact that the criteria for selection of universities which can participate in the program have not been developed.

The committee has expressed its expectation, which I believe to be a directive to the DOE to finalize within 90 days the selection criteria. We did not want to fund this program without knowing how the program will function, which I

think the Senator from New Mexico can appreciate. The language speaks for itself.

However, we do have $5.8 million for the mineral institutes program, which was authorized by the Surface Mining Control and Reclamation Act. That program is underway, and it is functioning.

It is my hope that the Senator will not press his amendment at this time, so that the committee will have an opportunity to conduct hearings on the criteria as to how the coal laboratories will be selected and how the program will operate.

The Senator is seeking $1.2 million, which is only a small part of a total investment that would be involved in this program, but we believe that the Surface Mining Control and Reclamation Act envisioned a prompt promulgation of the selection criteria. Once that has been done, we can assure the Senator, as we have done in the report, that we then will be in a position to consider a budget request; and we believe it is incumbent upon the administration to request funds to fund that bill, which is a new program that has been signed into law by the President.

Mr. SCHMITT. Mr. President, I appreciate the remarks of the Senator from Alaska.

Unfortunately, the administration does not seem to have any intention whatsoever of pursuing the already existing direction of Congress under the Surface Mining Act. Although the words of the report that have been discussed do express the committee's concern, that still provides no direct incentive for the Department of Energy—specifically, the administration—to change its ways.

Mr. STEVENS. I point out to the Senator that his amendment and our committee language accomplish the same thing. We are telling them to prepare the criteria. The money that is sought by the Senator would be used in carrying out that function. There is money for that item. The Senator is not trying to increase the amount of money, as I understand it. He is trying to earmark. As a consequence, we think that the activity will be carried out under the process we have started.

As a matter of fact, I am almost certain that our language will be concurred in by the conference committee, because it is not an earmarking of funds. Once we start earmarking funds in a budget of that kind, we invite all kinds of earmarking, perhaps designating universities and making selections, and it is something we are not going to do.

I should say again that we have recognized the Senator's request in the language that is in the report on page 62. We are in agreement with him. They should go ahead and spend the money. It may take more than the Senator has indicated. But they have the money in the bill. They have enough money available to spend what is necessary to get this program going. Once it is going, I think we will have a budget request to fund the actual operations of the laboratory.

Mr. SCHMITT. Can the Senator tell me what he can expect the committees to do and what commitment he might be able to give for those committees to do in order to continue the pressure on the Department of Energy to begin the promulgation process with respect to regulations? That seems to be the hangup. There seems to be no great interest in the Department of Energy to do anything.

Mr. STEVENS. I will make a commitment. During the next item that is included in a supplemental appropriations bill that will bring the Department of Energy people before us, I will inquire from them what has been done. If they have not made the progress we think should have been made, we will seek the assistance of the authorization committee and our subcommittee in mandating the adoption of these selection criteria. Without it, the program is not capable of definition in terms of costs.

Mr. SCHMITT. I certainly will agree that it is not capable of definition with respect to quota. But some initial definition should be possible.

Mr. STEVENS. Again I say I think the University of Alaska is the No. 1 applicant in line under this program. The Senator has my absolute assurance of my attention to this item as any occasion arises to tell them to get on with the job.

Mr. SCHMITT. Knowing the great length of attention span on issues of this kind of the Senator from Alaska that is very strong assurance, and I mean that very sincerely. It is very strong assurance.

I wish to just make sure, though, that the record is clear that the coal laboratory program is considerably different than what is envisioned by the other funding contained in this bill for training programs. What we are talking about are really the basic research and the basic educational programs by which you start to rebuild this now-dismantled coal industry that this country is going to need so greatly as the next few decades go by.

Mr. STEVENS. I cannot agree with the Senator more.

I originally went to Alaska because of a coal company that I was doing legal work for, and I went there to continue the work for them. I am quite familiar with the coal industry as it has declined in Alaska. We once had substantial production. We now only have one operating coal mine. Yet I am led to believe we have more coal in Alaska than all of the remainder of the Nation put together. So we are quite interested in this.

I think it is entirely consistent with the energy program that has already been passed by Congress and the coal conversion concept that has been passed by Congress, and we need to get it on the way. But we must have the DOE selection criteria. That is the starting point for this program.

Again I say what the Senator told us he seeks is what we tried to accomplish with the language that is on page 62, and I think we have accomplished his objective by telling them we expect those criteria and we expect this deficiency to be corrected within 90 days.

Mr. SCHMITT. Mr. President, with the colloquy that has gone on between the Senator from New Mexico and the Senator from Alaska that expands on the intent of the report language on page 62, I will withdraw the amendment and take the assurances of the Senator from Alaska, and I hope he speaks also for the Senator from Kentucky, the distinguished manager of the bill, in this matter. I will assume that for the present and therefore withdraw the amendment.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, Jr.). The amendment is withdrawn.

Mr. STEVENS. I am indebted to the Senator from New Mexico and I assure him we will follow up on the program.

Mr. SCHMITT. Mr. President, I ask unanimous consent that a portion of a letter from Charles C. Nathan, who is director of the New Mexico Energy Institute, located at New Mexico Tech, Campus Station/Socorro, N. Mex., addressed to Hon. MANUEL LUJAN, be printed in the RECORD:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW MEXICO ENERGY INSTITUTE,
Campus Station/Socorro, N. Mex.,
June 16, 1978.

Hon. MANUEL LUJAN,
House Offices Building,
U.S. House of Representatives,
Washington, D.C.

The Administration's Energy Plan, both in original and revised form, calls for a large increase in the use of coal—approximately a doubling by 1985. Many people, including high officials in the coal industry, do not believe that this is possible because of technical and other factors.

The coal industry was archaic and stagnant from World War II until about 1975 with total production as well as productivity falling steadily. The lack of basic scientific research and technological developments based on such basic research into properties of coal, methods of mining, cleaning and utilization, etc., contributed to the decline of "Old King Coal". The attitude of the coal industry has been reflected in the decline of the number of mining schools, the quality of facilities, and number of student enrollments. Now the industry is trying to play "catch-up" and up-grade its operations while the schools such as New Mexico Tech are trying to increase the number of students, build up depleted faculties and modernize courses and instructional methods, generally with antiquated buildings and equipment. Other schools dropped mining engineering and related disciplines in the '50s and '60s.

In my opinion the strongest point in favor of the University Coal Laboratories is the educational aspect. Title VIII funds would provide for much needed new buildings and equipment and when supplemented by the Title III funds for operation and research programs and Title IX for scholarships, would provide the desired impetus to make the mining industry once again a dynamic one to attract the talent it needs.

The University Coal Laboratories would not compete with the present programs or facilities of the Department of Energy. To the contrary, they would complement them. Fundamental studies in coal (as well as other minerals) are not an important part of the programs at present. Of the approximately $800 million dollars planned for the DOE's 1979 fossil fuel program, about $700 million is assigned to coal. Much of this, particularly in the fields of gasification, liquefaction, etc., is for the high capital and operating costs of demonstration plants, and for the development of pilot plants and other advanced

technology at the regional Energy Research Laboratories, such as Bartlesville, Laramie, etc.

The sum of eight million dollars assigned to the University programs supported by DOE is but one per cent of the total DOE fossil fuel budget and needs to be increased to values approaching those by even low-technology American industries who assign 2–3% of their total sales dollars to research. High-technology industries which hope to make significant break-throughs go as high as 5%. This is what the Federal Government through its research programs should be doing if we are really serious about solving our energy problems.

The UCL as specified in Title VIII would not be restricted to the coal industry but to other areas of the mining and energy industries as well. Many of these are also in poor shape, such as the copper industry in New Mexico, and need new developments and knowledge to re-establish their leadership positions.

The presently existing Federal laboratories do not generally address regional problems which are of great importance to resources such as coal, the properties of which vary so much from one region to another. Furthermore, they do not provide for the training of needed scientists and engineers which would be a primary function of the UCL since research would be carried out by graduate students in training.

Best personal regards.

Sincerely yours,

CHARLES C. NATHAN,
Director.

Mr. SCHMITT. This letter describes very well the unique nature of the coal laboratory program that is envisioned by a potential candidate for that program, and I think Mr. Nathan's comments will be of use to the committee and to my colleagues.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. STEVENS. Mr. President, in the absence of the other manager of the bill, I might state we are awaiting a decision on the Johnston amendment. That is the only item that I know of any controversy that remains to be handled on this bill. As soon as we can possibly get an answer from Senator JOHNSTON we can answer the question as to how long this bill will be before the Senate.

UP AMENDMENT NO. 1624

(Purpose: To designate funds for low-income weatherization-related research, development, demonstration, testing and evaluation at the National Center for Appropriate Technology)

Mr. MELCHER. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself, Mr. PAUL G. HATFIELD, and Mr. DOMENICI, proposes an unprinted amendment numbered 1624.

Mr. MELCHER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 40, line 3, Strike out the period, insert a colon, and add *"Provided further,* in accordance with PL 94–385, the Energy Conservation and Production Act, Title IV, Part A, Section 416, not less than three (3) percent of the sums appropriated under that Part will be for the National Center for Appropriate Technology."

Mr. MELCHER. Mr. President, I am offering this amendment on behalf of myself and Senator PAUL G. HATFIELD and Senator DOMENICI, and it deals with the energy conservation section of title II of H.R. 12932 to designate that 3 percent of the funds appropriated for resident and commercial weatherization in this fiscal year 1979 should go to the National Center for Appropriate Technology.

It does not add any money to the bill but earmarks funds for the National Center of Appropriate Technology that focuses on weatherization especially for the elderly and low-income families. The Energy Conservation and Production Act of 1976 recognized that those groups hardest hit by the energy crisis and the high price of home heating are low-income families and elderly persons. It strived to lessen some of the impact of the energy crisis on these Americans by providing for weatherization assistance through community-based organizations.

The National Center for Appropriate Technology is the only national organization involved in the weatherization program at this time. Over the last year, NCAT has committed the vast majority of its resources to low-income weatherization-related research, development, demonstration, testing, and evaluation. Its activities include research, development, and evaluation of weatherization materials, including training, manufacturing, construction, installation, and maintenance.

The Center's activities emcompass the present weatherization techniques along with some of the major energy alternatives being considered for housing of low-income and elderly persons. A strong information and technology transfer component is included to enable all communities to benefit from this weatherization experience, by far the best coordination for dissemination of information to the elderly and low-income people throughout the country.

The Center has received grant applications from all 50 States; the Center provides major funding to 10 regional appropriate technology newsletters; the Center maintains a mailing list of over 6,000 individuals, groups, and organizations for its publications; the Center corresponds with over 200 newsletters and journals in appropriate technology and surveys all organizations in the United States working in low-income weatherization—primarily community action agencies and community development corporations. In these actions the Center serves as a clearinghouse in a cooperative effort throughout the States.

The national stature and support of NCAT can further be seen from the fact that twice before the Appropriations Committee report language has earmarked Labor-HEW funds for the National Center for Appropriate Technology—September 1975 and June 1976. These funds have been used throughout the country.

I ask unanimous consent to print in the RECORD a copy of the letter, signed by 14 Senators, to the Interior Subcommittee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
June 14, 1978.

Hon. ROBERT BYRD,
U.S. Senate, Room 133, Russell Senate Building, Washington, D.C.

DEAR SENATOR BYRD: The Federal Weatherization Program implemented by community-based organizations has lessened the impact that the rising cost of energy has had on low-income persons. To enhance the effectiveness of the weatherization assistance we propose that the following language be included in the appropriations report:

"In accordance with PL 94–385, the Energy Conservation and Production Act, Title IV, Part A, Section 416, not less than three (3) percent of the sums appropriated under that Part will be for the National Center for Appropriate Technology."

The National Center for Appropriate Technology (NCAT) has used the vast majority of its resources for the last year in low-income weatherization-related research, development, demonstration, testing and evaluation. With additional resources NCAT would continue to provide these activities with its emphasis on small scale or appropriate technology.

Research, development and evaluation of weatherization materials includes training, manufacturing, construction, installation and maintenance. Activities encompass the present weatherization techniques along with some of the major energy alternatives being considered for housing of low-income persons. A strong information and technology transfer component is included to enable all communities to benefit from this weatherization experience.

We can improve the entire weatherization program using the existing authorization, and without increasing the budget, by the direction of a very small percentage of resoures. We recomend you accept our proposal for the report language.

Sincerely,

JOHN MELCHER,
DENNIS DECONCINI,
MIKE GRAVEL,
EDWARD KENNEDY,
JOHN CHAFEE,
ALAN CRANSTON,
JACOB K. JAVITS,
PATRICK LEAHY,
SPARK MATSUNAGA,
BOB PACKWOOD,
JOHN A. DURKIN,
CHARLES H. PERCY,
PETE V. DOMENICI,
GEORGE MCGOVERN.

Mr. MELCHER. Mr. President, if my amendment is approved, we can improve the entire weatherization program using the existing authorization, and without increasing the budget. I urge the Senate to accept my amendment.

Mr. ROBERT C. BYRD. Mr. President, the senior Senator from Montana brought this matter to the attention of the subcommittee and we considered this amendment to earmark funds for the National Center for Appropriate Technology in his State.

But the subcommittee and the committee did not want to establish a precedent of earmarking funds for any one private organization.

I do agree with the Senator that more funding should be spent by the Department of Energy for improving the weatherization program through the en-

hanced procedures method. The Department of Energy currently has authorization to expend up to 10 percent of weatherization funding for developing improved methods and technolgies for the program. I think that funds under that authorization should be expended for that purpose. So it is my intention to be in contact with the Secretary on this matter later this week or next week regarding the implementation of this authorization.

I hope, with this assurance, that the distinguished Senator will not feel it necessary to press this amendment, and I hope that my distinguished colleague, who works with me on this particular bill, Mr. STEVENS, will join me in expressing the hope that the amendment will not be pressed, and also the intention to pursue the matter with the Secretary.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MELCHER. Did I understand that the funds are available at present at the discretion of the Secretary who could make the decision to use some of that now for that purpose and, perhaps, could implement some funding prior to the cold weather, and prior to the time when the effect of this legislation could come about?

Mr. ROBERT C. BYRD. He has the authority to expend the moneys up to that authorization figure, I believe, for research but not the authority to earmark funds for any particular private organization, except through the normal procurement process.

Mr. MELCHER. He could discuss this matter with the National Center for Appropriate Technology and assign the use of some of those funds?

Mr. ROBERT C. BYRD. He could do that through the normal procurement process.

Mr. MELCHER. Well, the National Center for Appropriate Technology is not reluctant to lay its reputation on the line and to discuss this with the Secretary. I feel that a letter from the majority leader, with the cooperation of the minority manager of the bill, Senator STEVENS, would prod or encourage successfully the Secretary to use some of these funds for weatherization, for these purposes, and it would be more timely if it were done prior to cold weather starting this fall.

Mr. ROBERT C. BYRD. What I will do will be this: I will write to the Secretary and urge the Secretary to utilize his authority to spend not to exceed 10 percent of the sums appropriated for such year under this part for the purpose of this type of research.

Mr. MELCHER. I am sure the 10 percent is much larger than what we were speaking about. Ten percent will be about $20 million, is that correct?

Mr. ROBERT C. BYRD. That is correct.

Mr. MELCHER. If through the usual procurement process the National Center for Appropriate Technology, proved, demonstrated, they had capability to use it in a prudent manner, I am sure the Secretary will be interested. I think the key point is what the majority leader has suggested, writing to the Secretary to encourage him to use these funds for this very worthwhile purpose.

Mr. ROBERT C. BYRD. Yes. The Senator understands I cannot ask the Secretary to earmark funds for a particular organization.

Mr. MELCHER. I understand perfectly what the distinguished majority leader is stating. It is not for a particular organization and it is not particularly for the National Center for Appropriate Technology, but it is for weatherization for which the National Center can make its application.

Mr. ROBERT C. BYRD. Yes, that is correct.

Mr. MELCHER. Based on their past track record, I am sure the Secretary would want to consider their application, I would venture, and they, in my judgment, would be successful for part of the money.

Mr. STEVENS. Mr. President, if the Senator will yield, on that basis I would be happy to join the majority leader and the chairman of the subcommittee in seeking the use of a portion of the weatherization funding for this type of research.

Mr. MELCHER. Yes. I thank both the majority leader and the Senator from Alaska, the minority manager of the bill, because I really think this is a more timely and effective way than an amendment to the 1979 appropriations.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum—I withdraw that request.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Montana for his consideration and courtesy in withdrawing his amendment based on the colloquy, and I advise him that a letter signed by myself and the distinguished Senator from Alaska (Mr. STEVENS) will go forward after it has been shown to the distinguished Senator from Montana.

Now, Mr. President, are there any other amendments, excepting the possible amendment by Mr. JOHNSTON?

Mr. President, I believe the only amendment that may yet be offered is that one which will be offered by Mr. JOHNSTON. That being the case, I understand it will be about 20 minutes before he knows whether he will offer it, and if he does not offer it, the Senate can advance to third reading. But it would be my intention to recess for 20 minutes if Senators have no amendments.

The yeas and nays have been ordered on passage.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EAST COAST ENTITLEMENTS

Mr. JOHNSTON. Mr. President, we are trying to work out this problem of the east coast entitlements amendment. For the benefit of the Senate, where we are is in this position: I have pending and ready to go an amendment which prevents the implementation of the rulemaking by DOE which would put in place a 100-percent entitlement for petroleum allocation District 1 plus the State of Michigan. My amendment would prevent that rulemaking from going into effect.

We are advised by the Parliamentarian that that is not legislation on an appropriation bill, and therefore would not be objectionable.

Throughout the day we have been trying to come up with compromise that would be suitable to all parties. The shape of the compromise is basically this: In lieu of a 100-percent entitlement there now exists a 30-percent entitlement, and in lieu of a 100-percent entitlement we would offer a 50-percent entitlement, or, in other words, a 20-percent increase.

Second, there would be a permanent pulling down of reverse entitlement. Third, the entitlement would be effective between now and July 1 of next year; and fourth, we are trying to work out an agreement with respect to the continuation of the fee-free licenses for importers on the east coast. That, basically, was the shape of the conceptual agreement between the east coast and myself.

We have been dealing with the Department of Energy all day as to how this could be implemented. DOE Secretary Schlesinger seemed to have great sympathy with this manner of proceeding, but there are technical problems with respect to rulemaking, those technical problems being that if a new rulemaking were proposed that embodied this agreement, it would surely be stricken down by the courts, in the opinion of their counsel, as being an agreement agreed on in advance and not in conformity with the APA, which requires public comment and the final rulemaking only after that public comment.

So the solution we are conditionally coming up with in order to avoid that problem is to accomplish it by statute: to mandate the 50 percent entitlement, to mandate the elimination of the reverse entitlement, along with the July 1 expiration date, and to leave to Presidential action the elimination of the fee-free license.

What I would like at this point is to get a unanimous-consent agreement that it be in order to offer that kind of statutory language as an amendment to this bill, notwithstanding the fact that that amendment would be legislation on an appropriation bill, keeping in mind that the present amendment would not be legislation on an appropriation bill but that kind of amendment would be, the only difference in this unanimous-consent request being to effectuate the same agreement we have been talking about all day.

If I may ask the majority leader, should I make that unanimous-consent request?

Mr. ROBERT C. BYRD. Does the Senator intend to put a time limitation on it?

Mr. JOHNSTON. No time limitation.

Mr. ROBERT C. BYRD. Well, then he is holding my bill hostage. This is my bill; it came out of my appropriations subcommittee.

The Senator from Louisiana is going to have a bill up later in the week. He is going to have to have unanimous consent to add something to it. That requires unanimous consent; why not wait until his bill comes up?

Mr. JOHNSTON. We are talking about something that can be drafted momentarily.

Mr. ROBERT C. BYRD. Yes, but how much time is going to be spent debating it? That is what I am talking about. If you will agree to a time agreement, so we are not holding this bill hostage——

Mr. JOHNSTON. A time agreement would certainly be all right.

Mr. ROBERT C. BYRD. I have no objection to the request the Senator is making. I have no objection to his attempting to add the amendment on this bill. I would just like a time agreement on it, because I do not like to hold the bill hostage overnight, or until tomorrow, for his amendment.

Mr. DURKIN. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. DURKIN. I would have to object until I can talk with Senator BROOKE.

Mr. JOHNSTON. It being understood that such an amendment would be offered only if it is jointly agreed to between myself, Senator DURKIN, Senator MUSKIE, Senator KENNEDY, and whoever else is interested.

Mr. ROBERT C. BYRD. What about Senator BROOKE?

Mr. JOHNSTON. And Senator BROOKE.

Mr. HANSEN. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. There is no request pending.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum.

Mr. METZENBAUM. Mr. President——

Mr. JOHNSTON. Did the Senator from Ohio wish the floor?

Mr. METZENBAUM. Yes.

Mr. JOHNSTON. I withdraw my request.

Mr. METZENBAUM. Mr. President, reserving my right to object, I really do not know what the Senator from Louisiana is proposing.

Mr. ROBERT C. BYRD. There is no unanimous-consent request pending to which an objection could be made.

The PRESIDING OFFICER (Mr. HASKELL). The Chair would announce that no unanimous-consent request has been made.

Mr. METZENBAUM. I understand there is no unanimous-consent request pending, but I would like to point out that those of us who come from the Midwest have some concern about the entitlements program, and I am not prepared to say—originally I was prepared to support the Johnston position. I really, at this moment, do not know exactly what happens under this so-called compromise that has been worked out with the New England States and their representatives, and all I would like to say is that before I could agree to anything on a unanimous basis, I would like to know what impact it has on my own State and States similarly situated. That is all my concern is. I am not objecting, but I really do not know the impact.

Mr. JOHNSTON. If the Senator will yield, under the proposed rulemaking the State of Ohio would be impacted——

Mr. METZENBAUM. Eighteen million.

Mr. JOHNSTON. To the extent of 8,156,000.

Mr. METZENBAUM. Eighteen, or eight?

Mr. JOHNSTON. Eighteen.

Mr. METZENBAUM. Eighteen.

Mr. JOHNSTON. Eighteen million. Now, under this compromise, instead of there being a 100-percent entitlement, there would be a 50-percent entitlement. There presently exists a 30-percent entitlement, so you can basically take two-sevenths of 18 million, and you can say it will cost you two-sevenths of 18 million, or it will save you five-sevenths of 18 million, depending on which way you look at it.

Mr. METZENBAUM. Is the Senator from Louisiana saying there is nothing further in the proposal he is making, other than that which he has just stated? I guess he has indicated that it expires as of July 1.

Mr. JOHNSTON. July 1 of next year.

Mr. METZENBAUM. And is there anything beyond that contemplated in your proposal?

Mr. JOHNSTON. There is elimination of the reverse entitlement.

Mr. METZENBAUM. Which has presently been—

Mr. JOHNSTON. Which would not impact the State of Ohio.

Mr. METZENBAUM. Which would what?

Mr. JOHNSTON. Which would not impact the State of Ohio. That is in the pending rulemaking as well, the elimination of the reverse entitlement.

Mr. METZENBAUM. I thank the Senator from Louisiana.

Mr. BROOKE. Mr. President, will the Senator from Louisiana yield for a question?

Mr. JOHNSTON. Yes, I yield.

Mr. BROOKE. I am sorry I was not on the floor at the time that the Senator from Louisiana—was it a unanimous-consent agreement that the Senator from Louisiana requested?

Mr. JOHNSTON. I was exploring the possibility of a unanimous-consent agreement that the statutory language embodying the agreement that we have just been discussing—that we be allowed to put that on this bill, notwithstanding the fact that that would be legislation on an appropriation bill. My amendment, which is ready to be offered, would not be legislation on an appropriation bill, but this new approach embodying the compromise would be.

So the unanimous consent, if we requested it, would simply be to allow it to be in order, notwithstanding that it is legislation on an appropriation bill, and the majority leader suggested that we would need a time agreement on that, otherwise he could not agree to allow it to be put on this bill.

I further stated that the unanimous-consent agreement would be that that amendment would be offered only if suitable with both Senators from Massachusetts, and the Senator from New Hampshire (Mr. DURKIN).

Mr. BROOKE. And the Senators from Maine (Mr. HATHAWAY and Mr. MUSKIE), and the Senators from Florida (Mr. STONE and Mr. CHILES), and a few others?

Mr. JOHNSTON. That is right. All the unanimous-consent agreement would do would be to allow facilitating the amendment which we had been discussing.

Mr. BROOKE. This is not a unanimous-consent agreement with a time limitation affecting the amendment which the Senator has previously offered to this bill; is that correct?

Mr. JOHNSTON. That is correct.

Mr. BROOKE. This is the new statutory language and it is only a unanimous-consent agreement so far as that statutory language is concerned?

Mr. JOHNSTON. That is correct.

Mr. BROOKE. Is there a time limitation?

Mr. JOHNSTON. The Senator from West Virginia would request a time limitation on that.

Mr. BROOKE. There would be no substitutes in order, is that correct?

Mr. JOHNSTON. That is correct.

Mr. BROOKE. And if I might ask the majority leader, what would the time limitation be on the statutory language?

Mr. ROBERT C. BYRD. Whatever reasonable time limitation should be encompassed. If there is something which has been worked out with agreement on both sides, it should not take too much time. But the Senator from Louisiana has a bill coming up the day after tomorrow, or Friday. It would automatically qualify under the 3-day rule. He chairs that subcommittee. I did not want this bill held up because of an amendment which could go on his bill. It would require unanimous consent on his bill just as well as on this bill. I thought Senators should proceed with this bill.

If the Senators will agree to a time limitation, and if the matter has been worked out in advance, it should not take long. I would be agreeable to have it on this bill under that circumstance.

Mr. BROOKE. As I understand it, to respond to the distinguished majority leader, we have worked out an agreement, but we are just trying to work out the statutory language itself.

Mr. JOHNSTON. That is correct.

Mr. BROOKE. There would be no necessity for any lengthy debate on the statutory language. We could agree on a time limitation on the statutory language and have it on this bill and not have to have it go over for the bill that the Senator from Louisiana will be managing.

Mr. ROBERT C. BYRD. It is fine with me.

Mr. HANSEN. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HANSEN. Is there a unanimous-consent request pending?

The PRESIDING OFFICER. There is no unanimous-consent request pending.

Mr. HANSEN. I thank the Chair.

Mr. JOHNSTON. Did the Senator want to discuss it?

Mr. HANSEN. I want to discuss it if the Senator wants to offer it.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORRECTION OF ENROLLMENT OF H.R. 10732

Mr. STEVENS. Mr. President, I ask unanimous consent that I may submit to the desk a concurrent resolution to correct an error in a bill that was engrossed by the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

SENATE CONCURRENT RESOLUTION 101

Resolved, That in the enrollment of the bill (H.R. 10732) the Fishery Conservation and Management Act, the Clerk of the House of Representatives shall make the following correction:

Redesignate "section 201(h)(1) as redesignated by paragraph (2)" as "paragraph (3)".

The PRESIDING OFFICER. Without objection, the resolution is agreed to.

Mr. STEVENS. Let me say for the record that there was an error in the joint venture bill, which may have been my error, and I apologize for that. This was cleared with Senators MAGNUSON and PEARSON and has been cleared with the House, and I expect it to be adopted.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond 5 minutes with Senators permitted to speak up to 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

ELIMINATING GENOCIDE: EDUCATION IS ONLY HALF THE BATTLE

Mr. PROXMIRE. Mr. President, the problem of man's mass murder of his fellow man is far from over. Reports of genocide continue to stream in from all parts of the globe—from Paraguay, from Cambodia, from Uganda.

That such barbaric acts are still commonplace indicates that many people have not, if you will, learned from the past. Many have not attempted to prevent a repetition of tragedy.

On the contrary, many individuals have ignored, or perhaps forgotten the ugly record of savagery that has preceded them. These individuals are not those leaders who, in demented fashion, regard genocide as merely another political tool. There is little hope of changing perverted beliefs simply through education.

Rather, I refer to those who carry out the will of the leaders, either by participation or acquiescence in genocidal acts. It is the conscience of these "average citizens" that can, and should be strengthened through education about genocide. Every one of those citizens must be made aware of his or her responsibility for human rights everywhere. And there is no better place in which to begin this education than in the schools.

Mr. President, I am proud to report that many efforts are underway throughout the country to stimulate the study of genocide in history. Among the most ambitious proposals are those envisioned by Mrs. Kitty Dukakis, wife of the distinguished Governor of Massachusetts, and the Massachusetts Department of Education.

Already in May of this year, over 160 State educators and school committee members convened at Holy Cross College in Worcester, Mass., to discuss ways to help interested teachers bring the subject of genocide into their curricula.

This fall, Mrs. Dukakis and others hope to establish a center in Massachusetts for the study of genocide. The center's primary purpose would be to help schools in New England and elsewhere in the United States develop genocide studies programs more quickly by learning from the highly praised performance of schools already teaching the subject.

Mr. President, these educational programs constitute a crucial means of teaching the present and future generations about the responsibility each person has to speak out against genocide, wherever it may occur.

But it is not enough to understand genocide. It is not even enough to have an educated, aroused public capable of exerting pressure on its elected representatives.

There must be a way to allow people to act on their convictions. There must be a way to deal with those human rights offenders who yield neither to reason nor compassion.

Mr. President, the Genocide Convention gives the public the tool it needs to support its words with action. By defining and punishing genocide as a crime under international law, the convention allows signatories to band together against an individual or institution that violates fundamental human rights. The basis for concerted international action, such as economic sanctions, can be laid.

Still, the application of international action—indeed, the application of international law in general—is useless if great powers such as the United States refuse to lend their power and prestige to such action.

Yet this is exactly what we have done. For 30 years, this treaty has waited for ratification by the Senate, with the result that we have lost many opportunities to bring our moral and material power to bear on violators of human rights.

That our moral prestige and the consistency of our foreign policy has suffered during this time requires no elaboration. Over the years, many nations have embarrassed us diplomatically by pointing out our failure to ratify this important human rights document.

We cannot afford to delay any longer. Can we honestly spend so much time and energy educating our citizens about the need to prevent future holocausts, when we neglect to ratify one of the few instruments available to us to stop such atrocities? Let us end this glaring contradiction. Let us give some purpose to our study of genocide. Let us ratify the Genocide Convention as soon as possible.

AMBASSADOR ANDREW YOUNG

Mr. HANSEN. Mr. President, on August 3 on the Op-Ed page of the New York Times, an editorial by Mr. John B. Oakes discusses with thoughtful candor the present liabilities to U.S. foreign policy in the administration's continuing Ambassador Andrew Young as the U.S. Ambassador to the United Nations.

I find Mr. Oakes' comments interesting and timely.

Mr. President, I ask unanimous consent that the August 3 editorial entitled "Enough of Mr. Young" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ENOUGH OF MR. YOUNG

(By John B. Oakes)

Once again the United States Ambassador to the United Nations, Andrew Young, has played to the audience with an offhand, eye-catching statement embarrassing to his nominal boss, the President of the United States, and injurious to the conduct of a rational American foreign policy.

Once again there have had to be explanations, retractions, apologies or excuses to cover the self-indulgent comments of this disarming *enfant terrible* of the Carter Administration.

Once again Mr. Young has made the President and the country look ridiculous in the eyes of the world, confused our friends and handed a delicious piece of propaganda to our opponents.

His statement to a French newspaper the other day that "hundreds, perhaps even thousands, of . . . political prisoners" languish in American jails was made just at the moment when Mr. Carter was trying to place maximum heat on Moscow, in the name

of human rights, during the dissidents' trials. It is a measure of Mr. Young's temperamental unfitness for the job he still holds that, when he gave that interview, he was obviously thinking not of its effect on the Russians or the Americans, or on the dissidents or human rights, but rather only of himself and of his own experience in the civil rights struggles of the past.

Such an egocentric frame of reference might be permissible if he were running for political office again; it is unacceptable when he speaks as a Cabinet-level representative of the United States Government.

When in the same interview he was asked about the recent massacres of men, women and children in several missionary outposts in Rhodesia, Ambassador Young—who is the principal American voice in the efforts to negotiate between the transitional Rhodesian Government of Ian D. Smith and the guerrillas—observed that "a planned operation of attacks against missions . . . can only have come from the Smith camp."

Is it the considered American position that it is the Smith regime and not the guerrilla Patriotic Front that is responsible for these bestial murders; or was this merely another of the American Ambassador's frequent offhand remarks made in his official capacity but reflecting not facts or evidence but emotional commitment, of a piece with his freely thrown charges of racism against persons or peoples whom he dislikes or with whom he is in disagreement?

While it surely pleases the African supporters of the guerrillas, not to mention their Soviet backers, the extreme partisanship of Mr. Young could only erode whatever influence the United States has left as "honest broker" with the transition biracial Government in pursuing negotiations with the Patriotic Front.

At the same time, as Mr. Carter has repeatedly emphasized, Ambassador Young has unquestionably played a major part not only in reaching the recent agreement on Namibia but also in establishing better rapport with the third world in general and several of the black African states in particular. He has accomplished this feat at least in part by unilaterally adopting their policy line on such issues as use of Cuban troops in Angola and Ethiopia—already under attack even by numerous third-world countries, and clearly divergent from the stated policies of the United States Government, for which Mr. Young purportedly speaks. How deep and lasting will be the popularity thus gained for the United States in black Africa by such tactics is uncertain; what is certain is that it has been achieved at considerable and unnecessary cost to the image of the United States, further confusing an already confused foreign policy. Mr. Young's loose statements as United States Ambassador are a luxury that American policy, shaky as it is, cannot afford.

And yet, receiving at most a tap on the wrist for repeated verbal offenses that would have resulted in instant dismissal for anyone else, Mr. Young continues to be treated by President Carter as the Indispensable Man for the third world—as though no other American could be found who would pursue American policy in support of black freedom, equality and independence in Africa without at the same time finding it occasionally necessary to derogate our own institutions, give propaganda ammunition to our enemies and enrage our friends.

A recent New York Times/CBS Poll showed that the percentage of Americans who approve of "the way Jimmy Carter is handling his job as President" has dropped by 26 percentage points in little more than a year, to an unprecedented low (in June) of 38 percent. Perhaps Mr. Carter should consider whether one factor in this deplorable showing is his tendency to allow personal and political friendship, even in the most sensitive appointive posts, to take priority over the broader national interest.

MEETING OF PRESIDENT CARTER, PRIME MINISTER BEGIN, AND PRESIDENT SADAT ON SEPTEMBER 5

Mr. RIBICOFF. Mr. President, all of us should praise and commend President Carter, Prime Minister Begin, and President Sadat for agreeing to meet together at Camp David on September 5. This is one of the most important meetings in the history of the Middle East conflict. In the quiet and calm of Camp David these leaders will be able to sit together, to reason together, to understand one another, and to start the long and difficult negotiating process. It will not be easy. The will and determination must be there. The meeting this September offers a chance to retrieve peace and to end 30 years of war and conflict in this troubled region. The hopes and prayers of peace-loving people everywhere go with President Carter, Prime Minister Begin, and President Sadat.

ALCOHOLISM COMMISSION

Mr. HATCH. Mr President, when the Senate considered S. 2410, the Health Planning Amendments of 1978, I was privileged to cosponsor and support Senator WILLIAMS amendment to create the "National Commission on Alcoholism and other Alcohol Related Problems." As a member of the Alcoholism Subcommittee of the Human Resources Committee, I can attest to the need for this particular Commission which, hopefully, will provide our Nation with a focus on how to alleviate the serious problem of alcoholism and its related effects especially among our youth.

I believe it is imperative, however, that such a Commission be totally broad based in its composition if it is to achieve its congressional mandate. All views must be weighed and considered in the Commission's work and the cooperation of all interested groups enlisted.

It is in this spirit that I received a letter from Mr. Sam D. Chilcote, Jr., president of the Distilled Spirits Council of the United States, Inc. (DISCUS), pledging his organization's support in the preparation of an objective study by the Commission and offering to serve as a private sector resource in the understanding of the problems and an evaluation of the proposed solutions. The Distilled Spirits Council, which represents the vast majority of all U.S. domestic liquor producers, is to be commended for its willingness to serve and to offer help, which in many cases it is uniquely qualified to do by virtue of its industry position. The role of DISCUS in this progress of this Commission may well serve as a link in the chain of its success, which all of us hope and pray will occur.

Mr. President, I ask unanimous consent that the entire DISCUS letter to me of July 27, 1978, be printed in the RECORD, for the enlightenment of my colleagues.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DISTILLED SPIRITS COUNCIL
OF THE UNITED STATES, INC.,
Washington, D.C., July 27, 1978.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATCH: I am pleased to learn of the initiative you have taken in sponsoring an amendment to S. 2410 to provide for a National Commission on Alcoholism and other alcohol-related problems. I write to assure you that you can count on support and cooperation from the Distilled Spirits Council of the United States in the conduct of an objective study designed to frame effective policies for an attack on a serious national problem.

The Distilled Spirits Council of the United States has since its formation demonstrated its concern about the problem of alcohol abuse. It has, among other things, participated actively in the major national organizations that combat alcoholism, and it has provided financial support to enable them to carry on their work. It has sponsored a wide range of research to provide the knowledge needed for prevention of alcohol abuse and for rehabilitation of those with alcohol-related problems. It has made a substantial investment to convey to the public the message that those who choose to drink should drink in moderation.

In the light of this history, you can understand our interest in the proposed commission and our hope for its success. I am happy to note the recognition in Senator Williams' statement explaining the amendment to S. 2410 that the commission should draw upon resources available in the private sector as well as the public sector. This Association, I believe, should be considered as a resource in the private sector which can make a contribution to an understanding of the problems and an evaluation of proposed solutions.

Sincerely,

SAM D. CHILCOTE, Jr.,
President.

SELLING MODERN TECHNOLOGY

Mr. HATCH. Mr. President, one of the more controversial issues of the day deals with the selling of modern technology to nations that would be considered adversaries of the United States. In particular, the Soviet Union is mentioned as the main target of those who would like to stem this everincreasing flow of "know-how."

With the recent downturn of events with the Soviet Union, and the corresponding upsurge in anti-Soviet feelings in this country, it is only natural that we should reevaluate our position with respect to this type of trade. The cancellation of the sale of a Sperry Rand computer to the Soviet news agency Tass was the first step in this reevaluation of policy.

Mr. President, I agree with those who feel we should be more careful with the technology we develop. During the negotiation of the SALT I treaty and throughout the debate surrounding the current negotiations for a SALT II, one of the major arguments of those who favor the current proposed treaty is the technological lead that we have over the Soviet Union. Intelligence has proven that much of this lead has dissipated in recent years; the technology we sell to the Soviets being partially responsible for this dissipation.

In this morning's papers two editorials appeared that are either directly related to this topic or indirectly approaching the discussion. The first, in the Wall Street Journal, openly discussed the sale of technology and the policy of the United States toward such sales. The writer describes the current confusion that surrounds the policy at this time and urges the completion of a study to bring order to the system. At the same time he broaches the basic issue by questioning the policy of dealing with "state trading" nations:

There is, also, a broad question of how to deal with a state-trading nation. American businesses naturally have tended to place a good deal of faith in the beneficience of market processes in these matters. But even we, who will match faith in free enterprise with anyone, wonder whether it extends to state-trading deals, with competition foreclosed in the buying nation. We wonder whether American companies can get a fair price from a state-trading company large enough to practice market manipulation.

While the writer is really questioning the free enterprise problems of such a sale, it also alludes to the problems that might occur with respect to our security. The fact that trade can and apparently will be used as a leverage in foreign policy demonstrates an awakening by the Carter administration.

The second article appeared in the Washington Post. Written by Marquis Childs, it dealt with the opening of China to the tourist trade. This is a complete reversal of the previous Chinese policy of restricting who could come into the country. Mr. Childs makes the point clear that the change appears to have been made for clear reasons:

The change in policy is believed to be related to the hard currency China needs to buy the science and technology essential to modernization.

It becomes apparent to even the novice in foreign affairs that those nations who operate under a closed society have had problems maintaining a reasonable rate of growth in the area of technology. They are then forced to turn to the West for the information they need to serve as a catalyst for their own sluggish programs. Many experts have postulated that the current state of Soviet computer technology is based upon an early model of a computer sold to them by the United States.

The Soviet Union is a nation that is rich in natural resources. It does not make sense for the United States, a nation that is so dependent upon foreign suppliers of many critical resources, to provide the technology, know-how if you will, to develop these resources. The clearly stated goal of the Soviet Union is to surpass the United States. By giving away the one major advantage that we possess, we only assist in the propaganda campaign that they promote, extolling the virtues of a socialist state over a capitalist one.

Mr. President, I ask unanimous consent that the two articles mentioned previously be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SELLING TECHNOLOGY

The Carter administration is about to release results of a review it's been conducting for well over a year now on the subject of national policy towards the transfer of technology. It's safe to say that the issue could use a little clarification.

In the wake of recent Soviet trials of political dissidents, for instance, the President denied Sperry Rand an export license to ship a computer to the Soviet press agency Tass and put all oil technology sales to the Soviets on a list of exports requiring special government approval. Dresser Industries, now planning an oil drilling equipment sale to the U.S.S.R., called the President's oil decision "sheer idiocy." Sperry greeted the administration's concerns with a "Bah, humbug!"

These slight differences of opinion on the subject of technology transfers were about par for the course. One reason the administration has been finding it so hard to make policy on the issue is that since World War II, U.S. government attitudes towards high-technology exports have reflected two partly contradictory goals: to spread U.S. products and know-how as widely as possible, for maximum good and maximum profit, but to keep unfriendly countries from being able to use these goods and skills against U.S. interests.

This complexity has been mirrored in the mystifyingly elaborate setup we have for making decisions on these matters. The Defense Department pretty much controls the export of classified weapons systems through a special State Department licensing system. Other strategic products and information are on a U.S. commodity control list administered by the Commerce Department in consultation with other agencies. And if the product is on a common list we maintain with most NATO countries and Japan, there's still more consultation to try to get some unified policy.

With the coming of detente, the system was assigned its dual role of promoting as well as restraining U.S. exports to the Eastern bloc; and within a few years people began to charge that the end result was incoherence. In 1974, the Defense Department asked its Defense Science Board for a report on the export of U.S. technology. In early 1976 the Board's report emerged, calling for a significant change in the criteria used to make these decisions. On the one hand, the report said, the list of controlled products was too long and its administration too cumbersome to business. On the other, not enough attention went to maintaining our lead time in critical areas of design and production know-how.

The report has begun to have effects. Efforts are going on in the government to cut delays and to focus on critical technological processes. A presidential review memorandum has been prepared to confirm the change in approach. As the climate of U.S. relations with the Soviets has gotten worse, transactions like computer and oil drilling equipment sales seemed to the Carter administration to be natural places to begin showing U.S. displeasure.

But in fact both these cases raised as many questions as they settled. There's the question of whether we simpy want to prevent security-threatening exports to the Soviets or whether we want to use high-technology exports as instruments of broader foreign policy concerns. There's the question of whether withholding or granting our trade can reallly succeed at giving us leverage over Soviet behavior. There's the issue of whether Soviet development of certain resources—like oil—can possibly be something we should encourage.

There is, also, a broad question of how to deal with a state-trading nation. American businesses naturally have tended to place a good deal of faith in the beneficence of market processes in these matters. But even we, who will match faith in free enterprise with anyone, wonder whether it extends to state-trading deals, with competition foreclosed in the buying nation. We wonder whether American companies can get a fair price from a state-trading company large enough to practice market manipulation.

These are problems that are not going to be settled by any one policy statement, though the waning of detente makes it necessary to face them again. If the forthcoming policy statement can bring greater coherence to the narrower problem of equipment and technologies that have military uses, it will be a good first step in the necessary rethinking.

TOURISM, CHINA'S FLEDGLING INDUSTRY

SOOCHOW, CHINA.—If there is one conspicuous difference between the "new China" and the China of a day before yesterday it is the presence of large numbers of tourists. The door has been opened and they are pouring in from every corner of the globe. This ancient city with its legendary beauty, visited by that dauntless Italian traveler Marco Polo in the thirteenth century, is an important tourist goal.

Even in the fierce heat of summer it teems with visitors from the West and with countless overseas Chinese from every part of Asia. An air-conditioned 300-room hotel will be completed next year to accommodate the tourist flood. The estimate in Peking is that 95,000 visitors will come to China this year.

That figure may seem small when compared with the tourist harvest of countries such as Italy, which have earned no small share of their foreign exchange from the tourist traffic. But measured against the barriers that were put up until just recently, it is large indeed.

The gardens are the great attraction in Soochow. They were built for the most part in the Ming dynasty beginning in the 14th century. In their time they were the last word in the luxury of an aristocratic court culture.

"Garden" is an inadequate word. They were pleasure domes created by men of health who chose to retire to Soochow from the hurly-burly of the capital to a life of contemplation, art, music and the dance. The humble administrator's garden is rated one of the four most distinguished in China.

A high official of the Ming dynasty, in traveling about the country on the emperor's business, collected large amounts of gold and silver for favors he could dispense. When he was found out and dismissed, he retired to Soochow, where he commissioned the leading poet of the day to design a garden for him. Eighteen acres in extent, it opens from a modest entrance onto a series of pools filled with lotus flowers, pagodas, the curious rock formations the Chinese made out of concrete, with windows along arcades cut in intricate designs so that the viewer would get a different picture from each window.

One pavilion contained a reception hall with a stage for singing and dancing. The owner's son is said to have lost the entire garden in a single night of gambling.

The central government in Peking has restored several of the gardens: The Master of Nets Garden, The Lingering Garden, The Lion Grove Garden and The West Garden. While the municipality of Soochow pays a large share of the gardens' cost, the gardens are protected as historic monuments by the national trust established by Peking. The centuries took an inevitable toll. Local guides tell the visitor that Chiang Kai-shek's troops stabled their horses in this or that reception hall. The miracle is that so much of the beautiful aura of a long-vanished time has been preserved.

Initially the communist government, which took power in 1949 after the triumph

of the civil war led by Mao Tse-tung, was opposed to tourism. They wanted only friendly delegations and representatives of the Third World countries that Peking courts.

So long closed to Americans by the policy of former secretary of state John Foster Dulles, who was determined to isolate China, the stand of the Peking government added to the mystery of a China that has always had a fascination for the West and particularly for Americans.

The change in policy is believed to be related to the hard currency China needs to buy the science and technology essential to modernization.

Most tourists, including the estimated 15,000 from the United States, come for 10 days or two weeks at the most, in carefully guided tours, and Chinese pride dictates that the visitors be given the best they have. Along with this goes unfailing courtesy from high and low. The Chinese have a remarkable tolerance for the invaders who crowd their museums and hotels. Smoke stacks on the outskirts of Soochow mark a rapidly expanding industry. The old and the new are inextricably mingled in present day China.

NECESSITY OF PEACE IN MIDDLE EAST

Mr. KENNEDY. Mr. President, on August 5, the Washington Post published a thoughtful and perceptive article by our friend and colleague from Connecticut, Senator RIBICOFF, entitled "A Fading Mideast Opportunity," the article describes the obstacles that have arisen since President Sadat's historic visit to Jerusalem last October. Senator RIBICOFF reminds us that "Security Council Resolution 242 has been the only language for a settlement accepted by both Arab states and Israel," but recently both Sadat and Begin have backed away from resolution 242: the principle that territory would be returned, borders be secure and a real peace be established.

Mr. President, I strongly agree with Senator RIBICOFF's suggestion that just as Prime Minister Begin should be expected to negotiate on all fronts including the West Bank, President Sadat should be expected to negotiate without insisting on prior Israeli agreement to return all of its occupied territory. As Senator RIBICOFF suggests, let us return to the basics on both sides: let us start with resolution 242, not only because peace is possible but because it is necessary.

With Secretary of State Vance now in the Middle East and some basis for cautious optimism, I share the Senator's strong hope that we can prevail upon both Sadat and Begin to break the impasse, to realize their "opportunity for greatness," and to restore the vital movement toward a just and durable peace in the Middle East.

I request unanimous consent that the full text of Senator RIBICOFF's article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 5, 1978]

A FADING MIDEAST OPPORTUNITY

(By ABRAHAM A. RIBICOFF)

The United States shares with the rest of the world a stake in peace in the Midd'e East. The negotiations between Egypt and Israel with our assistance have reached a crucial stage. While we in Congress have been reviewing security assistance and foreign economic issues, the peace negotiations have taken a turn for the worse. It is appropriate to stop for a moment to consider the importance of this stage of the negotiations.

Last November the whole world was thrilled by the sight of President Anwar Sadat and Prime Minister Menachem Begin standing together in the Knesset. After 30 years of enmity and four major wars, we allowed ourselves the hope for peace. We believed what Golda Meir said so often: When the Arabs will meet with the Jews there will be peace. We allowed ourselves to hope that those two leaders had both the courage and the wisdom to realize that chances such as this are rare and must be seized, lest history and our children ask why we failed.

There was a basis for that hope. Security Council Resolution 242 has been the only language for a settlement accepted by both Arab states and Israel, and that was the starting point. Moreover, the will of two leaders to use that foundation for something beyond national political gain—a chance for a settlement—gave practical meaning to the drama of the moment.

Now we are in a period of disintegration, and we hear the voices of despair from both sides. Both Sadat and Begin have backed away from Resolution 242: the principle that territory would be returned, borders be secure and a real peace be established.

There was never any question but that 242 applied to all the fronts, including the West Bank. When Begin backed away from the traditional Israeli commitment to negotiate on all fronts including the West Bank, I criticized him. Now recently Sadat has backed away from the same resolution by saying that, until all the land is returned, he will not negotiate. He knows that the language of 242 is "withdrawal of Israeli armed forces from territories of recent conflict"—not *all* the territories—and that secure boundaries will require territorial adjustments. With equal measure, Sadat deserves the same criticism.

Peace is possible, the Jerusalem initiative is still alive, and the consequences of failure are ugly. At Leeds Castle in July, a lot of possibilities were put on the table. A review of the differences remaining and the possibilities to bridge them would make a strong man weep. The failure we face is not one of clever diplomacy but of will. The thrill of expectation has given way to dark apprehension as these talks have moved from the great gesture to smaller posturing. The trouble with holding on to reserve positions and quibbling over tertiary points is that this opportunity is fading.

What are the consequences? Ask an Israeli about the economy in his country and the cost of defense. Or the difficulties of restraining emigration and trying to attract immigrants. Ask an Egyptian about the crushing poverty and the precarious state of Egypt's economy. Who wants the words of bitterness between Sadat and Begin to escalate? Who would prefer Geneva to Leeds or a Sinai conference? Who wants the Soviets to return to the Middle East? Who wants Sadat's trip to Jerusalem to become a page in history books with the title "The Gesture That Was for Naught"? There would be no greater tragedy than to lose this moment and to discuss what might have been when the fifth war sweeps through the Middle East.

Secretary of State Cyrus Vance is now in the Middle East. We owe him our full support. I hope that he will convey our desire for both those leaders to be historic figures.

Let's return to the basics on both sides: Let's start with Resolution 242, not only because peace is possible but because it is necessary. At the same time that there is an opportunity for greatness in both Israel and Egypt, there are dark clouds of despair that inflexibility, pride and impatience will make this opening a prisoner of history rather than a liberator.

The late Edward R. Murrow had words appropriate for Vance's mission. He once said that "difficulty is one excuse that history never accepts." I hope that the secretary has taken that message with him.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, the Senate, at 7:14 p.m., took a recess subject to the call of the Chair.

The Senate reassembled at 7:46 p.m., when called to order by the Presiding Officer (Mr. PROXMIRE).

DEPARTMENT OF INTERIOR APPROPRIATIONS, 1979

The Senate continued with the consideration of the bill.

Mr. JOHNSTON. Mr. President, our present posture is this:

I have an agreement ready to offer at this time which would prevent DOE from putting into effect its rulemaking now pending, which would grant the east coast 100 percent entitlement for residual fuel oil and other products imported into the east coast. That amendment would prevent that from going into effect. That amendment is not subject to objection as being legislation on an appropriation bill.

We have reached a conceptual agreement among all the parties involved; but in order to carry out that conceptual agreement, we would require legislation in the form of an amendment.

Th concept is that instead of granting a 100-percent entitlement, we grant a 50-percent entitlement. There now exists a 30-percent entitlement. In other words, the entitlement would be increased from 30 to 50 percent. The expiration date for that entitlement would be July 1, 1979.

The statutory language would eliminate the reverse entitlements presently in the law on a permanent basis, but the statutory language would not involve legislation respecting the continuation of the fee-free licenses. Rather, that would be left to the President to deal with when he comes back into the country, by Executive order. But this would require legislation on an appropriation bill. So, with the majority leader's consent, I can put this in the form of a unanimous-consent request.

When the unanimous-consent request is made—which I am not now making—I would request that it be in order to bring up the Public Works appropriations bill on Thursday——

Mr. ROBERT C. BYRD. Mr. President, let me state that the Senator can make whatever request he wishes with respect to his amendment.

Mr. JOHNSTON. I was not making a request, but simply explaining what I would ask the majority leader.

Mr. ROBERT C. BYRD. The reason I say that is that there are other measures I have to keep in mind as to scheduling.

Mr. JOHNSTON. My request to the majority leader—and this is not a unanimous-consent request—would be that I would ask the majority leader to request that it be in order to bring up the public works appropriation bill on Thursday, notwithstanding the 3-day rule, for the limited purpose of offering two amendments: One, the amendment just described, which would be a joint amendment on behalf of myself, the two Senators from Massachusetts, the Senator from New Hampshire, the two Senators from Florida, and several others who are interested in the matter; that it also be in order to bring up my amendment respecting preventing the DOE from implementing its present rulemaking, it being understood that the second amendment would not have to be brought up if we agree on the first amendment.

Neither amendment would be under a time agreement, but it would be part of the requested unanimous-consent agreement that it be in order to bring up either one of these amendments, notwithstanding the fact that it might be legislation on an appropriations bill.

Mr. METZENBAUM. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. METZENBAUM. Mr. President, will the Senator from Louisiana explain why in this amendment he would include the repeal of the reverse entitlements program, which I do not totally understand? And I am certain that the Senator from Louisiana understands better. I do not understand the purpose of the permanent repeal of that since the change that he is making would be applicable only to July 1, 1979. Why is he making it a permanent repeal?

Mr. JOHNSTON. The rulemaking now pending involves an elimination of the reverse entitlements program, so we simply take that part of the pending rulemaking and make it part of this legislative language.

Mr. METZENBAUM. Does not the repeal of that reverse entitlements program have further implications over and beyond this question of the 30 percent, 50 percent, 100 percent entitlements program?

Mr. JOHNSTON. I can tell the Senator what it does. Under present regulations an exporter, say a gulf coast refiner, who wants to export a product to the east coast PAD 1, to the extent he exports an excess of 5,000 barrels a month he must pay an entitlement for the privilege of doing that. The purpose of that in the reverse entitlements program is, in effect, to encourage the importation of a foreign refined product. In effect, it is to give a subsidization to the Caribbean refiners at Curacao, et cetera, which I think is very bad policy. In effect, it encourages the exportation of our refining capacity and most everyone agrees that that was the wrong thing to do, and DOE in their pending rulemaking eliminated reverse entitlements, and we simply do the same thing under this amendment.

Mr. METZENBAUM. Is the Senator from Louisiana not going further in this amendment than is necessary in order to accommodate—to meet the problem presented by the intent of the DOE to provide 100 percent entitlements for certain States on the eastern coast and now going beyond that in this proposed amendment?

Mr. JOHNSTON. No, because the DOE also eliminated reverse entitlements.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. LEAHY. May I suggest possibly what we are doing is getting into the debate that we are providing time for once these amendments are brought up. I suspect we are all going to have issues back and forth. I ask whether it might be better to try to get the unanimous-consent request. There is no time limitation. It is going to give every Senator time to ask questions, propound questions, or whatever they want. Then we will know whether we are going to have to go forward with it on this Interior bill or whether we will complete the Interior bill and go forward with it in the way the Senator from Louisiana has propounded.

Mr. JOHNSTON. The Senator is correct. All Senators will be protected in their right to extended debate, to ask questions, and to vote against either one of the amendments if they wish.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. BROOKE. Is it the intention of the Senator from Louisiana to bring up the legislative language amendment first prior to his amendment which is presently on the Interior bill?

Mr. JOHNSTON. The Senator is correct, and if the first amendment is agreed to then that would render unnecessary the second amendment.

Mr. BROOKE. He is asking for no time limit on either one of these amendments?

Mr. JOHNSTON. That is correct.

Mr. BROOKE. And if this unanimous consent, which will be propounded, is not accepted, then we will still be in the same situation that we find ourselves at the present time; namely, the business before the Senate will be the amendment of the Senator from Louisiana to take down the rule on the Interior bill; is that correct?

Mr. JOHNSTON. That is correct.

Mr. BROOKE. And it would be open then for discussion and debate because there is no time limitation on that.

Mr. JOHNSTON. That is correct.

Mr. BROOKE. I thank the Senator.

Mr. McCLURE. Mr. President, will the Senator yield further?

Mr. JOHNSTON. I yield.

Mr. McCLURE. Mr. President, will the Senator's unanimous-consent request put all Members of the Senate in exactly the same position on the legislation which would be pending on Thursday with regard to this issue that they now occupy?

Mr. JOHNSTON. With one exception. It would not now be in order to offer this legislative amendment to the pending bill because that would indeed be legislation on an appropriation bill; whereas, my amendment would not be legislation on an appropriation bill.

Mr. McCLURE. One further question. Under the Senator's proposal would it be in order for any Member of the Senate to offer any modifications, any substitute, or any amendment to his proposal which they could do under the rules of the Senate absent the unanimous-consent request?

Mr. JOHNSTON. I did not speak to that issue, but it would be my intention that we not open it up to a proliferation of amendments.

Mr. McCLURE. Let me just say to the Senator that if we go ahead tonight on this matter, aside from the issue of the legislation on the appropriation bill, any Senator has a right to offer any amendment which he would desire to offer, or substitute, or motion with regard to the Senator's amendment. It would seem to me as a minimum that we should not deprive Senators of that right with respect to the amendment if it becomes pending later.

Mr. JOHNSTON. That would be suitable with me. If the Senator wants that right, it would be suitable with me.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President as the matter now stands the distinguished Senator from Louisiana would have to get consent to call up the amendment which embraces the conceptual agreement for that amendment to be in order to the pending bill.

In order that the Senate not be kept any longer and that the Senate may proceed to pass the Interior appropriations bill, I ask unanimous consent that it be in order for the distinguished Senator from Louisiana to offer to the public works appropriations bill on Thursday the amendment embracing the conceptual agreement to which he has alluded without any point of order lying against that amendment, that it also be in order for him to call up the amendment which is now pending on the instant appropriations bill.

I am not asking for any time limit, and it would be understood that any amendment which is germane to the amendment or amendments offered by the Senator from Louisiana to the public works appropriations bill would be made in order by virtue of the waiving of points of order against the amendment or amendments, one or two, that will be offered by the Senator from Louisiana. As I say, that would allow the Senate to complete its work on the Interior appropriations bill and the Senator from Louisiana would still have an opportunity on Thursday to offer to the public works appropriations bill the amendments which he would like to offer to the current bill. There will be no time agreement. Every Senator would have his or her opportunity to offer amendments to those amendments and the Senate could complete its work quickly on the Interior appropriations bill and go home tonight.

So I now ask unanimous consent, Mr. President, that the Senator from Louisiana may offer the amendment embracing the conceptual agreement to which he has alluded, and also the amendment, if the necessity arises, which he originally planned to offer to the current bill—that he may be authorized to call up either of those amendments, or both, to the public works appropriations bill, and that no points of order will lie against either of those amendments, and that germane amendments to those amendments may likewise be in order on the appropriations bill.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. Reserving the right to object——

Mr. BROOKE. Did the Senator intend to include in his unanimous-consent request the waiving of the 3-day rule so far as the Public Works bill is concerned?

Mr. ROBERT C. BYRD. That would be automatic under my request because I was, in my request, stating that the majority leader be authorized to call up the Public Works bill on Thursday.

Mr. McCLURE. Mr. President, reserving the right to object, I wonder if the Senator will yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. When the Senator refers to amendments which would be germane I assume he is referring to amendments germane to the amendment and not to the bill?

Mr. ROBERT C. BYRD. Exactly, amendments germane to an amendment offered by the distinguished Senator from Louisiana.

Mr. HANSEN. Mr. President, reserving the right to object, and I do not know what the wishes of the majority leader would be, but if he would permit me to recall a little history, I would like to do that. If I am denied that, I would just flatly have to object.

Mr. ROBERT C. BYRD. The Senator is not going to be denied that privilege. I made the request, and the Senator, if he wishes to reserve the right to object——

Mr. HANSEN. I do reserve that right.

Mr. ROBERT C. BYRD [continuing]. Can make his statement.

Mr. HANSEN. Mr. President, when Congress passed the Emergency Petroleum Allocation Act of 1973, and its successor, the Energy Policy and Conservation Act, the purpose of this legislation seemed quite clear, to establish temporary presidential authority to deal with shortages of crude oil, residual fuel oil, and refined petroleum products or dislocation in their national distribution system.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HANSEN. This authority was established to minimize the adverse impact on the American people or the domestic economy when such shortages or dislocation occurred.

I never dreamed that such authority would ultimately be used to try to pacify any region of our country or any sector of our complex economy or any single company in that economy which felt it was being economically disadvantaged. Such pacification seems to me to be an impossible task.

My own bewilderment over the complexity of the entitlements regulations is understandable, I think, when I read the list of problems already being addressed by this program. The April 1978 entitlements notice lists these: Certain eligible product imports, imported naphtha used as a seed stock in Puerto Rico, residual fuel proposed for sale in the east coast market, California lower tier crude oil, imported an Alaska North Slope crude included in the crude receipts of California refineries, delivery of crude oil for storage in the strategic petroleum reserve, the small refinery bias. The list seems to have no end.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate is not in order. The Senators will please desist in conversation.

The Senator from Wyoming.

Mr. HANSEN. The Oil Daily carried a report that a financially troubled refinery in Puerto Rico, whose problems have been caused by the entitlements program, is now going to receive very specific relief from that same entitlement program. When will it end?

I remember back in the days when the mandatory import program was in place, New England terminal operators were allowed a quota for No. 2 heating oil of 50,000 barrels per day, and were asking for more. In a hearing I asked someone testifying on behalf of the east coast importers how much of that 50,000-barrels-per-day quota had actually been imported, and how many of the import tickets, which were then worth about $1.25 in cash, had been traded to east coast refiners for cash.

As I remember, that witness said about 80 percent of the oil had been imported and the tickets for the other 20 percent had been traded for cash. He did not say how much of that had been passed on through to consumers.

Back in 1965 when residual fuel oil was first exempted from crude oil import quotas on the east coast, that oil was selling for considerably less than domestically refined residual, and it was not long before the entire east coast was substantially dependent on imported residual, and at a considerable savings over domestic residual.

The New England States liked it so well that the Governors of those States sued the Secretary of the Interior to abolish the import program so they could use all of the then cheap foreign crude in products they wanted.

However, after the 1973–74 embargo and quadrupling of oil prices, they decided they no longer wanted all of that foreign oil, and would rather have cheap domestic oil under the entitlements program, and at the expense of the rest of the country, particularly Western States, where the per capita consumption of gasoline is higher than in the East.

So now we have another proposal to further subsidize east coast oil consumers at the expense of other areas of the country.

I can assure you that Wyoming motorists and Wyoming refiners are not happy with that prospect. But the real bonanza would be to foreign refiners who could pass through or keep whatever part of the subsidies they chose.

Just yesterday I had some representatives of one of those refiners in my office saying how crucially important it was to their operation to get this entitlements program continued and, hopefully, even to be increased.

As a consequence, Mr. President, despite my sympathy for the problem that my good friend, the Senator from Louisiana, has in trying to work out, while he can be here, a compromise which he believes would be in the best interests certainly of his State of Louisiana, I would assume and, perhaps, his concerns are even broader than that, but at least as far as I am concerned, I do not think from what I heard that this is the kind of a deal that I want to participate in without a clearer understanding of precisely where he and others may stand on this issue.

As a consequence, I will object.

Mr. LEAHY. Mr. President, will the Senator withhold that for just one moment?

Mr. HANSEN. I would be happy to.

Mr. LEAHY. I wonder if the Senator will withhold for a moment so that I can make just one quick observation?

Mr. HANSEN. I would be glad to.

Mr. LEAHY. As the Senator from Vermont sees it, we are in no different position except for one thing, and I will allude to that in a moment—the Senator from Vermont sees that we are in no different position if we go with the unanimous-consent request propounded by the majority leader on this issue than we would be if the Senator from Wyoming objected and we went on to these same issues beginning tonight, tomorrow, and the next day, and so on, except for one difference. The one difference is that if we accept the unanimous-consent request propounded by the Senator from West Virginia, we will finish the Interior bill, as I understand it, because there is no other amendment pending. We will pass the Interior bill and vote on it here this evening and then the same issue will come up, with ample time, unlimited time, for the Senator from Wyoming or anybody else to debate against it, and he will be in precisely the same position he is in if he objects, except we would have the Interior appropriation bill out of the way, and we would know 2 days from now when this is coming up and we will each have 2 days to review it, explore it, and decide whether we are going to vote for or against the Senator from Louisiana's amendment, but instead of beginning debate this evening on it, we will begin debate 2 days from now, knowing exactly when to start and knowing, and having had 2 days to look it over, review it, prepare any amendments we want to it, whether they are motions to strike or whatever they might be.

However, we would be rid of the Interior bill and we would all come in here with 48 hours' notice of what the amendment is going to be and 48 hours to prepare any amendment we might have.

It is because of that I say the Senator from Wyoming would be in certainly no worse position than he might be in now

and, perhaps, in a better position, because he would have 2 days of preparation, analysis, and everything else. So it is because of that I hope the Senator from Wyoming will withhold his objection.

Mr. McCLURE. Mr. President, will the Senator from Wyoming yield?

Mr. HANSEN. I would be happy to yield.

Mr. WEICKER. Regular order, Mr. President.

The PRESIDING OFFICER. The question is not debatable. Is there objection?

Mr. HANSEN. Mr. President, if I could respond before I object, because I did temporarily withhold my objection in order that I might hear from my good friend, Senator LEAHY——

The PRESIDING OFFICER. The regular order has been called for, if the Senator from Connecticut persists.

Mr. WEICKER. I insist on the regular order. If we are going to have a debate let us have it.

Mr. HANSEN. I object.

The PRESIDING OFFICER. Objection is heard.

The bill is open for further amendment.

UP AMENDMENT NO. 1625

(Subsequently numbered Amendment No. 3443)

(Purpose: To prohibit the use of funds to implement an increase in entitlement subsidy for refined products imports)

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an unprinted amendment numbered 1625:

On page 55, line 14, add a new section as follows:

SEC. 308. No funds appropriated under this act may be used to implement any provision of the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 providing for an increase in any month in the ratio of the number of entitlements—

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. DURKIN. Mr. President——

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

On page 55, line 14, add a new section as follows:

"SEC. 308. No funds appropriated under this Act may be used to implement any provision of the regulation under section 4 (a) of the Emergency Petroleum Allocation Act of 1973 providing for an increase in any month in the ratio of the number of entitlements issued an eligible firm that has imported residual fuel oil or refined petroleum products to the number of barrels of such residual fuel or refined petroleum product imported by such firm in such month above the ratio in effect on May 1, 1978."

Mr. DURKIN. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the distinguished Senator from New Hampshire for a question.

Mr. DURKIN. Could we get a copy of the amendment?

Mr. JOHNSTON. Mr. President, for the edification of the Senate, because it was not possible to bring up the legislative amendment, this is the original amendment referred to earlier, which I am sure will require some extended debate, at least I am informed that it will by my friends from the Northeast.

The bill before the Senate provides appropriations to support the operation of the crude oil entitlements program——

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. Yes.

Mr. KENNEDY. I will be glad to make a motion to table now, if the Senator will yield for that purpose. Then everyone could go home, and continue the debate tomorrow. I would be glad to make that, and we can quit for the night and sleep on it, and make a decision.

Mr. DURKIN. We have heard the argument.

Mr. KENNEDY. If the Senator will yield, I will——

Mr. JOHNSTON. Mr. President, I certainly have no intention to filibuster. If a filibuster is to be made, it would be made by someone else. But I do think this amendment ought to be explained, so that Senators will know what they are voting on, and I would hope, frankly, that this matter could be put over until tomorrow, so that somehow, some way, we can work it out.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to my friend from Massachusetts for a question.

Mr. BROOKE. I was just wanting to state to the distinguished Senator from Louisiana that this amendment has not been called up until this time, and that we certainly should have ample time to debate this amendment; it is a very important amendment from the point of view of both sides of this issue. I would hope we could debate the issue, certainly, for the duration of this session tonight and possibly for some time tomorrow before my senior colleague makes a motion to table the amendment.

Mr. JOHNSTON. I certainly agree with the Senator.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. Yes.

Mr. ROBERT C. BYRD. How long does the Senator intend to hold the floor and debate the amendment?

Mr. JOHNSTON. I would second the suggestion of the junior Senator from Massachusetts. I think this ought to be explained at least tonight, before we have a motion to table. I would hate to see a motion to table made in the midst of the fatigue of Senators, and with their desire to get out of here and terminate the amendment. So I would feel it is necessary to continue to talk at least for tonight—not at all to filibuster, but simply to let the motion to table be made when more Senators are here, and better understand the matter before the Senate.

Mr. MUSKIE. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. MUSKIE. Will the Senator clarify his statement? He said "at least for tonight." Does he mean all night tonight?

Mr. JOHNSTON. I would hope Senators' appetites and their desire to go to bed would enable the majority leader to get us out of here before that.

Mr. MUSKIE. Despite the vaunted ability of the distinguished majority leader, I am not at all sure that is possible. Earlier today, with another serious policy matter before us, I found some Senators who objected to providing time, voting for cutting off regular procedures and moving ad hoc to repeal national policy without extended debate, without any consideration; and now, when they are given an opportunity, we ought to have a decent amount of time, with ample notice of the contents of the amendments; but, no, they are not willing to agree to that. That is irrational.

I would like to know, are we going to begin a rational process, or resist the very legitimate issue which the Senator from Louisiana has just raised? His amendment is not subject to a point of order as legislation on an appropriation bill, unlike his earlier amendment. It is an appropriate issue, from the point of this region's interest, as he sees it. It impacts upon the interests of our region, as we see them.

We have been engaged in discussions all day in an effort to make it possible for the Senate to consider these issues in a rational way, with ample time for all Senators to evaluate what is being proposed, the options that are being advanced, and the implications not only for Louisiana and Maine and New England, but also for Wyoming.

Now we are told that that makes no sense, but rather we are to engage in unlimited debate unless we find some other way to channel it as a limit.

So I put the question to my good friend from Louisiana, not as a criticism of him, but as a challenge to those who have now frustrated an effort to put this debate in a framework of decent and adequate time, and adequate notice. I put the challenge to them; I hope the majority leader may have, with the ingenuity for which he is noted all over the country, an ingenious way to put the thing back on track. But I do not relish the idea of staying here all night, or until somebody gets tired of talking. The Senator from Wyoming may have another speech prepared that he would like to make, but I do not want to stay here all night just to wear each other out. I think this issue deserves careful consideration, and needs at least the 48 hours that the majority leader's proposal advanced.

Yet there are apparently those who want us to vote like this. I prefer the Senator from Massachusetts' idea of a tabling motion now, rather than the implication or suggestion of the Senator from Wyoming. I mean, in one case we bring the matter to a head at a time that suits the convenience and the wishes of Senators. In the case of the Senator from Wyoming, he just challenges us to wear

ourselves out in discussing this issue until the thing falls his way, I take it, because he has given us no other explanation for it.

I would like to know what the program for tonight is, whether we are expected to stay here all night in order to entertain the Senator from Wyoming, and whether we are expected to extend the debate on through tomorrow and into Thursday, which is the time on which the majority leader would like to focus.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that I may be able to yield to various Senators without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. DURKIN. Reserving the right to object——

Mr. HANSEN. I have to object to that, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the majority leader for a question, without losing my right to the floor.

Mr. ROBERT C. BYRD. Would the Senator give the majority leader an idea as to what the Senator means by the word "tonight"? Does he mean 1 hour, or does he mean 2 hours, or does he mean all night?

Mr. JOHNSTON. Mr. President, what I mean is, I would intend to hold the floor until the majority leader would make it possible for us to recess or adjourn for the night, simply because I do not want a tabling motion to come at this hour of night, where Senators might be inclined to vote yes just to terminate the matter. It is, as the Senator from Maine says, a very serious question. It is one that involves about half a billion dollars a year, one that involves enormous transfer of funds around the country.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield the floor to me with the understanding that there will not be a tabling motion tonight, and that I will recess the Senate very soon?

Mr. JOHNSTON. Yes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, the Senate convenes at 9:30 tomorrow morning, does it not?

The PRESIDING OFFICER. There is an order to convene at 9:30 in the morning.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no further amendments to this bill be in order other than amendments to the amendment by Mr. JOHNSTON. This will assure that once this amendment is disposed of one way or the other, the Senate would go to third reading and passage, hopefully.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Mr. President, reserving the right to object, I know what the majority leader is attempting to accomplish. Are you including substitutes for this amendment?

Before I conclude, I too, want to express appreciation to the Senator from Louisiana, who has been all day attempting to work with the Members toward accommodating a very difficult problem.

I want him to know that I think all of us are underlining what the Senator from Maine has said, putting him in that position. We have different views on this issue, but he is operating in completely good faith. I would certainly want that known.

I just want to make sure of the exact request so that if we get into an issue of substitution or other aspects, we do not want to be foreclosed.

Mr. ROBERT C. BYRD. Mr. President, under my request, substitutes for the amendment would be in order.

Mr. HANSEN. Will the majority leader state his unanimous-consent request?

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Yes. I ask unanimous consent, Mr. President, that with the exception of the amendment offered by the distinguished Senator from Louisiana, and amendments thereto, which include substitutes, no further amendments to the bill be in order, and that upon the disposition of that amendment, whatever that disposition may be, the bill go to third reading, and that without further debate or motion final passage occur.

Mr. McCLURE. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. Is it my understanding that the distinguished majority leader is attempting to preserve for the Members whatever rights they would have with respect to the Johnston amendment?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. That would include amendments to the substitutes or any other motion which might be relevant to his amendment?

Mr. ROBERT C. BYRD. Relevant to that amendment, a right which Senators would have in any case. This request would not waive the rights of any Member to offer amendments of whatever nature as long as they are germane to the amendment by Mr. JOHNSTON.

Mr. McCLURE. Or they could offer substitutes or make any other motion available under the rules with respect to the Johnston amendment?

Mr. ROBERT C. BYRD. That is correct.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAYH. Mr. President, I ask unanimous consent that Abby Reed and Eve Lubalin of my staff be granted privileges of the floor during all debate and votes on H.R. 12932, fiscal year 1979 appropriations for the Department of Interior and related agencies.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATURAL HERITAGE PRESERVATION PROGRAM

Mr. BUMPERS. Mr. President, I want to bring to my colleague's attention that the committee recommends no funds be appropriated for the Department of the Interior's natural heritage preservation program, which is proposed to be administered by the new Heritage Conservation and Recreation Service. The administration's budget request for this effort is $5.6 million, $3 million of which is recommended to be appropriated by the House.

In Arkansas, the natural heritage commission is one of the most successful State conservation agency's in the Nation and has made significant strides in identifying and preserving the State's natural diversity and heritage. The administration's natural heritage preservation effort may be the mechanism by which the entire Nation brings the diverse natural area preservation efforts of the States and Federal agencies into a more coordinated effort, identifying, selecting, and protecting the land's rich display of natural heritage resources. While many States have set up programs to address natural area protection, there is a real need for a national effort to coordinate these collective efforts to meet commonly developed objectives.

The national program proposes to provide needed technical assistance to States and to develop techniques to coordinate State information into a similar data base which can then be useful in regional exchanges of information and the setting of priorities for preservation of natural areas on a regional basis.

Among the very significant benefits which a national program offers is development of information systems with which industry and government can accomplish more efficient planning. The program serves as a tool by which the Nation can avoid unnecessary preservation versus development conflicts such as we are witnessing today in the tragic snail darter versus Tellico Dam conflict. As we have discovered in Arkansas, heritage preservation activities are good for business.

I support the planning effort proposed in this budget request, I believe it is a sound investment in the future and I suggest my colleagues give serious consideration to the merits of the program. I also suggest that if you have questions about heritage preservation programs you consult with the agency in your State which is now asking for national coordinating assistance and guidance.

Mr. RANDOLPH. Mr. President, I join my colleague Senator BUMPERS in expressing support for the Department's proposed natural heritage preservation program, whose objectives include the identification, selection and protection of significant examples of the nation's natural area treasures.

The program proposes the development of mechanisms to provide technical assistance and direction to the growing number of States now developing heritage preservation programs. The Department's Heritage Conservation and Recreation Service, charged with administering this effort, is responding to requests for information from all 50 States, many of whom are actively exploring the establishment of their own heritage programs.

The success of these State efforts led me last year to introduce S. 1820, the

Natural Diversity Act. This legislation would facilitate efforts by the Heritage Conservation and Recreation Service to establish a nationwide natural diversity program. Although the press of other legislation prevented the Committee on Environment and Public Works from completing action on the bill this year, I expect to continue work on it during the 96th Congress.

Our State of West Virginia has benefited significantly from the heritage conservation program. One outstanding accomplishment has been the development of the most comprehensive ecological data management system in the state. It has identified 500 varieties of individual plant and animal species, and approximately 80 habitat types that need protection. This information is being used by over a dozen Federal, State and private organizations to more effectively plan development activities. For instance, the Fish and Wildlife Service is using the State's element occurrence data to evaluate the impact of energy development on West Virginia's biological resources. Similarly, the State environmental review team is using the data bank to assess the impact of a variety of projects, such as the construction of I–64.

When program information of all States is combined in a national network, there are available to the Nation invaluable tools for natural area preservation. Moreover, another aspect of a national program is the use of protection mechanisms that do not rely on traditional, expensive fee acquisition by public entities.

I believe there is a demonstrated need for a national coordinating effort and I commend the Department for developing the program. I recommend, as does Senator BUMPERS, that my colleagues support the administration budget for this effort.

● Mr. PELL. Mr. President, as chairman of the Senate Subcommittee on Education, Arts, and Humanities, I want to express my pleasure that the legislation we are considering today for the National Endowment for the Arts and the National Endowment for the Humanities is substantially in accord with the recommendations proposed by President Carter's administration. It is particularly pleasing to note that the program allocations are set at the full amount requested. I wish in particular to commend the distinguished leadership of our committee on Appropriations and our Subcommittee on the Interior Department and Related Agencies for their most constructive action in this regard.

As chairman of the authorizing subcommittee since its inception 15 years ago, I have been privileged to oversee the work of the two endowments. Since they were created under legislation that I sponsored, they have moved toward new achievements and new levels of accomplishment each year. I believe the Humanities Endowment under the leadership of Dr. Joseph Duffey is now reaching out to bring the values of humanities to increasing numbers of our people, and I applaud these efforts.

Similarly, the Arts Endowment, under Livingston Biddle's leadership, is working to expand its outreach so that the benefits of the arts can extend all across our country and so that these benefits can enter more and more the mainstream of our national life.

As we seek to foster cultural values through the programs of the two endowments, and as we seek to increase access to these values for all our people, it is essential that we continue to place an abiding significance on quality.

This concept was of basic importance to the early development of the legislation. It was very much on my own mind as the legislation was being prepared in the early 1960's. It continues to be a concept which should guide us in the future.

As the Congress has reauthorized the Arts Endowment programs, it has continued to emphasize that the criteria for individual grants by the endowment should focus on exceptional talent.

Such talent can be found in many places. It is not limited to our major organizations. It can be discovered in small organizations and among individuals who need the help the endowment can provide for finding new opportunities for artistic expression.

But, in affording new opportunities, I think it is of great importance that the endowment continue to emphasize the standards of professional excellence which the enabling legislation mandates.

I am pleased that the arts endowment in this regard is working to integrate new opportunities for artists in developing organizations in its program areas and, in doing so, I am certain that it will stress quality and foster the best in the arts.●

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, with the understanding that there will be no more rollcall votes tonight.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there morning business?

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 1:05 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to H.R. 11445, an act to amend the Small Business Act of 1958; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. SMITH of Iowa, Mr. STEED, Mr. DINGELL, Mr. CORMAN, Mr. ADDABBO, Mr. ST GERMAIN, Mr. BRECKINRIDGE, Mr. LA FALCE, Mr. BALDUS, Mr. CONTE, Mr. STANTON, Mr. MCDADE, and Mr. BROOMFIELD were appointed managers of the conference on the part of the House.

The message also announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 3532. An act to amend chapter 639 of title 10, United States Code, to enable the Secretary of the Navy to change the name of a publication of the Naval Observatory providing data for navigators and astronomers;

H.R. 7161. An act to amend title 10, United States Code, to allow nationals, as well as citizens, of the United States to participate in the Junior Reserve Officers' Training Corps program;

H.R. 8112. An act to repeal chapter 27 of title 44, United States Code;

H.R. 8471. An act to authorize the Governor of the State of Wyoming to exhibit the nameplate, ship's bell, and silver service of the United States Ship Wyoming without restriction as to the place of such exhibition;

H.R. 11579. An act to designate the Veterans' Administration center located at 1901 South First Street, Temple, Texas, as the "Olin E. Teague Veterans' Center";

H.R. 11956. An act to amend the Federal charter of the Boy Scouts of America;

H.R. 12915. An act to amend section 2301 of title 44, relating to the National Archives Trust Fund Board; and

H.R. 13255. An act to approve the sale of certain naval vessels, and for other purposes.

At 3:09 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to H.R. 12935, an act making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. SHIPLEY, Mr. BENJAMIN, Mr. GIAIMO, Mr. MCFALL, Mr. CHAPPELL, Mr. MURTHA, Mr. MAHON, Mr. ARMSTRONG, Mr. COUGHLIN, and Mr. CEDERBERG were appointed managers of the conference on the part of the House.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 3532. An act to amend chapter 639 of title 10, United States Code, to enable the Secretary of the Navy to change the name of a publication of the Naval Observatory providing data for navigators and astronomers; to the Committee on Armed Services.

H.R. 7161. An act to amend title 10, United States Code, to allow nationals, as well as citizens, of the United States to participate in the Junior Reserve Officers' Training Corps program; to the Committee on Armed Services.

H.R. 8112. An act to repeal chapter 27 of title 44, United States Code; to the Committee on Governmental Affairs.

H.R. 8471. An act to authorize the Governor of the State of Wyoming to exhibit the nameplate, ship's bell, and silver service

of the United States Ship Wyoming without restriction as to the place of such exhibition; to the Committee on Armed Services.

H.R. 11956. An act to amend the Federal charter of the Boy Scouts of America; to the Committee on the Judiciary.

H.R. 12915. An act to amend section 2301 of title 44, relating to the National Archives Trust Fund Board; to the Committee on Governmental Affairs.

H.R. 13255. An act to approve the sale of certain naval vessels, and for other purposes; to the Committee on Armed Services.

BILL HELD AT THE DESK

The following bill was read twice by its title and held at the desk pursuant to the order of August 7, 1978:

H.R. 11579. An act to designate the Veterans' Administration center located at 1901 South First Street, Temple, Texas, as the "Olin E. Teague Veterans' Center".

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NELSON, from the Select Committee on Small Business, with an amendment:

H.R. 11318. An Act to amend the Small Business Act and the Small Business Investment Act of 1958 (Rept. No. 95-1070). Referred to the Committee on Governmental Affairs, to be reported by them not later than September 7, 1978.

By Mr. EAGLETON, from the Committee on Governmental Affairs, with an amendment and an amendment to the title:

H.R. 8588. An Act to reorganize the executive branch of the Government and increase its economy and efficiency by establishing Offices of Inspector General within the Departments of Agriculture, Commerce, Housing and Urban Development, the Interior, Labor, and Transportation, and within the Community Services Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, and the Veterans' Administration, and for other purposes (Rept. No. 95-1071).

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 3384. An original bill to require foreign persons who acquire, transfer, or hold interests in United States agricultural land to report such transactions and holdings to the Secretary of Agriculture, and to direct the Secretary to assess and report the effects of such transactions and holdings (Rept. No. 95-1072).

By Mr. McINTYRE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

H.R. 10899. An Act to provide for Federal regulation of participation by foreign banks in domestic financial markets (Rept. No. 95-1073).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 530. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2640 (Rept. 95-1074).

S. Res. 531. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 11567 (Rept. No. 95-1075).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Harold E. Horan, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malawi.

(The nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: Harold E. Horan.

Post: Malawi.

Contributions, amount, date, and donee:

1. Self, None.

2. Spouse, None.

3. Children and Spouses Names, June E. and Francis Speltz, None; Tessa Horan, None; Jim Horan, None.

4. Parents Names, Deceased.

5. Grandparents Names, Deceased.

6. Brothers and Spouses Names, James B. and Billie Horan, $100, 1976, Republican National Party.

7. Sisters and Spouses Names, Elizabeth Smartt, None; Jo R. and Catherine Spiller, None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

HAROLD E. HORAN.

By Mr. SPARKMAN, from the Committee on Foreign Relations:

George M. Lane, of Massachusetts to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Yemen Arab Republic.

(The nomination was reported with the recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: George M. Lane.

Contributions, amount, date, and donee:

1. Self, None.

2. Spouse, None.

3. Children and Spouses Names, Susanne, Amy, Jonathan, Judith, None.

4. Parents Names, Frederic C. Lane, Unknown but modest, 1976, Jimmy Carter, Father Drinan (Congressman).

6. Brothers and Spouses Names, Jonathan F. Lane, None.

7. Sisters and Spouses Names, Elreda Aetobelli, None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

GEORGE M. LANE.

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Calvin H. Raullerson, of Texas, to be an Assistant Administrator of the Agency for International Development.

(The nomination was reported with the recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PACKWOOD:

S. 3383. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide that amounts received under qualified group legal services plans shall be excluded from wages for purposes of the Federal Unemployment Tax Act and the Federal Insurance Contributions Act; to the Committee on Finance.

By Mr. TALMADGE:

S. 3384. A bill to require foreign persons who acquire, transfer, or hold interests in United States agricultural land to report such transactions and holdings to the Secretary of Agriculture, and to direct the Secretary to assess and report the effects of such transactions and holdings. Original bill reported and placed in the calendar.

By Mr. CHURCH:

S. 3385. A bill to amend the Internal Revenue Code of 1954 with respect to the exclusion from income of gain from the sale of an individual's principal residence; to the Committee on Finance.

By Mr. CRANSTON:

S. 3386. A bill to authorize federal participation in stream rectification, Trinity River Division, Central Valley Project, California, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MATSUNAGA:

S. 3387. A bill to amend the Tariff Schedules of the United States in order to suspend until the close of December 31, 1979, the duty on certain field glasses and binoculars; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PACKWOOD:

S. 3383. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide that amounts received under qualified group legal services plans shall be excluded from wages for purposes of the Federal Unemployment Tax Act and the Federal Insurance Contributions Act; to the Committee on Finance.

PREPAID LEGAL SERVICES

● Mr. PACKWOOD. Mr. President, today I am introducing a bill to exempt employer contributions to group prepaid legal service plans from tax under the Federal Insurance Contributions Act (FICA) and the Federal Unemployment Tax Act (FUTA). This bill would remove an impediment to the growth of legal services programs caused by an oversight in the Tax Reform Act of 1976.

The 1976 Tax Reform Act provided that employer contributions to qualified group legal service plans, and benefits received by employees and their families thereunder, are not subject to Federal income tax for the employee. However, the 1976 act omitted the customary parallel exemption from the FICA and FUTA taxes.

Employees are specifically exempted from tax for employer contributions for similar social benefits provided by their employer, including pensions, sickness or accident disability benefits, medical

benefits, and term life insurance. Employer contributions for these benefits are also exempted from FICA and FUTA tax.

This FICA and FUTA exemption should also apply to prepaid legal service plan contributions. It was simply an oversight in 1976 that this step was not taken. This has caused confusion among those attempting to provide legal service programs for employees. Unless corrected, this will lead to a slowing of growth of these vital programs.

It would be virtually impossible to determine a worker's FICA and FUTA tax liability for an employer's prepaid legal service contributions. It would be extremely difficult or impossible to determine the appropriate amounts to be allocated to each employee. On one hand, it would be inappropriate to tax employees on the employer contributions to the trust fund providing the legal services. This is because the employee may never claim any benefits. On the other hand, it would also be difficult to base the worker's tax liability on the market value of legal services he or she receives. Even if this evaluation were possible, it would be difficult to complete it in time for payment of FICA and FUTA tax.

Adding to the dilemma is administrative complexity that results when an employee receives "wages" from two or more payors. In this instance, absent correcting legislation, the employee would be considered as receiving "wages" from both the employer and the legal services trust. Complicated offset and crediting rules would be called into play.

As a result, attempts to allocate prepaid legal benefits to individual employees' FICA and FUTA tax liability, and their benefits resulting therefrom, would produce complexity, confusion, and delay all out of proportion to the revenue gain to the Government.

Mr. President, I ask unanimous consent that the text of the bill be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3383

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3306(b) of the Internal Revenue Code of 1954 (relating to the definition of wages for purposes of the Federal Unemployment Tax Act) is amended—

(1) by striking out "or" at the end of paragraph (10);

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph;

"(12) any contribution, payment, or service, which may be excluded from the gross income of an employee, his spouse, or his dependents, under the provisions of section 120 (relating to amounts received under qualified group legal services plans).".

(b) Section 3121(a) of such Code (relating to the definition of wages for purposes of the Federal Insurance Contributions Act) is amended—

(1) by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; or"; and

(2) by adding at the end thereof the following new paragraph:

"(16) any contribution, payment, or service which may be excluded from the gross income of an employee, his spouse, or his dependents, under the provisions of section 120 (relating to amounts received under qualified group legal services plans).".

(c) Section 209 of the Social Security Act is amended—

(1) by striking out "or" at the end of subsection (n);

(2) by striking out the period at the end of subsection (o) and inserting in lieu thereof "; or"; and

(3) by inserting after subsection (c) and before the sentence beginning with "For purposes of this title, in the case of domestic service" the following new subsection:

"(p) Any contribution, payment, or service which may be excluded from the gross income of an employee, his spouse, or his dependents, under the provisions of section 120 of the Internal Revenue Code of 1954 (relating to amounts received under qualified group legal services plans).".

SEC. 2. The amendments made by this Act shall be effective with respect to taxable years beginning after December 31, ——.●

By Mr. CHURCH:

S. 3385. A bill to amend the Internal Revenue Code of 1954 with respect to the exclusion from income of gain from the sale of an individual's principal residence; to the Committee on Finance.

CAPITAL GAINS EXEMPTION FOR SALE OF PERSONAL HOMES

● Mr. CHURCH. Mr. President, today I am introducing a bill to provide a one-time, up to $100,000 exemption from capital gains taxes for persons who sell their homes. The House Ways and Means Committee recently approved an identical proposal, and I urge the Senate to take similar action.

The major beneficiaries of this legislation would be older homeowners who no longer have a need for a large house once their families are out on their own, or when they enter their retirement years.

A homeowner 65 years or older may now exclude the gain on the sale of a personal residence, provided the adjusted sales price does not exceed $35,000 and certain other conditions are met. Many older Americans, though, must still pay a tax when they sell their dwellings, since the price of most houses today is well above $35,000, due to rapidly escalating real estate prices.

In addition, existing law permits individuals to defer the tax on the gain from the sale of a home if they purchase a replacement residence costing as much or more than the present one. This provision works well for individuals who are on their way up the economic ladder. It is ideally suited for persons earning more money who may want a larger house because of a growing family or rising life style.

But existing law provides little relief for individuals who desire to move to a more modest residence—as is often the case for persons in their late 40's, 50's, or early 60's after they have raised their families. These individuals typically must pay a big capital gains tax, which is largely a tax on inflation.

Older Americans who have worked all their lives to purchase their homes deserve better treatment. They should be allowed a one-time capital gains exclusion. The tax saving can help to supplement their social security and other income when they retire. The inflation has already made it difficult enough for them to make ends meet. A whopping capital gains tax on the sale of a personal residence only aggravates this burden.

Perhaps a typical example will best illustrate the dollars-and-cents impact of existing law for persons who cannot or prefer not to "buy up" when they sell their present residences. Mr. and Mrs. Jones were 28 years old in 1949 when they purchased a home for $8,800, which then was the median price for a single-family dwelling unit. But their house is really too large for their needs today, since their children have married. So, they decide to sell their home this year for $54,800, producing a $46,000 capital gain largely attributable to inflation. If their annual income is $20,000, this capital gain could increase their taxes by almost $6,400—even with income averaging. Moreover, they would probably be subject to a hefty increase in their State income tax.

Mr. President, I ask unanimous consent that a brief description of the assumptions underlying this computation be inserted at the end of my statement. My proposal would remove this unfair burden for homeowners like Mr. and Mrs. Jones and others similarly situated. It would also be especially helpful for older Americans who find their purchasing power diminishing in the marketplace.

First, it would wipe out the capital gains tax for practically all homeowners 65 years or older, instead of limiting the full exemption only to those selling their personal residences for not more than $35,000.

Second, it would be especially beneficial to homeowners in their fifties or early sixties who must scale down their economic standards of living as they prepare to live on less—and in some cases substantially less—income in retirement.

The vote in California in support of proposition 13—and the growing indications that similar initiatives in other States will likewise be approved—has demonstrated how keenly the American people feel about their homes. Congress has no control over property taxes. But we do have control over capital gains taxation. By approving the legislation I have introduced today, we can materially ease the burden now imposed upon millions of Americans each year.

For these reasons, I urge prompt approval of my bill.

In addition, Mr. President, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the bill and table were ordered to be printed in the RECORD, as follows:

S. 3385

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. ONE-TIME EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) GENERAL RULE.—The section heading and subsections (a) and (b) of section 121 of the Internal Revenue Code of 1954 (relating to gain from sale or exchange of residence of individual who has attained age 65) are amended to read as follows:

"SEC. 121. ONE-TIME EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

"(a) GENERAL RULE.—At the election of the taxpayer, gross income does not include gain from the sale or exchange of property if, during the 3-year period ending on the date of such sale or exchange, such property has been owned and used by the taxpayer as his principal residence for periods aggregating 2 years or more.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The amount of the gain excluded from gross income under subsection (a) shall not exceed $100,000 ($50,000 in the case of a separate return by a married individual).

"(2) APPLICATION TO ONLY 1 SALE OR EXCHANGE.—Subsection (a) shall not apply to any sale or exchange by the taxpayer if an election by the taxpayer or his spouse under subsection (a) with respect to any other sale or exchange is in effect.

"(3) ADDITIONAL ELECTION IF PRIOR SALE WAS MADE ON OR BEFORE JULY 26, 1978.—In the case of any sale or exchange after July 26, 1978, this section shall be applied by not taking into account any election made with respect to a sale or exchange on or before such date.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 121(d) of such Code is amended by striking out "age, holding, and use" each place it appears and inserting in lieu thereof "holding and use".

(2) Paragraph (2) of section 121(d) of such Code is amended—

(A) by striking out "8-year period" and inserting in lieu thereof "3-year period", and

(B) by striking out "subsection (a)(2)" each place it appears and inserting in lieu thereof "subsection (a)".

(3) Paragraph (3) of section 121(d) of such Code is amended by striking out "subsection (a)(2)" each place it appears and inserting in lieu thereof "subsection (a)".

(4) Paragraph (5) of section 121(d) of such Code is amended—

(A) by striking out "8-year period" and inserting in lieu thereof "3-year period", and

(B) by striking out "5 years" and inserting in lieu thereof "2 years".

(5) Paragraph (7) of section 121(d) of such Code is amended to read as follows:

"(7) Sections 1033 and 1034 not to apply to sales to which this section applies.—Sections 1033 of such Code (relating to involuntary conversions) and 1034 of such Code (relating to rollover of gain on sale of principal residence) shall not apply to any sale or exchange of a residence with respect to which an election under this section applies.".

(6) The table of sections for parts III of subschapter B of chapter 1 of such Code is amended by striking out the item relating to section 121 and inserting in lieu thereof the following:

"SEC. 121 One-time exclusion of gain from sale of principal residence."

(7) Paragraph (3) of section 1033(g) of such Code (relating to cross references) is amended to read as follows:

"(3) For one-time exclusion from gross income of gain from involuntary conversion of principal residence, see section 121."

(8) Subsection (k) of section 1034 of such Code (relating to cross references) is amended to read as follows:

"(k) Cross Reference.—

"For one-time exclusion from gross income of gain from sale of principal residence, see section 121."

(9) Section 1038(e)(1)(A) of such Code is amended by striking out "relating to gain from sale or exchange of residence of an individual who has attained age 65" and inserting in lieu thereof "relating to one-time exclusion of gain from sale of principal residence."

(10) Section 1250(d)(7)(B) of such Code is amended by striking out "relating to gains from sale or exchange of residence of individual who has attained the age of 65" and inserting in lieu thereof "relating to one-time exclusion of gain from sale of principal residence."

(11) Section 6012(c) of such Code is amended by striking out "relating to sale of residence by individual who has attained age 65" and inserting in lieu thereof "relating to one-time exclusion of gain fom sale of principal residence".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall apply to sales or exchanges after July 26, 1978, in taxable years ending after such date.

Assumptions underlying computation

	1978	1977	1976	1975	1974
Total income	$20,000	$19,000	$18,000	$17,000	$16,000
Itemized deductions	3,500	3,500	3,500	3,500	3,500
2 personal exemptions	1,500	1,500	1,500	1,500	1,500

SALE OF RESIDENCE

Mr. and Mrs. Jones sell their personal residence and do not incur any sales expenses (e.g. real estate commissions). The example further assumes that Mr. and Mrs. Jones did not make any qualifying capital improvements to their personal residence.

FEDERAL INCOME TAX COMPUTATION

Tax computed with the $46,000 long-term capital gain (one-half of which or $23,000 is reportable for tax purposes)	$9,220
Tax computed without the long-term capital gain	2,824
Additional tax	6,396

By Mr. CRANSTON:

S. 3386. A bill to authorize Federal participation in stream rectification, Trinity River Division, Central Valley Project, Calif., and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to authorize Federal participation in stream rectification on the Trinity River in California. The legislation is identical to H.R. 13394 introduced in the House of Representatives by Congressman HAROLD T. JOHNSON.

Since completion of the Trinity River Basin of the Central Valley project in 1963, salmon and steelhead populations in the Trinity River have declined dramatically. One of the worst problems has been identified as the accumulation of sediment in the river below Grass Valley Creek.

In 1976, the Trinity River Basin Fish and Wildlife Task Force authorized the California Department of Water Resources to prepare a feasibility study to determine the best means of controlling this sediment. The report which was completed in May of this year and approved by the task force recommends a project which includes construction of Buckhorn Mountain Dam on Grass Valley Creek and a permanent sand dredging system on the Trinity River.

The bill I am introducing today incorporates the recommendations of the task force. It authorizes the Bureau of Reclamation to construct the Buckhorn Mountain Reservoir, at a cost of $3.5 million. Under the bill, the State of California is required to match the funds provided by the Federal Government.

I believe this project should improve the sedimentation on the Trinity River and restore the important fishery. Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3386

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Interior, acting through the Commissioner of the Bureau of Reclamation, is authorized to design, construct, operate, and maintain, or to contract with the State of California for the design, construction, operation, or maintenance of, a sand dredging system on the Trinity River immediately downstream from Grass Valley Creek, a tributary of the Trinity River, and a debris dam and associated facilities on Grass Valley Creek, in Trinity County, California, in general conformity to the plan of development described and set forth in the Grass Valley Creek Sediment Control Study, April 1978, prepared for the Trinity River Basin Fish and Wildlife Task Force.

SEC. 2. The contract authorized by section 1 of this Act shall provide that the State of California, on a dollar-for-dollar basis, will match the funds provided by the Bureau of Reclamation for constructing, operating, and maintaining the sand dredging system.

SEC. 3. There is authorized to be appropriated for fiscal year 1980 and thereafter, to remain available until expended the sum of $3,500,000 (April 1978 price levels), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs indexes applicable to the type of construction involved therein. There are also authorized to be appropriated such sums as may be required for the federal share of operation and maintenance. All costs incurred pursuant to this Act shall be nonreimbursable and nonreturnable. No funds shall be expended hereunder until the Board of Supervisors of Trinity County adopts adequate timber road and subdivision standards to protect the Grass Valley Creek watershed.●

Mr. MATSUNAGA:

S. 3387. A bill to amend the Tariff Schedules of the United States in order to suspend until the close of December 31, 1979, the duty on certain field glasses and binoculars; to the Committee on Finance.

SUSPENSION OF CUSTOMS DUTIES ON BINOCULARS AND FIELD GLASSES

● Mr. MATSUNAGA. Mr. President, on May 13 of last year, I introduced a bill, S. 1519, to suspend tariffs on certain telescopes and binoculars. After S. 1519 was passed by the Senate, it was brought to my attention that the types of telescopes and rifle scopes included in my

bill were being manufactured domestically. I therefore voluntarily withdrew my bill from final consideration by the House. Today, I am introducing a bill redrafted to suspend tariffs only on certain imported prism binoculars. Telescopes and rifle scopes have been excluded. I have been assured by the Office of the Special Trade Representative that the administration has no objection to the new version of my bill.

Mr. President, Americans today make widespread use of binoculars for recreation, educational, and sports purposes. Advanced technology and production has decreased considerably the cost of quality optical instruments, and this moderate pricing has led to a large consumer market in the United States.

While American demand has increased, imported binoculars have been subjected to a 20 percent ad valorum tariff. Originally, the tariff was established because our own American optical industry was experiencing technical difficulties in producing quality optical instruments. The national interest at that time warranted protection of our optical industry. Today, however, the Department of Commerce reports no known commercial production in the United States of the kind of prisms used in the imported binoculars on which heavy duty is still being imposed. The small domestic production of binoculars which does occur, in fact, uses imported prisms. Domestic production is presently directed at the most expensive, high quality, high performance instruments for an extremely select market which will not be affected by my bill.

The reasons for tariff protection of our binocular industry, once valid, no longer exist. However, importers of foreign-made binoculars continue to pay a 20 percent ad valorum tariff upon them, and this tariff is invariably passed on to the consumer. Consequently, American consumers continue to pay a protective tariff which protects no one.

The tariff suspension provided by my bill would be only temporary, and would end on December 31, 1979. By that time, the tariff reduction negotiations in Geneva should be over, and the administration should have reached a final decision on this matter. I believe that the administration will then have agreed to the permanent elimination of tariffs on imported binoculars.

In the meantime, the temporary suspension would provide great savings for American consumers, while in no way adversely affecting any American business concerns. Mr. President, for the reasons stated, I urge support for and early passage of my bill.●

ADDITIONAL COSPONSORS

S. 2371

At the request of Mr. ANDERSON, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 2371, a bill to amend title 39 of the United States Code to provide that pledge reminders of charitable organizations may be mailed at third-class rates.

S. 2388

At the request of Mr. STEVENS, the Senator from Oklahoma (Mr. BARTLETT), the Senator from Maryland (Mr. MATHIAS), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 2388, a bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain employer educational assistance programs.

S. 3086

At the request of Mr. LEAHY, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 3086, a bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes.

S. 3330

At the request of Mr. CULVER, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 3330, a bill to require agencies to consider alternative regulatory proposals in the promulgation of agency rules, regulations and reporting requirements.

S. 3341

At the request of Mr. THURMOND, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 3341, a bill to name the Veterans' Administration hospital at Columbia, S.C., the "Wm. Jennings Bryan Dorn Veterans' Hospital."

S. 3352

At the request of Mr. CRANSTON, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of S. 3352, the Agricultural Foreign Investment Disclosure Act.

S. 3356

At the request of Mr. LUGAR, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 3356, a bill to amend the Internal Revenue Code of 1954 to provide tax relief to small business.

SENATE RESOLUTION 526

At the request of Mr. DOLE, the Senator from Illinois (Mr. STEVENSON), the Senator from New Mexico (Mr. SCHMITT), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Resolution 526, observing the 10th anniversary of the invasion of Czechoslovakia.

SENATE CONCURRENT RESOLUTION 68

At the request of Mr. CURTIS, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of Senate Concurrent Resolution 68, expressing the sense of the Congress on the Baltic States question.

AMENDMENT NO. 3302

At the request of Mr. BUMPERS, the Senator from South Carolina (Mr. THURMOND), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Maine (Mr. HATHAWAY), the Senator from North Carolina (Mr. MORGAN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Utah (Mr. HATCH), the Senator from Arkansas (Mr. HODGES), the Senator from South Carolina (Mr. HOLLINGS), the Senator from South Dakota (Mr. ABOUREZK), the Senator from New Mexico (Mr. DOMENICI), the Senator from Florida (Mr. CHILES), the Senator from Alabama, (Mrs. ALLEN), the Senator from Georgia (Mr. NUNN), the Senator from Alabama (Mr. SPARKMAN), the Senator from North Carolina (Mr. HELMS), the Senator from Texas (Mr. BENTSEN), and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of amendment No. 3302 intended to be proposed to S. 2600, the Rehabilitation, Comprehensive Services and Developmental Disabilities Act of 1978.

AMENDMENTS SUBMITTED FOR PRINTING

REHABILITATION, COMPREHENSIVE SERVICES AND DEVELOPMENTAL DISABILITIES ACT OF 1978—S. 2600

AMENDMENT NO. 3441

(Ordered to be printed and to lie on the table.)

Mr. RANDOLPH, for himself, Mr. WILLIAMS, Mr. STAFFORD, and Mr. JAVITS) submitted the following amendment to S. 2600, a bill to amend the Rehabilitation Act of 1973 to extend certain programs established in such act, to establish a comprehensive services program for the severely handicapped, and for other purposes.

REHABILITATION RESEARCH INSTITUTE

● Mr. RANDOLPH. Mr. President, research in the field of rehabilitation has been expanding rapidly through the past decades with remarkable benefits to handicapped individuals and to our society. Gains have been made at all levels, from basic research on spinal cord injuries to applied research in the area of independent living. The funds which have been invested in this area have paid unquestioned dividends to both the handicapped and to society. It is because of this that S. 2600 places such a strong emphasis on the continuation and expansion of research activities.

Much has been learned in the past decade; not only from the research itself but about the management of research. We have found the value of long-term investments in major programmatic research centers where the researchers themselves have the opportunity to learn and translate that learning into new research. We have seen the advantages of the rehabilitation research and training centers over the isolated, short-term projects and we have learned that dissemination of research results and products cannot be left to chance.

We have learned that research is a changing industry, growing and expanding upon itself as new knowledge and new procedures are developed. We have been more than a little concerned that the Federal management practices which control the funding for this vital, active, and exciting endeavor have remained constant, perhaps in some cases stagnant, for too many years.

We were concerned about this problem at the time S. 2600 was considered

in hearings and some information was available for this committee but not enough to recommend a course of action. Subsequent to the introduction of S. 2600, Dr. Howard Rusk of the Rusk Institute of Rehabilitation Medicine at New York University presented testimony before the House Education and Labor Committee. In that testimony he recommended an innovative and exciting new approach to the management of research in rehabilitation at the Federal level.

Dr. Rusk recommended that the management of research be separated from the general management of service and financial assistance programs through the establishment of a National Institute of Handicapped Research. This Institute would provide a focal point for all research and development activities relating to the disabled throughout the Federal Government and would have as its sole purpose the promotion, organization, management and dissemination of research and related activities for the specific purpose of improving the lives of handicapped persons in this society and reducing their dependence upon the welfare system.

Information received during those House hearings has been studied carefully by the subcommittee. The subcommittee has also reviewed the recommendations of the House Science and Technology Committee. This House committee, working with a consultant advisory panel of expert citizens, recommended that a single entity be established within the Federal Government with responsibility to coordinate present research programs to aid the handicapped. The presentation by Dr. Rusk and the findings of the House Committee on Science and Technology lead us to believe that this Nation's scientific and professional resources can substantially benefit handicapped individuals; but only if effective leadership and organization is available at the Federal level. Consideration of these developments subsequent to our own hearings has led us to submit this amendment at this time.

DESCRIPTION OF INSTITUTE

The National Institute of Handicapped Research would have a number of specific and important responsibilities. These would include: First, the administration of research programs authorized under sections 203 and 204 of the act; second, the dissemination of information derived through the support of research and development activities; third, the coordination of Federal programs and policies relating to research, development, and dissemination concerning rehabilitation and the disabled; fourth, the dissemination of educational materials to various educational institutions to help improve the quality of life of handicapped individuals; fifth, the conduct of a program to inform the public about problems of the handicapped and what can be done about them; sixth, the conduct of conferences, seminars, and workshops for rehabilitation personnel concerning advances in rehabilitation research and rehabilitation engineering, and seventh, the production, in conjunction with the Department of Labor, the National Center for Health Statistics, and other appropriate agencies, statistical reports on the employment, health, income, and other demographic characteristics of handicapped individuals and the dissemination of such reports and studies as appropriate.

This Institute would also have the responsibility of monitoring all research and development activities relevant to the purposes of the Institute supported by all other Federal agencies and to issue periodic "state of the art" reports and descriptions of research in progress.

The Institute will have the opportunity to constantly refresh itself intellectually by recruiting the best research minds available through the use of short-term, noncareer positions and the appointment of research fellows.

The Institute will be managed by a director, appointed by the President, and confirmed by the Senate, who reports directly to the Secretary. The director will be required to develop a long-range plan for research relating to the handicapped which specifies research which is needed and funding priorities for the agency. This plan will take into account all relevant research supported by the Federal agencies as well as research supported by the Institute.

The Institute will be required to conduct studies of the needs of handicapped persons living in rural areas and problems relating to the structure of Federal programs which might deter the movement of handicapped individuals through the rehabilitation system.●

AGRICULTURAL, RURAL DEVELOPMENT AND RELATED AGENCIES APPROPRIATIONS, 1979—H.R. 13125

AMENDMENT NO. 3442

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY (for himself and Mr. McGOVERN) submitted an amendment intended to be proposed by them, jointly, to H.R. 13125, an Act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1979, and for other purposes.

● Mr. HATHAWAY. Mr. President, today I am submitting an amendment to H.R. 13125, the agriculture appropriation for fiscal year 1979. Senator McGovern joins me in sponsoring the amendment. The purpose of my amendment is to add $105 million to the agricultural conservation program so as to appropriate to it a total of $190 million, which is the same sum appropriated to it in 1978 and is the same amount as that appropriated by the House for fiscal year 1979.

The agricultural conservation program is an old program which benefits farmers in all agricultural counties in the Nation.

To an unusual degree, it is run at a local level through elected county committees which set conservation priorities and approve applications for assistance, which always require farmers to share the cost of the approved conservation project, usually on a 50–50 basis. No farmer may receive more than $2,500 for a conservation project.

Most ACP programs have to do with long-term soil and water conservation measures: diversions, ditches, tree cover, vegetation cover, stripcropping, contour farming and animal waste storage.

Because of the cost sharing requirement, projects are not undertaken unless the farmer needs them. Coupled with the county committee's establishment of local conservation priorities, conservation practices which result are typically those that are most needed by the farmer and most justified as a matter of objective conservation philosophy.

What is the alternative to this locally run, popular conservation program? The bill provides $75 million for the Soil Conservation Service to make grants to State and local agencies who, in turn, will contract with farmers and landowners to implement conservation measures pursuant to State and local plans.

But this cannot be a substitute for ACP funds, since this alternative approach—under the rural clean water program—allocates funds only on a project area basis, upon approval by EPA. Some States would not receive any such funds for some time and cannot depend upon them as a substitute for ACP moneys.

In addition, such an approach would tend to end the voluntary participation of today's ACP program. A regional plan, approved by the EPA, will not have farmer participation to the degree enjoyed by ACP.

The committee's decision to reduce ACP funding appears to be in part based upon a 1977 GAO report—largely conducted in 1976—that many ACP practices are "production-oriented" or are not "enduring" practices. The fact is that less than 10 percent of ACP funds are used for purposes where the immediate and principal achievement is production. Nearly 90 percent of all ACP projects are "enduring"—including even the short-term practices such as summer and winter cover which provide very high benefits in preventing soil loss and water and air pollution.

No one, Mr. President, enjoys being in the position of offering an amendment to add $105 million when the committee has already debated the issue. But the bottom line is that this program is extremely well thought of in the Northeast—indeed it is probably the most popular Department of Agriculture program which affects farmers in the Northeast who typically do not derive any benefit from programs providing loan levels, price supports, and set-asides. Just last year in Maine, for example, ACP cost-share projects were approved for and undertaken by nearly 2,500 farmers.

But even outside the Northeast, in areas where farmers benefit from other agricultural programs, ACP is still a most substantial, widespread factor in the conservation planning and practices of millions of farmers.

I ask unanimous consent that there be printed in the RECORD at this point a chart showing 1978 ACP allocations for the 50 States, where $190 million is ap-

propriated, and a parallel chart showing the reductions entailed for each State if the $85 million for ACP in the Senate bill were to become law.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Agricultural conservation program

State	1978 initial basic State allocation	1979 allocation (based on funding of $85,000,000)
Illinois	$6,616,000	$2,936,000
Indiana	4,401,000	1,953,000
Iowa	7,298,000	3,239,000
Minnesota	6,561,000	2,912,000
Missouri	7,597,000	3,372,000
Ohio	4,576,000	2,031,000
Wisconsin	5,058,000	2,245,000
Midwest area	42,107,000	18,688,000
Connecticut	382,000	170,000
Delaware	244,000	108,000
Maine	1,925,000	854,000
Maryland	1,056,000	469,000
Massachusetts	491,000	218,000
Michigan	4,364,000	1,937,000
New Hampshire	572,000	254,000
New Jersey	582,000	258,000
New York	4,523,000	2,008,000
Pennsylvania	4,321,000	1,918,000
Rhode Island	67,000	30,000
Vermont	1,004,000	446,000
West Virginia	1,590,000	706,000
Northeast area	21,121,000	9,376,000
Alaska	226,000	100,000
Idaho	2,730,000	1,212,000
Montana	5,167,000	2,293,000
Nebraska	4,842,000	2,149,000
North Dakota	4,750,000	2,108,000
Oregon	3,396,000	1,507,000
South Dakota	3,724,000	1,653,000
Washington	4,096,000	1,818,000
Wyoming	1,982,000	880,000
Northwest area	30,913,000	13,720,000
Alabama	4,840,000	2,148,000
Arkansas	3,815,000	1,693,000
Florida	3,793,000	1,683,000
Georgia	5,158,000	2,289,000
Kentucky	5,002,000	2,220,000
Louisiana	3,533,000	1,568,000
Mississippi	4,678,000	2,076,000
North Carolina	4,613,000	2,047,000
Puerto Rico	648,000	288,000
South Carolina	2,623,000	1,164,000
Tennessee	4,263,000	1,892,000
Virginia	3,197,000	1,419,000
Virgin Islands	20,000	9,000
Southeast area	46,183,000	20,496,000
Arizona	1,969,000	874,000
California	5,247,000	2,329,000
Colorado	4,138,000	1,837,000
Hawaii	480,000	213,000
Kansas	5,921,000	2,628,000
Nevada	756,000	336,000
New Mexico	2,282,000	1,013,000
Oklahoma	5,486,000	2,435,000
Texas	16,388,000	7,274,000
Utah	1,759,000	781,000
Southwest area	44,426,000	19,720,000
Total all areas	184,750,000	82,000,000

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, on August 14, 15, 16, and 17, 1978 the Banking Committee will hold hearings on S. 3304, the Federal Reserve Requirements Act of 1978. The hearings shall begin at 10 a.m. each day and will be held in room 5302, Dirksen Senate Office Building.

The witnesses invited to testify before the committee are as follows:

August 14: The Honorable G. William Miller, Chairman of the Federal Reserve Board of Governors; and as a panel, The Honorable George A. LeMaistre, Chairman, Federal Deposit Insurance Company; Mr. Lawrence Connell, Administrator, National Credit Union Administration; and a representative of the Federal Home Loan Bank Board.

August 15: The first panel will be a representative from the American Bankers Association, and a representative from the Independent Bankers Association of America; the second panel will consist of Mr. John L. Donovan, Vice President & Treasurer of the Casco Bank & Trust Company; Mr. L. Manley Preston, President, First National Bank of Canton; and Mr. Jerry P. Shea, President & Chief Executive Officer, Bank of Delaware.

August 16: Mr. Robert Carswell, Deputy Secretary of the Treasury, Department of Treasury; The Honorable John G. Heimann, Comptroller of the Currency; and Mr. Richard S. Ravenscroft, President, Philadelphia National Corporation. A panel will also be present consisting of The Honorable Carol S. Greenwald, Commissioner of Banks, Commonwealth of Massachusetts; and The Honorable Muriel Seibert, Banking Superintendent, New York State Banking Department.

August 17: The first panel consists of Professor Lester Chandler, Economics Department, Princeton University, Professor James Pierce, Economics Department, University of California, Berkeley, and Mr. Jon Brown, Staff Attorney, Public Interest Research Group. The second panel consists of Mr. Leland Prussia, Executive Vice President, Bank of America; and Mr. John Lee, Executive Vice President, New York Clearing House Association.

Any persons desiring to submit a statement for the hearing record or wishing to obtain more information about the hearings should contact Steven M. Roberts of the committee staff at 224–0893.

COMMITTEE ON FOREIGN RELATIONS

● Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations will hold a hearing next Tuesday, August 15, on Protocol I to the Treaty for the Prohibition of Nuclear Weapons in Latin America, also known as the Treaty of Tlatelolco.

The hearing will be held at 10 a.m. in room 4221 of the Dirksen Senate Office Building. Witnesses are expected to include representatives of the Department of State, the Department of Defense, the Arms Control and Disarmament Agency, and the Joint Chiefs of Staff.

The treaty, which is open to states of Latin America, constitutes what the President describes as "the first successful attempt to establish a nuclear weapon-free zone in any populated area of the world." At present, the treaty is in force for 22 Latin American states.

There are two protocols to the treaty. Protocol II, which applies to nuclear-weapon states, was ratified by the United States on May 12, 1971, pursuant to Senate advice and consent to ratification. Protocol II obligates the nuclear-weapon-states to respect the nuclear free zone, not to contribute to any treaty violations, and not to use or threaten to use nuclear weapons against parties to the treaty. France, the People's Republic of China, and the United Kingdom have ratified Protocol II along with the United States. The Soviet Union signed Protocol II on May 19, 1978.

Protocol I, which is now under consideration, was transmitted by the President on May 24, 1978. The President has asked that the Senate give its advice and consent to ratification with the same understandings and declarations which applied to United States ratification of Protocol II, and with additional understandings and declarations concerning transit and transportation privileges, exercise of the freedom of the seas, and passage through territorial waters. Protocol I is designed to extend the nuclear-free obligation to cover all territories within the treaty zone. If ratified, Protocol I would obligate the United States not to test, use, store, or deploy nuclear weapons in Puerto Rico, the Virgin Islands, Guantanamo Naval Base, and the Panama Canal Zone. Upon entry into force of the Panama Canal treaties, the canal will be included in the nuclear-free zone, since Panama is a party to the treaty.●

ADDITIONAL STATEMENTS

RHODESIAN EMBARGO

● Mr. GOLDWATER. Mr. President, recently the Congress went through the throes of deciding whether we should make it a matter of record that we want to end the embargo imposed on Rhodesia. While we did make changes in certain of the impositions, we obviously did not have the courage to do what was necessary. Several of our Members, Senators HELMS, HAYAKAWA, HARRY BYRD, BARTLETT, to mention a few, had the courage to stand up and ask the question of why we should impose further restrictions on the Rhodesian Government when it has done everything—I repeat, everything—

that the United States has asked that country to do. Of all the adventures undertaken by this administration, none seem to be wrapped up in more ambiguity than human rights. Human rights is a subject dear to all American hearts. Human rights is the reason that most of us are citizens of this country. By that I mean our forefathers, mine a Polish Jew, came to this country looking for the exercise of human rights and found it. But we are willing to impose our will and our might on selected countries whom we feel do not practice human rights as the Carter administration interprets them. Yet, we stand absolutely frightened to mention human rights in the case of Red China, North Korea, Cuba, just to mention a few.

Rhodesia has done what we have asked. It is time we get off her back. I ask that an editorial appearing in the Anaheim Bulletin of Anaheim, Calif., by Allan C. Brownfeld, be printed in the RECORD.

The editorial follows:

[From the Anaheim Bulletin, Anaheim, Calif., July 21, 1978]

RHODESIA EMBARGO SHOULD BE ENDED

(By Allan C. Brownfeld)

There is no conceivable reason for the United States to persist in maintaining an embargo against Rhodesia, a friendly country which has followed the U.S. demand that it provide for a policy of "one man, one vote" majority rule.

At the present time, the Patriotic Front, the communist-supported terrorist group which seems also to enjoy the support of U.S. Ambassador Andrew Young, British Foreign Secretary David Owen, and a variety of other State Department officials, is attempting to bring Rhodesia's multi-racial government to its knees. It is attempting to do so by reverting to barbarism—to the brutal slaughter of Catholic and Protestant missionaries, to butchering women and children, white and black. Rather than condemning such slaughter, the U.S. seems to be encouraging it. The Carter administration, it seems, is concerned with "human rights" only if those violating such rights are easy and convenient targets. It takes little courage to criticize Chile, Nicaragua and South Korea.

If the Carter administration still seeks to inflict the terrorists upon Rhodesia, public opinion has been shocked by the brutality of the Patriotic Front. An indication of such concern is reflected in a vote in the U.S. Senate late in June.

At that time, Sen. Jesse Helms, R-N.C., proposed that the U.S. embargo against Rhodesia be lifted. He warned that, "Terrorist attacks from guerrillas based in neighboring countries have continued to devastate both black and white communities. . . . The economic situation has continued to deteriorate because of the refusal of the world to lift economic sanctions. . . ."

Speaking in behalf of this resolution, Sen. H. I. Hayakawa, R-Calif., noted that, "Between May 25 and June 6 of this year I visited southern Africa. . . . The Rhodesian settlement puts the country, for the time being, into the hands of an executive council of four, three of whom are black. . . . In addition to that, every ministry is occupied by two people one black and one white. I had the opportunity of sitting with them and watching them in operation. . . . The two I watched treated each other with courtesy, as equals, came to decisions together, sometimes contradicted each other but they will stand like real colleagues on a position of total equality."

Sen. Hayakawa supported an end to the embargo against Rhodesia as "a small gesture to support the internal agreement, to give it a chance to survive." Sen. Harry F. Byrd, Jr., Ind.-Va., asked: "Why should we oppose an internal settlement worked out by the Rhodesians themselves which will bring to that country black majority rule? If the State Department policy prevails, and if Marxist terrorists are forced into the Rhodesian government then, obviously, it will not be too long before that country comes under the domination of the Soviet Union."

What was most surprising—and encouraging—as a reflection of changing American opinion—was that the Helms resolution to end the embargo against Rhodesia was defeated by only six votes—48–42 with 10 not voting. Hopefully, when it comes up for another vote, it will succeed.

More and more Americans are moving toward a realization that the Carter administration is supporting not those who advocate a multi-racial and democratic Rhodesia, but, quite to the contrary, is attempting to inflict communist-supported terrorists upon that country—a truly extraordinary policy of an American administration to pursue. Discussing this state of affairs, Ronald Reagan recently declared that, "Nkomo and Mugabie—these are leaders into whose hands President Carter and Ambassador Young apparently would like to drive Rhodesians, black and white. Because these Cuban-aided terrorists have refused to participate, the Carter administration has branded the Rhodesian settlement, supported by both whites and a majority of blacks, illegal. What Americans really need to be afraid of is an administration that can pursue such a policy."

Similarly, The Washington Star editorially stated that, "The Secretary of State said that for the U.S. to choose among the factions contending for power in Rhodesia would diminish the chances of a peaceful solution. That is, of course, an answer that cancels out a great many American pieties about black majority rule, except for those who are prepared to believe as Andrew Young seems to, that neither blackness or numbers can make a black majorty if it is not Marxist and anti Western.

The U.S. Senate showed its view of the Carter administration's about-face with regard to Cuban aggression in Africa when it approved by a vote of 53 to 29 a resolution introduced by Sen. Dewey Bartlett, R-Okla., which called on the president to recall the U.S. "Interest section" from Havana and to expel Cuba's parallel mission in Washington as well as deny licenses for commercial trade or export to Cuba until all Cuban military forces are withdrawn from Africa. The State Department said that such steps would "damage important U.S. interests."

One wonders what "important U.S. interests" are to an administration whose foremost foreign policy achievement thus far has been giving away the Panama Canal. Perhaps not until it gives Rhodesia to the terrorists and attempts to inflict similar Marxist governments upon South West Africa and South Africa will it view its Africa policy as a success.

The American people must become aware of the fact that the support for terrorism in Africa is not only immoral and contrary to all of our principles to achieve a multi-racial, democratic solution. We should be helping that settlement, not hindering it. One way to help would be immediately end the embargo.●

GALLAUDET COLLEGE COMMENDED FOR ITS EFFORTS TO AID THE DEAF

● Mr. RANDOLPH. Mr. President, recently, Dennis L. Breo, wrote an outstanding article for the American Medical News about the deaf: Our last neglected minority. Each month AMA news features an impact section that focuses on an issue that involves the lives of all of us. In the July story, Mr. Breo described some of the work and effort that is going on to treat, and train, and educate the deaf. To me, these efforts, which involves the physician community, is both heartwarming and most encouraging. AMA news, in its editorial comments, points up some of the problems that handicapped minority encounters in making slow progress—such as social. attitudinal, legal, physical and emotional.

As chairman of the subcommittee on the handicapped of the Senate Human Resources Committee, I commend to my colleagues the reading of this story which includes the innovative efforts made by Gallaudet College located a few blocks from Capitol Hill.

Mr. President, I ask to have this article printed in the RECORD.

The article follows:

THE DEAF: OUR LAST NEGLECTED MINORITY GROUP

LISTENING

Every Friday at Los Angeles' John Tracy Clinic for the preschool deaf and their parents, a counseling session is held by clinic psychologist Barbara Mills, Ph. D., for parents who have just learned that they have a deaf child.

The topic one Friday was physicians, and the attitude of some mothers was critical. Some said that the diagnosis of deafness came late, seemingly almost as an afterthought. Others' feelings were summed up by the mother who said, "All we want is for the doctor to be human, to be honest, to tell us what can be done, and if he can't do anything, to let us know."

Practicing physicians are familiar with the very human tendency to blame someone else when a family is struck by tragedy.

Dr. Mills suggested, however, that physicians continue to pay close attention to young children's hearing. In some, a severe hearing loss can be detected at six months or earlier. If the disability is discovered late, previous learning time is lost—and the deaf desperately need that time.

In this week's Impact section, we bring you news of some of the work now going on to treat, and train, and educate the deaf. The news is both heartening and heart-rending.

Sometimes the progress of the deaf seems painfully slow. As a handicapped minority, the deaf encounter problems that are social, legal, and emotional, as well as physical. Yes, they encounter prejudice, too.

And yet, like members of minorities everywhere, the deaf person makes this offer to society: Judge me for who I am and what I can do. With a little help, I can make it on my own.

Larry Goldberg, director of the legal clinic for the National Center for Law and the Deaf, located on the Washington, D.C., campus of Gallaudet College, says that hospitals, particularly emergency rooms, should have interpreters available for deaf patients.

"Without an interpreter, how can a deaf person give informed consent?" he asks.

Perhaps the best advice was given by Mrs. Spencer Tracy, founder of the Tracy Clinic, when she addressed the Otolaryngology Section of the Pan-Pacific Surgical Assn. 21 years ago:

"Would it not be possible to ensure that when a baby is first seen, whether he is sick or well, in a clinic, a private office, a hospital or a home, along with the questions so often asked—'How well does he eat?' 'How well does he sleep?' 'How well does he go to the bathroom?'—there might be included, 'How well does he hear?' "

THE DEAF: LAST NEGLECTED MINORITY

(By Dennis L. Breo)

Scott Parker is celebrating his fifth birthday with a few friends, ages 2 to 5. The guests take time away from their games to gather around the birthday boy and sing in his honor. Cakes and ice cream are served amid flurries of "Thank you" and "You're welcome."

Afterward, the children begin acting up a little, getting a trifle noisy. It is sweet music to the parents and to the staff of Los Angeles' John Tracy Clinic, for Scott and his friends are deaf.

It is the intent of the clinic, an educational center for preschool deaf children and their parents, to train these deaf children to talk, to read lips, to make it in a hearing world. They are not to be silent.

Across the country, in Washington, D.C., Deeadra Blaylock, 21, a strikingly attractive Gallaudet College senior, is relaxing with friends in the Student Union. Those at Deeadra's table are excited and animated. Faces smile, eyes sparkle, hands wave. It is that way across the rest of the large, open room, a sea of expressive faces and gesturing hands.

And not a sound. These young people prefer the silent language of signing.

Gallaudet College has been for 114 years the only liberal arts college in the world for the deaf. In class, students are taught by simultaneous speech and sign language. At their leisure, however, they plainly prefer sign language, "the mother tongue of the deaf."

Scott and Deeadra belong to opposite camps of what may well be the last neglected American minority—the nation's two million deaf persons. Other minorities—the blacks, the Chicanos, the Hispanics, the Indians, the gays and the feminists, the student protesters—have long since made their mark through the magic of the media. But the deaf have no real champion, no Martin Luther King, no Cesar Chavez, no Gloria Steinem, no Abbie Hoffman—not even an Anita Bryant to put them down.

There they languish, two million Americans who, by and large, are systematically cheated of their full potential as human beings.

Part of the problem is that the deaf live in such a silent ghetto that the hearing majority can—and do—comfortably ignore them. The other part of the problem is the bitter dispute within the deaf community between the "oralists" and the "manualists." This 100-year war over how the deaf are to be best served educationally threatens to destroy the momentum that is slowly building to improve the way the deaf can live.

Much of the momentum comes from the Handicapped Americans Act of 1973, federal legislation to eliminate bias against the handicapped in education and employment. But the deaf present a divided front in trying to profit from the implementation of this far-reaching law.

Differences between the strictly oral approach and the manual approach, now called "total communications," go back to the 1880 Conference of Milan, which endorsed the oral approach. This approach has prevailed ever since but is under increasing attack. Supporters of the two programs argue with religious fervor.

The oralists, like those at the Tracy Clinic, believe it foolhardy not to do everything possible to teach a child to talk. To do otherwise is to cut the deaf off from the hearing world, to doom them to a silent ghetto, they argue.

Those favoring total communications consider it a cruel hoax to lead deaf children to believe that they will ever be able to lipread and talk well enough to move freely in the hearing world. The deaf must have a mother tongue, they argue, and that mother tongue is sign language. To insit on speech is to put the mother's and teacher's needs ahead of the child's. They say that deaf children should not be confined to speech alone, but should be taught to use every communication skill possible—speech, the various sign languages, finger spelling, lipreading, cued speech, and amplification.

The oralists strictly prohibit any use of signs, fearing that the practice will become a crutch and will make speech impossible. "Sign language," says Linda Rowe, educational director of the Tracy Clinic, "can be taught even to chimpanzees."

THE ONLY SOUND

In his book *A Deaf Adult Speaks Out*, Gallaudet graduate Leo M. Jacobs argues for total communication: "As any average deaf person knows, oral communication is elliptic, halting, impeditive, and frustrating [with] many resulting failures [and] few successes."

In their own ways, the John Tracy Clinic and Gallaudet College are a tribute to human ingenuity and compassion.

At the Tracy Clinic, parents working with their deaf children develop an understanding of the disability that would do an otologist proud. At Gallaudet, deaf students master conversational French, with which they will never really be able to converse; dance to disco music they will never be able to hear. Their football teams snap off the ball to the vibrations of a sideline drum; their Shakespearean plays come with interpreters.

It is ironic that a compromise cannot be reached between the two approaches represented by these institutions. There is much to be done.

Imagine the sound of static on your radio, Low, crackling, constant static. It is the kind of sound—the only sound—that the two million Americans suffering from nerve deafness will ever hear. The estimated 12 million who have a conductive hearing loss, who are "hard of hearing," can usually make do through surgery and/or hearing aids.

Human speech, explains Tracy Clinic's audiologist Jeannie Salisbury, can range in volume from 30 decibels (a whisper) to 90 (a shout at point-blank range) and in pitch from 300 hertz to 2,000. With their hearing aids, she says, the 25 children enrolled in the clinic's nursery program are lucky to pick up faint sound across the speech range. The unlucky ones would not hear a jet engine if they were standing beside it.

"It's a lot like putting together the pieces of a puzzle," says education director Linda Rowe, in describing the difficulty of teaching the prelingually deaf children to understand speech so that they, too, can talk. "Every piece helps: the hearing aid, the lipreading, the visual context."

Consider the difficulty, however.

LIKE "OLD M'DONALD'S FARM"

"The hearing child," Ms. Rowe says, can understand the sentence, 'Freddie thought he should find a thistle behind the fish house.' To someone like Scott, whose aided audiogram indicates he is severely hard of hearing/severely deaf, it's "a little like hearing the chorus of 'Old McDonald's Farm,' you know, the 'e i e i o' part." Actress Nanette Fabray, who is hard of hearing from otosclerosis, calls it "having everything sound like the Hawaiian language."

For someone like Neil Thompson, 4½, who tests as profoundly deaf, a spoken sentence is heard only as a gentle hum, a sequence of short and long sounds, first loud, then soft.

"He used to be only severely deaf," says Neil's mother, Katherine, "but he's had some ear infections and has lost some residual hearing."

Neil was born on Midway, where his father was serving with the U.S. Navy. his mother recalls the fear when he failed to respond to loud noises; the trips to the base physician, to Honolulu, to Oakland, for medical opinions; the frustration; finally, the hope offered by the Tracy Clinic.

Neil is a rambunctious child. Earlier, he was trying on wigs and a long, black dress as part of the clinic's "dress-up" class. During a speech therapy session, he gleefully matched wits with his teacher, and came up with a few words. One was "Erik," the name of his 6-year-old brother.

ADVICE TO PARENTS

Right now Neil is racing about the clinic building. Sighing, his mother says, "You know, it's ironic, but Erik is unusually gifted with language. He's been passed ahead a grade. It's our hope that Neil will talk and be able to enroll in the public schools.

"One thing I've learned because of Neil is to be attentive, to be patient, to listen. I really have to be attentive, to understand Neil, to get across to him."

It was for mothers like Katherine Thompson that Mrs. Spencer Tracy, widow of the late actor, founded her pioneering clinic in 1942. The Tracy son, John, had been born deaf and, though they had access to the best of medical treatment, the best was nothing.

With the aid of some friends, notably Walt Disney, and the donation of a small building by the U. of Southern California, Mrs. Tracy banded together other mothers of deaf children. At the clinic's 35th anniversary last fall, she noted that the institution's many programs—the nursery school, clinic days, summer sessions, home demonstration classes, research efforts, and correspondence courses—had aided 50,000 families in 122 countries. Never charging a fee. Never taking a penny from the government.

Learning begins at birth, Mrs. Tracy reasoned, and parents must start working with their deaf children at the earliest possible age. Two pieces of Mrs. Tracy's advice to parents are posted on the grounds of the clinic's new headquarters building: "Please hold your child's hand," and "Talk, talk, talk to your child." The clinic's motto is "When a deaf child learns to talk, our work speaks for itself."

Most deaf children, however, will never grow up to speak intelligibly, for they have never heard words spoken and by lipreading can at best pick up only about one third of the spoken language. And that's if the person talking is in good light, speaks clearly, doesn't have a moustache, isn't smoking, isn't chewing gum, and so on.

Gallaudet's R. Orin Cornett, PhD, says, "So what if the deaf child learns to speak a few words. Let's say I know 25 words in Japanese. Big deal. Does that mean I can go to Japan and get by?

Dr. Cornett has invented a system, called cued speech, a combination of lip-reading with simple hand cues from the person speaking, that he hopes will lead to dramatic improvements in the ability of the deaf to understand spoken language.

The problem, he says, is that the prelingually deaf, those stricken before they learn language, never become readers: "At age 19, less than one person in 1,000 in a U.S. program for the deaf will read as well as the average hearing person his age. The deaf child falls behind the hearing child all the way through his education." Only one deaf person in 20, he adds, "reads for pleasure."

THE READING GAP

Thomas Mayes, PhD, director of Gallaudet's continuing education programs for deaf adults around the country, says, "The average deaf adult reads at the fifth grade level." Gallaudet graduates, others say, do not read at an appreciably higher level.

It is the reading gap, Gallaudet officials say, that can make it so disastrous when a deaf student is "mainstreamed" into public schools.

William Stokoe, PhD, noted linguist and director of Gallaudet's Linguistic Research Laboratory, agrees that the deaf need to read more. He says he has never seen as many genius-level students as he has had in his classes at Gallaudet. He concedes that this talent does not go completely to waste, because sign language is "wonderfully expressive and inventive."

If their problems are to be heeded in the days ahead, the deaf will need all the friends and all the language skills they can command.

David Wright, a distinguished poet despite his going deaf at age 7, has written, "Above all [the deaf person] will need language skills. The fact that one or two highly intelligent deaf men have achieved great things, have even managed to become poets, should not blind us to the intellectual starvation of the rest."

Efforts to improve the lot of the deaf are afoot.

The National Center for Law and the Deaf (NCLD), located on the Gallaudet campus, monitors the implementation of the 1973 Handicapped Americans Act to see that the deaf get a fair shake in education and employment.

The NCLD's legal clinic helps deaf clients with legal problems. Petitions have been filed with the Federal Communications Commission to see if the TV networks should provide captioned programming for the deaf, if the telephone companies should provide teletypewriters and reduced long-distance rates for the deaf.

The telephone, ironically, developed by Alexander Graham Bell in an effort to help his deaf wife hear, has been used ever since as an excuse for claiming that the deaf are unsuited for many white-collar jobs.

Leo Jacobs charges that the fight of the Alexander Graham Bell Association to maintain a strict oral philosophy in deaf education has "sold out many future deaf adults."

Members of the association's Oral Deaf Adults Section, he says, "are proudly reciting their own successes in various careers without resorting to the use of manual communication. . . . They are singing their siren song to gullible parents, who then desperately try to mold their own deaf children after these successful oral adults.

"It would be well if those parents would stop and ponder that while the Oral Deaf Adults Section has about 250 members, at the best estimate, the National Association of the Deaf lists about 17,000 deaf adults, many of whom were oral failures, who are now happy and productive members of the deaf community."

SECOND-CLASS CITIZENS

Gallaudet President Edward C. Merrill Jr., PhD, criticizes what he calls "signs of second-class citizenship for the deaf":

Lack of equal access to information. "Deaf people do not have access to the most advanced communications technology. Not only does this subject deaf people to risks in receiving emergency notices, but it also prevents them from having the same basic information as other people in order to make decisions which effect their welfare."

Lack of inclusion in public events. "Increasingly, women and other minority groups are represented in . . . meetings but I do not see deaf people. . . . The implications are that deaf people do not receive adequate notice of meetings, interpreters are not provided, and deaf people are not important enough to merit inclusion."

Lack of sensitivity to deaf people. "The general hearing public often shows its insensitivity to deaf people by referring to them as 'deaf and dumb' or 'deaf mutes.'"

Exclusion from professional roles. "The deaf are very often eliminated from professional preparation programs merely on the assumption that they cannot perform because they are deaf. The fact is that they do not have access to preparation programs that are meaningful to them."

Lack of influence on policy development. "Official policy-making groups seldom receive information from the deaf consumer."

Lack of self-determination. "Curtailment of self-determination is done through limiting choices, inadequate funding of programs, and perpetuating assumptions about the abilities of deaf people and the kinds of work they should and should not do."

Is what we have here a revolution?

Probably not. The deaf are not complainers. "That most desperate of human calamities," as Samuel Johnson put it, does not rivet our attention as did the campaigns for Black Power, Woman's Lib, Grape Boycotts, Wounded Knee, Gay Rights, and Kill the Pigs.

The deaf have neither slogan nor symbol. But, while they may remain neglected, at least they should not be stifled.

Lillian Maglione, mother of a deaf son who enrolled at the Tracy Clinic as a child and is now successfully enrolled at a California junior college, has stayed on to help teach at the clinic. She recalls the reaction of her son when he first fully understood the nature of his predicament.

"Mother," he asked, "has there ever been a deaf president? A deaf vice-president?"

James C. Marsters, DDS, is deaf.

In his Pasadena, Calif., office, Dr. Marsters moves briskly about his business. He handles telephone calls by having his assistant listen in on another phone and repeat the message. Dr. Marsters reads her lips and then replies in a clear voice. Everyone who knows him is struck by one thing: He is an unusually gifted lipreader. That and his native intelligence and drive have helped make him what he is.

For calls to friends who are deaf, Dr. Marster moves into an adjoining office, where he has a teletypewriter hooked up to his phone. He is the founder of TDI, Teletypewriters for the Deaf, Inc., an international organization that hopes to make telephone communications for the deaf a reality.

Dr. Marsters' wife, Alice, formerly director of Los Angeles' John Tracy Clinic Nursery for the Deaf, is hearing, as are their three children.

When he is not practicing dentistry or pursuing such favorite hobbies as flying airplanes and gliders, camping, sailing, and photography, Dr. Marsters works on the passion of his life: improving educational opportunities for deaf children. He thinks every deaf child can grow up successfully. Just like Dr. Marsters, who has yet another favorite hobby: public speaking.

Most observers would say that for a child born deaf, a future as a happy professional is the impossible dream. They may be right, but tell them to try to pass this off on the deaf orthodontist in Pasadena.

Attorney Lowell Myers knows full well why he and his people—the deaf—are so often neglected.

"The truth is, "Myers says, "we make people uncomfortable."

It's a bitter message that comes across from this Chicago attorney who has done more, perhaps, than any other person to see that the deaf are treated fairly under the law.

"Even when the deaf are assured legal rights," he says, "the laws are but a piece of paper and most people don't have the book."

Myers wrote the book, *The Law and the Deaf*, for the U.S. Dept. of Health, Education, and Welfare. "In the earlier history of the law," he notes, "a person who was born deaf and dumb was considered to be an idiot." Myers knows there is a "normal mentality behind the language limitation." His book is used by legal officials and schools throughout the world.

Myers lost his hearing when he was 12 years old and from precocious and outgoing became shy and withdrawn. Battling back by reading lips, he graduated in the top quarter of his high school class.

Not being accepted in medical school because of his deafness, he entered two college programs at the same time, and earned a bachelor's degree in business from Chicago's Roosevelt U. and MBA from the U. of Chicago. At 21, he became one of the youngest practicing CPA's in the business, but "was bored stiff." He took up night classes at Chicago's John Marshall Law school and graduated second in his class.

Myers became a tax attorney for a major retail company, but in his off hours, championed the legal cause of the deaf. He mastered courtroom law by reading the lips of his sister, who repeated for him everything that was said.

He helped a deaf father regain his home from an unscrupulous son by proving that the deed transfer could not have been properly notarized because the notary did not know sign language, the only language the father understood.

He secured the release of a deaf driver who was accused of using profanity to a police officer by proving that the man had not spoken a word for 20 years!

In a landmark case, he won freedom for a young black man suffering from aphasia, a total language block, who was accused of killing a prostitute. Since the man was incompetent to stand trial, he has been sentenced to prison until he learned to communicate. "If he had never learned to communicate," Myers said, "then he would have been in jail forever. Forever with no trial." For four years, Myers fought to have his client tried. When the Illinois Supreme Court ordered a trial, the charges were dismissed.

He stopped a proposed 1961 Illinois law that would have prevented the deaf from driving by finding out that of the committee members studying the bill, four were alcoholics, three were myopic, one was arthritic, and all were licensed drivers. "The deaf are actually much better drivers than hearing people," he notes. "Most accidents are due to impatience and recklessness. The deaf may not be the

most highly educated, but one thing they've learned is patience."

In 1964 he lined up 113 sponsors for his bill providing state-paid interpreters for the deaf in civil cases. "There are only 200 legislators in the Illinois House," Myers proudly recalls, "so passage of the bill was assured." The law has since spread to half the states, but "it is the other half we need to concentrate on," he says.

After discovering police brutality against the deaf, Myers sued and forced the entire Chicago police force to be educated about the legal rights of the deaf.

He pushed for a state law barring employment bias against the deaf, "but we could never get it out of committee. The manufacturing interests kept beating it back 7-5, 7-5, 7-5." Ever resourceful, Myers rewrote the measure into the new Illinois Constitution approved in 1970.

Myers recounts his successes in a strong, clear voice. But he still despairs. "Civilization is the story of tribalism," Myers says, "and tribalism leaves the deaf out."

Nanette Fabray remembers well that night, years ago, when she danced onto the stage and could not hear the orchestra.

It was the 1940s, "Bloomer Girl" was a Broadway show, and she was the star.

After gamely making it through that night decades ago, she sought out a medical specialist. And today, sitting before a fireplace in her fashionable home in Pacific Palisades outside Los Angeles, her voice still quivers with rage when she recalls what that physician told her:

"He decided to give it to me straight," Ms. Fabray recalls. "He minced no words when he told me, 'In five years you'll be deaf, and because you're deaf you'll lose your speech. You're going to be deaf and dumb.'"

That physician was wrong, of course. Ms. Fabray's hearing loss was due to otosclerosis, and it was to be corrected by surgery. But the psychic trauma remains.

"There I was a musical comedy star," she says, "and I was about to lose my hearing. This was right before the McCarthy era and the pressure to fit the norm was incredible. I tried to keep my great shame a secret, and that secret destroyed my marriage. It nearly destroyed my sanity. I broke down and had to be institutionalized for seven months.

"When I finally snapped out of it, I decided that I would learn to read lips. I went to Lucelia Moore, a brilliant lipreading teacher, and threw myself into the lessons intensely. But I just couldn't get the hang of it.

"I was crushed. There was nothing left. All I could do was wait."

Eventually, Ms. Fabray was to find that her otosclerosis could be corrected through surgery and hearing aids. She might have found it out right away, she says, "but that first medical opinion had thrown me into a state of shock."

In a way, she says, "it was a blessing that I had so much trouble. If I had not gone through what I did and if I had not been unable to learn lipreading, I might never have had my mind opened up to compassion for the deaf and hard of hearing."

And the deaf would have lost one of their most prominent champions.●

SENATOR BARTLETT RECEIVES MARINE CORPS AWARD

● Mr. BELLMON. Mr. President, I am particularly pleased to announce that our colleague, the junior senator from Oklahoma, has been selected as the 1978 recipient of the Marine Corps League's Order of the Iron Mike. This prestigious award is presented annually to an American who, in the opinion of the league, contributes the most to the Nation and to the U.S. Marine Corps.

What finer American could this congressionally chartered Marine group select than DEWEY F. BARTLETT? He has been a stalwart for defense. He has been a champion of everything he believes to be American. And being a Marine, he has stood tall in the Senate Chamber fighting for his beloved corps.

DEWEY BARTLETT was commissioned a second lieutenant in the U.S. Marine Corps Reserve on April 21, 1942. Following flight training, he was assigned to the Pacific Theater where he earned two Air Medals for Meritorious Achievement in actions over the Philippine Islands. In 1958, he was discharged from the Reserve as a Captain of Marines.

Four years later, he was elected to the Oklahoma State Senate for two terms, then he went on to become the second Republican Governor of Oklahoma. In 1972, he became the second Oklahoma Republican since 1924 to be elected to the U.S. Senate.

His work in Congress has been as dedicated as his services to national defense, to the Marines Corps and to Oklahoma. To attest to this statement, here are some thoughts on his efforts expressed by a few of his colleagues on the Armed Services Committee:

Dewey Bartlett is a man of outstanding ability and tremendous devotion to duty. He is not a man who seeks glory, but rather a man who believes that one should be judged by his actions. As a senator, he believes he must be held accountable for his actions and takes these responsibilities quite seriously.—Senator John C. Stennis.

I know first hand of his tremendous pride in his country and of his determination to keep it strong in every way. . . . He always voted for what he felt was right for his country.—Senator Thomas J. McIntyre.

I have great admiration for Senator Bartlett as an individual and for Senator Bartlett as a United States Senator. He is one of the finest persons I have known and one of the ablest members of this Senate.—Senator Harry F. Byrd, Jr.

Dewey has compiled a record of service to his nation equaled by few Americans. . . . (He is) a man of uncommon courage and convictions. For his many contributions to America and Oklahoma, he has earned the immense respect of his colleagues on both sides of the aisle.—Senator Sam Nunn.

One of the finest men and dedicated Americans I have had the pleasure to work and serve with.—Senator Gary Hart.

Senator Bartlett will receive the Iron Mike Award at the League's Annual National Convention, August 20 through 26, in Atlantic City, N.J.

He is truly deserving of the recognition associated with this award. As a personal friend for many years, I know him to be a man of unquestioned integrity and strength of character. He has won widespread respect and admiration for his dedication to duty and the courage he has shown.

I am proud of him, and I hope all my Senate colleagues join me in congratulating Senator BARTLETT on his selection and thanking him for a job well done.●

ADDRESSES OF GOVERNORS KNEIP AND WOLLMAN

● Mr. MCGOVERN. Mr. President, on July 24, the distinguished Governor of South Dakota, Richard F. Kneip, resigned that office to take on his new responsibilities as U.S. Ambassador to the Republic of Singapore.

Governor Kneip served as our State's Chief Executive for some 7½ years. His stewardship of State Government is well recognized and appreciated in South Dakota.

His successor, Lt. Gov.—and now Governor—Harvey Wollman is already providing progressive and effective leadership for South Dakota.

Mr. President, I ask that Governor Kneip's farewell address and Governor Wollman's inaugural address to the people of South Dakota be printed in the RECORD.

The two addresses follow:

My fellow South Dakotans.

The time is at hand for the transfer of authority and responsibility of the Office of Governor which has rested with me since January 5, 1971.

As I observed on that cold winter's day nearly eight years ago, the orderly and peaceful transfer of governmental authority is the exception in the political affairs of man. And so once again today, we gather not so much to honor one or another man, but rather to celebrate the continued success of Constitutional government.

I am therefore pleased to report to you that this transition has not been abrupt. Over the course of the past five weeks, my staff and I have been working diligently with Governor Wollman and his immediate staff to insure that an orderly transition will take place formally on this, the 24th day of July 1978. This fact, plus his special grasp of the issues facing South Dakotans, makes Harvey Wollman eminently well-qualified to assume the duties and responsibilities of this high office.

I, like all my fellow South Dakotans, wish Harvey Wollman the very best and Godspeed as he assumes the Office of Governor. Harvey, Anne and their family are this day in the prayers of our family—and hopefully your prayers too.

The years since 1971 have passed quickly. We have seen success, and we have known failure. We have experienced triumph and defeat. But only history and the people will make the ultimate judgment about what we have done and what we have tried to do.

Together we have gone far toward modernizing our State Constitution—and the Judicial and Executive structure which flow from it. We have a financially sound state government. We have brought new management techniques to government. We have adopted new approaches in serving those of us among the less fortunate. We have begun on the long road to tax reform to bring our antiquated and regressive system more in tune with the principle of ability to pay. We have accelerated the diversification of our economy through industrialization. And we have opened new avenues of political, legal, economic and human communication with our Indian people.

While we have done this and more, we have not yet satisfied the financial and orga-

nizational needs of our higher educational system—nor have we addressed properly the need for the state to guarantee equal and quality educational opportunity to elementary and secondary students today, or in the near future. We have not been attentive enough to our overall water development needs. And we have not faced the critical need to better finance our states troubled system of highways and bridges.

These and other needs will not disappear with time, but will remain with us until we choose to solve them.

It is in how we meet these and other public issues of the future that concerns me most as I stand down from the Office of the Governor. For our system to sustain its vitality, and indeed survive in the time ahead, the people and their leaders must not surrender to defeat and negativism.

All too often we hear those who would seek to lead us say what they are against, and all to seldom do we hear what they are for. It is easy to oppose taxes. It takes little courage to attack government, and especially its efforts to help those who cannot speak effectively and influentially for themselves. It is far more difficult and requires immeasurably more courage to make the hard and carefully considered decisions demanded of a constitutional public officer. To be positive and creative, mark the true measure of a potential leader. Led by good and forward looking men and women, government can be a creative and dynamic force in our society. Led by those who only find fault and seek to stir the hatreds and negative emotions, government will only be a malevolent force in our lives.

South Dakotans are a determined people. We are a people who are strong willed and who thrive on our individuality. Ours is an ancestory whose roots and spirit are anchored in the soil. Time and again, South Dakotans and their elected representatives have joined together in strong majorities boldly and decisively on the issues of the day and on the issues which would burden our children if we were not to act.

We must always be mindful that Government is people—it is for, by and of the people. It is only because of the citizens of South Dakota that this job has been worth the effort, and only because of the people that it has been such an enjoyable and rewarding experience to be Governor.

President Truman in his farewell address to the American people said, "Through all of it, through all the years that I have worked here in this room, I have been well aware that I did not really work alone—that you were working with me. No President—in this case, no Governor—could ever hope to lead our country, or to sustain the burdens of this office, save as the people helped with their support. I have had that help—you have given me that support. . . ."

The people of South Dakota have indeed given me their support over these past eight years.

Now as I approach the moment of departure to new responsibilities in a new land, my family and I want each of you (our fellow South Dakotans) to know of our deep gratitude for the kindness and support you have lent to us over these past seven and one half years. It has been a growing and learning time for all of us, and we hope we have returned your help and love and understanding in some small way. As we prepare to leave for a new land, we want you to know that your spirit will be with us always.

In conclusion, I look back to my first "Inaugural Message" to you as Governor when I took the following words from Abraham Lincoln:

"I desire so to conduct the affairs of this administration that at the end, when I come to lay down the reins of power, if I have lost every other friend on earth, I shall at least have one friend left, and that friend shall be down inside me."

My fellows South Dakotans, that friend is there, and I only hope I might count each of you there with him as well.

Thank you and God be with you.

RICHARD F. KNEIP.

ADDRESS BY GOVERNOR HARVEY WOLLMAN

This is an important day for my parents because finally all three of their sons have found steady work!

I have often wondered what my first official act would be as Governor of this State. It was an easy decision to make and that is to publicly and formally express our collective thanks to Richard Kneip, Nancy and their family for serving all of us so faithfully and well as Governor and First Family. Thank you! We would like to give you the most valuable gift that one could ever receive, but it is something that cannot be given, only earned, and that is our respect. You have earned our respect—our prayers and best wishes go with you.

My second official act is to present to you the new First Lady of South Dakota—Anne Wollman—she will serve this State capably.

Governor Kneip—Mrs. Kneip—Justice Wollman—My Pastor Goossen—Platform Guests—Family—Friends—Ladies and Gentlemen:

This speech and my term in office will both be brief and to the point.

I want to begin by assuring the people of South Dakota that I regard this office with the utmost respect. The office demands extreme dedication to its responsibilities and I will behave accordingly.

I do not intend to allow the brevity of this term to become an excuse for postponement when action is necessary.

My opportunity to influence the future of this state years ahead is perhaps limited, but I do hope that the initiatives we take will be of such high calibre that my successor will choose to build upon them.

In the course of his term in office, Governor Kneip made literally thousands of decisions, and policies flowed from them. Until otherwise specified, those policies will continue to stand.

It should be remembered that we are two different people. We're alike in some respects and different in others. I will change and improve standing policies as it becomes necessary to do so.

To be effective in a short term, it is necessary to limit new initiatives to those areas where the need is most pressing.

If I were forced to say that one thing is at the top of the list, it would be the question of putting more water to use for South Dakota. I intend to proceed on several waterfronts, if you will pardon a play on words.

There are many cooks in the water kitchen in South Dakota, and I suspect that this has slowed our ability to use more water. At the state level, nearly a dozen agencies each have a piece of the action. At the local level, literally hundreds of districts, subdistricts and municipalities are involved. At the federal level, it is just as bad. We spend too much time and money coordinating.

I hope to leave the next Governor and Legislature with a series of recommendations to streamline the water bureaucracy, and to equip this state with the machinery necessary to act quickly and decisively to move water to where it is needed.

At the same time, I intend to pursue the creation of a water rights defense fund to defend the state against any challenge to water which I think is rightfully ours to use.

I hope to lay the foundation for a concert of mutual interest on water issues with the Indian tribes of this state. If we can unite in our claim to water, and in efforts to use it, we will all gain.

I also hope to leave the course more clearly marked for the future of the Oahe project. We will begin by attempting to define which alternatives and modifications are acceptable under the present Congressional authorization, which require a rewrite of that authorization, and which hold the best prospect for consensus and success.

In the final analysis, however, decisions made by the voters in fifteen and one half counties will determine the future of the project.

In the field of higher education, I hope to reduce the mystery of the budget process by instituting program budgeting. The public deserves to see what programs we have on the seven campuses, and how much each one of those programs costs. The public cannot make wise decisions in the absence of such information.

With respect to highway funding and beautification, I will seek to reach a compromise with the federal government, emphasizing our unique nature as a rural state and promoting a cooperative atmosphere in which we can find reasonable solutions.

With respect to the repeal of the personal property tax and the need to find a better replacement revenue than the one-cent increase in the sales tax, I wish to commend the Legislature's task force for its action so far. I will continue to urge that group to complete its recommendations before this fall elections, so that people have an opportunity to cast their ballots knowing what the choices are.

Recently there has been much public discussion of the national and regional shortage of cement. Our unique position as a state which owns, and has for decades successful operated, a cement plant has brought us into the limelight.

I have already made detailed inquiries into the operation of the plant and the problems which have been encountered. We will begin this week to furnish our customers, both in- and out-of-state, with detailed status reports of our progress in remedying the problem.

A moment ago I mentioned the Indian tribes and an effort to develop a better relationship on water issues. I hope to renew a spirit of cooperation and agreement in other areas as well, and have already undertaken to ask the tribes for their suggestions.

There is one final area where I would like to see some immediate progress. It is the question of energy and renewable energy resources. South Dakota's potential alternative energy sources are impressive. It would be unthinkable to fail to do everything in our power to make better use of wind, solar energy, geothermal energy and gashol.

There is no reason why this state cannot become a national model for the development of alternative energy sources. The federal government appears to be willing to finance a great deal of the necessary work. We need only to be quick to see the opportunities and their potential, practical applications. I have no doubt whatsoever that South Dakota has the talent to make it happen. If we are willing to show a can-do attitude, we will see some successes, and they will bring jobs into the state.

When combined with the day-to-day administrative duties of this office, the foregoing list will certainly seem ambitious. I will need the cooperation of many people to accomplish these goals.

There is nothing on the list that is terribly radical. I think that either of my possible successors would be willing to pursue some, if not most, of them, and I am hoping that it will be effort well-spent.

Although today marks the beginning of a new challenge for me, I view it as a continuation of the efforts with which I have been involved for the past ten years.

I have looked forward to this day because of the honor, privilege and opportunity to serve that it becomes.

I had hoped to be able to serve for at least four years—it was a crushing disappointment not to be nominated by my own party that I have tried to serve faithfully over time. I felt somewhat like a bird must feel when he wanted desperately to fly but had a broken wing. But when my spirit suffers, I draw on a reservior of truth that has been part of my upbringing, and I found the words in the writings of the Prophet Isaiah of Old where he promised that—

They who wait upon the Lord shall renue their strength,

They shall mount up with wings like eagles,

They shall run and not be weary, and

They shall walk and not faint.

I need that kind of strength for this task. I haven't much time, but I want to set a course straight enough and good enough that whoever succeeds to this office in January will be able to build upon what we have begun.

I plan to be a visible, active Governor. I ask only for a fair chance. I hope you will be tolerant of small mistakes and supportive if you think our course is right.

Thank you for coming out today. Dick and Nancy, Anne and I and our families will never forget this moment.●

WINTER RECREATION IN NORTHERN ARIZONA

● Mr. GOLDWATER. Mr. President, when you think of Arizona, the whole idea of winter sports seldom crosses the mind. It seems most non-Arizonans cling to the idea that my State has nothing but sun and cactus and desert. However, in the northern part of Arizona, there is an area called the San Francisco Peaks which has shown great potential as a winter recreation area and the Arizona State Legislature has wisely recognized this potential and has passed a memorial urging Federal action to support and assist such development.

Mr. President, I ask that this memorial be printed in the RECORD.

The memorial follows:

HOUSE CONCURRENT MEMORIAL 2006

Whereas, travel and tourism expenditures in the State of Arizona in 1977 had an economic impact of two billion eight hundred eighty thousand dollars; and

Whereas, travel and tourism expenditures in Coconino County in 1977 had an economic impact of three hundred eighty-three million dollars; and

Whereas, winter recreation in the San Francisco Peaks area has a significant economic impact on Coconino County and the State of Arizona; and

Whereas, the State of Arizona needs a primary, well-developed winter recreation area; and

Whereas, the San Francisco Peaks area has considerable potential as a winter recreation area in Northern Arizona; and

Whereas, the United States Forest Service has issued a special use permit for development of a recreation area in the San Francisco Peaks area of the Coconino National Forest, which recreation area has been used for the past thirty-nine years; and

Whereas, the aesthetic beauty and environmental features of the area should be protected; and

Whereas, Indian beliefs about the San Francisco Peaks should be acknowledged and respected; and

Whereas, lands and vegetation in the area surrounding the San Francisco Peaks sacred to Indians should be preserved; and

Whereas, the area of the special use permit will not be expanded beyond its present boundaries; and

Whereas, this recreation area requires further development and improvement, including safe and adequate access roads, to encourage visitation and use of the area.

Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the United States Forest Service support and assist in the development of winter recreation in the special use permit area in the San Francisco Peaks area of the Coconino National Forest.

2. That the United States Forest Service provide adequate safe access roads to and from such special use permit area.

3. That the Secretary of the State of Arizona transmit copies of this Memorial to the United States Secretary of Agriculture, the Chief Forester of the United States Forest Service and to each Member of the Arizona Congressional Delegation.●

THE URGENT NEED FOR EQUITABLE TREATMENT UNDER THE DEPARTMENT OF ENERGY ENTITLEMENTS PROGRAM

● Mr. PELL. Mr. President, I am most distressed by the effort to prevent the Department of Energy from implementing an expanded entitlements program that would equalize subsidies nationwide for residual fuel oil.

Unfortunately, the Department of Energy regulations, when first prepared in the spring, were portrayed from the beginning as an oil plan that would aid the East at the expense of the rest of the United States. Nothing, in my view, could be more of a distortion or further from the truth. Equal entitlement treatment for imported products is not a subsidy, it is a matter of equity.

My colleagues should understand that since the oil embargo of 1973–74, the Department of Energy and its predecessor agencies under the authority of the Emergency Petroleum Allocation Act of 1973 had the mandate to share the burden of the higher energy costs across the Nation and to help equalize those costs where possible. Specifically, under section 4(b)(1)(F) of the EPAA, the law requires "equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions and areas of the United States. * * *" Through a series of complex regulations since the embargo, regulations which I concur need to be reviewed most carefully, FEA/DOE have attempted to carry out the congressional mandate.

Under the current program, a barrel of crude oil receives a full entitlement, worth about $2, while a barrel of residual oil receives only a 30-percent entitlement, worth about $0.60. All U.S. consumers benefit through the current entitlements program from lower priced domestic crude oil as they consume domestically refined products. East coast consumers, however, only partially benefit because most of their residual fuel oil needs cannot be met by domestic refineries. In effect, by not sharing fully in entitlements, the east coast residual oil user is subsidizing the consumption of other products, such as gasoline, that are domestically refined from foreign crude.

I believe it should be clearly understood by my colleagues that the issue in question is one of equity and that what the Department of Energy is preparing to address and correct is a severe regional inequity that affects not only the entire east coast, but certain portions of the Midwest and gulf coast and California.

The proposed Department of Energy regulations would grant a full entitlement on imported residual oil less a $0.63 import fee. The net impact would be a reduction in the per barrel cost of approximately $0.68, as compared to the present price on the east coast. The new regulations would reduce the cost of residual fuel oil in most of the Eastern United States and other affected areas by an estimated 1.6 cents a gallon. This would be felt directly by residential consumers through lower utility bills and by industrial consumers through lower operating costs. In Rhode Island, for example, Narragansett Electric Co. has estimated that the savings to consumers in their system alone would be approximately $1.4 million.

Furthermore, it must be emphasized again that the proposed Department of Energy regulations address inequities and is not a plan that would aid the East at the expense of the rest of the United States. The new entitlements regulations would result in an increased cost on all other petroleum products of only between one-tenth and two-tenths of a cent, as estimated by the Library of Congress. This small sum would be paid by all consumers in all regions. I ask unanimous consent that the analysis by the Northeast/Midwest Institute showing the decrease in energy costs resulting from the proposed Department of Energy for certain States be inserted at the end of my remarks.

Mr. President, it is, indeed, unfortunate that the Department of Energy regulations are being portrayed as an interregional ripoff. As I have tried to point out, an anomaly exists in the present entitlements system that is having an adverse impact on all consumers of residual fuel in the country, not only the Northeast. Naturally, I am especially concerned about this inequity as it effects

electric utility rates, and the cost of residual fuel to hospitals, commercial buildings, and industry in Rhode Island. I am sure my colleagues are aware that New England, according to the Department of Energy, pays energy rates that are 26 percent higher than the United States as a whole and electric generation costs that are currently 45 percent higher than the U.S. average. What the Department of Energy has proposed would help to correct this unfortunate situation and provide to consumers in Rhode Island, along with other regions, the benefits all U.S. consumers currently enjoy from the lower priced domestic crude oil under the existing entitlements program. I hope my colleagues who have reservations over the Department of Energy revision will reconsider their position and not oppose our efforts to correct this inequity. I ask that the most recent Department of Energy figures showing the price differential for energy between New England and the rest of the United States be printed in the RECORD.

The table follows:

TABLE I.—DECREASE IN ENERGY COSTS RESULTING FROM EAST COAST ENTITLEMENT REFORMS

	1976 residual oil sales, in thousands of barrels	Gain-reduction in residual oil costs	1976 nonresidual oil sales, in thousands of gallons	1/10¢ increase in nonresidual oil prices		2/10¢ increase in nonresidual oil prices	
				Loss-increase in nonresidual oil costs	Total gain from reforms, in millions	Loss-increase[1] in nonresidua oil costs	Total gains from reforms in millions
Northeast	447,863	304,546.84	38,908,149	38,908.15	$263.3	85,597.92	$215.0
Connecticut	33,365	22,688.20	2,384,085	2,384.09	20.0	5,244.98	17.0
Delaware	11,132	7,569.76	510,769	510.77	7.0	1,123.69	6.0
Maine	11,616	7,898.88	1,170,662	1,170.66	7.0	2,575.46	5.0
Maryland	29,530	20,080.40	2,793,568	2,793.57	17.0	6,145.85	13.0
Massachusetts	80,888	55,003.84	4,968,243	4,968.24	50.0	10,930.13	44.0
New Hampshire	6,039	4,106.52	805,546	805.45	3.0	1,771.98	2.3
New Jersey	58,606	39,852.08	5,905,137	5,905.14	33.0	12,991.30	26.0
New York	157,812	107,312.16	10,999,79	10,999.79	96.0	24,199.54	83.0
Pennsylvania	53,159	36,148.12	8,153,795	8,153.89	28.0	17,938.35	18.0
Rhode Island	4,431	3,013.08	725,918	725.92	2.0	1,597.01	1.0
Vermont	1,285	873.80	490.736	490.74	.3	1,079.62	−.2
Midwest	84,882	70.283.16	34,604.575	34,604.58	35.1	76,130.08	−5.0
Illinois	24,459	16,632.12	7,458.764	7,458.76	9.0	16,409.28	.2
Indiana	19,688	13,387.84	4,347.827	4,347.83	9.0	9,565.22	3.8
Iowa	588	399.84	2,241,275	2,241.28	−2.0	4,930.81	−4.0
Michigan[2]	20,939	26,801.92	6,546,503	6,546.50	20.0	14,402.31	12.0
Minnesota	5,140	3,495.20	3,137,407	3,137.41	.3	6,902.30	−3.0
Ohio	12,041	8,187.88	7,408,278	7,408.28	.8	16,298.21	−8.0
Wisconsin	2,027	1,378.36	3,464,521	3,464.52	−2	7,621.95	−6.0

[1] Gains and losses in the Midwest are calculated using the assumption that all barrels of residual oil are eligible for the 68¢ reduction in price. This assumption was used because it is impossible to determine exactly what percentage of the residual oil used in a State originates in the gulf coast and would experience a decrease in price as the price on the east coast dropped. Therefore, total gain figures represent a maximum value. The magnitude of a drop in energy costs to a State is very sensitive to its residual oil consumption.

[2] Michigan is currently ineligible for any entitlements benefits—a situation which will be corrected for as part of DOE's new regulations. Hence, the cost of a barrel of residual oil will drop by approximately $1.28 per barrel (68¢ plus the value of a 30-percent entitlement which States are currently receiving which is 60¢).

THE PRICE DIFFERENTIAL FOR ENERGY BETWEEN NEW ENGLAND AND THE UNITED STATES

NEW ENGLAND-UNITED STATES ENERGY PRICES

In 1976 the price paid by end users for major forms of energy was 26% higher in New England than in the United States as a whole. This was a significant decrease from the 1975 differential of 31%. The 1976 decrease in the differential is largely attributable to greater price increases for electricity and natural gas in the United States than in New England. Also, the price of oil, which accounts for about 80% of New England's energy needs while less than 50% of the United States', increased at a slower rate than other types of energy. Table I illustrates the trend of the energy price differential:

TABLE I.—PRICE OF ENERGY TO THE END USER IN NEW ENGLAND AND IN THE UNITED STATES (EXCLUSIVE OF TAXES)

[Dollar amounts per million Btu]

	New England	United States	New England higher than the United States	
			Amount	Percent
1970	$1.79	$1.40	$0.39	+27.7
1971	1.96	1.52	.44	+29.0
1972	2.01	1.57	.44	+27.6
1973	2.29	1.73	.56	+32.5
1974	3.51	2.53	.98	+38.9
1975	3.94	3.01	.92	+30.9
1976	4.06	3.22	.84	+26.0

The overall energy price is determined by weighting the price of coal, natural gas, residual oil, gasoline, distillate oil, and electricity by the consumption of these products. The consumption of these products is by the non-utility sectors. Electricity is considered the end use of the products consumed by the utility sector. Essentially all the coal in New England is used by the utility sector therefore no comparable non-utility price is shown for New England. Since the non-utility use of coal seems to be increasing in New England, future price papers may address this issue.

Although the price differential decreased between 1975 and 1976, energy prices continued to increase in both New England and the United States. During this period, energy prices increased 3 percent in New England and 7 percent in the United States. This is a substantial decline from the 12 percent and 19 percent respective increases during the 1974–1975 period. Since 1970, energy prices have increased 127 percent in New England and 130 percent in the United States. The "percentage" differential trend is good; down from a high of 38.9 percent to 26 percent. However, the "price" differential is the critical factor in New England's economy. At $.84 more per million BTU, New England consumers paid about $1.4 billion more than if New England energy prices were equivalent to the United States.

1976 PRODUCT PRICES—NEW ENGLAND AND UNITED STATES

New England continues to pay substantially higher prices for electricity and natural gas than the United States as a whole. However, oil product prices are relatively the same. On a BTU basis, oil is a substantially higher priced form of energy than coal or natural gas.

The factors contributing to New England's higher natural gas prices are the higher transmission cost to New England from the gas fields and the higher priced supplemental fuels. About 15 percent of New England's natural gas consumption (and as high as 45 percent on peak demand days) is made up of supplemental fuels—liquefied natural gas, synthetic natural gas and propane—air. The cost of these fuels is 2 to 3 times more expensive than domestic pipeline natural gas.

The principle contributing factor to New England's higher electricity prices is its electrical generation fuel mix. In 1976, 57 percent of New England's electricity was produced from oil compared to only 16 percent for the United States. Conversely, the United States uses more natural gas and coal (15 percent and 46 percent respectively) to generate electricity than New England (0 percent and 3 percent respectively.) The higher ratio of nuclear generating plants in New England than in the United States (33 percent vs. 9 percent) is the primary reason New England is not in an even more adverse situation regarding electricity prices.

Aside from the difference in natural gas and electricity prices, New England's higher average price is due to its consumption patterns. New England relies primarily on petroleum products to meet its energy requirements whereas the United States depends more heavily on natural gas and coal. A combination of factors, distance from energy producing areas, environmental restrictions, and a large number of small consuming units, produce distinct patterns of consumption in New England as well as higher costs for some types of energy.

TABLE II.—1976 ENERGY PRICES AND CONSUMPTION WEIGHTS

[Table II and the attached figure I indicate 1976 energy prices by product and the weight (based on consumption) used in computing the average price]

	New England		United States		New England higher than United States (percent)
	Weight (percent)	Per million Btu	Weight (percent)	Per million Btu	
Coal	(1)		7.4	$1.35	
Natural gas	11.3	$3.31	34.5	1.60	+106.9
Residual	17.8	2.02	5.8	1.85	+9.1
Gasoline	29.5	3.66	26.6	3.80	−3.5
Distillate	30.8	3.08	13.2	2.94	+4.8
Electricity	10.6	12.25	12.5	8.47	+44.6
Weighted average	100.0	4.06	100.0	3.22	+26.0

[1] All in electricity.

Figure II indicates the percentage price increases since 1970 for the major energy streams. Residual fuel oil has had the greatest percentage increase in both New England (312%) and the United States (263%). In terms of actual dollars per million BTU's, electricity prices have had the largest increase almost $6 in New England and $4 in the United States which represents a 92% and 82% increase since 1970.

1977 OUTLOOK

Preliminary data on 1977 energy prices indicate that the overall price differential may have declined in 1977 by as much as 3%. The primary reason for continued reduction in the differential is the lower New England growth in electricity prices due, at least in part, to the increase in nuclear generation.●

JUVENILE CORRECTIONAL FACILITIES

● Mr. JAVITS. Mr. President, Senator MOYNIHAN and I have learned that a new regulation of the Law Enforcement Assistance Administration could seriously endanger the continued operation of the juvenile justice programs in our State and elsewhere in the Nation.

The regulation relates to the definition of juvenile correctional and detention facilities. It would allow the commingling of delinquents and persons in need of supervision in community-based facilities with a capacity of up to 40 beds. There are many public and private facilities in New York State and we believe in other States that have larger capacities.

If these facilities are disqualified under the regulation, New York State alone would stand to lose $5 million in funding under the Juvenile Justice and Delinquency Prevention Act.

It is my view and Senator MOYNIHAN'S that in promulgating this regulation, LEAA has not followed the intent of Congress as expressed in the act authorizing the regulation.

We have set forth our concerns in a detailed letter to John Rector, Administrator of the Office of Juvenile and Delinquency Prevention in the Department of Justice, and expect to be meeting with him in the near future to find a solution to this problem. I ask that the text of our letter be printed in the RECORD.

The letter follows:

U.S. SENATE,
Washington, D.C., August 7, 1978.

Mr. JOHN M. RECTOR,
Administrator, Office of Juvenile Justice and Delinquency Prevention, U.S. Department of Justice, Washigton, D.C.

DEAR MR. RECTOR: After concern has been expressed by representatives of several states regarding the LEAA definitions of juvenile detention and correctional facilities and after publishing these regulations in the Federal Register, LEAA issued revised regulations on July 25, 1978. We appreciate the progress which has been made by your office in improving the regulations, but we continue to be deeply concerned about one major problem which remains and which, if uncorrected, will have a serious adverse impact upon New York State's juvenile justice programs.

The crucial definition of juvenile detention and correctional facilities now reads as follows:

(c) Any non-secure public or private facility that has a bed capacity for more than accused or adjudicated juvenile offenders or non-offenders unless:

1. the facility is community-based and has a bed capacity of 40 or less; or

2. the facility is used exclusively for the lawful custody of status offenders or non-offenders.

This revised definition unfortunately does not substantially alter New York State's objection to this interpretation of juvenile correctional and detention facilities. The New York State Department of Criminal Justice Services is supported in this position by the State Division for Youth and the Council of Voluntary Child Care Agencies (representing all major residential programs for delinquents and Persons In Need of Supervision (PINS) in the State) as well as a broad coalition of state and local public officials, judges and other youth-serving agencies. Our position has also been supported by representatives from virtually every other state.

The revised LEAA regulations now allow for commingling of delinquents and PINS in community-based facilities with a capacity of up to 40 beds. This replaces the old regulation that only allowed for limited commingling in facilities up to 20 beds or over 20-bed facilities in a community. The major provision that designated a large residential facility as a juvenile correctional or detention facility, if even one delinquent was housed with PINS or non-offenders, was retained. The remaining portion of this letter represents the conclusion of New York State officials in regard to the effect of the new regulations.

Currently in New York State eleven facilities operated under state auspices and 20 facilities run by voluntary child care agencies have a bed capacity of over 40 beds. These facilities all have at least one juvenile delinquent in residence in addition to PINS youth and non-offenders. The current total population of these facilities includes over 1,000 juvenile delinquents, and over 2,000 PINS and non-offenders. Under current regulations these facilities are all in non-compliance and delinquents and PINS youth would have to be segregated. As noted in previous arguments the disruption to the New York State system of child care both public and private would be disastrous. The alternative non-compliance by the State of $5 million per annum of Juvenile Justice and Delinquency Prevention Act funds, funds that are used in a variety of juvenile justice programs by state and local governments. Even more critical is a statement added as a preamble to the regulations indicating that LEAA contemplates, by December 31, 1980, even more restrictive definitions of juvenile correctional and detention facilities. This would define as a juvenile correctional or detention facility all non-community based facilities with a bed capacity of over 20, whether or not there are adjudicated or alleged delinquents in residence. We have not had an opportunity to analyze the effect of this proposed future restriction on the child care system in New York State. There are presumably hundreds of facilities providing residential child care services to status and non-offenders that have had bed capacities exceeding 20. It is questionable whether the designation of these facilities as "juvenile correctional or detention facilities" is entirely consistent with congressional intent. Such an action might well injure seriously the system of public and private residential child care within the State of New York.

In summary, we feel that LEAA may have misunderstood the intent of Congress which, as expressed in the Juvenile Justice and Delinquency Prevention Act, set forth a mandate to remove non-juvenile delinquents from jail-like settings. LEAA regulations appear to have extended this mandate to virtually remove all youth from any large facility regardless of the nature of the facility, the treatment modalities in effect at the facility, or the basic needs of the child.

We hope you will be able to discuss this matter with us at your earliest opportunity.

Sincerely,

JACOB K. JAVITS,
DANIEL PATRICK MOYNIHAN.●

DUAL ADDICTION—ALCOHOL AND DRUGS

● Mr. HATHAWAY. Mr. President, I commend to the attention of my colleagues an excellent article which appeared in the August 6, 1978, New York Times Magazine by William Stockton, titled "Dual Addiction."

This article details the rapidly growing problem in our complex society of mixing alcohol with drugs—with dangerous and sometimes fatal consequences.

These impacts are sinister and too infrequently considered or even understood by medical practitioners. They require increased attention on the part of the medical profession and the Federal agencies responsible for these areas.

At the same time, they require an increased sensitivity to these dangers on the part of the public as a whole.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

[From the New York Times Magazine, Aug. 6, 1978]

DUAL ADDICTION

(By William Stockton)

Helen of Troy was said to have dissolved opium in the wine she served her warrior guests as a balm for their grief. Today, increasing numbers of Americans have concocted similar balms for themselves: alcohol and tranquilizers, alcohol and sedatives, alcohol and stimulants.

In a country where 100 million people are regular consumers of alcohol (of them, 10 million are alcoholics), where doctors write an estimated 100 million prescriptions each year for the so-called "minor tranquilizers," such as Valium and Librium, the age-old practice of mixing alcohol and drugs has reached unprecedented and staggering proportions.

The National Institute on Drug Abuse estimates that in the 12 months from May 1976 to April 1977, 47,700 persons were admitted to emergency rooms suffering from the effects of mixing alcohol and drugs. There were 2,500 deaths.

The critical problem of polydrug abuse was brought to national attention last April when former First Lady Betty Ford entered the Naval Hospital in Long Beach, Calif., to begin a special program to deal with her latest medical problem: dual addiction. "I am not only addicted to the medication I have been taking for my arthritis, but also to alcohol," she said in a statement. "Over a period of time, I got to the point where I was overmedicating myself."

Steve Ford said his mother was fighting a battle against Valium and alcohol. Valium, the most widely prescribed drug in the United States, is a tranquilizer sometimes prescribed as a muscle relaxant. For years, Betty Ford has suffered from an arthritic condition in her neck that has necessitated the use of Valium as a muscle relaxant.

"Alcohol is so common in its use as a beverage that we tend to discount it as a drug," says Dr. Frank Seixas, medical and research executive of the National Council on Alcoholism. Even a nonabuser of alcohol, warns Dr. Stanley Gitlow, can get into trouble when he combines sedatives and alcohol. A professor at Mt. Sinai School of Medicine, Dr. Gitlow is a high-blood-pressure specialist and psychotherapist who has treated alcoholics and the dually addicted over the last 25 years.

Alcohol interacts in different—sometimes lethal—ways with different drugs. Certain types of Chianti wine, for example, contain a substance called tyramine. If a high-blood-pressure medication, such as a monoamine oxidase inhibitor (Eutonyl, Nardil, Parnate), is also present in the body, the innocent wine drinker can be thrown into a high-blood-pressure crisis. Alcohol can cause the opposite reaction with other high-blood-pressure medicines, lowering the blood pressure to dangerous levels.

Alcohol will reduce the effect of penicillin and other antibiotics as well as the performance of anticoagulants. Taken with aspirin, alcohol can cause stomach and intestinal bleeding, a problem that can prove fatal in the chronic drinker. Anyone who simultaneously takes a drink and an over-the-counter cold remedy may suffer a depressed central nervous system, making it particularly dangerous for him to drive an automobile.

Anticonvulsant drugs used in seizure disorders are thrown off more quickly if alcohol is taken as well. Alcohol also reduces the effectiveness of some of the oral antidiabetic drugs, such as solbutamide. When taken with phenformin, another oral antidiabetic drug, alcohol can cause lactic acidosis, a buildup of acid levels in the blood that can lead to coma and even death. Alcohol can lower potassium levels in the blood, suddenly making the heart patient's digitalis, a heart stimulant, much more toxic.

What catches people by surprise is that some drugs react synergistically with alcohol—that is, one plus one equals 10 or even 50. Alcohol and phenobarbital, which is used as a sedative and antispasmodic, are a classic pair.

A blood alcohol level of 500 to 800 milligrams percent ("percent" in this context is the equivalent of 100 millimeters) could be lethal alone; 10 to 29 milligrams percent of phenobarbital alone can also kill. But, says Dr. Seixas, "you can take much less than a lethal dose of alcohol and very much less than a lethal dose of phenobarbital and together they can kill you."

"There are more and more data accumulating that individuals who have a problem with one substance frequently have a problem with another," says Dr. Jack H. Mendelson, director of Harvard Medical School's alcohol and drug-abuse research center at McLean Hospital in Belmont, Mass. "What comes at you is that people who abuse alcohol are also abusing a variety of other things. They're not drug gourmets, they're gourmands."

One of the more alarming aspects of dual addiction is the growing number of women who are mixing alcohol and drugs. The National Institute on Drug Abuse estimates that 32 million women, as opposed to 19 million men, have used tranquilizers prescribed by a doctor. More women than men also have used sedatives and stimulants prescribed by doctors. The N.I.D.A. found that 60 percent of all drug-related emergency-room visits were made by women. One of the most startling statistics of all: The median age for drug-related deaths of white men and black men and women is 28; of white women, 43.

"When I started out 25 years ago," says Dr. Gitlow, "about a third of my patients who were alcoholic had at one time or another mixed it with solid sedatives. Now that's up to about 50 percent. It is progressing, particularly in the female section."

Many of these women are middle-aged or older. In some cases, they may have had long-term drinking problems, finally exacerbated by sleeping pills or tranquilizers. In other cases, they may have been moderate drinkers and then been prescribed a tranquilizer for uncomplicated anxiety or anxiety caused by a medical problem—for example, a heart condition.

"The physician is sometimes unaware of the true relationships among these soporific drugs," says Dr. Gitlow. "He might be prevailed upon to replace the alcohol with a solid sedative, thinking he's doing the patient a favor. Usually all he's doing is helping the patient out of the frying pan into the fire."

Jean W. is a woman who was an alcoholic long before a psychiatrist introduced her to tranquilizers. I met her at an alcoholism treatment center in Manhattan where she is working as an administrative assistant and counselor for alcoholics. She is in her 50's, smokes incessantly and has a throaty laugh.

"I think alcohol started to be a problem for me about the age of 40, when we lived in Seattle. My husband would call and say he wasn't going to be able to come home for the evening. I knew damn well he was out with the boys drinking. I found out if I had a few drinks before I went to bed I didn't care when he came home.

"My husband sold his business and we started up the executive ladder. I was drinking pretty badly at that time. I would have one or two days when I didn't function. I went to bed and drank. Shortly after that I tried a couple of very feeble suicide attempts. My family decided I need psychiatric care. The psychiatrist I was seeing then was the one who got me started on Valium and a sleeping medication. He gave me the Valium so that I would feel good, so that I wouldn't feel that I needed to drink. This was in 1965. He also put me on Antabuse [an antialcohol drug]. I took that for about 18 months. In the meantime, my husband was made president of a company in New York and we moved to New York.

"While I was on Antabuse I wasn't drinking, but I was doubling up on the Valium and the sleeping medication. I might as well have been drinking. After we moved to New York I stopped the Antabuse and began to drink again. So I was in private hospitals for a while. Some time after I was sent home, my husband was scheduled to take a business trip to Germany. It was allowed as how I would go along. At this time I was on Thorazine [a powerful tranquilizer prescribed for certain mental disorders]. My psychiatrist said to me, 'You must try the beer and wine in Germany.' My husband and I said isn't that great. He doesn't think I'm an alcoholic. I tried the beer and wine in Germany and when I got home I couldn't get off of it. So I was sent into a detox hospital and I started going to Alcoholics Anonymous.

"Then, about six months later, I developed a slight heart arrhythmia. My doctor put me on Librium. He knew of my problems, but in his medical judgment, I needed it. If he was giving me Librium, why not a sleeping medication, too? So he gave me Nembutal. I should add I wasn't honest with that doctor. He said if I followed the prescription, I wouldn't have any problems, but I had no intention of following that prescription.

"I remember the turning point very well. I was lying on the bed in my beautiful apartment at 93d and Fifth Avenue and I was a sodden, drunken mess. And I wanted to die. But I saw that alcohol wasn't going to kill me. So I said O.K., it isn't going to kill me, but I don't want to live like this.

"I went to detox again. Then I signed myself into a clinic in New Jersey for people with an alcohol and pills problem. While I was there I made up my mind that no matter what they told me to do, I would do it. I stayed my three months and it's been five years since I came out and I haven't had a drink or pill since except an occasional aspirin.

"Now I see that I drank and took the pills because I was full of self-pity and resentment. When I married, I expected my husband to be my mother and my father and the brothers and sisters I never had. I was an only child. And I expected that he would be responsible for my happiness. I found out that life was just not a bowl of cherries. And I couldn't handle it. I found out that the liquor took away those feelings I didn't know how to deal with. The pills did the same thing. I had no self-esteem. Just since I've been working, I've got my self-esteem back. I thought I was stupid. I'm not stupid. I've discovered that I'm very bright."

The important thing to note in Jean W.'s story is her discovery that while taking Antabuse and not drinking, she might as well have been because of the tranquilizers.

"Alcoholism is the name of a disease that should more properly be called sedative addiction," says Dr. Gitlow. "Perhaps a better term for it is sedativism. It doesn't matter which sedatives you use, including alcohol. They all do the same thing to the brain. The exact timing and sequence may be a little different. But you could take one away and replace it with another and the brain wouldn't know."

An irony of alcoholism treatment is that tranquilizers like Valium and Librium are routinely prescribed to the alcoholic to deal

with the difficulties of withdrawal from the alcohol.

"A patient feels restless," Dr. Gitlow explains. "He can't sleep. He wakes up early. His hands shake. He knows how bad it is to have a drink in the morning, so he reaches for a medication. What he doesn't know is that the medication is doing the same thing in the brain."

What puzzled doctors and social workers for many years was the seeming lack of a pattern in the way alcohol and a drug interact. One day, it may take a very large dose of a tranquilizer to produce an effect. Another day, a moderate dose can send the patient through the roof.

The answer was found by a Belgian-born and educated physician who is director of a large alcohol research center on the grounds of the Bronx Veterans Administration Hospital. With funding from the Federal Government and Mt. Sinai School of Medicine, Dr. Charles S. Lieber and his colleagues have made a seminal discovery about how alcohol and drugs are metabolized in the body.

Ordinarily, when a light or moderate drinker has a cocktail, the alcohol is acted upon by an enzyme called alcohol dehydrogenase. The alcohol is converted to acetaldehyde, then acetic acid and finally carbon dioxide and water. But in the heavy drinker—or even the moderate drinker who has a few too many one night—a second metabolic pathway opens up. It is called the microsomal pathway because it involves membranes in the liver that contain miniature chemical factories called microsomes. Alcohol dehydrogenase is the primary alcohol breakdown system, but the microsomal pathway will handle alcohol and other substances, including many of the drugs that interact with alcohol.

The result is that the heavy drinker finds himself on a metabolic roller coaster. Even when he "dries out," the microsomal pathway is so enlarged, so "exercised" from the past abuses, that it rapidly gobbles up a dose of tranquilizer in the blood before it has an effect on the brain. He must take a much larger dose to get results. However, if he then takes a drink, the alcohol immediately takes over the microsomal pathway, excluding the tranquilizer. The result is abnormally high levels of tranquilizer trapped in the blood. Our drinker may have taken only one drink, but the sudden abnormally high levels of tranquilizer in the blood can put him in orbit.

"Many people know their tolerance to alcohol and they know their tolerance to drugs," says Dr. Lieber. "But what they don't know unless they are forewarned is that with this interaction of alcohol and drugs it can be one way at one time and then be the opposite several hours later. They fluctuate from increased tolerance to drugs to decreased tolerance to drugs, depending on the level of alcohol."

"You have to understand the intricacies of this interrelationship," cautions Dr. Gitlow. "You could be led to believe 'Hey, I can take 20 of those.' At another time you take less than you would normally take and you get clobbered with it."

Elaine J. is trying to kick the alcohol and drug habit. She is 38, on welfare and the mother of a 17-year-old son. As we talked, she twirled her red-lensed sunglasses in one hand and chewed gum vigorously. The gum, along with candy and cookies and soda pop, is one crutch she uses to stop the craving for stronger things.

"I haven't had a drink for six months. I used to drink heavily. And they gave me nerve pills. Librium. And sleeping pills. I used to drink and then take one sleeping pill because I couldn't sleep. But then I couldn't go to sleep on one sleeping pill. So I took another one and I almost died. I knew I was passing out. I got dizzy. So I called my mother and some friends, and they called an ambulance. I was living alone. They took me to Kingsbrook Hospital to pump my stomach. The doctor told my sister five minutes more and I would have been dead.

"If I didn't have money to go to the liquor store, I would take some nerve pills. It wasn't exactly like taking a drink, but it calms you. I took two, three Libriums. One didn't have enough effect. So I took two or three and then I took a drink. I'd feel myself dozing off. I'd be blacking out. I'd say, 'Ah, I'm just tired.' So I'd drink some more to keep me awake and the next thing I know I was passed out.

"I'm not divorced, but I had to put my husband out, you know? I have a lot of problems, man. Try to keep myself high and drunk to forget them. I had problems with my son not going to school. I would send him to school. He wasn't goin'. And then the welfare was aggravating me. So I'd start drinking and my mind would tell me that I could feel better if I took a Librium. Then the drinking and the pills sometimes would make me mad. Sometimes my friends come over to drink and I'm taking these pills and I want them to leave. But they don't want to leave, right? We get into an argument. So I get a knife and I go out in the street and stab their tires.

"I started drinking when I was 17. I took a drink to talk to somebody. I was at a party. I'm an ex-addict. I was on heroin. I got on methadone in '68 and I got off it in '70. I was also shooting coke. Everything that I did I was drinking along with it."

Whether the therapists dealing with dual addicts are psychiatrists with offices on New York's Upper East Side or social workers toiling in the slums, their goal is the same.

"You must motivate them to recovery," says Dr. Gitlow. "You have to present to them a credible story for the possibility of return to normal function and comfort. You offer a rational plan for a support system that will permit them to cope with the basic kernel of all alcoholism, which is the isolation caused by the inability to relate."

Dr. Gitlow introduced me to one of his patients, Janice F., who grew up in a wealthy family in Boston. Although she and Elaine J. are worlds apart culturally and financially, they suffer from the same feelings.

I spoke with Janice in her lovely and expensive home, of exposed wood and glass beside an estuary on Connecticut's southern shore, a half mile from Long Island Sound. Janice is an athletic, intense woman in her 40's.

"I started drinking when I was 16. We drank in the home. My father was a recovering alcoholic; he was very conscious of getting my sister and me aware of alcohol. I really discovered it in a social setting going to debutante parties. It gave me the feeling of having a hidden secret, of being more relaxed, of not being so frightened.

"I went to prep school and then Finch College in New York City. I was a moody kid and I started seeing a psychiatrist. He introduced me to Miltown. I abused the Miltown right from the start. It made me feel relaxed and more confident. I wasn't aware that it had any interaction with alcohol, but I drank with it. Not more than a drink or a drink and a half. I didn't want to turn into an alcoholic.

"My sister got married, so I decided I should get married. I married a Wall Street broker who does a lot of sailing and a lot of drinking. He isn't an alcoholic, but he's into that jet-set type of life that let me drink more than I might have ordinarily. Then in 1966 we moved out to Connecticut when I was pregnant with my first child. During that year the doctor in New York died and there went my prescription for Miltown and I began drinking a lot more.

"I went to another psychiatrist in New York City and he gave me Sinequan [a sedative] and then Talwin [a painkiller]. The bottom line with him was that he gave me Valium. Somewhere along the line a doctor had given me some Dexedrine. I had started to forge prescriptions to get this Dexedrine. It's an upper. It was to keep me going. So now I had both uppers and downers and alcohol. And I was taking them all together, even though intellectually I knew these drugs were interacting because I had been told that.

"All this led to a car accident after our second child was born. It was a head-on collision and I was driving. It left me with two fractured legs, 11 fractured ribs and a depressed skull fracture. I was bedridden for two months. It left me totally full of self-pity and now truly addicted to Talwin.

"Finally, I went into an institution in New York City for three weeks and got off the drugs. I knew I had a drug problem, but I didn't think I was an alcoholic. This was 1971. I stayed off all the pills and needles for almost a year. But my drinking got going to such a degree that every time I left the house I felt the need to take something, so I started taking Valium and Talwin pills again. I took them to keep my alcohol down. In the summer of '72 I had an accident with my kids in the car right near home going to a Saturday matinee.

"By October I got to a point where I was home all the time, frightened to go out, frightened that I would get addicted to the pills and yet I couldn't live without the alcohol. I was in a state of total despair. I thought my life would never get any better. I called my sister and she put me in a mental hospital in Iowa City, Iowa. I wasn't given anything until I went through the worst shakes I had ever had. I went absolutely crazy—they had to put a football helmet on me and I was strapped down in a cell.

"They did get me detoxed and clean. They told me I was an alcoholic and they made me call someone before I left. I called the man down the street who was in Alcoholics Anonymous. He said he would take me to A.A. I came home still not convinced I needed to go to A.A. right away. But within 24 hours of getting home I called him and said, 'God, you've got to help me. I've got to get the liquor out of here or I'm going to take a drink.' He came over and took all the liquor away. All the pills were dumped down the toilet. He took me to five meetings in five nights. The feeling was that I had come home. I haven't had a pill or a drink since. This was the last week of October in '72."

When talking about patients like Janice F., Dr. Gitlow contends the root of the addiction is the increased "psychomotor state" from which they are trying to escape. But physicians like Dr. Mendelson are now saying that the explanation may be more profound. He and a handful of others, basing their beliefs on animal research, say people like Janice F. are seeking change—any change. They seek it even if the change is for the worst.

"I believe the desire for change is more important than the tension reduction or the relief from pain and anxiety," said Dr. Mendelson. He referred to animal studies in which a monkey taught to work to avoid a severe electrical shock actually works to get the shock. "Animals made dependent upon narcotics will work to induce an infusion of a narcotic antagonist, which immediately throws them into withdrawal," he said. "I interpret this to mean they seek change, any change."

"I just don't buy that," Dr. Gitlow said when I asked him about it. "Maybe that might be true for young kids who will put anything into themselves, but the majority of these people are reaching for relief from anxiety."

Whatever the reason for dual addiction, often it is the family or a friend who notices first. Some of Betty Ford's friends are said to have been concerned for several months

before she finally entered the Long Beach treatment program.

Karen F., a woman in her late 30's, lived with Frank T., a dual addict, for 12 years before she finally moved out.

"Frank was a heavy drinker for years before his problem developed. He could consume up to a fifth of Scotch a day, but his drinking didn't affect his ability to function as far as work or social life was concerned.

"In his late 30's and early 40's, he began to develop acute feelings of anxiety. That was when he started taking Valium. This was about 12 years ago. Frank has never been someone who likes taking medications, so I guess his problem could have been worse. I think at some point he became aware intellectually that there is a reaction between alcohol and these tranquilizers, but emotionally I don't think he recognized for a long time what was happening to him. Maybe he still doesn't.

"At any rate, curious things began to happen when he started taking tranquilizers. He was taking 20 to 30 milligrams of Valium a day, which is a lot. Here was a man who had been able to handle a lot of alcohol and still function. And here he was suddenly at the point where if he had two or three drinks he would be drunk, really drunk. He would be incoherent, unable to remember anything the next day.

"I began to be more and more frightened about it because he had a couple of accidents with the car. He had always been an excellent driver even with a lot of alcohol in him. And now with a couple of drinks he was running off the road or being picked up for drunken driving.

"Driving with him became a big issue in our relationship. If we went anywhere in the evening together, I would insist we go in separate cars. Our friends began to joke about the two cars. I made up excuses about why I had to go home early in my own car.

"Frank got his prescription of Valium renewed regularly by his doctor. He was always very careful not to drink before 5 P.M. and it got to the point where when I heard the ice cubes clinking in the glass I knew I had about 30 minutes more to talk to him before he was blotto for the rest of the evening. Ultimately, it ruined the relationship.

"The interaction seems so obvious now. In my mind the drinking was always the problem. I never thought of telling him he should stop the tranquilizers. I wish I had. It all might have turned out differently."

After listening to the stories of people like Frank, Elaine, Janice and Jean, questions emerge about the role of doctors in the creation of the dual addict. Are they handing out tranquilizers with indiscretion? What are they telling their patients about mixing drugs and alcohol?

In explaining the actions of his colleagues, Dr. Seixas said that "the alcoholic patient is difficult to deal with because of his fear about disclosing what's really happening to him vis-à-vis the drugs he's taking. Often, the physician, who is attempting to be the therapist, is the victim of the alcoholic. After a patient has recovered, he tends to see the doctor as a culprit."

Dr. Gitlow believes that physicians are overprescribing tranquilizers, sedatives and other psychotropic drugs for a number of reasons, chief of which is ignorance. "A lot of doctors don't know what drugs, especially alcohol, do to people," says Dr. Gitlow. "They haven't had the training. I can count on one hand the number of medical schools that offer students five hours—out of four years—on the subject of alcoholism. And alcoholism is the fourth most common disease in this country. A medical student spends about two hours in pharmacology studying drug use and abuse, but he spends 10 or 20 times that much time on infectious diseases. He then goes out to practice and finds many more cases of the former than the latter. Students are taught cirrhosis and heart disease and alcoholism, but not how to prevent a person from getting these diseases."

In Dr. Gitlow's opinion, no one should get an M.D. degree without attending at least 12 meetings of Alcoholics Anonymous. "Sedative abuse," says Dr. Gitlow, "represents the major single underlying cause of death in young adults today between the ages of 15 and 18. That makes it the single biggest killer today in that age category. Yet the entrenched power structure in medical schools will not revise their curriculums to include training in alcohol and drug abuse."

The fault does not lie entirely with the medical profession, says Dr. Gitlow. "We live in a society where, when things get tough, you take a drink; if you're uncomfortable, turn to some chemical magic. No one says, 'Hey, tolerate the stress and learn to cope.' So doctors are constantly pressured to provide instant relief. And it's possible to get a supply of drugs without even going to the doctor. Everybody, it seems, has these tranquilizers lying around for a rainy day, and an addict can just go to a friend's house and help herself to half of the pills in the medicine cabinet."

I spoke with Jean W. while the alcoholism treatment center she works for was in the throes of moving. We sought privacy in a large corner office. The room was bare except for a scarred desk and two straight chairs. It seemed a starkly appropriate setting to discuss her past and the barren lives of those still struggling with what she had conquered.

"Betty Ford is a gutsy lady," she said. "But A.A. is filled with gutsy ladies," she quickly added.

When Betty Ford entered the Long Beach hospital, Robert Barrett, a spokesman for her husband, met with reporters. "We've never had too much success in keeping Mrs. Ford's mouth shut," he said, implying she would ultimately tell her story.

When she does, its poignancy may be that it will sound so similar to all the others.●

ORME DAM

● Mr. GOLDWATER. Mr. President, in early March, flooding along the Salt River in the area of Phoenix, Ariz., cost many lives and millions of dollars in damages to both private and public property. It dramatically illustrated the need for the completion of the Orme Dam, a flood control and storage segment of the central Arizona project.

You will recall that in 1977 funding for the Orme Dam was deleted from the 1977–78 budget recommendations by President Carter. Even before the March flood, the need for the Orme Dam was abundantly apparent and the people of my State are justifiably concerned over the delay caused by the President's action.

Recently, the Arizona State Legislature passed a concurrent memorial urging Congress to authorize construction of Orme Dam and to provide equitable compensation to the Yavapai Indians. I ask that this memorial be printed in the RECORD.

The memorial follows:

HOUSE CONCURRENT MEMORIAL 2004

Whereas, there has been planned for many years the construction of a flood control dam at the confluence of the Salt and Verde Rivers in the state of Arizona, which are designated as navigable rivers, the waters of which are normally impounded by dams of the Salt River Project, a federal reclamation project; and

Whereas, such flood control dam, designated the Orme Dam, was to be built as a segment of the Central Arizona Project, a federal reclamation project; and

Whereas, the Orme Dam was designed to have a storage capacity of one million three hundred thousand acre feet, nine hundred fifty thousand of which would be reserved for flood control; and

Whereas, in 1977, funding for Orme Dam was deleted by President Carter from 1977–78 budget recommendations for the Central Arizona Project; and

Whereas, despite the President's action, the need for the Orme Dam still exists; and

Whereas, the need for the Orme Dam was never more evident than during the unprecedented flooding along the Salt River in the Phoenix metropolitan area beginning March 1, 1978; and

Whereas, the flood was measured at up to one hundred thousand cubic feet per second, a greater flow than the discharge of the Missouri River; and

Whereas, many lives were lost in the flood and countless other lives were shattered due to personal loss; and

Whereas, the flood caused millions of dollars of damage to both private and public property; and

Whereas, five hundred thousand acre feet of water, which could otherwise have been used for agricultural, industrial, municipal and domestic purposes and reused as reclaimed effluent, were lost down the river; and

Whereas, such quantity of water could have supplied the domestic needs of one million residents of the Phoenix metropolitan area for two and one-quarter years; and

Whereas, to have used the water lost for irrigation purposes would have saved three hundred sixty thousand barrels of oil which will be required to pump groundwater; and

Whereas, the flood blocked eighty-seven per cent of the highway crossings of the Salt River in the Phoenix metropolitan area resulting in massive traffic disruption, social confusion, innumerable hours of lost employment and production time and the waste of thousands of gallons of gasoline; and

Whereas, numerous bridges over the Salt River were washed out because they were designed and constructed in contemplation of Orme Dam being built to protect them from heavy water flow; and

Whereas, two thousand feet of the main runway of Sky Harbor International Airport was under water, causing two million dollars of damage; and

Whereas, because of the flood, millions of federal relief dollars have been dedicated to rebuild the Salt River Valley which otherwise could have been used elsewhere; and

Whereas, the Orme Dam could have controlled this and all prospective runoff of the Salt and Verde River watershed to minimize human danger, property damage, disruption of lives, waste of precious water and federal relief requirements.

Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the Congress of the United States take action to restore authorization and funding of the Orme Dam so that life in the Salt River Valley may be more predictable, safe and productive.

2. That the federal government provide equitable compensation to the Yavapai Indians, including a fair exchange of land of equal value.

3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives, each member of the Appropriations Committees of the United States Senate and House of Representatives, each member of the Interior and Insular Affairs Committees of the United States Senate

and House of Representatives and to each member of the Arizona Congressional Delegation.●

VISITORS' CENTER AT DE SOTO BEND

● Mr. CULVER. Mr. President, among the funds provided by the 1979 Interior appropriations bill are $3.44 million for a visitors' center at De Soto Bend Wildlife Refuge. The De Soto Bend Refuge lies along the Missouri River on the Iowa-Nebraska border about 20 miles north of the Council Bluffs-Omaha area. Hundreds of thousands of visitors annually observe the snow and blue geese which stop to feed there and the other varieties of wildlife including deer and coyotes which inhabit the refuge, or enjoy the rcreational opportunities on its large oxbow lake, or wander among the cottonwood groves, sand dunes, and open fields. In addition, they can relive a part of our past by viewing the Bertrand Archive of Civil War Era artifacts relating to the opening of the Western frontier. The refuge is growing in popularity and it is expected that 1 million people will take advantage of these benefits annually by the year 2000.

Together with additional funds which the Fish and Wildlife Service has announced an intention of requesting next year, the appropriation in this legislation will be used to construct a permanent facility at De Soto Bend. Such a center would have storage and display space, research laboratories and a library for the Bertrand Archive as well as a wildlife viewing gallery and other service areas. Both for residents of the area who have long recognized just how important a natural and cultural resource De Soto Bend is and for visitors from across the Nation who will share in its use, the construction of such a facility will be a welcome and important addition.

The need for such a center first came to light some ten years ago when two Omaha men, Jesse Pursell and Sam Corbino, after ingenious historical detective work and a patient search, located the remains of the *Bertrand*. While on its maiden voyage carrying supplies to the Montana gold fields, the steamboat sank after hitting a snag in the Missouri River north of Council Bluffs, Iowa, in 1865. Silt and sand carried by the river soon buried the wreck and changes in the fickle Missouri's channel later concealed its location. The *Bertrand*'s cargo lay undisturbed and remarkably well-preserved by the mud which encased it—until its discovery more than a century later.

Once the artifacts were recovered and cleaned, it readily became clear that a significant regional cultural resource had been discovered. There were literally hundreds of thousands of individual items—one estimate says perhaps as many as 2 million each one saying something about the opening of the frontier. Supplies such as detonating devices, mercury mortars, and pickaxes illustrate what work must have been like in the early mining camps. Capes, coats, gloves, hats, suits, buttons and combs of every kind document the styles and fashions of the mid-19th century.

Foodstuffs from salted mackerel to brandied peaches to canned tomatoes suggest both the variety and limitation of the diets of the early pioneers: Variety by illustrating that such luxuries as Chesapeake Bay oysters were available to the pioneers, limitations by showing that at the same time many staples could be obtained only by long, arduous, and uncertain river traffic. Plow frames, pen holders, candle molds, leather harnesses, and butter churns reveal the technology of everyday life. Bottle after bottle of alcoholic "stomach bitters" tell us perhaps a little of the primitive medical state of art of the time but a lot more about the resourcefulness of their manufacturers and consumers in avoiding Federal liquor taxes.

These examples merely touch the surface of the encyclopedia of goods which were excavated. What is at De Soto Bend for the study of scholars and the interest of Americans who care about their past is, in effect, a whole shopping center of what was available for residents of the Midwest a century ago. Once this is understood, I believe that there can be little wondering why the citizens of my State believe that the Bertrand archive is a unique regional treasure.

The construction of a center to store, display, and study these artifacts will be the final step in a long hard-fought process to preserve that treasure. Shortly after the immensity and value of the archive were recognized, some suggested moving the bulk of the collection to the Smithsonian in Washington and dispersing the remainder to many other museums throughout the United States. Residents of the area and their elected representatives protested sharply against this removal of the artifacts from their logical and natural setting. It was decided—quite correctly—that the integrity of the archive should be protected and that it remain at De Soto Bend.

It was further necessary for Congress to take action to protect the condition of the artifacts themselves. Ironically, the perservative work done by the Missouri River mud was rapidly being undone by exposure of the collection to the fresh air. An emergency allocation which I requested from the House Interior Appropriations Subcommittee and which was approved by the Congress allowed a professional team to stabilize the condition of the artifacts.

Now it is important to provide an interpretative center for the Bertrand which is both appropriate to the scope and value of the archive and which is consistent with the other purposes of the refuge. The funds which are in this bill and planned for next year will permit construction of a center of this kind.

As one who has had the opportunity to view the artifacts and been impressed with their variety and quality, I am especially pleased that this legislation now assures that a permanent interpretative center at De Soto Bend will soon be a reality.●

THE COLLECTIVE-BARGAINING PROCESS

● Mr. BELLMON. Mr. President, on August 8, the Washington Post reported that Secretary of Labor Marshall met with AFL–CIO President George Meany in Chicago. The Post reports Secretary Marshall has agreed to restrain Government intervention in the collective bargaining process as it relates to jawboning wage increases. A cornerstone in the President's anti-inflation fight has been a willingness to highlight price changes and wage settlements which have inflationary impacts. The wage part of that cornerstone appears to be crumbling. Although Secretary Marshall denies it, one may assume that this agreement is designed to muzzle Barry Bosworth, the head of the Council on Wage and Price Stability. Dr. Bosworth has evidently been an irritant in his role as a watchdog on inflation and has blown the whistle once too often on inflationary wage settlements to suit Mr. Meany.

The new arrangement will preclude Dr. Bosworth from speaking out individually and will require that he support a party line as determined by a new committee. That committee will be headed by Secretary Marshall and will include Dr. Bosworth, Charles Schultze, Robert Strauss, and Presidential Assistant Landon Butler. Given Secretary Marshall's involvement in the inflationary coal wage settlement and his apparent insensitivity to the social cost of inflation, it is a good bet that this new council will be more circumspect in calling a spade a spade as regards inflationary wage settlements. I am troubled by the implications of the establishment of this council for all those in the administration, who, like Dr. Bosworth, have spoken out in the public interest. Frankly, I am also gravely concerned that this action signals a total retreat by the Carter administration in the battle against inflation. Certainly with inflation currently running in excess of 10 percent, no one can say this battle has been won or even joined.

This recent turn of events makes me especially thankful that the legislative branch appropriations bill included, at my request additional funds to permit CBO to establish Congress own inflation monitoring capability. It now seems that Congress must undertake a task which the administration will no longer attempt. Therefore, I encourage the conferees on the legislative branch appropriation to retain the Senate funding of a $196,000 increment for CBO to establish this capacity.

Mr. President, I ask that the Post article referred to in my remarks be printed in the RECORD.

The article follows:

[From the Washington Post, Aug. 8, 1978]

MEANY CONCEDES LABOR BILL DEFEAT

(By Helen Dewar)

CHICAGO.—AFL–CIO President George Meany conceded defeat of labor law "reform" legislation for the year yesterday but won a concession from the Carter administration to restrain government intervention in collective bargaining over wage increases.

The concession, delivered in person by

Labor Secretary Ray Marshall to the AFL–CIO executive council, was aimed at defusing organized labor's mounting anger at recent efforts by Barry Bosworth, head of the Council on Wage and Price Stability, to keep down the costs of wage settlements in railroad, retail food and other industries.

Speaking to reporters after addressing the AFL–CIO leaders, Marshall denied that the move was designed as a "muzzle" but acknowledged that "it will no longer be Mr. Bosworth speaking for himself" on collective bargaining matters.

Instead, Marshall said, President Carter has named a five-member committee to "go forth with one message" on reducing costs of labor settlements. The committee will be headed by Marshall, and other members will be Bosworth, Council of Economic Advisers Chairman Charles L. Schultze and presidential assistants Robert S. Strauss and Landon Butler.

Asked if this would virtually rule out government intervention in the bargaining process, Marshall said, "We're not likely to do it without a struggle."

He acknowledged that his strong opposition to intervention could be overruled by other committee members but asserted that the new committee mechanism will "do a lot to solve the problem" of bargaining intervention, which has been a major irritant in relations between the administration and organized labor.

Meany said he would not comment on Marshall's message until today, but sources said labor leaders were "pleased."

Earlier, as the council gathered for its regular midsummer session, Meany had kinder than usual words for Carter, but sharply criticized Bosworth, accusing him of doing "everything he possibly could to come down on the side of the employer in wage negotiations" by urging resistance to union demands. "In all my experience," he said, "this has never happened before."

Meany said he told Carter about his displeasure with Bosworth at a meeting last month and was promised a response from Marshall, who is labor's strongest ally in the administration and has been lobbying in it on his own against bargaining intervention as part of the administration's anti-inflation policy.

Meany's acknowledgment of defeat on legislation to overhaul labor laws by cracking down on employer violations marks the latest in a series of labor losses to an increasingly active business lobby, which has prompted rumblings in union circles of a business-led "class warfare" in the country.

At his press conference here, Meany said he agreed with that assessment, attributing labor's sagging fortunes in Congress to a "resurgence of right-wing feeling" and a decline in the strength of political parties.

But he appeared to have no new ideas about how to reverse labor's losing streak, except by strengthening coalition ties with minorities and other groups. "We've just got to fight a little harder," he said.

Although the AFL–CIO has not decided whether to join the United Auto Workers in quitting the Labor-Management Group, a semiofficial council of union and corporate advisers to the White House, Meany said, "Personally, I don't know how the hell we can sit with them anymore."

He said he sympathized with UAW President Douglas A. Fraser's decision last month to quit the group, but criticized Fraser, whose large and politically powerful union is not an AFL–CIO affiliate, for not consulting in advance with AFL–CIO members of the group, which includes Meany.

While unions are having no greater problems with management at the bargaining table than they have in the past, Meany said, the business community "still toys with the idea that there is some way to destroy labor unions."

Meany's attack on the business lobby—and on congressional response to it—fell short of some earlier predictions that the AFL–CIO leaders would come out fighting, with some kind of battle plan, when they formally buried the labor bill. The council discussed political reprisals, including supporting more Republicans for office and more selective use of campaign money, but Meany said no decisions were made.

The labor bill, which prescribed deadlines for union representation elections and heavy penalties for employers who illegally thwarted organizing and bargaining drives, has been presumed virtually dead since it was sent back to committee in June after failure of repeated attempts to break a filibuster against it.

Meany said the AFL–CIO may support procedural changes now under consideration by Senate leaders in an attempt to salvage some remnants of the legislation, but asserted that these changes do not constitute "reform." Said Meany: "As far as this session of Congress is concerned, labor law reform is dead." ●

WILD FREE-ROAMING HORSES AND BURROS

● Mr. GOLDWATER. Mr. President, burros and wild free-roaming horses once were confined to small bands moving over our Western lands and were regarded as important natural resources; consequently, Congress passed a law declaring that all such animals were property of the United States and making it a crime to kill, disturb, or capture them.

However, these once small bands have now multiplied to the point where they endanger the existence of all other native wildlife including the desert bighorn sheep, the Sonoran pronghorn antelope and many other species. The burros and the free-roaming horses also monopolize limited water springs and threaten to dry up natural potholes and tanks.

Because of this situation, Mr. President, the Arizona Legislature has passed a House joint memorial urging the Congress to amend the Wild Free-Roaming Horses and Burros Act to provide for the removal of such animals from public lands occupied by desert bighorn sheep and Sonoran pronghorn antelope. I ask that this memorial from the Arizona Legislature be printed in the RECORD.

The memorial follows:

HOUSE JOINT MEMORIAL 2001

Whereas, the Desert Bighorn Sheep of the Southwest occupies extremely hot, arid and rocky mountain ranges of Southern California, Nevada and Arizona, having adapted to the scarcity of water, desert vegetation and cacti and to the high temperatures of many generations; and

Whereas, the Sonoran Pronghorn Antelope also occupies a portion of this range and is classified as an endangered species; and

Whereas, the passage of the Wild Free-Roaming Horses and Burros Act by Congress, declaring all wild burros and wild free-roaming horses to be the property of the United States and making it a crime subject to imprisonment and a two thousand dollar fine to kill, disturb or capture burros and wild free-roaming horses, has allowed the once small bands of abandoned burrous and wild free-roaming horses to multiply to the point where they endanger the existence of all other native wildlife, including the Desert Bighorn Sheep, the Sonoran Pronghorn Antelope, the Desert Mule Deer, the Javelina and many other species; and

Whereas, the burros and wild free-roaming horses monopolize the limited water springs that exist in this area, threaten to dry up by overutilization the natural potholes and tanks that sustain wildlife and graze and desecrate the sparse desert vegetation; and

Whereas, this uncontrolled growth of wild burro herds and wild free-roaming horses and their invasion of critical wildlife areas calls for immediate remedial action.

Wherefore your memorialist, the Legislature of the State of Arizona, prays:

1. That the Congress of the United States amend the Wild Free-Roaming Horses and Burros Act to provide for removal of wild burros and wild free-roaming horses from the public lands, both state and federal, occupied by Desert Bighorn Sheep and Sonoran Pronghorn Antelope.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation.●

NEW HAVEN POLICE DEVELOP NEW USE FOR COMPUTERS

● Mr. RIBICOFF. Mr. President, the New Haven, Conn., Department of Police Service has developed a new application of computer technology to combat crime. Known as Project Fulciran, this innovation uses the computer to store and retrieve relevant characteristics of each reported crime according to the neighborhood where the violation was committed. The ability to match these characteristics immediately and comprehensively is an important technological breakthrough in police work. The New Haven police are to be commended for this achievement.

Jean Savage of the New Haven Department of Police Service wrote an article about Project Fulciran for the August 1978 issue of FBI Law Enforcement Bulletin. The article was called to my attention by William H. Webster, Director of the Federal Bureau of Investigation, who wrote to me August 3, 1978.

Mr. President, I ask that Director Webster's letter to me and Ms. Savage's article be printed in the RECORD.

The material follows:

FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., August 3, 1978.

Hon. ABRAHAM A. RIBICOFF,
U.S. Senate
Washington, D.C.

DEAR SENATOR RIBICOFF: I thought you might be interested in the excellent article, "Project Fulciran: Computer Assistance in Crime Solution," by Ms. Jean Savage, Department of Police Service, New Haven, Connecticut, which begins on page nine of the August, 1978, FBI Law Enforcement Bulletin. Two advance copies are enclosed for your information.

We are grateful for Ms. Savage's cooperation in making this manuscript available to the FBI, and we know that her presentation on this new innovation in her department will command the attention of law enforcement personnel throughout the country.

Sincerely yours,

WILLIAM H. WEBSTER,
Director.

PROJECT FULCIRAN: COMPUTER ASSISTANCE IN CRIME SOLUTION

(By Jean Savage)

Crime solution, one of the most effective tools in crime deterrence, stands to get a real boost from Project Fulciran,* a recent innovation in the New Haven Department of Police Service. In essence, it is a plan that provides immediate access to information about the likeliest suspects almost as soon as a crime is committed.

It is based on the premise that criminal activity within a specific geographic area is of a recidivist nature. It is not necessarily the case that criminals return to the scene of the crime, but they often tend to confine their activities to the same neighborhoods, frequently those in which they live. The department has long known this, but has had to depend on the memories of individual policemen or the tedious process of going through countless files to use this knowledge to determine and locate suspects.

Recognizing the shortcomings of such a method, Dr. Richard Hannum, systems analyst for the department, and Comdr. Louis Ranciato of Investigative Service decided to use an existing departmental resource—the vast computerized files of the Case Incident Reports. These reports contain complete records on every person arrested by the New Haven Department of Police Service in the years 1970 to 1978. Retrieving that information in a manner useful in determining suspects for specific crimes became their project.

Their innovation employs a coordinate, or grid, map as the programing device for retrieving suspect information from the CIRS files. The map is a Plainimetric Grid Map based on the Connecticut Rectangular Coordinate System. Horizontal lines numbered evenly from 30 to 68 and odd-numbered vertical lines from 51 to 87 form grids for every portion of the city. Each grid represents an area of approximately 2,000 feet squared, typically encompassing a 4- to 6-city block area.

To use the program, a member of New Haven's Investigative Service locates the area on the map where a given crime occurred, checks the intersecting grid numbers at that location, and forms a four-digit sequence (horizontal, or even, first, e.g., 3679). With this number, the program presently in use makes available the following information on every person who has been arrested in that grid during all of 1976 and 1977:

Grid number
Year of incident
Complaint number
Date of incident
Hour of day
Incident code
Address of incident
Arrest number
Status of arrestee
Arrestee's name
Sex
Race
Date of birth
Age (years, months, at time of arrest)
Height and weight
Hair and eye color
Arrestee's home address

Although the above information is available for every year since January 1970, the inventors feel the most recent years are of greatest value in surveying neighborhood crime patterns and therefore determined to limit the program in that way. Built into the system is an update of the printout every 3 months.

Armed with such a printout, the investigator can begin matching the computer information with any facts (physical description, name, or nickname) that have been learned in connection with the crime in question. This leads readily to the elimination of many suspects, and though in use only a few months, has led to apprehensions as well. Some typical applications of Fulciran use are:

An unknown suspect has perpetrated a crime at a specific address, and subsequent investigation reveals the existence of latent prints. Utilizing the map and determining the grid number in which the crime occurred, suspect information is provided for crimes of that nature that have occurred within the boundaries of the grid. After a check of arrestees outlined on the printout for that grid, existing prints on record can be compared with those found at the crime scene.

If a victim can describe the suspect, a group of mug shots from departmental files can be assembled easily following the methodology outlined above, which could lead to positive identification.

Often the relationship between the victim and the suspect provides useful information leading toward an apprehension. In some cases, the first name or the surname of the suspect is known to the victim. Following a grid number check, the printout lists suspects' full names, addresses, and physical information, which can lead to matches of a high degree of certitude.

A crime has occurred, and there are no leads at all. A grid check can, at least, provide a list of most likely suspects, according to the area where they live and probably operate.

Like all new ideas, Fulciran has to win its way against predictable resistance to change. But its good results are bringing wider and increasingly successful use. Improvements are being instituted continuously by enthusiastic users, and its future calls for expansion of the project to include use by the Identification Unit of the Investigative Service Division and the Uniform Service Division, plus an evaluation of the project's use and its success in effecting apprehensions.●

* The name Fulciran is composed of the first three letters of Full, CIRS (Case Incident Report System), and Ranciato, co-inventor of the project.

U.S. POLICY IN ASIA

● Mr. GLENN. Mr. President, Assistant Secretary of State Richard Holbrooke presented an address entitled "U.S. Policy and Asia: Changing Perspectives" before the Western Governors Conference in Hawaii on June 16, 1978. During that speech, Holbrooke said that from the outset of the Carter administration a new U.S. role in Asia had been sought and defined this role as one that "does not return us to the inappropriate level of earlier involvement in the internal affairs of the region, and yet does not constitute a confusing and destabilizing abandonment of Asia."

Holbrooke defined the new policy as having four basic elements. First, the retention of a strong and flexible military presence in the region helped maintain the balance of power. Second, continuing reliance upon the bilateral relationship with Japan as the "cornerstone" of our Asian policy. Third, a commitment to normalize relations with the People's Republic of China. Fourth, a strong emphasis on promoting U.S. trade and investment in Asia.

In particular, I would recommend Members read those segments dealing with trade, refugees, and food supply. Mr. President, I believe this is a timely speech and therefore request that it be printed in the RECORD.

The speech follows:

U.S. POLICY IN ASIA: CHANGING PERSPECTIVES

Governor Ariyoshi, Governors of the Western States, Distinguished Guests, Ladies and Gentlemen.

I am honored to be with you today to talk about U.S. policy towards Asia and I'm particularly delighted to once again have the opportunity to visit Hawaii. I was first here in 1963 as a young Foreign Service Officer on my way to my initial overseas assignment—Vietnam. I was struck then as I am today by how Hawaii symbolizes the U.S. role as a Pacific nation with vital security and economic interests stretching far into Asia. Today, I would like to go beyond that truism and discuss with you how the United States, and particularly these 13 Western states, relate to the emerging Pacific community.

I admit it is with some trepidation that I—a member of the Carter Administration—begin a speech to the Western Governors by talking about water. However, on this occasion I am not going to discuss any cost-sharing arrangements but rather some important geo-political facts about the Pacific Ocean area. Most Americans, especially on the Eastern Seaboard first look east toward the great nations of Europe. They see Asia as far away and rather exotic. But, in fact, the Far East is not very far any more. It took me about 12 hours to fly here from Washington, but I would need only seven more to go on to Tokyo. The tip of the Aleutian Islands of the State of Alaska extends as far west into the Pacific as New Zealand, and is as close to Japan as Kansas City is to San Francisco. Asian Russia is visible across the Bering Straits from Alaska. The sun first shines on American territory each day in Guam, which is much closer to Singapore than to San Francisco.

The Pacific is at once a transportation route, a source of national resources, including food and energy, and the locus of much of the world's population. More ominously, because of its strategic and commercial importance, the Pacific is an area of potential conflict. Our last three wars began in Asia, and the only foreign attacks on American soil since 1812 occurred in the Pacific.

Another important dimension of America's Asian character is of particular significance to the Western states—the cultural and ethnic bonds provided by the people who have immigrated here from the Orient. Asian Americans have contributed to all aspects of American life since the middle of the last century. In the states which you represent, over 2 million people, or about 5½ percent, of the population claim an Asian heritage. Our host state of Hawaii provides one of the best examples of the influence and role of Asian Americans in our society.

While the fundamental nature of our nation's involvement in Asia and the Pacific is timeless, we have already entered a new era in the region and it is time to recognize it. It is an era filled with hope, and the promise of stability, prosperity, and the emergence of a genuine Pacific Community. But this hope can be realized and the promise fulfilled only if the United States plays a major economic role and fulfills its responsibility to help maintain the strategic balance.

Our policy objectives are thus clear. To achieve them requires some adjustment to the changed circumstances we now find in Asia. What are some of these changes? What are the new perspectives?

The fall of Saigon marked the end of a 30-year period of history that began with the collapse of the European and Japanese colonial empires in Asia between 1944 and 1954. Playing a remarkable new role in world affairs, the U.S. filled part of the resulting vacuum by supporting heavily many of the new nations of the region, while Communist states were established in China, North

Korea and North Vietnam. In this period, American policy produced some striking successes, and many enduring relationships. Our presence allowed many newly independents to buy time, time which was often well used. The reconstruction of Japan; the economic miracles in Taiwan and Korea; and the evolution of the ASEAN states into strong and viable nations are remarkable successes in which we played a major role. But the period also saw our intervention in Indochina, and this triggered the most divisive foreign policy debate the country has ever known, a debate which has left hidden scars and persistent myths among both former "Hawks" and former "doves."

But as we debated our proper role in Asia, Asia itself was changing rapidly—and dramatically—and not quite the way many expected it to change. A few years ago, many predicted that, if Vietnam fell, we would be entering a period of declining stability as a voracious Communist monolith rolled over economically weak and poltically shaky non-Communist countries. These smaller wars would beget larger ones until we would be in direct confrontation with one of the superpowers.

Reality looks far different. The Communist countries are economically weak and—after sharing common ground against us—are now bitterly divided. The sharpening of the Sino-Soviet split, the Vietnamese-Cambodian border skirmishing and the recent deterioration of Vietnamese-Chinese relations clearly reveal serious and chronic problems among these countries. The roots of these three rivalries lie deep in the historical and geopolitical realities of Asia. We do not expect them to abate in the foreseeable future. This presents a sharp contrast with the other nations of the region. The forces of regional economic integration are growing. Japan is increasing its trade with the rest of Asia. ASEAN—the Association of Southeast Asian Nations—is successfully engaged in increased economic cooperation through a web of consultations encompassing practically every phase of economic activity. Our two-way trade with ASEAN in 1977 was over 10 billion dollars. When that is added to our approximately 15 billion dollars in trade with Hong Kong, Korea, and Taiwan, the total is almost as large as our trade with Japan. These countries—whose combined population totals 300 million—more than South America—have achieved between 6 and 11 percent annual growth in GNP over the last 6 years. It is now the only group of countries in the world within which real GNP's are doubling every 7–12 years. As these countries prosper and mature, they will be increasingly looking to U.S. markets for more sophisticated products. To cite an example of particular interest to the Western States, Singapore's decision to purchase 13,747's and 6,727's from Boeing is the first step in a transaction which will ultimately be worth 900 million dollars.

From the standpoint of security, the strategic balance that exists today between the four most powerful countries in the region—China, Japan, the Soviet Union and the United States—is clearly in our Nation's interests. Although important differences remain with Peking, it is fair to say that the U.S., China, and Japan share an interest in maintaining that stability—a significant and hopeful change from the pattern of the past half century in which U.S. far eastern policy constantly required us to choose, in effect, between China and Japan. This situation, true only since Henry Kissinger's 1961 trip to Peking, has created dramatic new opportunities throughout Asia: It is one of our main tasks not to lose these opportunities—which are diplomatic, strategic, political, and economic—through inattention, inaction or misunderstanding.

The face of Asia has changed, and the U.S. role must change as well. Since the outset of the Carter administration we have tried to shape U.S. policies to accommodate these new perspectives. U.S. policies and actions seek to maintain the current equilibrium and not allow any single power to achieve a preponderance of influence or military superiority in the region. A new role has been defined—one that does not return us to the inappropriate level of earlier involvement in the internal affairs of the region, and yet does not constitute a confusing and destabilizing "abandonment" of Asia. As we began this process and some adjustments took place, some on both sides of the Pacific mistook them to mean a lessening of American concern about Asia or a reduced U.S. priority for the region as a whole. Others concluded from the collapse of Saigon, the closing of U.S. bases in Thailand and our decision to reduce our military presence in Korea, that the U.S. was abandoning its strategic and security role in the region.

These new myths about U.S. attitudes toward Asia do not square with the reality of our foreign policy and the four basic elements of the Administration's Asian and Pacific policy.

The first essential element is that we are committed to keeping a strong, flexible military presence in the region to help maintain the present balance of power. To emphasize this point, the President last month sent Vice President Mondale and National Security Advisor Brzezinski on special missions to Asia. The Vice President visited the Philippines, Thailand, Indonesia, Australia and New Zealand while Dr. Brzezinski went to Korea and Japan after the People's Republic of China. At every stop, they indicated publicly and privately our firm resolve to continue to play a major role in the region; and with every ally they reaffirmed the American treaty commitments to that country.

Consider also the following:

Except for our planned ground troop withdrawals from Korea, we will maintain our current level of military and naval forces in the Pacific. In addition, we will actually increase the number of tactical aircraft in Korea by 20 percent this year and strengthen other forces by the introduction of several advanced weapons systems within the next few years. This will include Trident nuclear missiles for our submarine fleet, cruise missiles for our B–52's, the AWACS airborne warning and control system, and the latest advanced fighter aircraft, such as F–14's, for our carriers and F–15's for Air Force squadrons.

Our combat troop withdrawal from Korea is being conducted in a way that will ensure that stability is maintained on the peninsula. As U.S. troops leave, we plan to turn over 800 million dollars in military equipment to bolster South Korean forces, in addition to continuing assistance to Korea's military modernization program. The scheduled departure of our forces has been "backloaded" with only one battalion leaving this year, two more in 1979, and the withdrawal continuing into 1981–1982. This careful phasing will give us ample opportunity to assess North Korea's behavior and will give Seoul time to train and equip its units. Our commitment to the Republic of Korea remains firm. South Korean forces now defend virtually the entire DMZ with U.S. military comprising only five percent of all forces in the country. We believe that the U.S. division can be withdrawn without jeopardizing the stability which has existed for the past 25 years.

With the agreement of the Philippine Government, and with full regard for Philippine sovereignty, we are committed to maintaining the two important U.S. bases in the Philippines. This will enhance our ability to project U.S. military strength into Southeast Asia, the Indian Ocean, the Persian Gulf and East Africa, and to protect Pacific and Indian Ocean shipping lanes over which 90 percent of Middle Eastern oil is transported.

The second element of our strategy is our relationship with Japan—still the cornerstone or our Asian policy. Our fundamental relationship has never been better despite serious economic stresses. The depth of commitment that both countries have brought to relieving these stresses, and the efforts of Prime Minister Fukuda and President Carter have helped us resolve some difficult problems, such as the Tokai Mura nuclear facility, color TV and specialty steel imports and fishing rights disputes. Perhaps the most significant effort has been our joint undertaking to address Japan's current account surplus—which reached 14 billion dollars in 1977. Sparked by efforts of men such as Minister Ushiba, Ambassador Togo, Ambassador Strauss and Ambassador Mansfield, we have agreed to a number of steps such as:

Japanese agreement to increase beef and citrus import quotas.

Establishment of a United States-Japan forest products study group to explore ways to expand trade in this area.

Establishment of a United States-Japan Trade Facilitation Committee to expand U.S. exports to Japan by resolving market access problems encountered by U.S. firms.

In addition, Japan has decided to stimulate its domestic demand to absorb production and reduce pressure to export.

We are continuing regular discussions with Japan in support of these steps. The Japanese current account surpluses and our bilateral deficits with Japan continue to be large, but we believe that the trend will move in the right direction if both nations remain firmly committed to the goals we have set for ourselves in remedying this serious problem. I should also emphasize something equally important, but less visible—the Multilateral Trade Negotiations. Minister Ushiba and Ambassador Strauss agreed to get down to serious business on the MTN. They are now moving at top speed along with the European Community, Australia, and others to meet their mid-July deadline for agreement on the main elements.

The third element in our Asian and Pacific strategy is our commitment to normalizing relations with China. While we do not have a firm timetable, one of President Carter's first actions as President was to reaffirm the Shanghai Communique of 1972. He has expressed his determination to complete the process of building a new relationship with Peking.

In structuring our relationship with the Chinese, we will not enter into any agreements with others that are directed against the People's Republic of China. We recognize and respect China's strong commitments to independence, unity and self-reliance.

Dr. Brzezinski's trip to China was the most recent affirmation of the importance to both countries of the Washington-Peking relationship. As Dr. Brzezinsky said in Peking, a strong and secure China is in America's interest. I accompanied him on his visit and can attest to the fact that it enhanced United States-Chinese relations from a long range strategic point of view.

Nevertheless, there is an incompleteness in the relationship which, over time, could render it vulnerable to extraneous factors, raising once again the prospects of needless confrontation or misunderstanding between two major powers. This would deprive us of the opportunity to achieve greater cooperation with China on global and regional issues.

Normalization would not solve all of our problems or disagreements, but it would help consolidate our nonconfrontational relationship. And it would help ensure that the current balance in the entire region intact. We are therefore convinced that normalization is an essential objective for our new Asian policy.

In pursuing this objective, we are constantly mindful of the well being of the people of Taiwan. Thus, we are continuing to seek that framework which allows us to move ahead with our strategically and historically important relations with the People's Republic of China, while at the same time taking full account of our concerns regarding Taiwan. Our interest is that whatever solution there may be to the "Taiwan question" that it will be a peaceful one. We are confident that in the future we still would be able to continue the many mutually beneficial relationships which link us to the people of Taiwan.

The fourth key element of our post-Vietnam/Asia policy is a strong emphasis on promoting U.S. trade and investment in Asia. Economic relations are now the single most important emerging element of our relationship with Asia, and they must not turn into a one-way flow.

Prompted by our large trade deficit with the region, some have argued recently that U.S. trade with Asia is increasingly disadvantageous to the U.S. It is our conviction, however, that increasing U.S. exports is the best way to reduce our trade difficulties with Asia. The reason is clear and simple. International trade and U.S. exports create jobs for Americans. The Department of Commerce estimates that every billion dollars of U.S. exports translates directly into 30,000 American jobs. One out of every three agricultural sector jobs is now export-directed. In the manufacturing sector, one out of every seven jobs is export-related. Thus, our exports to Japan alone in 1977—which totaled ten and one-half billion dollars—provided direct employment for 315,000 Americans. Our total exports to all of Asia in 1977 of 20.9 billion dollars provided jobs for about 627,000 Americans. But even these figures do not tell the whole story. The Department of Labor estimates that for every job directly involved in the production of items for export, another job is created in an allied or supporting industry.

Slow export growth over the last four years is second only to energy imports as a cause of the large and destabilizing U.S. trade deficit. Recognizing this, President Carter asked Secretary of Commerce Kreps to head a cabinet-level Task Force to review our Export Policy. The Task Force recommendations, which will be presented to the President soon, focus on modifications of governmental procedures which create disincentives to exports, and propose new governmental programs to facilitate marketing efforts by U.S. firms abroad.

It is here that you and your states play a dramatic and leading role—particularly through your export industries and business.

More than 20 billion dollars in exports were shipped from your states in 1976. California led the entire country by a large margin in the export of manufactured goods, with over 8 billion dollars in shipments and over 11 billion dollars in total exports—65 percent of which went to Asian and Pacific countries. Washington, with over 3 billion dollars in manufacturing exports, also ranked among the top eight states in the nation. Oregon sends 83 percent of its 1.6 billion dollars in exports to Asia—trade which provides jobs to 11 percent of Oregon's work force.

Exports are an increasingly important part of your state economies. Most of your states have tripled or quadrupled the dollar value of your exports between 1972 and 1976, with Idaho registering a six-fold increase. Inflation accounted for some of those gains, but there were solid indicators of real gains. For example, the total number of persons employed in manufacturing exports in your states almost doubled between 1972 and 1976.

The importance of export promotion to the Western states is clear—in Alaska, 22 percent of manufacturing employment is related to exports; in Washington, the figure is 12.5 percent; in Arizona, and here in Hawaii, it is 11.6 percent. In California, the percentage is lower, 7.8 percent, but the absolute numbers are large: 125,000 people are employed in manufacturing exports alone.

You can help export promotion efforts by telling your business constituents that the investment climate in Asia is much improved as well. Following the end of the Vietnam War, the American business community grew less certain about the prospects for maintaining a favorable economic climate in Asia. But now that three years have passed, we can see that those fears were exaggerated and unjustified. As a result of the political stability in the market economy countries, there is a tremendous regional market developing that will be increasingly hungry for American quality products and attractive to American capital. Together, utilizing already existing facilities such as the EXIM Bank and the Overseas Private Insurance Corporation, we in Federal and State governments can be important catalysts in helping America increase its share of the lucrative trade and investment markets.

I have talked about the commercial opportunities for the U.S., but there is another side to the coin as well. The future of the Pacific Community is closely tied to the maintenance of open markets in the Western states. This is true for Japan and for the newly industrializing nations of the region. The latter group, in particular, presents us with new challenges as they are becoming increasingly competitive with us in world markets. We must ensure that this competition is conducted according to accepted international trade rules, and that we have domestic policies in place to cushion any adjustment costs to our own industries and workers. It is essential to the growth and development of both Asia and the American West to keep our markets open.

I do not pretend this is an easy task for us as public officials, or for the Western businesses and workers that must compete. However, there is hardly anything more important to the future of the advanced developing nations of Asia nor any greater test of our ability to keep open the world economy.

There are many other subjects which I would like to discuss—our recent ANZUS consultations, the emergence of ASEAN, for which Vice President Mondale expressed our strong support on his recent trip, and the question of relations with Vietnam, to whom we have made a reasonable offer to establish diplomatic relations and to lift the trade embargo. Unfortunately, time will not permit. But before I answer your questions, let me mention two humanitarian problems of deep concern: The plight of the Indochina refugees and food shortages. Refugees are still fleeing from Vietnam and the incomprehensible horrors of Cambodia; in fact, at an increasing rate lately. Many set out in rickety boats with few supplies, and estimates are that only half make it to another port. There they often languish in barely adequate conditions in makeshift camps. The Vice President and I were deeply moved by what we saw and the Vice President reported his findings to President Carter and Secretary Vance. Our view is that the U.S. with its great humanitarian tradition, cannot turn its back on this continued outflow of people.

The Administration has announced its intention to receive 25,000 Indochinese refugees per year. We will do our part, but we call on other nations to join us in an international effort to deal with this tragic situation and to assist in alleviating the burden on the Southeast Asian and Pacific countries who temporarily accommodate Indochinese refugees. Some nations, like France, Australia, Canada, have responded well. Others have been less helpful.

No other part of our nation has done more than your states to assist those already here. Despite the growing dimensions of the problem, I hope that the spirit of American compassion will not allow us to turn our backs on those still in desperate need of help.

The Indochina refugee dilemma is the most visible aspect of our human rights efforts. But the drama and urgency of that situation should not obscure the fundamental actions of the U.S. in promoting the dignity and rights of people in all nations. We will continue to speak out in appropriate fashion when we feel that human dignity is being diminished or those rights abridged and we believe that real progress has been made in some countries with which we have long had, and intend to maintain, very close ties of friendship.

The other humanitarian concern I would like to mention, one long predating the refugee problem, is the state of agriculture, which remains the weakest link in the Asian development scene. Surveys by the Asian Development Bank and the World Bank indicate that improvements in rural living standards in much of non-Communist Asia lag further behind the modernized industrial sector. There are also serious food shortages and nutritional deficiencies in some areas. For example, one-third of last year's entire world trade in rice—well over 2 million tons—went to Indonesia. This is a genuine cause for concern.

In the short term, the U.S. and other donors can do much to alleviate the food shortages and malnutrition plaguing some Asian countries. In the long run, the answer lies in the development and modernization in the rural economies of Asia. The U.S. can make a large contribution to this process with carefully directed development programs supported by PL–480 and AID assistance, support for agricultural development projects sponsored by international lending institutions, and the transfer of appropriate technology and capital to the rural sector. We are working closely with the ASEAN countries to achieve just this sort of development. Japan is also aiding in this effort.

In sum, Asia today presents both challenges and opportunities for Americans. We are an integral part of the process of change in the region because of our history, our geography, and because of shared values and interests. We will always be a power in the region, but we realize that power must be newly defined and redefined as circumstances evolve. In Asia and the Pacific, it now largely means cooperation, not only with old friends but, if they wish, with old adversaries. Our interest and involvement in the region will remain, but the shape and size of that involvement will continue to adapt. We are pleased that the governments of the region are taking the initiative in promoting the security and well-being of their peoples. We are proud of the constructive role of the United States in the area, and we look forward to continued cooperation with this most dynamic and populous region of the world. If the people of the American West continue to build special and closer ties with the Pacific—in trade, in cultural exchange, in people-to-people contacts, and in any other ways that you see fit—it will strengthen our nation, the entire vast region, and indeed the cause of peace and progress in this most exciting and dynamic part of the world.●

REMOVAL OF CONGRESSIONAL EXEMPTIONS FROM CERTAIN LAWS

● Mr. LEAHY. Mr. President, I ask that the name of my distinguished colleague

from Oklahoma, Senator BELLMON, be added as a cosponsor to my bill, S. 3086.

I also would like to take this opportunity to thank the Senator for joining with me in an effort to remove the congressional exemptions from a number of Federal laws. Congress has exempted itself and its employees from their benefits as well as their responsibilities. Senator BELLMON joins me in the belief that it is time for Congress to discard this double standard.

Mr. President, I ask that the text of Senator BELLMON's letter to me be printed in the RECORD.

The letter follows:

U.S. SENATE,
Washington, D.C., August 7, 1978.

Hon. PATRICK J. LEAHY,
U.S. Senate, Washington, D.C.

DEAR PAT: I want to offer my firm support for your bill which removes congressional exemption from certain laws by becoming a co-sponsor of the legislation.

Congress' exemption from the laws which are designed to protect citizens in the employ of American business is an embarassment and a gross shortcoming in our capacity as lawmakers.

The same rights and protections that are given to privately employed persons are deprived congressional employees by exclusion from the following laws: The Civil Rights Act of 1964, The Equal Employment Opportunity Act of 1972, The Equal Pay Act, The Fair Labor Standards Act, The Occupational Safety and Health Act, The Social Security Act, The Freedom of Information Act and The Privacy Act.

These laws were passed to enforce the same restrictions and responsibilities upon all employers and employees. However, in exempting Congress from these laws, we are denying congressional employees the privileges enjoyed by non-congressional workers. We also are missing the opportunity to learn first-hand the effects of the measures Congress passes.

The provisions of these Federal laws should apply to those who help enact the laws. It is time that Congress lives up to the same standards expected of our fellow countrymen.

If Congress were included under these laws, equal employment opportunity, safety standards, management and labor positions, petition privileges and privacy safeguards would be much improved.

I heartily support a measure which would give every American equal rights, privileges and responsibilities.

Sincerely,

HENRY BELLMON.●

EQUAL RIGHTS AMENDMENT

● Mr. BROOKE. Mr. President, last week I testified before the Senate Subcommittee on the Constitution in support of Senate Joint Resolution 134, legislation to extend the time limit for the ratification of the Equal Rights Amendment. Because of the importance of this legislation and because of the legal and political issues it raises, I would like to share my statement with my Senate colleagues.

Mr. President, I therefore ask that the full text of my remarks be printed in the RECORD.

The statement follows:

STATEMENT OF SENATOR EDWARD W. BROOKE

Mr. Chairman and distinguished members of the Committee, I am pleased to have this opportunity to appear before the Senate Subcommittee on the Constitution as a principal sponsor of S.J. Res 134, a bill to extend the deadline for the ratification of the proposed Equal Rights Amendment to the United States Constitution.

In passing the Equal Rights Amendment in 1972, Congress recognized the urgent need to guarantee constitutional equality for women. During the six years following passage, 35 states, representing almost three-fourths of the nation's population, have concurred and have ratified the E.R.A.

With less than nine months remaining under the original deadline for ratification set by congressional legislation, the need for the Equal Rights Amendemnt is stronger than ever. Indeed, just yesterday, the United States Civil Rights Commission published a report which showed that since 1960, women have been unable to make any significant strides toward economic and social equality with white males. According to the report, women still earn only half as much as white males, and women with college degrees earn less than men with high school degrees.

The Commission study also found that there is "virtually no financial ladder" for women, since there has been little or no improvement in the earnings of full-time working women between the ages of 20 and 44.

Of particular concern is the finding that women who head households are at least 50 percent more likely to be spending more than 25 percent of their income on housing than their white male counterparts. This means that these individuals and their families will have less money for other essentials, such as food, clothing and medicine. And thus with the emergence of more and more female-headed households, we have all the makings of a major social tragedy.

Some opponents of the Equal Rights Amendment maintain that our present statutory and constitutional provisions can remedy this disgraceful condition. However, a brief analysis of the law today underscores dramatically the arguments in support of granting explicit and full rights for women under the Constitution.

While no one can question that during the past fifteen years Congress has enacted important legislation prohibiting sex discrimination, these enlightened measures have certainly not eliminated many of the discriminatory laws which still remain on the books. In fact, a report on the status of women under federal law, issued last year by the U.S. Commission on Civil Rights, revealed 800 sections of the U.S. Code which contain either substantive sex based differentials or terminology inconsistent with a national commitment to equal rights, responsibilities, and opportunities.

And even in legislation which expressly forbids sex discrimination there are major loopholes and problems. For example, Title VII of the Civil Rights Act of 1964 (as amended), often cited as one of the reasons the E.R.A. is not needed, prohibits sex discrimination in employment but does not include coverage of the federal government. Such examples of inconsistency and incompleteness abound. And without a general policy in the basic law of the land against sex discrimination, the piecemeal, patchwork maze of statutory restrictions will aid the continuation of injustice toward women and girls in the United States.

It is also readily apparent that the Supreme Court's application of the Equal Protection Clause of the 14th amendment does not guarantee constitutional equality for women. For recent decisions have upheld gender classifications. The court has upheld that sex discrimination is not a "suspect" class under the Equal Protection Clause of the 14th amendment, thus providing less protection for sex discrimination than other types of discrimination. The most recent pronouncement regarding the judicial standard of review for sex discrimination was made by Justice Lewis Powell in delivering the opinion of the Court in the Bakke case where he said: "The court has never viewed such classification as inherently suspect or as comparable to racial or ethnic classifications for the purpose of equal-protection analysis."

Justice Powell's statement makes it crystal clear that we need to pass the Equal Rights Amendment. Otherwise, women will continue to be, perhaps for generations to come, the victims of injustice and subjected to economic dependence.

Public support for ratification of the Equal Rights Amendment remains strong. The most recent Gallup Poll shows Americans approve of the E.R.A. by 58–31 percent, a nearly two-to-one margin. And, a recent Harris Poll shows a 55–34 percent support for E.R.A. With respect to the E.R.A. extension, these recent polls show that Americans favor extension 57–40 (HARRIS) and 43–40 (GALLUP). In addition to national public opinion polls, polls have been conducted in some of the unratified states. These polls indicate that the citizens of the state support E.R.A. although ratification has not been approved by their state legislature. Indeed, in North Carolina in 1977, polls showed that 60 percent of the people supported E.R.A., while only 19 percent opposed it.

Because of the demonstrated need for the Equal Rights Amendment and because of its overwhelming public support, I have long been confident that the E.R.A. would be ratified by March 22, 1979. But, regrettably, it now appears doubtful that the requisite 38 states will ratify it by that deadline. Part of the reason that E.R.A. has not been ratified is that votes on ratification have not been allowed in some of the unratified states. For example, in one state it has never come to a committee vote in one house. While in others E.R.A. has been held up in committee. An additional factor affecting ratification is that four of the unratified states have enacted legislation requiring a majority vote of 60 percent or more by the legislature for ratification of a proposed constitutional amendment.

Thus this unfortunate situation compels legislation which would extend the deadline for ratification of the Equal Rights Amendment. Such an extension would afford more time for debate and provide an opportunity for the unratified states to vote on whether to ratify the E.R.A.

I fervently hope that the passage of the E.R.A. extension will serve only as a form of insurance policy and that the E.R.A. will be ratified during the next eight months. Indeed, I pray that it will be a catalyst for state action, signalling state legislatures that they cannot avoid the issue and that "sooner or later" they will have to vote on the merits of the Equal Rights Amendment. It is an anomaly to me that three of the unratified states have granted equal rights to the women of their state though enactment of a state Equal Rights Amendment, while not extending that right to women throughout the country through ratification of this constitutional amendment.

Some have argued that passage of this legislation would "change the rules in the middle of the game." But clearly, as so many constitutional scholars have concluded, Congress has the discretion and the prerogative to extend the period within which ratification may occur. And as Laurence Tribe, Professor of constitutional law at Harvard University, has said: "A constitutional amendment is far too serious to see who beats who to the finish line . . . It's more than a game.

Mr. Chairman, it took 72 years to win for women the constitutional right to vote. And for 55 years the battle for constitutional equality has been fought. We simply cannot pause now. We cannot now place a time limit on our quest to secure one of the most fundamental human rights of this century.

Mr. Chairman, we know our cause is right. We know our cause is just. And we know our cause shall prevail.

I urge my colleagues in the Senate to vote for the extension of the ratification deadline for the Equal Rights Amendment.●

EXEMPLARY YOUTH EMPLOYMENT PROGRAMS

● Mr. WILLIAMS. Mr. President, figures released by the Bureau of Labor Statistics for the month of July showed a disheartening rise in unemployment among teenagers from 14.2 to 16.3 percent during the month. At this level, it is more than 2½ times the rate of the labor force as a whole. Among minority teenagers, unemployment in July persisted at a tragic 37 percent, and it ranged up to more than 50 percent among minority young women and residents of both sexes in poverty neighborhoods.

The scope and severity of youth unemployment is a blight on the Nation's social and economic well-being. But more important, in my view, are the personal consequences for young Americans in terms of opportunities lost, human potential wasted, and the prospects of living in deprivation and discouragement.

The Senate Committee on Human Resources met in Perth Amboy, N.J., on July 31, to examine the human toll that these figures represent. At the hearing we received frank assessments of Federal employment and training programs from the county prime sponsor, local educators, leaders of community based organizations, program agents, and youth themselves. They explored major policy questions relating to youth unemployment and the degree to which the CETA programs, including the new youth programs under the Youth Employment and Demonstration Projects Act (YEDPA), are operating at the local level to provide answers.

The Senate should be alert to our findings when it considers S. 2570, to revise and extend the programs authorized under the Comprehensive Employment and Training Act of 1973 (CETA).

First, many youth cannot, on their own, surmount the employment obstacles that they face. Targeted and concerted assistance is needed. In many areas, Federal assistance for employment and training programs has provided the initiative for local officials to coordinate education and work programs and to help youth make the transition from school to full-time employment. CETA programs have provided fundamental work skills, including positive work attitudes and self-discipline to overcome the employer prejudice against youth for their lack of experience.

Unfortunately, minority youth who lack skills and experience continue to face the additional barrier of discrimination. Fortunately, they understand the words of the Reverend Jesse Jackson that "to make it" you have to be better than "just as good." The CETA programs have begun to provide a channel to the job skills necessary to translate youths' real effort into real reward.

Second, most youth cannot be tracked on a path toward superior achievement unless employment opportunities, and the skill training and personal development for getting and holding them, are made available. Witness after witness reported to the committee that youth respond well when they are given a chance to prove themselves and when the ground rules of the world of work are explicit.

Third, we were told that the opportunities provided under YEDPA make a real difference. Emphasis on training and personal development enables disadvantaged youth to enhance their chances for job placement and advancement. But, the committee was warned against legislating performance standards and eligibility criteria that would encourage "creaming" the most qualified youth to fill the programs, short-changing the disadvantaged youth who need it most.

In connection with the hearing, I inspected youth job and training projects at A. Chester Redshaw School in New Brunswick. Two model programs are run at Redshaw under the CETA canopy—one a Youth Community Conservation and Improvement Project (YCCIP), employing youth to paint, sand, spackle, and refurbish scarred classrooms; and the other a Summer Program for Economically Disadvantaged Youth (SPEDY), employing 90 youths in the seventh and eighth grades to paint and varnish school furniture, construct protective screens for windows, paint murals, install tile floors in the school, and learn administrative and clerical skills. Work teams also fix and refinish toys for the kindergarten classes, manufacture nameplates and ID cards, and provide general maintenance of the facilities.

Describing the unique features of this model SPEDY program requires an understanding of its outstanding director, Ken Wood. He empathizes with his unemployed youth. Unemployed himself in the late 60's, Ken found work as a security aide during the civil disturbances in New Brunswick in 1968. With a chance to work, Ken put himself through school and earned his teaching credentials. Ken used those credentials to open the door of opportunity, through which he had struggled, for other disadvantaged youth. The SPEDY program has enabled Ken to pursue his mission.

The model work site in his program is first of all an organized world. Time is carefully structured, work roles are made clear, and the basic fundamentals of good nutrition, exercise, teamwork, and motivation are stressed.

Ken emphasizes the importance of group identity and of learning to work together. The young workers eat together, discuss values and attitudes, and report on the program's progress as a whole. Then the group breaks down into separate work units with individual assignments.

As youth gain more experience in the program, Ken assigns them special responsibilities. Youth group leaders are in charge of a unit's output and overall work performance.

The classroom phase of this employment exploration program covers personal grooming, personal finances, language of work, safety techniques, reading and arithmetic, sex discrimination, applications and résumés, and a host of other considerations that are important to employability.

The results of the program are striking. Not only have the youth gained marketable job skills, but also they have developed personal strength with their commitment to self-improvement and initiative. Ken feels that the program rounds out their educational experience and provides the momentum of self-development needed for future employment success.

As I moved from work station to work station, the youth came forward to introduce themselves and their coworkers without coaxing. I saw pride replacing hesitancy. These young people were convinced that they were being given a chance and that they were doing a good job, and they were determined to make the most of it.

Mr. Carl Frank supervises the group of young people, enrolled in the YCCIP program, who are renovating the school, its classrooms, halls, auditorium, and office space. The participants are learning the skills of painting, plastering, and refinishing with experience that they can transfer to permanent employment after the program's term.

Because of their efforts, Redshaw School will open this fall with freshly painted classrooms and with an environment that is more conducive to learning. Their work enabled New Brunswick to use a valuable structure that might otherwise have fallen into disuse.

I was interested to learn what the school's rebirth meant to the YCCIP and SPEDY youth who had renewed it. Mr. Frank put it this way:

> These kids are really protective. They won't let anybody touch this place. If they see anybody messing up something they've been working on, they go crazy.

Mr. President, we have made progress over the past year by mounting the broadest and most significant national offensive against youth unemployment in 45 years. New programs were enacted last year in the Youth Employment and Demonstration Project Act (YEDPA), and youth services under the Comprehensive Employment and Training Act (CETA) were greatly expanded.

As a result, more than 2.3 million young people have received employment and training opportunities under Fedral programs in the first 6 months of this year. This figure is more than four times the number served under Federal programs that were operating before CETA was enacted in 1974.

The fruits of these efforts will provide a better understanding of youth in the workplace and of their expectations and aspirations for the future.

Once the formative years of youth are lost, the promise rekindled by programs such as we saw at the Redshaw School are lost.

I am proud of what is happening at Redshaw School. It is an indication of what can be done through Federal programs to support innovative and inspirational efforts by local manpower developers and educators.

The youth who participated in the programs need some dedicated guidance to find out what their options can be for

building a satisfying career and a bright future. Ken Wood and Carl Frank have given countless hours of their own effort toward the success of these programs, and they are to be commended.

Mr. Wood and Mr. Frank have sent a message that the job will be a difficult one. It takes long hours and great patience. I believe that their experience can add a valuable human dimension to our understanding of participant needs in Federal youth programs.

Mr. President, I ask that the planning outline for the Redshaw School SPEDY program be printed in the RECORD.

The outline follows:

OVERVIEW

For years now there has been dissatisfaction with some of the results of the Summer Youth Employment Programs around the country. New theories and new programs have been initiated at various times in an effort to revise and upgrade the services provided by Federal Funds. This year we will provide for the "new kid on the job" more than "shop work".

It is the hope of the Redshaw team to provide the disadvantaged youth with the means to fulfill their roles in today's society. Our experience has been that the disadvantaged are more attentive in an environment that is physically realistic and rewarding.

By forming a consortium, we plan to refurbish and renovate the Junior High School (as much as time will allow). Teams of enrollees will:

1. Paint and plaster the entire school.
2. Murals and positive slogans will be affixed to heavy traffic areas.
3. Ground level windows will be screened.
4. At least two floors will be installed.
5. Name plates will be fabricated.
6. General building maintenance for opening in September.
7. Fix and refinish toys for younger children.

All this, in addition to physical fitness, remedial education, career awareness, and parental input (surveys).

Most programs offer written evaluations; we at Redshaw offer "Living Proof" for all to see upon their visit.

It is our way of meeting some of the needs of our youth, that is, to oneself, to the employer, to one's family, and to the community.

REDSHAW CAREER DEVELOPMENT SUMMER WORK/STUDY

The Career Education Department will be conducting its Summer Program entitled "Occupational Exploration" at the A. Chester Redshaw School during the period of July 5, 1978 through August 11, 1978. It attempts to make all enrollees more adequately prepared to cope with today's complex society, to acquire new skills while giving them essential academic subject matter. Enrollees are more aware of their needs, interests and abilities. The ultimate aim is having them find their proper role in society; either through a job or by continuing their education.

The establishment of a production atmosphere, with a variety of experiences and pressures, expose enrollees to situations they can expect in the work world. A general description of the program is as follows:

A. PURPOSE

To provide pre-eighth and ninth grade students with an opportunity to explore careers in occupations by exposing them to "hands on" experience in at least five Shop/Lab areas. Their first exposure to the world of work.

To provide pre-tenth, eleventh, and twelfth grade students with an opportunity to explore the para-professional program—that is, peer counselors.

To provide the youth of New Brunswick with skills training, remedial education, useful work experience and labor orientation which will lead to the advancement of occupational opportunities in the Labor Market.

To provide enrollees with increased amounts of responsibility as the enrollees progress through the academic curriculum.

B. OVERALL OBJECTIVES

At the end of the summer program, the enrollee should:

1. Be able to list a step-by-step process for locating and selecting a job;
2. Be able to fill out an application and have an interview for a job which is satisfactory to any given interviewer representing a community business;
3. Be exposed to the demands and expectations of employers and co-workers and be able to list at least seven—deciding whether they can meet any or all of them; and
4. Be able to identify at least one job that may be partially meaningful to them based on self-fulfilling benefits and monetary benefits.

C. OCCUPATIONAL AREAS

Woodworking, Carpentry.
General Building Maintenance.
Painting.
Clerical.
Graphic Arts.
Stock Clerk.
Plastics.

D. FUNDING

New Brunswick Board of Education is the prime operator with grants from federal, state, and local agencies providing the funding.

One hundred (100) students funded by Middlesex County CETA Summer Program for Economically Disadvantaged Youth (SPEDY).

The Program is divided into two phases:

1. Simulated Work Phase—Employment Preparation; Vocabulary Development; General Safety; and Assembly Line Operation.
2. Basic Skill Phase—Provides basic skills in the occupational areas for which they have shown interest and aptitude.

The simulated work phase establishes conditions as nearly like a real work situation as possible. The atmosphere is one of work rather than of school. The establishment of various kinds of simulated work situations does not require complex equipment. Enrollees are cycled through the work stations. As aptitudes reveal themselves, some will be given inspection and supervisory responsibilities.

The Basic Skill Phase begins with an enrollee demonstrates that he or she has acquired good work habits and attitudes.

Emphasis will be placed on the two new components added last year; trainee instruction and sex-stereotyping.

a. Trainee instruction—this form of individualized instruction is characterized by merely permitting one trainee to teach another. By using advanced trainees to aid other trainees, both parties benefit.

b. Sex-Stereotyping—designed to make program participants aware of possible nontraditional careers (women and men) and to give them the opportunity to explore nontraditional careers through related work/study activities.

In addition a consortium was formed with YETP, YCCIP, Work/Study, and Building Maintenance.

E. SUPPORTED HELP

Two (2) YETP enrollees/funded by CETA.

Fifteen (15) YCCIP enrollees/funded by CETA.

One (1) Work/Study enrollee/funded by State Vocational Education Department.

F. EVALUATION

1. Individual Evaluation—Use of performance checklists; subjective nature of evaluation of personal and social skills; and discussion with each participant of their evaluation and recommendations.
2. Program Evaluation—Importance of the opinions of others in the evaluation process.
3. Follow-Up—Responding in questionnaires and surveys.

The Staff at Redshaw consists of:

Kenneth F. Wood, On-Site Supervisor/Coordinator.

Elliot White/production, Occupational Exploration Instructor.

Peggy Dulin/business, Occupational Exploration Instructor.

Henry Doswell/career development, Occupational Exploration Instructor.

Michael Onuska, for YETP—Program Director.

Carl Frank, for YCCIP—Supervisor.

Robert Bornstein, for Work/Study— Counselor.

Clarence James, for Building and Grounds.

Attached: Summer Academic Program, A Preliminary Survey, A Flow Chart, Peer Counselor Outline, and Participant Evaluation.

PARA-PROFESSIONAL WORK

Training adolescents as peer counselors—

1. Communication Skills: Verbal one-to-one conversations, Behavioral communication, and Communications with small and large groups.
2. Decision-making applied to working on common problems: Family difficulties, Peer relationships, and School problems (being a new student, cliques, etc.).
3. Handicapped: Essentially to provide peer social contacts for those isolated students.

Safety and security concept, Big Brother and Big Sister.

Activities—Independent Study, Field Trips, and Guest Speakers.

EMPLOYMENT ORIENTATION AND EXPLORATION SUMMER ACADEMIC PROGRAM

The classroom phase of the Employment Exploration Program will cover, but not be limited to, the following areas: (These areas are not necessarily listed in the order in which they will be covered.)

1. Personal grooming
2. Personal finances
3. Language of work
4. The art of winning people
5. Safety techniques
6. Reading on the job
7. Employment arithmetic
8. Sex discrimination
9. Laws and employment
10. Paychecks and deductions
11. Applications and resumés
12. On-site visits to places of employment
13. Filing reports
14. Reading blueprints
15. Steps in job completion
16. Other areas as your supervisor feels necessary.●

ESTABLISHMENT OF THE RESERVE ENLISTED ASSOCIATION

● Mr. TOWER. Mr. President, there are at the moment some 775,000 men and women who comprise the enlisted cadre in the Reserve Forces of this Nation. Some serve for pay and more serve without pay. Jointly, these men and women serve voluntarily as America's primary source of manpower to augment the Active Forces of the Army, Navy, Air Force, Marine Corps, and Coast Guard in time of war. They are also a valued resource in peacetime, voluntarily serving whenever and wherever needed, and

their accomplishments are a matter of record.

Today I note a new organization has been formed to serve them and their Nation. It is the Reserve Enlisted Association of the United States (REAUS). The association is an organization of enlisted men and women—active and retired, Reserve and regular, drawn from all branches of the service—who have united because of similar interests and to achieve common goals. The enlisted men and women who serve in the Reserves" are the association's primary concern. Its secondary mission is to support a U.S. military policy that will provide adequate national security through a strong Reserve. An important part of this mission is to look out for the rights and benefits of the Reserve enlisted men and women who make this security possible.

As a longtime enlisted reservist, I support the establishment of the REAUS, and I wish it well in its endeavors.●

HAWAII PROGRESSES TOWARD ENERGY SELF-SUFFICIENCY

● Mr. MATSUNAGA. Mr. President, exciting developments are taking place in my State of Hawaii in response to the energy crisis which should be of great interest to the rest of the Nation.

Faced with the realities of being an insular State, and being almost totally dependent upon imported petroleum for its energy supplies, Hawaii has begun to take imaginative and bold steps to make itself energy self-sufficient through the development of its own abundant alternate energy resources.

The Aloha State is proceeding to find solutions to its energy problem by marshalling the talents of its scientists, engineers, businessmen, public officials, and private citizens in a remarkable effort to attain energy self-sufficiency.

A geothermal test well in Puna, Hawaii, soon will be harnessed to an experimental generator, making Hawaii the second State in the Union to produce electricity from this source of energy.

Hawaii is also pioneering in efforts to utilize the abundant thermal energy of the ocean, and hopes to have the world's first experimental ocean thermal energy conversion (OTEC) plant operational within a year.

A silviculture—tree farming—industry will soon get underway to provide fuel for generating electricity on the big island of Hawaii, where fully 40 percent of its electricity is already generated from burning bagasse, a sugar cane waste. And expected soon are the installation of windmills to harness the prevailing trade winds, and the conversion of an unused rum plant an Maui to make ethanol for use as a transportation fuel.

Mr. President, while I could discuss many other facets of Hawaii's progress toward energy independence, let me conclude by asking that two related news articles which appeared in the Honolulu Advertiser on June 8, 1978, be printed in the RECORD. I believe these articles relate excellent illustrations of what resourceful efforts can accomplish in meeting our energy crisis. They also illustrate how different groups of interested parties can work together with the Federal Government to find a local solution to a national problem.

The news articles follow:

BAGASSE COMES TO KAUAI

(By Jan TenBruggencate)

LIHUE.—Lihue Plantation Co. and Kauai Electric yesterday announced a tentative agreement to construct a bagasse-burning power plant that would be the biggest nonutility plant in the state.

The announcement is the culmination of 14 years of planning toward the development of a major power-producing plant at Lihue Plantation's Lihue Mill.

Amfac, of which Lihue Plantation Co. is a subsidiary, has attempted several ways of financing such a plant. The last one, two years ago, would have involved government low-interest financing and proposed a start-up date of mid-1978, but nothing came of it.

L. A. "Tony" Faye Jr., manager of Lihue Plantation, said the firm has worked out an innovative three-way agreement.

Unique to this venture, Faye said, is the cooperative arrangement among Foster Wheeler, which will finance and own the plant, Lihue Plantation, which will provide fuel and operate it, and Kauai Electric, which will purchase and distribute the power.

It would cost $25 million to put up the plant. All that money would be put up by Foster Wheeler Corp., a Mainland firm which builds boilers and other power plant machinery. About $4 million of the parts in the plant would come from Foster Wheeler.

American Piping & Boiler Co., a subsidiary of E. E. Black Ltd. of Honolulu, would build it, with an estimated completion date of late 1980.

Then Lihue Plantation would retire its aged plantation boilers and operate the new plant, using bagasse—the fibrous residue of the milled sugar cane stalks—as fuel.

The plantation has a 20-year contract to provide Kauai Electric, a subsidiary of Citizens Utilities Co., with 55.6 million kilowatt-hours of power annually. The money from the power sales would go to Foster Wheeler to pay off the cost of the plant.

If the plantation is able to provide Kauai Electric with more than the contracted power, the utility would pay a lower fee, and the receipts would be shared equally between Lihue Plantation and Foster Wheeler. That, Faye said, is an incentive for the plantation to make the plant run efficiently.

Kauai Electric Manager Boyd T. Townsley said the new plant will increase Kauai Electric's power availability by 20 percent, and the Lihue plant would provide power cheaper than if the utility built its own generating plant and burned oil.

The new plant won't mean a rate cut to Kauai's power consumers, but it will mean smaller rate hikes in the future, Townsley said.

"As long as we have substantial inflation as we have today, there will be increases in rates," he said, but they'll be smaller than they would have been otherwise.

Ted Vorfeld, engineering consultant to Amfac for this project and formerly Amfac's head of engineering, said the new plant will use existing, tried technology. There won't be experimental techniques involved, he said.

The $25 million plant will be the biggest power producing plant in the islands except for those now run by utility companies, but it's not the first. Amfac has four other plantations doing the same sort of thing, Vorfeld said.

One of the brightest signs in the future of locally-produced electrical power is the versatility of the new plant. It can produce energy when fueled by bagasse, but with a few alterations, it will also be able to make power while burning the leafy cane trash, wood chips and even municipal refuse.

IT'LL BURN JUST ABOUT ANYTHING

LIHUE.—Lihue Plantation Co.'s proposed power plant can use almost anything that burns for fuel, and probably will within 10 years.

The $25 million, 20,000-kilowatt plant will initially burn bagasse. That's the fiber left of the cane stalk after it's had almost all the sugar juice squeezed out of it.

That's nothing new. Sugar plants in Hawaii have been using bagasse for power for a long time.

But the new boiler will be constructed so it can burn a lot of other things, too. And the research already is under way to provide those fuels.

One of them is cane trash. This is the leafy stuff remaining on the cane stalk when it's brought from the fields, but which is removed before the cane is milled.

In some plants, the trash is sent through the mill, and then burned with the bagasse. But this creates other problems.

One recommendation has been that the cane trash, which is high in moisture, be dried—or dewatered—to less than 50 percent moisture, and then burned. If it's drier, it burns better, but it's hard to clean the dirt out of it and dry it.

Ted Vorfeld, an engineer working with Amfac, addressed the Big Island's Symposium on Energy last year, said there's a lot of potential for fuel in the cane trash, and much of it is being thrown away.

"But I will point out," he said, "that no one yet has successfully both cleaned up trash and dewatered it so that it is equal to bagasse and fuel. We need more technology, we will need some hardware, and obviously we'll need some investment.

Another fuel is trash. Studies have shown that as much as 70 percent of the stuff that ends up at the dump is combustible.

The countries have been having trouble with finding places to put it all, with the cost of refuse disposal and with things like flies and rats.

The problem is, separating the burnables from the glass and metal and preparing it for burning is very expensive. But Kauai Mayor Eduardo Malapit said he's very interested in the idea, and that he understands there is the possibility of federal funding for the development of a plant.

A third form of fuel is a traditional one—trees. Forests grown not for lumber, but for fuel.

The state Forestry Division is conducting a state-wide search for land that could be used for such forests. On Kauai, a preliminary accounting has 11,000 acres nominated—all of it in large parcels not presently in intensive use, not too steep, with at least 30 inches of rain annually and close enough to the power plant to make economic sense.

Lihue Plantation itself is conducting experiments. Manager L. A. "Tony" Faye Jr. said the firm has a half-acre of fast-growing pines growing and is watching them as a possible crop for the drier areas that don't grow sugar well.

The most commonly mentioned fuel tree, though, is the eucalyptus, a fast-growing type that sends up new trunks when the main trunk is harvested. It has been estimated they could be grown on a seven- or eight-year harvest cycle.

The proposed Lihue boiler could handle wood if it is made into chips.

So, with each of the suggested alternative fuels, some advance preparation is required: cane trash must be cleaned and dried; municipal waste must be separated and chopped up; trees must be chipped.

And each alternative would require some susbtantial investment, but could be accomplished.

If, in a decade or more, the plant is burning bagasse, trash, municipal refuse and wood chips, what's the next step.

Lihue Plantation's Faye said he personally feels the plantations in 20 years will be heavily into the energy business.

If the economic situation makes it viable, molasses could be made into alcohol for fuel, something that is already being researched in Hawaii. Sugar, too, could be converted into fuel alcohol if the conditions are right, he said.

In all, the development of a new, large plant that will use several kinds of bio-mass for fuel is a big step for Kauai in the move toward more independence of foreign fuel.●

UNCLE SAM THE TEACHER?

● Mr. SCHMITT. Mr. President, in the near future the Senate will be asked to consider a bill to create a new Department of Education. On April 18 of this year, I discussed this issue and included in the RECORD an editorial which appeared in the Washington Post. These issues are still of serious concern.

Mr. President, the Washington Post of August 6, 1978, contained an article entitled "Uncle Sam's Growing Clout in the Classroom" by David W. Breneman and Noel Epstein. Mr. Breneman is a senior fellow at the Brookings Institution while Mr. Epstein is a former education editor of the Washington Post and is currently an assistant Outlook editor.

This article by these highly qualified individuals raises serious questions about the proposal for a Department of Education. The questions pertain to both the motivations and implications of this proposal. It is important that these questions be considered before the Congress acts to create another large bureaucracy.

Mr. President, as I pointed out in April, I am concerned that education policy will be removed from local and parental control if a Department of Education is created. The long-term result will be centralization of decisionmaking, curriculum planning, and standard setting. The end result will be the expansion of Federal control into an area that has historically been reserved to state and local authorities.

Mr. President, I ask that the article "Uncle Sam's Growing Clout in the Classroom" from the Washington Post of August 6, 1978 be printed in the RECORD.

The article follows:

UNCLE SAM'S GROWING CLOUT IN THE CLASSROOM

(By David W. Breneman and Noel Epstein)

With virtually no public debate over the central issue at stake, the Carter administration and the Congress are moving toward creating a federal department of education with the potential to transform the way education is governed in the United States.

Contrary to widespread belief, the proposed department is not chiefly an issue of reorganizing or consolidating federal education efforts, of increasing the time or money spent on education, or of deciding which existing agency should or should not be absorbed by a new department. Establishing a Cabinet-level department is a backdoor way of creating a national education policy, of breaking with the long tradition of a limited federal involvement in education and of virtually no federal responsibility for schools and colleges themselves.

As John Ryor, president of the National Education Association, which has been the driving force behind the department proposal, acknowledges, "Creating a department of education is, indeed, a profound step in which the federal government will be recognizing, for the first time, that it has a responsibility for education in and of itself."

Many people apparently are under the misapprehension that Washington already has something that might be called a national "education" policy. The Congress, after all, appropriated nearly $23 billion for this fiscal year to finance programs linked to education at the elementary, secondary and postsecondary levels. But the critical distinction that often gets lost is that these programs serve purposes only indirectly related to education.

The GI Bill, for example, was enacted after World War II to ease the transition of millions of servicemen returning to civilian life, to prevent the large-scale unemployment that might have occurred if no alternative to work had existed—not to aid education. The post-Sputnik programs supporting science education, teacher preparation and graduate education, enacted in the 1950s under the National Defense Education Act, were created as essential parts of the nation's defense effort—not to aid education.

The massive Elementary and Secondary Education Act of 1965, with its emphasis on compensatory education for the disadvantaged, was basically a civil rights and income-redistribution measure, a centerpiece of the War on Poverty, and certainly not a measure to aid schools. It was enacted only after a historic constitutional debate resolved by aiming funds at poor children. Similarly, federal education programs for the handicapped, for children with English-language difficulties or for Indian education are essentially civil rights measures, of a piece with school desegregation and the money Washington provides to help students overcome the educational deprivation that results from segregated schooling.

The same holds at the higher education level, where student aid programs were created to increase educational opportunity for low-income students and not to provide general support for colleges and universities. Just as Congress has rejected the idea that it is responsible for the financial well-being of elementary and secondary schools or for general student achievement, so it has refused to provide direct institutional aid to colleges and universities, except in the limited case of helping mainly minority campuses under a "developing institutions" program.

In these and other instances—in Washington's role, for another major example, in supporting the nation's research efforts, whether for military, health or other ends—education is an instrument used to achieve a more fundamental federal purpose, and consequently there has never been a need for an education policy. Instead, there have been national security policies, antipoverty policies, civil rights policies, labor policies, child welfare policies, veterans' benefit and other policies, all drawing when necessary on educational institutions.

"A FUNDAMENTALLY POLITICAL ACT"

It is thoroughly understandable, then, why these "education" programs are scattered across numerous federal agencies. They are scattered because they are, first and foremost, serving other established federal aims.

A reshuffling that attempts to draw some of these programs together under the organizing principle of education is a profound restatement of federal purposes and priorities and cannot be regarded merely as a move to correct organization mistakes of the past.

Speaking last year at a conference on government reorganization, Rep. John Brademas (D-Ind.) made this point forcefully: ". . . too often reorganizations omit—some of them perhaps deliberately—an explicit recognition that reorganization of the executive branch . . . is not simply an exercise in improving the efficiency of government. . . .

"Reorganization is a fundamentally political act, not political in the partisan sense (although it may be) but political in that every organization—and every reorganization—means a distribution—or redistribution—of power and influence over the substance of policy. . ."

"Organization is not just management. It is policy, and in the American democratic system, policy is politics."

To create a department of education is, at heart, an exercise in policymaking, not in efficiency. Making education the defining element of a Cabinet-level department is essentially to authorize the creation of a federal policy for education itself.

This, it must be emphasized, does not mean that a Cabinet-level department would be designed to lead to federal "control" of education, as the NEA's Ryor and many others stress. "Control" is not, and never has been, the question, and it is of scarcely any value to add language to a department bill to prevent federal control. Indeed, it is redundant; existing law bars federal officials from exercising "any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school or school system . . ."

The question is how much federal influence there should be over education, how much say in education priorities, in standards and in other education decisions. This can be determined in many ways—where Washington puts its money and where it withholds funds, what requirements come with the money, what approaches to teaching it would like to see schools adopt for different students, to name some. Washington already exercises a large influence over the policies, conduct and organization of elementary, secondary and higher education without having federal officials burst into classrooms to impose a prescribed curriculum on unwitting students and teachers.

Indeed, that influence has burgeoned in the past decade as Washington has used the schools to achieve additional federal purposes. Whether this is viewed as good or bad obviously depends on one's view of each of the government's underlying political, social, economic or other aims. But the overall effect has been troubling some educators. Joseph Cronin, Illinois' superintendent of education, for example, has remarked that "slowly, inexorably and incrementally, the federal government is taking over education. Especially since 1965, the country has moved—almost every year—toward a national system of education."

EXCESSIVE EXPECTATIONS

It is this trend which a department of education is likely to accelerate. To understand this one need only listen to the sweeping remarks of Sen. Abraham Ribicoff (D-Conn.), chief sponsor of the Senate bill to create the department, in a recent interview with the NEA: "The whole system of education is dependent upon the leadership and commitment that the federal government takes. Only an increased federal priority to education can increase the American people's confidence in our educational system."

What can Ribicoff, himself a former secretary of health, education and welfare, mean in suggesting such a dramatic departure from existing federal policy? How does he propose that the federal government might make the "whole system of education" suddenly dependent on Washington's "leadership and commitment"?

The Senate bill hints at some potential ways. It states, for example, that one purpose is "to promote the quality and revelance of education to individual needs, including the assurance of an adequate skill level . . ." That could justify any manner of federal action. Who decides what is "an adequate skill level"? Is Washington to establish minimum skill requirements? Are we talking about paving the way for a national test, a move proposed by Adm. Hyman Rickover but successfully thwarted thus far?

Those who set test questions, of course, in effect decide what is taught in the schools, or at least what a school's priorities should be. Parents, teachers, principals, school boards and the states may not agree with each other very often on these questions, but they presumably still think that they are their decisions to make, not Washington's.

Or consider another of the Senate bill's purposes. Washington is "to provide leadership in the support of research relating to human development and learning systems that complement education, with a greater emphasis on the practical application of such research," and to work with numerous others to "implement the findings of such research at the local level."

Getting federally sponsored research or curricula into the schools has long been among the more sensitive issues for Washington. Agencies already sponsor curricula in areas ranging from ethnicity to energy, vocational instruction to consumer education, bilingual studies to consumer education. While they cannot press the products on schools because of restraints on federal influence, if few of the materials are used the Congress or the Office of Management and Budget tend to question the sense of the activity.

This is one frustration, for example, of the Health, Education and Welfare Department's National Institute of Education, which sponsors research in a number of areas, including basic skills. Once the results are disseminated schools are free to ignore them, which is not infrequently the case. That has not helped NIE get funding from Congress.

Similarly, the National Science Foundation, which sponsors not only science and math but politically sensitive social science curricula, has become embroiled in controversies stemming from the same dilemma.

"In the early 1970s," writes the University of Maryland's Marjorie Gardner, "it became evident that the diffusion of the new curricula was not occuring spontaneously; that, in fact, the new programs were not being adopted by enough schools to satisfy the original goals . . ." Under pressure from both OMB and the White House, the foundation decided to pay for implementation only of courses it had sponsored. Following protests from several universities seeking money for non-NSF projects, the agency backed down.

Two years ago the foundation got into a much-publicized controversy over an elementary school social science curriculum it had promoted called "Man: A Course of Study." The course included material about one Arctic Eskimo culture's belief that, for others to survive, families sometimes must choose to let old people or female infants die. That disturbed some parents and conservative members of Congress and led to temporary suspension of all NSF curriculum development. The foundation now places less emphasis on getting specific courses into the schools.

It is not heavy-handed power-seeking by bureaucrats that leads to increased federal involvement in education, but these kinds of political pressures. The pressures have stemmed from public perceptions that there was yet another crisis in the schools and that Washington, which is not responsible for most of what happens in the classroom, should nonetheless do something about it. They have resulted from a desire to justify federal education spending.

The pressures also have come from groups that want their views or goals pressed in the schools. Many of the most intense education controversies have centered on civil rights issues such as affirmative action for faculty members at colleges and universities, battles against sex discrimination in classrooms, desegregation and bilingual education.

Indeed, fearing that the civil rights-labor coalition behind these and related drives might be fragmented if an education department is created, Rep. Shirley Chisholm (D-N.Y.) criticized the department plan before a House subcommittee last week. "Now, to thoughtlessly destroy these coalitions . . . in order to achieve the dubious goal of formation of a separate department of education appears foolhardy," she said.

Any broadening of the govenment's involvement in education, of course, potentially dilutes its concentration on poverty and minority concerns. This issue has been at the heart of past attempts to aim the major elementary and secondary aid program at students in general who are doing badly in school rather than just at children of poverty who need help, as at present, just as it is central to the fight over substituting wider college tuition-tax credits for student aid currently determined by economic need.

It is difficult to imagine how creation of a department, and the extravagant rhetoric of some department proponents, can fail to generate additonal pressures for Washington involvement. If there is to be no increased federal role, what can be meant by an "increased federal priority to education" which alone can "increase Americans' confidence in our educational system"?

Some may suspect that higher "priority" really means higher budgets. The NEA, whose 1.8 million members make it the nation's second largest union, has long sought to expand the federal share of education outlays from the current 8 percent to 33 percent. But there is little reason to believe that creating a Cabinet-level department would unleash more federal funds.

As Pat Gwaltney, the OMB official most immediately in charge of the education department proposal, remarks, "We looked at the departments of Housing and Urban Development and Transportation and found that their budget increases did not exceed those of other domestic programs, that creation of a new department per se does not appear to result in increased federal funding."

Others may think that a separate education department would result in greater federal coordination. The reality, however, is that if programs now lodged for good reason in Defense, Agriculture, Interior and the NSF are brought together, as now proposed, it would only create the reverse problem of coordinating with the original agencies.

AN INVISIBLE ISSUE

Nobody questions the need to improve administration of existing programs involving education, but it is not evident why a new Cabinet-level department is required to do this. Virtually anything that might be done to advance Washington's highest-priority aim of assuring equal opportunity for the disadtaged probably could be achieved with the existing HEW structure.

In higher education, two of the largest programs providing student aid—education benefits for veterans and for dependents of social security recipients—are not included in the proposed department, so there would be no change. Similarly, Washington's second broadest goal of supporting the nation's research effort, achieved through a multitude of grants and contracts to universities and research institutions, would not be affected at all.

Others believe what's needed is a Cabinet secretary who can devote more time to programs aimed at education. But it is hard to understand what this would accomplish if a secretary had little prospect of getting more money or significantly improving coordination and administration of existing programs with their built-in limitations.

So much attention has been given to these areas where so little seems likely to be accomplished, in fact, that there has been little recognition and hardly any public debate on the central issue of creating, for the first time, a national responsibility for education and putting in motion increased forces and expectations for central influence.

It is conceivable that specific and blunt language might be added to the department bills stating that their intent is not to alter the limited federal role in any way, but it is doubtful that would curb the pressures for increased federal influence that are bound to accompany a cabinet department.

It is easy to understand the Carter administration's desire for a legislative victory, and the education department looks like an easy one. But that political need does not justify an action that may be seen later as a serious mistake, launching the country in another unintended direction. A department is either a prescription for increased central influence over education or for excessive expectations that will only lead to more, not less, frustration.●

ARSON FOR PROFIT IS A MAJOR CRIME

● Mr. GLENN. Mr. President, yesterday's New York Times has yet another article on the rampant crime of arson for profit. Once again, arson is referred to as the Nation's fastest growing crime. Tragically but truthfully the law enforcement response to it is characterized as being grossly ineffective.

Last Thursday, I was successful in attaching strong antiarson language to the State, Justice, Commerce appropriation bill. I have also succeeded in amending the revised Criminal Code and the NFPCA authorization bill with antiarson provisions. However, these efforts and others have still not succeeded in having arson declared a major crime for the purposes of the FBI's uniform crime reports.

Mr. President, arson is now not considered a major crime by the FBI. Because it is not, despite its widespread increase and its human, physical, and monetary costs, it does not appear in the quarterly crime reports issued by the FBI. These crime reports are used as social indicators and data bases from which we design our anticrime strategies and resource deployment priorities. The absence of arson from the major crime category means the absence of data, awareness and priority with respect to it. This omission raises serious questions as to the ability of the index to present a true criminal activity picture to the public.

S. 1882, the Arson Control Assistance Act, would direct the FBI to reclassify arson from a minor to a major crime for the purposes of the uniform crime reports. I introduced S. 1882 last year and it has received tremendous support throughout the Nation. Its passage would help us provide the Federal impetus to arson fighting that the Times article indicates is needed.

I ask that the article be printed in the RECORD.

The article follows:

[From the New York Times, Aug. 7, 1978]

ARSON

(By Clifford L. Karchmer)

SEATTLE.—Arson is, by all available data, the nation's fastest growing crime problem.

Despite an unprecedented epidemic of arson, there is no national campaign to control a threat to life and property that, in 1976, accounted for $2 billion in property losses, claimed 1,000 lives and continued a 25 percent rate of increase per year. Fewer than one arson in a hundred results in conviction. No other crime problem has been met with such an ineffective response.

Investigators know arson as a collection of disparate motives: pyromania, revenge, vandalism, concealing of crime, and fraud. It is also a barometer of more serious and deeply rooted social and economic ills but, like drug addiction and political terrorism, it is a pernicious symptom that must be confronted in its own right. Although our society has ineffective deterrents for crimes of passion and nihilism, we have seen that crimes of stealth and planning are sensitive to well-planned, selective enforcement. Arson committed for insurance proceeds is one such example. And the deterrent potential of intensive enforcement, in these cases, is still untested.

Police, fire, and insurance investigators who study the insurance motive find that arson is the hub of elaborate schemes involving fraudulent real-estate, bank, and insurance transactions. Arson unites diverse crime specialists. Torches are recruited from the ranks of street criminals. Fences from the underworld of theft arrange the discounted sale of merchandise that will falsely be claimed as destroyed in the fires. Crooked realtors and public insurance adjustors lay the groundwork for intricate insurance frauds. Syndicate hoodlums use arson to collect bad loan-shark debts and get rid of sour mob investments. Arson-for-profit is a curious hybrid—it is the only organized white-collar crime kicked off by a violent offense.

At the core of most arson rings is the fire-broker, a new kind of racketeer. Prosecutions in Detroit, Pittsburgh, Boston and elsewhere confirm his emergence. He searches out financially troubled businesses, then convenes the mix of arson specialists needed for each fire—the chemists, bombers, torches, corrupt investigators, and allied white-collar criminals. For potential clients who need convincing, the fire-broker assembles a package of arson and insurance fraud that he markets aggressively. For his trouble the fire-broker takes a percentage of the insurance settlement.

Most fire-brokers are con artists who advanced from simpler white-collar crimes before discovering the windfall profits in arson fraud, a racket involving similar uses of rigged books, doctored invoices, and hidden ownership.

This nexus of crime often escapes the watchful eye of white-collar and organized-crime task forces, usually concerned with traditional forms of fraud and racketeering. Consequently, arson rings prosper within this law enforcement vacuum.

To officials, investment of scarce resources in arson control produces few results; therefore, it constitutes an imprudent risk.

To the arsonist the risks are negligible and profits enormous. Largely by default, the official response in most communities is one noted for retreat in the face of arson's growing momentum.

Clearly arson-for-profit qualifies as a national crisis. An agenda for action begins with the solid Federal commitment to address a problem far exceeding state and local capabilities. Federal investigative resources could identify and interdict arson rings at their early stages. To break the back of financial arson, legal tools that attack criminal enterprises must be utilized more widely. The Federal Racketeer Influence and Corrupt Organizations Law is one remedy successfully used. This law also provides that racketeering victims such as insurance companies can sue for treble damages. We must remove the insurance incentive that feeds arson. Widespread changes are needed in underwriting and cancellation practices, and in privacy laws now prohibiting information exchanges between insurance industry and law-enforcement agencies. Finally, police and fire departments must be trained in all areas of arson enforcement, and primarily in the investigation of arson as white-collar crime.●

THE CONGRESS OF RACIAL EQUALITY AND OTHERS SUPPORT TUITION TAX CREDITS

● Mr. PACKWOOD. Mr. President, the national director of the Congress of Racial Equality, Mr. Roy Innis, appeared at a press conference in Washington, D.C., today to endorse tuition tax credits for parents paying tuition to elementary, secondary, and postsecondary schools. Mr. Innis believes that tuition tax credits will help stem the decline of low-cost, nonpublic schools serving poor people all over America.

Education is the key to the American dream. It is impossible to overestimate the importance of its function in our society. Our educational system shapes our present and our future generations; for millions of Americans education is the highway to advancement. We would all agree a crucial goal of American society is the provision of basic educational opportunities for all. Unfortunately, we must all agree the goal has yet to be realized and we do not all agree on the best means to realization. The drafters and cosponsors of the Tuition Relief Act of 1978 have high hopes this bill will move us closer to the goal.

Some people are under the impression that tuition tax credits are intended to serve a select group of students that have no need for tuition assistance. This is a cruel myth. A broad base of students from many ethnic and low income groups are in need of tuition assistance. Most importantly, many of these deserving students and their parents are openly and aggressively in support of tuition tax credits.

For instance, the Hispanic Pastoral Center for the Northeast, a representative organization of the Spanish-speaking community in New York, noted its strong support for tuition tax credits in El Diario.

The Hispanos in New York, and presumably elsewhere throughout our Nation, want the equitable and fair support provided by educational tax credits, "and a guarantee for the Spanish-speaking community of being able to freely choose their education." I highly recommend their comments to my colleagues. I ask unanimous consent that their statement be printed at the end of my remarks.

Victor Solomon, director of educational affairs for the Congress of Racial Equality testified before the Finance Committee in support of tuition tax credits because CORE believes tuition tax credits are an effective way to increase the educational choices available to poor people. Mr. Solomon made the point that many of the public schools serving CORE's membership are inadequate, but they will be improved by competition from high-quality, low-cost schools, such as CORE's own community school in the South Bronx, New York City. Mr. Solomon's testimony speaks for itself and I ask permission to insert it in the RECORD following these remarks. In addition, the endorsements of parents and organizers of predominantly black schools in Chicago, Ill., and Washington, D.C., speak eloquently for the need for this legislation.

These are the statements, Mr. President, of the parents of the children we want to help. Their support of the tuition tax credit approach is backed by the expert opinion of Sociologist James C. Coleman, who headed the landmark 1966 HEW study of school desegregation. Dr. Coleman has endorsed tuition tax credits which he too believes will increase the range of choice available to low-income black parents. Prof. Thomas Sowell of UCLA makes a similar point when he describes how tuition tax credits would provide help. Statistical evidence of the economic and racial composition of private schools is presented in Dr. Thomas Vitullo-Martin's testimony. I shall request that all of these statements appear in the RECORD following my remarks.

Finally, Mr. President, opponents of this bill raise the horrible specter of resegregation under this bill. This is the cruelest myth of all. Under H.R. 3946, tuition tax credits could not be used for tuition paid to schools which discriminate on the basis of race, color or national origin. To be eligible for the tax credits, the tuition must be paid to a school which is tax exempt under Internal Revenue Code 501(c)(3).

Current IRS rules deny tax exemptions to schools which discriminate on the basis of race, color, or national origin. In fact, to be tax exempt, the IRS requires private schools to state in their charter, brochures, and advertising that they do not discriminate on these grounds. Revenue ruling 71–447 states:

> Racial discrimination in education is contrary to federal public policy. Therefore, a school not having a racially nondiscriminatory policy as to students is not "charitable" within the common law concepts reflected in sections 170 and 501(c)(3) of the Code and in other relevant federal statutes and accordingly does not qualify as an organization exempt from federal income tax.

The same ruling defines a "racially nondiscriminatory policy" as—

> meaning that the school admits the students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in administration of its educational policies, scholarship and loan programs, and athletic and other school-administered programs.

In Revenue procedure 75–50, the Internal Revenue Service set forth the guidelines and recordkeeping require-

ments for determining whether private schools that are applying for recognition of exemption from Federal income tax under section 501(c)(3), or are presently recognized as exempt from tax, have racially nondiscriminatory policies.

In general, these guidelines are as follows:

First. A school must include a statement in its charter, bylaws, or other governing instrument, or in a resolution of its governing body, that it has a racially nondiscriminatory policy as to students and therefore does not discriminate against applicants and students on the basis of race, color, and national or ethnic origin.

Second. Every school must include a statement of its racially nondiscriminatory policy as to students in all its brochures and catalogs dealing with student admissions, programs, and scholarships.

Third. The school must make its racially nondiscriminatory policy known to all segments of the general community served by the school.

Fourth. A school must be able to show that all of its programs and facilities are operated in a racially nondiscriminatory manner.

Fifth. As a general rule, all scholarships or other comparable benefits procurable for use at any given school must be offered on a racially nondiscriminatory basis. Their availability on this basis must be known throughout the general community being served by the school and should be referred to in the publicity necessary to satisfy the third requirement in order for that school to be considered racially nondiscriminatory as to students.

IRS Commissioner Jerome Kurtz has pledged to enforce these standards vigorously. In a January 9, 1978 speech, he indicated that IRS has "taken significant steps in recent years to improve compliance with its private school policy." In a May 8, 1978 letter, he further indicated that audits have increased substantially. Further, IRS provides agents with examination guidelines, check sheets, and training materials to help determine if a school discriminates based on race. IRS is currently reviewing its rules in this area to determine if additional rules are needed. Commissioner Kurtz does not believe that IRS needs additional statutory authority in this area.

Mr. President, the myth is that tuition tax credits will not help minorities, and that they will encourage segregation. This is not true. On the contrary, millions of less fortunate Americans have never had the educational opportunities and choices available to the more fortunate. Tuition tax credits will give them that choice. At the same time, because of an Internal Revenue Service committed to vigorous enforcement of civil rights standards, tuition tax credits will not lead to creation of segregated, private schools.

On February 28, 1978, the Senate Finance Committee overwhelmingly approved tuition tax credits for elementary, secondary, college, and vocational tuition. The House of Representatives approved a similar bill on June 1, 1978.

Mr. President, I ask that the statements I have already noted be printed in the RECORD.

The material follows:

[From the Los Angeles Tidings, May 19, 1978]

HISPANICS SUPPORT TUITION TAX CREDIT BILL

NEW YORK.—A group of Hispanic Catholic leaders have called for passage of a Senate tuition tax credit bill, saying it would preserve "freedom of choice in education."

The leaders, members of the New York City-based Northeast Pastoral Center for Hispanics, were responding to an editorial in El Diario, a major Hispanic daily newspaper, critical of a tuition tax credit bill sponsored by Sens. Robert Packwood (R-Ore.) and Daniel Patrick Moynihan (D-N.Y.).

HISPANIC PASTORAL CENTER FOR THE NORTHEAST ENDORSES TUITION TAX CREDIT LEGISLATION

TUITION TAX CREDIT RELIEF

Everyone is concerned about the burden of paying taxes these days. One does not have to be a gifted orator to be listened to when recommending a lightening of people's tax bills. An important bill is in the legislative works in Congress, and if passed would provide relief to a large number of taxpayers who exercise their right to choose the school in which to educate their children.

This fundamental right is recognized by the law of our nation and undoubtedly is a highly-prized freedom in every democracy. In contrast, the first act of any dictator, is to establish a monopoly on education. Since a pluralist education system is better for a country, it is characteristic of a democratic government to provide tax relief to those parents who exercise that freedom of choosing where their children will be educated, just as they choose where they will shop for food or medicine. The Packwood-Moynihan Tuition Tax Credit Bill seeks to help those who are now choosing where their children shall be educated.

The April 13th, "El Diario" editorial entitled, "Aid for Parochial Schools" is quite hard to understand. There is no bill before Congress which seeks to do what this editorial claimed. If tuition tax credits are approved, it will not give a cent to parochial schools.

At this time the federal government gives an average of $128.00 to the local public schools for each student enrolled and less than $55.00 for each in non-public schools. The money paid by the children of non-public schools goes to the local board of education not one dollar goes directly to any non-public school. No one is proposing a change in these figures or in this system.

To speak of a wall of separation between Church and State in regard to tuition tax credits, misinterprets our constitutional history. All the statements concerning the separation of Church and State in the editorial we are objecting to here are true, but they are not relevant to the tuition tax debate. By 1920 private schools were recognized as having a clear right to existence. The children who attended those schools were entitled to receive such benefits from the government as: "safe transportation, medical services, and in the "Ohio Plan" which the Supreme Court upheld in June of last year, libraries and textbooks." El Diario is unable to distinguish between helping a child secure education and helping religion. We, too, agree with Thomas Jefferson when he stated: "To ask a man to pay taxes to contribute towards the dissemination of a religion he does not believe in, is a sin and a tyranny." It is fitting to note that the law Jefferson refers to was a law that existed in Virginia that compelled every citizen of the State to pay money directly to the Episcopalian Church, which at that time was the official state religion. Certainly such a Jeffersonian principle does not apply to this bill.

The editorial shows a clear desire to deceive people with regard to whom tuition tax credits will help. It is not a bill to help the rich. It is a bill that helps everyone. Furthermore, it has provisions for a refund if one does not earn enough money to pay taxes. The big advantage of this is that the bill gives relief to poor, who prefer to exercise their freedom of choice. Direct assistance to parochial schools would be unconstitutional. But direct assistance to the parents who use the money to pay for enrollment should not raise constitutional doubt.

El Diario shows enough common sense to not present the false argument that tax assistance is going to harm public schools as is being preached by the president of the UFT, Mr. Albert Shanker and the New York Times. At the present time it costs around $2,000 a year to educate a child in the public schools. For a quarter of this figure a child in our parochial schools gets an education which is equally good, if not better.

Public schools will suffer only when they cannot meet healthy competition. That is, public schools will suffer only if they do not do their job. If they are not doing their job, it is better for them to suffer somewhat, in the hope that the harm they are causing innocent children, their students, can be remedied.

None of the problems of the public schools are caused by the existence of private schools. The parochial schools in New York City are better integrated. For example, 46% of the students of the parochial schools of New York are Spanish-speaking. Clearly the Church has strived to keep the schools open where there are Spanish-speaking people. They more clearly contain the ethnic makeup of the neighborhoods where such schools operate. Hence, they have an enrollment system which does not discriminate against any child. The Packwood-Moynihan Bill is not an aid to parochial schools, and it does not establish assistance to religion. It is constitutional. It does not favor the wealthy. It does not destroy public education. It does not take a single dollar away from any student that attends public schools. What it does solve is a matter which is essential to our democracy—The matter of a true freedom in education, the fundamental question about who the real and first educator is: The state government or the parents of each family. The Bill also addresses the problem of distributing the monetary burden for education among the parents who have children in a society which needs taxpayers. The Tuition Tax Credit Bill proposes an equitable and fair form of assistance and a guarantee for the Spanish-speaking community that they will be able to freely choose their children's education.

SOURCE.—El Diario (The Daily), April 23, 1978, in response to an editorial that appeared in El Diario on April 13, 1978.

AN OPEN LETTER TO MEMBERS OF CONGRESS ON THE TUITION TAX CREDIT ISSUE

The Congress of Racial Equality urges you to support tuition tax credits for elementary and secondary school students. CORE, as a major national civil-rights organization, rooted in Black communities across the nation, is in a unique and important position to speak on this legislation, particularly in terms of its effects on Black and other minority citizens. It is our longstanding concern for the education of our youth which has brought us to the Senate Finance and House Ways and Means Committee hearings and which impels us to address you now, as key votes on the legislation approach.

During the debate on tuition tax credits,

various allegations have been made that the credits would destroy public schools and that minorities, in particular, would be hurt. We believe not only that such fears are groundless but that tuition tax credits will benefit the poor and minorities. A look at the hard facts and common-sense reasoning will show why this is so.

The rich have always had choice in America. Their children either attend private schools or, much more typically, they attend exclusive suburban public schools. Tuition tax credits are one effective way of increasing the choices available to poor people.

CORE has long been committed to the improvement of public schools, and CORE is unchanged in its dedication to this goal. However, the public schools are now doing an inadequate job of educating inner-city Black children. CORE, in response to vigorous urging from the community, opened CORE Community School in the South Bronx. In surveying the situation, we found that in the neighborhood public schools the children were reading, on the average, one to two years behind grade level, with many individual cases of failure much worse than that. In New York City the proportion of pupils reading at or above grade level has dropped from 47 percent to 40 percent in the past two years. The same dismal situation prevails in cities across the country. Public schools are enmeshed in webs of bureaucracy; while administrators' and teachers union interests are deemed important, the children's interests are largely neglected.

The people are crying out for alternatives. We have seen this at our school in the Bronx. We have seen this as parents in poor communities across the country do without groceries so they can scrape up the tuition to send their children to non-public schools. Incidentally, the tuition at these neighborhood non-public schools (which are much more numerous than the elite private schools often cited in discussions) is usually at a low enough level that the amount of the proposed tax credit would be significant.

These families we speak of should no longer have to face financial hardship to obtain quality education.

The lack of financially plausible non-public school options has contributed to the exodus from cities and the destabilization of neighborhoods. A vote for tuition tax credits would be a vote for strengthening communities and recognizing their right to control their own institutions.

Perhaps the most salient point is that the existence of strong non-public schools, fostered by tuition tax credits, will provide a competitive stimulus for improvement in the public schools. No one expects people to desert public schools in droves upon enactment of tax credits, and CORE, being strongly committed to improvement of public schools, would not wish for such an eventuality. Rather, private schools will be a catalyst for change. Competition is the only real hope for breaking the bureaucratic logjam now gripping our public schools and increasing accountability and effectiveness.

In the course of the debate you have heard school boards, teachers unions and others with vested interests decry tuition tax credits and claim that public schools will be destroyed. Their rhetoric reflects only their own fear of losing power and their embarassment over the failure of too many of the public schools entrusted to their care. We note that, by and large, the affluent have not abandoned public in favor of private schools. Rather, they have voted with their feet and moved to suburban areas with exclusive public schools, where per-pupil expenditures are two to three times as much as at the most elite prep schools.

Some civil-rights leaders have spoken in opposition to tuition tax credits. This reflects largely that the tax credit approach to tuition assistance is rather new in terms of minority community participation, and the possible benefits of this approach have been inadequately explored. Also, some minority leaders are allied with school board and union powers that be and are putting their trust in the same old non-functional formulae. But we have seen the groundswell of opinion in the Black community at large in favor of alternatives.

In regard to specific features of tuition tax credit legislation the existence of a refundability clause, which would allow a refund to the taxpayer if the tuition tax credit is greater than the total tax owed, would be highly beneficial to the poor and minorities. They could benefit the most from this provision because of their low tax bracket.

In summary, every day tuition tax credits are not available is a day when more poor and minority children are stifled in our failing public school systems. A choice is needed now. CORE has been in a position to perform an objective, clear-headed analysis of the tuition tax credit issue. We trust that you will perform such rigorous analysis and hope that you will see the value of tuition tax credits.

STATEMENT BY MR. ROY INNIS, NATIONAL DIRECTOR, CONGRESS OF RACIAL EQUALITY

Once again someone is speaking for the poor and minority constituency and once again we are being misrepresented and used by those who have their own agenda. This time the surrogate spokesmen are the opponents of tuition tax credits. Their arguments are not based on the facts and they have no relation to the real needs of poor parents who, after all, want what we all want for our kids; the best education possible. CORE, as an organization which has come through many battles for educational quality and which today is rooted in major black communities throughout the nation, is in a unique position to speak out on this vital issue. We believe the passage of tuition tax credits at the elementary and secondary levels will have a tremendous potential impact on poor and minority kids throughout this country by giving them what they desparately need: options.

The arguments advanced against tuition tax credits fall into three categories: constitutional, fiscal and philosophical. To those who say as Senator Hollings did in the Post op ed piece, "The scheme is blatantly unconstitutional. Every Supreme Court decision and all the constitutional scholars agree on that score," we would reply: wrong. Respected constitutional scholars have weighed in on both sides of the issue. Moreover, we are willing to take our chances on the constitutionality of this bill which has an expedited court hearing provision. We shouldn't forget that there were those who said Plessy v. Ferguson was the law of the land and shouldn't be challenged.

Much has been said about the fiscal implications of the bill. These objections have been met by the Finance Committee action on August 3, 1978. The changes in the bill make the cost comparable to the administration's alternative. Those who vote against it are not voting on the basis of cost. They are voting against the revolutionary philosophy which this bill embodies.

And make no mistake this bill will indeed have a revoluntionary effect on millions of poor parents and children in this country. These are the parents and children who up until now have had no choice, and with no choice, no power. What is revolution after all but a shift of power? We are proposing that we shift the power from those who controlled—the educational establishment to those they controlled—parents and kids.

Now we have come to what the fight is really all about. Black people have had to rely in the past on the public schools of this country to educate our children and enable our people to better their conditions. These schools have often failed us. They have been sadly wanting not only in the efficacy of their teaching but even in their inability to guarantee the safety of our children. It is for this reason that CORE has established community schools and supports the efforts of parents who seek a better education for their children in private and parochial schools. These parents who are willing to make an investment in their children's future deserve a credit.

But this bill is not just for the parents who exercise their option. We at CORE have not given up on the public schools; we recognize that whatever legislation is passed, the majority of American children, indeed the vast majority of minority children will be educated in public schools. We know we must find a way to make the public schools better. To make them responsive to their constituency. To us, it is perhaps most important that this legislation will provide a competitive stimulus to the public schools. The presence of even the comparatively small number of alternatives, even just the potential of parents being able to reject a school that is not doing its job, can work great changes in the public schools. Innovation in both public and private education will be stimulated by the tax credit bill.

This bill, to borrow the words of an earlier time, empowers the people—and that's the question of philosophy. We believe it is time that the laws of this country give more than lip service to freedom of choice and quality education.

UNITED PRESS INTERNATIONAL WIRE STORY

WASHINGTON.—Proponents of federal income tax credits to help families pay tuition at non-public elementary and secondary schools denied today this would favor the rich or weaken the nation's public schools.

The Senate is to debate the issue this week or next.

Senate opponents of the bill said in a recent new conference the proposal would benefit the relatively wealthy, since they most often send their children to private schools, encourage "white flight" from desegregated public schools and make it harder for communities to maintain taxes to support its public school.

Calling their own news conference in response, proponents said one private school that would benefit from the credits is operated by the Congress of Racial Equality in the South Bronx, New York City.

CORE's National Director, Roy Innis, said his organization took the school over, at the request of parents, from the Catholic Church, which was having trouble keeping it going.

It has 200 pupils in grades 1 through 8. Its costs are $1,000 per pupil per year, most of which CORE pays. Parents pay $390.

Innis and two parents of children attending the school told reporters it is in many ways doing a better job of education than the public schools. Said Mrs. Thalia Weaver: "They teach very well there. If a child is slow they have tutors for every child."

"We would like to see this bill pass because it will do a lot for a lot of little people," Innis said. "We do not see a constitutional issue. We do not see a race issue."

"This kind of competition is bound to improve the public schools," said S. I. Hayakawa, R-Calif.

Sen. Bob Packwood, R-Ore., said "Federal funds are not going to be funneled away from public education."

STATEMENTS OF ADRIANNE B. JACKSON; SANDRA J. FERGUSON; ZEFFRE T. HOWARD; AND NEWVELVET WASHINGTON, ANACOSTIA PARENTS GROUP

Ms. HOWARD. Zeffre Howard.

Ms. JACKSON. Adrianne Jackson.

Ms. FERGUSON. Sandra Ferguson.

Ms. WASHINGTON. NewVelvet Washington.

Senator PACKWOOD. Let me ask you again when you talk to use the microphone, so that people can hear you.

Ms. JACKSON. Good afternoon. We are the parents of children enrolled in Our Lady of Perpetual Help, a school in Washington, D.C. We appreciate the chance to testify on Senate bill 2142 held by this committee on taxation and debt management. We are prepared to testify as a single panel of witnesses. I will do so first.

My name is Adrianne Jackson. I am a divorced mother of two daughters and a management analyst at $23,000 annually with the Department of Housing and Urban Development. My daughters, Monique and Tremia are first and sixth graders, and attend parochial schools, and have for the past 5 years.

I attended public school in this area, and desired better educational opportunities for my children than I was privileged to have. In 1976, I moved from Washington, D.C., to Maryland, and decided to transfer them from OLPH to a public school, after having heard how much better public schools were in that area. After approximately 3 months, Monique and Tremia asked that I transfer them back to OLPH.

From our conversations of their school experiences, and my own investigation, I found that they were exposed to a different environment which consisted of a demonstrated lack of, one, individual intellectual capacity building, two, respect, and three, discipline. I decided in August of 1977 to move and transfer them back to OLPH because of their expressed concerns and my own unhappiness.

We moved to an area which is convenient in distance to my job as well as the school, and also affordable. Before moving to Maryland—presently I drive approximately 9 miles in rush-hour tariffic to school in two different locational sites, which is in the opposite direction of my place of employment. I park my car and ride public transportation to work. This process reverses in the evening, and is necessary due to the lack of dependable public transportation, which at any unknown time can produce tardiness.

I had to buy a new car 2 years ago as well as pay $740 for tuition, $250 for uniforms, all excluding extracurricular activities and transportation. I did this to aid in assuring their punctuality in receiving the best possible education. They are back in OLPH after 1 year, and are mentally and physically comfortable in their educational environment, which to me is a major element in their development and welfare.

These sacrifices are just to name a few, and are well worth the benefits being provided. Thank you.

Ms. HOWARD. Good afternoon. I am Mrs. Howard, and I work for Metro, 600 Fifth Street.

Senator PACKWOOD. Speak into the microphone or the people behind you can't hear you.

Ms. HOWARD. Good afternoon. I am Mrs. Howard, and I work for Metro, 600 Fifth Street, as a receiver of revenue and my income is $16,000 a year. I support my two sons and my mother from that income. My oldest son, Derick, is a 12th grader, and attends St. Stephen's School in Alexandria, Va. He must commute to and from school by bus. This procedure alone, not including spending money, costs $1.80 per day, since he must be commuted during the rush hour.

The tuition at St. Stephen's is $3,000 a year. However, he is granted a scholarship every year between the amount of $2,200, and I pay the rest, which is in the neighborhood of $800 a year.

My youngest son, Robert, is a fifth grader at OLPH, and the tuition is $500 per year. With the tuitions combined, I pay a minimum of $1,300 a year, and the cost of uniforms and books and other fees per year. It is not easy, but I must sacrifice to pay the bill. I am sure I can avoid this by sending them to public school. However, I am strongly in favor of private school education for several reasons, mainly because of the higher quality of education compared to most all public schools, especially in the southeast area of Washington, where I live, and I also think that the students are better disciplined and supervised in private schools than in public schools, and the teachers have more concern for their students, where in a great deal of public schools teachers look on school more or less as another job, instead of really trying to help the students.

Also, I feel if the student would like to attend college, his or her chances are better. They have a better variety of selections, and they are better off if they were graduates of a private school. I thank you.

Ms. FERGUSON. Members of the Finance Committee, I appreciate the opportunity to appear here. I am Sandra Ferguson, a concerned mother of four school-aged children, three of which are now attending public schools, and one in parochial. I attended public schools myself. However, as my children approached school age, I noticed a change in the quality of the education in the public school system.

My older children were previously enrolled in the Catholic school. Due to financial difficulties, I could no longer afford the payment. I had to place them in the public school system. To me, this meant I had no longer the choice between parochial and public schools.

My family and I live on a moderate income. I volunteered in the parochial school and later on was offered a job, which pays me a nominal fee to help pay tuition so that my younger son would have the same opportunity as my older children, and that is to get a good basic educational background in his formative years.

After my older children made the transition from Catholic to public schools, the noticeable difference in their progress was heartbreaking for me. They were further advanced in their studies, so at times they were bored. They would get very depressed about going to school because of the attitudes and disciplinary problems of some students. The environment was not stimulating for them. They were discouraged because the books and other school equipment were inadequate.

This is why I am here. I urge you to pass this bill, because it would give me and other parents like me an opportunity to enroll my children back into Catholic schools because I want you to save the children and save our schools. I believe better schools and better education make for better citizens. Thank you.

Ms. WASHINGTON. Good afternoon. My name is New Velvet Washington. I work for the Federal Government, and I am the mother of six children. I have five children attending Catholic schools. Four of my children are in Catholic high school, and I have one in Catholic elementary.

Tuition is costing me $3,100 this year. Books cost around $265, which does not include uniforms, school supplies, and transportation costs, which I also have to pay.

I know that you are wondering how and why I send my children to Catholic school, for this tremendous expense, when they could attend public school free. Well, this is a tremendous burden and a great sacrifice, because I am not wealthy. In addition to this, I attend the University of the District of Columbia at night, which is another tuition, transportation, books, and supplies. I hope to become a special education teacher with a concentration in reading sooner or later.

With the great cooperation coming from the Catholic schools I have been given the special privilege of paying my children's tuition in monthly installments, and I have been given an extended deadline to finish paying all of the tuitions by April 15. Thanks to the grace of God, I have been able to meet this financial obligation each year. So, my special privilege is continued.

You see, Catholic tuition is supposed to be paid at some schools before the children enter in the fall, and at others half is due before and the other half before Christmas vacation, because the schools have financial obligations to meet also.

I am on a very tight budget, and whenever a medical or any financial emergency arises, that throws my budget off, and I must go rob Peter to pay Paul. What I mean is, I must pay my rent, buy food, and meet my tuition deadlines each month, so that other bills have to wait when this happens.

My children are simply beautiful. They understand what a financial burden keeping them in Catholic school is, so they don't ask for a lot of unnecessary things. They do with a lack of clothes and get only the bare necessities, and they don't ask to go to a lot of things that teenagers want to do that cost money. They always consider the cost and whether they can do something else that is equally as enjoyable that is free.

They study very hard, and make very good grades in school. Because of this, they have partial scholarships and grants, which save me $1,445 this year in tuition costs alone. That is why my tuition cost this year is $3,100. The reason I am sending my children to Catholic school is because of the dedication of the teachers.

My children are getting a better, superior standard of education. The attitudes of the students toward the teachers and the teachers toward the students in trying to help one another to accomplish their goals in the future is greater. The approach to discipline, establishing moral standards, respect for others and their property and mainly themselves, is very extensive toward our society.

In addition, they are taught religion on all levels.

Having had my children in public schools for 5 years, first, I feel that I can make an honest comparison between the two. The public schools have no Christian formation now that I know of, which I feel is necessary for children to have something to believe in. The dedication of the teachers is lacking. The respect of the students toward the teachers and the teachers toward the students is missing.

The educational standards are extremely low. If your child is not a fast learner, then they are simply left behind. Stress and emphasis are given to the quick learners, and the others suffer. There is hardly any discipline at all. Moral standards, respect for others and their property and mainly themselves, are low.

In my opinion, all of these points can be and need to be improved. If this bill is passed, which I am wholeheartedly for, this will help to insure my children's continuation in Catholic school, and also open up an avenue for others to send their children. Thank you very much.

Ms. JACKSON. We intend to strongly support this proposed legislation as it would be of great assistance to persons such as ourselves in our effort to provide our children with the best education available. We want to thank you for your consideration.

Senator PACKWOOD. More than any other group of witnesses, I think that you portray exactly what Senator Moynihan and I and Senator Roth and the others who are sponsors of the bill are trying to do. You refute the argument that this is a white, elitist, rich persons' bill, to enable them to take off part of the costs of the tuition to send their son or daughter to Dartmouth. That is not primarily intended. There is a limitation of $500 that you can take for any student that you pay tuition for, which is not going to be

of overwhelming consequence to someone sending their child to an upper class, expensive New England college.

To you, to all of you, this bill can probably mean the difference between whether or not you can continue to afford to choose the kind of education you want, and without this kind of a bill you may have no choice at all. I cannot tell you how much I appreciate your taking the time to come.

Pat?

Senator MOYNIHAN. I would like to echo what Senator Packwood has said. There is nothing like a touch of reality, and I suppose that a surprising number of the witnesses in this somewhat middle-aged group of people we have had here can tell about what it is like to pay for a son or a daughter at college, but thank God we have some young people who still have children in elementary and secondary school. You are the first ones we have had.

Ms. Ferguson, if you had the legislation before us which would give you a tax credit of up to $500 for half the first payment, this would make a difference to you, would it?

Ms. FERGUSON. Yes, it certainly would.

Senator MOYNIHAN. How many children would you send back to Our Lady of Perpetual Help?

Ms. FERGUSON. I have one, as I stated, in parochial school now, and I would send two back.

Senator MOYNIHAN. It is just that much. It is a small difference, but there is an old saying in the South that a dollar ain't much if you've got one.

Mrs. Washington said something which struck me, and she spoke openly and properly. We are here to learn about the question of Christian formation, as you put it. Are you Catholic, Mrs. Washington?

Ms. WASHINGTON. Yes, I am.

Senator MOYNIHAN. What about the other ladies? Mrs. Howard?

Ms. HOWARD. I am Pentacostal.

Ms. JACKSON. I am Lutheran.

Senator MOYNIHAN. A Pentacostal, a Lutheran——

Ms. FERGUSON. I am Protestant.

Senator MOYNIHAN. That won't do.

[General laughter.]

Senator MOYNIHAN. Go on.

Ms. FERGUSON. I attend different churches. I don't really have one religion.

Senator MOYNIHAN. You really are Protestant.

[General laughter.]

Ms. FERGUSON. That is why I said that. I don't belong to any one faith.

Senator MOYNIHAN. So we have four different church affiliations here, and this hasn't made any difference in the experience of your children?

[All the witnesses shake their heads in the negative.]

The point is simply that these schools are in a very large degree public schools themselves. They take people in the neighborhood. I am sure that the Lutheran schools and the Baptist schools that we have heard from do the same. They may make an effort at that. One could almost regret the diminishment of doctrinal energies, but it is a reality, and I would just leave one thought, Mr. Chairman, and that is that one and one-half centuries ago, when this argument first began in America, there was a much clearer perception than there is now that a decision not to have any religion taught in the school was a religious decision, and it is just as much a religious judgment not to teach certain forms of doctrine as it is to do so, and just because the "public" schools don't doesn't mean they avoid the question. It just means that they come down on one side of it, and you could have a different view. That's all, and that is what makes horseraces, and that is what makes, it seems to me, an interesting society where you have some alternatives.

Mr. Chairman, I would like to thank these ladies who have certainly brought a touch of reality into these hearings, and we do appreciate your coming. Let's see, two of you work for the Federal Government, do you not? I hope they will be generous about granting you leave for the afternoon.

Ms. JACKSON. Senator, I would just like to bring out one point. I have a nephew who has attended Our Lady of Perpetual Help for 6 years. He transferred to Honolulu, Hawaii, and I received a letter from him where he is attending the schools out there, and he said the schools out there, so I know it is not just the location that makes a difference, are 1 year behind where he is now.

So, there is a difference, and I don't think it is just D.C.

Senator MOYNIHAN. There is nothing wrong with the schools in Hawaii. You are doing well by your children. They are lucky.

Senator PACKWOOD. Thank you very much.

That will conclude our hearings today. We will take up the last day tomorrow at 9:30.

[Whereupon, at 3:45 p.m., the hearing was recessed, to reconvene the following day at 9:30 a.m.]

STATEMENT OF JAMES ROGERS

Mr. ROGERS. Mr. Chairman and members of this committee, I appear before you this morning as the beneficiary of non-public-school education as well as a supporter and parent of a child presently in parochial schools. I am Dr. James Rogers, director of the East Cleveland Public Library System, which I might add, the city of East Cleveland has a population of 82 percent black, and chairperson of the Cuyahoga County Board of Catholic Education.

In the limits of the city of Cleveland, there are 54 Catholic elementary schools enrolling 16,474 students and 9 Catholic secondary schools enrolling 6,355 students. Sixteen percent of these students are minority students, the majority of whom are non-Catholic. Although my primary concern is for the city of Cleveland. I want to point out that there are 85,000 students in all of the Catholic schools of the Diocese of Cleveland.

If one were to be purely pragmatic, with no regard to educational benefits or moral criteria, it would seem to be the benefit of the Nation to encourage the continuation of nonpublic schools. State superintendent of instruction for the State of Ohio, Dr. Franklin Walter, has stated that in the public schools of Ohio for the year 1976–77 the cost per pupil, on the average, was $1,205. The average cost per pupil for the Catholic schools in the State of Ohio was closer to $750 or $800. Thus, from the standpoint of the State, there is a great benefit and a financial contribution made by the parochial schools in the State of Ohio.

In addition to the financial considerations, I believe that the public school system in the United States has been notoriously unsuccessful in responding to the needs of the minority students. The local Catholic schools have done a better job in responding to these needs, as evidenced by the large numbers of Protestant parents who wish to enroll their children in the nearby Catholic school where tuition is charged, rather than at the local, free public school. I believe they are choosing the parochial school because they believe that their children will receive a quality education. They are doing what they deem best for their children and are exercising their right to freedom of choice—but they do so at a financial penalty.

An example of this is the fact in the city of Los Angeles approximately 3 weeks ago on television during the half time of a university basketball game, they talked of a Catholic school consisting of 300 students, all black. Verbum Dei High School is rated No. 1 high school basketball team in the country. More than that, 90 percent of the student body of that school attend 4-year universities upon graduation.

In January 1976, the National Office for Black Catholics issued a statement which I would like to quote:

"The public school system is nonfunctional as far as black people are concerned. There is little or no need to argue the fact that black people desperately need an alternative education system which can drastically reverse the deplorable statistics which currently show that far too many black youth are emerging from 12 years of schooling essentially uneducated."

In the city of Cleveland there are 54 Catholic elementary schools and 9 Catholic secondary schools. Fifteen of these elementary schools serve a predominantly black non-Catholic population. The existence of these schools and their continued operation has been made possible because other members of the diocese through their sacrifices and contributions have been able to provide an annual operating subsidy of approximately $400,000. Over the past 5 years, $2 million have been spent in the urban areas of Cleveland to continue the operation of these schools.

We have not closed in Cleveland one Catholic school. The archdiocese has supported these schools.

The commitment of the Catholic Church of Cleveland to education for the poor is unmistakable, but it is possible only because of the generosity of middle-income parents in other areas of the diocese.

In the schools of the diocese, costs are constantly and steadily rising. This means that tuitions must also rise. Unless parents receive some measure of relief, it can be anticipated that middle-income parents will no longer be able to contribute to diocesan programs. If the diocese does not have funds, it cannot continue to assist the very successful inner-city school programs.

In an effort to assist the needy poor of Cleveland, an education endowment trust was established by Bishop James A. Hickey 2 years ago. In September of this school year, 1,460 grants of $1,000 each were made to elementary and secondary school students. The vast majority of these grants were to students within the confines of the city of Cleveland. However, 3,400 requests for the grants were received. This figure will give you an idea of the need that exists. In the first year of the program, it can be assumed that many parents did not know of the existence of the endowment and therefore did not apply.

The point I am making is that the Catholic people of the diocese have done more than their share in trying to assure the continuation of programs for minority students. The people in the inner-city parishes have done their part. Fundraising activities—bingo, car washes, candy sales, magazine drives—all of these efforts combined are insufficient. There is need for the Government to recognize the fine work done by these schools, to applaud their success in meeting the needs of minority students, and to provide some measure of relief to the people who support these schools.

If we have a racial problem in this country—and we do—it arises in part from the lack of equal opportunity afforded our minority students. If they receive an inadequate education—and I believe they do—they will not have equal opportunities for employment or for housing.

I believe that the Catholic schools have been able to help the minority student. By providing youngsters with a quality education, by fostering religious and moral values, by teaching students the skills they will need in a technological society, and by motivating and inspiring them to do more and to do better, the Catholic schools in the city have provided a great service to the Nation. I be-

lieve these schools deserve to continue. The people of our diocese have been generous but there is a limit to their resources. Unless some help is given to middle-income parents, the ability of the diocese to continue this service to black people will be in jeopardy.

I note that there is a great deal of support for tax credit for colleges and universities only. It is my belief that many black youngsters will never get to college unless they receive an adequate elementary and secondary education. These youngsters need the quality basic instruction which can be obtained in our Catholic schools.

In the diocese of Cleveland, I believe the record shows we have done our part. It is not time for Congress to assist in the efforts which parents and others of good will are making. I am hopeful you will look with favor on the present legislation.

I might add, Mr. Chairman, in conclusion, that this past week I met with Mr. Eisenstadt of the President's staff and one of the concerns that we have is that in the spectrum of tax credit relief that we do not separate the elementary and secondary schools from those of higher education. We are concerned about that and we are committed that aid should be given in all three areas, elementary, secondary, and higher education.

Mr. BURKE. Thank you.

Mr. Kall.

STATEMENT OF REV. PAUL B. SMITH

Reverend SMITH. I am Paul Smith, a Roman Catholic priest and principal of Holy Angels School. I represent the parents and children of the country's largest intercity black Catholic school.

There are five low-income federally funded houses surrounding our school. By extension, therefore, I speak for the innercity poor of the entire country. Because there are few options other than and alternative to, an admitted failing public school system, the innercity child of poor parents is more often than not denied an equal opportunity to quality education because of his poverty.

There is in the inner city an existing system that does offer an option, an alternative to parents. This system is being slowly shot down. Every year we witness a closing of private parochial, if you will, innercity schools because of ever-increasing cost, which cost must be assumed by parents who already live on the edge of survival, but who, nonetheless, want the best for their children.

Our school, which we believe to be the best of its kind, manages to survive because it provides a service which we stubbornly keep within the means of the poor. Our enrollment is 1,133 children, with only 37 more Catholic children than non-Catholic children, with approximately 40 percent of that enrollment on ADC or some other welfare assistance.

Our record has been proven. In eighth grade math, our children are producing at 9.3, which is ninth grade; eighth grade is 8.7. I could continue through the list, which shows, every year our school produces students who achieve above or at the national average.

We are able to maintain this system because we have sought, in a volunteer program, young people fresh out of college who work for minimum stipends. We have insisted that every parent with a child attending the school pays the fair share of the cost.

The bill introduced by Representatives Frenzel, Burke, and—he is from Illinois also—Railsback, would greatly benefit the poor, in that parents are struggling at this point to meet the minimal tuition cost, which is $18 a month. An ADC or welfare recipient would have difficulty making that payment. We have parents who come in every day and pay x amount; small payments. Such a bill would make it possible for parents, with dignity, to acquire quality education for their children.

We will be submitting a formal statement which will include such points as why we feel the bill would benefit not only Holy Angels but all Catholic schools and innercity schools for the poor. We will show that what we operate in the inner city of Chicago is a bargain for the State, is a bargain for the parent. Our school opens at 6 o'clock in the morning and remains open until 6 at night for the working parent, for the working mother.

The inner city has at least 60 percent of its families functioning as one-parent homes. The one parent, most often is the mother, whose income must go to support the educational system which provides what the parent desperately wants for the child. To send a child to school for 8 years and have that child graduate reading at a third or fourth grade level is objectionable, intolerable.

Our local school boards in Chicgao recently passed a ruling that a child, in order to receive an eighth grade diploma, in order to be promoted, would have to achieve at the sixth-grade level, and more than one-fourth of the students did not make it.

We maintain that an alternative to such poor quality has to be and must be in the inner city for the poor.

[Additional statement material follows:]

ADDITIONAL STATEMENT OF REV. PAUL B. SMITH

I am Paul Smith, a Roman Catholic priest and principal of Holy Angels School, in Chicago. I represent the parents and children of the country's largest inner-city Catholic school for black children. We are located in the nation's largest concentration of low income families. There are five low income federally-funded housing complexes surrounding our school.

By extension, I also speak for the innercity poor of the entire nation and on their behalf I strongly urge this Committee to support the Frenzel-Burke-Railsback tuition tax credit legislation, H.R. 9332.

Because there are few options, the innercity child of poor parents is more often than not denied an equal opportunity to quality education because of his poverty.

There is in the inner-city an existing system that does offer an option, an alternative to parents. This system is being slowly shut down. Every year we witness the closing of private inner-city schools because of the ever increasing costs, which costs must be assumed by parents who already live on the edge of survival, but who, nevertheless, want the best for their children.

Our school, which we believe to be the best of its kind, manages to survive because it provides a service which stubbornly keeps within the means of the poor community we serve. Our enrollment is 1,133 with only 37 more Catholic than non-Catholic children (Catholic total 585; non-Catholic total 548). The increasing number of non-Catholic children enrolled in inner-city Catholic schools indicates the growing need of parents for an alternative, even though the basic philosophy of the institution is somewhat different from their own. So cherished is the desire for quality education, parents gladly commit their much-loved children to the care and direction of those who, while of different faith, successfully attend to the academic and moral growth of the child. The success of the nonpublic school in the inner-city is unquestioned, while many bemoan the failure of the public schools. Therefore, more and more parents are seeking the discipline and structure of the private school whether it be Catholic, Lutheran, Jewish, or nonsectarian. The exercise of such a choice, however, works havoc on the meager income of these parents which the proposed tuition tax credit would correct.

Recently, the Chicago Public School Board adopted a recommendation that all students must attain sixth grade level of achievement before promotion to the ninth grade. In one district comprised mostly of low income inner-city children, less than one-fourth of the students were eligible for such promotion. In the public elementary school neighboring to Holy Angels School, the students are one to three years below the national average in achievement. At the same time, children at Holy Angels School are achieving above their grade level in arithmetic and reading in each of the eight grades as the table shows.

Grade Levels: Mathematical Concepts and Reading Comprehension, Holy Angels School, Chicago, 1977

	Math concept level	Reading level
Grade—		
8	9.3	8.2
7	7.7	7.6
6	6.5	6.2
5	5.6	5.3
4	4.4	4.3
3	3.5	3.5
2	2.8	2.8
1	1.8	2.0

As a principal, I realize that academic comparisons must be made cautiously so I do not seek to publicize the difference. However, the local Chicago community, not our faculty or parents, does that. It is true that our students represent the same socio-economic and cultural backgrounds; they are black children growing up in an inner-city environment. Our class size is large (40) by public standards; our equipment is minimal; our buildings are old. Yet, quality education has been achieved through concentration on our back-to-basics academic program beginning in 1970, and has been implemented by a dedicated faculty who receive salaries much lower than their public school conferees.

Perhaps it should be noted that religious affiliation is not a necessary qualification for admission to the Catholic school in the inner-city. These schools do have an open-door policy regarding race and ethnic background. They likewise cut across socio-economic lines, providing service to all. The tax tuition credit measure sponsored by Representatives Frenzel, Burke, and Railsback would most effectively make possible the continuance of alternative education in the inner-city.

While it might hardly be worthwhile for the well-to-do whose children attend elitist schools, a credit or refund of $150 to 200 to an inner-city, one-parent home (let us say, just a mother) would be a great help and it would make the choice available to many parents of extremely meager means.

Also, the Frenzel-Burke-Railsback bill explicitly extends benefits to parents whose children attend secondary and elementary schools where the need is the greatest. Studies have shown that the children of low income and underprivileged families tend to suffer retardation in the early years, about the fifth grade, and so a vicious circle of poverty is perpetuated when quality education is denied or is not available to them in their formative years. If the foundation in basics is wanting, then there is no hope of building a professional and secure future. Our medical schools will continue to decry the shortage of qualified minorities; the law schools will vainly search for eligible students; the sciences will more and more be hard pressed to enroll non-whites, while the prisons' disproportionate ratios grow and burst existing structures with the burgeoning numbers of blacks and other minorities. In the meantime, the slum blight of our major cities, and all the evils that it

entails, continues to gobble up more and more dwellings with more generations of the poorly educated who have no hope.

In the past, federal assistance to education has concentrated on higher education as have practically all foundations and grants. Colleges and universities have vigorously complained about the apparent failure of today's secondary schools to properly prepare students. Unless something is done to strengthen the faulty foundation, the situation will not be improved. The tax credit bill will provide a means in the inner-city to encourage quality education since it would give parents the financial opportunity to make a choice of schools.

Schools are primarily for the student; designs and actions that affect them must transcend all other interests. The Frenzel-Burke-Railsback bill seeks to make available to those parents who are willing to make some special sacrifice to provide quality education, some relief from the financial burden which such a choice imposes. On behalf of the poor, the underprivileged and other minorities, I urge that this measure be approved by this Committee and brought to the floor of the House. There, hopefully, it will be passed for the benefit of those for whom I have been privileged to speak today.

Thank you.

Mr. BURKE. Thank you, Father Smith. Our next witness is Dr Joseph Froomkin.

You have appeared here before, as I recall.

Mr. FROOMKIN. Thank you, Mr. Chairman.

Mr. BURKE. You may proceed.

[From the Washington Post, June 20, 1978]

DESEGREGATION EXPERT BACKS TUITION CREDIT

(By Lawrence Feinberg)

Sociologist James S. Coleman, who headed a massive influential study favoring school desegregation in the mid-1960s, yesterday strongly supported a tuition tax credit to aid parents of private and parochial school pupils.

Coleman, a professor at the University of Chicago, said he favors the tax credit—which has been voted by the House but is bitterly opposed by the Carter administration—because it would "increase the range of choice of low-income black parents."

Particularly in big cities, Coleman said, where large-scale public school desegregation is unlikely, a tax credit "would increase the opportunity of black parents to escape from schools that they think hurt their children."

Opponents of the measure have contended it would promote segregation, hurt public schools and mainly benefit middle- and upper-income groups.

But Coleman said that because of the relatively modest size of the proposed credit, $100 to $500 per student, "the principal effect would be on lower-income families" sending their children to relatively low-priced schools.

He said "a very large number of black children" already attended low-tuition Catholic schools in big cities, such as Chicago, New York and Washington, with generally positive educational results.

Coleman spoke at a forum on desegregation attended by about 60 persons at Georgetown Day School, 4530 MacArthur Blvd. NW. The forum was sponsored by the Black Student Fund, which during the past decade has aided more than a thousand black students to attend private schools in the Washington area.

He was introduced warmly by Alice M. Rivlin, director of the Congressional Budget Office, who later asked him to deal with the "accusation" that programs to help blacks attend private schools are "detrimental" to public education.

"That's not a valid argument," Coleman rejoined. "Anything that allows for an individual to have greater opportunity can't be bad for the country."

Besides favoring a tuition credit on federal income taxes, Coleman said he supported proposals to give vouchers to parents to use for tuition at public or private schools.

"Parents and children have a better sense of what's a good school context for them," Coleman said, "than do professionals who must deal with a very large number of children. I trust the parents and children more than the professionals.

"I think the stronger the private schools are the better it will be for the public schools because the public schools will be forced to be better to stay in business."

Overall, Coleman said, school desegregation since 1954 has had "no effect" on educational achievement of black students.

"In the absence of turmoil," Coleman said, "there seems to be an achievement increase." But so far, he said, this has been counterbalanced by reduced black achievement in places where desegregation was accompanied by conflict and fear and "distraction from study."

In general, he said, integration has been most successful in well-disciplined schools headed by strong principals.

Coleman stressed that the main finding of his 1966 report, issued by the U.S. Office of Education, was that black students had higher achievement in mostly white schools not because of the skin color of their classmates but because of the middle-class background and "educational resources" that the white children brought from home.

"Increasingly, class is less correlated with race than it was 10 years ago," Coleamn said.

Widespread desegregation, he said, has been "enormously beneficial" to the South by aiding its transformation from a backward region to a thriving "Sun Belt."

But he repeated his view, which has attracted controversy for the past three years, that desegregation programs requiring "instant racial balance" through compulsory busing have caused "very serious harm" by speeding the exodus of whites from big cities.

PREPARED STATEMENT OF DR. THOMAS W. VITULLO-MARTIN

SUMMARY

Private schools, subject to regional variation, enroll a substantial number of lower-income and lower-middle income families.

The schools enrolling most lower-income students are almost exclusively church affiliated, but do not discriminate on the basis of religion. They are highly cost effective, and perceived as better educational institutions by most lower-income families.

Although tuition at these schools is generally low, tuition costs still operate to limit or deprive lower-income parents of educational alternatives for their children. The Federal government taxes the money these lower-income families spend on tuition. The proposed legislation will have a disproportionate impact on low-income families, making possible alternatives otherwise foreclosed.

The proposed bill will ease the cost of private education for the wealthy, and in so doing should encourage wealthy parents to switch from exclusive public schools to private schools. Such switching would substantially reduce the disproportionately-high subsidy of the wealthy in public education.

The tax credit approach, by continuing the dependence of schools on tuition-paying parents instead of refocusing the attention of the schools toward the government for financial security, reinforces parental control. Perhaps more important, it continues the present system in which private schools that cannot deliver desirable, quality educational services close for lack of patrons. Under direct government-financing arrangements (of the type proposed in the administration's alternative to these bills) schools that deserve to close will continue to receive support.

I will address myself to two related questions: Does the proposed tuition Tax Refund Act of 1978 aid only middle and upper-middle-income parents? Does the proposed Act harm children from lower-income families by depriving the public schools they attend of tax dollars for education and by encouraging middle-class abandonment of public schools?

ARE ONLY MIDDLE- AND UPPER-INCOME GROUPS AIDED?

No. The legislation will help all income groups because all income groups use private schools. Low-income Americans cannot support private schools without help. And the resources that used to help them are disappearing. Private schools are perhaps most important to low-income parents, and the legislation will benefit them.

By private schools I mean all elementary and secondary church-affiliated and independent nonpublic schools. The family incomes of private school students are remarkably similar to the income distribution patterns for the entire American population.

If we take as a standard of low income the level at which the federal government ceases to tax a family of four (given standard deductions, $7,200), private schools enroll more than half as many low-income students as public schools do. About 13 percent of the private school population has a family income of under $7,500 vs. 23 percent of the public school population. A greater proportion of the public school population has an income of under $10,000 (35 percent vs. 20 percent). Once we look above the lowest-income groups, however, we find the greatest difference in enrollment occurs in the $10,000 to $15,000 group. Private schools find 6 percent more of their total population in this group than public schools do. Significantly for our question, the least difference in the two groups is found in the wealthiest portion of the population. Private schools enroll only 2.5 percent more wealthy students than public schools do.

Put another way, 79 percent of the wealthiest families in the U.S. enroll their children in public schools where their education is totally subsidized by the public.[1] Furthermore, public schools serving upper-income families typically spend more per pupil than private schools serving a similar group. The highest-spending public school district in the New York metropolitan area spends $8,600. That is more than any private schools within New York City and is two or more times the amount spent by the average private school member of the National Association of Independent Schools. (Most of these high-spending public school districts are suburban.)

The counterpart to this suburban public school parent living in the city spends between $1,300 and $2,600 per child at private schools, with transportation, books and fees adding an additional $800 per child. Thus, the average family in the private schools in the city which serve the wealthiest urban families spends about $4,800 of after-tax income to send two children to private school. The parent is taxed for all costs associated with the school of his child. A family with an income sufficient to maintain a city residence and pay such private school fees would likely be taxed at a combined city-state-federal rate of over 50 percent. Hence, the wealthy private school patron pays property, sales and income taxes to support public schools while paying for private schools—and thereby decreasing the burden on the public school system. He also pays approxi-

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[1] National Center for Educational Statistics, "Condition of Education 1977."

mately $4,800 to federal, state and local treasuries as tax on the money spent for private education.

Private schools cover about 70 percent of their costs through tuition income so that, in return for the parents' $9,600 annual investment (tuition, transportation and fees, and the taxes on them for two children), their children receive per pupil expenditures of $2,100.

Among schools serving middle and upper-middle-income parents in the New York area, the New York City public schools have one of the lowest per pupil expenditure rates. They spent $2,532 per registered pupil in 1976 or $3,115 per actual pupil (average daily attendance). In public suburban schools that cater to wealthy parents, per pupil expenditures went as high as $8,600 in 1975 in the New York metropolitan area. The public schools typically spend more per pupil than elite private schools. The property taxes public school parents have to pay to support such high-cost public school systems are themselves tax deductible. This means that the federal government pays, in effect, one half or more of the tuition bill for these "free and public" schools. The irony is that these suburban public schools are far more restrictive than urban private schools since they permit only children living within their boundaries to attend. In the highest-expenditure suburban systems, parents must expend substantial capital for housing in order to move into the district. This requirement makes the schools more exclusive by income than city private schools charging the highest tuition.

Under the proposed legislation, only about 650,000 upper-income families would receive tax refunds of $500 each, for a total cost of $325 million. If the legislation succeeded in encouraging the wealthy who have enrolled their children in public schools to switch to private schools, public treasuries would receive a substantial increase and more money would be left to spend on lower-income students. Less than a 6 percent shift (108,000) of this group into private schools would make the venture profitable to public treasuries if $3,000—a conservative assumption—were spent per child by the systems enrolling the children of these wealthiest families.

This suggests that middle and lower-middle-income groups are more likely to use private schools than are the wealthiest groups. But, of course, there are more families in these groups. A greater proportion of private school students are from the wealthiest families than of public school students—the common wisdom. The wealthier a family is, the more likely it will enroll its children in private schools. 4.5 percent of those students from families with incomes under $7,500 enrolled their children in private schools in 1975, but 21 percent of those with incomes over $25,000 enrolled their children in private schools.

But if we look at a regional breakdown, we find very little relation between attendance at private schools and income—except for the lowest and the highest-income groups. The Southwest and Central states behave much as the national data indicate. In the West, the pattern changes: The highest-income families are less likely to enroll their children in private schools.

Private schools serve all income groups. They serve a greater proportion of the wealthiest families in the South—a manifestation of a long southern tradition. In the Northeast, in contrast, they serve relatively large percentages of all below-median income families—13 percent.

As we look at family income statistics for private school patrons, we see what is common sense: Market forces seem to limit attendance by the lowest-income families. We will discuss later the fact that the lowest-income families spend as much as 10 percent of their gross income for tuition at private schools. The proposed $500 per child refund to this group will be likely to have a greater effect on increasing their attendance.[2]

[2] "The report of the National Commission on Financing Post-Secondary Education concluded that a college can expect to lose from one to three percent of its enrollment for every $100 of increased tuition," Sen. William V. Roth, Jr., New York Times, January 10, 1978. The effect is observed on families capable of sending their children to college. It is likely to be magnified on the lowest-income families attempting to send their children to private schools.

TABLE 4.04.—ENROLLMENT IN PRIVATE ELEMENTARY SCHOOLS OF PERSONS 3 TO 13 YEARS OLD, BY FAMILY INCOME AND REGION: OCTOBER 1975

[Numbers in thousands]

Region	Total enrolled	Enrollment, by family income (1967 dollar): Less than $5,000	$5,000 to $7,499	$7,500 to $9,999	$10,000 to $14,999	$15,000 or more	No report
Northeast:							
Private enrollment	1,058	161	249	196	195	189	69
Percent of regional enrollment	14.1	8.0	15.8	15.5	15.2	24.9	----
Southeast:							
Private enrollment	640	51	110	117	160	138	65
Percent of regional enrollment	9.8	2.1	8.1	12.3	19.0	33.7	----
Central:							
Private enrollment	1,029	95	207	229	288	138	73
Percent of regional enrollment	12.8	5.6	11.0	14.2	18.5	20.4	----
West:							
Private enrollment	493	59	88	109	130	52	54
Percent of regional enrollment	6.8	2.8	5.8	8.7	10.8	8.7	----

Note: Detail may not add to totals because of rounding.

Source: U.S. Department of Commerce, Bureau of the Census, "Current Population Survey," unpublished tabulations. Mary Galladay, U.S. Department of Health, Education, and Welfare, National Center for Educational Statistics, "The Condition of Education, 1977," No. 017-080-01678-8 (U.S. GPO, Washington: 1977), p. 191.

The West contains other surprises. In that region, blacks are more likely to attend private schools than whites are. By 1975, the percentage of blacks in private elementary schools in the West almost doubled from the 1970 base year, when NCES attempted to count minority enrollment in private schools by region. In half the states in the West, more of the students in private schools were members of minority groups than were students in public schools (see Table 2).

TABLE 2.—MINORITY GROUP ENROLLMENT AS A PERCENT OF TOTAL ELEMENTARY AND SECONDARY ENROLLMENT IN PUBLIC AND NONPUBLIC SCHOOLS, BY REGION AND STATE: UNITED STATES, 1970-71

Region and State	Percent minority: In public schools [1]	In nonpublic schools
Total, United States	20.9	10.1
New England	6.6	3.8
Connecticut	12.2	5.9
Maine	.8	1.1
Massachusetts	6.0	3.9
New Hampshire	.8	1.4
Rhode Island	4.9	2.4
Vermont	.4	1.3
Mideast	22.0	9.8
Delaware	21.3	5.6
District of Columbia	95.5	43.9
Maryland	24.9	7.8
New Jersey	20.0	7.8
New York	25.3	12.3
Pennsylvania	12.6	5.7
Great Lakes	14.7	7.3
Illinois	22.0	12.0
Indiana	10.3	6.7
Michigan	15.1	6.3
Ohio	13.0	5.0
Wisconsin	6.0	2.2
Plains	7.3	4.3
Iowa	2.2	1.2
Kansas	8.8	6.6
Minnesota	2.6	1.8
Missouri	15.1	7.3
Nebraska	7.0	3.4
North Dakota	2.0	2.1
Southeast Dakota	5.7	19.6
Southeast	29.2	11.6
Alabama	34.3	17.2
Arkansas	25.1	13.8
Florida	27.9	17.3
Georgia	33.5	10.3
Kentucky	9.3	4.7
Louisiana	41.0	16.4
Mississippi	51.0	5.7
North Carolina	30.7	12.1
South Carolina	41.2	8.0
Tennessee	21.2	6.3
Virginia	24.7	6.2
West Virginia	4.9	2.8
Southwest	34.0	30.3
Arizona	28.8	25.5
New Mexico	48.1	56.7
Oklahoma	16.0	12.5
Texas	37.1	30.0
Rocky Mountains	11.7	15.7
Colorado	18.8	19.2
Idaho	4.4	5.4
Montana	7.3	11.1
Utah	6.2	11.6
Wyoming	8.9	22.0
Far West	22.5	20.5
Alaska	17.5	43.1
California	27.3	22.1
Hawaii	NA	51.3
Nevada	14.3	9.0
Oregon	4.5	3.7
Washington	7.0	5.8

[1] Source: Department of Health, Education, and Welfare, Office of Civil Rights. "Directory of Public Elementary and Secondary Schools in Selected Districts: Enrollment and Staff by Racial/Ethnic Group, Fall 1970."

PRIVATE SCHOOL OPTIONS FOR LOW-INCOME FAMILIES

A number of factors are making it increasing difficult for private schools to continue to serve minorities and lower-income families. In the New York area per pupil costs in private, inner-city schools average $750; tuitions average $500—with some much higher. (The per pupil expenditure for the public schools in the same area is $2,700.) Tuition payments normally account for 5 percent to 10 percent of the gross income of over half the families in these schools. Observers believe that these schools are at their financial limits. It is on just these sorts of private schools—those with a marginal chance of survival—that the Tuition Tax Refund bill is likely to have its greatest impact.

Roman Catholic schools enroll about 76 percent of all nonpublic school students, but about 91 percent of all blacks in nonpublic schools and an even higher percentage of Spanish-surnamed children. Although there are twice as many Spanish-surnamed children in the U.S. student population, there are approximately the same number of each group in Catholic schools.

The support of inner-city schools has become extremely expensive to the Catholics, Lutherans, and others who maintain them. The costs of educating lower-income students must be socialized across a greater group than the parents themselves. The necessity is greater when substantial portions of the students come from single-family homes and are dependent for their income on budgeted payments from departments of social services. Welfare funds are not allocated for the private school education of dependent children. Traditionally, church-affiliated elementary schools of all denominations have been partially or wholly supported by the parishes to which they were attached. More than public schools, these parish schools were neighborhood schools since their sole revenue came from the neighborhood.

For private secondary schools, the patterns varied considerably. Some schools were attached to parishes and supported by them. But few parishes were sufficiently large to support a high school from their own population, and the practice developed of high schools from one parish accepting students from another, with the second parish transferring to the first funds to cover the costs of its students. Eventually, dioceses took over management of many parish high schools or founded their own to cover the needs of several parishes. Finally, a number of religious orders in several of the Christian sects established high schools. When these high schools were financed by the parishes or the diocese, students from the parish would be assigned to them. When their financing came from tuition or other outside sources, students would seek admission to the high school of their choice. In some cases—notably the Roman Catholic Jesuit order—the operation of high schools was independent of the authority of the bishop of the diocese.

Diocesan high schools would attempt to attract students from the parish high schools (since the diocese would charge a parish tuition for each child the parish sent to the school) and the independent high schools would try to attract students from both the other types. Some parishes encouraged the competition by providing their children with partial support of the tuition charged at an independent high school, if the student chose it.

Thus, as compared to the public school system, the religious schools had a much more locally controlled operation, internally competitive, especially at the high school level.

The problem for inner-city schools is that there are no longer sufficient members in the parishes to subsidize the operation of the schools, and that the religious orders, whose contributed services once kept the costs of the schools down, are no longer available. Projecting from 1973 survey data, about 70 percent of elementary and 62 percent of Catholic secondary teachers are lay teachers. Catholic dioceses have tried to pay lay teachers a high percentage of public system scale salaries. But teaching contracts are signed by each parish for elementary and for some high schools, and many parishes—especially those in the inner city—pay below scale. In 1973, 88 percent of lay elementary teachers earned less than $8,000. A rough calculation suggests that 70 percent are below the $8,000 figure today. By contrast, religious teachers are paid between $2,000 and $3,000, plus their food and housing. Thus a full complement of religious teachers would lower actual per pupil costs by about $100.

In an average parish today, about half the school income comes from parish subsidy, and in an average parish school, the per pupil cost (elementary) is $460. About 25 percent of the faculty are religious teachers.

Most of the minorities and lower-income families attending Catholic and other private schools are concentrated in inner-city areas, the fringes of these areas within the central cities, and in small towns and rural areas. The schools in these areas are the smallest in the system. Among Catholic schools, inner-city schools were 90 percent of the urban schools in size (averaging 319 students in 1973–74), and small town and rural schools only 62 percent (averaging only 221 students). The inner-city schools in particular have the oldest school plants in the system, with consequent inefficiencies, such as high fuel and maintenance costs.

In school enrolling minorities, there is for all practical purposes no religious membership requirement. Only about 1.5 percent of the membership of the American Catholic church is black, but almost 7 percent of Catholic school students are black. A minuscule proportion of Catholics are Oriental or American Indian. But these two groups comprise 1 percent of Catholic school students. In some dioceses, the Catholic schools serve high percentages of minorities. The Montgomery (Ala.) district schools of the Mobile diocese have more than a 59-percent non-Catholic enrollment (1973–74). In the entire diocese, which covers Mobile and southern Alabama, 32 percent of all students were black, and 24 percent non-Catholic in 1975–76. Birmingham diocese, which covers north Alabama, was 43 percent black and 30 percent non-Catholic. The Catholic schools in the District of Columbia (1974–75) were 77 percent minority at the elementary level and 50 percent minority at the high school level. About 88 percent of the system's non-Catholic students were minority students; 22 percent of the students in District Catholic school are non-Catholics.

The typical inner-city Catholic school has the highest tuition of all Catholic schools. Most Catholic elementary school tuitions range from $250 to $500 a year now. These tuitions are subsidized by the presence of religious teachers and by parish subsidies. Real costs in 1976–77 exceeded $500 per pupil on average in all Catholic schools. And because of their small size and outdated physical plants, costs were higher in the inner-city Catholic schools. Parishes there do not have the membership to help support the schools sufficiently. Most inner-city school tuitions appear to range from $350 to $800 per pupil (with a substantially reduced rate for a family's second child), and some go as high as $1,700.

Catholic systems have attempted a number of approaches to help support their inner-city schools. But most dioceses—especially in large eastern cities—are now in substantial fiscal trouble. (Boston, which mortgaged the physical plant of the entire diocese in commercial loans to finance its construction program of the late 1950s and early 1960s, has reportedly not made the interest payments on its debt in the recent past.) Each year, the Diocese of Brooklyn—the largest diocese in the U.S.—must begin to subsidize a larger number of its schools. Its central resources have fallen while demand has increased, and the diocese has had to cut subsidies to individual schools. In a number of cities, the parish-based structure of the inner-city schools has obscured the impending crisis.

In Chicago, for example, the archdiocese "loaned" inner-city parishes most of its accumulated building fund—its capital for building new schools—to cover the operating deficits of the inner-city parishes. In the inner city, school budgets account for over 80 percent of parish expenditures. The diocese did not count these loans, which are unlikely ever to be repaid, as subsidies In Philadelphia, each parish banked its own building fund and reserve fund in commercial banks. As neighborhoods changed and parishes became more non-Catholic and lower income, they dipped into the accumulated reserve funds. Those funds are almost completely expended now, and some other source must be found to replace them if the inner-city schools are to survive.

SHOULD PRIVATE SCHOOLS SURVIVE? IF SO, WHY?

Private schools are disproportionately important to minority and lower-income students. Quite clearly they do attract parents who seek to put their children in better schools. But this must be regarded as surprising. Inner-city private schools run almost entirely from revenues generated within the community. They spend one-quarter to one-third the amount per pupil spent by the public schools in the large cities we examined in a recent survey. They typically had much higher pupil-teacher ratios than the public schools; inner city private schools average about 32 pupils compared to (to use the example of New York City) 25 in the public schools. They have an austere classroom setting, with antique classrooms, few books in the library—if there is a library—and virtually no equipment. In the most successful inner city private school in the country, Holy Angels on the South Side of Chicago, about $300 is spent per pupil during the 12-month school year, and pupil-teacher ratios reach 42. But these schools have a reputation for performing. Typically their students read at or slightly below grade level, which is 1 to 2 years above median in the public schools by grade 6. Holy Angels boasts that half of its eighth grade graduates eventually graduate from college. And more than half of Holy Angels 1,300 students receive public assistance. Examining a matched public and private school sample, Hancock found that private school children entered first grade with a slightly lower I.Q. than public school students, but by the sixth grade were reading 1.4 to 2 years above the public school students.

Private schools serving inner city children have a reputation for excellence. We asked a sample of minority parents who enrolled their children in Catholic schools in large cities what, in their opinion, distinguished Catholic schools from public schools. Ninety percent responded either discipline or academic training. A small percentage responded "religious training." The parents, in our open-ended questions, tended to equate discipline with academic training. Eighty percent thought that the private schools were safer than the public schools as well. Ninety percent thought that the Catholic schools provided a better education. We should expect such a high percentage of positive answers, since we were interviewing parents who chose Catholic schools. But their responses concentrated on discipline, academic quality and safety far more than did those of the white middle-income parents in our survey. White parents thought much more highly

of their public school alternatives than did black parents, and saw little difference in quality, discipline and safety.

The concern that private schools damage public schools arises from a misunderstanding about the sources of competition felt by public schools. Virtually all public schools attended by middle- and upper-middle income families are chosen by those families. The white flight from the cities has been encouraged, even developed, by the quality of suburban public schools. The only schools that do not feel the force of competition are those educating the lowest-income groups. Although the lowest-income families do move, they move within a restricted area and are, for the most part, not free to move into the neighborhoods of better schools.

Private schools provide them with alternatives, and thereby set standards that the public schools must meet. Without the private schools in the inner city, the public schools are freed of the embarrassment that such impoverished institutions are able to do a better job.

From my investigations, I have concluded that "local control" is not the means that encouraged most American schools to satisfy the demands of the parents. Parents seeking better schools chose them. If and when the schools displeased them, the parents chose "better" schools elsewhere. Choice is the mechanism that makes most public schools accountable today, not the political organization of the parents. By attracting students from the public schools, the private schools will provide inner-city parents with the prod they require to deliver better educational services.

Further, suburban public schools have been responsible for the racial isolation of minorities in the central cities. Private schools have given parents the option of better schools without the necessity of moving to the suburbs. The private schools have kept the cities more integrated than they would be without them. In our study, we found private schools to be better integrated racially than the public schools serving comparable income groups.[a]

THE ADVANTAGE OF THE TAX CREDIT APPROACH

In supporting low income parents in their educational choice, without question the federal government will help prevent inner-city schools from closing. But Constitutional concerns aside (and I believe the tax credit-tax deduction approach for religious institutions has already been confirmed as constitutional by the Court), the funding must not go directly from the government to the private schools (nor to the public schools for the same reasons.) The inner-city private school's financing is so precarious that it must focus a great deal of attention on those who offer it a chance of financial stability. If the government gives that promise, the school's attention will turn from parents to the government.

The connection of the school to its parents is a precious resource. The school is able to encourage—even require—the parents to work with it, and the parents know the school needs their efforts. The participation in private inner-city schools by parents is extremely high, approaching 90%. The success of a school so underfunded and undermanned depends on this parent participation. And the parent participation is what makes the school so effective a center of community life. Direct funding of the school will upset this balance, making the school look toward the city to solve its problems, and making the parents think their services are not needed, not called for or not valuable (the parents could be replaced by experts).

Furthermore, when parents, knowing they have a choice and are voluntarily doing what they are doing, choose to pay tuition to a school, they have a sense of running the school. Finally, when the CORE school, or any private school, dissatisfies parents, they make their dissatisfaction known by pulling out of the school. Either the school must have many children waiting in the wings to come into the school, or it must change its ways to satisfy the parents who are leaving, or it will fail. Parents are less likely to "supervise" the schools when they do not pay the bill themselves, and the larger a share of total income the tuition bill represents, the more likely the parent is to scrutinize (and support) the school more intensely. Funding which minimizes the importance of tuition to the school, and lowers the real cost of tuition to the parent makes the private school less likely to succeed with inner-city children.

An important virtue of this system is that parents must pay $1 out of every $2 increase in costs. It is still important for the school to cut costs and increase its productivity. It is still important for parents to contribute their services. The parents in fact pay large educational bills, and are constantly aware of the full cost of the education they are paying for. (In many cases, the true cost for one child will be 20% of total gross income for the year.) The arrangement helps make an important point symbolically: education is not free. It is costly, it is valuable.

Finally, we should note the great advantage of this approach over the administration approach. The administration's bill is confined to aid families with above median incomes whose children are in college. The proposed tax refund bills help all families, but especially the lower-income families, choose the schools which are better. The approach will make public schools more efficient, by reinjecting competition into their world. If the public schools were confident that they were doing the best job that could be done, they would not be concerned that the proposed legislation made it a little easier for parents to choose private schools. As matters now stand, public schools have great advantages. They are tuition free. At the elementary level they have lower pupil-teacher ratios. They spend much more per pupil, from twice to six times as much as private schools. The costs to parents who choose private schools will still be quite high even with this bill, but its aid is sufficiently high to insure that—even if at great cost to the parents—an alternative choice is possible. For this reason, the proposal to delete the refundability aspect of the tax credit is not desirable. It eliminates aid for those whose incomes are lowest and who need the private school alternative.

UNIVERSITY OF CALIFORNIA,
LOS ANGELES,
Los Angeles, Calif., February 9, 1978.

Representative BILL FRENZEL,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FRENZEL: As one who has done some research and writing on the education of minority schoolchildren (see enclosed paper), I want to express my support for the Packwood-Moynihan bill in the strongest possible terms. Nothing that has been done or proposed in recent decades offers so much hope for disadvantaged children trapped in impossible circumstances.

The truly revolutionary aspect of the Packwood-Moynihan tuition tax rebate bill is that it would extend to working class people, to the poor, and to disadvantaged minorities the vital element of choice which has been lacking in their elementary and secondary schools. This choice is important not only to those who exercise their option to go to private schools, but also to those who don't. No one would any longer be a captive audience of the public schools. No longer could the needs of the children and the desires of the parents be treated in the cavalier manner that they are when education officials have a monopoly.

Some schools—both public private—have achieved outstanding results with minority youngsters, despite the heartbreaking failures in the public school system as a whole. Successful education is not only possible but is being achieved in some of the poorest slums in the country. Those private schools which have succeeded must be kept alive as both models and alternatives. Many of these private schools are low-budget Catholic parochial schools, some left behind in black ghettoes after their original clientele move on to other neighborhoods. Often the black children are Protestants (70 percent in one of the Catholic schools in my enclosed study), and are sent to the Catholic schools for educational rather than religious reasons. It has been estimated that 10 percent of all ghetto youngsters in Chicago attend Catholic schools, and usually with far better results than the public schools. For children who have so many handicaps and so few ways out of poverty, these educational alternatives are desperately needed. Indeed, more alternatives are needed and undoubtedly will emerge if this bill helps create a market for them.

The Constitutional separation of church and state rightly forbids state aid to parochial school, but it should not foreclose parents' options of spending a tax rebate where they choose, just as they are now free to put other forms of government benefit money in the collection plate on Sunday if they wish. I say this as one who has never been a member of the Catholic Church, but who is concerned—and profoundly disturbed—by what goes on in the public schools, especially in low-income and minority neighborhoods.

The Packwood-Moynihan bill is an historic opportunity for a fundamental improvement in a chronic social problem at a relatively modest cost. It would be tragic if it were sidetracked in favor of legislation continuing business-as-usual by putting more money into colleges and universities. The other end of the educational process is where the effort is most needed, so that millions of youngsters will not have their futures foreclosed by grossly inadequate educational preparation at the elementary and secondary level.

Sincerely yours,

THOMAS SOWELL,
Professor of Economics.●

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate Committee on Energy and Natural Resources may meet during the session of the Senate tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

WATER RESOURCES PLANNING ACT

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2701.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

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[a] Thomas Vitullo-Martin, "The Function of Private Schools in the Integration of Metropolitan Areas" (Unpublished manuscript, 1977). This paper draws heavily on research supported by a basic research grant of the National Institute of Education "Parents, Policies and Political Structures" (completion date: March, 1978).

Resolved, That the bill from the Senate (S. 2701) entitled "An Act to amend the Water Resources Planning Act (79 Stat. 244, as amended)", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That (a) section 401(a) of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is hereby amended by deleting the words: "Not to exceed $6,000,000 for fiscal year 1978" and inserting in lieu thereof: "The sum of $2,860,000 for fiscal year 1979".

(b) Title I of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is hereby amended by adding the following section:

"SEC. 106. (1) The Council shall be abolished on the last day of fiscal year 1978.

"(2) The authorities, powers, functions, and duties accorded the Council in titles II, III, and IV of this Act shall, on the last day of fiscal year 1978, be transferred to the Secretary of the Interior.

"(3) The assets, liabilities, contracts, property, records, and the unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 202 of the Budget and Accounting Procedure Act of 1950, shall be transferred to the Secretary of the Interior for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.".

(c) Section 401(c) of the Water Resources Planning Act (79 Stat. 244, as amended) is amended by deleting the words: "Not to exceed the sum of $3,905,000 for fiscal year 1978 for preparation of assessments, and for directing and coordinating the preparation of such river basin plans as the Council determines are necessary and desirable in carrying out the policy of this Act: *Provided*" and inserting in lieu thereof: "The sum of $2,720,900 for fiscal year 1979 for preparation of assessments, and for directing and coordinating the preparation of such river basin plans as the Council determines are necessary and desirable in carrying out the policy of this Act: *Provided*, That $828,900 shall be available under this subsection for preparation of the Columbia River Estuary Special Study: *Provided further*, That $308,000 shall be available under this subsection for preparation of the New England Port and Harbor Study and $135,000 shall be available for completion of the Hudson River Basin Level B Study: *Provided further*, That $150,000 shall be available under this subsection for completion of Case Studies of the Application of Cost Sharing Policy Options for Flood Plain Management in the Connecticut River Basin: *Provided further*".

(d) Section 301(a) of the Water Resources Planning Act (79 Stat. 244, as amended) is amended by deleting the words: "for fiscal years 1977 and 1978, $5,000,000 in each such year" and inserting in lieu thereof: "$3,000,000 for fiscal year 1979".

(e) Appropriations authorized by this Act for salary, pay, retirement, or other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases authorized by law.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate disagree with the amendment of the House and request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GRAVEL, Mr. RANDOLPH, Mr. MUSKIE, Mr. DOMENICI, and Mr. STAFFORD conferees on the part of the Senate.

BUREAU OF LAND MANAGEMENT AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 10787.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 10787) entitled "An Act to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management", with the following amendment:

On page 6, line 10 strike out "1980" and insert: "1979".

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

FOREIGN CURRENCY REPORTS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Secretary of the Senate, in accordance with the provisions of the Mutual Security Act of 1954, as amended (22 U.S.C. 1754(b)), the Secretary of the Senate submits, for the RECORD, the following additional report, concerning the foreign currencies and U.S. dollars utilized during the calendar year 1977 in connection with foreign travel.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, U.S. SENATE COMMITTEE ON APPROPRIATIONS (AMENDED REPORT)—EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1977

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S currency
Amount brought forward			$6,298.36		$5,949.02		150.00		$12,397.38
Arthur Houghton:									
Mexico (returned $199)	Pesos	7,318.70	326.00						326.00
Brazil (returned $193)	Cruzeiro	1,339.64	107.00						107.00
Airfare					1,734.00				1,734.00
Senator Charles McC. Mathias:									
Mexico (returned $199)	Pesos	7,318.70	326.00						326.00
Brzail (returned $193)	Cruzeiro	1,339.64	107.00						107.00
Airfare					1,734.00				1,734.00
Total			7,164.36		9,417.02		150.00		16,731.38

[1] If foreign currency is used, enter U.S. dollars equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	16,656.38
Appropriated funds	75.00
Total	16,731.38

SPECIAL ORDER FOR MONDAY, AUGUST 14, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders have been recognized under the standing order, Mr. HARRY F. BYRD, Jr., be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF H.R. 12932 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:30 tomorrow. I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order the Senate resume consideration of the pending Interior appropriations bill.

It will be the intention of the leadership to attempt to complete action on this measure as soon as possible. I would anticipate there will be rollcall votes on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, are there any special orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are not.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 8:28 p.m., the Senate recessed until Wednesday, August 9, 1978, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 8, 1978:

THE JUDICIARY

Mariana R. Pfaelzer, of California, to be U.S. district judge for the central district of California, vice Francis C. Whelan, retired.

DEPARTMENT OF JUSTICE

Tyree A. Richburg, of Alabama, to be U.S. marshal for the southern district of Alabama for the term of 4 years, vice Harold S. Fountain, resigned.

HOUSE OF REPRESENTATIVES—*Tuesday, August 8, 1978*

The House met at 12 o'clock noon.

Rev. Grace Free, Unity Church, Hammond, Ind., offered the following prayer:

And Jesus said unto him, "If thou canst believe, all things are possible to him that believeth."—Mark 9: 23.

Infinite God, source of all life and love, help us to think our way to victory over problems; to establish big goals for perpetuating and increasing the rights, freedoms, ingenious talents, and efficient skills of our youth, and the people of our Nation.

We believe You are always with us, and our weakness becomes Your strength, as we let Your powerful wisdom and love guide us now, to build a more united, intelligent, and productive nation.

Let us by our big faith and example glorify work, education, positive thinking and action, and thus motivate our youth, and all people in our Nation, to commit themselves to a wholehearted involvement in these constructive and progressive aspects of life to achieve victory, peace, and happiness. Amen.

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, under rule I, clause 1 of the rules of the House, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Without objection, a call of the House is ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 655]

Ambro	Fowler	Pritchard
Armstrong	Fraser	Rangel
Ashley	Frey	Rhodes
Barnard	Gaydos	Risenhoover
Beilenson	Gibbons	Ruppe
Blanchard	Gudger	Russo
Bolling	Hansen	Santini
Burke, Calif.	Jenkins	Sawyer
Burlison, Mo.	Kasten	Scheuer
Cederberg	Le Fante	Sisk
Clay	Leggett	Skelton
Cochran	Lent	Skubitz
Conyers	Levitas	Teague
Davis	Lloyd, Tenn.	Traxler
Dent	McCloskey	Tsongas
Diggs	McDonald	Tucker
Drinan	McKinney	Udall
Evans, Del.	Mathis	Waggonner
Evans, Ga.	Milford	Wilson, C. H.
Fascell	Moakley	Wilson, Tex.
Flowers	Nichols	
Flynt	Pressler	

The SPEAKER. On this rollcall 368 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 11209. An act to provide for the establishment, ownership, operation, and governmental oversight and regulation of international maritime satellite telecommunication services;

H.R. 11886. An act to amend title 38 United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for their survivors, and for other purposes;

H.R. 12934. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes;

H.R. 12935. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes;

H.R. 12936. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1979, and for other purposes; and

H.R. 13467. An act making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12934) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1979, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLINGS, Mr. MAGNUSON, Mr. EAGLETON, Mr. INOUYE, Mr. BURDICK, Mr. LEAHY, Mr. DECONCINI, Mr. BUMPERS, Mr. WEICKER, Mr. BROOKE, Mr. MARK O. HATFIELD, Mr. STEVENS, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12935) entitled "An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1979, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SASSER, Mr. HUDDLESTON, Mr. BUMPERS, Mr. MAGNUSON, Mr. SCHWEIKER, Mr. WEICKER, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12936) entitled "An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1979, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. STENNIS, Mr. BAYH, Mr. HUDDLESTON, Mr. LEAHY, Mr. SASSER, Mr. MAGNUSON, Mr. MATHIAS, Mr. CASE, Mr. BROOKE, Mr. BELLMON, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 13467) entitled "An act making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. STENNIS, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. INOUYE, Mr. HOLLINGS, Mr. BAYH, Mr. EAGLETON, Mr. CHILES, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. BURDICK, Mr. SASSER, Mr. LEAHY, Mr. BUMPERS, Mr. YOUNG, Mr. CASE, Mr. BROOKE, Mr. MARK O. HATFIELD, Mr. STEVENS, Mr. MATHIAS, Mr. SCHWEIKER, Mr. BELLMON, and Mr. WEICKER to be the conferees on the part of the Senate.

TRIBUTE TO REV. GRACE FREE

(Mr. BENJAMIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENJAMIN. Mr. Speaker, I am particularly pleased and honored to welcome to our House of Representatives Rev. Grace Free, pastor of Unity Church in Hammond, Ind. Reverend Free was

happy to accept this high honor of opening our session with prayer and I am gratified that such a fine and dedicated minister from my district was given this memorable distinction.

Reverend Free has been extremely active in religious and civic affairs in the First Congressional District of Indiana. Her humanitarian efforts are well known throughout the State and the Nation and she has ministered with kindness and effectiveness to her large congregation at Unity in Hammond. Reverend Free was ordained in 1953 into the Unity Ministry at Unity Village in Kansas City, Mo., and she received an honorary doctor of divine sciences degree in 1976. As a teacher, Reverend Free has conducted seminars, workshops, and prayer clinics and she is a life member of the International New Thought Alliance.

Raised in Philadelphia, Reverend Free moved to Lake County in the early fifties. Reverend Free has authored numerous articles, booklets, and prayers. She has received honors and accolades too numerous to mention here but I sincerely felt that her contributions to our area made her particularly suited and deserving to represent our Lake County area here today.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12303, NURSE TRAINING AMENDMENTS OF 1978

Mr. MURPHY of Illinois, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1449), on the resolution (H. Res. 1300) providing for consideration of the bill (H.R. 12303) to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12347, BIOMEDICAL RESEARCH AND RESEARCH TRAINING AMENDMENTS OF 1978

Mr. MURPHY of Illinois, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1450), on the resolution (H. Res. 1301) providing for the consideration of the bill (H.R. 12347) to amend the Public Health Service Act to revise and extend the programs of assistance for libraries of medicine and the programs of the National Heart, Lung, and Blood Institute and the National Cancer Institute, to revise and extend the program for National Research Service Awards, and for other purposes which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12584, HEALTH SERVICES RESEARCH, HEALTH STATISTICS, AND HEALTH CARE TECHNOLOGY ACT OF 1978

Mr. MURPHY of Illinois, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1451), on the resolution (H. Res. 1302) providing for consideration of the bill (H.R. 12584), to amend the Public Health Service Act to revise and extend the authorities under that act relating to health services research and health statistics and to establish a National Center for Health Care Technology, and for other purposes, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT OF CONFEREES ON H.R. 12935, LEGISLATIVE BRANCH APPROPRIATIONS, 1979

Mr. SHIPLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12935) making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. ROONEY). Is there objection to the request of the gentleman from Illinois (Mr. SHIPLEY)?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, and I do so merely for the purpose of asking the distinguished gentleman from Illinois (Mr. SHIPLEY) whether this is the bill which contains the multimillion-dollar funding for the third palace of potentates for the other body that I understand was approved over there the other day. Is that money in this bill?

Mr. SHIPLEY. Mr. Speaker, if the gentleman would yield, I would say to my friend the gentleman from Maryland (Mr. BAUMAN) that this is not the vehicle he is looking for, the vehicle the gentleman is looking for is the supplemental. I understand they put the money for that in the supplemental.

Mr. BAUMAN. So that there is no money for the extra gym, the squash courts and the sauna baths in this legislation?

Mr. SHIPLEY. Definitely not.

Mr. BAUMAN. I am glad to hear that, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and, without objection, appoints the following conferees: Messrs. SHIPLEY, BENJAMIN, GIAIMO, MCFALL, CHAPPELL, MURTHA, MAHON, ARMSTRONG, COUGHLIN, and CEDERBERG.

There was no objection.

PRESIDENT CARTER'S NEW INITIATIVE FOR PEACE IN THE MIDDLE EAST

(Mr. YATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YATES. Mr. Speaker, I was privileged this morning to be invited to the White House by President Carter to hear him announce that he had invited Prime Minister Menachem Begin of Israel and President Anwar Sadat of Egypt to Camp David on September 5 to continue their discussions looking to a peaceful settlement of their disputes. Both have accepted the President's invitation.

I want to commend President Carter for this most dramatic and welcome initiative. I believe it will breathe new life into the flagging discussions in the Middle East, and I hope, as does the world, that these new direct negotiations in the quiet, the tranquillity, and the isolation of Camp David will result in a breakthrough for peace in the Middle East.

HAITIAN ASYLUM SEEKERS

(Mr. EILBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EILBERG. Mr. Speaker, I would like to bring to the attention of my colleagues a very serious situation which has been permitted to reach critical proportions as a result of delayed, ill advised and very often nonexistent action on the part of the Immigration and Naturalization Service. I refer to the growing influx of Haitian nationals entering southern Florida illegally and thereafter requesting political asylum.

Currently there are approximately 8,000 Haitian nationals in the southern Florida area awaiting either deportation or exclusion proceedings. Since November of 1977, 1,435 Haitians have arrived in Miami. Almost 1,100 of this number arrived in the months of June and July, which I think is an indication that this problem will reach alarming proportions in the near future.

These aliens, pursuant to recently instituted changes in policy are now being released from custody without the requirement of the posting of a bond, and are automatically given authority to work. These new procedures have, not surprisingly, resulted in these individuals absconding at a rate of one out of every four.

Their impact on the various State and local health and welfare agencies as well as on the job market in the area, is staggering.

The subcommittee intends to keep a close eye on this very critical situation and I will keep my colleagues informed of further developments.

TAX CREDITS FOR RESIDENTIAL ENERGY CONSERVATION DEVICES

(Mr. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUKEN. Mr. Speaker it is imperative that the House be allowed to vote on an amendment to the Revenue Act of 1978 (H.R. 13511) allowing homeowners tax credits for the installation of solar energy devices, insulation, and other energy conservation equipment.

These credits were promised by the Congress more than 15 months ago and it is time we delivered.

I ask the members of this committee to waive points of order and take the necessary steps to allow the House to fulfill this pledge for the good of our constituents and the energy conservation industry.

The legislative history of this single tax benefit for the American consumer is a sad one. While both the House and Senate have agreed to the principle of fostering energy conservation at the residential level and further agreed on tax credits as the best means of implementing the idea, the issue has become bogged down in the morass of contention around the crude oil equalization tax.

I foresaw the calamitous consequence of the energy conferees stalemate on February 28 of this year, when I introduced a bill to separate the energy tax credits section from the National Energy Act and move the issue before the House for prompt action. A vote for the tax credits would have given taxpayers the opportunity to deduct the credits from this year's Federal income tax payment.

We in the Congress cannot let another April 15 go by without an energy tax credit provision. Let's get it done now. Passage of an energy tax credit will allow homeowners to install solar energy and conservation equipment in their homes before another harsh winter. Enacting such a provision will save homeowners money on fuel, help conserve the Nation's precious energy reserves, and move the country down the only sensible path toward the awareness and practice of energy conservation.

THE NEED TO PASS H.R. 12293 TO AID HARD-HIT URBAN AREAS

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, a very serious situation has developed affecting all urban areas hard hit by the economic and employment conditions.

The Supplemental Financial Assistance Act (H.R. 12293) has been bottled up in the Government Operations Committee. This legislation will provide funds to local governments in hard hit areas. At this time of dire need, such assistance from the Government targeted to needy areas will be a direct influence in getting us through the economic slump and help bring us back to stable times. My own city of Philadelphia is one of the hardest hit cities in the country. We have more black youths out of work than ever before. Our general unemployment level far exceeds the national average. With the loss of many government jobs and the competition from foreign industries, Philadelphia, as many cities, is in dire need of assistance such as this act will provide.

In these crucial times we are shirking our duties to the people who elected us if we do not take action. I call upon my colleagues to express their concern and take action to see that this legislation is considered in due course.

PRESIDENT CARTER IS TO BE CONGRATULATED FOR INVITING PRIME MINISTER BEGIN AND PRESIDENT SADAT TO CAMP DAVID

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I want to join the gentleman from Illinois (Mr. YATES) in congratulating President Carter on his invitation to Prime Minister Begin and President Sadat to come to Camp David for face-to-face talks starting September 5, and to congratulate both of these leaders on having accepted our President's invitation.

I believe President Carter should have the support of all Americans in his initiative to get negotiations for peace in the Middle East back on the track. There can be no guarantee that the Camp David talks will produce a settlement, but without such leadership from the United States the prospects for peace would be very bleak.

Again I commend the President on this move.

RE-REFERRAL OF H.R. 13719 TO COMMITTEE ON WAYS AND MEANS

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from the further consideration of the bill (H.R. 13719) to offset the loss in tax revenues incurred by Guam and the Virgin Islands by reason of certain Federal tax reductions, and that the bill be rereferred to the Committee on Ways and Means, with the understanding that this action in no way affects the basic or future jurisdiction of the Committee on Interior and Insular Affairs with regard to matters involving or affecting the islands of Guam and the Virgin Islands.

Mr. Speaker, I make this request with the approval and concurrence of the Chair of the Committee on Interior and Insular Affairs and the Chair of the Committee on Ways and Means.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO SIT DURING HOUSE SESSION ON TUESDAY NEXT

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may meet during the House session on Tuesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. BAUMAN. Reserving the right to object, can the gentleman tell me whether or not the minority has been consulted on that request.

Mr. THOMPSON. If the gentleman will yield, the minority was not consulted—and I regret this—with respect to the unanimous-consent request, but was informed this morning that we have pending business.

The ranking Member, the gentleman from Alabama (Mr. DICKINSON) is here. We have pending business which we feel makes it necessary to meet on Tuesday next.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Alabama.

Mr. DICKINSON. I thank the gentleman for yielding.

I think the situation has been correctly stated. I was not involved as to the request for unanimous consent, but we did have a meeting this morning, and we did decde that we had legislation that needed to be acted on, and we agreed to meet Tuesday.

Mr. THOMPSON. I thank the gentleman. I apologize for not consulting with the minority.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

POPE PAUL VI

(Mr. COHEN asked and was given permssion to address the House for 1 minute and to revise and extend his remarks.)

● Mr. COHEN. Mr. Speaker, around the world there is great sadness this week. The passing of Pope Paul VI is mourned not only by Roman Catholics and other Christians, but by members of all the world's religious denominations.

Pope Paul's pontificate was not without controversy and, at times, dissension. But for the past 15 years, Pope Paul has been the cornerstone of the humanitarian movement throughout the world. Time and time again, his was the voice that in moments of crisis counseled calm and compassion. He traveled to six continents, bringing his message of peace and love.

The Pope's influence on events in this secular age was subtle. It has been said that he lacked the personal magnetism of his predecessor, John XXIII. But in his dedication to his church, he was second to none. His steady work for humanitarian goals and world peace brought him together with the leaders of virtually every nation and denomination on Earth. And there can be no doubt that, in his own quiet way, he brought his dream of peace on Earth a step closer to fulfillment.

The Catholic Church will miss Pope Paul; the world will miss a truly great moral leader.●

CALLS FOR A DRUG INVESTIGATION: PARTISAN OR PRAISEWORTHY?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. MICHEL. Mr. Speaker, on June 16, 1976, candidate Jimmy Carter presented his platform proposals. Among those proposals, listed under the title "An Open and Honest Government: Code of Ethics for the Federal Government," was this one:

> Errors or malfeasance in the Executive Branch should be immediately revealed by the President and an explanation given to the public along with corrective action, where appropriate, to prevent any recurrence of such actions.

In his acceptance speech in Madison Square Garden, Carter said:

It is time for our government leaders to respect the law no less than the humblest citizen, so that we can end once and for all a double standard of justice. I see no reason why big shot crooks should go free and the poor ones go to jail.

Despite these two statements, President Carter has not asked for an investigation of charges of illegal drug use among White House aides. These charges were made by Dr. Peter Bourne and by various respected members of the media.

If Republicans call for an investigation, charges of partisanship are made.

So, Mr. Speaker, I today call upon all good Democrats in Congress to help the President live up to his campaign pledge of clean government.

I fully expect to see at least a hundred Democrats call for an investigation of White House drug use by the end of the day.

I also fully expect the Sun to rise in the north.●

DEFENSE APPROPRIATIONS, 1979

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 13635) making appropriations for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 13635, with Mr. ROSTENKOWSKI in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, August 7, 1978, the Clerk had read through line 17 on page 20.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is our third day to give consideration to the Defense appropriations bill. I would hope we would be able to finish the bill expeditiously. There are a number of printed amendments.

Under leave to extend my remarks, I place in the RECORD at this point a discussion relative to the aircraft carrier and our Navy generally.

SETTING THE RECORD STRAIGHT

Mr. Chairman, upon reviewing the CONGRESSIONAL RECORD of the proceedings and debate of yesterday on the fiscal year 1979 Defense appropriations bill, I observed some matters that I feel should be clarified. I take this time to set the record straight with respect to U.S. aircraft carrier losses and the U.S. Navy generally.

AIRCRAFT CARRIER LOSSES

During our debate on the nuclear-powered aircraft carrier, statements were made to the effect that:

We have never lost an aircraft carrier that was built from the keel up as a carrier;

The U.S. carriers that were built from the keel up and lost during World War II were built prior to that war, and

The five U.S. large carriers lost during World War II were not built primarily as aircraft carriers.

It seems that the foregoing references and claims that appeared in the RECORD of yesterday should be clarified.

I asked the Navy and the Department of Defense to supply me with information regarding aircraft carrier losses during World War II. This data reflects that the U.S. Navy lost a total of 11 aircraft carriers during that war. Five of those losses involved our large carriers, of which we had a total of 17. Thus, we lost 29 percent of our large carrier force. The remaining six losses were sustained by our small escort carriers of which we had 110. The following table shows how our five large aircraft carriers were lost during World War II.

LARGE U.S. AIRCRAFT CARRIERS SUNK IN WORLD WAR II

U.S.S. *Lexington:* Keel laid as battle cruiser, but built as large CV carrier. Delivered, 1925. Sunk 5/8/42. Actual sinking, severely damaged by Japanese; eventually sunk by U.S. destroyer

U.S.S. *Wasp:* Built as large CV carrier. Delivered, 1939. Sunk, 9/15/42. Actual sinking, severely damaged by Japanese; eventually sunk by U.S. destroyer

U.S.S. *Yorktown:* Built as large CV carrier. Delivered, 1936. Sunk 6/7/42. Actual sinking, severely damaged by Japanese; eventually sunk by U.S. torpedoes

U.S.S. *Hornet:* Built as large CV carrier. Delivered, 1940. Sunk, 10/26/42. Actual sinking, severely damaged by Japanese and sunk by Japanese torpedo while under tow by U.S. destroyer; U.S. destroyer also sunk at same time by Japanese torpedoes.

U.S.S. *Princeton:* Built on cruiser hull as large CVL carrier. Delivered, 1942. Sunk, 10/24/44. Actual sinking, severely damaged by one Japanese bomb; eventually sunk by U.S.

With respect to other carrier losses, the Navy advises me that during World War II, the British lost 5 aircraft carriers and we sunk 17 Japanese carriers, some of them quite large.

References were also made to the fact that no carrier designed since World War II was ever lost to enemy action. This is certainly true. We have made many improvements in carrier design since 1945 to increase the survivability of our carriers. I might point out, however, that according to the Department of Defense, since World War II our carriers have not been attacked by any nation because they have been used in situations where no credible submarine or air threats could be mounted in opposition. Navy studies have consistently shown that in the event of hostilities with the Soviet Union, carrier losses could be expected. The level of such losses would vary depending on where and how the war starts, and the proximity to the Soviet land mass assumed for carrier operation.

I make the foregoing observations, not because I feel the aircraft carrier is obsolete, but merely to clarify the many varied references made concerning the vulnerability and survivability of aircraft carriers, and to separate fact from fancy.

UNITED STATES VERSUS U.S.S.R. NAVY

There has been considerable discussion this year comparing the U.S. Navy with that of the U.S.S.R. Pages 242 through 245 of the committee report—House Report No. 95–1398—are devoted to this subject. During the last several years, the Chief of Naval Operations has testified that the U.S. Navy is superior to its Soviet counterpart and that our aircraft carriers provide that margin of superiority. Based on data provided by the Navy, we find that between 1970 and 1977 our Navy has delivered more total ships in the category of major warships over 1,000 tons than have the Soviets, and that our total major surface combatants compare favorably with those of the Soviet Navy. The following table provides a comparison of the major surface combatants of each fleet:

Over 3,000 tons:	U.S.	U.S.S.R.
Aircraft carriers	13	1
Cruisers	27	37
Destroyers	[1] 93	90
Frigates	63	-------
Total ships over 3,000 tons	196	128
Under 3,000 tons: Frigates	2	105
Total major surface combatants	198	233

[1] Includes 29 Naval Reserve Fleet destroyers manned by active duty U.S. Navy personnel up to 75 percent of the total manning for those ships.

I submit this statement not to disparage our Navy, but to clarify these issues and to again pay tribute to the great record of the U.S. Navy and to its strength and competence.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, yesterday during the debate on the Defense bill, the gentleman from Wisconsin (Mr. STEIGER), during the time when we were in very limited debate and Members only had a few seconds to comment, made some rather disparaging remarks about the Defense Subcommittee on Appropriations.

I talked with the gentleman later and the gentleman gave me a statement that he had made to the Senate Armed Services Committee on June 20, 1978, where the gentleman outlined his concerns having to do with the All-Volunteer Army, with recruitment and retention, and because the gentleman expressed some concern about that subcommittee, I asked permission when we were in the House that I may insert the gentleman's remarks in the RECORD at this point, so that all Members may know what the gentleman referred to and so that our committee and our staff may have copies of those remarks and can do some studies on the viewpoint of the gentleman from Wisconsin (Mr. STEIGER) as regards the Volunteer Army.

Mr. Chairman, the material follows:

TESTIMONY OF CONGRESSMAN WILLIAM A. STEIGER OF WISCONSIN

Mr. Chairman, thank you for giving me the opportunity to testify before you today

on the status of the All-Volunteer Force (AVF). I deeply appreciate your willingness to hold these hearings. If the AVF is to continue to be successful, and if we are to continue to maintain a strong defense force, it is important that Congress provide strong oversight and that we do what we can to make the AVF work more effectively.

It is an honor to participate in these hearings with my distinguished colleague from Tennessee, Robin Beard. He deserves a lot of credit for undertaking his study, prepared by Jerry Reed. It has done a lot to draw renewed attention to manpower issues facing our Armed Forces.

I would like to share with you the findings of a study I have made regarding the state of the Army. In pursuing this matter, I visited three installations—Fort Meade, Fort Gordon, and Fort Hood. My goal was to talk with commanders and troops, in headquarters and in the field, in order to gain insight into their views on Army life and the readiness of our forces.

To enhance my ability to get at the facts, I arrived unannounced at each post, making a brief courtesy call at the post headquarters, and then spent several intensive days talking with personnel at all levels of the Army. The following material highlights some of the major recurring themes I encountered:

Volunteers repeatedly said that recruiters had misled them as to job opportunities and assignments;

Dependents stated that medical care was difficult to obtain, and, when given, was delivered in a callous and impersonal matter;

Experienced commanders stated that discipline had never been worse—that rates of courts-martial, Article 15's, and absences were at all-time highs;

Units were often unable to train due to the absence of key personnel;

Senior enlisted men complained that the quality of troops had declined significantly—and that the growing number of individuals in Mental Group IV had made training and discipline nearly impossible;

Personnel at all levels complained that crimes of violence had seriously eroded the quality of life on post; at one installation, I was warned to avoid numerous areas on post after dark because they were dominated by "the criminal element";

Medical personnel told me of rampant drug abuse;

Facilities were in a general state of disrepair; barracks were characterized by severe deterioration of the plumbing, as well as the outside structure; gyms and recreation facilities were not only structurally deficient, but also lacked adequate equipment; soldiers frequently complained about the lack of off-duty activities and an inability to get to a major city for entertainment.

Mr. Chairman, these views simply highlight the more serious problems that I found. My tour was not made in 1978, but in 1971, at the height of the draft. I bring these matters to your attention to place into perspective critiques of the "volunteer" army. For such criticism to be fully appreciated, it must be recognized that problems are generated by the large, bureaucratic organization that is our Army, whether it be volunteer or drafted. The young people from Wisconsin—and Georgia and Tennessee—who join the Army today are no less willing than their predecessors to tolerate unsatisfactory conditions.

I would like to commend my colleague, Mr. Beard of Tennessee, for sponsoring an in-depth study of today's Army. There is much in his report that I can agree with, because it reflects my own study of the Army during the draft. Indeed, any of us who served as Members of Congress during the draft era know of these problems because we have voluminous case-worker files filled with allegations of recruiter malpractice, command abuse, inadequate equipment, poor facilities, and a multitude of other problems. Some were verified, others were not. But the point to remember is that because such difficulties pre-date the AVF, they cannot be cured by a return to the draft.

In discussing factors influencing the U.S. Army, the Beard study states, "The 'ghost of the draft' plagues the Army at many levels and the simple solution of reinstating the draft has great appeal to many soldiers regardless of rank." That is, unfortunately, true. And the same holds to some degree in Congress and in the public at large. As long as we can fall back on the simple solution of returning to forced service through conscription, the feeling is, why go through the bother of trying to make our military manpower policies work.

It's certainly a lot easier to require two years of service from our young men, and perhaps women, than it is to make military life sufficiently attractive that enough young people will volunteer to meet our defense needs. And it's also a lot easier to tell service personnel that they had better learn to accept what's dished out to them in their military experience than it is to try to make military life palatable. If a person is drafted into service, why should he expect a wage comparable to what he would make as a civilian? And why should he expect adequate living conditions?

It strikes me that those who criticize today's force and who look longingly to the alternative of the draft lack perspective. There is a tendency to forget that our armed forces have traditionally been made up of volunteers. We've had conscription in only 30 of our 200-plus years as a nation. And there's a tendency to forget the reports of low morale, low pay, bad living conditions, packed stockades and high AWOL and desertion rates that plagued our draft Army.

The lack of perspective extend to other areas. The AVF is blamed for problems that are not related to it and that are, in fact, symptomatic of society as a whole. An example is the criticism of reduced reading levels, which reflect problems with our educational system that are shown in the examples we've heard reported of college students who are barely literate. Another is the criticism cited in the horribly inept ABC–TV special on the Army about problems for GI's overseas because of the devaluation of the dollar. It's our economy that should be on the chopping block for that, not the Army.

It is ironic to hear people citing as proof of the quote-unquote sad state of affairs in the volunteer army, the criticisms made by some of the soldiers about their life in the Army. The ABC show was particularly culpable in this regard. Again, these people fail to consider that much the same criticisms have traditionally been made by military personnel—and they were more sharply expressed, and with greater frustration, by those who were forced into service.

There are major differences between the drafted Army and today's AVF. The financial condition of our soldiers has improved considerably; the problems that remain, particularly among junior enlisted personnel, are largely attributable to our failure to extend travel and transportation allowances for those who need it the most—the young families at the bottom of the pay scale. Facilities have improved tremendously. Crimes of violence are down, as are virtually every other disciplinary indicator. Quality has generally improved, particularly in terms of reducing the Mental Group IV content of the services. Most important, the services have achieved better than 99% of their recruiting objective in virtually every year since the end of the draft.

Problems remain—attrition, manning the reserves, improving the recruiting process, and providing adequate medical care. None of these challenges is insuperable. Each requires specific attention to manpower management. None requires a draft.

Most of these problems were spotted at the end of the draft era, but responses from Congress and the Pentagon have been less than supportive of sound manpower management. I would like to provide an assessment of our legislative performance in the manpower area.

Since the end of the draft, Congress has approved 12 pieces of legislation requested by the Defense Department to aid recruiting and retention of personnel. Most have dealt with special pay for individuals in critical skill positions. Others have done the following: Made permanent certain provisions of the Dependents Assistance Act, removed the 4-year limitation of additional active duty that a non-regular officer of the Army or Air Force may be required to perform on completion of training at an educational institution, and provided entitlement to round trip transportation to the home port for service personnel on permanent duty aboard a ship being inactivated from the home port whose dependents are residing at the home port.

But a variety of other incentive proposals have failed to receive favorable congressional action. One Pentagon proposal, to extend travel pay entitlements to those in the lower onlisted ranks, is only now getting attention after having been turned down in the past despite Pentagon requests.

I know the committee is concerned about manpower levels in the reserves. AVF supporters noted the need to deal with that problem years ago when we introduced legislation in 1972 to provide enlistment and reenlistment bonuses. Our proposals involved modest measures, designed to preclude the shortfalls we are now experiencing. If Congress were really concerned about shortfalls in the reserves, we would have dealt with this problems long ago. Only last year did we see the reenlistment bonuses, and this year, for the first time, the House has provided funds for the enlistment bonuses.

With respect to the problem of adequate medical care, our action has been slow in coming. We took too long in developing an adequate combination of bonuses and scholarships—and even today, our scholarship program is less attractive than that offered by the Public Health Service. If the Federal government, in effect, treats military medicine as less worthy than other federal medical endeavors, is it any wonder that we have shortfalls? We should be thankful that we have done this well.

Likewise, we have not taken reasonable action with respect to attrition. The House passed a discharge reform bill in 1971, but the Senate did not take it up; the House Armed Services Committee held hearings in 1975, but no legislation was produced. There are a number of sound legislative proposals that would require a serious re-evaluation of our reasons for discharge and the procedures to be followed in effecting discharges; but neither Congress nor the Pentagon has systematically reviewed the discharge process since the advent of the AVF; indeed, no such comprehensive review has been undertaken since the late 1940's. How can we expect the attrition situation to be solved if we do not even have a discharge systems related to the needs of a modern armed force?

Congress's record in handling the Pentagon's appropriations requests for AVF recruiting and retention resources is not one of which we can be proud. Before we cast stones at DOD manpower managers, we should consider the degree to which we have complicated their jobs.

In FY 72, as we were making the transition to the AVF, Congress supported the recruiting program proposed by DOD. The House Appropriations Committee, while recommending full funding of DOD's request, hardly showed great support for the AVF. The committee report said the following:

"The Committee . . . continues to have reservations about both the attainability and the desirability of an all-volunteer force and especially an all-volunteer Army. . . . the Committee has numerous reservations about Project Volunteer and intends to closely examine the first year progress of the program during the hearings on the FY 73 Defense budget."

What happened in FY 73 shows even more clearly the lack of firm congressional support for the efforts DOD was making to strengthen the AVF. House Appropriations slashed over $39 million from the active forces budget request, $24.5 million of which had been ticketed for the Army. Of that total, $9.5 million had been cut from the recruiting budget, almost all ($9 million) again from the Army's share. The amount finally appropriated was over $16 million below what the Pentagon had requested. For the reserve forces, Congress went along with the HAC recommendation that $1 million be cut.

The rationale contained in the HAC committee report was this:

"In FY 73 the Committee is not going to blindly fund more and more recruiting personnel even though these increases are once again touted as being a necessary part of an all volunteer armed force . . . Some determination as to the cost effectiveness of various alternative approaches must be made rather than the shotgun approach currently proposed by the Department of Defense . . . The Committee feels that the expenditure of additional dollars beyond the current level is not warranted and that if further experience indicates that the military services still cannot obtain their required strengths, funds should be requested for programs that more directly affect those personnel being recruited such as the combat arms bonus."

The committee proposed a reduction of the Army's proposed program for recruiters of some 1,292 man-years, while providing an increase of some 800 personnel over the FY 72 program. The Senate Appropriations Committee restored all the House cuts, but made general reductions in the military personnel account of each service in order to provide "sufficient flexibility in funding the various activities under [such] appropriation." The conference compromise made a significant cut in the DOD request.

The Army's recruiting and retention budget was cut by $6 million in final Congressional action. HAC, as I mentioned, wanted a $9 million reduction, while the Senate committee recommended no change. SAC's report noted that "complete funding of the departmental request associated with recruiting stations is necessary in order to implement the recruiting drive associated with an all-volunteer force."

FY 74 was the first time that HAC attempted to identify recruiting costs. After making its tabulation, the committee made a reduction of $3,597,000 from the DOD request. The Senate committee recommended no change, but Senate conferees agreed to the House cuts. SAC, in a general statement on recruiting, indicated its support of the services in their efforts to obtain sufficient recruits under the volunteer force concept.

An interesting thing happened in FY 75. HAC proposed a $6.7 million cut in the DOD budget, but no change in the Army's share. SAC, concerned that Army's hometown canvasser program needed better management, called for a $10 million cutback in it. Conferees restored $8 million of the cut, but urged the Army to evaluate the program. The final cut in the DOD recruiting and retention budget was more than $4 million less than either committee had recommended.

FY 76 was a critical year for the AVF. DOD requested $535 million for active forces recruiting and retention. HAC slashed almost $120 million and SAC almost $67 million from that request. Congress ultimately approved a cut of over $96 million.

HAC's justification for the decrease was that the Pentagon was quite successful in meeting AVF quality and quantity requirements:

"All of the services are currently meeting their quantity goals and are doing so at higher quality levels (as measured by high school graduation and mental category criteria) than they have ever done before . . . In further support of a reduction in recruiting costs in FY 76, the Committee points out that the services have now had three years in which to operate in an all volunteer environment. During these years they have become more efficient and effective in their operating procedures. The period of trial and error is over."

The committee proposed a 15 percent reduction in the recruiting program exclusive of costs related to examining, career counselors, advertising and the Army's Unit of Choice/Station of Choice program. It slashed 35 percent from the advertising budget. The rationale was this:

"With the current unemployment situation, and with recruits 'standing in line' to enlist, the Committee believes that a reduction of about 35 percent in the advertising budget is appropriate. A silmilar reduction in the recruiting budget was not recommended because there is not sufficient flexibility in the overall recruiting budget to permit a comparable reduction. It required a lot of effort to build and staff the recruiting structure and there is no desire to dismantle the institution. The recruiting organization cannot be subjected to extreme or frequent changes in size without a loss of efficiency, but adjustments of about 10 and 20 percent a year are feasible."

HAC recommended that the Unit of Choice/Station of Choice program be phased out by the Army "as soon as possible, but not later than November 30, 1975." In another recommendation, it concluded "that physical enlistment standards may be higher than necessary, especially if some consideration were given to the type of position the prospective enlistee is expected to work. The U.S. Armed Forces currently require the same minimum standards for all enlistees regardless of assignment. This contrasts with some other nations which relate the physical standards to the recruit's expected duties. It is apparent that relatively small changes in certain standards . . . could greatly increase the number of persons qualified for enlistment. Increasing the available population also increases the likelihood of attaining the required number of enlistees at less cost. . . This, of course, must be balanced against the cost of any increase in medical discharge rates."

The committee recommended a reduction in the enlistment bonus program beyond what DOD had proposed. It also said "that it may be possible to reduce the reenlistment bonus program still further in FY 76." From a personnel standpoint, HAC's recommendation was for "a reduction of about 8,000 man-years and about 14,000 in end strength during FY 76."

When the legislation was considered on the House floor, Rep. John Murphy and I joined in warning the House that it was too early to tamper with the successful transition to the Volunteer Force. The House, however, confident that recruiting could succeed with a lower budget, concurred in the reductions. As a result, additional pressure was placed on the recruiting establishment.

In FY 77, HAC again recommended a cut, this time of about $15 million in DOD's recruiting, advertising and support budget request. SAC called for an increase of about $1 million, and that was accepted by conferees and Congress. The SAC committee report noted the impact of congressional actions:

"The budgeted program continues a general downward trend in recruiting resources which, in part, results from past Congressional actions. In other cases the administration has proposed reductions, such as sharp curtailment in the enlistment bonus program. A common denominator of these actions has been the general assumption that economic conditions and improvements in service life will increase inducement for enlistment and permit reduction in the level of resources committed to this function. While recognizing the general validity of this assumption, the Committee believes that reductions may have gone too far in light of present circumstances. With minor exceptions, the services have been meeting or exceeding recruiting goals for FY 76, notwithstanding the greatly reduced program . . . It is clear to the Committee that emphasis must be placed on correcting present quality trends by directing recruiting efforts towards the most desirable elements of the candidate population. While this may entail slightly increased costs at the outset, it will avoid even higher costs later in the cycle, and could lead to potential reductions in the present training and support base."

Congress took about $30 million off DOD's budget request for FY 78, all of it in the advertising budget. HAC said it "remains skeptical as to the 'marginal return' in terms of high quality new accessions obtained through the expediture of additional advertising dollars." SAC concurred in the House reduction of advertising funds, saying the lower level would provide modest growth while "the Department continues work on implementing less costly management measures that the Committee believes are the key to recruiting and sustaining a volunteer force over the next two decades."

SAC's report touched on what I feel is the key to maintaining a strong AVF—strong management on the part of DOD officials and strong support of improved management on the part of Congress. It further noted what the Board report cited, "the ghost of the draft," which has caused some officials to feel that failure to make the AVF work would not be all that bad for them, and in fact, would make their jobs easier. Unless and until it is perfectly clear that we are 100% behind the AVF and are unalterably committed to making it work, there will be a natural tendency on the part of some people to devote less than total commitment and concentration toward the successful operation of the volunteer force.

In saying this, I do not mean that we should give a blank check to the Pentagon in personnel matters, nor do I believe that we should automatically approve every manpower item with an "AVF" label on it. Goldplating has no place in either the volunteer force or in weapons procurement. But we should give our manpower managers the legitimate tools they need to do the job. So far, we have been sadly lacking on that score.

The SAC report language is the most well-reasoned statement I've seen on what needs to be done from a management standpoint and on the extent to which the AVF has been a significant success to date. I'd like to quote from a portion of that report:

"The successful implementation of the All Volunteer Force by the Department of Defense represents a major management achievement. The challenge of voluntarily enlisting over 400,000 people (the equivalent of 1 out of every 3 qualified and available

male youths) on an annual basis has been successfully met, albeit some problems and issues still remain.

"All services met or exceeded their recruiting goals in fiscal year 1976. At the same time, accession quality continues to remain high by historical standards. Initial fears that an All Volunteer Force would be nonrepresentative do not appear to be justified. The present force is remarkably representative with respect to income and geographic region. Women are entering the service in greater numbers. The black percentage of overall enlisted accessions has decreased since 1974, while showing only moderate growth in the Army.

"Along with these accomplishments, however, there remain a number of problems that present serious challenges to the future management and sustainment of the volunteer force. These challenges include:

"Manning shortfalls in the reserve components, including recruiting problems in the selected reserve and a projected decline in the strength of the individual ready reserve;

"The high costs of recruitment and retention, including the prospect that by fiscal year 1985, manpower costs could be as much as $8 billion more than they are today, even if there is no inflation and no increase in military force size;

"A declining youth population that will make it necessary, assuming that the current force size and management policies are not changed, to increase the percentage of male volunteers required from the total who are qualified and become available annually, from the present 33 percent, to over 40 percent by the year 1990;

"Improving prospects for the growth in numbers of jobs in the civilian sector of the economy that tend to make military service appear less attractive to some entering the labor market.

"Although these problems may appear to be formidable to those not intimately familiar with current military management policies, the Committee has carefully examined them. It is the Committee's considered view that the All Volunteer Force is a success and can continue to be so, but only if there is a significant change in the management approach taken by the military services and the Defense Department.

"A number of management options exist that can be used to meet current recruiting difficulties and cope with the expected decline in the number of young males. The Committee is convinced that systematic changes in defense manpower policies can avoid a great deal of the potential cost increases, sustain the All Volunteer Force, and possibly achieve overall savings in defense manpower—both military and civilian costs—as well. Achieving systematic change in manpower policies is not an easy task, nor is it an unsurmountable problem as some critics have contended. The chief problem appears to be an institutional one—the military services themselves are unsure of whether or not they can truly meet the management challenges posed by an All Volunteer Force, or would prefer the easier management choices available under a draft system. This is reflected in many of the current policies and procedures in defense manpower, which, if not changed, indicate strongly that the All Volunteer Force may fail before it has been given a serious opportunity by this nation. The Committee believes that before the All Volunteer Force is abandoned and replaced by any form of military conscription, it is essential that serious consideration and experimentation be given to certain realistic management options.

"COMMITTEE CONCLUSIONS REGARDING THE ALL VOLUNTEER FORCE

"The foregoing discussion highlights the need for a change in attitude on the part of the military services in their management of military personnel resources if an all volunteer force is to be achieved. The Committee explicitly rejects the notion, so prevalent in the military services today, that the problem is simply a financial one and that spending ever increasing quantities of money is a way to insure success. The Committee will provide only as a last resort such costly supply-increasing options as sharply increased recruiting and advertising budgets, expanded bonuses or significantly increased pay levels. Prudent increases in resources may be required, but changes in attitudes and management policies appear to be far more important future determinants of whether this country will be able to achieve and sustain an all volunteer force."

Right now, we're facing a situation where the Administration is making a request and HAC has recommended a lower figure than was asked for. The issue this time is Selective Service. As you know, I have consistently worked for lower spending for Selective Service. In this instance, though, I think the requested-for $9.5 million is appropriate. DOD and Selective Service say that amount, which is about $2.5 million higher than HAC appropriated, will allow them to meet a wartime inductee delivery schedule which is accelerated significantly over the one now in existence—and that they can meet that schedule without registration. I think they deserve the chance to prove that's true.

My feeling, then, is that Pentagon officials deserve the opportunity to show that they can do the job in meeting the management challenges associated with the volunteer force. Both in attitude and in resources, we must support them. As the SAC report said, the concentration must continue to be on improved management, rather than on throwing dollars after problems. As shown in the encouraging statistics of lowered attrition following renewed management emphasis, significant strides can be made with the proper commitment.

But the Pentagon can't do it alone. When opinion-shapers like television and newspapers offer grossly misleading accounts of the status of our defense forces, as the recent ABC documentary and New York Times editorial did, it's a disservice to our men and women in uniform to Pentagon officials and to the American people, who are getting an unfairly and unrealistically bleak view of the calibre of our forces.

As I said in a letter to the Times in response to its editorial, "Congress cannot 'nickle and dime' the volunteer force to death without expecting certain adverse consequences. Likewise, the Times cannot ignore the need for manpower reforms and expect us to have a quality force, whether volunteer or conscripted. Neither the Times nor the nation can afford to play a volunteer army charade in which the mere introduction of compulsory service is expected to cure our manpower problems. With no serious look at reforming our compensation and management systems, we'll continue to have nothing more than inaction in the Pentagon and handwringing by the Times." I would like to include a copy of my letter to the Times and my statement in response to the ABC documentary as part of the record.

I agree strongly with the conclusion of Dr. Richard V. L. Cooper of Rand that the results from the first five years without the draft have shown that the volunteer force has worked. What we need to do is to build on the successes in the active forces and deal with the real problems which still exist.

Those of us in Congress must continue our oversight to work for better management. But we also have a responsibility to deal with the failure Dr. Cooper has discussed that surrounds the AVF debate. "Most of the concerns raised thus far during the post-draft debate are either unfounded or misplaced," he says. "In many instances, the debate has been factually incorrect; there has been a tendency to take issues and statistics out of context; and there has been a failure to distinguish what might be termed as general manpower problems from those specifically related to the volunteer force. The problem in this regard is that in making the volunteer force the scapegoat for more general manpower problems, the AVF debate has diverted attention from the more important but less visible issues of resource allocation and manpower management—issues that need to be resolved irrespective of the volunteer force . . .

"The AVF can be made to fail. But it can also be made to work—and perhaps made to work much better than its draft-dependent predecessor. Whether or not its potential is realized will depend critically on the policies that the Department of Defense and Congress adopt and implement during the next 10 years."

These hearings today are a recognition of that Congressional responsibility. I hope they will produce positive results in terms of improved military manpower management and in terms of a better understanding of what the real successes and problems are relating to the AVF. I appreciate your holding these hearings, and I especially appreciate your giving me this opportunity to speak on how well I think the AVF is doing and what still needs to be done. Thank you very much.

The Clerk will read.

The Clerk read as follows:

PROCUREMENT, DEFENSE AGENCIES

For expenses of activities and agencies of the Department of Defense (other than the military departments and the Defense Civil Preparedness Agency) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed seventy-four passenger motor vehicles for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to the approval of title as required by section 355, Revised Statutes, as amended; reserve plant and Government and contractor-owned equipment layaway; $266,800,000, to remain available for obligation until September 30, 1981.

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: On page 24, after line 14, insert a new paragraph to read as follows:

TWO PER CENTUM REDUCTION

Of the total budget authority in this title, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this title for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

Mr. VOLKMER. Mr. Chairman, this is another of the 2-percent amendments, and it is offered to this title on procurement, which I understand provides $32 billion 158 million and transfers of $136.4 million. This amendment would reduce those figures to $31,514,800,000 and, on the transfers, to $133.7 million.

In the actual appropriations not in transfer, there would be a savings by this

amendment to the taxpayer of $643,-200,000. To me and to my people back home, that is a lot of money, to say the least. Most of my people think $10,000 or $20,000 is a lot of money. They do not even get a chance to talk about $100,000, much less a million dollars. I do not know of anybody back there who ever talks about a billion dollars.

Yet here we are talking about $32 billion, and we talk about millions and billions and sometimes we say that is not very much. So when we cut this amount to a little over $31 billion, I do not think that is too much of a cut. That is a heck of a lot of money.

As I remember it, earlier when we heard the first presentation on the bill, we were told this is the largest appropriation bill that has ever been before this Congress in the history of the United States. The chairman of the committee can correct me if I am wrong. Even with this 2-percent cut, it is still going to remain the biggest appropriation bill.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the distinguished chairman of the committee.

Mr. MAHON. Mr. Chairman, I believe the gentleman's statement as to the size of this bill being the biggest in history is correct.

Mr. VOLKMER. And even with the 2-percent cut, it is still going to be the biggest. So I still think, with this cut, we will adequately provide for the military defense of this country. I do not think it is too much to ask to have a 2-percent savings for the taxpayers who right now are very interested in Government spending. I know they are very interested in trying to hold down Government spending to some extent.

This is not a huge cut. We are not asking for 5 percent or 10 percent. We are asking for no more than 2 percent, and that is the same as was voted upon by this House on the HEW appropriations and on Transportation. It is less than what was voted on in the legislative appropriation bill.

I feel that if we are to keep faith with the taxpayers, the ones from whom this money all comes, we should try to cut down on spending. This is not our money, it is not my money as a Member of Congress, it is not your money. We are more or less in a fiduciary capacity as a trustee of the same, and we are expected to spend it wisely.

Although I feel that the committee has done a fair job overall on the bill—I said that before, and I will say it again—I feel also, even though that is the case, that 2 percent can be adjusted within the bill. I do not believe that 2 percent out of the total amount that is appropriated for the aircraft carrier—let us take that as an instance—will stop the construction of that aircraft carrier. I do not believe that a 2-percent reduction in the total amount for ammunition is going to deprive our military personnel or our antiaircraft batteries of sufficient ammunition in order that they may be able to defend this country in the event of war—and I hope that never happens—or in the event a confrontation with people of another country would develop.

So, Mr. Chairman, for that reason I strongly urge the committee, on this title especially, to consider a 2-percent reduction. I believe that the $643 million is a reasonable cut. If we think $31 billion is not very much, then surely $643 million is not very much.

But I daresay that if we would ask the taxpayers out in the country—and there is a heck of a lot of them—if we go around our district and ask them what they thought of $641 million, they would say that is a lot of money. I think most of them would say that is a heck of a lot of money. If we could run our military services with 2 percent less, then I think they would say, "Go ahead and do it."

For that reason, Mr. Chairman, I offer the amendment and I urge its adoption.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I repeat what I said yesterday, that the Committee on Appropriations devoted about 5 months of hearings and considered detailed studies in connection with the preparation of this bill for submission to the House of Representatives.

In addition to our members of the committee, we also have an investigative staff made up of the finest experts in the Government, and we send them on missions in this country and all over the world, checking on expenditures and programs that are in progress. And we seek to find ways and means to reduce expenditures and to find weaknesses which need to be taken care of by additional appropriations.

The committee made reductions of some $3 billion in the area of procurement. For example, officials of the Office of Management and Budget presented a request for over $900 million for another submarine known as the Trident. But the evidence showed that they were not ready to proceed with it. The Navy was far behind with the program, so we whacked out the funds requested for that purpose.

So we did make reductions and we did make add-ons. It is the feeling of the committee that, since personnel costs are so high, so terribly high, under the all-volunteer force, there is a tendency to slight procurement of weapons and the modernization of our forces. So we added funds for quite a number of aircraft. For example, we added funds for the F–18 plane, which is made in the State of Missouri, which is an important plane for the Navy. We put in funds for the F–15 for the Air Force, which is also made in Missouri. We put in funds for planes that are made in Texas, in New York, in the Far West, and in various other areas, not to beef up the economies of the areas, or to give people employment. That is not the objective of the defense program. The objective of the defense program is the defense of the United States.

If I had my way about it, I would spend more money for the procurement of modern aircraft and weapons, because we do need to have an adequate number of weapons.

So if you believe that we ought to proceed with these programs, vote down the amendment. I would like for the services to buy all they can with the money we provide. For example, in the bill we have funds for 590 tanks. The Russians have about 20,000-plus tanks. I do not want to cut back on our tank program. I want to expand it. We buy about 10,958 missiles for the Army, the Navy, and the Air Force. We fund 12 ships. I do not want to cut back on ships. I think we need more ships. That is one reason why I supported the Yates amendment, because I felt at the present that we need more ships to cover more areas rather than to spend what I would estimate to be about $3 billion on this nuclear carrier.

And, so, for the Navy we have provided for 114 aircraft. That is not many, but they are very expensive. For the Air Force, we provide 412. I do not want to reduce the number of aircraft for the Air Force or the number of helicopters for the Navy and the Army, and I do not want to reduce ammunition. Of course, Members can cut any amount they want to. They can reduce the number of planes, reduce any of the items that will contribute to the readiness of the country. But, I myself strongly believe that we ought to have sufficient hardware to provide the men and women in uniform with the tools they need to defend the country and to convince the world that we are resolute in our determination to maintain peace and security in the world.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. MAHON was allowed to proceed for 2 additional minutes.)

Mr. MAHON. I wish we would not say that we want to cut back our defense efforts at a time when we are living in a dangerous world. I wish we would say no—an emphatic no—to the amendment offered by my friend from Missouri.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, as I understand the gentleman—what I understand, anyway—is that the House should defer to the committee. The committee, of course, has found areas in which the Department of Defense has been wrong and has cut back on some items or cut out some or cut down on some weaponry. Is that true?

Mr. MAHON. Yes; we had about 5 months of hearings this year, and every year we have a lot of hearings and all manner of reviews to try to get as many facts as we can to make the best decisions.

Mr. VOLKMER. So the question is whether or not the House should defer to the committee on that?

Mr. MAHON. The question is, if Members of the House go through many months of study, and investigation, they are certainly in order when they offer amendments to appropriation bills. Every Member of the House has the right to offer whatever amendments he chooses to offer. The gentleman from Missouri put about 40 proposed amendments in the RECORD last Friday.

Mr. VOLKMER. Yes.

Mr. MAHON. But it does not stand to reason that the gentleman would be

sufficiently equipped with the details to adequately support that sort of amendment program.

Mr. VOLKMER. I believe I have explained the purpose of the amendments earlier.

Mr. MAHON. Mr. Chairman, I ask that the amendment be voted down.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I do not think I am going to take the full 5 minutes. This is the same type of amendment that has already been offered, and we have debated it and voted it down overwhelmingly. But, I want to support my chairman in the fact that we have made a diligent effort to keep procurement, as in title IV, in line.

For those Members who want to see what we did, they may look in the committee report on pages 443 and 444, where they will see a chart of title IV setting out the different procurement items. In fact, if we had not put the carrier in—and the House spoke very clearly yesterday on the carrier—we would have been under the budget by over $1.8 billion.

We have cut a tremendous amount of money out of this procurement account, again, perhaps more than we should have, but we have made room for the carrier. So, as a net effect, we have added some $366 million when we count transfer items into it. We cut $101 million out of the aircraft procurement for the Army. We cut $348.6 million out of the procurement of ammunition for the Army. That is a lot of money.

And yet, in trying to make the jigsaw puzzle fit together, we had to do these things. We cut $198 million out of other procurement—Army, and on down the line. We cut $221 million out of other procurement—Air Force. We have made tremendous cuts in the procurement part of the bill.

It is only because of the carrier being added in that we in fact have gone over the budget. But again the House spoke very clearly yesterday on the question of the carrier, and I think the subcommittee does not have to apologize for the work it has done in this section. To me the 2-percent cut would be totally irresponsible.

Mr. BRINKLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if I may have the attention of the chairman of the committee, the gentleman from Texas (Mr. MAHON), as a member of the authorizing committee I have seen in my 12 years of service in this Congress many reprogramings and many false starts, so I respect the effort of the gentleman who has offered the amendment, although I shall oppose it.

But the gentleman from Texas, when he was in the well, has made the statement that they use an investigative staff. In those years I have been here I have had concerns about that, and I would like to ask the gentleman if he has used members of the Federal Bureau of Investigation.

Mr. MAHON. Mr. Chairman, if the gentleman will yield, we, of course, use the General Accounting Office extensively. It is an arm of the Congress, not an arm of the executive branch.

We also use investigators that are recruited by our chief investigator. Some of them come from the Treasury and other departments and agencies and some are consultants who are adept in certain fields. Of course, a number of them come from the Federal Bureau of Investigation on loan. They generally come from various places in the Federal Government. That is an excellent procedure. We could not hire an army of investigators qualified in special fields and keep them on our payroll indefinitely. It would be inefficient and very costly. The criteria in selecting investigative personnel is objectivity and competence. We try to select competent people. If a particular study has to do with highly technical matter, we get engineers or people from whatever profession is called for. This is the way we have done it. They work for the committee on a temporary reimbursable basis.

The various subcommittees request a specific study which is approved by the subcommittee chairman and the ranking minority member and then by the chairman and the ranking minority member of the full committee. This is spelled out in our rules. A report is then rendered in writing. We sometimes use the reports in our hearings and markups. We even have had some reports printed in the hearings. So the answer to the question is that we do use some of the people from the FBI. They have many excellent people with legal and accounting backgrounds for instance.

Mr. BRINKLEY. Mr. Chairman, the gentleman mentioned that one of his staff is the recruiter to obtain these personnel. How may a Member of Congress find a record of those personnel and where they might be from?

Mr. MAHON. We can get that.

Mr. BRINKLEY. I would like to know the number of them and I would like to know where they are from.

Mr. MAHON. They were printed in the RECORD in previous Januarys and Julys but the House Rules changed that procedure for the 95th Congress. So this information does exist for prior years and can be produced to interested Members for the current period.

Mr. BRINKLEY. Is this in a collective manner or by bits and pieces? I simply would like to have information. I would like to know the extent of this investigative arm that is unique to the Appropriations Committee.

I noticed in many of the Appropriations Committee reports that they do by indirection that which they cannot do by direction. Obviously it is not possible to have legislation upon an appropriation bill. Yet in many of the reports there are certain reservations and certain requirements that are made, and I think that is wrong, and I think this is being achieved by the fact that the committee has such a large investigative staff. I am concerned about it and I would like to know if I can get that information.

Mr. MAHON. I would be glad to amplify my remarks for the RECORD as to the number we have. It is important that the committees of Congress have all the information that it is possible to acquire in making decisions. So I would be glad to expand for the RECORD and point out where the names of the people can be found.

Mr. BRINKLEY. I would appreciate that.

Mr. MAHON. Some of this is done by contract personnel, as the gentleman understands.

Mr. BRINKLEY. I appreciate the gentleman's response.

Mr. MAHON. Under leave to revise and extend, I wish to state that the basic legislative authority for the committee's surveys and investigative staff is contained in section 202(b) of the Legislative Reorganization Act of 1946. It is quite specific and authorizes annual appropriations for the expenses of this staff. Each year the Legislative Branch Appropriations Act carries a separate paragraph for this purpose.

During the 94th Congress, our records show that the investigative staff conducted 148 studies concerning various agencies' operations and programs. During this 2-year period, 121 people on loan from 22 agencies of the Government and 21 contractors spent 1,625 man-months engaged in the conduct of studies and the preparation of reports. This is equivalent to about 135 man-years.

The names of people who were engaged in the conduct of investigations during the 94th Congress were listed in the CONGRESSIONAL RECORD in accordance with the then existing provision of rule XI of the House. I believe the last such listing appeared on page 4093 of the RECORD of February 9, 1977. This covered the previous 6-month period.

Since the House Rules were changed for the 95th Congress, I do not believe that such a listing is now actually published. However, I could undertake to supply the information which I believe will be responsive to the gentleman's question, if he so desires.

Mr. HILLIS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I am a member of the authorizing Committee on Armed Services. I am not a member of the Committee on Appropriations, and this subcommittee, which brought forth the bill before us, but I would like at this time to congratulate the chairman of the full Committee on Appropriations and the gentleman from Texas (Mr. MAHON) and the other members of the committee, because I think they have done an excellent job.

I could not help but note in looking over the procurement section that we are now on, that if it were not for the ordering of the nuclear carrier, which we voted upon yesterday, there would have been a very substantial cut in this section of the bill.

I also note in looking over the items involved in this section that they deal with the hardware and the equipment for our armed services. Yesterday we debated this same amendment when its effect involved the personnel of the armed services. Then we were discussing an amend-

ment that dealt with whether or not we should clothe, feed, and house our Armed Forces personnel. Today we are talking about whether or not we will properly equip them.

Mr. Chairman, I would like to point out to the members of the committee assembled here today that we are substantially, in numbers, inferior to the Warsaw Pact nations, the number of men under arms, the equipment, and so forth, and first name the items, and they have more of them in every category. We have specialized in taking our people and training them, and giving them the very best of equipment, the most modern of equipment and we try to close the quantity gap with quality. I think to cut down on this section of the bill, to clamp down on it, will affect the quality of the equipment that is necessary for our soldiers', sailors', airmen's, and marines' needs. The XM-1 tank production program is just now moving along; the lead money is in for the infantry fighting vehicle to get it started, and I could go on and cite program after program. I do not think we should be cutting our procurement program at this time. We are not just talking about the issue of feeding our soldiers but we are talking about the issue of whether they will be adequately equipped and able to do the job. The reserve war ammunition talks with NATO show that they are still suffering from a deficit position since 1973, and we are attempting to build that up, and let us continue to do that. I would say that if we were to adopt the gentleman's amendment, we are not going to be able to catch up for this year; in fact, we may fall back a little further.

One thing that President Carter has done and should be congratulated on is his policy with regard to encouraging the other NATO nations to increase their contribution by a 3-percent factor, and to encourage that we have pledged to increase our contributions by a 3-percent factor, but I doubt, if the gentleman's amendment is adopted, that we can ever meet that commitment.

Mr. VOLKMER. Mr. Chairman, if the gentleman will yield, in the provision for the Navy for shipbuilding last year. this current year, I believe there was $5,760,000,000 appropriated, and with the aircraft carrier, the new carrier, there is $5,688,000,000, which is less than last year, and so, even with that new carrier we are over and above what we had for this current year, and as I look on the total picture I wonder where everybody says that we have cut down, and when you look at the procurement last year, $29,571,000,000 and this year $32,157,000,000 it is approximately a 10-percent increase. Now where are we cutting; where are we cutting from? I hear these words. I guess we can cut from the House budget; we can cut from the Presidential administration proposal; we can say we cut from the Defense request, but do we ever cut from 1978, from the current year appropriation? I do not think we ever do that, do we?

Mr. HILLIS. I am sorry but I missed the gentleman's question.

Mr. VOLKMER. Have we ever cut from the current year's appropriation?

Mr. HILLIS. As I say, I am not a member of the Committee on Appropriations but it is my understanding that it has been done and it has been done many times.

Mr. VOLKMER. Yes; throughout the bill in individual items, but totally, no.

With respect to these individual items, there are individual items in here that are cut back from this year. I agree on that, but there are also items which have been put in and which are over and above, so we are not cutting totally for this year.

Mr. ROBINSON. Mr. Chairman, I move to strike the requisite number of words.

To respond to the gentleman from Missouri (Mr. VOLKMER), there have been overall cuts, general cuts, in the procurement account in the past; and they have been substantial.

May I say to the gentleman that one of the problems we face today is that because some of those cuts were made in the interest of trying to save taxpayers money, we now face the situation which we do with regard to our most likely adversary, we find ourselves underequipped and we cannot face up to them in terms of giving our men the most modern equipment which we know how to build.

Were it not for the carrier on which the House worked its will yesterday, the committee would have cut 5.6 percent, not 2 percent, but 5.6 percent, from the amount that was requested for this year.

The point has been made that the people back home do not understand billions of dollars, and I do not think they do either. However, I will tell the Members one thing: They do understand something—and anybody who has conducted a poll recently will acknowledge it—and that is national defense. They believe in it and in giving our men and women in the services the best equipment that we know how to give them.

We are faced with a situation in which we are, in this bill, providing 55 percent of the money that is appropriated for personnel. Our adversaries on the Warsaw Pact side, based on the best information we have today, probably are using 25 percent of their total expenditures for personnel, which lets them use over 50 percent for the purpose of procuring hardware to give them a better ability to perform.

That is the reason that a cut of 2 percent in this account is so unreasonable. In an account for procurement which already represents only a little over 25 percent of our budget, we certainly cannot afford to cut that an additional amount on an across-the-board basis.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN pro tempore (Mr. BROWN of California). Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. At the time the unanimous-consent request was made, the Chair observed the gentleman from New York (Mr. DOWNEY) standing.

The gentleman from New York (Mr. DOWNEY) is recognized for 5 minutes.

Mr. DOWNEY. Mr. Chairman, I am not in favor of this amendment, and I intend to vote against it. However, I think it is important for us, when we begin doing dollar and ruble comparisons involving the Warsaw Pact nations, including the Soviets, that we understand what we are doing.

First of all, the Soviets and Warsaw Pact nations pay their soldiers infinitely less than we pay ours. When we compare the amount of money that is being spent and say that the Russians are spending a greater percentage on hardware and equipment, that comparison should not generate what we spend, for a number of reasons. No. 1, I do not really care what the Soviets are doing in terms of their expenditures on the military. I think that as long as we know we have the best defense possible, it does not really matter how much the Soviets are spending. We should not let their needs generate our needs.

No. 2, the Soviet-Warsaw Pact industrial base pales in comparison to our own. The fact is that it costs about twice as much for the Soviets to build, for example, a radar system, and sometimes even three times as much.

When we begin to look at dollar comparisons between ourselves and the Soviets, they are really not meaningful with respect to our own defense. What this country needs is a strong and adequate defense. It does not need this 2 percent cut, nor does it need to be compared to the Soviets vis-a-vis the amount each side spends because dollar comparisons with rubles are meaningless.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. VOLKMER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-two Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Missouri (Mr. VOLKMER) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE V

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $2,652,304,000, to remain available for obligation until September 30, 1980.

AMENDMENT OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIAIMO: On page 24, line 23, strike "$2,652,304,000" and insert in lieu thereof "$2,649,304,000".

Mr. GIAIMO. Mr. Chairman, I am introducing this amendment to eliminate $3 million in unrequested, unbudgeted, and unauthorized funds that the committee included in the bill to complete the development of the AVCR–1360 diesel engine for application in future Army and/or Marine Corps combat vehicles.

Since this additional $3 million is not authorized, these funds normally would be subject to a point of order on the floor; but we have a rule waiving points of order.

I wish to stress several points. First, if—as the committee report states—"there will be a requirement in the not too distant future for a diesel engine in the 1,500 to 1,700 horsepower range," why were funds not requested for it? Why did not either Armed Services Committee authorize these funds? Probably because there is no requirement for the development of the diesel engine.

In addition, I believe that this $3 million is only the tip of the iceberg. During our subcommittee hearings, the Army was asked to provide information on what the additional costs would be to complete engineering development only of the diesel that had been under R. & D. for the XM–1 tank. Lt. Gen. Donald R. Keith, Deputy Chief of Staff for Research, Development, and Acquisition, supplied the following information for the RECORD:

If the Army has completed engineering development of the diesel engine for application in the XM–1, but without programming for production or backup engine contingencies, the cost would have been approximately $45 million, to include $15 million for new development on the variable area turbochargers. At the present time there is no advanced or engineering development tank diesel engine program in the 1500 HP range. There are ongoing non-system programs in diesel engine technology. The Teledyne Continental AVCR–1360 diesel engine contract was terminated at the completion of the validation phase. The residual assets, such as engine hardware and test rigs were transferred to other government contracts . . . or was [sic] disposed of as excess through normal government channels.

I find it difficult to believe, in light of this information, that $3 million would be sufficient to complete this development. The Army obviously does not think so either, or else it would have requested the money.

I can see only two reasons for the development of this diesel. First, it could be used as a backup engine for the XM–1 tank. That the Army does not want a backup engine for the new gas turbine seems immaterial. Alternatively, it is—with apologies to the Luigi Pirandello—an engine in search of a vehicle, a component in search of a mission.

There is no requirement for this diesel. But if we provide $3 million in this bill and $42 million in a subsequent bill, somebody will design a tracked vehicle for the diesel to power. Then somebody else will create a mission for this tracked vehicle to justify the previous expenditure of funds. Then somebody else will initiate an R. & D. program for this new tracked vehicle. Finally, the Congress will find itself providing funds for this new tracked vehicle. In 5 or 10 years, Congress will have wasted millions of dollars—that could have been put to more effective use—simply because this bill today appropriates $3 million for an unauthorized program.

This is how billion dollar boondoggles begin.

Mr. Chairman, in summary, the additional $3 million for vehicle engine development was not requested by the Army, not budgeted by the administration, and not authorized by the authorization bill we passed last Friday. The money should be deleted from this bill, and that is exactly what my amendment seeks to do. This is the way to begin to save unnecessary and unneeded expenditures for defense armaments.

AMENDMENT OFFERED BY MRS. HECKLER AS A SUBSTITUTE FOR THE AMENDMENT BY MR. GIAIMO

Mrs. HECKLER. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mrs. HECKLER as a substitute for the amendment offered by Mr. GIAIMO: Page 24, line 23, strike $2,652,304,000 and insert "$2,650,304,000."

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I am happy to yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, the gentlewoman from Massachusetts (Mrs. HECKLER), as I understand it, is attempting to put $1 million back into the research program, the R.D.T. & E. program, and on our side we accept that amendment.

Mrs. HECKLER. Mr. Chairman, I thank the gentleman for his acceptance.

Mr. MAHON. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the chairman of the committee.

Mr. MAHON. Mr. Chairman, we have no objection to the acceptance of the amendment offered by the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, I thank the distinguished chairman of the Committee on Appropriations for his acceptance.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Connecticut (Mr. GIAIMO) and also in opposition to the substitute amendment.

Mr. Chairman, I was not aware that the amendment was going to be offered, and the statement of the gentleman from Connecticut (Mr. GIAIMO) is so far off into the world of fantasy that it seems appropriate to try at least to mention what is actually involved in this particular item.

Some time ago Congress authorized the construction of the XM–1 tank. It is prospectively our major tank. It is the one that is most needed today in NATO. Every effort is being made within the Army and within the Defense Department to make the XM–1 available to our armed services in Europe at the earliest possible time to meet the threat of the Soviet T–72 and follow-on tanks.

Now 2 years ago, in a rather unusual step, the Army, at the request of Secretary Rumsfeld, decided to make an experiment and try to propel this so-called low-risk technology tank with a turbine engine. We have never had a turbine engine in a tank before. Nobody knew exactly how it would work; but the turbine was selected nevertheless.

Later the money was authorized and appropriated for the turbine, and within about 3 weeks after the turbine engine had been accepted, the Army came back to our Committee on Armed Services and asked for another $30 million for additional testing of this turbine engine. We had been told earlier that the turbine engine was a proven fact, that the turbine engine had in fact been thoroughly tested. That is why we were told originally that Congress had to accept it. And yet the Army came back to ask for another $30 million to test their supposedly proven turbine engine.

Since that time, the whole XM–1 tank development progress has been further delayed because we have been arguing whether to put a German 120 mm gun on it or a tried and tested American 105 mm gun.

I do not know precisely what has happened to the turbine development program in this interim, but I have heard reports that the turbine engnie may be in some trouble and that its fuel consumption is extremely high. It is using a lot of fuel. So to me it makes a lot of sense—and, in fact, our committee included funds for this in the defense authorization bill a year ago—to put a little money aside to complete the development of a standby diesel engine, just in case our main battle tank should suddenly find itself without an adequate powerplant because of a failure of the turbine to live up to expectations. So we put that money in a year ago. I am frankly not sure where it got lost.

After all, this is a minor item, $3 million out of a major defense bill. I think we ought to keep that small sum in as an insurance policy against the possibility that we might end up with an XM–1 tank and no engine to propel it where it might be needed.

The CHAIRMAN. The question is on the amendment offered by the gentle-

woman from Massachusetts (Mrs. HECKLER) as a substitute for the amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

The amendment offered as a substitute for the amendment was agreed to.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we find ourselves in sort of a sticky situation, parliamentarywise, right now. We have passed the Heckler substitute, which is something that we should have done. And now we have before us the Giaimo amendment as substituted by the Heckler amendment. I am going to ask the Members to vote down the Giaimo amendment, as substituted, and then I presume the gentlewoman from Massachusetts (Mrs. HECKLER) will have to offer her amendment again in some other form or some similar form. I hope the Members do not get confused by all this. I do not think they will, because they are all very smart, from a parliamentary standpoint.

There is a feeling abroad in the land that somehow this subcommittee is trying to knock the turbine engine out of the XM–1 tank and put the diesel engine back in. I have had reporters from Connecticut come and talk to me about it. I have had Members from Connecticut come and talk about it. It came up in the Committee on Rules. The question was raised by a Member from Connecticut, I presume because the turbine engine is manufactured in Connecticut.

We are not trying to do away with the turbine engine. That decision has been made. We have been trying to build a main battle tank for some 17 years. We have been through three different attempts at it, and nothing has worked. Finally, we got the XM–1, and it is getting ready to go into production and it has the turbine engine in it. That is fine. Nobody is trying to knock it out. The question has been raised—and it is a valid question—"What if the turbine does not work? Then where are we?" Well, frankly, I hope it works. I do not want to have to go back negotiating for tanks again. I want to see tanks in the field, XM–1 tanks, the best tank we have been able to develop.

But we have got $46 million in the development of the diesel engine, and it is utterly ridiculous to come that far with the development of an advanced engine, and not complete it. This is not an unusual situation. We do it in the Air Force with aircraft engines. We always try to have an advanced engine program going. The same is true, or should be true, in the development of tank engines.

So, we do not come in here with any ulterior motive or any effort to try to undo what has been done; but very simply, to see that we have the best technology available in the engine field as far as our tanks and our tracked vehicles are concerned. There are applications that could come up down the road where this diesel engine could be used, but we need to complete the testing and the development. When we consider that we have got $46 million into it, to provide the balance of the funds makes sense.

I would urge the Members, therefore, to oppose the Giaimo amendment, as amended, and then after that is done we can take care of the amendment offered by the gentlewoman from Massachusetts.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I am happy to yield to my chairman.

Mr. MAHON. Mr. Chairman, I will ask my colleague from Alabama, is it not true that there is no effort at all to knock out the engine that is presently contemplated for the XM–1 tank?

Mr. EDWARDS of Alabama. It has never even been discussed in subcommittee.

Mr. MAHON. In the Appropriations Committee the gentleman from Alabama said that we have spent $46 million on this diesel engine, and yet it has not been completed. It lacks $3 million of being completed. It would seem to me to be worth the money, after paying $46 million on a project, to complete the project if we can do it for $3 million.

So, I supported the gentleman in committee and I support him now. I support him in opposition to the amendment offered by the gentleman from Connecticut (Mr. GIAIMO). Rejecting this amendment will leave the gentlewoman from Massachusetts high and dry with respect to the amendment which has been offered, but she can reoffer that amendment.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(By unanimous consent Mr. EDWARDS of Alabama was allowed to proceed for 5 additional minutes.)

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, I rise to associate myself with the remarks of the gentleman in the well and in opposition to the Giaimo amendment. I would like to ask the gentleman this question: If we should go the route of adopting this amendment, are we not following the same process we followed time after time in this country of getting something very fine, almost fully developed, and just before we do so we cut it off and waste all the money?

Mr. EDWARDS of Alabama. It has happened before, and I hope that in this case it does not happen again.

Mr. CHAPPELL. Is it not true that this engine would not be limited to the use of the tank, but extends to usage by various other tracked and other vehicles which might be developed in the future which will have a need for a more powerful and more efficient engine?

Mr. EDWARDS of Alabama. It is already used in modified form, and it is in what is called the Himag, a new tracked vehicle we are working on. High mobility/agility is what Himag stands for. That has a tremendous gun and potentially can do all kinds of damage. The engine has a lot of uses down the road and presently that it can be considered for.

Mr. CHAPPELL. I thank the gentleman.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I associate myself with the remarks of the gentleman from Alabama and I rise in opposition to the Giaimo amendment, because I think the gentleman from Alabama is right on target.

I remember the diesel engine in the General Motors candidate was in the runoff in the XM–1 competition. The turbine engine was in the Chrysler candidate, which was ultimately adopted, but the turbine, as my colleague, the gentleman from New York (Mr. STRATTON), talked about a while ago, represents a change in technology and it has had considerable testing. I got to see that in action in Aberdeen a month or two ago. It is doing a good job. But it is in its first testing right now with actual troops at Fort Bliss in Texas.

We do not know until we get a new system like that into the field whether it will do ultimately everything the specifications that the engineers presented to us say it will do. I think the Army has been pretty prudent in using the diesel engine as a backup to date.

It is a very fine engine, if not the most advanced diesel engine in the world. But they have not completed the turbine field tests under actual field conditions. A year from now we will know, but I think to put the diesel on the shelf at this time could be a risky thing to do and a bad mistake.

Mr. EDWARDS of Alabama. I want to make the point that this was a hotly contested competition.

Mr. HILLIS. Very much so.

Mr. EDWARDS of Alabama. We had the diesel supporters and we had the turbine supporters. The turbine won. I want to reiterate the fact that our subcommittee wants an XM–1 tank on the field. We do not want to delay that production. We will not try to do that by completing this particular engine. In our committee report we point out and state there that in the next fiscal year, in fiscal year 1980, the development of advanced turbine components will be undertaken to bring about greater efficiency of the turbine. There is ongoing development of these engines. This is the way we have got to do it if we are going to have the finest engines and equipment in the field at all times.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Florida.

Mr. CHAPPELL. Mr. Chairman, I ask the gentleman in the well what is the parliamentary situation now that the amendment offered by the gentlewoman from Massachusetts (Mrs. HECKLER) has been accepted. Will she have an oppor-

tunity at all for that if this Giaimo amendment as amended is rejected?

Mr. EDWARDS of Alabama. I do not consider myself a great parliamentarian, but as I understand it, if the Giaimo amendment as amended is defeated, that would leave the figure that they are attempting to amend intact, and it would be in order then for the gentlewoman from Massachusetts (Mrs. HECKLER) to once again offer her amendment.

The CHAIRMAN. The gentleman states the parliamentary situation correctly.

Mr. EDWARDS of Alabama. It is always nice to be supported by the Chairman.

Mr. MOFFETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

I yield to the gentleman from Connecticut (Mr. GIAIMO), the author of the amendment.

Mr. GIAIMO. Mr. Chairman, I just want to stress to the membership that we have many military competitions and in competitions, whether they be for tanks or for aircraft, there is always a winner and there is always a loser.

What happens is that the losers immediately begin to look for some other utilization for that which they had originally intended for the competition. Here we have the situation of an engine that really has no mission, and so it is stated, that it can be used for possible future applications. That is terribly vague.

If we were to approve programs on that basis, we would be approving even more than we do now. The point is we cannot afford that luxury and we have to terminate programs unless we have a use for them. I assure the Members if we do not do that, the next thing will be that they will find a use. The military is very adept in finding uses if we give them the money and the wherewithal to do it. They will come up with a vehicle and a mission. They will find a way, they will find a new tracked vehicle.

If we are really worried about saving money and serious about the budget process being applied to Federal programs and if we are really interested in saving some federal expenditures then we must vote to terminate this useless program.

But some on this committee will say this is a small amount because it is only $3 million in a $119 billion bill. But I submit to you that $3 million is still a lot of money to this Member, and $3 million is still a lot of money to my constituents and to the American people. If you want to get control of a program you do it at its inception and you stop it now when there is no mission or need for it. When there is a need then let the military, the Army, come up and tell us they need that engine and they need it for such and such a specific purpose or mission, then we can give them the money, but do not do it now.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I thank the gentleman from Connecticut for yielding to me. I would ask the gentleman from Connecticut (Mr. GIAIMO) is it true that this money was not requested?

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield still further, that is correct, there was no request for this money. This money was put in by the committee.

Mr. SARASIN. Mr. Chairman, then on that basis I would join the gentleman from Connecticut (Mr. GIAIMO) in support of his amendment.

Mr. MOFFETT. Mr. Chairman, I would like to say in conclusion that I think the method used was perfectly proper, certainly in having a competition, and that this could be harmful if, in fact, the amendment of my colleague, the gentleman from Connecticut (Mr. GIAIMO) is not adopted. I urge its acceptance.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I thank the gentleman for yielding.

I would just like to respond to the gentleman from Connecticut (Mr. GIAIMO). He says there is no purpose for this engine. The purpose, as I tried to indicate in my earlier remarks, is to provide a completely tested suitable engine for the XM–1 tank in the event the turbine engine does not work. I join the gentleman from Alabama (Mr. EDWARDS) in hoping that the turbine engine will work. We have put enough money into it and we have spent enough time on it so that I hope that that money will not be wasted. But the XM–1 tank is a very vital tank, and it makes a lot of sense for us since we have already spent $46 million in developing the diesel engine, to spend another $3 million and have a proved standby tank engine available in case the turbine engine does not work.

This is the basic purpose for the $3 million involved.

Of course, the Army did not request funds for the engine, because not only was the Army's prestige, but the prestige of the Department of Defense involved for having insisted on the inclusion of the turbine engine in the XM–1 tank. It was primarily the idea of the Department of Defense to go ahead with this turbine engine, and they are afraid now to admit that maybe it would be a good idea and good insurance to have a standby engine available.

So I hope the Giaimo amendment will be defeated. This $3 million is a very cheap insurance policy for the guaranteed success of the XM–1 tank.

Mr. SIKES. Mr. Chairman, I concur with the position which has been taken by my distinguished colleague, the gentleman from New York (Mr. STRATTON).

Mr. ROBINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are not talking here about a conceptual first payment for something that has not already been funded because we have already spent $46 million in developing this engine. This is the $3 million that will be needed to bring it to fruition so that we will have the engine. As the report tells us, engine development is always the pacing item in any vehicle development program, and goodness knows, we are way behind when it comes to the development of the vehicles that will be necessary to support and go along with the XM–1 tank.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to my colleague, the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Chairman, I thank the gentleman for yielding.

As I said a while ago, advance engine development is nothing new. There was an effort made to reengine the F–14, but we concluded it was not necessarily the way to go, but we are spending millions of dollars for the advanced engine for the Navy that they have requested.

We hope one day the engine that is being developed will be used in the V/STOL, which the Navy will have and which is not even a design at this point; but we have to plan ahead if we are going to do this sort of thing.

Mr. Chairman, let us look at a worst case situation. We know what a turbine engine is. In effect, it is the aircraft jet engine we see hanging on a wing, except that this one is going to be sitting in a tank. That tank has to go through the desert, we will say, in Israel, as an example.

Nobody really knows at this point how much sand that turbine is going to suck up. They say they have filters which will filter out the sand. That is why they are going through tests right now.

Mr. Chairman, I want to reiterate that I hope to goodness it works because I do not want to have to start all over again on a tank. However, what if it does not work? We are going to be prize fools if we end up with our main battle tank which sucks up so much sand that it will not go anywhere. Therefore, we have to have this kind of engine development, not only as a backup—and hopefully, it is not necessary—but also for future development.

Mr. Chairman, I thank the gentleman for yielding.

Mr. ROBINSON. Mr. Chairman, I am in thorough accord with the remarks which the gentleman from Alabama (Mr. EDWARDS) has just made.

Mr. MAHON. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. GIAIMO), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GIAIMO. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-six Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2 of rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business before the Committee is the demand by the gentleman from Connecticut (Mr. GIAIMO) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 107, noes 269, not voting 56, as follows:

[Roll No. 656]

AYES—107

Aspin	Gilman	Obey
Beard, R.I.	Glickman	Ottinger
Bedell	Hamilton	Pease
Bingham	Harkin	Pike
Blanchard	Harrington	Rahall
Blouin	Hawkins	Reuss
Boland	Heckler	Rinaldo
Bonior	Hollenbeck	Rodino
Brademas	Howard	Rooney
Brodhead	Johnson, Colo.	Rostenkowski
Brown, Calif.	Kastenmeier	Roybal
Burton, John	Keys	Sarasin
Burton, Phillip	Kildee	Schroeder
Carr	Kostmayer	Seiberling
Cavanaugh	Lehman	Sharp
Collins, Ill.	McHugh	Simon
Cornell	McKinney	Spellman
Cornwell	Maguire	St Germain
Cotter	Markey	Stark
Danielson	Mattox	Stokes
Dellums	Metcalfe	Studds
Dodd	Meyner	Thompson
Downey	Mikulski	Traxler
Drinan	Miller, Calif.	Udall
Early	Miller, Ohio	Van Deerlin
Eckhardt	Mineta	Vanik
Edwards, Calif.	Minish	Vento
Eilberg	Mitchell, Md.	Volkmer
Fenwick	Moakley	Walgren
Fisher	Moffett	Waxman
Florio	Moorhead, Pa.	Weaver
Ford, Mich.	Murphy, Ill.	Wirth
Forsythe	Murphy, Pa.	Yates
Gephardt	Nedzi	Yatron
Giaimo	Nolan	Young, Tex.
Gibbons	Nowak	

NOES—269

Abdnor	Brooks	D'Amours
Akaka	Broomfield	Daniel, Dan
Alexander	Brown, Mich.	Daniel, R. W.
Ambro	Brown, Ohio	Davis
Ammerman	Broyhill	de la Garza
Anderson, Calif.	Buchanan	Derrick
	Burgener	Derwinski
Anderson, Ill.	Burke, Fla.	Devine
Andrews, N.C.	Burke, Mass.	Dickinson
Andrews, N. Dak.	Burleson, Tex.	Dicks
	Butler	Dornan
Annunzio	Byron	Edgar
Applegate	Carney	Edwards, Ala.
Archer	Carter	Edwards, Okla.
Armstrong	Cederberg	Emery
Ashbrook	Chappell	English
Badham	Clausen,	Erlenborn
Bafalis	Don H.	Ertel
Baldus	Clawson, Del	Evans, Colo.
Baucus	Cleveland	Evans, Del.
Bauman	Cochran	Evans, Ga.
Beard, Tenn.	Cohen	Evans, Ind.
Benjamin	Coleman	Fary
Bennett	Collins, Tex.	Fascell
Bevill	Conable	Findley
Boggs	Conte	Fish
Bonker	Corcoran	Fithian
Bowen	Corman	Flippo
Breaux	Coughlin	Flood
Breckinridge	Crane	Foley
Brinkley	Cunningham	Ford, Tenn.
Fountain	Luken	Robinson
Frenzel	Lundine	Rogers
Fuqua	McClory	Roncalio
Gammage	McCloskey	Rose
Gaydos	McCormack	Rousselot
Ginn	McDade	Rudd
Goldwater	McDonald	Runnels
Gonzalez	McEwen	Ruppe
Goodling	McFall	Russo
Gore	McKay	Ryan
Gradison	Madigan	Santini
Grassley	Mahon	Satterfield
Guyer	Mann	Sawyer
Hagedorn	Marks	Schulze
Hall	Marlenee	Sebelius
Hammer-schmidt	Marriott	Shipley
	Martin	Shuster
Hanley	Mazzoli	Sikes
Hannaford	Meeds	Skubitz
Harris	Michel	Slack
Harsha	Mikva	Smith, Iowa
Hefner	Milford	Smith, Nebr.
Heftel	Mitchell, N.Y.	Snyder
Hightower	Mollohan	Spence
Hillis	Montgomery	Staggers
Holland	Moore	Stangeland
Holt	Moorhead, Calif.	Stanton
Horton		Steed
Hubbard	Moss	Steers
Huckaby	Mottl	Steiger
Hughes	Murtha	Stockman
Hyde	Myers, Gary	Stratton
Ichord	Myers, John	Stump
Ireland	Myers, Michael	Symms
Jacobs	Natcher	Taylor
Jeffords	Neal	Thone
Jenrette	Nichols	Thornton
Johnson, Calif.	Nix	Treen
Jones, N.C.	O'Brien	Trible
Jones, Okla.	Oakar	Vander Jagt
Jones, Tenn.	Oberstar	Waggonner
Jordan	Panetta	Walker
Kazen	Patten	Walsh
Kelly	Patterson	Wampler
Kemp	Pattison	Watkins
Kindness	Pepper	Whalen
Krebs	Perkins	White
Krueger	Pettis	Whitehurst
LaFalce	Pickle	Whitley
Lagomarsino	Poage	Whitten
Latta	Preyer	Wiggins
Leach	Price	Wilson, Bob
Lederer	Pritchard	Wilson, Tex.
Leggett	Pursell	Winn
Lent	Quayle	Wydler
Livingston	Quie	Wylie
Lloyd, Calif.	Quillen	Young, Alaska
Long, La.	Railsback	Young, Fla.
Long, Md.	Regula	Zablocki
Lott	Risenhoover	
Lujan	Roberts	

NOT VOTING—56

Addabbo	Flowers	Rhodes
Ashley	Flynt	Richmond
AuCoin	Fowler	Roe
Barnard	Fraser	Rosenthal
Bellenson	Frey	Scheuer
Biaggi	Garcia	Sisk
Bolling	Green	Skelton
Burke, Calif.	Gudger	Solarz
Burlison, Mo.	Hansen	Teague
Caputo	Holtzman	Tsongas
Chisholm	Jenkins	Tucker
Clay	Kasten	Ullman
Conyers	Le Fante	Weiss
Delaney	Levitas	Wilson, C. H.
Dent	Lloyd, Tenn.	Wolff
Diggs	Mathis	Wright
Dingell	Murphy, N.Y.	Young, Mo.
Duncan, Oreg.	Pressler	Zeferetti
Duncan, Tenn.	Rangel	

The Clerk announced the following pairs:

On this vote:

Mr. Ashley for, with Mr. Addabbo against.

Mr. Richmond for, with Mr. Teague against.

Mr. Conyers for, with Mr. Zeferetti against.

Mrs. Chisholm for, with Mrs. Lloyd of Tennessee against.

Mr. Garcia for, with Mr. Flynt against.

Mr. Rangel for, with Mr. Young of Missouri against.

Mr. Le Fante for, with Mr. Dent against.

Mr. Weiss for, with Mr. Levitas against.

Mr. CORNELL changed his vote from "no" to "aye."

So the amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. HECKLER

Mrs. HECKLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. HECKLER: Page 24 line 23, strike "$2,652,304,000" and insert "2,655,304,000".

Mrs. HECKLER. Mr. Chairman, it is very unfortunate that a complicated parliamentary procedure has made it necessary to reoffer this amendment to restore partial funding for Natick Labs and their food technology programs.

It is also unfortunate that a program that serves all branches of the military never receives the same priority and attention as tanks, weapons, and other procurement items. The program rightfully belongs to the entire Department of Defense which it so successfully serves.

Although the work at Natick in food irradiation has been applauded by many, it has also been unfairly criticized for failure to produce any tangible evidence of success. This charge simply is untrue, for both the military and civilian benefits derived from the R. & D. at Natick are numerous. I offer the following examples:

First. Both astronauts and cosmonauts used irradiated beefsteaks, ham, turkey, and corned beef on trips to the moon and orbital flights;

Second. Irradiation can and does eliminate all pathogenic and spoilage organisms in flood including clostridium botulinum;

Third. Low doses of irradiation can practically eliminate the salmonella microorganism that contaminates about 25 percent of all fresh chicken; and

Fourth. The use of irradiation to make ham shelf-stable would reduce the reliance of processors on nitrates that lead to cancer causing agents.

These are just a few of the many benefits that are immediately available. They do not take into account the benefits in energy costs saved by eliminating the need for refrigeration, or the reduction in overall processing and storage costs.

It is my belief that the project certainly does have the potential to make inroads into all of our food related problems, and that certainly that part of the project that the GAO has recommended for completion—specifically chicken—deserves its day in court and should be judged on all the available data—not cut off after so much time and effort by an irrational slash of 50 percent in funding.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I will be glad to yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, this amendment has been discussed at some height earlier, and we are prepared to accept it on this side.

Mrs. HECKLER. I thank the gentleman.

Mr. MAHON. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I believe the House technically accepted this amendment a few moments ago. The Committee on Appropriations, for this food research program in Massachusetts, made a reduction of $4.1 million in the amount requested, and the gentlewoman is offering an amendment to increase the figure in the bill by $1 million for the food research program.

Mrs. HECKLER. That is correct.

Mr. MAHON. For the food research program we would still be more than $3 billion below the budget as submitted to the House. On behalf of the majority, insofar as I have the authority to do so, I accept the amendment. I think it is proper.

Mrs. HECKLER. I thank the chairman for accepting the amendment.

Mr. DOWNEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me try and explain to the House what happened with respect to the food amendment so that everyone might understand that we did not have an extended debate on the Heckler amendment. It was offered prior to the Giaimo amendment, and calls for a $1 million increase for the Natick food laboratory research and development, part of the Army food technology program. It has not been debated on the floor. The committee decided to accept it.

Wisely, the subcommittee followed the GAO's report with respect to food irradiation and took out $3.1 million for this program. That was an important thing to do, because the GAO said as recently as last week that for the last 25 years the Army has been spending $51 million to irradiate chicken, ham, beef, and poultry with gamma and beta rays. The result of that program has been in: that the FDA refuses to certify any of the chicken, any of the beef, any of the ham, any of the poultry for human consumption. The Army agrees—agrees with the General Accounting Office that those programs should be phased out.

Happily the committee cut this program out. What the committee has decided to leave in should be of even greater interest to the membership. What they have decided to leave in is $1 million for the development of field and base feeding systems, centralized menu planning, and troop acceptance of military food.

The troop acceptance of military food is vitally important, because presumably if they do not accept it they will not eat it, and everyone knows that our Army travels on its stomach.

Then there is the layout and decoration of feeding systems. This is very important to have a nice place to eat and the Army is doing a lot of research and development to make sure the places where Army eats are of the finest caliber. Then there is food research, food processing, and food storage.

If the membership would permit me, let me read from some of the program elements for this very important item. One of the things that the Army is working on is to solve an age old problem of spoilage of perishable foods and vegetables. The Army is working on this, and I am convinced that given enough time they will solve this problem, but it is costing us $31,000 for the Army to experiment with the problem of spoilage of fresh food and vegetables.

They are also obligating about a half million dollars for control of insect and rodent infestations.

These are just a few of the items that would be increased if this $1 million is added. It is not as though this $1 million is important to a $119 billion budget and it might be a waste of our time even to talk about it, but if the Members will examine this they will see the lab is already getting $38 million to do a whole host of experiments in this area. What they want this additional $1 million for is to make sure the eating services and the whole process of distribution of food is studied—not implemented, but studied again.

I happen to think this $1 million is a waste of money. The R. & D. Committee on which I serve on the authorization side of this bill took this money out unanimously a few months ago. Of course that was in the morning. In the afternoon the gentleman from Illinois (Mr. PRICE), chairman of the full committee, made an impassioned plea for this program, and it was restored unanimously. But for the most part, had the gentleman from Illinois (Mr. PRICE) not intervened, the R. & D. Committee would have cut this. I repeat it is a waste of money.

All I can suggest to the Members is that the Army must have a greater defense against the "Big Mac Attack" than spending $1 million on a program that would somehow make food processes more attractive in terms of eating.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, as my colleague knows, a year or two ago I studied this same situation and I arrived at the same decision independently, and then one day I found out the gentleman from New York was working on this line. I would not want to hurt my colleague's argument by adding my support to his, but I agree 100 percent with everything he said. Everyone who reads the General Accounting Office report must agree.

The CHAIRMAN. The time of the gentleman from New York (Mr. DOWNEY) has expired.

(On request of Mr. ASHBROOK, and by unanimous consent, Mr. DOWNEY was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, if the gentleman from New York will continue to yield, I agree with what he has said. This $1 million is not very much from anyone's standpoint. I suppose we spill that much on the floor any day we are here. But he is absolutely right on this subject. The million dollars is only a secondary consideration in this amendment.

The military—and everyone knows I am not antimilitary—many times is committed to ideas that do not work. There is bureaucracy there, too. This is a good place to resist not just the spending of the $1 million but letting the Army go on and on forever spending money on this erstwhile project. The Secretary of the Army says we will know by 1989 whether this program will work or not. We are just stuck in this and will be getting stucker and stucker unless we send this signal loud and clear.

The CHAIRMAN. The time of the gentleman from New York (Mr. DOWNEY) has expired.

(On request of Mr. MAHON, and by unanimous consent, Mr. DOWNEY was allowed to proceed for 1 additional minute.)

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, it is for the reasons that have been stated that the Committee on Appropriations reduced this $11.3 million request by $4.1 million, and we have agreed to go along with this $1 million restoration, and we still have a cut of $3.1 million in the program for the reasons that have been so set forth. We had problems with this last year and I hope this laboratory will be able to do a better job than they have been able to do in the past.

Mr. DOWNEY. I want to congratulate the committee on looking at this, but of course I would have to disagree that $1 million is necessary, and I suspect if the chairman would be stating it off the record he would probably agree that this additional $1 million to study the decoration and layout of military feeding areas is not one of our Nation's foremost priorities.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, I serve on the Committee on Armed Services, but not this subcommittee. With reference to this laboratory, is this an Army lab?

Mr. DOWNEY. This is an Army testing laboratory in Massachusetts.

Mr. BEARD of Tennessee. Where did the gentleman say the laboratory is located?

Mr. DOWNEY. In Massachusetts.

Mr. BEARD of Tennessee. Oh, I see.

How much is the total proposed for this particular project now?

Mr. DOWNEY. They have $39 million in various program elements that go for food testing and other research and development efforts.

Mr. BEARD of Tennessee. Mr. Chairman, I must rise in support of my colleague, the gentleman from New York (Mr. DOWNEY) first of all to see what it feels like, and second of all, in seeing all the areas of real crucial and critical need that are being experienced today by our military, I think this is one area where we do have to draw the line.

I want to congratulate the gentleman for having brought this to the attention of the House.

The CHAIRMAN. The question is on the amendment offered by the gentle-

woman from Massachusetts (Mrs. HECKLER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. HECKLER. Mr. Chairman I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 103, noes 277, not voting 52, as follows:

[Roll No. 657]

AYES—103

Abdnor	Hammer-	Quayle
Anderson, Ill.	schmidt	Quie
Annunzio	Hanley	Rahall
Beard, R.I.	Harrington	Railsback
Boland	Heckler	Rinaldo
Broomfield	Hillis	Risenhoover
Brown, Ohio	Hollenbeck	Robinson
Buchanan	Horton	Roncalio
Burgener	Howard	Rooney
Burke, Mass.	Jeffords	Sawyer
Butler	Kastenmeier	Schulze
Cederberg	Kemp	Sebelius
Clausen,	Leach	Shuster
Don H.	Leggett	Slack
Cleveland	McCloskey	Smith, Iowa
Cohen	McEwen	Smith, Nebr.
Conable	Madigan	Spellman
Conte	Mahon	Spence
Coughlin	Markey	St Germain
Dickinson	Marks	Stanton
Drinan	Michel	Steers
Duncan, Oreg.	Mikulski	Steiger
Early	Mineta	Studds
Edwards, Ala.	Mitchell, N.Y.	Symms
Emery	Moakley	Treen
Evans, Del.	Montgomery	Vander Jagt
Fary	Myers, John	Walgren
Fenwick	Oakar	Walsh
Findley	Patten	Wampler
Fish	Pepper	Whitehurst
Forsythe	Pettis	Wilson, Bob
Frenzel	Pickle	Winn
Gilman	Price	Wydler
Guyer	Pritchard	Young, Alaska
Hagedorn	Pursell	Young, Fla.

NOES—277

Akaka	Carney	Fithian
Alexander	Carr	Flippo
Ambro	Carter	Flood
Ammerman	Cavanaugh	Florio
Anderson,	Chappell	Foley
Calif.	Clawson, Del	Ford, Mich.
Andrews, N.C.	Cochran	Ford, Tenn.
Andrews,	Coleman	Fountain
N. Dak.	Collins, Ill.	Fraser
Applegate	Collins, Tex.	Fuqua
Archer	Corcoran	Gammage
Armstrong	Corman	Gaydos
Ashbrook	Cornell	Gephardt
Aspin	Cornwell	Giaimo
AuCoin	Cotter	Gibbons
Badham	Crane	Ginn
Bafalis	Cunningham	Glickman
Baldus	D'Amours	Goldwater
Baucus	Daniel, Dan	Gonzalez
Bauman	Daniel, R. W.	Goodling
Beard, Tenn.	Danielson	Gore
Bedell	Davis	Gradison
Benjamin	de la Garza	Grassley
Bennett	Dellums	Hall
Bevill	Derrick	Hamilton
Bingham	Derwinski	Hannaford
Blanchard	Devine	Harkin
Blouin	Dicks	Harris
Boggs	Dingell	Harsha
Bonior	Dodd	Hawkins
Bonker	Dornan	Hefner
Bowen	Downey	Heftel
Brademas	Duncan, Tenn.	Hightower
Breaux	Eckhardt	Holland
Breckinridge	Edgar	Holt
Brinkley	Edwards, Calif.	Hubbard
Brodhead	Edwards, Okla.	Huckaby
Brooks	Eilberg	Hughes
Brown, Calif.	English	Hyde
Brown, Mich.	Erlenborn	Ichord
Broyhill	Ertel	Ireland
Burke, Fla.	Evans, Colo.	Jacobs
Burleson, Tex.	Evans, Ga.	Jenrette
Burton, John	Fascell	Johnson, Calif.
Byron	Fisher	Johnson, Colo.
Jones, N.C.	Moffett	Sarasin
Jones, Okla.	Mollohan	Satterfield
Jones, Tenn.	Moore	Schroeder
Jordan	Moorhead,	Seiberling
Kazen	Calif.	Sharp
Kelly	Moorhead, Pa.	Shipley
Keys	Moss	Sikes
Kildee	Mottl	Simon
Kindness	Murphy, Ill.	Snyder
Kostmayer	Murphy, Pa.	Staggers
Krebs	Murtha	Stangeland
Krueger	Myers, Gary	Stark
LaFalce	Myers, Michael	Steed
Lagomarsino	Natcher	Stockman
Latta	Neal	Stokes
Lederer	Nedzi	Stratton
Lehman	Nichols	Stump
Lent	Nix	Taylor
Livingston	Nolan	Thompson
Lloyd, Calif.	Nowak	Thone
Long, La.	O'Brien	Thornton
Long, Md.	Oberstar	Traxler
Lott	Obey	Trible
Lujan	Ottinger	Udall
Luken	Panetta	Ullman
Lundine	Patterson	Van Deerlin
McClory	Pattison	Vanik
McCormack	Pease	Vento
McDade	Perkins	Volkmer
McDonald	Pike	Waggonner
McFall	Poage	Walker
McHugh	Preyer	Watkins
McKay	Quillen	Waxman
McKinney	Regula	Weaver
Maguire	Reuss	Whalen
Mann	Roberts	White
Marlenee	Rodino	Whitley
Marriott	Roe	Whitten
Mattox	Rogers	Wiggins
Mazzoli	Rose	Wilson, Tex.
Meeds	Rostenkowski	Wirth
Metcalfe	Rousselot	Wright
Meyner	Roybal	Wylie
Mikva	Rudd	Yates
Milford	Runnels	Yatron
Miller, Calif.	Ruppe	Young, Tex
Miller, Ohio	Russo	Zablocki
Minish	Ryan	
Mitchell, Md.	Santini	

NOT VOTING—52

Addabbo	Flynt	Rhodes
Ashley	Fowler	Richmond
Barnard	Frey	Rosenthal
Beilenson	Garcia	Scheuer
Biaggi	Green	Sisk
Bolling	Gudger	Skelton
Burke, Calif.	Hansen	Skubitz
Burlison, Mo.	Holtzman	Solarz
Burton, Phillip	Jenkins	Teague
Caputo	Kasten	Tsongas
Chisholm	Le Fante	Tucker
Clay	Levitas	Weiss
Conyers	Lloyd, Tenn.	Wilson, C. H.
Delaney	Martin	Wolff
Dent	Mathis	Young, Mo.
Diggs	Murphy, N.Y.	Zeferetti
Evans, Ind.	Pressler	
Flowers	Rangel	

Mr. HUGHES and Mr. McCORMACK changed their vote from "aye" to "no."

Mrs. SPELLMAN and Messrs. LEGGETT, WALGREN, WYDLER, KASTENMEIER, and EMERY changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time because I am concerned about the language on page 373 of the report of the Committee on Appropriations indicating that the committee plans to terminate all research funding for the Uniformed Services University beginning in fiscal year 1980.

I realize that this Congress, Mr. Chairman, cannot bind the next Congress, but I want to make sure that we do not take this language literally. I am wondering what the Committee on Appropriations may have had in mind in writing this language.

I have been advised, Mr. Chairman, that the medical school has received a conditional accreditation and its status will remain as such until after it graduates its first class. It is my understanding that a credible and vigorous research program is a key factor in maintaining accreditation.

Beyond this issue, I might add that a good research program in any discipline helps to attract and maintain a quality faculty body. I think that this fact is recognized by virtually every medical school in the world today. I recently reviewed some statistics published by the American Medical Association in its December 26, 1977, issue. The median dollar level for research and training grants for all medical schools amounts to $10.9 million per year. I might point out that the Uniformed Services Medical School is requesting only $1.2 million for fiscal year 1979, or over $9 million below the median. Of this $10.9 million, $7.4 million goes to the various medical schools throughout the country from Federal grants. About $650,000 comes from State and local government grants, while $1.7 million is awarded to these medical schools by non-Government activities. Since it is highly unlikely that any State or local government will award a grant to the Uniformed Services School and the school is prohibited from accepting non-Government grants, the Department of Defense budget is the only source of revenue for the school's research program.

I do not believe it is possible, Mr. Chairman, for the medical school to depend upon or participate in the NIH program in a way that will be responsive to the mission of the medical school. I might point out that the medical school research program is oriented toward research and the solution to unique military problems. I am told that NIH, for example, does not have a substantive research program in combat casualty care.

Mr. Chairman, the decision has been made by this Congress to support the medical school. I personally believe in the school for a number of reasons, including the need to satisfy our physician requirements in the DOD. I have in my district Fort Leonard Wood, which today has a shortage of nearly 50 percent of its physician requirements. There are 60 physician positions with only 33 occupied. Since we have made the decision to support the medical school, I believe we should afford it whatever programs are required to make it a credible school that will produce quality physicians for our military.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

It would seem to me that we should encourage research by this Government-supported military university, but not as a separate line item specifically designated for the university. This university should do like other elements of the De-

fense Department; they should seek funds from the medical research programs of the various services, the Army, the Navy, the Air Force.

It might be that the Congress would want to consider changing the present law and permit grants by private individuals, but even without changing the law, there are vast sums available from Federal research programs, both in this bill and otherwise.

Mr. ICHORD. If we are going to eliminate direct research appropriation funds, I think we should change the law which prohibits the university from accepting private funds.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(On request of Mr. MAHON and by unanimous consent, Mr. ICHORD was allowed to proceed for 1 additional minute.)

Mr. MAHON. Mr. Chairman, if the gentleman will yield further, I believe that the committee of which the gentleman is a member, could give this matter further consideration next year and might come to a resolution of the problem which the gentleman raised. The matter needs further consideration.

Mr. ICHORD. Mr. Chairman, I am chairman of the Subcommittee on Research and Development, and I will look into this matter in detail next year at the beginning of the session, if I happen to return to this body, and I would hope that the Committee on Appropriations would look at the matter very closely.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding, and want to join in expressing the same concern of the gentleman from Missouri over this action and the statement in the report of the Committee on Appropriations that this is the last year they are going to appropriate any money specifically for research activities by the Uniformed Services Medical School.

The Congress originally established this school.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(On request of Mr. STRATTON and by unanimous consent, Mr. ICHORD was allowed to proceed for 3 additional minutes.)

Mr. STRATTON. If the gentleman will yield further, the Congress also had to wage a fight early last year to continue the school in operation because some misguided people in the Office of Management and Budget—one of whom is no longer there—felt that the medical school was of no value; and so Congress had to reassert its authority in this particular instance, which we did, very effectively.

As the gentleman has pointed out, unless you can have an adequate research program in your medical school you cannot attract the kind of faculty you need. To say that the medical school of the Uniformed Services University should go over to NIH to get its research performed would complicate the mission of the Uniformed Services University. One reason for this is that NIH has no program, for example, in dealing with combat casualties, which is one of the most important parts of the medical school.

Mr. ICHORD. That is true.

Mr. STRATTON. So I hope the gentleman's subcommittee will look into this next year, and I hope that, if this Member is back, the Subcommittee on Investigations will also look into it to see if we cannot guarantee continued funds for research by the Uniformed Services University.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we put $20 million into this university to operate it this year, and more than that, there are some $150 million we have provided for the Department of Defense for medical research. All we are really saying is that these professors at the university should, in effect, compete for their grants just like anyone else. It is not necessary to assign them a certain amount of money for that purpose. $150 million to defense for medical research is a powerful lot of money.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. ICHORD. On that point, the gentleman says that we should require this university, like any other university, to compete. The problem is, the gentleman is putting pretty difficult restrictions on the way they compete, because first of all, the law prohibits them from accepting any private research funds. Secondly, a part of the money comes from State and local governmental sources. I can hardly see any State or local governmental body giving research money to the Armed Services Medical University.

Mr. EDWARDS of Alabama. I did not say that at all; at least, I did not mean to say that. I said, or intended to say, that out of $150 million in medical research in the Department of Defense, the military medical university ought to be able to get a little of that for their own research.

Secondly, there is nothing to prohibit those professors at the military university from competing for HEW or NIH research funds. In fact, we encourage that. I think that is the way to go if they really want to be a university that stands on its own two feet. There is plenty of research money available for those professors to do their work.

Mr. ICHORD. I would agree with the gentleman if he will, perhaps, knock some heads over at NIH and direct some research funds to go into combat casualty care, for example. That is what the Armed Services Medical University should be researching. It should not be in competition in other fields.

Mr. EDWARDS of Alabama. I doubt very seriously if the Defense Department, or the military establishment, is unmindful of the needs of real military medicine. Having $150 million at its disposal, I should think they would be more than willing to make some of that money available.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Texas.

Mr. MAHON. Not only the armed services would be involved here, but the gentleman did mention the NIH, which is very deep in medical research grants. So, it would seem that some way can be found to work this out in a satisfactory manner.

Mr. EDWARDS of Alabama. We do not handle the NIH part of the budget, but I have an expert here in the gentleman from Massachusetts (Mr. CONTE). I would ask him if it is not true that his particular subcommittee puts millions of dollars into NIH for medical research.

Mr. CONTE. The gentleman underestimates the figure. It is not millions, it is billions—billions of dollars over a period of years to the National Institutes of Health. They give research grants for shock, severe burns, trauma, and so forth, some of the injuries that are related to war.

Mr. ICHORD. Mr. Chairman, I would like to ask the gentleman from Massachusetts if NIH has any research programs in combat casualty care.

Mr. CONTE. If the gentleman from Alabama will yield, I would definitely say that there is related research.

Mr. ICHORD. How about combat casualty care? That is what the Armed Services Medical University should be doing.

Mr. CONTE. Certainly, if I am back here next year and if I am on that committee, the gentleman hit the nail on the head. We cannot bind a Congress in 1980 anyway, and this may be an exercise in futility, but assuming that this is carried through I for one—and I see my good chairman, the gentleman from Pennsylvania (Mr. FLOOD) on the floor—and others on that committee definitely would see that that would happen just as soon as possible.

Mr. STRATTON. Mr. Chairman, will the gentleman yield further?

Mr. EDWARDS of Alabama. I yield to the gentleman from New York.

Mr. STRATTON. Do I understand that what the gentleman is suggesting is that the Uniformed Services University of the Health Sciences could go over to NIH like any other medical school and ask them for funds to finance grants? Could they ask them for funds for research grants carried on by their own faculty, or is the gentleman suggesting that the research needs of the university be performed for the university at NIH by NIH personnel?

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. If I can answer the question first, then I will yield.

I am suggesting they could go to NIH and get some grant money, but I want to reiterate that there is $150 million worth of medical research money in the Department of Defense that this university is supposed to serve, and if they cannot use some of that money then they ought not to be a part of the Defense Department.

Mr. CONTE. Mr. Chairman, if the gentleman will yield, he answered the question. They would apply to NIH for research grant to be used by personnel at the Uniformed Services University.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield further, I had to look in the index of the committee's report very carefully to find this particular section which bans research money for the university in future years. Is the money, the $150 million we are talking about, earmarked for specific services or is it in such a position in the bill that the Uniformed Services University could get it from the individual services without having to come up through the reprograming process and all that?

Mr. EDWARDS of Alabama. They would get it from the services. The services award grants just for this purpose to private institutions and to private doctors and to public institutions and to universities, and there is no reason why the Uniformed Services Medical University cannot do the same thing and why those people would not be generous in awarding grants to that university.

Mr. STRATTON. The gentleman encourages me in his response.

Mr. BEDELL. Mr. Chairman, I move to strike the requisite number of words. services would be involved here, but the

Mr. Chairman, in recent months we have witnessed an unfortunate deterioration in United States-Soviet relations. Paralleling this development, military planners have stepped up their warnings of an impending Soviet first-strike capability that could conceivably destroy a large percentage of the 1,054 U.S. land-based ICBM's in their silos.

The effect of these two occurrences has been to catalyze an earnest search for ways to enhance the survivability of U.S. Minutemen and to reduce the likelihood of a Soviet counterforce attempt. Today, the House is considering a manifestation of that search which is buried deep within the fiscal year 1979 Department of Defense appropriation bill—that is, the multiple aim point system, otherwise known as MAP.

The MAP concept is relatively simple. It consists of digging 4,000 to 6,000 additional ICBM silos, mostly in the Western and Midwestern regions of the country, that would be linked together so as to allow the covert transfer of missiles from silo to silo. The theory behind such a network is akin to a giant shell game. The multitude of silos would force the Soviets to guess as to which of the silos actually contained the real thing. The effect of the deception and ensuing uncertainty, MAP's proponents suggest, would be to deter the Soviets from attempting a first-strike attack on U.S. land-based ICBM's due to the reduced probability of decommissioning a sufficient number of them to prevent retribution.

The proponents of MAP within the defense establishment have hailed it as the Nation's answer to the disturbing vulnerability of the U.S. strategic Triad. The Defense Department has already begun testing the concept in the Southwestern United States, and the fiscal year 1979 DOD appropiration bill contains funding for MAP earmarked in the advanced ICBM research funds.

Mr. Chairman, on the surface, the MAP proposal may sound appealing to some. However, closer examination of the concept raises very serious questions about its wisdom and efficacy. I am greatly concerned that the prospect of increased land-based ICBM vulnerability to a Soviet counterforce strike may provoke precipitous action within our defense establishment which may, in the long term, prove counterproductive. I am further concerned that MAP may be a case in point and that unless it is scrutinized more closely by the administration and the Congress, the MAP concept may develop a life of its own and become an irreversible component of our strategic force.

Personally, I question the wisdom of this approach for four basic reasons.

First, endorsement of the MAP concept would signal that the United States is "locked in" to a policy of "force-matching" responses to Soviet initiatives. To give MAP the "green light" without critical year 1979 DOD appropriation bill United States is irrevocably wedded to the inviolability of the Triad approach and is not prepared to objectively assess that approach's utility in the current international environment. Who is to say that funding would not be more effectively spent by upgrading our Trident submarine force or our cruise missile delivery system? It would seem to me that it is about time that we emphasize flexibility in the pursuit of off-setting response modes instead of allowing ourselves to get swept up in a "follow-the-leader" spiral.

The pitfalls of such a development are clear. Consider the following quote from a recent New York Times editorial: "One of the ironies of recent history is that the United States invented most of the weapons that, in Soviet hands, now frightens it the most." For example, the MIRV (Multiple Independently Retargetable Vehicle), which was first developed by the United States, has been perfected by the Soviet Union and is ironically cited as justification for the MAP system. The Times editorial asked if it was not likely that, in an effort to meet the new threat presented by Soviet MIRVs, "we are drifting toward a new invention that could have the same boomerang effect."

The point, I believe, merits serious reflection. Before embarking on such a path, we should be certain that MAP development will not lead us to a situation where we are less secure than before we started.

My second concern about MAP involves its potential impact on the SALT talks. Recent reports indicate that the Soviets will find MAP to be unacceptable and that it is incompatible with the arms accord that is currently being so painstakingly negotiated. Indeed, the tentative agreement specifically limits the number of ICBM launchers, thus making the excavation of the thousands of new holes that the MAP program calls for a direct violation of the accord. It seems to me that it is not in our own self-interest to proceed with a program which will increase the international "anxiety threshold" and which is of questionable strategic utility at a time when we are at such a critical juncture in the SALT negotiations.

Furthermore, it is important to understand that, by committing itself to MAP development, the United States would be thrusting itself into a self-made "Catch 22" situation by placing Soviet demands for verification in direct conflict with our goal of deception. The purpose of the MAP program is to camouflage the location of the true missile. Yet, if superpower rapport, which is critical both to meaningful arms control and to a reduction in the possibility of a "panic-induced" counterforce strike, is to be maintained, the Soviets must have assurances of compliance through verifiability. Clearly, MAP strategy is inimical to that objective.

Yet another dimension of the verification issue is the question of the efficacy of U.S. deception measures. For MAP to be successful, it will be necessary in the long run to hide the existence of U.S. missiles from Soviet satellite sensor technology advances. And, there is the additional, more immediate problem of preventing Soviet agents based in the United States from determining the precise location of the real missile among all the decoys. It boggles the imagination to think of what sorts of security measures will have to be taken so as to assure no leakage of missile movements.

A third consideration which merits attention in a discussion of MAP is the possible responses it might elicit from the Soviets, both offensive and defensive.

Testifying in support of MAP development, Gen. Lew Allen, Jr., the Air Force Chief of Staff, lauded the program by pointing out that it would deploy a "great sponge" of targets in the United States that would serve to "absorb" the Soviet warheads. General Allen's logic is absurd, particularly when viewed through the eyes of the millions of Americans living west of the Mississippi.

A retired Navy captain who was a member of the so-called Strat X team, which assessed U.S. strategic options in the 1960's and discarded the MAP approach, has the following to say about MAP:

> It is madness to use United States real estate as a "great sponge" to absorb Soviet nuclear weapons.

He convincingly argues that our objective should be to reduce, rather than increase, the megatonnage likely to be directed at the U.S. land mass. It is difficult for me to imagine that, if the Soviets were desperate enough to contemplate launching a first-strike attack against U.S. land-based ICBM's, the inclusion of a few more silos into the equation would be sufficient to deter them. And, it is important to note that the "great sponge of targets" envisioned by MAP just happens to be concentrated in the heartland of American agriculture. It has been estimated that the total land area required for the vertical silos would be equivalent

to an area the size of the State of Connecticut. In the immediate future, there are sure to be significant costs in terms of distortions in land use patterns and agricultural productivity if the MAP program were to ever be fully implemented. Of more long-term concern, the logical extension of the MAP strategy would be to give the Soviets a "bonus effect" of erasing American food production capability in the event that an attack was launched.

In addition to increasing the potential for devastation of the U.S. land mass, MAP development could also induce the Soviets to dig more missile holes of their own. If that were to happen critics argue, the Soviets could very well succumb to the temptation of filling up the "dummy" holes with real missiles.

This is a classic example of the "boomerang" potential of the MAP program which I referred to earlier, since, if that were to happen, we would be infinitely worse off than before the program was implemented.

The final question about MAP which I would like to raise here today relates to the opportunity costs involved in its development. It is estimated that the vertical silos called for by this program will cost at the very least $20 billion. As we all have seen so often, such estimates are invariably minimum figures, and we can be fairly certain that the final MAP price tag will be much higher. I believe in spending what is necessary to protect our country from possible attack. However, I am opposed to committing billions of dollars to weapons systems which do not contribute to increasing our national security. We should not discount the fact that our resources are limited and that a multi-billion-dollar commitment to MAP will necessitate corresponding sacrifices in other vital defense areas and in efforts to meet pressing domestic needs. The American people deserve a meaningful return on such a massive investment.

Mr. Chairman, I question the logic of this type of a response to the threat of a Soviet first-strike capability, if indeed this threat is real. But, even more important, I question the advisability of committing large amounts of taxpayer dollars to development of a program which may well prove useless or even counterproductive. Given the fact that indications are that DOD intends to ask for full-scale funding for MAP in fiscal year 1980, it seems to me imperative that we use the upcoming year to thoroughly study and assess the potential of MAP.

In my view, a decision to proceed with MAP's system development is of such significance that it should only be made after an exhaustive evaluation process. Some have advocated, and I strongly support, the appointment of a high-level commission charged with studying all dimensions of the MAP proposal. Ideally, this commission should have a diverse membership and draw on experts in the civilian as well as military community. In addition to exploring the pros and cons of the MAP program itself, this commission should explore the advisability of other options, including those concentrating on strengthening the other two-thirds of the Triad.

Mr. Chairman, I am convinced that an open and thorough discussion of the MAP system is imperative if the United States is to best be able to arrive at an optimum solution to Minuteman vulnerability. I am sure that my colleagues will agree that establishment of a commission is the very least that should be done before pursuing a program that carries with it the awesome implications for every American that MAP does.

Mr. Chairman, in closing I would like to take this opportunity to underline once again that there is something in this bill that should not go unnoticed—that is, an appropriation a $158 million under title V of this bill for advanced ICBM technology. A significant part of that money is to be used for testing of what is called the MAP (multiple aim point) system which is claimed by its proponents to enhance the survivability of our land-based ICBM's. The Air Force proposes to dig thousands of vertical silos between which would be secretly shuttered, at a ratio of 20 or 25 to 1, real missiles. The objective would be to make the Soviets uncertain as to the precise location of U.S. land-based ICBM's and thus less likely to mount a counterforce strike against them.

I would just read to the Members from a discussion of this matter.

Dominic Paolucci, a retired Navy captain who served on the Strat X team that assessed U.S. strategic operations in the 1960s, said the "shell game" deployment would force the Soviets to target even more of their nuclear weapons on the American land mass. * * *

If the Soviets did not know which of 20 silos had the missile, backers of the scheme argue, they would have to use at least 20 warheads to cover the field hiding the single missile. * * *

One attractive response to the thousands of warheads the Soviets are putting on their missiles, said General Lew Allen, would be to deploy "a great sponge" of targets in the United States "to absorb" the Soviet warheads, making a surprise attack look futile to the Kremlin.

The shell-game deployment is being called MAP, for Multiple Aim Point system.

It is madness to use United States real estate as "a great sponge to absorb Soviet nuclear weapons," Paolucci asserted in contesting Allen's rationale.

* * * The MAP scheme would prompt the Soviets to aim 20 times as many warheads at the United States as it does now. * * *

The objective of our military forces and strategy should be to reduce the weight of any potential attack on U.S. real estate rather than attracting even more, he said. * * *

I am concerned that, if this testing program in title V is allowed to progress without greater scrutiny, the Air Force will likely come forth with a request for full funding of the MAP program next year, the minimum price tag of which is estimated to be $20 billion. My concern is that the MAP program is gaining a life of its own without a responsible effort being made to evaluate its implications.

It would be my hope that the President would appoint a special commission, which would include civilian as well as military experts, to look into this program so that there would be a full spectrum of input on it prior to a development decision.

I maintain that full-scale development of the MAP program will not make us more secure—especially not those of us living in the Midwestern and Western regions of the United States where most of the silos will be dug. To me, a great many questions remain to be answered before the MAP concept can expect the support of Congress.

I would like to yield to the distinguished chairman of the Appropriations Committee. I have talked with him about this matter. My understanding is that there is a feeling in the committee that they want to do what seems to be reasonable and they would not be averse, at least the chairman would not be averse, to having some outside participation in evaluating this particular system.

Mr. MAHON. Mr. Chairman, if the gentleman will yield, of course the security of our intercontinental ballistic missile system is of the greatest importance to the survival of our Nation in the present world environment. Various studies are underway and have been underway for years and further studies are being contemplated. The National Security Council, the Joint Chiefs of Staff, the various military officers, and civilians in the scientific community have been working on ways and means to solve this problem. Nobody has come up with a perfect answer.

I think the suggestion of the gentleman from Iowa (Mr. BEDELL) about a special commission be considered for appointment by the President on the subject might be a good idea. This is certainly a matter of great importance. Our committee will continue to do all it can to see that we do not take any steps that will be indefensible and not in accordance with the defense needs of our Nation.

I thank the gentleman for his contribution.

Mr. BEDELL. I thank the chairman.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I think the gentleman from Iowa (Mr. BEDELL) should be commended for bringing out this very important issue which should be brought out now before it gets into a multibillion-dollar project.

This is not only important from a fiscal standpoint but also from the standpoint of raising the question now as to what we may be letting ourselves into in the ever increasing rounds of the nuclear arms race.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. SEIBERLING, and by unanimous consent, Mr. BEDELL was allowed to proceed for 2 additional minutes.)

Mr SEIBERLING. Will the gentleman continue to yield?

Mr. BEDELL. I would be glad to yield to the gentleman from Ohio.

Mr. SEIBERLING. The irony of it is that we already have the capacity to wipe out every city in Russia many times over with our nuclear strike force, if we totally eliminate the bombers, if we totally eliminate the land based missiles, both those in place and the ones that are

in production, we still have the ability to wipe out every major Russian city many times over. So this is a kind of overkill that really ought to be examined in terms of its necessity as well as the implication that the gentleman has spelled out so well as to our own future security.

Mr. BEDELL. I thank the gentleman.

Mr. Chairman, I would also point out that I think we should not make the mistake of thinking that what we do is not going to serve as an example for the Russians to do the same. I would think we would be extremely uneasy if the Russians were to put 6,000 missile sites in Russia when we would not be certain as to when they would add missiles to those missile sites.

Mr. Chairman, I yield back the balance of my time.

Mr. DELLUMS. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa be allowed to proceed for 3 additional minutes.

The CHAIRMAN. The Chair will state that the gentleman yielded his time back.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words and I yield to the gentleman from California (Mr. DELLUMS).

The CHAIRMAN. The Chair would like to point out that the gentleman from California (Mr. DELLUMS) could have asked for time.

Mr. DELLUMS. The gentleman from California is clearly aware of the parliamentary situation. I had asked that the gentleman be given additional time so that I might engage our colleague in a colloquy. I am well aware of the parliamentary procedure, Mr. Chairman.

The CHAIRMAN. The gentleman will proceed.

Mr. DELLUMS. Mr. Chairman, I thank my distinguished colleague, the gentleman from Ohio (Mr. SEIBERLING) for yielding to me. I would like to ask the gentleman a question.

First of all, I would like to compliment my distinguished colleague, the gentleman from Iowa (Mr. BEDELL), for raising this very important issue.

I think the Members of the House should understand that what we are talking about is research and development for 300 land-based missiles and then the construction of 20 holes that we refer to as vertical holes, per missile, meaning roughly 6,000 holes at the cost of approximately half a million dollars per hole, an incredible amount of money, to say nothing about whether we need this or not.

To me it is a spinoff of the MX mobile-launched missile, but rather than having mobile-launched missiles, we have a missile that goes from hole to hole in the dark so that the Soviets cannot tell whether the missile is in hole No. 1, 10, 15, or 20.

The logic of it escapes this particular gentleman. But it seems to me we are talking about spending an incredible amount of money, billions of dollars, and if so, we ought to study it as carefully as possible and as diligently as possible prior to investing all the multibillion dollars into a program that may make no sense and make our security no better and may place a great part of this country in serious jeopardy.

I think those Members who are interested in this matter might take a look at the map which I have and which my distinguished colleague in the well has to determine where the Pentagon states that these 6,000 holes can be put. If they are close to your community, I would assure you that you would be as excited as we are and as concerned as we are about stopping this madness.

Mr. Chairman, I would like to applaud my colleague and ask the gentleman this question: How did they arrive at the half million dollars per hole, is the gentleman aware?

Mr. BEDELL. No, I am not. The gentleman may have more access to that information than I. Yet, my experience has been that such estimates are likely to be conservative figures.

Mr. DELLUMS. It is indicated, as I gather, that each vertical hole is equipped with these look-alike monster dummy missiles and that the inclusion of both of those combined factors equal a half million dollars in cost at this particular moment. Down the road that cost may be even greater.

Again, Mr. Chairman, I would applaud my colleague for raising this issue and for making legislative history so that the American people are aware of what we are attempting to do and that we might end up with a $20 billion, $30 billion, or perhaps even a $50 billion program which I do not believe we can afford, and I do not think we want it.

Mr. Chairman, I thank my colleague for rendering a great service, and I am deeply appreciative to the chairman for suggesting that we ought to study this matter.

At this point I would suggest it is madness.

Mr. SEIBERLING. Mr. Chairman, last year at this time the Air Force was still promoting the idea of thousands of miles of tunnels in which they would move these missiles back and forth, until someone finally woke up to the fact that one atomic warhead exploding at any point on one of those tunnels would wipe out everything in the tunnels for miles in either direction.

This is the latest idea that they have come up with. Next year it will be something else, I imagine.

Mr. Chairman, if this shows anything, it shows the desperate urgency of finding ways to put a freeze on the technological weapons race. We ought to be focusing on how to make the problem of arms control more simple instead of complicating it.

Mr. DELLUMS. Mr. Chairman, I agree with my colleague, the gentleman from Ohio.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $4,186,540,000, and in addition, $8,800,000 which shall be derived by transfer from "Research, Development, Test, and Evaluation, Air Force, 1978/1979", to remain available for obligation until September 30, 1980.

AMENDMENT OFFERED BY MR. MAHON

Mr. MAHON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON: On page 25, in line 18, strike out "$4,186,540,000" and insert in lieu thereof "$4,155,700,000".

Mr. MAHON. Mr. Chairman, this amendment is designed to bring the appropriation bill in line with the authorization bill.

I know of no opposition to it, and I ask for a vote.

The CHAIRMAN. The queston is on the amendment offered by the gentleman from Texas (Mr. MAHON).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE VIII

GENERAL PROVISIONS

SEC. 801. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 28, after line 2 insert new section 801 and renumber subsequent sections, as follows:

SEC. 801. None of the funds appropriated or otherwise made available in this Act shall be obligated or expended for salaries or expenses during the current fiscal year in connection with the demilitarization of any arms as advertised by the Department of Defense, Defense Logistics Agency sale number 31–8118 issued January 24, 1978, and listed as no longer needed by the Federal Government.

Mr. ASHBROOK. Mr. Chairman, this amendment is very clear and very straight forward. Its intent is to prevent the demilitarization of arms by the Secretary of Army and the Defense Department. My remarks on this subject appeared in the CONGRESSIONAL RECORD on August 1 of this year on page 23810 and this issue was noted in my letter to my colleagues on August 2.

Yesterday, an amendment which would have required the sale of arms to qualified citizens and for qualified programs was ruled out of order. I wish it were possible under the parliamentary situation to require the Secretary of Army to sell as many as 2,600 weapons per year instead of their projected 300 to 600.

This amendment will be more than half a loaf, however. If the Defense Department which has been pressured by outside groups and individuals to curtail the civilian marksmanship program can be prohibited by my amendment from destroying the weapons we will at least be in a position to provide for sale of these weapons at a future time. Obviously, if weapons are scrapped it would make no difference in the future to have a change of policy because they would be gone. For now, if we can at least

get these valuable weapons preserved in a warehouse we will have won the biggest part of the battle.

I urge my colleagues to support this amendment and to join our effort to prevent the curtailment of the civilian marksmanship program. It is a vital part of our defense and the work of the National Board for the Promotion of Rifle Practice should proceed with its valued work unencumbered by back door efforts to dry up the supply of surplus weapons. This amendment will do just that.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Florida.

Mr. SIKES. I thank the gentleman for yielding.

As I understand the gentleman's amendment, he proposes to block the sale proposed for military rifles which were considered no longer serviceable. He proposes to block that sale for junk; is that correct?

Mr. ASHBROOK. I would say to my colleague, the gentleman from Florida, he is correct. Our original amendment would have required the Department of Defense to continue the marksmanship program, to continue to offer surplus firearms for the public for sale. That was the part that was considered to exceed the authority of an amendment of this type, so the retrenched amendment merely indicates a limitation on the appropriations bill to prevent the payment of salaries or expenses for the demilitarization of arms which has been proposed within the Department of Defense.

Mr. SIKES. If my distinguished colleague will yield, further, I am fully in accord with what he seeks to do. The House has already voted on this question in connection with other bills and voted overwhelmingly to support the position which the gentleman is now taking.

Mr. ASHBROOK. I would say the gentleman is absolutely correct. That is why I did not endeavor to take 5 minutes. I know the Members are apprised of the previous actions and have supported the civilian marksmanship program which is based to a large degree on the continuation of the sale of surplus weapons.

Mr. SIKES. Mr. Chairman, I support the efforts of the distinguished gentleman from Ohio, Mr. ASHBROOK to insure a sound and workable program for dealing with surplus or unserviceable Government weapons. I would hope that we can go further and develop a realistic and workable program for disposing of those weapons at a reasonable price.

Let us try to get away from the emotional aspects of anti-gun arguments and appeals to deny weapons to private citizens and let us look at the simple facts of this case. Sales of certain types of surplus weapons are authorized by law under careful supervision to responsible citizens or they may be sold for scrap. Some of course, are made available to friendly countries for their own Armed Forces. I feel there should be limitations on the sale of surplus weapons for scrap which present law does not provide. We should not force the continued storage of weapons for which there is no present use and which, in some cases, are simply rusting away. But we need a procedure by which these weapons can be rehabilitated and sold for a realistic return.

This concern has been generated because several months ago the Department of the Army proposed to sell for scrap 290,000 M–1 rifles of World War II vintage. These weapons are not comparable to the light-weight, semi-automatic or fully automatic rifles now in use by the forces of most nations that can afford modern weapons. However, the M–1 rifle is basically an excellent weapon which is still in use in the Armed Forces of many countries and still in demand for its durability, accuracy, and for its dependability.

The rifles which were offered for scrap were not considered serviceable for army requirements. Some of us in Congress were disturbed by the implications of the situation where such a large number of weapons would be bid off for scrap—probably bringing about $2 each. We asked that the sales be withheld. The Secretary of the Army has been fully cooperative in this matter and the disposal of the weapons is still undetermined.

Upon examination, it was found that a majority of the rifles could be restored to full usefuless through adjustments or refinishing or by replacing a few parts, most of them minor in cost. If that were done, the same weapons which would probably bring $2 each for scrap, would be worth $100 to $150 on today's market. If they were purchased new today, the cost would be $250 to $300.

Those same rifles, once refurbished, could only be sold to private individuals through recognized gun clubs which are carefully screened and only to citizens who are proficient in the use of weapons and who have no criminal record. This is a sound procedure. More importantly, they could also be made available to friendly countries who want our help in bolstering their own forces to repell invasion or Communist aggression from within. We should welcome the cpportunity to realize a gain from the disposal of the weapons for legitimate purposes and under legal procedure. We should not encourage scrapping of useful weapons nor should we require that they simply continue to rust away in Government warehouses.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 823. No part of any appropriation contained in this Act, except for small purchases in amounts not exceeding $10,000, shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), or specialty metals including stainless steel flatware, not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that a satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, woven silk and woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, wool, or specialty metals including stainless steel flatware, grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters, and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: *Provided*, That nothing herein shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions when such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or where such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within NATO so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act and with section 814 of the Department of Defense Appropriation Authorization Act, 1976: *Provided further*, That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: *Provided further*, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations: *Provided further*, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder.

AMENDMENT OFFERED BY MR. HOWARD

Mr. HOWARD. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. HOWARD: Page 42, beginning on line 3, strike out "That no funds" and all that follows through "dislocations" on line 6, and insert in lieu thereof the following:

That no more than 10 percent of the funds appropriated in this Act and to be used for payments under contracts shall be used for payments under contracts hereafter made for the purpose of relieving economic dislocations.

Mr. HOWARD. Mr. Chairman, since the time of the Korean conflict, it has been a policy of the Federal Government to give preference on the bidding of some Federal contracts to firms located in the areas of high unemployment. An Executive order, issued by President Truman in February of 1952, known as Defense Manpower Policy No. 4, gave procurement officials the authority to restrict the bidding on some Federal contracts to firms located in areas of labor surplus.

Clearly, the intent of this policy was to insure that our Nation's defense needs were met. It was determined this could best be accomplished by insuring that we had a minimal amount of idle manpower and machinery. Thus, 26 years ago, the concept of "targeting" some Federal contracts to a particular class of suppliers to fulfill an essential national goal became part of U.S. policy.

Despite the original intent of Defense Manpower Policy No. 4, a second objective of this policy soon emerged. Implied in the wording of the policy was the Government's commitment to combating pockets of excessive unemployment by targeting some Federal contracts to firms in these areas. Yet, before this policy could ever become operative, an amendment was attached to the defense appropriations bill which, in effect, doomed this policy to exist in name only.

The provision which this amendment would alter states that "No funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations."

President Carter has stated his commitment to the relief of high unemployment, which is a chronic problem in our Nation today. The central theme of his proposals in the urban policy statement issued in March of this year is the use of Federal funds to induce private-sector investment in our distressed areas. The President has stated his commitment to "target" Federal procurement contracts and Federal facilities to areas of high unemployment.

Last year, the Department of Defense purchased goods and services in the amount of approximately $60 billion. Of this huge sum, less than one-fifth of 1 percent was targeted to firms in labor surplus areas. The justification for the limited use of Defense Manpower Policy No. 4, given by DOD procurement officials, is the existence of the Maybank provision. The amendment I am offering today revises this prohibition. It would require that the Defense Department be assured of paying only a reasonable price—defined as the lower or lowest of at least two responsible bids.

The Congress has wrestled with this dilemma in the past, and whether we considered the small business set-aside program, the 8(A) program, or the Buy America Act, we have continually permitted the payment of reasonable price differentials to achieve vital national goals.

Each week we delay the resolution of this debate concerning the Government's policy toward firms located in high unemployment areas, the Federal Government spends another billion dollars purchasing goods and services with little or no preference to firms in areas of labor surplus.

Government research has indicated that by restricting the bidding of contracts to firms in labor surplus areas, a price differential of about 1 percent may result. Assuming that the Defense Department "targets" a billion dollars worth of contracts to firms in economically distressed areas, a 1 percent price differential means that the added cost to the Government is $10 million. Yet look at what this $10 million investment yields. It yields a billion dollars worth of private sector eocnomic activity in our most economically depressed areas. Certainly no other Government program yields such a high rate of return on any investment.

We have, Mr. Chairman, located at the minority and majority desks a booklet stating the areas in the country that would be affected by this immediately in a positive manner, and we also know that the areas where unemployment is low would benefit because we know that 1 percent unemployment in this country costs the rest of us $16 billion. So by not having this amendment adopted, we are working to the detriment of all the areas in the country with high unemployment or with low unemployment. I would hope that the Members will look at these areas to find out where in their States or their districts this may have an immediate beneficial effect.

Furthermore, there is reason to believe that the actual cost to the Federal Government will be less, as a resulting reduction in the demand for income maintenance programs takes place. These are programs that everyone pays for, programs such as food stamps, welfare, and unemployment benefits. These will surely accompanying targeted Federal contracts.

This program is immediate, inexpensive, and worthy of the full support of the Congress since unemployment, as we know, wherever it exists in the Nation, puts a strain on the economy of the entire country.

Since the money appropriated in this bill is going to be spent anyway, regardless of the outcome of this amendment, I would urge the Members to join in allowing the Department of Defense—and this is only allowing, not demanding or not mandating—to direct some of this spending, up to 10 percent, to go toward relieving the serious problem of unemployment.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. HOWARD) has expired.

(On request of Mr. FLOOD, and by unanimous consent, Mr. HOWARD was allowed to proceed for 2 additional minutes.)

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, I would like to compliment the gentleman from New Jersey (Mr. HOWARD) on his presentation.

For many years we have gone through this very, very same problem. I know the gentleman's area, he knows mine, and I am delighted to support him.

Mr. Chairman, I support this amendment because in so doing we are supporting a program that will save at least several hundred million dollars.

Clearly, the sector of our economy that needs the most assistance in labor surplus areas and the small business firms located in those areas.

This set-aside program is designed and aimed at fighting the unemployment problem, a problem that the Federal Government has not yet solved. The record shows that small business firms throughout the Nation are the best source for the creation of new jobs. During the past several years some 90 percent of all new non-government jobs came from small businesses, not large.

Therefore, we should target small businesses in our effort to reduce unemployment. It will help everyone because it will allow the Government to reduce unemployment and the Federal costs related to unemployment while at the same time procuring the goods and services it needs.

The benefits of a labor surplus area set-aside policy during a 1-year period were recently released and it showed that nearly 11,000 new jobs were created, nearly $8 million in new State income taxes were generated, a like amount in new Federal income taxes, nearly $13 million in unemployment payments were saved, and some $18 million in Federal transfer payments were not required.

We should not permit any obstruction of this set-aside policy by contracting officers in the executive department. The congressional intent should not be short circuited because much depends upon this program being properly administered and implemented in all areas where it is needed.

Mr. HOWARD. Mr. Chairman, I thank the gentleman for his support.

We do know there have been times when this provision has passed both Houses, and it has already gone to the White House. The gentleman from Minnesota (Mr. OBERSTAR) may speak later on that particular aspect of the history of this amendment.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I just want to be clear on what the gentleman is doing by this amendment.

First, the gentleman would remove the prohibition on paying price differentials?

Mr. HOWARD. That is the basis of the entire removal of the Maybank provision. The gentleman is correct.

Mr. EDWARDS of Alabama. Second, the gentleman would provide for a limitation of no more than 10 percent of the money available for contracts to be used in areas affected by economic dislocation?

Mr. HOWARD. Right. This would say that no more than 10 percent would be available, and it does not mean it must be 10 percent; it could be much less than 10 percent. That is up to DOD, and this would have nothing to do with negotiated contracts or agreements where the military has a definite provider of a vital piece of equipment or machinery for defense. That would not be involved at all. What we are talking about basically is general procurement. We are talking about buying uniforms, bedding, underwear, socks, and such things.

Mr. EDWARDS of Alabama. Would the Department of Defense, then, under the old restrictions of the manpower policy be required to give a differential?

Mr. HOWARD. As I understand it, it could give a differential. It is not required, but they could give it only up to 10 percent. It is not required, and, of course, there are many other provisions

in this that would permit the Department of Defense to say, "We may not do it in this instance because of an unreasonable price differential" or because of the fact that they do not have at least two reasonable bidders, and so forth.

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. HOWARD) has expired.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the Defense Department has probably the greatest potential for impact on the Nation's economy of any Government agency. With a $60 billion shopping list and a checkbook to match, DOD can reduce joblessness in high unemployment areas and stimulate economies in lagging areas of the country. They can, but they have not, because neither the Congress nor the President has directed the military to put its purchasing power where it will do the most good, where we can get a 2-for-1 effect of buying military goods and servives which are needed, getting them delivered on time, meeting specifications, and contributing to the national economic policy goals of reducing unemployment and stimulating growth in areas of high, persistent, chronic unemployment.

On the one hand, Congress has, as a matter of national policy, created a whole array of economic stimulus agencies: the Economic Development Administration in the Department of Commerce; the title V Regional Economic Commissions; the Appalachian Regional Commission; Farmers Home Administration, all of which provide grants and loans to areas of high, persistent unemployment, where we have attempted as a matter of national policy to create jobs and stimulate the local economies.

On the other hand, we have a shopping list of $60 billion in military goods and services, an enormous economic impact tool; goods and services the Government needs, in any event; more in 1 year's appropriation than has been appropriated for all of these other economic development agencies in 10 years, and we are not using that tool.

This economic weapon could be used, I think, with greater effectiveness for a positive purpose probably than all of the other efforts that we have made in the civilian sector of the economy.

All we need to do is to adopt the amendment offered by the gentleman from New Jersey, which will allow targeting of those funds to those areas of economic distress.

This is not the first time this effort has been made. Back in 1963, Senator Hubert Humphrey and my predecessor, Congressman John Blatnik, went to Defense Secretary McNamara with a very similar proposal, discussed it and laid out the arguments. He sympathized with them, but he said, "I do not have the authority to make that decision. It has to be made on higher authority than mine." That authority was President John F. Kennedy. So they arranged a meeting with President Kennedy. They carefully researched their case and had their documentation all laid out. The meeting was scheduled for November 24, 1963, or thereabouts, at the White House. Of course, the awful event of November 22 prevented that meeting and, in the whirl of events that followed, the effort was sidetracked. It is not too late now to attempt to revive this effort to make DMP–4 a meaningful, effective tool of creating jobs in high economic chronic distress areas and doing more with this economic tool than we have until now.

We need the goods and services anyway, and I say let us use that purchasing power for far greater good and peaceful effect in this country than we could do with all of the bombs and other weaponry that are in this defense procurement bill.

Mr. Chairman, I urge the support of the very responsible, very simple, very reasonable amendment that the gentleman is offering, in an effort to help those areas of the country which really need economic help with this tremendous potential tool that we have.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am concerned about this amendment. I inquired of the gentleman from New Jersey a moment ago as to what the real intent was. First of all, it does remove the prohibition on the price differential, and it does in fact put a ceiling of 10 percent on contract money that can be used in areas of dislocation. And that is a ceiling without a whole lot of meaning right now, because there really is not too much going into dislocated areas, if I understand the remarks of the gentleman from New Jersey.

We have heard it said several times today that this is the highest appropriations bill, the largest appropriations bill that has ever been brought to the Congress in the history of this country. And if you want the numbers to continue to grow in unreasonable proportions, then you start allowing the payment of differentials for work done under this defense bill. It would be foolhardy, I think, to remove the Maybank amendment from the law. The Defense Department today can place contracts in areas of that country that are in need.

There is no reason why they should have to pay more in those areas of economic distress than they pay in any other part of the country. They have the right, they are able and they, in fact, do—perhaps not enough—but they in fact do put work into those kinds of areas. Now, to remove that prohibition, I think, is one of the quickest ways we can kill off the adequate defense of this country because if this bill continues to grow not only for needs for defense purposes, but continues to grow from artificial reasons, then we are going to find some limitations being put on the spending for defense in this country. The net effect is going to be real damage to the needs of our defense in this Nation.

So, I think that we should stick with the competitive system. We should stick with the ability of the Defense Department to place contracts in certain areas where there is great need, but it would be most unfortunate, in my view, to remove the prohibition against paying higher prices for work done than the Defense Department could get done somewhere else under competitive bids.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, I thank the gentleman for yielding to me. I would just like to state, concerning the gentleman's comment, that the bill itself will not grow if this amendment is adopted. There would not be additional money added to this appropriation bill should the amendment be adopted, and certainly we could expect that there would be a reasonable amount of competition for these contracts, as there is at the present time. Something like 260 congressional districts in the United States, well over half the United States, would be competing for these contracts.

So, I do not imagine that there would be any great differential in the prices paid. If we look at the entire picture, we will probably be saving on the entire economy of this country, actually saving money, because we would be saving on money that the Federal Government does pay now because these areas are in high labor surplus areas. So, I certainly agree with the gentleman that I would not want to see us add something that would provide for an abnormal growth in the appropriation bill now, because, as the gentleman stated, due to the defense needs we certainly do have a large enough appropriation now. This amendment would not alter that at all.

Mr. EDWARDS of Alabama. With all due respect, I do not agree that we can assume that there will be no growth or increased costs because of the differential. The truth is—at least it is my view—that if we remove this prohibition the differential will begin to creep in. There is one further point: I would not suggest that this bill would grow or that the differential will cause any of the bill to grow. What the differential will cause is the inability to buy as much in the future for the same dollar if we are paying more in differentials.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(By unanimous consent Mr. EDWARDS of Alabama was allowed to proceed for 1 additional minute.)

Mr. EDWARDS of Alabama. So, if we are buying less for our dollar, the only way we are going to be able to buy what we need is to appropriate more dollars. So, the net effect of it will be that the bill will grow.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I just want to ask if this is not so: Under this approach, what is defined as a labor surplus area depends upon statistics of the Labor Department. It does not neces-

sarily mean it is harder to secure a job there, because the labor statistics are based upon the people that are now unemployed who at one time had jobs. In the inner cities and rural areas of this country, we have tens of thousands of people who never had any job and who do not appropriately show up as unemployed. It may be harder to get a job there than it is in some of these labor surplus areas.

It is very unfair. What they are really saying is, "Take the job away from the areas where they have never had a chance to be employed, and give preference to those areas lucky enough to have had jobs." So, it is really discriminating and unfair to the areas where they have never had an opportunity to have a job.

Mr. EDWARDS of Alabama. And if that is unfair, then it becomes more unfair with the gentleman's amendment.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a very serious proposal. It could signal a major change in defense procurement and in defense expenditures. I am reluctant to oppose my esteemed friend, for whom I have the greatest admiration, the gentleman from New Jersey (Mr. HOWARD), but I am compelled to do so.

There used to be a man in the Senate, Senator Maybank from South Carolina. He is the man who proposed the Maybank amendment. The Maybank amendment, as shown on page 42 of the bill, is as follows:

Provided further, That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations . . .

So we have clung to that view through the years. It seems to me to be very, very important that we not make a relief program out of the defense appropriation.

All areas of the Nation now have the right to compete for contracts, nobody is excluded, and areas of economic dislocation and high unemployment would be more anxious to bid and bid low and get the contracts if possible, it would seem to me. So why should a price differential be provided?

I do not see that we can find fault with this language.

Let us help the areas of economic dislocation and let them have an opportunity to compete for defense contracts, but let us not make the defense bill a relief bill.

I asked the Department of Defense to give me some information on this subject, and here is what I got:

Commencing with Fiscal Year 1954 each annual DoD Appropriation Act has a proviso that "no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations." This proviso is popularly referred to as the Maybank Amendment.

And I continue to read:

DoD has consistently held the view that removal of the Maybank Amendment is not in the national interest. In our view this action would increase defense costs, severely complicate the administration of defense procurement and pose serious equity problems to small businesses, minority firms and other defense suppliers.

The repeal of the Maybank Amendment is unlikely to provide material aid to economically depressed areas. The first factor is the limitation on the funds that can be set-aside. DoD contract obligations in FY 1977 totaled $55.6 billion. Of that amount, a maximum of $1.3 billion is susceptible to set-aside to labor surplus areas, as indicated in the attached table—

And so forth.

So this apparently expresses very clearly the attitude of the Department of Defense, and I must say I am compelled to agree with them and I am afraid this would tend to make the defense bill more or less, to some extent, a pork barrel bill.

What our defense people need is the best possible equipment from the very best suppliers in the Nation.

We do not want inferior equipment made by firms that are incapable of getting a job done.

So I do not believe that this amendment would be in the public interest. Let us not have New England competing against the South, as was the purpose back of the Maybank amendment. Let us allow everybody to have an equal chance and let us allow people to bid on these contracts, without converting this defense program into some sort of elite program.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I reluctantly rise in opposition to the position taken by the distinguished chairman of the full committee, Mr. MAHON, and the ranking Minority Member, Mr. EDWARDS. I have the greatest admiration for both these gentleman who serve the Congress and this Nation with great ability, great dedication and great force.

I support the amendment offered by the gentleman from New Jersey (Mr. HOWARD).

I do not agree with the position taken by the Department of Defense as explained here by the chairman of the full Committee on Appropriations. The Maybank amendment that is in this bill, the proviso, on page 42, that the gentleman from New Jersey seeks to strike, has been there for some 25 years. It was placed in the appropriation bill back in 1953. Prior to that, differentials were paid by the Department of Defense to those areas where there was acute economic distress, where there were labor surpluses.

The advantages, of being able to direct, Department of Defense procurement, to areas of high unemployment where Federal dollars will stimulate the private sector economy, are clear, particularly to those of us who represent such areas. One of the most persuasive arguments for repeal of the Maybank amendment is, that it would allow targeting of contracts to labor surplus areas, with relatively little added cost to the Government. The Federal Preparedness Agency, in conjunction with the General Services Administration, made a study which indicates that if bidding on contracts were restricted to firms in labor surplus areas, a price differential of less than 1 percent would result. If the Defense Department targets 10 percent of its total procurement budget of approximately $60 billion, $6 billion worth of private sector economic activity would be pumped, into those segments of our economy, which continue to suffer from high unemployment.

The impact of these procurement dollars on targeted areas is illustrated by a recent study undertaken by the State of Massachusetts. The Massachusetts Economic Policy Model Study found that a 10-percent increase, representing $145 million in this case, in the dollar amount of DOD contracts, obtained by the four major defense related facilities already existing in Massachusetts—aircraft, missiles, ships, and electronics—would create 10,902 jobs within 2 years and $28.7 million in State revenues. Personal income in those same 2 years would rise by $171 million.

Certainly no other Government program yields such a high rate of return on investment.

There are a sufficient number of "labor surplus areas" to insure that competitive bids will be submitted. The Defense Department will be under no obligation to pay an unreasonable price for goods and services. According to a simulation done for the GSA study. The cost differential for the granting of 46 contracts under a total set-aside procedure, resulted in an increase in cost to the Government of only 0.64 percent. I do not see anything wrong with paying this small additional amount when it is intended to reduce unemployment. The Federal Government is spending billions of dollars on programs to assist the high unemployment areas of the country. Much of that money does not result in any increase in productivity at all. Any excess procurement costs should clearly be offset, by reductions in public sector job programs and income maintenance costs.

Mr. Chairman, precedents exists for the payment of price differentials on Government contracts. For example, the Buy American Act permits price differentials of 6 percent to American firms on civilian agency purchases. It also permits price differentials of up to 50 percent to American firms on DOD purchases. These differentials are an indication, that the Congress recognized, that there were greater needs to be met in procurement than merely securing goods at the lowest possible price. I urge that the amendment be adopted.

● Mr. ADDABBO. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from New Jersey (Mr. HOWARD).

We have lived in this Nation with the Maybank amendment for 25 years now. Each year it is routinely added to the defense appropriations bill. Well, it is time to stop that. There is no doubt that the interpretation of the Maybank amendment has kept high unemployment areas from receiving their fair share of procurement contracts from the Defense Department. I find it ironic that a Federal Government that for years has proclaimed itself honor-bound to stem unemployment could at the same time continue to include this outrageously discriminatory amendment as Federal

law. The time is here to remove this discriminatory restriction and it is in the highest national interest to do it now.

We are talking about big dollars when we discuss the Maybank amendment. The Pentagon will spend some $60 million next year buying goods and services. Now where will it spend this money? Well, it ought to spend the money where the greatest need is. It ought to spend the money where the largest pockets of unemployment are. It ought to spend its money to help revitalize the Nation's cities. But the simple truth is that if we keep the Maybank amendment as is, as part of this bill, we will not do any of those things. Because the interpretation of the Maybank amendment has kept those things from happening.

Now, I have spent some time working with the Pentagon over the years on such things as procurement policies and programs to help small businesses. I would like to say that the Pentagon is hard at work to implement the proposals of the administration that we deal with these urban problems, these unemployment problems, these discriminatory problems. But I cannot say that. The Pentagon would like to be free to carry on in its same old way, dealing with the same old people and keeping the door shut to anybody new. The Pentagon changes only when the Congress forces it to change, especially on matters like this. I say to you that if we want the right things done, if we want to deal with the problems that are emptying out our urban areas today, then we have no choice but to amend the Maybank amendment.

Who loses if we fail to amend the Maybank amendment? Most likely you do, and your constituents, because a survey conducted by the Northeast-Midwest Coalition shows that Maybank discriminates against 270 congressional districts around the Nation in favor of 165 congressional districts which are generally rural in nature. Massachusetts loses, Illinois loses, Wisconsin loses, Pennsylvania loses, California loses—all the big industrial and manufacturing States where there are unemployment problems will lose if we keep the Maybank amendment in this bill as is.

And just what happens if we amend this amendment? If we do that, everyone gains because we allow competitive bidding on a truly national basis on the vast majority of contracts. The Government gets a better deal, the urban areas and suburban areas get a fair shake at being able to compete for Government contracts and those areas protected by Maybank still have an equal shot at contracts with everyone else.

I have always favored a responsible national defense budget in which a dollar spent brings a dollar worth of service and goods. We have not ever gotten that good a deal in the 18 years I have been here, but we keep getting closer, I like to think. We have to spend for defense; no one argues against that. But when we spend, why not get as many benefits out of that spending as are possible. Let us use that money in a way that gives the greatest possible benefit. We know what rampaging unemployment can do to our Nation; it is more dangerous than any outside threat. We can use these defense dollars to stem unemployment at its roots, by giving all areas of the country access to jobs that are created by Federal spending.

I stress to you that by opening up the process to all areas of the country we maintain all standards of Pentagon procurement. and we may even provide new and innovative business persons a chance to show their stuff. The standards for Government procurement that we in the Congress have always insisted on can be maintained, whether the contractors work in one section of the country or another.

We have in recent years looked back over past practices and rectified the mistakes of previous years. It is time to do the same for this legal discrimination.

The Maybank amendment belongs to an outdated time when one section of the Nation looked with deep suspicion at other sections of the Nation. It belongs to a time when Federal spending was a small tool which a shrewd Congressman could utilize to give his area a leg up over some other section of the Nation.

That time is now past and it is time to treat the Nation as a whole on an equal basis. Discrimination of any kind, by race or sex or by area, has no place in the legislation of the 1970's and 1980's.

I urge you to do the right thing. I urge you to support this amendment and allow the free enterprise system to work its will. Let the Federal Government serve as a stimulus to all sections of this great Nation by letting true competition prevail on a vast majority of Federal procurement contracts. Let us devote parts of that procurement process to wiping out poverty, to providing jobs, to rebuilding the cities and providing tax bases in suburban areas. We can do that if we amend the Maybank amendment today, and I trust that the House will do just that.●

Mr. MITCHELL of New York. Mr. Chairman. I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment of the gentleman from New Jersey (Mr. HOWARD), which would remove the prohibition against the payment of any price differential in the awarding of defense contracts. This restriction has prevented the Department of Defense from complying with Defense Manpower Policy No. 4 (DMP–4), which was designed in 1952 to target contracts to areas of high unemployment, for nearly a quarter of a century. The failure to repeal this particular Maybank amendment makes a sham of DMP–4.

Mr. Chairman, some years after this provision was attached to the fiscal 1954 DOD appropriations budget, the Comptroller General ruled that in order to comply with both the proviso and DMP–4, contracts must be split into two production runs. One would go out for nationwide competition to determine the "base price" the Government would have to pay for the item, and the other would be targeted under DMP–4 to firms in labor-surplus areas which could meet the base price.

Procurement officials readily admit this process is too cumbersome to be effective, and therefore they tend to refrain from using the targeting policy.

Those contracts that actually do lend themselves to this "splittable" item method are generally the least expensive procurements made by DOD, such as clothing, food, and medical supplies. Contracts representing major purchases of items never have been considered under DMP–4.

Few, if any, major procurement contracts are targeted to areas of highest need. In fact, over the past quarter century, DOD has targeted an average of only one-half of 1 percent of its procurement budget to districts of high unemployment.

Let us not forget that the Federal Government spends approximately $80 billion a year for goods and services, $60 billion of which is spent by the Department of Defense. One-half of 1 percent of $60 billion, which is the average percentage usually targeted to needy areas, is only $30 million—nothing at all. In the past 5 years, the total value of targeted contract awards has dropped to one-fifth of 1 percent of the total DOD procurement budget—imagine, only one-fifth of 1 percent.

Should the restriction against the payment of price differentials be repealed, the contracting officers of the Defense Department would be able to award a total set-aside of a Government contract to a labor-surplus area under DMP–4, if the Secretary determines that the Government will be paying a reasonable price. This would substantially increase the number and values of contracts that could be awarded to these needy areas.

Mr. Chairman, I want to stress one point, too: This is not a regional problem. There are 675 labor-surplus areas in the United States, and they are spread throughout 279 congressional districts—hardly regional. They contain 37 percent of our entire labor force and almost 50 percent of our Nation's unemployed.

The enormous potential of the DMP–4 targeting program has been limited by the Maybank provision, as stated earlier, for more than a quarter century.

It is time to remove this impediment and allow the agency which spends three out of every four Federal procurment dollars to target some of its contract dollars to areas of high unemployment. It should result, as has been pointed out, in savings overall. It should result in a decrease in unemployment insurance and welfare payments. medicare. public service jobs. It will help greatly in districts like mine where people want to work.

One gentleman who rose made the point that there were areas where people did not care to work. My people want to work. This would put proud people back to work, back to work on meaningful jobs, people who want to pay their own bills and support their families, people who are deeply imbued with the work ethic but who cannot find any place to work.

It is worthy legislation, Mr. Chairman, it is long overdue. It rights a serious wrong, and I urge my colleagues to support it.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I certainly yield to the gentleman from Pennsylvania.

Mr. McDADE. I thank the gentleman for yielding.

I want to commend my colleague for his remarks, as well as the gentleman from New Jersey and the gentleman from Massachusetts, and associate myself with their position.

As has been pointed out, the Maybank amendment has been in effect for about a quarter of a century. What has not been pointed out is that it has nullified Defense Manpower Policy–4, first announced in 1952 and continued as the policy of every president since that time, to try to use a discretionary amount—and I emphasize that—of Defense Department Procurement to try to create jobs in areas where unemployment is above the national average.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McDADE. Mr. Chairman, I move to strike the requisite number of words.

I want to say to my friend, the gentleman from New York (Mr. MITCHELL) that he is absolutely correct when he points out that it is illusory to say that if we do accept this amendment, we are automatically going to increase costs to the Federal Government. As a matter of fact, I asked the Small Business Administration to examine this one-half of one percent that they are now doing in setasides to small businesses in labor-surplies and we decrease unit costs to the concluded that because of the competitive spirit under the free enterprise system, we increase the nature of the supplies and we decrease unit costs to the Pentagon in some instances dramatically. We ought not to be taken in by the argument that because we go in for a labor-surplus set-aside that we are going to get an inferior product, as my friend, the gentleman from New York (Mr. MITCHELL), and the gentleman from Massachusetts (Mr. BOLAND) would agree. It is discretionary with the Pentagon in both instances. They have complete quality control over what is happening. As the gentleman from New York, pointed out this a a program where we can begin to get people back to work—not with palliatives or temporary jobs.

Here we are going to procure the items anyway. We have quality control, the ability to stimulate competition and reduce costs to the Pentagon by getting out to those suppliers who want to be in this effort now in this procurement but who have not been able to do so.

I commend my colleagues for bringing this to the attention of the House. I think it is time we put Senator Maybank of a quarter century ago to rest and start paying attention to every President who has occupied the White House since 1952.

Mr. Chairman, this labor surplus area set-aside rogram is aimed at small business, that sector of our economy that needs the most assistance.

This program is also aimed at unemployment, a problem that Federal programs have not yet solved. Small businesses are the best and most reactive target of job creation incentives. During the past 8 years, 90 percent of all new nongovernment jobs came not from large but small businesses. If we want to ease unemployment, the record shows us that we should look to small business.

This program will help everyone. It will allow this Government, while procuring the goods and services it needs, to reduce unemployment and the Federal expenditures related to unemplovment.

In a recent study utilizing a statewide economic model, the benefits of a labor surplus area set-aside policy during a full year of operation were shown. By targeting additional procurements only to high unemployment areas, as the LSA policy would do, these were the results:

First, 10,900 new jobs created;

Second, $7.8 million in new State tax income generated;

Third, $7.9 million in new Federal tax income generated; and

Fourth, $18 million in Federal transfer payments not made; and

Fifth, $12.6 million in unemployment benefits not spent.

And note, gentlemen, that the U.S. Government also received the goods and services it wanted.

Now the Department of Defense has been obstructive about adopting this policy. In fact, the DOD civilian employees have been more than reticent in making the system function as it is now structured. I, for one, resent the DOD employees trying to meddle with congressional intent. I hope that this body sends a clear message to DOD that this is a good policy, a beneficial and innovative policy. We should be using it right now and the sooner we begin, the better.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I thank the gentleman for yielding. I want to commend the gentleman for the very substantial effort he has made in doing a splendid job on the history, research, and development of this program.

I think too much has been made of this differential question. The differential in any event is going to be very small, far less than the enormous cost of all the other unemployment assistance programs that we have created in the Federal Government and the job-stimulating programs we have created in other sections of the Federal Government. We are going to get a 2 for 1 bang for the military buck here and get more in the civilian sector of the economy with this one effort than we have done with all other efforts combined. More importantly, it is going to go into the private sector. The private investors are the ones who are going to benefit by this by creating jobs properly where they belong, not Government jobs but creating jobs in the private sector of the economy.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from New York.

Mr. MITCHELL of New York. I thank the gentleman for yielding.

I thank my friend, the gentleman from Minnesota (Mr. OBERSTAR) for his contribution. In that vein there was a Department of Defense study that did result in something like 0.7 percent, less than 1 percent, so it is not a large amount.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, one of the primary issues we have faced these past numbers of years is how to use the resources of the Federal Government to help alleviate high unemployment, and how to do it in a noninflationary manner. We have tried a great many different approaches and programs, but we have never adequately used the Federal procurement dollar of our Federal budget. We have not used that successfully in attempts to alleviate high unemployment. Why have we not done that, even though DMP has been on the books since the early 1950's?

Let me go into some of the history of the DMP–4 program.

Essentially, the program operates to require a Government contracting officer to "set aside" the opportunity to bid on Government procurements for firms which agree to perform a substantial portion of the contract in labor surplus areas. The "set aside" means that only firms that agree to this are eligible to bid on the procurement. Before going into the recent developments in this program, of which there have been many, let me give you some historical background.

When this program was first implemented in the early 1950's in connection with our country's efforts to maintain a fully mobilized labor force for defense purposes, it was predicated solely upon an Executive order promulgated by President Truman. In recent years, this program has fallen into disuse for several reasons: First, "labor surplus area" was defined to be labor market areas with greater than 6 percent unemployment, which included at one point 80 to 90 percent of our Nation. Second, it remained unclear how the labor surplus priorities were to integrate with the small business set-aside program, which confers upon small business similar advantages. Finally, the regulation implementing the Executive order contained a limitation which provided that in making a setaside, no price differential could be paid. This limited use of a total set-aside to those instances in which a reasonable contract price could be determined by other than competitive bidding—for example, commodities or other goods for which the price is readily apparent.

As a result of this limitation, "partial set-asides" sprang into usage. What this meant was the total needs of the government were divided in half, with the first half being let by open nonrestricted competition. This in effect determined the price for the remaining half of the procurement, which could then be set aside for firms performing in labor surplus areas. However, the use of partial set-

asides is a very cumbersome process. The contracting officer must make two solicitations, one to determine the partial set-aside price, and the partial set-aside. Further, it involves two contractors purveying the same goods, where probably one would suffice.

The genesis of this administrative prohibition on paying a price differential is contained in the so-called Maybank amendment, which for each year since 1953 has been annexed to the Defense Appropriation Act. This provision prohibits the payment of a price differential to relieve economic dislocation. While not applicable on its face to the labor surplus program, this provision has been interpreted by the Comptroller General of the United States to prohibit the use of total labor surplus set-asides for procurements made with Defense appropriations moneys. Perhaps for simplicity, the Maybank prohibition was incorporated in the regulation implementing the policy, and thus applied not only to Defense procurements, but to all procurements.

So much for the history of this program. Let me now tell you what has been happening to revitalize this program during recent months.

Last year, when I learned of this program, I realized that it offered significant potential for alleviating unemployment throughout the country, especially in our western New York area. At that time, as I stated earlier, the only predicate for the policy was the old Executive order signed by President Truman. To remedy this, I fought in the House conference with the Senate for legislation which had the effect of adding legislative sanction to this policy, repealing the Maybank limitation, defining the priorities within the labor surplus set-aside program and the small business set-aside program, and directing that a more appropriate definition of labor surplus areas be formulated. As a result, on August 4, 1977, President Jimmy Carter signed the bill I coauthored into law.

However, the enactment of this legislation merely represented the beginning of the "battle" to effect widespread usage of this most important program. First, the regulation reciting the policy had to be revised: Second, the definition of labor surplus area had to be revised; and, third and most important, the contracting officials had to be advised of these changes, as well as be encouraged to make use of the set-aside program. I have worked closely with the agencies involved including the Federal Preparedness Agency which was responsible for revising the regulation implementing the policy. By early November, this was accomplished. Further, and at my request, the policy was made applicable to discretionary grants.

However, the revision delegated to the Department of Labor the duty to prepare a new definition for labor surplus area which would more adequately reflect those areas of the country hardest hit by unemployment. Until this new definition was forthcoming, the program—which theoretically, at least, remained in effect—continued to use the old definition of labor surplus area which embraced about 80 percent of the country, thus providing little or no preference.

Getting the Department of Labor to promulgate these regulations often proved to be a trying task. Early in October, they indicated to me at a hearing I convened, that these regulations would be coming down by the end of that month. However, the end of October came and went with no action on their part. It was only by prodding them on a continual basis that, at the beginning of January, proposed regulations were published. I should stress here that proposed regulations are, in effect, the same as no regulations at all. They are merely suggested regulations. Thus, we berated them for an additional 3 months until finally, on March 3, final regulations were published.

These regulations define labor surplus areas to be generally those labor market areas in the country with an unemployment rate at least 1.20 times the national average unemployment rate. If a labor market area does not meet this test, then if there is a political subdivision within the area consisting of at least 50,000 people, such political subdivision contains at least 25 percent of the total area's unemployed, and such political subdivision meets the 1.20 test, then the entire labor market area is included. Similarly, any area with an unemployment rate of at least 10 percent will be automatically included, and any area with an unemployment rate less than 6 will be automatically excluded.

These new regulations are significant in that the number of labor surplus areas decreased from almost 80 percent to a mere 36 percent. Hence, the program can now provide a true preference to areas of high unemployment, which, of course, includes my Niagara frontier.

With the adoption of these Department of Labor regulations the entire mechanism for wide scale implementation of the labor surplus program was in place. In order to serve as a catalyst for effective implementation of this program, the Subcommitte on Capital, Investment and Business Opportunities, which I chair, held 2 days of hearings in the beginning of April.

These hearings were attended by the civilian agencies with greatest potential funds for the labor surplus program, as well as those charged with responsibility for its overall implementation and success. While none of the agencies were yet making substantial numbers of set-asides, they appeared generally familiar with the program, and in some cases, even enthusiastic. The hearings emphasized both their plans to get contracts out to labor surplus areas as well as what they were doing to educate and motivate their contracting officials.

The program received a considerable boost, which was reflected in the attitude of several of the Agency witnesses, when 2 weeks prior to the hearings in President Carter's urban policy plan, he directed the agencies to make maximum use of the program, including the establishment of program goals. This was precisely the type of action I requested him to take back in November, when I wrote to him about the program stating:

> What is needed, however, is word from the White House to various executive agencies to make this a national and effective effort toward alleviating high unemployment in labor surplus areas.

However, as my hearing revealed a scanty use of the program, I again wrote the President advising him of the hearings' results, and requesting him to provide still greater direction for the program.

Having traced through my continued involvement in this program you still may be wondering "why"? "What is this all about?" Well, it is about dollars and jobs. The civilian agencies purchase approximately $18 billion of goods and services and the Department of Defense purchases $48 billion, all of which is potentially subject to set-aside. If these purchases can, to the greatest extent possible, be targeted into areas of high unemployment such as ours, it will help create and retain jobs, and will effect a more balanced national economy. In fact, one national commentator, Mike McManus, who was speaking on regional disparities, said:

> Federal procurement is the single most important tool the Federal government has to stimulate private sector job growth in stagnant areas such as inner cities.

Getting the agencies to accept this program and use it on a wide scale basis however is not our only difficulty. Presently, the Maybank amendment also is causing problems with respect to the procurements from the Department of Defense. While the law I coauthored that was enacted last August had the effect of repealing the Maybank amendment, the Maybank amendment was subsequently reenacted in the fiscal 1978 Defense Appropriations Act. This resulted in an opinion by the Comptroller General of the United States to the effect that, for defense appropriations made in 1977 and years prior, the Maybank prohibition does not apply to any moneys as of yet uncommitted. However, for 1978 defense moneys Maybank does apply.

However, the President indicated his support for the repeal of Maybank by stating in his urban package that the Department of Defense would be undertaking a pilot program to "target more of its procurement to high unemployment areas." The negation of Maybank is important as it would enable the Department of Defense to make total labor surplus set-asides, keying labor surplus areas into those $48 billion in defense moneys.

Many arguments are used against our efforts to repeal Maybank, even in part.

Our opponents say: "Repeal of Maybank would reduce competition among defense suppliers and increase prices for defense purchases."

The truth is this: Amendment would allow the Defense Department to target purchases; it would not require procurement officials to do anything that is not in the national interest.

Second, targeting contracts would not necessarily increase prices; the Secretary of Defense, by law would not be required to pay any price differential he considered unreasonable. Additionally, there are enough labor surplus areas—675, in

fact—which amounts to approximately one-third of the country, largely manufacturing areas, all of which would mean that there would be sufficient competition among manufacturers to insure low cost.

Third, the Federal Preparedness Agency conducted a procurement simulation study which found that when contracts were targeted to labor surplus areas rather than foreign suppliers, the average price differential that would be paid to the lowest bidding labor surplus area firm to award the contract would be less than 0.7 percent.

Our opponents also say: "Repeal of the Maybank amendment would jeopardize making awards to the best qualified and most efficient producer and result in decreased quality and delays in defense production."

The truth is: First, there are plenty of "best qualified and most efficient producers" in labor surplus areas; just ask the 280 members in whose districts firms are eligible under the labor surplus area determination. Manufacturing areas, which over the years have tended to be labor surplus, probably have more qualified firms than any other areas of the country. States which have largely in the past contributed heavily to our defense efforts, such as New York, New Jersey, Connecticut, Pennsylvania, Georgia, and California, all have a preponderance of labor surplus areas. It is beyond reason to assume that firms in these States would be other than best qualified, and most efficient. They would not contribute to decreased quality and delays in defense production.

Our opponents say: "Repeal of the Maybank proviso would affect mobilization planning adversely by denying some firms in the mobilization base the opportunity to bid for contracts."

The truth is: On the contrary, it is the Maybank proviso which denies firms in the mobilization base the opportunity to bid for contracts. With the adoption of the Howard amendment, as stated before, the Pentagon does not have to target any contracts it does not feel are appropriate to be targeted. But it is the impediment of the Maybank proviso which prohibits implementation of a labor surplus set-aside program and denies firms from bidding and winning contracts.

Our opponents say: "Repeal of Maybank would replace regular contracting procedures with administrative judgments on which contracts would be set aside from normal competitive procedures."

The truth is: There is nothing contained in the Howard amendment that would require changes in regular contracting procedures. For years the Government procurement offices have been giving preference to various groups of suppliers—the small business set-aside program is a good example. Second, administrative judgments in no way would contradict the competitive bidding process. As we have stated over and over again, the labor surplus set-aside program would call for the lowest price of two competing bids in the restricted area. And if one examines the definition of "restricted" area, one would find several million eligible firms.

Our opponents say: "Repeal of Maybank would place intense political pressures on our contracting officials from local firms and governments."

The truth is: There would be no more pressure on contractors than there is right now as current procedures stand. Each member here has a caseworker or administrative assistant who is paid primarily to help constituents to get Government contracts. Maybe we should get out of that business altogether; the Howard amendment would have no significant effect on that part of the political process.

Our opponents say: "Repeal of Maybank would divert contracts now given to small business and minority firms not in an LSA."

The truth is: Nothing could be further from the truth. In 1975 small businesses received 77 percent of DOD labor surplus preference awards. Additionally, by force of law—Public Law 95-89, which this Chamber approved last year—small businesses receive preference over any other type of firm, even if the other firm is located in a labor surplus area. Minority enterprises would also be assisted by an increase in the labor surplus set-aside program. Most minority businesses can be found in labor surplus areas; most minorities can be found in labor surplus areas. Black unemployment now hovers around 12 percent. Can it be possible that a labor surplus set-aside program would hurt minorities?

What we are talking about with the Howard amendment is simply making defense and nondefense procurement harmonious. This is something that has the highest attention of the President right now. He has promulgated this as part of his urban policy statement. He specifically has directed the Department of Defense to implement an experimental program to target more of its procurement in high unemployment areas.

Now, what is the problem? The problem is, even though he has directed the Department of Defense to do this, they are having difficulty doing it under the present provisions of law, because we have the Maybank amendment in there.

What the gentleman from New Jersey (Mr. HOWARD) has done is to offer an amendment that will permit DOD to embark on this experimental program. This amendment would not embrace 100 percent of the Department of Defense budget. It would affect more than 10 percent.

The fact of the matter is that in my hearings with the non-DOD agencies, they testified that if they try as hard as they possibly can, they may be able to use as much as 4 percent of their total procurement dollars in the labor surplus for set-aside programs.

Several additional points concerning the labor surplus set-aside program should be noted. Before an actual set-aside can occur, the contracting officer must make two determinations. First, at the time of seeking bids, he must believe that there will be sufficient competition among those eligible to bid to provide the Government with a reasonable price. Second, after bid submission, the lowest bid must be determined to be "reasonable." If the first determination is not made, eligibility for bid submission will not be limited to labor surplus firms. If the second determination is not made, no bids will be accepted, and the procurement will be resolicited without the labor surplus limitation on eligibility. Thus, the contracting officer has a considerable amount of discretion, as he is the person who makes these determinations.

I mentioned early that as revised, the labor surplus program now unifies the priorities between it and the small business set-aside program. The first priority is for small businesses located in a labor surplus area. Prior to bid solicitation the contracting officer must determine whether sufficient competition exists within this category. If such competition does not exist among such firms to assure the Government a reasonable price, the contracting officer must next consider the second priority, which is small business firms without regard to location on the basis of total set-asides. He either then proceeds with the set-aside on this basis, or if there are not a sufficient number of eligible firms so as to provide the Government with the reasonable price, he considers next the third priority which is small business, without regard to location on the basis of partial set-asides. He either proceeds on this basis or finally considers the last priority which is any firm in a labor surplus area. If this priority cannot be met, the bids may be sought on an unrestricted basis, and any firm, including small business and labor surplus firms is eligible to bid.

As you can see, this program is highly complicated in many respects. But the groundwork has been laid: The needed statutory clarification came on August 4, 1977; the needed revision in the policy came November 3, 1977; and the needed revision of the definition, on March 3, 1978; the program gained the support of the President on March 27, 1978. All that remains is to repeal Maybank and for the agencies to follow through on a widespread basis. Once this occurs, we will be effectively channeling Government purchases of goods and services to those areas that need it most. It is a program that I believe is workable, and, I have to date devoted considerable time in promoting its success. I have held hearings on it last year on July 6 and on October 12 of 1977, and days of hearings thus far this year. I will continue my efforts both in public hearings and behind the scenes. I hope that in the coming months I will be able to report to you great successes in getting these Government dollars into those areas of our country that need it most, including both civilian and defense procurement.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would like to associate myself with the gentleman's remarks. Having worked

with small business and the ASPR regulations of the Department of Defense, I know how much small business does suffer from the inability to get an adequate share of the contracts and I think this is very important in that regard, too.

Mr. GLICKMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I oppose the amendment. I can understand that where the gentleman is coming from who offers it. that it offers a unique ability to provide jobs in high unemployment areas; but I think that it is shortsighted.

I think the chief issue in national defense spending should be the efficient allocation of the Department of Defense funds.

I think this amendment, while not affecting it to a significant degree, only 10 percent, takes away the flexibility for that efficient allocation of DOD funds.

There is also nothing in the amendment to provide for establishing a reasonable competitive situation on the bids.

Mr. LAFALCE. Mr. Chairman, if the gentleman will yield, that is incorrect. The specific DMP–4(a) provision says the set-aside must be on a reasonable basis. Under Government regulations, the highest differential that has existed thus far is 0.64 percent.

Mr. GLICKMAN. But it is not in the amendment the gentleman offered.

Mr. LAFALCE. It is specifically in DMP–4(a).

Mr. GLICKMAN. Is it in the statute or in the regulation?

Mr. LAFALCE. DMP–4(a) is both statutory and regulatory.

Mr. GLICKMAN. I agree with the gentleman from Texas who indicated this is a Defense program, not a relief program, and is not related to specifically targeted programs such as CETA or Public Works or agriculture dealing with a specific substantive area that may benefit certain segments of the country.

Those bills, one of which we will have tomorrow, deal with reducing unemployment in certain areas of the country. The key to defense spending is to bring about the best possible allocation of defense dollars, regardless of where it is from, and I think this amendment takes that flexibility away from the Department of Defense.

Furthermore, I think the net effect of this amendment is to discriminate against other areas of the country, some of which may be marginally classed as a labor surplus area while others may not be considered a labor surplus area at all.

I would remind the Members of this House that in the Humphrey-Hawkins bill that we passed there was contained an amendment that required that no action could be taken by the Department of Labor or any other department under the auspices of the bill which would have a direct negative impact on the employment picture of any other region of this country. That was in the language of the bill that we passed, the Humphrey-Hawkins bill.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. Mr. Chairman, let me finish my presentation, and then I will yield.

What disturbs me about this amendment, as opposed to public works bills or housing bills or agriculture bills that are specifically targeted to problems in certain areas of this country, is that this kind of set-aside could conceivably have a discriminatory effect against other areas of the country which would be competitive defensewise, and that would certainly not contribute to the national defense in the way I think we would like to see it.

The program also disturbs me because we could embark on a pattern, bringing about a situation in which we would put this amendment in every bill.

Why not put extra dollars in education bills for high unemployment areas to build more schools? That is conceivably a way to alleviate unemployment in labor surplus areas, but it is not good policy.

Second, I think it is very poor policy for us to target a program which forces the Department of Defense to prefer certain areas of the country, even if it is in a small way, less than 10 percent.

Mr. Chairman, I agree with the chairman of the committee, and I urge that the Members reject the amendment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, small business has been mentioned here again two or three times. I want to point out that the logical conclusion to run from this is this:

There will probably be a small businessman who will be arbitrarily determined to be in a surplus area, and he will be told, "You can't bid, but if you move across the street, you can bid because that is within the area."

This is just going to have the opposite effect of what we are trying to do with small business and the procurement laws of this country. What we are trying to do is to set aside for small business in this country regardless of where they are located. A small businessman and his employee, regardless of whether they live in one of those areas, need the contract or need the work just as badly as they would if they lived in the right area.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I promised to yield to the gentleman from New York, so I will yield.

Mr. LAFALCE. Mr. Chairman, I must comment on the statements of my distinguished and most respected committee chairman. The following priorities are specifically set out in Public Law 95–89, as follows:

First, concerns located in labor surplus areas and which are also small business concerns, on the basis of a total set-aside.

The second priority is concerns which are small business concerns on the basis of a total set-aside.

The third priority is concerns which are small business concerns, on the basis of a partial set-aside; and the fourth priority is concerns which are located in labor surplus areas on the basis of a total set-aside.

In all instances our first concern has been, first, the small businessman and, second, the labor surplus set-aside.

Mr. Chairman, this amendment in no way contradicts Public Law 95–89. It is complementary to it.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. GLICKMAN) has expired.

(By unanimous consent, Mr. GLICKMAN was allowed to proceed for 1 additional minute.)

Mr. GLICKMAN. Mr. Chairman, the thing I would have to repeat is that I am still concerned about the preference issue. I can understand our putting in more money in specifically targeted programs, but in a program that requires such unique, efficient allocation of the funds for national defense in this country, while jobs are created by the expenditure of those moneys, it troubles me that we are embarking on this, because I feel we will be setting out a special preference for certain areas of this country.

Mr. Chairman, I think this is just poor policy for the United States of America.

Mr. ROBINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we all recognize the argument here is one that is highly parochial, and for obvious reasons.

The gentleman from Iowa (Mr. SMITH) made a most significant point a few minutes ago with regard to the way the program will operate, if it is implemented, in terms of just moving across the street as an employer because the way the criteria are now drawn, these labor surplus areas are tightly drawn and can be quite small and even within a larger labor surplus area.

This is discriminatory against small business. It is discriminatory against all small business across the country that is not located in a labor surplus area, and certainly we have no right to take this action against them.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield

Mr. ROBINSON. I will yield after I finish my statement.

Mr. Chairman, in fiscal year 1977 small business received 20.2 percent of the DOD prime contract awards, out of which 6.1 percent was as a result of set-asides.

Thus, for 14.1 percent of that allocation, small business set-asides were not deemed appropriate and small business firms won those in competition with big business firms. So they can compete with them, and they demonstrated it.

If we use 100 percent labor surplus set-asides, these procurements might well be awarded to large firms in labor surplus areas rather than to small business firms. That is one way it is discriminatory. The point is, we are adding another condition to the procurement process which small and minority firms would have to meet: that is, the firm would have to be located in a labor surplus area. This requirement could exclude approximately one-half to two-thirds of the small and minority busi-

ness firms that make up this Nation's small business community, now that the Labor Department has significantly reduced the number of areas considered to be labor distressed.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was granted will be recognized for 45 seconds each.

Mr. JOHN L. BURTON. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from New York (Mr. LAFALCE).

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. EDWARD of Alabama. Mr. chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Chairman, the point has been made that this would discriminate against small business. Nothing could be further from the truth.

In 1975, small businesses received 77 percent of DOD labor surplus preference awards. Additionally, by force of law, Public Law 95–89, which I read earlier, small businesses receive preference over any other type of firm, even if the other firm is located in a labor surplus area.

That was the entire purpose of Public Law 95–89—to protect small businesses.

So far as minority enterprises are concerned, they will also be assisted by an increase in the labor surplus set-aside program. Most minority businesses can be found in labor surplus areas. Most minorities can be found in labor surplus areas. Black unemployment now hovers around 12 percent. Can it be possible that a labor surplus set-aside program would hurt minorities?

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. JOHN L. BURTON).

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from New York.

Mr. LAFALCE. I thank the gentleman for yielding.

Mr. Chairman, I want to stress the point again that the President has directed the Department of Defense to undertake an experimental program whereby we can have labor surplus set-asides within DOD procurements. However, we cannot get off the ground on this experimental program so long as the Maybank amendment is a part of the defense appropriations bill. The Howard amendment does not repeal Maybank in toto. All it does is give the President an opportunity to undertake an experimental program permitting maximum participation of 10 percent of DOD's budget.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina (Mr. HOLLAND).

Mr. HOLLAND. Mr. Chairman, I rise for one purpose. When I read this Dear Colleague letter sent out to every Member by some very distinguished Members of the House, I was first compelled to vote in favor of the Howard amendment. Thank God and the Committee on House Administration I got one of those TV's in my office the other day, and I was watching this debate a few minutes ago. I felt compelled to come here to say that this letter uses a questionable tactic of saying that 260 congressional districts could benefit by passage of this amendment.

Mr. Chairman, would point out to my colleagues that 260 congressional districts could also not benefit. The greater nonbeneficiary would be, in my judgment, the defense posture of this Nation, with an entire new war room in the Pentagon figuring out what the unemployment statistics are for targeting purposes.

Mr. Chairman, I urge my colleagues to defeat this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, my colleague and friend from Virginia (Mr. ROBINSON) stated that this is a parochial measure. Mr. Chairman, it does not begin to be parochial; it is not even regional in nature. It has been pointed out that there are 675 labor surplus areas throughout 279 congressional districts, which is more than 50 percent of the congressional districts of the Nation. Within that area is 37 percent of our labor force, and 47.5 percent of the unemployed labor force in this country.

I submit,, Mr. Chairman, this is the human approach to provide meaningful, skilled long-lasting jobs in areas where they are needed.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to my colleague, the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I rise in strong support of the amendment.

Mr. Chairman, I would like to express my strong support for Congressman HOWARD's amendment to require the Department of Defense to target 10 percent of the dollar value to all procurement contracts to firms located in labor surplus areas.

This amendment will add muscle to an atrophied defense procurement policy first established in 1952. It will help to restore balance to defense procurement patterns.

Defense Manpower Policy No. 4 (DMP–4), established in 1952, requires DOD to target contracts to areas of "labor surplus." However, the nullification of this policy began 1 year later when the Maybank amendment was added to the fiscal year 1954 defense appropriations bill. The Maybank amendment, which has been included in every DOD appropriations bill since that time, prohibits price differentials in contract awards for areas suffering economic hardship. It requires DOD to contract out for the lowest possible price, except where competition from contractors in an economically depressed area can insure DOD a "reasonable price."

In 1961, a GAO ruling tried to reconcile DMP–4 with the Maybank amendment. The ruling required DOD to split contracts wherever possible. It said that 50 percent of any contract would be subject to competitive bidding to establish a "base price" for the work. The other half of the contract could then be targeted to labor surplus areas, but contractors from those areas would have to meet the established base price.

This set-aside plan has not been rigorously enforced by DOD. In fact, DOD does not even view it as an effort to allow the implementation of DMP–4 under the terms of the Maybank amendment. In response to my question on this subject during Armed Services Committee hearings, Defense Secretary Brown said, "the Comptroller General's decision had the effect of constraining the implementation of DMP–4."

Coupled with the fact that the GAO set-aside process is very cumbersome—few contracts are easily "splittable"—and DOD's increasing reliance on sole source procurements, this attitude has kept DMP–4 on the shelf. It is not surprising that DMP–4 has never been implemented for more than $150 million per year in contracts.

The Howard amendment, by requiring DOD to target 10 percent of its contracts to labor surplus areas, repeals the Maybank amendment which is the cause for this unused labyrinth of a set-aside procedure.

The Howard amendment will place DOD procurement "in sync" with other Federal procurement purchasing policies such as the Buy American Act and Small Business Set-Aside Program. Because DMP–4 particularly targets small businesses in economically troubled areas, this amendment will benefit directly those small business defense contractors who are struggling the most.

As Congressman HOWARD has pointed out, this amendment will retarget approximately $6 billion in defense expenditures but will have a minimal impact on overall Government spending. DOD will be under no obligation to pay an unreasonable price for goods and services. The unfortunately large number of labor surplus areas in this country will insure a competitive environment for this 10-percent set-aside program. I must also emphasize that a Federal study has shown less than a 1-percent differential between open market bids and bids from targeted areas that can be expected under the program. With the reduced demand for federally funded jobs and income maintenance programs following the creation of defense jobs in labor surplus areas, even this differential should be more than offset.

I would also like to point out that the increasing geographical concentration of our defense production facilities is a disturbing pattern in terms of our national security. Moreover, present defense contract reporting data does not provide a complete picture of this concentration.

Last year, Congress passed a requirement that all prime contractors list the States in which each subcontract of $10,000 or more is actually carried out. This will eliminate unrepresentative data which results when the headquarters of a prime contractor is located in one area of the country but the actual production line work is carried out by subcontractors in another. When data from these reports begins to flow next year, it is likley that it will show a far greater geographical concentration of our defense production facilities than heretofore estimated.

The rigorous implementation of DMP–4 is long past due. I urge my colleagues to support the Howard amendment for the nationwide balance and derivative economic benefits that targeted defense procurement will bring.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. McFALL).

Mr. McFALL. Mr. Chairman, I rise in opposition to this amendment. I think the policy involved here is this: We have had these set asides, for labor surplus areas. We have had small business set asides, but we have required them to meet the price. By this amendment. we would allow a price differential.

How much of a price differential? It might be any price differential. It might be 0.64 percent; it might be 10 percent; it might be 20 percent. There is nothing in the amendment that would require this.

Mr. Chairman, I would oppose this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. HORTON).

Mr. HORTON. Mr. Chairman, I rise in support of the amendment introduced by my colleague from New Jersey and wish to address the relationship his amendment has to small business contract awards. It has been suggested that the repeal of the Maybank proviso would hurt the small business set-aside program. Nothing could be further from the truth.

There would be no adverse effect on the small business program and in fact, the total amount of contracts received by small businesses would, in all likelihood, increase.

On November 3, 1977, a revised DMP–4 was printed in the Federal Register to bring this policy in line with Public Law 95–89, the Small Business Act Amendments of 1978. At that time priority was explicitly established for small business awards. Priorities were set up as follows:

First, total set-asides for small business firms located in a labor surplus area;

Second, total set-asides for small businesses;

Third, partial set-asides for small businesses; and

Fourth, total set-asides for firms in a labor surplus area.

Small firms, whether located in a labor surplus area or not, are guaranteed precedence over all other firms in labor surplus areas.

In addition, Government research, by Federal Preparedness Agency and Federal Supply Services, simulating the effect of total set-aside policy on Federal procurement for labor surplus areas found that the effect was beneficial to small business. Under the total set-aside policy, contracts normally granted to foreign firms could be shifted to domestic labor surplus area firms, a number of which were small businesses, resulting in a cost differential of only 3.86 percent.

The small business set-aside program and the labor surplus set-aside program essentially work toward the same goals: To distribute evenly and fairly Federal contracts to qualified merchants throughout the Nation. Both programs are mutually supportive, and should be looked at as complementary, not adversary attempts to target contracts.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, I urge defeat of the amendment. I think it is discriminatory against small business that happens not to be located in one of these areas. In the end, they will either be excluded or end up getting a subcontract giving somebody else the profit.

In addition, it is discriminatory against inner cities and rural areas where they have higher unemployment rates than those which show up on the statistics because those who have never had a job are not properly included in determining whether it is a labor surplus area, even though they want and need a job.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Chairman, I urge the rejection of this amendment. There is no question about the fact that small business is in every congressional district, not just in 260. It discriminates against all of them that are not in that category, up to 435.

Beyond that, there are a whole lot of congressional districts where the labor surplus area is very small. Beyond that, the gentleman from California (Mr. McFALL) is exactly right in that the main reason for getting this amendment out of here is because of the price differential that they can receive if they delete it because now they have to be competitive. This is an anticompetition amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, I rise in strong support of the amendment. For too long the Maybank amendment has frustrated any attempt to try to channel procurement to labor surplus areas.

Mr. Chairman, I support the amendment by my distinguished colleague from New Jersey, Mr. JAMES J. HOWARD, which would repeal the Maybank amendment and thus permit the Department of Defense to "target" part of its procurement budget to firms located in "labor surplus areas."

Initiated in 1952, Defense Manpower Policy No. 4 (DMP–4) requires that certain procurement contracts be set aside for bidding in areas of substantial unemployment. The program was designed to preserve management and employee skills useful to the Nation's defenses during times of economic downturns. However, every defense appropriations bill since 1953 has included the language of Senator Burnet R. Maybank of South Carolina which prohibits following DMP–4 where the result is a higher price to the Government. Through this language, Senator Maybank was reportedly able to prohibit the Defense Department from paying more for textiles produced in New England mills than would have to be paid at southern mills.

Originally, the General Services Administration imposed the same Maybank amendment restrictions on civilian procurement, for the sake of uniformity in procurement policies. Recently, GSA has revised DMP–4 so that civilian agencies are no longer bound by the Maybank amendment as long as the resulting price of contracts "targeted" to "labor surplus (DMP–4) areas" is reasonable. Title V of the Small Business Act amendment (Public Law 95–89 of August 4, 1977) specifies that Government procurement shall be "targeted" to high unemployment areas, and specifically refers to DMP–4 as the policy to follow. To date, less than one-half of 1 percent of all procurement has been "targeted" to areas of high unemployment since $60 billion of the $80 billion budgeted by the Government for goods and services is spent by the Defense Department.

Today we have the chance to change this situation while bringing Defense Department procurement practices in line with those of other governmental departments and agencies. The Howard amendment requires the Department of Defense to "target" up to 10 percent of its procurement budget, or about $6 billion, to defense contractors located in "labor surplus areas." This creation of private sector jobs will reduce the local demand for welfare, food stamps, Comprehensive Education and Training Act (CETA) positions, and other similar programs. At the same time, it will be accomplished with little or no additional cost to the U.S. Treasury; there are enough eligible areas to insure that competitive bids would be submitted, although under no circumstances is the Defense Department obligated to pay outrageously high prices for goods and services. A broad geographic base and an expanded number of companies participating can only strengthen our national defense.

For these reasons, I urge adoption of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. CORNWELL).

Mr. CORNWELL. Mr. Chairman, I rise in support of the amendment.

I would like to say that we are not only addressing a problem of unemployment in this country but also one of a severe lack of productivity, particularly in the labor surplus areas, which is one of the principal causes of our major economic woes in this country today. Less than

one-half of 1 percent of all our procurements have been targeted, contrary to what in 1953 was established with the Maybank amendment as policy under DMP–4.

I urge my colleagues to vote for the amendment.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. CORNWELL. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, I rise in strong support of the Howard amendment to target Defense Department contracts to "labor surplus" areas.

This amendment will not cost the Government 1 penny. And there are more than sufficient "labor surplus" areas to guarantee that competitive bids will be submitted and there will be no loss of the competition factor.

I favor the goals of the Northeast-Midwest Advancement Coalition, and I believe that my own district might benefit from this at some time in the future. However, my argument is not strictly parochial, since my district does not qualify as a "labor surplus" area at the present time.

Certainly the tendency of the Department of Defense to centralize defense work in a small number of large firms of a national scope is dangerous. Defense should go to small businesses around the country. This distribution of manufacturing capacity should help in establishing a mobilization base at a future time when it is needed.

I do believe that firms located in districts all over the country will benefit from repeal of the Maybank proviso. Further, I think it is important to stress the principle that our taxpayer's dollars be distributed to domestic concerns where they will do the most good.

According to Defense Department policy directive Federal contracts are to go to labor market areas suffering from high unemployment. However, less than one-half of 1 percent of all procurements have been so targeted. Indeed in my district we have had bitter proof that Defense Department contracts are being sent out of the country—namely to Mitsubishi in Japan. We have never received the answers as to how the Defense Department directives which encourage the placing of business in "labor surplus" areas, could be compromised to permit a contract to go to a foreign country, but it has happened. I think the passage of this amendment will be a further signal to the Defense Department that this Congress wants the business to go to American concerns where the labor market is most favorable, and where the need is greatest.

I believe we should repeal the Maybank provision and accomplish the social objective of alleviating the need for welfare, medicaid, public service jobs, and the like. This is the best way.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, imagine the Secretary of Commerce, the Secretary of Labor, and the Secretary of Agriculture, all of whom deal with economic development programs, gathered together in one room and someone comes in with a $60 billion checkbook and says: "Here. We are going to solve your unemployment and economic development problems." That is what we have in this amendment. They would all fall over dead from surprise, because that $60 billion is more than their combined departmental budgets for all programs under their jurisdiction—including those to create jobs.

This amendment will do more good to create jobs in the labor surplus areas of our country than all the other programs we have now. Last year we paid out over $20 billion in unemployment compensation and other programs, paying people for not working; but under this amendment we will pay people to go back to work in the private sector, where we properly ought to be creating jobs, and meeting specs, completing work on time and at contract price.

I support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Chairman, let us not forget one basic fact. This is a bill to provide for the defense of this Nation. It is not a welfare bill. It is to provide the most defense we can get for the least money.

If we are talking about the $60 million in this defense bill, for contracts, then we are talking about $6 billion on which we will have to pay a differential in the defense bill. That is not the best way to provide for the defense of this Nation. Let us talk about this kind of thing on another bill, not on the defense bill.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. MAHON) to close the debate.

Mr. MAHON. Mr. Chairman, I believe the House will reject this amendment. A number of Members, more than 100 Members of the House have joined in an effort against overregulation by the Federal Government. This would bring on volumes of new regulations.

We have had this prohibition against the payment of a differential in Defense contracts for more than 24 years, and to knock it out at this time in my view would be a serious mistake and a hindrance to the Defense Establishment and would duplicate programs that are already in being to relieve unemployment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. HOWARD).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HOWARD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 165, noes 213, not voting 54, as follows:

[Roll No. 658]

AYES—165

Ambro	Fraser	Myers, Gary
Ammerman	Gaydos	Myers, Michael
Anderson, Calif.	Gilman	Nolan
Applegate	Goodling	Nowak
Baldus	Hamilton	Oakar
Beard, R.I.	Hanley	Oberstar
Benjamin	Hannaford	Obey
Bingham	Harrington	Ottinger
Blanchard	Hawkins	Patten
Boland	Heckler	Pattison
Brademas	Hillis	Pease
Brodhead	Hollenbeck	Pepper
Brown, Calif.	Horton	Perkins
Burke, Mass.	Howard	Pike
Burton, John	Hughes	Pursell
Burton, Phillip	Hyde	Rahall
Carney	Jeffords	Reuss
Carr	Johnson, Calif.	Rinaldo
Carter	Kastenmeier	Risenhoover
Cederberg	Kazen	Roe
Clausen, Don H.	Kildee	Rooney
Cleveland	Kindness	Rostenkowski
Cohen	Kostmayer	Roybal
Collins, Ill.	Krebs	Ruppe
Conable	LaFalce	Russo
Conte	Lederer	Sarasin
Cornell	Lehman	Schroeder
Cornwell	Lent	Schulze
Cotter	Lujan	Seiberling
Coughlin	Luken	Sharp
D'Amours	Lundine	Shuster
Dellums	McDade	Spellman
Dent	McEwen	St Germain
Dingell	McHugh	Staggers
Dodd	McKinney	Stanton
Downey	Madigan	Stark
Drinan	Maguire	Steers
Early	Markey	Stokes
Edgar	Marks	Stratton
Edwards, Calif	Metcalfe	Studds
Eilberg	Meyner	Thompson
Emery	Mikulski	Traxler
Ertel	Mikva	Vander Jagt
Evans, Colo.	Miller, Calif.	Vanik
Evans, Del.	Miller, Ohio	Vento
Evans, Ga.	Mineta	Walgren
Fascell	Minish	Walker
Fenwick	Mitchell, Md.	Walsh
Fish	Mitchell, N.Y.	Watkins
Fithian	Moakley	Weaver
Flood	Moffett	White
Florio	Moorhead, Pa.	Wilson, Bob
Ford, Mich.	Mottl	Wydler
Forsythe	Murphy, Ill.	Yates
	Murphy, Pa.	Yatron
	Murtha	

NOES—213

Abdnor	Clawson, Del	Gradison
Akaka	Coleman	Grassley
Alexander	Collins, Tex.	Guyer
Anderson, Ill.	Corcoran	Hagedorn
Andrews, N.C.	Corman	Hall
Andrews, N. Dak.	Crane	Hammer-schmidt
Annunzio	Cunningham	Harkin
Archer	Daniel, Dan	Harris
Armstrong	Daniel, R. W.	Harsha
Ashbrook	Danielson	Hefner
Aspin	Davis	Heftel
AuCoin	de la Garza	Hightower
Badham	Derrick	Holland
Bafalis	Derwinski	Holt
Baucus	Devine	Hubbard
Bauman	Dickinson	Huckaby
Beard, Tenn.	Dicks	Ichord
Bedell	Dornan	Ireland
Bennett	Duncan, Oreg	Jacobs
Bevill	Duncan, Tenn.	Jenrette
Blouin	Eckhardt	Johnson, Colo.
Boggs	Edwards, Ala.	Jones, N.C.
Bonker	Edwards, Okla.	Jones, Okla.
Bowen	English	Jones, Tenn.
Breaux	Erlenborn	Jordan
Breckinridge	Fary	Kelly
Brinkley	Findley	Kemp
Brooks	Fisher	Keys
Broomfield	Flippo	Krueger
Brown, Mich.	Foley	Lagomarsino
Brown, Ohio	Ford, Tenn.	Latta
Broyhill	Fountain	Leach
Buchanan	Frenzel	Leggett
Burgener	Fuqua	Livingston
Burke, Fla.	Gammage	Lloyd, Calif.
Burleson, Tex.	Gibbons	Long, La.
Butler	Ginn	Long, Md.
Byron	Glickman	Lott
Cavanaugh	Goldwater	McClory
Chappell	Gonzalez	McCloskey
	Gore	

McCormack	Poage	Steed
McDonald	Preyer	Steiger
McFall	Price	Stockman
McKay	Pritchard	Stump
Mahon	Quayle	Symms
Mann	Quie	Taylor
Marlenee	Quillen	Thone
Marriott	Railsback	Thornton
Martin	Regula	Treen
Mattox	Roberts	Trible
Mazzoli	Robinson	Udall
Meeds	Rogers	Ullman
Michel	Roncalio	Van Deerlin
Milford	Rose	Volkmer
Mollohan	Rousselot	Waggonner
Montgomery	Rudd	Wampler
Moore	Runnels	Waxman
Moorhead, Calif.	Ryan	Whalen
	Santini	Whitehurst
Moss	Satterfield	Whitley
Myers, John	Sawyer	Whitten
Natcher	Sebelius	Wiggins
Neal	Sikes	Wilson, Tex.
Nedzi	Simon	Winn
Nichols	Skubitz	Wirth
Nix	Slack	Wright
O'Brien	Smith, Iowa	Wylie
Panetta	Smith, Nebr.	Young, Alaska
Patterson	Snyder	Young, Fla.
Pettis	Spence	Young, Tex.
Pickle	Stangeland	Zablocki

NOT VOTING—54

Addabbo	Flynt	Rangel
Ashley	Fowler	Rhodes
Barnard	Frey	Richmond
Beilenson	Garcia	Rodino
Biaggi	Gephardt	Rosenthal
Bolling	Giaimo	Scheuer
Bonior	Green	Shipley
Burke, Calif.	Gudger	Sisk
Burlison, Mo.	Hansen	Skelton
Caputo	Holtzman	Solarz
Chisholm	Jenkins	Teague
Clay	Kasten	Tsongas
Cochran	Le Fante	Tucker
Conyers	Levitas	Weiss
Deaney	Lloyd, Tenn.	Wilson, C. H.
Diggs	Mathis	Wolff
Evans, Ind.	Murphy, N.Y.	Young, Mo.
Flowers	Pressler	Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Le Fante for, with Mrs. Lloyd of Tennessee against.

Mr. Addabbo for, with Mr. Young of Missouri against.

Mrs. Chisholm for, with Mr. Shipley against.

Mr. Richmond for, with Mr. Teague against.

Mr. Zeferetti for, with Mr. Flynt against.

Messrs. DAVIS, GONZALEZ, and BUCHANAN changed their vote from "aye" to "no."

Messrs. YATES, MURTHA, MURPHY of Illinois, CONABLE, and ROSTENKOWSKI changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Michigan: On page 42, line 10, drop the period at the end of the sentence and add the following: ": *Provided further*, That, notwithstanding any other provision contained in this Act, none of the funds appropriated herein shall be used for the procurement for purposes other than research, development, test, and evaluation, of tactical, support, or tracked or nontracked combat vehicles not manufactured in the United States or its possessions."

Mr. BROWN of Michigan. Mr. Chairman, my amendment is designed to prevent premature commitment by the Department of Defense to procurement of foreign-built tactical, support, and combat vehicles. While it is the sense of Congress, as expressed in the fiscal 1977 Defense Authorization Act, to move toward standardization and interoperability of equipment used by the NATO allies in Europe, I have become concerned in recent months that DOD may be heading too far and too fast in procuring foreign-built vehicles without sufficient justification or acknowledgment of the current realities and long-term ramifications of such procurements.

The Appropriations Committee apparently shared this concern as it refused to fund the request for 50 German-built 10-ton trucks, as noted on page 265 of the committee report. I applaud this action, but feel that we need to take this further step to assure that DOD does not present the Congress with a fait accompli even as serious questions are being raised as to how NATO standardization and interoperability should be accomplished.

My amendment would prohibit the expenditure of funds in fiscal 1979 only for the procurement of foreign-built tactical, support, and combat vehicles. Procurement by the Secretary of such vehicles in fiscal year 1979 would be premature for the following reasons:

First, testing of German-built vehicles to replace our ¼-ton Jeep, the 8-ton GOER vehicle, and three other intermediate-size vehicles is at a very early stage. In fact, it was not until April, several months after DOD submitted its budget request for the 10-ton vehicle, that DOD sent a team over to Germany for 11 days to conduct a feasibility study of that and other vehicles. During that time, the team was unable to obtain information on the reliability, availability, maintenance, and durability (RAM–D) of those vehicles. Conclusions in the team's report were based solely on data collected and forwarded by the German Ministry of Defense; whose self-interest is obvious.

Second, the Armed Services Subcommittee on NATO Standardization, Interoperability and Readiness is in the midst of conducting hearings in this whole area and is committed to submitting a report by the end of this Congress, well in advance of DOD's fiscal year 1980 budget request submission.

Third, and most importantly, procurement of foreign-built vehicles is being implemented by DOD at a time of much concern over U.S. trade and payments imbalances, particularly by and with Germany. Apparently, it has been hard for the Department to get it through its collective heads that you cannot get four deutsche marks for a dollar any more. After the precipitous drop of the dollar by 35 percent against the deutsche mark in the early seventies, the value has fallen over 13 percent since the spring of 1977, with 3 percent of that drop coming just this year. Our trade imbalance with Germany in just the first 6 months of this year is $1.7 billion. And we had a current accounts deficit with West Germany at the end of 1977 of $2.5 billon. There maybe a time for the implementing of this program, but it certainly is not now.

Recently, when DOD announced the signing of a memorandum of agreement with the Ministry of Defense of the Federal Republic for U.S. purchase of 10,000 nontactical administrative use vehicles, one of the reasons cited for entering into the agreement was cost savings over the life cycles of these vehicles. Yet, strikingly absent from that announcement which we all received was the $1.4 million figure cited in early March as the amount of those so-called substantial cost savings.

Fourth and finally, the Secretary has decided to ignore the cost savings which can be realized through competitive bidding and instead has embarked upon a course of procurement through the West German Ministry of Defense.

All these factors lead one to wonder if, in its efforts to demonstrate to our NATO allies our willingness to travel the "two-way street," the department is not only ignoring economic realities, but also committing the United States to equipment which has not been thoroughly tested and compared with similar vehicles. In view of the rather substantial general transfer authority available to the Secretary in this bill, this amendment is needed to further indicate to the department the sense of Congress that the department not embark upon procurement of foreign-built vehicles until thorough testing has been completed and the Congress has completed its study of NATO standardization and interoperability.

This amendment will not disturb the recent memorandum of agreement signed by the United States and the Federal Republic for purchase of nontactical administrative use vehicles. More importantly, this amendment will not prohibit the continued testing and evaluation of foreign-built tactical, support, and combat vehicles. Accordingly, I commend this amendment to the committee and urge its support.

Again, I stress, I am not asking my colleagues in urging their support of my amendment to take a positive position for or against standardization, interoperability or two-way street—all I am asking is that they join with me and say for economic reasons, this is not the time to proceed with implementation.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think it would be an unfortunate procedure if we attempt to tie the hands of those who are charged with the responsibility of procuring equipment at the least cost and also charged with the responsibility of dealing with our NATO counterparts. We are constantly charged with playing on a one-way street, where we seem to always expect the NATO countries to buy from us. I know this is not a very popular position to take, but I think if we are going to be a NATO partner we have to take the position.

The gentleman referred to page 265 of our committee report, where he said that

he was pleased with the purchase of 50 10-ton trucks.

Mr. Chairman, I would like to point out that the reason the committee did not go along is that we believe that procurement of these trucks at this time is premature. We point out in the report that the Army had acquired two trucks for testing, and we thought it best to go about this in this way, to have a real test and evaluation and to compare the alternative domestic vehicles with the foreign vehicles.

We found, also, that the Army had no present documented need for 10-ton trucks. While we said that we support standardization and interoperability, we did not feel this was the time to move on this particular buy.

We are going to be watching this sort of thing. We are not going to let it get out of hand. In truth, it is a long way from getting out of hand. I would hate to see an amendment like this pass and tie the hands of those who are charged with the responsibility of doing the very best they can in procuring equipment at the least cost.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

Mr. Chairman, the argument made by the committee with respect to the 10-ton trucks supports totally this amendment, because the same situation exists with the other rated vehicles.

Second, has the gentleman looked and has he been satisfied by the Department of Defense that this is the opportune time to proceed, that they have looked at the economic situation, the value of the dollar, the problem with our balance of trade, the problem with our balance of payments?

I am not saying we should not do this at some time in the future. What I am saying is that now is not the time to implement that kind of a program. A year from now we may have the dollar in better shape. A year from now our trade may be in better shape. At that time I would not be making this argument.

It just seems to me, Mr. Chairman, and I bring this to the attention of the gentleman from Alabama, that at a time when the West Germans are criticizing us with respect to our economy, the problems of our balance of trade across the board, the problem of the value of the dollar sinking and that it has to be supported, when those things are happening, that is not a time when we permit almost a unilateral action by the Department of Defense which will contribute substantially to those very things which are being criticized.

Mr. EDWARDS of Alabama. We are aware of the decline of the dollar in foreign countries, and hopefully, we are not going to make purchases when the value of the dollar is down to the point where it works to our detriment. I think reasonable judgment will be used, and if we do anything in this area, it is going to be to tend to bend over backward to try to buy in our own country.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I thank the gentleman from Alabama for yielding to me, and I rise in support of the amendment offered by the gentleman from Michigan (Mr. BROWN) that would prohibit funds of the Department of Defense from being used to purchase tactical trucks from non-American sources. The concerns he expressed with respect to the state of our economy, the value of the dollar and our balance of payments situation are very telling.

Mr. Chairman, allow me to make a further observation about the need for such an amendment. In January 1978, the Defense Department approved the initial purchase of nontactical forces in Germany and the Benelux area.

There is strong evidence that the Army has also been directed by the Defense Department to submit recommendations regarding the feasibility of procuring German tactical trucks to replace quarter ton, 2½ ton and 5-ton U.S. tactical trucks.

To allow the Defense Department to purchase tactical trucks from non-American sources would for several reasons be most unwise:

First. U.S. manufacturers would be effectively excluded from competition since it is understood that these procurements of tactical vehicles to be used by the United States from non-American sources would be negotiated without formal solicitations of bids. This would represent a dramatic shift in current DOD procurement policies, which are based upon competitive bidding.

Second. The impact on U.S. jobs would be significant. The job loss would be further affected because the many suppliers of parts, bodies, and other equipment would also suffer significant loss of jobs.

Third. The committee bill would result in the loss of Army-wide-standardization around the world. This decline in equipment standardization would have a particular effect on spare parts and maintenance.

Fourth. There has been no compelling evidence that purchasing U.S. tactical vehicles from non-American sources would mean any cost savings.

Fifth. The validity of "domestic preference" purchasing has again been substantiated by a just-completed Library of Congress investigative study which concluded that for every $1,000 of Government money spent in the United States, $552 is returned to the Government in the form of Federal, State, and local taxes. If that same $1,000 were spent to buy foreign products, the $552 would be lost forever to the American economy and we would have to spend additional tax money to help support those American workers who lose their jobs to imports.

Mr. Chairman, I hope the amendment will be approved.

Mr. EDWARDS of Alabama. I would point out in my last second or so that we sell F–16's overseas; we sell all kinds of planes; we sell all kinds of weapons. Then, the minute something comes along where it looks like it is to our advantage to buy overseas, everybody rises up in righteous anger, and some few of us are willing to get up and talk about it. But, the truth is that if we are going to be partners in the Alliance in NATO, then we do have to understand that this is a two-way street.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(At the request of Mr. SIKES and by unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 3 additional minutes.)

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I support the position taken by my distinguished friend from Alabama. The simple fact is that we sell a great deal more weapons and equipment to our allies than they buy from us. They are disturbed about this situation. Their balance of trade is an important consideration, too. The truth is that they produce some very useful, dependable weapons and equipment that we need; including weapons and equipment that are not in our inventory. It is to our advantage to trade with them, to purchase from them within reason. I feel that this amendment, while I have great respect for the author, should not be adopted.

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Virginia.

While it is difficult to argue against the basic economic points made by the gentleman from Michigan (Mr. BROWN) except to delay will increase the price, I rise in opposition to the amendment and associate myself with the remarks by the gentleman from Alabama (Mr. EDWARDS) and the gentleman from Florida (Mr. SIKES).

As chairman of the Special Committee on NATO of the Committee on Armed Services I spent the 4th of July district work period in some of the NATO countries of Western Europe. We discussed in detail burden sharing and the two-way street. I was impressed with the attitude of our allies with respect to readiness. We have a favorable balance insofar as military weapons and equipment trade is concerned and I think it would be shortsighted and certainly not in our national security interest to vote for this amendment. I ask for a "no" vote.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we are trying to work out programs of cooperation with the NATO nations. The time is past when we can refuse to buy anything from the NATO nations and continue to sell to the NATO nations. We have sold NATO countries airplanes and all manner of military equipment.

I just checked the hearings here a moment ago on this matter, in volume

IV, which points out that we have a favorable balance of trade with the NATO nations in the sum of what? In the sum of $3,600 million. It would be a serious mistake to try to upset the arrangements that we have, trying to work out agreements to live and let live. It would be a serious mistake.

We are trying to have interoperability and standardization in weaponry, and as much commonality as we can with respect to the type of weapons that we use in NATO. It seems to me that we have no basis for complaint here—if we buy trucks, they will buy something else. So, these are accommodations we are trying to reach with our NATO friends, and it seems to me we have no alternative in the interests of national defense and our NATO relationships. I urge you to vote down this amendment, especially in view of the fact that we had a favorable balance of trade in 1977 in the sum of $3,600 million.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

I do not think the gentleman is saying we have a balance of trade with West Germany. He is saying we have it with the NATO nations.

Mr. MAHON. I said the NATO nations. I did not mention West Germany.

Mr. BROWN of Michigan. I thank the gentleman for clarifying that.

The gentleman is aware that we have already entered into a memorandum of understanding for some 10,000 nontactical vehicles and that amounts to a contract in excess of $100 million over 7 years.

Mr. MAHON. That is right. Over a 7-year period. That agreement has been entered into. These agreements are hard to come by, and we have to live with our neighbors, and we have to live with the free world, and we are the leaders of the free world. It seems to me it would be a very serious mistake to throw a monkey wrench into these agreements.

I trust that the amendment will be soundly defeated.

I ask for a vote, Mr. Chairman.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield further for a brief statement?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman.

The gentleman is aware, is he not, that I am not only talking about fiscal year 1979? We have already entered into this procurement agreement for the nontactical vehicles. That is a substantial vindication of our willingness to go the two-way street. All I am saying is with our trade balance deteriorating substantially and with the value of our dollar deteriorating substantially, there is no present plan to do this, so let us not implement this in 1979. In 1980 I join, side by side, shoulder to shoulder with the gentleman to do that, but let us not enter into that this year.

Mr. MAHON. Mr. Chairman, I cannot yield further.

We have about five additional amendments. We need to finish this bill tonight. I think we have had enough debate on this particular issue now.

We have got to try to cooperate with our NATO allies and it would be in opposition to a policy of cooperation if we should approve this amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, I rise in opposition to the amendment.

I too serve on the Armed Services Committee, on NATO interoperability and standardization. I am the ranking member on this subcommittee. We have been seeking for some way to buy from our European allies. We sell them high technology items such as the AWACS, F–16, F–5, F–4's and maybe any number of things. At least this is an area in which we can buy from them and an area in which they are competent to produce at an economic rate. Certainly we should not bind the hands of the Defense Department by saying in advance they cannot consider rolling stock.

So I oppose the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I would just remind my colleagues that everything that has been said by the gentleman from Texas and the gentleman from Alabama and others who oppose this, everything that has been said I can very much agree with.

The thing they have not addressed, that my amendment addresses, is that with our economic situation being as it is, it will not hurt to delay any potential implementation of the policy for this 1 fiscal year. This is not a Buy American amendment. This is an amendment that says what all our economists are saying, and that is that America has got to get its economic house in shape and America has got to get its dollar back into proper value and America has got to get its trade situation back in balance.

Certainly to any extent any of this money might be used in such a way as to contribute to a further deterioration of our economic situation, it should not be done in this year.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. MAHON) to close debate.

Mr. MAHON. Mr. Chairman, I ask for a vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROWN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BUCHANAN. Mr. Chairman, I demand a recorded vote, and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count; 132 Members are present, a quorum.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Michigan Mr. BROWN, for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 72, noes 302, not voting 58, as follows:

[Roll No. 659]

AYES—72

Ammerman	Fithian	Pursell
Anderson, Calif.	Florio	Quillen
Applegate	Ford, Mich.	Rinaldo
Aspin	Ford, Tenn.	Risenhoover
Benjamin	Gaydos	Roe
Blanchard	Gilman	Ryan
Brademas	Goodling	Shuster
Brodhead	Hall	Snyder
Broomfield	Jeffords	St Germain
Brown, Mich.	Kildee	Stangeland
Burton, John	Kindness	Steers
Carr	Lederer	Stratton
Carter	Lujan	Taylor
Cederberg	Luken	Thompson
Cohen	McEwen	Traxler
Coleman	Mikulski	Vander Jagt
Collins, Ill.	Minish	Walgren
Conte	Mitchell, N.Y.	Walker
Cornwell	Mottl	Walsh
Dent	Murphy, Ill.	Weaver
Dingell	Murphy, Pa.	Yatron
Duncan, Tenn.	Murtha	Young, Fla.
Eilberg	Myers, Michael	Zablocki
Emery	Nowak	
	Oakar	

NOES—302

Akaka	Cotter	Gradison
Alexander	Coughlin	Grassley
Ambro	Crane	Guyer
Anderson, Ill.	Cunningham	Hagedorn
Andrews, N.C.	D'Amours	Hamilton
Andrews, N. Dak.	Daniel, Dan	Hammer-schmidt
Annunzio	Daniel, R. W.	Hanley
Archer	Danielson	Hannaford
Armstrong	Davis	Harkin
Ashbrook	de la Garza	Harris
AuCoin	Dellums	Harsha
Badham	Derrick	Hawkins
Bafalis	Derwinski	Hefner
Baucus	Devine	Heftel
Bauman	Dickinson	Hightower
Beard, R.I.	Dicks	Hillis
Beard, Tenn.	Dodd	Holland
Bedell	Dornan	Hollenbeck
Bennett	Downey	Holt
Bevill	Drinan	Horton
Bingham	Duncan, Oreg.	Howard
Blouin	Early	Hubbard
Boggs	Eckhardt	Huckaby
Boland	Edgar	Hughes
Bonker	Edwards, Ala.	Hyde
Bowen	Edwards, Calif.	Ichord
Breaux	Edwards, Okla.	Jacobs
Breckinridge	English	Jenrette
Brinkley	Erlenborn	Johnson, Calif.
Brooks	Ertel	Johnson, Colo.
Brown, Calif.	Evans, Colo.	Jones, N.C.
Brown, Ohio	Evans, Del.	Jones, Okla.
Broyhill	Evans, Ga.	Jones, Tenn.
Buchanan	Fary	Jordan
Burgener	Fascell	Kastenmeier
Burke, Fla.	Fenwick	Kazen
Burke, Mass.	Findley	Kelly
Burleson, Tex.	Fish	Kemp
Burton, Phillip	Fisher	Keys
Butler	Flippo	Kostmayer
Byron	Flood	Krebs
Carney	Foley	Krueger
Cavanaugh	Forsythe	LaFalce
Chappell	Fountain	Lagomarsino
Clausen, Don H.	Fraser	Latta
Clawson, Del	Frenzel	Leach
Cleveland	Fuqua	Leggett
Cochran	Gammage	Lehman
Collins, Tex.	Giaimo	Lent
Conable	Gibbons	Livingston
Corcoran	Ginn	Lloyd, Calif.
Corman	Glickman	Long, La.
Cornell	Goldwater	Long, Md.
	Gonzalez	Lundine
	Gore	

McClory	O'Brien	Sikes
McCloskey	Oberstar	Simon
McCormack	Obey	Skubitz
McDade	Ottinger	Slack
McDonald	Panetta	Smith, Iowa
McFall	Patten	Smith, Nebr.
McHugh	Patterson	Spellman
McKay	Pattison	Spence
McKinney	Pease	Staggers
Madigan	Pepper	Stanton
Maguire	Perkins	Stark
Mahon	Pettis	Steed
Mann	Pickle	Steiger
Markey	Pike	Stockman
Marks	Poage	Stokes
Marlenee	Preyer	Studds
Marriott	Price	Stump
Martin	Pritchard	Symms
Mattox	Quayle	Thone
Mazzoli	Quie	Thornton
Meeds	Rahall	Treen
Metcalfe	Railsback	Trible
Meyner	Regula	Udall
Michel	Reuss	Ullman
Mikva	Roberts	Van Deerlin
Milford	Robinson	Vanik
Miller, Calif.	Rogers	Vento
Miller, Ohio	Roncalio	Volkmer
Mineta	Rooney	Waggonner
Mitchell, Md.	Rose	Wamp.er
Moakley	Rostenkowski	Watkins
Moffett	Rousselot	Waxman
Mollohan	Roybal	Whalen
Montgomery	Rudd	White
Moore	Runnels	Whitehurst
Moorhead, Calif.	Ruppe	Whitley
	Russo	Whitten
Moorhead, Pa.	Santini	Wilson, Bob
Moss	Sarasin	Wilson, Tex.
Myers, Gary	Satterfield	Winn
Myers, John	Sawyer	Wirth
Natcher	Schroeder	Wright
Neal	Schulze	Wydler
Nedzi	Sebelius	Wylie
Nichols	Seiberling	Yates
Nix	Sharp	Young, Alaska
Nolan	Shipley	Young, Tex.

NOT VOTING—58

Abdnor	Fowler	Rangel
Addabbo	Frey	Rhodes
Ashley	Garcia	Richmond
Baldus	Gephardt	Rodino
Barnard	Green	Rosenthal
Beilenson	Gudger	Scheuer
Biaggi	Hansen	Sisk
Bolling	Harrington	Skelton
Bonior	Heckler	Solarz
Burke, Calif.	Holtzman	Teague
Burlison, Mo.	Ireland	Tsongas
Caputo	Jenkins	Tucker
Chisholm	Kasten	Weiss
Clay	Le Fante	Wiggins
Conyers	Levitas	Wilson, C. H.
Delaney	Lloyd, Tenn.	Wolff
Diggs	Lott	Young, Mo.
Evans, Ind.	Mathis	Zeferetti
Flowers	Murphy, N.Y.	
Flynt	Pressler	

Messrs. WATKINS, MARLENEE, and BOLAND changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. MIKVA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to take this opportunity to commend my colleague, the gentleman from Ohio (Mr. ASHBROOK), and express my appreciation to him, first of all, for his courtesy in informing me of the amendment that he was offering and which was adopted by voice vote earlier to this title. I wish to tell the gentleman that I commend him for his amendment, and I am pleased that we are on the same side of an issue, especially since we disagree in so many other respects.

As I read the gentleman's amendment, it is a restricting amendment and it provides that no money shall in fact, be spent in connection with the demilitarization of arms. The amendment is designed to see to it that the Army does not spend any money in order to demilitarize the M–1's that are in surplus and in surplus condition.

As far as I know, that is good news, because it makes sure the Army will accept the lowest bid which it receives in disposing of those weapons. It will provide a net to the Army of some $24,000. That would be consistent with the amendment, and I am all for it.

In light of the fact that it costs some $40,000 a year to keep these guns which are surplus in storage, I hope this will add a prod to the Department to see that they in fact, accept the lowest bid or something like it and get rid of this problem once and for all.

Mr. Chairman, again I commend my colleague, the gentleman from Ohio (Mr. ASHBROOK), for his courtesy.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, is the gentleman suggesting a charge for surplus rifles? Is that the gentleman's proposal?

Mr. MIKVA. Mr. Chairman, I am offering no proposal. I am commending my colleague, the gentleman from Ohio (Mr. ASHBROOK), for getting an amendment adopted which I think will prod the Army to do what I think ought to be done.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 844. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services under the provisions of section 1079 (a) of title 10, United States Code, shall be available for (a) services of pastoral counselors, or family and child counselors, or marital counselors unless the patient has been referred to such counselor by a medical doctor for treatment of a specific problem with results of that treatment to be communicated back to the physician who made such referral; (b) special education, except when provided as secondary to the active psychiatric treatment on an institutional inpatient basis; (c) therapy or counseling for sexual dysfunctions or sexual inadequacies; (d) treatment of obesity when obesity is the sole or major condition treated; (e) reconstructive surgery justified solely on psychiatric needs including, but not limited to, mammary augmentation, face lifts and sex gender changes; (f) reimbursement of any physician or other authorized individual provider of medical care in excess of the eightieth percentile of the customary charges made for similar services in the same locality where the medical care was furnished; or (g) any service or supply which is not medically or psychologically necessary to diagnose and treat a mental or physical illness, injury, or bodily malfunction as diagnosed by a physician, dentist, or a clinical psychologist, as appropriate, except as authorized by section 1079(a)(4) of title 10, United States Code.

POINT OF ORDER

Mr. HILLIS. Mr. Chairman, I make a point of order on section 844(f).

The CHAIRMAN. The gentleman will state his point of order.

Mr. HILLIS. Mr. Chairman, I make a point of order against the language of section 844(f) on the grounds that it violates rule XXI, clause 2 of the rules of the House in that it constitutes legislation in an appropriation bill.

Section 844 refers to section 1079(a), title 10 of the United States Code. However, section 1079(a) states that the "methods for making payment shall be prescribed under joint regulations issued by the Secretary of Defense and the Secretary of Health, Education, and Welfare."

Chapter 26 of Deschler's Procedure, section 1.9 states:

It is in order in a general appropriation bill to include language descriptive of authority provided in law for the operation of government corporations and agencies funded in the bill so long as the description is precise and does not change that authority in any respect.

Further, chapter 26, section 11.1 states as a parliamentarian's note that—

The application of any limitation on an appropriation bill place some minimal extra duties on federal officials, who, if nothing else, must determine whether a particular use of funds falls within that prohibited by the limitation. But when an amendment, while curtailing certain uses of funds carried in the bill, explicitly places new duties on officers of the Government or implicitly requires them to make investigations, compile evidence, or make judgments and determinations not otherwise required of them by law, then it assumes the character of legislation and is subject to a point of order.

Furthermore, chapter 26, section 11.5 in a parliamentarian's note states that—

The extra duties which may invalidate an amendment as being legislation are duties not now required by law. The fact that they may be presently in effect on a voluntary basis does not protect an amendment from a point of order under clause 2, Rule XXI.

Mr. Chairman, I also cite section 842 of Jefferson's Manual which states in part that—

Propositions to establish affirmative directions for executive offices even in cases where they may have discretion under the law so to do are subject to a point of order.

While section 1076 of title 10, United States Code grants the Secretary authority to promulgate regulations, part (f) of section 844 of this bill dictates to him the method of determining payments thereby eliminating any discretionary authority on his part. This is clearly legislation insomuch as it requires the Secretary to determine customary charges made for similar services in the same locality where the medical care was furnished. Nowhere in the permanent law is the Secretary required to make these determinations.

It is true that this procedure for determining reimbursement has been prescribed by regulation; however, as stated in Deschler's Procedure section 11.5 of chapter 26 which I quoted earlier—

The fact that they may be presently in effect on a voluntary basis does not protect an amendment from a point of order under clause 2, rule XXI.

The CHAIRMAN. Does the gentleman from Texas (Mr. MAHON) wish to be heard on the point of order?

Mr. MAHON. Yes, Mr. Chairman, I do.

The CHAIRMAN. The Chair recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, this provision in the defense bill grows out of the legislation establishing the CHAMPUS operation. The committee maintains that the language in the bill specifically provides for a limitation in expenditures and that the provision in the bill is not subject to a point of order.

The CHAIRMAN (Mr. ROSTENKOWSKI). What the gentleman from Texas (Mr. MAHON) suggests does not apply to that part of the paragraph to which the gentleman from Indiana (Mr. HILLIS) makes the point of order.

The Chair observes that the language does require a determination as to what local and customary charges are, and there is nothing presently in existing law that requires those determinations to be made during the next fiscal year. The authorization bill containing such authority is not yet law.

The Chair sustains the point of order with respect to subparagraph (f) to which the gentleman referred.

Mr. HILLIS. I thank the Chair.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 847. (a) None of the funds appropriated by this Act shall be obligated under the Competitive Rate Program of the Department of Defense for the transportation of household goods to or from Alaska or Hawaii or to or from a foreign country not included in the program on May 1, 1978.

(b) None of the funds appropriated by this Act shall be obligated for payments to any low rate setting freight forwarded for transportation services furnished (1) during the period November 1, 1978, through April 30, 1979, for transportation of more than 80 percent; and (2) during the period May 1, 1979, through November 1, 1979, for transportation of more than 60 percent of the estimated tonnage of commercial through household goods over any traffic route to or from a rate setting area under the Competitive Rate Program of the Department of Defense: *Provided*, That the limitations with respect to each of the periods named in (1) and (2) shall not apply to traffic route over which less than 30,000 pounds of estimated tonnage will be transported during each of those periods: *Provided further*, That this limitation shall not apply to shipments to or from a rate setting area in the United States in which the total number of outbound shipments under the program during the period November 1, 1976, through April 30, 1977, was less than 5 percent of the total number of outbound shipments under the program during that period.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Strike section 847 beginning on page 51, line 5 and renumber subsequent sections accordingly.

(By unanimous consent Mr. CONTE was allowed to proceed for 5 additional minutes.)

Mr. CONTE. Mr. Chairman, my amendment proposes to strike section 847 from this bill. If adopted, section 847 would prohibit the Department of Defense from expanding its competitive rate program for the transportation of household goods beyond those areas which were covered on May 1, 1978. It would also provide for a phased implementation of a maximum limit of 60 per cent of the estimated tonnage on a single high volume traffic route which would be awarded to any low rate setting freight forwarder. This provision was adopted by the Defense Appropriations Subcommittee as a result of a lobbying effort of a small but powerful special interest group of household freight forwarders.

The effect of this section is to stop DOD's program of competitive rate setting dead in its tracks. This is a program that if fully expanded would save the taxpayers $50 million annually in costs arising from the transportation of military household goods and not hurt our national security.

To understand why this saving is possible and why the household freight forwarders oppose the expansion of the CRP program, it is necessary to be familiar with the recent history of the program.

Despite the general legislative mandate to use competitive bidding whereever possible, the DOD has for many years relied on a "me too" bidding procedure that does not allow the household goods of military personnel to move at the lowest competitive price possible. Under the "me too" bidding procedure, anyone can share in a "low" bid by agreeing to charge the same rate. No incentive exists for really bidding low, since one could get the same amount of business as the alleged low bidder.

Recognizing this fact, the DOD started the new competitive rate program, whereby the low-bidding freight forwarder was awarded a preannounced portion of the amount of tonnage available over a given route for 6 months. The remaining tonnage is distributed among the others according to the level of their rates. In other words, the low bidder receives a fixed percentage for his low bid—for instance, 35 percent of all traffic—for putting in the lowest bid. This guarantee of large volumes of traffic is the incentive to come in with a truly low bid. All other carriers share in tthe remaining traffic according to the level of their rates. In all instances, even in the unlikely circumstance where another carrier may meet the low bid, the initial low-bid carrier is insured a greater volume of traffic on its low bid.

CRP has been implemented on a trial basis in Okinawa and Germany for the last few years. The benefits of the program have been impressive.

On movements to Okinawa, the rates dropped immediately from $58.15 per hundredweight to $46.87. On German shipments the drop was even greater, going from $66.49 per hundredweight to $46.25. The savings to date from CRP total more than $34 million.

The competitive program has produced other substantial benefits:

Average shipping time has been reduced by 5 percent;

Delivery dates are being met 88 percent of the time rather than 57 percent under the "me-too" system; and importantly, and

The number of small business participants in the program has increased from 9 to 47, and the small business share of the total revenue has gone from 17 to 39 percent.

Given these facts, it is understandable why the DOD wishes to immediately expand this program to include traffic for Spain, Turkey, Japan, and ultimately to all points. The opposition to the proposal also is easy to understand. It is based on narrow self interest. In 1976, the GAO found that the "me-too" system was resulting in unreasonably high rates to the freight forwarders. On over 70 percent of the shipments reviewed, GAO found that the forwarders were making double the profits deemed reasonable by the ICC for domestic regulated shipments. Some freight forwarders choose to ignore this fact. They argue that the benefits from expansion of this program, if any, will be short term and that in the long run the larger freight forwarders will "buy-in" to the market, put many other forwarders out of business and then raise the rates to a level costing more than the "me-too" system.

The concern expressed for the consumer and the smaller forwarding companies is admirable, but difficult to take seriously in light of actual experience. As I noted a while ago, the program, which has been in effect for Okinawa since 1975 and for Germany since 1976, has saved tens of millions of dollars with the number of small businesses participating in the program increasing nearly sixfold. This trend hardly indicates that small businesses are being driven to run because of noncompensatory rates or that the public will not benefit in the long run.

Many of the forwarders raising loud complaints against the CRP, participate in the program. When asked by the GAO to allow them to look at the financial records necessary to determine whether or not the CRP rates were compensatory, these forwarders refused to make their books available.

Mr. Chairman, I believe that there is little reason for this body to give weight to the claims that the expansion of the CRP program will have a harmful effect on the forwarder business as long as the forwarders in the program refuse to allow an independent factfinder, such as the GAO, access to the information needed to validate such a claim.

This amendment represents the final battle in the Household Freight Forwarders Association's attempt to keep its approximately 100 members as free as possible from the competitive bidding regulations established by DOD in the CRP program.

The forwarders lost in 1976, in a 15 to 11 vote by the Merchant Marine Committee after thorough hearings and extensive debate. They lost again when the GAO report pointed out the excessive forwarder profit-taking occuring through the "me-too" programs. And the forwarders lost for the third time in February 1978, when the Federal District Court for the District of Columbia ruled that DOD's competitive bidding procedures were reasonable and fair.

In granting summary judgement

against these freight forwarders, the Court found:

That the institution of the CRP and its expansion . . . was a well-reasoned decision undertaken after consideration of projected monetary savings and consultation with private industry and government representatives. . . .

I believe that we should defer to the judgment of the DOD which the courts have found to be sound in this matter. The DOD estimates that the cost of the restrictions placed on the CRP program will total $14.1 million per year in lost savings. These savings should not be passed up on the basis of self-serving claims made by the forwarders lobby. To do so, would be to ignore the real purpose of the CRP program which is to get serviceman's goods shipped as inexpensively as possible, not to use the taxpayers hard-earned money to subsidize forwarders who have grown fat from the lack of competition.

For the reasons given above, I urge that section 847 be stricken from this bill.

The CHAIRMAN. The time of the gentleman from Massachusets (Mr. CONTE) has expired.

(On request of Mr. HEFTEL, and by unanimous consent, Mr. CONTE was allowed to proceed for 2 additional minutes.)

Mr. HEFTEL. Mr. Chairman, will my colleague yield for a question, please?

Mr. CONTE. I will be glad to yield.

Mr. HEFTEL. Does the gentleman propose to institute the same system for all of the 50 States?

Mr. CONTE. Yes.

Mr. HEFTEL. Why is it only for the two States of Alaska and Hawaii that you offer the amendment?

Mr. CONTE. Those are overseas areas for the purpose of moving household goods—as well as for providing additional benefits to military personnel.

Mr. HEFTEL. Is that the reason why you do not want it to apply in the other 48 States?

Mr. CONTE. No, I have no objection at all.

Mr. HEFTEL. I think that the time to change the system under our ICC rate structure is when you change the system for the 50 States and not to select two States and separate them from the whole system arbitrarily without knowing what the effect will be. If it were for all 50 States, we then would not be discriminating. However as it is now, we know it will discriminate.

Mr. CONTE. We have tried it out in Okinawa and we have tried it out in Germany and we have saved millions and millions of dollars for the taxpayers. That is what we ought to be looking for. The chairman made such eloquent arguments on the carrier, and how we need to be fighting for these bucks, and I agree with him. I went along with him. We need every buck we can get. If we can save millions and millions of dollars by putting in this system that has been experimented with and that has worked well in Okinawa and in Germany, then I think it is something we ought to be doing in this instance.

Mr. HEFTEL. I think I can fully understand the differentiation between foreign countries and States. Alaska and Hawaii are States, they are not foreign countries.

Mr. McCLOSKEY. Mr. Chairman, if the gentleman will yield, it is true that Hawaii and Alaska are not foreign states but, for the purposes of the stationing of American troops overseas, both Hawaii and Alaska have asked us, this Congress, to recognize that they be treated the same as foreign countries for the benefits that flow therefrom.

Mr. HEFTEL. I thank the gentleman for yielding.

The CHAIRMAN. The time of the gentleman has expired.

Mr. YOUNG of Alaska. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

Mr. Chairman, the amendment offered by the gentleman from Massachusetts (Mr. CONTE) is really the amendment of the gentleman from California (Mr. McCLOSKEY) seriously threatens the health of an important industry in Alaska as well as the well-being of servicemen and their families in our State of Alaska.

I want to compliment the gentleman from Hawaii (Mr. HEFTEL). Both of these gentlemen represent their States well. In this issue Hawaii is a State as is Alaska. The only thing the Conte amendment does is separate Hawaii and Alaska away from the United States and treat us as foreign countries.

Mr. Chairman, I have stood in the well of this House and argued that Alaska and Hawaii are getting a little bit tired of being told one day we are a State and we have to follow all of the rules and regulations and then the next day be told we are a territory and we will make exceptions out of you, and you will do something no other State has to face.

In my State we have many movers who move freight for our services.

Mr. Chairman, I do not know how many Members have traveled in my State. Can anyone imagine moving furniture for a military family from Miami to Seattle? That is what we have to do up there, without any roads sometimes and without any railroads some other times, and either by ship on the high seas or by air.

Mr. Chairman, it is not fair for the movers in my State to be treated differently when they are covered by the same rules of the ICC as the movers of all other States are.

Mr. Chairman, I believe the amendment as proposed imposes an unfair situation on 2 States of the 50 States.

The gentleman from Massachusetts (Mr. CONTE) has mentioned the fact that it would save the Nation millions of dollars, as it has in Germany and in Okinawa. It has done that, and I will agree with that. The foreign countries bid on these jobs, and they have decreased the cost to the United States; but these countries which bid on those jobs are not covered by the ICC regulations.

It would be totally unfair to my movers who are covered right now by Federal regulatory agencies and State agencies, which make and set their rates, to have those rates fixed in competitive bidding.

Do we know who would end up with those jobs? The Koreans and the Japanese because they are in close proximity to my State of Alaska.

Mr. Chairman, all I am asking is that this body treat my State and Hawaii as they would all of the other States.

If California was to be covered in this legislation, I do not think there would be any mad scramble here to support this legislation. If New York or Florida or Hawaii were covered, I do not think it would happen in their case either.

Therefore, I am just asking for the opportunity to have the State of Alaska treated equally.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, I would like to ask the gentleman from Alaska (Mr. YOUNG) this question: Is it not true that the Secretary of Defense has already exempted Alaska and Hawaii, and that part of the language which is in the committee bill extends that exemption, so if we were to adopt the Conte amendment, we would, in effect, be overturning a part of the ruling by the Secretary of Defense?

Mr. YOUNG of Alaska. The gentleman is right. May I say, however, that the Secretary of Defense tried to instigate the idea of not exempting Alaska and Hawaii, but he saw the necessity of treating each as an individual State. We would be overturning that decision. I believe the committee has done the proper thing by putting this provision in the bill.

If we accept the Conte amendment, then I believe again, as I said before, that we would be imposing on the people of Alaska and on the movers of the State of Alaska and, even more than that, on the services themselves.

It is cold up there. It is a long way to ship furniture. It is a long way to ship it back. I know our movers have done the job adequately. To my knowledge, I have had no complaints with respect to their services.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. Yes, I yield to the gentleman from California.

Mr. McCLOSKEY. Is it not a fact that both Alaska and Hawaii have successfully prevailed upon the Defense Department and upon the Congress to treat servicemen stationed in Alaska and Hawaii as being stationed at foreign bases for the purposes of getting additional pay allowances which they would not get if they were in California, in New York, in Florida, or in any other high-cost-of-living area? Is it not true that both Alaska and Hawaii want to be treated as the equivalent of foreign countries in which servicemen are stationed overseas in order for the servicemen to qualify for benefits paid American servicemen actually serving overseas?

Mr. YOUNG of Alaska. If I may answer the gentleman, I do not believe that the people of Alaska have asked the Department of Defense to do that.

Mr. McCLOSKEY. The answer is "Yes," is it not?

Mr. YOUNG of Alaska. The answer is not "Yes." The answer is that the military has decided it because these men are stationed so far away. Because of that, they have decided that they should be treated as similar to those serving in foreign countries, yes, absolutely, for purposes of allowances.

Mr. Chairman, Mr. CONTE'S amendment seriously threatens the health of an important industry in Alaska as well as the well being of servicemen and their families serving our State.

The household movers of Alaska have traditionally performed effectively in moving members of the armed services to and from our State. The prices they charge have been reasonable. They are regulated by the Interstate Commerce Commission and our State transportation commission. There have been no unusual complaints about price or services. I might add that because many military installations are in remote and difficult areas, Alaskan movers are called upon to perform in much more difficult circumstances than elsewhere and they have done so.

The institution of a competitive rate program threatens to disrupt this successful service. In fact those who know the industry believe that the new system of "winner take all" low bidding may produce savings in the short run but chaos in the industry in the long run and higher costs that will appear very quickly. The system fosters monopoly and all the ills that monopoly brings. If all the household moving business on a given route is awarded to a single contractor, very quickly he will be in a position to be the only bidder.

Because the military business is so large a proportion of the total household moving business in Alaska, unsuccessful bidders will not be able to stay in business. If they have no portion of the military business, they will go bankrupt leaving civilians and military alike with only one source to turn to. In Okinawa before the implementation of CRP there were 12 agents who provided moving and storage services. This January that number had been reduced to three. There were 150 agents in West Germany prior to CRP—in January there were only 40 still in business.

What I am most disturbed about is that this action should be applied to Alaska and Hawaii and not to the other States of the Union. Are we second-class States? Are we foreign countries? Or are we two full-fledged members of the United States of America?

I understand that where rates are not regulated, such as overseas routes, it was felt that this competitive system might produce lower costs, but in Alaska moving rates are regulated so that the Government and the public are protected. It is astounding that Alaska and Hawaii should be treated differently than any other State. We have our own system of intrastate regulation and interstate traffic is regulated by the ICC just as it is in any other State.

While it appears that the CRP may produce short-term savings it also appears that long-range implications will be disastrous. Large numbers of companies will be driven out of business—actually serving to reduce competition and diminish the quality of service. These results indicate eventual greater costs to the Government for reduced services.

Right now GAO and DOD are studying the effects and economic impact of this program as well as cost effectiveness. Does it make sense to fund such a program before completion of these two studies?

I urge my colleagues very careful consideration of this amendment and its disastrous consequences to my State of Alaska and my colleague, Mr. AKAKA'S State of Hawaii.

Mr. ANDERSON of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Conte amendment, which would allow the Department of Defense to further expand the competitive rate program.

This competitive rate program is currently undergoing careful scrutiny by the House Merchant Marine Committee, the Appropriations Subcommittee on Defense, and the Armed Services Committee.

In January, I participated in 2 days of extensive hearings before the Merchant Marine Subcommittee, which brought to light serious defects in the CRP system, which are driving some companies, like Columbia Export Packers, into bankruptcy.

It has been pointed out in the past by our colleague, Mr. McCLOSKEY, that there were defects in the old "me-too" system. He has stated that on 70 percent of the shipments, the profits for these companies under the "me-too" system were twice the profits deemed reasonable by the FCC for domestic-regulated shipments. But the ICC testified at the merchant marine hearings that they do not set any standard for reasonable rates—they only said a profit should be made—even if it was as little as 1 percent.

No one said the old system was perfect, no system can ever be perfect. But the CRP has swung the pendulum too far in the opposite direction. A balance between the "me-too" system and the CRP needs to be reached. At this balance point, there will be an incentive for freight forwarders to cut their bids, saving the Government money; while not inflicting unnecessary economic hardship upon the industry by stimulating noncompensatory prices. I commend the Appropriations Committee for attempting to correct the CRP system by limiting the tonnage a forwarder can handle over a given route to 60 percent of the traffic. Although this is an improvement over the CRP, which allows a forwarder to handle 100 percent of the tonnage if he is capable, this 60 percent may still be an incentive for large companies to bid at noncompensatory levels, driving small businesses bankrupt.

When one considers that a trade route goes from every single State in the Union, to every foreign country where we have military personnel based, there are a lot of routes involved. Certainly the Department of Defense can set up small trial routes with varying incentives to places like Okinawa and West Germany to determine where the proper balance between these two systems exists. If DOD were to begin by guaranteeing the low bidder 15 percent of the tonnage above those who "me-too'ed" the rate, there would be an incentive for a company to lower the bid, while not locking other companies out of the trade route. Then if DOD believes that this incentive can be raised in small increments to bring the cost down, without damaging the industry, they can implement these new incentives. By making changes in this manner, I believe, we can stimulate Government savings, without driving companies, like Columbia Export Packers, bankrupt.

It has been said that the freight forwarding industry is trying to avoid competitive bidding. Nothing can be further from the truth. They are very willing to participate in an equitable competitive bidding system, such as the "Carrier Evaluation Recording System" (CERS), used by DOD for the movement of domestic military household goods. But the CRP is not a fair competitive bidding system, this is why the industry has come to the Congress to ask for our assistance in remedying the problems they have encountered with an unresponsive Department of Defense.

Serious questions have been raised that need to be answered about the competitive rate system. For example, the president of Columbia Export Packers recently testified in Federal bankruptcy court that the reason his company is in debt $8 to $10 million is due to predatory pricing practices. This company had tried to cut its costs. After they won the CRP bid and began carrying the trade, they declared bankruptcy because the bid would not cover their expenses.

As a result, military families were stranded around the world without their home furnishings, while alternate transport was being found for their goods. This caused the DOD to go to higher bidders who had the capability to handle the shipments. This most recent bankruptcy will cause an increase in the cost of the freight forwarders bonds for credit with the steamship companies and the miiltary traffic management command. Everyone will be the loser because of this situation, especially the taxpayer who will have to bear the brunt of the increased cost in the future.

The possible use of predatory, noncompensatory pricing by members of the industry who have been receiving bids under CRP is very serious. There are costs, common to all carriers, that are fixed by regulation. These include all transportation, both land and sea, from the point of origin to the point of destination. There is reason to believe that the bids submitted by some CRP low bidders are even below these fixed costs. Thus the present low rates and savings

to the Government may be the result of illegal practices.

Currently, the General Accounting Office is undertaking a study of the industry to determine if noncompensatory bids have been filed. When this study is completed, we will have a much better idea of the full implications of this system, and what corrective actions need to be implemented.

But until this is determined, the Department of Defense should not be allowed to expand this system. The regulation of this system by DOD must provide adequate transportation of our military's household goods for the distant future. Short-term savings by the use of this system may be drastically off-set by long-range damage to the industry, resulting in an inadequate availability of service in time of critical need and higher cost to the taxpayer.

I ask the Members of this body to vote against the Conte amendment, to allow sufficient time for this complex situation to be examined, studied, and reasonable changes made.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding. I want to commend the gentleman for a very thoughtful statement. I think that the Defense Appropriations Subcommittee has done a thorough job in analyzing this.

I think the gentleman comes to a proper conclusion when he says let us wait until the General Accounting Office finishes its study. Then we can make a decision next year. I think a lot of firms are going to be hard hit by this.

I commend the gentleman for his thoughtful and thorough presentation.

Mr. ANDERSON of California. I thank the gentleman for his comments.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Washington.

Mr. BONKER. I thank the gentleman for yielding.

The gentleman from California serves on the House Committee on Merchant Marine and Fisheries with me, and we were the ones who requested the General Accounting Office study. It appears to some that that GAO study will never be completed.

Some say it is because some of the household carriers are not participating. Is it not true that those carriers who are not participating are the ones who will benefit from expansion of the CRP program?

Mr. ANDERSON of California. Yes. It is true that those carriers that have been the successful bidders in the CRP are the ones that are not participating in the GAO study, and are the ones who would benefit from an expansion of the competitive rate program. However, most of the other members of the industry are willing to participate in the GAO study.

The CHAIRMAN. The time of the gentleman from California (Mr. ANDERSON) has expired.

(At the request of Mr. EDWARDS of Alabama, and by unanimous consent, Mr. ANDERSON of California was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, as the gentleman said a moment ago, some say that freight forwarders will not cooperate. The GAO says the freight forwarders will not cooperate. In their letter to the chairman, the gentleman from New York, Mr. JOHN MURPHY, they say the carriers offering the lowest rate and handling the largest volume of Department household goods either refused us access or simply did not respond.

Mr. ANDERSON of California. I think the key word there is that these are the successful bidders, those holding the contracts under the CRP. They are the ones that do not wish to cooperate in the GAO study.

The rest are very willing to show their books, which will show what some of these minimum fixed costs are. We have asked the General Accounting Office to get on with this study and to get this information for us.

Mr. EDWARDS of Alabama. Mr. Chairman, if the gentleman will yield further, whoever it is refusing, GAO is unable to come in with any meaningful report because they cannot get the information.

Mr. ANDERSON of California. We feel the General Accounting Office can get the information if they go to that part of the industry that is willing and ready to give the figures today.

Mr. ROBINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

There is involved here a complex problem which has been with us, without satisfactory resolution, for a period of years.

It involves the effort to reduce the cost—which is very substantial, nearly $1.5 billion in the fiscal year 1979 budget request—of moving the household goods in connection with permanent changes of station of personel of the Armed Forces.

I urge colleagues who have not done so to read carefully the comment of the Committee on Appropriations set forth on pages 31 and 32 of the report.

Those who do so will be reassured, I believe, as to the commitment of the committee to move forward the competitive rate program to the exten' that it can be established as giving solid promise of long-term, as well as short-term savings in the transportation of household goods.

For these savings figures to be valid, there must be assurance that an efficient structure in the private sector will continue to be available to provide essential freight forwarding services without an undue concentration of business in a few large companies electing to concentrate on this type of traffic.

Should the latter development ensue, the cost to the taxpayers could wind up at considerably higher levels than the match-the-low-bid apportionment in effect generally prior to institution of the competitive rate program.

As the report reflects, the Committee on Appropriations merely proposes that extension of the competitive rate program be deferred pending receipt of the results of an on-going study by the General Accounting Office and an economic impact study by the Department of Defense.

The Committee on Appropriations likewise provides for a phased implementation of a maximum limit of 60 percent of the total number of household goods shipments which could be awarded to any low rate freight forwarder on a single high-volume traffic route.

It should be understood that this is regarded as an interim limitation, subject to a reassessment by the committee during its review of the fiscal year 1980 budget submission for this activity.

In behalf of the pending amendment, reference has been made to a recent letter from the Office of the Comptroller General of the United States to the chairman of the Committee on Merchant Marine and Fisheries.

It has been pointed out that this letter indicates an inability of the Comptroller General to obtain free and open access to the financial records of successful bidders on Department of Defense shipments of household goods, and that this access was essential to a useful report.

I note, however, that this letter also informs the chairman of the Committee on Merchant Marine and Fisheries that the Office of the Comptroller General is going forward with a detailed report evaluating the Department of Defense estimates of prospective savings under the competitive rate program, and the manner in which service improvement were measured.

It would be my hope that the industry would find it in its own long-term interest to cooperate with the Office of the Comptroller General.

Despite the current difficulties being experienced by that office in obtaining some of the data it states it needs, however, it is evident that the accounting arm of the Congress does expect to make a further report, and that additional information likewise is expected to be forthcoming from the Department of Defense.

Accordingly, I submit that the action taken by the Committee on Appropriations, as explained in its report, is reasonable, and that it serves the purpose of insuring that precipitous action of possible future adverse impact on the efficient movement of the household goods of armed services personnel, and on the interest of the general taxpayer, be avoided.

Mr. Chairman, I urge the rejection of the amendment.

Mr. HEFTEL. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the gentleman from Hawaii.

Mr. HEFTEL. Mr. Chairman, I would like to observe, it has been very difficult

for us from Alaska and Hawaii to present the case without becoming self-serving in the process and it has been very difficult for us and our colleagues who have investigated and studied this and we have come to the conclusion that it will not be a benefit, except in the short-range of a year or 2 and that if the same system were installed for all the 50 States, it could not be tolerated; so I think it is very significant that those who are not from Hawaii and Alaska, who have objectively studied it, have recognized that it will not be serving the interests that have been presented by the proponents of the amendment.

Mr. Chairman, the attempt to extend the competitive rate program to the States of Hawaii and Alaska is ill-advised. The CRP is a program that affects household goods shippers in foreign countries—places like Germany and Okinawa. It clearly is unfair and contrary to the public interest to implement a system that is applied overseas to two States of the United States of America. It would be chaotic and contrary to the public interest to treat the residents of Hawaii and Alaska as foreigners, and I would consider it a credit to my colleagues if they would resist such an attempt.

If the time should ever come with a CRP-like program can be shown to be beneficial for the entire United States, then Alaska and Hawaii rightfully should be included, but short of a nationwide CRP program, there can be no justification to treat the 49th and 50th States like foreign countries.

I would also remind my colleagues that the impact the CRP system would have in a domestic setting still has not been fully ascertained. What may appear to be a cost-saving program may in fact result in the bankruptcy of many firms, with the loss of employment for hundreds of our citizens.

So I repeat, Mr. Chairman, that the program should not be extended to Alaska and Hawaii, and I urge my colleagues to resist this course of action.

Mr. ROBINSON. Mr. Chairman, I have a letter here to which I would like to make reference. We are all familiar with the resistance that business is offering today to additional regulation and to additional prying into its affairs by Government. The letter which comes from the GAO says that they have requested in writing from 112 forwarders free and open access to their financial records. This is a little more than just inquiring to obtain the necessary information they have to have with regard to this area.

It seemed to us that it was reasonable to put a moratorium on the competitive rate program until such time as this study could be completed. Our information is that in spite of the lack of cooperation, it is going to be completed, and I believe the committee was correct in the action which it took.

Mr. AKAKA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the amendment.

I will not attempt to engage in a battle of statistics. That is not the point here, and anyway, we are all well aware of the acrobatics that figures may be made to perform, depending upon which side of the issue one represents.

The supporters of this amendment could quote the Department of Defense. I could quote the American moving and storage industry or the State of Hawaii Department of Planning and Economic Development.

Supporters could cite the 1976 GAO findings of instances of unreasonably high rates. I could cite the interim report of the present, ongoing GAO study, which states that they are dubious of the methods used by DOD to arrive at the conclusion that service has improved under the competitive rate program.

Neither opponents nor supporters can refer to the Department of Defense's own study on the economic impact of CRP expansion to Alaska and Hawaii, because that study is being conducted at this very moment.

All this leads to the real issue at hand. While we all want to save the taxpayers money, we do not want to go about arbitrarily trying to cut costs without sufficient information to insure that we will not be doing more harm than good.

The purpose of the language now in H.R. 13635 is to make certain that we have, in our hands, the information necessary to make a final judgment on the worth of the competitive rate program.

If the GAO report concludes that CRP has been a full success in foreign countries, fine. Let us then extend its usage to all foreign countries within the military network.

If the Defense Department study shows that CRP will not have an adverse economic impact on the States of Hawaii and Alaska, but a positive one, fine. Let us then implement it throughout the United States.

But for the present, do we truly believe that we are exhibiting our concern over Government spending by allowing funding for the expansion of a program while, at the very same time, we are also funding two studies to determine whether or not that program is a good one?

It is a contradiction I do not think we can justify to the American people, and I would urge the defeat of this amendment.

Mr. McCLOSKEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, in the 11 years that I have served in the House I have achieved a considerable respect for the Committee on Appropriations and its chairman. Time and time again I have heard the distinguished members on that committee urge that we should not use the appropriations process to legislate. I think on many occasions the dignity and the respect of the Committee on Appropriations has caused amendments to be defeated which, in effect, were trying to use the appropriations process to achieve a legislative purpose.

In this case, there is no one who defends the "me-too" system. As a ranking member of the Subcommittee on Merchant Marine, I was present at the 2 days of hearings in February of this year. I would like to read to the committee an exact quotation from the vice chairman of the Freight Forwarders System. This is Mr. Jack Bailey, and I quote from his testimony in our hearings last February:

> We have recognized and stated publicly our agreement . . . that the old "Me-Too" system is not sufficiently competitive.

That is clear, and it is understandable, and no one contests it. If someone submits a bid and the low bid wins, but anyone who did not submit the low bid can share by merely meeting the rates of the low bidder, there is no incentive to bid low.

The General Accounting Office in 1976, asked by the Committee on Appropriations to investigate the "me, too" system, found that, because there was no incentive, the shipments overseas in 70 percent of the cases were earning a profit of 15 percent or more on operating costs. This was exactly twice the 7½ percent maximum profit that the ICC permitted unregulated forwarders in the United States.

"Me-too" bidding had an advantageous result for the freight forwarding industry. Every 6 months the bids gradually rose, until this industry was making 15-percent profits on overseas shipments, whereas in the regulated United States they would have been limited to 7.5 percent.

So what happened? The Department of Defense and the Committee on Appropriations recommended that an incentive be built into the bidding system. Starting in 1975, with the Okinawa trial, and then extending to Germany and then to other countries, the Defense Department has gradually expanded its competitive bidding procedures.

I have heard in this Congress for 11 years an insistence by the defense committees, by the appropriations committees, by the budget committees, that whenever competitive bidding could be achieved, we should seek it. And suddenly, what happens? We find the Appropriations Committee putting language into this bill that prohibits the expansion of competitive bidding. The very guardian of the public treasury, the committee that has insisted on public bidding, that has asked for competitive bidding, is cutting the ground out from under the two legislative committees of jurisdiction, and asking for prohibition of competitive bidding.

Our Committee on Merchant Marine and Fisheries held hearings in 1976 on this very point.

I think my colleagues on the committee, the gentleman from Washington (Mr. BONKER) and the gentleman from California (Mr. ANDERSON), will concede that, after hearing the evidence in 1976, our committee voted 15 to 11 to permit expansion of the competitive bidding system and not to interfere with the Defense Department's program. I will ask those Members if that is not correct.

Our committee, our legislative committee, said, "We want this competitive bidding program to go forward."

In the testimony before us in 1978, when the gentleman from Washington (Mr. BONKERS) was present, and I was present, we heard the representatives of freight forwarders say, "It is not the 'me too' system that we want. We concede that is bad. What we want is a fairer competitive rate program."

And we sat down with the industry and we sat down with the Defense representatives and we said, "We think you should be fair with this industry." We had some problems. The industry wanted to divide California into four zones. The Defense Department wanted two. They wanted to treat small shipments a little differently. Compromises were made. But whatever compromises that are made should be made by the Committee on Armed Services or the Merchant Marine Committee, to oversee the Defense Department, to be fair. We should not write in an appropriation bill, a prohibition against expanding the competitive bidding system.

The CHAIRMAN. The time of the gentleman from California (Mr. MCCLOSKEY) has expired.

(By unanimous consent, Mr. MCCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. MCCLOSKEY. Mr. Chairman, I want to commend the Committee on Appropriations and I want to read their own language to them from the report on page 31, because I think the language is sound.

What the committee said is that we have had testimony that savings may in fact be short term and that, in the long run, the larger freight forwarders will "buy in" to the market, put many of the freight forwarders out of business, and then raise the rates substantially, costing more than the original "me-too" system.

If that were true, if they were going to drive the little people out of business and then raise the rates, it would indeed be something that might justify this unusual procedure to block the Defense Department from proceeding with what we directed them to do 3 years ago. The fact of the matter is that this has not occurred. The Okinawa trial was put into effect in 1975. We have had 3 years of observation to see who has been driven out of business, who has come into the business, and whether or not the rates have been raised. The facts have been that the rates have not been raised, people have not been driven out of business because of the competitive rate program.

The Department of Defense figures are clear, and no one can discredit them. The Okinawa trial resulted in delivery dates being made 88 percent of the time rather than 57 percent under the "me-too" program. The number of participating small businesses increased from 9 to 47, and their share of revenues went from 17 percent up to 39 percent. So, we have had 3 years to observe whether or not these fears that are expressed by the Appropriations Committee were really going to come true, and they have not come true.

To say what may happen in the future and to justify the Congress of the United States saying to our Defense Department, "You cannot go ahead with competitive bidding," in my judgment is outrageous.

I understand the pressure on Members who have districts in which there are large concentrations of freight forwarders. There are some 75 members of this association, 14 of which are based in southern California and in my area of northern California, 8 in Seattle. There is no question that pressure can be brought on us to try to get this benefit for the industry, but I submit that the proper way to get benefits to the forwarders is to say to our Armed Services Committee in their oversight role that the Appropriations Committee should not deal with this business in the appropriations process. It would be outrageous. I do not think we can justify to our constituents the fact that Congress is going to help an industry that itself drew this bill, that we are going to relieve that industry from competitive bidding when we are enforcing it everywhere else.

Particularly is it unwise, in my judgment, when 102 freight forwarders who have been the successful bidders for the business now being conducted have denied access to their records to the General Accounting Office. There was good precedent for the committee to say, "We would like to wait until the GAO gives a report," but now learning that the GAO cannot make that report because the forwarders themselves will not cooperate, there is reason for the committee to change its recommendation and permit the competitive bidding program to go forward.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. SIMON and by unanimous consent, Mr. MCCLOSKEY was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. MCCLOSKEY. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I would just like to observe that one of the things that struck me, as a member of the Budget Committee, in talking about defense expenditures, was a figure that came at us a year ago, that we are spending $5 billion to transport personnel and equipment and household goods, and so forth. I went over to the office where they handle all this transportation and talked with them about ways that we could reduce that expenditure. One of the things they suggested was in this very area, that we ought to have genuine competition.

It seems to me that the point of the gentleman from California is sound, and it really gets down to what the priorities of the Government should be. Should we spend $50 million to help some people who are in the shipping industry, or do we help create jobs for people desperately in need of jobs? I know that my friend from Alaska and my friends from Hawaii are very much concerned about the possible adverse impact in their States. If there is any, I am confident that my friend from California will be back here trying to remedy whatever problems are created, but in the meantime it seems to me that it is sound public policy that we have competitive bidding.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. MCCLOSKEY. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Nr. Chairman, I am reading from a letter which says:

> The only difference between Alaska/Hawaii movements and contiguous U.S. ones is that in the latter instance DOD has established a "CERS" system. This system gives carriers who have better service performance records a larger share of the cargo; it does not affect rate levels.
>
> DOD indicates that Alaskan/Hawaiian freight forwarders should be under the CRP because the economic structure of the industry there is similar to the international movers. In the contiguous U.S. there are 1,800 movers—92 percent of whom are motor carriers, not freight forwarders. Because the industry is so large, collusion (direct or indirect) doesn't take place and the "me too" system, with the I.C.C. ceiling, works.

What disturbs me on that is, because the industry is so large in the Lower 48, collusion, direct or indirect, does not take place and the "me too" system and the ICC ceiling works. But, in Alaska and Hawaii there are less than 100 movers. Generally, they are either freight forwarders or perform similarly.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. YOUNG of Alaska and by unanimous consent, Mr. MCCLOSKEY was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Alaska. Mr. Chairman, I want to ask the gentleman one question now. Has it been stated in any testimony before the committee that there is any collusion or any type situations different in the State of Alabama than Hawaii? We are only speaking, by the way, not of a $50 million saving but approximately an $8 million saving that would affect two States and approximately 200 jobs. Has it been stated there was collusion in Alaska or Hawaii?

Mr. MCCLOSKEY. No one has ever stated that it was by collusion that the profits to Alaska and Hawaii and foreign countries rose to 15 percent. Presumably the freight forwarders did not all gather together and say: "We will bid high." But it happened. The shipments to Alaska and Hawaii and to foreign countries rose to 15 percent profit. In the United States, where they were competing, the profits were only 7 percent.

Mr. YOUNG of Alaska. Does the ICC regulate shipments to Alaska and Hawaii?

Mr. MCCLOSKEY. The ICC does not regulate shipments to Alaska.

Mr. YOUNG of Alaska. Yes, it does, just like in the State of the gentleman.

Mr. MCCLOSKEY. But we are talking about shipments to Alaska where they pass across the water and the travel is under section 22 of the ICC rules. Section 22 eliminates military shipments. The ICC said they did not regulate the ship-

ments and had no jurisdiction over those shipments.

Mr. YOUNG of Alaska. The shipments to Alaska and Hawaii are regulated shipments.

Mr. McCLOSKEY. They are generally over water, in the same manner as are shipments to foreign nations, and Alaska and Hawaii servicemen are paid the extra pay differential because they qualify as overseas bases for that purpose.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I compliment the gentleman from California for his remarks.

I would like to make two observations. One, the chairman is about to speak, and he fought very hard and long on the Howard amendment.

The CHAIRMAN. The time of the gentleman from California (Mr. McCLOSKEY) has expired.

(On request of Mr. CONTE, and by unanimous consent, Mr. McCLOSKEY was allowed to proceed for 2 additional minutes.)

Mr. CONTE. Mr. Chairman, if the gentleman will yield further, the chairman fought long and hard on the Howard amendment which tried to strike out on page 42 the words:

Provided further, That no funds herein appropriated shall be used for the payment of price differential on contracts hereafter made for the purpose of relieving economic dislocations.

In this amendment we provide that all contracts shall be awarded on a formally established competitive basis. That is all we are trying to do, which is what the chairman of the committee tried to do with the rest of the bill.

I have an article from the Army Times in which the former Secretary of Defense Paul H. Riley was asked a question. At that time there was legislation which had been filed by the Senator from Washington (Mr. MAGNUSON) and by the gentleman from California (Mr. GLENN ANDERSON) of this body, to prevent this competitive bidding. This is from the article:

Riley said, "We have no obligation to keep these guys in business. I don't understand how they got so much clout in Congress. They're a real pain in the * * *. Every time we have tried to improve household goods shipping, this industry has fought us."

He goes on to say in this article about the trouble that the Congress of the United States has given the Defense Department every time they tried to save a dollar for the taxpayers.

Mr. McCLOSKEY. We have imposed competitive bidding every place we can. I know of no precedent to prohibit competitive bidding based on fears of what may occur in the future. When we say the fears may occur to people who are refusing their records to our own arm, the General Accounting Office. to determine whether the fears are accurate, for that reason alone, Mr. Chairman, I think the language of the committee, which wanted this language in the expectancy we would get the General Accounting Office report, when the Genera' Accounting Office advises the Merchant Marine Committee they would not be able to give a report because they were being denied the access to the records, I think we ought to deny any benefits to that industry.

Mr. BONKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Committee on Merchant Marine and Fisheries has debated this issue on several occasions. I would remind my colleagues in the Chamber that it is a very complicated issue and I think we should try to keep it in proper perspective and that is, first of all, that the language in the committee bill does not change the competitive rate program and the "Me-Too" program, that has been discussed earlier, is not at stake in this particular discussion.

What the committee attempts to do is provide a compromise by offering language which allows the lowest bidder on household goods to have an incentive and to retain the bulk of the business yet it protects other carriers who are involved and who, traditionally, have enjoyed the business of moving household goods.

The Department of Defense has been on a determined program to expand the CRP program even to the effect of wiping out a lot of small businesses who have traditionally been involved in this business.

Alaska and Hawaii have already been excluded by the Secretary of Defense and one of the provisions of the committee's bill is to retain that exemption throughout the whole of the bill.

It also allows the CRP to remain in effect in some areas, except a small portion, so it does not tamper with the whole CRP program as we know it.

The gentleman from California (Mr. McCLOSKEY) has waged a very effective campaign both within the House Committee on Merchant Marine and Fisheries, and before the subcommittee of the Committee on Appropriations, and on the floor of the House. I have nothing but the highest regard and admiration for the gentleman from California (Mr. McCLOSKEY) because he has always been in the forefront of these efforts to save the taxpayers from wasteful spending. But, Mr. Chairman, I would have to submit that in this particular case the compromise that is provided, I think, minimizes any wasteful spending, and the points that the gentleman from California (Mr. McCLOSKEY) has raised on several occasions, and most recently in a letter to me, I think we have substantially agreed on and are provided for in the committee language.

Point No. 1, that "me-too" system is not appropriate and is not involved in this particular issue.

Point No. 2, that an incentive to tender bids, along lines of the competitive rate program (CRP), is appropriate, and is also provided for in the committee language.

And No. 3, that whatever inequities might befall some members of the freight forwarders industry, these should be worked out by reasonable agreement between the Department of Defense and the industry, and the committee bill provides for this item.

So I do think we have substantial agreement with the gentleman from California (Mr. McCLOSKEY) as far as we can on this issue.

We were talking "me-too's" versus CRP and it is not the case any more.

The committee has brought forth, I think, an acceptable compromise.

I might add that the CRP which first went into effect in 1975 now pertains to Germany and Okinawa, and that will provide a savings of $24.5 million. Also the program is being expanded to cover Guam, Italy, England, the Philippines, and Sicily at a savings of $9.6 million.

The Department of Defense also is scheduled to expand the program to Japan, Turkey, Spain, and Panama. That will be effected by the language. Alaska and Hawaii have already been exempted and the remaining countries are not scheduled to be involved in the CRP at least without the accord of the Department of Defense.

So we are just talking about a few countries that would be affected by this language that would normally not be involved in an expansion of the CRP program.

In conclusion, Mr. Chairman, I would say that the committee language retains the CRP pretty much in its present form, retains the financial savings which have been described during this debate, retains the incentives to keep the bids low, which I think is a crucial argument of the gentleman from California and retains the high level of services that we traditionally have and allows for full participation by all involved.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, perhaps we have spent too much time on this amendment, but it is a matter of some importance; and I felt that the Members ought to have an opportunity to express their views.

Mr. Chairman, this is a complex question. There has been a lot of controversy between the movers of household goods and the Defense Department. Some members think the Defense Department has not been very cooperative, and others feel that some of the household movers have not been very cooperative.

The so-called competitive rate program is now applied by the Defense Department to about 60 percent of the shipments of household goods outside the United States.

Mr. Chairman, the Committee on Merchant Marine and Fisheries has held some hearings on this subject and the Committee on Appropriations also had some hearings. We came up with a compromise agreement that we would not undertake to stop the competitive rate program, as advocated by the movers, but permit it to proceeds as it is now in effect. However, we would ask the Defense Department to have another look at the problem and pending a General Accounting Office investigation of the situation, not expand the areas covered by the competitive rate program beyond those in effect as of May 1, 1978.

Some of the movers have not cooperated very well with the General Accounting Office according to a recent report

from the GAO. I do not know just what the final outcome of this controversy may be, but it was my view and the view of the majority of the members of the Subcommittee on Defense that we should allow the status quo of about 60 percent under the CRP program to continue for the coming fiscal year, and then let a decision be made next year based upon the additional information provided by the General Accounting Office and further consideration of the problem.

There are two sides to the issue. I do not doubt that at all. Moreover, there should be improvements made in the handling of household goods of the military. I would just like for the House to work its own will with respect to the matter. I myself shall vote against the amendment, I support the actions of the Appropriations Committee and express the hope that a satisfactory solution of the problem may be worked out next year.

Mr. CHAPPELL. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Florida.

Mr. CHAPPELL. I thank the chairman for yielding.

Mr. Chairman, I simply wanted to add to the remarks of the gentleman from Texas (Mr. MAHON) by saying that each of us on the committee has favored a competitive rate program. None of us has been opposed to a competitive rate program. However, merely by giving a certain name to an animal does not make it a dog.

The truth of the matter is that the same procedure is used in arriving at who the low bidder is going to be. The Defense Department advertises for bidders daily. They come in and they state their bids. Then the low bidder is selected. There is nothing changed in the CRP program at all in that regard. It is only in the method of how it is allocated to the various people or various companies, how those goods are transported. Therefore, we are all for a competitive rate program.

However, the program which the Defense Department has instigated is a predatory rate program.

Just to give one quick example, Mr. Chairman, I cite the situation in the route from England to Washington, D.C., which right now is chaotic. The Defense Department received a low bid of some $37 per hundredweight. The low bidder got it at that figure. On the very day he was supposed to draw up the contract, he gave notice that he would not accept goods for delivery beyond the first 60-day period. Thereafter, every one of the participating carriers refused to accept goods for shipment, and they had to move 51 companies down the line before they came to one which would accept it. That was at $56 and some cents per hundredweight, a 150 percent increase.

Mr. Chairman, we talk about competitive rates and getting some efficiency into this program. Let us take the time to see what it does. Let us come up with a truly competitive rate structure. None of us are opposed to that, and it can be done if we get the GAO study in first.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close now.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 269, noes 96, not voting 67, as follows:

[Roll No. 660]

AYES—269

Ambro	Emery	Lundine
Ammerman	English	McCloskey
Anderson, Ill.	Erlenborn	McDade
Andrews, N. Dak.	Ertel	McDonald
Archer	Evans, Del.	McEwen
Armstrong	Evans, Ga.	McHugh
Aspin	Fenwick	McKay
Badham	Findley	McKinney
Bafalis	Fish	Madigan
Baldus	Fisher	Maguire
Baucus	Fithian	Mann
Beard, R.I.	Flippo	Markey
Bedell	Florio	Marks
Benjamin	Ford, Mich.	Marlenee
Bennett	Fountain	Marriott
Bevill	Fraser	Martin
Bingham	Frenzel	Mattox
Blanchard	Gammage	Mazzoli
Boland	Gaydos	Metcalfe
Brademas	Gibbons	Meyner
Brodhead	Gilman	Michel
Brooks	Glickman	Mikva
Broomfield	Goldwater	Miller, Calif.
Brown, Calif.	Gonzalez	Mineta
Brown, Ohio	Goodling	Minish
Broyhill	Gradison	Mitchell, Md.
Buchanan	Grassley	Mitchell, N.Y.
Burgener	Guyer	Moakley
Burke, Fla.	Hagedorn	Moffett
Burke, Mass.	Hall	Mollohan
Burton, John	Hamilton	Montgomery
Burton, Phillip	Hammer-schmidt	Moore
Butler	Hanley	Moorhead, Calif.
Carr	Harrington	Moorhead, Pa.
Carter	Harris	Mottl
Cederberg	Harsha	Myers, Gary
Clausen, Don H.	Hawkins	Neal
Clawson, Del	Hefner	Nedzi
Cleveland	Hillis	Nichols
Cochran	Hollenbeck	Nolan
Cohen	Horton	Nowak
Coleman	Howard	O'Brien
Collins, Tex.	Huckaby	Obey
Conable	Hughes	Ottinger
Conte	Hyde	Panetta
Corcoran	Ichord	Patterson
Cornell	Jacobs	Pattison
Coughlin	Jeffords	Pease
Crane	Johnson, Colo.	Pepper
D'Amours	Jones, Okla.	Pettis
Daniel, Dan	Jordan	Pickle
Daniel, R. W.	Kastenmeier	Pike
de la Garza	Kazen	Preyer
Dellums	Kelly	Price
Derrick	Kemp	Pursell
Derwinski	Keys	Quayle
Devine	Kildee	Quie
Dickinson	Kindness	Rahall
Dingell	Kostmayer	Railsback
Dodd	Krebs	Reuss
Dornan	Krueger	Rinaldo
Downey	LaFalce	Risenhoover
Drinan	Latta	Roe
Duncan, Oreg.	Leach	Rogers
Duncan, Tenn.	Lederer	Roncalio
Early	Leggett	Rooney
Eckhardt	Lehman	Rousselot
Edgar	Lent	Roybal
Edwards, Ala.	Livingston	Rudd
Edwards, Calif.	Long, Md.	Ruppe
Edwards, Okla.	Lujan	Russo
	Luken	Ryan
Santini	Stanton	Walgren
Sarasin	Stark	Walker
Satterfield	Steers	Walsh
Sawyer	Steiger	Wampler
Schroeder	Stockman	Watkins
Schulze	Stokes	Weaver
Seiberling	Studds	Whalen
Sharp	Stump	White
Shuster	Symms	Whitehurst
Simon	Taylor	Wiggins
Skubitz	Thompson	Wilson, Bob
Smith, Iowa	Thone	Wirth
Smith, Nebr.	Traxler	Wydler
Spellman	Treen	Wylie
Spence	Udall	Yates
St Germain	Van Deerlin	Yatron
Staggers	Vander Jagt	Young, Tex.
Stangeland	Vento	Zablocki

NOES—96

Akaka	Flood	Natcher
Alexander	Foley	Nix
Anderson, Calif.	Ford, Tenn.	Oakar
Andrews, N.C.	Forsythe	Oberstar
Annunzio	Fuqua	Perkins
Applegate	Giaimo	Poage
Ashbrook	Ginn	Pritchard
AuCoin	Gore	Regula
Bauman	Hannaford	Roberts
Blouin	Harkin	Robinson
Boggs	Heftel	Rose
Bonker	Hightower	Rostenkowski
Bowen	Holland	Runnels
Breaux	Holt	Sebelius
Breckinridge	Hubbard	Shipley
Brinkley	Johnson, Calif.	Sikes
Burleson, Tex.	Jones, N.C.	Slack
Byron	Jones, Tenn.	Snyder
Carney	Lagomarsino	Steed
Cavanaugh	Lloyd, Calif.	Stratton
Chappell	Long, La.	Ullman
Collins, Ill.	Lott	Vanik
Corman	McCormack	Volkmer
Cotter	McFall	Waggonner
Cunningham	Mahon	Waxman
Danielson	Meeds	Whitley
Dent	Mikulski	Whitten
Dicks	Miller, Ohio	Winn
Eilberg	Murphy, Ill.	Wright
Evans, Colo.	Murphy, Pa.	Young, Alaska
Fary	Murtha	Young, Fla.
Fascell	Myers, John	
	Myers, Michael	

NOT VOTING—67

Abdnor	Fowler	Quillen
Addabbo	Frey	Rangel
Ashley	Garcia	Rhodes
Barnard	Gephardt	Richmond
Beard, Tenn.	Green	Rodino
Beilenson	Gudger	Rosenthal
Biaggi	Hansen	Scheuer
Bolling	Heckler	Sisk
Bonior	Holtzman	Skelton
Brown, Mich.	Ireland	Solarz
Burke, Calif.	Jenkins	Teague
Burlison, Mo.	Jenrette	Thornton
Caputo	Kasten	Trible
Chisholm	Le Fante	Tsongas
Clay	Levitas	Tucker
Conyers	Lloyd, Tenn.	Weiss
Cornwell	McClory	Wilson, C. H.
Davis	Mathis	Wilson, Tex.
Delaney	Milford	Wolff
Diggs	Moss	Young, Mo.
Evans, Ind.	Murphy, N.Y.	Zeferetti
Flowers	Patten	
Flynt	Pressler	

The Clerk announced the following pairs:

On this vote:

Mr. Conyers for, with Mr. Addabbo against.

Mrs. Chisholm for, with Mr. Flynt against.

Mr. Bonior for, with Mr. Zeferetti against.

Mr. Garcia for, with Mr. Teague against.

Mr. Rangel for, with Mrs. Lloyd of Tennessee against.

Mr. Richmond for, with Mr. Ashley against.

Mr. Wolff for, with Mr. Davis against.

Mr. Weiss for, with Mr. Sisk against.

Mr. MOLLOHAN changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. ASHBROOK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, my friend and colleague, the gentleman from Illinois made a statement earlier which has been misconstrued by many of the Members. Although we agree on many things, I think it is fair to say that we do not agree regarding the demilitarization of the 760,000 M–1 rifles currently in inventory. We have always been open and honest in our differing views on the matter of gun control and related issues. I think it is fair to say that I do not want the rifles destroyed and want them sold in adequate numbers to qualified individuals as set out in section 4308, title 10 of the United States Code. I believe my colleague from Illinois would prefer that they be scrapped.

A little history on this issue is relevant at this point to understand the amendment which the committee adopted earlier today, particularly in light of my colleague's remark.

Two inconsistent programs were forwarded in the Department of Defense at the same time. The Director of Civilian Marksmanship has advocated an increased sale of surplus M–1's to qualified purchasers. Concurrently, the Department of Defense announced a sale of scrap small arms weapons amounting to 818 gross tons consisting of about 340,000 various type rifles. The bid opening was to be on January 24, 1978. However, at the request of the House of Representatives Committee on Armed Services, Armed Services Investigation Subcommittee, the Department of Defense deferred the sale pending a review by the committee. After a hearing on March 17, 1978 by that committee, Chairman STRATTON made recommendations to the Secretary of the Army, two of which were:

First. That the M–1 rifles and M–1 carbines not be demilitarized but preserved in storage.

Second. That the quantity of M–1 rifles offered for sale in 1978 be increased to at least 2,600.

On July 10, 1978 the Secretary of the Army, after considering all views pertaining to the matter, announced among other things, that:

First, M–1 rifles and M–1 carbines will not be demilitarized. The M–1's will be preserved for use by the ROTC, Veteran's organizations, Director of Civilian Marksmanship (DCM) sales program and for contingencies.

Second. The quantity of M–1 rifles offered for sale in 1978 will be 1,200, a combination of the 600 per year rates for 1977 when no rifles were sold and for 1978. The number offered for sale in subsequent years will be 600 per year.

Now, if the recommendations of Chairman MAHON, Subcommittee Chairman STRATTON, Representatives SIKES, DINGELL, and ASHBROOK are followed there will be two clear results.

First, the surplus M–1's will not be scrapped but will be stored and sold at a rate of 2,600 per year. Those not sold will be ready for use in an emergency and will constitute a solid asset of this Nation whether sold at the existing price of $112 or kept in storage.

The record shows it costs 0.0506 per rifle to store them so that is a cost of some $35,000 or more per year. That would be offset, however, by income of $156,800 if the 2,600 rifles are sold as we recommend so there is no cost to the taxpayer for storage of these rifles if our recommendations are followed.

It is my understanding that the scrap bid of commercial contractors was in the range of $30 per ton which would figure out to only 7½ cents per rifle for the same 2,600 rifles destroyed as junk. That difference is obvious.

For any reason, demilitarization of M–1 rifles should be barred. My colleague from Illinois has indicated he does not think they should be sold for $30 per ton. To that extent, as I understand it, although he favors their demilitarization he does not favor it on those adverse terms. To that extent we do agree on my amendment and this explanation should answer the questions raised by my colleagues who well know that the gentleman from Illinois (Mr. MIKVA) and I are at opposite poles on this important issue. My amendment should prevent the Secretary of the Army from reversing his July 10, 1978 position during the next year and reinstating the policy of demilitarizing these valuable M–1 rifles. We all know that demilitarization is an euphemism for scrapping them. The House acted wisely in adopting my amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 852. No appropriation contained in this Act shall be available to fund any costs of a Senior Reserve Officers' Training Corps unit—except to complete training of personnel enrolled in Military Science 4—which in its junior year class (Military Science 3) has for the three preceding academic years, and as of September 30, 1978, enrolled less than (a) seventeen students where the institution prescribes a four-year or a combination four- and two-year program; or (b) twelve students where the institution prescribes a two-year program: *Provided*, That, notwithstanding the foregoing limitation, funds shall be available to maintain one Senior Reserve Officers' Training Corps unit in each State and at each State-operated maritime academy: *Provided further*, That units under the consortium system shall be considered as a single unit for purposes of evaluation and of productivity under this provision.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if I could have the attention of the gentleman from Texas, the distinguished chairman of the Appropriations Committee, just for a brief moment.

The bill before us today retains section 853 relating to restrictions on reimbursement for travel by DOD civilian personnel. I know the chairman is well aware of this issue. I testified before the committee about the hardship this provision has caused and the effect it has had on personnel with respect to morale, productivity of civilian employees who, when they are traveling on temporary duty assignments, are required to stay in bachelor officer quarters or bachelor enlisted quarters.

I had hoped, along with my colleague from California (Mr. HANNAFORD) that the committee would change this provision. They made some very major steps in improving the BEQ and BOQ by providing additional money, which means that when our people are traveling, hopefully it will be under better circumstances.

I would just like to point out that the committee's investigative staff report suggested that during these assignments when people are going to another base, another area, and were going to stay on the base for the purposes of schools and training periods, this might be an effective way to try and balance out the equities. Not by requiring every person traveling to stay in a BEQ or a bachelor officers quarters rather than having regular hotel accommodations.

I would hope and urge the chairman to consider this. I understand the other body may well consider the compromise that the investigating staff had presented to the subcommittee, and if they do in fact adopt that compromise I would hope the chairman and the other members of the committee would take a hard look at it, because I think that kind of compromise would at least meet the legitimate interests of the civilian employees who have had some hardship because of the provision.

Mr. MAHON. Mr. Chairman, if the gentleman will yield, this travel program for employees has not been well managed, particularly by the Navy, and people have been subjected to housing facilities which have not been adequate at all.

The gentleman from Washington has been very active in trying to do something about this situation. I would say we will have to take a hard look at it when we come to conference with the other body and try to work out something which is fairly equitable to all concerned.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Chairman, I compliment the gentleman from Washington for bringing this matter up at this time, and compliment him for his efforts today and over the past several months—I also thank him for yielding.

Mr. Chairman, I must take this opportunity today to voice my disappointment that the fiscal year 1979 defense appropriations bill will again contain the provision, section 853, requiring that civilian Defense Department employees on official travel stay in Government quarters, as available.

I am also disappointed that legislation I introduced to rid us of section 853 was not reported to the House floor for a vote. And I am disturbed that the Appropriations Subcommittee on Defense did not see fit to accept the recommendation I made in testimony before it, to delete this provision from the legislation we are considering today. That testimony was not completely in vain, however, because the committee report, 95–1398, does contain language that should improve matters somewhat in the year ahead. The problems, though, will con-

tinue to exist. They are problems of inequality and false economy.

The question of inequality should be obvious. Take the case where two civilian Federal employees are travelling away from home, for their Government, to the same installation. One works for the Defense Department, the second for any other Federal agency. Only the civil servant in DOD may be required to stay on base. As Mr. L. Mike Olsen, president of the International Federation of Professional and Technical Engineers, Long Beach Naval Shipyard explained,

Being away from one's family for extended periods of time in unfamiliar surroundings is difficult enough, but for Congress to pass a law which requires (civilian) employees to occupy military accommodations, subjected to direct military regulations and control, exacerbates the situation to the point of employee refusal to travel.

Why would the Government want to impose a provision that is so patently unfair? The Appropriations Committee says it is in the name of economy. They say it may save $5 million a year. Saving the taxpayer's money is certainly a worthy motive. Even before the proposition 13 bandwagon began rolling down the aisles of Congress, I always voted to cut out wasteful spending whenever it came before us. And I might say here that we have had clear examples of gross excess before us these last several days in much larger quantities than the $5 million that may purportedly be saved by section 853. The size of the savings is not what is important, though. The people back home want us to save them money, large or small. It has simply not been demonstrated that section 853 will be a moneysaver.

As suggested by a DOD General Counsel in his testimony before the committee, it may be that any savings would be negated by the effect on employee morale, alone. And there may be cases when an employee best suited to travel, elects not to go because of anticipated unacceptable living conditions that may be experienced while away from home. Or once there, if living conditions prevent an employee from effectively carrying out his work, the entire trip may become just so much time, and money, wasted.

If section 853 was genuinely going to have our Nation money, I suspect its inclusion would have been requested by the administration. It was not. Because it will not save money. And, as attested to by the Defense Department's own spokesman, section 853 "will have a telling effect on our ability to attract and retain well-qualified, dedicated employees in jobs which require extensive travel, thus adversely affecting our ability to effectively accomplish our mission."

Mr. DICKS. I compliment the chairman. He has sent out his investigating staff and he has been helpful. There were some technical rules of the House and some other reasons for not adopting the compromise immediately. But I compliment the chairman of the committee. I am sorry to see him go and I compliment him at this time for his outstanding work as chairman of this committee.

● Mr. HANNAFORD. Mr. Chairman, I rise to express my disappointment that section 853 has been retained in this Defense appropriations bill. Despite the wave of protest that this section has provoked from civilian employees of the Defense Department across the Nation, the committee has decided to retain it without modification. Section 853 requires that civilian employees of the DOD use Government quarters when stationed away from home base on temporary duty assignments. This provision unfairly singles out these employees from all other Federal employees for what amounts to a reduction in work benefits.

This express discrimination is not worth the meager $5 million that the committee optimistically hopes will be saved by retention of section 853. This is especially true when it is considered that experienced employees have resigned rather than suffer this onerous regulation and that the provision has caused demoralization and dissension among a group of workers with key responsibilities in our defense preparedness programs.

Mr. Chairman, I predict that section 853 will not save anything close to $5 million per year. And I predict that implementation of 853 will continue to be so plagued by problems of morale and dissatisfaction that it will prove to be more of a headache than it is worth. Indeed, it may well end up costing money. Our civilian employees of the Defense Department will avoid travel for any reason, and their performance on TDY will be diminished. More experienced technicians will retire earlier, and productivity will decline. Standards of adequacy will become standard labor bargaining issues that will set wage scale against wage scale and civilian against military employee.

I intend to continue my efforts to have section 853 deleted from future legislation, and I expect that more and more members of this House will recognize the validity of my position. I hope that this recognition comes sooner than later so that we may correct this destructive provision before it does too much damage.●

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 856. None of the funds appropriated by this Act may be used for the consolidation or realignment of advanced or undergraduate pilot training squadrons of the Navy as currently proposed by the Department of Defense.

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: On page 56, beginning on line 1 and ending on line 4, strike section 856.

Mr. DICKINSON. Mr. Chairman, this is the remaining amendment that was necessary to complete the series of amendments having to do with the consolidated helicopter training. The chairman of the full committee had indicated before that he would have no opposition to it, as did the gentleman from Florida Congressman SIKES indicate that to me privately, I offer it at this time without debate because I think we all understand it.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, in view of the action taken previously on certain provisions of this bill, it makes sense that the amendment which the gentleman has proposed be accepted, and I have no objection to the amendment.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Chairman, we would also agree on this side of the aisle that the amendment should be accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. DICKINSON).

The amendment was agreed to.

Mr. DICKINSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as I explained the parliamentary situation yesterday, there were, I think, some seven different line items that were necessary to tie the entire package together. At the time yesterday when I moved for a recorded vote, there were not enough Members standing, and so, before I could get another amendment submitted, we had passed three of the items that were in the total package. The parliamentary situation was that you could not automatically go back to them, it could only be done by unanimous consent. At this time, in order to clear up the entire matter, there are the three items that had been passed over before my second amendment could be offered, and the matter really needs to be cleared up in the bill, so I would like to ask at this time unanimous consent that those three items that had been passed over might be accepted and that I may be permitted to offer them.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. SIKES. Mr. Chairman, I will have to object. I had understood this was going to be a motion to strike section 856.

Mr. DICKINSON. That is correct. This has been done. This is a subsequent action that I am asking unanimous consent for, so as to complete the entire package, that I was not allowed to offer en bloc.

Mr. SIKES. Then, Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DICKINSON. Mr. Chairman, if I still have time remaining, let me say that I have had some conferences and private conversations with several of the people who are interested in fixed wing training. My interest is in rotary wing training, and I have made no agreement, and nothing I have done here is intended in any way to impact on fixed wing training within the Navy.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 860. None of the funds appropriated by this Act shall be available for the pay of a prevailing rate employee, as defined in paragraph (A) of section 5342(a)(2) of title 5,

United States Code, at a rate that is greater than 104 percent of the rate of pay payable to an employee in the second step of the grade of the regular, supervisory, or special wage schedule, in which the prevailing rate employee is serving: *Provided,* That to assure that this limitation does not (1) reduce the rate of pay of a prevailing rate employee, continuously employed after September 30, 1978, as set forth hereafter, below the rate of pay for that employee in effect on September 30, 1978, or (2) prevent such employee from receiving the first 5.5 percent increase in rate of pay as the result of any adjustments in pay pursuant to section 5343 of title 5, United States Code, that become effective on or after October 1, 1978, the pay of a prevailing rate employee who was employed before October 1, 1978, shall not be reduced by this limitation (1) below that to which the employee was entitled based on his or her rate of pay on September 30, 1978, or (2) after a pay adjustment pursuant to section 5343 effective during fiscal year 1979, below 105.5 percent of that to which the employee would be entitled based on his or her rate of pay on September 30, 1978, if the employee—

(A) continues to be employed after October 1, 1978, without a break in service of one work day or more; and

(B) is not demoted or reassigned for personal cause, or at his or her request.

POINT OF ORDER

Mr. WHITE. Mr. Chairman, I raise a point of order to section 860, that the provisions of this section constitute legislation in an appropriation bill in violation of rule XXI, clause 2 of the rules and regulations of the House of Representatives.

In support, I cite Deschler's Procedures, page 367, section 1.2, in which it states.

Language in an appropriation bill changing existing law is legislation and not in order.

And Cannon's Precedents, section 704, which states that the language controlling executive discretion is legislation and is not in order on an appropriation bill.

I believe that section 860 enacted into law can be construed as requiring lower payment of salaries than may be required by law, specifically Public Law 93–952, and thus it changes existing law.

The CHAIRMAN. Does anyone wish to be heard on the point of order?

Mr. MAHON. Mr. Chairman, the object of the provision is to limit expenditures and retrace programs and expenditures, it is a limitation on an appropriation bill, which is designed to save tremendous sums of money over the long run.

The CHAIRMAN (Mr. ROSTENKOWSKI). The Chair is ready to rule.

The first part of the section seems to be a proper limitation, however the proviso placed on line 3, page 57, certainly is a legislative statement of purpose and, not merely an exception from the limitation.

The Chair sustains the point of order against the entire section.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 861. None of the funds appropriated by this Act shall be available to increase the pay of a prevailing rate employee, as defined in paragraph (A) of section 5342(a)(2) of title 5, United States Code, as the result of adjustments in pay pursuant to section 5343 of title 5, United States Code, effective on or after October 1, 1978, in excess of 5.5 percent of the rate of pay in effect on September 30, 1978, for such an employee.

AMENDMENT OFFERED BY MR. WHITE

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: Page 56, strike out line 21 and all that follows down through line 8 on page 58.

Mr. WHITE. Mr. Chairman, section 861 would place a 5.5-percent pay cap on all pay raises.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I do not think the Clerk read the right amendment.

Mr. WHITE. This is on section 861.

The CHAIRMAN. Does the gentleman from Texas (Mr. WHITE) have an amendment to strike section 861?

Mr. WHITE. Yes, Mr. Chairman.

Did I not understand the Chair to sustain the point of order on section 860?

The CHAIRMAN. The Chair will state that the gentleman is correct. Section 860 is no longer in the bill.

Mr. WHITE. Mr. Chairman, my amendment is to section 861, which I understand the Reading Clerk was reading.

Mr. EDWARDS of Alabama. If the gentleman will yield further, Mr. Chairman, the Reading Clerk did not read that section.

Mr. WHITE. I am sorry, Mr. Chairman. It is the one which states:

Page 58, line 9, strike out section—

It should be "861."

The CHAIRMAN. The Chair will state that page 58, line 9, in section 862. The Clerk has read section 861. Section 860 has been stricken by the point of order. The amendment is broader than necessary.

Mr. WHITE. Then there is an error, Mr. Chairman.

I ask unanimous consent to revise the amendment so that it will read "Section 861, line 1."

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. EDWARDS of Alabama. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard to the request to modify the amendment. Without objection the amendment is withdrawn.

AMENDMENT OFFERED BY MR. WHITE

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: Page 58, line 1, strike out "SEC. 861."

Mr. WHITE. Mr. Chairman, section 861 would place a 5.5-percent pay cap on all pay raises for Department of Defense blue-collar employees, which would take effect during fiscal year 1979.

Since section 861 would effect only DOD workers, it would place a pay cap on only a part of the Federal blue-collar work force, leaving the remainder of the employees to receive their full anual pay increases.

Aside from the inequity already mentioned, section 861 would not even treat all DOD blue-collar employees equally since blue-collar raises are not implemented simultaneously but are given to the various local wage areas at different times during the year, and a cap would apply for different lengths of time on DOD employees, depending on when they received their wages.

For instance, those who received their wages in January will have their wages capped for approximately 9 months, while workers who received wages in June would have their wages affected for only 4 months.

Mr. Chairman, may I cite a list which shows some of the local wage areas, just as illustrations.

When they receive their annual pay increases, the employees living in the Tampa-St. Petersburg area would be subject to a 5.5-percent cap for only 1 month, while workers in the Washington, D.C., area would be subject to a pay cap for 11 months.

Other areas affected and the dates applicable are as follows:

January 29, 1978, Cocoa Beach-Melbourne.

March 29, 1978, Wyoming.

April 23, 1978, Memphis, Tennessee.

May 7, 1978, North Dakota.

June 4, 1978, Albany-Troy.

August 28, 1978, central and west Minneapolis.

September 11, 1977, Tampa-St. Petersburg.

October 23, 1977, Washington, D.C.; Columbus, Ga.; Albany, Ga.

November 6, 1977, Cedar Rapids, Iowa City.

December 4, 1977, San Diego, Calif.

Mr. Chairman, I want to point out to the House that the Committee on Post Office and Civil Service has this jurisdiction. The chairwoman, the gentlewoman from Maryland (Mrs. SPELLMAN), is presently conducting hearings trying to revise the wage scale program law so as to make it equitable and put it in greater conformity when reorganization takes places.

Therefore, Mr. Chairman, in our opinion, it is this provision what we regard as a legislative act—although I am sure a point of order might not be sustained as to this—but in our opinion, it is an act of legislation changing the law, changing the application of the law, which is unfair, unjust, and an intrusion into the jurisdiction of the committee.

That is my principal point that I wish to make, that this jurisdiction is already being considered by the committee. Give the committee a chance to organize the law. Give them a chance to complete their hearings and report out an orderly bill, rather than making a cap of this

nature. This particular provision flies right in the teeth of an already existing law, even if we do not reorganize the law, which sets out a very careful provision for consideration of the prevailing wage in a particular area, a timetable, and so on. This particular cap will totally disrupt the existng law in this area and is not the proper way to legislate.

Mr. Chairman, I reserve the remainder of my time.

PARLIAMENTARY INQUIRY

Mr. EDWARDS of Alabama. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EDWARDS of Alabama. I tried to follow the gentleman's argument in connection with the amendment offered. Would the Chair state what is the net effect of an amendment to strike out the words "SEC. 861"? Does that leave us with an unnumbered section?

The CHAIRMAN (Mr. ROSTENKOWSKI). The Chair would construe the amendment as offered by the gentleman from Texas (Mr. WHITE) to strike the entire section 861.

Mr. EDWARDS of Alabama. That is not what the amendent says, if I may suggest to the Chair.

The CHAIRMAN. The Chair will only observe that there are several ways to draft amendments, and the gentleman from Texas chose to strike an entire section in the legislation. The Chair will assume that that is what the gentleman from Texas (Mr. WHITE) wanted to do.

Mr. EDWARDS of Alabama. If I may suggest to the Chair, the gentleman says:

Page 58, line 1, strike out "SEC. 861."

The CHAIRMAN. The Chair has assumed that the entire section is stricken. However, the Chair would like to address the gentleman from Texas (Mr. WHITE) and ask him exactly what he intended for the amendment to do.

Mr. EDWARDS of Alabama. I object to the Chair asking the gentleman for his intention. It is either written or not written.

The CHAIRMAN. Then the Chair interprets the amendment as striking out the entire section.

The Chair has reexamined the amendment and did not originally note the quotation marks before "S" and after "1" and, therefore, would have to restate an observation that amendment only strikes out the words "SEC. 861."

Mr. EDWARDS of Alabama. I renew my parliamentary inquiry, Mr. Chairman. What is the net effect of that? Are we left with an unnumbered section?

The CHAIRMAN. That would be the Chair's interpretation, an unnumbered section.

Mr. WHITE. Mr. Chairman, I offer an amendment. I want the Chair to know that I did not write this amendment.

The CHAIRMAN. Would the gentleman from Texas (Mr. WHITE) care to modify his amendment?

Mr. WHITE. Mr. Chairman, I ask unanimous consent to amend my amendment to strike out the quotation marks that enclose SEC. 861.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. EDWARDS of Alabama. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. EDWARDS of Alabama. There has already been an amendment offered to that section.

Mr. WHITE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair will have to dispose of the pending amendment.

Mr. WHITE. Mr. Chairman, the Chair has ruled that the amendment merely strikes "SEC. 861." I ask unanimous consent to withdraw that amendment, if that is the ruling of the Chair.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. EDWARDS of Alabama. I object.

The CHAIRMAN. Objection is heard.

The Chair will have to put the question on the amendment.

Mr. VOLKMER. Mr. Chairman, I move to strike the last word. This is solely done if the gentleman wishes to have an opportunity, or someone, to offer an amendment to the amendment, which I think would get us out of this.

The CHAIRMAN. The Chair will observe that if the pending amendment is disposed of, the gentleman from Texas (Mr. WHITE) has the privilege of offering another amendment.

Mr. VOLKMER. If he has it prepared before the next section is read.

The CHAIRMAN. What is the question?

Mr. VOLKMER. I yield back the remainder of my time.

The CHAIRMAN. The Chair is ready to put the question.

Mr. WHITE. Mr. Chairman, I urge the House to vote down this amendment so that I may offer a subsequent amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WHITE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

The CHAIRMAN. The section number is stricken.

AMENDMENT OFFERED BY MR. WHITE

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: Page 58, strike out lines 1 through 8.

Mr. EDWARDS of Alabama. Mr. Chairman, a point of order.

Mr. WHITE. Mr. Chairman, that is not the wording that I think should be in that amendment.

Mr. MAHON. Regular order, Mr. Chairman. I ask that the Clerk read.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The Chair is entertaining the amendment offered by the gentleman from Texas (Mr. WHITE).

The Clerk will reread the amendment.

The Clerk reread the amendment.

Mr. EDWARDS of Alabama. Mr. Chairman, would the Clerk read again? Somebody said something just as the Clerk was concluding the reading.

The CHAIRMAN. The Clerk will reread the amendment.

The Clerk reread the amendment.

The CHAIRMAN. The gentleman from Texas (Mr. WHITE) is recognized for 5 minutes.

Mr. WHITE. Mr. Chairman, I just merely want to reiterate that the Committee on Post Office and Civil Service has jurisdiction in this area. If we leave this language in what is nameless at the present time, having no section number, what we are going to be doing is treating disparately blue-collar workers. In the first place, we are going to be treating differently Defense Department employees from all other employees of all other Departments.

Second, we are going to be eroding and imposing into the existing law a disruption of the orderly processes of setting Wage Board scales throughout the country that would be entirely disruptive and unfair from one area to the other, and I have already recited a number of those areas.

Mr. Chairman, I reserve the balance of my time.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we are talking here about Wage Board reform, which has been recommended by both President Carter and by President Ford before him. It is one of the key recommendations by both Presidents where reform is needed.

The original idea of the Wage Board comparability statutes was to make certain that blue-collar employees of the armed services and also the civilian blue-collar employees of the Government were afforded and accorded comparability. Over the years they have more than attained comparability and because of some provisions of the law, they are getting much more pay compared to people who are not Wage Board employees of the Government.

As I say, legislative proposals have been coming up here year after year and they died in committee.

It is not correct to say that the legislative committees have not had time to study this problem or to take remedial action. I very much doubt that the legislative committees will take remedial action, because they have not seen fit to do so thus far. Neither the Committee on Post Office and Civil Service of the House nor the Committee on Government Affairs of the Senate has reported out a bill on Wage Board pay changes. The proposed pay cap language in the defense appropriation bill should be supported

because the current system is allowing Wage Board pay to increase faster than the Consumer Price Index or the pay of other Government workers.

For the past 6 years Wage Board pay increased 58 percent, the CPI increased 45 percent, and the pay of other Federal employees increased 33 percent. There has been a 58-percent increase for the Wage Board employees and a 33-percent increase for other employees. The other body, in the Treasury-Post Office appropriations bill, by a very substantial vote—I believe, by over 62 Members of the other body—has provided for a cap of 5½ percent on the nonmilitary Wage Board employees. This legislation would deal only with the 5½-percent cap on the military employees. In the conference or the Treasury-Post Office bill with the other body we could take care of the Wage Board employees in the civilian sector.

We are talking about a great deal of money here. We are talking about perhaps several hundred million dollars this year, but over the next 5 years we are talking about several billion dollars in excessive pay which will be paid to Wage Board employees, money that will not be paid to non-Wage Board employees of the Government, and pay that is higher in comparability than that received by other nongovernmental employees.

It is highly inequitable. There is absolutely no reason why Wage Board employees should not be subject to a cap of 5½ percent, if a 5½ percent pay cap is ultimately imposed, it will be on all other employees of the Government, and it is unconscionable that we have not exercised this reform before today and imposed it on the Wage Board employees.

Mr. Chairman, I commend the committee for making these efforts to take steps toward this reform, after it has been requested year after year after year by several Presidents. I urge the defeat of this amendment.

Mrs. SPELLMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment and in opposition to the bill as it stands before us.

Mr. Chairman, let me point out to the Members that action is being taken on this very subject. We just heard the chairman of the Committee on the Budget say that legislation is needed, and that it had been requested by several Presidents.

Our subcommittee, the subcommittee on compensation and employee benefits, has held hearings around the country, and had it not been for a special pet of the administration that was brought in to use and that cause us to set aside everything else—and that was the civil service reform bill—we would have had legislation, and we would have had good legislation. We would have had legislation which took all factors into consideration.

This is not a simple measure that we are talking about. We have before us today some 20 odd pay systems—and some of them are very odd, I might say—and we have been attempting to consolidate those pay systems so that we can make some sense out of the chaos we have.

This provision that is in the bill before us now would just set up even more pay systems. We are going in the wrong direction. We want Wage Board reform but not in a piecemeal fashion which will in effect create havoc.

Let me tell the Members, lest they think all of these people are "fat cats," that as we went around the country, we found that a good many Federal employees who are going to be affected by this cap are eligible for food stamps, and if it were not for food stamps, they would not be able to feed their families. So let us not be so complacent about how much we are paying these people.

There need to be changes in the existing law. As chairman of the subcommittee that was working on this, I am the first to say so. But not the way we are doing it here. We need to strengthen the Monroney amendment, and we intend to do that. We need to change the night shift differential and we intend to do that. We need to add State and local employees in the wage survey areas, and we intend to do that. We need to do a number of things, and we intend to do those things. But, my goodness, do not inflict even further chaos upon us before we can do it.

As I say, had the President not sent down the civil service reform bill, and had we not been required to set everything else aside, we would have brought legislation forth, but certainly not this kind of legislation.

Let me tell the Members one other little thing that will make them very "proud" of the way we are treating our Federal employees. I just recently received word that we are going to change the wage grade of the people who clean the lavatories. We are going to solve all of the Nation's fiscal problems by taking these people from wage grade No. 2 and making them wage grade No. 1. Can any of the Members say they are proud that we are going to solve our problems by zeroing in on these people who make the very least?

And so I ask the committee, please do not give us this chaos that this legislation will bring. This is the sort of thing that cannot be designed in appropriations committees. The committee does a beau'iful job. I am enormously fond of our chairman and I am so proud to have had the opportunity to serve with him, and I appreciate the competence of this committee, but their job is appropriating, not writing authorizing legislation. They did not participate in the many hearings we have held and therefore, they cannot be aware of all of the nuances.

Mr. DICKS. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to commend the gentlewoman from Maryland for a very excellent statement. As a member of the committee, I was concerned that the jurisdiction of the gentlewoman's committee was being usurped and I presented additional views in the report.

Mr. Chairman, I support the amendment offered by the gentleman from Texas.

Mr. Chairman, the Department of Defense appropriation bill as reported by the committee added two new sections, 860 and 861, which would make significant changes in the treatment of Federal wage board employees. Specifically, the provisions would impose a 5.5-percent limit on wage increases for blue-collar employees in fiscal year 1979, and if continued for a number of years would have the effect of reducing the number of wage grade steps from the current five-step system to a three-step system.

I must state that I am surprised by the committee's action in including these provisions and am curious as to why the attempt is made here to address the question of wage board salaries.

While I certainly do not dispute that this is a legitimate matter to be examined by the Congress, I am aware that the Post Office and Civil Service Committee has held hearings on the subject this Congress and does have primary jurisdiction over the treatment of Federal employees. It does in fact have a subcommittee, that of Compensation and Employee Benefits, whose job it is to oversee the compensation of such employees. Thus it appears the committee may well be infringing on the jurisdiction of the Post Office and Civil Service Committee in attempting what amounts to legislation in an appropriations bill. This impression is furthered by the fact that implementation of the intention of section 860 would require like action from the committee for a number of years.

An additional point that puzzles me is that since the provisions would only apply to employees of the Department of Defense, enactment of them could well create a discriminatory effect for such employees in comparison to those working for other departments.

To conclude, in my judgment, this bill does not present the best vehicle for resolving what difficulties may exist in wage board compensation practices.

Mrs. FENWICK. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentlewoman from New Jersey?

Mrs. FENWICK. I thank the gentlewoman for yielding.

These poor people the gentlewoman described who are in grade 1, are they included?

Mrs. SPELLMAN. They are included.

The CHAIRMAN. The time of the gentlewoman from Maryland (Mrs. SPELLMAN) has expired.

(On request of Mr. HARRIS and by unanimous consent, Mrs. SPELLMAN was allowed to proceed for 2 additional minutes.)

Mr. HARRIS. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the distinguished gentleman from Virginia.

Mr. HARRIS. I thank the gentlewoman for yielding.

Mr. Chairman, I am opposed to the two provisions in the 1979 Department of Defense appropriations bill (H.R. 13635) affecting the salaries of wage board employees of the Defense Department. These provisions—sections 860 and 861—change the current five-step pay system to three steps and limit pay increases this year to 5.5 percent.

First, the House Post Office and Civil Service Committee, on which I serve, has jurisdiction over Federal pay. Our committee, and specifically the Subcommittee on Compensation and Employee Benefits, has had many hearings on the various Federal pay systems. We have had hearings across the country on the wage board pay system. A bill to revise that system has been "floated" in and out of Congress in recent years that purports to revise and reform the pay system. Our committee has been studying the law, the current system, very closely. Thus, I am concerned that the Appropriations Committee has made an end run and in effect ignored our committee's work.

Additionally, I believe it is wrong to legislate in appropriations measures and it is unfortunate that the Rules Committee agreed to waive points of order against our own House rules barring legislation in appropriations bills. The principle of separating legislation and appropriations is sound, in fact, fundamental, to our process—and it is wrong to include language like this, changing a law, in an appropriations measure. I have introduced House Resolution 1007, with 41 cosponsors, to tighten up on our rules and close a loophole that has allowed this practice in the House.

The basic point here is that the House Post Office and Civil Service Committee has jurisdiction over Federal pay. We have been working on the total Federal pay issue. Our work should not be circumvented or restricted by enacting these changes in this appropriations measure.

Second, these changes are piecemeal and do not represent a comprehensive approach to Federal employee pay policy in general. By changing the five steps to three and imposing an arbitrary pay cap, we are signing out only one group of Federal blue-collar workers, while employees in departments other than DOD will continue under the current pay system. Similarly, because blue collar raises are not implemented simultaneously for all employees, but at different times during the year in various local wage areas, a pay ceiling will not treat all the DOD employees the same. Employees in one locality who have gotten an increase this year will get true comparability; but employees, in the same department in another locality, would get a different rate. From a management point of view, such inconsistent pay policy within one agency does not make any sense.

Third, I am opposed to arbitrary pay caps. Under the wage board pay system, blue collar employees receive periodic raises after a survey of private industry pay rates in their area in order to keep pay rates competitive with the private sector. A pay cap on one segment of Federal workers and on one segment of the Nation's work force is unfair. Holding hostage the pay of one small group of the country's workers is grossly unfair.

As a policy, it has never set an example for private industry as a way to control inflation. Through collective bargaining many workers in private industry will continue to negotiate increases; arbitrary wage controls and the continuing distortion of pay comparability makes the argument for collective bargaining for Federal workers more valid. If the Federal Government as the employer is going to freeze pay, the only effective recourse may be through organizing and negotiating fair pay.

Finally, a pay cap is deceptive and ineffective. If this year we cap pay, next year or the next, we will have to compensate for that cap. What is lost in comparability this year will have to be made up down the road.

Thus, I oppose the provision of the bill and support the effort to strike this language. I hope my colleagues will agree to stop singling out the Federal employee for such arbitrary treatment under the slogan of "reform," "budget-cutting," and "inflation-fighting."

Mrs. SPELLMAN. I thank the gentleman for his comments.

Mr. Chairman, let me just conclude by pointing out that this provision would totally disrupt the operation of the Federal Prevailing Rate Act. And, in fact, it would be changing the existing law.

I would ask the Members to allow us to do those things that we know need to be done so that we can do them carefully, properly, so that we do not create additional chaos.

Mr. GIAIMO. Mr. Chairman, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentlewoman for yielding.

Mr. Chairman, the gentlewoman is not trying to give us the impression here tonight that these employees are lowly paid, unskilled workers, is she?

Mrs. SPELLMAN. Mr. Chairman, I am trying to give the impression that we are talking about some of the very least and not many of the very most.

Mr. GIAIMO. If the gentlewoman will yield further, we are talking about many highly skilled people—in most instances—people who have incomes of $15,000 and more, and about one-third of them have incomes in excess of $20,000.

Second, can the gentlewoman justify why they should be paid 112 percent of the local industry average salary for comparable work?

And can the gentlewoman also advise why, when everyone else will most likely be subjected to a 5.5 percent pay cap, that they should be excluded from the pay cap and receive increases in the area of 10 percent.

I just do not see the justification for this. I understand what is behind the opposition. I understand the pressures on the committees not to change this kind of legislation.

As I stated to the gentlewoman earlier, they had an increase of over 58 percent, as I recall, while other Federal employees only got an increase of 33 percent. I wish the gentlewoman would address herself to these questions of mine, because we are not talking about deprived, underprivileged, unskilled people here. We are talking about carpenters, welders, plumbers, and all kinds of skills that are needed in the blue collar activities of the military and the nonmilitary.

Mrs. SPELLMAN. I thank the gentleman. I want to point out to him that we are also talking about people who are very skilled in washing floors, very skilled in cleaning toilets, very skilled in doing the various menial jobs that they have got to do. I also want to point out that in doing what we are doing here today. we are creating such inequalities that I do not know how we will be able to explain them.

There are those people whose contracts have already been signed, and they will be in place for 2 years. They are not going to be affected by this pay cap. There are others whose contracts are going to be signed the day after this bill is signed into law, and they will be affected for a long time. So, there will be some who will be affected for a year, some for 11 months, some for 1 month. Is that the way we legislate?

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have just been reading the RECORD of June 30, 1977. At that time, with respect to this amendment, the gentlewoman from Maryland made much the same statement that has been made this year, and I quote:

> In fact, we have already held a field hearing and have scheduled three additional hearings to study this matter and to consider legislation which encompasses true reform of this pay system. We are using our upcoming recess to hold hearings instead of being able to enjoy these few days of respite to work in our own districts.

Now, I do not say that for the purposes of complaint or being critical at all, but here is an opportunity to save up to $200 million a year—$200 million a year. My friends committee has taken no action on this matter, so we put a limitation in the bill, as has been provided, with a cap of 5.5 percent for these blue collar workers.

I would point out that the vast majority of these people are not restroom custodians or hold that type of job. There are a few people in that category, but the average pay of the blue collar worker—the average pay, I say—is $15,000 a year. Nearly one-third of them earn $20,000 a year or more. This group of employees

has been getting unfair increases in relation to the pay scales of others in the community over a period of years as a result of the so-called, ill-designed, Monroney amendment. Other aspects of pay setting procedures provide still more pay above the locally prevailing rate.

We need to do something about the inequities that exist. The gentlewoman promised to do something about this a year ago. It seems to me that this amendment should be adopted, and we should save up to $200 million.

The President has repeatedly stated that he will place a 5.5 percent pay increase cap on General Schedule employees and military personnel as a part of his anti-inflation program. He has authority to do it under the law. The House or Senate must vote to override the President to change the amount of the pay raise. The President does not have the authority to put a cap on blue collar wage increases. Wage Board blue collar pay rate increases have been significantly higher than increases provided to other Government workers in recent years. They have a five-step rate within each grade. There is simply no good reason not to place a cap on these wages if we are going to place a cap on everyone else.

The Senate has already done so by a vote of 69 to 21, having gone on record in favor of the cap on Wage Board salaries in 1979. The Senate amendment, which is a part of the Treasury, Post Office, and General Government Appropriation bill, would place such a limitation on Wage Board employees.

So I realize that the able gentlewoman from Maryland and my friend looks after the interest of the blue collar workers. I think she is well motivated when she works to prevent discrimination against the blue collar workers or otherwise.

Mrs. SPELLMAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. Mr. Chairman, the chairman pointed out the words I spoke last year about how I was going to hold hearings. Every word we spoke there was true. I have here the record of the hearings we held and I have here the report of 348 pages. We did indeed hold those hearings and we did indeed recognize that there needs to be a change in the Monroney amendment and a change in the night differential and other changes. Had the Civil Service Reform bill not been brought in and had we not been asked by the President and almost demanded that everything else be set aside, we would be here with the recommended changes and we would have that legislation completed.

We will have that legislation completed as soon as we can get back, and we have just finished working on the civil service reform bill. We will go back to work on this and we assure the chairman that we will be here before the House with proper legislation, legislation which has considered all of the facts, all of the things we learned—and we think we are pretty expert at this these days, and that it will be the kind of legislation that the chairman can support. It will not be piecemeal legislation. It will not be legislation which drives us either further back than we were when we first started.

Mr. MAHON. I thank the gentlewoman for her comment, and I think it would be good if this legislation could be brought to us, if it could be made applicable to the year 1980 or as soon as adopted. But as a stopgap measure pending this legislation let us save the $200 million and pass the 5.5 percent cap on the pay of these workers. I do not see why we could not be able to do that. It will give the members of your committee and the Members of this House and the Members of the Senate good reasons to try to expedite consideration of the long-range situation. This provision will address the immediate situation, and it will be the law for the year 1979 or until more permanent legislation is adopted.

So I ask that the amendment offered by the gentleman from Texas be voted down.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I am still very much concerned about these cleaning women. I would like to get fully to understand this. Would the gentlewoman tell me what are they being paid now?

Mrs. SPELLMAN. Mr. Chairman, if the gentlewoman will yield, I do not have the figures here today, but the point is as we look this over, we will see this.

Mrs. FENWICK. Mr. Chairman, I would like to know. Does anybody know what they are being paid?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I am informed by our staff, which has worked very long hours on this, that the prevailing rate for a cleaning woman in this area, in the District of Columbia area, is between $5 and $6 an hour. I understand that the prevailing rate for similar kinds of work for someone hired in the private sector, not a Wage Board employee, is about $2.65 an hour or the minimum wage. This is the very type of inconsistency we are trying to correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WHITE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mrs. SPELLMAN. Mr. Chairman, on that I demand a division.

The CHAIRMAN. A division is demanded.

All those in favor of the amendment will stand and remain standing until counted.

Mrs. SPELLMAN. Mr. Chairman, I am sorry, I would like to take that back; I would like to withdraw the request.

The CHAIRMAN. The Chair will state that the Chair has already started to count.

The ayes will be seated, and the noes will rise and remain standing until counted.

On this vote by division the ayes are 4 and the noes are 56.

Mrs. SPELLMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 862. None of the funds appropriated by this Act shall be obligated after March 31, 1979, for the payment of salaries, wages, and employee benefits for the employment of direct-hire or indirect-hire foreign national employees in excess of locally prevailing wages and practices: *Provided*, That no salaries, wages, or employee benefits in effect on October 1, 1978, shall be reduced by this limitation.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: On page 58, after line 15, add a new section to read as follows:

SEC. 863. Of the total budget authority in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in the Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

Mr. HARKIN. Mr. Chairman, again this is a 2-percent cut only on the controllables in the bill, and represents about a $2.182 billion cut, but, again, it is a 2-percent cut.

This body has, in the past, voted to cut 8 percent from HEW, 5 percent from the legislative budget, 2 percent from the Treasury, 2 percent from foreign aid and this is just another in the series in the attempt to try to get some control on the Federal budget.

The taxpayers are not happy, and they are asking Members of the Congress to tighten their belts, and they are asking us to tighten our belts all across the board. They do not want to make any single agency exempt from this belt-tightening procedure.

Mr. Chairman, a lot of people have said to me, "Well, HARKIN, you vote for all these 2-percent cuts, and everything else, but when it comes to agriculture you never vote to cut agriculture."

That is not true. In fact, I voted for the 2-percent cut in the agriculture budget because I believe there is at least 2 percent waste and inefficiency there as there is in every other agency.

Mr. Chairman, I am not trying to weaken our national defense in any way by offering this amendment. In fact, just the opposite: I believe by adopting this kind of amendment, we make the military more efficient because I believe adopting a 2-percent cut will be a

challenge to the Pentagon to do better without the fat in the budget. It will be a challenge to them to cut the budget where the fat is the thickest.

Why should I be doing this to the military? The fact is that I believe if we adopt amendments for 2-percent cuts across the board in all departments and agencies to make them more efficient, I believe that we ought to do that also in the military.

Mr. Chairman, my background is one of having spent a great deal of time in the military. There is no one sitting in this room today on the floor of the House who can convince me that there is not at least 2 percent waste and inefficiency in the military, just as there is in every other agency; but because of the very nature of the military, because it is so necessary for our national defense, there is a tendency to overlook the waste and inefficiency that takes place in the military.

Mr. Chairman, I would be the first to admit that during my many years as a Navy pilot, I was guility of wasting a lot of the taxpayers dollars. However, there was no one really controlling me because, after all, the Pentagon overlooks it because it is for the national defense.

Let us take the recent example of the amendment with regard to the nuclear carrier. When I was in the Navy, you could not build an aircraft carrier big enough for me. The bigger, the better, I would have said. Had I still been in the Navy, I would have been for the addition of the nuclear carrier; but now, as a Member of Congress representing a constituency, I have different obligations. I believe that I have an obligation to stand here on the floor and tell the people of this country that we cannot give everybody in this country everything that they want, and we cannot give every department and every agency everything that they want, including the Pentagon.

Therefore, Mr. Chairman, as I said, let us not cripple our national defense. That is the furtherest thing from my mind. Let us, however, throw down a challenge to the Pentagon to cut the waste and inefficiency, to cut out the fat, and to give our taxpayers a lean, tough military, one that is ready to meet any armed challenge by an adversary.

Mr. Chairman, I yield back the balance of my time.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

I shall presently ask for a vote; out before doing so, I would like to point out that the House has voted on these 2-percent-cut amendments title by title.

In view of the reductions already made by the Committee on Appropriations totaling $3 billion—of course, they were offset by going over the budget by about an equal amount. The House, I believe, agrees with me that we should not tamper further with the defense program and that we have already made the decisions with respect to procurement, personnel, and otherwise.

Mr. Chairman, it seems to me that it is time to vote on the issue of further reductions to the Defense Department budget.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, I thank the gentleman for yielding.

We discussed this kind of cut for the last 3 days, and we pleaded that we not have amendments offered to each title to cut 2 percent. Nonetheless, we have had those amendments offered on and off, all throughout the bill.

Mr. Chairman, the issue has been voted on already on almost every title we have come to, and now I think every Member knows how he is going to vote on this amendment. There is no need for any great debate on it.

Mr. MAHON. Mr. Chairman, I ask for a vote on the amendment.

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HARKIN

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland as a substitute for the amendment offered by Mr. HARKIN: On page 88 after line 15, insert the following paragraph:

"Of the total budget authority provided for in this Act, for payments not required by law, one per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity and project for payments not required by law, the amount withheld shall not exceed five per centum."

Mr. MITCHELL of Maryland. Mr. chairman, I rise to offer an amendment to reduce the Department of Defense appropriation bill for fiscal year 1979.

The effect of my amendment is to reduce the military appropriation by an amount that represents less than 1 percent of the total appropriation bill. It is my intention, with this amendment, to preserve the fiscal integrity of the Congress by reducing military spending by less than 1 percent. In arguments offered on the floor of this body, my colleagues identified excessive Federal spending as the nemesis in the fight to control inflation. These arguments prevailed as the Labor-Health, Education, and Welfare appropriation bill was reduced by nearly $1.4 billion; the legislative branch appropriation bill received a 5-percent reduction; the State, Justice, and Commerce appropriation was relegated a 2-percent across-the-board reduction, while the Public Works appropriation was reduced more than $200 million. It is clear that the message of the Congress to the American people is excessive Federal spending and waste in Government is partially responsible for escalating taxes and double-digit inflation. There is no better example of excess and waste as the military appropriation.

It should be noted that the military appropriation, as recommended by the Appropriations Committee, is $56.7 million more than requested by the Department of Defense through the executive budget submission. The DOD is the only agency that enjoys this privilege. The privilege of guaranteed excess and waste in Government spending is not new for DOD. At this point, DOD has accumulated more than $18 billion in unobligated balances. This $18 billion applied to the deficit could reduce our deficit to $25 billion and project a path to a balanced budget. That same $18 billion could be applied to a tax cut to stimulate aggregate demand and investment to spur economic growth. More than 700,000 elderly Americans could receive adequate housing with $18 billion directed to solve the housing problems of the elderly. None of the problems of America are addressed by allowing the military department to hold $18 billion in unobligated balances. Every year, since my election to Congress, the military has had a shortfall in spending. It should be readily apparent to this body that we are the perpetrators of waste and excess in Government when we vote additional funds for the military. With unobligated balances of $18.2 billion, unexpended balances of $73.9 billion and annual shortfalls in the military budget, we should recognize that even under optimum spending conditions—that is, conditions which provide little oversight and/or scrutiny on military spending—the military industrial complex is not able to spend all that we appropriate.

There is not a Member of this body who has not been victimized by Pentagon public relations. Inevitably, around this time of year, the public relations machine cranks out propaganda on job loss in your district associated with military spending reductions. I submit to you that the military department, by statute, is to provide for the defense of the country and not for the employment. However, the DOD, through its major contractors, intimidate our voting sensibility. Pentagon public relations and the military industrial complex are basic contributors to the perpetration of waste and excess in Federal spending.

Another of the contributors to waste and excess in military spending revolves around "an international military bargaining chip theory." This strategy has been, not only a contributor of waste, but a direct cause for the failure of 7 years of SALT. Any weapon that is considered lethal enough to be a credible "bargaining chip" in SALT becomes attractive to the military industrial complex. Soon these weapons generate their own economic, political, and military constituency, which causes for a resistance to negotiate these away in SALT. An example is the MIRV system which was originally proposed as a bargaining chip against the ABM system. The ABM's have been negotiated away. However, the MIRV remains, thus, increasing the number of nuclear warheads available to threaten war rather than preserve peace. Another example is the cruise missile, which was funded originally as a bargaining chip following the SALT I agreement. The cruise missile has developed an economic, political, and military constituency, which currently renders it an obstacle to SALT II. The bargaining chip mentality which has prevailed has been both waste-

ful and threatening to the preservation of peace.

Clearly, strategic weapons accounting for less than 10 percent of the military appropriation is not the answer to the long-term problem of waste and mismanagement. If the Congress is to control the growth of the military budget, we must make decisions concerning a new U.S. defense strategy. One that I deem viable depicts our triad of strategic nuclear forces, land-based missiles, bombers, and submarines, with major reductions in the capability to reinforce NATO. In a period of our economic history when the international currency base is the German mark, Swedish franc, or Japanese yen, it becomes eminently clear that our NATO allies have the resources to contribute more to their national defense. We appropriate more to their national defense than they do. While the dollar vacillates daily on the international market, our NATO allies enjoy favorable balance-of-trade surpluses and stability of their currency. It is time for this body to make longrun decisions on the growth of the military budget and our role in the international military order.

My amendment will reduce title I, "Military Personnel"; title III, "Operation and Maintenance"; title IV, "Procurement," by 1 percent; title V, "Research and Development, Test, and Evaluation"; title VI, "Special Currency Program"; and, title IX, "Related Agencies Intelligence Community Staff" will be reduced by 2 percent. The total reduction is $1,042,125,350, or 0.8 percent of the total appropriation bill.

There is not one of my colleagues who can deny that there is less than a penny's waste for every dollar spent in the military appropriation. The Congressional Budget Office has published over 20 background papers providing options to reduce military spending. These papers identify waste, excess, and mismanagement in the military appropriation that could save more than $15 billion in Federal spending. CBO provides options which amount to a 12.6-percent savings, rather than the 1 percent I have proposed in my amendment. The General Acounting Office has also identified gross mismanagement which forces billions of dollars of excess spending for the military. Clearly, a vote to reduce this appropriation by less than 1 percent is reasonable, responsible, and provides a direction of this body to work toward in the future.

Mr. Chairman, we have seen the efforts of a 2-percent cut being made in the past. We have seen that they have failed. I am offering what amounts to less than a 1-percent cut. It is eight-tenths of 1 percent in the substitute amendment. And I am offering it for one reason: I want to test some things. I want to test the strength of the military-industrial complex. I want to test the strength of those who are committed to curbing Government spending. Third, I want to test whether or not this House is willing to vote for a total reduction of $1,042 million-plus in a less than 1-percent cut in the military budget of eight-tenths of 1 percent.

Mr. Chairman, I yield back the remainder of my time.

Mr. MAHON. Mr. Chairman, I ask for a vote on the substitute amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. MITCHELL) as a substitute for the amendment offered by Mr. HARKIN.

The question was taken; and on a division (demanded by Mr. MITCHELL of Maryland) there were—ayes 26, noes 56.

Mr. HARKIN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and twenty-one Members are present, a quorum.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Iowa (Mr. HARKIN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 136, noes 222, answered "present" 1, not voting 73, as follows:

[Roll No. 661]

AYES—136

Akaka	Ford, Tenn.	Oakar
Ammerman	Forsythe	Oberstar
Anderson, Calif.	Fraser	Panetta
	Gaydos	Patterson
Annunzio	Giaimo	Pease
Aspin	Glickman	Pepper
AuCoin	Goodling	Pike
Baucus	Gradison	Pritchard
Bedell	Hamilton	Pursell
Benjamin	Hanley	Quie
Bingham	Harkin	Rahall
Blanchard	Hawkins	Railsback
Blouin	Hollenbeck	Reuss
Brademas	Horton	Rinaldo
Brodhead	Hughes	Rooney
Broomfield	Johnson, Colo.	Roybal
Brown, Calif.	Jordan	Ruppe
Broyhill	Kastenmeier	Russo
Burke, Fla.	Kildee	Ryan
Burton, John	Kostmayer	Santini
Burton, Phillip	Krebs	Sarasin
Carney	Leggett	Schroeder
Carr	Lehman	Sebelius
Cavanaugh	Lujan	Seiberling
Collins, Ill.	McCormack	Sharp
Corcoran	McKinney	Simon
Corman	Maguire	Smith, Nebr.
Cornwell	Markey	St Germain
Cotter	Marlenee	Stanton
Coughlin	Mattox	Stark
Cunningham	Mazzoli	Steers
D'Amours	Metcalfe	Stokes
Dellums	Meyner	Thompson
Dent	Mikulski	Thone
Derrick	Miller, Calif.	Vander Jagt
Dicks	Miller, Ohio	Vanik
Downey	Mineta	Vento
Eckhardt	Minish	Volkmer
Edgar	Mitchell, Md.	Walgren
Edwards, Calif.	Moakley	Walker
Fenwick	Moorhead, Pa.	Weaver
Fisher	Murphy, Ill.	Whalen
Fithian	Murphy, Pa.	Wirth
Florio	Myers, Gary	Wylie
Foley	Nolan	Yatron
Ford, Mich.	Nowak	

NOES—222

Alexander	Beard, Tenn.	Burleson, Tex.
Ambro	Bennett	Butler
Anderson, Ill.	Bevill	Byron
Andrews, N.C.	Boggs	Carter
Andrews, N. Dak.	Boland	Cederberg
	Bonker	Chappell
Applegate	Bowen	Clausen, Don H.
Archer	Breaux	
Armstrong	Breckinridge	Clawson, Del
Ashbrook	Brinkley	Cleveland
Badham	Brooks	Cochran
Bafalis	Brown, Ohio	Cohen
Baldus	Buchanan	Coleman
Bauman	Burgener	Collins, Tex.
Beard, R.I.	Burke, Mass.	Conte
Cornell	Johnson, Calif.	Price
Crane	Jones, N.C.	Quayle
Daniel, Dan	Jones, Okla.	Regula
Daniel, R. W.	Jones, Tenn.	Risenhoover
de la Garza	Kazen	Roberts
Derwinski	Kelly	Robinson
Devine	Kemp	Rogers
Dickinson	Keys	Roncalio
Dodd	Kindness	Rose
Dornan	Krueger	Rostenkowski
Duncan, Oreg.	LaFalce	Rousselot
Duncan, Tenn.	Lagomarsino	Rudd
Early	Latta	Runnels
Edwards, Ala.	Leach	Satterfield
Edwards, Okla.	Lederer	Sawyer
Eilberg	Lent	Schulze
Emery	Livingston	Shipley
English	Lloyd, Calif.	Shuster
Erlenborn	Long, La.	Sikes
Ertel	Long, Md.	Slack
Evans, Del.	Lott	Smith, Iowa
Evans, Ga.	Luken	Snyder
Fary	Lundine	Spellman
Fascell	McClory	Spence
Findley	McCloskey	Staggers
Fish	McDade	Stangeland
Flippo	McDonald	Steed
Flood	McEwen	Steiger
Fountain	McFall	Stockman
Frenzel	McHugh	Stratton
Fuqua	McKay	Studds
Gammage	Madigan	Stump
Gibbons	Mahon	Symms
Gilman	Marks	Taylor
Ginn	Marriott	Thornton
Goldwater	Martin	Traxler
Gonzalez	Meeds	Treen
Gore	Michel	Tucker
Grassley	Milford	Ullman
Guyer	Mitchell, N.Y.	Van Deerlin
Hagedorn	Mollohan	Waggonner
Hall	Montgomery	Walsh
Hammer-schmidt	Moore	Wampler
	Moorhead, Calif.	Watkins
Hannaford		White
Harris	Mottl	Whitehurst
Harsha	Murtha	Whitley
Hefner	Myers, John	Whitten
Heftel	Myers, Michael	Wiggins
Hightower	Natcher	Wilson, Bob
Hillis	Neal	Wilson, Tex.
Holland	Nedzi	Winn
Holt	Nichols	Wright
Howard	O'Brien	Wydler
Hubbard	Obey	Yates
Huckaby	Pattison	Young, Alaska
Hyde	Perkins	Young, Fla.
Ichord	Pettis	Young, Tex.
Jacobs	Pickle	Zablocki
Jeffords	Poage	
Jenrette	Preyer	

ANSWERED "PRESENT"—1

Harrington

NOT VOTING—73

Abdnor	Flynt	Pressler
Addabbo	Fowler	Quillen
Ashley	Frey	Rangel
Barnard	Garcia	Rhodes
Bellenson	Gephardt	Richmond
Biaggi	Green	Rodino
Bolling	Gudger	Roe
Bonior	Hansen	Rosenthal
Brown, Mich.	Heckler	Scheuer
Burke, Calif.	Holtzman	Sisk
Burlison, Mo.	Ireland	Skelton
Caputo	Jenkins	Skubitz
Chisholm	Kasten	Solarz
Clay	Le Fante	Teague
Conable	Levitas	Trible
Conyers	Lloyd, Tenn.	Tsongas
Danielson	Mann	Udall
Davis	Mathis	Waxman
Delaney	Mikva	Weiss
Diggs	Moffett	Wilson, C. H.
Dingell	Moss	Wolff
Drinan	Murphy, N.Y.	Young, Mo.
Evans, Colo.	Nix	Zeferetti
Evans, Ind.	Ottinger	
Flowers	Patten	

Mr. HORTON changed his vote from "no" to "aye."

Mr. BOB WILSON changed his vote from "present" to "no."

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

PREFERENTIAL MOTION OFFERED BY MR. JOHN L. BURTON

Mr. JOHN L. BURTON. Mr. Chairman, I offer a preferential motion.

PARLIAMENTARY INQUIRY

Mr. HARKIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARKIN. Mr. Chairman, will the Chairman please advise the Members of the Committee what the pending business is before the Committee?

The CHAIRMAN. There is a preferential motion pending offered by the gentleman from California (Mr. JOHN L. BURTON).

Mr. HARKIN. I thank the Chairman.

The CHAIRMAN. The Clerk will report the preferential motion.

The Clerk read as follows:

PARLIAMENTARY INQUIRY

Mr. JOHN L. BURTON moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. JOHN L. BURTON. Mr. Chairman, I understand that this vote that will be taken—and I assume it might even be a recorded vote and will be the last order of business and that the Committee will rise tonight—I take this time to explain what the amendment is, because I do not think Members were fully cognizant of the last amendment.

This is the 2-percent cut on this subcommittee's recommendations that were passed on to this House by the full committee. We mean no disrespect certainly to this subcommittee, which did its work just like every other subcommittee did its work, and there were 2-percent cuts made. Now, we will be told—at least, we were told before—that because the 2-percent cuts were debated title by title there is no use talking about them now. They were debated title by title with about seven people sitting on the floor, with people coming in. There was only one rollcall vote on any of those.

I do not think the House as a whole or the Committee as a whole had a chance really to think about what it was doing. What you are saying is that you cannot find in this big budget—and we all know how efficient the Pentagon is—2 percent of waste. We know there would be no fraud or abuse, because that is only in welfare—but waste.

We will say that the shortfall and the money in the pipeline, which is well over what 2 percent would be, does not mean anything. We will say to the taxpayers of this country, "You can only save money in one segment of the economy and not in the other."

I am one of those who wishes the distinguished gentleman from Ohio would have made this amendment, because I think Members might have listened. But, it is very important to understand all of what you are saying here, for what you said on the other subcommittee recommendations and appropriations measures was that you can find 2 percent in those items that should not be spent and would save the taxpayers some money.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding to me. I just want to point out to the Members here that the vote that was just taken was a 1-percent cut in the controllable items for appropriations.

Many Members approached me on the floor and said they wanted to vote for my 2-percent cut because they were more fiscally conservative and they wanted to have that 2-percent cut just like they voted on all other agencies and departments and had that been a 2-percent cut they would have voted for it.

The vote, after we dispose of the preferential motion offered by the gentleman from California (Mr. BURTON) will be on my 2-percent cut.

Mr. JOHN L. BURTON. I reclaim my time and ask for order.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I am impressed with what the gentleman has said, and of course we are all interested in economy. What I would like to understand, when the gentleman is appealing to those who voted on occasion for a 2-percent cut, and I am one of those, I would ask, Has the gentleman in the well ever voted for that 2-percent cut?

Mr. JOHN L. BURTON. Yes; he has.

Mr. WYDLER. On which ones?

Mr. JOHN L. BURTON. On several of them. This Member not only voted for some of the 2-percent cuts but he voted for several of the appropriations as well.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Illinois.

I mean, nobody wants a rollcall vote on this motion. Right?

The gentleman from California is delighted to yield to his friend from Illinois.

Mr. DERWINSKI. Mr. Chairman, let me say I think the Members should appreciate the fact that the gentleman in the well is a model of consistency and he deserves our applause.

However, having said he is a model of consistency, of course I mean he is consistently wrong.

Mr. JOHN L. BURTON. Mr. Chairman, I yield no further.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, I would also like to compliment my distinguished colleague, the gentleman from California, as a model of consistency, and I will be watching carefully his record of consistency in the morning when I give the gentleman an opportunity to save hundreds of thousands of dollars on military-funded abortions, when this committee gets to that item.

Mr. JOHN L. BURTON. Mr. Chairman, I reclaim my time.

The CHAIRMAN. The time of the gentleman from California (Mr. JOHN L. BURTON) has expired.

Mr. MAHON. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, the plan of the House is to vote on the 2-percent across-the-board cut. After that vote I will move that the Committee rise.

I would like to say this with respect to the amendment on the 2-percent cut. We have been up that hill and down again several times. We voted on a 2-percent reduction during consideration of the various titles to the bill. There was a resounding vote against the 2-percent cut because we felt that the cuts had already been made, the Committee having voted to cut the bill by $3 million. However, providing funds for the carrier, over the budget, added a large sum of money.

So it would seem ridiculous, having voted against all the 2-percent cuts by a rather large margin, now to embrace it in the final hours of consideration of this measure, so I ask that the 2-percent cut be defeated.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from California (Mr. JOHN L. BURTON).

The preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HARKIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 102, noes 252, answered "present" 1, not voting 77, as follows:

[Roll No. 662]

AYES—102

Ammerman	Hamilton	Pease
Anderson, Calif.	Hanley	Pike
Aspin	Harkin	Pritchard
AuCoin	Hollenbeck	Pursell
Bedell	Hughes	Quayle
Blanchard	Jacobs	Rahall
Blouin	Johnson, Colo.	Roe
Brademas	Kastenmeier	Rooney
Brodhead	Keys	Rousselot
Brown, Calif.	Kildee	Roybal
Burton, John	Kostmayer	Ruppe
Carney	Latta	Russo
Carr	Leach	Ryan
Cavanaugh	Leggett	Santini
Cederberg	Lujan	Schroeder
Collins, Ill.	McCormack	Seiberling
Corcoran	McKinney	Sharp
Cornwell	Maguire	Simon
Cotter	Markey	Smith, Iowa
D'Amours	Metcalfe	St Germain
Dellums	Meyner	Steers
Dent	Mikulski	Stokes
Devine	Miller, Calif.	Thompson
Downey	Miller, Ohio	Tucker
Eckhardt	Mineta	Vander Jagt
Edgar	Minish	Vanik
Edwards, Calif.	Mitchell, Md.	Volkmer
Fenwick	Moffett	Walgren
Florio	Moorhead, Pa.	Whalen
Foley	Murphy, Ill.	Wirth
Ford, Mich.	Murphy, Pa.	Wydler
Forsythe	Myers, John	Wylie
Fraser	Nolan	Yatron
Gaydos	Nowak	
	Panetta	

NOES—252

Akaka	Frenzel	Mottl
Alexander	Fuqua	Murtha
Ambro	Gammage	Myers, Gary
Anderson, Ill.	Giaimo	Myers, Michael
Andrews, N.C.	Gibbons	Natcher
Andrews, N. Dak.	Gilman	Neal
	Ginn	Nedzi
Annunzio	Glickman	Nichols
Applegate	Goldwater	O'Brien
Archer	Gonzalez	Oakar
Armstrong	Goodling	Oberstar
Ashbrook	Gore	Obey
Badham	Gradison	Patten
Bafalis	Grassley	Patterson
Baldus	Guyer	Pepper
Baucus	Hagedorn	Perkins
Bauman	Hall	Pettis
Beard, R.I.	Hammer-schmidt	Pickle
Beard, Tenn.		Poage
Benjamin	Hannaford	Preyer
Bennett	Harris	Price
Bevill	Harsha	Quie
Boggs	Hawkins	Railsback
Boland	Hefner	Regula
Bonker	Heftel	Reuss
Bowen	Hightower	Rinaldo
Breaux	Hillis	Risenhoover
Breckinridge	Holland	Roberts
Brinkley	Holt	Robinson
Brooks	Horton	Rogers
Broomfield	Howard	Rose
Brown, Ohio	Hubbard	Rostenkowski
Broyhill	Huckaby	Rudd
Buchanan	Hyde	Runnels
Burgener	Ichord	Sarasin
Burke, Fla.	Jeffords	Satterfield
Burke, Mass.	Jenrette	Sawyer
Burleson, Tex.	Johnson, Calif.	Schulze
Butler	Jones, N.C.	Sebelius
Byron	Jones, Okla.	Shipley
Carter	Jones, Tenn.	Shuster
Chappell	Jordan	Sikes
Clausen, Don H.	Kazen	Slack
	Kelly	Smith, Nebr.
Clawson, Del	Kemp	Snyder
Cleveland	Kindness	Spellman
Cochran	Krebs	Spence
Cohen	Krueger	Staggers
Coleman	LaFalce	Stangeland
Collins, Tex.	Lagomarsino	Stanton
Conte	Lederer	Steed
Corman	Lehman	Steiger
Cornell	Lent	Stockman
Coughlin	Livingston	Stratton
Crane	Lloyd, Calif	Studds
Cunningham	Long, La.	Stump
Daniel, Dan	Long, Md.	Symms
Daniel, R. W.	Lott	Taylor
de la Garza	Luken	Thone
Derrick	Lundine	Thornton
Derwinski	McClory	Traxler
Dickinson	McCloskey	Treen
Dicks	McDade	Ullman
Dodd	McDonald	Van Deerlin
Duncan, Oreg.	McEwen	Vento
Duncan, Tenn.	McFall	Waggonner
Early	McHugh	Walker
Edwards, Ala.	McKay	Walsh
Edwards, Okla.	Madigan	Wampler
Eilberg	Mahon	Watkins
Emery	Marks	White
English	Marlenee	Whitehurst
Erlenborn	Marriott	Whitley
Ertel	Martin	Whitten
Evans, Del.	Mattox	Wiggins
Evans, Ga.	Mazzoli	Wilson, Bob
Fary	Meeds	Wilson, Tex.
Fascell	Michel	Winn
Findley	Milford	Wright
Fish	Mitchell, N.Y.	Yates
Fisher	Moakley	Young, Alaska
Fithian	Mollohan	Young, Fla.
Flippo	Montgomery	Young, Tex.
Flood	Moore	Zablocki
Ford, Tenn.	Moorhead, Calif.	
Fountain		

ANSWERED "PRESENT"—1

Harrington

NOT VOTING—77

Abdnor	Burke, Calif.	Delaney
Addabbo	Burlison, Mo.	Diggs
Ashley	Burton, Phillip	Dingell
Barnard	Caputo	Dornan
Beilenson	Chisholm	Drinan
Biaggi	Clay	Evans, Colo.
Bingham	Conable	Evans, Ind.
Bolling	Conyers	Flowers
Bonior	Danielson	Flynt
Brown, Mich.	Davis	Fowler
Frey	Mikva	Skelton
Garcia	Moss	Skubitz
Gephardt	Murphy, N.Y.	Solarz
Green	Nix	Stark
Gudger	Ottinger	Teague
Hansen	Pattison	Trible
Heckler	Pressler	Tsongas
Holtzman	Quillen	Udall
Ireland	Rangel	Waxman
Jenkins	Rhodes	Weaver
Kasten	Richmond	Weiss
Le Fante	Rodino	Wilson, C. H.
Levitas	Roncalio	Wolff
Lloyd, Tenn.	Rosenthal	Young, Mo.
Mann	Scheuer	Zeferetti
Mathis	Sisk	

The Clerk announced the following pairs:

On this vote:

Mrs. Chisholm for, with Mrs. Lloyd of Tennessee against.

Mr. Addabbo for, with Mr. Nix against.

Mr. Bonior for, with Mr. Zeferetti against.

Mr. Richmond for, with Mr. Flynt against.

Mr. Garcia for, with Mr. Davis against.

Mr. Conyers for, with Mr. Young of Missouri against.

Mr. Rangel for, with Mr. Ashley against.

Mr. Weiss for, with Mr. Teague against.

Mr. Drinan for, with Mr. Sisk against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

● Mr. KEMP. Mr. Chairman, as one who has strongly opposed these previous attempts to cut the defense spending, I want to make some comments about this budget.

Today, the House completes its action on the budget for the Department of Defense appropriations for fiscal year 1979. The review of the budget has taken nearly 7 months including the taking of testimony and the conclusion of the Defense subcommittee's deliberations on the content of the fiscal year 1979 bill. The budget approved by the House cuts President Carter's budget request by $108 million, the smallest reduction taken by the Congress in many years. The Carter budget is, however, substantially less than the budget proposed by the Ford administration. Over the fiscal years 1978–82 period, President Carter has recommended a 5-year defense program which will cut defense by a total of $38 billion and $8.4 billion in fiscal year 1979 alone.

As a consequence, President Carter has cut the naval shipbuilding program in half—from 30 to 15 ships, and only congressional insistence may compel the President to deploy a new aircraft carrier, the heart of the Navy's offensive power in a nonnuclear conflict. The $38 billion reduction in investment in defense through fiscal year 1982 means a continuation of the disinvestment in defense we have suffered since the mid-1960s.

The cumulative effect of the disinvestment in defense ratified by the Carter defense budget—we are spending $10 billion less in real terms in fiscal year 1979 than we spent in fiscal year 1964—will cripple our defense capability in the 1980's unless it is swiftly reversed. The adequacy of our defense posture, after all, cannot be measured in comparison to the amount we expended in the year before, but only against the threat supposedly addressed by the defense budget.

It is the character of the military threat facing the forces we will have in being during the 1980's if trends persist that is the most powerful source of my concern. The threat measured by any statistical series has grown in ways far more threatening to our future security than the threat we have faced from any foe in this century. On a number of occasions I have expressed my concern about trends affecting our strategic nuclear posture. I will not dwell on the character of the Soviet nuclear threat here, but suffice to say that the threat to existing U.S. land-based strategic forces which will predictably emerge in the 1980's will diminish our ability to deal with the Soviets in an intense crisis with the Soviets of the type which has been characteristic of the postwar period. The budget for fiscal year 1979 will do little to diminish the relative increase in Soviet strength, nor will it increase the survivability of the existing forces. The decision to initiate full-scale development of the MX ICBM has been postponed once again despite unambiguous evidence that a clear and present threat to the survivability of the land-based force exists. The early development of MX is essential to American security in the 1980's, and there is no effective substitute for the deployment of the MX if American security is to be insured during the 1980's. The deployment date for the MX has been postponed until the late 1980's, and the deployment could not be completed until the early 1990's. Yet, I am advised that no funds will be provided for full-scale development in the 1980 budget either. This unconscionable delay in meeting so clear a threat simply underscores the utter inadequacy of the fiscal year 1979 budget to meet the threat.

Those who argue that higher levels of investment in defense now will diminish our investment in social programs are being very shortsighted indeed. Nothing will be more disruptive of the effective operation of Federal social programs than the crisis-driven need to increase our military preparedness at a time of crisis. One need only examine the circumstances surrounding the outbreak of the Korean conflict in 1950 to appreciate the consequences of our present policy in the context of a crisis in the 1980's.

Only 3 months before the outbreak of the conflict, a vigorous debate was being conducted in the Congress over whether the Nation could afford an $18 billion defense budget rather than a $16 billion budget. In either case, the investment in defense was inadequate to address the threat of Soviet and Soviet-controlled forces in existence in 1950. When the Korean conflict broke out in June of 1950, the Congress was forced to authorize the expenditure of $60 billion to meet our defense needs, only part of which were directly related to the conduct of the Korean conflict. Virtually the entire groundwork for our present strategic posture—the B–52's, the ICBM program, and the Polaris program—emerged out of the defense investment program of the early 1950s. We were forced to expend nearly 10 percent of our GNP during

most of the 1950s to offset our lack of preparedness in the late 1940s.

We appear doomed to repeat history by failing to invest in defense now in a manner which will meet the military threat we face. It is the only effective means of reducing the likelihood that a potential nuclear conflict before we are compelled to crisis-induced massive investment we have done too often in the past.

I can only hope that the Carter administration will heed the signs in the Congress that strong support for a powerful defense posture does exist. It is late for the President and the Congress to act, but, I believe, not too late.●

● Mr. PRICE. Mr. Chairman, I strongly support the effort to continue the program to develop the use of radiation to preserve food.

I have followed this research and development effort from its inception 25 years ago. Based on the testimony of qualified scientists in this field, I can attest to the outstanding accomplishments of the research program at the Army's Natick Laboratory in Massachusetts in irradiation processes and other advanced food preparation technologies. Along with our astronauts, I have eaten food prepared by radiation processes and join them in praising the quality and wholesomeness of these foods. From my own experience I know there was no exaggeration in the statements of the astronauts concerning their high taste rating for the ham, cheese, et cetera, they ate in their space missions. I certainly agree with their high praise for the irradiated charcoal-broiled beef steaks, sliced turkey, cornbread, breakfast rolls, and ham steaks they shared with their Russian counterparts during the July 1975 Apollo-Soyuz linkup in space.

From a military standpoint, foods preserved by radiation have very significant advantages. The logistic supply problem is greatly simplified. The supply system does not have to be burdened by refrigerated ships, trucks, storage lockers to handle perishable fish, poultry, and other foods. Volumes and weights are also reduced which permits even greater savings in transportation, energy, and equipment. Such foods can be stored for long periods without attention, thereby greatly simplifying field operation planning and civil defense preparations. A 1972 study by the Commerce Department found that even in an operation of the Vietnam size, we could have saved at least $18 million in 1968 alone if we could have used irradiated food. Of course, now with the much higher cost of energy, the savings would be many times greater. The military losses due to spoilage was brought graphically to mind a couple of weeks ago with the spoilage of several millions of dollars of food at one of our military sites in West Germany. I expressed my views on this matter in a letter to the Secretary of the Army which I would like to include at the close of my remarks. As I state, we need innovative methods of food preservation to stop these losses. Of course, irradiation has this potential.

There are many misconceptions concerning food irradiation. One is that the military does not need such an advanced system of food preservation. The Army, on the other hand, has clearly expressed its requirements for foods of high quality which need no refrigeration and are economically attractive over the whole logistic train. The findings of an Army scientific advisory panel a couple of years ago expressed the potential of irradiated food meeting the logistic requirements being sought by the military in this respect.

It is also said that the millions we have spent on the Natick food technology program has been wasted. As referred to previously, the scientists knowledgeable in the filed have praised the outstanding accomplishments of the program. Based on this work, the military food handling procedures have been revolutionized across the board. This has occurred in all aspects of the operations ranging from preservation to packaging and transportation. There have been setbacks as is the case in any advanced technology effort.

The recent failure of the contractor to perform in an acceptable manner on three foods being worked on in the food irradiation effort is an example of such a setback.

Some have said that the FDA is unfavorably disposed toward food irradiation. On the other hand, the FDA has encouraged the submission of petitions for the general consumption of such foods. Of course, the scientific data which involves animal feedings over many generations must be gathered together for the submission of such a petition. The director of the FDA's Bureau of Toxicology, who headed an international food committee made up of FAO, IAEA, and WHO membership, recommended in 1976 eight foods preserved by radiation be approved for world use. This same committee of outstanding scientists also agreed in the finding that the irradiation process is a physical process for treating foods comparable to heating or freezing. In this respect, no scientific data has been developed to date that indicates such foods are not safe. As stated, an Army study in 1975 found that no radiation-related pathological problems have been found on the foods being studied in the Army program.

The scientists familiar with the program are predicting a high probability of success in obtaining FDA approval of an irradiation petition.

It is unfortunate that the development of an FDA petition for approval of the irradiation process is taking so long. I am sure to a large degree the new era of ultimate concern over safety has played a large part in this delay. It was only in the early 1970's that an agreement was reached between the military and FDA scientists on the data which must be compiled to support such a petition. This plan, which is referred to as a "protocol," requires lengthy periods of animal feeding and diagnosis.

Generations of such animal tests are involved and, therefore, several years are needed to do the work. It would have been much better if these agreements on what data is necessary had been reached earlier, but such was not the case. Now that we have these agreements, it behooves us to follow through and complete the job.

A word should be said about the value of this first basically new method of food preservation since the development of canning in the last century on the welfare of the world. I am sure no one will disagree that the solution of the world food supply problem will not help more than any one thing to the course of peace in the world. The potential of irradiated food to the advancement of this goal is agreed to by most international scientists working in this field. The Nobel laureate, Dr. William F. Libby, analyzed this potential in an article in the February issue of the Bulletin of the Atomic Scientists. In this article, which is entitled "Food Irradiation: An Unused Weapon Against Hunger," Dr. Libby said, "Surely the millions who live in the shadow of starvation deserve the benefits of a more rapid introduction of irradiated foods."

Of course, it is well documented in the scientific literature that this world is looking forward to us to complete our work in this field where we now hold such a dominant lead.

There are other misconceptions concerning food irradiation that I could mention if time warranted. Sufficient to say the scientific facts strongly support the success of this effort, the potential advantages are great, the industry is ready to take over once the technical data is developed, and the petition is filed and approved, and we have the strong technical base and competence to complete the job. Accordingly, now is the time for action to approve the required funding for the Army effort and get on with the job.●

● Mr. DRINAN. Mr. Chairman, I rise in support of the amendment offered by my colleague from Massachusetts. This amendment would simply permit the continuation of a valuable research program into the use of radiation to preserve food for the military. To prematurely cut off the funding of this most promising program, as the bill before us would do, would constitute a waste of all of the very productive research which has already taken place at a time when the program is nearing its conclusion. If we do not restore the funds for research into irradiated food, we will foreclose a means of preserving food which might well prove to be the most significant method for long-term preservation available to the military.

The amendment before us is most carefully structured. It simply restores $1 million for the irradiated food program. A General Accounting Office report urges that this research not be discontinued, lest we close off the very promising techniques of preservation of food by radiation. Such food was used with great success by the American and Soviet cosmonauts during their joint venture into space. Thus, we have seen that the research into irradiated food can produce significant results. This is not, as some have alleged, a program without substantive results. On the contrary, it has produced tangible proof that the techniques are useful.

All that the amendment offered by the gentlelady from Massachusetts would do is permit the researchers to carry through to completion a program which has already demonstrated its usefulness to the armed services as a means of preserving food. If we arbitrarily stop all funding of this program now, we will, in effect, throw away many years of research which have finally, at the present time, brought the program near fruition. Such an abrupt halt to this program would waste more than the $4.1 million which the committee cut; it would waste more than the $1 million which the amendment before us restores; it would, in fact, waste all of the dollars and all of the years of research into irradiated food, a technology of great potential use to the military.

I urged my colleagues to support this very careful and very modest amendment before us so we can follow the advice of the GAO and follow commonsense by continuing the funding of research into the use of radiation to preserve food.●

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 13635) making appropriations for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the defense appropriations bill which has been under consideration by the House today, and I ask unanimous consent that I may be permitted to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON HOUSE CONCURRENT RESOLUTION 683, REVISING CONGRESSIONAL BUDGET FOR 1979

Mr. GIAIMO, from the Committee on the Budget, submitted a privileged report (Rept. No. 95-1456) on the concurrent resolution (H. Con. Res. 683) revising the congressional budget for the U.S. Government for the fiscal year 1979, which was referred to the Union Calendar and ordered to be printed.

PRINTING OF ADDITIONAL COPIES OF REPORT ON SECOND CONCURRENT RESOLUTION ON THE BUDGET, 1979

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Res. 1303), providing that there be printed for use by the House Committee on the Budget 1,000 additional copies, at a cost not to exceed $1,200 of the House report entitled, "Second Concurrent Resolution on the Budget—Fiscal Year 1979."

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman from Connecticut tell us whether this amount of money, this additional expenditure the gentleman is asking for, is included in the budget resolution?

Mr. GIAIMO. Mr. Speaker, if the gentleman will yield, I think it well can be accommodated with the $500 billion, I will say that.

Mr. BAUMAN. Mr. Speaker, that is what the gentleman always says.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 1303

Resolved, That there be printed for use by the House Committee on the Budget, 1,000 additional copies, at a cost not to exceed $1,200.00, of the House Report entitled, "Second Concurrent Resolution on the Budget—Fiscal Year 1979."

The resolution was agreed to.

A motion to reconsider was laid on the table.

UNANSWERED QUESTIONS ON THE PHILIPPINES NEED TO BE ANSWERED

(Mr. RYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYAN. Mr. Speaker, I would like to call your attention to the recent visit to the United States of the Philippine First Lady Imelda Marcos, wife of the head of the Philippine Head of State, Ferdinand E. Marcos.

That Mrs. Marcos has charm and political acumen goes without saying. Her resolve and beauty and early popularity evidently helped propel her husband to the Presidency of the Philippines in 1965. She has been symbolic if not instrumental in upholding that regime and has been fully supportive of President Marcos in his successful declaration of martial law in 1972 and of the regime since that time. As such an obvious asset to President Marcos, she was appointed Governor of Manila with the life and death authority over 8 million people, the command and control of an integrated policy and military, and a political presence that is felt throughout the Philippines.

It is in this position that Mrs. Marcos flew to the United States, asked for a meeting in Congress, and addressed several Members of Congress on the state of the Philippines, political repression and intimidation, military aid abuse, and civil and human rights violations. The meeting was marked by polite but frank discussions. The questions posed to Mrs. Marcos were direct. Her answers were disappointing, sometimes vague, unresponsive, or irrelevant to the questions asked. It was perhaps an uncomfortable situation for the Philippine First Lady. However, the Philippines remains an uncomfortable homeland for millions of Filipinos who suffer arbitrary arrest and torture, disappearance of friends and family who even mildly oppose the Marcos regime, election fraud, press censorship, and intimidation of opposition leaders. The list is endless. I have numerous Filipino citizens in my district who escaped the regime and are afraid to go back for fear of instant arrest.

Some of my colleagues who felt that our direct line of questioning was inappropriate for a First Lady. With all due respect, Mrs. Marcos is more than a Rosalynn Carter. She is a consummate politician and the Governor of a large metropolis who brought her own television crew to the conference for propaganda purposes back in the Philippines. This was not a social occasion, nor a diplomatic reception, but a frank discussion among national leaders about the Philippine Government's conduct and the consequences of that conduct.

I submit, Mr. Speaker, that what requires closer scrutiny are not those questions that were raised, but those questions that were left unanswered by Mrs. Marcos' evasiveness. We need to examine those practices of the Philippine Government that clash with our expectations of a beneficiary of American military aid.

EDWARD D. STONE DIES; DISTINGUISHED ARCHITECT

Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, it is with great sorrow that I inform my colleagues of the death of one of our country's eminent architects, Edward Durell Stone. Mr. Stone was a native of Fayetteville, Ark., and received his doctorate in fine arts at the University of Arkansas before studying architecture at Harvard, New York University, and MIT.

He has made many outstanding contributions, both nationally and internationally in design and structural innovation and achievement. Our country will miss his great talent. I extend my sympathy to his family and include below further information on this great native Arkansan.

EDWARD D. STONE DIES; DISTINGUISHED ARCHITECT

(By Kenneth R. Walker)

Edward Durell Stone, one of the nation's premier architects, died yesterday in New York's Roosevelt Hospital following a brief illness.

Stone, whose designs include such public buildings as the Kennedy Center for the Performing Arts, was 76.

A pioneering modernist, Stone was considered by many to be the most versatile designer and draftsman of his generation.

Stone constantly criticized what he called the antiseptic appearance of the American urban architecture typified by skyscrapers. He preferred instead to use a structure's more natural surroundings, such as when he designed the U.S. pavillion at the Brussels World Fair to be built over 11 giant willow trees.

It was the largest free-span circular building ever erected.

Stone also became noted for designs that sought to be practical as well as attractive. Also, early on, Stone strove to incorporate such features as energy conservation in his designs.

Stone set his mark early when he designed such buildings as Manhattan's Museum of Modern Art. When it was completed in 1939, the museum, incorporating vast, flexible loft space for exhibitions and fronted by a wall of insulated glass, was one of the first American buildings constructed in the International Style.

As another example of his desire to let nature work its course, in 1946, Stone designed the El Panama Hotel near the Canal Zone, by letting the rooms air-condition themselves. Each one had an open breezeway and its own cantilevered balcony.

The U.S. Embassy in New Delhi, one of the key architectural developments of the 1950s, was also designed by Stone.

In it, Stone wrapped a mesh grill around the embassy that was, at once, both ornamental and practical. The grill, which became Stone's trademark and was later emulated for several U.S. buildings, reduced air-conditioning costs by one-third by filtering the sun's rays and capturing breezes in the grills' design.

In Washington, in addition to the Kennedy Center, Stone designed the National Geographic Building and the Georgetown University Law School.

When he was first commissioned to design what became the Kennedy Center here, he submitted an elaborate proposal for constructing a $256 million edifice. That plan was scaled down to the final $56 million version.

His designs in New York include the Radio City Music Hall and the General Motors Building.

Stone also built the Stanford Medical Center and other public, university and corporate buildings around the world.

After construction of the Kennedy Center was completed, Stone said, "If heaven is like this building, I will be happy there."

Born and raised in Fayetteville, Ark., Stone won a doctorate in fine arts at the University of Arkansas before studying architecture at Harvard and New York Universities and the Massachusetts Institute of Technology.

He later became a professor of architecture at Yale.

Stone won many awards for his work, including two Architectural League medals for domestic architecture and the league's gold and silver medals.

He was a member of the American Academy of Arts and Sciences and the Royal Society of the Arts, the Architectural League of New York, and the National Institute of Arts and Letters.

Stone, who married three times, is survived by his wife, the former Violet Campbell Moffat, their daughter Fiona Campbell and three sons from previous marriages: Edward Durrell Stone Jr., Robert Vandiver Stone and Benjamin Hicks Stone III.

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE HAS DONE A PATRIOTIC, GREAT JOB

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, one of the unheralded successes in our Government is the job that has been done by the National Board for the Promotion of Rifle Practice (NBPRP). The NBPRP was created in 1903, at the request of National Guard and other military officers and members of the National Rifle Association (NRA), with the support of the Honorable Elihu Root, then Secretary of War. The NBPRP has been in continuous existence since that time and is currently authorized under title 10, United States Code, sections 4307 through 4313 and Army Regulation 920–15.

Early in the 20th century, as the population of America began to shift from rural areas to the cities, the need for a civilian marksmanship program became apparent. The tradition of "growing up with a rifle," to provide food for the family and protection for the home, gave way to food shopping at the market and a dependence upon the police for protection, so the trusty rifle was relegated to the closet. As a result, citizens entering military service and called upon to fight for their country were generally found to be inadequately trained in the use of a rifle. Therefore, Congress created the NBPRP in an effort to provide a citizen army, trained in marksmanship, in the event of a national emergency.

History reflects that during World War II more than 1,700,000 Americans entering military service had received prior marksmanship training through NBPRP-sponsored programs. Additionally, more than 200 civilian instructors beyond draft age volunteered their services at military installations throughout the country to develop and manage basic marksmanship training programs. It is noteworthy that there are more marksmanship instructors in Russia today than there are competitive shooters in the United States. Emphasis on marksmanship in other countries can be measured by the results of the 1976 Olympic competitions in which 21 shooting medals were awarded. The United States won only three.

The principal mission of the NBPRP is to promote practice in the use of military-type individual small arms among able-bodied citizens not reached through training programs of the Armed Forces of the United States; to promote matches and competitions in the use of such arms; to issue in connection therewith necessary arms, ammunition, targets, and other supplies and appliances; and to procure and award to winning competitors trophies, medals, badges, and other insignia.

The NBPRP consists of not less than 21 nor more than 25 members appointed by the Secretary of the Army from the Army, Navy, Air Force, Coast Guard, Marine Corps, the Army Reserve, the National Guard Bureau, Treasury Department, Interior Department, and the country-at-large. Members serve without compensation other than reimbursement for necessary authorized expenses and are appointed for a term of 3 years, with one-third of the members terminating annually.

Each organization or agency represented on the board nominates its own members in numbers designated by the president of the board. All nominations to the board are referred to its executive committee for review and recommendation to the president of the board for final approval and appointment.

The Secretary of the Army appoints the president of the board, normally the Under Secretary. In that capacity the president acts for the Secretary of the Army in all matters relating to the programs of the NBPRP, including approval of expenditures by the board. The NBPRP, as a body, is limited to making recommendations to the president of the board. Generally, members chosen are of such stature that their opinions carry considerable weight, either because of their positions within the organizations they represent, or their association with marksmanship activities, or both. The NBPRP meets at least annually for the transaction of business.

The Office of the Director of Civilian Marksmanship (ODCM) is the implementing agency for the Secretary of the Army responsible for carrying out the policies and programs recommended by the board and approved by the board president. The ODCM provides administrative support to the NBPRP; corresponds with individual competitors, civilian rifle clubs, schools, colleges and State rifle associations. Further, it receives reports and monitors civilian marksmanship activities; plans for and issues appropriate shooting awards, maintains liaison with Army and other military support agencies as well as the NRA; and maintains records of competitions and individual excellence-in-competition records.

In July 1968, the civilian marksmanship program was reoriented, with increased emphasis placed on support of junior marksmanship training, intended to provide a basic military skill to the youth of this country in anticipation of later military service. As a result of this reorientation certain types of clubs became ineligible for continued support and were dropped from the program. Total enrollment in June 1968 was approximately 6,000 civilian clubs, having a membership of some 385,000; club enrollment is now approximately 2,200, with a membership of approximately 125,000, most of which are juniors between 12 and 19 years of age.

Also included in the mission of the NBPRP is the responsibility to conduct the annual national matches, which last for approximately 30 days and are traditionally held a Camp Perry, Ohio. The program of the national matches consists of a small arms firing school for service rifle and service pistol, the national trophy rifle and pistol matches and the NRA national rifle and pistol championship matches. These matches are open to both military and civilian personnel and normally involve 5,000 to 6,000 competitors. However, due to budgetary constraints and operational requirements of Southeast Asia, the national matches have not been conducted by the NBPRP since 1967. In the interim, the NRA has conducted the national championships for the past 10 years and has included the national trophy matches in their program in the interests of perpetuating the

tradition of this "worlds series of shooting" which has existed since 1907.

The present staff of the office of the director of civilian marksmanship consists of the director, who is a military officer and also the executive officer for the NBPRP; the executive officer of the ODCM who is a civilian employee; and 11 administrative personnel. The fiscal year 1978 NBPRP budget for administration of this program is $365,000, with an additional $329,000 for purchase of the ammunition which is provided gratuitously to eligible junior clubs and board-sponsored matches.

The office of the director of civilian marksmanship is located in room 1E053, West Forrestal Building. This is also the location for the display of the 35 national trophies which are presented in the national trophy matches. Among the shooting fraternity, these are the most respected marksmanship trophies in the world.

H. CARL ANDERSEN

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 15 minutes.

● Mr. QUIE. Mr. Speaker, it was with great sadness that I learned of the death on July 26 of our former colleague, H. Carl Andersen, who served the Seventh Congressional District of my State for 24 years until he retired in 1963. I remember Carl best for his warmth and friendliness, his kindness and outgoing nature as a person. But he was an illustrious member of this body, a Republican who served on the Committee on Appropriations and chaired its Subcommittee on Agricluture. A Minnesota cattle farmer by profession, Carl became a dominant figure in the bitter battles over the farm legislation of his day. Many of the great reforms in farm law of the 1939–63 period are monuments to his work and dedication.

When he left the Congress and retired to Falls Church, Va., he did a thing we all might envy—he began a successful second career. An avid, life-long stamp collector, he opened a small stamp business in his home. I dwell on the very human side of H. Carl Andersen, Mr. Speaker, because that stands out.

I think of one particluar line from the writing of Stephen Vincent Benet that describes Carl Andersen—the essential man—and it reads: "Kingness as large and plain as a prairie wind."

Born January 27, 1897, in Newcastle, Wash., Carl Andersen moved with his parents in 1901 to a farm near Tyler, in Lincoln County, Minn. He attended rural schools, the University of Washington, and later the U.S. Naval Academy, but, when he was injured in a shipboard accident, he went back to his Tyler farm.

He farmed from 1919 to 1938, except for 5 years when he worked as a civil engineer and 1 year—1935—when he served in the Minnesota House of Representatives, and he was active in the Soil Conservation Society of America and the Masons. Carl's pride and joy, however, was his herd of Aberdeen Angus cattle and, during the 1920's, he exhibited a show herd around the country.

In 1938 he was elected to the 78th Congress and reelected to 11 successive Congresses. I think he was a man of great integrity—although not a stranger to controversy—and his legislative career ended when he ran unsuccessfully for a 13th term.

In the often long and bitter debates on parity, price supports, and other controversial farm issues, on the floor and in committee, H. Carl Andersen was always a leader whose words and knowledgeability commanded respect and attention. He was a determined fighter for 90 percent of parity on all major crops, he played a significant role in introducing the school lunch program, and he was a champion of the causes of soil conservation and the watershed program and, particularly, the construction of upstream dams.

Because of his farm background, Carl Andersen fought diligently to protect family-size farms. When I was privileged to serve on the Committee on Agriculture, I knew Carl not only as a leader, but a man who led by understanding and compassion and without rancor.

We will miss this fine man, and I want to join my many colleagues in expressing our sympathy to his wife, Martha; to his two sons and his sister and, of course, to Carl's four grandchildren and two great-grandchildren.●

● Mr. ADDABBO. Mr. Speaker, H. Carl Andersen, a former colleague of ours, died 2 weeks ago after 15 years of retirement from Congress. Always the champion of the family farm, Carl grew up on a farm near Tyler, Minn. He attended the University of Washington in Seattle and then entered the Naval Academy at Annapolis. After being given a medical discharge for an injury suffered aboard ship, Carl returned to farming. In addition, he worked briefly as a civil engineer.

Carl's political career began when he was elected to the Minnesota State Legislature in 1935. In 1938, he was elected to the U.S. House of Representatives, where he served 12 consecutive terms. He retired in 1963.

As chairman of the Appropriations Subcommittee on Agriculture, Carl made a significant and enduring contribution to the well-being of the American farmer. A fighter for the protection and interests of the family farm, Carl fought for soil conservation programs and 90 percent of parity on all major crops. The school lunch program, which helps insure that all American children receive a proper diet, is another testimony to Carl Andersen's service to his country.

In retirement, Carl devoted his time to a small business built upon his favorite hobby, stamp collecting.

Carl Andersen's last term in office was my first. Although that was many years ago, Carl made a lasting impression on me as a dedicated and effective advocate of the family farm. These days, when the family farm is particularly threatened, it is appropriate that we look to Carl Andersen and his cause as a guide and as an example.

The farmer, the young grammar-school student, as well as all other Americans, will remember H. Carl Andersen and honor him for his dedicated public service.●

● Mr. WHITTEN. Mr. Speaker, I wish to join my colleague from Minnesota in paying tribute to the service in the Congress of the late Honorable H. Carl Andersen, Member of Congress from Minnesota, who served 12 consecutive terms.

Mr. Speaker, it was my privilege to serve for many years on the Appropriations Subcommittee for Agriculture, Food and Drug Administration and Related Agencies with Carl Andersen. Never have I known a person more dedicated to the land and to the people who till the soil, to the processors and all who see to it that the bountiful production of this country is made readily available to the American people and you might say to the people of the world.

I well remember that after I got a plank in the Democratic platform for watershed protection and flood prevention, President Eisenhower was elected, H. Carl Andersen became chairman of our subcommittee. We joined in providing $5,000,000—in unbudgeted funds—for 60 odd pilot plans over the United States. Thus began the National watershed program.

While he had interest in other subjects and rendered great service to the Nation, first and foremost with him was the American farmer consisting of a small percentage of our people who make it possible for the rest to provide all the thousand-and-one things that contribute to our high standard of living.

I extend to Carl's family and his friends my deepest sympathy. The Nation has lost a very able man who leaves an excellent record and I have lost a friend.●

A FOURTH OPINION ON HEALTH POLICY

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I hope the Members of the House had an opportunity to see Jeff MacNelly's editorial cartoon, originally drawn for the Richmond News Leader this past week, in which an obviously very ill hospital patient is visited at his bedside by three doctors in the caricature of Senator KENNEDY, Jimmy Carter, and Joe Califano. In a balloon, the patient is saying, "I think I'd like a fourth opinion."

In this humorous presentation, MacNelly is articulating feeling of a great many Americans: that the Democratic proposals for a health care policy just do not cut it. The administration's recent issuance of "principles" for a national health plan certainly hold no promise for heading off the high cost of delivering quality health services to the public. There is no question the problem of rising health care costs must be dealt with. But the philosophy of the Demo-

cratic administration—the belief that Government can man the control tower in directing our system of medical services—is certainly not the correct approach.

From a broad perspective, the whole issue of Government spending is involved here. The lack of fiscal restraint in the public sector has driven prices up to the point that the entire health care industry has been forced to pass on its increased costs of doing business, to the victimized consumer. Has not our experience with the medicare and medicaid programs shown us already that Government is surely not capable of taking the reins on this issue?

Ninety-two percent of all Americans are covered under some form of medical insurance at the present time. While the extent of this coverage varries greatly, and while it is, for many, a costly proposition, consider the alternative. For the Government to carry out the administration of a comprehensive national health insurance program, the costs are certainly not going to be any easier to bear.

There are grave dangers, Mr. Speaker, in any proposal to turn over the delivery of medical care to the Government. The terrified patient in MacNelly's cartoon was speaking for a great majority of our people, when he told his team of bedside doctors, Messrs. KENNEDY, Carter, and Califano, that he would like to have a fourth opinion.●

ONLY THE KEMP-ROTH AMENDMENT WILL OFFSET HIGHER PERSONAL INCOME TAXES, HIGHER SOCIAL SECURITY TAXES, HIGHER EXCISE TAXES, HIGHER CUSTOMS, ESTATE, AND GIFT TAXES

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, when the Revenue Act of 1978 is considered, I intend to offer an amendment to reduce the individual income tax rates by approximately 10 percent per year over the next 3 tax years. That will accumulate to an across-the-board rate reduction of about 33 percent, ranging from 43 percent at the lowest marginal tax rate to 26 percent at the highest bracket.

KEMP AMENDMENT IS THE ONLY PROPOSAL WHICH WILL OFFSET HIGHER FEDERAL TAXES

This amendment has been carefully constructed.

Why is the construction, the structure, the shape so important?

First, because of a particular result it gives. The Kemp amendment is the only measure being discussed in the entire tax debate in Congress and the Nation which assures that the increases in all kinds of Federal taxes which are going to otherwise occur will be offset. The committee bill doesn't go as far; neither does Vanik-Pickle; nor the original Corman and Fisher amendments; nor the proposed administration-Secretary Blumenthal substitute for Corman-Fisher.

Federal taxes are increasing—and at an astonishing rate. I have placed into the RECORD on several occasions the table prepared by the Joint Committee on Taxation staff, detailing the higher social security taxes, the higher personal income taxes—as a result of inflation pushing the taxpayers into tax brackets where the percentages they pay in taxes on additional dollars of income are increasingly higher, the higher energy taxes if the energy bill becomes law.

The joint committee's table shows $22.9 billion more in inflation-pushed and social security taxes in fiscal year 1979; $35.1 billion more in those taxes in fiscal year 1980. If you add prospective new energy taxes, resulting from the House-passed bill, we will be facing $25.8 billion more in fiscal year 1979, $47.4 billion more in fiscal year 1980.

But these are not all of the higher taxes the American taxpayer will be paying in fiscal year 1979 and bevond. He and she will be paying $5.3 billion more in excise taxes, and another $1.2 billion in customs, estate, gift, and other taxes. This means from over $29 billion to over $32 billion more in Federal taxes in fiscal year 1979.

To the fiscal year 1980 figures in the joint committee's table, we also have to add $5.6 billion more in excise taxes and $1.3 billion more in customs, estate, gift, and other taxes. That would mean from $42 billion more to over $54 billion more in fiscal year 1980.

But billions are difficult to comprehend. What the individual taxpaying family is more interested in is the effect of these higher taxes upon them. Let us take a look, then, at what these higher taxes will mean to the average family:

Additional tax dollars which will be paid by the average family of 4

Tax	Fiscal year 1979	Fiscal year 1980
Personal income	$224	$374
Social security	158	212
Energy	48	205
Excise	88	93
Customs, estate, gift and others	20	22
Total taxes increase	538	906

That is a staggering total Federal tax increase to ask, to expect, the American people to shoulder. And it is wrong to think that these tax increases will be offset either by inflation-pegged wage gains or by real income growth. Because for each 1-percent inflation-pegged or real income growth wage increase, the Federal total tax burden goes up an average of 1.2 percent. It goes up 1.5 percent for personal income taxes, 1 percent for social security, and 0.5 percent for other taxes. Thus, with these levels of taxes, the harder the wage earner works to get ahead, the less they really do.

This is a critical point: Inflation is pushing people into higher and higher marginal tax rate brackets. It is true whether the person is in a lower, middle, or higher income category. It is true whether they are single or married with dependents, as this table depicts:

	Gross income	Taxable income and marginal rate: Single person [1] Amount	Percent	Married person [2] Amount	Percent
Present law	$10,000	$7,050	24	$3,800	17
1983 [3]	15,000	12,050	29	8,800	22
Present law	12,000	9,050	25	5,800	19
1983 [3]	18,000	15,050	31	9,800	22
Present law	15,000	12,050	29	8,800	22
1983 [3]	22,500	19,550	36	16,300	28
Present law	20,000	17,050	34	13,800	25
1983 [3]	30,000	27,050	45	23,800	32
Present law	30,000	27,050	45	23,800	32
1983 [3]	45,000	42,050	55	38,800	42

[1] 1 exemption $750, plus standard deduction.
[2] 4 exemptions ($3000), plus standard deduction.
[3] Assuming 7-percent inflation for 5 years.

The Kemp amendment is the only bill or amendment which will be before the House that comes close to offsetting these high taxes, to offsetting the effect of inflation in pushing taxpayers into higher and higher marginal tax rate brackets.

The only way to deal with this, and this is the reason the Kemp amendment is structured the way it is, is to reduce the marginal rates. Increases in thresholds, increases in personal exemptions, and so forth, only offset a small portion of these increases, and they do not effect incentive and reward, therefore they do not assure increased individual or total economic activity.

We know what the Vanik-Pickle amendment will do: continue into the future the unnecessarily high tax rates now in effect. It will have no impact on reducing the higher taxes facing the people; as a matter of fact, it will insure that they will continue to increase.

We do not have sufficient data to know what the Corman-Fisher amendment will do, because it was only written last Thursday night, because it is unclear if the 5 percent social security tax credit is to be a part of it, and because it is unclear if the administration-rewritten measure will be allowed to be offered as the Corman-Fisher amendment. But we do know, from the information before us already on this measure, that it will not come close to offsetting these higher taxes.

The real question now before us, the one for which we have factual information, is the relative impact in offsetting

these taxes of the committee-reported bill and the Kemp amendment. We do have this information, and in a moment I will put in a table outlining it.

What this information shows us is that if we pass the committee bill, as it has been reported from committee, the taxpayers will still be facing from $22 billion to $25 billion in higher taxes in fiscal year 1979 and from almost $29 billion to almost $41 billion more in fiscal year 1980.

By contrast, if the Kemp amendment becomes law, we will face only $3.7 to $6.6 billion in higher total Federal taxes in fiscal year 1979, and from $8 billion less—I repeat less—to $4 billion more in fiscal year 1980. The Kemp amendment does, therefore, almost totally wipe out these other higher taxes.

This is an important reason to vote for the Kemp amendment.

The table follows:

Individual income taxes: Tax increases, pending tax increases, and alternative tax legislation

[In billions]

	Fiscal year 1979 [2]	Fiscal year 1980
Tax increases:		
Inflation [1 3]	$13.4	$22.4
Social security [1]	9.5	12.7
Excise	5.3	5.6
Customs, estate, gift and other	1.2	1.3
Subtotal	29.4	42.0
Pending tax increases:		
Energy [1 4]	2.9	12.3
Total	32.3	54.3
Offset alternatives:		
1. H.R. 13511, the Committee bill:		
Individual tax reductions and revisions	−6.959	−11.450
Capital gains tax revisions — individuals	−.282	−1.887
H.R. 13511 total	−7.241	−13.337
Tax increases not offset:		
Without energy taxes	22.159	28.663
With energy taxes	25.059	40.963
2. Kemp Amendment to § 101, H.R. 13511 [5]	25.727	50.271
Tax increases not offset:		
Without energy taxes	3.673	−8.271
With energy taxes	6.573	4.029

[1] Prepared by the staff of the Joint Committee on Taxation.

[2] Includes fiscal 1978 increase of $7.2 billion and fiscal 1979 impact of $18.6 billion.

[3] Estimate based on 5- to 6-percent inflation rate. Currently projected rate of 10.4-percent would push dollar levels even higher.

[4] Based on energy bill as passed by the House.

[5] Kemp Amendment to section 101, H.R. 13511, reducing individual income tax rates by approximately 10-percent per year for 3 successive tax years, commencing Jan. 1, 1979. Kemp Amendment does not amend increase in personal exemption from $750 to $1,000. Calculations include the revenue consequences of the higher exemption becoming law too.

THE IMPACT OF RECREATING INCENTIVES UPON HOW MUCH THE CLASSES OF TAXPAYERS WILL PAY

There are additional consequences of the way in which the Kemp amendment has been structured, and we should look at them.

By recreating the incentive to work, save, invest, and take economic risks by reducing the percentage of reward for that economic activity taken by the Federal Government in the form of taxes, we will have more work, more savings, more investment, and more economic risk-taking. That will expand the total amount of economic activity, expanding the tax base from which Federal tax revenues are drawn, providing additional revenues with which to offset Federal budget deficits and to counteract the crowding out of investment capital arising from Government borrowing to pay portions of those deficits.

But something else will happen too. By restoring reward for greater levels of economic activity, taxpayers who have sheltered their income, in order to avoid excessively high rates of taxation, will come out of those shelters in increasing numbers. This is what occurred as a result of the Kennedy tax rate reductions in the early 1960's, and I quote Dr. Michael K. Evans, president of Chase Econometric Associates, Inc., from his recent study of those rate reductions:

> After virtually no growth in taxes collected from personal income over $100,000 for three years, actual income taxes paid rose dramatically beginning in 1964, when personal income was taxed at significantly lower rates.

The conclusions of Dr. Evans' study can be found in the RECORD of August 7, at pages 24807–24809.

What does it mean to have the higher income taxpayers coming back into taxable economic activity? It means that, if total tax liabilities remain constant, the rates can be lowered for middle- and lower income taxpayers. And that, my colleagues, is exactly what my amendment is structured to do, and the economic simulations of its effects, being produced by the Office of Tax Analysis in the Office of the Secretary of the Treasury, show this.

Under existing law, those in the $100,000 to $200,000 income class are responsible for 7.12-percent of the total Federal income tax liability, and those in the $200,000-and-over income class are responsible for 7.45-percent. The Kemp amendment would increase the $100,000 to $200,000 class to 7.60 and the $200,000-and-over to 8.50-percent. That is more than Vanik-Pickle would do; more than the committee bill would do; more than Corman-Fisher would do.

The consequence of that additional tax liability at the top of the scale is to reduce it at the bottom and middle. Income classes from zero to $30,000 would have a 50.98-percent liability under present law and Vanik-Pickle, 50.90 percent under the committee bill, 50.10 percent under Corman-Fisher, but only 49.30 percent under the Kemp amendment.

The following table illustrates this point:

CUMULATIVE PERCENTAGE DISTRIBUTIONS OF INDIVIDUAL INCOME TAX LIABILITY

Expanded income class	Present law [1] and Vanik Pickle amendment (cumulative [2] distribution)	H.R. 13511 [2] (Committee bill) (cumulative distribution)	Corman-Fisher amendment [3] (cumulative distribution)	Kemp amendment [4] (cumulative [1] distribution)
Less than $5,000	−0.07			−0.30
$5,000 to $10,000	4.40	4.40	3.90	3.50
$10,000 to $15,000	13.66	13.70	12.90	12.30
$15,000 to $20,000	26.71	26.80	25.90	25.10
$20,000 to $30,000	50.98	50.90	50.10	49.30
$30,000 to $50,000	72.27	72.10	71.30	70.60
$50,000 to $100,000	85.29	85.20	84.70	83.80
$100,000 to $200,000	92.41	92.50	92.20	91.40
$200,000 and over	99.86	100.00	100.00	99.90

[1] Source: Office of Tax Analysis, Office of the Secretary of the Treasury, June 16, 1978; printed in the Congressional Record, Aug. 2, 1978, at p. 24000.

[2] Percentages may not cumulate to 100 percent, due to rounding.

[3] Source: Office of Tax Analysis, Office of the Secretary of the Treasury, Aug. 3, 1978, printed in the Congressional Record, Aug. 4, 1978, at p. 24479.

That enables the Kemp amendment to assure that 65 percent of the dollars which will remain with the people, as a result of its enactment, will be in the $30,000 and under categories. That is two-thirds of the entire reduction.

So, I say to my colleagues, if your objective is to have the rich, as an income class, shouldering a greater percentage of total Federal personal income tax liability, albeit from lower marginal rates, then vote for the Kemp amendment.●

CARTER STIFLES WHISTLEBLOWER

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 15 minutes.

● Mr. ANDERSON of Illinois. Mr. Speaker, I was amazed to read in this morning's New York Times that President Carter, that self-professed champion of Government whistleblowers, has apparently put the muzzle on his chief inflation whistleblower, Barry Bosworth.

According to the Times account:

The Carter Administration moved today to curb criticism of high-cost labor contracts by Barry Bosworth, head of the Council on Wage and Price Stability. That action seems aimed at stemming the growing criticism of the President by union leaders, some of whom are openly talking of not supporting him in 1980.

The muzzling announcement was made by Labor Secretary Ray Marshall after he emerged from a meeting with the AFL–CIO executive council in Chicago Monday. Secretary Marshall said he told the council that, in the words of the Times account—

Mr. Bosworth would no longer determine policy on labor contracts or speak out without authorization.

He went on to say:

What we have done in the Administration is to set up a committee that will coordinate our statements on collective bargaining.

Secretary Marshall went on to indicate that no future attempts would be made by Government to limit the amount of contract settlements while negotiations were underway.

Mr. Speaker, I find this whole attempt to muzzle the President's inflation council most curious in view of the administration's all-out fight to retain the council last year.

In his message transmitting Reorganization Plan No. 1 last year the President stated:

The Council on Wage and Price Stability (COWPS) is a necessary weapon in the continuing fight against inflation and will be retained.

It is especially curious that the inflation council should now be muzzled to placate a special interest group when, on April 29, 1977, Messrs. Blumenthal, Lance, and Schultze wrote a letter to Chairman MOORHEAD of the Subcommittee on Economic Stabilization, stating the following:

No other agency or agencies of government are in a position to perform the role of the Council. It is an independent agency. It is free from political and bureaucratic pressures that would face bureaus within other agencies, if they tried to perform similar tasks.

Indeed, Secretary Marshall, who has now announced the subordination and censoring of the inflation council by a new supercommittee when it comes to pending wage settlements, testified before the Economic Stabilization Subcommittee on April 21, 1977, as follows:

The Council on Wage and Price Stability can also play an important role by improving information on labor and product markets. The President's program calls for the Council to analyze and provide information on inflationary conditions in individual markets and industries and to develop an early warning system to forecast and prevent shortages and bottlenecks. Without adequate information on trends in labor and product markets, planning and preventive action by the Government, labor and business is impossible. We become the victims of events rather than acting to prevent inflation.

Mr. Speaker, despite this testimony of a year ago from Secretary Marshall on the importance of the Council on Wage and Price Stability in serving as an early warning system on inflation, his most recent pronouncement and actions as reported in today's Times constitute an obvious downgrading and politicization of the Council at the expense of objective analyses and timely reports to the American people on inflationary trends and pressures building in the economy. No longer will the Council be free of the "political and bureaucratic pressures" as Secretary Blumenthal and others boasted last year. The new standard for Council pronouncements will apparently be whether they meet the approval of George Meany.

Mr. Speaker, I would strongly urge the Economic Stabilization Subcommittee of the House Banking and Currency Committee to open immediate hearings on the reported muzzling of the Nation's inflation council with regard to pending wage contracts. Last year we were persuaded to extend the Council for 2 years as an integral part of the President's anti-inflation program, insulated from political and bureaucratic pressures. If it is now true that our country's top inflation whistleblower can only blow his whistle when President Carter and Meany are calling the tune, then we may well have a case of obstruction of economic justice on our hands.

At this point in the RECORD, Mr. Speaker, I include the New York Times article to which I referred:

WHITE HOUSE CURBS CRITICISM OF LABOR

(By Jerry Flint)

CHICAGO, August 7.—The Carter Administration moved today to curb criticism of high-cost labor contracts by Barry Bosworth, head of the Council on Wage and Price Stability. That action seems aimed at stemming the growing criticism of the President by union leaders, some of whom are openly talking of not supporting him in 1980.

George Meany, president of the American Federation of Labor and Congress of Industrial Organizations, complained to President Carter about Mr. Bosworth several weeks ago, charging that he had "come down on the side of employers in labor negotiations."

Ray Marshall, the Secretary of Labor, today told the executive council of the federation, which is meeting here, that Mr. Bosworth would no longer determine policy on labor contracts or speak out without authorization.

SET UP COORDINATING COMMITTEE

"What we have done in the Administration is to set up a committee that will coordinate our statements on collective bargaining," he said at a news conference after the meeting with union leaders. The committee will include Mr. Marshall; Robert S. Strauss, the President's special trade negotiator; Charles L. Schultze, chairman of the Council of Economic Advisers; Mr. Bosworth, and Landon Butler, an assistant to the President.

The Labor Secretary made clear that there would not be any attempts by the Government to limit the amount of contract settlements while negotiations were under way. He said that it was more possible "to restrain wages by restraining prices than the reverse" and that "you can have large wage increases that are deflationary" if productivity soars.

Mr. Marshall also said that the Administration's new efforts to hold down wage costs would involve studying the problems of industry, sector by sector, with efforts to solve problems that pushed up costs.

As an example of efforts to fight inflation, he named a steel committee that was set up to deal with that industry's problems. He noted that after recommendations by the committee, higher duties had been imposed on low-cost imported steel and that this had lowered the percentage of the low-cost imports to 15 percent of the American market, down from 20 percent. This will reduce inflation, he explained, because now the United States industry can produce more steel and hold costs down.

He also said that the reduction in the number of wildcat strikes in the coal industry helped productivity and offset some of the cost of the labor settlement reached earlier this year. The wildcat strikes stopped after a three-and-a-half-month strike, which may have made miners eager for uninterrupted paychecks.

Union spokesmen said that the federation was pleased with the new Carter policy on Mr. Bosworth but that there were indications that Mr. Meany had expected it.

TALK OF SEEKING CARTER OPPONENT

Some union leaders here have talked openly about seeking an opponent for President Carter in the next election. But Mr. Meany, speaking to newsmen just a few hours before Mr. Marshall formally delivered his message to the executive council, appeared to be attempting to chart a conciliatory course with the President.

Among the critics of the President, William Winpisinger, president of the machinists' union, asked here about labor's support for President Carter, said, "He's through," adding that organized labor will "get on somebody else's team if they are smart."

"I detect an effort by the Administration to respond" to labor's complaints, said Jerry Worf, president of the American Federation of State, County and Municipal Employees, who was an early Carter supporter. "But time is very short," he added.

Douglas Fraser, president of the United Auto Workers, which is not a member of the federation, was bitter about the President's national health proposal. He said last week that Mr. Carter had hurt his standing with the union leaders and membership.

REFUSED TO CRITICIZE CARTER

Mr. Meany, however, refused to criticize the President today at his news conference after a meeting of the executive board. When reminded that earlier he had given the President a "C minus" rating, the federation president said, "I don't think we should try and rate him" in that way.

He also said that the relationship between the A.F.L.–C.I.O. and the White House was better than it had been six months ago. "I'm always ready to cooperate with the President," Mr. Meany said. "He's the only President we've got."

Those labor leaders who advocated not supporting the President in the next Presidential election conceded that they had a problem finding someone to support. The name most frequently mentioned as a Presidential contender whom labor would support was Senator Edward M. Kennedy, Democrat of Massachusetts.

"We are receptive to somebody—not just anybody—somebody," one union official said. "If further down the road Carter stays out of sight and popularity, labor may nudge somebody," he added.

NO LIKELY LABOR CANDIDATE

Whether a candidate whom labor would support emerges "depends if a certain person decides what he's going to do," said Albert Shanker, president of the American Federation of Teachers, referring to Senator Kennedy.

Union officials who expressed dissatisfaction with Mr. Carter conceded that at the moment there was no likely candidate that labor would support. The head of one major union, who did not want his name used, said, "Carter and labor will have to form accommodations because there isn't another game in town for either of them."

Mr. Meany, when asked about support for President Carter in 1980, said, "That's a couple of years down the road. I don't know if he's even going to be running."●

HEARING ON REAUTHORIZATION OF THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION TO BE HELD BY THE SUBCOMMITTEE ON CRIME

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, will continue hearings on proposals to reauthorize and restructure the Law Enforcement Assistance Administration on August 16, 1978, at 9 a.m., in room 2141 of the Rayburn House Office Building.

Pending before the subcommittee is H.R. 13397, a bill to restructure LEAA introduced by Chairman PETER RODINO of the House Judiciary Committee. Related proposals, including a reform bill that I intend to introduce, will also be considered.

Scheduled to testify are the Honorable PETER W. RODINO, JR., chairman of the full committee; ranking minority member ROBERT MCCLORY of the committee; Norval Morirs, dean of the Law School at the University of Chicago; and Prof. Gene Stephens of the University of South Carolina.

Individuals wishing to submit testimony or submit a statement for the record should address their requests to the Subcommittee on Crime, House Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515.●

A NECESSARY CHANGE FOR FEDERAL STUDENT LOAN PROGRAMS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

● Mr. BINGHAM. Mr. Speaker, I have today introduced a bill to amend the Higher Education Act of 1965 as it applies to the national direct student loan program and the federally insured State loan program, to allow for a deferment of up to 3 years in the repayment of the principal in cases of total but temporary disability to the student.

The need for this legislation was brought to my attention by a constituent whose case will point out its need. During the summer between his third and fourth years of dental school he was diagnosed as having cancer. The treatments which he required made it impossible for him to return to school in September. These treatments also made it impossible for this student to work at any job. In order to finance his first 3 years of dental school he had taken out several student loans through the New York Higher Education Service Corp., a State agency which administered the FISL program in New York. Under the terms of his agreement with the Higher Education Service Corp., terms dictated by the Higher Education Act of 1965, repayment of the principal came due 9 months after the student ceased attending an approved educational facility. Sure enough, 9 months after the last class he was able to attend he was informed that payments in the amount of $82 per month were due. His savings long gone, as a result of the expensive treatments, the still convalescing student was unable to pay the amount due and was left with no choice but to default. The default meant not only the Federal Government would have to repay the lending institution, but, that the following September, when the student was well enough to resume his education, he would be unable to borrow the money to finance his educational expenses.

The bill I am introducing today would require that all federally insured student loans include the 3-year deferment when the student is able to document that due to illness or injury he is unable to attend an approved educational institution or to seek employment but does expect to recover fully in the future. There are already provisions in the act to forgive a loan in case of permanent disability. It should, therefore, be stressed that these amendments would not forgive the loans but merely defer their repayment so that the student in these circumstances would not be forced to default and eventually could repay the full loan. The bill would allow the Government to continue to subsidize any interest due on the loans if it was subsidizing the interest while the student was in school. The bill would also make similar changes in the loan agreements made pursuant to the national direct student loan program where a similar set of events could just as easily occur. In short, these amendments would do nothing more than extend the type of deferment which is given to someone who joins the Armed Forces or the Peace Corps to someone who has the misfortune to become totally disabled for some limited amount of time.

There has recently been much criticism of these low-interest student loan programs as a result of reports of widespread student defaults. This bill would reduce the number of defaults and for that reason would actually be less costly for the Government. The bill would protect those students who are unable to work or attend classes, through no fault of their own, from the stigmatizing effect which defaulting on a loan could have on their ability to continue their education after they have made a full recovery, and on their future lives.

In short, this bill benefits both the public pocketbook and the unfortunate student who finds himself totally disabled for some limited period of time. I strongly urge its swift passage by this House.●

PERSONAL STATEMENT

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, due to a commitment to be present at a hearing last night of the Westchester County Legislature in White Plains, N.Y., to consider the establishment of a municipal utility to replace the Consolidated Edison Co., I was unable to be in attendance on the House floor for two votes. Had I been present, I would have voted as follows:

Rollcall No. 653, an amendment to H.R. 13635 to consolidate Army and Navy helicopter pilot training. This amendment passed by a vote of 252 to 128. I would have voted "aye" and was paired "aye."

Rollcall No. 654, an amendment to H.R. 13635 to strike the $2.1 billion appropriation for a fourth CVN–71 nuclear aircraft carrier program. This amendment was rejected by a vote of 156 to 218. I would have voted "nay" and was paired "nay."●

THE ALASKA BILL: STRONG SUPPORT FOR THE "BASIC PRINCIPLES" OF THE HOUSE-PASSED BILL, H.R. 39

The SPEAKER. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

● Mr. UDALL. Mr. Speaker, this House distinguished itself in historic terms last May 19 when we passed the "Alaska National Interest Lands Conservation Act." By overwhelming votes—277 to 31 on final passage, and a 2-to-1 margin against weakening amendments—we sent to the Senate a bill widely recognized as the most significant conservation measure ever produced by the House of Representatives.

Now the question is: Will the Senate act?

But the question is even more specific than that: Will the Senate act to produce a bill similarly responsible to the historic dimensions of this conservation challenge?

Today, I want to report on the status of this legislation, for the benefit of my colleagues in the House.

The Senate Committee on Energy and Natural Resources is proceeding now with its final markup sessions on the Alaska legislation. I want to commend that committee, and its distinguished chairman, Senator HENRY M. JACKSON, for the diligence they are showing in working on this priority measure. This week, for the second time, they are extending into evening sessions.

As the Senate committee prepares its bill, I felt it was appropriate that we stress once again the basic principles on which the sentiment of the House was so clearly stated by our votes in May. I wanted to do this because it is possible that some may not recall that our bill, H.R. 39, is already very much a compromise measure.

In preparing the basic House bill, the Committee on Interior and Insular Affairs and the Committee on Merchant Marine and Fisheries devoted many months to detailed review of all the issues. The Subcommittee on General Oversight and Alaskan Lands, chaired by JOHN SEIBERLING, held the most extensive field hearings ever conducted on conservation legislation in the House. Those hearings were held not only all across Alaska, but in the lower 48 as well. We undertook many weeks of detailed markup sessions, going through the bill virtually line-by-line to work out necessary

compromises. The degree of compromise is now reflected in virtually every conservation system unit boundary, for we revised almost all of them. We sought especially to be responsive to the reasonable and legitimate concerns of the State of Alaska over these federally-owned lands. Nowhere is that better documented than in the fact that we adopted in committee a strong majority of the amendments offered by the gentleman from Alaska (Mr. YOUNG).

As a result of these months of work, not only by the Interior Committee, but also by the Committee on Merchant Marine and Fisheries, the House passed a very, very carefully refined compromise bill. And I want to emphasize that word "compromise."

In view of all that work, and in view of the short time remaining in this Congress, it is the position of the leaders of the House committees involved that we must insist that certain of the fundamental features of the House-passed bill be included in any final Alaska lands legislation.

In order to stress these basic principles, the gentleman from Ohio (Mr. SEIBERLING), and I have written to Senator JACKSON, explaining the very strong views of the House on these matters. I want to share this letter with all Members of the House, who have shown an extraordinary interest in this legislation.

I want also to stress that the letter JOHN SEIBERLING and I have sent to the Senate committee reflects the fundamental points of the House-passed bill, points which emerged as compromises here in the House. It is clear that those who oppose this legislation seek to whittle it away even further at every step of the process. Our purpose in this letter has been to make it clear to all that there is a point beyond which this House will not go in weakening this vital legislation.

Members of the House will remember that the features of H.R. 39 emerged from a "consensus bill" worked out between the leaders of the two House committees. Let me make it clear that I have carefully discussed this letter with the gentleman from New York (Mr. MURPHY) and the gentleman from California (Mr. LEGGETT). We are all in agreement on the importance of insisting on the principles of our strong Alaska lands bill.

We all want a bill this year, if that is possible, of course. But these firm principles must govern the situation. As we have shown with other vital conservation measures, such as the strip mining control act, we are prepared to come back again next year if we must—and we intend to persevere until a strong bill reflecting these principles is finally approved.

This Alaska lands legislation has had particularly strong support from President Carter and from Secretaries Andrus and Bergland. The President has told me of his appreciation for the strong bill the House produced—and I have told him that we will persevere.

The Alaska lands bill has also had very strong public support. It is a popular measure with the American people, as was demonstrated even by the opinion poll commissioned by the State of Alaska's lobbying arm. No one should doubt the devotion of the American people to their heritage of wilderness and wildlife on their own lands in Alaska—or their feeling that, having been so generous to the development needs of Alaskans, the rest of us now deserve a "land grant" for ourselves and our future generations.

Mr. Speaker, as part of this progress report for the Members of the House, I wish to include in the RECORD at this point the full text of our letter to Senator HENRY JACKSON.

COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
Washington, D.C., August 1, 1978.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, Washington, D.C.

DEAR MR. CHAIRMAN: As your Committee works toward completion of policy issue discussions on the Alaska lands bill, we think we should advise you of those matters which, we believe, the House views as basic. Consideration of these points will, we believe, improve the prospects for final action on the bill in this Congress.

The House-passed bill, H.R. 39, was the product of uncommonly extensive public hearings (both in the "lower 48" and all across Alaska), thorough Committee field inspections, lengthy and detailed section-by-section mark-up discussions and votes. Two committees handled the bill in the House. Our final product reflected many fundamental agreement and compromises, not only within each committee, but also between the leaders of this Committee and the Committee on Merchant Marine and Fisheries.

The House bill is a compromise measure. We reviewed and carefully modified each conservation unit boundary, being particularly responsive to the views of Alaska officials. We compromised the original bill in many ways (for example, reducing the acreage of wilderness designation by well over half).

Because of this painstaking approach and underlying compromises, the bill received very strong support, despite a massive lobbying effort against it. It was reported by the Rules Committee 11 to 5 and went on to final passage in the House, 277 to 31. It is particularly significant that the major weakening amendments proposed during House floor debate were defeated by very substantial margins.

Thus, H.R. 39 emerged from the House with a strong and clear mandate. We feel very much constrained by the clear weight of opinion in both committees and on the House floor.

Here is an outline of the basic principles embodied in the House bill on which we believe the view of the House is firmly established.

1. There should be no "fifth system" management scheme for the public lands in Alaska. Both the hybrid "Federal/State commission" approach and the BLM "conservation areas" approach have been specifically rejected in House action. The House bill makes provisions for Federal-State coordination and cooperative agreements.

2. There should be no designated transportation corridors. Corridors should not be identified by statute at this time, but left to an administrative process as provided by the House. State and private landowners' rights of access are expressly protected by the House bill.

3. There must be adequate protection from mining and drilling. The administration position sets the minimum policy, as affirmed by House action: all units of the National Park System closed to hardrock mining and mineral leasing; all units of the National Wildlife Refuge System closed to hardrock mining and mineral leasing, and non-wilderness portions open to oil and gas leasing only where compatible with refuge purposes under provisions of existing law.

4. There must be adequate conservation system units. The acreage of the House bill (101 million acres of new or expanded units) cannot be cut without significant adverse impact on the proposed conservation system units. As Secretary Andrus has stated, the Administration proposals (93 million acres) are the absolute "bottom line."

5. There must be adequate wilderness protection. This legislation has wilderness protection as one of its most fundamental purposes. The House has already drastically cut the wilderness acreage as originally proposed. The House specifically rejected a further cut in the compromise wilderness acreage by a 2 to 1 margin. It is particularly critical that full wilderness protection be extended to a number of key areas such as the Arctic National Wildlife Range, as expanded, and to key areas in other refuges, national parks and preserves, and Southeastern Alaska forests.

6. The Administration/House land classifications should be adhered to. The adequacy of the final bill rests not only on designating land for conservation units, but on the form of protection given to that land. Both the Administration and the two House Committees carefully considered these designations. We determined the protections afforded by park, monument, preserve, and wildlife refuge categories on the basis of a careful, individual review of each unit. We specifically concluded that "conservation areas" and "national recreation areas" as utilized in other places outside Alaska are not appropriate and would not provide the protection necessary.

7. The State should not be permitted to create land use conflicts through selection within conservation units. The State should take its remaining land selections from outside the boundaries of the proposed conservation system units: a "pool" of about 90 million acres of other federal lands will be available for this purpose, as well as about an additional 60 million acres outside conservation system units which were withdrawn but will not be selected by Native corporations. Though the potential overlap with proposed new State selections appears small, some of the most critical areas are being sought by the State. The House overwhelmingly rejected an effort to allow additional State inholdings within conservation system unit boundaries. Since the State has already selected significant acreages within conservation system units, original motion (d)(2) withdrawal land outside the boundaries of the conservation system units should not be given to the State except in exchange for earlier State-selected land within conservation system units.

8. Subsistence use of fish and wildlife by local residents should have priority over other consumptive uses. The Congress having made full and complete settlement of Native land claims in 1971 does not now recognize any aboriginal "right" to fish and wildlife. However, in so doing, we accepted a responsibility to assure continued protection for local residents dependent on subsistence use on the public lands, while also assuring proper management of these resources. The language of Title VII of the House bill represents a very carefully balanced compromise of the views of the two Committees, the State of Alaska, and rural Alaskans. Any significant alteration could be extremely unsettling and have far-reaching consequences.

You will note that, for the most part, we have avoided stating any specific "bottom line." However, the sentiment in the House is strong. Significant departures from these principles—already the product of

substantial compromise—would undoubtedly necessitate a full conference proceeding between the two houses.

In any event, we, as well as our Committee staff, remain ready at all times to confer with you and your colleagues in order to facilitate completion of this monumental legislation.

May we take this opportunity to express our appreciation for the continuing attention you and your colleagues are giving to the Alaska lands bill.

Sincerely,

MORRIS K. UDALL,
Chairman.

JOHN F. SEIBERLING,
Chairman, Subcommittee on General Oversight & Alaska Lands.●

VETERANS PREFERENCE

(Mr. HAMMERSCHMIDT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HAMMERSCHMIDT. Mr. Speaker, I am concerned over some of the arguments that have been used by the Carter administration and many women's movement advocates with respect to veterans preference. I am certainly not opposed to a woman obtaining any employment level she is capable of reaching. I simply fail to see how veterans preference prevents such an attainment, although much of the rhetoric surrounding this issue maintains that veterans preference works to the disadvantage of women and minorities.

First, there is no data that supports this position, and we have been unable to generate any data after numerous contacts with the Civil Service Commission. If women's movement advocates and the administration were correct in their argument that veterans preference works to the disadvantage of women, surely they would be able to illustrate conclusively how this is so. The most conclusive illustration would be statistics showing that women in private sector jobs hold a higher percentage of upper level positions than they do in Government. The Civil Service Commission claims there is no such data available on private sector employment of women, and as a result it is impossible to compare. If this is true, then the administration is basing its argument on undocumented evidence when it speaks about the negative impact of veterans preference. If it is not true, and data for comparison is available, I wonder why such data is not being furnished us by the administration.

The only statistics used by the administration and its women's movement allies relates to the percentage of veterans in the Federal sector, as opposed to the private sector, and to certain horror stories of job applications where women with high scores were eliminated by veterans with slightly lower scores. The statistics that show the percentage of veterans in the Federal Government to be 50 percent, and the percentage of veterans in the private sector to be 25 percent, have repeatedly been proved false. In order to reach the 25 percent figure for the overall workforce, it became necessary to include all persons 16 years of age and older, in all occupations. When figures are used comparing the same age groups and comparable occupations, veterans comprise 50 percent of the private workforce as well. This should hardly seem surprising, as veterans comprise approximately 60 percent of the male population over the age of 50.

With regard to the examples of women testing extremely high and then losing the job to a veteran who scored slightly lower but received a 5 point preference, I have two possible reactions. First, if the test is so easy that hundreds of people are clustered with 98 and 99 and 100 percent scores, perhaps the Civil Service Commission should restructure the test to make it more discerning with respect to job qualifications. Second, if the test is already valid, and the reason so many people score so high is that we are faced with a multitude of extremely highly qualified applicants, it is not only just, but imperative, that the Federal Government give an edge to the man or woman who lost several years of productivity to military service.

We have repeatedly been given figures showing the large percentage of women hired at the lower end of the Federal scale, as an example that women are being discriminated against. It is true that, while women consistently constitute a much larger percentage of new hires in the Federal workforce—approximately 42 percent—many of these jobs are at the bottom of the scale, in clerical positions. It is also true that while veterans hiring has decreased steadily in the Federal Government, despite veterans preference, many of these veterans are in professional positions. However, neither of these truisms reflect a bias in the system.

First, whether certain women's movement advocates will admit it or not, it remains clear to most people that there are two different types of women entering the labor force today. Many women—I would venture to say a majority of women—still do not seek to be professionals, but rather desire employment in order to supplement family income. Such positions are readily available, and are usually in the lower clerical positions. They do not reflect a bias by the Government, but rather an opportunity for those who desire the jobs. For those women who desire career positions, it is interesting to note that in 1977, almost as many women as veterans were hired in the positions of GS–7 and above—11,979 women to 13,621 veterans. Thus, women in many ways are now being offered the best of both worlds. It is also interesting to note, Mr. Speaker, that the Vietnam veteran, who has had the most difficult employment experiences among veterans, holds a median grade of GS–6, even though he now is 31 years old, on the average.

We have been supplied relevant data as it pertains to minority employment. While we have been told that veterans preference inhibits minority hiring in the Federal Government, the data shows that the Federal service employs minorities at double the rate of the private sector. Minorities are 12 percent of the population, and 23 percent of the Federal workforce. Minorities are 8.5 percent of the U.S. veteran population, and 19 percent of the Federal veteran population.

I fail to see how veterans preference has worked in any small measure to impede the employment of minorities, and in fact it seems clear that veterans preference may be even more effective than affirmative action as a tool for minority veterans to obtain Federal employment: Minority veterans make up only 2 percent of the national labor force, but make up fully 9 percent of the Federal work force.

Mr. Speaker, this seems to me to be yet another instance of an administration that has lost its sense of priorities and logic. In many ways, the issue of numbers of veterans in the Federal Government is a red herring: Most of these men and women are World War II veterans, whose average age is now almost 60 years, and who will soon be retiring in droves. Will Mr. Carter then claim that his administration solved the problem? In other ways, though, the issue is much more serious. In recent months, the administration announced a special, noncompetitive hiring program for individuals who served in ACTION programs such as VISTA and the Peace Corps. Where are this administration's priorities when it seeks to embrace, on a noncompetitive basis, those who served voluntarily in capacities that were often exotic vacations, and then seeks to cut off from a mere five-point boost the people who suffered in the foxholes and the trenches of our Nation's wars?

President Carter, while still a candidate, responded in writing to a questionnaire of the Veterans of Foreign Wars by saying, "The laws that mandate this special preference in hiring should be rigorously enforced." He then appointed a man who, in his first day in office, announced that he sought to do away with veterans preference. Mr. Speaker, I must sadly assert that this constitutes a serious breach of faith with those who served, and I sincerely hope my colleagues in the Congress will not become a party to it when the civil service reform is considered this month.

GENERAL LEAVE

Mr. JEFFORDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Minnesota (Mr. QUIE).

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. LLOYD of Tennessee (at the request of Mr. WRIGHT), for August 8 through August 17, on account of medical reasons.

Mr. WOLFF (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JEFFORDS) to revise and extend their remarks and include extraneous matter:)

Mr. QUIE, for 15 minutes, today.
Mr. GOLDWATER, for 5 minutes, today.
Mr. KEMP, for 10 minutes, today.
Mr. ANDERSON of Illinois, for 15 minutes, today.

(The following Members (at the request of Mr. RAHALL) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. CONYERS, for 5 minutes, today.
Mr. BINGHAM, for 10 minutes, today.
Mr. OTTINGER, for 5 minutes, today.
Mr. UDALL, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ANDERSON of California, and to include extraneous matter.

Mr. EDWARDS of Alabama to include extraneous material and a statement by Mr. STEIGER of Wisconsin during the debate in the Committee of the Whole on the defense bill.

(The following Members (at the request of Mr. JEFFORDS), and to include extraneous matter:)

Mr. GOODLING.
Mr. BAFALIS.
Mr. ARCHER in two instances.
Mr. BOB WILSON in two instances.
Mr. GILMAN.
Mr. SHUSTER.
Mr. ABDNOR.
Mr. SARASIN in two instances.
Mr. ERLENBORN.
Mr. LAGOMARSINO.
Mr. DERWINSKI in three instances.
Mr. HAMMERSCHMIDT.
Mr. ANDERSON of Illinois.
Mr. DORNAN in three instances.
Mr. STEIGER in two instances.
Mr. COUGHLIN in two instances.
Mr. ASHBROOK in two instances.
Mr. BROWN of Ohio.
Mr. DEL CLAWSON.
Mr. WHALEN.
Mr. ROBERT W. DANIEL, JR.
Mr. ARMSTRONG.
Mr. STOCKMAN.

(The following Members (at the request of Mr. RAHALL) and to include extraneous material:)

Mr. BRODHEAD.
Mr. GEPHARDT.
Mr. MAGUIRE in four instances.
Mr. VOLKMER.
Mr. STARK.
Mr. LAFALCE in two instances.
Mr. TEAGUE.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. CARNEY.
Mr. NEAL.
Mr. DRINAN.
Mr. FORD of Michigan.
Mr. PATTISON of New York in two instances.
Mr. CONYERS.
Mr. HARRIS in two instances.
Mr. PEASE.
Mr. WOLFF.
Mr. WAXMAN.
Mr. MAZZOLI in two instances.
Mr. VANIK.
Mr. UDALL.
Mr. EILBERG.
Mr. PICKLE.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2424. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein; and

S. 2821. An act to authorize appropriations for certain insular areas of the United States, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on August 7, 1978, present to the President, for his approval, bills of the House of the following title:

H.R. 8336. To authorize the establishment of the Chattahoochee River National Recreation Area in the State of Georgia, and for other purposes; and

H.R. 10929. To authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes.

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 48 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, August 9, 1978, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4726. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a listing of contract award dates for the period July 15 through October 15, 1978, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

4727. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

4728. A letter from the General Counsel, Securities and Exchange Commission, transmitting notice of proposed modification in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4729. A letter from the Secretary of the Treasury, transmitting a report on the status of foreign debts owed to the U.S. Government as of March 31, 1978, pursuant to section 634(f) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

4730. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate George M. Lane, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

4731. A letter from the Comptroller General of the United States, transmitting a report on additional legislative authority needed by the Food and Drug Administration to insure better the safety of cosmetic products (HRD–78–139, August 8, 1978); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEPPER: Committee on Rules. House Resolution 1300. Resolution providing for the consideration of H.R. 12303. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training, and for other purposes (Rept. No. 95–1449). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 1301. Resolution providing for the consideration of H.R. 12347. A bill to amend the Public Health Services Act to revise and extend the programs of assistance for libraries of medicine and the programs of the National Heart, Lung, and Blood Institute and the National Cancer Institute to revise and extend the program for National Research Service Awards, and for other purposes (Rept. No. 95–1450). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 1302. Resolution providing for the consideration of H.R. 12584. A bill to amend the Public Health Service Act to revise and extend the authorities under that act relating to health services research and health statistics and to establish a National Center for Health Care Technology, for other purposes (Rept. No. 95–1452). Referred to the House Calendar.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 12509. A bill to amend the Immigration and Nationality Act to exclude from admission into, and to deport from, the United States all aliens who persecuted any person on the basis of race, religion, national origin, or political opinion, and for other purposes (Rept. No. 95–1452). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 12860. A bill to settle Indian land claims within the State of Rhode Island and Province Plantations, and for other purposes; with amendment (Rept. No. 95–1453). Referred to the Committee of the Whole House on the State of the Union.

Mr. GIAIMO: Committee on the Budget. House Concurrent Resolution 683. Concurrent Resolution revising the congressional budget for the U.S. Government for the fiscal year 1979 (Rept. No. 95–1456). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 7849. A bill to provide for the conveyance of certain public lands in Montana to the occupants of the land; with amendment (Rept. No. 95–1454). Referred to the Committee of the Whole House.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 12772. A bill to facilitate the exchange of certain lands in the State of Oregon, and for other purposes; with amendment (Rept. No. 95–1455). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS (for himself, Mr. Moss, Mr. BLOUIN, Mr. HORTON, Mr. CORCORAN of Illinois, Mr. PERKINS, Mr. THOMPSON, and Mr. DAVIS):

H.R. 13778. A bill to establish a Department of Education, and for other purposes; to the Committee on Government Operations.

By Mr. ANDERSON of California (for himself, Mr. WHITEHURST, Mr. BROWN of Ohio, Mr. COUGHLIN, Mr. EDGAR, Mr. MIKVA, and Mr. PATTERSON of California):

H.R. 13779. A bill to amend the Animal Welfare Act to prohibit the use of live animals as visual lures in dog racing and training, and for other purposes; to the Committee on Agriculture.

By Mr. BINGHAM:

H.R. 13780. A bill to amend parts B and E of title IV of the Higher Education Act of 1965 to provide for deferral of repayment on insured and direct student loans during temporary total disability; to the Committee on Education and Labor.

By Mr. CARNEY (for himself and Mr. MURPHY of Pennsylvania):

H.R. 13781. A bill to promote steel trade negotiations under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. DICKS:

H.R. 13782. A bill to amend the Internal Revenue Code of 1954 to provide, for purposes of determining proper cellar treatment for natural wine, that wines made exclusively from cranberries or other highly acidic berries and fruit other than grapes shall be entitled to a volume of ameliorating material not in excess of 60 percent; to the Committee on Ways and Means.

By Mr. EILBERG:

H.R. 13783. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the distribution of certain surplus Federal property to certain organizations which provide for the education and recreation of young boys and girls; to the Committee on Government Operations.

By Mr. McKINNEY (for himself, Mr. DIGGS, Mr. DELLUMS, and Mr. FAUNTROY):

H.R. 13784. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to clarify the circumstances under which the Chairman of the Council of the District of Columbia may engage in outside employment, and for other purposes; to the Committee on the District of Columbia.

By Mr. MAGUIRE:

H.R. 13785. A bill to amend the Internal Revenue Code of 1954 to provide an inflation adjustment in the determination of capital gains and losses of individuals, and for other purposes; to the Committee on Ways and Means.

By Mr. MOORHEAD of Pennsylvania:

H.R. 13786. A bill to extend title II of the Public Works Employment Act of 1976 for 1 year; to the Committee on Government Operations.

By Mr. PEPPER (for himself, Mr. AUCOIN, Mr. BOWEN, Mr. BROWN of California, Mr. CHAPPELL, Mr. CONTE, Mr. GLICKMAN, Mr. LAGOMARSINO, Mr. LEGGETT, Mrs. LLOYD of Tennessee, Mr. MAGUIRE, Mr. MILLER of California, Mr. MURPHY of New York, Mr. MURPHY of Pennsylvania, Mr. MICHAEL O. MYERS, and Mr. PRITCHARD):

H.R. 13787. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional type of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PERKINS (for himself and Mr. MITCHELL of New York):

H.R. 13788. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mr. WHITEHURST (for himself, Mr. JOHN L. BURTON, Mrs. SPELLMAN, Mrs. BURKE of California, Mr. PANETTA, Mr. CHAPPELL, Mr. NICHOLS, Mr. SPENCE, Mr. DUNCAN of Tennessee, Mrs. SCHROEDER, Mr. PEPPER, Mr. MONTGOMERY, Mr. DOWNEY, Mr. RYAN, and Ms. MIKULSKI):

H.R. 13789. A bill to amend chapter 55 of title 10 of the United States Code to qualify former spouses of members of the uniformed services for medical and dental benefits, and for other purposes; to the Committee on Armed Services.

By Mr. BROWN of Ohio (for himself, Mr. BEDELL, Mr. DOWNEY, Mr. FLOOD, Mr. GEPHARDT, Mr. HILLIS, Mr. MITCHELL of New York, Mr. ROYBAL, Mr. SANTINI, and Mr. TREEN):

H.R. 13790. A bill to amend the Federal charter of the Boy Scouts of America; to the Committee on the Judiciary.

By Mr. GILMAN:

H.R. 13791. A bill to amend the Public Health Service Act to authorize financial assistance for projects and programs to train physicians and other health personnel to identify and deal with the special medical problems related to the mentally retarded and to improve the ability of such personnel to provide health care to the mentally retarded; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLAND (for himself, Mr. BROYHILL, Mr. QUIE, Mr. THORNTON, Mr. TRIBLE, Mr. LEVITAS, Ms. OAKAR, Mr. WALSH, Mr. FOWLER, Mr. VOLKMER, Mr. RYAN, Mr. NOLAN, Mr. FORD of Michigan, Mr. SEIBERLING, Mrs. BURKE of California, Mr. PANETTA, Mr. BREAUX, Mrs. SPELLMAN, Mr. AMBRO, Mr. MURPHY of New York, Mr. OBERSTAR, Mr. EVANS of Indiana, and Mr. METCALFE):

H.R. 13792. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. HYDE (for himself and Mr. BUTLER):

H.R. 13793. A bill to amend title 28 of the United States Code to provide for an exclusive remedy against the United States in suits based upon acts or omissions of U.S. employees, to provide an improved procedure relating to certain illegal searches and seizures, and for other purposes; to the Committee on the Judiciary.

By Mr. KOSTMAYER (for himself, Mr. LUNDINE, Mr. MCHUGH, Mr. MAGUIRE, Mr. MITCHELL of New York, Mr. SOLARZ, Mr. TSONGAS, Ms. HOLTZMAN, Mr. JEFFORDS, Mr. BINGHAM, Mr. MURPHY of Pennsylvania, Mr. APPLEGATE, Mr. EDWARDS of California, Mr. MILLER of California, Mr. MURPHY of Illinois, Mr. DELLUMS, Mr. HANLEY, Mr. SIMON, Mr. FLOWERS, Mr. EDGAR, Mr. CORRADA, Mr. JOHN L. BURTON, Ms. OAKAR, and Mrs. COLLINS of Illinois):

H.R. 13794. A bill to preserve jobs and stabilize communities by facilitating employee, or employee-community, ownership of concerns that would otherwise close down or move out of the community, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY of Pennsylvania:

H.R. 13795. A bill to amend title 38, United States Code, to provide for an official memorial flag to honor war veterans; to the Committee on Veterans' Affairs.

By Mr. PANETTA (for himself, Mr. AUCOIN, Mr. COHEN, Mr. ICHORD, Mr. MADIGAN, Mr. PURSELL, and Mr. STEERS):

H.R. 13796. A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employees; to the Committee on Ways and Means.

By Mr. SKUBITZ:

H.R. 13797. A bill to authorize establishment of the Fort Scott National Historic Site, Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL (by request):

H.R. 13798. A bill to amend the Alaska Native Claims Settlement Act of 1971 (85 Stat. 688; 43 U.S.C. 1601), as amended, to provide clarifications and improvements in the provisions thereof; to the Committee on Interior and Insular Affairs.

By Mr. BENJAMIN (for himself, Mr. LUKEN, Mr. APPLEGATE, Mr. FITHIAN, Mr. GUYER, Mr. FARY, Mr. NOWAK, Mr. DERWINSKI, Mr. EILBERG, Mr. BEVILL, Mr. JENRETTE, Mr. BUCHANAN, Mr. FLOWERS, Mr. CORNWELL, Mr. MURPHY of Illinois, Mrs. LLOYD of Tennessee, Mr. GAYDOS, Mr. LEDERER, Mr. WALKER, Mr. CARNEY, Ms. MIKULSKI, Mr. GOODLING, and Mr. BOB WILSON):

H.R. 13799. A bill to establish a reasonable and fair preference for domestic products and materials in Government procurement and in procurement with Federal funds, and to promote free and fair trade in Government procurement of foreign products and materials; to the Committee on Government Operations.

By Mr. SOLARZ (for himself, Mr. ANDERSON of Illinois, and Mr. WAXMAN):

H. Con. Res. 682. Concurrent resolution expressing the sense of Congress regarding the relocation of Cambodian refugees; to the Committee on the Judiciary.

By Mr. GIAIMO:

H. Con. Res. 683. Concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1979.

Mr. CLEVELAND (for himself, Mr. D'AMOURS, Mr. ABDNOR, Mr. BADHAM, Mr. BAUMAN, Mr. BURGENER, Mr. DERWINSKI, Mr. DEVINE, Mr. DUNCAN of Tennessee, Mr. DUNCAN of Oregon, Mr. EDGAR, Mr. EMERY, Mr. GIAIMO, Mr. KINDNESS, Mrs. LLOYD of Tennessee, Mr. MAZZOLI, Mr. MCCORMACK, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. PRICE, Mr. SYMMS, Mr. WINN, and Mr. WYDLER):

H. Con. Res. 684. Concurrent resolution expressing the sense of Congress that all remaining proceedings with respect to the Seabrook Nuclear Station project should be expedited and that all licensing and permitting procedures for the construction and operation of nuclear generating stations should be reviewed and modified to improve the efficiency of such procedures; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of California (for himself, Mr. AUCOIN, Mr. BLANCHARD, Mr. CARR, Mr. CORNELL, Mr. EDGAR, Mrs. FENWICK, Mr. HARRINGTON, Mr. HUCKABY, Mr. HUGHES, Mr. KASTENMEIER, Mr. MARKEY, Mrs. MEYNER, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. PATTISON of New York, Mr. STEERS, Mr. STOKES, and Mr. TRAXLER):

H. Res. 1304. Resolution expressing the sense of the House of Representatives that the Committee on Ways and Means should develop tax reform legislation designed to induce noninflationary behavior by business and labor; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. HAGEDORN introduced a bill (H.R. 13800) for the relief of Jung Ja Lee and Ma Jong Lee, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

525. The SPEAKER presented a petition of The American Legion, Department of West Virginia, 60th Annual Convention, Charleston, W. Va., relative to the performance of the Committee on Veterans' Affairs, and its chairman, Hon. Ray Roberts, which was referred to the Committee on Veterans' Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7308

By Mr. KEMP:

—Page 62, after line 15, insert the following new subsection:

(l)(1) Notwithstanding any other provision of this title, whenever the President has reason to believe that, based upon information obtained through an electronic surveillance under this title or otherwise, an individual who has diplomatic immunity conferred by the United States is, within the United States, intercepting by electronic means the communications of individuals in the United States and that such intercepting of communications is being conducted on behalf of a foreign power and in violation of the laws of the United States, the President shall—

(A) so inform the chairman and ranking minority member, or, in his discretion, the members, of the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate;

(B) except as provided under paragraph (2), so inform any individual believed to be a particular target of such intercepting of communications in order that such individual may take such precautions as such individual considers advisable; and

(C) except as provided under paragraph (2), so inform the Ambassador or Charge d'Affairs or other principal representative of such foreign power to the United States, inform such Ambassador or Charge d'Affairs or other principal representative that such intercepting of communications is illegal under the laws of the United States, and request that such intercepting of communications be ceased immediately.

(2) The President shall not be required to comply with the provisions of subparagraph (B) or (C) of paragraph (1) in any case in which the President certifies in writing to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate that to comply with the provisions of such subparagraph would cause serious damage to the national security of the United States.

H.R. 7308

By Mr. MCCLORY:

—Page 39, after line 10, insert the following subparagraph:

(i) a foreign power which is not a United States person or an agent of a foreign power who is not a United States person unless the country of origin of such foreign power or such agent of a foreign power requires an order of a court or other similar tribunal of such country to authorize the use of electronic means to intercept in such country the communications of a U.S. person which are either sent from or intended to be received in such country;

Redesignate subparagraphs (i) and (ii) accordingly.

H.R. 7308

By Mr. WIGGINS:

—Page 32, line 7, strike out ", which activities involve" and all that follows down through line 9 and insert in lieu thereof ";".

Page 32, line 14, strike out ", which activities involve" and all that follows down through line 16 and insert in lieu thereof ";".

H.R. 12452

By Mr. ERLENBORN:

—Page 45, strike out line 8 and everything that follows through line 16, and insert in lieu thereof the following:

(B) All persons employed in public service jobs under this title will be assured of workmen's compensation, health insurance, unemployment insurance, and other benefits at the same levels and to the same extent as other employees of the employer and to working conditions and promotional opportunities neither more nor less favorable than such other employees enjoy. Nothing in this subparagraph or in paragraph (4) shall be deemed to require the enrollment of persons employed in public service jobs in retirement systems or plans for the purpose of providing retirement benefits based on age or service, or both.

Page 45, beginning on line 20, strike out "1979" and insert in lieu thereof "1980"; and, beginning on line 20, strike out "With respect to" and everything that follows through line 25 and insert in lieu thereof the following: "With respect to participants other than those described in the preceding sentence, funds under this Act may, notwithstanding paragraph (3)(B), be used for contributions to retirement systems or plans (other than pursuant to the Social Security Act) only to the extent such contributions are used to provide benefits such as health and death and disability and are not used for retirement benefits based on age or service, or both."

H.R. 12452

By Mr. JEFFORDS:

—Page 37, line 15 strike the word "paragraph" and insert in lieu thereof "paragraphs", and insert after "3" the words "through 6".

Page 38, strike line 1 and everything that follows through line 8 and insert in lieu thereof the following:

"(3) For the fiscal year ending September 30, 1979, there are authorized to be appropriated for carrying out the provisions of this Act an amount not to exceed—

(A) $4,000,000,000 for carrying out the provisions of title II;

(B) $2,250,000,000 for carrying out the provisions of title IV;

(C) $3,200,000,000 for carrying out the provisions of title VI, except

(i) if the rate of unemployment projected pursuant to section 602 exceeds 6.5 percentum, such authorization shall be such sums as may be necessary, or

(ii) if the rate of unemployment is such that the number of jobs projected requires less than such authorization, then the lesser amount shall apply,

(D) $500,000,000 for carrying out the provisions of title VI, and

(E) $267,000,000 for carrying out the provisions of title VIII;

(4) For the fiscal year ending September 30, 1980, there are authorized to be appropriated for carrying out the provisions of this Act an amount not to exceed—

(A) $4,290,000,000 for carrying out the provisions of title II;

(B) $2,400,000,000 for carrying out the provisions of title IV;

(C) $3,200,000,000 for carrying out the provisions of title VI, except as provided for in paragraph (a)(1)(C);

(D) $525,000,000 for carrying out the provisions of title VII, and

(E) $290,000,000 for carrying out the provisions of title VIII;

(5) For the fiscal year ending September 30, 1981, there are authorized to be appropriated for carrying out the provisions of this Act an amount not to exceed—

(A) $4,583,000,000 for carrying out the provisions of title II; and

(B) $3,200,000,000 for carrying out the provisions of title VI, except as provided for in paragraph (a)(1)(C);

(6) For the fiscal year ending September 30, 1982, there are authorized to be appropriated for carrying out the provisions of this Act an amount not to exceed—

(A) $4,876,000,000 for carrying out the provisions of title II; and

(B) $3,200,000,000 for carrying out the provisions of title VI, except as provided for in paragraph (a)(1)(C);

—Page 42, line 14, strike out "three" and insert in lieu thereof "five".

Page 44, line 24, strike out "three" and insert in lieu thereof "five".

—Page 98, strike out lines 7 through 9 and insert in lieu thereof the following:

"SEC. 212. (a) No prime sponsor shall use—

"(1) more than 50 per centum of the funds allocated to it under section 202(a) for the fiscal year ending September 30, 1979, for

payment wages and employment benefits for public service employment;

"(2) more than 40 per centum of such funds for the fiscal year ending September 30, 1980, for such purpose;

"(3) more than 30 per centum of such funds for the fiscal year ending September 30, 1981, for such purpose; and

"(4) more than 25 per centum of such funds for any fiscal year thereafter for such purpose.

—Page 41, line 13, strike out "Special consideration shall be given" and insert in lieu therof "Preference shall be given".

—Page 106, line 4, redesignate subsection (g) as subsection (h) and insert immediately before such line the following new subsection:

"(g) The Secretary shall establish a special program for the funding of local workshops for the training of youths and other individuals who wish to pursue careers as self-employed owners and managers of small businesses. Such workshops should provide instruction in management techniques, business communication skills, motivational training, special problems in business operation, advice concerning Federal and State regulations, preparation of financial statements and loan applications, recordkeeping, development of marketing techniques, and information on beneficial resources available within the community.

—Page 211, after line 11, insert the following new paragraph:

"(2) developing a small business intern program to provide a practical training enabling youths and other individuals to work in small business firms to acquire firsthand knowledge and management experience about small business;

Redesignate the succeeding paragraphs accordingly.

—Page 7, line 2, insert "self-employment training programs," immediately after "rehabilitation,".

Page 97, line 4, insert ", including small business self-employment training" immediately after "training".

Page 118, line 21, insert "or self-employment" after "employment".

Page 128, line 17, insert "or self-employment" after "employment".

Page 136, line 8, insert "self-employment," after "education,".

Page 158, line 19, insert "or self-employment" after "employment".

Page 159, line 20, insert "or self-employment" immediately before the semicolon.

—Page 112, after line 11, insert the following new subsection:

"(d) For purposes of carrying out this section, the Secretary shall reserve not less than 2 per centum of the funds available to carry out this title.

—Page 205, line 7, insert ", not exceeding two years," immediately after "of a limited duration".

H.R. 12452

By Mr. LAGOMARSINO:

—On page 111, after line 10, add the following:

(c) In administering programs under this Section, the Secretary shall consult with appropriate State and local officials and may enter into agreements with such officials to assist in the operation of such programs. In implementing this Section the Secretary shall determine, in consultation with appropriate State and local educational agencies, that no substantial duplication will exist.

H.R. 12452

By Mr. MAGUIRE:

—Page 20, line 8, insert ", in whole or in relevant part," immediately after "any such plan".

Page 20, line 11, insert immediately before the period the following: "or such allocation would be grossly inefficient in promoting, or unrelated to, the purposes of this Act".

—On page 20, immediately after "(b)" insert "(1)", on page 21, change "(1)" in line 4 to "(A)", "(2)" in line 8 to "(B)", "(3) in line 11 to "(C):, "(4) in line 14 to "(D):, and immediately after line 17 insert the following paragraph:

"(2)(A) Any objective programmatic performance data collected of prime sponsors by the Secretary which is, or could be, used to rank prime sponsors in comparison to each other or for other analytical purposes, a result of which would be to systematically provide an incentive or inducement to prime sponsors to fail to give special consideration, to the maximum extent possible, to eligible persons who are the most severely disadvantaged in terms of the length of unemployment and prospects for finding employment prior to program participation, shall be deemed an undesirable performance indicator.

"(B) The Secretary shall replace or eliminate the use of undesirable performance indicators as expeditiously as prompt development of adequate alternative management information techniques which do not suffer the defect of providing an incentive or inducement described under subparagraph (A) permits. The Secretary shall report to Congress periodically on the progress of development and implementation efforts thereof.

—Page 29, line 16, insert immediately after the period the following: "In the event of any such withholding, the Secretary may order the prime sponsor to conduct the program as specified in the applicable plan on the basis of funds other than funds under this Act and may enforce such order by appropriate civil action."

—Page 41, line 13, strike out "in filling public service jobs" and insert in lieu thereof "in allocating assistance or jobs under this Act".

—Page 52, line 19, insert "(1)" immediately after "(g)" and immediately after line 25 insert the following new paragraphs:

"(2) Nothing in section 121 or this section shall be deemed to authorize the Secretary to pre-approve the selection of legal counsel by a prime sponsor, but the Secretary shall assure that no funds available for administrative costs under any title of this Act are used by a prime sponsor for making payments on contracts for legal or other associated services unless substantively comparable services are not available from the Department of Labor (provided use of such services would not cause a conflict of interest within the Department of Labor) and the prime sponsor certifies that——

"(A) the payments are not unreasonable in relation to the fees charged by other contractors providing similar services, and in any event, do not exceed the rate of pay of CS–18; and

"(B) the services could not be competently provided through employees of the prime sponsor or other available State or local governmental employees.

"(3) Where a prime sponsor has incurred legal costs in litigation with the Department of Labor, and costs are questioned in a Department audit, the allowability shall be reviewed in the office of the Assistant Secretary of Labor for Employment and Training.

—On page 68, immediately after line 16, insert the following new subsection:

"(g) The Secretary shall report to Congress, within one year of enactment of this Act, his recommendations for legislative changes designed to increase the representatives and independence of the prime sponsor's planning councils, with special attention to the process for selecting council memberships.

H.R. 13511

By Mr. VANIK:

(Amendment in the nature of a substitute.)

—Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Tax Cut Extension Act of 1978".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. EXTENSION OF CERTAIN INDIVIDUAL INCOME TAX REDUCTIONS.

(a) GENERAL TAX CREDIT.—Section 42 (relating to general tax credit) is amended by adding at the end thereof the following new subsection:

"(f) TERMINATION.—This section shall not apply to any taxable year ending after December 31, 1980."

SEC. 3. EXTENSION AND SIMPLIFICATION OF EARNED INCOME CREDIT.

(a) Section 43 (relating to the earned income credit) is amended to read as follows:

SEC. 43. EARNED INCOME.

(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of so much of the earned income for the taxable year as does not exceed $4,000.

(b) LIMITATION.—The amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall not exceed the excess (if any) of—

(1) $400, over

(2) 10 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $4,000."

(c) DEFINITIONS.—For purposes of this section—

(1) ELIGIBLE INDIVIDUAL.—

(A) IN GENERAL.—The term "eligible individual" means an individual who, for the taxable year—

(i) is married (within the meaning of section 143) and is entitled to a deduction under section 151 for a child (within the meaning of section 151(e)(3)).

(ii) is a surviving spouse (as determined under section 2(a)), or

(iii) is a head of a household (as determined under subsection (b) of section 2 without regard to subparagraphs (A)(ii) and (B) of paragraph (1) of such subsection).

(B) CHILD MUST RESIDE WITH TAXPAYER IN THE UNITED STATES.—An individual shall be treated as satisfying clause (i) of subparagraph (A) only if the child has the same principal place of abode as the individual and such abode is in the United States. An individual shall be treated as satisfying clause (ii) or (iii) of subparagraph (A) only if the household in question is in the United States.

(C) INDIVIDUAL ENTITLED TO EXCLUDE INCOME UNDER SECTION 911 NOT ELIGIBLE INDIVIDUAL.—The term "eligible individual" does not include an individual who, for the taxable year, is entitled to exclude any amount from gross income under section 911 (relating to earned income from sources without the United States) or section 931 (relating to income from sources within the possessions of the United States).

(2) EARNED INCOME.—

(A) The term "earned income" means—

(i) wages, salaries, tips and other employee compensation, plus

(ii) the amount of the taxpayer's net earnings from self-employment for the taxable

year (within the meaning of section 1402 (a)).

(d) MARRIED INDIVIDUALS.—In the case of an individual who is married (within the meaning of section 143), this section shall apply only if a joint return is filed for the taxable year under section 6013.

(e) TAXABLE YEAR MUST BE FULL TAXABLE YEAR.—Except in the case of a taxable year closed by reason of the death of the taxpayer, no credit shall be allowed under this section in the case of a taxable year covering a period of less than 12 months.

(f) AMOUNT OF CREDIT TO BE DETERMINED UNDER TABLES.—

(1) IN GENERAL.—The amount of the credit allowed by this section shall be determined under tables prescribed by the Secretary.

(2) REQUIREMENTS FOR TABLES.—The tables prescribed under paragraph (1) shall reflect the provisions of subsection (a) and (b) and shall have income brackets of not greater than $50 each—

(A) for earned income between 0 and $8,000, and

(B) for adjusted gross income between $4,000 and $8,000.

SEC. 4. EXTENSION OF CERTAIN CORPORATE INCOME TAX REDUCTIONS.

The following provisions are each amended by striking out "December 31, 1978" and inserting in lieu thereof "December 31, 1980" and by striking out "January 1, 1979" and inserting in lieu thereof "January 1, 1981":

(1) section 11(b) (relating to normal tax);

(2) section 11(d) (relating to surtax exemption);

(3) section 821(a)(1) (relating to mutual insurance companies); and

(4) section 821(c)(1)(A) (relating to alternative tax for certain small companies).

SEC. 5. NEW TARGETED JOBS TAX CREDIT.

Section 51 (relating to amount of credit) is amended to read as follows:

SEC. 51. AMOUNT OF CREDIT.

(a) DETERMINATION OF AMOUNT.—The amount of the credit allowable by section 44B for the taxable year shall be the sum of—

(1) 50 percent of the qualified first-year wages for such year, and

(2) 16⅔ percent of the qualified second-year wages for such year.

(b) QUALIFIED WAGES DEFINED.—For purposes of this subpart—

(1) IN GENERAL.—The term "qualified wages" means the wages paid or incurred by the employer during the taxable year to individuals who are members of a targeted group.

(2) QUALIFIED FIRST-YEAR WAGES.—The term "qualified first-year wages" means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer (or, in the case of a vocational rehabilitation referral, the day the individual begins work for the employer on or after the beginning of such individual's rehabilitation plan).

(3) QUALIFIED SECOND-YEAR WAGES.—The term "qualified second-year wages" means, with respect to any individual, the qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under paragraph (2).

(4) ONLY FIRST $6,000 OF WAGES PER YEAR TAKEN INTO ACCOUNT.—The amount of the qualified first-year wages, and the amount of the qualified second-year wages, which may be taken into account with respect to any individual shall not exceed $6,000 per year.

(5) WAGES DEFINED.—Except as provided in subsection (g)(2), the term "wages" has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section).

(c) MEMBERS OF TARGETED GROUPS.—For purposes of this subpart—

(1) IN GENERAL.—An individual is a member of a targeted group if such individual is—

(A) a WIN registrant,

(B) a vocational rehabilitation referral,

(C) a food stamp youth,

(D) a Vietnam veteran who is a member of a household receiving food stamps,

(E) an SSI recipient,

(F) a general assistance recipient, or

(G) a youth participating in a qualified cooperative education program.

(2) WIN REGISTRANT.—The term "WIN registrant" means any individual who is certified by the Secretary of Labor as having been placed in employment under a work incentive program established under section 432(b)(1) of the Social Security Act.

(3) VOCATIONAL REHABILITATION REFERRAL.—The term "vocational rehabilitation referral" means any individual who is certified by the Secretary of Labor or by the appropriate vocational rehabilitation agency as—

(A) having a physical or mental disability which, for such individual, constitutes or results in a substantial handicap to employment, and

(B) having been referred to the employer upon completion of (or while receiving) rehabilitative services pursuant to—

(i) an individualized written rehabilitation plan under a State plan for vocational rehabilitation services approved under the Rehabilitaiton Act of 1973, or

(ii) a program of vocational rehabilitation carried out under chapter 31 of title 38, United States Code.

(4) FOOD STAMP YOUTH.—

(A) IN GENERAL.—The term "food stamp youth" means any individual who is certified by the Secretary of Labor as meeting—

(i) the age requirements of subparagraph (B), and

(ii) the food stamp requirements of paragraph (9).

(B) AGE REQUIREMENTS.—An individual meets the age requirements of this subparagraph if such individual has attained age 18 but not age 25 on the hiring date. For purposes of the preceding sentence, an individual who, on the hiring date, has attained age 16 and has graduated from high school or a vocational school shall be treated as having attained age 18.

(5) VIETNAM VETERAN WHO IS MEMBER OF HOUSEHOLD RECEIVING FOOD STAMPS.—The term "Vietnam veteran who is member of a household receiving food stamps" means any individual who is certified by the Secretary of Labor as—

(A)(i) having served on active duty (other than active duty for training) in the Armed Forces of the United States for a period of more than 180 days, any part of which occurred after August 4, 1964, and before May 8, 1975, or

(ii) having been discharged or released from active duty in the Armed Forces of the United States for a service-connected disability if any part of such active duty was performed after August 4, 1964, and before May 8, 1975,

(B) not having any day during the pre-employment period which was a day of extended active duty in the Armed Forces of the United States, and

(C) meeting the food stamp requirements of paragraph (9).

For purposes of subparagraph (B), the term "extended active duty" means a period of more than 90 days during which the individual was on active duty (other than active duty for training).

(6) SSI RECIPIENTS.—The term "SSI recipient" means any individual who is certified by the Secretary of Labor as receiving supplemental security income benefits under title XVI of the Social Security Act (including supplemental security income benefits of the type described in section 1616 of such Act or section 212 of Public Law 93-66) for any month ending in the pre-employment period.

(7) GENERAL ASSISTANCE RECIPIENTS.—

(A) IN GENERAL.—The term "general assistance recipient" means any individual who is certified by the Secretary of Labor as receiving assistance under a qualified general assistance program for any period of not less than 30 days ending within the pre-employment period.

(B) QUALIFIED GENERAL ASSISTANCE PROGRAM.—The term "qualified general assistance program" means any program of a State or a political subdivision of a State—

(i) which provides general assistance or similar assistance which—

(I) is based on used, and

(II) consists of money payments, and

(ii) which is designated by the Secretary (after consultation with the Secretary of Health, Education, and Welfare, as meeting the requirements of clause (i).

(8) YOUTH PARTICIPATING IN A QUALIFIED COOPERATIVE EDUCATION PROGRAM.—

(A) IN GENERAL.—The term "youth participating in a qualified cooperative education program" means any individual who is certified by the school participating in the program as—

(i) having attained age 16 and not having attained age 19,

(ii) not having graduated from a high school or vocational school, and

(iii) being enrolled in and actively pursuing a qualified cooperative education program.

(B) QUALIFIED COOPERATIVE EDUCATION PROGRAM DEFINED.—The term "qualified cooperative education program" means a program of vocational education for individuals who (through written cooperative arrangements between a qualified school and 1 or more employers) receive instruction (including required academic instruction) by alternation of study and school with a job in any occupational field (but only if these 2 experiences are planned by the school and employer so that each contributes to the student's education and employability).

(C) QUALIFIED SCHOOL DEFINED.—The term "qualified school" means—

(i) a specialized high school used exclusively or principally for the provision of vocational education to individuals who are available for study in preparation for entering the labor market,

(ii) the department of a high school exclusively or principally used for providing vocational education to persons who are available for study in preparation for entering the labor market, or

(iii) a technical or vocational school used exclusively or principally for the provision of vocational education to persons who have completed or left high school and who are available for study in preparation for entering the labor market.

A school which is not a public school shall be treated as a qualified school only if it is exempt from tax under section 501(a).

(D) INDIVIDUAL MUST BE CURRENTLY PURSUING PROGRAM.—Wages shall be taken into account with respect to a qualified cooperative education program only if the wages are attributable to services performed while the individual meets the requirements of subparagraph (A).

(9) FOOD STAMP REQUIREMENTS.—An individual meets the food stamp requirements of this paragraph if the appropriate food stamp agency determines that, during the pre-employment period, such individual was a member of a household which, at any time

during such period, was receiving food stamps under the Food Stamp Act of 1977.

(10) PRE-EMPLOYMENT PERIOD.—The term "pre-employment period" means the 60-day period ending on the hiring date.

(11) HIRING DATE.—The term "hiring date" means the day the individual is hired by the employer.

(d) QUALIFIED FIRST-YEAR WAGES CANNOT EXCEED 30 PERCENT OF FUTA WAGES FOR ALL EMPLOYEES.—The amount of the qualified first-year wages whch may be taken into account under subsection (a)(1) for any taxable year shall not exceed 30 percent of the aggregate unemployment insurance wages paid by the employer during the calendar year ending in such taxable year. For purposes of the preceding sentence, the term "unemployment insurance wages" has the meaning given to the term "wages" by section 3306(b).

(e) REMUNERATION MUST BE FOR TRADE OR BUSINESS EMPLOYMENT.—

(1) IN GENERAL.—For purposes of this subpart, remuneraton paid by an employer to an employee during any year shall be taken into account only if more than one-half of the remuneration so paid is for services performed in a trade or business of the employer.

(2) SPECIAL RULE FOR CERTAIN DETERMINATION.—Any determination as to whether paragraph (1), or subparagraph (A) or (B) of subsection (g)(1), applies with respect to any employee for any year shall be made without regard to subsectons (a) and (b) of section 52.

(3) YEAR DEFINED.—For purposes of this subsection and subsection (g), the term "year" means the taxable year; except that, for purposes of applying so much of such subsections as relates to subsection (d), such term means the calendar year.

(f) SECRETARY OF LABOR TO NOTIFY EMPLOYERS OF AVAILABILITY OF CREDIT.—The Secretary of Labor, in consultaton with the Internal Revenue Service, shall take such steps as may be necessary or appropriate to keep employers apprised of availability of the credit provided by section 44B.

(g) SPECIAL RULES FOR AGRICULTURAL LABOR AND RAILWAY LABOR.—For purposes of this subpart—

(1) UNEMPLOYMENT INSURANCE WAGES.—

(A) AGRICULTURAL LABOR.—If the services performed by any employee for an employer during more than one-half of any pay period (within the meaning of section 3306(d)) taken into account with respect to any year constitute agricultural labor (within the meaning of section 3306(k)), the term "unemployment insurance wages" means, with respect to the remuneration paid by the employer to such employee for such year, an amount equal to so much of such remuneration as constitutes "wages" within the meaning of section 3121(a), except that the contribution and benefit base for each calendar year shall be deemed to be $6,000.

(B) RAILWAY LABOR.—If more than one-half of remuneration paid by an employer to an employee during any year is remuneration for service described in section 3306(c)(9), the term "unemployment insurance wages" means, with respect to such employee for such year, an amount equal to so much of the remuneration paid to such employee during such year which would be subject to contributions under section 8(a) of the Railroad Unemployment Insurance Act (45 U.S.C. 358(a)) if the maximum amount subject to such contributions were $500 per month.

(2) WAGES.—In any case to which subparagraph (A) or (B) of paragraph (1) applies, the term "wages" means unemployment insurance wages (determined without regard to any dollar limitation).

H.R. 13511

By Mr. WOLFF:

—Page 44, line 14, insert the following:

Subtitle D—Taxpayer Service Accountability

SEC. 126. Section 6601 of the Internal Revenue Code of 1954 (relating to underpayments, etc. of tax) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new section:

"(k) SUSPENSION OF INTEREST ON UNDERPAYMENTS WHICH ARE ATTRIBUTABLE TO INTERNAL REVENUE SERVICE ERROR.—Interest shall not be imposed under subsection (a) for any period ending on or before the 30th day after the date of notice and demand by the Secretary for payment of the amount of an underpayment, on any portion of such underpayment which is attributable to information, advice, or an interpretation given in writing to the taxpayer by an officer or employee of the Internal Revenue Service acting in his official capacity, and is not attributable to a failure by the taxpayer to provide adequate and accurate information."

SEC. 127. Subsection (a) of section 6653 of such Code (relating to failure to pay tax) is amended by adding at the end thereof the following: "No amount shall be added to such tax by this subsection with respect to any portion of an underpayment which is attributable to information, advice, or an interpretation given in writing to the taxpayer by an officer or employee of the Internal Revenue Service acting in his official capacity, and is not attributable to a failure by the taxpayer to provide adequate and accurate information."

SEC. 128. The amendments made by this Act shall apply with respect to information, advice, and interpretations received by the taxpayer after the date of the enactment of this Act.

H.R. 13635

By Mr. DORNAN:

—Page 58, after line 15, insert the following new section:

SEC. 863. None of the funds appropriated by this Act may be used to pay for abortions performed by any means, nor may any of such funds be used to promote or encourage abortions.

EXTENSIONS OF REMARKS

NEW YORK'S BARGE CANAL DESERVES FEDERAL ASSISTANCE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. LaFALCE. Mr. Speaker, back in the early 1800's Gov. DeWitt Clinton of New York State courageously invested the State's resources in the development of the Erie Canal. "Clinton's Ditch," as it was disparagingly called, turned out to be a major success story for the State and for the Nation as a whole. It became the major link between the East and the Midwestern part of the United States.

From that day to this the State of New York has reemphasized its commitment to waterborne commerce. Now the barge canal system remains as one of only two of which I am aware which is entirely State supported. All other inland waterways in the United States are assisted by the Federal Government.

I believe that this Congress ought to recognize the barge canal for what it is—a major link in a national system. Seen in this perspective, it is clearly deserving of Federal operating assistance.

Recently the Medina Journal-Register, a daily newspaper in my congressional district, published an editorial on this issue. I think it warrants the attention of all our colleagues in Congress, and accordingly I submit it to be printed in the RECORD at this time.

The editorial follows:

REQUEST IS LATE

Speaking in Albion Saturday before the sesquicentennial ceremonies audience, State Transportation Commissioner William C. Hennessy stated that New York State is now attempting to get the federal government to assume a portion of the expense of operating the Barge Canal System. Hennessy revealed that he was taking his appeal to Washington later this month with the hope that it would receive favorable attention at a Senate subcommittee hearing.

He bases his appeal on the position that the federal government is taking in financing most of the canals throughout the United States.

We wish the commissioner well. However, we feel that the request is being made several decades late.

Outside of its transportation use, probably no county in the state has received more benefits from the canal system since its inception than Orleans. And in its earlier days, even transportation was an item. There were times when the quarrying industry, an active and prosperous one at the time, depended on the canal for the transportation of its products and much of the grain that was grown in our county was shipped to outside points through the use of the canal.

Through generous use of state funds the canal system has been maintained in excellent condition and we here in Medina have had sufficient opportunity of observing the annual costs of maintaining the waterway. By virtue of its natural course we are blessed with one of the finest harbors to be found along the entire system. We have also had an opportunity of observing just how expensive it is to keep the state waterway in the proper condition to accommodate not only for generous use by pleasure craft but the depth necessary for what commercial usage is being made at present.

Certainly New York State can use to advantage any assistance that the federal government might make in supporting the canal throughout the state. Just what sort of a case Commissioner Hennessy will make before the subcommittee in Washington we have no way of evaluating. It is not conceivable that it will be based on the past economic effects that the canal has had (and they were of national concern then for the canal opening was responsible for a most

substantial reduction in rates then charged by the railroads.)

We must recognize that what we see here in Orleans County is only a small part of the canal system, a part that probably has as little usage for commercial crafts as any segment in the state.

But there are peripheral usages, such as a feeder for streams that bisect the canal, as we have an opportunity of observing here in Orleans County, and particularly in Medina where Oak Orchard Creek is dependent during much of the year on canal for adequate supply for power plants.

We trust that federal assistance for the canal can be obtained. But we are many years late in making our application.●

U.S. TREASURY POSITION ON AIRPORT AND AIRCRAFT NOISE REDUCTION ACT, H.R. 8729, TITLE III

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. ANDERSON of California. Mr. Speaker, this past week a letter which I had requested from the Department of the Treasury was forwarded to the Honorable James J. Delaney, chairman of the Rules Committee. A copy was furnished to me.

The letter sets out the position of the Treasury regarding title III of H.R. 8729.

It especialy answers certain questions which had been raised before the Rules Committee.

I feel it appropriate to bring this information to the attention of the Members as they prepare to consider this important issue.

The letter follows:

DEPARTMENT OF THE TREASURY,
Washington, D.C., July 31, 1978.

Hon. JAMES J. DELANEY,
Chairman, House Committee on Rules,
Washington, D.C.

DEAR MR. DELANEY: Congressman Glenn M. Anderson, Chairman of the Aviation Subcommittee on Public Works and Transportation, wrote to Secretary Blumenthal requesting clarification of the Treasury's position as to H.R. 11986, the Noisy Aircraft Revenue and Credit Act of 1978. Mr. Anderson stated that the following questions were raised in recent hearings before your Committee and asked for clarification as to the Treasury's position thereon.

(1) Is H.R. 11986 consistent with our tax laws in other areas in requiring carriers receiving credits under the bill to report such credits as ordinary income and also in allowing carriers to use the investment tax credit for amounts received as credits against the excise taxes;

(2) Does H.R. 11986 provide sufficient accountability so as to assure the funds made available to carriers will receive adequate scrutiny by the Federal Government; and

(3) Do we believe that the credits to the carriers should be available for qualifying aircraft noise suppression expenditures going back to January 25, 1977?

Originally, it was proposed in H.R. 8729 that airline operators be required to impose a tariff surcharge and keep the surcharge revenues in a separate account to be used for the retrofit or replacement of noncomplying noisy aircraft. That bill would have excluded the surcharge revenues from the gross income of the carriers. The Treasury Department argued that any funds made available to the carriers from payment by customers, should, following normal tax accounting rules, be treated as gross income to the carriers. H.R. 11986 follows our recommendations in requiring the credits against excise tax to be counted as gross income. Once this is done, it is consistent with general tax rules to grant the investment credit for amounts invested in aircraft that are paid for by credits against excise tax revenues.

In the part of H.R. 11986 setting forth the proposed rules for the allowance of credits for qualified aircraft expenditures, the Secretary of the Treasury is given the authority to prescribe such regulations as may be necessary to carry out the provision. Furthermore, no credit or refund is to be allowed to an airline unless the Secretary of the Treasury receives a certification of the qualified expenditures from the Secretary of Transportation. These provisions, plus the general authority these Departments have to enforce laws within their jurisdiction, provide adequate authority for the agencies to fully review and enforce the proposed requirements as to use of the excise tax funds.

During consideration of the financing provisions by the House Committee on Ways and Means, the Treasury Department supported the "retroactive" features of the credits. Making credits available for qualifying expenditures after January 24, 1977, is a matter of equity to those operators who have already made expenditures to comply with the Federal Aviation Administration's rules as to noise standards which were effective as of January 24, 1977, for pre-December 31, 1974, production aircraft of pre-1969 design.

Sincerely,

DONALD C. LUBICK,
Assistant Secretary for Tax Policy.●

TENTH DISTRICT RESPONDS TO CONGRESSIONAL QUESTIONNAIRES

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. BAFALIS. Mr. Speaker, every year since I arrived in the Congress, I have conducted a district-wide public opinion sampling, involving the mailing out of some 345,000 questionnaires.

This year, we received some 31,000 responses, and there is no doubt that the people of Florida's 10th District have two major concerns—inflation and our foreign policy.

The people are concerned about detente with the Soviet Union, particularly since they fear the United States is the weaker militarily.

I would like to share the results of the questionnaire with you so that every Member of Congress will know of their concerns.

Almost 81 percent of the 31,601 responses tabulated in the sixth annual districtwide questionnaire called for a hardening of our policy toward the Soviet Union. Another 17.8 percent said our present policy should be maintained, while 1.7 said our policy should be eased.

At the same time, 53.8 percent of the responses viewed our defense capability as less than that of the Soviet Union, while 37 percent said both countries were about equal militarily. Only 9.1 percent said we were stronger than the U.S.S.R.

On a related issue, 72.5 percent of those responding said they would favor restoration of the draft as a means of manning our Armed Forces, while 27.5 percent opposed the idea.

The 10th district opposition to a soft line toward the Soviet Union is about the same as its opposition to detente with Red China at the expense of Taiwan. More than 78 percent of the responses opposed recognition of Red China at the expense of Nationalist China; only 21.5 percent favored such a course.

On economic issues, the 10th district favors a substantial tax cut and higher tariffs on foreign-made products.

Asked if they would favor a substantial tax reduction as a means of stimulating the economy, 76.9 percent said yes.

At the same time, 53.8 percent said they would support higher tariffs as a means of reducing the volume of imported goods, even though it would mean higher prices.

On another economic question, the voters of the 10th District overwhelmingly blamed the Congress for the inflation now plaguing our economy. Almost 63 percent of the responses blamed the Congress; only 19.6 blamed big business, 8.5 percent the President, and 9 percent the public.

The 10th district is also overwhelmingly opposed to "cradle to grave" Federal health insurance. More than 72 percent of the responses favored catastrophic insurance from private carriers as the solution to the Nation's health crisis; only 27.9 percent favored a Government program.

The people were equally as adamant in their opposition to any extension of the time given for ratification of the Equal Rights Amendment. Almost 72 percent of those responding said they were opposed to granting an extension to the 7-year limit; while 28.3 percent said they would endorse an extension.

The district is even more adamant in its opposition to legislation allowing government employees—on any level—to strike. More than 92 percent of the responses were in opposition to government strikes; only 7.4 percent approved.

The voters of the 15-county district are opposed to Government regulation of business. Asked if they felt the Government should regulate business to protect consumers and workers, only 37.8 percent said yes; 62.2 percent said no.

Tenth district residents showed their concern with foreign policy and economic matters when asked to rank those issues considered most important.

The issue selected as the single most important was maintaining a strong national defense, which was No. 1 on 31.4 percent of the responses. It was followed closely by reducing inflation which was No. 1 on 29.4 percent of the returns.

Looking at the issues selected most as either first or second, economics moved to the forefront. Nearly 46 percent of the returns chose reducing inflation as either No. 1 or No. 2, while 41.7 percent picked national defense as either 1 or 2.

The third-ranked issue was reducing the size of Government, selected No. 1 on 9.6 percent of the returns, followed closely by solving the energy problem which placed No. 1 on 8.5 percent. Fifth came balancing the budget, which showed up as No. 1 on 8.3 percent, although it showed even better among the issues

chosen first or second, appearing then on 20.8 percent of the ballots.

Sixth on the list was restoring confidence in Government, placing No. 1 on 6.5 percent of the ballots, while welfare reform came next showing up first on 6 percent. Reducing crime placed eighth, coming first on 4 percent, with reducing unemployment close behind on 3.8 percent of the returns.

Cleaning up the environment was 10th among the 10 choices listed, showing up 1st on 3 percent of the returns. Another 1.2 percent offered their own suggestions for the issue deserving of top priority.●

OVERCOMING CETA'S SHORTCOMINGS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. GOODLING. Mr. Speaker, in the very near future, the House will take under consideration H.R. 12452, a bill to amend and extend the Comprehensive Employment and Training Act, commonly known as CETA. Since its inception, CETA has provided State and local units of government funds to provide unemployed persons with training and employment opportunities. However, it has done little to involve itself with the private sector of our economy; the place where employment opportunities exist, and the one place where we can be sure that employment opportunities will continue to exist and increase. The bill which was favorably reported by the House Education and Labor Committee, H.R. 12452, makes an effort to overcome the shortcomings of the past that is, the lack of cooperation with the private sector.

Title VII of H.R. 12452, Private Sector Opportunities for the Economically Disadvantaged, is this first bold attempt. The House bill would authorize $400 million for fiscal year 1979, and such sums as may be necessary for fiscal year 1980, for a demonstration program to test the effectiveness of a variety of approaches to increase the involvement of the business community in employment and training activities supported under the act and to increase the private sector employment opportunities for economically disadvantaged persons. Grants would be made available to prime sponsors for the establishment of private industry councils (PIC's). The bill requires that a majority of the PIC's membership be from the business community, and at least half of the business representatives would have to be from small businesses (firms with under 500 employees), for, as we all know, the largest area for employment opportunities is in the small business community. The House bill requires that any private sector efforts under title VII shall be in addition to and not supplant existing private sector opportunities.

One of the best parts of this private sector initiative is the fact that it is in its own title. It has high visability, rather than being the whim of some bureaucrat and stuck in some other program operation. The visability provided this program by the House bill should insure not only its success, but its continuation. Unfortunately, while I am in full support of the title VII program, I do not think that it goes far enough. I hope that this is just the first step in revamping our employment and training efforts, and that in the next few years most, if not all, of our programs will be operated through the private sector.

Quite aside from the private sector program, I have some serious reservations about the provision of retirement benefits to CETA public service employment participants. Section 121(c)(4) of the bill provides that CETA funds may be used for contributions to retirement systems or plans if the contribution bears a reasonable relationship to the cost of providing benefits to participants. While it is difficult to say how that reasonable relationship is going to be developed, and I am certain that some bureaucrat down at the Labor Department will, with some slight of hand, tell prime sponsors how to demonstrate the relationship, I question the reasonableness of providing CETA participants with retirement benefits. After all, here we have just given them a job and now they get retirement benefits. I can not believe that the House is willing to go along with such an idea. We are supposed to be helping people who are unemployed by providing them transitional employment with the anticipation that they will make it off the Federal payroll; we are not supposed to be providing these people with benefits for the rest of their lives. An amendment to strike the retirement benefits provisions from the bill will be offered, and I urge the House to adopt it.●

OLIN E. TEAGUE VETERANS' HOSPITAL

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. BRINKLEY. Mr. Speaker, it is a special pleasure to support the memorial designation of the "Olin E. Teague Veterans' Hospital."

"TIGER" TEAGUE is an uncommon man, remarkable in achievement, with a reservation in history as the father of the GI bill. His place in the "Sands of Time" has been secured through real service to his fellow man both in the Congress and in the military service of the United States of America.

It is uniquely fitting that we do this because of the record. But what the record does not completely reveal is the depth of character of the man. He is a thoughtful conservative, and notwithstanding the Texas brand which he wears, he is truly an All-American. He leaves a splendid example for all of us to follow and his legacy to the veteran will affect eternity.●

HELP FOR YOUTH GROUPS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. EILBERG. Mr. Speaker, the Nation's most valuable asset is its youth. I have introduced today a bill that is designed to aid the youngsters of our Nation, at minimal cost to the Government, and I trust you will draw the support of my colleagues.

The bill would make independent boys' and girls' clubs eligible to participate in the donated Federal surplus property program. These clubs are designed to provide educational and recreational afterschool activities for our Nation's youngsters. Unfortunately, they are not presently eligible to receive surplus property even though they serve a vital need in the community. Under present law, eligibility is limited to a wide variety of public tax-supported agencies and nonprofit health and educational institutions.

We must face the fact that the Government cannot adequately handle the increasing demands and needs of our children who vitally need an outlet for the excess energy generated during the growing process of the adolescent years. Too often the lack of suitable recreational facilities forces an adolescent into other activities—leading to the involvement of boys and girls, at shockingly early ages, in areas like drug abuse, street crime, and vandalism. Independent girls' and boys' clubs fill the gap left when the coalition of Federal, State, and local governments fails to counteract the peer pressure placed on youngsters to join in grownup activities. I need not remind my colleagues of the importance of providing to impressionable adolescents an alternative to drugs and crime.

Because of the gap left by the lack of government services, local citizens have joined together and formed clubs paid for by various fundraising activities, and staffed these clubs with dedicated men and women who volunteer their time to assure their children of meaningful recreational opportunities. But these clubs find it difficult to keep the facilities properly maintained, especially in these days of inflation. The use of Federal surplus property would go a long way toward insuring that these clubs can continue their much needed service to the youth of the Nation with adequate facilities and supplies.

Mr. Speaker, I ask for the support of my colleagues for H.R. 13783, a bill which will enable these important organizations to participate, along with schools and other community groups, in the Federal surplus property program. By support-

ing my bill, my colleagues will be supporting a valuable program in communities throughout the Nation, it will be an investment in the future of our country.●

IGNORE THE NAZIS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. DERWINSKI. Mr. Speaker, the Members are well aware of the national controversy that has raged during the legal battle precipitated by the so-called American Nazi party, a mere handful of individuals, with their plans to publicize their views during a series of rallies.

In my opinion, the best way to handle this group is to ignore them completely. The July 30 edition of the Star Tribune, a publication serving the suburban communities of Chicagoland, very appropriately editorializes on this subject.

The editorial follows:

[From the Star Tribune, July 30, 1978]

BEST ADVICE ON NAZI RALLIES: IGNORE THEM

Frank Collin and his tiny band of neo-Nazis have announced plans to hold rallies in a number of suburbs, including South Holland and Dolton.

How to handle Collin's group has become a major problem for governmental bodies, civic groups and the news media.

On the one hand, courts have ruled on the issue of free speech, which is one of the basic guarantees in the U.S. Constitution. On the other, Collin's group represents a vile and repugnant point of view.

Collin has even gone as far as claiming he has substantial support in this area. While there may be a few misguided persons who adhere to the thinking of the Nazi party, by and large, most south suburbanites want Collin to crawl back to his Chicago headquarters and stay there.

Since the Nazis thrive on conflict and publicity, there are some very difficult decisions which must be made about their plans.

First, municipal officials must decide on whether to issue permits to the Nazis to hold their rallies in local parks. Secondly, police departments must decide how much security is necessary. Civic groups must decide whether to stage counter-protests. News media officials must decide how to play the stories about the Nazis.

One thing which must be avoided is a tendency to overplay the situation. The Nazis planned march on Skokie received international attention. There's certainly no need for that here.

The best bet would be for local authorities simply to issue the permits, alert their police departments to the possibilities for trouble and let Collin have his say.

Local residents can do their part by ignoring the rallies. If Collin doesn't attract a crowd, he and his would-be "stormtroopers" will just have to leave and go back to selling T-shirts.

For our part, we'll cover the rally situation, because the public must be kept informed of happenings in their community, but we won't overplay the story. There'll be no screaming headlines or sensationalism.

In the end, the best advice is to let the Nazis have their rally, but ignore them. A speaker without an audience has a difficult time getting the point across.●

CALIFORNIA RECOGNITION OF THE STEEL IMPORT PROBLEM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. BROWN of California. Mr. Speaker, the current difficulties that American steel producers are experiencing are well know. What may not be so well known is the impact of these difficulties upon the Western steel market, where import levels at twice the national average have worsened the situation.

Recently, Representative DON CLAUSEN and I sponsored a briefing for Members of Congress on the situation in the Western steel market. Mark Anthony, president of Kaiser Steel, and Jack Sheehan of the United Steelworkers of America, provided a valuable session that brought home a number of points regarding the unique position of the Western States in international trade. The session also dealt with the inadequacies of current trade policies and made suggestions for remedies.

The California Legislature has also been examining the problems that American steel producers are experiencing due to the impact of these disruptions on California's economy. Accordingly, the legislature recently passed Assembly Joint Resolution 91, memorializing the Federal Government to take action to deal with the problem of unfair foreign competition. The text of the resolution follows.

ASSEMBLY JOINT RESOLUTION NO. 91—RELATIVE TO FOREIGN STEEL IMPORTS

Whereas, the California Legislature fully recognizes the importance of international trade, and resulting benefits accruing to the state from tax revenues, job creation and general economic stimulation through bilateral foreign trade; and

Whereas, Both foreign and domestic producers of goods and services are vital to the state's continued stability and general economic development, and these producers should be encouraged to ensure viable economic progress, and fair and equitable competition; and

Whereas, The California Legislature has received communications from employees, employers, and labor leaders of the California steel producing and steel fabricated products industry requesting presidential and congressional action to control the alarming increase of low priced foreign steel imports into the western marketing area; and

Whereas, Steel imported into the western states in 1977 accounted for a record 38 percent (3,311,000 net tons) of the market, as compared to 18 percent nationwide; and

Whereas, There is strong evidence that foreign steel producers are "dumping" their product into the U.S. steel market with the support, subsidy and encouragement of their governments toward the end of sustaining their employment levels; and

Whereas, The impact of this increase in foreign steel imports has caused the permanent closing of steel producing and fabricating facilities in California with resulting permanent loss of jobs; and

Whereas, Two thousand four hundred members of the United Steelworkers of America Union at Kaiser Steel's Fontana California steel mill have collected more than $5,600,000 in federal cash awards after the U.S. Department of Labor found that "increased imports . . . contributed importantly to the unemployment of a significant number of workers" at the Fontana mill; and

Whereas, The loss of long-term job security and resulting payroll, and loss in generation of taxes to support local and state government, could continue unabated without strong affirmative intercession at the federal government level; and

Whereas, There are serious doubts that the "trigger price" mechanism set by federal authorities as a means of imports control, truly serves the needs of western steel producers; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to pursue vigorously the prompt and full enforcement of the Trade Act of 1974 and especially the antidumping laws; and be it further

Resolved, That the recommendation of the Solomon Task Force be promptly and thoroughly reevaluated as to its potential to inadvertently, but disastrously, fail to cope in the western states; and be it further

Resolved, That legislation now pending in Congress be enacted promptly to enable states, under a uniform federal procedure, to establish a system of preferential bidding upon all state set contracts requiring the purchase of steel which preference would allow for the purchase of domestic manufactured and produced steel, and fabricated steel products; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, Chairmen of the House and Senate "Steel Caucus," Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.●

POPE PAUL VI

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. MURPHY of New York. Mr. Speaker, the death of Pope Paul VI, the 262d successor to St. Peter, is certainly a sad moment, not just for Catholics of the world, but for all of mankind. He was a great man who worked tirelessly for world peace and guided the church through times of social and religious unrest; yet he was also a common man who saw the need for the church to open its doors to breathe in some fresh air. He was a progressive who brought together the traditional teachings of Catholicism and the realities of modern humanity; few other Popes in all of history, much less in modern times, have faced, and conquered, such a difficult task.

Pope Paul knew that the church is an institution which "runs without dependence on any single person," and he

brought that sense of individual service toward the church with him when he became Pope in 1963. Seldom has there been such an open and accessible Pope; never in modern times has there been such a shift in opinions and attitudes, both toward and within the church, nor could there have been any more able hands in which to place the guidance of such major changes.

Under his leadership, the church ended the rule which allowed only Latin for the Mass, allowed contemporary music in religious services, and permitted Catholics to eat meat on Fridays. Pope Paul also canonized the very first American-born saint, Mother Elizabeth Ann Seton, who was born in my district of Staten Island, N.Y., and was known for her founding of the Daughters of Charity order of nuns in Emmitsburg, Md.

Pope Paul recognized that the Catholic Church faced great difficulties, and he told his close friends that he wished to die as a pontiff who had kept the church anchored in a time of change. As Christ told his followers, "upon this rock I will build my church." That rock was St. Peter, the first Pope. And during his 15 year papacy, Pope Paul VI maintained the solidity of the rock of St. Peter.●

CALL FOR RELEASE OF LYLE REPORT AND ROGOVIN REPORT ON CIVIL SERVICE REFORM

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. BRODHEAD. Mr. Speaker, in line with the House consideration of civil service reform, I have been contacted by Detroit City Council President Erma Henderson on behalf of her organization, the Women's Conference of Concerns (WCC). The WCC has more than 5,000 members in the Detroit area, many of them constituents of mine.

Ms. Henderson, in communicating the concerns of WCC members about the fairness of proposed reform procedures asked that I contact the U.S. Civil Service Commission to demand public release of the Lyle report on the Civil Service Commission.

I believe that the public release of this report as well as the Rogovin report would be most helpful to the House in the consideration of this important legislation. Therefore, I have written to the Commission asking that the reports be made public. I also wish to go on record as making the same request of the administration.

It is of the utmost importance that the final civil service plan which is approved by Congress safeguards the service from political manipulation and protects the basic rights of Federal employees. With those goals in mind, I ask Members to join with me in seeking release of the Lyle and Rogovin reports.●

A NATION THAT DOES NOT GIVE UP

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. DERWINSKI. Mr. Speaker, in the July 17 RECORD, I inserted an article by Mr. John Sherwood which concerned the story of Lithuania as seen through the current Lithuanian charge d'Affaires here in Washington. The article was carried in the Washington Star and several Lithuanian-American readers of that publication felt that the article contained a number of inaccuracies that needed clarification.

One such reader, Mr. Victor Nakas, in a letter to the editor, refutes the major inaccuracies that he found in the Lithuanian legation article. I insert his reply to Mr. Sherwood's letter at this point:

A NATION THAT DOESN'T GIVE UP

In his July 5 story about the Lithuanian legation in Washington, your John Sherwood displayed a genuine sense of compassion for the tragic fate of the Lithuanian Republic. His recapitulation of Lithuanian history was accurate. However, one important factual inaccuracy as well as the morose tone of the Sherwood narrative are weaknesses that need to be rectified.

Mr. Sherwood makes a glaringly false reference to the "former nation of Lithuania." If the Lithuanian nation does not today occupy the geographical region known before 1940 as the Republic of Lithuania and designated now as the Lithuanian Soviet Socialist Republic, then who does? Perhaps Mr. Sherwood means to imply that Lithuanians have been gradually eradicated as a nation by the Russians since the Second World War? I suggest that he and interested Star readers study Richard Krickus' excellent July 16, 1976, article in Commonweal entitled, "Persecution in Lithuania." It is a case study in the tenacity of a nation.

Lithuanian dissidents succeeded in gathering over 50,000 signatures in the early 1970s to protest against religious discrimination in Soviet-occupied Lithuania. Lithuania's two largest cities, Kaunas and Vilnius, have witnessed major anti-Soviet, anti-Russian demonstrations in May 1972 and October 1977, respectively. The 1972 disturbance became so serious that Soviet troops had to be parachuted in to bring Kaunas under control.

At least three underground samizdat publications flourish in Lithuania today. Former nations do not conduct mass petition drives, engage in bloody demonstrations and publish clandestine materials.

Dr. and Mme. Backis are portrayed by Mr. Sherwood as an aging couple, despairing not only of ever seeing their homeland free once again, but anxious that the days of the legation itself are numbered as well. The Lithuanian legation is made to sound for all the world like a funeral home. This may all be true. It is also true that the Lithuanian legation makes an inviting target for either a tear-jerking story or an object of ridicule. There is more to Lithuanians than a legation.

The demonstrations, samizdat and petitions mentioned above are but a few indicators—and many do exist—that the Lithuanian nation continues to successfully resist the russification policies imposed by the USSR. As for the Lithuanian emigre community, the Lithuanian legation has not been over the past 10 years, and perhaps never was, a leading center of Lithuanian activity. Mr. Sherwood would have done well to focus some of his attention on Lithuanian organizations such as the Lithuanian-American Community, the Lithuanian-American Council, the Supreme Committee for the Liberation of Lithuania, the Knights of Lithuania, which, besides leading the struggle for human rights and self-determination in Soviet-occupied Lithuania, organize an annual Lithuanian opera, operate Lithuanian schools on Saturdays in major U.S. cities, publish Lithuanian poetry and novels, conduct summer camps for Lithuanian-American children, and organize art exhibits.

A dying ethnic group is not granted a meeting with the vice president of the United States. Last June 13, Lithuanian-American leaders met with Mr. Mondale in the White House. Just this past Fourth of July holiday, over 10,000 Lithuanians flocked to Toronto, Ont., for the Lithuanian World Festival, which included a massive song festival, Lithuanian teachers conference, an olympiad with participants from as far away as Australia, and a gathering of delegates to the Lithuanian World Congress. I shouldn't have to be writing these facts about young, vibrant Lithuanians. They should all have been in John Sherwood's article.

One final point. With any luck, blacks in Rhodesia and South Africa will in a few years more have completely thrown off the yoke of colonialism. Then it must be the turn of the Baltic states of Estonia, Latvia and Lithuania, which are currently occupied by the greatest of colonializers and imperialists, the Great Russian Soviet empire. American public opinion has been too content for too long to pick on such small fish as Chile and Rhodesia while choosing to ignore the transgressions of giant Russia. Calling Russia to task for her sins in the stuff that the moral courage Solzhenitsyn finds wanting in our society is made of.

VICTOR A. NAKAS,
Vice President for Political Affairs,
Lithuanian World Youth Association.●

POPE PAUL VI

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. ARCHER. Mr. Speaker, the National Ecumenical Coalition has asked me to share with my colleagues in the House of Representatives the following statement issued by the organization:

POPE PAUL VI

Giovanni Battista Montini, aka Pope Paul VI found the strength for his tasks as Bishop of Rome and Vicar of Jesus Christ, by going to his knees in prayers.

Christians and non-Christians alike loved and honored Pope Paul VI as the APOSTLE OF PEACE, whose labors in the field of humanity elicited not only words of praise, but planted within the bosom of all worthy souls the flower of brotherhood.

We, with the National Ecumenical Coalition extend our heartfelt sympathy to the

Universal Catholic Church and Her 600 Million Members.

Yours in Christ,

THE REVEREND WILLIAM E. HIBBS,
Chairman-Co-Executive Director.●

A MEANINGLESS TAX BILL

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. HARRIS. Mr. Speaker, within the next week, the House is scheduled to consider H.R. 13511, the Revenue Act of 1978. What began as a tax reform bill, and was later scaled down to a tax relief bill, has now emerged from the Committee on Ways and Means sounding more like a miscellaneous revenue measure. In its present form, H.R. 13511 offers the average taxpayer very little in the way of meaningful tax relief and even less in the way of reform.

I think Congress can do better than this, and I am disappointed that the Ways and Means Committee has sent us a "relief" package that will not relieve most taxpayers from higher social security taxes and a "reform" bill that leaves virtually all of the old tax loopholes intact. This country needs a responsible tax bill that lowers the tax burden of middle-income Americans.

RESPONSIBLE TAX POLICY

When Congress considered the first budget resolution earlier this year, I proposed a program to reduce taxes and lower the soaring Federal deficit. In my view, the essential elements of a responsible budgetary and fiscal policy for the coming year are as follows:

Rolling back regressive and inflationary social security taxes;

Reducing the Federal deficit by cutting $12 billion in wasteful spending items in the budget; and,

Achieving more equitable taxes for the average family by eliminating $7 billion in unfair tax giveaways to large corporations and wealthy individuals.

Unlike the Ways and Means bill, which proposes an inadequate, deficit-financed tax cut, my bill would bring real relief by reducing social security payroll taxes. And because this proposal also reduces wasteful spending and eliminates revenue-draining tax loopholes, it would actually lower the Federal deficit and help take the pressure off inflation. This, in my opinion, is the kind of responsible tax policy we can and should pursue.

A TAX CUT BILL THAT DOES NOT CUT TAXES?

According to figures recently released by the Joint Committee on Taxation, the $16 billion worth of tax "cuts" proposed in H.R. 13511 will fail to offset higher social security taxes. In fact, after the tax "reductions" go into effect, most taxpayers will end up paying between $29 and $261 in higher taxes next year, after social security increases. Moreover, these inadequate tax cuts will add unnecessary billions to the Federal deficit. This is not the way to fight inflation.

Tax cuts can be designed to help both taxpayers and the economy. For instance, my plan to reduce social security taxes by transferring nonretirement programs to general revenues would cut payroll taxes by one-third, bringing an annual savings of between $183 and $457.50 to the average family. And according to Congressional Budget Office estimates, rolling back social security taxes could actually cut the inflation rate by more than one-half of 1 percent and stimulate employment by three-tenths of 1 percent.

WHATEVER HAPPENED TO TAX REFORM?

By avoiding the issue of tax reform, H.R. 13511 will leave us with a totally distorted tax system that costs the Treasury billions of dollars in lost revenues each year. One of the reasons the taxes on the average American are so high is that the taxes on so many large corporations are too low.

Unfortunately, the Ways and Means bill leaves the big tax loopholes untouched, so some of the largest corporations in the country will continue to pay little or no taxes, while the middle-income working family will pay more than ever. H.R. 13511 cracks down on housewives driving the kids to school in the family station wagon by taking away their gasoline tax deduction. At the same time, it lets the corporate executive continue to write off his three martini lunch, and lets oil companies continue to claim fat tax credits for royalty payments to foreign governments.

Basically, there are at least $7 billion in revenue-draining tax loopholes presently in our laws that Congress should repeal this year: $1.2 billion lost through allowing tax credits to oil companies for "taxes" paid to foreign governments; $2.8 billion lost by allowing international corporations to defer taxes indefinitely on their foreign source income; $1.6 billion lost by allowing a special depletion allowance for oil, gas and such "minerals" as red clay and oyster shells; $1.6 billion lost by allowing corporations to accelerate the depreciation on their business assets by as much as 20 percent.

We should not put up with a tax system that gives the biggest breaks to those who can most afford to pay, when we can enact valid reforms that will reduce the deficit and take the pressure off middle-income taxpayers.

WAYS AND MEANS BILL NEEDS WORK

When the House considers the Ways and Means bill and several substitutes, we may be reduced to choosing between the lesser of evils, rather than trying to work for a more equitable, sounder, less complex tax system. I intend to work with Members who are dissatisfied with the committee's work to amend H.R. 13511 in a way which is least damaging to the economy, least harmful to middle-income families, and least generous to big corporations.

It is my hope that through the amendment process, the House can produce a better bill than we have been offered thus far. If we fail to act, working families will be strapped by higher taxes. We cannot let this happen.

I have recommended steps we can take toward bringing meaningful tax relief to American taxpayers. I hope my colleagues will join me in insisting upon this sort of approach. Reducing the tax burden is just as important as keeping the social security system sound, and it is a goal we should strive for this year.●

AMERICA'S INTEREST IN SPORTS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. FLORIO. Mr. Speaker, it is certainly evident that Americans are watching and playing sports as much today as anytime in the past.

Young and old share a fascination in watching or participating in the challenges and pleasures that sports bring. The daily drama of Pete Rose's latest hitting streak gave us needed relief from the precarious state of the world as we shared the excitement of an aging veteran having fun playing a child's game.

America's interest in sports must first be credited to the men and women who devote their personal time to the development of sports for our youth. These individuals, who spend uncounted evening and weekend hours toward the development of regulated sports programs for children, inspires the formation of teamwork and sense of fairplay that is so crucial to the well-rounded development of our youth. Certainly the thrill of participating in sports is one of the fondest memories of childhood.

In this regard I would like to bring to the attention of my colleagues the following article which describes the benefits Mr. Bill Ulrich, Audubon Chief of Police, has brought to the development of South Jersey Little League baseball. Mr. Ulrich's devotion to the development of youth recreation has certainly gained the gratitude of all those who worked with him, and I know that his services in the future will surely be missed.

The article follows:

[From the Courier Post, July 31, 1978]

AFTER 30-YEAR ASSOCIATION ULRICH BIDS LITTLE LEAGUE GOODBYE

(By Walt Schumann)

Bill Ulrich has been a policeman in Audubon for some 35 years. Last fall, he became chief of the department.

From right before World War II until about seven years ago, he also spent many a fall afternoon and winter evening efficiently officiating South Jersey scholastic football and basketball games. In the proc-

ess, he continued an association with sports which started in the mid-1930s at Audubon High School, where he played football (he was an end on the Green Wave's unbeaten 1[illegible]7 team), basketball and baseball and competed in track.

His police work, his officiating and his sports background would be enough to make Ulrich one of the area's best known men. Ulrich, however, is a familiar figure to thousands of others in another way. It is through his 30-year association with the Little League baseball program.

Ulrich ended that affiliation Saturday when he gave up his post as New Jersey's District 14 director. Before he stepped down in favor of Earl Moore, the former Gloucester City police chief and a District 14 aide, Ulrich was given quite a send-off. As he made his rounds of the various tournament games capped by the district championship test at Barrington, he was honored just about everywhere he went—heartfelt thanks for a job well done.

While Ulrich is stepping down, he won't exactly end his love affair with the Little League program.

"I'll still be around to help out in any way I can," he says. "There are several reasons why I decided to bow out.

"One of them is the increased pressure of my job as police chief. Another is I want to have more time to travel and do things I haven't been able to do before. From January through August of every year, I've had to spend a lot of time with Little League duties, though I've enjoyed every minute of it. There have been some hectic moments like dealing with protests, but the good times far out numbered the bad."

Ulrich became interested in the Little League program in the late 1940s. He recalls it was right after Hammonton won the World Series, the only South Jersey team ever to accomplish that feat, though Delaware Township (now Cherry Hill) did finish runnerup two years in a row in the mid-1950's.

A meeting with the late John Stevenson, then a regional director paved the way.

"I regard John as the father of Little League baseball in South Jersey," continued Ulrich. "At the time I met him I was trying to get Audubon into the program.

"As long as I can remember, I've believed sports were a great outlet for kids. I thought if a kid didn't like baseball he should be involved in archery or swimming or basketball or whatever.

"That's why I was attracted to Little League. I saw the program as a way to give kids something to do over the summer months which kept them off the streets and out of trouble."

It didn't take Ulrich long to get deeply involved. By 1949, he was an assistant to Stevenson. By the early 1950s he became the regional director himself.

"It was time when Little League was just starting to mushroom through the area," adds Ulrich. "In 1955, because of expansion, the regions were split up by the national organization. South Jersey was divided into four districts and I became District 14 director."

Ulrich has held the post ever since. Ulrich, in the early 1960's became the first man from the state to be elected to the national board of directors. He also served several years as sergeant at arms at the annual convention.

He has seen a number of changes in the program. Some receive his approval—like the way Little League pioneered the use of batting helmets. Others he doesn't like.

"When I started, Little League was a way to bring people together," he recalls. Families would come from all over town to see games. They would stay around afterwards to talk and have a good time. Today you don't see that. There are too many other things to attract their interest."

Ulrich has a tough time coming up with an answer when he's asked about any special moments in his long tenure.

"There have been so many thrills," he says. "One of the most satisfying things for me is to see kids start in the Little League then go on to become scholastic and collegiate sports stars.

"I've made a lot of friends throughout the country and have met a lot of important people only because I've been involved in Little League. I owe the program a lot."

Little League also owes Bill Ulrich a great deal.●

TRIBUTE TO MR. WALTER A. PAYNE, PRESIDENT OF THE BOARD OF TRUSTEES OF McGUFFEY CENTRE, INC., YOUNGSTOWN, OHIO

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. CARNEY. Mr. Speaker, I want to take this opportunity to extend my congratulations to one of my constituents, Mr. Walter A. Payne, for his leadership and service to the people of the Youngstown area. A devoted family man, he is married to the former Mildred Gatewood and the father of two sons.

Mr. Payne is president of the board of trustees of McGuffey Centre, Inc. He has also served as cochairman of McGuffey Centre's Capital Fund Drive, as general chairman and cochairman of McGuffey Centre's Membership Campaign, and as a volunteer worker for the boys' and girls' softball teams at the center.

McGuffey Centre is a community center founded in 1939. It is a Community Chest Agency and receives funding from the Youngstown Area United Appeal. The center's activities include: Recreational programs for youth and adults, crafts, sewing, community forums, neighborhood development projects. day care programs, programs for the elderly, health programs, and many others.

In addition to his dedicated work with the McGuffey Centre, Mr. Payne is the institutional representative for Troop 18, Boy Scouts Arrow Head District, a member and former treasurer of the Pro-To Club, a member of the Married Couples Club, a representative for Local 1617 CIO of general fireproofing, and a member of the board of trustees of the Community Corporation.

On August 25, 1978, the annual "McGuffey Day Festival" will be held at the McGuffey Centre in Youngstown. Some 5,000 to 6,000 people are expected to be in attendance, and I will be there to help honor Mr. Walter Payne.

Mr. Speaker, Walter Payne is a distinguished citizen of my congressional district. He has given unselfishly of his time and energy to make our community a better place to live and work. It is a pleasure and a privilege for me to recognize his many achievements, and to commend him for his outstanding public service. I wish him success in his future endeavors.●

CAMBODIAN REFUGEE STATEMENTS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, I would like to place in the RECORD the interviews of two people who have witnessed the brutality of the Cambodian regime:

INTERVIEW WITH CAMBODIAN REFUGEE IN SURIN, THAILAND CONDUCTED BY AMERICAN EMBASSY OFFICER IN JUNE 1978

Account of Si Suot*

Si Suot, 22, came from Koukmon, Oddar Meanchey Province. Prior to the Khmer Rouge takeover, he had been a student for ten years. He arrived in Thailand with his wife in February, 1978. His account follows:

Conditions of Living in Democratic Kampuchea. "I was assigned to the mobile youth group after the Khmer Rouge took over. In mid-1976, I got married, and we moved to the collective Koukmon. I fled to Thailand after my wife had a miscarriage. Many women have miscarriages, especially since women have to work until their ninth month of pregnancy. Very few babies are born, partly because the husbands and wives are frequently separated and assigned to different mobile work units.

"Most people are sick from malaria or dysentery. The Khmer Rouge have made a distilled medicine syrup from the bark. It is injected into those who are very sick. It is totally ineffective and most people who are injected die. If you refuse the injection, they say, 'you fake disease' and you risk death as punishment. The doctor in the clinic is some kind of 'revolutionary doctor.'

"Communication in the village is very strict. You cannot call on your neighbors at any time, even during the rest periods. I could not even visit my parents, who lived only 200 meters away. If you visit anyone, even your parents, you are accused of plotting. Occasionally, we met in the fields, but even in the fields you are afraid to talk more than a few seconds even with your father. The atmosphere is very bad. The people are very distressed."

System of Administration and Punishment. "The people in the collective are divided into production groups of 12 to 18 persons each. Each group has a leader appointed from the group, frequently an 'Old Cambodian' (from the pre-April 1975 Khmer Rouge-controlled areas). The village chief is in charge of the group leaders. Occasionally, people are moved from one group to another. For example, frequently, there are too many widows in a single group, and some men are moved to balance the groups.

"Sometimes after lunch meetings are called to talk about work, only the village chief talks. No one else dares speak, although occasionally, some of the farmers ask questions related to work. You cannot

*(Refugee agreed to use of his name in public document.)

suggest anything or criticize anything. You must agree with everything said and say, 'you are right, *mit* (comrade)' when the leader speaks. In the meetings, the village chief will tell you not to complain because, work will be delayed. You will be accused of opposing production.

"If you talk to anyone else, you are accused of plotting and your actions are monitored. If they think you are actually planning to run away, you are executed.

"If you complain two or three times about working or living conditions, you are executed. But there were no such cases in my village, because no one dared to complain."

Executions. "My older brother, Si Say, was a former soldier. He and his family were 'relocated' out of Siem Reap. We never heard of them again and believe they were executed. My uncle Sambo, 40, was also a farmer at Koukmon. In late 1977, he was 'taken away.' Shortly afterward, his wife was told to 'follow your husband.' We never heard of either of them again.

"In late 1977, I saw three people killed. They were brought from another village and executed in front of everybody in my village. No one knew why. They were forced to squat down, bow the heads, and then they were hit with sticks. Afterward, the corpses were put under a mango tree, covered with a piece of cloth. Late in the evening, they were buried, like dogs, near a fence, as fertilizer for a row of coconut trees.

"Now, if you are related to a former soldier or former government official, you are killed. In 1978, they started killing former students, those who had studied over six years, so I fled to Thailand."

Human, Civil and Political Rights. "There are a few human rights in my village. When you need something, you can ask the group leader for it, such as for a new set of clothes or tools for work. You could not ask to reduce the number of hours of work, nor could you ask for more food.

"I cannot say anything about political rights since I am too low down.

INTERVIEW WITH CAMBODIAN REFUGEE IN SURIN, THAILAND, CONDUCTED BY AMERICAN EMBASSY OFFICE IN JUNE 1978

Account of Keo

Keo Roeun, 39, fled to Thailand from Oddar Meanchey Province with the same group as Mon Sieu. He participated in the interview with Mon Sieu agreeing on details about living conditions, administration, etc., but added the following comments:

"I saw three villagers taken from Pongro last month for being late for work. I also saw villagers from the next collective taken to fields near Pongro. They were beaten with sticks, then the bodies fell into holes already dug. During the past dry season, when I was sent to reclaim some land. I saw many corpses along the way, at Baok Mek, on the road from Cheung Tien to O Chik. The clothes had been removed from the corpses. Wild dogs and pigs were eating the flesh from the corpses, which had been covered lightly in shallow graves. There were about fifty holes. Each hole held more than one corpse."●

INDEXING CAPITAL GAINS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. ARCHER. Mr. Speaker, as we begin debate later this week on the Revenue Act of 1978, I hope my colleagues will carefully consider the importance of an amendment I offered to the bill in the Ways and Means Committee to eliminate taxation of purely inflationary capital gains.

That amendment, adopted on a bipartisan vote of 21 to 16, indexes the basis of capital gains.

Apparently there are some misconceptions about the beneficiaries of the amendment, which I would like to help clear up before debate on the bill begins.

What seems to be overlooked is the fact that inflation hits hard at all income levels in our country—but it hits hardest of all at the middle and working classes who have the least financial ability to cope with it. The great majority of our workers and taxpayers fall into these income categories, and unless they save and invest our economy will slowly grind to a halt. Unfortunately, the one-two combination of inflation and the tax rate structure strongly discourage those who are inclined to save and invest those savings in capital assets.

There is no question that inflation accounts for a large part of the face value of capital gains realized on a personal residence, stock and other kinds of investment—but, incredibly, when those gains are realized upon the sale of the asset the tax must be paid on both the real gain and the inflation that occurred during the time the asset was held. Many people with average incomes quite accurately perceive that they would be better off just spending their money as they receive it. This is of course in itself somewhat inflationary.

Sometimes our discussions of capital gains treatment gets rather abstract and theoretical, so I looked up some actual prices from previous decades to get an idea of what difference indexing capital gains would have made.

Chart 1 below shows the impact of double-digit inflation rates in the 1970's on housing prices. The Archer amendment would have reduced by some $9,500 the capital gain on a house purchased and sold at the median 1970 and 1978 prices in the Nation. On the west coast, where housing prices have shot out of control, the difference would be over $26,000.

Chart 2 shows the impact on two corporate stocks. The example assumes that 10 shares of each was purchased in June 1960 and that those shares, including the effects of splits, were sold in June 1970. Inflation in the 1960's was, by today's standards, relatively restrained—so if the Archer amendment had been in effect in 1960, the original purchase price would have been multiplied by 31 percent. In one stock, the difference in capital gains treatment between present law and under my amendment would be $209.80; in the other stock, $53.90.

Mr. Speaker, these are not theoretical examples of how this amendment would do away with the insidious taxation of inflation itself. They are examples from the real world of people of modest means who now suffer needlessly at the hands of a greedy Federal Government.

I doubt that any Member of this House of Representatives is willing to stand up and say that he favors taxation of inflation—but that is exactly what those are doing who oppose my amendment on the floor later this week.

It is my sincere hope that this body will act responsibly in bringing about this important change in the treatment of capital gains. It is a reform that is fair, equitable—and above all—long overdue.

CHART 1.—*Effect of Archer amendment on single-family homes (if it had been in effect in 1970)*

	National	West
Purchase:		
Median single-family home. Price, 1970 (CPI in 1970: 116)	$23,000	$24,300
Sale:		
Median single-family home. Price, May, 1978 (CPI in May, 1978: 193)	47,800	66,600
Capital gain realized under present law	24,800	42,300
Purchase price adjusted for inflation between 1970 and May 1978 (multiplied by 1.66) as per Archer amendment	38,267	40,338
Capital gain realized under Archer amendment	15,267	16,038
Difference in capital gain: present law versus Archer amendment	9,533	26,262

CHART 2.—*Effect of Archer amendment to index capital gains (if it had been in effect in 1960)*

	Philip Morris (10 shares)	Loews (10 shares)
Purchase price (actual stock prices in June, 1960)	$676.80	$173.80
Selling price (actual stock prices in June, 1970)	*2,178.80	**1,678.10
Capital gain realized under present law	1,502.00	1,504.30
Purchase price adjusted for inflation between 1960 and 1970 (multiplied by 1.31) as per Archer amendment	886.60	227.70
Capital gain realized under Archer amendment	1,292.20	1,450.40
Difference in capital gain: present law versus Archer amendment	209.80	53.90

*Includes effect of 3 for 1 split in 1966, 2 for 1 split in 1969.
**Includes effect of 2.5 for 1 split in 1968, 3.0 for 1 split in 1968.●

DRUG USE BY PRESIDENTIAL STAFF SHOULD BE INVESTIGATED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. ASHBROOK. Mr. Speaker, the use of illegal drugs and drug and alcohol abuse are serious problems in all too many American communities and occur in some degree in most. The tragic consequences for individuals and families involved are too well known to need further elaboration here. There are widespread and intensive public and private efforts to prevent such abuse. To be effective, such preventive measures require not only active support but a good example set by both private citizens and public officials who—deservedly or not—are looked to for leadership by millions of their fellow citizens.

That is one reason why the whole Dr. Bourne matter is so damaging. The President's Chief Advisor on Drug Control apparently wrote a prescription for a controlled drug using a ficticious name for the supposed patient. But transcending by far the questions raised by Dr. Bourne's personal conduct is the undisputed allegation by him of widespread use of illegal drugs by White House staff members.

This goes beyond the issue of what kind of example is being set for the American people—particularly for young people—at the highest level of Government. It goes to the issue of the competency of this administration to conduct the business of Government, including vital foreign and national security affairs.

Even the most casual student of American Government is aware of the power of the White House staff, and very often of members of that staff whose names and responsibilities are unknown to the American people, in shaping foreign and domestic policy. If Dr. Bourne's startling allegations are even partially true the matter calls for the most thorough investigation by the President and by the Attorney General.

Apparently the President himself does give credence to Dr. Bourne's allegations concerning use of illegal drugs by the White House staff. He has issued a strongly worded memorandum to his top staff on the subject. But, Mr. Speaker, this situation at the very center of power and responsibility in our Government calls for more than a memorandum.

This is not the issue of Ambassador Young's halucinating—however damaging his statements have been—over foreign policy or domestic justice. This is an issue of the fundamental competency of highly-placed individuals to advise the President of the United States and to conduct in his name policies which are vital to the security and well-being of the American people.

I call upon the President to at once undertake a thorough investigation of the matters alleged by Dr. Bourne and to take decisive action on the findings. This is not a purely personal matters for the President; it is a matter of national concern and his duty to act accordingly should be clear to all. Certainly it should be clear to the President.●

THE IDEOLOGY OF MATRIMONY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

Mr. DERWINSKI. Mr. Speaker, Columnist Michael Kilian of the Chicago Tribune is a quiet, unassuming, professorial kind of individual. He is one of that publication's in-house intellectuals as well as a historian. Mr. Kilian's interest ranges from tiny free countries such as Iceland to the granddaddy of totalitarian states, the Soviet Union.

However, he also delves into the ideology of matrimony which is evidenced by his his column of August 3. His commentary which follows, analyzes the recent marriage of Christina Onassis:

CHRISTINKA, WHY YOU NOT DECADENT LIKE IN-LAWS?

(By Michael Kilian)

"Oh, Sergei, Sergi, here we are at last in our honeymoon hideaway far off in the wilds of beautiful Siberia."

"Is true, my little Christinka. Here are we in beautiful honeymoon hovel in beautiful Siberia, with beautiful mosquito bogs and scenic sulfur quarry and lovely fertilizer works all around. How nice of glorious government of glorious Union of Soviet Socialist Republics to provide."

"Oh, Sergei, how cozy it is here with just the two of us . . ."

"Yes, my little Christinka, two of us and three KGB agents outside."

"It's such a lovely hovel, so real, so proletarian, so unpretentious!"

"Is unpretentious indeed, my little Christinka. Straw mattress, dirt floor, wooden stools. Only soft thing in place is KGB agent under bed. Is reminding me of two-room apartment we will live in with my mother in Moscow. How nice of glorious government of glorious Union of Soviet Socialist Republics to provide."

"Oh, Sergei. What a glorious government the glorious government of your glorious Union of Soviet Socialist Republics is! Life in your country is so great, so proletarian, so unpretentious! There is nothing of the decadence of the chi-chi world of the Beautiful People and the Jet Set. In your country, money doesn't matter at all."

"Is true, my darling Christinka. Is no Beautiful People in glorious Union of Soviet Socialist Republics. And in country where no one has money, is true money doesn't matter at all."

"You won't believe this, my darling Sergei, but people wondered how I could give up my millions and marry you. They said you weren't even handsome, that you were balding and had bad teeth. What they didn't understand is that I love you for yourself, just as you love me for myself, and not for my millions."

"My dearest Christinka, is impossible to love you for your millions since you didn't bring them with you. Was hoping at least you bring enough rubles for blanket for straw mattress. Glorious government of glorious Union of Soviet Socialist Republics is not providing blankets for free."

"Oh, Sergei, what need have we for blankets when we have each other? To wish for blankets is to be so chi-chi and decadent. It is to be like my wicked stepmother. She used to sleep on silk and satin sheets."

"Is true, Christinka? Silk and satin sheets? Not burlap like in glorious Union of Soviet Socialist Republics?"

"Yes, Sergei. It was disgusting. She'd have her maid change them every time she used the bed, sometimes three or four times a day."

"Yes? Three or four times a day?"

"And that was just on her yacht. God only knows what kind of self-indulgences she practices at her island in the Aegean, or her apartment in Paris, or her apartment in New York, or her house in Virginia . . ."

"Yacht? Paris? New York?"

"Yes, Sergei. And she constantly throws these disgusting parties. Caviar. Champagne. Lobster."

"Is true? Caviar? Champagne?"

"Yes, my darling Sergei, sometimes for breakfast.

"And gifts, Sergei. My wicked stepmother is always showering everyone with gifts. Her relatives, her boyfriends . . ."

"Is married, your wicked stepmother?"

"No, Sergei, not since the death of my beloved father. I think she was waiting at least until the lawyers finished working out the settlement."

"My darling Christinka, I think is best you say nothing more about this. Is not good for KGB agent to hear. In glorious Union of Soviet Socialist Republics, insane asylum is very popular. Is very easy to be sent to one by glorious government."

"Why would they think I'm crazy, Sergei? Because I gave all that up to marry you?"

"No, my little Christinka. As good Communists, that they understand. What they think crazy is why I, as Soviet citizen, marry you instead of her."

IN MEMORY OF WILLIAM O'CONNOR, FIREFIGHTER

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. ZEFERETTI. Mr. Speaker, last week, tragedy took the lives of a number of courageous firefighters in Brooklyn, N.Y. As the roof of a supermarket suddenly erupted in a mass of flames and collapsed, the city of New York lost six brave men.

Sometimes we take for granted those public servants including law enforcement personnel who perform extraordinary services in our neighborhoods. Always, after an unfortunate incident such as the one our city has witnessed, do we realize the exceptional services rendered by these brave men.

One of the dead firefighters was a constituent and neighbor of mine. Fireman Fourth Grade, William O'Connor, lived at 70 Prospect Park, S.W. Like his father, Mr. O'Connor made his life-long occupation that of firefighting and at

the age of 29, had a promising and productive future ahead of him. This disaster has left his wife, Louise to care for their three young children and has caused his neighbors, friends, relatives as well as his coworkers, to mourn his untimely passing.

This episode marked the most grievous loss of firefighters in a single accident in New York City in more than 12 years. The city, State, and indeed the entire Nation was shocked and saddened by this ill-fated tragedy. William O'Connor's death will be felt by those around him and he, along with his five colleagues who perished, will be remembered by all.●

ERA EXTENSION TWO-THIRDS OR MAJORITY

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. VOLKMER. Mr. Speaker, within a week the House will consider the rule for the consideration of House Joint Resolution 638, commonly known as the extension of time for the States to ratify the equal rights amendment.

When the rule comes up for consideration, I ask, in all fairness, that you vote against the previous question so that an amendment may be offered to the rule. This amendment would make in order a vote by the House on whether or not a two-thirds majority is required for final passage of House Joint Resolution 638.

As my past record shows, I have always been a supporter of the equal rights amendment and will continue to do so. My opinion on this constitutional issue is based upon extensive research by myself and my staff, and is supported by several noted constitutional experts: Erwin Griswold, former Solicitor General of the United States and former dean of the Harvard Law School; Charles L. Black, Jr., Sterling professor of law, Yale Law School; Prof. Thomas I. Everson, Lines Professor of Law Emeritus, Yale Law School, and Prof. William Van Alstyne, College of William and Mary, Marshall Wythe School of Law.

This issue was not decided on an up-and-down vote in the Judiciary Committee because of procedural problems. The two-thirds requirement must be located in the resolving clause of the resolution, yet the resolving clause cannot be amended according to our rules. Subsequently, House Joint Resolution 638 does not contain a two-thirds requirement. For the same reason we need to amend the rule to get the question before the House.

I attempted to bring the issue before the Judiciary Committee by urging defeat of consideration of House Joint Resolution 638. If successful I would have moved for consideration of House Joint Resolution 1063 which contains a two-thirds requirement for final passage. This was not a debatable motion and it failed because some Members were not cognizant of my purpose.

This procedural approach was required because the gentleman from California and manager of the bill, Mr. EDWARDS, refused my request to permit 1 hour of debate on this difficult issue prior to consideration of House Joint Resolution 638.

We are faced with a similar situation when we begin floor consideration of the extension. The Rules Committee, on an 8-to-8 vote, refused an amendment which would have allowed debate on an "up-or-down" vote upon the two-thirds question. The only way we can approach this issue is through the procedural move of defeating the previous question and amending the rule to make in order a vote upon the question of two-thirds.

This issue is not open and shut as the proponents of House Joint Resolution 638 would have you believe. The 8-to-8 vote in the Rules Committee shows a sharp difference of opinion.

Even if you do not agree with my view that the constitutional process requires a two-thirds majority for final passage, I hope a spirit of fairness and a belief in the democratic process will allow you to support my attempt to let this important constitutional issue be decided by the full House.●

WORLD MOURNS DEATH OF POPE PAUL VI

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. COUGHLIN. Mr. Speaker, I join my colleagues in expressing my profound sorrow over the death of Pope Paul VI. As a man of peace and love, Pope Paul will be missed not only by Roman Catholics, but by all people whatever their religious conviction.

The Pope, known for his wisdom and intelligence, was repeatedly sought out by world leaders for his advice and counsel. This unprecedented exposure to the world led the Pope into areas of leadership traditionally not considered religious but which, he insisted, should be the essence of all religions—peace among nations. Through his extensive travels and the establishment of diplomatic ties between the Vatican and more than 100 nations, Pope Paul established a place in the civil world for the Roman Catholic Church.

In his crusade for world peace, the Pope sounded the call for improved human rights and living conditions for the world's underprivileged people. Believing in the power of world opinion, the Pontiff used every possible means to call attention to these most pressing problems.

No other Pope traveled so long and so far for peace and justice on Earth and I join the millions of people throughout the world in mourning the death of Pope Paul VI. I further join the world in prayer that his goals and ideals will someday be achieved.●

TRAVESTY OF JUSTICE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. BOB WILSON. Mr. Speaker, I would like to take this opportunity to direct my colleagues' attention to an important endeavor by the Society of Former Special Agents of the FBI on behalf of three fine Americans, L. Patrick Gray III, W. Mark Felt, and Edward S. Miller. I wholeheartedly agree that the Justice Department's indictment of the gentlemen is a travesty of justice.

Prudent and wise men recognize the injudicious nature of prosecuting those who were merely performing their duties to the best of their ability. Not only were these actions the result of their personal judgment, they resulted from the judgment of their superiors and, indeed, the opinion of the Nation. When the behavior of an extreme few, such as the Weathermen underground, threatens our Nation's security, then the line must be drawn. These three former FBI agents and others like them, acting with the authority of their superiors, were carrying out this Nation's mandate and any effort to prosecute them for doing so is both unwise and inherently unfair. With this in mind I recommend to my colleagues the following resolution adopted by the Society of Former Special Agents of the FBI:

RESOLUTION

Be it resolved that the Society of Former Special Agents of the FBI request that the federal indictments of L. Patrick Gray III, W. Mark Felt, and Edward S. Miller be dismissed by the Attorney General as not being in the best interests of the American citizens or of this nation; and

Be it further resolved that the policy of the Attorney General, which has denied legal representation by the Department of Justice or reimbursement for the legal expenses for private counsel in the defense of employment-related activities, be reversed and such legal expenses paid; and

Be it further resolved that the Society continue to extend its full facilities, including the use of its Special Agents Legal Fund, Security National Bank, 2000 M St., N.W., Wash., D.C. 20036, to those present and former FBI Agents who have been indicted or threatened with criminal or other action, as a result of their official investigation of terrorist activities; and

Be it further resolved that the Society insist that a full and complete investigation be conducted to ascertain the identities and involvement of all higher authorities in the Department of Justice and other branches of government who had knowledge and approved of FBI procedures; and

Be it further resolved that the Society endorse the Congressional Resolutions introduced by Senator Hayakawa and Represent-

ative Zeferetti, and commend them to all members of Congress who are concerned about the future security of our country and the effectiveness of the FBI; and

Be it further resolved that this Resolution be forwarded to the President of the United States, the Attorney General of the United States, members of the United States Senate, members of the United States House of Representatives, and released to the news media.

President, Frank L. Price, San Diego, Calif.

President-elect, Charles H. Stanley, N. Little Rock, Ark.

Immediate past president, James L. McGovern, Atlanta, Ga.

Secretary, Henry W. Anderson, Milford, Conn.

Treasurer, Francis P. Grealy, Crestwood, N.Y.

Northeast region vice president, Arthur P. Duffy, Garden City, N.Y.

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Southeast region vice president, Joseph A. Sizoo, Whispering Pines, N.C.

North Central region vice president, George J. Frye, Jr., LaPorte, Ind.

South Central region vice president, G. Lawrence Keller, Wichita, Kan.

Western region vice president, Asa S. Bushnell III, Tucson, Ariz.

Members-at-Large, John K. Burge, Kansas City, Mo., Warren L. Love, Arlington, Va., James E. Hastings, Miami Shores, Fla.●

THE REVENUE ACT OF 1978

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. PATTISON of New York. Mr. Speaker, on Thursday, the House is scheduled to begin debate on H.R. 13511, the Revenue Act of 1978, which provides a $12.8 billion tax reduction for individuals and a $3.5 billion reduction for corporations in fiscal year 1979. While I do not agree with every provision of this legislation, I feel that the bill, as a whole, merits our support.

Even though their incomes have kept pace with inflation, many taxpayers have found themselves in higher tax brackets. Thus, their real incomes have declined. To help alleviate this problem, the Revenue Act expands existing tax brackets by 6 percent, so that individuals with rising incomes will not find themselves in higher tax brackets automatically.

For taxpayers who do not itemize their deductions, H.R. 13511 increases the standard deduction for single persons from $2,200 to $2,300, and for married couples from $3,200 to $3,400.

The personal exemption is raised from $750 to $1,000 per dependent, and as is the case in the current law, that figure is doubled for dependents who are over 65 or who are blind.

I also favor the cut in the corporate tax rate, and the extension of the investment tax credit. These measures should provide a badly-needed stimulus to capital formation.

Unfortunately, inflation, combined with the higher social security taxes enacted last year to maintain the solvency of the social security trust fund, will offset the decreased income taxes of H.R. 13511.

For this reason, I support an amendment by Congressman RICHARD GEPHARDT to provide both employees and employers with a tax credit equal to 5 percent of the social security taxes they pay. This should help compensate for the large social security tax increases which will take place in the coming years, and will allow more taxpayers to realize a net tax decrease in 1979. This provision will also offset inflation caused by the fact that the employer's share of the social security taxes almost always end up in the price of the goods or services being produced.

I will also support an amendment by Congressmen JAMES CORMAN and JOSEPH FISHER, which will provide greater tax cuts to those earning $50,000 and less.

This amendment retains the general tax credit—$100 per person or 2 percent of the first $9,000 of taxable income—which was deleted by the Ways and Means Committee. Lower-income individuals will also receive additional tax cuts. Furthermore, while retaining the features of the committee bill which will lower capital gains taxes for moderate-income taxpayers, the amendment eliminates the provisions which would provide a windfall almost exclusively to the very wealthy few who do not pay any income taxes at all as a result of various "tax shelter" schemes.

The Gephardt and Corman-Fisher amendments take a fundamentally different approach from the bill reported out by the Ways and Means Committee, and I believe they greatly improve it. However, even if the House rejects both of these amendments, I will still favor passage of the Revenue Act of 1978. While I had hoped for more extensive tax reform this year, H.R. 13511 will at least provide some relief to the American taxpayer in 1979.●

THE MARTIAN AND MR. RHODES

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. HAMMERSCHMIDT. Mr. Speaker, admittedly, amidst the clamor that exists within the legislative process, it is easy for even editors to miss the point on "who's in charge."

I thought the following editorials entiled "The Martian and Mr. Rhodes" which appeared in the Washington Post, would be of interest to my colleagues.

[From the Washington Post, July 2, 1978]

THE MARTIAN AND MR. RHODES

There's a man from Mars who occasionally parks his flying saucer on the roof and drops down for a chat. He likes to keep up with American politics. "I see by your paper that a congressman by the name of Rhodes from Arizona wants to cut taxes 30 per cent," he said the other day. "Mr. Rhodes says that he wants to show the country which party stands for a real tax cut, and which one is the party of wild spending," the man from Mars went on. We agreed that Mr. Rhodes's intentions seem to lie in exactly that direction.

"Now, the last time I was here," said the Martian, "you explained to me that the Republicans are the party of low taxes, balanced budgets and self-reliance, which means letting people spend their own money instead of having the government spend it for them. They also favor business prosperity, and a strong national defense." We said that Mr. Rhodes himself couldn't have put it more precisely.

"Coming in on the saucer," he said, "I was looking at those government statistics you gave me the last time I was here. I remember that you told me the White House went from one party to the other in 1969, and went the other way in 1977. But I've forgotten which party was in power from 1969 to 1977."

"You can figure it out," we suggested. "You know the parties' policies, and you know what happened to the economy. Put it together."

The Martian poked for a moment through the tables at the back of the Economic Report, and said: "The really striking thing about your federal budgets from 1969 to 1977 is that they rose like rockets. They rose much faster than your economy as a whole. You must have been in the hands of the big spenders. Taxes didn't go up as fast as incomes, but they went up. I see that you slid into a big recession in 1974–75, and you used the biggest budget deficit in your peacetime history to pull out of it. The government must have been run by those people you call the Keynesians—the deficit spenders." We acknowledged that truth, and told him to take a look at defense.

"Defense spending, when you take out inflation, drops steadily after the 1968 election and starts to turn around only with the 1977 budget," said the man from Mars. "Now it's rising quite fast." We pointed out that the country had been winding down a war in the early 1970s.

"Yes," said the Martian, "but those defense cuts weren't passed back to the public in lower taxes. Instead, direct government payments to individuals increased at the fastest rate in all of your history. Social Security, medical care, welfare benefits, all those various entitlements—why, by 1977 just about half of your federal budget was a huge insurance operation paying monthly checks to tens of millions of people." We told him to take a look at the figures on business profits.

"Terrible," said the man from Mars. "When you discount inflation, you see that corporate profits were lower in 1977 than in 1969, although the economy had grown by one-third. Speaking of inflation, by the end of the last administration you were in the worst inflation you've ever experienced. Also, the dollar had been devalued twice. The party in power during those years must have given a pretty low priority to a sound and stable currency."

All true, we ruefully conceded. Then we asked him to put it all together, and tell us who was in the White House during those years from 1969 to 1977.

"The Democrats, obviously," he said. "But there was a change last year, so now the Republicans must be in and your republic is safe again."

"You've got it exactly right," we said.

[From the Washington Post, July 9, 1978]

"THE MARTIAN AND MR. RHODES"

There's a man from Venus who sometimes parks his flying saucer in the patio of the Rayburn Building and drops in for a friendly visit. Since he is the chairman of the Faculty of Interspatial Political Science at the University of Northern Venus, he likes to talk politics.

He dropped in today—an incensed Venusian. He had stopped to buy Sunday's Washington Post because he admires the excellence of the columnists. By mistake, he first turned to the editorial page, where he read an editorial entitled "The Martian and Mr. Rhodes" [July 2]. It had sent him up the wall.

I, of course, had my own reasons for disagreeing with the editorial, but I wanted my Venusian friend's point of view. So I said, "What's the matter with it?"

He replied, "Why, my friend from Mars, who is a professor of Interspatial Political Science at the University of Central Mars, was obviously confused. He kept identifying the level of debts and taxes with the political party in control of the White House."

"Even the lowest ranking student in first-year Earth Political Systems knows that in the United States, the president doesn't levy taxes or appropriate funds, the Congress does! And, everyone on Venus knows that the U.S. Congress has been under the control of the Democratic Party for the past 25 years. Spending, debts, inflation are Democrat responsibilities!"

When I reminded him that the executive department executes the laws of Congress, he turned a withering one-eyed Venusian stare on me and said, "Have you forgotten that a Democratic Congress imposed a Budget and Impoundment Act on a Republican president of the United States that mandated that he spend every dime that Congress appropriated? Can you deny that by doing this, the Democratic Congress assumed complete responsibility for the fiscal affairs of the United States government?"

"Undeniable," I replied.

Having completely destroyed the logic of his Martian colleague, who had deduced that Republicans must be in control of the U.S. government in all its departments, my Venusian friend became wistful.

"You know, I regret this," he said. "I had recommended that the University of Northern Venus bestow an honorary doctorate in Interspatial Political Science on my Martian friend. It is now my sad duty to report the obvious defects in his knowledge of the U.S. government, and insist that he take a refresher course in Earth Political Systems before receiving his doctorate. I regret this."

I said, "I understand your regret. Perhaps your Martian friend would feel better if you invited his friend on the editorial board of The Washington Post to join him in that refresher course. He obviously needs it, too."

My friend brightened at this suggestion. "Perhaps," he asked as he prepared to take his leave, "some of your Democratic colleagues in the Congress might also be interested in such a refresher course?"

It was my turn to smile.

JOHN J. RHODES,
U.S. Representative,
House Minority Leader.●

A MAN FOR OUR TIMES

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1978

● Mr. SARASIN. Mr. Speaker, with the sudden passing of Pope Paul VI on Sunday, the world lost one of its truly great leaders. Unlike most of the other great leaders of today, Paul VI did not receive his influence through military might or by being the head of a nation with huge economic resources. Rather, his leadership was based on the force of peace and conscience. During this time of mourning throughout the world, I believe that it would be wise for all of us to reflect on the message Paul VI sought to deliver to our present day society during his 15-year reign.

In an era in which many are questioning the morality that to a large extent forms the basis of our society, Pope Paul continually sought to uphold and strengthen our ethical values and practice. He spoke out in favor of the underprivileged, made tireless efforts to promote world justice, and warned against the evil of political repression. He urged us not only to believe that it is right to love our neighbor, but to actually put that love into action.

While society's huge, impersonal institutions continue to grow larger in complexity and more distant from the people, the Catholic Church under Pope Paul became more open and personal. Paul effectuated reforms in the church bureaucracy which opened up the church to a much greater degree than it had previously been. He encouraged liturgical reform so that worship services could be understood by the people and be meaningful to them. His historic worldwide trips also brought the church closer to the people and symbolized its interests in their lives.

At a time when the world is becoming increasingly secularized and ever more materialistic. Pope Paul sought to remind us that there is much more to life than material goods. Instead of concentrating our thoughts on the minor, everyday struggle for such things as money or power, Paul VI urged us to consider the larger, spiritual dimension of man. He provided a personal example of this style of life through his dedication and devotion to the more important aspects of life.

In an age in which change is occurring so fast that it often results in psychological problems, Paul VI was a voice of moderation. He fully realized that the church must in many ways change with the times, and he steadily brought about quite a few changes during his reign. He refused, however, to allow changes to take place so fast that they would create disharmony and fear among the people. Whether or not some changes may have been delayed too long or implemented too quickly, he correctly realized the need which all people have for an identity based on traditional roots; and the need for moderation in altering that identity.

Finally, Mr. Speaker, in an era of growing national selfishness and petty nationalistic arguments, Pope Paul VI stressed the unity of mankind. He called on the wealthier nations of the world to share greater amounts of their food and other resources with those nations of poorer means. He pleaded for the end to conflicts such as those in Biafra, Vietnam, and Northern Ireland. He also sought to promote the unity of man by internationalizing the College of Cardinals and the Curia, and by encouraging ecumenical movements such as his visits with the leaders of the Greek Orthodox and Anglican Churches. He tried to remind us that despite our differences, we are all members of the Family of Man, and that we should deal with each other as if each of us is a part of that large family.

As a Catholic, I am especially sorrowful at the death of Pope Paul VI. I believe, though, that all of us, whether Catholic or not, should be saddened at the passing of this great man of peace because the basic ideas he stood for are ones which our society desperately needs today. Pope Paul VI truly was a man for our times.●

MARILYN COLLINS, ADMINISTRATOR OF PLEASANT MANOR NURSING HOME, SPEAKS OUT ON NURSING HOME CARE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. TEAGUE. Mr. Speaker, anyone who has had to place a loved one in a nursing home is always concerned for the care which he or she will receive. In addition, all know that it is a most expensive undertaking. Because of these concerns, nursing homes have come in for much malignment over the years. Under leave to extend my remarks in the RECORD, I wish to include the remarks of Marilyn Collins, administrator of Pleasant Manor Nursing Home of Waxahachie, Tex., located in my district in which she very adequately sets out the other side of nursing home care.

The remarks follow:

THE "OTHER SIDE" OF NURSING HOME CARE

(By Marilyn Collins)

Nursing homes have become a political football and the personnel who work in them are dealing with the public conscience. Politicians who make the laws and regulations have oft-times never visited a nursing home let alone worked in one. Most of us have a subconscious fear of growing old. To see a home full of constantly sick, feeble, incontinent, or totally senile elderly fills us with horror and fear, for we see ourselves in 20 or 30 years time.

Those who look deeper see the individuals and the character. The senile patient who is so gentle that you are compelled to protect her. The lady who has such a keen sense of humor that it brightens your day—the patient who flays like a wild cat, with such a gleam in his eye, that you have to stand back and admire the sheer guts and determination. We see their trials, tribulations and achievements, their fears, pettiness and joys. We work with people and their daily lives are ours.

Let's look at facts: Probably around 80 percent if our elderly in nursing homes are on the Medicaid program which pays a daily rate of $18.91 per day, Type II patient and

$20.82 per day, Type III patient. The last hotel I stayed in cost $40 per night.

For half this cost, we are expected to supply 24-hour professional care, sufficient personnel to bath, feed, wash and clean, dress and serve meals and snacks, provide specialized diets, food, dietary supplies, housekeeping, laundry, maintenance, utilities, taxes, insurance, medical supplies and equipment, activities, social services, specialized services and clerical and administrative services. Costs are going up continually and as in every industry the first cut backs are usually labor.

Add to this the stringent standards that nursing homes have to adhere to, and I am amazed that it is only 4 percent of nursing homes in Texas that are not in compliance. Rules and regulations, if kept to a minimum, are a must, but when you try to handle regulations from County, State, Federal and Life Safety Codes—all with conflicting requirements and interpretations, and the reams of paper work attached, you stifle initiative, lose imagination and, worst of all, make a person afraid to use their own judgment.

A doctor once told me that the American Health Care System was based on the precedent that those with the most knowledge give the least care. This is particularly true in nursing homes. Physicians, consultants and professional nurses are so bogged down in the paper work—writing progress notes, nurses notes, health care plans, reviews, documenting medications and treatments, diets, clothing lists, recording observations incidents, documentation on personnel, etc. . . . All required by standards that the time left for personal care is very limited.

If a patient goes to the hospital, there seems to be an understood rule that the families will help. They sit at bedside day and night, offer fluids, feed, change, call the nurse when needed, manicure, brush and comb hair, turn patients when required and do the laundry, if necessary. Yet these are the most common complaints received from families with patients in the nursing home. I have often wondered with hospital costs being what they are, why a so much higher standard is expected of nursing homes.

I don't mean to criticize anyone and am not going to say the system is perfect—obviously there is room for improvement. But, constant decrying of nursing homes and more red tape is not the answer. We need to increase professional care—recruit more trainee aides per patient. We could even serve gourmet meals on a silver platter—but it all costs money and eventually comes out of the taxpayer's pocket. Another alternative would be more community involvement—vounteers similar to the "Candy Stripers" in hospitals, who could lend a helping hand. We need to decrease the unnecessary paper work and have a lot fewer and more realistic regulations.

The abuse and neglect law is beyond my comprehension. I have been an administrator for 8 years and can honestly state that I have never seen a case of employees abusing patients. I have seen numerous cases of patient abuse to employees! Patients who are confused and senile will often become violent and hit, fight, kick, bite and scratch. Cut lips, broken ribs, black eyes, bruises, pulled hair and verbal abuse are an occupational hazard.

I believe that the vast majority of people who work in nursing homes discover it is more than a job—those who do not have the interest and patience never seem to last. Benefits and wages are a minimum in this industry and we get our rewards from the affection and confidence that our patients place in us. I have seen employees visit residents on their day off—provide personal items out of their own income, take clothes home to mend, bring presents for birthdays and Christmas—nurses pool their resources to buy insulin or medication that the patient cannot afford. I have seen half a dozen employees stop what they are doing and watch with breath suspended while a patient takes his first step after an illness—the joy of achievement is shared by all. I have seen them cry when a patient dies, and spend their evening off at the bedside of a man dying of emphysema holding his hand. To me these are the positive things of a nursing home—the things the general public never see and never read about and the inspectors never know because we did not sit down and document them! ●

PERSISTENT POISON

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. FORD of Michigan. Mr. Speaker, our Government has developed a plan to deal swiftly with natural disasters, but not with chemical contamination disasters; yet, the potential for chemical contaminations in this country is great.

The major fear of any chemical contamination is the possible effects it may have on the food chain. Once the chain is infiltrated, the contamination can easily spread, affecting millions of Americans. This occurs when potentially toxic chemicals never intended to be used in agriculture are placed in the food chain through animal feed or crops.

I believe the following article from the August 1, 1978, edition of the Wall Street Journal outlines some of the drastic effects of a chemical contamination and the need for a mechanism to provide prompt Government action in the case of future contaminations.

Mr. Speaker, Congressman RUPPE and I plan to offer an amendment to the Toxic Substances Control Act, H.R. 12441, which will establish the needed mechanism to promptly provide assistance to innocent victims of toxic chemical accidents. The bill we intend to amend is currently pending before the House Rules Committee. The text of our amendment is printed in the CONGRESSIONAL RECORD of August 4, 1978, on page 24498.

The article follows:

PERSISTENT POISON: MICHIGAN DAIRY FARMER WHO IN 1974 FOUND PBB IN COWS NOW FINDS HIS NEW HERD CONTAMINATED

(By John R. Emshwiller)

BATTLE CREEK, MICH.—Frederic Halbert can unhappily confirm that lightning does sometimes strike the same place twice.

In Mr. Halbert's case, it first hit nearly five years ago, in the form of a mysterious ailment that sickened and in some cases killed cows on his dairy farm near here. For nearly nine months, Mr. Halbert frantically searched for the cause. When he finally identified it, the one-time chemical engineer had almost single-handedly uncovered one of the nation's worst agricultural disasters.

A toxic-chemical fire-retardant, a powder known as polybrominated biphenyl, or PBB, had been mixed inadvertently into cattle feed that Mr. Halbert bought. It was soon discovered that hundreds of other Michigan dairy farms also had received tainted feed. And through the food products from those farms, PBB had passed into the diets of most Michigan residents.

The accident, which attracted national attention, produced a monstrous tangle of problems that still defy solution. For instance, despite continuing investigations by health researchers, nobody yet knows what dangers the chemical poses to people who unknowingly ate it (but a study of Michigan farm families exposed to PBB indicated that it may be tied to various ills ranging from fatigue to loss of memory). Nor is anyone even sure how to dispose safely of unusable, PBB-contaminated carcasses of thousands of Michigan cattle still awaiting destruction.

LULL BETWEEN STORMS

After an initial flurry of publicity about his chemical detective work, however, Mr. Halbert's name soon dropped from the headlines. Using money from insurance settlements, he quietly set about rebuilding his ravaged dairy business. He replaced his cows; about 75 had died because of PBB contamination, and the remaining 725 had been quarantined and then destroyed. And, for a while, life for Mr. Halbert and his family returned to normal.

But PBB has turned out to be an unexpectedly tenacious foe, and now it has struck the Halbert farm again. Over the past several months, the chemical has shown up in Mr. Halbert's new herd.

This time, the 33-year-old farmer can easily trace the source of contamination, though the answer is hardly a source of comfort: His own farm—land and buildings—appears to be the culprit. Despite extensive clean-up efforts after the accident, tests indicate that traces of PBB persist over much of his property.

Now Mr. Halbert is desperately trying to scour out the remaining contamination, but he concedes that PBB may finally be beating him. "It seems like a perpetual circle that can't be broken. I may just have to admit my land is poisoned," Mr. Halbert says. Thus, the Halberts are even weighing the painful possibility of selling the farm, which has been in the family for nearly 40 years.

OTHER FARMS AFFECTED

Although it's probably little solace, Mr. Halbert once again has company in his plight. State agriculture officials already have found 10 other farms with similar recontamination problems and are checking others.

Whatever the eventual scope, the recontamination problem provides a sobering reminder of the unforeseen consequences that can arise, even years later, from an industrial-chemical disaster like the PBB accident. For the problem currently faced by Mr. Halbert and other farmers arises from a peculiar combination of the laws of nature and the lawmaking of government.

When the accident was uncovered in 1974, little was known about PBB. However, scientists now know that it is an extremely stable and long-lived substance that will probably linger in the environment, or the human body, for years. "Once it gets out there, it's impossible to clean up completely," says George Fries, a federal researcher who has studied PBB.

Worries over those lingering molecules of PBB have sparked a major public-health controversy in Michigan. To clean up Michigan's food supply, state officials quarantined and destroyed tens of thousands of head of

livestock. From the beginning, though government regulators allowed food products with relatively low levels of PBB to be sold, on the assumption that tiny amounts of the chemical aren't dangerous.

RULES TIGHTENED

But work by some researchers indicates that even minute quantities of PBB could harm human health. So late last year, in response to a rising public outcry, the state legislature slashed the PBB level allowed in dairy cattle to 20 parts per billion in animal fat from 300 parts per billion. It also ordered the state agriculture department to test Michigan dairy herds for remaining traces of the chemical.

And that's when Mr. Halbert's new problem surfaced. Tests show that many of his newly acquired animals exceed the new PBB limits. The state has already begun quarantining some of the animals and taking them away to be killed.

Mr. Halbert finds this turn of events particularly disheartening because after the accident he tried hard to protect his farm from further PBB problems. When buying his new herd, for instance, Mr. Halbert brought in most of the animals from Wisconsin, Iowa and Indiana. "I wanted to make sure they hadn't been exposed to PBB," he says.

Mr. Halbert also tried to give his new herd a clean home. He purchased a high-pressure steam washer for the barns and bins where the tainted feed had been stored He put down new concrete to cover some areas, and stopped using a 15-acre pasture where the "hot" cattle, as Mr. Halbert calls those initially contaminated, had been kept.

PERVASIVE PROBLEM

These efforts obviously fell short, Mr. Halbert now concedes. Today, tests show traces of PBB in his fields, where PBB-carrying manure from his original cattle was used as fertilizer. The chemical still lurks in his buildings—it has worked its way into the wood. A dust collector has found PBB even in the farm's air.

With all that PBB still around, some inevitably is contaminating his new herd. And he wonders how much more may be finding its way into him and his family (they all got a dose in the initial accident). Recently the filters from his house furnace were tested in a laboratory and found to show traces of PBB. "It isn't comforting to think that even while you are sleeping, you aren't away from the stuff," he says.

Mr. Halbert isn't sparing any effort to get rid of his insiduous enemy. He has torn out the floor of one barn that showed evidence of contamination. Another six-acre pasture isn't used any longer for grazing since tests found PBB in the soil.

The farmer has even toyed with some really drastic cleaning measures. "We could strip-mine the topsoil from about 500 acres," Mr. Halbert says. But he then rejects that idea with a rueful laugh: "That wouldn't be very practical. It would leave an awful big pile of dirt."

So far, Mr. Halbert's ability to make a living from his farm hasn't been hampered significantly. Because PBB hasn't yet shown up in the milk from his new cows, Mr. Halber is free to sell his primary product.

But he worries about the future. The highest concentrations of the chemical are being found in young animals, which have been exposed to PBB from birth. A dairy farmer depends on those calves as the major source for replacing old cows and replenishing his herd. "Economically, we need those young animals to survive," Mr. Halbert says.

Worse, he thinks PBB already has cut the value of his biggest asset: the 2,300 acres of farmland that he owns with his father and brother. Indeed, Mr. Halbert frets that even if the family wanted to sell the farm, it might not be able to find a buyer. "It might not take a fool to want it, but he would certainly have to be a raving optimist," Mr. Halbert says.

WORRIED NEIGHBORS

Already, word of the recontamination problem has strained relations with neighbors. "One is worried that dirt blown from our farm is contaminating his stream and killing some fish. So he is having the fish tested for PBB," Mr. Halbert says, adding, "After a while you feel like you are working on a place that is radioactive."

Nor can Mr. Halbert hope for much relief soon. The state reimburses him for cows that it takes away. It also promises to study the recontamination problem and what might be done about it. But nobody seems optimistic. "I wish there were a quick, surefire solution for this, but there isn't," says Kenneth Van Patten, who heads the state's special "PBB unit," which monitors the food coming off Michigan farms.

Mr. Halbert thinks that some help may finally have to come from a court of law. He is suing the companies responsible for the initial feed mix-up that led to the PBB accident. Mr. Halbert is seeking damages—amount unspecified—for his property, and says he may eventually try to get the companies to buy the farm. "I don't want sympathy," Mr. Halbert asserts, "I just want to be able to live without this knife in my back." ●

FOUR HUNDRED THIRTY-FIVE SECRETARIES OF STATE TOO MANY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. LaFALCE. Mr. Speaker, it is now unclear exactly when the House will resume consideration of H.R. 12931, the Foreign Assistance Appropriations Act. I hope that the leadership will quickly reschedule consideration of this bill, because its passage is imperative.

However, during last week's consideration of the bill, the House adopted a number of very troubling amendments, although one of them was quickly overturned at the Justice Department's insistence. I do not refer to the Turkish embargo question which was carefully and judiciously treated by the House. I refer here to the amendments which dealt with Chile, Rhodesia, and Syria.

Among the defects which all of these amendments shared, the paramount must be their effect on the foreign policy of this Nation. All three affected very complex diplomatic issues which are not susceptible to simplistic solutions. Yet, with little preparatory work, almost no consultation with the Department of State, and a somewhat casual debate, these amendments were passed. Thankfully, one was later rejected, after its ramifications became clearer. In order to help avoid any further similar episodes, I would like to commend to my colleagues' attention the lead editorial in the August 4 edition of the Washington Post: "435 Secretaries of State Too Many."

The editorial follows:

[From the Washington Post, Aug. 4, 1978]

435 SECRETARIES OF STATE TOO MANY

The mauling the House has been administering to selected bits of the administration's foreign policy is a disturbing thing to behold. To be sure, the House did at least one major responsible deed by ending the Turkish arms embargo—a step that puts the Turks under an unavoidable obligation to make possible a fair settlement on Cyprus. But that was done in thoughtful response to a well-debated, carefully studied administration proposal, which, in turn, was based on a feeling for the situation in all its complexity that only a president and his diplomatic advisers can claim to have. In foreign aid, of which we have spoken separately and on several substantive issues pertaining to particular countries, the House has acted with deplorable indifference to the real merits of the matters at hand.

We refer specifically to the readiness of the House to legislate on the floor without sifting proposals through the committee system, which at least gives legislators the opportunity for study and debate and lets the executive branch make its case and muster its troops. The Turkish question went through the proper process, as did the Mideast arms package and, of course, the Panama Canal treaties; all ended in administration victories.

This week, however, policy amendments, hastily contrived and poorly constructed on the floor, carried on at least three issues. One, the amendment halting arms deliveries to Chile until it extradites three officials indicted in the murder of Orlando Letelier, was so patently wrongheaded that it was yanked back within hours. An alert Justice Department pointed out how absurd and provocative it was to punish Chile for not doing in one day what the law allows it two months to do.

Two other measures, however, do not lend themselves to remedy so easily. On Rhodesia, the House voted to lift trade restrictions by the end of the year if an elected government is installed. That is a blunt formulation that tramples on the subtleties that made the Senate's Rhodesia amendment difficult but bearable and even, under certain circumstances, usable by administration diplomats.

On Syria, congressmen suddenly cut off a year's worth of economic aid, ostensibly in reprisal for the assaults Syria has made on Christians in Lebanon in the course of trying to pacify that torn country. One does not have to approve of Syria's Lebanon policy to realize that an aid cutoff, on what is, after all, a secondary issue, may jeopardize the basis on which the United States is trying to win Syrian cooperation in the search for a Mideast settlement. Even more than on Rhodesia, the House moved on Syria without displaying the slightest sense of understanding of the overall play in that country's relations with the United States.

No better demonstration could be made that there cannot be 435 secretaries of state on Capitol Hill—or 535. The Senate at least has recognized—though perhaps fingers should be kept crossed—that it is both wise and fair to consult the administration even while challenging it. The House, however, is capable of going off half-cocked. Many members tend to slough off both committee discipline and party discipline, and to see no difference between doing so in domestic matters and in foreign affairs. (Republicans saved the administration on Turkey.) Congressional leadership no longer exists in a form that makes close executive liaison very productive on some of these issues. The Vietnam-born doctrine of prevailing con-

gressional corresponsibility in foreign policy can become, at emotional moments, a license for irresponsibility.●

PRESIDENT CARTER WAS RIGHT ON TAX REFORM

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. HARRIS. Mr. Speaker, I am saddened to say that the leadership of both parties in this Congress has bungled an issue of great concern to the majority of Americans—the issue of tax reform.

It has become very popular in this town to attack President Carter on this issue, or to say that he "misread" the mood of the American people in calling for smaller deductions for the now-famous "Three Martini Lunch" and the elimination of other loopholes. It has become very popular for Members of this House, and especially for members of the Ways and Means Committee to say that what the American people really want is a whole lot of new tax loopholes to spur the purchase of stock by business speculators.

The following article by Mr. Barry Sussman of the Washington Post thoughtfully brings to our attention an important Roper opinion survey which confirms the folly of congressional foot-dragging on tax reform. It confirms that people do indeed know what tax reform means—it means that they pay too much in taxes because millionaires and corporations avoid their fair share.

As we take up the Revenue Act of 1978 later in the week, I hope my colleagues will take into account the mood of the people on this issue, and that we will remember that the President was right on this one.

SURPRISE: PUBLIC BACKS CARTER ON TAXES
(By Barry Sussman)

What may be the most comprehensive survey of public attitudes toward taxes ever conducted shows that Americans are solidly behind President Carter on the need for tax reform and largely behind him on most of the individual tax changes he has submitted to Congress.

The results of the survey, conducted by the Roper organization, were issued July 26, just as Congress was salvaging the remnants of the Carter tax program. Past administrations would have made sure such a survey was widely reported, and would have used its findings to generate public pressure on Congress on behalf of the president's program. But the Carter White House apparently has made no use of the Roper survey, and the media have largely ignored it. A Washington Post account of the poll pointed out some of the pluses for Carter, but its theme was expressed in the opening words: "A new nationwide tax survey yesterday brought bad news for President Carter."

Bad news? Not really. On a list of nine broad tax themes or specific proposals, the Carter position finds support from the public on seven. On the eighth, having to do with capital gains taxes, the poll shows division. On the ninth, dealing with a proposed tax credit for dependents in lieu of a tax exemption, Carter is a narrow loser.

One of the most highly publicized parts of Carter's original tax proposal, the so-called three-martini lunch, would have made only half the expenses for a business meal tax-deductible. The public supports that by a 6 to 1 majority, according to the Roper poll.

Carter's program, virtually none of which remains alive, would have cut taxes by $25 billion, with 94 percent of the relief earmarked for individuals and families with incomes of $30,000 or less. (Because of a rise in incomes since the proposal was made, had the plan gone into effect now, 88 per cent of the relief would have gone to such people.) On July 27, the House Ways and Means Committee approved a $16 billion tax cut, its key feature being a reduction in capital gains taxes. Under that plan, from 53 to 55 percent of the relief would go to families or individuals with incomes of $30,000 or less.

Barber B. Conable Jr. (R-N.Y.), the ranking Republican on the Ways and Means Committee, said that the committee's tax proposal "reflects the American people's view of tax reform because it is a tax reduction," and that "it helps the middle-class taxpayer in a manner much more substantial than the traditional tax reform bill."

The second part of that statement may be open to interpretation, since it is not clear to many where "middle class" begins and ends. But the first part is bunk.

The Roper firm interviewed 2,007 adult Americans nationwide in May, and found tax *reform* considered the third most pressing problem in the country, ranked only behind controlling inflation and curbing crime. *Lowering* taxes was listed toward the bottom, at tenth on the list.

As Burns Roper pointed out in an interview, that should not be regarded as meaning that Americans don't want taxes cut. They do. In fact, they felt it was much more important to keep Carter's full $25 billion tax cut than to hold the line on taxes and the national debt. "I think there is a desire for reduction," Roper said. "I don't think it is the number one thing."

Further, it is quite clear, despite Conable's assertion, that Americans do not equate tax reduction with tax reform. They see tax reform in the same terms that Carter uses to describe it.

One question asked in the survey was this: "When you hear the words 'tax reform,' which of these things does it mean to you?" Six possible "meanings" were offered as choices: making taxes fairer to all, tightening up tax loopholes, making taxes "fairer to people like you," making tax forms simpler, reducing "your personal taxes" and raising "your personal taxes."

Seventy-six per cent of those interviewed said tax reform meant either making taxes fairer to all or tightening up loopholes. Only 5 percent said tax reform meant that their taxes would probably go down.

WIDESPREAD MISCONCEPTIONS

Overall, the poll shows that, in Roper's words, "In the view of the American public, the major problem with the federal income tax system in this country is its unfairness . . . A growing majority sees middle income families as overtaxed, while upper income people and large businesses are seen as undertaxed . . . The public places high priority on tax reform to make the system fairer." That could be Jimmy Carter talking.

What led the Washington Post reporter to state that the Roper poll was bad news for the president was a discussion of capital gains taxes included in the report. As interpreted by Roper, the public sides more with Congress than with the president on capital gains.

The findings, however, are not clear-cut. As the law now stands, the capital gains tax works so that people pay taxes on a maximum of 49.1 percent of the profit they make from the sale of stock or property. Carter proposed originally to make all such profit taxable. The Ways and Means Committee measure would make the maximum capital gains tax apply to only 35 percent of the profits the sale of stock and property, and would exempt entirely the first $100,000 in profit from the sale of a home.

The Roper survey questionnaire listed 11 types of tax deductions, exemptions and nontaxable items permitted under persent tax law, Those interviewed are asked whether they felt each tax break, including the capital gains provision, was reasonable or whether it represented a loophole.

Forty-three percent said they considered the existing capital gains tax provision reasonable; 40 percent said it was a loophole. Only one other item, the tax-free state of interest from municipal bonds, drew more opposition from the public, with 43 percent calling it a loophole. In other words, Jimmy Carter could claim from the data that, of all the loopholes that anger people about the tax system, capital gains is at the top of the list.

Roper concludes from the 43–40 split on capital gains that it is considered by the public as a reasonable deduction. To others, the margin is so slight that it might appear to represent a split right down the middle.

In addition, it may be reasonable to assume that a sizable majority would view the current congressional proposal as a loophole if they perceive that it would result in what Jimmy Carter says it would: "A windfall for millionaires."

In an interview, Roper himself would not draw that conclusion. He said that the public seems to be saying about capital gains, "Leave it as it is." He feels that the Ways and Means proposal is closer to public sentiment than Carter's original proposal, but that his poll "is not a clear win for Carter on capital gains, and not a clear win for Congress either."

Roper, who conducted the study for the H&R Block tax firm, offers abundant evidence that there is "widespread misunderstanding of, and lack of information about, how the tax system works." Taxpayers overestimate the percentage of income they themselves pay and underestimate the percentage that high-income people pay; one-quarter of the people think "a tax-deductible contribution costs the giver nothing because it can be taken off in income taxes."

It might not be wise policy to structure a tax program around attitudes that are formed partly by widespread misconceptions. Nevertheless, if public opinion is to be cited in the tax debate, it seems only fitting to point out what the public really does think.

And if polls that show Carter doing poorly are highly publicized, as they are, those that show him in a favorable light ought to be publicized as well.●

DOOLITTLE'S RAIDERS HOLD REUNION

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. ABDNOR. Mr. Speaker, the July–August issue of Frontiers magazine contains an article concerning the annual reunion of Gen. Jimmy Doolittle's Tokyo Raiders.

This year's reunion was held in Rapid City, S. Dak., with 30 of the 80 original crewmen on hand.

It was my privilege to take part in the annual get-together of this valiant group of Americans whose daring raid over Tokyo and three other Japanese indus-

trial cities on April 18, 1942, altered the course of World War II in the Pacific.

The following article was written by Mr. Hoadley Dean, who was chairman of the Rapid City host committee for the 1978 reunion of the Doolittle Raiders:

A REUNION OF RAIDERS

It was early 1942, and the Japanese ruled the Pacific. Everywhere, the Allies were reeling—in the Philippines, in Burma, in China, in Java. The Americans, still stunned from the loss of a major portion of their fleet at Pearl Harbor, had been pushed back to Australia. The Japanese armies were invincible; the Japanese homeland was an impregnable fortress . . . Or so it seemed.

Then came Doolittle's Raiders—a band of 80 airmen. Five were assigned to each of 16 B–25 Mitchell bombers—a pilot, co-pilot, navigator, bombardier and engineer-gunner. They flew their heavily-loaded twin-engine bombers off the pitching deck of an aircraft carrier on a one-way flight of daring. Their "impossible" bombing strike at Japan's industrial heartland gave the enemy the clear message: There was no place to hide.

Doolittle's bold raid over Tokyo and three other Japanese industrial cities altered the course of the war in the Pacific. It set the stage six weeks later for the decisive Battle of Midway which signaled the beginning of the end of Japanese offensive action.

For sheer drama, few World War II exploits match the Doolittle Raid. For the 80 volunteer crewmen, who had spent only a month in preparing for the mission, it was a test of courage, skill and resourcefulness. For all there was danger; for many, imprisonment; for a few, death.

But after the adventure and the danger were over, came the memories. And with memories, the pride. Had you been one of the 80 men of Doolittle's gallant band, it's not an experience you'd quickly forget. And they haven't. Each year Doolittle's Raiders meet, usually on the anniversary of the April 18th raid, to remember those who are gone.

A TOAST IN TRIBUTE

This year they met in Rapid City, South Dakota, at the end of April. Thirty of the original Raiders were on hand. But Raider wives, Raider children, Raider friends, Raider widows and at least one Raider secretary—Doolittle's own—brought convention attendance to 80. The raiders honored the living with safety campaign trophies and a scholarship, and they honored the dead with a toast from ceremonial goblets.

On each of the 80 silver goblets is engraved a Raider's name. They are kept in a locked case, usually on display in Arnold Hall at the Air Force Academy in Colorado Springs, Colorado. Goblets of those who have died are turned bottom side up.

This year, the goblets were escorted to the reunion by Senior Cadet Leonard Robichaux. The case he brought also contains a bottle of brandy. At some future Raiders' convention, when 78 of the cups are turned upside down, the last two surviving members will open the bottle for a final toast.

Twenty seven of the goblets already are face down, seven for the airmen who died as a result of the 1942 raid—a fairly low number, considering the risks.

One of those risks involved what little remained at the time of the U.S. Pacific fighting fleet—the 16 ships steaming west across the Pacific to launch the daring attack. The risk came close to being reality.

NOW OR NEVER

Plans called for the task force to move to within 400 miles of Japan before launching the 16 B–25 bombers off the aircraft carrier U.S.S. *Hornet*. After dropping their bombs the airplanes would fly west across the China Sea to airfields in friendly Chinese territory.

But a Japanese fishing boat spotted the U.S. task force 600 miles from the Japanese mainland. The jig was up. The Raiders were forced to depart ahead of schedule.

At dawn on the morning of April 18, 1942, the Raiders took off.

Since the bombers had to fly further than originally planned, extra gasoline was carried in 10-gallon cans, and the pilots reduced speed to conserve fuel. After the early launch, the *Hornet* and its task force turned and sped toward safer waters.

Thirteen of the bombers struck at military and industrial sites in the Tokyo-Yokohama area. The other three hit cities further west—Nagoya and Osaka-Kobe. Bombs from the first two B–25s struck Tokyo at 12:15 p.m. Ninety minutes later the raid ended. Only one bomber failed to drop its ordnance; one was hit by anti-aircraft fire. All were still flying.

Thereafter, events turned against the Raiders. Reflecting the earlier-than-planned start, the planes were running low on fuel. Although a strong tailwind pushed most of them across the Chinese coast, thick fog prevented any landings. As a result, 11 of the 16 crews bailed out, most in total darkness.

Four of the crews crash-landed—two on the coastline, another inland and one ditched in the sea just offshore. One plane made it to a safe landing in Russia, where the crew was interned for more than a year. Only two crewmen died in the crash landings, and another in bailing out.

Eight of Doolittle's Raiders were captured by the Japanese. Three of them were quickly executed, and another died later of starvation in prison. The remaining four captives remained POWs for 40 months until the Japanese surrender.

Doolittle and the rest of his crews made their way to friendly forces, in western China, helped by Chinese peasants and American missionaries. One of the missionaries was John Birch, for whom the John Birch Society was later named.

On May 19, 1942, Doolittle was promoted to brigadier general and given the Congressional Medal of Honor for leading the raid. He went on to command the 12th, 15th and 8th Army Air Forces during the World War II, retiring as lieutenant general.

Most of the surviving crewmen went back into action, many serving in the China theater. Twelve more were killed before the war ended.

ANNUAL TRIBUTE

After the war the Raiders began their annual reunions.

Earlier Raider gatherings were lighter affairs—mostly three days of eating and reminiscing. There was always a press conference and a formal banquet to which the public was invited. Banquet speakers have included Bob Hope, Arthur Godfrey, Joe E. Brown, Robert Cummings, Alex Drier, George Jessel and Chester Louck of Lum and Abner, Congressmen and high-ranking military brass were always invited.

But as the Raiders grew older, their purpose matured. Each year now they give a scholarship for a student in aerospace studies and other awards for Air Force safety. The annual awards—trophies to the Air Force unit with the best traffic safety record and the unit with the best ground safety record—were established in recognition of the fact that more Air Force people are killed in ground accidents than in the air. Since the awards started, Air Force spokesmen report a 40 percent reduction in ground fatalities.

This year's $1,000 aerospace scholarship went to John Mueller of Hot Springs, South Dakota, a first year electrical engineering student at the South Dakota School of Mines and Technology at Rapid City.

The four-day reunion itself was covered by NBC-TV. Joining Doolittle at the head banquet table was another Congressional Medal of Honor winner, Joe Foss, Former governor of South Dakota, Foss was one of the top World War II aces, credited with downing 26 Japanese planes. Another former governor, Stan Hathaway (governor of Wyoming from 1966 to 1974) spoke at the banquet. Hathaway had served on Doolittle's B–17 Flying Fortress in Europe following the Tokyo raid.

Many termed this year's reunion "the best ever." Next year's is planned for Charleston, South Carolina.

But long after the annual reunions are only a memory, the daring and boldness of these 80 men will remain as a shining example of American courage and patriotism. Our nation has been fortunate that it has always had men like the Doolittle Raiders who have risen to the challenge of death when our nation's life has been threatened.

May it always be so.●

WASHINGTON POST CAPITULATES IN FIGHT TO CONTROL NOISY PLANES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

Mr. ANDERSON of California. Mr. Speaker, the Washington Post in an editorial today attempts to persuade us that the noisy airplane problem will go away if we but opt for simplistic and unworkable solutions. We wish that the world were that uncomplicated. And we almost wish that we, too, could afford to play the critic without assuming the hard public responsibility for solving this enormous environmental problem of airport and aircraft noise.

The Post seems a little fuzzy in some of its facts and assumptions.

First, the Airport and Aircraft Noise Reduction Act as proposed is not "solely for the purpose of helping an industry comply with Federal law." The current noise rules were established administratively without the specific direction of the Congress. The Secretary of Transportation can change these administrative compliance deadlines any time—the same way a previous Secretary established them. They have never been established by law. Admittedly we believe he could do so only at considerable political risk to the President, but there is little doubt in the opinion of those who have studied the situation carefully that the deadlines will be changed if this bill is not passed. It will be done, among other reasons, because of the disruption that will occur to our air commerce and the effect of that on the traveling public. If the Post's premise of the power to the airlines is even half true, then it is hard to understand why the airlines cannot more easily exert that power to change the deadlines than to influence the outcome of this bill. Other sectors of the public such as millions of citizens who live near noise-impacted airports including Washington National Airport and whom the Post chooses to ignore may have more at stake. They recently have been pointing that out to those of us in Congress, if not the Post. If the Post wishes to capitulate in the fight against noisy airplanes that is their business but

it is our business to meet this public responsibility to reduce noise at our Nation's airports.

The Public Works and Transportation Committee also had other purposes in mind than helping the industry comply with these administratively established deadlines. It felt that the public had a right to demand that the airlines meet the deadlines. It wanted to insure a commitment by them that they would indeed do so. And it felt that there might be some public obligation in this case related to the nature of this industry. Unlike the situation in other industries, these environmental requirements were imposed retroactively on equipment that already had been certified by the Government as acceptable for purchase and operation for its useful life. Three-fourths of the existing fleet was suddenly rendered obsolete by these requirements—almost a public expropriation in effect if not in fact.

Of more importance, the committee had a larger public purpose which the Post conveniently chooses to ignore. Is the public good served merely by meeting the minimum requirements established by the noise reduction deadlines? Is there not a public purpose in a system which would encourage greater noise reduction and the acquisition of newer technology which over the next two decades will provide greater than minimum noise relief to those whose lives and livelihoods are so heavily impacted by intolerable levels of noise? Is there no public purpose served in helping to encourage our technology rather than let that leadership slip to other countries? The committee believes that there is.

Second, can the Post explain which environmental costs relating to other industries are not charged back either to the general public or to the user? Which auto company has not increased its prices to the buyer? Which public utility has not passed on the costs with the approval of its State/public utility commission? Granted there are some problem industries—such as steel, where the passing on of the cost may be impossible because of foreign competition. Yet, have there not already been adjustments which have allowed a form of indirect relief to steel? Has not the Congress provided special tax treatment for air and water pollution abatement? Who believes that eventually the cost can come from any other source than the purchaser of the product? And which other industry is willing to step forward and accept the greater degree of governmental oversight and control involved?

Third, the Post seems to think that the incentive funds which come from an existing user tax for a temporary period are somehow tax exempt. At the urging of the Treasury Department and the insistence of the Ways and Means Committee the proposal now makes these funds taxable by the Internal Revenue Service. So, in effect, whatever the cost to the airline user for this temporary period, a substantial portion is transferred from the aviation trust fund to the general funds of the U.S. Government for the benefit of the general public—another plus for the nonairline using taxpayer.

Fourth, it is a glib assumption that only reducing the existing tax will achieve the desired result. Reducing the tax gives the airline two options—reducing fares or retaining the fares and setting the funds aside to buy some of their required new equipment. With the disparity which exists between the airlines, both as to financial condition and number of noncomplying planes, the committee became convinced that the more prosperous airlines would reduce fares, forcing others to do so competitively. Thus the least prosperous airlines with the largest fleets of noncomplying aircraft would be forced into seeking an extension of the deadlines or to meeting the most minimum of standards in the least effective way—retrofitting older airplanes. These are not the environmental objectives which the committee had in mind even if satisfactory to the Washington Post.

Fifth, let it not be understood. Any airline which is far ahead in meeting the compliance deadlines—generally those with the best profit records—can use these funds only to the extent of the need for noise reduction. Once in compliance, none of the funds collected would be available to them or to any other airline. Those funds would continue to go directly into the trust fund—a trust fund by the way which at the end of 5 years does continue to need those funds to maintain the safety and reliability of our airport and airways system.

A DEPARTMENT OF EDUCATION? AN ILL-CONSIDERED IDEA

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. ERLENBORN. Mr. Speaker, soon the House may be asked to consider legislation to create a Department of Education. For this reason, I draw my colleagues' attention to a timely article by David W. Breneman and Noel Epstein which appeared in the August 6 Washington Post.

Messrs. Breneman and Epstein address what I regard as the central question Congress must decide: Who will control our education system? That question, like the article, raises others: "How much Federal influence there should be over education, how much in education priorities, in standards and in other education decisions."

I hope my colleagues will decide that Federal tentacles have reached far enough. We should not create another DOE. It is time to help Mr. Carter keep his campaign promise to reduce the size of Government.

UNCLE SAM'S GROWING CLOUT IN THE CLASSROOM

CREATING A NEW DEPARTMNT IS A BACKDOOR WAY TO ESTABLISH A U.S. RESPONSIBILITY FOR EDUCATION ITSELF

(By David W. Breneman and Noel Epstein)

With virtually no public debate over the central issue at stake, the Carter administration and the Congress are moving toward creating a federal department of education with the potential to transform the way education is governed in the United States.

Contrary to widespread belief, the proposed department is not chiefly an issue of reorganizing or consolidating federal education efforts, of increasing the time or money spent on education, or of deciding which existing agency should or should not be absorbed by a new department. Establishing a Cabinet-level department is a backdoor way of creating a national education policy, of breaking with the long tradition of limited federal involvement in education and of virtually no federal responsibility for schools and colleges themselves.

As John Ryor, president of the National Education Association, which has been the driving force behind the department proposal, acknowledges, "Creating a department of education is, indeed, a profound step in which the federal government will be recognizing, for the first time, that it has a responsibility for education in and of itself."

Many people apparently are under the misapprehension that Washington already has something that might be called a national "education" policy. The Congress, after all, appropriated nearly $23 billion for this fiscal year to finance programs linked to education at the elementary, secondary and postsecondary levels. But the critical distinction that often gets lost is that these programs serve purposes only indirectly related to education.

The GI Bill, for example, was enacted after World War II to ease the transition of millions of servicemen returning to civilian life, to prevent the large-scale unemployment that might have occurred if no alternative to work had existed—not to aid education. The Post-Sputnik programs supporting science education, teacher preparation and graduate education, enacted in the 1950s under the National Defense Education Act, were created as essential parts of the nation's defense effort—not to aid education.

The massive Elementary and Secondary Education Act of 1965, with its emphasis on compensatory education for the disadvantaged, was basically a civil rights and income-redistribution measure, a centerpiece of the War on Poverty, and certainly not a measure to aid schools. It was enacted only after a historic constitutional debate resolved by aiming funds at poor children. Similarly, federal education programs for the handicapped, for children with English-language difficulties or for Indian education are essentially civil rights measures, of a piece with school desegregation and the money Washington provides to help students overcome the educational deprivation that results from segregated schooling.

The same holds at the higher education level, where student aid programs were created to increase educational opportunity for low-income students and not to provide general support for colleges and universities. Just as Congress has rejected the idea that it is responsible for the financial well-being of elementary and secondary schools or for general student achievement, so it has refused to provide direct institutional aid to colleges and universities, except in the limited case of helping mainly minority campuses under a "developing institutions" program.

In these and other instances—in Washington's role, for another major example, in supporting the nation's research efforts, whether for military, health or other ends—education is an instrument used to achieve a more fundamental federal purpose, and consequently there has never been a need for an education policy. Instead, there have been national security policies, antipoverty policies, civil rights policies, labor policies, child welfare policies, veterans' benefit and other policies, all drawing when necessary on educational institutions.

"A FUNDAMENTALLY POLITICAL ACT"

It is thoroughly understandable, then, why these "education" programs are scattered across numerous federal agencies. They are scattered because they are, first and foremost, serving other established federal aims.

A reshuffling that attempts to draw some of these programs together under the organizing principle of education is a profound restatement of federal purposes and priorities and cannot be regarded merely as a move to correct organizational mistakes of the past.

Speaking last year at a conference on government reorganization, Rep. John Brademas (D.-Ind.) made this point forcefully: ". . . too often reorganizers omit—some of them perhaps deliberately—an explicit recognition that reorganization of the executive branch . . . is not simply an exercise in improving the efficiency of government. . . .

"Reorganization is a fundamentally political act, not political in the partisan sense (although it may be) but political in that every organization—and every reorganization—means a distribution—or redistribution—of power and influence over the substance of policy . . ."

"Organization is not just management. It is policy, and in the American democratic system, policy is politics."

To create a department of education is, at heart, an exercise in policymaking, not in efficiency. Making education the defining element of a Cabinet-level department is essentially to authorize the creation of a federal policy for education itself.

This, it must be emphasized, does not mean that a Cabinet-level department would be designed to lead to federal "control" of education, as the NEA's Ryor and many others stress. "Control" is not, and never has been, the question, and it is of scarcely any value to add language to a department bill to prevent federal control. Indeed, it is redundant; existing law bars federal officials from exercising "any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school or school system . . ."

The question is how much federal influence there should be over education, how much say in education priorities, in standards and in other education decisions. This can be determined in many ways—where Washington puts its money and where it withholds funds, what requirements come with the money, what approaches to teaching it would like to see schools adopt for different students, to name some. Washington already exercises a large influence over the policies, conduct and organization of elementary, secondary and higher education without having federal officials burst into classrooms to impose a prescribed curriculum on unwitting students and teachers.

Indeed, that influence has burgeoned in the past decade as Washington has used the schools to achieve additional federal purposes. Whether this is viewed as good or bad obviously depends on one's view of each of the government's underlying political, social, economic or other aims. But the overall effect has been troubling some educators. Joseph Cronin, Illinois' superintendent of education, for example, has remarked that "slowly, inexorably and incrementally, the federal government is taking over education. Especially since 1965, the country has moved—almost every year—toward a national system of education."

EXCESSIVE EXPECTATIONS

It is this trend which a department of education is likely to accelerate. To understand this one need only listen to the sweeping remarks of Sen. Abraham Ribicoff (D-Conn.), chief sponsor of the Senate bill to create the department, in a recent interview with the NEA: "The whole system of education is dependent upon the leadership and commitment that the federal government takes. Only an increased federal priority to education can increase the American people's confidence in our educational system."

What can Ribicoff, himself a former secretary of health, education and welfare, mean in suggesting such a dramatic departure from existing federal policy? How does he propose that the federal government might make the "whole system of education" suddenly dependent on Washington's "leadership and commitment"?

The Senate bill hints at some potential ways. It states, for example, that one purpose is "to promote the quality and relevance of education to individual needs, including the assurance of an adequate skill level . . ." That could justify any manner of federal action. Who decides what is an "an adequate skill level"? Is Washington to establish minimum skill requirements? Are we talking about paving the way for a national test, a move proposed by Adm. Hyman Rickover but successfuly thwarted thus far?

Those who set test questions, of course, in effect decide what is taught in the schools, or at least what a school's priorities should be. Parents, teachers, principals, school boards and the states may not agree with each other very often on these questions, but they presumably still think that they are their decisions to make, not Washington's.

Or consider another of the Senate bill's purposes. Washington is "to provide leadership in the support of research relating to human development and learning systems that complement education, with a greater emphasis on the practical application of such research," and to work with numerous others to "implement the findings of such research at the local level."

Getting federally sponsored research or curricula into the schools has long been among the more sensitive issues for Washington. Agencies already sponsor curricula in areas ranging from ethnicity to energy, vocational instruction to consumer education, bilingual studies to consumer education. While they cannot press the products on schools because of restraints on federal influence, if few of the materials are used the Congress or the Office of Management and Budget tend to question the sense of the activity.

This is one frustration, for example, of the Health, Education and Welfare Department's National Institute of Education, which sponsors research in a number of areas, including basic skills. Once the results are disseminated schools are free to ignore them, which is not infrequently the case. That has not helped NIE get funding from Congress.

Similarly, the National Science Foundation, which sponsors not only science and math but politically sensitive social science curricula, has become embroiled in controversies stemming from the same dilemma.

"In the early 1970s," writes the University of Maryland's Marjorie Gardner, "it became evident that the diffusion of the new curricula was not occurring spontaneously, that, in fact, the new programs were not being adopted by enough schools to satisfy the original goals . . ." Under pressure from both OMB and the White House, the foundation decided to pay for implementation only of courses it had sponsored. Following protests from several universities seeking money for non-NSF projects, the agency backed down.

Two years ago the foundation got into a much-publicized controversy over an elementary school social science curriculum it had promoted called "Man: A Course of Study." The course included material about one Arctic Eskimo culture's belief that, for others to survive, families sometimes must choose to let old people or female infants die. That disturbed some parents and conservative members of Congress and led to temporary suspension of all NSF curriculum development. The foundation now places less emphasis on getting specific courses into the schools.

It is not heavy-handed power-seeking by bureaucrats that leads to increased federal involvement in education, but these kinds of political pressures. The pressures have stemmed from public perceptions that there was yet another crisis in the schools and that Washington, which is not responsible for most of what happens in the classroom, should nonetheless do something about it. They have resulted from a desire to justify federal education spending.

The pressures also have come from groups that want their views or goals pressed in the schools. Many of the most intense education controversies have centered on civil rights issues such as affirmative action for faculty members at colleges and universities, battles against sex discrimination in classrooms, desegregation and bilingual education.

Indeed, fearing that the civil rights-labor coalition behind these and related drives might be fragmented if an education department is created, Rep. Shirley Chisholm (D-N.Y.) criticized the department plan before a House subcommittee last week. "Now, to thoughtlessly destroy these coalitions . . . in order to achieve the dubious goal of formation of a separate department of education appears foolhardy," she said.

Any broadening of the government's involvement in education, of course, potentially dilutes its concentration on poverty and minority concerns. The issue has been at the heart of past attempts to aim the major elementary and secondary aid program at students in general who are doing badly in school rather than just at children of poverty who need help, as at present, just as it is central to the fight over substituting wider college tuition-tax credits for student aid currently determined by economic need.

It is difficult to imagine how creation of a department, and the extravagant rhetoric of some department proponents, can fail to generate additional pressures for Washington involvement. If there is to be no increased federal role, what can be meant by an "increased federal priority to education" which alone can "increase Americans' confidence in our educational system"?

Some may suspect that higher "priority" really means higher budgets. The NEA, whose 1.8 million members make it the nation's second largest union, has long sought to expand the federal share of education outlays from the current 8 percent to 33 percent. But there is little reason to believe that creating a Cabinet-level department would unleash more federal funds.

As Pat Gwaltney, the OMB official most immediately in charge of the education department proposal, remarks, "We looked at the departments of Housing and Urban Development and Transportation and found that their budget increases did not exceed those of other domestic programs, that creation of a new department per se does not appear to result in increased federal spending."

Others may think that a separate education department would result in greater federal coordination. The reality, however, is that if programs now lodged for good reason in Defense, Agriculture, Interior and the NSF are brought together, as now proposed, it would only create the reverse problem of coordinating with the original agencies.

AN INVISIBLE ISSUE

Nobody questions the need to improve administration of existing programs involving education, but it is not evident why a new Cabinet-level department is required to do this. Virtually anything that might be done to advance Washington's highest-priority aim of assuring equal opportunity for the disadvantaged probably could be achieved with the existing HEW structure.

In higher education, two of the largest programs providing student aid—education benefits for veterans and for dependents of social security recipients—are not included in the proposed department, so there would be no change. Similarly, Washington's second broadest goal of supporting the nation's research effort, achieved through a multitude of grants and contracts to universities and research institutions, would not be affected at all.

Others believe what's needed is a Cabinet secretary who can devote more time to programs aimed at education. But it is hard to understand what this would accomplish if a secretary had little prospect of getting more money or significantly improving coordination and administration of existing programs with their built-in limitations.

So much attention has been given to these areas where so little seems likely to be accomplished, in fact, that there has been little recognition and hardly any public debate on the central issue of creating, for the first time, a national responsibility for education and putting in motion increased forces and expectations for central influence.

It is conceivable that specific and blunt language might be added to the department bills stating that their intent is not to alter the limited federal role in any way, but it is doubtful that would curb the pressures for increased federal influence that are bound to accompany a cabinet department.

It is easy to understand the Carter administration's desire for a legislative victory, and the education department looks like an easy one. But that political need does not justify an action that may be seen later as a serious mistake, launching the country in another unintended direction. A department is either a prescription for increased central influence over education or for excessive expectations that will only lead to more, not less, frustration.●

VOTING RECORD

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. PEASE. Mr. Speaker, it seems that the average citizen has no reasonable way to check the voting record of his or her representative. Lacking the resource material, the time, and the expertise needed to wade through the CONGRESSIONAL RECORD or other publications, citizens are left pretty much at loose ends. For this reason, I have compiled the following list of my votes on key issues during the 95th Congress. My constituents have a right to know how I have voted and I want to accommodate them.

My key votes are tabulated in such a way that each issue is described in language which can be easily understood. Each item in the list begins with the roll-call number of the vote, followed by a description of the question on which the vote was taken. This is followed by my own vote on the issue, either "Yes", "No", or "DNV" (Did Not Vote). Finally, the vote of the entire House of Representatives on the issue is indicated by "Passed" or "Failed", followed by yea-nay totals.

The following includes key votes taken in the House between January 4, 1977 and July 1, 1978:

KEY VOTES OF CONGRESSMAN DON J. PEASE

FIRST SESSION

(19) Start Korean bribery investigation. Yes. Passed, 388–0.

(29) Amendment to public works bill to reduce funds for Ohio. No. Passed, 229–158.

(39) Adoption of tougher code of ethics for congressmen. Yes. Passed, 402–22.

(55) Tax credit for businesses hiring new employees. Yes. Passed, 341–74.

(57) Reduce taxes by $43.1 billion over FY 77, 78 and 79. Yes. Passed 232–131.

(107) Executive Reorganization Act. Yes. Passed, 395–22.

(124) Federal regulation of debt collectors' activities. No. Passed, 199–198.

(154) Cut budget outlays by $7 million for congressional pay raise. No. Passed, 236–179.

(157) Increase defense budget outlays in FY 78 by $2.3 billion above $9.5 billion increase already provided. No. Passed, 225–184.

(162) Cut FY 78 budget authority and outlays by $100 million to strike funding for unnecessary water projects. Yes. Failed, 143–252.

(165) First FY 78 Budget Resolution which set budget authority at $505.7 billion, outlays at $466.7 billion, revenues at $398.1 billion, and the deficit at $68.6 billion. No. Failed, 84–320.

(184) Conference report on Public Works Employment Act providing $6 billion for local public works project. Yes. Passed, 33–77.

(190) Conference report on FY 77 Economic Stimulus Appropriations providing $20.1 billion for local public works, public service jobs, youth training, revenue sharing, countercyclical aid, emergency drought assistance. Yes. Passed 326–87.

(204) First FY 78 Budget Resolution which set outlays at $464.5 billion with a deficit of $68.4 billion. Yes. Passed, 213–179.

(221) Require 25 percent of Urban Development Action Grant funds go to communities under 50,000 population. Yes. Passed, 279–129.

(240) Youth Employment and Innovative Demonstration Projects Act providing for Young Adult Conservation Corps. Yes. Passed, 334–61.

(252) Conference Report on First FY 78 Budget Resolution providing $461 billion in outlays and a deficit of $65 billion. Yes. Passed, 221–177.

(271) Increase veterans' disability compensation rates by 6 percent. Yes. Passed, 393–0.

(290) Postpone tougher auto emission standards until 1980. Yes. Passed, 255–139.

(291) Clean Air Act Amendments. Yes. Passed, 326–49.

(338) Cut funding for 16 water projects in the FY 78 Public Works Appropriations. Yes. Failed, 194–218.

(388) Deny cost-of-living increase to members of Congress. Yes. Passed, 397–20.

(389) Cut FY 78 Defense Appropriation by $1.5 billion for five B–1 bombers. Yes. Failed, 178–243.

(401) Allow military retirees to receive both a military pension and a salary for a federal job. No. Passed, 219–174.

(402) Defense FY 78 Appropriation providing $110.6 billion for national defense. Yes. Passed, 333–54.

(407) Provide 7 percent increase for veterans' and survivors' pensions. Yes. Passed, 403–0.

(416) Establish Consumer Cooperative Bank. Yes. Passed, 199–198.

(473) Eliminate purchasing requirement for food stamps and tightened eligibility standards. Yes. Passed, 320–91.

(478) Extend major farm commodity programs for 4 years and Food for Peace program for 2 years. Yes. Passed, 294–114.

(497) Prohibit using federal funds for abortions except to save the mother's life. No. Passed, 238–182.

(499) Deregulation of natural gas prices. Yes. Failed, 199–227.

(503) Impose an additional 5c-a-gallon gasoline tax. No. Failed, 82–339.

(504) Increase gasoline tax by 2 cents in 1978 and by another 2 cents in 1979. No. Failed, 52–370.

(512) Eliminate the crude oil equalization tax. No. Failed, 203–219.

(513) National Energy Act imposing a tax on gas-guzzling cars, a tax to raise the price of crude oil, a tax to discourage use of oil and gas for boiler fuel, tax credits for converting boilers to coal and for weatherizing homes, increasing natural gas prices, setting a national policy for regulating electric utilities, requiring efficiency labeling of appliances and cars, establishing program to help homeowners install weatherization equipment, and setting a program for fuel conservation in federal facilities. Yes. Passed, 244–177.

(516) Conference Report on FY 78 Defense Appropriations providing $109.8 billion for national defense. Yes. Passed, 361–36.

(522) Cut revenue by $175 million in Second FY 78 Budget Resolution provide tuition tax credits up to $250. Yes. Passed, 311–76.

(545) Conference Report on Second FY 78 Budget Resolution providing for budget outlays of $458.3 billion and deficit of $61.3 billion. Yes. Passed, 215–187.

(546) Eliminate provision indexing minimum wage to the average production worker's wage. No. Passed, 223–193.

(549) Retain 50 percent tip credit. Yes. Passed, 264–161.

(551) Establish youth subminimum allowing employers to pay 85 percent of the minimum wage to youths under age 19 for the first 6 months. Yes. Failed, 210–211.

(555) Increase the minimum wage to $2.65 in 1978, $2.85 in 1979, and $3.05 in 1980. Yes. Passed, 309–96.

(569) Cut funding for Clinch River Breeder Reactor from $150 million to $17 million to close out project. No. Failed, 162–246.

(570) Cut funding for Clinch River Breeder Reactor from $150 million to $75 million and delay project for a year. Yes. Failed, 129–277.

(582) Raise mandatory retirement age for private workers to 70. Yes. Passed 359–4.

(609) Authorizing $2.67 billion for ERDA's national security nuclear energy programs including funds for the neutron bomb. No. Passed, 330–78.

(628) Guarantee employers same access to employees in union halls that union employees have to employees on company grounds. Yes. Passed, 408–8.

(631) Comprise extending time limits for representational elections from 15 to 25 days when majority of employees petition and from 45 to 50 days when 30 percent to 50 percent of employees petition. Yes. Passed. 418–0.

(633) Compromise granting Labor Secretary discretion to waive or reduce debarment. Yes. Passed, 394–8.

(639) Labor Law Reform Act. Yes. Passed, 257–163.

(649) Prohibit consumer class action suits pursuant to FTC regulations. No. Passed, 281–125.

(651) Federal Trade Commission Amendments. Yes. Passed, 279–131.

(659) Prohibit implementations of saccharin ban for 18 months. Yes. Passed, 375–23.

(671) Cargo Preference Act. No. Failed, 165–257.

(693) Supplemental Appropriations for FY 78 including $4.5 billion for EPA construction grants, $1.4 billion for SBA disaster loans, and $80 million for Clinch River Breeder Reactor. Yes. Passed, 313–98.

(697) Eliminate provision requiring universal Social Security Coverage by 1982. Yes. Passed, 386–38.

(700) Eliminate stand-by authority for social security system to borrow from general revenues. No. Failed, 196–221.

(706) Social Security Financing Amendments raising social security payroll taxes by increasing the taxable wage base for em-

ployers and employees beginning in 1978, increasing employer and employee tax rate beginning in 1981 to levels higher than those provided under existing law. Yes. Passed, 275–146.

(721) Condemnation of latest crackdown and on-going human rights violations in South Africa. Yes. Passed, 347–54.

(725) Defer congressional pay raises taking effect until the Congress following their enactment. Yes. Failed, 167–233.

(754) Increase funding for AMTRAK from $11.5 million to $18 million. Yes. Passed, 256–141.

(775) Prohibit use of federal funds for abortions expect in cases where the mother's life is endangered, "where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term, when so determined by two physicians", and for "medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service". Yes. Passed, 181–167.

(782) Conference Report on Social Security Financing Amendments. Yes. Passed, 189–163.

SECOND SESSION

(42) Authorize 145 new federal judgeships and require merit selection. Yes. Passed, 319–80.

(50) Create an Office of Consumer Representation. Yes. Failed, 189–227.

(56) Merit selection of district court judges. Yes. Passed, 321–19.

(62) Expand black lung benefits. Yes. Passed, 264–113.

(97) Provide District of Columbia voting representation in Congress. Yes. Passed, 289–127.

(125) Add price stability goals to Humphrey-Hawkins Act. Yes. Passed, 277–143.

(129) Rescind $55.3 million in FY 78 appropriations. Yes. Passed, 318–0.

(153) Clarify that achievement of balanced budget is one purpose of Humphrey-Hawkins Act. Yes. Passed, 411–3.

(164) Humphrey-Hawkins (Full Employment and Balanced Growth) Act. Yes. Passed, 257–152.

(174) Consider public financing of House election campaigns. Yes. Failed, 198–209.

(175) Conference Report on bill raising the mandatory retirement age for private workers to 70. Yes. Passed, 391–6.

(182) Withhold support for flexible parity of target prices for wheat, corn, cotton. Yes. Passed, 224–167.

(193) To require that rates of each class of mail bear not only the direct but the indirect cost incurred in providing the service. Yes. Passed, 292–112.

(198) To establish congressional review of postal rate decisions, to increase congressional oversight of the U.S. Postal Service, to abolish the Board of Governors of the U.S. Postal Service, and for other purposes. Yes. Passed, 384–11.

(257) To regulate lobbying and related activities. Yes. Passed, 259–140.

(278) To increase the budget authority by $1 billion and increase by $844 million outlays for new entitlement authority for veterans programs. Yes. Passed, 362–33.

(280) To provide a reduction of $255 million in budget authority and outlays for fiscal year 1979, thereby accommodating a reduction in pay raise increases for federal workers from 6% to 5.5%. Yes. Failed, 172–210.

(340) To designate certain lands in Alaska as units of the National Park, National Wildlife Refuge, Wild and Scenic Rivers and National Wilderness Preservation System. Yes. Passed, 277–31.

(393) To make private, non-profit elementary and secondary school tuition expenses eligible for a federal income tax credit. Yes. Passed, 209–194.

(396) Bill to provide a federal income tax credit for tuition. Yes. Passed, 237–158.

(444) To prohibit federal funds for abortions except in the cases of reported rape or incest or where severe and long lasting physical health damage to the mother would result if the fetus were carried to term, as so determined by two physicians. Yes. Failed, 198–212.●

SOLAR ENERGY DEVELOPMENT BANK

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. NEAL. Mr. Speaker, on July 20, my bill to create a Solar Energy Development Bank was favorably reported from the House Banking Subcommittee on Domestic Monetary Policy. Substantial modification of the bill was made during the course of subcommittee consideration. In light of the widespread support it has received from the House, where it has over 100 cosponsors, I thought it would be worthwhile to share with my colleagues a brief explanation of the concept and the reasons for the major changes. Following is the statement I submitted to the subcommittee during markup which attempts such an explanation:

STATEMENT BEFORE THE SUBCOMMITTEE ON DOMESTIC MONETARY POLICY

(By Stephen L. Neal)

Thank you, Mr. Chairman. Before I proceed any further, I would just like to say that I haven't been blinded yet by the glare of the brilliant future many predict for solar energy. I know that it is not a panacea for all our energy ills. We're still going to have to depend on a variety of traditional energy sources—oil, gas, coal, nuclear and hydropower—for a long time to come. Yet, Mr. Chairman I have seen solar energy at work and there are many good, intelligent and deliberate people who assign solar a major role in providing for our future energy needs. And the benefits that can be accrued by the widespread use of solar energy are numerous: it's clean; it's virtually unlimited; it's labor intensive; and it can help reduce our dependence on foreign oil, thereby lessen our trade deficit, and generally have a positive effect on our economy. And . . . it's available to us today.

Solar energy, however, is not free. If our nation is to benefit from this energy source to any significant degree, it must have our strong support. And, I might add, the right kind of support.

One of the major attributes of solar energy is that it can be used directly by the homeowner and can help make him almost energy self-sufficient. But this same asset also presents us a unique problem in trying to gain its widespread acceptance and use. That is, the homeowner himself must be able to bear the burden in many cases, of a sizeable front-end investment. The cost of solar systems can range from 800 dollars to 15 thousand dollars. Even if we had a tax credit on the books, the homeowner would still have to hurdle the burden of the initial cost in order to take advantage of it. And it is still extremely difficult to obtain financing through private lending institutions, even for the most creditworthy borrowers. Studies conducted by a number of groups, including the Office of Technology Assessment and the Joint Economic Committee, have verified this dilemma.

One of the principal reasons I introduced a bill to offer long-term, low-interest loans was to help overcome this seemingly obvious problem with a common sense solution. I would like to think that the amount of support the bill has gained both from within the House, where it has over 100 cosponsors, and from private sector organizations, reflects positively on the soundness of the approach. During the three days of hearings in April, over a dozen witnesses representing the solar industry, labor, consumers, the financial community and business interests in general testified in favor of this concept. Only Administration witnesses responded negatively.

Of course, another major purpose of the bill is to provide solar a boost by giving the homeowner and small businessman an added incentive, in the form of a low interest rate, for going solar. Actually, I prefer to call this a kind of equalizer. Every other major source of energy, including electric utilities, have received in the past and continue to receive massive support from the Federal government. The solar industry cannot be expected to successfully compete with these other industries without similar assistance.

The bill I introduced last year presented a concept to help remedy a situation but, admittedly, it lacked some of the details necessary to make it work. Therefore, at the proper time, I would like to offer an amendment to the bill, which has been drawn up with the assistance of the Subcommittee staff and others. I think it greatly improves the quality of the original proposal.

I though I might take a moment here to discuss a few of the major provisions of the amendment in relation to the original bill and explain how the Bank would operate.

As you can see, the Solar Bank is no longer totally independent and has been placed under the jurisdiction of HUD. One purpose of this was to limit the expense of creating an entirely new agency and the accompanying bureaucracy. We chose this particular department primarily because we saw that by utilizing the resources of the Government National Mortgage Association (Ginnie Mae), which is under HUD, we could put an effective program into place in a minimal amount of time. Ginnie Mae has conducted similar subsidized loan programs, and, most importantly, it has well established loan channels with private lending institutions—both banks and savings and loan associations. Obviously, it would be difficult to start from scratch to develop these necessary channels—and wasteful, when they already exist elsewhere. Also, Ginnie Mae seems to be a particularly well run department, especially for HUD.

I know that there is concern about placing the Bank within HUD, but I believe the advantages outweigh the disadvantages. I think we have given the Bank enough visibility and independence to insulate it somewhat. The Bank Board, for instance, would consist of 7 members, 4 of which would come from the private sector and all of whom would be appointed directly by the President. Also, even before the program went into effect, HUD would have to detail for Congress exactly how the Bank would be set up and how the program would be run—thus, providing additional congressional review.

In the original bill, the Solar Bank would have had the power to make direct loans. Of course, this would have involved an extensive bureaucracy. In the amended version, the private lender would initiate and service all loans and bear much of the risk. The Solar Bank simply would compensate the lender for the difference between the subsidized interest rate and the market rate. Since the lender would be compensated in a lump sum payment, the Solar Bank would

not have to follow each and every loan throughout its term. This should further reduce bureaucratic requirements and allow for fairly easy termination of the Bank when it has outlived its usefulness.

The consumer would obtain the solar loan in much the same fashion as a conventional home improvement loan, or as a subsidized portion of a new home loan. The principal precondition for granting the loan would be that the solar system in question be certified by the Department of Energy and that minimum consumer warranties be provided.

Our ultimate goal is to develop solar energy to the point where it benefits all energy consumers and not just the wealthy or adventurous. But our immediate goal is to produce a bill that will work, and work efficiently. Both HUD and the Library of Congress have stated that public access to solar loans is a key ingredient to the success of any solar loan program. What better way is there to reach most people than through the private lender? Banks and S&Ls reach into virtually every community in the country. And this kind of limited government involvement should make for a program in which both the private lender and the consumer would want to participate. It's also true that if the private lender stands to make a profit, he's naturally going to work hard to make the program a success. It should also be kept in mind that he will be assuming most of the risk in case of a default.

In any event, I am firmly convinced that solar can and should be an important source of energy for this country in the near future. In fact, it just might be the deciding factor in whether we will ever experience the catastrophic energy crunch that many speak of. But we can't just sit back and expect a solar industry to magically appear. If we do, it won't be there when we most need it. So we must give it the same degree of support that has been given to the industries associated with nuclear, oil, natural gas, hydropower and even coal.

Almost equally important—and what is at the heart of my proposal—is the form that support will take. There is clear evidence that one of the most effective ways to stimulate the widespread use of solar energy is by helping the energy consumer overcome the impractical front-end cost of solar equipment. I believe the Solar Energy Development Bank would provide this service in a fair, efficient and timely manner and I would urge my colleagues to support it.●

POPE PAUL VI

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. ZABLOCKI. Mr. Speaker, the outpouring of grief around the world over the death of Pope Paul VI is a just tribute to the greatness of his leadership. History books of the future will show even more clearly his high stature in an era of turbulence within the church and the temporal world.

History placed on Pope Paul the role of putting into effect many of the changes within the church set in motion by Pope John XXIII, reforms which were necessary and yet at the same time met with significant opposition. Pope Paul kept the integrity of the church as a whole, avoiding a disastrous split, and guided it to further ways in which it could serve mankind.

Pope Paul is rightly praised for his leadership in the ecumenical movement. Christians and non-Christians alike are grateful for his continuing efforts to promote harmony leading to unity among those of different faiths.

In the endeavor to achieve peace among nations, no individual was as sincere and untiring as was Pope Paul. He strove continually to end bloodshed. He sought peace in Africa, in Ireland, in the Middle East, and in Asia when conflicts arose in those areas.

As we mourn, we must keep in sight his outstanding contributions to the church and to humanity and pray that we shall carry forward with the inspiration which he gave.●

AIRLINE PILOTS ASSOCIATION'S 30,000 MEMBERS SAY H.R. 8729 REPRESENTS BEST APPROACH TO AIRCRAFT NOISE ABATEMENT AND TO MAINTAINING U.S. LEADERSHIP IN COMMERCIAL AEROSPACE INDUSTRY, AS WELL AS BEST OPPORTUNITY IN LONG STRUGGLE TO SOLVE AIRPORT NOISE PROBLEM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. ANDERSON of California. Mr. Speaker, the Airline Pilots Association under the leadership of their very active and able president, Mr. J. J. O'Donnell, has expressed to me again the continued steadfast support of the Airport and Aircraft Noise Reduction Act, H.R. 8729, by their 30,000 members.

Mr. O'Donnell is right, of course, in indicating that it is the public which will benefit or lose depending on what we do with this carefully structured bill. By acting now, eventually we will save the general public billions, and do so without 1 cent of extra tax on the user. The general public will not be taxed at all under this proposal.

AIR LINE PILOTS ASSOCIATION,
Washington, D.C., August 7, 1978.

Hon. GLENN M. ANDERSON,
Chairman, Subcommittee on Aviation, Committee on Public Works and Transportation, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In numerous occasions in the past, I have expressed the strong support of the Air Line Pilots Association for enactment of H.R. 8729, the "Airport and Aircraft Noise Reduction Act." We have consistently argued that this legislation represents the best approach to achieve meaningful aircraft noise abatement, and to maintain U.S. leadership in the commercial aerospace industry which is so critical to our balance of payments and the employment of American workers. I want to express again to you, as the principal author and proponent of this bill, that our association, and the more than 30,000 commercial airline pilots whom we represent, remain steadfast in our position that H.R. 8729 should be enacted during this Congress.

In recent weeks, however, I have become increasingly distressed and frustrated over the difficulties which have impeded the progress of your bill. I am deeply concerned, as I'm sure you are, that if Congress fails to pass H.R. 8729 this year, we will have lost the best opportunity we have ever had in our long struggle together to solve the airport noise problem. Unfortunately, the biggest losers in this event will certainly be the millions of people who reside in the vicinity of major hub airports throughout America who suffer daily from the impact of jet noise. Without this legislation, meaningful relief from oppressive jet noise will be significantly delayed.

For many months now, we have heard the arguments of those who oppose the financing mechanism adopted by the Committee on Ways and Means. Undoubtedly their objections are well-intentioned, and often politically appealing. Nevertheless, we are convinced that the significant public benefits which H.R. 8729 will provide, clearly outweigh the objections which have been raised.

Accordingly, Mr. Chairman, ALPA commends you for your diligence and hard work in developing this important legislation, and we will continue to make every effort to assist you in accomplishing its passage before Congress adjourns.

Sincerely,

J. J. O'DONNELL,
President.●

ERA RATIFICATION: THE CASE AGAINST RESCISSIONS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. DRINAN. Mr. Speaker, as a member of the Judiciary Subcommittee on Civil and Constitutional Rights, I have had the privilege, during the past 10 months, of hearing many eminent constitutional law experts' views on House Joint Resolution 638, the proposed extension of time available for ratification of the equal rights amendment. One of the issues arising out of this legislation has been whether attempted rescissions by States which had previously ratified the amendment should be recognized.

I would like to share with my colleagues the reasons why I believe that these rescissions should not be recognized and why the subcommittee, by a vote of 21 to 13, defeated an amendment to House Joint Resolution 638 which would have required the recognition of these rescissions.

Department of Justice attorneys, in a brief submitted to the subcommittee, went back to the intent of the Framers of the Constitution and found that both Hamilton and Madison opposed rescissions. When the State of New York was considering ratifying the Constitution on the condition that certain amendments be adopted, Madison wrote in a letter to Hamilton:

> The Constitution requires an adoption in toto and for ever.

Although that letter was hastily written, there can be little doubt, judging from the clear and emphatic tone of his statements, that Madison meant what he said. Also, since the question had come up earlier, with respect to an attempted conditional ratification by Virginia, we know that his opinion was not hastily formulated.

Our legislative and judicial history with respect to rescissions has been consistent with Madison's view.

In the 1939 decision Coleman against Miller, the Supreme Court cited the precedent of the 14th amendment's ratification. In that instance, Congress recognized ratifications of the amendment by States which had attempted to rescind their ratification. The Court also noted a similar action with regard to the 15th amendment. The Court concluded:

Thus the political departments of the Government dealt with the effect both of the previous rejection and of attempted withdrawal and determined that both were ineffectual in the presence of an actual ratification.

And the Court recognized that it is these "political departments," and not the courts, which should make this determination:

We think that in accordance with this historical precedent the question of the efficacy of ratifications by state legislatures, in the light of previous rejection or attempted withdrawal, should be regarded as a political question pertaining to the political departments, with the ultimate authority in Congress in the exercise of its control over the promulgation of the adoption of the amendment.

This "political question doctrine" is alive and well today; the Supreme Court would still find that Congress has the sole authority to determine the validity of attempted rescissions. In the 1962 case Baker against Carr, the Supreme Court cited Coleman twice as an example of an issue which was "committed to congressional resolution and involved criteria of decision that necessarily escaped the judicial grasp."

Thus, the validity of rescissions is to be decided by Congress—at the time the 38th State ratifies the amendment. What will Congress decide at that time? I hope it will look to the past as well as the future.

In the past Congress has consistently treated a ratification of a constitutional amendment as final and a vote of rejection as having no effect. This has been true not only regarding the 14th and 15th amendments, but also with respect to various legislative attempts which have been made to recognize States' attempted rescissions. Between 1967 and 1973, Senator Ervin introduced four unsuccessful bills which would have validated rescissions, and in 1921 and 1924 the Wadsworth-Garrett amendment which would have permitted States to reverse both prior ratifications and prior rejections, was proposed in vain.

Why should Congress position in the past affect us? The function performed by Congress in deciding the issue of rescissions is largely a judicial one. since it involved interpreting the Constitution. Thus, it is appropriate for Congress to respect precedent just as the judiciary does.

Prof. Herbert Wechsler of Columbia University Law School has written:

I believe that history has bound us to the proposition that a state legislative ratification of a proposed amendment cannot be effectively rescinded, whatever change of sentiment may have occurred. This, to be sure, is a question that the Coleman decision also remits to the Congress for determination. I cannot believe, however, that Congress could responsibly repudiate the tradition of a century upon this point, jeopardizing as it would the ratification of the Fourteenth and Fifteenth Amendments.

There is another reason why we should adhere to Congress determinations of the past. Certainty in our ratification process is vital if the procedure is to be orderly and equitable.

If a State knows its ratification is unconditonal and irrevocable, there results a clarity and definiteness. Otherwise, the chaotic situation could result where a state would turn around its position on an amendment with each new legislative session.

I repeatedly hear the argument that it is "not fair" to treat States' rejections of a proposed amendment as reversible while treating ratifications as irreversible.

In their wisdom the framers of our Constitution set up in article V many obstacles to be overcome before an amendment becomes a part of that document. The proposed amendment must be passed by both houses of Congress by a supermajority vote of two-thirds. It must then be ratified by three-fourths of the States' legislatures or conventions. It has been pointed out that in the legislature system, since the proposed amendment is considered first at the committee level in most States, 140 out of 193 decisional units must approve the proposed amendment. Thus the cards are stacked against the ratification of an amendment. Further, the amendment may be challenged in the courts if it is felt that the ratification was not within some reasonable time after the proposal.

Since the proponents and opponents of a proposed amendment are not on equal footing anywhere along the process, it does not make sense to demand that they be treated equally with respect to the rescission issue.

As Harvard Law graduates Brenda and Marc Feigen Fasteau have put it so well in an article for the new Harvard Women's Law Journal:

Even if the notion of neutrality between proponents and opponents of proposed amendments were appropriate, it is clearly inappropriate to consider only questions of the finality of ratification and rejection while ignoring the other features of the amendment process. Rigorous application of the "fairness" criteria woud require the absurd: that the procedural hurdles to amending and not amending the Constitution be equally balanced.

I therefore urge my colleagues to support House Joint Resolution 638 without an amendment recognizing rescissions of States which had previously ratified the ERA.●

INCOME TAX CREDIT ON SOCIAL SECURITY TAX

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. GEPHARDT. Mr. Speaker, I hope the Rules Committee will make in order in the consideration of H.R. 13511 my amendment which offers an income tax credit to both employers and employees equal to 5 percent of their social security payroll tax. The credit would be available and payable to any person or entity paying the payroll tax regardless of their income tax liability. If this amendment is enacted the business expense deduction now available to employers for payment of social security taxes would be appropriately reduced so employers would not enjoy both a full deduction plus a 5-percent credit for payment of payroll taxes. The credit would only be available to employees and employers who pay social security taxes. The credit would be reflected in employee's paychecks beginning in January, 1979 as it would be calculated in payroll withholding tables. Therefore, as 1979 payroll tax increases called for by the 1977 social security legislation come into effect this new credit would ameliorate the effect of such tax increases. The net effect of my amendment on taxpayers of different income groups can be clearly seen in the following table which shows the net change in 1979 taxes under the various income tax reduction proposals that will be voted on on the floor on Thursday:

NET CHANGE IN 1979 TAXES (INCOME AND SOCIAL SECURITY TAXES COMBINED) FOR A FAMILY OF 4 UNDER COMPETING PROPOSALS

Wage and salary income	$5,000	$10,000	$15,000	$20,000	$25,000	$30,000	$40,000	$50,000	$100,000
Ullman-Jones (Committee bill), $16.3	+14	−34	−35	+115	+207	+135	−47	−215	−485
Gephardt plus Ullman-Jones, $21.9	−1	−65	−81	+53	+137	+65	−118	−286	−556
Corman-Fisher (Administration), $8.1	+14	−232	−187	+33	+131	+16	−215	−261	−261
Kemp-Roth (Republican), $31.7	+14	−48	−131	−3	+71	−45	−340	−661	−2461
Gephardt plus Corman-Fisher (DSG backed), $23.9	−1	−263	−233	−29	+61	−55	−286	−332	−332

Note: All data except Kemp-Roth figures provided by Treasury Department of Tax Analysis. Kemp-Roth figures computed by DSG using data provided by Joint Committee on Taxation. Revenue impact: The dollar figure below each proposal represents the revenue impact in billions. Kemp-Roth is the only proposal which exceeds the Congressional Budget Resolution.

This table clearly shows that even the most generous income tax reduction proposal (Corman-Fisher) coupled with my amendment does not result in a net tax reduction for all income groups over their 1977 net tax liability. However it is also clear that my amendment does lessen the tax increases caused by the 1977 social security amendments.

The cost of my amendment is $5.6 billion on a calendar year basis, which would result in a total tax package cost of $21.9 billion if you assume Ullman-Jones prevails of $23.9 if you assume that Corman-Fisher prevails. My amendment would expire in 2 years.

I submit that my amendment clearly helps us achieve the kind of tax relief we need to give beginning in 1979. I do not believe it makes the tax reduction too large. Most economists agree that a tax reduction of between $20 and $25 billion makes sound economic sense. Federal Reserve Chairman William Miller has called for reduction in the tax package but he also has urged a reduction in social security taxes. If we add my amendment to either income tax cut proposal we can fight inflation without exceeding a reasonable revenue loss. As Prof. Robert Eisner, professor of economics at Northwestern University recently stated:

Ideally, taxes should be cut in those areas where they directly affect costs. Lower costs would mean lower prices. Thus people would be able to buy more in real terms, increasing output and employment while prices are lower than they would otherwise have been. The Congress should seize on every possible device to lower payroll taxes (mainly for social security but also for unemployment insurance) which add enormously to labor costs, which are of course the prime element in prices.

A final point on cost. The Budget Committee recently reported a second budget resolution that projects a deficit for fiscal year 1979 of $43 billion. My amendment is contemplated in that figure and will not add anything to that deficit amount.

In 1977 I joined with many of my colleagues in increasing social security payroll taxes to insure the financial integrity of the system. The legislation did put the system back on sound financial ground but I believe many of us know that our reform of social security has not ended but, rather, has just begun. I believe we need changes and reductions in some benefits and partial changes in the method of financing. Both last year and earlier this year serious attempts in the Ways and Means Committee to finance part or all of the disability and/or medicare programs through general revenue failed by close votes. There is deep disagreement on whether and exactly how general revenues should be infused into the social security system. While this debate and the discussion of modification of benefits is carried on in Congress in coming months it is vital that we somehow partially relieve taxpayers from the significant tax increases that we could agree on. To do less is to further aggravate inflationary trends which will add further woes to an already troubled economy.●

VIETNAM REVISITED

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. DORNAN. Mr. Speaker, "Vietnam" is a word our country usually associates with the recent past—with a traumatic period now behind us. Unfortunately, though, the trauma is not behind us at all. It continues today in the form of a repressive Hanoi regime forcing "re-education" upon the Vietnamese people. There is occurring a severe limitation of human rights: of communication, of opinion, of religion and property, among others. "Reeducation" translates easily that most repulsive of communism's tendencies. Mr. Olsen's article details as rigid, oppressive government control, the rarely publicized Indochinese situation:

Repression in Vietnam

Since the Communist takeover of Indochina in 1975, Vietnam has attracted relatively little notice in the American media. Recently, however, several new developments have once more focused attention on that troubled nation: the growing friction between the Hanoi regime and its Chinese and Cambodian neighbors; the unmasking of a Vietnamese spy operation in Washington; and the ongoing campaign for "normalization" of U.S.-Vietnamese relations and American financial aid to Hanoi.

Vietnam is a closed society, and it is difficult for international observers to monitor the status of human rights there. But the reports of those who have reached the West after living under the Hanoi government—sometimes confirmed by Hanoi itself or by Western journalists permitted to enter the country—indicate the following:

First. As many as 300,000 prisoners may still be held in "re-education" camps. The inmates range from political activists of all sorts, including many former Viet Cong, to those who are highly educated or have Western ties. Most are charged with no crime. Forced labor and malnutrition are the norm in the malaria-infested camps.

Second. Prior to the Communist takeover, there were 27 daily newspapers in South Vietnam. Now there are three. The government owns all forms of communication. Even private ownership of typewriters is effectively banned. Most books and periodicals were burned shortly after the takeover.

Third. Freedom of religion has also been extinguished. In protest of Hanoi's anti-religious policies, many Buddhist monks and nuns have burned themselves to death, though this grim fact has received comparatively little attention in the West.

Fourth. More than a million people have been moved to the desolate rural "New Economic Zones" in emulation of the mass relocations that have taken place in Cambodia. Agricultural production has fallen dramatically, and the Vietnamese economy is a disaster area.

Fifth. Though Hanoi does everything in its power to enforce its ban on emigration, 3,000 people a month still risk their lives to escape, many hundreds of them preferring to perish in the open sea than to continue living under Communism.[1]

Western reaction

A notable Western reaction to revelations of this sort occurred in December, 1976, when about ninety former antiwar activists filed a protest with Hanoi's representative at the United Nations. Signers of the document included Joan Baez, Allen Ginsberg, ACLU head Aryeh Neier and New York City Council President Paul O'Dwyer.

The letter accused the Hanoi regime of "gross abuses" and "grievous and systematic violations of human rights." It said that the antiwar activists had been "deeply saddened to hear of the arrest and detention of a wide range of persons, including religious, cultural and political figures who opposed the Thieu government despite considerable political risks."

The protest demanded that Hanoi allow on-the-spot inspection of "re-education" (labor) camps, give an accounting of those held, and free those detained because of political beliefs. It also called for "recognition of the right to open and free communication."[2]

To be sure, not all members of the antiwar movement share these views. Some, led by Corliss Lamont took an advertisement in the New York Times downplaying the severity of the repressive measures and pleading necessity.[3] And other Westerners sympathetic to the Hanoi regime have spoken in enthusiastic tones of the practices of the new government. Midge Meinertz of Church World Service, for example, has stated that Vietnam is now a "free and independent society" which shows respect for "individual human dignity."[4] A few Americans given tours of "re-education" camps and "New Economic Zones," such as Carol Bragg of the American Friends Service Committee, have concluded that Vietnam's rulers are going to "build a new society based on justice and equality."[5]

A markedly different picture emerges from the reports of refugees who have managed to escape the new Vietnam. Perhaps the most remarkable of these is Nguyen Cong Hoan. Hoan was a member of the National Assembly in Hanoi, and had previously been a leader of the "peace bloc" in the South Vietnamese legislature. Despite his favored position he eventually concluded that the new government was "the most inhuman and oppressive regime" Vietnam had ever known. With three other antiwar activists he escaped in a small boat, leaving his family behind, to call world attention to the "total suppression of human rights" by the Hanoi regime.[6]

Other refugees confirm what Hoan told a congressional committee in 1977:

In Vietnam today, it is the dictatorship of the Communist Party. The government can arrest, execute, deport, expropriate, tax, withdraw rice allowances, fire from employment, ban from schools, forbid traveling and do many more things to the people without specific charges or explanation. . . All basic rights are suppressed. No one has the right to express any thought, idea, misgivings that are contrary to the official line. Whoever does will be considered "reactionary" and will be sent to "re-education camps."[7]

The concentration camps

Postwar Vietnam's labor camps are noteworthy if only for the sheer number of prisoners held. "Never have we had such proof of so many detainees," writes Jean Lacouture, a French journalist who had been sympathetic to the Viet Cong. "(Not) in Moscow in 1917, nor in Madrid in 1939, nor in Paris or Rome in 1944, nor in Peking in 1949, nor in Havana in 1959, nor in Santiago in 1973."[8] Lacouture estimates the number held at 300,000 or more, as does Father Andre Gelinas, a Jesuit priest who spent more than a year under Communist rule in the South.[9] Hanoi itself admits to holding 50,000.[10]

According to Gelinas, former American officers' quarters have been converted into prisons, and as many as 26 prisoners are now held in the space once allotted to one American soldier. Two new jails have risen near Saigon. Most of the prisoners, however, are not held in urban jails but in rural "re-education" camps. Their number and location are kept secret, but refugees estimate that there are at least 60–90 camps, each with a minimum of 3-4,000 inmates.[11]

The victims are by no means limited to supporters of the old government. Theodore Jacqueney of Worldwide magazine names several dedicated opponents of the Thieu regime now reportedly dead or in prison. Among them: Senator Bui Thong Huan, second-ranking leader of the An Quang Buddhist bloc of anti-war senators; Deputy Tran Van Thuygen, chairman of opposition block in Saigon's National Assembly; and Father Tran Huu Thanah, a radical

Footnotes at end of article.

preacher of "social gospel." Many dissidents imprisoned by Thieu, such as Deputy Tran Ngoc Chau, have been sent back to the same jails, with one difference: the Communists have bricked over the cell windows for greater security.[12]

As former deputy Hoan told a congressional committee:

Individuals and political parties once involved in the preservation of democratic liberties in South Vietnam, even those closely allied with the National Liberation Front and the Provisional Revolutionary Government, are behind bars. . . Most will be kept indefinitely in "re-education camps" and many are deported to the North.[13]

Nor are the Viet Cong themselves immune. Gelinas speaks of the "systematic elimination" of the old Provisional Revolutionary Government (PRG), beginning in the summer of 1975. Their positions have been taken by Northerners. [14]

The total number imprisoned for "political" offenses is less than the number held for being too highly "educated" in some way or another. This can mean, for example, knowing a foreign language or having the equivalent of a high school education. From 60 to 85 percent of the "educated" in Sa!gon have been sent to the camps, Gelinas estimates.[15]

Arrests usually take place late at night or at dawn. Rarely are there any specific charges. Sometimes the victim is summoned to a police station, or told to pack for a few weeks' trip. Attempts to escape are generally futile, as a thorough system of surveillance, internal passports and rice rationing enables the state to keep track of one's whereabouts.[16]

Inside the camps conditions are grim. To quote refugee Tran Van Son, the inmates' "unique concern is how to survive the camps." [17] Death from malnutrition and malaria is common, refugees report, and the overcrowded, unsanitary conditions lead many to insanity. Talking to other inmates is forbidden in some camps; offenders are sent to the "dark rooms," dungeons where there is no light or ventilation and no sanitary facilities.[18]

One frequent way out of the camps is suicide. "Many people hanged themselves," according to a doctor interviewed by Jacqueney:

(One man) returned to Vietnam on the Thuong Tin ship, the one that came back from Guam when some refugees changed their minds. He hanged himself in his prison cell. His name was Lt. Tran Tin Viet. This time they let me try to treat him, and I gave him mouth-to-mouth and first aid. I asked them to let me send him to a hospital. They refused to permit it, although I think I could have saved him in a hospital. He needed oxygen to reanimate. Without it he died the next day.[19]

Nguyen Van Coi, an escapee from one of the camps, testified before Congress in June 1977. His description is a typical one. In Long Xuyen prison he was fed two small bowls of rice daily with a little salt. His cell measured 11' by 22'; it held 81 prisoners. He could not lie on his back while sleeping for lack of room. Two small air holes provided ventilation; there were no windows, and the door was kept closed. Occasionally, for as little as fifteen minutes a week, the prisoners emerged from the dark cell into blinding sunlight. The toilet in the cell gave off a hideous stench, and was clogged with fly larvae which could not be kept out of the ears and mouth at night.

Coi said he was later transferred to two camps even worse than Long Xuyen. In the mosquito-infested U-Minh forest, no actual camp had been set up, and prisoners were chained to tree trunks. Coi's original clothing was gone by this time, and he used strips of eucalyptus bark instead. From about dawn to dusk without a break he cleared the woods.[20]

Another form of labor common in the camps, refugees report, is mine-field sweeping. Unskilled civilians—often those prisoners who have proved troublesome to their captors—and must go into the mine-fields to locate and defuse the weapons.[21]

Such macabre tasks are carried out under the slogan "labor is glory." As the official Saigon Giai Phong newspaper puts it, labor has the "power of cleansing these stains from them and transforming them into clean persons." [22]

Any time left over from labor is usually devoted to "re-education." Part of this is the confession, or 'self-criticism": the prisoner must list all his past misdeeds and improper attitudes. Inmates must write such confessions often, up to several times daily, and omitting a detail included in an earlier version leaves one open to severe reprimand or worse.

The balance of the "re-education" process consists of minute study of propaganda textbooks. Each paragraph is studied for days at a time.[23]

GOVERNMENT CONTROL OF OPINION

Although this "re-education" is supposed to be the justification for the camps, it differs little from the propaganda effort in the country at large. Everyone is expected to attend political meetings, sometimes daily. The agenda includes informing on one's neighbors, as well as listening to official propaganda.[24]

The authorities are making strenuous efforts to gain control of public opinion. Before the Communist takeover, there were 27 daily newspapers in four languages. Now there are three. Before, there were three television and two dozen radio stations. Now there is one TV station, which broadcasts for two hours each morning, and three radio stations. Both newspapers and broadcast media are run by the government, and are little more than propaganda outlets. All back issues of the old newspapers have been burned. It is illegal to listen to foreign radio, or to fail to inform on those who do.[25]

Soon after the takeover the Communists ordered most books on controversial topics burned—and most topics were controversial. Huge bonfires of proscribed books lit the streets of Saigon. Each family must now submit to the state a list of the books it owns. Private ownership of typewriters has been effectively outlawed as well.[26]

Religion is persecuted. There are 200–300 priests and six bishops in jail. Treatment of Buddhists is still harsher, as they have little recourse to world opinion. But Christianity is under fire too. By the end of the "five year plan," in 1982, it is scheduled not to exist. Teaching religion to children is prohibited.[27]

A number of Western religious groups have claimed that the Hanoi regime tolerates religion.[28] James Klassen of the Mennonite Central Committee, for example, does "not feel that there was any systematic repression of religion by the government." He bases this view largely on the experience of his own congregation, which cooperated enthusiastically with the government and was allowed to continue meeting. Still, Klassen admits that distribution of religious tracts is now illegal, that all church meetings must be registered with the state, and that the governmen propagandizes against religion.[29]

Coi reports that most of the "churches" shown Western visitors are now used exclusively for political meetings. Bach Mai was Hanoi's only remaining church when it was converted into a hospital; worshippers must now meet in an alley.[30]

The most striking reaction to persecution of religion in Vietnam has gone almost unnoticed in the West. Many Buddhist monks and nuns have burned themselves to death in protest, including twelve members of the An Quang sect at Can Tho in November 1975.[31] The self-immolation of Buddhist monks in the early sixties helped turn world opinion against the Diem government. But the recent suicides, dramatic as they are, have been virtually ignored by world opinion.

One of the most effective methods of controlling the public was the "census" of 1976. As Gelinas describes it:

The form which you had to fill out consisted of seven or eight pages in which you were absolutely required to describe your monthly activities during the last seven years, where you lived, what you did, what you thought, and why you thought it, the names of people you know and of those for whom you worked, your political opinions, etc. On each form you had to list the names of five people who could guarantee the accuracy of your statements.

But this form was merely a preliminary draft. You had to read it publicly before the assembled members of your Tô (neighborhood council), and if your neighbors thought there were errors or omissions they could correct them. The chief of the Tô would then approve or reject your census form and only then could you make a clean final copy; but you had to do this before a kind of jury of four or five civil servants. That could take take four or five hours, after which you turned in your form, but without being able to keep any notes.

And there is the catch. Because ten days later you have to answer the same questions without crossing yourself up; and then the questions must be answered yet a third time, after the authorities had checked over all the rest of your family. "Your sister-in-law was a secretary for a French company and you didn't say so. Why? And the six months you spent in the army. Have you forgotten them?" And your brother-in-law, uncle and aunt go through the same paces. So by collating all such information, by working through millions of forms, the authorities are able to know everything about everybody.[32]

Every aspect of life is subject to state control. Choice of occupation, choice of residence, choice even of what clothing to wear, all have disappeared. "Western" habits are being extirpated. Soldiers occasionally board public buses and clip women's nails if they seem too long, according to Gelinas.[33]

"NEW ECONOMIC ZONES"

The major fear of Saigon residents is neither the rigors of city life nor the labor camps, but the "new economic zones." These are duplicating, on a smaller scale, the experiments of neighboring Cambodia in forced relocation.

Ostensibly the "New Economic Zones" are pleasant rural areas being developed by teams of urban workers. The reality, according to most refugees, is one of famine, epidemics, wretched living conditions and complete servitude. Often virtually no constructive work is accomplished.[34]

Some 3,000 persons a day leave Saigon for the zones. In 1976, when more than a million had been relocated, officials predicted that another eight million would eventually be moved to the zones.[35]

Many in the South are simply ordered out of the cities where they have spent their lives; others are persuaded to go by means of coercion so strong as to be almost worse than explicit dictates. Sometimes wrecking crews have been sent to demolish the homes of those who delayed in "agreeing" to leave.[36] Other recalcitrants are deprived of food rations.[37]

The positions of those sent to the zones or camps are often taken by Northerners. As Tiziano Terzani puts it in the New York Review of Books: "Many thousands of people from the North (some estimates put the figure as high as half a million) have been imported to take over the responsibilities for administering many aspects of life throughout the South." [38]

Footnotes at end of article.

ECONOMIC WOES

With the South's leading cities being depopulated, it is little wonder that the economy is staggering badly. Factories and hospital equipment have been removed in quantity and taken to the North.[39] Gelinas reports: "There is no famine: but many live in misery. The two staple foods are rice and the Chinese potato, the Khoai-mi, which is normally eaten by animals but is now mixed with rice to make it go further . . . dogs and cats disappeared long ago; if one didn't eat them, they would be stolen." [40]

Fish has become scarce; the state has virtually banned ocean fishing to discourage escape by sea.[41] The produce of mango farmers has been taxed so heavily that they have cut down the trees for firewood. Production of rice, the most vital foodstuff of all, is suffering for similar reasons.[42] The price of milk has increased sixfold since the takeover.[43]

Property rights have received the sort of treatment typical of communist regimes. Thousands of suicides followed a 1975 proclamation confiscating all but the smallest holdings of wealth, says Gelinas.[44] Ironically for those who saw "corruption" as one vice from which the Communists would at least be free, Vietnam has gone on what the Washington Post calls a "corruption binge." Hanoi itself complains that such offenses as bribery and embezzlement "are increasing in both frequency and seriousness," and says corrupt officials have been imprisoning those who refuse to pay bribes. A medium-sized family can reportedly buy the right to "emigrate" in a small boat from a Vietnamese port by paying $6,000 in gold to a "syndicate" of bureaucrats.[45]

Hanoi has not demobilized its army, one of the largest in the world. But it is an army which provides little protection to its own subjects. Cambodian army units periodically strike across the border to massacre Vietnamese civilians, committing such atrocities as dismemberment and mutilation of women and children. According to Terzani in the Washington Post, the Vietnamese government has tried to ignore these attacks in order to avoid a quarrel with Cambodia's Chinese ally.[46] Before the worsening of relations between the two governments in April 1976, incidentally, Vietnamese authorities forcibly repatriated thousands of Cambodians who had fled that country's repressive regime. All, the Post reports, were promptly killed by Phnom Penn's rulers.[47]

If any good can be said to come out of an experience like Vietnam's, perhaps it will take the form of a more realistic American view of the consequences of Communist takeovers. As Rev. Richard Neuhaus of Clergy and Laity Concerned, one of the antiwar activists who signed the protest of December '76, said: "We wanted to believe desperately—so desperately—the pledge and the promises of respect that would be shown [by the Communists] toward human beings and human rights."[48] That belief has been rudely shattered by the grim experience of Vietnam.—By Walter Olson; research by Robert Johnson and Tom Humbert, Policy Research Staff.

FOOTNOTES

[1] *Washington Post*, April 30, 1978.
[3] *Washington Post*, December 30, 1976.
[3] *New York Times*, January 30, 1977.
[4] Quoted in *Human Events*, April 8, 1978.
[5] Carol Bragg, "Vietnam Two Years Later," American Friends Service Committee, April 1977.
[6] *New York Times*, May 18, 1977. See also Nguyen Cong Hoan, Hearings before the International Organizations Subcommittee, House International Relations Committee, July 26, 1977, and *Human Events*, August 6, 1977.
[7] Hearings before the International Organizations Subcommittee, p. 146.
[8] Quoted in Theodore Jacqueney, "They are us, were we Vietnamese," *Worldview*, April 1977.
[9] Fr. Andre Gelinas, *New York Review of Books*, March 17, 1977.
[10] Jacqueney, *loc. cit.*
[11] Fr. Andre Gelinas, Hearings before the International Operations Subcommittee, House International Relations Committee, p. 22.
[12] Jacqueney, *op. cit.*
[13] Hoan, Hearings, p. 147.
[14] Gelinas, *New York Review of Books.*
[15] Gelinas, Hearings, p. 22.
[16] *Ibid.*
[17] *Washington Post*, April 30, 1978.
[18] *Ibid.* See also Nguyen Van Coi, Hearings before the Subcommittee on International Organizations, House International Relations Committee, June 21, 1977.
[19] Jacqueney, *op. cit.*
[20] Coi, Hearings, pp. 74–75.
[21] Jacqueney, *op. cit.*
[22] *Washington, Post*, April 30, 1978.
[23] Gelinas, *New York Review of Books.* See also *New York Times*, May 18, 1977.
[24] Gelinas, *New York Review of Books.*
[25] *Ibid.* and Gelinas, Hearings, p. 8.
[26] *Ibid.*
[26] Nguyen Con Hoan, "The Current Situation of Religions in Vietnam," May 22, 1977. See also Hearings, pp. 103 and 151.
[28] See, for example, Bragg, *op. cit.*
[29] James Klassen, "Religion in Vietnam Today," available from American Friends Service Committee.
[30] Coi, Hearings, p. 137.
[31] Jacqueney, *op. cit.* See also Hoan, "The Current Situation of Religions in Vietnam."
[32] Gelinas, *New York Review of Books.*
[33] *Ibid.* See also *New York Times*, May 18, 1977.
[34] *Ibid.*
[35] *Ibid.*
[36] *Ibid.*
[37] *Washington Post*, April 30, 1978.
[38] *New York Review of Books*, June 15, 1976.
[39] Gelinas, *New York Review of Books.*
[40] *Ibid.*
[41] *Ibid.* See also *Vietnam News*, November-December 1977, newsletter of the American Vietnamese Association.
[42] *Ibid.*
[43] Terzani, *New York Review of Books.*
[44] Gelinas, *New York Review of Books.*
[45] *Washington Post*, December 25, 1977 and July 16, 1977.
[47] *Ibid.*
[48] *Washington Post*, December 30, 1978.●

MORE ON NEUTRON WARHEAD

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I wish to call the attention of my colleagues to this informative article written by William Randolph Hearst, Jr., concerning the enhanced radiation warhead.

RED PROPAGANDA VICTORY

(By William Randolph Hearst, Jr.)

BRUSSELS.—Visits this week with the two leaders who run the show politically and militarily at NATO revealed to me an astonishing story of how the American and western European people were misled about a nuclear weapon that is far less dangerous and far more humane than others the United States has poised to use in Europe today.

This is the so-called neutron bomb—which isn't a bomb at all. It is an artillery shell warhead.

President Carter's decision in April to defer production of this feat of American technological genius, because of the public outcry about it, is regarded in the NATO High Command as one of the greatest psychological victories over the West ever achieved by the Soviet government.

Dr. Joseph Luns, the respected Dutch secretary general of the North Atlantic Treaty Organization, and General Alexander Haig, the impressive American Supreme Allied Commander, Europe (SACEUR), told me that Soviet propaganda and naive idealists had succeeded in brainwashing the people generally in our country and western Europe about this weapon.

It all started, according to Dr. Luns, with a Defense Department report on the neutron weapon published in *The Washington Post* on June 7, 1977. Under a front page headline that said "Neutron Killer Warhead Buried in ERDA* Budget," that story asserted that the United States was about to begin production of its first nuclear battlefield weapon "specifically designed to kill people through the release of neutrons rather than to destroy military installations through heat and blast."

The story thus implied that in the event of war President Carter and our military leaders planned to kill people with nuclear radiation in order to save military installations from destruction.

The Soviet government seized on this misleading report to launch what Secretary General Luns described as one of the greatest propaganda campaigns ever conducted against the West on a military issue. He said the campaign influenced "to a very great extent" western public opinion and some NATO governments against deployment of the weapon in western Euorpe.

Moscow's campaign was carried out not only in the West, but throughout the world. It was particularly intense in the communist-ruled countries of eastern Europe.

Bernard Kaplan, our Paris-based roving correspondent, reported from Warsaw in May that an all-out propoganda crusade was under way to convince the Polish people the United States was planning to lower the nuclear threshold (a term meaning: making nuclear warfare more likely) with a fiendish new nuclear weapon that would annihilate people with radiation.

No nightly television news program was complete without a film report from factories or farms featuring workers supposedly protesting against the American threat. The newspapers frontpaged daily reports of popular indignation. Walls of buildings in Soviet-bloc towns and cities were plastered with "anti-N bomb" posters. Moscow radio blared denunciation of the American plan in 100 different languages.

One of my reasons for coming to Brussels from the economic summit conference in Bonn was to find out what the NATO chiefs responsible for protecting western security thought about this controversial weapon.

I was curious because, with all due modesty, I wondered at the time of the outcry, particularly by the naive and so-called liberal element in our society, whether it was justified.

When the Soviets launched the hysterical propoganda campaign against the weapon, my suspicion became thoroughly aroused. When Moscow starts to scream about something we plan to do, I have learned that if it's bad for the Kremlin, it must be good for us.

So Joe Kingsbury Smith, our national editor, and I sought the opinions of Dr. Luns and General Haig. First of all, I asked if it wasn't a misnomer to call the weapon a bomb.

"Absolutely," General Haig replied. "It's a warhead that has been developed for two systems. One is the so-called Lance missile, which is a short range, ground-to-ground missile. The other is the 8-inch artillery shell. The neutron warhead is a special round

to go into that shell. Both the Lance missile and the 8-inch artillery also fire conventional rounds.

"The NATO military authorities have advised their political masters that this enhanced radiation warhead is a desirable modernization step that the Atlantic alliance should have on military grounds. Contrary to what has been published about it, it does not lower the nuclear threshold."

Secretary General Luns, whom we interviewed at NATO headquarters just outside Brussels, was even more explicit. He said the name "bomb" was invented by The Washington Post. It is not the proper name. The proper name is reduced-blast-and-enhanced-radiation "shell."

"Because of the article in The Washington Post, followed by an all-out Soviet propaganda campaign, the public got the impression that this was a more terrible weapon than we already have in our nuclear arsenal.

"Quite the contrary, it is far less dangerous, particularly for the civilian population, than the regular nuclear warheads we now have in our artillery shells. It has no radioactive fall-out to contaminate the atmosphere. It has very little explosive power so that the blast effect is greatly reduced.

Gesturing with his hands. Dr. Luns explained that when the neutron warhead shell explodes over a pinpointed target, such as a covey of enemy tanks, the radiation "goes straight down."

"The radiation," he added, "will penetrate the armor and kill the crew inside. It will kill everybody in the immediate vicinity, but it has no fall-out and very little blast power.

"It will not spread nuclear radiation over a widespread area, or send it up into the clouds to be carried around the world, as the nuclear warheads we now have will do. It is therefore far less dangerous, far less damaging and far more humane than the tactical nuclear weapons we now have.

"If we had this neutron warhead today and the world heard the United States was developing a new weapon with the radioactive fall-out, widespread radiation impact and enormous blast power of the warheads we now have ready to use, you can imagine what world-wide protests there would be. The neutron warhead would greatly lessen the lethal danger of the tactical nuclear weapons which are a credible and effective deterrent to a Soviet bloc attack against western Europe.

"Opponents argue that it lowers the atomic threshold because it is a weapon which the allies are likely to resort to more quickly. We already have nuclear weapons which lower the threshold far more than this weapon would. We have atomic demolition charges to close mountain passes and atomic depth charges to destroy enemy submarines, both with far more radioactive contaminating danger than this weapon.

"A Soviet journalist said to me that if the West developed the neutron weapon, Russia would also make it. I said 'Make it by all means. Make it even if we don't. It is not excluded that in the event of a future conflict the battle will be waged for the first few weeks on western allied territory. So we want you to use weapons that will not kill as many people as the tactical nuclear weapons we both now have'."

Apart from the fact the Soviets apparently have not discovered how to make the neutron warhead, and therefore do not want the United States to have the advantage of it, Dr. Luns said the main reason for Moscow's almost frantic opposition to it probably is that it would be an extremely effective anti-tank weapon. The Warsaw Pact's military superiority over the NATO forces on the central European front is based largely on its 3 to 1 numerical supremacy in tanks. This advantage could be nullified with the tank-killing capability of the neutron warhead.

The NATO secretary general said the western public has been so misinformed about the weapon, and so influenced against it by Soviet propaganda, that it will probably be difficult for President Carter to proceed with production of it.

Developed by the British as an offensive weapon in World War I, the tank was the spearhead of Hitler's blitzkrieg breakthrough on the Russian and Western front in the Second World War. Again in 1944 it was the weapon with which General Patton broke out of the Normandy beachhead and which led the allied armies to victory over Nazi Germany.

Gen. Haig told us the Soviet bloc forces on the central European front now have "a three or four to one superiority" over the NATO forces. The offensive nature of that tank buildup could not be more clear, so you don't have to be a military expert to realize how essential it is that our forces be supplied with the neutron warhead—the most effective anti-tank battlefield weapon ever devised.

If this report encourages you to write to the president urging him to go ahead, and explain to all of us why he is doing so, I shall feel that I have rendered a service to my country.

We also talked to Dr. Luns and General Haig about the strength and weakness of NATO at present and in the foreseeable future. Joe will be reporting on their enlightening and important views in a series of articles which will appear in *The News American* this coming week. I just want to say that although I was raised an isolationist, my Pop having shared George Washington's belief that we should stay out of entangling foreign alliances, times have changed.

In view of the clearly apparent Soviet threat to extend its imperialistic domination over the world, I believe Pop would have agreed with me that the Atlantic alliance is America's first line of defense. The least we at home can do is supply these shock troops with the most effective weapons available.●

AMENDMENT TO FEDERAL CHARTER OF BOY SCOUTS OF AMERICA

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. BROWN of Ohio. Mr. Speaker, I would like to express my sincere appreciation to my colleagues for their unanimous consent yesterday to the amendment I offered to the Federal charter of the Boy Scouts of America. I know the Boy Scouts share in my gratitude to the House of Representatives for the expeditious passage of this legislation.

The purpose of this bill, H.R. 11956, is to specify that the Boy Scouts' annual report to Congress shall be printed as a separate House document. Although the Boy Scouts' annual report was printed as a House document for 55 years, almost every year since their Federal charter was granted in 1916, they were informed in 1977 that this practice was to be discontinued because their charter does not specify such treatment of their report.

Unlike the Girl Scouts of America, the Boy Scouts were incorporated before it became the practice for Congress to include this provision in Federal charters. Hence, the Boy Scouts' report may not be printed as a House document, while the reports of other federally chartered organizations of much shorter tenure, may.

The Boy Scouts are proud of their Federal charter and have always felt honored to have their report produced as an official congressional document. I am sure my colleagues are, likewise, proud of the Boy Scouts of America and the great positive influence they exert on the youth of America, and so it is fitting that the House of Representatives has agreed to reinstate the printing of their report as an official congressional document. I thank and commend my colleagues.●

RETIREMENT OF J. BURKE KNAPP, VICE PRESIDENT OF THE WORLD BANK

HON. CHARLES W. WHALEN, JR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. WHALEN. Mr. Speaker, the international community has lost the services of a distinguished public servant, J. Burke Knapp, who retired on June 30 as Vice President of the World Bank.

Mr. Knapp joined the Bank in late 1949 as Assistant Director of the Economics Department. In the fall of 1952, he was named Director of Operations of the Western Hemisphere Department (now the Latin America and Caribbean Regional Office). Four years later, in July of 1956, he became a Vice President, one of three appointed that year, and in October 1972, Mr. Knapp assumed the position of Vice President of Operations of the World Bank.

In the post, Mr. Knapp examined in detail every project that was considered for World Bank and International Development Agency (IDA) financing. His creativity and leadership guided the World Bank-IDA through extremely difficult political circumstances and allowed the Bank to remain the world's foremost international financial institution for development.

J. Burke Knapp's academic and professional distinctions are many. He was named a Rhodes Scholar and studied at Oxford for 3 years, after graduating with honors (Phi Beta Kappa) from Stanford University. He was elected Honorary Fellow of St. Johns College, Oxford, in June 1975, and in April of this year, Mr. Knapp was awarded the Japanese Order of the Rising Sun (Second Class).

In addition, his activities as a citizen distinguish him well. He has served on the board of directors of the Arena Stage (Washington Drama Society, Inc.) since 1959 and was chairman of its board for 10 years. He also has been a member of the board of directors of Mount Vernon College since 1965.

Obviously, J. Burke Knapp's contributions have benefitted the entire international—and local—community. His thorough professionalism will be remembered and appreciated by all those who seek to establish a better environment in which future generations may live.●

COUGHLIN CONSTITUENTS CITE INFLATION AND CREDIBILITY OF GOVERNMENT AS KEY ISSUES

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. COUGHLIN. Mr. Speaker, as I have done each year, I am pleased to submit to my colleagues the results of my mail questionnaire poll to the citizens of Pennsylvania's 13th Congressional District.

While the results should come as no surprise, I believe my constituents share the views of millions throughout the country on key issues. For example, inflation is rated the major problem facing the U.S. economy, and government—both Federal and State—takes a terrible lambasting. Overwhelming majorities see corruption as widespread at both these government levels.

A total of 13,007 individual responses was received before the July 1, 1978, deadline with hundreds of others mailing in their completed questionnaires after that date. A statistical check of the later results showed no change from the final poll findings.

In a question on the economy, 57 percent ranked inflation as the most severe problem. Government spending was a distant second, followed by taxes and unemployment.

Constituents were asked if they believed corruption was widespread in Federal Government and 85 percent answered "Yes." For State government, the disenchanted were even higher with 93 percent contending corruption was widespread.

Cutting taxes and reducing the deficit were only 1 percentage point apart as respondents were asked to select one course of action that would be most effective in improving economic conditions and producing more jobs. Forty percent said cut taxes and 39 percent said reduce the deficit. Following were increase spending and do nothing—let the economy take its course.

A plurality—42 percent—favored mandatory wage and price controls to check inflation. Voluntary wage and price guidelines were selected as second choice followed by nothing—let the economy take its course, and standby controls with Government "jawboning."

In a question on whether to spend more, the same or less, foreign aid once again proved to be the most unpopular. Eighty-one percent wanted less spent on foreign aid. Mass transportation drew the most favorable response with 53 percent desiring more spent in that field.

Constitutents, answering a three-part energy question, believe by a 49-percent plurality that our energy picture is worse now than a year ago. Forty-four percent oppose committing ourselves to spending heavily to develop costly synthetic fuels. Fifty-one percent responded "no" to a crude oil tax or import fees in an effort to cut domestic consumption.

Three of six nations listed received favorable responses to a question on whether the United States should sell arms to them. Israel with 61 percent positive led the three, followed by Iran and South Korea. Constituents registered "no" to selling arms to India, Egypt, and Saudi Arabia.

A majority opposes changing the law to extend the 7-year deadline Congress set for three-fourths of the States to ratify the equal rights amendment. Sixty-five percent said "no" while only 24 percent responded "yes."

An almost even split was noted on the question of whether citizens would be willing to pay higher prices for American-made products in order to preserve American jobs. Forty-six percent were opposed while 44 percent indicated their willingness to pay higher prices.

Fifty-two percent wanted the Congress to approve the President's proposal to end the U.S. arms embargo to Turkey. Twenty-seven percent were opposed. These results were obtained before the Senate and the House voted to end the embargo.

Sixty-two percent favor the United States continuing to develop the so-called neutron bomb with 27 percent opposed.

Sixty-five percent believe the strategic arms limitation talks (SALT) now under way will not benefit the United States as much as the Soviet Union. Nineteen percent believe the United States will benefit as much.

Constituents were asked, "Conceding the risks, do you think the U.S. must become more deeply involved in opposing Soviet and Cuban intervention in Africa?" Forty-eight percent responded "yes" and 39 percent answered "no."

The results were compiled by my staff and no computer was used. In addition to checking carefully the results and percentages, my staff weighted the responses by ZIP code. I note with interest that the final results showed almost exactly the same percentages as preliminary results.

I will be mailing the results to citizens throughout my congressional district and also will submit the results to the President.

The material follows:

QUESTIONNAIRE RETURNS

1. Please rank in order of severity, 1, 2, 3 and 4, the major problems facing the U.S. economy.

[*In percent*]

Inflation	57
Government spending	23
Taxes	14
Unemployment	6

2. What single course of action would be most effective in improving economic conditions and producing more jobs? (one only)

[*In percent*]

Cut taxes	40
Reduce deficit	39
Increase spending	7
Nothing—let the economy take its course	5
None of above	9

3. Inflation threatens to escalate. Which action do you most favor? (one only)

[*In percent*]

Voluntary wage and price guidelines	18
Mandatory wage and price controls	42
Standby controls with government "jawboning"	12
Nothing—let the economy take its course	13
None of above	15

4. Should we spend more, less or the same amount of your Federal tax dollars on the following:

[*In percent*]

	More	Same	Less
Mass transportation	53	26	21
Aid to poor	11	43	46
Health care	31	38	31
Environmental protection	23	40	37
Aid to elderly	39	45	16
Foreign aid	3	16	81
Defense	36	34	30
Education	33	38	29

5. Congress has been grappling with energy legislation for more than a year.

A. Do you believe our total energy outlook is any worse now than it was a year ago?

[*In percent*]

Yes	49
No	41
Undecided	10

B. Should we commit ourselves to spending heavily to develop costly synthetic fuels?

[*In percent*]

Yes	37
No	44
Undecided	19

C. Acknowledging that prices would increase, do you favor a crude oil tax or import fees on foreign oil in an effort to cut domestic consumption?

[*In percent*]

Yes	38
No	51
Undecided	11

6. Should the U.S. sell arms to:

[*In percent*]

	Yes	No
Israel	61	39
Egypt	48	52
Saudi Arabia	48	52
Iran	53	47
South Korea	51	49
India	34	66

7. Do you believe corruption is widespread in:

[*In percent*]

	Yes	No
Federal Government	85	15
State Government	93	7

8. Should Congress change the law to extend the seven-year deadline which it set for three-fourths of the states to ratify the Equal Rights Amendment?

[*In percent*]

Yes	24
No	65
Undecided	11

9. Would you pay higher prices for American-made products in order to preserve American jobs?

[*In percent*]

Yes	44
No	46
Undecided	10

10. Should the Congress approve the President's proposal to end the U.S. arms embargo to Turkey?

[*In percent*]

Yes	52
No	27
Undecided	21

11. Should the U.S. continue to develop the so-called Neutron Bomb?

[*In percent*]

Yes	62
No	27
Undecided	11

12. Do you believe the Strategic Arms Limitation Talks (SALT) now underway will benefit the U.S. as much as the Soviet Union?

[*In percent*]

Yes	19
No	65
Undecided	16

13. Conceding the risks, do you think the U.S. must become more deeply involved in opposing Soviet and Cuban intervention in Africa?

[*In percent*]

Yes	48
No	39
Undecided	13

Party preference of those responding:

[*In percent*]

Republican	66
Democrat	18
Non-partisan	15
Other	1

Ages of those responding:

[*In percent*]

18 to 21	0
21 to 35	17
35 to 50	25
50 to 65	34
65 and over	24

●

INFLATION AND CAPITAL FORMATION

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. MAGUIRE. Mr. Speaker, in the Wall Street Journal of July 27, 1978, there appeared an interesting analysis of the impact of inflation on capital formation by Harvard economist Martin Feldstein. The article follows:

INFLATION AND CAPITAL FORMATION

(By Martin Feldstein)

During the past decade, effective tax rates have increased dramatically on capital gains, on interest income and on the direct returns to investment in plant and equipment. Investors in stocks and bonds now pay tax rates of nearly 100%—and in many cases more than 100%—on their real returns.

This change has taken place without public debate and without legislative action, though Tuesday's vote by the House Ways and Means Committee to "index" capital gains may finally have placed the matter on the political agenda. Our tax system was designed for an economy with little or no inflation. But if current rates of inflation persist, the existing tax laws will continue to impose effective tax rates of more than 100% on investment incomes. To make matters even worse, the current tax laws imply that future tax rates will depend haphazardly on future rates of inflation and therefore cannot be predicted at the time that investment decisions are being made.

These extremely high tax rates and the uncertaintly about future tax rates are a cloud that hangs over both the stock market and business investment decisions. Several recent studies at the National Bureau of Economic Research that quantify the effect of inflation on the taxation of investment income show these dramatic effects.

A SUBSTANTIAL INCREASE

Inflation is particularly harsh on the taxation of capital gains. Under current law, when corporate stock or any other asset is sold, a capital gains tax must be paid on the entire difference between the selling price and the original cost even though much of the nominal gain only offsets a general rise in the prices of consumer goods and services. Taxing *nominal* gains in this way very substantially increases the effective tax rate on *real* price-adjusted gains. Indeed, many individuals pay a substantial capital gains tax even though, when adjustment is made for the change in the price level, they actually receive less from their sale than they had originally paid.

In a recent study at the National Bureau of Economic Research, Joel Slemrod and I measured the total excess taxation of corporate stock capital gains caused by inflation and the extent to which this distortion differs capriciously among individuals. We found that in 1973 individuals paid capital gains tax on $4.6 billion of nominal capital gains on corporate stock. When the costs of these shares are adjusted for the increase in the consumer price level since they were purchased, this gain becomes a loss of nearly $1 billion.

The $4.6 billion of nominal capital gains resulted in a tax liability of $1.1 billion. The tax liability on the real capital gains would have been only $661 million. Inflation thus raised tax liabilities by nearly $500 million, approximately doubling the overall effective tax rate on corporate stock capital gains.

Although adjusting for the price change reduces the gain at every income level, the effect of the price level correction is far from uniform. In particular, the mismeasurement of capital gains is most severe for taxpayers with incomes under $100,000.

In the highest income class, there is little difference between nominal and real capital gains; in contrast, taxpayers with incomes below $100,000 suffered real capital losses even though they were taxed on positive nominal gains. In each income class up to $50,000, recognizing real capital gains makes the tax liability negative. At higher income levels, tax liabilities are reduced but remain positive on average; the extent of the current excess tax decreases with income.

Inflation not only raises the effective tax rate, but also makes the taxation of capital gains arbitrary and capricious. Individuals who face the same statutory rates have their real capital gains taxed at very different rates because of differences in holding periods. For example, among taxpayers with adjusted gross incomes of $20,000 to $50,000, we found that only half of the tax liability on capital gains was incurred by taxpayers whose liabilities on real gains would have been between 80% and 100% of their actual liabilities. The remaining half of tax liabilities were incurred by individuals whose liabilities on real gains would have been less than 80% of their actual statutory liabilities.

In short, our study showed that inflation has substantially increased—roughly doubled—the overall effective tax rate on corporate stock capital gains. Although this estimate relates to 1973 (because that is the only year for which data of this type are available), the continuing high rate of inflation means that the tax distortion for more recent years is likely to be even greater.

The second major problem that inflation causes in our tax system is in the treatment of depreciation. Under current law, the amount of depreciation that is allowed on any asset depends on its original cost. When inflation raises the price level, the real value of these depreciation allowances is reduced. This reduction in the real value of depreciation that is caused by the historic cost method of depreciation is equivalent to a substantial increase in the rate of tax on corporate and other investment income.

In 1977, the historic cost method of tax depreciation caused corporate depreciation to be understated by more than $30 billion. This understatement increased corporate tax liabilities by $15 billion, a 25% increase in corporate taxes. This extra inflation tax reduced net profits by 28% of the total 1977 net profits of $53 billion. This is the single most important adverse effect of inflation on capital formation.

This brings me to the final tax problem caused by inflation, the failure to distinguish between nominal interest and real interest. This problem is fundamentally different from the problems involved in capital gains taxation and in depreciation. The nature of this difference is still not widely appreciated. The difference is extremely important, however, because it implies that changing the tax treatment of interest is less urgent than the other changes. Let me explain why.

It is clear that taxing *nominal* interest income imposes an unfair burden on bond owners and other lenders. But allowing a deduction for nominal interest expenses also provides an unfair benefit to corporations and other borrowers. When markets have had a chance to respond fully to the higher rate of inflation, interest rates will adjust to reduce the unfair burden on lenders and to reduce the unfair advantage of borrowers.

If all borrowers and lenders had the same marginal tax rate, the market adjustment of interest rates could eliminate all inequities, leaving borrowers and lenders with the same real after-tax rates of interest that they would face in the absence of inflation.

Let me emphasize, however, that this rough, long-run justice would only be achieved if the current method of depreciation is replaced by price-indexed or current cost depreciation. If we stay with our current system of depreciation, interest rates will fail to adjust fully and bondholders will suffer a substantial permanent fall in their real after-tax returns.

In a recent NBER study Lawrence Summers and I showed that, roughly speaking, with our current system of depreciation and taxation, each 1 percent rise in the expected rate of inflation will induce a 1 percent rise in the market rate of interest. The real rate of interest will remain unchanged, but the real after-tax rate of interest will fall sharply. This is, in effect, the mechanism by which firms transfer some of the adverse effect of historic cost depreciation to bondholders.

The magnitude of this effect is large enough to imply effective tax rates of more than 100 percent on interest income. Consider what has happened since the early 1960s. The inflation rate was then only 1 percent, and the 5 percent nominal yield on Baa bonds provided a real yield of 4 percent. An investor with a 40 percent marginal rate obtained an after-tax yield of 3 percent, and a real after-tax yield of 2 percent. By comparison, during the past three years a Baa bond yielded 10 percent, but consumer prices rose 6 percent. An investor with a 40 percent marginal rate obtained a 6 percent after-tax yield but a real after-tax yield of zero. In short, the effective rate of tax on real income was 100 percent.

IMPERFECT, BUT . . .

The meaning of this calculation is clear. If historic cost depreciation is continued, taxpaying bondholders will receive little or no after-tax income. This can be remedied by allowing bondholders and other lenders to include only real interest receipts in their taxable income. But this should be seen as only an imperfect way of dealing with the more basic problem of depreciation. Moreover, it is important to limit this change in the treatment of interest to bondholders; reducing the deduction taken by corporations to their real interest payments without adjusting depreciation rules would only transfer the full burden of mismeasuring depreciation to equity investors.

Replacing the current method of depreciation is, therefore, the key problem. If this is done, adjusting the taxation of interest income is of secondary importance. The specific method of depreciation that is

adopted—replacement cost depreciation, general price indexing or immediate expensing of investment—is a much less important issue than the general principle that the value of depreciation must be insulated from the effects of inflation.

(NOTE.—Mr. Feldstein is president of the National Bureau of Economic Research and professor of economics at Harvard University. This article is based on testimony he gave before the Joint Economic Committee of Congress.) ●

SEAT BELTS SAVE LIVES

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. SHUSTER. Mr. Speaker, I commend to my colleagues the following article which appeared in the July 30 Philadelphia Inquirer:

SEAT BELT'S VALUE IS AGAIN REINFORCED

BRITISH STUDY DRAMATICALLY SHOWS SAVING EFFECTS

(By Lloyd Timberlake)

LONDON.—Safety belts have been found to cut in half the number of serious and fatal injuries in highway accidents, according to one of the most exhaustive studies ever made of car seat belts.

If every car driver and passenger in Britain wore seat belts, more than 12,000 deaths and serious injuries a year would be averted, reducing the annual cost of road accidents by about $140 million, wrote Adrian Hobbs in a report for the National Transport and Road Research Labortory.

"If only an 85 percent wearing rate were achieved, which is a more realistic figure, the potential further saving of 9,000 (deaths and serious injuries) would still be considerable," he added.

Yet despite gruesome billboard and television advertisements here showing women with multilated faces and tenage boys sitting in wheelchairs beside soccer fields—all due to the lack of seat belts—the 1977 wearing rate ranged from 25 percent in urban areas to 44 percent on highways.

British cars are required to have seat belts, but, despite evidence of improved highway safety figures in countries where the wearing of belts is compulsory, Parliament has repeatedly refused to pass such a law, largely because of arguments that the individual has the right to chose his own safety device.

In his study, Hobbs examined 2,789 people involved in 1,100 accidents, doing a computer analysis of 800 pieces of information on each of the automobile occupants.

"Nearly half of the injuries more severe than minor were saved by the wearing of a seat belt, and the proportion escaping injury altogether rose from 28 percent (unbelted) to 42 percent (belted)," he said.

"The most commonly injured region of the body was the head. Over half of the unbelted occupants received a head injury compared to just over a quarter of those who were belted."

To counter arguments that it is sometimes better to be hurled from a car in a collision. Hobbs found that of the 68 people he studied who were thrown from their cars, more than a quarter of them were fatally injured, accounting for half the deaths in the survey.

"From this it would seem desirable for occupants to be retained and restrained inside the car in the accident and that almost always injuries will be more severe if the occupant is thrown out of the car," Hobbs said.

Only three of the accident victims studied were in vehicles that caught fire. Only one of them was trapped in the car, and he died before the fire started.

Only one person was in a car submerged in water. He escaped but died in a hospital nine days later of a lung infection.

"In none of the cases were seat belts seen to put the wearer at a disadvantage. Indeed, by wearing a seat belt, an occupant is more likely to be conscious after the accident and so be in a position to unfasten his seat belt and get out of the vehicle," said Hobbs, a member of the lab's accident investigation division.

Of all the rear-seat occupants studied, only nine were in some sort of restraining device, and these were all children under the age of 5. None was seriously injuried, though one bit his tongue and others had minor cuts.

Hobbs found no reports, from wearers or police, of a seat belt failure in the 1,100 accidents.

There were more neck injuries to belted than to unbelted people (16 versus 12), but the injuries to the belted people were either minor or moderate "and the majority were simply temporary stiffness of the neck."

By contrast, four of the unbelted occupants received serious back injuries.

In the entire study "no cases were identified where the occupant would have been safer not wearing a seat belt," Hobbs concluded. ●

REPUBLIC OF CHINA RESOLUTION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. DORNAN. Mr. Speaker, last week, I joined with Mr. STUMP of Arizona in introducing a House resolution on the status of the U.S. relationship with the people of the Republic of China. The resolution provides for the maintenance of full diplomatic relations with the Republic of China and the Mutual Defense Treaty of 1954, regardless of any initiatives that the administration may choose to make toward the People's Republic of China.

It is my sincere desire that the people of the Republic of China will escape the pains of pragmatic diplomacy. At this point, I should like to insert the content of the resolution into the RECORD:

H. RES. —

Whereas, the maintenance of peace and security in the Western Pacific is in the paramount interest of the United States,

Whereas, the Republic of China has been a long-standing friend and faithful ally of the United States both in war and peace,

Whereas, the Republic of China preserves the traditional culture of the Chinese people, upholds basic human rights, believes in the system of free enterprise and serves as a major trading partner of the United States; and

Whereas, the Republic of China provides the United States with a strategically crucial base from which the latter can help in the defense of the free nations in the Western Pacific.

Be it resolved that it is the sense of the United States House of Representatives that the United States, while seeking to improve relations with the People's Republic of China, shall continue to maintain full diplomatic relations with the Republic of China, shall not alter, dilute or change in any way its Mutual Defense Treaty with that country. ●

H.R. 13015, COMMUNICATIONS ACT OF 1978

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. WAXMAN. Mr. Speaker, on June 7, 1978, Representative LIONEL VAN DEERLIN, chairman of the House Communications Subcommittee, introduced H.R. 13015, the Communications Act of 1978. This legislation, over 200 pages long, is currently the subject to extensive hearings. In order that my colleagues may better familiarize themselves with this bill, I am pleased to insert in the RECORD a section-by-section analysis of the first four titles of this measure: General provisions, communications regulatory commission, broadcasting, and administrative procedures.

SECTION-BY-SECTION ANALYSIS

TITLE I—GENERAL PROVISIONS

Sec. 101 contains a statement of findings and purpose for the Act.

Sec. 102 establishes the jurisdiction of the Commission to extend to (1) any interstate or foreign telecommunications which originate or are received within the United States or which are both originated and received within the United States; (2) any person engaged within the United States in such telecommunications; and (3) the licensing and regulation of broadcasting and nonbroadcasting radio service. The provisions of the Act do not apply (and the Commission is specifically precluded from regulating) any intrastate telecommunications facility or service if (1) there is no use of the spectrum in the direct distribution of such service to the consumer and (2) the person providing such service does not receive a disbursment from the Universal Service Compensation Fund.

Sec. 103 contains definitions of certain terms used in the Act.

TITLE II—COMMUNICATIONS REGULATORY COMMISSION

Sec. 211 establishes a new independent regulatory agency [replacing the Federal Communications Commission, *see* §803] called the Communications Regulatory Commission (CRC).

Sec. 212. The CRC shall be composed of five Commissioners appointed by the President by and with the advice and consent of the Senate.

The CRC Chairman shall be designated by the President with either House of the Congress able to disapprove of such designation within 60 days of the submission of the nomination.

Commissioners shall be appointed to terms of ten years and limited to one term, unless appointed to fill a vacancy in which the period of the unexpired term is less than five years.

No more than three Commissioners may be members of the same political party. Commission members must be appointed on the basis of their education, experience or training and the overall composition of the Commission must reflect a balance among professional backgrounds.

Sec. 213. The CRC must organize itself within six months of enactment into necessary bureaus, divisions, or offices in order to carry out its functions.

Sec. 214 provides that the Commission must carry out a zero-based, comprehensive review of its entire organizational structure at least once every ten years and submit such review to each House of the Congress.

Sec. 215 establishes within the CRC an Office of Consumer Assistance which is headed by a director who shall be appointed by the Chairman with the approval of the remainder of the Commission. The Office is subject only to the general control of the Commissioners.

The Office has the general responsibility to promote the interest of consumers in all matters under the jurisdiction of the CRC.

Budget requests for the support of the Office specifically must be identified by the Commission in each authorization or appropriation request.

Sec. 221 provides that each Commissioner may appoint up to five personal staff members. The Commission is granted authority to hire and pay personnel from a broad variety of backgrounds in order to carry out the functions of the Commission.

Sec. 222 provides that the CRC may obtain the services of experts and consultants.

Sec. 231 establishes conflict of interest rules and requirements for the CRC.

Sec. 232 prohibits Commissioners from engaging in any other business, employment, etc. Both Commissioners and supervisory employees may not have any financial interest in any business concern (or other entity) which is subject to CRC regulation. The Commission may waive the financial interests provisions where hardship would result or the interest is a pension, insurance, etc.

Sec. 233 requires Commissioners and supervisory employees to disclose the amount and source of income received by them, their spouses, or dependents from any telecommunications entity, as well as the identity and value of any financial interest held in any telecommunications entity.

Sec. 234 requires Commissioners and supervisory employees to report previous employment with concerns regulated by the Commission, if they received compensation in excess of $2500 in any of the previous five calendar years. Exception is made for information pertaining to confidential relationships in previous employment.

Sec. 235 specifies that reports filed under the conflict of interest sections 233 and 234 must be made available to the public for a reasonable fee. Reports need be on file for five years.

Sec. 236 prohibits Commissioners who do not serve the full term for which they are appointed (for a one-year period following termination of service) from representing any person before the Commission or advising any person with respect to any matter before the CRC. The same prohibition applies to supervisory employees (except consultants) who have not served ten or more years at the Commission.

Commissioners and supervisory employees may not participate in any proceeding in which they have a financial interest.

Sec. 237 provides that in any adjudicatory proceeding, interested parties must be notified if ex parte contacts occur after the commencement of the proceeding. Such notice requirements are also mandated for any rulemaking proceeding in which ex parte communications occur after the record in such proceeding is closed.

Sec. 238 provides that nothing in this Act shall limit certain penalties provisions of Title 18 pertaining to conflict of interest rules and requirements.

Sec. 251 grants the Commission the necessary authority to do everything to carry out the provisions of the Act. The District of Columbia is designated as the principal office of the CRC, although it may hold sessions in any part of the United States. Information relating to trade secrets may be kept confidential. The CRC is prohibited from withholding information from Congressional Committees.

Sec. 252 sets forth additional functions and powers of the Commission.

Sec. 253 provides that the CRC Chairman shall be the principal executive officer of the Commission and sets forth specific powers and duties of the Chairman.

Sec. 254 authorizes the Commission to enter into and perform contracts in order to carry out its functions.

Sec. 255 requires that CRC budget estimates and legislative recommendations be transmitted concurrently to the President (or OMB) and to the Congress.

Sec. 256 allows the Commission to make internal adjustments in its annual appropriations up to five percent.

Sec. 257 declares that CRC appropriations are subject to the annual authorization process of the Congress.

TITLE III—COMMON CARRIER TELECOMMUNICATIONS

Part A—General provisions

Sec. 311 provides that the Commission shall determine whether any person is a common carrier, shall classify carriers and services, and may exempt any of these classes from the requirements of the title. The Commission must review its determinations under this section at least once every 5 years and must make an annual report to the Congress.

Sec. 312 requires all carriers to furnish service and to establish connection (unless the Commission finds that the connection would result in substantial harm to the carrier which outweighs the potential benefits to the public). All rates and terms must be equitable and there is a presumption that a rate or term is equitable unless the service involved is noncompetitive.

Sec. 313 requires carriers to file with the Commission, and make public, a schedule showing rates and terms for any service. This section provides for a 45-day notice period. The Commission is authorized to modify the requirements of this section to meet special circumstances.

Sec. 314 authorizes the Commission to hold a hearing on any rate. The burden of proof is on the carrier to demonstrate that a rate is equitable and lawful except that a rate is presumed to be equitable and lawful if the Commission fails to make a decision within 9 months' after the rate is designated for hearing. The Commission may require an accounting order and may order refunds if a rate is found to be inequitable or unlawful. The Commission may prescribe an equitable and lawful rate if it determines that a rate filed by a carrier is inequitable and unlawful.

Sec. 315 requires the Commission to prescribe the forms of accounts and records which carriers file with the Commission.

Sec. 316 authorizes the Commission to value property owned or used by a common carrier.

Sec. 317 requires the Commission to prescribe depreciation procedures and to review its determination at least once every 5 years to take into account changes in the economic value of the assets of carriers.

Sec. 318 authorizes the Commission to require annual reports from carriers and to obtain other necessary information including copies of contracts relating to the provision of service.

Sec. 319 establishes the liability of common carriers for damages and provides for the recovery of damages.

Part B—Domestic common carriers

Sec. 331 contains a declaration of policy which requires the Commission to (1) place maximum feasible reliance on marketplace forces; (2) promote the maintenance of nationwide basic voice telephone service at affordable rates through regulation and direct assistance (where appropriate); (3) rely on competition to provide efficiency, innovation, and low rates; (4) establish full and fair practices which exclude competition.

Sec. 332 allows any common carrier to hold or acquire shares of any separate company which provides any service or offers any product which the Commission has determined to be telecommunications or incidental to telecommunications.

Sec. 333 provides that, after three years from the date of enactment of this Act, no person provide a noncompetitive service and also be engaged in manufacturing equipment used in furnishing any common carrier service.

Sec. 334 requires the payment of an access charge by any person who provides an intercity telecommunications service or facility which is physically connected with local exchange switching facilities and plant. The Commission shall determine the access charge and shall establish a fund (Universal Service Compensation Fund) with the moneys received which shall be used to maintain telephone rates at affordable levels and assure the availability of basic voice telephone service. The Commission is required to establish the fund and report to Congress on the method for calculating the access charge and on the guidelines and conditions for distribution within one year after the date of enactment.

Sec. 335 requires carriers to give notice to the Commission of any facilities construction, acquisition, or extension.

Sec. 336 establishes procedures relating to the extension and discontinuance of facilities and service.

Part C—International common carrier

Subpart 1—General Provisions

Sec. 351 sets forth the findings of Congress that it is the policy of the U.S. to participate in international satellite systems through a private corporation, that facility planning and construction should be consistent with U.S. foreign policy, insure reliable communications at the lowest possible rate with minimum restraints of trade, and that the flow of information across national boundaries should not be restricted.

Sec. 352 sets forth the internal definitions for this part.

Subpart 2—Industry Structure

Sec. 361 provides for U.S. participation in INTELSAT and INMARSAT through COM SAT, which shall be the sole U.S. representative in such organizations.

Sec. 362 requires COMSAT to establish a separate subsidiary for the provision of services (other than INMARSAT services). COM SAT may establish and operate earth stations and interconnect them with domestic and international service carriers (including the COMSAT subsidiary) and, for maritime services, may also connect them with private communications systems. The Commission is to determine the operational arrangement for such interconnection. COMSAT, as well as such carriers and systems, may own any such earth stations.

Sec. 363 provides that any international or domestic service carrier may accept and deliver maritime and general telecommunications services at any point in the United States. The section further provides that Western Union may not engage in international transmissions, other than maritime services, for a five-year period.

Sec. 364 provides for distribution among international service carriers of any telecommunciations traffic that originates with Western Union. Such interim traffic distribution is for the five-year period referred to in the previous section.

Subpart 3—Industry Government Planning

Sec. 371 provides for the establishment of a task force on international telecommunications facility planning. Membership on

such task force includes representatives of each international and domestic service carrier authorized by the Commission to enter into agreements with foreign nations, as well as representatives of the various government agencies that have international communications responsibilities.

Subpart 4—Federal Government Regulation

Sec. 381 provides that COMSAT or any common carrier may construct any international telecommunications facility if it notifies the chairman of the task force, the President does not disapprove the construction for reasons of national security or foreign policy, and COMSAT or such carrier is authorized by the Commission to enter into agreements with the foreign nations that propose to construct and operate such facility. Prior to the implementation of any such facility, COMSAT or each such carrier must notify the Commission of the cost of the facility, the circuit capacity, the estimate of circuit utilization in such facility for each year of its projected useful life, and any other information that the Commission may require. The Commission must investigate the utilizaton of each such facility at least every five years and compare the estimates filed with the Commission with the actual circuit utilization. If the estimates for such period exceed the actual circuit use by more than 10%, the Commission must reduce the valuation of such facility by an amount that bears the same ratio to the total cost of the facility as the estimate excess bears to the total circuit capacity. Whenever the Commission has so reduced the valuation of a facility, it must review such action no later than two years after the date of the reduction of value. [See also § 451(c) of this Act.]

Sec. 382 sets forth the powers and responsibilities of the President and the Commission, as well as other government agencies, with regard to international communications policy.

TITLE IV—BROADCASTING SERVICES AND NONBROADCASTING RADIO SERVICES

Part A—General provisions

Sec. 411 requires all persons providing broadcasting or other radio services to be licensed and to operate in accordance with Title IV, and prohibits the sale or distribution of any device which fails to comply with Commission rules.

Sec. 412 enumerates the powers and duties of the Commission, including the assignment of spectrum in a manner which assures each community in the United States the maximum local full-time broadcasting and nonbroadcasting radio service.

Sec. 413, while allowing certain waivers, requires that the Commission establish a license fee for all users of the electromagnetic spectrum. The fee will be based on the cost of processing the license and the scarcity value of the spectrum. This section further provides that separate fee schedules shall be established for each broadcasting service. Such fees shall be phased in over a ten year period in increments of 10% per year. Moneys received from fees shall be used to establish the Telecommunications Fund in the Treasury to cover the administrative operation costs of the Commission. The balance of such fund will support the Public Telecommunications Programming Endowment account, the Rural Telecommunications Loan account, and the Minority Ownership Loan account based on fixed percentages to be set by the Congress once moneys are available.

Sec. 414 requires the Commission to grant licenses for broadcasting or other radio services to applicants therefor. This section also requires the Commission to establish a system of random selection to be used when there is more than one applicant a frequency, which is to be newly assigned or which is available as a result of revocation or denial.

Sec. 415 prohibits, with certain exceptions, the Commission from granting to any alien, foreign government or foreign corporation a license to operate any broadcasting station or common carrier, aeronautical en route, or aeronautical fixed radio station.

Sec. 416 authorizes the Commission to require certain information in license applications and to grant those applications whenever consistent with the purposes of the Act.

Sec. 417 provides for cease and desist orders and revocations.

Sec. 418 authorizes the Commission in certain cases to modify a license or construction permit.

Sec. 419 prohibits the Commission from requiring any licensee or permittee to supply it with material already in the Commission's files.

Sec. 420 prohibits the Commission from censoring or otherwise regulating the content of any broadcasting or other radio transmissions.

Part B—Broadcasting

Sec. 431 provides that radio station licenses shall be for indefinite time periods subject only to revocation. It also provides that television station licenses be granted for periods of time up to five years subject to revocation, or denial, provided that ten years from the date of enactment of this legislation the Commission shall grant television station licenses for indefinite periods of time.

Sec. 432 requires construction permits.

Sec. 433 prohibits the assignment or transfer of any construction permit or broadcasting license until the Commission determines that the purposes of the Act will be served by such assignment or transfer. This section also allows the Commission to consider whether assignment or transfer of a television station license to a party other than the proposed assignee or transferee would serve the purposes of the Act.

Sec. 434 provides that the Commission shall require television broadcast stations to provide some news, public affairs, and locally produced programming and to treat controversial issues of public importance in an equitable manner (the "Equity Principle"). This section also prohibits the Commission from establishing a procedure by which television broadcast stations must perform ascertainment.

Sec. 435 requires any applicant for a broadcast station or construction permit, or any licensee or permittee, found in violation of any applicable civil rights or EEO law to notify the Commission of such finding. This section also requires that the Commission determine whether to grant, revoke, or deny a license or permit pursuant to such notification; that the Commission enter a memorandum of understanding with appropriate Federal agencies to secure the information necessary to make such a determination; and that the Commission is not otherwise empowered to promulgate rules to ensure that its regulatees comply with applicable civil rights or EEO laws.

Sec. 436 requires the Commission to obtain from television broadcasting station licensees certain financial information in a uniform manner.

Sec. 437 provides the procedure which replaces the competitive hearing process and establishes the procedure for petitions to deny television station licenses. This section also provides that the Commission may grant the petitioner a right of discovery; that the Commission shall determine who has the burden of proceeding with the introduction of evidence and the burden of proof; and that the Commission shall dispose of such proceedings no later than 90 days after the date upon which the last pleading is filed.

Sec. 438 sets forth the circumstances under which television broadcast station licensees must make announcements regarding payment received by them for certain broadcasts [See also § 546 of this Act].

Sec. 439 requires television licensees to provide equal opportunities for political candidates, other than candidates for President, Vice President, Senate or other statewide office.

Sec. 440 provides, with a specific exception for certain radio station applicants, that only one broadcast station per market may be licensed to any individual. This section also prohibits any individual from owning more than five radio or five television stations, except that no individual may own or operate more than three television stations in the 50 largest markets. This section also requires the Commission to consider any other media holdings of an applicant when determining whether to grant a construction permit or to renew or grant a license for a television broadcast station. This section does not require divestiture of existing communications combinations but applies only at times of renewal, transfer or sale.

Part C—Nonbroadcasting radio services

Sec. 451 requires all persons providing nonbroadcast radio services to be licensed. The grant of an application is a license for the actual operation of the facility. However, the license shall be forfeited if the facility is not completed for operation by the time specified in the application. This section also sets indefinite license terms for licenses for certain international telecommunications facilities and exempts these facilities from petitions to deny or petitions to revoke.

Sec. 452 authorizes the Commission to grant licenses for nonbroadcast radio services for terms of up to ten years.

Sec. 453 prohibits the assignment or transfer of any nonbroadcasting radio license unless the Commission determines that the purposes of the Act will be served by such assignment or transfer.

Sec. 454 allows the Commission to suspend a nonbroadcast radio license.

Sec. 455 sets forth the requirements for licensed operators.

Sec. 456 provides that any shipboard radio station attempting to transmit distress signals may, regardless of resulting interference, use the maximum amount of power. This section also sets specific obligations upon all other radio stations in order to assist such vessels in distress.

Sec. 457 sets forth specific provisions for stations owned by the Federal Government and stations operated by foreign governments.

Sec. 458 authorizes the Commission to exempt any user or operator from any of the provisions of Part C.●

H.R. 13015, COMMUNICATIONS ACT AMENDMENTS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. WAXMAN. Mr. Speaker, in order to assist my colleagues' understanding of H.R. 13015, Chairman VAN DEERLIN's comprehensive rewrite of the Communications Act of 1934, I am pleased to insert in the RECORD a section-by-section analysis of the last three titles of the bill: Public Telecommunications, National Telecommunications Agency, and Miscellaneous Provisions.

SECTION-BY-SECTION ANALYSIS

TITLE V—ADMINISTRATIVE AND JUDICIAL PROCEDURES; PENALTIES

Part A—Administrative procedures

Sec. 511 provides that subchapter II of chapter 5 of Title 5, United States Code, relating to administrative procedure, shall apply to rules prescribed by the Commission. Section 511 also establishes various notice requirements and requires the Commission to complete a rulemaking not later than 1 year after the provision of notice.

Sec. 512 establishes various rules and requirements relating to adjudications conducted by the Commission. Individuals conducting hearings for the Commission are required to file an initial, tentative, or recommended decision with the Commission. Parties to the proceeding are permitted to file exceptions to any such decision, and a decision is required to be made with respect to these exceptions by the Commission or by an employee board of the Commission. Section 512 contains limitations applicable to persons making presentations relating to a case before the Commission, any hearing officer, or an employee board. Section 512 also establishes requirements relating to employee boards of the Commission.

Sec. 513 establishes procedures regarding the filing of applications for review with the Commission. The Commission also is authorized to undertake a review on its own initiative. If the Commission grants an application for review, the Commission may affirm, modify, or set aside the action involved, or order a rehearing.

Sec. 514 provides that after the Commission or an employee board takes a final action in any proceeding, any party in the proceeding may petition the Commission or the employee board for a rehearing. Section 514 also permits parties, in certain instances, to seek judicial review without filing a petition for rehearing. Section 514 also contains provisions relating to deadlines for filing petitions, and relating to evidentiary matters.

Sec. 515 establishes procedures for the service of orders made by the Commission. The Commission is given authority to suspend or modify its orders, and persons to whom an order of the Commission applies are required to observe and comply with the order. Orders of the Commission are required to take effect within a reasonable time, which shall not exceed 30 days after service of the order.

Sec. 516 requires the Commission to issue a written report relating to any inquiry or investigation conducted by the Commission.

Part B—Court actions and judicial review

Sec. 531 gives the Commission exclusive authority to commence or defend, and supervise the litigation of, civil actions under the Act, unless the Commission authorizes the Attorney General to do so. Section 531 also contains procedures under which the Commission may be given an opportunity to represent itself in cases before the Supreme Court. If the Commission has reason to believe that any person is liable for a criminal penalty under the Act, the Commission is required to certify the facts to the Attorney General, who shall cause appropriate criminal proceedings to be brought.

Sec. 532 provides that any proceeding to review any order of the Commission under this Act shall be brought in accordance with the provisions of chapter 158 of Title 28, United States Code, relating to the review of orders of Federal agencies.

Sec. 533 establishes procedures for the enforcement of orders of the Commission which require the payment of moneys by common carriers.

Sec. 534 provides that any action by a common carrier for the recovery of a lawful charge shall be brought not later than 2 years after the cause of action arises. Complaints against a common carrier for the recovery of damages shall be filed with the Commission not later than 2 years after the cause of action arises. Section 534 also contains provisions relating to actions against common carriers for the recovery of overcharges.

Part C—Penalties and enforcement

Sec. 541 provides that any person who willfully violates any provision of the Act shall be fined not more than $10,000, or imprisoned not more than 1 year, or both. Second or subsequent offenses are subject to a fine of not more than $10,000, or imprisonment for not more than 2 years, or both. Fines are also imposed in the case of violations of rules prescribed by the Commission.

Sec. 542 establishes a forfeiture penalty against any person who receives or accepts from any common carrier any moneys or other consideration as a rebate or offset against the regular charges for the transmission of messages by such common carrier. Section 542 also establishes forfeiture penalties (not exceeding $2,000 for each violation) applicable to persons who willfully or repeatedly fail to comply substantially with the terms and conditions of any license, certificate, or other instrument or authorization issued by the Commission, willfully or repeatedly fail to comply with any provisions of the Act or rule or order under the Act, or commit certain other violations. Section 542 provides notice requirements which shall be followed by the Commission before the imposition of forfeiture penalties and establishes limitations and requirements regarding the category against whom forfeiture penalties may be imposed by the Commission.

Sec. 543 establishes various penalties applicable to violations of the provisions of part C of Title II of the Act, relating to conflict of interest rules and requirements.

Sec. 544 establishes various specified forfeitures and penalties applicable to violations of the following provisions; (1) Section 312, relating to service, interconnection, and charges; (2) Section 313, relating to schedules of rates; (3) Section 314, relating to hearings on rates and the authority of the Commission to prescribe rates; (4) Section 335, relating to extension and discontinuance in facilities and service; (5) Section 316 relating to evaluation of common carrier property; and (6) Section 318, relating to annual reports, general information, and copies of contracts.

Sec. 545 establishes penalties relating to international common carrier violations.

Sec. 546 requires employees of television broadcasting stations to disclose to their stations the receipt of any payments by the employees in exchange for the broadcast of any matter over the station. Section 546 also establishes the same requirement in the case of persons involved in the production or preparation of any program or program matter intended for broadcast by any television broadcasting station. The same requirements are made applicable to persons who supply program or program matter intended for broadcast by any television broadcasting station. Section 546 also provides that any person who violates the provisions of section 546 shall be fined not more than $10,000, or imprisoned for not more than 1 year, or both.

Sec. 547 restricts unauthorized interception, use of publication of communications under this Act.

Sec. 548 establishes penalties against persons who refuse to testify or supply evidence in obedience to any subpena issued by the Commission.

Sec. 549 establishes various rules, requirements, and procedures applicable to the recovery of forfeitures imposed under the Act.

Sec. 550 provides that the trial of any offense under the Act shall be in the district in which the offense is committed. Section 550 also contains various other provisions relating to venue rules.

Part D—Miscellaneous provisions

Sec. 561 provides that a person may not be excused from testifying or producing evidence in obedience to any subpena issued by the Commission, on the ground that the testimony or evidence may intend to incriminate him. Section 561 also provides that no individual shall be prosecuted or subjected to any penalty or forfeiture for any transaction or matter concerning which he is compelled to testify or produce evidence after having claimed his privilege against self-incrimination.

Sec. 562 establishes various rules, requirements, and procedures relating to the manner in which depositions may be taken in any proceeding or investigation pending before the Commission.

Sec. 563 establishes various rules, requirements, and procedures applicable to the joinder of parties in proceedings before the Commission and in proceedings in any district court of the United States to enforce provisions of the Act.

Sec. 564 provides, subject to certain specified exceptions, that information preserved by the Commission as public records shall be received as prima facie evidence in any investigation conducted by the Commission and in any judicial proceeding.

Sec. 565 requires common carriers subject to the Act to designate an agent in the District of Columbia.

Sec. 566 provides that nothing in the Act shall be construed to abridge or alter any remedy which exists at common law or which has been established in any other Federal law.

TITLE VI—PUBLIC TELECOMMUNICATIONS

Part A—General provisions

Sec. 611 contains Congressional findings pertaining to public telecommunications.

Sec. 612 contains definitions internal to this Title.

Part B—Public telecommunications programming endowment

Sec. 621 authorizes the establishment of the "Public Telecommunications Programming Endowment," a private nonprofit corporation which shall provide financial assistance for the development, production, and acquisition of public telecommunications programming.

Sec. 622 establishes a 9-member, Presidentially-appointed Board of Directors for the Endowment, and provides that Board meetings must be open to the public.

Sec. 623 contains provisions relating to the appointment of officers and employees of the Endowment, including a provision which limits their salaries to not more than Level I of the Executive Schedule.

Sec. 624 specifies the nonprofit nature of the Endowment.

Sec. 625 sets forth the purposes and functions of the Endowment. The Endowment shall make grants to and contracts with public telecommunications entities, program producers, educational institutions, and others, for the development, production, and acquisition of noncommercial instructional, educational, and cultural programs and services. The section also states that the Endowment may not own or operate any public telecommunication entity, system or network, interconnection system, or program production facility, and also may not produce, acquire, schedule, or distribute programs.

Sec. 626 sets forth provisions relating to the distribution of programming funds by the Endowment. The section provides that 50 percent of the available funds shall be distributed to public broadcast stations as unrestricted grants to meet the direct costs of program production and acquisition by the stations. Remaining funds shall be distributed as matching grants for the development, production, and acquisition of programming and services.

Sec. 627 prohibits Federal interference or control over public telecommunications or the Endowment.

Sec. 628 contains administrative provisions relating to the operations of the Endowment. (The Endowment is not permitted to accept gifts, donations, and bequests that may be offered for the purpose of supporting a particular program or series of programs.)

Sec. 629 authorizes $200,000,000 for each of the fiscal years 1980 through 1983, to be placed in the Public Telecommunications Programming Endowment Account with the funds made available under Section 413, and to be used by the Endowment to carry out the provisions of this part. Appropriations are to be made two years in advance.

Part C—Grants for public telecommunications operations, facilities, and expansion

Sec. 641 sets forth the purposes of this part.

Sec. 642 establishes in the National Telecommunications Agency a program of discretionary grants to public broadcast stations to meet the costs of operating and maintaining the facilities of the stations, 75 percent of the funds to go to television licencees and 25 percent to radio licensees. Funds distributed under this section may not exceed 50 percent of a station's total operating budget, and may not be used to meet direct program costs. Stations receiving funds under this section must furnish a noncommercial service, and may accept no donations or contributions offered for the purpose of supporting particular programs or series. In addition, the stations are required to establish community advisory boards, to hold open meetings, to comply with equal employment opportunity practices set forth in Section 646, and to employ the uniform accounting principles established under Section 645.

Sec. 643 established a program of matching grants designed to expand the availability of public telecommunications programs and services.

Sec. 644 authorizes the Director of the National Telecommunications Agency to provide funds for the construction or lease of interconnection facilities. Any organization or institution responsible for operating or managing such interconnection system is prohibited from producing or acquiring programs, acting as the authorized representative of any public telecommunications entity, or scheduling programs for distribution to the public at specific times. This section also provides that excess capacity on such interconnection systems must be made available, under reasonable terms and conditions, to other persons for the transmission of noncommercial programming and related material to the public telecommunications entities.

Sec. 645 contains administrative provisions relating to accounting and record-keeping by recipients of funds under this part, recovery of funds if facilities cease to be used for noncommercial purposes, and annual reports by the Director of the National Telecommunications Agency.

Sec. 646 states that equal opportunity in employment shall be afforded to all persons by all public telecommunications entities receiving funds under this part, and provides for enforcement.

Sec. 647 prohibits Federal interference or control over public telecommunications.

Sec. 648 authorizes $75,000,000 for each of the fiscal years 1980 through 1983, to be used by the Director of the National Telecommunications Agency to carry out the program of grants to public broadcast stations established under section 642. This section also authorizes $25,000,000 for each of the fiscal years 1980 through 1983 for the purpose of carrying out the other grant programs established by this part. Appropriations are to be made for two years in advance.

Part D—Telecommunications demonstrations

Sec. 661 states that the purpose of this part is to support the development of nonbroadcast telecommunications facilities for the transmission of health, education, and public or social service information. [This part incorporates the provision of existing law.]

Sec. 662 contains definitions of the terms used in this part.

Sec. 663 authorizes the Secretary of Health, Education, and Welfare to carry out a telecommunications demonstration grant program, and sets forth the terms and conditions for such grants.

Sec. 664 contains administrative provisions relating to the records and accounts of recipients of funds under this part.

Sec. 665 authorizes the Secretary to adopt such rules and regulations as may be necessary to carry out this part.

Sec. 666 authorizes the Secretary to coordinate his activities under this part with those of the Commission, the Endowment, and the National Telecommunications Agency.

Sec. 667 authorizes $5,000,000 for fiscal year 1980 to be used by the Secretary to carry out the provisions of this part.

TITLE VII—NATIONAL TELECOMMUNICATIONS AGENCY

Sec. 701 states the findings of this Title, including the establishment of a national telecommunications policy. The National Telecommunications Agency (established in § 703) shall have the primary responsibility for developing and implementing a national telecommunications policy; serve as the principal advisor to the President in matters concerning telecommunications issues and act as the arbiter of disputes which arise in connection with such issues; and, develop the information necessary to develop and implement such a policy.

Sec. 702 defines terms internal to this Title.

Sec. 703 creates the National Telecommunications Agency in the Executive Branch of the Federal government.

Sec. 704 sets forth the functions of the Agency, including exercising principal responsibility for allocation of the electromagnetic frequency spectrum and studying and providing for more efficient uses of the spectrum in accordance with section 707(a); preparing and managing United States participation in international telecommunications conferences, in consultation with the Secretary of State or his delegate; developing plans, policies, and programs for telecommunications facilities, services and systems for Government agencies; providing assistance to the Office of Management and Budget with respect to the coordination of activities of Government agencies which relate to telecommunications; establishing policy guidelines for, and overseeing, the procurement by the General Services Administration of telecommunications facilities, services and systems for use by Government agencies; studying the impact of telecommunications technology on the right to privacy, and making recommendations to the President, and to the Congress based upon the results of such study; conducting, supporting, and coordinating research in connection with the formulation of national telecommunications policy, providing research support to Government agencies and to State and local governments, and establishing and maintaining a clearinghouse of information with respect to telecommunications research and development projects carried out or sponsored by the Federal Government.

Sec. 705 provides for a Director and Deputy Director of the Agency.

Sec. 706 sets forth the functions and duties of the Director.

Sec. 707 requires the Agency to conduct studies relating to spectrum allocation.

Sec. 708 establishes a program for the provision of low-interest loans for rural telecommunications facilities, services, and systems.

Sec. 709 establishes a program for the provision of low-interest loans to minority individuals for the purpose of increasing diversity of ownership of television and radio broadcasting stations.

Sec. 710 requires the Director to make annual reports to the President and to the Congress regarding the activities of the Agency.

Sec. 711 provides for the transfer of authority, functions and other matters to the agency.

Sec. 712 authorizes for each of the fiscal years 1980, 1981, 1982 and 1983, $17,500,000 to carry out the provisions of the Title, except for the provisions of sections 708 and 709. Of such amounts, $2,500,000 is to be made available in each such fiscal year for the purposes of carrying out the studies provided under section 707.

TITLE VIII—MISCELLANEOUS PROVISIONS

Sec. 801 contains provisions relating to the transfer of personnel, property, records, and unexpended balances of appropriations from the Federal Communications Commission to the Communications Regulatory Commission which is established in the Act.

Sec. 802 provides that transfers made under section 801 shall not affect proceedings pending before the Federal Communications Commission on the date of the enactment of the Act. Section 802 also contains various other provisions relating to the effect of transfers under section 801.

Sec. 803 provides that the Federal Communications Commission and the Corporation for Public Broadcasting shall terminate on the date of the enactment of the Act.

Sec. 804 repeals the Communications Act of 1934, the Communications Satellite Act of 1962, and the Cable Landing Licensing Act.

Sec. 805 contains various conforming and technical amendments made necessary by other provisions of the Act.

Sec. 806 provides that, with certain specified exceptions, the Act shall take effect on the date of its enactment.●

CONGRESSIONAL WIVES REPORT ON NUTRITION

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. NEAL. Mr. Speaker, as individual Members of Congress we are very much aware of the tremendous contributions which are made by our families, and especially by our spouses. I wonder, though, if many of us know of their collective efforts and the splendid work produced thereby.

For instance, for a period of 8 months ending in about June of this year, the congressional wives task force conducted a comprehensive study of nutrition. At the end of its studies, this bipartisan group issued a report on nutrition, the purpose of which is to increase public knowledge of the relationship between dietary habits and certain physical and mental illnesses.

I have read the report and am very much impressed by its thoroughness, its incisiveness, and its conclusions. Without borrowing further from it, I would like to make it available to my colleagues and commend it to their consideration.

A REPORT ON NUTRITION
(By the Congressional Wives Task Force, June 1978)

The debate over nutrition in America today is becoming increasingly widespread. Over the past ten years, our emphasis has changed from concern about malnourishment of our population due to actual food shortages, to concern about ill health due to overeating and poor dietary habits. Obesity is now our number one nutritional problem.

As participants in the bipartisan Congressional Wives Task Force, and as wives of Members of the United States Congress, we are concerned about the quality of life for all Americans, and it is our wish to add our collective voice to that of others interested in increased public awareness of better nutrition.

Based on an eight-month study of current nutrition issues, with testimony from experts in government, industry, medicine, nutrition and consumer organizations, the Congressional Wives Task Force has found that greater public knowledge of the relationship between dietary habits and certain physical and mental illness will lead to improved health. This knowledge, moreover, will lead to lower death rates from diet-related diseases and to lower medical bills. Special attention was given to the excessive amounts of fat, salt, sugar and certain other additives that are consumed daily by our population.

The typical American diet now enjoyed by most of our citizens apparently contributes to some of our most prevalent health problems. According to a number of experts, inadequate nutrition is thought to be a factor in heart disease, the number one killer in the United States; certain forms of cancer; diabetes; obesity; cirrhosis of the liver; arteriosclerosis; and dental caries, which "affect 98 percent of the population." [1]

It is estimated that there are 650,000 deaths a year due to heart disease, and that a 25 percent reduction in premature mortality would occur if diet were improved. Estimates of some other benefits from improved nutrition are as follows: Cases of obesity would drop by 80 percent. For diabetes, 50 percent of the cases would be avoided. And for cancer, there would be 20 percent fewer incidences.[2]

About three billion dollars a year are spent for dental care, in large part due to the overconsumption of highly-sugared products.[3] According to Dr. Michael Jacobsen, Co-Director of the Center for Science in the Public Interest, Americans consume a "total of 27 billion pounds of sugar and other refined sweeteners annually, or about 125 pounds per capita. This mountain of sugar is a major contributor to tooth decay, a fact proven by many scientific studies and agreed upon by the entire dental profession." [4]

There is now a distinct need for a national nutrition policy. This policy must clearly state our nutrition goals and objectives, with well-coordinated nutrition programs at all levels of our society. Esther Peterson, Special Assistant to the President for Consumer Affairs, has stated that "We need to educate not only consumers but also the regulators and industry representatives as well. I want a nation of consumers free to make their own choices in the marketplace. But, I want consumers to have all of the information and knowledge necessary to make intelligent, informed choices. That, briefly, is our mandate.[5]

The first task, although not an easy one, is for food and health experts to formulate dietary guidelines to serve as the basis for a national policy. To this end we recommend the coordination of existing human nutrition research and the encouragement and funding of the additional research necessary to establish guidelines on a sound scientific base. The Senate Select Committee on Nutrition and Human Needs is to be commended for its recent study on "Dietary Goals for the United States." While there is controversy associated with the report and some of its recommendations, it has effectively served as a catalyst for debate on what Americans should or should not eat. This report is, to date, the first "definitive stand" by the federal government on dietary goals.[6]

Once national nutrition needs are established, nutrition information can be made available to consumers in a simplified, coordinated manner. At present, "Nutrition education is a first-class mess" [7] in this country. In 1976 approximately 70 million dollars were spent by 14 of 30 different nutrition offices or agencies of the federal government. The total amount of funds expended for the remaining 16 programs is unknown.[8] Since there has been no obvious central focus or goal for these programs, these funds were mostly wasted because the materials never reached their intended audience. According to Carol Foreman, Assistant Secretary of Agriculture, "currently conceived nutrition education programs are largely ineffective and a waste of money." [9]

Additionally, the Departments of Agriculture and of Health, Education, and Welfare are apparently engaged in a tug-of-war over control of government nutrition programs, each issuing differing guidelines and directions. There is now a critical need for cooperation and mutual purpose between the agencies of government and between government and private industry. Speaking of a "confused marketplace," George Koch, President of the Grocery Manufacturers of America, has said that "Government must make up its mind." [10]

To achieve improved, effective nutrition education for our population, there must be cooperation and coordination among the relevant agencies of the federal government at all levels, the medical community, the food industry, consumer groups, and the media.

Under a national policy, nutrition education—giving the "why" as well as the "how" of good dietary patterns—should be made an integral part of elementary and secondary school curricula. Federal breakfast and lunch programs should be closely coordinated with the established dietary guidelines. Educational materials that are both attractive and informative should be made available in classrooms, library areas, and school cafeterias.

It is also imperative that medical schools in this country place a greater emphasis on nutrition as preventive medicine. In a survey done in July, 1976, the American Medical Association's Department of Foods and Nutrition determined that only 23 percent of our medical schools had mandatory nutrition courses.[11] By 1980, medical bills are projected at over 230 billion dollars, with the cost in human suffering at an incalculable level. If six out of every ten deaths in this country are nutritionally related, then the medical community must change its emphasis from a "curative" framework to a "preventive" one.

As stated in the report of the Senate Nutrition Select Committee, "Food production and processing is America's number one industry and medical care ranks number three. Nutrition is the common bond between the two. Nutrition is a spectrum which runs from food production at one end to health at the other." [12]

Current advertising budgets for the nation's food companies total 5 billion dollars per year,[13] with only a small fraction being spent for educational purposes. In 1976, 275 million dollars were spent by one company for advertisement of its products, and only one percent of that total was allotted for nutrition education.[14] High-powered advertising campaigns directed at both children and adults often encourage consumers to eat and drink food items that have little or no dietary value. Dr. Jean Mayer, a noted nutritionist and currently President of Tufts University, has stated on many occasions that, unfortunately, the emphasis in food advertising is generally in reverse order to the dietary usefulness of the product.

Northwestern University Medical School found in a recent television food advertising study that about two-fifths of advertising time was devoted to non-nutritious beverages alone. Advertisements for low-nutrient, highly sugared food items accounted for approximately 11 percent of air time. Added together, these advertisements commanded over 50 percent of food advertising time. When advertisements for snack foods, baked goods, relishes and foods high in oil and fat content are included, then high-calorie, low-nutrient foods captured "fully 70 percent of the ad time." [15]

Children are a particular target of food advertising. By the time the average child has graduated from high school, it is estimated that he or she has spent 18,000 hours before the television set and only 11,000 hours in the classroom. Approximately one-third of a million commercials are viewed during this period, and over 50 percent of the commercials aimed at young children are for food items.[16] Because children are so heavily targeted and because dietary habits are formed at an early age, children especially need guidance in making food selections and spending decisions.

At the urging of Action for Children's Television and the Center for Science in the Public Interest, the Federal Trade Commission has proposed a study of television food advertising aimed at children. Of particular interest is the advertising of highly sugared foods which pose serious dental health risks. This inquiry is an important step toward assuring tht children receive adequate protection in the television age, a responsibility that must be shared by the advertiser, broadcaster and parent.

At the present time, the federal government is among "the top 10 purchasers of radio and television advertising." Unfortunately, the Departments of Agriculture and of Health, Education, and Welfare spend no funds to purchase time for television advertisements of nutrition information, relying instead on free public service announcements aired by individual broadcasters.[17] Since federal agencies do buy time for other messages, a percentage of advertising funds should be budgeted for nutrition information.

Some change should be forthcoming in the airing of public service announcements. These announcements serve a vital function in every community. Critics now contend that such messages are aired at the whim of those who control the station, often at hours when few people can see or hear them. The 1969 White House Conference on Food, Nutrition and Health suggested "that 10 percent of broadcast time be set aside over various time periods for all public service communications." [18] This suggestion, now almost ten years old, should again be considered. Moreover, the Federal Communications Commission should develop standards to govern public service announcements and to provide better time allocation.

More effective product labeling should be required as one means of disseminating information to consumers. Nutrition labeling is, for the most part, voluntary; and current labels rarely contain information on calories, salt content, types of fat, or total amounts of sugar. Additives and preservatives are listed on some labels, and not on others. Dr. Allen Forbes, Associate Director of Nutrition and Consumer Services for the Food and Drug Administration, said that the "food label is an ad hoc collection of things." [19] The present situation "is one in which the consumer is under intense pressure to buy certain foods but at the same

Footnotes at end of article.

time is ignorant of some of their most important nutritional characteristics." [20]

Labels should be simple and clear, and not deceptive. For example, if a product contains processed sugar plus other sweeteners, then the total amount or percent of sugars should be given, rather than a separate listing for each type of sugar. Also, millions of Americans have a low tolerance for salt, and must watch their intake very carefully. Improved labeling of sodium content that is easy to find and understand would be greatly beneficial to the approximately 25 million persons in the United States known to be suffering from hypertension.

Congress can mandate an educational imperative. The political will to provide this thrust, however, will not exist until our elected representatives hear our voices. The Chairman of the House Agriculture Committee's Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, Rep. Fred Richmond, has summed it up well: "To the degree that the public convinces policymakers that food, diet, and health have a vital relationship, a food and nutrition policy will be pursued." [21]

Responsibility for the development of a national nutrition policy belongs to us all. We must let our views be known, beginning at the community level, and work together for constructive action.

To that end, the Congressional Wives Task Force makes the following recommendations:

1. That consumers begin now to inform their elected representatives of their concern over dietary problems in this country, and of their desire for a coherent national nutrition policy.

2. That guidelines for this nutrition policy be established by food and health experts under the auspices of the federal government, and that the research necessary to establish these guidelines on a sound scientific base be encouraged and funded.

3. That there be coordination and mutual purpose among federally supported nutrition education and feeding programs, and that current priorities in spending be reordered to reflect the new nutrition goals.

4. That nutrition education be a primary target in elementary and secondary school systems, and that nutrition courses be mandatory in medical school curricula.

5. That there be mandatory labeling, in simple and clear language, of all processed foods and beverages sold in retail outlets, with the labels containing relevant information on fat, salt and sugar content, additive and preservative content, and caloric value.

6. That the media, especially television, be more effectively used as an education tool. Specifically, that the food industry assure that food advertising is fair, honest, and reliable; that the Federal Communications Commission develop standards to govern public service announcements and better time allocation for such messages; and that the relevant federal departments budget a percentage of their advertising funds for nutrition information.

7. That government, the medical community, the food industry, consumer groups, and the media cooperate in the dissemination of nutrition information, so that consumers will be able to make informed food selections.

THE FOLLOWING PERSONS ADDRESSED THE CONGRESSIONAL WIVES TASK FORCE

Carol Foreman, Assistant Secretary of Agriculture.

Linda Billings, Washington Representative for the Sierra Club.

Dr. Michael Jacobsen, Co-Director of the Center for Science in the Public Interest; author of Eater's Digest.

Richard Lyng, President, American Meat Institute.

George Franklin, Peggy Waterman and Rosalyn Franta, representatives of the Kellogg Company.

George Koch, President, Grocery Manufacturers of America, Inc.; Dr. Mahon A. Burnett, Director, Scientific Affairs for GMA; James C. May, Vice President, Public Affairs for GMA.

Robert B. Choate, President, Council on Children, Media, and Merchandising.

Dr. Charles French, Study Director, the President's Reorganization Project on Food and Nutrition.

Dr. Allen Forbes, Associate Director, Nutrition and Consumer Services, Food and Drug Administration.

Tracy Westen and Thomas Donegan, Deputy Directors, Bureau of Consumer Protection, Federal Trade Commission.

Dr. Joseph Crapa, Staff Director, House Agriculture Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition.

Christopher Hitt, staff member of the Senate Agriculture, Nutrition, and Forestry Committee; former staff consultant to the Senate Select Committee on Nutrition and Human Needs.

FOOTNOTES

[1] U.S. General Accounting Office, *Report to the Congress of the United States* (Washington, D.C., March 22, 1978), p. 1.

[2] U.S. General Accounting Office, *National Nutrition Issues* (Washington, D.C., December 8, 1977), p. 4.

[3] Dr. Michael Jacobsen, "Harvesting the Fruits of Nutrition Research," *Nutrition Action*, September, 1977, p. 3.

[4] Ibid.

[5] Hearings before the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition of the House Committee on Agriculture on H.R. 11761, the National Consumer Nutrition Information Act of 1978, testimony by Esther Peterson, 95th Cong., 2nd Sess., April 12, 1978.

[6] General Accounting Office, *National Nutrition Issues*, p. 16.

[7] Dr. Allen Forbes, statement before the Congressional Wives Task Force, March, 1978.

[8] General Accounting Office, *Report to the Congress*, pp. i–ii.

[9] "Notes from the School Lunchroom," *Nutrition Action*, September, 1977, p. 2.

[10] George Koch, statement before The Congressional Wives Task Force, April, 1978.

[11] General Accounting Office, *National Nutrition Issues*, p. 31.

[12] United States Senate Select Committee on Nutrition and Human Needs, "Dietary Goals for the United States," second edition, 95th Cong., 1st Sess., p. XXII (1977).

[13] Hearings before the House Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, testimony by Esther Peterson, April 12, 1978.

[14] Jack Anderson, "Teaching the Young," *Washington Post*, January 31, 1978.

[15] Hearings before the House Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, testimony by Esther Peterson, April 12, 1978.

[16] Robert B. Choate, statement before the Congressional Wives Task Force, March, 1978.

[17] General Accounting Office, *Report to the Congress*, p. 23.

[18] Ibid., p. 24.

[19] Dr. Allen Forbes, March, 1978.

[20] "Dietary Goals for the United States," p. 64.

[21] "The Role of the Federal Government in Nutrition Education," *Nutrition Education*, October-December, 1977, p. 151.●

"NEXT YEAR IN JERUSALEM"—A HERO'S PRAYER

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. DORNAN. Mr. Speaker, St. Thomas Aquinas once referred to the virtue of courage, or fortitude, as a fundamental or cardinal virtue. In his monumental work on philosophy and theology, the "Summa Theologiae," he observes that courage is "an aid to every other virtue as a bulwark of steadfastness, and helps other virtues attain their ends despite what blocks or deters them." It may be properly said, therefore, that the absence of courage will nullify a man's other good qualities. No test of these qualities, such as dedication to truth or mental and moral freedom, will succeed if a man is spiritually or morally weak. The totalitarian state preys on such weakness. That, in essence, is what Alexandr Solzhenitsyn was trying to tell us in his recent Harvard speech.

In saying this, Solzhenitsyn revealed the achilles' heel of the totalitarian state. The totalitarian state is totalitarian because it seeks total, or absolute, control of each and every man. This is a formidable task, but that kind of control is its proper object. Otherwise, the state cannot be properly defined as totalitarian.

The totalitarian state not only seeks control of a man's physical existence, but also his mind and soul. And in this, as I said, we may detect the Achille's heel of totalitarianism. For the soul is the province of God, and not the property of Caesar. The spiritually strong man can bid defiance to the totalitarian claim on his life, and the mind-controllers in the Kremlin and elsewhere are helpless in the face of such defiance. They can imprison, threaten, and kill, but they cannot rob a man of his soul, or a special virtue of the soul, courage.

I was deeply moved by the speech in the "dock" of Soviet dissident Anatoly Shcharansky. His utterance was reminiscent of the incredible courage of Solzhenitsyn, the steadfastness of the late Cardinal Mindzenty, and the bravery of the recently imprisoned Lithuanian dissenter Viktoras Petkus. The character of his speech bears out, once again, yet another observation of St. Thomas Aquinas on the practice of fortitude: "The man of fortitude has delight of soul in his strong endurance for good."

Mr. Speaker, Anatoly Shcharansky, in spite of his sufferings, claims that he is happy. I believe him. It is an honor to submit his speech to the Soviet Court into the RECORD:

[From The New York Times, July 15, 1978]

"NEXT YEAR IN JERUSALEM"

In March and April, during interrogation, the chief investigators warned me that in the position I have taken during investigation, and held to here in court, I would be threatened with execution by firing squad, or at least 15 years. If I would agree to cooperate with the investigation for the purpose of destroying the Jewish emigration movement,

they promised me early freedom and a quick reunion with my wife.

Five years ago, I submitted my application for exit to Israel. Now I'm further than ever from my dream. It would seem to be cause for regret. But it is absolutely otherwise. I am happy. I am happy that I lived honestly, in peace with my conscience. I never compromised my soul, even under the threat of death.

I am happy that I helped people. I am proud that I knew and worked with such honest, brave and courageous people as Sakharov, Orlov, Ginzburg, who are carrying on the traditions of the Russian intelligentsia. I am fortunate to have been witness to the process of the liberation of Jews of the U.S.S.R.

I hope that the absurd accusation against me and the entire Jewish emigration movement will not hinder the liberation of my people. My near ones and friends know how I wanted to exchange activity in the emigration movement for a life with my wife, Avital, in Israel.

For more than 2,000 years the Jewish people, my people, have been dispersed But wherever they are, wherever Jews are found, every year they have repeated, "Next year in Jerusalem." Now, when I am further than ever from my people, from Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next year in Jerusalem.

Now I turn to you, the court, who were required to confirm a predetermined sentence: to you I have nothing to say.●

END SLAVERY AND WIN FREEDOM

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. DEL CLAWSON. Mr. Speaker, it was my privilege to be the guest of the people of Taiwan during Captive Native Nations Week. Accordingly, I am pleased to insert at this point in the CONGRESSIONAL RECORD the address by Dr. Ku Cheng-kang which was given at the rally in Taipei, Friday, July 21. The address follows:

MANIFEST SUBLIME MORAL COURAGE TO END SLAVERY AND WIN FREEDOM!

(Address by Dr. Ku Cheng-kang)

Distinguished Guests, Ladies and Gentlemen:

Freedom is no less dear, if not dearer, than life itself. It is the quality of inalienable dignity of man's life. Enunciations such as "Give us liberty or give us death!" have reverberated through history. Communist expansion leaves us no choice but to rise for the defense of freedom and elimination of Red tyranny. We the representatives of the Republic of China's various circles and our distinguished guests from throughout the world have gathered here today for a captive Nations Week Rally because we have to bring together freedom forces, promote human rights and set free the captive masses of people.

1. BASIC MISTAKES OF FREE NATIONS IN FACING COMMUNISTS

The world situation remains complicated and volatile but still is fundamentally a continuation of confrontation and struggle between freedom and democracy on the one hand and slavery and totalitarianism on the other as reflected in thoughts, systems and ways of life. Red scourage goes on, all because free nations have been committing one grave basic mistake or another vis-a-vis Communism and slavery. Communist forces are not invincible but have been left at large.

The first mistake is the failure to strengthen the battlefront of freedom against autocracy so as to effectively deal with world communization strategies. Instead, attempts to bring about a power equilibrium through multipolar check and balance and through détente have dispersed the free world's own strength, leaving gaps for multifront Red expansion.

The second mistake is the failure to apply sufficient military and economic strength to the maintenance of freedom and security in the face of Communist growth. Instead, vain attempts have been made at the conference table. Concessions made to Red tyrants have not brought lasting peace, for the Communists never take part in peaceful coexistence.

The third mistake is the failure to unite freedom forces for the dealing of blows at those Communists vying for hegemony. Planners of unity with Peiping for the checking of Moscow are not mindful of the common characteristics of the two Red regimes and their unchangeable identical goals of world communization and human enslavement.

The fourth mistake is the failure to remember the bitter lessons of free peoples victimized by deceitful Communists. The Red bloc is bent on burying free nations, but free world appeasers have been seeking common interests as grounds for rapport. This has enabled the Communists to trick free nations into supplying them with food stuff and sophisticated facilities, all for the enhancement of strength for suppression and belligerence.

2. THE DANGER OF ATTEMPTS TO PIT PEIPING AGAINST MOSCOW

Contradiction does exist between Peiping and Moscow but revolves only around their race for hegemony and human enslavement. The dispute does not change the fundamental confrontation of Communists and democratic forces. Attempts to use Peiping against Moscow are serious mistakes, for the blurring of line between friend and foe amounts to self-demolition of the democratic camp.

Backward, poor and confused, Peiping doesn't have the strength to check Moscow. Furthermore, alliance with the regime, instead of halting Moscow's expansionist move, rubs the Russians the wrong way, turns them ruder towards the U.S., and makes them hasten external steps. Mounting of tension throughout the world necessarily follows such steps.

To inject strength into Peiping for the sake of harnessing Moscow is to repeat the post-World War II mistake of helping Russian growth. Cultivation of aggressive Communist forces is to put so much more hostile power at the free world's own doorstep.

We must point out that Peiping is trying to pull the U.S. to its side just so that American strength can be employed against Russian threat. This pitting of a secondary enemy against the primary one is part of the regime's standing tactics of combining unity with struggle. The Americans in the meantime are referred to as "U.S. imperialists," to be dealt with sooner or later. Peiping is eagerly playing "the American card" in an attempt to prosecute its grand scheme—provocation of major U.S.–U.S.S.R. hostilities so as to bury both the "Russian revisionists" and "American imperialists" in nuclear ashes, thus killing two birds without even using a stone.

3. HOW THE CHINA ISSUE SHOULD BE VIEWED

The China issue is a focus of world attention and has conspicuously gained importance because of Washington's move towards "normalization of relations" with the Chinese Communists.

The Chinese Communists do not truly command the 800 million people on the mainland, and the graveness of China issue does not lie there. Really serious is that Peiping, while keeping that many people in chains, occupies a vast strategic area of the Asian Continent and has been active as a major source of world turmoil.

Solution of the China issue does not hinge on how to pacify Peiping and coexist with it. To the contrary, the key is successful freeing of that number of captive people so that their enormous combined strength can be channeled into the free camp building of world peace and security. This is the best and only correct formula if a way is to be named for the solution of China issue. Any attempt to make the Chinese Communists go to the conference table and accept a condition other than this is a dangerous mistake.

To "normalize relations" with Peiping or sign "peace treaties" with it amounts to an acknowledgement that the Chinese Communists can continue enslavement of the 800 million people and to a pat on the shoulder for the regime to intensify its suppression of resistance. This goes diametrically against the spirit and demand of the human rights campaign.

Even though Peiping is now treating the United States as its secondary enemy because of its need to compete and cope with Russia, its "anti-U.S. imperialist" policy will not change. The regime will continue as America's unmistakable enemy as long as it exists. Growth can make Peiping America's most aggressive enemy and the clash of interests will then be absolute. Those who think that Peiping shares common interests with the U.S. will, if they are permitted to have their way, expose Americans to growingly serious threat and bring unavoidable damage to Asian and world peace and security.

Only when China is unified and rebuilt in freedom and democracy can all of Asia be free and democratic. Furthermore, removal of the Bamboo Curtain can soon be followed by the lifting of the Iron Curtain elsewhere in Asia as well as in Europe and Cuba. Only when all of China is free and democratic can the long-range interests of all free nations be assured.

Peiping's rule of slavery will be recorded in history as a brief transitional phenomenon. China's outstanding traditional culture is the greatest source of strength against Communism. Peiping will inevitably fall apart as the Chinese struggle on for freedom and human rights.

4. STEPS WE ADVOCATE

Through struggle against Communist forces, man's determination to win freedom, exercise human rights, seek progress and achieve happiness has been sharpened and forged as the main current of this age. Struggles behind the Iron Curtain for freedom and human rights are growing and spreading. The world situation is thus increasingly in favor of the free democratic camp. At this turning point of history, we strongly advocate the following steps:

We urge that at this stage of anti-Communist struggle, we all stand firmly on the battlefront of freedom, no longer allowing communization of any single piece of free land or enslavement of any free man. All the free nations and peoples of the world should heighten vigilance, unite vigorously, and strive on as one to enhance freedom, at the same time helping the captive peoples fight for a final victory of freedom and human rights.

We urge that the United States stand at the head of a strong freedom formation, pool more freedom forces through thorough exhibition of moral courage, strengthen these forces through full cooperation with friends and allies, and spur such forces to action through manifestation of America's own strength for freedom. To do this, America must stop moving towards "normalization of relations" with the Chinese Communists and abandon the dangerous plan to ally with Pei-

ping for the checking of Moscow. As the U.S. strives to contain Russian expansion, she must work to end Chinese Communist rampancy.

We urge that the Republic of China, the Republic of Korea and Japan unite together and, in conjunction with Southeast Asia's free nations, establish a strong island chain of defense to protect freedom and security in the Western Pacific. Japan also should immediately drop her plan to sign a "peace treaty" with the Chinese Communists.

We urge that positive free world assistance be extended to the heroic African struggle against Communist aggressors and to the Middle East quest of peace and action against Communist infiltration.

We urge that all the free nations actively help the Chinese mainland people's rise for freedom and human rights, because restoration of those 800 million people to freedom must come first if Asia is to stay free and secure and if the world is to have strength to keep peace.

Ladies and gentlemen: Promotion of human rights is the clarion call of this age for the freeing of the captive masses of people. We must build an invincible international united battle formation against Communist forces of enslavement. Our mission is to create a lasting new era of freedom from slavery.

WHAT EXACTLY DOES DEFENSE SPENDING BUY?

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. CONYERS. Mr. Speaker, the House is now debating the virtues of a Defense Appropriations bill of $119.36 billion. At a time when virtually every other budget function is being cut, defense spending, once again, is increasing. It is being done in the name of national security. The problem is that nobody in Government seems to know what defense spending is buying and how much more national security it is yielding. It is evident, however, that each new weapons system and force structure is more costly and, fundamentally, destabilizing than the last. From 1967 to 1976 the United States spent (in constant 1975 dollars) $1 trillion, 27 billion. In that same period the Russians spent nearly $993 billion. As the distinguished chairman of the House Appropriations Committee, Mr. MAHON, pointed out in a colloquy with the then chairman of the Joint Chiefs of Staff last February, "It is rather discouraging to learn from you that this did not buy us the security we need . . . risk has increased. . . ."

One feature of the defense budget is particularly worth noting. In testimony last spring before the House Budget Committee, Dr. Earl Ravenal, a leading defense analyst, offered a fascinating analysis of what the defense budget is purchasing for Americans. According to this analysis, approximately $88 billion of defense expenditure represents our commitments to the defense of other nations, in particular Europe (approximately $62 billion) and Asia (approximately $21 billion). Less than 30 percent of the military budget, according to Dr. Ravenal's analysis, goes toward the direct defense of our country—its territory, population, and institutions.

Ravenal's analysis raises the interesting question of what European and Asian powers contribute to their own defense. The comparative defense figures are rather startling. In the period, 1972–77 (cumulatively, measured in current yearly dollars) Japan had spent $23 billion, West Germany spent $61.7 billion, and the United States, $527.1 billion. In the context of the three economies, the figures look like this:

Military spending, 1977

[Current dollars]

	Total (billions)	Percent GNP	Percent total budget
Japan	$5.1	0.74	6
West Germany	13.8	2.7	18
U.S.A	108.3	5.9	23.25

A great deal of evidence over the years has been accumulated to show the economic deadweight that defense spending exerts on the American economy. It contributes both to unemployment (since the capital-intensive nature of defense production requires fewer workers than virtually every other form of production) and to inflation (since it contributes not one iota to consumer goods, but increases spendable income). As one studies the comparative figures on defense spending in Japan, West Germany, and the United States, the proposition that defense spending exerts an inordinate drag on economic life becomes ever more vivid. Germany and Japan, which devote a rather small percentage of their national economic product to defense, have far stronger economies than the United States. which devotes so much.

At some point we will have to take the bull (or sacred cow) by the horns and blow the whistle on military spending. The diversion of resources and productive potential it represents has had a devastating effect on the economy and national life, and I expect that as the defense bill continues to mount, this realization will finally hit home, hopefully before it is too late.●

RESULTS OF POLL IN FOURTH DISTRICT OF VIRGINIA

HON. ROBERT W. DANIEL, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. ROBERT W. DANIEL, JR. Mr. Speaker, recently I conducted a questionnaire polling of residents of the Fourth District of Virginia, which I have the honor to represent. Almost 17,000 people responded to my questionnaire, and I would like to share the results with my House colleagues.

This survey is not, of course, a random sample, but represents the opinions of some of the district's most civic-minded citizens. This large group of concerned citizens has expressed, like many Americans, their apprehension about our Nation's future: only about 16 percent, for example, believe the United States is moving in the proper direction.

Likewise, the questionnaire respondents have serious doubts about congressional or Presidential ability to do a good job. Perhaps to regain the people's confidence and solve pressing problems we should more often ask, and consider, their views on important issues.

The following are the results from my questionnaire:

QUESTIONNAIRE RESULTS

1. Do you feel that things in the country are generally going in the right direction today, or do you feel things have pretty seriously gotten off on the right track?

I believe things are going generally in the right direction, 15.9 percent. I believe things have pretty seriously gotten off on the wrong track, 84 percent.

2. How would you rate the job that the U.S. Congress is doing?

Excellent, 1.3 percent; Good, 19.9 percent; Fair, 53.6 percent; Poor, 24.9 percent.

3. How would you rate the job that President Carter is doing?

Excellent, 2.1 percent; Good, 16.5 percent; Only fair, 40.0 percent; Poor, 41.2 percent.

4. In your opinion, what should our government give greater attention to: trying to slow down inflation, or trying to reduce unemployment?

Reduce unemployment, 17.0 percent; Slow inflation, 82.9 percent.

5. Some people believe that the best way to reduce unemployment is to create tax-supported government jobs. Others believe government should use tax cuts to create jobs in private industry. Which approach do you think is best?

Tax cuts to create jobs in private industry, 89.0 percent; Tax-supported government jobs, 10.9 percent; Combination of both approaches, 0 percent.

6. Some people feel that using Federal funds to help finance political campaigns for the House of Representatives and Senate would cut campaign corruption. Others believe this would be an improper use of tax money. Do you favor use of Federal funds to help finance campaigns?

Favor use of Federal funds, 17.5 percent; Oppose use of Federal funds, 68.7 percent; Undecided, 13.6 percent.

7. The Postal Service has continued to incur large losses. Which of the following solutions do you favor to curb those losses?

Service such as Saturday delivery and small post offices should be cut, 37.2 percent: Postal rates should be increased, 8.2 percent: Congress should increase the subsidy it pays the Postal Service, 15.7 percent; Congress should remove the current managers of the Postal Service, 51.5 percent.

8. Some people think that voter registration laws discourage voting. Others think they prevent fraud. Do you believe Congress should pass an "instant regisration" law, allowing people to register to vote on election day?

Yes, 12.3 percent; No, 83.3 percent; Undecided, 4.2 percent.

9. Which of the following statements about our national defense best reflects your opinion?

Our national defense is not strong enough to meet potential threats and defense spending should be increased, 67.7 percent; Our national defense is adequate to meet any threat and defense spending should be maintained near its present level, 27.3 percent; Our national defense is more than adequate and defense spending should be cut, 4.9 percent.

10. President Carter has signed a Panama Canal treaty, which gradually gives the Canal to the Panamanian government. Should the Senate approve the new Panama Canal treaty?

Yes, 15.2 percent; No, 75.3 percent; Undecided, 9.3 percent.

11. Which of the following statements about firearms is closest to your opinion?

Gun laws are an unconstitutional infringement on the right to bear arms, 37.1 percent; Congress should pass a law requiring the registration of all handguns, 40.2 percent; Congress should pass laws that would prohibit the sale of cheap handguns, known as "Saturday Night Specials", 22.5 percent.

12. This year the Federal government will spend about $60 billion more than it will raise in tax revenues. Do you think Congress should pass legislation requiring a balanced budget?

Yes, 77.6 percent; No, 9.8 percent; Undecided, 12.5 percent.

13. Do you favor a Constitutional Amendment to ban abortion?

Yes, 30.7 percent; No, 58.5 percent; Undecided, 10.7 percent.

14. Some farmers believe that farm income has declined to the point that they may be forced out of business. Should the Congress increase Federal farm payments to bolster farm income?

Yes, 36.8 percent; No, 45.3 percent; Undecided, 17.8 percent.●

TAX REFORM

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. MAGUIRE. Mr. Speaker, I reprint here for the attention of Members an enlightening article from the Washington Post of August 6, 1978, on the American public's support for the tax reform.

SURPRISE: PUBLIC BACKS CARTER ON TAXES—ROPER SURVEY SHOWS FAIRNESS RATED ABOVE TAX CUT

(By Barry Sussman)

What may be the most comprehensive survey of public attitudes toward taxes ever conducted shows that Americans are solidly behind President Carter on the need of tax reform and largely behind him on most of the individual tax changes he has submitted to Congress.

The results of the survey, conducted by the Roper organization, were issued July 26, just as Congress was salvaging the remnants of the Carter tax program. Past administrations would have made sure such a survey was widely reported, and would have used its findings to generate public pressure on Congress on behalf of the president's program. But the Carter White House apparently has made no use of the Roper survey, and the media have largely ignored it. A Washington Post account of the poll pointed out some of the pluses for Carter, but its theme was expressed in the opening words: "A new nationwide tax survey yesterday brought bad news for President Carter."

Bad news? Not really. On a list of nine broad tax themes or specific proposals, the Carter position finds support from the public on seven. On the eighth, having to do with capital gains taxes, the poll shows division. On the ninth, dealing with a proposed tax credit for dependents in lieu of a tax exemption, Carter is a narrow loser.

One of the most highly publicized parts of Carter's original tax proposal, the so-called three-martini lunch, would have made only half the expenses for a business meal tax-deductible. The public supports that by a 6 to 1 majority, according to the Roper poll.

Carter's program, virtually none of which remains alive, would have cut taxes by $25 billion, with 94 percent of the relief earmarked for individuals and families with incomes of $30,000 or less. (Because of a rise in incomes the proposal was made, had the plan gone into effect now, 88 percent of the relief would have gone to such people.) On July 27, the House Ways and Means Committee approved a $16 billion tax cut, its key feature being a reduction in capital gains taxes. Under that plan, from 53 to 55 percent of the relief would go to families or individuals with incomes of $30,000 or less.

Barber B. Conable Jr. (R-N.Y.), the ranking Republican on the Ways and Means Committee, said that the committee's tax proposal "reflects the American people's view of tax reform because it is a tax reduction," and that "it helps the middle-class taxpaper in a manner much more substantial than the traditional tax reform bill."

The second part of that statement may be open to interpretation, since it is not clear to many where "middle class" begins and ends. But the first part is bunk.

The Roper firms interviewed 2,007 adult Americans nationwide in May, and found tax reform considered the third most pressing problem in the country, ranked only behind controlling inflation and curbing crime. Lowering taxes was listed toward the bottom, at tenth on the list.

As Burns Roper pointed out in an interview, that should not be regarded as meaning that Americans don't want taxes cut. They do. In fact, they felt it was much more important to keep Carter's full $25 million tax cut than to hold the line on taxes and the national debt. "I think there is a desire for reduction," Roper said. "I don't think it is the number one thing."

Further, it is quite clear, despite Conable's assertion, that Americans do not equate tax reduction with tax reform. They see tax reform in the same terms that Carter uses to describe it.

One question asked in the survey was this: "When you hear the words 'tax reform,' which of these things does it mean to you?" Six possible "meanings" were offered as choices: making taxes fairer to all, tightening up tax loopholes, making taxes "fairer to people like you," making tax forms simpler, reducing "your personal taxes" and raising "your personal taxes."

Seventy-six per cent of those interviewed said tax reform meant either making taxes fairer to all or tightening up loopholes. Only 5 percent said tax reform meant that their taxes would probably go down.

WIDESPREAD MISCONCEPTIONS

Overall, the poll shows that, in Roper's words, "In the view of the American public, the major problem with the federal income tax system in this country is its unfairness . . . A growing majority sees middle income families as overtaxed, while upper income people and large businesses are seen as undertaxed . . . The public places high priority on tax reform to make the system fairer." That could be Jimmy Carter talking.

What led the Washington Post reporter to state that the Roper poll was bad news for the president was a discussion of capital gains taxes included in the report. As interpreted by Roper, the public sides more with Congress than with the president on capital gains.

The findings, however, are not clear-cut. As the law now stands, the capital gains tax works so that people pay taxes on a maximum of 49.1 percent of the profit they make from the sale of stock or property. Carter proposed originally to make all such profit taxable. The Ways and Means Committee measure would make the maximum capital gains tax apply to only 35 percent of the profits from the sale of stock and property, and would exempt entirely the first $100,000 in profit from the sale of a home.

The Roper survey questionnaire listed 11 types of tax deductions, exemptions and nontaxable items permitted under present tax law. Those interviewed were asked whether they felt each tax break, including the capital gains provision, was reasonable or whether it represented a loophole.

Forty-three percent said they considered the existing capital gains tax provisions reasonable; 40 percent said it was a loophole. Only one other item, the tax-free state of interest from municipal bonds, drew more opposition from the public, with 43 percent calling it a loophole. In other words, Jimmy Carter could claim from the data that, of all the loopholes that anger people about the tax system, capital gains is at the top of the list.

Roper concludes from the 43–40 split on capital gains that it is considered by the public as a reasonable deduction. To others, the margin is so slight that it might appear to represent a split right down the middle.

In addition, it may be reasonable to assume that a sizable majority would view the current congressional proposal as a loophole if they perceive that it would result in what Jimmy Carter says it would: "A windfall for millionaires."

In an interview, Roper himself would not draw that conclusion. He said that the public seems to be saying about capital gains, "Leave it as it is." He feels that the Ways and Means proposal is closer to public sentiment than Carter's original proposal, but that his poll "is not a clear win for Carter on capital gains, and not a clear win for Congress, either."

Roper, who conducted the study for the H&R Block tax firm, offers abundant evidence that there is "a widespread misunderstanding of, and lack of information about, how the tax system works." Taxpayers overestimate the percentage of income they themselves pay and underestimate the percentage that high-income people pay; one-quarter of the people think "a tax-deductible contribution costs the giver nothing because it can be taken off in income taxes."

It might not be a wise policy to structure a tax program around attitudes that are formed partly by widespread misconceptions. Nevertheless, if public opinion is to be cited in the tax debate, it seems only fitting to point out what the public really does think.

And if polls that show Carter doing poorly are highly publicized, as they are, those that show him in a favorable light ought to be publicized as well.●

VOLUNTEERISM TODAY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. MAZZOLI. Mr. Speaker, in the past few months there has been discussion on the effects of tax cutting measures such as Proposition 13 in California.

On August 7, 1978, Time magazine published an essay written by Lance Morrow which presents an interesting answer: people doing things for people—volunteerism.

Maybe that is the point of this difficult debate: giving us the encouragement and the impetus we need to do things for ourselves. As my father used to say: "Every cloud has a silver lining".

Mr. Morrow has written an interesting essay which deserves a careful reading.

AFTER PROPOSITION 13, VOLUNTEERS NEEDED

The oldest military wisdom advises: "Never volunteer for anything." Americans have traditionally ignored the precept. The U.S. has

been famous as a nation of volunteers—minutemen, barn raisers, candy stripers, charity collectors, Rotarians, Elks, D.A.R. committeewomen and radical activists. "Probably in no other country in the world," writes Sociologist Daniel Bell, "is there such a high degree of voluntary communal activity, expressed sometimes in absurd rituals, yet often providing real satisfaction for real needs." Gunnar Myrdal once observed: "It is natural for the ordinary American when he sees something wrong to feel not only that there should be a law against it but also that an organization should be formed to combat it."

Against the massive American joiners' impulse, that get-it-done communitarianism, wholesome if sometimes Babbitt-like, there has, however, run a lonelier strain in the national character. It is a tendency toward independence, individualism and even cynicism. Some argue that the coming of the New Deal, with its gigantic interventions by the Federal Government into every corner of national life, damaged the voluntary and cooperative spirit of Americans and induced a certain civic abjectness. Bureaucracies assumed larger and larger responsibilities to clothe and feed and mend and regulate and punish and advise the people: to tell them how fast to drive and whether a mother could keep a man in the house. In relieving Americans of so many burdens, government may also have removed a certain amount of the moral ballast of responsibility from individuals and communities.

In recent years the idea of volunteering for things has suffered from what looks almost like a conspiracy of trends. Constantly rising prices have driven men and women to earn more to meet their bills; they have that much less time to work without pay at helping others. Simultaneously, professionals in such fields as hospital work have complained that volunteers take paying jobs away from them. The feminist movement has militated against the tradition of women volunteers. Four years ago, the National Organization for Women passed a resolution arguing that almost all volunteer work done by women is exploitation. The work needs to be done, of course, but NOW claimed that in a just society necessary work is paid for. Since then, NOW has somewhat modified its dogma.

Finally, the psychically preening, Rolfing, esting, self-servicing looking-out-for-No. 1 narcissistic movements of the era have taught that only a sucker infected by a loser's guilt would spend his time in the self-abnegation of volunteer work. Ayn Rand meets Werner Erhard at this intersection: self-sacrifice, in this mentality, reeks of spiritual fraud.

But reality has a perverse way of ignoring trends. After all, the idea of selfless voluntary service is deeply laminated in centuries of Judaeo-Christian civilization. It therefore should not come as too great a surprise that Americans seem to be volunteering more today than ever before. No one knows the exact number of people in the nation now doing volunteer work. In 1974 a survey conducted with the help of the Census Bureau put the figure at 37 million—one out of every four Americans over the age of 13—and estimated the value of their work performed during the year at $33.9 billion. A recent Gallup poll showed that roughly 89% of urban residents would be willing to volunteer some form of work or aid to help their own neighborhoods.

Somehow the nature of volunteer work has changed. It no longer smacks so much of *noblese oblige*, no longer involves so many upper middle class worthy ladies earning the passage of their privilege. Volunteers today are as likely to be college kids working on weekends to clean up wilderness areas, grandparents teaching preschool children, or minority women organizing demonstrations against slum landlords.

The private organization called the National Center for Voluntary Action recently gave awards that illustrate the variety of voluntary work now being done, to 1) a group in Nashville that saved its state's only hospital treatment program for children with severe emotional disturbances; 2) a doctor in Kensington, Md., who created four "mobile medical care" units, mini-clinics that operate from vans at local community centers; 3) a task force in Dallas that helped peacefully integrate the city's school system; 4) a woman in Washington who founded the House of Ruth, a crisis center for destitute and battered women; and 5) a Honolulu woman who started an effective volunteer group for state residents who, like her, are deaf.

The line that used to divide traditional "do good" work from social activism and advocacy has nearly vanished. Mary King, deputy director of ACTION, the federal volunteer agency, argues that "people are sick of macro answers to micro problems. There's a growing awareness that people can do the work themselves." George Pickering, associate professor of religious studies at the University of Detroit, has accurately described a difference between volunteer work today and more traditional charity labor: "Today, the demand for participation is real. It is not a demand to become a client of some program. It is not a demand for therapy. It is a demand for access to the world."

There are two compelling reasons why volunteer work is, as California Governor Jerry Brown has said, "a necessity for a civilized society." First, as is becoming increasingly clear, there is and ought to be a finite limit to the services that government can provide. California's Proposition 13 has proved that taxpayers are willing to cut services even cruelly and self-destructively to reduce their tax loads. If many necessary services are to be provided, volunteers must do the work—particularly in child care centers, nursing homes, libraries and alcohol abuse programs. One of the most persuasive practical arguments for volunteering is that it will reduce, by many ergs, the amount of work that bureaucracies must do. Thus, there is the sweetness of having somewhat thwarted the impersonal state. Says Brown Assistant Charles Baldwin: "Proposition 13 will be the real test of the individual citizen to accept the responsibility."

As the proportions of men and women doing volunteer work become more nearly equal, the feminist objection to volunteerism as a female ghetto may recede. In any case, the needs to be fulfilled transcend the politics of sex. And of age as well. The talent pool of retired Americans, growing larger each year, is an immense resource that should be exploited more, to staff day care centers, for example, and to perform more sophisticated jobs too.

The second compelling reason for volunteer work involves the individual and collective soul in any culture. A society's morale is always healthiest during a war (one that it supports and is not losing badly); everyone is forever volunteering for something: rolling bandages, running canteens—feeling helpful, a part of things. Contrary to the narcissistic sects now working the Pop culture, plumping egos like pillows, the individual spirit flourishes best in useful contact with others. And the collective spirit cannot thrive when individuals are all arcing around in their small green capsules of self-regard.

In this sense, self-sacrifice is precisely and generously to one's own advantage. One need not play Maoist work songs (in China, they've got to do it, which is not volunteering) to understand the social advantages of work voluntarily done for the good of other individuals, the group as a whole and, ultimately, oneself. The benefits of volunteering can be entirely practical for the volunteer, of course: a person might, for example, learn much about becoming a professional librarian through volunteer work. But it is in the nature of things that the ultimate good of volunteering lies in a kind of metaphysics of sheer human usefulness. Herman Melville wrote: "We cannot live for ourselves alone. Our lives are connected by a thousand invisible threads, and along these sympathetic fibers, our actions run as causes and return to us as results."—Lance Morrow.●

COMMON SENSE ON CAPITAL GAINS: THE CAPITAL GAINS FULL INDEXATION ACT OF 1978

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. MAGUIRE. Mr. Speaker, I was not surprised to read the headline in yesterday's Washington Post: "Surprise: Public Backs Carter on Taxes; Roper Survey Shows Fairness Rated above Tax Cut."

While the survey cited clearly demonstrates the popular appeal of most of President Carter's reform proposals of last January, now considered dead on Capitol Hill, it also showed great public division on the issue of how to treat capital gains.

I submit the public unsureness results from the lack until now of a true reform position, carefully articulated, on capital gains. But so Congress cannot escape without the opportunity of doing what logic and common sense demand, I am today introducing the Capital Gains Full Indexation Act of 1978.

Columnist Clayton Fritchey summarized in Saturday's Post:

> In its spontaneous embrace of the Steiger approach, Congress had perceived that if there is no relief for the *ordinary* investor, the government could well kill the goose that has laid so many of the golden eggs of American private enterprise (emphasis added).

Exactly so. But here is the rub: the Steiger approach, and its near cousin with a face lift in the Ways and Means bill, do little or nothing for ordinary investors, for many years at least. I consider ordinary investors to be those middle- or upper-middle-income savers who are buying homes, or socking away for their children's education.

Now there is nothing wrong with saving for future exigencies, or junior's education, by keeping a savings account at the local bank. Those funds are used to finance small business, mortgages, and consumer credit—all essential for our national growth.

But economists and others agree that the element missing from the current economic recovery is risk capital investment in the new machines and plants necessary to employ the millions entering the labor force every year. This investment has traditionally come from equity issues—new stock offerings.

But new equity is no longer a significant source of funds, and ordinary investors have led the exodus from the stock market. According to Mr. Fritchey, over 5 million fewer Americans own stock than a decade ago.

Reforming capital gains laws does not promise to solve the problem. But reforming these laws would be a major step in the right direction, assuring the Federal Government would cease confiscating upwards of all the real—inflation adjusted—earnings of an investment. The Ways and Means bill, which I will vote against, does not offer true capital gains reform.

My Capital Gains Full Indexation Act of 1978 offers just such real, and overdue, reform.

It would scrap the existing interwoven confusing and unsound provisions of capital gains law: the 50 percent deduction, the alternative tax, and the relation of capital gains preference income to the minimum tax and the maximum tax. Who believes that these provisions, which have evolved through years of political compromise, form the basis for fair and rational taxation? No wonder the people are upset and demand action, even if their cries are drowned out by the special interests, which perceive the possibility of still more congressional punctures in the Federal Treasury.

In place of present treatment, the Full Indexation Act would do two things:

First. Remove the effects of inflation from a capital gain or loss to determine the real gain or loss; and

Second. Tax that real gain as ordinary income, or permit up to $8,000 of a real net loss as a deduction against other taxable income, with an unlimited carryover of any unused loss.

This clearly achieves rationality and fairness while at the same time greatly reduces effective capital gains taxation for those millions of ordinary investors who have abandoned the stock market. And homeowners, who own their homes 5 or 10 years, would benefit greatly. It would lose nowhere near the tax revenue of the Steiger approach, or Ways and Means variant, according to a study this year by Martin Feldstein, the Harvard economist who heads the National Bureau of Economic Research. This is because the comparatively wealthy, who already protect themselves quite well from the effects of inflation by choosing when to realize gains, would pay somewhat higher capital gains taxes. This would make up for the revenue loss to those with incomes under about $100,000.

This result, I believe, is only fair, since wages and salaries, which contribute to wealth each year, are fully taxed at ordinary rates. Why should not real capital gains, which also contribute to wealth, be treated in like fashion? Do not our notions of justice require no less?

My proposal anticipates several prospective problems. Chief among these is the difficulty of bunching. Since gains are realized all at once, they might drive taxpayers into higher brackets than had the gains been recognized on an accrual basis over the years in which the asset was held. Taxpayers in this circumstance, however, can take advantage of income averaging under my bill, an already well established procedure.

By increasing the loss limit for deductions in the year the loss is realized from $3,000 of net losses to $8,000 of net real losses, investments in risky ventures, so sorely needed in this recovery, are encouraged. That is because by definition risky ventures stand more of a chance of resulting in a loss, and the Full Indexation Act offers more of an advantage.

I invite my colleagues to join me in endorsing a fair alternative to the capital gains provisions we will be voting on shortly, an alternative that breaks with the pattern of political compromise that has made the tax code such a disgrace. The Capital Gains Full Indexation Act, instead, asks the simple question: What should be done?—and gives a complete, uncomplicated and fair answer.

Mr. Speaker, I include a summary and analysis of the Full Indexation Act at this point in the RECORD:

THE CAPITAL GAINS FULL INDEXATION ACT

GENERAL EXPLANATION

In brief

This is a proposal to tax only those capital gains that exceed the effects of inflation on the purchasing power of the value of the asset, and to permit deductions of losses to the extent the purchasing power of the value of the asset has not kept pace with general price increases. Real gains would be taxed at ordinary rates, rather than half of ordinary rates as under present law. The change applies only to individuals.

Recommendations, or suggestions to consider such an approach on grounds of equity, simplicity, and encouraging capital formation were contained both in Blueprints for Tax Reform published by the Ford Treasury Department, and the Joint Tax Committee's Task Force Report on Capital Formation.

The principle

Horizontal equity—the principle that those who are equally well-off before taxes should be equally well-off after taxes—suggests that a procedure should be found to tax capital gains in a manner equivalent to earned income. Since earned income, whether spent or saved, increases wealth each year as it is taxed, only those capital gains that exceed inflation and thereby increase wealth should be taxed. The portion of capital gains represented by inflation constitute maintenance of the value of the original investment in the capital asset, and levying a tax on that appreciation is the same as taxing part of the original investment twice.

What the amendment will do

1. Increases the asset basis by ratio of the December Consumer Price Index in the year of sale to the CPI in December of the year of purchase. The *real* gain or loss is the difference between the sales price and the increased basis amount.

2. Taxes the real gain at ordinary rates, or permits deduction of up to $8,000 net real loss from ordinary income, with unlimited carryover of unused losses. The taxpayer may benefit from income averaging in the event of an extraordinary real gain, which is fair since the appreciation was earned over a number of years.

3. Eliminates—

The 50 percent capital gain deduction, and the counting of 50 percent of capital gains as a preference income item subject to the minimum tax and reducing the amount of personal service income benefitting from the maximum tax.

The 25 percent alternative tax treatment on the first $50,000 of capital gains.

4. Administrative options—

The taxpayer may choose to compute his capital gains tax himself with forms, tables and assitance provided by the IRS, *or*

He may choose to submit the minimum required information to the IRS and have the Commissioner compute the tax for him.

5. Regulations and reports—

The Treasury and Joint Tax Committee shall submit a report by January, 1979 on optional new rate structures consistent with desirable fiscal policy under existing economic conditions, with special attention to the possibility of eliminating all bracket rates in excess of 50 percent. Eliminating the higher rates is probably possible since roughly 80 percent of preference income, which is responsible for subjecting any personal service income to rates above 50 percent, is composed of capital gains under present law. But the amendment will eliminate capital gains as a preference item.

The Secretary of the Treasury shall promulgate regulations by January, 1979 to adjust real gains and losses for the effects of inflation upon debt financed capital. This is necessary since capital assets paid for with debt are paid off gradually with progressively less valuable dollars, while interests deductions on the debt are not reduced by the rate of inflation. Thus the recorded basis may not accurately reflect the amount paid for the asset. Congress shall have all of 1979 to review the regulations before they are implemented for 1979 returns filed in 1980.

6. Effective date—tax years beginning after December 31, 1978.

Advantages

1. Achieves horizontal equity as closely as is reasonably possible.

2. Encourages risk capital formation—

The taxpayer is assured of keeping part of any real capital gain since only the real gain is subject to the tax. Presently, some prospective investors may be inhibited by the knowledge that their real gain can theoretically be more than 100 percent taxed due to the effects of inflation.

Increases substantially the loss limit from the present $3,000. The new $8,000 is in after inflation adjusted dollars, so it is even higher than if the present $3,000 were simply increased to $8,000.

Eliminates the "lock-in" effect of current law which some believe exists since the taxpayer knows that whenever the gain is realized, it will taxed on a comparable basis.

3. Encourages the government to pursue policies to stabilize prices since it removes the present windfall to government from the capital gains tax during periods of inflation.

4. Much more simple and understandable than the current arcane inter-relation of the standard rule, alternative tax, maximum tax, and minimum tax.

5. Unlikely to lose much if any revenue, even in the short-run. This is because revenue that is lost to lower effective rates charged those who hold assets the longest—and thus suffer the most from inflation—particularly homeowners—is picked-up from those who currently turn-over assets rapidly, such as real estate speculators, and are thus presently paying excessively low effective capital gains rates. This dual effect was noted in a widely cited 1973 study by Martin Feldstein.

6. Protects against abuses possible through selective realization of capital losses by retaining a current year capital loss limit.

With the exception of number (6) each above point is an advantage over Steiger, Jones, or current law. Under the Capital Gains Indexation Amendment, of course, the benefit of fair taxation will be shared with all taxpayers, while under the other capital gains reduction proposals the advantage of reduced taxation are shared by only a handful of taxpayers.

A note on indexation

Many people are justifiably concerned about problems that might accompany full indexation of the income tax system.

There is a critical distinction between indexation of brackets and exemptions on the one hand, and the limited indexation proposed by the Capital Gains Indexation

Amendment. Capital gains must be indexed in order to treat two taxpayers who have held assets different lengths of time comparably—and thus fairly according to the principle of horizontal equity.

But any given year, all taxpayers are subject to the existing tax rate schedules whether indexed or not, and so all taxpayers are treated fairly according to the principle of horizontal equity since they are treated alike.

An illustration

The table below illustrates the tax savings (cost) over either current law or Steiger (for a taxpayer who does not benefit from Steiger). The example assumes a capital asset was puchased for $100 in any of the years listed along the left margin, and sold for $175 in 1977. The columns represent different tax brackets (30, 40, 50, and 60 percent).

An asset purchased for $100 in each indicated year, and was sold for $175 in 1977. Shown in the table is the tax savings (cost) in relation to either current law of Steiger (assuming the taxapayer is amongst the majority of those with capital gains who receive no incentive from Steiger) for a taxpayer in each of the indicated marginal tax brackets.

TAX BRACKETS

	30 percent	40 percent	50 percent	60 percent
Real deductible loss if held since before 1968 due to the effects of inflation:				
1960	$21.27	$28.36	$35.45	$38.79
1961	20.85	27.80	34.75	37.95
1962	20.10	26.80	33.50	36.45
1963	19.11	25.48	31.85	34.47
1964	18.39	24.52	30.65	33.03
1965	17.28	23.04	28.80	30.81
1966	15.36	20.48	25.60	26.97
1967	13.71	18.28	22.85	23.67
Real capital gain:				
1968	11.22	14.96	18.70	18.69
1969	8.19	10.92	13.65	12.63
1970	5.64	7.52	9.40	7.53
1971	4.11	5.48	6.85	4.47
1972	2.61	3.48	4.35	1.47
1973	(.93)	(1.24)	(1.55)	(5.61)
1974	(5.31)	(7.08)	(8.85)	(14.37)
1975	(7.68)	(10.24)	(12.80)	(19.11)
1976	(9.21)	(12.28)	(15.35)	(22.17)

Note: Table assumes no income averaging, or other extraordinary adjustments. Additionally, it assumes the asset was purchased outright for cash. This illustrates how much of a benefit fair capital gains treatment would be for homeowners who have fully owned their homes for more than 4 years, assuming a 75-percent increase in value as in this example. ●

AFL–CIO SUPPORTS HORIZONTAL DIVESTITURE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. UDALL. Mr. Speaker, I would like to share with my colleagues a letter I recently received from the AFL–CIO. This letter expresses their support for horizontal divestiture and their belief in the need for competition between energy sources.

In the midst of the debate on the energy bill, it is wise to remember that one of the main reasons we are in this predicament is our reliance upon one fuel source. Because of our total dependence upon petroleum, our Federal national security requires administration of prices and try to take over the roles best provided by a free market.

The enclosed material argues for ensuring that we do not allow the same mistakes to occur in the coal and uranium industries.

AFL–CIO,
Washington, D.C., July 13, 1978.

Hon. MORRIS K. UDALL,
Chairman, Subcommittee on Energy and the Environment, The U.S. House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR MR. UDALL: This letter reiterates the position of the AFL–CIO calling for the horizontal divestiture of alternate energy activities of major oil companies. The AFL–CIO strongly supports legislation which would prevent a company from owning or producing more than one form of energy.

The AFL–CIO is seriously concerned by the concentration of energy supplies in the hands of a few large corporations. The result has been higher prices for consumers and a reduction in the incentive to produce and develop sources of energy which are alternatives to oil and natural gas.

The history of the oil industry contains many examples of public injury caused by excessive power of large oil companies. The conflict between the public interest in fair prices and adequate energy supplies, and the corporate interest in high prices is not adequately checked by competition in the oil industry. Without adequate competition or regulation we cannot expect these giants to act in the interest of the American public.

The oil companies' control over a large share of coal and uranium is well documented and the trend is toward even greater control of these resources. Fourteen of the top 20 coal reserve holders are oil companies and eleven oil and gas companies account for more than half of domestic uranium capacity. The oil companies have also leased a large amount of land containing shale oil.

The price of coal and uranium increased rapidly after the OPEC oil price hikes. Coal prices are now 2½ times higher and uranium prices have increased more than 5 fold. The rapid increase in coal and uranium prices are directly related to the lack of competition in the production of these fuels. Reserves of coal and uranium are plentiful and the price increases can be justified only in part by increased production costs. These rapid price increases have hurt the American consumer, increased the damage to the American economy, and lessened the incentive to switch to these fuels from oil and natural gas.

The control over more than one energy resource lessens the incentive for oil companies to develop energy sources which would compete with oil and natural gas. The prices of coal and uranium affect the price of electricity and the price of electricity affects the demand for oil to heat homes. Synthetic gas from coal and oil from shale will compete directly with oil and natural gas. We cannot expect the oil companies to rapidly expand the production of coal and uranium and to invest in the development of new energy sources when that expansion will compete with and lower the profitability of oil and natural gas.

An independent company producing only one source of energy would operate more in line with the interest of the American public. An independent coal or uranium company in a competitive situation would expand its operations as rapidly as possible despite the effect on oil and natural gas prices.

The need is urgent to develop domestic sources of energy to end the vulnerability of the American economy to oil embargoes and rapid increase in prices by the OPEC cartel. Horizontal divestiture would remove a serious obstacle in the way of reaching this important goal.

We support this Committee's efforts in investigating this important problem and urge the Committee to report out legislation that will end control of competing energy sources by major oil companies.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

RESOLUTION NO. 133—ENERGY

Clearly, energy remains one of the major problems facing the United States in the years ahead. The security and well-being of the nation is threatened by the reliance on importation of oil shipped in foreign vessels from insecure sources.

It is essential that the nation embark on a comprehensive program that faces up to the seriousness of the energy problem.

ENERGY CONSERVATION

Conservation is an indispensable part of any comprehensive energy program. Conservation does not mean a diminishment in the quality of life; it does not mean less automobile driving, less use of home appliances or living in cold, drafty and uncomfortable homes.

Nor does conservation mean no growth. We hold no brief for those pushing conservation as a part of a no-growth philosophy. Growth in the economy and conservation of energy can and must go hand in hand.

Conservation does mean using energy efficiently. It means the manufacture of more efficient automobiles and appliances and the construction of well-insulated homes and buildings.

Specifically, we endorse proposals to:

1. Grant home owners tax credits for making homes more energy efficient.

2. Accelerate the development of mandatory efficiency standards for new and existing buildings.

3. Initiate utility rate reform to eliminate declining block rates and allow for peakload pricing.

4. Establish mandatory minimum efficiency standards for major appliances.

5. Maintain and strengthen automobile fleet standards and establish minimum standards that would not be burdensome on moderate income families.

These kinds of tough and stringent conservation measures are necessary to reduce the nation's consumption energy growth rate. However, conservation by itself will not solve the energy problem.

NEW SUPPLIES

The nation must have new and additional supplies of energy. Even with the most stringent conservation measures, the nation's need for energy will continue to grow. Oil and natural gas are declining resources.

While no single source of energy represents the ultimate fuel, it is clear that coal and nuclear power are the ones this nation must rely upon in the immediate future.

The United States holds about 450 billion tons of coal reserves. This is more than 700 times the national annual usage of 600 million tons. Even were the nation to triple its coal consumption, the reserves would last more than 200 years.

Nuclear power, by the end of this century, is expected to grow from 2 percent of the current total energy supply to over 20 percent. In terms of today's energy picture, this is the equivalent of about 7 million barrels of oil per day—about the same as oil imports in 1976.

Coal has been under attack by environmentalists and nuclear power is the target of a well-organized drive to ban its use. The basis of the campaign against nuclear energy is that it is not safe. We do not agree with that assessment. The record of safety in the nuclear industry is among the best in all industry. Every effort must be made to accelerate the development of coal and nuclear power while protecting the environment and maintaining stringent safety and health standards.

In the nuclear area we urge that steps be taken for the optimum development of this energy source. Specifically:

Legislation to expedite the licensing of nuclear reactors by eliminating the duplication in reviews by federal and state authorities and by coordinating and streamlining federal agency action.

Prompt formulation of policy and implementation of programs regarding the nuclear fuel cycle, including the reprocessing of spent fuel.

Expediting establishment of a federal repository for nuclear wastes.

Expansion of the nation's uranium enrichment capability.

Continued development of the liquid metal fast breeder reactor program, including the Clinch River Breeder Reactor now under development.

Continued high level research into other advanced nuclear technologies, both fission and fusion.

A nuclear export policy which recognizes the need to guard against uncontrolled proliferation of nuclear capability and the economic benefits that accrue to the U.S. as a result of a strong, appropriately safeguarded, nuclear export program.

At the same time America must direct its efforts toward developing such other sources of energy as solar, geothermal, biomass, shale oil, coal liquefaction and gasification. These energy sources will be neither cheap nor be developed overnight.

ENERGY AUTHORITY

Private industry, by itself, cannot develop the energy sources required by this country. For that reason the AFL–CIO urges the establishment of a $100 billion program to help achieve energy security through the creation of an authority that would provide direct loans, loan guarantees and other financial assistance to private industry and public bodies unable to secure private capital.

As we envision it, that program would concern itself with projects for conserving energy as well as projects for developing new and additional supplies of energy. Under that program, the government would also be empowered to launch projects of its own patterned after the TVA concept.

IMPORTS

If the United States is to diminish its dependence on foreign oil it cannot allow the current situation to continue. Reliance on private companies dealing with oil producing countries is no way to protect the national interest.

It is time for the United States government to take over the importation of oil and deal with the oil producing and exporting countries on a nation-to-nation basis. The government should determine the amount of oil to be imported, negotiate the price to be paid and provide for the allocation. In addition, a specific percentage of oil imports should be carried in U.S.-flag tankers to assure the security of these imports from the whims of other countries.

PRICES AND TAXES

There is no free market for oil. Periodically the OPEC cartel meets and sets the price of oil. All other energy prices are related to that price—except to the extent that they are controlled as oil and natural gas have been.

We are opposed to any effort to raise the price of crude oil to world level prices with the imposition of a crude oil equalization tax, and we also oppose efforts to deregulate natural gas prices. These measures would have as devastating an effect on the American economy as the four-fold increases in oil prices imposed by OPEC following the oil embargo. In the past rising energy prices have had little effect on increasing production or promoting conservation.

We are also opposed to the imposition of a gasoline tax unless such a tax would apply only to excess consumption above a basic allotment.

DIVESTITURE

The giant oil companies exert an incredible negative influence on the nation's well-being. It is time to end the stranglehold that a few companies hold over this major industry and the nation.

We urge the Congress to enact legislation that will break up the control these companies have from well-head to gasoline pump.

Even now the oil companies are spreading their influence into other energy fields and have already secured a major position in the coal and uranium industries. Clearly this is not in the national interest and tends to hamper the development of other sources of energy.

The AFL–CIO urges the Congress to enact legislation to prohibit companies from owning competing sources of energy.●

THE NOISY AIRCRAFT BILL: LAMENTABLE LEGISLATION

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. VANIK. Mr. Speaker, it comes as no surprise to me that the growing tide of vocal supporters for the Noisy Aircraft Revenue and Credit Act reads like a "Who's Who in the Airline/Aircraft Industry." However, this $3 billion gift to these industries deserves closer scruting.

In an editorial entitled "This Year's Treasury Air Raid," the Washington Post summed up the problems of this legislation rather succinctly:

THIS YEAR'S TREASURY AIR RAID

Among the leading contenders for the Great Treasury Raid Award of 1978 is the airplane noise reduction bill now working its way through Congress. Through a unique back-door device, the bill would divert about $3 billion from the Treasury to the airlines during the next five years. The diversion would be fairly painless: no new taxes, no direct appropriations, no increase in federal spending. The airlines would collect the $3 billion as part of taxes that already exist but, instead of sending the money to Washington, they would spend it themselves on quieter airplanes and airplane engines.

It's a clever idea—if you happen to own an airline and need the money to meet federal noise standards or if you happen to be a member of Congress and want to give the airlines a helping hand. But it is, nevertheless, a bad idea. Anyway you analyze the proposal, it is the imposition of a federal tax for the sole purpose of helping an industry to comply with federal law. Once that precedent is set, the possibilities are endless for similar taxes to help other industries meet air-, water-, and noise-pollution standards.

The idea works like this: The airlines would continue to collect an 8 percent tax on domestic tickets and a 5 percent tax on domestic air freight. They would also collect an increased departure tax on passengers leaving the country. But unlike other tax money, which goes to the government, this would be different. Each airline could keep up to 25 percent of the ticket tax, 40 percent of the freight tax and all of the increased departure tax as long as it was spending that much money on new and less noisy equipment.

The key congressional committees that have approved this scheme had to make two decisions before they even considered it. The first was that the current level of taxes generate more revenue that ought to be spent on airports and air-safety programs; all of the money raised by these taxes is now earmarked exclusively for those programs. The other is that the airlines need a substantial amount of federal aid in the next few years. Both decisions may be logical, but they certainly do not compel this disingenuous result.

There are more straightforward ways of accomplishing the same thing. Congress could, for instance, keep the existing tax rates and appropriate funds directly to each airline. Or it could cut the taxes and let the airlines raise their fares. But if it did the former, voters might not like the idea of a profitable airline's getting, say, $250 million a year from the Treasury. If it did the latter, the $3 billion would not be tax exempt. It is not surprising, therefore, that the airlines and their many friends on Capitol Hill find the scheme attractive. But it is lamentable that both houses of Congress seem about to fall for it.

Mr. Speaker, the business pages of the paper today continued to report the good fortunes of the airline and aircraft industries. According to the Wall Street Journal, Boeing Co. reported second quarter earnings rose 37 percent from a year earlier. Boeing is predicting increased sales and production in the second half of the year. The list of airline and aircraft companies reporting bonanzas is growing at a faster rate than the list of airline associations supporting this gift.

I urge my colleagues to take these views and facts into consideration when the closed rule for title III of this bill comes to the floor.●

A BILL TO ENCOURAGE MEDICAL SCHOOLS TO TEACH SPECIALIZED TREATMENT OF THE RETARDED

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. GILMAN. Mr. Speaker, today, I am introducing legislation to amend the Health Manpower Act to include in the existing list of grants offered, a grant program to encourage medical schools to train personnel in the care of the mentally retarded. This is an important specialty which is sorely lacking in many of our medical institutions, and which, if developed, would allow the medical profession the freedom and capacity to treat the retarded and provide quality health care for the estimated 6 million retarded citizens of our Nation.

Medical training institutions are producing a high caliber medical professional and there are substantial efforts to encourage our medical personnel to view medicine as a humanitarian venture, and to expose doctors to an interdisciplinary approach to treatment. The Health Manpower Act lists several fields which are important and timely, and in which medical schools should and can invest time and effort to insure that doctors are receiving a "well rounded' approach to medical education. Several populations have been pointed out as needing special attention, and the list of available grants includes grants for the study of geriatric medicine, of medicine pertaining to women and minority

groups. The addition of specialty training for the treatment of the retarded will enable physicians and other health personnel to become more sensitive to the needs and problems of the retarded of this Nation, the only disabilities group that cannot speak for themselves.

The President's Committee on Mental Retardation, a standing committee created by Executive order 12 years ago, stated on several occasions that the retarded are underserved by the medical community, and recommendations have been made by that committee to encourage improved health care for the retarded. In its annual report entitled "MR 76: Mental Retardation Past and Present", the President's committee stated:

Persons with mental retardation must be served in all health care systems, both medical and dental, available to the general public. To reach all persons in need, a more equitable distribution of health manpower and resources must be developed. Medical, communication and transportation technologies must be more broadly exploited.—From Chapter 11, page 133.

In another recommendation pertaining to education opportunities open to individuals working with the retarded, the President's committee states:

Education for health-related careers should include training in the following areas:

Consumer participation and social problems;

Interdisciplinary team collaboration in patient care;

Administration of multi-disciplinary service programs;

Preventive and public health aspects of all health specialties in relation to problems of mental retardation and developmental disabilities.—Page 137.

The retarded have the right to quality medical care and it is a sad commentary on the state of this Nation's medical care when the retarded are glanced over, and are not afforded adequate care. Parents of the retarded have informed me that doctors willing to treat their children are few and far between; that doctors oftentimes cannot communicate with the patients seeking help and that many times quality medical care is available only in private schools and institutions which are too expensive for most parents to afford. With the emphasis on deinstitutionalization, too, the retarded are being gradually "mainstreamed" into our society. Their rights are equal to those of others who are living in, and contributing to, society.

The Congress has been receptive to the needs of our handicapped population, but there are still many avenues which should and must be explored. I believe that if we provided incentives to medical schools, in the form of grants, many of them would meet the challenge that the retarded present and the quality of health care available to our retarded would increase.

Under this grant program, medical schools have the option of adjusting their curriculums to reflect the movement toward equalization among the retarded and other populations. Grants will allow the medical schools to directly include the treatment of the retarded in their medical course, or it will encourage the interdisciplinary approach to this field, by enabling medical schools to call in experts in the field of retardation midcourse, or modify their curriculums in such a way as to allow for greater communication between departments and disciplines. Many medical schools do not have the personnel or time to devote to the treatment of retardation. For those schools, grants will provide an incentive to pull together many of the diverse resources presently available.

Curriculums can be modified to include in the course of study information for the physician relating to the special problems of the retarded and developmentally disabled. For instance, in a course of basic biochemistry, health personnel could give special attention to hereditary chemical metabolic imbalances which directly relate to retardation and developmental disabilities, and during the study of neurological disorders, the problems of cerebral palsy might be emphasized. Dental students could learn how to treat the retarded patient who cannot communicate pain and who might not be able to care for his own dental needs. Ethical and legal approaches to the question of retardation and disability could be stressed during the course of study, and the management of developmental disabilities and retardation could be seen as an ongoing process which ties in many of the basic skills learned in medical schools. More emphasis must be placed on the community's role in serving the disabled, and through a medical course on community participation and medicine, students might learn how to deal productively with resources that exist within a given community which would improve the well-being of the disabled individual.

Attitudinal aspects of retardation and disability must be taught from the beginning of a student's career, and an emphasis should be placed on restructuring attitudes to reflect deep concern with the unique needs of the handicapped. Psychosocial aspects of retardation and disability may be taught in psychology courses, and through exposure to the retarded will certainly enhance any physician's approach to humanistic medicine.

Presently, many medical schools have the privilege of access to UAF's (University Affiliated Facilities). UAF's provide teamwork training on a practical level, and were created by Public Law 88–164 when the legislation called for the establishment of:

"Clinical facilities providing clinical training of physicians and other specialized personnel," and "a full range of inpatient and outpatient services for the mentally retarded" which would "aid in demonstrating provision of a specialized service for the diagnosis and treatment, education, training or care of the mentally retarded."—As quoted from MR 76, p. 215.

These UAF's encourage multidisciplinary approaches to health personnel in that they provide coordination between universities and the communities in which the UAF exists. This working relationship allows for an exchange of ideas through the inclusion of several aspects of the health field: Social work, clinical psychology, and field work. Yet, I have learned that not all these 39 UAF's now in existence have any input into the medical school curricula, and that slightly more than half of the UAF's contribute resources in the teaching of developmental disabilities in the universities. Clearly more must be done.

Medical schools have come a long way since the past two decades during which educational facilities viewed retardation with disdain and hopelessness. The President's committee report points out that:

Textbooks in psychology dismissed it (retardation) with a few paragraphs under "Abnormal Psychology" describing the general gradations and the hopelessness of the condition. Pediatricians, in their training, learned that the defective are condemned to helplessness and that the kindest treatment was to urge parents to place their child in institutional care, dismiss it from their lives, and turn to the future production of healthy children.—As quoted from page 211.

Just recently, the Washington Post carried an article on a horrible occurrence which took place in some New York State hospitals. Retarded patients have been overtranquilized, resulting in several deaths specifically linked to tranquilizers. The medical examiner from Rockland County, N.Y., stated that this tranquilization of the retarded has "contributed to countless deaths by deadening nervous reactions that would otherwise serve as a warning," and that "discussions with colleagues indicated that such deaths occur nationwide."—July 14, 1978. This is shocking news; and yet, if the medical profession is allowed to remain in the dark about the treatment of the retarded and developmentally disabled, these instances will continue to occur.

Researchers are attempting to determine the causes of mental retardation, and are examining preventative measures in this regard. But there are many unanswered questions which require careful studies and which may take years to answer. Retardation, at present, is a fact of life, and it is wise to accept the fact that many of our citizens are retarded and that they require special attention. We cannot afford to ignore their needs. The legislation that I am introducing today addresses an issue which will improve the quality of life for all of our retarded.

Mr. Speaker, I include at this point in my statement the full text of this legislation:

H.R. —

A bill to amend the Public Health Service Act to authorize financial assistance for projects and programs to train physicians and other health personnel to identify and deal with the special medical problems related to the mentally retarded and to improve the ability of such personnel to provide health care to the mentally retarded

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (d) of section 788 of the Public Health Service Act is amended (1) by striking out "and" at the end of paragraph (20), (2) by striking out the period at the end of paragraph (21) and inserting in lieu thereof "; and", and (3) by adding after paragraph (21) the following:

"(22) projects and programs to train physicians and other health personnel to identify and deal with the special medical problems related to the mentally retarded and to improve the ability of such personnel

to provide health care to the mentally retarded."

(b) Subsection (e)(1) of such section is amended by adding at the end the following: "For the fiscal year ending September 30, 1980, there are authorized to be appropriated such sums as may be necessary for grants and contracts under subsection (d) for projects and programs described in paragraph (22) of such subsection."●

POPE PAUL VI

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1978

● Mr. EILBERG. Mr. Speaker, I want to join my colleagues in expressing my deep sorrow on the death of the leader of the Roman Catholic Church, Pope Paul VI.

The world was privileged to have been blessed with the presence of this holy and compassionate man during his reign of 15 years. This was a period of profound change for the church and the world. Yet, under the guidance of Paul VI, the Roman Catholic Church survived this tumultuous era.

Pope Paul VI was a leader in the quest for world peace, making a vital contribution to the efforts of other statesmen to end war in all corners of the world. In search of this peace, he traveled more miles than any pope before him, making precedent-setting trips to Africa, Asia, Australia, and both North and South America.

Mr. Speaker, in August of 1971, I had the honor of meeting with Pope Paul VI at his summer residence at Castel Gandolfo. We spoke of our common concern for the problems of refugees all over the world, and the pressing need for the international community to share the burden of alleviating the plight of the world's homeless.

During my years in Congress, especially as chairman of the Subcommittee on Immigration, Citizenship, and International Law, I have met with many foreign dignitaries and world leaders. But my brief meeting with His Holiness will remain an event of singular importance to me. Seldom have I been in the presence of a man whose piety and love for all people served as a driving force in his life.

The world's 600 million Roman Catholics may find comfort in the knowledge that they were blessed, as was the rest of the world, with the presence of this intensely holy and spiritual man as the leader of the church. People of all faiths will miss this man who was an important voice for the causes of justice and world peace.

Mr. Speaker, I offer for the RECORD the text of an editorial from the Philadelphia Inquirer which eloquently describes the impact of Pope Paul VI, and his service to humanity.

PAUL VI SERVED HUMANITY AS THE FIRST GLOBAL POPE

Pope Paul VI in his 15-year reign as leader of the Roman Catholic Church was above all else a humanitarian. He served God and his Church through service to humanity. He was an activist Pope—a man of conscience who championed the cause of the poor and oppressed of all faiths. He was a Pope of the world and of the people.

History will duly record these truths about Pope Paul, but there is no need to await the writings of historians to know and to appreciate both his greatness and his humility. His death at 80 is mourned by hundreds of millions, from all races and creeds, bound together in common remembrance. But nowhere is the mourning deeper than along the impoverished byways of this planet, far removed from the seats of wealth and power, where the hungry and the downtrodden were given hope and encouragement by a modern-day preacher named Paul who crossed oceans by jetliner on missions of social justice.

The first Pope to fly, the first Pope to travel to distant continents, the first Pope to visit the United States. Those are only a few of the many firsts of Pope Paul—but the mere listing of historical breakthroughs do not measure the spirit of the man. The overriding theme that was a common thread through his visits to India, to Africa, to Latin America, to the Philippines, to the Holy Land, to New York, and to other destinations—nine trips abroad in all—was world peace built on recognition and protection of fundamental human rights. Among those rights are freedom from inhumane exploitation of the poor and the weak by the rich and the powerful.

Pope Paul broadened his vision and that of his Church not only through papal travel on an unprecedented scale but through an extraordinary variety of contacts with persons invited to visit him for exchanges of views.

The ecumenical movement advanced during Pope Paul's tenure. He sought not only to heal the wounds of centuries-old schisms but to generate a new spirit of brotherhood rooted in better understanding of religious differences. It is a spirit that deserves to be promoted further by leaders of all churches.

The past 15 years have been difficult and controversial for the Roman Catholic Church with respect to numerous questions of policy in a rapidly changing world. Pope Paul has been criticized by some as being too resistant to change and by others as being too receptive to it. The next Pope will face continuing controversies and difficult decisions relative to internal Church affairs.

From the perspective of the world at large the legacy of Pope Paul is a challenge to carry on the quest for peace and social justice in the spirit he gave to that ongoing struggle.

Pope Paul's stewardship is in many ways reminiscent of the services of John Neumann, the 19th century Bishop of Philadelphia who was canonized in ceremonies at the Vatican last year. Both were deeply concerned about injustices inflicted upon victims of poverty, and both sought vigorously to break down the walls of massive insensitivity and indifference that frustrated efforts of the poor to improve their lot.

The most fitting memorial for Pope Paul VI would be the building of a better world for the poor and the oppressed. That is an objective worthy of the best efforts of us all.●

PATIENT ACCESS TO MEDICAL RECORDS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. WAXMAN. Mr. Speaker, one of the most encouraging new trends in American medicine today is the increasing role patients play in the management of their cases. The patient increasingly is a participant in the decision-making about his case for a variety of reasons:

Providers today place increasing emphasis on preventive care and lifestyle changes to prolong years of good health. This means the public is better informed on health care and the important role the individual can play in preventing diseases linked to obesity, smoking, and abuse of alcohol and drugs.

The exhorbitant cost of intensive medical care, particularly hospitalization and surgery, forces many patients to justify in their own minds whether a particular medical procedure is necessary, and if so, in what setting.

Congressional investigations, such as the study of unnecessary surgery conducted by Representative JOHN MOSS, chairman of the Oversight and Investigation's Subcommittee, have made the public more conscious of overutilization problems in our health care system. The patient is more wary of elective procedures and more likely than ever before to seek a second physician's opinion.

Dr. Sidney Wolfe, director of the Health Research Group here in Washington, is a leading advocate of patient access to medical records. The right of patients to see either medical records appears to be worthwhile if we want to encourage patients to take an active role in their treatment.

The arguments in favor of patient access to medical records are obvious. Americans will spend an estimated $160 billion on health care this year. Health care consumers, like any other purchasers, are entitled to know what is being paid for. Patient access to medical records will be a strong disincentive for overutilization of medical procedures or for careless practices.

Many health professionals themselves endorse granting patients the right to see their medical records. Dr. Budd Shenkin, a pediatrician and David Warner, a Ph. D. in public health, proposed in a 1973 issue of the New England Journal of Medicine that legislation be passed to require a complete and unexpurgated copy of all medical records, both inpatient and outpatient, be issued routinely to patients as soon as the services provided are recorded.

Under such a system, patients could receive better continuity of care, they would be subjected to fewer repeat diagnostic procedures and tests, and they could have some empirical basis for evaluating the care they receive.

The issue of whether patients should have access to their medical records is not without controversy, however. The AMA official position is that records should not be released because the patient is not sufficiently knowledgeable to evaluate what he reads. Some physicians fear the number of malpractice suits will rise if patients routinely have access to their medical records. Others think the patient may be unduly concerned about what he reads in his medical files about his health. Physicians also want to protect their discretion to comment on the patient's mental attitude or emotional problems, without fear that the patient will later discover the comments and be offended by them.

This issue is of such importance that

for the benefit of my colleagues I would like to have a recent article Dr. Sidney Wolfe wrote on this subject in the August 1978 issue of Mother Jones reprinted in the CONGRESSIONAL RECORD. Dr. Wolfe's proposal for patient access to medical records is right in step with the times, with our increasing emphasis on consumer activism.

WHAT YOUR DOCTOR HIDES FROM YOU

(By Sidney Wolfe, M.D.)

For most of us, it is much easier to get our CIA or FBI files than to get our medical records. Even though Americans will spend about $160 billion this year on health care, all we have to show for it are bills and, in at least some cases, an improvement in health. The records of why we went to the doctors or hospitals, what they found abnormal (or normal) with us, what diagnoses they made, what drugs they prescribed or surgery they performed and whether we improved as a result are generally kept from us.

Take the case of Ed Mulligan of Syracuse, New York. After four years of illness, two operations and medical opinions as diverse as that he had "a 50-50 chance to live" and was "perfectly okay," Ed requested a copy of his hospital records from Community General Hospital in Syracuse. The hospital gave him the results of several tests but denied him access to virtually all the rest of his hospital records, stating that such access was not "appropriate." Mulligan sued the hospital, arguing that he was being damaged by not knowing enough about his medical condition to make an informed choice on what to do next about his health care.

New York State did not have a law providing patients with access to their medical records, So Ed Mulligan did not do well in the courts.

Next, Ed took to the streets. Almost two years after his original request to see his records he started picketing Community General Hospital, carrying a sign saying "This Hospital Has Something To Hide."

After he had picketed for several weeks, generating adverse publicity for the hospital through television and other media coverage of his activities, the hospital offered to let Ed see a laundered version of his records. Much but not all of what he wanted was there, but Ed was still not satisfied.

He appealed to New York state legislators to pass a law providing patients with complete and unrestricted access to their medical records. He succeeded in getting just such a bill—guaranteeing access at least to hospital records—passed in the lower house, or Assembly, only to have it stopped in the state Senate.

But Ed kept trying, and on October 1, 1977—through rules drawn up by the New York State Board of Regents—it became "unprofessional conduct" for a health-care provider to refuse to supply a patient with a copy of his or her medical records. One loophole, however, was that a doctor could "withhold information if its release would adversely affect the patient's health." The loophole can be partially plugged: patients may protest a denial by putting the burden on doctors to state the reason for the denial in writing within 30 days.

After hundreds of hours of testimony on access to medical records by dozens of witnesses, the Federal Privacy Protection Study Commission stated that "not one witness was able to identify an instance where access to records had had an untoward effect on a patient's medical condition."

If many patients want their records, and if there is no evidence of adverse effects from getting this information, why is it so difficult to get?

Organized medicine and most doctors just don't want patients to know what is really being done to them. The American Medical Association has said, "It is our position that a physician has both a right and a duty to withhold information in circumstances in which he reasonably determines that it would not be in the best interests of the patient."

This philosophy of "doctor always knows best" not only is patronizing to patients but serves as a cover for a more fundamental doctor discomfort. Testifying before the Privacy Commission, Dr. Joseph Boyle, an AMA official and formerly head of the California Medical Association, said that patient access to records "could result in numerous cases of harm." He could give no specific examples. Boyle added, by way of general example, that "some individuals, upon seeing their records, might decide to treat themselves." That's true. If people could see their medical records and discover the basis (or lack thereof) for various drugs or operations, they might well treat themselves and be better off for it. In fact, mosts visits to the doctor are for diseases less dangerous than the drugs used to treat them.

The sorry state of many medical records is another reason for the secrecy. Dr. Lawrence Weed of the University of Vermont medical school, in his excellent book "Your Health Care and How to Manage It," gives an example of a medical record. (See page 12.)

Certainly, patient access to medical records, especially if doctors can be persuaded to explain what the hieroglyphics mean, will go a long way toward straightening out these important documents. Weed goes on to say that access "may be the most effective weapon we have against over-utilization of medical care."

In addition to Larry Weed, a small but growing group of health professionals are supporting patient access to medical records. Leading the way have been Budd Shenkin, a pediatrician, and David Warner, a Ph. D. in public health.

They proposed, in an article in the *New England Journal of Medicine* in 1973, that "legislation be passed to require that a complete and unexpurgated copy of all medical records, both inpatient and outpatient, be issued routinely and automatically to patients as soon as the services provided are recorded."

Supporting their proposal, they argued that patients would receive much better continuity of care, would be subjected to fewer repeat tests and would be free to choose and change physicians more easily, since they could make better judgments about their doctors. Patients would be more autonomous in making choices.

This is just what the doctors fear. This lessening of patients' dependence on doctors would make them feel less like paranoids and more like active participants in an egalitarianized doctor-patient relationship.

At a clinic in Vermont in which patients are routinely given their medical records, a survey of 100 consecutive patients who had seen their records showed that:

80 percent were much more careful about following specific recommendations in taking their medications;

78 percent indicated they had made changes in their patterns of living, eating or drinking after reviewing their own records; and

97 percent were less anxious about their health after reviewing their own records.

The doctors at this clinic have said, "It is our philosophy that the medical record belongs to the patient, and that he has a right to all of the information within it."

In a rehabilitation hospital, also in Vermont, a study of 103 consecutive patients given the medical notes on their admission evaluations within two days after they entered the hospital showed that:

50 percent, as they read the notes, made some addition or correction on a point of fact;

60 percent had questions on vocabulary or meaning; and

"Patients often expressed a sense of relief at having the secrecy removed from their records and were pleasantly surprised to be treated as adults."

Ed Mulligan, the man in the photograph, sums it all up: "A society that denies a person knowledge of his own state of health is toying with tyranny and is able to maintain this censorship only because in general the victims are weak, sick, alone and helpless."

GETTING YOURS

Getting your medical record can better your chances of surviving in the American health-care system. What can you do?

The Privacy Act of 1974 already grants access to all patients cared for in federally run institutions such as Veterans Administration hospitals, military hospitals and Public Health Service hospitals.

Some states, such as Massachusetts and Colorado, have laws allowing patients access to their medical records, but a survey in Massachusetts showed that only one out of 16 hospitals unequivocally recognized the right of patient access to records on request without subjecting the patient to some sort of red tape.

To find out what the laws are in your state regarding access to medical records, how to initiate legal action to get your records, if necessary, and how to push for legislation providing access in your state, send $2 for the new pamphlet, "How to Get Your Medical Record," to Public Citizen's Health Research Group, Dept. MR, 2000 P Street NW., Washington, D.C. 20036.

(NOTE.—Sidney Wolfe is director of the Health Research Group in Washington, D.C. Mother Jones welcomes letters on the subjects discussed in these columns. Please address your question to "Mother's Healer," c/o Mother Jones, 607 Market Street, San Francisco, California 94105.)

THE ROAD TO PROSPERITY—PART XVI—WHAT IS THE PRESS SAYING ABOUT THE INVESTMENT INCENTIVE ACT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. STEIGER. Mr. Speaker, I confess that I sometimes fall into the same trap in which many who work in Washington find themselves. That is, we often look upon the Washington Post and the New York Times as the sole spokespersons for the press. Not only is that wrong, but it can lead us to erroneous conclusions.

One such error would be to believe that the Nation's press is opposed to relieving the high tax burden on capital. As I was reminded by one of my district's newspapers, the Plymouth Review, this is not true. Today, I am inserting in the RECORD a selection of editorials in support of a lower tax on capital gains. Included is an article from the Washington Post on the plight of the investor. I would urge the Members to read these editorials, and a selection which I will include tomorrow, which represents the opinion of newspapers from all sections of the country.

[From the Plymouth (Wis.) Review, June 29, 1978]

INVESTMENT, NOT CARTERISMS, NEEDED FOR U.S. FUTURE

Residents of this area who know or have voted for Rep. William Steiger must be get-

ting a charge out of his recent national prominence as a sponsor of a bill to reduce the capital gains tax to where it was about a decade ago.

Even President Carter has found it necessary to lambaste the Steiger bill in a press conference.

The president unfortunately, has lowered himself to spouting economic poppycock. He sounds like a modern Huey Long, the old Louisiana demagog, who liked to appeal to the "common man" by railing at the "millionaires."

It's easy, of course, to say, as Carter does, that capital gains are something only the "rich" worry about.

But silly.

Capital gains really means profits on long term investments. Current law can take 49% of such gains, meaning you and Uncle Sam are sharing about 50–50 on the fruits of your risk and wisdom in making an investment, whether it be in a house or a business venture.

Steiger has proposed, and has won tremendous congressional support in both parties, that the gains be rolled back to a maximum of 25%, just the way they used to be in 1969.

The significance of this to most of us is that investments produce jobs, new business opportunities, new careers for millions of people.

Investment must precede any new business or the expansion of any old business.

Who really cares whether the profits go to a millionaire or to a "little guy"? Most of the millionaire's income will be taxed away anyway. And we all will benefit from investments, one way or another.

What we need is a renewed commitment to investment in this country so we can create more jobs, can upgrade our aging industrial plants, can counter inflation caused by declining productivity, etc.

Many objective studies have shown that the nation that invests prospers. America has been lagging and so has our economic well-being.

Our tax laws are largely responsible.

The president is showing once again that he, congress and public opinion are far apart.

If he wants to get the country moving again, as one of his famous Democratic predecessors once promised, he ought to be praising the Steiger plan instead of condemning it.

Incidentally, Democratic Rep. James Jones of Oklahoma is also proposing to limit capital gains taxes to 35%, a compromise figure.

So, you see, somebody is getting the word. We hope it penetrates to the White House.

[From the Washington Star, May 25, 1978]

THE STEIGER AMENDMENT

There's a natural tendency in any season to treat tax policy as a branch of theology, and it's been heightened by the Carter administration's moralistic language on tax reform.

No one in his right mind argues that the tax code shouldn't be anchored in a broad conception of the public good. But the best route to that good, once identified, is usually debatable. Tax ethics do get complicated.

With the preamble, we turn to a hot topic of the hour—Rep. William Steiger's surprisingly popular initiative to reduce capital gains tax rates. Mr. Steiger's amendment, which has solid bipartisan support, would roll back those rates to the pre-1970 level. Yet it irks the administration tax reformers mightily; and threats of a veto for any tax bill including it are in the air.

Why? Theology, in a word. President Carter has said—with the air of a man chiseling stone tablets—that capital gains should be taxed "like other income," and that implies not a cut but an increase in the rates. Just why Mr. Carter takes this view is not clear. We distinguish, as a rule, between capital and income; between nest eggs and eggs laid to be eaten. It would make approximately as much sense for Mr. Carter to declare that seed corn should be eaten as fast as corn grown for the dinner table. But that is something a veteran farmer would not say.

No, it is an ethical impulse—the instinct for what is conceived to be "fair play" in taxation—that explains Mr. Carter's sentiments. The basic consideration, it seems, is that only the "rich"—or at least the well-to-do—gain income from capital transactions. And since this income is privileged—is limited to those who save and invest—it is unacceptable.

Admittedly, most capital transactions likely to be taxable as capital gains are indeed engaged in, and of primary benefit to, those with significant capital to invest. There are those who still entertain the quaint view that this is, in essence, what "capitalism" means: It is an economic system that offers special incentives to those who save their money and invest it in productive and profitable enterprises, hoping to enrich themselves thereby.

Not that we understand President Carter to be anti-capitalist; yet here, as on some other tax questions, his analysis seems superficial. When you anchor tax policy entirely to your approval or disapproval of the income style of the "rich," you leave a lot out.

A more intelligent approach to tax policy, and one that may even point the way to greater general economic benefits, is to ask "macroeconomic" questions about the capital gains tax. What effect do significant changes in the capital-gains tax rate have on the way investing people handle their funds? Is it true (as reliable figures suggest) that the higher rates since 1970 have lessened federal revenues from that source? Is it true (as again seems to be the case) that the post-1970 rates have made equity capital less mobile and less flexible, with the ultimate effect of creating capital shortages and driving businesses to rely the more on borrowing for expansions and acquisitions? There are those who say so; and they have impressive figures to back their claim.

Thus the argument for the Steiger Amendment is that it could: Increase total revenues, from capital transactions; stimulate the price of stocks; free investment funds which, adventurously invested, would in turn create new enterprises and new jobs—several hundred thousand new jobs by some estimates. Since all these results would achieve good things (economic growth, higher tax revenues, new jobs) which the administration claims to favor, is it not evident that Mr. Steiger's measure would do more public good in toto than another round of soak-the-rich boots in capital gains taxation? It is to many.

Happily, we would remind the skeptics, this is a more than theoretical question. It is a question as to which, using tax and revenue data now readily available, fairly precise predictions may be ventured. To doubters, we recommend a study entitled "The Economic Effects of Reducing Capital Gains Taxes" by Michael K. Evans of Chase Econometric Associates, Inc. Mr. Evans' rosy forecasts of the 1980–85 benefits of the Steiger Amendment (two-tenths of a per cent higher growth in GNP; 440,000 new jobs; a 1 per cent rise in expenditure for plant and equipment; and a $16 billion reduction in the federal deficit) are not out of line with other predictions by business economists.

We do not pretend to know whether the results would be as advertised. But those who scorn the Steiger Amendment should be asked to counter such forecasts as Mr. Evans' with more than the sour old complaint that private investors would make a lot of money out of lower capital gains tax rates. So they would, obviously. But if overriding public benefits also accrued, who could complain? Is the ethical price too high? Where, in other words, is the disgrace of such a tax policy?

[From the Cincinnati Enquirer, June 29, 1978]

CAPITAL GAINS—STEIGER PROPOSAL AN ALTERNATIVE TO THE NEW DEAL

There is some encouraging evidence of Congress' slow awakening to economic realities in the widespread support garnered by Rep. William A. Steiger (R-Wis.) and Sen. Clifford P. Hansen (R-Wyo.) in their effort to revise the nation's tax laws with respect to capital gains.

If the Steiger-Hansen plan succeeds, many orthodox economists believe, the U.S. economy will be strengthened, job opportunities will grow, total federal tax revenue will increase, the federal deficit will shrink and the inflationary pressures will be somewhat ameliorated.

Notwithstanding these economic elementals, President Carter, at his news conference Monday, chose to portray reform of the capital-gains tax structure as a measure that would be of exclusive benefit to a handful of millionaires—an analysis that scarcely explains its widespread support in Congress. Millionaires, after all, are not a sizable voting bloc that Congress normally seeks to serve.

Indeed, the President went so far as to declare that he would veto a tax package of which a reduction of capital-gains taxes figured prominently. If he sticks to that resolve, it may mean no tax cut at all this year—despite the overwhelming evidence that lower taxes are precisely the medicine the economy needs.

As matters now stand, taxpayers in general are allowed to deduct half of their capital gains from income. Since income-tax rates range from 14 percent to 70 percent, that means that rates on capital gains in effect run from 7 percent to 35 percent. Before 1969, however, there was a 25 percent ceiling on the capital-gains tax rate.

Several changes in tax laws since 1969 have broken through the 25 percent ceiling. Among them:

A provision limiting the 25 percent maximum to the first $50,000 of capital gains. Gains above that amount can now be taxed at higher rates.

A "minimum" tax providing that taxpayers have to pay taxes of at least 15 percent on "preference" items such as capital gains. The tax code exempts the greater of $10,000 or half a taxpayer's regular taxes from the minimum tax, however.

A law increasing taxes on wages and salaries for people benefiting from the preferential capital-gains rate. Under current law, the maximum tax on wages and salaries—as opposed to "unearned" income such as interest and dividends—is 50 percent. But the amount of "earned" income that qualifies for the maximum is reduced dollar-for-dollar by the amount of capital gains excluded from regular taxation.

The combined effect of these modifications has been to increase the maximum possible tax rate for capital gains to 49.125 percent, even though it is unusual for a taxpayer to incur the maximum rate.

Even taxpayers making more than $200,000 a year, says the Treasury Department, pay taxes, on the average, of only 37.1 percent on their capital gains.

The Steiger-Hansen argument is that restoration of the 25 percent ceiling on capital gains would revive the attractiveness of the very sort of investment that is indispensable to the nation's economic health. Beyond that, they believe, the result would be expanded earnings and a net gain in federal tax revenues.

Opponents argue, of course, that what Representative Steiger and Senator Hansen propose would prove of benefit only to the wealthy—an argument that ignores the extent to which the nonwealthy depend for jobs on the availability of investment capital. Critics also are less optimistic about the

overall impact on the federal government's tax revenues.

Congress, however, seems to be looking for an alternative to warmed-over New Deal remedies for bolstering the economy, and more and more of its members are beginning to recognize the conventional economics of the Steiger-Hansen proposal as an answer.

[From the Journal of Commerce, June 29, 1978]

SHOULD INVESTORS ESCAPE?

There was an element of piquancy, to put it mildly, in the responses Mr. Carter made at his Monday press conference to questions posed as to his attitude toward proposed cuts in the capital gains tax, which currently enjoy considerable support from his own party in Congress.

The President and his Secretary of Treasury, be it remembered, have indicated more than once their concern about the lagging rate of capital investment in this country. They have also expressed more than once their intention of doing something about it. But neither has shown much more willingness to explain just what they want to do about it than to explain that their interest in doing something is more for the purpose of getting George Meany and the AFL–CIO hierarchy off their backs than anything else.

There is no better way known to us of stimulating private investment in productive industry than by sharply reducing double taxation on investment income. And there is no better way of doing that than by reducing, if not by eliminating almost altogether, the current tax on capital gains. This is contemplated by the Steiger bill, which would reduce it to its pre-1969 rate of 25 percent, and by the compromise Jones Amendment that would cut it modestly to 35 percent.

It is, however, the widespread congressional support for the more drastic Steiger bill that is giving the White House so many worries.

The President, it appears, opposes both. He did not say outright at his Monday press conference that he would veto either (perhaps because the questions to which he was responding were not phrased sharply enough). But he did leave the impression that if either, or a combination of the two, should pass both houses, a White House veto was very possible.

Why? In his responses he didn't mention his former insistence that private capital investment in industry was any longer on his mind at all. No, as he put it, "both of these proposals apply basically to the desire of some members of Congress to remove part of the income of very wealthy taxpayers from the minimum tax." That was a reference to a law passed by Congress several years ago requiring that wealthy persons pay a minimum tax regardless of the source of their income.

In other words, the reductions in the capital gains tax as proposed by the Steiger and Jones bills should be rejected entirely because some of the better-off folk might benefit from them. This is in the truest populist tradition, which holds that anyone in any kind of a position of wealth came by it either through inheritance or by exploiting the less fortunate people in the nation. No government action strengthening this position should be tolerated.

This attitude is hardly limited to Mr. Carter. It has, in fact, been frequently expressed in one way or another by a number of Capitol Hill millionaires, and seems to have been accepted lock, stock and barrel of Massachusetts' Sen. Edward Kennedy, who hardly rates among what President Roosevelt once called "the ill-clad, ill-housed and ill-fed" one-third of the nation.

Still and all, when we hear a reduction in the capital gains tax discussed in those terms we are reminded of the retort given by one of Sweden's great warrior kings to accusations that he had been all too cruel in his treatment of the inhabitants of an occupied territory. "Better the innocent should suffer," said he (reversing an older doctrine), "than the guilty should escape."

Well, if that is the case, and that is the only way in which Mr. Carter sees it, then we may have to kiss goodbye any hope of a reduction in the capital gains tax, or in the double taxation of dividends, for so long as he remains in the White House and can prevent Congress from overriding his vetoes. But in this case it begins to look as though there is enough support in Congress to push across the Steiger amendment, or at least the milder Jones amendment, to do just that. So prospects are not altogether that hopeless.

In the meantime, Messrs. Carter and Blumenthal and their associates have some very difficult explaining to do. On one hand, they want more private investment as a means of providing more employment by stimulating the economy. On the other hand, they are unwilling to accept any meaningful relaxation of the tax laws inhibiting private investment that seem to favor investors.

It ought to be obvious that they can't do both at the same time. And if they can't then either Mr. Carter or somebody else speaking for him has to explain why they're trying to do the one and not the other. Or is somebody deep in the White House basement trying to figure out a way in which the wealthy and the middle class can be eliminated altogether and replaced as investors in American industry by the poor and disadvantaged?

Well, if the currently popular doctrine of income redistribution is carried far enough, perhaps that's exactly what will happen some years hence. But if it does, there will be a totally new investing class to deal with, and a totally New Poor to be fed, housed and clothed out of the public trough.

[From the Philadelphia Inquirer, June 28, 1978]

MR. CARTER OVERSIMPLIFIES THE CAPITAL GAINS DEBATE

In opening his Monday press conference with a 356-word statement denouncing the so-called Steiger Amendment, President Carter failed to utter a word about the problem of capital formation, which is precisely what the ongoing debate over Rep. William Steiger's plan to reduce the capital-gains tax is all about. But Mr. Carter talked as if it was nothing more than a rip-off plan by the rich to get richer at $2 billion expense to the country's working people.

Pitting the rich against everyone else might be expedient politics and an easy way to buttress Mr. Carter's populist image, but it does nothing to further public understanding about the need for finding an effective and equitable way to build the productive foundations of the American economy, which in many areas are severely and dangerously weak or out of date.

Capital is the bedrock on which all industry must stand—or without it, fall. Most vitally, it includes all productive plant and machinery. Without sound, well-financed capital underpinnings, major segments of the economy atrophy and fall behind better-capitalized foreign competitors. In such circumstances, the economy will sputter, technological advancements will be retarded and jobs will deline—affecting the very people Mr. Carter says he is concerned about.

The lack of adequate investment is a growing concern that is shared by economists, labor leaders and businessmen of all political stripes. Mr. Carter's Council of Economic Advisers added its own voice of concern in its last annual report. "At a time when strong growth in capital stock is needed to meet future goals, investment appears to be drifting below normal trends. This drift must be reversed."

Rep. Steiger believes that to reverse the trend the Congress should undo what it did in 1969 when it increased the maximum tax rate on capital gains from 25 percent. It is now 49.1 percent. Mr. Steiger's proposal has gathered considerable support in the Congress, much to the Carter Administration's consternation.

If it becomes law, there is no doubt that wealthy people will benefit since they are the ones that invest in stock, in real estate and other ventures. But the key question is its effect on the general economic health of America, on which all Americans depend.

Steiger proponents cite the forecasts of one economist who predicts that lower capital taxes will encourage investment to the tune of an additional 400,000 jobs and a reduction in the federal deficit of $16 billion. Their opponents argue that the proposal will cost the federal treasury over $2 billion a year and that stock investment will not be substantially affected since the vast majority of corporate gains occur on real estate, not in capital stock.

Those differences are the basis for an earnest, and profoundly important, debate. In lashing out at the rich and by offering no bold solution of his own, Mr. Carter has reduced his side of the debate to superficiality. If there was any value in Mr. Carter's statement it was that it may increase that debate, over the Steiger Amendment and alternate proposals. That debate should focus on the need to enhance capital growth, which is a problem that effects all Americans regardless of wealth.

[From the Orlando Sentinel Star, June 30, 1978]

UNWISE VETO

If Jimmy Carter follows through his threat to veto the congressional tax cut plan, it could be the most serious political mistake of his presidency.

Carter's main objection is that the tax breaks in personal exemption deductions and the proposed changes in long-term capital gains taxes favors the upper and middle classes more than the poor.

The president is right, of course, and to endorse the plan is heresy in the school of populist politics that spawned him. He obviously still sees anti-rich rhetoric essential to his recovery in the public opinion polls.

From a purely moral standpoint, his stand is consistent with his campaign characterization of the taxing system as a disgrace and an abomination. Total reform to insure that everyone in the country pays his fair share of the tax burden might be the best thing that could happen to the U.S. economy.

But from a practical standpoint, even Carter has learned that complete tax reform is an impossibility with a Congress in which special interests reign supreme. Like a lot of other politicians before him, he has all but abandoned efforts to accomplish it.

Unable to obtain the deal, Carter should make the best of the opportunities available to him. The Congress seems to realize what Carter has not grasped—that something must be done to stimulate investment and refuel America's business machine. In the long run, that can do more to expand the economy and create new jobs than all the federal tinkering with interest rates, dollar values and import quotas.

The sudden urge among lawmakers to give tax money back to the middle and upper income level citizens is a direct result of the tax revolt movement sweeping the country. People are finally beginning to realize that government spending is the biggest contributing factor to inflation and that the tax burden of financing is getting too heavy to carry.

While it is not as idealistic and politically moral as taking from the rich and spending it on behalf of the poor, there is merit in any plan that results in tax dollars being spent by those who earn them rather than by the federal government.

Any politician who vetoes a tax cut this year does so at considerable risk.

[From the Washington Post, August 5, 1978]

TODAY'S 'FORGOTTEN MAN': THE INVESTOR

(By Clayton Fritchey)

Back in the New Deal days, President Franklin D. Roosevelt dubbed the American worker as the "forgotten man." Times have changed: Today the "forgotten man" (or woman) is the American investor, especially the small or average stockholder who mostly is earning only a pittance on his savings.

In the last decade, over five million Americans have dropped out of the stock markets, and it is easy to see why. Over that period, stocks have averaged a return of only 2.8 to 3.3 percent, depending which index is used, or less than half the average inflation rate for the same years.

Since Jan. 1, 1977, the Dow Jones average has dived from 1004 to around 880. Faced with minuscule return and minus growth, it is hardly surprising that the public is now reluctant to invest in often risky common stocks when they can get a much higher return from guaranteed savings accounts or government bonds.

As Arthur Burns, former chairman of the Federal Reserve Board, has noted, we no longer "have a healthy environment for investment." It is drying up. "Venture capital," Dr. Burns says, "is virtually dead in our country. The spirit of innovation, of business enterprise, of capital investment," he adds, is not what it used to be.

Even administration officials who oppose the Steiger plan to stimulate the economy through a reduction of capital gains taxes, agree with the Burns assessment. "The facts are indisputable," says Treasury Secretary Michael Blumenthal. "Our financial system is providing insufficient equity capital. We aren't investing nearly enough in productive plant, equipment and technological innovation."

The reason the tax relief proposed by Rep. William Steiger (R-Wis.) has caught fire on Capitol Hill is not because Congress is eager to further enrich the already rich, but simply because it belatedly has come to realize that something must be done to encourage economic growth and increased productivity, the twin pillars of general prosperity.

Proponents of the Steiger plan contend that cutting the capital-gains tax would raise stock prices (40 percent, according to one study), as well as generate investment, profits and employment, thus bringing the Treasury more, rather than less, revenue in the long run.

Opponents scoff at these claims. President Carter himself has referred to the drive to ease capital-gains taxes as offering "tax windfalls for millionaires." Admittedly, there are other, and perhaps more effective, ways of using tax incentives to attack economic stagnation, but the Steiger plan, or some variation of it, is the only one that now has the votes.

There is a consensus that it is at least a step in the right direction, and can possibly be followed up later with complementary measures, such as reducing the corporation income tax, eliminating or reducing double taxation on corporate earnings and dividends, raising investment tax credits and similar relief if the situation then seems to call for it.

The Steiger approach has strong backing in the Senate as well as the House, with both Sen. Robert Byrd, the majority leader, and Sen. Russell Long, chairman of the Senate Finance Committee, in its corner. Long thinks the White House has "misread the mood of the country," and a new nationwide poll confirms that opinion. It found a "strong sentiment" in favor of special tax breaks for capital gains.

One reason Congress is not impressed by Carter's talk about handouts to plutocrats, is that the immense growth of pension systems, funded largely by investment in common stocks, has shown that nearly everybody—directly or indirectly—now has a stake in business profits and dividends. It is no longer just the rich clipping coupons.

These days, when it comes to cutting the corporate pie, the stockholders get what's left after management, the employees and the tax man get theirs. The executives get up to a million dollars a year or more in salaries, often with comparable sums in bonuses and huge expense accounts, plus enormous pensions, and such perquisites as hunting lodges and private planes.

Most organized workers now get yearly pay increases, often along with additional adjustments for inflation, plus large "fringe" benefits for health and unemployment protection. Half of the Social Security contributions are also paid out of company funds, as is the case with many pension programs as well.

Finally, after local and state taxes are paid, in addition to a federal income tax of 48 percent on earnings, there is little possibility of substantial dividends. Moreover, U.S. corporations now pay out only about 44 percent of their earnings in dividends, whereas in the 1960s the payout averaged 50 to 60 percent.

In its spontaneous embrace of the Steiger approach, Congress has perceived that if there is no relief for the ordinary investor, the government could well kill the goose that has laid so many of the golden eggs of American private enterprise.●

ECONOMIC WONDER CURE: STRENGTHEN PRODUCTIVITY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. LaFALCE. Mr. Speaker, in past years, the United States had the highest rate of productivity growth of any nation in the world as a result of our intelligence, investment, and innovation. In recent years we have slipped to the bottom of the list of industrialized nations in productivity growth, and our economy and balance of trade reflect this decline.

An article printed in the Buffalo Evening News yesterday notes this fact and recognizes that it is going to take a serious and sustained effort to restore the United States to its prominence in this field. In fact, it may be well into the 1990's before we can even climb back to productivity growth rates now being achieved by other industrialized nations. Since we have neglected productivity for such a long time, we will have to again acquaint ourselves with the requirements of achieving that improvement. This, however, is something that must be done. As noted in the article, if we are successful in this effort, we will have found an "economic wonder cure" for many of our present ills.

I commend this piece to the attention of my colleagues for its insight and candor, and offer it here for reprinting:

ECONOMIC WONDER CURE: STRENGTHEN PRODUCTIVITY

(By John Cunniff)

NEW YORK (AP).—Want to reduce inflation, raise the quality of life, lower the foreign payments deficit, improve the cities, solve pressing social problems, create jobs, extend leisure time?

You do, of course, so it follows that you are also for greater productivity, which is a measure of how efficiently we use manpower, materials, machinery and money. We've measured poorly of late.

Members of the Joint Economic Committee of Congress are hearing again from the experts that our recent poor record is a problem that no longer can be ignored.

That is what they heard years ago, too. Meanwhile, the record has worsened. Vital as it is, improved productivity seems to be one of those issues always postponed, if not totally ignored.

During the years since World War II the rate of improvement has been 3.2 percent a year, but during the past decade it has fallen to just 1.5 percent, and is not likely to get back to 3.2 percent before 1990 at least.

While the United States, whose industrial superiority was built by rapid productivity increases, chugs along somewhat wearily, the rates for Japan, West Germany and some other trading partners race ahead.

A report just issued by the nation's productivity center indicates rates in Japan and West Germany might average between 4 percent and 6 percent a year through 1990, while that for the United States lags under 3 percent.

In other words, one could argue, the competitive position of American-made goods can be maintained only by taking a smaller profit or by assistance from the federal government—that is, protectionism.

In the sense that this is a semi-capitalist country, such a turn would bring the end in sight. The spirit of free enterprise that helped spur a productivity surge in the past century might be suffocated.

The alternative—licking the problem and restoring greater productivity—would on the other hand shower the populace with such benefits that one wonders how it can be ignored, as sometimes it is.

George H. Kuper, executive director of the National Center for Productivity and Quality of Work Life, tried to underscore this point in his report, "The Future of Productivity."

If it had merely increased over the past 10 years at the same 3.2 percent rate of the previous two decades, he said, "the difference would have meant an additional $100 billion in real GNP . . ."

GNP is gross national product, the total of goods and services, of steel and bicycles and food and vacations and houses and nursing care and day camps and security and technology and clean air and water.

In addition, productivity increases would have meant more general tax funds, and perhaps enabled us to obtain the tax relief that so many Americans now want but cannot have without a reduction of services.

The ingredients of productivity are perhaps better known to Americans than to any others, because for decades Americans were, after all, the greatest innovaters, the smartest managers, the most daring investors.

Reselling these ingredients to Americans is somewhat compared to teaching a once healthy adult how to walk and talk, skills that he or she once learned enthusiastically and almost intuitively.

All Americans are familiar with some of them: labor-management cooperation, support for science and technology, creation of an economic climate that encourages capital formation, and risk-taking.

The list includes government incentives to stimulate private enterprise, the reform of government regulation, more efficiency in government. And at least one more, as noted in the center's report: "Better public understanding of the necessity of improving productivity."

Improvements in all other areas of the productivity issue depend on such understanding, but it is not easy to put across. No easier than teaching an adult to walk after he lost that intuitive skill.●

AN ENVIABLE FLIGHT SAFETY RECORD

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 8, 1978

● Mr. ARMSTRONG. Mr. Speaker, Frontier Airlines, headquartered in Denver, Colo., enjoys an enviable safety record. Vogue magazine recently surveyed the safety records for all major airlines, and concluded that Frontier has the best 10-year safety record. One factor which contributed to achieving this fine record is Frontier's development of systematic landing and approach techniques. My colleagues, many of whom fly millions of miles annually, may well be interested in the following article which details Frontier's efforts to make landings standard procedure.

[From the Frontier Magazine, July 1978]

THE RIGHT APPROACH

(By Richard Brice)

Some pilots regard FAA inspectors with the same friendly spirit in which a motorist looks at a traffic cop.

I'm happy to say I didn't find this to be the case with Frontier's flight crews when I was assigned to the airline. They've cooperated in a unique program to reduce risks during the most critical period of any flight, namely the approach and landing phase.

THE NEED FOR STANDARDS

Prior to my employment in 1957 with the FAA's predecessor, the Civil Aeronautics Administration (CAA), I served as pilot-in-command on Douglas DC–6Bs assigned to the Military Air Transport Command (MATS). I flew from the United States to all points of Europe and the Far East, including Japan. When not flying scheduled trips, I instructed on the DC–6B, qualifying new pilots for MATS operations.

Between 1955 and 1957, I flew a scheduled three round trips a month from McGuire Air Force Base in New Jersey to various points in Europe and the Mideast. These included stops at Newfoundland, Goose Bay, Labrador, Iceland, the Azores and Bermuda. On many of the Atlantic trips destination weather was at minimum ceiling and visibility for landing. As a matter of fact, it was very common on the North Atlantic in those pre-jet days to experience instrument flight conditions from takeoff to landing. Runway markings and lighting were usually minimum. Radio aids left much to be desired.

The North Atlantic operation was quite a contrast from my previous assignment. Then I flew mostly from Travis Air Force Base, near San Francisco, to Tokyo via Honolulu, Hawaii and Wake Island.

On the Pacific trips, crews pretty much did their own thing when conducting the approach and landing phase of the flight. Weather usually was not a problem and most landings were made with good visibility and ceiling. In fact, the majority of time weather was clear.

The North Atlantic was quite a different story. Flying it is survival of the fittest. The Azores, for example, are noted for severe crosswinds occasionally compounded by driving rain. England is plagued with frequent fog as thick as split pea soup. The whole continent of Europe, particularly during the winter, has many periods of low visibility. This often requires pilots to execute approaches down to the lowest allowable altitude—and usually after being in a patience-straining holding pattern for long periods of time.

The fact that foreign traffic controllers give clearances in broken English only adds to this stress. The 1977 KLM-Pan Am ground collision in the Canary Islands stands as a grim example of what can happen if clearances are misunderstood.

So it was only natural for me to realize that cockpit discipline, coordination and alertness were synonymous with safety. Numerous trips with crew members I had never flown with before impressed on me the need for quality training and standardized procedures, especially during approach and landing.

A DAILY HABIT

I went to work for the CAA in 1957 and was assigned to Frontier as an inspector. I noticed some variance in cockpit techniques and discipline by Frontier crews. After discussing this with Frontier's management, many improvements were made during the next few years. When the airline industry began replacing piston-powered aircraft with more complex modern jet-powered aircraft the "revolution" in approach and landing techniques took place.

Frontier was ready for the jet age before the first jet-powered aircraft joined its fleet. In the late 1950's, Captain Elmer Burson, Chief Pilot in Phoenix, and I spent many hours discussing various changes in operating procedures that would be required when Frontier replaced its Douglas DC–3's with modern aircraft.

In 1960, Captain Chick Stevens became Supervisor of Flight Training. Shortly, thereafter, Captain Ken Dealy was named Director of Training. Burson, Stevens, Dealy and I developed Frontier's present approach and landing procedures.

In recent years the National Transportation Safety Board has made many recommendations for cockpit coordination and discipline during approach and landing. Their recommendations have been almost identical to the procedures we developed earlier for Frontier.

Before the present approach and landing procedures were adopted, we discussed the proposed changes with all chief pilots and most crew members. Our goal was to develop good habits through training. We found the best training is accomplished during line operation on a daily basis, with each pilot observing the other in a competitive professional manner.

The procedures can be broken down into two parts:

Stabilized Approach. The aircraft is flown on the approach at a constant airspeed and a constant rate of descent from 500 feet above the ground to touchdown.

Standardized Approach and Landing Technique. The crew is trained to perform duties by habit with a high degree of discipline. This overcomes any tendency toward complacency. It also develops a high degree of skill and creates an atmosphere of competition to make a perfect approach and landing. Every approach and landing, day or night, good weather or poor, is conducted with the same cockpit discipline. Habits are formed, and each approach and landing is treated as if made under the worst conditions possible.

MEMORY AIDS

Captain Pete Lamkin—then a Frontier check airman—developed a procedure using mnemonics, a word derived from the Greek goddess of memory, Mnemosyne. Mnemonics is simply a technique of improving the memory. Captain Lamkin's mnemonic, adopted by Frontier to assist during approaches, is: West coast railroad.

WEST is a reminder to check the latest Weather. All facets of weather are considered, such as landing minimums, wind, runway conditions.

Coast stands for Checklist and Clearance. It's a reminder to read the descent and approach checklist and review the clearance for proper approach procedure.

Rail is the reminder to tune and identify Radios needed for the approach.

Road is the reminder to Review the approach plate (a diagram depicting pertinent airport and arrival procedures) for field elevation, minimum descent altitude and the missed approach procedure.

West coast rail road has created a thinking process. It develops, in an orderly manner, a time when certain actions must be taken. Because of the relaxed activity during cruise, a crew coming out of an enroute cruise condition usually does not have an accelerated thinking process. This is when the thinking process must be stimulated, and West coast rail road does the job.

THE HUMAN ELEMENT

Hundreds of hours were spent with members of flight operations and flight training discussing human factors—how a pilot reacts and is capable of reacting during the approach and landing phase.

When working with human beings and aircraft, incapacitation of a crew member in flight is always a concern. Frontier's approach and landing technique was developed with this in mind. Crew members are disciplined to operate in such a way that it's obvious to the other crew member if partial incapacitation, such as fatigue or even depression, is becoming a problem.

As an FAA inspector, I found the confidence developed among Frontier's crews by the present approach and landing technique caused the Frontier pilot group to be very strong and aggressive on periodic flight checks. The non-proficient pilot stands out among his fellow airmen. Pride causes him to perfect his act.

In developing the approach and landing technique, priority was given to making pilot reaction a habit, a kind of automatic reflex. It's not that of a robot, but of a person trained to perform with instant and correct logic. The technique also allows both pilots to work as a team. Each person knows what the other is doing at all times.

MAKING THE CHANGE

As with most new ideas, there was some initial resistance to the new procedures. We soon concluded that oral discussions would not convince skeptics of the merits of proposed changes in operating procedures.

It was then decided that Captain Chick Stevens would demonstrate, during actual flight, the new approach and landing techniques to as many members of the pilot's Air Safety Committee, chief pilots and line pilots as feasible. After the demonstrations were concluded, the procedures were adopted in 1965. They became standard operating procedures for Frontier's Boeing 737 and Convair Jet-prop 580 fleets.

The approach and landing technique, once adopted, has since required little supervision by the FAA or Frontier management. Individual pilot's desires to be professional and follow standard operating procedures have had a standardization effect on all pilots, including the newly hired ones.

Much more technical detail about the procedures could be added. But as far as the average passenger is concerned, it seems only necessary to emphasize that these procedures have made your flight on Frontier safer.

In this respect, I must inject a note of personal gratitude to Captain Chick Stevens. As Supervisor of Flight Training during the gestation and implementation period, he bore the brunt of adverse arguments. But he stuck to his guns. With the backing of the chief pilots and the pilot's Air Safety Committee, his dedication paid off in Frontier's excellent cockpit discipline, alertness and concentration during the approach and landing phase of flight.●